

INVISIO

INVISIO[®]
25th anniversary

Strong order intake and sales

Investor Conference Call
October 24, 2024
CEO Lars Højgård Hansen

Protection at
work,
a better life at
home

One of the strongest quarters in INVISIO's history

- Strong demand across our product portfolio and in our main geographical markets.
- Order intake exceeded SEK 500 million for the first time in a quarter, excluding the exceptional third-party radio order received in Q1.
- Rolling 12-month order intake of almost SEK 1.5 billion.
- Revenue the strongest ever for a third quarter – SEK 350 million.
- Stable development of OPEX and EBIT margin.
- Strong order book and high capacity for speedy deliveries of volume orders.
- Well positioned to take advantage of opportunities offered by a progressively dynamic market.

Key figures Q3, 2024

SEK **503**_m
Order intake

SEK **867**_m
Order book

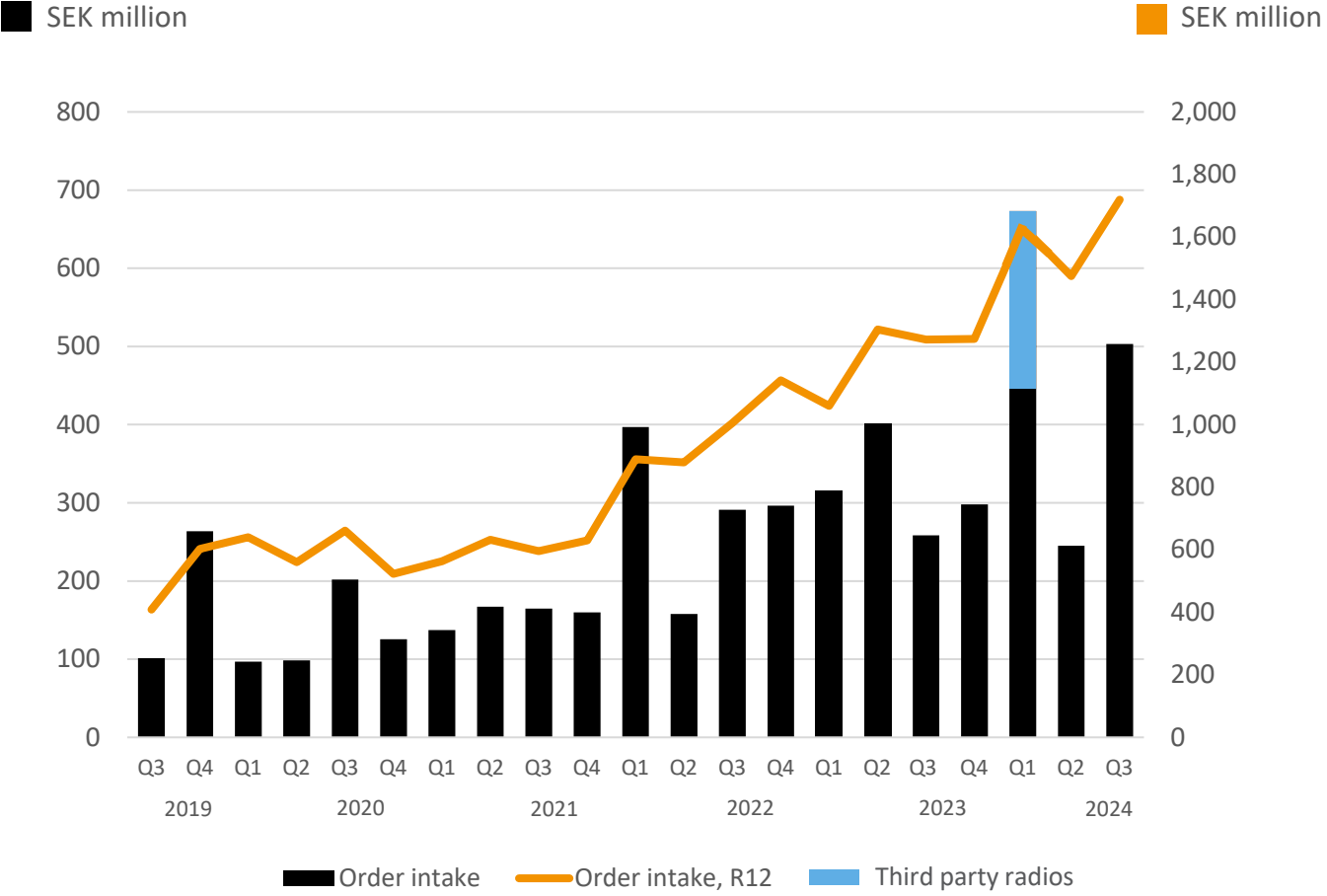
SEK **352**_m
Revenue

