

March 9, 2022

# Nine-month interim report

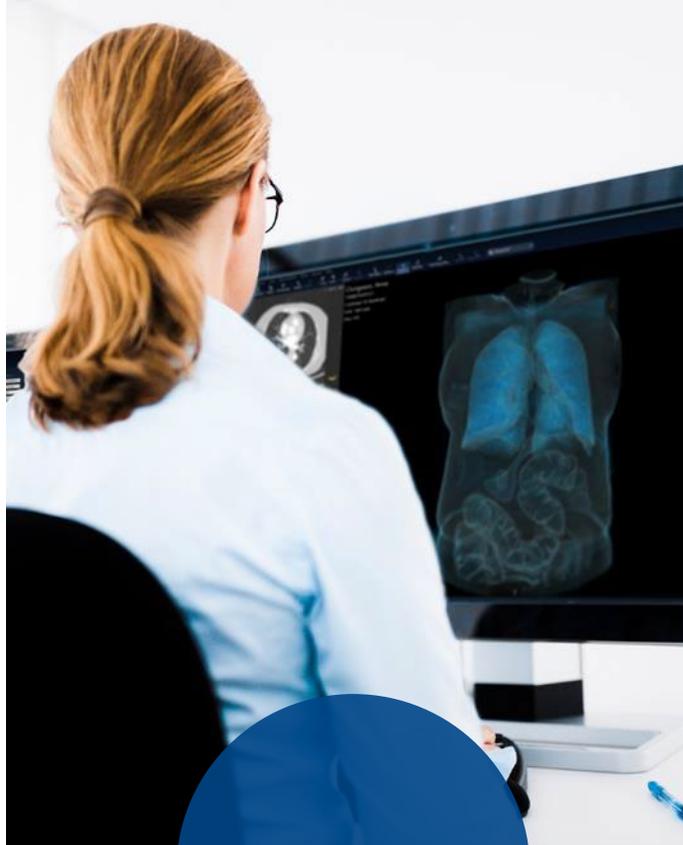


**SECTRA**

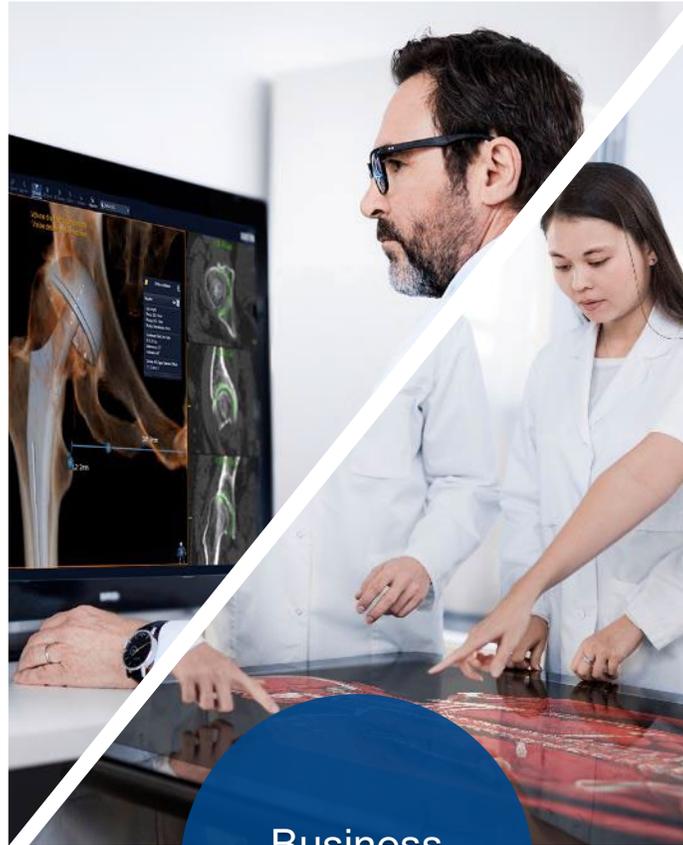
# Agenda

1. **Intro and Q3 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 chat function and email

# The value we create for customers



Imaging IT



Business  
Innovation



Secure  
Communications

# Q3 highlights

Torbjörn Kronander

# The industry's most satisfied customers for the 9th consecutive year

## Sectra Enterprise Imaging

— with Best in KLAS winning PACS



[sectra.com/KLAS](https://sectra.com/KLAS)

**SECTRA**

Nine-month figures 21/22:

