

# From Digital Experience to Digital Engagement

Anförande Bolagsstämma 2020  
4 maj 2020

Per Mandorf  
President & CEO



## The agenda

- Introduction
- Financial Highlights 2019
- Q1
- Current trends and way forward







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



# STRONG UNDERLYING MARKET GROWTH

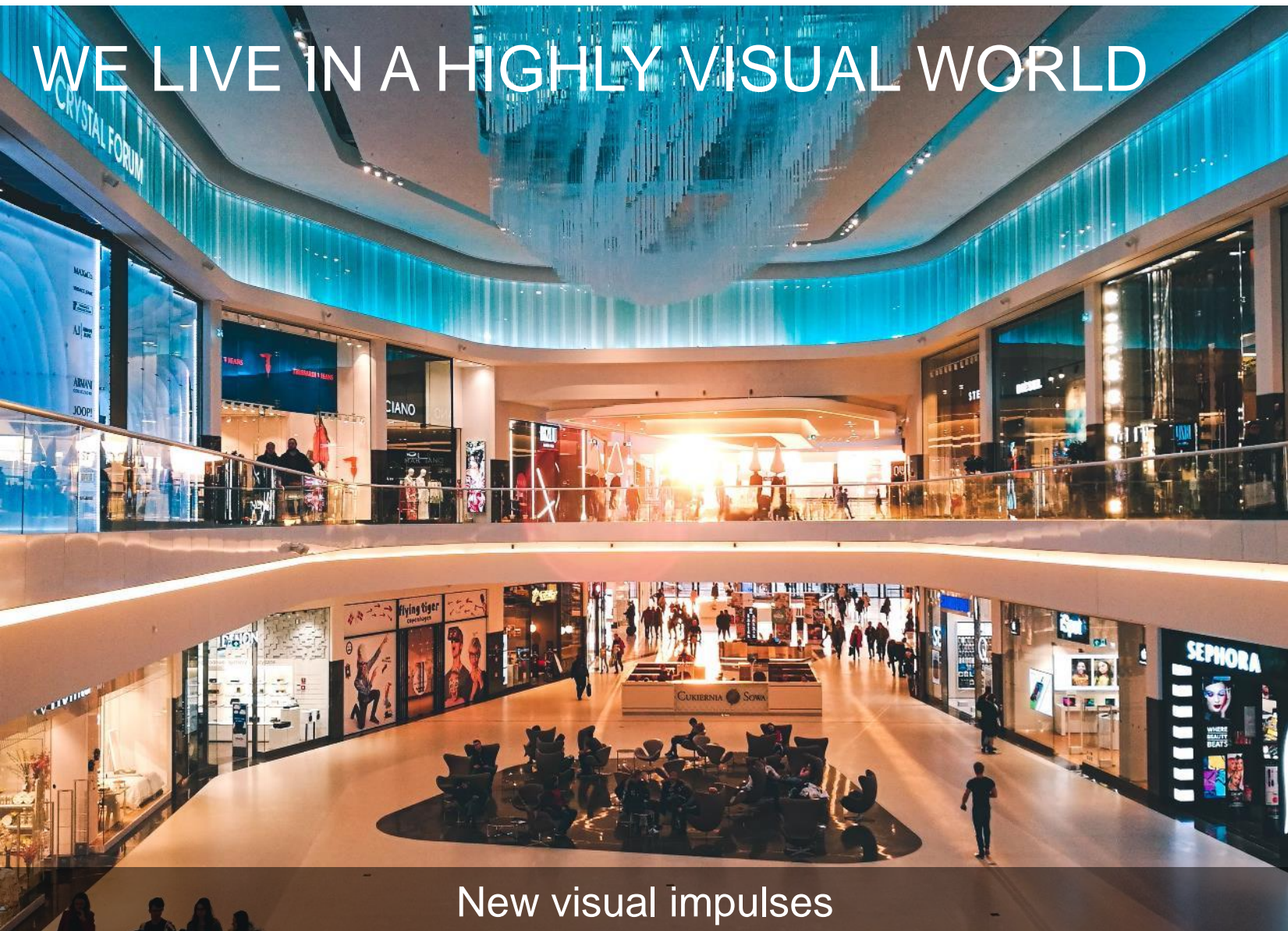
