



INTERIM REPORT

JANUARY–MARCH 2019

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- Net sales increased 20% to MSEK 248.4 (207.0).
- EBIT rose 16% to MSEK 29.2 (25.1).
- EBIT margin amounted to 11.7% (12.1).
- EBIT excl severance pay of MSEK 4.0 to former CEO amounted to MSEK 33.2 corresponding to an adjusted operating margin of 13.5%.
- Net income was MSEK 24.8 (19.1).
- Earnings per share, before and after dilution, amounted to SEK 2.48 (1.91).
- The equity ratio was 54.4% (51.4).

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- Helena Claesson became CFO of the Group on January 1.
- Patrik Andersson has today been appointed as new President and CEO of GARO AB. He assumes his new role with immediate effect. Patrik has been acting CEO of the Group since February 19 this year while retaining his role as sales and marketing director for the Group.

GARO Group key figures	Jan–Mar 2019	Jan–Mar 2018	%	R12¹	Jan–Dec 2018
Net sales, MSEK	248.4	207.0	20	943.6	903.7
EBITDA, MSEK	33.6	28.8		133.6	128.8
EBITDA margin, %	13.5	13.9		14.2	14.3
EBIT, MSEK	29.2	25.1	16	117.9	113.8
EBIT margin, %	11.7	12.1	-	12.5	12.6
Net income, MSEK	24.8	19.1	30	88.4	82.7
Earnings per share ² , SEK	2.48	1.91	30	8.84	8.27
Cash flow from operating activities, MSEK	9.2	10.7		72.5	73.9
Investments, MSEK	6.6	7.9		20.6	21.9
Depreciation, MSEK	4.4	3.7		15.7	15.0
Equity ratio, %	54.4	51.4	-	54.4	52.4
Equity per share ² , SEK	32.3	27.5	-	32.3	29.6
Return on equity, %	29.6	35.3	-	29.6	30.1
Net debt (+) / net cash position (-), MSEK	49.7	53.1		49.7	45.7

1) Rolling 12 months, April 2018 - March 2019 and after dilution

2) Before and after dilution

For definitions of key figures, see page 19

Disclosures according to IAS 34.16A are presented in the financial statements and their notes as well as other parts of the interim report.

GARO develops, manufactures and supplies innovative products and systems for the electrical installations market 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 902 in 2018 and has appr 400 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

STRONG START TO THE YEAR

The year has begun with sales growth of 20% to MSEK 248.4. It is gratifying that growth is broad, driven mainly by a robust expansion in E-mobility (previously called EV charging) but also in our base – Electrical distribution products. Growth is strong in both of our business areas. Sweden displayed growth of 18%, and Other markets 24%. It should be noted that the first quarter last year was weak in Electrical distribution products because of the harsh winter.

EBIT for the quarter rose 16% to MSEK 29.2, corresponding to an EBIT margin of 11.7% (12.1). Adjusted for a reserve of MSEK 4.0 included in the results (related to severance pay for the previous CEO), the EBIT margin amounted to 13.5%, a result of the healthy volume growth in combination with efficient cost control.

HIGH MARKET PRESENCE

A forward-looking product development must go hand-in-hand with a strong marketing and sales organization. We have made investments in these areas through strengthening the sales organization with several new recruits. We have had a high market presence during the period. For example, we participated in Hanover Fairground, one of the world's largest industry trade fairs, and several trade fairs in the UK with a focus on charger products. Marketing initiatives have been taken in the Nordic region and northern Europe, which is in line with our strategy to grow in these regions in the coming years.

E-MOBILITY GROWTHS WITH 89%

The E-mobility product area continues to demonstrate increased growth. During the quarter, several major projects in the product area were delivered, and we have received feedback from several customers who value that GARO was able to deliver quickly. This is a result of continuously building up and significantly expanding our delivery capacity, accomplished primarily through investments in our Polish factory as well as an increased capacity in the sub-supplier chain. Product development in E-mobility is continuous, with new functionality and better performance, and interest in our products remains strong in all markets.

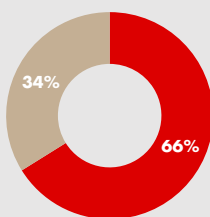
MARKET CONDITIONS

Demand for construction-related products in Sweden is good but is expected to gradually slow in 2019, as a reduced number of construction starts. However, the renovation sector has been deemed stable. The trend in other markets served by GARO is expected to remain favorable. We see a strong trend for the E-mobility product area, with continued expansion of the charging infrastructure in all markets. All in all, GARO has a positive view of market conditions, mainly driven by the continued expansion of charging infrastructure.

