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)

SEK M	2017 Q3	2016 Q3	2017 9M	2016 9M
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.

Comments to the interim report

The Russian economy continued to recover during the quarter, although still moderately. Growth could be seen in several key sectors, including construction and transportation. Inflation continues to be relatively low, with resulting increases in real wages and consumer confidence. The recovering economy together with the pent-up demand caused by the low investments in new machinery in recent years continue to have a positive effect on the demand for new construction equipment in Russia.

Amidst lower inflation, the Central Bank continued to cut its key rate. During the quarter, the key rate was gradually reduced from 9.0% to 8.5%. On 27 October 2017 the Central Bank cut the key rate further to 8.25%.

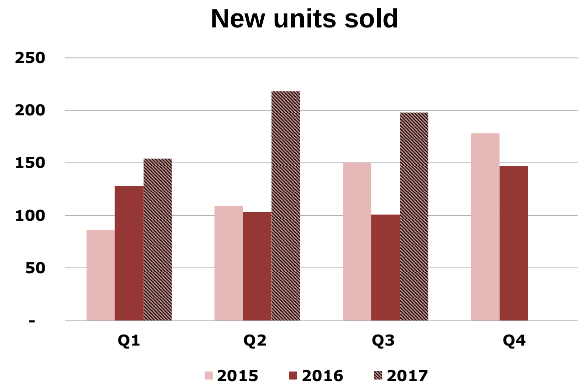
The oil price was USD 58 per barrel at the end of September (up from USD 48 per barrel at the end of June). Currently the oil price is around USD 64 per barrel.

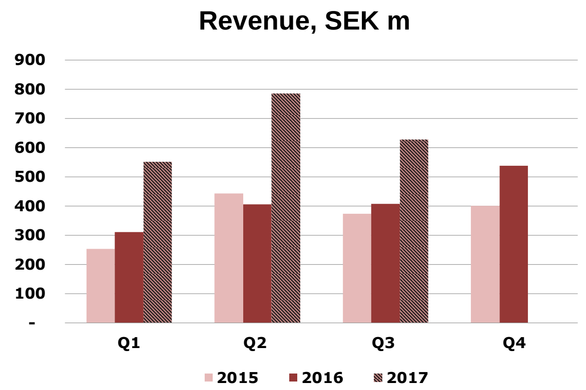
From the beginning of the quarter to the beginning of August, the RUB weakened from 7.0 to 7.5 to the SEK, mainly because of the strong SEK. Subsequently the RUB recovered to 7.2 to the SEK at the end of the quarter. Currently the RUB is trading around 7.0 to the SEK.

Revenue

Revenue during the quarter increased by 54% to SEK 626.4m (SEK 406.2m). In rubles, the revenue increased by 47%. The revenue from equipment sales increased by 92% while the aftermarket revenue (parts and service) increased by 7%. In rubles, the revenue from equipment sales increased by 83% and aftermarket revenue increased by 2%.

During the first nine months the revenue increased by 75% to SEK 1,961.6m (SEK 1,121.1m). In rubles, the revenue increased by 46%. The revenue from equipment sales increased by 103% while the aftermarket revenue increased by 29%. In rubles, the revenue from equipment sales increased by 70% while the aftermarket revenue increased by 8%.





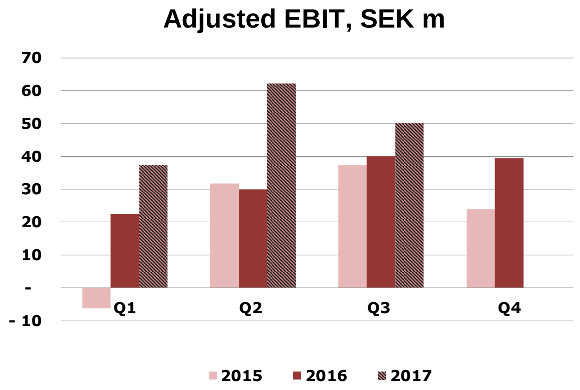
Gross profit and result from operating activities

As a result of the increased revenue, the gross profit for the quarter increased by 28% to SEK 120.2m (SEK 94.1m). However, the gross margin decreased to 19.2%, compared to 23.2% during the same period last year. The decrease was due to lower margin on machine sales and a change in revenue mix as the revenue from equipment sales grew faster than the aftermarket revenue.

Because of the improved gross profit, the result from operating activities for the quarter increased to 50.1m, despite the strong result from operating activities for the third quarter last year (SEK 40.0m). The increase was partly offset by higher selling and administrative expenses resulting from the increased revenue. As a percentage of revenue, however, these expenses came down by 2%-points to 11%.

Gross profit for the first nine months amounted to SEK 376.2m (SEK 258.4m), an increase of 46%. The gross margin decreased from 23.1% during the first nine months of 2016 to 19.2% during the same period this year. Similar to the quarter, this was a result of lower margin on machine sales and the change in revenue mix.

As a result of the improved gross profit, the result from operating activities for the first nine months increased by 80% to SEK 149.6m (SEK 83.2m), partly offset by higher selling and administrative expenses. As a percentage of revenue, however, these expenses came down by 4 %-points to 11%.



Result

As a result of the improved result from operating activities, the result before income tax for the quarter increased to SEK 53.9m (SEK 42.4m), supported by increased finance income. Consequently, the result for the quarter increased to SEK 42.7m (SEK 33.5m).

The result before income tax for the first nine months increased to SEK 156.6m (SEK 86.0m), also as a result of the improved result from operating activities, increased finance income and reduced finance costs. Thus, the result for the first nine months increased to SEK 123.1m (SEK 67.7m).

Cash flow

Cash flows from operating activities during the quarter amounted to SEK 106.0m (SEK -104.3m), mainly as a result of the improved result for the period and improved working capital management, e.g. by continuous improvements in cash collection of trade receivables.

Cash flows from investing activities amounted to SEK 3.4m (SEK 4.7m), primarily due to interest received.

