

INVISIO Communications

Conference Call | May 6, 2019 | CEO Lars Højgård Hansen

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Agenda

- CEO Lars Højgård Hansen comments Q1, 2019
- Q&A
- Financial performance in further details



**Q1 2019: Weak quarter followed by large order
after the period close**

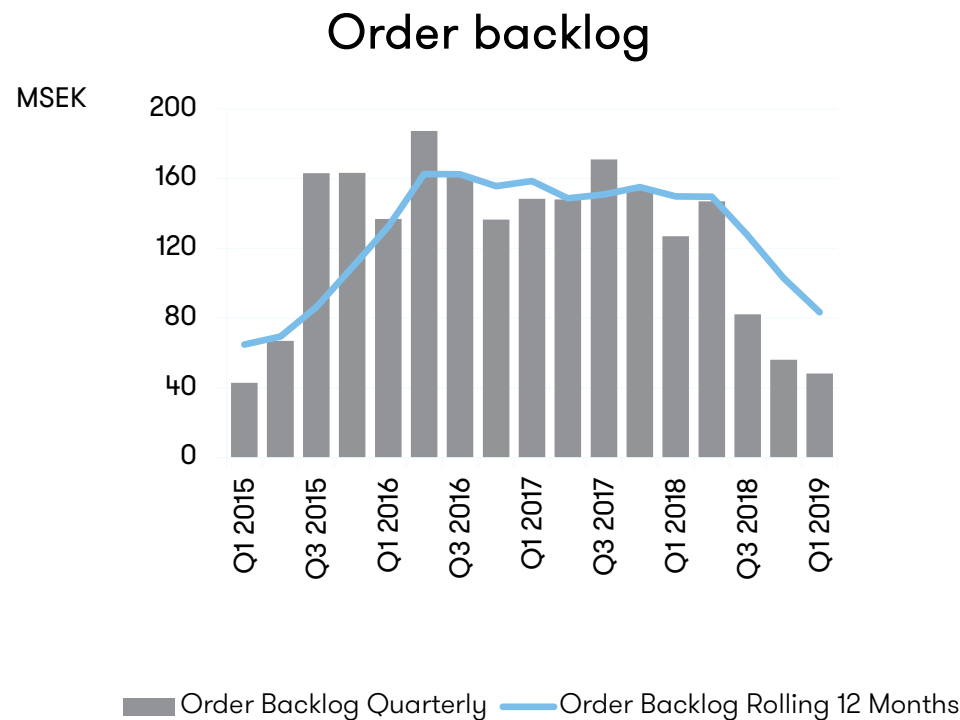
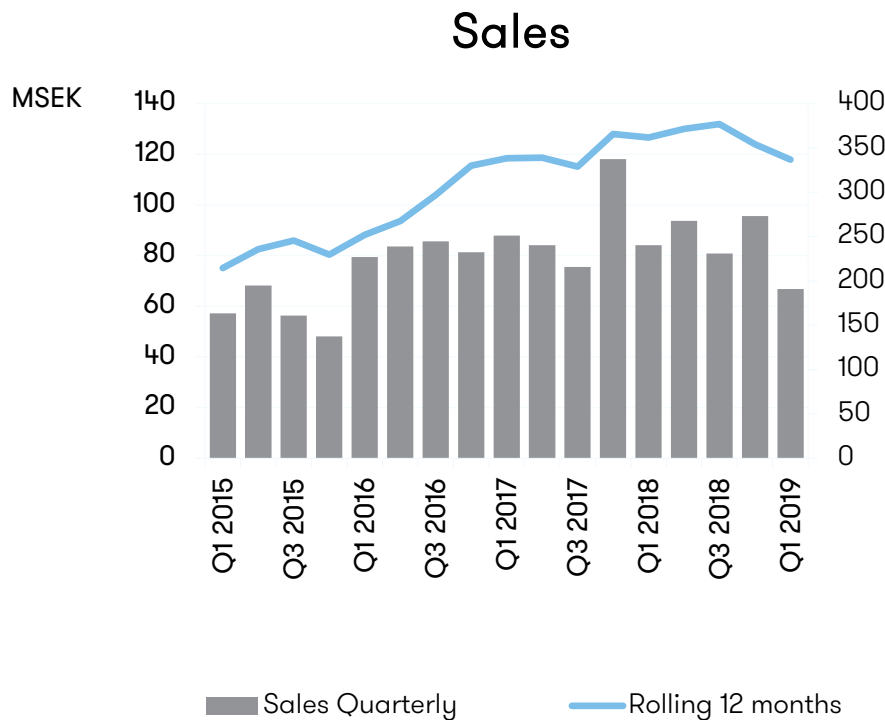
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Q1 2019: Weak quarter followed by large order from the US after period close

SEK in millions	2019	2018	Δ %
	Jan-Mar	Jan-Mar	
Revenue	66.8	84.2	-21
Gross profit	40.7	50.1	-19
Gross margin, %	60.9	59.6	
EBITDA	3.9	19.5	-80
Operating profit/loss	1.5	18.5	-92
Operating margin, %	2.2	22.0	
Profit/loss for the period	1.5	13.8	-89
Earnings per share, SEK	0.03	0.31	-89

- Lower sales than the corresponding quarter last year, due to a larger order being shifted to Q2.
- Strong gross margin mainly due to a higher share of direct sales.
- Increased costs related to growth initiatives and headcount growth.

