

August 25, 2022

NORDEA SMALL & MID CAP DAYS
- 23-25 AUGUST 2022



S Y S T E M S





HENRIK HÖJER
CEO

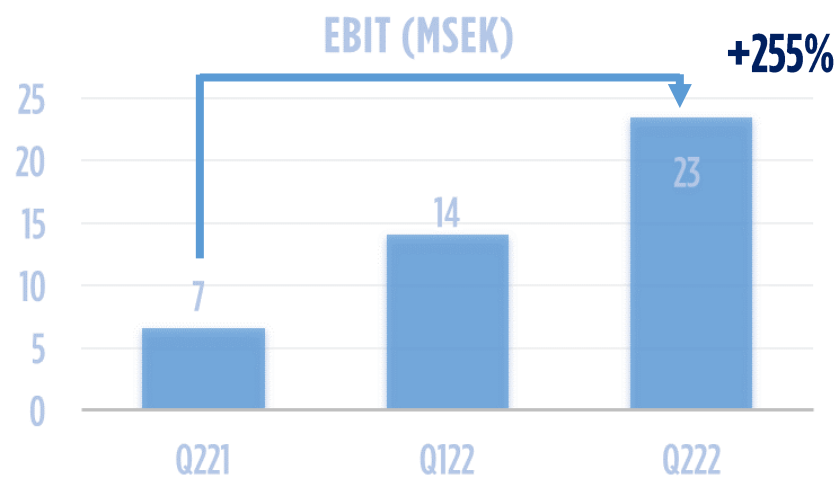
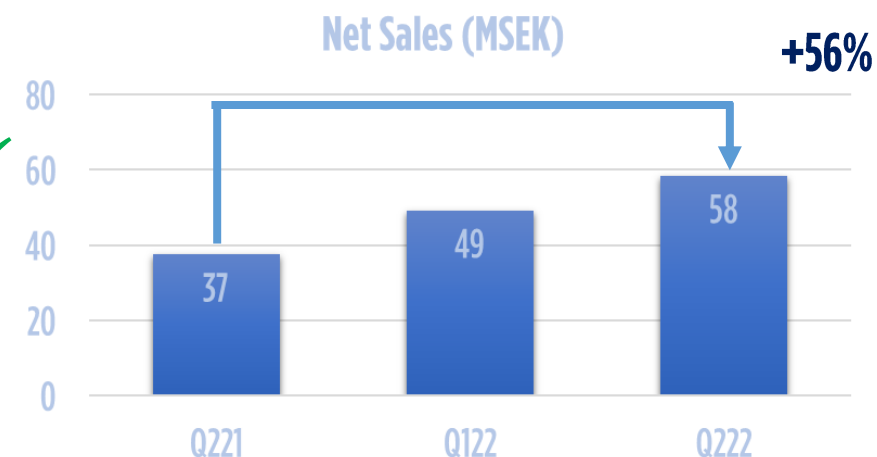


