



# Q2 2024 Presentation

August 16, 2024

Patrik Andersson, CEO  
Helena Claesson, CFO

**GARO**<sup>®</sup>

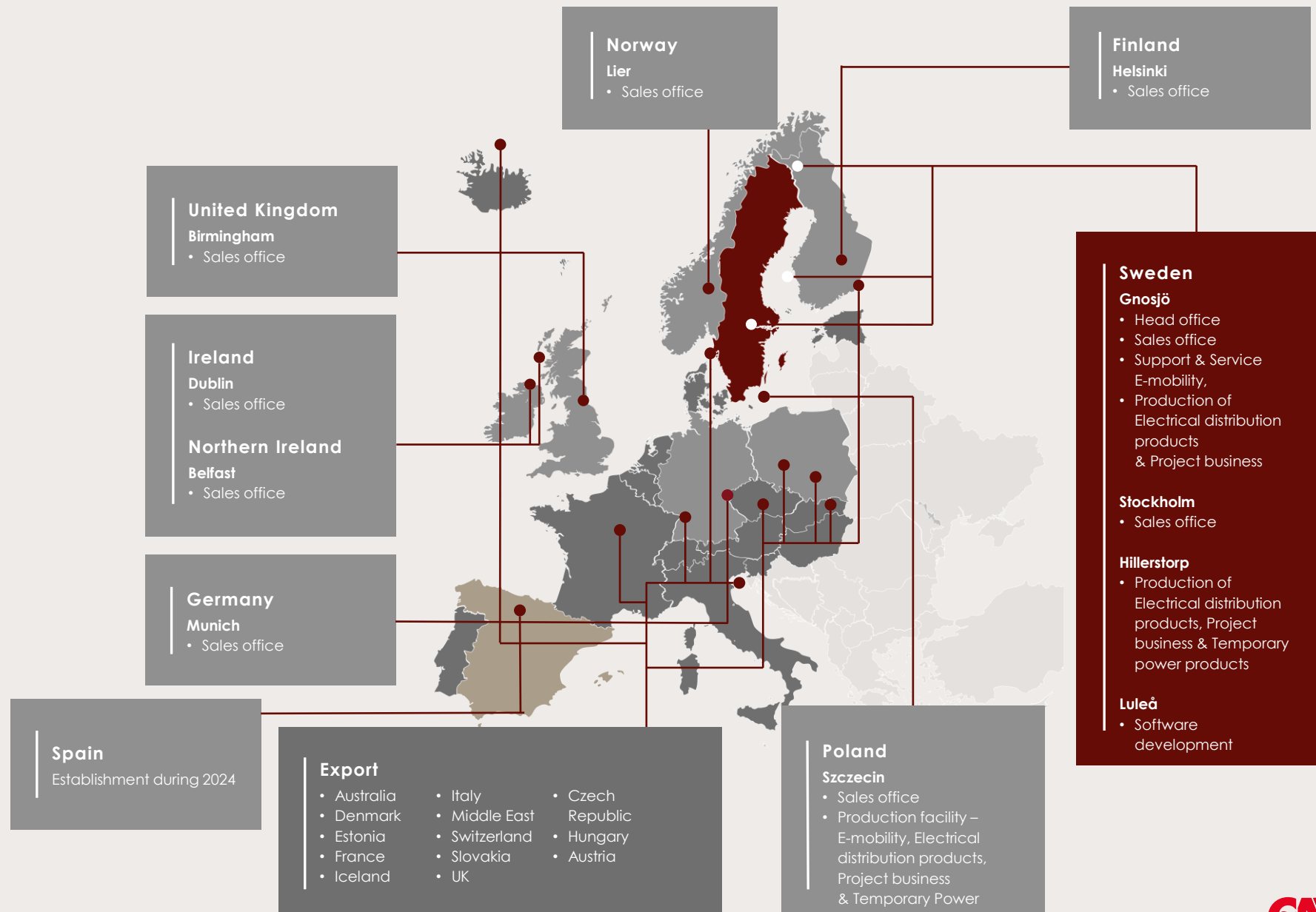


# Charging the future.

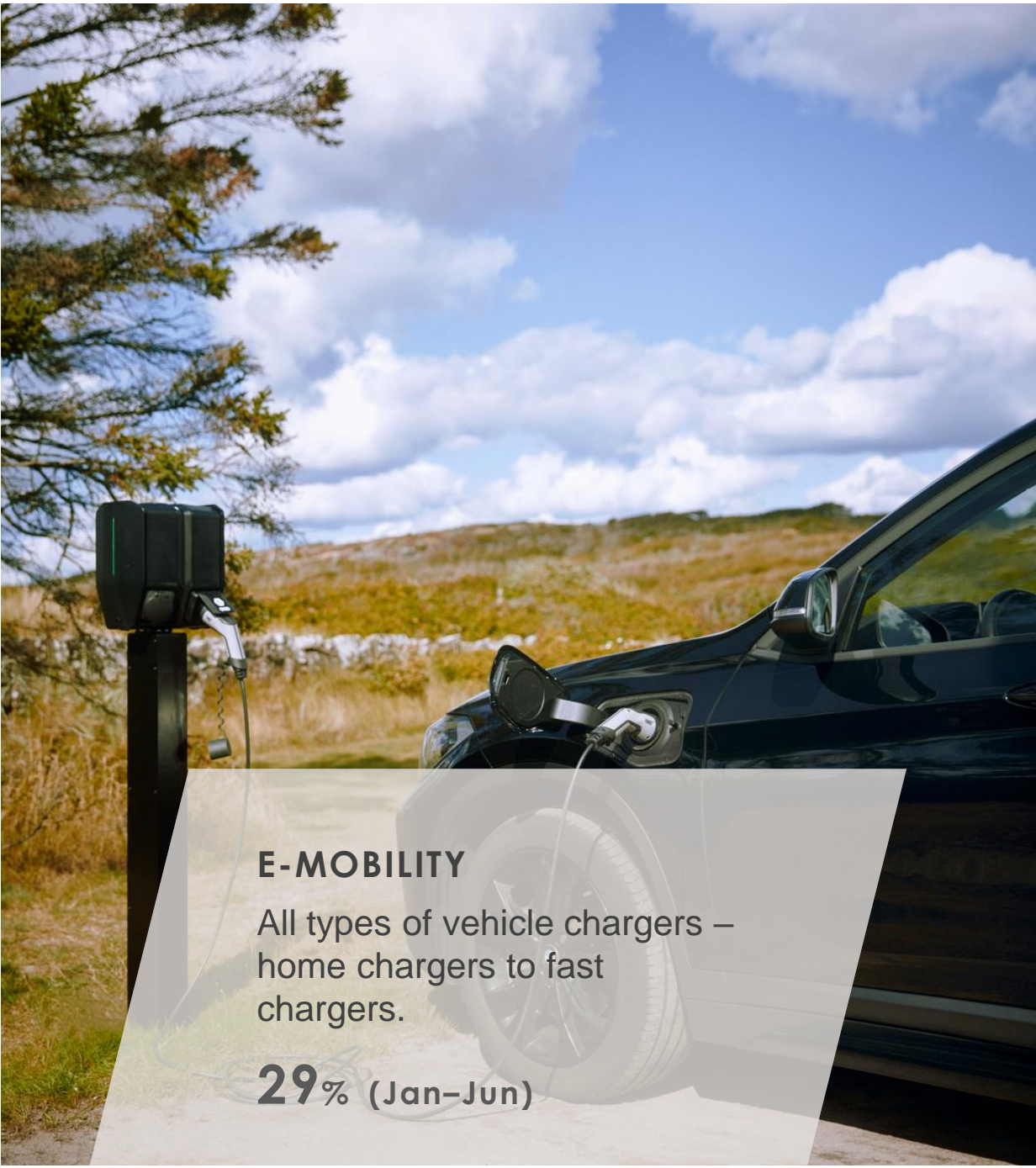
It is our responsibility to provide a smarter and more sustainable future with innovative solutions for everyone. We are equipped with the right tools to create positive change. The future is ours to create.



