

Six-month report 2024/2025

Sectra's order bookings at a record high

Order bookings for the second quarter surpassed SEK 4 billion, exceeding the previous highest level for a single quarter. In other respects, the outcome was dampened by currency effects as well as the ongoing transformation of the business model. However, the transition to service sales and cloud deliveries is nonetheless progressing rapidly and will eventually benefit Sectra and its customers.

REPORT PRESENTATION

December 12, 2024 at 10:00 a.m. CET

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FINANCIAL OUTCOME IN BRIEF

Second quarter: August–October 2024

- Contracted order bookings rose 739.6% to SEK 4,223.1 million (503.0), of which SEK 4,017.0 million (460.1) pertained to guaranteed order bookings. Of the guaranteed order bookings, 3% were recognized during the quarter and a further 1–11% are deemed to pertain to revenue within 12 months after the end of the quarter.
- Net sales decreased 4.3% to SEK 753.5 million (787.7). Based on unadjusted exchange rates, the decrease was 2.1%. Recurring revenue accounted for SEK 484.7 million (429.6) of net sales, up 12.8%. Based on unadjusted exchange rates, the increase was 15.2%. Cloud recurring revenue (CRR) increased 29.9% to SEK 121.3 million (93.4).
- Operating profit declined 38.0% to SEK 109.6 million (176.7), corresponding to an operating margin of 14.5% (22.4). Based on unadjusted exchange rates, operating profit decreased 35.2%.
- Profit for the period amounted to SEK 87.8 million (150.6).
- Cash flow from operations amounted to SEK 176.1 million (57.7).
- Sectra transferred SEK 211.9 million (211.9) to shareholders through the 2024 share redemption program.

Six-month period: May–October 2024

- Contracted order bookings rose 39.3% to SEK 4,838.1 million (3,472.9), of which SEK 4,560.1 million (804.5) pertained to guaranteed order bookings.
- Net sales increased 7.7% to SEK 1,477.3 million (1,371.5). Based on unadjusted exchange rates, the increase was 9.3%. Recurring revenue accounted for SEK 967.0 million (826.7) of net sales, up 17.0%. Based on unadjusted exchange rates, the increase was 18.5%. Cloud recurring revenue (CRR) increased 35.8% to SEK 244.1 million (179.8).
- Operating profit declined 14.9% to SEK 209.4 million (246.0), corresponding to an operating margin of 14.2% (17.9). Based on unadjusted exchange rates, operating profit decreased 12.4%.
- Profit for the period amounted to SEK 168.2 million (212.1).
- Cash flow from operations amounted to SEK 119.4 million (-40.6).

Key figures

SEK million

	Quarter			Period			12 months		
	Q2	Q2	Δ	Q1–2	Q1–2	Δ	R12	Full-year	Δ
	24/25	23/24	%	24/25	23/24	%	24/25	23/24	%
Contracted order bookings	4,223.1	503.0	739.6	4,838.1	3,472.9	39.3	7,588.7	6,223.5	21.9
of which guaranteed order bookings	4,017.0	460.1	773.1	4,560.1	804.5	466.8	6,975.0	3,219.4	116.7
Net sales	753.5	787.7	-4.3	1,477.3	1,371.5	7.7	3,069.5	2,963.6	3.6
of which recurring revenue	484.7	429.6	12.8	967.0	826.7	17.0	1,865.2	1,724.9	8.1
of which cloud recurring revenue (CRR)	121.3	93.4	29.9	244.1	179.8	35.8	461.2	396.9	16.2
Operating profit	109.6	176.7	-38.0	209.4	246.0	-14.9	481.2	517.8	-7.1
Operating margin, %	14.5	22.4	n/a	14.2	17.9	n/a	15.7	17.5	n/a
Profit for the period	87.8	150.6	-41.7	168.2	212.1	-20.7	384.5	428.4	-10.2
Churn, %	n/a	n/a	n/a	n/a	n/a	n/a	0.5	0.4	n/a
Earnings per share, SEK ¹	0.46	0.78	-41.0	0.87	1.10	-20.9	2.00	2.22	-9.9
Cash flow from operations	176.1	57.7	205.2	119.4	-40.6	394.1	486.3	326.3	49.0
Average no. of employees	1,225	1,127	8.7	1,224	1,120	9.3	1,192	1,140	4.6

¹ Before and after dilution



Diagrams and amounts in the financial report

Bars show the outcome per quarter and lines show the outcome for the rolling 12-month period (R12). Amounts are restated in SEK million unless otherwise indicated. Amounts in parentheses pertain to the corresponding quarter/period in the preceding fiscal year.

CEO'S COMMENTS

The first half of the year can be summarized as follows: record-breaking order bookings, a continued positive trend for secure communications and significant progress in the transition to selling medical diagnostic imaging as a service. More extensive contracts with customers lead to large variations in order bookings, sales and earnings between quarters. The new business model, which generates higher revenue in the long term but lower revenue in the short term, had a clear impact on the quarter and will continue to have such an effect until the major customer contracts with recurring revenue that are currently in the start-up phase properly get under way.

During the most recent quarter, we booked our largest order ever, worth over SEK 3 billion. It concerns a multiyear contract for Sectra One Cloud for public healthcare in Québec, Canada. The order is a clear example of how extensive certain procurements have become within healthcare, with future IT systems expected to cover larger regions for longer periods. This pattern of larger contracts becomes even clearer when you also consider the trend toward consolidating all medical imaging IT into a single solution.

We are also seeing an increasing number of customers that initially chose Sectra for image management for radiology or pathology decide to expand their use to include other modules that we offer. This is leading to rapidly growing sales to the installed base as well, in terms of both image management as a service and licenses. More and more customers are choosing Sectra for our unique ability to offer all image management in a single system.

Within the Imaging IT Solutions and Business Innovation business areas, our focus continues to be on the ongoing transition to cloud-based services for medical diagnostics and education. While our strategic initiative is having a short-term dampening effect on our financial outcome and growth, it will be highly beneficial in the long term—for us and for our customers.

Our security customers are investing heavily in strengthening information security and making society more resistant to cyberthreats. This means that Secure Communications is currently our fastest-growing operating area. After the end of the quarter, we also reached a settlement with a US company regarding our patented technology for secure communications. This is a non-recurring business transaction that will have a significant positive effect in the third quarter (see page 5 for more information).

Data security is also an essential issue for hospitals, since cyberthreats can entail deadly risks for patients and enormous costs for hospitals. We are therefore seeing increased synergies where our security expertise can also be used in medicine. The fact that we have now been certified STAR Level 2 by the Cloud Security Alliance (CSA) for cloud security is an important milestone that confirms to our prestigious customers that we are a fully fledged provider of SaaS. No IT system is 100% secure, but that doesn't stop us from trying to get as close as we can.

Healthcare is facing an enormous demographic challenge, with increasing numbers of patients and more serious conditions to be cared for by the current or smaller workforce. Our services help ease the burden so that users can do more without working more hours. One of our strengths is that we help customers save time and improve multidisciplinary collaboration within cancer care with a unified solution for radiology, pathology and genomics. Visitors to our exhibit at the Radiological Society of North America's (RSNA) annual meeting in Chicago last week confirmed this.

The extensive investments we are making in innovations and business development are creating value for our customers and building a stronger Sectra for the future. Healthcare and data security are both areas that are expected to grow for a long time to come, and that are relatively unaffected by the economic climate. With loyal customers combined with a strong brand in growing areas, we have every reason to remain optimistic about the future.



Torbjörn Kronander,
President and CEO



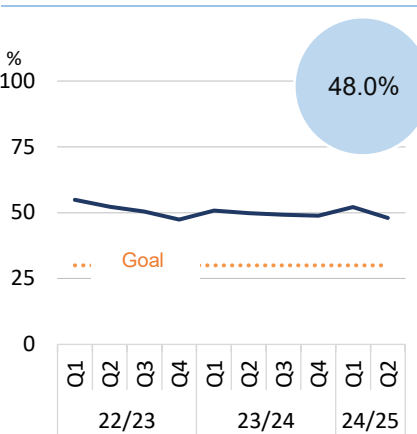
OPERATIONAL TARGETS AND FINANCIAL GOALS

Sectra's overall operational target is to create significant value for its customers. Customers should be so satisfied with their experience that they remain for a long time, expand their use of our solutions and recommend Sectra to others. Delivering customer value is also the Group's most important sustainability target since our customers' work to treat patients and increase cybersecurity is essential for functioning societies.

Customer satisfaction requires satisfied and dedicated employees. Employees who are motivated, understand their customers, feel good and are satisfied in their jobs will also increasingly develop new, creative solutions that can further increase the value we provide for Sectra's customers. Operating in markets that are growing, combined with satisfied customers and employees, provides a long-term sound financial performance.

Sectra has three Group-wide financial goals. Stability and profitability are considered fundamental goals. Once these goals have been met, the focus shifts to earnings growth per share, which in practice is our primary financial goal. All result indicators currently exceed the target levels by a comfortable margin despite the effects of changes in the business model. The financial goals are (in order of priority):

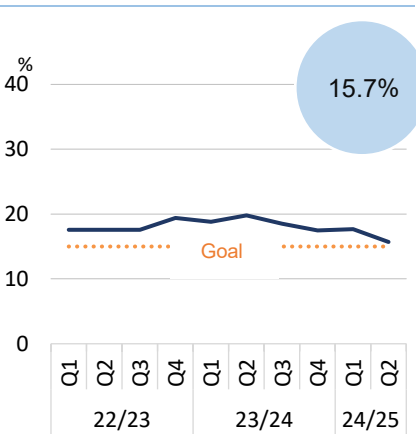
1. Stability¹: Equity/assets ratio $\geq 30\%$



The equity/assets ratio exceeded the target due to a strong financial position.

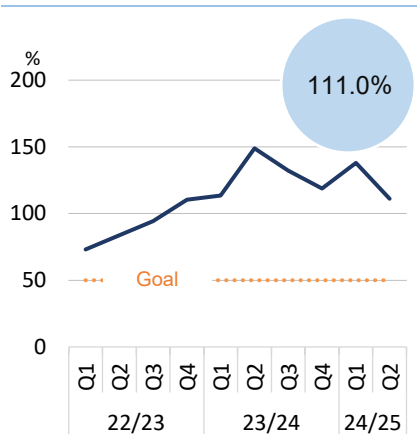
¹ The line in the diagram shows the outcome at the end of the period

2. Profitability: Operating margin $\geq 15\%$



The operating margin was impacted by the ongoing transformation of the business model, with a large share of growth attributable to entirely new customers. This entails an initial increase in costs before these customers reach the expected volumes.

3. Earnings growth: Growth for operating profit/share over a five-year period $\geq 50\%$



The historical trend shows that sales have grown faster than costs. Despite a declining trend in the most recent quarter, which was due to the transition of the business model, profit growth remains well above target.

