



Interim report January - March 2022

Growth and component shortages

JANUARY - MARCH 2022

- Net sales amounted to MSEK 381.6 (290.6).
- Net sales increased 31% (17).
- EBIT amounted to MSEK 66.8 (45.9).
- EBIT margin amounted to 17.5% (15.8).
- Net income was MSEK 53.7 (38.3).
- Earnings per share amounted to SEK 1.07 (0.76).

EVENTS DURING THE QUARTER

- From January 1, 2022, operations are reported divided into the business areas of GARO Electrification and GARO E-mobility.
- A decision was made to invest in a new production and logistics facility in Poland with construction starting in the second quarter of 2022.
- Swedish operations prepared for further expansion through leased premises in Hillerstorp.
- The situation regarding material supply worsened toward the end of the quarter, mainly affecting the business area GARO E-mobility.

EVENTS AFTER THE END OF THE QUARTER

- Framework agreement signed with a global vehicle manufacturer regarding charging infrastructure for the European market.

	Jan-Mar 2022	Jan-Mar 2021	+/- %	R12	Jan-Dec 2021
GARO Group key figures¹⁾					
Net sales, MSEK	381.6	290.6	31	1386.7	1295.8
EBITDA, MSEK	75.4	53.8		264.6	243.0
EBITDA margin, %	19.8	18.5		19.1	18.8
EBIT, MSEK	66.8	45.9	46	228.2	207.2
EBIT margin, %	17.5	15.8		16.5	16.0
Net income, MSEK	53.7	38.3	40	182.1	166.7
Earnings per share ²⁾ , SEK	1.07	0.76	41	3.64	3.33
Cash flow from operating activities, MSEK	12.2	16.6		117.2	121.7
Investments, MSEK	16.7	8.3		53.7	45.3
Depreciation, MSEK	8.6	7.9		36.4	35.8
Equity ratio, %	62.3	59.3		62.3	58.9
Equity per share ²⁾ , SEK	12.13	9.39		12.13	11.03
Return on equity, %	33.8	28.8		33.8	34.0
Return on capital employed, %	38.6	35.7		38.6	39.2
Net debt (+) / net cash position (-), MSEK	-1.7	6.6		-1.7	-9.4

¹⁾ For definitions of key figures, see page 17.

²⁾ Earnings per share were not diluted, so earnings per share pertains to before and after dilution. In the second quarter of 2021, a 5:1 share split was carried out. All share-related data has been recalculated in the annual report based on the new number of shares.

CEO PATRIK ANDERSSON'S COMMENTS ON THE QUARTER

Growth and component shortages

GARO is performing positively. Net sales rose 31% and amounted to MSEK 382, driven by strong performances in both the GARO E-mobility and GARO Electrification business areas.

In the first quarter of the year, we completed offensive investments in the form of recruitments, mainly in the sales function, and increased our marketing. EBIT for the quarter amounted to MSEK 67, with the earnings trend compared with the preceding year mainly consisting of volume growth.

The sales trend in all our product areas is confirmation of the strength of our customer offering. This creates an overall solution that sets us apart from other suppliers and generates flexible solutions for our customers. A clear example of this is the positive trend we are seeing in the UK, where the expansion of charging infrastructure is leading to increased sales in the Project business and Electrical distribution products product areas.

GARO E-MOBILITY

Growth in the GARO E-mobility business area amounted to 56% during the quarter with a strong sales trend mainly in home chargers and public chargers. The trend was positive in essentially all of our markets. Clear climate goals have accelerated the transition to hybrid and electric cars and vehicle manufacturers are continually launching new models, which is driving the expansion of charging infrastructure. Long lead times for hybrid and electric cars may have a short-term impact on the pace of installation and a minor impact on demand for chargers in homes, while the expansion of public charging remains at a high level. Armed with our broad product portfolio, we feel well-equipped for the expansion of charging infrastructure in Europe.

GARO ELECTRIFICATION

Growth in the GARO Electrification business area amounted to 20% during the quarter with a strong trend in the Electrical distribution products and Project business product areas. New construction and the renovation sectors remained favorable during the quarter, which has driven sales in all product groups in the Electrical distribution

products product area. During the quarter, we also noted strong sales of engine heaters.

The Project business product area trended positively, mainly in Sweden and the UK. The Temporary Power product area remained on corresponding levels as the same quarter last year.

MATERIALS SUPPLY

During the quarter, the challenging situation concerning the supply of components and materials has continued. To date, we have managed the situation well, managing to also maintain a satisfactory delivery capacity.

The situation regarding material supply worsened toward the end of the quarter and we foresee short-term challenges in meeting demand in the GARO E-mobility business area. With the prevailing uncertainty regarding material supply, we believe that sales in GARO E-mobility for the second quarter will be on similar level as the corresponding quarter of 2021.

MARKET CONDITIONS

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 the European market. Housing construction remains at a high production rate with increased energy efficiency and electrification in general. Demand for construction-related products combined with renovation requirements and energy efficiency is expected to remain favorable.

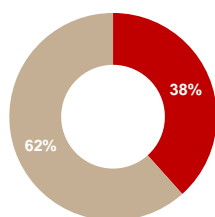
All in all, we have a positive view of long-term market conditions, mainly driven by growth in charging infrastructure.

