

Welcome to Sectra's Capital Markets Day 2015

EFFICIENT HEALTHCARE | SECURE COMMUNICATION

SECTRA

Company update and financial update

Torbjörn Kronander, CEO and President Sectra AB
Simo Pykälistö, CFO and Executive Vice President Sectra AB

EFFICIENT HEALTHCARE | SECURE COMMUNICATION

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Our two main business areas

Imaging IT



84%

Secure Communications



7%

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Our greenhouse: Business Innovation 4%



Online services for analyzing osteoporosis and other analyses



Medical education



Online services for planning orthopedic surgery



Research

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Business Innovation



Note: Y-o-y comparisons are difficult as areas are moved in and out.

In addition we had a one time patent sale in Q1 2014.



Sectra financing (6%)

- Projects with much software content are difficult to finance via banks.
- Strong cash -> We started our own "bank".
- The Sectra capital arm is today about as large as Communications. And growing.
- Only for financing Sectra projects!




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Global presence

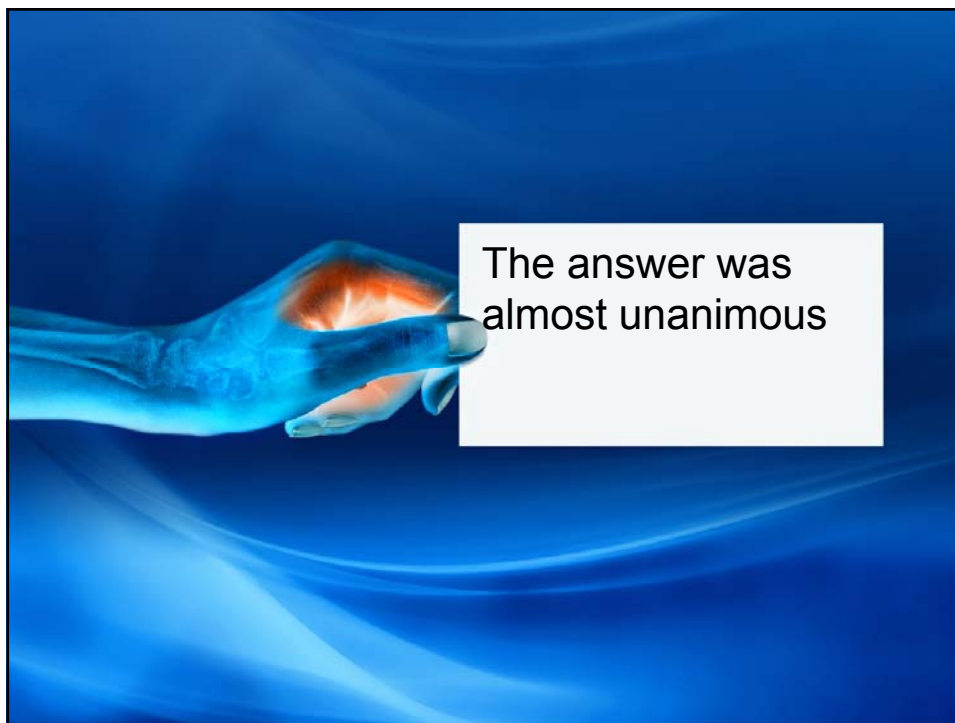
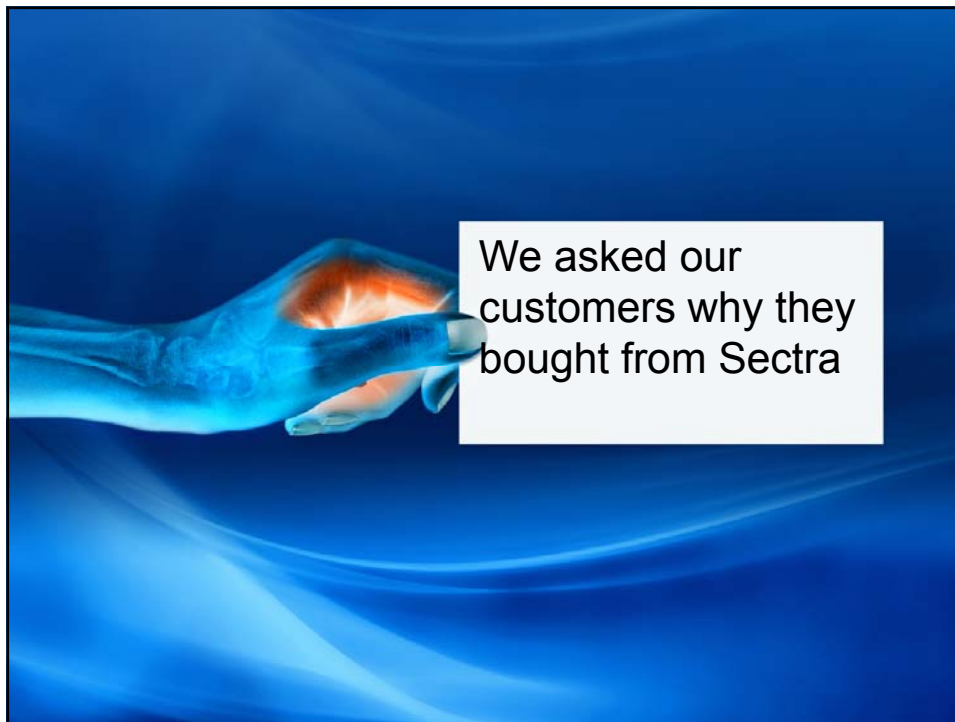
- Offices in 14 countries, customers in > 60
- Scandinavia, USA, UK and the Netherlands are Sectras largest markets
- Fastest growth in Norway, USA and UK

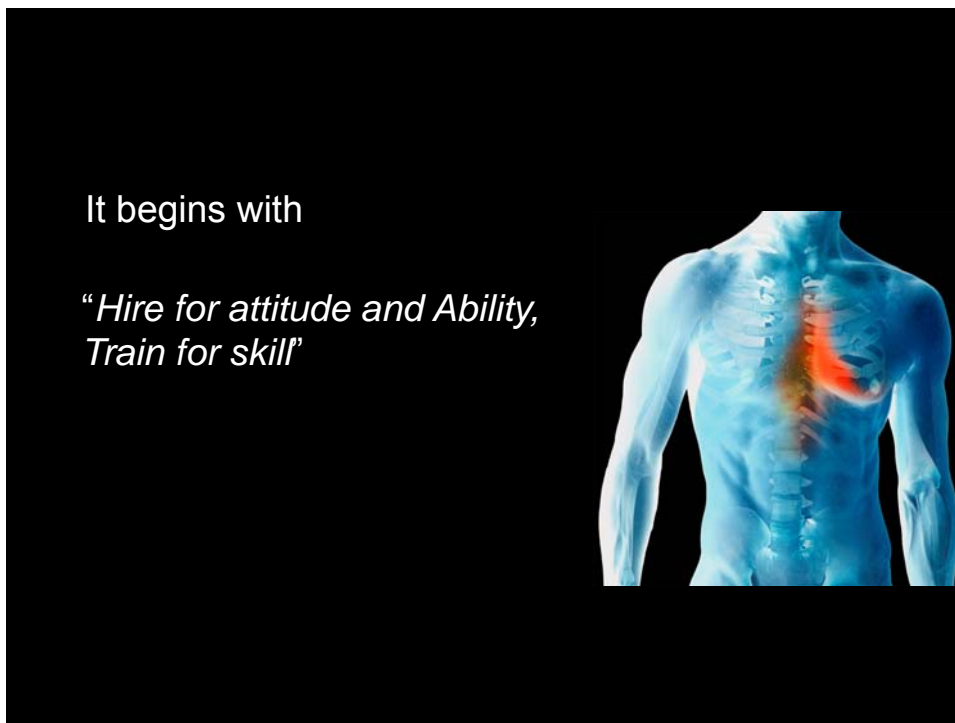
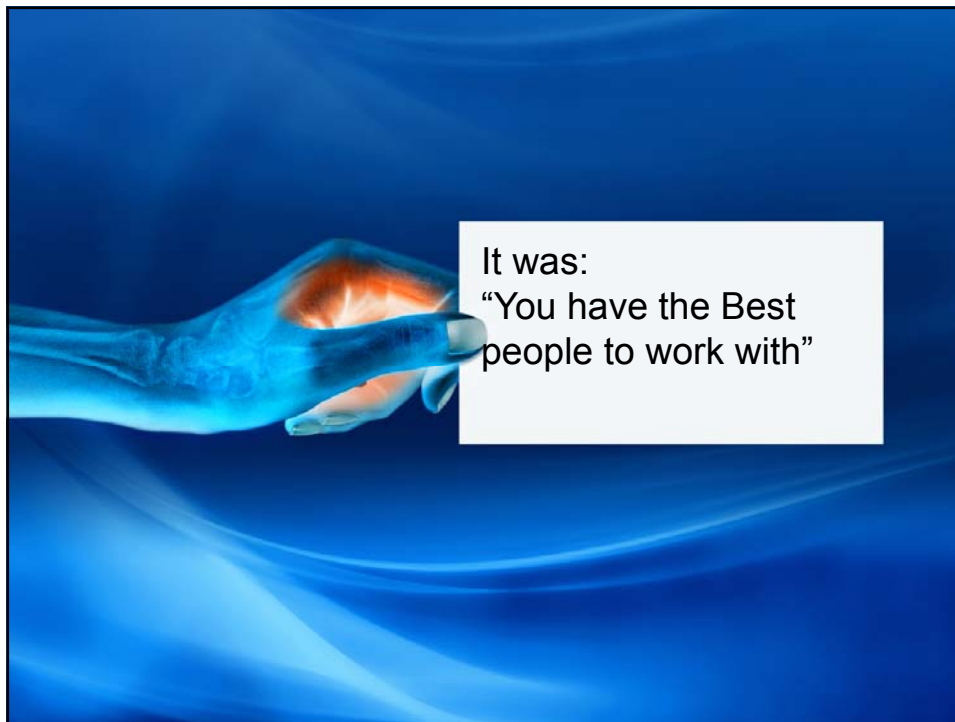


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Sectras key
strength







Search and Hire



- Search for excellence is a very important part of all managers' job
- There is no HR function for this at Sectra
- Many interviews
- Most often also with the CEO
- Right of veto from all interviewers
- This is how we always did it, and it is with some pleasure that we noted that Google copied us until they were 20000 employees...☺

