

Impact of covid-19 in the quarter

The quarter in summary

- Doro's net sales amounted to SEK 424.2 million (466.2), a decrease of 9.0 percent.
- Net sales for the business segment Care were SEK 130.3 million (117.6), an increase of 10.8 percent and for the business segment Phones were SEK 293.9 million (348.6), a decrease of 15.7 percent.
- Gross margin increased to 33.7 percent (31.1). For Care, the gross margin decreased to 40.8 percent (42.8) and for Phones the gross margin increased to 30.6 percent (27.1).
- EBITDA amounted to SEK 43.7 million (43.6), an increase of 0.2 percent.
- Operating profit (EBIT) amounted to SEK 15.2 million (21.2), with an operating margin of 3.6 percent (4.5).
- Profit after tax for the period was SEK 14.5 million (15.4) and profit per share was SEK 0.61 (0.65).
- Free cash flow before acquisitions was SEK -22.0 million (19.2).
- As a result of the rapid spread of the covid-19 virus, especially order intake has been impacted within business segment Phones during end of the quarter. Many of Doro's largest markets have been closed down since the second half of March.
- Measures have been taken in relation to all parts of the business to mitigate the effects of coronavirus.

As previously announced, the Board of Directors has decided to propose to the Annual General Meeting 2020, there will be no dividend 2020.

Employees are on short-term leave in many markets, starting in April. Cost savings have been implemented, investments have been withdrawn or postponed. We are monitoring the situation closely and are preparing further significant cost savings.

A significant decline in sales within the business segment Phones is expected during the second quarter.

3.6%

EBIT margin

-9.0%

Net sales

KEY FIGURES

(SEK million)

	2020 Quarter 1	2019 Quarter 1	%	2019 Whole year
Net sales	424.2	466.2	-9.0	2,063.0
Sales growth. %	-9.0	11.1		8.2
EBITDA	43.7	43.6	0.2	209.3
EBITDA margin. %	10.3	9.4		10.1
EBIT	15.2	21.2	-28.3	112.1
EBIT margin. %	3.6	4.5		5.4
Profit per share	0.61	0.65	-6.2	3.28
Equity ratio. %	50.2	46.1		46.6

Message from the CEO

The first quarter has been affected by the covid-19 situation. In the beginning of the first quarter, supply chain was affected by the current situation. The business segment Phones was affected by a declining market and the order intake was negatively affected by covid-19 at end of the quarter. The situation brings home the importance of the essential social roles we provide through our service business. We have implemented the measures needed to ensure that we can continue to maintain a high level of service and quality in our service delivery and we have worked continuously with crisis management. We are taking the necessary steps to ensure that we can handle the situation in both the short term and the long term. I believe that all of us together, employees and partners will be able to position ourselves where we need to be once the market begins to recover.

In order to provide greater transparency and a clearer picture of Doro, as of this quarter the reporting for the group will be divided into two business segments: Care and Phones. Sales continued to rise in Care this quarter, by 10.8 percent, but the gross margin was not at the level we would like. The main reasons for the lower margin are our recent acquisition of Centra Pulse and Connect and increased costs as a result of covid-19. The aim of extracting synergies from the acquisition has not progressed according to plan, which is disappointing. We have enhanced our efforts to achieve the profitability and to ensure our competitiveness in the future. Our innovation work continues and the upcoming launch of our new welfare hub, Doro Eliza, represents the very latest in technology enabled care. The product has won the iF Design Award for its basic and attractive design.

In the business segment Phones, total sales decreased by 15.7 percent compared with the same quarter last year, mainly caused by a general declining market and in the end of the quarter order intake was negatively affected by covid-19. We are working to improve profitability by adapting our cost structure with the aim of maintain our market position. We have therefore introduced short term leave for our employees on most of our markets, reduced the number of consultants and employees, investments have been withdrawn and postponed. The forecast indicates that sales will fall further during the second quarter. We are monitoring market developments closely and we will implement further substantial cost savings if necessary. During the quarter, we launched one of our anticipated hero products, our new Doro 8050 smartphone.

The current covid-19 situation is bringing many things to a head and in particular it highlights the importance of Doro's ongoing work to develop the digital technology of tomorrow that provides independence to elderly people. The need for a safe, active and meaningful everyday life for seniors has never been more relevant.

