



# ZetaDisplay [ZETA] Q4 report 2019

Increase in SaaS revenues and  
investments for the future

# The investment cornerstones

What we do

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 offices. 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.

Our business model

We operate a business model consisting of project, consulting and SaaS revenues. Our customer agreements are at least three years long and we take pride in a low customer churn rate. Our recurring revenues are constantly on the rise and correspond to 33% of net sales.

How we stand out

- We have in-depth customer insight and create value adding digital communication concepts
- We offer an “easy to work with” content management system (CMS) that can be scaled according to customer needs. We generate automated as well as tailor-made contents which is distributed via the cloud to a disperse installation base.
- We are experts in delivering connectivity to our customers' digital eco system creating a seamless Digital Signage experience via standardized API's.
- We take pride in flawless 24/7 customer support with first line, second line and third line global support processes.

# The Presenters



## PER MANDORF.

Group CEO & President from September 2019.

- Joined ZetaDisplay in 2019.
- Experience: Managing Director of Retail Tech and Software company Visma Retail AB. Commercial Director for Retail Tech and Software company ExtendaRetail. VP/Sales Director Visma Retail AB. Nordic Retail Manager NilsonGroup, and several leading positions in Nordic retail companies.
- Shareholdings: No ordinary shares and share option rights.
- Holds a degree as Market Economist and MBA.



## OLA BURMARK

CFO and responsible for Investor Relations.

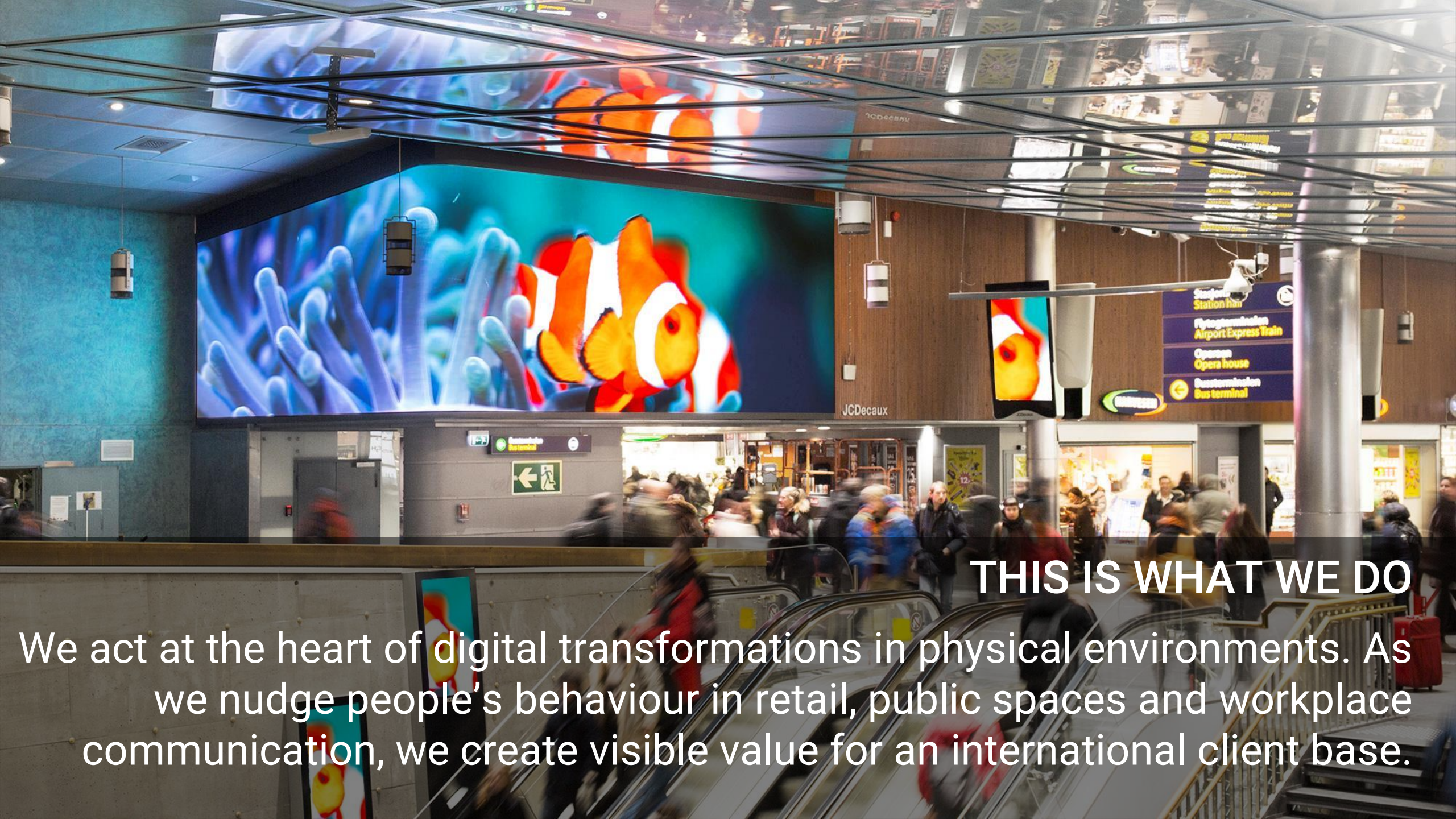
- Joined ZetaDisplay in 2018.
- Experience: CFO Medivir (publ), OneMed och Aditro and SVP Finance Thule Group. Responsible for acquisition and financing at Cell Network (publ) and SCA (publ). Previous auditor at EY.
- Shareholdings: 3,750 ordinary shares. 87,500 employee share options (share option rights through an employee incentive plan 2018/21 and 2019/22).
- Holds a Master of Science in Business and Economics from Mittuniversitet.



