

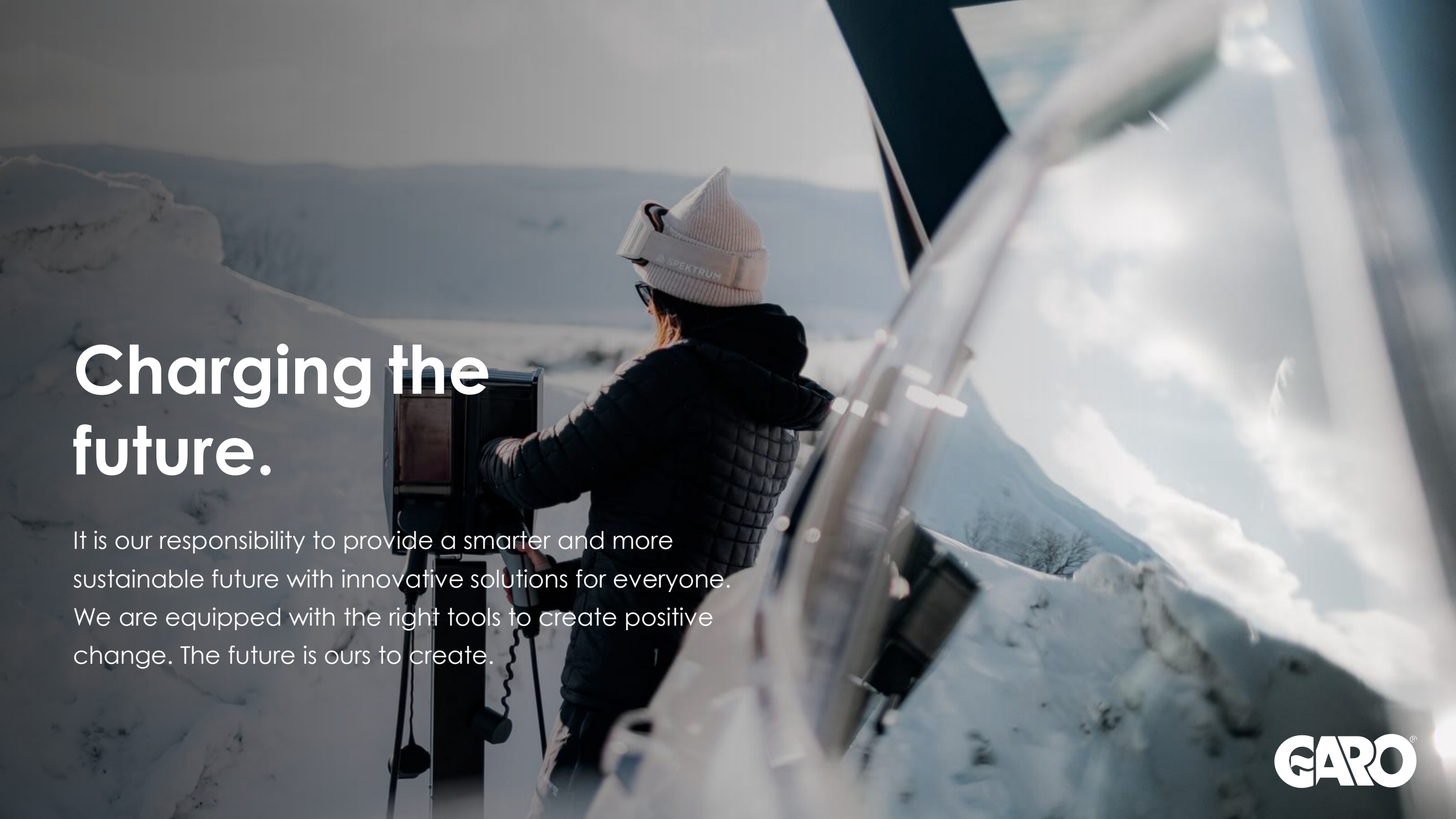


# Q4 2023 Presentation

February 21, 2024

Patrik Andersson, CEO  
Helena Claesson, CFO



A person wearing a white knit beanie with 'SPEKTRUM' written on it, a dark quilted jacket, and glasses is seen from the side, operating a surveying instrument mounted on a tripod. They are standing on a snowy mountain peak. In the foreground, a large, out-of-focus white structure, possibly part of a ski lift or a large sculpture, curves across the frame. The background shows a vast, snow-covered mountain range under a bright, slightly hazy sky.