Carl-Johan Zetterberg Boudrie, President and CEO



“The need for a safe, active and meaningful everyday life for seniors has never been more relevant”

“We have implemented the measures needed to ensure that we can continue to maintain a high level of service and quality in our service delivery”

NET SALES

Highlights during the first quarter

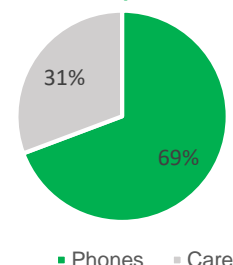
Doro's net sales for the first quarter amounted to SEK 424.2 million (466.2), a decrease of 9.0 percent compared with the first quarter of 2019. Adjusted for currency effects, the decrease was 11.3 percent.

Sales in the business segment Care increased by 10.8 percent, while sales in the business segment Phones decreased by 15.7 percent compared with the first quarter of 2019. Organic growth within Care was -0.1 percent.

NET SALES BY BUSINESS SEGMENT (SEK million)

	2020 Quarter 1	2019 Quarter 1	%	2019 Whole year
Care	130.3	117.6	10.8	476.7
Phones	293.9	348.6	-15.7	1,586.3
Total	424.2	466.2	-9.0	2,063.0

Net sales by business segment for the quarter



OPERATING PROFIT

Highlights during the first quarter

The gross margin increased compared with the first quarter of 2019 and amounted to 33.7 percent (31.1). This improvement compared with the previous year is mainly the result of product mix effects and lower freight costs.

EBITDA for the first quarter increased by 0.2 percent to SEK 43.7 million (43.6), which corresponds to an EBITDA margin of 10.3 percent (9.4).

EBITA for the first quarter decreased to SEK 18.3 million (24.0). Planned depreciation of intangible assets from company acquisitions was SEK 3.1 million (-2.8) during the quarter, resulting in an EBIT of SEK 15.2 million (21.2) and an EBIT margin of 3.6 percent (4.5). The decline in profitability is the result of higher depreciation costs relating to increased investments in product development for new telephones and alarm products that were launched over the past year.

Net financial items for the first quarter totalled SEK 4.7 million (-0.9) including revaluation of financial instruments in foreign currency.

Group tax for the quarter was SEK -5.4 million (-4.9). Profit after tax for the period was SEK 14.5 million (15.4).

OPERATING PROFIT BY BUSINESS SEGMENT (SEK million)

	2020 Quarter 1	2019 Quarter 1	%	2019 Whole year
Care				
Gross profit	53.2	50.3	5.8	200.8
Gross margin	40.8	42.8		42.1
Operating profit (EBIT)	7.2	11.8	-39.0	40.5
EBIT margin	5.5	10.0		8.5
Phones				
Gross profit	89.8	94.6	-5.1	448.6
Gross margin	30.6	27.1		28.3
Operating profit (EBIT)	9.9	12.3	-19.5	105.7
EBIT margin	3.4	3.5		6.7
Unallocated operating expenses	-1.9	-3.0	-36.7	-34.1
Group				
Gross profit	143.1	145.1	-1.4	649.5
Gross margin	33.7	31.1		31.5
Operating profit (EBIT)	15.2	21.2	-28.3	112.1
EBIT margin	3.6	4.5		5.4

HIGHLIGHTS BY BUSINESS SEGMENT

CARE

First quarter

Net sales in the business segment Care for the first quarter amounted to SEK 130.3 million (117.6), an increase of 10.8 percent compared with the first quarter of 2019. Sales of services increased by 21.2 percent to SEK 103.6 million (SEK 85.5 million), while product sales were weaker than last year.

The gross margin for the first quarter was 40.8 percent (42.8).

EBIT amounted to SEK 7.2 million (11.8) during the first quarter, which is equivalent to an EBIT margin of 5.5 percent (10.0). The lower margin and operating profit are mainly the result of integration costs related to the acquisition of Centra Pulse & Connect and increased costs due to covid-19. The process of obtaining synergies from the acquisition has not gone according to plan, which is disappointing. We have intensified our efforts to achieve the right level of profitability to secure our future competitiveness.

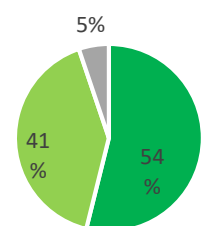
The number of subscriptions at the end of the period was 316,000 (203,000).

Sales in the Nordics increased by 4.6 percent compared with the first quarter of 2019. This increase in sales can be attributed mainly to more subscribers and slightly higher revenue per subscription in the Nordics compared with the previous year.

Sales in the UK and Ireland increased by 30.4 percent compared with the first quarter of 2019. This increase in sales is mainly the result of the acquisition of Centra Pulse & Connect, which was incorporated in the group in September 2019.

Sales for other regions during the first quarter totalled SEK 6.8 million (9.7).

