

INVISIO

INVISIO®
25th anniversary

**Strong growth with record sales
and several new products**

Investor Conference Call
July 19, 2024
CEO Lars Højgård Hansen

**Protection at
work,
a better life at
home**

Strong growth with record sales and several new products launched

- The positive development continued in Q2, 2024.
- Sales reached a record high and growth was strong.
- Product mix drove gross margin to 63.2 percent, excluding the effects of the radio order.
- OPEX has remained largely stable over the past four quarters, when excluding one-offs in Q2.
- Several new products further strengthen our market-leading position.
- In summary, INVISIO is well positioned and we look forward to taking advantage of the opportunities presented by an increasingly active market.

Key figures Q2, 2024

SEK **245**_m
Order intake

SEK **643**_m
Order book excluding
radio order

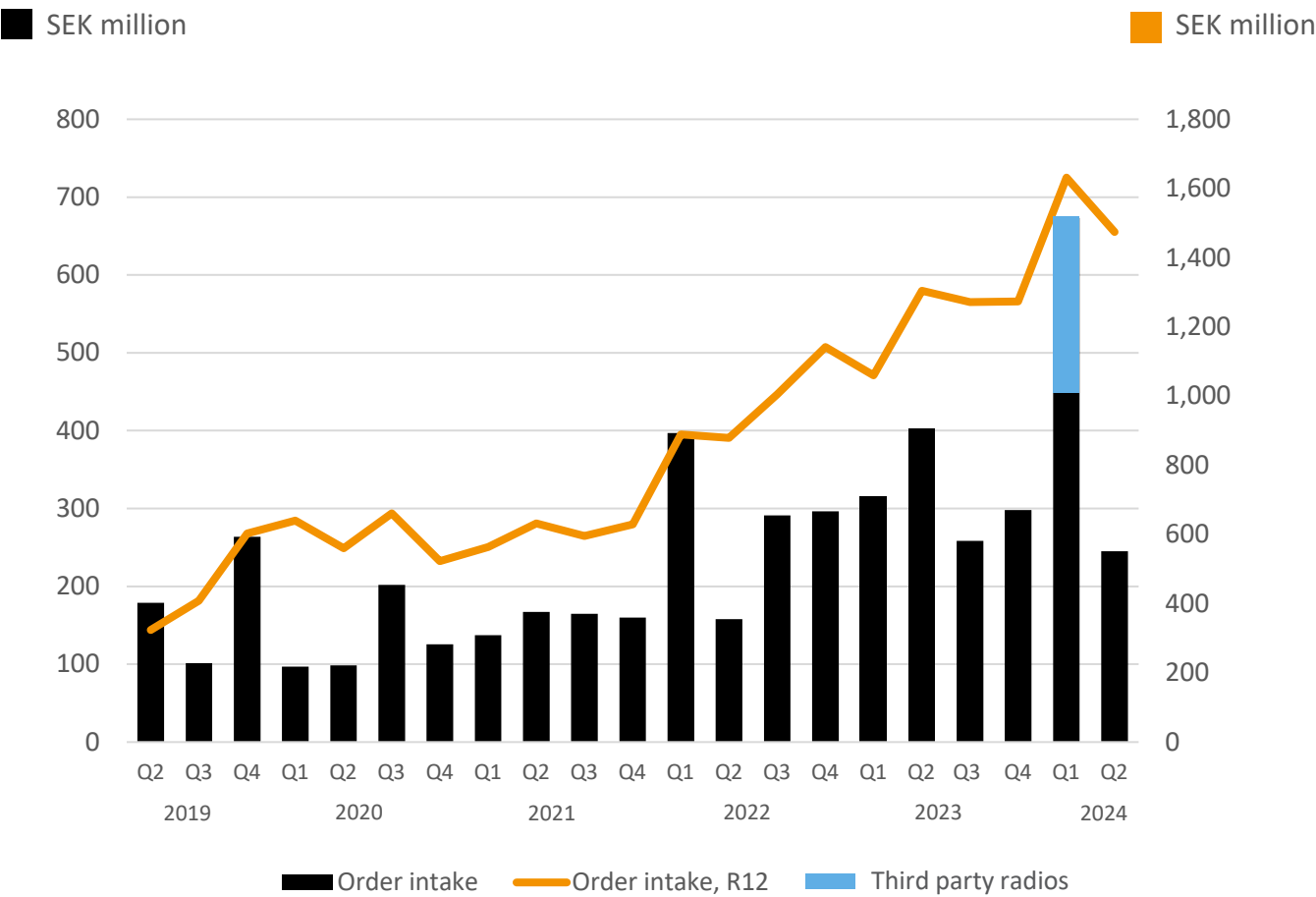
SEK **389**_m
Revenue excluding
radio order

