

# INVISIO

Conference call August 14, 2020 | Interim Report January - June 2020  
CEO Lars Højgård Hansen

INVISIO®



## Agenda

- CEO Lars Højgård Hansen comments on Q2 and H1, 2020.
- Q&A.
- Financial performance in further detail.



**Intensified focus on the law enforcement and security market**

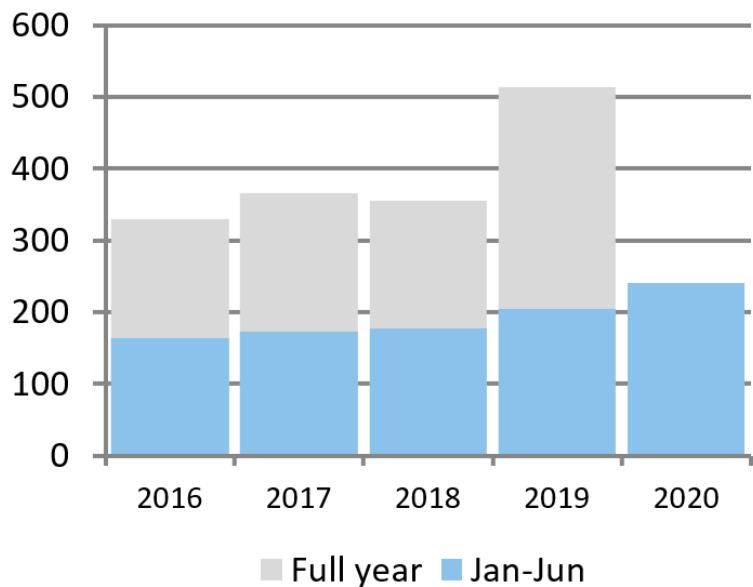
# Q2 2020 - stable development

SEK in millions	2020 Q2	2019 Q2	Δ %	2020 Jan-Jun	2019 Jan-Jun	Δ %	2019 Full year
Revenue	<b>123.6</b>	137.2	-10	<b>240.4</b>	204.1	18	513.8
Gross profit	<b>79.9</b>	87.2	-8	<b>147.1</b>	127.9	15	313.3
Gross margin, %	<b>64.6</b>	63.5		<b>61.2</b>	62.7		61.0
EBITDA	<b>26.8</b>	41.4	-35	<b>43.6</b>	45.3	-4	142.6
Operating profit/loss	<b>24.4</b>	38.8	-37	<b>38.8</b>	40.3	-3	132.6
Operating margin, %	<b>19.8</b>	28.2		<b>16.2</b>	19.7		25.8
Profit/loss for the period	<b>18.1</b>	28.5	-37	<b>27.5</b>	30.0	-8	101.6
Earnings per share, SEK	<b>0.41</b>	0.65	-37	<b>0.62</b>	0.68	-8	2.30

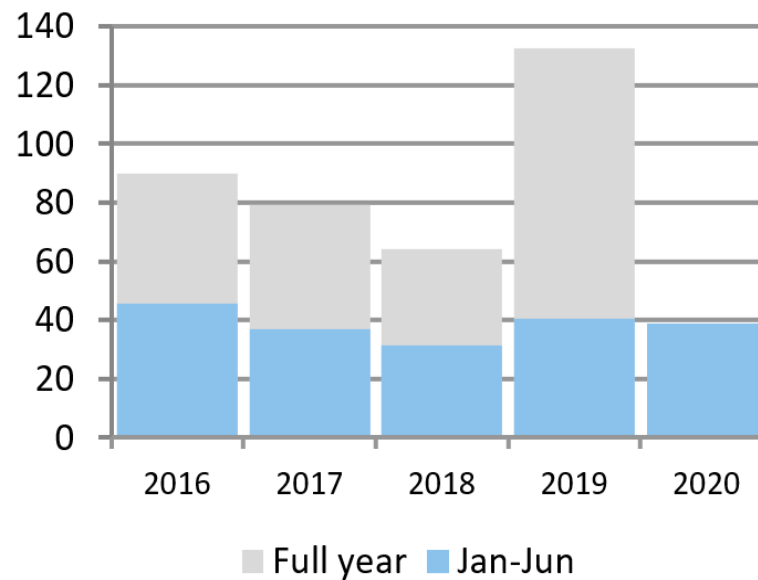
- INVISIO is intensifying its penetration of the law enforcement and security market.
- The company has won several smaller orders for the Intercom system.
- INVISIO has received initial orders from new markets in Asia, which may lead to larger orders in the long term.
- The company is experiencing limited effects of Covid-19, only minor delays in certain processes on the customer side.
- The order intake was SEK 107.3 million (178.9) during the quarter. The order book at the close of the quarter was SEK 99.9 million (90.1).

