

Interim report January - March 2024

Challenging market conditions in Sweden – action program completed

JANUARY - MARCH 2024

- Net sales amounted to MSEK 292.5 (370.3).
- Net sales declined 21% (-3).
- EBIT amounted to MSEK -6.7 (27.8).
- EBIT margin amounted to -2.3% (7.5).
- Net income was MSEK -8.1 (20.7).
- Loss per share² amounted to SEK -0.16 (earnings: 0.41).

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- During the quarter, the announced action and efficiency program was completed, resulting in 40 redundancies in the Group.
- GARO E-mobility reported sales growth of 15% outside the Nordic region for the quarter. GARO has decided to intensify marketing activities in Germany and Poland, and to start up a sales company in Spain.
- In April, GARO Entity Compact was third-party certified by Tüv Syd, while GARO Entity Pro, which is already certified, received very high ratings in a number of independent market tests.

THE GARO GROUP ¹	Jan-Mar 2024	Jan-Mar 2023	+/- %	R12	Jan-Dec 2023
Net sales, MSEK	292.5	370.3	-21	1,292.3	1,369.9
EBITDA, MSEK	7.5	37.2		70.0	99.6
EBITDA margin, %	2.6	10.0		5.4	7.3
EBIT, MSEK	-6.7	27.8		16.7	51.1
EBIT margin, %	-2.3	7.5		1.3	3.7
Net income, MSEK	-8.1	20.7		2.6	31.3
Earnings/loss per share ² , SEK	-0.16	0.41		0.05	0.63
Cash flow from operating activities, MSEK	-43.8	-46.6		28.7	25.6
Investments, MSEK	4.2	50.1		62.3	108.2
Depreciation, MSEK	14.2	9.4		53.3	48.6
Equity ratio, %	51.9	50.8		51.9	50.9
Equity per share ² , SEK	12.16	12.71		12.16	12.19
Return on equity, %	0.4	14.1		0.4	5.1
Return on capital employed, %	2.5	15.6		2.5	7.9
Net debt (+) / net cash position (-), MSEK	277.9	245.6		277.9	222.1
Net debt (+) / net cash (-) excl. IFRS 16, MSEK	206.7	172.3		206.7	149.8

¹⁾ For definitions, see pages 18-20

²⁾ Earnings per share were not diluted, so earnings/loss per share pertains to before and after dilution.

CEO Patrik Andersson's comments on the quarter

Challenging market conditions in Sweden – action program completed

Net sales for the first quarter of the year amounted to MSEK 292 (370), down 21% compared with the year-earlier quarter. The market, which slowed for both business areas at the end of 2023, remained cautious in early 2024. The lower quarterly sales were mainly due to a cautious market in Sweden. It was gratifying, however, that the Group's sales outside the Nordic region showed growth, which supports our investment in Germany which we entered at the end of 2023. International expansion is important to us, which is why we have started to establish operations in the Spanish market.

We had fewer working days during the quarter, as Easter fell earlier this year. The number of working days affects sales in both business areas, but GARO Electrification in particular as these products are used continuously by electricians in their daily installation work. We noted that sales recovered in April due to more working days, but also to some extent due to improved demand.

EBIT amounted to MSEK -6.7 (27.8), which was essentially due to the low sales volume during the quarter compared with the same quarter of 2023. During the quarter, we implemented an action program to adapt the organization in GARO E-mobility, but we are also prepared for a market recovery.

GARO E-MOBILITY

Sales in GARO E-mobility corresponded to an amount of MSEK 84, down 31% compared with 2023. The prevailing market situation with macroeconomic uncertainty continued to affect purchasing patterns and investment decisions, primarily in the Swedish market. This impacted GARO's sales. Moreover, some of our major contract customers still have high volumes of GARO's products in inventory due to the current market climate. Our active markets outside Sweden appear more positive, which is why GARO E-mobility intensified its marketing activities in Germany and Poland. In addition, we are now establishing a sales company in Spain. In the coming years, strong growth in plug-in vehicles is expected in Spain, creating a need for the expansion of charging infrastructure.

It is also worth noting that GARO Entity Pro was launched in the first quarter of 2023, which required several large deliveries to fill our customers' inventories, resulting in challenging comparative figures for the business area. We believe that preconditions are in place for recovery in the second half of the year and that the outlook for 2025 is even more positive.

With completed investments in new product platforms and capacity, GARO has the capacity and capability to deliver products and solutions with short lead times to our customers, and we are ready to meet a market recovery when it comes. We have a complete range of destination chargers, where our GARO Entity is the most modern and safest wall box on the market for meeting demand and future needs.

GARO ELECTRIFICATION

Sales in GARO Electrification amounted to MSEK 208, a year-on-year decline of MSEK 40. A continued weak economic climate with high

interest rates led to a significant decline in the market for the construction of new single-family homes and apartments in Sweden and the rest of the Nordic region. However, demand is still relatively healthy for new construction, renovation and energy efficiencies in the public sector, commercial properties and industry. The divided construction market is expected to continue throughout 2024 and then start recovering in 2025. The Riksbank initiated its interest-rate cuts in May, which is expected to have a positive impact on housing construction and investment willingness in Sweden.

ACTION AND EFFICIENCY PROGRAM

During the quarter, we continued to adapt the organization to the prevailing market conditions and carried out another action program, reducing the number of employees in the Group by about 40. The action program primarily concerned the GARO E-mobility business area and the program will achieve full effect in the second quarter of 2024. The action program completed in GARO Electrification in autumn 2023 is now yielding the desired effects with an organization adapted to the prevailing market situation.

SYNERGY EFFECTS

The three product areas included in GARO Electrification combined with GARO E-mobility create major synergy effects. Both large and small complex projects require products and services in most of these areas. The synergy effects create a stable foundation for GARO, especially during times of slowing demand in some product areas.

The expansion of charging infrastructure is driving demand for products in both Electrical distribution products and Project business, creating a unique ability for GARO to offer attractive complete solutions to customers. This is a major competitive advantage in relation to other comparable market players. This synergy effect between the business areas is a great advantage for customers.