Sales by market



- Nordics
- United Kingdom and Ireland
- Other

KEY FIGURES CARE (SEK million)

	2020 Quarter 1	2019 Quarter 1	%	2019 Whole year
Net sales	130.3	117.6	10.8	476.7
Cost of goods and services sold	-77.1	-67.3	14.6	-275.9
Gross profit	53.2	50.3	5.8	200.8
Gross margin %	40.8	42.8		42.1
Other operating expenses	-46.0	-38.5	19.5	-160.3
Operating profit after depreciation and write-downs (EBIT)	7.2	11.8	-39.0	40.5
EBIT margin %	5.5	10.0		8.5
Number of subscriptions (thousand)	316.0	203.0	55.7	312.0
Product sales	26.6	32.0	-16.9	102.3
Sales of services	103.6	85.5	21.2	374.4
Investment in product development	5.0	0.9	455.6	13.4

NET SALES BY MARKET (SEK million)

	2020 Quarter 1	2019 Quarter 1	%	2019 Whole year
Nordics	69.9	66.8	4.6	274.9
United Kingdom and Ireland	53.6	41.1	30.4	170.4
Other	6.8	9.7	-29.9	31.4
Total	130.3	117.6	10.8	476.7

PHONES

First quarter

Net sales in the business segment Phones for the first quarter amounted to SEK 293.9 million (348.6), a decrease of 15.7 percent compared with the first quarter of 2019. Sales at the end of the quarter were negatively affected by covid-19, as a result of closes markets, and by a weak market generally. Doro has defended its market shares and we are working hard to become more competitive within Phones so that we can serve the market when it recovers again.

The gross margin for the first quarter was 30.6 percent (27.1).

EBIT amounted to SEK 9.9 million (12.3) during the first quarter, which is equivalent to an EBIT margin of 3.4 percent (3.5). This decline in profitability is mainly the result of higher depreciation costs relating to the new products that have been launched in recent months.

Sales in the Nordics decreased by 14.0 percent compared with the first quarter of 2019. This decline is the result of lower activity because of covid-19, but also of a slight fall in demand following a strong fourth quarter. Our new Doro 8050 smartphone was launched during the quarter and has been listed by the majority of customers in the region.

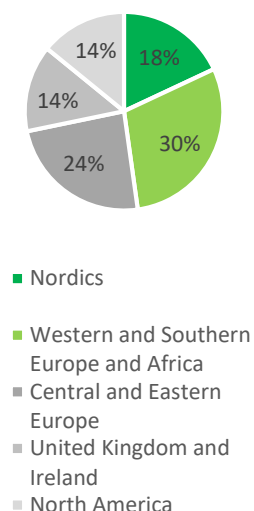
Sales in Western and Southern Europe and Africa decreased by 15.1 percent compared with the first quarter of 2019. Covid-19 has had a negative impact on sales in Italy and Spain in the end of the quarter, with the markets there closed down completely. Sales have also decreased in France, but we have managed to increase sales to some of our key customers in spite of the situation.

Sales in Central and Eastern Europe decreased by 13.8 percent compared with the first quarter of 2019 and sales in the United Kingdom and Ireland decreased by 16.4 percent. Sales on both markets are being negatively affected by product mix, and the closure of stores in the region in the end of the quarter, and the main focus is now on online trading. Despite the current situation, the Doro brand is not being affected as heavily as others, thanks to our focus on seniors, which in these times is more relevant than ever.

Sales in North America decreased by 21.2 percent compared with the first quarter of 2019. This decline is mainly the result of a very strong first quarter in 2019, thanks to major demand for our then recently launched smart 4G feature phone, Doro 7050.

Income and income adjustments for other regions during the first quarter totalled SEK -5.3 million (-6.3).

Sales by market



KEY FIGURES PHONES

(SEK million)	2020 Quarter 1	2019 Quarter 1	%	2019 Whole year
Net sales	293.9	348.6	-15.7	1,586.3
Cost of goods and services sold	-204.1	-254.0	-19.6	-1,137.7
Gross profit	89.8	94.6	-5.1	448.6
Gross margin %	30.6	27.1		28.3
Other operating expenses	-79.9	-82.3	-2.9	-342.9
Operating profit after depreciation and write-downs (EBIT)	9.9	12.3	-19.5	105.7
EBIT margin %	3.4	3.5		6.7
Order book	115.9	120.1	-3.5	98.4
New orders	311.4	361.0	-13.7	1,576.9
Investment in product development	8.5	12.4	-31.5	77.9

