

Protection at work,
a better life at home

Q3 2022

Increased growth and a strong order intake

Investor Conference Call October 28, 2022
CEO Lars Højgård Hansen



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Highlights

- Increased growth from a positive market development and a more active sales effort
- Order intake (RTM) exceeds one billion SEK, for the first time
- Strongest order book ever, but deliveries still lagging – however the situation is gradually improving
- It is now time to start harvesting from our recent years' investments in the product portfolio and sales organization.

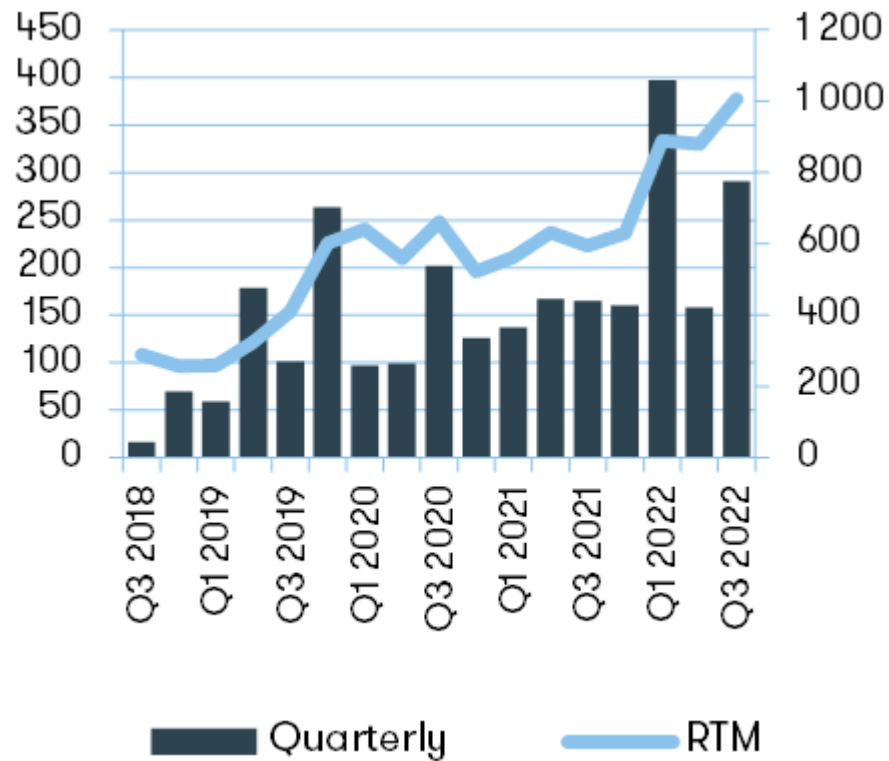


Financial result Q3, 2022

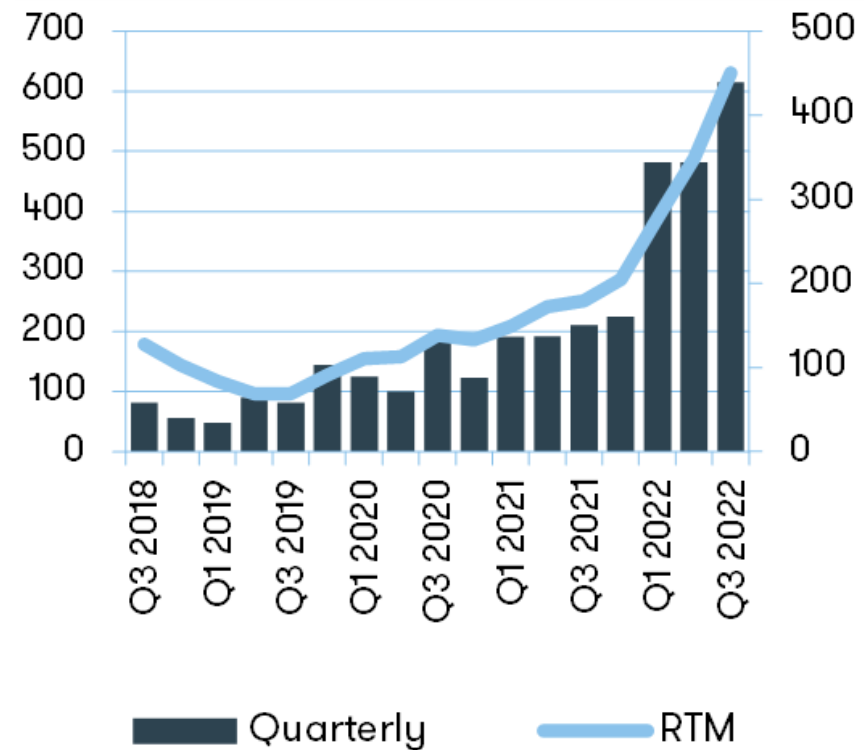
	2022	2021		2022	Jan-		2021
SEK in millions	Q3	Q3	Δ %	Jan-Sep	Sep	Δ %	Full year
