



DORO

Q2 Interim Report

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Isabelle Sengès, CFO

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Agenda

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

Key highlights



Key highlights in the quarter

Back at our customers with New ideas

We received return to customer visits, exhibitions and fairs, during which we also had the possibility to begin trying out new sales concepts, to which our customers have shown good interest.

New products & Innovation continues

Doro launched the non-Nordic operator variants of the new smartphone and feature phone ranges during Q2, and two of the new innovation categories will launch at IFA in Sep of this year.

Strong cash flow and Stable gross margin

Cash flow from operating activities during Q2 was strong thanks to positive change in working capital.

Gross margin was stable and warranty costs were low in the quarter.



Second quarter 2022



2022 Q2 – Business key points

- **Q2 tougher for consumer business** with continued general slow-down hitting home electronics with much lower store activity. Ukrainian war, increasing inflation, higher living costs, and overall sense of insecurity further shifted end-customers' focus from consumer electronics to basic necessities.
- **Doro resumed customer activities** visiting our operator and retailer customers' fairs, exhibitions and shops. Overall very positive feedback and also saw good direct effect on sell-out in particularly Germany after roadshow. Our customers also showed good interest in our new sales concepts.
- **The non-Nordic operator variants of new 4G feature phones and new smart phone launched with good market feedback.** Thanks to better product costs and price increase implemented during quarter two, this should begin to help improve margins.
- **Doro's net sales of SEK 198.4 million a decrease of 24% compared to Q2'21** as a result of the absence of consumers in our customers' shops, both on- and off-line.
- **Despite increasing COGS and freight costs and a continued negative impact of USD currency, gross margin stable** partly thanks to favourable finalisation of previously outstanding accounts receivables and low warranty costs in the quarter.
- **Operating margin (EBIT) at 2.7% equalling SEK 5 million, an improvement compared to Q1'22, but decline compared to last year (6%)** due to decreasing sales and gross profits.
- **Launching two new non-phone categories at IFA in Berlin in Sep,** with a third innovation product category planned to follow at MWC in Barcelona in Feb 2023.



2022 Q2 – Sales per market

NORDICS -38.1%



- Net Sales in the Nordics SEK 44 million (71), a decrease of 38.1 percent, mainly as a result of last year's boosted sales campaign during Q2 by one of the largest operators in Sweden.
- Nordic also negatively impacted by internal re-organisation of one of our major distributors.

CENTRAL AND EASTERN EUROPE -7.5%



- Net sales in DACH amounted to SEK 44.0 million (47.6), a decrease of 7.5 percent.
- The region saw bolstered sell-out at major retailer, mainly as a result of the new Doro roadshows, whereas the other channels under-performed.

WEST AND SOUTH EUROPE AND AFRICA -17.9%



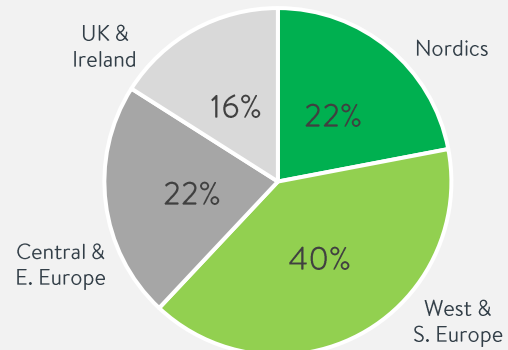
- Net sales in Western and S. Europe SEK 78.6 million (95.8), a decrease of 17.9 percent. The region suffered from low store sell-out as consumers were preoccupied with their daily economic situation.
- In addition, experienced delays in deliveries of particularly fixed line products.

UK AND IRELAND -28.1%



- Net sales in UK and Ireland SEK 32.5 million (45.2), a decrease of 28.1 percent due to stores having fewer visitors and low sell-out.
- Doro also had less re-orders as one of the major retailers had significant deliveries during the first quarter, over-stocking their warehouses.

Sales per Region
(Q2'22 / Growth Y/Y Q2'21)



