



# INVISIO

Investor Conference Call February 15, 2021 | Year-end Bulletin 2020  
CEO Lars Højgård Hansen

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## Agenda

- CEO Lars Højgård Hansen comments on the Year-end Bulletin, 2020.
- Q&A.
- Financial performance in further detail.





**Acquisition strengthens INVISIO's growth potential**

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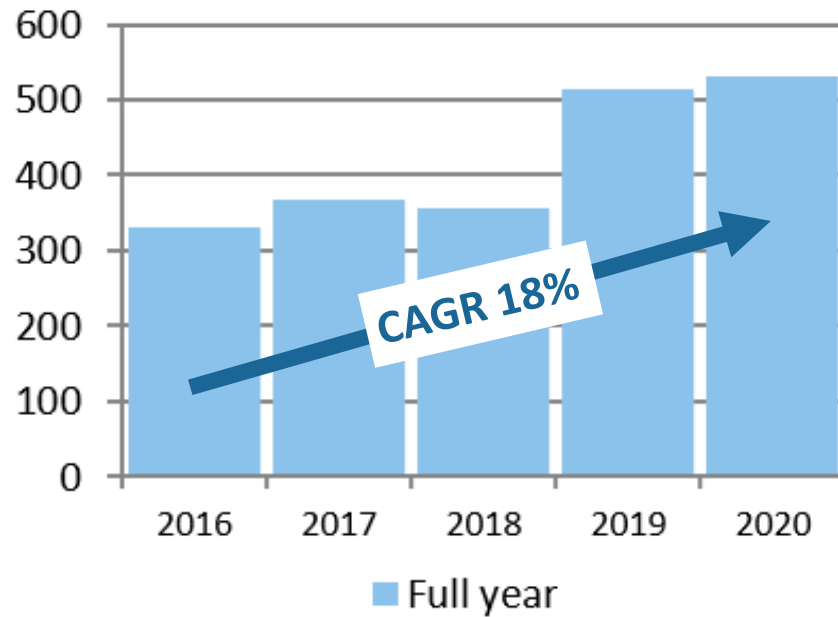
# The financial result Q4 and full year 2020

SEK in millions	2020 Q4	2019 Q4	Δ %	2020 Full year	2019 Full year	Δ %
Revenue	172.8	200.5	-14	532.0	513.8	4
Gross profit	102.2	123.1	-17	309.0	313.3	-1
Gross margin, %	59.1	61.4		58.1	61.0	
EBITDA	45.5	76.0	-40	108.1	142.6	-24
Operating profit/loss	40.2	73.5	-45	95.4	132.6	-28
Operating margin, %	23.3	36.7		17.9	25.8	
Profit/loss for the period	27.5	55.4	-50	61.2	101.6	-40
Earnings per share, SEK	0.62	1.26	-50	1.39	2.30	-40

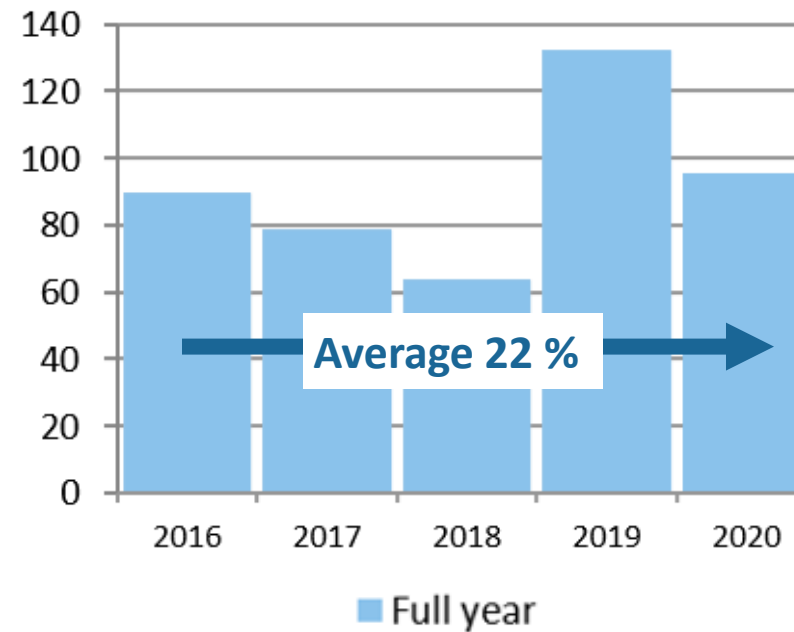
- Many customer projects have been delayed due to the pandemic but the order intake of smaller orders continues to increase.
- Q4 is the strongest quarter in 2020, but weaker than same period last year that was our strongest ever.
- The order book at the close of the year was SEK 123.2 million (145.0).
- The investments in product and organizational development continued also in Q4, 2020.
- Strong EBIT margin in the quarter but slightly lower for the full year of 2020.
- One off costs of SEK 7 million related to the acquisition of Racal Acoustics.

