

September 3, 2021

Three-month interim report



SECTRA

Agenda

1. Q1 highlights

CEO and President Torbjörn Kronander

2. Financial development

CFO Mats Franzén

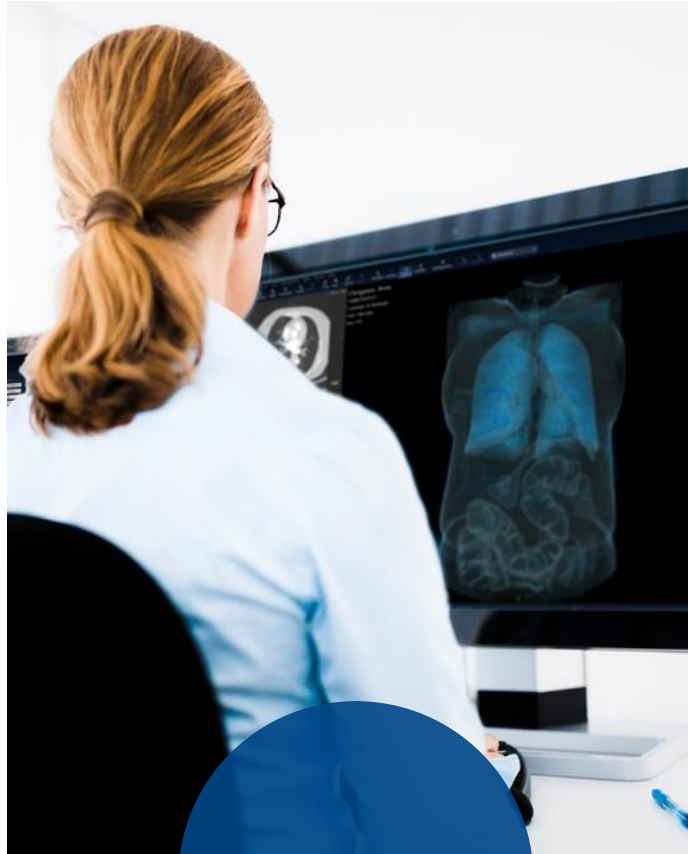
3. Sectra's way forward

CEO and President Torbjörn Kronander

4. Q&A session

Via simultaneous chat function and email

The value we create for customers



Imaging IT



Business
Innovation



Secure
Communications

Q1 highlights

Torbjörn Kronander

Q1 report 2021/2022:

Early deliveries have positive effect on the quarter—not expected to affect the full year

