



# Year End Report 2020

5 February 2021

Per Mandorf  
President & CEO

Jacob Stjernfält  
CFO

# Agenda

Q4 presentation 5 February 2021



Business update



Financials in details



Takeaway's



Q&A

# A European leader aiming for more

**2003**

Founded

**+52,000**

Installations

**+50**

Markets

**38.5**

EBITDA LTM  
(MSEK)

**366**

Total sales LTM  
(MSEK)

**160**

ARR  
(MSEK)

**158** STAFF

**9** OFFICES

Sweden, Denmark, Norway, Finland,  
Netherlands, USA

**#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 Q4 2020

Strongly improved profitability  
Stable customer base  
Continued cost control

“Our competitive position is improving as result of targeted investments into software, organization and concepts.”  
CEO Per Mandorf

## Q4/2020 – key financials

- **Strongly improved profitability**
  - New organization drives efficiency gains
  - Continued cost control
  - Strategic investments start to pay off
- **Stable customer base**
  - Limited soft churn due to reduced retail footprint
  - Delayed decision process for new contracts
  - Framework agreements develop largely as planned
  - Increased market activities late in the quarter
- **Continued cost control**
  - Cost savings in line with target of 20 MSEK by quarter 1, 2021
  - OPEX in line with previous year despite Dutch acquisition from October 2019
  - Selected investments into organization, software, operations and concepts

**-28.1%**

Net Sales

**MSEK  
39.0**

SaaS-Revenues

**+2.4%**

ARR  
compared with Q3/20

**MSEK  
20.1**

EBITDA

## Q4 – Operational highlights



Contracts



Awards



Strategic Investments

# Financials

Jacob Stjernfält

CFO

## Q4/2020 – Strong EBITDA result

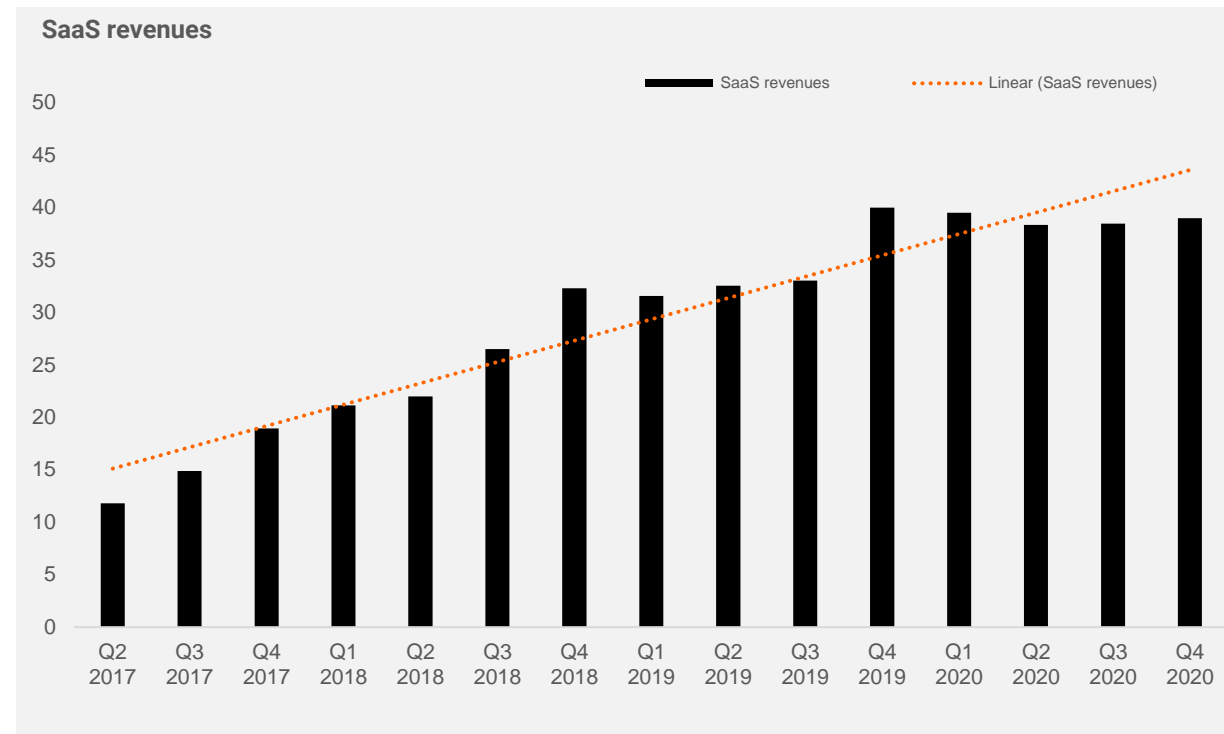
- SaaS-revenues and stable customer base
  - Decrease of net sales is an effect of a lower volume of new implementation projects impacted by COVID-19
  - SaaS-revenues represents 38.0% of net sales
  - Mix change to more SaaS-revenues drives margin enhancement
- Cost control programs in line with target
  - Personnel costs below previous year
  - Travel and other external expense reductions
- Financial items compared to previous year is mainly attributable to currency effects

