

Q3 report 2015/2016:

Positive earnings trend and top global ranking in customer satisfaction

Financial presentation, March 8, 2016

Torbjörn Kronander, CEO and President

Simo Pykälistö, CFO and Executive Vice President

EFFICIENT HEALTHCARE | SECURE COMMUNICATION

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Q3 Highlights

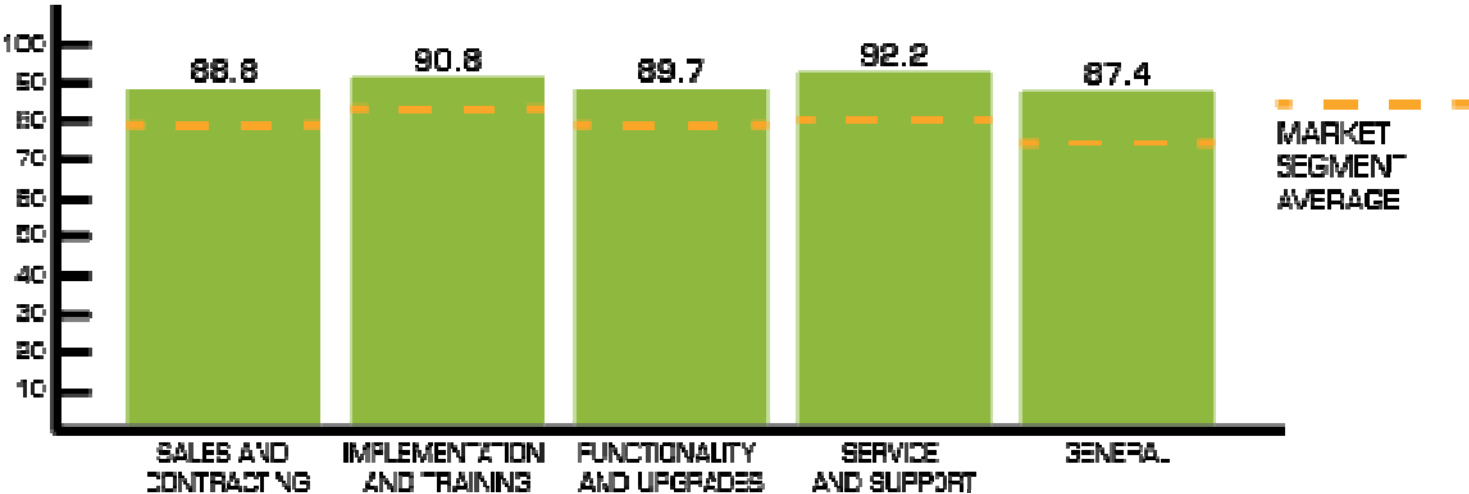
Torbjörn Kronander, CEO and President Sectra AB

