

Net sales
MSEK 37.5

EBIT
margin
18%

SECOND QUARTER 2021 ²⁾

- Net sales decreased by 26% to MSEK 37.5 (50.4) – currency adjusted, a decline of 16%
- Operating profit (EBIT) increased to MSEK 6.6 (5.9), including items affecting comparability of MSEK +4.8 (0.0)
- Operating margin (EBIT margin) increased to 18% (12)
- Adjusted for items affecting comparability, EBIT margin amounted to 5% (12)
- Net profit amounted to MSEK 6.1 (6.0)
- Earnings per share were SEK 0.49 (0.48)
- Operating cash flow increased to MSEK 7.2 (-9.8), including items affecting comparability of MSEK +9.1 (0.0)

JANUARY - JUNE 2021 ²⁾

- Net sales decreased by 46% to MSEK 68.9 (127.5) – currency adjusted, a decline of 39%
- Operating profit (EBIT) decreased to MSEK 7.3 (32.6), including items affecting comparability of MSEK +4.8 (0.0)
- Operating margin (EBIT margin) decreased to 11% (26)
- Adjusted for items affecting comparability, EBIT margin amounted to 4% (26)
- Net profit amounted to MSEK 2.9 (24.2)
- Earnings per share were SEK 0.23 (1.93)
- Operating cash flow increased to MSEK 0.3 (-5.0), including items affecting comparability of MSEK +9.1 (0.0)

FORECAST - THIRD QUARTER 2021 – FULL YEAR 2021 ²⁾

The net sales forecast for the third quarter of 2021 is MSEK 35 - 40 (38.3). MSEK 140 – 160 (200.8) for the full year.

CTT IN BRIEF

	2021	Change from	2020	2021	2020	2020	Rolling
(MSEK)	Apr-Jun	previous year	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec	12 months
Net sales	37.5	-26%	50.4	68.9	127.5	200.8	142.2
Operating profit (EBIT)	6.6	12%	5.9	7.3	32.6	38.4	13.0
Profit (loss) this period	6.1	2%	6.0	2.9	24.2	31.1	9.8
Earnings per share (SEK)	0.49	2%	0.48	0.23	1.93	2.48	0.8
Operating cash flow	7.2	173%	-9.8	0.3	-5.0	-10.8	-5.5

CTT – WORLD LEADER IN ACTIVE HUMIDITY CONTROL IN AIRCRAFT

CTT is a market-leading manufacturer of equipment for active control of humidity in aircraft.

CTT's dehumidifier and humidifier products minimize fuselage condensation issues and increase cabin air humidity.

CTT is a supplier to Boeing and Airbus and has many of the world's largest airlines as its customers.

CTT has been traded on Nasdaq Stockholm since March 1999, currently on the Mid Cap list and has its registered offices in Nyköping.

¹⁾ This Interim report is a translation of the original report published in Swedish. In the event of any deviations between the two reports, the Swedish version prevails.

²⁾ Unless otherwise stated, outcome comparisons with a previous period in this interim report refer to the corresponding period of the preceding year, and the value is given in brackets.

COMMENTS FROM THE CEO**Second-quarter net sales were as forecasted – reporting strong earnings explained by one-off item and better sales**

In the second quarter our aftermarket sales continued to increase quarter-to-quarter. OEM sales rebounded from record-low-level but is still far from getting through pandemic effects. Net sales increased quarter-to-quarter with 19% to MSEK 37 (31), in-line with forecast. EBIT was MSEK 6.6, up from MSEK 0.6 in the first-quarter, including one-off items in the OEM segment (MSEK 5). EBIT was also driven by higher sales volumes compared to previous quarter. EBIT margin adjusted for the one-off items was 5%. We continue to gradually see stronger demand, consequently order intake increased for the fourth consecutive quarter with highest order backlog since Q2 2020.

The aftermarket generated 19% quarter-to-quarter sales growth – reaching two third of the average 2019-quarter

Aftermarket sales in the second quarter amounted to MSEK 24 an increase of 19% from the previous quarter, driven primarily by higher spares deliveries. CTT's product population is mainly installed in modern long-haul aircraft still utilized primarily for medium-haul traffic. This explains why aftermarket revenues were two third compared to pre-pandemic level when our total in-service population almost matches end-2019. With products on widebody aircraft models with right size and economics for competitive long-haul operations, CTT is bound to reach pre-pandemic aftermarket sales level rapidly when long-haul traffic resumes. This phase in the recovery is not far off if those airlines that recently announced re-opening dates for intercontinental flights later this year can fulfil their plans.

OEM rebounded partly from previous record-weak quarter – but is still down 75% in the pandemic

OEM sales showed a 67% increase to MSEK 8 but it was in the light of the previous record-weak quarter. Revenues from deliveries to Boeing, Irkut and Airbus only were one forth compared to pre-pandemic level. The recovery was driven by deliveries to Boeing 787, almost rebounding back from the sharp decline in the first quarter. Though deliveries to A350 and Boeing 777X remained at record-low level. CTT has several customers with large remaining A350 aircraft deliveries, such as Aeroflot, Air China, Air France, China Eastern, China Southern and Turkish Airlines. Our A350 deliveries will though remain lumpy without additional awards. Boeing's decision to temporarily lower B787 production rate below 5 per month is likely to cause some impact on our deliveries in late Q3 or early Q4. Altogether we face increased OEM uncertainty short-term. As a consequence, the previously announced OEM outlook - stating that OEM deliveries in the second half of 2021 shall be in line with the same period 2020 - is redrawn.