18%  
€ 2.9 bn  
EMEA market size

+15%  
EMEA growth rate  
YoY

12%  
Nordics market share



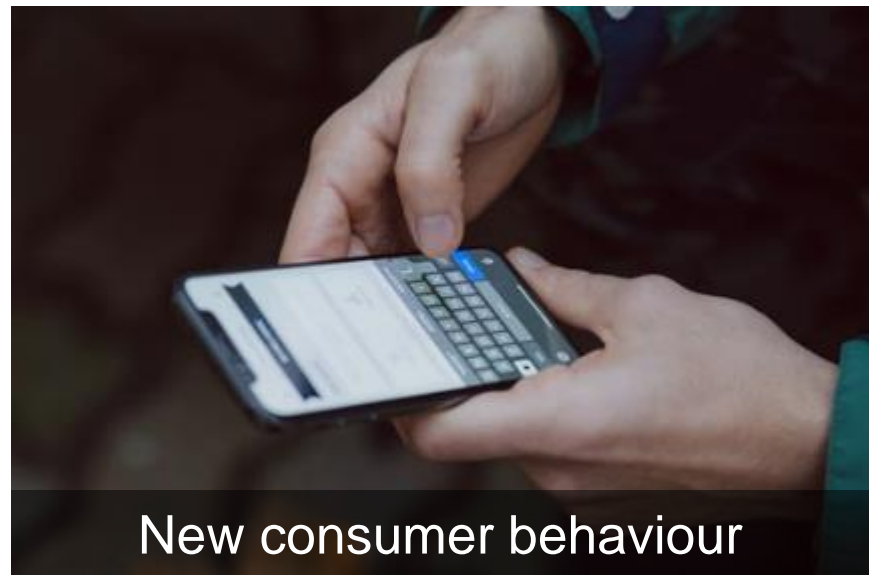
# WE LIVE IN A HIGHLY VISUAL WORLD



New visual impulses



New technical opportunities



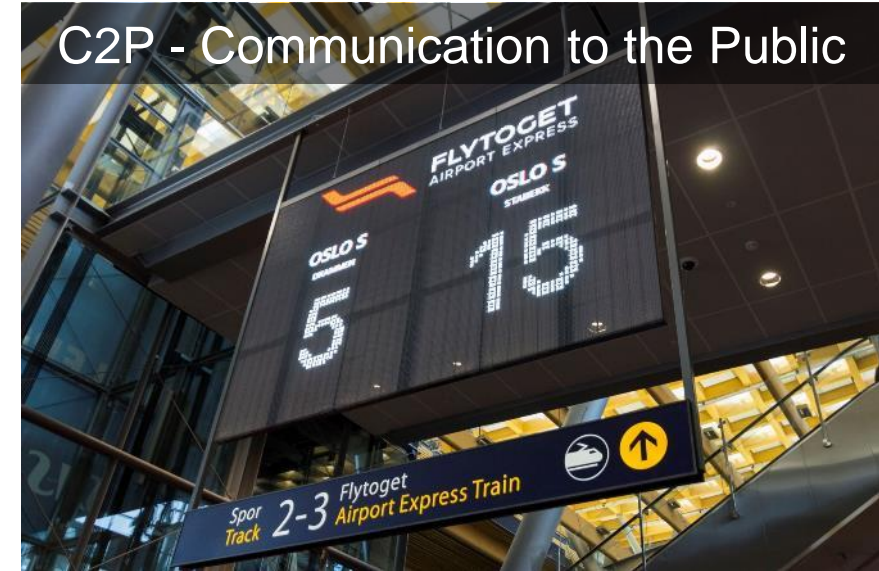
New consumer behaviour



