

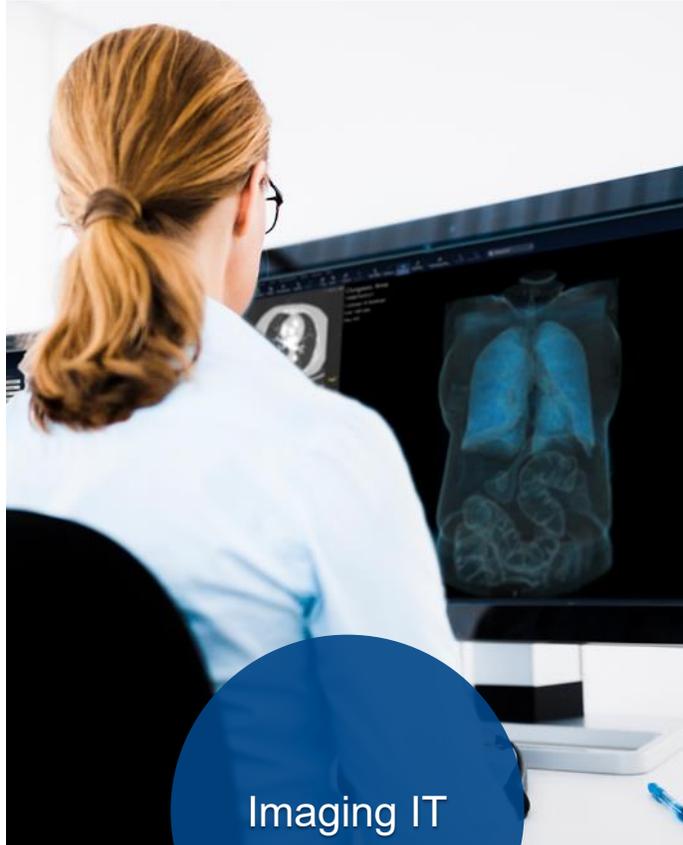
June 2, 2021

# Year-end report 2020/2021



**SECTRA**

# The value we create for customers



Imaging IT



Business  
Innovation



Secure  
Communications

# Q4 highlights

Torbjörn Kronander

2020/2021 fiscal year:

# Increased profitability and record-breaking order bookings

Order bookings

**+ 46%**

SEK 2,652 million

Profit/share

**+ 16%**

SEK 7.15

Cash flow/share

**+ 26%**

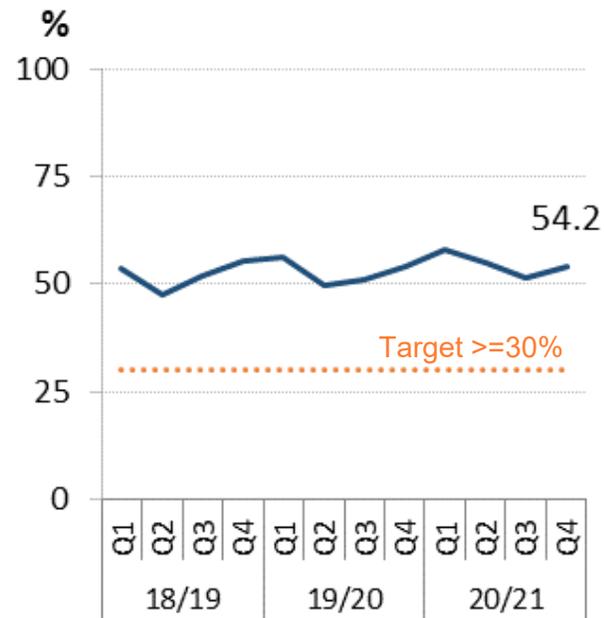
SEK 9.66

PASSION LED US HERE

# Financial targets for the Group fulfilled

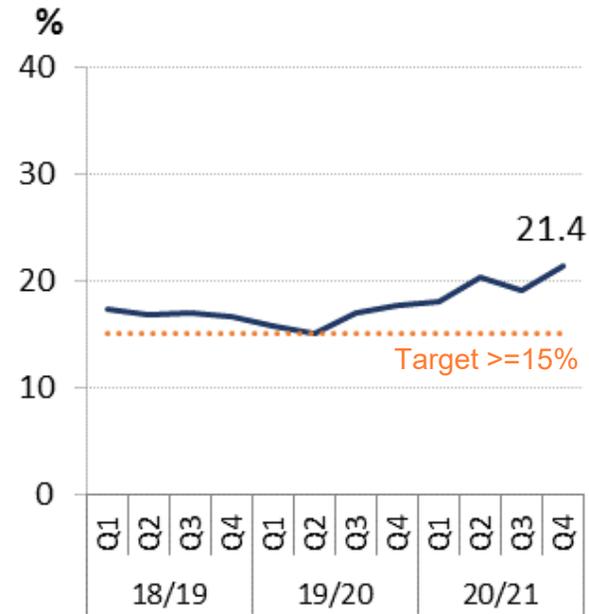
## 1. Stability

Equity/Assets ratio



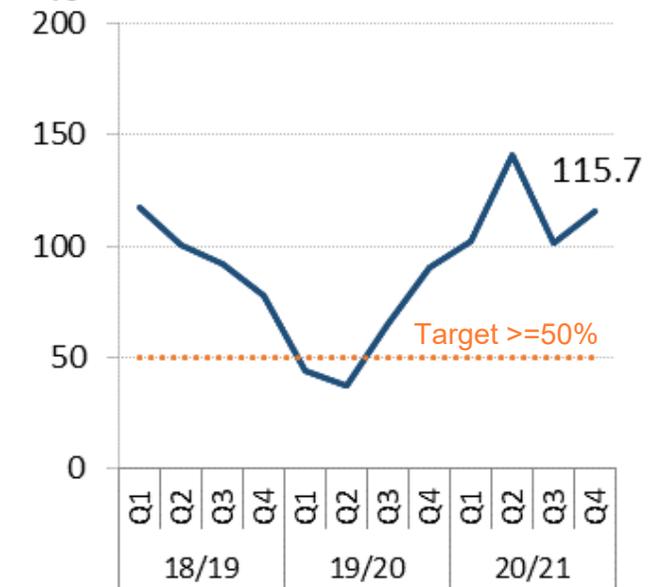
## 2. Profitability

Operating margin



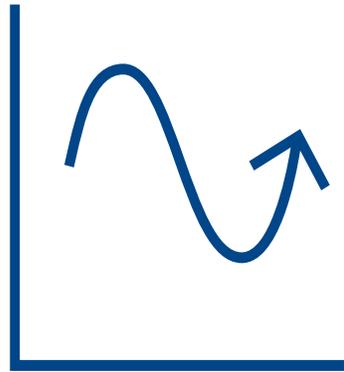
## 3. Growth of profits

EBIT/share growth  
% over a 5-year period



Priority

# Seasonal effects and the pandemic



Variations between quarters will continue to be large, but over time gradually decrease.

We will also see travel and marketing cost increase post-pandemic. But not to historic levels.

# Q4 highlights – Secure Communications



Launch of **Sectra Wire** service for protection of digital communication



Dutch ministries extended contract for **secure communication as a service**



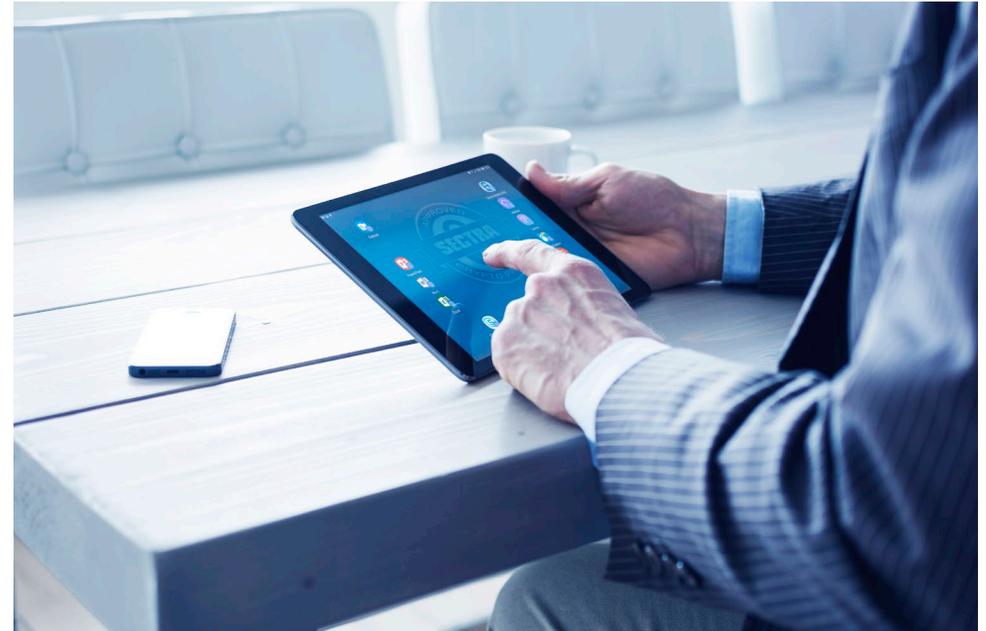
Inadequate margins, mainly due to **growth initiatives**

# Secure Communications – Financial performance 2020/2021

Sales SEK million	Operating profit SEK million	Operating margin %
<b>207.8</b> (189.3)	<b>9.5</b> (2.9)	<b>4.6</b> (1.5)