MARKUS BERG
CFO

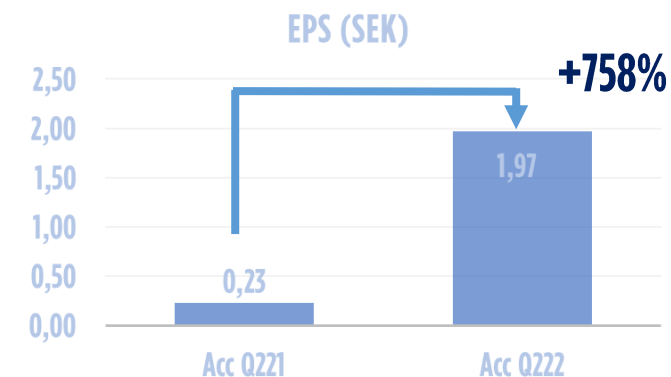
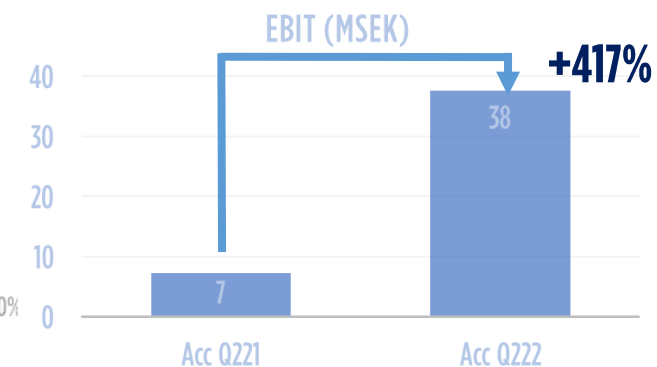
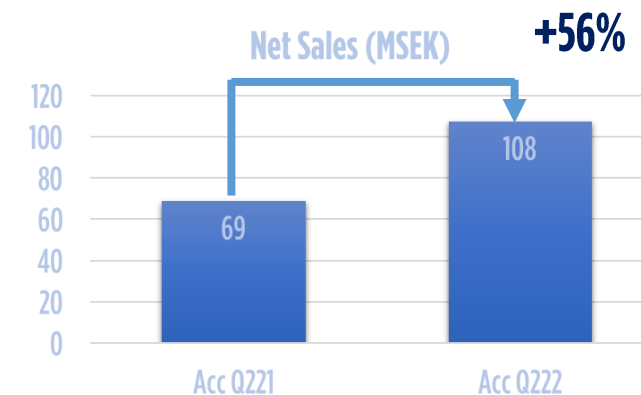
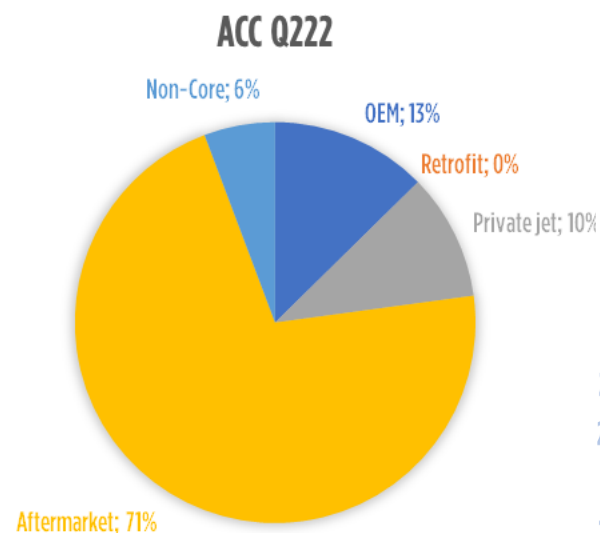
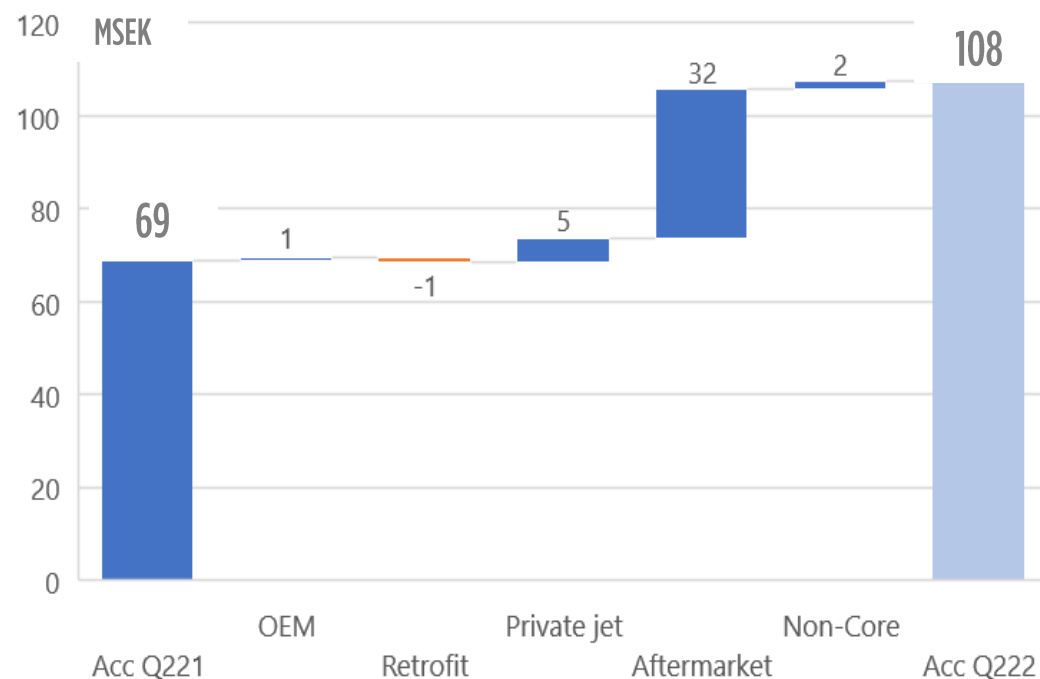
Q2 2022