# ADDRESSING THREE CUSTOMER NEEDS

C2C - Communication to Consumer

C2P - Communication to the Public

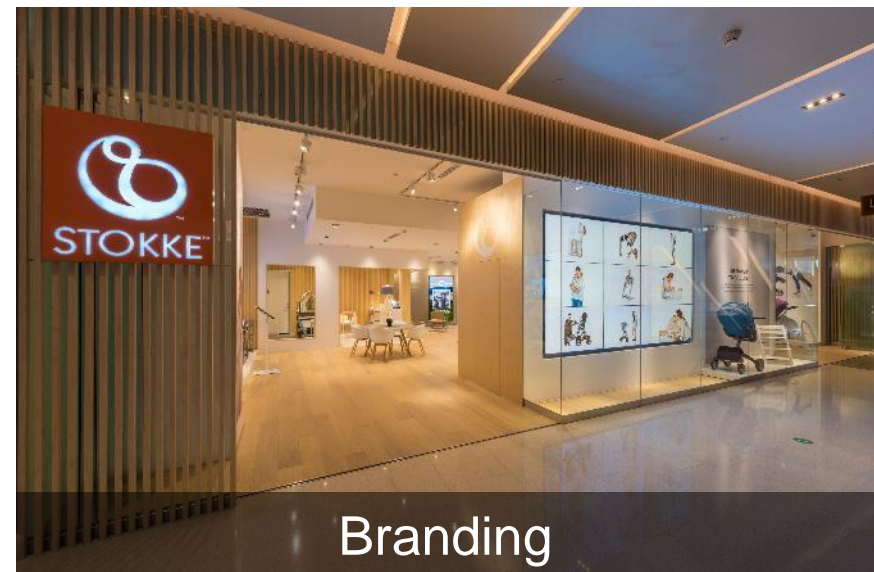




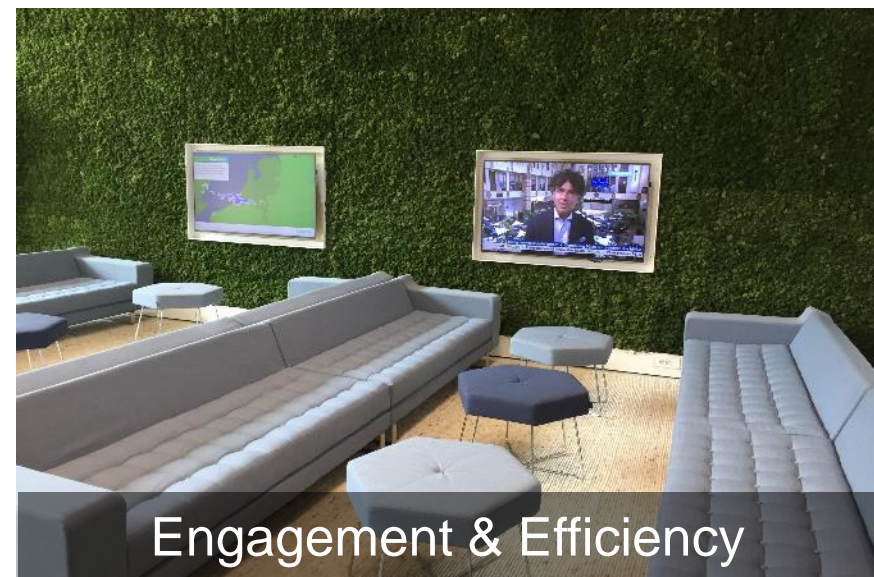
# DIGITAL SIGNAGE CORE BENEFITS



Footfall & conversion



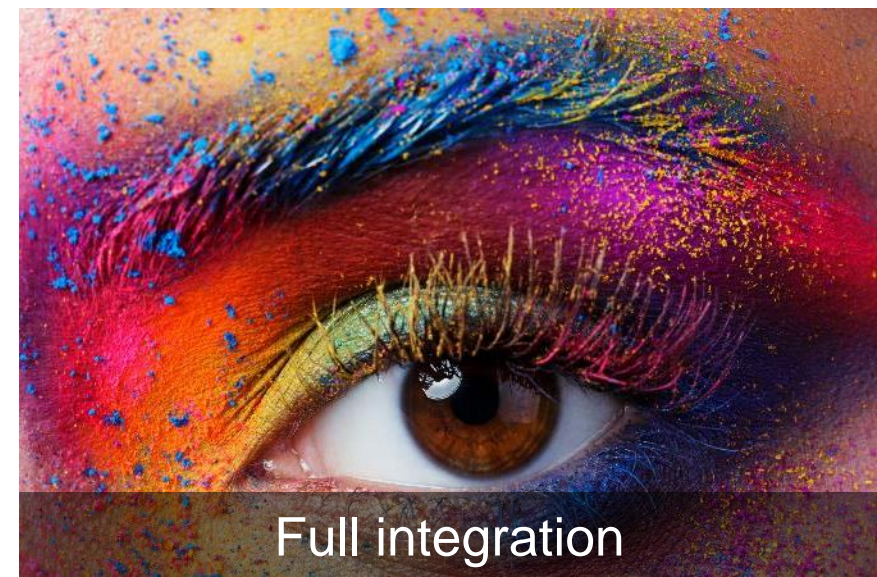
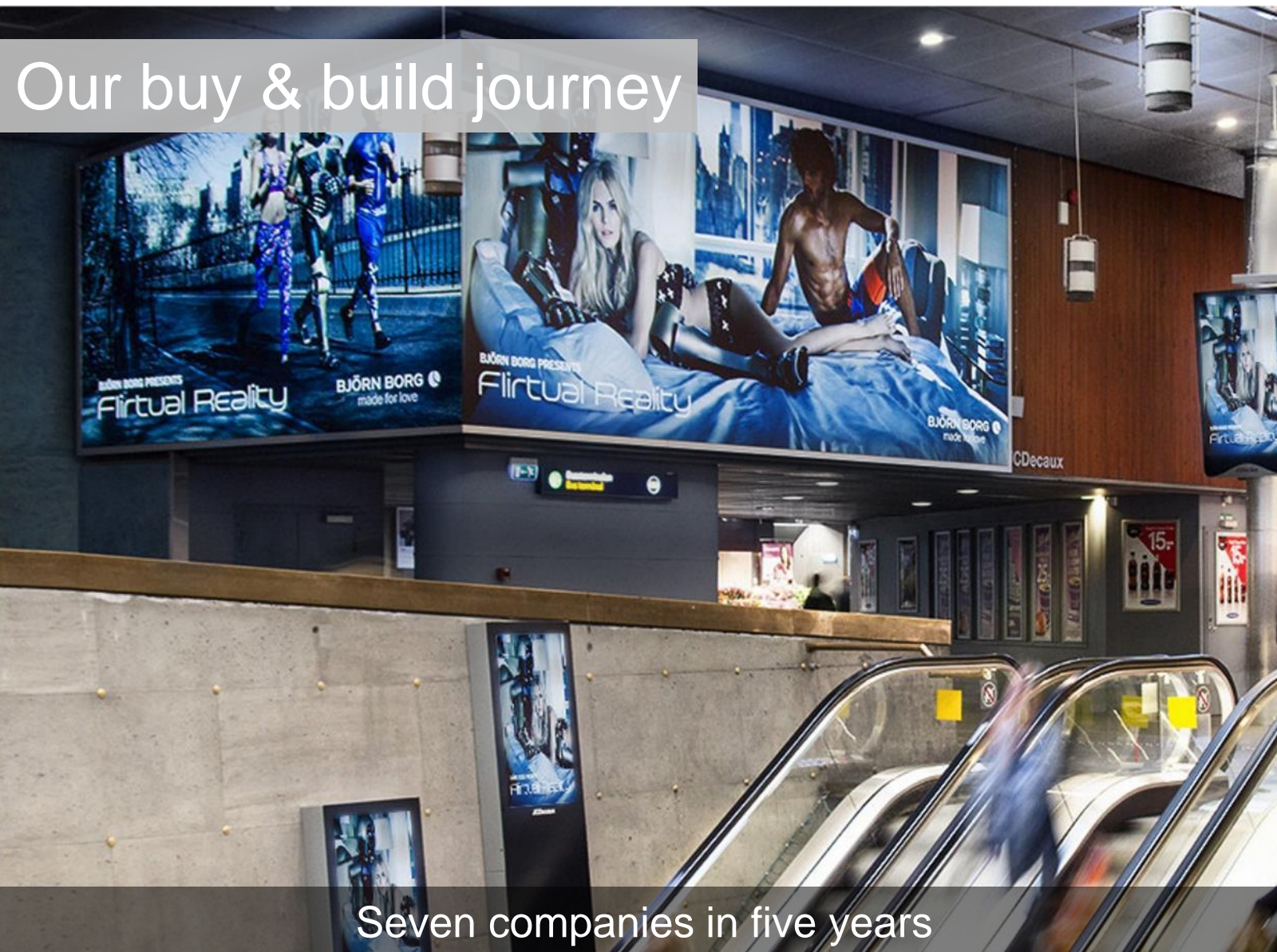
Branding



