

November 27, 2020

Six-month interim report



SECTRA

The value we create for customers



Imaging IT



Business
Innovation



Secure
Communications

The value we create for society



Increased productivity and quality in medical imaging and patient care



Increased cybersecurity



Research that contribute to a healthier and safer society



800+ employees in 14 countries

Q2 highlights

Torbjörn Kronander

The six-month period: Increase in order bookings and profit

+ 105%

Order bookings
SEK 1,364 million

+ 51%

Profit/share
SEK 2.33

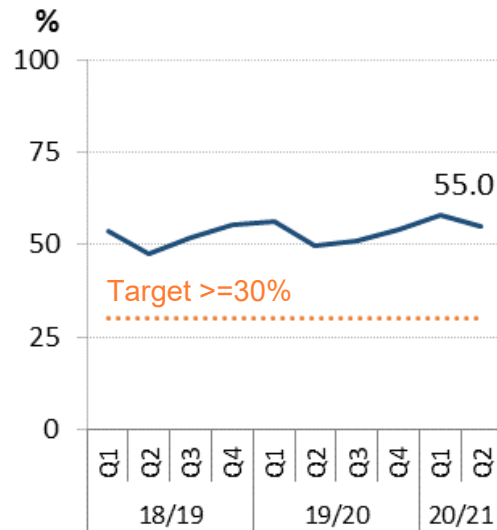
Deliveries limited
by COVID-19
restrictions

PASSION LED US THERE

Financial targets for the Group fulfilled

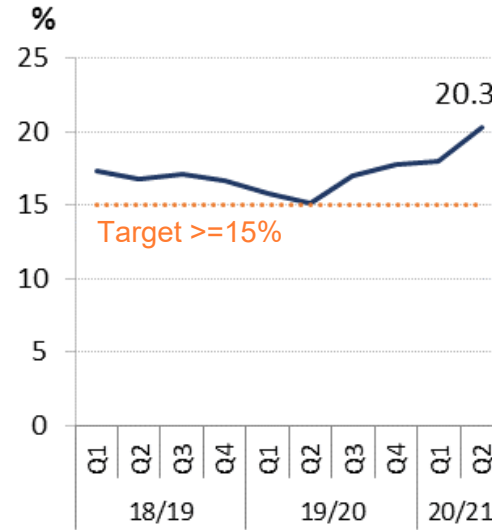
1. Stability

Equity/Assets ratio



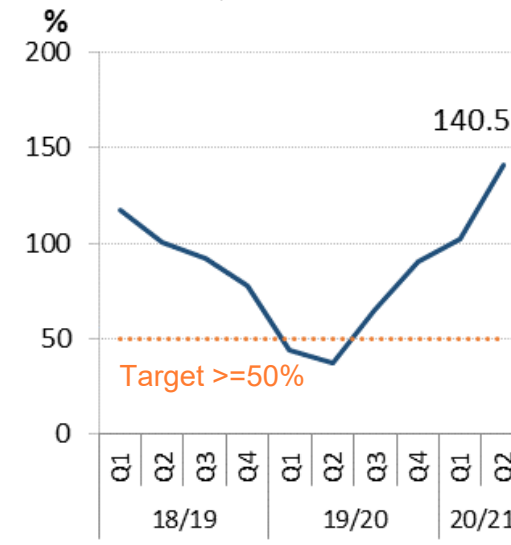
2. Profitability

Operating margin



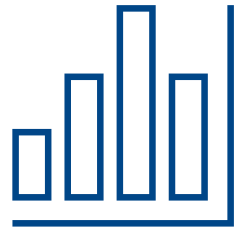
3. Growth of profits

EBIT/share growth over a 5-year period

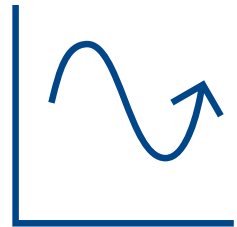


Priority

Seasonal effects



Variation between quarters has increased



Variation will continue to be large and may, due to COVID-19, increase even further

COVID-19 impact on the **healthcare IT market**

- ▼ **Exhibitions and travels** cancelled – impacting future sales.
- ▼ **Delays in deliveries** due to restrictions for visits and financial strain on hospitals.
- ▼ **Elective procedures** on hold – large impact on hospital's financials and imaging volumes.
- ▲ **Telediagnosis** has taken a leap, motivating digitization of e.g. pathology.
- ▲ Post COVID-19 patient imaging volumes may overwhelm hospitals, thereby driving **demand for efficiency** and improved IT solutions.

