

INVISIO



Protection
at work,
a better life
at home



Year-end bulletin 2023

Strong end to 2023 and a promising start to 2024

Investor Conference Call February 13, 2024

CEO Lars Højgård Hansen

Highlights Q4, 2023

Strong end to 2023 and a promising start to 2024

- The positive trend continued through Q4.
- Revenue reached a record SEK 346 million (289).
- Revenue for the full year exceeded SEK 1.2 billion (776 million).
- Strong start to 2024 with an order book exceeding SEK 600 million.
- A high overall level of activity in our markets, especially in Europe - primarily a consequence of prior decisions.
- The first impact of increasing defense budgets is not expected to be felt until late 2024 and onwards.
- Launch of the X7, our next-generation in-ear headset with AI enhancement – best in class.

SEK 298_m

Order intake, Q4 2023

SEK 603_m

Order book, Q4 2023

SEK 346_m

Revenue, Q4 2023

18%

Operating margin, Q4 2023

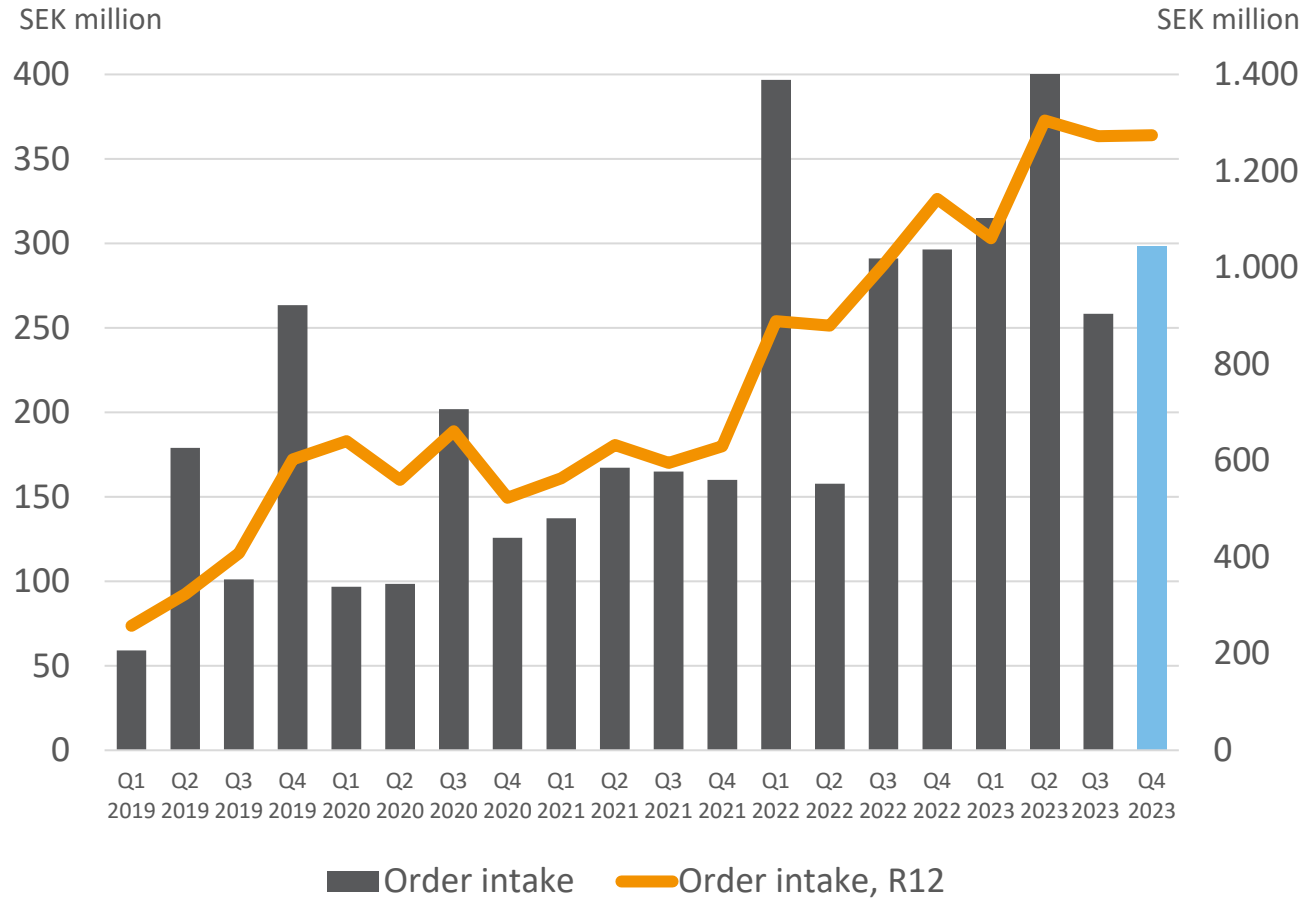
60%

Revenue growth, R12

20%

Operating margin, R12

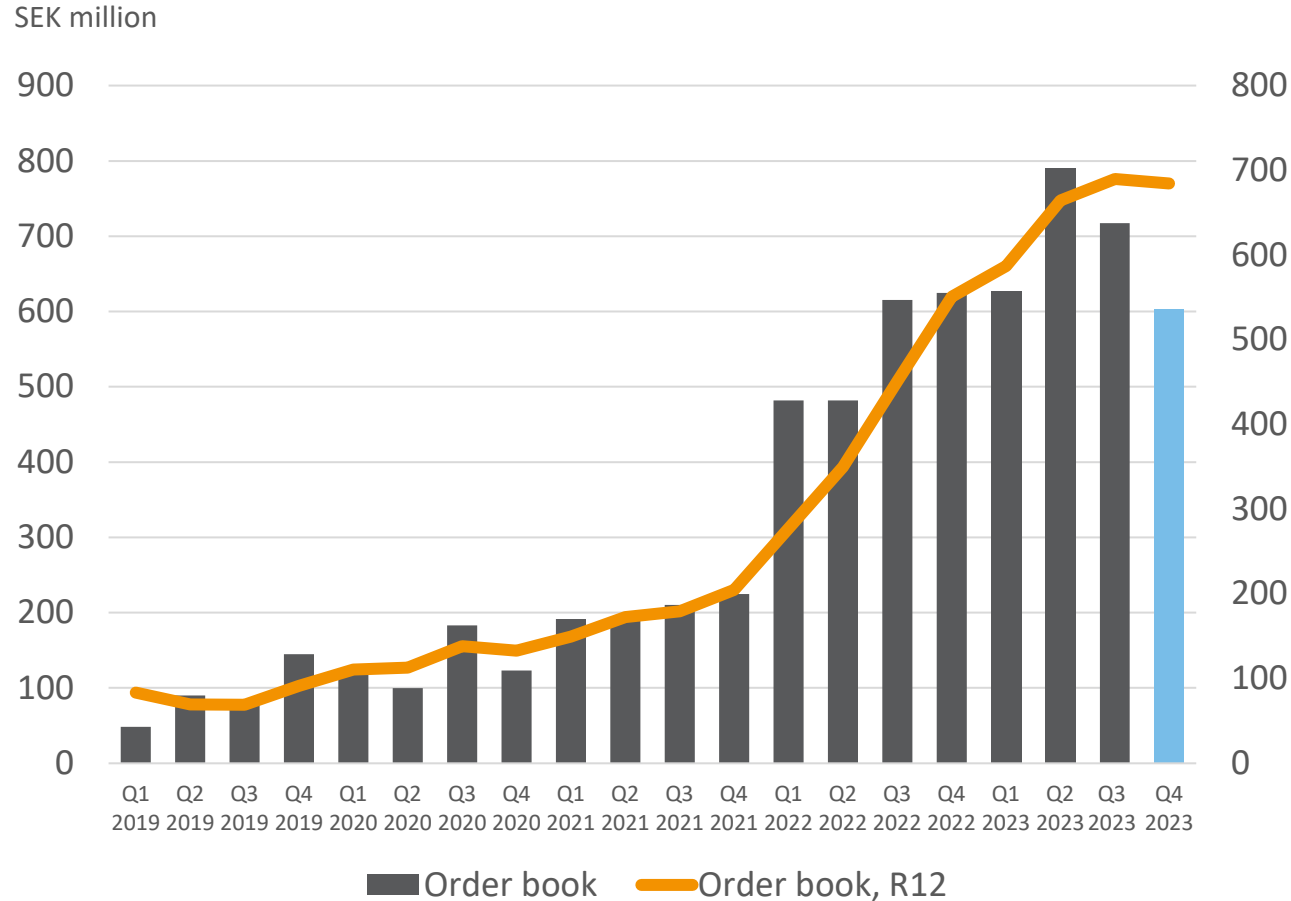
Another strong quarter for order intake



- Order intake close to SEK 300 million in the quarter.
- Order intake nearly SEK 1.3 billion FY 2023.
- Continued strong inflow of small and medium sized orders.
- Decreasing volatility in the order intake.

