

The Tobii logo is displayed in white on a dark blue background. The background features a pattern of small, light blue dots, with some dots being larger and more prominent than others, creating a subtle, abstract design.

tobii

Second quarter 2016

July 28, 2016



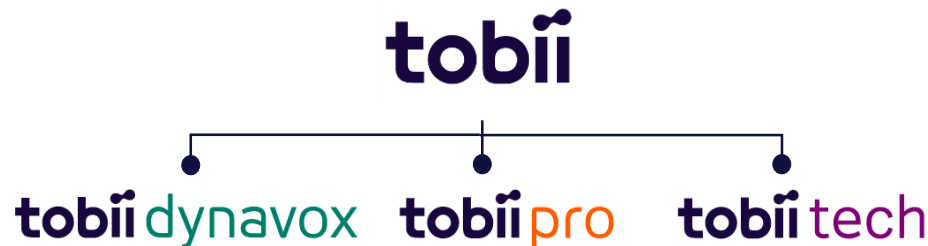
Henrik Eskilsson, CEO



Esben Olesen, CFO

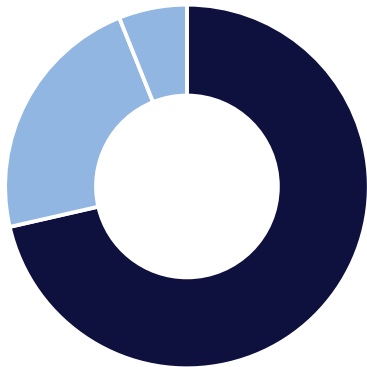
Continued investments in all three business units

- Continued strong leadership position in eye tracking and assistive technology for communication markets
- Investing in long-term growth of all three business units
- Rapid organizational growth: Added 130 FTE in past 12 months, now >700 employees



Tobii Dynavox

- Global leader in assistive technology for communication
- Market share close to 50%
- Provides products that enable tens of thousands of users with special needs to speak and communicate effectively
- Reimbursed through public and private insurance systems



*3/4 of Tobii
Group's sales*



Tobii Dynavox highlights

- Large investments in R&D
- Launched first direct-to-consumer e-commerce
- Started shipping I-series+ with the new IS4 eye-tracker platform
- Launched PCEye Mini (new peripheral based on IS4)
- Launched Snap Scene, a learning app for young children with communication challenges



