



# DORO

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## Q1 Interim Report

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April 26<sup>th</sup>, 2024



# Agenda

DORO Interim Report



Key highlights



First quarter 2024



Closing Q&A





# Key highlights

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# Key highlights in the quarter

## Robust performance despite declining sales

Q1 revenue of **SEK 194.6 million, -6.6%**, compared to same quarter last year. Noteworthy decline but mainly relating to one-off deals in fixed line last year

**Robust performance of Doro feature and smart phones** which increased sales and margins compared to last year.

Our **focus on innovation continues** and we are proud of the official introduction of **Doro Doorbell** at MWC which further completes the innovation portfolio.

## Despite sales decrease and increased costs, strong margin & stable Ebit

Despite decreased sales due to one-off fixed line deals in Q1'23, increased revenue recognition, further investment in product innovation and higher marketing cost, Doro still delivers **strong gross margins** of 42%, **+6.2 percentage point increase**, and a stable **Ebit** at **SEK 3.1 million (3.2), 1.6% (1.5%)**

The results also includes the extra costs associated with the change in the Doro management.

## Good product mix and shipping costs under control

**The change in product mix is the main reason for the improved margin.** To that, our early move to 4G feature portfolio, efficient logistics, steady cost control on components and material purchasing, and the restructuring of DE business also **significantly bolstered the margins.**

Despite longer shipping times and rising airfares, **Doro's ability to mainly use sea transport, resulted only in minor impact on transportation costs.**



# First quarter 2024

DORO Interim Report



# Q1 – Sales per market

**-9.1%**

**NORDICS**

- Net sales decreased to SEK 47.0 million (51.7), as the region faced challenges with newer, smaller distributors competing with our larger, established players, uncertainty on how to deal with the new EU Ecodesign directive, and larger than usual inventory.
- Smartphones performed well, and sales to the Baltic countries showed good momentum.

**+6.1%**

**UK AND IRELAND**

- Net sales increased to SEK 38.4 (36.2) as the sales of Doro feature phones, now mainly 4G, continued to grow.
- Likewise, Doro smart phones were also on a positive trajectory, thanks to increased listings.
- Doro on-line sales continue to perform well in the UK.

**-4.3%**

**WEST AND SOUTH EUROPE AND AFRICA**

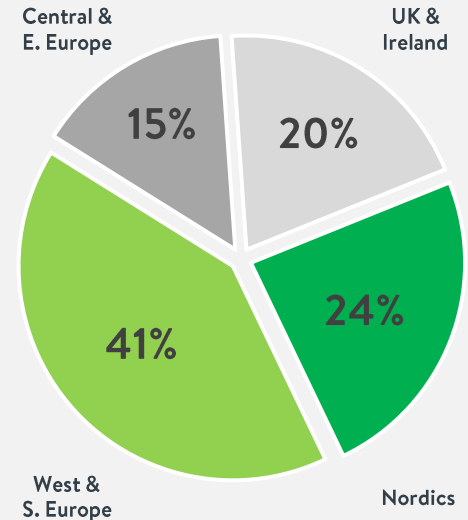
- Net sales declined to SEK 80.2 million (83.8), but the decrease is entirely explained by lower fixed line sales due to a large one-off order in Q1'23.
- Region otherwise good momentum with increased sales in all channels and retail performing particularly well, as a result of now having completed the switch to 4G feature phones.

**-20.8%**

**CENTRAL AND EASTERN EUROPE**

- Net sales dropped to SEK 29.0 million (36.6), mainly due to a one-off order of non-Doro products in Q1 last year.
- First signs of shift from 2G to 4G feature phones beginning to emerge on the DE market.
- Doro working intensively with the IVS divestment and the new structure should be in place shortly.

**Sales per Region Q1'23**

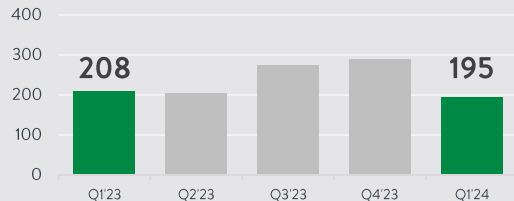


# Q1 – Sales & Profitability

## Sales

- Net sales SEK 194.6 million (208.3), a decrease of -6.6% compared to Q1 2023.
- While a notable decline, the reduction in fixed-line explains the major part, and the robust performance of feature and smart phones was particularly encouraging with increased sales and margins for both

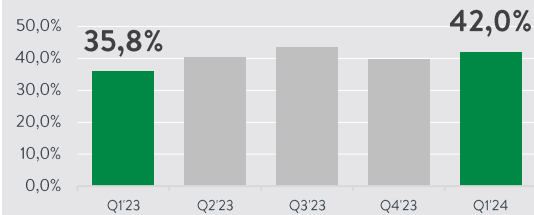
### NET SALES (MSEK)



