



# DORO JANUARY – SEPTEMBER 2021

Carl-Johan Zetterberg  
Boudrie President & CEO  
Friday October 22<sup>nd</sup>, 2021

# AGENDA

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



# KEY HIGHLIGHTS



# KEY HIGHLIGHTS IN THE QUARTER

## Solid sales development

Doro Phones sales increased over last quarter, defended its market leading position

Doro Care grew both organically and through acquisitions in the quarter

## Strong profitability

Strong operating profit in the quarter with an improvement from last year and last quarter

Mainly an effect of lower operating costs within Doro Phones

## Listing of Business Area Doro Care

The preparations for the separate listing continues as planned with ambition to list during the year

Setting a foundation for two successful businesses, focused on delivering their strategy



# THIRD QUARTER 2021





# BUSINESS AREA DORO CARE

## Business highlights

- Growth of 14.5%, adjusted for currency effects in the quarter, supported by both organic and acquired growth
- Acquired Innocom in the quarter, one of the three leading companies in technology enabled care in the Netherlands
- Gross margin decreased in the quarter but still on a stable level. The decrease is mainly due to higher costs for freight and components but also due to increased salaries and challenges to recruit competent employees
- In the end of the quarter, we acquired the assets of Helpline, a testament to our involvement and commitment in driving the digital shift in the UK
- We will continue to work towards the goal of becoming a European market leader in technology enabled care, both through organic growth and acquisitions



# BUSINESS AREA DORO CARE

## SALES & FINANCIALS Q3 2021



### Sales in Business Area Doro Care

- Sales increased 13.1% y/y. Organic growth of 6.0% y/y, adjusted for currency effects
- Sales of services increased by 7.6% y/y
- Sales in products increased by 40.2% y/y, the increase is mainly from region Other

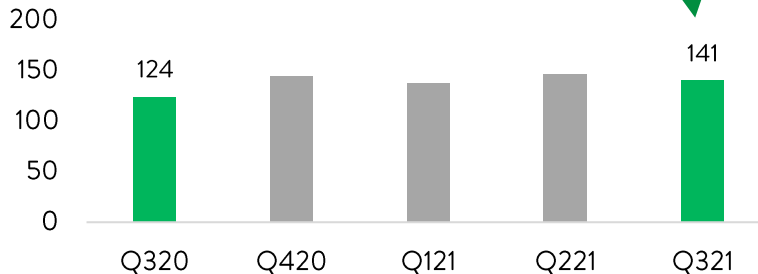


### Financials Business Area Doro Care

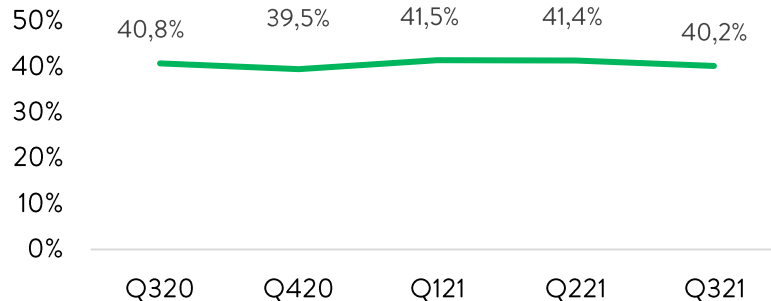
- EBIT SEK 9.4m (9.7), excluding correction of historical VAT in Norway of SEK 5.0m
- Gross margin 40.2% (40.8), the low margin is mainly explained by higher costs due to higher component costs and freight and increased salaries and challenges with recruiting competent employees
- Adjusted operating margin 6.7% (7.8)
- Number of subscriptions 390 000 (348 000)
- Investments in product development, SEK 4.8m (3.7)

