

Quarter 4 2024 in summary

- Doro's net sales amounted to SEK 263.3 million (289.6), a decrease of 9.1 percent.
- Gross margin was 46.3 percent (39.8).
- EBITDA amounted to SEK 49.0 (44.0), an increase of 11.4 percent.
- Operating profit (EBIT) amounted to SEK 40.6 million (25.6), corresponding to an operating margin of 15.4 percent (8.8).
- Profit after tax for the period was SEK 41.6 million (5.7) and earnings per share was SEK 1.71 (0.23).
- Free cashflow was SEK 43.3 million (57.6).

46.3%
Gross margin

15.4 %
EBIT-margin

January-December 2024 in summary

- Doro's net sales amounted to SEK 882.3 million (973.6), a decrease of 9.4 percent.
- Gross margin was 45.9 percent (40.1).
- EBITDA amounted to SEK 121.8 (120.4), an increase of 1.2 percent.
- Operating profit (EBIT) amounted to SEK 86.6 million (68.7), corresponding to an operating margin of 9.8 percent (7.1).
- Profit after tax for the period was SEK 86.1 million (32.4) and earnings per share was SEK 3.53 (1.33).
- Free cashflow was SEK 112.3 million (121.6).

45.9%
Gross margin

9.8 %
EBIT-margin

The Board's proposal to the 2025 Annual General Meeting is that no dividend be paid for the 2024 financial year.

KEY FIGURES SEK million	2024			2023		
	Quarter 4	Quarter 4	%	Jan-Dec	Jan-Dec	%
Net sales	263.3	289.6	-9.1%	882.3	973.6	-9.4%
<i>Net sales growth, %</i>	<i>-9.1</i>	<i>9.1</i>		<i>-9.4</i>	<i>7.0</i>	
Gross result	122.0	115.3	5.8%	405.3	390.0	3.9%
<i>Gross margin, %</i>	<i>46.3</i>	<i>39.8</i>		<i>45.9</i>	<i>40.1</i>	
EBITDA	49.0	44.0	11.4%	121.8	120.4	1.2%
<i>EBITDA margin, %</i>	<i>18.6</i>	<i>15.2</i>		<i>13.8</i>	<i>12.4</i>	
EBIT	40.6	25.6	58.6%	86.6	68.7	26.1%
<i>EBIT margin, %</i>	<i>15.4</i>	<i>8.8</i>		<i>9.8</i>	<i>7.1</i>	
Earnings per share, SEK	1.71	0.23	643.5%	3.53	1.33	165.4%
<i>Equity/assets ratio, %</i>	<i>59.4</i>	<i>58.6</i>		<i>59.4</i>	<i>58.6</i>	

Message from the CEO

Momentum and profitability

Whilst net sales for the quarter were down 9,1% vs the same period last year, this was largely the result of major customers taking longer than anticipated to approve Leva, our new eco-directive compliant range of feature phones, resulting in the later than planned dispatch of launch stocks. Sell-out of Doro feature phones remained strong across our four main markets during the quarter*. The new top of the range Leva L30 feature phone became the top selling feature phone in France in December, representing one in five of all feature phones sold**. So whilst the feature phone market continues its slow decline, our strategy to focus upon offering a high quality 4G product within the feature phone category is paying off.

The value of 4G segment grew by 15,8% vs Q4 last year across Doro's four main markets and was almost two and a half times greater than the value of the 2G segment*. Doro has been key in driving the transition from 2G to 4G and remains market leader by value in Great Britain, Sweden and France in this segment*.

Beyond net sales, our 4G feature phone strategy enabled us to continue to deliver solid margins (46.3% +6,5pts) and to optimise operational performance. Together this enabled the delivery of an EBIT-margin of 15.4% +6,6pts - the highest percentage of EBIT margin since our split from Careium.