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

	3 MONTHS OCT-DEC 2020	3 MONTHS OCT-DEC 2019	12 MONTHS JAN-DEC 2020	12 MONTHS JAN-DEC 2019
Net sales	102 670	142 830	366 246	433 044
Capitalized work on own account	4 101	2 968	14 191	9 756
Other revenue	1 147	1 488	9 240	3 087
<b>Total Revenue</b>	<b>107 918</b>	<b>147 286</b>	<b>389 677</b>	<b>445 887</b>
<i>Operating expenses</i>				
Goods for resale	-41 266	-68 842	-157 483	-207 992
Other external expenses	-15 086	-21 247	-63 123	-63 077
Personnel expenses	-31 510	-35 989	-130 584	-122 616
Depreciations and write-downs	-8 848	-8 422	-34 831	-48 774
<b>Operating profit</b>	<b>11 208</b>	<b>12 786</b>	<b>3 656</b>	<b>3 428</b>
Financial income	1 837	687	19 356	29 042
Financial expenses	-11 729	-8 341	-37 386	-15 809
<b>Profit/loss after financial items</b>	<b>1 316</b>	<b>5 132</b>	<b>-14 374</b>	<b>16 661</b>
Tax	-2 863	-3 246	-3 921	-1 620
<b>Net profit/loss</b>	<b>-1 547</b>	<b>1 886</b>	<b>-18 295</b>	<b>15 041</b>
Profit/loss per share before dilution, SEK	-0,05	0,07	-0,63	0,22
Profit/loss per share after dilution, SEK	-0,05	0,07	-0,63	0,22
Average number of ordinary shares before dilution, SEK	29 282	28 746	29 106	27 828
Average number of ordinary shares after dilution, SEK	29 282	28 746	29 106	27 828

