Press release 31 October 2018

(Interim report July - September 2018 is distributed as an appendix to this press release)

Continued strong growth and improved EBIT

- Net sales increased 16% to MSEK 212.7 (184.1).
- EBIT rose 35% to MSEK 28.5 (21.1).
- EBIT margin amounted to 13.4% (11.5).
- Net income was MSEK 22.7 (23.2).
- Earnings per share totaled SEK 2.27 (2.32).
- The equity ratio was 51.1% (47.8).
- GARO has delivered DC high-efficiency chargers to Volvo Cars' test operations.

Carl-Johan Dalin, President and CEO:

GARO continues to report healthy growth in the third quarter. Net sales rose 16% to MSEK 212.7, due to positive organic growth. The *Sweden* business area noted growth of 11% mainly driven by the *EV charging* product area, while sales in construction-related product areas noted some overall growth. *Other markets* grew 26% due to robust growth in all product areas and countries.

EBIT rose 35% to MSEK 28.5 for the quarter. EBIT margin amounted to 13.4% (11.5) as a result of a strong gross margin aided by price adjustments to compensate for higher material costs and a weak Swedish currency as well as economies of scale from higher volumes. We also noted positive effects in the form of lower manufacturing expenses and rising productivity in the Polish factory. Improvements to the EBIT margin are also attributable to the increased costs charged to the third quarter of the preceding year to ensure a high delivery capacity.

The *EV charging* product area reported continued strong growth in all markets and throughout the entire product program. The market is developing rapidly with strong demand for advanced and connected products. The acquisition of WEB-EL one year ago has further strengthened our position in the charging market and enabled the launch of several new products during the quarter.

In September, we were proud to announce the delivery of high-efficiency chargers to Volvo Cars' test operations consisting of 12 DC stations with varying design and functionality. The chargers contain the latest technology and allow a very high power output and are intended for Volvo Cars' test operations.

Demand for construction-related products in Sweden remains at a high level. However, we have noted that the growth curve is leveling off, primarily due to the slight slowdown in the Stockholm area. Growth remains high for *Other markets*. We see a strong performance in the *EV charging* product area and the continued expansion of charging infrastructure in all markets. All in all, GARO continues to have a positive view of market conditions in 2018.

For further information, please contact:

Carl-Johan Dalin, VD- och koncernchef: +46 703 61 00 95
Rickard Blomqvist, Acting CFO: +46 70 537 52 87

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 October 31, 2018, at 7:30 a.m.

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 796 in 2017 and has 403 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*."