With the success of our 4G feature phone strategy in all regions, we are gradually reshaping the feature phone market towards more premium products for the benefit of our customers and of our consumers. We will continue to invest in driving value performance of the feature phone category throughout the coming year. This will generate the profits that will enable our planned investments behind brand building and a pivot towards simple, meaningful help-tech designed for peace of mind and ease of use.

During the spring we will launch our new range of smart phones that deliver on this ambition. Hardware will soon be ready for shipment from the factories, software is being tested and optimised whilst the final touches are being made to our commercial strategy. With positive feedback from consumer research groups and from our first discussions with customers, I believe that this new platform provides the opportunity for Doro to begin to carve out a meaningful position in the smartphone category.

Outside the phones, we continued with our test launch of our video doorbell launch in the UK. The product was awarded the title of "best video doorbell of the year" by TechRadar*** in the UK and a just confirmation of the quality of our innovations.

We ended 2024 with strong momentum in all our major markets, and with several customers still to receive their first orders of our Leva range of feature phones. The brand re-stage continues to develop at pace, and we anticipate this going live at the launch of our new range of smart phones in the spring. These are exciting times for Doro. We are well equipped to face future challenges and to return to sales growth during the year.

Julian Read, President and CEO

* Gfk data for the period Q4, 2024 across Sweden, France, Great Britain and Germany

** Gfk data for the period Q4, 2024 for France

*** <https://www.techradar.com/tech/techradar-choice-awards-2024-winners>

QUARTER HIGHLIGHTS

Net sales for the fourth quarter amounted to SEK 263.3 million (289.6), a decrease of 9.1 percent compared to the same period in 2023. The decline in sales stems from the beginning of the quarter. While last year we continued selling large volumes of 4G as part of the transition of technology, we were still in a period of supplying and customers testing the new 4G series at the start of this year's quarter. Since the launch of the new series, Leva, we have achieved promising sales sell-out figures.

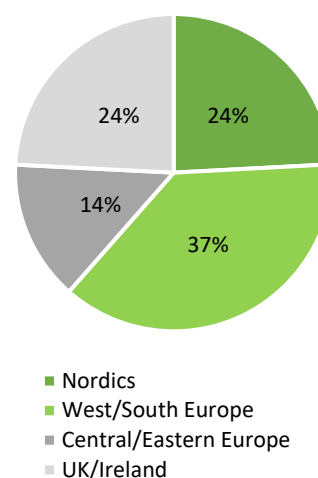
Sales in the **Nordics** amounted to SEK 63.6 million (71.6), a decrease of 11.2 percent compared to previous year. The transition to the new Leva series proved more challenging this year in the Nordics, with a temporary shortage of products in-store during a limited period. The low inventory also reduced the opportunities to capitalize on the Black Friday shopping spree.

Sales in **Western and Southern Europe** reached SEK 98.3 million (120.6), a decrease of 18.5 percent. The fourth quarter of last year began with large volumes of new 4G products sold to retail. This year, the launch of Leva was more gradual, as and when technical validations from the operators were obtained. The first orders came later in the quarter, which pushed subsequent orders to the other side of the year.

Sales in **Central and Eastern Europe** amounted to SEK 37.7 million (38.7), a decrease of 2.6 percent. Lower sales in Eastern Europe and end of life for non-Doro branded products in Germany resulted in the sales decrease. However, and most important for the future of the region, sales of Doro products in Germany increased during the quarter compared to the same quarter last year, a very welcome shift in trend.

Sales in **UK and Ireland** amounted to SEK 63.7 million (58.7), an increase of 8.5 percent. The positive development in the UK continued during the quarter, with an ongoing shift to 4G phones offering better turnover and margins, as well as improved user experience for our customers. The video doorbell initiative, although limited in scope, helped us open new sales channels.