## DANIEL OELKER.

Chief Communication Officer

- Joined ZetaDisplay in 2018.
- Experience: SVP Communication & Branding for Thule Group, Hilding Anders and SCA Hygiene Products AG (Essity).
- Other assignments: Board member for SleepingWorld AB.
- Shareholdings: 30,000 ordinary shares and 87,500 share option rights (share option rights through an employee incentive plan 2018/21 and 2019/22).
- Holds an MBA and Master in Communications.



**THIS IS WHAT WE DO**

We act at the heart of digital transformations in physical environments. As we nudge people's behaviour in retail, public spaces and workplace communication, we create visible value for an international client base.

# AN EUROPEAN LEADER IN DIGITAL SIGNAGE

**2003**

Founded

**50,000**

Installations

**50**

Markets

**52.2**

EBITDA 2019  
(MSEK)

**436.1**

Total sales 2019  
(MSEK)

**165.5**

ARR  
(Annual Recurring Revenues)  
(MSEK)

**160** STAFF

**9** OFFICES

Sweden, Denmark, Norway, Finland,  
Estonia and the Netherlands

**#1** IN NORDICS

**#2** IN EUROPE

Market share  
within Digital Signage

**[ZETA]**

Listed on Nasdaq Stockholm

## Growth in SaaS-revenues & investments for the future

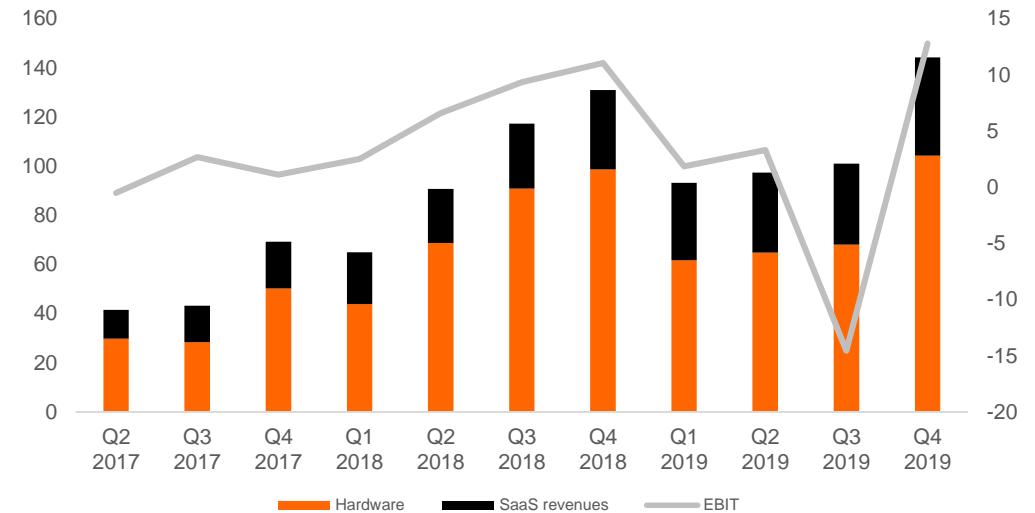
- Further acquisition
  - Gaudi BV, Netherlands, acquired and to be incorporated into ZD Netherlands
- Investing for the future
  - Investments into software, people and product concept development
  - Introduction of an updated organization for increased scalability – from country to function-based
  - Laila Hede Jensen new Commercial Officer