Sectra wins “Best in KLAS” award

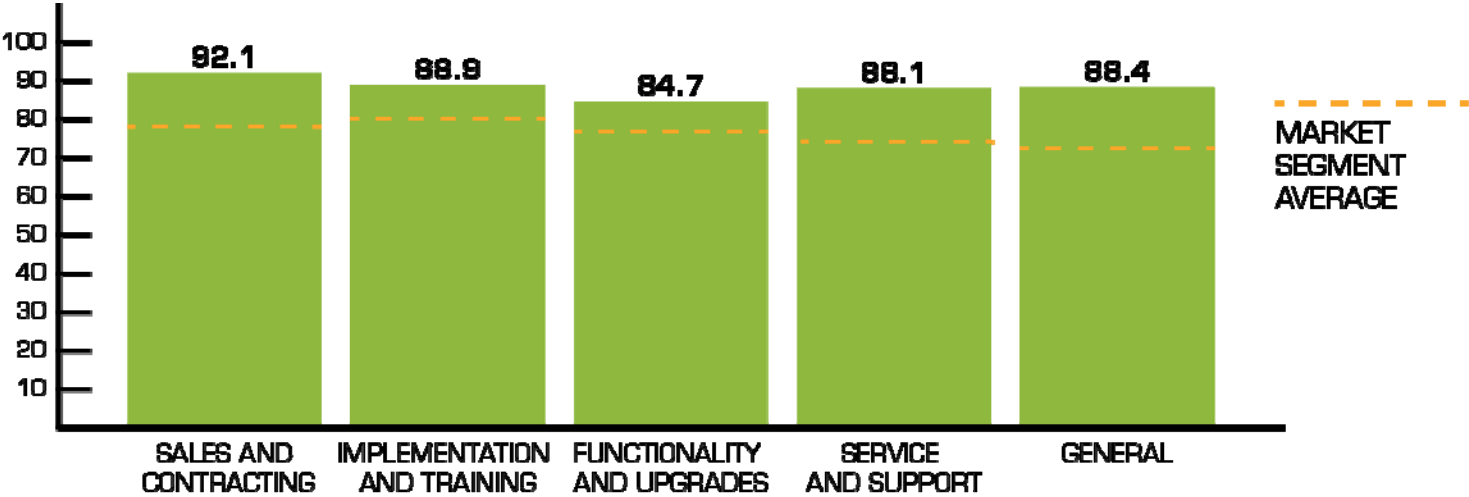


- Sectra PACS top the “Best in KLAS” survey 2015/2016 in the categories Global, US and Europe.

Sectra's KLAS scores - US



Sectra's KLAS scores - Global



Best-rated Sectra PACS as a service

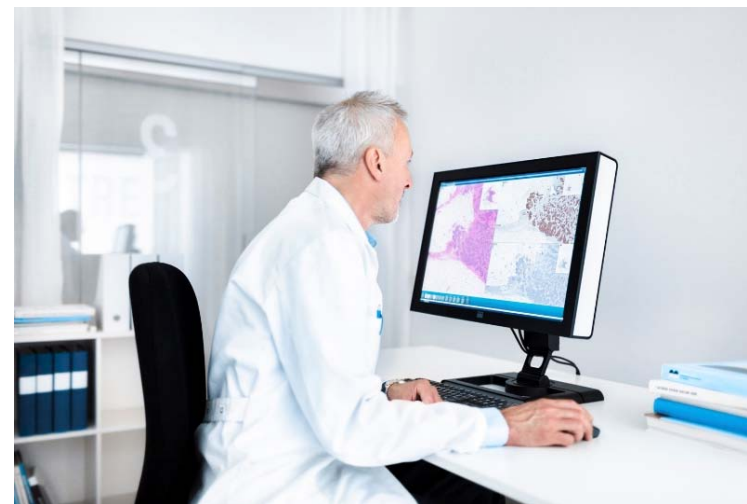
Orders from:

- Swedish county council
Norrbottens Läns Landsting.
- Private healthcare provider
Unilabs.



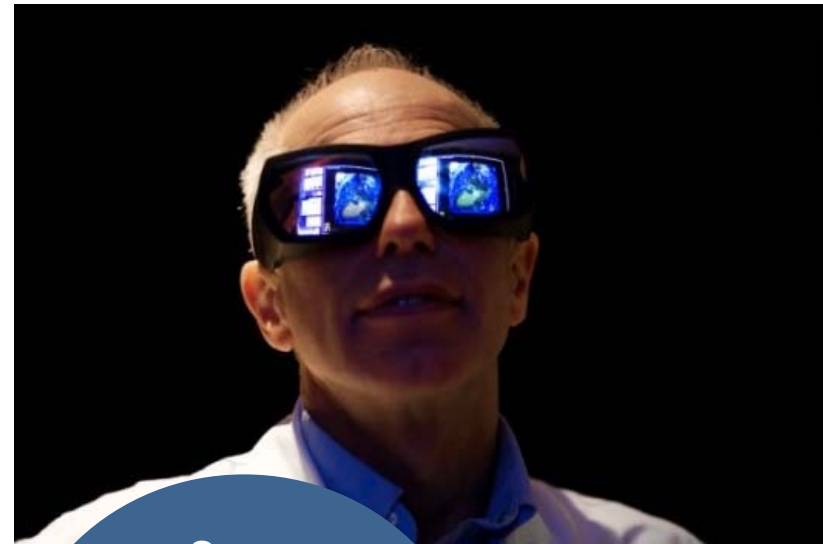
Enabling more efficient cancer care

- Swedish university hospital in Linköping orders Sectras solution for digital pathology.
- The pathology solution is part of Sectra's integrated diagnostics framework.



