

tobii

# First Quarter 2017

April 27, 2017

# Welcome to our presentation of the Q1 2017 interim report



Henrik Eskilsson, CEO



Tomas Kihlstrand, Interim CFO

# The Tobii Group and its business units

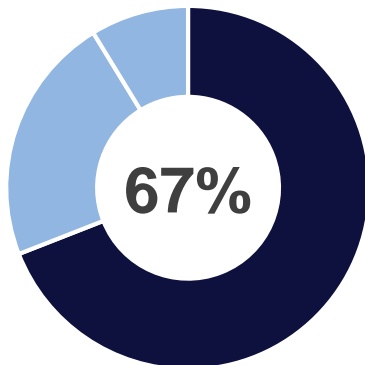
- Large investments to drive long-term growth in all three business units
- Continued organizational expansion: Added nearly 100 employees in past 12 months, now over 750 employees
- Slower sales in Tobii Dynavox and Tobii Pro, rapid growth in Tobii Tech



# 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

Share of the Group's sales



**tobii**  
dynavox

# Two strategically very important product launches

## Indi speech tablet



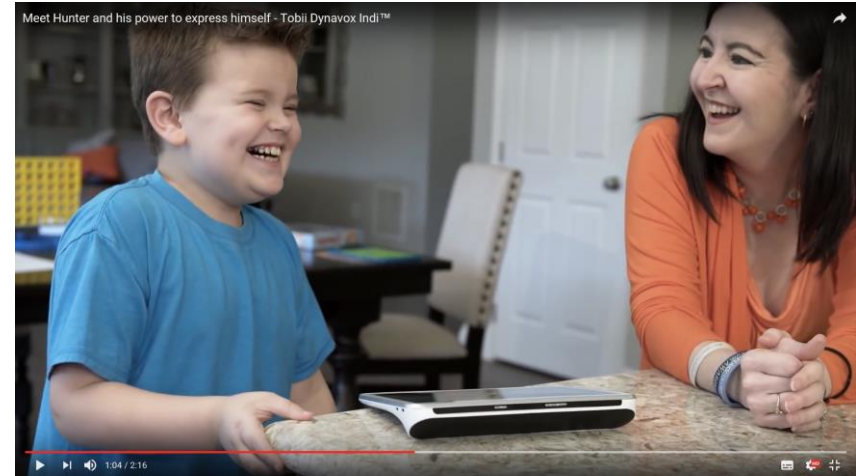
## Snap communication software



[www.tobiidynavox.com/indi/](http://www.tobiidynavox.com/indi/)

# Indi speech tablet

- The world's first all-in-one speech tablet for touch-based communication
- Very powerful speakers, semi-rugged, right ergonomics, accessories and services
- Pricing starts at \$999, including state of the art software

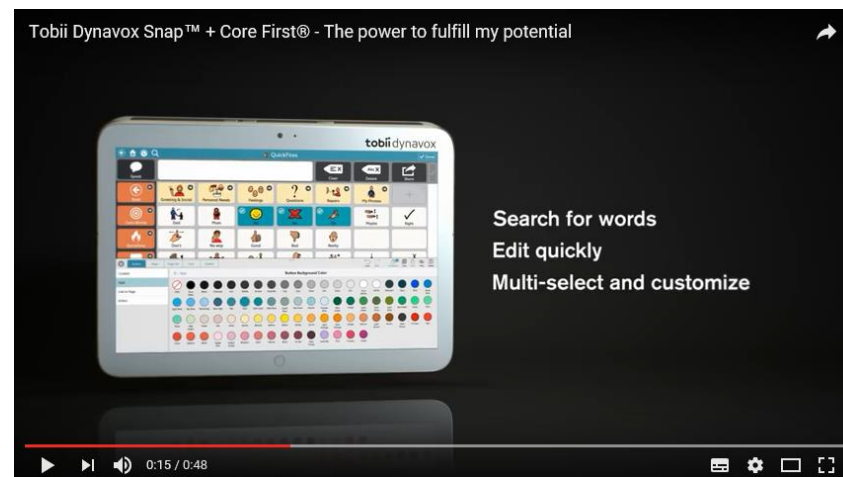


[Meet Hunter and his power to express himself - Tobii Dynavox Indi™](#)



