



Year-end report January – December 2019

Growing aftermarket and contracting services drive earnings

Growth in aftermarket but lower equipment sales

Continued growth in contracting services

Ferronordic awarded dealer of the year by Volvo CE

Expansion to Germany completed

Proposed dividend of SEK 4.25 per share

Selected key ratios

SEK M	Q4 2019	Q4 2018	%	12M 2019	12M 2018	%
Revenue	960	1019	-6%	3 747	3 241	16%
Operating profit	95	84	13%	358	274	31%
Result for the period	57	64	-10%	251	209	20%
Earnings per ordinary share	3.95	4.40	-10%	17.26	13.22	31%
Gross margin	21.0%	17.6%		20.7%	19.0%	
Operating margin	9.9%	8.3%		9.5%	8.4%	
Return on capital employed	27%	41%		27%	41%	
Working capital / Revenue	20%	1%		20%	1%	
Net debt / (cash)	593	(303)		593	(303)	

* Definitions and purposes of the key ratios are presented on page 22.



Lars Corneliusson
CEO

We concluded the preparations to become dealer for Volvo and Renault Trucks in part of Germany

Equipment sales declined by 22%

Aftermarket sales grew by 23%

Revenue from contracting services was more than twice as high as during Q4 2018

Operating profit grew by 13% to SEK 95m, our highest to-date for a fourth quarter

The Board will propose a dividend of SEK 4.25 per share

We believe that the market in 2020 will grow at about the same pace as in 2019, with potential for additional growth if the National Projects pick up speed.

Lars Corneliusson, CEO

During the fourth quarter, we concluded the preparations to become dealer for Volvo and Renault Trucks in part of Germany. This was an intense process that would not have been possible without great efforts, both from our own employees and our partners at Volvo. We see good opportunities to grow our German business, by increasing Volvo and Renault Trucks' market shares and by gaining a larger share of the aftermarket in our area.

Meanwhile, we continued to develop and invest in our existing business in Russia and Kazakhstan. Our component rebuild centre in Ekaterinburg is now operational. The roll-out in Kazakhstan continues and we continue to grow in contracting services. Our customer focus and investments to develop our staff and digitize our service and sales channels were recognized by Volvo CE, as we were awarded EMEA dealer of the year in 2019. In terms of financial performance, 2019 was our best year to-date with record revenue and earnings.

Excluding an unusually large inflow of Chinese wheel loaders, we estimate that the market for our main product groups in Russia was largely flat during the quarter, but with a decline in the important articulated hauler segment. At the same time, the stronger ruble made our products less competitive and we lost some of the higher market share gained previously during the year. As a result, equipment sales declined by 22% compared to Q4 2018, which was a strong quarter in terms of equipment sales.

Aftermarket sales grew by 23% and reached 26% of total revenue, partly thanks to growing sales of service and parts for trucks. Contracting services continued to operate at the capacity built up in the first half of 2019. Revenue from contracting services was more than twice as high as during Q4 2018. Despite a decline of 6% in total revenue to SEK 960m, gross profit therefore grew by 12%.

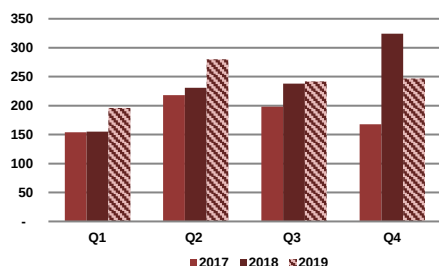
Operating profit grew by 13% to SEK 95m, our highest operating profit to-date for a fourth quarter. The operating margin grew 1.6pp to 9.9%.

In line with Ferronordic's dividend policy, the Board will propose a dividend of SEK 4.25 per share.

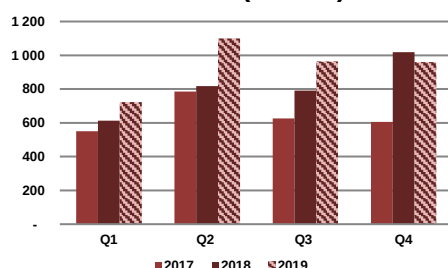
Looking into 2020, we believe that the Russian market will grow at about the same pace as in 2019, with potential for additional growth if the National Projects pick up speed. In a longer perspective, we remain optimistic as the fundamentals in the machine markets in Russia and Kazakhstan are strong. As regards Germany, we believe that the demand for new trucks will remain high, although lower than in 2019.

Revenue decreased by 6% Y-o-Y in the fourth quarter to SEK 960m

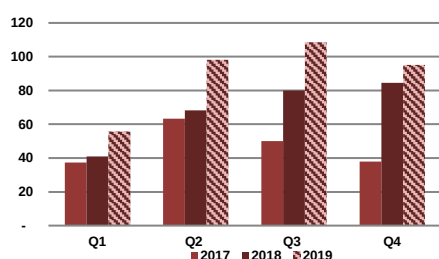
New machines (units sold)



Revenue (SEK m)



Operating profit (SEK m)



Comments on the interim report

Revenue during the quarter fell by 6% Y-o-Y to SEK 960m, mainly due to a decline in equipment sales, compensated by increased aftermarket sales and other revenue (mainly consisting of contracting services), growing by 23% and 106% respectively. Gross margin improved by 3.4 pp to 21.0%, mainly as a result of the growing sales in the aftermarket and contracting services.

Selling, general and administrative expenses grew both in real terms and as a percentage of revenue. The increase was partly due to the stronger ruble, but also due to transaction and start-up costs related to Germany, and start-up costs related to the new component rebuild centre. Despite this, the operating margin improved by 1.6 ppt to 9.9% and the operating profit grew by 13% Y-o-Y to SEK 95m, the highest to-date for a fourth quarter.

The takeover from Volvo of importation to Russia of machines and parts contributed to lower cash flows and higher working capital. For example, a larger payment for the remainder of Volvo's Russian parts stock was made during the quarter. These effects are transitory but take time. Further, the expansion to Germany contributed to an increase of working capital of SEK 27m.

Cash flows from operating activities thus decreased to SEK 3m (SEK 12m), and net debt excluding new debt related to Germany at the end of the quarter amounted to SEK 397m (including new debt related to Germany, net debt amounted to SEK 593m).

