

Protection at work,
a better life at home



Investor Conference Call July 22, 2021 | Interim Report January – June 2021
CEO Lars Højgård Hansen

INVISIO®



**Launch of new technology platform.
Gradually more active market.**

INVISIO®

Financial result Q2, 2021

SEK in millions	2021 Q2	2020 Q2	Δ %	2021 Jan-Jun	2020 Jan-Jun	Δ %	2020 Full year
Revenue	154.3	123.6	25	298.1	240.4	24	532.0
Gross profit	89.6	79.9	12	172.2	147.1	17	309.0
Gross margin, %	58.0	64.6		57.8	61.2		58.1
EBITDA	25.6	26.8	-4	49.1	43.6	13	108.1
EBITDA margin, %	16.6	21.7		16.5	18.1		20.3
Operating profit/loss	14.2	24.4	-42	26.9	38.8	-31	95.4
Operating margin, %	9.2	19.8		9.0	16.2		17.9
Profit/loss for the period	9.4	18.1	-48	16.1	27.5	-42	61.2
Earnings per share, SEK	0.21	0.41	-48	0.36	0.62	-42	1.39
Order intake	167.3	107.3	56	304.7	197.6	54	535.3
Order book	191.7	99.9	92	191.7	99.9	92	123.2

- Revenues increased by 25 % YoY and amounted to SEK 154.3 million (123.6) in Q2 2021.
- In comparable currencies sales increased by 35 per cent.
- Sales of the Racal Acoustics product line contributed just over SEK 30 million.
- Order intake was SEK 167.3 million in Q2 (107.3).
- The order book was SEK 191.7 million (99.9), at the end of the period.
- Gross margin was 58.0 % (64.6).
- EBITDA-margin was 16.6 % (21.7).
- Depreciation/amortization higher than in corresponding quarter last year.

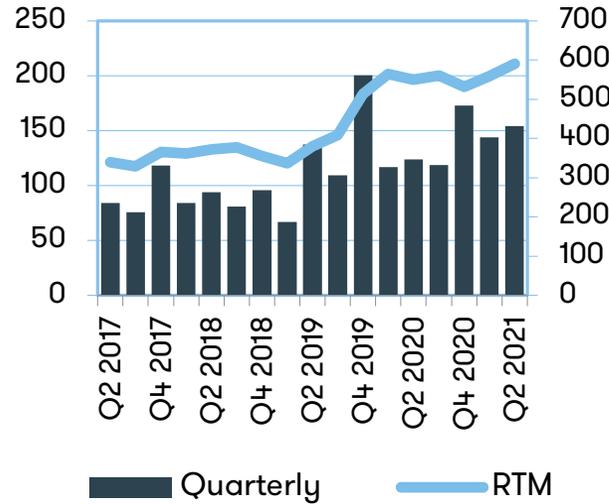
Depreciation/amortization in Q2 2021

<i>SEK in millions</i>	2021 Q2	2020 Q2	2021 Jan-Jun	2020 Jan-Jun	2020 Full year
Depreciation of capitalized development costs	4.7	0.7	9.2	1.7	6.4
Amortization of Other intangible assets*	3.1	-	5.2	-	-
Amortization of Right of use assets, leases	2.1	1.1	5.2	2.2	4.4
Depreciation of Equipment	1.5	0.5	2.6	0.9	1.9
Total	11.4	2.3	22.1	4.7	12.7

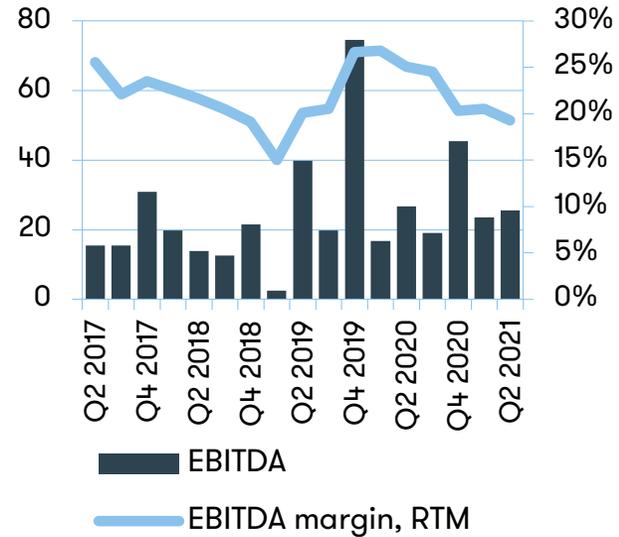
*Other intangible assets consists of values allocated to intangible assets, such as customer relations, technology and trademarks, in connection with the acquisition of Racal.