During the first nine months, cash flows from operating activities amounted to SEK 289.5m (SEK 20.2m). The improvement was primarily a result of the improved result for the period as well as positive result of balanced payables, partly offset by increased inventory and receivables.

Cash flows from investing activities during the first nine months was largely unchanged and amounted to SEK 4.9m (SEK 5.0m).

Financial position

Cash and cash equivalents at 30 September 2017 amounted to SEK 425.2m, an increase of SEK 226.3m compared to the end of 2016. Interest-bearing liabilities (including financial leases) amounted to SEK 44.1m, an increase of SEK 18.1m compared to 31 December 2016 (primarily due to investments in new vehicles for the car pool).

Equity at 30 September 2017 amounted to SEK 475.8m, an increase of SEK 33.4m compared to 31 December 2016. This was mainly a result of the improved result for the period, but offset by negative translation differences of SEK 32.2m and dividends on preference shares of SEK 57.5m.

Employees

The number of employees at the end of the quarter, converted to full-time employees, was 831 people. This represents an increase of 55 employees compared to the end of September 2016, and 49 employees compared to the end of December 2016.

Parent company

The revenue of the parent company during the quarter amounted to SEK 18.6m (SEK 13.4m). The increase related to increased sales of equipment to the subsidiary, Ferronordic Machines LLC. Administrative expenses amounted to SEK 2.4m (SEK 2.2m). The result for the quarter decreased to SEK 1.8m (SEK 8.9m), primarily due to unrealized foreign exchange losses related to intra-group loans and finance costs.

During the first nine months the parent company's revenue increased to SEK 93.4m (SEK 23.2m). The change was related to the increased sales of equipment to the subsidiary, Ferronordic Machines LLC. Administrative expenses during the nine months amounted to SEK 7.7m (SEK 9.5m). The result for the first nine months decreased to SEK 9.1m (SEK 38.3m), mainly because of foreign exchange losses (net) during the first nine months 2017, compared to foreign exchange gains (net) during the same period 2016. Finance costs were also higher when compared to the same period last year.

Risks and uncertainties

As described in the 2016 annual report, Ferronordic is exposed to numerous risks. Identifying, managing and pricing these risks are of fundamental importance to Ferronordic's profitability. There have been no significant changes to what was stated in the 2016 annual report.

The parent company is indirectly subject to the same risks and uncertainties as the Group.

Mecalac

On 21 August 2017, Ferronordic entered into an agreement with Mecalac Construction Equipment UK Ltd (formerly Terex GB) to become the official distributor for Mecalac in Russia. Mecalac is an international manufacturer of construction equipment. At the end of 2016, Mecalac purchased the business of Terex Corporation related to backhoe loaders, based in the UK. Mecalac is in the process of rebranding the products from Terex to Mecalac. Ferronordic will market the products under the Mecalac brand from the beginning. Sales of the new Mecalac products will commence during the fourth quarter of 2017.

Updated financial objectives and dividend policy

On 23 August, the Board approved the following revised financial objectives.

- Tripling of the revenue from 2016 to 2021
- EBIT margin of 7-9%
- Net debt to EBITDA of 0-2 times (over a business cycle) (unchanged).

Further, the Board adopted a dividend policy, according to which the ambition should be that at least 25% of the result (after dividends on the preference shares) should be distributed to the ordinary shareholders. The Board will take several factors into consideration when proposing the level of dividend, including the requirements of the articles of association, the Group's expansion opportunities, its financial position and other investment needs. With regards to the preference shares, it is the board's ambition to pay dividends according to the articles of association, i.e. at present SEK 120 per preference share per year.

Listing of ordinary shares on Nasdaq Stockholm

On 29 September 2017, it was announced that Ferronordic intended to list its ordinary shares on Nasdaq Stockholm and to diversify the ownership of the company, partly through an issue of new ordinary shares and partly through a sale of existing shares. The offer in connection with the listing was announced on 16 October 2017. The outcome of the offer was announced on 27 October 2017. The offer was heavily over-subscribed.

Trading in the ordinary shares commenced on 27 October 2017 under the ticker "FNM".

The offer price was SEK 150 per ordinary share, corresponding to a market value of the ordinary shares after the completion of the offer of SEK 1,700 million (excluding ordinary shares attributable to the conversion of preference shares).

The offer comprised 3,002,821 ordinary shares, of which 1,333,333 were new ordinary shares issued by the company. The remaining 1,669,488 ordinary shares were offered by the "Selling Shareholders" (Skandinavkonsult i Stockholm AB (related party to Håkan Eriksson), Erik Eberhardson (through company), Lars Corneliusson (through company), Fastighetsaktiebolaget Granen, Staffan Jufors, Anders Blomqvist (through company), Onur Gucum (through company), Henrik Carlborg (through company), Kjell Åkesson, Marika Fredriksson and Sixbees AB).

The offer corresponded to 26% of the ordinary shares after completion of the offer (excluding ordinary shares attributable to the conversion of preference shares).

In order to cover potential over-allotment in connection with the offer, certain Selling Shareholders undertook, at the request of Carnegie Investment Bank AB (publ), to sell up to 449,673 additional ordinary shares, corresponding to 15% of the ordinary shares included in the offer and 4% of the ordinary shares after completion of the offer. Carnegie exercised the over-allotment option in full on 3 November 2017.

As a result of the offer, the number of ordinary shares increased from 10,000,000 to 11,333,333.

Conversion of preference shares

In view of the anticipated listing, on 29 September 2017, the preference shareholders were offered the possibility to convert preference shares to ordinary shares in accordance with the articles of association. On 12 October 2017, it was announced that, as an outcome of the offer, 366,544 preference shares, corresponding to 73% of the preference shares, had been submitted for conversion.

On 6 November 2017, it was announced that, in accordance with the articles of association, the submitted preference shares would be redeemed in exchange for 3,199,101 ordinary shares of series 2. The Board's intention is that the ordinary shares of series 2 shall be converted to ordinary shares (and thus be tradable on Nasdaq Stockholm) on or about 27 December 2017. When the ordinary shares of series 2 are converted to ordinary shares, the number of ordinary shares will increase by an additional 3,199,101 from 11,333,333 to 14,532,434.

