

# INVISIO

Interim Report January – March 2023

**Best quarter in the company's history -  
strong order intake, sales and results**

Investor Conference Call May 5, 2023  
CEO Lars Højgård Hansen

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

## Highlights Q1, 2023

# Best quarter in the company's history - strong order intake, sales and profit

- Strong start to 2023 - order intake and revenue exceeded SEK 300 million during the quarter.
- EBIT-margin 27 per cent in Q1, 2023.
- The development reflects high market activity - significantly increased focus on defense and security...
- ... likely to continue for a long time to come.
- The development is also a direct consequence of INVISIO advancing its positions in a number of areas over the past three years.

315 SEK m

Order intake, Q1 2023

627 SEK m

Order book, Q1 2023

311 SEK m

Revenue, Q1 2023

27%

Operating margin, Q1 2023

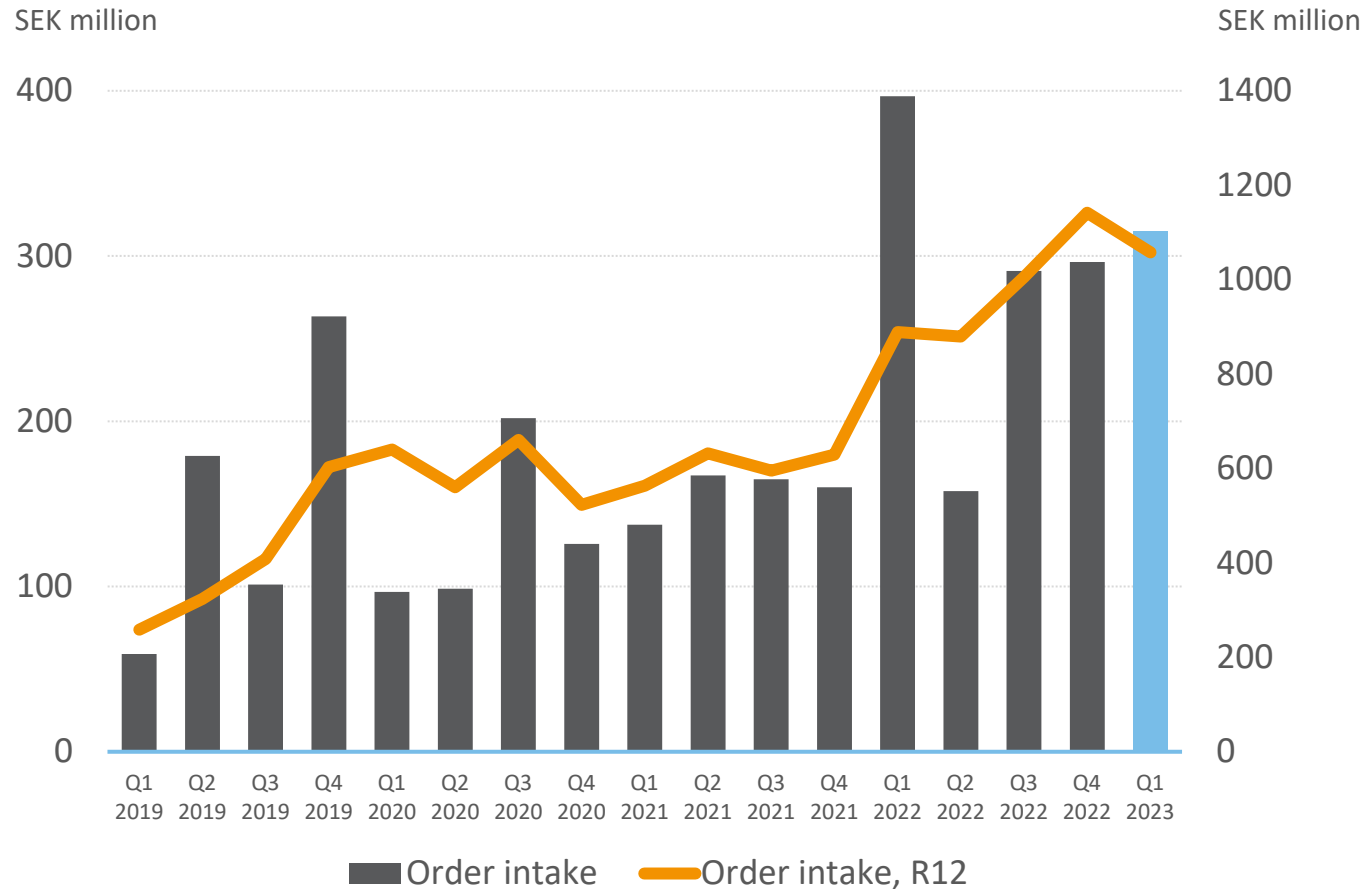
62%

Sales growth, R12

16%

Operating margin, R12

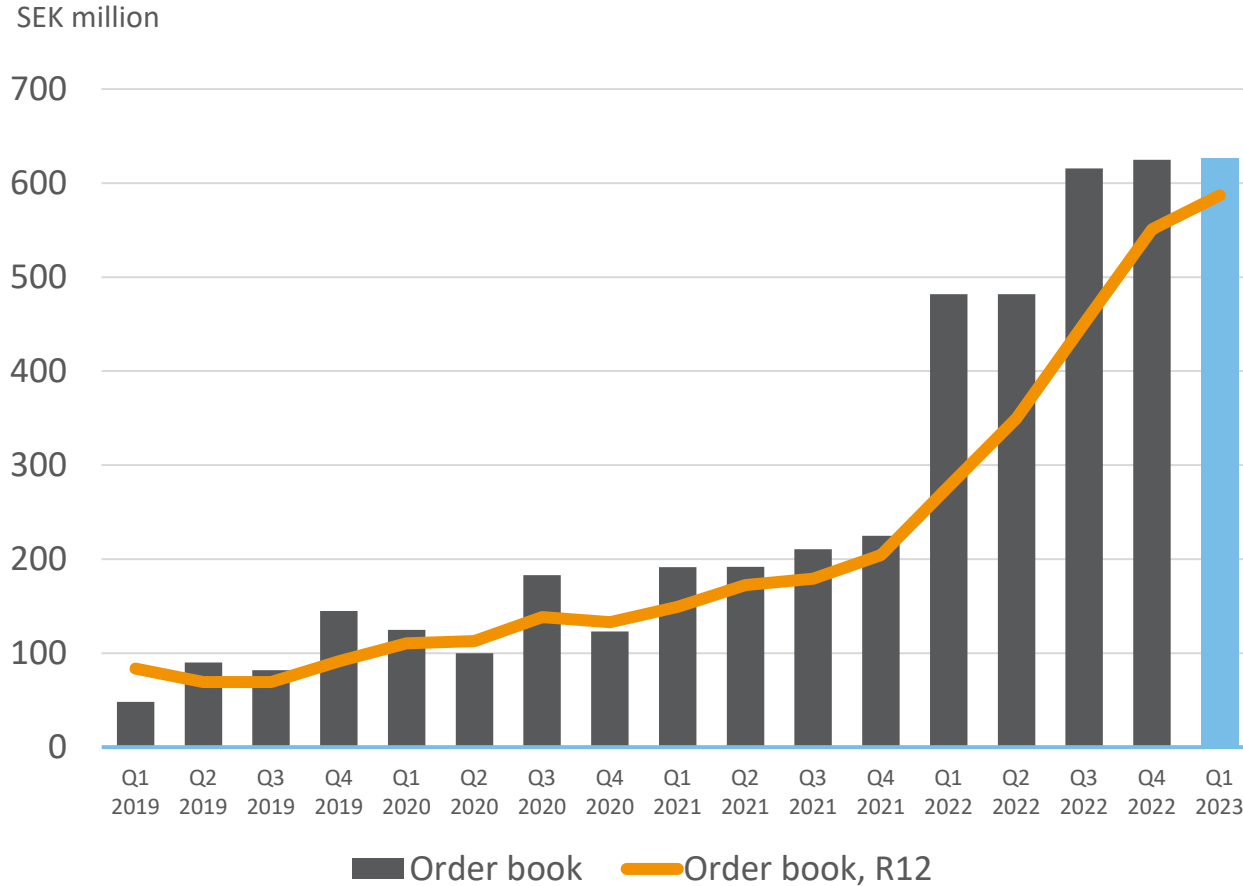
# Strong order intake



- The order intake R12 exceeded SEK 1 billion for third quarter in a row.
- The development reflects an increasingly active market with increased geopolitical instability – especially Europe.
- A greater proportion of medium-sized orders.
- Close to SEK 200 m. in unannounced orders.

