



Third quarter Interim Report July – September 2017

Strong growth and continued investments

- Net sales increased 24% to MSEK 184.1 (148.2).
- EBIT declined to MSEK 21.1 (22.3).
- EBIT margin amounted to 11.5% (15.0).
- Net income was MSEK 23.2 (17.6), of which MSEK 7.0 attributable to a deferred tax asset.
- Earnings per share totaled SEK 2.32 (1.76), of which MSEK 0.70 attributable to a deferred tax asset.
- The equity ratio was 47.8% (52.2).
- New president and CEO for GARO, Carl-Johan Dalin assumed his new position on 4 September
- Event after end of period: GARO acquired WEB-EL Försäljning AB on 27 October.

MSEK	Jul-Sep 2017	Jul-Sep 2016	%	Jan-Sep 2017	Jan-Sep 2016	%	R12**	2016
Net sales	184.1	148.2	24	557.7	456.9	22	758.6	657.8
EBIT	21.1	22.3	-5	67.2	43.5	54	97.5	73.8
EBIT margin, %	11.5	15.0	-	12.0	9.5	-	12.9	11.2
Net income	23.2	17.6	32	59.6	35.3	69	81.3	57.0
Earnings per share	2.32	1.76	32	5.96	3.53	69	8.13	5.70
Adjusted EBIT	-	-	-	-	56.1*	20	-	86.4*
Adjusted EBIT margin, %	-	-	-	-	12.3*	-	-	13.1*
Adjusted net income	-	-	-	-	45.1*	32	-	66.8*
Adjusted EPS, SEK	-	-	-	-	4.51*	32	-	6.68*

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

**) Rolling 12 months, October 2016–September 2017.

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 had sales of MSEK 658 in 2016 and has around 330 employees. Its head office is located in Gnosjö.

The business concept is “with a focus on innovation, sustainability and design, GARO provides profitable complete solutions for the electrical industry.”



CEO's comments on the quarter

After almost two months as CEO, I am pleased to state that GARO is continuing its robust expansion. Net sales increased 24% to MSEK 184.1 (148.2) during the quarter, with healthy growth in both Sweden and other markets. A favorable trend was reported in both construction-related product areas as a whole and in *EV charging*.

EBIT was MSEK 21.1 (22.3) and the EBIT margin declined to 11.5% (15.0). We incurred increased direct costs for financing the robust growth and for ensuring high delivery capacity. We also reported higher indirect expenses year-on-year as a result of investments in priority areas, such as product development and marketing. The factory expansion in Poland has now been completed and we have broadened the local organization. Production in the new factory will gradually increase and enable continued solid growth and high delivery reliability.

Net sales for GARO *Sweden* rose 32% in a sustained strong construction market. The strongest performance was noted in the *Temporary electric installations* product area where high construction activity in the country had a favorable effect on sales of large building cabinets and workplace lighting. GARO has a strong product portfolio and a solid market position here. It is also worth mentioning the favorable trend in *Project business*, where our market position has been significantly strengthened with the acquisition of Emedius.

Net sales for GARO *Other markets* rose 10%. The overall trend for construction-related products was healthy. It is also gratifying that the *EV charging* product area reported strong growth after a period of difficult comparative figures.

GARO acquired the company WEB-EL Försäljning AB after the end of the quarter. WEB-EL develops and sells systems and electronic components for controlling sockets for engine heaters, charging stations, camp sites and marinas – areas in which GARO is a market leader and where the acquisition of WEB-EL ensures the supply of electronic components for online connection of these products. We also obtain broad expertise for the further development of customized services that are increasing in demand from our customers.

Our market assessment remains firm – GARO has a positive outlook for 2017. In the *EV charging* product area, we have noted a continuing strong trend and the expansion of charging infrastructure is ongoing in all markets. The construction sector remains robust in Sweden and Ireland. Demand is healthy in Norway and Finland. In conclusion, I am very much looking forward to leading the business and working in a focused manner together with my colleagues in line with GARO's growth strategy.

Carl-Johan Dalin
President and CEO

Group

Net sales

The Group's net sales for the third quarter of 2017 increased 24% to MSEK 184.1 (148.2) as a result of organic growth of 14% and the acquisition of Emedius AB in the first quarter of 2017, which added 10 percentage points to growth.

Analysis of change in net sales	Jul-Sep 2017 (MSEK)	Jul-Sep 2017 (%)	Jul-Sep 2016 (MSEK)	Jul-Sep 2016 (%)
Year-earlier period	148.2	-	136.2	-
Organic growth	20.9	14	11.1	8
Acquisitions and structural changes	15.0	10	0.0	0
Exchange-rate effects	0	0	0.9	1
Current period	184.1	24	148.2	9

Analysis of change in net sales	Jan-Sep 2017 (MSEK)	Jan-Sep 2017 (%)	Jan-Sep 2016 (MSEK)	Jan-Sep 2016 (%)
Year-earlier period	456.9	-	386.7	-
Organic growth	56.3	12	76.9	20
Acquisitions and structural changes	39.1	9	0.0	0
Exchange-rate effects	5.4	1	-6.7	-2
Current period	557.7	22	456.9	18

The market remains strong in Sweden and Ireland in all product areas where GARO has a presence. The markets in Norway and Finland are generally favorable.