Outcome of operational targets



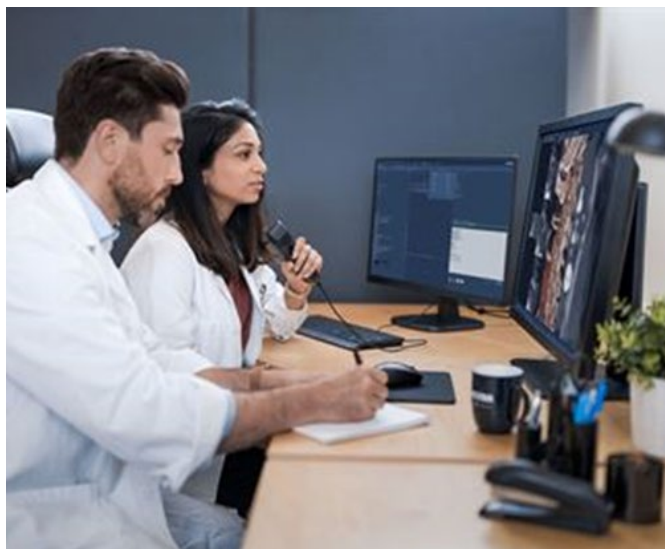
High level of customer satisfaction



Dedicated employees who are satisfied, improving as individuals and doing their best to meet or exceed customer expectations
Healthier employees and minimal absence due to illness



High level of quality and product safety



Sectra's largest order to date—cloud solution for collaboration among 150 healthcare providers in Canada

Québec, Canada's largest province by land area, is home to nine million residents. The administration of health and social services across the province falls under the responsibility of the Ministère de la Santé et des Services Sociaux (MSSS). Comprising more than 150 healthcare sites, the province collectively performs approximately 12 million examinations a year. During the second quarter, Sectra received an order to provide all public hospitals in the province with Sectra One Cloud. This cloud solution will allow the hospitals to share resources and streamline their work within radiology, breast imaging and orthopaedics, contributing to better and more secure patient care in the region.

EVENTS

Second quarter

Imaging IT Solutions

- Sectra signed a 12-year contract with MSSS Québec in Canada (see above) for subscription-based services for cloud-based medical imaging IT through Sectra One Cloud. The customer will initially use Sectra's vendor-neutral archive (VNA) and modules for radiology, breast imaging and orthopaedics, including speech recognition for report writing. The contracted order value amounts to CAD 405.5 million (SEK 3.1 billion), of which CAD 401.4 million (SEK 3.0 billion) is guaranteed. Including options, the value amounts to CAD 477 million. The contract also includes an option to extend the term of the contract for three years for a total value of CAD 626 million over the entire 15-year period.
- MaineGeneral Health in the US signed a five-year agreement for Sectra One Cloud, initially for the radiology module.
- Sectra entered into a contract for Sectra One Cloud, with Barking, Havering and Redbridge University Hospitals NHS Trust (BHRUT) in the UK as they join Homerton Healthcare's current cloud solution for medical imaging in the same region. The customer initially chose to use the modules for radiology and breast imaging.
- Sectra received an order from UZ Leuven, Belgium's largest university hospital and ranked among the top 50 in the world.¹ The healthcare provider will utilize the module for digital pathology in Sectra's enterprise imaging solution. The Belgian hospital AZ Sint-Lucas Gent also signed a ten-year contract for Sectra's subscription-based service for medical imaging IT, Sectra One, and will initially utilize the modules for radiology and breast imaging.
- The hospital CH Béziers in France ordered Sectra's pathology module, becoming the third hospital in the region to choose Sectra.
- Dronning Ingrid's hospital in Greenland ordered Sectra One and will initially utilize the module for radiology.
- Sectra received STAR Level 2 security certification from the CSA for Sectra One Cloud after an external evaluation according to the alliance's framework. The certification confirms Sectra's ability to meet the highest requirements within security and compliance with the regulations governing cloud services.

¹ <https://www.newsweek.com/rankings/worlds-best-hospitals-2024>

After the end of the reporting period

- Secure Communications has been involved in a patent dispute in the US, and in November 2024 the parties reached a settlement, the terms of which are subject to a confidentiality agreement. As a part of the settlement, Sectra has given the counterparty authorization to use a license for a US patent for mobile VPN technology, which will be reflected in the financial outcome for the current fiscal year. The total non-recurring effect on operating profit from the settlement is estimated at approximately USD 10 million (corresponding to approximately SEK 108 million) and will be recognized in its entirety in the third quarter.²
- Helse Nord RHF in Norway expanded its use of Sectra's solution for medical imaging through an additional license for digital pathology. Three of four regions in Norway have thus now chosen digital pathology from Sectra, all of whom had already been utilizing our module for radiology.
- Issue of 1,000,000 Class C shares, all of which were repurchased and subsequently converted to Class B shares to secure the company's obligations under its new long-term incentive program.



² Refer to Note 1 Accounting policies on page 19.

SECTRA'S MARKETS

Sectra plays a key role in meeting the need for medical imaging IT and cybersecurity. We help solve major social problems in changing markets, where scope for expansion remains. The global trends of an aging population and increased digitization mean that these markets are expected to continue to grow regardless of the economic climate.

Our customers operate in some of society's most critical functions, which means that it is important that Sectra's brand is associated with reliability, trustworthiness and stability. Our job is to help customers become more efficient and give them the tools needed to make people's lives healthier, safer and more secure. In line with Sectra's vision, this is how the company creates value for its customers, shareholders and society as a whole.

IT support for more efficient care and medical education

Aging populations, combined with a decline in the proportion of people of working age, are leading to a shortage of resources and a growing workload in healthcare. In order to maintain high quality of care with fewer people taking care of more patients, healthcare must become more efficient. The growing population of senior citizens is also shining a spotlight on diseases affecting the elderly. Health problems affecting the elderly primarily include cancer diseases and problems with the cardiovascular, nervous, and skeletal systems as well as vision and hearing. All of these areas, which are among the most costly and resource-intensive areas in healthcare, are dependent on medical diagnostic imaging.

Healthcare providers across the globe use Sectra's expertise and solutions in medical imaging IT not only to increase productivity and coordinate their resources but also to improve efficiency in orthopaedic surgery through better planning and follow-up. Sectra also helps to raise the quality of medical education by providing solutions where the user can interact with medical images and share educational materials. IT support for genomics is yet another area that Sectra is entering through partnerships with customers in the US and Sweden. The market for genomics is growing as a result of the rapid increase in the number of clinical DNA sequencings carried out during diagnostics, and needs to be managed efficiently. We also have synergies among our operating areas. Healthcare is increasingly becoming a target for cybercrime, resulting in, for example, the authorities in the US issuing a particular warning to healthcare providers. Sectra's experience and brand when it comes to security gives us advantages in the field of medicine as well.

We enable our customers to take care of more patients and save more lives at a long-term sustainable cost. This work is carried out in our Imaging IT Solutions and Business Innovation operating areas.

Cybersecurity for a more stable and safer society

The ability to safely and efficiently handle and transmit sensitive information is central to the stability and security of society, particularly when it comes to critical social functions and critical infrastructure. As digitization increases, the players in these areas have a major need for products and services that increase cybersecurity. Sectra has extensive experience of protecting society's most critical communications and control systems. We are a strong brand in the niche markets of encryption and secure mobile communications. IT developments in society, political instability in the world, and the growth of cybercrime are creating a greater need for Sectra's expertise and product offerings.

We help customers to provide increased security, thereby contributing to a more stable and safer society. This work is carried out in the Secure Communications operating area. The activities conducted in the operating area are part of Sweden's collective national capability within crypto—a strategic materiel area identified by government authorities as an essential security interest for which national availability, skills and capacity need to be secured over time.

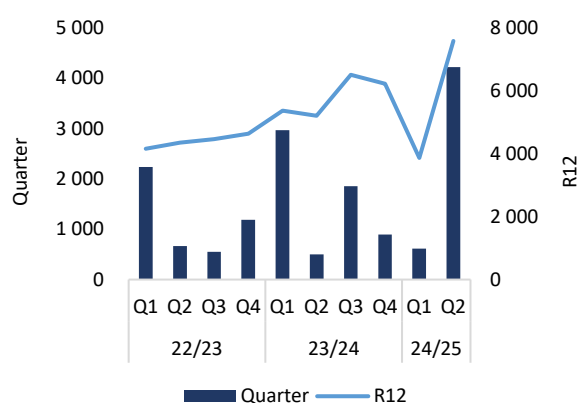
COMMENTS ON THE GROUP'S FINANCIAL OUTCOME

Order bookings

Contracted order bookings rose 39.3% to SEK 4,838.1 million (3,472.9) for the six-month period, of which SEK 4,223.1 million (503.0) pertained to the second quarter, the highest Sectra has ever reported for a single quarter. A total of SEK 4,560.1 million (804.5) was guaranteed order bookings, of which SEK 4,017.0 million (460.1) pertained to the second quarter. The ratio of contracted order bookings to net sales for the latest rolling 12-month period totaled 2.5, up from 2.1 at the end of the previous fiscal year.

The order bookings include comprehensive, long-term customer contracts, including a contract during the second quarter with the healthcare provider MSSS Québec in Canada with a contracted order value of SEK 3.1 billion. Orders of this size are not secured every quarter and lead to significant variations in order bookings between individual quarters and periods.

Contracted order bookings, SEK million



Net sales and recurring revenue

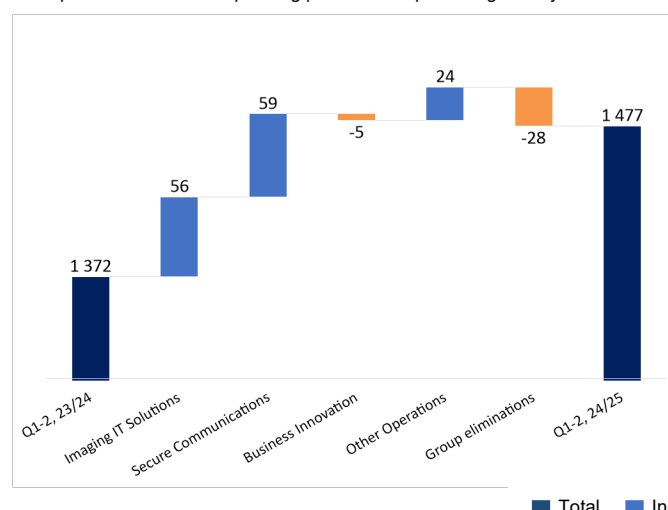
The Group's net sales increased 7.7% to SEK 1,477.3 million (1,371.5), of which SEK 753.5 million (787.7) pertained to the second quarter. Based on unadjusted exchange rates, consolidated sales increased 9.3% compared with the first half of the previous fiscal year.

The ongoing transition to selling products and software as services, of which cloud deliveries account for a quickly growing share, contributed to an increase in recurring revenue. SEK 967.0 million (826.7) of sales pertained to recurring revenue, of which SEK 484.7 million (429.6) pertained to the second quarter. This represents an increase of 17.0% compared with the first half of the previous fiscal year and an increase of 18.5% based on unchanged exchange rates. Lost recurring revenue (recurring revenue churn) for the last 12-month period was 0.5%. CRR rose 35.8% to SEK 244.1 million (179.8) during the six-month period, of which SEK 121.3 million (93.4) pertained to the second quarter. However, non-recurring revenue decreased 6.3% to SEK 510.3 million (544.7), of which SEK 268.8 million (358.2) pertained to the second quarter. This decline in non-recurring revenue was primarily due to the ongoing transition to service sales.

