



# DORO

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## October – December 2021

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Isabelle Sengès, CFO

Feb 17<sup>th</sup> 2022

# AGENDA

- Key highlights
- Fourth quarter 2021
- Concluding remarks and Q&A session



# KEY HIGHLIGHTS



# KEY HIGHLIGHTS IN THE QUARTER

**16.2%**  
operating margin  
(EBIT)

Continued strong operating margin  
Very good gross margins, positive currency effect, lower costs, release of provisions and implementation of price increase, resulted in profit above last year

**COVID-19  
and supply**

Despite renewed C19 lock-downs, continued severe component shortages and challenging freighting conditions, Doro managed to maintain product availability and supply at acceptable levels

**Best sales  
quarter**

Q4 best sales quarter 2021 despite C19 and meagre Christmas sales, but launch of new smartphone helped Nordic achieve highest turn-over in last two years, and demand in France remained high



# FOURTH QUARTER 2021



# Q4 BUSINESS HIGHLIGHTS

- **Q4 Doro's best quarter in 2021** with a turnover of SEK 311 million
  - Nordics increased sales by ~14% compared to same quarter LY last year, and thanks to the launch new smartphone, Doro 8110, achieved highest turnover in two years while sustaining good margins
  - Western Europe also outperformed sales from previous year and demand remained high, especially among largest French customers
- **Q4 Doro delivered operating profit of SEK 50.5 million**, increase of 61 percent compared to the same quarter last year
  - High Ebit can be explained mainly by organic factors, such as better product and customer mix and keeping warranty costs at lower levels
  - But further positive effects came from one-off items including previously initiated and now almost completed restructuring program, reversal of provisions, reduced costs following the separation of the Care business and positive currency effects
- The **price increase**, successfully implemented at the beginning of **Q3 helped mitigate the increased Cost of Goods** during the quarter
- **Doro started implementing the new business strategy** with focus on expanding the role as European leader in senior mobile phones while also expanding our offering to adjacent products categories



# Q4 BUSINESS CHALLENGES

- **Continued component shortages, difficulties in shipping + high freight costs negatively effecting Cost of Goods Sold**
  - Mitigated by price increase in Q3 and by securing components early on
  - Also, full effect of increased COGS did not come into play in Q4 due to the time delay between purchases and customer deliveries
- **Renewed C19 lockdowns mainly impacting UK and DACH** with sluggish market and strong competition from low-end mobile phones, as consumers worry about increased inflation and higher cost of living
- Going forward, **we expect less negative impact from the pandemic**, but at the same time it seems customers have over-stocked consumer electronics and now more have a pent-up demand for travels and experiences



# DORO

## SALES & FINANCIALS Q4 2021



### Sales in Doro

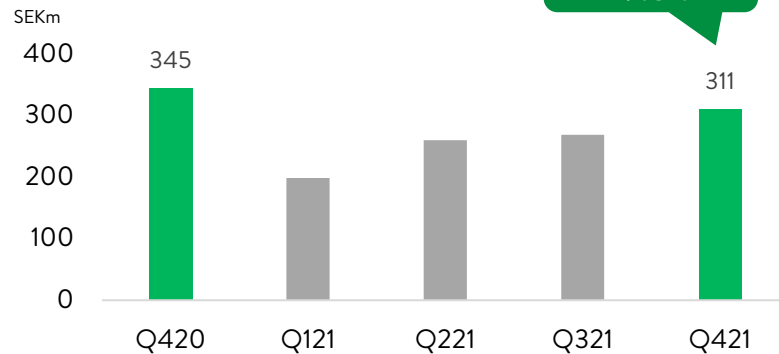
- Net sales decreased -9,8 percent vs previous year and ended up at SEK 311 million (344,9 m)
- Complex freight and high component costs further increased COGS in the quarter, but Doro was able to successfully increase prices + secure components to meet most of our customer's delivery demand



