



DORO OCTOBER – DECEMBER 2018

A close-up photograph of an elderly woman with short, wavy, light-colored hair, smiling warmly. She is wearing a light-colored, textured knit sweater. To her right, a man with short brown hair and a light beard is also smiling. He is wearing a grey sweater over a white collared shirt. The background is a bright, out-of-focus outdoor setting, possibly a beach or a park.

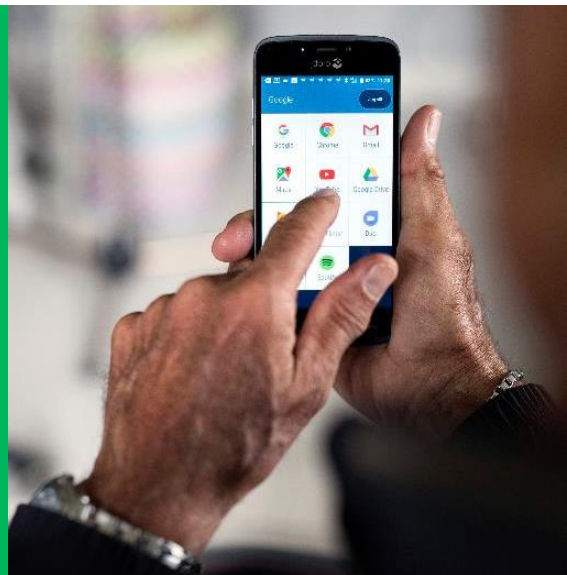
Robert Puskaric, President & CEO

Carl-Johan Zetterberg Boudrie, CFO

February 14th 2019

AGENDA

- Key highlights
- Fourth quarter 2018
- Concluding remarks and Q&A session



KEY HIGHLIGHTS



KEY HIGHLIGHTS IN THE QUARTER

Customer

- Significant contract awarded to Welbeing
- Doro 4G feature phones listed with 14 mobile operators

Financials

- Eight consecutive quarters of improved profitability
- Strong cash flow improvement, +103% y/y
- Growth in Services of 68.0%

Market

- Doro maintaining market share in challenging mobile phone market
- Actively working with a number of relevant acquisition opportunities in care services



FOURTH QUARTER 2018



BUSINESS HIGHLIGHTS

Category Products

- Maintaining market share in senior category, although market in continued decline
- Challenging market situation impacting majority of regions negatively
- North America continued strong year on year growth, and slight quarter on quarter growth
- Listed Doro 4G features phone with 14 operators in 8 countries
- 4G feature phone Doro 7070 test winner in Danish test by Aalborg Universitet and Energistyrelsen



BUSINESS HIGHLIGHTS

Category Services

- Positive development in public care business in all markets driving strong growth in quarter
- **Welbeing contributing well** with a new large contract of 3,200 connections won in the quarter
- **Services growth** and increase in share of revenue contributes positively to profitability
- **Launch and development of new service offerings**
 - Response by Doro, a new service connection seniors, relatives and alarm receiving centre, initial launch in selected stores in Sweden



NET SALES Q4 2018



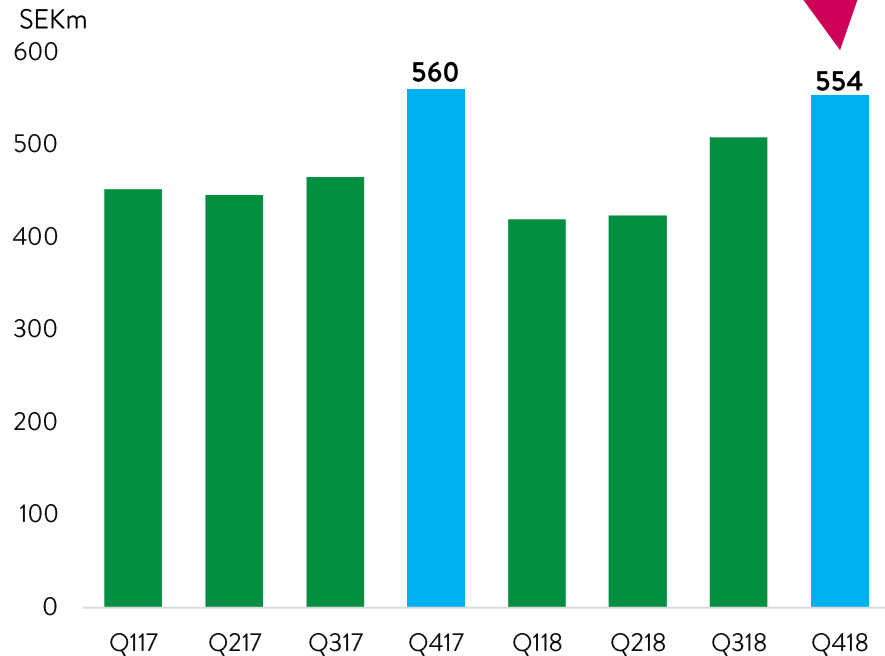
Sales in Category Products

- Despite maintained market shares sales decline due to a weak market for mobile phones
- Sales in category Products were 8.1% lower y/y
- Smartphones share of total phone sales was 18% which is an improvement from previous quarter (+4 p.p.)



