



Year-end report January - December 2017

Strong growth and improved results

Fourth quarter of 2017

- Net sales increased 19% to MSEK 238.3 (200.9).
- EBIT rose 2% to MSEK 30.9 (30.3).
- EBIT margin amounted to 13.0% (15.1).
- Net income was MSEK 26.0 (21.7).
- Earnings per share amounted to SEK 2.60 (2.17).
- GARO acquired WEB-EL Försäljning AB in October 2017.
- GARO's expanded factory in Poland was opened in November 2017.

Full-year 2017

- Net sales increased 21% to MSEK 796.0 (657.8).
- EBIT rose 14% to MSEK 98.1 (86.4*).
- EBIT margin amounted to 12.3% (13.1*).
- Net income was MSEK 85.6 (66.8*).
- Earnings per share amounted to SEK 8.56 (6.68*).
- The Board proposes a dividend for 2017 of SEK 4.00 per share (2.85).
- GARO acquired Emedius AB in February 2017.

MSEK	Oct-Dec 2017	Oct-Dec 2016	Change	2017	2016	Change
Net sales	238.3	200.9	19	796.0	657.8	21
EBIT	30.9	30.3	2	98.1	73.8	33
EBIT margin	13.0	15.1	-	12.3	11.2	-
Net income	26.0	21.7	20	85.6	57.0	50
Earnings per share	2.60	2.17	20	8.56	5.70	50
Adjusted EBIT	-	-	-	-	86,4*	14
Adjusted EBIT margin	-	-	-	-	13.1%*	-
Adjusted net income	-	-	-	-	66,8*	28
Adjusted EPS, SEK	-	-	-	-	6,68*	28

*) Adjusted for items affecting comparability of MSEK -12.6 in EBIT and MSEK -9.8 in net income related to the IPO in 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 areas: 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 approximately MSEK 796 in 2017 and has around 376 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 and 2017

GARO continued its expansion and net sales increased 19% in the fourth quarter to MSEK 238.3, with a strong performance reported by the *Sweden* business area and the *Other markets* business area. EBIT in the fourth quarter was in line with the preceding year at MSEK 30.9, which was charged with investments in marketing and product development primarily in *EV charging* and costs for expanding production capacity in Sweden and Poland.

2017 was an eventful year for GARO featuring sustained strong growth and innovative product development. During the year, two strategic acquisitions were also made to increase capacity within the *Project business* and strengthen GARO's position as a leading player in connected charging solutions.

Net sales increased 21% for the full-year to MSEK 796, with all product segments reporting a positive trend and EBIT rising 14% to MSEK 98.1. This healthy growth was the result of a strong construction market in Sweden and a general favorable trend in other markets, where we were successful in our product launches. In addition, we made key acquisitions in the form of Emedius AB at the start of the year and WEB-EI Försäljning AB at the end of the year.

The acquisition of Emedius AB resulted in a welcome capacity enhancement in the increasingly important project business and the relocation of GARO Elflex (*Temporary electric installations*) from Gnosjö to new, significantly larger premises in Värnamo had a significant impact on our ability to tap into strong demand. We have also moved to new larger and more purposeful premises in Stockholm. The factory expansion in our Polish operations was completed at the end of 2017 and we passed the milestone of 100 employees at GARO Poland just before the end of the year. We are well-equipped for continued growth and the changes we have made enable an even higher level of service to the market.

GARO has a positive outlook regarding market conditions for 2018. The construction market in Sweden remains favorable and overall we see continued high activity in our other markets. We see a continued strong performance in the *EV charging* product area and the expansion of charging infrastructure in all markets.

Carl-Johan Dalin
President and CEO

Group

Net sales

The Group's net sales for the fourth quarter of 2017 increased 19% to MSEK 238.3 (200.9) as a result of organic growth of 13% and the acquisition of Emedius AB that added 6 percentage points to growth.

The Group's net sales for full-year 2017 increased 21% to MSEK 796.0 (657.8), with robust growth in all product areas.

