

Q2 report 2019/2020

Sectra Imaging IT Solutions' order bookings exceed SEK 2 billion rolling 12

Presentation November 29, 2019

Torbjörn Kronander, CEO and President Sectra AB

Mats Franzén, CFO Sectra AB

SECTRA

Knowledge and passion

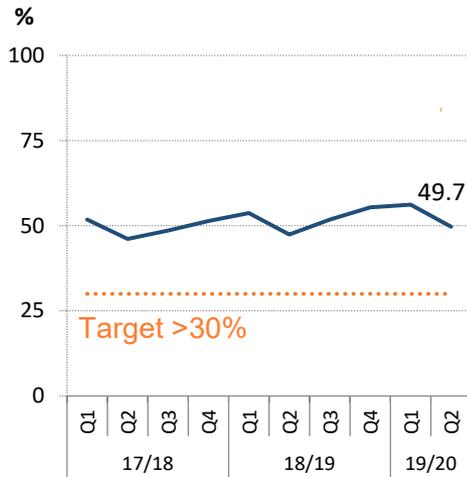
Highlights and trends

Torbjörn Kronander, CEO and President

Financial targets for the Group

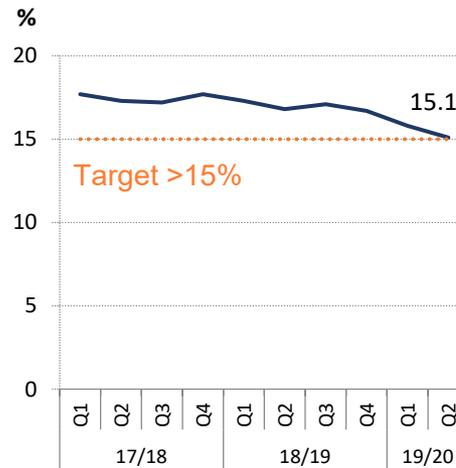
1. Stability

Equity/Assets ratio



2. Profitability

Operating margin



3. Growth

EBIT/share growth over a 5-year period



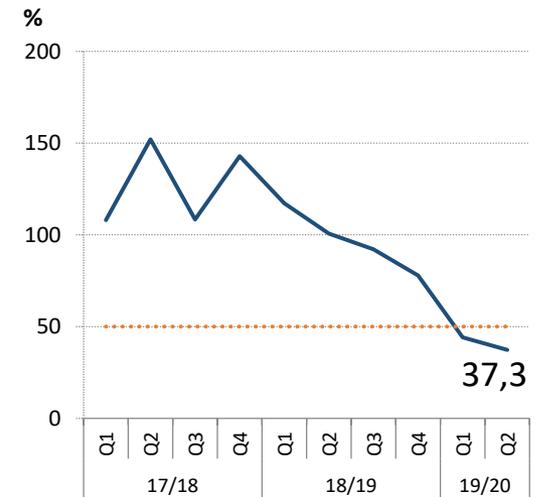
Priority

Growth target is not fulfilled, why and what happens now?

- Many new customers and large long-term projects requires investments
- Will gradually shift to increased revenue and margin during second half of 19/20
- We keep the goal as is and goals should be met

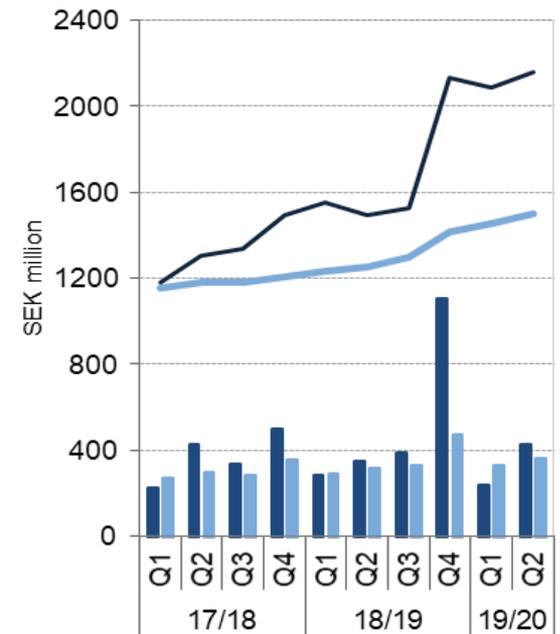
Growth

EBIT/share growth over a 5-year period



Order bookings for the Group

- Record-high 18/19 order booking is in deployment phase
- Historically large variation between quarters has increased further with some very large orders