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Knowledge & Passion



Resulting in



Happy customers, Happy Employees

SECTRA PACS WINS A GRAND SLAM



COMMUNITY
PACS



GLOBAL
PACS



PACS

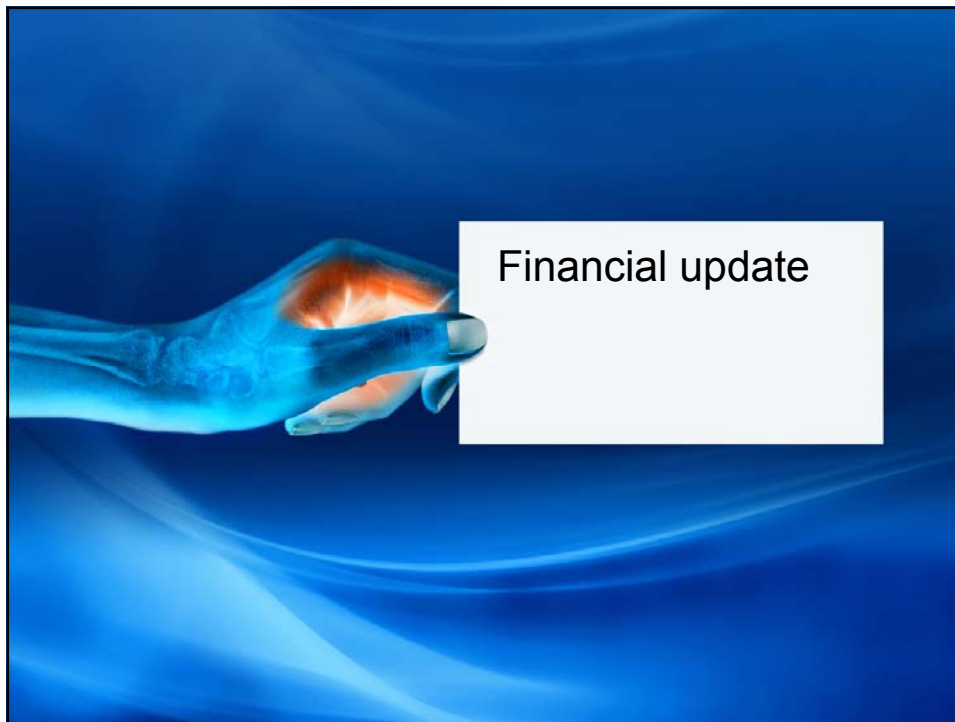


AMBULATORY
PACS



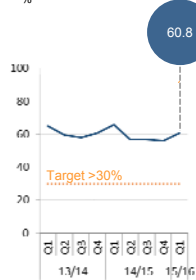
Happy shareholders

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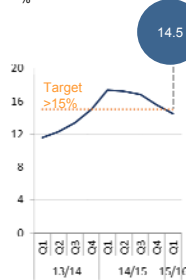


Financial targets for the Group

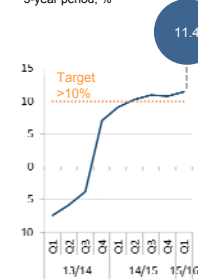
1 Stability Equity/Assets ratio %



2 Profitability Operating margin %



3 Growth Average operating profit/share over a 5-year period, %

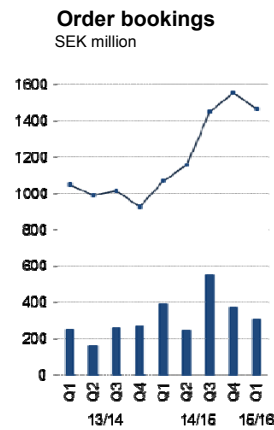


Priority

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Order bookings

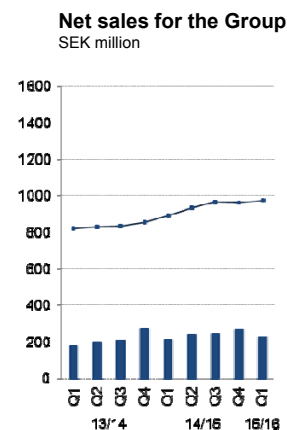
- Down 22.7% to SEK 299.9 M.
- As expected - decrease in UK as many hospitals were forced to buy before summer 2015.
- Net new and add-on sales increased.
- Large variations between quarters.



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Long-term contracts support solid growth

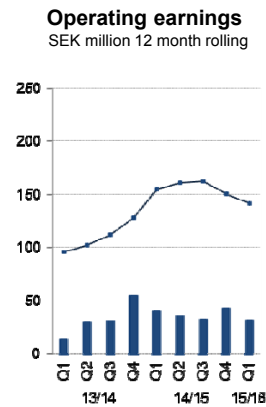
- Net sales up 5.9% to SEK 224.9 M.
 - Excl. one time item 14/15 up 14.7%.
- Both Imaging IT Solutions and Secure Communications increased sales.
- Positive effect of currency changes.



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Growth of operating profits

- Operating profit down 22.5% to SEK 31.4 M
 - excluding one time item operating profit was up by 29,8%.
- Operating margin 14.0%.
- Positive effect of currency changes.



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Cash flow

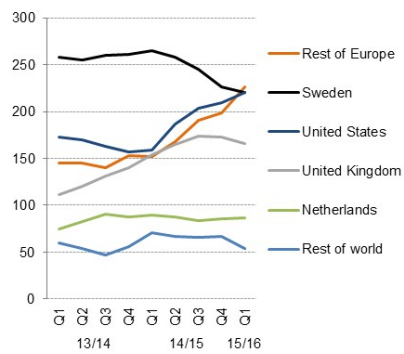
	2015/2016 Q1	2014/2015 Q1
Cash flow after changes in working capital	SEK 6.6 M	SEK 28.0 M
Cash flow/share	SEK 0.18	SEK 0.75

- Impacted by ongoing deployment of the new large long-term customer contracts.
- Long-term the contracts will contribute to a solid future for the Sectra Group.

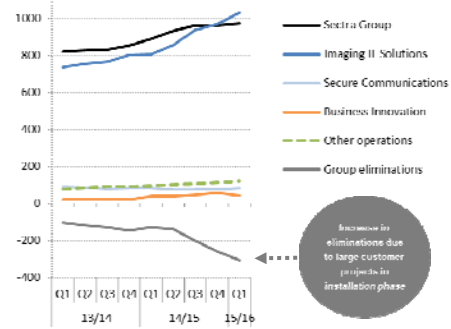
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Sales by region and business segment

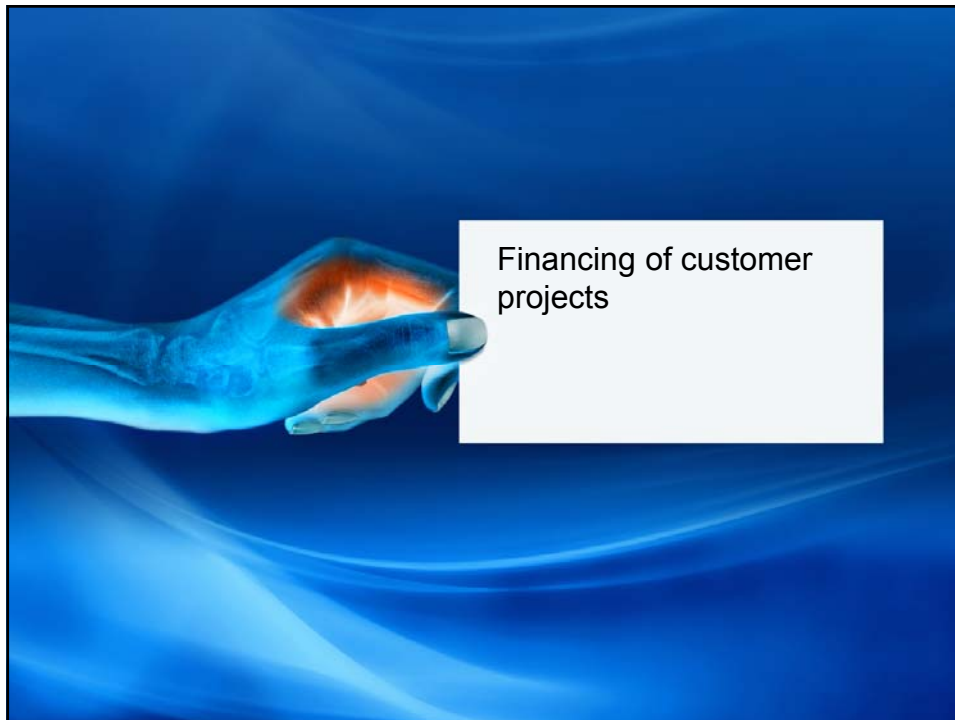
Net sales by geographic market
SEK million 12 month rolling



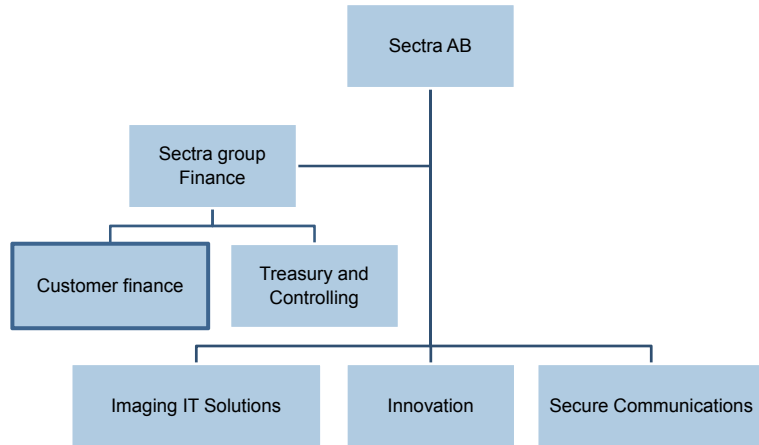
Net sales by business segment
SEK million 12 month rolling



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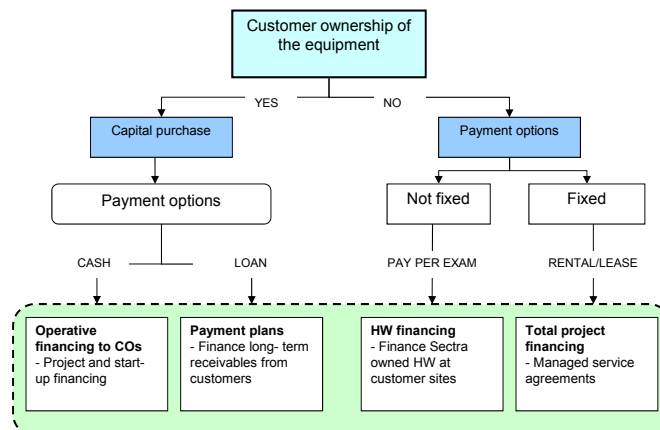


Sectra Group Finance



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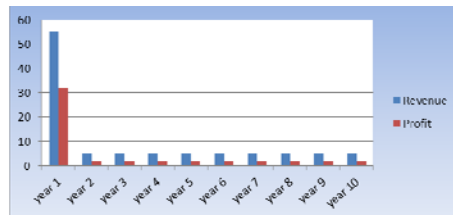
Customer Financing



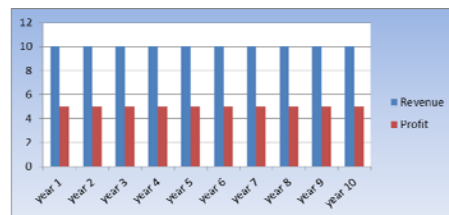
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Example – Contract SEK100 m

Alt 1: Normal project delivery + maintenance 10 years



Alt 2: Managed service contract over 10 years



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Conclusion

- Increased number of managed service contracts.
 - Especially in UK, but increasingly also in other countries.
- Delayed revenue and profit recognition for the Group.
 - Sectra group start to recognize revenue after the deployment projects is finalized.
- Long term sales and profitability not negatively affected, possibly improved.
- Smaller variation between quarters as for revenue, larger variation in order intake

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Most of today's IT systems are connected



- This provides huge benefits
- But also huge risks
- To protect information is increasingly important
 - Between people
 - But also between systems

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A very strong

Da

CHAPTER 5 rno

The shrill ring of his phone drew the provost's gaze from the calming mist of the Adriatic, and he quickly stepped back into his stateroom office.

It's about time, he thought, eager for news.

The computer screen on his desk had flickered to life, informing him that the incoming call was from a Swedish Sectra Tiger XS personal voice-encrypting phone, which had been redirected through four untraceable routers before being connected to his ship.

He donned his headset. "This is the

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Our customer promise



Extremely secure products and services
which are also very easy to use.

