

Interim report for the May 2023–January 2024 period

The industry's most satisfied customers for the eleventh consecutive year

Sectra's enterprise imaging module for radiology once again received a top ranking in customer satisfaction surveys in the US, Canada and Europe. Satisfied and loyal customers are the basis for growth in all operating areas and contributed to order bookings surpassing SEK 5 billion during the nine-month period.

REPORT PRESENTATION

March 8, 2024 at 10:00 a.m. CET

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FINANCIAL OUTCOME IN BRIEF

Figures in parentheses pertain to the corresponding quarter/period in the preceding fiscal year.

Third quarter: November 2023–January 2024

- Contracted order bookings rose 237.5% to SEK 1,853.6 million (549.2), of which SEK 1,652.5 million (484.0) pertained to guaranteed order bookings. Of the guaranteed order bookings, 5% were recognized during the quarter and a further 14–24% are deemed to pertain to revenue within 12 months after the end of the quarter.
- Net sales increased 19.6% to SEK 694.0 million (580.3). Based on unadjusted exchange rates, the increase was 19.9%. Recurring revenue accounted for SEK 434.7 million (356.4) of net sales, up 22.0%. Based on unadjusted exchange rates, the increase was 22.0%. Cloud recurring revenue (CRR) increased 43.1% to SEK 103.2 million (72.1).
- Operating profit declined 14.5% to SEK 74.4 million (87.0), corresponding to an operating margin of 10.7% (15.0). Based on unadjusted exchange rates, operating profit decreased 13.7%.
- Profit for the period amounted to SEK 57.8 million (72.3).
- Cash flow from operations amounted to SEK 233.2 million (83.6).

Nine-month period: May 2023–January 2024

- Contracted order bookings rose 54.4% to SEK 5,326.5 million (3,448.8), of which SEK 2,457.0 million (1,795.0) pertained to guaranteed order bookings.
- Net sales increased 27.0% to SEK 2,065.5 million (1,626.0). Based on unadjusted exchange rates, the increase was 23.9%. Recurring revenue accounted for SEK 1,261.5 million (983.3) of net sales, up 28.3%. Based on unadjusted exchange rates, the increase was 25.1%. Cloud recurring revenue (CRR) increased 55.8% to SEK 283.1 million (181.7).
- Operating profit rose 23.8% to SEK 320.4 million (258.9), corresponding to an operating margin of 15.5% (15.9). Based on unadjusted exchange rates, operating profit increased 17.8%.
- Profit for the period amounted to SEK 269.9 million (220.3).
- Cash flow from operations amounted to SEK 192.6 million (58.3).

Key figures

SEK million

	Quarter			Period			12 months		
	Q3	Q3	Δ	Q1–3	Q1–3	Δ	R12	Full-year	Δ
	23/24	22/23	%	23/24	22/23	%		22/23	%
Contracted order bookings	1,853.6	549.2	237.5	5,326.5	3,448.8	54.4	6,513.4	4,635.7	40.5
of which guaranteed order bookings	1,652.5	484.0	241.4	2,457.0	1,795.0	36.9	3,268.5	2,606.5	25.4
Net sales	694.0	580.3	19.6	2,065.5	1,626.0	27.0	2,790.2	2,350.8	18.7
of which recurring revenue	434.7	356.4	22.0	1,261.5	983.3	28.3	1,638.1	1,359.9	20.5
of which cloud recurring revenue (CRR)	103.2	72.1	43.1	283.1	181.7	55.8	356.0	254.6	39.8
Operating profit	74.4	87.0	-14.5	320.4	258.9	23.8	517.2	455.7	13.5
Operating margin, %	10.7	15.0	n/a	15.5	15.9	n/a	18.5	19.4	n/a
Profit for the period	57.8	72.3	-20.1	269.8	220.3	22.5	424.6	375.0	13.2
Earnings per share, SEK ¹	0.30	0.38	-21.1	1.40	1.14	22.8	2.20	1.95	12.8
Cash flow from operations	233.2	83.6	178.9	192.6	58.3	230.4	574.8	440.5	30.5
Average no. of employees	1,150	1,026	12.1	1,130	1,001	12.9	1,112	1,015	9.6

¹ Before and after dilution.

CEO'S COMMENTS

A sustainable future is about making our customers successful. I can't repeat this enough. To succeed we must have satisfied customers, which in turn requires that we have satisfied employees and a corporate culture that encourages engagement and motivation. At Sectra, we are proud that our customers time and time again say how satisfied they are with our employees and our efforts to make a positive difference in society.

Our awards for high customer satisfaction and our ranking as one of Sweden's best employers demonstrate that we are achieving our goals of delivering customer value and building a long-term business. All of our operating areas are growing. Secure Communications is continuing to make a more significant contribution to the Group's profit than in the past and, for the first time, exceeded SEK 300 million in sales for the rolling 12-month period. We are also in an expansive phase in medical imaging IT, with major investments in delivery capacity in parallel with transitioning our business to service sales instead of product sales.

The Group's profitability for the nine-month period exceeded our target operating margin, even if variations between individual quarters still are significant. We will have to live with this for a while yet. The important things in the long term are that we continue to have satisfied customers and that we are continuing to grow. During the quarter, we won several new, major contracts, within secure communications and within medical imaging IT, which contributed to contracted order bookings once again surpassing our previous record-breaking levels. Some of these projects could have a major immediate financial impact in a given quarter, even if the contract runs for several years. In the long term, we are heading towards a more even allocation across quarters as traditional system deliveries are replaced with invoicing of services. However, in the short term, the impact of the growing size of the contracts outweighed the equalizing effect.

We have made substantial progress in the shift to selling services, which is clear in our key figures for recurring revenue. Satisfied customers also mean that we lose very little recurring revenue, or "churn." One year ago, we saw that demand for purchasing software as a service was growing rapidly, although it varied across different markets. Despite major changes, this is still the case. Europe continues to be dominated by traditional license sales, even if service sales are now growing rapidly. In North America, however, almost all of our new sales are for Sectra One Cloud, although individual contracts may pertain to deliveries for which part or all of the revenue is recognized immediately.

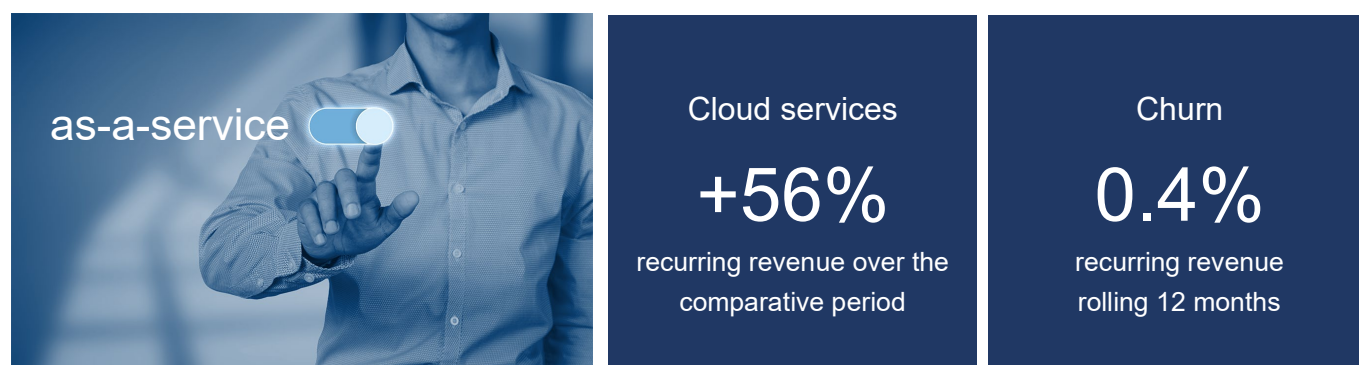
Transitioning from traditional system deliveries to service sales inevitably leads to a temporary dampening effect on financial performance. For Sectra, the positive currency situation in the first half of the year, in combination with strong underlying growth and the fact that not all transactions pertain to subscription services yet, helped mitigate the effects of the transition. Our assessment is that this will continue for a couple of years before the positive effects outweigh the negative impact. How fast this happens will depend primarily on how quickly new and existing customers outside North America transition to purchasing services.

The protracted transition to service sales means that we have decided to continue reporting order bookings. This is a change from our previous announcement—that reporting would end after the current fiscal year. Going forward, we will therefore continue to report order bookings as before.

Healthcare and data security are both areas that are expected to grow for a long time to come, and that are relatively unaffected by the economic climate. While our strategic investment in service sales is having a short-term negative impact on our financial outcome and growth, it will be beneficial in the long term. Not least because Sectra's customers are satisfied and stay with us for a long time. With loyal customers and long-term relationships combined with a strong brand in growing areas, we have every reason to remain optimistic about the future.



Torbjörn Kronander,
President and CEO



Customer satisfaction is our success



Continued global success in customer satisfaction

Sectra was awarded five “Best in KLAS” distinctions for customer satisfaction with the enterprise imaging module for radiology, Sectra PACS. This is now the eleventh consecutive year in the US and the fifth consecutive year in Canada that Sectra has been ranked the highest in customer satisfaction. In the new categories for Europe, Sectra won in both northern and southern Europe. The “Best in KLAS” awards are handed out by the US healthcare IT data and insights company KLAS, which conducts annual customer satisfaction surveys for healthcare IT systems.

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Manager in healthcare, November 2023 on the KLAS website, about the radiology module and Sectra:

“Sectra has a good, solid platform. Sectra is, as my radiologists tell me, the Ferrari of PACS products. Our radiologists consider Sectra a high-end solution, and other hospitals agree; that is why they are buying it. The one thing I love about Sectra is its ease of use. If a user is not a radiologist, they can pretty much use the system on their own. That is how easy it is to use. We have Sectra monitoring things, so they are proactive.”

“

CMIO in healthcare, October 2023 on the KLAS website, about Sectra:

“Sectra has a lot of professional knowledge about the processes they support. They have very good people, and they have a lot of clinical contacts. The vendor has good discussions with their customers on what we should expect to come in the near future and what lies beyond that. Then, the vendor actually delivers on those things.”



Diagrams and amounts in the financial report

Bars show the outcome per quarter and lines show the outcome for the rolling 12-month period (R12). Amounts are restated in SEK million unless otherwise indicated.

OPERATIONAL TARGETS AND FINANCIAL GOALS

Sectra's overall operational target is to create significant value for its customers. Customers should be so satisfied with their experience that they remain for a long time, expand their use of our solutions and recommend Sectra to others. Delivering customer value is also the Group's most important sustainability target since our customers' work to treat patients and increase cybersecurity is essential for functioning societies.

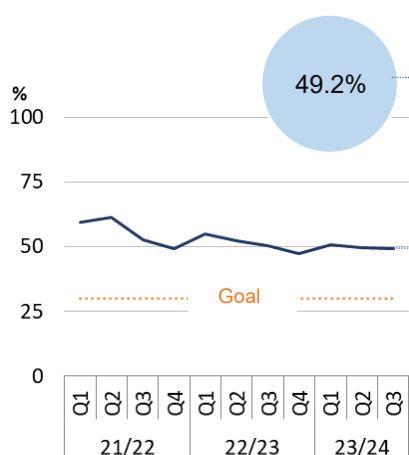
Customer satisfaction cannot be achieved without satisfied and dedicated employees. Employees who are motivated, understand their customers, feel good and are satisfied in their jobs will also increasingly develop new, creative solutions that can further increase the value we provide for Sectra's customers. Operating in markets that are growing, combined with satisfied customers and employees, provides a long-term sound financial performance.

