



DORO

Q1 Interim Report

Jörgen Nilsson, CEO
Isabelle Sengès, CFO

Apr 28th 2023

Agenda



- Key highlights



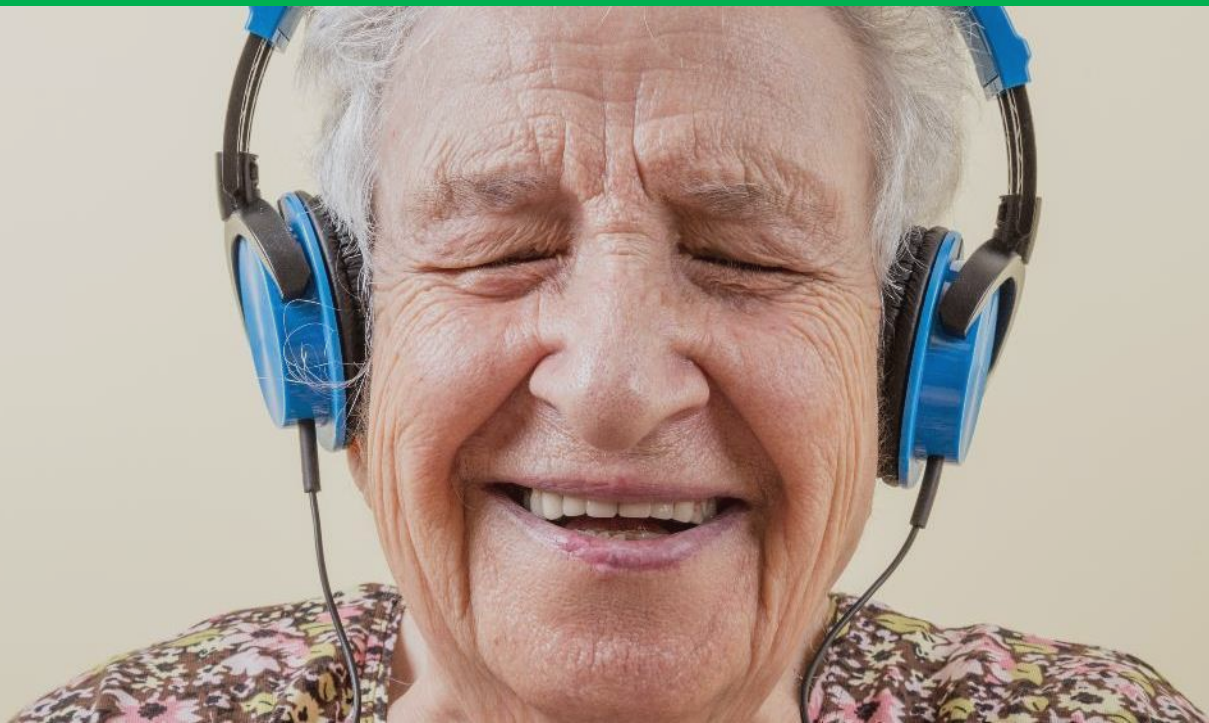
- First quarter 2023



- Concluding remarks



Key highlights



Key highlights in the quarter

Indicators turning in the right direction

A number of indicators have turned in the right direction; inflation and currencies more stable, Doro's sales increasing as customers replenished inventories, and COGS have improved. As a result Doro delivered solid gross margin and positive Ebit.

Continued sales innovation

Continued investing in new sales activities, such as the roll-out of our dedicated Doro shop corner in several stores throughout Sweden and with more to follow. Will also begin with the new Doro pop-up store concept during the autumn of 2023.

New resources to build for the future

In line with our strategy to broaden the portfolio, Doro have recruited several key resources and restarted the market research. With this reinforcement coming into place, we are looking forward to accelerating the portfolio expansion.



