

## Press Release

5 maj 2021

# Interim report January-March 2021

### January-March 2021

- Net sales were 428.1 MSEK (419.9), an increase of 2% compared to the equivalent period in 2020. Organic growth was 2.1% for the period.
- EBITA was 80.8 MSEK (59.0), an EBITA margin of 18.9% (14.1). There were one-off costs of 4.1 MSEK during the period (0) in relation to the acquisition of Aqualla Brassware Ltd.
- The acquired business Aqualla Brassware Ltd contributed 10.5 MSEK to net sales and 3.9 MSEK to EBITA.
- Earnings per share were 3.98 SEK (3.00).
- Cash flow after investments was -37.8 MSEK (23.9).

### Significant events during and after the quarter

- The group has acquired Aqualla Brassware Ltd, an established and fast growing supplier of bathroom products in the UK and Ireland, on 26 February 2021. Part of the consideration for the acquisition is in the form of shares and in total 216 184 shares of class B were issued.
- The group's board has set a target for EBITA margin of 15% over an economic cycle. This target replaces the target for operating margin of 10%. The board considers EBITA margin to be a more relevant measure of the group's underlying profitability because it excludes amortisation and impairment of acquisition related intangible non-current assets. The target also represents a margin increase due to the improvement in results the group has achieved in recent years.

## STATEMENT FROM THE CEO

### **A very strong result and increased international presence**

We have started 2021 with another record quarter. Sales increased by 2% compared to the first quarter of 2020, which was our strongest ever at that point. EBITA was c. 81 MSEK, an EBITA margin of almost 19%, which is comfortably the best we've ever had for a single quarter. It's a very impressive start to the year.

International sales are continuing to develop very well and increased by almost 18%. More than half of this growth was organic, driven primarily by Damixa and Hotbath where the products' design and functionality attracts many customers. Sales in the Nordic region reduced by 4.5% with a weak start in January due to the high sales in December. At the end of the first quarter of 2020 several Nordic customers increased their inventory levels due to the uncertainty caused by Covid-19 so this should be considered when comparing the quarters. Operating income is continuing to develop very well as a result of growth in our niche international business and strategic work with our product range. Due to Covid-19 we have had lower costs for customer activities during the first quarter. At the same time, we have, just like companies in other industries, been affected by higher costs for raw materials and transport.

The big event during the first quarter was the acquisition of the British bathroom company Aqualla Brassware Ltd. The acquisition adds a fast growing, profitable and strong customer focused organisation in the UK and Ireland. It creates new possibilities to grow in one of Europe's largest bathroom markets. Through the acquisition we will add additional bathroom products over and above taps and opportunities for a stronger customer offering. We are looking forward to further developing the brands Aqualla and Adamsez with the competent and motivated local management team and also to develop new business with our existing brands and customer relationships within the group.

Covid-19 is still a challenge for the business, even though demand for our products is still at a high level because a lot of people want to renovate their bathrooms and kitchens. During the quarter we have had a somewhat higher infection rate in the regions where we are based which has meant further routines and restrictions to safeguard our business. Our initiatives have worked well and we have managed to maintain a good service level to our customers. All of our employees have shown impressive commitment and creativity to solve the challenges which have appeared internally and externally.

During the quarter we have continued to launch new products. This has, amongst other things, included new colours for our touchless Mora MMIX tronic range and Mora REXX in black. We have also launched new bathroom accessories in colours to complement the designer ranges Mora INXX and Damixa Silhouet. Another exciting launch is our new mixer FM Mattsson Medicare which has been designed to meet the specific needs of hospitals. Several launches during the last year have also had clear sustainability benefits which our customers are increasingly demanding. We are convinced that our touchless products in various colours will be even more appreciated by our customers since they are good looking, save water and improve hygiene.

In summary we have had a record quarter with a lot of steps forward. The strong result development, the various initiatives we are driving and the trust from our customers mean that we see good opportunities in all our brands and markets. Therefore, we have decided to raise our margin target by replacing the target for operating margin of 10% with a new target of EBITA margin of 15%. This is both a more relevant KPI and more ambitious. We continue to strengthen our position by adding value for our customers.

**For more information please contact:**

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Fredrik Skarp, CEO, Tel: +46 (0) 250 596 405.  
Martin Gallacher, CFO, Tel +46 (0) 250 596 225.

**About Us**

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FM Mattsson Mora Group conducts the sale, manufacture and product development of water taps and related products under the strong, established brands of FM Mattsson, Mora Armatur, Damixa, Hotbath, Aqualla and Adamsez. The group's vision is to be the customer's first choice in the bathroom and kitchen. In 2020 the business generated sales of more than 1.6 billion SEK from its companies in Sweden, Norway, Denmark, Finland, Benelux, UK, Germany and Italy and had c. 550 employees (figures adjusted for the acquisition of Aqualla Brassware Ltd in February 2021). FM Mattsson Mora Group is listed on Nasdaq Stockholm.

This information is information that FM Mattsson Mora Group is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2021-05-05 08:00 CEST.