Patrik Andersson

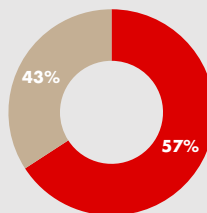
President and CEO

Allocation of net sales by segment,
Jan-Mar 2019



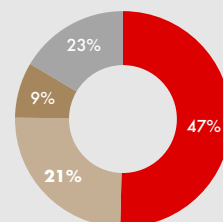
■ GARO Sweden
■ GARO Other markets

Allocation of EBIT by segment, Jan-
Mar 2019



■ GARO Sweden
■ GARO Other markets

Allocation of net sales by product
area, Jan-Mar 2019



■ Electrical distribution products
■ Project
■ Temporary electric installations
■ E-Mobility

Group figures

January - March 2019

NET SALES

The Group's net sales for the first quarter of 2019 increased 20% to MSEK 248.4 (207.0) as a result of organic growth.

Analysis of change in net sales	Jan-Mar 2019 (MSEK)	Jan-Mar 2019 (%)	Jan-Mar 2018 (MSEK)	Jan-Mar 2018 (%)
Year-earlier period	207.0	-	181.6	-
Organic growth	39.9	19%	23.9	13%
Acquisitions and structural changes	-	-	0.9	1%
Exchange-rate effects	1.5	1%	0.6	-
Current period	248.4	20%	207.0	14%

For definitions of key figures, see page 19

The *Sweden* business area continued to note healthy growth, mainly driven by the *E-mobility* product area in the quarter. Sales in construction-related product areas were strong overall during the first quarter of the year, driven by strong sales of *Electrical distribution products*, with some amount of slow down noted in *Temporary electric installations* and *Project business*.

In the *Other markets* business area, growth for the quarter has been healthy in all product areas and countries.

EBIT

EBIT rose 16% to MSEK 29.2 (25.1) in the quarter. The earnings include a reserve of MSEK 4.0 pertaining to severance pay to the previous CEO. The EBIT margin amounted to 11.7% (12.1). Adjusted for this cost, EBIT was MSEK 33.2, corresponding to an EBIT margin of 13.4%. The improved margin compared to the preceding year was primarily a result of economies of scale from higher volumes.

NET INCOME

Net income for the first quarter amounted to MSEK 24.8 (19.1) and earnings per share, before and after dilution, amounted to MSEK 2.48 (1.91). Tax for the period was MSEK 5.7 (5.2) and the average effective tax rate for the Group was 18.7% (21.4).

CASH FLOW AND INVESTMENTS

Cash flow from operating activities in the quarter amounted to MSEK 9.2 (10.7), which is attributable to growth in EBITDA together with increased accounts receivable compared to the preceding year.

Investments during the quarter amounted to MSEK 6.6 (7.9), of which MSEK 2.4 refer to investments in product development.

On January 1, 2019, IFRS 16 was introduced as an accounting policy for rental agreements and leases. A result of the implementation is that total costs over the term of a rental contract or lease are reported in the balance sheet under the category Right-of-use asset. Similarly, lease liabilities are reported under long-term liabilities as lease commitments. The short-term portion of the commitments are reported as short-term liabilities. The effect of IFRS 16 is that assets and liabilities have increased MSEK 10.1.

LIQUIDITY AND FINANCIAL POSITION

The Group's net debt at the end of the period amounted to MSEK 49.7 compared with MSEK 53.1 for the year-earlier period and MSEK 45.7 at the end of 2018.

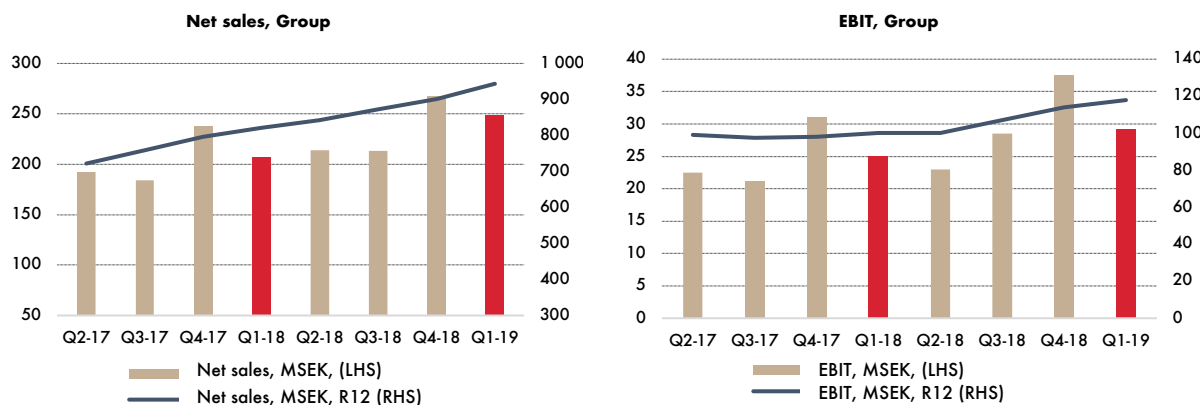
Available liquidity in the Group, including unutilized overdraft facilities, amounted to MSEK 91.6 (88.2).