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Increasing synergies



HEALTHCARE IT
DIGITAL COMMUNITY

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How about EMR Suppo

Get Certified by OTech OTECHING

[Heathcare IT Digital Community Home](#)



FDA issues cybersecurity warning

By AuntMinnie.com staff writers

June 14, 2013 -- The U.S. Food and Drug Administration (FDA) has issued a communication addressing recent cybersecurity incidents affecting medical devices and hospital networks.

In a June 13 memo, the FDA said it has recently become aware of cybersecurity vulnerabilities and incidents that could directly affect medical devices or hospital network operations.

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Secure Communication financials



- Communications hurt by problems in Sweden
- Resulting in poor financial performance over the last 3 years
- This is now increasingly compensated for by export and new business
- The results are better, but not yet acceptable

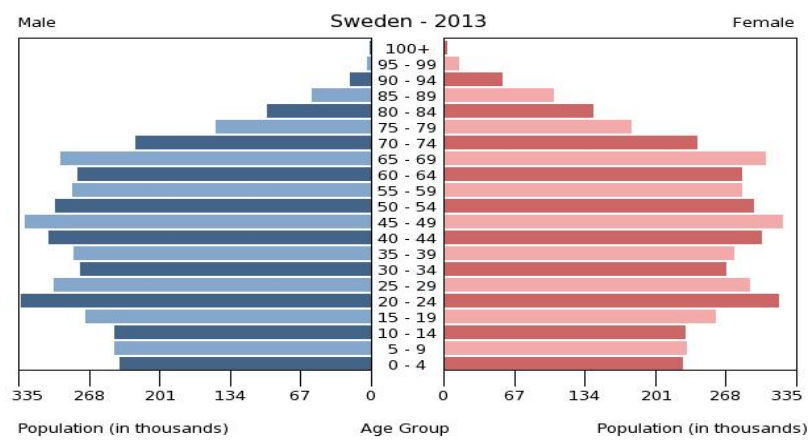
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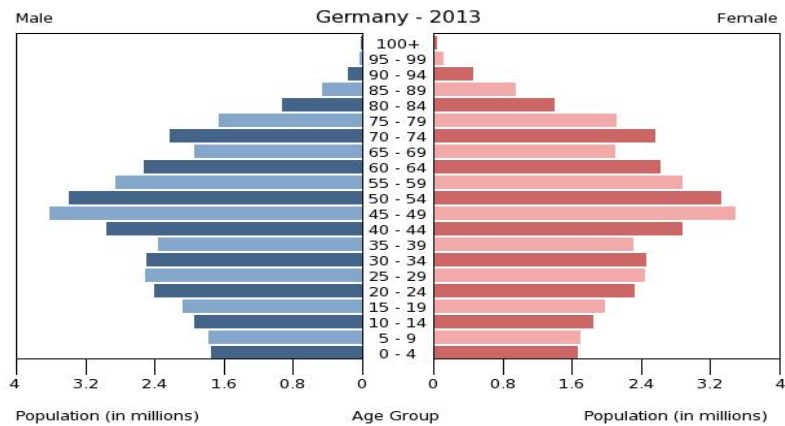
Demographics

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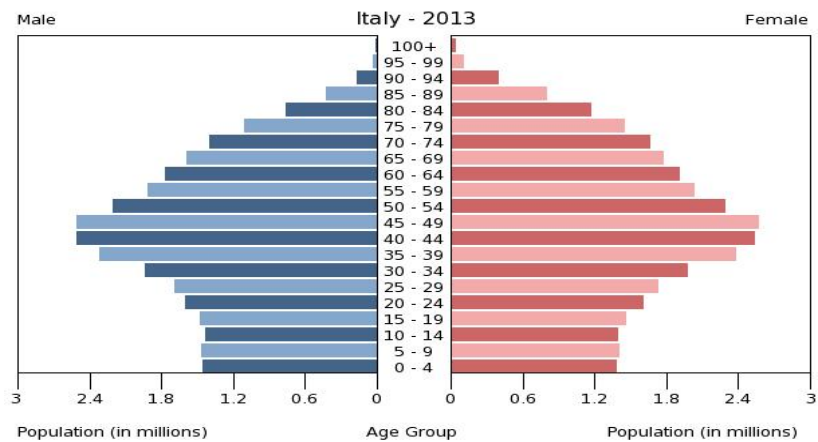
Population pyramid of Sweden

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Population pyramid of Germany



Population pyramid of Italy



Leading to

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Market Trends and Drivers

Mats Björnemo
VP of Product Management
Sectra Imaging IT Solutions AB
mats.bjornemo@sectra.com

Why do healthcare have a challenge?

Because the equation...

Demographics + Patient / Public
Expectations + Quality

Money

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2015

Bild: Thinkstock

POLITIK

Landstingen går mot miljardförlust

När landsting och regioner ska göra bokslut för 2015 räknar de med stora underskott.

Lediga jobb

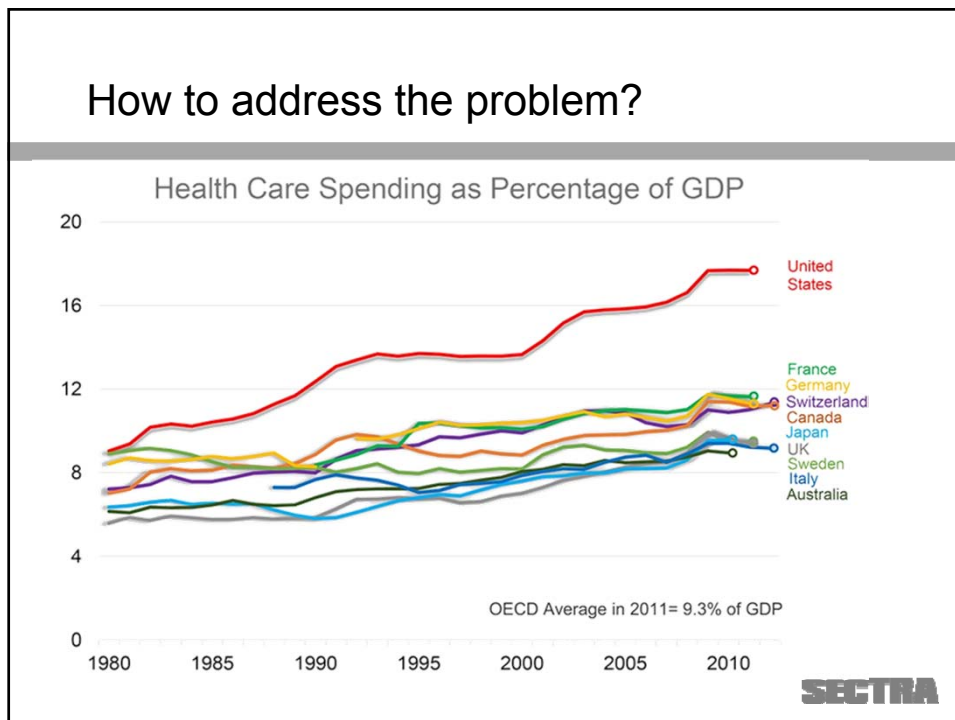
- Verksamhetschef
- Specialist- och eller överläkare i lungmedicin till Specialistvården
- Verksamhetschef till VO Specialiserad medicin i Ystad
- Urolog sökes till Hallands sjukhus, Kungälv
- Specialistläkare/ST-läkare nefrologi

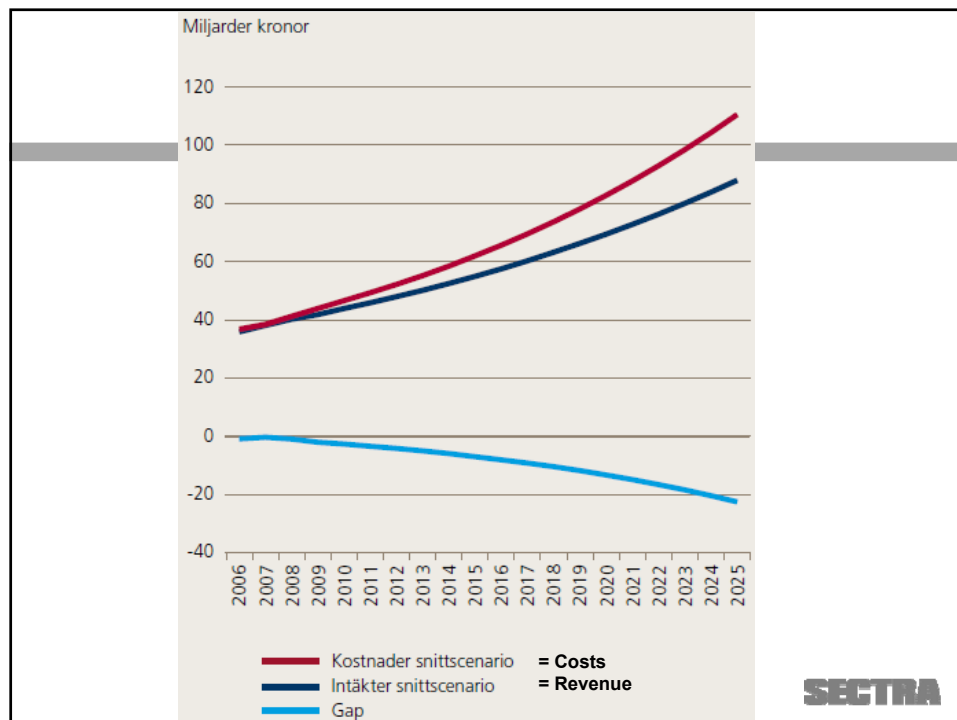
Sök

Se fler platsannonser >

Mest lästa

- Snabbutbildning får sekreterare att rasa
- Gikt tog plats på Euler
- Han vill göra patienterna mer





Rising to the Challenge?

Demographics + Patient / Public
Expectations + Quality

Money

Solution = transformational change to the
current way of delivering health care

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'Old' vs 'New' change methodology

Transactional change:
"Doing things better"

Transformational change:
"Doing better things"

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Are we doing the right things?

SVENSKA DAGBLADET

Start Näringsliv Kultur Ledare Meny

Vården har aldrig haft större resurser



"Healthcare has never had more resources"

70th

The U.S. ranking in health and wellness among 132 nations.

