



tobii

Second Quarter 2017

July 25, 2017

Welcome to our presentation of the Q2 2017 interim report



Henrik Eskilsson, CEO



Johan Wilsby, CFO

The Tobii Group and its business units

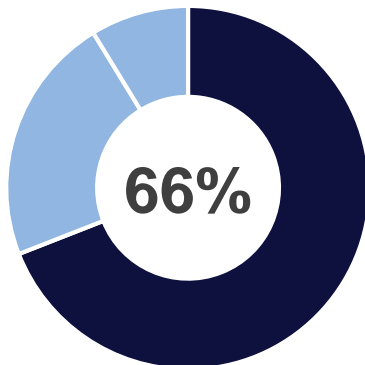
- Continued large investments to drive long-term growth in all three business units, including organization expansion
- Strong sales in Tobii Pro, stable sales in Tobii Tech and flat in Tobii Dynavox
- SMI (Tobii's largest competitor) was acquired by Vineyard Capital Corporation, with reported connections to Apple



Tobii Dynavox

- Global leader in assistive technology for communication
- Market share over 40%
- Provides products that enable tens of thousands of users with special needs to speak and communicate effectively

Share of the Group's sales



tobii
dynavox

Strategically important product launches during the quarter



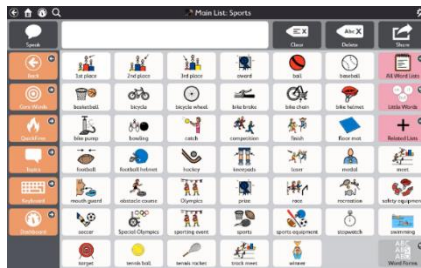
Indi, the world's first speech tablet



EyeMobile Plus, eye control of Windows tablets



PCEye Plus, hardware for eye-controlled computer access



Snap + Core First, new symbol-based communication software for Windows and iOS



Windows Control 2, software for eye control of Windows-based devices

A revamped portfolio

Medical grade



Example products

*I-Series
T-series
PCEye Plus*

Mid-range



*Indi
EyeMobile Plus
PCEye Mini*

Software

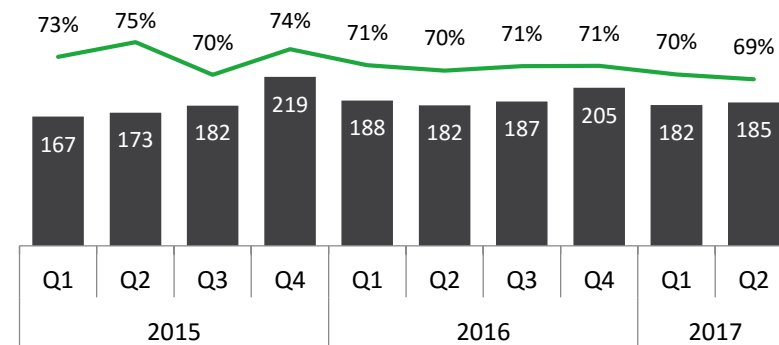


*Snap
Communicator
Windows Control*

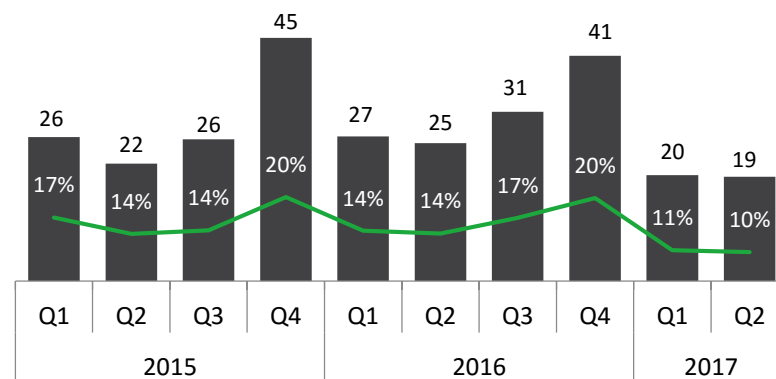
Tobii Dynavox Q2 financials

- Revenue increased 2%
 - -4% adjusted for currency
 - Flat adjusted for currency and backlog effects
 - Strong sales of eye-controlled communication devices
 - Slow sales of older touch products
- Gross margin at 69% (70%)
- EBIT margin at 10%
- Increased investments in R&D