Sectra has three Group-wide financial goals. Stability and profitability are considered fundamental goals. Once these goals have been met, the focus shifts to earnings growth per share, which in practice is our primary financial goal. All result indicators currently exceed the target levels by a comfortable margin despite the effects of changes in the business model.

The financial goals are (in order of priority):

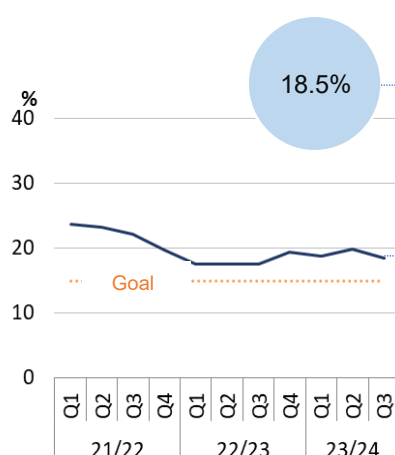
1. Stability:

Equity/assets ratio $\geq 30\%$



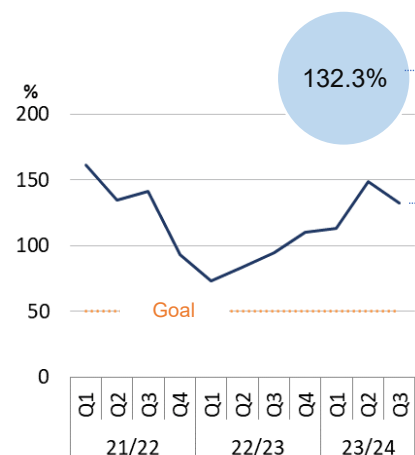
2. Profitability:

Operating margin $\geq 15\%$



3. Earnings growth:

Growth for operating profit/share over a five-year period $\geq 50\%$



Sectra ranked among Sweden's best employers

We retained a high rating among major employers in Sweden in Universum's annual "Sweden's best employers" survey. More than 170 companies participated in the survey, in which employees answer questions about how satisfied they are with the companies as employers, what they think about the company culture and opportunities for future career development.

Our annual internal employee survey shows that Sectra is also perceived globally as an equal opportunity workplace with satisfied employees and a strong corporate culture.



#6

SECTRA

Best employers

EVENTS

Third quarter

Imaging IT Solutions

- Sectra signed a ten-year agreement with NHS National Services Scotland, which chose Sectra's cloud-based services for medical imaging. The services will be used across all of Scotland to review and report approximately five million radiology examinations per year.
- Another healthcare provider in the US Midwest ordered Sectra's enterprise imaging module for radiology. The five-year contract pertains to on-site system installation at the customer's premises, where it will be used to coordinate the management of approximately two million images. The contracted order value amounted to USD 15.7 million (corresponding to approximately SEK 166 million), of which USD 14.3 million (corresponding approximately SEK 151 million) is guaranteed order bookings. Sectra's medical imaging solution will thus be used for the majority of patients in the Midwest, which will simplify coordination between healthcare systems in the region.
- A US network of hospitals and outpatient clinics signed a six-year agreement for Sectra's cloud-based enterprise imaging service to handle increasing imaging volumes and strengthen security. Initially the customer will utilize the module for radiology. The contracted and guaranteed order value amounts to USD 20.4 million (corresponding to approximately SEK 216 million).
- GE Healthcare and Sectra announced that the companies are partnering to simplify radiologists' work through seamless integration between Sectra's diagnostic applications for radiology and GE Healthcare's applications for advanced visualization.
- Rigshospitalet in Copenhagen deployed Sectra One Cloud. The hospital, which is ranked among the best in the world¹, is part of Region Hovedstaden, and the deployment is an important milestone for introducing Sectra's cloud-based services for medical imaging in the entire region.
- The PACS 2023 Decisions Insights Report from the IT data and insights company KLAS Research highlights Sectra as the supplier most often considered in PACS (Picture Archive and Communication Systems) procurements in the US². According to the report, Sectra was considered in half of healthcare providers' decisions to purchase PACS and was selected as a supplier in 25% of all decisions—significantly more than any other vendor.

Business Innovation

- Sectra signed a contract with the University of Saarland, which chose Sectra Education Portal for medical education of radiographer students.

Secure Communications

- Swedish authorities expanded their partnership with Sectra through orders of systems and solutions for secure communication that will improve the ability of Swedish civil and military defense to communicate securely and efficiently. The orders pertain to the final development and delivery of a desktop phone with conference call functionality and to the delivery of units for Sectra's system for secure communication, Sectra Tiger/S. The total contracted and guaranteed order value amounts to approximately SEK 90 million.
- EU organizations, including new customers in three EU member states, ordered additional units of Sectra's approved mobile encryption system and extended existing support agreements for the same system.

After the end of the reporting period

- Sectra was awarded five "Best in KLAS" distinctions for customer satisfaction with the enterprise imaging module for radiology, Sectra PACS. Read more on page 3.



For further information about these events,
visit <https://sectra.com/news>

¹ World's Best Hospitals 2023, Newsweek, <https://www.newsweek.com/rankings/worlds-best-hospitals-2023>

² PACS 2023 Consolidation & Replacements of Aging & Legacy Systems Drive Market Shifts, KLAS Research <https://klasresearch.com/report/pacs-2023-decision-insights/3386>

SECTRA'S MARKETS

Sectra plays a key role in meeting the need for medical imaging IT and cybersecurity. We help solve major social problems in changing markets, where scope for expansion remains. The global trends of an aging population and increased digitization mean that these markets are expected to continue to grow even in a weaker economic climate.

Our customers operate in some of society's most critical functions, which means that it is important that our brand is associated with reliability, trustworthiness and stability. Our job is to help customers become more efficient and give them the tools needed to make people's lives healthier, safer and more secure. In line with Sectra's vision, this is how the company creates value for its customers, shareholders and society as a whole.

IT support for more efficient care and medical education

Today's demographic development and increased survival rates among cancer patients are putting pressure on healthcare. The aging population of the industrialized world entails major challenges. At the same time, the proportion of people of working age is decreasing. In order to maintain high quality of care with fewer people in healthcare taking care of more patients, healthcare must become more efficient. The growing population of senior citizens is also shining a spotlight on diseases affecting the elderly. The diagnosis and treatment of patients with cancer and skeletal diseases, for example, entails enormous challenges. These diseases represent some of the most costly and resource-intensive areas in the healthcare sector and are dependent on medical diagnostic imaging. Healthcare providers across the globe use Sectra's expertise and solutions in medical imaging IT not only to increase productivity and coordinate their resources but also to improve efficiency in orthopaedic surgery through better planning and follow-up. The number of clinical DNA sequencings carried out during pathology examinations is increasing very rapidly. IT support for genomics is a market that Sectra is now entering through partnerships with customers in the US and Sweden. Sectra also helps to raise the quality of medical education by providing solutions where the user can interact with medical images and share educational materials. We are also seeing increasing synergies between our operating areas since healthcare is increasingly subject to cybercrime, resulting in, for example, the authorities in the US issuing a particular warning to healthcare providers.

We enable our customers to take care of more patients and save more lives at a long-term sustainable cost. This work is carried out in our Imaging IT Solutions and Business Innovation operating areas.

Cybersecurity for a more stable and safer society

The ability to safely and efficiently handle and transmit sensitive information is central to the stability and security of society, particularly when it comes to critical social functions and critical infrastructure. As digitization increases, the players in these areas have a major need for products and services that increase cybersecurity. Sectra has extensive experience of protecting society's most critical communications and control systems and we are a strong brand in the niche markets of encryption and secure mobile communications. IT developments in society, political instability in the world, and the growth of cybercrime are creating a greater need for Sectra's expertise and product offerings.

We help customers to provide increased security, thereby contributing to a more stable and safer society. This work is carried out in the Secure Communications operating area.

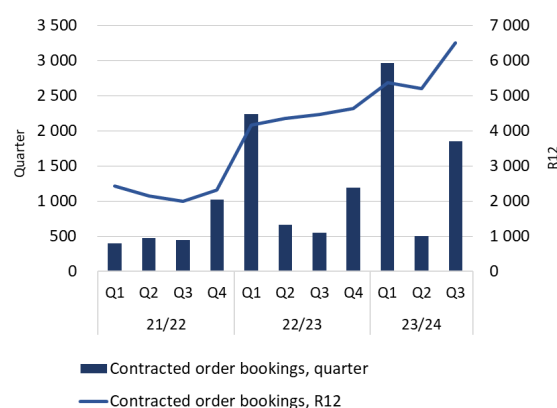
COMMENTS ON THE GROUP'S FINANCIAL OUTCOME

Order bookings

Demand for the company's customer offerings in both medical imaging IT and secure communication contributed to the increase in contracted order bookings. Total contracted order bookings rose 54.4% to SEK 5,326.5 million (3,448.8), of which SEK 1,853.6 million (549.2) pertained to the third quarter. A total of SEK 2,457.0 million (1,795.0) was guaranteed order bookings, of which SEK 1,652.5 million (484.0) pertained to the third quarter. The ratio of contracted order bookings to net sales for the latest rolling 12-month period totaled 2.3, up from 2.0 at the end of the previous fiscal year.

Order bookings include comprehensive, long-term customer contracts, for example for managing large volumes of medical images. The most comprehensive customer contract for the current fiscal year is a Sectra One Cloud contract with a major healthcare provider in the US. If the full term of the contract (which extends until 2033) is realized, the order value will amount to approximately SEK 2.4 billion (USD 227 million), of which no part is guaranteed. Orders of this size are not secured every quarter and therefore lead to significant variations in order bookings between individual quarters and periods.

Contracted order bookings, SEK million



Net sales and recurring revenue

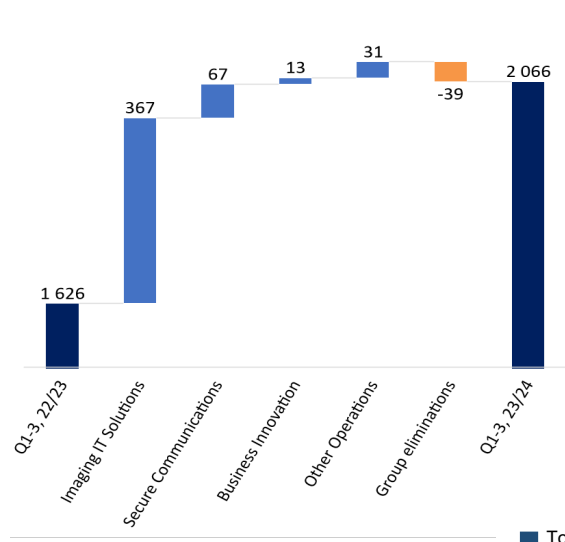
All operating areas continued to grow and the Group's net sales for the nine-month period rose 27.0% to SEK 2,065.5 million (1,626.0), of which SEK 694.0 million (580.3) pertained to the third quarter. Based on unadjusted exchange rates, consolidated sales increased 23.9% compared with the nine-month period in the previous fiscal year.