- Quarterly Order bookings
- Quarterly Net sales
- 12-month Order bookings
- 12-month Net sales

Local and multi-national presence

- Direct sales in 19 countries
 - » France (medical) and Finland (security) established 2015/2016
 - » Canada (medical) 2016/2017
- Partner sales in select markets and business units
- Customers in > 60 countries
- Sectra's largest markets are:
 - » USA
 - » Scandinavia
 - » UK
 - » Netherlands





Secure Communications

Quantum secure product receive national security approval

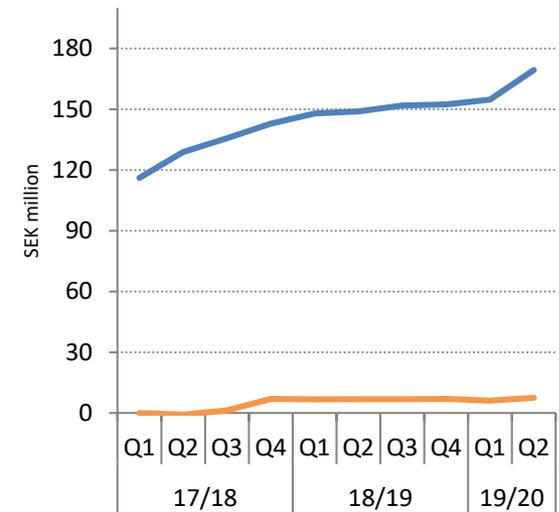
Latest version Sectra Tiger/S approved by the Dutch national security agency for use up to and including the Geheim (SECRET) security level.



Trend

- Expanding secure mobile communications offering
- Growth in critical infrastructure
- Growth initiatives:
 - Critical infrastructure product area
 - Mobile secure ecosystems
 - New geographic areas, active sales now also for CI in Finland and Norway

Sales and operating profit
Secure Communications



Acquisition of Columbitech assets Q1

Part of our investment in products for highly secure mobile workplaces.

Broadens portfolio with a world leading mobile VPN.

Adds USA to the markets for Secure Communications.





Imaging IT Solutions

Dutch hospitals chose Sectra

New orders from:

- » The University Medical Center Groningen
- » Ziekenhuis Gelderse Vallei
- » Maastricht University Medical Center



Large US customers chose Sectra

New orders from:

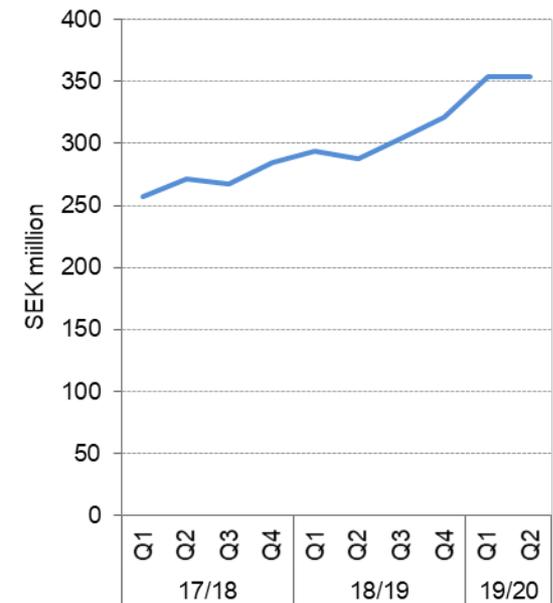
- » Grady Memorial Hospital
- » Marshfield Clinic Health System