SEK million	Q4 2023	Q4 2022	Full year 2023	Full year 2022	Difference, %
Order intake	298.4	296.4	1,273.5	1,141.6	1/ 12

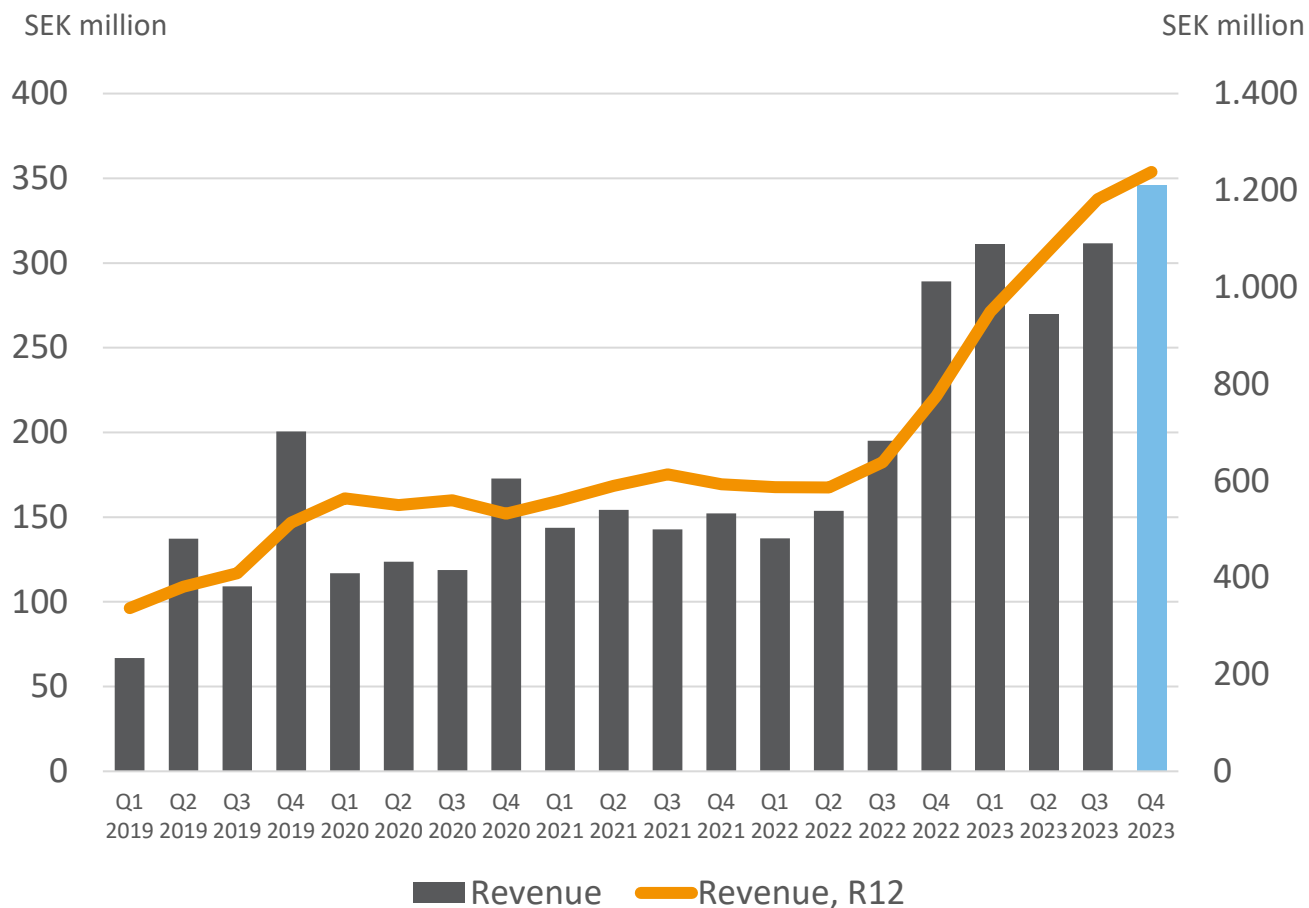
Large order book and good delivery capacity



- Order book stands at SEK 603 million.
- Inventory value increased to approx. SEK 240 million (144), reflecting an increase in upcoming deliveries.
- Fast delivery is a strong competitive advantage.
- Standard products – almost zero scrapping.