Revenue	195.1	142.7	37	486.2	440.8	10	593.0
Gross profit	113.3	82.4	38	283.7	254.6	11	340.4
Gross margin, %	58.1	57.7		58.4	57.8		57.4
EBITDA	29.3	8.3	254	40.5	57.4	-29	69.9
EBITDA margin, %	15.0	5.8		8.3	13.0		11.8
Operating profit/loss	17.5	-3.4		5.4	23.6	-77	24.9
Operating margin, %	9.0	-2.4		1.1	5.3		4.2
Profit/loss for the period	13.5	-2.8		1.8	13.2	-86	14.5
Earnings per share, SEK	0.30	-0.06		0.04	0.30	-87	0.33
Cash flow from operating activities	4.1	8.5	-52	15.6	67.9	-77	91.0
Order intake	291.0	164.9	76	845.2	466.1	81	628.1
Order book	615.5	210.4	193	615.5	210.4	193	224.7

Order intake 75 per cent stronger and a record-breaking order book

Order intake per quarter and R12 months (SEK million)

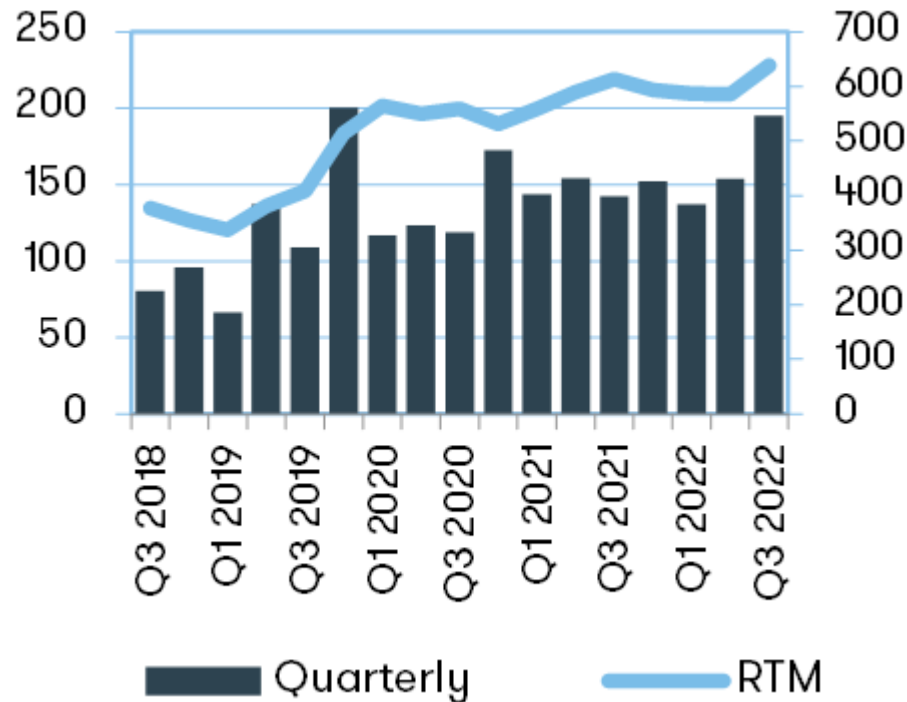


Order book per quarter and R12 months (SEK million)