2018 Annual General Meeting

The annual general meeting in Ferronordic Machines AB (publ) will be held in Stockholm on Friday, 27 April 2018.

Other major events

On 31 August 2017, Ferronordic entered into a new credit agreement with Sberbank regarding a credit facility for RUB 1.3b. The facility is available until 30 August 2019.

On 7 September, SMP Bank agreed to prolong its existing credit facility of RUB 500m to Ferronordic until 27 August 2019.

Events after the reporting date

On 30 October, a dividend on preference shares was paid in the amount of SEK 60 per preference share, amounting to a total dividend payment of SEK 30m.

On 17 November, the Board decided to redeem 66,728 A-preference shares, corresponding to half of the remaining A-preference shares in the company, for a total redemption price of approx. SEK 81 million.

Except as described elsewhere in this report, no events have occurred after the balance sheet date that require disclosure in the financial statements.

Outlook

In consideration of the recent recovery of the Russian economy, we are optimistic about the development of the Russian construction equipment market. In the short-term, we believe that the market will continue to grow, however at a more modest pace than during the first nine months of 2017. As regards the future of our business in a longer perspective, we are also optimistic, as the long-term fundamentals in the Russian construction equipment market remain strong.

Presentation of the report

A presentation of this report will be held by phone on 29 November 2017 at 09.00 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: 28296847#

Condensed consolidated statement of comprehensive income	**Third quarter 2017 SEK '000**	**Third quarter (reclassified) 2016 SEK '000**	**First nine months 2017 SEK '000**	**First nine months (reclassified) 2016 SEK '000**
Revenue	**626 448**	**406 180**	**1 961 628**	**1 121 096**
Cost of sales	(506 296)	(312 109)	(1 585 433)	(862 680)
Gross profit	**120 152**	**94 071**	**376 195**	**258 416**
Selling expenses	(32 143)	(24 074)	(95 313)	(67 202)
General and administrative expenses	(37 061)	(30 238)	(125 200)	(104 163)
Other income	1 172	1 860	3 637	2 329
Other expenses	(2 065)	(1 656)	(9 726)	(6 215)
Result from operating activities	**50 055**	**39 963**	**149 593**	**83 165**
Finance income	5 512	2 626	11 674	8 725
Finance costs	(1 426)	(1 083)	(3 630)	(6 624)
Net foreign exchange gains/(losses)	(235)	851	(1 064)	747
Result before income tax	**53 906**	**42 357**	**156 573**	**86 013**
Income tax	(11 223)	(8 818)	(33 470)	(18 286)
Result for the period	**42 683**	**33 539**	**123 103**	**67 727**
Other comprehensive result				
Items that are or may be reclassified to profit or loss:				
Foreign currency translation differences for foreign operations	(8 161)	8 807	(32 223)	52 289
Other comprehensive result for the period, net of tax	**(8 161)**	**8 807**	**(32 223)**	**52 289**
Total comprehensive result for the period	**34 522**	**42 346**	**90 880**	**120 016**
Earnings per ordinary share				
Basic and diluted earnings per share (SEK)	2.77	1.98	7.98	2.81

Condensed consolidated statement of financial position	30 September 2017 SEK ’000	31 December 2016 SEK ’000	30 September 2016 SEK ’000
ASSETS			
Non-current assets			
Intangible assets	4 534	2 077	6 714
Property, plant and equipment	121 791	116 368	111 597
Deferred tax assets	37 232	41 887	41 339
Total non-current assets	**163 557**	**160 332**	**159 650**
Current assets			
Inventories	601 289	467 172	455 275
Trade and other receivables	205 966	202 439	194 640
Prepayments	2 568	3 997	4 358
Other assets	-	-	628
Cash and cash equivalents	425 158	198 846	101 316
Total current assets	**1 234 981**	**872 454**	**756 217**
TOTAL ASSETS	**1 398 538**	**1 032 786**	**915 867**
EQUITY AND LIABILITIES			
Equity			
Share capital	937	937	937
Additional paid in capital	594 279	594 279	594 279
Translation reserve	(171 563)	(139 340)	(176 249)
Retained earnings	(70 966)	(97 107)	(69 607)
Result for the period	123 103	83 641	67 727
TOTAL EQUITY	**475 790**	**442 410**	**417 087**
Non-current liabilities			
Deferred income	628	-	-
Deferred tax liabilities	624	294	171
Long-term portion of finance lease liabilities	25 995	15 324	15 340
Total non-current liabilities	**27 247**	**15 618**	**15 511**
Current liabilities			
Trade and other payables	853 215	547 255	459 207
Deferred income	9 743	6 632	5 878
Provisions	14 443	10 156	8 736
Short-term portion of finance lease liabilities	18 100	10 715	9 448
Total current liabilities	**895 501**	**574 758**	**483 269**
TOTAL LIABILITIES	**922 748**	**590 376**	**498 780**
TOTAL EQUITY AND LIABILITIES	**1 398 538**	**1 032 786**	**915 867**

Condensed consolidated statement of changes in equity

SEK '000	**Attributable to equity holders of the Company**				
	Share capital	**Additional paid in capital**	**Translation reserve**	**Retained earnings**	**Total equity**
Balance 1 January 2017	**937**	**594 279**	**(139 340)**	**(13 466)**	**442 410**
Total comprehensive income for the period					
Result for the period				123 103	123 103
Other comprehensive income					
Foreign exchange differences			(32 223)		(32 223)
Total comprehensive income for the period			**(32 223)**	**123 103**	**90 880**
Contribution by and distribution to owners					
Preference shares dividends				(57 500)	(57 500)
Total contributions and distributions	**-**	**-**	**-**	**(57 500)**	**(57 500)**
Balance 30 September 2017	**937**	**594 279**	**(171 563)**	**52 137**	**475 790**