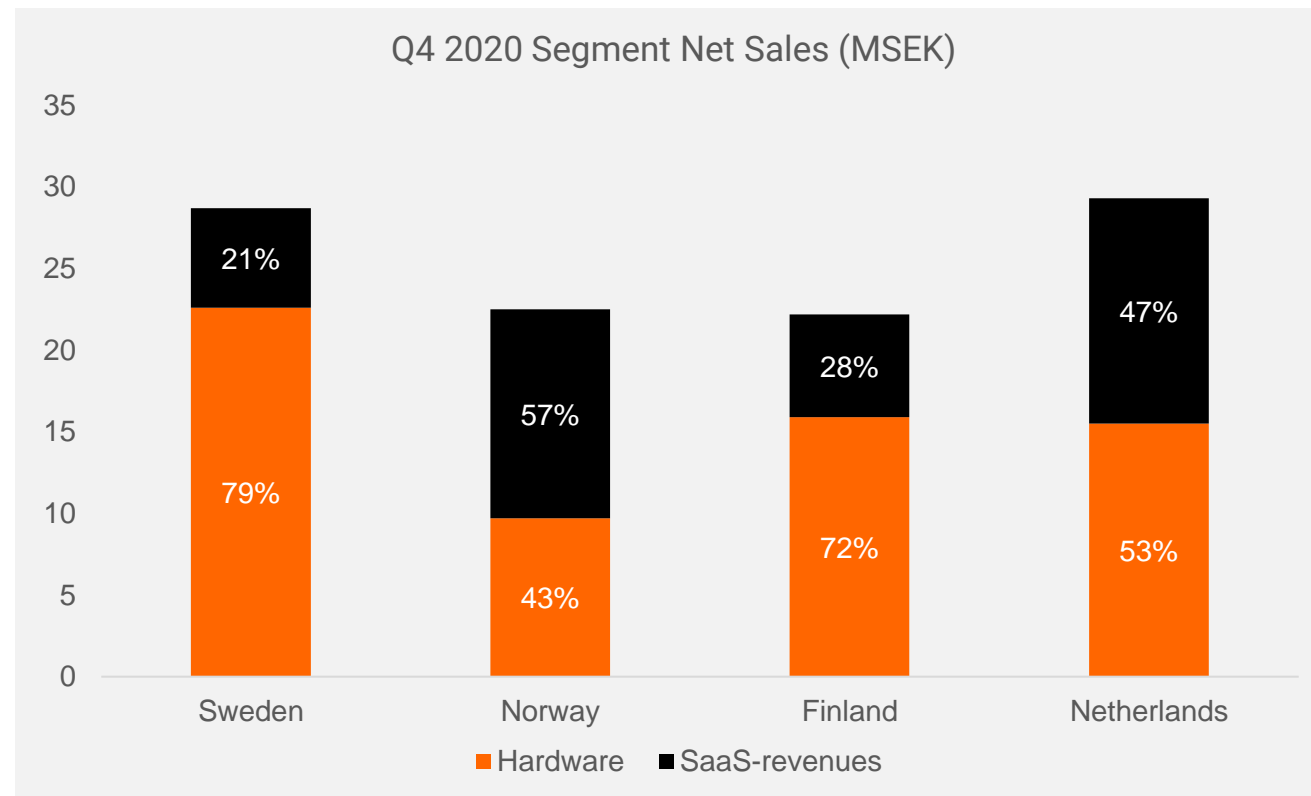
## Q4/2020 – Increased share of SaaS revenues

- SaaS-revenues amounted to SEK 39.0 (40.0) million
- At constant exchange rates SaaS-revenues increased by 3.3%
- ARR amounted to SEK 160.3 million compared with SEK 156.6 million in the previous quarter. At constant exchange rates, ARR increased by 3.7%



## Q4/2020 - The segments

In MSEK	Net Sales	EBITDA
Sweden	28.7 (34.7)	5.5 (2.4)
Norway	22.4 (42.8)	7.2 (10.4)
Finland	22.2 (28.0)	3.6 (3.7)
Netherlands	29.4 (37.2)	7.6 (11.6)



## Q4/20 – Balance sheet

- SEK 300 million bond loan provides financial headroom
  - Total loan framework is up to SEK 500 million, means additional headroom of SEK 200 million
- Cash at hand SEK 125.7 million excluding undrawn facilities
- Net debt SEK 191 (200) million
- Lower accounts receivables due to lower hardware and installation sales during Q4 2020 compared to Q4 2019
- No customer losses as direct result of COVID-19
- Equity ratio of 34.6 (34.8) %

### CONSOLIDATED BALANCE SHEET - SUMMARY (TSEK)

	2020-12-31	2019-12-31
<b>ASSETS</b>		
Intangible assets	443 181	474 335
Tangible assets	6 254	9 493
Right of use assets	14 676	19 357
Deferred tax assets	3 390	3 183
Financial non-current assets	130	130
<b>Total non-current assets</b>	<b>467 631</b>	<b>506 498</b>
Inventories	6 132	9 779
Current receivables	85 692	128 773
Cash and cash equivalents	125 671	128 289
<b>Total current assets</b>	<b>217 495</b>	<b>266 841</b>
<b>TOTAL ASSETS</b>	<b>685 126</b>	<b>773 339</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to shareholders in the Parent Company	236 863	268 759
<b>Total equity</b>	<b>236 863</b>	<b>268 759</b>
<b>Provisions</b>	<b>90</b>	<b>351</b>
Non-current liabilities	321 694	327 436
Current liabilities	126 480	176 792
<b>Total liabilities</b>	<b>448 174</b>	<b>504 228</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>685 126</b>	<b>773 339</b>

