

# Year-end 2023

Earnings call presentation

1 February 2024 at 9 a.m. CET



## Q4 profitability target achieved

- Significant revenue bounce back vs Q3 2023
  - Product & Solutions highest revenue quarter
- Substantial cost reduction initiatives implemented
- Strengthened automotive position
  - Transformational acquisition of AutoSense successfully completed
  - Rights issue of SEK 300 million planned for Q1 2024 to finance operational expenses

# Q4 figures overview

Robust year-end with profitability target achieved

**-4%**

Group organic  
revenue growth

**5%**

P&S organic  
revenue growth

**-20%**

Integrations revenue  
organic growth

**6%**

EBIT margin adjusted  
for M&A costs

A close-up photograph of a human eye, heavily shadowed with a dark blue overlay. A small, white, circular Tobii eye-tracking device is attached to the cornea. The device has a fine grid pattern and a small white square on its surface. The eye is looking slightly to the right. The background is dark and out of focus.

Financial development

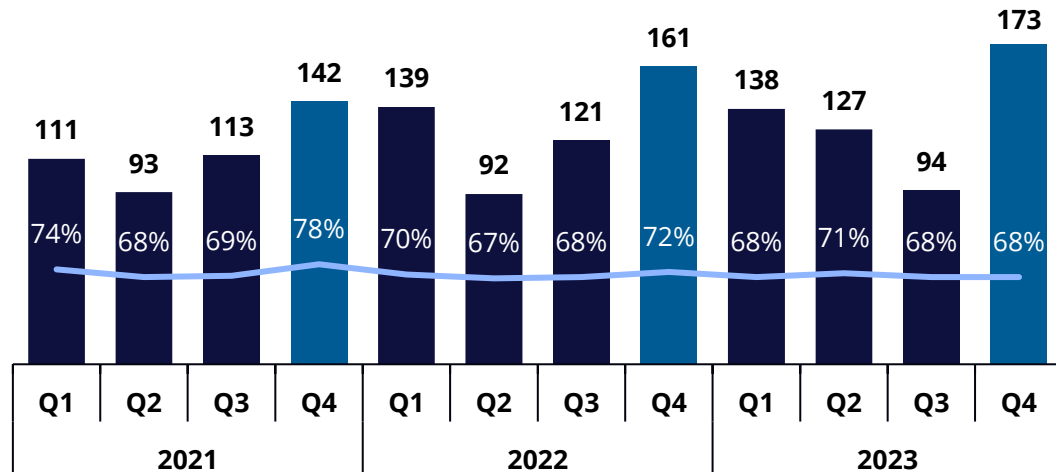
---

**tobii**

# Financial development per segment

## Products & Solutions

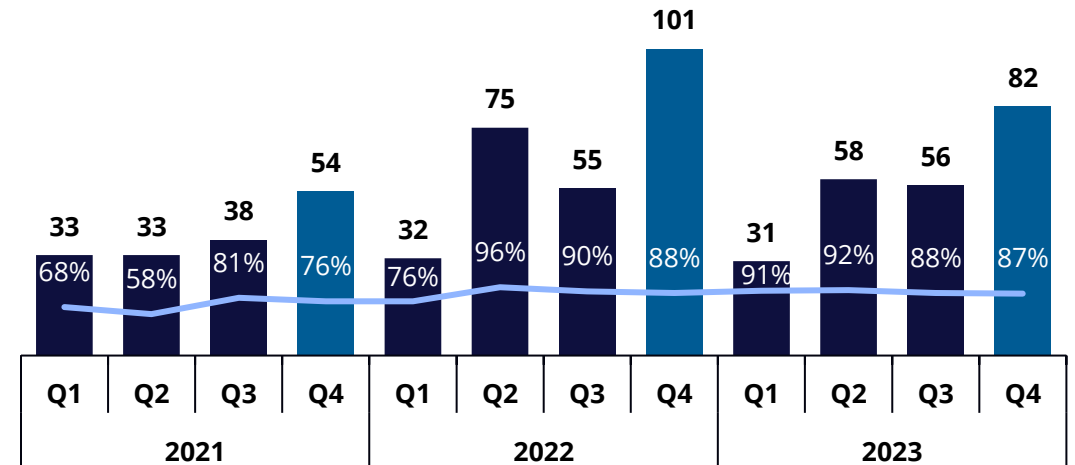
Revenue (SEKm) and Gross margin (%)



