



## January–September 2017 Presentation

Lars Højgård Hansen, CEO

INVISIO®

# Agenda

- CEO comments January–September 2017
- Q&A
- Financial performance in further details

“We are building a larger company with a broader product portfolio, more markets, stronger relationships with customers and even better prospects.”

**New product category and good order intake**

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# Key Ratios

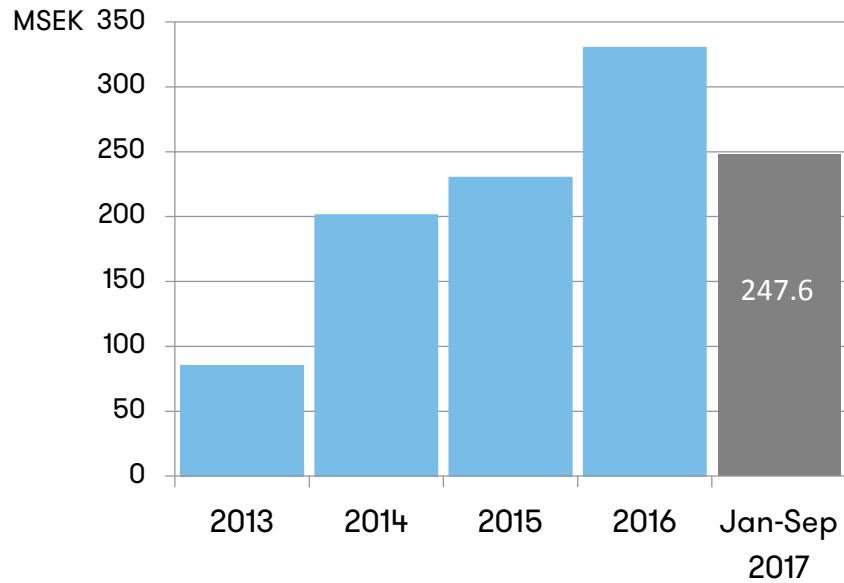
SEK in millions	2017 Q3	2016 Q3	Δ %	2017 Jan-Sep	2016 Jan-Sep	Δ %
Revenue	<b>75.5</b>	85.6	-12	<b>247.6</b>	248.7	0
Gross profit	<b>42.4</b>	45.1	-6	<b>131.2</b>	130.6	0
Gross margin, %	<b>56.2</b>	52.7		<b>53.0</b>	52.5	
EBITDA	<b>15.2</b>	29.0	-48	<b>54.6</b>	77.2	-29
Operating profit/loss	<b>14.3</b>	27.7	-49	<b>51.3</b>	73.5	-30
Operating margin, %	<b>18.9</b>	32.4		<b>20.7</b>	29.5	
Profit/loss for the period	<b>13.1</b>	29.9	-56	<b>47.4</b>	75.5	-37
Earnings per share, SEK	<b>0.30</b>	0.70	-58	<b>1.08</b>	1.77	-39

## The financial performance should be seen in the light of our expansion

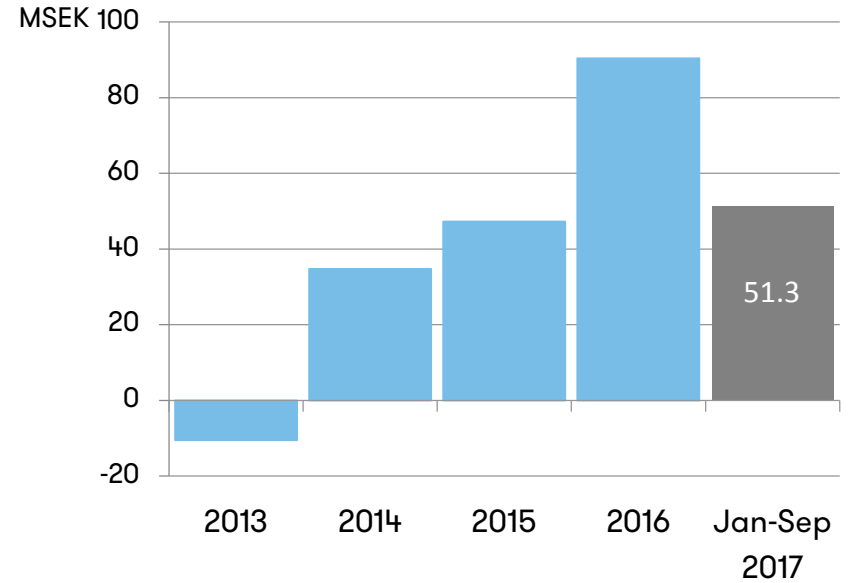
- Sales is driven by deliveries under contracts covering modernization programs.
  - Jan-Sep in line with previous year to date.
  - Q3 revenue down partly due to agreed color change on product and temporary delivery delays.
- Strong gross margin.
- Increased costs related to headcount growth and investments in R&D and Marketing & Sales activities.
- Operating margin in line with our expectations and impacted by growth initiatives.