Engagement & Efficiency



## Our buy & build journey

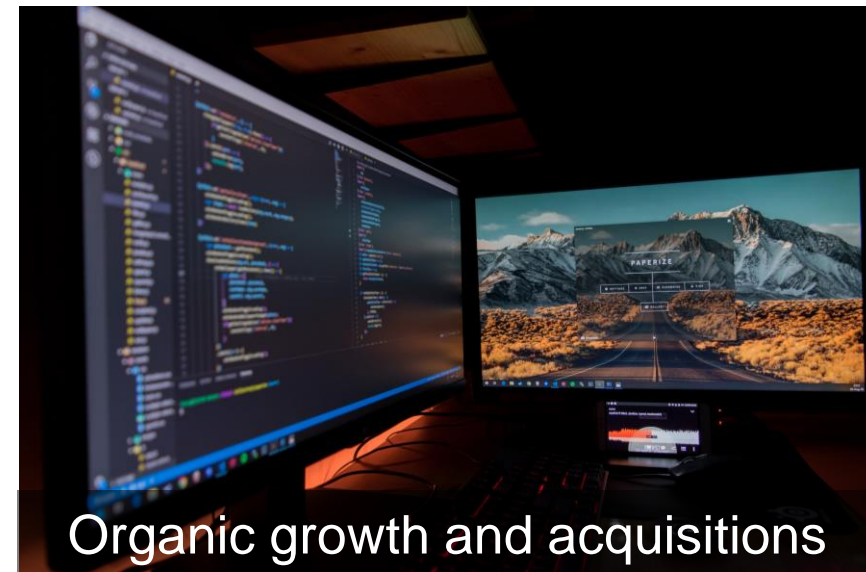




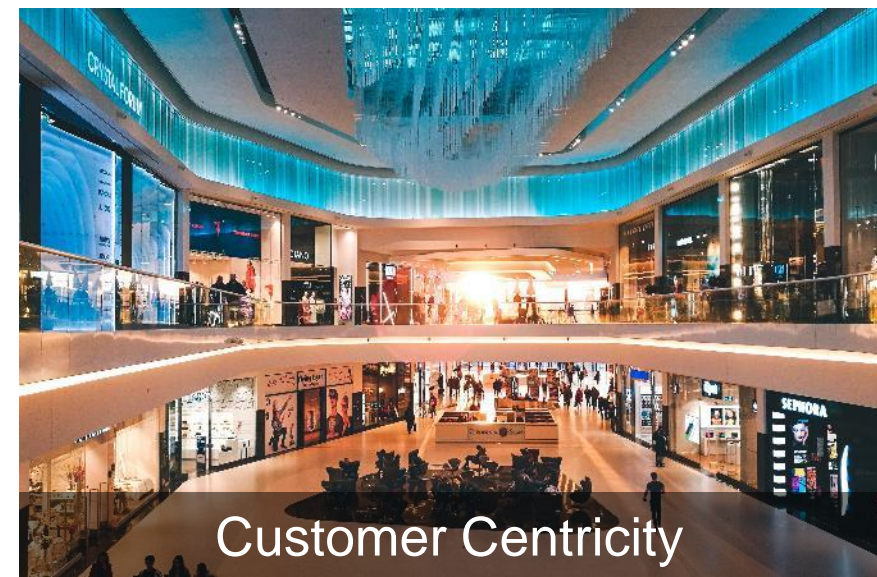
# Our strategy for growth



Scalability and Harmonization



Organic growth and acquisitions



Customer Centricity



## Market demands trigger organizational change

From local to international assignments

From simple to complex assignments

From DXP to engagement

## Building an organization that can maximize the potential

A global organization

Complexity demands scalability and harmonization