Analysis of change in net sales	Oct-Dec 2017 (MSEK)	Oct-Dec 2017 (%)	Oct-Dec 2016 (MSEK)	Oct-Dec 2016 (%)
Year-earlier period	200.9	-	167.4	-
Organic growth	26.7	13	29.8	18
Acquisitions and structural changes	12.3	6	-	-
Exchange-rate effects	-1.6	-	3.7	2
Current period	238.3	19	200.9	20

Analysis of change in net sales	Jan-Dec 2017 (MSEK)	Jan-Dec 2017 (%)	Jan-Dec 2016 (MSEK)	Jan-Dec 2016 (%)
Year-earlier period	657.8	-	554.1	-
Organic growth	83.0	13	106.6	19
Acquisitions and structural changes	51.5	8	-	-
Exchange-rate effects	3.7	-	-2.9	-
Current period	796.0	21	657.8	19

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

EBIT

EBIT rose 2% to MSEK 30.9 (30.3) in the fourth quarter and the EBIT margin amounted to 13.0% (15.1). The EBIT margin declined as a result of investments in a strengthened product and marketing organization and extended marketing activities in the Group. The company also incurred initial costs in Poland for extending production and training new employees to expand production capacity.

EBIT for the full-year rose 14% to MSEK 98.1 compared with MSEK 86.4 in the preceding year adjusted for items affecting comparability. The EBIT margin amounted to 12.3% compared with 13.1% in the preceding year (adjusted). EBIT for 2016 was adjusted for non-recurring costs of MSEK 12.6 for the IPO.

GARO Group		Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Key figures		2017	2016	2017	2016
Net sales	MSEK	238.3	200.9	796.0	657.8
Growth	%	19	20	21	19
EBIT	MSEK	30.9	30.3	98.1	73.8
EBIT margin	%	13.0	15.1	12.3	11.2
Adjusted EBIT		-	-	-	86,4*
Adjusted EBIT margin	%	-	-	-	13,1*
Investments	MSEK	5.8	4.8	51.4	12.8
Depreciation	MSEK	3.4	2.7	12.2	11.0
Return on equity	%	38.3	32.4	38.3	32.4
Equity ratio	%	47.3	52.0	47.3	52.0
Number of employees		376	274	376	274

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

Net income

Net income for the fourth quarter amounted to MSEK 26.0 (21.7) and earnings per share amounted to MSEK 2.60 (2.17). Income was positively impacted by MSEK 1.9 from a deferred tax asset in Poland.

Net income for full-year 2017 increased to MSEK 85.6 (57.0) due to improved underlying EBIT and costs for the IPO in 2016. Income was also positively impacted by MSEK 8.9 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. The unutilized tax benefits amounted to MSEK 9.6 at December 31, 2017.

Cash flow and investments

Cash flow from operating activities in the fourth quarter amounted to MSEK 15.3 (33.3). Cash flow was negatively affected by an MSEK 13.9 increase in working capital compared with an MSEK 3.7 decline in the year-earlier period. Working capital primarily increased as a result of building up inventories and higher accounts receivable during the period. Investments during the quarter amounted to MSEK 5.8 (4.8), mainly related to investments in production equipment and product development. Cash flow from investing activities was negatively affected by MSEK 15.3 from the acquisition of WEB-EL Försäljning AB in October 2017.

Liquidity and financial position

The Group's interest-bearing net debt at the end of the period amounted to MSEK 56.1 compared with net cash of MSEK 17.3 at year-end 2016. The higher net debt during the year was due to the acquisitions of Emedius AB and WEB-EL Försäljning AB and the plant extension for the Polish operations.

Available liquidity in the Group, including unutilized overdraft facilities, amounted to MSEK 94.5 (109.7) and the equity ratio was 47.3% (52.0).

Dividend

The Board proposes a dividend for 2017 of SEK 4.00 per share (2.85), corresponding to a total dividend of MSEK 40.0. The proposed dividend corresponds to approximately 46.7% of net income for the period. The company's dividend policy is to distribute approximately 50% of earnings after tax. The dividend proposal must take into account GARO's long-term dividend potential and the Group's general investment and consolidation requirements.

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 fourth quarter amounted to MSEK 131.8 (112.4), up 17%.

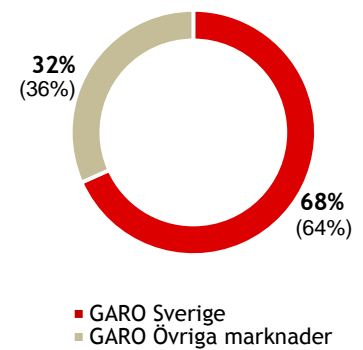
Of this amount, MSEK 42.2 (28.9) comprised internal sales to other Group companies. EBIT amounted to MSEK 12.0 (10.4).

