Second-quarter Interim Report April – June 2016

Continued strong growth and improved EBIT margin

- Net sales increased 21% to MSEK 159.1 (131.6).
- EBIT rose 33% to MSEK 18.5 (13.9).
- EBIT margin amounted to 11.6% (10.6).
- Net income was MSEK 15.4 (9.7).
- Earnings per share amounted to MSEK 1.54 (0.97).
- The equity ratio was 48.4% (49.7).

MSEK	Apr-Jun 2016	Apr-Jun 2015	%	Jan-Jun 2016	Jan-jun 2015	%	R12**	2015
Net sales	159.1	131.6	21%	308.7	250.5	23%	612.3	554.1
EBIT	18.5	13.9	33%	21.2	25.5	-17%	58.1	62.4
EBIT margin	11.6%	10.6%	-	6.9%	10.2%	-32%	9.5%	11.3%
Net income	15.4	9.7	59%	17.7	18.8	-6%	44.7	45.8
Earnings per share	1.54	0.97	59%	1.77	1.88	-6%	4.47	4.58
Adjusted EBIT	-	-	-	33.8*	25.5	33%	70.7*	62.4
Adjusted EBIT margin	-	-	-	10.9%*	10.2%	6.9%	11.5%*	11.3%
Adjusted net income	-	-	-	27.5*	18.8	46%	54.5*	45.8
Adjusted earnings per share, SEK	-	-	-	2.75*	1.88	46%	5.45*	4.58

*) Adjusted for items affecting comparability of MSEK -12.6 in EBIT and MSEK -9.8 in net income related to the IPO.
**) Rolling 12 months, July 2015 - June 2016.

GARO develops, manufactures and supplies innovative products and systems for the electrical installations industry under its own brand. The company has operations in Sweden, Norway, Finland, Ireland and Poland and the Group is organized in two business segments GARO Sweden and GARO Other markets. GARO has a broad product assortment and is a market leader within several product areas. The Group has sales of about MSEK 600 and has approximately 260 employees. Its head office is located in Gnosjö.

The business concept is "*with simplicity and design, GARO provides the smartest and most profitable solutions – fitted into systems*."

CEO's comments on the quarter

GARO performed strongly in many respects. The Group's net sales increased 21% in the second quarter with sustained strong growth in Sweden and Other markets. The EBIT margin improved, thus contributing to a 33% increase in EBIT, and was mainly the result of volume growth combined with stable expenses, generating economies of scale.

Net sales for *GARO Sweden* rose 17%, with significant increases in all product areas. The construction market remained strong with backlog demand for new apartments and single family homes. With GARO's broad product range, this trend benefits our product areas of *Electrical distribution products*, *Project business* and *Temporary electric installations.*

It was also gratifying that *EV charging* continued to growth substantially. During the quarter, we signed a multi-year framework agreement with Vattenfall and extended a framework agreement with Fortum. Energy companies have high ambitions of building charging infrastructure networks, which will benefit GARO. In June, we launched a next generation of LS4 semi-fast chargers that are available in several different models and with several add-ons. The EV-charger will be ready for delivery in mid-September this year and we are convinced that the product will be popular with our customers.

Net sales for *GARO Other markets* rose 28%, with a strong increase primarily in *EV charging* in Norway, where we consolidated our leading position. *Temporary electric installations* also reported a satisfactory trend and it was gratifying that this product area performed so well in Finland. In Ireland, *Electrical distribution products* continued to follow the strong performance of the construction market.

The increase in sales and EBIT margin for the quarter were at levels that far exceeded our long-term targets of a 10% increase in net sales and 10% in EBIT margin over a business cycle. However, we will see quarterly variations in both the rate of increase and profitability due to such factors as phasing of orders between quarters and the strength of the comparative period. The third and fourth quarters of 2015 showed high growth rates. Growth rates in the same period this year are expected to be somewhat smaller. External factors, such as changes in the economic climate, currency fluctuations and political decisions could also impact future sales and profitability. Overall, we have a positive outlook on the company's performance in 2016.

Stefan Jonsson,
President and CEO

Group

Net sales

The Group's net sales for the second quarter of 2016 increased 21% to MSEK 159.1 (131.6) as a result of organic growth of 24%, offset by a negative currency effect of 3% due to the weaker NOK.

Analysis of the change in net sales	Apr-Jun 2016 (%)	Apr-Jun 2016 (MSEK)	Apr-Jun 2015 (%)	Apr-Jun 2015 (MSEK)
The preceding period	-	131.6	-	104.7
Organic growth	24%	31.1	26%	26.9
Acquisitions and structural changes	0%	0.0	0%	0.0
Currency effect	-3%	-3.6	0%	0.0
Current period	**21%**	**159.1**	**26%**	**131.6**

Analysis of the change in net sales	Jan-Jun 2016 (%)	Jan-Jun 2016 (MSEK)	Jan-Jun 2015 (%)	Jan-Jun 2015 (MSEK)
The preceding period	-	250.5	-	207.5
Organic growth	26%	65.7	20%	42.0
Acquisitions and structural changes	0%	0.0	0%	0.0
Currency effect	-3%	-7.5	1%	1.0
Current period	**23%**	**308.7**	**21%**	**250.5**

The market remained strong in Sweden and Ireland, while the market in Norway was stable, with the possible exception of certain areas dominated by the oil industry. Growth in Finland remained weak but improved slightly during the quarter. Growth in the *Electrical distribution products*, *Project business* and *Temporary electric installations* product areas was higher than average market growth. The *EV charging* product area also outperformed the market. Growth in EV charging products was particularly strong in the Norwegian market in the quarter.

