



# Financial Presentation Q2 2020

21 July 2020

Per Mandorf  
President & CEO

7/21/2020

THINKING BEYOND THE SCREEN™



# The Presenters



**PER MANDORF.**  
President & CEO

- 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: 125,000 share option rights (share option rights through an employee incentive plan 2019/22, 2020/23).
- Holds a degree as Market Economist and MBA.



**OLA BURMARK**  
CFO

- 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 125,000 share option rights (share option rights through an employee incentive plan 2018/21, 2019/22, 2020/23).
- Holds an MBA and Master in Communications.



## Jacob Stjernfält

- Incoming CFO
- Takes office on 1 September 2020
- Background from larger international companies
  - CDON.COM - CFO
  - EF Education First - Finance Director Latin America
  - Metro International - VP Finance





# A EUROPEAN LEADER IN DIGITAL SIGNAGE

**2003**

Founded

**+52,000**

Installations

**+50**

Markets

**56**

EBITDA LTM  
(MSEK)  
Adj for one-off items

**429**

Total sales LTM  
(MSEK)

**152**

ARR  
(Annual Recurring Revenues)  
(MSEK)

**158** STAFF

**9** OFFICES

Sweden, Denmark, Norway, Finland, and  
the Netherlands

**#1** IN NORDICS

**#2** IN EUROPE

Market share  
within Digital Signage

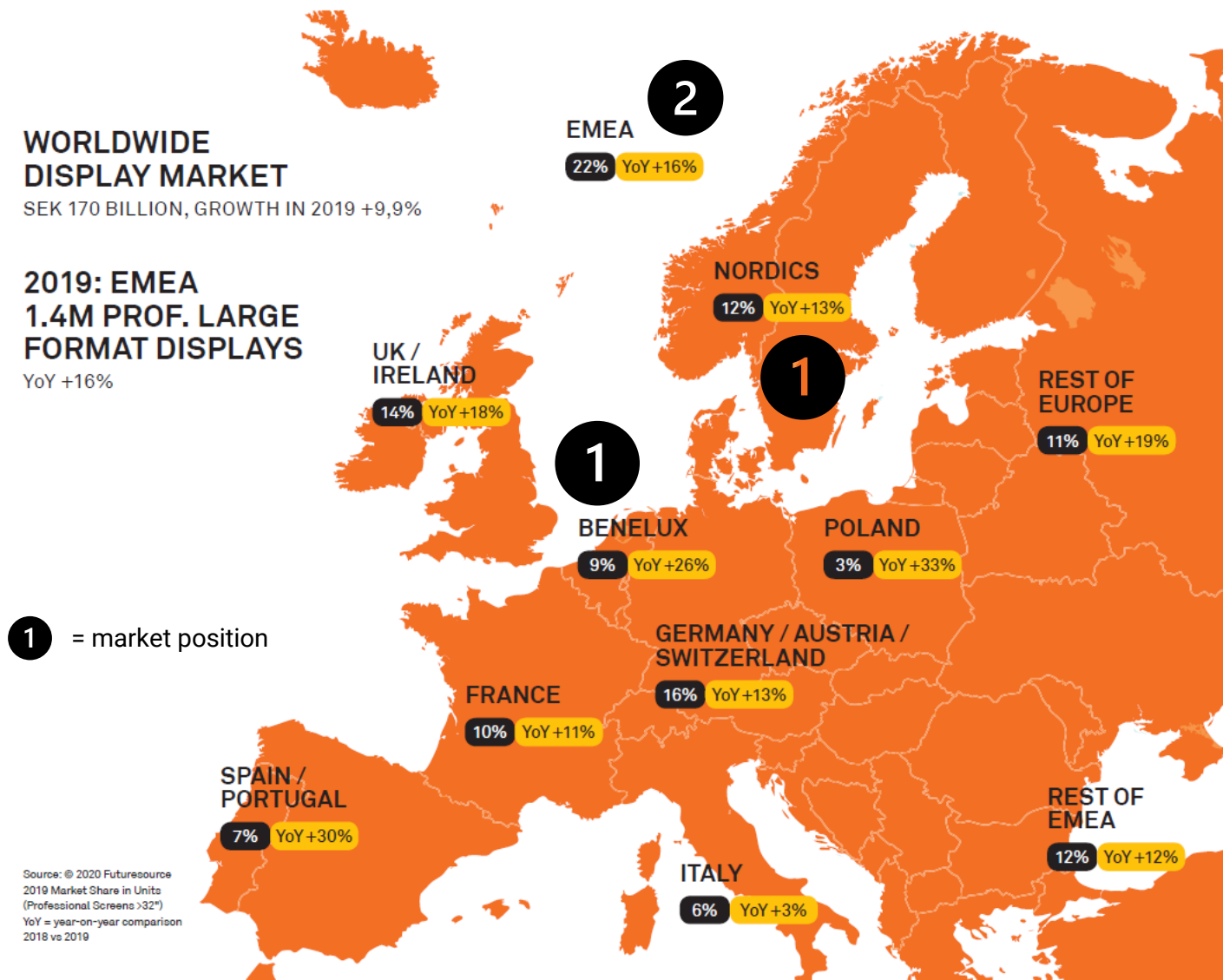
**[ZETA]**

Listed on Nasdaq Stockholm



# Addressing a growth market

- The European market is expected to continue growing as maturity increases (+16%)
- Digital transformations in society drive investments into Digital Signage
- The Nordics as leading region regarding innovation and maturity
- Ongoing consolidation



## Key developments Q2 2020

SaaS revenues  
Stable customer base  
Cost control program

# Driving improved profitability in Q2/2020

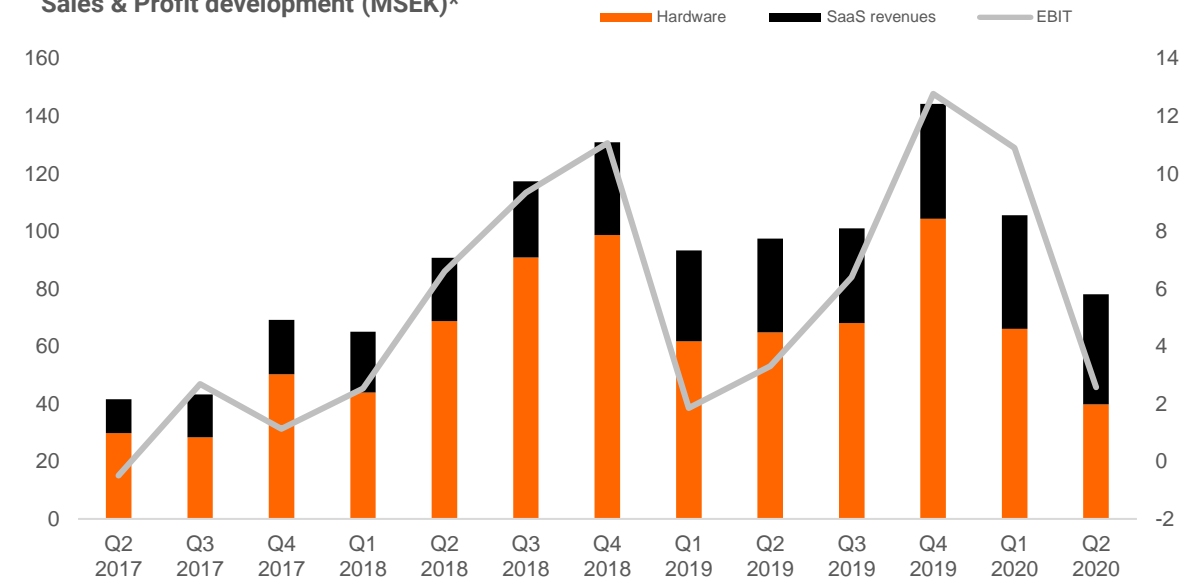
- **SaaS revenues**
  - Resilient business model in uncertain times
  - Operations in full delivery mode, online and offline
  - Closing new contracts
- **Stable customer base**
  - No customer churn, limited and temporary subscription freezes and customer shut downs
  - Delayed decision process for new contracts
  - Digital Transformation in society to accelerate
- **Cost control program**
  - Cost savings in line with target of 20 MSEK by quarter 1, 2021
  - Temporary lay-offs to balance postponed new projects as effect of COVID-19
  - Continued investments into organization, software, operations and concepts



