Press release
(Third-quarter Interim Report July - September 2017 distributed as an appendix to this press release)

Strong growth and continued investments

- Net sales increased 24% to MSEK 184.1 (148.2).
- EBIT declined to MSEK 21.1 (22.3).
- EBIT margin amounted to 11.5% (15.0).
- Net income was MSEK 23.2 (17.6), of which MSEK 7.0 attributable to a deferred tax asset.
- Earnings per share totaled SEK 2.32 (1.76), of which MSEK 0.70 attributable to a deferred tax asset.
- The equity ratio was 47.8% (52.2).
- New president and CEO for GARO, Carl-Johan Dalin assumed his new position on 4 September
- Event after end of period: GARO acquired WEB-EL Försäljning AB on 27 October.

Carl-Johan Dalin, President and CEO:

After almost two months as CEO, I am pleased to state that GARO is continuing its robust expansion. Net sales increased 24% to MSEK 184.1 (148.2) during the quarter, with healthy growth in both Sweden and other markets. A favorable trend was reported in both construction-related product areas as a whole and in *EV charging*.

EBIT was MSEK 21.1 (22.3) and the EBIT margin declined to 11.5% (15.0). We incurred increased direct costs for financing the robust growth and for ensuring high delivery capacity. We also reported higher indirect expenses year-on-year as a result of investments in priority areas, such as product development and marketing. The factory expansion in Poland has now been completed and we have broadened the local organization. Production in the new factory will gradually increase and enable continued solid growth and high delivery reliability.Net sales for *GARO Other Markets* rose 1%, with solid increases in construction-related products, particularly in Ireland and Norway. However, there was a reduction in sales of charger products due to the strength of the comparative period in Norway.

Our market assessment remains firm – GARO has a positive outlook for 2017. In the *EV charging* product area, we have noted a continuing strong trend and the expansion of charging infrastructure is ongoing in all markets. The construction sector remains robust in Sweden and Ireland. Demand is healthy in Norway and Finland. In conclusion, I am very much looking forward to leading the business and working in a focused manner together with my colleagues in line with GARO's growth strategy.

Gnosjö, 31 October, 2017

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GARO develops, manufactures and supplies innovative products and systems for the electrical installations industry under its own brand. The company has operations in Sweden, Norway, Finland, Ireland and Poland, and the Group is organized in two business segments: GARO Sweden and GARO Other markets. GARO has a broad product assortment and is a market leader within several product areas. The Group had sales of MSEK 658 in 2016 and has around 330 employees. Its head office is located in Gnosjö.

The business concept is "*with a focus on innovation, sustainability and design, GARO provides profitable complete solutions for the*