

INVISIO

Positive outlook comments from peers

- CEOTRONICS and GN's FalCom seem to perform well...
- ... but growing competitors also means higher competition
- We host a Teams call with CEOTRONICS' CEO on 25 September

FalCom is gaining traction in GN and CEOTRONICS share +115% YTD

We have looked at recent sales figures for two of Invisio's competitors: CEOTRONICS, listed in Germany, and GN Store Nord's product group, FalCom. Both companies were historically small, but they have grown in size during the recent increase in military spending, as has been seen with Invisio. GN's share increased 20% on the Q2 report last week, and the company highlighted strength for its FalCom product portfolio reaching almost DKK 100m in sales in Q2 (about one-third of Invisio's Q2 sales). CEOTRONICS has a fiscal year that ends in May, but it grew 89% in the 12-month period ending in May 2024 (defined as 2024 in the tables below for comparison purposes). The momentum is clearly positive, with the share being up 115% year to date (YTD). On customer activity, CEOTRONICS announced for example already in April 2024 that it will equip up to 191,000 German soldiers with control units by 2030, the largest order in the company's history. All outlook comments from the three companies remain unanimously positive.

Digitalising defence industry is a strong tailwind, competition could intensify

All companies in the sector are experiencing strong demand from the defense industry for digital communication and enhanced hearing protection in noisy and complex environments. We believe this creates a significant opportunity for growth. Invisio has been the dominant player in this market, but we are now seeing smaller competitors gain ground and win large tenders. Demand and volumes will likely remain strong for several years, but pricing may become a more important factor as customers have more alternatives. Invisio's gross margin has recently decreased slightly (after adjusting for the third-party deal in 2024-25e), which may indicate increasing price caution among customers. For example, FactSet consensus does not expect CEOTRONICS gross margin to expand, but rather to remain stable at ~43% (well below Invisio's ~60%), and GN commented that FalCom's gross margin was roughly 56%. However, it is a positive sign to see such improving growth rates and demand in the sector, which supports our mid-term organic growth estimates of ~15%.

CEO call with CEOTRONICS on 25 Sep

To gain further insight into the industry and learn more about market dynamics, we will host a Teams call with Thomas H. Günther, the CEO and Chairman of the Board of CEOTRONICS, on 25 September CET 14:00 to 15:00. The call is open to ABGSC clients.

Fast comment

Commissioned research

Not rated

IT

IVSO-SE/IVSO SS

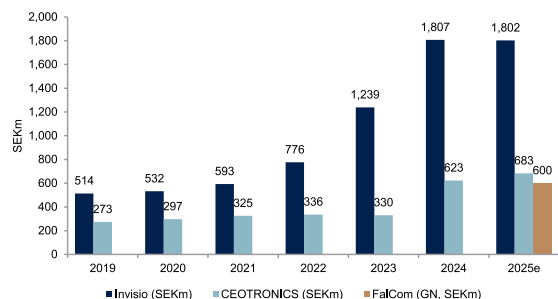
Share price (SEK)	26/8/2025	312.50
MCap (SEKm)		14,247
MCap (EURm)		1,279
No. of shares (m)		45.6
Free float (%)		77.6
Av. daily volume (k)		112

Next event Q3 Report 23 October 2025

Analyst(s):

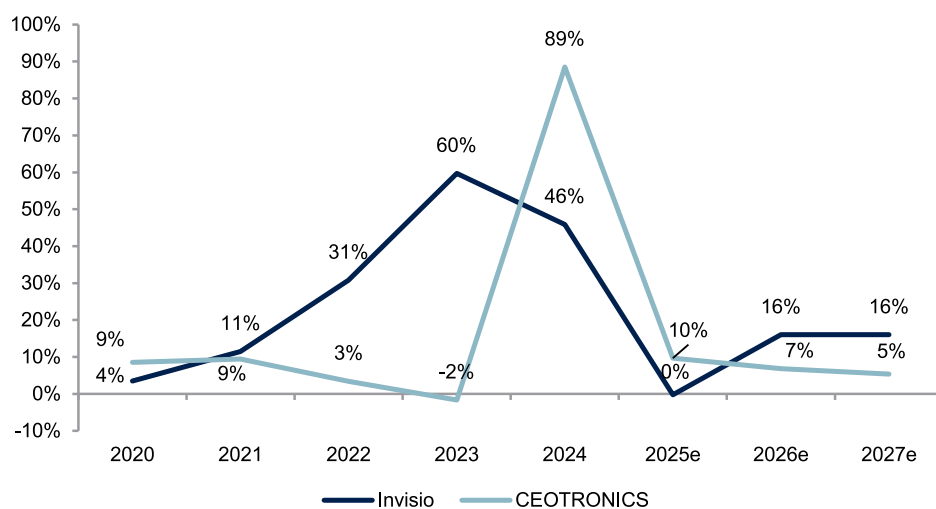
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Sales (SEKm)