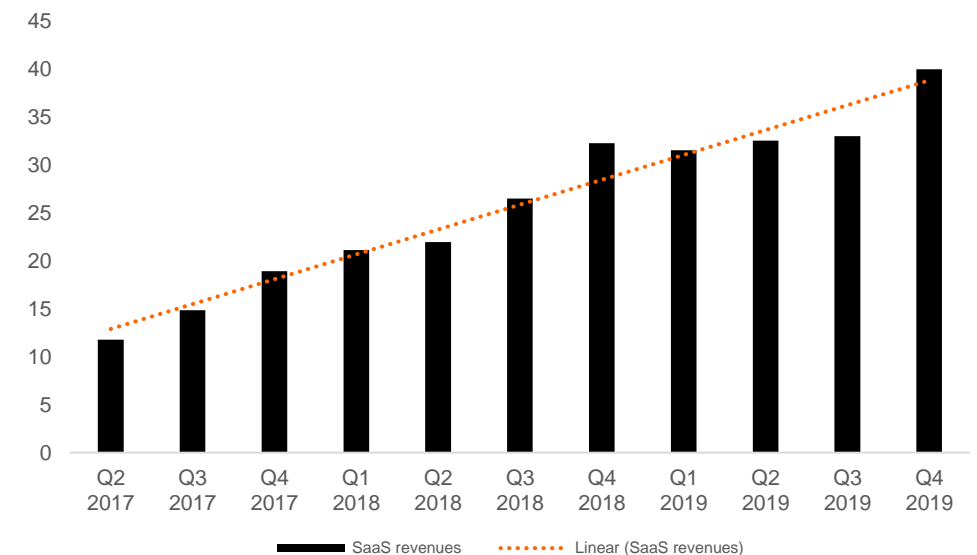
## Q4/2019 – financial highlights

- 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)

Sales & Profit development (MSEK)