As communicated before, OEM widebody market recovery is as a laggard and will remain at pandemic level for a while until widebody seat capacity available is more in balance with demand. The Boeing announce in July that its delivery target for approx. 100 undelivered 787 planes this year is cut to less than half indicates that a production ramp-up for the 787 still is far off. A first positive sign when widebody production rates can increase again came in June when Airbus guided its A350 suppliers to aim for higher production rate in Q3 2022, up from 5 per month to 6.

During Q2, CTT and Airbus agreed on terms to cancel our line-fit contract on the A320 Family. I am still confident that our Anti-Condensation system is requested by many A320 customers - but under current market conditions we could not convince Airbus to start another A320 line-fit project instead of the ceased one for A321XLR. I am convinced that CTT in the future can re-engage with Airbus to get a new narrowbody OEM commitment. We will however continue to sell our retrofit system to A320 airline customers.

Private jet sales were low – Successful launch by Airbus Corporate Jets with first customer

Booked sales from private jet activities missed expectations and decreased 21% quarter-over-quarter to MSEK 2 (3), explained by delays in one large VIP project.

CTT had on the other success in its business development, particularly with Airbus Corporate Jets (ACJ). In July, ACJ launched the ACJ320-Enhanced Inflight Humidification (IFH) system and simultaneously received a first order. This is a confirmation that ACJ will endorse the system which increase our possibilities to increase ACJ320 Family penetration. This also increases our chances to be awarded the IFH system for the ACJ TwoTwenty business jet. Another milestone event occurred when test flights commenced in July with our IFH system onboard a Bombardier Global 7500 business jet. All in all, private jet outlook looks strong for the upcoming years and I expect order flow to commence in the second half of 2021.

Retrofit deliveries zeroed in the quarter - Pobeda order to be delivered Q3 with high probability for more orders

Retrofit sales were as expected zero in the quarter. The Anti-Condensation retrofit order from Russian budget carrier Pobeda for 10 systems to be delivered in the third quarter was highly anticipated. Those 10 aircraft are transferred to Pobeda as part of a fleet restructuring process within the Aeroflot group. In 2022 and 2023, additional 40 aircraft are scheduled for transfer to Pobeda. This Pobeda opportunity and a better business sentiment at several airlines make me more optimistic to add additional sales prospects.

Q3 revenues forecasted to be flat – full-year revenues MSEK 140 – 160 – better order intake in H2 2021

Third-quarter net sales forecast is MSEK 35 – 40, driven by retrofit and offset by private jet.

Fourth quarter sales are still uncertain to predict, with downside risk in OEM and upside potential in the aftermarket. But due to the big difference in size, only a small improvement in aftermarket sales will offset a possible decline in OEM sales. My estimate for FY2021 revenues is MSEK 140 – 160 (201).

In a broader context, trying to look beyond next quarters: CTT has lost 60% of its sales in the pandemic but we remained focused on customers, maintained on-time deliverables and preserved financial strength to continue investing in our growth projects. My assessment is that CTT in upcoming quarters continuously rebound from pandemic effects. In early phase, the aftermarket is delivering as we predicted; ready to rebound swiftly to pre-pandemic level when intercontinental traffic resumes. I am confident that we are about to breakthrough into the large business jet segment, significantly increasing our addressable market (compared to pre-covid size). Although OEM sales currently struggle, CTT has a strong OEM position with catalogue products on competitive widebody aircraft models that eventually will replace older ones which implies higher production rates.

Last but not least, if looking at retrofit sales and OEM-selection rate, the post-pandemic market trend is definitively in our favor. There is growing need for products that increase confidence to travel (reduce risk to contract infectious diseases) and improve environmental footprint. We are already seeing stronger interest for humidity as part of better cabin climate performance on long-haul flights. Our weight saving system gain traction as part of airline efforts to meet environmental targets, currently in Northern-Europe but we believe this value proposition is global.

On the back of factors above, I am optimistic that we will start to win orders during second half 2021, driven short-term by orders in retrofit and private jet. This is the beginning of the end of a challenging period for CTT. I really look forward to see what we can accomplish from a position of improved strength when the aviation market gradually improves.

Torbjörn Johansson, CEO

EVENTS DURING THE QUARTER

- ✓ 07.04.2021: CTT Systems AB announces the appointment of Markus Berg as new CFO to take office on July 1st, 2021. Markus will succeed Daniel Ekstrand, who on his own initiative has decided to leave CTT to transfer to his own business. Daniel will support and ensure a structured and seamless handover, which includes book closing and Interim report for the second quarter 2021.
- ✓ 05.05.2021: CTT Systems AB announces order to retrofit the Anti-Fuselage-Condensation-system in 10 Boeing Next Generation 737-800 aircraft at an existing airline customer that already has the system installed in its entire fleet of 34 Boeing 737 aircraft. Based on list price, the total order value is approx. MSEK 6.5. System deliveries are scheduled to begin in Q3 and to be completed in Q4 2021.
- ✓ 10.06.2021: CTT Systems AB informs that the board of directors of CTT has appointed Henrik Höjer as new CEO to succeed Torbjörn Johansson when he retires on April 1 2022. Henrik Höjer is currently Senior Vice President at RUAG Simulation & Training.

