

Doro January – March 2017

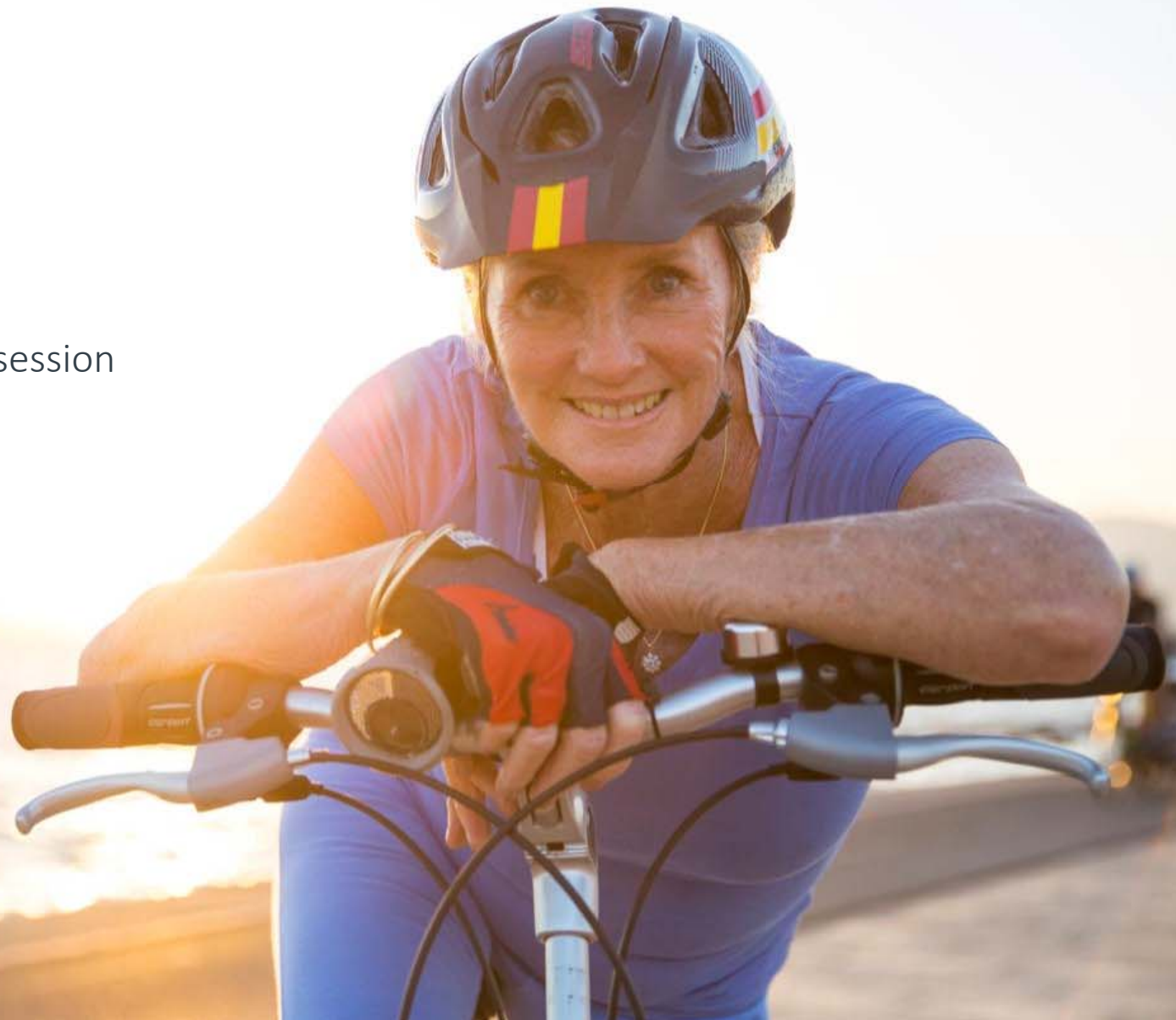
Robert Puskaric, President & CEO
Magnus Eriksson, CFO

