Tobii Year-End Report 2021

Tobii AB (publ) today announced its results for the fourth quarter and full year of 2021.

Comment by Tobii’s CEO Anand Srivatsa:

“Looking back at 2021, I see a year of tremendous effort and solid achievement across the organization. Our business returned to healthy organic growth while we successfully executed the spin-off of Tobii Dynavox and integration of Tobii Pro and Tobii Tech. We end the year on a strong note and are confidently looking forward to an exciting 2022.”

Fourth quarter October - December 2021

- Revenue increased to SEK 196 million (178), corresponding to organic growth of 10 %.
- Gross margin was 77 % (70 %)
- Operating result (EBIT) was SEK -31 million (-43)
- The net profit for the period amounted to SEK 3.272 million (4)
- Earnings per share amounted to SEK 31.73 (0.07)
- Free cash flow amounted to SEK 23 million (-24)

Significant events during the period

- Microsoft Flight Simulator integrated Tobii’s head and eye tracking technologies to enhance gaming immersion
- Tobii and Pimax announced a partnership to integrate eye tracking in virtual-reality consumer headsets
- Tobii received five design wins in the quarter, one for integration of Aware with MSI, a global PC OEM, one for integration of Tobii Horizon in the Lenovo Legion 5 Pro series gaming laptop, and three for our Ocumen middleware solution for healthcare applications in XR
- Anand Srivatsa was appointed the new CEO of Tobii
- All ordinary shares in Tobii Dynavox were distributed to Tobii shareholders
- Tobii carried out a directed issue of approximately SEK 300 million, mainly to finance Tobii Dynavox’s acquisition of Acapela group, which was agreed prior to the spin-off of Tobii Dynavox
- Tobii completed the early redemption of its outstanding 2019/2022 bonds

Significant events after the period end

- Tobii announced that it is in negotiation with Sony Interactive Entertainment to be the eye tracking technology provider in their new VR headset, PlayStation VR2 (PS VR2)
Comments from the CEO

Looking back at 2021, I see a year of tremendous effort and solid achievement across the organization. Our business returned to healthy organic growth while we successfully executed the spin-off of Tobii Dynavox and integration of Tobii Pro and Tobii Tech. We end the year on a strong note and are confidently looking forward to an exciting 2022.

2021 — an intense and unpredictable year

2021 was an intense year for large parts of the organization. The see-saw effect of the coronavirus pandemic strained supply chains, impacting our customers’ ability to ship products, and run studies. The global uncertainty and volatility forced us to implement dynamic ways of working, and I am proud of the dedication and successful delivery from the team. During all this, we also completed the spin-off of Tobii Dynavox and the integration of the remaining Tobii with business units Tobii Tech and Tobii Pro, which has laid the foundation for the new Tobii.

The new Tobii

The value created by the integration of Tobii Tech and Tobii Pro is already bearing fruit, and I am certain that we will continue to unlock untapped potential in the coming years. The new Tobii is a more focused company and a more clear-cut investment opportunity. It operates in the attention computing space and in highly attractive growth markets fueled by mega trends such as the metaverse, the attention economy, and the digitalization of education and healthcare.

Q4 2021 – healthy revenue growth and strong business progress

Recovery continued in most of our markets during the quarter. Our business delivered 10% organic growth. Our Products and Solutions segment grew 2% organically, reaching an all-time high, beating the pre-pandemic peak levels of Q4 2019, and our Integrations segment achieved an impressive 37% organic growth. Gross profit rose 18% organically — raising our gross margin by a full 7 points to 77%, driven by a mix shift toward licenses and software.

Our strategy to invest in technology leadership and market reach continued to yield results. Existing partnerships are deepening and new ones are forming, while our customer engagements are spanning ever larger parts of our markets. Examples announced in this quarter include our solutions integrated with Microsoft Flight Simulator, a partnership with the sensor vendor Omnivision for eye tracking systems in XR, and the development of a PC specialized for education purposes together with Intel and Tencent. Progress in this dimension is a key indicator of Tobii’s performance as it forms the central building blocks for long-term value creation and success.

The markets and ecosystems are developing in our favor

We are seeing stronger tailwinds in the markets and the ecosystems we operate in are moving in the right direction. I would like to specifically highlight the XR segment, which has experienced a marked increase in activity during 2021. I daresay, few have missed the hype around the metaverse. In its wake, we are experiencing unprecedented interest in our XR solutions, and our integration team is progressing deeply with multiple key accounts.

Direction ahead

The uncertainty caused by COVID-19 and its variants remain high, and supply chain challenges remain present. Despite these external factors, we are exiting the year on a strong note and have a lot of confidence in our ability to execute during 2022.

Tobii is now ready for a new phase, where increased market adoption and a step-up of our sales and marketing efforts will drive stronger than historical organic growth. Our business momentum is strong, and we are looking forward to delivering on our ambition to build a global powerhouse in attention computing.

Anand Srivatsa
CEO
Webcast
A conference call and online presentation will be held in English today at 9:00 a.m. (CET). The webcast link and presentation material will be available in the calendar entry on Tobii’s website ahead of the webcast. The year-end report and a recording of the webcast will be available on the same page after the publication and webcast. You can also attend the webcast through the following link.

This information is information that Tobii AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, on February 8, 2022 at 7:30 a.m. CET.

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About Tobii
Tobii is the global leader in eye tracking and pioneer of attention computing. We are on a mission to improve the world with technology that understands human attention and intent. Creating tech for a better future, our technologies and solutions apply to areas such as scientific studies and research, healthcare, assistive devices, education and training, gaming, extended reality, automotive, and many more. Tobii's eye tracking is used by thousands of enterprises, universities and research institutes around the globe. Headquartered in Sweden, Tobii is listed on Nasdaq Stockholm (TOBII). For more information: www.tobii.com.