Trend in the US

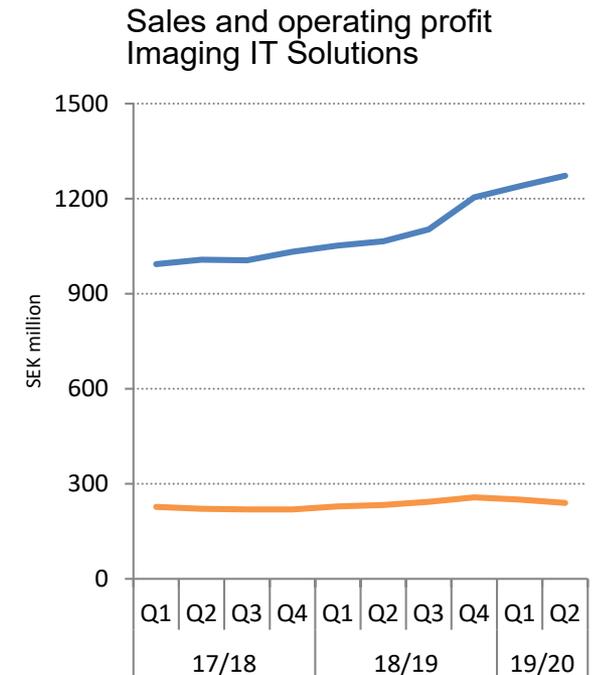
- Special focus area
- Recent orders from luminary customers strengthen Sectra's market position
- Opportunities:
 - The world's largest market
 - Sectra tops customer satisfaction
 - Small, but growing, market share

Revenue trend
in the US market



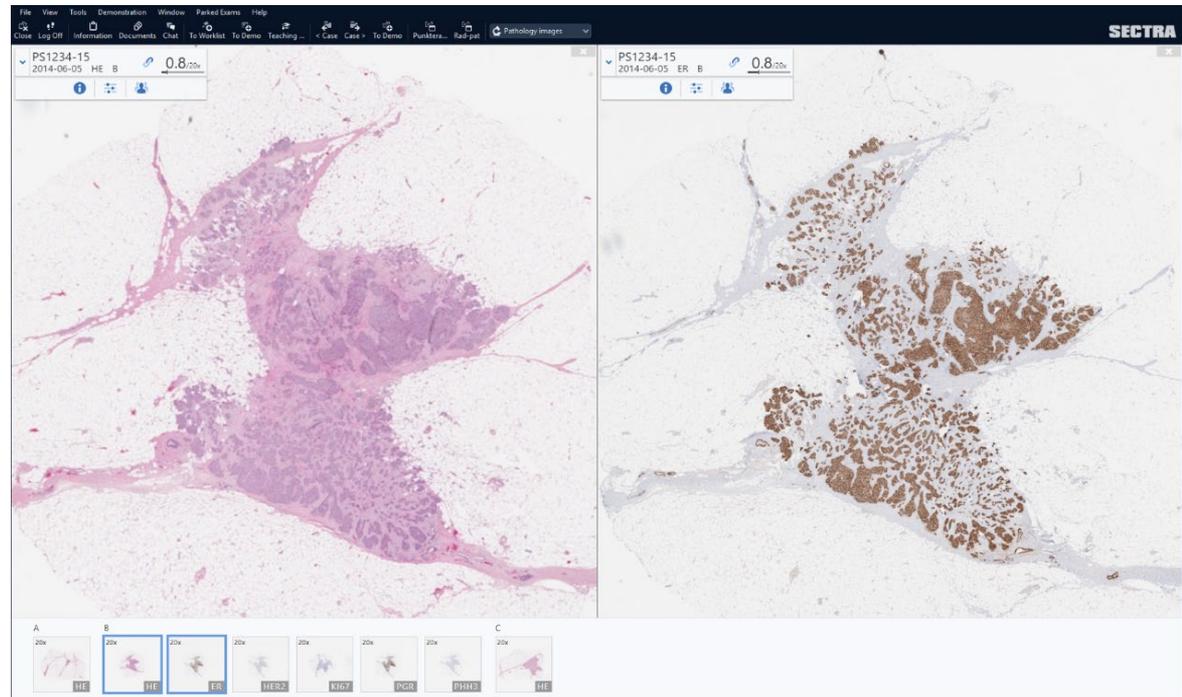
Trend in Imaging IT solutions

- Adding new customers
- Extending and increasing contracts with existing customers
- Strengthened delivery capacity
- Example of growth initiatives:
 - Focus US
 - Digital pathology & integrated diagnostics
 - Cardiology
 - New markets, direct and indirect