EBIT

EBIT rose 33% to MSEK 18.5 (13.9). Both GARO Sweden and GARO Other markets reported a strong improvement in EBIT. The EBIT margin amounted to 11.6% (10.6) as a result of relatively unchanged gross margins and stable expenses in relation to net sales generating economies of scale.

GARO Group Key ratios		Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	R12	Jan-Dec 2015
Net sales	MSEK	159.1	131.6	308.7	250.5	612.3	554.1
Growth	%	21%	26%	23%	21%	26%	25%
EBIT	MSEK	18.5	13.9	21.2	25.5	58.1	62.4
EBIT margin	%	11.6%	10.6%	6.9%	10.2%	9.5%	11.3%
Adjusted EBIT	MSEK	-	-	33.8*	25.5	70.7*	62.4
Adjusted EBIT margin	%	-	-	10.9%*	10.2%	11.5%*	11.3%
Investments	MSEK	3.1	2.1	5.2	8.3	10.7	13.8
Depreciation	MSEK	2.8	2.6	5.6	5.2	12.3	11.9
Return on equity	%	29.8%	24.7%	29.8%	24.7%	29.8%	31.3%
Equity/assets ratio	%	48.4%	49.7%	48.4%	49.7%	48.4%	49.8%
Number of employees		261	249	261	249	261	254

*) Adjusted for items affecting comparability of MSEK -12.6 in the first half of 2016 related to the IPO.

Net income
Net income for the second quarter amounted to MSEK 15.4 (9.7) and earnings per share amounted to MSEK 1.54 (0.97). The increase in net income was primarily attributable to improved EBIT, but also to improved net financial items. The average effective tax rate for the Group in the first half of 2016 was 20.6% (22.6).

Cash flow and investments
Cash flow from operating activities in the second quarter amounted to MSEK 5.8 (1.0), as a result of improved EBITDA and a smaller increase in working capital this year (MSEK 8.4) compared with the year-earlier period (MSEK 12.6). Cash flow was negatively affected by a paid tax liability of MSEK 6.1 for the previously announced tax ruling. Investments during the quarter amounted to MSEK 3.1 (2.1), mainly related to investments in production equipment.

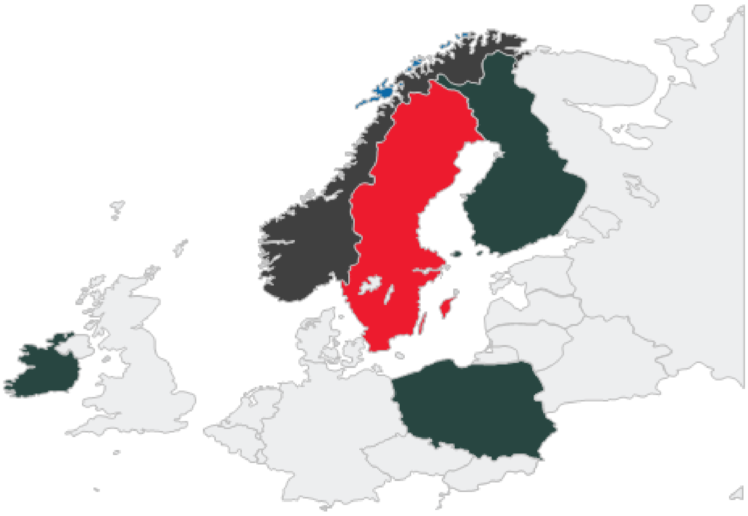
Liquidity and financial position
The Group's interest-bearing net debt at the end of the period amounted to MSEK 21.7 compared with MSEK 25.1 at the end of the second quarter of 2015, and to MSEK -0.4 at year-end 2015.

Available liquidity in the Group, including unutilized overdraft facilities, amounted to MSEK 66.3 (49.7) and the equity ratio was 48.4% (49.7).

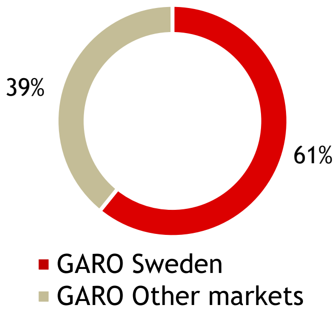
Parent Company
The Parent Company's operations encompass a significant part of the Swedish operations and Group Management, as well as certain Group-wide functions and the Group's Finance function. Net sales for the Parent Company in the second quarter of 2016 amounted to MSEK 85.7 (72.4), up 18%. Of this amount, MSEK 24.6 (21.5) comprised internal sales to other Group companies. EBIT amounted to MSEK 5.8 (3.4).