# Development in Sales and Operating profit

## Sales

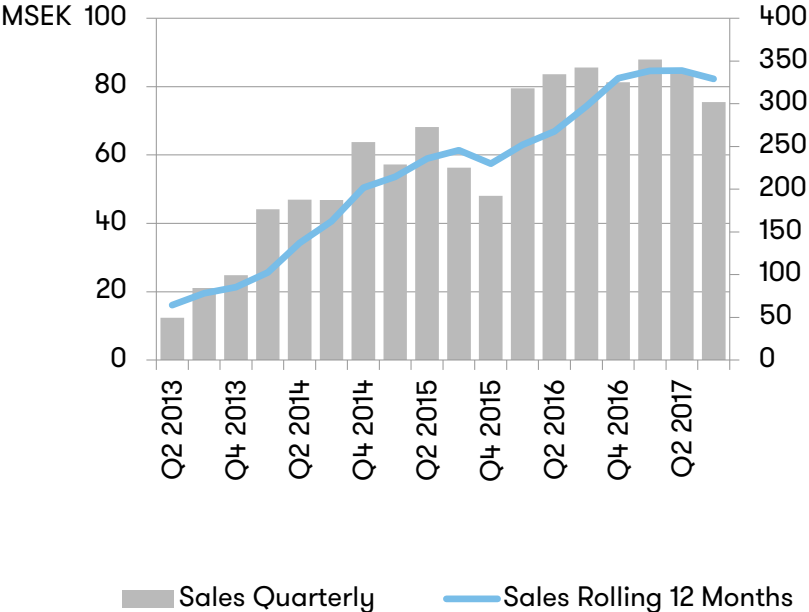


## Operating profit

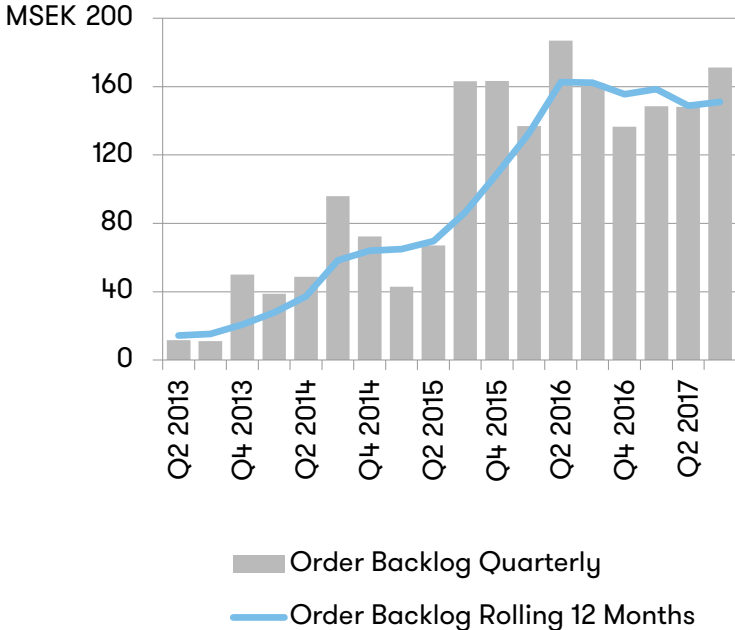


# Sales and order backlog per quarter and rolling 12 months

## Sales



## Order backlog



Order backlog:  
SEK 171.1 million

# INVISIO Q3/17 Highlights

## **A broader product portfolio**

- New product category for communication in vehicles.
- Positive feedback from potential customers at trade shows in UK and USA.
- Commercially available in late 2018.