NET SALES BY MARKET

(SEK million)	2020 Quarter 1	2019 Quarter 1	%	2019 Whole year
Nordics	54.0	62.8	-14.0	298.5
Western and Southern Europe and Africa	89.1	104.9	-15.1	422.7
Central and Eastern Europe	71.8	83.3	-13.8	452.5
United Kingdom and Ireland	42.3	50.6	-16.4	201.2
North America	42.0	53.3	-21.2	215.6
Other	-5.3	-6.3	-15.9	-4.3
Total	293.9	348.6	-15.7	1,586.2

FINANCIAL DEVELOPMENT

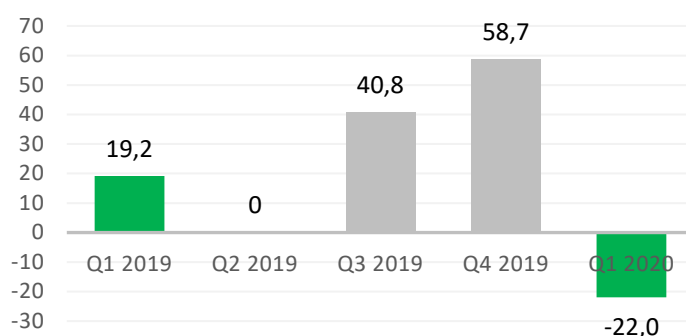
Cash flow, investments and financial position

Cash flow from operating activities during the first quarter was SEK -2.5 million (40.8). This decrease is mainly the result of a worse change in working capital compared with the first quarter of 2019 due to increased inventories, higher tax payments and lower trade payables. The capital tied up in inventories and trade receivables, however, is significantly lower as at 31 March 2020 than at the corresponding time last year. Free cash flow, after investments but before acquisitions, amounted to SEK -22.0 million (19.2). Investments during the period amounted to SEK 19.5 million (21.6).

Cash and cash equivalents totalled SEK 172.4 million (150.8) at the end of the first quarter. At the same time, the equity ratio was 50.2 percent (46.1).

Net debt amounted to SEK 129.6 million at the end of the first quarter, compared with SEK 84.1 million at the end of the previous quarter and SEK 156.7 million at the end of the first quarter of 2019.

FREE CASH FLOW



Significant events during the period

- Doro AB appoints new CFO.
- Doro expects to see a negative impact on profits in 2020 as a result of uncertainty in the macroeconomic outlook.

Significant events after the period

Beginning of the second quarter was strongly impacted by covid-19. We have 174 employees on short-term leave in most of our markets. The future is uncertain and its unsure how to predict the covid-19 development. The measures we have taken in our service delivery have so far worked well, we continue to deliver high quality and service in our alarm receiving centres.

OTHER INFORMATION

Equity and the Doro share

Doro's share is listed on Nasdaq Stockholm, Small Cap, in the segment Telecom/IT. On 31 March 2020, the number of issued shares was 24,204,568, of which Doro AB holds 439,030 Doro shares. Total equity amounted to SEK 809.3 million (718.1).

Employees

On 31 March 2020, Doro had 978 (688) employees, corresponding to 673 (566) full-time equivalents. Of these employees, 359 (354) are based in the Nordic region, 45 (52) in Central and Eastern Europe, 24 (25) in Western and Southern Europe and Africa, 540 (248) in the United Kingdom and Ireland and 10 (9) in the Rest of the world.

Risks

In the present situation, the most significant risks are those relating to the covid-19 pandemic. Stores remaining closed and a general downturn in the economy may have a major impact on sales of telephones. Within Care, the pandemic may result in problems meeting demand for service if more of our alarm centre staff are absent from work while at the same time there is an increase in the number of alarms. The risks relating to information security, with regard to sensitive personal data for example, increase as we work from home. Procurements and product launches are in danger of being postponed as a result of the pandemic.

Other risks are described on pages 28–29 of the Annual Report.

Parent company

The parent company's net sales during the first quarter totalled SEK 313.5 million (360.6). Profit after tax amounted to SEK 15.6 million (3.1).

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". The accounting principles and calculation methods applied correspond to those that were used to prepare the most recent annual report.

Seasonal variations

Doro's sales in the business segment Phones are affected by seasonal variations. Normally, sales are lowest during the first quarter. Sales during the second and third quarters are usually higher than in the first quarter. Sales are generally strongest during the fourth quarter, Doro's sales in the business segment Care usually experience small seasonal variations.