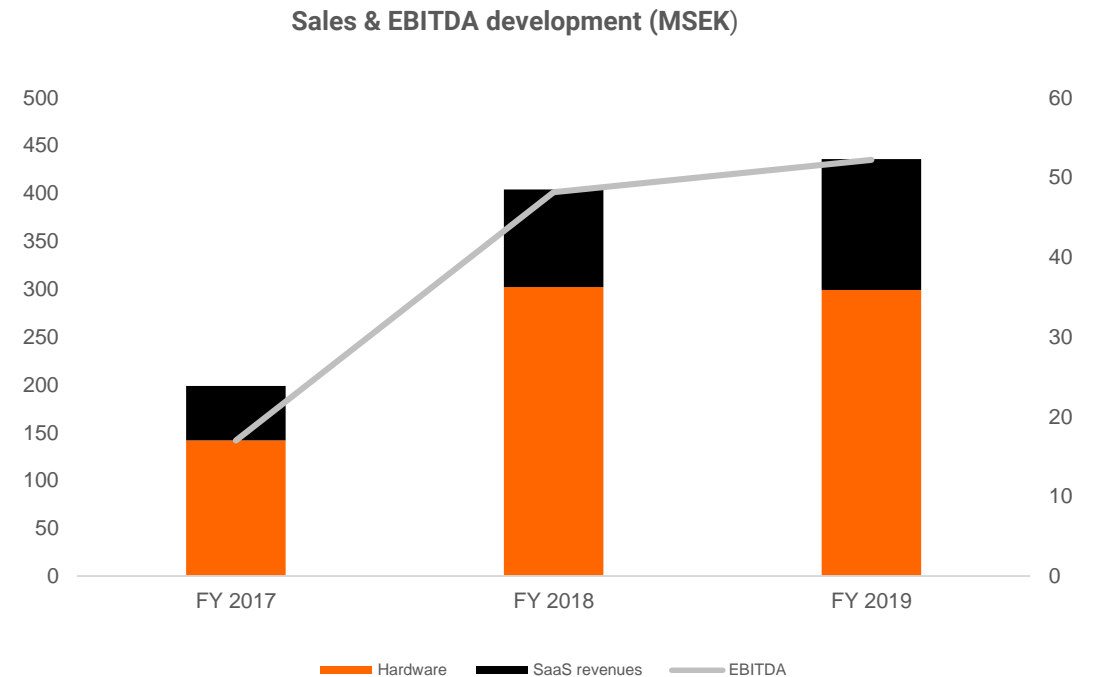


SaaS revenues



## FY 2019 – financial highlights

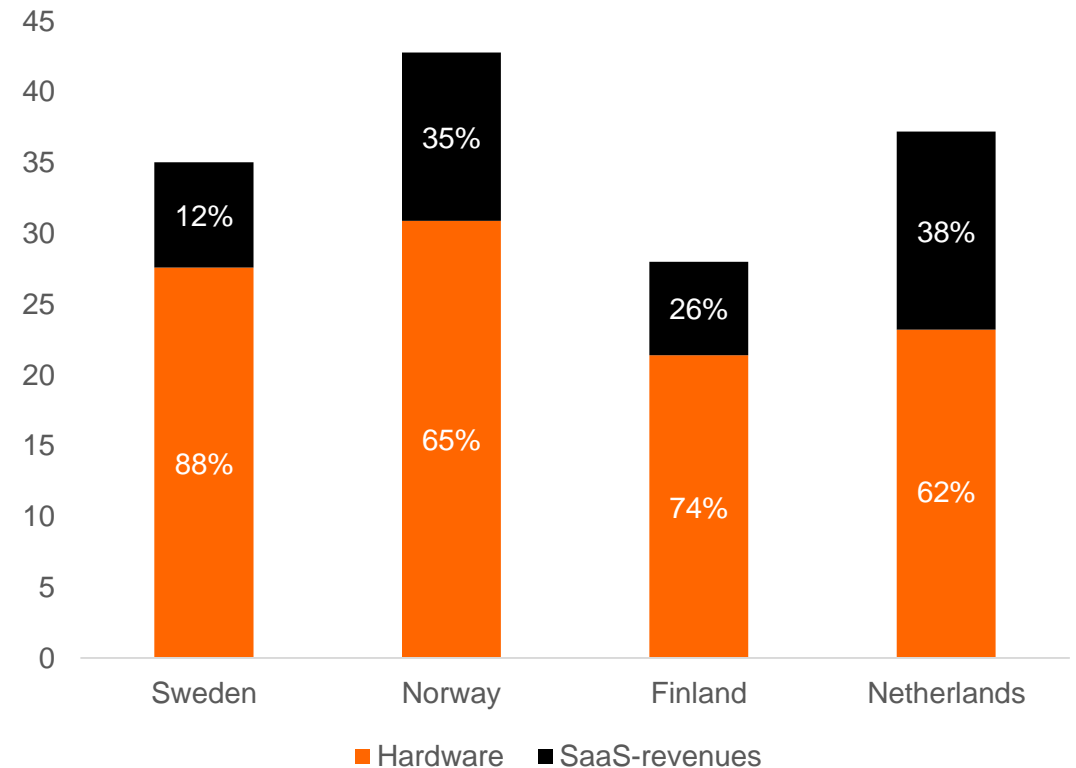
- Net sales increased by 8% to SEK 436.1 (404.1) million
- SaaS-revenues (recurring) increased by 35% to SEK 137.1 (101.9) million
- ARR (Annual recurring revenue) increased by 28 % to SEK 165.5 (129.8) million
- EBITDA amounted to SEK 52.2 (48.2) million
- Operating profit amounted to SEK 3.4 (29.6)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



