



DORO JULY – SEPTEMBER 2018

A photograph of an elderly woman with short, wavy, light-colored hair and a man with short brown hair, both smiling warmly. They are outdoors, with a blurred background suggesting a beach or coastal setting. The woman is in the foreground, slightly to the left, and the man is behind her to the right.

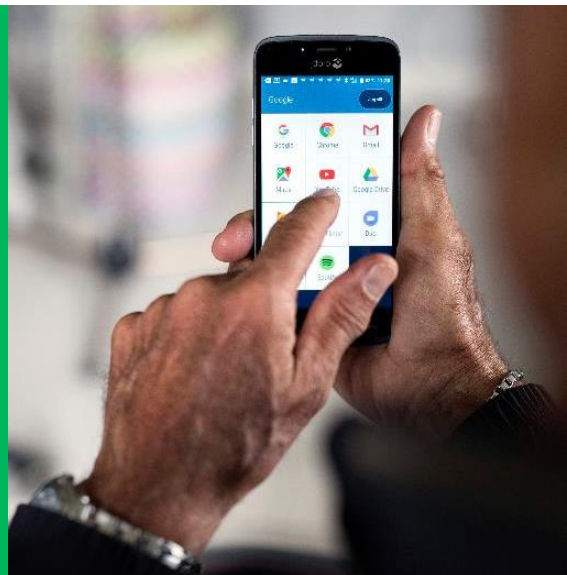
Robert Puskaric, President & CEO

Carl-Johan Zetterberg Boudrie, CFO

October 19th 2018

AGENDA

- Market update
- Third quarter 2018
- Concluding remarks and Q&A session



MARKET UPDATE



CURRENT KEY MARKET DYNAMICS

- Indications of a continued decline in European mobile phone market. Growth in quarter for Doro implies increased market share in senior segment.
- Strong interest in emerging growth opportunities in digital health space. Best Buy acquired GreatCall, a US based connected health service provider.**)
- Connected SmartHome products increasing rapidly. More than 100 million connected speakers and home assistants, such as Google Home, are expected to be sold in 2018. This is an annual growth of 39 % on a global basis.**)
- Evidence of benefits from technology enabled care solutions increases adoption.



*) investors.bestbuy.com

**) IDC

THIRD QUARTER 2018



BUSINESS HIGHLIGHTS

Category Products

- Back to growth in quarter, good sell in of Doro 7050 in North America
- Market for mobile phones continues to be challenging
- Launch of first 4G clam smart feature phone in Europe (Doro 7060) and US (Doro 7050) in the quarter
- Participation in IFA trade fair with positive feedback from customers



BUSINESS HIGHLIGHTS

Category Services

- Continued **strong growth in category** with good development in most regions supported by acquisition of Welbeing
- **Integration** of British telecare company **Welbeing** according to plan
- **Launch and development of new service offerings**
 - Response by Doro to be launched during the quarter starting with Sweden
 - Friendly trials for SmartCare by Doro started and launch on track for first quarter next year



NET SALES Q3 2018



Sales in Category Products

- Growth in category despite the continued weak mobile phone market trend in Western Europe
- Sales in category Products were 2.4% higher y/y
- Smartphones share of total phone sales declined to 14% burdened by delayed acceptance tests



Sales in Category Services

- Sales in category Services increased 68.2% y/y
- Strong growth result of solid development in majority of markets fueled by acquisition of Welbeing
- Services share of total sales 16.1% (10.5)

SEKm

700

600

400

300

200

100

0

Q416

Q117

Q217

Q317

Q417

Q118

Q218

Q318

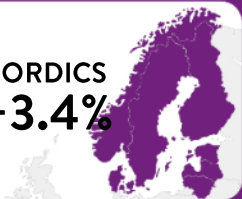
465

508

Net sales
+9.3%

SALES PER MARKET Q3 2018

NORDICS
+3.4%



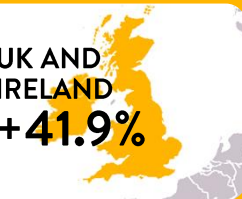
- Overall region reporting growth
- Positive development for Services with a few contract extensions and new wins
- New smart 4G feature phone widely listed