I-series with IS4

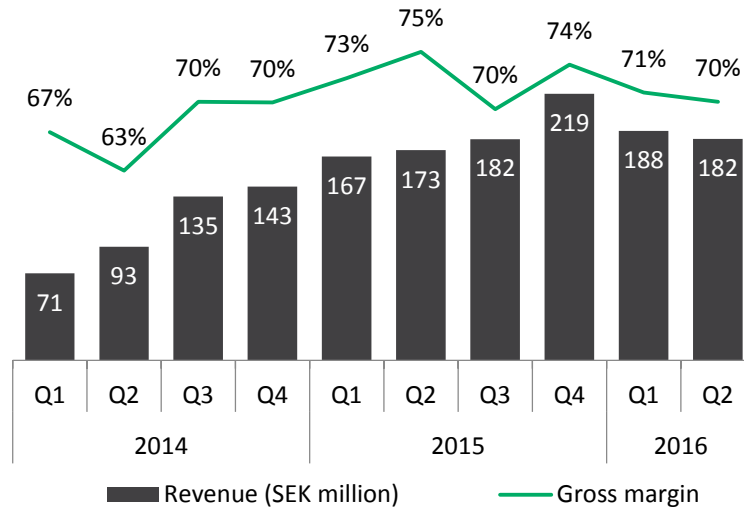


PCEye Mini

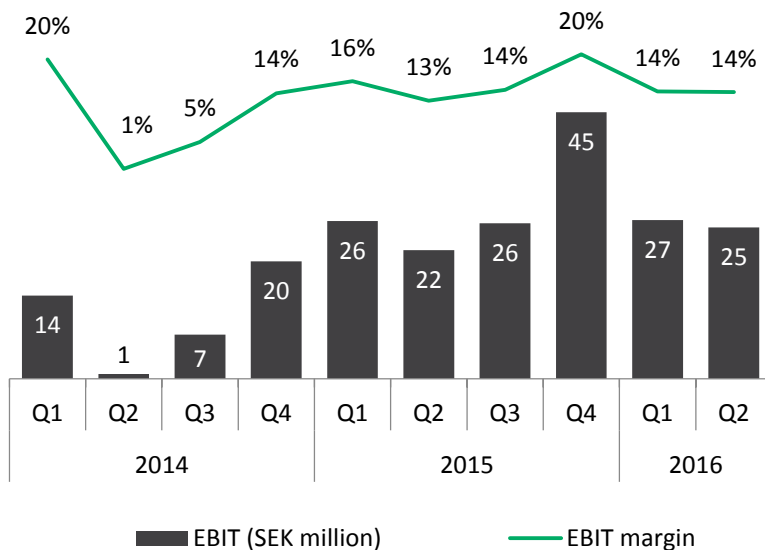


Snap Scene

Financials for Tobii Dynavox



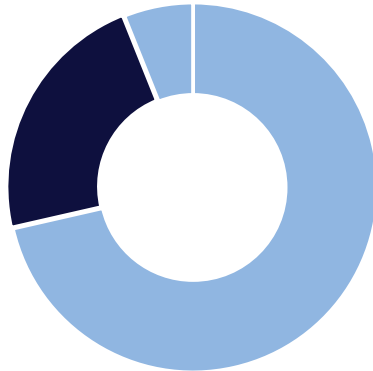
- Revenue increased 5% over Q2 2015, and by 9% adjusted for currency effects.
 - Higher revenue in the US, primarily due to one-time effects from Steve Gleason Act
 - Lower sales in Europe (price reductions and slower sales in the UK)
- Gross margin decreased to 70% (75%)
 - Reallocation of some costs from sales and admin to COGS (no EBIT impact)
 - Price reductions in Europe
- EBIT margin was 14% (13%)
 - Large R&D investments
 - Investments in e-commerce solutions and increased sales and marketing organizations in both US and Europe



Tobii Pro

- World leader in eye-tracking solutions for understanding human behavior
- Market share close to 50%
- Provides eye tracker hardware and analytics software, plus market research consulting
- 2,000 academic and 3,000 commercial customers

1/5 of Tobii Group's sales



Continued positive momentum

- Revenue increased 15% over Q2 2015, or 16% adjusted for currency
- Strong sales of Tobii Pro Glasses 2, Tobii Pro X3-120 and Tobii Pro Insight services



Glasses 2



X3-120



Tobii Pro Insight

Eye tracking in Formula 1



- Expanding in the sports segment where eye tracking can help athletes improve performance
- Example: Study of Formula 1 driver Nico Hulkenberg's reaction times

<http://tobii.23video.com/through-the-eyes-of-an-f1-driver>

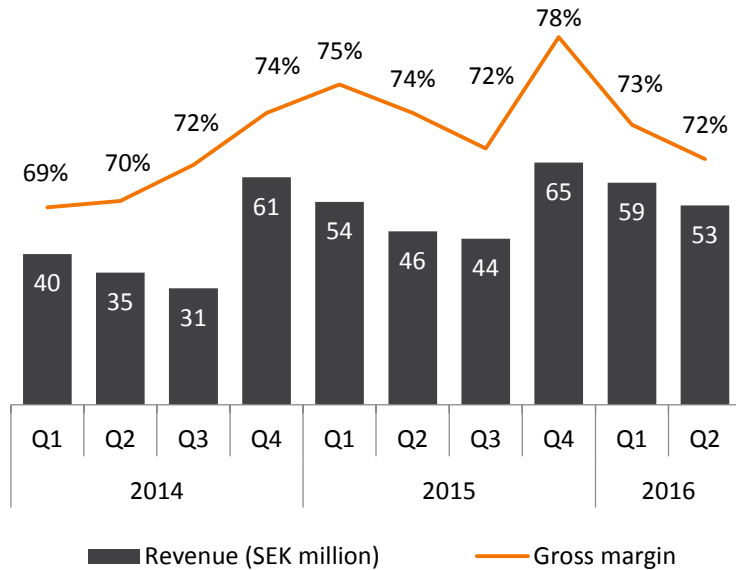
Tobii Pro product development

- Launched new key features in software for Tobii Pro Glasses 2
- Large R&D investments to develop new eye tracking hardware and software

