

March 10, 2023

Nine-month interim report



SECTRA

Agenda

1. Intro and highlights – Torbjörn Kronander CEO/President
2. Financial development – Jessica Holmquist CFO
3. Sectra's way forward – Torbjörn Kronander
4. Q&A session – Via chat function and email

Main business lines

Imaging IT solutions



IT-security solutions



Growth opportunities outside of main business

Business Innovation



Medical education IT



Orthopaedics IT



Genomics IT

New!



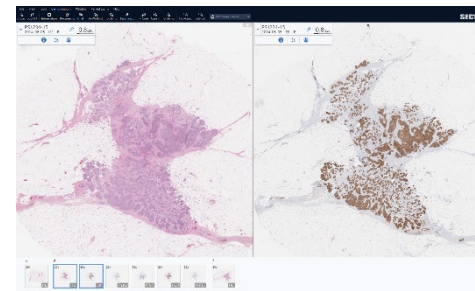
Research

Secure Communications



IT security for
Critical Infrastructure

Imaging IT



Digital pathology and
Integrated Diagnostics

Highlights

Torbjörn Kronander

All-time high contracted order bookings

- » Large systems + long term = very large values
- » Two substantial Sectra One contracts
- » Significant quarterly variations due to large individual orders



Transforming to Software as a Service

Net sales
+25%

SEK 1,626 million

Profit/share
+9%

SEK 1.14

Recurring revenue
+23%

SEK 983 million

Nine-month compared to nine-month previous year

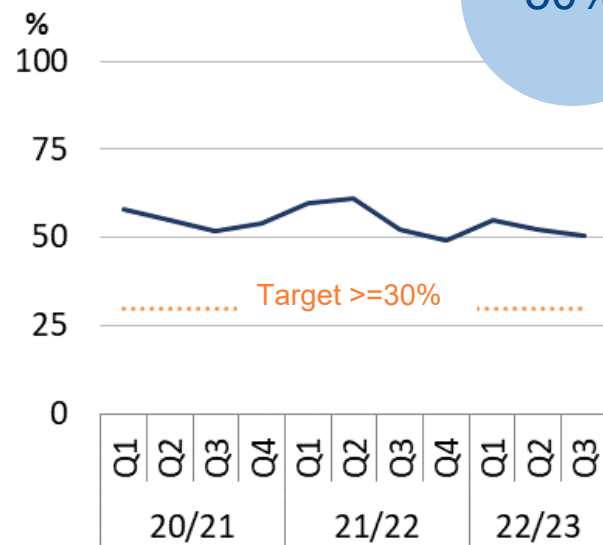
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Financial targets for the Group fulfilled

