

INVISIO

Interim Report January – June 2023

Continued strong order intake
and a well-filled order book

Investor Conference Call July 21, 2023
CEO Lars Højgård Hansen

Protection
at work,
a better life
at home

Highlights Q2, 2023

Continued strong order intake and a well-filled order book

- Record high order intake - amounted to just over SEK 400 million.
- The order book at almost SEK 800 million.
- Sales R12 exceeds SEK 1 billion for the first time.
- INVISIO received the largest order ever, worth SEK 130 million, from the US Department of Defense.
- The company also received an order worth SEK 90 million from a European NATO-country.
- The development reflects high market activity - which is likely to continue for a long time to come.

SEK **402** million

Order intake, Q2 2023

SEK **790** million

Order book, Q2 2023

SEK **270** million

Revenue, Q2 2023

17%

Operating margin, Q2 2023

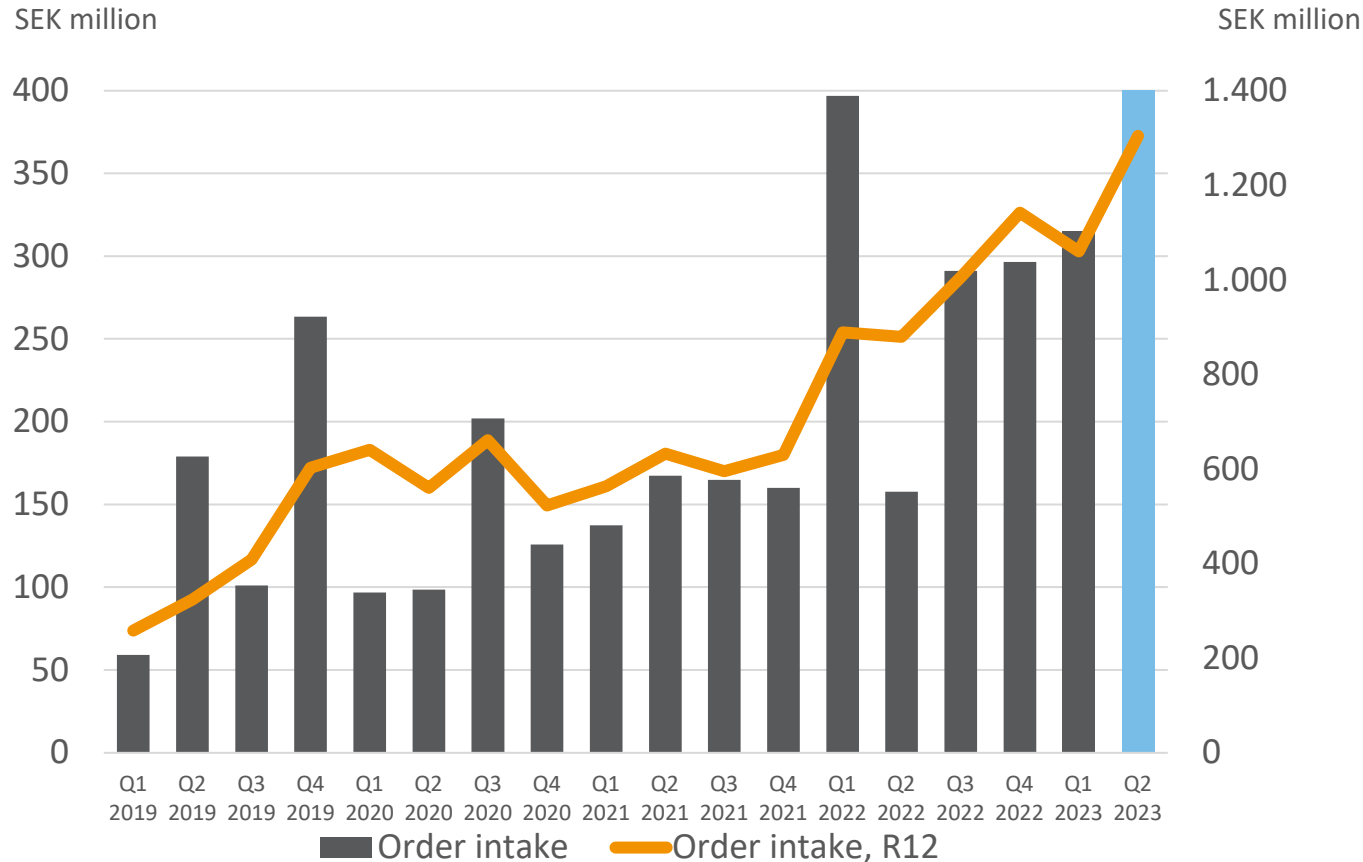
82%

Sales growth, R12

19%

Operating margin, R12

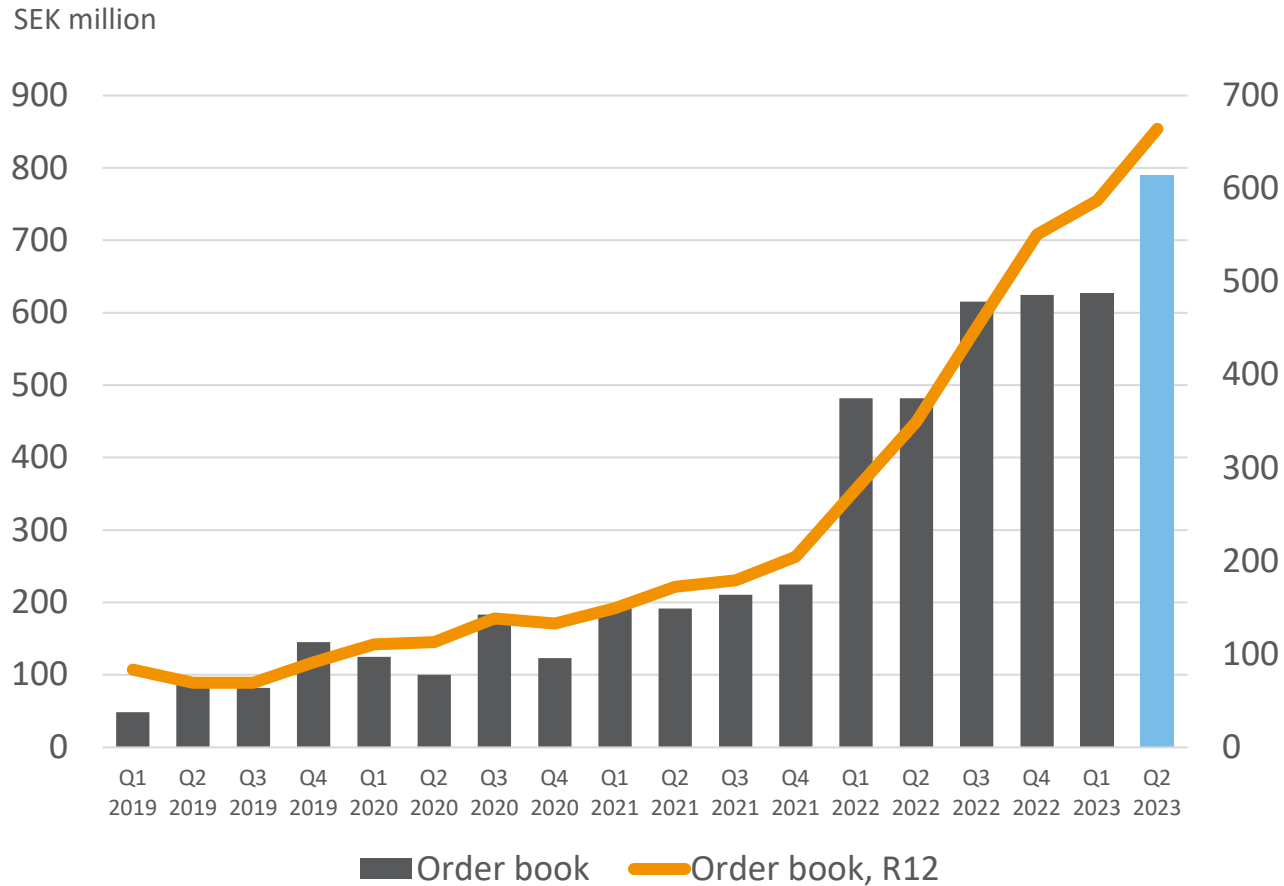
Record strong order intake



- Order intake SEK 400+ million in the quarter.
- Order intake YTD exceeds SEK 700 million.
- The order intake R12 at SEK 1.3 billion.
- Announced Racal Acoustics orders totaling SEK 220 million.
- Close to SEK 200 m. in unannounced orders.