# Satisfied customers – best way to grow

Net sales

**+17.5%**

SEK 1,300 million

Profit/share

**+49.1%**

SEK 1.05

Recurring revenue

**+11.9%**

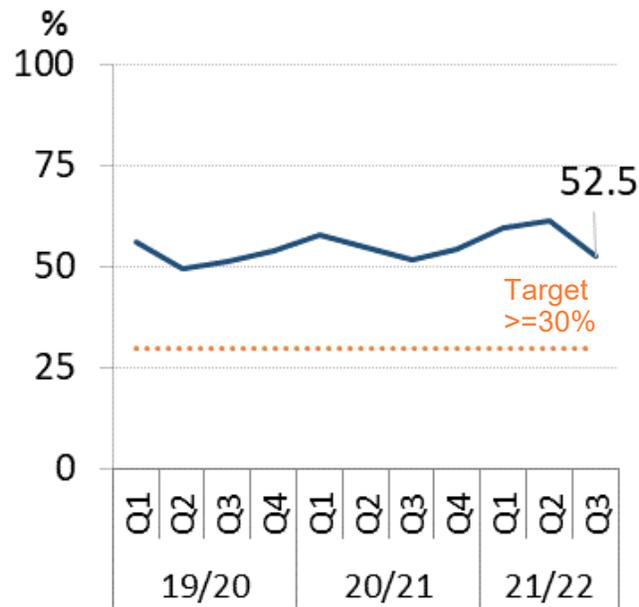
SEK 800 million

PASSION LED US HERE

# Financial targets for the Group fulfilled

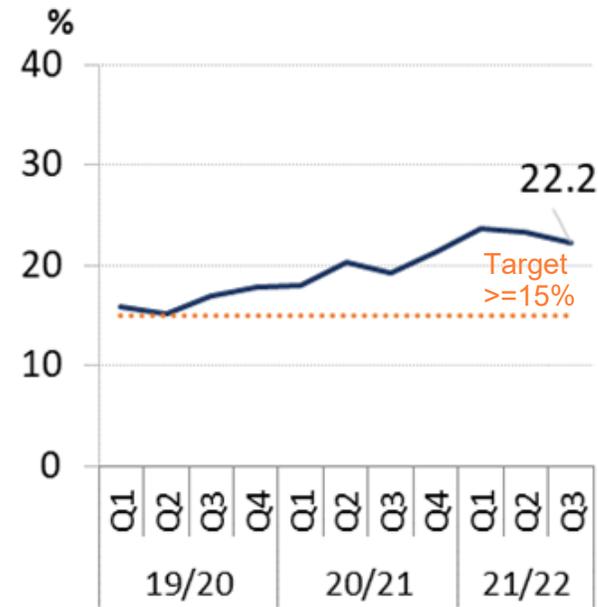
## 1. Stability

Equity/Assets ratio



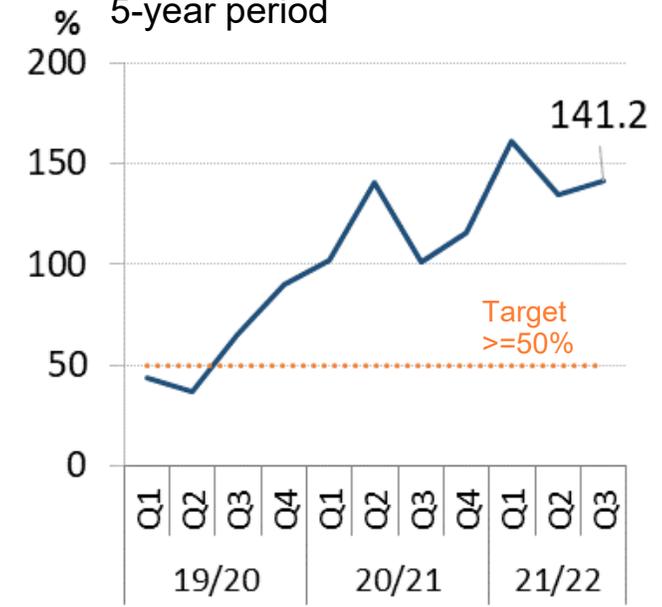
## 2. Profitability

Operating margin



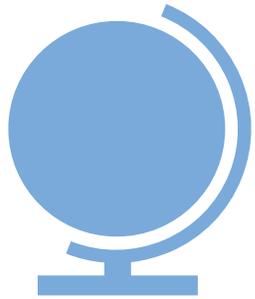
## 3. Growth of profits

EBIT/share growth over a 5-year period

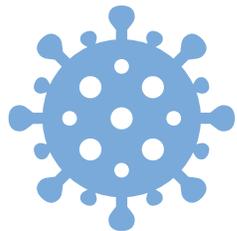


Priority

# Specific uncertainties



Invasion of Ukraine

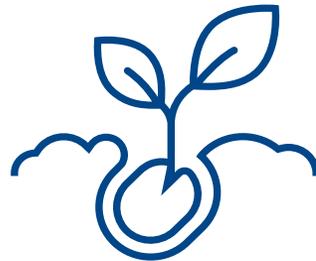


COVID-19-pandemic

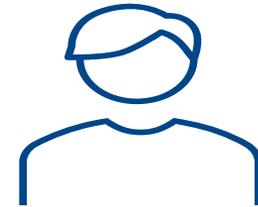
# Secure Communications – Q3 highlights



Five-year framework agreement with the Dutch Ministry of Defense



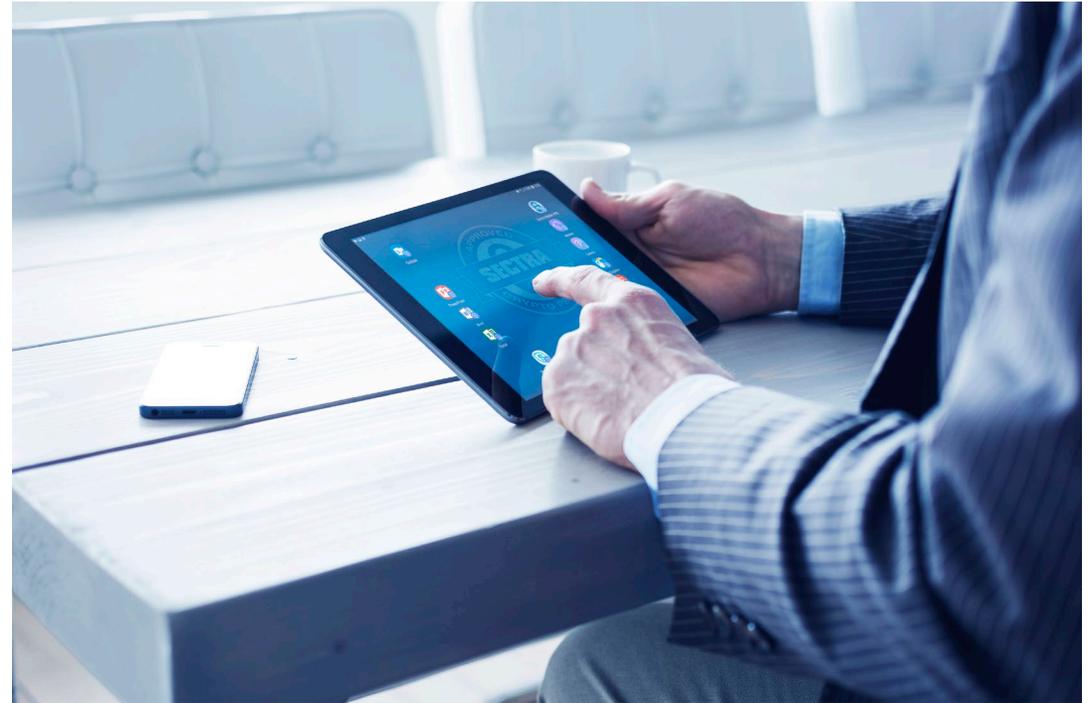
Inadequate financial development, strong impact from pandemic



New acting President from Jan 1, 2022

# Secure Communications impact of the Ukraine crisis

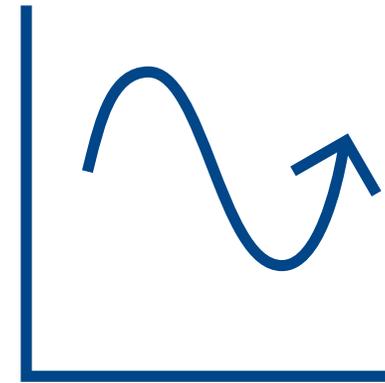
- » Increasing interest but slow market



# Business Innovation – Q3 highlights



Region Vestfold 1<sup>st</sup> in  
Norway with Sectra  
Implant Movement  
Analysis



Results vary significantly  
between quarters in  
the relatively small  
business units. Focus is  
increasing recurring revenue.

# Business Innovation growth initiatives



## New orthopaedics areas

- » 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
- » Remote and modern teaching demand.

# Business Innovation growth initiatives

## Research

Focus on AI for medical applications and future applications and areas

# Imaging IT Solutions – Q3 highlights



Emory Healthcare (US)  
expanded enterprise  
imaging contract to  
incl. **digital pathology**



**Sectra One**  
subscription service  
ordered by  
MUSC Health (US)



**Ophthalmology**  
module deployed  
at major  
US customer

# Imaging IT Solutions growth initiatives

- » **New markets, direct and indirect**
  - ✓ Expanding indirect sales region to South America
- » **Enterprise Imaging, including:**
  - ✓ Digital pathology and integrated diagnostics
  - ✓ Cardiology
  - ✓ Ophthalmology (new)
- » **Focus US**
  - ✓ The world's largest market
  - ✓ Sectra tops customer satisfaction
  - ✓ Small, but growing, market share