## **Increased market presence and more employees**

- Sales office established in Italy.
- Our own sales teams in the USA, France and Italy.
- Staff of 73 (52).

## **Good order intake**

- Good order intake from both new and existing customers.
- Two-year contract with the U.S. DoD, and initial order of SEK 60 million. Award for up to potentially USD 13 million.
- Order book: 171,1 (162,3).





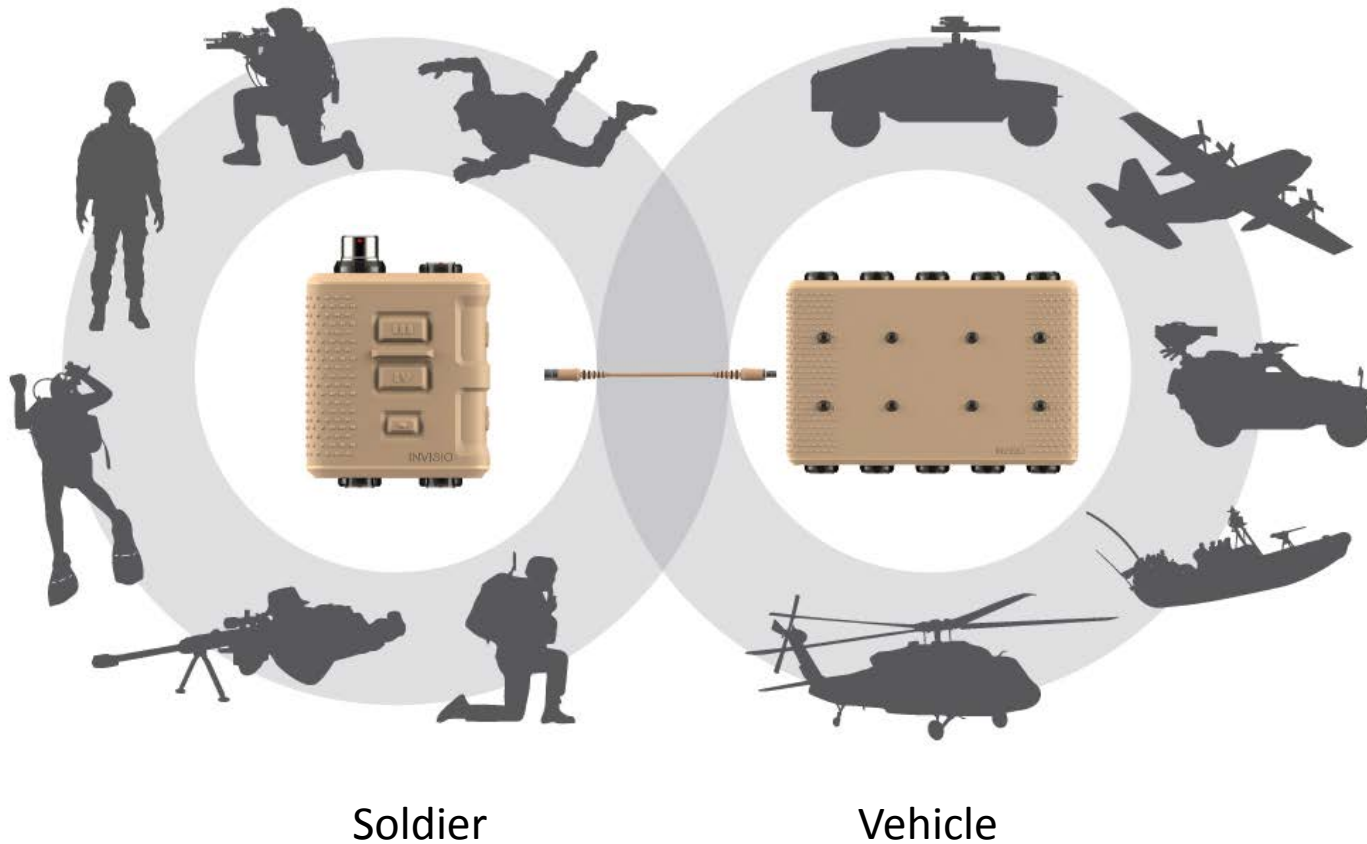
## **A new product category for communication in vehicles**

A step to further strengthen INVISIO's role as a leading supplier of communications and protection solutions



# Bridging the gap between the mounted and dismounted soldier

... making it possible for multiple users and radios to connect simultaneously, controlling both systems with their INVISIO control units.