Operations and segments

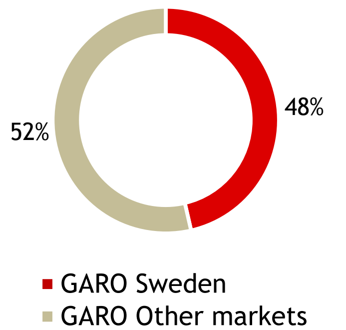
GARO divides its operations into two operating segments based on how the Group is organized: *GARO Sweden* and *GARO Other markets*. *GARO Other markets* includes the operations in Norway, Finland, Ireland and Poland.



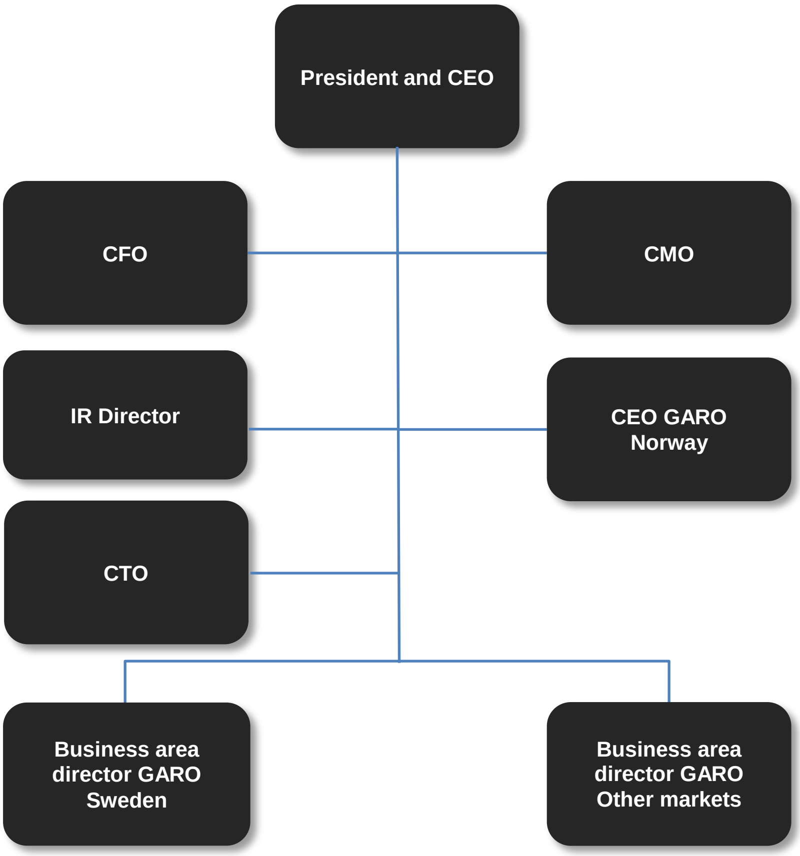
Net sales by segment



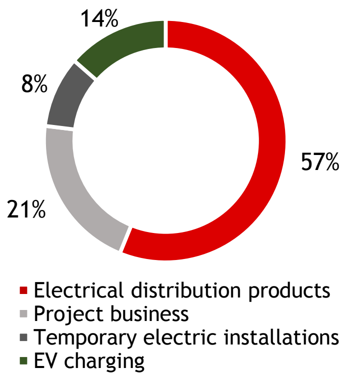
EBIT by segment, adjusted for items affecting comparability



Group Management comprises seven individuals and the functions: President and CEO, CFO, IR Director, Chief Marketing Officer, Chief Technical Officer, CEO GARO Norway and two business area directors responsible for each business area/segment.



Net sales by product area



GARO Sweden

Net sales and earnings
Net sales for *GARO Sweden* increased 17% during the second quarter of 2016, with continued strong volume growth in all product segments. EBIT amounted to MSEK 9.0 (6.0) and the EBIT margin improved to 9.2% (7.2) primarily as a result of higher gross margins and relatively stable expenses generating economies of scale.

Product areas
The market for electrical distribution products, in which GARO is represented among all major wholesalers, is estimated to have grown by 6% during the quarter. The market is expected to remain favorable albeit with quarterly variations.

The *Electrical distribution products* and *Project business* product areas noted growth that was higher than the market in general. All significant products are reporting high sales due to the strong construction market. Examples of recent successful product launches include the company's consumer units developed for single-family homes and apartments.

The strong growth in the *Temporary electric installations* product area also benefits from a large number of housing construction projects that were commenced and GARO experienced solid growth, particularly in the large cities. Sales of larger cabinet systems performed positively.

The *EV charging* product area is growing significantly. GARO is a market leader in safe solutions for charging electric cars. Due to increased sales of electric cars, the network of charging stations is being expanded, which benefits GARO. The company launched LS4, a next generation of semi-fast EV-chargers, during the quarter. They are available in several different models and with several add-ons. The charger will be ready for delivery in mid-September this year.

In June, the company signed a multi-year framework agreement with Vattenfall for the delivery and support of charger products. GARO also extended a framework agreement with Fortum during the quarter.

Operations
The focus of the operations has been on meeting increased demand by expanding production capacity in all product areas, while maintaining short delivery times.