18%
Operating margin

27%
Revenue growth R12
excluding radio order

17%
Operating margin, R12

Normal fluctuation for order intake

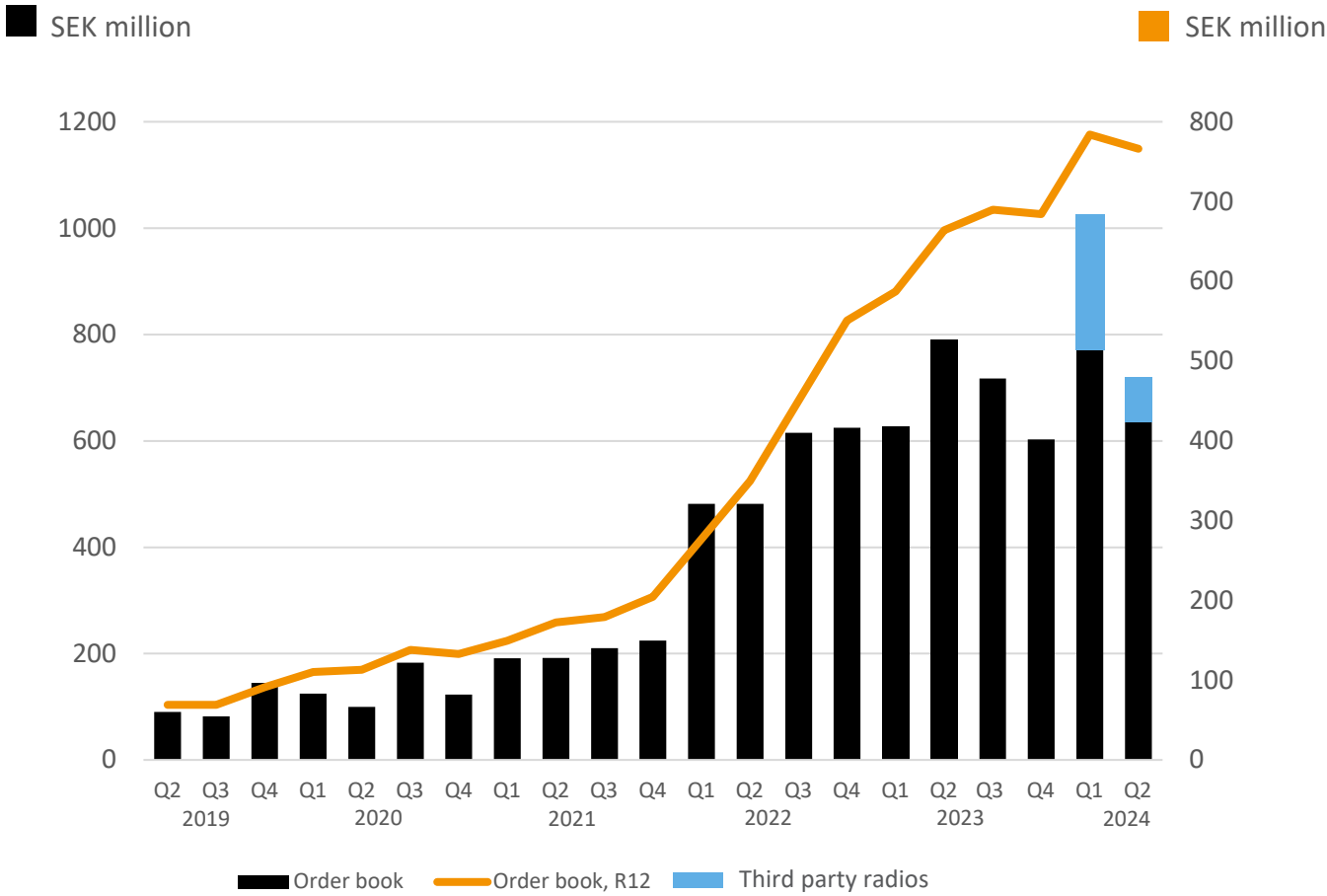


- Order intake shows a normal fluctuation in the quarter and ends up at SEK 245 million (402).
- Customers increasingly prefer tried and tested ready-made solutions without the need for own modifications, which gives INVISIO a significant competitive advantage.
- Customers also demonstrate a preference for placing multiple medium-sized orders over a single, very large order.