## Margin

- Gross margin at 42.0 percent (35.8).
- Although sales declined, favourable change of portfolio, constant work with purchase prices and efficient logistic flows resulted in a remarkable margin improvement, +6.2 percentage points versus last year

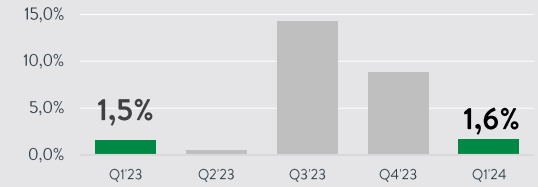
### GROSS MARGIN



## Profit

- EBITDA SEK 11.9 million (15.2), a decrease of 21.7%.
- EBIT SEK 3.1 million (3.2) corresponding to an operating margin of 1.6% (1.5).
- Profit after tax SEK 6.1 million (3.6) and earnings per share SEK 0.25 (0.15).

### OPERATING MARGIN



# Q1 – Cash flow & Financial position

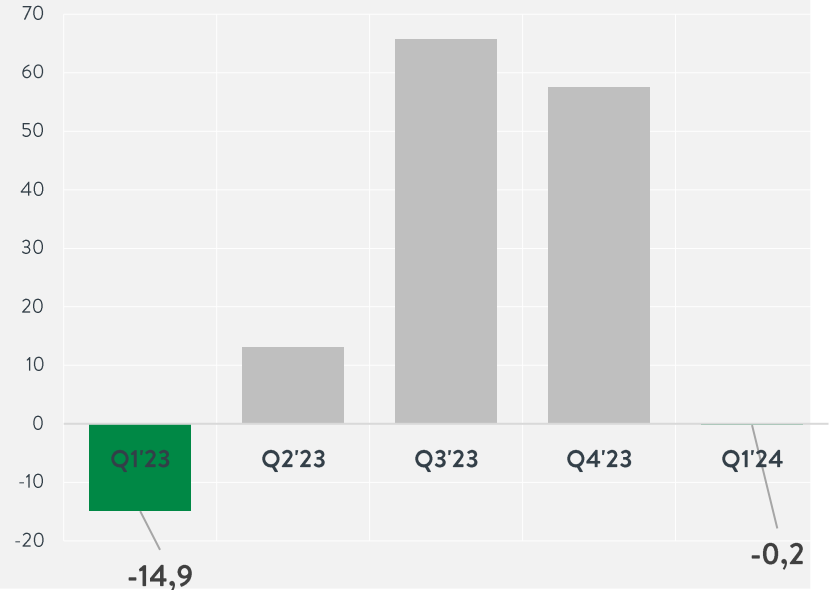
## Cash flow

- Cash flow from operating activities during Q1'24 **SEK 4.6 million** (-10.6). Working capital improved through lower inventory and higher accounts payable
- Free cash flow after investments **SEK -0.2 million** (-14.9) with investments at **SEK 4.8 million** (4.3).

## Net debt

- Cash and cash equivalents totalled **SEK 200.5 million** (125.1) at the end of Q1. The equity ratio was **59.5 percent** (54.2).
- Net cash position **SEK 186.7 million**, compared to net cash of **SEK 180.1 million** at end of previous quarter, and a net cash of **SEK 50.0 million** at the end of first quarter of '23.

## FREE CASH FLOW (MSEK)







# Closing Q&A

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# Q1 – Concluding remarks

## Positive

- **Robust performance of our feature and smart phones** with both increased sales and margins, is particularly encouraging.
- Doro's early change to better portfolio mix, efficient logistics, firm cost control on purchasing, and restructuring of the German business **significantly improved gross margins to 42%** (+6.2 p.p.).
- Despite increased investments in product innovation, marketing, and e-com, and costs related to the management change, **stable Ebit on par with last year 1.6%**

## Challenges

- **Declining oversall sales** but mainly as a result of seasonality, revenue recognition and one-off fixed line deals previous year.
- Still no transportation via Red Sea and quickly increasing airfares **may further impact transportation timelines and costs.**
- Still **limited sell-out of new innovation products**, requiring more investments in new sales and marketing initiatives
- Implementation of Ecodesign Directive.

## Priorities ahead

- Implementing **new ways of sell-out for** innovation products in general, and **HearingBuds** and **Video DoorBell in particular**
- Continued implementation of strategy with new product roadmap and new sales and marketing initiatives.
- Finalizing the divestiture of the German distribution and logistics operation, and complete DACH re-org to have regional sales start delivering on potential.

An elderly couple is sitting on a wooden chair outdoors. The woman on the left is holding a small blue cup and looking towards the man. The man on the right is holding a tablet and looking at it. They are both wearing light-colored clothing. The background is a lush green garden with trees and plants. The text is overlaid on the left side of the image.

**Thank you  
for your attention!**

**Next report: Q2 17<sup>th</sup> July, 2024**

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**DORO Interim Report**



# 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 several 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 2021 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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