EBIT

EBIT declined 5% to MSEK 21.1 (22.3) and the EBIT margin amounted to 11.5% (15.0). To finance the strong demand and ensure a high delivery capacity, GARO incurred increased direct costs in Sweden in the form of extra shifts in certain departments and temporary personnel in logistics. Indirect expenses also increased as a result of the higher number of employees in product development and marketing organization. The company also strengthened its sales and marketing organization in Norway and Poland.

GARO Group		Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec	
Key figures		2017	2016	2017	2016	R12	2016
Net sales	MSEK	184.1	148.2	557.7	456.9	758.6	657.8
Growth	%	24	9	22	18	-	19
EBIT	MSEK	21.1	22.3	67.2	43.5	97.5	73.8
EBIT margin	%	11.5	15.0	12.0	9.5	12.9	11.2
Adjusted EBIT	MSEK	-	-	-	56.1*	-	86.4*
Adjusted EBIT margin	%	-	-	-	12.3*	-	13.1*
Investments	MSEK	18.5	2.8	45.6	8.0	50.4	12.8
Depreciation	MSEK	3.2	2.7	8.8	8.3	11.5	11.0
Return on equity	%	40.7	28.5	40.7	28.5	40.7	32.4
Equity ratio	%	47.8	52.2	47.8	52.2	47.8	52.0
Number of employees		360	271	360	271	360	274

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

Net income

Net income for the third quarter amounted to MSEK 23.2 (17.6) and earnings per share amounted to MSEK 2.32 (1.76). Income was positively impacted by MSEK 7.0 from a deferred tax asset in Poland. The Group has operations in a tax-exempt Special Economic Zone in Poland and has unutilized tax benefits that can be utilized until 2026. At the start of the fiscal year, these unutilized tax benefits amounted to MSEK 3.0, which were not previously recognized in the consolidated balance sheet. In 2017, additional tax benefits were accrued on the basis of investments in Poland and on September 30, 2017 the unutilized tax benefits amounted to MSEK 7.0. The Group continuously assesses its possibility to utilize these tax benefits and recognized deferred tax assets in the balance sheet as per September 30.

Cash flow and investments

Cash flow from operating activities in the third quarter amounted to MSEK 8.5 (12.7), primarily as a result of a large increase in working capital the third quarter of this year (MSEK 13.9) compared with the year-earlier period (MSEK 10.9). Investments during the quarter amounted to MSEK 18.5 (2.8), mainly as a result of the plant extension for the Polish operations. This extension was completed on schedule in September.

Liquidity and financial position

The Group's interest-bearing net debt at the end of the period amounted to MSEK 50.1 compared with MSEK 11.5 at the end of the third quarter of 2016 and net cash of MSEK 17.3 at year-end 2016. The higher net debt was due to the acquisition of Emedius in the first quarter of 2017 and the plant extension for the Polish operations.

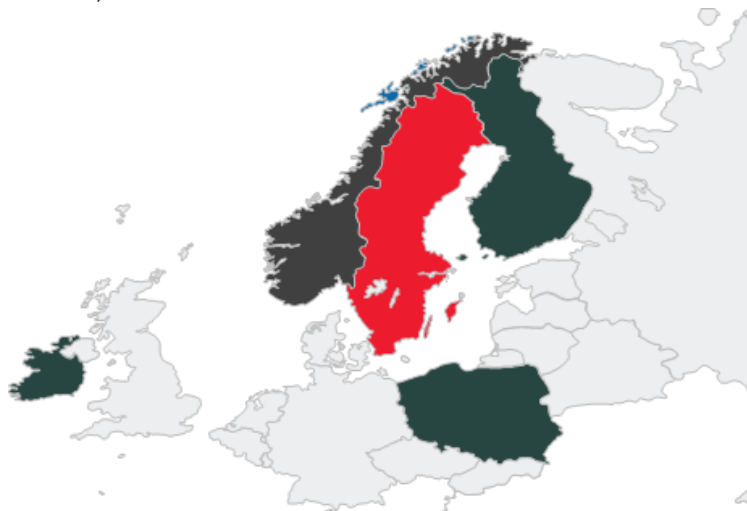
Available liquidity in the Group, including unutilized overdraft facilities, amounted to MSEK 80.0 (81.8) and the equity ratio was 47.8% (52.2).

Parent Company

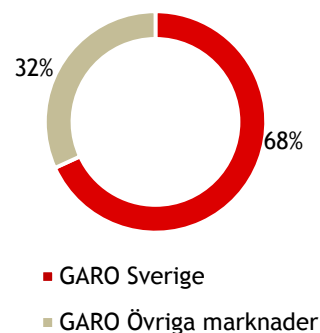
The Parent Company's operations encompass a significant part of the Swedish operations and Group Management, as well as certain Group-wide functions and the Group's Finance function. Sales for the Parent Company in the third quarter of 2017 amounted to MSEK 99.3 (83.6), an increase of 19%. Of this amount, MSEK 32.7 (22.4) comprised internal sales to other Group companies. EBIT amounted to MSEK 7.2 (9.7).