Operations and segments

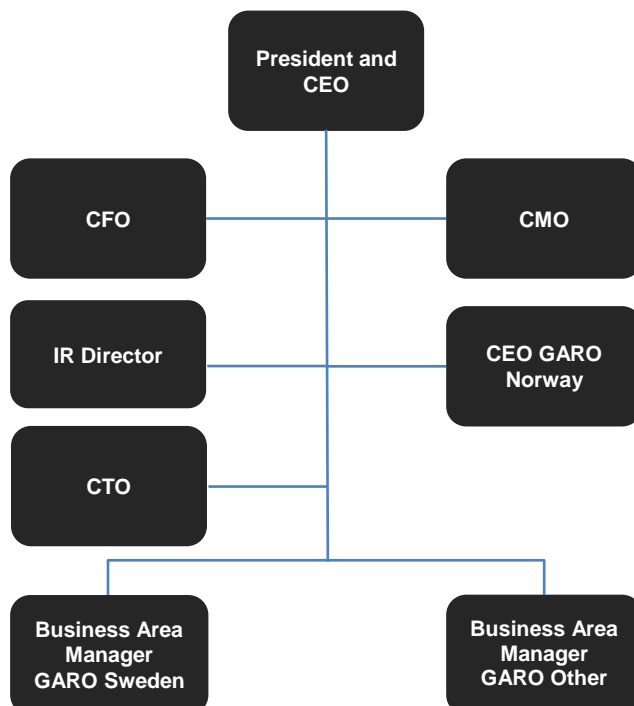
GARO divides its operations into two operating segments based on how the Group is organized: *GARO Sweden* and *GARO Other markets*. *GARO Other markets* includes the operations in Norway, Finland, Ireland, Northern Ireland and Poland.



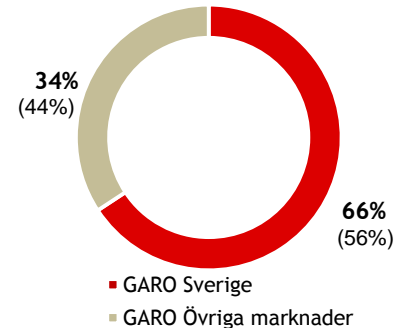
Allocation of net sales per segment 2017



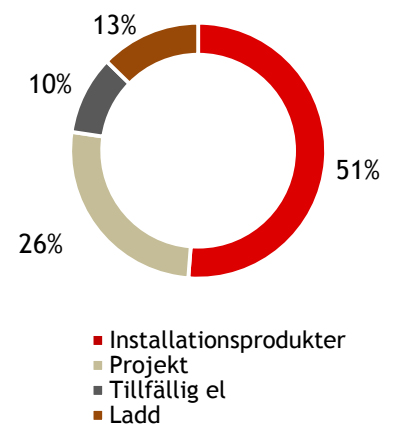
Group Management comprises seven individuals and the function: President and CEO, CFO, IR Director, CMO, CTO, CEO GARO Norway and two business area directors who are responsible for business area/segment.



Allocation of EBIT per segment 2017



Allocation of net sales by product area 2017



GARO Sweden

Net sales and earnings

Net sales for *GARO Sweden* increased 20% to MSEK 163.5 (135.9) during the fourth quarter of 2017, with strong volume growth in the *Project business*, *EV charging* and *Temporary electric installations* product areas, while *Electrical distribution products* noted a weaker trend.

EBIT was MSEK 20.8 (19.3) and the EBIT margin declined to 12.7% (14.2). The margin declined as a result of increased costs for a strengthened product and marketing organization and extended marketing activities.

Net sales for full-year 2017 increased 30% to MSEK 543.7 (419.0) and EBIT rose 32% to MSEK 64.5 compared with MSEK 48.7 adjusted for items affecting comparability in the preceding year.

Product areas

The electrical distribution products market, in which GARO is represented at all major wholesalers, is estimated to have grown by approximately 8% during the quarter and 8% in the full-year.

