

Protection at work,  
a better life at home

Year-end bulletin 2022

# Back on the growth track – record high sales

Investor Conference Call February 14, 2023  
CEO Lars Højgård Hansen

**INVISIO<sup>®</sup>**

# Highlights Q4, 2022

- Increased growth from positive market development and a more active sales effort.
- Record high sales.
- Full year order intake exceeds one billion SEK, for the first time.
- Strongest order book ever.
- The component-situation is gradually improving.
- It is now time to start harvesting from our recent years' investments in the product portfolio and R&D & sales organization.

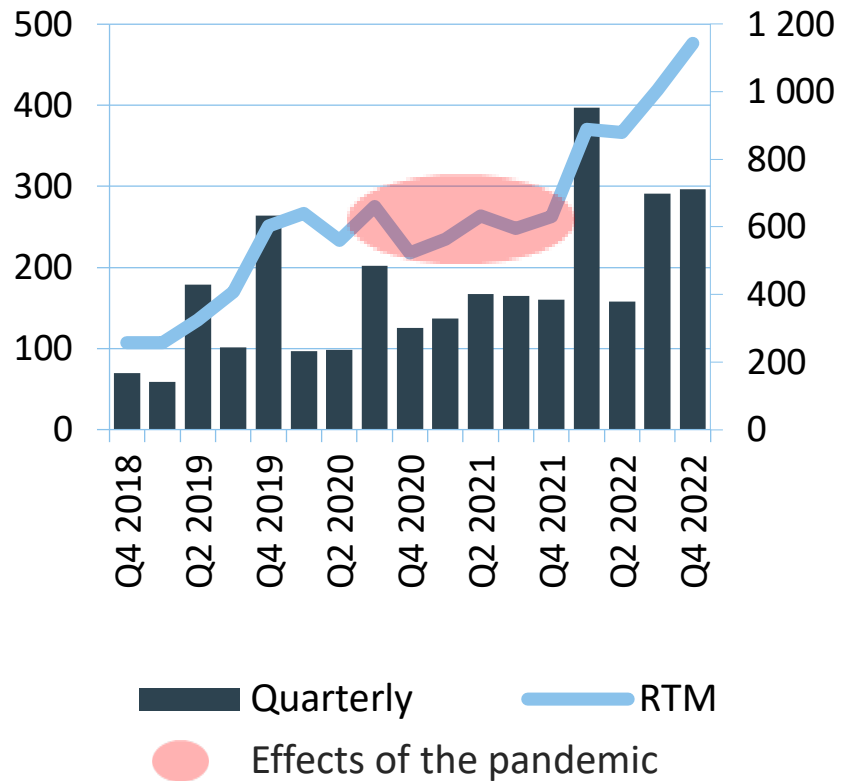


# Financial result Q4 and Full year 2022

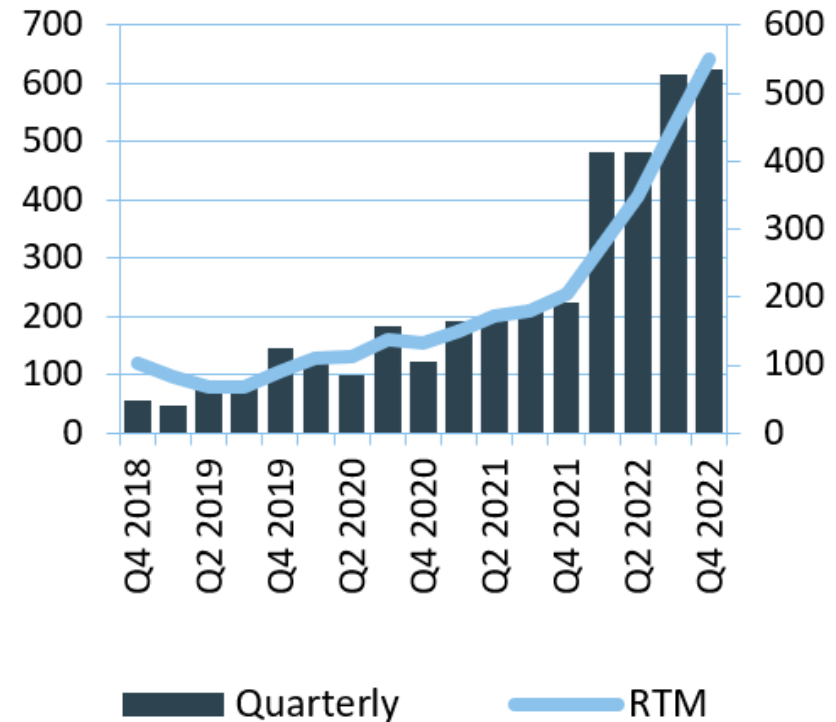
SEK in millions	2022 Q4	2021 Q4	Δ %	2022 Full year	2021 Full year	Δ %
Revenue	289,2	152,2	90	775,5	593,0	31
Gross profit	166,0	85,8	93	449,7	340,4	32
Gross margin, %	57,4	56,4		58,0	57,4	
EBITDA	72,5	12,6	476	113,0	69,9	62
EBITDA margin, %	25,1	8,3		14,6	11,8	
Operating profit/loss	59,8	1,3	4 481	65,2	24,9	162
Operating margin, %	20,7	0,9		8,4	4,2	
Profit/loss for the period	42,7	1,3	3 307	44,5	14,5	207
Earnings per share, SEK	0,95	0,03	3 268	0,99	0,33	204
Cash flow from operating activities	26,1	23,1	13	41,7	91,0	-54
Order intake	296,4	160,0	85	1 141,6	628,1	82
Order book	624,7	224,7	178	624,7	224,7	178