Sales per region



NET SALES PER MARKET

SEK million	2024 Quarter 4	2023 Quarter 4	%	2024 Jan-Dec	2023 Jan-Dec	%
Nordics	63.6	71.6	-11.2	208.6	250.6	-16.8
West and South Europe and Africa	98.3	120.6	-18.5	352.0	383.8	-8.3
Central and Eastern Europe	37.7	38.7	-2.6	131.5	152.7	-13.9
UK and Ireland	63.7	58.7	8.5	190.2	186.5	2.0
Total	263.3	289.6	-9.1	882.3	973.6	-9.4

At the end of the fourth quarter, order backlog stood at SEK 77.2 million, an increase of 83.4 % compared to the same quarter last year. The increase in the order book is largely explained by the late launch of the new Leva series, which shifted the second round of orders to later in December, with delivery and revenue falling into the next year.

The gross margin during the fourth quarter reached 46.3 percent compared to 39.8 percent last year. There was some positive impact from currency during the quarter (from USD forward contracts) compared to last year. However, the biggest improvement this quarter came from inventory as we sold good volumes of slightly older products.

EBIT amounted to SEK 40.6 million (25.6) during the fourth quarter, corresponding to an EBIT margin of 15.4 percent (8.8).

The net financial items for the period amounted to SEK 7.0 million (-4.6). Net financial items include a write-up of SEK 6.7 million of the hybrid loan that Doro AB signed with Careium AB in connection with the listing of Careium in December 2021. The effective tax rate for the period was 20.8 percent (23.2). The result for the period amounted to SEK 41.6 million (5.7) during the fourth quarter.

KEY FIGURES SEK million	2024	2023	%	2024	2023	%
	Quarter 4	Quarter 4		Jan-Dec	Jan-Dec	
Net sales	263.3	289.6	-9.1%	882.3	973.6	-9.4%
Cost of goods and services sold	-141.2	-174.3	-19.0%	-477.0	-583.6	-18.3%
Gross profit	122.0	115.3	5.8%	405.3	390.0	3.9%
<i>Gross margin, %</i>	<i>46.3</i>	<i>39.8</i>		<i>45.9</i>	<i>40.1</i>	
Other operating expenses	-81.4	-89.7	-9.3%	-318.7	-321.3	-0.8%
Operating profit (EBIT)	40.6	25.6	58.6%	86.6	68.7	26.1%
<i>Operating margin (EBIT margin), %</i>	<i>15.4</i>	<i>8.8</i>		<i>9.8</i>	<i>7.1</i>	
Order book	77.2	42.1	83.4%	77.2	42.1	83.4%
Order intake	261.4	223.6	16.9%	917.4	948.7	-3.3%
Investment product development	8.2	6.0	36.7%	33.9	26.0	30.8%