SEK million	Q2 2024	Q2 2023	Difference %	R12*	FY 2023
Order intake	245.2	402.0	-39	1,239.7	1,273.5

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

Rapid delivery has become a significant competitive advantage

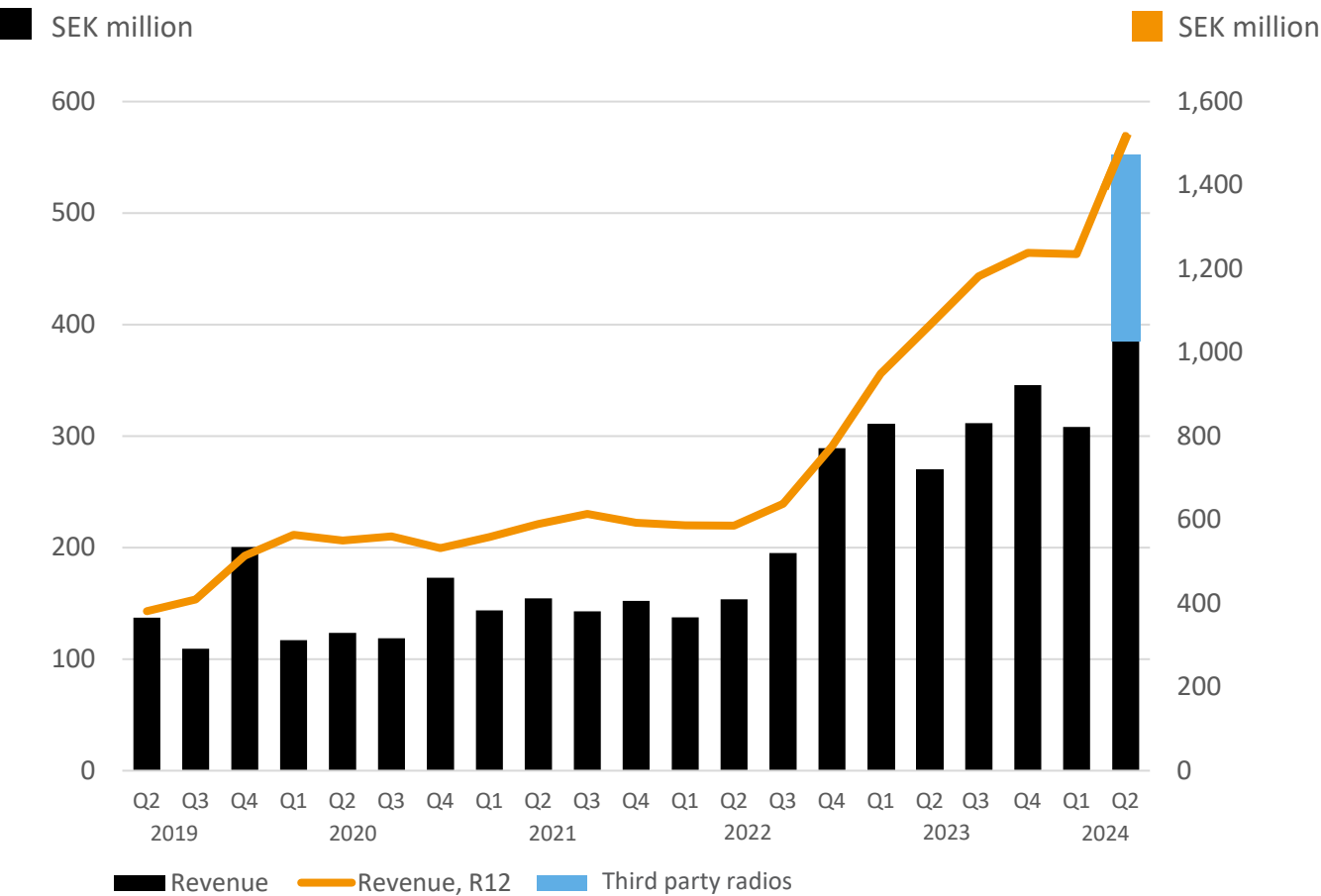


- Total order book at SEK 719 million (790).
- Excluding the radio order it stands at SEK 643 million.
- Approximately 80 percent of the order book will be delivered within 12 months.
- Standard-product inventory of SEK 272 million (197), reflecting upcoming deliveries.

SEK million	Q2 2024	Q2 2023	Difference %	FY 2023
Order book	719.4	790.3	-9	602.8
Order book excluding radio order*	643.1	790.3	-19	602.8

