



**17 March 2017**

### **Financial highlights for the year ended 30 June 2016**

- Trading Profit £3.5m (£2.3m)
- Turnover £45.0m (£59.6m)
- 1,400 new sites installed
- Positive start to the new financial year with a strong order book, already securing accounts such as PizzaExpress and SA Brain's fast growing Coffee#1 concept

### **ZONAL SERVES UP YEAR ON YEAR TRADING PROFIT GROWTH**

Edinburgh-based hospitality technology solutions provider, Zonal Retail Data Systems has today announced a 52.2% increase in trading profit from £2.3m to £3.5m.

During the period, Zonal continued to enjoy strong sales and the rapid expansion of its customer base, with installations at over 1,400 new locations, along with significant existing customer upgrades and new product sales.

This growth is continuing into the new financial year, with the company recently securing accounts with PizzaExpress, SA Brain's fast growing Coffee#1 concept, and a significant future sales pipeline.

The company has also continued to expand with carefully selected acquisitions including a majority shareholding in Cardiff based High Level Software, a property management systems provider to the hotel sector. Zonal's acquisition of online booking specialist, liveRES in 2015 is also reaping the rewards of being part of the Zonal family, winning several high profile new clients.

Commenting on the results, Chief Executive Stuart McLean said: "Zonal is unrecognisable from when it was launched 37 years ago, we have evolved from a Scottish start up business to the market leader in the UK hospitality technology market.

"We are proud of our Scottish heritage and believe that by employing strong local talent, which is nearing 500 employees, we will continue to provide a unique offering that makes us stand out from our competitors.

"We remain focused on improving our business and have taken key strategic decisions that have been instrumental in driving our long term vision and these have driven the improvements in cash and margins. We have a very strong new business pipeline in place and are really excited about future developments."

During this period, turnover fell from £59.6m to £45m. This was largely due to Zonal taking the strategic decision to no longer recognise certain procurement revenues through its food purchasing portal and to focus on the rapid growth of its SAAS business model, with its long term recurring revenue rather than upfront sales.

Zonal continues to invest heavily in research and development with £4m invested in the 12 months to June 2016 and this is forecast to grow significantly in the next financial year. Some of the outputs of this investment are the development of Acquire, a new web based online supply chain management and ordering platform and, enhancements to its payment services which now facilitate Apple Pay, and charity donations through Pennies.

“We are proud to have delivered on our strategy and to be at the forefront of innovation within the hospitality technology sector. Over the next 12 months we are confident that we will continue to grow not only our product offer, but broaden our customer reach by developing new market segments within the exciting hospitality sector,” concludes McLean.

**ENDS**

**Issued by Limegreen Communications on behalf of Zonal Retail Data Systems**

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