SEK million	Q2 2023	Q2, 2022	Jan-Jun 2023	Jan-Jun 2023	Delta %	R12	FY, 2022
Order intake	402.0	157.7	717.2	554.2	155 / 29	1,305	1,142

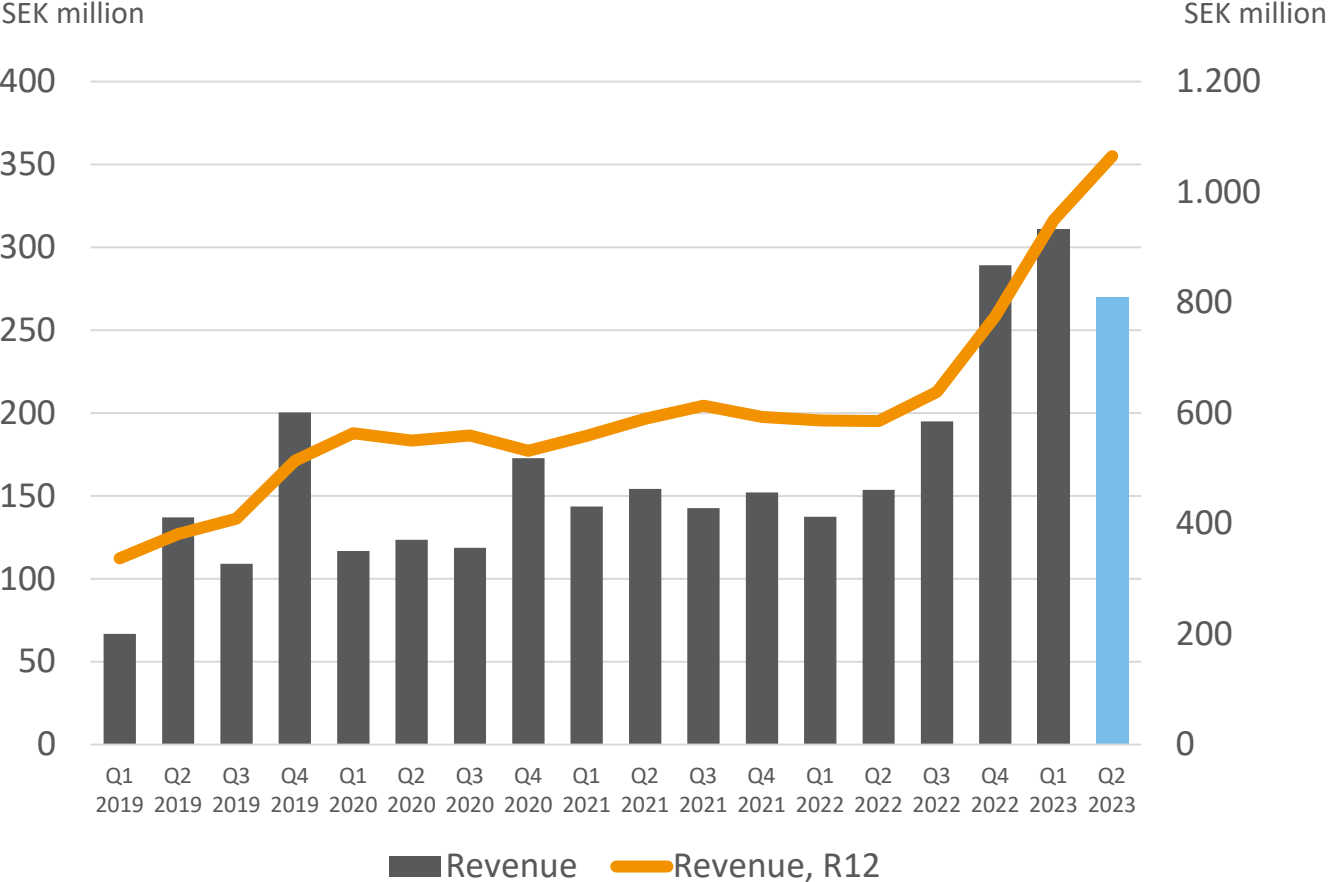
Strong order book



- Order book stands close to SEK 800 million.
- The majority of the order book is to be delivered this year.
- The higher inventory reflects upcoming deliveries.
- Standard products – almost zero scrapping.