SEK million	Q4 2023	Q4 2022	Difference, %
Order book	602.8	624.7	-4

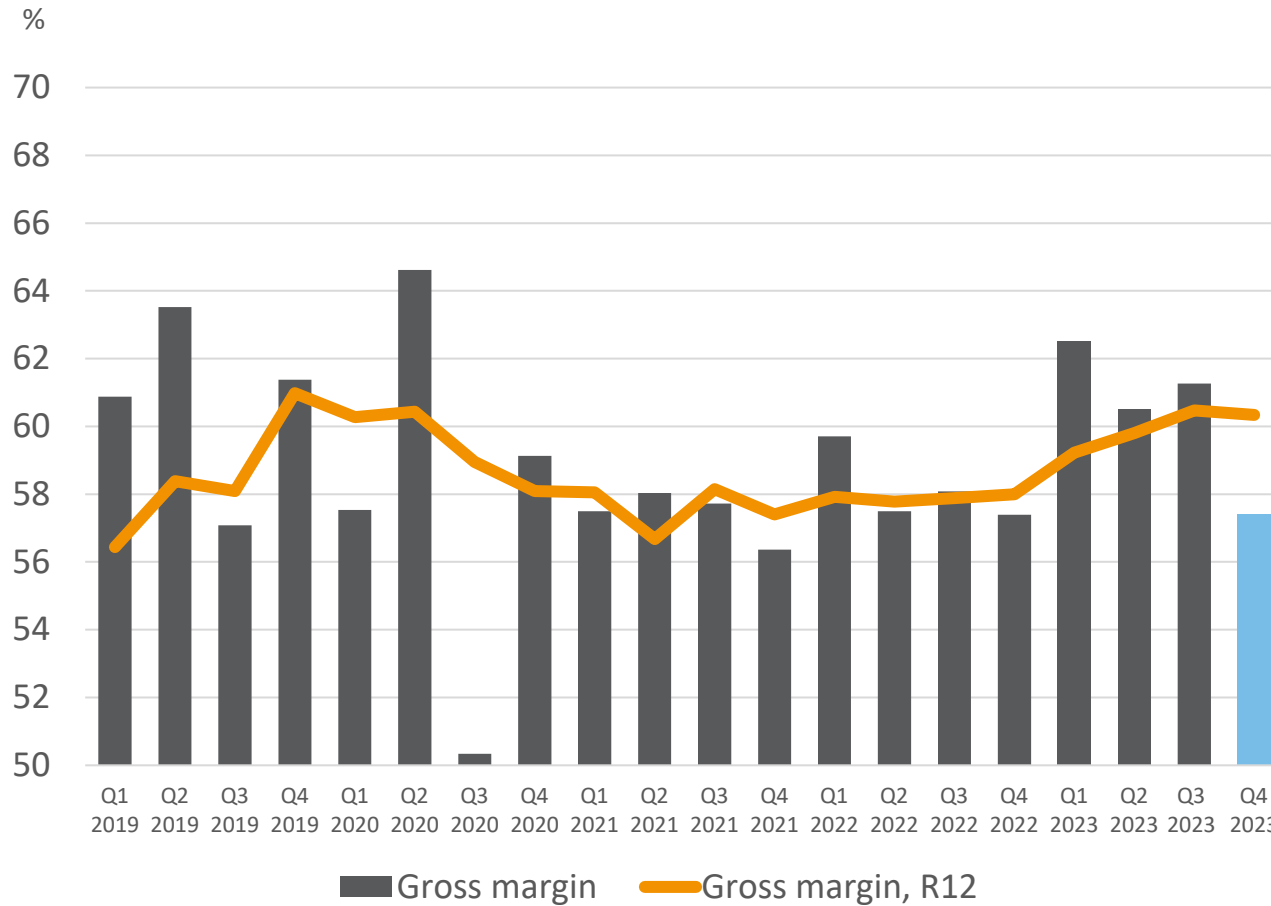
Fifth consecutive quarter of strong revenue



- A Q4 revenue of SEK 346 million, up 20 percent from previous Q4 or 13 percent in comparable currencies.
- Revenue exceeded SEK 1.2 billion (SEK 776 million) for the FY 2023 – a 60 percent growth.
- Despite two years of COVID, average annual sales grew by 19 percent in the five-year period.

