

Conference Call | 1 September 2023

# RTX Q3 & 9M 2022/23 Presentation

Presentation by  
CEO Peter Røpke  
CFO Mille Tram Lux

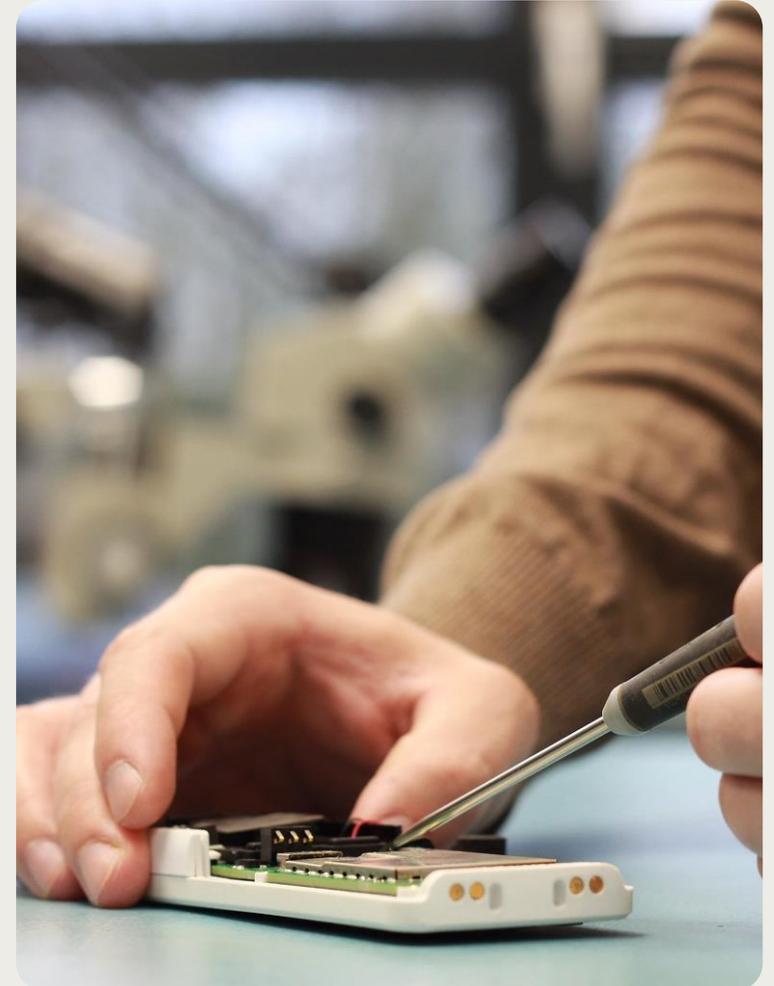
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# Disclaimer on Forward Looking Statements

*This presentation contains statements regarding expectations for the future development of RTX A/S, including future revenue and operating profit (EBITDA), reflect Management's current outlook and carry some uncertainty.*

*These statements can be affected by a number of risks and uncertainties, which mean that actual developments and results can be materially different from the expectations expressed directly or indirectly in this presentation of the interim report.*

*These risks and uncertainties include, but are not limited to, general economic conditions and developments, changes in demand for RTX's products and services, competition, technological changes, fluctuations in currencies, component availability and fluctuations in sub-contractor supplies as well as legislative and/or regulatory changes.*



# RTX at a Glance

## Helping people perform at their best

*RTX delivers turnkey, customized wireless communications solutions to globally recognized B2B customers.*

### How We Work



**Specification and Design**  
Turning user needs and customer requirements into solutions



**Development and Integration**  
From software and hardware into fully integrated products



**Testing and Certification**  
Ensuring and validating performance



**Production and Supply Chain Management**  
Delivery throughout the entire product life-cycle via certified manufacturers

### Who we are

#### Purpose



Our purpose is to help people perform at their best. We provide our customers with the best possible wireless communications solutions, allowing their customers to seamlessly connect and communicate.

#### Investment Case



By increasing product sales to large customers, through framework agreements, we aim to increase recurring revenues and strengthen resource scalability.

#### Mission



Our mission is to help customers make a difference in their markets. We aim to strengthen our customers' competitiveness by delivering turn-key customized solutions.

#### People



Our unique capabilities reside with our 294 dedicated employees in Europe, Asia, and North America.

#### Heritage



Our expertise and knowledge in designing and manufacturing short-range digital wireless systems and products has been the backbone of our business for close to 30 years.