# Long term development in sales and EBIT

## Sales (SEK million)

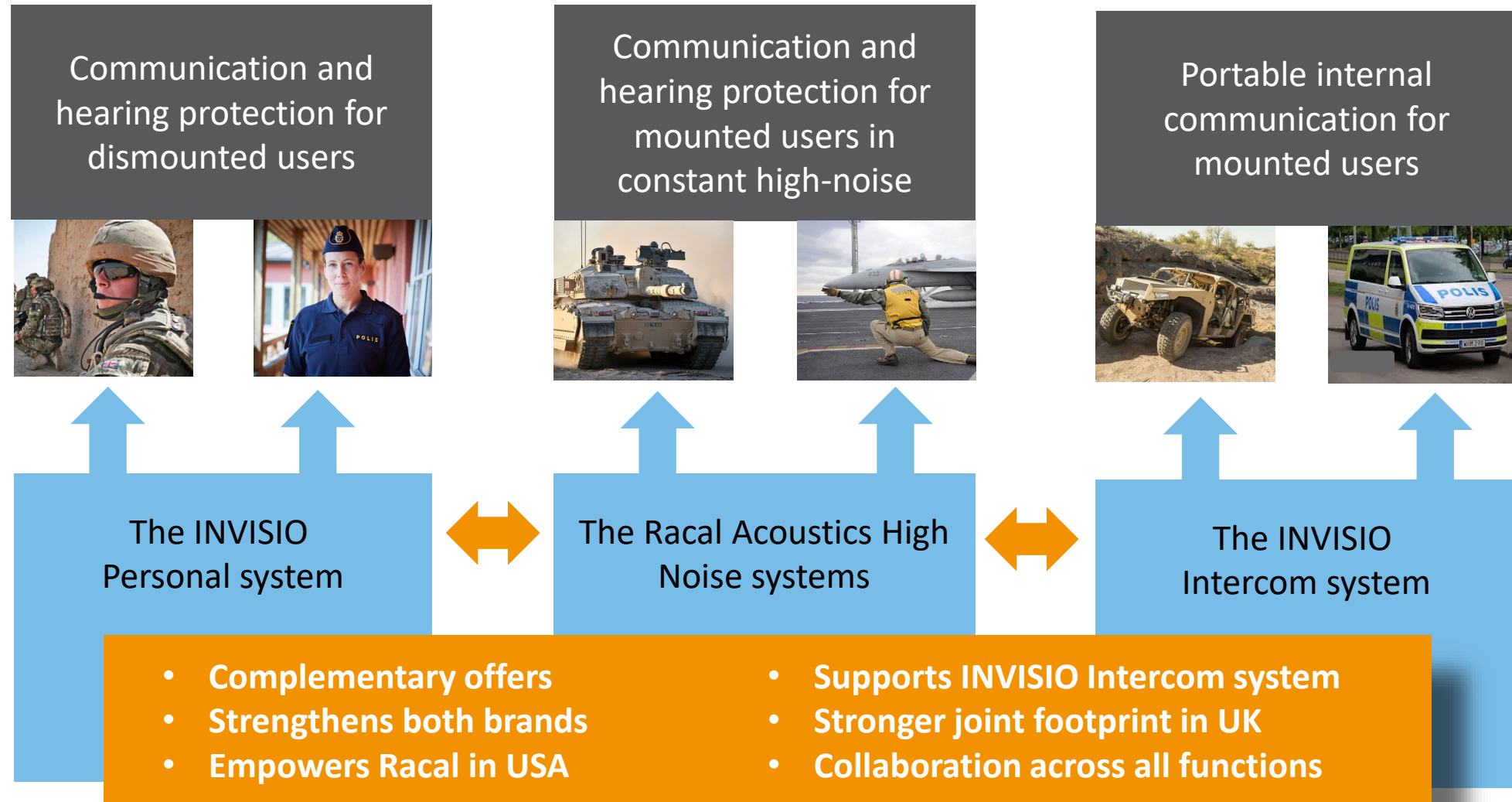


## EBIT (SEK million)





# INVISIO + Racal Acoustics = two complementary product portfolios



# Broad product portfolio

- Racal Acoustics has a broad portfolio of highly advanced and rugged hearing protection and communications headsets for environments with constant high noise, complementary to the INVISIO product portfolio.
- The latest developed product is the RA4000 Magna™ - a digital headset that delivers best-in-class hearing protection, communication intelligibility and situational awareness.
- RA4000 Magna™ offers modular, customizable, and upgradeable features and accessories to match specific mission requirements and extend useful life.