Revenue (SEK million) and Gross Margin



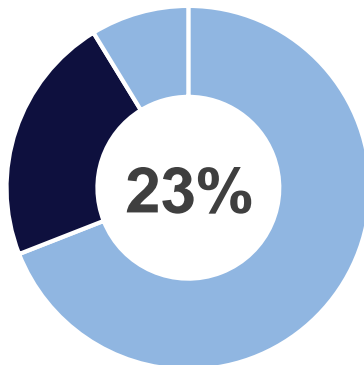
EBIT (SEK million) and EBIT Margin



Tobii Pro

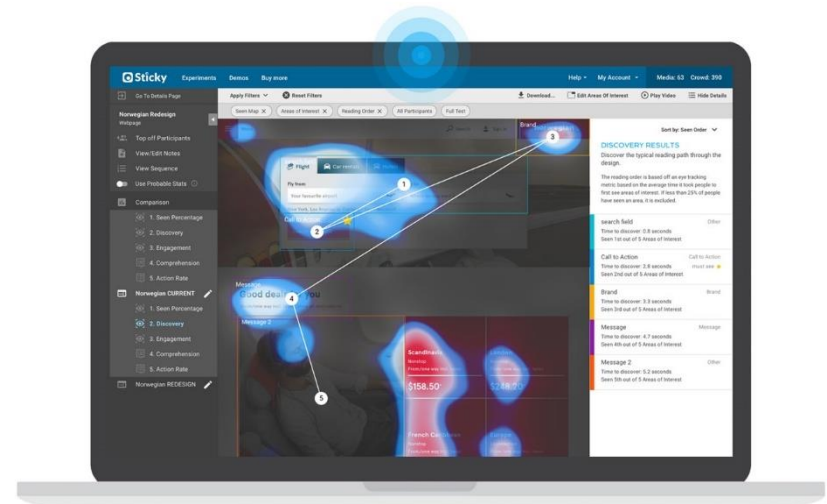
- World leader in eye-tracking solutions for understanding human behavior
- Market share close to 50%
- Provides eye tracker hardware and analysis software, plus market research consulting
- 2,000 academic and 3,000 commercial customers

Share of the Group's sales

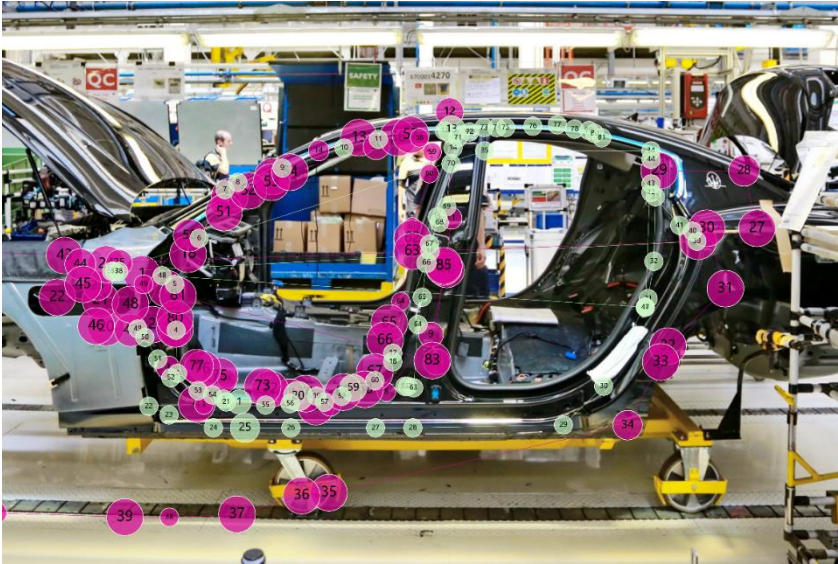


Acquisition of Sticky important step towards more differentiated product offering

- A cloud-based solution enabling large-scale market research studies using webcam eye tracking
- Complementary product
- Synergies in sales organization, product portfolio, research services, customers and brand



