



Interim report 1 January – 31 March 2024

Q1 2024: A strong start in the US

Summary of the first quarter, January – March 2024

Group:

- First full quarter with consolidation of Ferronordic's US operations.
- 86% revenue growth driven by the US.
- Operating result increased to SEK 21m on strong contribution from the US.
- Net profit increased to SEK 70m, partly as a result of exchange rate gains.
- Net debt of SEK 1,542m after acquisition and consolidation of balance sheet in US operations.

USA:

- Lower but still strong market.
- Growth in unit sales with new machine sales and rental conversions totaled 104 units.
- SEK 699m revenue contribution.
- Operating result of SEK 60m.
- Operating margin of 8.6%.

Germany:

- New truck sales in units decreased by 36% off a high base in 2023.
- Aftermarket sales increased by 9%.

- Total revenue decreased by 20% to SEK 439m.
- Operating result decreased to SEK -12m.
- Implementation of cost reduction program continued.
- Inventory levels remained high.

Central Asia (CA):

- Both new and used unit sales decreased.
- Total revenue decreased by 60% to SEK 34m.
- Operating result declined to SEK -3m.

86%

Revenue growth

21m

Operating profit, SEK m

1.8%

Operating margin

4.83

Earnings per share, SEK

Selected key group ratios

SEK m (or as stated)	2024 Q1	2023 Q1	%	FY2023
Revenue	1,172	631	86%	2,863
Gross profit	231	85	173%	377
Operating profit	21	-14	247%	-115
Result for the period	70	7	939%	-107
Earnings per share, SEK1	4.83	0.46	939%	-7.39
Cash flow from operations	124	-126		-27
Net debt (cash)	1,542	-681		1,349
<i>Gross margin, %</i>	19.7%	13.4%	6.3pp	13.2%
<i>Operating margin, %</i>	1.8%	-2.2%	4.0pp	-4.0%
<i>Working capital/LTM Revenue, %</i>	20%	23%	-3.4pp	20%
<i>Equity/total assets, %</i>	33%	59%	-25.4pp	34%
<i>Return on capital employed, %</i>	-2%	11%	-12.9pp	-3%
<i>Return on equity, %</i>	-2%	26%	-28.3pp	-6%

¹ Before dilution.

All amounts are stated in millions of SEK unless stated otherwise. Rounding differences when summing up can occur with +/- SEK 1m. In cases where an underlying number is rounded off to SEK 0m, this is written as 0. Definitions and purposes of the key ratios are presented on pages 20 and 22.

A strong start in the US

The first quarter of 2024 was our first full quarter with Rudd Equipment Company, a leading construction equipment dealer that we acquired at the end of November 2023. Headquartered in Louisville, Kentucky, Rudd is operating in all or parts of nine states in the US Midwest.

Our expansion to the US has started well. During the first quarter, revenue amounted to SEK 699m with an operating profit of SEK 60m, corresponding to an operating margin of 8.6%. The market for larger construction equipment (GPE) was indeed 8% lower than in the first quarter of last year, but that was a very strong comparative quarter and demand has remained strong. At the same time, we gained market share, especially in the important segment of articulated haulers, boding well for future sales of service and spare parts.

During the first quarter, we spent more time with our new colleagues and learned more about their operations. After four months in the US, we are even more optimistic about the future opportunities. We believe that demand for machinery in our sales area in the Midwest will remain high, partly due to the large programs in place to support the renovation and upgrading of roads, bridges, and other infrastructure. Additionally, a number of large construction projects involving data centers and major battery plants are underway or expected to begin within our territory. Rudd is already a well-managed and profitable company, but we see opportunities to both grow and improve profitability by, in the long term, gaining market share, increasing machine population and capturing a larger share of potential aftermarket sales. Rudd also provides a solid base for potential further expansion in North America, if opportunities arise.

In Germany, the situation remains challenging. Demand is weak and customers are delaying fleet renewals. Our sales of new trucks in units decreased by approx. one-third during the quarter. Activity in our workshops, however, remained high and aftermarket sales increased by 9%.

The work to reduce costs and create a leaner organisation continued. This is a difficult and time-consuming process, but we must make our operations in Germany more efficient and resilient. Cost reductions are expected to result in savings of approx. SEK 60m per year from the end of the second quarter 2024. We will however continue to develop our aftermarket business.

Both inventory and our diesel rental fleet decreased during the quarter. Due to decreased demand and weaker pricing, inventory and working capital in Germany however remain too high. Work to normalise inventory in Germany will continue throughout the year.

We continue to invest in electric trucks and sustainable transportation. During the first quarter, we sold 6 battery-electric trucks. Meanwhile, our business for sustainable transport solutions has grown its rental fleet to 40 electric trucks, for which we have received government subsidies. This rental fleet is expected to grow in the future.

Overall, revenue in Germany decreased by 20% to SEK 439m. Operating profit decreased to SEK -12m.



"We are optimistic about the opportunities in the US"

The first quarter was also challenging in Kazakhstan. Although the country's economy continued to grow, the market for construction equipment declined. Our sales of new machines, measured in units, decreased from 23 to 5. The aftermarket was more stable, but its contribution was not enough to cover the costs. As a result of slow sales, the inventory remains too high in Kazakhstan as well. We expect the market to pick up and our inventory position to normalise during 2024.

Revenue in Kazakhstan decreased to SEK 34m, or 3% of the Group's turnover. The operating result decreased to SEK -3m.

For the Group, revenue increased by 86% to SEK 1,172m, mainly due to the consolidation of the American operations. Thanks to the strong contribution from the American operations, the operating result for the Group amounted to SEK 21m. The net result was positively impacted by the depreciation of the Swedish krona against the dollar and the euro. The Group's net debt of increased to SEK 1,542m, mainly as a result of the acquisition of the American operations.