Patrik Andersson

President and CEO

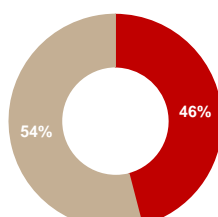
Allocation of net sales by business area,
Jan–Mar 2022

■ GARO E-mobility ■ GARO Electrification



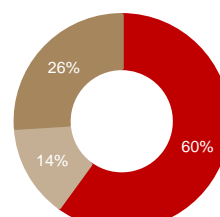
Allocation of EBIT by business area,
Jan–Mar 2022

■ GARO E-mobility ■ GARO Electrification



Allocation of net sales by geographic area,
Jan–Mar 2022

■ Sweden ■ Nordic region excl. Sweden ■ Europe excl. Nordic region



Earnings

NET SALES

Net sales for the first quarter amounted to MSEK 381.6, a rise of 31% compared with the same quarter in 2021. The increased sales have taken place entirely through organic growth.

Change in net sales	Jan-Mar 2022 (MSEK)	Jan-Mar 2022 (%)
Year-earlier period	290.6	
Organic growth	92.2	31.7
Acquisitions and structural changes	0	-
Exchange-rate effects	-1.2	-0.7
Current quarter	381.6	31.0

For definitions of key figures, see page 17

EBIT

EBIT for the quarter improved to MSEK 66.8 (45.9) and the EBIT margin amounted to 17.5% (15.8). High sales during the quarter have yielded favorable volume effects compared with the year-earlier quarter. EBIT was impacted by costs mainly in GARO E-mobility, where market activities in Ireland and the UK are continuing. The volume increase, together with a beneficial product mix, are the main reasons for the quarter's strong EBIT.

Currency effects on EBIT in the quarter amounted to MSEK -4.4 (2.9), with a weakened EUR against the SEK.

NET INCOME

Net financial items amounted to MSEK -0.1 (1.3) for the quarter and included currency effects from loans and hedging in foreign currency. No currency effects attributable to revaluations in hedging were noted (MSEK 2.4).

Net income amounted to MSEK 53.7 (38.3) for the quarter, and earnings per share amounted to MSEK 1.07 (0.76). The tax expense amounted to MSEK 13.0 (8.9) generating an average effective tax rate of 19.5% (18.9).

CASH FLOW AND INVESTMENTS

Cash flow from operating activities for the quarter amounted to MSEK 12.2 (16.6). A higher EBIT was counteracted by continued high tied-up working capital compared with the year-earlier quarter. The higher tied-up working capital is mainly the result of higher accounts receivable and larger component inventories, a result of the tactical material purchases for which GARO has secured material for upcoming product launches.

Investments for the quarter amounted to MSEK 16.7 (8.3), of which MSEK 8.1 (7.0) pertained to product development. To date this year, the company's right-of-use assets (leases and rental contracts) has declined net by MSEK 3.1 (increase: 3.7).

LIQUIDITY AND FINANCIAL POSITION

The Group's net cash at the end of the period amounted to MSEK 1.7 (net debt: MSEK 6.6). The Group's net cash excluding lease liabilities, which is to say effects of IFRS 16, amounted to MSEK 37.6 (32.4). Available liquidity in the Group, including unutilized overdraft facilities, amounted to MSEK 173.1 (168.0) and the equity ratio was 62.3% (59.3).

THE GARO SHARE

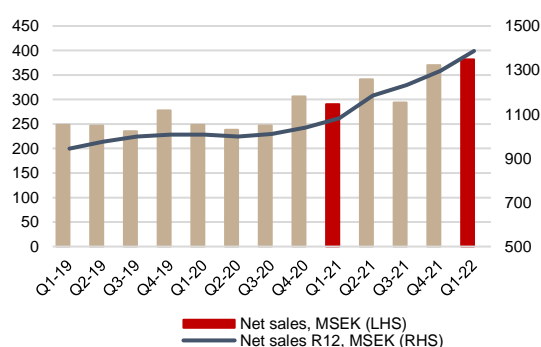
In the second quarter of 2021, a 5:1 share split was carried out, meaning that each existing share was replaced with five new shares. Figures pertaining to dividends and earnings per share for previous periods have been recalculated in the report based on the new number of shares.

At the end of the period, the number of shares amounted to 50,000,000 (50,000,000). The average number of shares, adjusted for the split, amounted to 50,000,000 (50,000,000) for the first quarter of 2022.

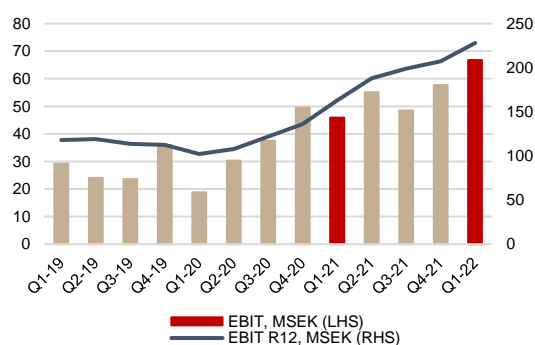
EVENTS AFTER THE END OF THE QUARTER

GARO signed a framework agreement with a global vehicle manufacturer regarding charging infrastructure for the European market. Otherwise, from the end of the period until the publication of this report, no significant events or conditions have occurred, favorable or unfavorable, that would require further disclosures.

