

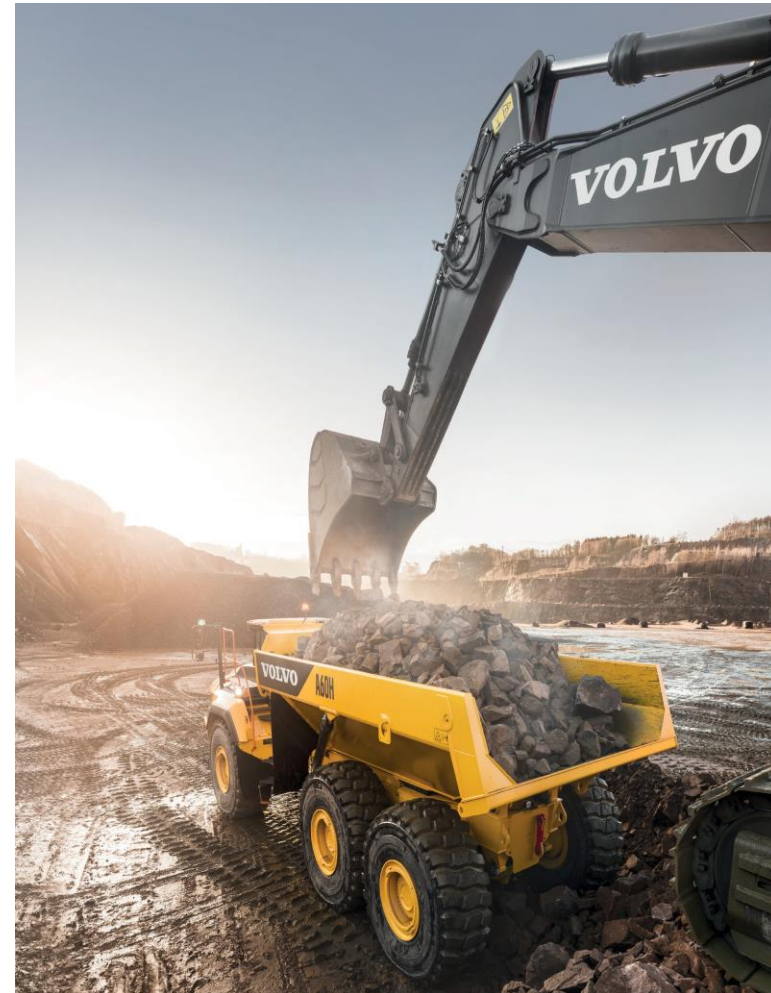


First Quarter 2018
27 April 2018



First Quarter 2018

- ◇ The Russian economic recovery continued albeit at a moderate pace
 - ◇ Industrial output back to positive territory in January and February
 - ◇ Construction output growth low at around 0-1%
 - ◇ GDP in 2018 expected to grow about 1.8%
- ◇ Inflation remains low at around 2-2.5%
 - ◇ Well below the Central Bank's 4% target
- ◇ The key interest rate came down to 7.25%
- ◇ The oil price increased from USD 67 per barrel to USD 70 during the quarter (currently USD 74)
- ◇ The Ruble has depreciated lately
 - ◇ Currently trading around 7.30 following the introduction of new US sanctions on 6 April



First Quarter 2018 (cont'd)

- ◇ The market for new construction equipment continued to recover
 - ◇ Over 50% growth for our product range during Jan-Feb (no market data available for March)
 - ◇ Lost market share, primarily in excavators, due to lack of supply
- ◇ New US sanctions against Russian citizens and companies in the beginning of April
 - ◇ Covered companies with extensive international operations, e.g. Rusal
 - ◇ Relations between Russia and, in particular, USA and Great Britain have deteriorated
 - ◇ Ferronordic does not expect the foregoing to have any direct material impact on its business, but it contributes to a worsened overall sentiment in and towards Russia



First Quarter 2018 (cont'd)

- ◇ We continued to grow our business nicely
 - ◇ Revenue of SEK 614m (SEK 550m)
 - ◇ Operating result increased by 10% to SEK 41m
 - ◇ Solid growth given the strength of Q1 2017

