

A photograph of a man and a woman charging an electric car. The man, on the left, is wearing a dark blue polo shirt, light blue shorts, and sunglasses. He is plugging a charging cable into the car. The woman, on the right, is wearing a light blue denim jacket and a light-colored skirt. She is standing next to the car, looking at the charging process. The car is dark-colored and parked on a grassy area with trees in the background. The scene is outdoors during the day.

Q2 2023 Presentation

August 15, 2023

Patrik Andersson, CEO
Helena Claesson, CFO

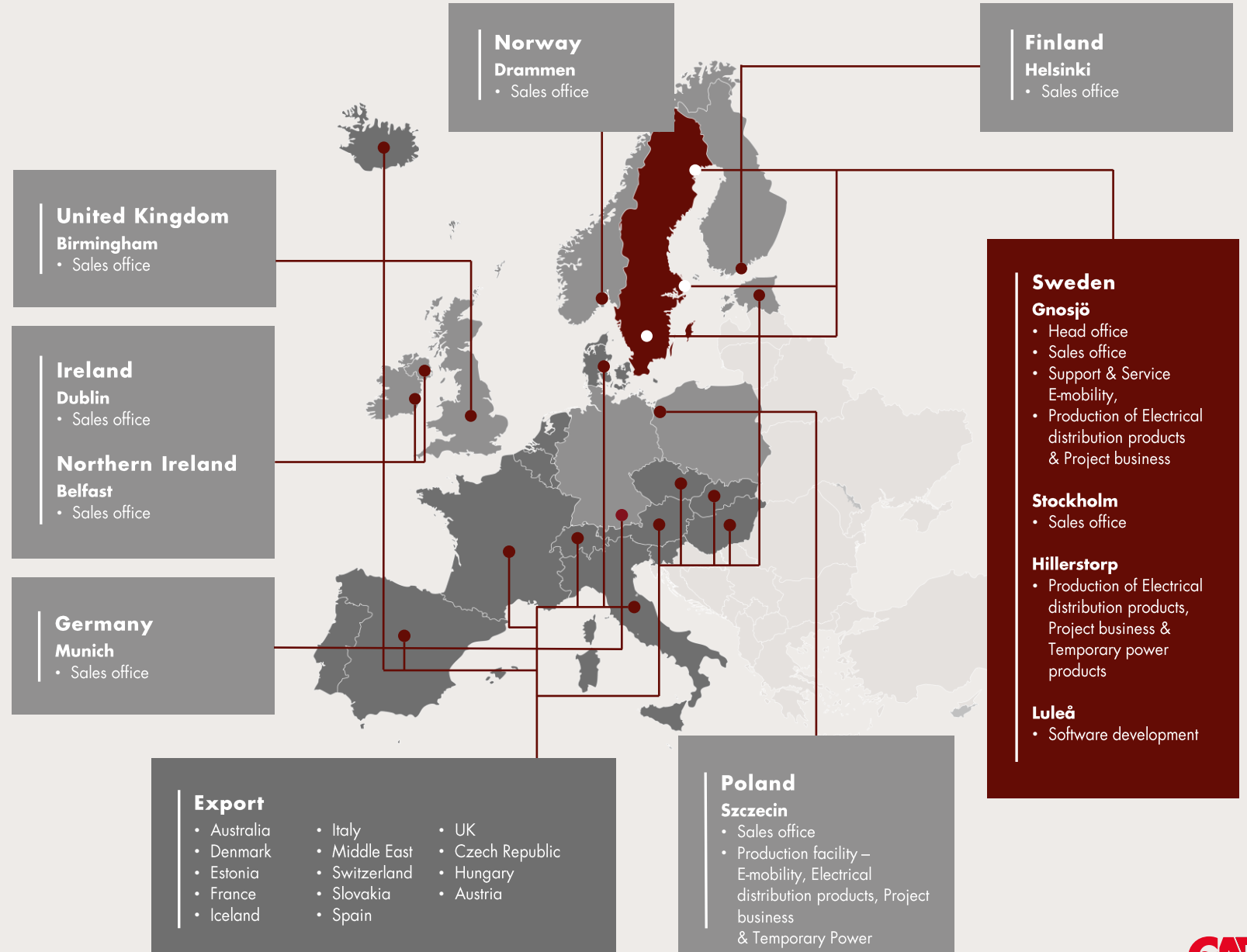


Charging the future.

It is our responsibility to provide a smarter and more sustainable future with innovative solutions for everyone. We are equipped with the right tools to create positive change. The future is ours to create.



GARO's footprint





E-MOBILITY

All types of vehicle chargers – home chargers to fast chargers.

36% (Jan-Jun)



DESTINATION CHARGERS

Full service solutions at home, workplaces and in public places.



ELECTRICAL DISTRIBUTION PRODUCTS

3,500 products and turnkey solutions for the electrical installation market.

38% (Jan-Jun)



PROJECT BUSINESS

Complete and fully customized solutions ready for installation.