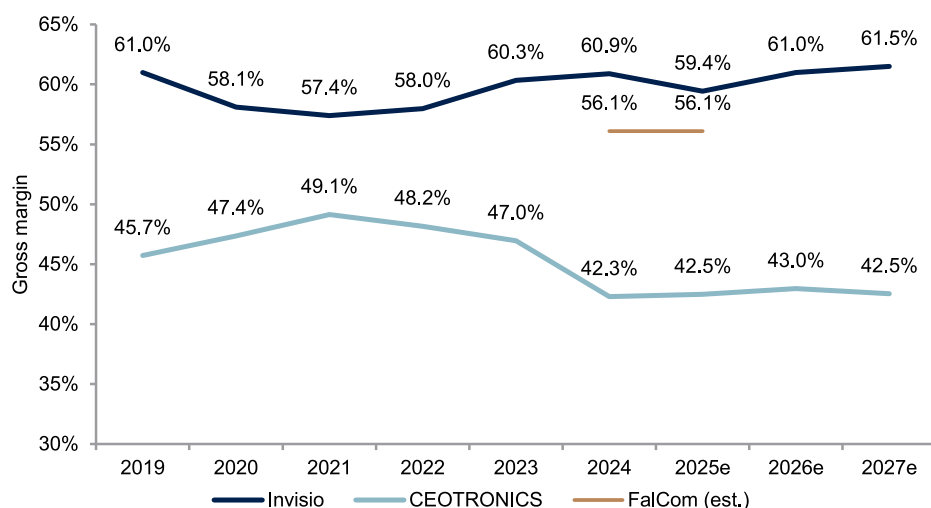
Source: ABG Sundal Collier, company data, FactSet, FalCom Q2'25e annualised

Sales growth



Source: ABG Sundal Collier, company data, FactSet

Gross margin



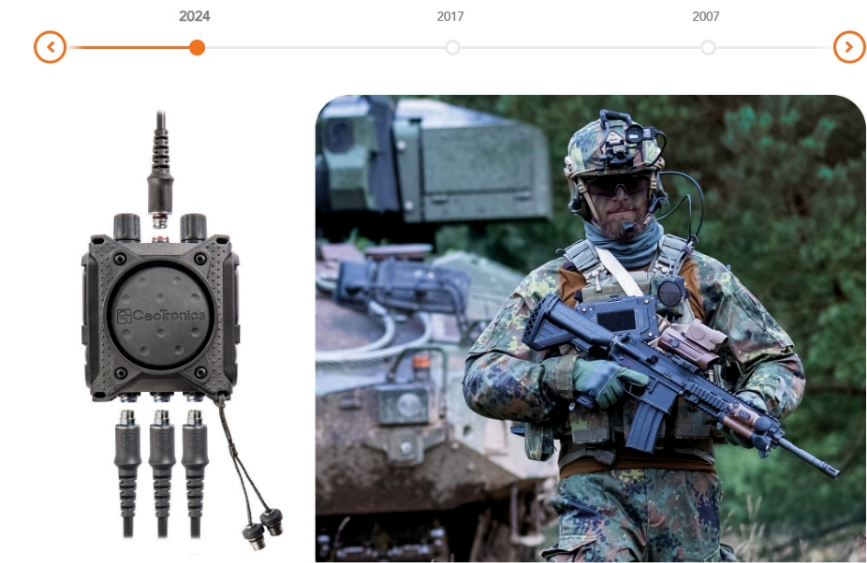
Source: ABG Sundal Collier, FactSet

Sector outlooks remains optimistic for the future

Company	Latest quarter outlook comments
Invisio (Q2'25, 18 July)	Expecting a strong end to 2025. A well-stocked order book combined with high market activity creates excellent scope for a strong second half of the year. The investments made in recent years – in a broader product portfolio and a stronger organization – position us to capitalize on growing market interest and new business opportunities. We therefore look forward to a busy and successful second half of the year.
GN Store Nord - FalCom (Q2'25, 21 Aug)	The Enterprise division saw strong progress in FalCom which contributed with a significant revenue portion, following strong execution on several tenders. FalCom contributed with almost DKK 100m in Q2. We are building momentum and hopefully continue to have a second half of this year also with some good momentum for FalCom. We expect Q3 to be slightly smaller than Q2 and then Q4 a very nice quarter again for FalCom. The gross margin is similar to the Enterprise division (i.e. 56.1% in Q2'25).
CEOTRONICS (May 2025)	The extremely high order backlog, the major projects currently in progress and the sustained boom in the 'internal and external security sector' justify an optimistic outlook for the coming financial years. We currently anticipate further increases in revenue and earnings. With this positive outlook, the Executive Board and employees are looking forward to the anniversary financial year 2025/26

Source: ABG Sundal Collier, company data, FactSet transcripts

CEOTRONICS announced its largest ever deal with the German Armed Forces in April 2024