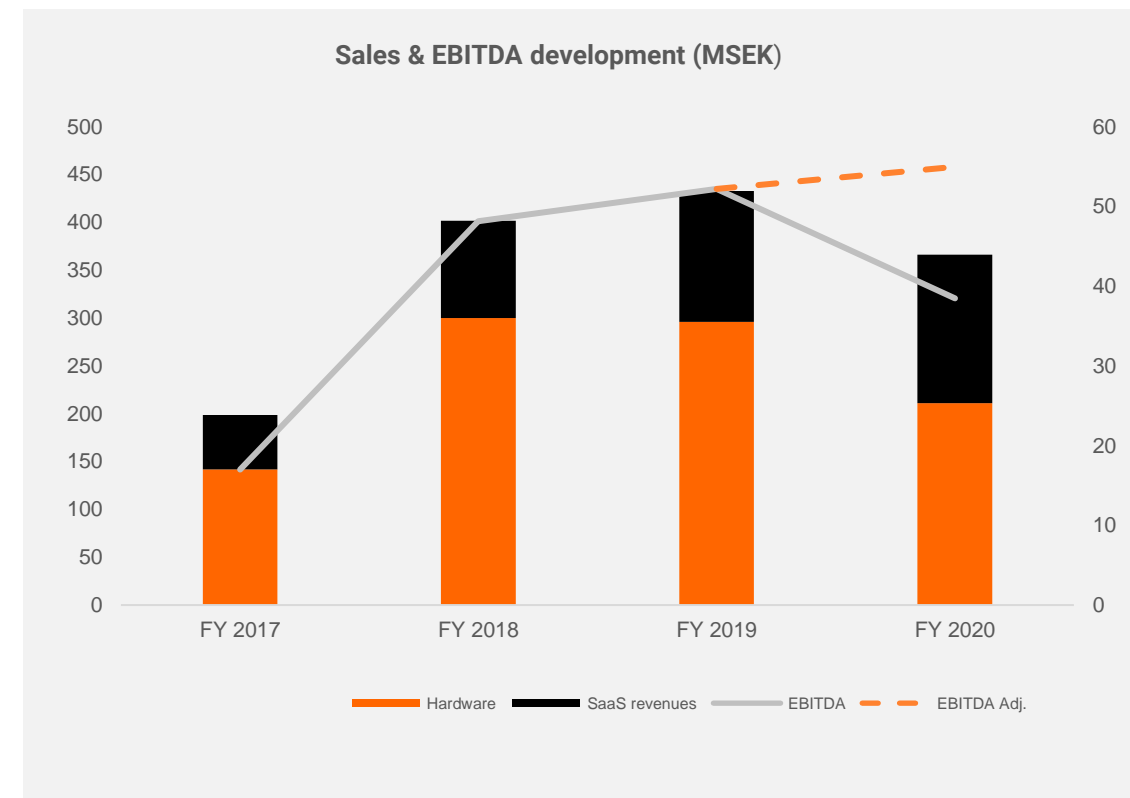
## Q4 - Cash-flow statement

- SEK 40 million positive change in working capital due to lower accounts receivables and payables
- Investments in software platform of SEK 5.7 (3.8) million in line with strategic priorities
- Factoring financing has been closed during the year in Sweden and Finland

	3 MONTHS OCT-DEC 2020	3 MONTHS OCT-DEC 2019	12 MONTHS JAN-DEC 2020	12 MONTHS JAN-DEC 2019
<b>Operating activities</b>				
Cash flow from operating activities before changes in working capital	10 068	14 853	16 146	36 529
<i>Change in working capital</i>				
<b>Total change in working capital</b>	<b>3 082</b>	<b>3 309</b>	<b>40 334</b>	<b>-23 736</b>
Cash flow from operating activities	13 149	18 161	56 481	12 793
<b>Investment activities</b>				
Cash flow from investment activities	-16 877	-52 851	-37 592	-88 458
<b>Financing activities</b>				
Cash flow from financing activities	-440	-88	-17 795	119 395
Cash flow for the period	-4 167	-34 778	1 093	43 730
Cash and cash equivalents at start of period	131 059	164 496	128 289	83 389
Exchange rate difference	-1 215	-1 429	-3 710	1 171
Cash and cash equivalents at end of period	125 671	128 288	125 671	128 288