The operations in Sweden reported the single largest sale increase over the comparative period, primarily due to the positive trend for the Secure Communications operating area. The figures for the US were lower than in the comparative period due to a strengthening of the SEK against the USD during the period. In local currency, sales in the US were on par with the year-earlier period despite the change to the business model. Exchange-rate movements for the EUR also had a dampening effect on outcomes compared with the year-earlier period. More than 70% of the Group's sales are carried out in foreign currency, primarily EUR, GBP and USD, which entails a relatively large sensitivity to currency fluctuations.

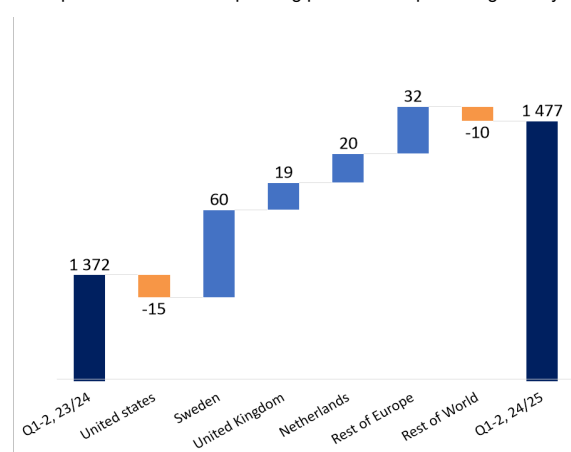
Sales trend per operating area, SEK million

Compared with the corresponding period of the preceding fiscal year

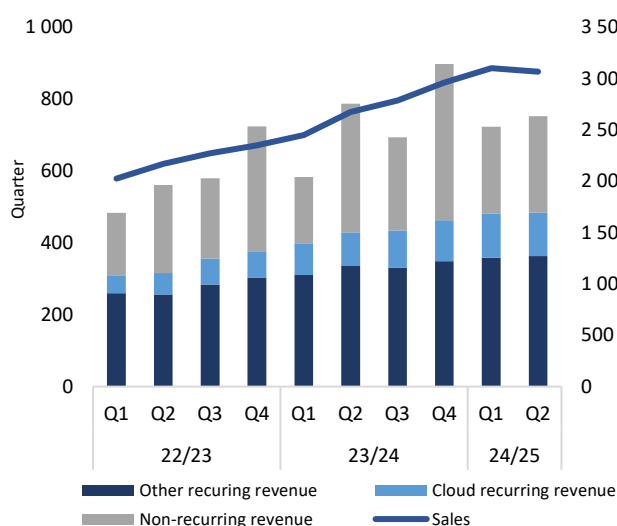


Sales trend per geographic market, SEK million

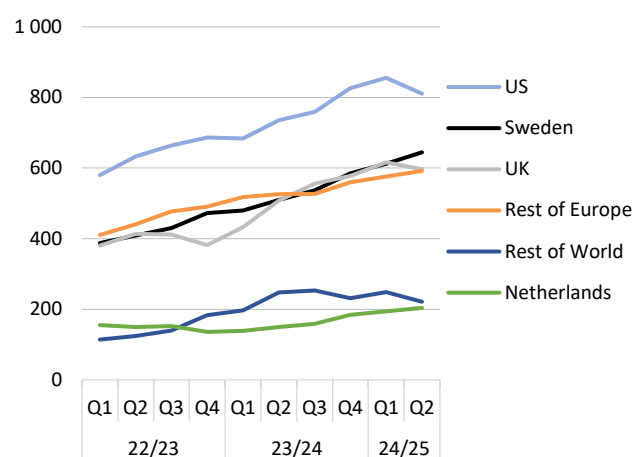
Compared with the corresponding period of the preceding fiscal year



Revenue (per quarter) and sales (R12), SEK million



Sales (R12) by geographic market, SEK million



Result

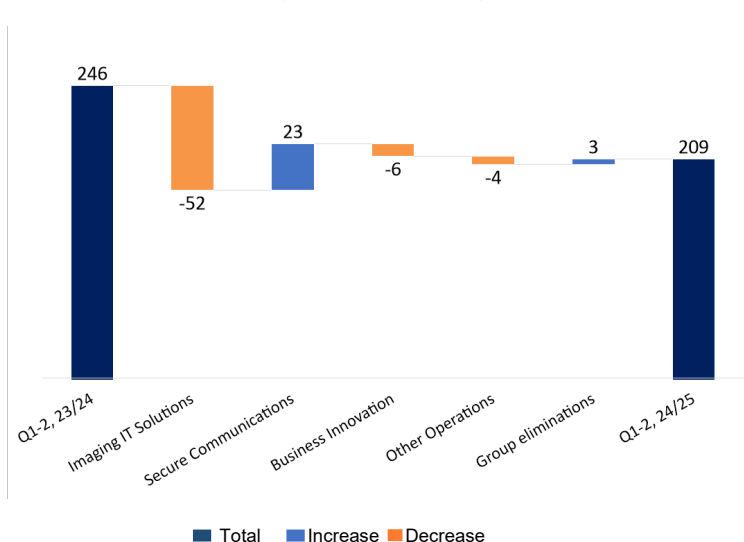
The Group's operating profit decreased 14.9% during the first half of the year to SEK 209.4 million (246.0), of which SEK 109.6 million (176.7) pertained to the second quarter. Based on unadjusted exchange rates, operating profit decreased 12.4% from the comparative period. The operating margin for the Group was 14.2% (17.9) for the six-month period. Secure Communications reported increased operating profit, while the outcomes for Imaging IT Solutions and Business Innovation were impacted by the ongoing transformation to a new business model and the initial higher costs related to new, extensive customer contracts.

The Group's financial items amounted to SEK 2.4 million (21.8), of which SEK 1.0 million (13.6) pertained to the second quarter. Currency fluctuations had a negative impact of SEK -3.6 million (pos: 13.1) on financial items. Sectra does not hedge its operations, and currency fluctuations therefore have an immediate impact on profit or loss or on comprehensive income.

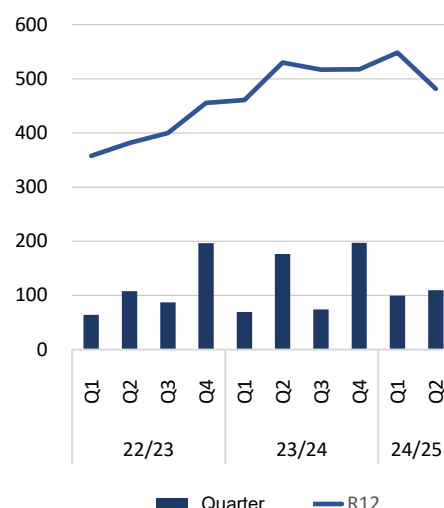
Profit after financial items amounted to SEK 211.8 million (267.8), of which SEK 110.5 million (190.3) pertained to the second quarter. This outcome corresponds to a profit margin of 14.3% (19.5) for the six-month period and 14.7% (24.2) for the second quarter. Earnings per share totaled SEK 0.87 (1.10) for the period, of which SEK 0.46 (0.78) pertained to the second quarter.

Operating profit trend per operating area, SEK million

Compared with the corresponding period of the preceding fiscal year



Operating profit, Group, SEK million



Financial position and cash flow

The Group's cash and cash equivalents at the end of the reporting period amounted to SEK 625.8 million (498.5).

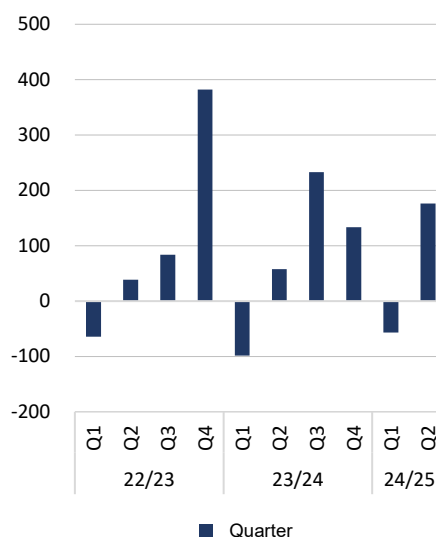
The Group's debt/equity ratio was 0.06 (0.02) as of the balance-sheet date. Interest-bearing lease liabilities amounted to SEK 91.9 million (28.7). The change was due to the fact that several new leases were signed during the period as a result of Sectra's growth.

Cash flow from operations amounted to SEK 119.4 million (-40.6) for the period, of which SEK 176.1 million (57.7) was attributable to the second quarter. The change was primarily the result of a decrease in capital tied up in current receivables. Cash flow per share amounted to SEK 0.62 (-0.21) for the period, of which SEK 0.91 (0.30) pertained to the second quarter.

Cash flow from investing activities amounted to SEK -70.3 million (-76.4), of which SEK -27.2 million (-37.5) was attributable to the second quarter. Refer to the additional information about investments on the next page.

The Group's total cash flow for the period amounted to SEK -172.9 million (-338.4). This result includes a transfer of SEK 211.9 million (211.9) to the shareholders through Sectra's 2024 share redemption program.

Cash flow from operations, Group, SEK million



Investments and depreciation/amortization

Investments amounted to SEK 70.3 million (196.4), of which SEK 27.2 million (157.5) pertained to the second quarter. The outcome for the comparative period includes SEK 144.6 million for the acquisition of two properties. Capitalized work for own use amounted to SEK 32.9 million (35.9), of which SEK 19.4 million (18.0) pertained to the second quarter. Capitalization includes the development of cloud-based services for medical diagnostics.

Total depreciation and amortization for the period was SEK 53.5 million (48.2), of which the second quarter accounted for SEK 27.3 million (23.6). SEK 22.3 million (18.5) of the period's outcome pertained to capitalized development expenditures, of which SEK 11.4 million (9.5) pertained to the second quarter. At the end of the period, capitalized development expenditures totaled SEK 212.7 million (188.7).

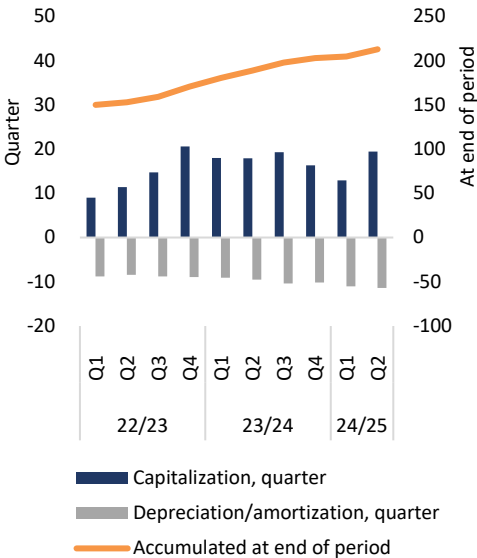
Seasonal variations

Sectra has historically experienced major seasonal variations, since individual projects can be very large relative to Sectra's sales. This applies for both medical systems and encryption systems. The beginning of the fiscal year is usually weaker since few customers want to deploy new systems during the summer. The variations in order volumes between individual quarters are significant since certain contracts are very large and have long terms.

