



YEAR-END REPORT 2020

CONTINUED STRONG GROWTH IN E-MOBILITY

OCTOBER – DECEMBER 2020

- Net sales amounted to MSEK 306.3 (277.8).
- EBIT amounted to MSEK 49.5 (35.9).
- EBIT margin amounted to 16.2% (12.9).
- Net income was MSEK 34.4 (24.6).
- Earnings per share¹ amounted to SEK 3.44 (2.46).

JANUARY – DECEMBER 2020

- Net sales amounted to MSEK 1,039.8 (1,008.1).
- EBIT amounted to MSEK 136.2 (112.6).
- EBIT margin amounted to 13.1% (11.2).
- Net income was MSEK 95.3 (85.7).
- Earnings per share¹ amounted to SEK 9.53 (8.57).
- The Board proposes a dividend of SEK 4.75 per share (0.00).

EVENTS AFTER THE END OF THE QUARTER

On January 1, 2021, GARO completed an incorporation of the E-mobility product area by transferring operations to the wholly-owned subsidiary GARO E-mobility AB. The purpose of the incorporation is to sharpen focus, intensify our development activities and further broaden and strengthen our offering to the market.

GARO Group key figures	Oct–Dec 2020	Oct–Dec 2019	+/- %	Jan–Dec 2020	Jan–Dec 2019	+/- %
Net sales, MSEK	306.3	277.8	10	1039.8	1,008.1	3
EBITDA, MSEK	56.3	42.2	33	163.2	134.9	28
EBITDA margin, %	18.4	15.2		15.7	13.4	
EBIT, MSEK	49.5	35.9	38	136.2	112.6	21
EBIT margin, %	16.2	12.9		13.1	11.2	
Net income, MSEK	34.4	24.6	40	95.3	85.7	11
Earnings per share ¹ , SEK	3.44	2.46	40	9.53	8.57	11
Cash flow from operating activities, MSEK	82.6	68.9		86.9	121.9	
Investments, MSEK	9.5	8.3		45.3	33.4	
Depreciation, MSEK	6.7	6.3		27.0	22.3	
Equity ratio, %	57.9	52.2		57.9	52.2	
Equity per share ² , SEK	43.0	34.3		43.0	34.3	
Return on equity, %	24.7	26.8		24.7	26.8	
Net debt (+) / net cash position (-), MSEK	11.3	45.6		11.3	45.6	

¹) Earnings per share were not diluted, so earnings per share pertains to before and after dilution.

²) For definitions of key figures, see page 18.

³) Where applicable, the difference compared with previously reported figures for 2019 is due to changed application/recognition of IFRS 16.

CEO's comments on the quarter

CONTINUED STRONG GROWTH IN E-MOBILITY

GARO strengthened its position in a year that was otherwise dominated by COVID-19 and its impact on employees, customers, suppliers and society at large. Net sales increased a total of 3% with healthy growth in the GARO Sweden business area and performance in line with the preceding year in the Other markets business area. The sales trend was primarily driven by our quickest growing product area: E-mobility.

EBIT for the full-year increased 21% and the EBIT margin was 13.1% (11.2), for which GARO has benefited from increased volumes, improved production efficiency and strict cost control. Profit per share increased to SEK 9.53 (8.57) and the Board proposes a dividend of 4.75 per share.

THE FOURTH QUARTER A RECORD QUARTER FOR GARO

As in previous years, GARO reported a seasonally strong fourth quarter. The fourth quarter was also a record-breaking quarter for sales and EBIT. During the fourth quarter, net sales rose 10% to MSEK 306.3. The market for construction-related product areas performed positively. Markets outside Sweden reported further recovery. Growth was driven by the product areas E-mobility and Electrical distribution products.

The EBIT margin for the quarter improved, due primarily to economies of scale from higher volumes and a favorable product mix compared with 2019. This, combined with general strict cost control, was the key reason for a stronger margin. EBIT for the quarter improved to MSEK 49.5 (35.9) and the EBIT margin amounted to 16.2% (12.9).

ELECTRICAL DISTRIBUTION PRODUCTS AND PROJECT BUSINESS PRODUCT AREAS

GARO has benefited from a high rate of renovation and investments in the energy efficiency of single-family homes and apartments, which has strengthened sales of, for example, cable cabinets and distribution cabinets. The strong growth in E-mobility has also had a positive effect on sales of standard components, which demonstrates the strength of our broad product portfolio with collaboration between the different product areas.

E-MOBILITY PRODUCT AREA

The E-mobility product area reported growth of 39% for the fourth quarter, with high demand across the entire product range. Demand for the Twin wall box, which launched during the first quarter of 2020, has been high. The acquisition of EV Charge Partner earlier in the year, which performs service and support as well as commissioning of charging infrastructure, has significantly strengthened our offering.

On January 1, 2021, GARO incorporated the E-mobility product area by transferring operations to the wholly-owned subsidiary GARO E-mobility AB. The purpose of the incorporation of the E-mobility product area is to sharpen focus, intensify our development activities and further broaden and strengthen our offering to the market.

COVID-19

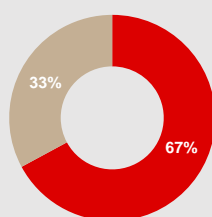
The ongoing pandemic had a relatively limited impact on the GARO Sweden business area in 2020. For the GARO Other markets business area, we noted a continued recovery during the fourth quarter. At the time of writing, demand in the market is generally healthy. However, increased restrictions primarily in the UK and Ireland have impacted demand negatively. GARO has not applied for or received any financial support from the Swedish Agency for Economic and Regional Growth as a result of COVID-19.

MARKET CONDITIONS

We assess that the core market conditions have essentially not changed aside from the pandemic, even though great uncertainty prevails in society in regard to the pandemic's long-term consequences on the economy. The market for charging infrastructure is growing structurally with rising numbers of rechargeable vehicles, and we see a continuing strong trend with further expansion of the charging infrastructure in all markets. Demand for construction-related products in Sweden combined with the important renovation sector is expected to remain stable. Housing construction has slowed down slightly from its peaks during the last few years but the production rate remains high and stable. The trend in other markets served by GARO, aside from the pandemic, is expected to be similar. All in all, GARO has a positive view of long-term market conditions, mainly driven by growth in charging infrastructure.