# Improving safety and operational effectiveness

A complete system for communication and hearing protection in mounted and dismounted operations.

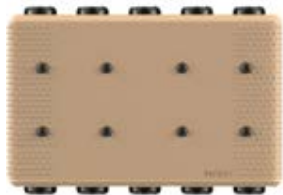
## Headsets



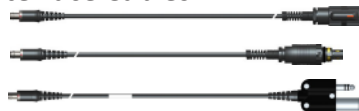
## PTT/COMMs



## Intercom

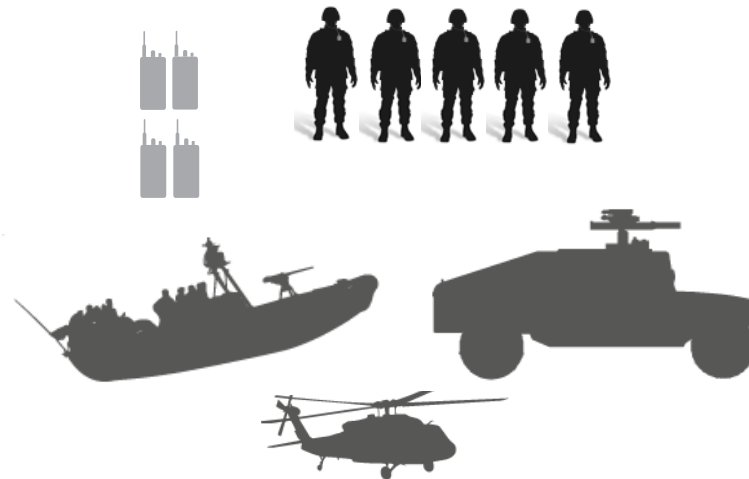


## Interface Cables



Dismounted Soldier

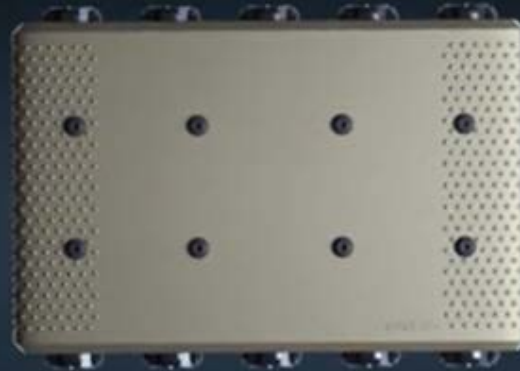
## Mounted Soldier



# A unique intercom solution

**SEAMLESS  
INTEGRATION**

**CONNECTIVITY**



**MOUNT  
ANYWHERE**

**UNIQUE  
MOBILITY**

# Intercom In a Bag

Intercom in a bag:



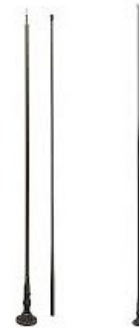
INVISIO ICS



Radios



Antennas



PWR MGMT



Cables



Battery



# A simpler and more flexible solution

## Plug-and-play

- Simpler and less complex than traditional intercom systems where the user need to switch between the dismantled and the mounted system.
- Less effort to integrate new users.

## Flexibility

- Smaller, lightweight, and highly mobile to establish Intercom anywhere.
- Solves connectivity issues by connecting various headsets and radios together to one intercom and provide clear communications.

## Cost efficiency

- Lower levels of training and cost.