FINANCIAL REPORTS

Group

INCOME STATEMENT

Doro – Group (SEKm)

	Note	Quarter 1 2020	Quarter 1 2019	Whole year 2019
Net sales		424.2	466.2	2,063.0
Cost of goods and services sold		-281.1	-321.1	-1,413.5
Gross profit		143.1	145.1	649.5
Selling, distribution and marketing expenses		-69.4	-68.6	-284.7
Research and development expenses		-22.7	-25.9	-98.7
Administrative expenses		-34.6	-30.0	-156.1
Other income and expense		-1.2	0.6	2.1
Total operating expenses		-127.9	-123.9	-537.4
whereof depreciation and amortisation of intangible and tangible fixed assets		-28.5	-22.4	-97.2
Operating profit/loss before depreciation and amortisation (EBITDA)		43.7	43.6	209.3
Operating profit/loss after depreciation and amortisation (EBIT)		15.2	21.2	112.1
Net financial items		4.7	-0.9	-4.8
Profit/loss before taxes		19.9	20.3	107.3
Taxes		-5.4	-4.9	-29.4
Profit/loss for the period		14.5	15.4	77.9
Average number of shares, thousands		23,766	23,674	23,766
Average number of shares after dilution, thousands*		23,766	23,674	23,766
Earnings per share, SEK		0.61	0.65	3.28
Earnings per share, after dilution, SEK*		0.61	0.65	3.28
*The effect of dilution is considered only when the effect on earnings per share is negative.				

STATEMENT OF COMPREHENSIVE INCOME

Doro – Group (SEKm)

	Note	Quarter 1 2020	Quarter 1 2019	Whole year 2019
Profit/loss for the period		14.5	15.4	77.9
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Translation differences		7.8	17.5	22.4
Effects from cash flow hedges		6.7	1.9	-2.5
Deferred tax		-1.4	-0.4	0.5
Total Result related to Parent company's shareholders		27.5	34.4	98.3

STATEMENT OF FINANCIAL POSITION

	2020 31-Mar	2019 31-Mar	2019 31-Dec
Doro – Group (SEKm)			
Non-current assets			
Intangible assets	698.4	623.0	698.2
Property, plant and equipment	139.6	114.2	123.1
Financial assets	6.8	6.3	5.8
Deferred tax asset	16.0	5.8	16.7
Current assets			
Inventories	250.9	289.4	244.4
Current receivables	326.7	369.5	390.8
Cash and cash equivalents	172.4	150.8	198.5
Total assets	1,610.8	1,559.0	1,677.5
Shareholders' equity attributable to Parent company's shareholders	809.3	718.1	781.8
Longterm liabilities	357.4	323.7	345.8
Current liabilities	444.1	517.2	549.9
Total shareholders equity and liabilities	1,610.8	1,559.0	1,677.5

STATEMENT CASH FLOWS

	Quarter 1 2020	Quarter 1 2019	Whole year 2019
Doro – Group (SEKm)			
Operating profit/loss after depreciation and write-downs, EBIT	15.2	21.2	112.1
Depreciation according to plan	28.5	22.4	97.2
Net paid financial items	-1.5	-1.5	-6.4
Unrealized exchange rate differences in cash flow hedges	5.8	2.5	5.4
Taxes paid	-26.2	-9.6	-27.4
Changes in working capital (incl changes in provisions)	-24.3	5.8	61.7
Cash flow from current activities	-2.5	40.8	242.6
Investments in intangible and tangible fixed assets	-19.5	-21.6	-123.9
Total Free Cash flow before acquisitions	-22.0	19.2	118.7
Acquisitions	-0.7	0.0	-18.7
Cash flow from investment activities	-20.2	-21.6	-142.6
Amortisation of debt	-5.2	-4.2	-37.5
Warrant program, new/buy back	0.0	0.0	-0.2
Cash flow from financial activities	-5.2	-4.2	-37.7
Exchange rate differences in cash and cash equivalents	1.8	1.5	1.9
Change in liquid funds	-26.1	16.5	64.2
Net debt	129.6	156.7	84.1

STATEMENT OF CHANGES IN EQUITY

Doro – Group (SEKm)

	2020 31-mar	2019 31-Mar	2019 31-Dec
Opening balance	781.8	683.7	683.7
Total Result related to Parent company's shareholders	27.5	34.4	98.3
Warrants	0.0	0.0	-0.2
Closing balance	809.3	718.1	781.8

OTHER KEY FIGURES

Doro – Group (SEKm)