Driving growth in both established and new customer areas

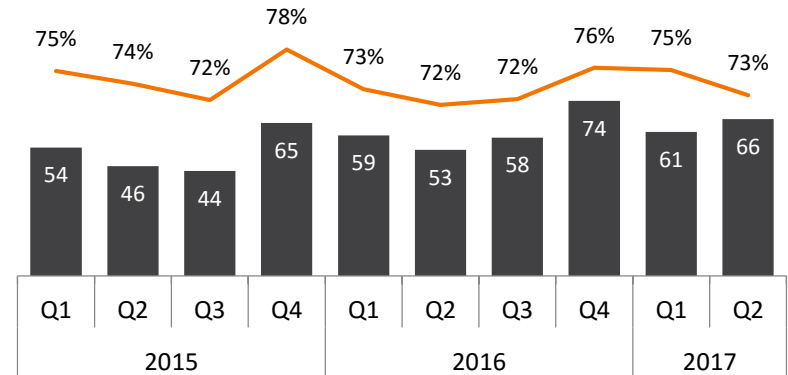


Video explaining the field of skills transfer
<https://tobii.23video.com/voices-of-tobii-ken-hachisu-general-manager-tobii>

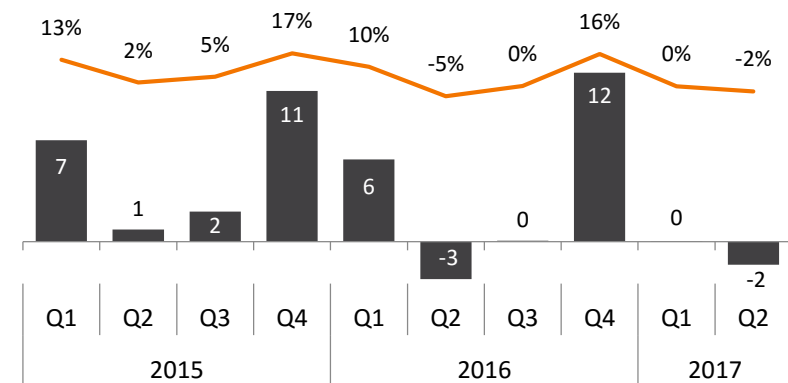
Tobii Pro Q2 financials

- Revenue increased 24 %, or 19% adjusted for currency effects
 - Strong sales of flagship products such as Glasses 2 and Spectrum
- Gross margin at 73% (72%)
- EBIT margin at -2% (-5%)
 - Increased operating costs
 - Acquisition and integration costs related to Sticky