16%
Operating margin

17%
Revenue growth, R12, excluding radio order

17%
Operating margin, R12

Order intake exceeds SEK 500 million

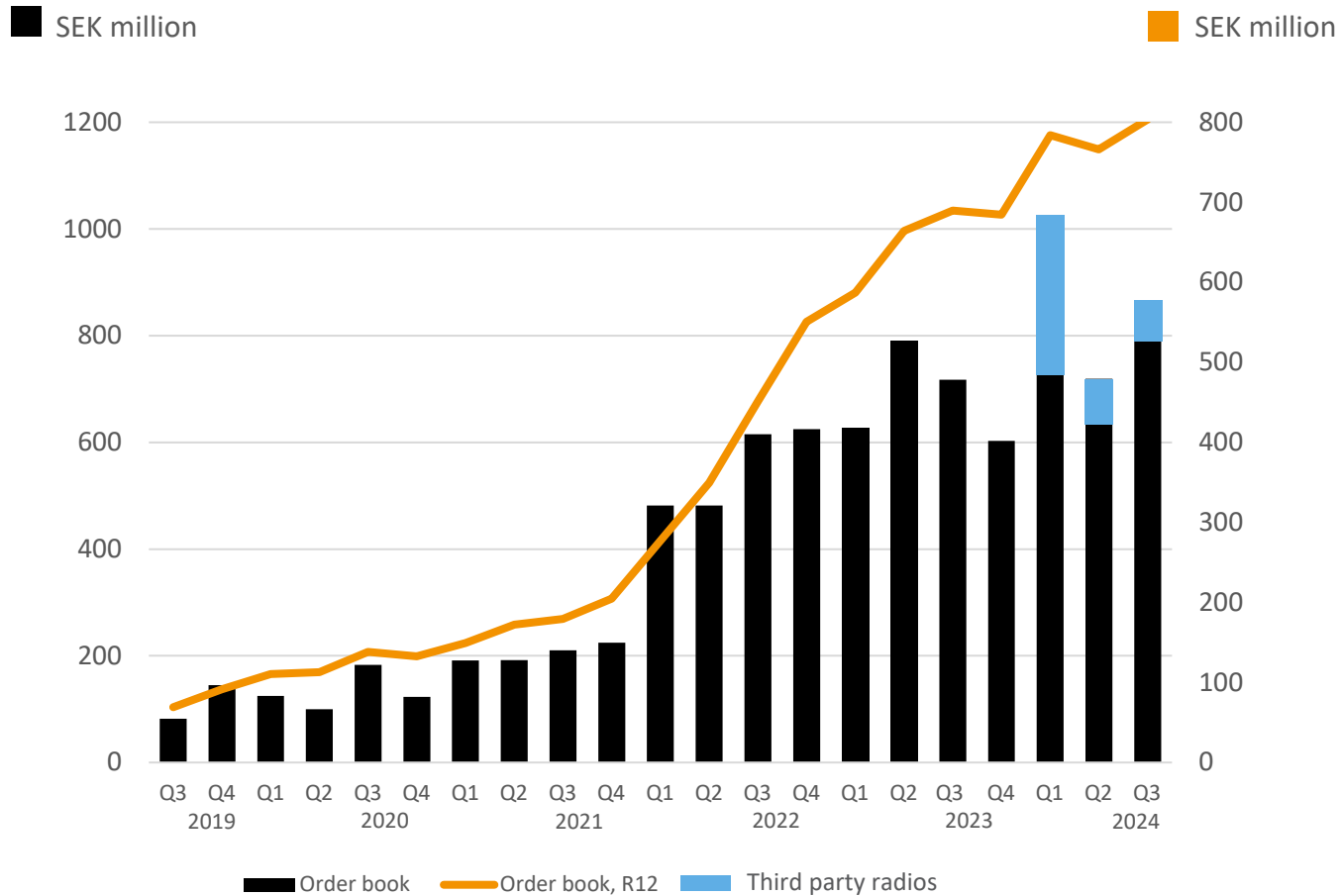


- Demand continues to be strong across our product portfolio and in both our main geographical markets, North America and Europe.
- Continued success for the Racal Acoustics brand, particularly in the US.
- Record strong order intake in the quarter and on R12 basis (excluding radio order).
- Anticipated increases in military spending are expected to show in 2025.
- Customers are increasingly opting for proven and ready-made solutions that do not demand customization. This trend gives INVISIO another significant competitive advantage.

SEK million	Q3 2024	Q3 2023	Difference %	R12*	FY 2023
Order intake	503.1	258.4	95	1,484	1,274

* Order intake R12 is excluding radio order. Further information is available in the press release published on March 12, 2024.