GARO Sweden Key ratios		Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	R12	Jan-Dec 2015
Net sales	MSEK	97.6	83.7	188.6	161.7	376.8	349.9
Growth	%	17%	21%	17%	18%	19%	19%
EBIT	MSEK	9.0	6.0	3.5	13.0	24.7	34.2
EBIT margin	%	9.2%	7.2%	1.9%	8.0%	6.6%	9.8%
Adjusted EBIT*	MSEK	9.0	6.0	16.1	13.0	37.3	34.2
Adjusted EBIT margin*	%	9.2%	7.2%	8.5%	8.0%	9.9%	9.8%
Investments	MSEK	2.0	1.9	4.0	7.3	8.3	11.6
Depreciation	MSEK	2.1	2.1	4.3	4.2	9.7	9.6
No of employees		173	164	173	164	173	170

*) Adjusted for items affecting comparability of MSEK -12.6 in EBIT and MSEK -9.8 in net income in the first quarter 2016 related to the IPO.

GARO Other markets

Net sales and earnings

Net sales for *GARO Other markets* increased 28% to MSEK 61.5 (47.9), with strong volume growth in *EV charging* and *Temporary electric installations* and solid growth in *Electrical distribution products*. EBIT rose to MSEK 9.5 (7.9) and the EBIT margin declined to 15.4% (16.5) partly as a result of a weaker NOK compared with the preceding year.

GARO Norway continued to report a strong performance during the quarter in the *EV charging* area due to the high sales growth in electric cars. The company is expected to consolidate its position as a market leader with the launch of GARO's next generation of EV-charger, LS4, which will be ready for delivery in mid-September this year.

GARO Ireland continued to report healthy growth and is following the positive trend in construction.

GARO Finland performed positively during the quarter despite a generally weak Finnish economy. *Temporary electric installations* reported a favorable trend for the quarter. Finland is a relatively new market for GARO and the company intends to strengthen its position in the market in forthcoming years.

GARO Poland mainly makes internal deliveries to other companies in the Group, but the market has great potential. Focus is directed to strengthening the sales organization and continuing marketing activities in certain product areas.

Operations

In 2015 and the first half of 2016, the focus was on meeting increased demand and product launches.

GARO Other markets		**Apr-Jun**	**Apr-Jun**	**Jan-Jun**	**Jan-Jun**		**Jan-Dec**
Key ratios		**2016**	**2015**	**2016**	**2015**	**R12**	**2015**
Net sales	MSEK	61.5	47.9	120.1	88.8	235.5	204.2
Growth	%	28%	35%	35%	27%	41%	38%
EBIT	MSEK	9.5	7.9	17.7	12.5	33.4	28.2
EBIT margin	%	15.4%	16.5%	14.7%	14.1%	14.2%	13.8%
Investments	MSEK	1.1	0.2	1.2	1.0	2.4	2.2
Depreciation	MSEK	0.7	0.5	1.3	1.0	2.6	2.3
No of employees		88	85	88	85	88	84

Accounting policies
This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company's accounts were prepared in accordance with Chapter 9 of the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.

The accounting policies applied correspond with the accounting policies and valuation principles presented in the 2015 Annual Report. The 2015 Annual Report is available at www.garo.se in Swedish.

The ESMA's Guidelines on Alternative Performance Measures (measures that are not defined according to IFRS) apply from this interim report. Performance measures together with the definitions of performance measures in this report are deemed to be sufficient to comply with the new guidelines. The performance measures in this report take into account the nature of the operations and are deemed to provide relevant information to shareholders and other stakeholders and also enable comparability with other companies.

Risks and uncertainties
GARO's risks and uncertainties are described on pages 10-15 of the prospectus for the IPO. The prospectus is available at www.garo.se in Swedish. No significant changes have arisen that alter the view of risks and uncertainties.

Related-party transactions
Related-party transactions took place at the same extent as previously, by applying the same principles as those described in the most recent annual report and prospectus.

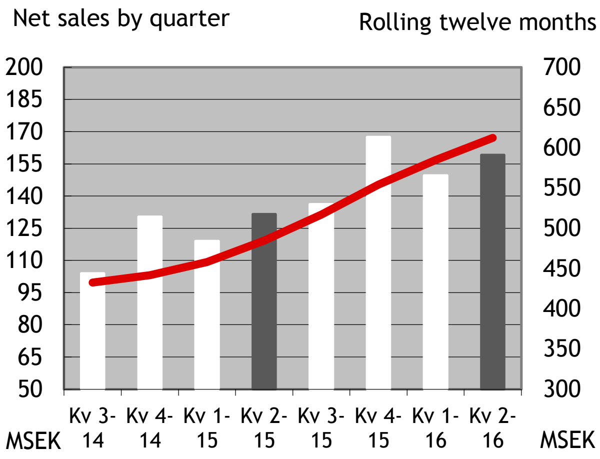
The Board's assurance
This interim report provides a fair review of the Parent Company's and the Group's operations, financial position and earnings, and describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