# Development in sales and EBIT

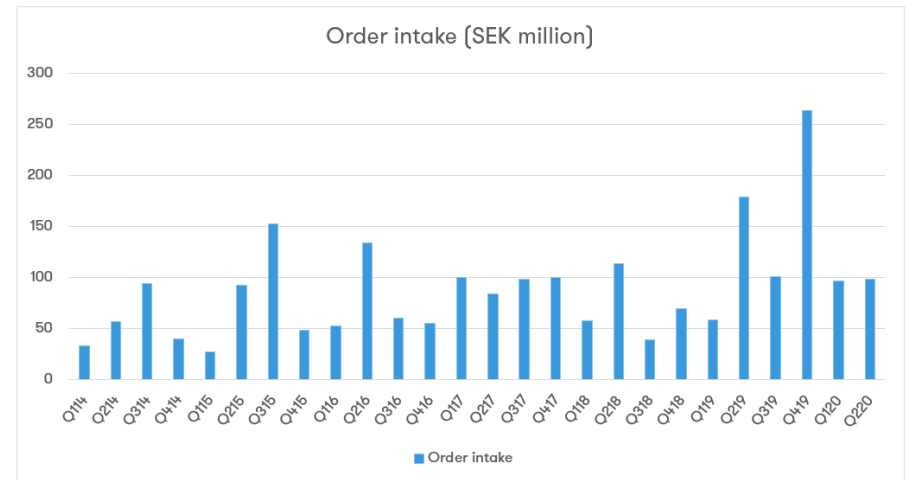
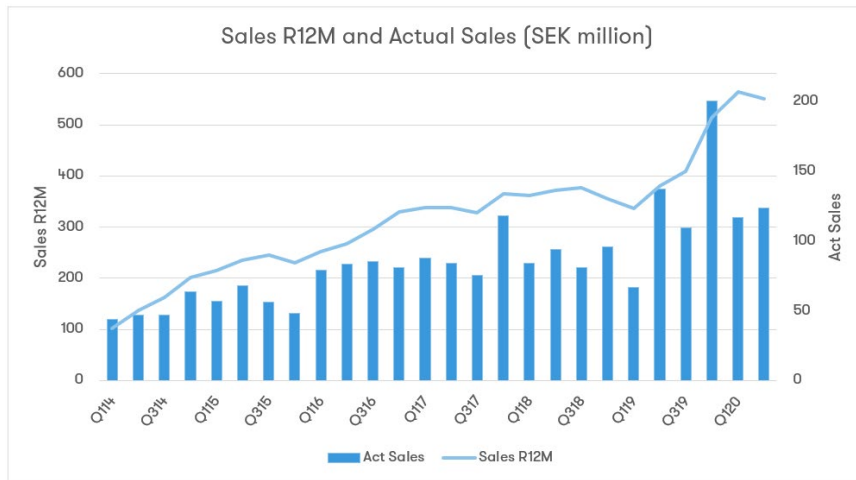
## Sales (SEK million)



## EBIT (SEK million)



# Order intake and sales can fluctuate between quarters



- Steady long-term growth despite quarterly fluctuations in both sales and order intake.
- Sales CAGR 20.6 per cent for the period 2015-2019.

# Intensified focus on the law enforcement and security market



- INVISIO has intensified its global market penetration targeting the law enforcement and security market.
- Strengthened sales organization in the USA and Europe.
- Market trends support INVISIO's initiative.

# New orders for the Intercom system in Q2



- Marketing of the Intercom system is going according to plan.
- Several small orders received in Q2.
- The Intercom system has good long-term prospects of contributing significantly to the company's continued growth.