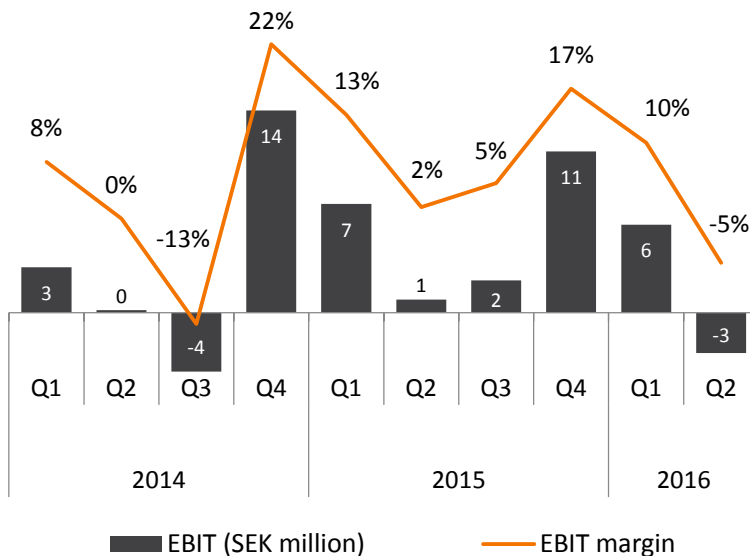


Tobii Pro Glasses Analyzer software

Financials for Tobii Pro



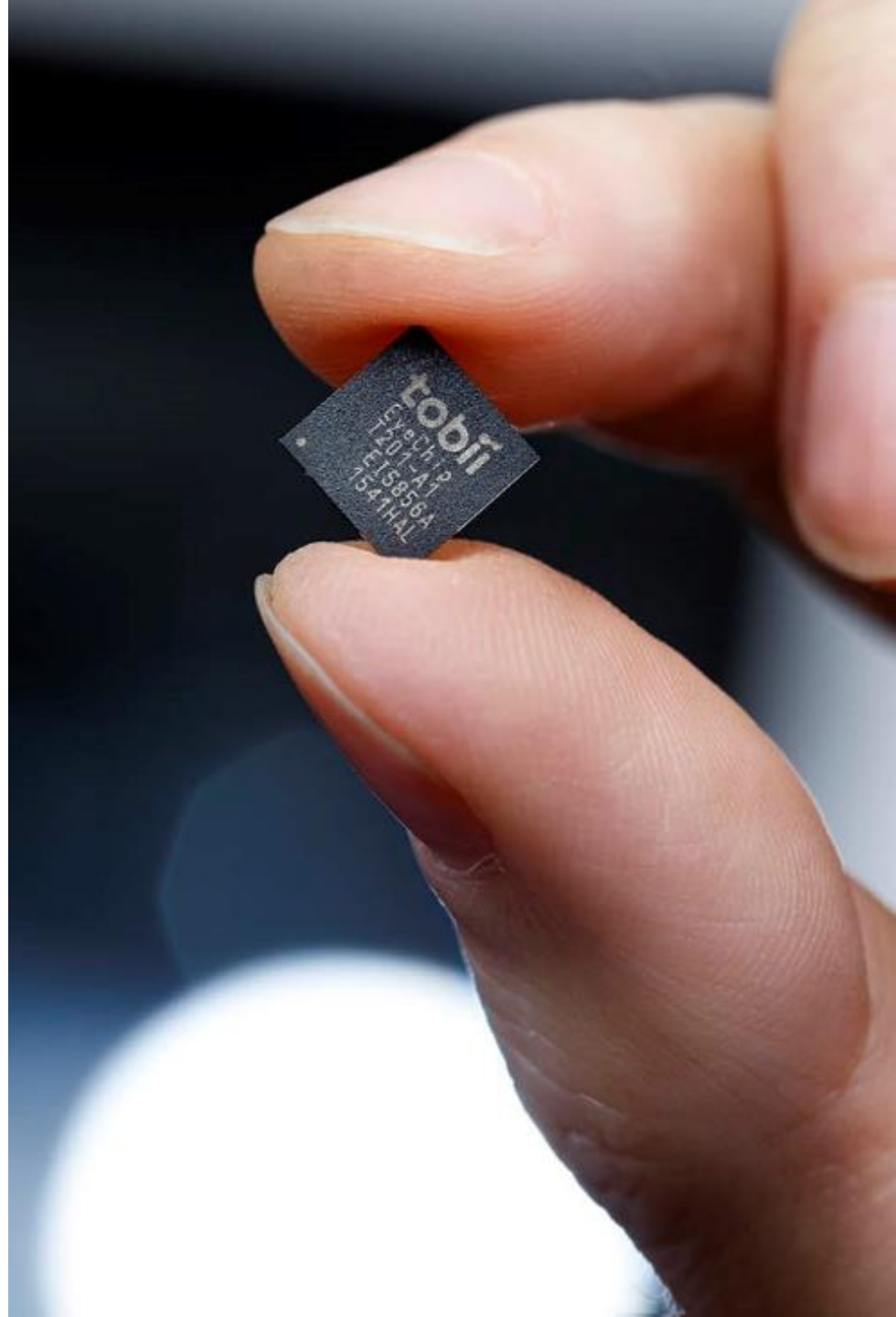
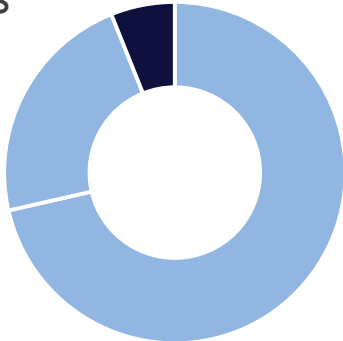
- Revenue increased 15% over Q2 2015, and by 16% adjusted for currency effects
 - Strong sales of Glasses 2 and X3-120
 - Strong sales of Insight research services
- Gross margin was 72% (74%)
 - Reallocation of some costs from sales and admin to COGS (no EBIT impact)
- EBIT margin was -5% (2%)
 - 50% higher R&D spend



