

# **Company Presentation**

**November 2023**

# Introduction to Ferronordic



## Group

- Founded in 2010
- Listed on Nasdaq Stockholm in 2017



## Central Asia

- Dealer of Volvo CE in Kazakhstan from January 2019
- Dealer of Mecalac in Kazakhstan from January 2019
- Dealer for Sandvik mobile crushers and screens in Kazakhstan from September 2022
- Service and technical support
- Contracting services business



## USA

- Ferronordic agreed to acquire the Rudd Equipment Company, a major dealer of Volvo CE and certain other brands in the US
- Rudd's sales area for Volvo CE covers all or portions of nine states
- The company is also representing other strong brands such as Hitachi, Sandvik and Link-Belt Cranes



## Germany

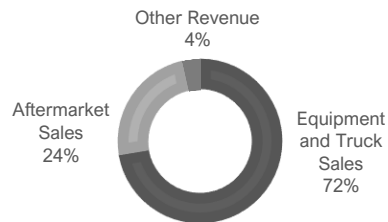
- Dealer of Volvo and Renault Trucks in parts of Germany from January 2020
- Dealer for Sandvik mobile crushers and screens in most of Germany from September 2022
- Sales of new and used trucks
- Service and technical support
- Rental business

# Introduction to Ferronordic

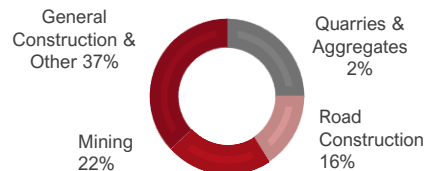
## Development

|                     |                          |  |                      |
|---------------------|--------------------------|--|----------------------|
| <b>2010 (Start)</b> | <b>Employees</b><br>~160 | <b>Revenue (SEKm)<sup>1</sup></b><br>1,184 | <b>Outlets</b><br>6  |
| <b>Q3 2023</b>      | <b>Employees</b><br>502  | <b>Revenue (SEKm)<sup>1</sup></b><br>2,653 | <b>Outlets</b><br>29 |

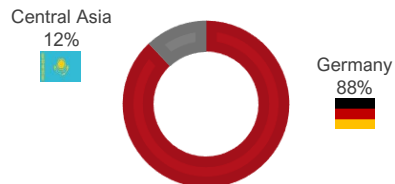
Revenue by Activity (LTM)



Revenue by Industry - Central Asia (2022)



Revenue by Geographical Segment (LTM)



1) Annualised last twelve months (LTM).



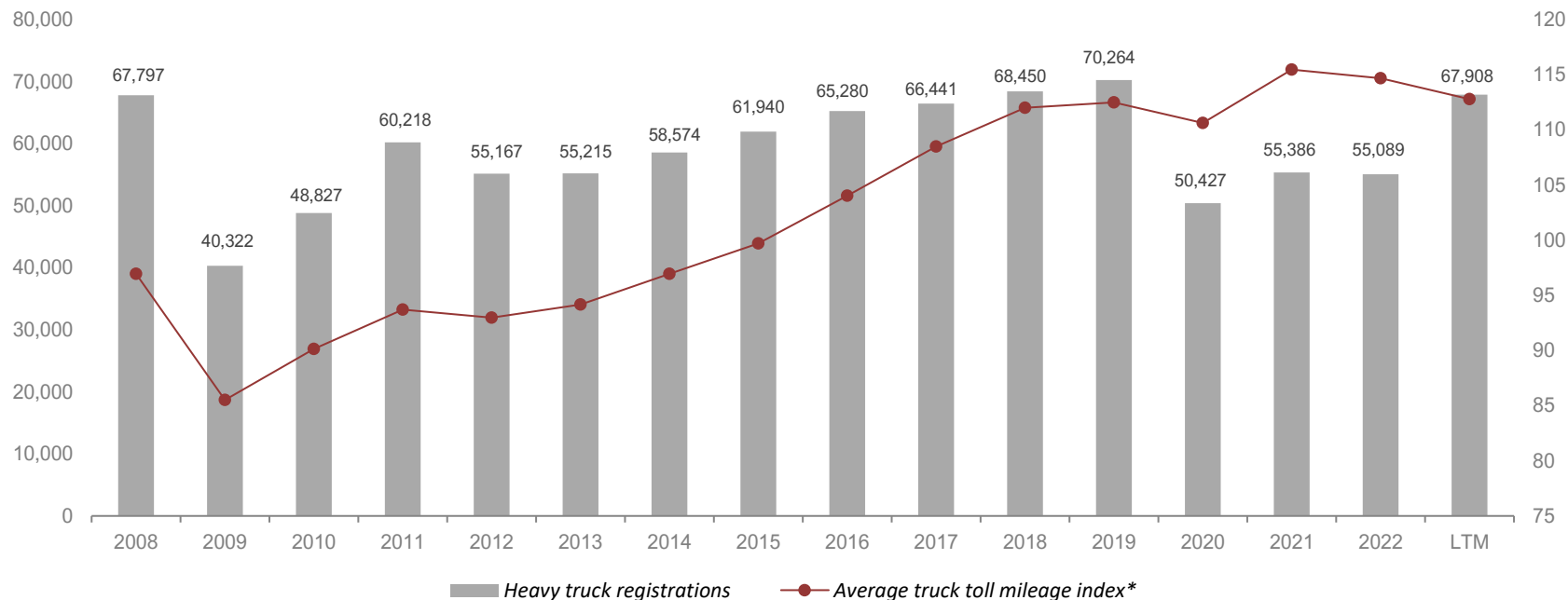
# Value pyramid



# Germany

## Europe's largest truck market

Heavy truck registrations in Germany (units)



Source: Germany registrations data compiled by Volvo Trucks (until September 2023). 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.