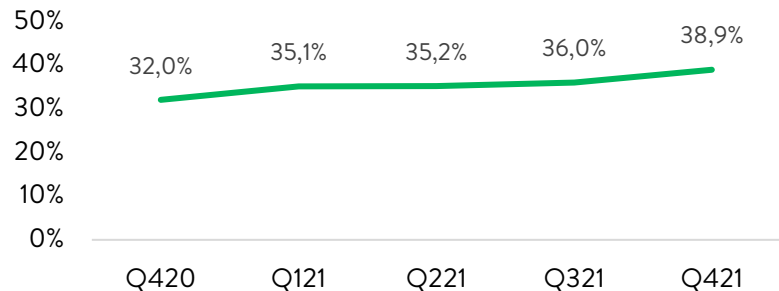
### Financials Doro

- Gross margin increased to 38.9% (32.0%)
- EBIT SEK 50.5 million (31.4m), lower costs and various one-off effects, contributed to strong EBIT
- Operating margin 16.2% (9.1%)
- Profit after tax for Q4 SEK 29.7 m (15.5 m)

### NET SALES



### GROSS MARGIN





# PROFITABILITY DORO Q4 2021

## Sales

- Net sales SEK 311.2 million (344.9), decrease -9.8% compared to Q4 2020 including (-17 m SEK) from exited markets
- Likely less impact from pandemic going forward but market little appetite for consumer electronics now

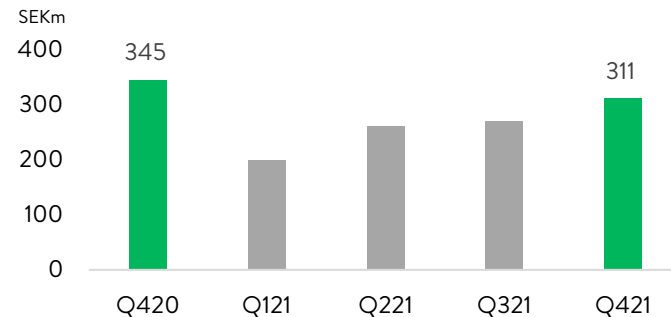
## Margin

- Gross margin 38.9% increased vs Q4 2020 (32.0%)
- Strong operating margin 16.2% (9.1%) including various one-off effects despite higher COGS and lower sales

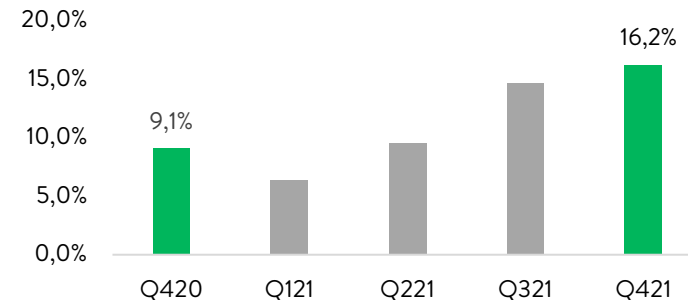
## Profit

- EBITDA SEK 66.0 m (50.2), increase of 31.4%
- EBIT SEK 50.5m incl. restructuring costs vs 31.4m
- Profit after tax SEK 29.7 (15.5)

NET SALES



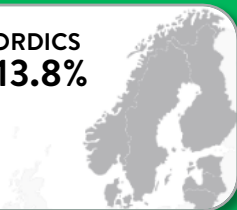
OPERATING MARGIN (EBIT)



# BUSINESS AREA DORO PHONES

## SALES PER MARKET Q4 2021

**NORDICS**  
**+13.8%**



- Sales increased by 13.8% compared to LY and was helped by good sell-in from new smartphone Doro 8110
- Feature Phones stable compared to LY and margins as well as market share remained high