Net sales

+35.7%

SEK 406 million

Profit/share

+331.8%

SEK 1.90

Order bookings

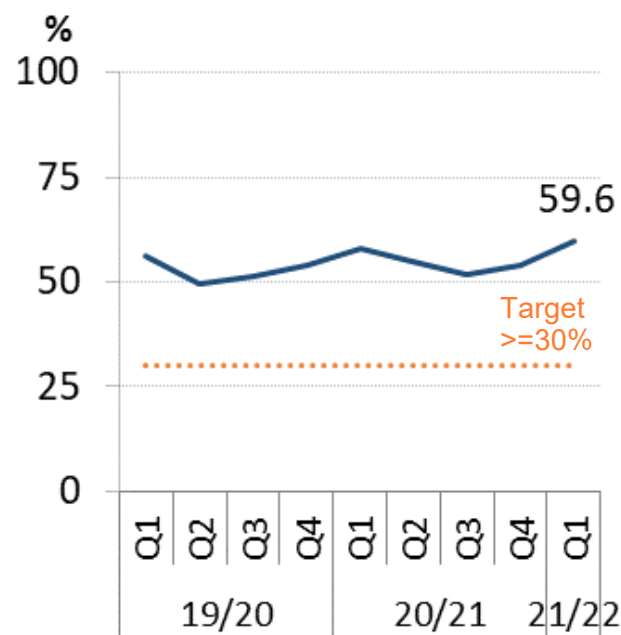
neg **35.8%**

SEK 393 million

Financial targets for the Group fulfilled

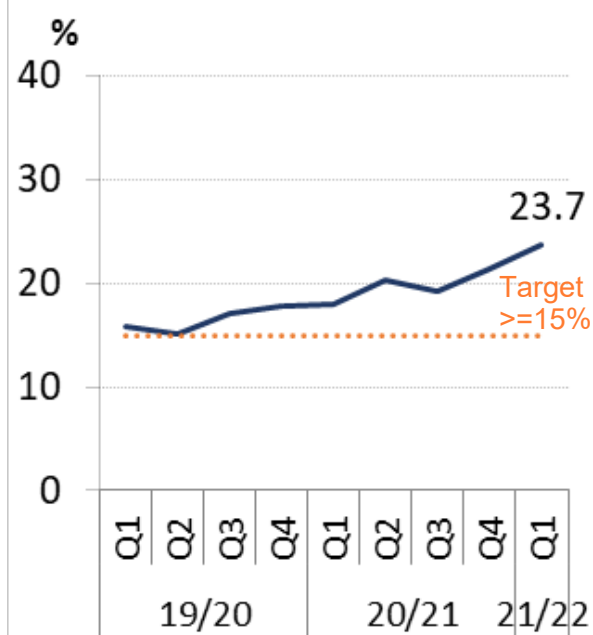
1. Stability

Equity/Assets ratio



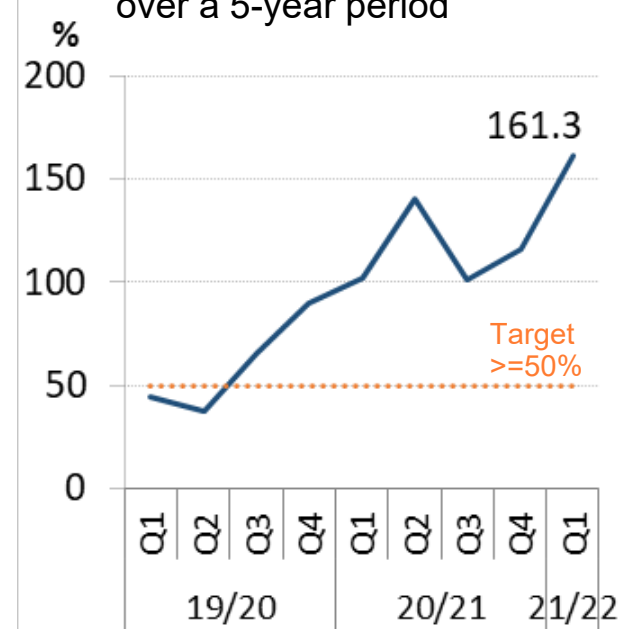
2. Profitability

Operating margin



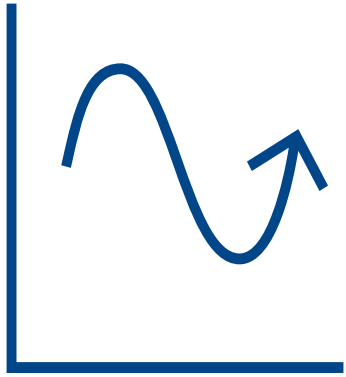
3. Growth of profits

EBIT/share growth over a 5-year period



Priority

Seasonal effects and the pandemic



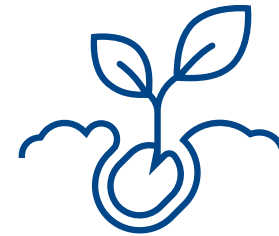
Variations between quarters continue to be large, but will over time gradually decrease.

Travel and marketing costs will increase post-pandemic, but not to historic levels.