Operations and segments

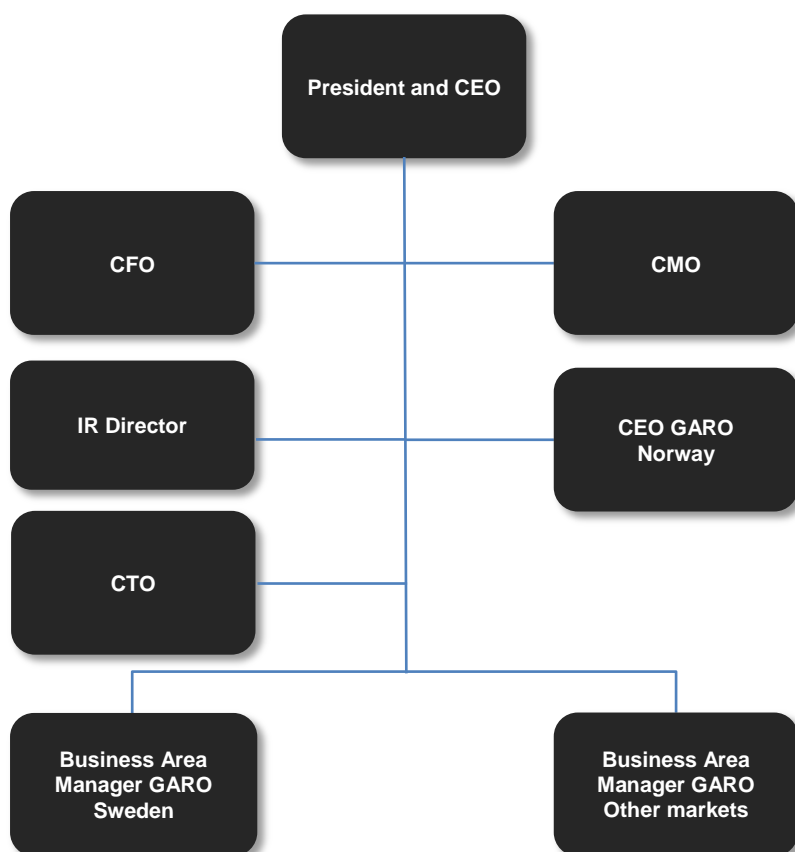
GARO divides its operations into two operating segments based on how the Group is organized: *GARO Sweden* and *GARO Other markets*. *GARO Other markets* includes the operations in Norway, Finland, Ireland and Poland.



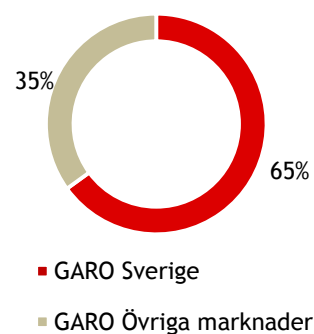
Allocation of net sales by segment, Jan-Sep 2017



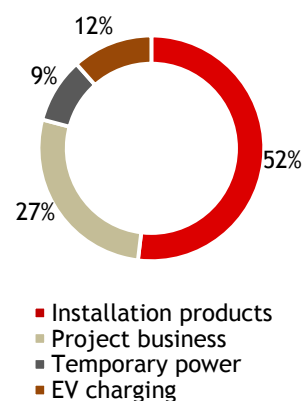
Group Management comprises seven individuals and the functions of: President and CEO, CFO, IR Director, CMO, CTO, CEO GARO Norway and two business area directors who are responsible for their respective business area/segment.



Allocation of EBIT per segment by segment, Jan-Sep 2017



Net sales by product segment, Jan - Sep 2017



GARO Sweden

Net sales and earnings

Net sales for *GARO Sweden* increased 32% to MSEK 124.9 (94.5) during the third quarter of 2017, with strong volume growth in the *Project business*, *Temporary electric installations* and *EV charging* product areas, while *Electrical distribution products* noted a weaker trend.

EBIT was MSEK 14.1 (13.3) and the EBIT margin declined to 11.3% (14.1). To meet the strong demand and ensure a high delivery capacity, *GARO Sweden* incurred increased direct expenses in Sweden in the form of extra shifts in certain departments and temporary personnel in logistics. Indirect expenses also increased as a result of the higher number of employees in product development and marketing organization.

Product areas

The electrical distribution products market, in which *GARO* is represented at all major wholesalers, is estimated to have grown by approximately 7% during the quarter and 8% in the first nine months.

The *Project business* product area continued to report a strong performance, aided by the acquisition of Emedius AB. The company was consolidated within *GARO* from March 2017 and contributed MSEK 15.0 to the Group's sales for the quarter. Demand for complete and customized solutions is continuing to increase in the Swedish market.