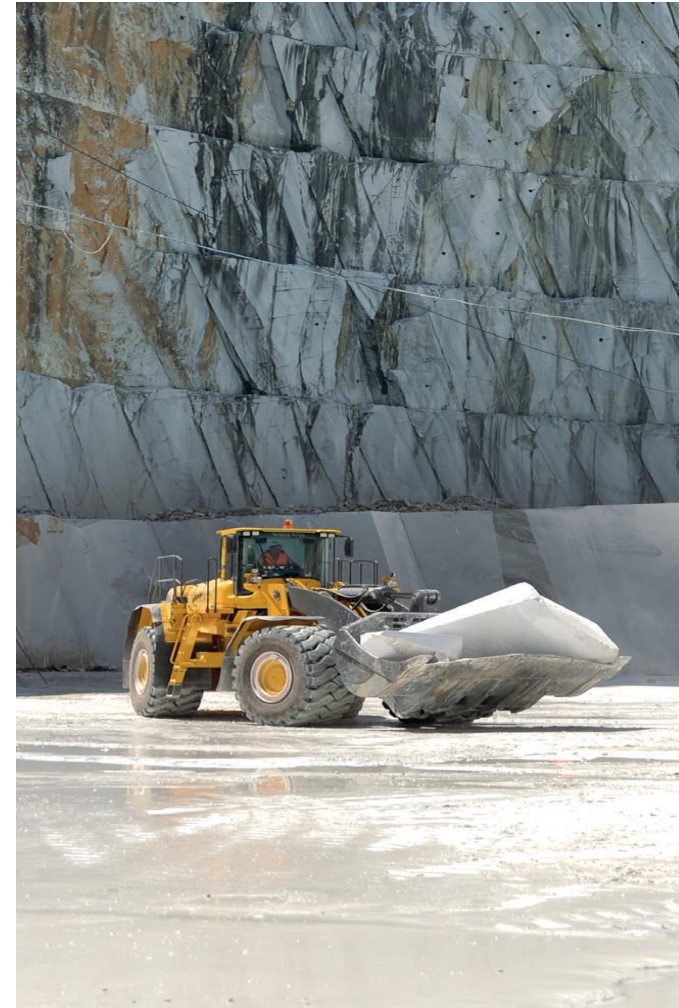
- ◇ Our organisation also continued to be more efficient
 - ◇ Expenses as a percentage of revenue came down
 - ◇ LTM SG&A expenses was 11.2% of revenue - lowest ever for our company

- ◇ Product mix changed towards larger and often more complex machines
 - ◇ Greater aftermarket potential
 - ◇ Average price per sold machine increased by 14% to SEK 2.1m
 - ◇ Partly due to the lack of Volvo backhoe loaders of which we sold over 20 units in Q1 2017



AGM 2018 (selected proposals)

- ◇ AGM to take place later today, 27 April
 - ◇ Proposal to pay dividends on preference shares of SEK 60.40 per preference share
 - Record date 2 May 2018
 - ◇ Proposal to pay dividends on ordinary shares of SEK 1.73 per ordinary share
 - ◇ Record date 22 May 2018
 - ◇ Proposal to re-elect the current board, i.e. Annette Brodin Rampe, Magnus Brännström, Lars Corneliusson, Erik Eberhardson, Håkan Eriksson and Staffan Jufors as members of the Board
 - ◇ Proposal to re-elect Staffan Jufors s chairman of the Board



Redemption of preference shares

- ◇ Later today, 27 April 2018, the Board intends to decide on a mandatory cash redemption of all remaining preference shares
 - ◇ Record date 15 May 2018
 - ◇ Payment date 18 May 2018