First quarter 2023



Q1 – Business key points

- **Much uncertainty going into first quarter '23** as EU at end of last year was plagued by the conflict in Ukraine, energy crisis, sky-high inflation and sharply rising interest rates. During **Q1 a number of indicators turned in a more positive direction**; including stabilization of inflation and currencies, decrease in shipping fees from Asia, and a more stable component price situation.
- Doro customers began to replenish inventories, which had fallen to very low level after cautious ordering at the end of last year. **Doro's net sales increased by +1.8% to SEK 208 million (205m)** compared to the same quarter 2022.
- Doro achieved better sea-to-air transport ratio, decreased inventory through good sell-out of older products and lowered the provision for inventory write-offs. As a result we delivered a solid **gross margin of 36%**, a good improvement compared to same quarter last year (32%).
- **Doro continued to gain market shares, both in volume and value despite** general senior phone market decline. Also continued the **roll-out of our new sales initiatives**, such as dedicated Doro corners in several stores throughout Sweden, and with more to follow in the other Nordic countries, Ireland and Germany.
- In line with strategy to broaden our portfolio while still remaining leader in the elderly phone segment, **Doro recruited several key resources** and with this reinforced organisation coming into place, we are looking forward to accelerating our portfolio expansion.
- In light of challenging market conditions and current increasing investments in products, people and marketing & sales, we are **satisfied to continue report positive operating profits** of SEK 3.2 million (1.5% margin). This is a clear sign of strength for the business, although still lower than the levels we believe we should be able to reach.



Q1 – Sales per market

NORDICS +9.3%



- Net Sales of SEK 51.7 million (47.3), as customers replenished depleted inventories.
- Positive result driven primarily by Sweden, whereas challenges in other Nordic markets with several electronic stores being closed.

CENTRAL AND EASTERN EUROPE -32%



- Net sales of 36.6 MSEK (54.0), a large drop as last year entailed major one-off non-core deal and as DACH market showed sharp decline.
- Doro still in a transition period in DACH as changing direction from distributor model to Doro-focused products only.

WEST AND SOUTH EUROPE AND AFRICA +25%



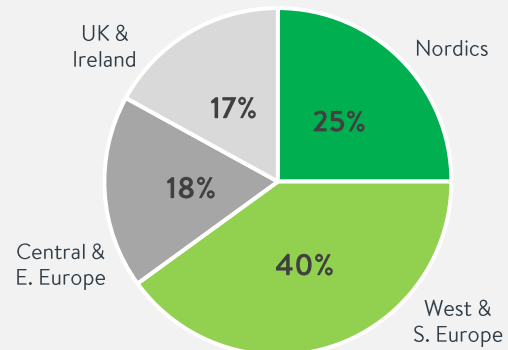
- Net sales at SEK 83.8 million (66.9), as strong demand from mobile operators continued.
- High demand in consumer electronic chains, but lower in general retail because of shift from 2G to 4G.

UK AND IRELAND -0.3%



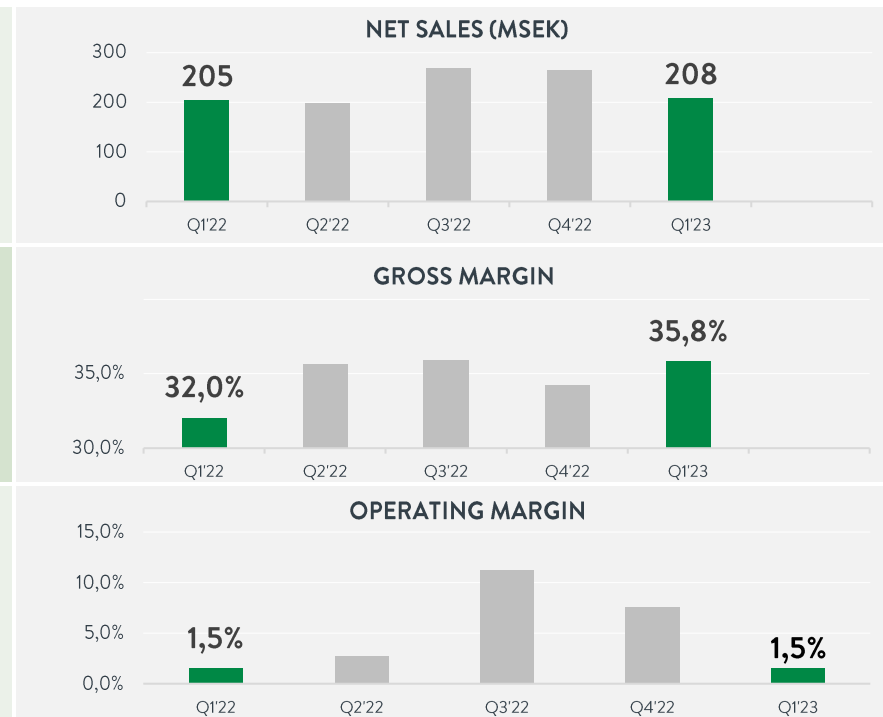
- Net sales in UK & IE at SEK 36.2 million (36.3), where major drop was by our largest 3G retail customer who ordered substantial volumes in 2022 ahead of 3G shutdown.
- 3G decline however basically balanced out by sales to several new customers and online.