Q1 highlights – Secure Communications



Participation in Vinnova project to help create more efficient and robust systems for **sustainable energy**



Inadequate margins, due to **growth initiatives** and strong impact from **COVID** on travel

Secure Communications – Financial performance Q1 2021/2022

Sales SEK million	Operating profit SEK million	Operating margin %
38.5 (36.8)	0.1 (0.4)	0.3 (1.1)

Growth initiatives Secure Communications

- » Mobile secure workplaces
- » Critical infrastructure
- » Highest security levels for
 - » Secure mobile voice and network systems
 - » High speed network encryption systems



Q1 highlights – Business Innovation



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



Strong negative impact from pandemic effects

Business Innovation – Financial performance Q1 2021/2022

Sales
SEK million

12.3
(8.8)

Operating profit
SEK million

Neg **1.5**
(Neg 5.1)

Operating margin
%

Neg
(Neg)

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 and areas



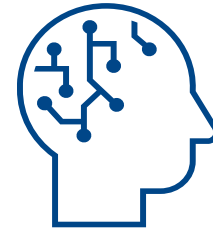
Q1 highlights – Imaging IT Solutions



US sales exceeded
half a billion SEK
for rolling 12-month



Top US healthcare
providers use
Sectra's solutions for
radiology and other
diagnostic imaging
areas



Expanding Sectra's
AI market place
with digital pathology
apps

Imaging IT Solutions – Financial performance Q1 2021/2022

Sales SEK million	Operating profit SEK million	Operating margin %
362.6 (260.6)	97.8 (35.7)	27.0 (13.7)

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



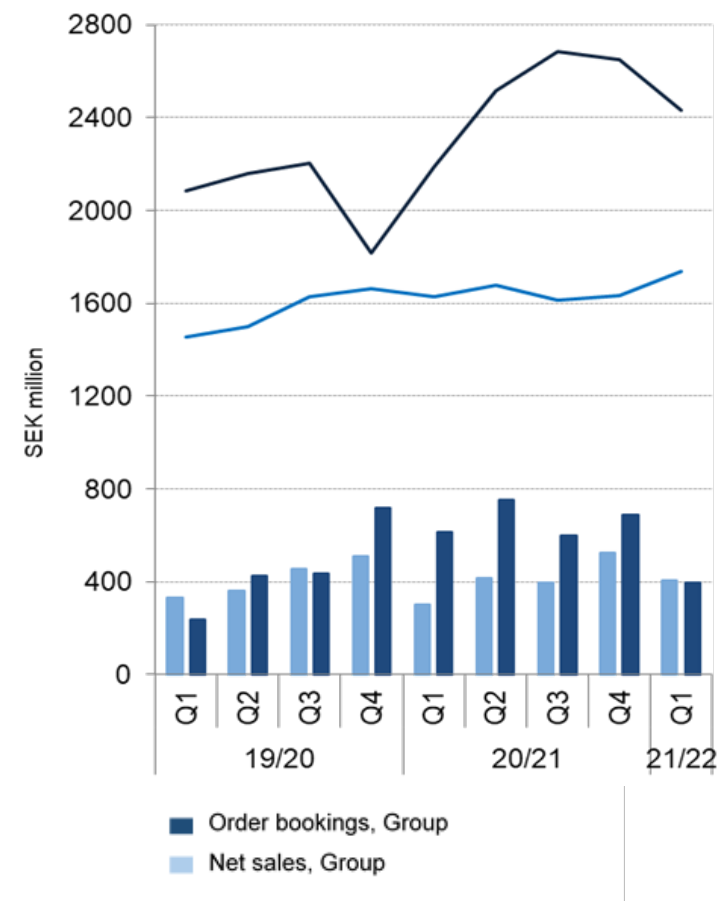
Financial development

Mats Franzén

Order bookings and net sales

- » Order intake was SEK 393.2 M, down 35.8% Q-on-Q
- » Net sales SEK 405.7 M, up 35.7%
- » Stronger SEK has negative impact
 - USD -7.6%
 - EUR -2.7%
 - GBP +2.9%