SEK million	Q1, 2023	Q1, 2022	Delta %	R12	FY, 2022
Order intake	315.2	396.7	-21	1,060	1,142

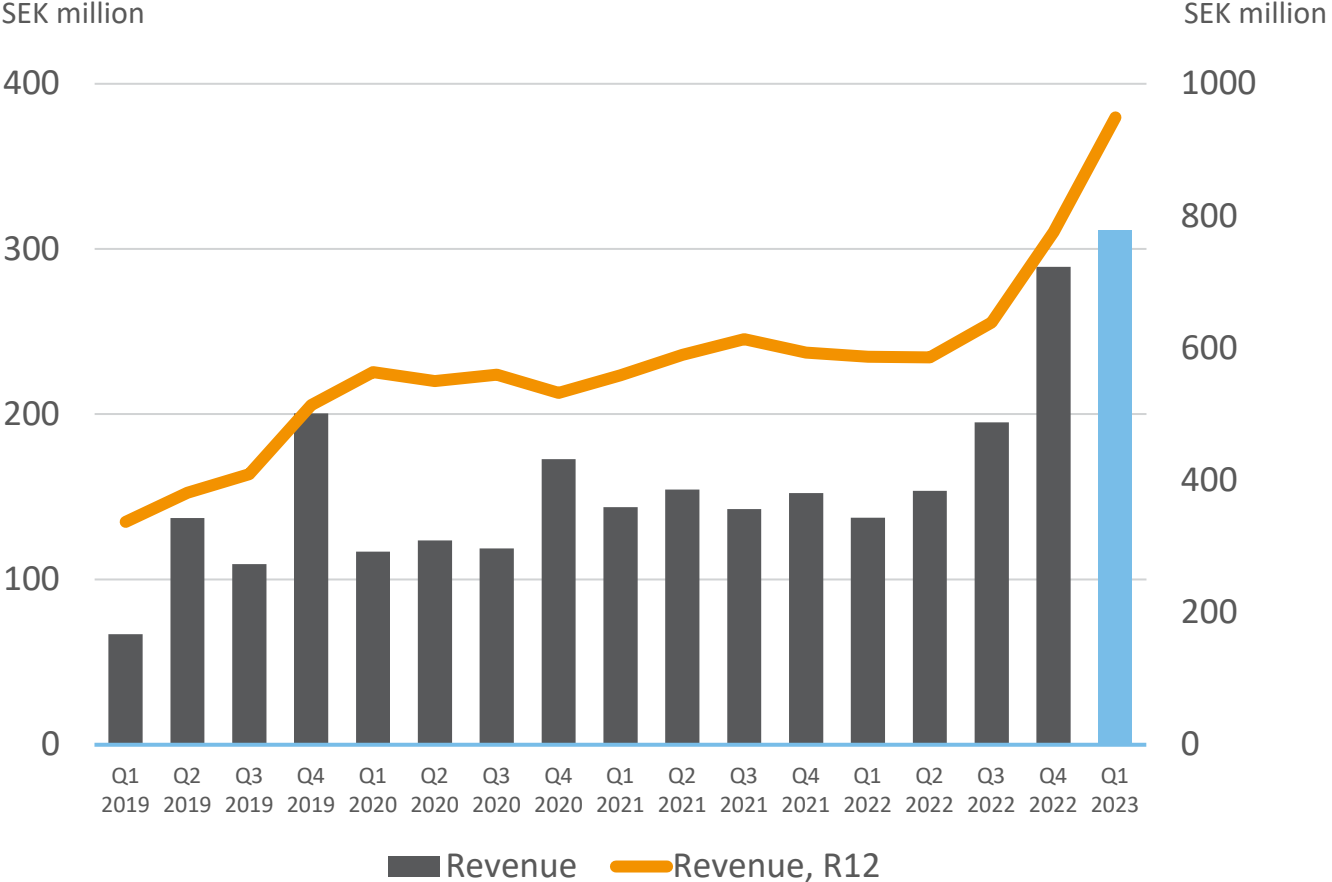
# Record high order book



- Fifth consecutive strong quarter.
- A strategic decision to increase inventory.
- The increase reflects on upcoming deliveries.
- Speedy delivery is a competitive advantage.
- Standard products – almost zero scrapping.