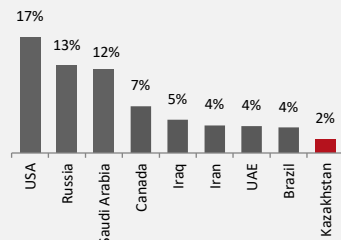
# Kazakhstan: Key regional hub

## Central Asia

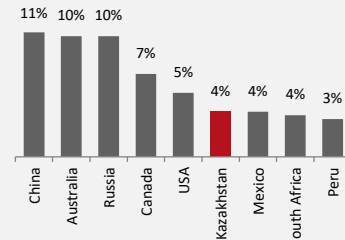
### Kazakhstan at a glance

- Population: ~19 million<sup>1</sup>
- Area: 2.7 million sq. km<sup>1</sup>
- Major transport and logistics hub in the region linking Europe and Asia
- Rich in oil & gas (35% of GDP and 75% of exports)
- Large producer of gold, copper, zinc and chromium
- Approx. USD 90 billion<sup>2</sup> in international currency reserves and gold
- Government gross debt/GDP ratio of 23.5% (2022)<sup>5</sup>

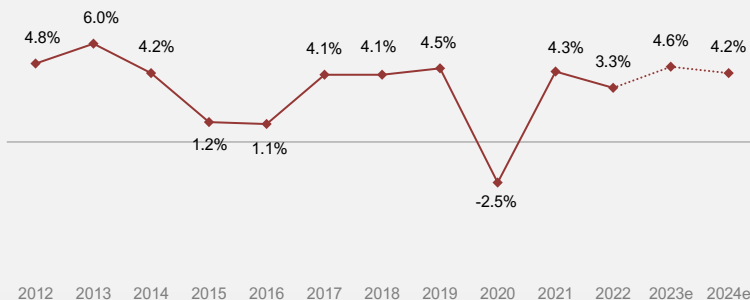
### Oil Production (% of total)<sup>3</sup>



### Gold Production (% of total)<sup>4</sup>



### Kazakhstan's GDP development<sup>5</sup>



- Kazakhstan's infrastructure needs are increasing with its expanding economy, growing role as a regional hub and increasing population
- In 2023, 170 new industrial investment projects worth USD 2.2b are expected to be launched in the economy
- The government also plans to start 873 investment projects worth USD 62.2b over a longer period

# 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
- 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
- Focus on sustainable transport solutions
- Customer support, training and contracting services for most efficient use

**3 4 5 10**

- Injury-free objective
- 57,000 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

# Product offering



## Volvo CE

**Since**  
2019

**Product Range**  
Full VCE Range

**Area**  
All of Kazakhstan



## Volvo & Renault Trucks

**Since**  
2020

**Product Range**  
Full Volvo & Renault Trucks  
Range

**Area**  
20% of German market for  
heavy trucks



## Mecalac

**Since**  
2019

**Product Range**  
Backhoe Loaders and  
Compact Equipment

**Area**  
All of Kazakhstan



## Sandvik

**Since**  
2022

**Product Range**  
Mobile Crushers and  
Screens

**Area**  
All of Kazakhstan and most of  
Germany

# Germany

## Network



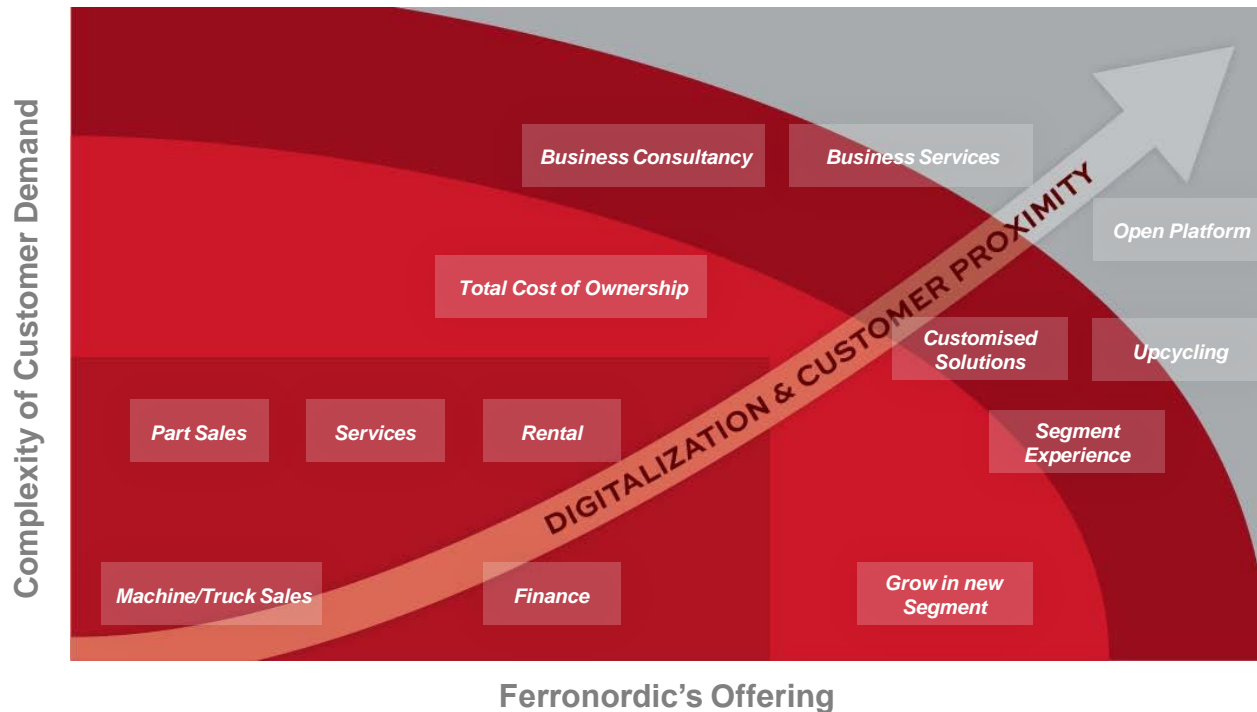
- Ferronordic expanded to become dealer for Volvo and Renault Trucks in Germany in January 2020
- Germany is Europe's largest trucks market with 55,000 registrations in 2022
- Ferronordic's sales area covers approx. 20% of the German market for heavy trucks
- Network divided into four regions: West, East, South and North
- The area includes some of the busiest and most developed parts of Germany, like Hanover 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

