



Year-end report Fourth Quarter 2023

15 February 2024

Christian Walén, CEO & President



Quarterly Highlights

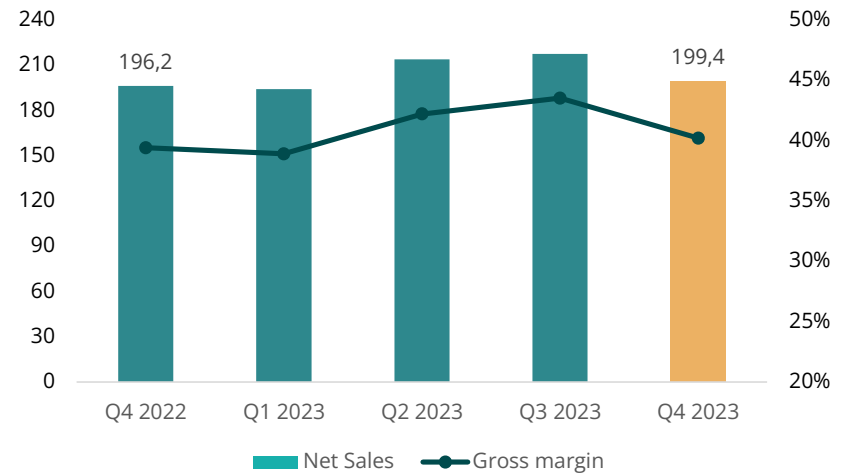
- Solid profitability and free cash flow delivered
- Good growth in “Other” (DACH/FRA) markets, reflective of our efforts to make a bigger mark in these high-value geographies
- A strong finish to the year, effectively delivering a good 2023 and completing our turn around



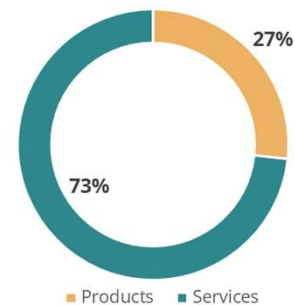
Sales and Gross Margin Q4 2023

- Organic sales growth of 1.7%, adjusted for currency effect growth amounted to 0.4%. "Flat" growth driven by delays throughout Q4 for product sales in the UK and exiting contracts.
- Service sales amounted to SEK 154.1 million (145.1) an increase of 6.2% compared to Q4 2022 and product sales amounted to SEK 45.3 million (51.1) a decrease of 11.3%.
- Gross margin of 40.2% in the quarter (39.4%). The positive gross margin development was mainly explained by lower cost for service delivery in the alarm receiving centres, as a result of the work to improve efficiency.

Net Sales (SEKm) & Gross Margin (%)



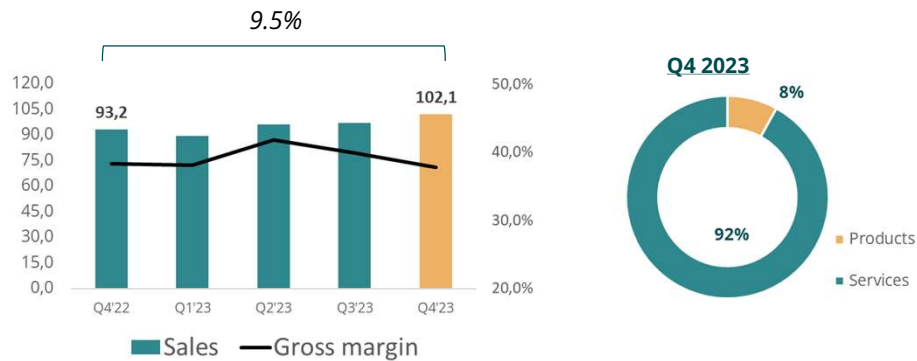
Share of Net Sales, Q3'23



Market Highlights – Nordic & United Kingdom

NORDIC

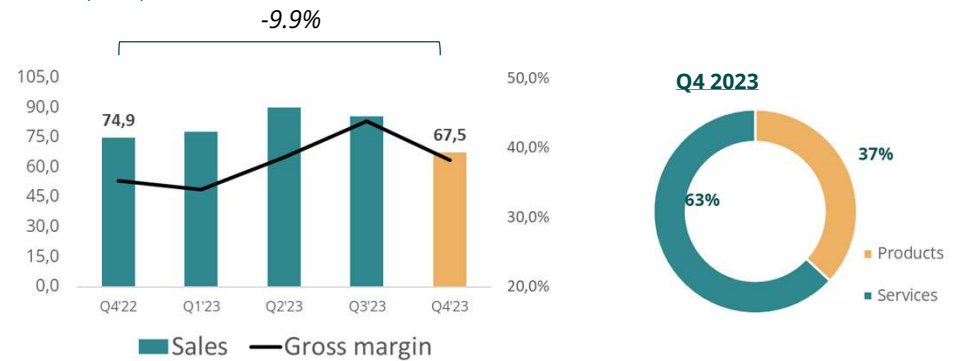
Net Sales (SEKm)



- Sales increased 9.5% compared to Q4 2022.
- Several new contracts implemented together with temporary prolongations of lost contracts, increasing services sales by 13.2%.
- The small decrease in gross margin YoY was mainly caused by higher than normal sick leave in the alarm receiving centers due to an early bout of the flu.