1. Stability

Equity/Assets ratio

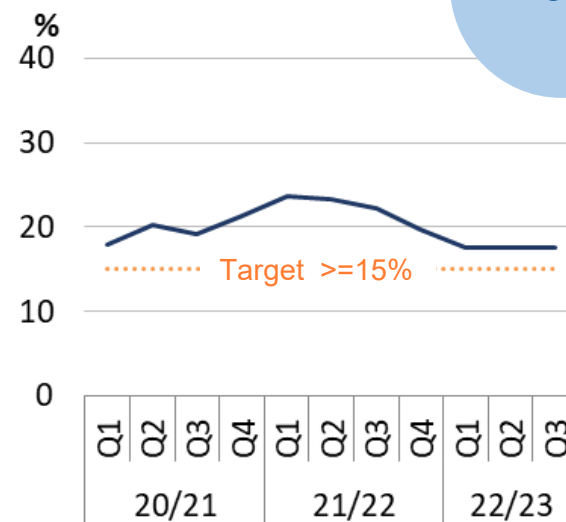
50%



2. Profitability

Operating margin

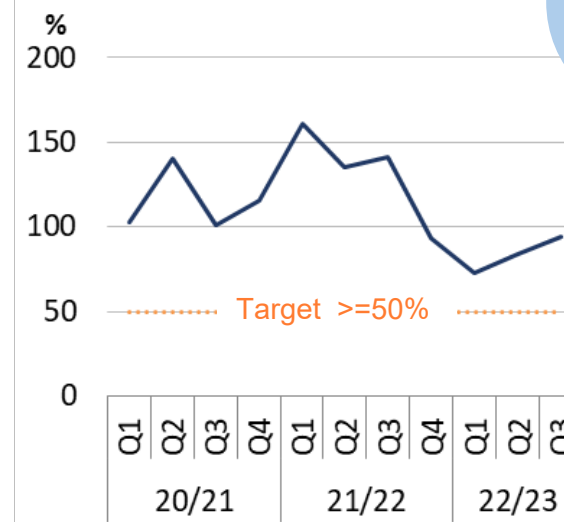
18%



3. Growth of profits

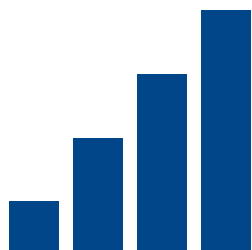
EBIT/share growth over a 5-year period

94%



Priority

Secure Communications highlights



Considerably
improved earnings



New orders to help civil
and military defense's to
communicate securely



Growing demand,
larger and more
prospects

Business Innovation highlights



Increasing
recurring revenue



Orthopaedics/MSK
functions very
synergetic with
radiology



New medical education
web portal has
dramatically increased
usage

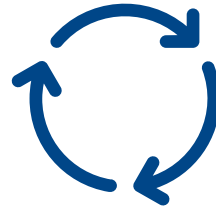


Genomics IT
development in
progress, receiving
large international
interest

Imaging IT Solutions highlights



Growing order bookings
in all markets



Transition to SaaS
and cloud deliveries



Cloud Recurring
Revenue +39%

Dedicated to global customer satisfaction



2023 Best in KLAS awards:

US PACS (Large) – 10th year and US PACS (Small)

Canada PACS – 4th year

Asia/Oceania PACS – 2nd year

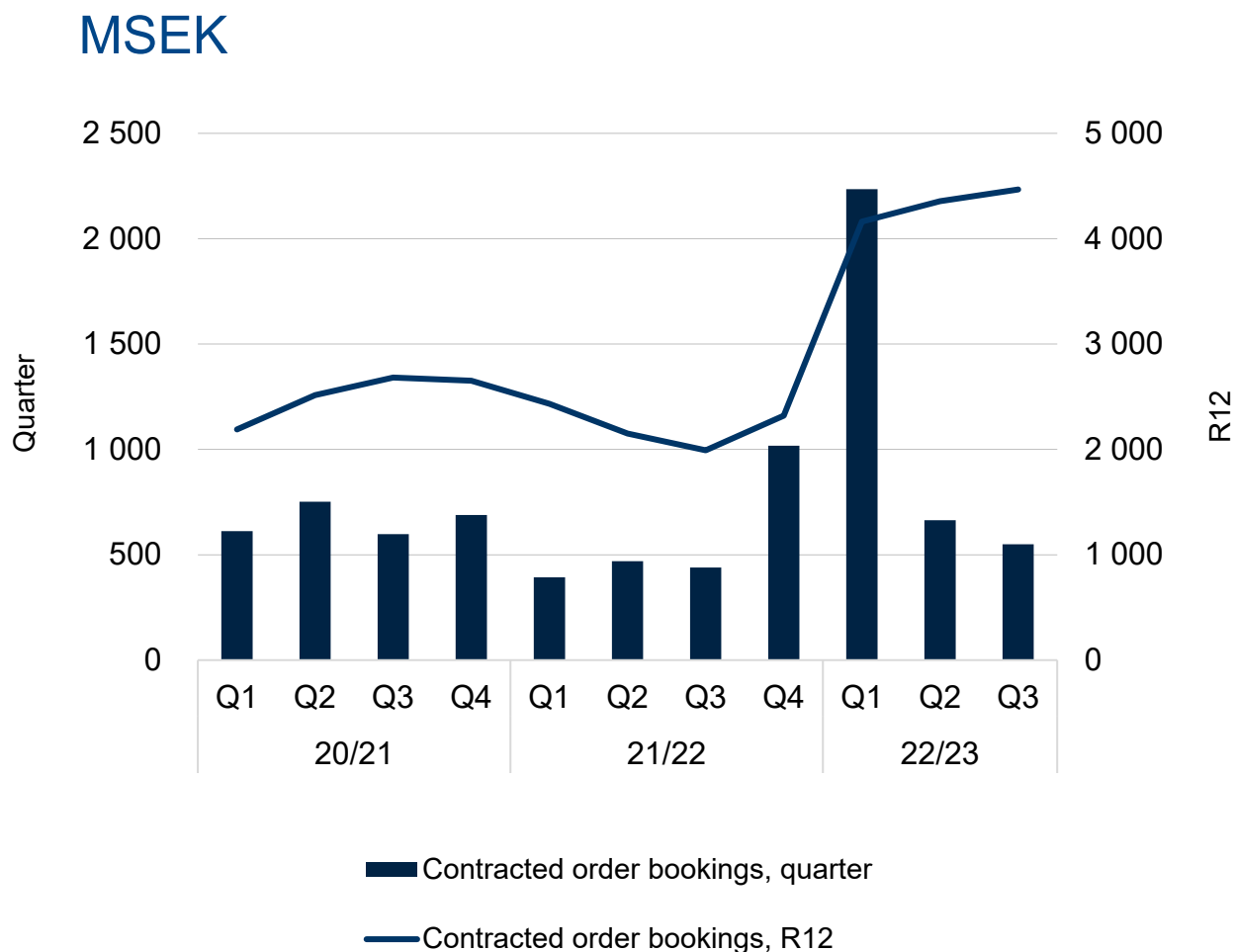
Financial development

Jessica Holmquist, CFO

Changes in Sectra's external reporting

- ✔ Increased details on order intake until Q4 23/24, no order intake in external reporting thereafter
- ✔ Focus on Recurring Revenue
- ✔ Cloud Recurring Revenue (CRR) new APM
- ✔ Recurring Revenue Churn – new APM in next report