# Growth initiatives Secure Communications

- » Mobile secure workplaces
- » Critical infrastructure
- » Highest security level secure voice communication
- » High speed network encryption systems



# Q4 highlights – Business Innovation



New legal entities from  
May 2021, but still included in  
Business Innovation segment



Strong negative impact  
from COVID-19

# Business Innovation – Financial performance 2020/2021

Sales SEK million	Operating profit SEK million	Operating margin %
<b>55.8</b> (78.1)	<b>0.8</b> (12.9)	<b>1.4</b> (16.5)

# Growth initiatives Business Innovation

## Medical Education transition

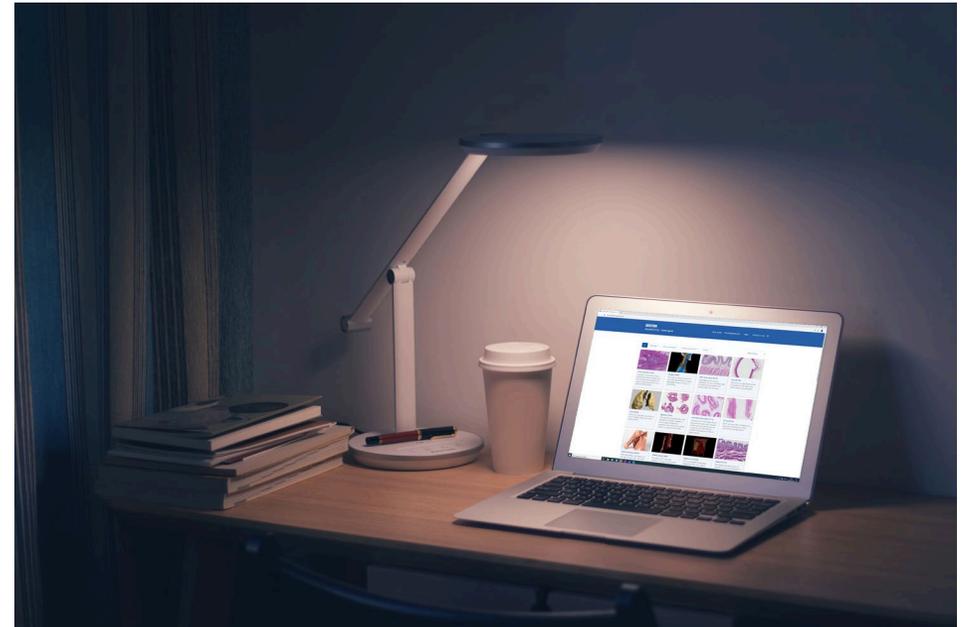
- » From device delivery to a service including cloud-based content subscriptions
- » Remote teaching demand.

## New areas within orthopaedics

- » Sectra Implant Movement Analysis (Post OP)
- » Computer Tomography Micro motion Analysis (for clinical research & studies)

## Research

- » Focus on AI for medical applications and future applications



# Q4 highlights – Imaging IT Solutions



Order in  
Sweden for  
cloud services



Sectra One well received,  
three new US  
contracts during Q4



Prominent clinics and  
networks choose  
Sectra's digital  
pathology solution

# Imaging IT Solutions – Financial performance 2020/2021

Sales SEK million	Operating profit SEK million	Operating margin %
<b>1,397.7</b> (1,428.2)	<b>378.0</b> (317.6)	<b>27.0</b> (22.2)

# Growth initiatives Imaging IT Solutions

- » New markets, direct and indirect
- » Enterprise Imaging, including:
  - ✓ Digital pathology and integrated diagnostics
  - ✓ Cardiology
- » Focus US:
  - ✓ The world's largest market
  - ✓ Sectra tops customer satisfaction
  - ✓ Small, but growing, market share