The ongoing transition to selling products and software as services, of which cloud deliveries account for a quickly growing share, contributed to an increase in recurring revenue. SEK 1,261.5 million (983.3) of sales pertained to recurring revenue, of which SEK 434.7 million (356.4) pertained to the third quarter. This represents an increase of 28.3% compared with the nine-month period in the previous fiscal year and an increase of 25.1% based on unchanged exchange rates. Lost recurring revenue (recurring revenue churn) for the last 12-month period was 0.4%. CRR for the nine-month period rose 55.8% to SEK 283.1 million (181.7), of which SEK 103.2 million (72.1) pertained to the third quarter. Non-recurring revenue also performed well during the period and rose 25.1% to SEK 804.0 million (642.7), of which SEK 259.3 million (223.9) pertained to the third quarter.

Sectra grew in all geographic markets. The operations in the UK reported the largest individual sales increase from the comparative period, of which more than half pertained to recurring revenue. More than 70% of the Group's sales are carried out in foreign currency, primarily EUR, GBP and USD, which entails a relatively large sensitivity to currency fluctuations.

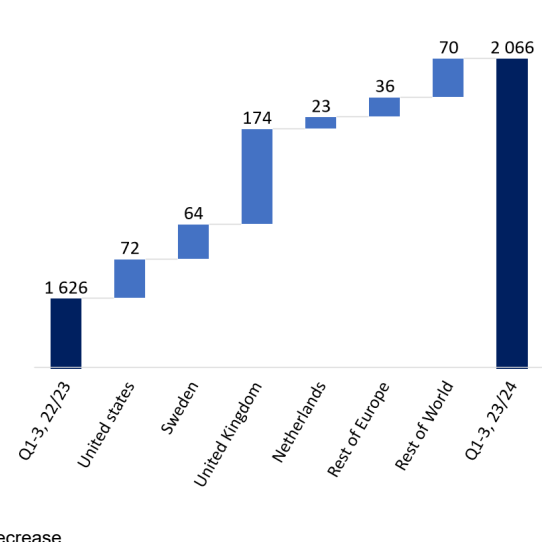
Sales trend per operating area, SEK million

Compared with the corresponding period in the preceding fiscal year

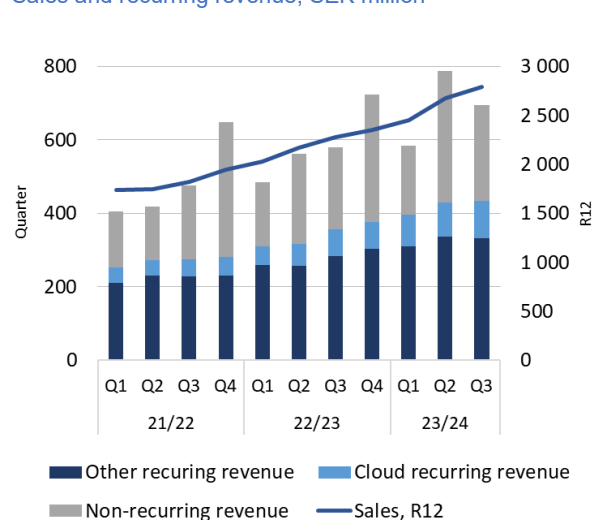


Sales trend per geographic market, SEK million

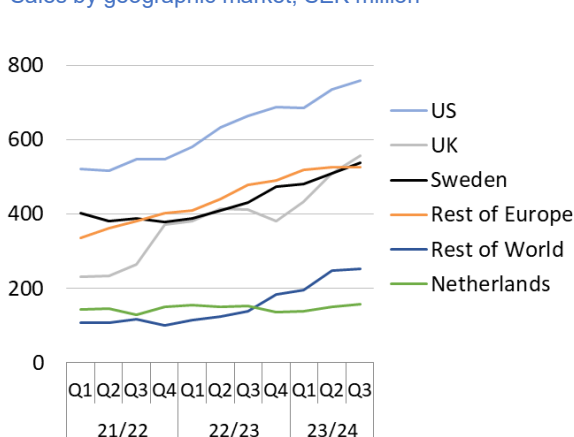
Compared with the corresponding period in the preceding fiscal year



Sales and recurring revenue, SEK million



Sales by geographic market, SEK million

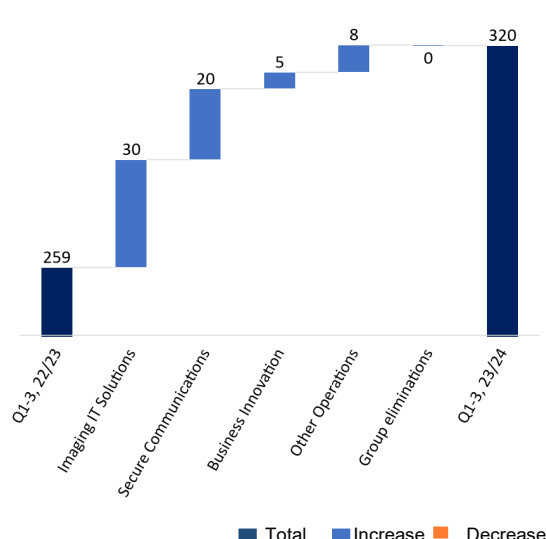


Result

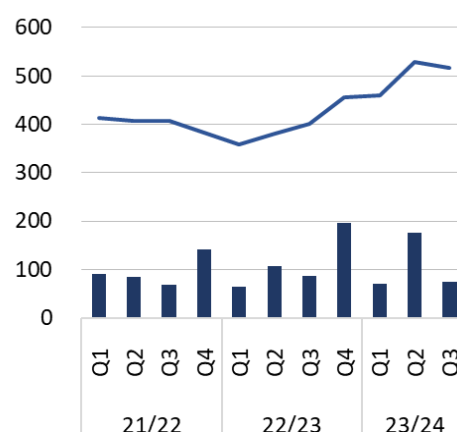
The Group's operating profit increased 23.8% to SEK 320.4 million (258.9), of which SEK 74.4 million (87.0) pertained to the third quarter. Based on unadjusted exchange rates, operating profit increased 17.8% compared with the nine-month period in the preceding year. The positive operating profit trend for the nine-month period is a result of sales growth in all operating areas in combination with favorable currency movements and Secure Communications' increased contribution to the Group's profit. The comprehensive initiative within Imaging IT Solutions to transition to service sales and cloud deliveries had an impact on operating profit for the quarter. Currency movements were favorable in the period and continued to mitigate the effects of the Group's ongoing investments in the period, but had the opposite effect during the third quarter. The Group's operating margin was 15.5% (15.9) for the nine-month period.

The Group's financial items amounted to SEK 20.3 million (18.6), of which SEK -1.5 million (4.1) pertained to the third quarter. The improvement in financial items for the period was primarily due to increased interest income, while the outcome for the quarter was mainly related to currency headwinds. Currency fluctuations had an adverse impact of SEK 2.0 million (pos: 13.2) on financial items for the period. Sectra does not hedge its operations, and currency fluctuations therefore have an immediate impact on profit or loss or on comprehensive income. Profit after financial items amounted to SEK 340.7 million (277.5), of which SEK 72.9 million (91.1) pertained to the third quarter. This outcome corresponds to a profit margin of 16.5% (17.1) for the nine-month period and 10.5% (15.7) for the third quarter. Earnings per share before and after dilution totaled SEK 1.40 (1.14) for the period, of which SEK 0.30 (0.38) pertained to the third quarter.

Operating profit trend per operating area, SEK million
Compared with the corresponding period in the preceding fiscal year



Operating profit, Group, SEK million



Financial position and cash flow

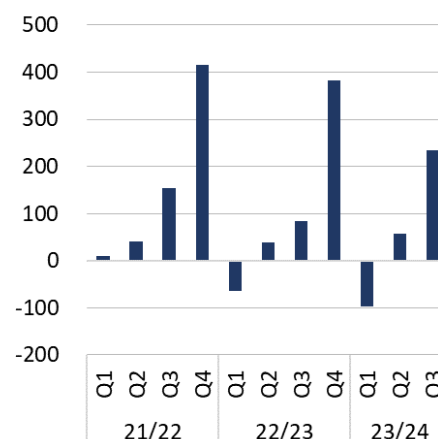
The Group's cash and cash equivalents at the end of the reporting period amounted to SEK 688.8 million (482.5). The short-term investment of SEK 120 million made during the comparative period was repaid in the second quarter.

The Group's debt/equity ratio was 0.02 (0.07) as of the balance-sheet date. Interest-bearing lease liabilities amounted to SEK 24.3 million (80.4). The change is primarily due to the termination of the lease for Sectra's head office in conjunction with the acquisition of the property. Refer to the additional information under the heading "Investments and depreciation/amortization" on the next page.

Cash flow from operations amounted to SEK 192.6 million (58.3) for the period, of which SEK 233.2 million (83.6) was attributable to the third quarter. The change from the comparative period is due to advance invoicing and reduced outflows related to non-current liabilities. Cash flow per share amounted to SEK 1.00 (0.30), of which SEK 1.21 (0.43) pertained to the third quarter.

Cash flow from investing activities amounted to SEK -107.3 million (-188.1), of which SEK -30.8 million (-22.8) was attributable to the third quarter. Refer to the additional information about investing activities on the next page.

Cash flow from operations, Group, SEK million



The Group's total cash flow for the period amounted to SEK -136.9 million (-340.6). This includes a transfer of SEK 211.9 million to the shareholders through Sectra's 2023 share redemption program, refer to page 13. The equivalent disbursement in the comparative period was SEK 192.7 million.

Investments and depreciation/amortization

Investments for the period amounted to SEK 227.3 million (188.1), of which SEK 30.8 million (22.8) was attributable to the third quarter. The outcome for the period includes SEK 144.6 million (0) for the acquisition of two properties. The acquisition is not expected to have a significant effect on the Sectra Group's financial position.

The short-term investment of SEK 120 million made during the comparative period was repaid in the second quarter.

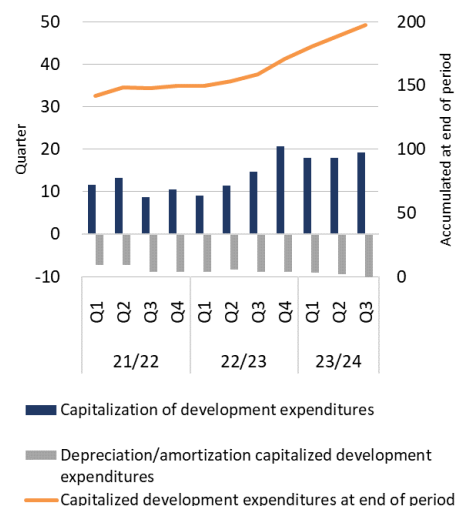
Capitalized work for own use amounted to SEK 55.2 million (35.1), of which SEK 19.3 million (14.7) pertained to the third quarter. Capitalization, which includes the development of cloud-based services for medical diagnostics, increased from the comparative period in all operating areas.

Total depreciation and amortization for the period was SEK 72.9 million (67.7), of which the third quarter accounted for SEK 24.7 million (23.3). SEK 28.9 million (26.0) of the period's outcome pertained to capitalized development expenditures, of which SEK 10.4 million (8.8) was attributable to the third quarter. At the end of the period, capitalized development expenditures totaled SEK 197.6 million (158.9).