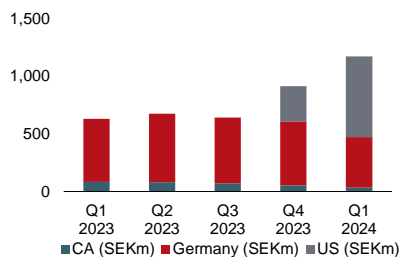
Outlook

We are optimistic about our expansion into the US and the opportunities there. The US is the world's second-largest market for construction equipment. Demand is supported by a dynamic economy and extensive support programs for infrastructure investment. The German economy appears weak, and the truck market is expected to decrease in 2024. We are taking actions to adapt our organisation and cost structure to a weaker market. We however believe in continued strong demand in the aftermarket business and we remain optimistic about the long-term potential in the German market and the opportunities in e-mobility and sustainable transport solutions. The operations in Kazakhstan continue to develop, although it will represent a relatively small part of the Group's operations in the future.

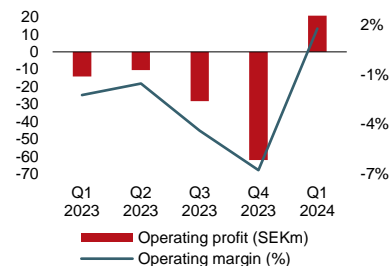
Lars Corneliusson
President and CEO

Group

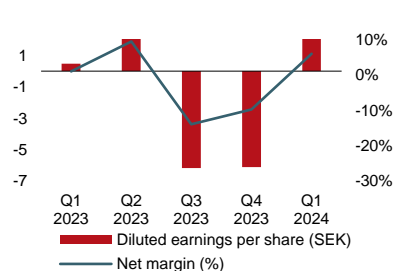
Revenue by segment



Operating profit and operating margin (adjusted*)



EPS and net margin



Revenue

In Q1 2024, the revenue of the Group increased by 86% to SEK 1,172m (631). Sales of equipment and trucks increased by 62% and aftermarket sales increased by 134%. Other revenue, mainly consisting of rental sales, increased by 197%. The increase in sales is mainly related to the addition of sales in Ferronordic's US operations from December 2023. Excluding the revenue contribution from Ferronordic's US operations, total revenue decreased by 25% to SEK 473m.

Gross profit and operating result

In Q1 2024, the gross margin for the Group increased to 19.7% (13.4%). As a result of higher revenue and higher gross margin, gross profit increased by 173% to SEK 231m (85).

As a percentage of revenue, selling, general and administrative expenses increased in Q1 2024 to 18.7% (15.7). The operating result for Q1 2024 increased by 247% to SEK 21m (-14). The operating margin during the quarter increased from -2.2% to 1.8%.

Net income

In Q1 2024, finance costs (net) amounted to SEK -27m (-2), as finance costs increased on higher interest rates. Funding the acquisition of Rudd also increased debt and finance costs. Foreign exchange gains (net) amounted to SEK 95m in Q1 2024, compared to gains (net) of SEK 23m in Q1 2023, mainly as the Swedish krona weakened against the US dollar and the euro.

The result before income tax for Q1 2024 increased to SEK 89m (8). The result for Q1 2024 increased to SEK 70m (7).

Earnings per share

Basic and diluted earnings per share in Q1 2024 amounted to SEK 4.83 (0.46).

Cash flows

In Q1 2024, cash flows from operating activities increased to SEK 124m (-126). Working capital at the end of Q1 2024 was SEK 1,062m, almost unchanged compared to the end of Q4 2023 at SEK 1,063m. As a percentage of revenue, working capital was 20% in Q1 2024, the same as in Q4 2023.

Cash flow from investing activities in Q1 2024 amounted to SEK -233m (-6). The change in cash flow is mainly related to purchase of rental fleet in Ferronordic's US operations.

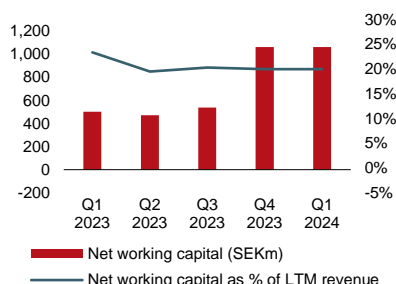
Financial position

On 31 March 2024, cash and cash equivalents amounted to SEK 217m, a decrease of SEK 210m compared to the end of 2023. The cash decreased mainly as a result of repayment of loans and purchase of machines to Ferronordic's rental business.

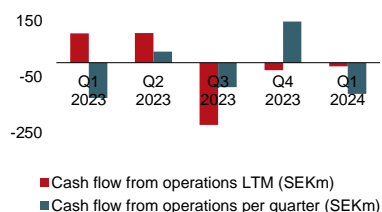
At the end of Q1 2024, interest-bearing liabilities (including lease liabilities and effects of IFRS-16) amounted to SEK 1,759m, a decrease of SEK 17m compared to the end of 2023. The net debt increased from SEK 1,349m at the end of Q4 2023 to SEK 1,542m at the end of Q1 2024.

On 31 March 2024, property, plant and equipment (PP&E) amounted to SEK 2,099m, an increase of SEK 271m from SEK 1,828m at the end of

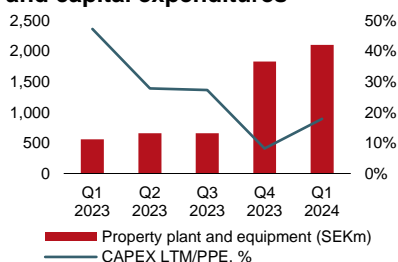
Net working capital and % LTM revenue



Operating cash flow per quarter and over LTM



Property, plant and equipment and capital expenditures



2023. The increase is mainly related to the increase in the rental fleet in the US operations.

On 31 March 2024, equity amounted to SEK 1,698m, an increase of SEK 76m compared to the end of 2023. The increase was mainly due to the positive result, which in turn was partly a result of currency effects.