On the back of the higher net debt position, finance costs were higher during the quarter compared to the same period last year, having a negative effect on the result for the quarter. The result for the quarter thus amounted to SEK 57m, 10% lower than Q4 2018.

Based on available market data, the market for our main products in Russia, measured in units, expanded by approx. 40% compared to Q4 2018. However, this growth was primarily driven by an increase in imports of small Chinese wheel loaders (the market data used is based on number of sold units as regards non-Chinese manufacturers but number of imported units as regards Chinese manufacturers). Excluding these machines, we estimate that the market in Q4 2019 was largely flat, but declined in the important articulated hauler segment. Our new machine sales in units decreased by 24% compared to Q4 2018.

As for 2019 as a whole, the market for our main products in Russia, measured in units, increased by approx. 14% compared to 2018. Excluding the high imports of Chinese wheel loaders in Q4, however, we estimate that the market grew by about 5%. Our new machine sales in units increased by 2% compared to 2018.

Revenue

Revenue decreased by 6% Y-o-Y in the fourth quarter to SEK 960m (SEK 1,019m) (15% in local currency). Equipment sales decreased 22% but aftermarket sales increased by 23% (30% decrease and 11% increase in local currency, respectively). Other revenue, mainly consisting of contracting services, increased by 106%.

During the year, revenue increased by 16% Y-o-Y to SEK 3,747m

During the year, revenue increased by 16% Y-o-Y to SEK 3,747m (SEK 3,241m) (9% in local currency). Equipment sales increased by 5% while aftermarket sales increased by 17% (1% decrease and 11% increase, respectively, in local currency). Other revenue, mainly consisting of contracting services, increased by 159%.

Gross profit and operating profit

Despite lower revenue, gross profit for the quarter amounted to SEK 202m (SEK 180m), an increase of 12% compared to Q4 2018. The increase was a result of improved gross margin (21.0% compared to 17.6% in Q4 2018). The margin improvement was a result of the growth in aftermarket sales and contracting services, partly offset by lower profitability in equipment sales, to a certain extent reflecting difficult price realisation due to the stronger ruble.

Operating profit for the quarter improved by 13% Y-o-Y to SEK 95m

Operating profit for the quarter improved by 13% Y-o-Y to SEK 95m (SEK 84m). The increase was a result of the improved gross profit, offset by higher selling, general and administrative expenses. These expenses grew on the stronger ruble, higher sales and personnel expenses, as well as one-off expenses related to the expansion in Germany of approx. SEK 7m. Depreciation also increased on higher property, plant and equipment, partly due to investments in contracting services and partly due to IFRS 16. As a percentage of revenue, selling, general and administrative expenses during the quarter increased from 8.8% in Q4 2018 to 11.1%. The operating margin during the quarter increased from 8.3% to 9.9%.

The operating margin during the quarter increased from 8.3% to 9.9%

Gross profit for the year amounted to SEK 775m, an increase of 26%

Gross profit for the year amounted to SEK 775m (SEK 614m), an increase of 26% Y-o-Y. The gross margin increased from 19.0% in 2018 to 20.7%, positively impacted by growing aftermarket sales and contracting services.

Operating profit for the year increased by 31% to SEK 358m

Operating profit for the year increased by 31% Y-o-Y to SEK 358m (SEK 274m). The increase was driven by the improved gross profit, partly offset by higher selling, general and administrative expenses. The expense increase was a result of the stronger ruble, higher sales and personnel expenses and costs related to the expansions in Kazakhstan and Germany and the establishment of the component remanufacturing business. Depreciation also increased on a higher property, plant and equipment, partly due to investments in contracting services and partly due to IFRS 16. As a percentage of revenue, selling, general and administrative expenses during 2019 increased

The operating margin for the year improved to 9.5%

from 10.2% in 2018 to 10.7%. Operating profit was also negatively affected by a SEK 9m provision related to a loss of machines in the rental business, reported as other expenses in Q2. The operating margin for the year improved from 8.4% in 2018 to 9.5% in 2019.

Result

Finance costs in the quarter increased to SEK 19m

Due to increased interest-bearing liabilities (partly as a result of IFRS 16), finance costs increased from SEK 2m in Q4 2018 to SEK 19m. Together with lower finance income, partly compensated by lower foreign exchange losses (net), the result before income tax for the quarter decreased by 8% Y-o-Y to SEK 75m (SEK 81m). The result for the quarter decreased by 10% Y-o-Y to SEK 57m (SEK 64m).

The result for the quarter decreased by 10% to SEK 57m

For the year, the result before income tax increased by 19% to SEK 318m (SEK 267m). Also for the year the result was negatively impacted by higher finance costs due to higher interest-bearing liabilities (partly as a result of IFRS 16), and lower finance income. The result was supported by higher foreign exchange gains (net) of SEK 12m (compared to foreign exchange losses (net) of SEK -5m in 2018). The result for the year increased by 20% to SEK 251m (SEK 209m), our highest result for to date.

The result for the year increased by 20% to SEK 251m, our highest result to-date

Earnings per ordinary share

Earnings per ordinary share for the quarter amounted to SEK 3.95

Earnings per ordinary share for the quarter amounted to SEK 3.95 (SEK 4.40).

Earnings per ordinary share for the year amounted to SEK 17.26 (SEK 13.22; or SEK 14.18, excluding the impact of the preference share redemption in 2018).

Cash flows

Cash flows from operating activities after taxes and interest during the quarter decreased to SEK 3m

Cash flows from operating activities during the quarter amounted to SEK 3m (SEK 12m). The decrease in cash flows despite improved operating result was mainly a result of increased working capital, but also increased income tax and interest paid. The increased working capital was a result of higher increases in inventories and prepayments than payables. Inventories partly increased on order intake for 2020 sales, and partly due to the expansion to Germany. The increase in prepayments was also mainly caused by the German transaction as certain assets paid in December 2019 was booked in Ferronordic on 1 January 2020. In total, the German transaction contributed SEK 27m to the growth in working capital. The cash flows were also negatively affected by a payment for Volvo's remaining parts inventory in Russia (as part of the transfer of importation responsibility from Volvo to Ferronordic).