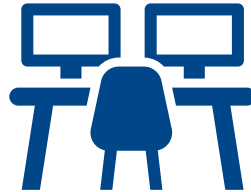
COVID-19 impact on the **cybersecurity market**

- ▼ **Exhibitions and travels** cancelled – impacting future sales.
- ▼ **Delays in deliveries** due to COVID-19 restrictions.
- ▲ Increased **demand for cybersecurity** products and mobile crypto solutions.
- ▲ Long- and short-term increase in **demand for secure mobile workplaces**.

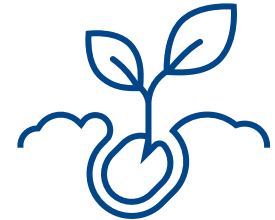
Q2 highlights – Secure Communications



Increased
order
bookings



Mobile VPN obtains clearance
from the Dutch national
security authority



Inadequate margins,
mainly due to
growth initiatives

Growth initiatives Secure Communications

- » Mobile secure workplaces
- » Critical infrastructure
- » High speed network encryption systems



Q2 highlights – Business Innovation



Remote and interactive
medical training
– one of world's largest
universities new customer



Strong negative impact
from COVID-19

Trend Business Innovation

New areas within orthopaedics

- » Sectra Implant Movement Analysis (Post OP)
- » Computer Tomography Micro motion Analysis (for clinical research & studies)

Medical Education transition

- » From device delivery to a service including cloud-based content subscriptions

Research

- » Large focus on AI for medical applications



Q2 highlights – Imaging IT Solutions



Increased order bookings with huge regional contracts



Expanding customer base in the US, two new customers top rated in the US News & World Report



Positive market response for Sectra One and cloud services

A background graphic consisting of a network of white lines and nodes on a dark blue gradient. The nodes are represented by small white circles, and the lines connect them in a complex, web-like pattern. The overall effect is that of a digital or data network.

Order from Greater Manchester
to deliver one of the **largest**
region-wide imaging initiatives
in Europe

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



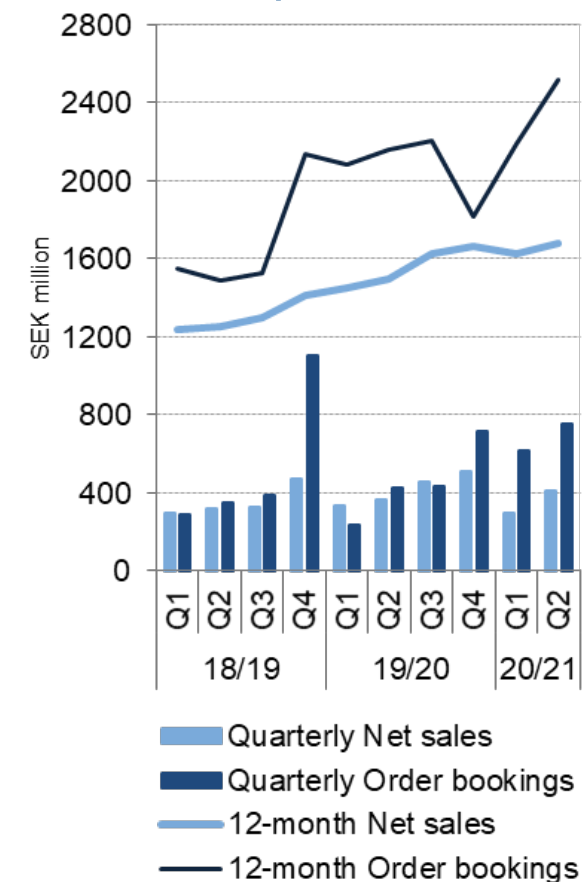
Financial development

Mats Franzén

Order bookings and net sales

- » Order intake increased 105.4% to SEK 1364.4 M (664.4)
- » Net sales rose 2.3% to SEK 712.1 M
Adjusted for currency fluctuations up 6.1%
- » Stronger SEK has negative impact
 - » USD -6.3%
 - » EUR -2.5%
 - » GBP -3.9%