- Organic revenue increase of 5%
- Gross margin of 68% (72) due to changed product mix
- Full-year revenue SEK 532m (513), organic development flat
- Full-year gross margin flat 69% (69)

## Integrations

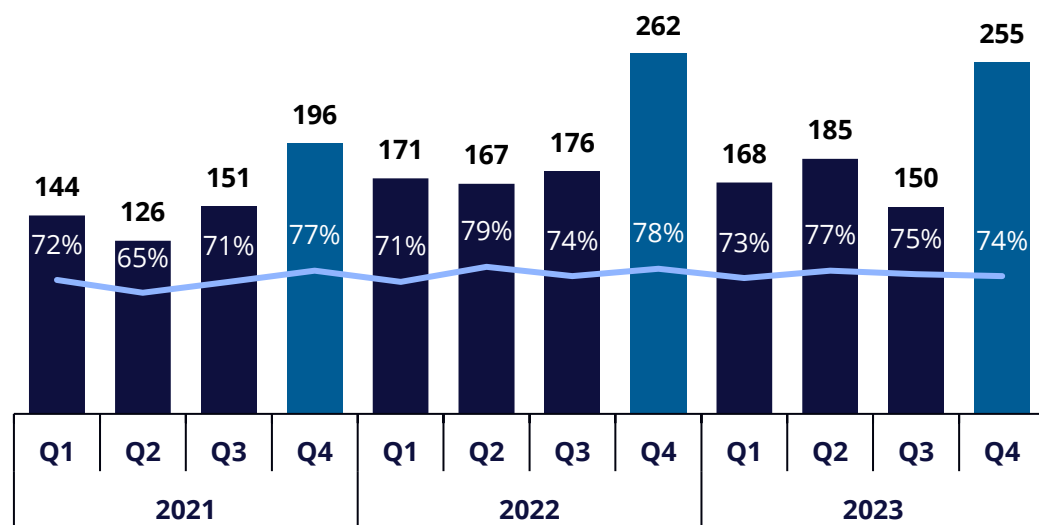
Revenue (SEKm) and Gross margin (%)



- Organic revenue decline of -20% in Q4 and -17% for the full year due to Sony PS VR2 impact
- Q4 gross margin 87% (88)
- Full-year gross margin flat, 89% (89)

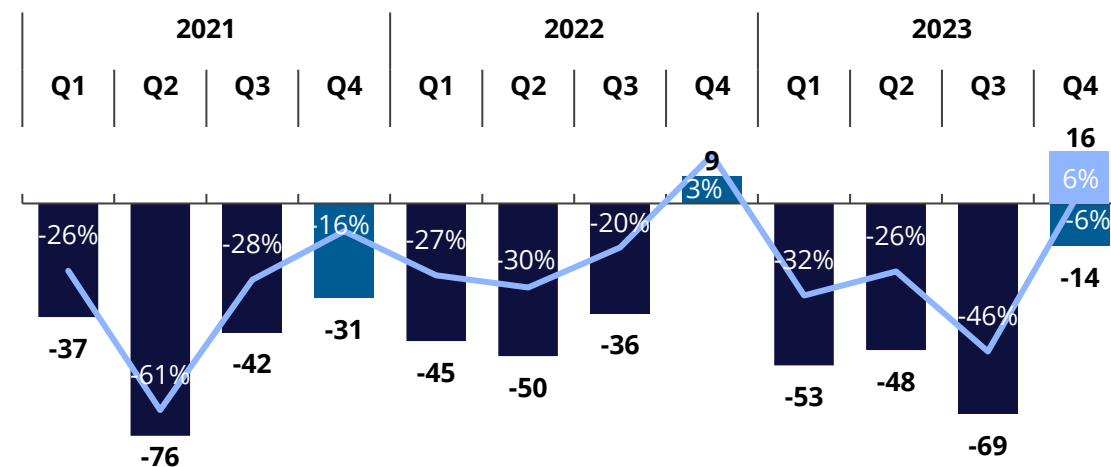
# Group financial development

Revenue (SEKm) and Gross margin (%)



