

A man in a blue sweater and light-colored trousers is walking towards the left, past a black electric car that is plugged into a charging station mounted on the wall. Two young children are following him; one is a toddler in a white sweater and blue pants, and the other is a girl in a white dress riding a black balance bike. The scene is set in front of a modern house with a large glass door and potted plants. The lighting suggests it's a sunny day.

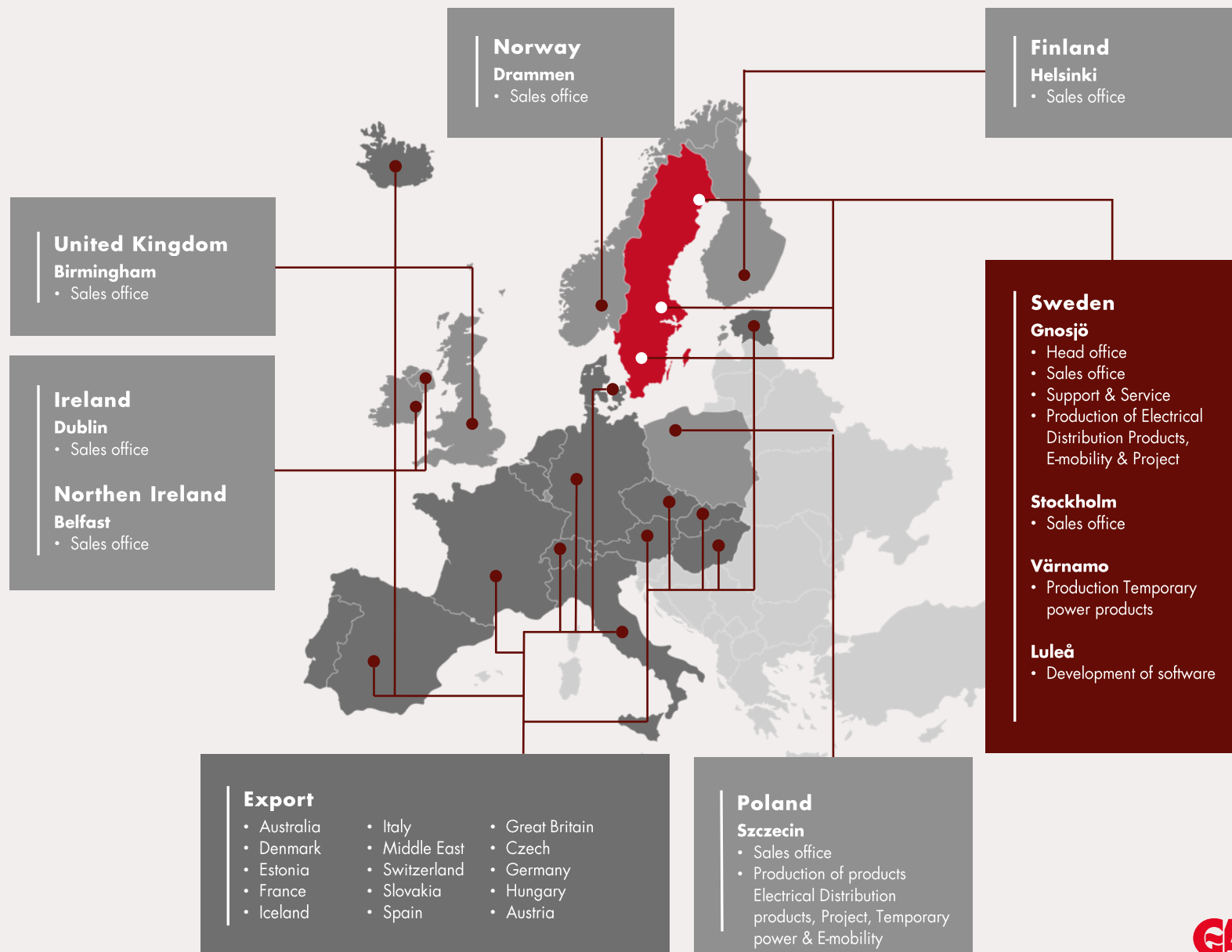
# Q2 2021 Presentation

12 August 2021

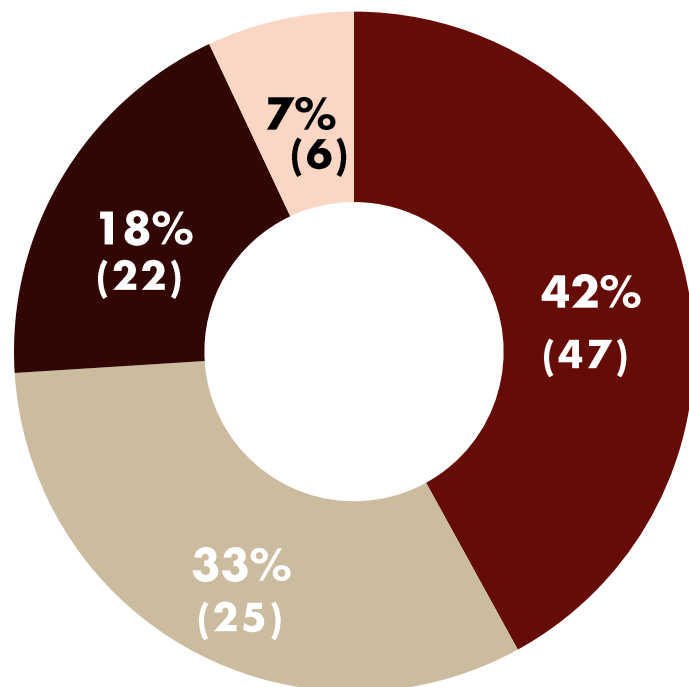
**GARO**



# Our market



## PRODUCT AREAS



% of sales January – June 2021



### **ELECTRICAL DISTRIBUTION PRODUCTS**

3 500 products and turn-key solutions for the electrical installation market.



### **E-MOBILITY**

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



### **PROJECT BUSINESS**

Complete and fully customized solutions ready for installation.



### **TEMPORARY POWER**

Temporary electricity, lightning and heating for construction sites.

# Operational Highlights

## Growth and high profitability

- Sales: +43%
- Driven by GARO Sweden as well as GARO International
- Strong growth in all product areas
- Benefits from a high activity of construction and renovation. Rental companies increasing their investments
- Improvement in profitability

## Strategy and challenges

- Uncertainty concerning access to components prevails
- Full focus on customers, solutions and product development
- Increase of production capacity
- GARO's broad product- and service offering is a strength and provides synergies between the various product areas

