

Press Release

February 23, 2021

Year end report January-December 2020

October-December 2020

- Net sales were 396.6 MSEK (344.1), an increase of 15.3% from the equivalent quarter in 2019. The organic growth amounted to 17.5% for the period.
- Operating income increased to 60.5 MSEK (14.1), an operating margin of 15.3% (4.1). During the quarter there were one-off costs of 3.3 MSEK (8.2) in relation to the move to new premises and closure of the assembly operations in Denmark.
- Earnings per share were 0.69 SEK (0.68).
- Excluding the final adjustment to the earn-out consideration for Hotbath, which has performed above expectation, earnings per share amounted to 3.21 SEK (0.68).
- Cash flow after investments was 33.7 MSEK (57.0).

January-December 2020

- Net sales were 1,536.8 MSEK (1,313.5), an increase of 17.0% compared to the equivalent period in 2019. Organic growth amounted to 10.0% for the period.
- Operating income was 197.5 MSEK (117.2), an operating margin of 12.9% (8.9). There were one off costs of 3.3 MSEK (13.0).
- Earnings per share were 6.24 SEK (6.33).
- Excluding the final adjustment to the earn-out consideration for Hotbath, which has performed above expectation, earnings per share amounted to 10.69 SEK (6.33).
- Cash flow after investments was 148.9 MSEK (-4.1).
- The Board of Directors is proposing a dividend of 4.50 SEK (3.50) per share.

Significant events during and after the quarter

- The restructuring of FM Mattsson Mora Group Danmark ApS, which was communicated in the fourth quarter of 2019, has been completed. The business has moved to new premises and the assembly operation has closed.

STATEMENT FROM THE CEO

A very strong finish to a different but successful year

We continued our excellent progress during 2020 with a fourth quarter which is our strongest quarter ever. Sales increased by 15.3% to 397 MSEK. All regions and brands developed positively as they have for the year as a whole. EBIT % was as high as 15.3% due to the strong sales and high productivity in the factory in Mora. That means that sales for the full year 2020 increased by 17% and EBIT % was 12.9%. EBIT for 2020 was 197 MSEK which means it is a record year with an increase of over 68% compared to 2019.

We are very pleased to be able to report clear profitable growth and very good cash flow for the fourth quarter and 2020 as a whole. At the same time, we are wary of the covid-19 crisis which is affecting lots of people and organisations. We have been and will continue to work actively to promote health and safety in the business and to communicate closely with customers and suppliers to ensure we retain a good delivery performance. During the quarter we have experienced certain disruptions from suppliers because of the various restrictions. Overall, we have still managed to provide a good service to our customers.

The fourth quarter saw high demand from all regions and strong international growth. December usually has low demand but we can conclude that it held up well. Our assessment is that many customers wanted to complete ongoing projects but also secure good inventory levels ahead of the holiday season and avoid the risk of disruptions from covid-19. During the year and quarter we have benefited from staycations which have meant there is time and money to renovate bathrooms and kitchens. We continue, of course, to monitor demand in the market and potential covid-19 effects. We expect a somewhat more restrained start to 2021 in terms of demand and continued challenges with supply capacity due to global restrictions and lockdowns. Generally we view our chances of expanding sales positively because we experience a lot of confidence from our customers and a long term need to renovate homes in the regions and segments we focus on.

It's always challenging to succeed with projects and especially during a pandemic. We are proud of the teamwork we have had in the group during this challenging year which has helped us to succeed very well with our various projects. We have launched several new, attractive products with smart functions such as touch free taps. In the fourth quarter we also completed the Damixa restructure which we announced just over a year ago. The assembly operation in Denmark has been closed and we have moved into our new premises in Odense. This is a clear step to enhance the development of our products and brands and to reduce the proportion of fixed costs. In summary, this enables us to further strengthen Damixa's position.

Sustainability is increasingly important when customers build and renovate. Therefore we follow our strategy of offering designer products with smart functions to reduce water and energy usage and improve hygiene. This investment also includes digitalisation and continuous learning. A great example is Tinderhoj school in Denmark where 180 touch free taps have been connected. That means lower water usage and the opportunity to tell pupils in “real time” how the taps are used and how they can impact their use. This digital development is good for the environment and the wallet but also a chance to educate the next generation.

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About Us

FM Mattsson Mora Group conducts the sale, manufacture and product development of water taps under the strong, established brands of FM Mattsson, Mora Armatur, Damixa and Hotbath. The group's vision is to be the customer's first choice for mixer taps in the bathroom and kitchen. In 2020 the business generated sales of more than SEK 1.4 billion from its companies in Sweden, Norway, Denmark, Finland, Benelux, Germany and Italy and had over 500 employees (figures adjusted for the acquisition of Hotbath in May 2019). FM Mattsson Mora Group is listed on Nasdaq Stockholm.