Press release May 5 2021

INTERIM REPORT JANUARY - MARCH 2021

JANUARY - MARCH 2021

- Net sales amounted to MSEK 290.6 (248.3).
- Growth was 17% (0).
- EBIT amounted to MSEK 45.9 (18.8).
- EBIT margin amounted to 15.8% (7.6).
- Net income was MSEK 38.3 (14.6).
- Earnings per share1 amounted to SEK 3.83 (1.46).

CEO PATRIK ANDERSSON:
STRONG GROWTH AND HIGH MARGIN

The first quarter of 2021 has been characterized by high activity. Net sales rose 17% and amounted to MSEK 290.6, driven by strong performance in the GARO Sweden business area and performance in line with the preceding year for the GARO International business area. Sales have remained strong in the E-mobility product area and overall there is favorable demand in the other product areas as a whole. EBIT for the quarter rose 144% to MSEK 45.9 and the EBIT margin was 15.8% (7.6), mainly as a result of the substantial volume increase and positive currency effects compared with the year-earlier period.

E-MOBILITY PRODUCT AREA

The E-mobility product area reported growth of 62% for the first quarter. Sales in the GARO Sweden business area rose 108% and were strong in the entire product portfolio in Sweden and via contract customers in other European markets. Sales in GARO International declined 12%, mainly as a result of postponed deliveries of fastchargers due to the pandemic.

THE PRODUCT AREAS ELECTRICAL DISTRIBUTION PRODUCTS, PROJECT BUSINESS AND TEMPORARY POWER

The markets for the product areas Electrical distribution products, Project business and Temporary Power continued to recover from the preceding year. The Electrical distribution products product area grew 4% during the quarter, driven by the GARO Sweden business area, which grew 8%. New construction and the renovation sectors remained favorable during the quarter, which has driven sales in all product groups in the Electrical distribution products product area. The cold winter has resulted in high sales of engine heaters. The Project business product area reported strong performance in the GARO International business area, driven by several customer projects in Ireland and the UK, while sales for Project business in the GARO Sweden business area declined. The Temporary Power product area increased overall by 20% as we noted in the GARO Sweden business area that a number of rental companies have begun to reinvest in equipment due to positive signs from the underlying market.

COVID-19

The ongoing pandemic had a relatively limited impact on the GARO Sweden business area during the first quarter of 2021 For the GARO International business area, we saw a mix of recovery and continued negative impact depending on the country and product area. At the time of writing, demand in the market is generally healthy. GARO has not applied for or received any financial support from the Swedish Agency for Economic and Regional Growth as a result of COVID-19.

MARKET CONDITIONS

The strong market recovery has brought about certain challenges for GARO. Lack of component access is currently impacting the industry to various degrees. In the first quarter, GARO managed to secure supplies, but limited access to raw materials and components may impact our production.

In addition, 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.

For more information, please contact:

Patrik Andersson, President and CEO: +46 (0)76 148 44 44
Helena Claesson, CFO: +46 (0)70 676 07 50