

A photograph of a modern house with a large green garage door. In the foreground, a black EV charging station is visible on the left, and a black metal fence post is on the right. The house has white siding and two black dome-shaped lights on the wall. The ground is covered in gravel.

Q3 2023 Presentation

November 10, 2023

Patrik Andersson, CEO
Helena Claesson, CFO



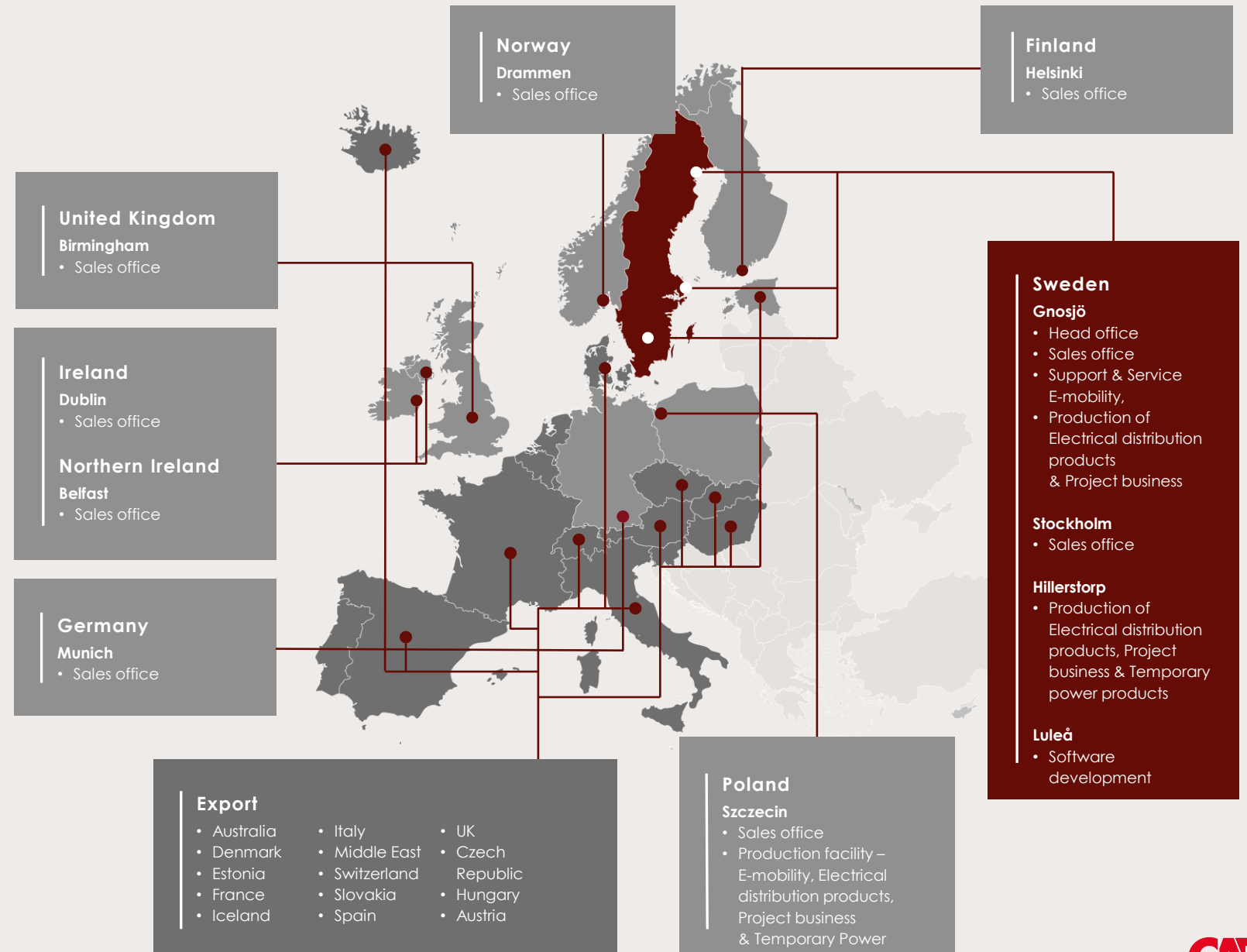


Charging the future.

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.

32% (Jan-Sep)



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.

42% (Jan-Sep)



PROJECT BUSINESS

Complete and fully
customized solutions ready
for installation.

22% (Jan-Sep)



TEMPORARY POWER

Temporary electricity, lighting
and heating for construction
sites.

4% (Jan-Sep)

Financial highlights

- Net sales of MSEK 304.2 (317.0), decreased 4%
 - + 3% growth within GARO E-mobility
 - - 7% growth within GARO Electrification
- EBIT of MSEK 5.3 (37.4) and an EBIT margin of 1.7% (11.8)
- A weak SEK against EUR has negatively impacted material purchases
- Weaker economy and high interest rates – cautious construction and private market
- Production and logistics facility in Poland began operations



Operational highlights

A weak quarter with low profitability – action program launched

GARO E-mobility

- Sales launch of the GARO Entity Compact wall box and projects concluded – transition to ongoing product development
- Approved third-party certification of GARO Entity Pro according to international charging standards (at Tüv Syd in Germany)
- New framework agreement with E.ON Drive Infrastructure covering products and solutions for public charging in Europe
- Products now approved according to the Eichrecht calibration law meaning they are available for sale to public charging in the German market
- CEO appointed for GARO E-mobility GmbH

