

30 October 2020

## Press release

### **Interim report January-September 2020**

#### **July-September 2020**

- Net sales were 355.4 MSEK (321.9), an increase of 10.4% from the equivalent quarter in 2019. Organic growth was 12.2% for the period.
- Operating income was 45.7 MSEK (31.4), an operating margin of 12.9% (9.8%).
- Earnings per share were 2.45 SEK (1.77).
- Cash flow after investments was 74.6 MSEK (54.0).

#### **January-September 2020**

- Net sales were 1,140.2 MSEK (969.4), an increase of 17.6% from the equivalent period in 2019. Organic growth was 7.4% for the period.
- Operating income increased to 137.0 MSEK (71.6), an operating margin of 12.0% (10.6%). One-off costs for the period were 0 MSEK (4.6).
- Earnings per share were 5.54 SEK (5.67).
- Excluding the adjustment to earn-out consideration for Hotbath, earnings per share were 7.41 SEK (5.67).
- Cash flow after investments was 115.2 MSEK (-61.1).

#### **Significant events during and after the quarter**

At the Extraordinary General Meeting on September 29, a dividend of 3.50 SEK per share was approved. The dividend was paid in October.

## Statement from the CEO

### A quarter with a lot of progress

Once again we can summarise a quarter with an excellent result - our best third quarter ever! Sales increased by 10% to a total of 355m SEK thanks to growth from all regions and brands. We achieved 13% EBIT margin thanks to continuing work with our product mix. This has helped us to achieve a very strong cash flow from the business.

Covid-19 has inevitably been high on our agenda again this quarter. Our routines and ways of working have worked very well for the business while we have had a relatively good attendance rate. It's also been very positive that activity and demand from our customers has been high during the quarter. In the current uncertainty which Covid-19 is still creating it feels great to have an organisation and colleagues who are performing so well and so close to our customers and suppliers so we can quickly adapt as circumstances require. Demand has been good in all markets during the third quarter and we think that customer expectations are positive for next year, albeit with quite a lot of uncertainty due to Covid-19.

We are looking positively to the future and our continued development. Our strong presence in the repairs and renewals sector gives us a good balance to the possible lower activity level in new construction. Our recent product launches and close work with our customers are other important pieces in our continued development. In September we launched the designer series Mora INXX II and touch free products within the series Damixa Silhouet. Our customers have reacted very positively to these launches. They are 2 important steps in our strategy to offer smart, sustainable products with an attractive appearance.

Like many other companies and industries we have seen a strong move towards more digital decisions and product purchases. Therefore we are working to have even more digital presence for our customers. This is an important and exciting challenge which covers many different situations where we meet our customers, everything from digital meetings, social media and product information to the functionality of our products.

One exciting collaboration within the aforementioned theme is with Alvesta council's housing company Allbohus which, during the summer, chose to install FM Mattsson connected mixer taps, with Watersprint water cleansing technology, for several schools. The latest UV LED technology disinfects possible virus and bacteria contamination in the water. At the same time it gives the users a digital view of usage patterns and consumption which means service can be tailored accordingly. If any faults occurred the taps would of course send an automatic alarm via text message! This is a smart and sustainable concept which we want to provide to more properties and which together with our touchless products carry extra large benefits in these times.

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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 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.*