Research and development

- Special focus on the diseases related to aging:
 - cancer
 - skeletal
 - (circulatory)
 - (neurodegenerative)



Some
10-14%
of net sales
is invested in
R&D
each year

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Acquisition of RxEye

- Network for remote viewing of radiology and pathology images.
- 2,000 users in Sweden, Norway and France.
- Cash consideration SEK 2.6 M.
- Calculated contingent consideration SEK 14.6 M.
- Goodwill SEK 10.7 M.



6

Employees



~ 0.7

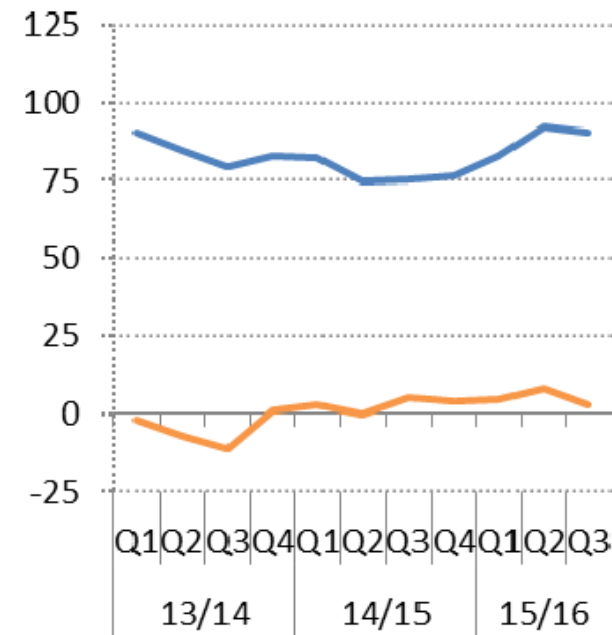
Million in
Annual sales

Acquisitions to support organic growth

5-year acquisitions (A) and divestments (D)		Country	Business area	Year
RxEye AB	A	Sweden	Imaging IT	2015
EXP Analytics Oy	A	Finland	Secure Comm	2015
it mark ApS	A	Denmark	Imaging IT	2015
Burnbank Systems Ltd.	A	UK	Imaging IT	2012
Product rights dose monitoring s/w	A	Sweden	Imaging IT	2012
Business area MicroDose Mammography Modality	D	Sweden	Medical systems	2011

Secure Communications challenge

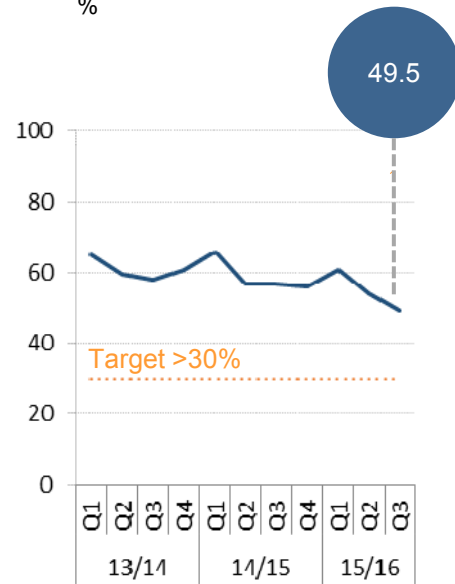
- Increase sales outside Sweden.
- Expand product offering to new customer segments.
- Needs further improvement.