Contracted order bookings historically high

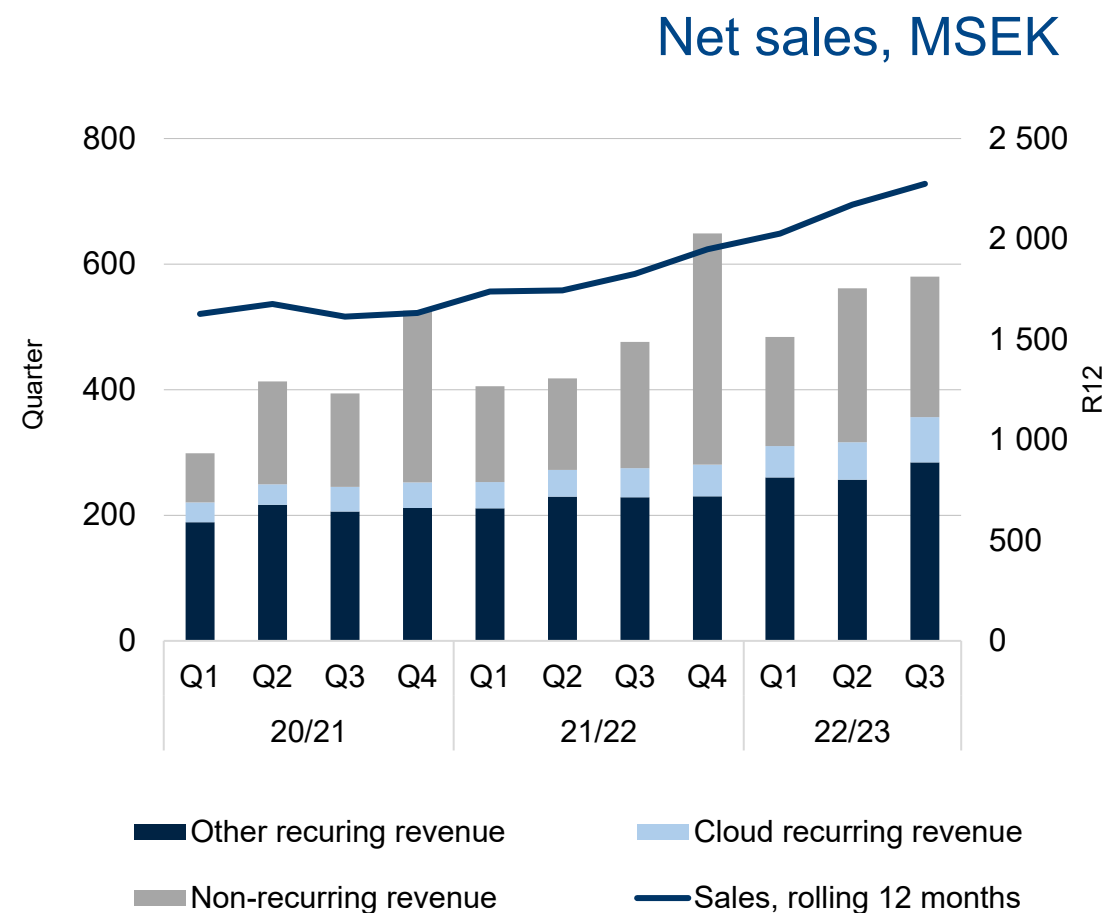


YTD:
3,449 MSEK
+165%

of which
1,795 MSEK
is guaranteed

Stable growth in net sales

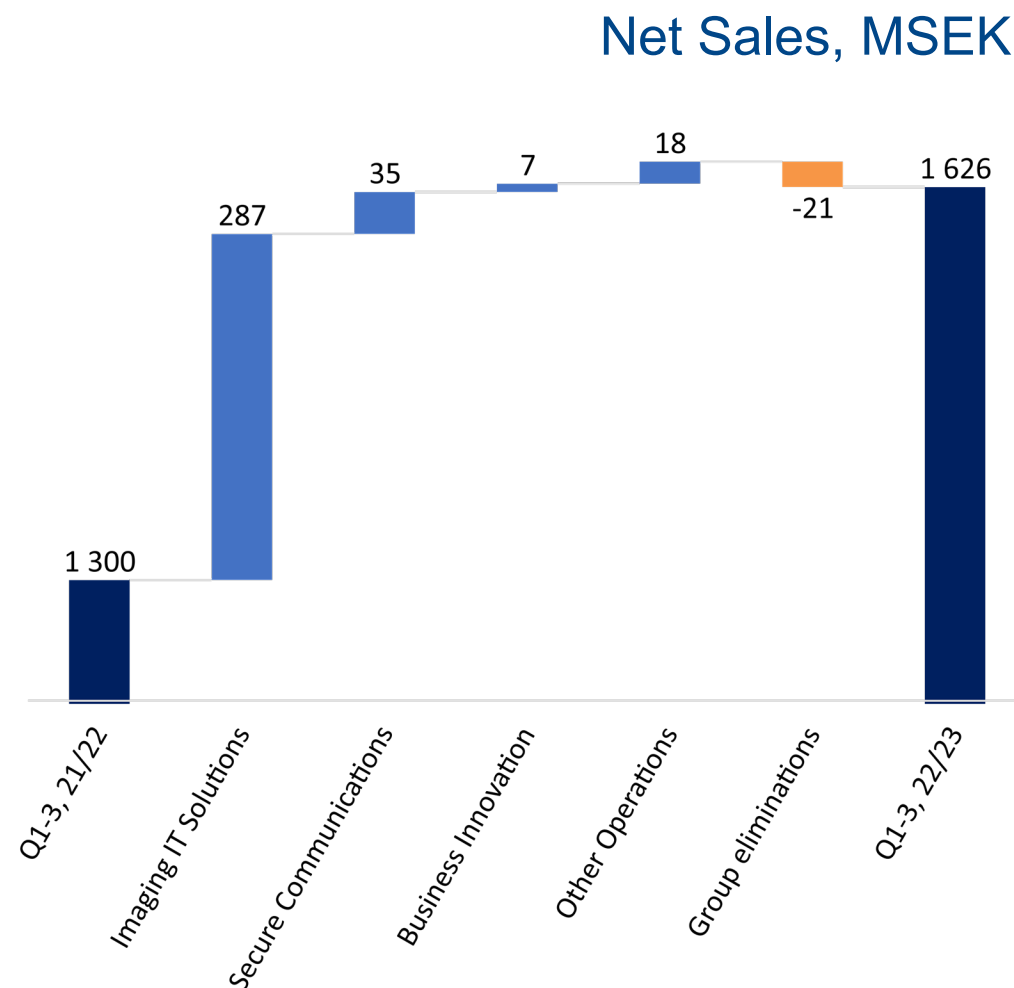
- » Net sales +25% to 1,626 MSEK
- » Currency adjusted growth +16%
- » Recurring revenue +23%
 - » Share of total revenue unchanged ~ 61% (62%)