Cash flows from investing activities in Q4 2019 amounted to SEK -105m (SEK -12m), mainly due to the acquisition of assets

Cash flows from investing activities in 4Q 2019 amounted to SEK -105m, mainly due to the acquisition of assets and business in Germany

and business in Germany. Out of SEK 85m in acquisition of property, plant and equipment, SEK 71m relate to the acquisition of real estate and other fixed assets from Volvo in Germany. The balance mostly consists of investments into service vans and the component rebuild center. Further, an amount of SEK 21m, relating to the purchase of shares in Auto-Haas GmbH, was reported as acquisition of business.

During the year, cash flows from operating activities decreased to SEK -330m

During the year, cash flows from operating activities decreased to SEK -330m (SEK 150m). The decrease in cash flows despite the improved result was mainly due to increased working capital (mainly due to higher inventories and lower payables), but also higher interest and tax paid.

Cash flows from investing activities in 2019 amounted to SEK -179m

Cash flows from investing activities in 2019 amounted to SEK -179m (SEK -35m). Part of the increased investments related to the acquisitions in Q4 in Germany of property, plant and equipment and business. The increase was also due to higher investments in machines for contracting services and rental, as well as cars and service vans in Russia and Kazakhstan.

Financial position

Cash and cash equivalents at 31 December 2019 amounted to SEK 519m

At 31 December 2019, cash and cash equivalents amounted to SEK 519m, an increase of SEK 163m compared to the end of 2018. The higher cash balance partly reflected a draw down on the credit facility to be used for the expansion to Germany.

Interest-bearing liabilities (including leases) amounted to SEK 1,112m

Interest-bearing liabilities (including lease liabilities) at the end of the quarter amounted to SEK 1,112m, an increase of SEK 1,059m compared to the end of 2018. The increase was mainly due to an increase in working capital in Russia and Kazakhstan, loans to acquire the business in Germany, and liabilities relating to the acquired business in Germany that are now consolidated into Ferronordic's financial reports. The increase also includes a SEK 95m increase in lease liabilities due to the application of IFRS 16 as of 1 January 2019.

Property, plant and equipment increased by SEK 438m during the year

Property, plant and equipment increased by SEK 438m during the year, of which SEK 169m were assets related to the new business in Germany, and SEK 91m were right-to-use assets added as a result of the application of IFRS 16 as of 1 January 2019 (including right-to-use assets related to the business in Germany). The remainder was mainly additional machines for contracting services and rental, as well as cars and service vans.

Ferronordic has previously classified specific advance payments to suppliers as trade and other receivables in the condensed consolidated statement of financial position. As Ferronordic finds it more appropriate to classify these payments as prepayments, it reclassified the amounts for the comparative periods accordingly. At 31 December 2018, trade and other receivables decreased by SEK 15m and prepayments increased by the same amount. The Group's cash flow statement for the fourth quarter and twelve months 2018 was adjusted correspondingly.

Equity at 31 December 2019 amounted to SEK 890m

Equity at 31 December 2019 amounted to SEK 890m, an increase of SEK 234m compared to 31 December 2018. The increase was an effect of the positive result for the period as well as positive foreign exchange differences of SEK 93m, partly offset by a dividend of SEK 109m in May 2019.

Employees

The number of employees at the end of the year converted to full-time equivalent employees was 1,239 persons

The number of employees at the end of the year, converted to full-time equivalent employees, was 1,239 persons. This represents an increase of 207 employees compared to the end of 2018. Most new employees were aftermarket personnel, employees in Kazakhstan, machine operators in contracting services. 50 new employees were added as a result of the acquisition of Auto-Haas GmbH in Germany.

Parent company

Parent company administrative expenses increased Y-o-Y to SEK 5m (SEK 3m)

During the quarter, the revenue of the parent company increased to SEK 52m (SEK 37m) due to higher intra-group sales from the parent to its subsidiaries. Administrative expenses increased Y-o-Y to SEK 5m (SEK 3m). The result for the quarter decreased to SEK 0m (SEK 4m), mainly due to administrative expenses but also due to lower financial income and foreign exchange losses (net) compared to foreign exchange gains (net) during Q4 2018.

The parent company's result for the year decreased to SEK -0m (SEK 9m)

During the year, the revenue of the parent company decreased to SEK 144m (SEK 174m) due to lower intra-group sales of machines and spare parts. Administrative expenses increased to SEK 15m (SEK 12m). The result decreased to SEK -0m (SEK 9m) due higher administrative costs and lower finance income, partly offset by lower foreign exchange losses (net).

Risks and uncertainties

As described in the 2018 annual report, Ferronordic is exposed to a number of risks. There have been no significant changes to what was stated in the 2018 annual report. The parent company is indirectly subject to the same risks and uncertainties as the Group.

Changes in management

Dan Eliasson general counsel and member of management from 15 January 2020

On 19 December 2019, it was announced that Dan Eliasson had been appointed General Counsel and member of Ferronordic's management board as of 15 January 2020. Ferronordic's previous General Counsel, Henrik Carlborg, also Business Development Director, will focus on business development.

Reorganization of management as of February 2020

On 14 February 2020 it was announced that there had been a reorganization of Ferronordic's executive management following the extension into Germany. As of February 2020, the executive management consists of Lars Corneliussen, CEO, Nadezhda Arzumanova, HR Director, Henrik Carlborg, Business

Development Director, Erik Danemar, CFO and Investor Relations Director, Dan Eliasson, General Counsel, Onur Gucum, Commercial Director, and Anton Zhelyapov, Trucks Director.

Expansion to Germany

Acquisition of business in Germany completed

Ferronordic dealer for Volvo and Renault Trucks in part of Germany from January 2020

On 20 December 2019, it was announced that Ferronordic and Volvo Group Trucks Germany had entered into final agreements to appoint Ferronordic dealer for Volvo and Renault Trucks in an area representing approx. 20% of the German market for heavy trucks. In connection herewith, Ferronordic also acquired eleven sites within this area. Nine of these sites were operated by Volvo and were acquired through an asset deal. These assets were transferred to Ferronordic in January 2020. Two of the sites were operated by Auto-Haas GmbH, an existing dealer for Volvo and Renault Trucks. These sites were acquired through a share deal where Ferronordic acquired Auto-Haas. The acquisition was completed on 20 December 2019.

The purchase price for the assets from Volvo was SEK 96m. The purchase price for the shares in Auto-Haas SEK 40m. The purchase prices are subject to adjustments in 2020 when the book values of the acquired assets per 31 December 2019 have been established.