# GARO's footprint







## E-MOBILITY

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

**29%** (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.

**45%** (Jan-Jun)



## **PROJECT BUSINESS**

Complete and fully  
customized solutions ready  
for installation.

**23%** (Jan-Jun)



## **TEMPORARY POWER**

Temporary electricity, lighting  
and heating for construction  
sites.

**3%** (Jan-Jun)



# Financial highlights

- Net sales Q2 of MSEK 306.3 (386.0), decreased 21%
  - 45% decrease within GARO E-mobility
  - 5% decrease within GARO Electrification
- Lower sales volumes during the quarter compared with the same quarter of 2023
- GARO E-mobility continues to have challenging market conditions
- EBIT of MSEK -4.3 (18.2) and an EBIT margin of -1.4% (4.7)



# Operational highlights

**GARO Electrification reports a stable quarter while GARO E-mobility continues to face challenging market conditions**

## GARO E-mobility

- Macroeconomic uncertainty continues to impact purchasing patterns and investment decisions, primarily in Sweden
- Growth outside the Nordic region during the second quarter as well
- GARO's long-term market outlook remains unchanged
- Increased activity was noted regarding inquiries for the expansion of charging stations for major projects, for example, in commercial properties, tenant-owner associations and public places
- GARO is applying for Eichrecht certification of GARO Entity – adapted to the German private sector market

## GARO Electrification

- Continued weak economy and high interest rates – low rate of production for new single-family homes and apartments
- Healthy demand in public sector, commercial and industrial properties
- Demand remains healthy for products related to industry and the energy efficiency of buildings
- Strong performance in Ireland – in part, through a broadened product range
- Temporary Power noted growth of 12% compared with the year-earlier quarter

## Growth and profitability

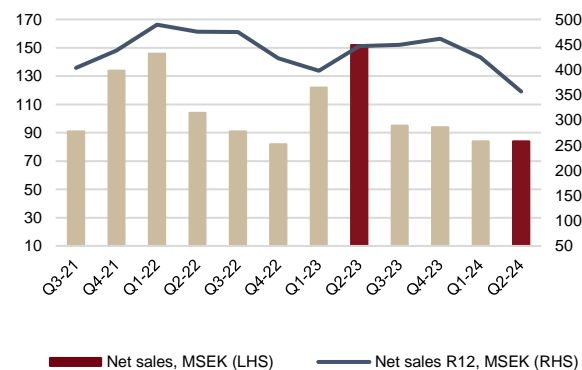
- The efficiency program implemented at GARO Electrification had its desired effect, which can be noted in the improved EBIT
- The prevailing market conditions for GARO E-mobility mean that we continue to adapt costs, beyond the implemented efficiency program. Another focus area is reducing our inventory levels
- Leveraging synergy effects between business areas is important and provides a stable foundation



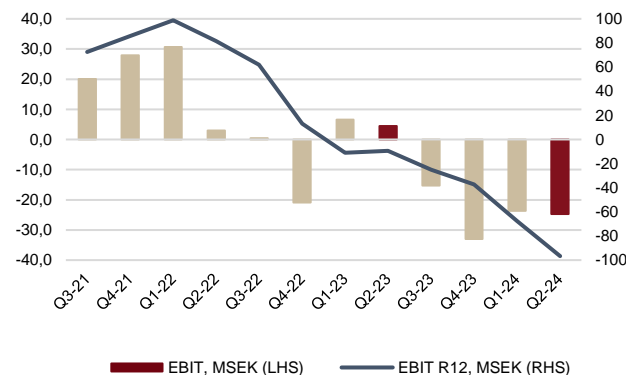
# GARO E-mobility

- Net sales amounted to MSEK 84.4 (152.1)
- Large deliveries of public chargers year last year gives challenging comparative sales for the business area
- GARO E-mobility reported sales growth of 3% outside the Nordic region for the quarter
- EBIT amounted to MSEK -24.7 (4.5)
- Low sales, a weaker gross margin and an organization built for growth explains the negative result

