

26 October 2018

Press release

Interim report January-September 2018

July-September 2018

- Net sales were 265.4 MSEK (256.9), an increase of 3.3% from the equivalent quarter in 2017.
- Operating income increased to 26.7 MSEK (21.8), an operating margin of 10.1% (8.5). There were one off costs of 3.5 MSEK (0) during the quarter.
- Operating income before one off costs increased to 30.2 MSEK (21.8).
- Earnings per share were 1.49 SEK (1.34).
- Cash flow after investments was 44.5 MSEK (27.5).

January-September 2018

- Net sales were 859.0 MSEK (851.0), an increase of 0.9% compared to the equivalent period in 2017.
- Operating income was 65.5 MSEK (80.0), an operating margin of 7.6% (9.4). There were one off costs of 7.8 MSEK (3.9) during the period.
- Operating income before one off costs was 73.3 MSEK (83.9).
- Earnings per share were 3.74 SEK (4.86).
- Cash flow after investments was 62.4 MSEK (36.2).

Significant events during the quarter

- The group completed the efficiency programme which began in the spring and resulted in a reduction of 32 employees. The annual saving amounts to circa 20 MSEK from 2019 and one off costs amounted to 7.8 MSEK, of which 4.3 MSEK arose in quarter 2 and 3.5 MSEK in quarter 3.

Statement from the CEO

A good quarter all round

FM Mattsson Mora Group's quarter 3 was good in a lot of ways. The quarter was a continuation of a positive trend after a weaker start to the year and a solid quarter 2. We delivered, amongst other things, an operating margin of over 10% which is an all time high. The efficiency programme we presented in the spring is now implemented and all related one off costs have been recognised.

The new organisation contributes to the positive result, both in the Swedish and International parts of the business. There is still potential for improvement in parts of our purchasing and production processes and we can work even more closely with our customers.

We are still seeing a good level of demand from our customers and share their positive view of the market for the near future. We follow the general discussion in Sweden about the construction sector and note that forecasts for new builds have been reduced. At the same time we see good demand from the RMI sector where FM Mattsson Mora Group has its core sales, to both consumers and professional customers. When new builds reduce we are secure that it is balanced by the renovation and extension projects.

We think that it's a particularly exciting time with the category connected mixer taps and the benefits which these products provide. Here we see a good response from customers in a number of countries, with increased attention and interest for our products. This applies specifically to the brand FM Mattsson which has taken a clear position in the market for this type of modern, highly technological mixer.

I would also like to highlight the work done for the brand Damixa and the launch of new models within the product series Silhouet. These have been very well received by our customers. We have also completed several successful projects for Copenhagen Council with the theme sustainability, thanks to a combination of our energy saving products, good collaboration and goal-oriented work by our dedicated energy advisory team.

There's a lot going on at the moment even though the fourth quarter is traditionally a quieter period. We recently exhibited at the Home and Villa Exhibition in Stockholm in collaboration with the interior designer Mija Kinning in order to position ourselves closer to the end consumers. We are also at Building Green in Copenhagen, an important event for energy saving products.

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This information is information is such that FM Mattsson Mora Group AB (publ) must disclose pursuant to the Financial Instruments Trading Act. The information was submitted for publication, through the agency of the contact person set out above, at 15:00 CET on 26 October 2018.

FM Mattsson Mora Group conducts the sale, manufacture and product development of water taps under the strong, well-established brands of FM Mattsson, Mora Armatur and Damixa. The Nordic region, where FM Mattsson Mora Group is a leading player, is the group's principal market. The group's vision is to be the customer's first choice in the bathroom and kitchen. The group will achieve this by offering sustainable products with leading technology, high quality and attractive design. The group generated sales of more than SEK 1.1 billion and had approximately 530 employees in 2017. Continued growth will be achieved by strengthening the group's position within existing markets and growing as a niche player in selected markets, organically and via acquisition. FM Mattsson Mora Group is listed on Nasdaq Stockholm.