High capacity for volume orders

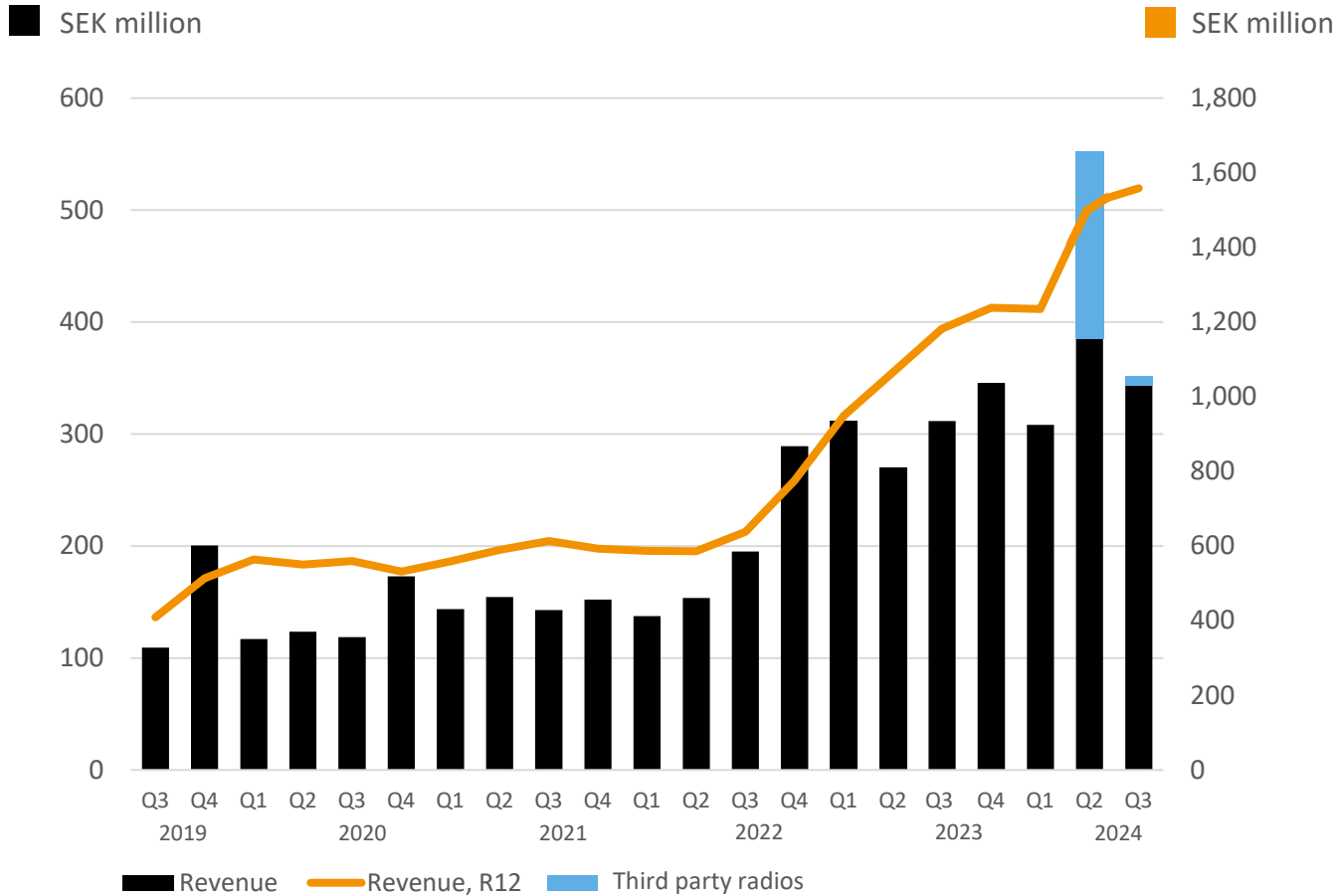


- The order book at the end of the period had a total value of SEK 866.7 million (717.5).
- Approximately 80 percent of the order book will be delivered within 12 months.
- The high inventory of standard products, with a value of SEK 303.4 million (216.8), and a strong order book together indicate significant future revenue.

SEK million	Q3 2024	Q3 2023	Difference %	FY 2023
Order book	866.7	717.5	21	602.8
Order book excluding radio order*	799.4	717.5	11	602.8

* Further information is available in the press release published on March 12, 2024.