MARKET CONDITIONS

The market for charging infrastructure is growing structurally with rising numbers of rechargeable vehicles, and we see a continuing strong, long-term trend with further expansion of the charging infrastructure in the European market. We see lower growth in the short term, primarily for macroeconomic reasons, particularly in the Swedish market.

In Sweden, but also in the rest of the Nordic region, the construction of new housing has declined considerably and new production of single-family homes and apartments is expected to be weak for several quarters moving forward. On the other hand, demand for other commercial and public construction, combined with renovation requirements and energy efficiency, remains favorable.

All in all, we have a positive view of long-term market conditions, mainly driven by growth in charging infrastructure and its requirements for power supply.

Patrik Andersson
President and CEO

Earnings

NET SALES

Net sales for the first quarter amounted to MSEK 292.5 (370.3), down 21% or MSEK 77.8 compared with the same quarter in 2023. MSEK 63 of the decline was attributable to the Swedish market.

EBIT

EBIT was MSEK -6.7 (27.8) for the quarter, providing an EBIT margin of -2.3% (7.5). The negative result was primarily attributable to weak sales and the completed action program in GARO E-mobility.

Overall, the gross margin remained at the same level as the corresponding quarter of 2023, with the improved margin in GARO Electrification offset by a lower gross margin in GARO E-mobility, which was the result of a changed product mix and production redundancies. During the quarter, prices were raised in several product areas and in various markets.

Currency effects in EBIT for the quarter amounted to MSEK +1.2, compared with the corresponding quarter of 2023 when EBIT was charged with MSEK 5.9 for these effects.

FINANCIAL ITEMS

The Group's net financial items amounted to MSEK -0.2 (-0.4) for the quarter and included currency effects from loans and hedging. Net interest income for the quarter amounted to MSEK -3.0 (-1.2).

TAX

Net income amounted to MSEK -8.1 (20.7) for the quarter, and loss per share to MSEK -0.16 (earnings: 0.41). The tax expense amounted to MSEK 1.2 (6.7).

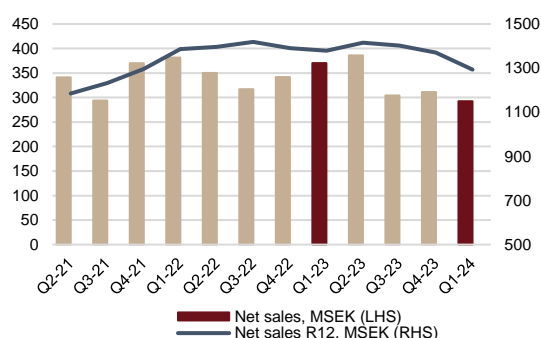
CASH FLOW AND INVESTMENTS

Cash flow from operating activities before changes in working capital amounted to MSEK +8.4 (+25.4), while cash flow from operating activities after changes in working capital amounted to MSEK -43.8 (-46.6). The negative cash flow during the quarter was essentially attributable to a decrease in operating liabilities, while other items such as inventory and accounts receivable showed minor changes. Capital tied-up in inventory declined about MSEK 10 during the quarter, but is still significantly higher than internal targets and is something that management is prioritizing in its work. GARO has also paid a deposit to a supplier for materials ordered but not yet called off. The deposit amounted to MSEK 39.1, which is unchanged compared with the end of the year.

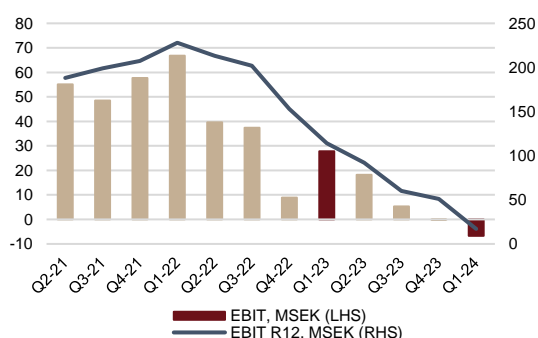
Investments for the quarter amounted to MSEK 4.2 (50.1), of which the entire amount during the quarter was attributable to product development (9.7).

During the quarter, right-of-use assets (leases and rental contracts) declined net by MSEK 1.3 (0).

NET SALES, GROUP



EBIT, GROUP



LIQUIDITY AND FINANCIAL POSITION

The Group's net debt at the end of the period amounted to MSEK 277.9 (245.6). The Group's net debt excluding lease liabilities, which is to say effects of IFRS 16, amounted to MSEK 206.7 (172.3). Available liquidity in the Group, including unutilized overdraft facilities, amounted to MSEK 84.6 (96.8) and the equity ratio was 51.9% (50.8).

BUSINESS AREAS

GARO divides its operations into two business areas: GARO E-mobility and GARO Electrification.

THE GARO SHARE

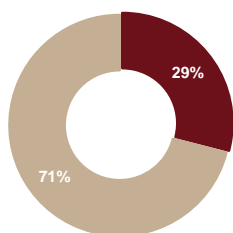
At the end of the period, the number of shares amounted to 50,000,000 (50,000,000). The average number of shares amounted to 50,000,000 (50,000,000) for the first quarter of 2024. On March 28, 2024, the share price closed at SEK 33.50 (76.55).

EVENTS AFTER THE END OF THE QUARTER

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.

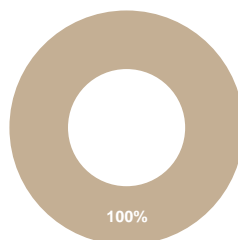
ALLOCATION OF NET SALES
BY BUSINESS AREA, JAN–MARCH 2024

■ GARO E-mobility ■ GARO Electrification



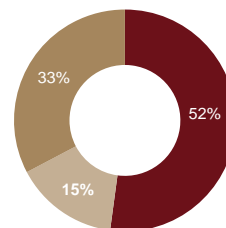
ALLOCATION OF EBIT
BY BUSINESS AREA, JAN–MARCH 2024

■ GARO E-mobility ■ GARO Electrification



ALLOCATION OF NET SALES
BY GEOGRAPHIC AREA, JAN–MARCH 2024

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



GARO E-mobility business area

GARO E-MOBILITY KEY FIGURES		Jan–Mar 2024	Jan–Mar 2023	R12	Jan–Dec 2023
Net sales	MSEK	84.3	122.2	424.2	462.0
Growth	%	-31	-17	7	10
EBIT	MSEK	-23.6	6.6	-67.4	-37.2
EBIT margin	%	-28.0	5.4	-15.9	-8.1
Investments	MSEK	2.8	46.2	53.5	96.9
Depreciation	MSEK	7.6	2.9	27.1	22.3
Number of employees		167	220	197	197

For definitions of key figures, see pages 18-20

NET SALES AND EARNINGS

Net sales in the GARO E-mobility business area amounted to MSEK 84.3, compared with MSEK 122.2 for the same quarter of 2023, which resulted in negative growth of 31%. It is worth noting that GARO Entity Pro was launched in the first quarter of 2023, which required several large deliveries to customers. At the same time, there were also several deliveries of public chargers against back orders. Overall, this provided challenging comparative figures for the business area.