The *Temporary electric installations* product area reported the strongest growth for the quarter. Sales of large building cabinets and workplace lighting benefited from the high level of construction activity in the country. Successful sales activities by the organization greatly contributed to the favorable trend in the product segment this year.

The *EV charging* product area is continuing to increase rapidly. *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*. Across the country, there is now a total of almost 40,000 rechargeable cars and the rate of growth for the past 12 months has been about 60%. It is estimated that there are now 3,900 public charging stations in Sweden.

GARO Sweden		Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec	
Key figures		2017	2016	2017	2016	R12	2016
Net sales	MSEK	124.9	94.5	380.2	283.1	516.2	419.0
Growth	%	32	14	34	16	37	20
EBIT	MSEK	14.1	13.3	43.7	16.8	63.0	36.1
EBIT margin	%	11.3	14.1	11.5	5.9	12.2	8.6
Adjusted EBIT*	MSEK	-	-	-	29.4*	-	48.7*
Adjusted EBIT margin*	%	-	-	-	10.4*	-	11.6*
Investments	MSEK	4.0	2.3	22.2	6.3	26.2	10.3
Depreciation	MSEK	2.6	2.1	7.0	6.4	9.4	8.8
Number of employees		236	182	236	182	236	181

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

GARO Other markets

Net sales and earnings

Net sales for *GARO Other markets* increased 10% to MSEK 59.2 (53.7), with strong volume growth in *EV charging* in particular and healthy growth overall in construction-related areas.

EBIT amounted to MSEK 7.0 (9.1). The EBIT margin declined to 11.8% (16.8). EBIT was charged with costs for the expansion of the Polish organization and higher employee number, primarily in sales and marketing in Norway.

Countries

GARO Norway trended favorable in construction-related products in the quarter. Growth in *EV charging* was strong once again, driven by the solid performance of the number of home chargers and semi-fast chargers sold.

GARO Ireland continued to report healthy growth and is following the positive trend in construction, while GARO Finland reported higher growth than in previous quarters this year.

GARO Poland mainly makes internal deliveries to other companies in the Group. The company sees immense potential in Poland. The market is large and experiencing high growth in several product areas in which GARO offers competitive products. In September, the company completed the extensive factory expansion, which more than doubled the factory space and the assembly capacity. The organization was significantly expanded and the focus this autumn will be directed to training personnel and gradually increasing production.

GARO Other markets		Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec	
Key figures		2017	2016	2017	2016	R12	2016
Net sales	MSEK	59.2	53.7	177.5	173.8	242.5	238.8
Growth	%	10	1	2	22	3	17
EBIT	MSEK	7.0	9.1	23.5	26.7	34.5	37.7
EBIT margin	%	11.8	16.8	13.2	15.4	14.2	15.8
Investments	MSEK	14.5	0.5	23.4	1.7	24.2	2.5
Depreciation	MSEK	0.6	0.6	1.8	1.9	2.1	2.2
Number of employees		124	89	124	89	124	93

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.

IFRS 15 will come into effect in 2018 and establishes new rules for determining performance obligations and transaction prices, and when a company is to recognize income. The standard replaces all previously issued standards and interpretations on income. The standard is based on the principle that income is to be recognized when the company satisfies a performance obligation by transferring a good or service to a customer, meaning that the control has been passed to the customer. This can take place over time or at a point in time. The Group's significant income flows and contracts have been analyzed and it was determined that control is primarily transferred at a point in time – when goods are delivered. The preliminary assessment based on this work is that the standard will not entail any change in income recognition for these deliveries.

The accounting policies applied correspond with the accounting policies and valuation principles presented in the 2016 Annual Report. The Annual Report is available at www.garo.se.

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 57–59 of the 2016 Annual Report. The Annual Report is available at www.garo.se. 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.

New president and CEO

Carl-Johan Dalin assumed his new position as President and CEO for GARO AB on 4 September. He was appointed this role to succeed Stefan Jonsson, who will retire after many years with the company.

Significant events after the end of the period

GARO acquired the company WEB-EL Försäljning AB on October 27, 2017. WEB-EL develops and sells systems and electronic components for controlling sockets for charging stations, engine heaters, camp sites and marinas.

WEB-EL's sales in the fiscal year from July 1, 2016 - June 30, 2017 amounted to MSEK 7.5 with an EBIT of MSEK 3.0. The company's operations started in 2004 in Luleå, Sweden, and the company's founder will remain in the business following the takeover.

The purchase consideration is MSEK 17.7 on a debt-free basis, which includes a purchase consideration of a maximum of MSEK 2.9 which is paid when targets are met over the next three years.

Nomination Committee

The Annual General Meeting will take place on May 2, 2018 in Gnosjö. The members appointed to the Nomination Committee are: Lars Kongstad, Mannheimer Swartling Advokatbyrå (legal firm) appointed by Lars Svensson, Ulf Hedlundh appointed by Svolder AB, Jan Särllvik appointed by Nordea Investment Funds and Anders Pålsson in his capacity as Chairman of the Board of GARO AB. Shareholders who wish to submit proposals to the Nomination Committee can send an e-mail to valberedningen@garo.se by March 14, 2018 at the latest.