Net sales, Group



EBIT, Group



GARO's business areas

Since January 1, 2022, GARO has divided operations in two business areas: GARO E-mobility and GARO Electrification. GARO E-mobility consist of the E-mobility product area and GARO Electrification consists of the three product areas of Electrical distribution products, Project business & Temporary Power.

GARO E-mobility

NET SALES

Net sales for GARO E-mobility amounted to MSEK 146.4 for the first quarter, compared with MSEK 93.8 for the year-earlier quarter, yielding growth of 56%. In Sweden, GARO has noted strong sales to wholesalers with end customers such as tenant-owner associations, property owners, workplaces and private individuals. Internationally, GARO has seen a strong sales trend during the quarter, mainly in the UK and Finland compared with the year-earlier quarter. The trend in Norway has been weaker due to increased maturity primarily in home charging.

GARO's contract customers such as energy companies and automotive companies established in Europe continued to perform well during the quarter and more deliveries have been made under previously signed framework agreements. Group-external exports grew by over 100% during the quarter.

EARNINGS

EBIT for the quarter improved to MSEK 30.7 (17.6) and the EBIT margin amounted to 20.9% (18.8). The margin for the quarter improved as a result of increased sales volumes and a changed mix of sold products. EBIT was impacted by costs for continued marketing activities in Ireland and the UK, mainly by strengthening resources.

The number of employees at the end of the period was 214 (156). In addition, around 15 temporary personnel were contracted in production.

GARO E-mobility		Jan-Mar	Jan-Mar	R12	Jan-Dec
Key figures		2022	2021		2021
Net sales	MSEK	146.4	93.8	490.6	437.8
Growth	%	56	60	51	52
EBIT	MSEK	30.7	17.6	99.0	85.8
EBIT margin	%	20.9	18.8	20.2	19.6
Investments	MSEK	14.5	7.0	36.7	29.2
Depreciation	MSEK	2.6	1.7	9.1	8.2
Number of employees		214	156	192	202

For definitions of key figures, see page 17

THE MARKET

The global transition to a fossil-free society benefits GARO. The strong demand for electric and chargeable hybrid cars is driving the need for the rapid expansion of charging infrastructure in Europe through products for electric car charging in the home, in public and at workplaces. Norway and Sweden are at the forefront of this development, primarily in electric car charging for housing, and these countries are investing heavily in public spaces in both destination charging and quick charging.

To accelerate the expansion of the charging infrastructure, governments in several countries are launching various initiatives to further promote the development of fossil-free fuel. For example, the UK has introduced similar measures from 2022 with the requirement that all new housing, business premises, offices etc. must install a minimum of one charging station for electric cars. This requirement also concerns properties that are undergoing major renovation. The requirement is expected to result in the addition of 1.45 million extra charging stations annually.

In Sweden, green technology tax deductions of 50% of the labor and material costs for the installation of wall boxes for purchases through electrical installers were also introduced in January 2021.

In 2021, annual growth of rechargeable passenger cars in the EU amounted to 18%, a growth rate that is expected to continue. However, rechargeable passenger cars comprise less than 2% of the total vehicle fleet in the EU. In 2021, there were more than 1.1 million rechargeable passenger cars in the Nordic countries and 3.9 million in the EU.

Energy companies play an important role for the end user. The relationship that they have with their customers is continually changing, and GARO has noted that energy companies are developing their customer relationships toward various forms of subscription and other long-term relationships. This means that the Group's relationships with energy companies and vehicle manufacturers is becoming increasingly important. With the help of their platforms, GARO receives access to new markets and opportunities to introduce products to more European countries.

GARO'S ROLE

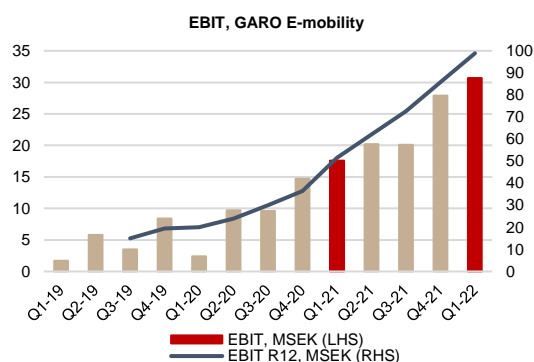
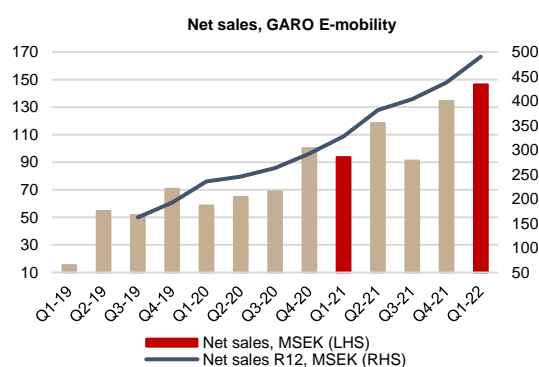
GARO developed its first wall box back in 2008 and today is a complete supplier with a broad offering in electric car charging, primarily in destination charging¹. Together with the GARO Electrification business area, GARO offers a complete solution from power supply to electric car charging.