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

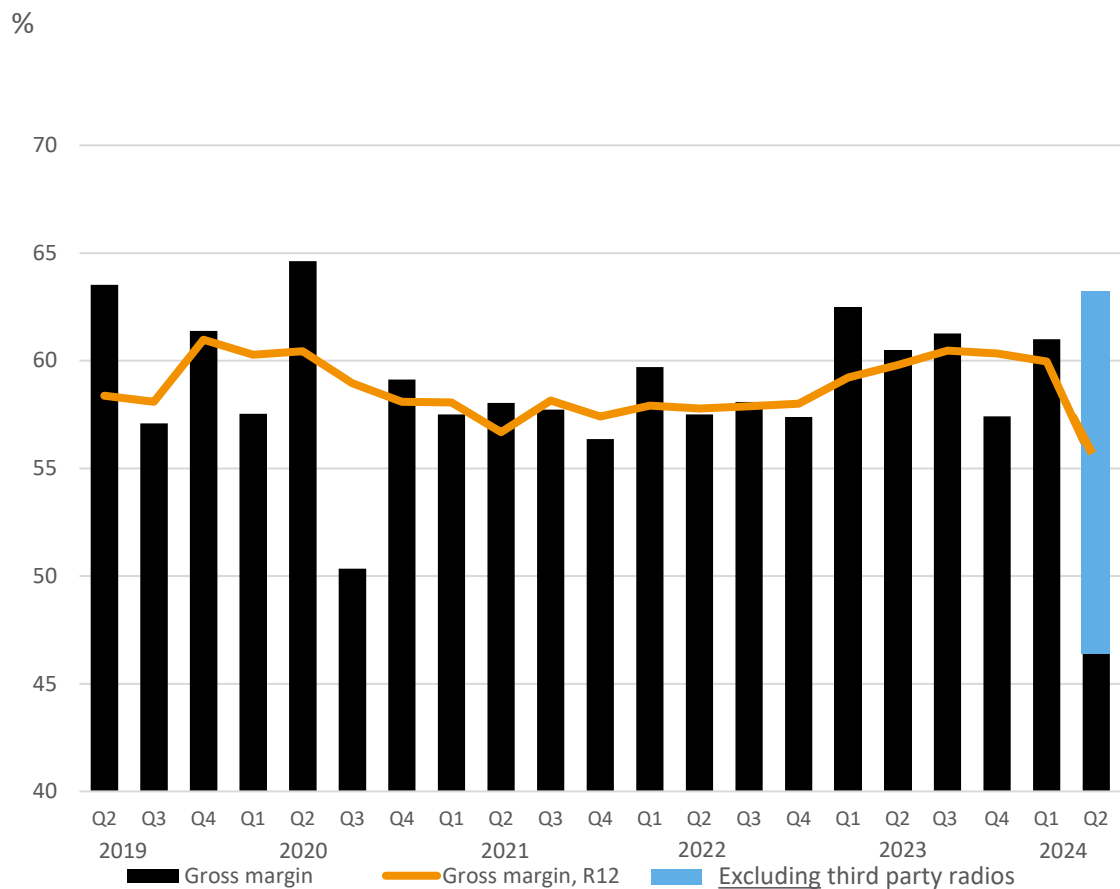
7 consecutive quarters of strong revenue



- Total revenue at SEK 553 million (270).
- Revenue excluding the radio order was SEK 389 million, which is the highest level in the history of the company.
- Minimal currency effect.
- Deliveries are executed accordance to customers' requirements.
- Higher market activity, broader product portfolio and increased sales resources enable continued revenue growth in line with or above target.

SEK million	Q2 2024	Q2 2023	Difference %	FY 2023
Revenue	552.7	269.8	105	1,238.5
Revenue excluding Radio order	389.0	269.8	44	1,238.5