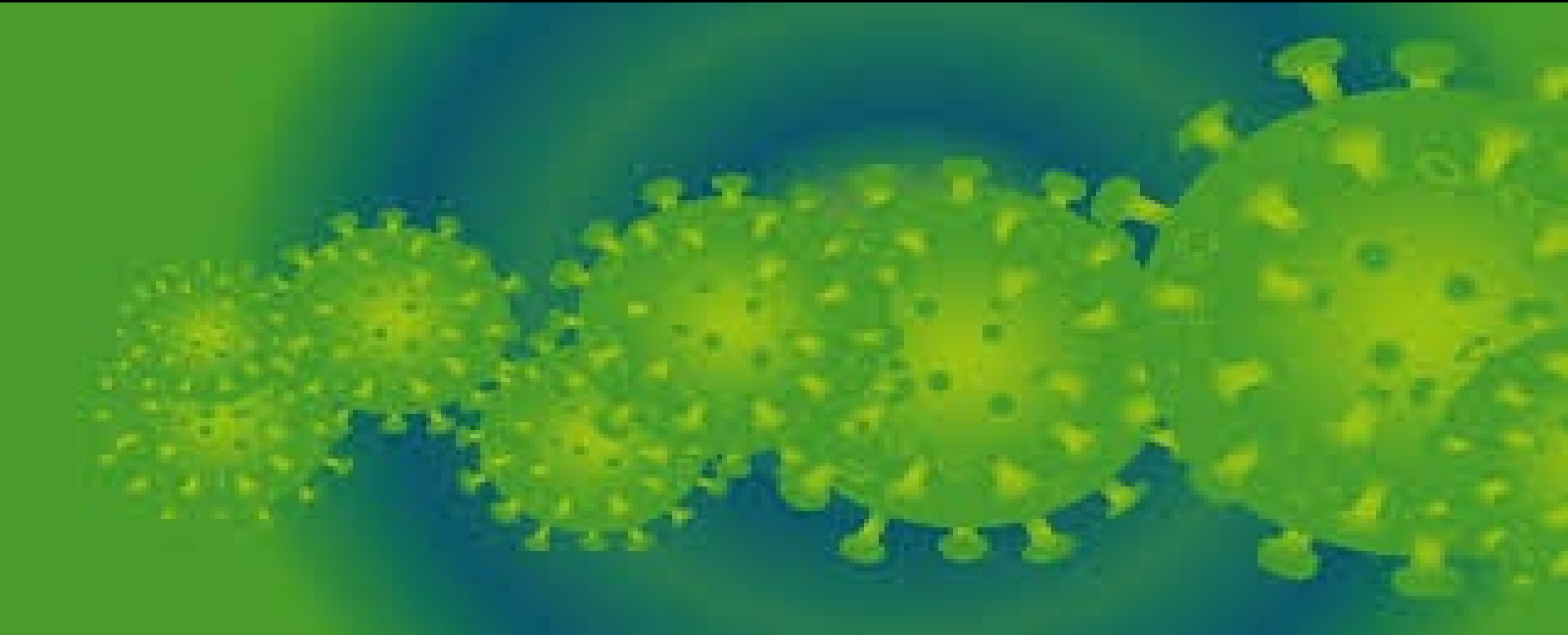


# Initial orders from new markets



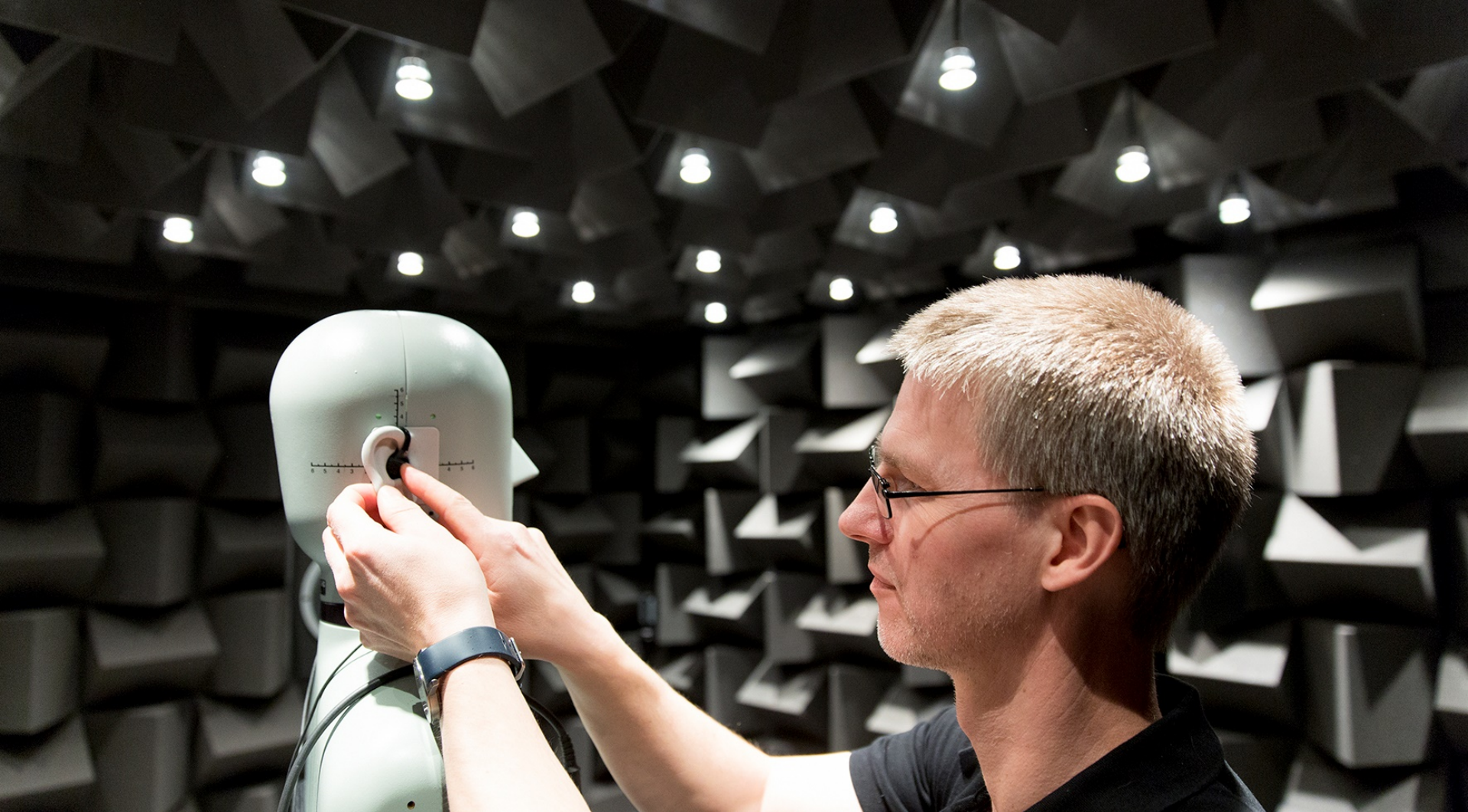
- INVISIO is addressing selected countries in Asia, the Middle East, and South America - countries where the major radio suppliers operate.
- The company has received initial orders from new markets in Asia, which may lead to larger orders in the long term.
- Orders from special forces pave the way for “volume-business” with the national and regional organizations.

# Information concerning possible effects of Covid-19



INVISIO is currently experiencing few negative effects of Covid-19 and the company's assessment is that the effect on operations in the short term is limited, only minor delays in certain processes on the customer side. Delays in order intake and deliveries can of course not be ruled out if the pandemic is very lengthy.

- INVISIO sees no significant negative effects on order intake.
- All manufacturing partners' production is continuing.
- INVISIO maintains a stable inventory in terms of both components and finished products.
- The financial position of the company is strong.



“INVISIO is developing according to its established strategy and will continue to invest in product and organizational development in 2020, both in R&D and sales. A strong base together with a clear strategy give us good conditions for continued growth.”