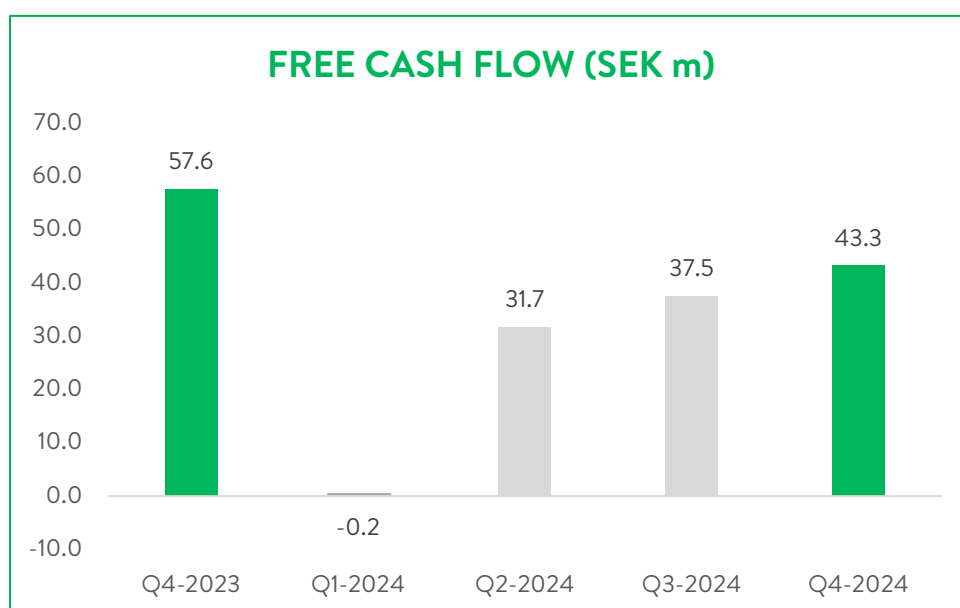
FINANCIAL DEVELOPMENT

Cash flow, investments, and financial position

Cash flow from operating activities during the fourth quarter was SEK 51.8 million (63.6). Change in working capital was positive this quarter again. Free cash flow after investments amounted to SEK 43.3 million (57.6). Investments during the period amounted to SEK 8.5 million (6.0).

Cash and cash equivalents totalled SEK 260.5 million (194.3) at the end of the fourth quarter. At the same time, the equity ratio was 59.4 percent (58.6)

Net cash amounted to SEK 246.9 million at the end of the fourth quarter, compared with a net cash of SEK 180.1 million at the end of the fourth quarter of 2023.



Significant events during the period

- On November 7, 2024, Xplora announced that they had reached a 90.5 percent acceptance rate in the public offer to the shareholders of Doro AB and that the acceptance period was extended following the initiation of a review by ISP (Inspectorate for strategical products). On December 20, ISP concluded its review, and on December 23, Xplora announced that the acceptance period would be extended until January 13, 2025.

Significant events after the period

- On January 15, 2025, it was confirmed that Xplora had reached an 88.32 percent acceptance rate but announced that the offer remained unconditional, meaning Xplora waived the fulfilment of the 90 percent condition. Xplora also announced that they would work to acquire all remaining shares in Doro.

OTHER INFORMATION

Equity and the Doro share

Doro's share is listed on Nasdaq Stockholm, Small Cap, in the segment Telecom/IT. On 31 December 2024, the number of issued shares was 24.532.500, of which Doro AB holds 150.395 Doro shares. Total equity amounted to SEK 561.7 million (508.9).

Employees

On 31 December 2024, Doro had 119 (118) employees, corresponding to 108 (113) full-time equivalents. Of these employees, 67 (64) were based in the Nordic region, 22 (23) in Central and Eastern Europe, 12 (12) in Western and Southern Europe and Africa, 7 (8) in the United Kingdom and Ireland and 11 (11) in the rest of the world.

Risks

The geopolitical situation continues to pose a risk for Doro and all European companies, with increased uncertainty in global trade following the election of the new president in the United States. The ever-growing number of regulations regarding product safety, labeling, and compliance standards demands significant resources and presents a challenge for both our organization and the industry.

Other risks are described on pages 34–35 of the Annual Report 2023.

Parent company

The parent company's net sales during the fourth quarter totalled SEK 254.7 million (270.8). Profit after tax amounted to SEK 33.2 million (13.2).

Accounting principles

This interim report has been prepared for the group in accordance with IAS 34. "Interim Financial Reporting." and for the parent company in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2. "Accounting for legal entities." Government assistance received is reported as other income. The accounting principles and calculation methods applied correspond to those that were used to prepare the most recent annual report.