Implementing the new standard IFRS 16 for accounting did not materially affect our equity ratio, which amounted to 54.4% (51.4) at the end of the first quarter, compared with 52.4% at the end of 2018.

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- Helena Claesson became CFO of GARO on January 1.
- Patrik Andersson has today been appointed as new President and CEO of GARO AB. He assumes his new role with immediate effect. Patrik has been acting CEO of the Group since February 19 this year while retaining his role as sales and marketing director for the Group.

From the end of March 2019 until the publication of this report, no significant events or conditions have occurred, favorable or unfavorable, that would require further disclosures.

**Income from customers specified by product area and segment**

Product area	Sweden segment		Other markets segment	
	Jan-Mar 2019	Jan-Mar 2018	Jan-Mar 2019	Jan-Mar 2018
Electrical distribution products	62.6	56.1	54.1	45.6
Project business	44.0	45.4	9.4	8.8
Temporary electric installations	20.6	20.0	1.5	1.2
E-mobility	36.0	17.2	20.1	12.5
Total	163.4	138.6	85.0	68.4

Operations and segments

GARO divides its operations into two business areas: Sweden and Other markets. The Sweden business area comprises the Swedish companies, and the Other markets business area comprises the companies in Norway, Poland, Ireland and Finland.

GARO Sweden

NET SALES AND EARNINGS

Net sales for GARO Sweden increased 18% to MSEK 163.4 (138.6) during the first quarter of the year, mainly driven by strong growth in *E-mobility* and healthy sales growth of electrical distribution products.

EBIT was MSEK 16.3 (17.3) and the EBIT margin amounted to 10.0% (12.5). The earnings include a reserve of MSEK 4.0 pertaining to severance pay to the previous CEO. Adjusted for this cost, EBIT was MSEK 20.3, corresponding to an EBIT margin of 12.5%.

PRODUCT AREAS

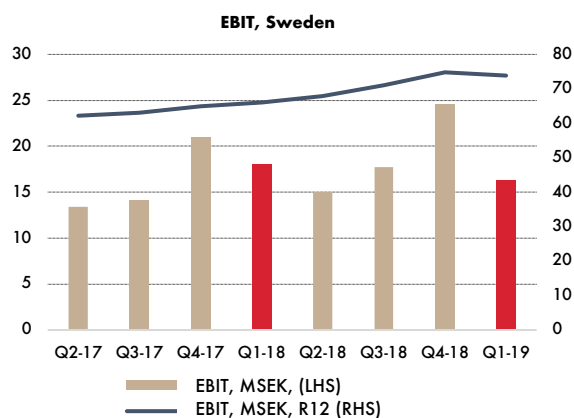
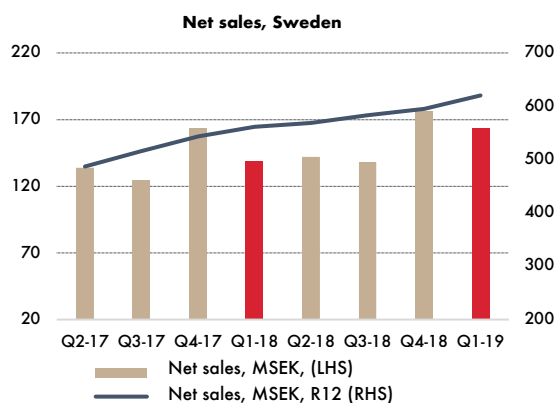
The Electrical distribution products market, in which GARO is represented among all major wholesalers, is estimated to have grown by scarcely 5.0% during the quarter. It is our assessment that during the quarter, GARO's growth exceeded the market's. The period's growth in construction-related products was positively affected by relatively weak performance of the first quarter of the preceding year to the harsh winter that came late in the season.

The *Electrical distribution products* product area displayed continued stable growth, while some slowdown was noted in the *Project business* and *Temporary electric installations* product areas compared with the year-earlier period. Activity in the *Temporary electric installations* market displayed a higher degree of volatility than during recent quarters.

The *E-mobility* product area reported continued strong sales growth throughout the entire product program in Sweden.

GARO Sweden Key figures		Jan–Mar 2019	Jan–Mar 2018	R12	Jan–Dec 2018
Net sales	MSEK	163.4	138.6	620.3	595.5
Growth	%	18	14	11	10
EBIT	MSEK	16.3	17.3	73.8	74.8
EBIT margin	%	10.0	12.5	11.9	12.5
Investments	MSEK	5.6	3.1	20.6	15.3
Depreciation	MSEK	3.5	2.8	11.5	11.0
Number of employees		240	233	235	234

For definitions of key figures, see page 19



GARO Other markets

NET SALES AND EARNINGS

Net sales for the quarter for GARO *Other markets* increased 24% to MSEK 85.0 (68.4), with strong volume growth in both *E-mobility* and construction-related product areas overall and in all countries in which GARO is represented. All countries where GARO is represented demonstrated healthy growth.