	2020 31-Mar	2019 31-Mar	2019 31-Dec
EBITA, SEKm	18.3	24.0	122.9
Equity/assets ratio, %	50.2	46.1	46.6
Number of shares at the end of the period, thousands	23,766	23,766	23,766
Number of shares at the end of the period after dilution, thousands*	23,766	23,766	23,766
Equity per share, SEK	34.05	30.22	32.90
Equity per share. after dilution SEK*	34.05	30.22	32.90
Return on average share holders' equity, %	9.7	13.4	10.6
Return on average capital employed, %	11.8	14.9	12.9
Share price at period's end, SEK	26.65	35.10	50.50
Market value, SEKm	633.4	834.2	1,200.2

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

INCOME STATEMENT

Segment (SEKm)

	Note 1	Quarter 1 2020	Quarter 1 2019	Whole year 2019
Net sales Care		130.3	117.6	476.7
Net sales Phones		293.9	348.6	1,586.3
Total Net sales		424.2	466.2	2,063.0
Gross profit Care		53.2	50.3	200.8
Gross profit Phones		89.8	94.6	448.6
Total Gross profit		143.1	145.1	649.5
Operating profit/loss (EBIT) Care		7.2	11.8	40.5
Operating profit/loss (EBIT) Phones		9.9	12.3	105.7
Non-allocated operating expenses		-1.9	-3.0	-34.1
Total Operating profit/loss after depreciation and amortisation (EBIT)		15.2	21.2	112.1

CARE

INCOME STATEMENT

Care (SEKm)	Note 1	Quarter 1 2020	Quarter 1 2019	Whole year 2019
Net sales		130.3	117.6	476.7
Cost of goods and services sold		-77.1	-67.3	-275.9
Gross profit		53.2	50.3	200.8
Gross margin, %		40.8	42.8	42.1
Other operating expenses		-46.0	-38.5	-160.3
Operating profit (EBIT)		7.2	11.8	40.5
Operating margin (EBIT margin), %		5.5	10.0	8.5

NET SALES PER MARKET

Care (SEKm)	Note 1	Quarter 1 2020	Quarter 1 2019	Whole year 2019
Nordics		69.9	66.8	274.9
UK and Ireland		53.6	41.1	170.4
Other		6.8	9.7	31.4
Total		130.3	117.6	476.7

KEY RATIOS CARE

Care (SEKm)	Note 1	Quarter 1 2020	Quarter 1 2019	Whole year 2019
Number of subscriptions (thousands)		316.0	203.0	312.0
Product sales		26.6	32.0	102.3
Service sales		103.6	85.5	374.4
Investments in product development		5.0	0,9	13.4

PHONES

INCOME STATEMENT

Phones (SEKm)	Note 1	Quarter 1 2020	Quarter 1 2019	Whole year 2019
Net sales		293.9	348.6	1,586.3
Cost of goods and services sold		-204.1	-254.0	-1,137.7
Gross profit		89.8	94.6	448.6
Gross margin. %		30.6	27.1	28.3
Other operating expenses		-79.9	-82.3	-342.9
Operating profit (EBIT)		9.9	12.3	105.7
Operating margin (EBIT margin). %		3.4	3.5	6.7

NET SALES PER MARKET

Phones (SEKm)	Note 1	Quarter 1 2020	Quarter 1 2019	Whole year 2019
Nordics		54.0	62.8	298.5
West and South Europe and Africa		89.1	104.9	422.7
Central and Eastern Europe		71.8	83.3	452.5
UK and Ireland		42.3	50.6	201.2
North America		42.0	53.3	215.6
Other		-5.3	-6.3	-4.3
Total		293.9	348.6	1,586.2

KEY RATIOS PHONES

Phones (SEKm)	Note 1	Quarter 1 2020	Quarter 1 2019	Whole year 2019
Order book		115.9	120.1	98.4
Order intake		311.4	361.0	1,576.9
Investments product development		8.5	12.4	77.9

PARENT COMPANY

INCOME STATEMENT

Parent company (SEKm)

	Note	Quarter 1 2020	Quarter 1 2019	Whole year 2019
Net sales		313.5	360.6	1,566.0
Cost of goods and services sold		-207.9	-256.2	-1,087.5
Gross profit		105.6	104.4	478.5
Operating expenses		-91.5	-98.8	-423.7
Operating profit/loss (EBIT)		14.1	5.6	54.8
Net financial items		6.9	-0.2	1.8
Profit/loss after financial items		21.0	5.4	56.6
Group contribution		0.0	0.0	0.0
Taxes		-5.4	-2.3	-15.6
Profit/loss for the period		15.6	3.1	41.0

STATEMENT OF COMPREHENSIVE INCOME

Parent Company (SEKm)

