

**Press Release**  
**Stockholm, 28 November 2017**

**Ferronordic Machines AB (publ)**  
**Interim Report January - September 2017**

## **ADDITIONAL PRODUCTS AND CONTINUED GROWTH**

### **THIRD QUARTER 2017**

- Revenue increased by 54% (47% in rubles) to SEK 626m (SEK 406m)
- Operating profit increased to SEK 50m (SEK 40m)
- Operating margin was 8.0% (9.8%)
- EBITDA amounted to SEK 56m (SEK 45m)
- The result for the period amounted to SEK 43m (SEK 34m)
- Earnings per ordinary share increased to SEK 2.77 (SEK 1.98)
- Cash flows from operating activities amounted to SEK 106m (SEK -104m)

### **JANUARY - SEPTEMBER 2017**

- Revenue increased by 75% (46% in rubles) to SEK 1,962m (SEK 1,121m)
- Operating profit increased to SEK 150m (SEK 83m)
- Operating margin was 7.6% (7.4%)
- EBITDA amounted to SEK 168m (SEK 108m)
- The result for the period amounted to SEK 123m (SEK 68m)
- Earnings per ordinary share increased to SEK 7.98 (SEK 2.81)
- Cash flows from operating activities amounted to SEK 290m (SEK 20m)

<b>SEK M</b>	<b>2017 Q3</b>	<b>2016 Q3</b>	<b>2017 9M</b>	<b>2016 9M</b>
Revenue	626	406	1 962	1 121
EBITDA	56	45	168	108
Operating profit	50	40	150	83
Result for the period	43	34	123	68
Net Debt/(Cash)	(381)	(77)	(381)	(77)

### **COMMENTS BY LARS CORNELIUSSON, CEO AND PRESIDENT:**

- The Russian market for new construction equipment continued to recover during the quarter, although at a more moderate pace than during the first half of the year. This was expected given that the recovery started already in the third quarter 2016. Nevertheless, during the quarter and the first nine months, the total market for our product range was still up as much as approximately 70% and 84% respectively, compared to the same periods last year.
- As the market continued to recover we continued to increase our revenue. Consequently, the revenue during the quarter was more than 50% higher than during the same period last year. Also our operating profit and earnings per ordinary share continued to increase, despite the fact that profitability in Q3 2016 was very strong. The operating margin remains in line with our financial objectives.
- Meanwhile we continued to develop our business and implement our strategy. As mentioned in the Q2 report, in August we were appointed distributor for Mecalac backhoe loaders in all of Russia. The product, which comes with both equal- and unequal-sized wheels, will be a great complement to our other product offering.
- Last but not least I wish to express my gratitude for the interest shown in our company during the recently completed listing of our ordinary shares on Nasdaq Stockholm, both from preference shareholders to convert preference shares to ordinary shares, as well as from investors to acquire ordinary shares. The conversion and the issue of new ordinary shares strengthen our balance sheet further and provide even better possibilities to realize our strategy and capture the existing growth opportunities.

**About Ferronordic**

Ferronordic is the authorized dealer of Volvo Construction Equipment, Terex Trucks, Dressta, Mecalac and Rottne in Russia. In certain parts of the country, Ferronordic has also been appointed aftermarket dealer for Volvo and Renault Trucks and dealer for Volvo Penta. The company began its operations in 2010 and has expanded rapidly across Russia. The company is well established in all federal districts with 74 outlets and more than 800 employees. Ferronordic's vision is to be regarded as the leading service and sales company in the CIS markets. The ordinary shares in Ferronordic Machines AB (publ) are listed on Nasdaq Stockholm. The preference shares in the company are listed on Nasdaq First North Premier. The company has appointed Avanza Bank AB as its Certified Advisor.  
[www.ferronordic.com](http://www.ferronordic.com)

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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 28 November 2017, 11:00 CET.