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 11.6 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 continued to grow substantially. Sales of large building cabinets and workplace lighting benefited from the high level of construction activity in the country. Successful marketing activities and expanded capacity 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. There were a total of more than 45,000 rechargeable cars in Sweden at year-end and the rate of growth in 2017 is estimated at 62%*. Robust growth is expected to continue in 2018.

*)www.elbilsstatistik.se

GARO Sweden		Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Key figures		2017	2016	2017	2016
Net sales	MSEK	163.5	135.9	543.7	419.0
Growth	%	20	29	30	20
EBIT	MSEK	20.8	19.3	64.5	36.1
EBIT margin	%	12.7	14.2	11.9	8.6
Adjusted EBIT*	MSEK	-	-	-	48.7
Adjusted EBIT margin*	%	-	-	-	11.6
Investments	MSEK	5.0	4.0	27.2	10.3
Depreciation	MSEK	2.6	2.4	9.6	8.8
Number of employees		234	181	234	181

*) Adjusted for IPO expenses of MSEK -12.6 in the first quarter of 2016.

GARO Other markets

Net sales and earnings

Net sales for *GARO Other markets* increased 15% to MSEK 74.8 (65.0), with strong volume growth in *EV charging* in particular and healthy growth overall in construction-related areas.

EBIT amounted to MSEK 10.1 (11.0). The EBIT margin declined to 13.5% (16.9) mainly as a result of initial costs for the expansion of production and training personnel in Poland. The company also strengthened its marketing organization for the product area *EV charging* in the segment.

Net sales for full-year 2017 increased 6% to MSEK 252.3 (238.8) and EBIT amounted to MSEK 33.6 (37.7).

Countries

During the quarter, GARO Norway posted a positive trend in construction-related products. Growth in *EV charging* was high.

GARO Ireland continued to report healthy growth and is following the positive trend in construction. GARO Finland posted a favorable performance in both the construction-related product areas and in *EV charging*.

GARO Poland reported positive sales trend in *EV charging*. Garo's expanded factory in Szczecin was opened in November. The approximately 7,500 sqm plant more than doubles the factory space and production capacity. We passed the milestone of 100 employees at GARO Poland toward the end of the year. Focus in the autumn was on training new employees and increasing production.

GARO Other markets		Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Key figures		2017	2016	2017	2016
Net sales	MSEK	74.8	65.0	252.2	238.8
Growth	%	15	5	6	17
EBIT	MSEK	10.1	11.0	33.6	37.7
EBIT margin	%	13.5	16.9	13.3	15.8
Investments	MSEK	0.8	0.8	24.2	2.5
Depreciation	MSEK	0.8	0.3	2.6	2.2
Number of employees		142	93	142	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 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 company's 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 2016 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.

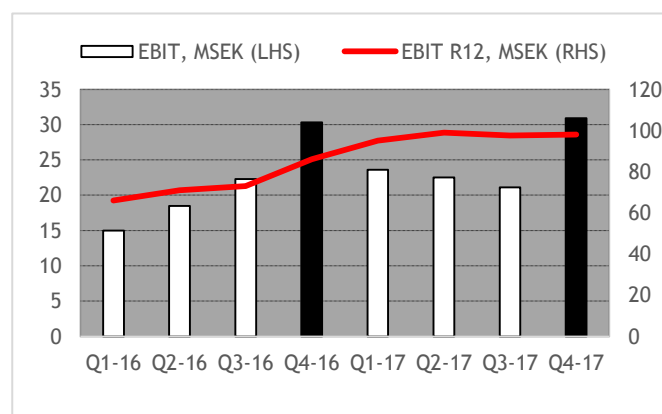
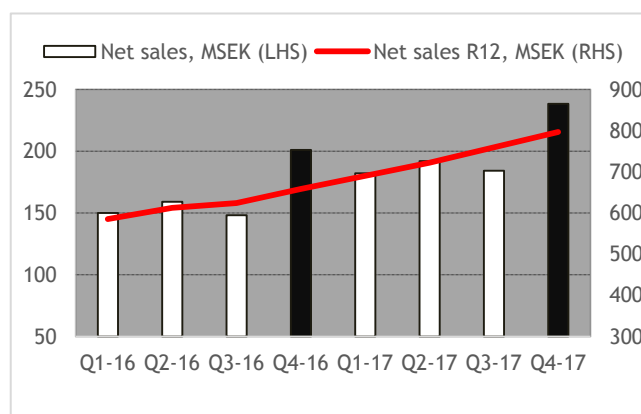
Significant event after the end of the period

Before the 2018 Annual General Meeting the Chairman of the Board Anders Pålsson has informed the Nomination Committee that he declines re-election as chairman.