CENTRAL
AND EASTERN
EUROPE
-6.5%



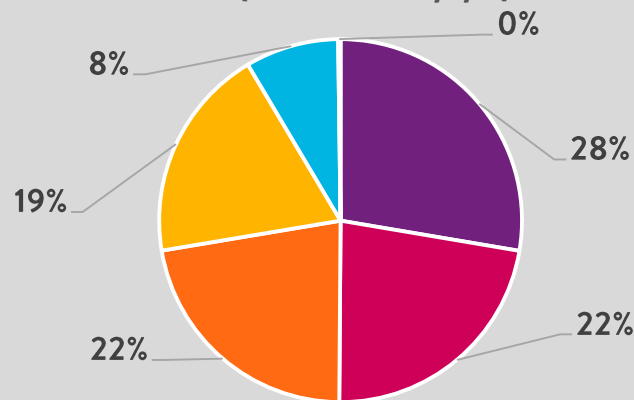
- Continued weak market development in region, especially Germany, impacting sales negatively
- Growth in Eastern Europe but from low comparables
- Attended IFA trade fair with good result

UK AND
IRELAND
+41.9%



- Good quarter with growth accelerated with inclusion of Welbeing
- Delayed acceptance tests of Doro 8035 impacting smartphone sales negatively

Sales Q3'18/Growth y/y Q3'18



- Nordics (SEK 141.3m)/3.4%
- West and South Europe and Africa (SEK 114.7m/4.5%)
- Central and Eastern Europe (SEK 113.6m/-6.5%)
- United Kingdom and Ireland (SEK 97.6m/41.9%)
- North America (SEK 42.5m/115.8%)
- Rest of the World (SEK 1.1m/-77.1%)

PROFITABILITY Q3 2018

Margin

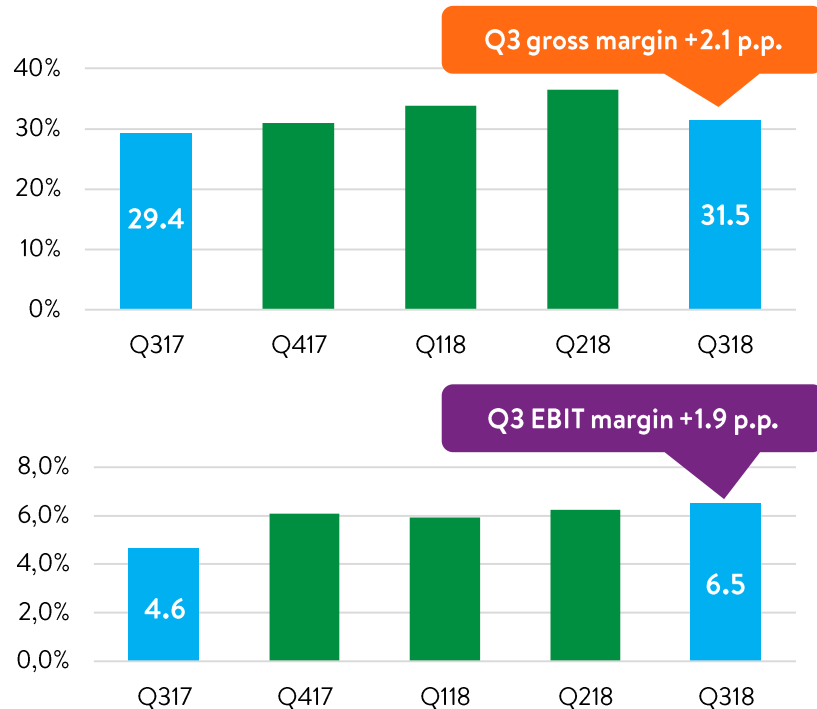
- Gross margin increased by 2.1 p.p. to 31.5%, supported by increased share of sales coming from Services
- Operating margin increased 1.9 p.p. to 6.5%

