Stockholm November 29, 2024 at 8:00

The quarter in brief

July – September 2024

- Net Sales decreased by 10% to 203,266 (225,922) TSEK, of which -2% is exchange rate related, -8% from the divested business area FMG and 0% is organic growth.
- EBITDA amounted to 8,191 (3,558)** TSEK, adjusted* EBITDA decreased 63% to 2,141 (5,775) TSEK.
- EBITA amounted to 1,164** (-4,939) TSEK, adjusted* EBITA amounted to -4,886 (-2,722) TSEK.
- EBITA margin amounted to 0.6% (-2.2), adjusted* EBITA-margin amounted to -2.4% (-1.2).
- Net Profit for the period amounted to -6,676 (-20,176) TSEK.
- Cash Flow from operations was -12,719 (586) TSEK.

January – September 2024

- Net Sales decreased by 5% to 709,318 (743,536) TSEK, of which -1% is exchange rate related, -2% from divesture and 2% is negative organic growth.
- EBITDA decreased to -170,034** (29,528) TSEK, adjusted* EBITDA decreased 44% to 17,882 (31,745) TSEK.
- EBITA decreased to -193,983** (6,191) TSEK, adjusted* EBITA amounted to -6,067 (8,408) TSEK.
- EBITA margin amounted to -27.3% (0.8), adjusted* EBITA margin amounted to -0.9% (1.1).
- Net Profit for the period amounted to 133,238*** (-47,315) TSEK.
- Cash Flow from operations was -34,993 (7,553) TSEK.

**Adjusted amounts exclude non-recurring items and aim to give a picture of the underlying development; see note 8.*

***Largely impacted by a loss recorded in relation to the divesture of business area FMG.*

****Significantly impacted by the restructuring of bonds during the second quarter.*

Significant events during the third quarter

- Caybon announced the divestment of business area Future Media Group (FMG) to focus on Growth, Profitability, and Forward-Looking Investments. The payment for the shares will be made through an earn-out model based on FMG's EBIT over the next seven fiscal years, with a maximum amount payable of 15 million SEK. A loss following the divestment of the business area has been recorded amounting to 168,302 TSEK. This is reflected in the income statement year-to-date and impacting EBITA and EBITDA. The main part was recorded in the second quarter, with a net positive effect in the third quarter, for more information see note 9.

-10%
Net Sales Growth Q3

968
MSEK Revenue (LTM)

-0.1%
Adj EBITA margin (LTM)

TSEK	2024 Jul-Sep	2023 Jul-Sep	Chg, %	2024 Jan-Sep	2023 Jan-Sep	Chg, %	LTM	2023 Full year
Net Sales	203 266	225 922	-10%	709 318	743 536	-5%	967 829	1 002 047
Gross profit	95 107	112 344	-15%	338 292	377 708	-10%	469 377	508 369
Gross profit margin, %	*46,8%*	*49,7%*	*-6%*	*47,7%*	*50,8%*	*-6%*	*48,5%*	*50,7%*
EBITDA	8 191	3 558	130%	-170 034	29 528	-676%	-159 020	40 542
EBITDA-margin, %	*4,0%*	*1,6%*	*156%*	*-24,0%*	*4,0%*	*-704%*	*-16,4%*	*4,0%*
Adjusted EBITA	-4 886	-2 722	79%	-6 067	8 408	-172%	-768	13 706
Adjusted EBITA-margin, %	*-2,4%*	*-1,2%*	*99%*	*-0,9%*	*1,1%*	*-176%*	*-0,1%*	*1,4%*
Net Profit	-6 676	-20 176	-67%	133 238	-47 315	-382%	115 842	-64 711
Cash flow from operations	-12 719	586	-2272%	-34 993	7 553	-563%	-31 781	10 766

Non-recurring items amounting to -6,050 (2,217) TSEK for the period Jul-Sep and 187,916 (0) for the period Jan-Sep affecting EBITDA, EBITA and Net Profit. For further explanation see note 8.

Persistent challenging market conditions

In the third quarter of 2024, the Group continued to face challenges, which combined with the historically weaker seasonality of the third quarter, resulted in slightly higher losses compared to last year.

Strong momentum in the US

On the upside, the US operations continued to show positive momentum in both business areas N365 and Mediaplanet and adjusted for the impact of the divestiture of business area FMG and foreign exchange (FX) effects, the Group's net sales increased compared to the same period last year.

Campaign segment

Business area N365 maintained its positive development, predominantly driven by the US operations, building on strong results from prior periods.

Conversely, business area Mediaplanet experienced lower net sales. Most geographic markets experienced a challenging third quarter and in Q3 we decided to close the office in Amsterdam and instead run the Dutch operations from the Brussels office. Business area Appelberg, showed an increase in net sales and profitability.

The segment's net sales decreased by 10% year-over-year, totalling 162,055 (179,164) TSEK, primarily due to the divestment of FMG. Excluding FMG, net sales were 158,663 (155,035) TSEK, representing an improvement driven largely by the performance of business area N365.

The segment reported an adjusted EBITA of 6,916 (3,668) TSEK, an increase mainly attributed to the divestment of FMG, which reported a larger loss during the third quarter in the previous year.

Network segment

In the Network segment, net sales declined by 12% to 43,680 (49,439) TSEK, while adjusted EBITA came in at -3,592 (112) TSEK. The decrease in net sales came from both business areas.

Within Splay One the decrease was isolated to the Finnish market as a result of organizational changes that the company is undergoing.

For Newsner it was the continued drop in referral traffic from Facebook that kept having a negative effect on net sales, alongside technical issues on site during the first part of the quarter. This affected the potential performance on article revenues. On a positive note, the video product within Newsner saw a slight increase since last year.

One of the benefits within Newsner is the relatively higher margins on their sales, but it also leaves a higher impact on the profitability when decreases are seen.

Outlook

For Caybon as a group, recovery will take a bit more time than I had anticipated. Partly, I believe is due to the overall macroenvironment that only slowly returns to the better. By managing costs and selectively investing in the future I am confident that we will improve business performance.

The management and board of Caybon have during this fall, developed a three-year strategic plan for Caybon and its business areas. Most of the groundwork has been completed, and the strategic direction for Caybon as a group is now clearer. Each business area has identified key development areas in order to secure future growth. On a Group level strategic initiatives have also been identified. The focus of our strategic initiatives is: Digital development, talent & leadership, entrepreneurship and collaboration.

Throughout the fall, management has also undertaken a comprehensive cost analysis, focusing on identifying savings opportunities. We are pursuing a selective investment strategy while maintaining tight cost discipline.

We anticipate a period of ongoing effort as we work towards recovery. Current market conditions remain challenging throughout the year, but we see potential for gradual improvement as we move into the new year.

Johan Janing, CEO

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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 29 November 2024 at 08:00 CET.

About Caybon

Caybon is a group of scalable, digitally focused marketing companies specialised in content and distribution products. 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 options 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 mediumsized companies all the way up to multinational groups. The client base is thus diversified in terms of both size, sector and geography. The five brands within the Group are grouped into two business segments: Campaign and Network.

Find out more at www.caybon.com