EBIT was MSEK 12.9 (7.6) and the EBIT margin improved to 15.1% (11.1) for the first quarter. EBIT margin improved as a result of strong volume growth.

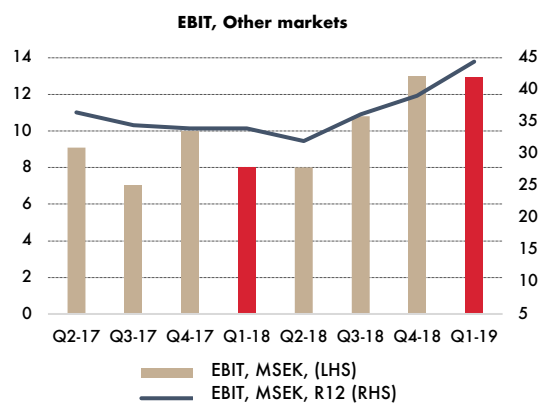
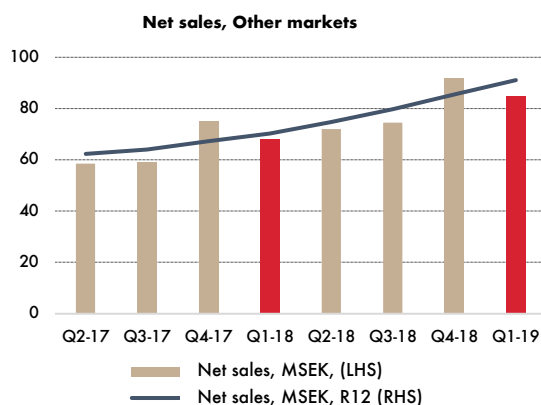
PRODUCT AREAS

The major product areas in construction-related product areas – *Electrical distribution products* and *Project business* – continued to demonstrate stable growth, while sales in *Temporary electric installations* remained low.

The *E-mobility* product area reported continued strong sales growth throughout the entire business area Other markets, albeit from relatively low volumes. We have great confidence in the fact that sales of charging infrastructure has picked up in all countries.

GARO Other markets		Jan-Mar	Jan-Mar		Jan-Dec
Key figures		2019	2018	R12	2018
Net sales	MSEK	85.0	68.4	323.3	306.7
Growth	%	24	15	24	22
EBIT	MSEK	12.9	7.6	44.4	39.1
EBIT margin	%	15.1	11.1	13.7	12.7
Investments	MSEK	1.0	4.8	0.0	7.4
Depreciation	MSEK	0.9	0.9	4.0	4.0
Number of employees	No.	184	161	170	168

For definitions of key figures, see page 19



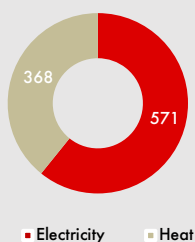
Sustainability

GARO deliberately strives to reduce our climate impact, for example through electric or hybrid company cars, using fuel with a smaller environmental impact and streamlining internal transportation and delivery. Different sustainability aspects are an integrated part of our daily operations. During 2019, we are continuing our work to reduce our own climate impact.

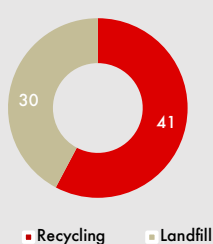
At the end of 2018, we replaced natural gas with biogas for heating the facilities in Gnosjö. This is expected to lead to approximately 90% lower climate emissions from heating and a reduction of about 25% in the operations' total climate emissions. Biogas has the advantage that it can be produced locally from food waste and sewage sludge. During the quarter, we also renewed our agreement with our electricity supplier, which provides origin-certified hydroelectricity to our facilities in Gnosjö in Sweden and Drammen in Norway. We also continue to analyze and review our logistics stream between our units and out to customers to minimize our environmental impact and to achieve a more efficient logistics stream.

For more information about our goals for a sustainable environment, refer to our 2018 Annual Report, pages 34–39.

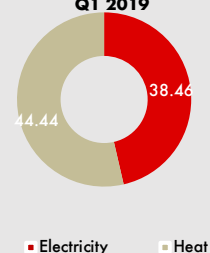
**Energy consumption (MWh), Group
Q1 2019**



**Waste (Ton), Group
Q1 2019**



**Energy consumption (Ton CO₂)
emissions
Q1 2019**



Parent Company figures

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 first quarter amounted to MSEK 149.0 (117.2), up 27%. Of this amount, MSEK 50.8 (43.6) comprised internal sales to other Group companies.

EBIT amounted to MSEK 9.4 (10.3).

About GARO

GARO develops, manufactures and supplies innovative products and systems for the electrical installations market 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 has 402 employees and its head office is located in Gnosjö. The share is listed on Nasdaq Stockholm.