	Note	Quarter 1 2020	Quarter 1 2019	Whole year 2019
Profit/loss for the period		15.6	3.1	41.0
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Effects from cash flow hedges		6.7	1.9	-2.5
Deferred tax		-1.4	-0.4	0.5
Total Result related to Parent company's shareholders		20.8	4.6	39.0

STATEMENT OF FINANCIAL POSITION

Parent Company (SEKm)

	2020 31-Mar	2019 31-Mar	2019 31-Dec
Non-current assets			
Intangible assets	323.1	295.6	323.8
Property, plant and equipment	22.0	18.0	19.4
Financial assets	301.8	271.8	303.0
Current assets			
Inventories	197.0	216.0	183.8
Current receivables	501.0	506.2	554.4
Cash and cash equivalents	101.3	108.7	104.6
Total assets	1,446.2	1,416.2	1,489.0
Shareholders' equity attributable to Parent company's shareholders	531.8	476.5	510.9
Provisions	70.2	74.5	74.5
Longterm liabilities	220.0	240.0	220.0
Current liabilities	624.2	625.2	683.6
Total shareholders equity and liabilities	1,446.2	1,416.2	1,489.0

NOTES

Note 1 – Business segment reporting

Effective 1 January 2020, Doro reports two business segments, Care and Phones. Consequently, Net sales and Gross margin per category Products and Services are not further reported. The comparative figures for 2019 have been restated to comply with this new reporting model.

CARE

INCOME STATEMENT	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Whole year
Care (SEKm)	2019	2019	2019	2019	2019
Net sales	117.6	109.4	119.1	130.6	476.7
Cost of goods and services sold	-67.3	-62.0	-71.9	-74.7	-275.9
Gross profit	50.3	47.4	47.2	55.9	200.8
Gross margin, %	42.8	43.3	39.6	42.8	42.1
Other operating expenses	-38.5	-38.0	-38.1	-45.7	-160.3
Operating profit (EBIT)	11.8	9.4	9.1	10.2	40.5
Operating margin (EBIT margin), %	10.0	8.6	7.6	7.8	8.5

NET SALES PER MARKET	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Whole year
Care (SEKm)	2019	2019	2019	2019	2019
Nordics	66.8	66.9	72.1	69.1	274.9
UK and Ireland	41.1	34.2	39.0	56.1	170.4
Other	9.7	8.3	8.0	5.4	31.4
Total	117.6	109.4	119.1	130.6	476.7

KEY RATIOS CARE	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Whole year
Care (SEKm)	2019	2019	2019	2019	2019
Average number of subscriptions (thousands)	203.0	202.0	304.0	312.0	312.0
Number of subscriptions (thousands)	32.0	23.2	23.1	24.0	102.3
Services sales	85.5	86.3	95.9	106.7	374.4
Investments in product development	0.9	2.1	4.8	5.6	13.4

PHONES

INCOME STATEMENT

Phones (SEKm)

	Quarter 1 2019	Quarter 2 2019	Quarter 3 2019	Quarter 4 2019	Whole year 2019
Net sales	348.6	350.2	402,3	485,2	1.586.3
Cost of goods and services sold	-254.0	-236.9	-287,1	-359,7	-1.137.7
Gross profit	94.6	113.3	115,2	125,5	448.6
Gross margin, %	27.1	32,4	28,6	25,9	28.3
Other operating expenses	-82.3	-83,4	-85,4	-91,8	-342.9
Operating profit (EBIT)	12.3	29,9	29,8	33,7	105.7
Operating margin (EBIT margin), %	3.5	8,5	7,4	6,9	6.7

NET SALES PER MARKET

Phones (SEKm)

	Quarter 1 2019	Quarter 2 2019	Quarter 3 2019	Quarter 4 2019	Whole year 2019
Nordics	62.8	58.7	77.1	99.9	298.5
West and South Europe and Africa	104.9	84.9	110.1	122.8	422.7
Central and Eastern Europe	83.3	118.4	116.8	134.0	452.5
UK and Ireland	50.6	44.8	38.9	66.9	201.2
North America	53.3	44.1	57.7	60.5	215.6
Other	-6.3	-0.7	1.7	1.1	-4.2
Total	348.6	350.2	402.3	485.2	1586.3

KEY RATIOS PHONES

Phones (SEKm)

	Quarter 1 2019	Quarter 2 2019	Quarter 3 2019	Quarter 4 2019	Whole year 2019
Order book	120.1	145.6	181.6	98.4	98.4
Order intake	361.0	384.7	439.1	392.1	1576.9
Investments product development	12.4	19.6	20.5	25.4	77.9