Parent company

In Q1 2024, the revenue of the Parent Company decreased to SEK 6m (8). Administrative expenses decreased by 36% to SEK 23m (36). The operating result increased to SEK -20m in Q1 2024 from SEK -38m in Q1 2023. The result for the quarter increased to SEK 76m (-8) mainly due to higher finance income from subsidiaries and higher foreign exchange gains.

Foreign exchange rates

The following foreign exchange rates have been used to translate the Q1 2024 (Q1 2023) results to the presentation currency:

- Average rates of SEK/EUR 11.28 (0.7% vs 11.20) and SEK/USD 10.39 have been used to translate the income statements.
- End of period rates of SEK/EUR 11.53 (2% vs 11.28) and SEK/USD 10.66 have been used to translate the balance sheet.

The Group's currency exposure is mainly to the US dollar and the euro, from its US and German operations respectively. The Group also has exposure to the Kazakh tenge.

Employees

At the end of Q1 2024, the number of full-time equivalent employees in the Group was 828 (464), of which 356 (-) related to the US, 402 (388) to Germany, 51 (55) to Kazakhstan and 19 (18) occupied group functions.

Sustainability

In Q1 2024, Ferronordic continued work to build institutional capacity to measure, report and follow-up on its sustainability targets internally and as required by the CSRD and the ESRS. In October 2023, a Sustainability Committee was instituted on the Board of Directors to supervise Ferronordic's sustainability strategy and to measure the Group's progress towards its objectives.

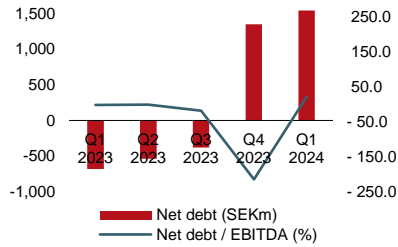
Risks and uncertainties

Ferronordic is exposed to a number of operational and financial risks. The Group currently operates in the US, Germany and Kazakhstan, which means that the Group has business in two developed markets and in one emerging market. In developed markets, competitive, labour and regulatory pressure can be strong. In an emerging market, the institutional and regulatory frameworks can be unstable. The tax and judicial systems are not always transparent or consistent. Corruption can be a problem. Access to funding can be limited, monetary policy unpredictable and the currency unstable. Counterparty and insurance risks are often greater and instruments to manage such risks are either less effective or more expensive. In its position as a service and sales company, between suppliers and customers, Ferronordic is exposed to both supply and demand disruptions and to changes in macroeconomic activity. For more on risks and uncertainties, please refer to Ferronordic's annual report.

German efficiency enhancement program

In Q4 2023, Ferronordic launched an efficiency enhancement program in Germany. The program serves to make Ferronordic's organisation leaner and more resilient by reducing both horizontal and vertical administrative units, while increasing the efficiency of the productive organisation. Ferronordic has thus reduced the number of regions in its sales area from

Net debt and net debt/EBITDA

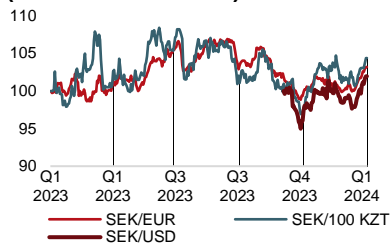


four to two and has reduced a number of middle management roles. The German management team has been reorganised to include Group Executives with operational functions in the German business, including Group Commercial Director, Group HR Director and Group CEO. Ferronordic has also analysed its cost structure across all functional areas to identify opportunities to reduce costs without negatively impacting – and where possible improving – the productivity of the service and sales areas. One key objective of the program is to increase Ferronordic’s absorption level in Germany, which is how much of its fixed costs are covered by the gross profit from its aftermarket business. Work on the implementation of the program is ongoing. As a result of the cost reduction program, Ferronordic expects to save approx. SEK 60m annually, starting from the end of Q2 2024.

Events after the reporting period

Other than as mentioned above, there were no significant events after the end of the reporting period.

Currency index last 5 quarters (indexed 1 Jan 2023)



Segments

From Q4 2023 Ferronordic recognises three separate reportable segments: USA, Germany and Central Asia (CA) (see also note 5 on page 17). In the US, trucks and equipment sales include sales of new and used construction equipment from Volvo, Hitachi, Sandvik, Link-Belt Cranes and Bergmann. In Germany, trucks and equipment sales include sales of new Volvo Trucks and Renault Trucks, Sandvik's mobile crushers and screens, Renault light commercial vehicles and used trucks. In Central Asia (CA), trucks and equipment sales include sales of new and used construction equipment, Sandvik's mobile crushers and

screens, used trucks and attachments. Aftermarket sales include sales of service and parts. Other revenue consists mainly of rental revenue. Contracting services include only revenue from contracting services operations. Currently, there are no contracting services operations. To show the underlying performance of the operating segments, Ferronordic shows unallocated Group costs and assets separately. These are costs that are incurred and assets that are held for the benefit of the Group as a whole.