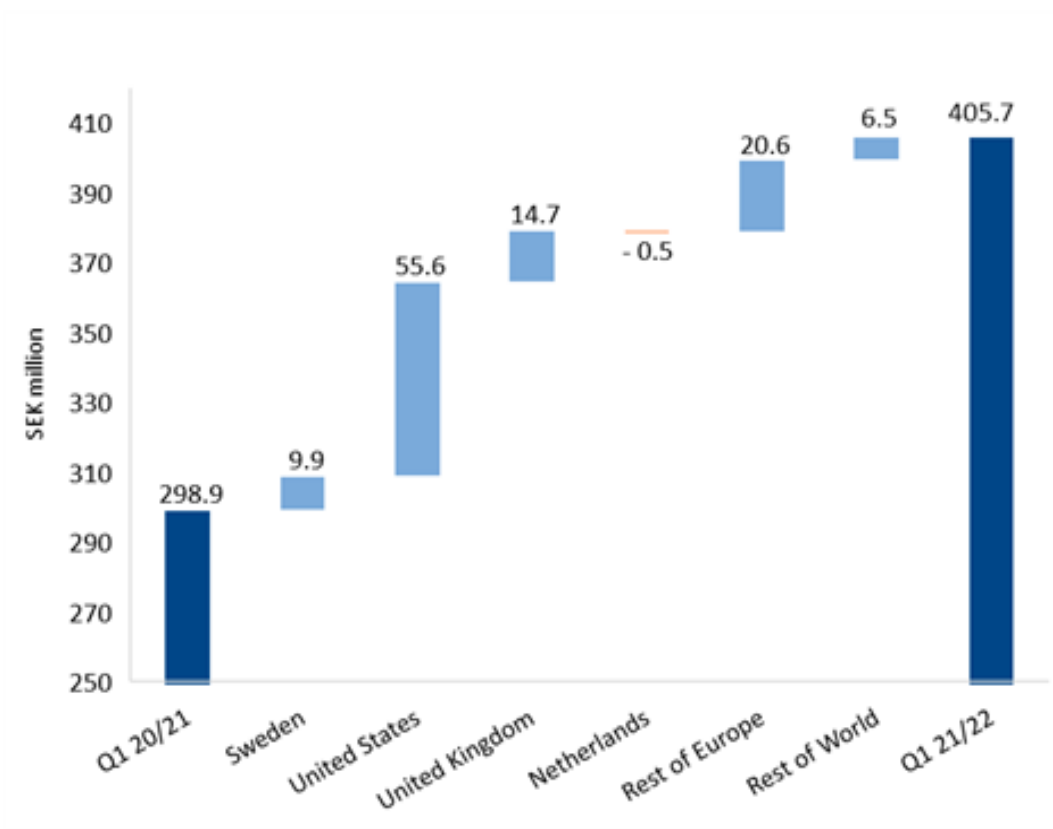
The Group



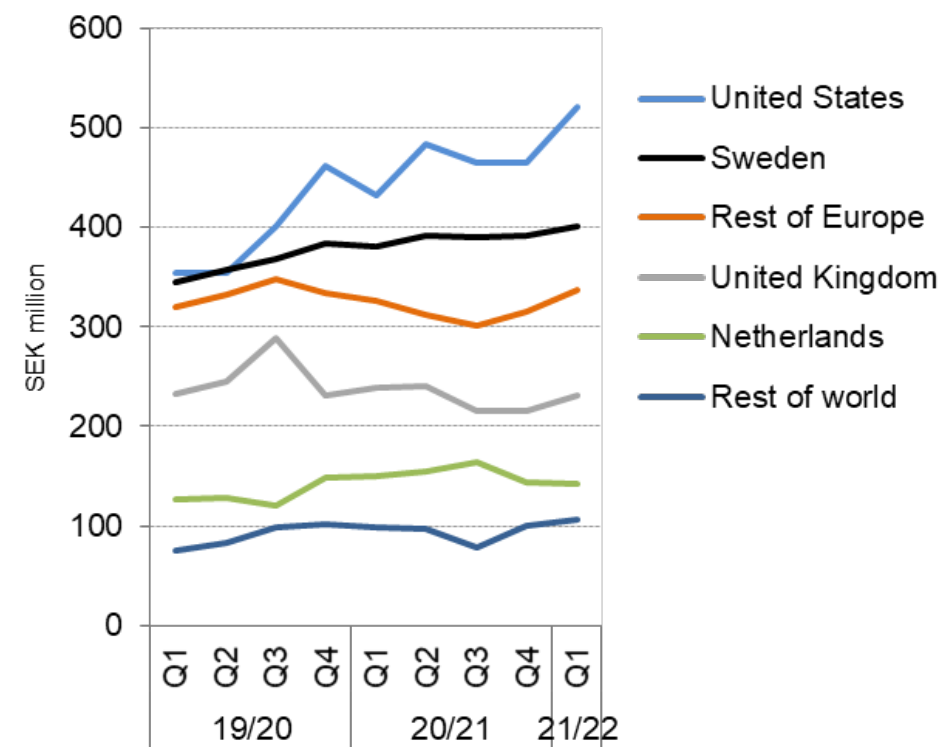
Average exchange rates compared with the average rates in the preceding year