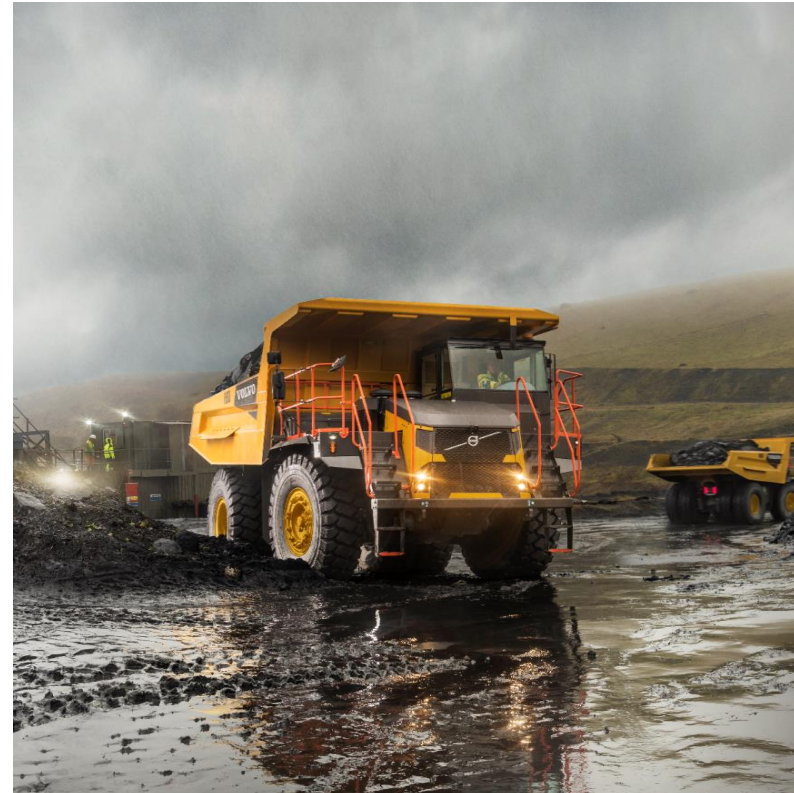
- ◇ The redemption price would amount to SEK 1,200 per preference share, plus accrued dividends
 - ◇ Approx. SEK 1,208 per preference share
 - ◇ Total redemption price of approx. SEK 81m

- ◇ There will be no preference shares outstanding following the redemption



New Volvo CE Rigid Hauler

- ◇ On 11 January 2018, Volvo CE announced that it will enter the rigid hauler market with its own Volvo brand of rigid haulers
- ◇ The new four-model range relies heavily on the rigid hauler expertise of Volvo CE's subsidiary, Terex Trucks, combined with the technological strength of the Volvo Group
- ◇ The range consists of the 45-ton R45D, 60-ton R60D, 72-ton R70D and the flagship 100-ton R100E
- ◇ Ferronordic expects to start selling the new Volvo-branded rigid haulers towards Q4 2018
 - ◇ Meanwhile, Ferronordic will continue to sell Terex-branded rigid haulers