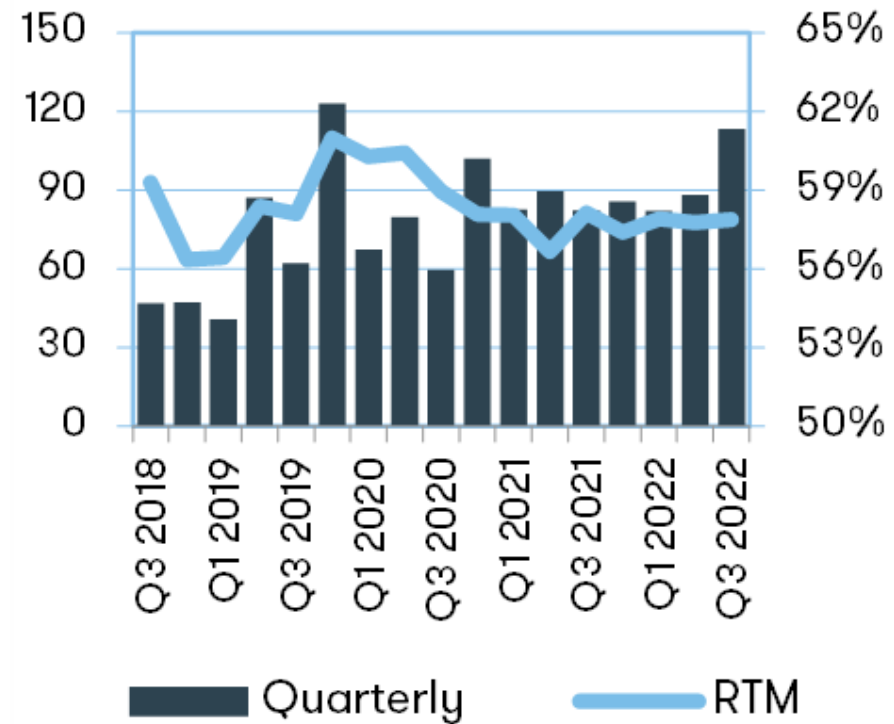


Sales up 35 per cent - deliveries impeded by component delays. Profit still affected by purchases on the spot market

Sales per quarter and R12 months (SEK million)