# Order intake 85 per cent stronger and a well-filled order book

Order intake per quarter and R12 months (SEK million)

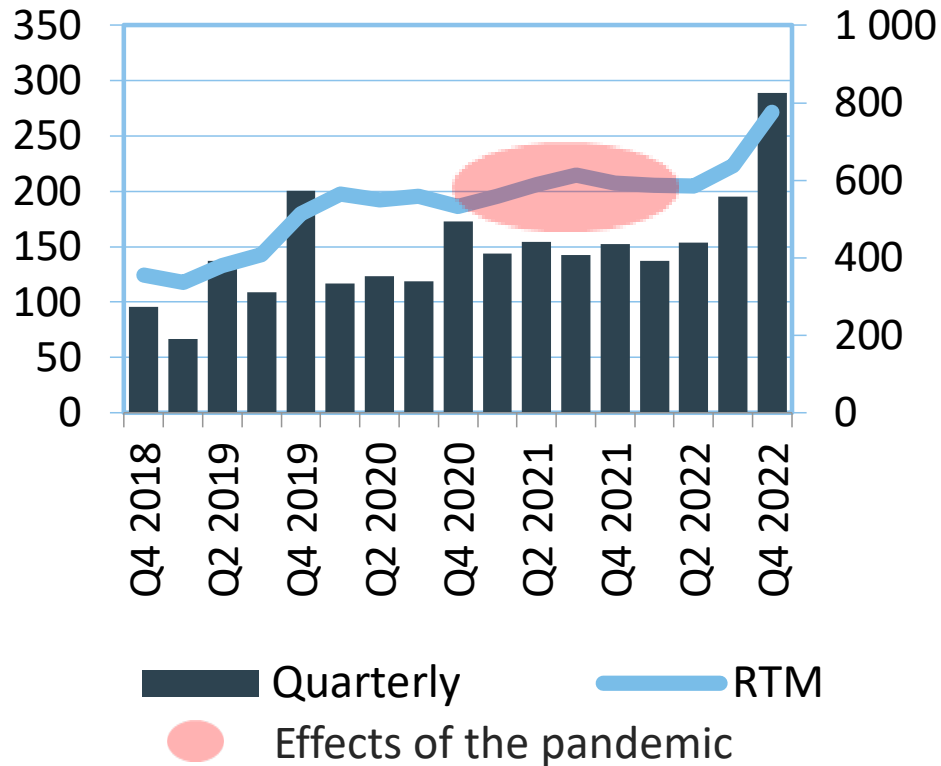


Order book per quarter and R12 months (SEK million)