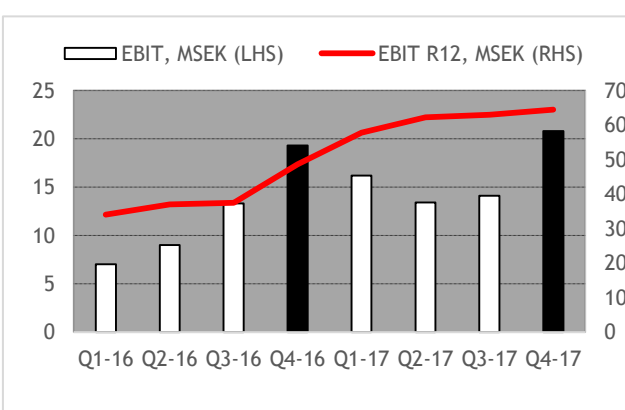
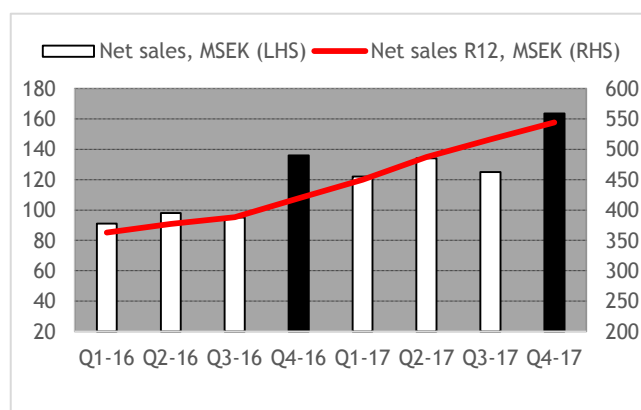
Annual General Meeting

The 2018 Annual General Meeting will take place on May 2, at 5:00 pm in Gnosjö. More information about the AGM will be published on the company's website at the following address <http://corporate.garo.se/bolagsstyrning/bolagsstammor>.

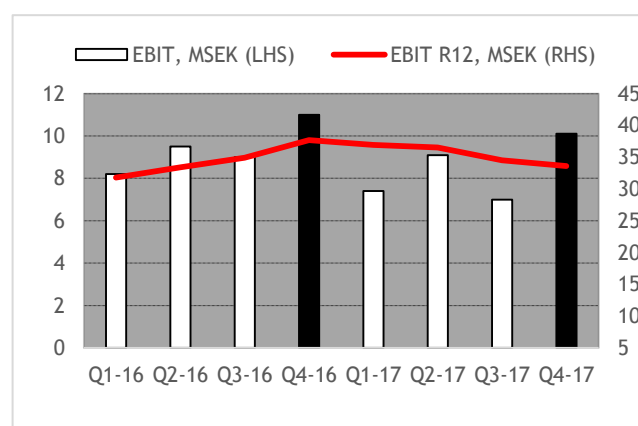
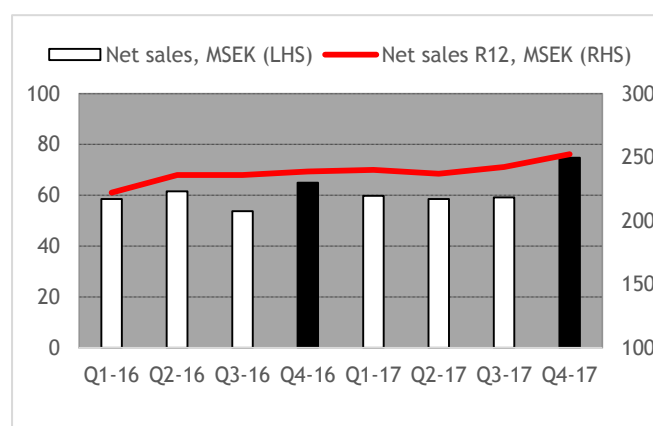
GARO Group