GARO currently has a very broad and strong product portfolio, which is a prerequisite for success in this rapidly growing industry. To ensure that the customer offering remains at the forefront in terms of the product portfolio, considerable resources are invested in product development, primarily in destination charging¹. In the destination charger product category, a number of products are being manufactured that meet the need of electric car charging in home environments, at the workplace and in public.

GARO has been established in Ireland for a long time and commenced operations in 2019 in the UK. We have a well-known brand and established sales channels. When the new regulations regarding requirements for connectable products enter force in the UK at the end of June, GARO will have a favorable market position with its broad product portfolio of connectable products.

SYNERGY EFFECTS BETWEEN BUSINESS AREAS

The strong growth in the GARO E-mobility has benefited sales of components in GARO Electrification and the Electrical distribution products product area as well as cable cabinets and energy supply in the Project business product area. This synergy effect between the business areas is a great advantage for customers and creates growth.



¹ The range includes AC chargers (alternating current) with effects between 11-22 kW and DC chargers (direct current) with an effect up to 50 kW.

GARO Electrification

NET SALES

Net sales amounted to MSEK 235.2 for the first quarter, compared with MSEK 196.8 for the year-earlier quarter, yielding growth of 20%. The business area reported growth in all product areas except Temporary Power, which remained at essentially the same levels as the year-earlier quarter.

EARNINGS

EBIT for the quarter improved to MSEK 36.1 (28.3) and the EBIT margin amounted to 15.3% (14.4). The margin improved primarily as a result of increased sales volumes, a favorable product mix and general strict cost control.

Due to price hikes on incoming materials and components, GARO has risen prices for customers to corresponding amounts.

The number of employees at the end of the period was 303 (268). In addition, around 25 temporary personnel were contracted in production.

ELECTRICAL DISTRIBUTION PRODUCTS

Sales in the Electrical distribution products product area increased 21% during the quarter compared with the year-earlier period. Sales remained high in the customer segments of new construction, renovation and the energy efficiency of properties. Sales of engine heaters were also strong during the quarter, in which GARO holds a leading position in the Nordic region.

PROJECT BUSINESS

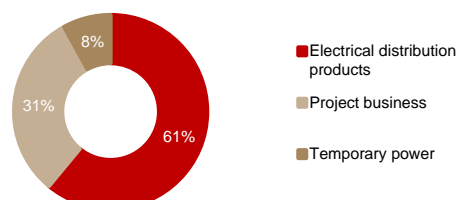
Sales in the Project business product area increased 30% during the quarter compared with the year-earlier quarter as a result of larger and more complex customer projects.

In Sweden the demand was high, leading to favorable volume growth driven by new construction and renovation of properties. In Ireland and the UK, the construction of charging infrastructure is driving GARO's project sales, which generate good sales growth for these two countries.

TEMPORARY POWER

Sales in the Temporary Power product area are in line with the year-earlier period. Sales in this product area are primarily to customers in Sweden, where it is notable that several rental companies are now investing in this type of product again.

Allocation of net sales by product area, Jan-Mar 2022

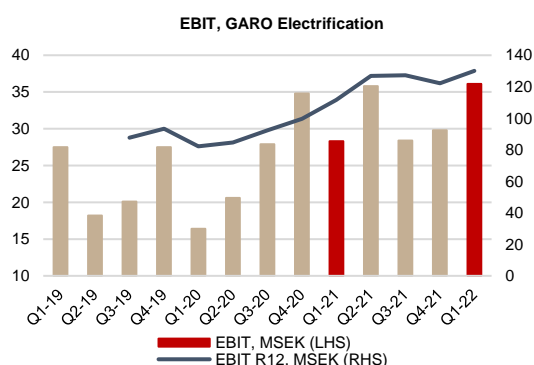
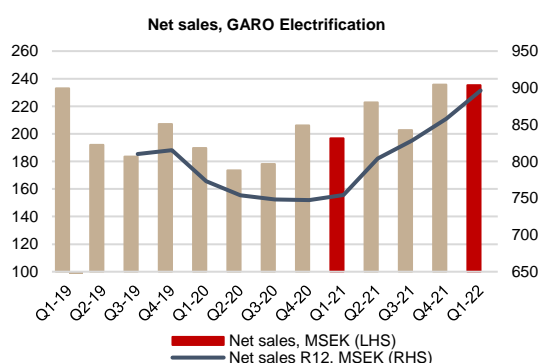


THE MARKET

New construction and the renovation sector remained positive during the quarter and GARO believes that the underlying market as a whole is unchanged compared with the preceding year, which indicates that GARO has captured market shares.