2022 Q2 – Sales & Profitability

Sales	<ul style="list-style-type: none">• Net sales SEK 198.4 million (260.3), a decrease of 23.8% compared to Q2 2021.• Strong second quarter in 2021, especially for UK and Nordic while our sales during second quarter 2022 suffered from low sell-out	<div>NET SALES (MSEK)</div> <table><thead><tr><th>Quarter</th><th>Net Sales (MSEK)</th></tr></thead><tbody><tr><td>Q221</td><td>260</td></tr><tr><td>Q321</td><td>~270</td></tr><tr><td>Q421</td><td>~300</td></tr><tr><td>Q122</td><td>~200</td></tr><tr><td>Q222</td><td>198</td></tr></tbody></table>	Quarter	Net Sales (MSEK)	Q221	260	Q321	~270	Q421	~300	Q122	~200	Q222	198
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Q221	260													
Q321	~270													
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Margin	<ul style="list-style-type: none">• Gross margin increased to 35,6 percent (35.2).• Gross margin still hit by increasing COGS, further negative development of the USD and by high freight costs. But other elements of the margin are well under control, and also had positive effect from the finalisation of previously outstanding accounts receivables.	<div>GROSS MARGIN</div> <table><thead><tr><th>Quarter</th><th>Gross Margin</th></tr></thead><tbody><tr><td>Q221</td><td>35,2%</td></tr><tr><td>Q321</td><td>~35,0%</td></tr><tr><td>Q421</td><td>~35,0%</td></tr><tr><td>Q122</td><td>~30,0%</td></tr><tr><td>Q222</td><td>35,6%</td></tr></tbody></table>	Quarter	Gross Margin	Q221	35,2%	Q321	~35,0%	Q421	~35,0%	Q122	~30,0%	Q222	35,6%
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Profit	<ul style="list-style-type: none">• EBITDA SEK 15.7 million (32.2), decrease of 51.8%.• EBIT SEK 5.3 million (15.5) corresponding to an operating margin of 2.7% (6.0%).• Profit after tax SEK 4.9 million (12.9) and daily profit per SEK 0.20 (0.36).	<div>OPERATING MARGIN</div> <table><thead><tr><th>Quarter</th><th>Operating Margin</th></tr></thead><tbody><tr><td>Q221</td><td>6,0%</td></tr><tr><td>Q321</td><td>~15,0%</td></tr><tr><td>Q421</td><td>~15,0%</td></tr><tr><td>Q122</td><td>~1,0%</td></tr><tr><td>Q222</td><td>2,7%</td></tr></tbody></table>	Quarter	Operating Margin	Q221	6,0%	Q321	~15,0%	Q421	~15,0%	Q122	~1,0%	Q222	2,7%
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2022 Q2 – Cash flow & Financial position

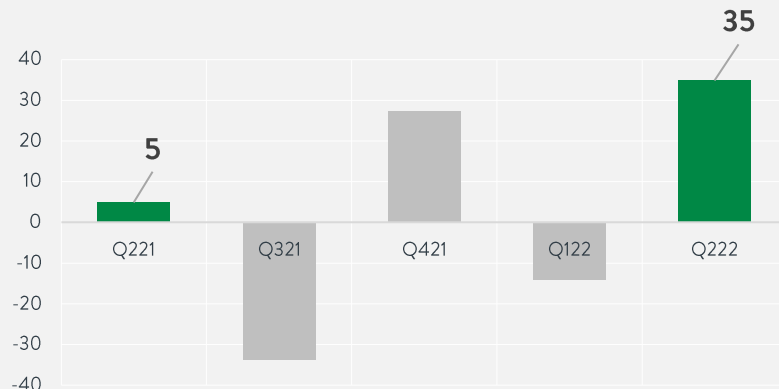
Cash flow

- Cash flow from operating activities during Q2'22 SEK 44.7 million (25.1). Significant improvement of working capital.
- Free cash flow after investments SEK 34.9 million (4.9) with investments at SEK 9.8 million (20.2).

Net debt

- Cash and cash equivalents totalled SEK 132.5 million (79.2) at the end of the first quarter. At the same time the equity ratio was 48.9 percent (56.2).
- Net cash SEK 41.0 million compared to a net debt of SEK -1.8 million previous quarter and a net debt of SEK -73.1 million at the end of the second quarter of 2021.

FREE CASH FLOW (MSEK)



Concluding remarks / Q&A



Concluding remarks

Q2 positive

- Fairs, exhibitions and meetings return, enabling Doro to resume visits to customers and their shops. Results from roadshows start paying off, and positive interest from customers for new sales concept.
- Successful launch of the new range of easy to use non-Nordic variants of the new 4G feature phones and smartphone.
- Despite sales decline and increasing COGS and OPEX, quarter still positive
- Strong cashflow + sales in UK and DACH above last years' first half.

Q2 challenges

- General economic turmoil with increased inflation, food, fuel and electricity prices, which together with the uncertainty from the war in Ukraine, have shifted consumer focus away from home electronics.
- Customers choosing to spend on other items than consumer electronics, and as a consequence shop activity, both off- and on-line, are close to stand-still.
- Continued increase of COGS and freight costs + negative development of the USD against EUR and SEK in the quarter puts continuous strain on Doro's costs base.

Priorities ahead

- Stimulate channel sell-out and continue trying-out new sales concepts and ways of promoting the senior proposition.
- Continue transformation of the DACH region to getting it on its right trajectory.
- Successful launch of the three non-phone innovation categories; two at IFA in Sep and one at MWC in Feb.

Q&A

A photograph of an elderly couple in a garden. The woman, on the left, has short, curly grey hair and is wearing a dark blue top. The man, on the right, has short grey hair and a beard, wearing a light grey sweater. They are both smiling and looking at a smartphone held by the man. The background is a lush green garden with trees and foliage.

- Thank you for your attention!
- Next report: Q3 Oct 21st, 2022
- Contact: 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.

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Thank you!

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