GARO Sweden



GARO Other markets



Consolidated income statement

<i>Amount in MSEK</i>	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Net sales	238.3	200.9	796.0	657.8
Other operating income	1.5	0.4	1.8	2.0
Total income	239.8	201.3	797.8	659.8
Operating expenses				
Raw materials and consumables	-120.4	-100.3	-404.2	-341.0
Other external expenses	-32.0	-28.0	-100.1	-81.8
Personnel expenses	-53.1	-40.0	-183.2	-139.6
Depreciation/amortization of intangible and tangible assets	-3.4	-2.7	-12.2	-11.0
Other operating expenses	-	-	-	-12.6
EBIT	30.9	30.3	98.1	73.8
Result from financial items				
Net financial income/expenses	-1.6	-2.2	-2.2	-1.0
Profit before tax	29.3	28.1	95.9	72.8
Income tax	-3.3	-6.4	-10.3	-15.8
Net income	26.0	21.7	85.6	57.0
Other comprehensive income: Items that may be reclassified to the income statement				
Translation differences	2.1	-0.6	2.2	1.6
Other comprehensive income, net	2.1	-0.6	2.2	1.6
Total comprehensive income for the period	28.1	21.1	87.8	58.6
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
Earnings per share, SEK	2.60	2.17	8.56	5.70

Consolidated balance sheet

<i>Amount in MSEK</i>	Dec 31, 2017	Dec 31, 2016
ASSETS		
Fixed assets		
Intangible assets	49.9	8.6
Tangible assets	97.8	58.8
Financial assets	9.6	-
Total fixed assets	157.3	67.4
Current assets		
Inventories	142.8	97.3
Accounts receivable	196.7	163.5
Other current receivables	8.9	4.2
Cash and cash equivalents	28.2	41.6
Total current assets	376.6	306.6
TOTAL ASSETS	533.9	374.0
EQUITY AND LIABILITIES		
Equity		
Share capital	20.0	20.0
Other reserves	2.1	-0.1
Other equity including net income for the period	230.6	174.5
Total equity	252.7	194.4
Long-term liabilities		
Interest-bearing liabilities	38.3	10.5
Other provisions	1.6	1.6
Deferred tax liabilities	4.5	4.6
Total long-term liabilities	44.4	16.7
Short-term liabilities		
Interest-bearing liabilities	46.0	13.8
Accounts payable	93.7	67.4
Other short-term liabilities	97.1	81.7
Total short-term liabilities	236.8	162.9
TOTAL EQUITY AND LIABILITIES	533.9	374.0
Key figures		
Net debt	56.1	-17.3
Equity ratio	47.3%	52.0%
Equity per share, SEK	25.3	19.4
Outstanding number of shares, '000	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	-	-	85.6	85.6
Other comprehensive income for the period	-	2.2	-	2.2
Dividend to shareholders	-	-	-28.9	-28.9
Change in value, liability, put option	-	-	-0.7	-0.7
Closing equity, December 31, 2017	20.0	2.1	230.6	252.7

Condensed consolidated cash-flow statement

<i>Amount in MSEK</i>	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Operating activities				
Cash flow from operating activities				
before changes in working capital	29.2	29.6	86.9	64.8
Cash flow from changes in working capital	-13.9	3.7	-35.4	-16.4
Cash flow from operating activities	15.3	33.3	51.5	48.4
Investing activities				
Investments in intangible assets	-2.5	-1.6	-7.5	-3.6
Acquisition of subsidiaries	-15.3	-	-45.2	-
Investments in tangible assets	-3.3	-3.2	-43.9	-9.2
Disposal of tangible assets	0.3	0.6	1.5	1.1
Cash flow from investing activities	-20.8	-4.2	-95.1	-11.7
Financing activities				
Net borrowing/amortization of loans	18.6	-3.0	59.3	0.3
Dividend paid to shareholders	-	-0.3	-28.9	-20.3
Cash flow from financing activities	18.6	-3.3	30.4	-20.0
Cash flow for the period	13.1	25.8	-13.2	16.7
Currency effect in cash and cash equivalents	0.2	1.2	-0.2	1.7
Cash and cash equivalents, start of the period	14.9	14.6	41.6	23.2
Cash and cash equivalents, end of the period	28.2	41.6	28.2	41.6