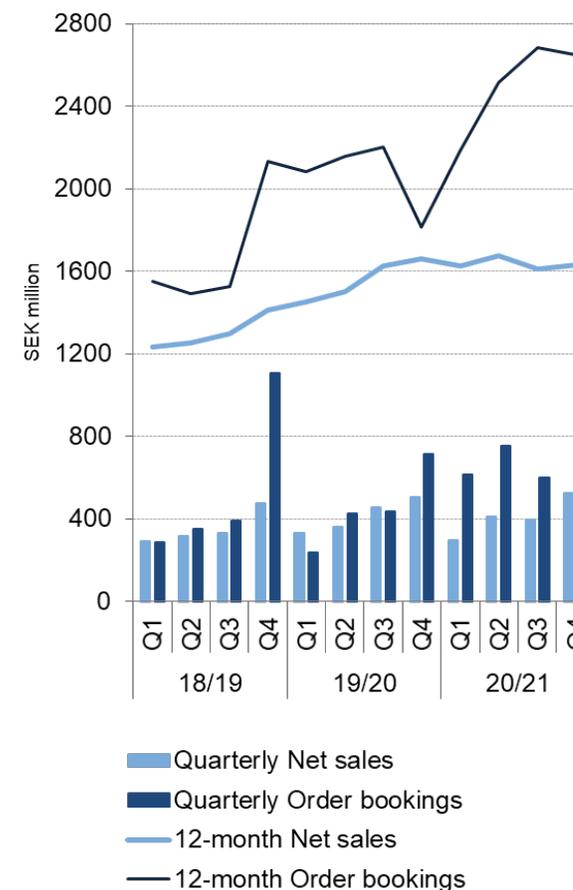
# Financial development

Mats Franzén

# Order bookings and net sales

- » Order intake increased 46.0% to SEK 2,651.6 M
- » Net sales SEK 1,632.4 M, adjusted for currency fluctuations up 3.4%
- » Stronger SEK has negative impact
  - USD -9.8%
  - EUR -3.9%
  - GBP -5.6%