Financials in short

- Net Sales of 58 MSEK (37) – increased 56% - currency adjusted 36% - beat forecast MSEK 50 - 55 ✓
- EBIT 23 MSEK (7) - EBIT Margin 40% (18)
- EPS 1.21 SEK (0.49)
- Operating cash flow of 4 MSEK (7)

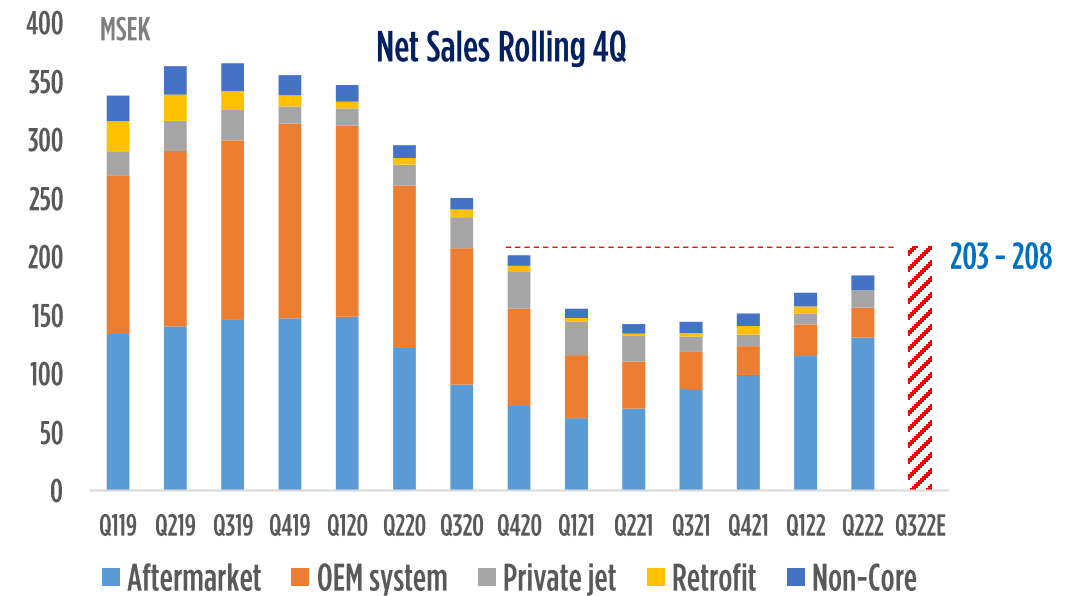
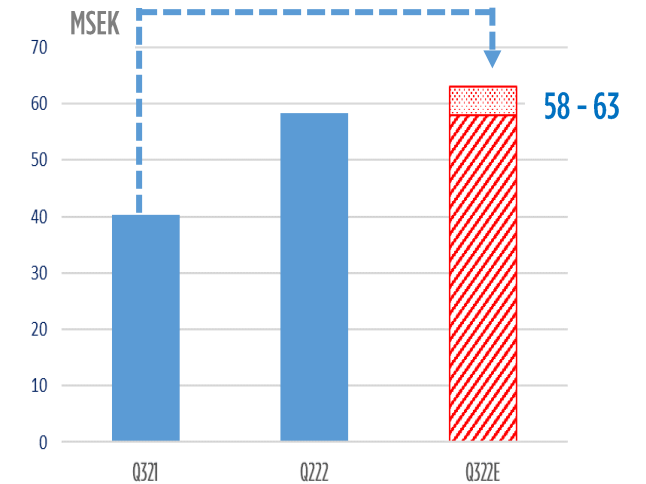
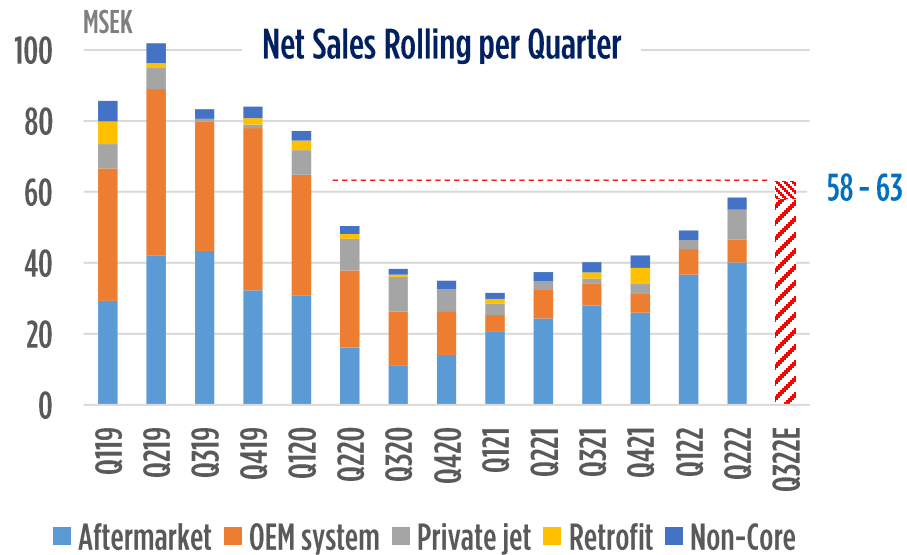