Digital pathology @ Sectra

The next
wave in
digitization
of hospitals



Digital pathology @ Sectra

Status

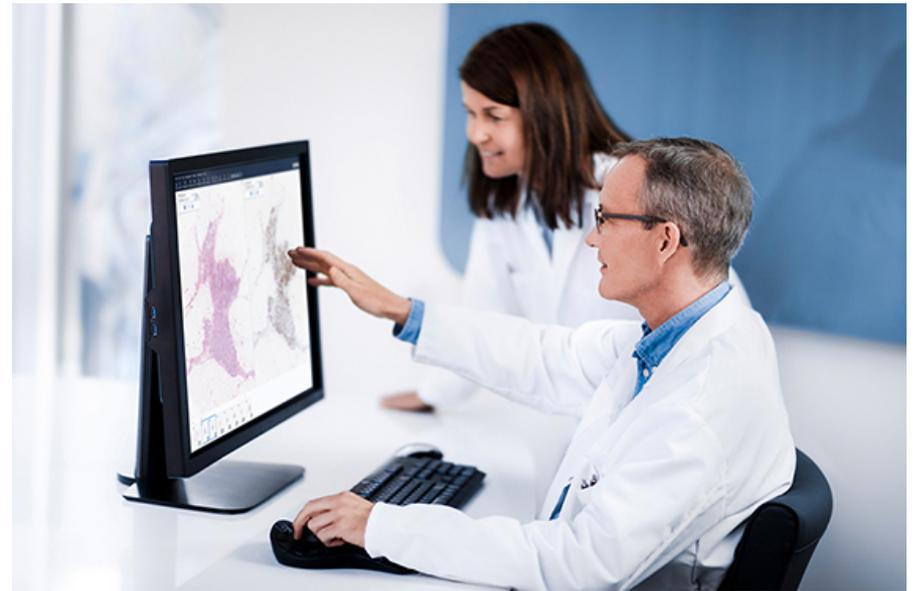
- The last frontier in digitization of medical images
- Large synergies with Radiology
- Sweden is world leading in digital pathology penetration
- Sectra has a dominant market share in Sweden
- Nationwide telepathology solution in the Netherlands
- Increasing sales in the UK

Growth strategy

- A single system for Pathology, Radiology and Cardiology Imaging
- Integrated diagnostics
- FDA application filed

Digital pathology application submitted to FDA

Application in
combination with Leica
Biosystem's market
leading and already-
approved scanner.



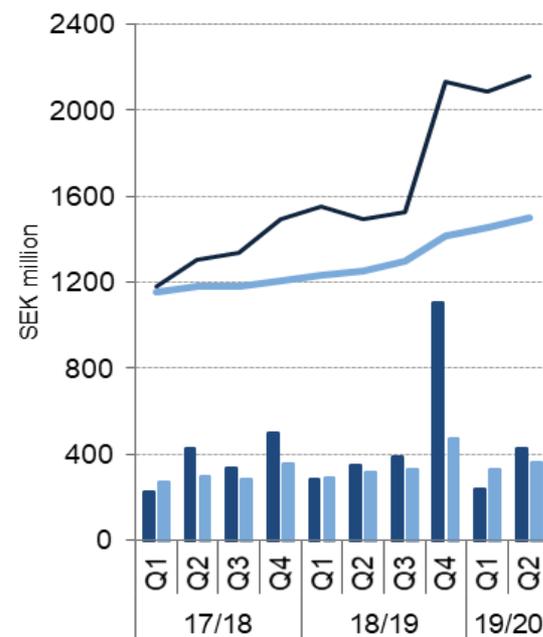
Financial figures

Mats Franzén, CFO

Trend in order bookings and net sales

- Order intake +4.3%
- Net sales +14.1%
 - Adjusted for currency fluctuations up 11.3%
- Weaker SEK
 - USD 7,6%
 - EUR 2,8%
 - GBP 2,6%