GARO Electrification		Jan-Mar	Jan-Mar	R12	Jan-Dec
Key figures		2022	2021		2021
Net sales	MSEK	235.2	196.8	896.1	858.0
Growth	%	20	4	18	15.0
EBIT	MSEK	36.1	28.3	129.2	121.4
EBIT margin	%	15.3	14.4	14.4	14.1
Investments	MSEK	2.2	1.3	17.0	16.1
Depreciation	MSEK	6.0	6.2	27.3	27.5
Number of employees		303	268	291	296

For definitions of key figures, see page 17

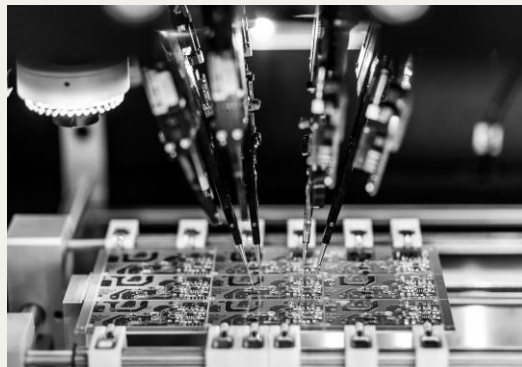


PRODUCT DEVELOPMENT

GARO is continually developing its customer offering in both of its business areas of Electrification and E-mobility. As such, the material synergy effects between the Electrical distribution products, Project business and E-mobility product areas are further improved.

The trend we see now is for increased safety requirements from different players in the market, while regulations are becoming increasingly stringent for all types of electrical products. GARO welcomes the developments related to safety and certifications. With the help of innovative product development, the products are designed based on country-specific requirements and regulations in the European market. The Group offers the market safe and future-proof products.

In 2022, we will also be launching a number of new exciting and innovative products, mainly in the E-mobility product area.



Sustainability

The Group bases its framework of GARO's sustainability work on two cornerstones: how proprietary operations are structured, and how the products contribute to the transition to an electrified society. The business is working continuously to be an environmentally friendly, safe and enjoyable workplace in which the Group assumes overall responsibility for the organization and the value chain. The products and services that provided create the preconditions for a fossil-free society and, in this way, operations can contribute to the transition to a carbon-neutral society.

GARO's sustainability efforts are to contribute to the UN Sustainable Development Goals (SDGs) and be in line with the Paris Agreement. The Group has selected six SDGs for contributing to the global transition. To ensure that relevant operational targets have been identified, continual follow-ups and assessments are conducted throughout operations, including the value chain.

For more information about GARO's goals for a more sustainable environment, refer to our 2021 Annual Report, pages 34-51.

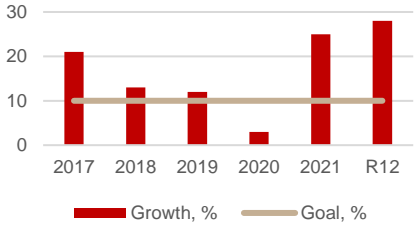
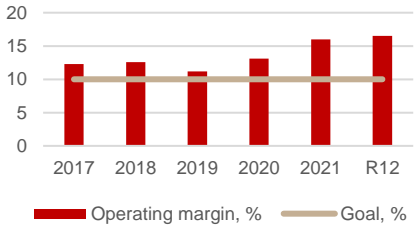
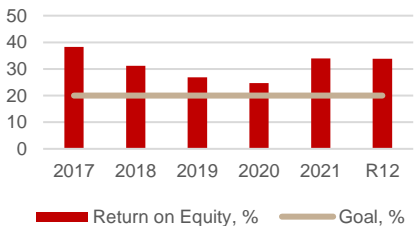
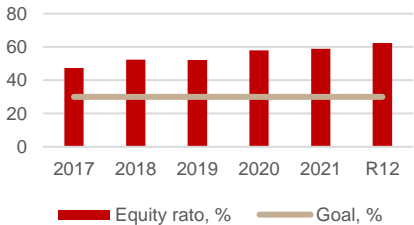
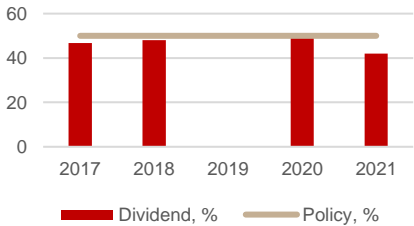


Parent Company figures

The Parent Company's operations encompass the product group Electrical distribution products, development department, 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 122.2 (106.8). Of this amount, MSEK 40.7 (38.5) comprised internal sales to other Group companies. EBIT for the quarter amounted to MSEK 22.5 (13.2).