Financial targets for the Group

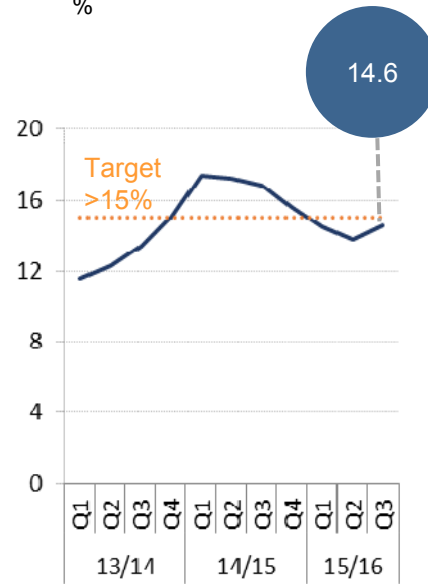
Stability

Equity/Assets ratio
%



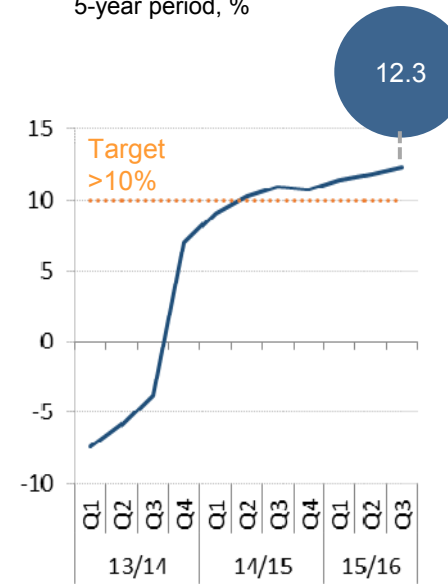
Profitability

Operating margin
%



Growth

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



Priority

Local and global presence

- Active Sectra subsidiaries in 14 countries.
 - France (Medical) and Finland (Communications) established 2015/2016.
- Partner sales in selected markets.
- Customers in > 60 countries.
- Sectra's largest markets are Scandinavia, USA, UK and the Netherlands.
 - Fastest-growing in USA and Norway (RoE).

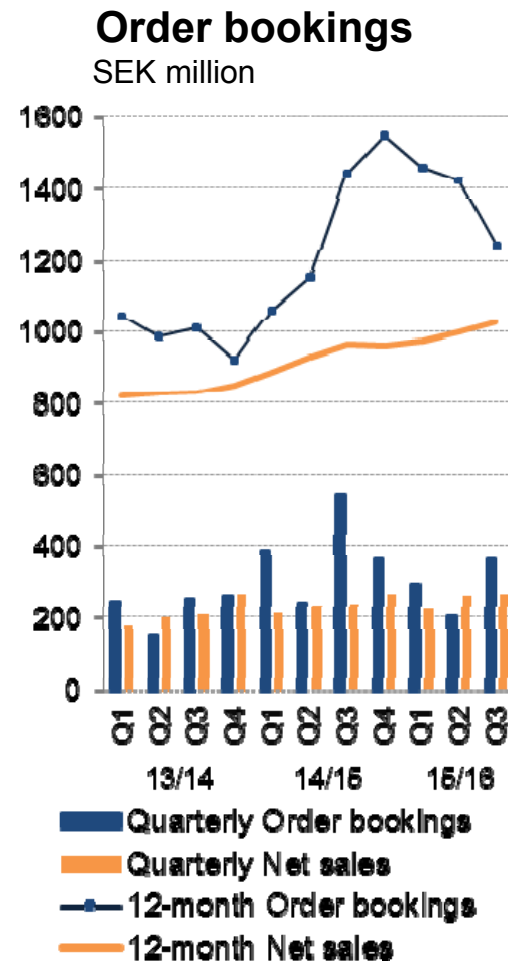


Financial figures

Simo Pykälistö, CFO & Executive Vice President Sectra AB

Order bookings and net sales

- As expected, orders has decreased in the UK.
- Order bookings – large variations between quarters.
- Positive effect from currency exchange rates.