Parent Company income statement

<i>Amount in MSEK</i>	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Net sales	131.8	112.4	428.9	357.3
Other operating income	3.0	1.7	8.2	7.2
Total income	134.8	114.1	437.1	364.5
Operating expenses				
Raw materials and consumables	-79.1	-63.4	-255.6	-210.1
Other external expenses	-16.5	-17.1	-48.3	-43.7
Personnel expenses	-24.9	-21.0	-88.0	-73.5
Depreciation/amortization of tangible and intangible assets	-2.3	-2.2	-8.7	-8.3
Other operating expenses	-	-	-	-12.6
EBIT	12.0	10.4	36.5	16.3
Result from financial items				
Profit from participations in Group companies	11.0	16.9	20.4	16.9
Net interest income and similar items	0.4	0.3	0.9	1.0
Net interest expenses and similar items	-1.0	-1.7	-1.4	-0.8
Income after financial items	22.4	25.9	56.4	33.4
Appropriations	8.3	14.4	8.3	14.4
Income tax	-3.1	-5.6	-8.5	-7.0
Net income	27.6	34.7	56.2	40.8

Parent Company balance sheet

<i>Amount in MSEK</i>	Dec 31, 2017	Dec 31, 2016
ASSETS		
Intangible assets	9.3	7.4
Tangible assets	50.3	35.8
Participations in Group companies	42.7	12.8
Other financial assets	36.6	8.0
Total fixed assets	138.9	64.0
Current assets		
Inventories	62.4	44.2
Accounts receivable	84.4	78.3
Other receivables	70.5	49.4
Cash and cash equivalents	0.0	18.2
Total current assets	217.3	190.1
TOTAL ASSETS	356.2	254.1
EQUITY AND LIABILITIES		
Share capital	20.0	20.0
Fund for internal development expenses	1.8	0.8
Statutory reserve	2.6	2.6
Non-restricted equity including net income for the period	154.8	128.1
Total equity	179.2	151.5
Untaxed reserves	7.9	6.2
Provisions	3.3	4.9
Liabilities		
Long-term interest-bearing liabilities	23.5	7.8
Short-term interest-bearing liabilities	35.9	1.8
Short-term non-interest-bearing liabilities	106.4	81.9
Total liabilities	165.8	91.5
TOTAL EQUITY AND LIABILITIES	356.2	254.1

Sales and EBIT by segment

Segment information	Sweden		Other markets		Elimination		Group	
	Oct-Dec 2017	Oct-Dec 2016	Oct-Dec 2017	Oct-Dec 2016	Oct-Dec 2017	Oct-Dec 2016	Oct-Dec 2017	Oct-Dec 2016
Sales								
Total net sales	209.2	166.6	111.8	89.6	-82.7	-55.3	238.3	200.9
Internal net sales	-45.7	-30.7	-37.0	-24.6	82.7	55.3	-	-
External net sales	163.5	135.9	74.8	65.0	-	-	238.3	200.9
EBIT	20.8	19.3	10.1	11.0	-	-	30.9	30.3
Net financial income/expense s	-	-	-	-	-	-	-1.6	-2.2
Tax expense for the period	-	-	-	-	-	-	-3.3	-6.4
Net income for the period	-	-	-	-	-	-	26.0	21.7

Segment information	Sweden		Other markets		Elimination		Group	
	Jan-Dec 2017	Jan-Dec 2016	Jan-Dec 2017	Jan-Dec 2016	Jan-Dec 2017	Jan-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Sales								
Total net sales	686.2	523.2	357.8	308.8	-248.0	-174.2	796.0	657.8
Internal net sales	-142.5	-104.2	-105.5	-70.0	248.0	174.2	-	-
External net sales	543.7	419.0	252.3	238.8	-	-	796.0	657.8
EBIT	64.5	36.1	33.6	37.7	-	-	98.1	73.8
Net financial income/expense s	-	-	-	-	-	-	-2.2	-1.0
Tax expense for the period	-	-	-	-	-	-	-10.3	-15.8
Net income for the period	-	-	-	-	-	-	85.6	57.0