## E-mobility

- GARO Sweden sales: +114%
- Good sales development to European markets via contract customers
- GARO International sales: +30%
- New CEO for E-mobility appointed: Niklas Rönnäng.
- New product launched: Atle 24kW fast-charger

## Market conditions

- Strong recovery of the markets compared to the same quarter 2020
- Overall a positive view of market conditions

# Financial Highlights

- Net sales increased by 43%, mostly organic growth
- Operating profit increased by 82% to MSEK 55.1, an effect from increased volumes and favourable product mix
- Operating margin of 16.1% (12.7) in the quarter and 16.0% in the six-month period
- Profit for the quarter of MSEK 42.6, an increase of 135%
- Share split 5:1 completed in May

MSEK	<b>Q2 2021</b>	Q2 2020	%	<b>H1 2021</b>	H1 2020	%	2020
Net sales	341.2	238.3	43	631.8	486.6	30	1,039.8
EBIT	55.1	30.3	82	101.0	49.1	106	136.2
EBIT margin,%	16.1	12.7	-	16.0	10.1	-	13.1
Profit for the period	42.6	18.1	135	80.9	32.6	148	95.3
EPS, SEK	0.85	0.36	136	1.62	0.65	149	1.91

# GARO Sweden

- Net sales increased by 43% in the quarter
  - Electrical distribution products +17% which was higher than the underlying market growth
  - E-mobility +114%, driven by good demand across the whole product range
  - Temporary power +142% while Project business -4%
- EBIT increased by 96% in the quarter
  - Explained by positive scale effects from increasing volumes and favorable product mix

MSEK	Q2 2021	Q2 2020	Change, %	H1 2021	H1 2020	Change, %	2020
Net sales	238.5	166.5	43	444.7	330.9	34	698.0
EBIT	36.5	18.6	96	69.3	28.9	140	90.2
<i>EBIT margin, %</i>	15.3	11.2		15.6	8.7		12.9