# Kazakhstan

## Network

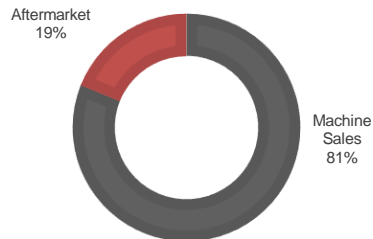


# Moving forward further customer integration

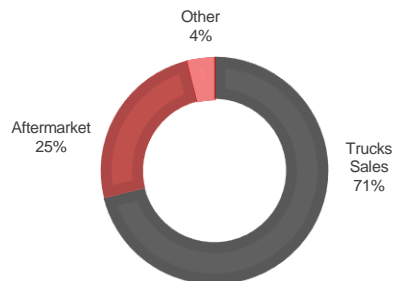


# Aftermarket focus

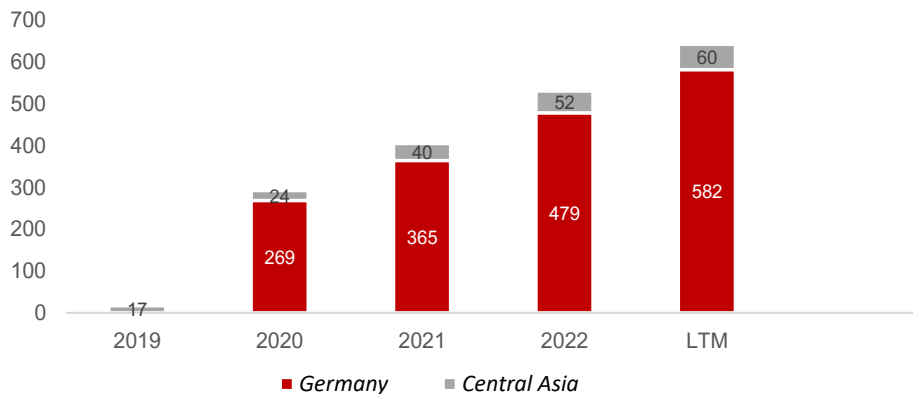
Share of sales  
(LTM) Central Asia



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 dense service networks across our sales areas in Germany and Kazakhstan allow 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

# 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  |  <b>FERRONORDIC</b>                    |  <b>FERRONORDIC</b>                 |
| Parts     |  <b>FERRONORDIC</b><br>or the customer |  <b>FERRONORDIC</b>                 |
| Service   |  <b>FERRONORDIC</b><br>or the customer |  <b>FERRONORDIC</b>                 |
| Operators | Provided by:<br>The Customer  | Provided by:<br> <b>FERRONORDIC</b> |
| Payments  | Price of machine, parts<br>and services   | Volume based (per tonne,<br>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
- Project include 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
- We explore potential for contracting services projects in Kazakhstan
- Machines used by contracting services are on Ferronordic's balance sheet (PP&E)
- Contracting services projects should be ROIC accretive to Ferronordic



# Volvo & Renault Trucks

## Germany



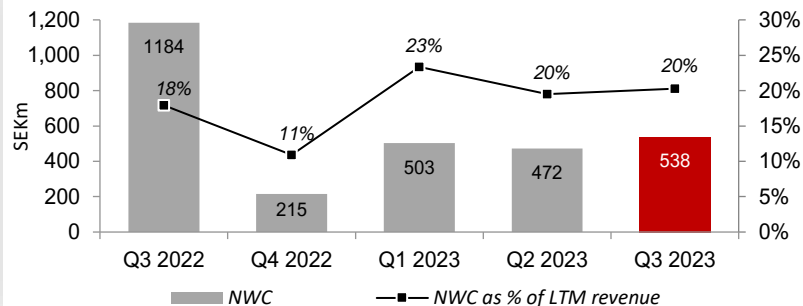
### Authorised aftermarket dealer for Volvo and Renault Trucks in parts of Germany