- » Cloud recurring revenue +39% to 182 MSEK



9M compared to 9M previous year

Growth in all business segments

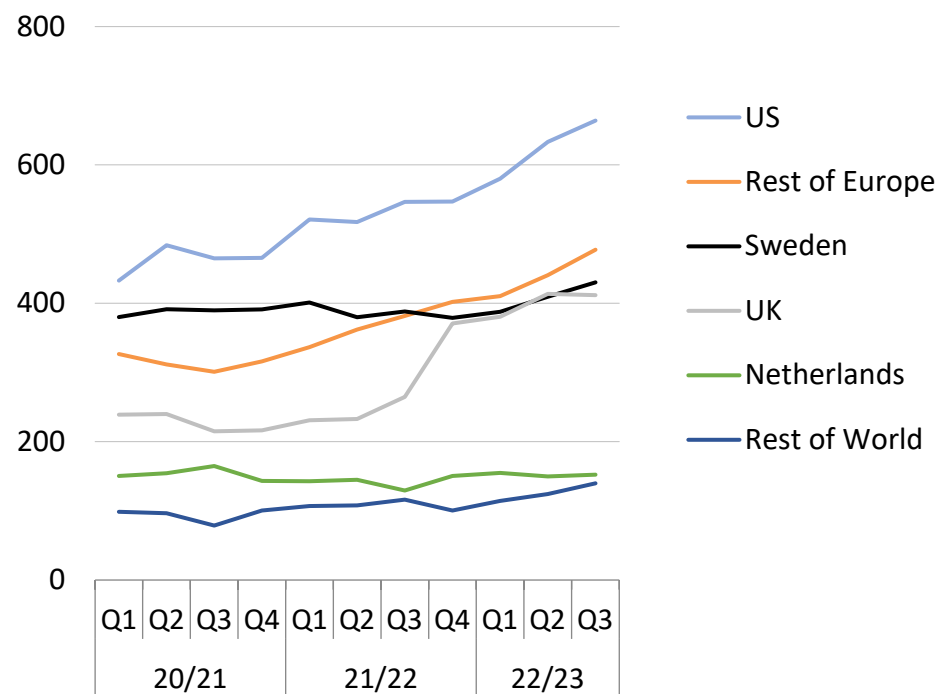
- » Imaging IT **+25%**
 - Growing customer base
 - Positive currency impact
- » Secure Communications **+29%**
 - Market situation is gradually normalizing
- » Business Innovation **+15%**
 - Positive trend in cloud recurring revenue