Net sales, GARO E-mobility



EBIT, GARO E-mobility

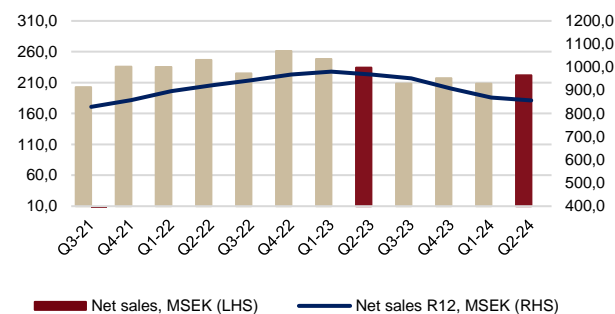




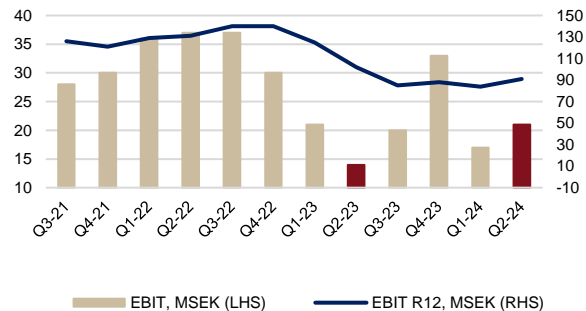
# GARO Electrification

- Net sales amounted to MSEK 221.9 (233.9)
- EBIT amounted to MSEK 20.4 (13.7) and the EBIT margin to 9.2 % (5.8)
- The efficiency program implemented during fall of 2023 has desired effect
- Two major orders won for engine heaters for northern Sweden, with expected delivery in Q3