Sales trend by geographic market

Trend by market Q-on-Q

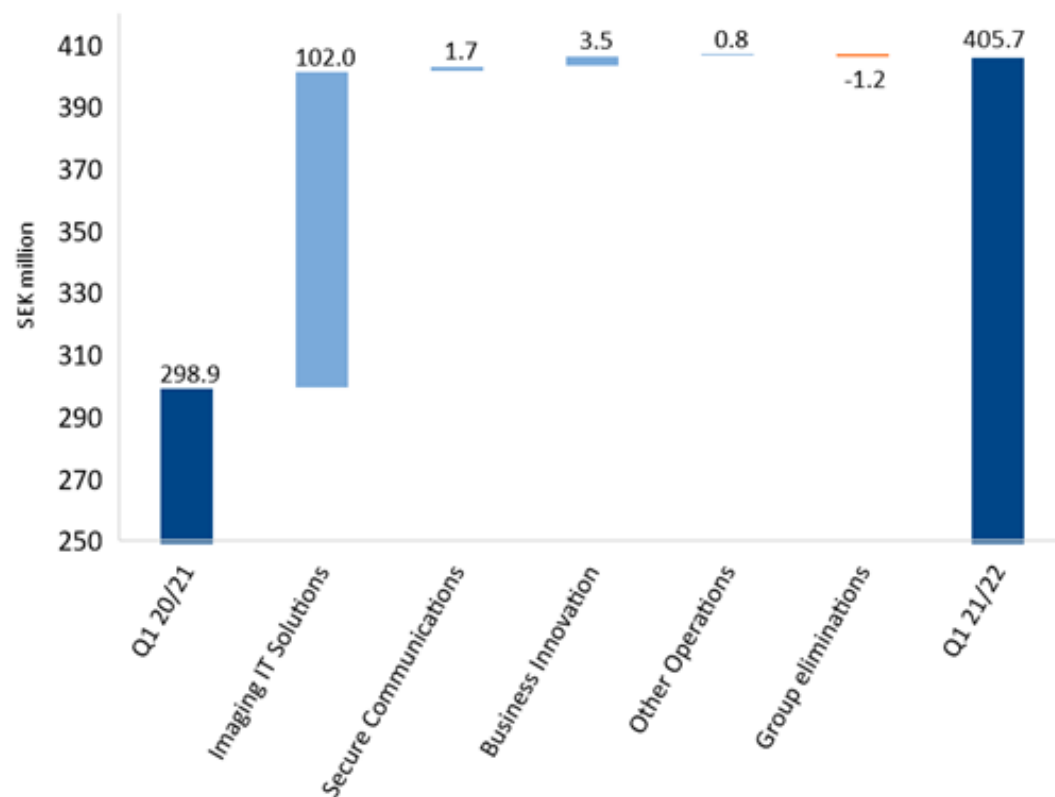


Trend 12-month rolling



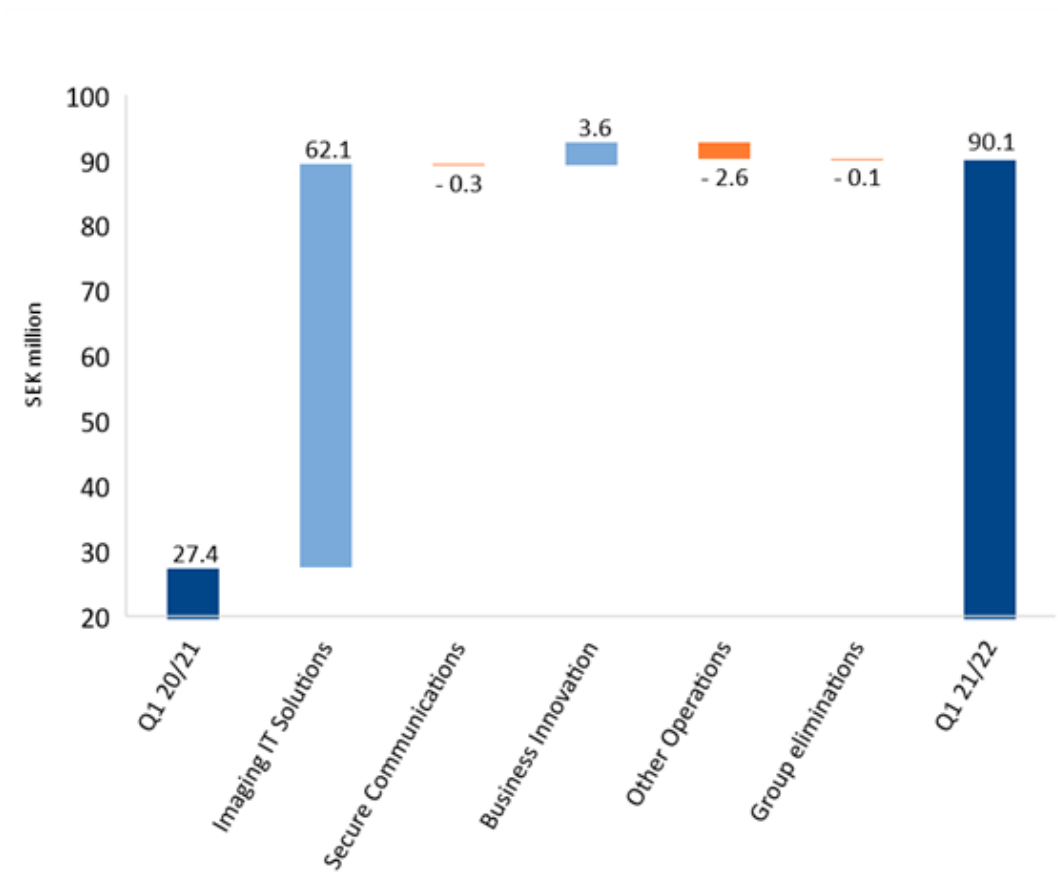
Sales by business segment

Trend by segment Q-on-Q

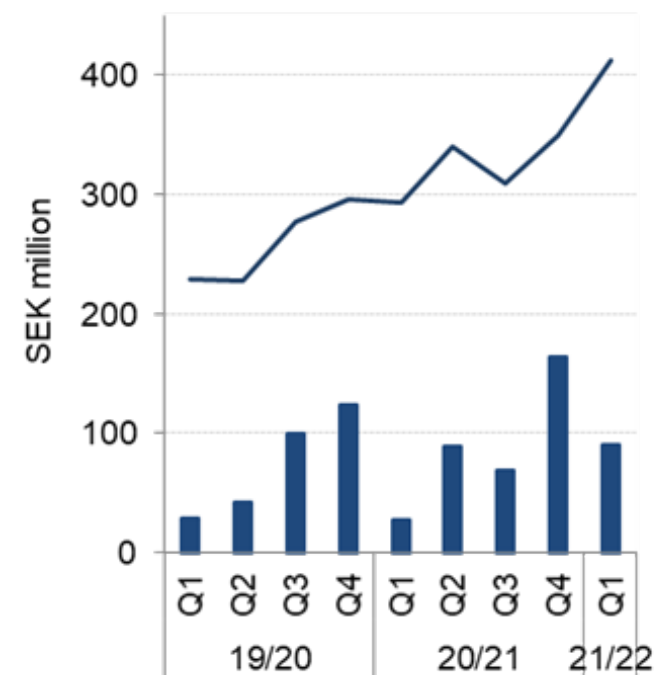


Operating earnings

By segment Q-on-Q



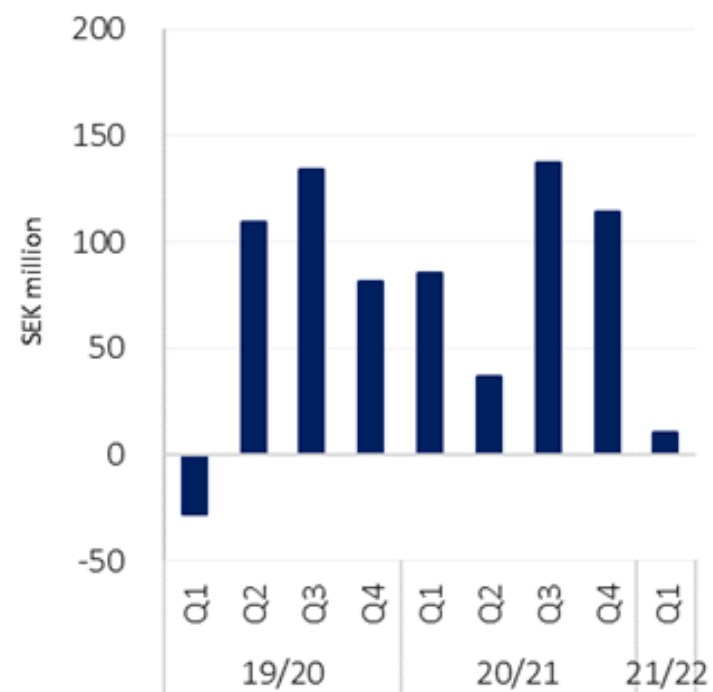
Trend 12-month rolling for the Group



Cash flow

- » Increased operating profit
- » Higher investments compared with the year-earlier period
- » Weak cash flow conversion from operating profit due to significant high-margin invoicing in the end of the quarter

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

