

Doro

April – June 2017

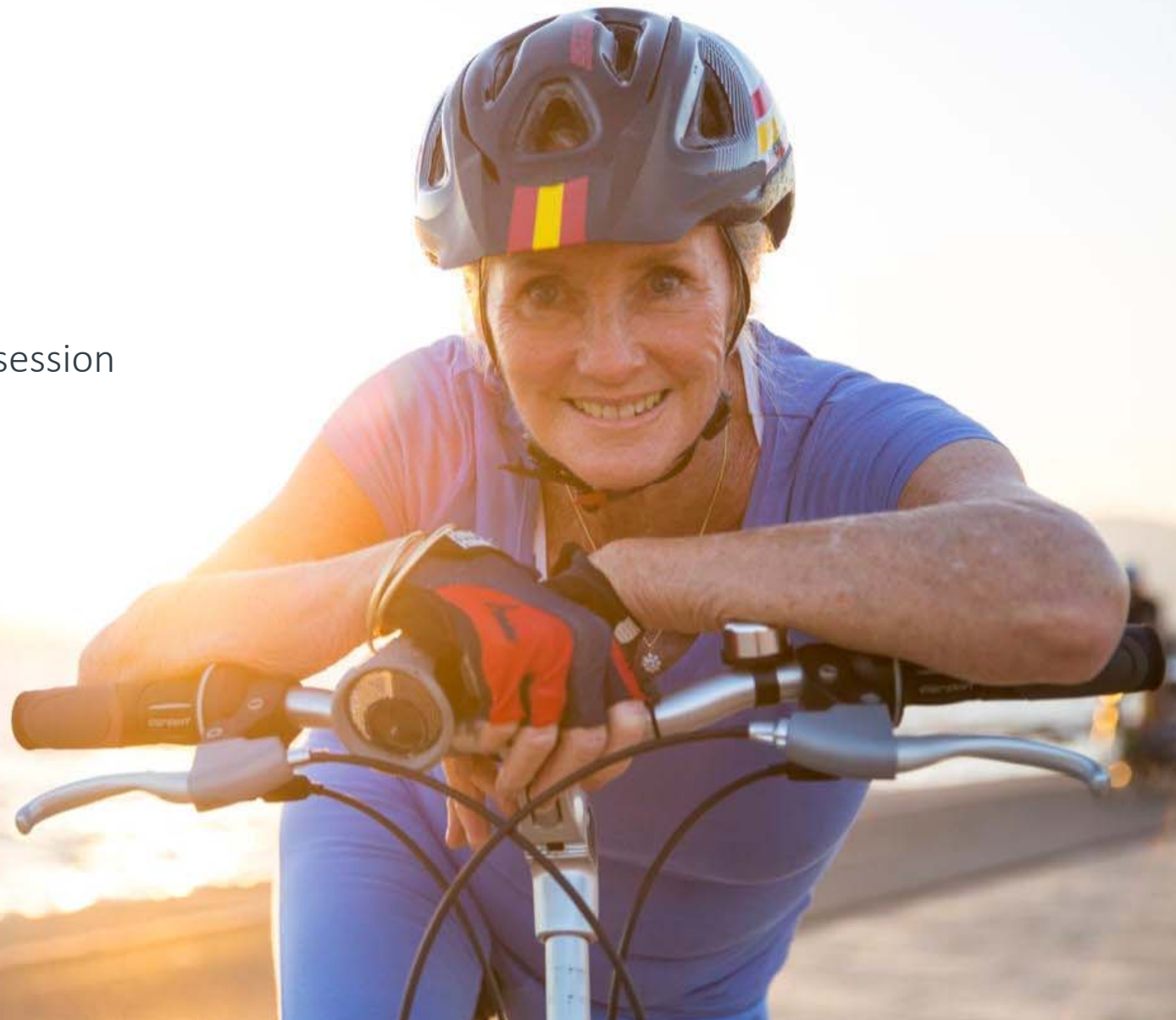
Robert Puskaric, President & CEO
Magnus Eriksson, CFO

