

Company Presentation

August 2022

Introduction to Ferronordic



Group

- Founded in 2010
- Listed on Nasdaq Stockholm since 2017



Germany

- Dealer of Volvo and Renault Trucks in parts of Germany from January 2020
- Sales of new and used trucks
- Service and technical support
- Rental business



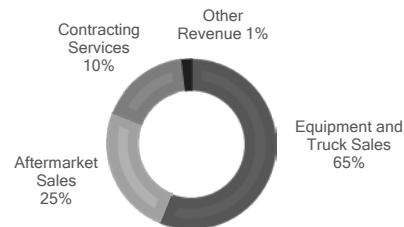
Russia/CIS

- *Ferronordic's main partners have temporarily suspended sales and deliveries to Russia*
- *Part of Ferronordic's products are now restricted from sales in Russia*
- *We take all measures to ensure that our operations in Russia comply with applicable laws and regulations*
- *Where permitted we have continued to serve our customers*
- Dealer of Volvo Construction Equipment, Dressta, Rottne, Mecalac and Sandvik
- Aftermarket dealer for Volvo and Renault Trucks in parts of Russia
- Sales of new and used construction equipment
- Sales of mobile and stationary crushers and screens
- Service and technical support
- Contracting services business
- Machine and component rebuild centre
- CIS markets include Kazakhstan*

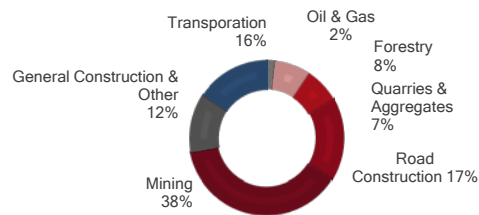
Introduction to Ferronordic

Development			
2010 (Start)	Employees	Revenue (SEKm)¹	Outlets
	~160	1,184	6
Q2 2022	Employees	Revenue (SEKm)¹	Outlets
	1,818	6,791	105

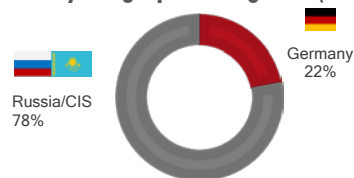
Revenue by Activity (Q2 2022)



Revenue by Industry - Russia/CIS (Q2 2022)



Revenue by Geographical Segment (Q2 2022)



1) Annualised last twelve months (LTM).



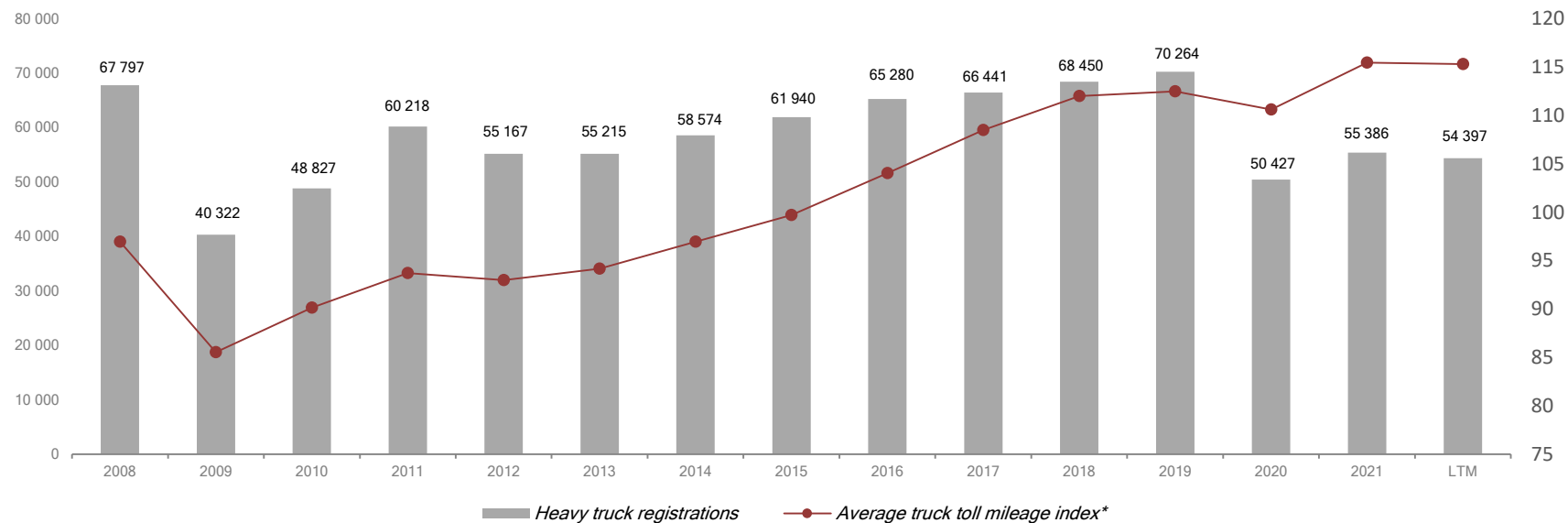
Value pyramid



Germany

Europe's largest truck market

Heavy truck registrations in Germany (units)



Source: Germany registrations data compiled by Volvo Trucks (until June 2022). Federal Statistical Office Germany (Destatis).

* Truck toll mileage index is a fixed base index that traces the development of the mileage of heavy trucks (with four or more axles) on German federal motorways and is calculated from digital process data from the truck toll collection system.