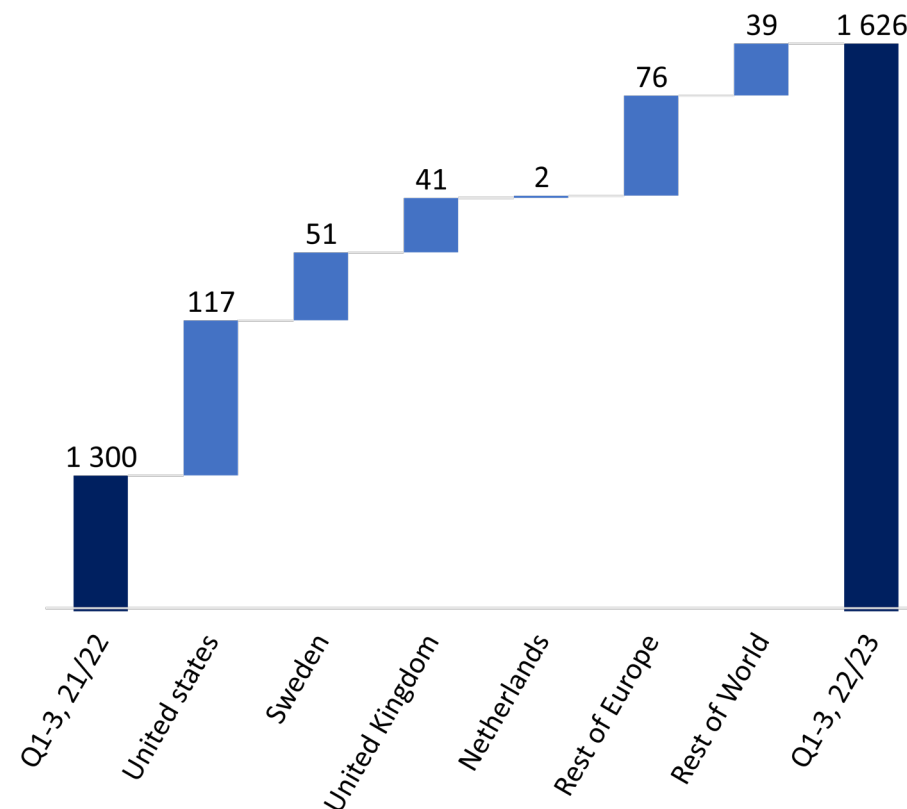
9M compared to 9M previous year

Positive trend in all geographic markets

Net Sales R12, MSEK



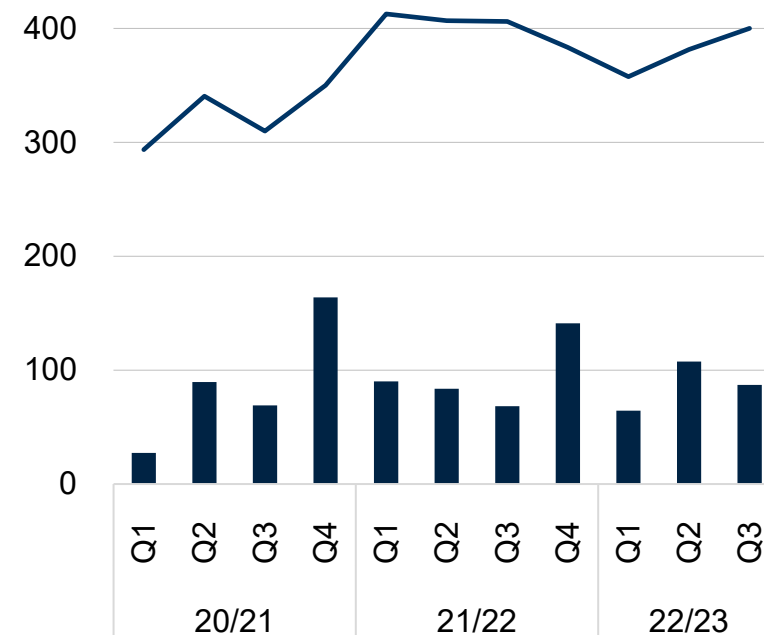
Net Sales, MSEK



Operating profit margin above target

- » Operating profit of 259 MSEK, equal to a margin of 16%
- » Operating margin is above target but lower than last year
 - » Ramping up of the organization
 - » Accumulated need for sales and marketing activities

