**Press release** 18 November 2020

# Interim report January-September 2020

(Interim report July - September 2020 is distributed as an appendix to this press release)

**JULY–SEPTEMBER 2020**

- Net sales amounted to MSEK 247.0 (235.2).
- EBIT amounted to MSEK 37.5 (23.6).
- EBIT margin amounted to 15.2% (10.0).
- Net income was MSEK 28.3 (17.9).
- Earnings per share1 amounted to SEK 2.83 (1.79).

**JANUARY–SEPTEMBER 2020**

- Net sales amounted to MSEK 733.6 (730.3).
- EBIT amounted to MSEK 86.6 (76.8).
- EBIT margin amounted to 11.8% (10.5).
- Net income was MSEK 60.9 (61.2).
- Earnings per share1 amounted to SEK 6.09 (6.12).

**PATRIK ANDERSSON, PRESIDENT AND CEO:**
**HIGH EBIT MARGIN FOR THE QUARTER**

Net sales for the third quarter amounted to MSEK 247, which was 5% higher compared with the year-earlier period. Sales in the Sweden business area were slightly higher, driven by strong growth in the E-mobility product area, while the Other markets business area had healthy growth in all product areas.

We enjoyed healthy sales of recreational products in the Electrical distribution products product area during the summer months as a result of many people spending their vacations at home. The strong growth in the Other markets business area was primarily a result of the markets opening up after being closed, to varying degrees, for a couple of months in the second quarter.

The EBIT margin for the quarter improved, due primarily to a favorable price and product mix but also to an improved currency situation compared with 2019. This, combined with general strict cost control, was the key reason for a stronger margin. EBIT for the quarter improved to MSEK 37.5 (23.6) and the EBIT margin amounted to 15.2% (10.0).

Sales for the nine-month period were at the same level as in the preceding year, while EBIT increased. We have had a steady rate of production and a good delivery capacity.

On January 1, 2021, GARO will incorporate the E-mobility product area by transferring operations to the wholly-owned subsidiary GARO E-mobility AB. The purpose of the incorporation of GARO E-mobility is to sharpen focus. We will continue to strengthen the organization and intensify our development activities and thus further broaden and hone our customer offering in the growing market for charging infrastructure.

**MARKET CONDITIONS**

We assess that the core market conditions have essentially not changed aside from the pandemic, even though great uncertainty prevails in society in regard to the pandemic's long-term consequences on the economy. The market for charging infrastructure is growing structurally with rising numbers of rechargeable vehicles, and we see a continuing strong trend with further expansion of the charging infrastructure in all markets. Demand for construction-related products in Sweden combined with the important renovation sector is expected to remain stable. Housing construction has slowed down slightly from its peaks during the last few years but the production rate remains high and stable. The trend in other markets served by GARO, aside from the pandemic, is expected to be similar. All in all, GARO has a positive view of long-term market conditions, mainly driven by growth in charging infrastructure.

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