SEK million	Q1, 2023	Q1, 2022	Delta %	FY, 2022
Order book	626.7	481.7	30	624.7

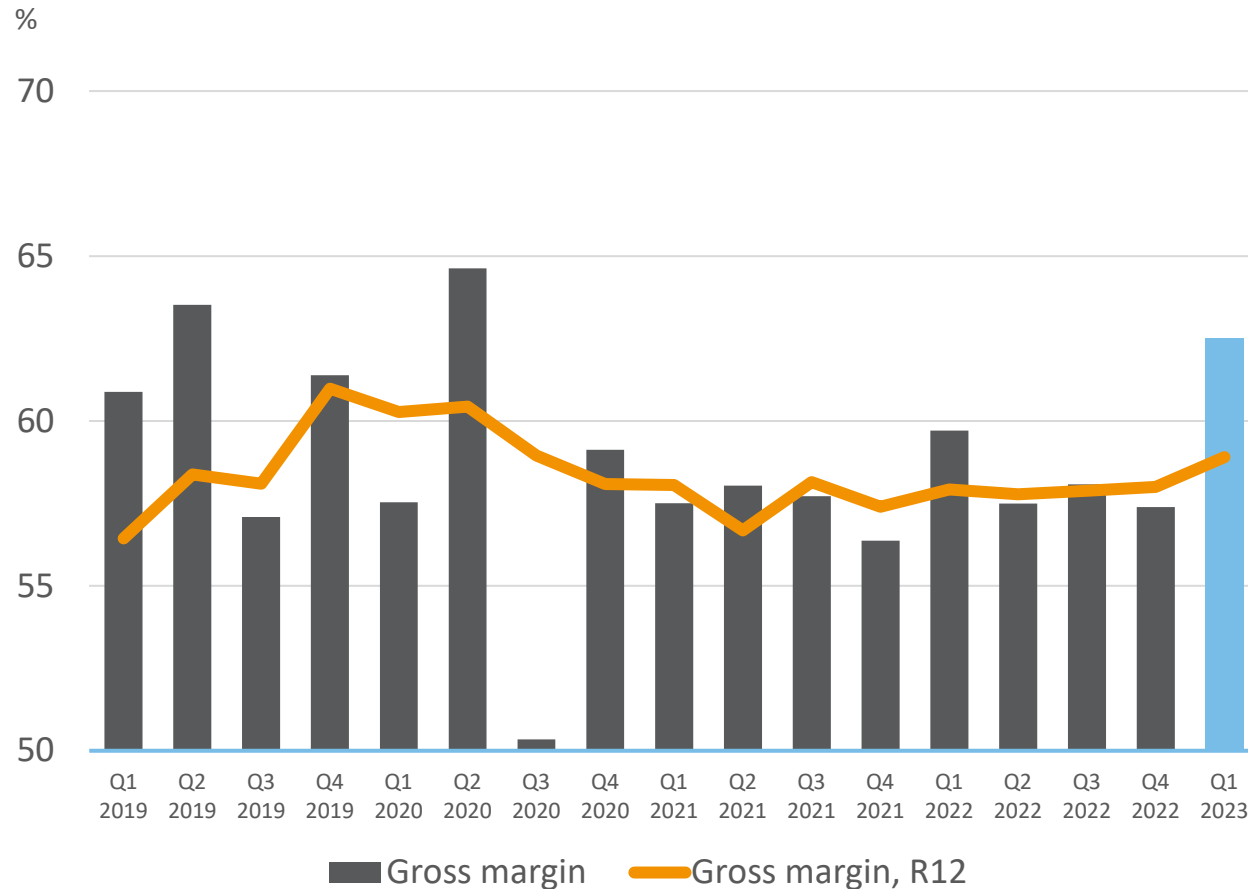
# Revenue - 100+ per cent growth



- Sales growth 127 per cent compared to Q1, 2022. 119 per cent in comparable currencies.
- Annual sales pace (R12) SEK 949 million.
- Sales at a higher level than before.
- The sales trend shows a smoother development than order intake, as a result of efficient production planning.