The long-term development in sales and EBITDA margin

Sales per quarter and rolling 12 months (SEK million)



EBITDA per quarter (SEK million) and EBITDA margin rolling 12 months (per cent)





The new technology platform
means a paradigm shift from
hardware to software with AI
technology

INVISIO®

Maximum degree of flexibility when developing customized solutions and updating



Mission Adaptive

Fully adaptive to surrounding audio and noise through intelligent processing.



Market Leading Hearing Protection

Increased protection levels and option of double hearing protection for high-noise environments.



Flexible and Intuitive

Intuitive operations with limitless configurations, making it suitable for all scenarios.



INVISIO Audio™

Unparalleled audio performance filtering out all unwanted noise.





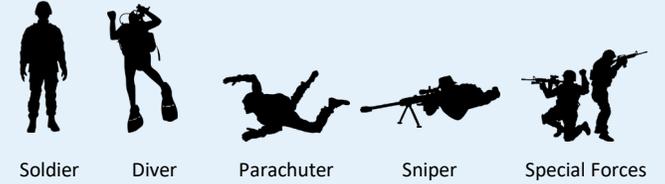
INVISIO Personal System

Modular and Scalable

INVISIO solutions are versatile, scalable and cost-effective. Equipment and systems are not restricted to serving one team but can be used across different scenarios and individual needs.

Adaptable

It is not necessary to change a whole system in order to tailor a solution to a specific need or unit.



INVISIO IntelliCable®

Plug & Play

INVISIO IntelliCable® enables all INVISIO equipment to be interchangeable and to integrate to other comms devices. It automatically detects the devices and sets all audio and system parameters.

Compatible

Hundreds of cables and adapters are available for comms with cell phones, tablets, intercoms, computers, sensor/robotic systems, etc.



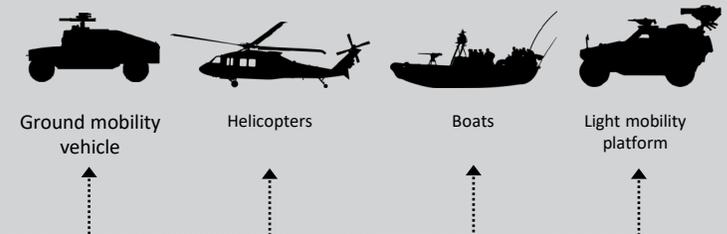
INVISIO Intercom System

Flexible and Mobile

The INVISIO Intercom System enables inter-group communication by plugging their existing dismounted system into any vehicle communication platform.

Versatile

The Intercom System bridges the gap between the mounted and dismounted soldier. Any vehicle communications platform is easily integrated.



INVISIO received an order worth SEK 40 million from an existing customer in the US Department of Defense





The Swedish Police Authority extended its framework agreements from 2019 for another year

Focus areas



Continued integration of Racal Acoustics



Intensify market penetration further



Full focus on LE and security, by our own organization and our global network of distribution partners



Continue to address selected countries in Asia, the Middle East and South America



Increasingly attractive market conditions along with a broadened and strengthened offer mean that INVISIO has good prospects of continuing good development.