22% (Jan-Jun)



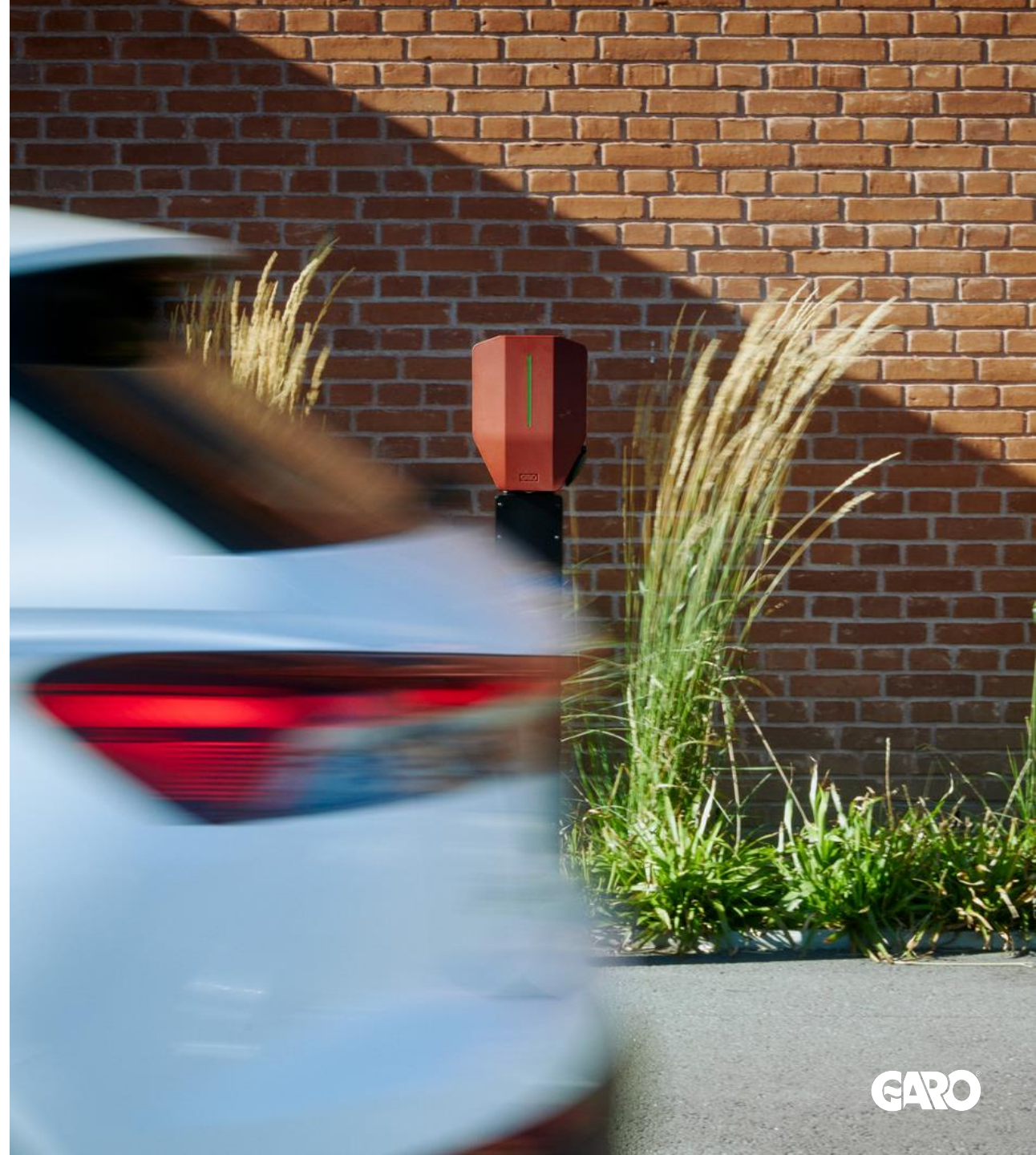
TEMPORARY POWER

Temporary electricity, lighting and heating for construction sites.

4% (Jan-Jun)

Financial highlights

- Net sales of MSEK 386.0 (350.2), growth of 10%
 - +47% growth within GARO E-mobility
 - -5% growth within GARO Electrification
- EBIT of MSEK 18.2 (39.6) and an EBIT margin of 4.7% (11.3)
- Higher sales offset by lower gross margins
- Organizational and market initiatives to establish long-term growth and profitability



Operational highlights

Strong growth in GARO E-mobility but more tentative in GARO Electrification

GARO E-mobility

- New framework agreement with E.ON Drive Infrastructure covering products and solutions for public charging in Europe
- Approved third-party certification of GARO Entity Pro according to international charging standards (at Tüv Syd in Germany)
- GARO Entity Compact – sales to commence in the third quarter of 2023

GARO Electrification

- GARO Entity Heat (engine heaters) and GARO Entity Flex (portable electric car chargers) were presented in May
- Products related to new construction has decreased, primarily in Sweden and Norway
- Demand for products related to the renovation and energy efficiency of buildings and products connected to the green transition is stable
- GARO's business model – two business areas that complement each other and enable growth faced with challenging times

