



Careium reports second quarter results 2023

The quarter in summary

- Net sales amounted to SEK 213.8 million (174.4), an increase of 22.6 percent. Service sales amounted to 158.9 million (132.0) an increase of 20.3 percent. Product sales amounted to 54.9 million (42.4) an increase of 29.5 percent.
- Gross margin amounted to 42.2 percent (37.4).
- Operating profit (EBIT) amounted to SEK 14.6 million (13.5) corresponding to an operating margin of 6.8 percent (7.7). The EBIT last year was positively affected by SEK 20.4 million from non-recurring items.
- Free cash flow amounted to SEK 7.7 million (-3.9).
- Earnings per share amounted to SEK 0.59 (0.68).

January-June in summary

- Net sales amounted to SEK 407.8 million (353.0), an increase of 15.5 percent. Service sales amounted to 301.4 million (271.5) an increase of 11.0 percent. Product sales amounted to 106.5 million (81.5) an increase of 30.6 percent.
- Gross margin amounted to 40.6 percent (38.3).
- Operating profit (EBIT) amounted to SEK 22.0 million (-10.9) corresponding to an operating margin of 5.4 percent (-3.1). The EBIT last year was negatively affected by SEK -7.4 million from non-recurring items.
- Free cash flow amounted to SEK 35.9 million (0.6).
- Earnings per share amounted to SEK 0.81 (-0.15).

CEO's commentary

Careium delivered a strong quarter in relation to sales and profit, indicative of its disciplined and focussed efforts for a leadership position within technology enabled care across Europe. With strong revenues, growing profit levels and a clear link between actions taken and outcomes – The Careium team are proud to showcase the business moving toward realizing its strategy and potential. As an additional indicator of performance, Careium was in compliance with both the bank waiver and the original covenants at the end of the quarter.

Careium generated net sales of SEK 213.8 million (174.4) in the second quarter, an increase of 22.6 percent. Adjusted for currency effects, growth amounted to 18.8 percent. Gross margin increased to 42.2 percent (37.4) and EBIT increased to SEK 14.6 million, corresponding to an operating margin of 6.8 percent. EBIT last year amounted to SEK -6.9 million, adjusted for non-recurring income and expenses. We attained organic growth across services at 20.3 percent and strong product related sales growth of 29.5 percent reflecting the demand for our innovative technology offering. We delivered free cash flow of SEK 7.7 million (-3.9) in the quarter.

A major achievement during the quarter was the hive-up of our UK businesses. The new entity, Careium UK Ltd, sees four acquisitions rolled into one and forms the basis of an integrated business with far greater efficiencies. The hive-up, unified processes and exiting less profitable contracts puts the UK on track to profit and performance during 2023.

Launching September 2023, Abby, the next-generation mobile social alarm connected to our i-care® plus services represents a major step in advancing the Careium offering. Abby is a key piece in our portfolio, offering increased safety whilst facilitating an active lifestyle and enabling interaction with relatives as well as a multitude of features ranging from GPS to activity data access. The Abby has already garnered great interest resulting in several customer orders. We see it as integral to our highly promising private pay offerings and applicable for every senior on the move.

Over the quarter, sales reached SEK 96.5 million (81.3) across the Nordics, growing by 18.6 percent with a gross margin of 41.8 percent (39.9) indicating good performance in the stable Nordic markets. UK and Ireland sales were SEK 90.2 million (67.4), growing by 33.7 percent with a gross margin of 38.6 percent (30.5). The product business continued strong growth in the UK, reflective of the change to digital as the UK prepares to close analogue infrastructure while we focus on supporting customers during the transition. The Netherlands delivered sales of SEK 17.9 million (15.6), growing by 15.0 percent with a gross margin of 60.7 percent (53.3), indicating efficient operations and stable growth. Sales in Other markets (Germany and France) were SEK 9.2 million (10.1) with a gross margin of 45.3 percent (47.9), reflecting a challenging quarter.

In closing, the potential of Careium is high due to its innovative solutions, talented people and strong market position. Continuing to deliver this quarter with profitable double-digit growth is indicative of our potential to enable a better future for millions across Europe.

Christian Walén,
President and CEO

Webcast

Careium will publish the report for the second quarter of 2023 on Friday 14 July 2023 at 8am (CEST).

A webcast conference call will be held the same day at 10.00 am (CEST) when President and CEO Christian Walén will present the report. The webcast is accessed at <http://ir.financialhearings.com/careium-q2-2023>.

If you wish to participate via teleconference, please register on the link below. After registration you will be provided phone numbers and a conference ID to access the conference. You can ask questions verbally via the teleconference at <http://conference.financialhearings.com/teleconference/?id=2001218>

The presentation material is available on Careium's financial website at <http://www.careium.com/en-gb/investors/financial-information/presentations2/>.

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This information is information that Careium AB is obliged to disclose in accordance with the EU Market Abuse Regulation. The information was submitted for publication by the contact persons above on Friday 14 July 2023, at 8.00 (CEST).

Careium is a leading player in technology enabled care in Europe. Careium's innovative solutions improve the safety, quality of life and independence of seniors both inside and outside the home. Careium provides its products and services to ~400,000 seniors in Sweden, Norway, the UK, the Netherlands, Germany and France. Most of the seniors are connected to one of Careium's alarm receiving centers in Sweden, Norway and the United Kingdom where approximately 25,000 alarms are handled every day by one of our 600 employees in the alarm receiving centres. FNCA Sweden AB is appointed certified adviser.