SEK million	Q4 2023	Q4 2022	Full year 2023	Full year 2022	Difference, %
Revenue	345.8	289.2	1,238.5	775.5	20 / 60

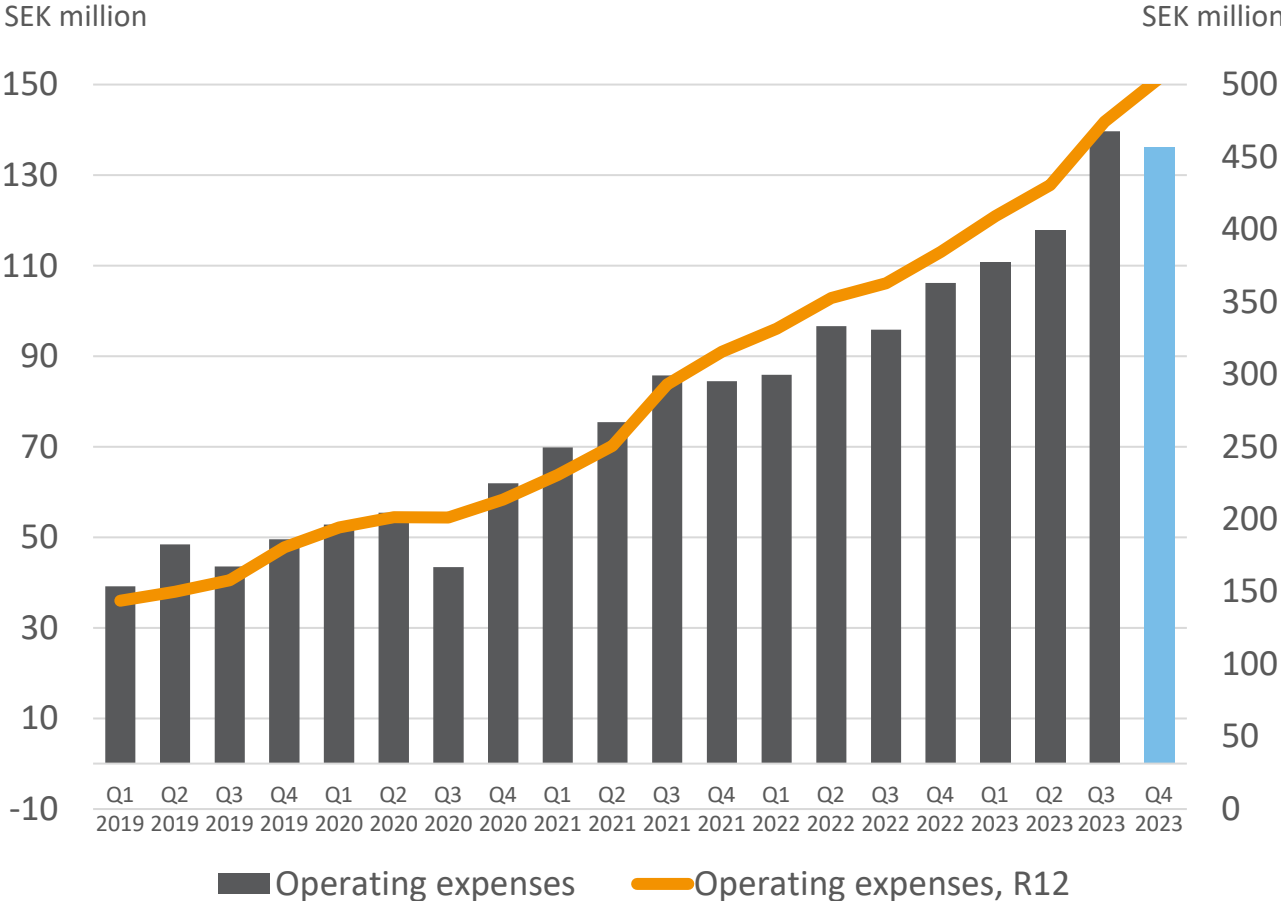
Gross margin at 60 percent FY 2023



- Gross margin exceeded 60 percent for the FY 2023 ...
- ... and the higher component costs are now behind us.
- The margin in Q4 was impacted by a couple deliveries executed through system integrators.