## Q4/2019 – segment reporting

- Sweden reported net sales of SEK 35.0 million (48.5), a decline of 27.8%
  - EBITDA during the quarter amounted to SEK 2.4 (4.1) million
- Norway shows net sales of SEK 42.8 (32.7) million, a growth of 30.9%
  - EBITDA was at SEK 10.4 (7.4) million
- Finland showed net sales of SEK 28.1 (29.7) million, a decline of 5.6%
  - EBITDA of SEK 3.7 (2.2) million
- Netherlands had net sales of SEK 37.2 (18.9) million, an increase of 96.8%
  - EBITDA of SEK 11.6 (6.4) million
- Group-wide costs increased by 30.3% from SEK 8.1 to 10.5 million. The cost increase is related to increased harmonization, professionalization and internationalization of the Group.

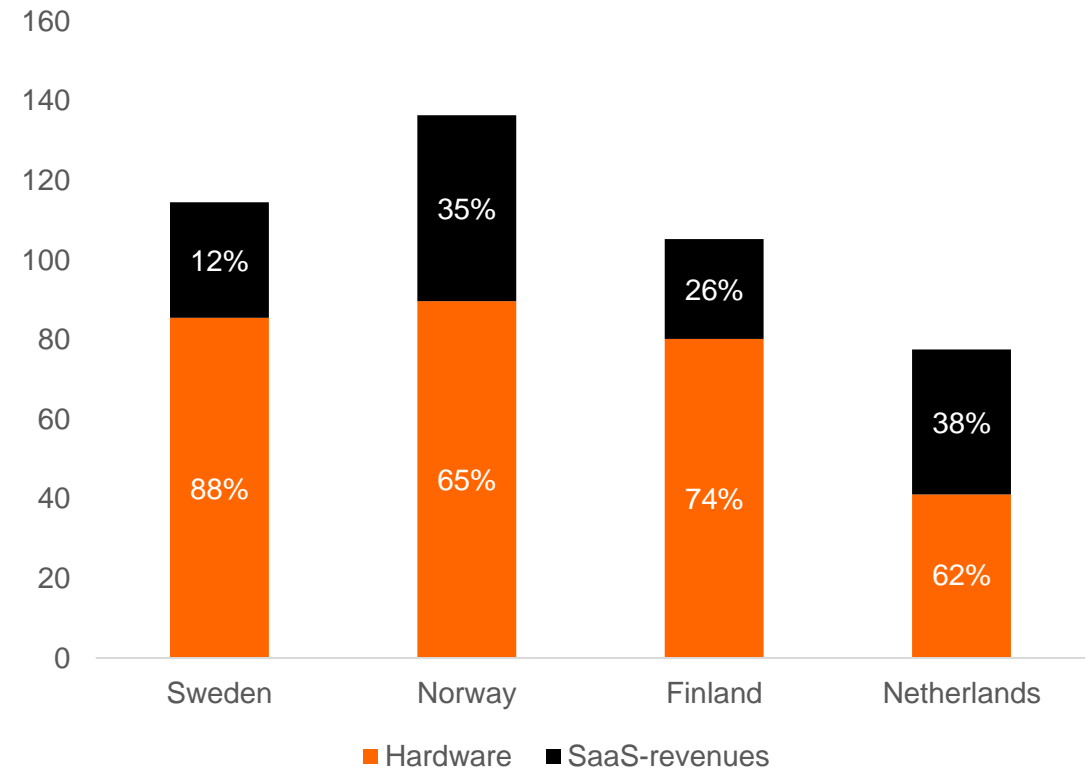
Q4 2019 segment net sales (MSEK)