GARO Electrification

- Construction of new single-family homes and apartments has declined significantly in the Nordic region.
- Demand remains healthy for products related to industry and the energy efficiency of buildings
- Project Business product area +3%. Continued healthy demand for major and complex construction projects
- Complete solutions through the business areas' synergy effects
- Sales of GARO Entity Heat started

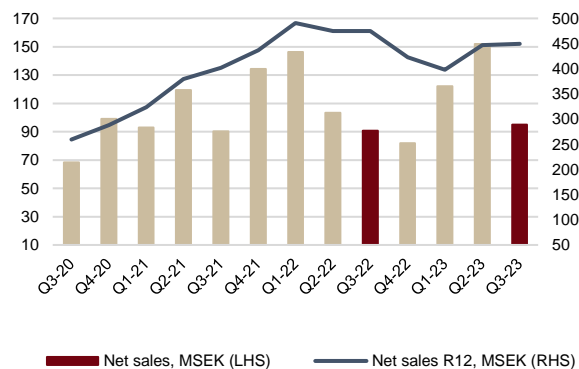
Growth and profitability

- Action and efficiency program launched, resulting in 45 redundancies in the Group
- Favorable materials supply – returned to normal delivery times
- Relocation of production in Poland to new production and logistics facility
- GARO E-mobility will post strong growth while GARO Electrification is expected report negative growth in the fourth quarter

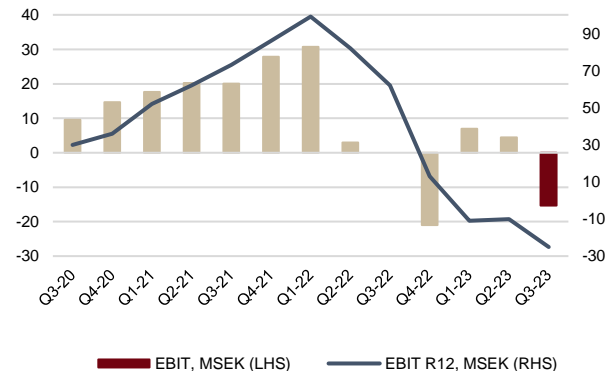
GARO E-mobility

- Net sales amounted to MSEK 94.6 (92.1)
- Delayed delivery of GARO Entity Compact – October deliveries impacted
- Previous delivery challenges – high volumes for contract customers
- EBIT amounted to M(0.4) - low sales, a weaker gross margin and an organization built for growth
- SEK -15,3 EBIT margin of -16.2 (0.4)

Net sales, GARO E-mobility



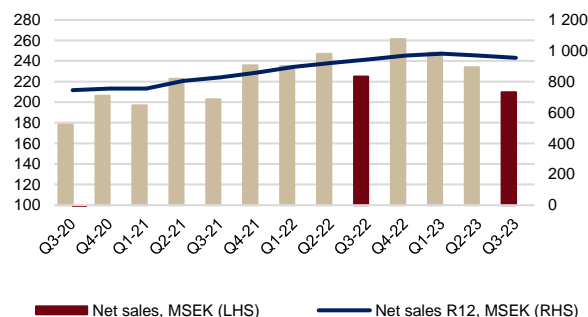
EBIT, GARO E-mobility



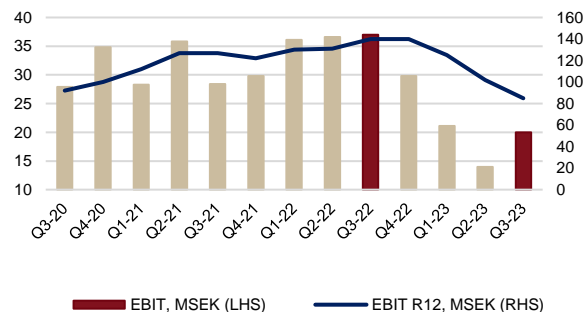
GARO Electrification

- Net sales decreased 7% to MSEK 209.6 (224.9)
- A weaker economy with rising interest rates has subdued the market for the business area
- Sales growth in European markets outside the Nordics + 12%
- EBIT amounted to MSEK 20.6 (37.0) and the EBIT margin to 9.8% (16.5)
 - Lower sales and weaker gross margin
 - A non-recurring cost for changes in the sales organization in Norway

Net sales, GARO Electrification



EBIT, GARO Electrification



Cash flow and balance sheet


- Cash flow from operating activities in the quarter was MSEK 40.9 (31.8) as a result of changes within customer receivables and payables.
- Balance sheet
 - Net debt of MSEK 293.4 (44.6)
 - Available liquidity including unutilized overdraft facilities of MSEK 108.5 (142.7)

MSEK	Q3 2023	Q3 2022	R12	FY 2022
Cash flow from operating activities	40.9	31.8	3.8	89.2
Cash flow from investing activities	-14.1	-21.3	-156.0	-119.1
Cash flow for the period	-2.7	20.5	-28.1	-52.3
Net debt(+)/net cash (-)	293.4	44.6	293.4	143.7
Net debt(+)/net cash (-) excl. IFRS16 effects	219.9	7.8	219.9	65.2
Equity/assets ratio, %	49.4	61.4	49.4	53.2

Outlook

- In the Nordic region, the construction of housing has declined considerably and is expected to be weak.
- Demand for other commercial and public construction, combined with renovation requirements and energy efficiency enhancements, remains relatively good.
- 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.
- We believe that GARO E-mobility will post a strong growth while GARO Electrification is expected to grow but report negative year-on-year growth during the fourth quarter. Overall, the Group's net sales for the fourth quarter are expected to be in line with last year.
- 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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