As the assets purchased from Volvo were transferred in January 2020, they were treated as prepayments on 31 December 2019, with SEK 71m of mostly real estate and improvements thereof in Property Plant & Equipment and SEK 25m of mostly parts inventories in prepayments. Auto-Haas, was consolidated from the day of acquisition on 20 December 2019 in result and on balance sheet.

In connection with the foresaid transactions, Ferronordic also entered into an agreement with Nordea Bank for a EUR 30m loan facility. EUR22m was drawn on the facility in 2019 to finance the said acquisitions and to fund additional investments to build up the German business.

The transactions will increase Ferronordic's headcount by approx. 230 people, mainly mechanics and sales representatives.

Ferronordic started operations in Germany on 1 January 2020.

As previously stated, in 2020 the revenue contribution from the new business is expected to be approx. SEK 1,6bn*. During the integration phase, the new business is expected to have negative impact on the Group's earnings and cash flows. Thus, in 2020, the new business is expected to have a negative impact on the Group's operating profit and net income of approx. SEK -30m* and SEK -40m*, respectively (including one-off expenses). The negative impact on operating cash flows in 2020 from the German operations is expected to be approx. SEK -40m*. Earnings and operational cash flows of the new business are

Earnings and operational cash flows of the new business in Germany are expected to turn positive towards the end of 2021

expected to turn positive towards the end of 2021. Ferronordic sees opportunities to grow the market share of Volvo Trucks and Renault Trucks in its area and expects Ferronordic's share of the total aftermarket sales in the area to increase over time. As the aftermarket sales increases, the profitability of the new business is expected to improve.

For more details, please refer also to Company press-releases on 12 September, 7 October and 20 December 2019 at <https://ferronordic.com/investors/>

*According to the EUR/SEK rate per 19 February 2020

Updated financial objectives

As previously communicated, as a result of the expansion into Germany, Ferronordic's financial objective for the Group's operating margin was changed from 7-9% to 6-8%. Other financial objectives, including the dividend policy, remain unchanged:

- Tripling of revenue in Russia and CIS from 2016 to 2021 (unchanged for existing business)
- Operating margin of 6-8% (currently 7-9%)
- Net debt to EBITDA of 0-2 x (over a business cycle) (unchanged)

Events after the reporting date

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

Outlook

In a longer perspective, we remain optimistic, as the long-term fundamentals in the machine markets in Russia and Kazakhstan are strong.

Looking into 2020, we believe that the Russian market will grow at about the same pace as in 2019, with potential for additional growth if the National Projects pick up speed. In a longer perspective, we remain optimistic as the fundamentals in the machine markets in Russia and Kazakhstan are strong. As regards Germany, we believe that the demand for new trucks will remain high, although lower than in 2019.

Annual report and Annual general meeting

Ferronordic's 2019 annual report will be available on the Company's website around 14 April 2020.

The annual general meeting in Ferronordic AB (publ) (AGM) will be held in Stockholm on Wednesday, 13 May 2020. Notice to attend the AGM will be made in accordance with the articles of association around 14 April 2020.

Dividend proposal

The Board intends to propose a dividend of SEK 4.25 per share.

For the AGM 2020, the Board intends to propose a dividend of SEK 4.25 per share.

Presentation of the report

Ferronordic invites investors, analysts and media to a presentation where CEO Lars Corneliusson and CFO Erik Danemar comment on the report. The presentation will be held on 20 February 2020 at 10:00 CET and can be followed via telephone conference or audiocast. The report is published on 20 February 2020 at 07.30 CET and is accessible at www.ferronordic.com.

The presentation will be held in English and will be followed by a questions and answers session. Questions can be asked via the telephone conference or in written form via the audiocast. No pre-registration needed.

To participate via phone, please dial-in no later than five minutes prior to the announced time.

Dial-in numbers:

- Germany: +49 692 222 203 80
- Russia: +8 800 500 01 33
- Sweden: +46 8 505 58 359
- Switzerland: +41 225 805 976
- United Kingdom: +44 333 300 92 65
- United States: +1 833 823 05 86

The presentation can also be viewed live at:

<https://tv.streamfabriken.com/ferronordic-q4-2019>

Condensed Consolidated Statement of Comprehensive Income

	Q4 2019 SEK '000	Q4 2018 SEK '000	Twelve months 2019 SEK '000	Twelve months 2018 SEK '000
Revenue	960 137	1 018 922	3 747 142	3 241 253
Cost of sales	(758 461)	(839 337)	(2 972 212)	(2 626 947)
Gross profit	201 676	179 585	774 930	614 306
Selling expenses	(38 891)	(38 100)	(161 852)	(138 013)
General and administrative expenses	(67 548)	(52 065)	(237 946)	(190 023)
Other income	3 575	164	8 354	4 436
Other expenses	(3 689)	(5 089)	(25 898)	(17 016)
Operating profit	95 123	84 495	357 588	273 690
Finance income	848	2 725	6 458	7 107
Finance costs	(19 408)	(2 037)	(58 148)	(8 891)
Foreign exchange gains/(-losses) (net)	(1 603)	(3 950)	12 458	(4 729)
Result before income tax	74 960	81 233	318 356	267 177
Income tax	(17 505)	(17 300)	(67 537)	(58 061)
Result for the period	57 455	63 933	250 819	209 116
Other comprehensive result				
<i>Items that are or may be reclassified to profit or loss:</i>				
Foreign currency translation differences for foreign operations	(3 876)	(21 869)	92 576	(54 454)
Other comprehensive result for the period, net of tax	(3 876)	(21 869)	92 576	(54 454)
Total comprehensive result for the period	53 579	42 064	343 395	154 662
Earnings per ordinary share				
Basic and diluted earnings per share (SEK)	3.95	4.40	17.26	13.22