- 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
- Approx. 434 employees in Ferronordic Germany as of September 2023; mostly sales representatives and mechanics

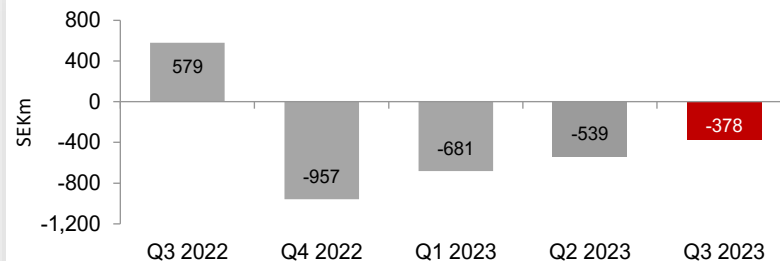


# Cash flow & capital allocation

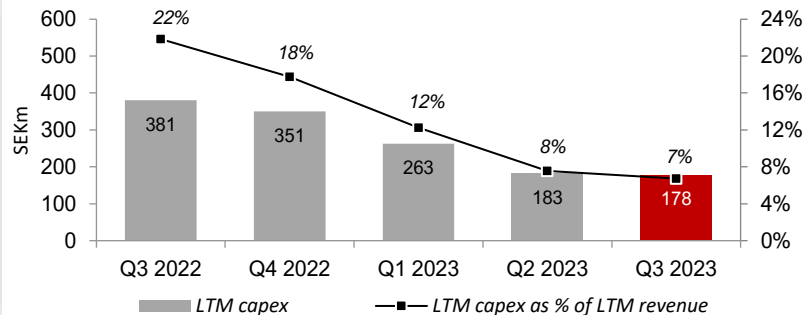
## Working Capital Development



## Net Debt/(Cash) Development



## Capital Expenditure Development



# **Ferronordic expands to the US**

**16 November 2023**

# Ferronordic enters the United States

**Ferronordic has entered into an agreement to purchase 100% of the shares of Rudd Equipment Company, Inc. (“Rudd”), one of the largest dealers of Volvo Construction Equipment in the US**

- Geographic expansion was always a strategic objective for Ferronordic
- Following the sale of our Russian business at the end of 2022, we have been looking for opportunities to expand geographically in different regions, mainly in developed markets
- The US is the world’s second largest market for construction equipment with substantive infrastructure investment programs
- Rudd is a great strategic fit for Ferronordic that provides significant scale and a good platform in the US
- Acquisition of Rudd gives us a strong base in a dynamic market and also opens potential to expand further in North America
- The transaction is a first major step to rebuild Ferronordic as a leading service and sales company and further build on our strong partnership with Volvo Construction Equipment

# About Rudd

- Rudd Equipment Company was founded in 1952
- The Company is based in Louisville, Kentucky, has 13 outlets and approx. 360 full-time employees
- Rudd is one of the largest distributors of Volvo Construction Equipment in the US with operations in all or parts of nine states
- The company is also representing other strong brands such as Hitachi, Sandvik and Link-Belt Cranes
- In 2022, sales of equipment and parts relating to Volvo Construction Equipment made up approx. 70% of the total revenue
- In 2022, Rudd had sales of USD 308.3m with an adjusted IFRS EBIT of USD<sup>1</sup> 16.5m and earnings before tax of USD 16.4m
- In the first six months of 2023, Rudd had revenue of USD<sup>2</sup> 138.1m with EBIT of USD 9.7m and earnings before tax of USD 9.3m
- In the first six months of 2023, Ferronordic had revenue of USD<sup>3</sup> 124.6m with EBIT of USD -2.4m, earnings before tax of USD 8.4m and net income of USD 6.8m

1) Based on the company's audited statutory US GAAP accounts, as concerted to IFRS

2) Based on the company's unaudited and unadjusted management accounts

3) Converted at the average SEK/USD rate of the Swedish Riksbank of 10.47

# Financial history

| USD m   | *8M 2023 | *6M 2023 | 2022  | 2021  | 2020  | 2019  |
|---------|----------|----------|-------|-------|-------|-------|
| Revenue | 180.7    | 138.1    | 308.3 | 252.9 | 210.8 | 246.5 |
| EBIT    | 13.3     | 9.7      | 16.5  | 0.5   | 1.7   | 12.7  |
| EBT     | 12.7     | 9.3      | 16.4  | 7.9   | 0.3   | 9.0   |

- Information on 2019-2022 are based on the company's audited US GAAP financial statements and adjusted for the main differences to IFRS
- Currently operated as a so-called S-corporation, Rudd is taxed at the shareholder level.
- As a subsidiary to Ferronordic, Rudd would pay corporate income tax
- Covid-19 had a significant negative effect on the company's earnings in 2020 and 2021 as costs were high in relation to revenue
- This was partly compensated in 2021 through the forgiveness of a Covid-related support loan received in 2020 to maintain employees
- The effect of the loan forgiveness was reported below operating profit (EBIT), explaining the difference between EBIT and earnings before tax (EBT)