Sales (operational) growth by market

Changes compared with the nine-month period previous fiscal year:

- Rest of Europe 32%.
- US 12%.
- Sweden 4%.
- UK 3%.
- Rest of World 55%.
 - Incl. one time item 14/15 **neg 5%**

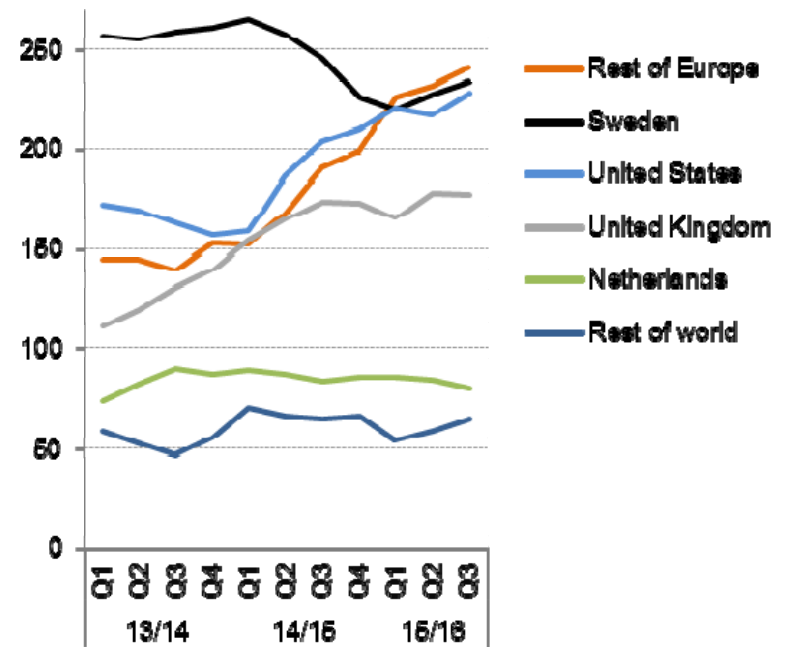
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- Netherlands **neg. 9%**.

Sales by geographic market

SEK million 12 month rolling

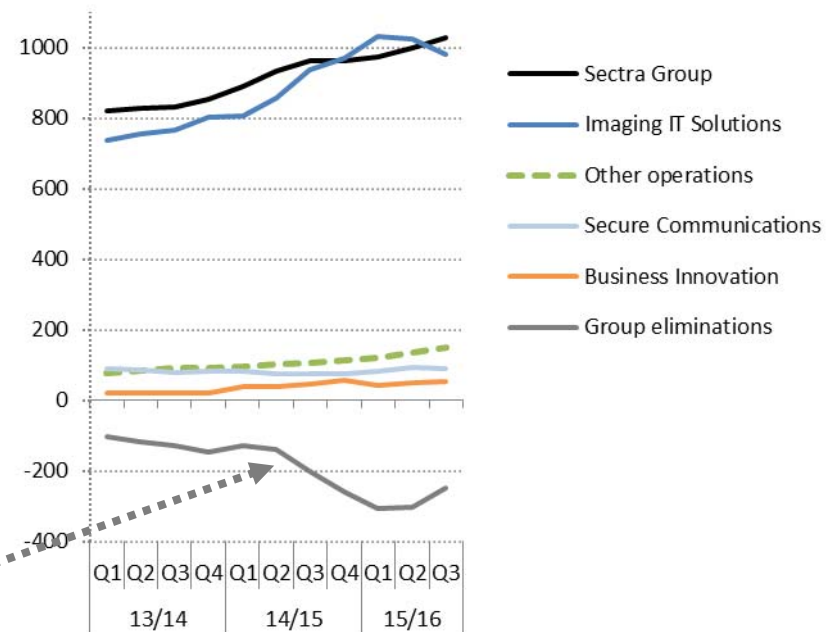


Sales growth by business segment

Changes compared with the nine-month period previous fiscal year:

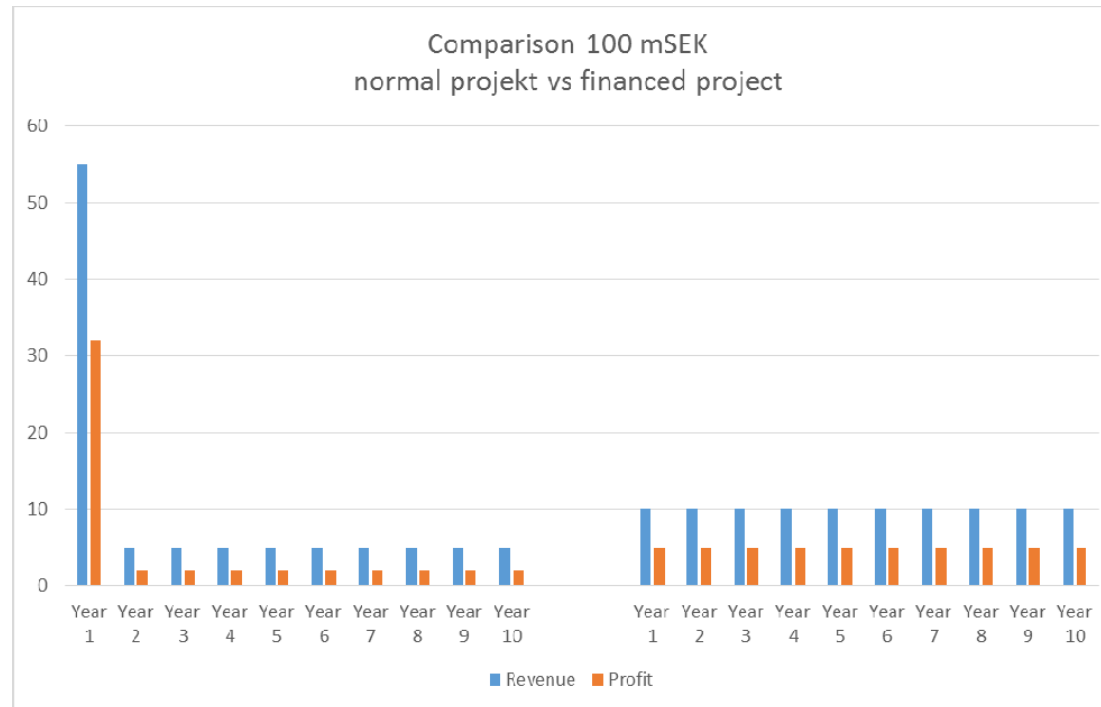
- Imaging IT +2%.
- Secure Communications +27%.
- Business Innovation +50%, but
 - incl. one time item down
- Other operations +41%.

Sales by business segment
SEK million 12 month rolling



Eliminations mainly Group-financed large customer contracts.

Group-financed customer projects



Group-financed customer contracts:

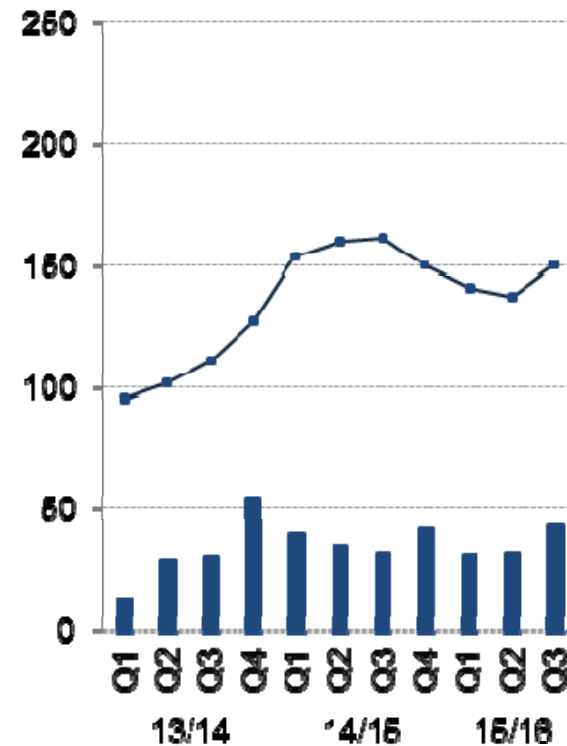
- Revenue and profit eliminated on the group level during the installation.
- Delayed revenue and profit recognition for the Group.
- Long term revenue and profitability improved.