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>Goal, %</th></tr><tr><td>2017</td><td>20</td><td>10</td></tr><tr><td>2018</td><td>12</td><td>10</td></tr><tr><td>2019</td><td>11</td><td>10</td></tr><tr><td>2020</td><td>2</td><td>10</td></tr><tr><td>2021</td><td>24</td><td>10</td></tr><tr><td>R12</td><td>27</td><td>10</td></tr></table>	Year	Growth, %	Goal, %	2017	20	10	2018	12	10	2019	11	10	2020	2	10	2021	24	10	R12	27	10
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<p>Profitability</p> <p>The 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>Goal, %</th></tr><tr><td>2017</td><td>12</td><td>10</td></tr><tr><td>2018</td><td>12</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><tr><td>2021</td><td>16</td><td>10</td></tr><tr><td>R12</td><td>17</td><td>10</td></tr></table>	Year	Operating margin, %	Goal, %	2017	12	10	2018	12	10	2019	11	10	2020	13	10	2021	16	10	R12	17	10
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<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>Goal, %</th></tr><tr><td>2017</td><td>38</td><td>20</td></tr><tr><td>2018</td><td>30</td><td>20</td></tr><tr><td>2019</td><td>26</td><td>20</td></tr><tr><td>2020</td><td>24</td><td>20</td></tr><tr><td>2021</td><td>33</td><td>20</td></tr><tr><td>R12</td><td>33</td><td>20</td></tr></table>	Year	Return on Equity, %	Goal, %	2017	38	20	2018	30	20	2019	26	20	2020	24	20	2021	33	20	R12	33	20
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2021	33	20																				
R12	33	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>Goal, %</th></tr><tr><td>2017</td><td>45</td><td>30</td></tr><tr><td>2018</td><td>50</td><td>30</td></tr><tr><td>2019</td><td>50</td><td>30</td></tr><tr><td>2020</td><td>55</td><td>30</td></tr><tr><td>2021</td><td>58</td><td>30</td></tr><tr><td>R12</td><td>60</td><td>30</td></tr></table>	Year	Equity ratio, %	Goal, %	2017	45	30	2018	50	30	2019	50	30	2020	55	30	2021	58	30	R12	60	30
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2021	58	30																				
R12	60	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>Policy, %</th></tr><tr><td>2017</td><td>45</td><td>50</td></tr><tr><td>2018</td><td>48</td><td>50</td></tr><tr><td>2019</td><td>48</td><td>50</td></tr><tr><td>2020</td><td>48</td><td>50</td></tr><tr><td>2021</td><td>42</td><td>50</td></tr></table>	Year	Dividend, %	Policy, %	2017	45	50	2018	48	50	2019	48	50	2020	48	50	2021	42	50			
Year	Dividend, %	Policy, %																				
2017	45	50																				
2018	48	50																				
2019	48	50																				
2020	48	50																				
2021	42	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 Electrification and GARO E-mobility. 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 68–71 of the 2021 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 in 2021 took place at a limited extent and in accordance with the principles described in the 2021 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 1–18, 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.

AUDITORS' STATEMENT

This interim report has not been reviewed by the company's auditors.

Gnosjö, May 11, 2022

GARO AB (publ)

The Board of Directors

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Jan-Mar 2022	Jan-Mar 2021	R12	Jan-Dec 2021
Amount in MSEK				
Operating income				
Net sales	381.6	290.6	1,386.7	1,295.8
Other operating income	2.2	1.2	7.6	6.6
Total operating income	383.8	291.8	1,394.3	1,302.4
Operating expenses				
Raw materials and consumables	-193.2	-143.8	-698.7	-649.3
Other external expenses	-37.9	-33.1	-149.7	-144.9
Personnel expenses	-77.4	-61.0	-281.5	-265.2
Depreciation/amortization of tangible and intangible assets	-8.6	-7.9	-36.4	-35.8
EBIT	66.8	45.9	228.2	207.2
Result from financial items				
Net financial income/expenses	-0.1	1.3	-0.3	1.2
Profit before tax	66.7	47.2	227.9	208.4
Income tax	-13.0	-8.9	-45.8	-41.7
Net income	53.7	38.3	182.0	166.7
Other comprehensive income:				
Items that may be reclassified to the income statement				
Translation differences	1.3	0.9	2.4	2.0
Other comprehensive income, net	1.3	0.9	2.4	2.0
Total comprehensive income for the year	55.0	39.2	184.4	168.7
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	50,000,000	50,000,000	50,000,000	50,000,000
Earnings per share, before and after dilution, SEK	1.07	0.76	3.64	3.33

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amount in MSEK	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
ASSETS			
Fixed assets			
Intangible assets	113.7	97.9	108.1
Tangible assets	149.5	140.0	144.1
Financial assets	2.9	5.1	3.2
Total fixed assets	266.1	243.0	255.4
Current assets			
Inventories	267.5	195.7	242.1
Accounts receivable	349.8	268.1	336.0
Other current receivables	16.7	16.0	21.8
Cash and cash equivalents	73.3	68.9	81.6
Total current assets	707.3	549.3	681.5
TOTAL ASSETS	973.4	792.3	936.9
EQUITY AND LIABILITIES			
Share capital	20.0	20.0	20.0
Other reserves	0.4	2.9	-0.9
Other equity including net income for the period	586.1	446.6	532.4
Total equity	606.5	469.5	551.5
Long-term liabilities			
Liabilities to credit institutions	23.9	23.9	26.5
Lease liabilities	26.4	28.8	26.3
Other provisions	7.1	3.7	6.3
Deferred tax liabilities	0	0.6	0
Total long-term liabilities	57.4	57.0	59.1
Short-term liabilities			
Liabilities to credit institutions	11.8	12.6	9.9
Lease liabilities	9.5	10.3	9.5
Accounts payable	145.0	127.5	166.5
Other short-term liabilities	143.2	115.4	140.4
Total short-term liabilities	309.5	265.8	326.3
TOTAL EQUITY AND LIABILITIES	973.4	792.3	936.9

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to shareholders in the Parent Company	Share capital	Reserves	Retained earnings	Total equity
Amount in MSEK				
Equity at January 1, 2021	20.0	-2.9	413.2	430.3
Net income for the period			166.7	166.7
Other comprehensive income for the period		2.0	0	2.0
Dividend to shareholders			-47.5	-47.5
Currency effects			-0.3	-0.3
Closing equity, December 31, 2021	20.0	-0.9	532.4	551.5
Equity at January 1, 2022	20.0	-0.9	532.4	551.5
Net income for the period			53.7	53.7
Other comprehensive income for the period		1.3	0	1.3
Currency effects				
Closing equity, March 31, 2022	20.0	0.4	586.1	606.5