Seasonal variations

Sectra has historically experienced major seasonal variations, since individual projects can be very large relative to Sectra's sales. This applies for both medical systems and encryption systems. The beginning of the fiscal year is usually weaker since few customers want to deploy new systems during the summer. The variations in order volumes between individual quarters are significant since certain contracts are very large and have long terms. As Sectra transitions to selling products as a service, this variation is expected to gradually decrease over the next several years since revenue will be spread more evenly over time. For further information about seasonal patterns, refer to Sectra's Annual and Sustainability Report for the 2022/2023 fiscal year.

Capitalized development expenditures, SEK million



OPERATING AREA IMAGING IT SOLUTIONS

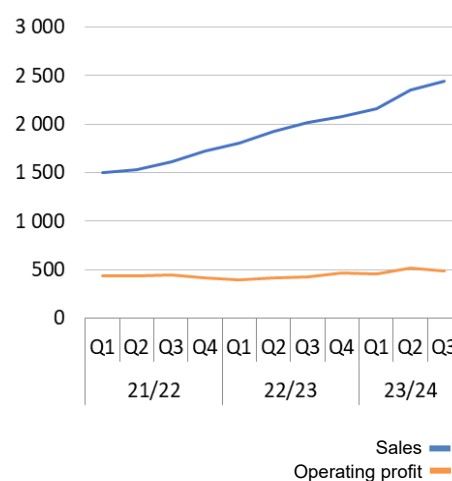
	Quarter			Period			12 months		
	Q3 23/24	Q3 22/23	Δ %	Q1–3 23/24	Q1–3 22/23	Δ %	R12	Full-year 22/23	Δ %
Sales, SEK million	601.3	504.9	19.1	1,810.9	1,443.5	25.5	2,446.4	2,079.0	17.7
of which recurring external revenue	405.1	328.7	23.2	1,176.5	909.7	29.3	1,524.9	1,258.1	21.2
of which cloud recurring revenue	97.9	68.7	42.5	270.1	172.3	56.8	339.0	241.2	40.5
Operating profit, SEK million	66.8	89.0	-24.9	309.5	279.6	10.7	492.2	462.4	6.4
Operating margin, %	11.1	17.6	n/a	17.1	19.4	n/a	20.1	22.2	n/a

Imaging IT Solutions continues to win comprehensive contracts where traditional solutions are replaced with cloud services, including a contract with NHS in Scotland in the third quarter. The single largest order during the fiscal year was for Sectra One Cloud from a healthcare provider in the US, with a contracted order value of approximately SEK 2.4 billion. These orders contributed to contracted order bookings for the nine-month period exceeding previous top levels.

The business area's operations are in a strong growth phase and the financial outcomes are impacted by ongoing investments. The earnings trend for the nine-month period as a whole was positive, although considerable fluctuations between quarters remain. The deployment of services and infrastructure at new major customers initially entails increased costs. Revenue then grows gradually as customers put systems into operation, but it can take several years for major customers to become fully operational and reach planned volumes. To date, the growth in sales, in combination with favorable currency movements, has partially offset the effects of the transition to service sales and cloud-based deliveries.

The long-term trend is positive. Recurring revenue is increasing and revenue from cloud services is growing the fastest. The outcomes for the business area show how the ongoing transition from traditional software deliveries to services and cloud deliveries is progressing. Sectra was early to convert its operations and currently offers medical imaging IT as a subscription service with deliveries in public or private clouds, Sectra One Cloud. During the nine-month period, several customers deployed the service, including customers in Canada, the UK and the US. These customers are among the first in each country to use Sectra One Cloud. One of the cloud installations was also the first through Sectra's partner organization, where Sectra One Cloud offers improved prospects to expand operations. In the US, where we first introduced Sectra One, as well as in Canada, essentially all new customer sales are for subscription-based services. However, some customers are still choosing traditional system installations instead of cloud services.

Trend, SEK million



Cloud recurring revenue

+57%
over the
comparative period

How does Sectra have such satisfied and loyal customers?

"Our dominance in customer satisfaction surveys like Best in KLAS shows how fantastic our employees are. They do what it takes to solve our customers' problems—no matter what. Over the last year, we have restructured and grouped our organization internally to better support our customers through the entire process, everything from their initial choice of us to implementation and support. This, in combination with products that reduce IT costs and improve security and that can be scaled according to customer needs, lays the groundwork for our success."

Marie Ekström Trägårdh,
President of the Imaging IT Solutions operating area
and Executive Vice President of Sectra AB

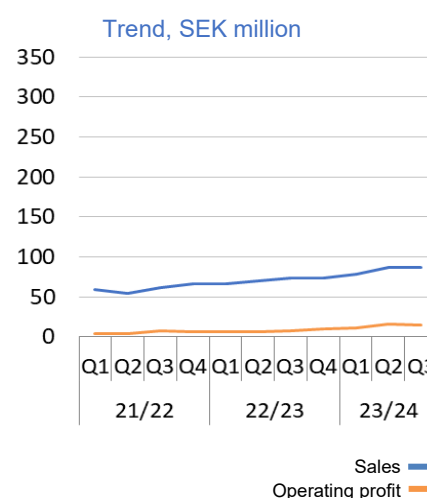


OPERATING AREA BUSINESS INNOVATION

	Quarter			Period			12 months		
	Q3 23/24	Q3 22/23	Δ %	Q1–3 23/24	Q1–3 22/23	Δ %	R12	Full- year 22/23	Δ %
Sales, SEK million	22.9	22.8	0.4	64.1	51.2	25.2	86.8	73.8	17.6
of which recurring external revenue	5.8	3.6	61.1	14.1	9.9	42.4	18.8	14.7	27.9
of which cloud recurring revenue	5.4	3.4	58.8	13.0	9.4	38.3	17.0	13.4	26.9
Operating profit, SEK million	4.0	5.1	-21.6	8.5	3.9	117.9	15.1	10.5	43.8
Operating margin, %	17.5	22.4	n/a	13.3	7.6	n/a	17.4	14.2	n/a

Business Innovation comprises the Genomics IT, Medical Education and Orthopaedics business units. Genomics IT does not yet have any sales, since it is in a development phase with initial deliveries planned for the spring of 2024. We also report the expenses for medical research activities in Business Innovation, which includes initiatives in the field of AI for medical applications.

Recurring revenue is growing quickly, and the financial outcome in terms of sales and operating profit showed a positive trend compared with the comparative period. However, the results may vary significantly between quarters and periods. Subscription-based business models and growing volumes will generate higher recurring revenue, resulting in less variation in the long term.



Cloud recurring revenue

+ 38%
over the
comparative period



Medical education portal supports recruitment of radiologists

Not only does Sectra's education portal modernize medical education—it is also useful in recruitment. Telemedicine Clinic (TMC) is one of the leading telemedicine companies in Europe and helps more than 150 hospitals in Denmark, the UK and Sweden review medical images and report the results all hours of the day. The company has been using Sectra Education Portal in its recruitment strategy for little over a year. The customer uses Sectra's cloud-based education portal as a step in the recruitment process to ensure the quality of the radiologists that they hire. The candidates are assessed based on their expertise and specialization by analyzing and reporting on patient cases presented in the portal. The number of cases varies based on the position, and all tests are designed by TMC's radiologists.

Read more on Sectra's website:

<https://medical.sectra.com/edutmc24>

OPERATING AREA SECURE COMMUNICATIONS

	Quarter			Period				12 months		
	Q3 23/24	Q3 22/23	Δ %	Q1-3 23/24	Q1-3 22/23	Δ %		R12 22/23	Full-year 22/23	Δ %
Sales, SEK million	83.6	63.3	32.1	222.9	156.2	42.7		301.2	234.5	28.4
of which recurring external revenue	23.5	24.0	-2.1	70.4	63.2	11.4		93.7	86.5	8.3
Operating profit, SEK million	9.4	8.5	10.6	21.5	1.9	1,031.6		38.8	19.2	102.1
Operating margin, %	11.2	13.4	n/a	9.6	1.2	n/a		12.9	8.2	n/a

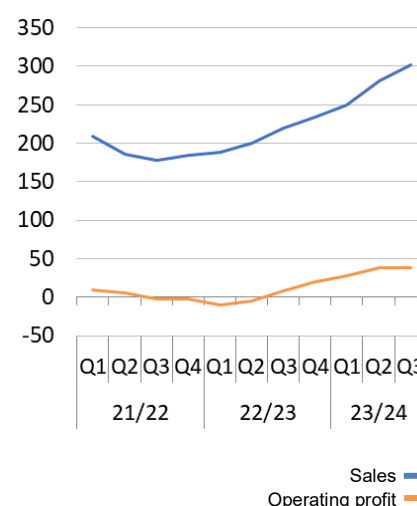
The uncertain geopolitical situation, with an ongoing war in Europe and further tensions worldwide, continues to highlight the importance of defense capabilities and public security. This, in turn, is placing greater demands on communication and fueling the need for investments in high assurance products, encryption development and cybersecurity both in Sweden and in the rest of Europe.

Secure Communications' operations form part of Sweden's collective national capability within crypto—a capability classified as an essential security interest. Sectra's ability to help customers has led to strong order bookings and sales growth. The positive trend during the first half of the year continued during the third quarter. Operating profit trended in the right direction and contributed to the Group's overall financial goals to a larger extent than previously. The long-term trend is positive, although outcomes can naturally vary greatly between quarters due to the nature of the operations.

Order bookings during the fiscal year include development assignments and product sales as well as support and service commitments. During the third quarter, Sectra received orders for development assignments primarily from customers in Sweden and international orders for communication infrastructure from both existing and new customers. Customers also extended agreements for deployment and support of secure communications, including security monitoring for critical infrastructure. The growing demand for our offerings has the potential to contribute to the future development of operations. At the same time, certain challenges connected to the global political situation remain, which are affecting component supplies and sales chains and, to a certain extent, resulting in a strained local labor market.

Budget appropriations for cybersecurity for the defense forces, authorities and critical infrastructure have increased, and we are well positioned with offerings that meet customers' stringent demands. To meet increased needs and new regulations, during the last few years we have made extensive investments in our development environment, which is already approved and operational. Ongoing initiatives also include new offerings with the potential to contribute to substantial customer value and growth in all product segments. These include several initiatives to supplement our established position within the highest levels of assurance with products and offerings for a wider customer base, primarily within government authorities.

Trend, SEK million



Development of new Tiger product

Sectra plays an important role in the Swedish civil and military defense's ability to share information. During the quarter, Swedish authorities placed an order for the development and launch of a new communication solution in the form of a desktop phone. The solution is part of the Tiger/S product family, which protects classified information up to and including the classification level SECRET. The new product will allow multiple people to participate in a secure conference call, thereby further contributing to efficient collaboration within and between Swedish authorities.

OTHER OPERATIONS

	Quarter			Period			12 months		
	Q3 23/24	Q3 22/23	Δ %	Q1-3 23/24	Q1-3 22/23	Δ %	R12	Full-year 22/23	Δ %
Sales, SEK million	44.1	31.5	40.0	121.5	90.3	34.6	155.9	124.7	25.0
Operating loss, SEK million	-5.9	-15.6	62.2	-19.0	-26.6	28.6	-28.6	-36.2	21.0
Operating margin, %	neg	neg	n/a	neg	neg	n/a	neg	neg	n/a

Other Operations pertain to Sectra's joint functions for administration, recruitment, Group finance, IT, regulatory affairs, people and brand, and activities related to investors. This segment also includes property management. The change from the comparative period mainly pertained to increased central management of costs distributed across the organization.