GARO Group		Oct-Dec	Oct-Dec	Full-year	full-year	Full-year	full-year	full-year
Multi-year overview and key ratios		2017	2016	2017	2016	2015	2014	2013
Net sales	MSEK	238.3	200.9	796.0	657.8	554.1	441.7	383.1
Growth	%	19	20	21	19	25	15	1
EBITDA	MSEK	34.3	33.0	110.3	84.8	74.3	50.6	34.8
EBITDA margin	%	14.4	16.4	13.9	12.9	13.4	11.5	9.1
EBIT	MSEK	30.9	30.3	98.1	73.8	62.4	39.8	24.0
EBIT margin	%	13.0	15.1	12.3	11.2	11.3	9.0	6.3
Adjusted EBIT		-	-	-	86,4**	-	-	-
Adjusted EBIT margin	%	-	-	-	13,1**	-	-	-
Investments	MSEK	5.8	4.8	51.4	12.8	13.8	6.3	10.4
Depreciation	MSEK	3.4	2.7	12.2	11.0	11.9	10.8	10.8
Return on equity*	%	38.3	32.4	38.3	32.4	31.3	17.1	11.7
Equity ratio	%	47.3	52.0	47.3	52.0	49.8	48.5	51.3
Net debt	MSEK	56.1	-17.3	-56.1	-17.3	-0.4	19.3	39.5
Net debt/EBITDA*	multiple	0.5	-0.2	0.5	-0.2	0.0	0.4	1.1
Number of employees		376	274	376	274	254	244	224

*) Key ratios are calculated on last 12 months.

**) Adjusted for IPO expenses of MSEK -12.6 in the first quarter of 2016.

Quarterly figures

Consolidated income statement	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Amount in MSEK	2017	2017	2017	2017	2016	2016	2016	2016	2015
Net sales	238.3	184.1	192.0	181.6	200.9	148.2	159.1	149.6	167.4
Operating expenses	-207.4	-163.0	-169.5	-158.0	-170.6	-125.9	-140.6	-146.9	-151.0
EBIT	30.9	21.1	22.5	23.6	30.3	22.3	18.5	2.7	16.4
Net financial income/expenses	-1.6	-0.3	-0.2	-0.1	-2.2	0.1	1.0	0.1	-1.5
Profit before tax	29.3	20.8	22.3	23.5	28.1	22.4	19.5	2.8	14.9
Tax	-3.3	2.4	-4.4	-5.0	-6.4	-4.8	-4.1	-0.5	-3.9
Net income	26.0	23.2	17.9	18.5	21.7	17.6	15.4	2.3	11.0
Net sales per segment	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Amount in MSEK	2017	2017	2017	2017	2016	2016	2016	2016	2015
GARO Sweden	163.5	124.9	133.5	121.8	135.9	94.5	97.6	91.0	105.3
GARO Other markets	74.8	59.2	58.5	59.8	65.0	53.7	61.5	58.6	62.1
Total Group	238.3	184.1	192.0	181.6	200.9	148.2	159.1	149.6	167.4
EBIT per segment	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Amount in MSEK	2017	2017	2017	2017	2016	2016	2016	2016	2015
GARO Sweden	20.8	14.1	13.4	16.2	19.3	13.3	9.0	-5.5	8.2
GARO Other markets	10.1	7.0	9.1	7.4	11.0	9.0	9.5	8.2	8.2
Total Group	30.9	21.1	22.5	23.6	30.3	22.3	18.5	2.7	16.4

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 February 21 at 9:30 a.m.

Telephone numbers:

Sweden: +46 10 884 80 16

International: +44 20 3936 2999

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

First quarter of 2018: May 2

Annual General Meeting 2018: May 2

Second quarter of 2018: August 24

Third quarter of 2018: October 31

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.

Assurance by the Board and CEO

The CEO and Board assure that this interim report provides a fair review of the Group's and Parent Company'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, February 21, 2018

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

Anders Pålsson
Chairman

Sofia Axelsson
Board member

Rickard Blomqvist
Board member

Per Holmstedt
Chairman

Lars Svensson
Board member

Stefan Jonsson
Board member

Carl-Johan Dalin
President and CEO

The information in this interim report is unaudited.

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 on February 21, 2018 at 7.30 a.m.