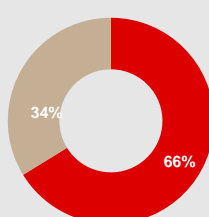
Patrik Andersson
President and CEO

Allocation of net sales by business area, Jan–Dec 2020



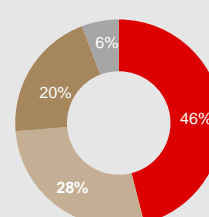
■ GARO Sweden
■ GARO Other markets

Allocation of EBIT by business area, Jan–Dec 2020



■ GARO Sweden
■ GARO Other markets

Allocation of net sales by product area, Jan–Dec 2020



■ Electrical distribution products
■ E-mobility
■ Project business
■ Temporary power

Group figures

NET SALES

The Group's net sales for the fourth quarter of 2020 were 10% higher compared to the year-earlier period, driven by strong growth in the E-mobility product area and healthy growth in the Electrical distribution products product area.

Analysis of change in net sales	Oct-Dec 2020 (MSEK)	Oct-Dec 2020 (%)	Oct-Dec 2019 (MSEK)	Oct-Dec 2019 (%)
Year-earlier period	277.8		268.4	
Organic growth	26.8	9	12.3	5
Acquisitions and structural changes	2.3	1	0	0
Exchange-rate effects	-0.6	0	-2.9	-1
Current quarter	306.3	10	277.8	4

During the quarter, the GARO Sweden business area reported growth of 11% as a result of strong performance in the E-mobility product area and healthy growth in Electrical distribution products, partially counteracted by lower sales in the Temporary Power product area. The GARO Other markets business area increased 9% during the quarter with healthy growth primarily in the Project business and E-mobility product areas.

The Group's net sales for the full-year 2020 reported growth of 3% compared with the preceding year.

Analysis of change in net sales	Jan-Dec 2020 (MSEK)	Jan-Dec 2020 (%)	Jan-Dec 2019 (MSEK)	Jan-Dec 2019 (%)
Year-earlier period	1,008.1		903.7	
Organic growth	29.2	3	106.0	13
Acquisitions and structural changes	3.1	0	0	0
Exchange-rate effects	-0.6	0	-1.6	-1
Current period	1,039.8	3	1,008.1	12

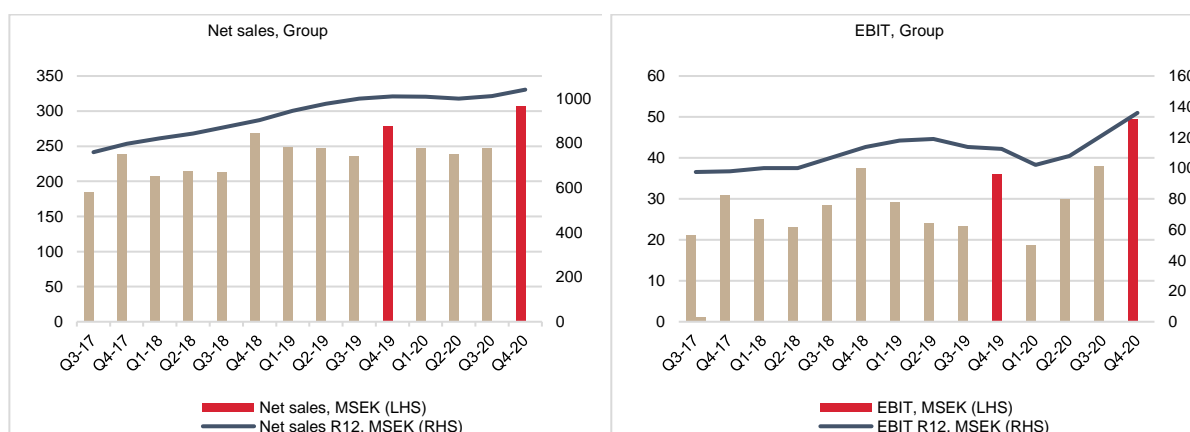
For definitions of key figures, see page 18

For the full-year 2020, the GARO Sweden business area reported growth of 5% as a result of strong performance in the E-mobility product area, partially counteracted by lower sales in the other product areas as a whole. The GARO Other markets business area reported net sales at the same level as the preceding year, with healthy growth in all product areas except Electrical distribution products.

EBIT

EBIT for the quarter improved to MSEK 49.5 (35.9) and the EBIT margin amounted to 16.2% (12.9). Economies of scale from increased volumes, a favorable product mix and a more advantageous currency situation are the main reasons for this. General strict cost control also contributed to an improved EBIT margin.

EBIT for the full-year 2020 amounted to MSEK 136.2 (112.6). EBIT for 2019 includes non-recurring costs of MSEK 1.8.



NET INCOME

Net financial items amounted to MSEK -4.6 (-2.5) for the quarter, where movements in exchange rates with a recovery of the SEK against the EUR resulted in revaluations of hedging by MSEK -2.0. The strong SEK also led to currency effects on financial assets amounting to MSEK -1.5. Net income amounted to MSEK 34.4 (24.6) and earnings per share amounted to MSEK 3.44 (2.46). Tax was MSEK -10.5 (-8.7).

Net financial items amounted to MSEK -13.1 (-2.5) for the full-year, where movements in exchange rates of the SEK against the EUR and NOK resulted in revaluations of hedging by MSEK -3.9, but also led to currency effects on financial assets amounting to MSEK -7.0.

Net income for the full-year improved to MSEK 95.3 (85.7). Earnings per share for the year, before and after dilution, amounted to SEK 9.53 (8.57).

Tax for the full-year was MSEK 27.7 (24.4) and the average effective tax rate for the Group for the full-year was 22.5% (22.1). The Group's operations in Poland are conducted in a tax-exempt Special Economic Zone where unutilized tax benefits can be utilized until 2026.