April 27th 2017

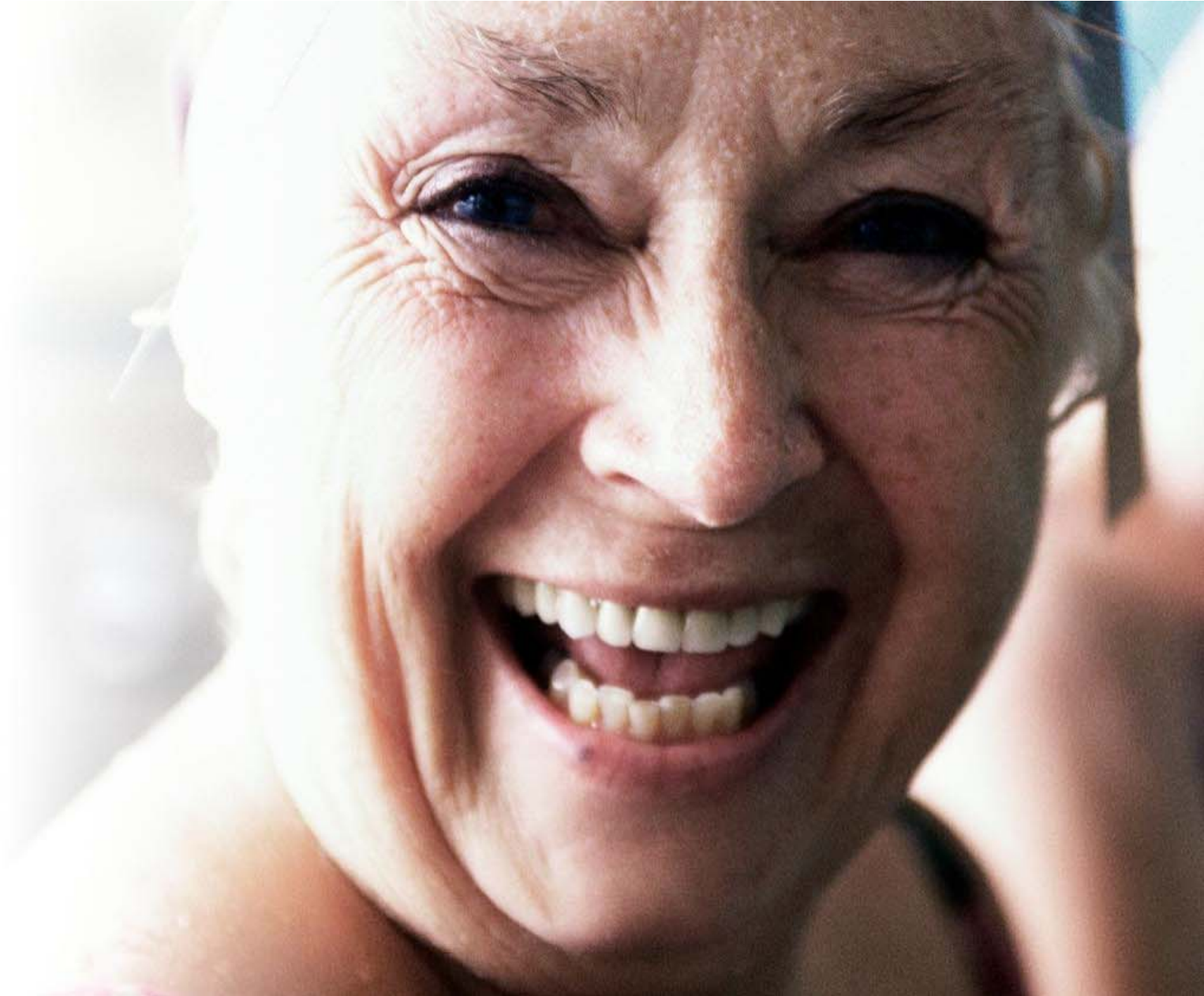


Agenda

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



Market update



Current key market trends

- Continued good economic outlook – however, election year in Europe
- Operators planning for major shift in network technology
- Smartphone penetration increasing in senior segment
- Iconic handset maker re-entering feature phone market
- IoT, AI and eHealth are opening up for new solutions in Senior Care, Doro Care's presence within digital telecare is a key position in the field