Strong revenue

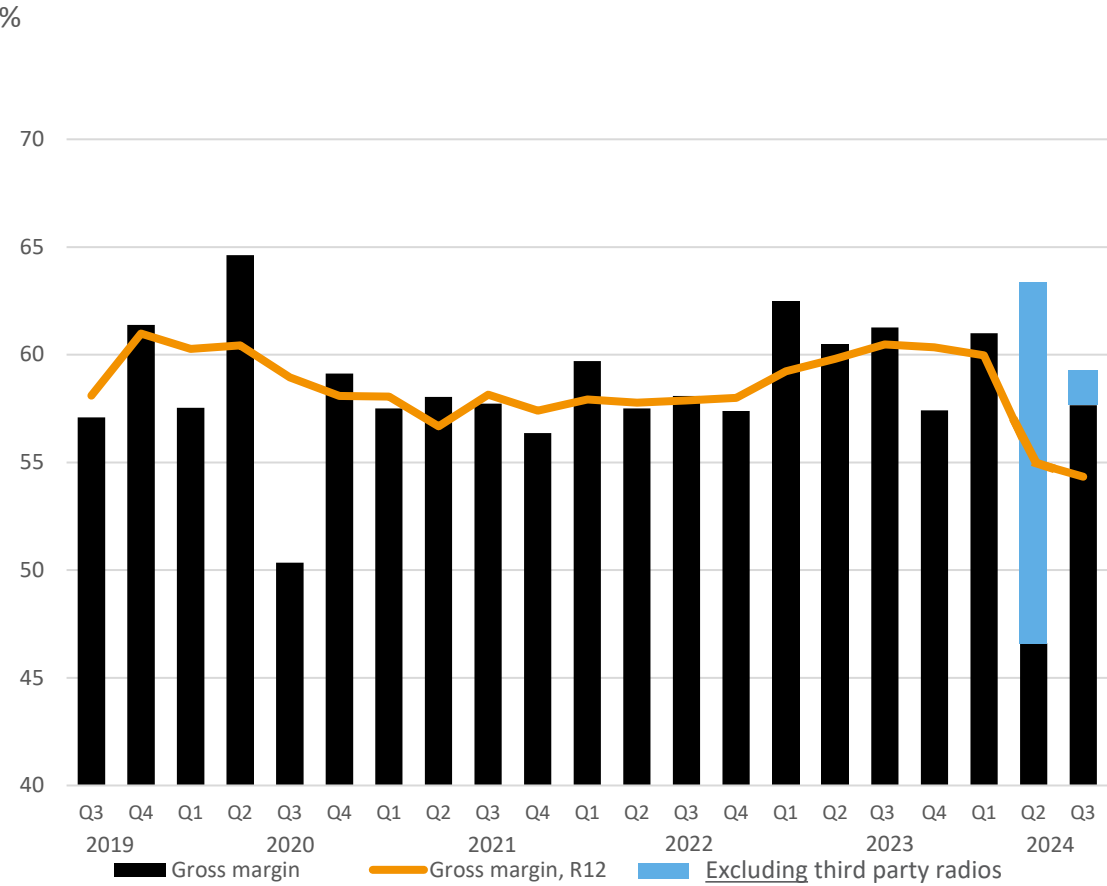


- Revenue at SEK 351.7 million (311.6) was the highest ever for a third quarter, despite a somewhat slower pace of deliveries due to the summer vacation period.
- Revenue YTD amounted to SEK 1,039.5 million (892.8), excluding the radio order.*
- In comparable currencies, revenue totaled SEK 355.2 million for the quarter.

SEK million	Q3 2024	Q3 2023	Difference %	FY 2023
Revenue	351.7	311.6	13	1,238.5
Revenue excluding radio order	342.6	311.6	10	1,238.5

* Further information is available in the press release published on March 12, 2024.

