

Interim Report Q3 2020

4 November 2020

Per Mandorf
President & CEO

Jacob Stjernfält
CFO

Agenda

Q3 presentation 4 November 2020



Business update



Financials in details



Takeaway's



Q&A



THIS IS WHAT WE DO

We act at the heart of digital transformations
We create meaningful interaction in retail, public spaces and workplaces
We create visible value for an international client base

Concept,
Strategy and
Content

Project &
Hardware

Interface

Integrations

Cloud based
Software

Media Player

Operations
(aftermarket
services)

A European leader aiming for more

2003

Founded

+52,000

Installations

+50

Markets

39.6

EBITDA LTM
(MSEK)

406

Total sales LTM
(MSEK)

156.6

ARR
(MSEK)

158 STAFF

9 OFFICES

Sweden, Denmark, Norway, Finland,
and the Netherlands

#1 IN NORDICS

#2 IN EUROPE

Market share
within Digital Signage

[ZETA]

Listed on Nasdaq Stockholm

Strong commitment
and
ambitious targets

A team with a long term commitment and extensive experience from international operations within digital transformation

A clear road map for further growth

SaaS model
and
compounder

A business model that drives growth, increase margins and customer satisfaction

A compounder within the industry with a successful M&A track record

Digital transformation
partner
and
market growth

A comprehensive range of software and services to optimize both the business and customer experience.

Our solutions create a competitive edge

The Digital Signage industry grows approx. 15% YoY

Key developments Q3 2020

Increased SaaS revenues
Stable customer base
Continued cost control

“The importance of digital transformation has increased and the willingness to invest exists.”

CEO Per Mandorf

Q3/2020 vs Q3 previous year

- **Increased SaaS revenues**

- Resilient business model in uncertain times
- Operations in full delivery mode, online and offline
- Market recovery is ongoing, but uncertain when it will reach full scale

- **Stable customer base**

- Limited soft churn due to reduced retail footprint
- Delayed decision process for new contracts
- Framework agreements develop largely as planned

- **Continued cost control**

- Cost savings in line with target of 20 MSEK by quarter 1, 2021
- OPEX in line with previous year despite acquisition from last October
- Selected investments into organization, software, operations and concepts

-13.3%

Net Sales

+16.4%

SaaS-Revenues

+15.3%

ARR

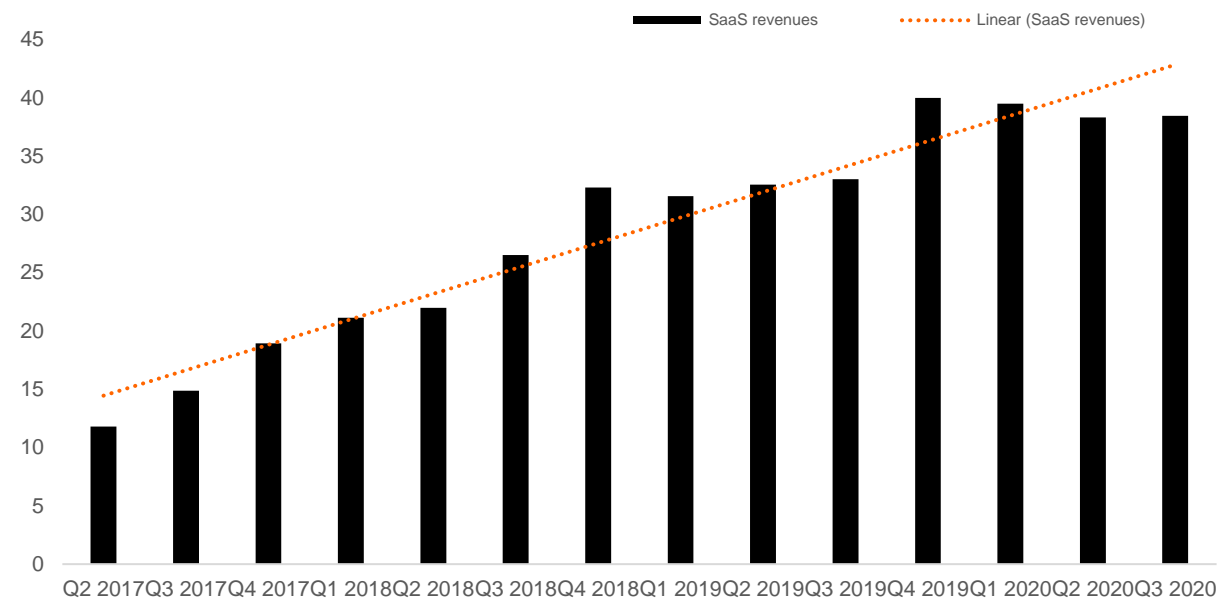
+2.4%

EBITDA

Q3/2020 – Improved profitability

- Net sales decreased by 13.3% to SEK 86.9 (100.2) million
- SaaS revenue increased by 16.4% to SEK 38.4 (33.0) million
- ARR (annual recurring revenue) increased by 15.3% to SEK 156.6 (135.8) million
- EBITDA amounted to SEK 13.6 (13.2) million
- Operating profit amounted to SEK 5.3 (-14.5) million
- Basic and diluted earnings per share amounted to SEK 0.03 (0.29) and SEK 0.03 (0.29) respectively

