



ZETADISPLAY AB (publ) INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2024 (Q3)

November 28, 2024

Q3 Interim report August – October 2024 for ZetaDisplay AB (publ) is now available at <https://ir.zetadisplay.com/financial-reports>

Report summary:

JULY – SEPTEMBER 2024

- Recurring revenue, adjusted for discontinued operations*, increased by 20.6% to SEK 62.8 (52.1) million
- Recurring revenue, excluding adjustments for discontinued operations, increased by 13.6 % to 62.8 (55.3) million
- Net sales, adjusted for discontinued operations*, increased by 30.7% to SEK 148.8 (113.8) million
- Net sales, excluding adjustments for discontinued operations, increased by 28.9 % to SEK 148.8 (115.4) million
- Gross margin* decreased to 57.9% (62.5%)
- Adjusted EBITDA* was SEK 22.9 (12.0) million

CEO comment

GROWTH IN RECURRING REVENUE AND STRATEGIC EXPANSION

Net sales for the quarter increased to SEK 148.8 (113.8) million, with recurring revenue rising by 20.6% to SEK 62.8 (52.1) million, representing 42.2% of net sales. The growth in recurring revenue reflects our strategic focus on building a solid foundation of recurring revenue streams.

Simultaneously our overall adjusted EBITDA grew to SEK 22.9 (12.0) million underscoring our ability to manage costs effectively and enhance profitability. This achievement is particularly noteworthy given the somewhat reduced gross margin. The lower gross margin is mainly attributable to the increased share of third- party solutions in our recurring revenue mix following recent acquisitions and is anticipated to improve as integration and software migration activities progress. During the quarter, we signed a notable new deployment project in Germany with an existing key client, which has now entered the full execution phase. Additionally, we recently won a significant tender for a new enterprise customer contract in Sweden with Praktikertjänst, a leading national healthcare provider. The contract involves the rollout of a completely new digital signage network across 1,000 locations, comprising approximately 2,500–3,000 screens.

We effectively continue to grow service projects outside Europe, both in the US and MEA regions. Our pipeline of mid- and long-term prospects, both locally and internationally, has grown considerably, driven by a strong commercial trend with new business wins. The group-wide sales transformation project is nearing completion,

resulting in a rapidly growing sales funnel across all countries. Notably, orders signed from new customers have more than doubled year-to-date. While we experienced continued delays in certain hardware projects during Q3, our overall momentum remains positive, fuelled by growth in both new and existing business.

Our acquisition of Beyond Digital Solutions Ltd in the UK earlier this year continues to generate significant value for the group, both in terms of financial performance and enhanced market penetration for our software products. Our software suite recently achieved a record number of recognitions at key international awards, further enhancing its reputation as a high-quality offering and strengthening our ability to position our solutions across a wide range of markets and segments.

OUTLOOK

Our long-term plan and investment initiatives for growth are now visibly supported by the execution of our 2024 strategic growth transformation plan.

In addition, our acquisitions provide additional growth in the medium term, alongside increased organic growth, showcased by new key customer projects, strong growth in new prospects pipeline as well as a growing share of incoming requests.

Hanover transformation projects are nearing completion, and we anticipate significantly lower exceptional costs related to these initiatives next year. As always, we maintain our commitment to prioritizing and investing in activities that foster long-term growth and enhance our focus on customer satisfaction in addition to enhancing our software product quality. I would like to thank all our co-workers for their tireless commitment to customer success and thank our customers for their continued trust.

Anders Olin

President and CEO

Malmö, 28 November 2024

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 28 November 2024

- Full report attached and available at <https://ir.zetadisplay.com>

Upcoming reporting sessions

ZetaDisplay AB (publ) year-end report will be published on ir.zetadisplay.com in February, week 9, 2025.

For further questions, please contact:

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ABOUT ZETADISPLAY

20 years of leadership and innovation in digital signage.

ZetaDisplay was founded 2003 in Sweden as one of the early pioneers of digital signage. We are one of the leading European corporations in the digital signage market and a leading force in the European digital signage industry. Our proprietary software platform, digital business development and consulting services, innovative digital signage solutions, and creative concepts regularly inspire- influence and guide millions of people every day in retail environments, in restaurants, on advertising screens, in factories, on trains, on cruise ships, in stadiums, in workplaces and in all types of public spaces indoor and outdoor. ZetaDisplay is one of the largest leading European digital signage companies with direct operations in eight European countries and the US with 120,000 active installations in over 50 countries, across all major continents where we are the business partner of choice for many of the worlds most respected blue-chip brands and companies.

ZetaDisplay is based in Malmö-Sweden, has a turnover of SEK +500 million and employs approx. 240 co-workers. ZetaDisplay is owned by the investment company Hanover Investors. More information at www.ir.zetadisplay.com and www.hanoverinvestors.com.

Attachment

- [Interim Report January - September 2024](#)