SEK million	Q2, 2023	Q2, 2022	Delta %	FY, 2022
Order book	790.3	481.7	64	624.7

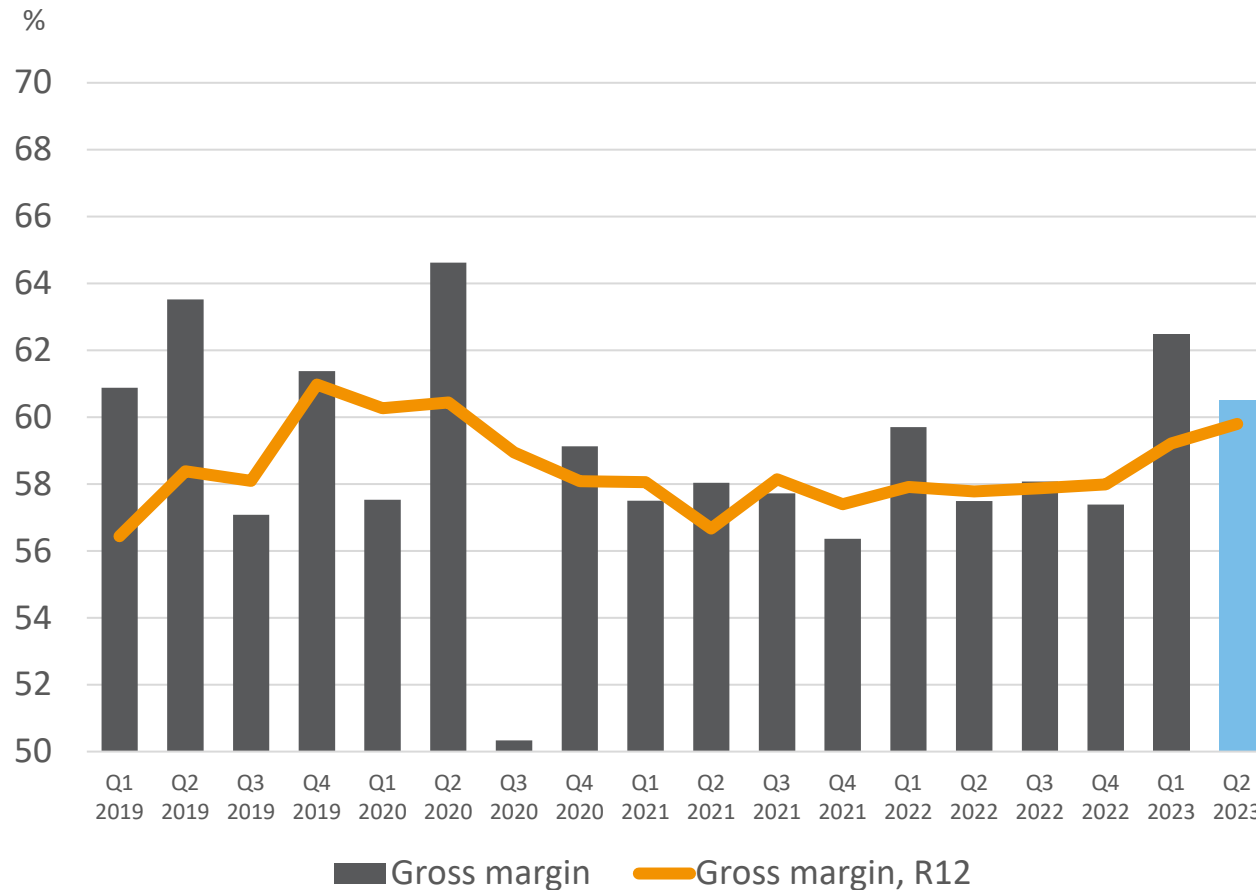
Revenue R12 pacing SEK 1 billion



- Q2 Sales at SEK 270 million – a growth of 76% compared to Q2 2022. 63% in comparable currencies.
- Sales YTD close to SEK 600 million - twice as high as the corresponding period last year.
- Europe accounts for approx. 50 per cent of total sales.