EBIT was MSEK -23.6 (6.6) for the quarter, providing an EBIT margin of -28.0% (5.4). Low sales, a weaker gross margin with production redundancies, and an organization that is built for growth are the main reasons for the negative earnings. The campaign activities for wall boxes (GLB) built on previous platforms that commenced in autumn 2023, are ongoing. The campaigns explain the slightly lower gross margin to some extent.

OPERATIONS

During the quarter, order intake declined for the business area, mainly due to the prevailing market situation and the fact that some of the major contract customers still had GARO's products in inventory. GARO Entity Compact, the market's only wall box for charging at home that is third-party certified according to current charging standards, is facing a market that is under severe price pressure. GARO's uncompromising focus on safety remains firm.

During the quarter, an action program was carried out in the business area. The program reduced the number of employees in production by about 40 jobs in total for the production facilities in Sweden and in Poland. The program will come into full effect in the second quarter. Cost control and an efficient organization will remain a major focus area for the business area.

Demand for public charging points is the main driver of sales in the business area. During the quarter, sales in Sweden and the Nordic region were 49% and 43% lower, respectively, compared with the same

quarter of 2023. GARO is primarily affected by the market trend in Nordic markets, where the company holds considerable market share. At the same time, growth of 15% was noted for other markets in Europe and GARO intensified its marketing activities in Germany, Poland and Ireland. In addition, a sales company is under establishment in Spain.

It is gratifying that several major players became aware of GARO Entity Pro as a cost-efficient wall box in public environments. One example is Aneo, an existing customer in Norway that has now become a major customer for GARO in Sweden as well.

Product development for new variants of the LS4 public charging stations are ongoing, as well as separate payment stations to ensure compliance with the new EU Alternative Fuels Infrastructure Regulation (AFIR¹). GARO welcomes this initiative as it creates new sales opportunities. The Group is at the forefront of meeting tougher requirements for payment solutions and the ability to communicate between chargers and cars.

The first quarter was hectic for the recently established sales company in Germany, GARO E-mobility GmbH. The company made its first deliveries of Eichrecht-compliant² products, which were well-received by customers. GARO will continue to expand the product portfolio for the German market with more Eichrecht-compliant products during the year.

Revised regulations in the UK impacts two products for semi-public environments. GARO maintains a positive continuous dialog with suppliers in order to adjust the products for new requirements.

¹ Alternative Fuels Infrastructure Regulation.

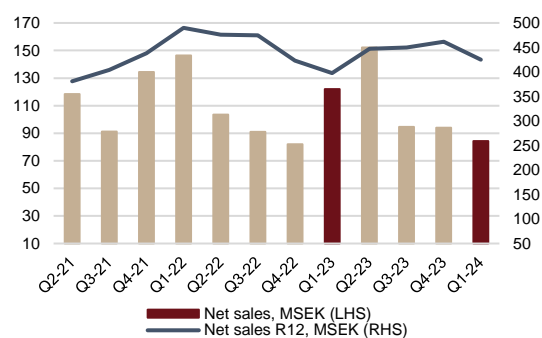
² Charging stations adapted to comply with the German market's regulations for public charge points.

THE MARKET

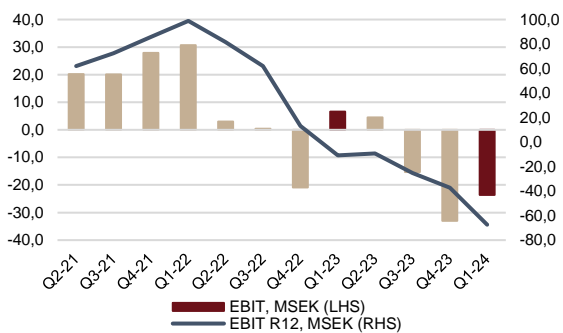
The market for home chargers is slightly subdued and weaker than expected, due to the prevailing market situation with macroeconomic uncertainty, which is affecting purchasing patterns and investment

decisions. The expansion of charging stations for major projects at, for example, commercial properties, tenant-owner associations and public places was subdued during the quarter.

NET SALES, GARO E-MOBILITY



EBIT, GARO E-MOBILITY



GARO Electrification business area

GARO ELECTRIFICATION KEY FIGURES		Jan–Mar 2024	Jan–Mar 2023	R12	Jan–Dec 2023
Net sales	MSEK	208.2	248.1	868.0	907.9
Growth	%	-16	5	-11	-6
EBIT	MSEK	16.9	21.2	84.1	88.3
EBIT margin	%	8.1	8.5	9.7	9.7
Investments	MSEK	1.4	3.9	8.8	11.3
Depreciation	MSEK	6.6	6.6	26.2	26.2
Number of employees		270	323	297	281
Share of sales, Electrical distribution products	%	63	59	62	62
Share of sales, Project business	%	32	34	31	33
Share of sales, Temporary Power	%	5	7	7	5

For definitions of key figures, see pages 18-20

NET SALES AND EARNINGS

Net sales in the business area amounted to MSEK 208.2, compared with MSEK 248.1 for the year-earlier quarter, which was a decline of 16%. The lower sales were partly due to fewer working days in March, as Easter fell earlier this year.

EBIT for the quarter amounted to MSEK 16.9 (21.2), providing an EBIT margin of 8.1% (8.5). The lower EBIT was due to lower sales. A project to update GARO's business system has been ongoing since autumn 2023, which will enable improved processes and collaboration between the Group's different units. All project costs were borne by the business area and an amount of MSEK 1.5 was charged to earnings for the quarter.

