



First Quarter 2017

22 May 2017



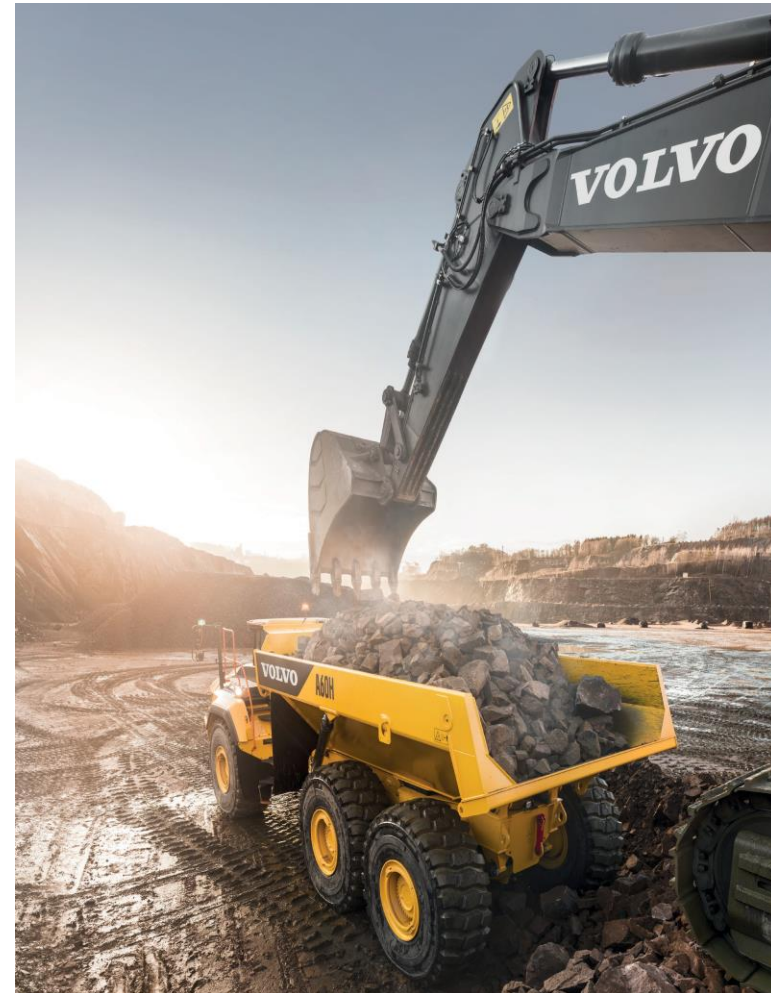
First Quarter 2017

- ◇ The market recovery experienced in the end of 2016 continued during the first quarter of 2017
 - ◇ CE market up over 90% in sold units (Y-o-Y)
 - ◇ GDP growth expected to be modest but positive
 - ◇ Construction activity and other economic indicators are expected to continue to improve

- ◇ Oil price stable around USD 55 per barrel during the first two months of the quarter
 - ◇ Dropped to USD 52 by the end of March

- ◇ The ruble strengthened from 6.78 to 6.26 ruble per krona during the quarter

- ◇ The Russian Central Bank's key rate lowered from 10.0% to 9.75% during the quarter and reduced further at the end of April to 9.25%



First Quarter 2017 (cont'd)

- ◇ We achieved our strongest first quarter ever
 - ◇ Revenue increased by 78%
 - ◇ Operating profit and net income more than doubled
 - ◇ Strong cash flow

- ◇ We believe we will still see continued profitable growth as the market continues to recover and our organization aligns itself with the demand
 - ◇ Growth is however likely to slow down somewhat



First Quarter 2017 (cont'd)

- ◇ Decision to initiate process of evaluating a potential listing of the company's ordinary shares on Nasdaq Stockholm
 - ◇ Greater access to the capital market to support the company's continued expansion
 - ◇ Enable the preference shareholders to convert their preference shares into ordinary shares
 - ◇ Carnegie engaged as financial advisor



Important events

- ◇ EGM on 22 March 2017
 - ◇ Resolution to pay dividends on preference shares in the amount of SEK 55 per preference share
 - ◇ Dividend paid on 28 April 2017