# Snap communication software

- Tobii Dynavox' new symbol-based communication software
- Clinically proven with the CoreFirst language system
- Much easier to use, much more responsive, much more capable than previous software offering
- Accompanied by Pathways for Snap – “therapist in a box”



[Tobii Dynavox Snap™ + Core First®](#)  
[The power to fulfill my potential](#)

# A differentiated product range for the touch device segment

Medical grade solutions



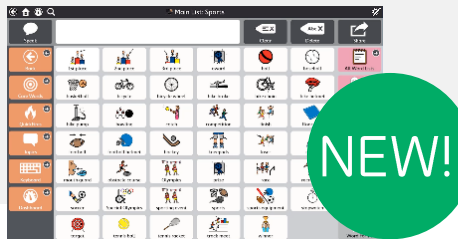
T7, T10, T15

Consumer-grade solutions



Indi with Snap

Pure apps



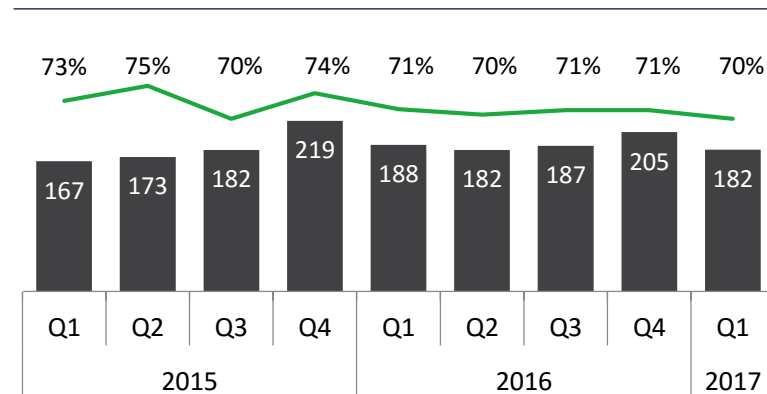
Snap as a pure app



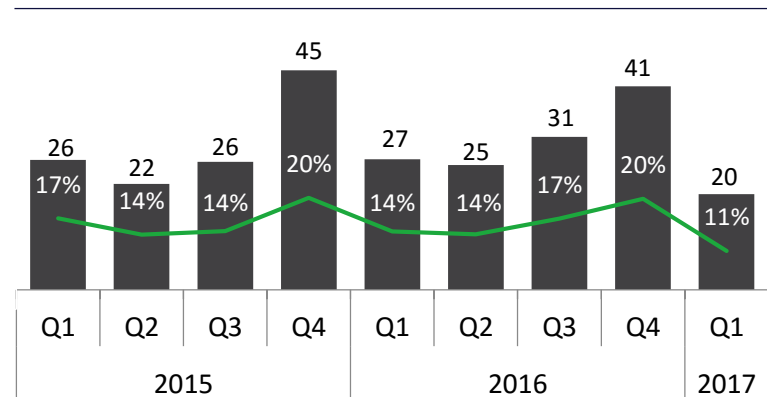
# Tobii Dynavox Q1 financials

- Revenue decreased 3%, or 7% adjusted for currency effects
  - One-time effect from Steve Gleason Act in comparison quarter
  - Strong sales increase in Europe outside UK, weaker sales in the US
  - Effects of price reductions made in April 2016
  - Slow sales on our older touch products
  - Weak sales in UK due to switch to direct sales
- Stable gross margin
- EBIT margin at 11%

Revenue (SEK million) and Gross Margin



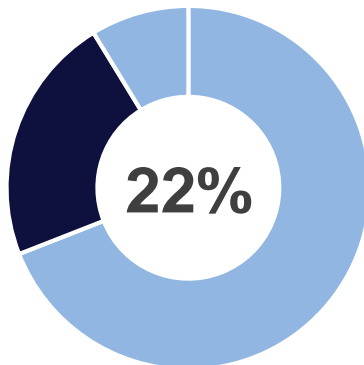
EBIT (SEK million) and EBIT Margin



# Tobii Pro

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

Share of the Group's sales



# Tobii Pro Q1 highlights

- Continued strong sales of Glasses 2 in traditional and new verticals
- New research eye tracker Tobii Pro Spectrum and analysis software Pro Lab were received well