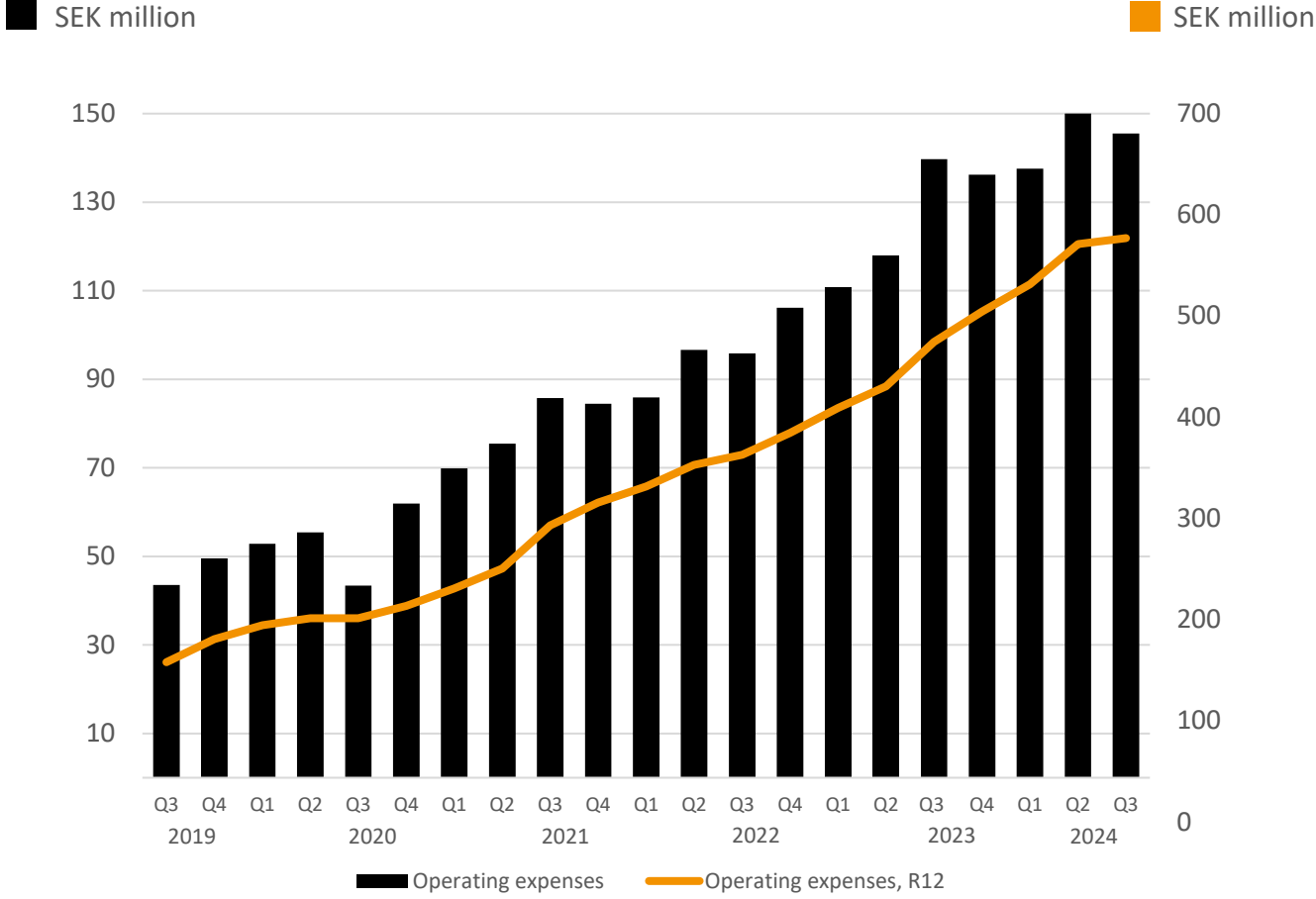
Healthy gross margin



- Gross profit was SEK 202.8 million (190.9) and the gross margin was 57.7 percent (61.3) during the quarter.
- Deliveries of radio systems supplied by third parties totaled less than SEK 10 million during the quarter but did impact the margin somewhat.

SEK million	Q3 2024	Q3 2023	Difference %-units	FY 2023
Gross margin	57.7	61.3	-3.6	60.3
Gross margin excl. Radio order	59.2	61.3	-2.1	60.3

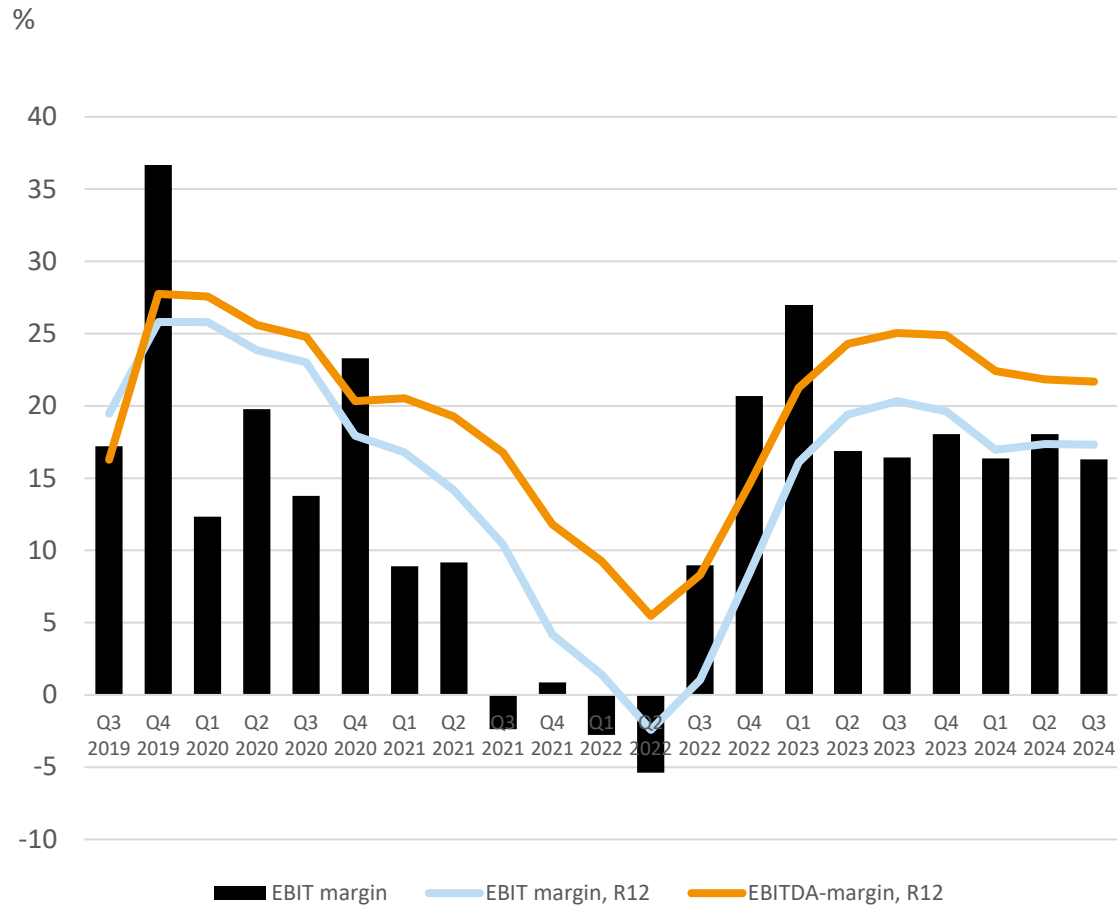
Stable underlying trend for OPEX during the last 5 quarters