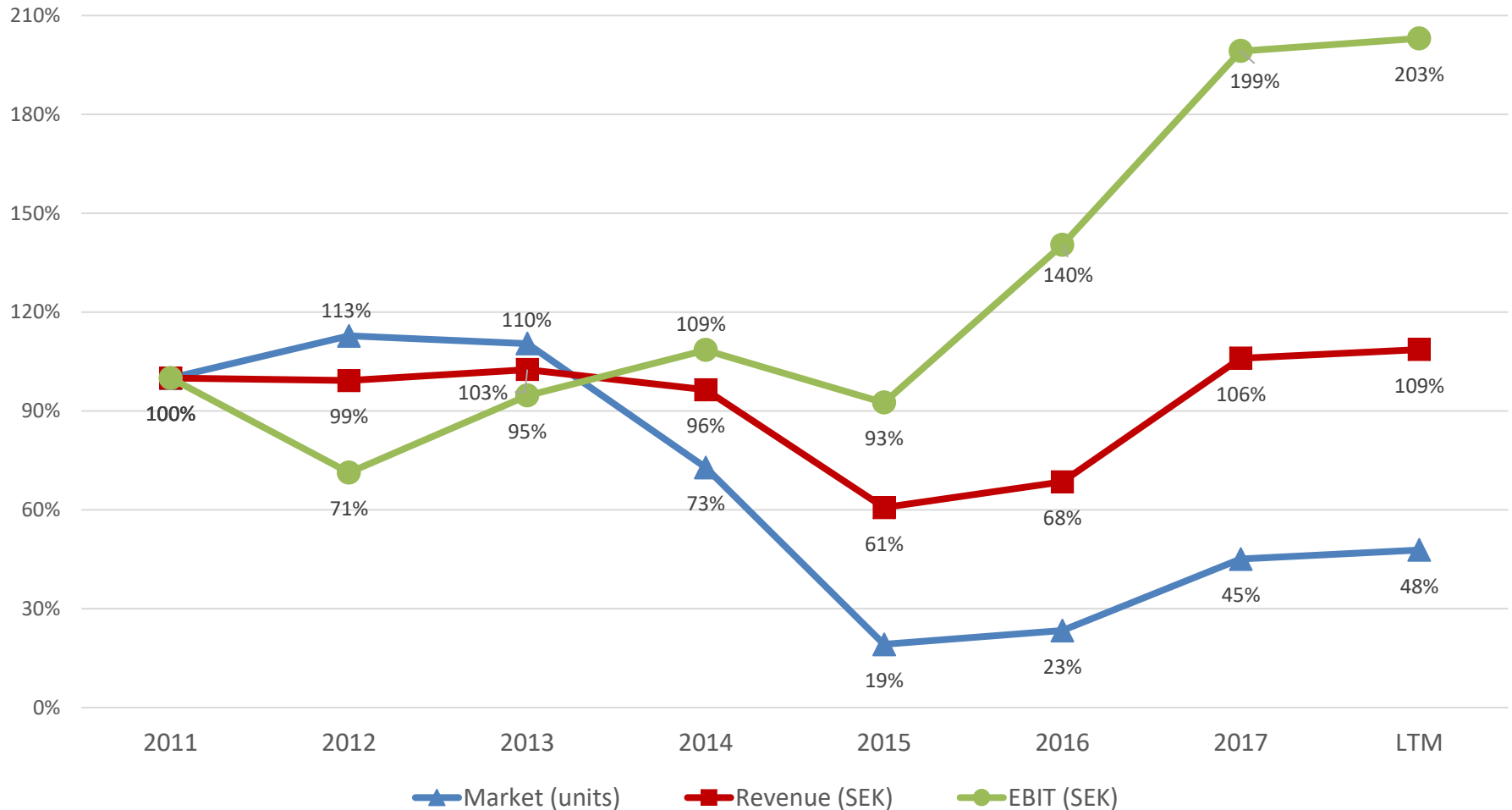


Q1 2018 Profit & Loss

SEK MM	Q1 2018	Q1 2017	% Change SEK	% Change RUB
<i>New Units Sold</i>	155	154	1%	1%
Revenue	614	550	11%	19%
Gross Profit	117	110	7%	13%
<i>% Margin</i>	19.0%	19.9%		
EBITDA	48	45	8%	15%
<i>% Margin</i>	7.8%	8.1%		
EBIT	41	37	10%	17%
<i>% Margin</i>	6.7%	6.8%		
Net Income	30	30	1%	8%
EPS	1.93	1.60	21%	28%
Net Debt/(Cash)	(264)	(216)		

- ◇ Number of new units sold similar to last year
 - ◇ 22% increase excluding backhoe loaders and diesel generators
 - ◇ 14% increase in average price per sold machine to SEK 2.1m
- ◇ Revenue up 11% (19% increase in rubles)
 - ◇ Equipment sales up 11%
 - ◇ Aftermarket sales up 4%
- ◇ Higher gross profit but lower margin
 - ◇ Lower margin on sales of new machine
- ◇ S, G & A expenses lower as percentage of revenue
- ◇ EBIT-margin in line with last year
- ◇ Net income in line with last year
- ◇ Strong EPS growth

Strong development despite low market volumes



Note: 2011-2016 refer to adjusted EBIT and exclude one-off expenses in Q4 2016 and amortization of transaction related intangibles until May 2016.
 Market data based on Russian import statistics and excludes machines imported from China, bulldozers, forestry machines and rigid dump trucks.