First quarter 2017



Business highlights

Doro Consumer

- Entered Slovenia
- Price increases successfully implemented
- Our products receive strong acknowledgements
 - Orange Device Partner Award: "Outstanding Excellence in Smart Mobile Design for Seniors"
 - Red Dot Award: Doro 6050
 - Stiftung Warentest: Doro Phone Easy 6013, Doro Liberto 825
- Product launches
 - Doro 6050, 6051 (2G)
 - Doro 8020x (4G, April)
- Co-operation in development with Sigma Connectivity offers flexibility

Doro Care

- Returned to growth
 - Trygghetscentralen
 - Major export deal Germany
 - SKL Kommentus Inköpscentral
- Contracts in Q1
 - New, i.e. Stockholm SE, Ringsaker NO
 - Renewed, i.e. Umeå SE, Drammen NO
- Reduced cost in alarm receiving centers
 - Improved crew optimization most important, but many different actions taken to improve cost control and increase efficiency
- Changed reporting, Doro Care
 - Carl-Johan Zetterberg Boudrie, VP Doro Care

Net sales Q1 2017



Smart phone sales

- Back to +20% of total phone sales



Feature phone sales

- Strong position, strong brand recognition
- High listings in both Nordics as well as rest of Europe



Doro Care

- Returned to growth, +91.6%
- Excluding Trygghetscentralen, the increase would have been 40.7%