July 13th 2017

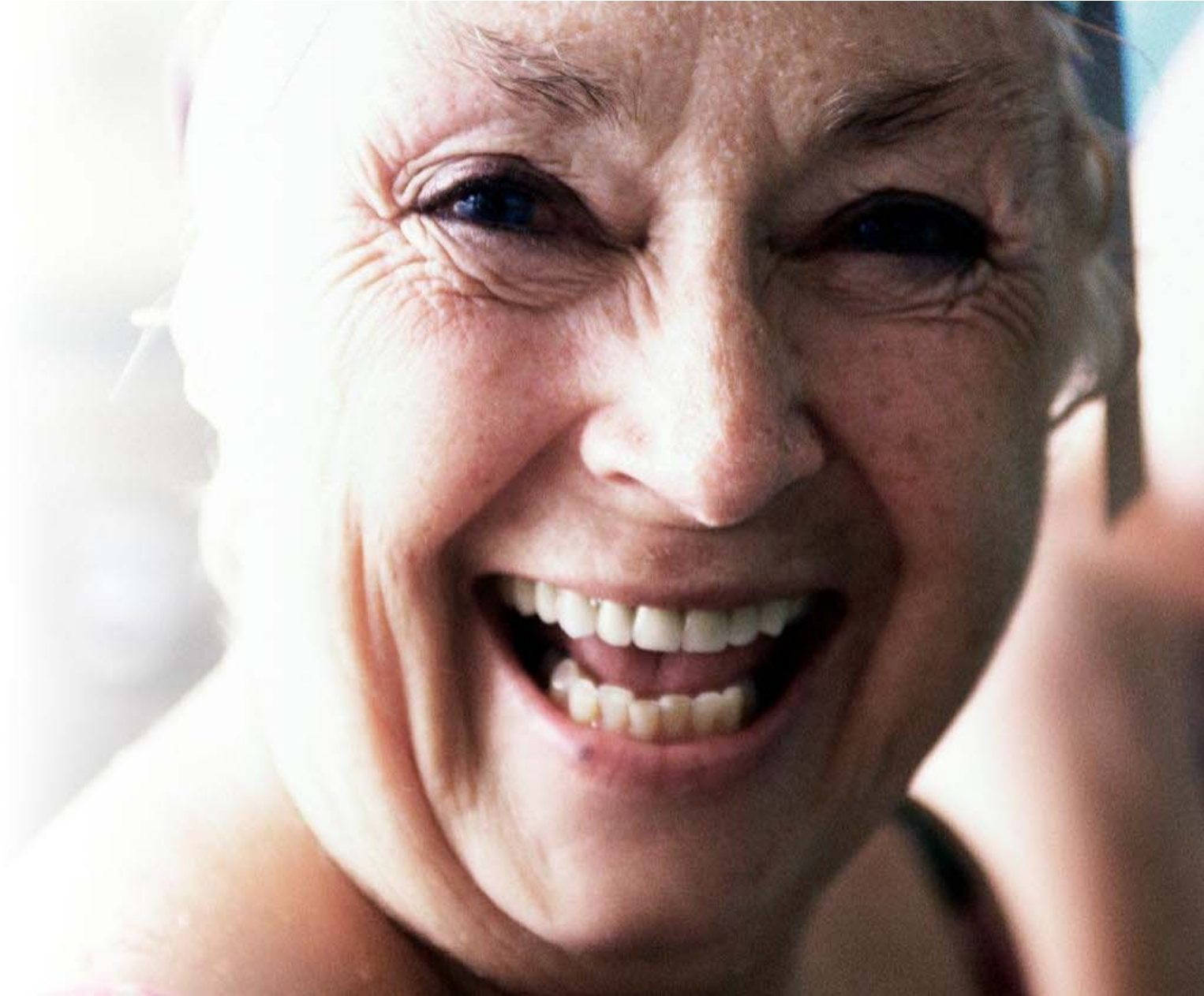


Agenda

1. Market update
2. Second quarter 2017
3. Concluding remarks and Q&A session



Market update



Current key market trends

- Continued healthy economic outlook but weak growth in retail sales, including consumer electronics, in several of Doro's regions
- Sales of feature phones tending to migrate from operators to retailers, reducing complexity
- Smartphone commoditization continues, driving need for strong value proposition
- Feature phone market still relevant with stable share of global mobile phone deliveries, new technologies and applications added
- Continued strong market interest in technology enabled care solutions