—The Social Progress Index 2014

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Consolidation of providers

Decrease cost – Economy of scale



Health Regions



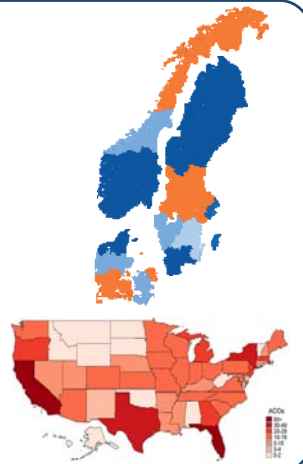
Foundation Trusts / Consortia



Hospital mergers



Accountable Care Organizations



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New ways to deliver care

Integrated Care Pathways

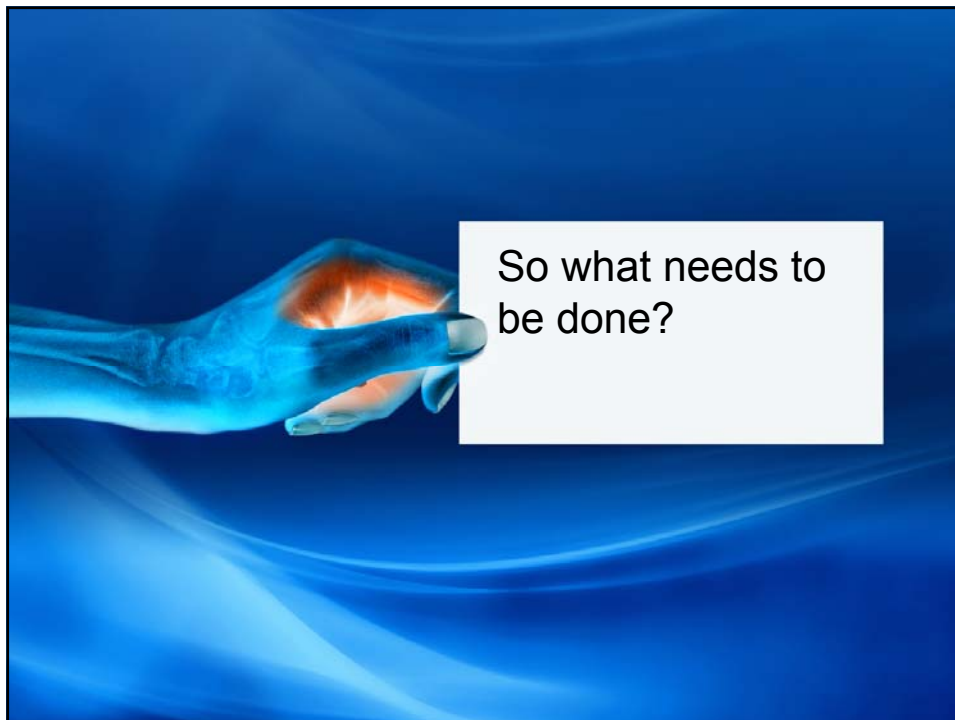


Dissolving traditional boundaries in how care is delivered

Improving the coordination of care around patients

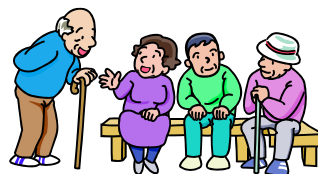
Improving outcomes and quality

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The diseases of the old

- Cancer
- Skeletal diseases
- Circulatory diseases
- Neuro-degenerative diseases
- Add general diagnosis



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Our customer promise in medical



To increase effectiveness of healthcare, while maintaining or increasing quality in patient care

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Medical financials



- Imaging IT solutions (84% of Group revenue) is the workhorse of the company and is continuing to perform well
- Some of the Business Innovation projects are growing significantly, but from a much lower level

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Growth of profits within Secure Communications

Michael Bertilsson,
President business line Secure Communication

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Mission statement

Enhance the openness and stability of society



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Market segments/Product offering

Ensuring that sensitive information securely and swiftly can be transmitted between those who need it.



Secure Mobile Communication



Secure Network Communication



Critical Infrastructure



Automotive Industry

Assessing security in increasingly complex and increasingly exposed operating systems.

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Market segments/Product offering

- An ecosystem for secure mobile communications
- High speed data encryption



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Market segments/Product offering

- Security assessment and recommendations
- Increasingly used also for new areas



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Customers and examples of their “pains”



EU in Brussels



Automotive Industry



NATO



Governments



Swedish Defence Forces



EU Battlegroups



Critical Infrastructure



Missions

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Customers and examples of their “pains”

- Mobility for security cleared professionals
- More sophisticated eavesdropping
- Increasingly complex and exposed systems



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Geographical presence/Sales strategy

- Sweden
- The Netherlands
- Finland
- Mainly direct sales
- Limited partner sales



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Market position

- Our Tiger system is installed in more than half of the countries in Europe and in EU and NATO
- Customers are restrictive with information about crypto equipment and planned investments

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Competition

- Sweden:
Several smaller companies mainly doing business in Sweden within a narrow segment.
No competition in secret level mobile phones
- EU/Nato:
Larger companies mixed with mid size.

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Market drivers/trends



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Market drivers/trends

Photo: © Reuters - Associated
***** the EU: Senior US diplomat Victoria Nuland makes her position clear in bugged conversation with Ukraine envoy**



US Secretary of State John Kerry in signed conversation said to be between Victoria Nuland and the US ambassador to Ukraine is published on YouTube

Hackers exploit SCADA holes to take full control of critical infrastructure

Computerworld Jan 15, 2014 12:31 PM PT

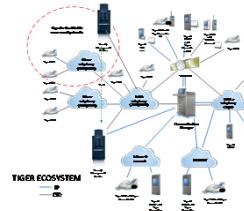
MORE LIKE THIS

Terrorism

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Opportunities and threats

- Tiger Ecosystem
- Samsung

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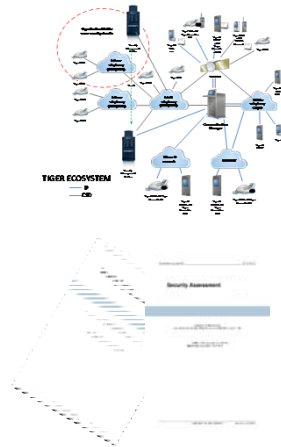
Opportunities and threats

- Changes in security requirements
- Delays in approval processes
- Dependence on large, individual customers

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Growth areas

- Restore profit in base business with Tiger Ecosystem
- Security analyses and systems for other areas

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3-year development

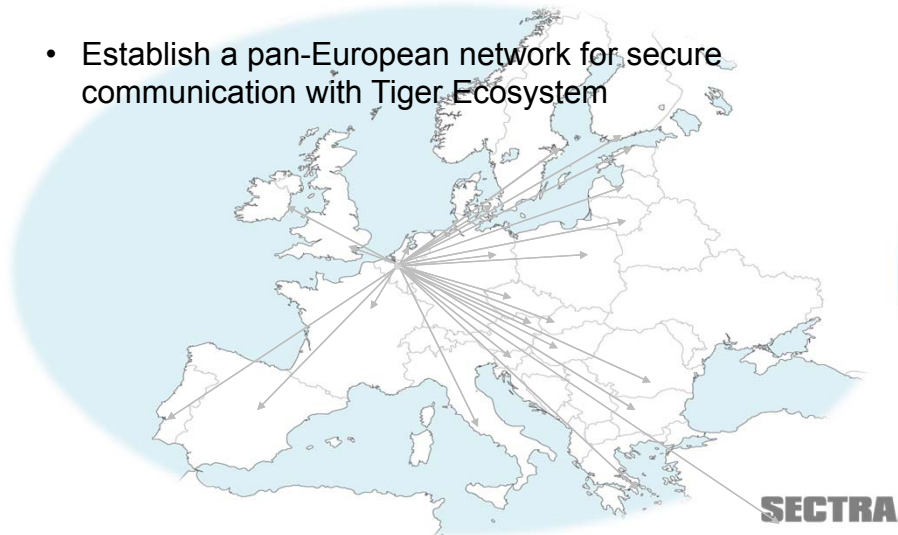
- Prolonged framework contracts
- Dutch business increased
- Subsidiary Finland, acquired EXP analytics
- Complete offering with Tiger Ecosystem
- Weak market trend in for Sweden



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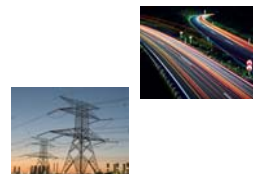
Long-term vision

- Establish a pan-European network for secure communication with Tiger Ecosystem



Steps to grow profits

- Focus on sales of Tiger Ecosystem
- Strive to improve Swedish situation
- Use strong brand in security to leverage other areas



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Growth of profits within Imaging IT Solutions

Marie Ekström, President business line Imaging IT Solutions
and Executive Vice President Sectra AB

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Our mission statement

Our mission is to: “Increase effectiveness of healthcare, while maintaining or increasing quality in patient care.”



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The diseases of the old

- Cancer
- Skeletal diseases
- Circulatory diseases
- Neuro-degenerative diseases
- Add general diagnosis



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Cancer diagnostics

Mats Björnemo
VP of Product Management
Sectra Imaging IT Solutions AB
mats.bjornemo@sectra.com

New ways to deliver care

Integrated Care Pathways



Dissolving traditional boundaries in how care is delivered

Improving the coordination of care around patients

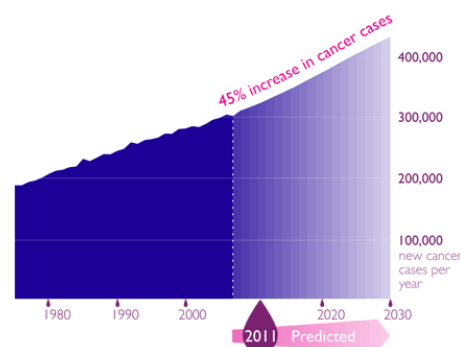
Improving outcomes and quality

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Focus on cancer diagnostics

Increasing disease with older population and lifestyle

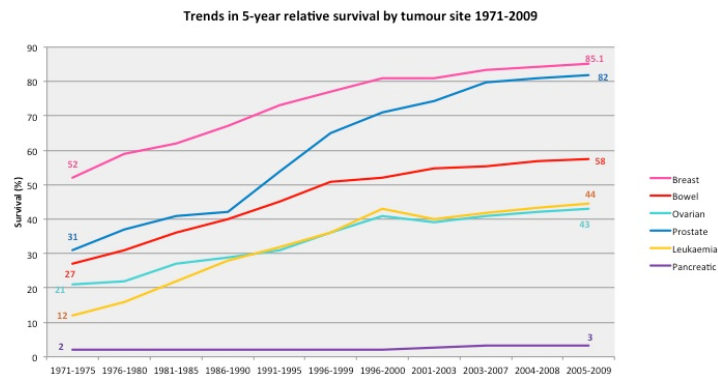
Cancer cases to continue rising



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Focus on cancer diagnostics

Increasing disease with older population and lifestyle
Becoming a chronic disease – not deadly



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Focus on cancer diagnostics

Increasing disease with older population and lifestyle
Becoming a chronic disease – not deadly
Driving costs



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Standardized Cancer Pathways

VARJE DAG RÄKNAS!

NATIONELL SATSNING FÖR KORTARE VÄNTETIDER I CANCERVÅRDEN



“Every day counts!”