As Sectra transitions to selling products as a service, this variation is expected to gradually decrease over the next several years since revenue will be spread more evenly over time. On the other hand, individual orders are sometimes very large, leading instead to a larger variation in order bookings than before. Bearing this in mind, it remains important to look more at long-term trends rather than at the outcome for an individual quarter when assessing Sectra's performance.

For further information about Sectra's seasonal patterns, refer to page 70 in Sectra's Annual and Sustainability Report for the 2023/2024 fiscal year.

Capitalized development expenditures, SEK million



OPERATING AREA IMAGING IT SOLUTIONS

	Quarter			Period			12 months		
	Q2 24/25	Q2 23/24	Δ %	Q1–2 24/25	Q1–2 23/24	Δ %	R12 24/25	Full-year 23/24	Δ %
Sales, SEK million	625.7	691.0	-9.5	1,265.6	1,209.6	4.6	2,607.6	2,551.6	2.2
of which external recurring revenue	447.5	400.8	11.7	896.4	771.5	16.2	1,734.2	1,609.3	7.8
of which cloud recurring revenue	116.5	89.2	30.6	234.1	172.2	35.9	440.2	378.3	16.4
Operating profit, SEK million	95.3	168.3	-43.4	190.4	242.7	-21.5	447.6	499.9	-10.5
Operating margin, %	15.2	24.4	n/a	15.0	20.1	n/a	17.2	19.6	n/a

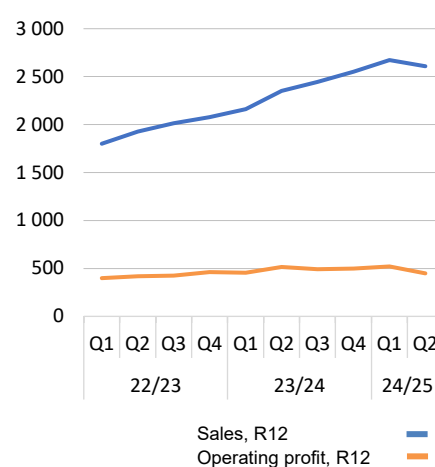
Order bookings for Imaging IT Solutions once again surpassed record levels thanks to Sectra's largest and most extensive customer contract to date—MSSS Québec in Canada, signed during the second quarter. This is just one of several major contracts secured in the last few years, which include contracts with one of the largest healthcare providers in the US and with the public healthcare provider in Scotland. These orders also pertain to Sectra One Cloud.

The implementation of services and infrastructure at new major customers initially entails increased costs, which is reflected in the earnings trend in the most recent quarter. Work to prepare for deliveries to customers is ongoing and none of them are yet in full production. Revenue is growing gradually as customers put the systems into operation, but it could take several years for major customers to become fully operational and reach planned volumes.

The share of recurring revenue has ranged from 70% to 72% during the early quarters of the current fiscal year, primarily due to customers' increased use of Sectra's services for medical imaging. The large share of recurring revenue will promote stability during the ongoing transformation to service sales and cloud solutions. The accelerating transition to cloud services is clear from Sectra's growth in cloud recurring revenue. However, non-recurring revenue for the second quarter was lower than in the year-earlier quarter, primarily due to new customers purchasing services instead of traditional software licenses. The market in the US has made the most progress in the transition to the new business model, with all new customer sales now taking place as service sales.

Profitability continued to be impacted by ongoing initiatives, the most extensive of which was the transition to becoming a service provider. While the change in the business model had dampening effects on financial outcomes, this was partially offset by the strong underlying growth in Sectra's operations, in combination with the fact that not all transactions pertain to subscription services yet. The transition to selling cloud services means that a growing share of revenue and earnings are reported over time and therefore arise later than with traditional license sales. The transition will be favorable over the long term, especially because customers are satisfied and stay with us for a long time.

Trend, SEK million



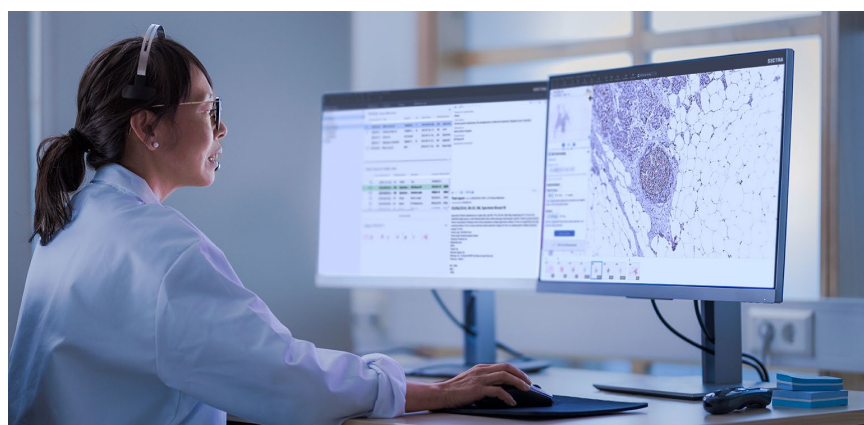
Cloud recurring revenue

+36%

over the comparative period

Pathology clinics choose Sectra

Interest in digitizing pathology is growing. During the first half of the year, Sectra expanded its customer base to include additional pathology clinics in France, the US and other countries. Functions for effective diagnostics and reporting, simplified collaboration, standardization according to DICOM and integration with AI apps are some of the reasons that customers choose Sectra's module for digital pathology.



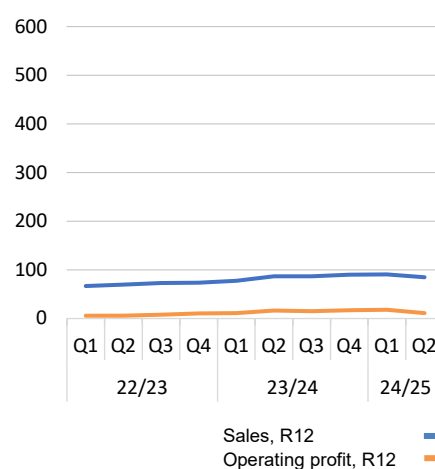
OPERATING AREA BUSINESS INNOVATION

	Quarter			Period			12 months		
	Q2 24/25	Q2 23/24	Δ %	Q1–2 24/25	Q1–2 23/24	Δ %	R12 24/25	Full-year 23/24	Δ %
Sales, SEK million	18.8	24.5	-23.3	36.4	41.2	-11.7	85.1	89.9	-5.3
of which external recurring revenue	5.5	4.6	19.6	11.3	8.2	37.8	23.0	19.9	15.6
of which cloud recurring revenue	4.8	4.2	14.3	10.0	7.6	31.6	21.0	18.6	12.9
Operating profit/loss, SEK million	-1.5	5.5	-127.3	-1.8	4.5	-140.0	11.0	17.3	-36.4
Operating margin, %	neg	22.4	n/a	neg	11.0	n/a	12.9	19.2	n/a

Business Innovation comprises the Genomics IT, Medical Education and Orthopaedics business units. We also report the expenses for medical research activities in Business Innovation, which includes initiatives in the field of AI for medical applications.

Recurring revenue is growing quickly but did not compensate for lower non-recurring revenue during the second quarter. In particular, sales of hardware related to medical education decreased, even though recurring revenue in this area also increased considerably. As a result, the financial outcomes did not reach the levels of the comparative period. However, the results may vary significantly between quarters and periods. Subscription-based business models and growing volumes are expected to reduce quarterly variations over the longer term.

Trend, SEK million



Cloud recurring revenue

+32%

over the
comparative period



Increased use of Sectra Education Portal

Sectra's services for medical education prepare students for healthcare careers and assist healthcare personnel in their professional development. These services have seen record-high use in the last six months.

OPERATING AREA SECURE COMMUNICATIONS

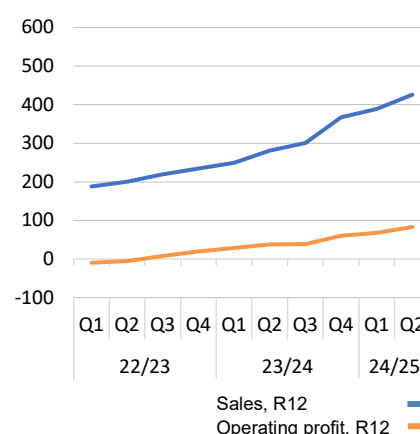
	Quarter			Period			12 months		
	Q2	Q2	Δ	Q1-2	Q1-2	Δ	R12	Full-year	Δ
	24/25	23/24	%	24/25	23/24	%	24/25	23/24	%
Sales, SEK million	120.3	83.0	44.9	197.8	139.3	42.0	425.9	367.4	15.9
of which external recurring revenue	31.3	24.0	30.4	58.6	46.9	24.9	106.6	94.9	12.3
Operating profit, SEK million	25.2	9.5	165.3	35.3	12.0	194.2	83.1	59.8	39.0
Operating margin, %	20.9	11.4	n/a	17.8	8.6	n/a	19.5	16.3	n/a

Secure Communications is growing quickly and reported a strong first half of the year, partly due to increased volumes of product deliveries over the comparative period. Operating profit for the operations took a significant step in the right direction and, since the previous fiscal year, has made growing contributions to the Group's overall financial goals. The long-term trend is positive, although outcomes can naturally vary greatly between quarters due to the nature of the operations.

Sectra's ability to help customers both in Sweden and around Europe led to stable order bookings during the first half of the year. Order bookings include development assignments and product sales as well as support and service commitments. Sectra received various orders, including orders pertaining to the further development and serial deliveries of Tiger/S and network encryptors to existing customers. Existing customers also extended and expanded agreements, both for support of secure communications and for security monitoring of critical infrastructure.

There continues to be considerable demand for cybersecurity for the defense forces, authorities and critical infrastructure, and Sectra is well positioned with offerings that meet customers' stringent demands. The uncertain geopolitical situation, with ongoing wars in Europe and further tensions worldwide, continues to highlight the importance of defense capabilities and public security. This, in turn, is placing greater demands on communication and fueling the need for investments in high assurance products, encryption development and cybersecurity.

Trend, SEK million



Mobile VPN for secure connection without interruption

Sectra develops and sells a secure mobile VPN with low battery consumption. The product is based on a unique, patented technology for mobile VPN that provides stable and robust connections while switching between networks and base stations. This allows users to maintain secure and uninterrupted communication, even in difficult mobile environments.

OTHER OPERATIONS

	Quarter			Period			12 months		
	Q2 24/25	Q2 23/24	Δ %	Q1–2 24/25	Q1–2 23/24	Δ %	R12 24/25	Full-year 23/24	Δ %
Sales, SEK million	53.7	42.8	25.5	101.0	77.4	30.5	188.5	164.9	14.3
Operating loss, SEK million	-8.0	-6.6	-21.2	-17.1	-13.1	-30.5	-63.1	-59.1	-6.8
Operating margin, %	neg	neg	n/a	neg	neg	n/a	neg	neg	n/a

Other Operations pertain to Sectra's joint functions for administration, recruitment, Group finance, IT, regulatory affairs, people and brand, and activities related to investors. This segment also includes property management. The change from the comparative period mainly pertained to increased central management of costs distributed across the organization.

