

Press Release
Stockholm, 15 August 2019

Ferronordic AB (publ)
Interim Report January - June 2019

Another record-breaking quarter

SECOND QUARTER 2019

- Revenue increased by 35% (29% increase in local currency) to SEK 1,100m (SEK 817m)
- Operating profit increased to SEK 98m (SEK 68m)
- Operating margin was 8.9% (8.3%)
- The result for the period increased to SEK 73m (SEK 54m)
- Earnings per ordinary share amounted to SEK 5.03 (SEK 2.71)
- Cash flows from operating activities amounted to SEK -313m (SEK 58m)

FIRST SIX MONTHS 2019

- Revenue increased by 27% (25% increase in local currency) to SEK 1,823m (SEK 1,431m)
- Operating profit increased to SEK 154m (SEK 109m)
- Operating margin was 8.4% (7.6%)
- The result for the period amounted to SEK 119m (SEK 85m)
- Earnings per ordinary share amounted to SEK 8.21 (SEK 4.64)
- Cash flows from operating activities amounted to SEK -428m (SEK 34m)

SEK M	Q2 2019	Q2 2018	%	6M 2019	6M 2018	%
Revenue	1,100	817	35%	1,823	1,431	27%
Operating profit	98	68	44%	154	109	41%
Result for the period	73	54	34%	119	85	41%
Earnings per ordinary share	5.03	2.71	85%	8.21	4.64	77%
Gross margin	20.1%	19.3%		20.1%	19.2%	
Operating margin	8.9%	8.3%		8.4%	7.6%	
Return on capital employed	33%	38%		33%	38%	
Working capital / Revenue	18%	6%		18%	6%	
Net debt / (cash)	446	(204)		446	(204)	

Lars Corneliusson, CEO Ferronordic, comments: "Q2 2019 was our strongest single quarter to-date. We continued to gain market share in most key product groups in a market that grew about 5%. Equipment sales grew 31% on improvements in both volume and mix. We also continued to grow in aftermarket and contracting services. Revenue grew 35% to a record SEK 1,100m. Operating margin grew to 8.9% and operating profit improved by 44% to SEK 98m. Meanwhile, we continued our roll-out in Kazakhstan, continued our investment in a component remanufacturing centre in Ekaterinburg, made further investments in contracting services, and paid a dividend of SEK 109m. Working capital was relatively high at the end of the quarter but is expected to return to lower levels as inventories decline. Looking ahead, we remain optimistic about our business as the long-term fundamentals in the machine markets in Russia and Kazakhstan are still strong. Our optimism is supported by the so-called "national projects" that are being implemented, a program to boost Russia's economy, *inter alia* through increased infrastructure investments.

About Ferronordic

Ferronordic is the authorized dealer of Volvo Construction Equipment, Terex Trucks, Dresssta, Mecalac and Rottne in Russia, and for Volvo Construction Equipment and Mecalac in Kazakhstan. In parts of Russia, Ferronordic has also been appointed aftermarket dealer for Volvo and Renault Trucks and dealer for Volvo Penta. The company began its operations in 2010. It is established in all federal districts of Russia with over 80 outlets and over 1,100 employees. Ferronordic's vision is to be regarded as the leading service and sales company in the CIS markets. The shares in Ferronordic are listed on Nasdaq Stockholm.

www.ferronordic.com

Financial calendar 2019/20

Interim report January-September 2019	22 November 2019
Year-end report January-December 2019	20 February 2020

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