SEK '000	**Attributable to equity holders of the Company**				
	Share capital	**Additional paid in capital**	**Translation reserve**	**Retained earnings**	**Total equity**
Balance 1 January 2016	**937**	**594 279**	**(228 538)**	**(44 607)**	**322 071**
Total comprehensive income for the period					
Result for the period				67 727	67 727
Other comprehensive income					
Foreign exchange differences			52 289		52 289
Total comprehensive income for the period			**52 289**	**67 727**	**120 016**
Contribution by and distribution to owners					
Preference shares dividends				(25 000)	(25 000)
Total contributions and distributions	**-**	**-**	**-**	**(25 000)**	**(25 000)**
Balance 30 September 2016	**937**	**594 279**	**(176 249)**	**(1 880)**	**417 087**

Condensed consolidated statement of cash flows	Third quarter 2017 SEK ’000	Third quarter 2016 SEK ’000	First nine months 2017 SEK ’000	First nine months 2016 SEK ’000
Cash flows from operating activities				
Result before income tax	53 906	42 357	156 573	86 013
Adjustments for:				
Depreciation and amortisation	6 418	5 335	18 632	25 052
(Gain)/loss from write off of receivables	(413)	1 376	(161)	3 934
Profit on disposal of property, plant and equipment	(45)	(1 750)	(200)	(2 035)
Finance costs	1 426	1 083	3 630	6 624
Finance income	(5 512)	(2 626)	(11 674)	(8 725)
Net foreign exchange losses / (gains)	235	(851)	1 064	(747)
Cash flows from operating activities before changes in working capital and provisions	**56 015**	**44 924**	**167 864**	**110 116**
Change in inventories	(87 517)	(7 966)	(161 475)	(58 488)
Change in trade and other receivables	42 279	(17 726)	(23 715)	(8 703)
Change in prepayments	939	(2 990)	1 160	(3 431)
Change in trade and other payables	106 814	(117 300)	330 564	(968)
Change in provisions	1 012	679	5 367	4 101
Changes in other assets	-	(54)	-	(229)
Change in deferred income	3 516	55	4 207	608
Cash flows from operations before interest and tax paid	**123 058**	**(100 378)**	**323 972**	**43 006**
Income tax paid	(15 667)	(2 852)	(30 930)	(15 955)
Interest paid	(1 419)	(1 083)	(3 493)	(6 836)
Cash flows from operating activities	**105 972**	**(104 313)**	**289 549**	**20 215**
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	604	3 801	1 702	3 869
Interest received	5 512	2 626	11 674	8 725
Acquisition of property, plant and equipment	(2 308)	(1 517)	(4 520)	(5 951)
Acquisition of intangible assets	(450)	(255)	(3 999)	(1 623)
Cash flows from investing activities	**3 358**	**4 655**	**4 857**	**5 020**
Cash flows from financing activities				
Repayment of loans	-	-	-	(87 945)
Dividend on preference shares	-	-	(27 500)	(25 000)
Leasing financing paid	(6 194)	(1 045)	(15 614)	(11 882)
Cash flows from financing activities	**(6 194)**	**(1 045)**	**(43 114)**	**(124 827)**
Net change in cash and cash equivalents	**103 136**	**(100 703)**	**251 292**	**(99 592)**
Cash and cash equivalents at start of the period	**330 466**	**200 855**	**198 846**	**175 295**
Effect of exchange rate fluctuations on cash and cash equivalents	(8 444)	1 164	(24 980)	25 613
Cash and cash equivalents at end of the period	**425 158**	**101 316**	**425 158**	**101 316**

Key Ratios	**Third quarter 2017**	**Third quarter 2016**	**First nine months 2017**	**First nine months 2016**
New units sold	198	101	570	332
Revenue, SEK'000	626 448	406 180	1 961 628	1 121 096
Revenue growth, %	54.2%	8.9%	75.0%	4.9%
Gross margin, %	19.2%	23.2%	19.2%	23.1%
EBITDA, SEK'000	56 473	45 298	168 225	108 217
EBITDA margin, %	9.0%	11.2%	8.6%	9.7%
Adjusted EBIT, SEK'000	50 055	39 963	149 593	92 220
Adjusted EBIT margin, %	8.0%	9.8%	7.6%	8.2%
Result from operating activities, SEK'000	50 055	39 963	149 593	83 165
Operating margin, %	8.0%	9.8%	7.6%	7.4%
Result for the period, SEK'000	42 683	33 539	123 103	67 727
Adjusted result, SEK'000	42 683	33 539	123 103	74 971
Undiluted earnings per ordinary share, SEK	2.77	1.98	7.98	2.81
Diluted earnings per ordinary share, SEK	2.77	1.98	7.98	2.81
Net debt/(cash), SEK'000	(381 063)	(76 528)	(381 063)	(76 528)
Net debt/EBIDTA, times	(1.8)	(0.5)	(1.8)	(0.5)
Capital employed, SEK'000	519 885	441 875	519 885	441 875
Return on capital employed, %	41.9%	27.8%	41.9%	27.8%
Working capital, SEK'000	(67 578)	181 080	(67 578)	181 080
Working capital/Revenue, %	(2.7%)	11.9%	(2.7%)	11.9%
No. of employees at close of period	831	776	831	776

Certain key ratios presented in Ferronordic's interim reports are not defined according to IFRS. Ferronordic believes that these ratios provide valuable supplementary information for investors and the company's management as they enable the assessment of relevant trends. Ferronordic's definition of these measures may differ from other companies' definition of the same terms. These ratios should therefore be seen as a supplement rather than a replacement for ratios defined according to IFRS. Definitions of and reasons for the different key ratios can be found on page 23.

