

Press release

Stockholm, Sweden October 27th, 2023, 07:30am CET

Tobii Dynavox Interim report for the third quarter 2023

Tobii Dynavox AB (publ) today announced its results for the third quarter of 2023.

Comment by Tobii Dynavox CEO Fredrik Ruben:

We continue to experience strong growth, despite significantly tougher comparative figures, with all product and user groups on the rise. At the same time, we are making good progress toward our long-term EBIT margin target. In September, we completed the acquisition of the German company Rehadapt, as planned. We continue to invest in skills, systems and tools to ensure continued growth and profitability, while increasing the scalability of the business.

QUARTER JULY – SEPTEMBER 2023

- Revenue grew 33% to SEK 424 million (320). The currency adjusted growth was 28%.
- Gross margin was 68% (67).
- Operating profit totaled SEK 48 million (25), corresponding to an operating margin of 11.4% (7.8). The operating margin was 11.6%, excluding non-recurring costs of SEK 1 million.
- Cash flow after continuous investments was SEK 35 million (-9).
- Basic and diluted earnings per share were SEK 0.33 (0.15).

PERIOD JANUARY-SEPTEMBER 2023

- Revenue grew 33% to SEK 1,141 million (855). The currency adjusted growth was 26%.
- Gross margin was 68% (65).
- Operating profit totaled SEK 99 million (58), corresponding to an operating margin of 8.6% (6.7). The operating margin was 9.3%, excluding non-recurring costs of SEK 7 million.
- Cash flow after continuous investments was SEK 82 million (-67).
- Basic earnings per share totaled SEK 0.56 (0.30) before dilution and SEK 0.55 (0.30) after dilution.

SIGNIFICANT EVENTS DURING THE QUARTER

- [Tobii Dynavox completed the acquisition of the German company Rehadapt Engineering](#). Rehadapt is included in the Group's accounts as of September 1, 2023.
- [Tobii Dynavox signed a partnership agreement with Team Gleason Foundation](#), the leading provider of technology solutions for people with ALS, to improve access to assistive technology for communication and enable more people to live a more meaningful life.

COMMENTS FROM THE CEO

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Sales growth continues to be well above our long-term target at 28% for the quarter, denominated in local currency. In the US, Medicare increased its reimbursement level for our products by more than 9 percent, which will gradually affect revenue in 2023. Approximately 7 percentage points of these price adjustments have materialized thus far and as previously stated, we expect to see the full impact by the end of the year. We continue to see a trend where growth is fastest in markets that have direct sales.

The acquisition of Rehadapt, our longstanding German supplier partner, closed on September 1. Rehadapt provides a natural complement to our offering on mounting solutions for communication aids, while also strengthening our position in Germany. About 30% of Rehadapt's sales relate to sales to Tobii Dynavox. Through this deal, we are pleased to welcome about 50 new team members, mainly in Germany.

Our growth is affected by an array of factors. While we have a strong product offering and a well-functioning organization, our market remains extremely underpenetrated. In practice, the latter means that the vast majority of people in need of communication aids are never informed about or introduced to the assistive devices we and our industry peers offer. This situation includes the most advanced and wealthy economies. The root cause is a significant knowledge deficit about communication aids among the key groups responsible for prescribing them: speech language therapists and occupational therapists. A contributing factor is that relevant education related to assistive communication aids is either non-existent or severely limited.

Some diagnoses where our products can make a huge difference have received considerable attention recently, including the neurological disease ALS. However, for some of our largest user groups, such as non-verbal autism, aphasia, cerebral palsy and hundreds of other diagnoses, awareness of our solutions among prescribers and options for funding is extremely low. Even in the most well-functioning markets, only a very small number of individuals receive any kind of assistance. Vast opportunities are lost for users, families and society at large, and we are passionately dedicated to changing this situation.

I am confident that our unprecedented growth is a consequence of our relentless efforts to educate and spread awareness combined with products and services that truly make a difference – and, we have barely started.

Given the situation and our market position, this translates to significant long-term business opportunities for Tobii Dynavox and other players dedicated to helping individuals who cannot adequately communicate with their environment. In short, much remains to be done. We therefore welcome all efforts made by commercial stakeholders, patient organizations and professionals to jointly build this market. If we succeed, the outcome will be an improved life for users, their families, and society at large, along with substantial business opportunities for those who do it right.

Fredrik Ruben, CEO

Webcast

Today at 09:00 a.m. CET, Tobii Dynavox will host a webcast presentation for investors, analysts and press. If you want to attend the webcast click the following [link](#). The interim report and a recording of the webcast will be available [here](#).

This information is inside information that Tobii Dynavox AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, through the agency of the contact person set out below, at 07.30 CET on October 27th, 2023.

Contact

Linda Tybring, CFO & Investor Relations, Tobii Dynavox AB

Mobile: +46(0) 70 68 14 980, e-mail: linda.tybring@tobiidynavox.com

About Tobii Dynavox

Tobii Dynavox is the global leader in assistive communication. Our custom designed solutions enable people with disabilities such as cerebral palsy, ALS, autism and spinal cord injury to communicate with a voice of their own, develop literacy skills and live more independently. To date, hundreds of thousands of people worldwide have benefited from our integrated solutions, which include hardware, software, clinically developed language systems, special education tools, training, and dedicated support. Using AI-based speech synthesis, we offer users a personalized voice identity in over 30 languages, for children and adults. We offer an extensive funding support system to reach as many people as possible. Headquartered in Sweden, Tobii Dynavox employs over 600 people with offices in the US, the UK, Ireland, Norway, Denmark, Belgium, France and China, and reselling partners in 60+ countries. For more information, please visit our IR website: [Tobii Dynavox Investor Relations](#)