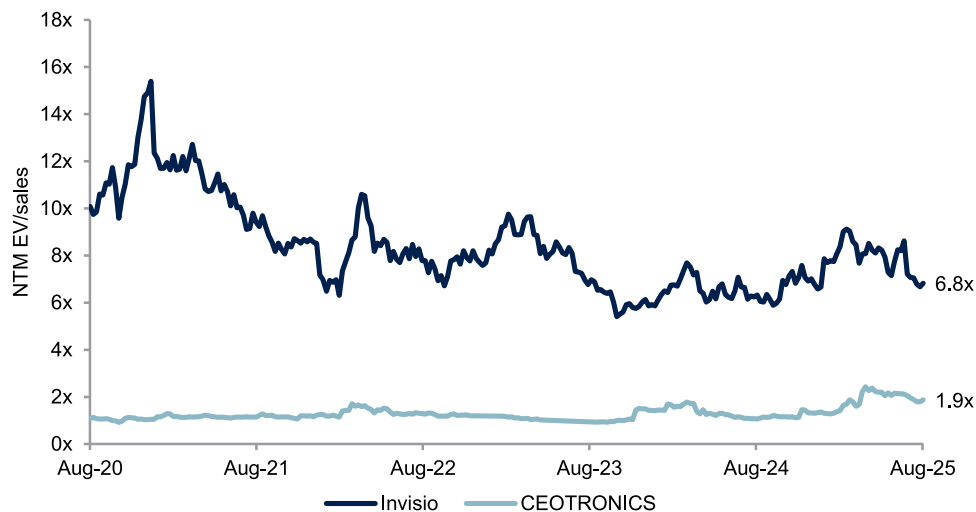


Largest order in the company's history: German Armed Forces rely on CEOTRONICS

As part of the unique lighthouse project "SmG" (voice set with hearing protection), the German Armed Forces will equip up to 191,000 soldiers with innovative, cross-sectional tactical control units from CEOTRONICS by 2030. These multifunctional and intelligent communication devices enable secure communication under all conditions. When it counts.

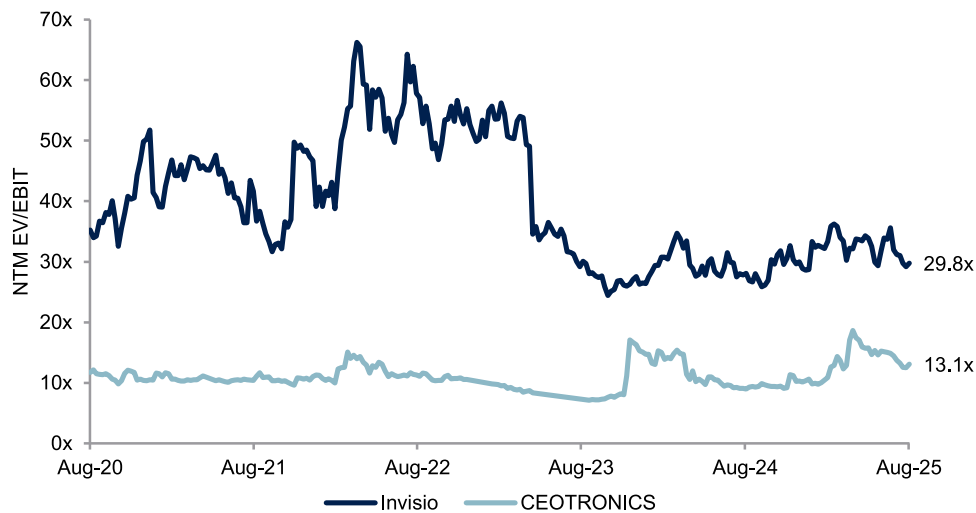
Source: CEOTRONICS

NTM EV/sales



Source: ABG Sundal Collier, FactSet

NTM EV/EBIT



Source: ABG Sundal Collier, FactSet

SEKm	2023	2024	2025e	2026e	2027e
Sales	1,239	1,807	1,802	2,091	2,425
Sales growth (%)	59.7	45.9	-0.2	16.0	16.0
EBITDA	308	463	425	524	619
EBITDA margin (%)	24.9	25.6	23.6	25.1	25.5
EBIT adj.	243	402	355	452	545
EBIT adj. margin (%)	19.6	22.3	19.7	21.6	22.5
Pretax profit	242	407	347	454	547
EPS	3.91	6.72	5.33	6.97	8.40
EPS growth (%)	nm	71.8	-20.7	30.8	20.4
EPS adj.	4.12	6.94	5.56	7.22	8.66
DPS	1.30	2.30	2.76	3.31	3.97
EV/EBITDA (x)	45.6	30.3	33.7	27.2	22.8
EV/EBIT adj. (x)	57.9	34.9	40.4	31.5	25.9
P/E (x)	79.9	46.5	58.6	44.8	37.2
P/E adj. (x)	75.8	45.0	56.2	43.3	36.1
EV/sales (x)	11.35	7.76	7.95	6.81	5.81
FCF yield (%)	1.2	0.6	1.9	1.8	2.2
Le. adj. FCF yld. (%)	1.1	0.6	2.2	1.7	2.1
Dividend yield (%)	0.4	0.7	0.9	1.1	1.3
Net IB debt/EBITDA (x)	-0.6	-0.5	-0.7	-0.8	-0.9
Le. adj. ND/EBITDA (x)	-0.8	-0.6	-1.0	-1.0	-1.1

Source: ABG Sundal Collier, Company Data

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