PARENT COMPANY

The Parent Company's income statement and balance sheet are reported on page 19. The Parent Company Sectra AB includes the research department for medical imaging IT, the Genomics IT business unit and the head office's joint functions (see Other Operations above).

2024 AGM

The AGM is scheduled for September 10, 2024 in Linköping, Sweden. The notice of the AGM is issued not earlier than six weeks and not later than four weeks prior to the AGM. Shareholders are entitled to have a matter addressed by the AGM. To ensure that the company has time to include matters in the notice, requests for matters to be addressed by the AGM must be received by the company not later than seven weeks prior to the AGM.

Nomination Committee

A Nomination Committee was appointed in accordance with the instructions adopted at the 2020 AGM. If any of the largest shareholders in terms of voting rights has waived their right to appoint a member of the Nomination Committee, the next shareholder in order of size has been given the opportunity to appoint a member. The Nomination Committee comprises the following members:

- Torbjörn Kronander representing his own and related parties' shareholdings
- Patrik Jönsson representing SEB Investment Management
- Mats Andersson representing Nordea Investment Funds
- Jan-Olof Brüer in his role as Chairman of the Board and representing his own and related parties' shareholdings

Patrik Jönsson, who represents the sixth-largest shareholder in terms of votes, was appointed Chairman of the Nomination Committee. The Nomination Committee will prepare and submit proposals regarding:

- election of the Chairman of the Board and other members of the Board of Directors
- allocation of Board fee payments to the Chairman and other members of the Board and potential remuneration for committee work
- election of and fees to the auditors and deputy auditors (where applicable)
- resolution on amendments to the Nomination Committee instructions, if the Nomination Committee deems such amendments to be necessary
- Chairman of the AGM.

Proposals will be presented in the notice of the AGM. Shareholders who wish to submit proposals to the Nomination Committee may do so in writing by email: info.investor@sectra.com or by mail: Sectra AB, Attn. Nomination Committee, Teknikringen 20, SE-583 30 Linköping, Sweden. In order for the Nomination Committee to address a proposal, the proposal must arrive in ample time prior to the notice of the AGM.

THE SHARE

2023 share redemption program and help with Swedish tax return

During the second quarter, SEK 1.10 per share was transferred to the shareholders through a 2:1 share split, combined with a mandatory redemption process and a bonus issue to restore the share capital. In the Swedish tax return, a redemption or sale of redemption shares (designated SECT IL A and SECT IL B) is to be declared as a sale of shares on Form K4 (does not apply to shares

owned through investment savings accounts). Visit <https://investor.sectra.com/redemption2023> for information about the Swedish Tax Agency's general recommendations and tax return help.

Share capital and number of shares

Sectra's share capital on the balance-sheet date totaled SEK 38,824,179, distributed between 194,120,895 shares and 312,052,035 voting rights. The number of shares is distributed between 13,103,460 Class A shares and 181,017,435 Class B shares. Sectra's holding of treasury shares at the end of the period amounted to 1,453,406 Class B shares, corresponding to 0.7% of the share capital and 0.5% of the voting rights in the company. For more information, refer to Note 3.

Authorization

The Board of Directors was authorized by the 2023 AGM, during the period until the 2024 AGM, to decide on new share issues of a maximum of 18,500,000 Class B shares and to decide on the acquisition and divestment of the company's treasury shares, with the condition that the Company's holding of treasury shares at no point exceeds 10% of all the shares in the Company. The complete authorization is presented in the minutes from the AGM: <https://investor.com/agm2023>. At the time of publication of this financial report, the Board had not utilized these authorizations.

RISKS AND UNCERTAINTIES

Through its operations, Sectra is exposed to such business risks as dependence on major customers and partners, the effect of currency fluctuations on pricing in the markets in which the Group is active, and property and liability risks. Sectra is also exposed to various types of financial risks such as currency, interest-rate, credit and liquidity risks. A detailed description of the risks and specific external factors as well as Sectra's strategies and tactics for minimizing risk exposure and limiting adverse effects are provided in the Administration Report in the Group's Annual and Sustainability Report for the 2022/2023 fiscal year in the administration report on pages 83–85 and in Note 29 on pages 115–116. No significant events have occurred that would alter the conditions reported.

FOR FURTHER INFORMATION

Contact Sectra's CEO Torbjörn Kronander, telephone +46 13 23 52 27 or email info.investor@sectra.se.

Presentation of the interim report

Time: March 8, 2024 at 10:00 a.m. CET

Torbjörn Kronander, President and CEO of Sectra AB, and Jessica Holmquist, CFO of Sectra AB, will present the financial report and answer questions. The presentation will be held in English. For information about participating online or to listen to the recording afterwards, visit: <https://investor.sectra.com/q3report2324>.

Financial calendar and AGM

Year-end report	June 5, 2024, at 8:15 a.m. (CEST)
Three-month interim report	September 6, 2024 at 8:15 a.m. (CEST)
2024 AGM	September 10, 2024

For other IR events, visit: <https://investor.sectra.com/events-and-presentations/>

ASSURANCE

The Board of Directors and the President of Sectra AB (publ) hereby assure that the interim report for the May 1, 2023–January 31, 2024 period provides a true and fair view of the Parent Company's and Group's operations, financial position and earnings and describes the significant risks and uncertainties facing the Parent Company and other companies in the Group.

Linköping, date as indicated by our electronic signature

Torbjörn Kronander President, CEO and Board member	Jan-Olof Brüer Chairman	Tomas Puusepp Board member	Birgitta Hagenfeldt Board member
Ulrika Unell Board member	Anders Persson Board member	Fredrik Robertsson Board member	
Pontus Svärd Board member and employee representative		Andreas Örneus Board member and employee representative	

AUDITOR'S REVIEW REPORT

Introduction

We have reviewed the condensed interim financial information for Sectra AB (publ) at January 31, 2024 and for the nine-month period ended on that date. The Board of Directors and the President are responsible for the preparation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on the interim financial information based on our review.

Focus and scope of the review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different direction and is substantially more limited in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices.

The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the opinion expressed on the basis of a review does not provide the same level of assurance as an opinion expressed on the basis of an audit.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not, in all material aspects, been compiled for the Group in accordance with IAS 34 Interim Reporting and the Swedish Annual Accounts Act and for the Parent Company, in accordance with the Swedish Annual Accounts Act.

Linköping, date as indicated by our electronic signature

Ernst & Young AB

Andreas Troberg

Authorized Public Accountant

This information constitutes information that Sectra AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and/or the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out in the press release, at 8:15 a.m. (CET) on March 8, 2024.

Sectra AB (publ), Corporate Registration Number 556064-8304, <https://sectra.com>, email info@sectra.com

GROUP

Condensed consolidated income statements

SEK thousand	3 months Nov 2023– Jan 2024	3 months Nov 2022– Jan 2023	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
Net sales (Note 4)	694,041	580,295	2,065,505	1,626,049	2,790,208	2,350,752
Capitalized work for own use	19,282	14,670	55,226	35,106	75,781	55,661
Other operating income	630	558	4,136	1,122	4,594	1,580
Total income	713,953	595,523	2,124,867	1,662,277	2,870,583	2,407,993
Goods for resale	-101,662	-53,623	-300,729	-156,758	-406,868	-262,897
Personnel costs	-362,580	-308,331	-1,035,708	-865,423	-1,339,614	-1,169,329
Other external costs	-150,686	-123,270	-395,195	-313,568	-509,802	-428,175
Depreciation/amortization and impairment	-24,666	-23,340	-72,850	-67,660	-97,129	-91,939
Total operating expenses	-639,594	-508,564	-1,804,482	-1,403,409	-2,353,413	-1,952,340
Operating profit	74,359	86,959	320,385	258,868	517,170	455,653
Total financial items	-1,479	4,100	20,310	18,624	25,423	23,737
Profit after financial items	72,880	91,059	340,695	277,492	542,593	479,390
Taxes	-15,060	-18,758	-70,757	-57,163	-118,027	-104,433
Profit for the period	57,820	72,301	269,937	220,329	424,566	374,957
Profit for the period attributable to:						
Parent Company owners	57,820	72,301	269,937	220,329	424,566	374,957
Earnings per share						
Before dilution, SEK	0.30	0.38	1.40	1.14	2.20	1.95
After dilution, SEK (Note 3)	0.30	0.38	1.40	1.14	2.20	1.95

Consolidated statement of comprehensive income

SEK thousand	3 months Nov 2023– Jan 2024	3 months Nov 2022– Jan 2023	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
Profit for the period	57,820	72,301	269,937	220,329	424,566	374,957
Items that may be reversed in profit or loss						
Translation differences	-17,945	-258	11,758	25,424	3,957	17,623
Total other comprehensive income for the period	-17,945	-258	11,758	25,424	3,957	17,623
Total comprehensive income for the period	39,875	72,043	281,695	245,753	428,523	392,580
Comprehensive income for the period attributable to:						
Parent Company owners	39,875	72,043	281,695	245,753	428,523	392,580

Condensed consolidated balance sheets

SEK thousand	Jan 31 2024	Jan 31 2023	April 30 2023
Assets			
Intangible assets and goodwill	261,820	227,729	236,969
Tangible assets	228,658	76,766	74,556
Right-of-use assets	27,849	83,080	84,905
Financial assets	138,918	136,266	125,224
Deferred tax assets	6,849	7,027	6,632
Total fixed assets	664,094	530,868	528,286
Accounts receivable	493,648	362,620	386,153
Other current assets	73,678	95,547	57,545
Prepaid expenses and accrued income	899,383	676,605	819,441
Short-term investments	-	120,000	120,000
Cash and bank balances	688,775	482,502	825,242
Total current assets	2,155,484	1,737,274	2,208,381
Total assets	2,819,578	2,268,142	2,736,667
Equity and liabilities			
Equity	1,387,972	1,144,012	1,296,669
Deferred tax liabilities	5,866	4,382	5,928
Provisions	20,174	8,387	12,461
Non-current lease liabilities	11,742	55,879	56,968
Other long-term liabilities	-	560	-
Total long-term liabilities	37,782	69,208	75,357
Provisions	2,228	1,990	1,682
Current lease liabilities	12,570	24,550	25,294
Other current liabilities	164,625	157,506	204,983
Accrued expenses and deferred income	1,214,401	870,876	1,132,682
Total current liabilities	1,393,824	1,054,922	1,364,641
Total equity and liabilities	2,819,578	2,268,142	2,736,667

Consolidated cash-flow statements

SEK thousand	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	Full-year May–Apr 2022/2023
Operating activities			
Operating profit	320,385	258,868	455,653
Adjustment for non-cash items	102,747	72,877	121,351
Interest received	23,369	6,769	11,849
Interest paid	-1,083	-1,337	-2,062
Income tax paid	-76,706	-61,707	-71,635
Cash flow from operations before changes in working capital	368,712	275,470	515,156
Changes in working capital			
Change in inventories	-23,285	-3,659	-12,825
Change in receivables	-198,759	-129,762	-299,595
Change in current liabilities	45,941	-83,738	237,752
Cash flow from operations	192,609	58,311	440,488
Investing activities			
Acquisitions of intangible assets	-55,861	-35,105	-55,752
Acquisitions of tangible assets	-171,400	-33,002	-37,036
Acquisition of short-term investment	-	-120,000	-120,000
Repayment of short-term investment	120,000	-	-
Cash flow from investing activities	-107,261	-188,107	-212,788
Financing activities			
Repayment of lease liabilities	-10,268	-18,111	-26,627
Redemption of shares	-211,935	-192,662	-192,662
Cash flow from financing activities	-222,203	-210,773	-219,289
Cash flow for the period	-136,855	-340,569	8,411
Cash and cash equivalents, opening balance	825,242	808,775	808,775
Exchange-rate difference in cash and cash equivalents	388	14,296	8,056
Cash and cash equivalents, closing balance	688,775	482,502	825,242