- Operating expenses (OPEX) in Q3 remained broadly in line with the previous four quarters, not including the one-off costs taken in Q2.
- OPEX were SEK 145.5 million (139.7).
- The increase related primarily to future-focused investments in hiring more R&D and sales personnel, in accordance with the growth strategy.
- During 2024, 41 people have joined the company, of whom almost 25 percent are female. This aligns with the company’s ambition to achieve a more equal gender balance.

SEK million	Q3 2024	Q3 2023	Difference %	FY 2023
OPEX	145.5	139.7	4.1	504.5
<i>OPEX (excl. depreciation and amortization)</i>	129.9	124.4	4.4	439.2

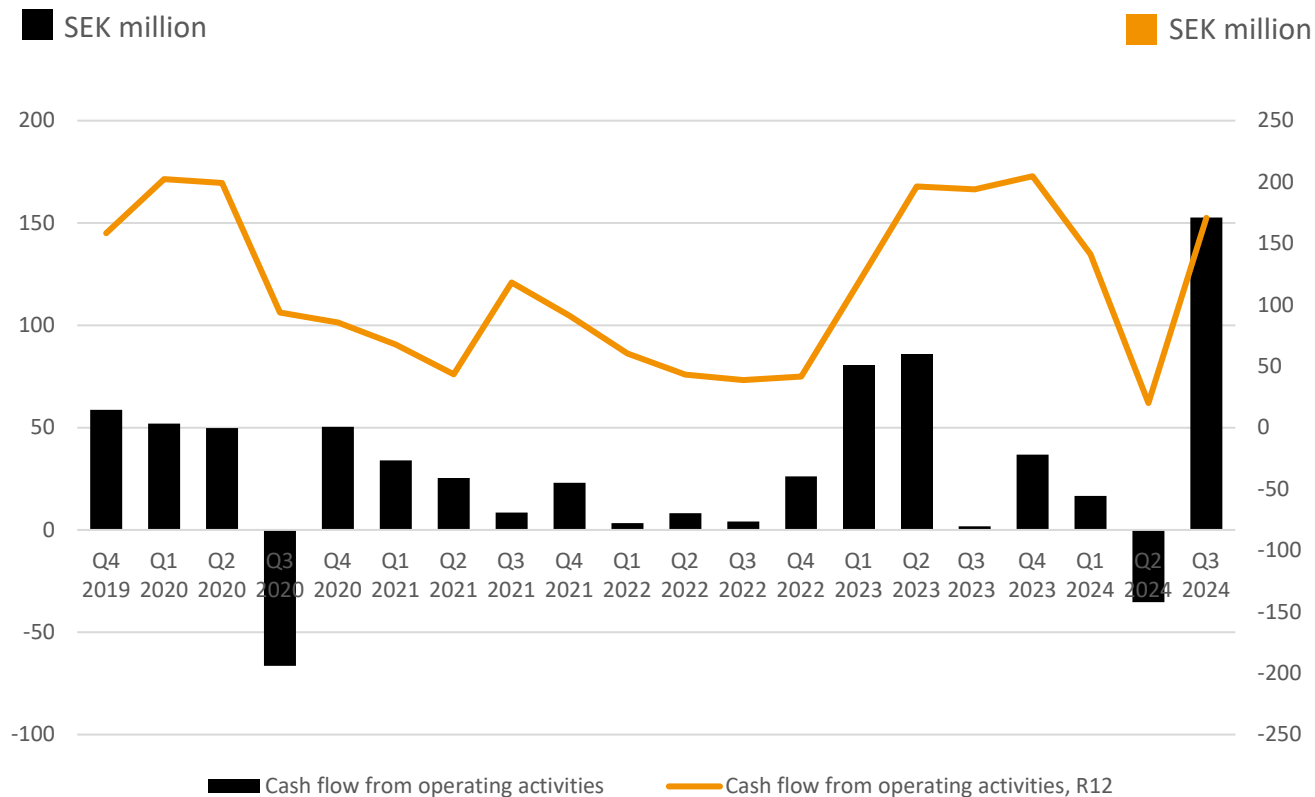
EBIT margin above target for the last seven quarters



- The operating margin (EBIT) was 16.3 percent (16.4).
- The operating margin YTD was 17.1% (20.2).