Second quarter 2017



Business highlights

Doro Consumer

- Stock levels in retail channels back to normal in the UK, positive sales growth
- Good development for 2G and smartphones in Germany. Breakthrough orders in Croatia and Slovenia
- Positive acknowledgements:
 - British test house “Which?” gives strong endorsements for Doro 8030 (“Awesomely accessible”) and Doro 5030 (“Brilliant basic phone”)
 - Nordic media “PC-tidningen” gives high level rating for wearable Doro 3500
- Stable market shares despite tough competition

Doro Care

- Healthy revenue growth of 7,7%
- Continued strong sales performance and increased market share in Germany
 - Doro Care partner in Germany successfully launched Mobil-Notruf, an alarm service, based on Doro Alarm Application (DAA) and Doro 8030
- Several tenders won in Norway, defending our strong market position
- Intense competition and price pressure in Sweden
- Alarm receiving centers certified for information security in accordance with ISO 27001

Net sales Q2 2017



Smart phone sales

- Stable at around 20% of total phone sales



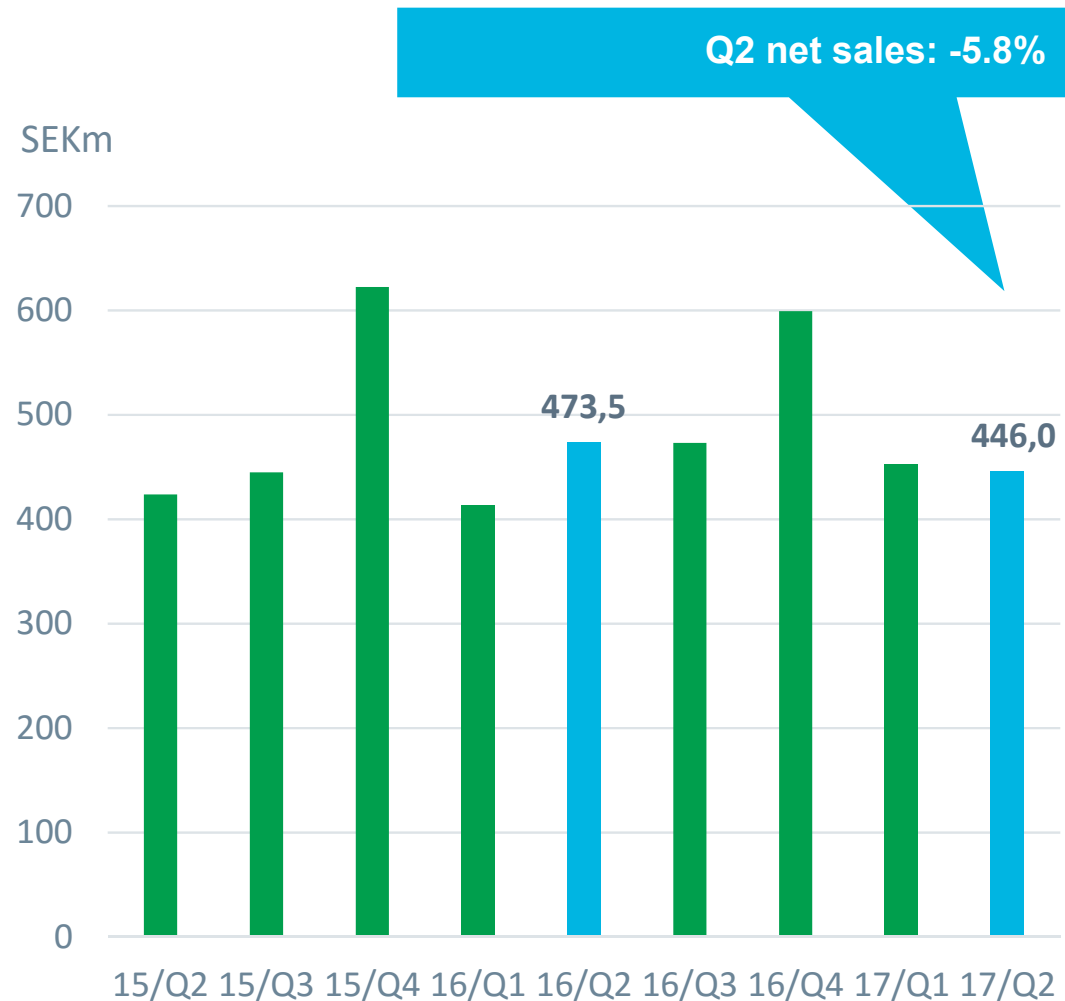
Feature phone sales

- Strong traction for Doro 6050 in DACH
- Stable market shares despite tough competition