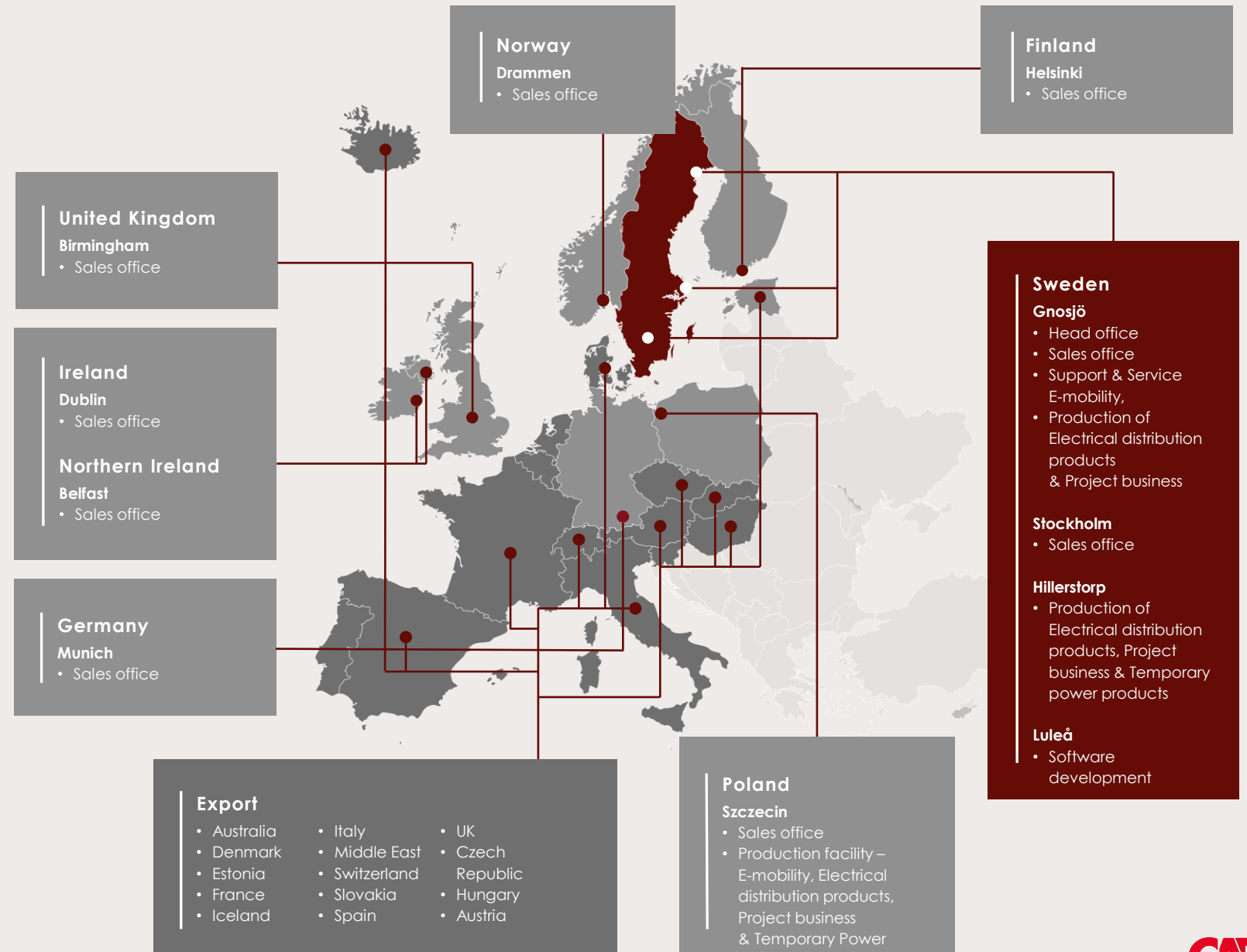
# Charging the future.