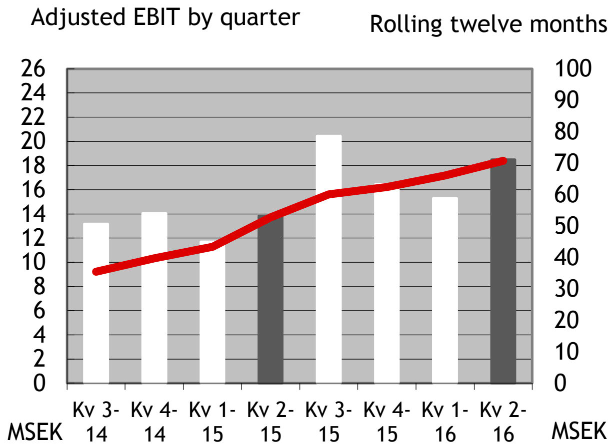
Gnosjö, August 26, 2016

The Board of Directors

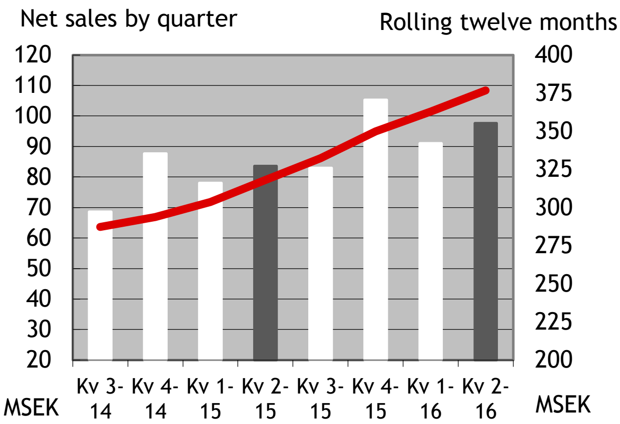
The information in this interim report is unaudited. For other information and definitions, refer to the prospectus for the IPO, and the Annual Report.