# Questions and answers

# Financial performance in further detail

Q2 2020

# Condensed consolidated income statement and consolidated statement of comprehensive income

SEK in millions	Note	2020 Q2	2019 Q2	2020 Jan-Jun	2019 Jan-Jun	2019 Full year
Revenue	2	123.6	137.2	240.4	204.1	513.8
Cost of goods sold		-43.7	-50.1	-93.3	-76.2	-200.5
<b>Gross profit</b>		<b>79.9</b>	<b>87.2</b>	<b>147.1</b>	<b>127.9</b>	<b>313.3</b>
Operating expenses*		-55.4	-48.4	-108.2	-87.6	-180.7
<b>Operating profit/loss</b>		<b>24.4</b>	<b>38.8</b>	<b>38.8</b>	<b>40.3</b>	<b>132.6</b>
Net financial items		-0.5	-1.3	-0.9	-0.2	1.5
<b>Profit/loss before tax</b>		<b>24.0</b>	<b>37.5</b>	<b>37.9</b>	<b>40.0</b>	<b>134.1</b>
Income tax	3	-5.9	-9.0	-10.4	-10.1	-32.5
<b>Profit/loss for the period</b>		<b>18.1</b>	<b>28.5</b>	<b>27.5</b>	<b>30.0</b>	<b>101.6</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
<i>Items that may subsequently be reclassified to profit and loss</i>						
Translation differences		-20.6	3.0	1.5	6.4	1.8
<b>Comprehensive income for the period</b>		<b>-2.6</b>	<b>31.5</b>	<b>29.0</b>	<b>36.4</b>	<b>103.4</b>
(Profit/loss attributable to equity holders of the parent company.)						
*Depreciation incl. in operating expenses		-2.3	-2.6	-4.7	-5.1	-10.0