# Financial development

Mats Franzén, CFO

# Order bookings and net sales

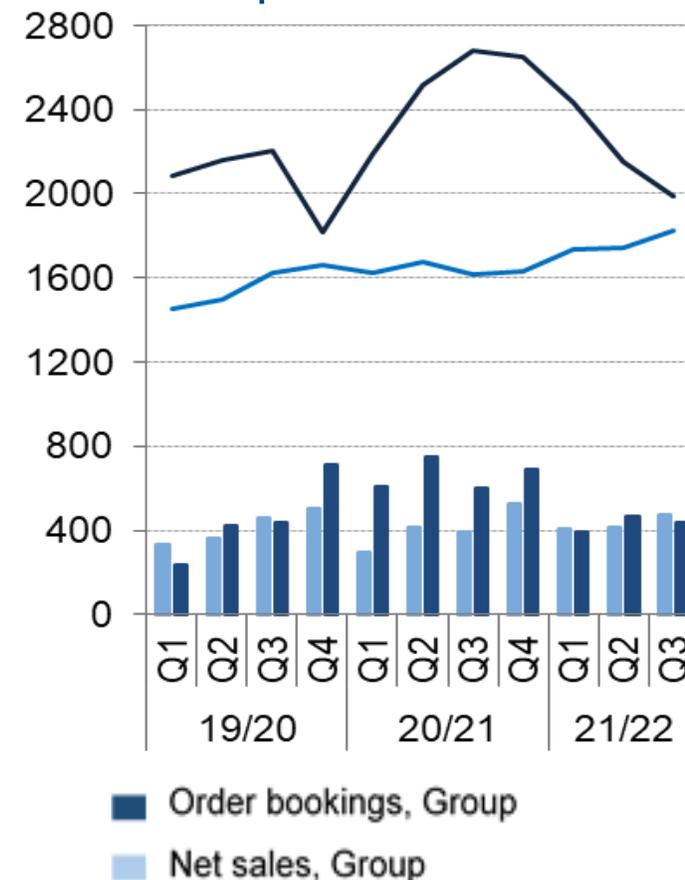
SEK million

- » 9-month order intake was SEK 1,302.8 M, down 33.6%
- » Net sales SEK 1,300.1 M, up 17.5%
- » Weaker SEK has strong positive Q3 impact

3 <sup>rd</sup> quarter	9 months
-------------------------	----------

- |              |        |
|--------------|--------|
| ▪ USD +9.7 % | -0.3 % |
| ▪ EUR +2.1%  | -1.3 % |
| ▪ GBP +8.9 % | +4.8 % |