**WEST AND SOUTH EUROPE AND AFRICA**  
**-1.9%**



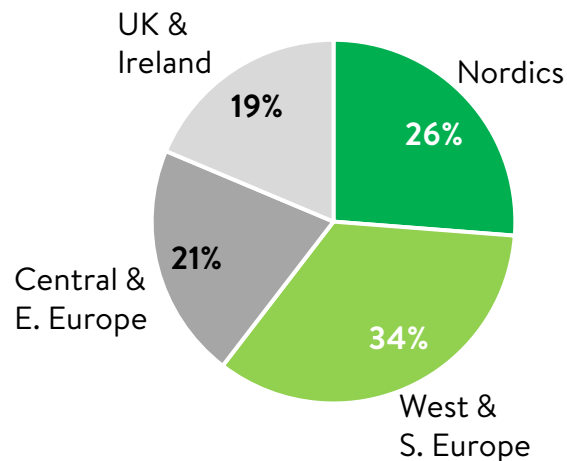
- Retail characterized by reduced number of customer visits and less customers in the stores, but Doro managed to increase sales to the largest customers compared to LY and market share in the region stable

**UK AND IRELAND**  
**-4.0%**



- Market plagued by reduced retail activity as seniors chose to stay home during uncertain times. Total feature phone market declined sharply but Doro performed better than rest of the market and saw increased margins and market share, especially wrt value

Sales per Region (Q421 / Growth Y/Y Q421)



# CASH FLOW Q4 2021

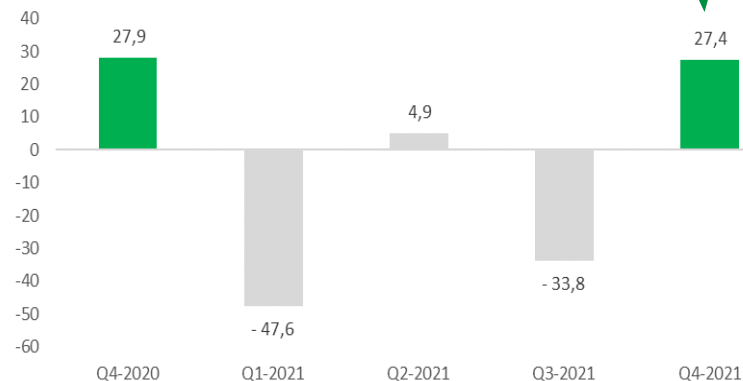
## Cash Flow

- Free Cash Flow before acquisitions amounted to SEK 27.4m (27.9)
- Slightly lower cash flow y/y due to higher investment spendings while the change in working capital y/y had a positive effect on cash flow

## Net Debt

- Net cash of SEK 10.6m at the end of Q4 2021, compared with a net cash of SEK 12.1m at the end of Q4 2020
- Equity/assets ratio at 42,7% end of Q4, compared to 50,9% end of Q4 2020

FREE CASH FLOW (SEKm)



# CONCLUDING REMARKS AND Q&A



# CONCLUDING REMARKS

## Q4 Positive

- Continued very strong gross and operating margins
- Despite increased COGS, Doro still been able to continue deliver and deliver with high quality
- Successfully implemented price increase
- Likely seen the end of C19 lock-downs and Q4 sales best quarter in 2021 and highest quarter in Nordic region in two years
- Started implementing new strategy and expansion of product portfolio

## Q4 Challenges

- Challenges in supply and freight resulting in higher COGS
- High margins positively impacted by various one-off effects such as lower operating costs due to C19 lock-down, restructure program and result of Careium separation, + increased COGS did not yet come into full play in 2021
- UK and DACH still sluggish markets and strong competition from low-end mobile phones

## Priorities Ahead

- Continue growing our role as the European leader in senior mobile phones
- Continue implementing on new strategy and launch first products within expanded portfolio
- Keep COGS and operating costs at reasonable levels

# Q&A

- Thank you for your attention!
- Next report: Q1 April 29, 2022
- Contact: [ir@doro.com](mailto:ir@doro.com)



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- FORWARD-LOOKING STATEMENTS

- This presentation contains forward-looking statements with words such as “believes”, “anticipates”, “outlook”, “confident”, “meeting” and “expects” about expected revenues and earnings, anticipated demand, internal estimates and liquidity. These forward-looking statements involve a number of unknown risks, uncertainties and other factors that could cause actual results to differ materially. Unknown risks, uncertainties and other factors are discussed in the “Risk” section of the Annual Report 2020 and in the Interim Report.

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Thank you!

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