PARENT COMPANY

The Parent Company's income statement and balance sheet are reported on page 18. The Parent Company Sectra AB includes the research department for medical imaging IT, the Genomics IT business unit and the head office's joint functions (see Other Operations above).

2025 AGM AND NOMINATION COMMITTEE

The Board has decided to hold the AGM on September 9, 2025 in Linköping. The notice of the AGM is issued not earlier than six weeks and not later than four weeks prior to the AGM. Shareholders are entitled to have a matter addressed by the AGM. To ensure that the company has time to include matters in the notice, requests for matters to be addressed by the AGM must be received by the company not later than seven weeks prior to the AGM.

A Nomination Committee was appointed in accordance with the instructions adopted at the 2020 AGM. If any of the largest shareholders in terms of voting rights has waived their right to appoint a member of the Nomination Committee, the next shareholder in order of size has been given the opportunity to appoint a member. The Nomination Committee comprises the following members:

- Torbjörn Kronander representing his own and related parties' shareholdings
- Patrik Jönsson representing SEB Investment Management
- Mats Andersson representing Nordea Investment Funds
- Jan-Olof Brüer in his role as Chairman of the Board and representing his own and related parties' shareholdings

THE SHARE

Share capital and number of shares

Sectra's share capital on the balance-sheet date totaled SEK 38,824,179, distributed between 194,120,895 shares and 312,052,035 voting rights. The number of shares is distributed between 13,103,460 Class A shares and 181,017,435 Class B shares. Sectra's holding of treasury shares at the end of the period amounted to 1,453,406 Class B shares, corresponding to 0.7% of the share capital and 0.5% of the voting rights in the company. For more information, refer to Note 3.

2024 share redemption program and help with Swedish tax return

During the second quarter, SEK 1.10 per share was distributed to the shareholders through a share redemption program. For more information and help with Swedish tax returns, visit <https://investor.sectra.com/redemption2024>.

LTIP 2024—new share issue and repurchase of own shares

After the balance-sheet date, the Board exercised the authority granted by the 2024 AGM and carried out a directed share issue of 1,000,000 Class C shares at a price corresponding to the quotient value, meaning SEK 0.20 per share and a total of SEK 200,000. The purpose was to secure the obligations for a new performance-based incentive program (LTIP 2024). All Class C shares have been repurchased at a price corresponding to the quotient value. These were then converted to Class B shares. The number of Class B shares held thereafter was 2,453,406, corresponding to approximately 1.3% of the total number of shares in the company.

In accordance with the terms of LTIP 2024, a maximum of 780,000 Class B treasury shares may be allotted to participants in the incentive program. The qualification period expires on April 30, 2029 and performance shares will be allotted by no later than August 31, 2029. In order to finance the costs of social security contributions related to the incentive program, a maximum of 220,000 Class B shares may be transferred on Nasdaq Stockholm, including by way of a financial intermediary, at a price within the price range registered at any given time.

Authorization

In addition to the authorization described above, the 2024 AGM resolved to authorize the Board of Directors, during the period until the 2025 AGM, to decide on new share issues of a maximum of 18,500,000 Class B shares and to decide on the acquisition and divestment of the company's treasury shares, with the condition that the Company's holding of treasury shares at no point exceeds 10% of all the shares in the Company. The complete authorization is presented in the minutes from the AGM: <https://investor.com/agm2024>. At the time of publication of this financial report, the Board had not utilized these authorizations.

RISKS AND UNCERTAINTIES

Through its operations, Sectra is exposed to such business risks as dependence on major customers and partners, the effect of currency fluctuations on pricing in the markets in which the Group is active, and property and liability risks. Sectra is also exposed to various types of financial risks such as currency, interest-rate, credit and liquidity risks. A detailed description of the risks and specific external factors as well as Sectra's strategies and tactics for minimizing risk exposure and limiting adverse effects are provided in the Administration Report in Sectra's Annual and Sustainability Report for the 2023/2024 fiscal year on pages 88–90 and in Note 29 on pages 119–120. No significant events have occurred that would alter the conditions reported.

FOR FURTHER INFORMATION

Contact Sectra's CEO Torbjörn Kronander, telephone +46 13 23 52 27 or email info.investor@sectra.se.

Presentation of the interim report

Time: December 12, 2024 at 10:00 a.m. CET

Torbjörn Kronander, President and CEO of Sectra AB, and Jessica Holmquist, CFO of Sectra AB, will present the financial report and answer questions. The presentation will be held in English. For information about participating online or to listen to the recording afterwards, visit: <https://investor.sectra.com/q2report2425>.

Financial calendar, Capital Markets Day and AGM

Nine-month report	March 14, 2025 at 8:15 a.m. (CET)
Capital Markets Day	March 27, 2025 – focus on Sectra's operations within medical diagnostic IT
Year-end report	June 5, 2025 at 08:15 a.m. (CEST)
Annual General Meeting	September 9, 2025 at 3:30 p.m. (CET)

For other IR events, visit: <https://investor.sectra.com/events-and-presentations/>

ASSURANCE

The Board of Directors and the President of Sectra AB (publ) hereby assure that the interim report for the May 1–October 31, 2024 period provides a true and fair view of the Parent Company's and Group's operations, financial position and earnings and describes the significant risks and uncertainties facing the Parent Company and other companies in the Group.

Linköping, date as indicated by our electronic signature

Torbjörn Kronander President, CEO and Board member	Jan-Olof Brüer Chairman	Tomas Puusepp Board member	Birgitta Hagenfeldt Board member
Ulrika Unell Board member	Anders Persson Board member	Fredrik Robertsson Board member	
Pontus Svärd Board member and employee representative		Andreas Häll Board member and employee representative	

This report was not reviewed by the company's auditor.

This information constitutes information that Sectra AB (publ) is obligated to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 8:15 a.m. (CET) on December 12, 2024.

Sectra AB (publ), Corporate Registration Number 556064-8304, <https://sectra.com>, email info@sectra.com

GROUP

Condensed consolidated income statements

SEK thousand	3 months Aug–Oct 2024	3 months Aug–Oct 2023	6 months May–Oct 2024	6 months May–Oct 2023	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
Net sales (Note 4)	753,500	787,725	1,477,336	1,371,463	3,069,480	2,963,607
Capitalized work for own use	19,385	17,974	32,299	35,944	67,929	71,574
Other operating income	6,519	2,186	9,248	3,506	11,130	5,388
Total income	779,404	807,885	1,518,883	1,410,913	3,148,539	3,040,569
Goods for resale	-120,734	-127,988	-224,019	-199,067	-456,170	-431,218
Personnel costs	-385,530	-353,413	-765,674	-673,128	-1,529,454	-1,436,908
Other external costs	-136,234	-126,124	-266,322	-244,508	-572,313	-550,499
Depreciation/amortization and impairment	-27,339	-23,647	-53,487	-48,184	-109,437	-104,134
Total operating expenses	-669,837	-631,172	-1,309,502	-1,164,887	-2,667,374	-2,522,759
Operating profit	109,567	176,713	209,381	246,026	481,165	517,810
Total financial items	960	13,576	2,406	21,789	15,581	34,964
Profit after financial items	110,527	190,289	211,787	267,815	496,746	552,774
Taxes	-22,768	-39,728	-43,628	-55,698	-112,316	-124,386
Profit for the period	87,759	150,561	168,159	212,117	384,430	428,388
Profit for the period attributable to:						
Parent Company owners	87,759	150,561	168,159	212,117	384,430	428,388
Earnings per share						
Before dilution, SEK	0.46	0.78	0.87	1.10	2.00	2.22
After dilution, SEK (Note 3)	0.46	0.78	0.87	1.10	2.00	2.22

Consolidated statement of comprehensive income

SEK thousand	3 months Aug–Oct 2024	3 months Aug–Oct 2023	6 months May–Oct 2024	6 months May–Oct 2023	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
Profit for the period	87,759	150,561	168,159	212,117	384,430	428,388
Items that may be reversed in profit or loss						
Translation differences	-5,296	8,809	-8,745	29,704	-10,450	27,999
Total other comprehensive income for the period	-5,296	8,809	-8,745	29,704	-10,450	27,999
Total comprehensive income for the period	82,463	159,370	159,414	241,821	373,980	456,387
Comprehensive income for the period attributable to:						
Parent Company owners	82,463	159,370	159,414	241,821	373,980	456,387

Condensed consolidated balance sheets

SEK thousand	Oct 31, 2024	Oct 31, 2023	Apr 30, 2024
Assets			
Intangible assets and goodwill	270,584	256,017	262,330
Tangible assets	226,616	226,479	227,040
Right-of-use assets	114,514	31,384	35,241
Financial assets	161,090	142,278	155,189
Deferred tax assets	8,858	7,296	8,990
Total fixed assets	781,662	663,454	688,790
Accounts receivable	574,337	545,060	571,661
Other current assets	94,878	69,403	60,218
Prepaid expenses and accrued income	1,113,712	918,177	1,085,629
Cash and bank balances	625,776	498,472	804,640
Total current assets	2,408,703	2,031,112	2,522,148
Total assets	3,190,365	2,694,566	3,210,938
Equity and liabilities			
Equity	1,532,235	1,341,354	1,569,591
Deferred tax liabilities	6,832	5,979	7,038
Provisions	47,145	12,535	26,342
Non-current lease liabilities	71,314	16,315	19,204
Total long-term liabilities	125,291	34,829	52,584
Provisions	1,925	2,187	2,637
Current lease liabilities	20,595	12,371	12,584
Other current liabilities	181,792	194,082	218,573
Accrued expenses and deferred income	1,328,527	1,109,743	1,354,969
Total current liabilities	1,532,839	1,318,383	1,588,763
Total equity and liabilities	3,190,365	2,694,566	3,210,938

Consolidated cash-flow statements

SEK thousand	6 months May–Oct 2024	6 months May–Oct 2023	Full-year May–Apr 2023/2024
Operating activities			
Operating profit	209,381	246,026	517,810
Adjustment for non-cash items	98,908	60,354	142,681
Interest received	7,772	9,601	25,991
Interest paid	-1,790	-892	-3,284
Income tax paid	-116,500	-67,699	-118,291
Cash flow from operations before changes in working capital	197,771	247,390	564,907
Changes in working capital			
Change in inventories	3,897	-16,053	-21,541
Change in receivables	-55,133	-194,466	-408,649
Change in current liabilities	-27,184	-77,437	191,609
Cash flow from operations	119,351	-40,566	326,326
Investing activities			
Acquisitions of intangible assets	-32,300	-36,580	-72,210
Acquisitions of tangible assets	-37,992	-159,857	-178,532
Repayment of short-term investment	–	120,000	120,000
Cash flow from investing activities	-70,292	-76,437	-130,742
Financing activities			
Repayment of lease liabilities	-10,021	-9,446	-10,268
Redemption of shares	-211,935	-211,935	-211,935
Cash flow from financing activities	-221,956	-221,381	-222,203
Cash flow for the period	-172,897	-338,384	-26,619
Cash and cash equivalents, opening balance	804,640	825,242	825,242
Exchange-rate difference in cash and cash equivalents	-5,967	11,614	6,017
Cash and cash equivalents, closing balance	625,776	498,472	804,640