SIGNIFICANT EVENTS DURING THE FIRST QUARTER

- ✓ 08.02.2021: CTT Systems AB announces that the company CEO, Torbjörn Johansson, has informed the board of directors that he intends to retire on April 1st, 2022.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

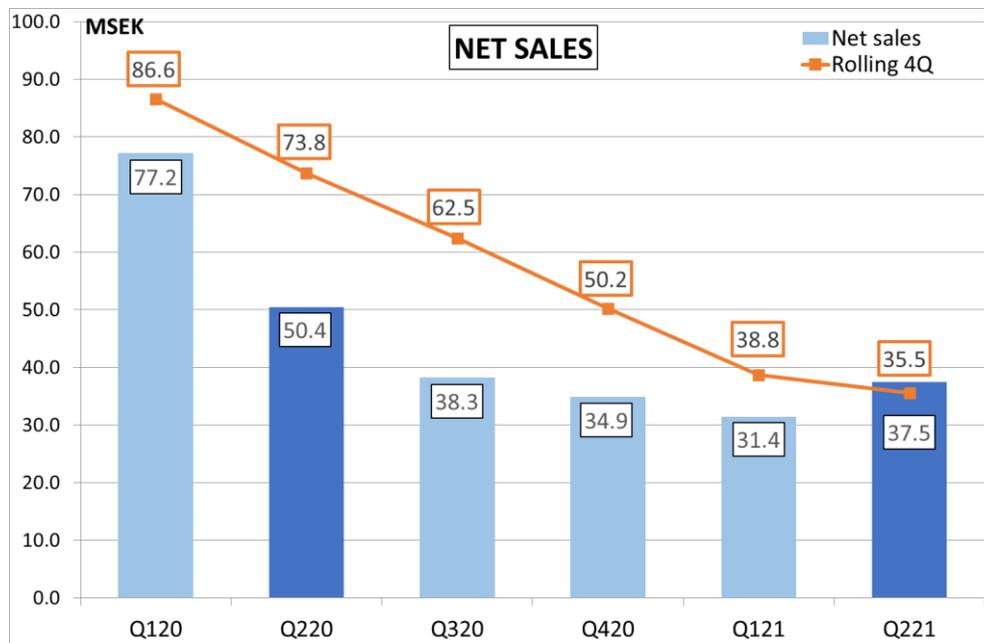
No significant events have occurred after the end of the reporting period.

SALES

Net sales declined by 26% in the second quarter to MSEK 37.5 (50.4). Adjusted for currency effects sales declined by 16%.

The decrease compared to the second quarter 2020, which was the first quarter to be negatively affected by the Covid-19 pandemic, is primarily driven by significantly lower OEM sales. In 2020, the OEM manufacturers’ decrease in production rate was postponed to the third quarter. Another contributing factor to the decrease was lower VIP sales explained by natural fluctuations rather than the pandemic. The decrease was partly offset by an increase in aftermarket revenues driven by an increase in flight hours.

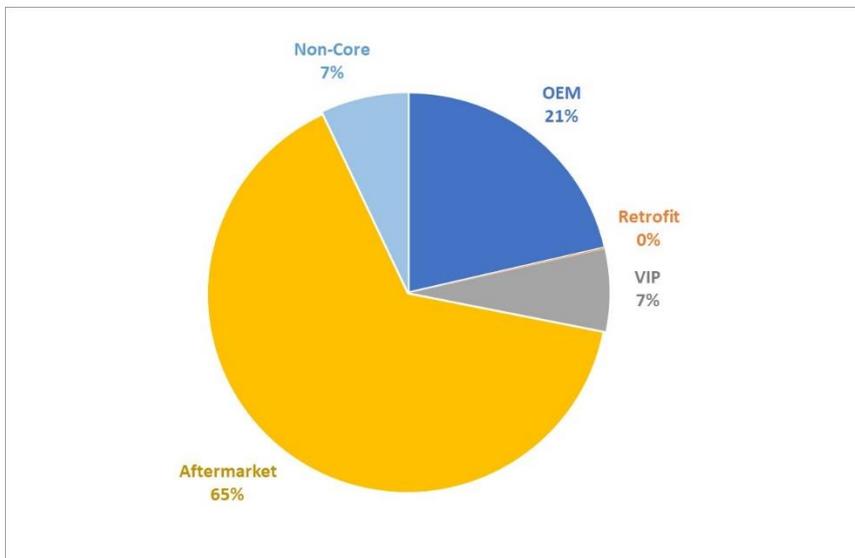
Net sales in the first six months of 2021 declined by 46% to MSEK 68.9 (127.5). Adjusted for currency effects sales declined by 39%. The decrease is larger than the quarterly decrease, mainly since Q1 2020 was not affected by the pandemic.



The graph above shows quarterly net sales and rolling four quarters average.