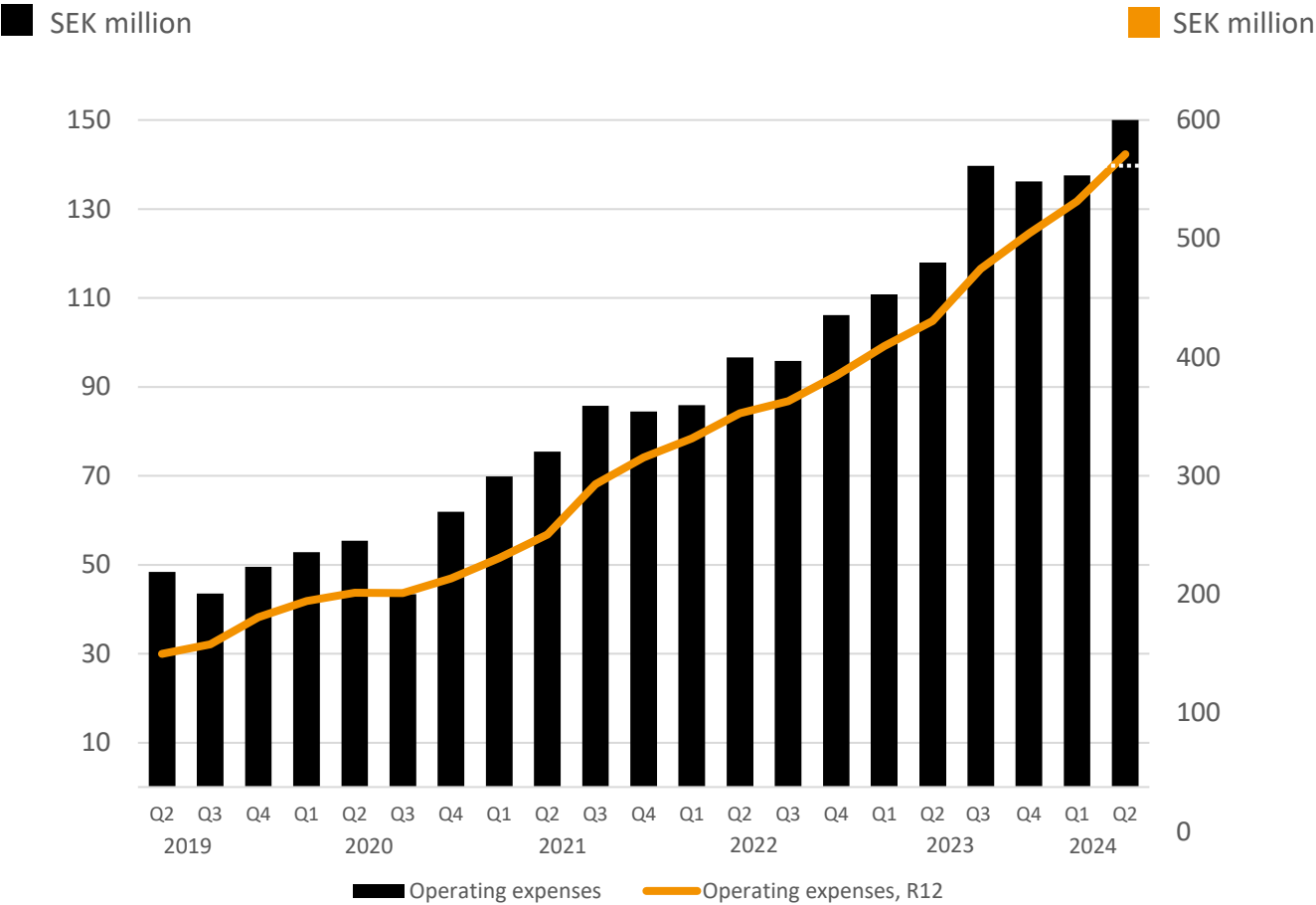
New products drive the gross margin



- Gross margin (GM) at 63.2 percent (62.5), when excluding radio order.
- The product mix, including the Intercom system, strengthens the GM.
- GM including radio order at 46.6 percent.
- The GM for the radio order is less than 10 percent.

SEK million	Q2 2024	Q2 2023	Difference %-units	FY 2023
Gross margin	46.6	60.5	-13.9	60.3
Gross margin excl. Radio order	63.2	60.5	2.7	60.3

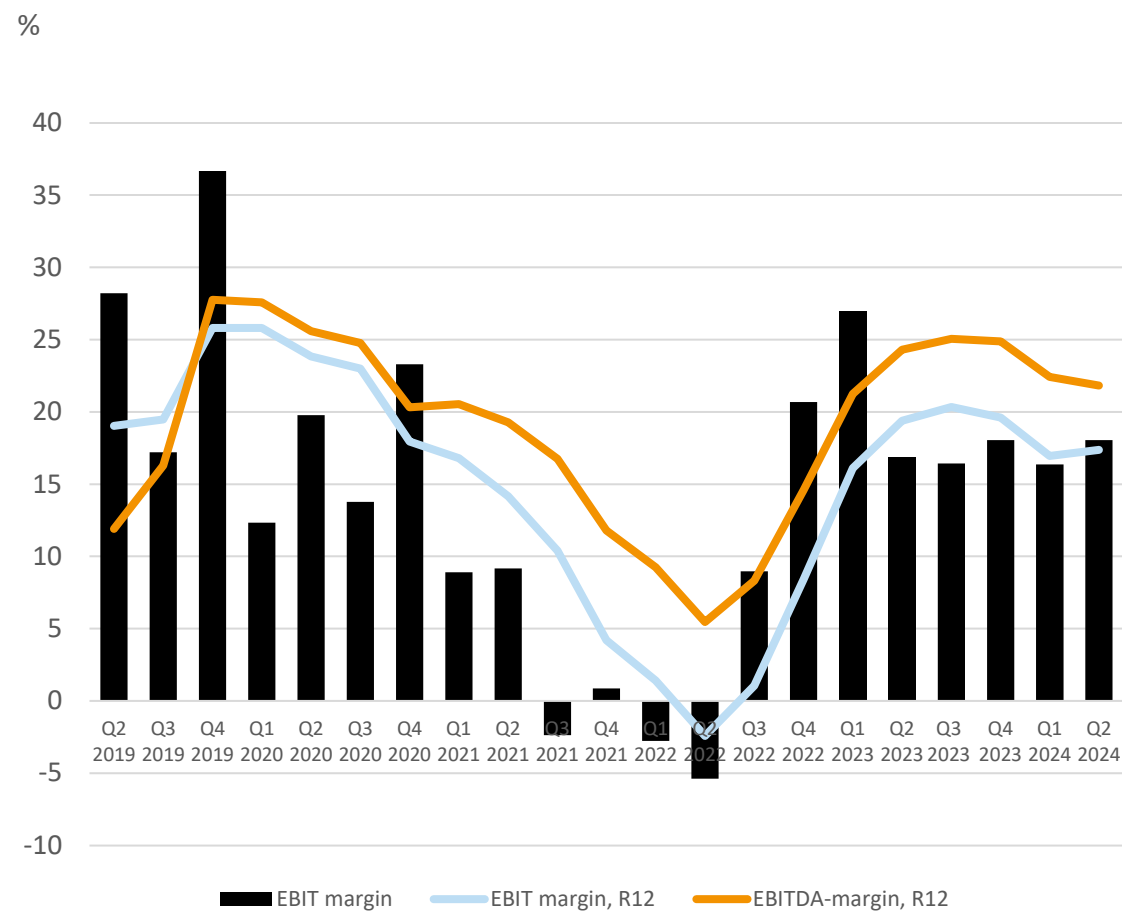
Stable underlying trend for OPEX during the last 4 quarters