SEKm

700

600

500

400

300

200

100

0

15/Q2

15/Q3

15/Q4

16/Q1

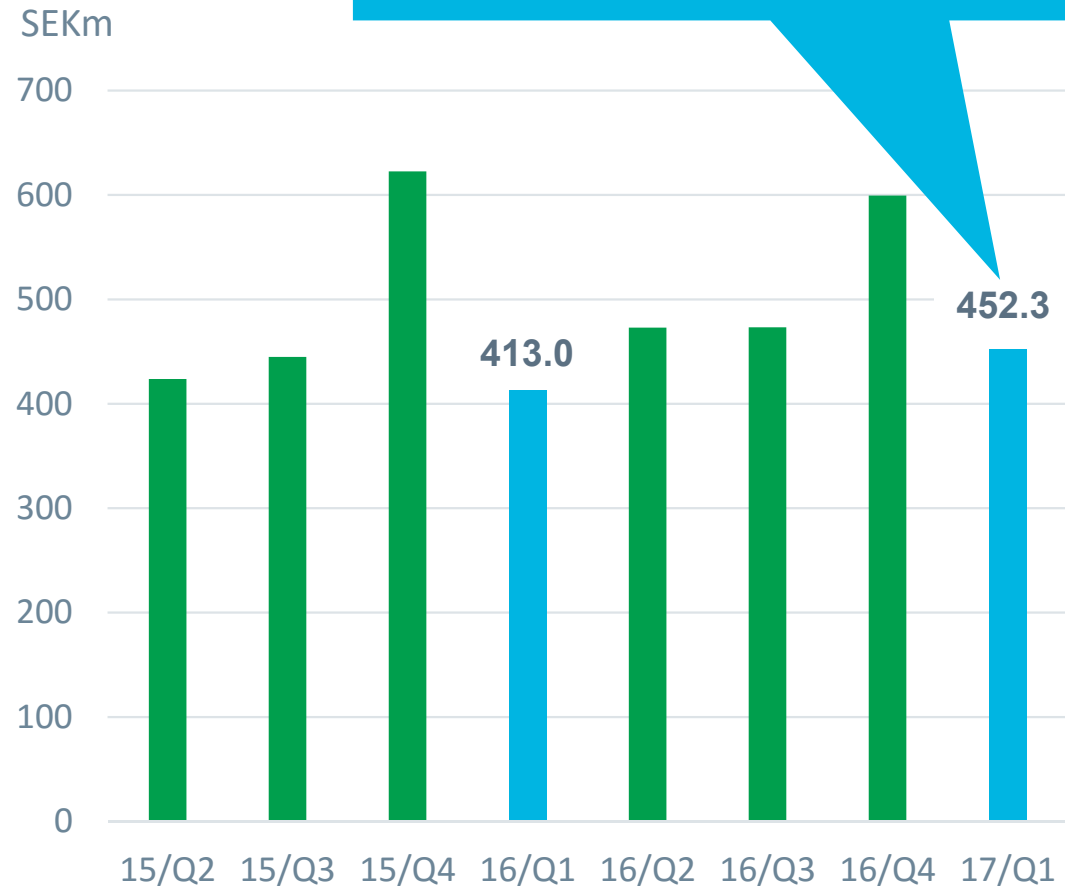
16/Q2

16/Q3

16/Q4

17/Q1

Q1 net sales: +9.5%
Excluding Trygghetscentralen: +4.7%



Sales development per market

Nordic



- Strong growth, but comparison figures for Q1 2016 low
- Customers stocking up due to price increases
- Strong product portfolio

UK



- High inventory levels at customers Dec 2016
- Sales improved by end of period

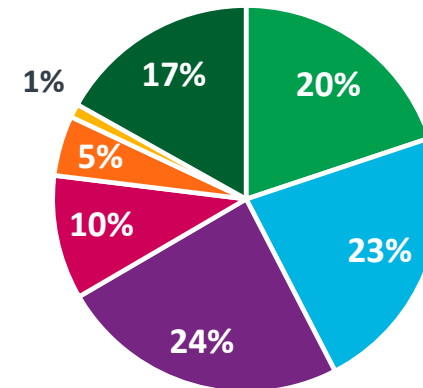
USA / Canada



- Executing on an action plan to return to a stable market position
- Renewed partnership in Canada with Rogers Communication

January – March 2017

(Sales Q1'17, Growth Q1'17)



- Nordic (89.0 SEKm / +53.7%)
- Europe, Middle East and Africa (100.8 SEKm / -5.6%)
- DACH* (108.2 SEKm / 24.9%)
- United Kingdom (46.4 SEKm / -23.6%)
- USA and Canada (22.5 SEKm / -58.3%)
- Other regions
- Care (75.5 SEKm / 91.6%)

*Germany, Austria, Switzerland, Central Europe

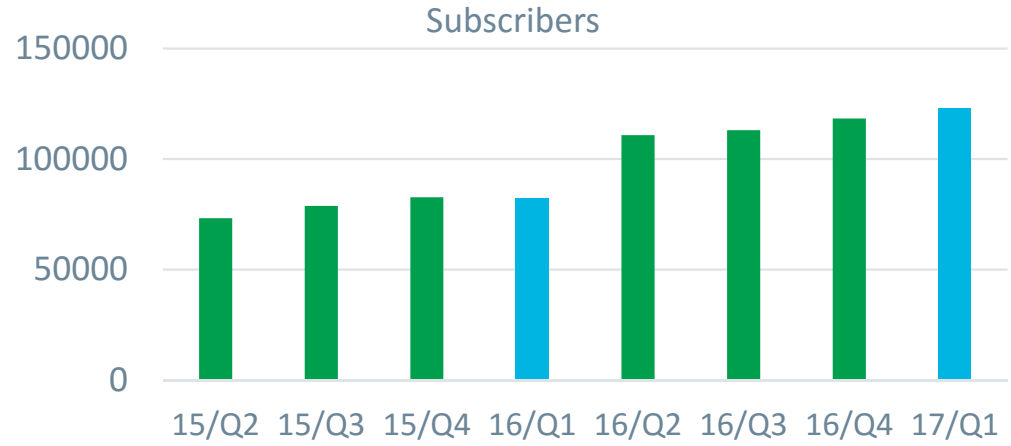
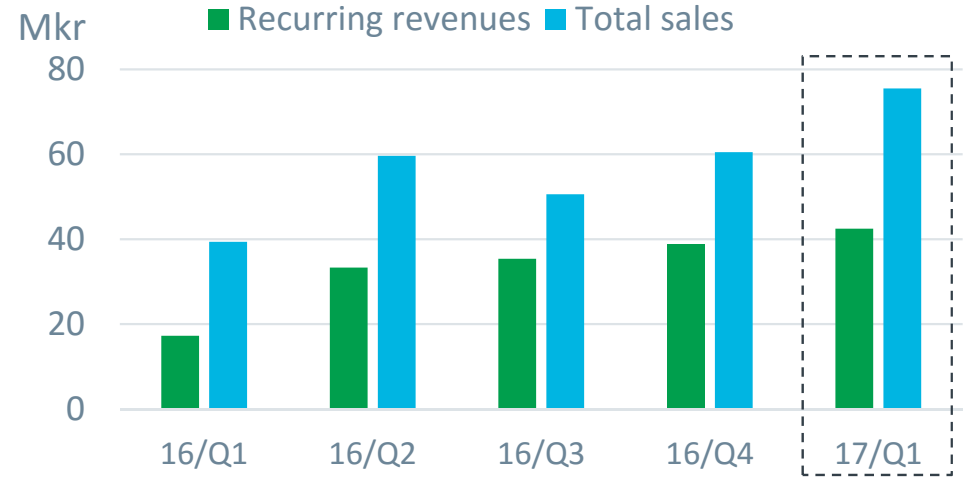
Doro Care