Due to price hikes on input materials and components, GARO's aim is to adjust prices for customers correspondingly, although delays can affect the margin in individual quarters.

OPERATIONS

Sales for the Electrical distribution products product area declined MSEK 16 compared with the same quarter of 2023 and the Project business product area showed negative growth of 21% or MSEK 18 compared with the year-earlier quarter. This was a result of the market situation with slower demand for the new construction of single-family homes and apartments, especially in the Nordic region.

The largest rate of decline was noted, not unexpectedly, in the Temporary Power product area, where rental companies are currently cautious about investing in these types of products.

During periods of sluggish sales in certain areas, the synergy effects between both business areas and product areas become particularly important. GARO's breadth of products and solutions are beneficial for customers and end users as the company is able to offer a complete solution.

During the quarter, GARO Ireland delivered products to a major international computer company with data centers across Europe. The delivery includes components for distribution cabinets that will be placed in the company's server facilities.

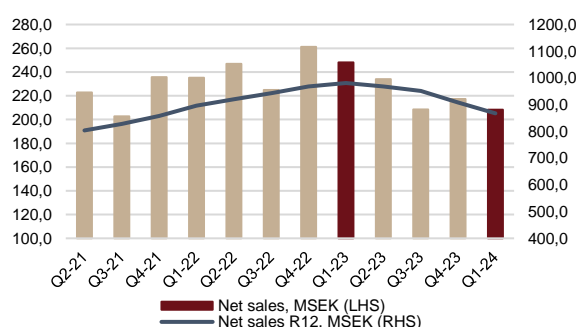
THE MARKET

In 2023, the market for new construction declined sharply, and only a few new housing projects were started in the Nordic region. The level of new construction is expected to remain low in 2024. However, the Nordic market is beginning to see positive trends with inflation falling and interest rates expected to be cut, which are important drivers for returning to normal rates of construction. In Sweden alone, around 67,000 new homes will be needed every year until 2030 to meet the housing need.

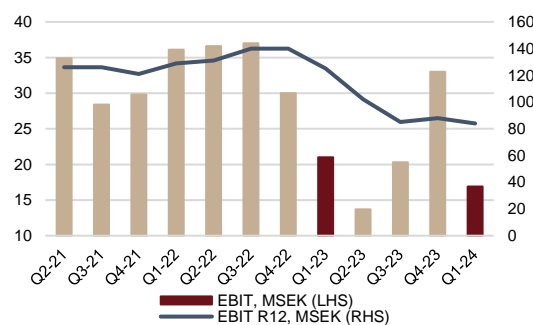
In Ireland, however, the market for new construction remains stable and we see growing demand for construction-related products.

GARO believes that new construction in the public sector, commercial properties, industry and infrastructure is healthy and will remain so. The market connected to the electrification of society and the green transition is assessed to be stable. Overall, this is driving sales in several product groups. However, these volumes will not be able to fully compensate for the lower volume of new construction in the short term.

NET SALES, GARO ELECTRIFICATION



EBIT, GARO ELECTRIFICATION



SUSTAINABILITY WORK

GARO's sustainability work is based on three cornerstones that are all part of the strategic framework: Climate, Circular economy and Ethical and responsible business. The strategy is the foundation that allows GARO to respond to regulatory requirements, meet growing market expectations and pursue growth and return for investors, while also focusing on strengthening GARO's social capital by attracting, encouraging and retaining employees. GARO's operations are to be conducted in a sustainable manner in which all employees are to be offered safe and comfortable workplaces. The products and services that GARO provides create the preconditions for and enable the growth of a sustainable society.

Sustainable production processes are a prerequisite for maintaining a position as a competitive supplier in the market. Production processes provide the basis for efficient resource use, reduced environmental impact and respond to market demand for sustainable alternatives.

Sustainability is integrated and embedded in the GARO Group's strategy and decision-making processes. The sustainability governance structure ensures that regular follow-ups of compliance with the sustainability goals are carried out and that progress and results are actively reported to meet the growing needs for materials and energy with a focus on ecological, social, regulatory and compliance requirements.

FOCUS AREAS

GARO's overall climate target is to become climate neutral by 2040 and develop into a circular Group. GARO works toward the UN Sustainable Development Goals (SDGs). From the 17 SDGs, the Group has selected six goals that we believe can create the greatest value and make the most difference.

- 7 - Affordable and clean energy
- 8 - Decent work and economic growth
- 11 - Sustainable cities and communities
- 12 - Responsible consumption and production
- 13 - Climate action
- 16 - Peace, justice and strong institutions



As different areas of materiality have varying degrees of impact, which may also change over time, GARO adapts measures, action plans and resources on a step-by-step basis. Reporting and monitoring of KPIs involves broad collaboration and continuous dialog to ensure responsible and effective measurement of progress towards the SDGs.

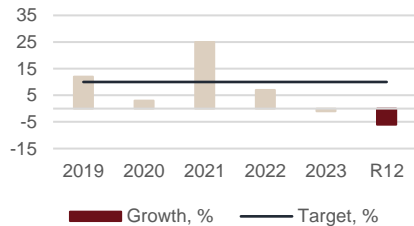
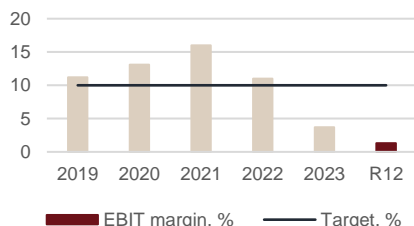
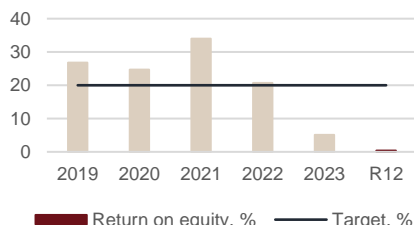
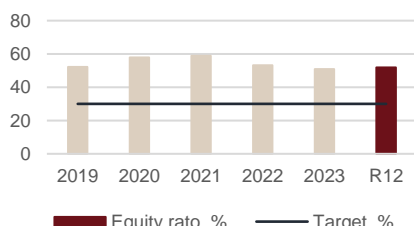
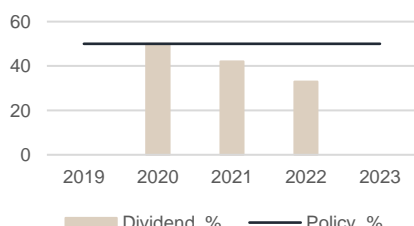
For more information about GARO's goals for a more sustainable future, refer to GARO's 2023 Annual Report, pages 28–41.