Percent	Q4 2023	Q4 2022	Full year 2023	Full year 2022	Difference, units
Gross margin	57.4	57.4	60.3	58.0	0 / 2.3

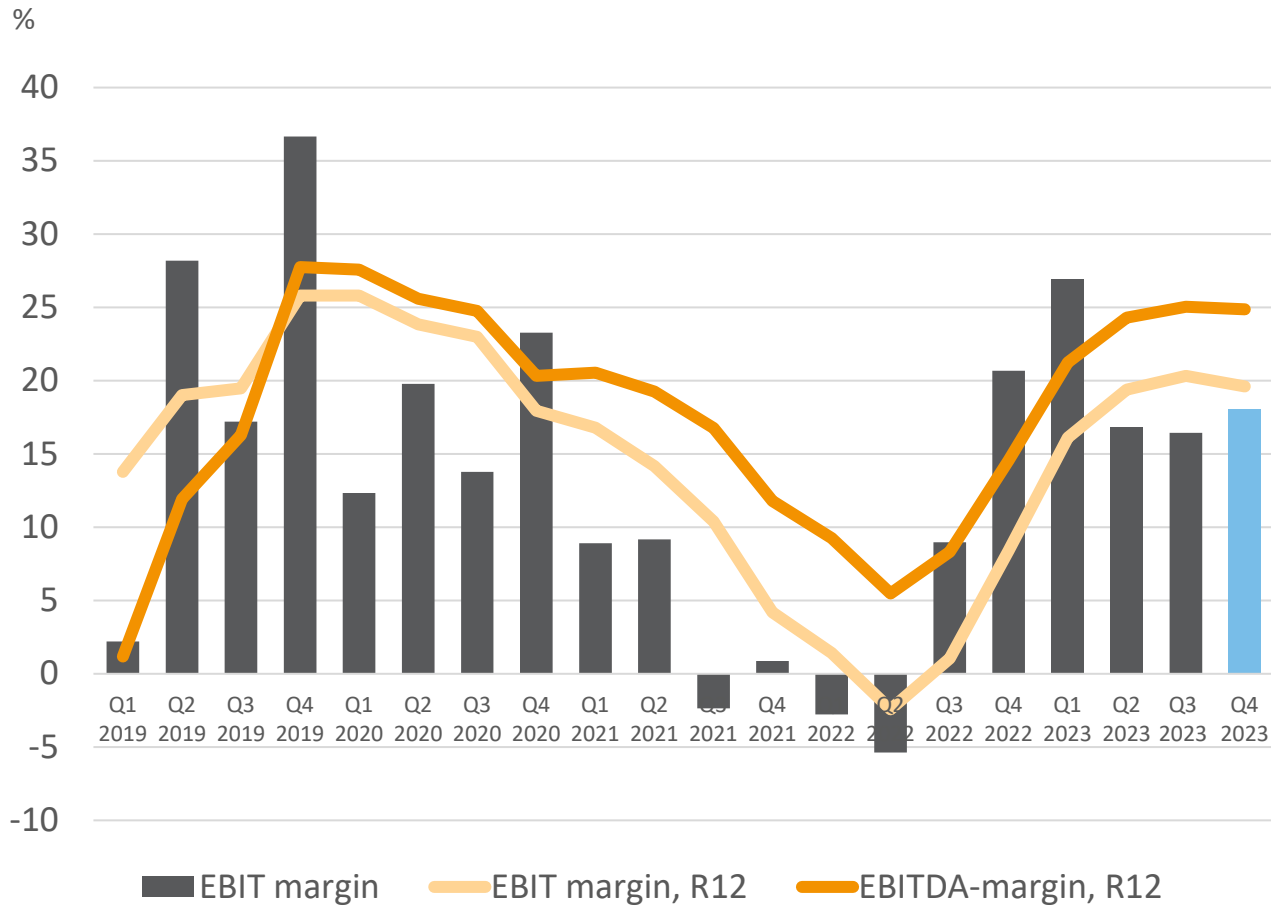
Stable trend for the operating expenses



- Underlying operating costs continued to follow the stable trend of recent years.
- Q4 expenses included an impairment loss of SEK 6.8 million arising from a change in strategic direction for a development project.