BUSINESS CONCEPT

With a focus on innovation, sustainability and design, GARO provides profitable complete solutions for the electrical industry.

VISION

Determined to meet tomorrow's opportunities, we are constantly evolving to be the leading innovator in our product areas.

MISSION

Through knowledge, innovation and commitment, our common desire is to develop complete solutions that are future-proof.

FINANCIAL TARGETS

- Sales growth: Organic growth will amount to not less than 10% per year.
- Profitability: The EBIT margin for the Group will amount to not less than 10% of net sales per year.
- Return: Return on equity will amount to not less than 20%.
- Equity ratio: The equity ratio will be not less than 30%.
- Dividend policy: The dividend will amount to approximately 50% of the Group's net 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.

VALUES

- Innovative: We are an innovative force that develops opportunities and business for our customers. This makes us a dedicated, responsive and active partner.
- Pride: Our unique history, strong development and bright future, have created our special "garo culture." It gives us confidence and pride in everything we do.
- Expertise: We are experts in what we do and value the knowledge that leads to our clients' development and profitability.

Overview

NATURE OF OPERATIONS

GARO develops, manufactures and supplies innovative products and systems for the electrical installations market 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 business concept is *"with a focus on innovation, sustainability and design, GARO provides profitable complete solutions for the electrical industry."*

SEASONAL VARIATIONS

GARO's operations are, to a certain degree, subject to season variations. GARO's sales are generally stable from one quarter to the next, but can fluctuate monthly within the quarter. Sales can be somewhat lower during the vacation months (July–August) and from December to January. During periods of high production, GARO is normally tied up in working capital. Cash and cash equivalents is freed from working capital after the busy season, when the finished products have been installed in customers' facilities and invoices have been paid.

RISKS AND UNCERTAINTIES

GARO's risks and uncertainties are described in Note 3 on pages 57–60 of the 2018 Annual Report. The Annual Report is available at www.garo.se. IFRS 16 "Leases" applies from January 1, 2019 with a modified retrospective approach. The company believes that this new application of IFRS 16 entails some changes that affect the company's risks and uncertainties compared with how they were described in the 2018 Annual Report. Aside from these, no other changes have affected the company's view of risks and uncertainties.

ALTERNATIVE PERFORMANCE MEASURES

In this interim report, Garo presents certain financial measures that are not defined by IFRS, known as alternative performance measures. The Group believes that these measures provide valuable supplementary information to investors since they enable evaluations of the company's earnings and financial position. These financial measures are not always comparable with the measures used by other companies since not all companies calculated them in the same way. Investors should view these financial measures as a supplement rather than a replacement of financial reporting in accordance with IFRS.

RELATED-PARTY TRANSACTIONS

Related-party transactions took place to the same extent as previously, and the same principles were applied as those described in the 2018 Annual Report.

ACCOUNTING POLICIES

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. Disclosures in accordance with IAS 34, 16A are presented in the financial statements and their notes in the interim information on pages 1–23, which constitute an integrated part of this financial statement.

The Parent Company's interim report was prepared in accordance with Chapter 9 of the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.

Garo AB applies the same accounting policies as in the most recent Annual Report, except that Garo AB from January 1, 2019 applies IFRS 16, which requires that assets and liabilities attributable to all leases, with some exceptions, are recognized in the balance sheet.

This approach is based on the lessee having the right to use the asset during a specific period of time and a liability to pay for this right. Some of the Group's commitments are encompassed by the exception for short-term contracts and contracts of smaller values.

Implementing IFRS 16 has entailed a change in the Group's accounting policies, which are applied with the modified retrospective approach. This means that the opening balance has been restated at January 1, 2019.

THE TRANSITION TO IFRS 16 HAD THE FOLLOWING PRELIMINARY EFFECTS ON THE CONSOLIDATED BALANCE SHEET ON THE TRANSITION DATE OF JANUARY 1, 2019.

<i>Amount in MSEK</i>	2018-12-31	Effect	2019-01-01
ASSETS			
Fixed assets			
Intangible assets	55.1		55.1
Tangible assets/right-of-use	100.3	10.1	110.4
Deferred tax assets	10.3	-	10.3
Total effect, fixed assets	165.7	10.1	175.8
EQUITY AND LIABILITIES			
Retained earnings	296.2		296.2
Long-term liabilities			
Interest-bearing liabilities	36.4		36.4
Other provisions/lease liabilities	1.5	5.8	7.3
Deferred tax liabilities	2.2	-	2.2
Total effect, long-term liabilities	40.1	5.8	45.9
Short-term liabilities			
Interest-bearing liabilities	17.7		17.7
Accounts payable	103.4		103.4
Other short-term liabilities/lease liabilities	108.4	4.3	112.7
Total effect, short-term liabilities	229.5	4.3	233.8
TOTAL EFFECT, EQUITY AND LIABILITIES	565.8	10.1	575.9

In the table above, deferred tax assets and tax liabilities attributable to the right-of-use and the lease liability have been recognized net in those cases in which a legal right exists to offset the deferred taxes. GARO has identified leases pertaining to company cars and rental agreements. The most significant assessments in determining the amounts above refer to establishing the lease terms and whether an agreement is or contains a lease.