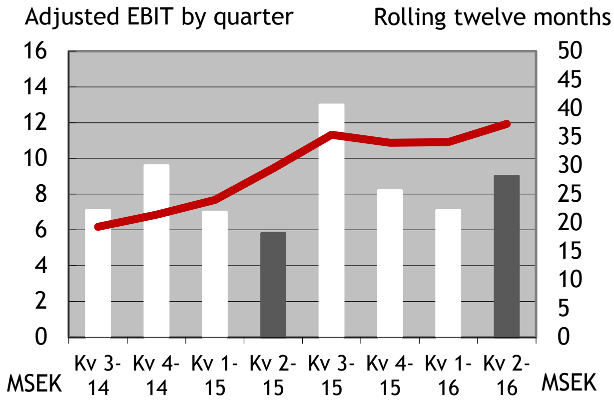
GARO Group



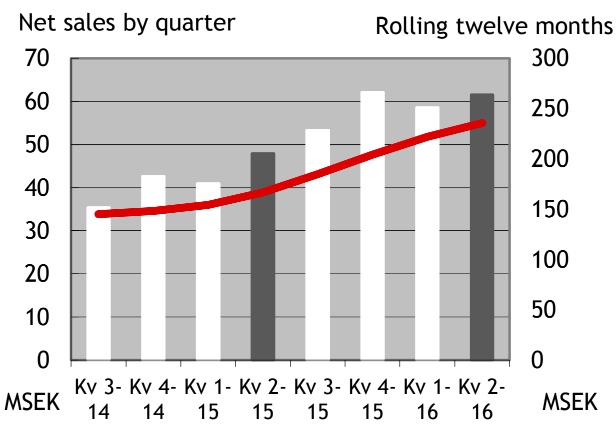


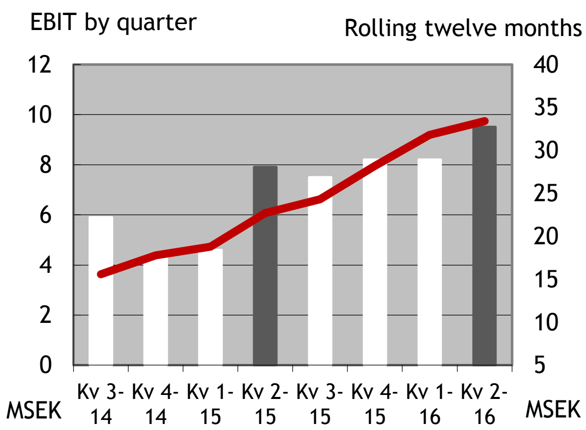
GARO Sweden





GARO Other markets





Group income statement

MSEK	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Rolling 12M	Jan-Dec 2015
Net sales	159.1	131.6	308.7	250.5	612.3	554.1
Other operating income	0.5	0.0	0.8	0.1	3.9	3.2
Total income	**159.6**	**131.6**	**309.5**	**250.6**	**616.2**	**557.3**
Operating expenses						
Rawmaterials and consumables	-82.8	-67.1	-163.2	-128.9	-327.1	-292.8
Other external expenses	-19.4	-15.2	-37.2	-28.9	-76.6	-68.3
Personnel expenses	-36.1	-32.8	-69.7	-62.1	-128.7	-121.1
Depreciation of tangible and intangible assets	-2.8	-2.6	-5.6	-5.2	-12.3	-11.9
Other operating expenses	-	-	-12.6	0.0	-13.4	-0.8
Operating income	**18.5**	**13.9**	**21.2**	**25.5**	**58.1**	**62.4**
Result from financial items						
Net financial income/expenses	1.0	-1.0	1.1	-1.2	-0.8	-3.1
Profit before tax	**19.5**	**12.9**	**22.3**	**24.3**	**57.3**	**59.3**
Taxes	-4.1	-3.2	-4.6	-5.5	-12.6	-13.5
Net income	**15.4**	**9.7**	**17.7**	**18.8**	**44.7**	**45.8**
Other comprehensive income: Items that may be reclassified to the income statement						
Translation differences	0.4	0.0	0.7	0.0	-2.5	-3.2
Other comprehensive income	**0.4**	**0.0**	**0.7**	**0.0**	**42.2**	**-3.2**
Total comprehensive income for the period	**15.8**	**9.7**	**18.4**	**18.8**	**42.2**	**42.6**
Net income and total comprehensive income for the period is attributable to shareholders of the Parent company						
Key ratios per share						
Average number of shares	10 000 000	10 000 000	10 000 000	10 000 000	10 000 000	10 000 000
Earnings per share, SEK	1.54	0.97	1.77	1.88	4.47	4.58

Group balance sheet

MSEK	30 Jun 2016	30 Jun 2015	31 Dec 2015
ASSETS			
Fixed assets			
Intangible assets	8.1	9.2	8.5
Tangible assets	57.4	59.4	57.4
Financial assets	-	0.0	-
Total fixed assets	**65.5**	**68.6**	**65.9**
Current assets			
Inventories	97.0	91.5	92.3
Accounts receivable	136.2	114.6	127.7
Other short term assets	6.7	5.1	5.8
Cash and cash equivalents	15.6	10.6	23.2
Total current assets	**255.5**	**221.8**	**249.0**
TOTAL ASSETS	**321.0**	**290.4**	**314.9**
EQUITY AND LIABILITIES			
Share capital	20.0	14.0	14.0
Other reserves	-1.1	1.5	-1.7
Other equity including net income for the period	136.4	128.9	144.6
Total equity	**155.3**	**144.4**	**156.9**
Long term liabilities			
Interest bearing liabilities	11.2	13.6	12.4
Other provisions	0.9	0.7	0.7
Deferred tax liabilities	6.0	6.9	6.0
Total long term liabilities	**18.1**	**21.2**	**19.1**
Short term liabilities			
Interest bearing liabilities	26.1	22.1	10.4
Accounts payable	60.2	50.2	60.5
Other current liabilities	61.3	52.5	68.0
Total short term liabilities	**147.6**	**124.8**	**138.9**
TOTAL EQUITY AND LIABILITIES	**321.0**	**290.4**	**314.9**
Key ratios			
Net debt	21.7	25.1	-0.4
Equity / assets ratio	48.4%	49.7%	49.8%
Equity per share, SEK	15.5	14.4	15.7
Outstanding number of shares, ‘000	10 000.0	10 000.0	10 000.0

Changes in group equity

Equity attributable to shareholders in the parent company *MSEK*	Share capital	Reserves	Retained profits	Total equity
Equity at 1 Januari 2014	**14.0**	**0.8**	**117.5**	**132.3**
Net income for the period			22.9	22.9
Other comprehensive income for the period		0.6		0.6
Dividend to shareholders			-20.0	-20.0
Change in valuation to put option			-0.1	-0.1
Equity at 31 December 2014	**14.0**	**1.5**	**120.2**	**135.7**
Equity at 1 Januari 2015	**14.0**	**1.5**	**120.2**	**135.7**
Net income for the period			45.8	45.8
Other comprehensive income for the period		-3.2		-3.2
Dividend to shareholders			-20.0	-20.0
Change in valuation to put option			-1.4	-1.4
Equity at 31 December 2015	**14.0**	**-1.7**	**144.6**	**156.9**
Equity at 1 Januari 2016	**14.0**	**-1.7**	**144.6**	**156.9**
Net income for the period			17.7	17.7
Other comprehensive income for the period		0.7		0.7
Bond issue at 2016-01-12	6.0		-6.0	0.0
Dividend to shareholders			-20.0	-20.0
Equity at 31 December 2016	**20.0**	**-1.0**	**136.3**	**155.3**