The Group

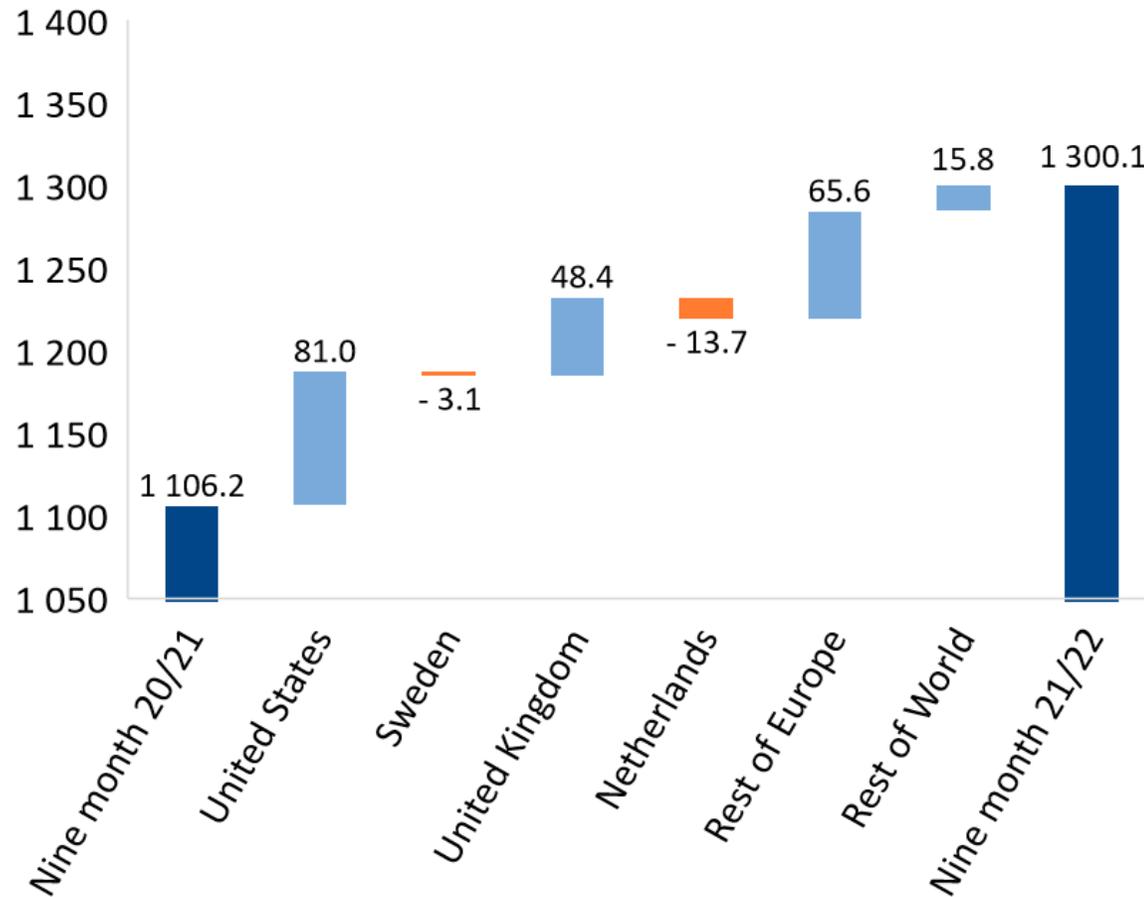


Average exchange rates compared with the average rates in the preceding year

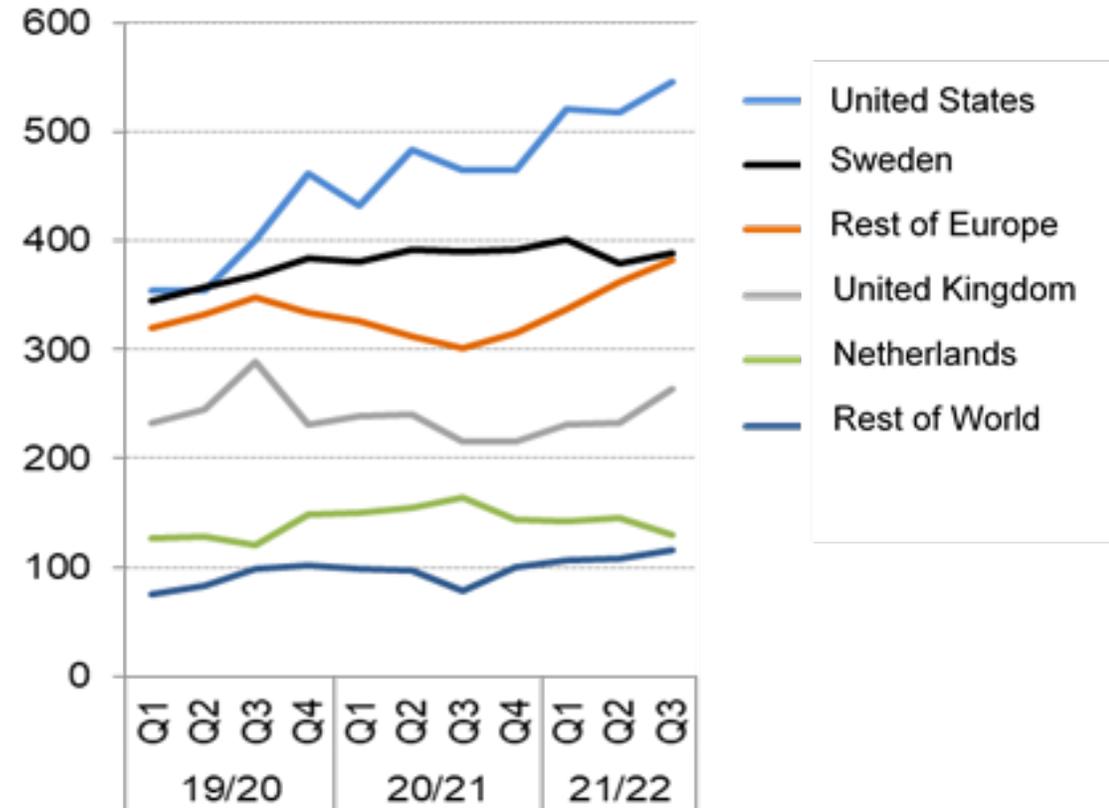
# Sales by geographic market

SEK million

## Trend by market



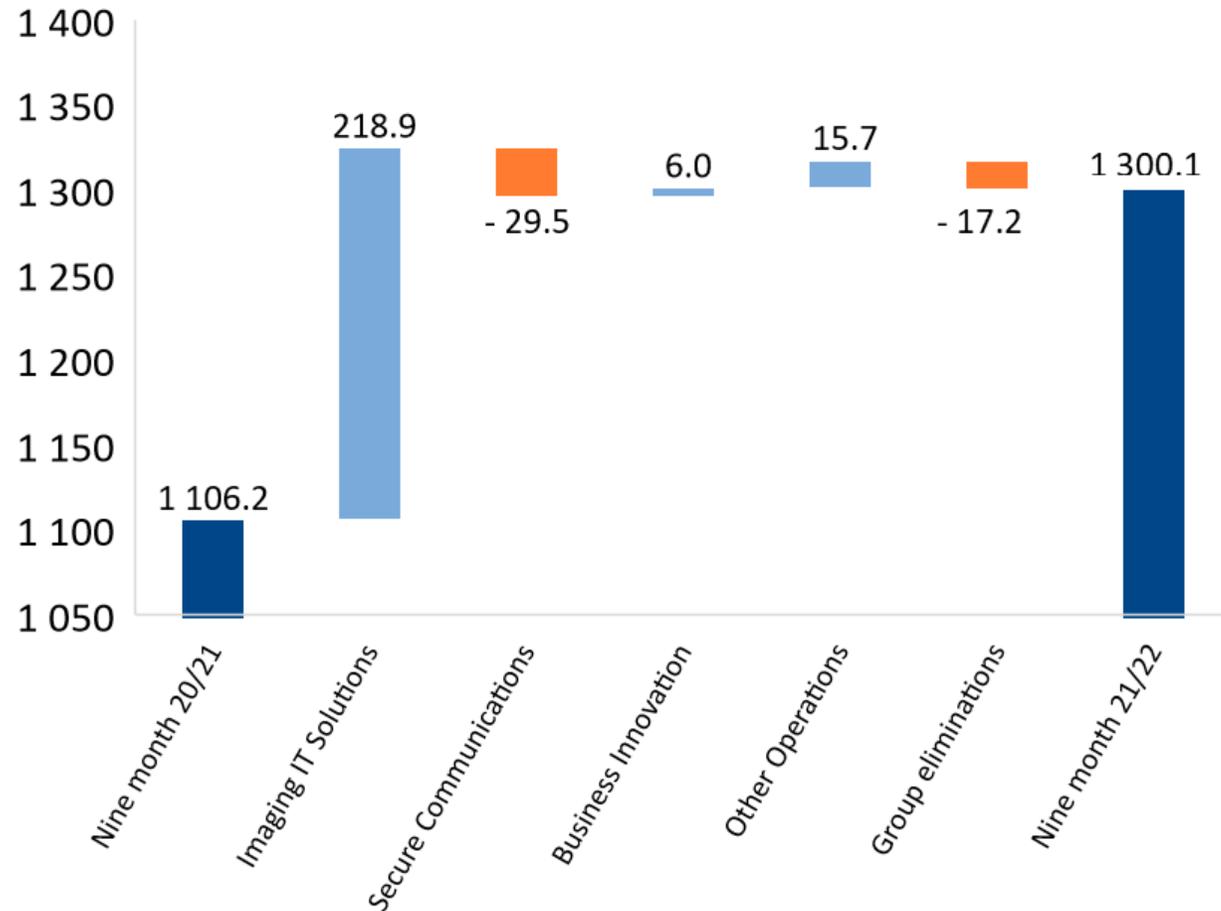
