



DORO


Q4 Interim Report

Jörgen Nilsson, CEO
Isabelle Sengès, CFO

Feb 15th, 2024



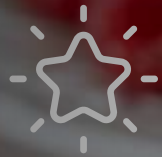
Agenda

 Key highlights

 Fourth quarter 2023

 Closing Q&A

DORO Interim Report



Key highlights

DORO Interim Report

Key highlights in the quarter

Positive momentum continued

Positive momentum continued into Q4 with sustained demand across channels.

Major shift with increased confidence in ordering and with retail being primary driver of revenue increase.

Continued success of our 4G portfolio especially given new range introduced end of Sep. Also substantial up-tick in smart phone sales.

Product mix contributes to margin

Quarterly product mix favourable with increasing sales in 4G feature phones and smartphones.

Despite crisis in the ME, our ability to transport and deliver remained resilient, and although slightly higher transport costs remained at reasonable level.

Benefited from a more stable currency situation, resulting in reduced hedging losses.

Another robust performance

Q4 revenue of SEK 290 million, +9%, compared to same quarter last year.

Much improved gross margin at 39.8%

Ebit at SEK 25.6 million, +26% vs the same quarter last year.

Proud of this achievement, especially considering our continued investments in both product development and sales and marketing initiatives.



Fourth quarter 2023

DORO Interim Report



Q4 – Business key points

Demand from retail good for BF & Xmas

In contrast to the challenges faced by our customers in 2022, demand from especially retailers was good in Q4, and notably more so ahead of Black Friday and Christmas, although sales outcome of these holidays was mixed.

The continued success of our 4G portfolio, was particularly fuelled by the new feature phone range, and in addition we also saw a substantial uptick in smartphone sales in UK and the Nordics.

As a result, a quarter-end revenue of SEK 290 million, +9.1% compared to the same quarter last year.

Margins continue to be strong

The substantial revenue and margin growth owed much to the portfolio adjustments in 4G feature phones and smartphones, especially as the migration from cheaper 2G to higher priced 4G continued.

Doro was once again able to show strong gross margin, 39.8% (34.2%), which further underscores the benefits of the strong gross margins we have on our products.

COGS stable despite ME & Red Sea crisis

Despite the crisis in the Middle East and the Red Sea situation, our transport and delivery capabilities remained resilient.

While transport costs were slightly higher than previous quarter this year, they still remained at reasonable level. In addition, warranty and royalty costs were in line with previous quarters. A more notable upside versus the same quarter last year, was the currency with reduced hedging losses due to more stable USD.

Ebit increases by +26% vs last year

With higher sales, strong margins, and COGS and Opex in stable control, we can report an EBIT of 25.6 million (20.2) +26% versus the same quarter last year.

Board of Director proposes a dividend of SEK 2.00 per share for financial year '23.

Q4 – Sales per market

+46.1%

NORDICS

- Net sales grew to SEK 71.6 million (49.0), a significant increase, but in the light of a weaker Q4'22
- Demand high from retailers, and B2B remained strong as transition to new fixed line infrastructure continued
- Smartphones boosted by bundle offering and first quantities of HearingBuds delivered end of quarter

+19.6%

UK AND IRELAND

- Net sales SEK 58.7 million (49.1), solid increase with good momentum also in this quarter, albeit in comparison with weak second half 2022
- Despite overall lower FP market volume, managed to grow both revenue and margin significantly thanks to better product mix and new model pricing
- Online sales re-bounded during the quarter

+12.0%

WEST AND SOUTH
EUROPE AND AFRICA

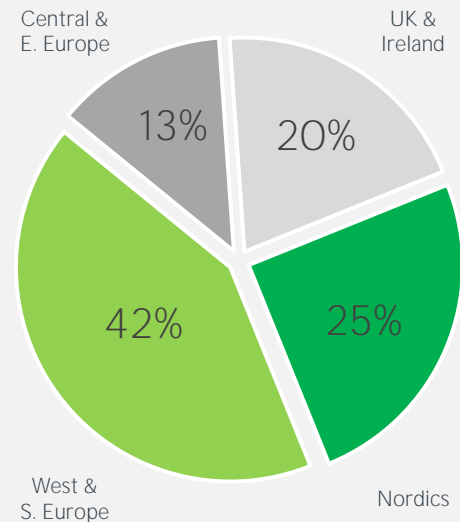
- Net sales grew to SEK 120.6 million (107.7) stable increase, with 4G feature phones as main driver
- Retail now undergone significant shift from lower priced 2G to 4G feature phones, but SP down a bit as facing stiff competition from entry level segment
- Operators increased their volumes significantly positively impacting revenue

-35.0%

CENTRAL AND
EASTERN EUROPE

- Net sales declined to 38.7 MSEK (59.5) negatively impacted by significant volume SP sold last year
- Also result of new portfolio strategy cleaning up and discontinuing non-Doro products
- Ongoing business reshaping continued also in Q4 and is now entering its final phases

Sales per Region Q4'23

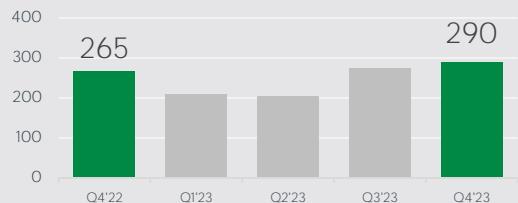


Q4 – Sales & Profitability

Sales

- Net sales SEK 289.6 million (265.4), an increase of 9.1% compared to Q4 2022.
- 4G range continuous success, increased sales of smartphones UK and Nordic. Good traction from retail customers in UK and Nordic, from Operators in France.