# Agenda

1. Business Update
2. Financial Update Q3 2022/23
3. Q&A
4. Appendix: RTX Business Model and Growth Strategy



**Peter Röpke**

President & CEO



**Mille Tram Lux**

CFO



# Business Update

Q3 & 9M  
2022/23

# RTX continues to improve performance in Q3

- **Q3 revenue** in 2022/23 with growth of 3.1% (5.4% FX corrected) compared to last year with strong performance in ProAudio and Healthcare segments. 9M revenue with significant growth of 31.0% (25.4% FX corrected).
- **Supply chain** is now normalizing after a long period with constraints of electronics component supplies. We had no extraordinary component costs carried by customers in the quarter.
- **Enterprise revenue** declined by 18.3% in Q3 due to orderbook realignment with customers for the full year.
- **ProAudio revenue** grew 49.0% over Q3 last year driven by growth in product sales of RTX's product platforms and associated modules and of products related to live events.
- **Healthcare revenue** increased by 167.0% in Q3. The growth is due to extraordinary revenue from new product development related to an update of the product portfolio.
- **Gross margin** was realized at 48.2% in Q3 compared to 43.7% last year. The improvement was impacted by revenue from development, increased income from royalty and no extraordinary component costs carried by customers.
- **Outlook** for 2022/23 is maintained at revenue in the range of DKK 700-760 million, EBITDA of DKK 85-105 million and EBIT of DKK 45-65 million.
- New **long-term ambition** three years out: by 2025/26 RTX has ambition to surpass DKK 1 billion with an increased profitability reaching EBITDA margin above 16%.
- New **capital policy** published.



Foto: DR

# Outlook 2022/23 Maintained

DKK million	Result 2019/20	Result 2020/21	Result 2021/22	Outlook 2022/23
Revenue	555.9	457.2	663.3	700 - 760
EBITDA	108.2	37.3	85.4	85 - 105
EBIT	83.6	6.1	45.6	45 - 65

## Outlook for 2022/23

RTX maintains the ambitious guidance for the financial year 2022/23, as communicated on 29 November 2022 in our annual report for 2021/22, with revenue of DKK 700-760 million, EBITDA of DKK 85-105 million and EBIT of DKK 45-65 million.

In line with our strategy to operate a product volume driven business, 2022/23 is expected to be impacted by an increase in product sales, while revenue from engineering declined. This impacts the gross margin. The product mix realized in 2022/23 is not representing a fully normalized demand situation across the portfolio and new product introductions have an impact.

# Long term ambition for the fiscal year 2025/26

REVENUE  
**>1 Bn**  
DKK

EBITDA margin  
**>16%**

2025/26 based on solid strategy plan, long-term customer relations and new product introductions