Doro Care

- Healthy sales growth of 7.7%
- Stable recurring revenue q/q and increase y/y, continued strong sales in Germany



Sales development per market

Nordic



- Lower sales y/y, due to stockpiling in Q1. Strong H1 growth
- Stock levels to normalize from Q3, healthy consumer demand

UK



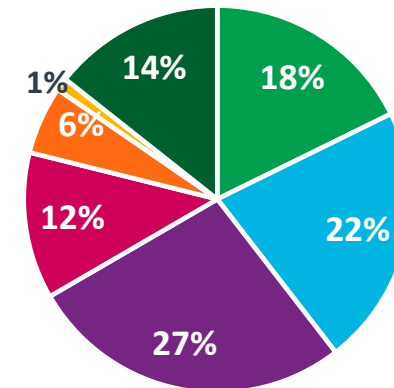
- Stock levels in retail channels normalized
- Back to growth despite slow retail market

USA / Canada



- Sales significantly down y/y – exceptionally strong Q216
- Gradual improvements in H2 expected

April – June 2017
(Sales Q2'17, Growth Q2'17)



- Nordic (SEK 79.3m / -10.2%)
- Europe, Middle East and Africa (SEK 97.4m / -5.2%)
- DACH* (SEK 121.2m / 24.1%)
- United Kingdom (SEK 54.8m / 10.5%)
- USA and Canada (SEK 25.5m / -66.0%)
- Other regions
- Care (SEK 64.2m / 7.7%)

*Germany, Austria, Switzerland, Eastern Europe

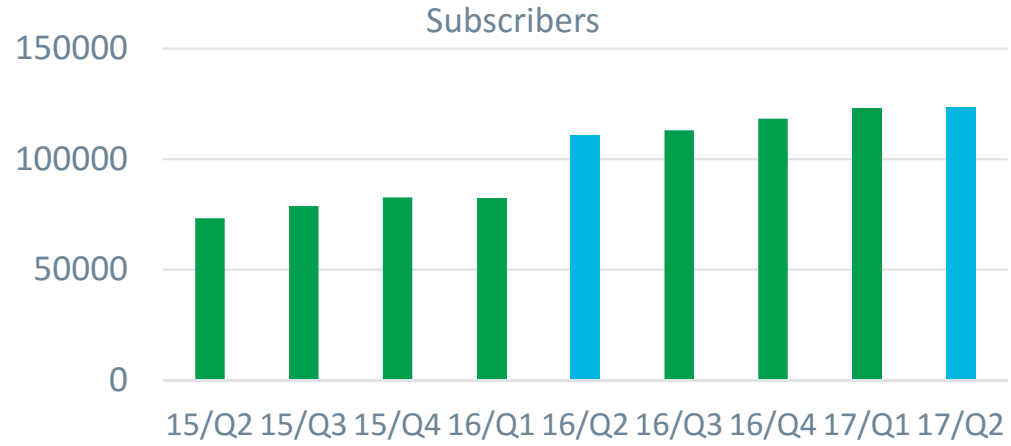
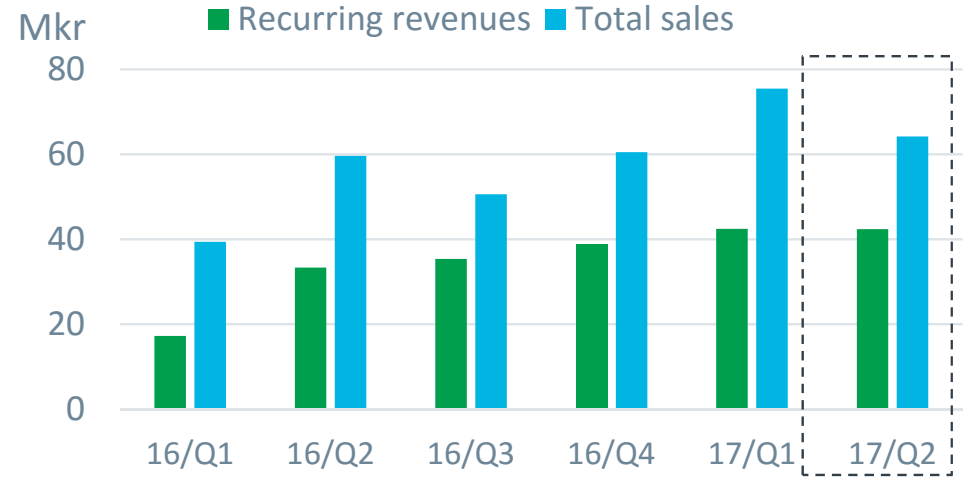
Doro Care