FINANCIAL REPORTS

GROUP

INCOME STATEMENT SEK million Doro Group	2024 Quarter 4	2023 Quarter 4	2024 Jan-Dec	2023 Jan-Dec
Net Sales	263.3	289.6	882.3	973.6
Cost of goods and services sold	-141.3	-174.3	-477.0	-583.6
Gross profit	122.0	115.3	405.3	390.0
Selling, distribution and marketing expenses	-49.9	-48.0	-193.0	-188.1
Research and development expenses	-17.6	-25.8	-63.9	-78.0
Administrative expenses	-15.5	-17.9	-67.2	-63.0
Other income and expense	1.6	2.0	5.4	7.8
Total operating expenses	-81.4	-89.7	-318.7	-321.3
whereof depreciation and amortization of intangible and tangible fixed assets	-8.4	-18.4	-35.2	-51.7
Operating profit/loss before depreciation and amortization (EBITDA)	49.0	44.0	121.8	120.4
Operating profit/loss after depreciation and amortization (EBIT)	40.6	25.6	86.6	68.7
Net financial items	7.0	-4.6	15.7	-11.1
Profit/loss before taxes	47.6	21.0	102.3	57.6
Taxes	-6.0	-15.3	-16.2	-25.2
Profit/loss for the period	41.6	5.7	86.1	32.4
Average number of shares, thousands	24 382	24 326	24 361	24 326
Average number of shares after dilution, thousands*	24 382	24 326	24 361	24 326
Earnings per share, SEK	1.71	0.23	3.53	1.33
Earnings per share after dilution, SEK*	1.71	0.23	3.53	1.33

*The effect of dilution is considered only when the effect on earnings per share is negative.

STATEMENT OF COMPREHENSIVE INCOME	2024	2023	2024	2023
SEK million Doro Group	Quarter 4	Quarter 4	Jan-Dec	Jan-Dec
Profit/loss for the period	41.6	5.7	86.1	32.4
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Translation differences	5.9	-9.6	12.4	-0.3
Effects from cash flow hedges	0.9	-2.8	1.8	2.3
Tax on items that may be reclassified to profit or loss	-0.2	0.5	-0.4	-0.5
Other comprehensive income, total	6.6	-11.9	13.8	1.5
Other comprehensive income related to Parent company's shareholders	48.2	-6.2	99.9	33.9

STATEMENT OF FINANCIAL POSITION	2024	2023
SEK million Doro Group	31 Dec	31 Dec
Non-current assets		
Intangible assets	281.1	268.5
Property, plant and equipment	14.9	14.8
Financial assets	43.8	33.7
Deferred tax asset	11.5	13.8
Current assets		
Inventories	165.6	176.0
Current receivables	168.7	168.0
Cash and cash equivalents	260.5	194.3
Total assets	946.1	869.1
Shareholders' equity attributable to Parent company's shareholders	561.7	508.9
Long term liabilities, interests-bearing	10.6	10.7
Long term liabilities, non-interests bearing	46.6	43.0
Current liabilities, interests-bearing	6.4	6.7
Current liabilities, non-interests bearing	320.8	299.8
Total shareholders' equity and liabilities	946.1	869.1

Financial instruments recognized at fair value in the Balance Sheet	2024	2023
SEK million Doro Group	31 Dec	31 Dec
Exchange rate contracts recorded as current liability	0.8	6.0
Exchange rate contracts recorded as current receivable	3.9	4.0
Hybrid loan	43.2	33.3

Financial instruments recognized at fair value consist of currency forward contracts and are used primarily for hedging purposes and are measured at level 2.

STATEMENT CASH FLOWS	2024	2023	2024	2023
SEK million Doro Group	Quarter 4	Quarter 4	Jan-Dec	Jan-Dec
EBIT	40.6	25.6	86.6	68.7
Depreciation according to plan	8.4	18.4	35.2	51.7
Net paid financial items	1.3	1.3	5.2	1.7
Unrealized exchange rate differences in cash flow hedges	-4.0	0.8	-3.3	-9.8
Income tax paid	-3.5	-0.2	-18.8	-12.9
Change in working capital (incl changes in provision)	9.0	17.7	42.5	48.3
Cash flow from current activities	51.8	63.6	147.4	147.7
Investments in intangible and tangible assets	-8.5	-6.0	-35.1	-26.1
Free cash flow before acquisitions	43.3	57.6	112.3	121.6
Cash flow from investing activities	-8.5	-6.0	-35.1	-26.1
Amortization of debt	-1.8	-21.8	-7.4	-82.4
Dividends paid	0.0	0.0	-48.7	0.0
Sale/repurchase of own shares	0.0	0.0	1.1	0.0
Cash flow from financing activities	-1.8	-21.8	-55.0	-82.4
Exchange rate diff in cash and cash equivalents	4.0	-8.9	8.9	0.7
Change in liquid funds	45.5	26.9	66.2	39.9
Net cash	246.9	180.1	246.9	180.1
Net debt	-	-	-	-