# Financial Update

Q3 & 9M  
2022/23

# Financial Highlights Q3 and 9M 2022/23

REVENUE Q3

DKK **170**m

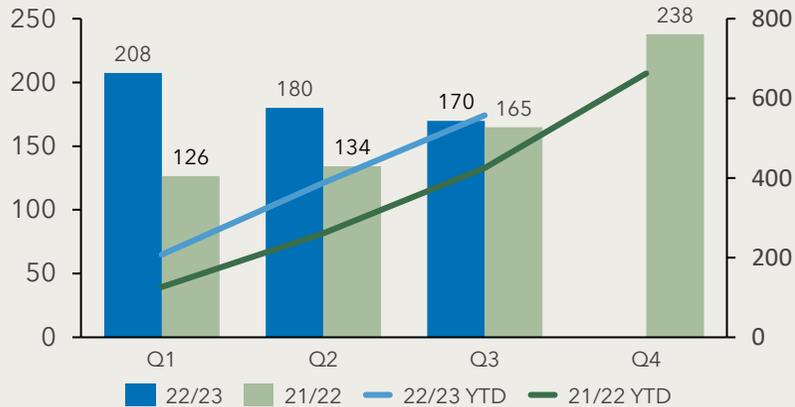
EBITDA Q3

DKK **14**m

EBIT Q3

DKK **4.4**m

REVENUE DKKm



EBITDA DKKm



EBIT DKKm



ENTERPRISE REVENUE Q3

DKK **107**m

PROAUDIO REVENUE Q3

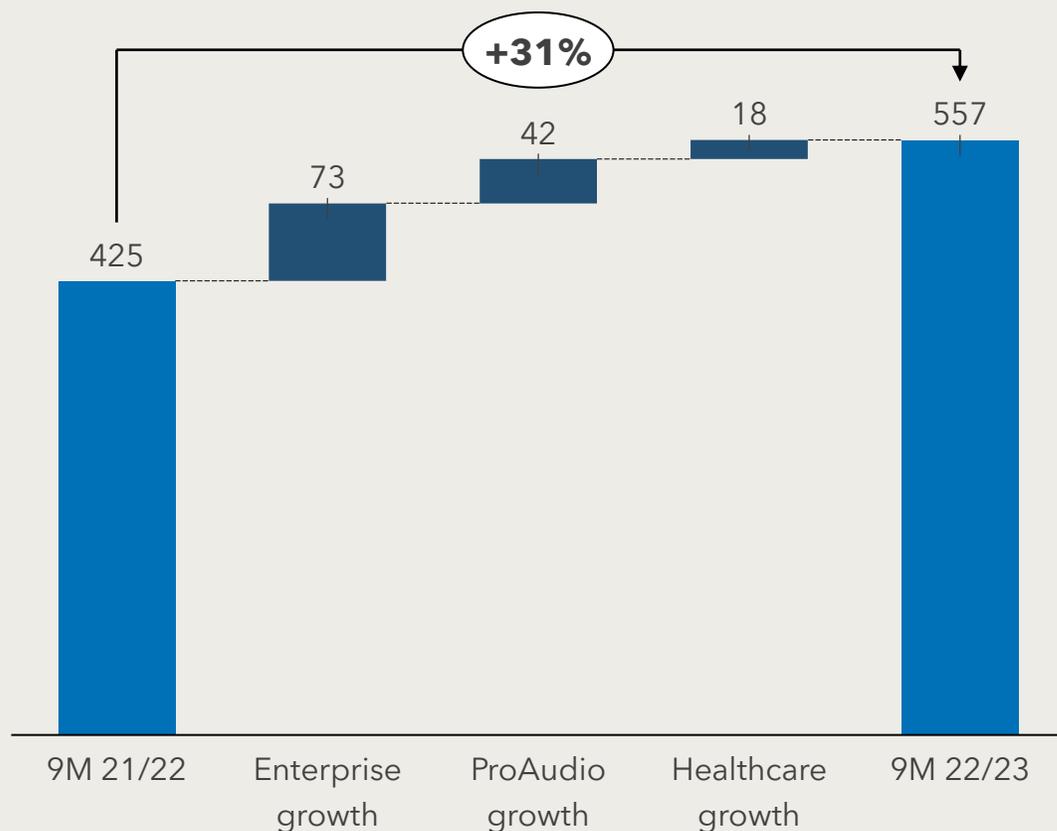
DKK **34**m

HEALTHCARE REVENUE Q3

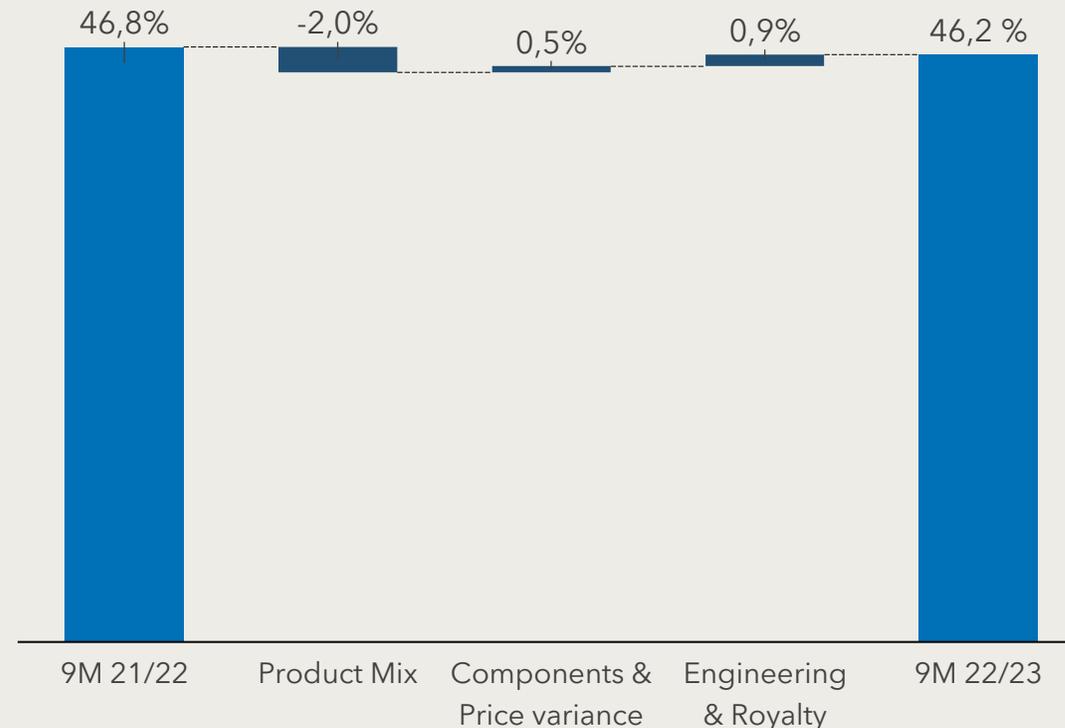
DKK **29**m

# Revenue & Gross Margin impacted by growth in all segments

Revenue 9M 22/23 vs. last year (DKK million)



Gross Margin 9M 22/23 vs. last year (%)



# Group P&L, Q3 and 9M 2022/23

DKK million	Q3 22/23	Q3 21/22	9M 22/23	9M 21/22
<b>Revenue</b>	<b>169.9</b>	<b>164.8</b>	<b>557.4</b>	<b>425.4</b>
Cost of sale	-88.0	-92.9	-299.9	-226.1
Gross profit	81.9	71.9	257.5	199.3
Gross margin %	48.2%	43.6%	46.2%	46.9%
Other external cost	-18.2	-15.6	-52.7	-47.2
Staff cost	-51.5	-44.9	-149.4	-131.4
Value of own work capitalized	2.1	4.5	8.7	12.1
<b>EBITDA</b>	<b>14.3</b>	<b>16.1</b>	<b>64.1</b>	<b>32.8</b>
Depreciation, amortization and impairment	-9.9	-10.1	-29.3	-29.9
<b>Operating Profit (EBIT)</b>	<b>4.4</b>	<b>5.9</b>	<b>34.8</b>	<b>2.9</b>

## Revenue growth 9M +31%

Increase in all three segments

## Gross margin 9M 46.2%

Impacted by mix and engineering

## Staff - attraction of highly skilled employees

We have managed to lower the attrition rate and attract highly skilled employees and close the resource gap we have had since the end of the previous financial year.

## EBITDA 9M DKK 64.1m

Significant growth in EBITDA vs 9M 2021/22 DKK 32.8m