## Q2/2020 – 49% of net sales are SaaS revenues

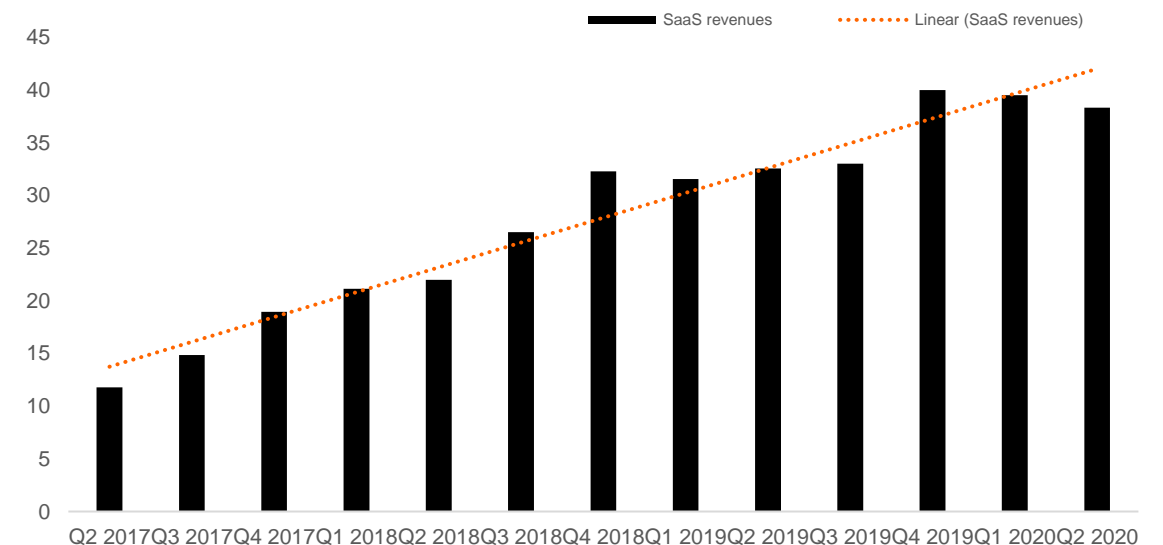
- Net sales decreased by 19.8% to SEK 78.1 (97.4) million
- SaaS revenue increased by 17.8% to SEK 38.3 (32.5) million
- ARR (Annual Recurring Revenue) increased by 17.8% to SEK 152.3 (129.3) million
- EBITDA amounted to SEK 11.1 (9.6) million
- Operating profit amounted to SEK 2.6 (3.3) million
- Earnings per share before and after dilution amounted to SEK -0.06 (-0.04) and SEK -0.06 (-0.04) respectively