Condensed consolidated statement of changes in equity

SEK thousand	6 months May–Oct 2024	6 months May–Oct 2023	Full-year May–Apr 2023/2024
Equity at start of period	1,569,591	1,296,669	1,296,669
Comprehensive income for the period	159,414	241,821	456,387
Dividend/redemption of shares	-211,935	-211,935	-211,935
Share-based payments	15,165	14,799	28,470
Equity at end of period	1,532,235	1,341,354	1,569,591

PARENT COMPANY

Condensed Parent Company income statements

SEK thousand	3 months Aug–Oct 2024	3 months Aug–Oct 2023	6 months May–Oct 2024	6 months May–Oct 2023	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
Net sales	53,967	43,041	101,323	77,915	190,669	167,261
Capitalized work for own use	1,022	1,495	2,244	2,600	5,180	5,536
Other operating income	15	9	32	19	619	606
Total income	55,004	44,545	103,599	80,534	196,468	173,403
Goods for resale	-11,173	-4,763	-21,750	-8,302	-35,382	-21,934
Personnel costs	-19,710	-20,941	-37,305	-35,326	-77,107	-75,128
Other external costs	-34,121	-28,102	-66,108	-53,788	-155,795	-143,475
Depreciation/amortization	-455	-431	-901	-830	-1,782	-1,711
Total operating expenses	-65,459	-54,237	-126,064	-98,246	-270,066	-242,248
Operating loss	-10,455	-9,692	-22,465	-17,711	-73,599	-68,845
Total financial items	86,054	36,592	87,525	106,071	110,301	128,847
Profit after financial items	75,599	26,900	65,060	88,360	36,702	60,002
Appropriations	–	–	–	–	427,350	427,350
Profit before tax	75,599	26,900	65,060	88,360	464,052	487,352
Tax on earnings for the period	0	36	0	41	-81,788	-81,747
Profit for the period	75,599	26,936	65,060	88,401	382,264	405,605

Parent Company statement of comprehensive income

SEK thousand	3 months Aug–Oct 2024	3 months Aug–Oct 2023	6 months May–Oct 2024	6 months May–Oct 2023	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
Profit for the period	75,599	26,936	65,060	88,401	382,264	405,605
Total comprehensive income for the period	75,599	26,936	65,060	88,401	382,264	405,605

Condensed Parent Company balance sheets

SEK thousand	Oct 31, 2024	Oct 31, 2023	Apr 30, 2024
Assets			
Intangible assets	11,427	6,247	9,183
Tangible assets	7,392	6,431	6,336
Financial assets	379,813	333,275	367,480
Total fixed assets	398,632	345,953	382,999
Accounts receivable	1,118	0	421
Receivables from Group companies	675,092	497,990	798,354
Other current assets	32,961	10,519	26,085
Cash and bank balances	503,011	375,519	683,564
Total current assets	1,212,182	884,028	1,508,424
Total assets	1,610,814	1,229,981	1,891,423
Equity and liabilities			
Restricted equity	276,707	271,527	274,463
Unrestricted equity	647,312	453,991	781,922
Total equity	924,019	725,518	1,056,385
Provisions	3,453	1,078	2,685
Current liabilities	683,342	503,385	832,353
Total equity and liabilities	1,610,814	1,229,981	1,891,423

NOTES

Note 1 Accounting policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Securities Markets Act. The accounting policies and calculation methods applied are consistent with those described in Sectra's 2023/2024 Annual and Sustainability Report.

Note 2 Related-party transactions

Other than the types of transactions presented in Note 3 Employees and personnel costs in the 2023/2024 Annual Report, no significant transactions with related parties took place in the reporting period.

Note 3 Number of shares

No. of common shares ^{1, 2}	3 months Aug–Oct 2024	3 months Aug–Oct 2023	6 months May–Oct 2024	6 months May–Oct 2023	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
At the end of the period	192,667,489	192,667,489	192,667,489	192,667,489	192,667,489	192,667,489
Average	192,667,489	192,667,489	192,667,489	192,667,489	192,667,489	192,667,489

¹ Before and after dilution.

² Number of shares does not include the 1,453,406 (1,453,406) Class B treasury shares.

Note 4 Operating segments and sales

Sales by business segment

SEK million	3 months Aug–Oct 2024	3 months Aug–Oct 2023	6 months May–Oct 2024	6 months May–Oct 2023	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
Imaging IT Solutions	625.7	691.0	1,265.6	1,209.6	2,607.6	2,551.6
Secure Communications	120.3	83.0	197.8	139.3	425.9	367.4
Business Innovation	18.8	24.5	36.4	41.2	85.1	89.9
Other Operations	53.7	42.8	101.0	77.4	188.5	164.9
Group eliminations	-65.0	-53.6	-123.5	-96.0	-237.6	-210.2
Total	753.5	787.7	1,477.3	1,371.5	3,069.5	2,963.6

Operating profit/loss by business segment

SEK million	3 months Aug–Oct 2024	3 months Aug–Oct 2023	6 months May–Oct 2024	6 months May–Oct 2023	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
Imaging IT Solutions	95.3	168.3	190.4	242.7	447.6	499.9
Secure Communications	25.2	9.5	35.3	12.0	83.1	59.8
Business Innovation	-1.5	5.5	-1.8	4.5	11.0	17.3
Other Operations	-8.0	-6.6	-17.1	-13.1	-63.1	-59.1
Group eliminations	-1.4	0.0	2.6	-0.1	2.6	-0.1
Total	109.6	176.7	209.4	246.0	481.2	517.8

Sales by geographic market

SEK million	3 months Aug–Oct 2024	3 months Aug–Oct 2023	6 months May–Oct 2024	6 months May–Oct 2023	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
United States	181.4	226.2	360.4	375.8	810.8	826.2
Sweden	170.4	138.2	303.3	243.2	644.7	584.6
United Kingdom	143.3	162.7	300.0	281.3	596.8	578.1
Netherlands	51.7	42.0	100.5	80.7	203.8	184.0
Rest of Europe	150.2	134.8	288.6	256.3	591.9	559.5
Rest of World	56.5	83.8	124.5	134.2	221.5	231.2
Total	753.5	787.7	1,477.3	1,371.5	3,069.5	2,963.6

Recurring and non-recurring external revenue by business segment

Group

SEK million	3 months Aug–Oct 2024	3 months Aug–Oct 2023	6 months May–Oct 2024	6 months May–Oct 2023	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
Recurring revenue	484.7	429.6	967.0	826.7	1,865.2	1,724.9
Of which cloud recurring revenue, CRR	121.3	93.4	244.1	179.8	461.2	396.9
Non-recurring revenue	268.8	358.1	510.3	544.8	1,204.3	1,238.7
Total	753.5	787.7	1,477.3	1,371.5	3,069.5	2,963.6
Share of recurring revenue, %	64.3	54.5	65.5	60.3	60.8	58.2

Imaging IT Solutions

SEK million	3 months Aug–Oct 2024	3 months Aug–Oct 2023	6 months May–Oct 2024	6 months May–Oct 2023	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
Recurring revenue	447.5	400.8	896.4	771.5	1,734.2	1,609.3
Of which cloud recurring revenue, CRR	116.5	89.2	234.1	172.2	440.2	378.3
Non-recurring revenue	176.5	290.8	366.5	439.2	865.3	938.0
Total	624.0	691.6	1,262.9	1,210.7	2,599.5	2,547.3
Share of recurring revenue, %	71.7	58.0	71.0	63.7	66.7	63.2

Secure Communications

SEK million	3 months Aug–Oct 2024	3 months Aug–Oct 2023	6 months May–Oct 2024	6 months May–Oct 2023	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
Recurring revenue	31.3	24.0	58.6	46.9	106.6	94.9
Of which cloud recurring revenue, CRR	–	–	–	–	–	–
Non-recurring revenue	88.6	58.8	138.6	92.2	318.3	271.9
Total	119.9	82.8	197.2	139.1	424.9	366.8
Share of recurring revenue, %	26.1	29.0	29.7	33.7	25.1	25.9

Business Innovation

SEK million	3 months Aug–Oct 2024	3 months Aug–Oct 2023	6 months May–Oct 2024	6 months May–Oct 2023	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
Recurring revenue	5.5	4.6	11.3	8.2	23.0	19.9
Of which cloud recurring revenue, CRR	4.8	4.2	10.0	7.6	21.0	18.6
Non-recurring revenue	2.8	8.4	4.0	13.3	19.4	28.7
Total	8.3	13.0	15.3	21.5	42.4	48.6
Share of recurring revenue, %	66.3	35.4	73.9	38.1	54.2	40.9

Other Operations

SEK million	3 months Aug–Oct 2024	3 months Aug–Oct 2023	6 months May–Oct 2024	6 months May–Oct 2023	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
Recurring revenue	0.3	0.2	0.6	0.2	1.2	0.8
Of which cloud recurring revenue, CRR	–	–	–	–	–	–
Non-recurring revenue	1.1	–	1.3	–	1.3	–
Total	1.4	0.2	1.9	0.2	2.5	0.8
Share of recurring revenue, %	21.4	100.0	31.6	100.0	48.0	100.0

Note 5 Financial definitions and alternative performance measures

The Group applies the European Securities and Markets Authority (ESMA) Guidelines on Alternative Performance Measures. Alternative performance measures are applied since the company believes they provide valuable supplementary information for management and investors given that they play a central role when it comes to understanding and evaluating the Group's operations.

Share of recurring revenue

Purpose

Shows the portion of external sales that is recurring. Recurring revenue refers to revenue from customers for the provision of a good or service during the term of a contract, wherein the customer cannot continue to benefit from the full functionality of the good or service without ongoing payments and the revenue stream is expected to recur for more than 12 months.

Recurring revenue mainly refers to revenue from subscription, support and maintenance agreements. The share delivered via the cloud is reported as cloud recurring revenue (CRR). Revenue from system implementations, migration and one-time purchases of licenses are not recognized as recurring revenue.

Calculation

Recurring revenue divided by total external sales. Refer to Note 4.

Recurring revenue churn

SEK thousand	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
Recurring revenue from customer contracts that have concluded or not been renewed	10,036	7,247
Recurring revenue	1,865,185	1,724,940
Share of recurring revenue, %	0.5	0.4

Purpose

Indicates the share of recurring revenue from customer contracts that have concluded or not been renewed during the latest rolling 12-month period.

Calculation

Recurring revenue from customer contracts that have concluded or not been renewed divided by total recurring revenue.

Equity per share before and after dilution

	Oct 31, 2024	Oct 31, 2023	Apr 30, 2024
Equity, SEK thousand	1,532,235	1,341,354	1,569,591
Number of shares before and after dilution at the end of the period	192,667,489	192,667,489	192,667,489
Equity per share before and after dilution, SEK	7.95	6.96	8.15

Purpose

Measures the company's net value per share and shows the change in shareholder capital per share over time.

Calculation

Equity divided by the number of shares before and after dilution at the end of the period.

