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## Sectra's six-month interim report 2017/2018: Increased order bookings and stable earnings trend

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*International medical imaging IT and cybersecurity company Sectra reported increased order bookings and net sales compared with the year-earlier period. The earnings trend for the Group as a whole was stable. Sectra's financial focus is to increase its operating profit per share while maintaining its operating margin, and Sectra's financial performance measures continue to exceed the Group's target levels.*

### Six-month period in figures

- Order bookings increased 24.6% to SEK 654.4 million (525.1).
- Net sales rose 14.4% to SEK 578.5 million (505.9). Adjusted for currency fluctuations, sales increased 16.2%.
- Operating profit rose 32.6% to SEK 104.1 million (78.5), corresponding to an operating margin of 18.0% (15.5). Adjusted for currency fluctuations, operating profit increased 35.6%.
- Cash flow after changes in working capital increased to SEK 74.7 million (70.2).

### Second quarter in figures

- Order bookings increased 42.5% to SEK 426.8 million (299.6).
- Net sales rose 13.8% to SEK 313.4 million (275.4). Adjusted for currency fluctuations, sales increased 16.9%.
- Operating profit rose 28.9% to SEK 59.8 million (46.4), corresponding to an operating margin of 19.1% (16.8). Adjusted for currency fluctuations, operating profit increased 33.5%.
- Cash flow after changes in working capital amounted to SEK 50.4 million (52.6).

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### Torbjörn Kronander, President and CEO of Sectra AB, comments

"Sectra continues to experience major variations between quarters, particularly in terms of order bookings. During the second quarter, we reported increased order bookings in both Imaging IT Solutions and Secure Communications. We signed agreements with several new US customers, and won a prestigious order in the Netherlands for a nationwide breast screening solution. Our greatest growth opportunities currently lie in the US market, where we have a high level of customer satisfaction but a relatively small market share to date.

"Several of our new orders will initially be charged to earnings. A significant portion of our costs arise in the early stages of the multiyear projects, while revenue and profit recognition are distributed over the entire duration of the customer contract. We are also investing in the countries where we have established new offices, Canada and France, which entails higher initial costs but ultimately will contribute to our continued growth and earnings.

"Healthcare and cybersecurity are growing and rapidly changing markets, where numerous opportunities are being created for companies such as Sectra. We are well positioned in these areas, with stable solutions, a long-term future focus and high customer satisfaction. I am therefore optimistic when it comes to our ability to continue this positive trend going forward. Our financial goals remain firm: an equity/assets ratio of 30%, an operating margin of 15%, and 50% growth in operating earnings per share over a five-year period. However, I would like to point out that growth comes at a price. Our aim is to continue growing in the long term, but we will not be able to simultaneously increase our margins beyond our goal."

For further CEO comments and information, see the attached interim report.

### Presentation of the interim report

A teleconference will be held by Torbjörn Kronander, President and CEO of Sectra AB, and Mats Franzén, CFO of Sectra AB. The presentation will be held in English.

Time: December 8, 2017 at 10:00 a.m. (CET)

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The report presentation can also be followed live online: [www.sectra.com/irwebcast](http://www.sectra.com/irwebcast). A recorded version will also be available via this link after the conference

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