# Transaction summary

- Ferronordic to purchase 100% of Rudd for a price of USD 95.0m
- In addition, Ferronordic will also acquire two real properties for USD 10m
- After the transaction, Rudd will own 8 of its 13 locations
- The total price for the stock in Rudd and the two properties amounts to USD 105m
- Out of this amount, USD 60m will be financed with own cash/equity and USD 45m with new bank debt
- Ferronordic has received a commitment letter from Nordea for a three-year USD 45m term loan facility for the acquisition, as well as a USD 35m working capital facility
- All consents and approvals for the transaction have been obtained, including the approval of Volvo CE
- The transaction is expected to close on 30 November 2023



# **Third quarter 2023**

## **November 2023**



# Q3 2023: Weak operationally. Key strategically.



- **Subsequent event:** Ferronordic acquires major Volvo CE dealer in the US Group

- 56% increase in revenue with growth in both operating segments
- Lower margins, higher costs, higher working capital
- Operating result decreased to SEK -28m and operating margin to -4.4%

## Germany

- Sales of new trucks in units increased by 45% in line with the market
- Negative operating profit of SEK -16m and operating margin of -2.8%
- First subsidies for electric trucks expected in November

## Central Asia (CA)

- Sales of new machines in units increased by 6% in market that decreased by 15%
- Operating profit of SEK 0m
- Continued efforts to offer contracting services in Central Asia

**56%**

Revenue  
growth

**-37%**

Operating profit  
growth

**-4.4%**

Operating profit  
margin

**-134%**

EPS increase

# Q3 2023

## Group summary financials

### Group revenue +56% to SEK 643m

- German revenue +60% to SEK 574m (+44% in EUR)
  - Truck sales +88% (+69% in EUR), aftermarket sales +27% (+14%) and other sales -14% (-22%)
- CA revenue +30% (+23% in local currency) to SEK 69m
  - Equipment sales +41% (+31%) and aftermarket sales +4% (-3%)

### Group operating profit increased to SEK -28m

- German operating profit decreased from SEK -5m to SEK -16m
- CA operating profit decreased from SEK 4m to SEK 0m
- Group result partly supported by reversal of provision for claim

### Strong balance sheet provides options

- 62% equity to total assets
- Net cash at SEK -378m or -18.4x EBITDA



SEK 643m  
(+56%) revenue

SEK -28m  
operating profit

Net cash at  
SEK -378m

## Q3 2023

### Germany operational highlights


- Based on registrations of new trucks, the total German market for heavy trucks increased by 45% in Q3 2023 <sup>1</sup>
- Tractors grew by 50% and rigids by 40%
- The market grew mainly as supply improved to meet pent-up demand
- New trucks registered in Ferronordic's sales area increased by 64% and represented 20% of the total German market
- Ferronordic's new truck sales in units increased by 57% to 232 units or by 45% to 241 including LCVs
- Used vehicle sales grew 72% in units to 103, but greater supply exerted pressure on margins
- Aftermarket sales grew by 27% on a combination of organic growth of approx. 14% and acquisitions
- The gross margin decreased to 11.5% (13.5) on product mix and price realisation