Utilize the total know-how in the Group and invest in development



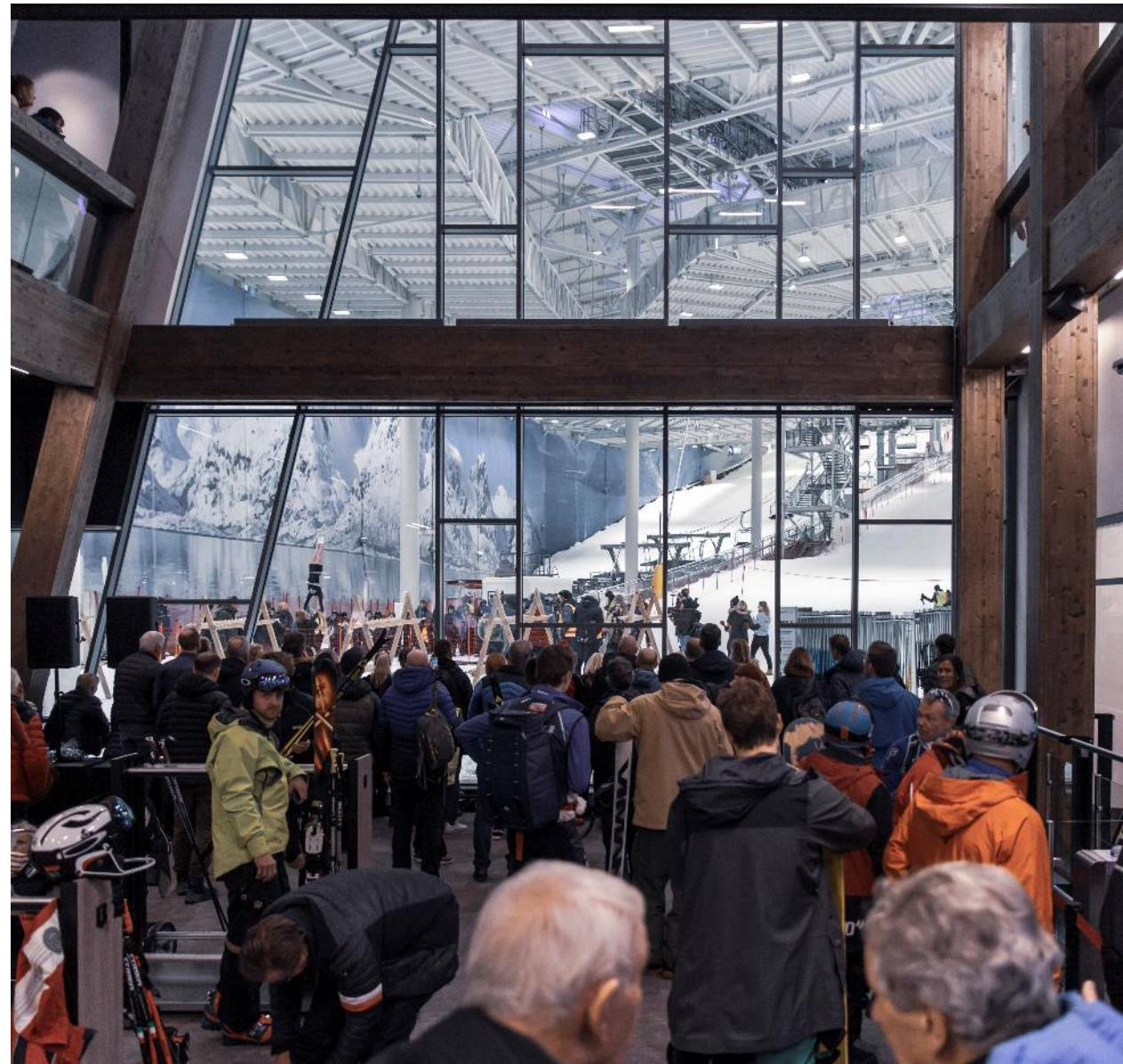
The background is a vibrant, abstract composition. A large, detailed eye is the central focus, with its iris and pupil visible. The eye is surrounded by a dense field of colorful, shimmering particles in shades of purple, blue, yellow, and red, creating a sense of depth and movement. Overlaid on the eye are several semi-transparent, geometric shapes, including a large white 'Z' and various colored polygons, which add a modern, digital feel to the image.

