

Interim report January-June 2021

April-June 2021

- Net sales were 491.7 MSEK (364.9), an increase of 34.7% compared to the equivalent period in 2020. Organic growth was 28.2% for the period.
- EBITA was 105.1 MSEK (37.7), an EBITA margin of 21.4% (10.3).
- The acquired business Aqualla Brassware Ltd contributed 34.4 MSEK to net sales and 12.1 MSEK to EBITA.
- Earnings per share were 5.48 SEK (0.10). Excluding the adjustment to earn-out consideration for Hotbath, earnings per share last year were 1.63 SEK.
- Cash flow after investments was 57.3 MSEK (16.6).

January-June 2021

- Net sales were 919.7 MSEK (784.8), an increase of 17.2% compared to the equivalent period in 2020. Organic growth was 14.2% for the period.
- EBITA was 185.9 MSEK (96.8) an EBITA margin of 20.2% (12.3). 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 44.9 MSEK to net sales and 15.9 MSEK to EBITA.
- Earnings per share were 9.46 SEK (3.10). Excluding the adjustment to earn-out consideration for Hotbath, earnings per share last year were 3.90 SEK.
- Cash flow after investments was 19.5 MSEK (40.6).

Significant events during and after the quarter

- The group's board has, as previously announced in the interim report for January-March 2021, set a target for EBITA margin of 15% over an economic cycle.

STATEMENT FROM THE CEO

A quarter with new records and colleagues

Once again, we can summarise a quarter with new records – our best ever for sales and profit. Sales were 492 MSEK, an increase of 35% compared to the equivalent quarter last year. EBITA was 105 MSEK which means that EBITA for the first 6 months was 186 MSEK, an EBITA margin of 20% and almost double last year's result.

During the quarter sales increased for all brands and regions compared to the equivalent quarter last year. We can conclude that investments in private bathrooms and kitchens have remained high while activity has been relatively high in the more commercial sectors where we are present. The biggest challenge during the quarter has been getting hold of sufficient components and transports in time. Overall, we have managed to maintain a good delivery performance to our customers but with some disturbances in specific product areas.

It's very positive that the increased sales have resulted in a strong profit and cash flow, especially considering the supply challenges. The result improvement is also explained by development of our product mix and improvements in production in Mora. At the same time our sales and marketing costs been somewhat lower because of COVID-19. During the first half of the year costs for brass and transport increased significantly in our industry and this will continue to affect us during the rest of 2021. We expect demand to remain at a good level during the second half of the year and we have good conditions to work together with our customers and suppliers to deal with the challenges with components and transport.

During the quarter we have also got to know our new colleagues in the UK and Ireland following the acquisition of Aqualla Brassware Ltd in February. It's been really enjoyable to experience the strong company culture and desire to offer customers great products and service, something we have in common for all our brands. We are convinced that this acquisition provides big possibilities for the group to grow further internationally and also to offer our customers products, in addition to taps, for their bathrooms. Initially our focus has been meeting demand for existing business and introducing products from our other brands to customers in UK and Ireland. This is an exciting piece of work which we are working on intensively.

We are very pleased and proud to continue the impressive profit development we've seen during the last few quarters thanks to all the progress we've made in the business due to our dedicated teamwork. At the same time, we look humbly on the challenge of continuously improving ourselves so we remain an attractive partner to our customers. An upcoming launch in this spirit is the new Hotbath series Gal. We hope that it's

colours and style will be appreciated by customers. During the second quarter we also made some exciting launches within the series Damixa Silhouet with new colours and products. This is a further example of offering an attractive combination of colour and design for all kitchens and bathrooms.