Condensed consolidated statement of changes in equity

SEK thousand	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	Full-year May–Apr 2022/2023
Equity at start of period	1,296,669	1,080,737	1,080,737
Comprehensive income for the period	281,695	245,753	392,580
Dividend/redemption of shares	-211,935	-192,662	-192,662
Share-based payments	21,543	10,184	16,014
Equity at end of period	1,387,972	1,144,012	1,296,669

PARENT COMPANY

Condensed Parent Company income statements

SEK thousand	3 months Nov 2023– Jan 2024	3 months Nov 2022– Jan 2023	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
Net sales	44,736	32,451	122,651	92,976	158,320	128,645
Capitalized work for own use	1,509	921	4,109	2,377	5,379	3,647
Other operating income	574	163	593	214	603	224
Total income	46,819	33,535	127,353	95,567	164,302	132,516
Goods for resale	-4,635	-	-12,937	-142	-15,625	-2,830
Personnel costs	-18,161	-15,085	-53,486	-43,964	-69,745	-60,223
Other external costs	-32,110	-34,465	-85,899	-79,562	-113,632	-107,295
Depreciation/amortization	-468	-353	-1,297	-1,168	-1,617	-1,488
Total operating expenses	-55,374	-49,903	-153,619	-124,836	-200,619	-171,836
Operating loss	-8,555	-16,368	-26,266	-29,269	-36,317	-39,320
Total financial items	6,348	5,755	112,420	15,837	111,767	15,184
Profit/loss after financial items	-2,207	-10,613	86,154	-13,432	75,450	-24,136
Appropriations	-	-	-	-	436,014	436,014
Profit/loss before tax	-2,207	-10,613	86,154	-13,432	511,464	411,878
Tax on earnings for the period	-231	2,187	-190	2,768	-87,985	-85,027
Profit/loss for the period	-2,438	-8,426	85,964	-10,664	423,479	326,851

Parent Company statement of comprehensive income

SEK thousand	3 months Nov 2023– Jan 2024	3 months Nov 2022– Jan 2023	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
Profit/loss for the period	-2,438	-8,426	85,964	-10,664	423,479	326,851
Total comprehensive income for the period	-2,438	-8,426	85,964	-10,664	423,479	326,851

Condensed Parent Company balance sheets

SEK thousand	Jan 31 2024	Jan 31 2023	April 30 2023
Assets			
Intangible assets	7,756	2,380	3,647
Tangible assets	6,381	3,478	3,699
Financial assets	353,288	182,435	226,245
Total fixed assets	367,425	188,293	233,591
Accounts receivable	0	261	240
Receivables from Group companies	502,075	281,720	664,145
Other current assets	28,192	67,182	25,871
Short-term investments	-	120,000	120,000
Cash and bank balances	544,470	318,452	662,611
Total current assets	1,074,737	787,615	1,472,867
Total assets	1,442,162	975,908	1,706,458
Equity and liabilities			
Restricted equity	273,036	267,660	268,927
Unrestricted equity	456,885	210,440	565,322
Total equity	729,921	478,100	834,249
Provisions	2,004	562	916
Current liabilities	710,237	497,246	871,293
Total equity and liabilities	1,442,162	975,908	1,706,458

NOTES

Note 1 Accounting policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Securities Markets Act. The accounting policies and calculation methods applied are consistent with those described in Sectra's 2022/2023 Annual and Sustainability Report.

Note 2 Related-party transactions

Other than the types of transactions presented in Note 3 Employees and personnel costs in the 2022/2023 Annual Report, no significant transactions with related parties took place in the reporting period.

Note 3 Number of shares

	3 months Nov 2023– Jan 2024	3 months Nov 2022– Jan 2023	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
No. of common shares ²						
Before dilution at the end of the period	192,667,489	192,667,489	192,667,489	192,667,489	192,667,489	192,667,489
After dilution at the end of the period	192,667,489	192,667,489	192,667,489	192,667,489	192,667,489	192,667,489
Average, before dilution	192,667,489	192,664,046	192,667,489	192,662,899	192,667,489	192,664,046
Average, after dilution ¹	192,667,489	192,667,466	192,667,489	192,667,459	192,667,489	192,667,466

¹ Dilution of the number of shares was based on the convertible programs issued in 2017/2018, and the last remaining convertibles were redeemed on January 31, 2023. There are therefore no convertible programs outstanding.

² Number of shares does not include the 1,453,406 (1,000,000) Class B treasury shares.

Note 4 Operating segments and sales

Sales by business segment

SEK million	3 months Nov 2023– Jan 2024	3 months Nov 2022– Jan 2023	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
Imaging IT Solutions	601.3	504.9	1,810.9	1,443.5	2,446.4	2,079.0
Secure Communications	83.6	63.3	222.9	156.2	301.2	234.5
Business Innovation	22.9	22.8	64.1	51.2	86.8	73.8
Other Operations	44.1	31.5	121.5	90.3	155.9	124.7
Group eliminations	-57.9	-42.2	-153.9	-115.2	-200.1	-161.2
Total	694.0	580.3	2,065.5	1,626.0	2,790.2	2,350.8

Operating profit/loss by business segment

SEK million	3 months Nov 2023– Jan 2024	3 months Nov 2022– Jan 2023	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
Imaging IT Solutions	66.8	89.0	309.5	279.6	492.2	462.4
Secure Communications	9.4	8.5	21.5	1.9	38.8	19.2
Business Innovation	4.0	5.1	8.5	3.9	15.1	10.5
Other Operations	-5.9	-15.6	-19.0	-26.6	-28.6	-36.2
Group eliminations	0.1	0.0	-0.1	0.1	-0.3	-0.2
Total	74.4	87.0	320.4	258.9	517.2	455.7

Sales by geographic market

SEK million	3 months Nov 2023– Jan 2024	3 months Nov 2022– Jan 2023	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
United States	185.7	162.1	561.5	489.1	759.3	687.0
Sweden	148.5	121.7	391.7	328.0	536.6	472.9
United Kingdom	132.5	84.5	413.8	239.4	556.1	381.7
Netherlands	39.7	30.9	120.4	97.9	158.3	135.8
Rest of Europe	141.1	140.5	397.4	361.2	526.7	490.5
Rest of World	46.5	40.6	180.7	110.4	253.2	182.9
Total	694.0	580.3	2,065.5	1,626.0	2,790.2	2,350.8

Recurring and non-recurring external revenue by business segment

Group

SEK million	3 months Nov 2023– Jan 2024	3 months Nov 2022– Jan 2023	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
Recurring revenue	434.7	356.4	1,261.5	983.3	1,638.1	1,359.9
Of which cloud recurring revenue, CRR	103.2	72.1	283.1	181.7	356.0	254.6
Non-recurring revenue	259.3	223.9	804.0	642.7	1,152.1	990.9
Total	694.0	580.3	2,065.5	1,626.0	2,790.2	2,350.8
Share of recurring revenue, %	62.6	61.4	61.1	60.5	58.7	57.8

Imaging IT Solutions

SEK million	3 months Nov 2023– Jan 2024	3 months Nov 2022– Jan 2023	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
Recurring revenue	405.1	328.7	1,176.5	909.7	1,524.9	1,258.1
Of which cloud recurring revenue, CRR	97.9	68.7	270.1	172.3	339.0	241.2
Non-recurring revenue	191.6	174.1	630.8	534.2	915.8	819.2
Total	596.7	502.8	1,807.3	1,443.9	2,440.7	2,077.3
Share of recurring revenue, %	67.9	65.4	65.1	63.0	62.5	60.6

Secure Communications

SEK million	3 months Nov 2023– Jan 2024	3 months Nov 2022– Jan 2023	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
Recurring revenue	23.5	24.0	70.4	63.2	93.7	86.5
Of which cloud recurring revenue, CRR	-	-	-	0.0	-	0.0
Non-recurring revenue	60.1	39.2	152.2	92.8	207.1	147.7
Total	83.6	63.2	222.6	156.0	300.8	234.2
Share of recurring revenue, %	28.1	38.0	31.6	40.5	31.2	36.9

Business Innovation

SEK million	3 months Nov 2023– Jan 2024	3 months Nov 2022– Jan 2023	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
Recurring revenue	5.8	3.6	14.1	9.9	18.8	14.7
Of which cloud recurring revenue, CRR	5.4	3.4	13.0	9.4	17.0	13.4
Non-recurring revenue	7.8	10.5	21.0	15.7	29.3	24.0
Total	13.6	14.1	35.1	25.6	48.1	38.7
Share of recurring revenue, %	42.6	25.5	40.2	38.7	39.1	38.0

Other Operations

SEK million	3 months Nov 2023– Jan 2024	3 months Nov 2022– Jan 2023	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
Recurring revenue	0.3	0.2	0.5	0.4	0.6	0.5
Of which cloud recurring revenue, CRR	-	-	-	-	-	-
Non-recurring revenue	-	-	-	-	-	-
Total	0.3	0.2	0.5	0.4	0.6	0.5
Share of recurring revenue, %	100.0	100.0	100.0	100.0	100.0	100.0

Note 5 Financial definitions and alternative performance measures

The Group applies the European Securities and Markets Authority (ESMA) Guidelines on Alternative Performance Measures. Alternative performance measures are applied since the company believes they provide valuable supplementary information for management and investors given that they play a central role when it comes to understanding and evaluating the Group's operations.

Sectra previously announced changes to the recognition of order bookings, refer to page 71 in Sectra's 2022/2023 Annual and Sustainability Report. However, the Board decided to revise this decision and Sectra will continue its reporting of order bookings.

Share of recurring revenue

Purpose

Shows the portion of external sales that is recurring. Recurring revenue refers to revenue from customers for the provision of a good or service during the term of a contract, wherein the customer cannot continue to benefit from the full functionality of the good or service without ongoing payments and the revenue stream is expected to recur for more than 12 months.

Recurring revenue mainly refers to revenue from subscription, support and maintenance agreements. The share delivered via the cloud is reported as cloud recurring revenue (CRR). Revenue from system implementations, migration and one-time purchases of licenses are not recognized as recurring revenue.

Calculation

Recurring revenue divided by total external sales. Refer to the table on page 21.

Recurring revenue churn

SEK thousand	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
Recurring revenue from customer contracts that have concluded or not been renewed	7,046	18,225
Recurring revenue	1,638,091	1,359,895
Share of recurring revenue, %	0.4	1.3

Purpose

Indicates the share of recurring revenue from customer contracts that have concluded or not been renewed during the latest rolling 12-month period.

Calculation

Recurring revenue from customer contracts that have concluded or not been renewed divided by total recurring revenue.