SEK million	Q4 2023	Q4 2022	Full year 2023	Full year 2022	Difference, %
OPEX (OPEX excl. depreciation and amortization)	136.2 (114.0)	106.2 (93.5)	504.5 (439.2)	384.5 (336.7)	28 / 31 (22/30)

Margins at satisfactory levels



- EBIT-margin FY 2023 was 19.6 percent (8.4) and 18 percent (20.7) for Q4.
- Margins in the quarter were affected negatively by a project impairment loss of SEK 6.8 million.
- Excluding the one-off loss, the margin was 20 percent in Q4.
- The average EBIT-margin for the last 20 quarters stood at 15.4 percent.

Percent	Q4 2023	Q4 2022	Full year 2023	Full year 2022	Difference, units
EBIT margin	18.0	20.7	19.6	8.4	-2.7 / 11.2
EBITDA margin	24.5	25.1	24.9	14.6	-0.6 / 10.3

Strong trend in the vehicle market



- Strong sales development for Racal Acoustics branded products.
- Main drivers:
 - Intensive activity in the vehicle market,
 - High demand for the new RA4000 Magna digital headset,
 - The withdrawal by a US based competitor.
- Highly attractive market conditions in the next few years.



High interest in Intercom system

- A number of significant orders for the Intercom system during 2024 – sales exceeded SEK 100 million.
- Continued high interest in both Europe and the USA.
- Expecting large orders in 2024.
- The Intercom system will account for a significant portion of total group revenue over the long term.

Law enforcement and security market

A police officer is shown from the back, wearing a white helmet and a high-visibility yellow vest with a blue reflective band that says 'POLIS' in white capital letters. The officer is on a motorcycle, and the background is a blurred city street.

- A large number of orders during 2023.
- Several ongoing tests.
- There is a strong platform for a continued positive trend.
- Will selectively address the firefighting market in 2024.

X7 – best in class

- The X7 is our next-generation in-ear headset with AI enhancement.
- X7 is based on the latest technology and extensive feedback from users.
- A range of new functions and a perfect ergonomic design.
- X7 sets a new higher standard.
- Strong sales are expected already in 2024.





Proposed dividend and policy

- The Board of Directors proposes a dividend of SEK 1.30 per share (0.70).
- The objective is that over time the dividend should be between 25 and 50 percent of profit after tax.
- In the latest five-year period SEK 162 million has been distributed to shareholders - a payout ratio of 60 percent.
- Including the proposed dividend the ratio is 49 percent.

Continued focus on product development and strengthening INVISIO in 2024

- Strengthen our competitive advantage further by continuing to broaden the product portfolio.
- Secure innovation capacity and long-term high growth by selective recruitment of talents within sales and R&D – but at a lower pace than in 2023.
- Broadening our customer base by addressing new user groups – start targeting the military firefighting market.
- Continued expansion to new geographies.



Market outlook

– Defense and security will be high on the agenda for many years

The highly uncertain geopolitical landscape continues to keep defense and security issues high on the agenda ...

... adding to the fundamental need for modern communications equipment in many countries.

These factors lead us to expect a continued high level of demand in 2024 and for several years to come.



Q&A



Appendix

Condensed consolidated income statement and consolidated statement of comprehensive income

SEK million	Note	Q4		Full year	
		2023	2022	2023	2022
Revenue	2	345.8	289.2	1,238.5	775.5
Cost of goods sold		-147.2	-123.2	-491.2	-325.7
Gross profit		198.5	166.0	747.3	449.7
Operating expenses*	3	-136.2	-106.2	-504.5	-384.5
Operating profit		62.4	59.8	242.9	65.2
Net financial items		3.8	-4.3	-1.0	-2.7
Profit before tax		66.1	55.5	241.9	62.5
Income tax	4	-15.2	-12.8	-63.5	-18.0
Profit/loss for the period		50.9	42.7	178.4	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		-29.2	4.7	-4.7	38.7
Comprehensive income for the period		21.7	47.4	173.7	83.2
(Attributable to parent company shareholders)					
* Operating expenses include depreciation	3	-22.2	-12.7	-65.3	-47.8