GARO's financial targets

PARENT COMPANY

The Parent Company's operations comprise sales in the product area Electrical distribution products, product development, Group Management, Group-wide functions and the Group's finance function.

Net sales for the Parent Company in the first quarter amounted to MSEK 101.0 (116.1). Of this amount, MSEK 11.1 (20.0) comprised internal sales. EBIT for the quarter amounted to MSEK 7.8 (9.3).

<div>SALES GROWTH</div> <div>Organic growth will amount to not less than 10% over a business cycle.</div> <div>TARGET</div> <div>≥ 10%</div>	<div><table><tr><th>Year</th><th>Growth, %</th><th>Target, %</th></tr><tr><td>2019</td><td>10</td><td>10</td></tr><tr><td>2020</td><td>2</td><td>10</td></tr><tr><td>2021</td><td>25</td><td>10</td></tr><tr><td>2022</td><td>8</td><td>10</td></tr><tr><td>2023</td><td>-2</td><td>10</td></tr><tr><td>R12</td><td>-5</td><td>10</td></tr></table></div>	Year	Growth, %	Target, %	2019	10	10	2020	2	10	2021	25	10	2022	8	10	2023	-2	10	R12	-5	10
Year	Growth, %	Target, %																				
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<div>PROFITABILITY</div> <div>The EBIT margin for the Group will amount to not less than 10% of net sales over a business cycle.</div> <div>TARGET</div> <div>≥ 10%</div>	<div><table><tr><th>Year</th><th>EBIT margin, %</th><th>Target, %</th></tr><tr><td>2019</td><td>12</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>2022</td><td>11</td><td>10</td></tr><tr><td>2023</td><td>4</td><td>10</td></tr><tr><td>R12</td><td>1</td><td>10</td></tr></table></div>	Year	EBIT margin, %	Target, %	2019	12	10	2020	13	10	2021	16	10	2022	11	10	2023	4	10	R12	1	10
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<div>RETURN</div> <div>Return on equity will amount to not less than 20% over a business cycle.</div> <div>TARGET</div> <div>≥ 20%</div>	<div><table><tr><th>Year</th><th>Return on equity, %</th><th>Target, %</th></tr><tr><td>2019</td><td>28</td><td>20</td></tr><tr><td>2020</td><td>25</td><td>20</td></tr><tr><td>2021</td><td>35</td><td>20</td></tr><tr><td>2022</td><td>20</td><td>20</td></tr><tr><td>2023</td><td>5</td><td>20</td></tr><tr><td>R12</td><td>1</td><td>20</td></tr></table></div>	Year	Return on equity, %	Target, %	2019	28	20	2020	25	20	2021	35	20	2022	20	20	2023	5	20	R12	1	20
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<div>EQUITY RATIO</div> <div>The equity ratio will not be less than 30%.</div> <div>TARGET</div> <div>≥ 30%</div>	<div><table><tr><th>Year</th><th>Equity ratio, %</th><th>Target, %</th></tr><tr><td>2019</td><td>55</td><td>30</td></tr><tr><td>2020</td><td>60</td><td>30</td></tr><tr><td>2021</td><td>65</td><td>30</td></tr><tr><td>2022</td><td>55</td><td>30</td></tr><tr><td>2023</td><td>50</td><td>30</td></tr><tr><td>R12</td><td>55</td><td>30</td></tr></table></div>	Year	Equity ratio, %	Target, %	2019	55	30	2020	60	30	2021	65	30	2022	55	30	2023	50	30	R12	55	30
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2019	55	30																				
2020	60	30																				
2021	65	30																				
2022	55	30																				
2023	50	30																				
R12	55	30																				
<div>DIVIDEND POLICY</div> <div>GARO's 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.</div> <div>TARGET</div> <div>≥ 50%</div>	<div><table><tr><th>Year</th><th>Dividend, %</th><th>Policy, %</th></tr><tr><td>2019</td><td>50</td><td>50</td></tr><tr><td>2020</td><td>50</td><td>50</td></tr><tr><td>2021</td><td>45</td><td>50</td></tr><tr><td>2022</td><td>35</td><td>50</td></tr><tr><td>2023</td><td>30</td><td>50</td></tr></table></div>	Year	Dividend, %	Policy, %	2019	50	50	2020	50	50	2021	45	50	2022	35	50	2023	30	50			
Year	Dividend, %	Policy, %																				
2019	50	50																				
2020	50	50																				
2021	45	50																				
2022	35	50																				
2023	30	50																				

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Jan-Mar 2024	Jan-Mar 2023	R12	Jan-Dec 2023
Amount in MSEK				
Operating income				
Net sales	292.5	370.3	1,292.1	1,369.9
Other operating income	1.5	0.6	22.6	21.7
Total operating income	294.0	370.9	1,314.7	1,391.6
Capitalized production costs	0.1	1.1	1.8	2.8
Operating expenses				
Raw materials and consumables	-161.8	-206.5	-716.1	-760.8
Other external expenses	-46.1	-44.8	-194.3	-193.0
Personnel expenses	-78.7	-83.5	-321.6	-326.4
Other operating expenses	0.0	0.0	-14.5	-14.5
Depreciation/amortization of tangible and intangible assets	-14.2	-9.4	-53.4	-48.6
EBIT	-6.7	27.8	16.7	51.1
Result from financial items				
Net financial expenses	-0.2	-0.4	-3.1	-3.3
Profit/loss before tax	-6.9	27.4	13.6	47.8
Income tax	-1.2	-6.7	-11.0	-16.5
Net income	-8.1	20.7	2.6	31.3
Other comprehensive income:				
Items that may be reclassified to the income statement				
Translation differences	6.5	0.9	9.7	4.1
Other comprehensive income, net	6.5	0.9	9.7	4.1
Total comprehensive income for the period	-1.6	21.6	12.3	35.4
Net income and total comprehensive income for the period is attributable to shareholders of the Parent Company				
Key ratios per share				
Average number of shares	50,000,000	50,000,000	50,000,000	50,000,000
Earnings/loss per share, before and after dilution, SEK	-0.16	0.41	0.05	0.63