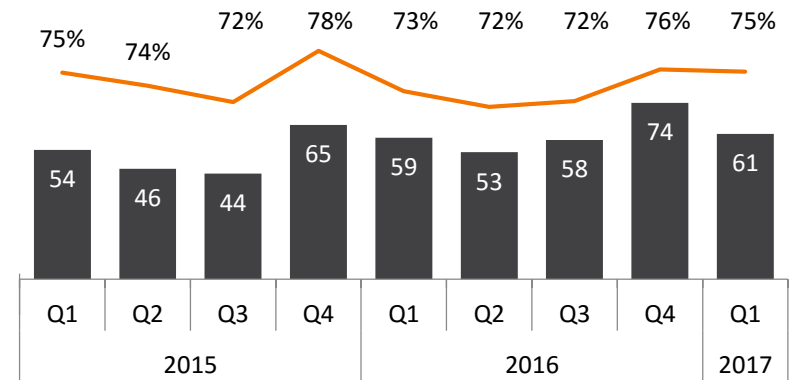


[What does a pianist see?  
Study of expert vs novice.](#)

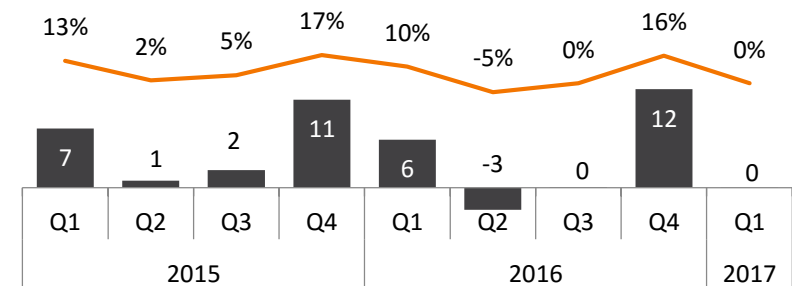
# Tobii Pro Q1 financials

- Revenue increased 3 %, but decreased 1% adjusted for currency effects
  - Sales increased by around 5% when adjusted for both currency and order backlog effects.
- Gross margin at 75% (73%)
- EBIT margin at 0% (10%)
  - Order backlog effects
  - Investments in sales and marketing