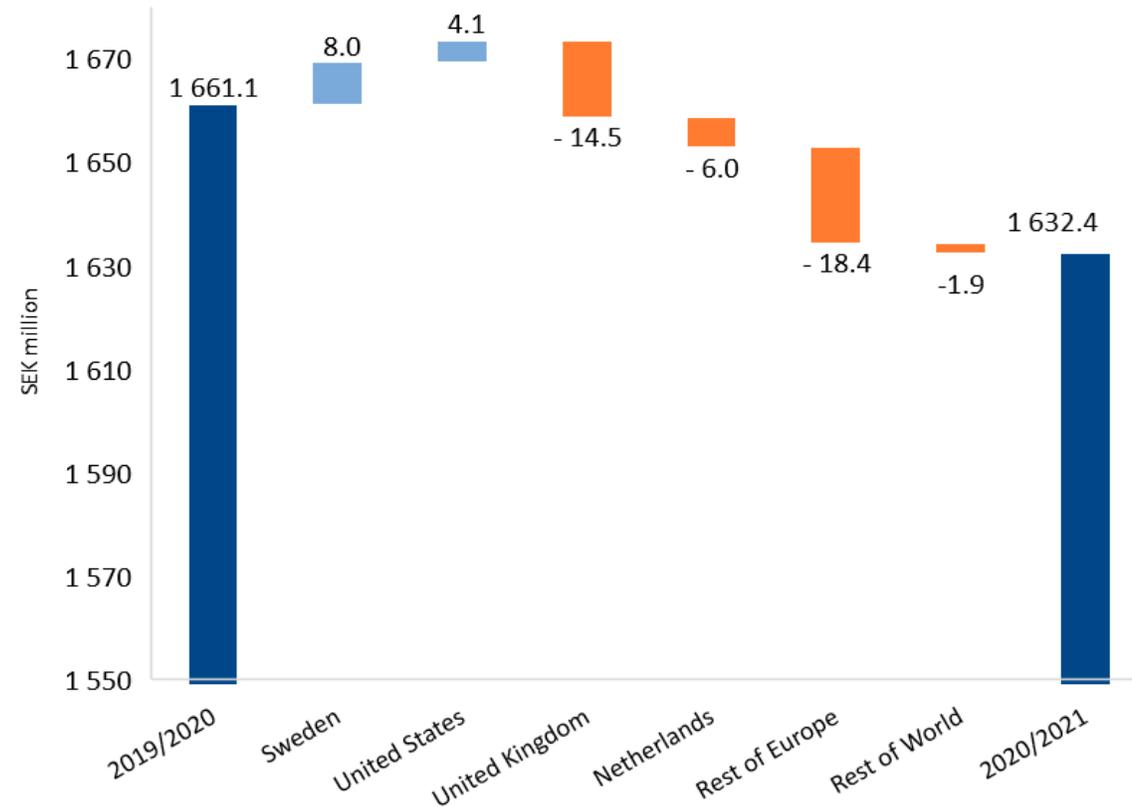
## The Group



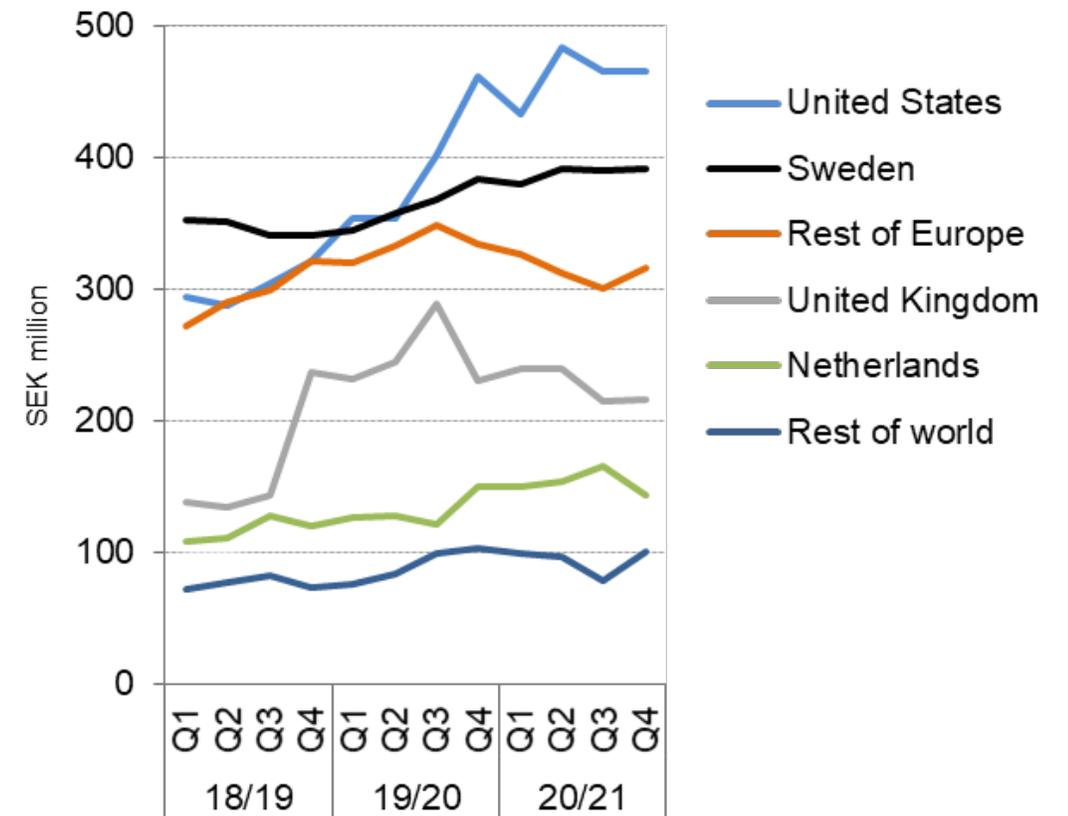
Changes compared with the average rates in the preceding year