SEK million	Q2, 2023	Q2, 2022	Jan-Jun, 2023	Jan-Jun, 2022	Delta %	R12 FY, 2022
Revenue	269.8	153.7	581.2	291.1	76 / 100	1,065.5

Gross margin, 60+ per cent

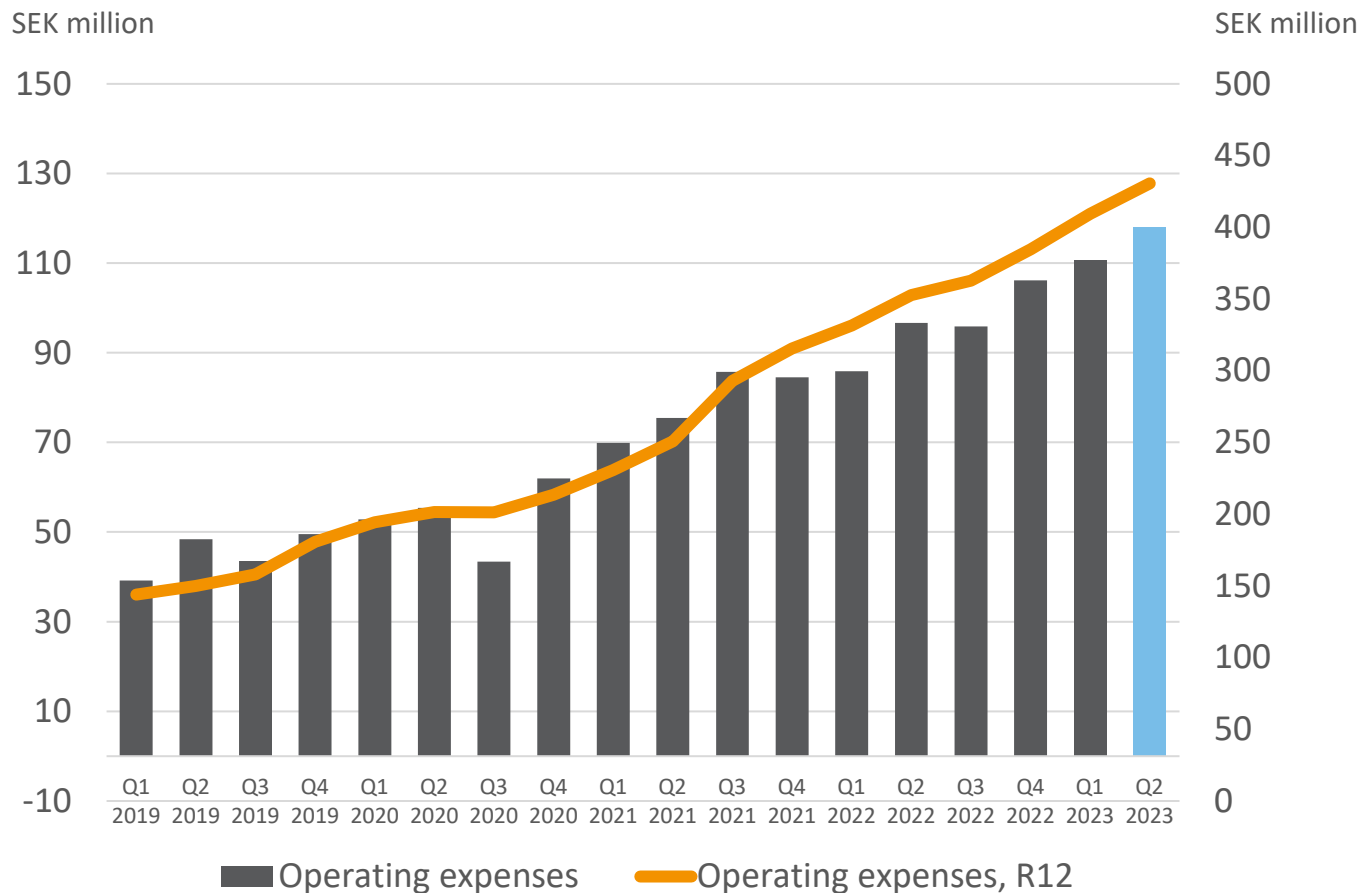


- Component supply is back to normal so very few spot market buys.
- The main drivers for the gross margin are the proportion of direct sales versus via distribution partners ...
- ... and the product mix during the reporting period.