UNITED KINGDOM

Net Sales (SEKm)

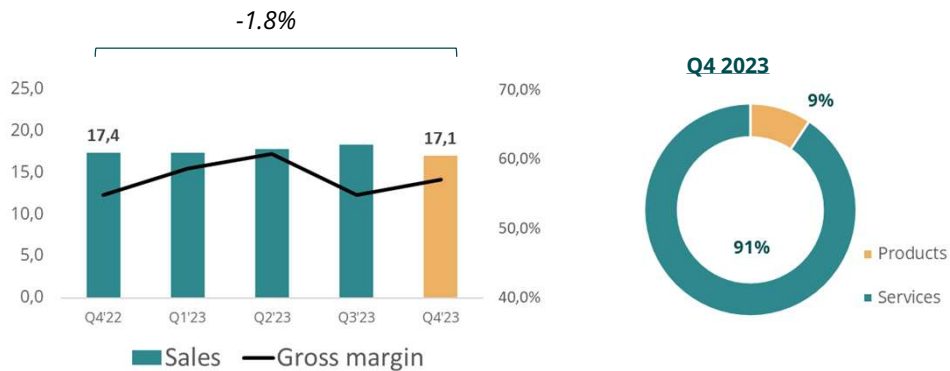


- Sales decreased by 9.9% compared to Q4 2022 mainly driven by a decreases in product sales, whereas service sales decreased 3.6%
- Product sales decreased 18.9% compared to Q4 2022, explained by the UK's decision to postpone the closedown of analogue infrastructure to a longer horizon, slowing down the urgency of customers to replace products coupled with temporary tech-related issues resolved in the quarter.
- The implementation of changes to improve the service efficiency explain the improvement in gross margin compared to the fourth quarter 2022.

Market Highlights – Netherlands & Other Markets

NETHERLANDS

Net Sales (SEKm)



- Sales decreased 1.8% compared to Q4 2022.
- Service sales decreased 2.4% due to a one-time effect in revenue recognition.
- The gross margin increased to 57.0% in the quarter due to improved efficiency in customer service delivery.

OTHER MARKETS

Net Sales (SEKm)

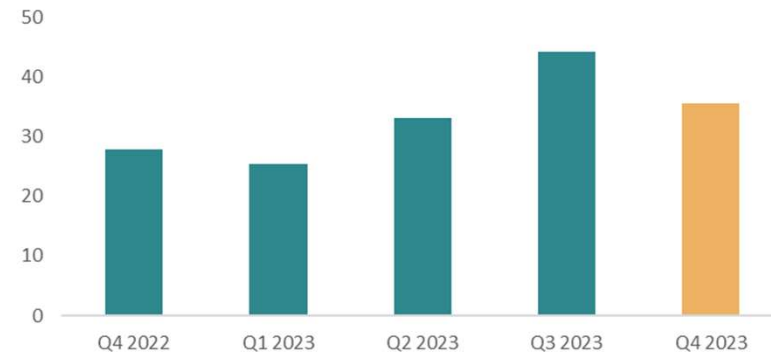


- Sales increased by 19.4% compared to Q4 2022.
- Sales in the market is mainly driven by product sales in Germany and France.
- Gross margin decrease was an effect of a different product mix, with lower share of service sales.

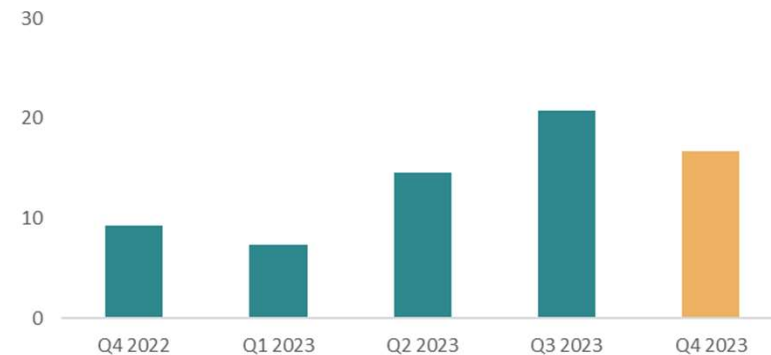
Profitability Q4 2023

- EBITDA amounted to SEK 35.5 million (31.8). EBITDA in Q4 2023 was not affected by any restructuring costs or non-recurring items (last year EBITDA was positively affected by SEK 3.9m).
- EBIT amounted to SEK 16.7 million (13.2). EBIT in Q4 2023 was not affected by any restructuring costs or non-recurring items (last year the EBIT was positively affected by SEK 3.9m).
- The improved profitability is mainly explained by the growth in sales and the cost reductions following actions taken for a more profitable business.