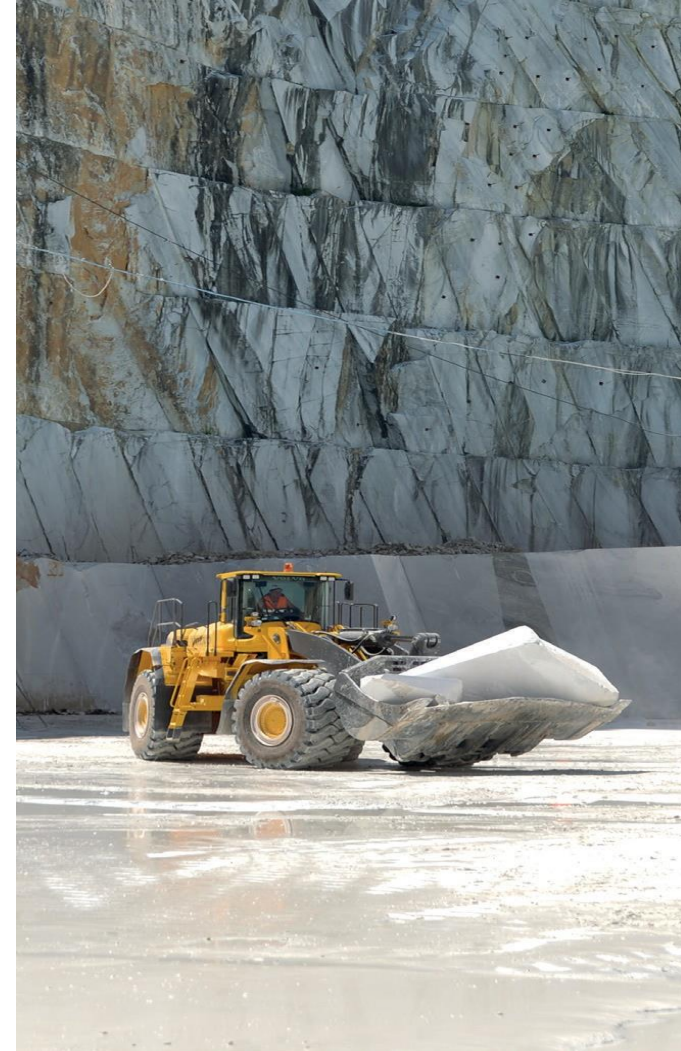
- ◇ 2016 annual report published on 19 April 2017

- ◇ Updated financial objectives:
 - ◇ Doubling of the revenue from 2016 to 2020
 - ◇ EBIT margin of 6-8%
 - ◇ Net debt to EBITDA of 0-2 times (over a business cycle)



AGM 2017 (selected resolutions)

- ◇ The AGM took place on May 19 in Stockholm
 - ◇ Resolution to pay dividends on preference shares of SEK 60 per preference share . The record date is 25 October 2017
 - ◇ No decision made regarding the potential preference share dividend in April 2018. No dividend shall be paid on the company's ordinary shares
 - ◇ Magnus Brännström, Lars Corneliusson, Erik Eberhardson and Håkan Eriksson were re-elected as members of the Board. Annette Brodin Rampe and Staffan Jufors (chairman) were elected new members of the Board
 - ◇ Long-term incentive program for the group's management was approved
 - ◇ Authorization to the Board to decide upon an issue of new ordinary shares and new ordinary shares of series 2 (same as last year)