Parent Company income statement	Third quarter 2017 SEK '000	Third quarter 2016 SEK '000	First nine months 2017 SEK '000	First nine months 2016 SEK '000
Revenue	**18 570**	**13 434**	**93 410**	**23 178**
Cost of sales	(14 790)	(10 940)	(79 151)	(10 940)
Gross profit	**3 780**	**2 494**	**14 259**	**12 238**
Administrative expenses	(2 356)	(2 246)	(7 679)	(9 522)
Result from operating activities	**1 424**	**248**	**6 580**	**2 716**
Finance income	5 504	7 162	19 958	20 118
Finance costs	(1 351)	(1 244)	(4 561)	(2 403)
Net foreign exchange gains/(losses)	(3 234)	5 236	(10 276)	28 673
Result before income tax benefit	**2 343**	**11 402**	**11 701**	**49 104**
Income tax	(517)	(2 510)	(2 584)	(10 821)
Result for the period	**1 826**	**8 892**	**9 117**	**38 283**

The total comprehensive result for the period is the same as the result for the period.

Parent Company Balance Sheet	30 September 2017 SEK '000	31 December 2016 SEK '000	30 September 2016 SEK '000
ASSETS			
Non-current assets			
Property, plant and equipment	10	14	16
Financial assets			
Holdings in group companies	193 088	192 949	192 949
Loans to group companies	202 283	216 707	196 651
Deferred tax assets	16 759	19 343	24 685
Total financial assets	412 130	428 999	414 285
Total non-current assets	**412 140**	**429 013**	**414 301**
Current assets			
Trade and other receivables	66 880	53 016	22 230
Prepayments	267	246	218
Cash and cash equivalents	3 818	5 831	15 331
Total current assets	**70 965**	**59 093**	**37 779**
TOTAL ASSETS	**483 105**	**488 106**	**452 080**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	937	937	937
Unrestricted equity			
Share premium reserve	604 291	604 291	604 291
Retained earnings	(265 426)	(265 133)	(237 633)
Result for the period	9 117	57 207	38 283
TOTAL EQUITY	**348 919**	**397 302**	**405 878**
Current liabilities			
Borrowings	49 746	45 509	28 392
Trade and other payables	84 440	45 295	17 810
Total current liabilities	**134 186**	**90 804**	**46 202**
TOTAL LIABILITIES	**134 186**	**90 804**	**46 202**
TOTAL EQUITY AND LIABILITIES	**483 105**	**488 106**	**452 080**

Basis of presentation and summary of significant accounting policies

1. Accounting Policies

Ferronordic applies the International Financial Reporting Standards (IFRS) as adopted by the EU. This report has been prepared in accordance with IAS 34, the Swedish Annual Accounts Act and recommendation RFR 2 (only parent company), issued by the Swedish Financial Reporting Board.

The Group previously recognized depreciation of its own vehicles and certain other equipment used for the performance of service and sales as administrative expenses. As this depreciation was attributable to cost of sales and selling expenses, a reclassification was made for the comparative periods in the consolidated statement of comprehensive income so that the depreciation of the said assets is recognized as cost of sales and selling expenses. For more details, see the 2016 annual report.

A number of new or amended IFRS standards and interpretations have been published but have not yet become effective.

IFRS 9 *Financial Instruments* replaces *IAS 39 Financial instruments: Recognition and Measurement* as of 2018. With regard to classification and measurement of the Group's financial instruments, Ferronordic's view is that there will be no change due to the adoption of IFRS 9. The new rules on impairment, on the other hand, based on expected credit losses instead of occurred, will change the calculation of credit losses; however the adoption of IFRS 9 will have limited impact on the amount of provision for doubtful receivables. With regard to hedge accounting, the new standard is not expected to have any effect since the Group generally does not use hedging.

IFRS 15 *Revenue from contracts with customers* is a new standard for recognition of revenue from customers and related enhanced disclosure requirements that, as of 1 January 2018, will replace IAS 11 *Construction Contracts* and IAS 18 *Revenue* (and related interpretations). Based on IFRS 15, revenue is recognized when control of an asset or service is passed to the customer, which is different from the current standard that is based on transfer of risks and rewards. Save for the enhanced disclosure requirements, the adoption of IFRS 15 is not expected to have any significant effect on the recognition of the Group's revenue.

As of 2019, IFRS 16 *Leases* replaces existing IFRS standards relating to recognition of leasing contracts, such as IAS 17 *Leases* and IFRIC 4 *Determining whether an arrangement contains a lease*. Ferronordic does not intend to apply IFRS 16 ahead of time but will apply the new standard from 1 January 2019. IFRS 16 requires that all leases shall be recognised in a way that resembles the current recognition of financial leasing obligations. As a result, an asset and liability shall be recognised also with regard to operational leases, along with associated depreciation and interest expenses in the profit and loss - and not as today where no recognition is made for leased assets and related liabilities, and leasing fees are calendarized on a linear basis as operating expenses. Ferronordic, as an operational lessee, will be affected by the introduction of IFRS 16. Quantitative assessments of the effect of IFRS 16 and selection of transition methods have not yet been made.

Other new or revised standards are not expected to have any significant effect on the Group's financial statements.

Except as described above, the same accounting and valuation principles were applied in the preparation of this report as in the preparation of the 2016 annual report.

2. Determination of fair values

The basis for determination of fair value of financial assets and liabilities is disclosed in note 5 in the 2016 annual report. The fair values of the Group's financial assets and liabilities approximate their respective carrying amounts.

3. Seasonal Variations

Ferronordic's revenue and earnings are affected by seasonal variations in the construction industry. The first quarter is typically the weakest for sales of machines as activity in construction projects is constrained during the winter months. On the other hand, the demand in aftermarket (sales of parts and services) is usually strong since many customers use the quiet period to service their machines. This is usually followed by an increase during the second quarter as contracts start to be put out for tender and customers prepare for the more active summer period. The third quarter tends to be slower with regard to both machine sales and aftermarket. In the fourth quarter, activity usually strengthens as customers make year-end capital spending decisions.

