Press release November 11, 2021

INTERIM REPORT JANUARY - SEPTEMBER 2021

JULY–SEPTEMBER 2021

- Net sales amounted to MSEK 293.9 (247.0).
- Growth was 19% (5).
- EBIT amounted to MSEK 48.5 (37.5).
- EBIT margin amounted to 16.5% (15.2).
- Net income was MSEK 39.4 (28.3).
- Earnings per share1 amounted to SEK 0.79 (0.57).

CEO PATRIK ANDERSSON:

STRONG GROWTH WITH A HIGH EBIT MARGIN AND GOOD CASH FLOW

The quarter was dominated by continued profitable growth and with a substantial increase to our order intake for the E-mobility product area. However, sales of E-mobility products were limited due to a lack of electronic components, which resulted in a record-breaking order book at the end of the third quarter. Net sales rose 19% in the third quarter and amounted to MSEK 294, with strong performances in the GARO Sweden and GARO International business areas, albeit at a varying extent in between the different product areas. During the year, profitability has developed positively as a result of strong volume growth. EBIT for the quarter rose 29% to MSEK 48.5 and the EBIT margin was 16.5%, which is 1.3 percentage points high than the year-earlier period. Net sales for the January to September period increased by 26% and amounted to MSEK 926 (734).

During the quarter, we had a strong cash flow driven by a higher EBIT combined with a working capital requirement that has returned to a more normal level.

SALES TREND

The E-mobility product area reported growth of 32% for the quarter with favorable growth throughout the entire product portfolio, but particularly in AC-charges (wall boxes and public chargers). During the quarter, we posted strong growth in Sweden, the UK and Finland and export sales from GARO Sweden, while the sales trend in Norway was weak.

The markets for the Electrical distribution products, Project business and Temporary Power product areas continued to post strong growth compared with the year-earlier period. The Electrical distribution products and Project business product areas reported combined growth of 12%, which we assess to be stronger than the underlying market.

MATERIALS SUPPLY

The uncertainty concerning the supply of components and materials that we experienced in the spring continued into the third quarter. GARO's organization has managed the challenge to remaining solution-oriented and focusing on the customer. We have successfully succeeded in acquiring material and have maintained satisfactory production and delivery capacity. Despite this, we have still not been able to meet market demand in E-mobility, mainly due to limited access to electronic components. In addition, we have continued our aggressive investment during the quarter to expand production capacity, mainly in E-mobility, to be ready for when the supply of materials begins to normalize. However, uncertainty concerning the supply of components remains.

MARKET CONDITIONS

The market for charging infrastructure is growing structurally with rising numbers of rechargeable vehicles, and we have noted 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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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 November 11, 2021, at 8:30 a.m. CET.