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amount in MSEK	Mar 30, 2024	Mar 30, 2023	Dec 31, 2023
ASSETS			
Fixed assets			
Intangible assets	138.6	135.4	145.9
Tangible assets	289.1	303.6	285.2
Financial assets	2.4	4.0	4.2
Total fixed assets	430.1	443.1	435.3
Current assets			
Inventories	395.4	351.1	395.2
Accounts receivable	258.1	374.5	252.6
Other current receivables	77.3	70.2	65.5
Cash and cash equivalents	11.3	11.9	50.0
Total current assets	742.3	807.7	763.3
TOTAL ASSETS	1,172.4	1,250.8	1,198.6
EQUITY AND LIABILITIES			
Share capital	20.0	20.0	20.0
Other reserves	20.3	10.6	13.8
Other contributed capital	1.5	1.5	1.5
Other equity including net income for the period	566.1	603.6	574.2
Total equity	607.9	635.7	609.5
Long-term liabilities			
Liabilities to credit institutions	22.3	35.8	22.2
Lease liabilities	54.4	58.1	56.1
Other provisions	7.0	9.0	7.0
Deferred tax liabilities	0	0	0
Total long-term liabilities	83.8	102.9	85.3
Short-term liabilities			
Liabilities to credit institutions	195.7	148.5	177.6
Lease liabilities	16.8	15.2	16.2
Accounts payable	139.0	195.4	183.3
Other short-term liabilities	129.2	153.4	126.7
Total short-term liabilities	480.6	512.2	503.8
TOTAL EQUITY AND LIABILITIES	1,172.4	1,250.8	1,198.6

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to shareholders in the Parent Company Amount in MSEK	Share capital	Reserves	Other contributed capital	Retained earnings	Total equity
Equity at January 1, 2023	20.0	9.7	1.5	582.9	614.1
Net income for the period				20.7	20.7
Other comprehensive income for the period		0.9		0	0.9
Dividend paid to shareholders				-40.0	-40.0
Closing equity, March 31, 2023	20.0	10.6	1.5	603.6	635.7
Equity at January 1, 2024	20.0	13.8	1.5	574.2	609.5
Net loss for the period				-8.1	-8.1
Other comprehensive income for the period		6.5		0	6.5
Dividend paid to shareholders				0	0
Currency effects				0	0
Closing equity, March 31, 2024	20.0	20.3	1.5	566.1	607.9

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT

	Jan-Mar 2024	Jan-Mar 2023	R12	Jan-Dec 2023
Amount in MSEK				
Cash flow from operating activities				
EBIT	-6.7	27.8	16.7	51.1
Depreciation/amortization and impairment	14.2	9.4	53.3	48.6
Interest paid/received, income tax and adjustment for non-cash items	0.9	-11.8	-50.1	-57.2
Cash flow from operating activities before changes in working capital	8.4	25.4	19.9	42.5
Change in working capital				
Increase(-)/decrease(+) in inventories	9.8	-6.3	-27.1	-43.2
Increase(-)/decrease(+) in operating receivables	-13.4	-66.8	114.2	60.8
Increase(+)/decrease(-) in operating liabilities	-48.6	1.1	-78.3	-34.0
Cash flow from operating activities	-43.8	-46.6	28.7	25.6
Investing activities				
Investments in intangible assets	-4.2	-9.7	-29.5	-34.8
Investments in subsidiaries	0	-1.1	1.1	0
Investments in tangible assets	0	-40.4	-33.0	-73.4
Disposal of tangible assets	0	0	57.2	57.2
Cash flow from investing activities	-4.2	-51.2	-4.2	-51.0
Financing activities				
Net borrowing/amortization of loans	12.4	84.3	28.0	99.9
Amortization of lease liability	-4.2	-4.2	-14.9	-14.9
Warrant liquidity received	0	0	0	0
Dividend paid to shareholders	0	0	-40.0	-40.0
Cash flow from financing activities	8.2	80.1	-26.9	45.0
Cash flow for the period	-39.8	-17.7	-2.4	19.6
Currency effect in cash and cash equivalents	1.1	29.5	1.8	0.9
Cash and cash equivalents, start of the period	50.0	0.1	11.9	29.5
Cash and cash equivalents, end of the period	11.3	11.9	11.3	50.0

CONDENSED PARENT COMPANY INCOME STATEMENT

	Jan–Mar 2024	Jan–Mar 2023	Jan–Dec 2023
Amount in MSEK			
Operating income			
Net sales	76.2	96.5	354.8
Other operating income	24.8	19.6	90.8
Total income	101.0	116.1	445.6
Operating expenses			
Raw materials and consumables	-47.8	-64.6	-231.4
Other external expenses	-23.1	-18.1	-79.3
Personnel expenses	-20.9	-22.4	-87.7
Depreciation/amortization of tangible and intangible assets	-1.5	-1.8	-6.8
EBIT	7.8	9.3	40.4
Result from financial items			
Profit/loss from participations in Group companies	-0.3	0	-1.4
Net interest income and similar items	6.0	2.7	18.2
Net interest expenses and similar items	-0.7	0	-5.9
Profit before tax	12.8	12.0	51.5
Appropriations	0	0	-26.6
Income tax	-2.6	-2.5	-5.6
Net income	10.2	9.5	19.3