The Group
12 month rolling



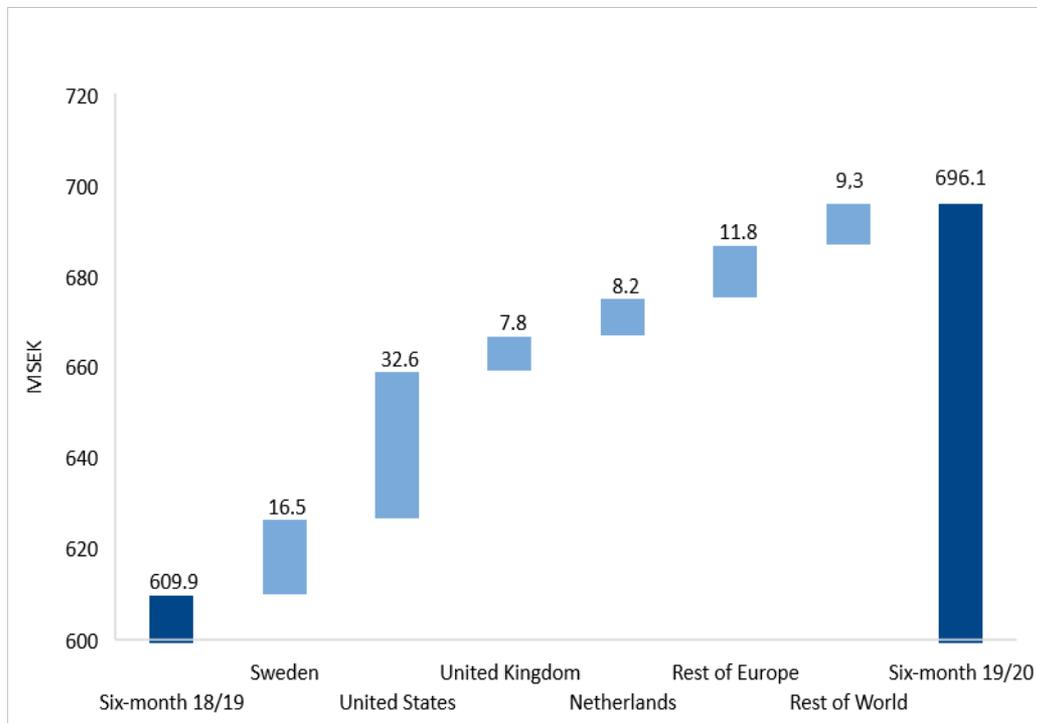
- Quarterly Order bookings
- Quarterly Net sales
- 12-month Order bookings
- 12-month Net sales

Changes compared with the corresponding period the preceding fiscal year.

