



Press release

August 12, 2021

INTERIM REPORT JANUARY–JUNE 2021

APRIL–JUNE 2021

- Net sales amounted to MSEK 341.2 (238.3).
- Growth was 43% (-4).
- EBIT amounted to MSEK 55.1 (30.3).
- EBIT margin amounted to 16.1% (12.7).
- Net income was MSEK 42.6 (18.1).
- Earnings per share amounted to SEK 0.85 (0.36).

CEO PATRIK ANDERSSON:

CONTINUED STRONG GROWTH WITH A HIGH EBIT MARGIN

GARO is developing positively. Net sales rose 43% and amounted to MSEK 341.2. EBIT for the quarter rose 82% to MSEK 55.1 and the EBIT margin was 16.1%, mainly as a result of the substantial volume increase.

The organization has maintained a solutions-oriented perspective during the quarter, focusing on customers to complete our transactions and continue to create growth, despite facing challenges with components and materials supplies. This approach has allowed us to remain aggressive, with measures including increasing production capacity in Sweden and Poland.

I would also like to highlight the breadth of GARO's product and service offerings, which is a strength and a distinctive feature of GARO. Close collaboration between GARO's product development and the different product areas enables the Group to quickly meet market demands, which generates increased growth. Unique synergy effects between the product areas create opportunities and make it easy for our customers to obtain a complete solution from GARO where, for example, high sales volumes of wall boxes increase sales of installation materials, safety products and power supply components used for the installation of charging infrastructure.

PRODUCT AREAS

The E-mobility product area reported growth of 88% for the quarter. Sales in the business area were strong throughout the entire product portfolio, but particularly in AC chargers (home chargers and public chargers). In addition to the continued rapid growth in Sweden, noteworthy positive trends were posted in the UK, Ireland and Finland as well as in other European markets.

After the end of the quarter, Niklas Rönnäng was appointed CEO of GARO E-mobility AB to further strengthen the fast-growing E-mobility product area. The position also entails Group responsibility for the E-mobility product area.



The markets for the Electrical distribution products, Project business & Temporary Power product areas reported a strong recovery compared with the preceding year, during which a number of markets were essentially closed as a result of the pandemic. The Electrical distribution products and Project business product areas reported combined growth of a full 21%, which is assessed to be considerably stronger than the underlying market.

MATERIALS SUPPLY

The strong market recovery and growth has brought about certain challenges such as occasional component shortages. In the second quarter, GARO managed to successfully secure materials supplies, but uncertainty remains concerning access to raw materials and components.

MARKET CONDITIONS

The market for charging infrastructure is growing structurally with rising numbers of rechargeable vehicles, and we have noted a continuing strong trend with further expansion of the charging infrastructure in all markets. Demand for construction-related products in Sweden combined with the important renovation sector is expected to remain stable. Housing construction has slowed down slightly from its peaks during the last few years, but the production rate remains high and stable. The trend in other markets served by GARO, aside from the pandemic, is expected to be similar. All in all, GARO has a positive view of long-term market conditions, mainly driven by growth in charging infrastructure.

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This information is such information that GARO aktiebolag is obligated to publish in accordance with the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was published by the abovementioned contact persons on August 12, 2021, at 8:30 a.m. CEST.