Patient focused
(outcome /value focused)

Shorten waiting times

More equal care

2015: 5 cancer types

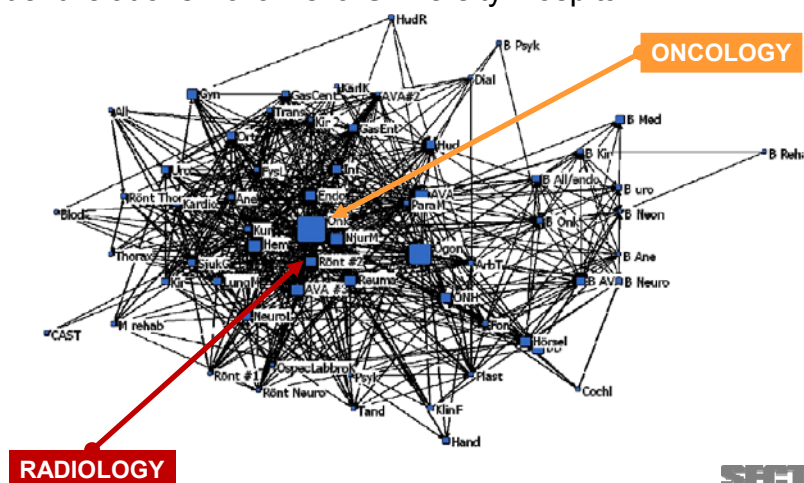
2016: 13 cancer types

500 MSEK/yr incentive

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Departments' relations to Radiology


Patient relations Karolinska University Hospital

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The role of imaging

Investigation: The Future Healthcare 2008-2025
(Stockholm County Council)

Tabell 6-2 Förväntad utveckling av medicintekniska investeringar och behov av förbruk

Investerings- behov	Kommentarer
Bild och funktion 	<ul style="list-style-type: none"> • Radiologi blir mer integrerat; mer radiologisk utrustning i operationslokaler • Låga investeringar i SLL; bör öka kommande år • Radiologi kommer att stå för en allt större del av de totala investeringarna

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Oncology impact

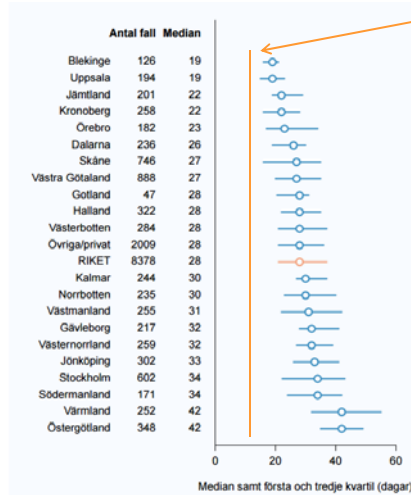
“Oncology cases represents 30% of the daily workload
but 50% of the reading time”

“30% of the hospital revenue is related to oncology”

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Pathology lead times Sweden

From prostate biopsy to result available to patient: **11 days**



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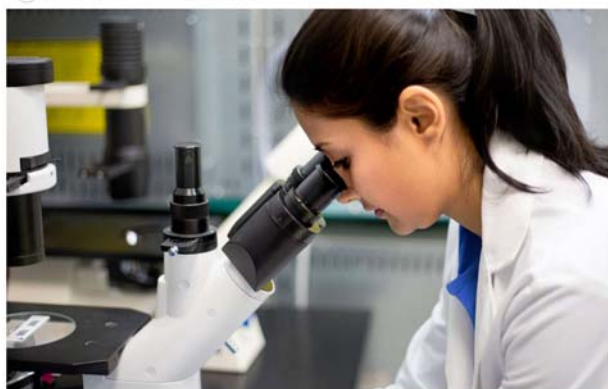
DN Debatt

NYHETER ▾ STHLM ▾ EKONOMI ▾ SPORT ▾ KULTUR ▾ DN.TV ▾ 21° ▾ A TILL Ö ▾

Debatt - hem

”Skriande brist på patologer skapar kris i cancervården”

Bokmärk artikel Publicerad i dag 00:08



I Sverige råder en skriande brist på patologer, de läkare som analyserar vävnadsprover i mikroskop, skriver fyra forskare och läkare.

Foto: All Over Press

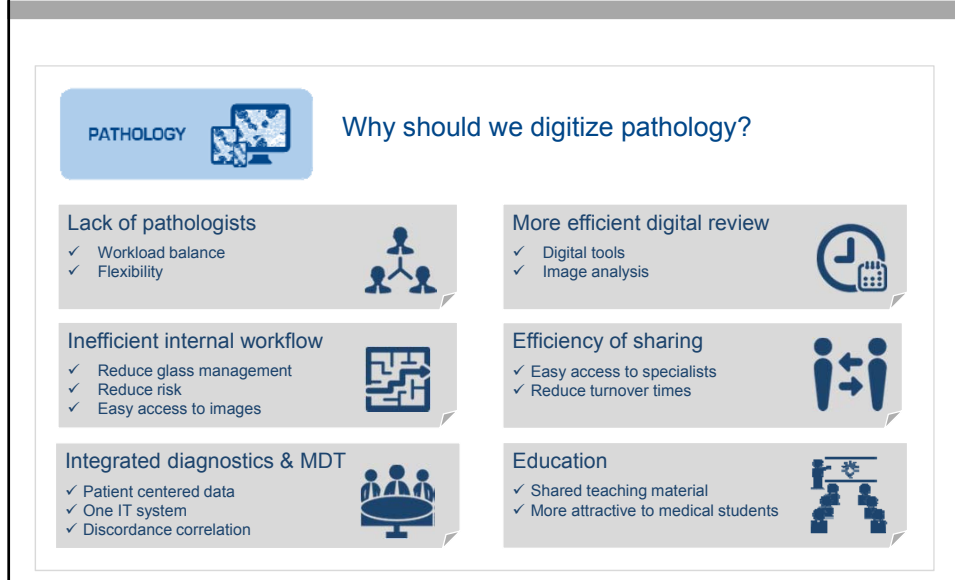
“Critical shortage of pathologists creates crisis in cancer care”

“[...] påskynda digitaliseringen inom patologi”

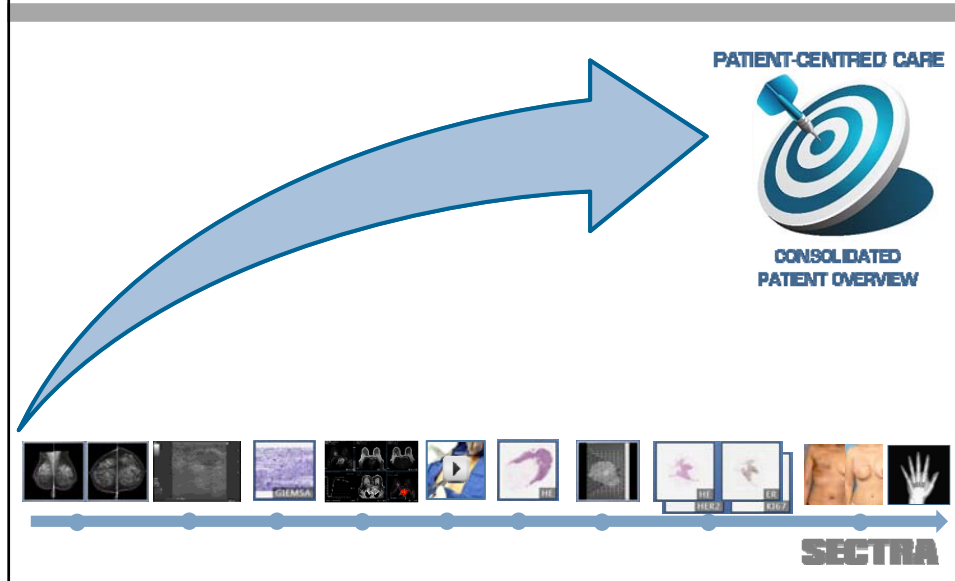
“...speed up the digitization of pathology”

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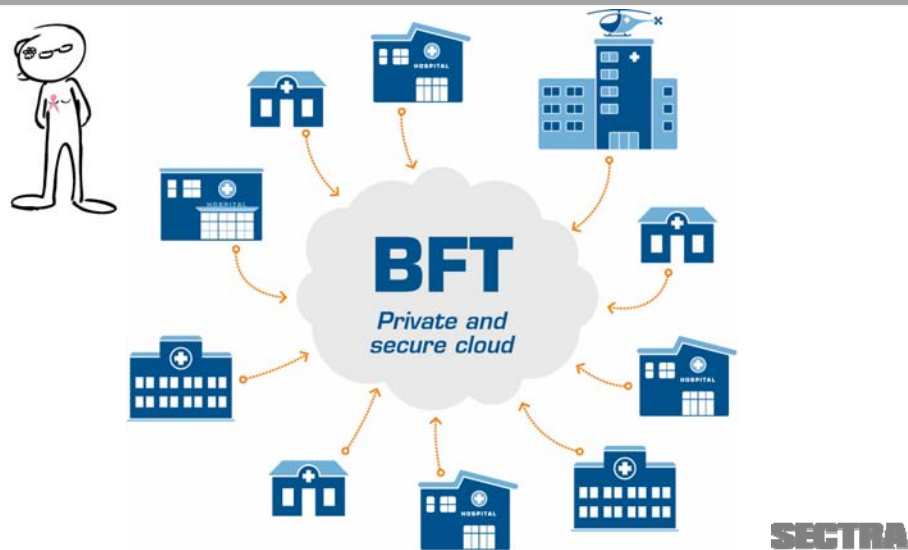
Key reasons why the world is digitizing pathology



Consolidation of Imaging IT

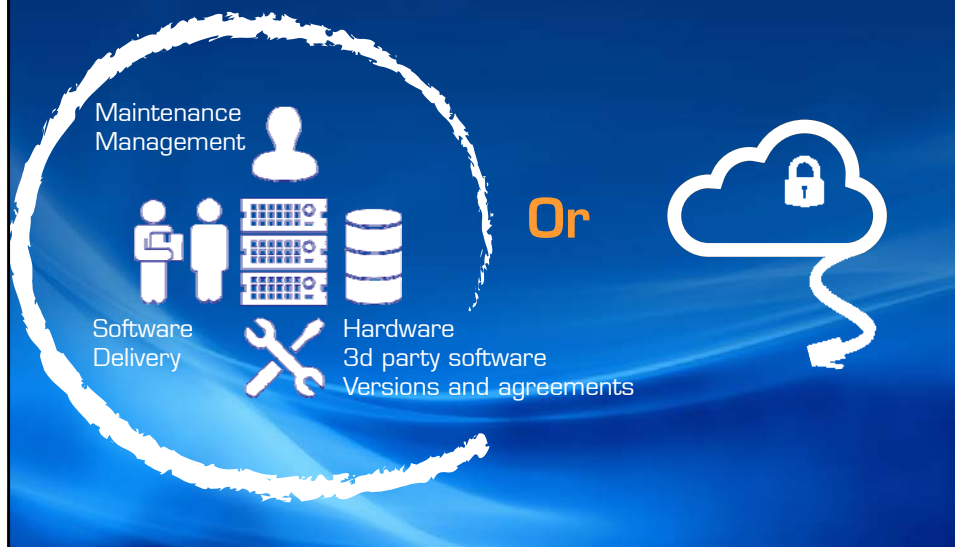


Consolidated imaging platform in Stockholm



Software-as-a-Service

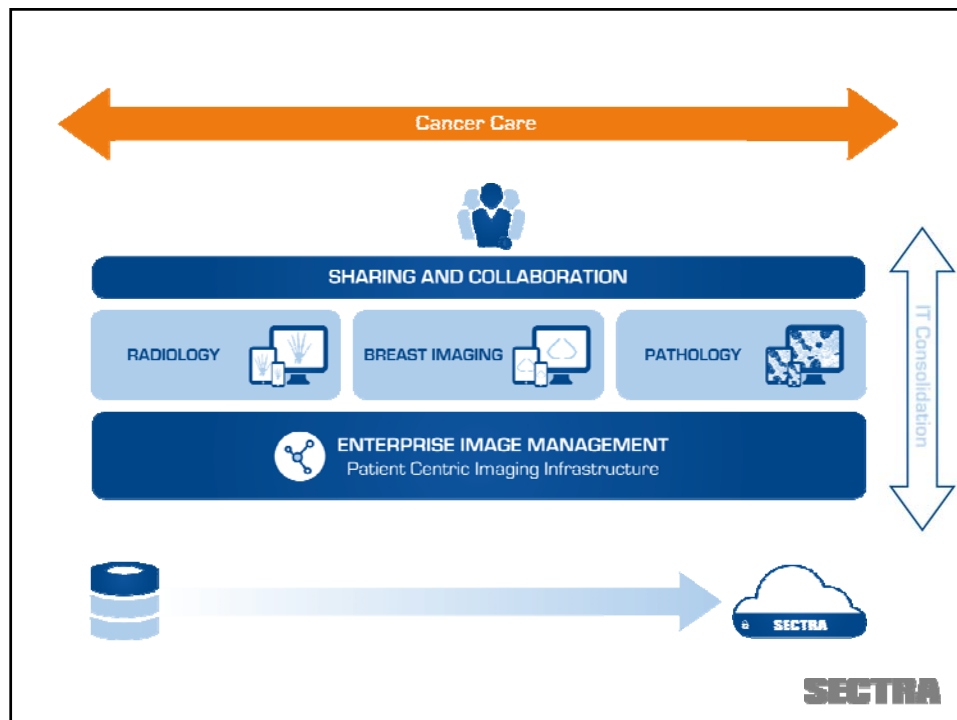
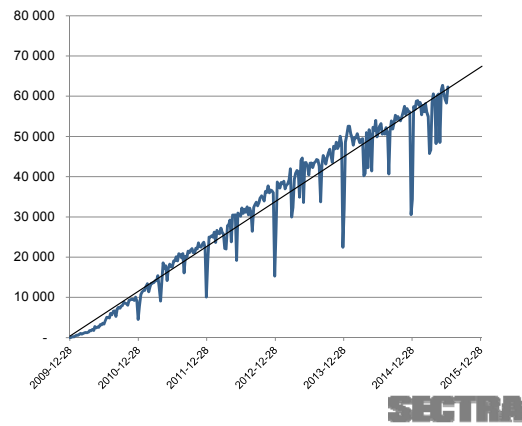
From the customers' perspective



Coordination of care

How can we help?