Tobii Tech

- Provides components and platforms for eyetracking to integration customers
- Targets new volume markets such as computer gaming, computers, virtual reality, mobile devices, automotive and medical equipment

*~5% of Tobii
Group's sales*



Intense work in multiple segments

Platform development

- IS4 eye tracker platform now shipping in first products (I-Series+ and PCEye Mini)
- Initiated development of next-generation eye tracking components and platform



PC Gaming

- Significant work with device partners to integrate Tobii's technology in upcoming premium notebook and monitor devices
- Several new games with eye tracking
www.tobii.com/xperience/apps/



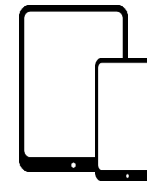
Virtual reality

- Strong interest in eye tracking for VR
- Development of eye-tracking technology for VR progressing well
- More in-depth dialogues with potential partners

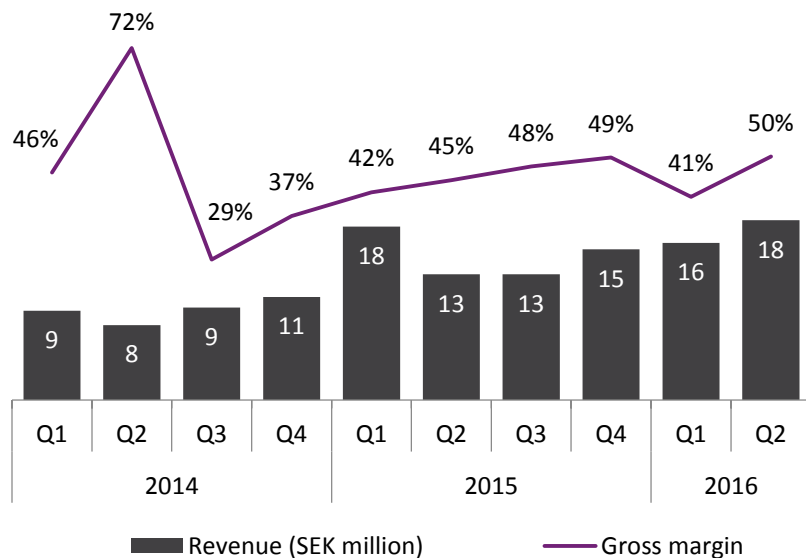


Mobile devices

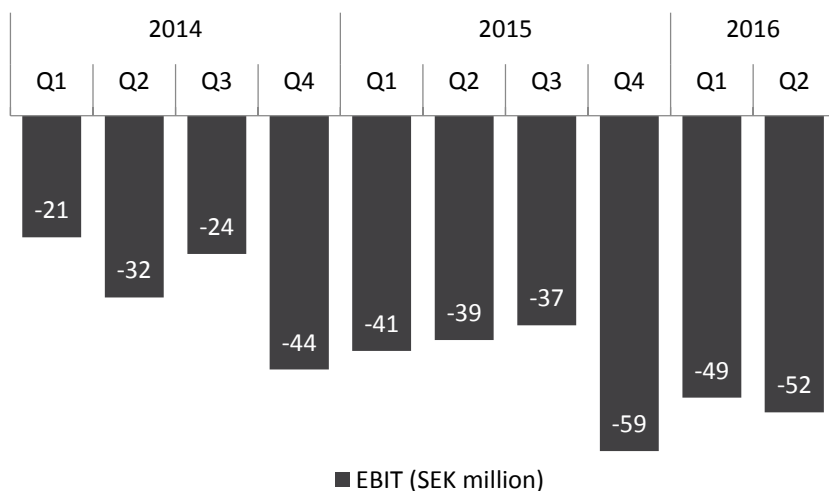
- Continued work in mobile device segment, using a more basic form of Tobii's technology