Sales Recurring revenue

- Total sales SEK 75.5m, of which recurring revenue SEK 42.5m
- Recurring revenue +147% vs. Q1 2016, or +49% excluding Trygghetscentralen

Subscribers

- +49.8%, reaching 123,000 connections by end of Q1 2017
- Trygghetscentralen contributed with 28,000

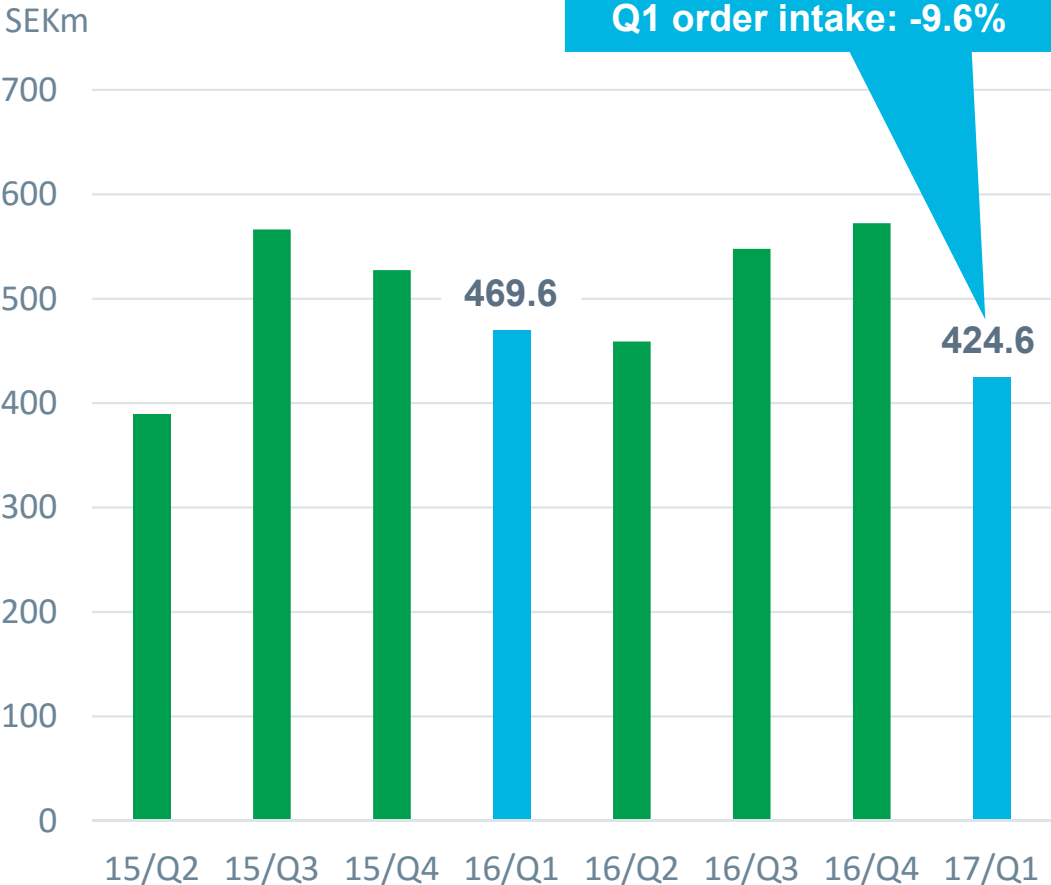


Trygghetscentralen is included from Q2 2016.