Gnosjö, October 31, 2017

Anders Pålsson
Chairman

Sofia Axelsson
Board member

Rickard Blomqvist
Board member

Per Holmstedt
Chairman

Lars Svensson
Board member

Stefan Jonsson
Board member

Auditor's Review Report

GARO AB (publ), Corp. ID. No. 556051-7772

Introduction

We have reviewed the condensed interim financial information (interim report) of GARO AB (publ) as of September 30, 2017, and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

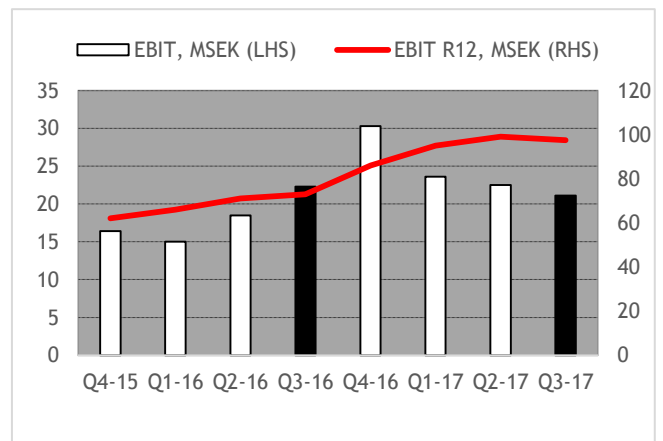
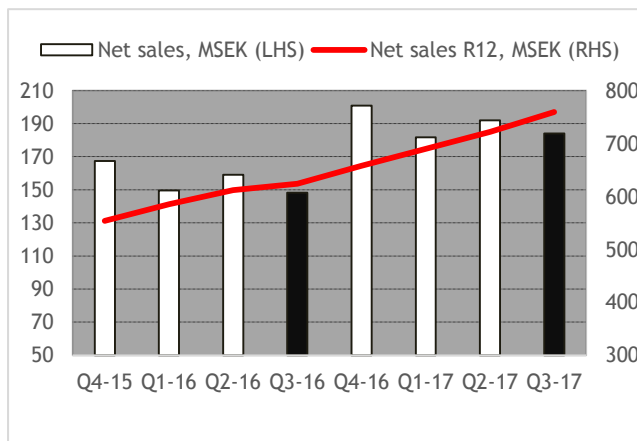
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Jönköping, October 31, 2017

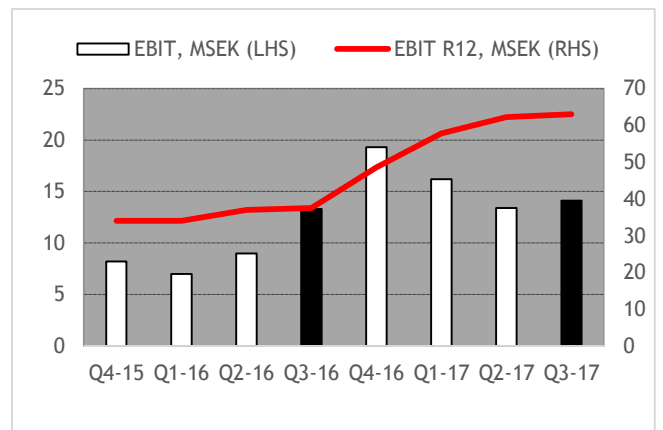
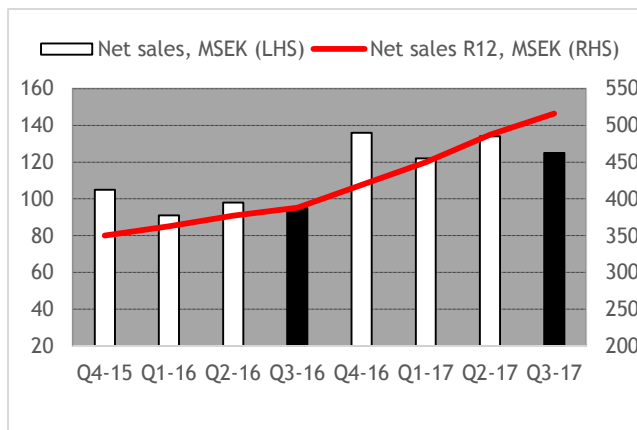
Ernst & Young AB

