

The quarter in brief

July – September 2023

- Net Sales decreased by 3% to 225,435 (232,435) TSEK, of which 4% is exchange rate related and 7% is negative organic growth.
- EBITDA decreased by 75% to 3,558 (14,180) TSEK, adjusted* EBITDA decreased 69% to 5,775 (18,532) TSEK.
- EBITA amounted to -4,939 (6,458) TSEK, adjusted* EBITA amounted to -2,722 (10,810) TSEK.
- EBITA margin amounted to -2.2% (2.8), adjusted* EBITA-margin amounted to -1.2% (4.7).
- Net Profit for the period amounted to -20,176 (-6,768) TSEK.
- Cash Flow from operations was 586 (5,606) TSEK.

January – September 2023

- Net Sales increased by 6% to 743,388 (700,012) TSEK, of which 11% is acquired growth, 3% is exchange rate related and 8% is negative organic growth.
- EBITDA decreased by 54% to 29,528 (63,742) TSEK, adjusted* EBITDA decreased 58% to 31,745 (75,172) TSEK.
- EBITA decreased 87% to 6,191 (45,918) TSEK, adjusted* EBITA decreased 85% to 8,408 (57,348) TSEK.
- EBITA margin amounted to 0.8% (6.6), adjusted* EBITA margin amounted to 1.1% (8.2).
- Net Profit for the period amounted to -47,315 (5,911) TSEK.
- Cash Flow from operations was 7,553 (34,340) 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.

Significant events after the third quarter

On October 18th the held EGM in Caybon Holding AB (i) approved the issue of a convertible loan amounting to maximum 25 MSEK and ii) authorized for the board of directors to resolve on capital increases, by an amount corresponding to not more than 25% of the share capital after such issues(s). The 25 MSEK convertible loan was settled October 25th with use of proceeds primarily allocated to redeeming 19 MSEK of short-term liabilities.



TSEK	2023		Chg. %	2022		Chg. %	LTM	2022 Full year
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep			
Net Sales	225 435	232 435	-3%	743 388	700 012	6%	1 026 991	983 615
Gross profit	112 455	124 656	-10%	378 035	373 022	1%	535 915	530 501
Gross profit margin, %	49,9%	53,6%	-7%	50,9%	53,3%	-5%	52,2%	53,9%
EBITDA	3 558	14 180	-75%	29 528	63 742	-54%	65 856	100 071
EBITDA-margin, %	1,6%	6,1%	-74%	4,0%	9,1%	-56%	6,4%	10,2%
Adjusted EBITA	-2 722	10 810	-125%	8 408	57 348	-85%	39 203	88 144
Adjusted EBITA-margin, %	-1,2%	4,7%	-126%	1,1%	8,2%	-86%	3,8%	9,0%
Net Profit	-20 176	-6 768	198%	-47 315	5 911	-901%	-51 810	1 416
Cash flow from operations	586	5 606	-90%	7 553	34 340	-78%	51 876	78 662

Non-recurring items amounting to 2,217 (4,351) TSEK for the period Jul-Sep and 2,217 (11,430) for the period Jan-Sep affect EBITDA, EBITA and Net Profit. For further explanation see note 6.

Positive EBITDA despite the prevailing market conditions

In a macro-economic environment that continues to be challenging, Caybon is still delivering positive EBITDA.

Negative sales growth

Caybon showed negative growth in net sales for the Group in the third quarter, due to business areas Newsner in the Network segment and FMG in the Campaign segment. Other business areas reported stable or higher net sales.

Caybon reported net sales of 225,435 (232,435) TSEK in the third quarter, which represented a negative growth of 3%. Organic growth was negative and down by 7%, while exchange rate contributed positively by 4%. The earnings came in lower, with adjusted EBITDA at 5,775 (18,532) TSEK and adjusted EBITA at -2,722 (10,810) TSEK.

Campaign segment

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

FMG has found it particularly tough, with turnover decreasing and negative results in Q3.

Compared with Q3 last year, Mediaplanet has a slightly higher turnover and adjusted EBITA.

The new CRM is now in use and will hopefully improve efficiency as of Q4.

Although Q3 is seasonally a weaker quarter than Q2, Mediaplanet has performed much better in Q3 than it did in the previous quarter, both in terms of turnover and profitability (EBITA). It is too early for us to suggest that this indicates a break in the current difficult trend, but it is positive news and gives us a base to work from.

N365 is doing somewhat better than Q3 last year, and together with Mediaplanet, business areas US operations are doing much better, which is very encouraging.

The Campaign segment's net sales grew and amounted to 178,687 (175,542) TSEK. This increase was due to the improvement in the performances of both Mediaplanet and N365. The segment reported an adjusted EBITA of 3,678 (8,705) TSEK.

Network segment

In the Network segment, net sales declined by 15% to 49,439 (57,853) TSEK, while adjusted EBITA declined to 112 (7,238) TSEK.

Splay One still has ongoing organisational restructuring challenges and those have negatively impacted earnings. However, revenue is stable year-on-year and we have managed to halve the negative result of last year.

For Newsner, the decline in revenue in this quarter is both an effect of the earlier discontinued Facebook Instant Articles (FBIA) revenue model as well as Facebook's recent reductions in referral traffic to external news sites. The latter has had a significant effect for Newsner and other news publishers across the board.



Outlook

The global economy remains gloomy and uncertain and this will likely affect the media spending and our business performance for the rest of this year and likely a large part of next year.

As I mentioned in our Q2 report, it is hard to estimate when our advertising markets will recover fully. That being said we expect the fourth quarter to be seasonally stronger than the third.

Richard Båge, CEO

For more information please contact:

Richard Båge, Chief Executive Officer
Email: richard.bage@caybon.com

Johan Janing, Chief Financial Officer
Email: johan.janing@caybon.com

Caybon Holding AB is required to disclose this information pursuant to EU Market Use Regulation 596/2014. The information was provided by the above contact persons for publication on 30 Oct 2023 at 08:00 CET.

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 specialized in content and distribution. The purpose is to offer advertisers and organizations 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