1) ACEA statistics



**Our new truck sales in units increased by 45% to 241 units in Q3 2023**

**Aftermarket sales grew by 27% (14% in EUR)**

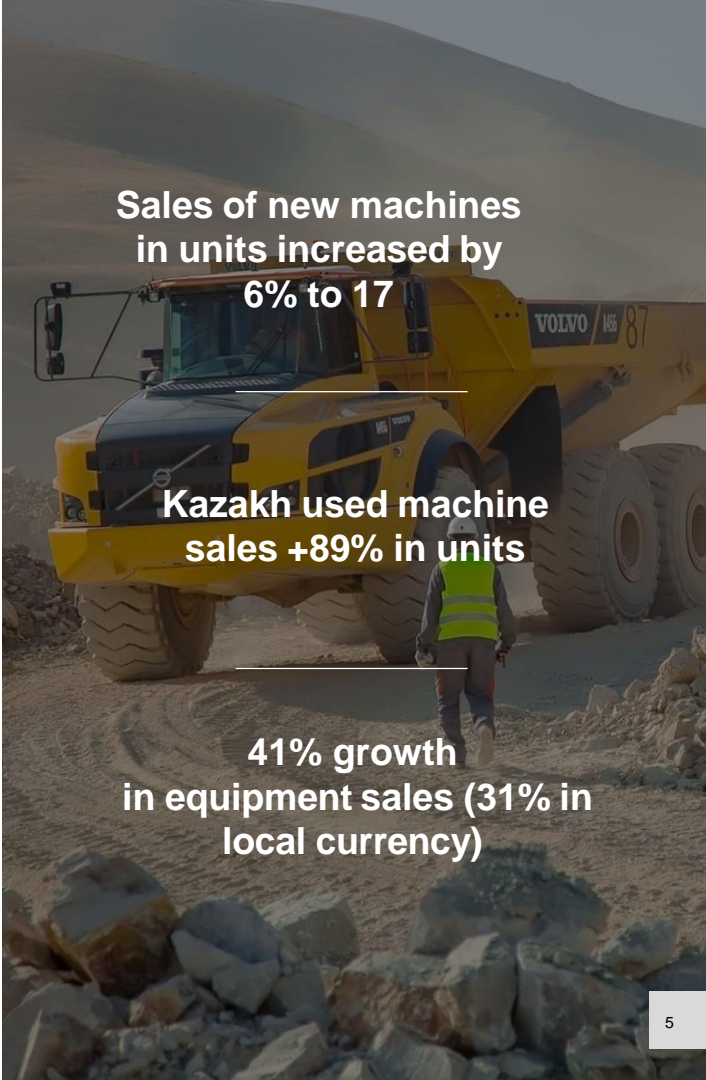


**Gross margin of 11.5%, down from 13.5%**

# Q3 2023

## CA operational highlights

- The Kazakh market for construction equipment is supported by Kazakhstan's growing role as a regional hub, strong commodity prices and big infrastructure projects
- Excluding Chinese wheel loaders, the Kazakh market for construction equipment is estimated to have declined by 20% in Q3 2023, partly due to a slowdown in the mining sector
- Ferronordic's sales of new machines in units increased by 6% to 17
- Sales of used construction equipment grew by 89%, also to 17 units
- Equipment sales increased by 41% on strong product mix, while aftermarket sales increased by 4%
- The gross margin decreased to 13.7% (16.7%), partly due to the change in revenue and product mix
- Our contracting services team continues to explore potential project work in Kazakhstan. We see long-term potential for contracting services in Kazakhstan