Sectra Image Exchange Portal – enabling networks of care!



Summary

Challenge: The Gap

- Economy of scale
- Consolidation



Driving: Personalized Healthcare

- Patient centric – outcome/value focused
- Clinical Pathways – networks of care



Enabled: Technology

- Software as a Service
- Quantitative Data Driven



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Our mission statement

Our mission is to: “Increase effectiveness of healthcare, while maintaining or increasing quality in patient care.”



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Kings College NHS Foundation Trust one of 17 Sectra trusts in London

- Customer says: *"Sectra can handle multi-hospital environments and easily tailormade complex needs and workflow" . No down-time, stability, availability..."*
- Sales - "Best people matters"
- Managed service including hardware 10 year contract



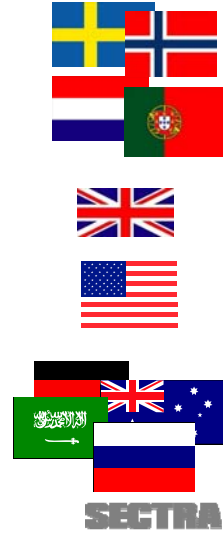
One of several London hospitals who have opted for Sectra. Combined, they serve about 6.5 million Londoners

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Current position

- Market leading position in Sweden, Norway, Netherlands, Portugal
- Top market position in the UK
- Best in KLAS and key references gives us a position to grow in the US
- DACH, ANZ, Saudi, Russia...



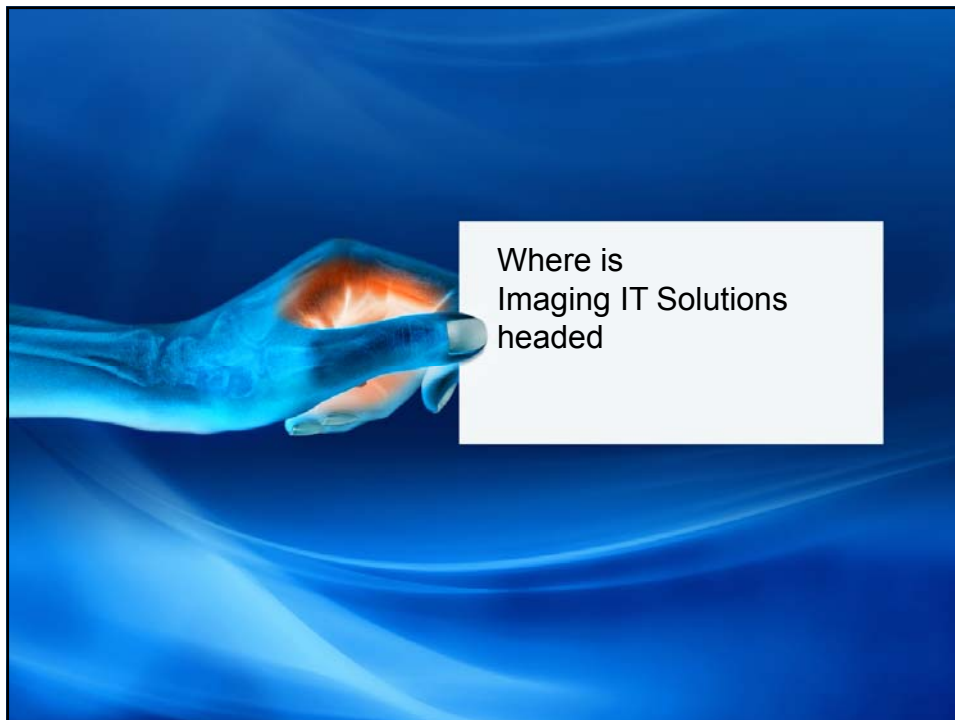
Competition: 4 types of vendors

IT companies

Old film
companies

Some EMR providers
(sve: journalsystem)

Equipment companies



Opportunities and threats



- Increasing need for imaging services
- Value based healthcare – Standardized patient pathways with efficient tools
- Consolidation
- Expand imaging platform outside radiology
- Digitization of pathology
- Cloud delivery model



- Political decisions
- Lack of funding/Price pressure
- Consolidation
- Large corporations expanding into imaging

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Growth areas

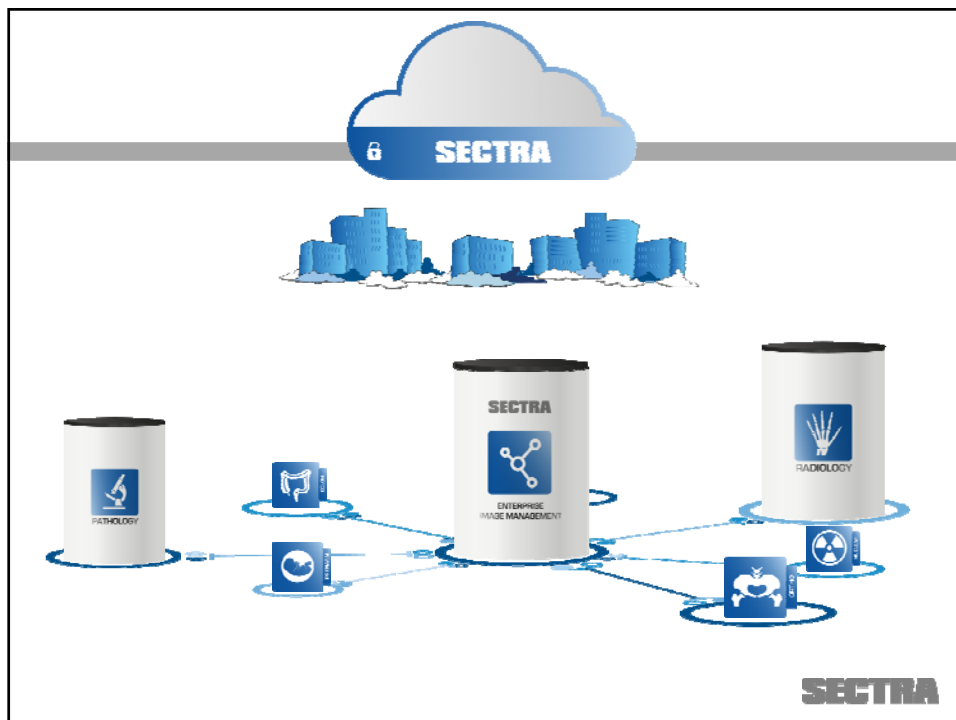
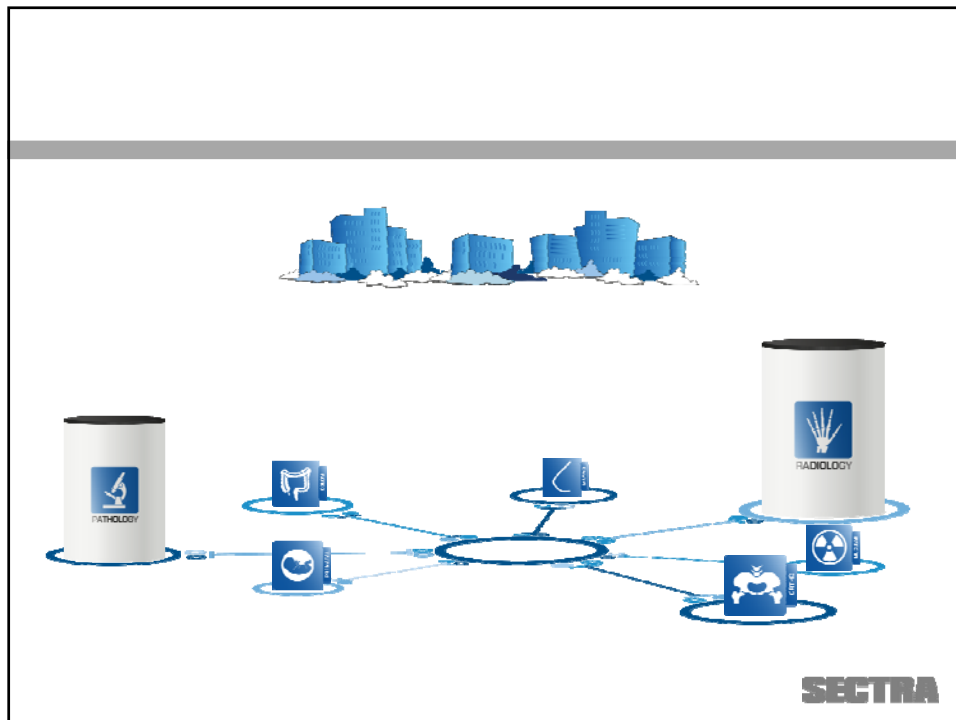
- Major need for further efficiency in radiology and other image-intensive areas
- Add-on sales to existing customers
- Enter new areas: Pathology main example
- Growing demand for cloud services
- Cross-enterprise sharing and multi-media archive such as "Bild- och funktionstjänst" in Stockholm

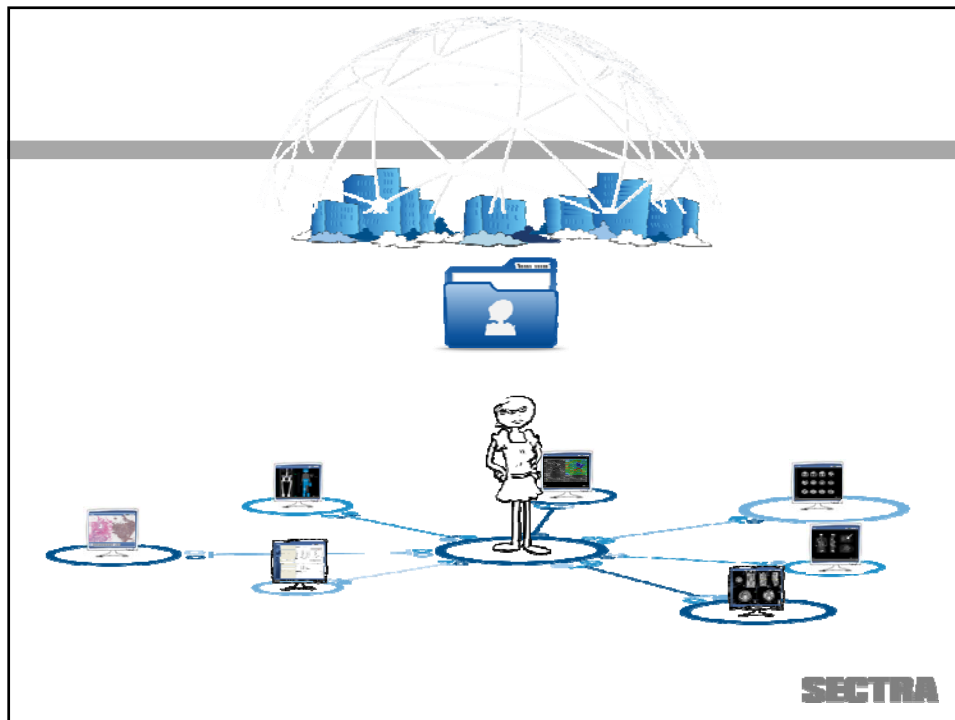
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Anna story

