



ZetaDisplay: Year End Report January - December 2019

February 7, 2020

ZetaDisplay continues to grow as a software and service company and invests for the future

October – December 2019

- Net sales increased by 10 % to SEK 144.3 (130.9) million
- SaaS-revenues (recurring) increased by 24% to SEK 40.0 (32.3) million
- ARR (Annual recurring revenue) increased by 28 % to SEK 165.5 (129.8) million
- EBITDA amounted to SEK 21.2 (16.1) million
- Operating profit amounted to SEK 12.8 (11.1) million
- Earnings per share before and after dilution amounted to SEK 0.07 (0.72) and 0.07 (0.70)

January – December 2019

- Net sales increased by 8% to SEK 436.1 (404.1) million
- SaaS-revenues (recurring) increased by 35 % to SEK 137.1 (101.9) million
- ARR (Annual recurring revenue) increased by 28 % to SEK 165.5 (129.8) million
- EBITDA amounted to SEK 52.2 (48.2) million
- Operating profit amounted to SEK 3.4 (29.6) million
- Earnings per share before and after dilution amounted to SEK 0.22 (0.87) and 0.22 (0.85)

Significant events during the quarter

- ZetaDisplay AB acquired 100% of Gaudi BV for a cash compensation of SEK 52.9 million and an additional performance-based payment up to SEK 18.5 million. Gaudi BV was integrated into ZetaDisplay BV from 10 October 2019.

Significant events after the quarter

- ZetaDisplay AB announces the introduction of an updated organization for increased scalability and international growth. The Group will move from a geographical to a function-based organization. The organization will be effective during March 2020.

Comments from CEO

ZetaDisplay continued in the fourth quarter to increase SaaS-revenues and drive international growth. SaaS-revenues increased by 24% compared to the same period last year and represents 28% of net sales. The performance measurement Annual recurring revenue (ARR) increased by 28%. The acquisition of Dutch Gaudi BV during the month of October strengthens the Group's leading position in the Benelux area.

Net sales for the quarter amounted to SEK 144.3 million, an increase of 10% compared to the same period last year. The increase is mainly attributable to the acquisition of Gaudi BV. The increased share of SaaS-revenues and the acquisition strengthens the gross margin. Gross profit increased by SEK 19.9 million to SEK 75.5 (55.6) million corresponding to 52.3 (42.5) %.

A strong full year 2019

2019 is the year where our efforts to increase SaaS-revenues and scalability in the organization have led to clear improvements. Net sales for the year amounted to SEK 436.1 (404.1) million, an increase of 8% compared to last year. SaaS-revenues grew by 35% to SEK 137.1 (101.9) million and now account for 32 (25) % of net sales. The organic growth in SaaS-revenues amounted to 19.1%. Annual recurring revenue (ARR) increased by 28% to SEK 165.5 (129.8) million.

We raised our financial ambition at the beginning of the year and updated our financial objectives. By 2022, SaaS-revenues shall amount to SEK 200 million and operating profit of SEK 100 million. During the year we have managed to get closer to these objectives with continuously improved results. Consistently, the segments have increased their SaaS-revenues as effect of increased service and software solutions in our deliveries.

Our deliveries to global customers require continuous development of our software as well as of our product – and service offering. Our 160 employees have shown great commitment to meet customer needs even in the rapid pace of change we are in.

In order to secure the Group's ability to grow further organically and through acquisitions, a non-secured senior bond of SEK 300 million was issued during September. The market interest was strong, and the issue was oversubscribed.

Our development focus remains on investments in software and concept development. On the acquisition side, we concentrate mainly on large European Digital Signage markets. The companies we are looking at are profitable, with an attractive market position and access to internationally

oriented customers.

In line with our increased internationalization, the Board of Directors decided in early January 2020 on an updated organization for the company. The purpose is to move from local to international business management. Our major projects during the year have shown that by bringing together competences across national borders, we can create an offering that provides our customers and ourselves with scalability, efficiency and innovation.

Outlook

Market demand remains strong. We are an important part of our customers' digital transformation and therefore we develop and streamline our international organization further. Furthermore, we add services, invest in our software and conceptually know-how. These combined activities are creating a clear added value for our customers.

During the financial year 2020 we serve a stable international customer base and we look forward to a positive development in the coming quarters.

This information is such information that ZetaDisplay AB (publ) is required to disclose under the EU market abuse regulation. The information was provided, by Per Mandorf, for publication on 7 February 2020 at 08:00 am.

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About ZetaDisplay

ZetaDisplay provides visual communication solutions to influence behavior in a physical store or office environment. The company is built on a profound understanding of human behavior in decision-making situations. The total offering includes concept development software programming, deployment as well as technical contracted services. ZetaDisplay is based in Malmö, Sweden. The company has annual net sales 400 MSEK and employs 140 employees at eight offices in six European countries. The company controls and maintains today more than 50 000 installations at customers on 50 markets. The share is listed on the NASDAQ OMX Stockholm Stock Exchange [ZETA].

More information at www.zetadisplay.com

Attachments

- [ZetaDisplay - year end report January - December 2019](#)
- [ZD_Press release year end report January-December 2019](#)