Strategic objectives

**Leadership in the market
for construction
equipment and trucks**

**Aftermarket absorption
rate of at least 1.0 x**

**Expansion into related
business areas**

**Expansion and
development of
contracting services**

**Industry leading digital
service and sales platforms**

Geographic expansion

Strategic cornerstones

Customer Orientation

- Customer centricity
- Leading service and product availability
- Tailored customer solutions (including contracting and other business services)

Build on Strong Brand - Volvo

- World leading manufacturer of trucks and construction equipment
- Strong brand position (leading in Russia)
- Development through additional strong brands

Superior Infrastructure

- Mobile workshops and service vans/trucks
- Well equipped, purpose-built facilities in select locations
- Infrastructure to be used for all brands and business areas
- Superior IT infrastructure for digital service and sales processes

Operational Excellence

- Safety and sustainability
- Continuous improvement of practices and processes
- Business driven digital service and sales processes
- Close cooperation with manufacturers
- High employee engagement



UN Sustainable Development Goals

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

7 12 13 14 15

- Minimum emissions and waste
- High-quality, long-life, fuel-efficient and safe machines
- Maximising uptime for efficient production
- Providing second life cycles to machines, components and parts
- Customer support, training and contracting services for most efficient use

3 4 5 10

- Injury-free objective
- 4,282 hours invested in Health & Safety trainings
- 50,000 hours of training and development
- Striving to promote diverse workforce
- Equal opportunities employer

8 9 11

- Contributing to economic growth and social development
- Contributing to employment in remote regions
- Providing service and equipment for building critical infrastructure

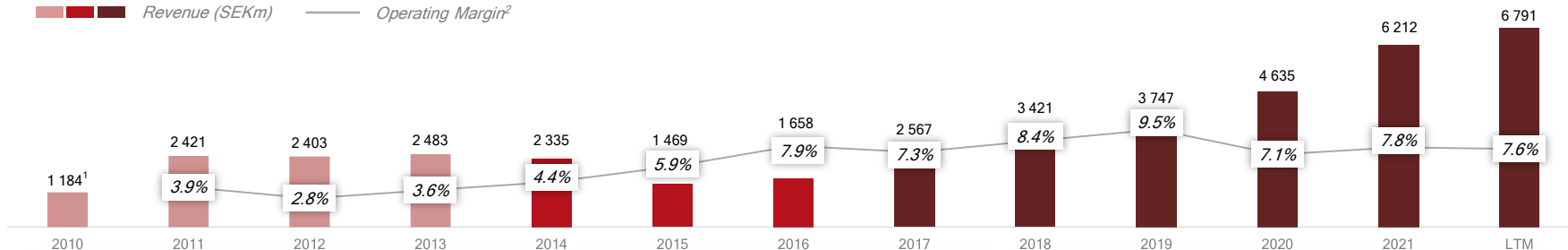
4 16

- Anti-corruption program consisting of policies, procedures, trainings and zero-tolerance policy
- Code of Conduct
- Swedish Corporate Governance Code

Strategic development



Revenue (SEKm) — Operating Margin²



- Processes and procedures established
- Establishment of countrywide platform
- Building market awareness and market share



- Increased aftermarket focus
- Reduction of unprofitable outlets
- NWC efficiency focus
- Adding brands and services



- Leveraging existing organisation
- Digitalisation focus
- Growing contracting services
- High market potential
- Continued aftermarket focus
- Expansion of geography and customer offering

Product offering

							
Volvo CE	Volvo & Renault Trucks	Volvo & Renault Trucks	Ferronordic	Dressta	Rottne	Mecalac	Sandvik
Since 2010 Russia 2019 Kazakhstan	Since 2020	Since 2012	Since 2014	Since 2016	Since 2016	Since 2017 Russia 2019 Kazakhstan	Since 2021
Product Range Full VCE Range	Product Range Full Volvo & Renault Trucks Range	Product Range Aftermarket	Product Range Own Labelled Diesel Generators (Gensets)	Product Range Bulldozers and Pipe Layers	Product Range Forwarders and Harvesters	Product Range Backhoe Loaders and Compact Equipment	Product Range Mobile and Stationary Crushers and Screens
Area All of Russia & Kazakhstan	Area 20% of German Market for Heavy Trucks	Area 11 Locations in Russia	Area All of Russia	Area All of Russia	Area All of Russia	Area All of Russia & Kazakhstan	Area All of Russia ²
~53% of 2021 Revenue	~24% of 2021 Revenue				~12% of 2021 Revenue		

1) Ferronordic's main partners have temporarily suspended sales and deliveries to Russia

2) Ferronordic is a dealer for stationary crushers and screens in all of Russia in the construction segment and parts of Russia in the mining segment. For mobile crushers and screens, Ferronordic is a dealer in all of Russia.