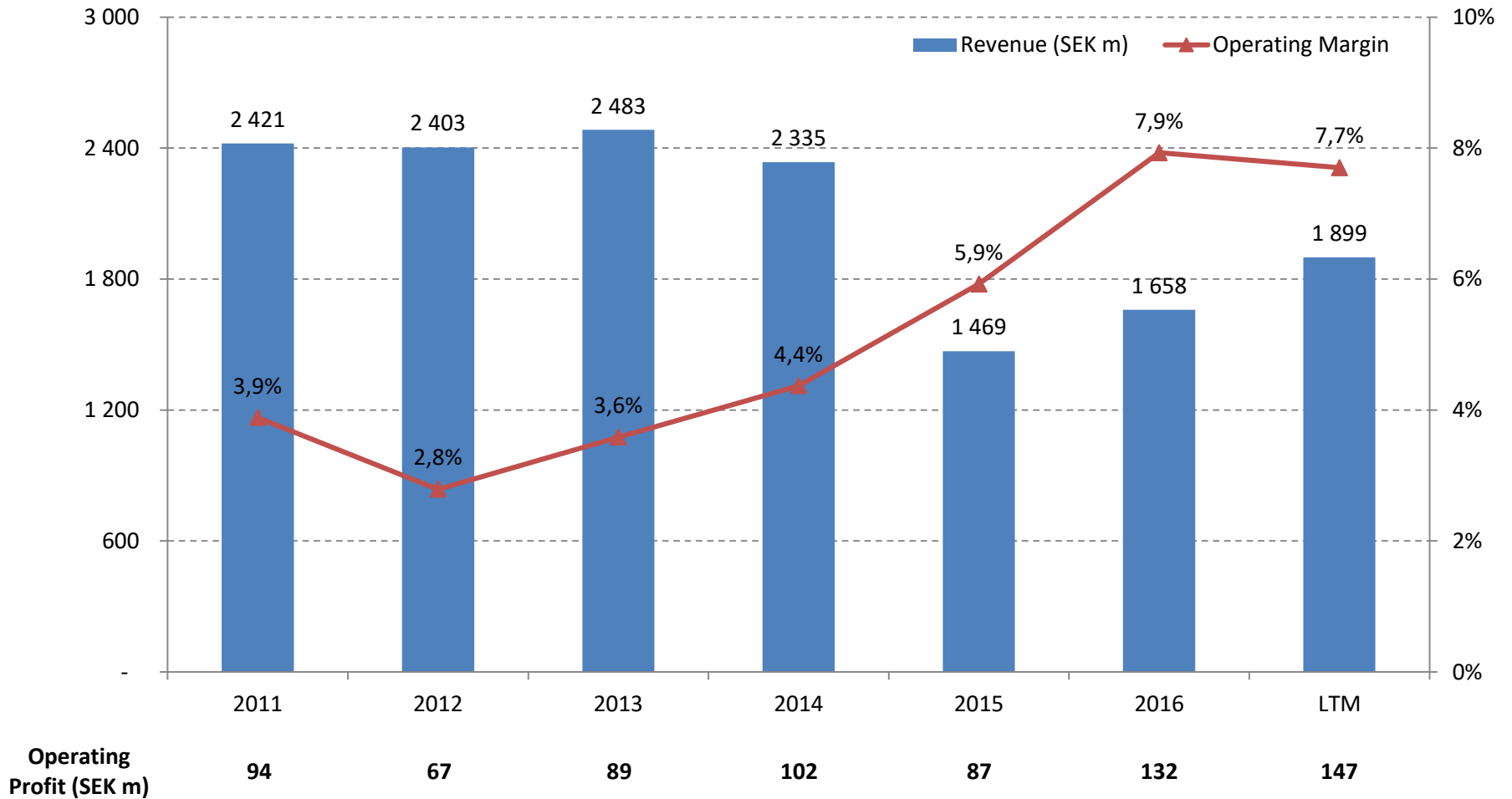
Q1 2017 Profit & Loss

SEK MM	Q1 2017	Q1 2016	% Change SEK	% Change RUB
<i>New Units</i>	154	128	20%	20%
Revenue	550	310	78%	33%
Gross Profit	110	70	57%	17%
<i>% Margin</i>	19.9%	22.6%		
EBITDA	45	27	68%	26%
<i>% Margin</i>	8.1%	8.6%		
EBIT*	37	22	67%	25%
<i>% Margin</i>	6.8%	7.2%		
Net Income*	30	18	61%	20%
Net Debt/(Cash)	(216)	(131)		

* Excludes amortization of transaction related intangibles.

- ◇ Number of new units sold up 20%
 - ◇ Used units sold down 30%
- ◇ Revenue up 78% (33% increase in rubles)
 - ◇ Equipment sales up 82%
 - ◇ Aftermarket sales up 54%
- ◇ Higher gross profit but lower margin
 - ◇ Lower margin on sales of new machines
 - ◇ Revenue mix effect
- ◇ S, G & A expenses lower in ruble
- ◇ Slight drop in operating profit margin
- ◇ Net financial income
- ◇ Strong increase in net income
- ◇ Positive earnings per ordinary share
- ◇ Strong net cash position

Revenue and profitability



* Operating Profit and Operating Margin exclude one-off expenses in Q4 2016 and amortization of transaction related intangibles.