- Operating expenses (OPEX) have remained largely stable over the past four quarters, when excluding one-offs in Q2 of SEK 15 million. (Cyber attack, CRSD-preparations and 25-year jubilee)
- Total OPEX in the quarter was 24 percent higher than in Q2, 2023.
- The increase related primarily to future-focused investments in hiring more R&D and sales personnel, in accordance with the growth strategy.
- Headcount rose by 4 percent (11 employees) while revenue increased by over 12 percent, for H1 2024 compared to the same period 2023.

SEK million	Q2 2024	Q2 2023	Difference %	FY 2023
OPEX	157.7	117.9	34	504.5
OPEX (excl. depreciation and amortization)	140.0	102.8	36	439.2

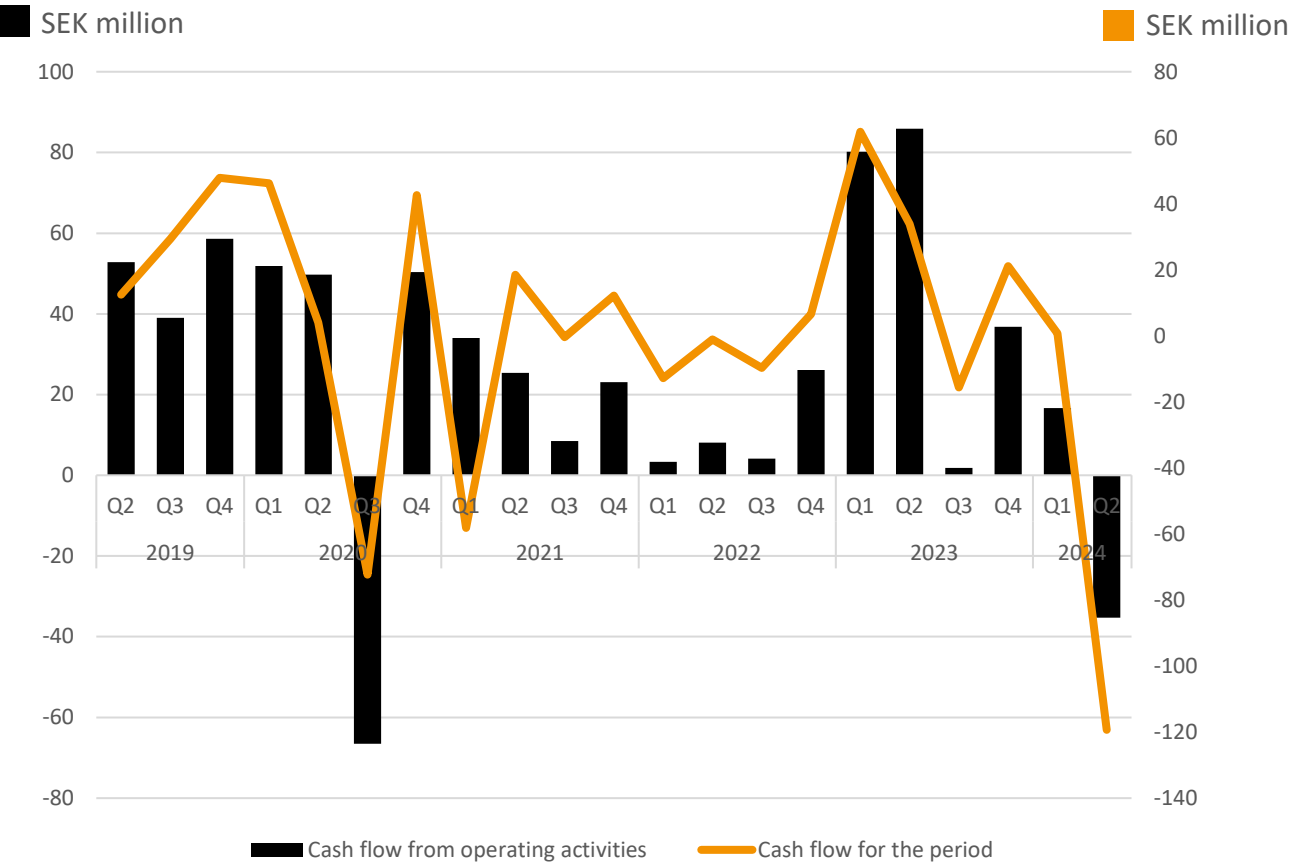
EBIT margin above target for the last seven quarters



- The EBIT margin was 18.0 percent (16.8) in the quarter.
- New products in the product mix drive the EBIT margin.