Condensed Consolidated Statement of Financial Position

	31 December 2019 SEK '000	31 December 2018 SEK '000
ASSETS		
Non-current assets		
Property, plant and equipment	700 330	262 824
Intangible assets	11 679	6 133
Deferred tax assets	51 287	40 594
Total non-current assets	763 296	309 551
Current assets		
Inventories	1 289 887	740 843
Trade and other receivables	321 544	303 205
Prepayments	83 506	17 113
Cash and cash equivalents	519 361	356 589
Total current assets	2 214 298	1 417 750
TOTAL ASSETS	2 977 594	1 727 301
EQUITY AND LIABILITIES		
Equity		
Share capital	1 297	1 297
Additional paid in capital	612 136	612 136
Translation reserve	(122 094)	(214 670)
Retained earnings	148 184	48 061
Result for the period	250 819	209 116
TOTAL EQUITY	890 342	655 940
Non-current liabilities		
Borrowings	205 296	-
Deferred income	7 174	2 358
Deferred tax liabilities	6 622	1 094
Long-term lease liabilities	171 847	27 881
Total non-current liabilities	390 939	31 333
Current liabilities		
Borrowings	639 280	-
Trade and other payables	917 279	982 273
Deferred income	21 453	14 820
Provisions	22 282	17 041
Short-term lease liabilities	96 019	25 894
Total current liabilities	1 696 313	1 040 028
TOTAL LIABILITIES	2 087 252	1 071 361
TOTAL EQUITY AND LIABILITIES	2 977 594	1 727 301

Condensed Consolidated Statement of Changes in Equity

SEK '000	Attributable to equity holders of the Company				Total equity
	Share capital	Additional paid in capital	Translation reserve	Retained earnings	
Balance 1 January 2019	1 297	612 136	(214 670)	257 177	655 940
Total comprehensive result for the period					
Result for the period				250 819	250 819
Other comprehensive result					
Foreign exchange differences			92 576		92 576
Total comprehensive result for the period			92 576	250 819	343 395
Contribution by and distribution to owners					
Dividend on ordinary shares				(108 993)	(108 993)
Total contributions and distributions	-	-	-	(108 993)	(108 993)
Balance 31 December 2019	1 297	612 136	(122 094)	399 003	890 342

SEK '000	Attributable to equity holders of the Company				Total equity
	Share capital	Additional paid in capital	Translation reserve	Retained earnings	
Balance 1 January 2018	1 303	692 204	(160 216)	77 787	611 078
Total comprehensive result for the period					
Result for the period				209 116	209 116
Other comprehensive result					
Foreign exchange differences			(54 454)		(54 454)
Total comprehensive result for the period			(54 454)	209 116	154 662
Contribution by and distribution to owners					
Redemption of preference shares	(6)	(80 068)			(80 074)
Dividend on preference shares				(4 585)	(4 585)
Dividend on ordinary shares				(25 141)	(25 141)
Total contributions and distributions	(6)	(80 068)	-	(29 726)	(109 800)
Balance 31 December 2018	1 297	612 136	(214 670)	257 177	655 940

Condensed Consolidated Statement of Cash Flows

	Q4 2019 SEK '000	Q4 2018 SEK '000	12 months 2019 SEK '000	12 months 2018 SEK '000
Cash flows from operating activities				
Result before income tax	74 960	81 233	318 356	267 177
Adjustments for:				
Depreciation and amortisation	41 031	20 408	136 305	47 858
(Gain)/loss from impairment of receivables	18	2 928	8 934	6 423
Profit on disposal of property, plant and equipment	(871)	451	7 023	(469)
Finance costs	19 408	2 037	58 148	8 891
Finance income	(848)	(2 725)	(6 458)	(7 107)
Foreign exchange losses/(gains) (net)	1 603	3 950	(12 458)	4 729
Cash flows from operating activities before changes in working capital and provisions	135 301	108 282	509 850	327 502
Change in inventories	(140 842)	(90 581)	(483 726)	(318 475)
Change in trade and other receivables	68 943	(47 093)	70 515	(97 663)
Change in prepayments	(53 233)	(20 277)	(62 292)	(15 068)
Change in trade and other payables	43 813	78 140	(218 130)	302 706
Change in provisions	(4 657)	2 883	(1 865)	5 452
Change in deferred income	(3 649)	3 412	(2 008)	6 314
Cash flows from operating activities before interest and tax paid	45 676	34 766	(187 656)	210 768
Income tax paid	(23 493)	(20 846)	(85 143)	(51 478)
Interest paid	(19 196)	(2 046)	(57 565)	(8 918)
Cash flows from operating activities	2 987	11 874	(330 364)	150 372
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	620	864	2 119	3 268
Interest received	801	2 725	6 395	7 107
Acquisition of property, plant and equipment	(84 922)	(14 959)	(162 242)	(43 132)
Acquisition of intangible assets	(991)	(727)	(4 310)	(2 326)
Acquisition of business	(20 813)		(20 813)	
Cash flows from investing activities	(105 305)	(12 097)	(178 851)	(35 083)
Cash flows from financing activities				
Redemption of preference shares	-	-		(80 074)
Dividend on preference shares	-	-		(4 585)
Dividend on ordinary shares	-	-	(108 993)	(25 141)
Proceeds from borrowings	453 716	-	1 276 497	-
Repayment of loans	(22 340)	-	(474 553)	-
Leasing financing received	-	21 943	70 018	26 916
Leasing financing paid	(22 232)	(6 944)	(73 249)	(25 287)
Cash flows from financing activities	409 144	14 999	689 720	(108 171)
Net change in cash and cash equivalents	306 826	14 776	180 505	7 118
Cash and cash equivalents at start of the period	209 793	337 755	356 589	352 238
Effect of exchange rate fluctuations on cash and cash equivalents	2 742	4 058	(17 733)	(2 767)
Cash and cash equivalents at end of the period	519 361	356 589	519 361	356 589

Key Ratios

	Q4 2019	Q4 2018	12 months 2019	12 months 2018
New units sold	247	324	965	948
Revenue, SEK'000	960 137	1 018 922	3 747 142	3 241 253
Revenue growth, %	(5.8%)	68.2%	15.6%	26.3%
Gross margin, %	21.0%	17.6%	20.7%	19.0%
EBITDA, SEK'000	136 154	104 903	493 893	321 548
EBITDA margin, %	14.2%	10.3%	13.2%	9.9%
Operating profit, SEK'000	95 123	84 495	357 588	273 690
Operating margin, %	9.9%	8.3%	9.5%	8.4%
Result for the period, SEK'000	57 455	63 933	250 819	209 116
Undiluted earnings per ordinary share, SEK	3.95	4.40	17.26	13.22
Diluted earnings per ordinary share, SEK	3.95	4.40	17.26	13.22
Net debt/(cash), SEK'000	593 081	(302 814)	593 081	(302 814)
Net debt/EBITDA, x	1.2	(0.9)	1.2	(0.9)
Capital employed, SEK'000	2 002 784	709 715	2 002 784	709 715
Return on capital employed, %	26.8%	41.3%	26.8%	41.3%
Working capital, SEK'000	733 923	47 027	733 923	47 027
Working capital/Revenue, %	19.6%	1.5%	19.6%	1.5%
No. of employees at close of period	1 239	1 032	1 239	1 032

Ferronordic presents certain key ratios in its interim reports which 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' definitions of the same terms. These ratios should therefore be seen as a supplement rather than as a replacement for measures defined according to IFRS. The definition and purpose of each key ratio are presented on page 22.

