

Announcement

To Nasdaq Copenhagen A/S and the press

Nørresundby, Denmark, 2 May 2023

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Interim report for Q2 and H1 2022/23

(the period 01.10.2022 - 31.03.2023)

Continued Growth in RTX in Q2 2022/23

"In the second quarter of 2022/23, RTX continues to create solid revenue growth, and we have had a very strong first half of the financial year with revenues growing by 49% over last year and significant growth in earnings. This demonstrates the long-term growth opportunities in our large framework agreements with leading global customers. Despite the solid revenue growth, we still see consequences of electronics component shortages affecting customer inventory levels and demand patterns. Consequently, the realized product mix in the quarter impacts the gross margin negatively. Overall, the macroeconomic situation still creates uncertainty also for RTX reflected in our outlook for 2022/23 which we maintain."

Peter Røpke, CEO

HIGHLIGHTS Q2 2022/23

- **Net revenue** increased by 34.0% to DKK 180.0 million in Q2 2022/23 (Q2 2021/22: DKK 134.3 million) with continued strong demand in the Enterprise and ProAudio segments.
 - **Enterprise segment:** Revenue increased by 37.7% to DKK 115.7 million. The growth is driven by the large framework agreement customers and is aided by the launch of headset product to an existing framework agreement customer.
 - **ProAudio segment:** Revenue increased by 49.8% to DKK 52.8 million. Increased recurring revenue from product sales via strong demand for RTX's product platforms and modules in the segment and via continued strong demand for products related to live events drive the growth.
 - **Healthcare segment:** Revenue decreased by 23.4% to DKK 11.5 million due to a planned changeover to a next generation product also to be supplied by RTX (from Q3/Q4 onwards) and therefore more cautious customer purchasing of the current product generation during Q2.

The supply situation with component scarcity in the global electronics industry was stable in the quarter. There are still some constraints in component availability and electronics component prices remain high, but the situation was stable during Q2 and in general the component availability is approaching a normal level. Therefore, the supply situation had net neutral effect on revenue in Q2.

FX corrected revenue growth was 28.7% as revenue compared to last year was positively impacted by the stronger average US dollar in the quarter (although the USD:DKK rate generally declined during Q2 of this financial year and thus was lower than during Q1).

- **Gross profit** increased by 10.6% to DKK 74.2 million in Q2 2022/23 (Q2 2021/22: DKK 67.0 million) driven by the revenue growth. The gross margin decreased to 41.2% (Q2 2021/22: 49.9%) and was negatively impacted compared to last year by the product mix realized, by a lower share of revenue from engineering services and royalties and by customer payments to cover extraordinary component costs (meaning that such extraordinary additional component costs are carried by the customers, but at roughly zero margin for RTX). The gross margin is expected to continue to be adversely impacted by the product mix in the coming quarters as the supply and demand situations are not yet fully normalized. While the component availability situation is gradually normalizing, component prices are not yet fully normalized, and demand is not yet fully normalized after the period with shortages on electronics components and due to macroeconomic uncertainty so demand by specific customers and for specific products is not at normal levels across the portfolio impacted the product mix. We expect the product mix to be more normalized during the next financial year (2023/24) again leading to higher gross margin especially toward the latter part of next financial year.
- **Operating performance** was positively impacted by the higher revenue and negatively impacted compared to last year by the lower gross margin and higher capacity costs. Therefore, **EBITDA** decreased to DKK 7.8 million in Q2 2022/23 (Q2 2021/22: DKK 11.7 million) and **EBIT** amounted to DKK -1.9 million in Q2 2022/23 (Q2 2021/22: DKK 1.7 million).
- **Cash flows from operations (CFFO)** amounted to DKK 14.5 million in Q2 2022/23 compared to DKK 6.6 million in Q2 2021/22. Compared to last year, CFFO was positively impacted by the working capital development.