SEK m (or as stated)	US		Germany		CA		Unallocated Group costs		Total	
	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023
External revenue	699	-	439	548	34	83			1,172	631
Equipment and truck sales	439	-	261	375	19	68			719	443
Aftermarket sales	207	-	162	149	15	15			384	164
Other revenue	53	-	17	23	0	0			69	23
Gross profit	169	-	57	68	6	17			231	85
EBITDA	108	-	4	24	-2	8	-24	-26	86	6
Operating profit	60	-	-12	5	-3	7			45	12
Group costs	0	-	0	0	0	0	-24	-26	-24	-26
Operating profit	60	-	-12	5	-3	7	-24	-26	21	-14
Finance items (net)									68	22
Profit(loss) before tax									89	8
Result from continued operations									70	7
Gross margin, %	24.1%		12.9%	12.3%	17.1%	20.4%			19.7%	13.4%
Operating margin, %	8.6%	-	-2.7%	0.8%	-10.2%	8.7%			1.8%	-2.2%

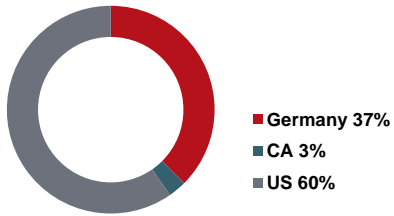
31 March 2024

SEK m	US	Germany	CA	Group assets	Total
Non-current assets	1 636	836	9	7	2 488
Total assets	2 922	1 655	321	178	5 076

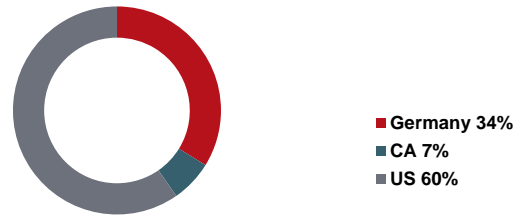
31 December 2023

SEK m	US	Germany	CA	Group assets	Total
Non-current assets	1 360	823	9	7	2 199
Total assets	2 412	1 693	308	292	4 705

**Segment share of revenue,
Q1 2024**

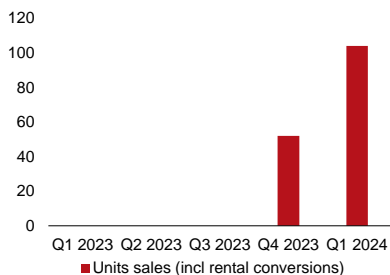


**Segment share of total assets,
31 March 2024**

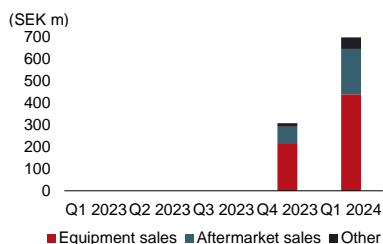


USA

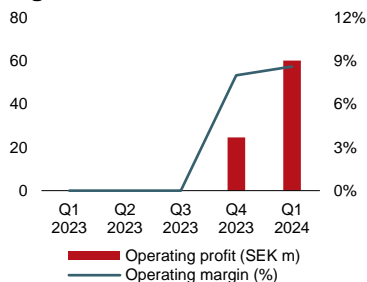
Unit sales (incl. rental conversion)



Revenue by activity



Operating profit and operating margin



Market and sales

US GDP increased by 3.0 % in Q1 2024. Consensus forecasts for GDP growth in 2024 have been raised and range from 1.6-2.7%. Core PCE inflation is down compared to 2023, but inflation remains elevated and interest rate cuts may start only in 2025. Construction spending in March 2024 increased 10% compared to March 2023. Government infrastructure investment program supports demand across the US. Investments in, amongst others, data centers and battery factories area have contributed to increased demand in Ferronordic's area. The total market for construction equipment in North America has historically been approx. 52,000 to 56,000 units. Ferronordic's area covers approx. 8% of the total North American market. The market in Ferronordic's area is estimated to have decreased by 8% in Q1 2024. The decline was driven by a decrease in crawler excavators. The market for articulated haulers, where Volvo CE has a strong position, however increased in Q1 2024. Partly as a result of that, Ferronordic's sales of machines increased compared to 2023. In Q1 2024, Ferronordic sold 81 new units, 23 used units and 23 units were converted to sales from rental. In the US market, customers buying out rented equipment, referred to as rental conversions, is part of market practice. The service and parts business was also strong in Q1 2024. Parts supply was negatively affected during the pandemic, but availability has now normalised.

Revenue and operating result

Revenue in Q1 2024 amounted to SEK 699m. The operating result amounted to SEK 60m. The operating margin was 8.6%. In Q1 2024, 63% of revenue was related to sales of new and used equipment and conversions of sales from rental, 30% of revenue was related to aftermarket business, 8% was other sales, mainly related to rental of machines.

Cash flows and balance sheet

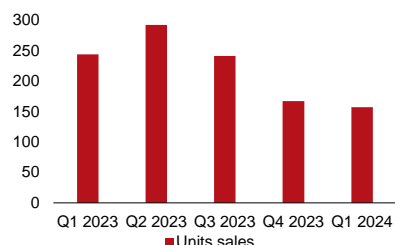
The net working capital at the end of Q1 2024 was SEK 375m, a decrease compared to Q4 2023 as payables increased more than inventory and part of purchased machines went into the rental fleet. As a percentage of full year estimated revenue¹, working capital was 13% at the end of the quarter. The operating cash flow in Q1 2024 was SEK 124m.

	2024 Q1	2023 Q1	% change	2023 Dec
New units	81			47
Conversion from rental, units	23			0
Used units	23			9
Revenue, SEK m	699			308
Gross profit, SEK m	169			82
Operating profit, SEK m	60			25
Gross margin, %	24.1%			26.6%
Operating margin, %	8.6%			8.0%
Working capital/LTM Revenue, %	13%			17%

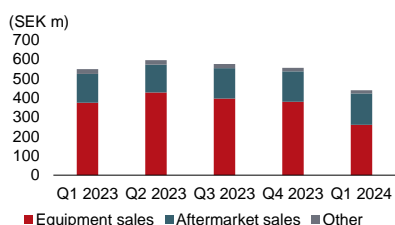
¹ Based on annualized Q1 2024 revenue.