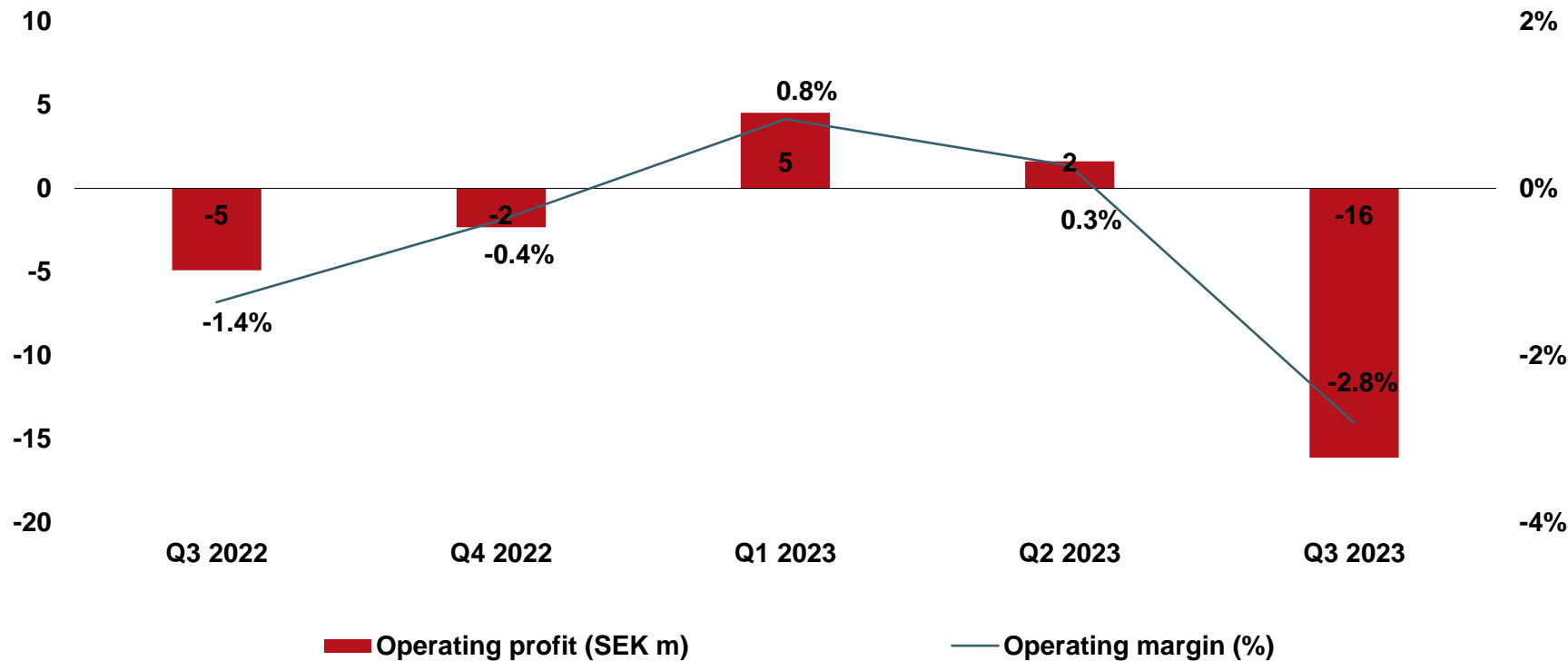


Sales of new machines  
in units increased by  
**6% to 17**

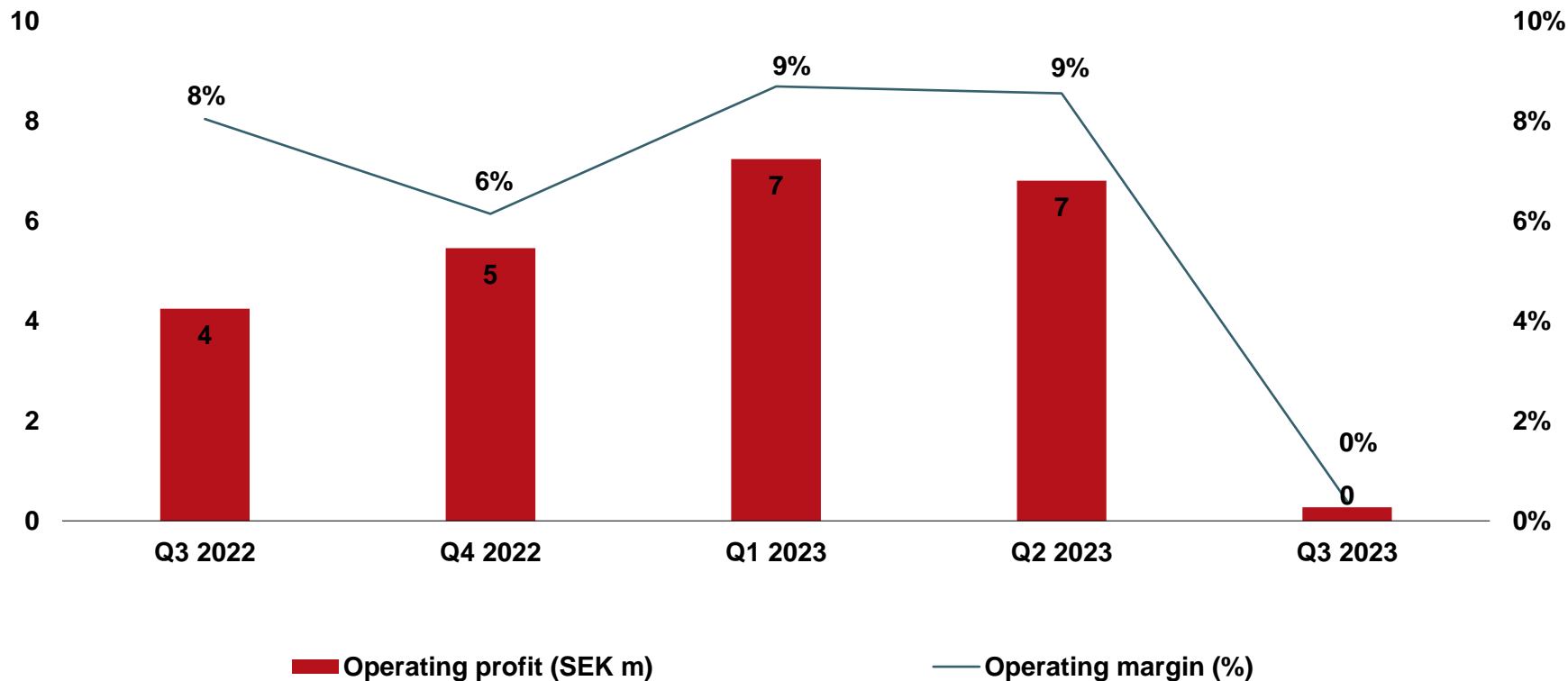
**Kazakh used machine  
sales +89% in units**

**41% growth  
in equipment sales (31% in  
local currency)**

# Germany: Trend in operating result and margin



# Kazakhstan: Trend in operating result and margin





# Q3 2023

## Income statement

| SEK MM                           | Q3 2022<br>CA | Q3 2022<br>Germany | Q3 2022<br>Group | Q3 2023<br>CA | Q3 2023<br>Germany | Q3 2023<br>Group | % change<br>Group |
|----------------------------------|---------------|--------------------|------------------|---------------|--------------------|------------------|-------------------|
| <i>FX (SEK/KZT, EUR/SEK)</i>     | 45.15         | 10.62              |                  | 42.10         | 11.76              |                  |                   |
| New units sold                   | 16            | 166                | 182              | 17            | 241                | 258              | 42%               |
| <b>Revenue</b>                   | <b>53</b>     | <b>359</b>         | <b>412</b>       | <b>69</b>     | <b>574</b>         | <b>643</b>       | <b>56%</b>        |
| <b>Gross profit</b>              | <b>9</b>      | <b>49</b>          | <b>57</b>        | <b>9</b>      | <b>66</b>          | <b>75</b>        | <b>31%</b>        |
| % Margin                         | 16.7%         | 13.5%              | 13.9%            | 13.7%         | 11.5%              | 11.7%            | -2.2pp            |
| <b>Operating profit*</b>         | <b>4</b>      | <b>-5</b>          | <b>-21</b>       | <b>0</b>      | <b>-16</b>         | <b>-28</b>       | <b>34%</b>        |
| % Margin                         | 8.0%          | -1.4%              | -5.1%            | 0.4%          | -2.8%              | -4.4%            | -0.7pp            |
| <b>Net result for the period</b> |               |                    | <b>262</b>       |               |                    | <b>-89</b>       | -134%             |
| EPS                              |               |                    | 18.04            |               |                    | -6.16            | -134%             |
| EBITDA*                          | 2             | 9                  | 318              | 8             | 22                 | -4               | -101%             |

- Total revenue up by +56% to SEK 643m
  - 89% Germany and 11% CA
  - 70% equipment and trucks, 27% aftermarket and 3% other
- Gross profit up by +31% as gross margin declined 2.2pp Y-o-Y to 11.7%, mainly on revenue mix and price realization
- SG&A increased by +36% and as percent of revenue stood at 16.8% (19.2%) for Group of which 3.0% (4.9%) are Group costs
- SG&A as percent of revenue at 14.3% (15.6%) in Germany and 10.0% (6.2%) in CA
- Operating margin increased to -4.4% (-5.1%)
- Operating profit decreased to SEK -28m
- FX losses of SEK -84m

