

Caybon Interim Report Fourth Quarter (January-December) 2022

Recovery in the fourth quarter

October – December 2022

- Net Sales increased by 11% to 283,603 (255,892) TSEK, of which 22% is acquired growth, 4% is exchange rate related and 15% is negative organic growth.
- EBITDA increased with 24% to 36,329 (29,170) TSEK, adjusted* EBITDA increased 16% to 38,404 (33,025) TSEK
- EBITA increased 17% to 28,713 (24,597) TSEK, adjusted* EBITA increased 8% to 30,789 (28,451) TSEK
- EBITA-margin amounted to 10.1% (9.6), adjusted* EBITA-margin amounted to 10.9% (11.1)
- Net Profit for the period amounted to -4,495 (11,399) TSEK
- Cash Flow from operations was 34,205 (60,363) TSEK

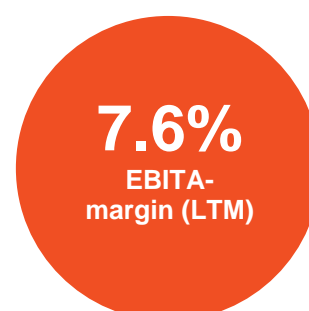
January – December 2022

- Net Sales increased by 6% to 983,615 (924,991) TSEK, of which 16% is acquired growth, 3% is exchange rate related and 13% is negative organic growth.
- EBITDA amounted to 100,071 (125,441) TSEK, adjusted* EBITDA decreased 14% to 113,577 (131,537) TSEK
- EBITA decreased to 74,603 (106,817) TSEK, adjusted* EBITA decreased 22% to 88,109 (112,913) TSEK
- EBITA-margin was 7.6% (11.5), adjusted* EBITA-margin amounted to 9% (12.2)
- Net Profit for the period amounted to 1,416 (47,424) TSEK
- Cash Flow from operations was 36,767 (100,890) TSEK
- It should be noted that Splay One was not part of the Caybon Group in the first quarter 2021 and that FMG Group is part of Caybon Group as of the third quarter 2022.

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

Significant events during the fourth quarter

Meta announced on October 14, 2022 the shutdown of Facebook instant articles (FBIA) during April 2023. The business area Newsner today earns a substantial part of their article revenues from FBIA and the discontinuation will in short term impact the article revenue. Our assessment is that we will to a large extent be able to compensate for this, but with temporary effects showing at the time of shut-down.



TSEK	2022		Chg, %	2021		Chg, %
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
Net Sales	283 603	255 892	11%	983 615	924 991	6%
Gross profit	158 001	141 568	12%	530 501	497 788	7%
Gross profit margin, %	55,7%	55,3%	1%	53,9%	53,8%	0%
EBITDA	36 329	29 170	25%	100 071	125 441	-20%
EBITDA-margin, %	12,8%	11,4%	12%	10,2%	13,6%	-25%
Adjusted EBITA	30 789	28 451	8%	88 109	112 913	-22%
Adjusted EBITA-margin, %	10,9%	11,1%	-2%	9,0%	12,2%	-27%
Net Profit	-4 495	11 399	-139%	1 416	47 424	-97%
Cash flow from operations	34 205	60 363	-43%	36 767	100 890	-64%

Affecting EBITDA, EBITA and Net Profit are non-recurring items amounting to 2,076 (3,854) TSEK for the period Oct-Dec and 13,506 (6,096) TSEK for the period Jan-Dec. Specification can be found in note 6.

Bouncing back in the fourth quarter

A stunning performance from FMG Group, our latest member into the Caybon family, means that we can summarize the fourth quarter as the one of the most profitable quarters in Caybon's history.

The year of 2022 started off strong, with stable revenues in both business segments and record performance in Newsner, which gave us an all-time-high in EBITDA for the first quarter. We then experienced two consecutive quarters with lower sales and earnings. Now in the fourth quarter, thanks to FMG Group's outstanding performance, part of our campaign segment, we see our second highest EBITDA in history.

Higher financial performance is acquisitive

Due to FMG's contribution we see growth and higher earnings for the Group in the fourth quarter.

Caybon reports net sales of 283,603 (255,892) TSEK in the fourth quarter which represents a growth of 11% in total. However, organic growth is still negative and down 15%, while exchange rate contributes 4% and 22% is acquired growth. Adjusted EBITA (excluding non recurring items) is reported at 30,789 TSEK (28,451).

Campaign segment

In the Campaign segment we continue to face challenges, partly due to the market conditions in general and partly due to the various uncertainties that our clients are facing that affects the demand for marketing investments. Mediaplanet experienced a decrease in profit across several markets, with US again having the most impact. In the US we have yet to see the positive effects of the management changes we made in the third quarter.

The segment is still in need of continued investments in 2023, investments that we believe will pay off towards the latter part of the year.

However, with the help of and as a result of the Future Media Group (FMG) acquisition, Net Sales increased and amounted to 206,525 (159,374) TSEK, representing an increase of 30%. EBITA, increased to 26,096 (19,132).

Network segment

In the Network segment Net Sales declined 21% to 77,807 (98,160) TSEK, also EBITA declined to 12,717 (18,543) TSEK. The main reason for this is that Splay One had lower revenues and lower EBITA on the back of continued restructuring and organisational changes. It is clear to me that it takes a bit more time to turn around this business and for all these changes to bear fruit and show better performance.

Newsner as part of the Network segment, is still performing well and again delivering very good

results, while it does not quite reach last year's performance which was "all time high".

Acquisition of Future Media Group

Future Media Group has now been part of the Caybon group for half a year and I'm very pleased with how things have progressed. Not only from a performance point of view but also from a cultural and learning perspective. The FMG group delivers diversity to the Caybon offer portfolio as well as a lot of new ideas and inspiration to the whole Group.



Outlook

The first quarter of a calendar year, is seasonally, not one of the stronger quarters for any of our businesses. This is true for Splay One in the Network segment but it is particularly true for the business areas in our Campaign segment. The current macroenvironment has and will lead to purchasing power being affected and it is likely we have to count on a decline in overall consumption and the effects of that on our business.

At Caybon however, we see an opportunity in these times to make *conscious investments* in our offerings and in our employees in order to gain market share for the future. A significant investment we now undertake, is to upgrade our technical platform for business area Mediaplanet with a new state of the art CRM system. Payoff from this and other investment activities are likely to materialize towards the second part of year.

It is not the first time Caybon and its Management experience an economic downturn and we now have six leading media brands that operates on two continents. We have elaborate business plans, good cost control and we know from experience when to "accelerate and brake". We therefore look forward to 2023 when we aim to navigate wisely the challenging markets while making selective investments.

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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 24 February 2023 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 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.

Find out more at www.caybon.com