H1 2022 Financial performance



Forecast Q3 2022

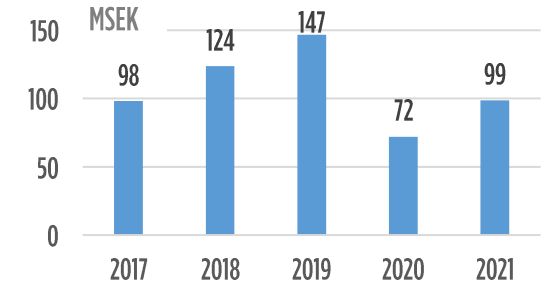
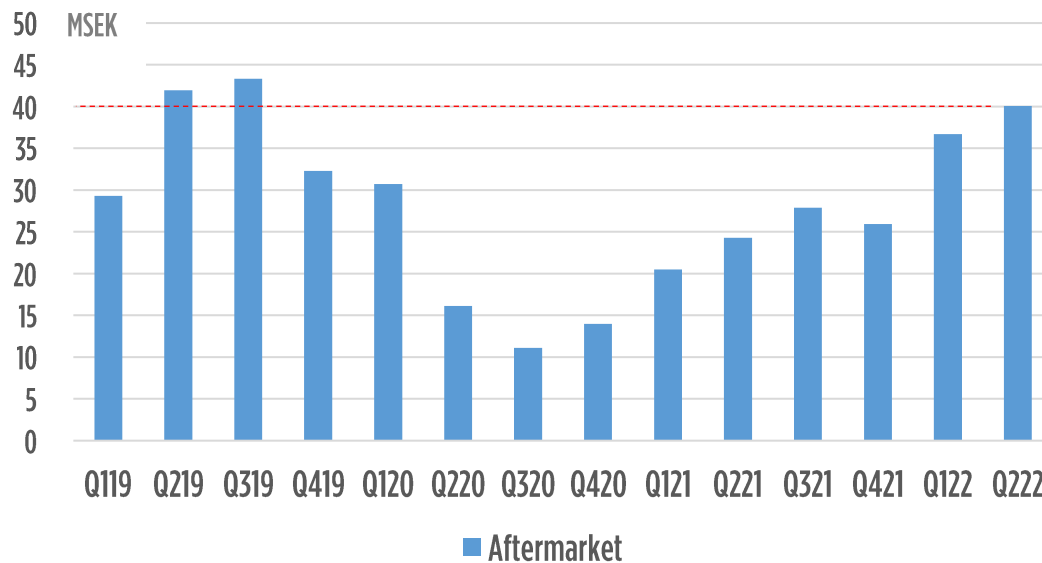
- Net Sales Forecast Q3 2022: 58 - 63 MSEK (40) (Y-o-Y-increase of 44 % - 57 %)
- Q3 expected to mirror previous quarter (Q2)



Aftermarket sales restored to pre-pandemic level

Some recovery upside driven by normalized utilization – Future growth from larger installed base

- Population restored: More products flying totally on A350 and Boeing 787 vs pre-pandemic – More A380s return
- Utilization still in recovery: Normalization from increase in intercontinental traffic = more flight hours
- Pandemic-recovery gradually fades – Back-to-normal where aftermarket correlates with population growth