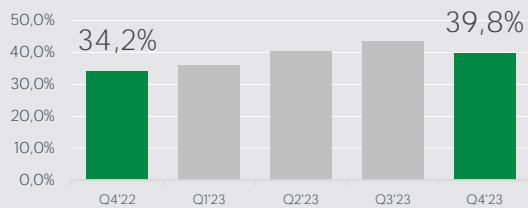
NET SALES (MSEK)



Margin

- Gross margin at 39.8 percent (34.2).
- Portfolio mix (4G and smartphones) and rebound of Nordic sales generated higher margin.

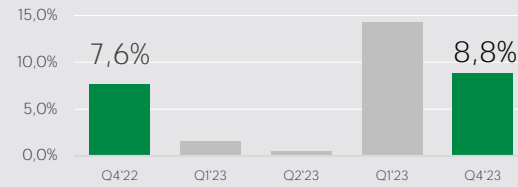
GROSS MARGIN



Profit

- EBITDA SEK 44.0 million (32.2), increase of 36.6%.
- EBIT SEK 25.6 million (20.2) corresponding to operating margin of 8.8% (7.6).
- Profit after tax SEK 5.6 million (16.0) and earnings per share SEK 0.23 (0.66).

OPERATING MARGIN



Q4 – Cash flow & Financial position

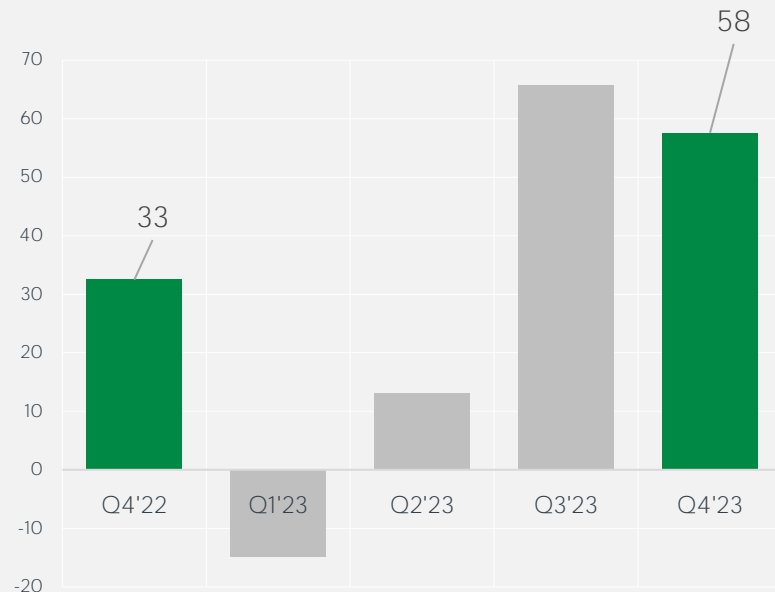
Cash flow

- Cash flow from operating activities during Q4'23 SEK 63.6 million (42.1). High EBIT and positive development of working capital.
- Free cash flow after investments SEK 57.6 million (32.5) with investments at SEK 6.0 million (9.6).

Net debt

- Cash and cash equivalents totalled SEK 194.3 million (154.4) at the end of the quarter. Bank loan fully repaid. The equity ratio was 58.6 percent (52.6).
- Net cash position SEK 180.1 million at the end of Q4 compared to net cash of SEK 167.4 million at end of previous quarter and a net cash of SEK 63.6 at the end of fourth quarter of '22.

FREE CASH FLOW (MSEK)





Closing Q&A

DORO Interim Report

Q4 – Concluding remarks

Positive

- Positive momentum continued in quarter with sustained demand across all channels
- Net sales grew by 9% to 290M, strong gross margin on products (39.8%), COGS stable, and Opex as per plan, resulting in 26% increasing EBIT to 25.6M, equivalent to an operating margin of 8.8% (7.6%).
- HearingBuds started shipping and investments for future products continued.
- 4G feature phone continuously delivering strong results + up-tick in smartphones in UK and Nordic.

Challenges

- Continued economic worries especially in Germany, further straining DACH sales.
- Conflict in Middle East and Red Sea may have further impact on transportation and associated timelines and costs.
- Still not succeeding with major sell-out of innovation products, requiring more investments in sales and marketing.
- Implementation of Ecodesign Directive with significant impact on entire industry.

Priorities ahead

- Sell-out of HearingBuds, successful launch of Video DoorBell, and continued implementation of new product roadmap and new sales and marketing initiatives.
- Maintaining good momentum in 4G transition ensuring that phone sales and margins continue to be stable and fund expansion into adjacent product areas.
- Completing reorganisation of DACH and divestiture of local distribution business + have regional sales start delivering on its potential.

A photograph of an older couple sitting on a wooden bench outdoors. The woman is on the left, wearing a light blue button-down shirt over a pink top and light-colored pants, holding a small blue cup. The man is on the right, wearing a grey cardigan over a dark shirt and grey shorts, holding a tablet. They are both looking at the tablet. The background is a lush green garden with trees and foliage. The text is overlaid on the left side of the image.

Thank you
for your attention!

Next report: Q1 26th April, 2024

Contact: ir@doro.com

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!

ir@doro.com