Net sales, GARO Electrification



EBIT, GARO Electrification



# Cash flow and balance sheet

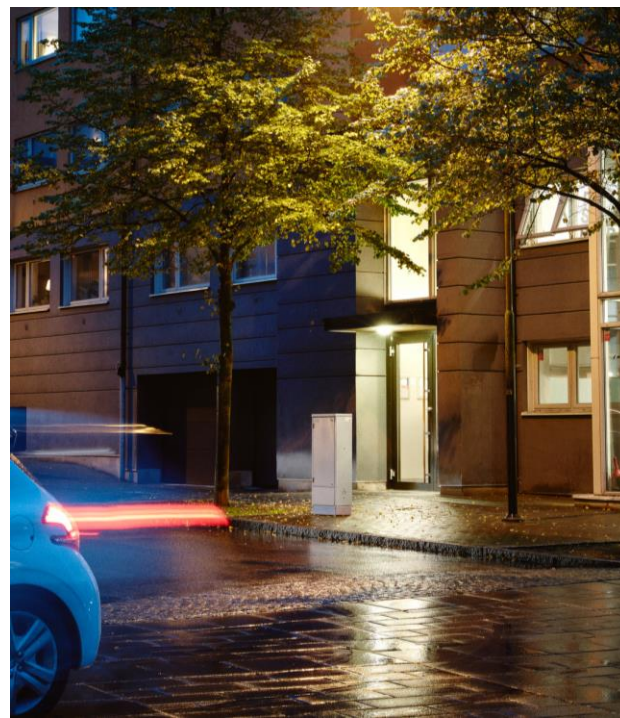
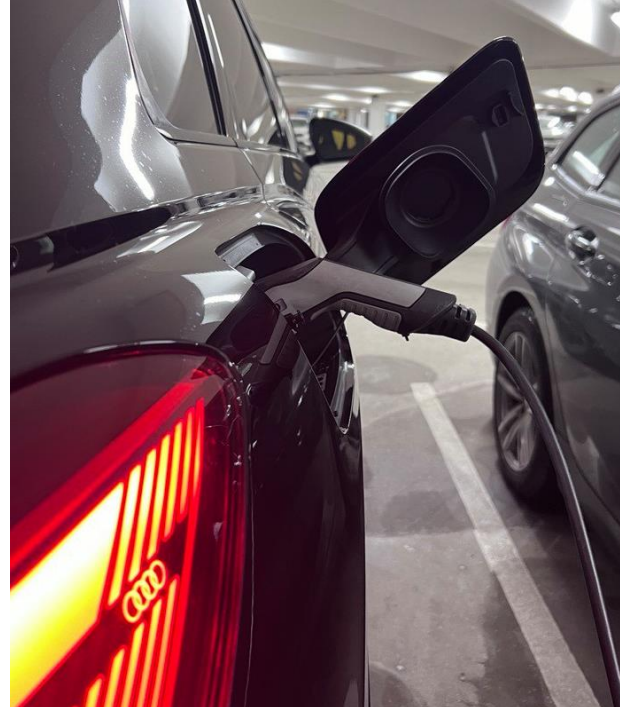
- Cash flow from operating activities before changes in working capital amounted to MSEK -1.7 (26.0)
- Cash flow from operating activities after changes in working capital amounted to MSEK -9.3 (-3.5)
- Net debt of MSEK 293.2 (308.6)
- Available liquidity including unutilized overdraft facilities of MSEK 64.8 (79.8)

MSEK	Q2 2024	Q2 2023	R12	FY 2024
Cash flow from operating activities	-9.3	-3.5	22.8	25.6
Cash flow from investing activities	-6.3	-26.1	15.8	-51.0
Cash flow for the period	9.7	1.1	6.3	19.6
Net debt(+)/net cash (-)	293.2	308.6	293.2	222.1
Net debt(+)/net cash (-) excl. IFRS 16 effects	224.9	236.1	224.9	149.8
Equity/assets ratio, %	49.6	49.4	49.6	50.9
Number of employees,	434	544	504	478



# Outlook

- The recovery of the E-mobility market is proceeding slower than expected, particularly in Sweden
- However, our long-term vision for the EV charging market remains unchanged – a major transition to electric vehicles
- Housing construction in the Nordic region has declined considerably over the last year and new production of single-family homes and apartments is expected to remain weak throughout 2024
- On the other hand, demand for other commercial and public sector construction, combined with renovation requirements and energy efficiency, remains favorable
- Sales outside the Nordic region showed growth, which supports our investment in Germany, which we entered at the end of 2023. This also supports the company's commenced establishment in Spain
- We believe that the market will gradually improve for both business areas and that the outlook for 2025 is more positive



## **GARO starts recruitment of a new CEO. Patrik Andersson will remain CEO until his replacement takes up the position**

The recruitment of a new CEO has started and the aim is to announce the appointment of a successor during the autumn, with an expected start in the first quarter of 2025.

Under Patrik Andersson's leadership, GARO has completed several strategic initiatives, such as organizing operations into two business areas (GARO Electrification and GARO E-mobility), developing the new product platform GARO Entity, and investing in production and delivery capacity. Going forward, GARO will be entering an increasingly international and growth-oriented phase in order to capitalize on investments made. The Board and CEO are in agreement that GARO needs new leadership for this phase.

Patrik Andersson, who began as CEO in 2019 and contributed significantly to GARO's development, will remain in his role of CEO before handing over to the new CEO. GARO is collaborating with Alumni in this recruitment.







Q&A

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