SEK million	Q1, 2023	Q1, 2022	Delta %	R12	FY, 2022
Revenue	311.3	137.4	127	949.4	775.5

# Gross margin, 60+ per cent

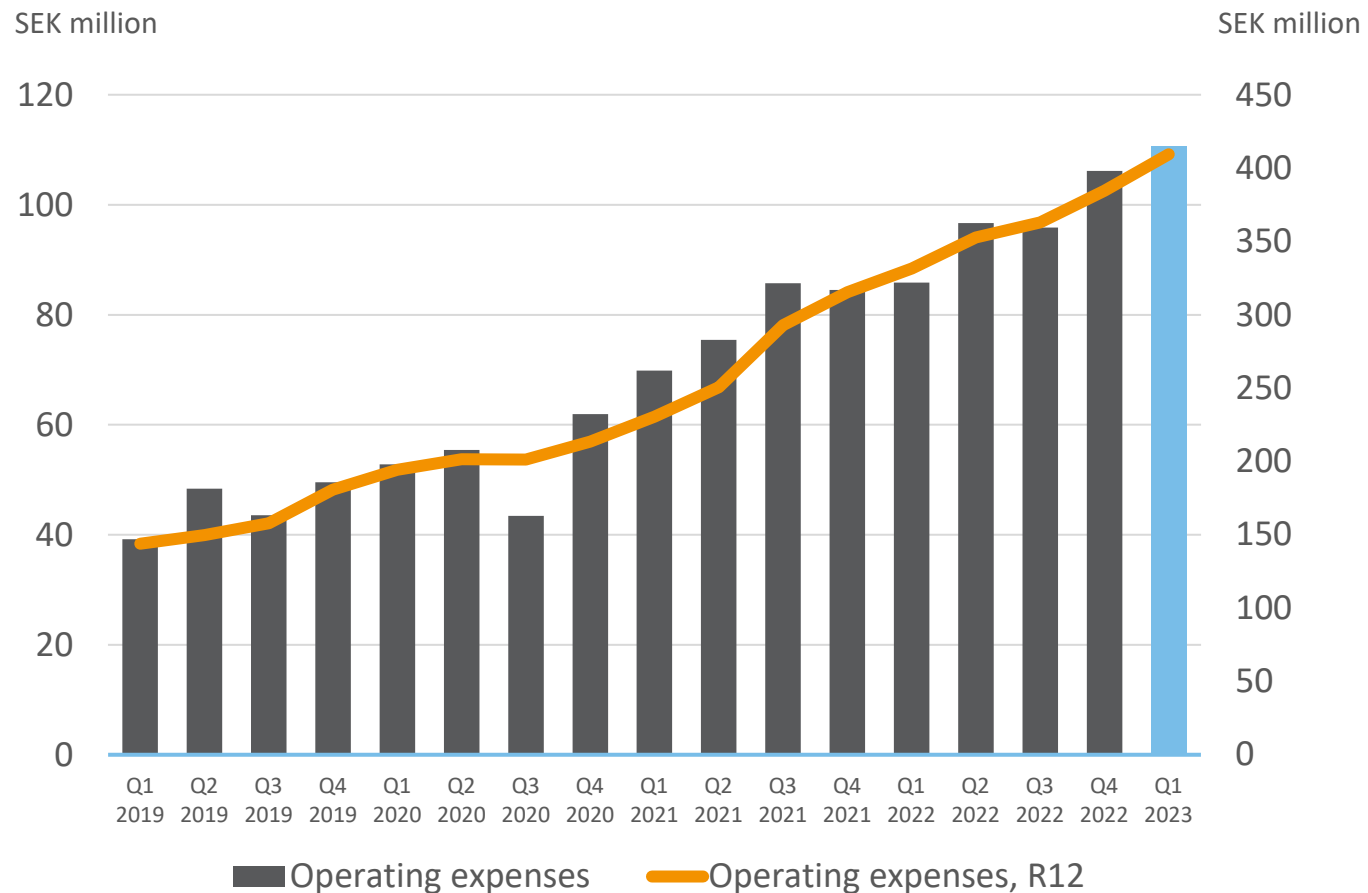


- The product mix has had a positive impact on the gross margin.
- Price increases by the suppliers have not yet taken full effect, due to earlier inventory build-up.