Joakim Falck
Authorized Public Accountant

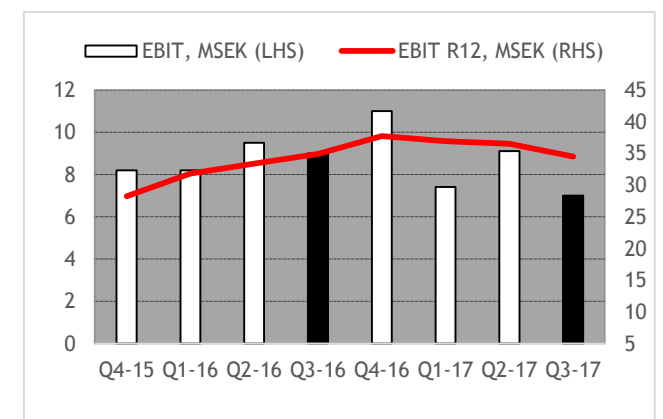
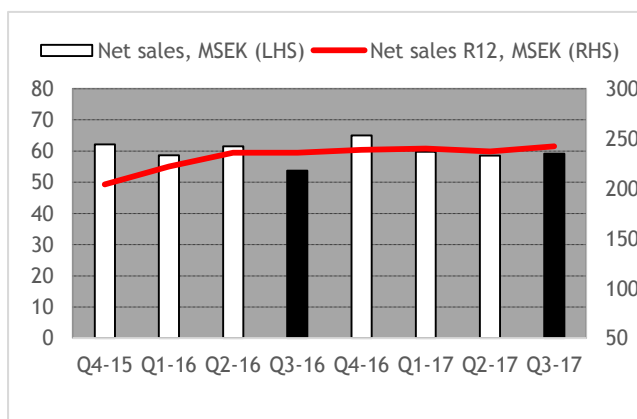
GARO Group



GARO Sweden



GARO Other markets



Consolidated income statement

<i>Amount in MSEK</i>	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	R12 12 months	Jan-Dec 2016
Net sales	184.1	148.2	557.7	456.9	758.6	657.8
Other operating income	0.1	0.8	0.3	1.6	0.7	2.0
Total income	184.2	149.0	558.0	458.5	759.3	659.8
Operating expenses						
Raw materials and consumables	-96.4	-77.5	-283.8	-240.7	-384.1	-341.0
Other external expenses	-22.4	-16.6	-68.1	-53.8	-96.1	-81.8
Personnel expenses	-41.1	-29.9	-130.1	-99.6	-170.1	-139.6
Depreciation/amortization of tangible and intangible assets	-3.2	-2.7	-8.8	-8.3	-11.5	-11.0
Other operating expenses	-	-	-	-12.6	-	-12.6
EBIT	21.1	22.3	67.2	43.5	97.5	73.8
Result from financial items						
Net financial income/expenses	-0.3	0.1	-0.6	1.2	-2.8	-1.0
Profit before tax	20.8	22.4	66.6	44.7	94.7	72.8
Income tax	2.4	-4.8	-7.0	-9.4	-13.4	-15.8
Net income	23.2	17.6	59.6	35.3	81.3	57.0
Other comprehensive income: Items that may be reclassified to the income statement						
Translation differences	-0.6	1.5	0.1	2.2	-0.5	1.6
Other comprehensive income, net	-0.6	1.5	0.1	2.2	-0.5	58.6
Total comprehensive income for the year	22.6	19.1	59.7	37.5	80.8	58.6
Net income and total comprehensive income for the year 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	2.32	1.76	5.96	3.53	8.13	5.70

Consolidated balance sheet

<i>Amount in MSEK</i>	Sept 30, 2017	Sept 30, 2016	Dec 31, 2016
ASSETS			
Fixed assets			
Intangible assets	33.8	8.0	8.6
Tangible assets	93.8	58.2	58.8
Financial assets	7.0	-	-
Total fixed assets	134.6	66.2	67.4
Current assets			
Inventories	133.4	99.7	97.3
Accounts receivable	177.1	148.6	163.5
Other current receivables	11.2	4.8	4.2
Cash and cash equivalents	14.9	14.6	41.6
Total current assets	336.6	267.7	306.6
TOTAL ASSETS	471.2	333.9	374.0
EQUITY AND LIABILITIES			
Share capital	20.0	20.0	20.0
Other reserves	-0.1	0.5	-0.1
Other equity including net income for the period	205.3	153.9	174.5
Total equity	225.2	174.4	194.4
Long-term liabilities			
Interest-bearing liabilities	31.6	11.0	10.5
Other provisions	1.5	0.9	1.6
Deferred tax liabilities	5.1	6.0	4.6
Total long-term liabilities	38.2	17.9	16.7
Short-term liabilities			
Interest-bearing liabilities	33.4	15.1	13.8
Accounts payable	91.5	64.4	67.4
Other short-term liabilities	82.9	62.1	81.7
Total short-term liabilities	207.8	141.6	162.9
TOTAL EQUITY AND LIABILITIES	471.2	333.9	374.0
Key figures			
Net debt	50.1	11.5	-17.3
Equity ratio	47.8%	52.2%	52.0%
Equity per share, SEK	22.5	17.4	19.4
Outstanding number of shares, '000	10,000.0	10,000.0	10,000.0