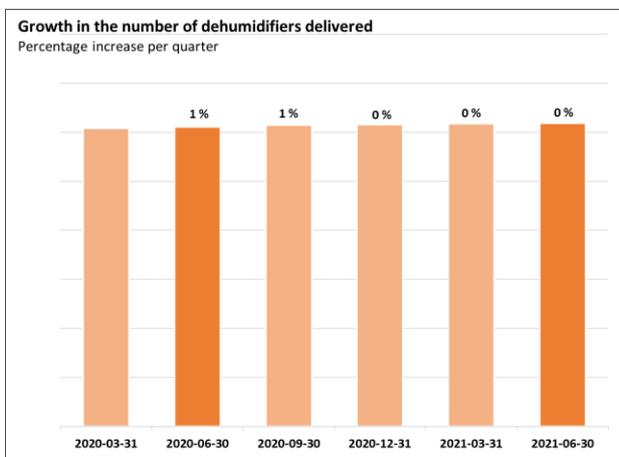
BREAKDOWN OF NET SALES

NET SALES (MSEK)	Q319	Q419	Q120	Q220	Q320	Q420	Q121	Q221
System Sales								
OEM	36.5	45.7	34.1	21.7	15.1	12.4	4.8	8.0
Retrofit	0.0	1.8	2.7	1.3	0.6	0.0	1.3	0.0
VIP	0.8	1.0	6.9	9.0	9.8	6.2	3.2	2.5
Total	37.4	48.4	43.7	32.0	25.5	18.6	9.3	10.5
Aftermarket	43.3	32.3	30.7	16.1	11.1	14.0	20.5	24.3
Sales in addition to the core business activities	2.7	3.3	2.7	2.2	1.7	2.3	1.7	2.6
TOTAL	83.4	84.0	77.2	50.4	38.3	34.9	31.4	37.5
<i>Of which projects where there is recognition of profits that is reported as revenue over time.</i>	<i>0.9</i>	<i>1.1</i>	<i>7.0</i>	<i>9.9</i>	<i>9.9</i>	<i>6.5</i>	<i>3.2</i>	<i>0.3</i>
<i>(Other income is recognised at a defined point in time, i.e. upon delivery).</i>								

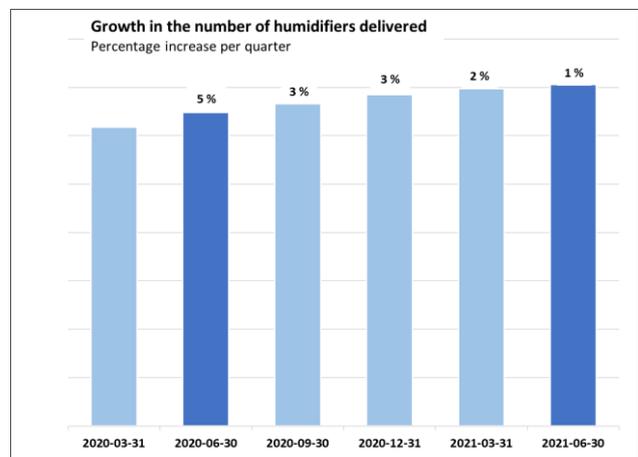


The breakdown of net sales for the quarter is presented above.

GROWTH IN NUMBER OF UNITS DELIVERED



The growth in the historical number of delivered units of dehumidifiers is reported above.



The growth in the historical number of delivered units of humidifiers is reported above.

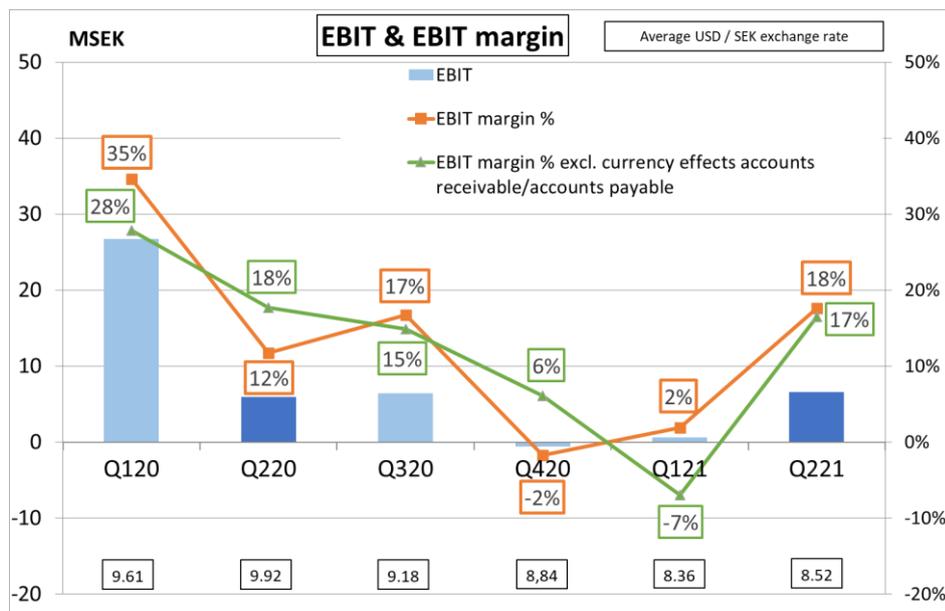
FINANCIAL RESULTS

The Company's operating profit (EBIT) for the second quarter was MSEK 6.6 (5.9), corresponding to an operating margin of 18% (12). Operating profit adjusted for items affecting comparability, amounted to MSEK 1.8. Net profit was MSEK 6.1 (6.0).

The EBIT increase is mainly explained by one-off items from OEM segment during Q2 2021. This effected other operating income and cash flow positively by MSEK 9.1 and amortisation negatively by MSEK 4.3. Net EBIT effect amounted to MSEK +4.8. Excluding this one-off item, EBIT was MSEK 4.1 lower than in Q2 2020, mainly explained by lower OEM sales and negative currency effects. The negative effect on earnings has been limited by the implemented cost savings program, which mainly had an effect on personnel costs. Personnel costs and other external costs amounted to MSEK 25.0 in total (30.9), a 19% decrease from previous year. The currency effects relating to accounts receivable and accounts payable positively impacted operating profit by MSEK 0.4 (-2.7), while currency effects on sales decreased the operating profit by MSEK 5.8 compared to previous year.

For the period January – June the Company's operating profit (EBIT) was MSEK 7.3 (32.6), corresponding to an operating margin of 11% (26). Net profit was MSEK 2.9 (24.2). The decline in earnings were higher than in the quarterly comparison, mainly since Q1 2020 was not affected by the pandemic. This was partly offset by the one-off items and cost savings.