4. Ferronordic Machines AB (publ)

Ferronordic Machines AB (publ) and its subsidiaries are sometimes referred to as the Group or Ferronordic. Ferronordic Machines AB (publ) is also sometimes referred to as the company or Ferronordic. Any mentioning of the Board is a reference to the Board of Directors of Ferronordic Machines AB (publ).

Notes

1. Operational Segment

The Group has one reportable segment - Equipment Distribution. No changes have been made to the basis for determining the reportable segment or the calculation of the result of the segment since the last annual report.

Revenue from Equipment Distribution:

	Third quarter 2017 SEK '000	Third quarter 2016 SEK '000	First nine months 2017 SEK '000	First nine months 2016 SEK '000
Equipment sales	434 895	226 786	1 370 007	673 698
Aftermarket sales	167 689	156 629	521 776	405 994
Other income	23 864	22 765	69 845	41 404
Total revenues	**626 448**	**406 180**	**1 961 628**	**1 121 096**
Total delivery volume, units				
New units	198	101	570	332
Used units	30	56	122	185
Total units	**228**	**157**	**692**	**517**

EBITDA to result for the period:

	Third quarter 2017 SEK '000	Third quarter 2016 SEK '000	First nine months 2017 SEK '000	First nine months 2016 SEK '000
EBITDA	56 473	45 298	168 225	108 217
Depreciation and amortisation	(6 418)	(5 335)	(18 632)	(25 052)
Net foreign exchange gains/(losses)	(235)	851	(1 064)	747
Finance income	5 512	2 626	11 674	8 725
Finance costs	(1 426)	(1 083)	(3 630)	(6 624)
Result before income tax	**53 906**	**42 357**	**156 573**	**86 013**
Income tax	(11 223)	(8 818)	(33 470)	(18 286)
Result for the period	**42 683**	**33 539**	**123 103**	**67 727**

2. Events after the reporting date

Information regarding events after the reporting date is set out in the front part of this report.

3. Contingencies

In June 2017, the parent company issued a surety in the amount of RUB 360m (SEK 50m) to Raiffeisen Leasing as a security for Ferronordic Machines LLC's obligations under a new framework lease agreement.

In June 2017, the parent company issued a surety in the amount of RUB 500m (SEK 70m) to Sberbank. The surety constitutes security for a bank guarantee of RUB 500m issued by Sberbank as security for the payables of Ferronordic Machines LLC to Volvo.

In January 2017, the parent company issued a surety in the amount of RUB 550m (SEK 77m) to Rosbank as a security for a bank guarantee of RUB 550m, which is issued by Rosbank as a security for the payables of Ferronordic Machines LLC to Volvo.

4. Related party transactions

There have been no significant changes in the relationships or transactions with related parties for the Group or the parent company compared with the information disclosed in the 2016 Annual Report.

5. Earnings per ordinary share

The calculation of earnings per ordinary share is based on the result attributable to holders of ordinary shares and thus is calculated as the result for the period, less dividends on preference shares related to the period, divided by the average number of ordinary shares outstanding.

Result attributable to holders of ordinary shares:

	Third quarter 2017 SEK ’000	**Third quarter 2016 SEK ’000**	**First nine months 2017 SEK ’000**	**First nine months 2016 SEK ’000**
Result for the period	**42 683**	**33 539**	**123 103**	**67 727**
Dividends on preference shares required for the period	(15 000)	(13 750)	(43 333)	(39 583)
Result attributable to holders of ordinary shares	**27 683**	**19 789**	**79 770**	**28 144**
Average number of ordinary shares during the period before and after dilution	10 000 000	10 000 000	10 000 000	10 000 000
Earnings per ordinary share before and after dilution	**2.77**	**1.98**	**7.98**	**2.81**

The Board of Directors and the Managing Director declares that the nine-month interim report provides a true and fair overview of the Group's and the parent company's operations, financial position and performance, and describes material risks and uncertainties facing the parent company and the companies in the Group.

Stockholm, 28 November 2017

Staffan Jufors Chairman	Magnus Brännström Director	Annette Brodin Rampe Director
Lars Corneliusson Director	Erik Eberhardson Director	Håkan Eriksson Director

Lars Corneliusson
Managing Director

This report has not been reviewed by the company's auditors.

About Ferronordic Machines
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

Financial Calendar 2017/18

Year-end report 2017	22 February 2018
Interim report January-March 2018	27 April 2018

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Financial information for individual quarters

The financial information below regarding individual quarters during the period 1 January 2015 – 30 September 2017 is collected from Ferronordic's interim reports for the relevant quarters.

Reclassification of depreciation expenses

As described in the 2016 annual report, a minor adjustment was made in 2016 regarding the reporting of depreciation of own vehicles and other equipment. Depreciation of vehicles and equipment used for service and sales was previously reported as administrative expenses. In fact, this depreciation was attributable to costs of sales and selling expenses. This included all four quarters of 2014 and 2015 and the first three quarters of 2016 and the condensed consolidated statement of comprehensive income was reclassified so that the depreciation of these assets were reported as cost of sales and selling expenses. The tables below present information for the individual quarters with and without the said reclassification, as well as the effect of the reclassification on the relevant quarters.

Quarterly information – reclassified

SEK M (if not stated otherwise)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Revenue	252	443	373	400	310	405	406	537	550	785	626
Cost of sales	(202)	(344)	(282)	(317)	(240)	(311)	(312)	(430)	(441)	(638)	(506)
Gross profit	**51**	**99**	**91**	**83**	**70**	**94**	**94**	**108**	**110**	**146**	**120**
Selling expenses	(23)	(22)	(18)	(19)	(20)	(24)	(24)	(32)	(31)	(32)	(32)
General and administrative expenses	(39)	(45)	(39)	(40)	(33)	(41)	(30)	(33)	(38)	(50)	(37)
Other income	1	2	1	1	0	0	2	1	0	2	1
Other expenses	(2)	(9)	(3)	(7)	(0)	(4)	(2)	(23)	(4)	(4)	(2)
Results from operating activities	**(12)**	**24**	**31**	**18**	**17**	**26**	**40**	**21**	**37**	**62**	**50**