Per cent	Q2, 2023	Q2, 2022	Jan-Jun, 2023	Jan-Jun, 2022	Delta, units	R12	FY, 2022
Gross margin	60.5	57.5	61.6	58.5	3.0 / 3.1	59.8	58.0

Operating expenses

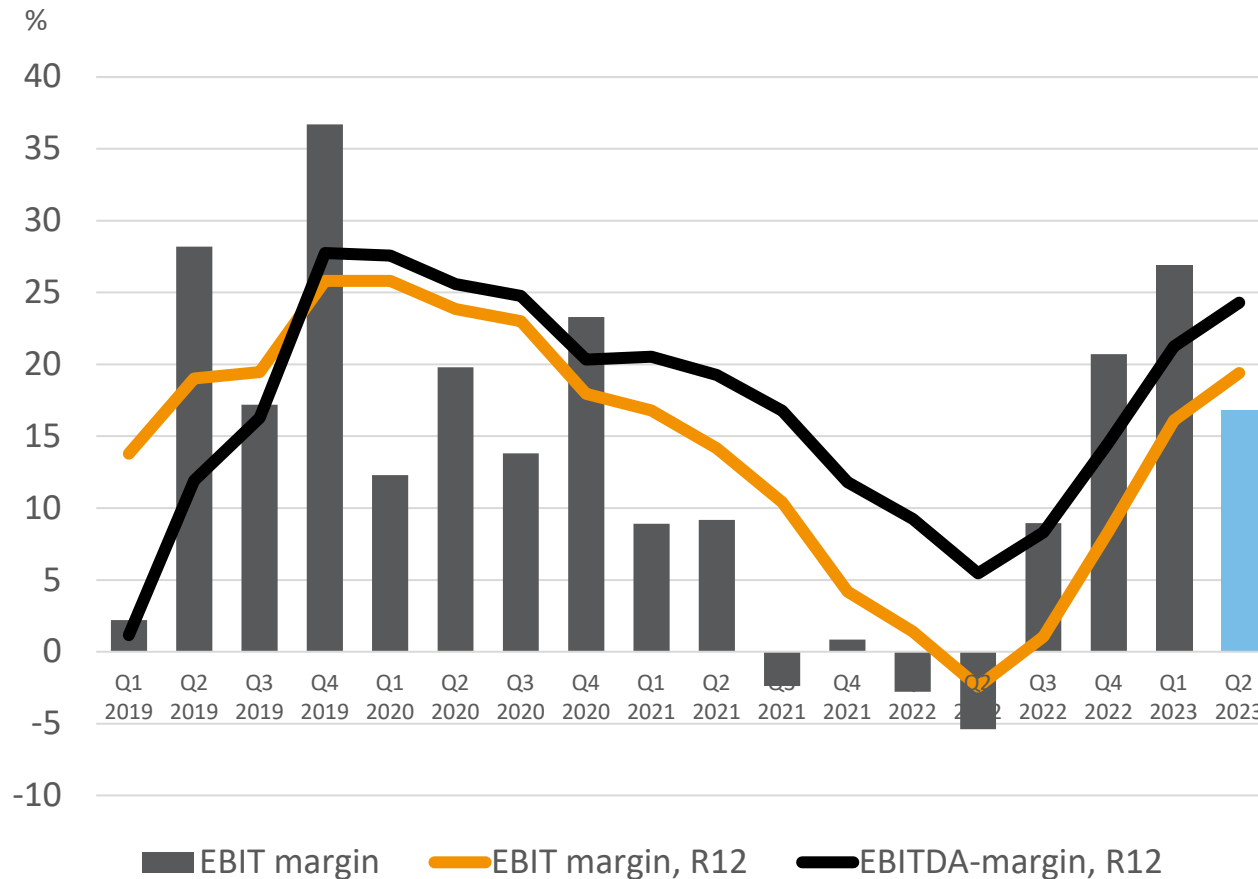
– in line with the trend



- OPEX correlated to number of employees.
- Recruiting is driven by business opportunities.

SEK million	Q2, 2023	Q2, 2022	Jan-Jun, 2023	Jan-Jun, 2022	Delta, %	R12	FY, 2022
OPEX	117.9	96.7	228.6	182.5	22 / 25	430.6	384.5

Substantially improved margins



- Average EBIT-margin last 12 months is 19 per cent
- Deliveries around the turn of the month can have a major impact on sales and margins in the quarter.
- Therefore, the development must be assessed in a longer perspective.

