

The quarter in brief

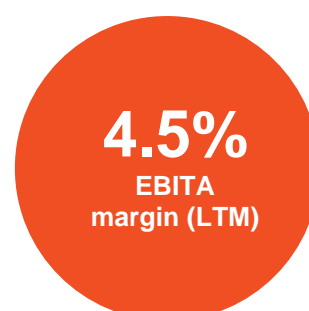
April – June 2023

- Net Sales increased by 16% to 262,409 (226,130) TSEK, of which 18% is acquired growth, 3% is exchange rate related and 5% is negative organic growth.
- EBITDA decreased by 36% to 13,874 (21,511) TSEK, adjusted* EBITDA decreased 46% to 13,874 (25,656) TSEK.
- EBITA decreased 59% to 6,677 (16,427) TSEK, adjusted* EBITA decreased 68% to 6,677 (20,572) TSEK.
- EBITA margin amounted to 2.5% (7.3), adjusted* EBITA-margin amounted to 2.5% (9.1).
- Net Profit for the period amounted to -18,318 (3,596) TSEK.
- Cash Flow from operations was 11,609 (27,348) TSEK.
- It should be noted that FMG Group was not part of Caybon Group during the second quarter 2022.

January – June 2023

- Net Sales increased by 11% to 517,953 (467,576) TSEK, of which 17% is acquired growth, 2% is exchange rate related and 8% is negative organic growth.
- EBITDA decreased by 48% to 25,970 (49,644) TSEK, adjusted* EBITDA decreased 54% to 25,970 (56,723) TSEK.
- EBITA decreased 72% to 11,130 (39,541) TSEK, adjusted* EBITA decreased 76% to 11,130 (46,620) TSEK.
- EBITA margin amounted to 2.1% (8.5), adjusted* EBITA margin amounted to 2.1% (10).
- Net Profit for the period amounted to -27,139 (12,760) TSEK.
- Cash Flow from operations was 7,389 (28,807) TSEK.
- It should be noted that FMG Group was not part of Caybon Group during the first half of 2022.

Adjusted amounts exclude non-recurring items and aim to give a picture of the underlying development; see note 6.



TSEK	2023			2022			LTM	2022 Full year
	Apr-Jun	Apr-Jun	Chg, %	Jan-Jun	Jan-Jun	Chg, %		
Net Sales	262 409	226 130	16%	517 953	467 576	11%	1 033 991	983 615
Gross profit	131 982	117 835	12%	266 065	248 366	7%	547 745	530 501
Gross profit margin, %	50,3%	52,1%	-3%	51,4%	53,1%	-3%	53,0%	53,9%
EBITDA	13 874	21 511	-36%	25 970	49 644	-48%	76 397	100 071
EBITDA margin, %	5,3%	9,5%	-44%	5,0%	10,6%	-53%	7,4%	10,2%
Adjusted EBITA	6 677	20 572	-68%	11 130	46 620	-76%	52 653	88 144
Adjusted EBITA margin, %	2,5%	9,1%	-72%	2,1%	10,0%	-78%	5,1%	9,0%
Net Profit	-18 318	3 596	-609%	-27 139	12 760	-313%	-38 484	1 416
Cash flow from operations	11 609	27 348	-58%	7 389	28 807	-74%	57 245	78 662

Non-recurring items amounting to 0 (4,145) TSEK for the period Apr-Jun and 0 (7,079) for the period Jan-Jun affect EBITDA, EBITA and Net Profit. For further explanation see note 6.

Profitability despite current market headwinds

Despite the challenges of the current macro-economic environment, Caybon still delivered a positive EBITDA and cashflow from operations.

Sales growth

Caybon showed growth in net sales for the Group in the second quarter, due to the contribution of FMG.

Caybon reported net sales of 262,409 (226,130) TSEK in the second quarter, which represented a growth of 16% in total. However, organic growth was negative and down by 5%, while exchange rate contributed 3% and acquired growth contributed 18%. The earnings came in lower, with adjusted EBITA at 6,677 (20,572) TSEK.

Campaign segment

Both Mediaplanet and FMG have been affected by weak market conditions and global uncertainties that have continued to dampen media spend.

However, we have seen positive movements and increased sales and profit in other business areas, such as N365.

The campaign segment reported EBITA at 6,939 (15,148) TSEK. Net sales grew and amounted to 194,543 (150,071) TSEK. This increase was mainly due to the acquisition of FMG.

Despite the various challenges, we can also report a couple of positive developments for Mediaplanet:

Our significant investment in a new CRM has reached its launch stage and I'm happy that all Mediaplanet markets will be active in this new system by the end of Q3.

We have been proactive on the management side, with new local leadership now in place for Poland, Finland and Germany.

Network segment

In the Network segment Net Sales declined by 11% to 69,750 (78,038) TSEK, while EBITA declined to 7,393 (12,224) TSEK.

Splay One's continued negative organic growth year-on-year is an effect of its ongoing organisational restructuring and changes that were made to the product mix.

For Newsner, the decline in revenue was an effect of the discontinued Facebook Instant Articles (FBIA) revenue model, although and gladly, the decrease was not as much as initially expected.

I am confident that the changes both business areas are making will lead to an improved performance in the near future.



Outlook

The macroeconomic outlook for the second half of 2023 is pessimistic. And that pessimism may continue to rub off on overall mediaspend and have some effect on our business for the time being.

This means that it is difficult to assess when we will see a broad recovery in Caybon's advertising markets (especially the campaign segment).

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About Caybon

Caybon is a world-leading digital media company focused on branded content that drives tangible results. Caybon is a group of scalable, digitally focused marketing companies specialised in content and distribution. The purpose is to offer advertisers and organisations a way to communicate with their target group in an editorial and relevant context. The various offerings include a range of solutions from online media, videos, performance related advertising, events as well as printed products. Revenues in turn are derived from content production as well as various forms of advertising solutions. The clients range from small to medium sized companies all the way up to multinational groups. The client base is thus diversified in terms of both size, sector and geography. The six brands within the Group are grouped into two business segments: Campaign and Network.

For more info visit www.caybon.com