



EMBARGOED UNTIL 6AM WEDNESDAY 28 MARCH 2018

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ZONAL DELIVERS STRONG RESULTS WITH TURNOVER UP 20.5%

Financial highlights for the year ended 30 June 2017

- Turnover grew by 20.5% year on year to £54.3m (£45.1m)
- Operating Profit before tax £4.0m (£3.5m). Profits and both gross and operating margin up despite significant increase in investment in new product development fully included in operating expenses
- 62% year on year increase in SaaS sales revenue
- £4.9m invested in R&D (£3.8m)
- Over 1,800 new client sites installed

Edinburgh-based hospitality technology solutions provider, Zonal has today announced a 20.5% growth in turnover from £45.1m to £54.3m.

Zonal's long term investment rationale including a focus on its Software as a Service (SaaS) business, with its recurring revenue model, is paying dividends with a 62% year on year sales growth.

During the period, Zonal continued to enjoy strong sales and the rapid expansion of its customer base, with installations at over 1,800 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 several new contracts within the wider hospitality environment and a significant future sales pipeline.

Zonal's investment in Cardiff based High Level Software, the complete hotel management solution provider for the hotel sector, is also reaping benefits as the company continues to deploy its technology in hotels and sectors of hospitality beyond pubs, bars and restaurants.

In the last financial year, Zonal increased spend on R&D by over 27% to just under £5m. Investment focused on Zonal's industry leading Aztec EPoS, including the development and launch of Dimensions+, an insight-based solution that unlocks valuable operator data to paint a detailed picture in one single view.

The company also launched its Marketing Technologies division, specialising in online marketing services and mobile app technology, which has benefitted from significant R&D to optimise the power of mobile and customer data in order to provide insight.

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Chief Executive Stuart McLean said: “Zonal has come on a long journey since it was founded by my father almost 40 years ago and he would be very proud of our achievements. Zonal remains fiercely independent, which enables us to be nimble and quick to respond to the ever-changing world of technology.

“We remain focused on R&D with plans to launch new innovative products during 2018, which will secure our position as the market leader of technology solutions to the hospitality industry.

“It’s an exciting time for the industry as technology becomes a key part of the consumer out of home experience, with the growth in pre-order, mobile ordering and food delivery. We will continue to extend our integrated product offer to meet these trends and broaden our customer reach through further strategic acquisitions.”

Zonal is the leading provider of integrated hospitality management solutions to over 15,000 leisure and hospitality businesses across the UK. For almost 40 years, the company has been working closely with clients to enhance the customer experience through market leading technology, experienced people and a partnership approach to business.

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Issued by Limegreen Communications on behalf of Zonal

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