



Careium reports third quarter results 2023

The quarter in summary

- Net sales amounted to SEK 217.3 million (175.9), an increase of 23.5 percent. Service sales amounted to 159.3 million (134.3), an increase of 18.7 percent. Product sales amounted to 58.0 million (41.7), an increase of 39.2 percent.
- Gross margin amounted to 43.5 percent (34.8).
- Operating profit (EBIT) amounted to SEK 20.7 million (-18.2), corresponding to an operating margin of 9.5 percent (-10.3). The EBIT last year was negatively affected by SEK 2.2 million from non-recurring items.
- Free cash flow amounted to SEK -9.8 million (-34.3).
- Earnings per share amounted to SEK 0.47 (-0.67).

January-September in summary

- Net sales amounted to SEK 625.2 million (528.9), an increase of 18.2 percent. Service sales amounted to 460.7 million (405.7), an increase of 13.5 percent. Product sales amounted to 164.5 million (123.2), an increase of 33.5 percent.
- Gross margin amounted to 41.6 percent (37.1).
- Operating profit (EBIT) amounted to SEK 42.7 million (-29.1), corresponding to an operating margin of 6.8 percent (-5.5). The EBIT last year was negatively affected by SEK 9.6 million from non-recurring items.
- Free cash flow amounted to SEK 26.1 million (-33.7).
- Earnings per share amounted to SEK 1.28 (-0.82).

CEO's commentary

For the fourth quarter in a row, Careium strengthens performance. The third quarter saw us driving positive outcomes with ongoing investment in our future offering as well as internal efficiencies. The quarter was positively impacted by price increases on temporary prolongations likely to revert to normal levels during Q4.

Careium generated net sales of SEK 217.3 million (175.9), an increase of 23.5 percent. We attained organic growth across services sales of 18.7 percent and strong product-related sales growth of 39.2 percent, due to the demand for our hardware across our markets. We improved gross margin to 43.5 percent (34.8). EBIT increased to SEK 20.7 million (-18.2), corresponding to an operating margin of 9.5 percent for the quarter. Free cash flows amounted to SEK -9.8 million (-34.3). New systems, roles and processes were put in place, or with ongoing implementation, during the quarter to improve cash flow generation.

With our sights set on being a European leader in technology enabled care, spanning the main EU markets, the quarter saw us launch several initiatives aligned with our strategy. Initiatives spanned re-building our organisation for commercial focus, a new governance model to ensure speed and efficiency, new projects in developing our hardware and service offering, system implementation and changes to steer the business more efficiently.

Among the many improvements our work towards integration and efficiency continued during the quarter with the implementation of new platforms for supply chain and inventory management. In addition, new finance systems implemented in the UK will enable greater efficiencies. We also made changes to our commercial organisation, staffing, and mandates to drive growth across the group and setting up a strategic supply chain function to drive costs down as well as being more integrated in our development of hardware alongside our R&D organisation.

In the quarter, sales in the Nordic sales amounted to SEK 97.2 million (88.0), growing 10.5 percent and reaching a gross margin of 39.9 percent (38.0) indicating continued good performance. The UK and Ireland sales were SEK 85.7 million (64.5), growing 32.8 percent with a gross margin of 43.8 percent (25.3) with hardware sales serving as the main driver. The Netherlands delivered sales of SEK 18.4 million (14.8), growing 23.7 percent with a gross margin of 54.8 percent (52.6), indicating efficient operations and stable growth. Sales in Other markets (Germany and France) were SEK 16.1 million (8.6) with a gross margin of 50.6 percent (32.4), reflective of the strong market position Careium holds.

With a solid quarter delivered, we look forward to continuing delivering on our strategy adding value to society, our customers, end users, and our shareholders. My warmest thanks to all our talented employees who have contributed to delivering the quarterly outcomes and improving the lives of thousands of seniors in the process.

Christian Walén,
President and CEO

Webcast

Careium will publish the report for the third quarter of 2023 on Thursday 26 October 2023 at 8am (CEST).

A live broadcast report presentation 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://www.youtube.com/watch?v=WtVW-ZLUxbs>.

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 Thursday 26 October 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.