# Sales trend by geographic market

By geographic market compared to previous year

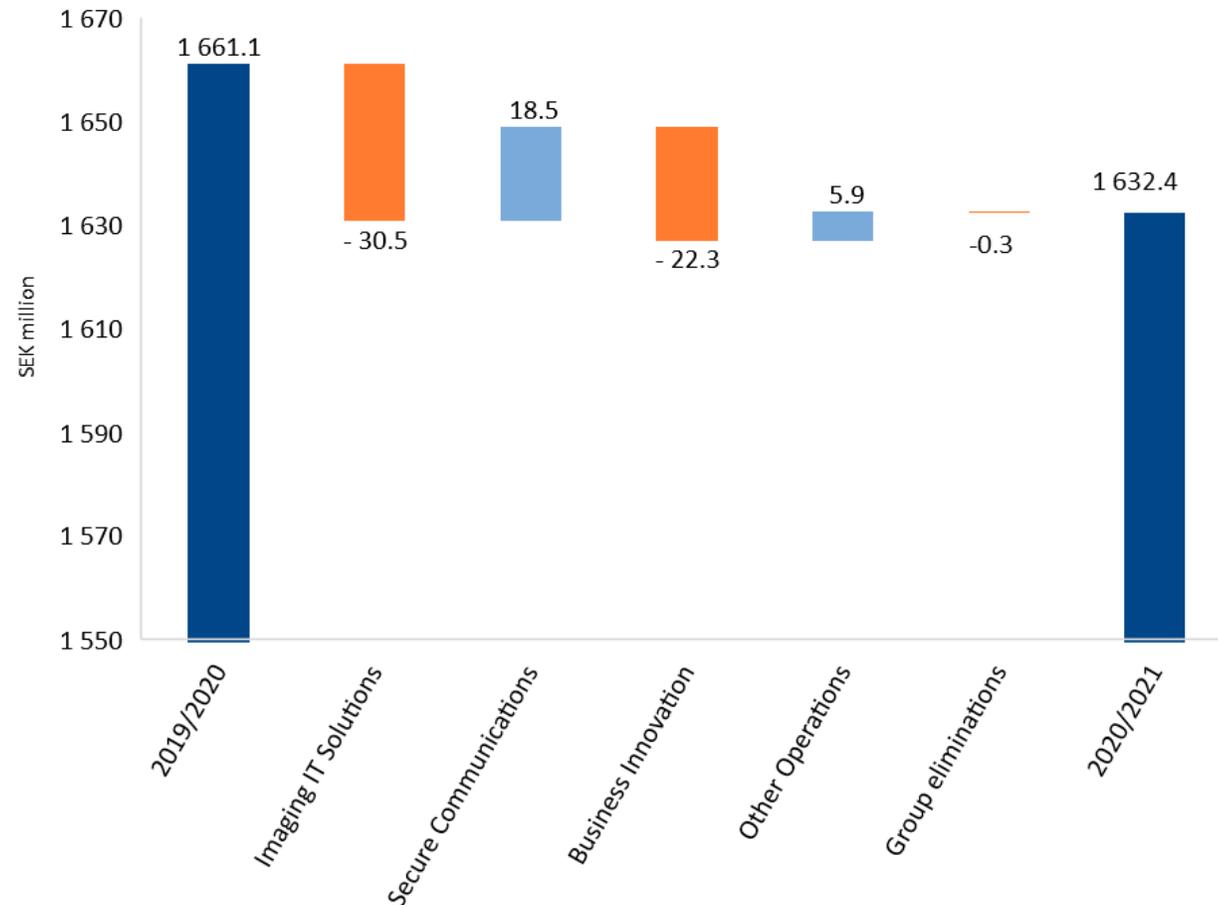


Trend 12 month rolling



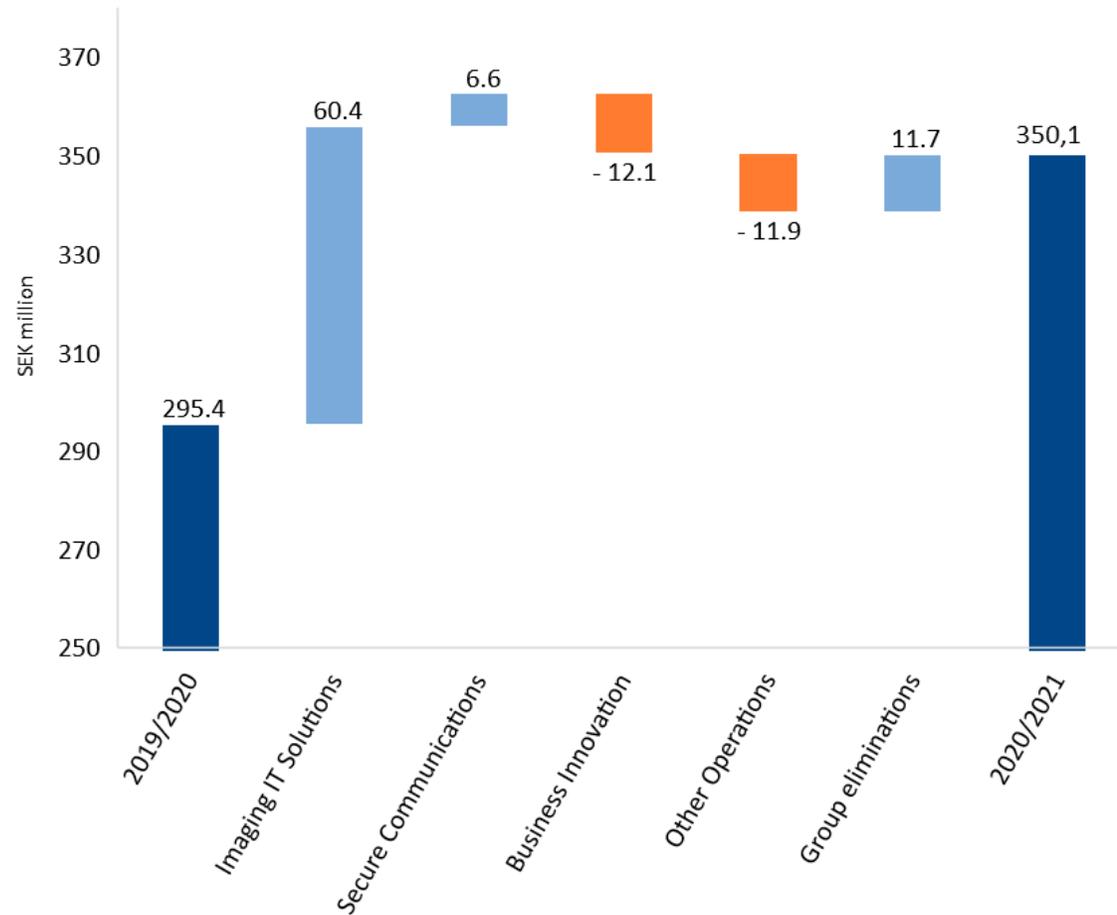
# Sales by business segment

By geographic market compared to previous year

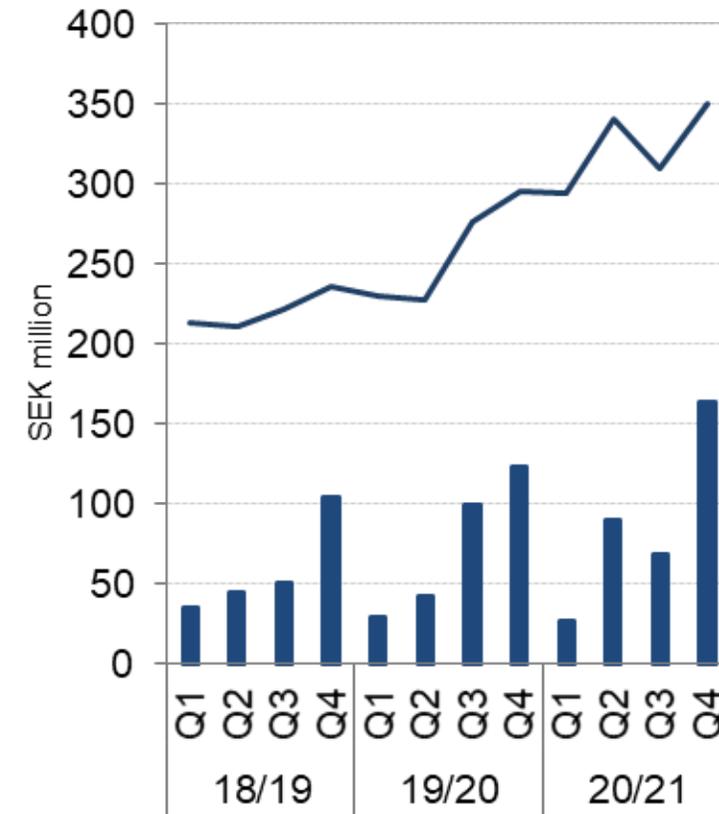


# Operating earnings

By segment compared to previous year



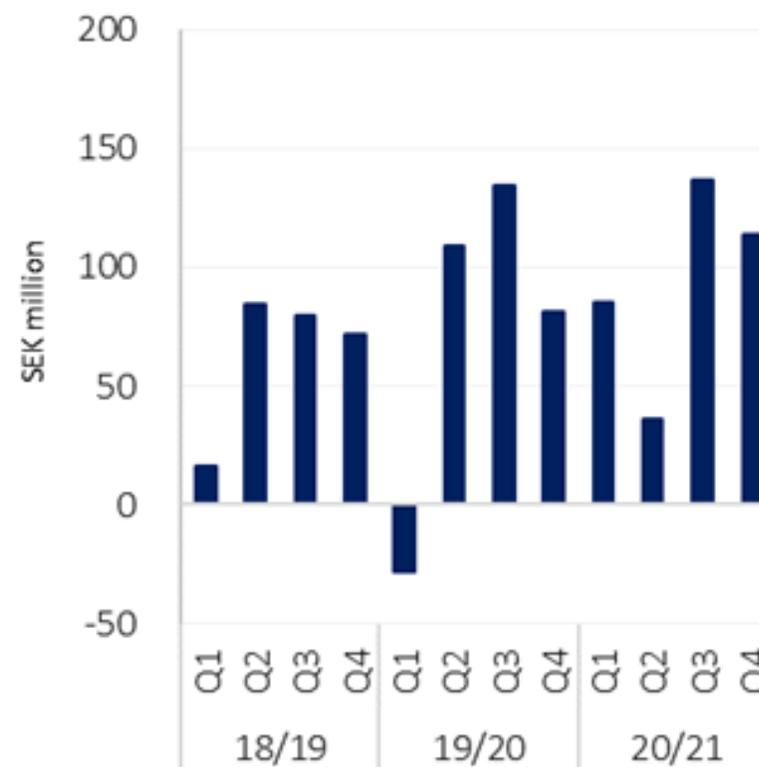
Trend 12-month rolling for the Group



# Cash flow

- » Increased operating profit
- » Lower investments compared with the year-earlier period
- » Increased focus on cash flow given pandemic uncertainties

Cash flow after changes in working capital



# Sectra's way forward

Torbjörn Kronander

**SECTRA**

# Focus forward



High customer  
satisfaction



Employees and  
culture



Profitable  
growth



Skate to where  
the puck is  
going to be



**SECTRA**

**#1 in customer satisfaction**

earned 5 KLAS awards in PACS  
and digital pathology

# High customer satisfaction



Profit in business comes from repeat customers, customers that boast about your project or service, and that bring friends with them.