CASH FLOW AND INVESTMENTS

Cash flow from operating activities in the quarter amounted to MSEK 82.6 (68.9), which was attributable to a higher EBIT combined with lower tied-up working capital compared with the year-earlier period. Cash flow from operating activities for the full-year amounted to MSEK 86.9 (121.9).

Investments for the quarter amounted to MSEK 9.5 (8.3), of which MSEK 8.0 (5.9) pertained to product development.

Investments for the full-year 2020, excluding acquisitions of subsidiaries, amounted to MSEK 39.6 (33.4), of which MSEK 24.6 (15.0) pertained to product development. Investments in properties amounted to MSEK 7.8.

The company has invested in right-of-use assets (leases and rental contracts) amounting to MSEK 9.8 (39.5) during the year.

LIQUIDITY AND FINANCIAL POSITION

The Group's net debt at the end of the period amounted to MSEK 11.3 compared with MSEK 45.6 for the year-earlier period. The Group's net cash excluding lease liabilities, which is to say effects of IFRS 16, amounted to MSEK 26.7 (3.7)

Available liquidity in the Group, including unutilized overdraft facilities, amounted to MSEK 166.7 (128.7) and the equity ratio was 57.9% (52.2).

NOMINATION COMMITTEE OCH ANNUAL GENERAL MEETING

Stefan Jonsson, Chairman of the Board of GARO, informed the Nomination Committee at the company's 2021 Annual General Meeting that he will not be standing for re-election, as previously announced.

The members appointed to the Nomination Committee until the 2021 Annual General Meeting are: Lars Kongstad appointed by Lars Svensson, Fredrik Carlsson appointed by Svolder AB, Jan Särilvik appointed by Nordea Investment Funds and Stefan Jonsson in his capacity as Chairman of GARO AB.

EVENTS AFTER THE END OF THE QUARTER

On January 1, 2021, GARO completed an incorporation of the E-mobility product area by transferring operations to the wholly-owned subsidiary GARO E-mobility AB. The purpose of the incorporation is to sharpen focus, intensify our development activities and further broaden and strengthen our offering to the market.

DIVIDEND

The Board proposes a dividend for the 2020 fiscal year of SEK 4.75 per share (0.00), corresponding to a total dividend of MSEK 47.5, which comprises 50% of earnings after tax. As a precaution, GARO did not make a dividend for the financial year 2019. With the proposed dividend for the financial year 2020, GARO returns to the previously established dividend policy.

INCOME FROM CUSTOMERS SPECIFIED BY PRODUCT AREA AND BUSINESS AREA

Product area	GARO Sweden			GARO Other markets			Total		
	Oct-Dec 2020	Oct-Dec 2019	growth, %	Oct-Dec 2020	Oct-Dec 2019	growth, %	Oct-Dec 2020	Oct-Dec 2019	growth, %
Electrical distribution products	77.7	74.0	5%	55.0	53.3	3%	132.7	127.3	4%
Project business	42.9	47.1	-9%	12.3	9.2	34%	55.2	56.3	-2%
Temporary Power	18.2	21.4	-15%	1.7	1.7	0%	19.9	23.1	-14%
E-mobility	69.9	45.2	55%	29.2	25.9	13%	99.1	71.1	39%
Total	208.7	187.7	11%	98.2	90.1	9%	306.9	277.8	10%

Product area	GARO Sweden			GARO Other markets			Total		
	Jan-Dec 2020	Jan-Dec 2019	growth, %	Jan-Dec 2020	Jan-Dec 2019	growth, %	Jan-Dec 2020	Jan-Dec 2019	growth, %
Electrical distribution products	275.3	276.8	-1%	203.5	213.6	-5%	478.8	490.4	-2%
Project business	174.1	177.2	-2%	39.1	36.9	6%	213.2	214.1	0
Temporary Power	54.7	65.5	-16%	5.6	5.1	10%	60.3	70.6	-15%
E-mobility	193.9	145.6	33%	94.2	87.4	8%	288.1	233.0	24%
Total	698.0	665.1	5%	342.4	343.0	0%	1,040.4	1,008.1	3%

INCOME FROM CUSTOMERS BASED ON GEOGRAPHIC LOCATION

Geographic location	GARO Sweden			GARO Other markets			Total		
	Jan-Dec 2020	Jan-Dec 2019	growth, %	Jan-Dec 2020	Jan-Dec 2019	growth, %	Jan-Dec 2020	Jan-Dec 2019	growth, %
Sweden	678.6	646.4	5%	0	0	0	678.6	646.4	5%
Norway	0	0	0	173.4	187.4	-7%	173.4	187.4	-7%
Ireland	0	0	0	114.0	117.8	-3%	114.0	117.8	-3%
Finland	0	0	0	31.1	26.6	17%	31.1	26.6	17%
Other countries	19.4	18.7	4%	23.9	11.2	113%	43.3	29.9	45%
Total income from customers	698.0	665.1	5%	342.4	343.0	0%	1,040.4	1,008.1	3%

Business areas

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

GARO Sweden

NET SALES AND EARNINGS

Net sales in GARO Sweden amounted to MSEK 208.7 for the fourth quarter, compared with MSEK 187.7 for the year-earlier period. Growth was primarily driven by the E-mobility product area but also to some extent by the Electrical distribution products product area.

EBIT for the quarter improved to MSEK 38.3 (23.8) and the EBIT margin amounted to 18.4% (12.7). The margin improved primarily as a result of increased sales volumes, product mix and general strict cost control.

PRODUCT AREAS

Sales in the E-mobility product area remain strong and growth for the quarter was 55% compared with the year-earlier period. Demand was strong for the entire product range. The strong growth in Sweden is in line with the development that GARO has noted in the number of new rechargeable vehicles and the associated demand for charging infrastructure. ROT (Repairs, Conversion, Extension) tax deductions of 50% of the labor and material costs for the installation of wall boxes also became available in Sweden from January 2021.