# Condensed consolidated statement of financial position

<b>Assets</b>	<b>Note</b>	<b>30/06/2020</b>	<b>30/06/2019</b>	<b>31/12/2019</b>
Capitalized development costs		95.4	71.4	85.6
Equipment		2.9	3.8	3.1
Right-of-use assets, leases	4	24.2	27.1	25.3
Deposits for rent, long-term		2.3	1.9	2.3
Deferred tax assets	3	4.2	8.6	1.8
Inventories		135.0	120.3	95.6
Trade receivables		26.4	77.9	111.0
Other short-term receivables		16.4	12.4	10.0
Cash and cash equivalents		194.0	69.3	145.1
<b>Total assets</b>		<b>500.8</b>	<b>392.8</b>	<b>479.7</b>
<b>Shareholders' equity and liabilities</b>				
Shareholders' equity		359.0	298.1	366.0
Lease liabilities	4	24.9	28.0	25.9
Deferred tax liabilities	3	15.0	-	6.5
Trade payables		34.8	31.2	29.8
Other current liabilities		67.1	35.4	51.5
<b>Total shareholders' equity and liabilities</b>		<b>500.8</b>	<b>392.8</b>	<b>479.7</b>

# Condensed consolidated statement of cash flow

SEK in millions	2020 Q2	2019 Q2	2020 Jan-Jun	2019 Jan-Jun	2019 Full year
<b>Operating activities</b>					
Profit/loss before tax	24.0	37.5	37.9	40.0	134.1
Adjustments for non-cash items	6.1	1.9	7.6	3.8	8.7
Income tax paid	-0.5	-0.8	-1.1	-1.5	-2.8
<b>Cash flow from operating activities before changes in working capital</b>	<b>29.6</b>	<b>38.5</b>	<b>44.5</b>	<b>42.3</b>	<b>140.0</b>
Changes in inventories	-25.6	-3.0	-40.0	-16.0	7.5
Changes in operating receivables	29.6	9.8	80.5	33.5	2.3
Changes in operating liabilities	16.2	7.6	16.7	0.9	8.6
<i>Cash flow from changes in working capital</i>	20.1	14.3	57.2	18.4	18.4
<b>Cash flow from operating activities</b>	<b>49.7</b>	<b>52.8</b>	<b>101.6</b>	<b>60.8</b>	<b>158.4</b>
<b>Investing activities</b>					
Capitalization of development costs	-5.1	-8.8	-11.1	-22.3	-39.6
Acquisition of property, plant, and equipment	-1.4	0.0	-1.8	-0.3	-0.6
Acquisition of financial assets	0.0	0.0	0.0	-0.1	-0.5
<b>Cash flow from investing activities</b>	<b>-6.5</b>	<b>-8.8</b>	<b>-12.9</b>	<b>-22.6</b>	<b>-40.8</b>
<b>Financing activities</b>					
Changes in lease liabilities	-1.6	-0.6	-0.9	-1.2	-3.4
Dividend paid	-37.5	-30.9	-37.5	-30.9	-30.9
<b>Cash flow from financing activities</b>	<b>-39.1</b>	<b>-31.5</b>	<b>-38.4</b>	<b>-32.1</b>	<b>-34.2</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>4.1</b>	<b>12.5</b>	<b>50.4</b>	<b>6.0</b>	<b>83.4</b>
Cash and cash equivalents at start of period	202.0	56.5	145.1	62.2	62.2
Translation differences in cash and cash equivalents	-12.1	0.3	-1.5	1.0	-0.5
Cash and cash equivalents at end of period	194.0	69.3	194.0	69.3	145.1