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT

	Jan-Mar 2022	Jan-Mar 2021	R12	Jan-Dec 2021
182.0 Amount in MSEK				
Operating activities				
Cash flow from operating activities				
before changes in working capital	59.7	46.9	230.2	217.5
Cash flow from changes in working capital	-47.5	-30.3	-113.0	-95.8
Cash flow from operating activities	12.2	16.6	117.2	121.7
Investing activities				
Investments in intangible assets	-8.1	-7.9	-27.6	-26.5
Acquisition of subsidiaries	0	0	0	0
Investments in tangible assets	-8.6	-1.3	-26.1	-18.8
Disposal of tangible assets	0	0	0.9	0.9
Cash flow from investing activities	-16.7	-8.3	-52.8	-44.3
Financing activities				
Net borrowing/amortization of loans	-0.7	-6.5	-0.4	-6.2
Amortization of lease liability	-2.9	-2.8	-11.8	-11.7
Dividend paid to shareholders	0	0	-47.5	-47.5
Cash flow from financing activities	-3.6	-9.3	-59.7	-65.4
Cash flow for the period	-8.1	-1.0	4.7	11.9
Currency effect in cash and cash equivalents	-0.2	0.5	-0.3	0.3
Cash and cash equivalents, start of the period	81.6	69.4	68.9	69.4
Cash and cash equivalents, end of the period	73.3	68.9	73.3	81.6

CONDENSED PARENT COMPANY INCOME STATEMENT

	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Amount in MSEK			
Operating income			
Net sales	122.2	106.8	481.7
Other operating income	16.4	2.9	12.8
Total income	138.6	109.7	494.5
Operating expenses			
Raw materials and consumables	-75.2	-68.5	-291.3
Other external expenses	-13.1	-2.5	-50.1
Personnel expenses	-25.3	-22.7	-77.1
Depreciation/amortization of tangible and intangible assets	-2.5	-2.8	-12.6
EBIT	22.5	13.2	63.4
Result from financial items			
Profit from participations in Group companies	0	0	7.2
Net interest income and similar items	1.0	1.5	6.8
Net interest expenses and similar items	0.5	1.2	-2.5
Profit before tax	24.0	15.9	74.9
Appropriations	0	0	47.0
Income tax	-5.0	-2.8	-23.6
Net income	19.0	13.2	98.3

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	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
ASSETS			
Fixed assets			
Intangible assets	50.7	29.9	43.5
Tangible assets	37.5	40.7	38.4
Participations in Group companies	80.5	79.3	80.8
Other financial assets	56.8	59.1	59.9
Total fixed assets	225.4	209.6	222.6
Current assets			
Inventories	40.9	36.5	40.8
Accounts receivable	95.1	74.1	83.9
Other receivables	177.3	115.2	189.9
Cash and bank balances	52.0	62.9	71.4
Total current assets	365.3	288.7	386.0
TOTAL ASSETS	590.7	498.3	608.6
EQUITY AND LIABILITIES			
Share capital	20.0	20.0	20.0
Fund for internal development expenses	40.5	35.9	40.5
Statutory reserve	2.6	2.6	2.6
Non-restricted equity including net income for the period	318.1	266.1	299.1
Total equity	381.2	324.6	362.2
Provisions	1.7	1.2	1.7
Long-term liabilities			
Liabilities to credit institutions	9.7	7.9	10.4
Total long-term liabilities	9.7	7.9	10.4
Short-term liabilities			
Short-term interest-bearing liabilities	2.6	2.3	2.6
Short-term non-interest-bearing liabilities	195.5	162.3	231.7
Total short-term liabilities	198.1	164.6	234.3
TOTAL EQUITY AND LIABILITIES	590.7	498.3	608.6

SALES AND EBIT BY BUSINESS AREA

	GARO Electrification		GARO E-mobility		Elimination		Group	
Business area information	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Income								
Total income	315.3	269.0	237.6	143.2	-171.3	-121.6	381.6	290.6
Total internal income	-80.1	-72.2	-91.2	-49.4	171.3	121.6		
Income from contracts with customers	235.2	196.8	146.4	93.8	0	0	381.6	290.6
EBIT	36.2	28.3	30.7	17.6	0	0	66.8	45.9
Net financial income/expenses							-0.1	1.3
Tax expense for the year							-13.0	-8.9
Net income for the year							53.7	38.3

REVENUE PER GEOGRAPHIC LOCATION (JAN-MAR)

Product area	GARO Electrification			GARO E-mobility			Total		
	Jan-Mar 2020	Jan-Mar 2021	growth, %	Jan-Mar 2022	Jan-Mar 2021	growth, %	Jan-Mar 2022	Jan-Mar 2021	growth, %
Sweden	149.7	132.2	13	81.1	60.1	35	230.8	192.3	20
Nordic region excl. Sweden	34.8	33.6	5	17.0	13.8	32	51.8	47.3	9
Europe excl. Nordic region	50.7	31.0	64	49.5	18.3	170	100.2	49.3	103
Currency effects	-	-	-	-1.2	1.7	-	-1.2	1.7	-
Total	235.2	196.8	20	146.4	93.9	57	381.6	290.6	31