Profit

- EBITDA SEK 54.3m (38.0)
- EBIT SEK 33.3m (21.5)
- Profit after tax SEK 26.5m (15.7)

Comments

- Reinforced management team increases focus on our service business and our transformation
- Transformation program proceeding according to plan and restructuring costs impacted the quarter with SEK 4.3 million



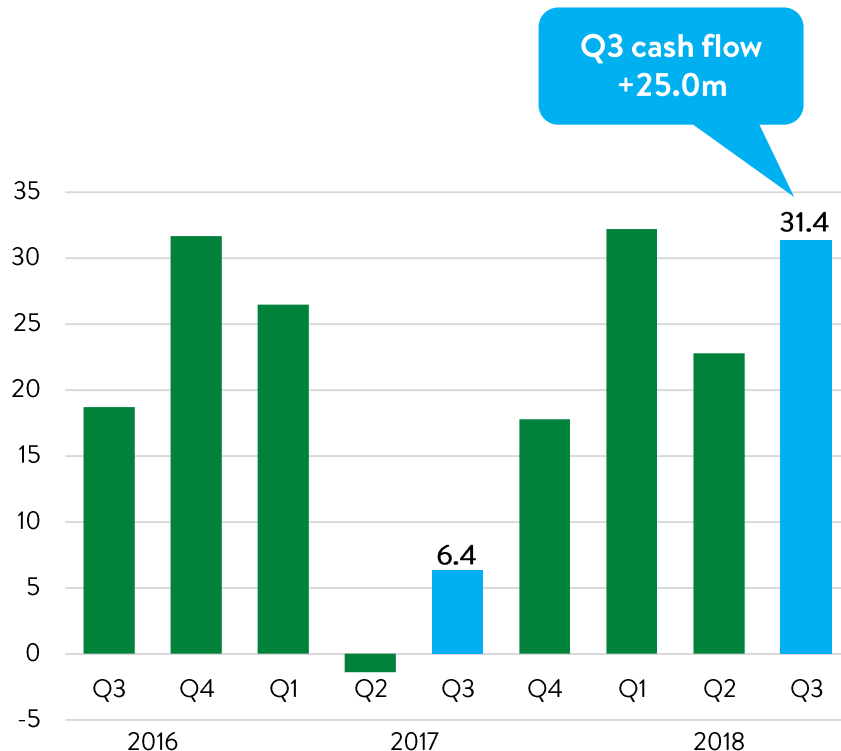
CASH FLOW Q3 2018

Cash flow

- Free Cash Flow before acquisitions amounted to SEK 31.4m (6.4)
- Increase in cash flow y/y mainly due to higher operating profit and a change in working capital

Net debt

- Net debt decreased q/q, to SEK 141.2m from SEK 174.6m, and increased y/y from SEK 120.6m
- Equity/assets ratio at 46.7% end of third quarter, down from 46.9% at Q2'18 and up from 46.1% end of Q3'17.



CONCLUDING REMARKS AND Q&A



CONCLUDING REMARKS

Q3 positive

- Sales growth, primarily from Services
- Sales in category Services increased 68.2% y/y
- Reinforced management team increases focus on our business and our transformation
- Seventh consecutive quarter to report an improved operating profit

Q3 challenges

- European mobile phone market continues to contract
- Weak development in Central and Eastern Europe continues
- Delayed acceptance tests hampers sales of smartphones

Priorities ahead

- Market launch of MyDoro platform and initial services; Response by Doro and SmartCare by Doro
- Continue to drive transformation program to further build competence in technology enabled care solutions and improve cost structure

Outlook 2018

- We maintain our outlook for 2018 and expect sales in the range SEK 1.9bn – 2.0bn and an operating profit (EBIT) in the range SEK 105m – 135m, including Welbeing, but excluding any further acquisitions or restructuring costs.

Q&A

- Thank you for your attention!
- Next report: Q4 on February 14, 2019
- 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 2017 and in the Interim Report.

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