# 2019 – Financial highlights



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

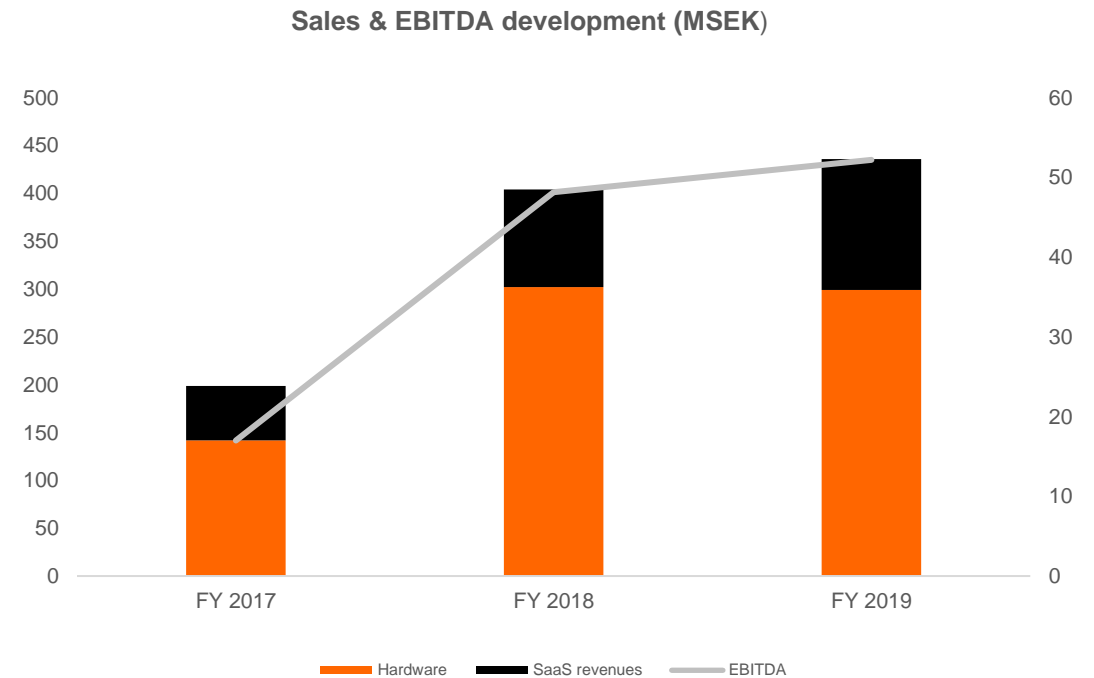
- Further acquisition
  - Gaudi BV, Netherlands, acquired and to be incorporated into ZD Netherlands
- Investing for the future
  - Investments into software, people and product concept development
  - Introduction of an updated organization for increased scalability – from country to function-based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





## 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)





2019 – gaining traction



Lighthouse projects

# Digital Signage Awards

International recognition



Important framework agreements



**Q1 2020**

Financial highlights



## Q1/2020 - Increased SaaS revenues and organic growth

- New commercial deals
  - Hurtigruten signed for two new vessels
  - Veikkaus subsidiary deal in Finland
- Preparing for the future
  - New function-based organization is live
- Mitigating COVID-19 effects
  - The Group launched a cost program with the goal of saving more than SEK 20 million over the next twelve months.
  - Non-recurring items have affected operating profit of SEK 17.1 million