STATEMENT OF CHANGES IN EQUITY	2024	2023
SEK million Doro Group	31 Dec	31 Dec
Opening balance	508.9	475.0
Total Comprehensive income related to Parent company's shareholders	99.9	33.9
Dividends to shareholders	-48.7	0.0
Long-term variable compensation plans	0.5	0.0
Sale/Repurchase of own shares	1.1	0.0
Closing balance	561.7	508.9

OTHER KEY FIGURES	2024	2023
SEK million Doro Group	31 Dec	31 Dec
EBITDA	121.8	120.4
Equity/assets ratio, %	59.4	58.6
Number of shares at the end of the period, thousands	24 382	24 326
Number of shares at the end of the period after dilution, thousands*	24 382	24 326
Equity per share, SEK	23.04	20.92
Equity per share, after dilution SEK*	23.04	20.92
Return on average shareholders' equity, %	15.9	6.9
Return on average capital employed, %	26.4	17.0
Share price at period's end, SEK	33.90	21.70
Market value, SEKm	826.5	527.9

**The effect of dilution is considered only when the effect on earnings per share is negative.*

PARENT COMPANY

INCOME STATEMENT	2024	2023	2024	2023
SEK million Parent company	Quarter 4	Quarter 4	Jan-Dec	Jan-Dec
Net Sales	254.7	270.8	838.1	899.6
Cost of goods and services sold	-137.6	-159.8	-447.6	-548.3
Gross profit	117.1	111.0	390.5	351.3
Operating expenses	-83.9	-87.7	-330.0	-308.7
Operating profit/loss (EBIT)	33.2	23.3	60.5	42.6
Net financial items	6.3	-5.8	23.3	3.5
Profit/loss after financial items	39.5	17.4	83.8	46.1
Taxes	-6.3	-4.2	-13.0	-8.4
Profit/loss for the period	33.2	13.2	70.8	37.7

STATEMENT OF COMPREHENSIVE INCOME	2024	2023	2024	2023
SEK million Parent company	Quarter 4	Quarter 4	Jan-Dec	Jan-Dec
Profit/loss for the period	33.2	13.2	70.8	37.7
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Effects from cash flow hedges	0.9	-2.8	1.8	2.3
Tax on items that maybe reclassified to profit or loss	-0.2	0.5	-0.4	-0.5
Total Result related to Parent company's shareholders	33.9	10.9	72.2	39.5

STATEMENT OF FINANCIAL POSITION	2024	2023
SEK million Parent company	31 Dec	31 Dec
Non-current assets		
Intangible assets	44.1	37.4
Property, plant and equipment	0.8	0.4
Financial assets	117.8	107.8
Current assets		
Inventories	157.3	155.3
Current receivables	330.7	333.1
Cash and cash equivalents	233.8	183.2
Total assets	884.5	817.2
Shareholders' equity attributable to Parent company's shareholders	289.9	264.8
Provisions	73.3	71.8
Long-term liabilities	0.0	0.0
Current liabilities	521.3	480.6
Total shareholders' equity and liabilities	884.5	817.2

FINANCIAL DEFINITIONS

Average number of shares after dilution	Average number of shares adjusted with the dilution effect from warrants is calculated as the difference between the assumed number of shares issued at the exercise price and the assumed number of shares issued at average market price for the period.
Earnings per share	Profit/loss after financial items minus tax divided by average number of shares for the period.
Earnings per share, after dilution	Profit/loss after financial items minus tax divided by the average number of shares for the period after dilution.
Number of shares at the end of the period, after dilution	The number of shares at the end of the period adjusted with the dilution effect from warrants is calculated as the difference between assumed number of shares issued at the exercise price and the assumed number of shares issued at the closing market price at the end of the period.
Equity per share	Shareholders' equity at the end of the period divided by the number of shares at the end of the period.
Equity per share, after dilution	Shareholders' equity at the end of the period divided by the number of shares at the end of the period, after dilution.
Net Debt/Net Cash	Cash and bank balances reduced with interest-bearing liabilities.
Market value, SEK m	Share price at period's end times the number of shares at the end of the period.