Changes in consolidated equity

Equity attributable to shareholders in the Parent Company <i>Amount in MSEK</i>	Share capital	Reserves	Retained profit	Total equity
Equity at January 1, 2016	14.0	-1.7	144.6	156.9
Net income for the period	-	-	57.0	57.0
Other comprehensive income for the period	-	1.6	-	1.6
Stock dividend per January 12, 2016	6.0	-	-6.0	-
Dividend to shareholders	-	-	-20.3	-20.3
Change in value, liability, put option	-	-	-0.8	-0.8
Closing equity, December 31, 2016	20.0	-0.1	174.5	194.4
 Equity at January 1, 2017	 20.0	 -0.1	 174.5	 194.4
Net income for the period	-	-	59.6	59.6
Other comprehensive income for the period	-	-	-	0.1
Dividend to shareholders	-	-	-28.9	-28.9
Closing equity at September 30, 2017	20.0	-0.1	205.2	225.2

Condensed consolidated cash-flow statement

<i>Amount in MSEK</i>	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	R12 12 months	Jan-Dec 2016
Operating activities						
Cash flow from operating activities before changes in working capital	21.4	23.6	57.7	35.2	87.3	64.8
Cash flow from changes in working capital	-12.9	-10.9	-21.5	-20.1	-17.8	-16.4
Cash flow from operating activities	8.5	12.7	36.2	15.1	69.5	48.4
Investing activities						
Investments in intangible assets	-1.8	-0.8	-5.0	-2.0	-6.6	-3.6
Acquisition of subsidiaries	-	-	-29.9	-	-29.9	-
Investments in tangible assets	-16.7	-2.0	-40.6	-6.0	-43.8	-9.2
Disposal of tangible assets	-	0.5	1.2	0.5	1.8	1.1
Cash flow from investing activities	-18.5	-2.3	-74.3	-7.5	-78.5	-11.7
Financing activities						
Net borrowing/amortization of loans	9.3	-11.3	40.7	3.3	37.7	0.3
Dividend paid to shareholders	-	-	-28.9	-20.0	-29.2	-20.3
Cash flow from financing activities	9.3	-11.3	11.8	-16.7	8.5	-20.0
Cash flow for the period	-0.7	-0.9	-26.3	-9.1	-0.5	16.7
Currency effect in cash and cash equivalents	-0.1	-0.1	-0.4	0.5	0.8	1.7
Cash and cash equivalents, start of the period	15.7	15.6	41.6	23.2	14.6	23.2
Cash and cash equivalents, end of the period	14.9	14.6	14.9	14.6	14.9	41.6

Parent Company income statement

<i>Amount in MSEK</i>	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
Net sales	99.3	83.6	297.1	244.9	357.3
Other operating income	1.7	2.0	5.2	5.5	7.2
Total income	101.0	85.6	302.3	250.4	364.5
Operating expenses					
Raw materials and consumables	-62.0	-50.3	-176.5	-146.7	-210.1
Other external expenses	-10.1	-8.1	-31.8	-26.6	-43.7
Personnel expenses	-19.3	-15.4	-63.1	-52.5	-73.5
Depreciation/amortization of tangible and intangible assets	-2.4	-2.1	-6.4	-6.1	-8.3
Other operating expenses	-	-	-	-12.6	-12.6
EBIT	7.2	9.7	24.5	5.9	16.3
Result from financial items					
Profit from participations in Group companies	0.1	-	9.4	-	16.9
Net interest income and similar items	0.1	-0.8	0.5	0.7	1.0
Net interest expenses and similar items	0.2	1.0	-0.4	0.9	-0.8
Profit before tax	7.6	9.9	34.0	7.5	33.4
Appropriations	-	-	-	-	14.4
Income tax	-1.7	-2.0	-5.4	-1.4	-7.0
Net income	5.9	7.9	28.6	6.1	40.8

Parent Company balance sheet

<i>Amount in MSEK</i>	Sept 30, 2017	Sept 30, 2016	Dec 31, 2016
ASSETS			
Intangible assets	7.0	7.0	7.4
Tangible assets	50.8	34.9	35.8
Participations in Group companies	12.8	12.8	12.8
Other financial assets	27.1	8.5	8.0
Total fixed assets	97.7	63.2	64.0
Current assets			
Inventories	59.7	47.0	44.2
Accounts receivable	71.2	70.0	78.3
Other receivables	49.1	27.4	49.4
Cash and cash equivalents	1.6	2.7	18.2
Total current assets	181.6	147.1	190.1
TOTAL ASSETS	279.3	210.3	254.1
EQUITY AND LIABILITIES			
Share capital	20.0	20.0	20.0
Fund for internal development expenses	0.8	-	0.8
Statutory reserve	2.6	2.6	2.6
Non-restricted equity including net income for the period	128.2	94.2	128.1
Total equity	151.6	116.8	151.5
Untaxed reserves	6.2	10.6	6.2
Provisions	4.9	4.6	4.9
Liabilities			
Long-term interest-bearing liabilities	14.9	8.3	7.8
Short-term interest-bearing liabilities	22.2	1.8	1.8
Short-term non-interest-bearing liabilities	79.5	68.2	81.9
Total liabilities	116.6	78.3	91.5
TOTAL EQUITY AND LIABILITIES	279.3	210.3	254.1