Commitments for operational leases at December 31, 2018

Financial lease liabilities at December 31, 2018	15.1
Leases with short terms and leases of lower value (expensed straight-line)	-5.0
Effects of extension options	0.0
Effects of termination possibilities	0.0
Discount effect	0.0
Lease liability recognized in the opening balance on January 1 2019	10.1

The company has used a weighted average incremental borrowing rate of 1.0% with the establishment of lease liability in the opening balance per January 1, 2019.

CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

<i>Amount in MSEK</i>	Jan–Mar 2019	Jan–Mar 2018	R12	Jan–Dec 2018
Operating income				
Net sales	248.4	207.0	943.6	903.7
Other operating income	1.3	1.6	3.9	2.7
Total operating income	249.7	208.6	947.5	906.4
Operating expenses				
Raw materials and consumables	-125.4	-103.4	-479.1	-457.1
Other external expenses	-31.7	-26.1	-121.8	-116.1
Personnel expenses	-59.0	-50.3	-213.0	-204.4
Depreciation/amortization of tangible and intangible assets	-4.4	-3.7	-15.7	-15.0
Other operating expenses	-	-	-	-
EBIT	29.2	25.1	117.9	113.8
Result from financial items				
Net financial income/expenses	1.4	-0.8	-5.8	-8.1
Profit before tax	30.6	24.3	112.1	105.7
Income tax	-5.7	-5.2	-23.6	-23.0
Net income	24.8	19.1	88.4	82.7
Other comprehensive income:				
Items that may be reclassified to the income statement				
Translation differences	1.5	2.7	-0.4	1.5
Other comprehensive income, net	1.5	2.7	-0.4	1.5
Total comprehensive income for the year	26.3	21.8	88.0	84.2
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
Earnings per share, before and after dilution, SEK	2.48	1.91	8.84	8.27

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amount in MSEK</i>	2019-03-31	2018-03-31	2018-12-31
ASSETS			
Fixed assets			
Intangible assets	57.0	50.4	55.1
Tangible assets	112.0	103.1	100.3
Financial assets	10.0	9.7	10.3
Total fixed assets	179.0	163.2	165.7
Current assets			
Inventories	178.1	163.3	161.8
Accounts receivable	216.1	173.9	218.7
Other current receivables	12.5	13.6	11.1
Cash and cash equivalents	7.2	20.1	8.4
Total current assets	413.9	370.9	400.1
TOTAL ASSETS	592.9	534.1	565.8
EQUITY AND LIABILITIES			
Share capital	20.0	20.0	20.0
Other reserves	5.1	4.8	3.6
Other equity including net income for the period	297.4	249.7	272.6
Total equity	322.5	274.5	296.2
Long-term liabilities			
Liabilities to credit institutions	38.8	37.8	36.4
Other provisions	1.6	1.6	1.5
Deferred tax liabilities	2.0	4.6	2.0
Total long-term liabilities	42.4	44.0	39.9
Short-term liabilities			
Liabilities to credit institutions	13.0	35.4	17.7
Accounts payable	104.4	93.2	103.4
Other short-term liabilities	110.6	87.0	108.6
Total short-term liabilities	228.0	215.6	229.7
TOTAL EQUITY AND LIABILITIES	592.9	534.1	565.8

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to shareholders in the Parent Company <i>Amount in MSEK</i>	Share capital	Reserves	Retained results	Total equity
Equity at January 1, 2018	20.0	2.1	230.6	252.7
Net income for the period			19.1	19.1
Other comprehensive income for the period		2.7		2.7
Dividend to shareholders			-40.4	-40.4
Change in value, liability, put option			-0.3	-0.3
Closing equity, March 31, 2018	20.0	4.8	249.7	274.5
Equity at January 1, 2019	20.0	3.6	272.6	296.2
Net income for the period			24.8	24.8
Other comprehensive income for the period		1.5		1.5
Dividend to shareholders			-	-
Change in value, liability, put option			-	-
Closing equity, March 31, 2019	20.0	5.1	297.4	322.5