Sales Recurring revenue

- Total sales SEK 64.2m, of which recurring revenue SEK 42.4m
- Recurring revenue +27,3% y/y

Subscribers

- +11.3% y/y at 123k end of Q2 2017
- Subscription growth mainly in Sweden, Norway flat



Trygghetscentralen is included from Q2 2016.

Profitability Q2 2017

Margin

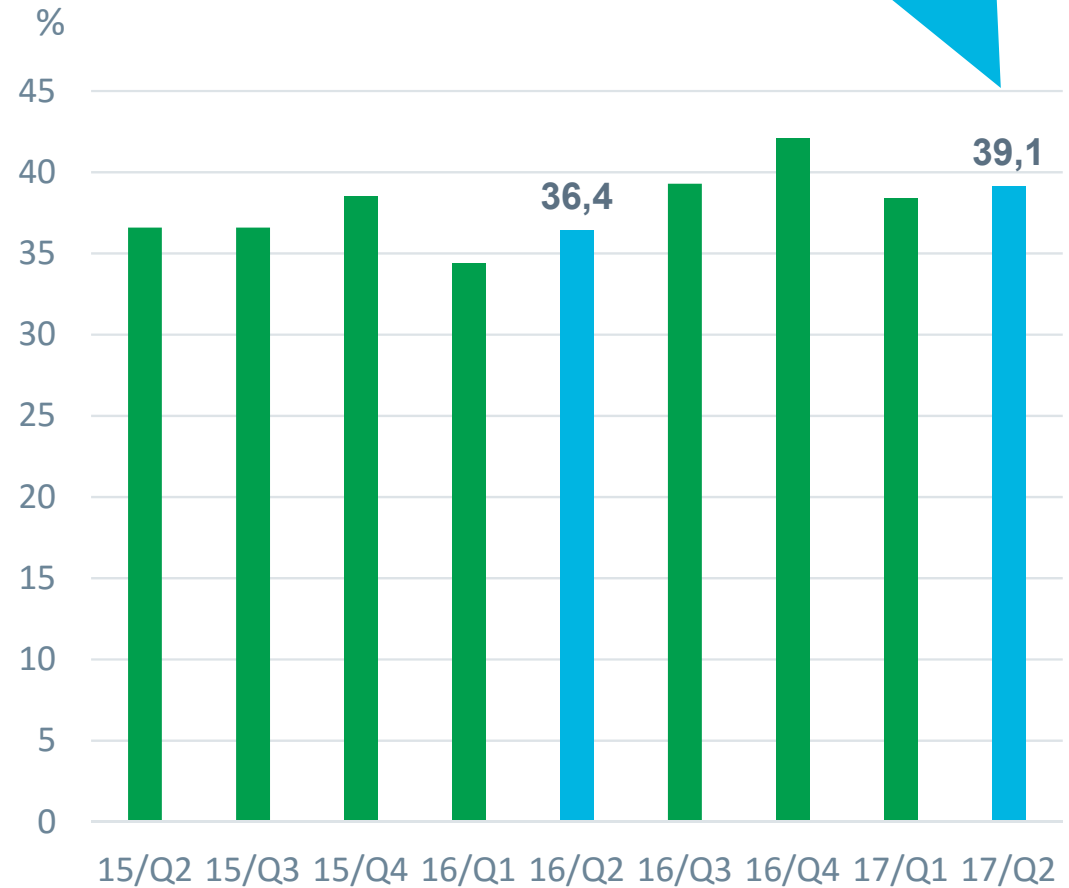
- Gross margin increased by 2.7 p.p. to 39.1%
- Operating margin 4.3% (0.9)

Profit

- EBITA SEK 20.4m (6.1)
- EBIT SEK 19.1m (4.2)
- Profit after tax SEK 15.3m (1.2)

Comments

- Positive sales mix
- Lower cost base y/y, efforts to increase productivity continue