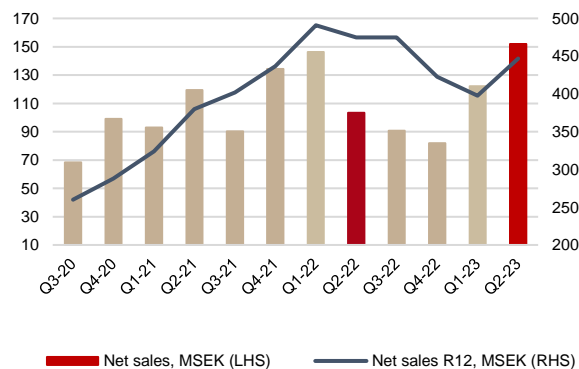
Growth and profitability

- Cost control and improved gross margins through measures such as increased production efficiency and price adjustments
- The new production and logistics facility in Poland was completed as planned and commenced operations in July

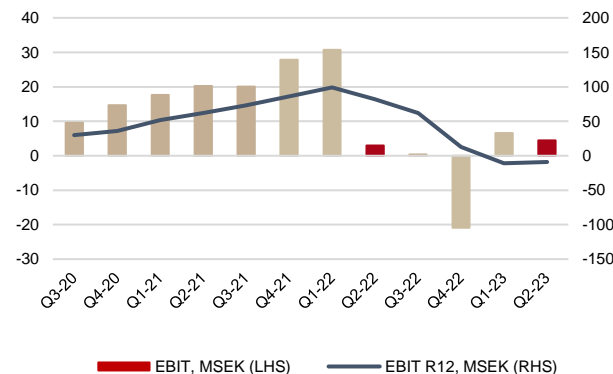
GARO E-mobility

- Net sales amounted to MSEK 152.1 (103.3)
- Greatly improved access to components, reduced order backlog and significantly shorter delivery times
- EBIT amounted to MSEK 4.5 (3.0), with higher sales and changed customer and product mixes compared to last year
- EBIT margin of 3.0% (2.9)

Net sales, GARO E-mobility



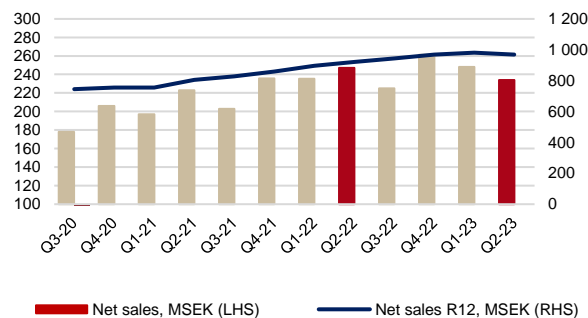
EBIT, GARO E-mobility



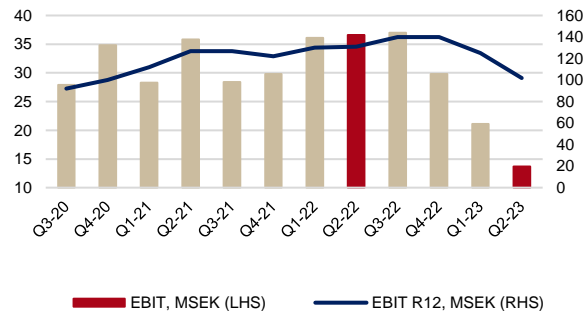
GARO Electrification

- Net sales decreased 5% to MSEK 233.9 (246.9)
- Sales growth in European markets outside the Nordics increased 26%
- EBIT amounted to MSEK 13.7 (36.6) and the EBIT margin to 5.8% (14.8)
 - Production efficiency and higher purchase prices
 - Changes to the sales organization for the Norwegian market were initiated

Net sales, GARO Electrification



EBIT, GARO Electrification



Cash flow and balance sheet

- Cash flow from operating activities in the quarter was MSEK -3.5 (33.9) due to lower operating profit and a continued high working capital requirement
- Balance sheet
 - Net debt of MSEK 308.6 (51.8)
 - Available liquidity including unutilized overdraft facilities of MSEK 79.8 (123.0)

MSEK	Q2 2023	Q2 2022	R12	FY 2022
Cash flow from operating activities	-3.5	33.9	-5.3	89.2
Cash flow from investing activities	-26.1	-16.4	-163,3	-119.1
Cash flow for the period	1.1	-54,2	-4.9	-52.3
Net debt(+)/net cash (-)	308.6	51.8	308.6	143.7
Net debt(+)/net cash (-) excl. IFRS16 effects	236.1	17.0	236.1	65.2
Equity/assets ratio, %	49.4	61.2	49.4	53.2

Outlook

- In the Nordic region, the construction of housing has declined considerably and is expected to be weak for several quarters moving forward.
- Demand for other commercial and public construction, combined with renovation requirements and energy efficiency enhancements, remains relatively favorable.
- The market for charging infrastructure is growing structurally with rising numbers of rechargeable vehicles.
- Charging stations for larger projects at commercial properties, public places and tenant-owner associations is the main growth driver.
- The current market situation with higher interest rates means that households are postponing their investments.
- All in all, we have a positive view of long-term market conditions, mainly driven by growth in charging infrastructure and its requirements for power supply.





Q&A

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