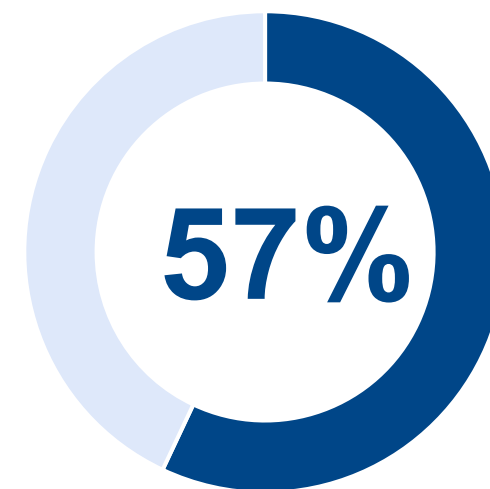
earned 5 KLAS awards in PACS
and digital pathology

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



Increasing recurring revenue

- » “Pay per usage” improves value for both customers and vendors
- » The Sectra One subscription model will play an important role
- » Transition will be over several years, accelerated by pandemic effects



Share of recurring revenue
12-month rolling

”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



Philosophy shareholders

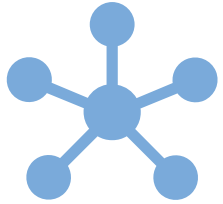
If you have:

- » Happy customers
- » Happy employees
- » A good position in growing markets
- » Perseverance and reasonable cost control

Then shareholders WILL be happy



Proposals to the Annual General Meeting



Division of shares whereby 1 share is divided into 5 shares



Share redemption program SEK 0:90 per share, taking into account the split 5:1



Long term performance-based incentive programs

Upcoming financial reports and the AGM

- » Sep 14, 2021 Annual General Meeting
(postal voting only)
- » Dec 10, 2021 Six-month report

Your feedback is important!

Please let us know what you think.

Send an email to: info.investor@sectra.com

Questions?

If you follow online, please use the chat function.

SECTRA

Knowledge and passion