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT

<i>Amount in MSEK</i>	Jan-Mar 2019	Jan-Mar 2018	R12	Jan-Dec 2018
Operating activities				
Cash flow from operating activities before changes in working capital	24.0	17.7	106.2	99.9
Cash flow from changes in working capital	-14.8	-7.0	-33.7	-26.0
Cash flow from operating activities	9.2	10.7	72.5	73.9
Investing activities				
Investments in intangible assets	-2.4	-1.2	-10.4	-9.3
Acquisition of subsidiaries	-	-	-	-
Investments in tangible assets	-4.2	-6.9	-11.3	-13.9
Disposal of tangible assets	-	0.3	0.9	1.3
Cash flow from investing activities	-6.6	-7.8	-20.8	-21.9
Financing activities				
Net borrowing/amortization of loans	-3.9	-11.1	-24.4	-31.5
Dividend paid to shareholders	-	-	-40.4	-40.4
Cash flow from financing activities	-3.9	-11.1	64.8	-71.9
Cash flow for the period	-1.3	-8.2	-13.1	-19.9
Currency effect in cash and cash equivalents	0.1	0.1	0.1	0.1
Cash and cash equivalents, start of the period	8.4	28.2	20.4	28.2
Cash and cash equivalents, end of the period	7.2	20.1	7.4	8.4

CONDENSED PARENT COMPANY INCOME STATEMENT

<i>Amount in MSEK</i>	Jan-Mar 2019	Jan-Mar 2018	Jan-Dec 2018
Operating income			
Net sales	149.0	117.2	527.5
Other operating income	3.4	2.3	11.8
Total income	152.4	119.5	539.3
Operating expenses			
Raw materials and consumables	-95.2	-71.9	-331.4
Other external expenses	-16.2	-12.2	-52.0
Personnel expenses	-30.6	-22.6	-95.4
Depreciation/amortization of tangible and intangible assets	-2.2	-2.5	-9.9
Other operating expenses	1.3	-	5.9
EBIT	9.4	10.3	56.5
Result from financial items			
Profit from participations in Group companies	-	-	30.3
Net interest income and similar items	1.1	1.1	2.5
Net interest expenses and similar items	1.1	-1.7	-8.3
Profit before tax	11.6	9.7	80.9
Appropriations	-	-	13.0
Income tax	-2.2	-2.1	-15.5
Net income	9.4	7.6	78.4

The Parent Company does not have any items recognized as other comprehensive income which is why total comprehensive income corresponds to net income.

CONDENSED PARENT COMPANY BALANCE SHEET

<i>Amount in MSEK</i>	2019-03-31	2018-03-31	2018-12-31
ASSETS			
Intangible assets	17.5	10.0	15.6
Tangible assets	50.8	50.2	49.6
Participations in Group companies	43.7	42.7	43.7
Other financial assets	23.7	26.1	24.1
Total fixed assets	135.7	129.0	133.0
Current assets			
Inventories	61.7	60.0	55.4
Accounts receivable	98.6	69.7	101.1
Other receivables	94.9	87.8	96.1
Cash and bank balances	-	-	-
Total current assets	255.2	217.5	252.7
TOTAL ASSETS	390.9	346.5	385.7
EQUITY AND LIABILITIES			
Share capital	20.0	20.0	20.0
Fund for internal development expenses	8.2	1.8	8.2
Statutory reserve	2.6	2.6	2.6
Non-restricted equity including net income for the period	196.2	162.4	186.8
Total equity	227.0	186.8	217.6
Untaxed reserves	0.9	7.9	0.9
Provisions	2.8	3.3	2.8
Long-term liabilities			
Liabilities to credit institutions	23.0	22.7	20.4
Total long-term liabilities	23.0	22.7	20.4
Short-term liabilities			
Short-term interest-bearing liabilities	4.2	26.8	11.1
Short-term non-interest-bearing liabilities	133.0	99.0	132.9
Total short-term liabilities	137.2	125.8	144.0
TOTAL EQUITY AND LIABILITIES	390.9	346.5	385.7

SALES AND EBIT BY SEGMENT

	Sweden		Other markets		Elimination		Group	
	Kv1	Kv1	Kv1	Kv1	Kv1	Kv1	Kv1	Kv1
Segment information	2019	2018	2019	2018	2019	2018	2019	2018
Sales								
Total net sales	218.5	186.5	143.1	100.9	-113.3	-80.4	248.4	207.0
Internal net sales	-55.2	-47.9	-58.1	-32.5	113.3	80.4	-	-
External net sales	163.4	138.6	85.0	68.4	-	-	248.4	207.0
EBIT	16.3	17.5	12.9	7.6	-	-	29.2	25.1
Net financial income/expenses	-	-	-	-	-	-	1.4	-0.8
Tax expense for the year	-	-	-	-	-	-	-5.7	-5.2
Net income for the year	-	-	-	-	-	-	24.8	19.1