# The Racal Acoustics market

- Racal Acoustics is the leader in a market with few competitors.
- Users are mainly crews in large military vehicles, above all in Europe and the USA.
- 1.2 million positions/seats in relevant vehicles and markets.
- The value of the global addressable market is about SEK 7.0 billion.
- Procurements at 15-year intervals.
- The average annual target market is worth about SEK 0.5-0.7 billion.

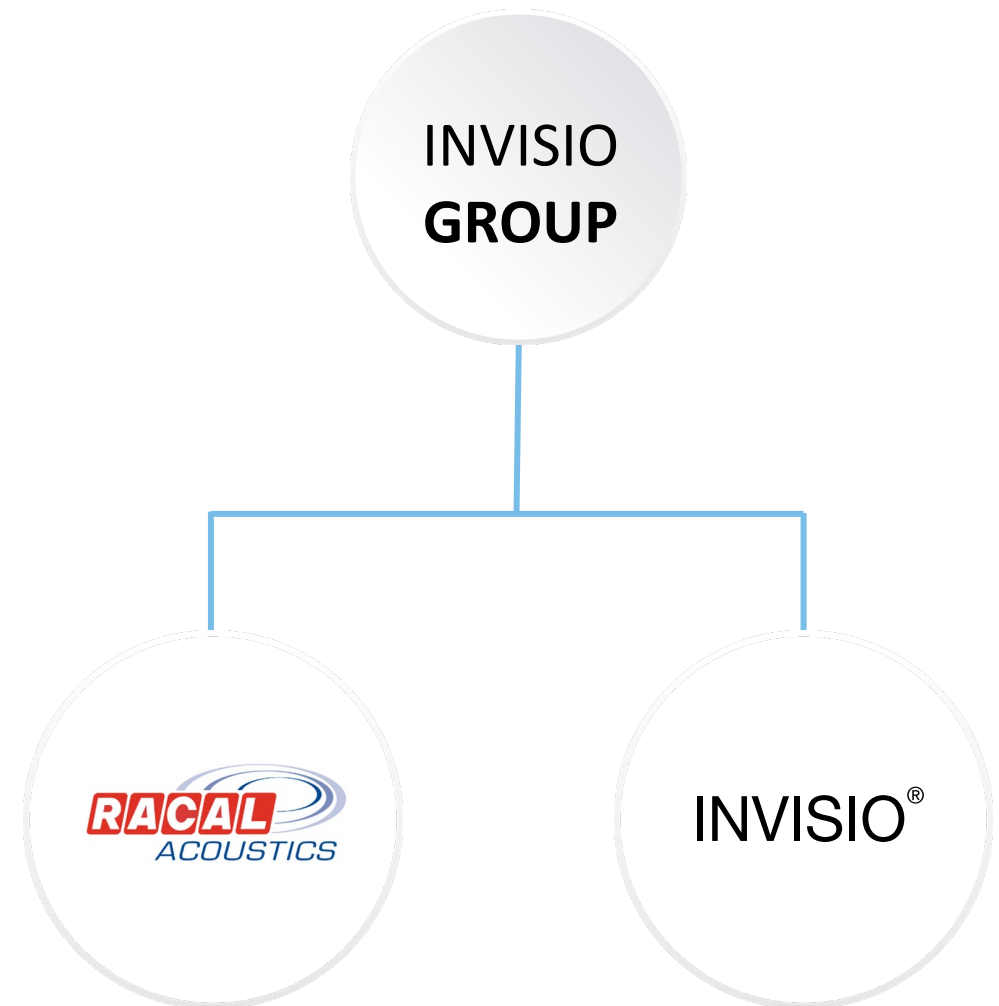




# Two brands – one company

One company with two brands both recognized globally for their heritage and expertise:

- The INVISIO brand – Soldier Systems and Portable Intercom systems.
- The Racal Acoustics brand – High Noise headsets.
- Racal Acoustics is the center of excellence for high noise solutions.
- Support a sustainable and profitable growth.
- Take advantage of combined competences across all functions.





## Positive response to the marketing of the Intercom system

- Marketing of the Intercom system continues essentially according to plan, despite COVID-19 and travel restrictions.
- Have received approx. ten small orders from specialist units in the USA and Europe, in Q3-Q4.
- A growing interest from the special forces within the Police.





## Continued focus on law enforcement and security

- The strengthening of the sales organization in the USA and Europe targeting law enforcement and security has continued in 2020.
- The global network of distribution partners is extended.
- INVISIO continuous with long-term investments in the law enforcement and security market.



**Another American elite force chose INVISIO  
and places a first order.**





## Sound growth in new markets

- During 2020 INVISIO has continued to address new geographical markets.
- INVISIO has received a number of new, initial orders that could lead to larger orders later.
- The same pattern as in the established markets.
- Continued focus on new markets in 2021.

# Proposed dividend

We believe in our capacity of continued growth with sound profitability.