- Organic revenue decline of -4%, impacted by significantly lower Integrations revenue
- Gross margin of 74% (78) due to changed product mix
- Full-year revenue of SEK 758m (776), organic decline of -6%
- Full-year gross margin 75% (76)

EBIT (SEKm) and EBIT margin (%)



- Operational expenses cut by more than 10% in the quarter with continued positive impact in 2024
- EBIT of SEK -14m (9)
- Adjusted for M&A costs of SEK -31m EBIT was SEK 16m, achieving Q4 profitability target
- EBIT full year -184m (-122) or -153m adjusted for one-time M&A costs

# Balance sheet and cash flow

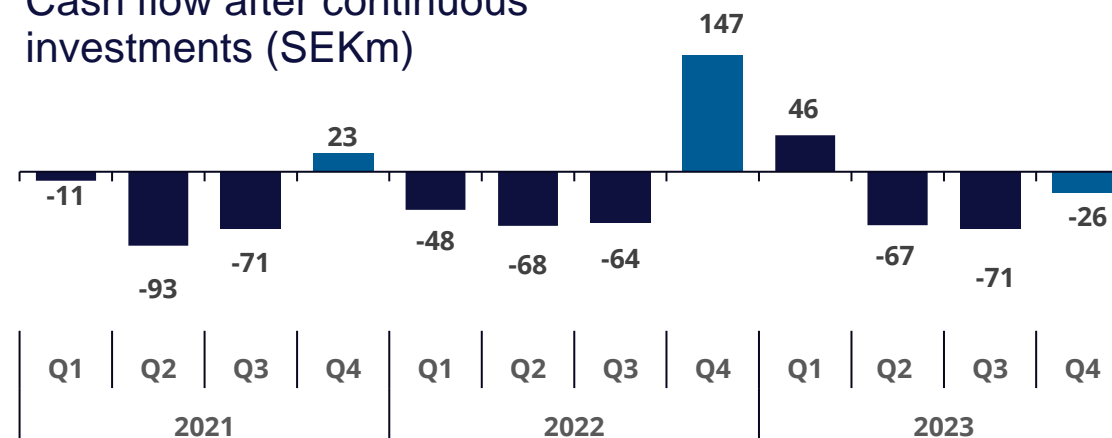
## Key comments

- Cash flow after continuous investments of SEK -26m (147)
- Change in working capital of SEK 5m (151)
- Q4 2022 working capital positively impacted by SEK 166m in covid tax relief, of which 50% will be repaid in Q3 2025 and 50% in Q1 2027
- Cash and cash equivalents of SEK 236m (402)
- Net cash excl. IFRS 16 of SEK 224m (334) or SEK 157m (334) incl. IFRS 16
- Unutilized revolving credit facility of SEK 50m

## Balance sheet and cash flow summary

(SEKm)	Q4 2023	Q4 2022
Equity	564	754
Equity/assets ratio, %	49	62
Cash and cash equivalents	236	402
Net cash (Incl. IFRS 16)	157	334
Cash flow after continuous investments	-26	147

## Cash flow after continuous investments (SEKm)




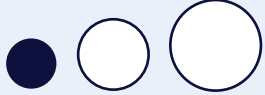
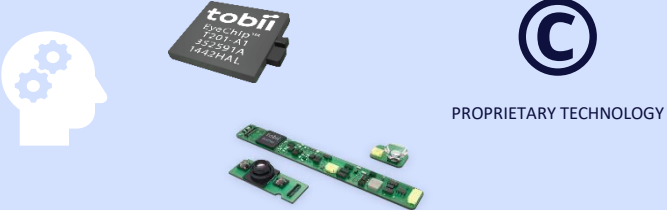
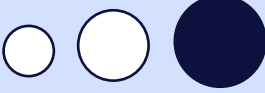
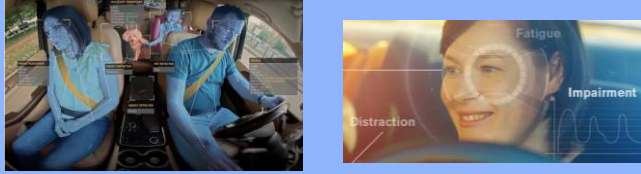

A close-up photograph of a human eye, viewed from the side. A small, circular, textured sensor is attached to the cornea. The sensor has a fine grid pattern and a central opening. The eye is looking slightly to the right. The background is dark and out of focus.

