



FIRST QUARTER 2017 PRESENTATION

4 MAY

Summary

- Strong start of the year with sales +21% and EBIT +54%
- GARO Sweden +34%
 - ➔ Good development in all product areas
 - ➔ Particularly strong growth in the project-business
 - ➔ Acquisition of Emedius AB
- GARO Other markets +2%
 - ➔ Good growth in areas related to housing and construction
 - ➔ Weaker development of EV charging due to challenging comparable period mainly for fast chargers
- Strong construction markets expected to continue
- After the close of the period: New CEO appointed. Carl-Johan Dalin will assume his position during the fall and Stefan Jonsson will retire as CEO after 21 years in the company

Financial highlights Q1 2017



	MSEK	Q1 2017	Q1 2016	Ch.
• Organic sales +15%	Net sales	181.6	149.6	21%
• EBIT +54%*	EBIT	23.6	15.3*	54%
• EBIT margin: 13.0% (10.2*)	Margin	13.0%	10.2%*	-
• Net income and EPS +53%*	Net income	18.5	12.1*	53%
• Cash flow from operating activities at MSEK 15.2 (-3.4)	EPS, SEK	1.85	1.21*	53%
	Op. cash flow	15.2	-3.4	N.M
• Net debt at MSEK 15,1 (25.0).	Net debt	15.1	25.0	-40%

*) Adjusted for IPO costs of MSEK -12.6 in Q1 2016 in EBIT and MSEK -9.8 net income.

GARO Sweden



Net sales increased by 34%

- Market growth for installation products of about 14% in the quarter
- Good growth in all construction related product areas and especially within *Project*. Acquisition of Emedius was consolidated in March 2017 and added MSEK 6.6 to sales
- Continued strong growth in EV charging, especially home chargers and semi-fast chargers.

EBIT increased by 110%

- Higher profitability as a result of volume increase, productivity improvement and stable OH expenses



MSEK	Q1 2017	Q1 2016	Change	R12	2016
Net sales	121.8	91.0	34%	449.7	419.0
EBIT	16.2	7.1*	110%	57.8	48.7*
<i>EBIT margin</i>	13.3%	7.8%*	-	12.9%	11.6%

*) Adjusted for IPO costs of MSEK -12.6 in the first quarter 2016

GARO Other markets

Net sales increased by 2%

- **Norway** – good development of product areas related to the construction market. Weak development of EV charging in the second half as a result of very strong sales in the comparable period to a customer that during 2015 and 2016 invested in an extensive network of fast chargers
- **Ireland** – benefits from a strong housing and construction market
- **Finland** – favourable growth but a weaker start of the year compared to 2016
- **Poland** – good opportunities and positive signs especially in EV charging

EBIT decreased by 10%

- Lower gross margins and somewhat higher overhead costs in relation to sales

MSEK	Q1 2017	Q1 2016	Change	R12	2016
Net sales	59.8	58.6	2%	240.0	238.8
EBIT	7.4	8.2	-10%	36.7	37.7
EBIT margin	12.4%	14.0%	-	15.3%	15.8%

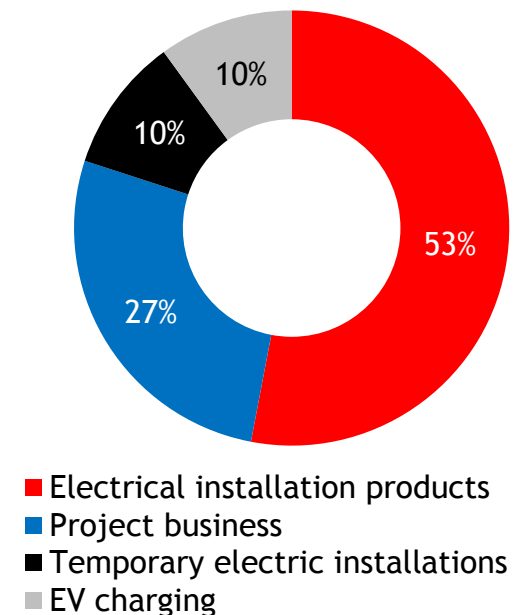
Product areas

- Electrical distribution products, Project business and Temporary electric installations benefitting from no of housing starts and construction activity
- Acquisition of Emedius AB extends GARO's offer and strengthens its position within Project business in Sweden
- 73% growth in electrical cars in Sweden during the last twelve months*. Forecast of c. 48,000 cars by the end of 2017.
- Number of electrical cars in Norway expected to increase by 8% to 109,000 by the end of 2017**

*) Source: Power Circle March 2017

**) Source: Elbil.no/elbilsstatistikk

Net sales by product area



Income statement

- Net sales in Q1 driven by volume growth in Sweden
- Stronger EBIT margins
 - ➔ Improved gross margins and stable OH costs in relation to sales



MSEK				
Group	Q1 2017	Q1 2016	R12	2016
Net sales	181.6	149.6	689.7	657.8
EBITDA	26.2	5.5	105.5	84.8
Depreciation & amortisation	-2.6	-2.8	-10.8	-11.0
Operating income	23.6	2.7	94.7	73.8
Finance income/expenses	-0.1	0.1	-1.2	-1.0
Taxes	-5.0	-0.5	-20.3	-15.8
Net income	18.5	2.3	73.2	57.0

Cash flow

- Cash flow from operating activities amounted to MSEK 15.2 (-3.4)
 - ➔ Improved EBITDA (IPO costs of MSEK 12.6 in Q1 2016)
 - ➔ Stable cash flow from change in working capital
- Cash flow from investing activities MSEK -47.4 (-2.1) including the acquisition of Emedius AB and premises
- Investments amounted to MSEK 17.9 (2.1). Transferred premises, in conjunction with the acquisition of Emedius, are included at a purchase price of MSEK 9.5



MSEK	Q1 2017	Q1 2016	R12	2016
Cash flow from operating activities	15.2	-3.4	67.1	48.4
Cash flow from investing activities	-47.4	-2.1	-57.0	-11.7
Cash flow for the period	-17.5	-10.4	9.6	16.7

Balance sheet

- Net debt of MSEK 15.1 (25.0) and a net cash position of MSEK 17.3 at year-end 2016
- Equity to assets ratio at 50.8% (45.2) and return on equity of 41.5%
- Cash and cash equivalents of MSEK 101.3 (47.4)



MSEK	31 March 2017	31 March 2016
Inventory	110.6	94.8
Receivables	170.8	131.5
Other current receivables	6.9	4.1
Payables	82.8	63.8
Other current liabilities	78.4	60.5
NWC	127.1	106.1
<i>as of sales (R12)</i>	18.4%	18.1%
Net debt	15.1	25.0
Net debt/EBITDA (R12)	0.1	0.4
Equity/assets ratio	50.8%	45.2%

Summary

- Strong start of the year driven mainly by GARO Sweden but also by construction related product areas in GARO Other markets
- Construction related business very strong as a result of good underlying demand and a strong product portfolio
- Sales of EV chargers growing strongly in Sweden while sales in Norway was weaker as a result of very strong comparable figures
- Operating income increased strongly as a result of higher volumes, improved productivity and stable overhead costs
- New CEO appointed. Carl-Johan Dalin will start his position during the fall. Stefan Jonsson will support him in his new role and continue as board member
- We look forward to coming years

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