\* Group operating profit and EBITDA includes Group costs not allocated on the reporting segments

# Q3 2023

## Segment reporting

|   | Germany      |              | CA           |              | Unallocated<br>Group costs <sup>1</sup> |      | Total        |              |
|---|--------------|--------------|--------------|--------------|---|------|--------------|--------------|
|   | Q3           | Q3           | Q3           | Q3           | Q3                                      | Q3   | Q3           | Q3           |
| SEK m (or as stated)                    | 2023         | 2022         | 2023         | 2022         | 2023                                    | 2022 | 2023         | 2022         |
| <b>External revenue</b>                 | <b>574</b>   | <b>359</b>   | <b>69</b>    | <b>53</b>    |   |      | <b>643</b>   | <b>412</b>   |
| Equipment and truck sales               | 396          | 211          | 54           | 38           |   |      | 449          | 249          |
| Aftermarket sales                       | 158          | 125          | 15           | 15           |   |      | 173          | 140          |
| Other revenue                           | 20           | 23           | 0            | 0            |   |      | 20           | 23           |
| Gross profit                            | 66           | 49           | 9            | 9            |   |      | 75           | 57           |
| EBITDA                                  | 7            | 11           | 1            | 4            | -12                                     | -18  | -4           | 318          |
| Operating profit                        | -16          | -5           | 0            | 4            |   |      | -16          | 320          |
| Group costs <sup>1</sup>                | -16          | -5           | 0            | 4            |   |      | -16          | -1           |
| Operating profit                        | 0            | -2           | 0            | 0            | -12                                     | -18  | -12          | -20          |
| Finance items (net)                     | -16          | -7           | 0            | 4            | -12                                     | -18  | -28          | -21          |
| Profit(loss) before tax                 |              |              |              |              |   |      | -87          | 13           |
| <b>Result from continued operations</b> |              |              |              |              |   |      | <b>-115</b>  | <b>314</b>   |
| Gross margin, %                         |              |              |              |              |   |      | <b>-89</b>   | <b>262</b>   |
| Operating margin, %                     | <b>11.5%</b> | <b>13.5%</b> | <b>13.7%</b> | <b>16.7%</b> |   |      | <b>11.7%</b> | <b>13.9%</b> |

1) Before 2023, Ferronordic reported the result of the operating segments after allocation of Group costs. The Group costs are now reported separately. In Q3 2022, the Group costs allocated to Germany were SEK 2m



# Q3 2023

## Balance sheet

| SEK MM                        | Q3 2022             | Q2 2023             | Q3 2023             |
|-------------------------------|---------------------|---------------------|---------------------|
| <i>FX (SEK/KZT, EUR/SEK)</i>  | <i>42.17, 10.92</i> | <i>42.05, 11.79</i> | <i>43.84, 11.49</i> |
| Property, plant and equipment | 1,263               | 660                 | 655                 |
| Cash and cash equivalents     | 939                 | 1,127               | 950                 |
| Debt                          | 1,329               | 507                 | 497                 |
| Finance Leases                | 189                 | 81                  | 75                  |
| <b>Net debt / (cash)</b>      | <b>579</b>          | <b>-539</b>         | <b>-378</b>         |
| Working capital               | 1,184               | 472                 | 538                 |
| <i>% of Revenue</i>           | <i>18%</i>          | <i>20%</i>          | <i>20%</i>          |
| Shareholders equity           | 2,108               | 1,822               | 1,750               |
| <b>Total Assets</b>           | <b>4,997</b>        | <b>2,951</b>        | <b>2,819</b>        |
| Equity / Assets               | 42%                 | 62%                 | 62%                 |

- PP&E decreased Y-o-Y mainly due to the disposal of Russian subsidiaries
- In CA, net working capital decreased Q-o-Q from 32% to 23% of LTM revenue as a result of lower inventories and receivables
- In Germany, net working capital increased Q-o-Q from 17% to 22% of LTM revenue, as a result of higher receivables
- Net debt / (cash) decreased SEK 161m to SEK -378m, mainly working capital increase, exchange rate effects and capex
- Equity/assets remained flat Q-o-Q at 62%

# Outlook

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*Uncertainty about the German economy increased during the third quarter. Although there were some signs of improvement in recent weeks, higher interest rates and inflation make customers more cautious. The market recovery seen in 2023 will likely slow down. However, we expect stronger demand for service and spare parts. We will adapt our organisation and cost structure to a weaker market. In the longer term, we remain optimistic. Our sales area is at the heart of Europe's transport business and benefits from commercial activity across industries and countries. We see growing interest in electric trucks and remain committed to this promising business area. Our operations in Kazakhstan continue to develop and we seek opportunities to grow our business portfolio. Demand for construction equipment is supported by Kazakhstan's growing role as a regional hub, its infrastructure projects and strong commodity prices. We are excited about the great opportunities in the important US market. The US market is supported by a dynamic economy and strategic infrastructure projects. We believe that the underlying conditions and business opportunities in our markets are strong.*