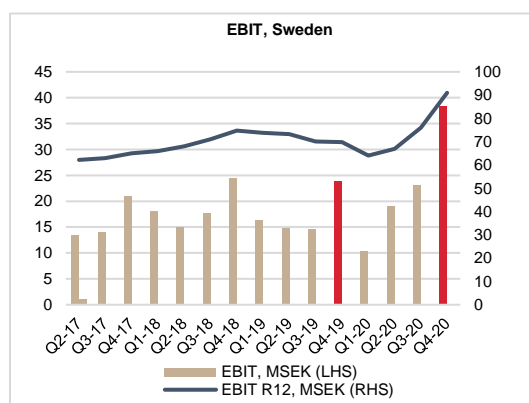
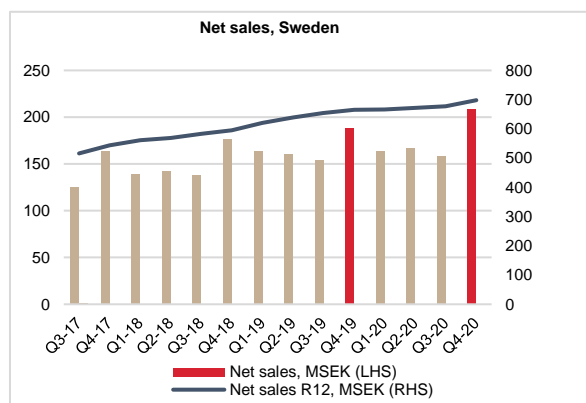
Sales in the Electrical distribution products product area increased 5% during the quarter compared with the year-earlier period. The market as a whole is assessed to be unchanged during the fourth quarter compared with the preceding year, which indicates that GARO has captured market shares in the Electrical distribution products product area.

Net sales in the Project business product area decreased 9% compared with year-earlier period as the market has been more cautious during the fourth quarter. However, GARO sees a continued high demand for customer-tailored distribution cabinets, cable cabinets and switchgears.

Sales in the Temporary Power product area remained weak with a sales reduction at the same level as previous quarters.

GARO Sweden		Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Key figures		2020	2019	2020	2019
Net sales	MSEK	208.7	187.7	698.0	665.2
Growth	%	11	6	5	11
EBIT	MSEK	38.3	23.8	90.2	69.8
EBIT margin	%	18.4	12.7	12.9	10.5
Investments	MSEK	8.6	5.6	42.1	28.4
Depreciation	MSEK	5.6	5.3	22.6	18.1
Number of employees		240	237	240	237

For definitions of key figures, see page 18



GARO Other markets

NET SALES AND EARNINGS

Net sales in the GARO Other markets business area rose 9% to MSEK 98.2 (90.1) for the quarter, with higher sales in the Electrical distribution products, E-mobility and Project business product areas.

Sales increased in Poland, Finland and Ireland for the quarter, while sales in Norway decreased somewhat. The product facility in Poland maintained a healthy rate in the quarter.

EBIT for the quarter was MSEK 11.2 (12.1) and the EBIT margin amounted to 11.4% (13.4). Increased investments in the Other markets business area did not generated full effects due to the lockdowns resulting from COVID-19. This mainly applies to the UK.

PRODUCT AREAS

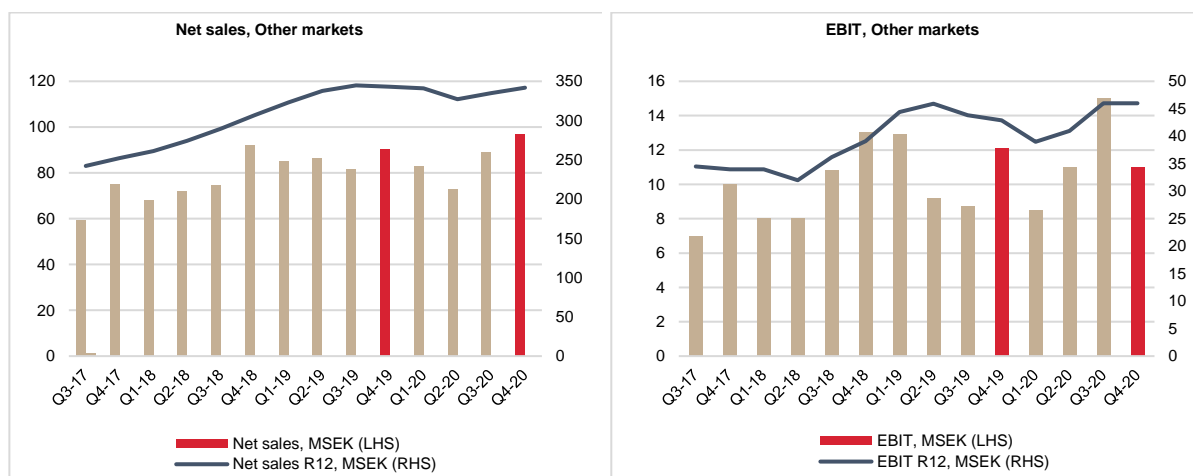
Sales in all product areas continued the recovery that the company noted in the third quarter, in line with markets opening up after the restrictive measures adopted to combat the spread of COVID-19.

Sales growth in rechargeable cars also gradually recovered during the second half of 2020, and there is a great demand for charging infrastructure for private use, public use and at work. The E-mobility product area increased 13% for the quarter, with growth in all markets. In 2021, GARO will continue investing in the UK, where a subsidiary with sales personnel was established at the end of 2019.

Sales in the Electrical distribution products and Project business product areas were higher in the fourth quarter with a strong trend in the Project business product area that increased 34%, driven by high demand for customized solutions in Norway and Ireland.