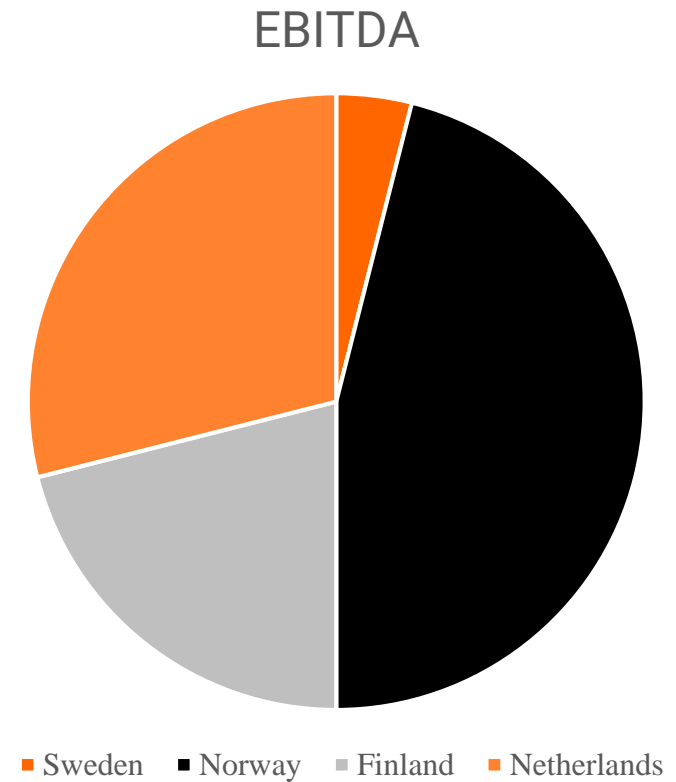
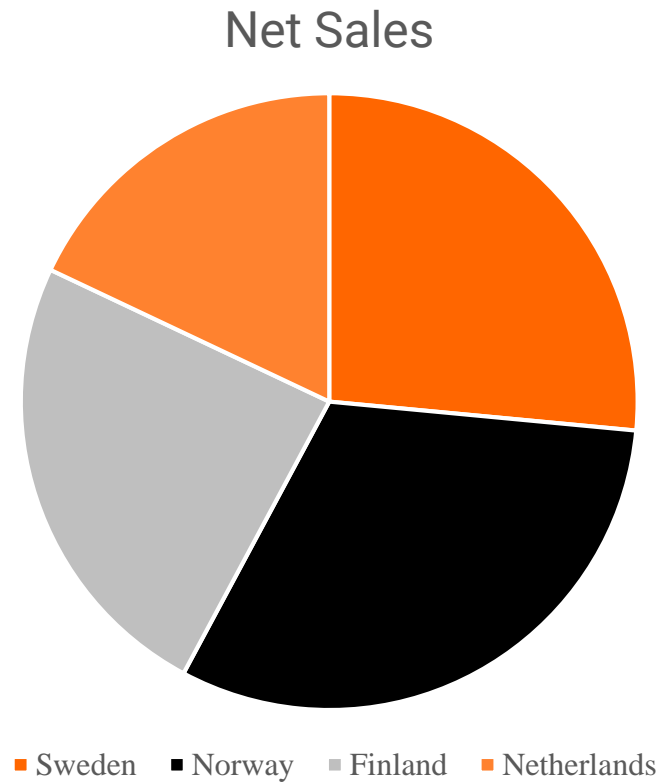
# FY 2019 – segment reporting

- Sweden reported net sales of SEK 114.5 million (131.8), a decline of 13.2%
  - EBITDA during the quarter amounted to SEK 2.4 (7.0) million
- Norway shows net turnover of SEK 136.4 (106.6) million, a growth of 28.0%
  - EBITDA was at SEK 34.5 (28.4) million
- Finland showed net sales of SEK 105.3 (99.1) million, an increase of 6.2%
  - EBITDA of SEK 15.6 (9.3) million
- Netherlands had net sales of SEK 77.5 (64.5) million, an increase of 20.2%
  - EBITDA of SEK 22.0 (19.3) million
- Group-wide costs increased by 34.9% from SEK 25.1 to 33.9 million. The cost increase is related to increased harmonization, professionalization and internationalization of the Group.

FY 2019 segment net sales (MSEK)



## FY 2019 – Share of SaaS revenues drives profitability



# FINANCIALS IN DETALS

Ola Burmark (CFO)