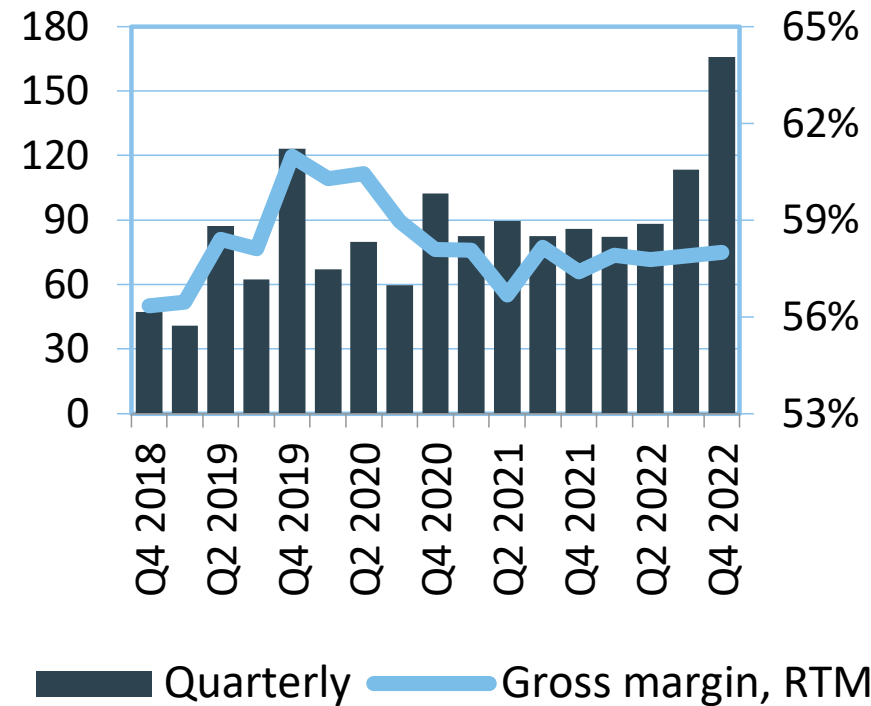


# Sales and gross profit up 90 per cent in the quarter. Still affected by purchases on the spot market

Sales per quarter and R12 months (SEK million)

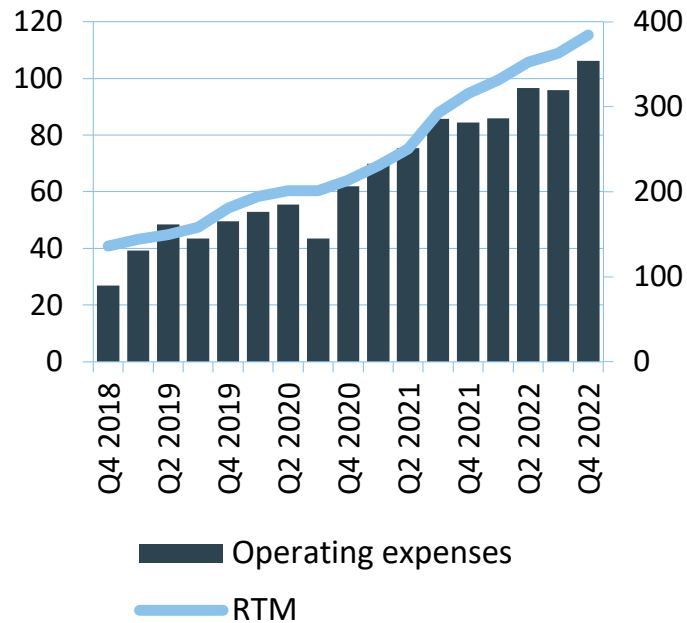


Gross profit per quarter (SEK million) and Gross margin R12 months (per cent)