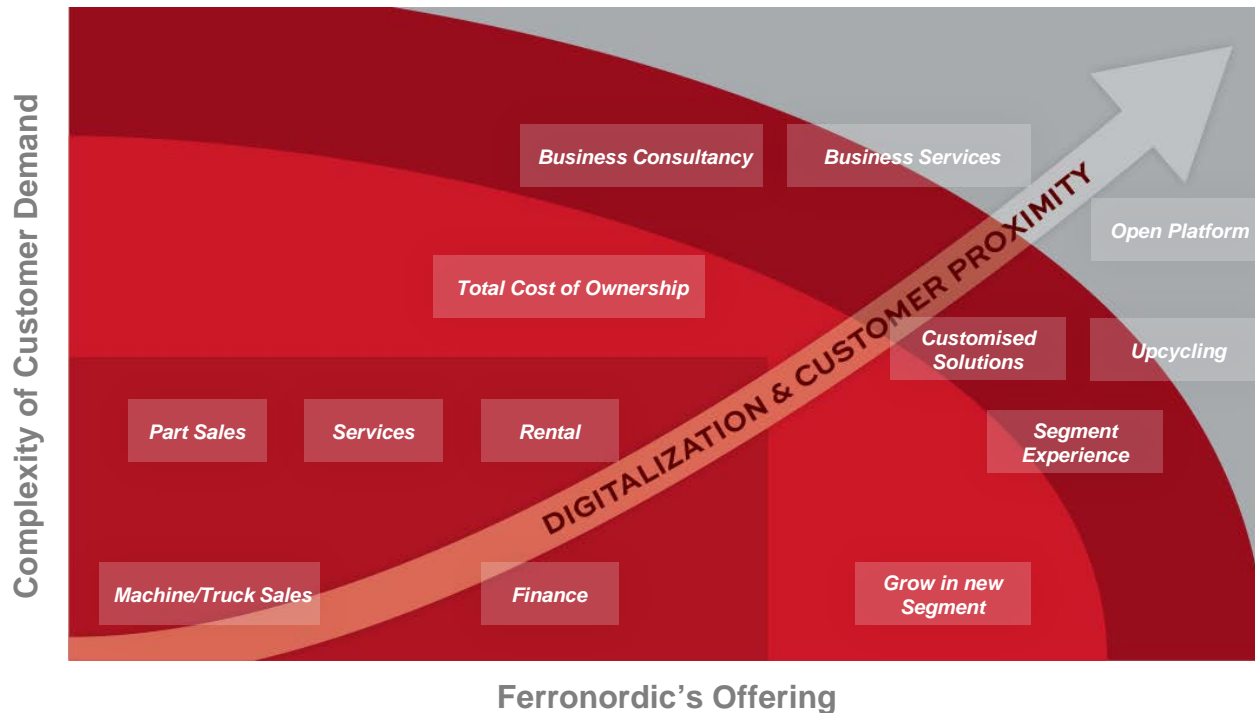
Germany

Coverage



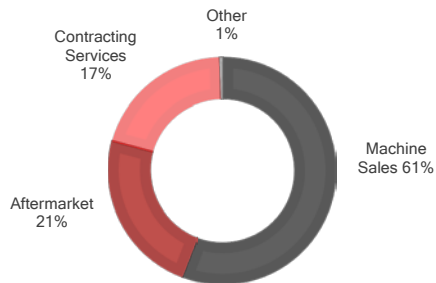
- Ferronordic expanded to become dealer for Volvo and Renault Trucks in Germany in January 2020
- Germany is Europe's largest trucks market with 50,500 registrations in 2020 and 55,400 in 2021
- Ferronordic's sales area covers approx. 20% of the German market for heavy trucks
- The area includes some of the busiest and most developed parts of Germany, like Hannover and Frankfurt Rhine-Main, the second largest metropolitan region in the country
- It also includes a large part of Eastern Germany with fast growing cities, like Leipzig and Dresden

Moving forward further customer integration

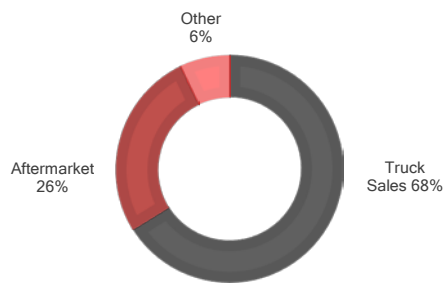


Aftermarket focus

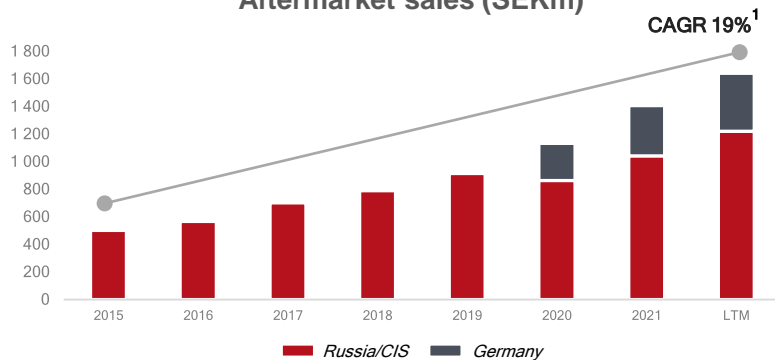
Share of sales
(LTM) Russia/CIS



Share of sales
(LTM) Germany



Aftermarket sales (SEKm)



Aftermarket Sales

- Proactive customer coverage based on real-time data from the existing machine population
- Proprietary system transforms machine telematic signals (e.g. VCE's CareTrack) into sales leads on the mobile devices of sales and service staff
- Ferronordic's presence in all Russian regions allows for fast delivery of parts and timely customer support

Offering

- Spare parts delivery
- Telematics - through Care-Track; fuel efficiency control, operator efficiency, fleet management
- Operator training
- Preventive maintenance service
- Planned and unplanned repair
- Overhaul
- Providing new life to older machines
- Diagnostics of machines
- Remanufacturing of vital parts

¹) Including acquired German operations. 13% organic Russia/CIS CAGR (in SEK)

Connectivity & Digitalisation

Focus on growing sales



Telematics System

- Telematics systems, e.g. Volvo CE's CareTrack, monitor the usage of the machines and transmit signals regarding e.g. motor hours, fuel consumption, location, etc.



Rules Engine

- Signals from the telematics systems flow through the rules engine and automatically transform into sales leads and concrete customer proposals
- The rules engine is developed by Ferronordic internally based on Ferronordic's know-how and experience accumulated over the years.



Customer Proposals

- Sales leads and concrete customer proposals are created automatically by the rules engine
- Proposals are uploaded automatically on the smartphones of the responsible sales personnel, including price and other commercial terms.



Sales Action

- Responsible sales personnel contact customers and make proposals
- Adherence to sales process is followed up as part of calculating sales commissions.










Follow Up

- Customer proposals created by the rules engine are reviewed continuously and systematically to ensure they are effective and result in sales
- Inefficient proposals are stopped and the rules are updated.

We are in the forefront of using a system that utilises telematics systems to maximise sales and increase customer satisfaction and fleet efficiency

Contracting services

Integrating with our customers

	<i>Traditional method</i>	<i>Contracting services</i>
Machines	 FERRONORDIC	 FERRONORDIC
Parts	 FERRONORDIC or the customer	 FERRONORDIC
Service	 FERRONORDIC or the customer	 FERRONORDIC
Operators	Provided by: The Customer	Provided by:  FERRONORDIC
Payments	Price of machine, parts and services	Volume based (per tonne, cubic meter, etc.)