Per cent	Q1, 2023	Q1, 2022	Delta, units	R12	FY, 2022
Gross margin	62.5	59.7	2.8	58.9	58.0

# Operating expenses

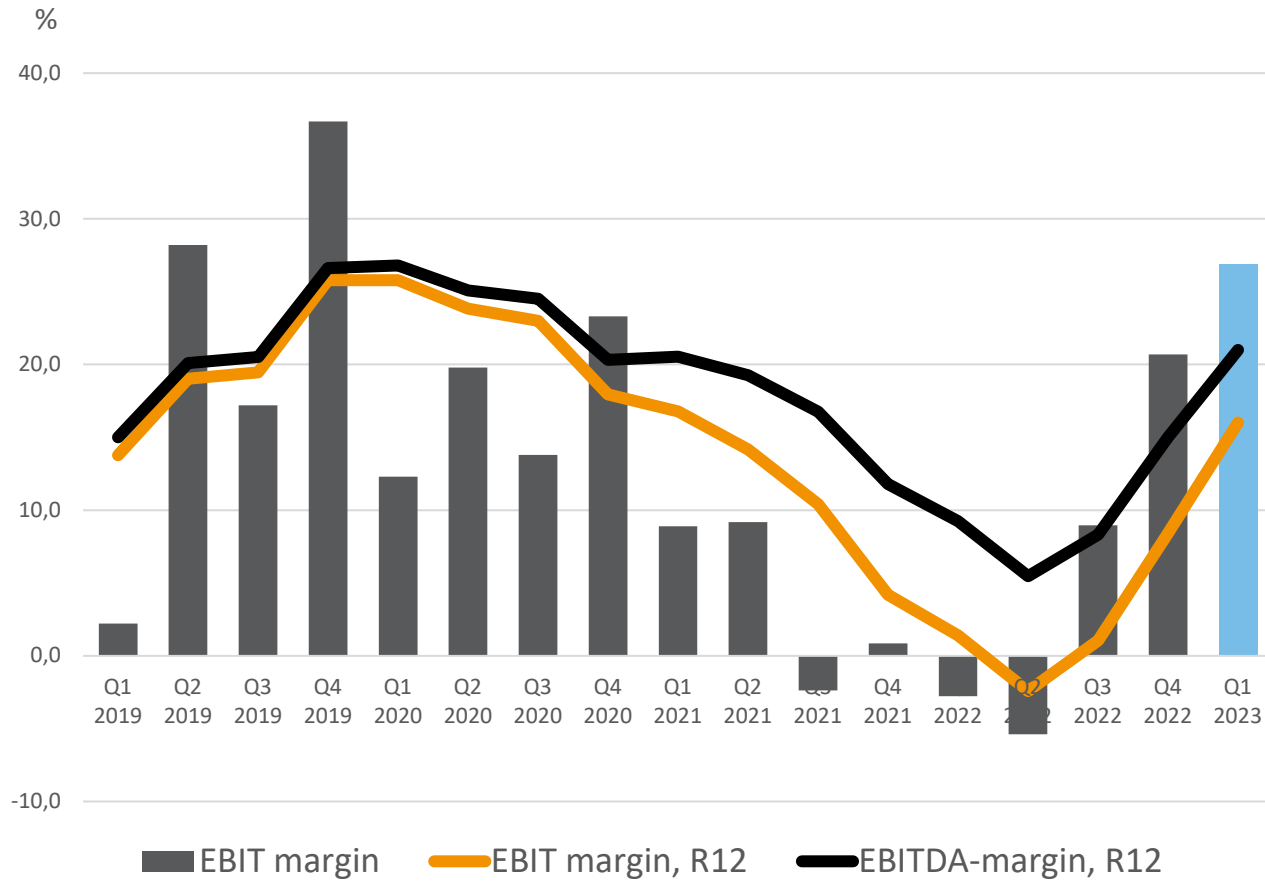
## – in line with the trend



- Moderate increase in OPEX, compared to the previous quarter.
- OPEX correlated to number of employees.
- Recruiting is driven by business opportunities.

SEK million	Q1, 2023	Q1, 2022	Delta	R12	FY, 2022
OPEX	110.7	85.9	29%	409.4	384.5

# Substantially improved margins



- Higher sales have a direct impact on margins, as OPEX is a “slow moving mass”.
- The increase demonstrates the scalability in the business model.

Per cent	Q1, 2023	Q1, 2022	Delta, units	R12	FY, 2022
EBIT margin	26.9	-2.8	29.7	16.1	8.4
EBITDA margin	31.0	5.7	25.3	21.2	14.6



# Strong interest in Intercom system

- Another major follow-up order received.
- Total value of SEK 40 million.
- European NATO-member.
- Most systems to be delivered in 1H 2023.
- The combined value of all the orders is more than SEK 100 million.
- Good potential for further orders.