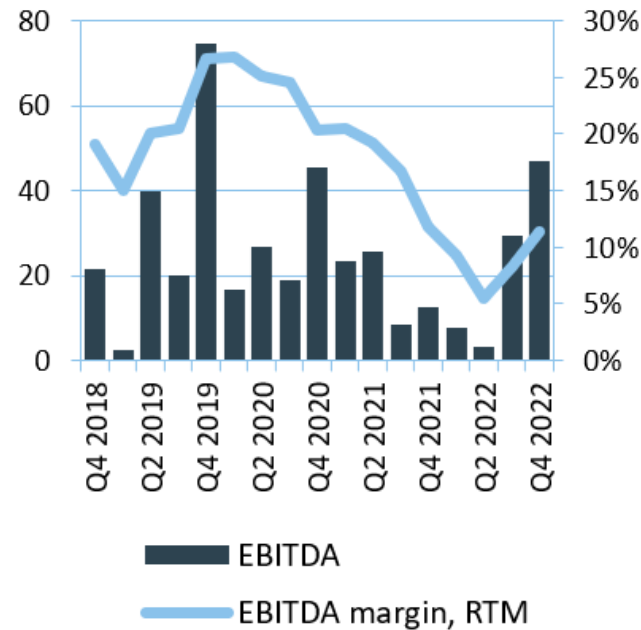


# EBIT margin exceeds target in Q4

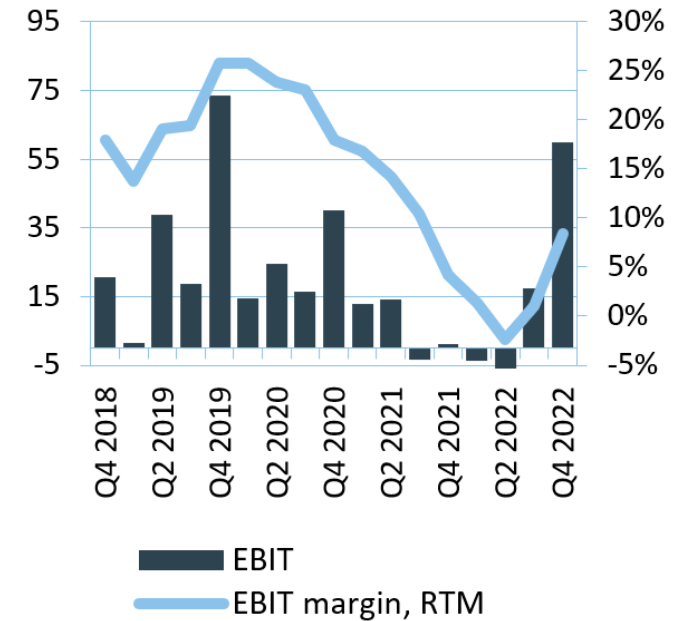
**Operating expenses per quarter (SEK million) and R12 months**



**EBITDA per quarter (SEK million) and EBITDA margin R12 months (per cent)**



**EBIT per quarter (SEK million) and EBIT margin R12 months (per cent)**



# INVISIO receives order for SEK 40 million from existing customer

Our most advanced personal system for communication and hearing protection - the new V-Series Gen II-system and the recently launched T7 headset.

Most of the deliveries will be made in the first half of 2023.

Has previously ordered several Intercom systems. Good potential for further orders.



# Another volume order for the new Intercom system

- after the end of the period

- The order value is SEK 40 million.
- The customer is a European NATO country and has previously placed 2 large Intercom orders.
- The total value of the 3 orders is approx. SEK 70 million.
- Most of the systems will be delivered in Q1 & Q2.
- The customer's needs may lead to further requests in the near future.





# Breakthrough order for Racal Acoustics headset in the US market

- after the end of the period

- A first major order for the new RA4000 Magna headset, in the North American market.
- The order value is SEK 42 million.
- Deliveries are planned monthly through September 2023.
- The first introduction in over 25 years in the US market of ANR tactical headsets, designed for armored vehicles.
- The market position has been further strengthened, particularly in the USA, as one of the major actors will discontinue its competing product line.





## Continued focus on law enforcement and security

- Strong development in 2022.
- The reinforcement of the sales force and the distribution network has strengthened the market position.
- Continued close cooperation with the Swedish police, new framework agreements with the Danish Police Authority and several US and European police departments on the client list.



## Proposed dividend and policy

- The Board of Directors proposes a dividend of SEK 0.70 per share (0.70).
- The objective is that over time should the dividend be between 25 and 50 per cent of profit after tax.
- In the latest five-year period SEK 157 million has been distributed to shareholders - a payout ratio of 55 per cent.
- Including the proposed dividend the ratio is 57 per cent.

# Outlook



## Greater geopolitical uncertainty

- Substantially increased defense budgets in coming years.
- The need for modern communication equipment with hearing protection is great in many countries and larger budgets will allow faster roll out.
- Short term: limited impact on INVISIO.
- Long term: larger budgets and more soldiers will mean an increased demand.

# Outlook

## Positive expectations for 2023

- INVISIO is significantly stronger and more stable today, as a result of the broadening of the product portfolio, the acquisition of Racal Acoustics and the strengthening of both the R&D and sales organization.
- This combined with a significant order book and prevailing market conditions leads us to predict continued strong sales and order intake in 2023.