SEK million	Q3 2024	Q3 2023	Difference (units)	FY 2023
EBIT margin	16.3	16.4	-0.1	19.6
EBITDA margin	20.7	21.4	-0.7	24.9

Cash flow impacted by Q2 sales revenue received in Q3



- Cash flow for the quarter was SEK 132.1 million (–15.6).
- Cash flow from operating activities totaling SEK 152.6 million (1.8).
- The change was mainly attributable to strong sales performance at the end of Q2, with revenue from those transactions being realized in Q3.

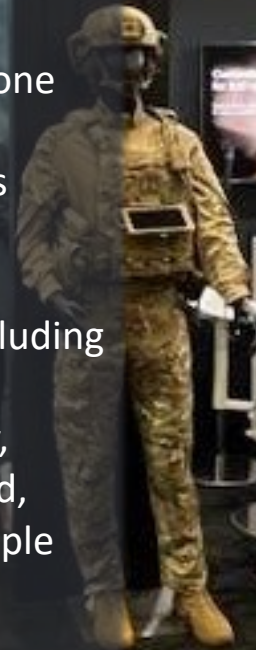
SEK million	Q3 2024	Q3 2023	Difference	FY 2023
Cash flow from operating activities	152.6	1.8	150.8	204.7
Cash flow for the period	132.1	-15.6	147.7	101.3

Strong interest at major US trade show

INVISIO attended AUSA in Washington DC, one of the largest industry events of the year, attracting 45,000 visitors and 750 exhibitors from over 100 countries.

INVISIO showcased a range of products, including the new X7 in-ear headset. The X7, with its cutting-edge hearing protection technology, drew significant interest from attendees and, as anticipated, has already resulted in multiple volume orders.

The new V60 II ADP control unit, designed to address the increasing demands of digitalization, also garnered considerable attention.





Order reinforces our position as DoD's high-noise headset provider

INVISIO secured a SEK 170 million order from the US Department of Defense for Racal Acoustics' RA5001 RAPTOR and RA4000 Magna high-noise headsets, intended for use in combat vehicles.

This order, which follows extensive product testing to meet strict military standards, further strengthens INVISIO's position as the primary supplier of high-noise headsets to the DoD.

Positive future outlook

- We expect market activity to remain strong for many years to come.
- The broader market trends are in our favor, with a significant need for modernization of current communication solutions across all our markets.
- An anticipated increase in military spending will further boost demand, complementing the underlying trends.
- The investments we've made in recent years, expanding both our product portfolio and customer base, have positioned INVISIO to capitalize on the opportunities presented by a progressively dynamic market.



Q&A

Appendix

Condensed consolidated income statement and consolidated statement of comprehensive income

SEK million	Note	Q3		Jan-Sep		Full year
		2024	2023	2024	2023	2023
Revenue	2	351.7	311.6	1,212.6	892.8	1,238.5
Cost of goods sold		-148.9	-120.7	-564.4	-344.0	-491.2
Gross profit		202.8	190.9	648.2	548.8	747.3
Operating expenses*	3	-145.5	-139.7	-440.7	-368.3	-504.5
Operating profit		57.3	51.2	207.5	180.5	242.9
Net financial items		-3.6	3.3	-1.8	-4.8	-1.0
Profit before tax		53.7	54.6	205.7	175.8	241.9
Income tax	4	-14.8	-14.4	-57.0	-48.3	-63.5
Profit for the period		38.9	40.2	148.7	127.5	178.4
OTHER COMPREHENSIVE INCOME						
<i>Items that may subsequently be reclassified to profit or loss</i>						
Translation differences from foreign operations for the period		-1.3	-18.9	27.1	24.6	-4.7
Comprehensive income for the period		37.5	21.3	175.8	152.1	173.7
(Attributable to parent company shareholders)						
* Operating expenses include depreciation of	3	-15.6	-15.3	-45.8	-43.1	-65.3

