

Press release

Stockholm, February 4, 2021

Tobii Year-End Report 2020

Tobii AB (publ) today announced its results for the fourth quarter and full year of 2020.

Comment by Tobii's CEO Henrik Eskilsson:

“The fourth quarter showed a significant increase in business activity and we returned to organic growth. We thereby achieved a new currency-adjusted sales record for the Group, along with clearly improved earnings. Despite the continued uncertainty in today's world, we introduce the firm goal of achieving a positive operating result for the Group for full-year 2021. We are seeing steadily growing interest in eye tracking and the increased level of activity during the quarter bodes well for the future.”

Fourth quarter October - December 2020

- Consolidated revenue was SEK 397 million (433), corresponding to organic growth of 2%.
- Gross margin was 70% (69%).
- The Group's operating result improved to SEK -8 million (-21).
Tobii Dynavox contributed SEK 34 million (28) and Tobii Pro SEK 12 million (20) to earnings, while investments in Tobii Tech had an impact of SEK -55 million (-70) on the Group's operating result.
- Profit for the period was SEK 4 million (-49), including a positive tax effect of SEK 41 million from revaluation of historical loss carry-forwards.
- Earnings per share amounted to SEK 0.07 (-0.49).

Significant development in the quarter

- Tobii returned to organic growth, despite the pandemic. The Group, Tobii Pro and Tobii Dynavox all achieved record-breaking currency-adjusted revenue.
- Tobii took another clear step toward profitability and is now introducing the goal of achieving a positive operating result for the Group for the full year 2021.
- Tobii Dynavox began the roll-out of a new generation of Boardmaker, the world's leading special education software.
- Tobii eye tracking was launched in three major games, causing a strong increase in sales of Eye Tracker 5.
- Tobii Tech received five design wins in several application areas.
- The divestment of Smartbox was completed.



Comments from the CEO

The fourth quarter showed a significant increase in business activity and we returned to organic growth. We thereby achieved a new currency-adjusted sales record for the Group, along with clearly improved earnings. Despite the continued uncertainty in today's world, we introduce the firm goal of achieving a positive operating result for the Group for full-year 2021. We are seeing steadily growing interest in eye tracking and the increased level of activity during the quarter bodes well for the future.

Tobii Dynavox increased revenue by 2 percent organically for the quarter, resulting in a new record for currency-adjusted revenue in this division. The new I-Series continued to be a growth driver and in the fourth quarter it was particularly gratifying to see good organic growth in the US once again. The operating margin continued its positive trend, with an increase of 4 percentage points to 15 percent.

For full-year 2020, Dynavox achieved 1 percent organic growth and the operating margin strengthened significantly by 3 percentage points to 14 percent. In 2020, we made important hardware and software upgrades that introduced many new innovative tools for our users. We continued to reach more and more people in need of assistive technology – during the year, our solutions gave a voice to over 30,000 new users, and we trained over 100,000 people in assistive technology for communication. We believe that during the year we gained market share and we have consolidated our position as the market leader.

Tobii Pro returned to organic growth of 2 percent in the quarter, which also resulted in a new record for currency-adjusted revenue. The strong recovery that began after the summer continued and it is great to see that Tobii Pro worked its way back to organic growth in most segments and product categories, as well as in all regions except the US.

The operating margin was 9 percent, 7 percentage points higher than in the previous quarter, but 6 percentage points lower than in the same period the previous year. Adjusted for currency translation effects, the operating margin was in line with the fourth quarter of 2019, indicating that profitability has recovered. Tobii Pro thus ended the year with a clear show of strength.

For full-year 2020, sales were severely negatively impacted by the pandemic, causing a 16% lower revenue organically, with an operating loss of SEK -10 million.

During the year, Tobii Pro, forced in part by the pandemic, made great strides in digital sales and marketing, which yielded good results. We have enhanced the product offerings with stronger solutions for webcam-based studies and studies in the home, particularly through the launch of the latest version of Pro Glasses, our flagship product. The launch of Pro Glasses 3 was very successful despite an extremely challenging environment. We are proud that during the year, Tobii Pro's solutions enabled thousands of customers to achieve new advances in scientific research, improved consumer experiences and increased safety, efficiency and quality.

Tobii Tech's total revenue was 8 percent lower organically. Sequentially, we saw a clear recovery in revenue and a satisfactory development operationally. Existing customer projects have made good progress and several new engagements have been added. Tobii Tech continued to improve its operating result during the quarter at a good pace to SEK -55 million, from SEK -70 million.

During the quarter we launched integration of Tobii eye tracking in several additional computer games. The success was immediate, driven mainly by Star Citizen and December sales of Eye Tracker 5 were more than twice as high as the previous record. In addition to the game integrations, we also received five new design wins. We are seeing a wide variety and accelerating pace in the growing number of applications that use the power of eye tracking to introduce innovative products.



For full-year 2020, the division improved its result by SEK 72 million to SEK -221 million. During the year, Tobii Tech and several of its customers faced circumstances that made it difficult to drive customer interactions and projects forward because of the pandemic, which affected revenues negatively. Nevertheless, we made important advances in existing and new customer engagements, which began to become apparent at the end of the year.

All in all, the Group achieved 2% organic growth in the quarter and improved the operating result to SEK -8 million, despite significant negative currency translation effects.

As we turn the page on 2020, we leave a very different and challenging year behind us. I am extremely proud of how everyone in the organization rapidly adapted and valiantly fought through the Covid-19 challenges. It has borne fruit and despite strong headwinds, we managed to close the year with a modest organic decline of 3 percent while achieving a strong improvement in our operating result. During the year we made clear progress in all divisions. We strengthened our world-leading position and with an updated product portfolio, we are very well positioned to drive strong growth and improved profitability.

Outlook for 2021

With a strong fourth quarter behind us and despite the continued uncertain environment, we are optimistic regarding the outlook for 2021. The board of directors has therefore set a goal of achieving positive operating result for full-year 2021 for the Tobii Group as a whole.

Henrik Eskilsson
CEO

Webcast

Today at 2:00 p.m. CET, Tobii will host a webcast presentation for media, analyst and investors. The presentation material and links to the webcast will be available via the [calendar](#) 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 is a translation of the Swedish original. In case of any inconsistency between the Swedish and English version, the Swedish version shall prevail.

This information is inside 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, at 07.30 CET on Feb 4, 2021.

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About Tobii

Tobii is the global leader in eye tracking. Our mission is to improve the world with technology that understands human attention and intent. Tobii operates through three business units: Tobii Dynavox makes specially designed computers that are controlled by eye movement or touch screens for use by people with special needs due to spinal cord injuries, CP, ALS or other medical conditions. Tobii Pro develops and sells eye tracking equipment and services used today by more than 3,500 companies and 2,500 research institutions, including 98 of the world's 100 highest ranked universities. Tobii Tech supplies eye tracking technology for integration into consumer electronics and other products such as personal computers, virtual reality headsets, healthcare applications, and more. Tobii is headquartered in Sweden and is listed on Nasdaq Stockholm (TOBII). The group has over 1,000 employees. For more information: www.tobii.com.

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