## Trend 12-month rolling



# Sales by business segment

SEK million

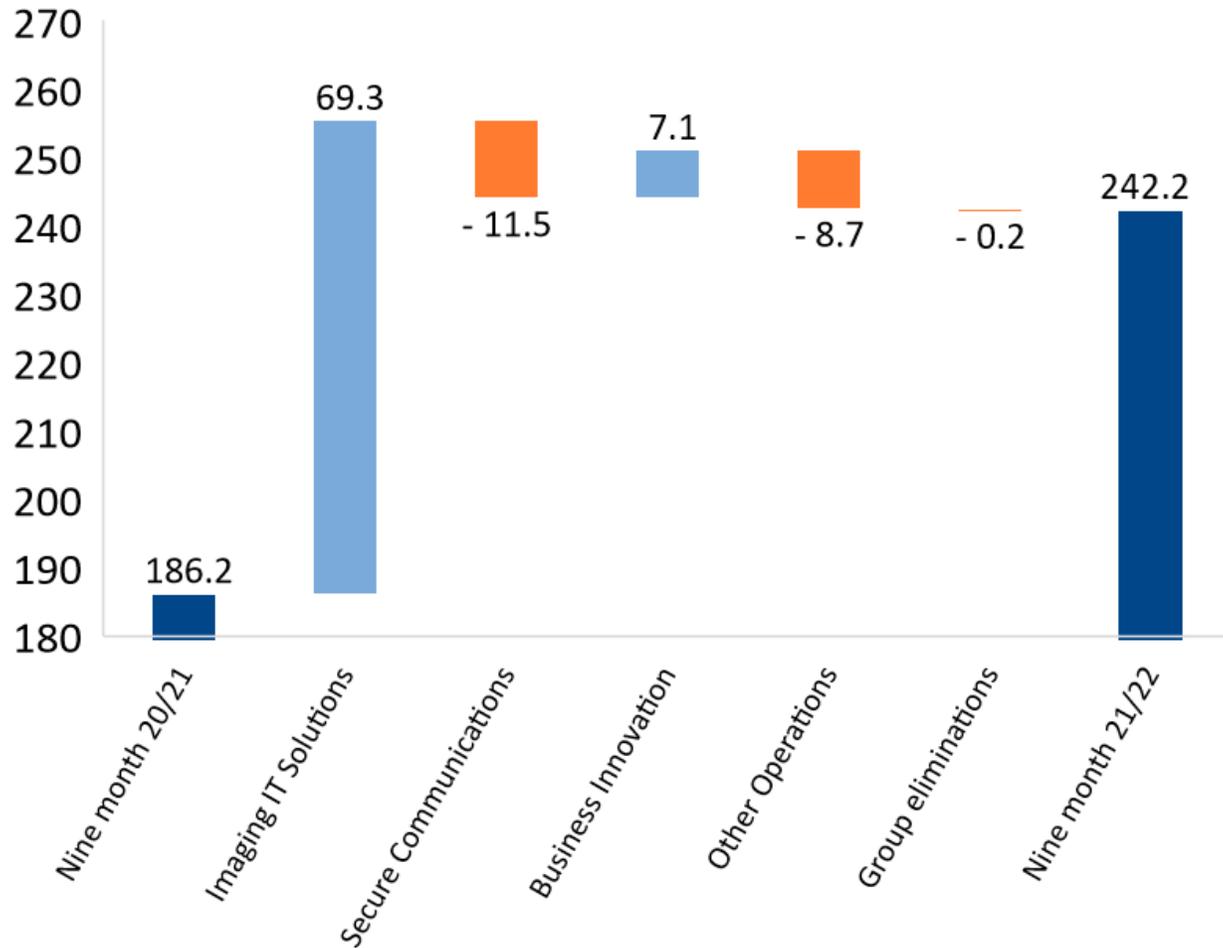
Trend by operating area



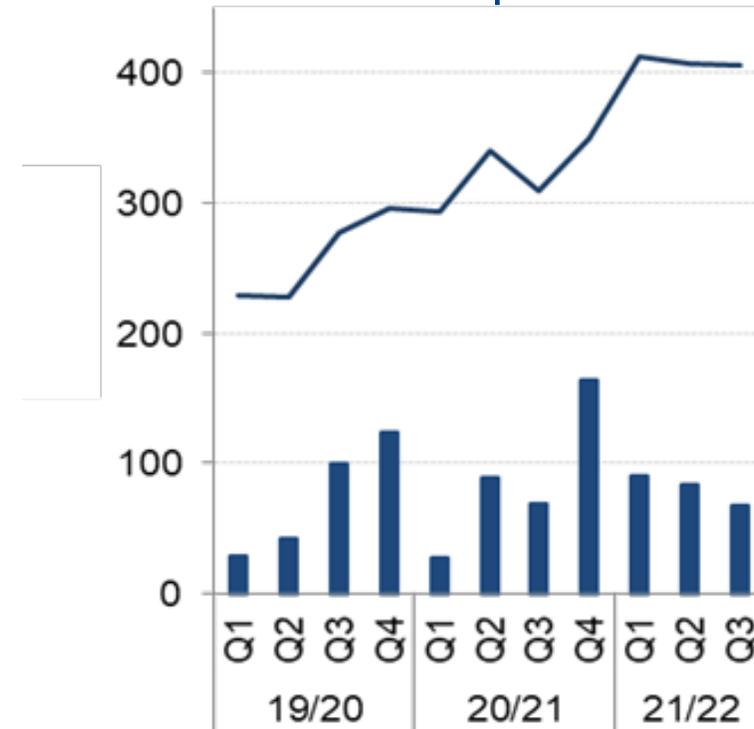
# Operating profit

SEK million

## By operating area



## Trend 12-month