Acquisition of AutoSense closed

---

**tobii**

# Three business segments balancing our market opportunities

	Example products	Example customers	Growth potential/ risk profile
<b>Products &amp; Solutions</b>		<p>Universities, Research institutes, Government labs, Market research agencies, UX research agencies, Enterprises and Consumers</p>	<p>Stable/Low</p> 
<b>Integrations</b>	 <p>PROPRIETARY TECHNOLOGY</p>	<p>Consumer electronic companies, Medical device companies, PC OEMs, Software vendors</p>	<p>High/High</p> 
<b>Autosense</b>		<p>Automotive OEMs, Tier 1 suppliers</p>	<p>Large/Medium</p> 

# AutoSense adds strong Interior Sensing capabilities

**Experienced  
management**



**Adrian Capata  
SVP Autosense**

Previously SVP Xperi  
AutoSense, leading the  
in-cabin sensing product  
line for 6 years



~250 employees



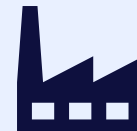
80+ models

**The Worlds First  
OMS solution**

On the road since 2021



R&D facilities in  
Romania and Ireland



Programs with 6 OEMs



Technology developed  
since 2017

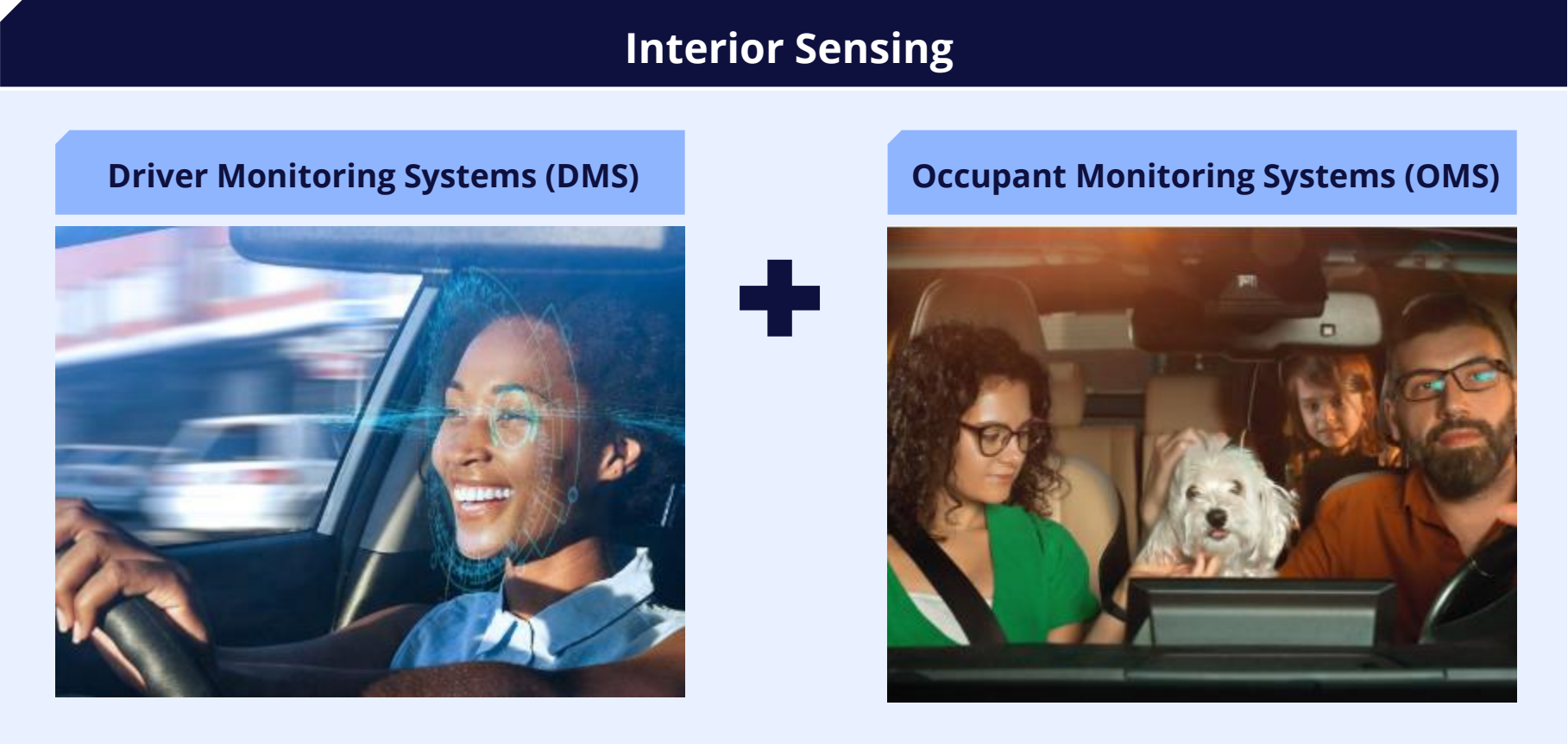


~175 patents and  
patent applications



**3 billion**  
Kilometers driven

# The demand for in-vehicle safety and comfort is growing



# Automotive safety is a large market with predictable growth

**94%**

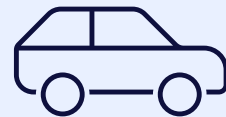
of crashes are caused by human error<sup>1</sup>



**DMS solutions adress this reality**

- Driver Distraction
- Fatigue & Drowsiness
- Phone Use

**Regulations are driving DMS adoption**



**The EU requires DMS for all new vehicles in 2026**

**29.3%**

Global DMS CAGR 2023-2030<sup>2</sup>

**46m+**

Global DMS shipments in 2030<sup>2</sup>



<sup>1</sup>German In-Depth Accident Database, 2016, gidas.org

<sup>2</sup>Frost & Sullivan, Global Automotive Outlook, 2022

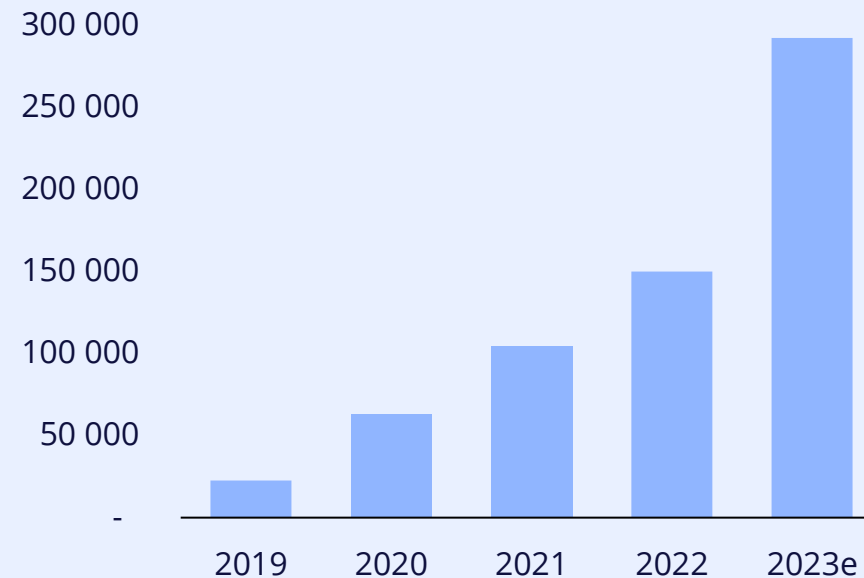
# Credibility of delivering DMS technology into vehicles on the road