Per cent	Q2, 2023	Q2, 2022	Jan-Jun, 2023	Jan-Jun, 2022	Delta, units	R12	FY, 2022
EBIT margin	16.8	-5.4	22.2	-4.2	22.2 / 26.4	19.4	8.4
EBITDA margin	22.4	2.2	27.0	3.8	20.2/23.2	25.5	14.6

The largest order ever ...

- INVISIO has received an order worth approx. SEK 130 million for hearing protection and related products under the Racal Acoustics brand.
- The customer is a branch of the US DoD.
- The systems will be used in heavy combat vehicles.
- Deliveries will take place during the current year.

A European NATO country placed a SEK 90 million order

- The order is for hearing protection and communication systems under the Racal Acoustics brand.
- The systems will be used in heavy military vehicles.
- Most of the deliveries will take place during the current year.



The INVISIO V60 Gen II ADP

- The INVISIO V60 Gen II ADP - an advanced PTT and warfighter hub that provides more functionality and flexibility whilst integrating systems and data to reduce the number of devices carried by soldiers.
- It builds on previous iterations of INVISIO's V-Series, adding the capability to enable audio cues from EUD (End User Device) to headset, as well as distributing power to EUDs or other devices. This reduces cables, devices, and complexity.





The "new" market is here to stay

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

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	Q2			Jan-June			Full year
	2023	2022	Δ %	2023	2022	Δ %	2022
Revenue	269.8	153.7	76	581.2	291.1	100	775.5
Gross profit	163.3	88.4	85	357.9	170.4	110	449.7
Gross margin, %	60.5	57.5		61.6	58.5		58.0
EBITDA	60.5	3.4	1,703	157.1	11.2	1,307	113.0
EBITDA margin, %	22.4	2.2		27.0	3.8		14.6
Operating profit	45.4	-8.3		129.3	-12.1		65.2
Operating margin, %	16.8	-5.4		22.2	-4.2		8.4
Profit/loss for the period	27.3	-7.3		87.3	-11.7		44.5
Earnings per share for the period, SEK	0.60	-0.16		1.92	-0.26		0.99
Cash flow from operating activities	85.9	8.1	957	166.2	11.5	1,348	41.7
Order intake	402.0	157.7	155	717.2	554.2	29	1,141.6
Order book	790.3	481.7	64	790.4	481.7	64	624.7

Condensed consolidated income statement and consolidated statement of comprehensive income

SEK million	Note	Q2		Jan-June		Full year
		2023	2022	2023	2022	2022
Revenue	2	269.8	153.7	581.2	291.1	775.5
Cost of goods sold		-106.5	-65.3	-223.3	-120.7	-325.7
Gross profit		163.3	88.4	357.9	170.4	449.7
Operating expenses*	3	-117.9	-96.7	-228.6	-182.5	-384.5
Operating profit		45.4	-8.3	129.3	-12.1	65.2
Net financial items		-7.9	0.3	-8.1	0.1	-2.7
Profit/loss before tax		37.6	-8.0	121.2	-12.0	62.5
Income tax	4	-10.3	0.6	-33.9	0.4	-18.0
Profit/loss for the period		27.3	-7.3	87.3	-11.7	44.5
OTHER COMPREHENSIVE INCOME						
<i>Items that may subsequently be reclassified to profit or loss</i>						
Translation differences from foreign operations for the period		35.8	17.9	43.4	21.8	38.7
Comprehensive income for the period		63.1	10.6	130.8	10.1	83.2
(Attributable to parent company shareholders)						
* Operating expenses include depreciation of	3	-15.1	-11.6	-27.8	-23.3	-47.8

Data per share

	Q2		Jan-June		Full year
	2023	2022	2023	2022	2022
Earnings per share for the period, SEK	0.60	-0.16	1.92	-0.26	0.99
Earnings per share after dilution for the period, SEK	0.60	-0.16	1.91	-0.26	0.99
Equity per share, SEK	14.74	9.61	14.74	9.61	11.32
Equity per share after dilution, SEK	14.30	9.61	14.30	9.61	11.32
Equity/assets ratio, %	71	63	71	63	64
Number of shares, thousands	45,590	45,049	45,590	45,049	45,049
Average number of shares outstanding, thousands	45,227	44,625	45,138	44,625	44,838
Average number of outstanding shares after dilution, thousands	46,761	45,049	46,269	45,049	45,049
Share price at close of period, SEK	230.00	147.60	230.00	147.60	164.60