The earnings trend since Q1 2020 is presented below, where the green line shows the EBIT margin adjusted for currency effects directly linked to accounts receivable and accounts payable.



FORECAST FOR THE THIRD QUARTER OF 2021 – FULL YEAR 2021

The net sales forecast for the third quarter of 2021 MSEK is 35 - 40 (38.3). MSEK 140 – 160 (200.8) for the full year.

FORECAST AND ACTUAL OUTCOME FOR THE SECOND QUARTER OF 2021

In the first quarter report (2021), CTT made the following forecast for the second quarter of 2021: "The net sales forecast for the second quarter of 2021 is MSEK 35 - 40 (50.4)."

The actual net sales amounted to MSEK 37.5.

ORDER INTAKE

During the second quarter, the Company's order intake amounted to MSEK 52 (5.9), which is the fourth quarter in a row with an increase. As of 30 June 2021, the order book totaled MSEK 53 (77), based on USD exchange rate of 8.51 (9.35). The stronger order intake compared to previous year is due to a general increase in flight hours, increasing the demand for the Company's aftermarket products, as well as an improved orderbook for retrofit systems.

CASH FLOW AND FINANCIAL POSITION

Cash flow before changes in working capital increased to MSEK 9.1 (1.8) in the second quarter. The cash flow from operating activities increased to MSEK 7.2 (-9.8). Improved cash flow is mainly driven by one-off items from OEM segment, which increased cash flow by MSEK 9.1. In the comparable quarter, CTT decided to increase working capital to be able to handle supply disruptions in the pandemic, resulting in a positive effect of MSEK 9.7 compared to Q2 previous year.

Cash flow before changes in working capital increased to MSEK 9.4 (0.7) during January – June. The cash flow from operating activities increased to MSEK 0.3 (-5.0). Lower earnings during the first six months of 2021 had a negative effect on cash flow, which was mainly offset by a larger tax payment of income tax for previous years made in Q1 2020, amounting to MSEK 23.3. In addition, one-off items improved cash flow by MSEK 9.1 in Q2 2021.

Long-term interest-bearing loan liabilities amounted to MSEK 67.3 (32.6). The increase from the previous year is mainly related to the taking out of two new loans, the first as financing for the fibre laser cutting and engraving machine installed at the production facility in Nybro during the third quarter previous year, the second was taken out during the first quarter to strengthen the company's liquidity. The increase in interest-bearing loan liabilities has been partly offset by a weaker USD/SEK exchange rate, which has reduced the carrying value of the Company's borrowings in USD.

Overall, CTT has a strong financial position, with its equity ratio at 30 June 2021 amounting to 66% (66), Cash and cash equivalents, including available financing facilities amount to MSEK 45 (134). Net debt as of 30 June 2021 amounted to MSEK 45 (-7), and equity to MSEK 202 (214).

PERSONNEL

The average number of employees during the second quarter were 78 (104). For the period January – June the corresponding number was 82 (105). The decrease from previous year is due to the cost savings programs that was implemented during the pandemic.

INVESTMENTS

Investments in the second quarter amounted to MSEK 2.4 (8.3) and during January – June MSEK 5.1 (13.2) related to ongoing development projects.

RISKS AND UNCERTAINTIES

The risks in the Company's business operations can generally be divided into operational risks related to its business operations and financial risks related to its financial activities. The ongoing COVID-19 pandemic, which has led to a massive standstill of the world's airlines, has had a negative financial impact on CTT during the second quarter. This impact is expected to continue in the coming quarters, but will decrease gradually as commercial flight hours pick up. Other than this, no significant changes in material risks or uncertainties have arisen during the period. A detailed account of CTT's risks, uncertainties and their management can be found on pages 54 - 58 of the Company's Annual Report for 2020.

SIGNIFICANT SHAREHOLDERS

CTT's three largest shareholders as at 30/06/2021	Number of shares	Capital	Votes
Tomas Torlöf	1 678 336	13.4%	13.4%
Rockwell Collins / Collins Aerospace	1 133 154	9.0%	9.0%
Swedbank Robur Fonder	1 000 000	8.0%	8.0%

For information about the Company's 20 largest shareholders, please refer to the company's website www.ctt.se.

RELATED PARTY TRANSACTIONS

There have been no significant transactions with related parties during the quarter.

To the extent that transactions and agreements for services with related parties are entered into, these are always entered into and performed under market conditions.

ACCOUNTING AND VALUATION POLICIES

This report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act, taking into account the exceptions and additions to IFRS as set out in the Swedish Financial Reporting Board's Recommendation RFR 2 – Accounting for Legal Entities. Unless stated otherwise below, the accounting policies applied correspond with the accounting policies applied in the preparation of the most recent annual financial statements.

New and amended accounting policies 2021

No new or updated standards issued by the IASB and interpretative statements by the IFRIC have had any material effect on the Company's financial position, profits or disclosures.

FINANCIAL CALENDAR

Interim Report Q3 2021
Year-End Report 2021

28/10/2021 at 08:00 (CEST)
08/02/2022 at 08:00 (CET)

The Board of Directors and the Chief Executive Officer represent and warrant that this interim report provides a true and fair view of the Company's business operations, position and performance and describes the material risks and uncertainties facing the Company. This information is such as CTT Systems AB (publ.) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading (Market Abuse Penalties) Act. The information was submitted for publication at 8:00 (CEST) on 22 July 2021.

Nyköping, 21 July 2021

CTT Systems AB (publ.)