Boeing has resumed 787 deliveries

Growth drivers going forward from population growth:

- ❑ 120+ Boeing 787s in inventory + build-rate 1 -2 to 5
- ❑ A350 build-rate of 5 per month – expected to increase to 6 in 2023



- ❑ First 787 delivery in 15 months – ending 15 months pause (Jun 2021 to August 2022)
- ❑ 120 ready-built aircraft when in-service will increase installed humidifier base with 10+%
- ❑ Production-rate at 1 -2 per month – gradual increase to 5

New airline customers via old create opportunities

- ❑ Aircraft back to leasing companies find new airlines
- ❑ Aircraft production slots shuffle-around



Growth opportunities – but not without challenges

CTT is in a strong position to grow sales in all our segments

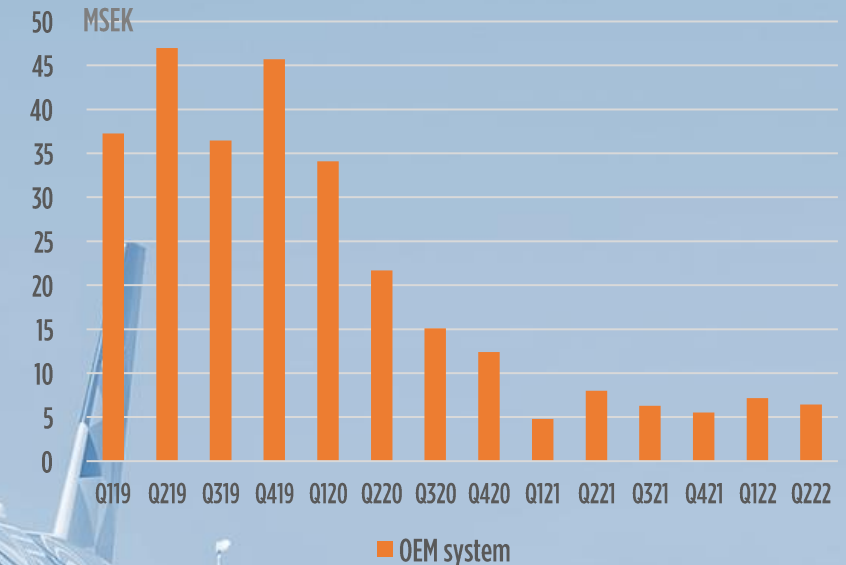
CTT has flexibility in our strategic plan to re-accelerate revenue growth in a challenging environment

- ❑ Private jet
 - Recovery started driven by our partnership with ACJ and by that, positioned for further growth
- ❑ OEM
 - Widebody-centric, aircraft build-rates likely to start rebounding next year
- ❑ Retrofit market for Humidification and Anti-Condensation
 - Supported by the megatrends in favor of our products that make flying a little more sustainable and far more pleasurable

OEM lagging but strong position when recovery starts

OEM will not contribute to growth in 2022 – Recovery starts in 2023

- ❑ Boeing 787 at low build-rate (1 – 2 per month) – gradual increase to 5
- ❑ Airbus currently targeting A350 build-rate to increase to 6 in 2023
- ❑ First 777X delivery expected in 2025



Boeing 787

- ❑ Awaiting regulatory approval for pre-delivery inspections on reworked aircraft in inventory
- ❑ Meanwhile producing the 787 at a very low rate
- ❑ Expected gradual return to five airplanes per month over time

- ❑ Penetration at max – only more content (cabin humidifier) or higher production

Airbus A350

- ❑ Guided higher production rate in 2023, up from 5 per month to 6
- ❑ Many large CTT customers with remaining humidifier orders

- ❑ Max content – Only via penetration and rate increase

Boeing 777X

- ❑ Certification delayed
- ❑ Boeing revised EIS to 2025

- ❑ Max content – Only via penetration and ramp-up

The cabin humidification retrofit opportunity

Air quality and health in focus – Benefit versus cost compelling – Driven by wellbeing and wellness

- ❑ Growing airline interest in cabin air quality / humidity / wellness
- ❑ Short-term limited number of refurbishment programs
- ❑ Projects conditional on re-start of intercontinental travel