### NET SALES

SEKm



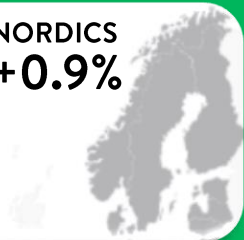
### GROSS MARGIN



# BUSINESS AREA DORO CARE

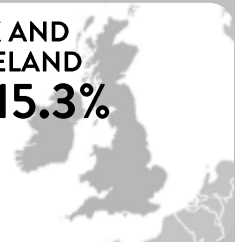
## SALES PER MARKET Q3 2021

**NORDICS**  
**+0.9%**



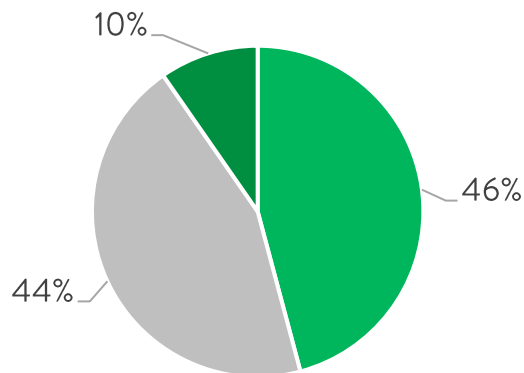
- We have won and defended several contracts during the period
- Sales has been affected negatively by resource challenges for our customers, as a result of COVID-19, and component shortages

**UK AND IRELAND**  
**+15.3%**



- More and more signs that customers want to switch from analogue to digital solutions
- At the end of the quarter we acquired the assets from Helpline, a clear sign of how we want to drive the digital shift forward

Sales per region (Q321 / Growth Y/Y Q321)



- Nordics (SEK 64.5/+0.9%)
- United Kingdom and Ireland (SEK 62.6m/+15.3%)
- Rest of the World (SEK 13.4m/+123.3%)



# BUSINESS AREA DORO PHONES

## Business highlights

- Continued good development in our main markets with maintained or strengthened market position
- Improvement in Central- and Eastern Europe compared to previous quarters due to the recent restructuring of the region
- Improved gross margin of 36.0%, result of a better product and customer mix as a result of the recent restructuring and due to favourable exchange rates in the quarter
- Strong operating profit in the quarter, our lower cost level from our restructuring program and higher gross margin is the main driver
- We have been able to continue to supply and sell products despite the great challenges that currently exists with component shortage and logistics
- Doro Phones will broaden its offering to new product areas, making technology available to seniors



# BUSINESS AREA DORO PHONES

## SALES & FINANCIALS Q3 2021



### Sales in Business Area Doro Phones

- Negative sales growth of -15.5 % y/y, the strategic decision to phase out less profitable markets as part of our cost-saving program has as planned had a negative effect on sales
- We have continued to see good development in our main markets with maintained or strengthened market position