EBITDA excluding restructuring costs and non-recurring items (SEKm)



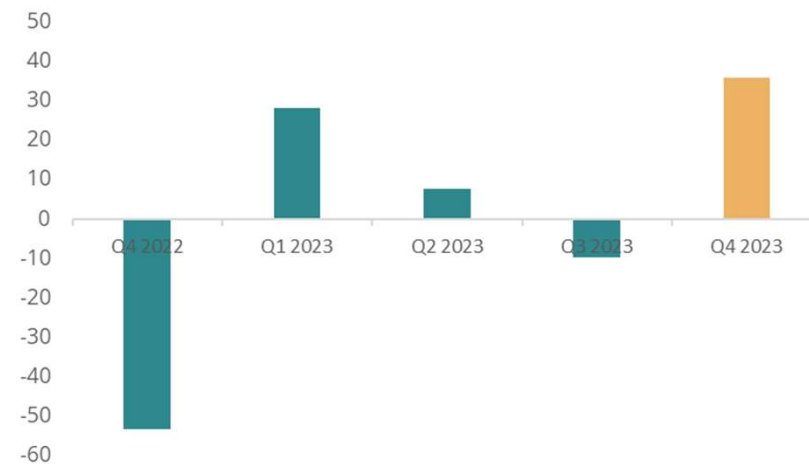
EBIT excluding restructuring costs and non-recurring items (SEKm)



Cash Flow Q4 2023

- Cash flow from current activities during the fourth quarter 2023 amounted to SEK 53.8 million (-32.7)
- Free cash flow of SEK 35.8 million (-53.4).
- Cash totalled SEK 31.5 million (39.9) at end of the fourth quarter. In addition, the bank overdraft facility showed available cash of SEK 50.0 million (20.8).
- Net debt amounted to SEK 194.3 million at the end of the fourth quarter, compared to a net debt of SEK 253.6 million at the end of the fourth quarter of 2022.

Free Cash Flow (SEKm)

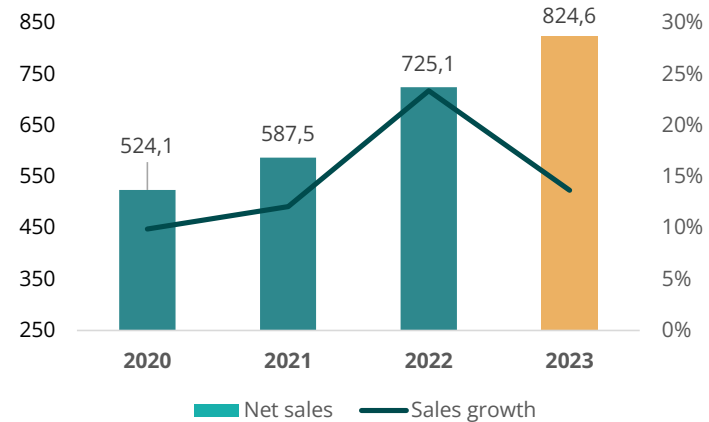


Annual summary & comparisons key figures

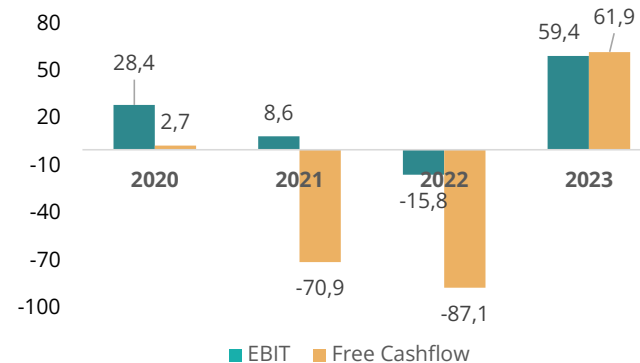
- Careium delivered sales of 824.6 mSEK (725.1) attaining a 13.7% growth
- EBIT increased to 59.4 mSEK (-15.8) following diligent work on the turn-around of the business
- Free cash flow amounted to 61.9 mSEK (-87.4) following new processes, dedicated supply chain operations and new systems.
- Net debt at the end of the year was 194.3 (253.6), a decrease of 23.4%

Careium completes its turn around during 2023 and sets out to deliver a strong 2024, expecting to deliver sales growth of 12-15% and increased EBIT.

Net Sales and Sales growth (SEKm/%)



EBIT and Free Cash Flow (SEKm)



Concluding Remarks

Q4 - Positive

- Good EBIT and free cash flows following control and cost-down initiatives
- Good growth in “Other” (FRA/DACH) markets, reflecting our increased attention to these future key regions
- A strong year across all aspects of the business delivered completing our turn-around

Q4 - Challenges

- UK sales negative in the quarter due to the combination of analogue-to-digital delay, technical issues and exiting unprofitable contracts

Q4 – Priorities Ahead

- Return to form on sales with a marked focus – Predominantly in the UK – and a strong focus on cost-takeout to compensate
- Delivering on our newly communicated guidance of 12-15% sales growth and increased EBIT



Q&A

Next report: April 25, 2024

Disclaimer

This presentation includes forward-looking information and statements including statements concerning the outlook for our businesses. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions, and the economic conditions of the markets for Careium. These expectations, estimates and projections are generally identifiable by statements containing words such as “expects,” “believes,” “estimates,” “targets,” “plans,” “outlook,” “on track,” “framework” or similar expressions.

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