Use of non-IFRS performance measures

Guidelines on Alternative Performance Measures (APMs) for companies with securities listed on a regulated market within the European Union have been issued by ESMA (the European Securities and Markets Authority). These guidelines apply to APMs disclosed when publishing regulated information on or after July 3, 2016. Reference is made in the interim report to a number of non-IFRS performance measures that are used to help investors as well as management analyse the company's operations. Described below are the non-IFRS performance measures that are used as a complement to the financial information that is reported in accordance with IFRS.

Description of financial performance measures that are not used in IFRS

Non-IFRS performance measure	Description	Reason for use of the measure
Gross Margin %	Net Sales minus Cost of goods and services sold in percentage of Net Sales.	Gross Margin is an important measure for showing the margin before Other operating expenses.
Sales growth comparable entities %	Net Sales for the period minus Net Sales for entities acquired during the year minus Net Sales for the corresponding period last year in percentage of Net Sales for the corresponding period last year.	Sales growth for comparable entities shows the Group's organic growth excluding acquired businesses.

Currency adjusted Sales growth %	Net Sales for the period minus Net Sales for the corresponding period last year recalculated using this year's currency exchange rates in percentage of Net Sales for the corresponding period last year recalculated using this year's currency exchange rates.	The measure shows the Sales growth excluding the effect of changes in currency exchange rates between the years.
Equity/assets ratio	Equity expressed as a percentage of total assets.	A traditional measure for showing financial risk, expressing the amount of restricted equity which is financed by the owners.
Return on average shareholders' equity	Profit/Loss rolling twelve months after financial items and tax divided by average shareholders' equity.	Shows from a shareholder perspective the return that is generated on the owners' capital that is invested in the company.
Capital employed	Total assets reduced with non-interest-bearing debt and cash and bank balances.	This measure shows the amount of total capital that is used in the operations and is thus one component for measuring the return from operations.
Return on average capital employed	Operating profit/loss rolling twelve months, divided by the quarterly average capital employed excluding cash and bank balances.	This is the central ratio for measuring the return on the capital tied up in operations.

Calculation of financial performance measures that are not defined in IFRS

	2024 Quarter 4	2023 Quarter 4	2024 31 Dec	2023 31 Dec
Currency adjusted sales growth (MSEK)				
Currency adjusted sales growth	-25.8	12.5		
Currency effect	-0.5	11.7	0	0
Reported sales growth	-26.3	24.2		
Capital employed				
Total assets			946.1	869.1
Non-interest-bearing liabilities			367.4	342.8
Cash and bank			260.5	194.3
Reported capital employed			318.2	332.0

CONFIRMATION BY THE BOARD

The board and CEO affirm that this Interim Report provides an accurate overview of the operations, position and earnings of the company and group and that it also describes the principal risks and uncertainty factors faced by the company and its subsidiaries.

This year-end report has not been reviewed by the Company's auditors.

Malmö, 13 February 2025

Juha Mört
Chairman of the board

Victor Saeijs
Board member

Noora Jayasekara
Board member

Suzaan Sauerma
Board member

Sebastian Ehrnrooth
Board member

Fredrik Löthgren
Board member

Julian Read
President & CEO

REPORT DATES

Q1 report January-March 2025 25 April 2025
Q2 report January-June 2025 16 July 2025

Annual general meeting to take place in Malmö on 25 April 2025.

CONTACT

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