Sales trend by geographic market

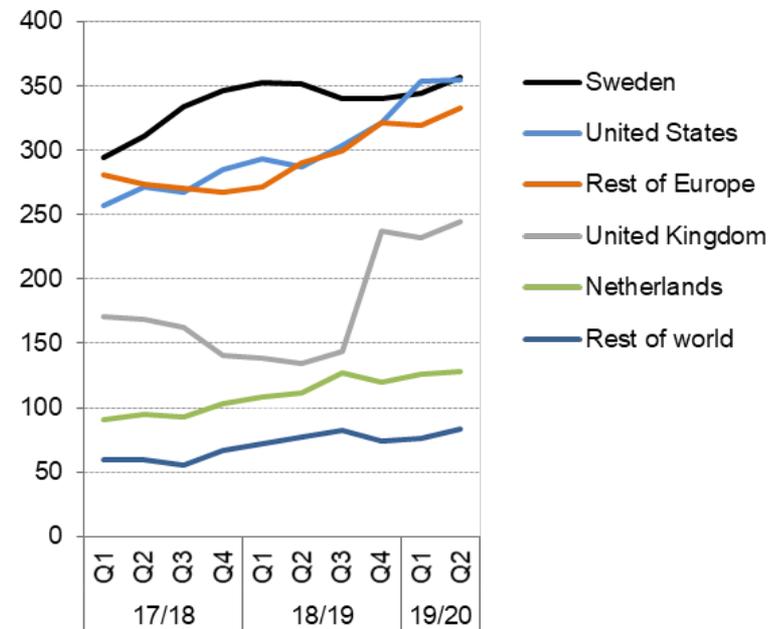
– all areas are growing

By geographic market



Trend

12 month rolling

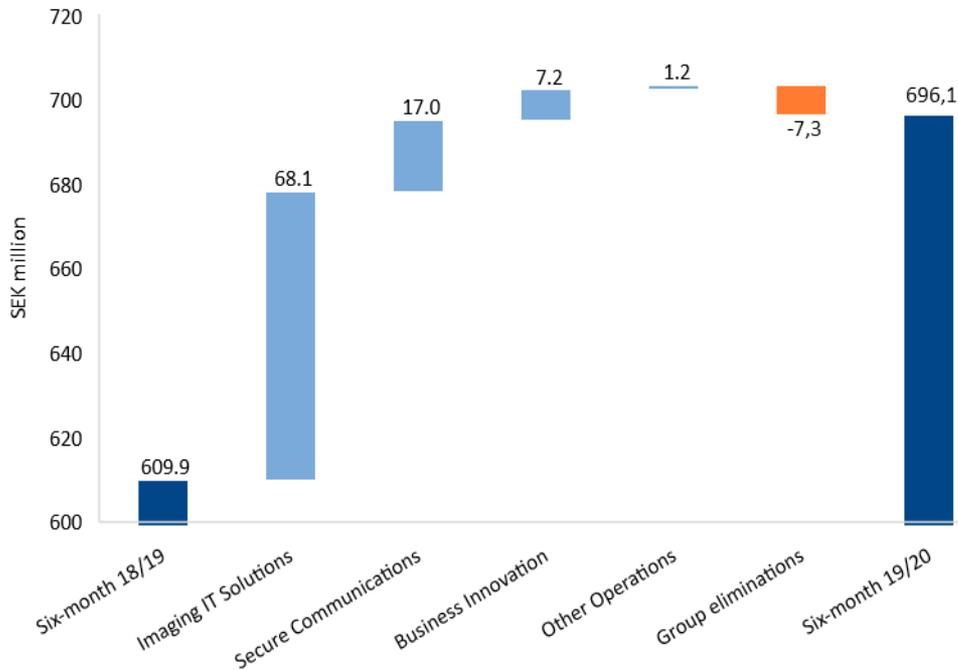


Changes compared with the corresponding period the preceding fiscal year.

