

26 August 2020

Press release

Interim report January-June 2020

April-June 2020

- Net sales were 364.9 MSEK (348.2), an increase of 4.8% from the equivalent quarter in 2019. Organic growth was -0.9% for the period.
- Operating income were 35.0 MSEK (32.1), an operating margin of 9.6% (9.2).
- Earnings per share were 0.10 SEK (1.63). The change is mainly due to an adjusted estimate of the earn-out consideration for Hotbath which has preformed above expectations.
- Excluding the change in earn-out consideration, earnings per share were 1.96 SEK (1.63).
- Cash flow after investment was 16.6 MSEK (-114.1).

January-June 2020

- Net sales were 784.8 MSEK (647.5), an increase of 21.2% from the equivalent period in 2019. Organic growth was 5.0% for the period.
- Operating income increased to 91.3 MSEK (71.6). Operating income corresponded to an operating margin of 11.6% (11.1). One-off costs for the period were 0 MSEK (4.5).
- Earnings per share were 3.10 SEK (3.90).
- Excluding the change in earn-out consideration, earnings per share were 4.96 SEK (3.90).
- Cash flow after investments was 40.6 MSEK (-115.1).

Significant events during and after the quarter

- The spread of Covid-19 has had a limited effect on the business and created uncertainty about the future.
- The board withdrew the proposal for a dividend of 3.50 SEK for 2019 in May with the intention of evaluating later. After evaluation, the Board proposes a dividend in accordance with the original proposal.

Statement from the CEO

A strong result and teamwork

We have completed the second quarter with strong teamwork and partnership. That means we can present our best ever second quarter result with increased turnover and EBIT. Sales for the quarter were 365 MSEK and EBIT was 9.6% and we are proud of our progress during these challenging times.

A lot of the focus this quarter has been influenced by Covid-19 which, for us, has meant disruptions in the supply chain and increased uncertainty from our customers. We have managed to solve the various challenges thanks to target focused teamwork, both internally and together with our customers and suppliers. During the first quarter we saw that some customers increased their inventory level because of uncertainty around Covid-19. That contributed to a lower order intake in the beginning of the quarter but it increased further into the quarter. We can surmise that our customers' projects progressed reasonably well and we achieved organic growth of 5% for the first half of the year. This shows that in these difficult times we have attractive products, a well run organisation and a lot of belief from our partners.

As well as the second quarter we can look back on our first year since the acquisition of Hotbath. Our new colleagues and the Hotbath brand have quickly become a natural part of the group which contributes a lot to our international growth. Hotbath's attractively designed products ranges and close customer relationships continue to develop well and we see potential to take new steps together with our other brands in product development and sales.

When we look ahead it's very hard to predict the development of Covid-19. We can conclude that some new build projects are being delayed although there is an underlying need to build new homes and there is always an interest in and need for renovation and modifications to existing bathrooms and kitchens. We are following the market's development closely and can make adjustments as required. Despite the uncertainty about Covid-19 we are looking forward to the autumn and several exciting launches.

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During the second quarter we launched new products within our Mora Garden series for outdoor use, Damixa Silhouet with side shower and exciting additions to Hotbath Cobber X and Cobber@work. These are important launches which enable us to deliver even more complete series with attractive design and quality. We are continuing to develop the brand Mora Armatur with a clearer designer focus through the launch of Mora INXX II during the third quarter. In these times when hand hygiene has never been so important it's pleasing and exciting that, this autumn, we are also launching Damixa Silhouet with touchless taps in multiple colours for private homes and public properties.

Recent launches with an energy and water saving angle combined with attractive product appearance mean that we adjust how we work in other parts of the organisation. Amongst other things we are developing our sales and marketing to be even better at explaining these product benefits to our customers, especially those relating to hygiene and energy and water saving. Overall, we are looking to the future with confidence and feel secure in our strategy of offering sustainable products with attractive design where we are a proactive and reliable partner to our customers.

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This information is such that FM Mattsson Mora Group AB (publ) must disclose pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out above, at 08:00 CET on 26 August 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.