

Press Release
Stockholm, 23 November 2016

Ferronordic Machines AB (publ)
Interim Report January - September 2016

IMPROVED RESULT AND EXCITING PRODUCT ADDITIONS

THIRD QUARTER 2016

- Revenue increased by 9% (11% increase in rubles) to SEK 406m (SEK 373m)
- Operating profit increased to SEK 40m (SEK 31m)
- Operating margin was 9.8% (8.3%)
- EBITDA amounted to SEK 45m (SEK 45m)
- The after-tax result amounted to SEK 34m (SEK 17m)
- Earnings per ordinary share amounted to SEK 1.98 (SEK 0.47)
- Cash flow from operating activities amounted to SEK -104m (SEK 183m)

JANUARY - SEPTEMBER 2016

- Revenue increased by 5% (21% increase in rubles) to SEK 1,121m (SEK 1,068m)
- Operating profit amounted to SEK 83m (SEK 43m)
- Operating margin was 7.4% (4.0%)
- EBITDA amounted to SEK 108m (SEK 97m)
- The after-tax result amounted to SEK 68m (SEK 20m)
- Earnings per ordinary share amounted to SEK 2.81 (SEK -1.73)
- Cash flow from operating activities amounted to SEK 20m (SEK 161m)

SEK M	2016 Q3	2015 Q3	2016 9M	2015 9M
Revenue	406.2	372.9	1 121.1	1 068.4
EBITDA	45.3	45.1	108.2	96.7
Operating profit	40.0	31.1	83.2	43.1
After-tax result	33.5	17.2	67.7	20.2
Net Debt / (Cash)	(76.5)	(40.5)	(76.5)	(40.5)
Net Debt / EBITDA	(0.5)	(0.3)	(0.5)	(0.3)

COMMENTS BY LARS CORNELIUSSON, CEO AND PRESIDENT:

- Although the decrease of the market has been slowing down lately, the total market for new construction machines in Russia during the first nine months was still 7-10% lower than the same period last year. The general uncertainty in the market and lack of financing continue to depress the demand. At the same time, however, we see a pick-up in our customers' machine utilization. This has a positive effect on our aftermarket sales and should further contribute to the existing pent-up demand to renew the machine population in Russia.
- Despite of the weak market, we managed to deliver a relatively strong result for the quarter with both increased revenue and increased profitability compared to last year. We have continued to sell more of large machines, while at the same time growing sales of parts and service nicely. The earnings per ordinary share (calculated after dividends on preference shares) continue to be positive.
- At the same time we continue to develop our business by adding complementary products. As mentioned in the Q2 report, we signed an agreement with LiuGong Dressta Machinery in July under which we became the official distributor for Dressta bulldozers and dozer-based pipelayers all over Russia. In September, we also signed an agreement with Rottne Industri AB under which we will become the official distributor for Rottne forestry machines all over Russia. We are proud of these announcements, which underline the strength of our distribution network. The addition of these products, which fit perfectly into our existing offering of products from Volvo CE and Terex Trucks, is fully in line with our strategy to use the network to distribute complementary products.

Presentation of third quarter report

A presentation of the third quarter report will be held by phone on 24 November 2016 at 9:30 a.m. CET.

The presentation can be accessed on the company's website prior to the meeting. To join the presentation, please dial the phone number no later than five minutes prior to the announced time.

Call-in numbers:

- Sweden Toll Number: 08 5059 6306
- Sweden Toll-Free Number: 0200 899 908
- UK Toll Number: 0203 139 4830
- UK Toll-Free Number: 0808 237 0030
- Russia Toll Number: 049 564 693 04
- Russia Toll-Free Number: 810 800 2136 5011

Participant code: 93614184#

About Ferronordic Machines

Ferronordic Machines is the authorized dealer of Volvo Construction Equipment and Terex Trucks in Russia. It is also the official Russian distributor of Dressta. In certain regions of Russia, Ferronordic Machines has also been appointed aftermarket dealer for Volvo and Renault Trucks and dealer for Volvo Penta. Ferronordic Machines began its operations in 2010 and has since then expanded rapidly across Russia. The company is well established in all federal districts with almost 70 outlets and approximately 775 employees. The vision of Ferronordic Machines is to be regarded as the leading service- and sales company in the CIS markets. The preference shares of Ferronordic Machines are listed on NASDAQ OMX First North Premier. The company has appointed Avanza Bank AB as its Certified Advisor.

<http://www.ferronordic.ru>

For more information, please contact:

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This information is information that Ferronordic Machines AB (publ) is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication on 23 November 2016, 17:45 CET.