Operating profit, Quarterly & R12, MSEK



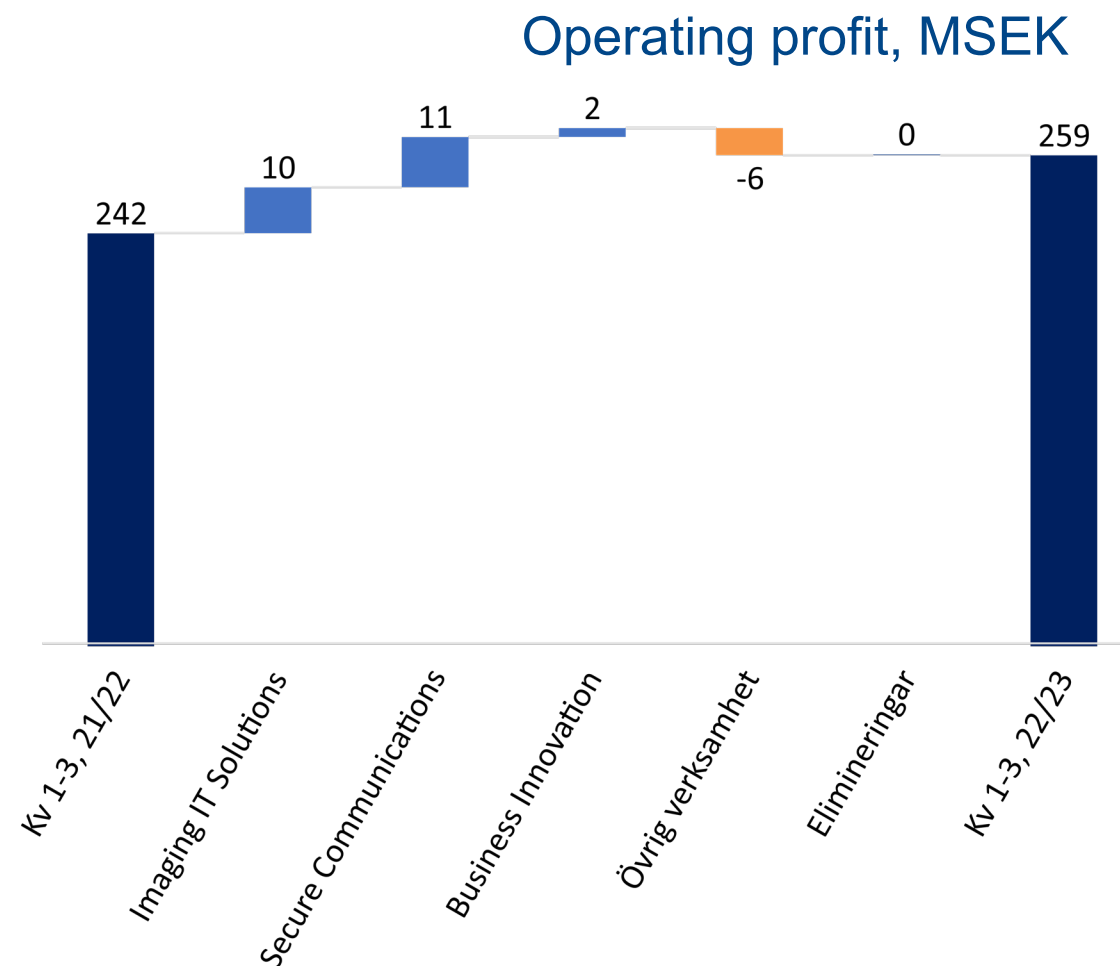
Operating profit by business segment

» Imaging IT

- Continued cloud investments and high activity
- Lower costs previous year due to pandemic

» Secure Communications

- Focus on deliveries, marketing & sales
- Development of new offerings



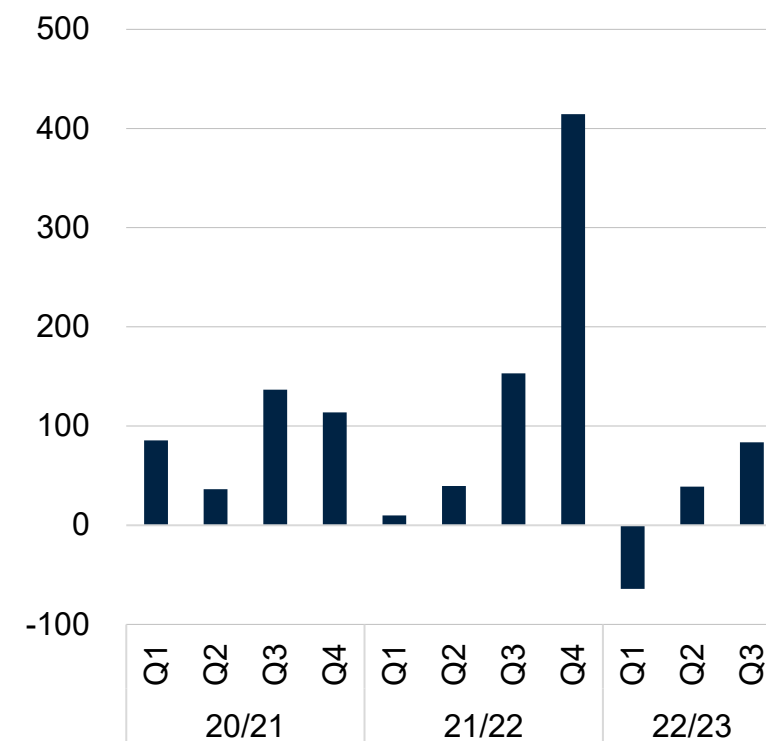
Positive cash flow from operations

» Operations

- YTD 58 MSEK, Q3 84 MSEK
- Increased tied-up capital in current receivables and settlement of current liabilities