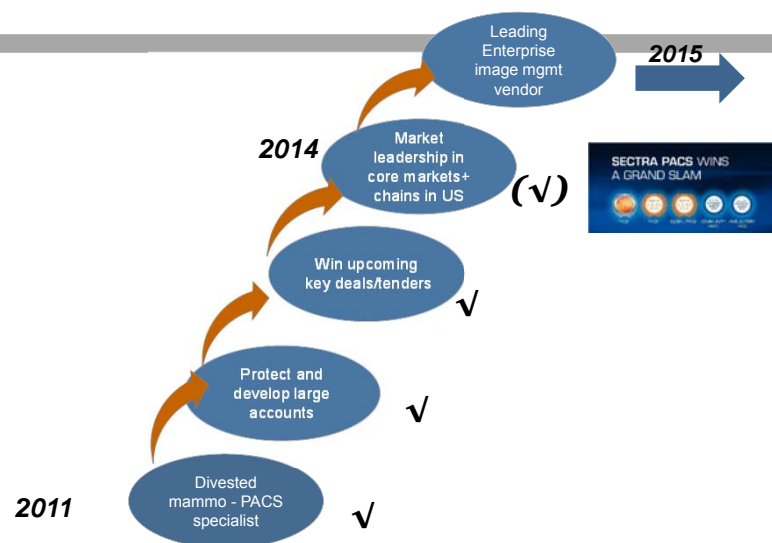
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What have we achieved?



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Long-term vision

- Be a leading provider of total solutions for the management and communication of all types of medical images – primarily in areas such as radiology, mammography and pathology.
- Be a leading provider in cancer care diagnostics

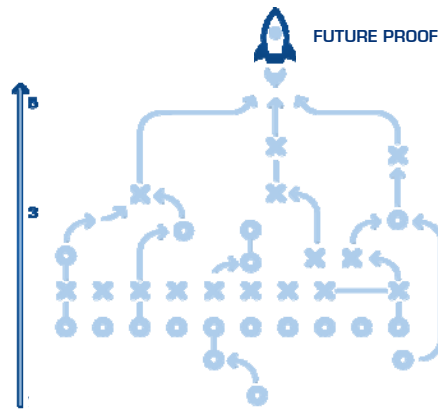
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Continue to Grow

INNOVATIVE

TO BE BENEFICIAL FOR
HUMANITYCUSTOMER
OBSESSION**SECTRA**

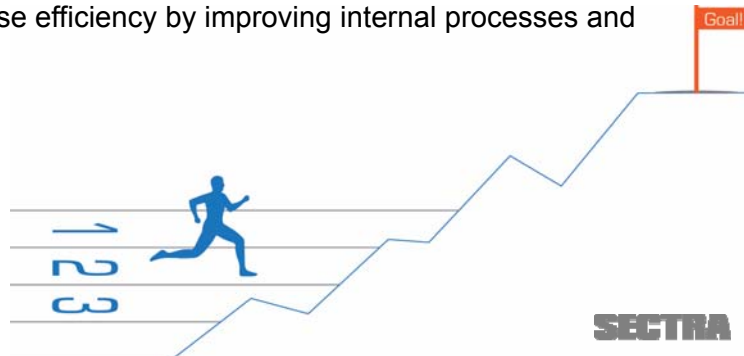
Sectra Strategic Growth Plan



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Summary: The three paths to grow profits

- Stay true to the Sectra brand
 - Maintain and expand the product offering to solve customer challenges
 - "Best people" in delivery and support
- Expansion of sales in key markets
- Increase efficiency by improving internal processes and tools



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Business Innovation

EFFICIENT HEALTHCARE | SECURE COMMUNICATION

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Business innovation as a
concept

A world that rotates fast...



- Requires fast companies
- New ideas are difficult to grow within ordinary business
- Incentives vary AND people must be different

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Our greenhouse: Business Innovation 4%



Online services for analyzing osteoporosis and other analyses



Medical education



Online services for planning orthopedic surgery



Research

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Business Innovation

- Spin ins & Spin outs
- Not all of these will fly
- But if only one do we are fine
- Criteria:
 - Market potential > 100MSEK in profits long term.
 - Chance to be a growing 100 MSEK operation in 3-5 years
 - Shall have existing customers from day one
- 4 possible exits:
 - Closed
 - Sold
 - Integrated into existing business line
 - Made into a new business line



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Research

- and how university cooperation can lead to products

Claes Lundström,
Research Director Sectra AB

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Mission

- Overall: Same as Sectra's business mission
 - Horizon: Direct business benefit within 3-5 years
- Uncertainty is allowed
 - Not all projects reach commercial phase
- Stay within Sectra's core competence
- Do not reinvent the wheel
 - Utilize external knowledge if it exists

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Business-supporting activities

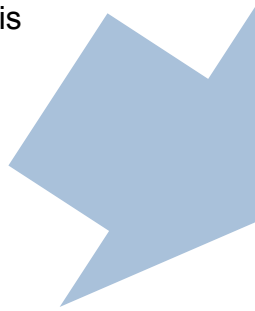
- Innovation development
- Evidence for sales and marketing
- Knowledge for business and product development
- Pilot projects for emerging products
- Strategic relationships with academic customers
- IP handling

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Focus

Scientific expertise

- Human-computer interaction
- Image analysis
- Visualization
- Informatics



Efficiency and
effectiveness
in clinical routine

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Central vehicle: Collaboration

- Close collaboration with academic partners → extended virtual research department
- Center for Medical Image Science and Visualization (CMIV), Linköping University
 - Co-founder, wide and deep collaboration
- Case Western Reserve University/University Hospitals Cleveland
 - Industrial post-doc researcher

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Example: Sectra Visualization Table

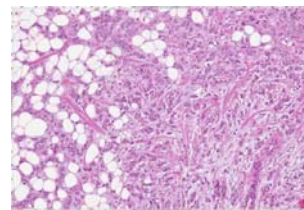
1. CMIV need for effective visualization of very large 3D data sets
2. CMIV research collaboration with Sectra and C-research (Linköping University) on fast 3D algorithms
3. Prototype for virtual autopsy table from Interactive Institute Swedish ICT
4. Sectra develops product meeting broad customer needs



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Example: Digital pathology

- Central part of healthcare
- Next wave of image digitization
- Improvements urgently needed
 - Long waiting times, lack of pathologists
 - Potential for increased quality of care
- Sweden world-leading
- Sectra's angle: Synergies with IT-systems for radiology

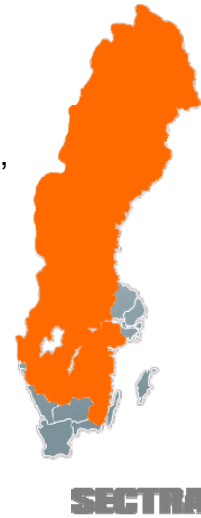


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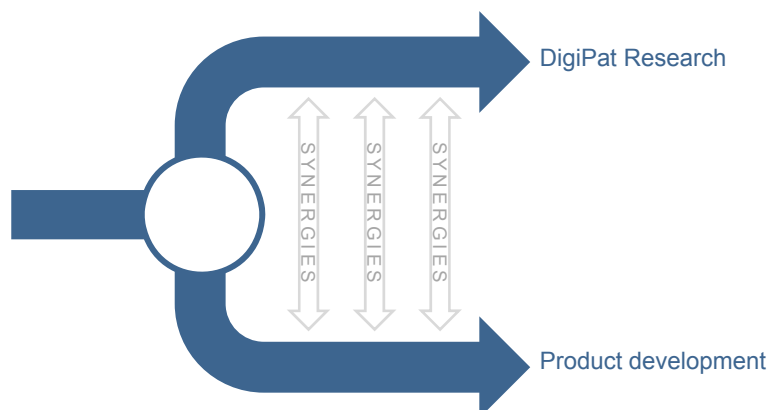
DigiPat project



- Scope: Histopathology
- Time: 2012-2014-2016
- Partners: CMIV, Sectra, 18 care providers, Equalis, etc
- Size: 2x ~20 MSEK
- Funding: Swedish Innovation Agency, co-funded by partners



Concurrent research & product development



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Medical Education

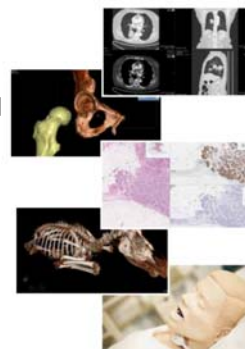
Jakob Algulin

General Manager Business unit Medical Education

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Our customers and offering

- Medical Education professionals
 - Medical schools (Anatomy, radiology, histology and other ologies)
 - Hospitals (clinical training centers, surgery)
- We sell Sectra Education Portal with Sectra Table



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Customer pain points

- Lack of donated bodies and the dynamics of human anatomy
- Increased demands of new imaging modalities in medical education
- Continuous training for doctors
- Capacity building in emerging economies



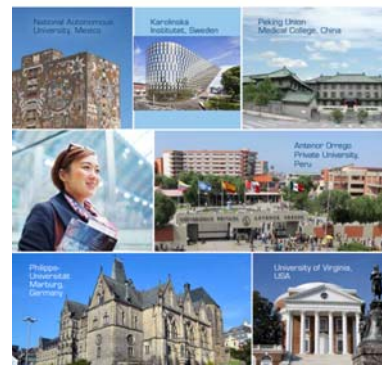
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Geographical presence/Sales strategy

- Direct sales
 - Scandinavia, UK and BeNeLux
- Indirect sales
 - Asia, East Asia, North and South America, Middle East and Rest of Europe.

Enhanced medical education in more than 25 countries around the world

Sectra's solution is used to train medical care staff and veterinaries in more than 25 countries in Europe, North America, the Middle East and Southeast Asia.



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Market potential (Emerging market)

- 7 university hospitals in Sweden
 - 6 out of 7 are our customers
 - 3 have 3 Sectra Tables or more
- 25 Hospitals with clinical training centers in Sweden
 - 3 are our customers
- Examples of market build ups
 - 1099 AAA-rated hospitals in China with training centers
 - More than 3000 AA-rated hospitals in China
 - 162 Accredited medical schools in North America

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Long-term vision: Global Medical Education

- Worldwide standard for sharing and collaboration of medical image content. Tightly integrated with Sectras ImagingIT systems.