GARO Other markets		Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Key figures		2020	2019	2020	2019
Net sales	MSEK	98.2	90.1	342.4	343.0
Growth	%	9	-2	0	12
EBIT	MSEK	11.2	12.1	46.0	42.9
EBIT margin	%	11.4	13.4	13.4	12.5
Investments	MSEK	0.9	0.3	3.2	5.0
Depreciation	MSEK	1.1	1.1	4.4	4.2
Number of employees		172	184	172	184

For definitions of key figures, see page 18



Sustainability

The goal of GARO's strategic sustainability work is to be the leader in its area of operation for responsible business. One of our core values is "a long-term approach," which for GARO entails developing safe and innovative products and solutions for a sustainable future with a large amount of dedication.

UN SDGS

GARO has chosen the following 6 of the UN's 17 Sustainable Development Goals to work on for long-term sustainable development.



We always endeavor to be a leading player, in terms of responsible business, in all of our operating areas. We work daily with a long-term and systematic approach to minimize the negative impact that our activities, products and decisions have on the environment, society and people.

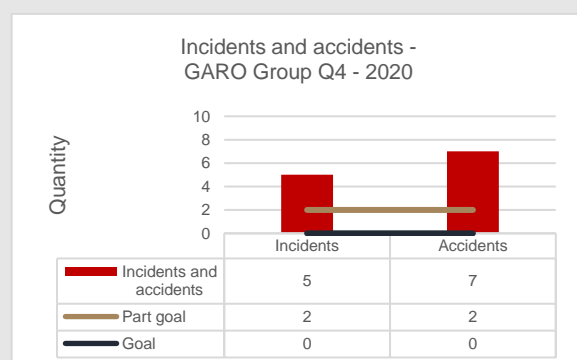
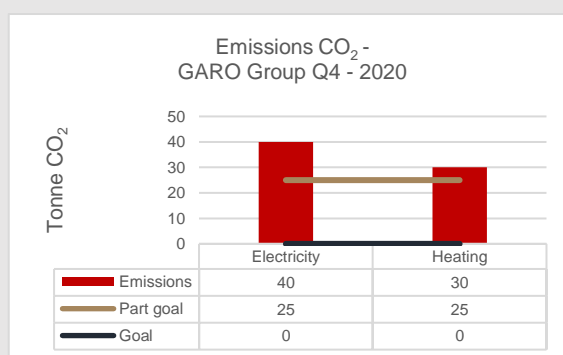
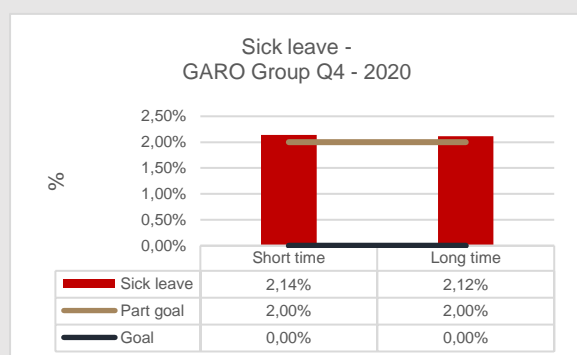
LIFE CYCLE ANALYSES FOR PRODUCTS

GARO has its own process for conducting life cycle analyses in order to assess and report our products' total environmental impact. GARO has noted an increase in customer demand for reporting an inventory of components that includes the contents of all materials and their environmental impact. These analyses will enable us to chart the available resource flows for products, and more easily identify what can be done to reduce the products' environmental impact. The pilot product to be analyzed is GARO's LS4 public charger because it is a product strongly connected to sustainable cities through its reduced climate impact.

GARO LISTED AS A SUSTAINABLE COMPANY

In 2020 and for the second year in a row, GARO was placed on the list of Sustainable Companies in the capital goods sector that was compiled by Dagens Industri, Aktuell Hållbarhet and Lund University School of Economics and Management. This is a testament to our sustainability work. In order to be awarded points, a sustainability strategy must be in place and it must also be connected and integrated to the UN's 17 SDGs. Actively integrated sustainability activities in the GARO Group has contributed to this positive outcome. Integrated work with sustainability issues and constant further development of our sustainability agenda is part of our mission and is positive from an environmental and employee perspective.

For more information about GARO's goals for a more sustainable environment, refer to our 2019 Annual Report, pages 36-42.



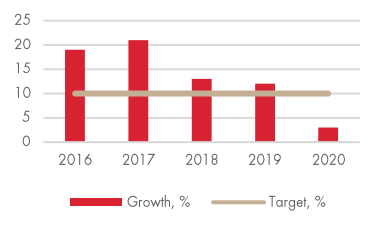
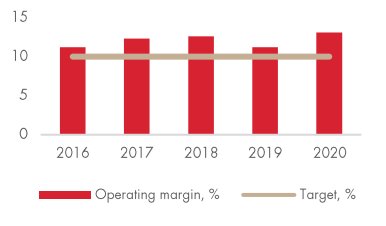
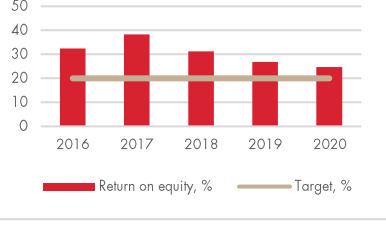
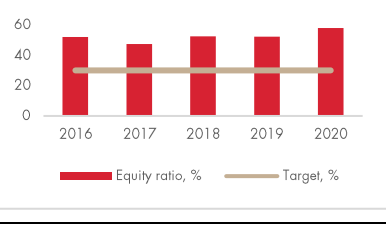
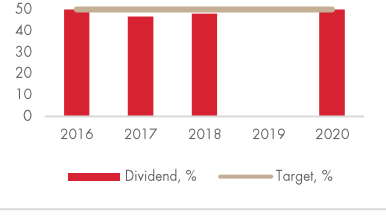
Parent Company figures

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 fourth quarter amounted to MSEK 190.8 (161.3), up 18%. Of this amount, MSEK 49.7 (48.0) comprised internal sales to other Group companies.

EBIT for the quarter amounted to MSEK 29.7 (17.5).