Sales and EBIT by segment

Segment information	Sweden		Other markets		Elimination		Group	
	Jul-Sep 2017	Jul-Sep 2016	Jul-Sep 2017	Jul-Sep 2016	Jul-Sep 2017	Jul-Sep 2016	Jul-Sep 2017	Jul-Sep 2016
Sales								
Total net sales	159.1	118.0	83.4	69.4	-58.4	-39.2	184.1	148.2
Internal net sales	-34.2	-23.5	-24.2	-15.7	58.4	39.2	-	-
External net sales	124.9	94.5	59.2	53.7	-	-	184.1	148.2
EBIT	14.1	13.3	7.0	9.0	-	-	21.1	22.3
Net financial income/expenses	-	-	-	-	-	-	-0.3	0.1
Tax expense for the year	-	-	-	-	-	-	2.4	-4.8
Net income for the year	-	-	-	-	-	-	23.3	17.6

GARO Group Multi-		Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep		Full	Full	Full	Full
-year overview and key ratios		2017	2016	2017	2016	R12	2016	2015	2014	2013
Net sales	MSEK	184.1	148.2	557.7	456.9	758.6	657.8	554.1	441.7	383.1
Growth	%	24	9	22	18	22	19	25	15	1
EBITDA	MSEK	24.3	25.0	76.0	51.8	109.0	84.8	74.3	50.6	34.8
EBITDA margin	%	13.2	16.9	13.6	11.3	14.4	12.9	13.4	11.5	9.1
EBIT	MSEK	21.1	22.3	67.2	43.5	97.5	73.8	62.4	39.8	24.0
EBIT margin	%	11.5	15.0	12.0	9.5	12.9	11.2	11.3	9.0	6.3
Adjusted EBIT	MSEK	-	22.3	-	56.1	-	86.4	62.4	39.8	24.0
Adjusted EBIT margin	%	-	15.0	-	12.3	-	13.1	11.3	9.0	6.3
Investments	MSEK	18.5	2.8	45.6	8.0	50.4	12.8	13.8	6.3	10.4
Depreciation	MSEK	3.2	2.7	8.8	8.3	11.5	11.0	11.9	10.8	10.8
Return on equity*	%	40.7	28.5	40.7	28.5	40.7	32.4	31.3	17.1	11.7
Equity ratio	%	47.8	52.2	47.8	52.2	47.8	52.0	49.8	48.5	51.3
Net debt	MSEK	50.1	11.5	50.1	11.5	50.1	-17.3	-0.4	19.3	39.5
Net debt/ EBITDA*	multiple	0.5	0.2	0.5	0.2	0.5	-0.2	0.0	0.4	1.1
Number of employees		360	271	360	271	360	274	254	244	224

*) Key ratios are calculated on the last 12 months.

Quarterly figures

Consolidated income statement	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<i>Amount in MSEK</i>	2017	2017	2017	2016	2016	2016	2016	2015	2015
Net sales	184.1	192.0	181.6	200.9	148.2	159.1	149.6	167.4	136.2
Operating expenses	163.0	169.5	158.0	170.6	125.9	-140.6	-146.9	-151.0	-115.7
EBIT	21.1	22.5	23.6	30.3	22.3	18.5	2.7	16.4	20.5
Net financial income/expenses	-0.3	-0.2	-0.1	-2.2	0.1	1.0	0.1	-1.5	-0.4
Profit before tax	20.8	22.3	23.5	28.1	22.4	19.5	2.8	14.9	20.1
Tax	2.4	-4.4	-5.0	-6.4	-4.8	-4.1	-0.5	-3.9	-4.1
Net income	23.2	17.9	18.5	21.7	17.6	15.4	2.3	11.0	16.0

Net sales per segment	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<i>Amount in MSEK</i>	2017	2017	2017	2016	2016	2016	2016	2015	2015
GARO Sweden	124.9	133.5	121.8	135.9	94.5	97.6	91.0	105.3	82.9
GARO Other markets	59.2	58.5	59.8	65.0	53.7	61.5	58.6	62.1	53.3
Total Group	184.1	192.0	181.6	200.9	148.2	159.1	149.6	167.4	136.2

EBIT per segment	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<i>Amount in MSEK</i>	2017	2017	2017	2016	2016	2016	2016	2015	2015
GARO Sweden	14.1	13.4	16.2	19.3	13.3	9.0	-5.5	8.2	13.0
GARO Other markets	7.0	9.1	7.4	11.0	9.0	9.5	8.2	8.2	7.5
Total Group	21.1	22.5	23.6	30.3	22.3	18.5	2.7	16.4	20.5

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 minus assets including cash and cash equivalents

Net debt/EBITDA, multiple:

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 October 31 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

Fourth quarter of 2017: February 21, 2018

First quarter of 2018: May 2

Annual General Meeting 2018: May 2

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 through the agency of the contact persons above on October 31, 2017 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.