Parent Company Income Statement

	Q4 2019 SEK '000	Q4 2018 SEK '000	12m 2019 SEK '000	12m 2018 SEK '000
Revenue	51 975	37 097	144 100	174 158
Cost of sales	(45 859)	(30 617)	(121 764)	(150 326)
Gross profit	6 115	6 480	22 337	23 832
Administrative expenses	(5 036)	(2 899)	(15 126)	(11 671)
Operating profit	1 079	3 581	7 210	12 161
Finance income	9	2 357	155	15 796
Finance costs	(45)	(696)	(181)	(4 371)
Foreign exchange gains/(-losses) (net)	(254)	432	(7 268)	(11 061)
Result before income tax	789	5 675	(84)	12 524
Income tax	(300)	(2 030)	(309)	(3 558)
Result for the period	490	3 645	(393)	8 967

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

Parent Company Balance Sheet

	31 December 2019 SEK '000	31 December 2018 SEK '000
ASSETS		
Non-current assets		
Intangible assets	993	721
Property, plant and equipment	-	4
Financial assets		
Holdings in group companies	158 785	193 610
Loans to group companies	2 638	-
Deferred tax assets	17 024	17 333
Total financial assets	178 447	210 943
Total non-current assets	179 440	211 667
Current assets		
Trade and other receivables	81 839	53 250
Prepayments	823	1 075
Cash and cash equivalents	39 327	126 390
Total current assets	121 989	180 715
TOTAL ASSETS	301 428	392 382
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	1 297	1 297
Unrestricted equity		
Share premium reserve	622 148	622 148
Retained earnings	(381 905)	(281 878)
Result for the period	(393)	8 967
TOTAL EQUITY	241 148	350 534
Current liabilities		
Trade and other payables	60 280	41 848
Total current liabilities	60 280	41 848
TOTAL LIABILITIES	60 280	41 848
TOTAL EQUITY AND LIABILITIES	301 428	392 382

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.

Since 1 January 2019, Ferronordic applies the new accounting standard for leases, IFRS 16 *Leases*. For transition purposes, the modified retrospective method was used, meaning that the effect of the new standard was recognised in the opening balance on 1 January 2019 without restatement of the comparative. Right-of-use assets were recognised at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses). Ferronordic used the transition exempt rule under IFRS 16 not to make any new assessment if a contract was or contained parts that constitute a lease and therefore applied the standard for all contracts that had previously been identified as leases. Ferronordic also applied the exempt rule to exclude initial direct costs when calculating the right-of-use asset.

As of 1 January 2019, new leases are accounted for according to IFRS 16. This means that leases are reported as right-of-use assets and corresponding lease liabilities on the commencement day of the lease. Each lease payment is divided between a repayment of the lease liability and an interest expense. The interest expense is distributed over the lease term so that each accounting period is expensed with an amount corresponding to a fixed interest rate for the liability recognized during the respective period. The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the length of the lease. Assets and liabilities arising from leases are initially recognized at present value, discounted at the implicit interest rate if that rate can be determined, and otherwise at the Group's incremental borrowing rate. The incremental borrowing rate is decided based on contract length and contract transaction currency. Payments for short-term contracts and leases of low value are expensed on a straight-line basis in the income statement. Short-term contracts are contracts with a term of 12 months or less. Contracts of low value include various IT-equipment and smaller office furniture.

The operating lease commitment of the Group at 31 December 2018 was SEK 51m, on transition from IAS 17 to IFRS 16 the effect of discounting was SEK -13m, extension options reasonably certain to be exercised SEK 29m. As a result, as of 1 January 2019, Ferronordic recognised right-of-use assets and corresponding lease liabilities of SEK 67m (of which SEK 48m were allocated to long-term lease liabilities and SEK 19m were allocated to short-term lease liabilities). As of 31 December 2019, right-of-use assets amounted to SEK 91m and corresponding lease liabilities amounted to SEK 95m (SEK -4m was recognised in retained earnings). The rates applied for discounting lease payments when measuring lease liabilities during the first nine months 2019 were in the range from 9.45% to 10.75%. The treatment of leases that were recognised as financial leases according to IAS 17 has not changed with implementation of IFRS 16. For leases that were classified as finance leases applying IAS 17, the carrying amount of the right-of-use assets and the lease liabilities at the date of initial application are the carrying amount of the these assets and liabilities immediately before the date of initial application of IFRS 16.

If previous accounting principles for leases (IAS 17) had been applied for the quarter, gross profit would be SEK 0.4m lower, operating profit would be SEK 1.5m lower, finance expenses SEK 2.1m lower and profit before income tax SEK 0.6m higher. EBITDA would have been SEK 8.8m lower. Cash flows from operating activities would have been SEK 6.7m lower while cash flows from financing activities would have been SEK 6.7m higher.

If previous accounting principles for leases had been applied for the year, gross profit would be SEK 1.7m lower, operating profit would be SEK 4.7m lower, finance expenses SEK 7.9m lower and profit before income tax SEK 2.6m higher. EBITDA would have been SEK 33.0m lower. Cash flows from operating activities would have been SEK 25.1m lower while cash flows from financing activities would have been SEK 25.1m higher.

Other new or revised standards that come into effect 2019 or later are not expected to have any significant effect on Ferronordic'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 2018 annual report (with regard to the 2018 financial year).