Revenue (SEK million) and Gross Margin



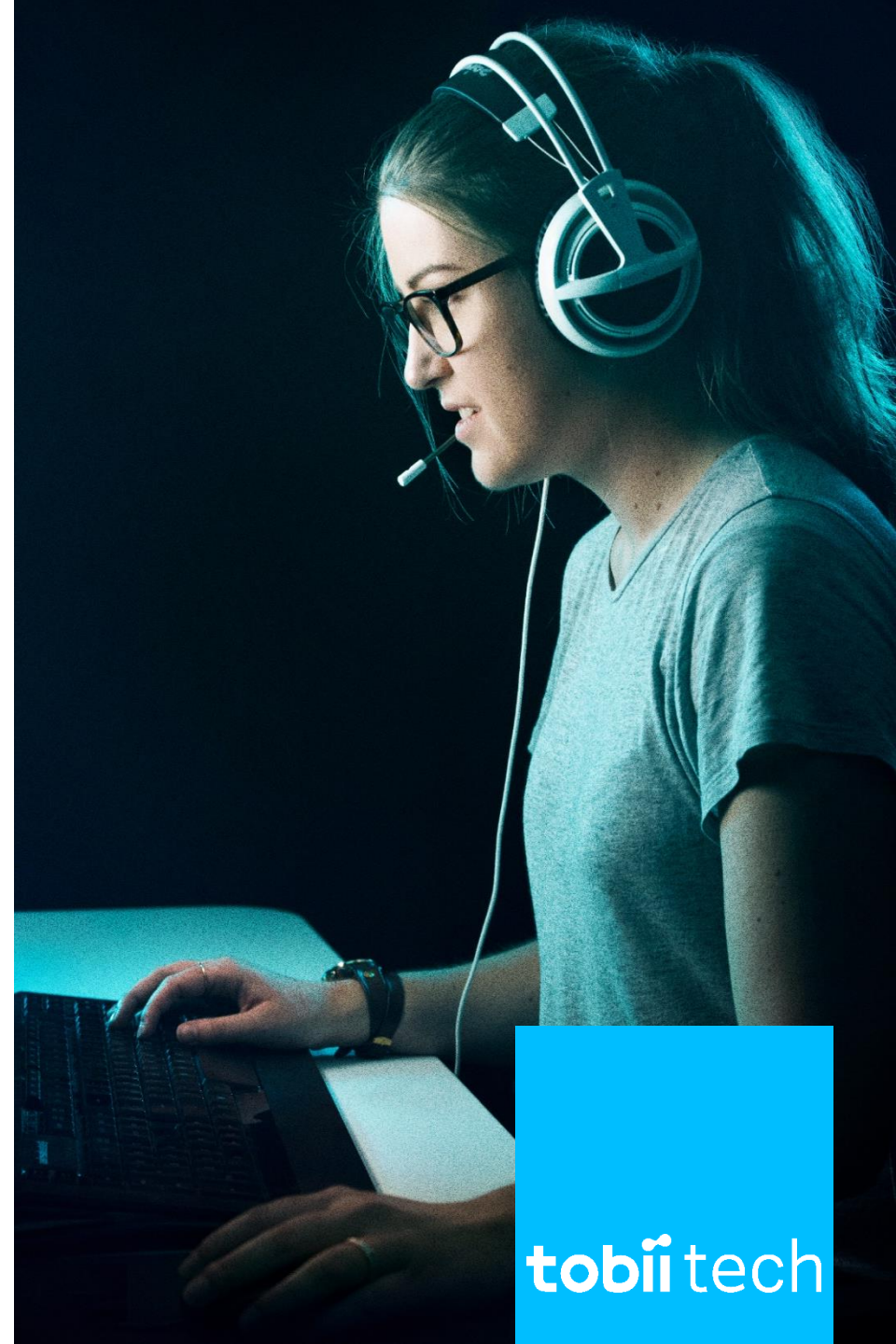
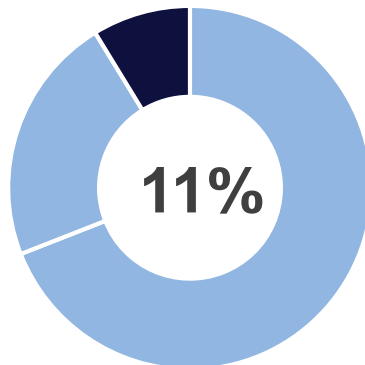
EBIT (SEK million) and EBIT Margin