rolling for the Group

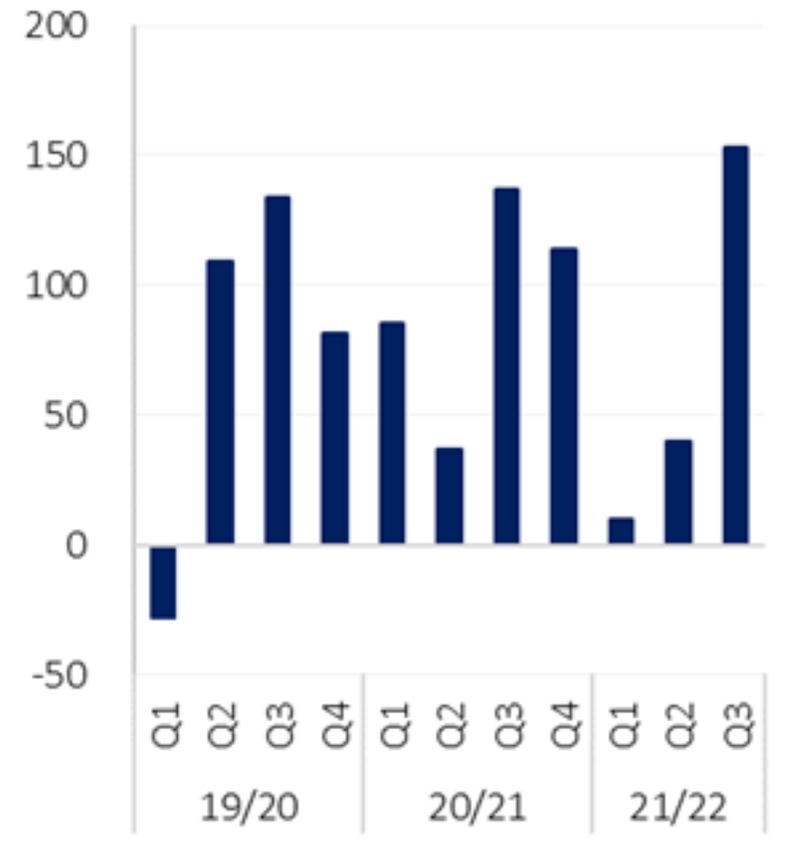


# Cash flow

SEK million

- » Increased operating profit
- » Q3 strong cash flow as historically and expected, although...
- » ... current receivables tied more cash than the comparable 9 months period

