



Year end report 2023

February 29, 2024

CONTINUED SaaS GROWTH IN THE FOURTH QUARTER

October – December 2023

- SaaS revenues increased by 12.7% to SEK 55.1 (48.9) million
- Net sales slightly increased to SEK 161.4 (160.6) million
- Gross margin increased to 50.8% (44.5%)
- Adjusted EBITDA was SEK 31.8 (9.8) million
- Operating loss was SEK -83.9 (-6.6) million

January – December 2023

- SaaS revenues increased by 11.9% to SEK 214.1 (191.4) million
- Net sales decreased year on year, SEK 521.3 (527.7) million
- Gross margin improved to 58.0% (53.9%)
- Adjusted EBITDA was higher than the prior year at SEK 74.6 (60.2) million
- Operating loss was SEK -106.4 (-4.6) million

Significant events during the quarter

- On 23 October 2023, the Group announced that Anders Olin was appointed as CEO & President of ZetaDisplay. A handover was completed with the former CEO, Per Mandorf, who left the business on 31 December 2023.
- On 13 November 2023, ZetaDisplay announced that it had entered into a multi-year framework agreement with Axfood, initially for the development and establishment of a new digital signage solutions concept for leading Swedish grocery retail chain Hemköp covering 220 stores.

Significant events after the quarter

- On 22 February 2024, the Group announced that Claes Pedersen was appointed as CFO of ZetaDisplay. The interim CFO, Jog Dhody, will remain with ZetaDisplay throughout Q1 2024 to handover.

CEO COMMENT

Continued SaaS growth in the fourth quarter

Net sales for the quarter amounted to SEK 161.4 (160.6) million. SaaS revenues were SEK 55.1 (48.9) million and represented 34.1% (30.5%) of net sales. Reported EBITDA was SEK 2.2 (2.9) million. Adjusted for Hanover costs and non-recurring items, EBITDA amounted to SEK 31.8 (9.8) million.

Comment

Our fourth quarter was characterized by a stable, continued growth in SaaS revenues and increased gross margins. Simultaneously we have experienced challenges to our NRR (non-recurring revenue) business due to reduced overall customer hardware investments and some delayed projects. At the same time, we see continued healthy and growing activity from our international customer base, with several new project initiatives connected to our increasing investments in our in-house software platform aimed at further scaling our international services and product range. During the quarter we have also initiated several key integration activities of the recently acquired PeakMedia Digital Signage GmbH in Austria. The integration is progressing well with multiple cross-country growth activities started in addition to wider group alignment. Simultaneously we've continued to develop our country markets and group structure for growth transformation across ZetaDisplay, as well as executed key changes in the leadership team and group organization blueprint. Changes include new CEO, new and recent country heads for key markets Germany, and The Netherlands including the US market, and the formation of a new Global Accounts team to support and accelerate growth in our international enterprise customer portfolio.

Outlook

Our long-term plan and investment initiatives for growth continue by advancing our in-house software platform and migrating acquired customers' 3rd party software, resulting in a positive outlook especially in our SaaS business area. In addition, we expect recent acquisitions and existing M&A activities to yield additional growth in the medium term. We see some uncertainty in the short-term market conditions as well as intermittent delays in some customer projects, especially related to the NRR area. As before, we continue to actively monitor market development and to manage costs whilst prioritizing key investments for long-term growth and customer focus.

I would like to thank all our co-workers for their tireless commitment to our customers and thank our customers for their continued trust.

Malmö, February 29, 2024

Anders Olin

President and CEO

Full Year End report attached and available on <https://ir.zetadisplay.com/>

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

This information is information that ZetaDisplay AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of Anders Olin, at 08.00 CET on 29 February 2024.

Upcoming reporting sessions

ZetaDisplay AB (publ) annual financial statements will be published on ir.zetadisplay.com during the last week of April. The interim report January – March will be published on ir.zetadisplay.com in May 2024.

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ABOUT ZETADISPLAY

Founded in 2003, ZetaDisplay is a leader in the Nordic region and second in Europe and we drive the digital transformation in physical environments on a daily basis. Our solutions, concepts and software digitize, influence and inform people's behavior and decision-making in stores, in public environments, in restaurants, in hospitality, during travel and in workplaces. Our solutions are known as Digital Signage which we develop and offer as SaaS solutions. We are a global leader that actively influences the development of the international Digital Signage market organically, through innovation and through acquisitions.

ZetaDisplay is based in Malmö, has a turnover of SEK +500 million and employs +200 co-workers in offices in seven European countries. In total, the company manages more than 100.000 installations globally in more than 50 markets. ZetaDisplay is owned by the investment company Hanover Investors. More information at www.ir.zetadisplay.com and www.hanoverinvestors.com.

Attachment

- [ZetaDisplay AB \(publ\) Year End Report 2023](#)