SEK million	Q 2024	Q2 2023	Difference (units)	FY 2023
EBIT margin	18.0	16.8	1.4	19.6
EBITDA margin	20.8	22.4	-1.6	24.9

Cashflow affected by a pre-payment and late sales in the quarter



- The cash flow for the period amounted to –119 MSEK (34) in Q2, 2024 ...
- ... of which the cash flow from operating activities was –35 MSEK (86).
- Cash flow was affected by a prepayment to a radio supplier and high sales at the end of the quarter, which also led to a substantial increase in accounts receivable.
- Dividend payment in Q2, 2024 of SEK 59 million adds to the negative cash flow.

SEK million	Q 2024	Q2 2023	Difference	FY 2023
Cash flow from operating activities	-35.3	85.9	121.2	204.7
Cash flow for the period	-119.3	33.9	153.2	101.3



INVISIO®

Great success at one of this year's largest defense and security exhibitions

Significant interest during Eurosatory in Paris for the newly launched INVISIO X7 headset and the two new product innovations related to the Intercom system: INVISIO Link™ and INVISIO Control™.

INVISIO V60 ADP and Racal Acoustics' product portfolio also attracted great interest.



The new app INVISIO Control™ makes it easier to manage tactical comms.

The app offers an intuitive interface that provides a real-time visualization of all radios connected to the INVISIO Intercom system.

The app enables users to see all traffic and user activity, control access rights, change audio settings and relay radios.

New products strengthen the Intercom system's usability and create a more complete offer.



Introduction of seamless wireless comms. capability

INVISIO Link™ adds wireless comms capability to the intercom system, providing unlimited mobility in the field whilst maintaining unrivalled situational awareness.

Expected to be available first half of 2025.





The RA4000 Magna™ delivers best-in-class hearing protection for any vehicle platform.



INVISIO V60 II ADP combines audio, data and power supply.

Q2 2024



An INVISIO X7 user can tolerate three times higher noise levels and cope with eight times longer exposure than the second-best alternative.

INVISIO®

Strong Culture Drives Growth

Shared values and vision have contributed to high employee engagement and loyalty and have facilitated the recruitment of specialized skills.

The annual employee surveys (eNPS) resulted in very high score of 50.

In June, all employees came to Copenhagen for product training and to celebrate INVISIO's first 25 years together.





The SEK 465 million order including third party radios

- A large part of the total radio order has been delivered in the quarter, with a service margin of less than 10 percent ...
- ... another minor part of approximately SEK 10 million is scheduled for delivery later in 2024.
- INVISIO expect to deliver the last part of the radio-shipment in Q3 2025, to a value of approximately SEK 70 million, which will impact the gross margin by then.
- INVISIO branded products included in the order have a 60+ gross margin.

Continued high market activity

- Overall activity levels continued to be high in our markets during the quarter.
- Strong interest from existing and potential new customers, especially in systems designed for heavy armored vehicles and environments exposed to consistently high noise levels.
- In summary, INVISIO is exceptionally well-positioned and we are poised to capitalize on the opportunities presented by an increasingly dynamic market.



Q&A

Appendix

Condensed consolidated income statement and consolidated statement of comprehensive income

SEK million	Note	Q2		January-June		Full year
		2024	2023	2024	2023	2023
Revenue	2	552.7	269.8	860.9	581.2	1,238.5
Cost of goods sold		-295.3	-106.5	-415.5	-223.3	-491.2
Gross profit		257.4	163.3	445.4	357.9	747.3
Operating expenses*	3	-157.7	-117.9	-295.2	-228.6	-504.5
Operating profit		99.7	45.4	150.2	129.3	242.9
Net financial items		1.1	-7.9	1.8	-8.1	-1.0
Profit/loss before tax		100.8	37.6	152.0	121.2	241.9
Income tax	4	-26.9	-10.3	-42.2	-33.9	-63.5
Profit/loss for the period		73.9	27.3	109.8	87.3	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		-6.0	35.8	28.4	43.4	-4.7
Comprehensive income for the period		67.9	63.1	138.2	130.8	173.7
(Attributable to parent company shareholders)						
* Operating expenses include depreciation of	3	-15.3	-15.1	-30.2	-27.8	-65.3

