

Press Release
Stockholm, 22 November 2019

Ferronordic AB (publ)
Interim Report January - September 2019

Record strong third quarter

THIRD QUARTER 2019

- Revenue increased 22% (12% increase in local currency) to SEK 964m (SEK 791m)
- Operating profit increased 36% to SEK 109m (SEK 80m)
- Operating margin was 11.3% (10.1%)
- The result for the period increased 22% to SEK 74m (SEK 61m)
- Earnings per ordinary share amounted to SEK 5.09 (SEK 4.17)
- Cash flows from operating activities amounted to SEK 95m (SEK 104m)

FIRST NINE MONTHS 2019

- Revenue increased 25% (21% increase in local currency) to SEK 2,787m (SEK 2,222m)
- Operating profit increased 39% to SEK 262m (SEK 189m)
- Operating margin was 9.4% (8.5%)
- The result for the period increased 33% to SEK 193m (SEK 145m)
- Earnings per ordinary share amounted to SEK 13.31 (SEK 8.82)
- Cash flows from operating activities amounted to SEK -333m (SEK 138m)

SEK M	Q3 2019	Q3 2018	%	9M 2019	9M 2018	%
Revenue	964	791	22%	2 787	2 222	25%
Operating profit	109	80	36%	262	189	39%
Result for the period	74	61	22%	193	145	33%
Earnings per ordinary share	5.09	4.17	22%	13.31	8.82	51%
Gross margin	21.4%	20.3%		20.6%	19.6%	
Operating margin	11.3%	10.1%		9.4%	8.5%	
Return on capital employed	34%	40%		34%	40%	
Working capital / Revenue	18%	2%		18%	2%	
Net debt / (cash)	411	(298)		411	(298)	

Lars Corneliussön, CEO Ferronordic, comments: "The third quarter was eventful for Ferronordic. The market for our main product groups in Russia grew by around 5% and we saw continued growth in both equipment and aftermarket sales. Meanwhile, our investments into contracting services yielded results and contributed to revenue and margin growth. Total revenue grew 22% Y-o-Y to SEK 964m and our operating margin expanded 1.1pp to 11.3%. As a result, our operating profit increased 36% to SEK 109m, our best operating result to-date for a single quarter. Cash flows from operations improved and net debt decreased versus the previous period. Our expansion in Kazakhstan continues and we now operate at seven locations in the country. Meanwhile, we continue preparations for the component rebuild centre, expected to open in Q1 2020. During the quarter, we announced our intention to become dealer for Volvo and Renault Trucks in Germany. If completed, two transactions would see us take over operations at eleven locations in Germany and become responsible for a sales area corresponding to approx. 20% of the German market. Looking forward into the rest of 2019 and 2020, we believe that the market will continue to recover at about the same pace as previously in 2019, with potential for additional growth if the implementation of the so-called National Projects picks up speed."

About Ferronordic

Ferronordic is the authorized dealer of Volvo Construction Equipment, Dressta, 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

Year-end report January-December 2019
Interim report January-March 2020

20 February 2020
13 May 2020

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