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

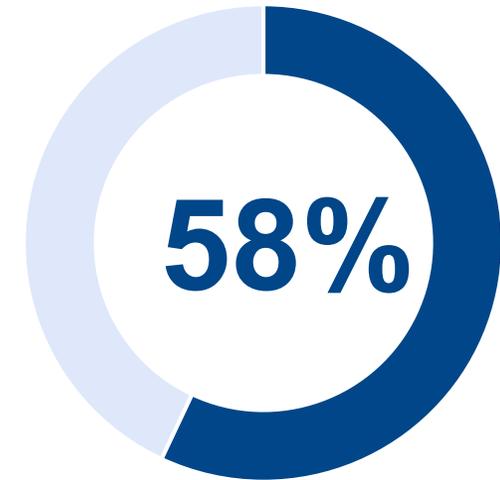
# Choose your markets

- » Growth is easier in growing markets
- » Healthcare IT and cyber security – Both are markets where society dynamics enforces growth



# Increasing recurring revenue

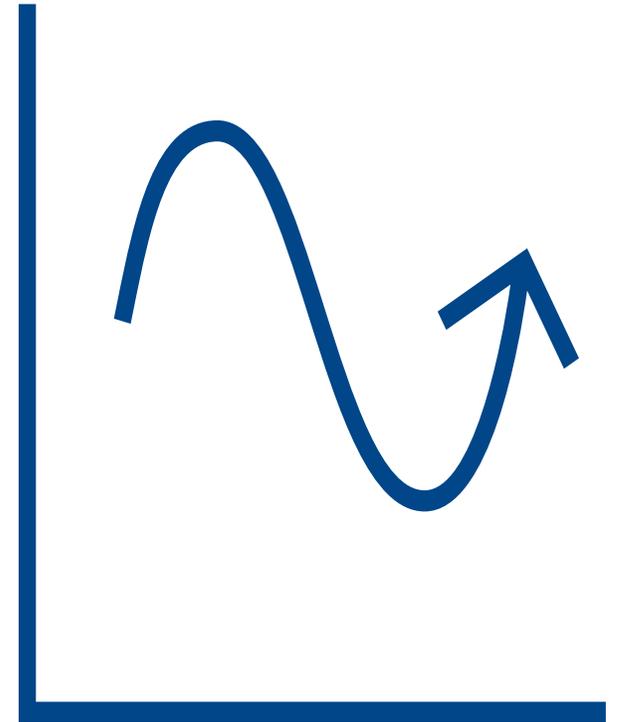
- » Large interest in “pay per usage”
- » The Sectra One subscription model will dominate future sales in medical IT
- » Transition will be over several years
- » During the transition apparent revenue growth will be smaller, despite large growth in real usage
- » Long term the financial effects will be strongly positive



Share of recurring revenue  
12-month rolling

# Seasonal patterns

- » Order intake variation will continue to be very large and is increasing due to healthcare consolidation (large deals)
- » Revenue and profit variation will gradually decrease.
- » Can be seen as quarterly variation for 9-month 21/22 more even than our historical pattern.



# "Skate to where the puck is going to be"

## Examples:

### » Imaging IT systems

- Consolidated hospitals and IT systems
- Enterprise medical imaging, a "Pixel-EMR"
- New "ologies", Pathology, Ophthalmology...

### » Cybersecurity

- Secure mobile workplaces
- High speed high security network infrastructure
- Expecting increasing demand due to crisis

### » Business innovation

- The entire image-based orthopedics planning and follow up process
- Lifelong education of medical staff



# Philosophy shareholders

A photograph of a man and a woman in business attire looking at a laptop screen together. The man is on the left, wearing glasses and a white shirt with a red tie. The woman is on the right, wearing a teal top. They are both smiling and looking towards the laptop. The background is a bright, out-of-focus office setting.

If you have:

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

Then shareholders **WILL** be happy

# Upcoming financial reports and the AGM

- » June 3, 2022      Year-end report
- » September 8, 2022      Annual General Meeting

# Your feedback is important!

Please let us know what you think.

Send an email to: [info.investor@sectra.com](mailto:info.investor@sectra.com)

# Questions?

If you follow online, please use the chat function.

# SECTRA

*Knowledge and passion*