Operating profits

Changes compared with the nine-month period previous fiscal year:

- Operating profit +17%,
 - Incl. one time item in line with comparative period.
- Operating margin 14.2%.
- Positive effect of currency fluctuations.

Operating earnings
SEK million 12 month rolling



Cash flow

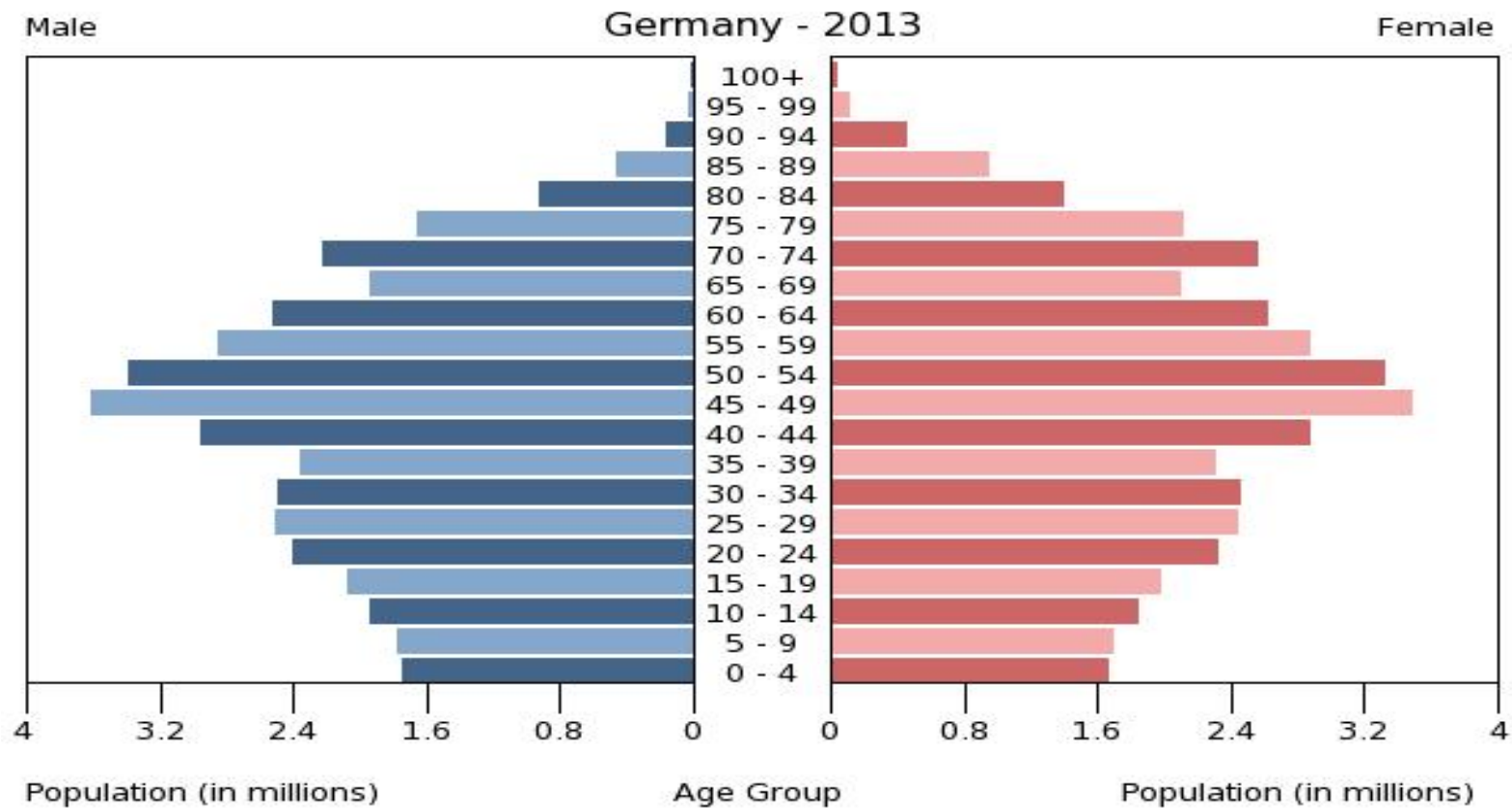
	2015/2016 Nine-month	2014/2015 Nine-month
Cash flow after changes in working capital	SEK 123.8 M	SEK 32.1 M
Cash flow/share after dilution	SEK 3.23	SEK 0.84

