



## Interim Report January - June 2021

July 19, 2021

### Strong growth and result – strategic review completed

#### April - June 2021

- Net sales increased by 46.5% to SEK 108.7 (74.2) million
- SaaS revenue increased by 13.4% to SEK 43.5 (38.3) million. Organic growth at fixed exchange rates was 4.2%
- ARR amounted to SEK 174.6 million compared to SEK 173.5 million in the previous quarter
- EBITDA amounted to SEK 10.1(11.1) million. Adjusted for non-recurring items, EBITDA amounted to SEK 17.1 (11.1) million
- Operating profit amounted to SEK 1.1 (2.7) million
- Earnings per share before and after dilution amounted to SEK -0.21 (-0.06) and -0.21 (-0.06) respectively

#### January - June 2021

- Net sales increased by 11.2% to SEK 196.5 (176.6) million
- SaaS revenue increased by 7.5% to SEK 83.6 (77.8) million. Organic growth at fixed exchange rates was 3.2%
- EBITDA amounted to SEK 21.6 (4.9) million. Adjusted for non-recurring items, EBITDA amounted to SEK 30.5 (21.4) million
- Operating profit amounted to SEK 4.1 (-12.9) million
- Earnings per share before and after dilution amounted to SEK -0.13 (-0.61) and -0.13 (-0.61) respectively

#### Significant events during the quarter

- ZetaDisplay wins the Global Digital Signage Award together with Norwegian SNØ
- ZetaDisplay signs an additional contract within the existing framework agreement with Swedish Match
- ZetaDisplay enters into a new delivery agreement with PostNord Group AB covering Sweden, Norway, Denmark and Finland
- The Bid Committee of the Board of ZetaDisplay AB unanimously recommends that the shareholders of the company accept the public offer made by Hanover Equity Fund II on June 28 through Alpha Acquisition AB

#### Significant events after the quarter

- The subscription period for the public offering of Hanover Equity Fund II is expected to be completed by 3 September 2021

#### CEO comment

##### Strong growth and result – strategic review completed

**ZetaDisplay's net sales amounted to SEK 108.7 (74.2) million, which is an increase of 46.5% compared to the same period last year. SaaS revenues amounted to SEK 43.5 (38.3) million and represented 40.0 (51.6) % of net sales. ARR corresponded to SEK 174.6 million and EBITDA was SEK 10.1 (11.1) million. Adjusted for non-recurring items related to the strategic review during the spring, EBITDA amounted to 17.1 (11.1) MSEK.**

The increase in net sales is almost as attributable to organic growth as to the acquisition of German NORDLAND systems GmbH earlier this year. Project sales were 81.8% higher than the corresponding period last year and corresponding to SEK 65.3 (35.9) million. Gross profit amounted to SEK 65.4 (47.5) million, corresponding to a gross margin of 60.2 (63.9) %. The margin was affected by a higher proportion of project sales compared to the previous year.

#### Increased activity in the market

The customer base remained intact throughout the pandemic, during the past quarter we have seen that recovery has become more tangible. Projects that were paused during the pandemic have started again, the number of tenders has increased, and customers have started planning for new projects or additional investments. During the quarter, we announced new contracts with Swedish Match and PostNord Group that are in line with the recovery.



The international framework agreements continue to develop according to plan. Several new installations in existing markets, such as North America, have been added. Furthermore, rollouts in the UK and South America have broadened our global presence.

The increase in activity in the market internationally and some lack of components have led to some delays in hardware deliveries. We have largely been able to handle the situation thanks to our strong position with leading suppliers and through coordination within the Group. Delivery challenges can continue during the autumn, but we are prepared to continuously be able to handle any effects.

### **A stronger offer**

We continue to invest in our organization and our offering to create further growth. During the spring, we have expanded and strengthened our commercial teams in all countries to meet the growing demand. In accordance with plan, we have developed and launched new features and integrations for our software products.

During the quarter, we also launched our European service catalogue. The service catalogue is introduced step by step and is expected to support sales through a standardized structure and harmonized pricing. The range of professional services supports our installations and develops further customer relationships. The service catalogue's offer and its packaging are valid for the entire Group, which increases scalability and customer benefit.

During the quarter, our employees worked mostly from home. As demand increases and local pandemic regulations change, we are actively working to ensure that our employees can return to our offices. It is a step-by-step process that is expected to be completed in the autumn.

### **Strategic review completed**

On March 31 this year, the Board of Directors of ZetaDisplay announced a decision to conduct a review of various strategic options to create the best possible value for shareholders. This process resulted on 28 June in a public offering by Hanover Active Equity Fund II. The subscription period for the offer is expected to be completed by 3 September. For the management of ZetaDisplay, the process is another sign of the attractiveness of the market segment, our business model and our market position. The offer is intended to promote growth and create long-term positive effects for all stakeholders. In our quarterly and annual reports, we have referred to an ongoing consolidation of our industry. We welcome continued support for our growth ambitions.

### **Outlook**

In the previous quarterly reports, we assessed a significant increase in demand in the second half of the year. The last three months have confirmed that the market is recovering, and we are preparing for further growth in the second half of the year. During 2020 and at the beginning of 2021, we have developed our internal processes and our organization, we have continued to invest in our offering. We have recruited to promote growth and acquired a leading company in the German market. We are ready to strengthen our market position and market share. At the same time, we are approaching our financial targets of SEK 200 million in SaaS revenues and SEK 100 million in EBIT by the end of 2022.

I am very proud of our performance during the quarter, employee engagement, the trust of our customers and our advancement in our strategic priorities.

I look forward with confidence to the second half of 2021.

### **Per Mandorf**

*President and CEO*

*The Board of Directors and the CEO assure that the half-year report provides a true and fair view of the parent company's and the Group's position and results and describes significant risks and uncertainties facing the Parent Company and the companies that are part of the Group.*

Malmö 19 July 2021

**Per Mandorf**  
President and CEO

**Mats Johansson**  
Chairman of the Board

**Anders Moberg**  
Board Member

**Anders Pettersson**  
Board Member

**Finn Følling**  
Board Member

**Ingrid Jonasson Blank**  
Board Member

**Mats Leander**  
Board Member

**Mia Alholm**  
Board Member

**Trond Gunnar Christensen**  
Board Member

*This report has not been subject to review by the company's auditor.*

*This interim report is information that ZetaDisplay AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act.*

*The information was submitted, on the authority of Per Mandorf, for publication on 19 July at 08:00 CEST*

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**About ZetaDisplay**

ZetaDisplay acts at the heart of digital transformations in physical environments. We contribute to nudging peoples' behaviour at the point-of-decision in retail environments, public spaces, and workplace environments. Our solutions are known as Digital Signage that we develop and offer as SaaS-solutions. We are a European leader and intend to drive the further consolidation of the market organically and through acquisitions.

ZetaDisplay has its head office in Malmö. The company generates revenues of approx. SEK 450 million and employs 200 staff at ten offices in six European countries and the USA. In total, the company handles more than 70,000 installations on over 50 markets. The share is listed on Nasdaq Stockholm [ZETA]. More information at [www.ir.zetadisplay.com](http://www.ir.zetadisplay.com)

**Attachment**

- [ZD Interim report Q2 2021 - Final ENG](#)