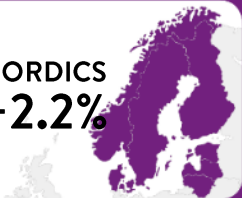
Sales in Category Services

- Sales in category Services increased 68.0% y/y
- Positive development in all markets
- Welbeing developing as planned and new large contract won in quarter
- Services share of total sales 15.6% (9.2)



SALES PER MARKET Q4 2018

NORDICS
+2.2%



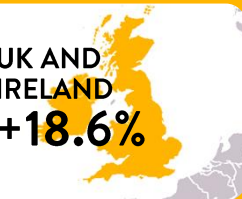
- Services showing positive development in quarter in both Sweden and Norway
- Market continues to be challenging in mobile phones and Products suffered a small decline in the quarter
- Initial launch of Response by Doro

CENTRAL
AND EASTERN
EUROPE
-19.0%



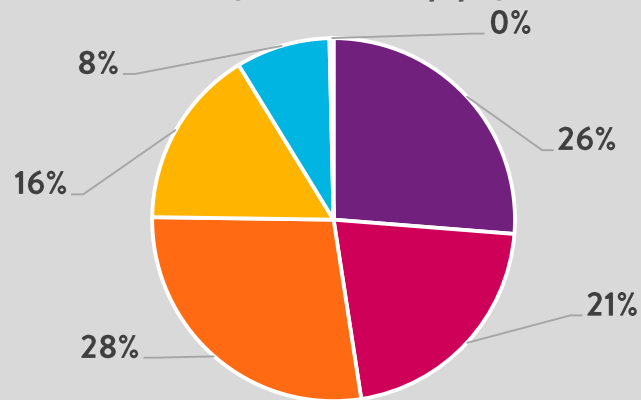
- Market remains challenging with large retailers in the region struggling
- Eastern Europe flat y/y

UK AND
IRELAND
+18.6%



- Welbeing contributing as planned and won a new large contract in the quarter
- Brexit uncertainty impacting market
- Doro 8035 now approved and listed with a majority of the large operators

Sales Q4'18/Growth y/y Q4'18



- Nordics (SEK 144.3m/2.2%)
- West and South Europe and Africa (SEK 117.1m/-10.9%)
- Central and Eastern Europe (SEK 152.0m/-19.0%)
- United Kingdom and Ireland (SEK 88.0m/18.6%)
- North America (SEK 46.2m/62.6%)
- Rest of the World (SEK 2.0m/-76.8%)

PROFITABILITY Q4 2018

Margin

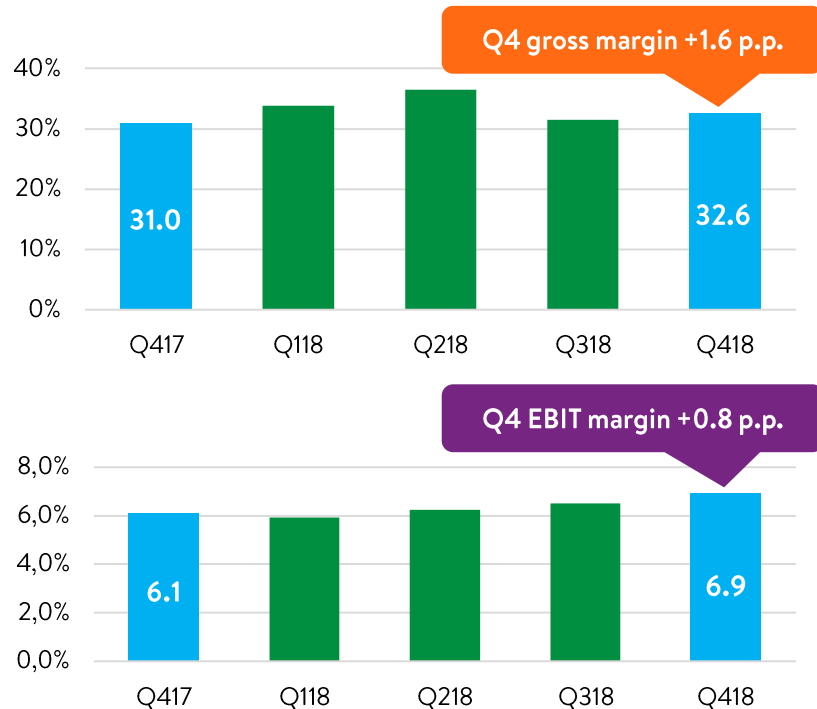
- Gross margin increased by 1.6 p.p. to 32.6%, driven by Services accounting for a larger share of revenue
- Operating margin increased 0.8 p.p. to 6.9%