2. Determination of fair values

The basis for determination of fair value of financial assets and liabilities is disclosed in note 5 in the 2018 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. Q1 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 Q2 as contracts start to be put out for tender and customers prepare for the more active summer period. Q3 tends to be slower with regard to both machine sales and aftermarket. In Q4, activity usually strengthens as customers make year-end capital spending decisions.

4. Ferronordic AB (publ)

Ferronordic AB (publ) and its subsidiaries are sometimes referred to as the Group or Ferronordic. Ferronordic 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 AB (publ).

Notes

1. Operational Segment and revenue

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.

Disaggregation of revenue

	Q4 2019 SEK '000	Q4 2018 SEK '000	12 months 2019 SEK '000	12 months 2018 SEK '000
Equipment sales	589 457	756 332	2 418 302	2 295 733
Aftermarket sales	254 108	205 966	925 054	789 597
Other revenue	116 572	56 624	403 786	155 923
Total revenues	960 137	1 018 922	3 747 142	3 241 253

Total delivery volume, units

New units	247	324	965	948
Used units	66	41	195	144
Total units	313	365	1 160	1 092

EBITDA

	Q4 2019 SEK '000	Q4 2018 SEK '000	12 months 2019 SEK '000	12 months 2018 SEK '000
EBITDA	136 154	104 903	493 893	321 548
Depreciation and amortization	(41 031)	(20 408)	(136 305)	(47 858)
Net foreign exchange gains/(losses) (net)	(1 603)	(3 950)	12 458	(4 729)
Finance income	848	2 725	6 458	7 107
Finance costs	(19 408)	(2 037)	(58 148)	(8 891)
Result before income tax	74 960	81 233	318 356	267 177
Income tax	(17 505)	(17 300)	(67 537)	(58 061)
Result for the period	57 455	63 933	250 819	209 116

Depreciation and amortisation in Q4 and 12 months 2019 include depreciation of right-of-use assets as a result of IFRS 16 of SEK 8m and 28m, respectively.

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

The Group has no material contingencies. The parent company has issued a number of guarantees, all as security for the subsidiaries' obligations vis-à-vis suppliers and banks.

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 2018 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 (all preference shares were redeemed in May 2018), divided by the average number of ordinary shares outstanding.

	Q4 2019 SEK '000	Q4 2018 SEK '000	12m 2019 SEK '000	12m 2018 SEK '000
Result for the period	57 455	63 933	250 819	209 116
Dividends on preference shares	-	-	-	(3 093)
Difference between redemption price and carrying value of preference shares	-	-	-	(13 966)
Result attributable to holders of ordinary shares	57 455	63 933	250 819	192 057
 Average number of ordinary shares during the period before and after dilution	 14 532 434	 14 532 434	 14 532 434	 14 532 434
 Earnings per ordinary share before and after dilution	 3.95	 4.40	 17.26	 13.22

6. Acquisition of subsidiary

On 12 September 2019, Ferronordic announced intentions to expand to Germany as dealer for Volvo Trucks and Renault Trucks and plans to take over nine workshops from Volvo in certain parts of Germany from January 2020.

On 19 December 2019, Ferronordic GmbH, a Group subsidiary established in Germany, acquired 100% of the shares in Auto-Haas GmbH, thus obtaining control in the Company. Auto-Haas is a dealer for Volvo and Renault Trucks, as well as Volvo Cars, and also manages a trucks rental fleet. It operates two workshops in Magdeburg and Dessau.

The acquisition of the two sites is part of Ferronordic's strategy to grow and improve the service and sales network in Germany. The area of the Auto-Haas workshops and its customer base fits well in the area that Ferronordic is taking over from Volvo and Ferronordic sees benefits and potential synergies from combining the business of Auto-Haas with the business to be taken over by Volvo, supporting further growth and profitability.

The consideration consists of a cash transfer in the amount of EUR 3.3m (SEK 34.9m) and a contingent consideration of EUR 0.5m (SEK 5.2m), booked as other debt, which will be paid in part or in full by July

2020. The purchase price is based on Auto-Haas net asset value as at the end of November, with a goodwill paid for the potential synergies and intangible assets Ferronordic sees in the integration of the business into Ferronordic's German operations. The contingent consideration is subject to adjustment in 2020 and will depend on the book values of the acquired assets per 31 December 2019.

Consideration	SEK '000
Cash	34 931
Liability	5 232
Consideration total	40 163

The Group believes that the book value of the assets (including provisions) acquired and liabilities assumed represent their fair value. The fair value of receivables at the date of acquisition was EUR 1.5m (SEK 15.6m), which is derived from a gross amount EUR 1.7m (SEK 17.7m), reduced by the provision for expected credit losses of EUR 0.2m (SEK 2.1m). The Group believes that the provision is an adequate evaluation of cash flows not expected to be collected. Most of the receivables are from customers.

The following table details the recognized amounts of assets acquired and liabilities assumed in the transaction.

Net assets	SEK '000
Property, plant and equipment	98 137
Inventories	22 865
Trade and other receivables	15 571
Cash and cash equivalents	14 118
Borrowings	(67 698)
Deferred tax liabilities	(2 909)
Trade and other payables	(27 572)
Provisions	(4 412)
Finance lease liabilities	(10 544)
Net assets	37 556

Costs related to the acquisition in the amount of SEK 2.8m have been included in "general and administrative expenses" in the condensed consolidated statement of comprehensive income.

Goodwill was recognized in the acquisition at EUR 0.2m (SEK 2.6m). Goodwill is not expected to be deductible for tax purposes.

Goodwill	SEK '000
Consideration total	40 163
Fair value of net assets acquired	(37 556)
Goodwill	2 607

The result of the acquired subsidiary included in the consolidated statement of comprehensive income from the time of acquisition up to the reporting date was EUR 0.1m (SEK 0.6m). If the acquisition had taken place at the beginning of the reporting period (1 January 2019), the combined revenue of the Group would be EUR 25.8m (SEK 273.0m) higher, and the result would be EUR 0.4m (SEK 4.7m) higher.