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

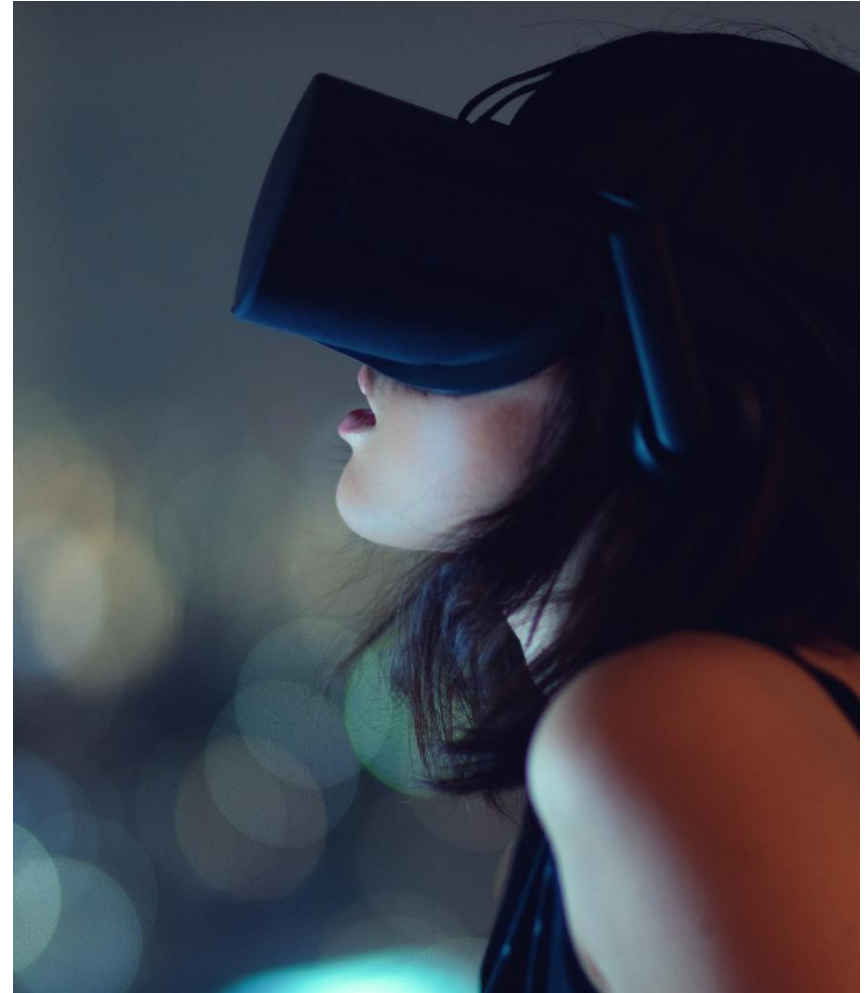
Stable progress in PC gaming

- Continued good progress in growing available game titles – added >15 games, now some 80 games with eye tracking
- Positive feedback from end-customers, asking for more games
- Ongoing deliveries to integration customers



Very strong interest in eyetracking in Virtual Reality

- Launched VR development kit
- Intensified dialogues with several potential customers and partners
- Continued to grow the organization to have capacity for multiple parallel projects and customers in VR



New customers in specialized markets

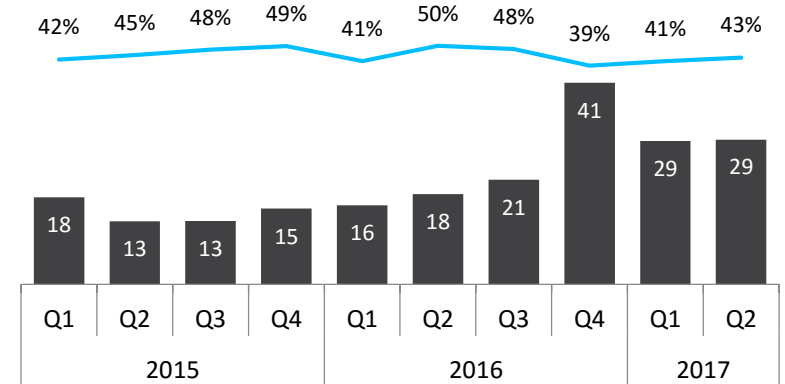
- Robotic surgery
- Diagnostics
- Casino machines



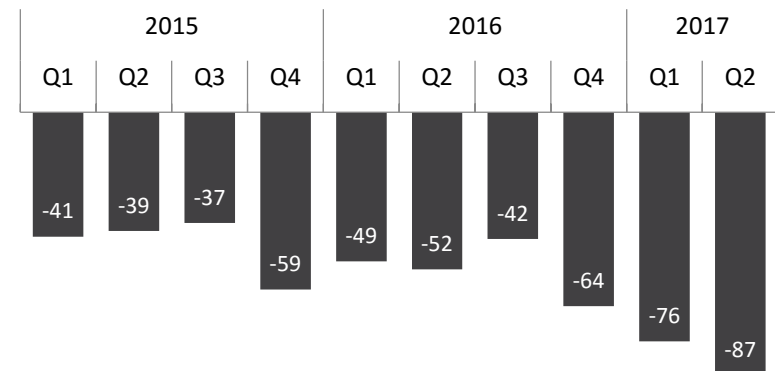
Tobii Tech Q2 financials

- Revenue increased 60% year-over-year
 - External sales increased 152%
- Gross margin was 43% (50%)
- Operating loss amounted to -87 MSEK (-52)
 - Increased investments in R&D and marketing
 - Extraordinary external R&D expenses for next-generation integration platform