## Q4 2019 – key ratios in overview

<b>FINANCIAL INDICATORS</b>	<b>OCT-DEC</b>	<b>OCT-DEC</b>	<b>JAN-DEC</b>	<b>JAN-DEC</b>
<b>(TSEK)</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Net sales	144 318	130 937	436 131	404 101
SaaS-revenues (recurring)	39 986	32 287	137 089	101 907
Annual recurring revenue (ARR)	165 468	129 828	165 468	129 828
Gross margin (%)	52,3	42,5	52,3	45,7
EBITDA	21 208	16 096	52 202	48 155
EBITDA-margin (%)	14,7	12,3	12,0	11,9
Operating profit	12 786	11 071	3 428	29 551
Operating margin (%)	8,9	8,5	0,8	7,3
Profit/loss for the period	1 886	19 597	15 041	25 576
Equity ratio (%)	34,8	42,9	34,8	42,9
Equity per share	10,03	11,24	10,03	11,24
Earnings per share before dilution (SEK)	0,07	0,72	0,22	0,87
Earnings per share after dilution (SEK)	0,07	0,70	0,22	0,85

## Q4/2019 - profit & loss statement

- Net sales for the quarter increased by 10% to SEK 144.3 (130.9) million, compared with the corresponding quarter last year.
- SaaS-revenue increased by 24% and amounted to 40. (32.3) MSEK.
- ARR (Annual recurring revenue) amounted to SEK 165.5 (129.8) million, an increase by 28%.
- Gross profit amounted to SEK 75.5 (55.6) million, corresponding to a gross margin of 52.3 (42.5)%.
- Operating profit amounted to SEK 12.8 (11.1) million.
- Financial items amounted to SEK -7.7 (11.2) million. Revaluations of additional considerations (earn-outs) amounted to SEK 10.3 million previous year.

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - SUMMARY (TSEK)

	3 MONTHS OCT-DEC 2019	3 MONTHS OCT-DEC 2018	12 MONTHS JAN-DEC 2019	12 MONTHS JAN-DEC 2018	12 MONTHS JAN-DEC 2018
Net turnover	144 318	130 937	436 131	404 101	404 101
Capitalized work on own account	2 968	1 143	9 756	8 061	8 061
<b>Total Revenue</b>	<b>147 286</b>	<b>132 080</b>	<b>445 887</b>	<b>412 162</b>	<b>412 162</b>
<i>Operating expenses</i>					
Goods for resale	-68 843	-75 335	-207 992	-219 421	-219 421
Other external expenses	-21 247	-13 473	-63 078	-46 605	-46 605
Personnel expenses	-35 988	-27 176	-122 615	-97 981	-97 981
Depreciations and write-downs	-8 422	-5 025	-48 774	-18 604	-18 604
<b>Operating profit</b>	<b>12 786</b>	<b>11 071</b>	<b>3 428</b>	<b>29 551</b>	<b>29 551</b>
Financial income	687	12 815	29 042	14 701	14 701
Financial expenses	-8 341	-1 587	-15 809	-10 708	-10 708
<b>Profit/loss after financial items</b>	<b>5 132</b>	<b>22 299</b>	<b>16 661</b>	<b>33 544</b>	<b>33 544</b>
Tax	-3 246	-2 702	-1 620	-7 968	-7 968
<b>Net profit/loss</b>	<b>1 886</b>	<b>19 597</b>	<b>15 041</b>	<b>25 576</b>	<b>25 576</b>
Profit/loss per share before dilution, SEK	0,07	0,72	0,22	0,87	0,87
Profit/loss per share after dilution, SEK	0,07	0,70	0,22	0,85	0,85
Average number of common shares before dillution, SEK	28 746	25 484	27 828	23 144	23 144
Average number of common shares after dillution, SEK	28 746	25 981	27 828	23 666	23 666

# Balance sheet

- Intangible assets of SEK 474.4 (411.6) million. Increase of SEK 62.8 million due to acquisition of Gaudi with goodwill of SEK 58.5 million and customer relations of SEK 16.3 million, positive exchange rate differences in goodwill and capitalized own development of 12,6 MSEK. These effects are decreased due to write-down of trademarks of SEK 20.9 million.
- Right of use assets of MSEK 19.4 due to implementation of IFRS 16. Liabilities have increased by approximately the same amount
- Cash and undrawn credit facilities of SEK 169.3 (110.3) million.
- Net debt of MSEK 200.3 (73.8)
- Equity ratio of 35 (43) %