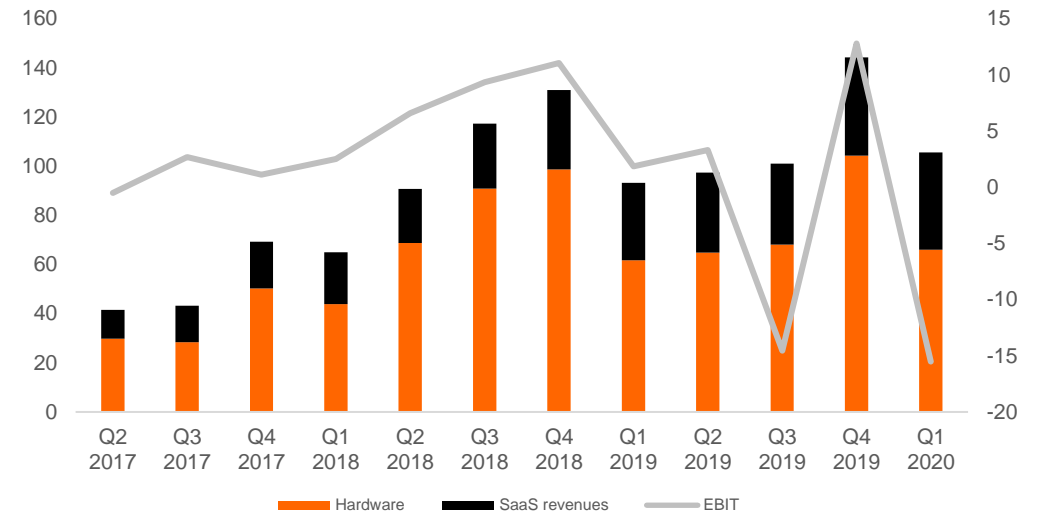




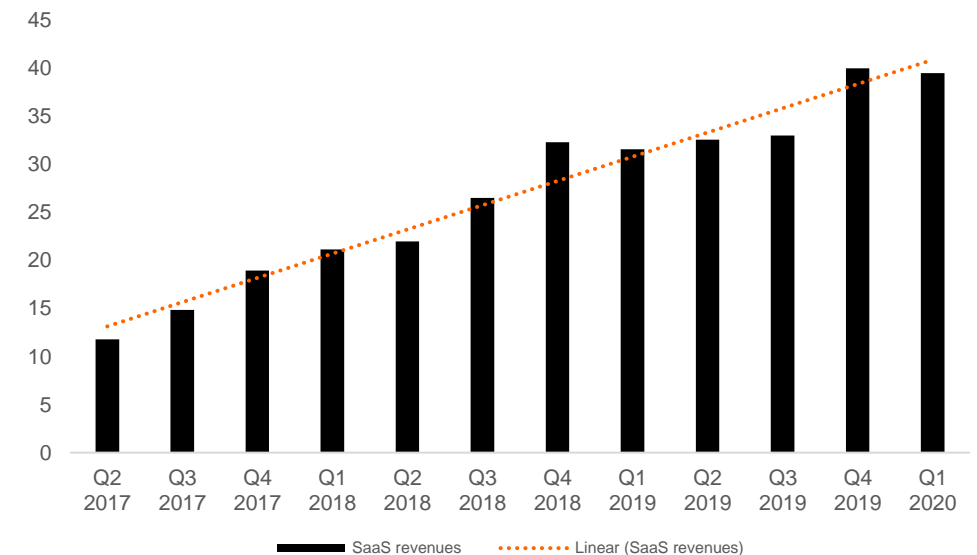
## Q1/2020 – financial highlights

- Net sales increased by 13 % to SEK 105.6 (93.3) million
- SaaS-revenues (recurring) increased by 25% to SEK 39.5 (31.6) million
- ARR (Annual recurring revenue) increased by 16 % to SEK 158.8 (136.6) million
- EBITDA amounted to SEK -6.2 (8.1) million
- Non-recurring costs have affected operating profit with SEK 17.1 (-) million.
- Operating profit amounted to SEK -15.5 (1.9) million
- Earnings per share before and after dilution amounted to -0.57 (-0.04).