The Board of Directors proposes a dividend of SEK 0.70 per share (0.85).







“INVISIO is developing into a larger company with a wider geographical spread and considerably broader product portfolio. In 2021 there will be great focus on integrating Racal Acoustics, but we will also continue the long-term investments, both in our new Intercom system and in addressing the law enforcement and security market.”

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Questions and answers

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# Appendix

# Condensed consolidated income statement and consolidated statement of comprehensive income

<i>SEK in millions</i>	Note	2020 Q4	2019 Q4	2020 Full year	2019 Full year
Revenue	2	172.8	200.5	532.0	513.8
Cost of goods sold		-70.6	-77.4	-222.9	-200.5
<b>Gross profit</b>		<b>102.2</b>	<b>123.1</b>	<b>309.0</b>	<b>313.3</b>
Operating expenses*		-61.9	-49.6	-213.6	-180.7
<b>Operating profit/loss</b>		<b>40.2</b>	<b>73.5</b>	<b>95.4</b>	<b>132.6</b>
Net financial items		-1.4	-1.4	-10.5	1.5
<b>Profit/loss before tax</b>		<b>38.9</b>	<b>72.1</b>	<b>84.9</b>	<b>134.1</b>
Income tax	3	-11.4	-16.7	-23.7	-32.5
<b>Profit/loss for the period</b>		<b>27.5</b>	<b>55.4</b>	<b>61.2</b>	<b>101.6</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<i>Items that may subsequently be reclassified to profit and loss</i>					
Translation differences		-17.7	-9.7	-14.4	1.8
<b>Comprehensive income for the period</b>		<b>9.7</b>	<b>45.7</b>	<b>46.8</b>	<b>103.4</b>
(Profit/loss attributable to equity holders of the parent company.)					
*Depreciation incl. in operating expenses		-5.2	-2.5	-12.7	-10.0



# Condensed consolidated statement of financial position

SEK in millions

Assets	Note	31/12/2020	31/12/2019
Capitalized development costs		94.8	85.6
Equipment		4.1	3.1
Right-of-use assets, leases	4	24.0	25.3
Deposits for rent, long-term		2.3	2.3
Deferred tax assets	3	2.8	1.8
Inventories		115.7	95.6
Trade receivables		100.4	111.0
Other short-term receivables		14.0	10.0
Cash and cash equivalents		157.7	145.1
<b>Total assets</b>		<b>515.8</b>	<b>479.7</b>
Shareholders' equity and liabilities			
Shareholders' equity		378.9	366.0
Lease liabilities	4	23.8	25.9
Deferred tax liabilities	3	20.5	6.5
Trade payables		35.3	29.8
Other current liabilities		57.3	51.5
<b>Total shareholders' equity and liabilities</b>		<b>515.8</b>	<b>479.7</b>

# Condensed consolidated statement of cash flow

<i>SEK in millions</i>	2020 Q4	2019 Q4	2020 Full year	2019 Full year
Operating activities				
Profit/loss before tax	38.9	72.1	84.9	134.1
Adjustments for non-cash items	10.8	5.4	24.0	8.7
Income tax paid	-7.0	-0.9	-12.3	-2.8
<b>Cash flow from operating activities before changes in working capital</b>	<b>42.6</b>	<b>76.7</b>	<b>96.7</b>	<b>140.0</b>
Changes in inventories	21.4	5.7	-27.1	7.5
Changes in operating receivables	-21.6	-32.4	-1.6	2.3
Changes in operating liabilities	8.0	8.6	17.6	8.6
<i>Cash flow from changes in working capital</i>	7.8	-18.1	-11.1	18.4
<b>Cash flow from operating activities</b>	<b>50.4</b>	<b>58.6</b>	<b>85.6</b>	<b>158.4</b>
Investing activities				
Capitalization of development costs	-4.0	-8.5	-19.1	-39.6
Acquisition of property, plant, and equipment	-3.5	-0.1	-6.2	-0.6
Acquisition of financial assets	-0.1	-0.4	-0.1	-0.5
<b>Cash flow from investing activities</b>	<b>-7.6</b>	<b>-8.9</b>	<b>-25.4</b>	<b>-40.8</b>
Financing activities				
Changes in lease liabilities	-0.2	-1.8	-2.1	-3.4
Dividend paid	-	-	-37.5	-30.9
<b>Cash flow from financing activities</b>	<b>-0.2</b>	<b>-1.8</b>	<b>-39.5</b>	<b>-34.2</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>42.7</b>	<b>47.9</b>	<b>20.7</b>	<b>83.4</b>
Cash and cash equivalents at start of period	123.7	101.4	145.1	62.2
Translation differences in cash and cash equivalents	-8.6	-4.1	-8.1	-0.5
Cash and cash equivalents at end of period	157.7	145.1	157.7	145.1