Sales per Region Q1'23



Q1 – Sales & Profitability

Sales	<ul style="list-style-type: none">• Net sales SEK 208.3 million (204.6), an increase of 1.8% compared to Q1 2022• Strong demand from French operators, good sales in Nordic despite market decline in several countries, mitigation of 3G sunset sales in UK, Germany hit by declining market and Doro's change of strategy.
Margin	<ul style="list-style-type: none">• Gross margin at 35.8 percent (32.0).• Good margin level with less effect of high US dollar rate. Significant decrease of transport costs, effective management of inventory and continued low level of warranty and royalty costs.
Profit	<ul style="list-style-type: none">• EBITDA SEK 15.2 million (14.8), an increase of 2.7%.• EBIT SEK 3.2 million (3.0) corresponding to operating margin of 1.5% (1.5%).• Profit after tax SEK 3.6 million (3.5) and earnings per share SEK 0.15 (0.14).



Q1 – Cash flow & Financial position

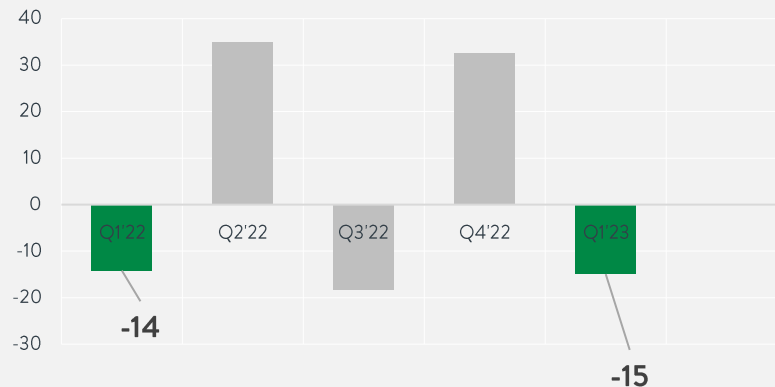
Cash flow

- Cash flow from operating activities during Q1'23 SEK -10.6 million (-9.4). Lower accounts payable slightly deteriorated the working capital.
- Free cash flow after investments SEK -14.9 million (-14.2) with investments at SEK 4.3 million (4.8).

Net debt

- Cash and cash equivalents totalled SEK 125.1 million (91.0) at the end of the first quarter. The equity ratio was 54.2 percent (49.9).
- Net cash SEK 50.0 million at the end of Q1 compared to net cash of SEK 63.6 million at the end of previous quarter and a net debt of SEK 1.8 at the end of first quarter of '22.

FREE CASH FLOW (MSEK)



Concluding remarks and Q&A



Q1 – Concluding remarks

Positive

- Continued positive operating profit and getting new resources into the organisation.
- Managed to grow our market shares despite declining senior phone market.
- Positive development of freight costs from Asia, continued lower warranty costs, and reduced inventory.
- E-commerce continues to make good traction and new smartphone started selling well in France; the **Doro 8220**.

Challenges

- Continued economic challenges for consumers struggling with interest rates and inflation and therefore postponing purchases in consumer electronics.
- In general, the wait-and-see behaviour with postponed or aborted upgrades continues. Also, consolidations in the retailer market where Power Group acquired Mediamarkt in the Nordics and Elkjöp group are downsizing staff and number of shops.

Priorities ahead

- Rolling out new sales initiative including Doro dedicated shelves and pop-up stores to more channels and regions, to better and more accurately promote the senior proposition.
- Initiate the final parts of conversion of the DACH region to full-fledged Doro sales region, to deliver on its potential.
- Continue the strengthening our 4G portfolio during network technology shift in order to continue funding the expansion into adjacent product areas

Q&A



- Thank you for your attention!
- Next report: Q2 Jul 14th, 2023
- 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 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