Financials for Tobii Tech

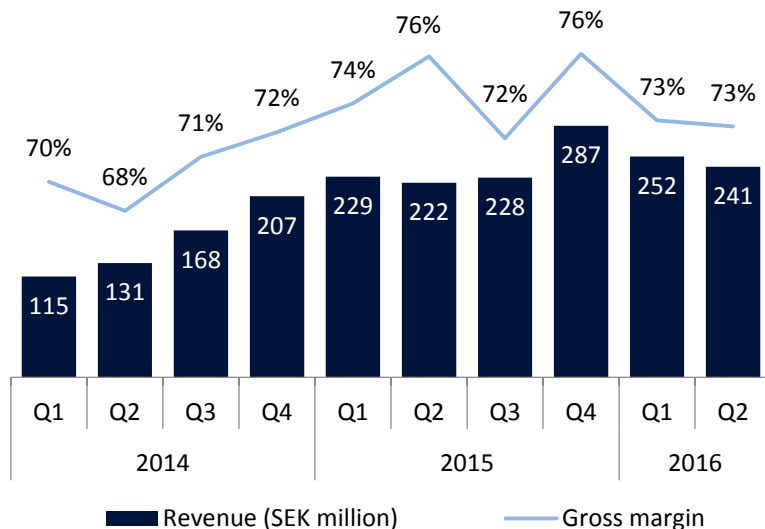


- Revenue still very modest, and a majority came from sales of eye tracker platforms to Tobii Dynavox and Tobii Pro
- Revenue increased 43% over Q2 2015
- Gross margin was 50% (45%)
 - Lower production cost with IS4 vs previous platforms
- EBIT loss amounted to -52 MSEK (-39)
 - Increased R&D spend
 - Increased marketing spend



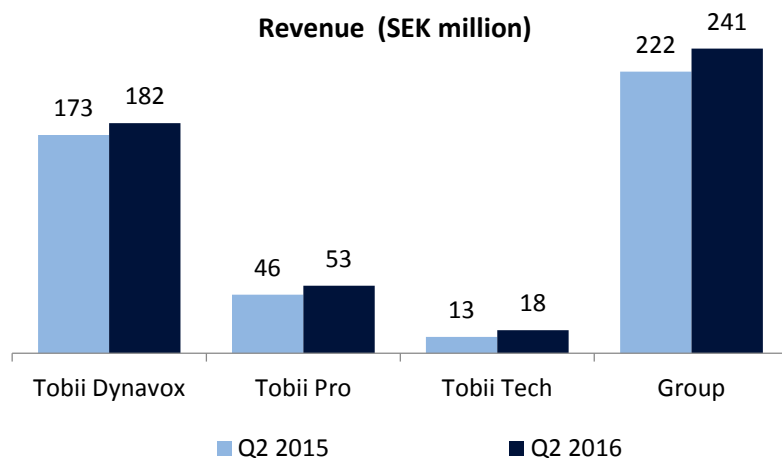
Tobii Group, Q2 2016

Revenue and Gross Margin



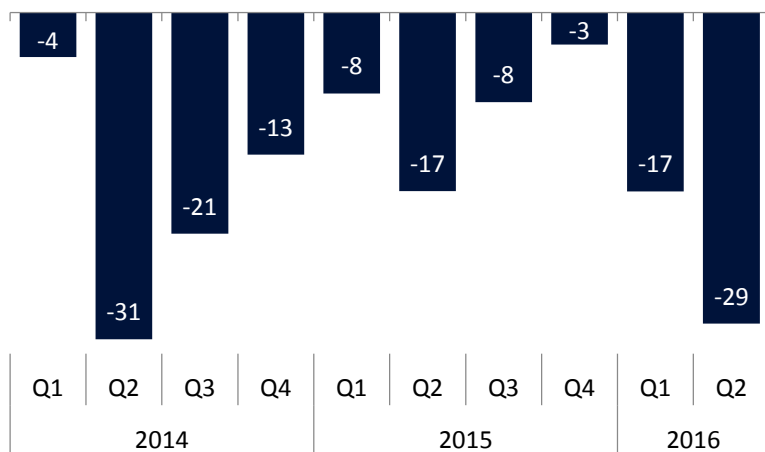
- Revenue increased 8% over Q2 2015, and by 12% adjusted for currency effects
- Gross margin 73% compared to 76% last year
 - Impacted by reallocation of some costs from sales and admin to COGS. The allocation have no effect on EBIT