Revenue (SEK million) and Gross Margin



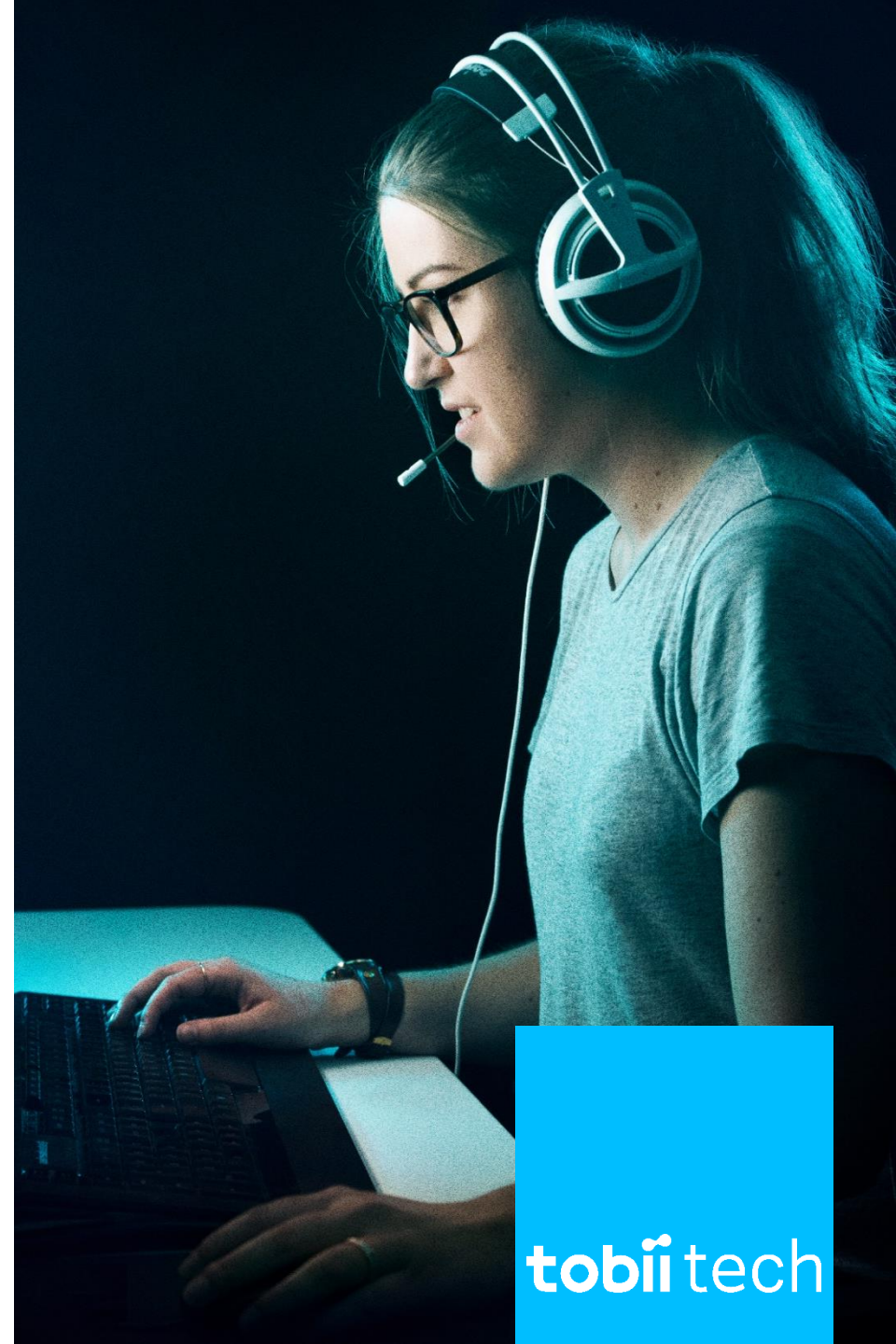
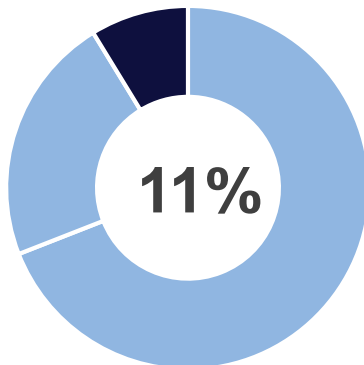
EBIT (SEK million) and EBIT Margin



# Tobii Tech

- Leading supplier of eye tracking technology to integration customers
- Targets high volume markets such as PC gaming, mainstream computers, virtual reality, smartphones, and specialized markets

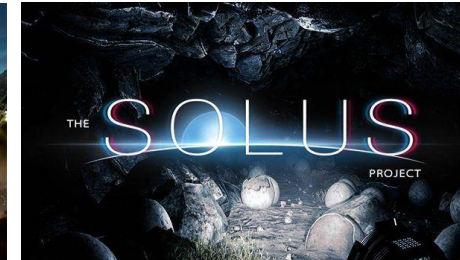
Share of the Group's sales



**tobii** tech

# Tobii Tech Q1 highlights

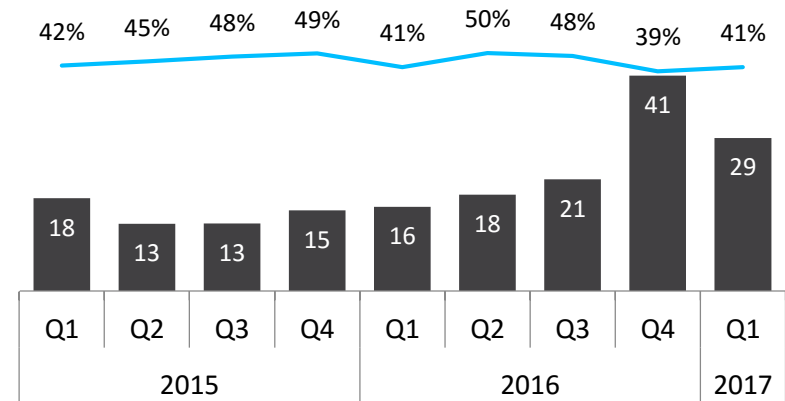
- Continued good progress in PC games
- New titles include Dying Light, Rise of the Tomb Raider, Tom Clancy's Ghost Recon, Soma and Warhammer Vermintide
- Acer announced the Aspire V17 Nitro with Tobii Eye Tracking
- Strong focus on VR with major trade shows as GDC and SVVR
- R&D collaboration with Valve resulted in demo version of HTC Vive headset with integrated eye tracking
- Solus first VR title with Tobii eye tracking