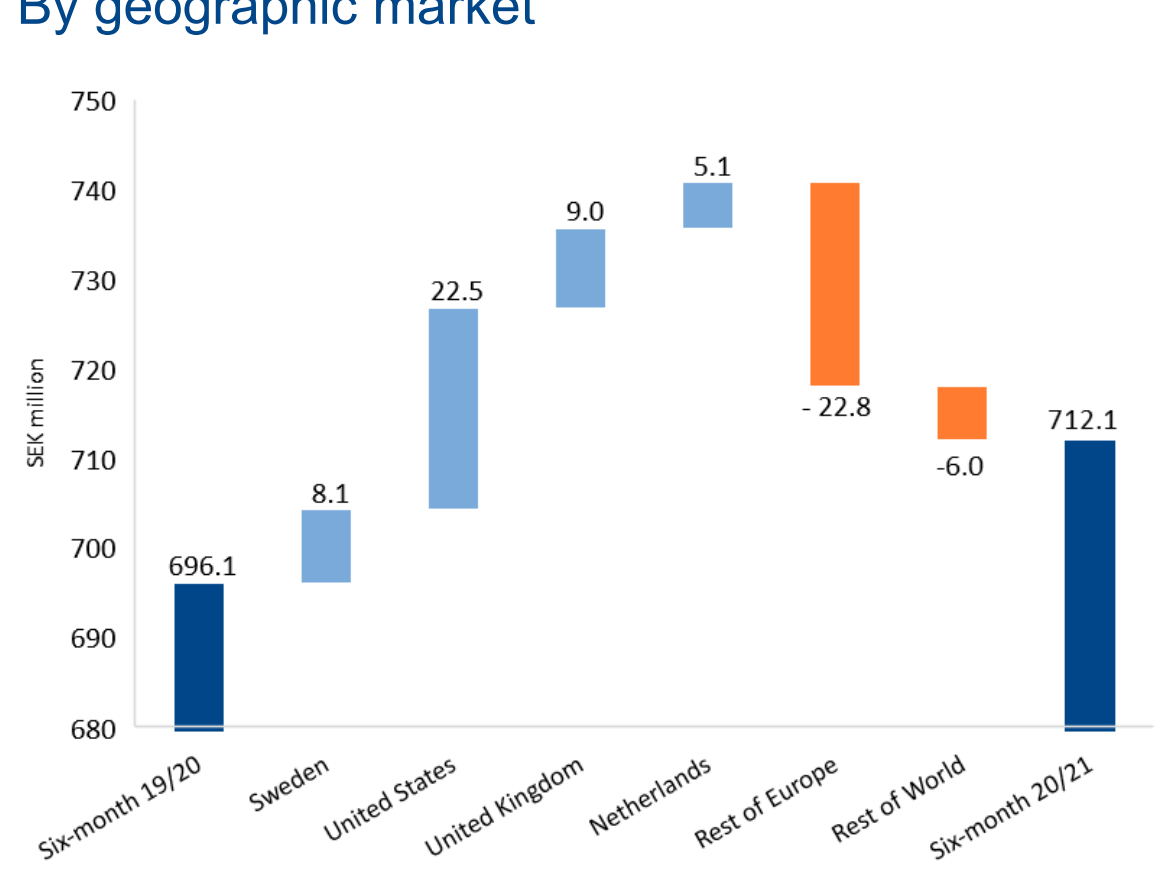
The Group



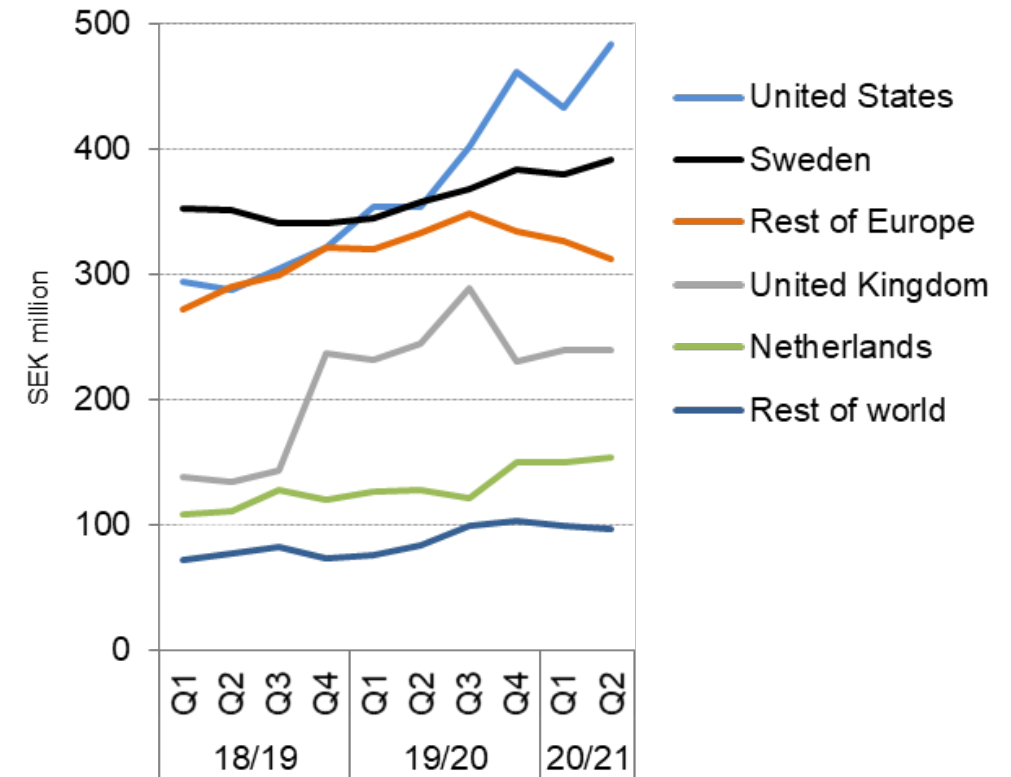
Changes compared with the average rates the corresponding six-month period in the preceding year