Sales & Profit development (MSEK)



SaaS revenues



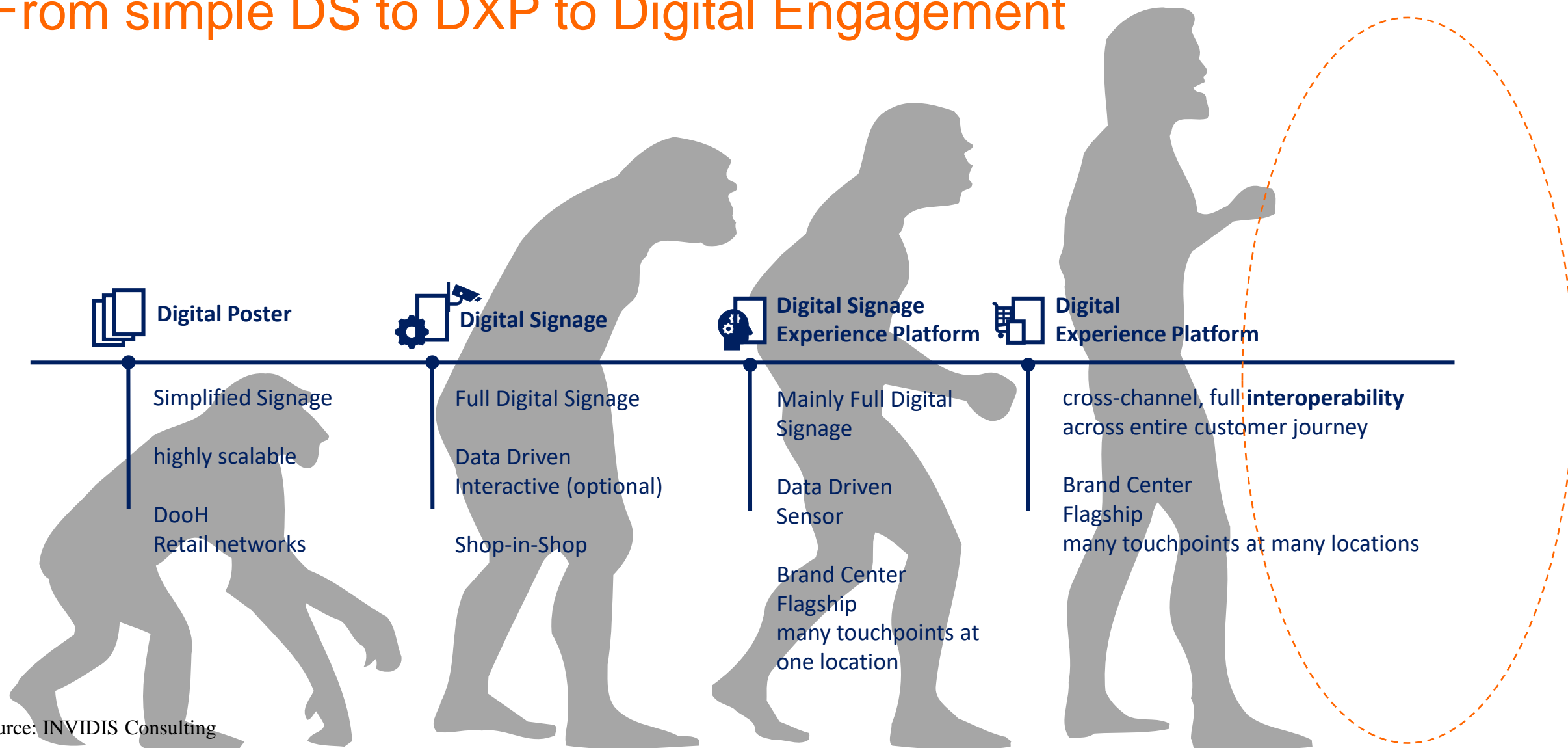


The background is a vibrant, abstract composition. It features a close-up of a human eye, which is partially obscured by a large, semi-transparent white geometric shape that resembles a stylized 'Z' or a series of overlapping planes. The eye itself has a greenish, textured iris and is surrounded by colorful, fibrous structures in shades of blue, purple, and red. The overall effect is a blend of organic and digital elements.

# Current trends and way forward



# From simple DS to DXP to Digital Engagement





# GENERAL GLOBAL TRENDS



- TIME** The end consumer perceives it is worthwhile spending one's own precious time in a environment
- PURPOSE** The brand or physical place needs to have a purpose
- DISCOVERY** The consumers need to learn or experience something new in the physical environment leading to engagement





## The way forward

- We have analysed the impact of COVID-19 on our operations
  - Focus short-term on cost and liquidity
  - Long-term focus on strategic priorities
- Digital Transformation will accelerate
  - We adapt our product offer short-term
  - We harmonize our operational platform faster
- Our strategies are confirmed as viable
  - Organic and acquisition growth
  - Scalability & Harmonization
  - SaaS revenues & Customer Centricity
  - International ambition, ability and capacity





**THINKING BEYOND THE SCREEN™**



# 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.