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Next steps

- Capture market growth
- Capitalize on emerging markets capacity building
- Continue the launch of the collaborative platform

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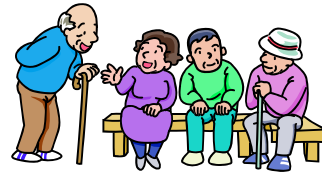
Musculo-skeletal applications for osteoporosis detection and orthopaedic surgery

Torbjörn Kronander
CEO and President Sectra AB

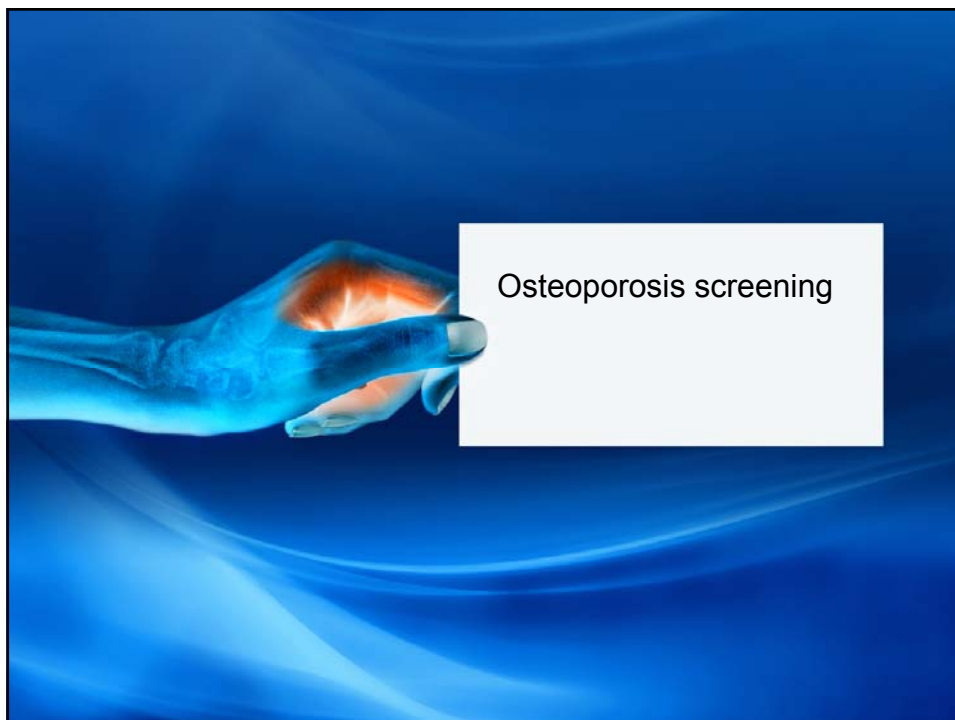
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The diseases of the old

- Cancer
- Skeletal diseases
- Circulatory diseases
- Neuro-degenerative diseases
- Add general diagnosis



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Osteoporosis screening

Market potential

- 1 in 2 women and 1 in 4 men older than 50 will break a bone due to osteoporosis.
- About 22 million women in the EU and eight million women in the United States had osteoporosis in 2010.
- More than 70.000 osteoporosis fractures in Sweden per year.
- Only stroke has higher hospitalization rate per year

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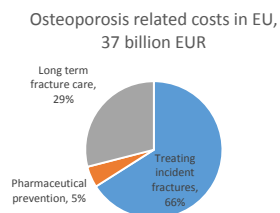
Market potential

EU today:

- Post fracture focus.
- Increasing costs for osteoporosis care.
- Few people get adequate treatment.

EU tomorrow:

- Structured processes to identify people at risk.
- Cheap and effective treatment, 200 SEK/year.
- Prevent fractures instead of operating them.



Hernlund E et. al. Osteoporosis in the European Union: Medical Management, Epidemiology and Economic Burden. A report prepared in collaboration with the International Osteoporosis Foundation (IOF) and the European Federation of Pharmaceutical Industry Associations (EFPIA). Arch Osteoporos 2013; 8:136

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Our concept

- Same risk group as for breast cancer
- Screen for both at the same time on the same mammography device
- No impact on patient throughput
- A cloud solution, pay per exam
- Very good health economics case



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Long-term vision

- Combined mammography and osteoporosis screening as part of a structured osteoporosis health care globally.



- A natural part of any breast screening program.

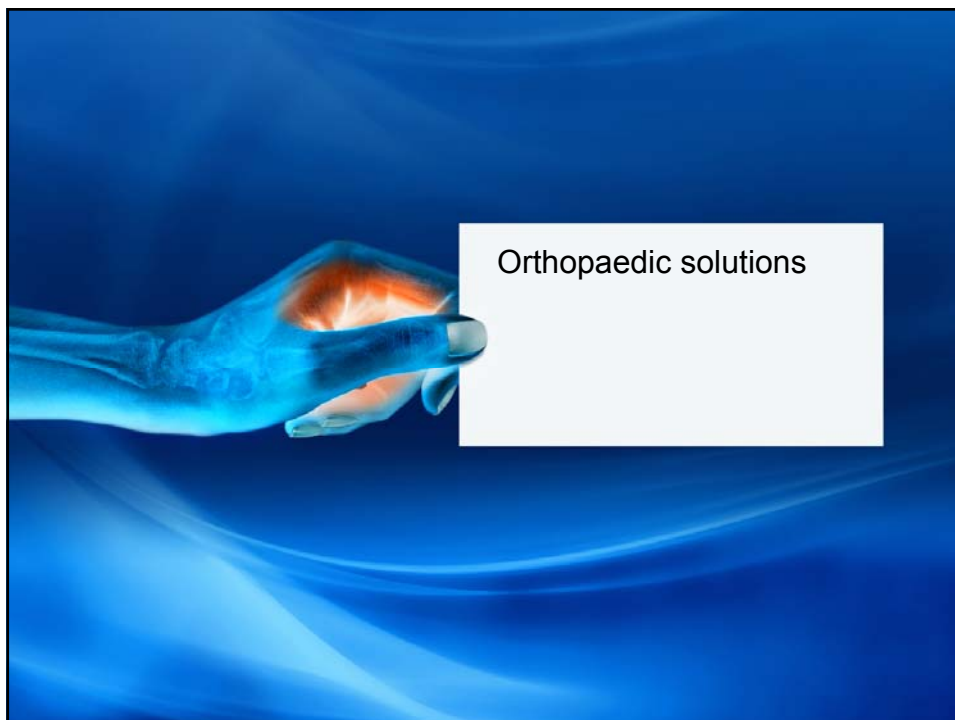
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Next steps

- Attended Almedalen this summer.
 - 511 persons were examined
 - 143 were found at risk
 - accurate follow up
- Finish ongoing study in Halland, Sweden.
- Focusing towards public healthcare in 2-3 markets and a more structured preventive osteoporosis workflow.

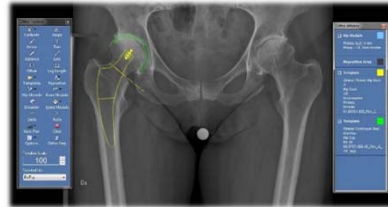


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Market drivers and potential

- Prosthesis market:
Estimated market value of
USD 41.2 billion in 2019.
- People get a prosthesis earlier and live longer.
- Active retirement.
- Increase of BMI.
- New technologies
- Orthopedics is the largest customer to radiology



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The orthopaedic market needs

- Cost savings
- Production efficiencies
- Quality improvement
 - Less infections
 - Fewer revisions
- Reduction of complications

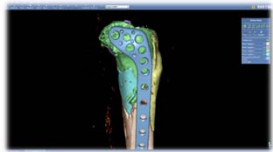


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Product offering



- Sectra Orthostation Package (X-ray)
- General surgery and primary prosthesis



- Sectra 3D Ortho (CT)
- Complex cases such as trauma

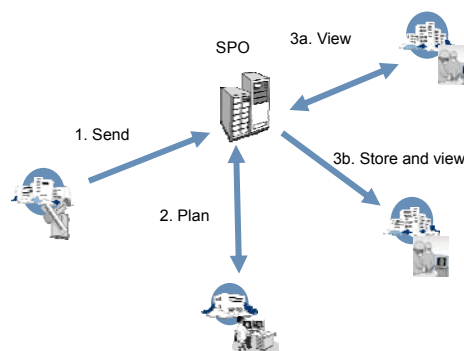


- Sectra Table (3D touch)
- Medical education

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Product offering – Preop online

- Cloud based Pre operative planning for non Sectra PACS customers
- And for some Sectra PACS customers as well



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Geographical presence and sales channels

Direct sales:

- North America
- UK, Germany, Austria, Belgium, Switzerland Netherlands, Luxemburg, France, Scandinavia, Italy, Spain
- Middle East

Additional sales channels:

- Sectra PACS sales force and their partners (license)
- Zimmer (SPO)

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Market position

- Market leaders in Sweden, Norway, Netherlands, Island and Luxemburg.
- Rapid growth in UK, North America and Belgium.
- Market entrance France and Italy.

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Competition

The main competitors within pre-operative planning are smaller/mid size companies which often sell through other PACS companies

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Long-term trends

The number of orthopedic operations increase with increasing numbers of old people.

Yesterday people were happy to walk with a new hip, now they want to do "Vasaloppet" and run marathons.

Orthopedics will move from a "very skilled doctors speciality" to use more IT for preparation and follow up.

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Long-term vision

We want to be the leader of software tools for pre-operative planning of orthopedics procedures.

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Summary and questions

Torbjörn Kronander
CEO and President Sectra AB

EFFICIENT HEALTHCARE | SECURE COMMUNICATION

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Innovation and growth

- Sectra spends about SEK120 M in R&D.
- Focus medical:
 - General medical image diagnostics (in house)
 - Cancer diagnostics (in house)
 - Bone diseases (in house)
 - Circulatory diseases (partners)
 - Neurodegenerative diseases (partners)
- Focus Communications:
 - Mobile ecosystems
 - Security also outside of the defense and "top secret" domains

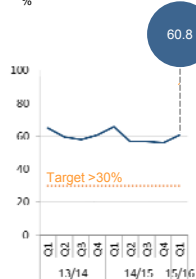


10-14%
of revenue is
invested in
R&D every
year

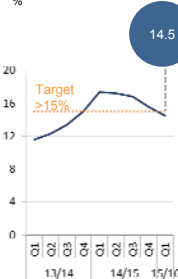
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Financial targets for the Group

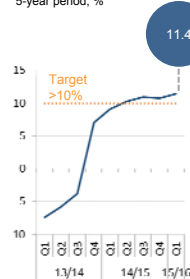
1 Stability
Equity/Assets ratio
%



2 Profitability
Operating margin
%



3 Growth
Average operating profit/share over a
5-year period, %



Priority

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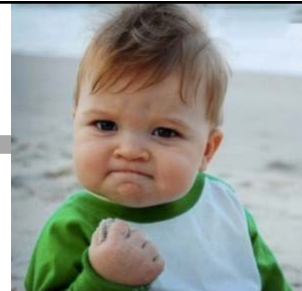
How to continue to grow profits

- Communications
 - Restore profitability in basic business
 - Use brand in order to grow business outside of basic business
- Imaging IT solutions
 - Use strong customer ratings to become stronger where we already are present (especially USA)
 - Evaluate one or two new markets
 - Continue internal efficiency improvements
 - "Price pressure can be an opportunity"
- Business Innovation
 - Get at least one business above 100Mkr with good profit

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Sectra key strengths

- Historical financial track record
- Large share is recurring revenue
- Well positioned in markets where growth will be driven by major trends
- Very satisfied customers
- Company culture "Knowledge and Passion"
- A very strong brand of trust in niche segments where trust is paramount



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Why Sectra?

- Strengths above
- Management owns shares
- Management “know what we are doing”
- Company culture
- Profitable, strong cash flow and a solid balance sheet
- Boringly stable, yet with upside opportunities

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Your feedback is important!
Please let us know what you think at
sectra.com/cmd2015