- Part of strategy to become increasingly integrated in the business of our customers
- In addition to supplying and maintaining machines, we provide customers with operators to carry out specific works
- Current projects cover excavation and transportation of earth and rock for mining customers
- Payment is based on volume of earth and rock transported
- Common in other parts of the world but relatively undeveloped in our markets. We believe demand may grow
- Machines used by contracting services are on Ferronordic's balance sheet (PP&E)
- Contracting services projects should be ROIC accretive to Ferronordic

Contracting services

Case study

**Client:**

GV Gold, leading gold mining company in Russia

Location:

Vysochaishy Mine and
Ugakhan Mine

Project staff:

269 people (as of
June 2022)

Fleet size:

Vysochaishy Mine: 59 units
(43 haulers, 2 graders, 8 excavators
and 7 dozers)
Ugakhan Mine: 15 units (12 haulers,
2 excavators and 1 dozer)



Volvo & Renault Trucks

Germany



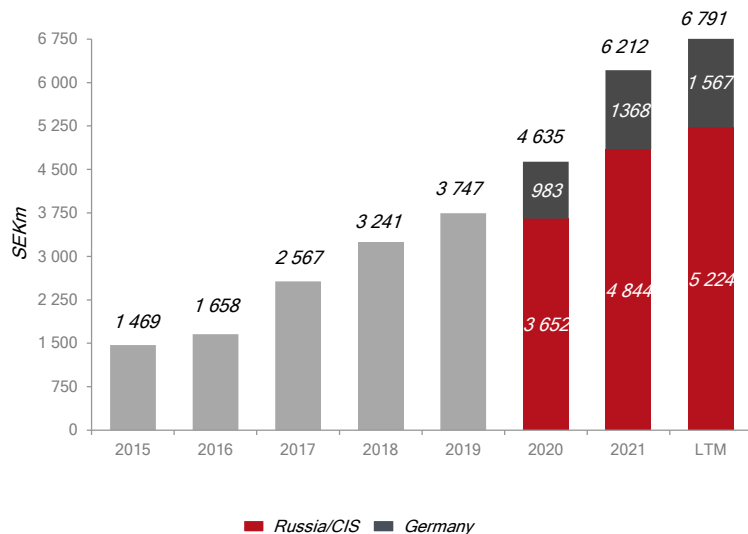
Authorised aftermarket dealer for Volvo and Renault Trucks in parts of Germany

- Ferronordic services and sells Volvo and Renault trucks, trades and restores used trucks and manages a trucks rental business
- Ferronordic will invest to grow and improve network in area
- Plan to apply Ferronordic's business model to grow revenue and profitability
- Opportunities to grow Volvo and Renault Trucks market shares and increase share of aftermarket sales and improve profitability
- 302 employees in Ferronordic Germany as of March 2022; mostly sales representatives and mechanics

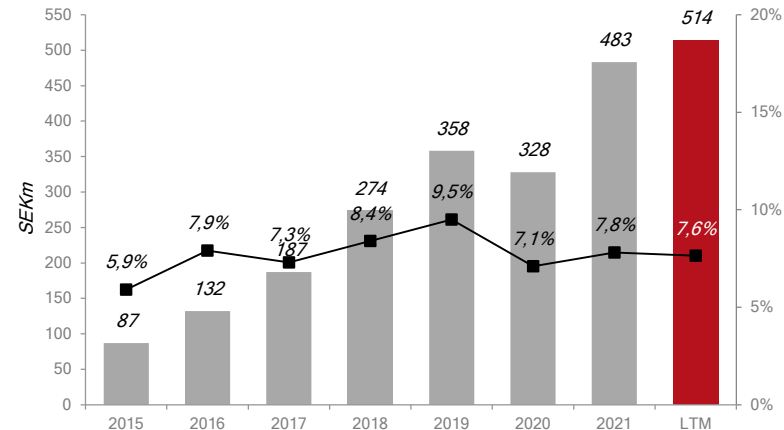


Development of revenue & operating profit

Revenue



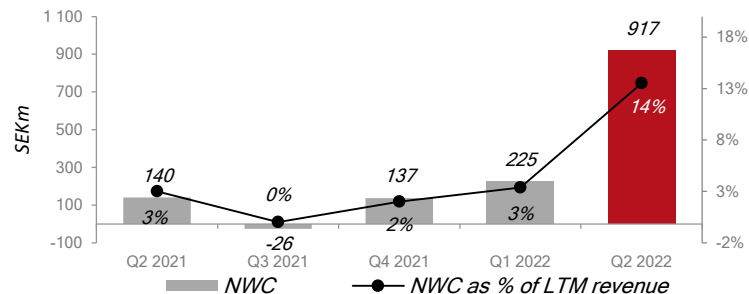
Operating Profit & Operating Margin¹



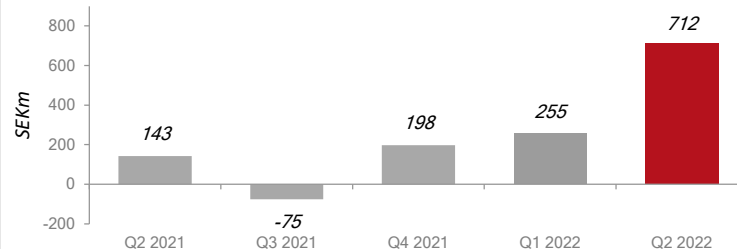
1) 2015-2016 refer to adjusted EBIT, i.e. operating profit excluding amortisation of transaction-related intangible assets and write-downs of non-current assets in Q4 2016.