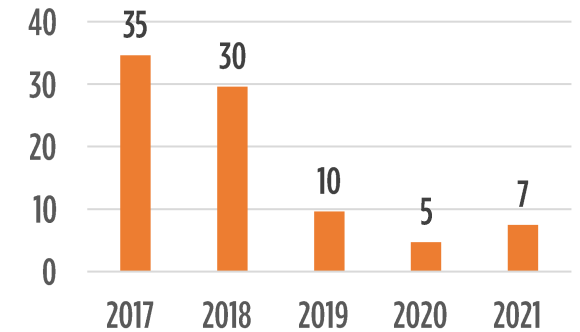
- ❑ Retrofit opportunity: 1,000 Boeing 787 aircraft

- ❑ A humidification system for the entire business class costs <50% of 1 new business class suite



The anti-condensation retrofit opportunity

- ❑ Anti-Fuselage-Condensation (A320 / Boeing 737) – sustainability and high oil price
- ❑ Retrofit to drive OEM:
 - ❑ Efforts to obtain STC for Boeing 737 MAX
 - ❑ A320 operators to demand line-fit or post-delivery modification



Focus on airlines in northern Europe

- Sustainability key selling point
- Strong prospect list

Jet2.com

- ❑ 57 A321s on order to be delivered 2023-



- ❑ 100 A320 Family aircraft on order to be delivered 2023-

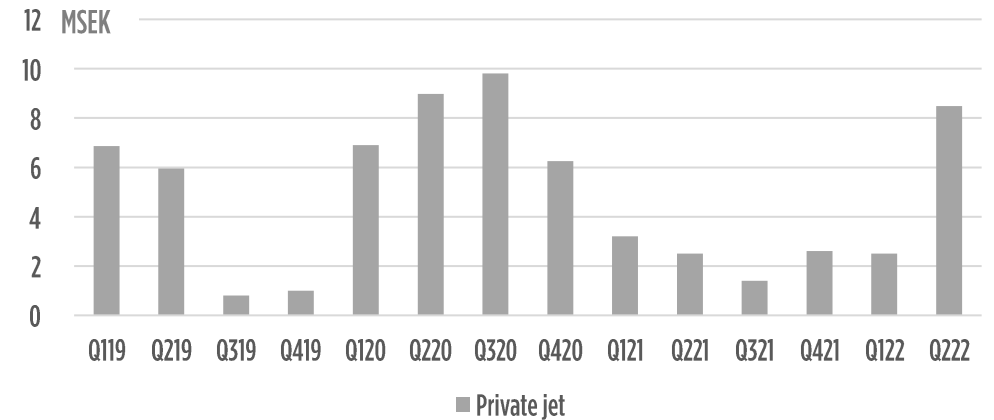
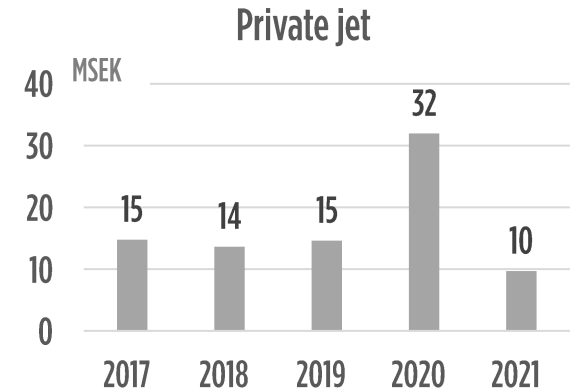


The private jet opportunity

Dominating the widebody VIP segment – Poised to grow into large cabin bizjet segment

CTT is the dominating humidification supplier for VIP aircraft:

- Widebody VIP: Humidification is a de-facto standard
- Narrowbody VIP: Humidification has lower penetration / selection rate



#1 Airbus partnership to increase ACJ320 VIP penetration

- ❑ Airbus ACJ to offer optimized humidification for the ACJ320 VIP Family
- ❑ Promoted by Airbus – First orders in Q4 2021
- ❑ Bolt-on-kit delivery – More scalable vs VIP projects together with completion centers

	Completion projects	OEM project	Kit + STC	Addressable Market (per year)	Entry-into-Service
ACJ320	✓	✓	✓	\$1.5M	In-service



#2 Airbus partnership on ACJ TwoTwenty business jet

- ❑ ACJ launched Inflight Humidification at EBACE in May 2022
- ❑ First order in partnership with Airbus Corporate Jets in July
- ❑ Entry-into-service 2023