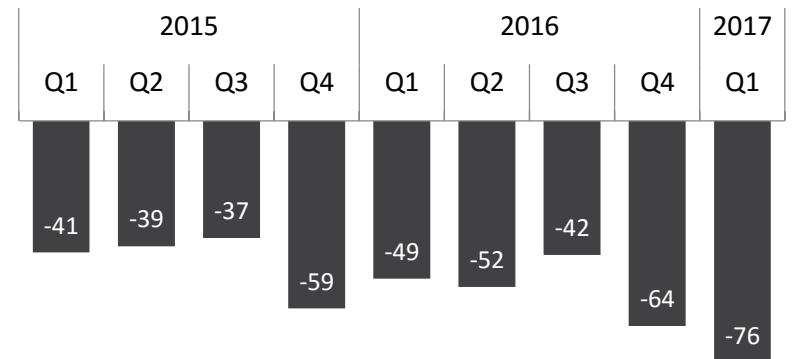
# Tobii Tech Q1 financials

- Revenue increased 82% over Q1 2016, and 76% adjusted for currency effects
  - External sales increased 290%
- Gross margin was 41% (41%)
- Operating loss amounted to -76 MSEK (-49)
  - Increased R&D spend
  - Increased marketing spend

Revenue (SEK million) and Gross Margin



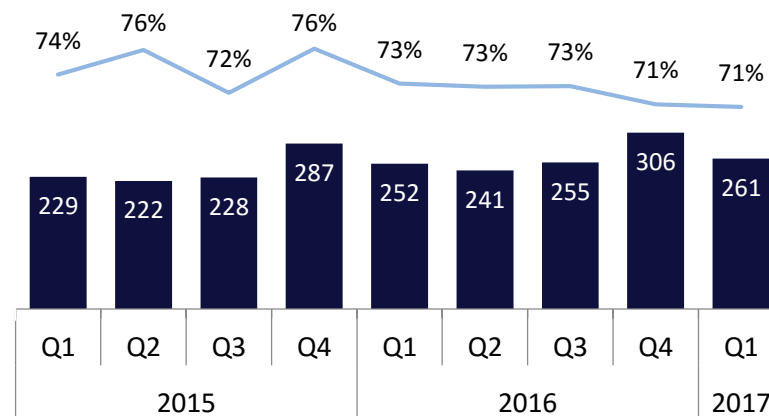
EBIT (SEK million)



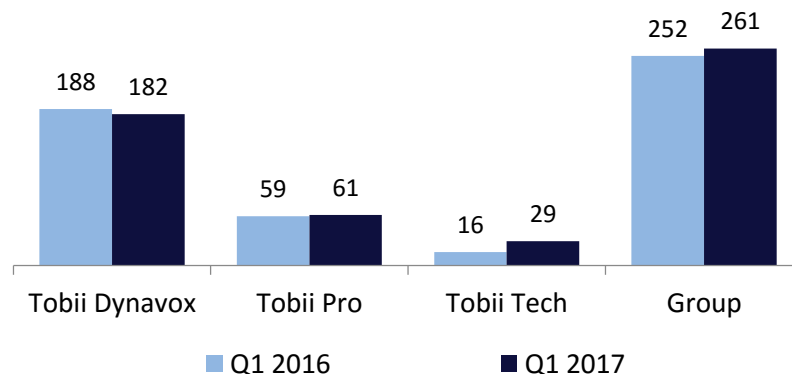
# Tobii Group Q1 financials – revenue

- Revenue increased 4% year-over-year
  - Decreased 1% adjusted for currency effects
- Gross margin was 71% (73%)
  - Increased sales from Tobii Tech
  - Changes in product mix
  - Price reductions on certain products in Tobii Dynavox

Revenue (SEK million) and Gross Margin



Revenue per business unit (SEK m)