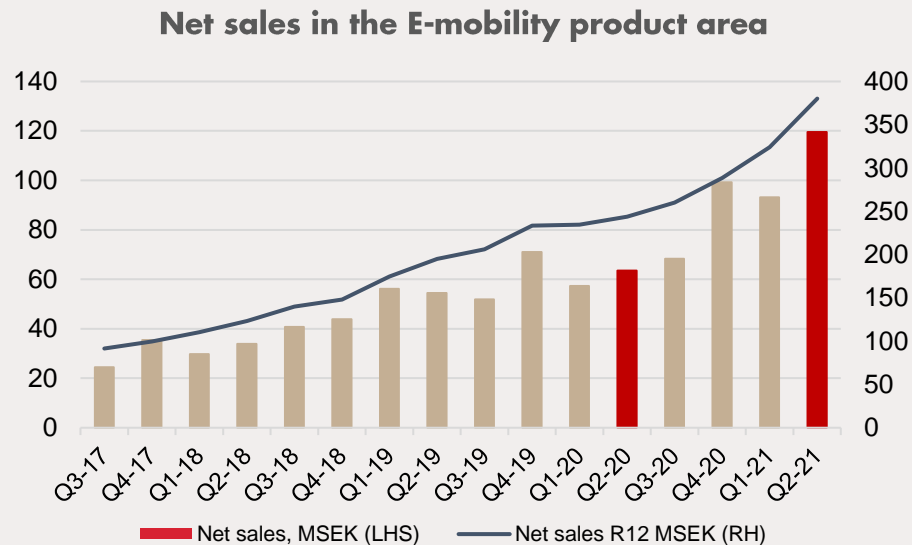
# GARO International

- Net sales increased by 44% in the quarter
  - Electrical distribution products +43% and Project +96% following a strong recovery in the markets
  - E-mobility +30% driven by Finland, Ireland and the UK
  - Growth in Finland, Ireland and the UK
- EBIT increased by 59% in the quarter
- EBIT margin of 17.7% (16.1)

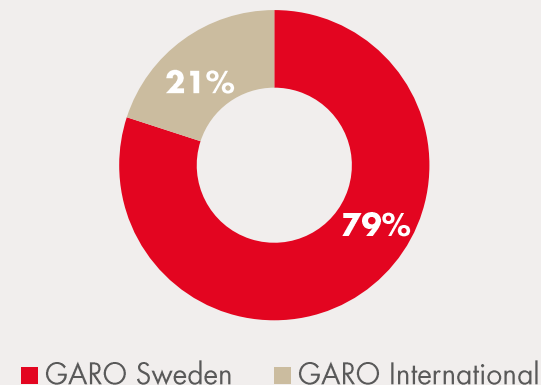
MSEK	Q2 2021	Q2 2020	Change, %	H1 2021	H1 2020	Change, %	2020
Net sales	105.1	72.7	44	187.7	155.6	21	342.4
EBIT	18.6	11.7	59	31.7	20.2	57	46.0
EBIT margin, %	17.7	16.1		16.9	13.0		13.4

# Product area E-mobility

- Net sales increased by 88%
  - GARO Sweden +114%
  - GARO International +30%
- The positive development in E-mobility has a beneficial effect on sales of components within Electrical Distribution products and cabinets within the Project business
- Atle – a new fast charger with 24 kW launched during the quarter
- New CEO for E-mobility appointed. Will assume his position on 1 January 2022