Share data

	Q4		Full year	
	2023	2022	2023	2022
Earnings per share for the period, SEK	1.12	0.95	3.91	0.99
Earnings per share after dilution for the period, SEK	1.12	0.95	3.91	0.99
Equity per share, SEK	15.80	11.32	15.80	11.32
Equity per share after dilution, SEK	15.80	11.32	15.58	11.32
Equity/assets ratio, %	68	64	68	64
Number of shares, thousands	45,590	45,049	45,590	45,049
Average number of shares outstanding, thousands	45,590	45,049	45,366	44,838
Average number of outstanding shares after dilution, thousands	45,590	45,049	46,237	45,049
Share price at close of period, SEK	195.60	164.60	195.60	164.60

Condensed consolidated statement of financial position

SEK million	Note	Dec 31, 2023	Dec 31, 2022
ASSETS			
Non-current assets			
Goodwill		58.0	56.2
Capitalized development costs	3	110.7	103.5
Other intangible assets	3	67.7	79.2
Property, plant and equipment	3	32.9	20.8
Rights of use, leases	3	34.2	22.8
Long-term deposits for rent		4.3	2.7
Deferred tax assets	4	2.6	3.6
Total non-current assets		310.4	288.9
Current assets			
Inventories		238.2	144.4
Trade receivables		219.5	194.5
Other current receivables		59.9	45.0
Cash and cash equivalents		224.9	127.1
Total current assets		742.5	511.0
TOTAL ASSETS		1,053.0	799.9

SEK million	Note	Dec 31, 2023	Dec 31, 2022
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Non-current liabilities			
Liabilities to credit institutions		—	45.0
Lease liabilities		26.9	16.1
Deferred tax liabilities	4	37.6	34.6
Total non-current liabilities		64.4	95.6
Current liabilities			
Liabilities to credit institutions		—	20.0
Trade payables		97.1	63.7
Lease liabilities		10.9	8.7
Other current liabilities		160.1	101.9
Total current liabilities		268.1	194.3
TOTAL EQUITY AND LIABILITIES		1,053.0	799.9

SEK million	Note	Dec 31, 2023	Dec 31, 2022
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY			
Opening balance			
510.0			
477.5			
New issue through exercising employee stock options		58.6	36.0
Employee stock option program		9.6	4.5
Dividend		-31.5	-31.2
Comprehensive income		173.7	83.2
Closing balance		720.4	510.0

Condensed consolidated statement of cash flow

SEK million	Q4		Full year	
	2023	2022	2023	2022
Operating activities				
Profit/loss before tax	66.1	55.5	241.9	62.5
Adjustments for non-cash items	20.9	17.3	75.0	57.4
Income tax paid	-22.2	-8.9	-33.3	-19.0
Cash flow from operating activities before changes in working capital	64.9	64.0	283.6	100.9
Changes in inventories	-31.9	11.1	-98.5	-13.9
Changes in operating receivables	3.9	-53.8	-48.8	-81.9
Changes in operating liabilities	0.0	4.8	68.5	36.6
<i>Cash flow from changes in working capital</i>	<i>-28.0</i>	<i>-37.8</i>	<i>-78.9</i>	<i>-59.2</i>
Cash flow from operating activities	36.8	26.1	204.7	41.7
Investing activities				
Capitalization of development costs	-4.3	-9.0	-32.4	-23.9
Purchases of property, plant, and equipment	-6.3	-3.3	-21.0	-9.6
Acquisition of financial assets	-0.8	0.0	-1.6	-0.1
Cash flow from investing activities	-11.4	-12.3	-55.0	-33.5

SEK million	Q4		Full year	
	2023	2022	2023	2022
Financing activities				
New issue through exercising employee stock options	—	—	58.6	36.0
Raising / amortization of loans	—	-5.0	-65.0	-20.0
Changes in lease liabilities	-4.4	-2.2	-10.6	-9.9
Dividend paid	—	—	-31.5	-31.2
Cash flow from financing activities	-4.4	-7.2	-48.5	-25.1
CASH FLOW FOR THE PERIOD	21.1	6.6	101.3	-17.0
Cash and cash equivalents at start of period	211.2	118.5	127.1	134.8
Translation differences in cash and cash equivalents	-7.3	1.9	-3.4	9.2
Cash and cash equivalents at end of period	224.9	127.1	224.9	127.1