Tomas Torlöf
Chairman of the Board

Steven Buesing
Board Member

Annika Dalsvall
Board Member

Per Fyrenius
Board Member

Anna Höjer
Board Member

Björn Lenander
Board Member

Torbjörn Johansson
CEO

This report has not been audited by the Company's auditors.

FURTHER INFORMATION

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Website: www.ctt.se

CTT IN BRIEF

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CTT SYSTEMS AB	2021	2020	2021	2020	2020
PROFIT & LOSS STATEMENT in brief (MSEK)	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Operating income					
Net sales	37.5	50.4	68.9	127.5	200.8
Change in stocks of work in progress and stocks of finished goods	-0.6	7.3	-0.3	9.8	4.3
Own work capitalised	0.8	2.1	1.8	3.0	5.9
Other operating income	10.4 ¹⁾	5.0	14.7 ¹⁾	12.9	22.2
Total operating income	48.0	64.7	85.2	153.2	233.1
Operating expenses					
Raw materials and consumables	-9.5	-18.4	-18.3	-42.8	-61.8
Other external costs	-9.4	-11.8	-18.0	-23.7	-40.5
Employee benefit expense	-15.5	-19.1	-31.4	-39.9	-68.1
Depreciation and amortisation of property, plant and equipment and intangible assets	-6.0 ¹⁾	-1.9	-7.9 ¹⁾	-3.7	-6.8
Other operating expenses	-0.9	-7.7	-2.4	-10.4	-17.5
Total operating expenses	-41.4	-58.8	-77.9	-120.6	-194.8
Operating profit (EBIT)	6.6	5.9	7.3	32.6	38.4
Net gain/loss on financial items	1.1	1.7	-3.6	-1.8	1.2
Profit before tax	7.7	7.6	3.6	30.8	39.6
Tax	-1.6	-1.6	-0.7	-6.6	-8.5
Profit (loss) this period	6.1	6.0	2.9	24.2	31.1
Other comprehensive income	-	-	-	-	-
Comprehensive income for the period	6.1	6.0	2.9	24.2	31.1
Earnings per share, SEK	0.49	0.48	0.23	1.93	2.48

¹⁾ One-off items from OEM segment have effected other operating income positively with MSEK 9.1 and amortisation negatively with MSEK 4.3. Net EBIT effect amounted to MSEK +4.8.

CTT SYSTEMS AB	2021	2020	2020
BALANCE SHEET in brief (MSEK)	30 Jun	30 Jun	31 Dec
Assets			
Intangible assets	73.2	64.6	73.0
Property, plant and equipment	50.6	44.7	53.6
Financial assets	1.9	1.9	1.9
Other current assets	155.9	171.0	157.4
Cash at bank and in hand	23.9	40.1	21.6
Total assets	305.5	322.1	307.5
Equity and liabilities			
Equity	201.6	213.6	220.5
Provisions, guarantee commitments	4.9	6.8	6.1
Non-current liabilities, interest-bearing	67.3	32.6	35.7
Current liabilities, interest-bearing	1.3	0.0	1.2
Current liabilities, non-interest-bearing	30.4	69.1	44.0
Total equity and liabilities	305.5	322.1	307.5

CTT SYSTEMS AB	2021	2020	2020
CHANGE IN EQUITY in brief (MSEK)	Jan-Jun	Jan-Jun	Jan-Dec
Opening equity	220.5	240.2	240.2
Share dividend	-21.8	-50.7	-50.7
Profit (loss) this period	2.9	24.2	31.1
Closing equity	201.6	213.6	220.5

CTT SYSTEMS AB	2021	2020	2021	2020	2020
CASH FLOW STATEMENT (MSEK)	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
Operating activities					
Operating profit (EBIT)	6.6 ¹⁾	5.9	7.3 ¹⁾	32.6	38.4
Adjustment for items not included in cash flow					
Depreciation and amortisation	6.0 ¹⁾	1.9	7.9 ¹⁾	3.7	6.8
Miscellaneous	-0.9	-0.1	-1.2	-1.6	-9.1
Financial receipts	-	0.0	-	0.0	0.0
Financial payments	-0.3	-0.4	-0.7	-0.6	-1.1
Income tax paid	-2.4	-5.5	-4.0	-33.3	-34.6
Cash flow from operating activities before changes in working capital					
	9.1	1.8	9.4	0.7	0.5
Cash flow from changes in working capital					
Change in inventories	5.3	-19.0	1.6	-28.8	-27.9
Change in operating receivables	0.2	13.0	3.1	9.1	23.5
Change in operating liabilities	-7.4	-5.6	-13.7	14.0	-6.9
Cash flow from changes in working capital					
	-1.9	-11.6	-9.0	-5.7	-11.2
Operating cash flow					
	7.2	-9.8	0.3	-5.0	-10.8
Investment activities					
Acquisition of intangible assets	-2.4	-7.1	-5.1	-11.4	-20.5
Acquisition of property, plant and equipment	-0.1	-1.3	0.0	-1.8	-13.2
Sale of property, plant and equipment	-	-	-	-	0.1
Cash flow from investment activities					
	-2.4	-8.3	-5.1	-13.2	-33.6
Financing activities					
Proceeds from borrowings	-	-	29.7	-	9.8
Repayments of borrowings	-0.3	0.0	-0.6	0.0	-0.3
Dividends disbursed	-21.8	-50.7	-21.8	-50.7	-50.7
Cash flow from financing activities					
	-22.1	-50.7	7.3	-50.7	-41.2
Cash flow for the period					
	-17.3	-68.9	2.5	-68.9	-85.6
Cash and cash equivalents at the beginning of the period	41.6	109.4	21.6	110.0	110.0
Exchange gains/losses on cash and cash equivalents	-0.3	-0.5	-0.2	-1.0	-2.7
Cash and cash equivalents at the end of the period					
	23.9	40.1	23.9	40.1	21.6

¹⁾ One-off items from OEM segment have effected other operating income and cash flow positively with MSEK 9.1 and amortisation negatively with MSEK 4.3. Net EBIT effect amounted to MSEK +4.8.

