

21 February 2019

## Press release

### Year end report January-December 2018

#### October-December 2018

- Net sales were 279.1 MSEK (274.8), an increase of 1.6% from the equivalent quarter in 2017.
- Operating income increased to 15.8 MSEK (13.1), an operating margin of 5.7% (4.8).
- Earnings per share were 0.89 SEK (0.71).
- Cash flow after investments was 42.9 MSEK (35.4).

#### January-December 2018

- Net sales were 1,138.1 MSEK (1,125.9), an increase of 1.1% compared to the equivalent period in 2017.
- Operating income was 81.3 MSEK (93.2), an operating margin of 7.1% (8.3). There were one off costs of 7.8 MSEK (3.9).
- Operating income before one off costs was 89.1 MSEK (97.1).
- Earnings per share were 4.62 SEK (5.53)
- Cash flow after investments was 105.3 MSEK (71.6).
- The Board of Directors is proposing a dividend of 3.00 SEK (3.00) per share.

#### Significant events after the quarter

- Mikael Östbring left his post as marketing and sales director Nordics in January.
- Ole Sander, marketing and sales director International and managing director FMMSG Denmark, gave notice in January that he intends to leave his position by 30 April 2019.

## **Statement from the CEO**

### **We're growing all the way from Mora to the South Pole**

The year concluded with the continuation of a positive trend we have seen since the second quarter and we have delivered a strong result for the fourth quarter. Sales growth was stable, assisted by favourable currency effects and we are pleased that the improvement programme which we implemented in the spring is beginning to contribute to an improvement in results. For the fourth quarter we reported EBIT of c. 16 MSEK compared to 13 MSEK last year.

Considering the changes we have made during the year, through tough decisions which have affected our day to day work, it is very pleasing that the business is performing so well and that we are reporting a strong result, good cash flow and strengthened balance sheet. I would like to thank all my colleagues for their goal-orientated work. In addition to the re-organisation we have worked out new core values for the business which will be an important platform leading us through 2019.

The general market feeling amongst our customers continues to be generally positive although we note that forecasts for new build have been reduced. We still see good demand for the RMI sector in which FM Mattsson Mora Group has the majority of its sales. We feel secure in our position as a technologically leading, quality supplier but the market is constantly developing so we need to too. Our vision is to be the first choice for customers in the bathroom and kitchen. When consumption patterns change we need to be even more market and customer focused to achieve our vision.

As the technological leader in the industry we will continue to develop connected and environmentally smart products that create value for our customers. We will increase our visibility among installation firms and consumers to become a more natural "top of the mind" choice when it comes to mixer taps, regardless of the decision maker. Therefore, we are on display again at the Stockholm Furniture Fair in February.

The products we have launched this year, e.g. Damixa Silhouet, have had a good response and lots of attention. Interest in connected mixers is increasing and we are constantly evaluating potential development paths in this area. For Damixa we've developed an app for installers which makes it easy to get information on products and installation guidelines. In February our outdoor shower "Mora Armatur by

Inredningsrör” won the Elle Decorations Swedish Design Award for best bathroom product.

The quarter was characterized by hard work along the familiar path to promote our positions, develop the organization and strengthen our brands. Although we’re pleased with much of the progress we have made we see further potential to improve our internal efficiency and customer collaborations. The investments and measures we have taken during the year have led to a better cost level which gives us a stronger base for the future.

In the beginning of 2019 there are some changes in the group management which can affect the organization in the short term. Our ambition is that new management will contribute with knowledge, drive and customer focus. In the future we will focus even more on digital development, both internally and in collaboration with partners, as well as more connected, touch free and other smart sustainable solutions.

To finish with I’d like to mention that FM Mattsson taps have been installed in a market with extremely demanding conditions and tough competition. FM Mattsson was chosen as the supplier to the British Antarctic Survey’s facilities in the South Pole. Critical factor were reliability, high quality and simple installation. It’s an order we are extra proud of!

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*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, primarily in the Nordic region. The group’s vision is to be the first choice for customers in the bathroom and kitchen. The business generated sales of more than SEK 1.1 billion and had over 480 employees in 2018. FM Mattsson Mora Group is listed on Nasdaq Stockholm.*