



# DORO

## Q1 Interim Report

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# Agenda

- Key highlights
- First quarter 2022
- Concluding remarks / Q&A session



# Key highlights





# Key highlights in the quarter

## **+2.9% Net sales**

Despite declining sales in most of the consumer electronics sector, Doro managed to increase its sales in Q1 by 3%.

## **Continued supply**

Despite severe supply and logistics challenges, Doro successfully continued to manage inventory and maintain good customer delivery during Q1.

## **New products + innovation continues**

Doro launched the new smartphone and feature phone ranges during Q1, and the new innovation categories progress and are foreseen to launch by IFA in Sep of this year.



# First quarter 2022



# 2022 Q1 – Business key points

- **Q1 hard for consumer business as a whole** with general slow-down hitting electronics and with much lower store activity. Post pandemic life did not return to normal as overall economic situation took difficult turn with the Russian war against Ukraine, and with high inflation, increasing living costs, and an overall feeling of increased insecurity.
- **Despite supply and logistics challenges, Doro has continued to manage inventory efficiently** and maintain a very good level of customer delivery throughout Q1'22.
- **Have launched the new smart phone and feature phone ranges across all regions.** During Q1 the new phone ranges were launched, which should improve margins thanks to improved quality and cost-control production. Doro also made cash donations as well as donated telephones to Ukrainian refugees of war.
- **Doro's net sales of SEK 204.6 million was an increase of 2.9% compared to Q1'21.** The quarter was characterised by low store activities and a general slow-down of the business. Inflation and increased cost of living, together with increasing insecurity arising from the war in Ukraine, have made consumers – at least temporarily – turn away from home electronics.
- **Gross margin decreased to 32%, mainly explained by increasing component prices and continued challenging logistics.** Mitigating measures with regards to price have been taken and we expect results in the coming months, even though logistics and supply are foreseen to remain difficult for months ahead.
- **EBIT margin at 1.5% equalling SEK 3 million due to decreasing margin and higher OPEX** as investing in new products and developing the organisation to implement our post Careium strategy.



# 2022 Q1 – Sales per market

## NORDICS -3.4%



- Net Sales in Nordic SEK 47.3 million (49.0), a decrease of 3.4 percent. Traffic in shops was very low since most of our customers already had good stock levels going into the new year.
- Seen very good trend with higher sales to the Baltic countries through our 2G featurephones.

## CENTRAL AND EASTERN EUROPE +17.9%



- Net sales in DACH amounted to SEK 54.0 million (45.8), an increase of 17.9 percent.
- The region benefitted from strong export business and both retail group and distribution channels showed positive trends this quarter.

## WEST AND SOUTH EUROPE AND AFRICA -19.8%



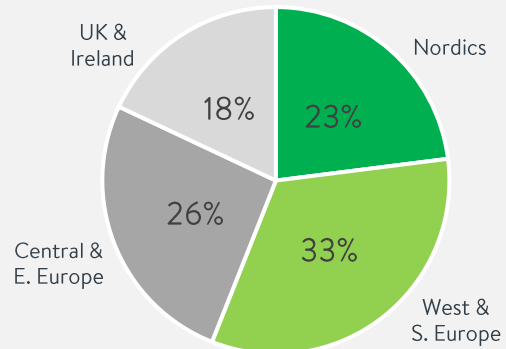
- Net sales in Western and S. Europe SEK 66.9 million (83.4), a decrease of 19.8 percent. Q1 challenging for the region, partly due to the strong Q4'21 but also due to high inflation, the war in Ukraine and the presidential elections resulting in consumers' focus being elsewhere than in electronics.