Non-interest-bearing liabilities and interest-bearing liabilities

SEK thousand	Oct 31, 2024	Oct 31, 2023	Apr 30, 2024
Non-interest-bearing liabilities	1,566,221	1,324,526	1,609,559
Interest-bearing liabilities	91,909	28,686	31,788
Total liabilities	1,658,130	1,353,212	1,641,347

Purpose

Indicates the proportion of the Company's liabilities with and without interest. Included in the calculation of the debt/equity ratio and capital employed.

Calculation

Non-interest-bearing liabilities refers to liabilities without interest, such as accounts payable, advances from customers and tax liabilities. Interest-bearing liabilities refers to liabilities with interest, such as lease liabilities.

Cash flow per share before and after dilution

	3 months Aug–Oct 2024	3 months Aug–Oct 2023	6 months May–Oct 2024	6 months May–Oct 2023	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
Cash flow from operations, SEK thousand	176,068	57,733	119,351	-40,566	486,243	326,326
Number of shares before and after dilution at the end of the period	192,667,489	192,667,489	192,667,489	192,667,489	192,667,489	192,667,489
Cash flow per share before and after dilution, SEK	0.91	0.30	0.62	-0.21	2.52	1.69

Purpose

Shows the cash flow the company generated per share before capital investments and financing.

Calculation

Cash flow from operations divided by the number of shares before and after dilution at the end of the period.

Ratio of contracted order bookings to net sales

SEK thousand	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
Contracted order bookings	7,588,629	6,223,476
Net sales	3,069,480	2,963,607
Ratio of contracted order bookings to net sales	2.47	2.10

Purpose

Provides an indication of demand for the company's products and services.

Calculation

Contracted order bookings divided by net sales.

Liquidity

SEK thousand	Oct 31, 2024	Oct 31, 2023	Apr 30, 2024
Current assets	2,408,703	2,031,112	2,522,148
Unutilized overdraft facilities	15,000	15,000	15,000
Current liabilities	1,532,839	1,318,383	1,588,763
Liquidity	1.6	1.6	1.6

Purpose

Shows the company's current ability to pay.

Calculation

Current assets plus unutilized overdraft facility divided by current liabilities.

Average no. of employees**Purpose**

Shows full-time positions in a certain period.

Calculation

Average number of full-time employees during the period.

Unadjusted exchange rates – sales

	3 months Aug–Oct 2024	3 months Aug–Oct 2023	6 months May–Oct 2024	6 months May–Oct 2023	Full-year May–Apr 2023/2024
Nominal change, %	-4.3	40.2	7.7	31.1	26.1
Exchange-rate effect, %	2.2	-3.9	1.6	-5.0	-3.1
Change in unadjusted exchange rates, %	-2.1	36.3	9.3	26.1	23.0

Purpose

Provides an indication of changes in financial measures for unadjusted exchange rates.

Calculation

Amounts for the current year restated at last year's average exchange rates less last year's amounts at last year's average exchange rates, divided by last year's amounts at last year's rates.

Unadjusted exchange rates – operating profit

	3 months Aug–Oct 2024	3 months Aug–Oct 2023	6 months May–Oct 2024	6 months May–Oct 2023	Full-year May–Apr 2023/2024
Nominal change, %	-38.0	64.2	-14.9	43.1	13.6
Exchange-rate effect, %	2.8	-7.2	2.5	-9.4	-5.6
Change in unadjusted exchange rates, %	-35.2	57.0	-12.4	33.7	8.0

Purpose

Provides an indication of changes in financial measures for unadjusted exchange rates.

Calculation

Amounts for the current year restated at last year's average exchange rates less last year's amounts at last year's average exchange rates, divided by last year's amounts at last year's rates.

Unadjusted exchange rates – recurring revenue

	3 months Aug–Oct 2024	3 months Aug–Oct 2023	6 months May–Oct 2024	6 months May–Oct 2023	Full-year May–Apr 2023/2024
Nominal change, %	12.8	35.8	17.0	31.9	26.8
Exchange-rate effect, %	2.4	-3.8	1.5	-5.1	-3.1
Change in unadjusted exchange rates, %	15.2	32.0	18.5	26.8	23.7

Purpose

Provides an indication of changes in financial measures for unadjusted exchange rates.

Calculation

Amounts for the current year restated at last year's average exchange rates less last year's amounts at last year's average exchange rates, divided by last year's amounts at last year's rates.

Order bookings – guaranteed

Purpose

Indicates future revenue in the company.

Calculation

The share of contracted order bookings that corresponds to what the customer has undertaken to purchase when the contract is entered into.

Order bookings – contracted

Purpose

Indicates future revenue in the company.

Calculation

The value of orders received that corresponds to what the customer has procured and intends to purchase during the term of the contract.

P/E ratio

SEK	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
Share price at end of period	283.00	219.20
Earnings per share for the rolling 12-month period	2.00	2.22
P/E ratio, multiple	141.5	98.7

Purpose

Shows how the market values the company's profits and how long it may take for the shareholders to get a return on an investment in the share.

Calculation

Share price at the end of the period divided by earnings per share for the most recent rolling 12-month period before dilution.

Earnings per share before and after dilution

	3 months Aug–Oct 2024	3 months Aug–Oct 2023	6 months May–Oct 2024	6 months May–Oct 2023	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
Profit for the period, SEK thousand	87,759	150,561	168,159	212,117	384,430	428,388
Average number of shares before and after dilution	192,667,489	192,667,489	192,667,489	192,667,489	192,667,489	192,667,489
Earnings per share before and after dilution, SEK	0.46	0.78	0.87	1.10	2.00	2.22

Purpose

Shows each share's participation in the company's earnings during the reporting period.

Calculation

Profit/loss after tax divided by the average number of shares before or after dilution. This performance measure is defined in accordance with IFRS.

Return on equity

SEK thousand	3 months Aug–Oct 2024	3 months Aug–Oct 2023	6 months May–Oct 2024	6 months May–Oct 2023	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
Profit for the period	87,759	150,561	168,159	212,117	384,430	428,388
Equity at start of period	1,654,220	1,386,349	1,569,591	1,296,669	1,341,354	1,296,669
Equity at end of period	1,532,235	1,341,354	1,532,235	1,341,354	1,532,235	1,569,591
Average equity	1,593,228	1,363,852	1,550,913	1,319,012	1,436,795	1,433,130
Return on equity, %	5.5	11.0	10.8	16.1	26.8	29.9

Purpose

Shows the return on capital attributable to the Parent Company owners.

Calculation

Profit for the period divided by average equity.

Return on capital employed (ROCE)

SEK thousand	3 months Aug–Oct 2024	3 months Aug–Oct 2023	6 months May–Oct 2024	6 months May–Oct 2023	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
Profit after financial items	110,527	190,289	211,787	267,815	496,746	552,774
Financial expenses	-1,228	-458	-1,790	-892	-4,181	-3,284
Average capital employed	1,662,124	1,417,195	1,612,761	1,374,486	1,497,092	1,490,155
Return on capital employed, %	6.7	13.5	13.2	19.5	33.5	37.3

Purpose

Shows profitability based on how much capital is used in the operations.

Calculation

Profit after financial items plus financial expenses divided by average capital employed.

Operating margin

SEK thousand	3 months Aug–Oct 2024	3 months Aug–Oct 2023	6 months May–Oct 2024	6 months May–Oct 2023	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
Operating profit	109,567	176,713	209,381	246,026	481,165	517,810
Net sales	753,500	787,725	1,477,336	1,371,463	3,069,480	2,963,607
Operating margin, %	14.5	22.4	14.2	17.9	15.7	17.5

Purpose

Measures operational profitability. This measure is used for the purpose of management by objectives in the operations.

Calculation

Operating profit divided by net sales.

Operating profit per share

	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
Operating profit, SEK thousand	481,165	517,810
Number of shares before dilution	192,667,489	192,667,489
Operating profit per share, SEK	2.50	2.69

Purpose

Shows earnings per share before interest and taxes.

Calculation

Operating profit divided by the number of shares before dilution on the balance-sheet date.

Debt/equity ratio

SEK thousand	Oct 31, 2024	Oct 31, 2023	Apr 30, 2024
Interest-bearing liabilities	91,909	28,686	31,788
Equity	1,532,235	1,341,354	1,569,591
Debt/equity ratio	0.06	0.02	0.02

Purpose

Shows to what extent the operations are financed by loans and describes the company's financial risk.

Calculation

Interest-bearing liabilities divided by equity.

Equity/assets ratio

SEK thousand	Oct 31, 2024	Oct 31, 2023	Apr 30, 2024
Equity	1,532,235	1,341,354	1,569,591
Total assets	3,190,365	2,694,566	3,210,938
Equity/assets ratio, %	48.0	49.8	48.9

Purpose

Shows the portion of assets financed with equity. This measure is used for the purpose of management by objectives in the operations.

Calculation

Equity divided by total assets on the balance-sheet date.

Capital employed

SEK thousand	Oct 31, 2024	Oct 31, 2023	Apr 30, 2024
Total assets	3,190,365	2,694,566	3,210,938
Non-interest-bearing liabilities	1,566,221	1,324,526	1,609,559
Capital employed	1,624,144	1,370,040	1,601,379

Purpose

Shows the portion of the company's assets that has been borrowed from, for example, the company's owners or external lenders, and shows the company's profitability in relation to externally financed capital and equity.

Calculation

Total assets reduced by non-interest-bearing liabilities.

Growth in operating profit per share over a five-year period

SEK	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
Operating profit per share before dilution	2.50	2.69
Operating profit per share before dilution five years earlier	1.18	1.23
Growth in operating profit per share before dilution over a five-year period, %	111.0	118.8

Purpose

Shows the growth of the operations over a five-year period. This measure is used for the purpose of management by objectives in the operations.

Calculation

Operating profit per share on the balance-sheet date less operating profit per share on the balance-sheet date five years earlier divided by operating profit per share on the balance-sheet date five years earlier.

Profit margin

SEK thousand	3 months Aug–Oct 2024	3 months Aug–Oct 2023	6 months May–Oct 2024	6 months May–Oct 2023	12 months Nov 2023 –Oct 2024	Full-year May–Apr 2023/2024
Profit after financial items	110,527	190,289	211,787	267,815	496,746	552,774
Net sales	753,500	787,725	1,477,336	1,371,463	3,069,480	2,963,607
Operating margin, %	14.7	24.2	14.3	19.5	16.2	18.7

Purpose

Shows a comparison of profitability regardless of corporate tax rate.

Calculation

Profit after financial items divided by net sales.

KEY FIGURES AND OTHER INFORMATION**Key figures**

	6 months Oct 31, 2024	6 months Oct 31, 2023	12 months Oct 31, 2024	Full-year Apr 30, 2024
Contracted order bookings, SEK million	4,838.1	3,472.9	7,588.7	6,223.5
of which guaranteed order bookings, SEK million	4,560.1	804.5	6,975.0	3,219.4
Operating margin, %	14.2	17.9	15.7	17.5
Profit margin, %	14.3	19.5	16.2	18.7
Average no. of employees	1,224	1,120	1,192	1,140
Cash flow per share, SEK ^{1,2}	0.62	-0.21	2.52	1.69
P/E ratio, multiple	n/a	n/a	141.5	98.7
Share price at end of period, SEK	283.0	120.6	283.0	219.20
Return on equity, %	10.8	16.1	26.8	29.9
Return on capital employed, %	13.2	19.5	33.5	37.3
Equity/assets ratio, %	48.0	49.8	48.0	48.9
Liquidity ratio, multiple	1.6	1.6	1.6	1.6
Equity per share, SEK ²	7.95	6.96	7.95	8.15

¹ Cash flow from operations. ² Before and after dilution.