Sales & Profit development (MSEK)\*



\*Adjusted for one-off items in Q3/19 and Q1/20

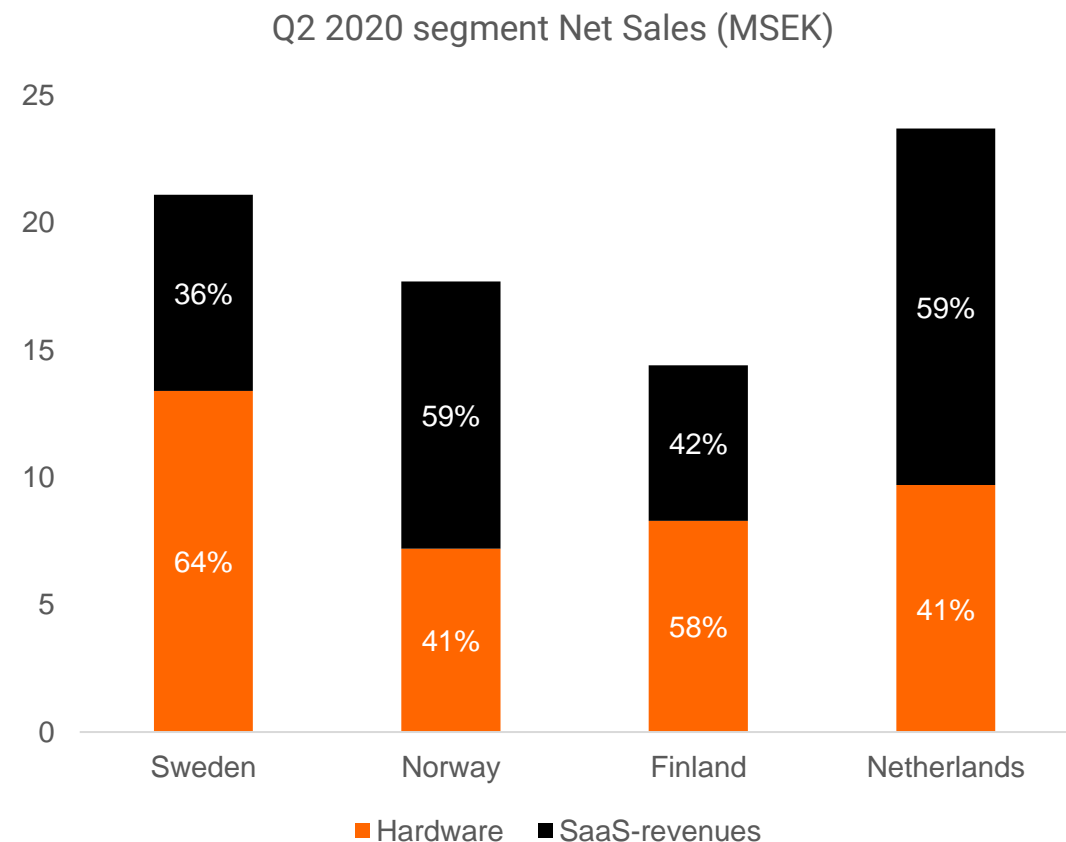
SaaS revenues





# The segments – Netherlands benefits from acquisition

- Sweden reported net sales of SEK 22.1 million (23.4), a decrease of 10.0%
  - EBITDA during the quarter amounted to SEK 1.3 (-1.7) million
- Norway shows net sales of SEK 17.7 (32.3) million, a decline of 45.2%
  - EBITDA was at SEK 7.5 (8.4) million
- Finland showed net sales of SEK 14.5 (27.2) million, a decline of 46.7%
  - EBITDA of SEK 2.7 (5.1) million
- Netherlands had net sales of SEK 23.6 (16.0) million, an increase of 48.4%
  - EBITDA of SEK 6.6 (3.4) million





# Financials in detail

Ola Burmark  
CFO



# Q2/2020

## Financial stability in uncertain times

- SaaS-revenues and stable customer base
  - Decrease in new project sales of nearly 40%
  - Customer loss and churn neglectable
  - Favourable mix change to more SaaS revenues drives margin enhancement
- Savings programs in line with target
  - Personnel costs in line with previous year despite acquisition during October 2019
  - Travel and other external expense reductions
  - Implementation of new group wide ERP system reaches phase 2
- Financial items positively impacted by revaluation of additional consideration related to acquisitions.

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

	3 MONTHS APR-JUNE 2020	3 MONTHS APR-JUNE 2019	6 MONTHS JAN-JUNE 2020	6 MONTHS JAN-JUNE 2019	12 MONTHS JAN-DEC 2019
Net turnover	78 091	97 443	183 645	190 750	436 131
Capitalized work on own account	3 144	2 228	6 048	4 704	9 756
<b>Total Revenue</b>	<b>81 235</b>	<b>99 671</b>	<b>189 693</b>	<b>195 454</b>	<b>445 887</b>
<i>Operating expenses</i>					
Goods for resale	-26 760	-45 052	-75 208	-89 446	-207 992
Other external expenses	-13 854	-15 238	-35 864	-28 225	-63 077
Personnel expenses	-29 558	-29 741	-73 744	-60 021	-122 616
Depreciations and write-downs	-8 399	-6 324	-17 703	-12 589	-48 774
<b>Operating profit</b>	<b>2 664</b>	<b>3 316</b>	<b>-12 826</b>	<b>5 173</b>	<b>3 428</b>
Financial income	5 703	607	12 338	1 701	29 042
Financial expenses	-9 318	-1 960	-16 926	-5 206	-15 809
<b>Profit/loss after financial items</b>	<b>-951</b>	<b>1 963</b>	<b>-17 414</b>	<b>1 668</b>	<b>16 661</b>
Tax	-654	-1 825	-342	-2 661	-1 620
<b>Net profit/loss</b>	<b>-1 605</b>	<b>138</b>	<b>-17 756</b>	<b>-993</b>	<b>15 041</b>
Profit/loss per share before dilution, SEK	-0,06	-0,04	-0,61	-0,14	0,22
Profit/loss per share after dilution, SEK	-0,06	-0,04	-0,61	-0,14	0,22
Average number of ordinary shares before dilution, SEK	29 056	27 972	28 926	26 942	27 828
Average number of ordinary shares after dilution, SEK	29 056	28 216	28 926	27 172	27 828