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**<sup>®</sup>



# GARO's footprint





## E-MOBILITY

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

**34%** (Jan-Dec)



## 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.

**41%** (Jan-March)



## **PROJECT BUSINESS**

Complete and fully  
customized solutions ready  
for installation.

**22%** (Jan-Dec)



## **TEMPORARY POWER**

Temporary electricity, lighting  
and heating for construction  
sites.

**3%** (Jan-Dec)



# Financial highlights

- Net sales Q4 of MSEK 311.2 (341.8), decreased 9%
  - + 17% growth within GARO E-mobility
  - - 17% growth within GARO Electrification
- EBIT of MSEK -0.1 (8.9) and an EBIT margin of 0% (2.6)
- Lower sales than expected toward the end of the quarter, cautious market
- Strong cash flow despite a weak quarter in terms of profitability
- Divestment of the existing production facility in Poland and a small industrial property in Sweden



# Operational highlights

**Strong cash flow during an otherwise challenging quarter – new action package initiated**

## **GARO E-mobility**

- The prevailing market situation with macroeconomic uncertainty has noticeably impacted purchasing patterns and investment decisions
- Current market development difficult to visualize with rapid changes in demand
- Sales launch of the GARO Entity Compact wall box and projects concluded – transition to ongoing product development
- Home charging market: Currently price-sensitive, necessitating high sales volumes for economies of scale and improved profitability
- GARO's focus: Product program primarily targeted at the premium segment within the home charging market

## **GARO Electrification**

- Construction of new single-family homes and apartments has declined significantly in the Nordic region.
- There is a strong underlying need for new housing
- Demand remains healthy for products related to industry and the energy efficiency of buildings
- Growing market for road and transport infrastructure
- Complete solutions through the business areas' synergy effects

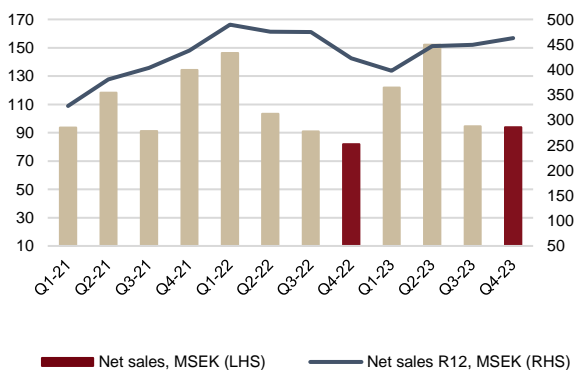
## **Growth and profitability**

- An action and efficiency program, which primarily concerns the GARO Electrification business area, was carried out in Q4
- On January 30, GARO announced that a new action and efficiency program had been initiated, resulting in the reduction of about 50 employees in the Group, primarily in the GARO E-mobility business area.
- Completion of additional saving measures and continued focus on cost control in the entire Group.