## UK AND IRELAND +65.9%

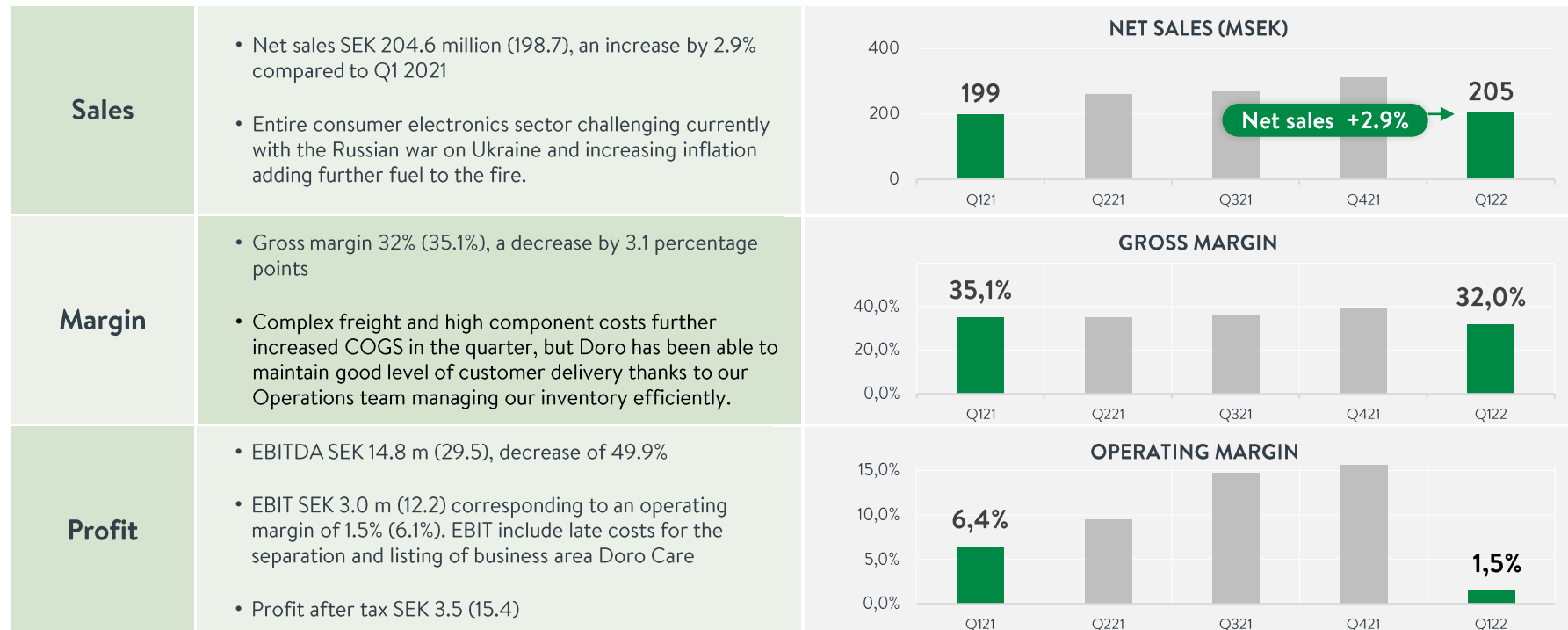


- Net sales in UK & Ireland SEK 36.3 million (21.9), an increase of 65.9 percent. The rise to be seen in light of a rather poor Q1'21, due to lock-down and restrictions. First quarter this year also seen large intake ahead of major retailer promotion, which enables our senior phones to be listed in all their shops during the year to come.

Sales per Region  
(Q1'22 / Growth Y/Y Q1'21)



# 2022 Q1 – Sales & Profitability





# 2022 Q1 – Cash flow & financial position

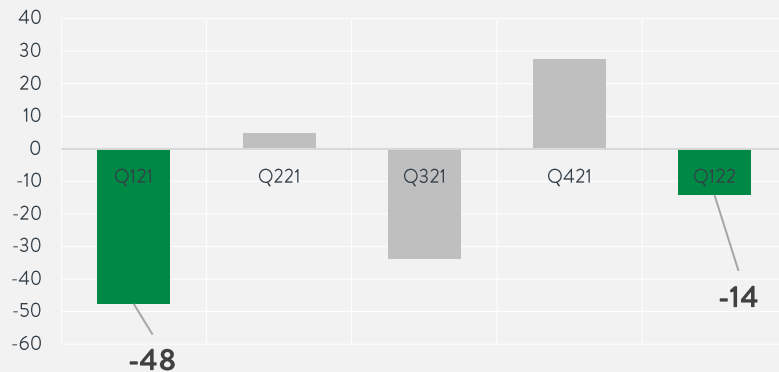
## Cash flow

- Cash flow from operating activities during Q1'22 SEK -9.4 million (-36.4). Negative impact of lower profit but positive development of working capital compared to same quarter last year.
- Free cash flow after investments SEK -14.2 million (-47.6) with investments at SEK 4.8 million (11.2).

## Net debt

- Cash and cash equivalents totalled SEK 91.0 million (123.8) at the end of the first quarter. At the same time the equity ratio was 49.9 percent (56.4).
- Net debt SEK -1.8 million compared to SEK +10.7 million previous quarter and a net debt of SEK -32.3 million at the end of the first quarter of 2021

FREE CASH FLOW (MSEK)



# Concluding remarks / Q&A



# Concluding remarks

## Q1 positive

- Increased sales vs same quarter previous year
- Continued very efficient management of supply and warehouse
- Very positive customer feedback on our ability to continue supplying in general and on time and with quality in particular

## Q1 challenges

- General economic anxiety with increasing inflation, food and electricity prices, in addition to the war in Ukraine, have shifted consumers' focus away from home electronics
- After two years of home shopping, consumers are looking for other products than consumer electronics
- Activities in the shops have come to a stand-still

## Priorities ahead

- Stimulate sales to get going again
- Continue the transformation of the DACH region and getting it on its trajectory
- Success in the launch of the three new innovation categories

# Q&A

- Thank you for your attention!
- Next report: Q2 July 15th, 2022
- Contact: [ir@doro.com](mailto:ir@doro.com)



# Disclaimer

## 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.

## Consolidated financial results

Doro provides financial information adjusted for items such as currency effects and one-off cost items solely as supplemental financial information to help investors and the financial community make meaningful comparisons of Doro’s operating results from one financial period to another. These adjustments might not be in accordance with IFRS.





Thank you!

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