## Q2/20 – Balance sheet

- Successful launch of SEK 300 million bond loan in September 2019 provides financial headroom
- No customer losses as direct result of COVID-19
- Limited delayed customer payments
- Equity ratio of 35.5 (50.2) %

### CONSOLIDATED BALANCE SHEET - SUMMARY (TSEK)

	2020-06-30	2019-06-30	2019-12-31
<b>ASSETS</b>			
Intangible assets	456 665	428 573	474 335
Tangible assets	8 192	8 306	9 493
Right of use assets	17 429	15 504	19 357
Deferred tax assets	3 160	3 109	3 183
Financial non-current assets	130	130	130
<b>Total non-current assets</b>	<b>485 576</b>	<b>455 622</b>	<b>506 498</b>
Inventories	8 750	14 961	9 779
Current receivables	66 004	94 290	128 773
Cash and cash equivalents	137 804	74 783	128 289
<b>Total current assets</b>	<b>212 558</b>	<b>184 034</b>	<b>266 841</b>
<b>TOTAL ASSETS</b>	<b>698 134</b>	<b>639 656</b>	<b>773 339</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to shareholders in the Parent Company	247 760	321 020	268 759
<b>Total equity</b>	<b>247 760</b>	<b>321 020</b>	<b>268 759</b>
<b>Provisions</b>	<b>7 468</b>	<b>339</b>	<b>352</b>
Non-current liabilities	323 700	167 517	327 436
Current liabilities	119 206	150 780	176 792
<b>Total liabilities</b>	<b>442 906</b>	<b>318 297</b>	<b>504 228</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>698 134</b>	<b>639 656</b>	<b>773 339</b>



## Q2 - Cash-flow statement

- Investments in software platform of SEK 4.5 (4.1) million in line with strategic priorities
- Cash at hand SEK 138 million excluding undrawn facilities
- New share issue to the sellers of Gauddi BV in line with decision of AGM 2020

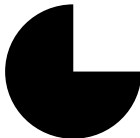


	3 MONTHS APR-JUNE 2020	3 MONTHS APR-JUNE 2019	6 MONTHS JAN-JUNE 2020	6 MONTHS JAN-JUNE 2019	12 MONTHS JAN-DEC 2019
<i>Operating activities</i>					
Cash flow from operating activities before changes in working capital	388	8 104	4 940	13 638	36 529
<i>Change in working capital</i>					
<i>Total change in working capital</i>	18 640	-106	39 261	-6 933	-23 736
Cash flow from operating activities	19 029	7 999	44 201	6 705	12 793
<i>Investment activities</i>					
Cash flow from investment activities	-4 986	-5 381	-16 542	-30 413	-88 458
<i>Financing activities</i>					
Cash flow from financing activities	-9 438	20 027	-15 770	12 690	119 395
Cash flow for the period	4 605	22 644	11 889	-11 018	43 730
Cash and cash equivalents at start of period	136 010	51 429	128 289	83 389	83 389
Exchange rate difference	-2 813	709	-2 375	2 412	1 171
Cash and cash equivalents at end of period	137 804	74 783	137 804	74 783	128 289

# Looking ahead

Geared for capturing growth



## Financial targets – geared for 2022

SaaS Revenues	SaaS-revenues exceeding MSEK 200 at the end of 2022	
EBIT	EBIT amounting to SEK 100 million at the end of 2022	
Capital structure	An equity ratio in the period up to 2022 between 30% and 50%	
Dividend policy	Use dividends to ensure that equity/assets ratio does not exceed 50%	NA

## COVID-19 business impact

Supply Chain	Neglectable impact on supply chain for project deployment
Operations	No reported personnel illness & full operational capabilities
New projects	Delayed decision process for new implementation projects Risk diversification
Customers' environment	Temporary shut downs in different countries and customer verticals, but no related customer loss nor churn. Ongoing market recovery



## Geared for further growth and taking on market leadership



Underlying market  
growth

EMEA+15%



Compounder with  
successful M&A track  
record

7 in  
5 years



Strong SaaS and ARR  
revenue base

+18%  
YoY



Digital  
Transformation  
partner

Retail  
Public  
Corp Comm



Abilities and  
capacities

Commercial  
Product  
Operations





**THINKING BEYOND THE SCREEN™**