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

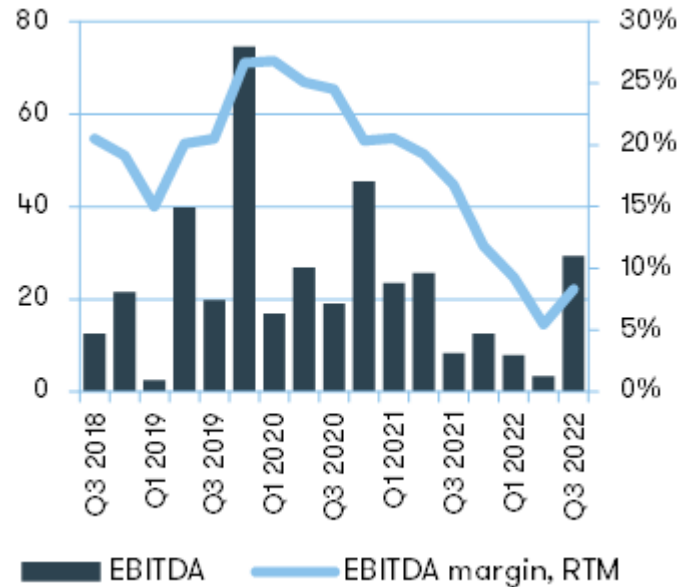


OPEX at the same level as previous quarter – high sales activity

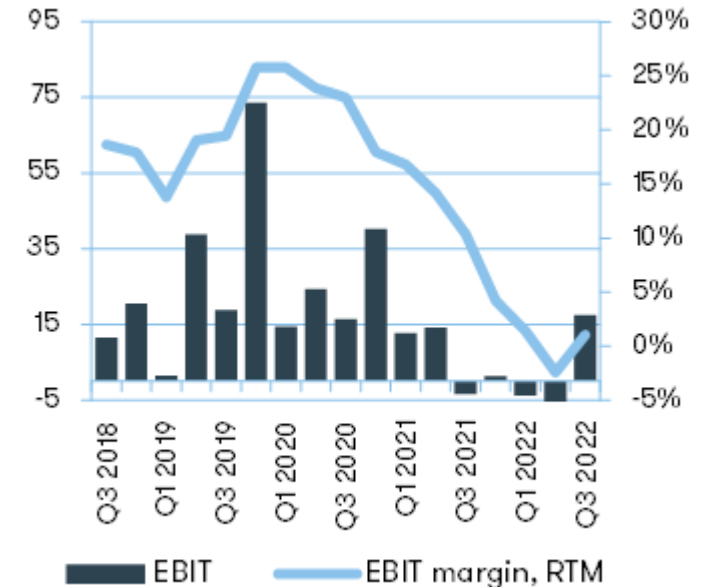
Operating expenses per quarter (SEK million)



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



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



Order worth SEK 58 million from a European NATO country

- A new customer
- Latest generation of control units and headsets, under the INVISIO brand
- Delivery is planned for the first half of 2023.



Order worth SEK 40 million from a customer in the US DoD

- The order is for advanced communication and hearing protection systems under the INVISIO brand
- The order is from an INVISIO customer of many years
- The order will further strengthen the business relation
- Delivery is planned for 2022.



Two volume orders for the Intercom system

- During the quarter two volume orders were received, where the customer is a European NATO country
- The cumulative order value amounted to almost SEK 30 million
- The customer is continuing the roll-out of the Intercom system in the vehicle fleet.



INVISIO signs framework agreement with the Danish Police

- The agreement includes the latest generation of INVISIO's headsets, both in-ear and over-the-ear
- The agreement includes the option of a one plus one-year extension
- Both the Danish and Swedish police are on our customer list, as well as several of the most demanding units in Europe and the USA.



