

30 October 2019

Press release

Interim report January-September 2019

July-September 2019

- Net sales were 321.9 MSEK (265.4), an increase of 21.3% from the equivalent quarter in 2018.
- Operating income increased to 31.4 MSEK (26.7), an operating margin of 9.8% (10.1). In the equivalent quarter in 2018 there were one off costs of 3.5 MSEK.
- The acquired business Hotbath contributed 61.2 MSEK to net sales and 10.6 MSEK to operating profit after amortisation of intangible assets.
- Earnings per share were 1.77 SEK (1.49).
- Cash flow after investments was 47.8 MSEK (44.5).

January-September 2019

- Net sales were 969.4 MSEK (859.0), an increase of 12.9% from the equivalent period in 2018.
- Operating income increased to 103.1 MSEK (65.5), an operating margin of 10.6% (7.6). There were one off costs of 4.6 MSEK (7.8).
- Hotbath contributed 112.2 MSEK to net sales and 19.5 MSEK to operating profit after amortisation of intangible assets.
- Earnings per share were 5.67 SEK (3.74).
- Cash flow after investments was -67.3 MSEK (62.4).

Significant events during the quarter

- No significant events occurred during or after the quarter.

Statement from the CEO

A solid quarter and international progress

We are reporting on a third quarter with a solid EBIT improvement and significant progress in our export business compared to the equivalent quarter in 2018. The total sales during the third quarter increased with fully 21% and reached 322 MSEK. EBIT increased by as much as 18% and reached 31 MSEK. We can also conclude that our international investment has created a better balance to our business and we have therefore grown despite a somewhat tougher market in the Nordic region.

We are very pleased that our sales and profitability from the international market grew significantly. We see that there is still significant international growth potential for sustainable products with attractive design. The acquisition of Hotbath is an important step in this work and increases our presence in several countries. During the quarter our new colleagues at Hotbath have integrated well into the group and we see more opportunities to further develop the brand's position in the international market.

After the summer the Nordic region has had lower sales compared to the equivalent period in 2018 and a clearly lower level of activity with new construction is a factor. We follow the market's development closely and hope that the normally stable demand for mixer taps for the repairs and maintenance sector will create opportunities in the countries where we are present.

We have a clear strategy where customers come first and have a strong focus on design and sustainability. We received confirmation of this via the positive response we had at the recently completed Live & Build fair in Stockholm. Our new products with more colour and improved style, such as Damixa Silhouet and Mora Izzy, are creating lots of interest and generating sales. At the same time our technical solutions make it possible to reduce water and energy usage, as well as removing legionella bacteria, which we see that our customers are increasingly demanding. During the fair we have also presented Mora MMIX Tronic Black, a great example of design and low water usage being combined in a natural, exciting way.

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FM Mattsson Mora Group conducts the sale, manufacture and product development of water taps under the strong, established brands of FM Mattsson, Mora Armatur, Damixa and Hotbath. The group's vision is to be the customer's first choice for mixer taps in the bathroom and kitchen. In 2018 the business generated sales of more than SEK 1.4 billion from its companies in Sweden, Norway, Denmark, Finland, Benelux and Germany and had over 500 employees (figures adjusted for the acquisition of Hotbath in May 2019). FM Mattsson Mora Group is listed on Nasdaq Stockholm.