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

	Mar 31, 2024	Mar 31, 2023	Dec 31, 2023
Amount in MSEK			
ASSETS			
Fixed assets			
Intangible assets	3.3	17.3	31.0
Tangible assets	17.6	32.2	18.9
Participations in Group companies	83.6	81.0	84.0
Other financial assets	161.7	146.6	166.9
Total fixed assets	266.3	277.1	300.8
Current assets			
Inventories	27.6	34.5	30.8
Accounts receivable	67.0	87.4	70.2
Other receivables	340.1	246.2	281.8
Cash and bank balances	0	0	0
Total current assets	434.7	368.1	382.8
TOTAL ASSETS	700.9	645.2	683.6
EQUITY AND LIABILITIES			
Share capital	20.0	20.0	20.0
Fund for internal development expenses	29.5	6.1	29.5
Statutory reserve	2.6	2.6	2.6
Non-restricted equity including net income for the period	326.1	369.6	316.0
Total equity	378.2	398.3	368.1
Provisions	1.2	3.4	1.2
Long-term liabilities			
Liabilities to credit institutions	18.8	22.1	18.7
Total long-term liabilities	18.8	22.1	18.7
Short-term liabilities			
Short-term interest-bearing liabilities	132.3	69.4	96.8
Short-term non-interest-bearing liabilities	170.3	152.0	198.8
Total short-term liabilities	302.7	221.4	295.6
TOTAL EQUITY AND LIABILITIES	700.9	645.2	683.6

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, Germany, 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 60-63 of the 2023 Annual Report. The Annual Report is available at www.garogroup.se. At the time of writing, the situations in Ukraine and Gaza are not assessed to have any notable impact for the Group and its operations.

RELATED-PARTY TRANSACTIONS

Related-party transactions take place in accordance with the principles described in the 2023 Annual Report. There were no related party transactions during the year except for the payment of fees to the Board of Directors, the remuneration of senior executives and transactions with Group companies.

EMPLOYEES

The number of employees in the Group on March 31, 2024 was 437 (543) excluding persons dismissed and exempted from work. At December 31, 2023, the number of employees was 478.

ACCOUNTING POLICIES

GARO applies the International Financial Reporting Standards (IFRS) as adopted by the EU, the Swedish Annual Accounts Act (1995:1554) and the recommendations and statements of the Swedish Financial Reporting Board. This year-end report has been prepared in accordance with IAS 34 Interim Financial Reporting. Disclosures in accordance with IAS 34, 16A are presented, in addition to the financial statements and related notes, in the interim financial information on pages 1-19, which constitutes an integrated part of these financial statements. In addition, disclosures according to IAS 34.16A are presented in the financial statements and their notes as well as other parts of the interim report.

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 14, 2024

GARO AB

The CEO and the Board of Directors

SALES AND EBIT BY BUSINESS AREA

	GARÖ Electrification		GARÖ E-mobility		Elimination		Group	
Business area information	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023
Income								
Total external income	262.7	327.7	136.3	165.2	-106.4	-122.6	292.5	370.3
Total internal income	-54.5	-79.6	-51.9	-42.9	106.4	122.6	0	0
Income from contracts with customers	208.2	248.1	84.3	122.2	0	0	292.5	370.3
EBIT	16.9	21.2	-23.6	6.6	0	0	-6.7	27.8
Net financial expenses							-0.2	-0.4
Income tax							-1.2	-6.7
Net income							-8.1	20.7

REVENUE PER CUSTOMER'S GEOGRAPHIC LOCATION (JAN-MAR)

Business Area	GARÖ Electrification			GARÖ E-mobility			Total		
	Jan-Mar 2024	Jan-Mar 2023	growth, %	Jan-Mar 2024	Jan-Mar 2023	growth, %	Jan-Mar 2024	Jan-Mar 2023	growth, %
Sweden	123.9	158.7	-22	28.6	56.0	-49	152.5	214.7	-29
Nordic region excl. Sweden	24.5	26.7	-8	19.8	34.9	-43	44.3	61.6	-28
Europe excl. Nordic region	59.8	62.7	-5	35.9	31.3	15	95.7	94.0	2
Total	208.2	248.1	-16	84.3	122.2	-31	292.5	370.3	-21

GARÖ GROUP MULTI-YEAR OVERVIEW *

		Jan-Mar 2024	Jan-Mar 2023	R12	2023	2022	2021	2020	2019
Net sales	MSEK	292.5	370.3	1,292.3	1,369.9	1,390.5	1,295.8	1,039.8	1,008.1
Growth	%	-21	-3	-6	-1	7	25	3	12
EBITDA	MSEK	7.5	37.2	70.0	99.6	188.8	243.0	163.2	134.9
EBITDA margin	%	2.6	10.0	5.4	7.3	13.6	18.8	15.7	13.4
EBIT	MSEK	-6.7	27.8	16.7	51.1	152.8	207.2	136.2	112.6
EBIT margin	%	-2.3	7.5	1.3	3.7	11.0	16.0	13.1	11.2
Earnings/loss per share, before and after dilution	SEK	-0.16	0.41	0.05	0.63	2.41	3.33	1.91	1.71
Equity per share	SEK	12.16	12.71	12.16	12.19	12.28	11.03	8.61	6.86
Dividend per share	SEK	n/a	n/a	n/a	0	0.80	1.40	0.95	0
Dividend	MSEK	n/a	n/a	n/a	0	40.0	70.0	47.5	0
Closing rate, share	SEK	33.50	76.55	33.50	43.52	108.6	216.0	127.0	61.4
Return on equity	%	0.4	14.1	0.4	5.1	20.7	34.0	24.7	26.8
Return on capital employed									
capital	%	2.5	15.6	2.5	7.9	22.1	39.2	32.2	30.4
Investments	MSEK	4.2	50.1	62.3	108.2	120.1	45.3	45.3	33.4
Depreciation	MSEK	14.2	9.4	53.3	48.6	36.0	35.8	26.9	22.3
Equity ratio	%	51.9	50.8	51.9	50.9	53.2	58.9	57.9	52.2
Net debt	MSEK	277.9	245.6	277.9	222.1	143.7	-9.4	11.3	45.6
Net debt/EBITDA	multiple	206.7	1.6	206.7	2.2	0.8	0.0	0.1	0.3
Number of employees		437	543	494	478	521	498	412	421

*For definitions, see pages 18-20

QUARTERLY FIGURES

External sales per business area Amount in MSEK	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
GARO E-mobility	84.3	93.9	93.8	152.2	122.2	80.6	92.1	103.3	146.4	134.4	91.2	118.4
GARO Electrification	208.2	217.3	208.5	234.0	248.1	261.2	224.9	246.9	235.2	235.7	202.7	222.8
Total Group	292.5	311.2	302.3	386.2	370.3	341.8	317.0	350.2	381.6	370.1	293.9	341.2