Outlook

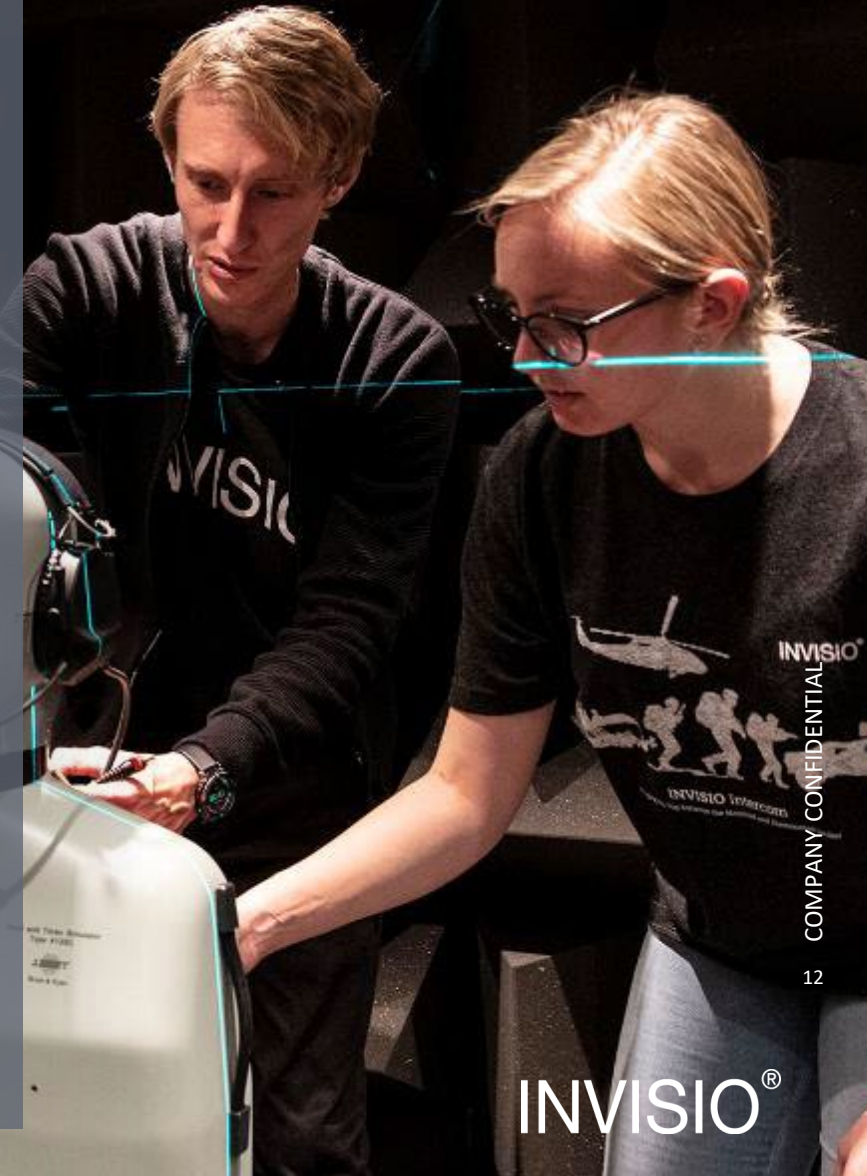
Greater geopolitical uncertainty

- 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 the end of the year and for the beginning of 2023

- Market conditions are starting to again resemble those before the pandemic.
- As a result of the large order book and the current market situation, we predict the order intake and sales will be strong in Q4 and into the beginning of 2023.
- High focus on marketing of our many new product solutions and on increasing penetration and expansion on new geographical markets.
- The immediate future looks bright. It is now time to start harvesting from our recent years' investments.





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 Q3	2021 Q3	2022 Jan-Sep	2021 Jan-Sep	2021 Full year
Revenue	2	195.1	142.7	486.2	440.8	593.0
Cost of goods sold		-81.8	-60.3	-202.5	-186.2	-252.6
Gross profit		113.3	82.4	283.7	254.6	340.4
Operating expenses*	3	-95.8	-85.7	-278.4	-231.0	-315.5
Operating profit/loss		17.5	-3.4	5.4	23.6	24.9
Net financial items		1.5	1.0	1.6	-2.1	-1.3
Profit/loss before tax		19.0	-2.3	7.0	21.4	23.5
Income tax	4	-5.6	-0.5	-5.2	-8.2	-9.0
Profit/loss for the period		13.5	-2.8	1.8	13.2	14.5
OTHER COMPREHENSIVE INCOME						
<i>Items that may subsequently be reclassified to profit and loss</i>						
Translation differences		12.2	4.0	34.0	15.3	24.1
Comprehensive income for the period		25.7	1.1	35.8	28.6	38.6
<i>(Profit/loss attributable to equity holders of the parent company.)</i>						
*Depreciation/amortization incl. in operating expenses	3	-11.9	-11.7	-35.1	-33.8	-45.1