GARO's financial targets

<p>Sales growth</p> <p>Organic growth will amount to not less than 10% over a business cycle.</p>	 <table><tr><th>Year</th><th>Growth, %</th><th>Target, %</th></tr><tr><td>2016</td><td>18</td><td>10</td></tr><tr><td>2017</td><td>21</td><td>10</td></tr><tr><td>2018</td><td>13</td><td>10</td></tr><tr><td>2019</td><td>12</td><td>10</td></tr><tr><td>2020</td><td>3</td><td>10</td></tr></table>	Year	Growth, %	Target, %	2016	18	10	2017	21	10	2018	13	10	2019	12	10	2020	3	10
Year	Growth, %	Target, %																	
2016	18	10																	
2017	21	10																	
2018	13	10																	
2019	12	10																	
2020	3	10																	
<p>Profitability</p> <p>EBIT margin for the Group will amount to not less than 10% of net sales over a business cycle.</p>	 <table><tr><th>Year</th><th>Operating margin, %</th><th>Target, %</th></tr><tr><td>2016</td><td>11</td><td>10</td></tr><tr><td>2017</td><td>12</td><td>10</td></tr><tr><td>2018</td><td>13</td><td>10</td></tr><tr><td>2019</td><td>11</td><td>10</td></tr><tr><td>2020</td><td>13</td><td>10</td></tr></table>	Year	Operating margin, %	Target, %	2016	11	10	2017	12	10	2018	13	10	2019	11	10	2020	13	10
Year	Operating margin, %	Target, %																	
2016	11	10																	
2017	12	10																	
2018	13	10																	
2019	11	10																	
2020	13	10																	
<p>Return</p> <p>Return on equity will amount to not less than 20% over a business cycle.</p>	 <table><tr><th>Year</th><th>Return on equity, %</th><th>Target, %</th></tr><tr><td>2016</td><td>32</td><td>20</td></tr><tr><td>2017</td><td>38</td><td>20</td></tr><tr><td>2018</td><td>31</td><td>20</td></tr><tr><td>2019</td><td>26</td><td>20</td></tr><tr><td>2020</td><td>25</td><td>20</td></tr></table>	Year	Return on equity, %	Target, %	2016	32	20	2017	38	20	2018	31	20	2019	26	20	2020	25	20
Year	Return on equity, %	Target, %																	
2016	32	20																	
2017	38	20																	
2018	31	20																	
2019	26	20																	
2020	25	20																	
<p>Equity ratio</p> <p>The equity ratio will not be less than 30%.</p>	 <table><tr><th>Year</th><th>Equity ratio, %</th><th>Target, %</th></tr><tr><td>2016</td><td>50</td><td>30</td></tr><tr><td>2017</td><td>48</td><td>30</td></tr><tr><td>2018</td><td>52</td><td>30</td></tr><tr><td>2019</td><td>51</td><td>30</td></tr><tr><td>2020</td><td>58</td><td>30</td></tr></table>	Year	Equity ratio, %	Target, %	2016	50	30	2017	48	30	2018	52	30	2019	51	30	2020	58	30
Year	Equity ratio, %	Target, %																	
2016	50	30																	
2017	48	30																	
2018	52	30																	
2019	51	30																	
2020	58	30																	
<p>Dividend policy</p> <p>GARO's dividend will amount to approximately 50% of the Group's net earnings after tax.</p> <p>The dividend proposal must take into account GARO's long-term dividend potential and the Group's general investment and consolidation requirements.</p>	 <table><tr><th>Year</th><th>Dividend, %</th><th>Target, %</th></tr><tr><td>2016</td><td>50</td><td>50</td></tr><tr><td>2017</td><td>48</td><td>50</td></tr><tr><td>2018</td><td>50</td><td>50</td></tr><tr><td>2019</td><td>50</td><td>50</td></tr><tr><td>2020</td><td>50</td><td>50</td></tr></table>	Year	Dividend, %	Target, %	2016	50	50	2017	48	50	2018	50	50	2019	50	50	2020	50	50
Year	Dividend, %	Target, %																	
2016	50	50																	
2017	48	50																	
2018	50	50																	
2019	50	50																	
2020	50	50																	

Overview

NATURE OF OPERATIONS

GARO develops, manufactures and markets innovative products and systems for the electrical installations market under its own brand. The company has operations in Sweden, Norway, Finland, Ireland, Poland and the UK. 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.

GARO's business concept is to, with a focus on innovation, sustainability and design, provide profitable complete solutions for the electrical industry.

SEASONAL VARIATIONS

GARO's operations are, to a certain degree, subject to seasonal 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 are 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 62–65 of the 2019 Annual Report. The Annual Report is available at www.garo.se. 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 2019 Annual Report.

In connection with the acquisition of EV Charge Partner Sweden, an analysis of a conflict of interest was conducted since David Jonsson, who owned 100% of the shares in the selling company Davids Elteknik AB, is a related party to GARO's Chairman Stefan Jonsson. Board member Rickard Blomqvist managed the acquisition process together with GARO's management, and Stefan Jonsson did not participate in the Board decision to carry out the acquisition. GARO believes that the transaction was completed on market terms.

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 1–20, 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, whereby 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.

Gnosjö, February 12, 2021

GARO AB (publ)

Board

This interim report has not been subject to a review by the company's auditors

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Amount in MSEK	2020	2019	2020	2019
Operating income				
Net sales	306.3	277.8	1039.8	1008.1
Other operating income	1.7	-1.8	8.0	2.8
Total operating income	308.0	276.0	1047.8	1010.9
Operating expenses				
Raw materials and consumables	-149.7	-139.9	-528.8	-518.3
Other external expenses	-39.3	-36.6	-123.7	-132.7
Personnel expenses	-62.8	-57.3	-232.2	-225.0
Depreciation/amortization of tangible and intangible assets	-6.7	-6.3	-27.0	-22.3
Other operating expenses	0	0	0	0
EBIT	49.5	35.9	136.2	112.6
Result from financial items				
Net financial income/expenses	-4.6	-2.5	-13.1	-2.5
Profit before tax	45.0	33.3	123.1	110.1
Income tax	-10.5	-8.7	-27.7	-24.4
Net income	34.4	24.6	95.3	85.7
Other comprehensive income:				
Items that may be reclassified to the income statement				
Translation differences	-4.0	-1.5	-7.7	1.2
Other comprehensive income, net	-4.0	-1.5	-7.7	1.2
Total comprehensive income for the year	30.4	23.1	87.6	86.9
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	3.44	2.46	9.53	8.57