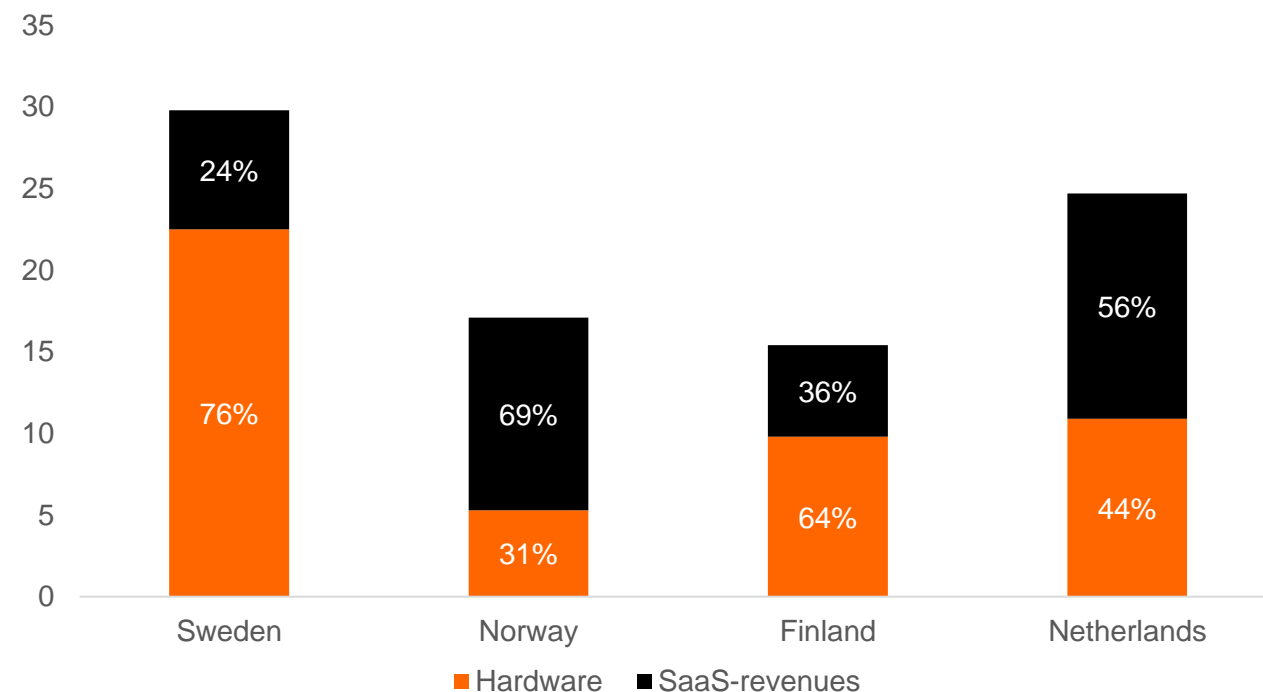
SaaS revenues



The segments

- Sweden reported net sales of SEK 29.8 million (32.6), a decrease of -8.7%. EBITDA during the quarter amounted to SEK 0.5 (2.2) million
 - Roll-out of international framework agreements
- Norway shows net sales of SEK 17.1 (34.0) million, a decline of 49.8%. EBITDA was at SEK 7.0 (9.7) million
 - Large hardware roll-outs in previous year with lower margins
- Finland showed net sales of SEK 15.4 (20.3) million, a decline of 24%. EBITDA of SEK 1.1 (1.4) million
 - Decreased volume based on less hardware projects
- Netherlands had net sales of SEK 24.7 (13.3) million, an increase of 85.8%. EBITDA of SEK 6.4 (4.6) million
 - Visible effect of Gauddi acquisition

Q3 2020 Segment Net Sales (MSEK)



Financials in detail

Jacob Stjernfält
CFO

Q3/2020: Financial stability in uncertain times

- SaaS-revenues and stable customer base
 - Decrease of net sales by 13.3% - effect of a lower volume of new implementation projects impacted by COVID-19
 - Organic increase in SaaS-revenues of 3.9%
 - SaaS-revenues equal to 44.2% of net turnover
 - Mix change to more SaaS-revenues drives margin enhancement
- Savings programs in line with target
 - Personnel costs below previous year despite acquisition during October 2019
 - Travel and other external expense reductions
- Financial items impacted by interest expenses for the bond loan
- Financial items positively impacted by revaluation of additional considerations related to acquisitions

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - SUMMARY (TSEK)