Data per share

	Note	Q3		Jan-Sep		Full year
		2024	2023	2024	2023	2023
Earnings per share for the period, SEK		0.85	0.88	3.26	2.80	3.91
Earnings per share after dilution, SEK		0.85	0.88	3.25	2.79	3.91
Equity per share, SEK		18.55	15.27	18.55	15.27	15.80
Equity per share after dilution, SEK		17.98	14.81	17.98	14.81	15.58
Equity/assets ratio, %		69	66	69	66	68
Number of shares, thousands		45,590	45,590	45,590	45,590	45,590
Average number of shares outstanding, thousands		45,590	45,590	45,590	45,291	45,366
Average number of shares outstanding after dilution, thousands		47,031	46,269	47,031	46,269	46,237
Share price at close of period, SEK		231.00	197.80	231.00	197.80	195.60

Condensed consolidated statement of financial position

SEK million	Note	Sept 30, 2024	Sept 30, 2023	Dec 31, 2023
ASSETS				
Non-current assets				
Goodwill		61.4	60.3	58.0
Capitalized development costs	3	138.0	116.3	110.7
Other intangible assets	3	61.6	73.7	67.7
Property, plant and equipment	3	37.1	30.1	32.9
Rights of use, leases	3	25.3	34.1	34.2
Long-term deposits for rent		4.7	3.6	4.3
Deferred tax assets	4	14.0	10.2	2.6
Total non-current assets		342.1	328.3	310.4
Current assets				
Inventories		303.4	216.8	238.2
Trade receivables		227.6	238.2	219.5
Other current receivables		107.5	61.2	59.9
Cash and cash equivalents		242.7	211.2	224.9
Total current assets		881.2	727.5	742.5
TOTAL ASSETS		1,223.3	1,055.7	1,053.0

SEK million	Note	Sept 30, 2024	Sept 30, 2023	Dec 31, 2023
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity		845.8	696.3	720.4
Non-current liabilities				
Lease liabilities		22.3	26.6	26.9
Deferred tax liabilities	4	38.0	40.3	37.6
Total long-term liabilities		60.3	66.9	64.4
Current liabilities				
Trade payables		115.6	111.7	97.1
Lease liabilities		8.7	11.5	10.9
Other current liabilities		192.9	169.3	160.1
Total current liabilities		317.1	292.5	268.1
TOTAL EQUITY AND LIABILITIES		1,223.3	1,055.7	1,053.0

SEK million	Note	Sept 30, 2024	Sept 30, 2023	Dec 31, 2023
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY				
Opening balance		720.4	510.0	510.0
New issue through exercise of employee stock options		-	58.6	58.6
Employee stock option program		8.9	7.2	9.6
Dividend		-59.3	-31.5	-31.5
Comprehensive income		175.8	152.1	173.7
Closing balance		845.8	696.3	720.4

Condensed consolidated statement of cash flows

SEK million	Note	Q3		Jan-Sep		Full year
		2024	2023	2024	2023	2023
Operating activities						
Profit before tax		53.7	54.6	205.7	175.8	241.9
Adjustments for non-cash items		22.6	17.1	61.2	54.0	75.0
Income tax paid		-6.6	-0.4	-49.3	-11.1	-33.3
Cash flow from operating activities before changes in working capital		69.7	71.3	217.5	218.7	283.6
Changes in inventories		-31.3	-25.8	-57.5	-66.6	-98.5
Changes in operating receivables		75.7	-105.9	-48.7	-52.7	-48.8
Changes in operating liabilities		38.6	62.1	22.7	68.5	68.5
<i>Cash flow from changes in working capital</i>		<i>83.0</i>	<i>-69.6</i>	<i>-83.4</i>	<i>-50.8</i>	<i>-78.9</i>
Cash flow from operating activities		152.6	1.8	134.1	167.9	204.7
Investing activities						
Capitalization of development costs		-14.1	-10.1	-41.5	-28.1	-32.4
Purchases of property, plant, and equipment		-3.0	-4.1	-9.9	-33.8	-21.0
Acquisition of financial assets		-0.3	0.0	-0.3	-0.8	-1.6
Cash flow from investing activities		-17.4	-14.3	-51.8	-62.8	-55.0

SEK million	Note	Q3		Jan-Sep		Full year
		2024	2023	2024	2023	2023
Financing activities						
New issue through exercising employee stock options		-	-	-	58.6	58.6
Raising/amortization of loans		-	-	-	-65.0	-65.0
Changes in lease liabilities		-3.2	-3.1	-9.5	13.0	-10.6
Dividend paid		-	-	-59.3	-31.5	-31.5
Cash flow from financing activities		-3.2	-3.1	-68.8	-24.9	-48.5
CASH FLOW FOR THE PERIOD		132.1	-15.6	13.5	80.2	101.3
Cash and cash equivalents at start of period		112.3	232.3	224.9	127.1	127.1
Translation differences in cash and cash equivalents		-1.6	-5.4	4.2	3.9	-3.4
Cash and cash equivalents at close of period		242.7	211.2	242.7	211.2	224.9