Germany

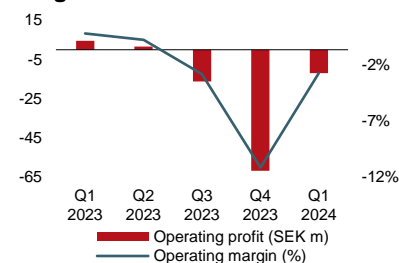
Unit sales



Revenue by activity



Operating profit and operating margin



Market and sales

German GDP declined 0.2% in Q1 2024 and forecasts for 2024 have been revised lower, to 0.2-0.3%. Inflation is lower and the ECB may lower the key rate in June. While some indicators, like the IFO business climate index and the PMI manufacturing, turned upwards in the quarter, the general sentiment is negative and business managers are cautious. Based on registrations of new trucks, the total German market for heavy trucks decreased by 5% in Q1 2024. This compares to 45% and 5% market growth in Q3 and Q4 2023 respectively and shows a slowdown in the market. A previous supply constraint has, since mid-2023, shifted to a demand constraint. Increased supply is exerting pressure on margins in the trucks market. New trucks registered in Ferronordic's sales area decreased by 2% and represented approx. 18% of the total German market. Ferronordic's new truck sales in units decreased by 36% to 157 units compared to a strong Q1 in 2023. Used vehicle sales grew 27% in units to 109, partly as Ferronordic is actively working to reduce its used stock and rental fleet. Ferronordic has decided to focus on how these businesses can support the sales effort and aftermarket activity in a weaker market. Demand for rental has declined as the supply of both new and used trucks has increased. The aftermarket business however continued to grow in the quarter. Service and parts sales increased 9% on a combination of organic growth and acquisitions.

Revenue and operating result

Mainly due to lower trucks sales, total revenue in Germany decreased by 20% (20% in EUR) to SEK 439m (548) in Q1 2024. Truck sales decreased by 31%. Aftermarket sales increased by 9%. As a result, aftermarket sales increased by 10pp as a share of revenue to 37%. The gross margin increased to 12.9% (12.3).

Selling, general and administrative expenses increased by 8% compared to Q1 2023 to SEK 70m (65) but decreased by 36% compared to Q4 2023. Q4 2023 included restructuring provisions of SEK 23m, related to organisational changes and cost reduction to increase efficiency and resilience in the German business. The operating margin decreased to -2.7% (-0.8). The operating result decreased to SEK -12m (5).

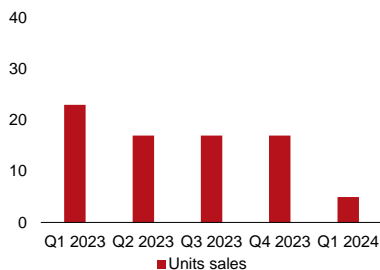
Cash flows and balance sheet

Cash flows from operating activities were positive at SEK 68m (-1). Working capital increased to SEK 648m from SEK 589m, as payables decreased faster than inventory and receivables increased. As a percentage of revenue, working capital increased to 30% at the end of Q1 2024 compared to 26% at the end of Q4 2023. Investments of SEK 21m mainly related to acquisition of property, plant and equipment completed during the period.

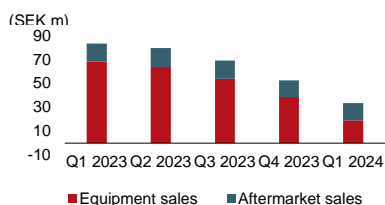
	2024 Q1	2023 Q1	% change	2023 FY
New units	157	244	-36%	944
Used units	109	86	27%	394
Revenue, SEK m	439	548	-20%	2 271
Gross profit, SEK m	57	68	-16%	253
Operating profit, SEK m	-12	5	-363%	-72
Gross margin, %	12.9%	12.3%		11.1%
Operating margin, %	-2.7%	0.8%		-3.2%
Working capital/LTM Revenue, %	30%	27%		26%

Central Asia (CA)

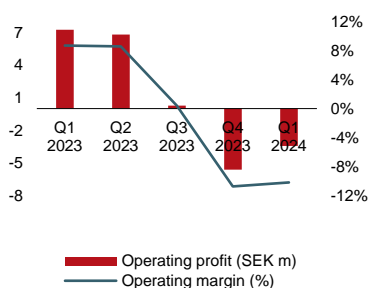
Unit sales



Revenue by activity



Operating profit and operating margin



Market and sales

The Kazakh market for construction equipment is partly driven by Kazakhstan's growing role as a regional hub, commodity prices and infrastructure projects. The Kazakh economy grew by 4.2% year-on-year in January-February 2024. IMF's forecast for 2024 remained unchanged at 3.1%. In 2025, growth is projected to pick up to 5.6% as production capacity in Kazakhstan's existing oilfields is expected to expand. Inflation continued to decline and reached 8.7% in March. As a result, the National Bank lowered the base rate further by 50bps to 14.75%. The Kazakh government plans to start 873 strategic investment projects worth USD 62bn over the next five years. Despite a strong economy and supportive government investments, the Kazakh market for construction equipment is estimated to have declined by 16% in Q1 2024, partly as a result of changes in the government and floods in the northern parts of the country. Ferronordic's sales of new machines in units in Q1 2024 decreased to 5. Sales of used construction equipment decreased to 5 units. Average prices on new machines were higher, mainly due to product mix. Aftermarket sales were stable in the quarter. The inventory remains high in Kazakhstan. Ferronordic expects the inventory position to normalise towards the end of 2024.

Revenue and operating result

Total revenue in Kazakhstan decreased by 60% (60% in local currency) to SEK 34m (83). Equipment sales decreased by 72%, while aftermarket sales decreased by 3%. The gross margin decreased to 17.1% (20.4%) and gross profit decreased to SEK 6m (17). Compared to Q4 2023, total revenue declined 36% but the gross margin increased by 8.2pp. An impairment of SEK 2m on stock negatively impacted the gross margin in Q4 2023.