Quarterly information – not reclassified (as per published interim reports)

SEK M (if not stated otherwise)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Revenue	252	443	373	400	310	405	406	537	550	785	626
Cost of sales	(199)	(341)	(280)	(315)	(238)	(309)	(310)	(430)	(441)	(638)	(506)
Gross profit	**53**	**102**	**93**	**85**	**72**	**96**	**96**	**108**	**110**	**146**	**120**
Selling expenses	(22)	(22)	(18)	(19)	(19)	(22)	(23)	(32)	(31)	(32)	(32)
General and administrative expenses	(42)	(48)	(42)	(43)	(35)	(44)	(33)	(33)	(38)	(50)	(37)
Other income	1	2	1	1	0	0	2	1	0	2	1
Other expenses	(2)	(9)	(3)	(7)	(0)	(4)	(2)	(23)	(4)	(4)	(2)
Results from operating activities	**(12)**	**24**	**31**	**18**	**17**	**26**	**40**	**21**	**37**	**62**	**50**

Effect of reclassification

SEK M (if not stated otherwise)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Revenue	-	-	-	-	-	-	-	-	-	-	-
Cost of sales	(2)	(3)	(2)	(2)	(2)	(2)	(2)	-	-	-	-
Gross profit	**(2)**	**(3)**	**(2)**	**(2)**	**(2)**	**(2)**	**(2)**	**-**	**-**	**-**	**-**
Selling expenses	(1)	(1)	(0)	(0)	(0)	(1)	(1)	-	-	-	-
General and administrative expenses	3	3	3	2	2	3	3	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-
Results from operating activities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Key ratios

Certain key rations in Ferronordic’s interim reports are not defined according to IFRS. The company considers these ratios to provide valuable supplementary information for investors and the company’s management as they enable the assessment of relevant trends. Ferronordic’s definitions of these measures may differ from other companies’ definition of the same terms. These ratios should therefore be seen as a supplement rather than as a replacement for measures defined according to IFRS. As the amounts in the tables below have been rounded off to SEK m, the calculations do not always add up due to rounding.

Key ratios defined according to IFRS

SEK M (if not stated otherwise)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Revenue	252	443	373	400	310	405	406	537	550	785	626
Result for the period	(11)	14	17	9	14	20	34	16	30	51	43
Basic earnings per share (SEK)	(2,35)	0,15	0,47	(0,39)	0,18	0,66	1,98	0,22	1,60	3,61	2,77

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Key ratios not defined according to IFRS

SEK m (if not stated otherwise)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
New units sold (units)	86	109	150	178	128	103	101	147	154	218	198
Revenue growth (%)	(50%)	(29%)	(39%)	(33%)	23%	(9%)	9%	34%	78%	94%	54%
Gross margin (%)	20,0%	22,3%	24,5%	20,7%	22,6%	23,3%	23,2%	20,0%	19,9%	18,7%	19,2%
EBITDA	7	44	45	32	27	36	45	45	45	67	56
EBITDA margin (%)	2,9%	10,0%	12,1%	7,9%	8,6%	9,0%	11,2%	8,5%	8,1%	8,6%	9,0%
Adjusted EBIT	(6)	32	37	24	22	30	40	39	37	62	50
Adjusted EBIT margin (%)	(2,5%)	7,2%	10,0%	6,0%	7,2%	7,4%	9,8%	7,3%	6,8%	7,9%	8,0%
Results from operating activities	(12)	24	31	18	17	26	40	21	37	62	50
Operating margin (%)	(4,9%)	5,5%	8,3%	4,5%	5,5%	6,4%	9,8%	3,9%	6,8%	7,9%	8,0%
Adjusted result	(6)	20	22	13	18	23	34	31	30	51	43
Net debt / (cash)	81	148	(41)	(82)	(131)	(178)	(77)	(173)	(216)	(293)	(381)
Net debt/EBIDTA (times)	0,5x	1,0x	(0,3x)	(0,6x)	(0,9x)	(1,3x)	(0,5x)	(1,1x)	(1,3x)	(1,4x)	(1,8x)
Capital employed	531	575	476	416	386	397	442	468	502	479	520
Return on capital employed (%)	13%	13%	17%	18%	27%	26%	28%	32%	35%	43%	42%
Working capital	182	319	145	97	77	34	181	110	81	(18)	(68)
Working capital/Revenue (%)	9%	17%	9%	7%	5%	2%	12%	7%	4%	(1%)	(3%)

Reconciliation of key ratios

The tables below show reconciliations of certain important key ratios.

Adjusted EBIT and adjusted result

In connection with the acquisition of Volvo CE's Russian distribution business in Russia in May 2010, Ferronordic also acquired the rights to certain know-how belonging to Volvo CE. From a reporting perspective, this was regarded as a business combination, whereupon the intangible assets were valued at RUB 1,105m. The useful life of these assets was established at six years. Thus, the assets were fully amortized at the end of May 2016. Since the Group no longer incurs these amortizations, Ferronordic considers that it would be misleading to include them when comparing the Group's EBIT and result for different periods since doing so would result in a seemingly larger profitability increase than the underlying business has actually generated and is anticipated to generate going forward.

Further, as described in the 2016 annual report, the Group incurred certain impairment losses on certain non-current assets during the fourth quarter of 2016. These losses were related to the investments in the construction of service stations on the Group's land in Yekaterinburg and Petrozavodsk in the amount of SEK 13 million, as well as investments of SEK 6 million made for the development of a CRM system. Since these write-downs were non-recurring and relatively extensive, the company considers that it would also be misleading to include them when comparing the group's EBIT and result for various periods.

The said costs have therefore been excluded from adjusted EBIT and adjusted result.

