

**Press Release**  
**Stockholm, 19 May 2017**

**Ferronordic Machines AB (publ)**  
**Interim report January – March 2017 and updated financial objectives**

*STRONGEST FIRST QUARTER EVER*

**FIRST QUARTER 2017**

- Revenue increased by 78% (33% increase in rubles) to SEK 550m (SEK 310m)
- Operating profit increased to SEK 37m (SEK 17m).
- Operating margin was 6.8% (5.5%).
- EBITDA amounted to SEK 45m (SEK 27m)
- After-tax result amounted to SEK 30m (SEK 14m).
- Earnings per ordinary share amounted to SEK 1.60 (SEK 0.18)
- Cash flow from operating activities amounted to SEK 37m (SEK 43m)

<b>SEK M</b>	<b>2017 Q1</b>	<b>2016 Q1</b>
Revenue	550	310
EBITDA	45	27
Operating profit	37	17
After-tax result	30	14
Net debt / (cash)	(216)	(131)

**COMMENTS BY LARS CORNELIUSSON, CEO AND PRESIDENT:**

- The market recovery experienced in Russia in the end of 2016 continued during the first quarter of 2017, with quarter on quarter comparable data showing over 90% growth in sold units.
- As a result of growing demand and the impact of the efficiency measures we implemented during the economic downturn, we noted our strongest first quarter ever. Compared to the first quarter last year, which until then was our most profitable first quarter, our revenue increased by 78% and our operating profit and net income more than doubled. Even if this exceptional growth probably will not sustainable throughout the year, I believe we will still see continued profitable growth as the market continues to recover and our organization aligns itself with the demand.
- The Board has decided to initiate the process of evaluating a potential listing of the company's ordinary shares on Nasdaq Stockholm. A listing of the ordinary shares would give the company greater access to the capital market to support the company's continued expansion and would enable the preference shareholders to convert their preference shares into ordinary shares.
- I would also like to express my gratitude to Per-Olof Eriksson and Kristian Terling for their contributions to the company during their time on the Board. Per-Olof has chaired the Board since inception of Ferronordic in 2010 and has significantly contributed to the company's success. At the same time, I am pleased about the nominations of Staffan Jufors as the new Board chairman and Annette Brodin Rampe as new director. I am convinced that their respective experiences will benefit the company going forward.

### Updated Financial Objectives

The Board has decided to update the company's financial objectives as follows:

- 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)

The objective regarding aftermarket absorption of at least 1.0x is now a strategic objective.

### Presentation of the report

A presentation of this report will be held by phone on 22 May 2017 at 9:30 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: 60400999#

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### About Ferronordic

Ferronordic is the authorized dealer of Volvo Construction Equipment and Terex Trucks in Russia. It is also the official distributor of Dressta and Rottne in Russia. Ferronordic has also been appointed aftermarket dealer for Volvo and Renault Trucks in certain parts of Russia. The company began its operations in 2010 and has expanded rapidly across Russia. The company is well established in all federal districts with approximately 70 outlets and almost 800 employees. The vision of Ferronordic is to be regarded as the leading service- and sales company in the CIS markets. The preference shares of Ferronordic Machines AB are listed on Nasdaq First North Premier. The company has appointed Avanza Bank AB as its Certified Advisor.

[www.ferronordic.com](http://www.ferronordic.com)

### For more information, please contact:

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This information is information that Ferronordic Machines AB (publ) is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication on 19 May 2017, 11:00 CET.