GARO GROUP MULTI-YEAR OVERVIEW AND KEY FIGURES*

		Jan-Mar 2022	Jan-Mar 2021	R12	2021	2020	2019	2018	2017
Net sales	MSEK	381.6	290.6	1386.7	1295.8	1039.8	1008.1	903.7	796.0
Growth	%	31	17	28	25	3	12	13	21
EBITDA	MSEK	75.4	53.8	264.6	243.0	163.2	134.9	128.8	110.3
EBITDA margin	%	19.8	18.5	19.1	18.8	15.7	13.4	14.3	13.9
EBIT	MSEK	66.8	45.9	228.2	207.2	136.2	112.6	113.8	98.1
EBIT margin	%	17.5	15.8	16.5	16.0	13.1	11.2	12.6	12.3
Earnings per share, before and after dilution	SEK	1.07	0.76	3.64	3.33	1.91	1.71	1.65	1.71
Equity per share	SEK	12.13	9.39	12.13	11.03	8.61	6.86	5.92	5.05
Dividend per share	SEK				1.40**	0.95	0	0.80	0.80
Dividend	MSEK				70.0**	47.5	0	40.0	40.0
Return on equity	%	33.8	28.8	33.8	34.0	24.7	26.8	31.2	38.3
Return on capital employed,	%	38.6	35.7	38.6	39.2	32.2	30.4	34.7	36.5
Investments	MSEK	16.7	8.3	53.7	45.3	45.3	33.4	22.7	51.4
Depreciation	MSEK	8.6	7.9	36.4	35.8	26.9	22.3	15.0	12.2
Equity ratio	%	62.3	59.3	62.3	58.9	57.9	52.2	52.4	47.3
Net debt	MSEK	-1.7	6.6	-1.7	-9.4	11.3	45.6	45.7	56.1
Net debt/EBITDA	multiple	0	0	0	0.0	0.1	0.3	0.4	0.5
Number of employees		517	424	483	498	412	421	402	376

*For definitions of key figures, see page 17

** The Board of Directors' proposals ahead of the AGM

QUARTERLY FIGURES

Consolidated income statement	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Amount in MSEK	2022	2021	2021	2021	2021	2020	2020	2020	2020	2019	2019	2019	2019
Net sales	381.6	370.1	293.9	341.2	290.6	306.3	247.0	238.3	248.3	277.8	235.2	246.7	248.4
Operating expenses	-314.7	-312.4	-245.4	-286.1	-244.7	-256.8	-209.5	-208.0	-229.5	-242.0	-211.5	-222.8	-219.2
EBIT	66.8	57.7	48.5	55.1	45.9	49.5	37.5	30.3	18.8	35.9	23.6	24.0	29.2
Net financial income/expenses	-0.1	1.4	0.5	-2.1	1.3	-4.6	-1.3	-6.8	-0.5	-2.5	-0.8	-0.5	1.4
Profit before tax	66.7	59.1	49.0	53.0	47.2	45.0	36.3	23.6	18.3	33.3	22.8	23.5	30.6
Tax	-13.0	-12.7	-9.6	-10.5	-8.9	-10.5	-7.9	-5.5	-3.8	-8.7	-4.9	-5.0	-5.7
Net income	53.7	46.4	39.4	42.6	38.3	34.4	28.3	18.1	14.6	24.6	17.9	18.4	24.8
Net sales per business area	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Amount in MSEK	2022	2021	2021	2021	2021	2020	2020	2020	2020	2019	2019	2019	2019
GARO E-mobility	146.4	134.4	91.2	118.4	93.8	100.2	68.9	64.8	58.6	70.7	51.7	54.7	15.4
GARO Electrification	235.2	235.7	202.7	222.8	196.8	206.1	178.1	173.5	189.7	207.1	183.5	192.0	233.0
Total Group	381.6	370.1	293.9	341.2	290.6	306.3	247.0	238.3	248.3	277.8	235.2	246.7	248.4
EBIT per business area	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Amount in MSEK	2022	2021	2021	2021	2021	2020	2020	2020	2020	2019	2019	2019	2019
GARO E-mobility	30.7	27.9	20.1	20.2	17.6	14.7	9.6	9.7	2.4	8.4	3.5	5.8	1.7
GARO Electrification	36.1	29.8	28.4	34.9	28.3	34.8	27.9	20.6	16.4	27.5	20.1	18.2	27.5
Total Group	66.8	57.7	48.5	55.1	45.9	49.5	37.5	30.3	18.8	35.9	23.6	24.0	29.2

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 average 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

Return on capital employed, %: EBIT for the past 12 months divided by capital employed

Equity ratio, %: Equity as a percentage of total assets

Capital employed, SEK: Total assets less short-term liabilities adjusted for cash and bank balances

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

Number of employees: The number of employees at the end of the period

Economic information

INVITATION TO PRESENTATION FOR THE PRESS AND ANALYSTS

On May 11, 2022 at 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: +46 10 884 80 16

International: +44 203 936 2999

Code: 79 66 53

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 April - June 2022 August 16, 2022

Interim report July – September 2022 November 11, 2022

Year-end report 2022 February 23, 2023

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 May 11, 2022, at 2:00 p.m. CET.