Equity per share before and after dilution

	Jan 31 2024	Jan 31 2023	Apr 30 2023
Equity, SEK thousand	1,387,972	1,144,012	1,296,669
Number of shares before dilution at the end of the period	192,667,489	192,667,489	192,667,489
Number of shares after dilution at the end of the period	192,667,489	192,667,489	192,667,489
Equity per share before and after dilution, SEK	7.20	5.94	6.73

Purpose

Measures the company's net value per share and shows the change in shareholder capital per share over time.

Calculation

Equity divided by the number of shares before and after dilution at the end of the period.

Non-interest-bearing liabilities and interest-bearing liabilities

SEK thousand	Jan 31 2024	Jan 31 2023	Apr 30 2023
Non-interest-bearing liabilities	1,407,294	1,043,701	1,357,736
Interest-bearing liabilities	24,312	80,429	82,262
Total liabilities	1,431,606	1,124,130	1,439,998

Purpose

Indicates the proportion of the Company's liabilities with and without interest. Included in the calculation of the debt/equity ratio and capital employed.

Calculation

Non-interest-bearing liabilities refers to liabilities without interest, such as accounts payable, advances from customers and tax liabilities. Interest-bearing liabilities refers to liabilities with interest, such as lease liabilities.

Cash flow per share before and after dilution

	3 months Nov 2023– Jan 2024	3 months Nov 2022– Jan 2023	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
Cash flow from operations, SEK thousand	233,175	83,565	192,609	58,311	574,786	440,488
Number of shares before dilution at the end of the period	192,667,489	192,667,489	192,667,489	192,667,489	192,667,489	192,667,489
Number of shares after dilution at the end of the period	192,667,489	192,667,489	192,667,489	192,667,489	192,667,489	192,667,489
Cash flow per share before and after dilution, SEK	1.21	0.43	1.00	0.30	2.98	2.29

Purpose

Shows the cash flow the company generated per share before capital investments and financing.

Calculation

Cash flow from operations divided by the number of shares before and after dilution at the end of the period.

Ratio of contracted order bookings to net sales

SEK thousand	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
Contracted order bookings	6,513,449	4,635,715
Net sales	2,790,208	2,350,752
Ratio of contracted order bookings to net sales	2.33	1.97

Purpose

Provides an indication of demand for the company's products and services.

Calculation

Contracted order bookings divided by net sales.

Liquidity

SEK thousand	Jan 31 2024	Jan 31 2023	Apr 30 2023
Current assets	2,155,484	1,737,274	2,208,381
Unutilized overdraft facilities	15,000	15,000	15,000
Current liabilities	1,393,824	1,054,922	1,364,641
Liquidity	1.6	1.7	1.6

Purpose

Shows the company's current ability to pay.

Calculation

Current assets plus unutilized overdraft facility divided by current liabilities.

Average no. of employees**Purpose**

Shows full-time positions in a certain period.

Calculation

Average number of full-time employees during the period.

Unadjusted exchange rates – sales

	3 months Nov 2023– Jan 2024	3 months Nov 2022– Jan 2023	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	Full-year May–Apr 2022/2023
Nominal change, %	19.6	21.9	27.0	25.1	20.6
Exchange-rate effect, %	0.3	-7.4	-3.1	-9.5	-8.0
Change in unadjusted exchange rates, %	19.9	14.5	23.9	15.6	12.6

Purpose

Provides an indication of changes in financial measures for unadjusted exchange rates.

Calculation

Amounts for the current year restated at last year's average exchange rates less last year's amounts at last year's average exchange rates, divided by last year's amounts at last year's rates.

Unadjusted exchange rates – operating profit

	3 months Nov 2023– Jan 2024	3 months Nov 2022– Jan 2023	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	Full-year May–Apr 2022/2023
Nominal change, %	-14.5	27.0	23.8	6.9	18.9
Exchange-rate effect, %	0.8	-18.4	-6.0	-19.2	-16.3
Change in unadjusted exchange rates, %	-13.7	8.6	17.8	-12.3	2.6

Purpose

Provides an indication of changes in financial measures for unadjusted exchange rates.

Calculation

Amounts for the current year restated at last year's average exchange rates less last year's amounts at last year's average exchange rates, divided by last year's amounts at last year's rates.

Unadjusted exchange rates – recurring revenue

	3 months Nov 2023– Jan 2024	3 months Nov 2022– Jan 2023	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	Full-year May–Apr 2022/2023
Nominal change, %	22.0	29.5	28.3	22.8	25.8
Exchange-rate effect, %	0.0	-7.6	-3.2	-8.5	-7.5
Change in unadjusted exchange rates, %	22.0	21.9	25.1	14.3	18.3

Purpose

Provides an indication of changes in financial measures for unadjusted exchange rates.

Calculation

Amounts for the current year restated at last year's average exchange rates less last year's amounts at last year's average exchange rates, divided by last year's amounts at last year's rates.

Order bookings – guaranteed

Purpose

Indicates future revenue in the company.

Calculation

The share of contracted order bookings that corresponds to what the customer has undertaken to purchase when the contract is entered into.

Order bookings – contracted

Purpose

Indicates future revenue in the company.

Calculation

The value of orders received that corresponds to what the customer has procured and intends to purchase during the term of the contract.

P/E ratio

SEK	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
Share price at end of period	195.14	161.70
Earnings per share for the rolling 12-month period	2.20	1.95
P/E ratio, multiple	88.7	82.9

Purpose

Shows how the market values the company's profits and how long it may take for the shareholders to get a return on an investment in the share.

Calculation

Share price at the end of the period divided by earnings per share for the most recent rolling 12-month period before dilution.

Earnings per share before and after dilution

	3 months Nov 2023– Jan 2024	3 months Nov 2022– Jan 2023	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
Profit for the period, SEK thousand	57,820	72,301	269,937	220,329	424,566	374,957
Average no. of shares before dilution	192,667,489	192,664,046	192,667,489	192,662,899	192,667,489	192,664,046
Average no. of shares after dilution	192,667,489	192,667,466	192,667,489	192,667,459	192,667,489	192,667,466
Earnings per share before and after dilution, SEK	0.30	0.38	1.40	1.14	2.20	1.95

Purpose

Shows each share's participation in the company's earnings during the reporting period.

Calculation

Profit/loss after tax divided by the average number of shares before dilution. This performance measure is defined in accordance with IFRS.

Return on equity

SEK thousand	3 months Nov 2023– Jan 2024	3 months Nov 2022– Jan 2023	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
Profit for the period	57,820	72,301	269,937	220,329	424,566	374,957
Equity at start of period	1,341,354	1,067,347	1,296,669	1,080,737	1,144,012	1,080,737
Equity at end of period	1,387,972	1,144,012	1,387,972	1,144,012	1,387,972	1,296,669
Average equity	1,364,663	1,105,680	1,342,321	1,112,375	1,265,992	1,188,703
Return on equity, %	4.2	6.5	20.1	19.8	33.5	31.5

Purpose

Shows the return on capital attributable to the Parent Company owners.

Calculation

Profit for the period divided by average equity.

Return on capital employed (ROCE)

SEK thousand	3 months Nov 2023– Jan 2024	3 months Nov 2022– Jan 2023	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
Profit after financial items	72,880	91,059	340,695	277,492	542,593	479,390
Financial expenses	-191	-709	-1,083	-1,337	-1,808	-2,062
Average capital employed	1,391,162	1,172,912	1,395,608	1,183,901	1,318,363	1,261,146
Return on capital employed, %	5.3	7.8	24.5	23.6	41.3	38.2

Purpose

Shows profitability based on how much capital is used in the operations.

Calculation

Profit after financial items plus financial expenses divided by average capital employed.

Operating margin

SEK thousand	3 months Nov 2023– Jan 2024	3 months Nov 2022– Jan 2023	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
Operating profit	74,359	86,959	320,385	258,868	517,170	455,653
Net sales	694,041	580,295	2,065,505	1,626,049	2,790,208	2,350,752
Operating margin, %	10.7	15.0	15.5	15.9	18.5	19.4

Purpose

Measures operational profitability. This measure is used for the purpose of management by objectives in the operations.

Calculation

Operating profit divided by net sales.

Operating profit per share

	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
Operating profit, SEK thousand	517,170	455,653
Number of shares before dilution	192,667,489	192,667,489
Operating profit per share, SEK	2.68	2.36

Purpose

Shows earnings per share before interest and taxes.

Calculation

Operating profit divided by the number of shares before dilution on the balance-sheet date.

Debt/equity ratio

SEK thousand	Jan 31 2024	Jan 31 2023
Interest-bearing liabilities	24,312	80,429
Equity	1,387,972	1,144,012
Debt/equity ratio	0.02	0.07

Purpose

Shows to what extent the operations are financed by loans and describes the company's financial risk.

Calculation

Interest-bearing liabilities divided by equity.

Equity/assets ratio

SEK thousand	Jan 31 2024	Jan 31 2023	Apr 30 2023
Equity	1,387,972	1,144,012	1,296,669
Total assets	2,819,578	2,268,142	2,736,667
Equity/assets ratio, %	49.2	50.4	47.4

Purpose

Shows the portion of assets financed with equity. This measure is used for the purpose of management by objectives in the operations.

Calculation

Equity divided by total assets on the balance-sheet date.

Capital employed

SEK thousand	Jan 31 2024	Jan 31 2023	Apr 30 2023
Total assets	2,819,578	2,268,142	2,736,667
Non-interest-bearing liabilities	1,407,294	1,043,701	1,357,736
Capital employed	1,412,284	1,224,441	1,378,931

Purpose

Shows the portion of the company's assets that has been borrowed from, for example, the company's owners or external lenders, and shows the company's profitability in relation to externally financed capital and equity.

Calculation

Total assets reduced by non-interest-bearing liabilities.

Growth in operating profit per share over a five-year period

SEK	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
Operating profit per share before dilution	2.684	2.360
Operating profit per share before dilution five years earlier	1.155	1.125
Growth in operating profit per share before dilution over a five-year period, %	132.3	110.0

Purpose

Shows the growth of the operations over a five-year period. This measure is used for the purpose of management by objectives in the operations.

Calculation

Operating profit per share on the balance-sheet date less operating profit per share on the balance-sheet date five years earlier divided by operating profit per share on the balance-sheet date five years earlier.

Profit margin

SEK thousand	3 months Nov 2023– Jan 2024	3 months Nov 2022– Jan 2023	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	12 months Feb 2023– Jan 2024	Full-year May–Apr 2022/2023
Profit after financial items	72,880	91,059	340,695	277,492	542,593	479,390
Net sales	694,041	580,295	2,065,505	1,626,049	2,790,208	2,350,752
Operating margin, %	10.5	15.7	16.5	17.1	19.4	20.4

Purpose

Shows a comparison of profitability regardless of corporate tax rate.

Calculation

Profit after financial items divided by net sales.

KEY FIGURES AND OTHER INFORMATION

Key figures

	9 months Jan 31 2024	9 months Jan 31 2023	12 months Jan 31 2024	Full-year Apr 30 2023
Contracted order bookings, SEK million	5,326.5	3,448.8	6,513.4	4,635.7
of which guaranteed order bookings, SEK million	2,457.0	1,795.0	3,268.5	2,606.5
Operating margin, %	15.5	15.9	18.5	19.4
Profit margin, %	16.5	17.1	19.4	20.4
Average no. of employees	1,130	1,001	1,112	1,015
Cash flow per share, SEK ^{1, 2}	1.00	0.30	2.98	2.29
P/E ratio, multiple	n/a	n/a	88.7	82.9
Share price at end of period, SEK	195.14	147.44	195.14	161.70
Return on equity, %	20.1	19.8	33.5	31.5
Return on capital employed, %	24.5	23.6	41.3	38.2
Equity/assets ratio, %	49.2	50.4	49.2	47.4
Liquidity ratio, multiple	1.6	1.7	1.6	1.6
Equity per share, SEK ²	7.20	5.94	7.20	6.73

¹ Cash flow from operations. ² Before and after dilution.