Cash flow & capital allocation

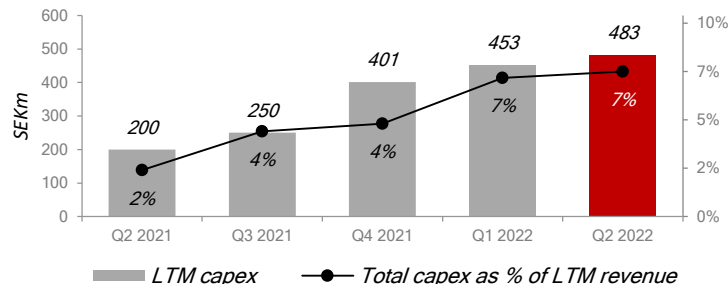
Working Capital Development



Net debt/(cash) Development



Capital Expenditure Development



* Increase in machines in contracting services of SEK 54m in 2020 was reflected as a change in working capital, as the machines were transferred to PP&E from inventory but the movement is a non-cash operation

- Focus on working capital efficiency and return on invested capital
- Asset light core business. Contracting services more capital intense. Germany carries more fixed assets in owned workshop real estate
- Capex increased in 2021 mainly due to acquisitions of workshops in Fulda, Nordhausen, Limburg, Bergstrasse and Bingen in Germany
- Working capital increase in 2022, partly on closing payables in Russia early
- Net debt/EBITDA at 0.9 x as at Q2 2022

Second quarter 2022

August 2022

Evaluating strategic options



6%

Revenue
increase

2%

Operating profit
Increase

8.7%

Operating
margin

-63%

EPS
decrease

Group

- Business in Russia impacted by conflict in Ukraine with operating conditions becoming increasingly difficult
- Revenue growth of 6% to SEK 1,691m, partly due to currency effects

Russia/CIS

- Equipment sales in units decreased by 64%
- Revenue decreased by 20% in local currency but increased by 5% in SEK due to strong ruble


Germany:

- Trucks sales in units decreased by 4% in a market that declined by 6%
- Revenue increased by 12% due to FX, strong used trucks sales and growth in aftermarket sales
- Further promotion and investment in electric trucks

Q2 2022

Evaluating strategic options

- The conditions for our business in Russia have continued to deteriorate
- Further sanctions have been introduced and Volvo and other key partners keep sales to Russia suspended
- We take all measures to ensure that our operations in Russia comply with applicable laws. Where permitted, we have continued to service our customers
- Going forward it is questionable whether Ferronordic is able to continue meaningful operations in Russia
- We are now evaluating strategic options for the Russian business, including partial or full divestment, or downsizing and continuing on a more limited scale
- We have worked to ensure that any negative effects from the Russian business will not spill over on our businesses elsewhere
- Our businesses in Kazakhstan and Germany are developing well and we continue to strengthen our positions in these markets
- In Germany, we are marketing electric trucks from both Volvo and Renault Trucks and are about to launch a rental business for electric trucks
- We continue to look for both product and market opportunities to grow the business



The conditions for our business in Russia have continued to deteriorate

Main partners keep sales to Russia suspended

We take all measures to ensure that our operations in Russia comply with applicable laws

Q2 2022


Group summary financials

Group revenue +6% to SEK 1,691m

- Russia/CIS revenue -20% in local currency but +5% in SEK 1,315m
 - Equipment sales -32% (-48% in RUB), aftermarket sales +43% (+10%) and contracting services +98% (+52%)
- German revenue +12% to SEK 375m (+8% in EUR)
 - Equipment sales was flat (-3% in EUR), aftermarket sales +28% (+24%) and other sales +123% (+116% in EUR)


Group operating profit increased by 2% to SEK 147m

- Russia/CIS operating profit was flat at SEK 157m
- German operating profit increased to SEK -10m (-13)
- Group operating margin declined to 8.7% (9.0)
- 63% decrease in earnings per share
- Net debt higher on higher working capital and currency effects
- Net debt at SEK 712m or 0.9x EBITDA



SEK 1,691m
(+6%) revenue

SEK 147m
(2%) operating profit



8.7% (9.0%)
operating margin

Q2 2022

Russia/CIS operational highlights

- In Q2 2022, the market for construction equipment declined by 37%¹
- After 24 February and into April in Q2 2022, demand and prices remained firm, partly supported by customer efforts to manage risks from ruble volatility, inflation and supply constraints. The market then declined due to restricted supply and lower demand
- Ferronordic's new machine sales in units decreased by 64% to 132 machines
- We expect sales to continue to decline as our sellable inventories decline and new restrictions take effect
- Ferronordic takes all measures to ensure that its business complies with applicable sanctions laws and regulations
- Aftermarket activity was more stable
- Production continued in contracting services. Growth compared to last year is due to growth of business in 2H 2021 and currency effects

¹) AEB statistics for main product groups (www.aebrus.ru)



-32%
in equipment sales (-48% in RUB)

+43%
in aftermarket sales (+10% in RUB)

+98%
in contracting services (+52% in RUB)

Q2 2022

Germany operational highlights

- Based on registrations of new trucks, the total German market for heavy trucks declined by 6% in Q2 2022¹
- Rigs declined by 16% while tractors grew by 3%
- Supply remains constrained, which holds back market growth
- Rising inflation and energy prices, higher interest rates and weaker business indicators are however also affecting business sentiment
- The manufacturing PMI declined through the quarter as order levels decreased. The July index pointed to the first contraction in factory activity since June 2020 and new orders shrank the most in over two years.
- New trucks registered in Ferronordic's sales area decreased by 9% and represented 18% of the total German market
- Ferronordic's new truck sales in units decreased by 4% to 206 units. The market share for Volvo Trucks continued to increase in the quarter
- Aftermarket sales increased by 28%, of which 11% was organic growth.
- The gross margin increased to 9.7% (9.6)

1) ACEA statistics



German trucks
market declined 6% Y-o-Y

Aftermarket sales grew
28% (24% in EUR)

Gross margin of 9.7%,
up from 9.6%

Business development

Germany

- Marketing of electric trucks from both Volvo and Renault Trucks
- Plans to launch a rental business for electric trucks, with a vision to offer sustainable transport services for our customers.
- Continued investments in network and organization
- Start of operations in Bad Hersfeld