Condensed consolidated statement of financial position

SEK million	Note	June 30, 2023	June 30, 2022	December 31, 2022
ASSETS				
Non-current assets				
Goodwill		61.3	55.5	56.2
Capitalized development costs	3	115.9	97.3	103.5
Other intangible assets	3	79.6	84.4	79.2
Property, plant and equipment	3	29.7	15.9	20.8
Rights of use, leases	3	37.0	27.0	22.8
Long-term deposits for rent		3.7	2.5	2.7
Deferred tax assets	4	6.3	3.1	3.6
Total non-current assets		333.5	285.7	288.9
Current assets				
Inventories		196.7	141.6	144.4
Trade receivables		142.0	111.5	194.5
Other current receivables		41.9	26.6	45.0
Cash and cash equivalents		232.3	125.5	127.1
Total current assets		612.8	405.2	511.0
TOTAL ASSETS		946.3	690.9	799.9

SEK million	Note	June 30, 2023	June 30, 2022	December 31, 2022
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity		672.0	432.9	510.0
Non-current liabilities				
Liabilities to credit institutions		—	55.0	45.0
Lease liabilities		32.9	19.9	16.1
Deferred tax liabilities	4	41.1	35.3	34.6
Total long-term liabilities		74.0	110.2	95.6
Current liabilities				
Liabilities to credit institutions		—	20.0	20.0
Trade payables		87.8	51.6	63.7
Lease liabilities		8.5	8.6	8.7
Other current liabilities		104.1	67.5	101.9
Total current liabilities		200.3	147.8	194.3
TOTAL EQUITY AND LIABILITIES		946.3	690.9	799.9

SEK million	Note	June 30, 2023	June 30, 2022	December 31, 2022
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY				
Opening balance		510.0	417.5	417.5
New issue through exercising employee stock options		58.6	34.7	36.0
Employee Stock Option Program		4.2	1.8	4.5
Dividend		-31.5	-31.2	-31.2
Comprehensive income		130.8	10.1	83.2
Closing balance		672.0	432.9	510.0

Condensed consolidated statement of cash flow

SEK million	Q2		Jan-June		Full year
	2023	2022	2023	2022	2022
Operating activities					
Profit/loss before tax	37.6	-8.0	121.2	-12.0	62.5
Adjustments for non-cash items	20.4	11.6	36.9	28.0	57.4
Income tax paid	-3.3	-7.4	-10.7	-8.8	-19.0
Cash flow from operating activities before changes in working capital	54.7	-3.8	147.4	7.1	100.9
Changes in inventories	-39.2	-14.9	-40.8	-16.0	-13.9
Changes in operating receivables	70.7	10.4	53.2	15.1	-81.9
Changes in operating liabilities	-0.2	16.4	6.3	5.3	36.6
<i>Cash flow from changes in working capital</i>	<i>31.3</i>	<i>11.9</i>	<i>18.7</i>	<i>4.4</i>	<i>-59.2</i>
Cash flow from operating activities	85.9	8.1	166.2	11.5	41.7
Investing activities					
Capitalization of development costs	-9.4	-5.7	-18.0	-10.8	-23.9
Purchases of property, plant, and equipment	-19.9	-0.5	-29.7	-2.0	-9.6
Acquisition of financial assets	0.0	0.0	-0.8	0.0	-0.1
Cash flow from investing activities	-29.3	-6.3	-48.5	-12.8	-33.5

SEK million	Q2		Jan-June		Full year
	2023	2022	2023	2022	2022
Financing activities					
New issue through exercising employee stock options	58.6	34.7	58.6	34.7	36.0
Raising / Amortization of loans	-60.0	-5.0	-65.0	-10.0	-20.0
Changes in lease liabilities	10.2	-1.4	16.1	-6.0	-9.9
Dividend paid	-31.5	-31.2	-31.5	-31.2	-31.2
Cash flow from financing activities	-22.7	-2.9	-21.8	-12.5	-25.1
CASH FLOW FOR THE PERIOD	33.9	-1.1	95.8	-13.8	-17.0
Cash and cash equivalents at start of period	190.3	123.3	127.1	134.8	134.8
Translation differences in cash and cash equivalents	8.0	3.4	9.4	4.5	9.2
Cash and cash equivalents at end of period	232.3	125.5	232.3	125.5	127.1