Balance Sheet

SEK MM	31/3/18	31/12/17	31/3/17
Cash & Cash Equivalent	306	352	245
Debt	-	-	-
Financial leases	41	40	29
Net debt / (cash)	(264)	(312)	(216)
Working capital	181	117	81
<i>% of Revenue</i>	<i>7%</i>	<i>5%</i>	<i>4%</i>
Shareholders Equity	647	611	473
Total Assets	1 459	1 415	1 244
<i>Equity/Assets</i>	<i>44%</i>	<i>43%</i>	<i>38%</i>

Cash Flow

SEK MM	Q1 2018	Q1 2017
Cash flow from:		
Operating Activities	(24)	37
<i>of which change in working capital</i>	(62)	2
Investing Activities	(19)	(3)
Cash Flow before Financing Activities	(43)	34
Financing Activities	(6)	(3)
Cash Flow (before FX fluctuations)	(49)	31

Outlook – CEO comment

“In consideration of the recent recovery of the Russian economy, we are optimistic about the development of the Russian construction equipment market. Although the market is still a rather low level, we do not believe that the market will grow as strongly in 2018 as it did during 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.”

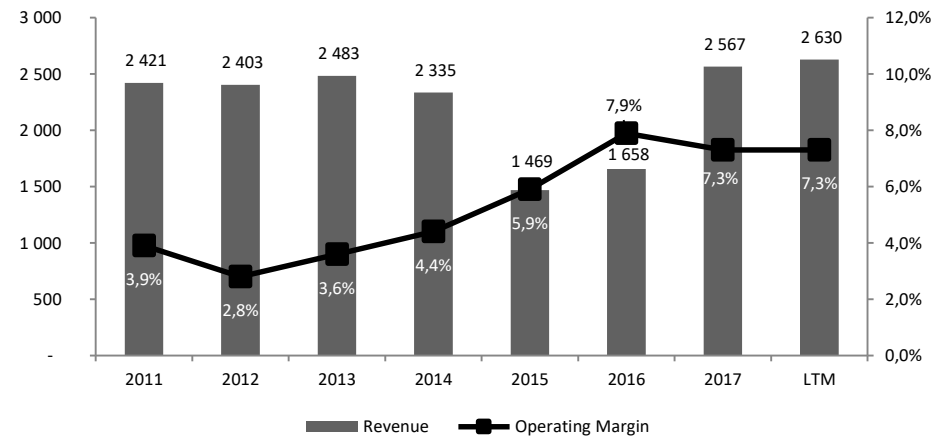


Ferronordic Machines overview

Overview

- Official dealer of Volvo Construction Equipment in all of Russia since 2010
- Authorised dealer of Terex Trucks (2014), Dressta (2016), Rottne (2016) and Mecalac (2017) in all of Russia
- Aftermarket dealer for Volvo Trucks and Renault Trucks, and dealer for Volvo Penta in selected regions
- Distribution and sales of new and used construction equipment, sales of parts, as well as providing services and technical support
- Core focus on Volvo CE brand, a high-quality construction equipment manufacturer and the No. 1 brand in Russia
- Ordinary shares listed on Nasdaq Stockholm since 2017 and preference shares listed on Nasdaq First North Premier Stockholm since 2013 (Avanza Bank AB - Certified Adviser)

Financial development (SEKm)

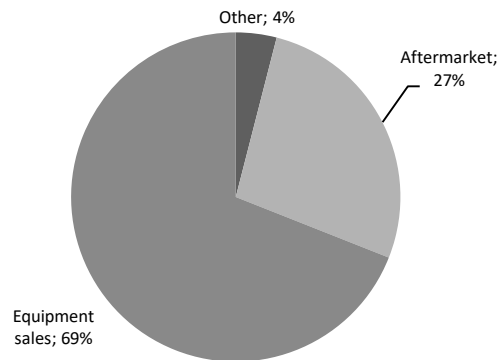


Development

	Start	Q1 2018
Employees	160	855
Revenue (SEK M)	1 184 ⁽¹⁾	2,630
Outlets	6	77

(1) Annualized

Revenue per segment (LTM)



New machine revenue per customer type