Questions and answers

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# Appendix

# Condensed consolidated income statement and consolidated statement of comprehensive income

<i>SEK in millions</i>	Note	2022 Q4	2021 Q4	2022 Full year	2021 Full year
Revenue	2	289.2	152.2	775.5	593.0
Cost of goods sold		-123.2	-66.4	-325.7	-252.6
<b>Gross profit</b>		<b>166.0</b>	<b>85.8</b>	<b>449.7</b>	<b>340.4</b>
Operating expenses*	3	-106.2	-84.5	-384.5	-315.5
<b>Operating profit/loss</b>		<b>59.8</b>	<b>1.3</b>	<b>65.2</b>	<b>24.9</b>
Net financial items		-4.3	0.8	-2.7	-1.3
<b>Profit/loss before tax</b>		<b>55.5</b>	<b>2.1</b>	<b>62.5</b>	<b>23.5</b>
Income tax	4	-12.8	-0.9	-18.0	-9.0
<b>Profit/loss for the period</b>		<b>42.7</b>	<b>1.3</b>	<b>44.5</b>	<b>14.5</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<i>Items that may subsequently be reclassified to profit and loss</i>					
Translation differences		4.7	8.8	38.7	24.1
<b>Comprehensive income for the period</b>		<b>47.4</b>	<b>10.0</b>	<b>83.2</b>	<b>38.6</b>
<i>(Profit/loss attributable to equity holders of the parent company.)</i>					
*Depreciation/amortization incl. in operating expenses	3	-12.7	-11.3	-47.8	-45.1



# Condensed consolidated statement of financial position

*SEK in millions*

<b>Assets</b>	<b>Note</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
Goodwill		56.2	54.5
Capitalized development costs	3	103.5	92.6
Other intangible assets	3	79.2	89.3
Property, plant and equipment	3	20.8	17.1
Right-of-use assets, leases	3	22.8	33.7
Deposits for rent, long-term		2.7	2.4
Deferred tax assets	4	3.6	3.2
Inventories		144.4	117.5
Trade receivables		194.5	117.6
Other short-term receivables		28.9	27.3
Cash and cash equivalents		127.1	134.8
<b>Total assets</b>		<b>783.9</b>	<b>690.0</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity		510.0	417.5
Liabilities to credit institutions		65.0	85.0
Lease liabilities		24.8	34.3
Deferred tax liabilities	4	34.6	35.5
Trade payables		63.7	34.1
Other current liabilities		85.9	83.7
<b>Total shareholders' equity and liabilities</b>		<b>783.9</b>	<b>690.0</b>

# Condensed consolidated statement of cash flow

<i>SEK in millions</i>	Note	2022 Q4	2021 Q4	2022 Full year	2021 Full year
<b>Operating activities</b>					
Profit/loss before tax		55.5	2.1	62.5	23.5
Adjustments for non-cash items		17.3	11.8	57.4	47.7
Income tax paid		-8.9	-6.7	-19.0	-9.0
<b>Cash flow from operating activities before changes in working capital</b>		<b>64.0</b>	<b>7.2</b>	<b>100.9</b>	<b>62.2</b>
Changes in inventories		11.1	1.7	-13.9	21.5
Changes in operating receivables		-49.3	20.4	-77.5	17.1
Changes in operating liabilities		0.3	-6.3	32.1	-9.9
<i>Cash flow from changes in working capital</i>		<i>-37.8</i>	<i>15.8</i>	<i>-59.2</i>	<i>28.8</i>
<b>Cash flow from operating activities</b>		<b>26.1</b>	<b>23.1</b>	<b>41.7</b>	<b>91.0</b>
<b>Investing activities</b>					
Capitalization of development costs		-9.0	-4.0	-23.9	-14.9
Changes in other intangible assets		-	0.4	-	12.5
Investments in subsidiaries		-	-	-	-185.6
Acquisition of property, plant, and equipment		-3.3	-0.3	-9.6	-3.7
Acquisition of financial assets		0.0	0.0	-0.1	-0.1
<b>Cash flow from investing activities</b>		<b>-12.3</b>	<b>-3.9</b>	<b>-33.5</b>	<b>-191.9</b>
<b>Financing activities</b>					
New issues through exercising employee stock options		-	-	36.0	26.9
Issues during registration		-	-	-	-
Borrowings		-5.0	-5.0	-20.0	85.0
Changes in lease liabilities		-2.2	-2.0	-9.9	-8.0
Dividend paid		-	-	-31.2	-30.9
<b>Cash flow from financing activities</b>		<b>-7.2</b>	<b>-7.0</b>	<b>-25.1</b>	<b>73.0</b>
<b>CASH FLOW FOR THE PERIOD</b>		<b>6.6</b>	<b>12.2</b>	<b>-17.0</b>	<b>-27.9</b>
Cash and cash equivalents at start of period		118.5	120.9	134.8	157.7
Translation differences in cash and cash equivalents		1.9	1.7	9.2	5.0
Cash and cash equivalents at end of period		127.1	134.8	127.1	134.8