# Breakthrough order for RACAL Acoustics headset in the US

- A first major order for the new RA4000 Magna™ headset, in the North American market.
- The order value is SEK 42 million.
- Deliveries are planned monthly through September 2023.
- The first introduction in over 25 years in the US market of ANR tactical headsets, designed for armored vehicles.
- The market position further strengthened as one of the major actors will discontinue its competing product line.



# Another army contract

- New framework agreement with army in a European non-NATO country.
- First order worth about SEK 40 million for the new INVISIO V-Series Gen II system with INVISIO X5 in-ear headsets.
- Deliveries are expected to take place in 2023.
- Part of the Special Forces already a customer.
- Good potential for follow-on orders.



Osäker om Gen II

# Market development

A line of military tanks, likely M1 Abrams, is shown in a field. Several soldiers in camouflage uniforms are visible, some standing near the tanks and others on top of them. The scene is set outdoors with trees in the background under a clear sky.

Largest increase in military spending in Europe in 30 years\*

Great need for modern communication equipment

Larger budgets will allow faster roll out

Long term: higher budgets will mean an increased demand



# A strong momentum



An active market due to increased geopolitical insecurity

A doubling of resources within R&D and sales

A journey from hardware to AI based software

A broader and wider product portfolio

Now targeting two customer groups

# Positive expectations for 2023

The extensive forward-looking investments carried out in recent years, combined with a substantial order book and a generally strong market, mean that we predict continued strong sales, order intake and profitability in 2023.





Q&A



# Appendix



SEK million	Jan-March		Δ %	Full year 2022
	2023	2022		
Revenue	311.3	137.4	127	775.5
Gross profit	194.6	82.1	137	449.7
Gross margin, %	62.5	59.7		58.0
EBITDA	96.5	7.8	1,137	113.0
EBITDA margin, %	31.0	5.7		14.6
Operating profit	83.9	-3.8		65.2
Operating margin, %	26.9	-2.8		8.4
Profit/loss for the period	60.0	-4.3		44.5
Earnings per share for the period, SEK	1.33	-0.10		0.99
Cash flow from operating activities	80.2	3.3	2,296	41.7
Order intake	315.2	396.8	-21	1,141.6
Order book	626.7	481.7	30	624.7

# Condensed consolidated income statement and consolidated statement of comprehensive income

SEK million	Note	Jan-March		Full year
		2023	2022	2022
Revenue	2	311.3	137.4	775.5
Cost of goods sold		-116.8	-55.4	-325.7
<b>Gross profit</b>		<b>194.6</b>	<b>82.1</b>	<b>449.7</b>
Operating expenses*	3	-110.7	-85.9	-384.5
<b>Operating profit</b>		<b>83.9</b>	<b>-3.8</b>	<b>65.2</b>
Net financial items		-0.2	-0.2	-2.7
<b>Profit/loss before tax</b>		<b>83.6</b>	<b>-4.0</b>	<b>62.5</b>
Income tax	4	-23.6	-0.3	-18.0
<b>Profit/loss for the period</b>		<b>60.0</b>	<b>-4.3</b>	<b>44.5</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<i>Items that may subsequently be reclassified to profit or loss.</i>				
Translation differences from foreign operations for the period		7.6	3.8	38.7
<b>Comprehensive income for the period</b>		<b>67.6</b>	<b>-0.5</b>	<b>83.2</b>
(Attributable to parent company shareholders)				
* Operating expenses include depreciation of	3	-12.7	-11.6	-47.8

# Per-share data

	Note	Jan-March		Full year
		2023	2022	2022
Earnings per share for the period, SEK		1.33	-0.10	0.99
Earnings per share after dilution, SEK		1.32	-0.10	0.99
Equity per share, SEK		12.86	9.38	11.32
Equity per share after dilution, SEK		12.51	9.27	11.32
Equity/assets ratio, %		65	63	64
Number of shares, thousands		45,049	44,540	45,049
Average number of shares outstanding, thousands		45,049	44,540	44,838
Average number of outstanding shares after dilution, thousands		46,298	45,098	45,049
Share price at close of period, SEK		214.00	171.80	164.60