Condensed consolidated income statements by quarter

SEK million	2024/2025		2023/2024				2022/2023			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	753.5	723.8	898.1	694.0	787.7	583.7	724.7	580.3	561.7	484.1
Capitalized work for own use	19.4	12.9	16.3	19.3	17.9	18.0	20.6	14.7	11.5	9.0
Other operating income	6.5	2.7	1.3	0.6	2.2	1.3	0.5	0.5	0.4	0.1
Operating expenses	-642.5	-613.5	-687.0	-614.9	-607.5	-509.2	-524.7	-485.2	-443.9	-406.6
Depreciation/amortization and impairment	-27.3	-26.1	-31.3	-24.7	-23.6	-24.5	-24.3	-23.3	-22.1	-22.2
Operating profit	109.6	99.8	197.4	74.4	176.7	69.3	196.8	87.0	107.6	64.4
Total financial items	0.9	1.5	14.7	-1.5	13.6	8.2	5.1	4.1	10.7	3.8
Profit after financial items	110.5	101.3	212.1	72.9	190.3	77.5	201.9	91.1	118.3	68.2
Tax on earnings for the period	-22.7	-20.9	-53.6	-15.1	-39.7	-16.0	-47.3	-18.8	-24.4	-14.0
Profit for the period	87.8	80.4	158.5	57.8	150.6	61.6	154.6	72.3	93.9	54.1

Key figures by quarter

	2024/2025		2023/2024				2022/2023			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Contracted order bookings, SEK million	4,223.1	615.0	896.9	1,853.6	503.0	2,970.0	1,186.9	549.2	664.2	2,235.4
of which guaranteed order bookings	4,017.0	543.1	762.3	1,652.5	460.1	344.4	811.6	484.0	605.6	705.3
Recurring revenue, SEK million	484.7	482.3	463.5	434.7	429.6	397.2	376.6	356.4	316.4	310.4
of which cloud services (CRR)	121.3	122.8	113.8	103.2	93.4	86.4	72.9	72.1	59.6	50.0
Operating margin, %	14.5	13.8	22.0	10.7	22.4	11.9	27.2	15.0	19.2	13.3
Earnings per share, SEK ¹	0.46	0.42	0.82	0.30	0.78	0.32	0.80	0.38	0.49	0.28
Cash flow per share, SEK ¹	0.91	-0.29	0.69	1.21	0.30	-0.51	1.98	0.43	0.20	-0.33
Return on equity, %	5.5	5.0	10.7	4.2	11.0	4.6	12.7	6.5	8.5	4.9
Return on capital employed, %	6.7	6.2	14.2	5.3	13.5	5.5	15.6	7.8	10.2	5.8
Equity/assets ratio, %	48.0	52.2	48.9	49.2	49.8	50.8	47.4	50.4	52.3	54.9
Equity per share, SEK ¹	7.95	8.59	8.15	7.20	6.96	7.20	6.73	5.94	5.54	5.95
Share price at end of period, SEK	283.0	243.40	219.20	195.14	120.60	168.60	161.70	147.44	146.40	185.90

¹ Before and after dilution.

Five-year summary

	2023/2024	2022/2023	2021/2022	2020/2021	2019/2020
Contracted order bookings, SEK million	6,223.5	4,635.7	2,320.2	2,651.6	1,816.0
Net sales, SEK million	2,963.6	2,350.8	1,949.1	1,632.4	1,661.1
Operating profit, SEK million	517.8	455.7	383.4	350.1	295.3
Profit after financial items, SEK million	552.8	479.4	394.5	348.2	303.0
Profit for the period, SEK million	428.4	375.0	314.8	275.5	237.4
Operating margin, %	17.5	19.4	19.7	21.4	17.8
Profit margin, %	18.7	20.4	20.2	21.3	18.2
Earnings per share before dilution, SEK ¹	2.22	1.95	1.63	1.43	1.24
Earnings per share after dilution, SEK ¹	2.22	1.95	1.63	1.43	1.23
Redemption program per share/dividend, SEK ¹	1.10	1.10	1.00	0.90	0.90
Share price at end of year, SEK ¹	219.20	161.70	124.80	121.00	84.00
P/E ratio, multiple	98.7	82.9	76.6	84.6	68.0
Return on equity, %	29.9	31.5	31.9	32.2	30.7
Return on capital employed, %	37.3	38.2	37.5	37.4	36.8
Equity per share before dilution, SEK ¹	8.15	6.73	5.61	4.65	4.24
Equity per share after dilution, SEK ¹	8.15	6.73	5.61	4.65	4.24
Equity/assets ratio, %	48.9	47.4	49.3	54.2	54.1

¹ Comparative figures per share have been restated due to the 5:1 share split that Sectra carried out in the second quarter of 21/22.

Exchange rates

Currency	Average rates in SEK						Closing rates in SEK		
	3 months Aug–Oct 2024	3 months Aug–Oct 2023	Δ %	6 months May–Oct 2024	6 months May–Oct 2023	Δ %	Oct 31, 2024	Oct 31, 2023	Δ %
US dollar, 1 USD	10.27	10.88	-5.6	10.45	10.77	-3.0	10.56	11.06	-4.5
Euro, 1 EUR	11.31	11.65	-2.9	11.38	11.63	-2.1	11.45	11.75	-2.6
British pound, 1 GBP	13.56	13.47	0.7	13.55	13.50	0.4	13.77	13.46	2.3

GLOSSARY

DICOM

A standard communication protocol used to capture, store and transfer medical images and related data.

DNA sequencing

A process for determining genetic material, DNA, in a sample.

Genomics

The study of genetic material, meaning an organism's DNA. In medicine, a patient's genetic material is studied to increase understanding of the causes of disease. In cancer diseases, for example, a tumor's mutations are studied in DNA. The genetic information plays an important role in diagnosing cancer and customizing treatment, known as precision medicine.

Cardiology/cardiovascular diseases

The field of medicine dealing with the functions and diseases of the heart.

Critical infrastructure

Basic infrastructure that is essential for the functioning of society, such as roads, bridges and electricity and water supply.

Encryption

Equipment that uses mathematical manipulations (algorithms and keys) to encrypt information, so that it can be interpreted or read only by the intended recipient. To read encrypted information, the recipient must have the correct key and algorithm.

The cloud/cloud solutions

From the term cloud computing, meaning delivering services and sharing IT infrastructure over the internet.

Ophthalmology

A specialist medical area for the diagnosis and treatment of eye disorders.

Orthopaedics

A surgical specialty for disorders affecting the musculoskeletal system.

Pathology/histopathology/microscopy

A specialized medical area that uses tissues and body fluids for diagnostic purposes.

Precision medicine

Providing patient care that is highly adapted to individual conditions. Advanced diagnostic analyses are a cornerstone of precision medicine.

Radiology

A health science discipline and medical specialty that uses technologies for imaging the human body, such as X-ray, magnetic resonance imaging (MRI) and ultrasound.

Sectra One/Sectra One Cloud

A subscription for Sectra's enterprise imaging solution. Under the new model, customers pay a more evenly distributed subscription fee every year instead of paying a higher license fee for software at the start of the contract and a lower rolling service fee. The fee is determined based on the functionality used and the number of different services utilized. When Sectra One is sold as fully cloud-based services, it is referred to as Sectra One Cloud.

High assurance/High assurance products

Cryptographic methods and other measures designed to prevent unauthorized parties from accessing or influencing information in telecom and IT systems. The high assurance products that Sectra provides are approved by one or more nations and, for certain products, by the EU and NATO.

ABOUT SECTRA

Vision

To contribute to a healthier and safer society.

Mission statements

To increase the effectiveness of healthcare, while maintaining or increasing the quality of care.

To strengthen the stability and efficiency of society's most important functions through solutions for critical IT security.

Operating areas/business models

Imaging IT Solutions helps hospitals across the world to become more efficient, enabling them to care for more patients and save more lives. Increased use of medical images and aging populations that are living longer pose huge challenges to healthcare. Sectra's IT solutions and services for medical diagnostic imaging enable greater efficiency and contribute to healthcare advancements. Sectra has exceeded 2,500 installations of medical IT systems, and customers include some of the largest healthcare providers in the world.

Secure Communications helps society's critical functions, government officials and diplomats to use modern technology to exchange information securely, thereby contributing to a stable and secure society. Sectra's solutions and services increase cybersecurity by protecting some of society's most sensitive information and communications. Several of the business area's products are approved by the EU, NATO, and national security authorities.

Business Innovation gathers smaller activities that could eventually lead to major growth in Sectra's main areas or related niches.

Group-wide strategies for value creation and sustainable business development

Customer value is the top priority

Customers and customer satisfaction are always assigned top priority to enable long-term growth. Close relationships with demanding customers ensure that Sectra's solutions meet market demands for quality, functionality and usability.

A motivating corporate culture

A corporate culture that motivates and inspires the company's employees to solve customer problems and constantly drive improvement. All so we can meet—and in many cases exceed—customer expectations.

Constant innovation

Close cooperation with customers, universities and industrial partners in order to identify needs and ideas, combined with a corporate culture where management encourages the employees to test out new ideas and projects.

Geographic expansion

International expansion mainly in areas and regions where Sectra holds an established position. Expansion is primarily to be achieved through organic growth, in certain cases supplemented by acquisitions that strengthen the Group's organic growth.

For more information, visit <https://investor.sectra.com>



7 good reasons to invest in Sectra

International niche markets with strong growth

IT for healthcare and cybersecurity for critical social functions are rapidly changing markets that society needs to invest in. This creates major growth opportunities for companies such as Sectra.

Stability, profitability and long-term growth

Sectra has an over 45-year history of growth and profitability. Over 50% of the company's sales comprise recurring revenue from long-term customer contracts.

Customer-focused corporate culture

A strong corporate culture clearly focused on customer value and employees who are passionate about making a difference lead to satisfied customers. To safeguard our corporate culture, growth is primarily organic.

Strong brand with multinational reach

Sectra is an established brand in niche areas where trust and stable products are highly important success factors. We have a multinational reach, with thousands of customers worldwide.

Innovation

By continuously investing in new and enhanced products and services, as well as how they are packaged and delivered, we create value for our customers. We also have a self-financed portfolio of research and business projects with the potential to add significant value in the future.

Sustainable business model

Contributing to healthier and safer societies is the foundation of Sectra's operations and business model. Helping our customers improve the efficiency and quality of patient care and increase cybersecurity in critical social functions is our most significant contribution to a sustainable society.

Long-standing owners and dedicated management

The principal owners, who have been part of the company since the 1980s, have firm dedication to the long-term development of the company, and all members of Group Management are shareholders.