GARO GROUP MULTI-YEAR OVERVIEW AND KEY FIGURES

		Jan-Mar	Jan-Mar		Full-year	Full-year	Full-year	Full-year
		2019	2018	R12	2018	2017	2016	2015
Net sales	MSEK	248.4	207.0	943.6	902.3	796.0	657.8	554.1
Growth	%	20	14	15	13	21	19	25
EBITDA	MSEK	33.6	28.8	133.6	128.8	110.3	84.8	74.3
EBITDA margin	%	13.5	13.9	14.2	14.3	13.9	12.9	13.4
EBIT	MSEK	29.2	25.1	117.9	113.8	98.1	73.8	62.4
EBIT margin	%	11.7	12.1	12.5	12.6	12.3	11.2	11.3
Earnings per share, before and after dilution	SEK	2.48	1.91	8.84	8.27			
Equity per share	SEK	32.3	27.5	32.3	29.6	25.3	19.4	-
Return on equity*	%	29.6	35.3	29.6	30.1	38.3	32.4	31.3
Investments	MSEK	6.6	7.9	20.8	21.9	51.4	12.8	13.8
Amortization/depreciation	MSEK	4.4	3.7	15.7	15.0	12.2	11.0	11.9
Equity ratio	%	54.4	51.4	54.4	52.4	47.3	52.0	49.8
Net debt	MSEK	49.7	53.1	49.7	45.7	56.1	-17.3	-0.4
Net debt/EBITDA*	multiple	0.4	0.5	0.4	0.4	0.5	-0.2	0.0
Number of employees		424	394	406	402	376	274	254

For definitions of key figures, see page 19

QUARTERLY FIGURES

Consolidated income statement	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<i>Amount in MSEK</i>	2019	2018	2018	2018	2018	2017	2017	2017	2017
Net sales	248.4	268.4	212.7	214.2	207.0	238.3	184.1	192.0	181.6
Operating expenses	-219.2	-230.9	-184.2	-191.4	-181.9	-207.4	-163.0	-169.5	-158.0
EBIT	29.2	37.5	28.5	22.8	25.1	30.9	21.1	22.5	23.6
Net financial income/expenses	1.4	-1.3	-2.8	-3.2	-0.8	-1.6	-0.3	-0.2	-0.1
Profit before tax	30.6	36.2	25.7	19.6	24.3	29.3	20.8	22.3	23.5
Tax	-5.7	-10.7	-3.0	-4.2	-5.2	-3.3	2.4	-4.4	-5.0
Net income	24.8	25.5	22.7	15.4	19.1	26.0	23.2	17.9	18.5

Net sales per segment	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<i>Amount in MSEK</i>	2019	2018	2018	2018	2018	2017	2017	2017	2017
GARO Sweden	163.4	176.4	138.3	142.3	138.6	163.5	124.9	133.5	121.8
GARO Other markets	85.0	92.0	74.4	71.9	68.4	74.8	59.2	58.5	59.8
Total Group	248.4	268.4	212.7	214.2	207.0	238.3	184.1	192.0	181.6

EBIT per segment	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<i>Amount in MSEK</i>	2019	2018	2018	2018	2018	2017	2017	2017	2017
GARO Sweden	16.3	24.5	17.7	15.1	17.5	20.8	14.1	13.4	16.2
GARO Other markets	12.9	13.0	10.8	7.7	7.6	10.1	7.0	9.1	7.4
Total Group	29.2	37.5	28.5	22.8	25.1	30.9	21.1	22.5	23.6

Key figures and definitions

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.

EBIT: Earnings before interest and tax

EBIT margin, %: EBIT as a percentage of net sales for the period

Earnings per share, before and after dilution, SEK: Net income for the period divided by the number of shares at the end of the period

EBITDA: Earnings before interest, taxes, depreciation and amortization

EBITDA margin, %: EBITDA as a percentage of net sales for the period

Equity per share, SEK: 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

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

Organic growth: Growth that the Group achieved with its own production

Economic information

INVITATION TO PRESENTATION FOR THE PRESS AND ANALYSTS

On May 15, 3:00 p.m., the President and CEO Patrik Andersson and CFO Helena Claesson will present the report and respond to questions in a teleconference.

Telephone number:

Sweden: 010 884 80 16

International: +44 20 3936 2999

Code: 732065

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.

FOR MORE INFORMATION, PLEASE CONTACT:

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Helena Claesson, CFO: +46 (0)70 6760750

Malin Rylander Thordén, IR Director: +46 (0)76 894 95 96

FINANCIAL CALENDAR

Coming report occasions:

Annual General Meeting:

Second quarter of 2019:

Third quarter of 2019:

May 15, 2019 in Gnosjö

August 22, 2019

November 7, 2019

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, May 15, 2019

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

Stefan Jonsson
Chairman

Rickard Blomqvist
Board member

Susanna Hilleskog
Board member

Per Holmstedt
Board member

Lars-Åke Rydh
Board member

Lars Svensson
Board member

Patrik Andersson
Acting President and CEO

This information is such information that GARO aktiebolag is obligated to publish in accordance with the EU Market Abuse Regulation. The information was published by the abovementioned contact persons on May 15, 2019, at 2.30 pm.