

20 February 2020

Press release

Year end report January-December 2019

October-December 2019

- Net sales were 344.1 MSEK (279.1), an increase of 23.3% from the equivalent quarter in 2018.
- Operating income increased to 14.1 MSEK (15.8), an operating margin of 4.1% (5.7). During the quarter there were one-off costs of 8.2 MSEK (0.0), mainly relating to the closure of the assembly operation in Denmark.
- The acquired business Hotbath contributed 73.0 MSEK to net sales and 6.1 MSEK to operating profit after amortization of intangible assets.
- Earnings per share were 0.68 SEK (0.89).
- Cash flow after investments was 54.3 MSEK (42.9).

January-December 2019

- Net sales were 1,313.5 MSEK (1,138.1), an increase of 15.4% compared to the equivalent period in 2018.
- Operating income was 117.2 MSEK (81.3), an operating margin of 8.9% (7.1). There were one off costs of 13.0 MSEK (7.8).
- Hotbath contributed 185.2 MSEK to net sales and 25.6 MSEK to operating profit after amortization of intangible assets.
- Earnings per share were 6.33 SEK (4.62)
- Cash flow after investments was -13.0 MSEK (105.3).
- The Board of Directors is proposing a dividend of 3.50 SEK (3.00) per share.

Significant events during the quarter

- In December, FM Mattsson Mora Group Danmark ApS announced that the company will move to new premises in Odense at the end of 2020 and that the assembly operation will cease.

Statement from the CEO

A solid end to the year and further international progress

We finished 2019 with further growth in revenue. For the fourth quarter net sales grew by 23% to over 344 MSEK. It's pleasing that we have a very strong cash flow and that profitability has continued to develop well in the context of one-off costs for restructuring Damixa with the aim of making the brand even more design and customer focused.

We are very pleased with the continuation of our international development, both the acquisition of Hotbath and our existing business. Sales and margin are continuing to grow for both these parts of the business. For a long time, we have been working to increase our profitability and are seeing increasingly positive results from this. During the fourth quarter, revenue in the Nordic market was lower than last year, particularly in Sweden and Norway where the building sector was more conservative. Despite the lower sales in Norway we have maintained a relatively good profit thanks to internal improvements.

During the fourth quarter we decided to streamline our Damixa business. The assembly operation in Odense will be closed during 2020 and we will move to new premises. This change has resulted in costs of c. 8 MSEK for the quarter. We estimate that costs of 4.5 MSEK in relation to the change will be incurred in 2020. This decision is in line with our strategy to strengthen and develop our brands and product range. It will help us to create an even more design focused and flexible organisation with Danish character.

Before the year end we began to roll out new displays which will be more visible in shops, launched Damixa Bell Pro and broadened our range of concealed products. These launches give us a more complete offering as a supplier and partner. In 2020 we will follow our existing strategy with increased focus on developing our market position in the Nordic and international markets. Several launches are planned for the year to further our offering of sustainable products and services with an even clearer design content. An excellent example of this is the great response to Mora Armatur MMIX Tronic Black. It is a product which combines attractive looks with clear water and energy saving benefits and is exactly what we want to offer customers and partners.

FM Mattsson Mora Group AB (publ.)
Box 480
SE-792 27 MORA
SWEDEN

Telefon +46 (0)250 59 60 00
Fax +46 (0)250 159 60
info@fmm-mora.com
www.fmm-mora.com

For further information, please contact:

Fredrik Skarp, CEO, Tel: +46 (0)250 596 405.

Martin Gallacher, CFO, Tel +46 (0)250 596 225.

This information is such that FM Mattsson Mora Group AB (publ) must disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 8:00 CET on 20 February 2020.

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 2019 the business generated sales of more than SEK 1.4 billion from its companies in Sweden, Norway, Denmark, Finland, Benelux, Germany and Italy and had over 500 employees (figures adjusted for the acquisition of Hotbath in May 2019). FM Mattsson Mora Group is listed on Nasdaq Stockholm.