Selling, general and administrative expenses decreased by 26%, mainly as a result of lower revenue and sales bonuses. As a percentage of revenue, these expenses increased to 18.2% (9.9), mainly due to lower revenue. The operating margin decreased to -10.2% (8.6) and the operating result decreased to SEK -3m (7).

Cash flows and balance sheet

Cash flows from operating activities increased to SEK 6m (-17), mainly due to receipts from sales in prior periods. Working capital amounted to SEK 69m at the end of Q1 2024, compared to SEK 67m at the end of Q4 2023. As a percentage of revenue, working capital was at 29% at the end of Q1 2024, compared to 24% at the end of Q4 2023.

	2024 Q1	2023 Q1	% change	2023 FY
New units	5	23	-78%	74
Used units	5	12	-58%	54
Revenue, SEK m	34	83	-60%	284
Gross profit, SEK m	6	17	-66%	43
Operating profit, SEK m	-3	7	-147%	9
Gross margin, %	17.1%	20.4%		15.0%
Operating margin, %	-10.2%	8.7%		3.1%
Working capital/LTM Revenue, %	29%	17%		24%

Condensed consolidated statement of comprehensive income

SEK m	Q1 2024	Q1 2023	FY 2023
Revenue	1,172	631	2,863
Cost of sales	-941	-546	-2,486
Gross profit	231	85	377
Selling expenses	-65	-42	-190
General and administrative expenses	-154	-57	-319
Other income	12	0	24
Other expenses	-3	0	-8
Operating profit	21	-14	-115
Finance income	3	5	31
Finance costs	-30	-7	-48
Foreign exchange gains/(-losses) (net)	95	23	-21
Result before income tax	89	8	-153
Income tax	-19	-1	46
Result for the period	70	7	-107
Other comprehensive result			
<i>Items that are or may be reclassified to profit or loss:</i>			
Foreign currency translation differences for foreign operations	6	6	-35
Other comprehensive result for the period, net of tax	6	6	-35
Total comprehensive result for the period	76	13	-142
Earnings per share			
Basic earnings per share (SEK)	4.83	0.46	-7.39
Diluted earnings per share (SEK)	4.83	0.46	-7.39

Condensed consolidated statement of financial position

SEK m	31 Mar 2024	31 Dec 2023	31 Mar 2023
ASSETS			
Non-current assets			
Property, plant and equipment	2,099	1,828	557
Intangible assets	257	244	86
Deferred tax assets	131	127	80
Total non-current assets	2,488	2,199	723
Current assets			
Inventories	1,687	1,443	534
Trade and other receivables	678	630	365
Prepayments	8	6	7
Cash and cash equivalents	217	426	1,574
Total current assets	2,589	2,506	2,480
TOTAL ASSETS	5,076	4,705	3,203
EQUITY AND LIABILITIES			
Equity			
Share capital	1	1	1
Additional paid in capital	630	630	630
Translation reserve	-16	-22	19
Retained earnings	1,013	1,120	1,229
Result for the period	70	-107	7
TOTAL EQUITY	1,698	1,622	1,886
Non-current liabilities			
Borrowings	610	671	416
Deferred income	12	14	21
Deferred tax liabilities	297	277	0
Long-term lease liabilities	53	59	38
Total non-current liabilities	972	1,020	476
Current liabilities			
Borrowings	1,071	1,024	418
Trade and other payables	1,283	997	392
Deferred income	8	8	12
Provisions	18	12	0
Short-term lease liabilities	26	22	20
Total current liabilities	2,406	2,062	842
TOTAL LIABILITIES	3,378	3,083	1,317
TOTAL EQUITY AND LIABILITIES	5,076	4,705	3,203

Condensed consolidated statement of changes in equity

SEK m	Share capital	Additional paid in capital	Translation reserve	Retained earnings	Total equity
Balance 1 January 2024	1	630	-22	1,013	1,622
Total comprehensive result for the period					
Result for the period	0	0	0	70	70
Other comprehensive result					
Foreign exchange differences	0	0	6	0	6
Total comprehensive result for the period	0	0	6	70	76
Contribution by and distribution to owners					
Dividends	0	0	0	0	0
Total contributions and distributions	0	0	0	0	0
Balance 31 March 2024	1	630	-16	1,083	1,698

SEK m	Share capital	Additional paid in capital	Translation reserve	Retained earnings	Total equity
Balance 1 January 2023	1	630	13	1,229	1,873
Total comprehensive result for the period					
Result for the period	0	0	0	7	7
Other comprehensive result					
Foreign exchange differences	0	0	6	0	6
Total comprehensive result for the period	0	0	6	7	13
Contribution by and distribution to owners					
Warrant issue	0	0	0	0	0
Total contributions and distributions	0	0	0	0	0
Balance 31 March 2023	1	630	19	1,236	1,886

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Condensed consolidated statement of cash flows

SEK m	Q1 2024	Q1 2023
Cash flows from operating activities		
Result before income tax	89	8
Adjustments for:		
Depreciation and amortisation	65	21
(Gain)/loss from impairment of receivables	1	-1
Profit on disposal of property, plant and equipment	0	0
Finance costs	30	7
Finance income	-3	-5
Foreign exchange losses/(gains) (net)	-95	-23
Cash flows from operating activities before changes in working capital and provisions	87	6
Change in inventories	-178	-69
Change in trade and other receivables	-18	-12
Change in prepayments	-1	-6
Change in trade and other payables	301	-32
Change in provisions	6	-1
Change in deferred income	-2	-5
Cash flows from operating activities before interest and tax paid	195	-119
Income tax paid	-43	-4
Interest paid	-29	-3
Cash flows from operating activities	124	-126
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	0	0
Interest received	3	5
Acquisition of property, plant and equipment	-236	-11
Acquisition of intangible assets	0	0
Cash flows from investing activities	-233	-6
Cash flows from financing activities		
Dividends	0	0
Proceeds from borrowings	0	12
Repayment of loans	-99	0
Leasing financing paid	-6	-7
Cash flows from financing activities	-105	5
Net change in cash and cash equivalents	-214	-127
Cash and cash equivalents at start of the period	426	1,688
Effect of exchange rate fluctuations on cash and cash equivalents	5	12
Cash and cash equivalents at end of the period	217	1,574