## CONSOLIDATED BALANCE SHEET - SUMMARY (TSEK)

	2019-12-31	2018-12-31
<b>ASSETS</b>		
Intangible assets	474 335	411 551
Tangible assets	9 492	7 539
Right of use assets	19 358	0
Deferred tax assets	3 183	4 589
Financial non-current assets	130	274
<b>Total non-current assets</b>	<b>506 498</b>	<b>423 953</b>
Inventories	9 779	13 373
Current receivables	128 773	111 512
Cash and cash equivalents	128 289	83 389
<b>Total current assets</b>	<b>266 841</b>	<b>208 274</b>
<b>TOTAL ASSETS</b>	<b>773 339</b>	<b>632 227</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to shareholders in the Parent Company	268 759	271 458
<b>Total equity</b>	<b>268 759</b>	<b>271 458</b>
<b>Provisions</b>	<b>352</b>	<b>272</b>
Non-current liabilities	327 436	182 387
Current liabilities	176 792	178 110
<b>Total liabilities</b>	<b>504 228</b>	<b>360 497</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>773 339</b>	<b>632 227</b>

# Cash-flow statement

- Cash-flow from operating activities amounted to SEK 12.8 (26.0) million
- Changes in working capital of SEK -23.7 (-13.1) million.
- Investments driven by additional considerations paid during the year and acquisition of Gauddi 2019 and Webpro 2018.
- Financing activities driven by new bond loan and amortizations of old loans, redemption of preference share and new share issue during 2019. 2018 comprise of amortizations during the year and new share issue.

	12 Months JAN-DEC 2019	12 Months JAN-DEC 2018
<b><i>Operating activities</i></b>		
Cash-flow from operating activities before changes in working capital	36 528	39 169
Cash-flow from changes in working capital	-23 736	-13 129
<b>Cash-flow from operating activities</b>	12 792	26 040
<b><i>Investing activities</i></b>		
<b>Cash-flow from investing activities</b>	-88 458	-78 054
<b><i>Financing activities</i></b>		
<b>Cash-flow from financing activities</b>	119 395	75 941
Cash-flow for the period	43 729	23 927
Cash and cash equivalents at the beginning of the period	83 389	58 771
Exchange rate differences	1 171	691
Cash and cash equivalents at the end of the period	128 289	83 389

## Share ownership End December 2019

- The existing outstanding preference shares were delisted during August after the AGM's decision on redemption
- The total number of shares end December amounted to 26 800 011

SHAREHOLDER	NUMBER OF ORDINARY SHARES	TOTAL SHARES	SHARE OF CAPITAL %	SHARE OF VOTES %
Valeado AB (Virala Oy Ab)	3 748 651	3 748 651	14,0%	14,0%
Anders Pettersson	2 774 586	2 774 586	10,4%	10,4%
Mats Johansson	2 598 629	2 598 629	9,7%	9,7%
AMF Fonder	1 176 227	1 176 227	4,4%	4,4%
Anders Moberg	1 174 724	1 174 724	4,4%	4,4%
Magari Venture AS	1 100 000	1 100 000	4,1%	4,1%
Mats Leander	1 015 000	1 015 000	3,8%	3,8%
Prioritet Capital AB	812 500	812 500	3,0%	3,0%
Martin Gullberg	766 500	766 500	2,9%	2,9%
Leif Liljebrunn	742 628	742 628	2,8%	2,8%
Nordea Fonder	616 215	616 215	2,3%	2,3%
Avanza Pension	601 449	601 449	2,2%	2,2%
Mikael Hägg	600 000	600 000	2,2%	2,2%
LMD Beheer B.V (previous owner Qyn B.V)	596 762	596 762	2,2%	2,2%
Six Sis AG	540 029	540 029	2,0%	2,0%
SEB Life International	421 503	421 503	1,6%	1,6%
Manu Mesimäki	313 177	313 177	1,2%	1,2%
Other shareholders	7 201 431	7 201 431	26,9%	26,9%
<b>TOTAL</b>	<b>26 800 011</b>	<b>26 800 011</b>	<b>100%</b>	<b>100%</b>

A close-up photograph of a person's eye, heavily adorned with vibrant, multi-colored makeup. The eyelids are painted with a rainbow gradient, and the eyelashes are coated in thick, colorful mascara. The surrounding skin is covered in a dense layer of fine, multi-colored glitter and confetti, creating a festive and eye-catching effect.

**Thank you for your attention!**

Ticker symbol [ZETA]  
@nasdaqomxnordic.com