Condensed consolidated income statements by quarter

SEK million	2023/2024				2022/2023				2021/2022			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Net sales	694.0	787.7	583.7	724.7	580.3	561.7	484.1	649.0	476.2	418.2	405.7	
Capitalized work for own use	19.3	17.9	18.0	20.6	14.7	11.5	9.0	10.6	8.7	13.3	11.6	
Other operating income	0.6	2.2	1.3	0.5	0.5	0.4	0.1	0.4	0.0	0.6	0.3	
Operating expenses	-614.9	-607.5	-509.2	-524.7	-485.2	-443.9	-406.6	-497.1	-395.2	-329.4	-308.4	
Depreciation/amortization and impairment	-24.7	-23.6	-24.5	-24.3	-23.3	-22.1	-22.2	-21.8	-21.3	-19.0	-19.1	
Operating profit	74.4	176.7	69.3	196.8	87.0	107.6	64.4	141.1	68.4	83.7	90.1	
Total financial items	-1.5	13.6	8.2	5.1	4.1	10.7	3.8	0.3	8.6	0.2	2.0	
Profit after financial items	72.9	190.3	77.5	201.9	91.1	118.3	68.2	141.4	77.0	83.9	92.1	
Tax on earnings for the period	-15.1	-39.7	-16.0	-47.3	-18.8	-24.4	-14.0	-29.0	-14.1	-17.6	-19.0	
Profit for the period	57.8	150.6	61.6	154.6	72.3	93.9	54.1	112.5	62.9	66.3	73.1	

Key figures by quarter

	2023/2024				2022/2023				2021/2022			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Contracted order bookings, SEK million	1,853.6	503.0	2,970.0	1,186.9	549.2	664.2	2,235.4	1,017.4	439.6	470.0	393.2	
of which guaranteed order bookings	1,652.5	460.1	344.4	811.6	484.0	605.6	705.3	1,017.4	439.6	470.0	393.2	
Recurring revenue	434.7	429.6	397.2	376.6	356.4	316.4	310.4	280.8	275.2	272.4	253.0	
of which cloud services (CRR)	103.2	93.4	86.4	72.9	72.1	59.6	50.0	50.5	46.4	42.6	41.6	
Operating margin, %	10.7	22.4	11.9	27.2	15.0	19.2	13.3	21.7	14.4	20.0	22.2	
Earnings per share, SEK ^{1, 2}	0.30	0.78	0.32	0.80	0.38	0.49	0.28	0.58	0.33	0.34	0.38	
Cash flow per share, SEK ^{1, 2}	1.21	0.30	-0.51	1.98	0.43	0.20	-0.33	2.15	0.79	0.21	0.05	
Return on equity, %	4.2	11.0	4.6	12.7	6.5	8.5	4.9	11.0	6.3	6.6	7.8	
Return on capital employed, %	5.3	13.5	5.5	15.6	7.8	10.2	5.8	13.1	7.3	7.8	9.2	
Equity/assets ratio, %	49.2	49.8	50.8	47.4	50.4	52.3	54.9	49.3	52.5	61.3	59.6	
Equity per share, SEK ^{1, 2}	7.20	6.96	7.20	6.73	5.94	5.54	5.95	5.61	4.98	5.38	5.06	
Share price at end of period, SEK ¹	195.14	120.60	168.60	161.70	147.44	146.40	185.90	124.80	152.50	209.60	137.20	

¹ Before and after dilution. ²Comparative figures per share have been restated due to the 5:1 share split that Sectra carried out in the second quarter of 21/22.

Five-year summary

	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019
Contracted order bookings, SEK million	4,635.7	2,320.2	2,651.6	1,816.0	2,132.8
Net sales, SEK million	2,350.8	1,949.1	1,632.4	1,661.1	1,413.5
Operating profit, SEK million	455.7	383.4	350.1	295.3	235.5
Profit after financial items, SEK million	479.4	394.5	348.2	303.0	248.8
Profit for the period, SEK million	375.0	314.8	275.5	237.4	199.0
Operating margin, %	19.4	19.7	21.4	17.8	16.7
Profit margin, %	20.4	20.2	21.3	18.2	17.6
Earnings per share before dilution, SEK ¹	1.95	1.63	1.43	1.24	1.04
Earnings per share after dilution, SEK ¹	1.95	1.63	1.43	1.23	1.03
Redemption program per share/dividend, SEK ¹	1.10	1.00	0.90	0.90	0.90
Share price at end of year, SEK ²	161.70	124.80	121.00	84.00	64.40
P/E ratio, multiple	82.9	76.6	84.6	68.0	61.8
Return on equity, %	31.5	31.9	32.2	30.7	29.8
Return on capital employed, %	38.2	37.5	37.4	36.8	35.9
Equity per share before dilution, SEK ¹	6.73	5.61	4.65	4.24	3.80
Equity per share after dilution, SEK ¹	6.73	5.61	4.65	4.24	3.78
Equity/assets ratio, %	47.4	49.3	54.2	54.1	55.4

¹ Comparative figures per share have been restated due to the 5:1 share split that Sectra carried out in the second quarter of 21/22.

Exchange rates

Currency	Average rates in SEK			Closing rates in SEK		
	3 months Nov 2023– Jan 2024	3 months Nov 2022– Jan 2023	Δ %	9 months May 2023– Jan 2024	9 months May 2022– Jan 2023	Δ %
US dollar, 1 USD	10.20	10.43	-2.2	10.58	10.44	1.3
Euro, 1 EUR	11.16	11.05	1.0	11.48	10.77	6.6
British pound, 1 GBP	12.98	12.62	2.9	13.32	12.46	6.9

GLOSSARY

DNA sequencing

A process for determining genetic material, DNA, in a sample.

Genomics

The study of genetic material, meaning an organism's DNA. In medicine, a patient's genetic material is studied to increase understanding of the causes of disease. In cancer diseases, for example, a tumor's mutations are studied in DNA. The genetic information plays an important role in diagnosing cancer and customizing treatment, known as precision medicine.

Cardiology/cardiovascular diseases

The field of medicine dealing with the functions and diseases of the heart.

Critical infrastructure

Basic infrastructure that is essential for the functioning of society, such as roads, bridges and electricity and water supply.

Encryption

Equipment that uses mathematical manipulations (algorithms and keys) to encrypt information, so that it can be interpreted or read only by the intended recipient. To read encrypted information, the recipient must have the correct key and algorithm.

The cloud/cloud solutions

From the term cloud computing, meaning delivering services and sharing IT infrastructure over the internet.

Ophthalmology

A specialist medical area for the diagnosis and treatment of eye disorders.

Orthopaedics

A surgical specialty for disorders affecting the musculoskeletal system.

Pathology/histopathology/microscopy

A specialized medical area that uses tissues and body fluids for diagnostic purposes.

Precision medicine

Providing patient care that is highly adapted to individual conditions. Advanced diagnostic analyses are a cornerstone of precision medicine.

Radiology

A health science discipline and medical specialty that uses technologies for imaging the human body, such as X-ray, magnetic resonance imaging (MRI) and ultrasound.

Sectra One/Sectra One Cloud

A subscription for Sectra's enterprise imaging solution. Under the new model, customers pay a more evenly distributed subscription fee every year instead of paying a higher license fee for software at the start of the contract and a lower rolling service fee. The fee is determined based on the functionality used and the number of different services utilized. When Sectra One is sold as fully cloud-based services, it is referred to as Sectra One Cloud.

High assurance/High assurance products

Cryptographic methods and other measures designed to prevent unauthorized parties from accessing or influencing information in telecom and IT systems. The high assurance products that Sectra provides are approved by one or more nations and, for certain products, by the EU and NATO.

Read Sectra's Annual Report and Sustainability Report:
<https://investor.sectra.com/reports/annual-reports>



ABOUT SECTRA

Vision

To contribute to a healthier and safer society.

Mission statements

To increase the effectiveness of healthcare, while maintaining or increasing the quality of care.

To strengthen the stability and efficiency of society's most important functions through solutions for critical IT security.

Operating areas/business models

Imaging IT Solutions helps hospitals across the world to become more efficient, enabling them to care for more patients and save more lives. Increased use of medical images and aging populations that are living longer pose huge challenges to healthcare. Sectra's IT solutions and services for medical diagnostic imaging enable greater efficiency and contribute to healthcare advancements. Sectra has exceeded 2,000 installations of medical IT systems, and customers include some of the largest healthcare providers in the world.

Secure Communications helps society's critical functions, government officials and diplomats to use modern technology to exchange information securely, thereby contributing to a stable and secure society. Sectra's solutions and services increase cybersecurity by protecting some of society's most sensitive information and communications. Several of the business area's products are approved by the EU, NATO, and national security authorities.

Business Innovation gathers smaller activities that could eventually lead to major growth in Sectra's main areas or related niches.

Group-wide strategies for value creation and sustainable business development

Customer value is the top priority

Customers and customer satisfaction are always assigned top priority to enable long-term growth. Close relationships with demanding customers ensure that Sectra's solutions meet market demands for quality, functionality and usability.

A motivating corporate culture

A corporate culture that motivates and inspires the company's employees to solve customer problems and constantly drive improvement. All so we can meet—and in many cases exceed—customer expectations.

Constant innovation

Close cooperation with customers, universities and industrial partners in order to identify needs and ideas, combined with a corporate culture where management encourages the employees to test out new ideas and projects.

Geographic expansion

International expansion mainly in areas and regions where Sectra holds an established position. This expansion will primarily be achieved through organic growth, in certain cases supplemented by acquisitions that strengthen the Group's organic growth.

For more information, visit <https://investor.sectra.com>



7 good reasons to invest in Sectra

International niche markets with strong growth

IT for healthcare and cybersecurity for critical social functions are rapidly changing markets that society needs to invest in. This creates major growth opportunities for companies such as Sectra.

Stability, profitability and long-term growth

Sectra has an over 45-year history of growth and profitability. Over 50% of the company's sales comprise recurring revenue from long-term customer contracts.

Customer-focused corporate culture

A strong corporate culture clearly focused on customer value and employees who are passionate about making a difference lead to satisfied customers. To safeguard our corporate culture, growth is primarily organic.

Strong brand with multinational reach

Sectra is an established brand in niche areas where trust and stable products are highly important success factors. We have a multinational reach, with thousands of customers worldwide.

Innovation

By continuously investing in new and enhanced products and services, as well as how they are packaged and delivered, we create value for our customers. We also have a self-financed portfolio of research and business projects with the potential to add significant value in the future.

Sustainable business model

Contributing to healthier and safer societies is the foundation of Sectra's operations and business model. Helping our customers improve the efficiency and quality of patient care and increase cybersecurity in critical social functions is our most significant contribution to a sustainable society.

Long-standing owners and dedicated management

The principal owners, who have been part of the company since the 1980s, have firm dedication to the long-term development of the company, and all members of Group Management are shareholders.