Parent company income statement

SEK m	Q1 2024	Q1 2023	FY 2023
Revenue	6	8	36
Cost of sales	-3	-4	-22
Gross profit	2	4	14
Administrative expenses	-23	-36	-118
Other income	0	0	21
Other costs	0	-6	0
Operating profit	-20	-38	-82
Finance income	39	12	78
Finance costs	-10	-1	-7
Foreign exchange gains/(-losses) (net)	80	19	-20
Result before income tax	88	-8	-30
Income tax	-12	0	6
Result for the period	76	-8	-24

Total comprehensive result for the period is the same as the Result for the period.

Parent company balance sheet

SEK m	31 Mar 2024	31 Dec 2023	31 Mar 2023
ASSETS			
Non-current assets			
Property, plant and equipment	0	0	0
Intangible assets	0	0	0
Financial assets			
Holdings in group companies	288	288	35
Loans to group companies	56	66	0
Deferred tax assets	6	6	0
Total financial assets	350	360	35
Total non-current assets	351	361	36
Current assets			
Trade and other receivables	109	47	44
Prepayments	0	0	0
Loans to group companies	1,936	1,784	592
Cash and cash equivalents	146	266	1,466
Total current assets	2,191	2,098	2,102
TOTAL ASSETS	2,541	2,458	2,138
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	1	1	1
Unrestricted equity			
Share premium reserve	640	640	640
Retained earnings	1,283	1,308	1,417
Result for the period	76	-24	-8
TOTAL EQUITY	2,001	1,925	2,050
Non-current liabilities			
Borrowings	483	455	0
Total non-current liabilities	483	455	0
Current liabilities			
Trade and other payables	57	78	87
Total current liabilities	57	78	87
TOTAL LIABILITIES	541	534	87
TOTAL EQUITY AND LIABILITIES	2,541	2,458	2,138

Notes

1. Accounting policies

Ferronordic applies the IFRS[®] Accounting Standards 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.

New or revised standards that come into effect in 2024 or later are not expected to have significant effect on Ferronordic's financial statements.

The same accounting and valuation principles were applied in the preparation of this report as in the preparation of the 2023 annual report (regarding the 2023 financial year).

2. Determination of fair values

The basis for the determination of fair value of financial assets and liabilities is disclosed in note 5 in the 2023 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 in Central Asia. The first quarter 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. Demand is typically stronger and relatively even through the rest of the year. In Germany, seasonal trends are less significant.

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. Any mentioning of the Board is a reference to the Board of Directors of Ferronordic AB (publ).

5. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The chief operating decision-maker, who is responsible for allocating resources and assessing the financial performance of the operating segments, has been identified as the Group Executive Management Team. The Group recognises three separate reportable segments: *USA*, *Germany* and *CA*. The segments are partly managed separately due to differences in markets, logistics, supply chains, products, customers and marketing strategies. For each segment, management reviews internal reports on at least a monthly basis. US sales are comprised of new and

used construction and other equipment, aftermarket sales, rental, contracting services and other services. Germany's sales are comprised of new and used trucks, aftermarket sales, rental, mobile crushers and screens and other services. Central Asia (CA), which currently refers to Kazakhstan, has sales comprised of new and used construction and other equipment, mobile crushers and screens, used trucks, aftermarket sales, rental, contracting services and other services.

The accounting policies of the segments are the same as described in Note 4 of the annual report 2023. Group overhead costs, such as Group management costs, are allocated between the segments using principles set forth by the CODM. Information regarding the results of each segment is presented on page 6 of this report. The performance of each segment is mainly evaluated based on revenue, gross profit, gross margin, EBITDA, operating profit and operating margin, as included in internal management reports that are reviewed by the Group's Executive Management Team. The Group had no inter-segment revenues during the periods presented.

Information on Group segments is presented in the front part of this report.

6. Contingencies

Besides as disclosed in this report, 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 financial institutions.

7. 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 2023 annual report.

8. Earnings per share

The calculation of earnings per share is based on the result attributable to the shareholders and is thus calculated as the result for the period divided by the average number of shares outstanding. Dilution can potentially follow from the Group's incentive program for its executive management, which includes warrants. For more information, please refer to Ferronordic's annual report for 2023.

Result for the period, SEK m

	2024	2023
	Q1	Q1
Result attributable to shareholders, SEK m	70	7
Average number of shares during the period before dilution, thousand	14,532	14,532
Earnings per share before dilution, SEK	4.83	0.46
Dilution effect	0	0
Average number of shares during the period after dilution, thousand	14,532	14,532
Earnings per share after dilution, SEK	4.83	0.46

9. Events after the reporting date

Information regarding events after the reporting date is set out in the front part of this report (p. 5).

Signatures

The Board of Directors and the Managing Director declare that the report for the first quarter of 2024 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, 16 May 2024

Staffan Jufors
Chairman

Aurore Belfrage
Director

Annette Brodin Rampe
Director

Niklas Florén
Director

Lars Corneliusson
Director and CEO

Håkan Eriksson
Director

This report has not been reviewed by the Company's auditors

Key ratios

Financial information for individual quarters

The financial information below regarding individual quarters during the period 1 January 2022 – 31 March 2024 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' 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. As the amounts in the tables below have been rounded off to SEK m, the calculations do not always add up due to rounding.