Order intake

Order intake
SEK 424.6m

- A decrease of 9.6%
- Following an exceptionally strong order intake in Q4 2016 due to pre-announced price increases
- Lower mainly in US and UK



Profitability Q1 2017

Margin

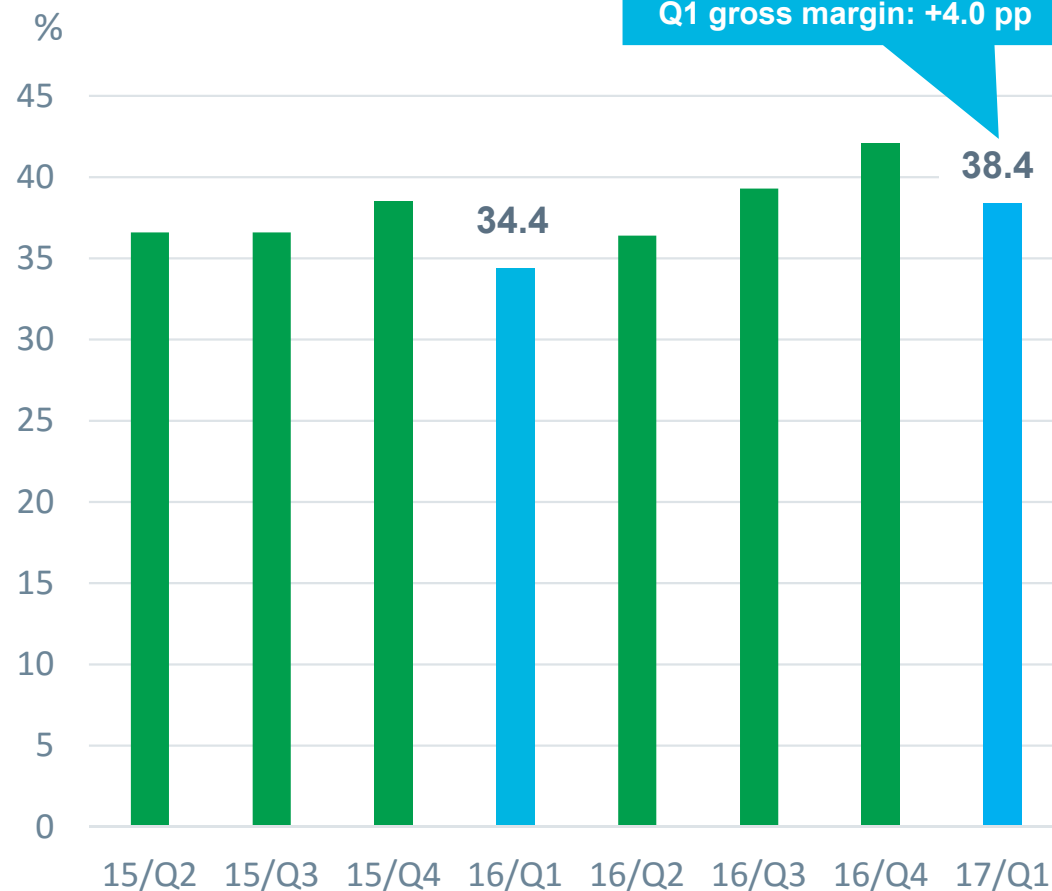
- Gross margin increased by 4.0 p.p. to 38.4%
- Operating margin 3.8% (2.3)

Profit

- EBITA SEK 18.5m (11.7)
- EBIT SEK 17.3m (9.3)
- Profit after tax SEK 13.0m (5.8)