Revenue (SEK million) and Gross Margin



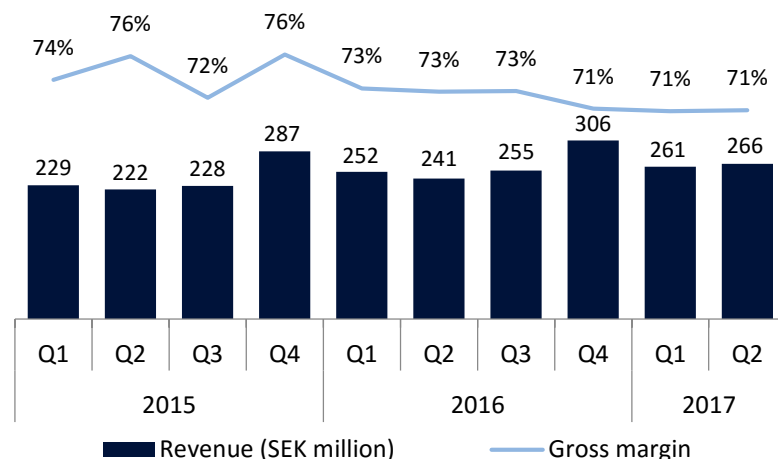
EBIT (SEK million)



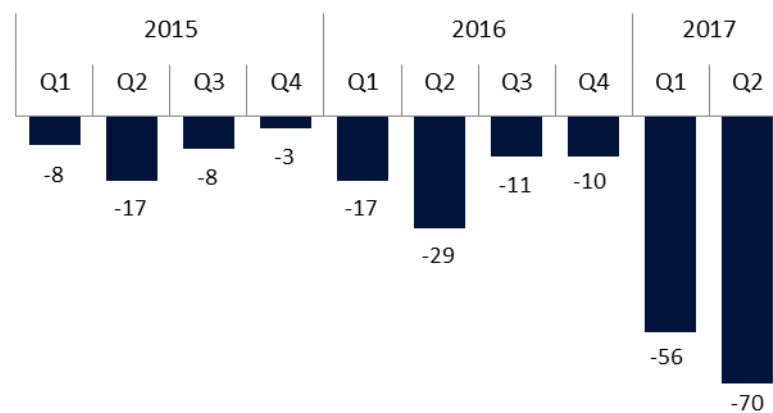
Tobii Group Q2 financials

- Revenue increased 10% year-over-year
 - 4% adjusted for currency effects
- Gross margin was 71% (73%)
 - Increased sales from Tobii Tech
 - Changes in product mix
- Group EBIT was -70 MSEK (-29)
 - Tobii Dynavox contributed 20 MSEK
 - Tobii Pro was slightly negative
 - Tobii Tech impacted the Group earnings by -87 MSEK
- Impacted by increased investments in R&D, sales and marketing, some of them non-recurring

Revenue (SEK million) and Gross Margin



EBIT for the Group (SEK million)



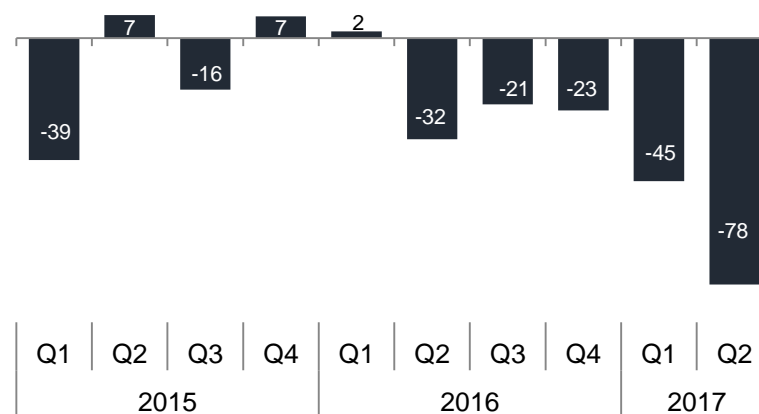
Balance sheet and cash flow

- Cash flow continued to be impacted by substantial investments within mainly R&D and by non-recurring items
- Sticky acquisition impacted cash flow with -24 MSEK
- Strong cash position, 631 MSEK

Group balance and cash flow summary

Tobii Group (MSEK)	Q2 2017	Q2 2016	Q4 2016
Total Assets	1 388	1 004	1 487
Equity	1 109	763	1 215
Equity Ratio	80	76	82
Net Cash (+)/Net Debt(-)	631	348	772
Cash flow after continuous investments	-78	-32	-23

Group cash flow after continuous investments (MSEK)



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Q&A