Revenue (SEK million)



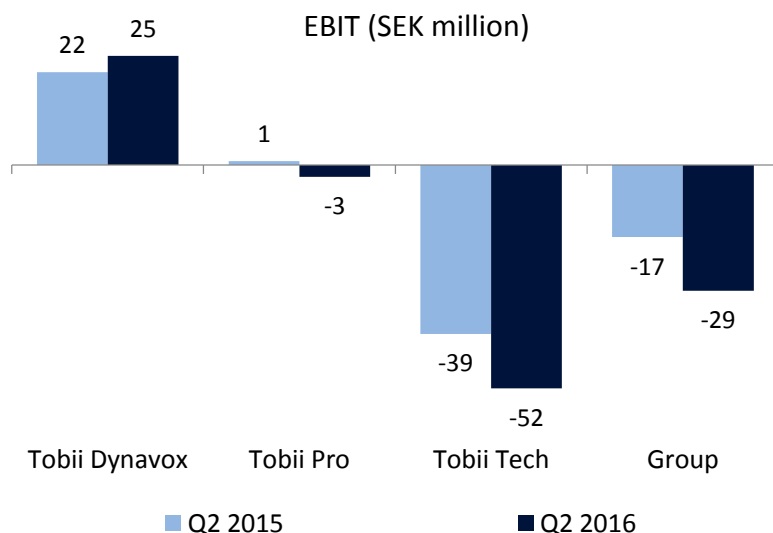
Tobii Group, Q2 2016

EBIT (SEK million)



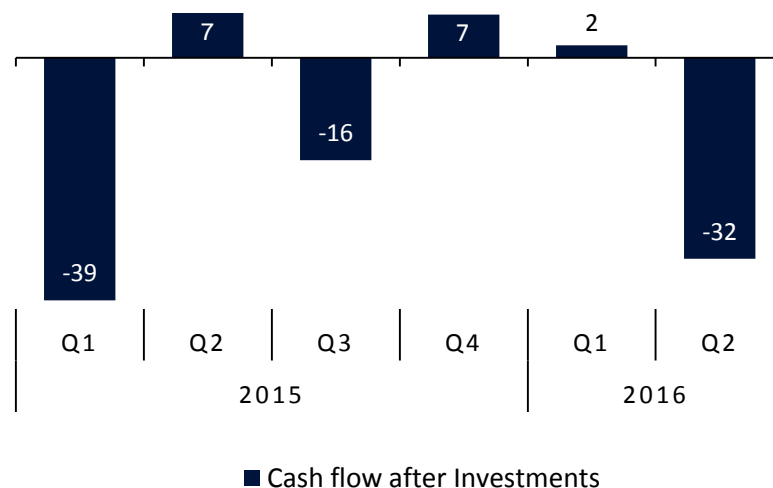
- Group EBIT -29 MSEK (-17)
- EBIT in Tobii Dynavox and Tobii Pro in line with last year: 23 MSEK (23)
- EBIT in Tobii Tech -52 MSEK (-39), 13 MSEK lower due to higher spend on R&D and Sales & Marketing activities
- EBIT for Tobii Group 12 MSEK lower than last year
 - Increased net R&D spend due to lower capitalization of R&D
 - Increased investments in marketing and business development

EBIT (SEK million)



Balance Sheet & Cash Flow

Tobii Group (MSEK)	Q2 2016	Q2 2015
Total Assets	1 004	1 053
Equity	763	810
Equity Ratio	76	77
Net Cash (+)/Net Debt(-)	348	383
Cash flow after continuous investments	-32	7



- Strong balance sheet with high Equity ratio of 76%
- Strong cash position +348 in Cash – no loans
 - Current unutilized bank facilities 170 MSEK
- Cash flow impacted by the high investment level in R&D and sales and marketing activities

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Q&A