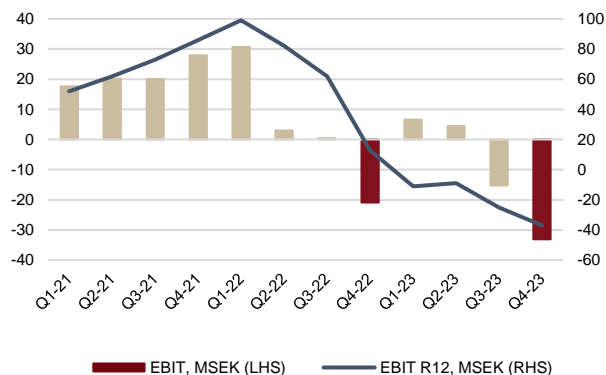
# GARO E-mobility

- Net sales amounted to MSEK 93.9 (80,6)
- Demand for public charging the primary contributor of growth
- Growth in 2023 amounted to 108% in the Nordic region and -11% for other markets in Europe. Sweden reported negative growth of -3%
- EBIT amounted to -33,0 MSEK (-20.9) - low sales, a weaker gross margin and an organization built for growth

Net sales, GARO E-mobility



EBIT, GARO E-mobility

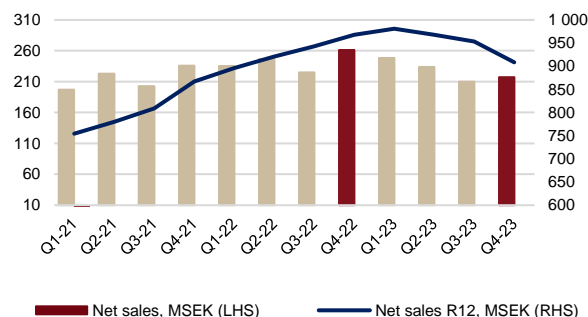




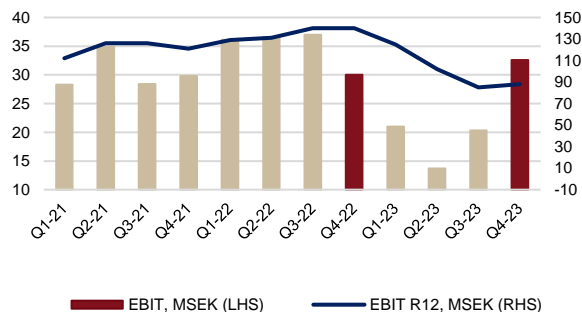
# GARO Electrification

- Net sales decreased 17% to MSEK 217.3 (261,2)
- For the full year 2023 sales growth in European markets outside the Nordics +9%
- The business area has essentially favorable profitability given the prevailing economic situation
- Increased sales of products that provide power for properties as well as E-mobility solutions.
- EBIT amounted to MSEK 32.9 (29.8) and the EBIT margin to 15.2% (11.4)

Net sales, GARO Electrification



EBIT, GARO Electrification



# Cash flow and balance sheet

- Cash flow from operating activities in the quarter was MSEK 34,9 (13) as a result mainly from changes within customer receivables
- Balance sheet
  - Net debt of MSEK 222,1 (143,7)
  - Available liquidity including unutilized overdraft facilities of MSEK 163,9 (179,5)

MSEK	Q4 2023	Q4 2022	FY 2023	FY 2022
Cash flow from operating activities	34.9	13.0	25.6	89.2
Cash flow from investing activities	40.5	-64.6	-51.0	-119.1
Cash flow for the period	39.2	-8.7	19.6	-52.3
Net debt(+)/net cash (-)	222.1	143.7	222.1	143.7
Net debt(+)/net cash (-) excl. IFRS16 effects	149.8	65.2	149.8	65.2
Equity/assets ratio, %	50.9	53.2	50.9	53.2



# Outlook

- The prevailing market situation with macroeconomic uncertainty has noticeably impacted purchasing patterns and investment decisions for both business areas.
- The transition to fossil-free fuels as well as energy-efficient systems and services is crucial for achieving the Sustainable Development Goals.
- The forecast for 2024 indicates an initial cautious market in GARO E-mobility followed by considerable growth in 2025.
- The current market situation for the new construction of single-family homes and apartments is expected to persist at least for the entirety of 2024 in Sweden and the Nordic region.
- We believe that there is still stable demand for new builds in the public sector, commercial properties and for industry.
- 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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