# Group Balance Sheet Q3 and 9M 2022/23

DKK million	30 June 2023	30 June 2022	30 Sep 2022
<b>Assets</b>			
Intangible assets	58.5	64.2	63.4
Tangible assets	91.3	87.6	87.0
Other non-current assets	8.6	8.7	9.0
Inventories	121.7	84.4	102.5
Receivables	188.9	163.6	221.2
Cash and cash equivalents	91.6	104.2	73.8
<b>Total assets</b>	<b>560.5</b>	<b>512.7</b>	<b>556.8</b>
<b>Liabilities</b>			
Equity	350.0	290.9	331.6
Non-current liabilities	71.4	74.0	71.5
Current liabilities	139.1	147.9	153.7
<b>Total equity and liabilities</b>	<b>560.5</b>	<b>512.7</b>	<b>556.8</b>
Equity ratio	62.4%	56.7%	59.6%

## Inventory - reaching the top

Inventory levels were high at the end of the quarter and is expected to have peaked - over the next year reaching a normalized level, which will positively impact cash flow.

## Cash and cash equivalents

Impacted by the high inventory levels and positive operational results.

# Group Cash Flow 9M 2022/23

DKK million	9M 22/23	9M 21/22
Cash flow from operations (CFFO)	43.4	20.8
Cash flow from investments*	-23.4	-4.7
Cash flow from financing activities	-6.1	-4.1
<b>Total</b>	<b>13.9</b>	<b>11.9</b>

\* CFFI 9M 2021/22 includes sale of current asset investments in the trading portfolio of + DKK 18m

CFFO 9M

DKK **43.4**m

Positive Cash Flow from Operations

Positive EBITDA and small improvement overall in working capital, despite an increase in inventories.

Q&A Session



# Thank you for your attention

For further information, please contact CEO Peter Røpke  
or CFO Mille Tram Lux at +45 9632 2300