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amount in MSEK	Dec 31, 2020	Dec 31, 2019
ASSETS		
Fixed assets		
Intangible assets	93.5	67.4
Tangible assets	140.4	146.1
Financial assets	6.2	8.1
Total fixed assets	240.2	221.6
Current assets		
Inventories	182.5	170.4
Accounts receivable	239.1	213.4
Other current receivables	12.1	11.2
Cash and cash equivalents	69.4	40.8
Total current assets	503.1	435.8
TOTAL ASSETS	743.3	657.4
EQUITY AND LIABILITIES		
Share capital	20.0	20.0
Other reserves	2.9	2.6
Other equity including net income for the period	407.4	320.4
Total equity	430.3	343.0
Long-term liabilities		
Liabilities to credit institutions	30.4	31.7
Lease liabilities	28.1	33.8
Other provisions	3.7	2.2
Deferred tax liabilities	0.5	1.1
Total long-term liabilities	62.7	68.8
Short-term liabilities		
Liabilities to credit institutions	12.3	12.8
Lease liabilities	9.9	8.1
Accounts payable	124.0	118.3
Other short-term liabilities	104.0	106.4
Total short-term liabilities	250.3	245.6
TOTAL EQUITY AND LIABILITIES	743.3	657.4

Where applicable, the difference compared with previously reported figures for 2019 is due to changed application/recognition of IFRS 16.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to shareholders in the Parent Company Amount in MSEK	Share capital	Reserves	Retained earnings	Total equity
Equity at January 1, 2019	20.0	3.6	272.6	296.2
Net income for the period			85.7	85.7
Other comprehensive income for the period		1.2	0	1.2
Dividend to shareholders			-40.0	-40.0
Dividend to minority shareholders in subsidiaries			-0.3	-0.3
Currency effects			0.2	0.2
Closing equity, December 31, 2019	20.0	4.8	318.2	343.0
Equity at January 1, 2020	20.0	4.8	318.2	343.0
Net income for the period			95.3	95.3
Other comprehensive income for the period		-7.7	0	-7.7
Currency effects			-0.3	-0.3
Closing equity, December 31, 2020	20.0	-2.9	413.2	430.3

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT

	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Amount in MSEK				
Operating activities				
Cash flow from operating activities				
before changes in working capital	49.0	29.6	119.8	107.7
Cash flow from changes in working capital	33.6	39.3	-32.9	14.2
Cash flow from operating activities	82.6	68.9	86.9	121.9
Investing activities				
Investments in intangible assets	-8.0	-5.9	-24.6	-15.0
Acquisition of subsidiaries	0	-2.4	-5.7	-2.4
Investments in tangible assets	-1.5	0	-15.0	-16.0
Disposal of tangible assets	0	0.7	0	1.3
Cash flow from investing activities	-9.5	-7.6	-45.3	-32.1
Financing activities				
Net borrowing/amortization of loans	-5.3	-25.8	-1.9	-9.6
Amortization of lease liability	-2.7	-2.0	-10.8	-8.0
Dividend paid to shareholders	0	0	0	-40.3
Cash flow from financing activities	-8.0	-27.8	-12.7	-57.9
Cash flow for the period	65.1	33.5	28.9	31.9
Currency effect in cash and cash equivalents	-0.2	-0.1	-0.3	0.5
Cash and cash equivalents, start of the period	4.5	7.4	40.8	8.4
Cash and cash equivalents, end of the period	69.4	40.8	69.4	40.8

Where applicable, the difference compared with previously reported figures for 2019 is due to changed application/recognition of IFRS 16.

CONDENSED PARENT COMPANY INCOME STATEMENT

	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Amount in MSEK				
Operating income				
Net sales	190.8	161.3	622.0	586.6
Other operating income	4.6	3.6	19.4	14.0
Total income	195.4	164.9	641.4	600.6
Operating expenses				
Raw materials and consumables	-111.4	-99.5	-383.3	-372.4
Other external expenses	-23.0	-20.2	-68.1	-67.2
Personnel expenses	-29.3	-26.1	-113.0	-107.8
Depreciation/amortization of tangible and intangible assets	-3.1	-2.8	-12.3	-9.9
Other operating expenses	1.2	1.3	4.2	5.2
EBIT	29.7	17.5	69.0	48.4
Result from financial items				
Profit from participations in Group companies	13.4	12.8	13.4	18.5
Net interest income and similar items	0.6	0.2	2.0	3.1
Net interest expenses and similar items	-3.6	-1.6	-7.2	-1.7
Profit before tax	40.0	28.9	77.1	68.4
Appropriations	6.0	9.9	6.0	9.9
Income tax	-6.4	-6.1	-14.5	-13.1
Net income	39.6	32.6	68.6	65.2

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

Amount in MSEK	Dec 31, 2020	Dec 31, 2019
ASSETS		
Intangible assets	49.4	29.1
Tangible assets	47.1	51.8
Participations in Group companies	79.3	46.1
Other financial assets	30.6	25.6
Total fixed assets	206.9	152.6
Current assets		
Inventories	66.8	61.0
Accounts receivable	119.1	97.3
Other receivables	89.6	110.2
Cash and bank balances	64.0	30.1
Total current assets	339.6	298.7
TOTAL ASSETS	546.5	451.3
EQUITY AND LIABILITIES		
Share capital	20.0	20.0
Fund for internal development expenses	35.9	18.1
Statutory reserve	2.6	2.6
Non-restricted equity including net income for the period	252.9	202.1
Total equity	311.4	242.8
Untaxed reserves	0.0	0.0
Provisions	4.2	3.1
Long-term liabilities		
Liabilities to credit institutions	13.7	17.1
Total long-term liabilities	13.7	17.1
Short-term liabilities		
Short-term interest-bearing liabilities	3.3	3.4
Short-term non-interest-bearing liabilities	213.8	184.9
Total short-term liabilities	217.1	188.3
TOTAL EQUITY AND LIABILITIES	546.5	451.3