Sales trend by geographic market

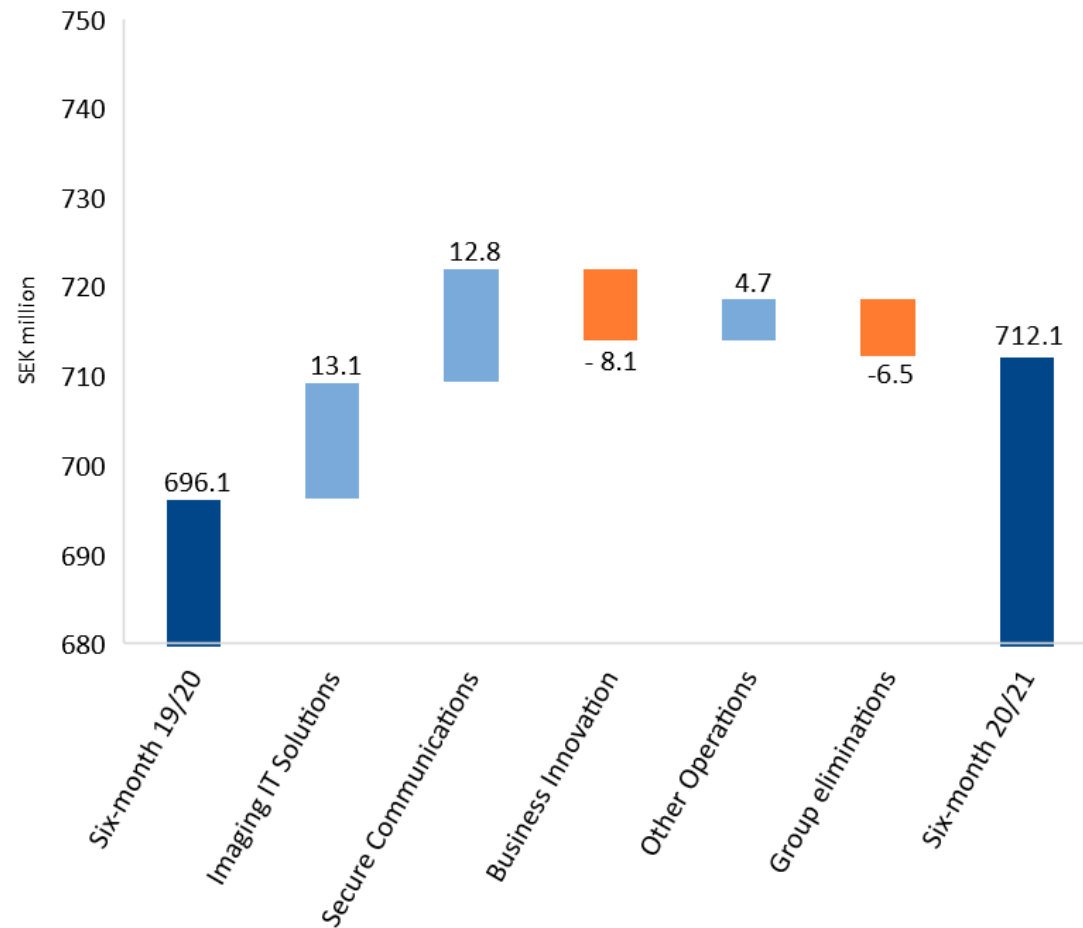
By geographic market



Trend 12 month rolling

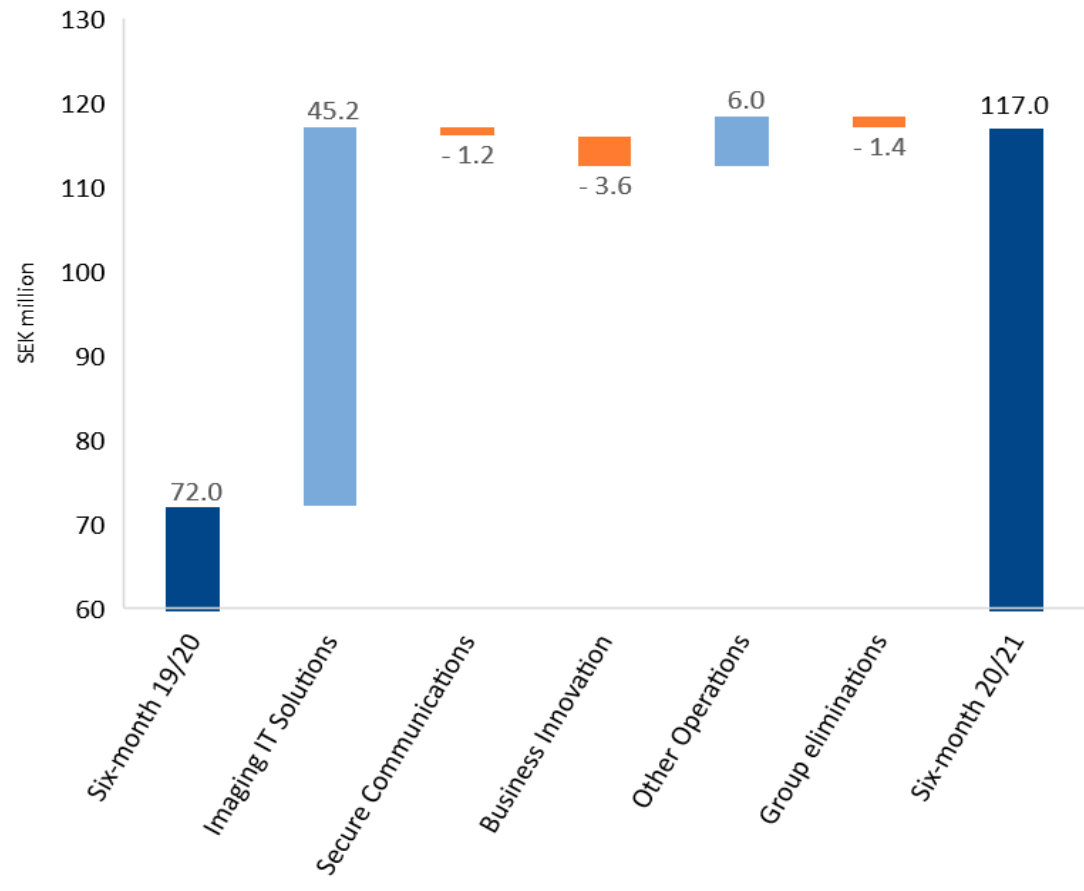


Sales trend by business segment

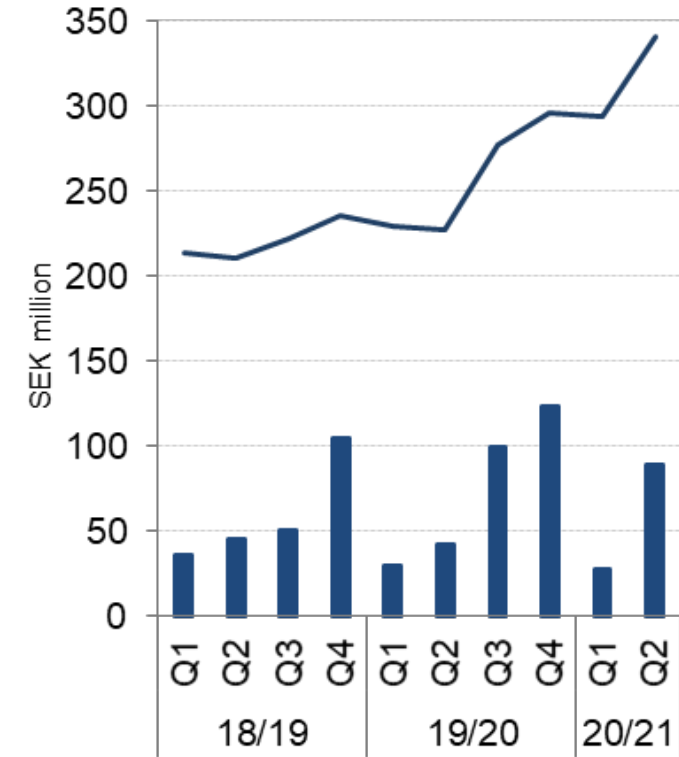


Operating earnings

By segment



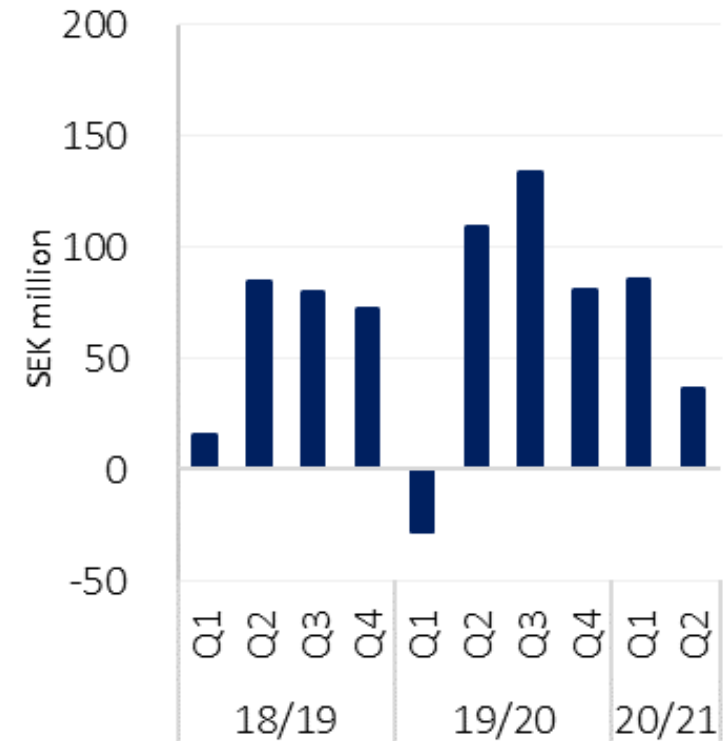
Trend for the Group



Cash flow

- » Increased tied-up capital in accounts receivables
- » Lower investments compared with comparable six-month previous year
- » Increased internal focus on cash flow given pandemic uncertainties

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

Customers' top choice – 7 years in a row



2020 Best in KLAS awards won:

- US Large PACS
- US Small PACS
- Canada PACS

”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



Recognized with top innovator award 2020

With an innovation score of 90.03%, Sectra has been appointed by Swiss innovation investment firm ALPORA as an innovation leader characterized by particularly high innovation efficiency.



Increasing recurring revenue

- » “Pay per usage” improves value for both customers and vendors
- » The new business model, Sectra One, introduced in May, will play an important role in Sectra’s future
- » The transition will be over several years, but is accelerated by COVID-19



How we handle the pandemic



Make sure customers are okay so they can do good to society when society needs it the most



Health and wellbeing of our employees



Financial stability

Philosophy: Shareholders

A young woman with her hair in a ponytail and an older man with glasses are sitting at a desk, looking at a laptop screen. They are both smiling and appear to be in a collaborative work environment. The man has his arm around the woman's shoulder.

Shareholders will be happy
if we have:

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

Upcoming financial reports

- » **Mar 12, 2021** **Nine-month report and presentation**
- » **Jun 2, 2021** **Year-end report and presentation**

Your feedback is important!

Please let us know what you think at:

www.sectra.com/irsurvey

or send an email to: info.investor@sectra.com

Questions?

If you follow online, please

- ✓ use the email button or
- ✓ send questions to info.investor@sectra.com

SECTRA

Knowledge and passion