	3 MONTHS JUL-SEP 2020	3 MONTHS JUL-SEP 2019	9 MONTHS JAN-SEP 2020	9 MONTHS JAN-SEP 2019	12 MONTHS JAN-DEC 2019
Net sales	86 927	100 235	263 576	290 214	433 044
Capitalized work on own account	4 042	2 084	10 090	6 788	9 756
Other revenue	1 097	828	8 093	1 599	3 087
Total Revenue	92 066	103 147	281 759	298 601	445 887
<i>Operating expenses</i>					
Goods for resale	-41 009	-49 703	-116 217	-139 149	-207 992
Other external expenses	-12 173	-13 606	-48 037	-41 831	-63 077
Personnel expenses	-25 330	-26 606	-99 074	-86 627	-122 616
Depreciations and write-downs	-8 280	-27 763	-25 983	-40 352	-48 774
Operating profit	5 274	-14 531	-7 552	-9 358	3 428
Financial income	5 181	26 654	17 519	28 355	29 042
Financial expenses	-8 731	-2 262	-25 657	-7 468	-15 809
Profit/loss after financial items	1 724	9 861	-15 690	11 529	16 661
Tax	-716	4 287	-1 058	1 626	-1 620
Net profit/loss	1 008	14 148	-16 748	13 155	15 041
Profit/loss per share before dilution, SEK	0,03	0,29	-0,58	0,16	0,22
Profit/loss per share after dilution, SEK	0,03	0,29	-0,58	0,16	0,22
Average number of ordinary shares before dilution, SEK	29 282	28 043	29 046	27 289	27 828
Average number of ordinary shares after dilution, SEK	29 282	28 276	29 046	27 519	27 828

Q3/20 – Balance sheet

- SEK 300 million bond loan provides financial headroom
- Lower accounts receivables due to lower hardware and installation sales during Q3 2020 compared to Q3 2019
- No customer losses as direct result of COVID-19
- Equity ratio of 35.9 (36,9) %

CONSOLIDATED BALANCE SHEET - SUMMARY (TSEK)

	2020-09-30	2019-09-30	2019-12-31
ASSETS			
Intangible assets	456 091	410 138	474 335
Tangible assets	7 214	8 209	9 493
Right of use assets	16 071	18 192	19 357
Deferred tax assets	3 203	2 634	3 183
Financial non-current assets	130	130	130
Total non-current assets	482 709	439 303	506 498
Inventories	7 892	18 334	9 779
Current receivables	71 229	113 241	128 773
Cash and cash equivalents	131 058	164 495	128 289
Total current assets	210 179	296 070	266 841
TOTAL ASSETS	692 888	735 373	773 339
EQUITY AND LIABILITIES			
Equity attributable to shareholders in the Parent Company	248 505	271 000	268 759
Total equity	248 505	271 000	268 759
Provisions	3 296	345	352
Non-current liabilities	323 362	323 766	327 436
Current liabilities	117 725	140 262	176 792
Total liabilities	441 087	464 028	504 228
TOTAL EQUITY AND LIABILITIES	692 888	735 373	773 339

Q3 - Cash-flow statement

- Investments in software platform of SEK 4.1 (4.3) million in line with strategic priorities
- Cash at hand SEK 131.1 million excluding undrawn facilities

	3 MONTHS JULY-SEP 2020	3 MONTHS JULY-SEP 2019	9 MONTHS JAN-SEP 2020	9 MONTHS JAN-SEP 2019	12 MONTHS JAN-DEC 2019
<i>Operating activities</i>					
Cash flow from operating activities before changes in working capital	1 138	8 038	6 079	21 676	36 529
<i>Change in working capital</i>					
<i>Total change in working capital</i>	-52	-20 112	37 253	-27 045	-23 736
Cash flow from operating activities	1 086	-12 073	43 331	-5 369	12 793
<i>Investment activities</i>					
Cash flow from investment activities	-4 173	-5 194	-20 715	-35 607	-88 458
<i>Financing activities</i>					
Cash flow from financing activities	-3 544	106 793	-17 356	119 483	119 395
Cash flow for the period	-6 631	89 525	5 260	78 508	43 730
Cash and cash equivalents at start of period	137 804	74 783	128 289	83 389	83 389
Exchange rate difference	-119	188	-2 495	2 599	1 171
Cash and cash equivalents at end of period	131 058	164 495	131 058	164 495	128 289

Looking ahead

A clear road map

Q3/2020 – Key takeaway's

- Increased SaaS revenues and maintained cost control
- Continued restraint in project and hardware sales due to COVID-19
- Investing into upgraded and consolidated software platform
- The importance of digital transformation has increased and the willingness to invest exists.
- We will grow further, both organically and through acquisitions.

Strategic development steps

Way forward

- No 1 Nordics
- No 2 Europe
- >30% SaaS revenues

We are here

- Organic growth & acquisitions
- International expansion
- Broadening offer - Expand our go-to-market strategy

- EBIT of 100 MSEK
- SaaS revenues of 200 MSEK
- Leading European position

Target 2022



Underlying market growth



Compounder with successful M&A track record



Strong SaaS and ARR revenue base
International client base



Digital Transformation partner with abilities and capacities

Q & A



THINKING BEYOND THE SCREEN™