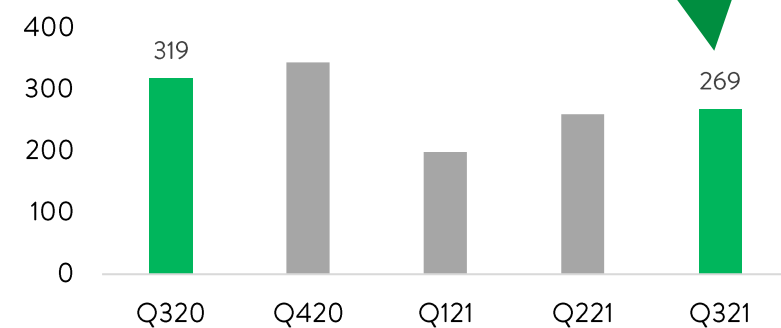


### Financials Business Area Doro Phones

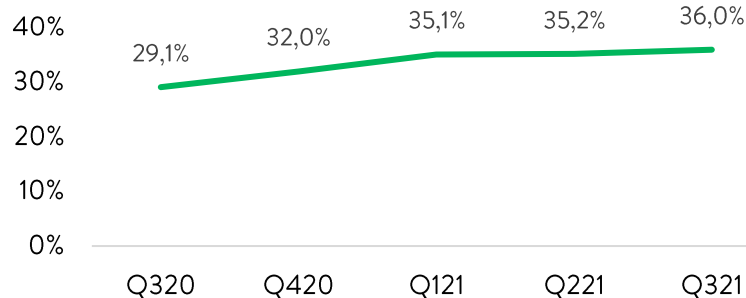
- Gross margin increased to 36.0% (29.1), mainly due to a more favorable product and customer mix and partly due to more favorable exchange rates
- EBIT SEK 39.5m (23.1), the effects from the restructuring program drives increased margins and profitability
- Operating margin 14.7% (7.2)
- Investment product development SEK 10.9m (4.1)

### NET SALES

SEKm



### GROSS MARGIN



# BUSINESS AREA DORO PHONES

## SALES PER MARKET Q3 2021

**NORDICS**  
**+8.6%**



- Increased sales and strengthen position in the market during the quarter
- Eased restrictions during the quarter have impacted demand positively

**WEST AND SOUTH  
EUROPE AND  
AFRICA**  
**-20.1%**



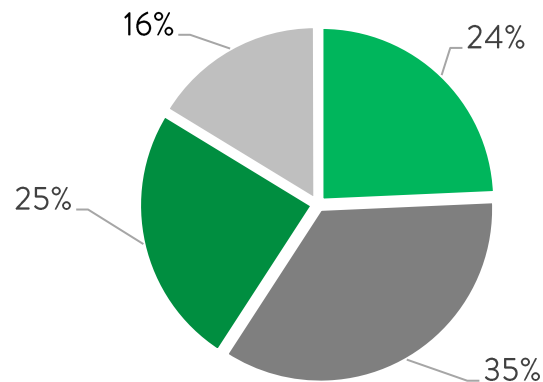
- The decrease is partly an effect of the price increase announced during the second quarter
- Third quarter of last year was positively affected by a recovery from the first wave of COVID-19

**CENTRAL AND  
EASTERN  
EUROPE**  
**-16.8%**



- Sales increased with 39% compared to the second quarter
- The restructuring that was initiated at the end of the first quarter has resulted in an improved level of sales

Sales per Region (Q321 / Growth Y/Y Q321)



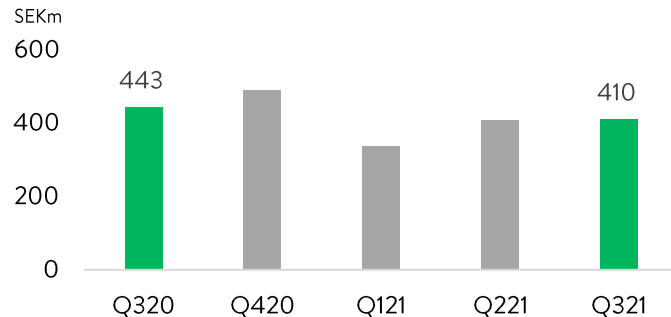
- Nordics (SEK 65.5m/+8.6% )
- West and South Europe and Africa (SEK 94.0m/-20.1%)
- Central and Eastern Europe (SEK 66.2m/-16.8%)
- United Kingdom and Ireland (SEK 43.8m/+3.5%)
- Other (SEK -0.1m)

# PROFITABILITY GROUP Q3 2021

## Sales

- Net sales SEK 409.9m (443.2), a decrease of 7.5% compared to Q3 2020, adjusted for currency effects -7.3 %
- Organic growth adjusted for currency effects of 6.0% in business area Doro Care