SALES AND EBIT BY BUSINESS AREA

	GARO Sweden		GARO Other markets		Elimination		Group	
	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4
Business area information	2020	2019	2020	2019	2020	2019	2020	2019
Sales								
Total net sales	261.3	239.7	158.1	152.8	-112.8	-114.7	306.3	277.8
Internal net sales	-53.0	-52.0	-59.8	-62.7	112.8	1914.7	0	0
External net sales	208.7	187.7	98.2	90.1	0	0	306.3	277.8
EBIT	38.3	23.8	11.2	12.1	0	0	49.5	35.9
Net financial income/expenses							-4.6	-2.5
Tax expense for the year							-10.5	-8.7
Net income for the year							34.4	24.6

GARO GROUP MULTI-YEAR OVERVIEW AND KEY FIGURES

		Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec			
		2020	2019	2020	2019	2018	2017	2016
Net sales	MSEK	306.3	277.8	1039.8	1008.1	903.7	796.0	657.8
Growth	%	10	4	3	12	13	21	19
EBITDA	MSEK	56.3	42.2	163.2	134.9	128.8	110.3	84.8
EBITDA margin	%	18.4	15.2	15.7	13.4	14.3	13.9	12.9
EBIT	MSEK	49.5	35.9	136.2	112.6	113.8	98.1	73.8
EBIT margin	%	16.2	12.9	13.1	11.2	12.6	12.3	11.2
Earnings per share, before and after dilution	SEK	3.44	2.46	3.44	8.57	8.27	n/a	n/a
Equity per share	SEK	43.0	34.3	43.0	34.3	29.6	25.3	19.4
Return on equity*	%	24.7	26.8	24.7	26.8	31.2	38.3	32.4
Investments	MSEK	9.5	8.3	45.3	33.4	22.7	51.4	12.8
Depreciation	MSEK	6.7	6.3	27.0	22.3	15.0	12.2	11.0
Equity ratio	%	57.9	52.2	57.9	52.2	52.4	47.3	52.0
Net debt	MSEK	11.3	45.6	11.3	45.6	45.7	56.1	-17.3
Net debt/EBITDA*	multiple	0.1	0.3	0.1	0.3	0.4	0.5	-0.2
Number of employees		412	421	412	421	402	376	274

*For definitions of key figures, see page 18

QUARTERLY FIGURES

Consolidated income statement	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Amount in MSEK	2020	2020	2020	2020	2019	2019	2019	2019	2018	2018	2018	2018
Net sales	306.3	247.0	238.3	248.3	277.8	235.2	246.7	248.4	268.4	212.7	214.2	207.0
Operating expenses	-256.8	-209.5	-208.0	-229.5	-242.0	-211.5	-222.8	-219.2	-230.9	-184.2	-191.4	-181.9
EBIT	49.5	37.5	30.3	18.8	35.9	23.6	24.0	29.2	37.5	28.5	22.8	25.1
Net financial income/expenses	-4.6	-1.3	-6.8	-0.5	-2.5	-0.8	-0.5	1.4	-1.3	-2.8	-3.2	-0.8
Profit before tax	45.0	36.3	23.6	18.3	33.3	22.8	23.5	30.6	36.2	25.7	19.6	24.3
Tax	-10.5	-7.9	-5.5	-3.8	-8.7	-4.9	-5.0	-5.7	-10.7	-3.0	-4.2	-5.2
Net income	34.4	28.3	18.1	14.6	24.6	17.9	18.4	24.8	25.5	22.7	15.4	19.1

Net sales per business area	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Amount in MSEK	2020	2020	2020	2020	2019	2019	2019	2019	2018	2018	2018	2018
GARO Sweden	208.7	158.4	166.5	164.4	187.7	153.7	160.4	163.4	176.4	138.3	142.3	138.6
GARO Other markets	98.2	88.5	72.7	82.9	90.1	81.5	86.3	85.0	92.0	74.4	71.9	68.4
Total Group	306.9	246.9	239.3	247.3	277.8	235.2	246.7	248.4	268.4	212.7	214.2	207.0

EBIT per business area	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Amount in MSEK	2020	2020	2020	2020	2019	2019	2019	2019	2018	2018	2018	2018
GARO Sweden	38.3	23.0	18.6	10.3	23.8	14.9	14.8	16.3	24.5	17.7	15.1	17.5
GARO Other markets	11.2	14.5	11.7	8.5	12.1	8.7	9.2	12.9	13.0	10.8	7.7	7.6
Total Group	49.5	37.5	30.3	18.8	35.9	23.6	24.0	29.2	37.5	28.5	22.8	25.1

Key figures, alternative performance measures 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

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, lease liabilities according to IFRS 16 less 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

Alternative performance measures

GARO uses certain performance measures that are not defined in the rules for financial reporting that GARO applies. The goal of these performance measures is to create better understanding of how the operations are performing. It must be stressed that these alternative performance measures, as defined, are not entirely comparable with performance measures of the same name used by other companies.

Organic growth: Organic growth with adjustments for currency effects from operations in currencies other than SEK.

EBITDA: Earnings before interest, taxes, depreciation and amortization

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

R12: A summary of the outcome of the past 12 months

Economic information

INVITATION TO PRESENTATION FOR THE PRESS AND ANALYSTS

On February 12, 2021, at 9:30 a.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: 0200 123 717

International: +44 20 3936 2999

Code: 345836

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:

Patrik Andersson, President and CEO: +46 76 148 44 44

Helena Claesson, CFO: +46 70 676 07 50

FINANCIAL CALENDAR

Interim report January - March 2021	May 5, 2021
2021 Annual General Meeting	May 5, 2021
Interim report April - June 2021	August 12, 2021
Interim report July - September 2021	November 11, 2021

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.

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

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 February 12, 2021 at 7:30 a.m. CET.