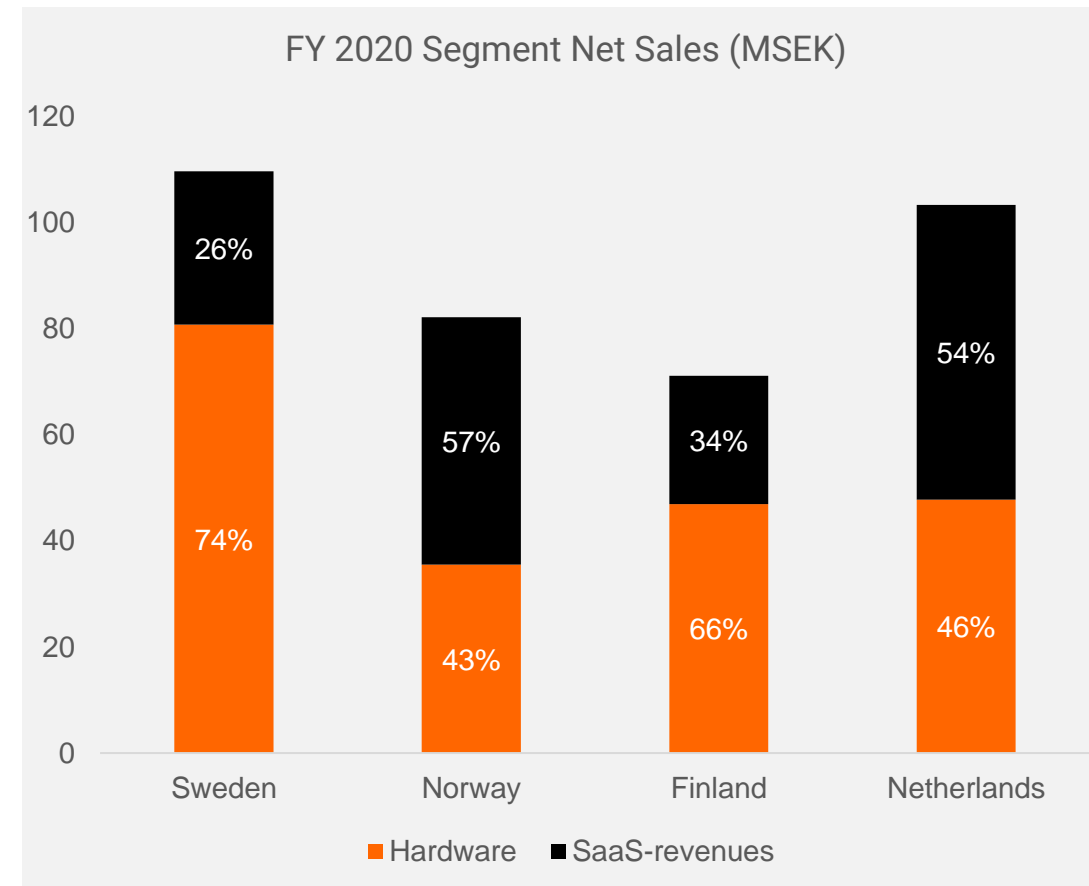
## Full Year 2020 – a solid performance

- Net sales decreased by 15.4% to SEK 366.2 (433.0) million
- SaaS-revenues amounted to SEK 155.2 (137.1) million. At constant exchange rates, SaaS-revenues increased by 17.4%
- EBITDA amounted to SEK 38.5 (52.2) million
- Adjusted for non-recurring items EBITDA amounted to SEK 55.0 (52.2) million
- ARR amounted to SEK 160.3 (165.5) million. At constant exchange rates, ARR increased by 1.3%
- Operating profit amounted to SEK 3.7 (3.4) million
- Earnings per share before and after dilution amounted to SEK -0,63 (0,22) and SEK -0,63 (0,22) respectively



# Full Year 2020 – the segments

In MSEK	Net Sales	EBITDA
Sweden	108.8 (113.7)	3.7 (2.5)
Norway	82.2 (136.4)	27.0 (34.5)
Finland	71.1 (105.2)	4.4 (15.5)
Netherlands	103.3 (77.5)	24.9 (22.0)



# Looking ahead

A clear road map

## After 2020 – Key takeaway's

- The importance of digital transformation has increased and the willingness to invest exists
- Stable customer base, increase in market activities
- Improved profitability with maintained cost control
- Strategic investments into software and concepts
- 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™**