Balance Sheet

SEK MM	31/3/17	31/12/16	31/3/16
Cash & Cash Equivalent	245	199	167
Debt	-	-	-
Financial leases	29	26	6
Net debt / (cash)	(216)	(173)	(131)
Working capital	81	110	77
<i>% of Revenue</i>	<i>4%</i>	<i>7%</i>	<i>5%</i>
Shareholders Equity	473	442	351
Total Assets	1 244	1 033	781
<i>Equity/Assets</i>	<i>38%</i>	<i>43%</i>	<i>45%</i>

Cash Flow

SEK MM	Q1 2017	Q1 2016
Cash flow from:		
Operating Activities	37	43
<i>of which change in working capital</i>	2	26
Investing Activities	(3)	(0)
Cash Flow before Financing Activities	34	43
Financing Activities	(3)	(59)
Cash Flow (before FX fluctuations)	31	(16)

Outlook – CEO comment

“In consideration of the recent recovery of the Russian economy, we are more optimistic about the development of the Russian construction equipment market, both long- and short-term. Even though we do not expect the recovery during the year to be as strong as during 2010-2011, we still expect the market to continue to grow during 2017, *inter alia*, because of the continued pent-up demand to renew the machine park in the country. As regards the future of our business in a longer perspective, we are still optimistic, as the long-term fundamentals in the Russian construction equipment market remain strong.”

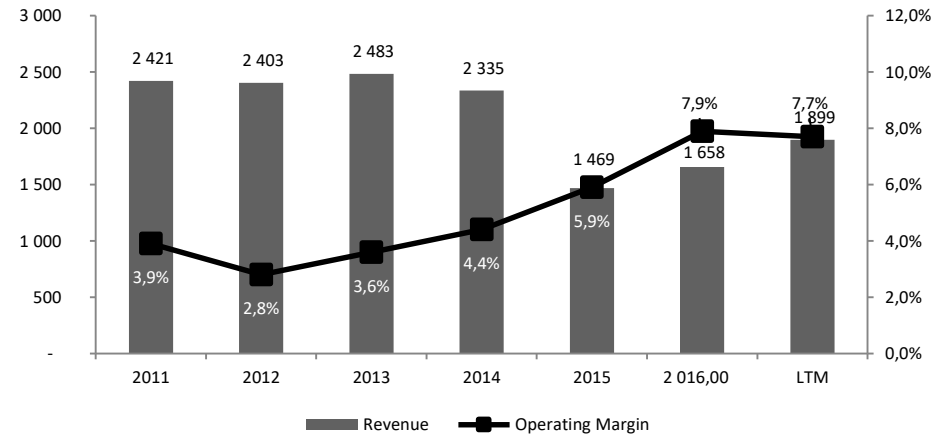


Ferronordic Machines overview

Overview

- Authorized dealer of Volvo Construction Equipment, Terex Trucks, Dressta and Rottne in Russia
- Distribution and sales of new and used construction equipment, sales of parts as well as providing services and technical support
- Core focus is the Volvo CE brand, a high-quality construction equipment manufacturer and the number one brand in Russia
- Distribution portfolio expanded to include other brands such as Volvo and Renault Trucks (aftermarket) and Volvo Penta

Financial development (SEKm)

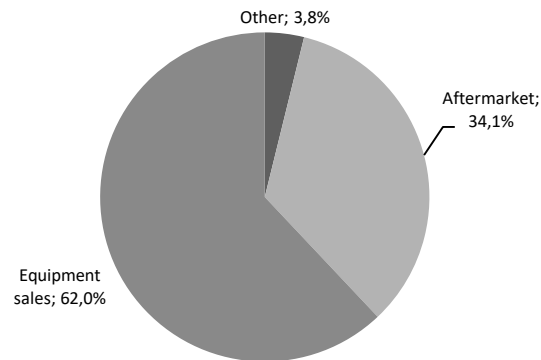


Development

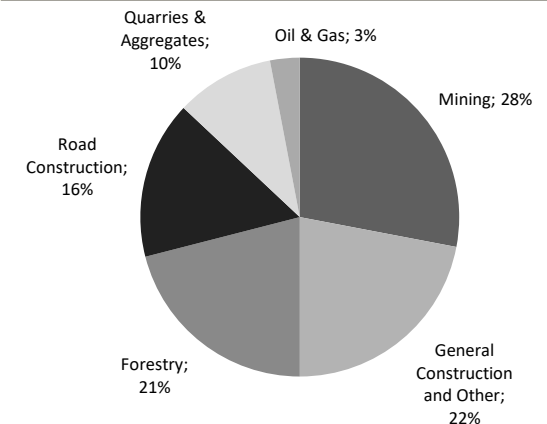
	2010	Q1 2017
Employees	326	797
Revenue (SEK M)	1 184 ⁽¹⁾	1 899
Outlets	12	70

(1) Annualized

Revenue per segment



New machine revenue per customer type



Market demand drivers