Sales trend by business segment

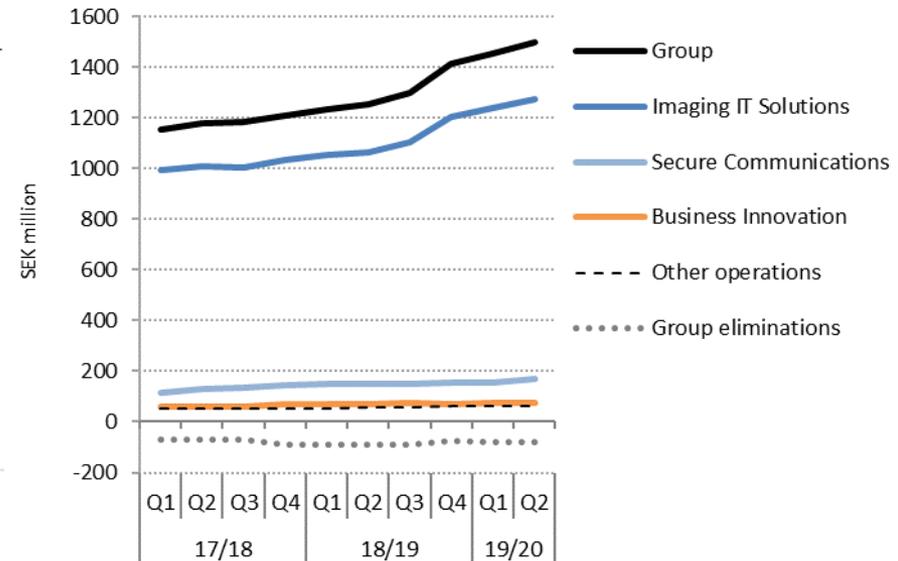
– all business segments are growing

By business segment



Trend

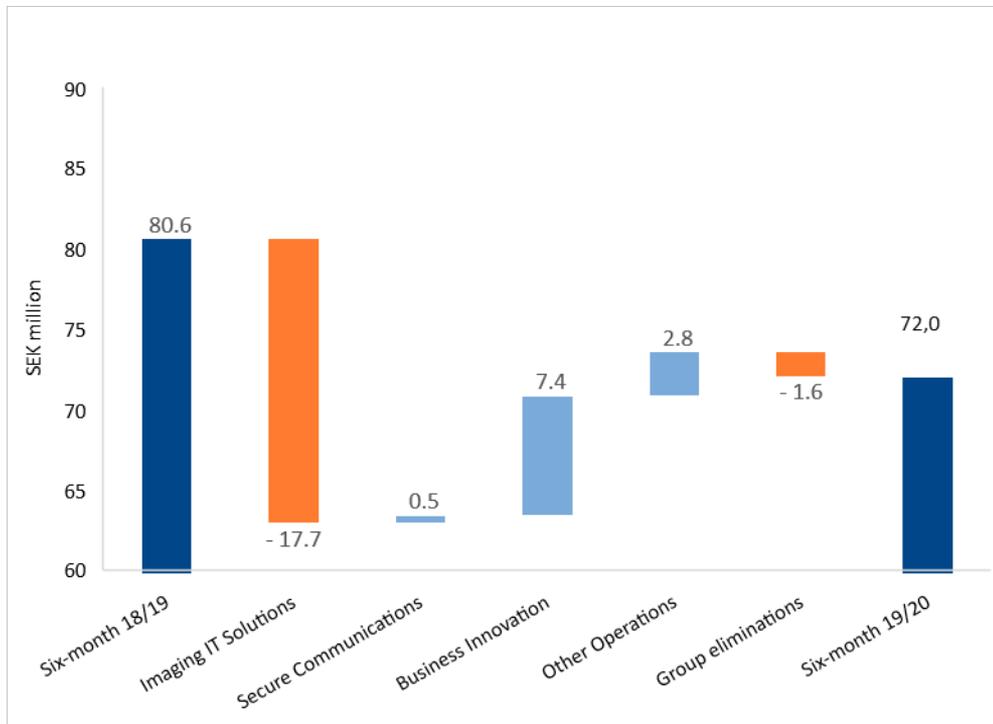
12 month rolling



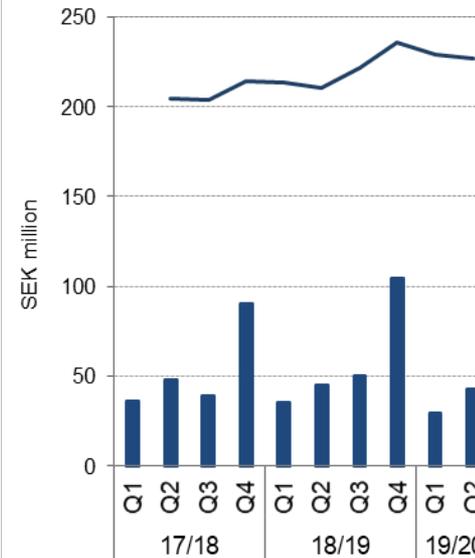
Changes compared with the corresponding period the preceding fiscal year.

Operating earnings trend – investments in Imaging IT

By segment



Trend for the Group

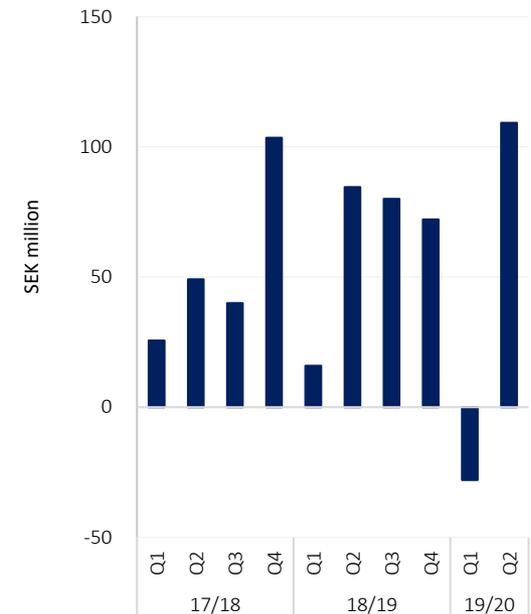


Changes compared with the corresponding period the preceding fiscal year.

Cash flow

- Several large contracts signed 18/19 ties up considerable capital and resources during the installation phase
- Starting in the second half year, the contracts will contribute to a solid future

Cash flow after changes in working capital



Sectra's way forward

Torbjörn Kronander, CEO and President

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Knowledge and passion

Sectra's markets

- Sectra is positioned in healthcare IT and cyber security – markets where society dynamics mandates growth
- Growth is easier in growing markets



#1 in customer satisfaction – 6 years straight



Philosophy – Keep staff happy



#3

Sectra

Sweden's Best Employers 2019

SECTRA

Philosophy - Shareholders

If you have

- Happy customers
- Happy employees
- Perseverance and reasonable cost control
- A good position in growing markets
- Then shareholders WILL be happy



Being a shareholder in Sectra

Why Sectra?

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



Upcoming AGM, financial report & CMD

- March 4, 2020: Nine- interim report and presentation
- June 3, 2020 Year-end report and presentation
- September 8, 2020 AGM in Linköping

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Questions?

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send questions to: info.investor@sectra.com

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