## Tobii Autosense post-acquisition

### DMS Design Wins

- **4 Design Wins**  
Commercial vehicle OEMs  
Tobii Autosense acts as Tier 2 supplier  
Start of Production 2019-2025
- **2 Design Wins**  
Korean and Top 3 Japanese Passenger car OEMs  
Tobii Autosense acts as Tier 2 supplier  
Start of Production 2025-2026
- **1 Design Win**  
Premium German Passenger car OEM  
Tobii Autosense acts as Tier 1 supplier  
Start of Production 2025

### Vehicles on road with AutoSense DMS/OMS





# How does Tobii compare to the largest players?



Announced DMS Design Wins	√	√	√
DMS Design Wins as Tier 2	√	√	√
DMS Design Wins as Tier 1	√	-	√
DMS technology on the road	√	√	√
# of OEMs won	21	11	7
# of DMS Models won <sup>1</sup>	~300	~200	~100
Announced OMS Design Wins	-	√	√
OMS Design Wins as Tier 2	-	√	√
OMS Design Wins as Tier 1	-	-	√
OMS technology on the road	-	√	√

<sup>1</sup>Tobii estimates based on public data

A close-up photograph of a human eye, heavily shadowed with a dark blue tint. A small, white, rectangular Tobii eye-tracking device is attached to the cornea. The device has a fine grid pattern on its surface. The eye is looking slightly to the left. The background is dark and out of focus, with a few blurred light spots.

# Transaction details

---

**tobii**

# Expected outcome 2024 - 2028

Transaction	Revenue impact 2024	SEK 180 - 220 million
	EBIT impact 2024	Positive (IFRS capitalization of R&D cost)
Autosense segment	Segment revenue 2024	SEK 30-50 million
	Segment revenue 2028	SEK ~500 million
	Segment cash flow break-even	2026
	Gross margin	>90%, primarily software related revenue

# Transaction and financing structure

<p>Transaction Details (No cash upfront)</p>	Promissory note 2027-2029	USD 30 million	<ul style="list-style-type: none"> <li>• Minimum total enterprise value of USD 45m</li> <li>• A promissory note of approx. USD 30m at 8% interest paid in 3 annual installments starting in 2027.</li> <li>• A future payment of USD 15m will be paid in 4 annual installments starting in 2028</li> <li>• Estimated additional earnouts of USD ~19m will be paid in 2031 if Autosense segment meets certain volume targets</li> <li>• Transaction closed on January 31, 2024</li> </ul>
	Future payment 2028-2031	USD 15 million	
	Estimated additional earnouts in 2031	USD ~19 million	
<p>Rights issue</p>	To finance Autosense segment's operational expenses in 2024 and 2025	<p>SEK 300 million</p> <p>~2/3 used in 2024 ~1/3 used in 2025</p>	<ul style="list-style-type: none"> <li>• 4 March EGM to authorize rights issue</li> <li>• 7 March final terms and conditions</li> <li>• 15 March publication prospectus</li> <li>• 18 March – 3 April subscription period</li> <li>• 4 April final outcome</li> </ul>

A close-up photograph of a human eye, viewed from a slightly elevated angle. A small, square, white sensor is attached to the cornea. The eye is looking towards the right. The background is dark and out of focus, with some light spots. The overall image has a blue tint.

New financial targets

---

**tobii**

# New group financial targets aligned with profitability commitment

Replaces previous targets and dividend policy unchanged

**Positive  
cash flow after  
continuous  
investments  
2026**

**EBIT margin  
~10%  
2026**

**EBIT margin  
~20%  
2028**



# Summary and outlook

- Q4 2023 EBIT profitability target achieved
- Substantially cost reductions taken for Q4 2023 and 2024
- Strategic acquisition of AutoSense successfully closed
- Rights issue to finance Autosense operational expenditures in 2024-2025
- New financial targets aligned with our profitability path

The background features a dark blue gradient with dynamic, flowing, wavy lines in various shades of blue, creating a sense of movement and depth. The lines are most prominent on the right side, curving upwards and then downwards towards the bottom.

Q&A



# Thank you!

Q1 report on 16 May 2024