CTT SYSTEMS AB KEY FIGURES – INDIVIDUAL QUARTERS	2021		2020				2019			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
Sales & Profit (loss) Financial result										
Net sales, MSEK	37.5	31.4	34.9	38.3	50.4	77.2	84.0	83.4	101.9	
Operating profit (EBIT), MSEK	6.6	0.6	-0.6	6.4	5.9	26.7	24.2	38.8	33.4	
Operating margin, %	18	2	-2	17	12	35	29	47	33	
Profit margin, %	21	-13	7	17	15	30	30	44	33	
Profit (loss) this period, MSEK	6.1	-3.2	1.9	5.0	6.0	18.2	19.4	29.0	26.2	
Return on capital employed, %	2	0	0	3	2	9	9	16	14	
Return on equity, %	3	-1	1	2	3	7	8	14	13	
Return on total capital, %	3	-1	1	2	2	6	7	11	10	
Share data										
Earnings per share, SEK	0.49	-0.26	0.15	0.40	0.48	1.45	1.55	2.31	2.10	
Equity per share, SEK	16.09	17.34	17.60	17.45	17.05	20.62	19.17	17.62	15.31	
Operating cash flow per share, SEK	0.58	-0.55	-0.09	-0.38	-0.78	0.38	2.71	2.81	1.42	
Dividend per share, SEK	-	-	1,74	-	-	-	4.05	-	-	
Number of shares, end of reporting period, thousands	12 529	12 529	12 529	12 529	12 529	12 529	12 529	12 529	12 529	
Average number of shares in the period, thousands	12 529	12 529	12 529	12 529	12 529	12 529	12 529	12 529	12 529	
Market price at the close of the reporting period, SEK	216.50	153.60	152.20	123.20	155.80	155.80	176.80	157.20	173.40	
Cash flow & Financial position										
Operating cash flow, MSEK	7.2	-6.9	-1.1	-4.7	-9.8	4.8	33.9	35.2	17.8	
Quick ratio, %	320	304	218	195	192	276	259	239	191	
Coverage ratio, times	27	-7	12	32	22	64	64	106	93	
Debt-to-equity ratio, times	0.3	0.3	0.2	0.2	0.2	0.1	0.1	0.2	0.2	
Equity ratio, %	66	66	72	68	66	68	66	63	60	
Personnel & Investments										
Number of employees, (average for the period) ¹⁾	78	85	88	95	104	107	110	110	111	
Income (valued at full year) per employee, MSEK	2.5	1.8	1.6	1.9	2.5	3.3	3.2	3.4	3.7	
Investments, MSEK	2.4	2.7	7.1	13.4	8.3	4.9	4.0	8.0	3.8	
FINANCIAL HIGHLIGHTS – ACCUMULATED										
	Q1-Q2		Q1-Q4		Q1-Q2		Q1-Q4		Q1-Q2	
Sales & Profit (loss) Financial result										
Net sales, MSEK	68.9		200.8		127.5		354.9		187.5	
Operating profit (EBIT), MSEK	7.3		38.4		32.6		119.6		56.6	
Operating margin, %	11		19		26		34		30	
Profit margin, %	5		20		24		33		30	
Profit (loss) this period, MSEK	2.9		31.1		24.2		92.6		44.3	
Return on capital employed, %	3		14		13		48		25	
Return on equity, %	1		13		11		42		23	
Return on total capital, %	1		12		9		35		18	
Share data										
Earnings per share, SEK	0.23		2.48		1.93		7.39		3.54	
Operating cash flow per share, SEK	0.03		-0.86		-0.40		8.67		3.19	
Cash flow & Financial position										
Operating cash flow, MSEK	0.3		-10.8		-5.0		108.6		39.9	
Quick ratio, %	320		218		192		259		191	
Coverage ratio, times	5		35		43		79		74	
Debt-to-equity ratio, times	0.3		0.2		0.2		0.1		0.2	
Equity ratio, %	66		72		66		66		60	
Personnel & Investments										
Number of employees, (average for the period) ¹⁾	82		98		105		108		111	
Income (valued at full year) per employee, MSEK	2.1		2.4		2.9		3.5		3.5	
Investments, MSEK	5.1		33.8		13.2		22.7		10.8	

¹⁾ The average of employees for the period is an approximation where a calculation is made by taking the average of the number of employees at closing balance and opening balance respectively during the period. The exact calculation is only made for the Company's annual report.