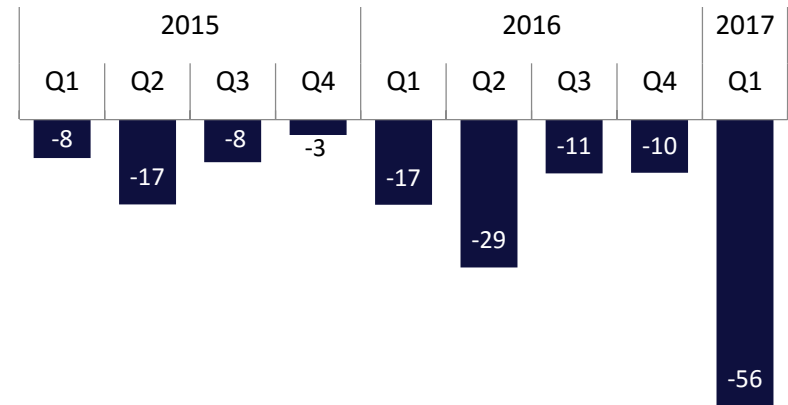




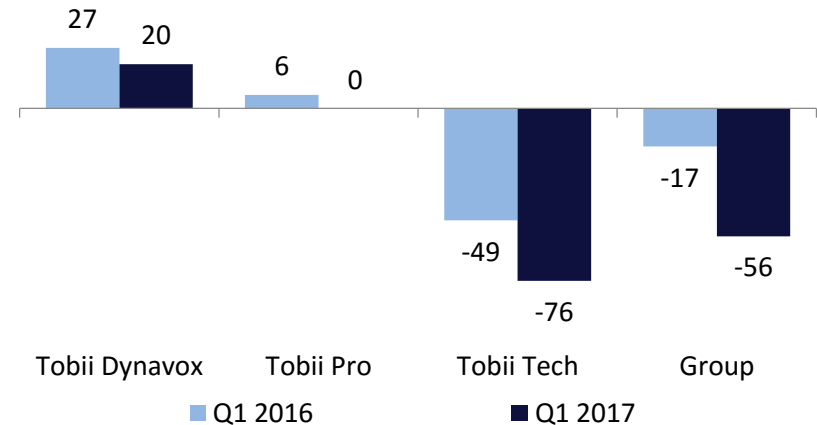
# Tobii Group Q1 financials – EBIT

- Group EBIT was -56 MSEK (-17)
  - Tobii Dynavox contributed 20 MSEK
  - Tobii Pro was neutral
  - Tobii Tech impacted the Group earnings -76 MSEK
- Impacted by increased investments in R&D, sales and marketing

EBIT for the Group (SEK million)



EBIT per business unit (SEK million)



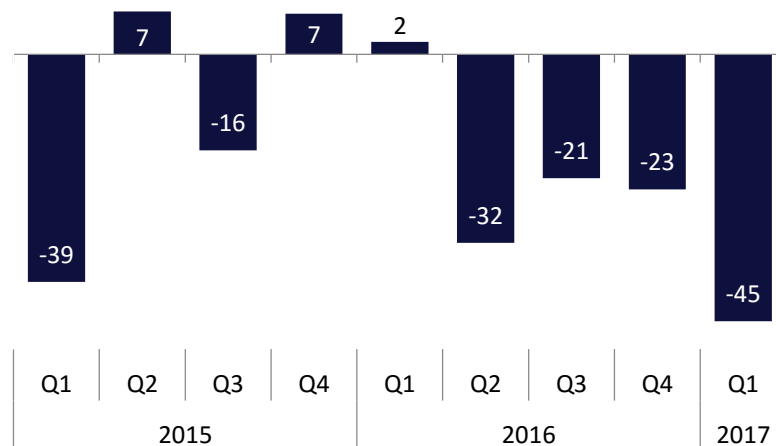
# Balance sheet and cash flow

- Cash flow continued to be impacted by high investments within mainly R&D, MSEK 105 in Q1 2017
- Strong Balance Sheet with Equity ratio of 81%
- Strong cash position, MSEK 730

## Group balance and cashflow summary

Tobii Group (MSEK)	Q1 2017	Q1 2016	Q4 2016
Total Assets	1 439	1 007	1 487
Equity	1 166	774	1 215
Equity Ratio	81	77	82
Net Cash (+)/Net Debt(-)	730	371	772
Cash flow after continuous investments	-45	2	-23

## Group cashflow after continuous investments



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Q&A