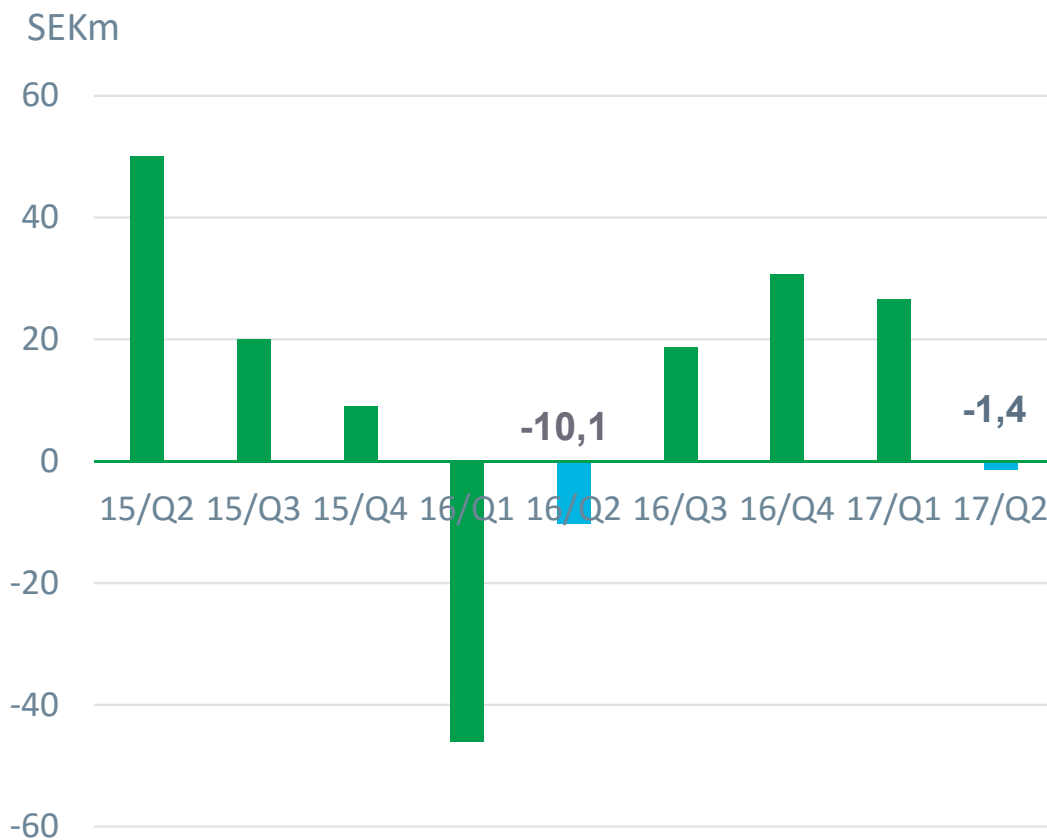
Cash flow

Cash flow

- Total Free Cash Flow before acquisitions amounted to SEK -1.4m (-10.1).
- Improved earnings and continued focus on improving working capital efficiency are main reasons

Net debt

- Net debt increased slightly q/q during the quarter, to SEK 127.2m from SEK 124.3m, but decreased y/y from SEK 198.8m



Concluding
remarks

Q&A session



Summary

Q2 negative

- Group sales down 5.8% due to exceptionally strong Q2 2016 in US/Canada, -66% y/y, and in Nordic, -10.2% y/y
- Order intake 6.4% lower y/y, mainly due to US/Canada

Q2 positive

- Significantly increased EBIT at 19.1m (4.2) and improved margin of 4.3% (0.9)
- Doro Care revenue increased 7.7% y/y
- DACH sales increased 24.1% y/y
- Negative sales comparatives in US/Canada likely to gradually improve from Q3
- Strong cash flow, SEK -1.4m (SEK -10.1m), slightly higher net debt q/q (SEK 127.2m from SEK 124.3m in Q1'17)

Priorities ahead

- Executing on action plan to re-establish stable position in the US market
- Continued execution of action plan to improve efficiency in operations and lower cost base
- Finalize the updated Doro strategy

Unchanged outlook 2017: both sales and EBIT expected to increase compared to 2016

Thank you for your
attention

Q&A

Next report:
Q3 on October 24, 2017



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 2016 and in the Interim Report.

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- 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.