**Marketing of electric
trucks from both
Volvo and Renault
Trucks**

**Continued investments
in network and
organization**

**Start of operations
in Bad Hersfeld**



German network expansion

Fulda

- Transaction closed in January 2021

Limburg

- Transaction closed in April 2021

Nordhausen

- Transaction closed in June 2021

Service and sales hub in Hannover

- Greenfield
- Investments in 2021 and 2022
- Expected to be ready in Q3 2022

Bergstrasse

- Transaction closed in October 2021

Bingen

- Transaction closed in December 2021

Bad Hersfeld

- Operations opened in March 2022 and starting sales in Q2 2022



Economic development

• Russia

- -4.0% GDP in Q2 2022¹
- -6.0% GDP expected in 2022²
- -3.5% GDP expected in 2023²
- June inflation increased to 15.9% compared to 6.5% in 2021³
- Since April, the Central Bank has lowered the key rate 4 times: twice by 300 bp. in May, by 150 b.p. in June and by 150 b.p. in July to 8%³
- Ruble appreciated 24% on average and 44% on the end-of-period rates⁴ in Q2 2022

• Kazakhstan

- +3.4% GDP in 1HY 2022⁴
- +2.3% GDP expected in 2022⁵
- +4.4% GDP expected in 2023⁵

• Germany

- +1.5% GDP in Q2 2022⁶
- +1.2% GDP expected in 2022²
- +0.8% GDP expected in 2023²

1) <https://www.economy.gov.ru/material/file/6fb8f832cfa048e9de45b717f42c72da/20220727.pdf>

2) <https://www.imf.org/ru/Publications/WEO/Issues/2022/07/26/world-economic-outlook-update-july-2022>

3) <http://www.cbr.ru/>

4) <https://stat.gov.kz>

5) https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/KAZ

6) <https://www.destatis.de/EN/Themes/Economy/National-Accounts-Domestic-Product/Tables/gdp-bubbles.html>

Russia's economy decline

-4.0% in Q2 2022

Ruble appreciated 24%

Y-o-Y (average rate) in
Q2 2022

Kazakhstan's economy up

3.4% in 1HY 2022

Germany's economy up

1.5% in Q2 2022

Q2 2022

Income statement

SEK MM	Q2 2021 <i>Russia / CIS</i>	Q2 2021 <i>Germany</i>	Q2 2021 <i>Group</i>	Q2 2022 <i>Russia / CIS</i>	Q2 2022 <i>Germany</i>	Q2 2022 <i>Group</i>	% change <i>Group</i>
<i>FX (SEK/RUB, EUR/SEK)</i>	8.82	10.14		6.74	10.47		
New units sold	369	215	584	132	206	338	-42%
Revenue	1,254	336	1,590	1,315	376	1,691	6%
Gross profit	254	32	286	319	36	356	24%
<i>% Margin</i>	20.2%	9.6%	18.0%	24.3%	9.7%	21.0%	3.0pp
Operating profit	157	-13	144	157	-10	147	2%
<i>% Margin</i>	12.5%	-3.8%	9.0%	11.9%	-2.7%	8.7%	-0.3pp
Result			86			32	-63%
EPS			5.94			2.20	-63%
EBITDA	195	0	195	214	9	223	15%

- Total revenue of SEK 1,691m
 - 78% Russia/CIS and 22% Germany
 - 46% equipment and trucks, 28% aftermarket, 24% contracting services and 2% other
- Gross margin stood at 21.0%, + 3.0% Y-o-Y
- SG&A as percent of revenue at 10.6% (8.9%) as 13.2% in Germany offsets 9.9% in Russia/CIS
- Operating margin declined to 8.7% (9.0%)
- Additional provisions of SEK 99m in Russia
- Operating profit + 2% to SEK 147m
- Foreign exchange loss of SEK 81m on appreciation of RUB against SEK and KZT

Q2 2022

Cash flows

SEK MM	Q2 2021 Group	Q2 2022 Russia/CIS	Q2 2022 Germany	Q2 2022 Group
Cash flow from:				
Cash flows from operating activities before changes in working capital	196	200	6	206
Change in working capital	-15	-80	-26	-106
Interest & Income tax paid	-61	-58	-3	-61
Net cash from operating activities	120	62	-23	39
Investing Activities	-123	-129	-21	-150
Cash Flow before Financing Activities	-3	-67	-44	-111
Financing Activities	-11	168	-8	160
Cash Flow (before FX fluctuations)	-14	101	-52	49

- In Q2 2022, cash flows from operating activities decreased to SEK 39m (120)
- Lower cash flows were partly a result of an increase in working capital from SEK140m to SEK 917m Y-o-Y as payables decreased faster than inventories and receivables increased
- The main investments in Q2 2022 related to acquisitions of trucks for the German rental business and machines for contracting services for, moved from inventories to PP&E to reach production volumes previously committed to and reflected in cash flows when paid for to supplier

* For the purposes of the Group's cash flow statement, SEK 118m payment for machines acquired to contracting services in 2021 and Q1 2022 was recognized in Q2 2022 in accordance with the contract conditions.

Q2 2022

Balance sheet

SEK MM	Q2 2021	Q1 2022	Q2 2022
<i>FX (SEK/RUB, EUR/SEK)</i>	<i>8.54, 10.12</i>	<i>9.06, 10.34</i>	<i>5.04, 10.68</i>
Property, plant and equipment	766	950	1,301
Cash and cash equivalents	653	593	658
Debt	657	719	1,187
Finance Leases	138	130	183
Net debt / cash	143	255	712
Working capital	140	225	917
<i>% of Revenue</i>	<i>3%</i>	<i>3%</i>	<i>14%</i>
Shareholders equity	890	1,086	1,739
Total Assets	3,532	3,428	4,680
Equity / Assets	25%	32%	37%

- Assets and liabilities significantly affected by appreciation of RUB against SEK 44% Q-o-Q and 41% Y-o-Y
- PP&E increased Q-o-Q mainly due to RUB appreciation
- In Russia/CIS net working capital increased Q-o-Q from SEK 44m to SEK 688m or from 1% to 13% of LTM revenue
- In Germany net working capital increased Q-o-Q from SEK 181m to SEK 229m or from 12% to 15% of LTM revenue
- Group net working capital increased from 3% to 14% of LTM revenue in Q2 2022
- Net debt increased to SEK 712m and net debt/EBITDA increased to 0.9 x