FINANCIAL DEFINITIONS

Average number of shares after dilution	The average number of shares adjusted for the dilution effect of subscription options calculated as the difference between the presumed number of shares issued at the redemption price and the presumed number of issued shares at the average market price for the period.
Profit per share	Profit after tax divided by the average number of shares for the period.
Profit per share after dilution	Profit after tax divided by the average number of shares for the period. after the dilution effect.
Number of shares at end of period after dilution effect	The number of shares at the end of the period adjusted for the dilution effect of subscription options calculated as the difference between the presumed number of shares issued at the redemption price and the presumed number of issued shares at the market price at the end of the period.
Equity per share	Equity on the balance date divided by the number of shares on the balance date.
Equity per share after dilution	Equity on the balance date divided by the number of shares at the end of the period after dilution effects.
Net liabilities/Net cash	Cash and bank deposits less interest-bearing liabilities
Market value. SEK million	Share price at the end of the period times the number of shares at the end of the period.

Use of non-IFRS results measurement

Guidelines regarding alternative key figures for companies with securities listed on a regulated market within the EU have been issued by the ESMA (European Securities and Markets Authority). These guidelines shall be applied to alternative key figures that are used with effect from 3 July 2016. The interim report has references to a number of non-IFRS result measurements that are used to help both investors and management in analysing the company's activities. Below we describe the non IFRS result measurements that are used as a supplement to the financial information that is reported according to IFRS.

Description of financial result measurements that are not found in the IFRS rules

Non-IFRS result measurement	Description	Reason for use of measurement
Restructuring costs	Costs of impairment and personnel costs in connection with restructuring.	This measurement shows the specific costs that arise in connection with restructuring of a specific activity, which contributes to better understanding of the underlying cost level in the ongoing operational activities.
Gross margin %	Net sales minus cost of goods and services sold as a percentage of net sales.	The gross margin is an important measurement for showing the margin before other costs.
Sales growth comparable units %	Net sales for the period minus net sales for companies acquired during the period minus net sales for the corresponding period in the previous year as a percentage of net sales for the corresponding period in the previous year.	Sales growth comparable units shows the group's organic growth excluding company acquisitions.
Currency adjusted sales growth %	Net sales for the period recalculated with exchange rates for the corresponding period the previous year minus net sales for the corresponding period the previous year as a percentage of net sales for the corresponding period the previous year.	This measurement shows sales growth with currency effects cancelled out.
Equity ratio	Equity expressed as a percentage of total assets	A traditional measurement for showing financial risk, expressed as the percentage of the total capital that is financed by the owners.
Return on average equity	Rolling 12-month profit, after financial items and tax, divided by average equity.	Shows from a shareholder perspective what the return is on the owners' invested capital.
Capital employed	Total assets less non-interest-bearing liabilities and cash and bank deposits.	The measurement shows how much total capital is used in the operation and is thus the only component in measuring return from the activities.
Return on average capital employed	Rolling 12-month operating profit divided by the average quarterly capital employed	The key measurement for measuring the return on all the capital in the company.
Number of subscription customers	Number of subscription customers connected to alarm reception.	This measurement shows the volume of customers in the services activities.

Calculation of financial result measurements that are not found in the IFRS rules

	Quarter 1 2020	Quarter 1 2019	Quarter 1 2020	Quarter 1 2019
Currency adjusted sales growth (SEK million)				
Currency adjusted sales growth	-52.7	23.9		
Currency effect	10.7	22.7		
Reported sales growth	-42.0	46.6		
Capital employed				
Total assets			1,610.8	1,559.0
-non interest bearing liabilities			502.0	533.5
-cash and cash equivalents			172.4	150.8
Reported capital employed			936.4	874.7

Confirmation by the Board

The board and managing director 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 interim report has not been reviewed by the Company's auditors.

Malmö, 24 April 2020

Lennart Jacobsen
Chairman of the Board

Henri Österlund
Deputy Chairman of the Board

Tova Jexmark
Board member

Niklas Savander
Board member

Josephine Salenstedt
Board member

Mona Sahlberg
Board member

Carl-Johan Zetterberg Boudrie
CEO

REPORT DATES

Q2-report, January-June 2020:
Q3-report, January-September 2020:

16 July 2020
23 October 2020

CONTACT

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WEBCAST

A webcast conference call will be held on Friday 24 April at 9.00 am (CET) when President and CEO Carl-Johan Zetterberg Boudrie and CFO Linda Nilsson will present the report. The webcast is accessed at <https://tv.streamfabriken.com/doro-q1-2020>. The presentation material is available on Doro's financial website <http://www.doro.com/corporate>.

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