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Questions and answers

Appendix

Condensed consolidated income statement and consolidated statement of comprehensive income

<i>SEK in millions</i>	Note	2021 Q2	2020 Q2	2021 Jan-Jun	2020 Jan-Jun	2020 Full year
Revenue	2	154.3	123.6	298.1	240.4	532.0
Cost of goods sold		-64.8	-43.7	-125.9	-93.3	-222.9
Gross profit		89.6	79.9	172.2	147.1	309.0
Operating expenses*	3	-75.4	-55.4	-145.3	-108.2	-213.6
Operating profit/loss		14.2	24.4	26.9	38.8	95.4
Net financial items		-1.1	-0.5	-3.2	-0.9	-10.5
Profit/loss before tax		13.0	24.0	23.8	37.9	84.9
Income tax	4	-3.7	-5.9	-7.7	-10.4	-23.7
Profit/loss for the period		9.4	18.1	16.1	27.5	61.2
OTHER COMPREHENSIVE INCOME						
<i>Items that may subsequently be reclassified to profit and loss</i>						
Translation differences		-1.0	-20.6	11.4	1.5	-14.4
Comprehensive income for the period		8.4	-2.6	27.4	29.0	46.8
<i>(Profit/loss attributable to equity holders of the parent company.)</i>						
*Depreciation/amortization incl. in operating expenses	3	-11.4	-2.3	-22.1	-4.7	-12.7

Condensed consolidated statement of financial position

SEK in millions

Assets	Note	30/06/2021	30/06/2020	31/12/2020
Goodwill	5	57.5	-	-
Capitalized development costs	3	95.9	95.4	94.8
Other intangible assets	3, 5	92.1	-	-
Equipment	3	18.5	2.9	4.1
Right-of-use assets, leases	3	37.4	24.2	24.0
Deposits for rent, long-term		2.4	2.3	2.3
Deferred tax assets	4	2.5	4.2	2.8
Inventories		118.0	135.0	115.7
Trade receivables		121.1	26.4	100.4
Other short-term receivables		23.3	16.4	14.0
Cash and cash equivalents		120.4	194.0	157.7
Total assets		689.2	500.8	515.8
Shareholders' equity and liabilities				
Shareholders' equity		404.3	359.0	378.9
Liabilities to credit institutions		95.0	-	-
Lease liabilities		37.6	24.9	23.8
Deferred tax liabilities	4	38.0	15.0	20.5
Trade payables		36.2	34.8	35.3
Other current liabilities		78.1	67.1	57.3
Total shareholders' equity and liabilities		689.2	500.8	515.8

Condensed consolidated statement of cash flow

<i>SEK in millions</i>	Note	2021 Q2	2020 Q2	2021 Jan-Jun	2020 Jan-Jun	2020 Full year
Operating activities						
Profit/loss before tax		13.0	24.0	23.8	37.9	84.9
Adjustments for non-cash items		12.0	6.1	24.4	7.6	24.0
Income tax paid		-1.2	-0.5	-2.2	-1.1	-12.3
Cash flow from operating activities before changes in working capital		23.8	29.6	46.0	44.5	96.7
Changes in inventories		11.5	-25.6	17.7	-40.0	-27.1
Changes in operating receivables		-3.5	29.6	12.2	80.5	-1.6
Changes in operating liabilities		-6.5	16.2	-16.5	16.7	17.6
Cash flow from changes in working capital		1.6	20.1	13.4	57.2	-11.1
Cash flow from operating activities		25.4	49.7	59.4	101.6	85.6
Investing activities						
Capitalization of development costs		-5.0	-5.1	-9.3	-11.1	-19.1
Changes in other intangible assets		12.1	-	12.1	-	-
Investments in subsidiaries	5	-1.3	-	-185.6	-	-
Acquisition of property, plant, and equipment		-1.2	-1.4	-2.6	-1.8	-6.2
Acquisition of financial assets		0.1	0.0	-0.1	0.0	-0.1
Cash flow from investing activities		4.7	-6.5	-185.6	-12.9	-25.4
Financing activities						
New issues through exercising employee stock options		26.6	-	26.6	-	-
Borrowings		-5.0	-	95.0	-	-
Changes in lease liabilities		-2.3	-1.6	-4.2	-0.9	-2.1
Dividend paid		-30.9	-37.5	-30.9	-37.5	-37.5
Cash flow from financing activities		-11.5	-39.1	86.6	-38.4	-39.5
CASH FLOW FOR THE PERIOD		18.5	4.1	-39.7	50.4	20.7
Cash and cash equivalents at start of period		103.1	202.0	157.7	145.1	145.1
Translation differences in cash and cash equivalents		-1.3	-12.1	2.4	-1.5	-8.1
Cash and cash equivalents at end of period		120.4	194.0	120.4	194.0	157.7