# Condensed consolidated statement of financial position

SEK million	Note	March 31, 2023	March 31, 2022	Dec 31, 2022
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill		57.3	54.4	56.2
Capitalized development costs	3	107.4	93.6	103.5
Other intangible assets	3	77.5	86.0	79.2
Property, plant and equipment	3	21.9	16.2	20.8
Rights of use, leases	3	28.5	28.9	22.8
Long-term deposits for rent		3.5	2.5	2.7
Deferred tax assets	4	6.2	2.8	3.6
<b>Total non-current assets</b>		<b>302.3</b>	<b>284.3</b>	<b>288.9</b>
<b>Current assets</b>				
Inventories		147.5	120.2	144.4
Trade receivables		206.4	106.3	194.5
Other current receivables		48.6	30.3	45.0
Cash and cash equivalents		190.3	123.3	127.1
<b>Total current assets</b>		<b>592.8</b>	<b>380.0</b>	<b>511.0</b>
<b>TOTAL ASSETS</b>		<b>895.1</b>	<b>664.4</b>	<b>799.9</b>

SEK million	Note	March 31, 2023	March 31, 2022	Dec 31, 2022
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>		<b>579.3</b>	<b>417.9</b>	<b>510.0</b>
<b>Non-current liabilities</b>				
Liabilities to credit institutions		40.0	60.0	45.0
Lease liabilities		20.4	21.3	16.1
Deferred tax liabilities	4	39.5	35.2	34.6
<b>Total long-term liabilities</b>		<b>99.9</b>	<b>116.5</b>	<b>95.7</b>
<b>Current liabilities</b>				
Liabilities to credit institutions		20.0	20.0	20.0
Trade payables		89.3	43.4	63.7
Lease liabilities		10.4	8.5	8.7
Other current liabilities		96.3	58.0	101.9
<b>Total current liabilities</b>		<b>216.0</b>	<b>129.9</b>	<b>194.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>895.1</b>	<b>664.4</b>	<b>799.9</b>

SEK million	Note	March 31, 2023	March 31, 2022	Dec 31, 2022
<b>CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>				
<b>Opening balance</b>		<b>510.0</b>	<b>417.5</b>	<b>417.5</b>
New issue through exercising employee stock options		-	-	36.0
Employee Stock Option Program		1.6	0.9	4.5
Dividend		-	-	-31.2
Comprehensive income		67.6	-0.5	83.2
<b>Closing balance</b>		<b>579.3</b>	<b>417.9</b>	<b>510.0</b>

# Condensed consolidated statement of cash flow

SEK million	Note	Jan-March		Full year
		2023	2022	2022
<b>Operating activities</b>				
Profit/loss before tax		83.6	-4.0	62.5
Adjustments for non-cash items		16.6	16.3	57.4
Income tax paid		-7.4	-1.4	-19.0
<b>Cash flow from operating activities before changes in working capital</b>		<b>92.7</b>	<b>10.9</b>	<b>100.9</b>
Changes in inventories		-1.6	-1.1	-13.9
Changes in operating receivables		-17.4	4.7	-81.9
Changes in operating liabilities		6.5	-11.1	36.6
<i>Cash flow from changes in working capital</i>		<i>-12.5</i>	<i>-7.5</i>	<i>-59.2</i>
<b>Cash flow from operating activities</b>		<b>80.2</b>	<b>3.3</b>	<b>41.7</b>
<b>Investing activities</b>				
Capitalization of development costs		-8.6	-5.0	-23.9
Purchases of property, plant, and equipment		-9.8	-1.4	-9.6
Acquisition of financial assets		-0.8	0,0	-0.1
<b>Cash flow from investing activities</b>		<b>-19.1</b>	<b>-6.5</b>	<b>-33.5</b>
<b>Financing activities</b>				
New issue through exercising employee stock options		-	-	36.0
Raising / Amortization of loans		-5.0	-5.0	-20.0
Changes in lease liabilities		5.9	-4.6	-9.9
Dividend paid		-	-	-31.2
<b>Cash flow from financing activities</b>		<b>0.9</b>	<b>-9.6</b>	<b>-25.1</b>
<b>CASH FLOW FOR THE PERIOD</b>		<b>61.9</b>	<b>-12.8</b>	<b>-17.0</b>

SEK million	Note	Jan-March		Full year
		2023	2022	2022
Cash and cash equivalents at start of period		127.1	134.8	134.8
Translation differences in cash and cash equivalents		1.3	1.2	9.2
Cash and cash equivalents at end of period		190.3	123.3	127.1