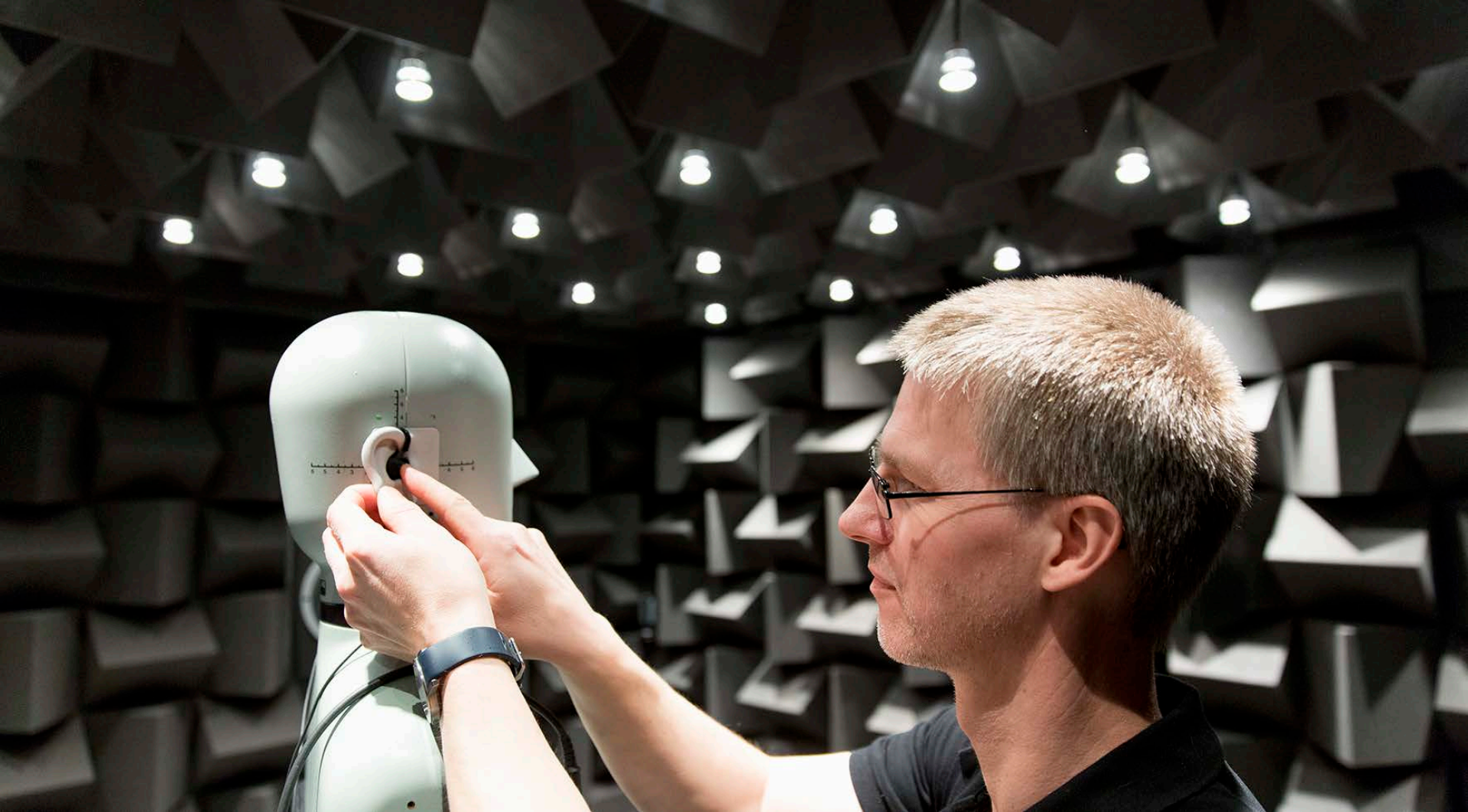
# Sales via established channels



- Addressing the light and medium weight vehicles.
- Sales via established channels: Specialist partners, HQ and sales offices in the USA, France and Italy.
- Uneven order flow in the industry due to long procurements. Broadening of the portfolio lower the risk of uneven order and income flows.
- Value of target market for the new product category may in the long run be at least as great as the target market for our current products.