- A number of orders received previous year for medical IT solutions have reached operational phase.
- Long-term, the contracts will contribute to a solid future for the Sectra Group.

Sectra's way forward

Torbjörn Kronander, CEO and President Sectra AB

Population in a typical European society



Growth areas in healthcare

Areas related to the 'old people's disease':

Medical imaging

Neurological

Cardiac

Cancer

Skeletal

- Osteoporosis/Fractures

- Orthopedics/Joint replacement



Integrated diagnostics in cancer care

- Especially in cancer care a combination of radiological and pathology imaging diagnostics make a lot of sense.
- Sectra is unique in offering an unified solution that handles both of these as well as mammography.
- Significant interest in this area at last months trade shows



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Secure Communication

- Improvement needed
- Continue to grow sales in rest of Europe.
 - Demand is driven by increasing general uncertainty in Europe.
- Opportunities:
 - Security for a broader market.
- Very conservative market so change is slow.



Business Innovation



Online services for analyzing osteoporosis and other analyses



Medical education



Online services for planning orthopedic surgery



Research

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Focus forward

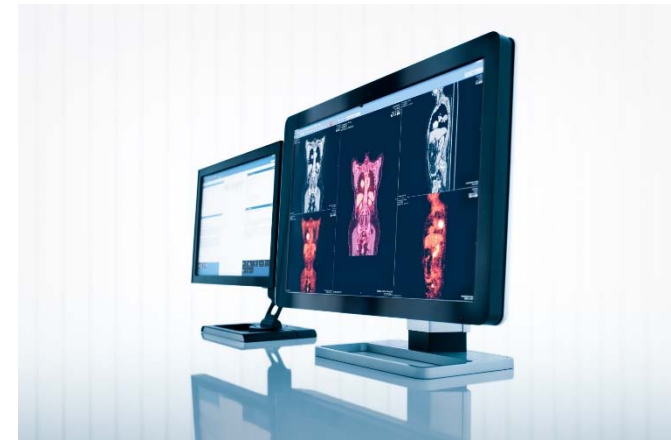
- Maintain high customer satisfaction ratings.
- Reach financial targets.
- Internal effectiveness.
Prioritize hosted solutions if possible.
- Prioritize large market share in a few markets.
- Focused expansion, add new markets carefully but decisively



Opportunities in major segments

Imaging IT Solutions

- Evaluate one or two new direct sales markets.
- Expand offering to existing customers.
 - E.g. Integrated diagnostics, Pathology, More clinical content etc.
- Cloud services/hosted solutions.
- Broaden product offering to new, related segments.



Opportunities in major segments

Secure Communications

- The political uncertainty drives security business throughout Europe.
- Use brand and knowledge to leverage in other areas where security is important.



Being a shareholder in Sectra

Torbjörn Kronander, CEO and President Sectra AB

Why Sectra?

- High customer satisfaction.
- Positioned in growing niche markets.
- A strong brand in markets where trust is critical.
- Management owns shares.
- Substantial and increasing recurring revenue.
- Profitable, strong cash flow and a solid balance sheet.
- Sustainable investments in R&D and exciting future opportunities.



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Upcoming IR events

- March 17, 2016:
Presentation at Carnegie Healthcare seminar in Stockholm
- May 31, 2016:
Year-end report and presentation in Stockholm
- September 6, 2016:
Annual General Meeting in Linköping

Your feedback is important!

Please let us know what you think at

sectra.com/2016Q3

Questions?

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Knowledge and passion

Torbjörn Kronander, CEO and President
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