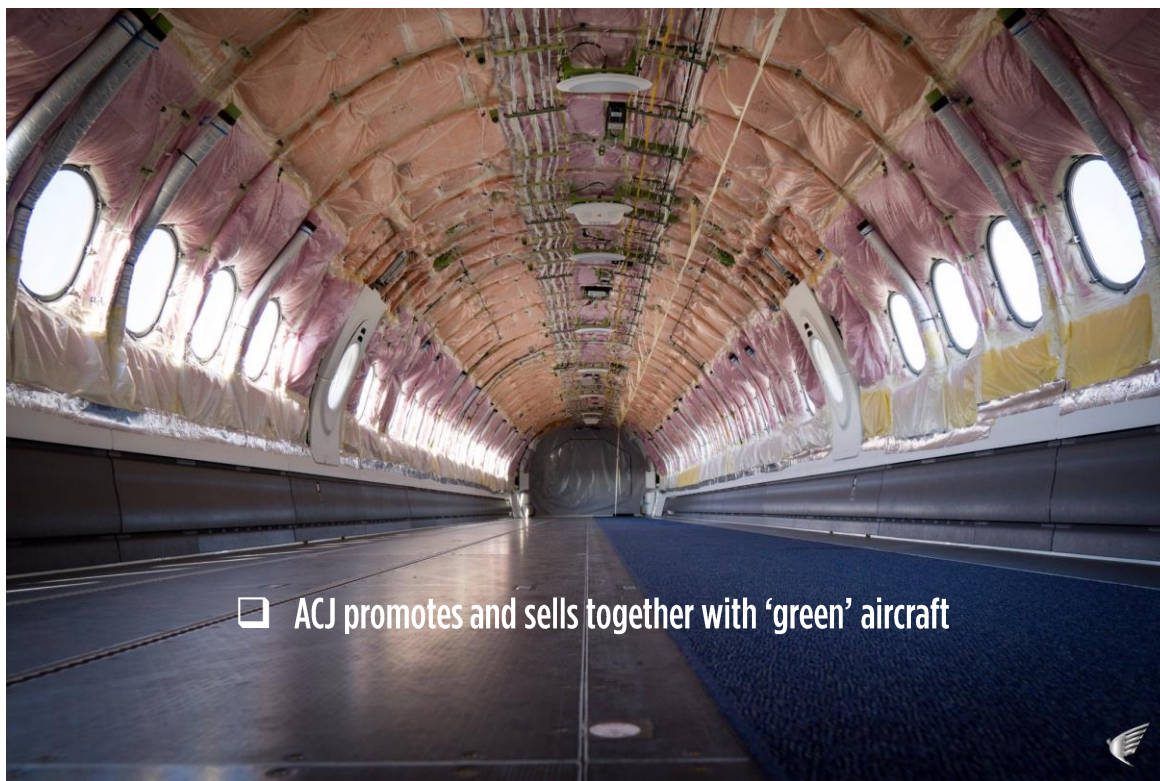
- ❑ Addressed Market potential: \$1M-3M per year

	Completion projects	OEM project	Kit + STC	Addressable Market (per year)	Entry-into-Service
ACJ TwoTwenty		✓	✓	\$1M-3M	2023

- ❑ Delivered together with aircraft for completion
- ❑ Bolt-on-kit with STC



- ❑ ACJ promotes and sells together with 'green' aircraft



#3 Opportunity: Large-cabin bizjet market

OEMs are key – Strong references in VIP to successfully migrate in large cabin bizjets

- ❑ Large-cabin, long-range business jets - 50 – 100 a/c per year
- ❑ Long-range (10+ hours) – Equipped for best comfort – Humidification system required for matching climate

1st Humidification fitted Global 7500 aircraft delivered to charter operator – In-service



- ❑ Addressed Market potential: \$10M-\$12M per year – OEM endorsement required

	Completion projects	OEM project	Kit + STC	Addressable Market (per year)	Entry-into-Service
Bombardier Global 7500	✓			\$10M-\$12M	In-service



- ❑ Unaddressed market: \$10-\$20M per year

Market drivers stronger in the wake of the pandemic

Focus on air quality and wellness – Demand for green tech to reduce carbon footprint



Leading position and projects for growth – Power to invest



Q & A





CTT:

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