SUMMARY H1 2022/23

- Driven by a strong improvement in demand and aided by an improvement in component availability, **net revenue** increased significantly by 48.6% to DKK 387.5 million in H1 2022/23 (H1 2021/22: DKK 260.7 million). The growth is driven by strong demand in the Enterprise and ProAudio segments. Enterprise segment revenue increased by 55.7% to DKK 270.5 million and ProAudio segment revenue increased by 50.3% to DKK 91.4 million in H1 2022/23. Healthcare segment revenue were roughly flat compared to last year and decreased by 1.8% to DKK 25.7 million. The supply situation with component scarcity in the global electronics industry, improved in the first half of 2022/23 (improvement in Q1 and stable situation in Q2). All in all, deliveries and revenue of approx. DKK 35 million were postponed from H1 into Q3 – a net improvement of approx. DKK 30 million from the approx. DKK 65 million postponed from Q4 2021/22 into Q1 2022/23. FX corrected revenue growth of RTX in H1 2022/23 was 37.9% as revenue compared to last year was positively impacted by the stronger US dollar (although the USD:DKK exchange rate has been declining over H1 2022/23).
- **Gross profit** in H1 2022/23 increased by 37.9% to DKK 175.6 million (H1 2021/22: DKK 127.4 million) driven by the strong revenue growth. The gross margin was 45.3% in the first half of 2022/23 (H1 2021/22: 48.9%). Compared to last year, the gross margin is impacted by a lower share of revenue from engineering services and royalty, by the product mix realized and by customer payments to cover extraordinary component costs (meaning that such extraordinary additional component costs are carried by the customers, but at roughly zero margin for RTX). The higher revenue has significantly increased earnings in

H1 2022/23 with **EBITDA** growth of 198.4% to DKK 49.8 million (H1 2021/22: DKK 16.7 million) and **EBIT** growth to DKK 30.4 million (H1 2021/22: DKK -3.1 million).

- **Cash flow from operations (CFFO)** amounted to DKK 36.6 million in H1 2022/23 (H1 2021/22: DKK 20.9 million) aided by the improved earnings and the working capital development.

ENTERPRISE PRODUCT LAUNCH

- During the quarter, RTX finalized the tailoring of a product based on the wireless headset platform to an existing large framework agreement customer and started deliveries of this new product to the customer. This is an important milestone for the RTX headset platform and will lead to an expected increase in the size and scope of the cooperation with this customer in the years to come.

OUTLOOK FOR 2022/23

- RTX maintains the outlook 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. As stated in the annual report, especially the macroeconomic volatility creates uncertainty for demand in the financial year.
- The outlook is based on a strong order book for 2022/23 and an expectation of a normalization of the component shortages in the global electronics industry. The main uncertainty for the year continues to be the impact of macroeconomic volatility on customer demand and inventory replenishment towards the latter part of the year. The growth in 2022/23 is expected to occur within product sales which in turn is expected to impact gross margin. Also, the specific product mix that will be realized in 2022/23 given the not yet fully normalized demand situation across the portfolio and given new product introductions may impact the earnings performance. The USD FX rate has been declining relative to DKK in 2022/23 and this also creates some uncertainty regarding the full-year outlook as the vast majority of revenue and cost of sales are USD denominated. For a full list of assumptions behind the outlook, refer to the annual report for 2021/22 (pages 20-21).
- As communicated when announcing the outlook for the year, the revenue and earnings distribution over 2022/23 is not expected to be backloaded in the way it has been in recent years as can also be seen by the implied outlook for the second half of 2022/23. For the remainder of the year, revenue in the fourth quarter is expected to be higher than revenue in the third quarter.

RTX A/S

PETER THOSTRUP

Chair

PETER RØPKE

President and CEO

Investor and analyst conference call

On Tuesday, 2 May 2023 at 3.30 pm (15.30) CET, RTX will hold a conference call for investors and analysts hosted by Danske Bank. In this conference call, the Company's management will comment on the interim report for the second quarter and first half of the financial year 2022/23. To register for the conference call, please e-mail vonh@danskebank.dk.

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