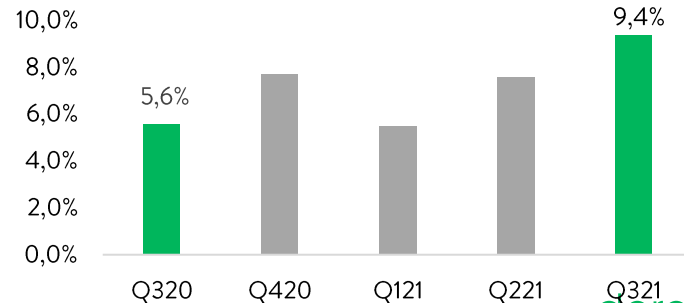
## NET SALES



## Margin

- Gross margin increased compared to Q3 2020, mainly due to favorable exchange rates and a positive customer- and product mix
- Operating margin of 9.4 %, supported by a lower cost base and sales mix from the implemented restructuring program

## OPERATING MARGIN



## Profit

- EBITDA SEK 66.9m (53.2)
- EBIT SEK 38.4m (25.0)
- Profit after tax SEK 27.2m (18.7)

# CASH FLOW Q3 2021

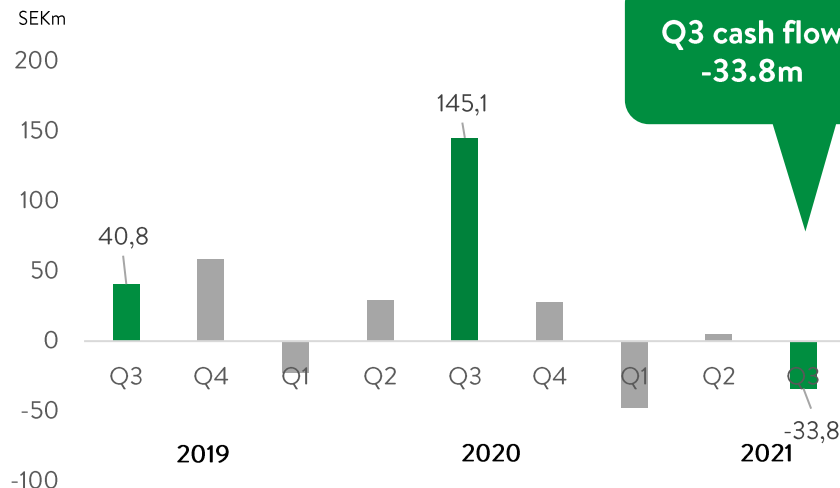
## Cash flow

- Free Cash Flow before acquisitions amounted to SEK -33.8m (145.1)
- The low cash flow is mainly explained by a negative change in working capital
- Acquisition of Innocom in the quarter impacting Cash flow from investment activities

## Net debt

- Net debt of SEK 172.8m at the end of Q3 2021, compared with a net debt of SEK 73.1m at the end of Q2 2021, and a net cash of SEK 6.2m at the end of Q3 2020
- Equity/assets ratio at 53.4% end of Q3 down vs Q2 2021 at 56.2% and up from 48.7% end of Q3 2020

## FREE CASH FLOW



# CONCLUDING REMARKS AND Q&A





# CONCLUDING REMARKS

## Q3 positive

- Continued growth in business area Doro Care, both organically and through acquisitions
- We acquired Innocom during the quarter, which gives us a strong and interesting position in the Netherlands for growth
- Improved profitability with strong gross margin and better cost structure
- We have been able to continue to supply and sell products despite the existing challenges in the market

## Q3 challenges

- Continued challenges in our supply chain with component shortage, increased lead time and higher freight costs. Despite this we delivered good margins.
- We maintained gross margin in Doro Care despite challenges in competition for talent and salary increases in service delivery

## Priorities ahead

- Limit the effects from component shortage to meet customer demand
- Continue to drive growth both organically and through acquisition and deliver service excellence in Doro Care
- Broaden our offering to new product areas and continue to make new technology available for seniors in Doro Phones
- Continue the preparations for a separate listing of business area Doro Care

# Q&A

- Thank you for your attention!
- Next report: Q4 February 17, 2021
- 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!

[IR@DORO.COM](mailto:IR@DORO.COM)