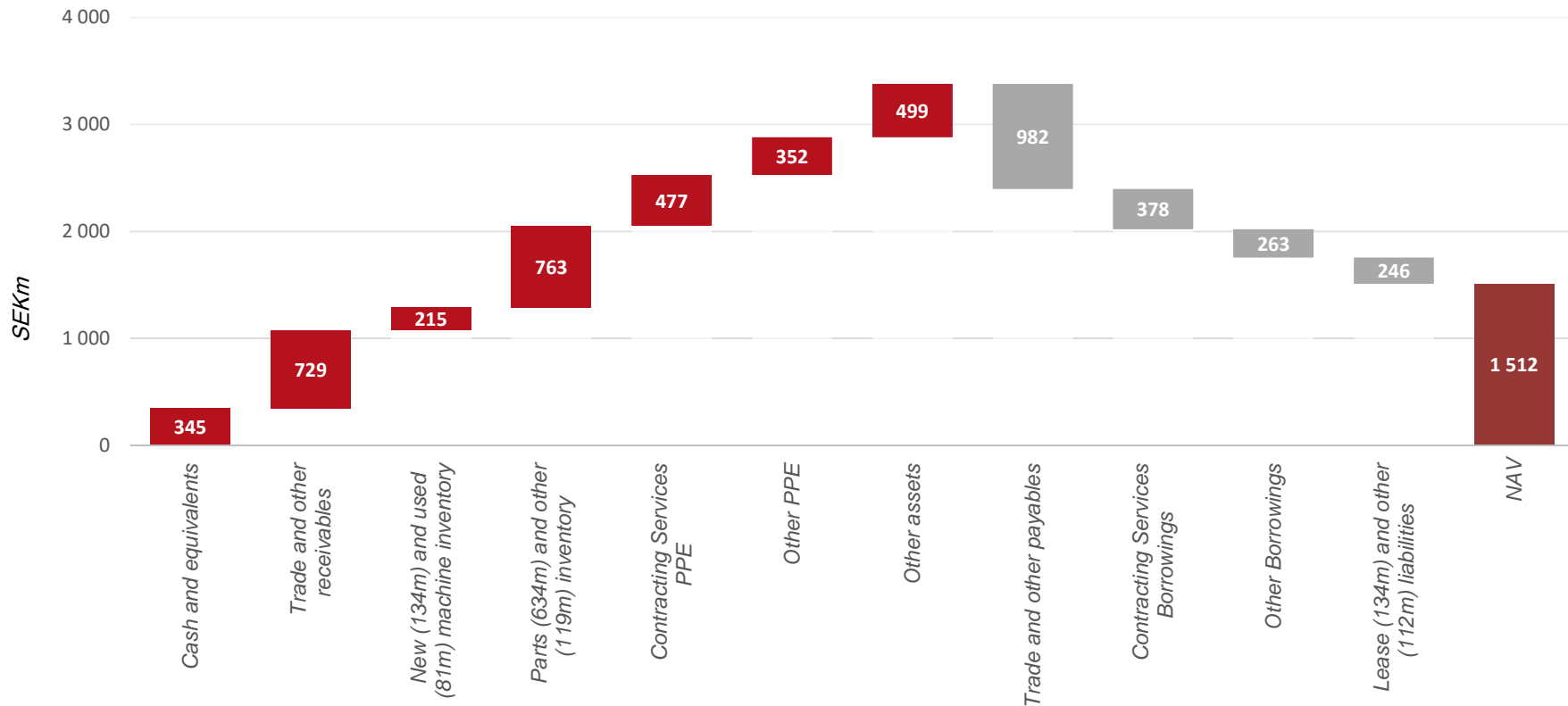
Russia standalone financial statements

Q1 2022, Q2 2022 and preliminary Jule 2022

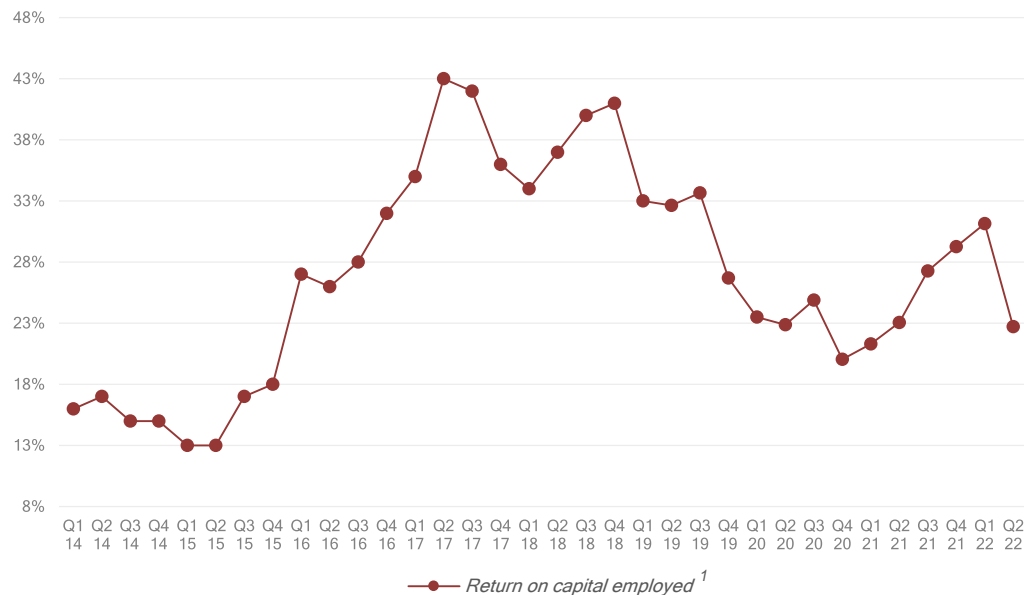
SEK MM	Q1 2022	Q2 2022	31 Jul 2022
<i>FX (SEK / RUB)</i>	9,06	5,04	6,03
ASSETS			
Non-current			
PPE	529	829	721
Current:			
Inventories	861	977	732
New machines	345	134	74
Used machines	46	81	48
Parts	448	644	534
Other	22	119	75
Trade and other receivables	278	729	577
Cash and equivalents	225	345	471
LIABILITIES			
Non-current			
Borrowings	234	641	760
Lease liabilities	82	134	112
Current			
Trade and other payables	1,018	982	663