Condensed consolidated statement of financial position

SEK in millions

Assets	Note	30/09/2022	30/09/2021	31/12/2021
Goodwill		55.5	52.8	54.5
Capitalized development costs	3	98.1	93.2	92.6
Other intangible assets	3	81.2	89.5	89.3
Property, plant and equipment	3	19.0	17.7	17.1
Right-of-use assets, leases	3	24.9	35.4	33.7
Deposits for rent, long-term		2.7	2.4	2.4
Deferred tax assets	4	5.7	3.4	3.2
Inventories		156.4	117.6	117.5
Trade receivables		153.5	132.6	117.6
Other short-term receivables		35.0	29.6	27.3
Cash and cash equivalents		118.5	120.9	134.8
Total assets		750.6	695.1	690.0
Shareholders' equity and liabilities				
Shareholders' equity		461.5	406.6	417.5
Liabilities to credit institutions		70.0	90.0	85.0
Lease liabilities		26.9	35.8	34.3
Deferred tax liabilities	4	33.8	35.8	35.5
Trade payables		75.4	45.3	34.1
Other current liabilities		83.0	81.5	83.7
Total shareholders' equity and liabilities		750.6	695.1	690.0

Condensed consolidated statement of cash flow

<i>SEK in millions</i>	Note	2022 Q3	2021 Q3	2022 Jan-Sep	2021 Jan-Sep	2021 Full year
Operating activities						
Profit/loss before tax		19.0	-2.3	7.0	21.4	23.5
Adjustments for non-cash items		12.1	11.5	40.1	35.9	47.7
Income tax paid		-1.3	-0.2	-10.2	-2.3	-9.0
Cash flow from operating activities before changes in working capital		29.8	9.0	36.9	54.9	62.2
Changes in inventories		-9.0	2.1	-25.0	19.8	21.5
Changes in operating receivables		-43.2	-15.5	-28.2	-3.3	17.1
Changes in operating liabilities		26.5	12.9	31.8	-3.6	-9.9
Cash flow from changes in working capital		-25.7	-0.4	-21.3	13.0	28.8
Cash flow from operating activities		4.1	8.5	15.6	67.9	91.0
Investing activities						
Capitalization of development costs		-4.1	-1.5	-14.9	-10.9	-14.9
Changes in other intangible assets		-	0.0	-	12.1	12.5
Investments in subsidiaries		-	-	-	-185.6	-185.6
Acquisition of property, plant, and equipment		-4.3	-0.8	-6.3	-3.4	-3.7
Acquisition of financial assets		0.0	0.0	-0.1	-0.1	-0.1
Cash flow from investing activities		-8.4	-2.3	-21.3	-188.0	-191.9
Financing activities						
New issues through exercising employee stock options		1.3	0.2	36.0	26.9	26.9
Borrowings		-5.0	-5.0	-15.0	90.0	85.0
Changes in lease liabilities		-1.6	-1.9	-7.7	-6.0	-8.0
Dividend paid		-	-	-31.2	-30.9	-30.9
Cash flow from financing activities		-5.4	-6.6	-17.9	80.0	73.0
CASH FLOW FOR THE PERIOD		-9.7	-0.4	-23.6	-40.1	-27.9
Cash and cash equivalents at start of period		125.5	120.4	134.8	157.7	157.7
Translation differences in cash and cash equivalent:		2.7	0.8	7.3	3.2	5.0
Cash and cash equivalents at end of period		118.5	120.9	118.5	120.9	134.8

Depreciation/amortization

<i>SEK in millions</i>	2022 Q3	2021 Q3	2022 Jan-Sep	2021 Jan-Sep	2021 Full year
Depreciation of Capitalized development costs	5.3	4.9	15.4	14.0	18.9
Amortization of Other intangible assets*	3.2	3.0	9.8	8.1	11.1
Amortization of Right of use assets, leases	2.0	2.1	5.9	7.3	9.3
Depreciation of Property, plant and equipment	1.3	1.7	4.0	4.3	5.7
Total	11.9	11.7	35.1	33.8	45.1

*Other intangible assets consists of values allocated to intangible assets, such as customer relations, technology and trademarks, in connection with the acquisition of Racal Acoustics.