Data per share

Note	Q2		January-June		Full year
	2024	2023	2024	2023	2023
Earnings per share for the period, SEK	1.62	0.60	2.41	1.92	3.91
Earnings per share after dilution for the period, SEK	1.61	0.60	2.40	1.91	3.91
Equity per share, SEK	17.66	14.74	17.66	14.74	15.80
Equity per share after dilution, SEK	17.12	14.30	17.12	14.30	15.58
Equity/assets ratio, %	71	71	71	71	68
Number of shares, thousands	45,590	45,590	45,590	45,590	45,590
Average number of shares outstanding, thousands	45,590	45,227	45,590	45,138	45,366
Average number of outstanding shares after dilution, thousands	47,031	46,761	47,031	46,269	46,237
Share price at close of period, SEK	233.00	230.00	233.00	230.00	195.60

Condensed consolidated statement of financial position

SEK million	Note	June 30, 2024	June 30, 2023	December 31, 2023
ASSETS				
Non-current assets				
Goodwill		61.0	61.3	58.0
Capitalized development costs	3	129.9	115.9	110.7
Other intangible assets	3	64.5	79.6	67.7
Property, plant and equipment	3	37.3	29.7	32.9
Rights of use, leases	3	28.7	37.0	34.2
Long-term deposits for rent		4.4	3.7	4.3
Deferred tax assets	4	10.9	6.3	2.6
Total non-current assets		336.6	333.5	310.4
Current assets				
Inventories		274.0	196.7	238.2
Trade receivables		333.9	142.0	219.5
Other current receivables		80.2	41.9	59.9
Cash and cash equivalents		112.3	232.3	224.9
Total current assets		800.4	612.8	742.5
TOTAL ASSETS		1,137.0	946.3	1,053.0

SEK million	Note	June 30, 2024	June 30, 2023	December 31, 2023
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity		805.3	672.0	720.4
Non-current liabilities				
Lease liabilities		25.1	32.9	26.9
Deferred tax liabilities	4	39.1	41.1	37.6
Total long-term liabilities		64.2	74.0	64.4
Current liabilities				
Trade payables		105.9	87.8	97.1
Lease liabilities		9.0	8.5	10.9
Other current liabilities		152.6	104.1	160.1
Total current liabilities		267.5	200.3	268.1
TOTAL EQUITY AND LIABILITIES		1,137.0	946.3	1,053.0

SEK million	Note	June 30, 2024	June 30, 2023	December 31, 2023
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY				
Opening balance		720.4	510.0	510.0
New issue through exercising employee stock options		-	58.6	58.6
Employee Stock Option Program		6.0	4.2	9.6
Dividend		-59.3	-31.5	-31.5
Comprehensive income		138.2	130.8	173.7
Closing balance		805.3	672.0	720.4

Condensed consolidated statement of cash flow

		Q2		January-June		Full year
SEK million	Note	2024	2023	2024	2023	2023
Operating activities						
Profit/loss before tax		100.8	37.6	152.0	121.2	241.9
Adjustments for non-cash items		20.5	20.4	38.6	36.9	75.0
Income tax paid		-30.5	-3.3	-42.7	-10.7	-33.3
Cash flow from operating activities before changes in working capital		90.9	54.7	147.9	147.4	283.6
Changes in inventories		-24.4	-39.2	-26.2	-40.8	-98.5
Changes in operating receivables		-127.5	70.7	-124.3	53.2	-48.8
Changes in operating liabilities		25.7	-0.2	-15.9	6.3	68.5
<i>Cash flow from changes in working capital</i>		<i>-126.1</i>	<i>31.3</i>	<i>-166.4</i>	<i>18.7</i>	<i>-78.9</i>
Cash flow from operating activities		-35.3	85.9	-18.5	166.2	204.7
Investing activities						
Capitalization of development costs		-15.8	-9.4	-27.4	-18.0	-32.4
Purchases of property, plant, and equipment		-5.3	-19.9	-7.0	-29.7	-21.0
Acquisition of financial assets		-	0.0	-	-0.8	-1.6
Cash flow from investing activities		-21.1	-29.3	-34.4	-48.5	-55.0

		Q2		January-June		Full year
SEK million	Note	2024	2023	2024	2023	2023
Financing activities						
New issue through exercising employee stock options		-	58.6	-	58.6	58.6
Raising / Amortization of loans		-	-60.0	-	-65.0	-65.0
Changes in lease liabilities		-3.7	10.2	-6.4	16.1	-10.6
Dividend paid		-59.3	-31.5	-59.3	-31.5	-31.5
Cash flow from financing activities		-62.9	-22.7	-65.6	-21.8	-48.5
CASH FLOW FOR THE PERIOD		-119.3	33.9	-118.5	95.8	101.3
Cash and cash equivalents at start of period		233.0	190.3	224.9	127.1	127.1
Translation differences in cash and cash equivalents		-1.4	8.0	5.9	9.4	-3.4
Cash and cash equivalents at end of period		112.3	232.3	112.3	232.3	224.9