SEK MM	31 Jul 2022
<i>FX (SEK / RUB)</i>	5,59
New units	22
Used units	23
Total revenue	392
Equipment and truck sales	103
Aftermarket sales	114
Contracting services	175
Other revenue	0
Total revenue (% of revenue)	100%
<i>Equipment and truck sales</i>	26%
<i>Aftermarket sales</i>	29%
<i>Contracting services</i>	45%
<i>Other revenue</i>	0%

NAV Russia 30 June 2022 (SEK MM)

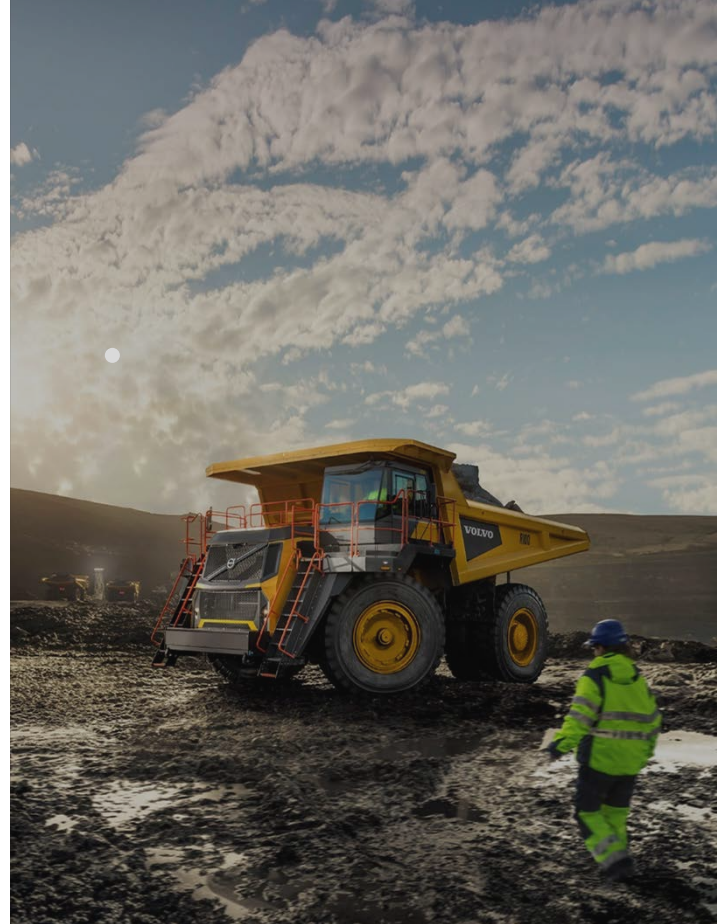


Return on capital employed



1) Operating profit plus financial income (LTM) in relation to capital employed (equity and interest-bearing liabilities) (average LTM)

Note: 2014-2016 refer to adjusted EBIT, i.e. operating profit excluding amortisation of transaction-related intangible assets and write-downs of non-current assets in Q4 2016.



Financial objectives and dividend policy

Subject to potential review

KPI	Objective	Last Twelve months (LTM)
Revenue	Double the 2020 revenue in its current markets by 2025 (in SEK) ¹	1.5 x 2020 revenue
Operating margin	Above 7%	7.6%
Net debt / EBITDA	Below 3 times (over a business cycle)	0.9 x
Dividend policy	<p>The ambition is to pay at least 50% of net income if net debt/EBITDA is less than 1.0 x², post dividend payment, and to pay at least 25% if net debt/EBITDA is more than 1.0 x².</p> <p>The Board will take several factors into account when proposing the level of dividend including legal requirements, the articles of association, the group's expansion opportunities, its financial position and other investment needs.</p>	

1) Current markets are defined as Russia and the whole of CIS and Germany.

2) On prior year accounts.

Outlook

The prospects for our operations in Russia continue to deteriorate. Business conditions are becoming increasingly difficult and we explore all strategic options. Our operations in Kazakhstan continue but are so far a smaller part of sales. In Germany, we believe that a recovery from the pandemic may lead to increased demand for trucks and service. The geopolitical situation and higher energy prices may however also affect the German economy. In a longer perspective, we nevertheless believe that the underlying conditions and business opportunities in the Kazakh and German markets remain strong.



Evaluating strategic options



Group

- Business in Russia impacted by conflict in Ukraine with operating conditions becoming increasingly difficult
- Revenue growth of 6% to SEK 1,691m, partly due to currency effects

Russia/CIS

- Equipment sales in units decreased by 64%
- Revenue decreased by 20% in local currency but increased by 5% in SEK due to strong ruble

Germany:

- Trucks sales in units decreased by 4% in a market that declined by 6%
- Revenue increased by 12% due to FX, strong used trucks sales and growth in aftermarket sales
- Further promotion and investment in electric trucks

6%

Revenue
increase

2%

Operating profit
Increase

8.7%

Operating
margin

-63%

EPS
decrease

Ferronordic

In the capital market


2010

Volvo CE Russian distribution business was taken over


2011

3-year SEK 400m bond issued and listed on Nasdaq Stockholm


2013

SEK 500m preference shares issued and listed on Nasdaq First North Premier


2017

Ordinary shares listed on Nasdaq Stockholm and SEK 200m raised in IPO

Ferronordic Statistics

- Shares outstanding: 14,532,434
- Listing: Nasdaq Stockholm
- Market cap. as of 30 Jun 2022: SEK 459m
- Net debt as of 30 Jun 2022: SEK 712m
- Enterprise value: SEK 1,171m
- Estimated effective free float: 60%
- Dividend policy: 50% / 25% of net profit if below / above 1 x Net debt/EBITDA subject to capital allocation alternatives

Analyst Coverage

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