The Board of Directors and the Managing Director declare that the year-end 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, 20 February 2020

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

Ferronordic is a service and sales company in the areas of construction equipment and trucks. It is the dealer of Volvo Construction Equipment and certain other brands in all of Russia and Kazakhstan, aftermarket partner of Volvo Trucks and Renault Trucks in part of Russia, and dealer of Volvo Trucks and Renault Trucks in part of Germany. The company also offers contracting services where it owns and operates equipment to carry out works for customers. Ferronordic began its operations in 2010 and now has over 90 outlets and about 1,500 employees. Ferronordic's vision is to be regarded as the leading service and sales company in its markets. The shares in Ferronordic AB (publ) are listed on Nasdaq Stockholm.

www.ferronordic.com

Financial Calendar 2020/2021

Interim report January-March 2020	13 May 2020
Interim report January-June 2020	13 August 2020
Interim report January-September 2020	12 November 2020
Year-end report January-December 2020	19 February 2021

For more information, please contact:

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This information is information that Ferronordic AB (publ) is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication on 20 February, 07:30 CET.

Financial information for individual quarters

The financial information below regarding individual quarters during the period 1 January 2017 – 31 December 2019 is collected from Ferronordic's interim reports for the relevant quarters.

Key ratios

Certain key ratios 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 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Revenue	550	785	626	606	614	817	791	1 019	723	1 100	964	960
Result for the period	30	51	43	28	30	54	61	64	46	73	74	57
Basic and diluted earnings per share (SEK)	1,60	3,61	2,77	0,52	1,93	2,71	4,17	4,40	3,19	5,03	5,09	3,95

Key ratios not defined according to IFRS

SEK m (if not stated otherwise)	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
New units sold (units)	154	218	198	168	155	231	238	324	196	280	242	247
Revenue growth (%)	78%	94%	54%	13%	11%	4%	26%	68%	18%	35%	22%	(6%)
Gross margin (%)	19,9%	18,7%	19,2%	18,4%	19,0%	19,3%	20,3%	17,6%	20,2%	20,1%	21,4%	21,0%
EBITDA	45	67	56	46	48	77	91	105	82	126	150	136
EBITDA margin (%)	8,1%	8,6%	9,0%	7,5%	7,8%	9,5%	11,5%	10,3%	11,3%	11,4%	15,6%	14,2%
Results from operating activities	37	62	50	38	41	68	80	84	56	98	109	95
Operating margin (%)	6,8%	7,9%	8,0%	6,2%	6,7%	8,3%	10,1%	8,3%	7,7%	8,9%	11,3%	9,9%
Net debt / (cash)	(216)	(293)	(381)	(312)	(264)	(204)	(298)	(303)	(59)	446	411	593
Net debt/EBITDA (x)	(1,3x)	(1,4x)	(1,8x)	(1,5x)	(1,2x)	(0,9x)	(1,1x)	(0,9x)	(0,2x)	1,1x	0,9x	1,2x
Capital employed	502	479	520	651	688	630	654	710	1 101	1 376	1 457	2 003
Return on capital employed (%)	35%	43%	42%	36%	34%	37%	40%	41%	33%	33%	34%	27%
Working capital	81	(18)	(68)	117	181	162	64	47	283	655	675	734
Working capital/Revenue (%)	4%	(1%)	(3%)	5%	7%	6%	2%	1%	8%	18%	18%	20%

Reconciliation of key ratios

The tables below show reconciliations of certain important key ratios.

Net debt / (Net cash)

SEK m (if not stated otherwise)	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Long term interest bearing liabilities	16	22	26	22	20	23	17	28	78	111	142	377
Short term interest bearing liabilities	12	15	18	19	21	23	23	26	264	524	478	735
Total Interest bearing liabilities	29	37	44	40	41	46	40	54	342	635	620	1 112
Cash & cash equivalents	245	330	425	352	306	250	338	357	402	189	210	519
Net debt / (cash)	(216)	(293)	(381)	(312)	(264)	(204)	(298)	(303)	(59)	446	411	593
Net debt / EBITDA (times)	(1,3)	(1,4)	(1,8)	(1,5)	(1,2)	(0,9)	(1,1)	(0,9)	(0,2)	1,1	0,9	1,2

Capital employed

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SEK m (if not stated otherwise)	2017	2017	2017	2017	2018	2018	2018	2018	2019	2019	2019	2019
Long term interest bearing liabilities	16	22	26	22	20	23	17	28	78	111	142	377
Short term interest bearing liabilities	12	15	18	19	21	23	23	26	264	524	478	735
Shareholder equity	473	441	476	611	647	584	614	656	758	741	837	890
Capital employed	502	479	520	651	688	630	654	710	1 101	1 376	1 457	2 003
Average capital employed	444	438	481	560	595	554	587	681	895	1 003	1 055	1 356
EBIT	37	62	50	38	41	68	80	84	56	98	109	95
Interest income	2	4	6	3	1	1	2	3	2	2	1	1
Result LTM	155	189	202	202	205	208	234	281	297	327	355	364
Return on capital employed (%)	35%	43%	42%	36%	34%	37%	40%	41%	33%	33%	34%	27%

Working capital

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SEK m (if not stated otherwise)	2017	2017	2017	2017	2018	2018	2018	2018	2019	2019	2019	2019
Inventory	565	515	601	633	691	712	755	741	1 295	1 360	1 168	1 290
Trade and other receivables	238	241	194	226	245	342	258	303	358	489	351	322
Prepayments	21	16	14	20	16	13	14	17	20	36	31	84
Trade and other payables	726	769	853	737	745	877	935	982	1 362	1 191	830	917
Deferred income	6	7	10	12	12	14	14	15	15	15	23	21
Provisions	10	14	14	13	12	14	15	17	14	24	23	22
Working capital	81	(18)	(68)	117	181	162	64	47	283	655	675	734
Revenue LTM	1 899	2 279	2 499	2 567	2 630	2 663	2 828	3 241	3 350	3 633	3 806	3 747
Working capital / Revenue (%)	4%	(1%)	(3%)	5%	7%	6%	2%	1%	8%	18%	18%	20%

Definitions of and purposes of 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: Operating profit 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.

Operating profit: Result before financial items and taxes.

Provides a measurement of the result from the ongoing business.

Operating margin: Operating profit in relation to revenue.

Relevant key ratio in evaluating the Group's value creation.

Net debt / (Net cash): Interest-bearing liabilities (including lease liabilities) less cash and cash equivalents.

Provides a measurement for the Group's net debt position.

Net debt / EBITDA: Net debt / (net cash) in relation to EBITDA for 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 non-interest bearing current 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.