**Net sales in E-mobility by business area, Jan-Jun 2021**





# Cash flow and balance sheet

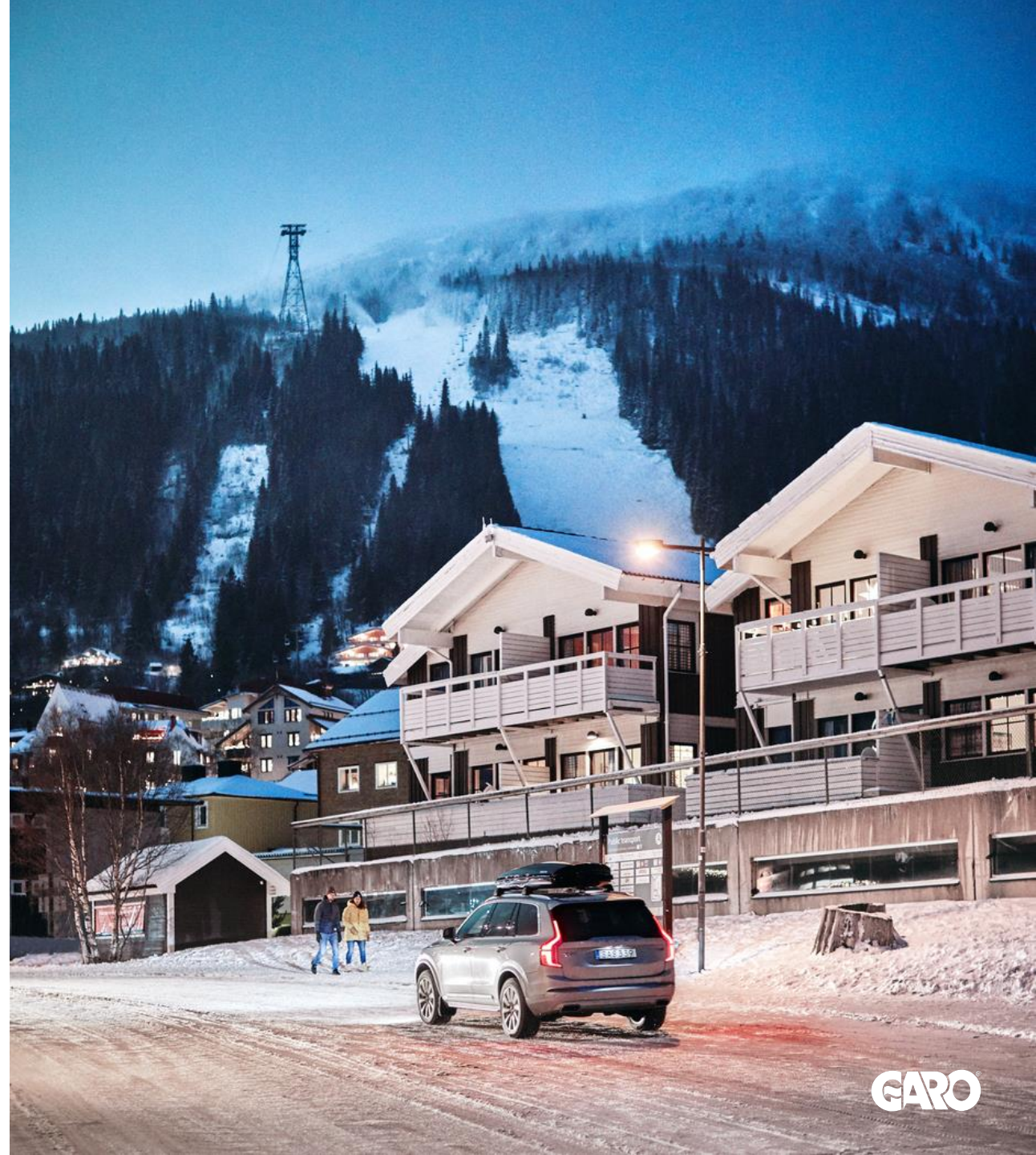
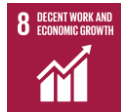
- Cash flow from operating activities of MSEK 5.5 (10.6). A higher EBITDA was offset by higher working capital requirements
- Strong balance sheet
  - Net debt of MSEK 66.8 (70.7)
  - Available liquidity including unutilized overdraft facilities of MSEK 106.6 (102.9)

MSEK	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Cash flow from operating activities	5.5	10.6	22.1	1.8	86.9
Cash flow from investing activities	-15.1	-17.2	-23.4	-26.3	-45.3
Cash flow for the period	-56.9	-4.3	-57.9	-25.6	28.9
Net debt(+) / net cash (-)	66.8	70.7	66.8	70.7	11.3
Equity / assets ratio, %	57.7	56.2	57.7	56.2	57.9

# Sustainability

GARO endeavour to be a leading player, in terms of responsible business, in all of our operating areas.

- Choice of materials for the environment
- Fossil-free vision
- Collaboration with suppliers
- GARO's employees



# Strong growth and development opportunities



## **GARO'S VISION AND GOAL**

Become the leading  
brand on its chosen  
markets



# The effect of the Covid-19 pandemic

- Limited impact on sales in GARO Sweden.
- In GARO International, we saw a strong recovery in comparison with the same quarter last year.
- Right now, we see a good demand.
- GARO has not applied for, nor received any financial support from the Swedish Agency for Economic and Regional Growth as a result of COVID-19.



# Outlook

- Core market conditions have essentially not changed aside from the pandemic.
- Uncertainty concerning access to raw material and components prevails.
- The market for charging infrastructure is growing structurally.
- Stable demand for construction-related products in Sweden combined with the important renovation sector is expected to remain stable.
- The trend in other markets served by GARO, aside from the pandemic, is expected to be similar.





**Q&A**



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