May 2, 2018

Press release

(Interim report January - March 2018 distributed as an appendix to this press release)

Continued high activity and solid profitability

First quarter of 2018

- Net sales increased 14% to MSEK 207.0 (181.6).
- EBIT rose 6% to MSEK 25.1 (23.6).
- The EBIT margin amounted to 12.1% (13.0).
- Net income was MSEK 19.1 (18.5).
- Earnings per share amounted to SEK 1.91 (1.85).
- The equity ratio was 51.4% (50.8).
- New country CEO of GARO in Finland.

Carl-Johan Dalin, President and CEO:

GARO continued to perform positively with sales growth of 14% for the first quarter. Business area Sweden increased sales by 14% with a positive development in all product areas. Business area Other markets also grew by 14% due to a solid development of EV Charging as well as of electrical distribution products in general. A prolonged and relatively severe winter as well as an early Easter compared with the preceding year also resulted in lower activity in the Nordic markets in March. The market for electrical distribution products in Sweden increased by approximately 2% in the quarter.

EBIT for the quarter increased 6% to MSEK 25.1 and the EBIT margin amounted to 12.1% (13.0). EBIT was charged with the ongoing relocation of production to Poland resulting in temporarily lower productivity. Productivity in the Polish factory is expected to gradually increase in the second quarter as personnel are trained. The relocation of production also entailed a certain planned build-up of inventory to ensure our delivery capacity. This build-up of inventory acts as a buffer during the relocation and during the time the new personnel are trained. The inventory levels are expected to normalize after the relocation and training period.

Activity in the construction market remained high in Sweden, despite signals of a slight slowdown in housing construction. However, GARO's products are normally included at a late stage of construction projects, which is why we maintain a positive outlook regarding market conditions for 2018. We also see continued high activity in our other markets. We see a continued strong performance in the EV charging product area and the expansion of charging infrastructure in all markets.

Gnosjö, May 2, 2018

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This information is such information that GARO aktiebolag is obligated to publish in accordance with the EU Market Abuse Regulation. The information was published by the abovementioned contact persons on May 2, 2018, at 15:00

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 areas: 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 approximately MSEK 796 in 2017 and has around 394 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 electrical industry*."