(W. Edwards Deming)

izquotes.com

# ”Skate to where the puck is going to be”

Productivity of healthcare at core of society’s needs

- » Consolidate all medical imaging
- » Improve workflows and interaction
- » Use AI to gain efficiencies

Secure mobile workplaces

Secure communication channels

Completely new areas

- » Implant movement analysis for orthopedics
- » Digitize pathology imaging

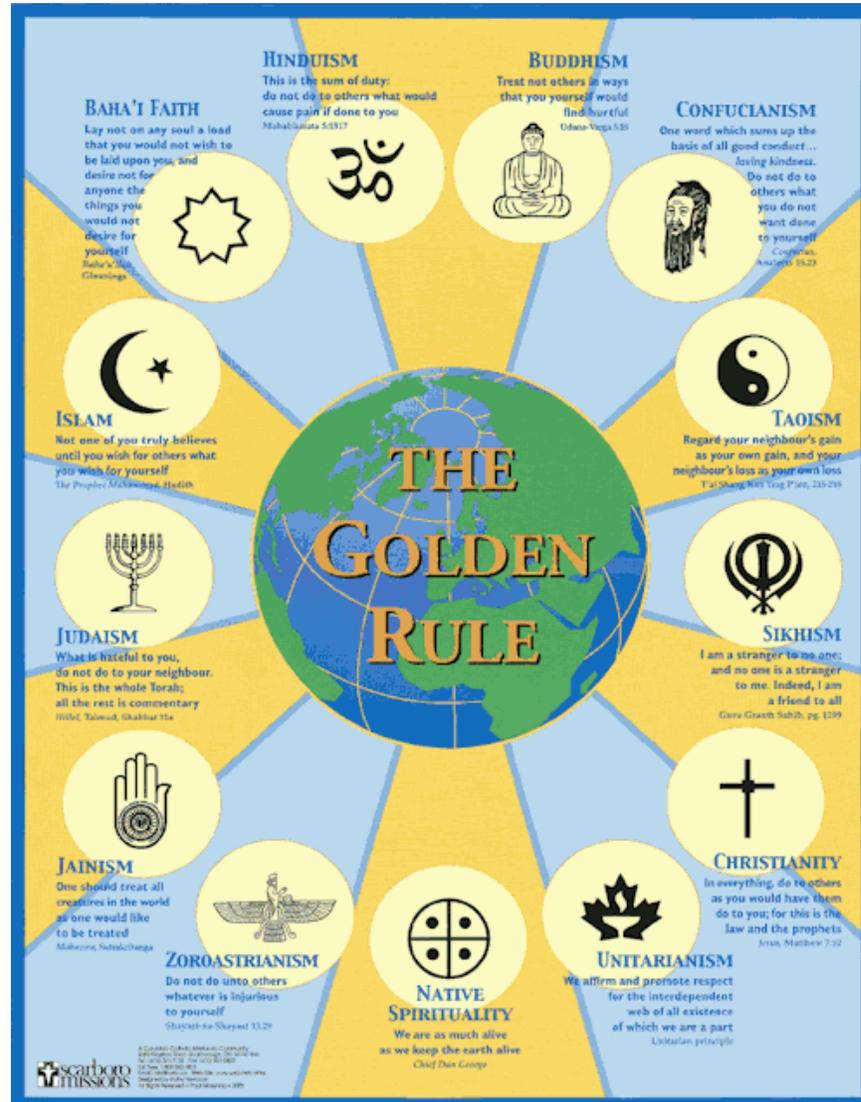


# Increasing recurring revenue

- » “Pay per usage” improves value for both customers and vendors
- » The new business model, Sectra One, introduced in May, will play an important role in Sectra’s future
- » The transition will be over several years, but is accelerated by COVID-19



# It is in fact quite easy to succeed in business Just live and act:



# Philosophy: Shareholders



1.  
Happy  
customers



2.  
Happy  
employees



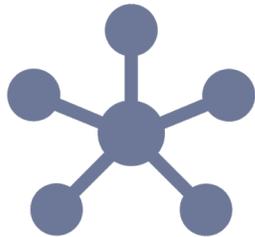
3.  
A good strategy in  
growing markets



4.  
Reasonable  
cost control

Then shareholders will be happy, but it comes in that order.

# Proposals to the AGM 2021



Split 5:1



Share redemption program 4:50 per share  
to shareholders (or 0:90 SEK after split 5:1)

# Upcoming financial reports and the AGM

- » Sep 3, 2021 Three-month interim report
- » Sep 14, 2021 Annual General Meeting

# Your feedback is important!

Please let us know what you think at:

[www.sectra.com/irsurvey](http://www.sectra.com/irsurvey)

or send an email to: [info.investor@sectra.com](mailto:info.investor@sectra.com)

# Questions?

If you follow online, please

- ✓ use the email button or
- ✓ send questions to [info.investor@sectra.com](mailto:info.investor@sectra.com)

# SECTRA

*Knowledge and passion*