Group cash flow statement in summary

MSEK	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Rolling 12M	Jan-Dec 2015
Operating activities						
Cash flow from operating activities before changes in working capital	14.2	13.6	11.6	22.4	48.4	59.2
Cash flow from changes in working capital	-8.4	-12.6	-9.2	-10.6	-3.8	-5.2
Cash flow from operating activities	**5.8**	**1.0**	**2.4**	**11.8**	**44.6**	**54.0**
Investing activities						
Investments in intangible assets	-0.7	-0.3	-1.2	-0.7	-3.9	-3.4
Investments in tangible assets	-2.4	-1.8	-4.0	-7.6	-6.8	-10.4
Disposal of tangible assets	-	0.2	-	0.4	0.3	0.7
Cash flow from investing activities	**-3.1**	**-1.9**	**-5.2**	**-7.9**	**-10.4**	**-13.1**
Financing activities						
Net borrowing/amortization of loans	-0.5	-13.6	14.6	-5.4	1.5	-18.5
Dividend paid to shareholders	-	-	-20.0	-10.0	-30.0	-20.0
Cash flow from financing activities	**-0.5**	**-13.6**	**-5.4**	**-15.4**	**-28.5**	**-38.5**
Cash flow for the period	**2.2**	**-14.5**	**-8.2**	**-11.5**	**5.7**	**2.4**
Currency effect in cash and cash equivalents	0.5	0.0	0.6	0.0	-0.6	-1.2
Cash and cash equivalents, start of the period	12.9	25.0	23.2	22.0	10.5	22.0
Cash and cash equivalents, end of the period	**15.6**	**10.5**	**15.6**	**10.5**	**15.6**	**23.2**

Parent company income statement

MSEK	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Jan-Dec 2015
Net sales	85.7	72.4	161.3	136.1	300.3
Other operating income	1.8	1.3	3.5	2.6	8.1
Total income	**87.5**	**73.7**	**164.8**	**138.7**	**308.4**
Operating expenses					
Raw materials and consumables	-50.9	-42.1	-96.4	-81.3	-180.7
Other external expenses	-9.5	-8.2	-18.5	-13.7	-36.0
Personnel expenses	-19.3	-18.0	-37.1	-33.1	-63.0
Depreciation of intangible and fixed assets	-2.0	-2.0	-4.0	-4.0	-8.0
Other operating expenses	-	-	-12.6	-	-0.8
Operating income	**5.8**	**3.4**	**-3.8**	**6.6**	**19.9**
Result from financial items					
Share of associates from group companies	-	-	-	-	19.5
Net interest income and similar items	0.9	0.1	1.5	0.4	0.5
Net interest expenses and similar items	0.2	-0.4	-0.1	-0.7	-1.7
Income after financial items	**6.9**	**3.1**	**-2.4**	**6.3**	**38.2**
Appropriations		-	-	-	12.4
Taxes	-1.4	-0.9	0.6	-1.6	-7.5
Net income	**5.5**	**2.2**	**-1.8**	**4.7**	**43.1**

Parent company balance sheet

MSEK	30 Jun 2016	30 Jun 2015	31 Dec 2015
ASSETS			
Intangible assets	7.2	6.9	7.4
Tangible assets	34.8	36.2	34.9
Share of associates in group companies	12.8	12.8	12.8
Other financial assets	8.8	10.4	9.4
Total fixed assets	**63.6**	**66.3**	**64.5**
Current assets			
Inventories	46.5	47.3	46.0
Accounts receivable	64.4	51.9	60.1
Other receivables	34.1	33.2	57.0
Cash and cash equivalents	1.6	1.0	6.1
Total current assets	**146.6**	**133.4**	**169.2**
TOTAL ASSETS	**210.2**	**199.7**	**233.7**
EQUITY AND LIABILITIES			
Share capital	20.0	14.0	14.0
Statutory reserve	2.6	2.6	2.6
Unrestricted equity including net income for the period	86.3	85.6	114.0
Total equity	**108.9**	**102.2**	**130.6**
Untaxed reserves	**10.6**	**12.0**	**10.6**
Provisions	**4.6**	**4.7**	**4.4**
Liabilities			
Long term interest bearing liabilities	8.6	10.3	9.4
Short term interest bearing liabilities	12.5	10.7	1.8
Short term non-interest bearing liabilities	65.0	59.8	76.9
Total liabilities	**86.1**	**80.8**	**88.1**
TOTAL EQUITY AND LIABILITIES	**210.2**	**199.7**	**233.7**

Sales and EBIT by segment

	Sweden		Other markets		Elimination		Group	
Information segment	**Q2 2016**	**Q2 2015**	**Q2 2016**	**Q2 2015**	**Q2 2016**	**Q2 2015**	**Q2 2016**	**Q2 2015**
Sales								
Total net sales	124.2	106.0	76.9	61.5	-42.0	-35.9	159.1	131.6
Internal net sales	-26.6	-22.3	-15.4	-13.6	42.0	35.9	-	-
External net sales	**97.6**	**83.7**	**61.5**	**47.9**	**-**	**-**	**159.1**	**131.6**
EBIT	**9.0**	**6.0**	**9.5**	**7.9**	**-**	**-**	**18.5**	**13.9**
Net financial cost	-	-	-	-	-	-	1.0	-1.0
Taxes for the period	-	-	-	-	-	-	-4.1	-3.2
Net income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**15.4**	**9.7**