Adjusted EBIT and EBITDA

SEK M (if not stated otherwise)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Result from operating activities	**(12)**	**24**	**31**	**18**	**17**	**26**	**40**	**21**	**37**	**62**	**50**
Amortization of transaction related intangible assets	6	7	6	6	5	4	-	-	-	-	-
Writedown of tangible and intangible assets	-	-	-	-	-	-	-	18	-	-	-
Adjusted EBIT	**(6)**	**32**	**37**	**24**	**22**	**30**	**40**	**39**	**37**	**62**	**50**
Other depreciation and amortization	14	13	8	8	4	6	5	6	7	5	6
EBITDA	**7**	**44**	**45**	**32**	**27**	**36**	**45**	**45**	**45**	**67**	**56**

Adjusted result

SEK m (if not stated otherwise)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Result for the period	**(11)**	**14**	**17**	**9**	**14**	**20**	**34**	**16**	**30**	**51**	**43**
Amortization of transaction related inangible assets (after tax)	5	6	5	5	4	3	-	-	-	-	-
Writedown of tangible and intangible assets (after tax)	-	-	-	-	-	-	-	15	-	-	-
Adjusted result	**(6)**	**20**	**22**	**13**	**18**	**23**	**34**	**31**	**30**	**51**	**43**

Net debt / (Net cash)

SEK m (if not stated otherwise)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Long term interest bearing liabilities	18	48	38	4	2	15	15	15	16	22	26
Short term interest bearing liabilities	129	133	70	90	33	7	9	11	12	15	18
Total Interest bearing liabilities	**147**	**182**	**107**	**93**	**36**	**23**	**25**	**26**	**29**	**37**	**44**
Cash & cash equivalents	66	34	148	175	167	201	101	199	245	330	425
Net debt / (cash)	**81**	**148**	**(41)**	**(82)**	**(131)**	**(178)**	**(77)**	**(173)**	**(216)**	**(293)**	**(381)**
Net debt / EBITDA (times)	0,5	1,0	(0,3)	(0,6)	(0,9)	(1,3)	(0,5)	(1,1)	(1,3)	(1,4)	(1,8)

Capital employed

SEK M (if not stated otherwise)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Long term interest bearing liabilities	18	48	38	4	2	15	15	15	16	22	26
Short term interest bearing liabilities	129	133	70	90	33	7	9	11	12	15	18
Shareholder equity	384	393	368	322	351	375	417	442	473	441	476
Capital employed	**531**	**575**	**476**	**416**	**386**	**397**	**442**	**468**	**502**	**479**	**520**
Average capital employed	626	653	614	537	458	486	459	442	444	438	481
Return on capital employed (%)	13%	13%	17%	18%	27%	26%	28%	32%	35%	43%	42%

Working capital

SEK M (if not stated otherwise)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Inventories	442	378	334	327	314	434	455	467	565	515	601
Trade and other receivables	233	262	201	161	156	173	195	202	255	254	206
Prepayments	1	1	1	1	1	1	4	4	3	4	3
Other current assets	1	1	1	0	0	1	1	-	-	-	-
Trade and other payables	480	313	384	384	385	562	459	547	726	769	853
Deferred income	7	6	5	4	6	6	6	7	6	7	10
Provisions	7	5	3	4	4	8	9	10	10	14	14
Working capital	**182**	**319**	**145**	**97**	**77**	**34**	**181**	**110**	**81**	**(18)**	**(68)**
Working capital / Revenue (%)	9%	17%	9%	7%	5%	2%	12%	7%	4%	(1%)	(3%)

Definitions of and reasons for using alternative key ratios not defined by IFRS

New units sold: Number of new machines sold.
Used to measure and compare number of new units sold during relevant period.

Revenue growth: Growth in revenue compared to the same period last year, expressed in percentage.
Used for comparison of growth between periods as well as comparisons with the market as a whole and with the company's competitors.

Gross margin: Gross profit in relation to revenue.
Provides a measurement of the contribution from the ongoing business.

EBITDA: Result from operating activities excluding depreciation, amortization and write-downs.
Provides a measurement of the result from the ongoing business.

EBITDA margin: EBITDA in relation to revenue.
Relevant key ratio in evaluating the Group's value creation.

Adjusted EBIT: Result from operating activities excluding (i) amortization of transaction-related intangible assets until May 2016, and (ii) write-downs of non-current assets during the fourth quarter 2016.
Shows the result from operating activities adjusted for non-recurring items and hence is viewed to provide a more relevant measurement of the Group's underlying profitability and a better basis for comparisons with the Group's future result from operating activities.

Adjusted EBIT margin: Adjusted EBIT in relation to revenue.
Shows the operating margin adjusted for non-recurring items and hence is viewed to provide a more relevant measurement of the Group's underlying profitability and a better basis for comparisons with the Group's future operating margin.

Result from operating activities: Result before financial items and taxes.
Provides a measurement of the result from the ongoing business.

Operating margin: Result from operating activities in relation to revenue.
Relevant key ratio in evaluating the Group's value creation.

Adjusted result: Result for the period excluding (i) amortization of transaction-related intangible assets until May 2016 (after tax), and (ii) write-downs of non-current assets during the fourth quarter 2016 (after tax).
Shows the result for the period adjusted for non-recurring items and hence is viewed to provide a more relevant measurement of the Group's result and a better basis for comparisons with the Group's future result.

Net debt/(cash): Interest-bearing liabilities (including financial leases) less cash and cash equivalents.
Provides a measurement for the Group's net debt position.

Net debt / EBITDA: Net debt/(cash) in relation to EBITDA the last twelve months.
Shows to what extent EBITDA covers net debt. Used to evaluate financial risk.

Capital employed: Total equity and interest-bearing liabilities.
Shows the capital invested in the Group's business.

Return on capital employed: Adjusted EBIT plus financial income (for the last twelve months) in relation to capital employed (average during the last twelve months).
Shows how effectively the capital employed is used.

Working capital: Current assets excluding cash and cash equivalents, less current liabilities excluding interest-bearing liabilities.
Shows the amount of working capital tied up in the ongoing business.

Working capital / Revenue: Working capital in relation to revenue during the last twelve months.
Shows how effective the working capital is used in the business.