EBIT per business area Amount in MSEK	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
GARO E-mobility	-23.6	-33.0	-15.3	4.5	6.6	-20.9	0.4	3.0	30.7	27.9	20.1	20.2
GARO Electrification	16.9	32.9	20.6	13.7	21.2	29.8	37.0	36.6	36.1	29.8	28.4	34.9
Total Group	-6.7	-0.1	5.3	18.2	27.8	8.9	37.4	39.6	66.8	57.7	48.5	55.1

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

Operating expenses: The total of selling expenses, administrative costs, other operating income, other operating expenses, excluding amortization and impairment of acquired intangible assets

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/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 financial measures – alternative performance measures – that are not defined in the rules for financial reporting that GARO applies. The goal of these performance measures is to create a better understanding of how the operations are performing. Investors should view these financial measures as a supplement rather than a replacement of financial reporting in accordance with IFRS. 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. GARO uses the following alternative performance measures:

Organic growth: Organic growth with adjustments for currency effects from operations in currencies other than SEK. This performance measure is expressed as a percentage of the preceding period's net sales.

CHANGE IN NET SALES	Jan–Mar 2024 (MSEK)	Jan–Mar 2024 (%)	Jan–Dec 2023 (MSEK)	Jan–Dec 2023 (%)
Preceding quarter/year	370.3		1,390.5	
Organic sales/growth	-78.3	-21	-20,0	-1
Currency effects	0.5		-0.6	
Net sales from acquisitions	0		0	
Recognized growth	-77.8	-21	-20.6	-1

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

Number of employees: The number of employees at the end of the period excluding persons dismissed and exempted from work

EBITDA: A measure of EBIT before interest, taxes, depreciation, and amortization

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

	Jan–Mar 2024	Jan–Mar 2023	Jan–Dec 2023
Amount in MSEK			
Recognized EBIT	-6.7	27.8	51.1
Reversal of depreciation/amortization	14.2	9.4	48.5
EBITDA	7.5	37.2	99.6

Net debt: Net debt is defined by how large financial borrowings are in the company in absolute terms less cash and cash equivalents. The performance measure is defined as interest-bearing liabilities, lease liabilities in accordance with IFRS 16, less interest-bearing assets including cash and cash equivalents.

	Jan–Mar 2024	Jan–Mar 2023	Jan–Dec 2023
Amount in MSEK			
Non-current interest-bearing liabilities	22.3	35.8	22.2
Short-term interest-bearing liabilities	195.7	148.5	177.6
Lease liability as defined under IFRS 16	71.2	73.3	72.3
Less cash and cash equivalents	-11.3	-11.9	-50.0
Net debt	277.9	245.7	222.1
Net debt in relation to total assets (%)	23.7	19.6	18.5

Net debt excluding IFRS 16: Interest-bearing liabilities excluding lease liabilities in accordance with IFRS 16, less interest-bearing assets including cash and cash equivalents

	Jan–Mar 2024	Jan–Mar 2023	Jan–Dec 2023
Amount in MSEK			
Non-current interest-bearing liabilities	22.3	35.8	22.2
Short-term interest-bearing liabilities	195.7	148.5	177.6
Lease liability as defined under IFRS 16	71.2	73.3	72.3
Less cash and cash equivalents	-11.3	-11.9	-50.0
Reversal of Lease liability as defined under IFRS 16	-71.2	-73.3	-72.3

Net debt excluding IFRS 16	206.7	172.3	149.8
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Working capital: GARO's working capital comprises a major part of the balance sheet's value. In order to optimize the Group's cash generation, management focuses on the development of working capital, for which the performance measure is defined as the total of current assets less cash and cash equivalents less short-term non-interest-bearing liabilities, all calculated at the end of the period.

	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Amount in MSEK			
Current assets	742.3	807.7	763.3
Less cash and cash equivalents	-11.3	-11.9	-50.0
Less short-term non-interest-bearing liabilities	-268.2	-348.8	-309.9
Working capital on balance-sheet date	462.8	447.0	403.4
Working capital in relation to sales (R12), %	35.8	32.4	29.4

Return on capital employed: This performance measure is defined as EBIT for the past 12 months divided by capital employed, all calculated at the end of the period.

	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Amount in MSEK			
EBIT for the past 12 months	16.7	113.7	51.1
Capital employed at the end of the period	679.0	726.6	643.8
Return on capital employed, %	2.5	15.6	7.9

Return on equity: This performance measure is defined as net income for the past 12 months divided by average equity, all calculated at the end of the period.

	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Amount in MSEK			
Net income for the past 12 months	2.6	87.3	31.1
Equity at the beginning of the period	609.5	614.1	614.1
Equity at the end of the period	607.9	635.7	609.5
Average equity	608.7	624.9	611.8
Return on equity, %	0.4	14.1	5.1

Economic information

INVITATION TO PRESENTATION FOR THE PRESS AND ANALYSTS

On May 14, 2024 at 3:00 p.m. (CEST), the President and CEO Patrik Andersson and CFO Helena Claesson will present the report and respond to questions in a teleconference.

Telephone numbers:

Sweden: +46 10 884 80 16

International: [Dail-In numbers](#)

Code: 32 42 87

The presentation used during this teleconference can be downloaded at www.garogroup.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

Second quarter of 2024 August 16, 2024

Third quarter of 2024 November 15, 2024

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.

GARO IN BRIEF

GARO develops and manufactures innovative products and solutions within electricity and E-mobility. GARO targets both professionals and end users. GARO's brand is your guarantee for electrical safety, user-friendliness and sustainability. GARO was founded in 1939 in Gnosjö, in Småland, in southern Sweden where our distinct entrepreneurial spirit originates from and where our head office remains. There is not much else that is similar from that time. Today, GARO is an international Group with operations in seven countries. The foundation of GARO's work is all of the knowledge and experience that the Group has collected since 1939 until today.

This information is such information that GARO AB is obligated to publish in accordance with the EU Market Abuse Regulation. The information was published by the abovementioned contact persons on May 14, 2024, at 2:00 p.m.