GARO Group **Yearly overview and key ratios**		**Apr-Jun 2016**	**Apr-Jun 2015**	**Jan-Jun 2016**	**Jan-Jun 2015**	**R12**	**Year 2015**	**Year 2014**	**Year 2013**	**Year 2012**
Net sales	MSEK	159.1	131.6	308.7	250.5	612.3	554.1	441.7	383.1	378.2
Growth	%	21%	26%	23%	21%	26%	25%	15%	1%	-5%
EBITDA	MSEK	21.3	16.5	26.8	30.7	70.4	74.3	50.6	34.8	34.3
EBITDA margin	%	13.4%	12.5%	8.7%	12.3%	11.5%	13.4%	11.5%	9.1%	9.1%
EBIT	MSEK	18.5	13.9	21.2	25.5	58.1	62.4	39.8	24.0	24.3
EBIT margin	%	11.6%	10.6%	6.9%	10.2%	9.5%	11.3%	9.0%	6.3%	6.4%
Adjusted EBIT	MSEK	18.5	13.9	33.8	25.5	70.7	62.4	39.8	24.0	24.3
Adjusted EBIT margin	%	11.6%	10.6%	10.9%	10.2%	11.5%	11.3%	9.0%	6.3%	6.4%
Investments	MSEK	3.1	2.1	5.2	8.3	10.7	13.8	6.3	10.4	34.5
Depreciation	MSEK	2.8	2.6	5.6	5.2	12.3	11.9	10.8	10.8	10.0
Return on equity*	%	29.8%	24.7%	29.8%	24.7%	29.8%	31.3%	17.1%	11.7%	14.8%
Equity/assets ratio	%	48.4%	49.7%	48.4%	49.7%	48.4%	49.8%	48.5%	51.3%	50.5%
Net debt	MSEK	21.7	25.1	21.7	25.1	21.7	-0.4	19.3	39.5	30.4
Net debt / EBITDA*		0.3	0.4	0.3	0.4	0.3	0.0	0.4	1.1	0.9
No of employees		261	249	261	249	261	254	244	224	227

*) Key ratios are calculated on last twelve months

Quarterly figures

Group income statement *MSEK*	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Net sales	159.1	149.6	167.4	136.2	131.6	118.9	130.2	104.0	104.7
Operating expenses	-140.6	-146.9	-151.0	-115.7	-117.7	-107.3	-116.2	-90.8	-100.2
EBIT	**18.5**	**2.7**	**16.4**	**20.5**	**13.9**	**11.6**	**14.0**	**13.2**	**4.5**
Net financial income/expenses	1.0	0.1	-1.5	-0.4	-1.0	-0.2	-0.8	-0.8	-0.7
Profit before tax	**19.5**	**2.8**	**14.9**	**20.1**	**12.9**	**11.4**	**13.2**	**12.4**	**3.8**
Tax	-4.1	-0.5	-3.9	-4.1	-3.2	-2.3	-9.0	-2.6	-0.8
Net income	**15.4**	**2.3**	**11.0**	**16.0**	**9.7**	**9.1**	**4.2**	**9.8**	**3.0**

Net sales by segment *MSEK*	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
GARO Sweden	97.6	91.0	105.3	82.9	83.7	78.0	87.6	68.6	69.2
GARO Other markets	61.5	58.6	62.1	53.3	47.9	40.9	42.6	35.4	35.5
Total group	**159.1**	**149.6**	**167.4**	**136.2**	**131.6**	**118.9**	**130.2**	**104.0**	**104.7**

EBIT by segment *MSEK*	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
GARO Sweden	9.0	-5.5	8.2	13.0	6.0	7.0	9.7	7.3	0.5
GARO Other markets	9.5	8.2	8.2	7.5	7.9	4.6	4.3	5.9	4.0
Total group	**18.5**	**2.7**	**16.4**	**20.5**	**13.9**	**11.6**	**14.0**	**13.2**	**4.5**

Definitions

EBITDA:
Earnings before interest, tax, depreciation and amortization
EBIT:
Earnings before interest and tax
EBITDA margin, %:
EBITDA as a percentage of net sales for the period
EBIT margin, %:
EBIT as a percentage of net sales for the period
Net debt:
Interest-bearing liabilities less assets including cash and cash equivalents
Net debt/ EBITDA, multiples:
Net debt at the end of the period as a percentage of EBITDA for the past 12 months
R12:
Rolling 12 months
Equity per share:
Equity divided by the number of shares at the end of the period
Return on equity, %:
Net income for the past 12 months divided by average equity
Equity ratio, %:
Equity as a percentage of total assets
Earnings per share:
Earnings for the period divided by average number of shares

Teleconference
A teleconference for investors will be held on August 26 at 9:30 a.m.

Telephone numbers:
Sweden: +46 8 50 510 036
International: +44 20 3059 8125

The presentation used during this teleconference can be downloaded at www.garo.se under Investor Relations. A recording of the teleconference will be available on the company's website afterwards.

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Financial calendar
Third quarter of 2016: November 15
Fourth quarter of 2016: February 22, 2017

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 26, 2016, at 7:30 a.m.

Forward-looking information
Certain statements in this report are forward-looking and the actual outcome may be significantly different. In addition to the specifically mentioned factors, other factors may have a material impact on the actual outcome. Such factors include, but are not limited to, the general economic climate, exchange-rate fluctuations and changes in interest rates, political developments, the impact of competing products and the prices of such products, difficulties associated with product development and commercialization, technical problems, interruptions to the access to raw materials and credit losses attributable to major customers