Sales and order backlog per quarter and rolling 12 months



Order backlog: 48,3 MSEK

Important events



During the quarter:

- GSA-status received in the USA
- Order of SEK 29 million received from existing customer in the USA
- Intensified marketing of Intercom

• After the period close:

- Order of SEK 111 million from new customer in the USA
- Order of SEK 26 million from SFAB i USA
- Tender won from German police force



Our focus in 2019 is on continued business expansion. The rate of investment in existing and new product categories is the highest in the company's history. We have several new product launches planned and the number of active customer projects we are processing is higher than ever.

A larger company is beginning to take shape



Photo courtesy of The Royal Danish Air Forces photo service

INVISIO's growth and financial position make continued investment in new markets and R&D projects possible

1

Increase market share
Existing markets in Europe,
North America and Oceania.

2

Geographical expansion
Strengthen presence in selected
countries in Asia, the Middle
East and South America.

3

Product development
Both further developed
and new products.

4

Cost efficiency
Scalable business model
of outsourced production.

INVISIO's power of innovation drives market growth



Growth drivers

- Modernization of soldier communications.
- More individual communication devices.
- Cost for hearing impairment. It is better to prevent.
- INVISIO drives growth by developing new, innovative solutions that raise the industry's performance, functionality and user experience requirements.

Large growth potential

- Current market still in infancy. Annual target market: SEK 5 billion/year.
- Strong position on the market with barriers to entry.
- Potentially big market for the new Intercom system.
- Uneven order flow and sales over the year.



Q&A

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Thank you!

Financial performance in further details

Q1 2019

Condensed consolidated income statement and consolidated statement of comprehensive income

SEK in millions	Note	2019 Jan-Mar	2018 Jan-Mar	2018 Full year
Revenue	2	66.8	84.2	354.5
Cost of goods sold		-26.2	-34.0	-154.7
Gross profit		40.7	50.1	199.7
Operating expenses*		-39.2	-31.6	-136.3
Operating profit/loss		1.5	18.5	63.5
Net financial items		1.1	-0.5	0.7
Profit/loss before tax		2.6	18.0	64.2
Income tax	3	-1.1	-4.2	-16.0
Profit/loss for the period		1.5	13.8	48.2
OTHER COMPREHENSIVE INCOME				
<i>Items that may subsequently be reclassified to profit and loss</i>				
Translation differences		3.4	7.5	9.9
Comprehensive income for the period		4.9	21.3	58.1
(Profit/loss attributable to equity holders of the parent company.)				
*Depreciation incl. in operating expenses		-2.4	-1.0	-4.3

Condensed consolidated statement of financial position

SEK in millions

Assets	Note	31/03/2019	31/03/2018	31/12/2018
Capitalized development costs		63.0	32.2	49.7
Equipment		4.2	4.3	4.4
Right-of-use assets, leasing	4	28.2	-	-
Deposits for rent, long-term		1.9	1.7	1.7
Deferred tax assets	3	15.1	24.0	15.6
Inventories		115.9	43.4	101.3
Trade receivables		90.1	63.2	104.6
Other short-term receivables		9.9	17.5	16.2
Cash and cash equivalents		56.5	155.6	62.2
Total assets		384.8	341.8	355.7
Shareholders' equity and liabilities				
Shareholders' equity		297.1	281.2	292.0
Lease liability	4	28.7	-	-
Trade payables		32.3	35.2	39.6
Other short-term liabilities		26.7	25.4	24.1
Total shareholders' equity and liabilities		384.8	341.8	355.7

Condensed consolidated statement of cash flow

SEK in millions	2019 Jan-Mar	2018 Jan-Mar	2018 Full year
Operating activities			
Profit/loss before tax	2.6	18.0	64.2
Adjustments for non-cash items	2.0	-0.7	2.0
Income tax paid	-0.7	-3.9	-4.8
Cash flow from operating activities before changes in working capital	3.8	13.4	61.4
Changes in inventories	-13.0	-5.4	-63.3
Changes in operating receivables	23.8	57.5	19.7
Changes in operating liabilities	-6.7	-24.3	-20.8
<i>Cash flow from changes in working capital</i>	4.1	27.8	-64.3
Cash flow from operating activities	8.0	41.2	-3.0
Investing activities			
Capitalization of development costs	-13.5	-3.8	-23.4
Acquisition of property, plant, and equipment	-0.3	-	-1.6
Acquisition of financial assets	-0.1	-0.1	-0.1
Cash flow from investing activities	-13.9	-3.8	-25.1
Financing activities			
Change in lease liability	-0.6	-	-
Dividend	-	-	-26.5
Cash flow from financing activities	-0.6	-	-26.5
CASH FLOW FOR THE PERIOD	-6.5	37.4	-54.6
Cash and cash equivalents at start of period	62.2	113.2	113.2
Translation differences in cash and cash equivalents	0.7	5.1	3.6
Cash and cash equivalents at end of period	56.5	155.6	62.2