**Q&A**

**INVISIO<sup>®</sup>**



**Thank you!**



# Financial performance in further details

January–September 2017

# Condensed consolidated income statement and consolidated statement of comprehensive income

SEK in millions	2017 Q3	2016 Q3	2017 Jan-Sep	2016 Jan-Sep	2016 Full year
Revenue	75.5	85.6	247.6	248.7	330.0
Cost of goods sold	-33.1	-40.5	-116.4	-118.2	-159.0
<b>Gross profit</b>	<b>42.4</b>	<b>45.1</b>	<b>131.2</b>	<b>130.6</b>	<b>171.0</b>
Operating expenses*	-28.2	-17.4	-79.9	-57.1	-80.6
<b>Operating profit/loss</b>	<b>14.3</b>	<b>27.7</b>	<b>51.3</b>	<b>73.5</b>	<b>90.4</b>
Net financial items	0.0	0.0	-2.7	-0.1	-0.1
<b>Profit/loss before tax</b>	<b>14.3</b>	<b>27.7</b>	<b>48.5</b>	<b>73.4</b>	<b>90.3</b>
Income tax	-1.2	2.1	-1.2	2.1	1.5
<b>Profit/loss for the period</b>	<b>13.1</b>	<b>29.9</b>	<b>47.4</b>	<b>75.5</b>	<b>91.8</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<i>Items that may subsequently be reclassified to profit and loss</i>					
Translation differences	-2.3	2.9	-0.1	7.1	5.7
<b>Comprehensive income for the period</b>	<b>10.8</b>	<b>32.7</b>	<b>47.3</b>	<b>82.6</b>	<b>97.4</b>
(Profit/loss attributable to equity holders of the parent company.)					
*Depreciation incl. in operating expenses	-0.9	-1.3	-3.4	-3.8	-7.5

# Condensed consolidated statement of financial position

SEK in millions

<b>Assets</b>	<b>30/09/2017</b>	<b>30/09/2016</b>	<b>31/12/2016</b>
Capitalized development costs	24.4	18.9	17.5
Equipment	4.2	1.3	3.3
Deposits for rent, long-term	1.5	1.1	1.5
Deferred tax assets	34.3	34.9	34.3
Inventories	27.9	33.2	25.9
Trade receivables	93.7	59.7	39.4
Other short-term receivables	2.8	4.9	5.9
Cash and cash equivalents	100.7	88.3	133.2
<b>Total assets</b>	<b>289.4</b>	<b>242.3</b>	<b>260.9</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	238.6	191.4	209.5
Trade payables	23.7	23.5	26.0
Other short-term liabilities	27.1	27.4	25.4
<b>Total shareholders' equity and liabilities</b>	<b>289.4</b>	<b>242.3</b>	<b>260.9</b>

# Condensed consolidated statement of cash flow

<i>SEK in millions</i>	2017 Q3	2016 Q3	2017 Jan-Sep	2016 Jan-Sep	2016 Full year
<b>Operating activities</b>					
Profit/loss before tax	14.2	27.7	48.5	73.4	90.3
Adjustments for non-cash items	0.7	-0.1	4.0	3.5	13.2
Income tax paid	0.0	-0.2	-0.6	-0.2	-5.1
<b>Cash flow from operating activities before changes in working capital</b>	<b>15.0</b>	<b>27.4</b>	<b>51.9</b>	<b>76.6</b>	<b>98.4</b>
Changes in inventories	-0.5	8.5	-2.0	-11.8	-4.9
Changes in operating receivables	-32.8	-37.9	-51.1	-17.6	1.1
Changes in operating liabilities	-4.5	0.1	-1.6	11.7	11.2
<i>Cash flow from changes in working capital</i>	<i>-37.8</i>	<i>-29.3</i>	<i>-54.7</i>	<i>-17.7</i>	<i>7.5</i>
<b>Cash flow from operating activities</b>	<b>-22.8</b>	<b>-1.9</b>	<b>-2.8</b>	<b>58.9</b>	<b>105.8</b>
<b>Investing activities</b>					
Capitalization of development costs	-3.5	-1.6	-9.3	-4.5	-6.8
Acquisition of property, plant, and equipment	-0.3	0.0	-1.8	-1.0	-3.1
Acquisition of financial assets	0.0	-	0.0	-	-0.6
<b>Cash flow from investing activities</b>	<b>-3.8</b>	<b>-1.6</b>	<b>-11.2</b>	<b>-5.5</b>	<b>-10.5</b>
<b>Financing activities</b>					
New issues through exercising employee stock options	-	-	3.4	3.1	6.2
Dividend	-	-	-21.7	-	-
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-</b>	<b>-18.3</b>	<b>3.1</b>	<b>6.2</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-26.6</b>	<b>-3.5</b>	<b>-32.3</b>	<b>56.5</b>	<b>101.5</b>
Cash and cash equivalents at start of period	128.7	90.8	133.2	29.4	29.4
Translation differences in cash and cash equivalents	-1.5	1.0	-0.2	2.4	2.3
Cash and cash equivalents at end of period	100.7	88.3	100.7	88.3	133.2