CTT SYSTEMS AB	2021	2020	2019
RELEVANT RECONCILIATIONS OF KEY FIGURES (MSEK)	Q2	Q2	Q2
Operating margin			
Operating profit (EBIT)	6.6	5.9	33.4
/ Net sales	37.5	50.4	101.9
= Operating margin	18%	12%	33%
Profit margin			
Profit before tax	7.7	7.6	33.4
/ Net sales	37.5	50.4	101.9
= Profit margin	21%	15%	33%
Return on capital employed			
(Financial results after amortisation/depreciation)	6.6	5.9	33.4
+ Finance income)	0.0	0.0	0.0
/ Average capital employed			
Average total capital (total assets)	318.5	350.5	330.7
Total capital at the beginning of the period	331.6	378.9	342.9
Total capital at the end of the period	305.5	322.1	318.4
- Average non-interest-bearing liabilities including deferred taxes	-34.2	-80.7	-94.3
Non-interest-bearing liabilities including deferred taxes, beginning of the period	-37.9	-85.4	-94.2
Non-interest-bearing liabilities including deferred taxes, end of the period	-30.4	-75.9	-94.3
Total average capital employed	284.4	269.9	236.4
= Return on capital employed	2%	2%	14%
Return on equity			
Profit (loss) this period	6.1	6.0	26.3
/ Average equity	209.4	236.0	204.1
Equity at the beginning of the period	217.3	258.4	216.3
Equity at the end of the period	201.6	213.6	191.9
= Return on equity	3%	3%	13%
Return on total capital			
(Profit before tax	7.7	7.6	33.4
- Finance costs)	-0.3	-0.4	-0.4
/ Average total capital (for the calculation, see "Return on capital employed")	318.5	350.5	330.7
= Return on total capital	3%	2%	10%
Quick ratio			
(Current assets, i.e. other current assets plus cash & bank deposits)	179.8	211.0	225.7
- Inventories	99.6	102.1	84.9
+ Granted unutilised line of credit)	21.5	23.6	23.3
/ Current liabilities	31.7	69.1	86.1
= Quick ratio	320%	192%	191%
Coverage ratio			
(Profit before tax	7.7	7.6	33.4
- Finance costs)	-0.3	-0.4	-0.4
/ Finance costs	-0.3	-0.4	-0.4
= Coverage ratio, times	27	22	93
Debt-to-equity ratio			
Interest-bearing liabilities, i.e. total interest-bearing items on balance sheet's debt side	68.6	32.6	32.3
/ Equity	201.6	213.6	191.9
= Debt-to-equity ratio, times	0.3	0.2	0.2
Income per employee			
Operating income (calculated to full year)	192.2	258.8	414.8
/ Number of employees, (average for the period) ¹⁾	78	104	111
= Income per employee	2.5	2.5	3.7

¹⁾ The average of employees for the period is an approximation where a calculation is made by taking the average of the number of employees at closing balance and opening balance respectively during the period. The exact calculation is only made for the Company's annual report.

DEFINITIONS OF KEY FIGURES ¹⁾

RETURN ON EQUITY (ROE)

Profit for the period as a percentage of average equity.

Return on equity is a measurement that the Company considers important for an investor who wants to be able to compare their investment with alternative investments.

RETURN ON TOTAL CAPITAL (ROTC)

Profits after net gain or loss on finance costs with a reversal of financial expenses, as a percentage of average total assets.

Return on total capital is a measurement that the Company considers important for an investor who wants to see how efficiently the use of total capital in the Company is used and what return it produces.

RETURN ON CAPITAL EMPLOYED (ROCE)

Profits after depreciation plus finance income as a percentage of average capital employed. The capital employed is defined as the total assets less non-interest-bearing liabilities including deferred taxes.

Return on capital employed is a measure that the Company considers important for investors who want to understand earnings generation in relation to capital employed.

EQUITY PER SHARE

Equity in relation to the number of shares at the close of the reporting period, (book value per share).

The Company regards the key financial figure equity per share as relevant to investors since it describes the amount of capital (equity) belonging to the shareholders of the Company.

INCOME PER EMPLOYEE

Operating income divided by the number of employees (annualised average of full-time equivalents).

The Company regards income per employee as a relevant measure for investors who want to understand how effectively the Company is using its human capital.

CASH FLOW PER SHARE

Operating cash flow divided by the average number of shares.

The Company regards cash flow per share as relevant to investors since it describes the amount of cash flow directly attributable to the shareholders of the Company.

QUICK RATIO

Current assets excluding inventories but including granted unutilised lines of credit, divided by current liabilities.

The Company regards the quick ratio (cash liquidity) as important for creditors who want to understand the Company's short-term ability to pay.

EARNINGS PER SHARE (EPS)

Financial measure (key figure) according to IFRS

Profit for the period divided by the average number of shares.

COVERAGE RATIO

Profit after net gain or loss on financial items with reversal of financial expenses divided by finance costs.

The coverage ratio is a key figure that shows how much the result can decrease without risking interest payments. The Company regards the key financial figures as relevant for investors who want to assess the Company's financial resilience.

OPERATING PROFIT (EBIT)

Operating profit before financial items and taxes.

The Company considers that the key financial figure operating profit (EBIT) is relevant for investors who want to understand the Company's financial results without the influence of how the business operations are financed.

OPERATING MARGIN

Profit after amortisation/depreciation as a percentage of net sales for the period.

The Company regards the operating margin (operating profit margin) as a relevant key figure for investors who want to understand the extent of the revenue left over to cover interest, tax and profit.

DEBT-TO-EQUITY RATIO

Interest-bearing liabilities divided by equity.

The debt-to-equity ratio shows the relationship between the borrowings (total debt) and equity and thus the leverage effect of the borrowings. The Company regards this key financial figure as relevant for investors' assessment of the financial strength of the Company.

EQUITY RATIO

Equity as a percentage of the total assets.

The equity ratio is a measure that the Company considers important for creditors/lenders who want to understand the Company's long-term ability to pay.

PROFIT MARGIN

Profit after financial items as a percentage of net sales.

The Company regards the profit margin as relevant to investors because it shows the amount of revenue remaining when all costs excluding tax are covered, and thus compares the profit with the scope of the Company's activities.

¹⁾ A description of industry/company-specific words can be found on page 90 of the Company's Annual Report for 2020 (in Swedish).