Comments

- Business back in Doro Care
- Trygghetscentralen
- Product- and customer mix



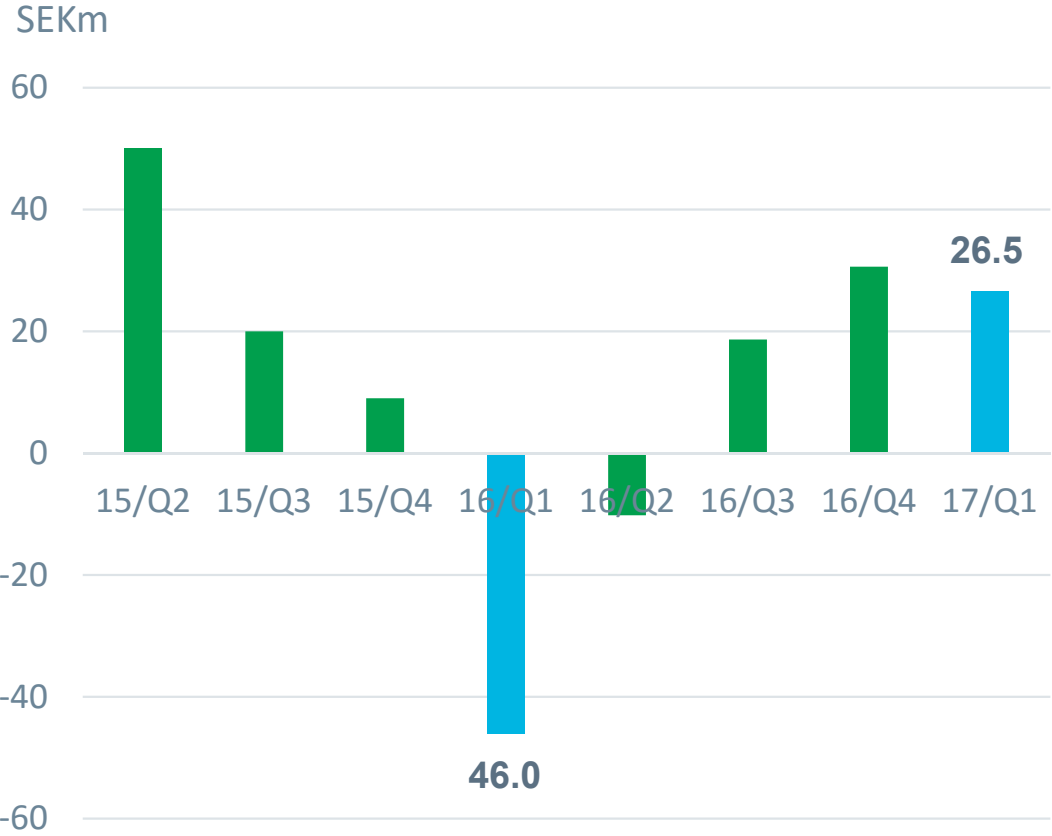
Cash flow

Cash flow

- Total Free Cash Flow before acquisitions amounted to SEK 26.5m (-46.0).
- Improved earnings and continued focus on improving working capital efficiency are main reasons

Net debt

- Net debt has been reduced during the quarter, down to SEK 124.3m, compared to SEK 149.5m at the end of the previous quarter



Concluding
remarks

Q&A session



Summary

Q1 negative

- Sales in US -58.3%, at SEK 22.5m, representing 5% of total sales
- Sales in UK -23.6%, at SEK 46.4m, however have been catching up by end of quarter

Q1 positive

- Sales back to growth, +9.5% (+4.7% excl. Trygghetscentralen), reaching SEK 452.3m
- Care back on track, growth both including and excluding Trygghetscentralen, recurring revenue growing, strong export sales
- Renewed partnership with Rogers Communication in the Canadian market
- Profitability improving, EBIT-margin at 3.8% (2.3%)
- Strong cash flow, SEK 26.5m (SEK -46.0m), and at the same time reduced net debt (down to SEK 124.3m from SEK 149.5m in Q4'16)

Priorities ahead

- Executing on action plan to re-establish stable position in the US market
- Further measures to improve efficiency in Doro Care
- Continued transformation, including review of Doro Consumer's international presence

Unchanged outlook 2017: Both sales and EBIT will increase compared to 2016

Thank you for your
attention

Q&A

Next report:
Q2 on July 13, 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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