Profit

- EBITDA SEK 57.4m (53.1)
- EBIT SEK 38.0m (34.1)
- Profit after tax SEK 25.6m (22.5)

Comments

- Continued improvement in profitability from growth and investments in Services
- Improved operating profit for the eighth consecutive quarter



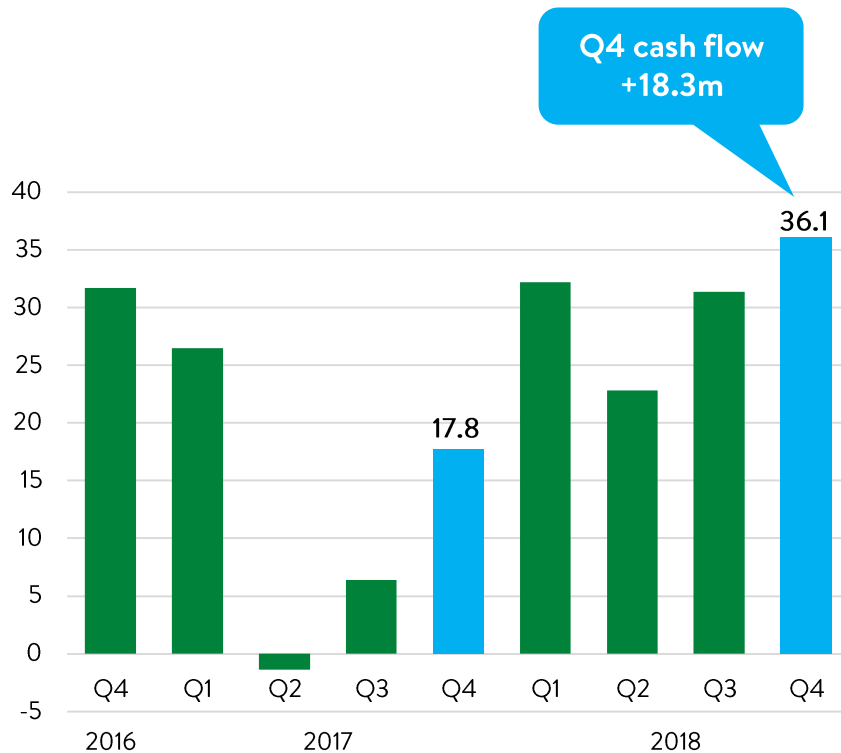
CASH FLOW Q4 2018

Cash flow

- Free Cash Flow before acquisitions amounted to SEK 36.1m (17.8)
- Increase in cash flow y/y mainly due to improvements in working capital

Net debt

- Net debt decreased q/q, to SEK 105.8m from SEK 141.2m, and increased y/y from SEK 102.9m
- Equity/assets ratio at 46.7% end of third quarter, flat against Q2'18 at 46.7% and down from 49.6% end of Q4'17.



CONCLUDING REMARKS AND Q&A

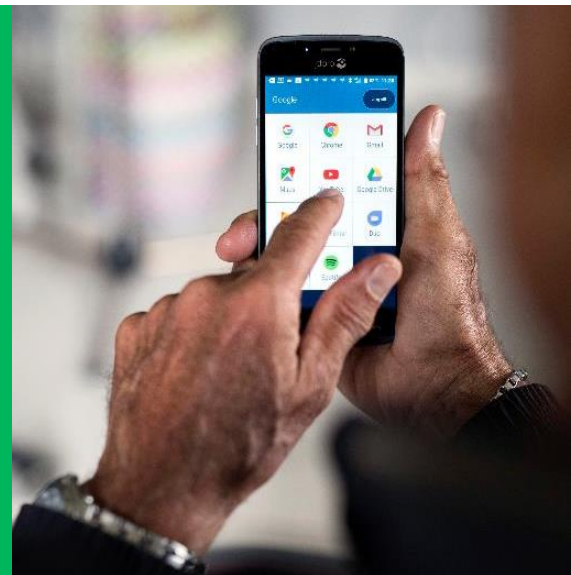


CONCLUDING REMARKS

Q4 positive	Q4 challenges	Priorities ahead	Outlook 2019
<ul style="list-style-type: none">• Good growth in Services continues, +68% y/y• Welbeing integration completed as planned• Eighth consecutive quarter to report an improved operating profit• Strong improvement in cash flow and net debt• Maintaining market share in mobile phones	<ul style="list-style-type: none">• Mobile phone market continues to decline• Challenging market impacting sales negatively in Products	<ul style="list-style-type: none">• Continue to develop and expand our offering and reach in technology enabled care solutions• Continue to drive transformation program to further build competence in technology enabled care solutions and improve cost structure	<ul style="list-style-type: none">• The overall market for mobile phones is expected to remain challenging, Doro has maintained and is expected to maintain or increase market share in senior segment.• Services is growing organically and we are active in multiple acquisition discussions and we expect continued double-digit growth for Services in 2019.• The profitability is expected to remain at a healthy level.

Q&A

- Thank you for your attention!
- Next report: Q1 on May 3, 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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