» Cash and cash equivalents 602 MSEK, incl. 120 MSEK short term bank deposit

Quarterly from operations, MSEK



Sectra's way forward

Torbjörn Kronander

SECTRA

Focus forward



High customer
satisfaction



Employees and
culture



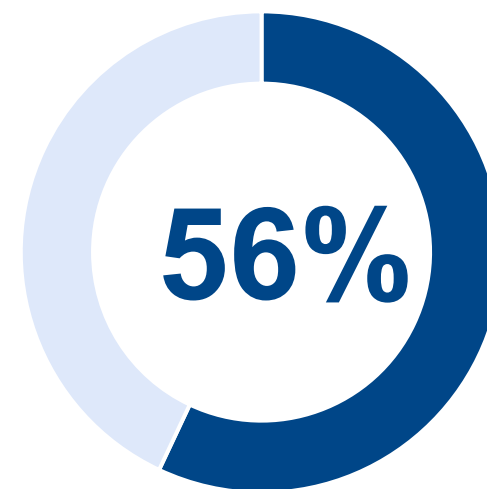
Profitable
growth



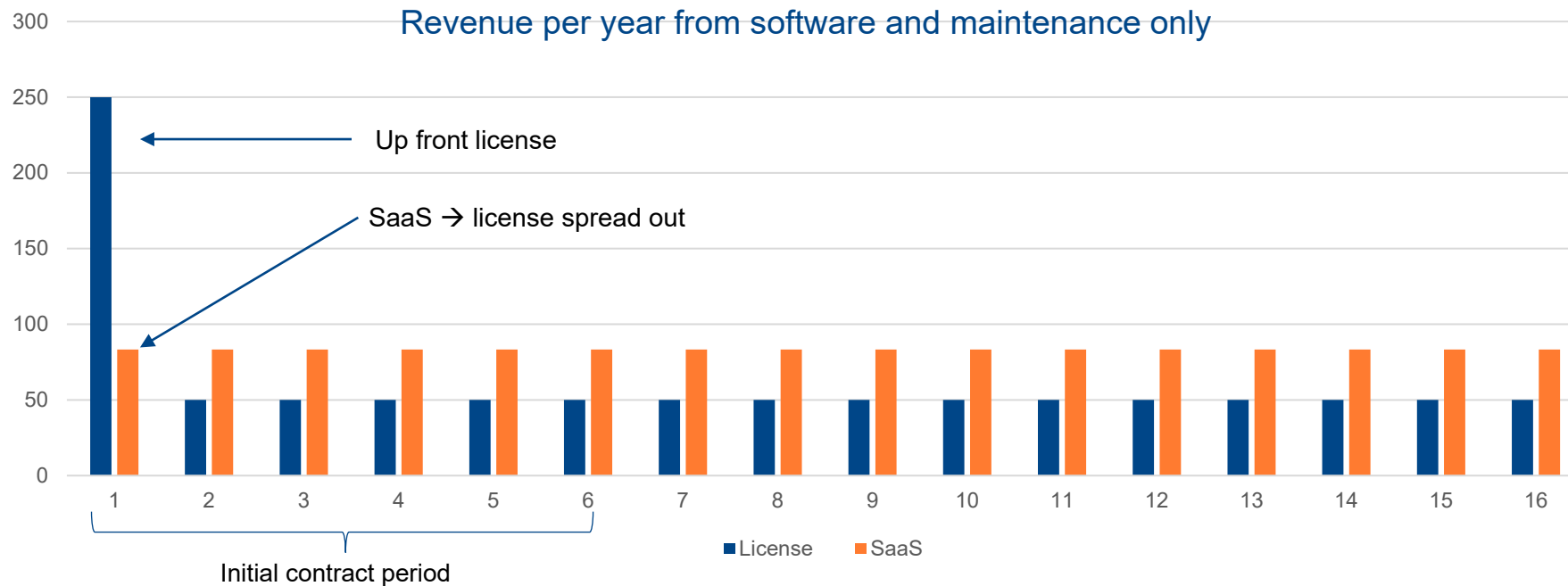
Skate to where
the puck is
going to be

Increasing recurring revenue

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



Share of recurring revenue
R12

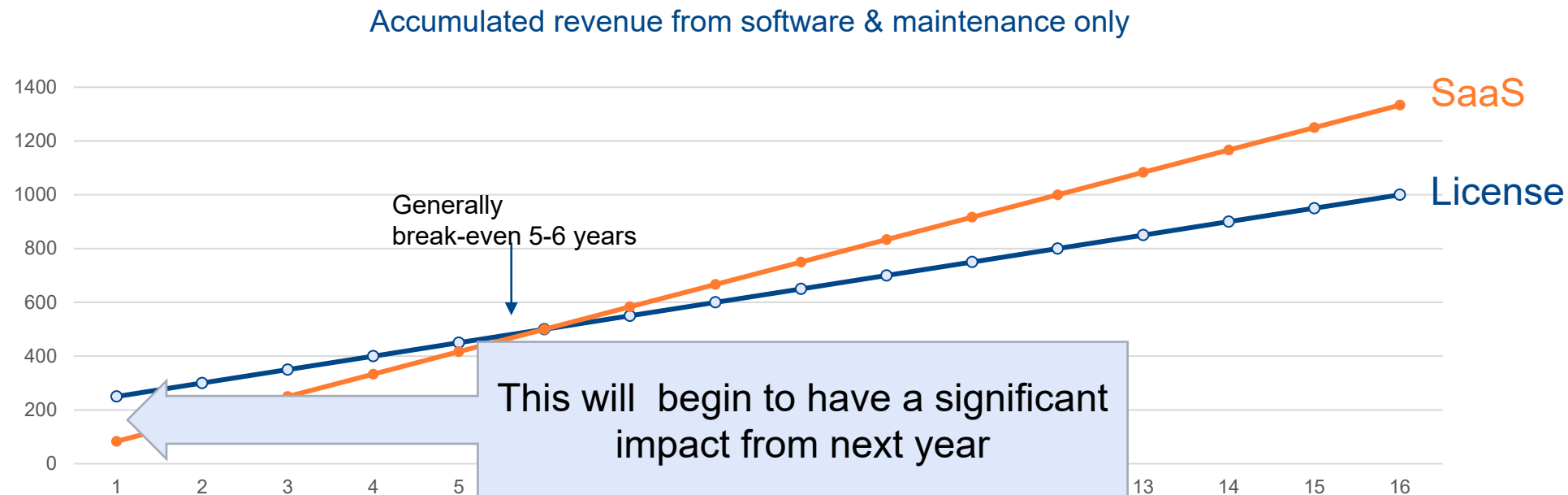


License sale

16 years total revenue
=1000 k\$

SaaS sale

16 years total revenue
=1333 k\$



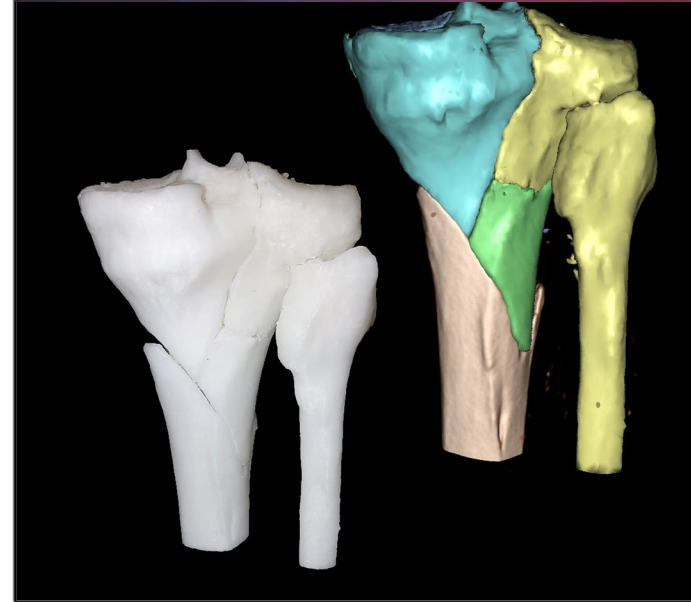
Sectra is well positioned

Sectra was recently, as the only PACS company, invited to present at the US National Academy of Sciences symposium in Integrated Diagnostics in Washington DC. Showing that we are at the very forefront of technology.



Why Sectra?

- » Positioned in markets that are forced to grow
- » High customer satisfaction
- » High employee satisfaction with strong corporate culture
- » A strong brand in markets where trust is critical
- » Profitable, strong cash flow, and a solid balance sheet
- » Rapidly increasing recurring revenue and low churn
- » Sustainable investments in R&D with exciting future opportunities
- » Management owns shares



2023 upcoming financial events

- » June 2 Year-end report
- » September 7 Annual General Meeting

Your feedback is important!

Please let us know what you think.

Send an email to:

info.investor@sectra.com

Questions?

If you follow online, please use
the chat function.

SECTRA

Knowledge and passion