Selected key group ratios

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
SEK m (or as stated)	2022	2022	2022	2022	2023	2023	2023	2023	2024
Revenue	455	402	412	705	631	674	643	915	1,172
Gross profit	53	43	57	97	85	84	75	133	231
Gross margin, %	11.7%	10.6%	13.9%	13.8%	13.4%	12.5%	11.7%	14.5%	19.7%
Operating profit	-25	-30	300	-13	-14	-10	-28	-62	21
Operating margin, %	-5.4%	-7.4%	-5.0%	-1.9%	-2.2%	-1.5%	-4.4%	-6.8%	1.8%
Result from continuing operations	-31	-97	262	49	7	64	-89	-89	70
Result for the period	63	32	366	-21	7	64	-89	-89	70
Result per share, SEK	4.30	2.20	25.20	-1.42	0.46	4.41	-6.16	-6.11	4.83
Working capital/LTM Revenue, %	3%	14%	18%	11%	23%	20%	20%	20%	20%
Cash flow from operations	-16	39	240	-48	-126	40	-88	147	124
Equity/total assets, %	32%	37%	42%	58%	59%	62%	62%	34%	33%
Return on equity, LTM%	35%	22%	35%	30%	26%	23%	-2%	-6%	-2%
Return on capital employed, LTM%	31%	23%	31%	11%	11%	11%	-1%	-3%	-2%

USA

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Dec	Q1
SEK m (or as stated)	2022	2022	2022	2022	2023	2023	2023	2023	2024
Revenue	-	-	-	-	-	-	-	308	699
Gross profit	-	-	-	-	-	-	-	82	169
Gross margin, %	-	-	-	-	-	-	-	26.6%	24.1%
Operating profit	-	-	-	-	-	-	-	25	60
Operating margin, %	-	-	-	-	-	-	-	8.0%	8.6%
Working capital/LTM Revenue, %	-	-	-	-	-	-	-	26%	30%

Germany

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
SEK m (or as stated)	2022	2022	2022	2022	2023	2023	2023	2023	2024
Revenue	420	375	359	616	548	595	574	555	439
Gross profit	47	36	49	82	68	73	66	47	57
Gross margin, %	11.2%	9.7%	13.5%	13.4%	12.3%	12.3%	11.5%	8.4%	12.9%
Operating profit	-7	-7	-5	-2	5	2	-16	-62	-12
Operating margin, %	-1.6%	-1.8%	-1.4%	-0.4%	0.8%	0.3%	-2.8%	-11.1%	-2.7%
Working capital/LTM Revenue, %	12%	15%	17%	17%	27%	21%	22%	26%	30%

CA

SEK m (or as stated)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Revenue	35	26	53	89	83	80	69	52	34
Gross profit	7	6	9	15	17	11	9	5	6
Gross margin, %	18.6%	23.5%	16.7%	16.5%	20.4%	14.4%	13.7%	8.9%	17.1%
Operating profit	3	2	4	5	7	7	0	-6	-3
Operating margin, %	9.7%	9.2%	8.0%	6.1%	8.7%	8.6%	0.4%	-10.7%	-
Working capital/LTM Revenue, %	1%	13%	18%	-3%	17%	32%	23%	24%	29%

Net debt

SEK m	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Long term borrowings	427	515	340	393	416	70	69	671	610
Long term lease liabilities	88	124	111	43	38	57	51	59	53
Short term borrowings	292	673	989	274	418	437	428	1,024	1,071
Short term lease liabilities	42	59	78	21	20	24	23	22	26
Total interest bearing liabilities	848	1,370	1,518	731	892	588	571	1,776	1,759
Cash & cash equivalents	593	658	939	1,688	1,574	1,127	950	426	217
Net debt / (cash)	255	712	579	-957	-681	-539	-378	1,349	1,542
Net debt / EBITDA (times)	0.3	0.9	0.5	-3.0	-2.0	-1.5	-18.4	-214.7	21.0

Working capital

SEK m	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Inventory	1,112	1,346	1,326	460	534	718	699	1,443	1,687
Trade and other receivables	517	993	856	344	365	263	315	630	678
Prepayments	53	116	243	1	7	9	3	6	8
Trade and other payables	1,392	1,415	1,117	573	392	509	470	997	1,283
Deferred income	15	36	33	16	12	9	8	8	8
Provisions	51	86	92	1	0	0	0	12	18
Working capital	225	917	1,184	215	503	472	538	1,063	1,062
Revenue LTM	6,690	6,791	6,610	1,973	2,149	2,422	2,653	5,313	5,314
Working capital / Revenue (%)	3%	14%	18%	11%	23%	20%	20%	20%	20%

Capital employed

SEK m	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Long term interest bearing liabilities	515	638	451	436	455	127	120	730	663
Short term interest bearing liabilities	334	732	1,067	295	438	461	451	1,046	1,096
Shareholder equity	1,086	1,739	2,108	1,873	1,886	1,822	1,750	1,622	1,698
Capital employed	1,935	3,109	3,626	2,604	2,778	2,411	2,322	3,397	3,457
Average capital employed	1,727	2,397	2,738	2,336	2,356	2,760	2,974	3,001	3,117
EBIT	511	514	818	247	257	277	-66	-115	-80
Interest income	27	30	28	2	7	17	25	31	29
Result LTM	538	544	846	249	265	293	-41	-84	-51
Return on capital employed (%)	31%	23%	31%	11%	11%	11%	-1%	-3%	-2%

Return on equity

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
SEK m	2022	2022	2022	2022	2023	2023	2023	2023	2024
Shareholder equity	1,086	1,739	2,108	1,873	1,886	1,822	1,750	1,622	1,698
Average equity	987	1,315	1,568	1,487	1,486	1,781	1,929	1,748	1,792
Net result LTM	346	291	549	440	384	416	-39	-107	-44
Return on equity (%)	35%	22%	35%	30%	26%	23%	-2%	-6%	-2%

Alternative key ratios not defined by IFRS

EBITDA: Operating profit activities excluding depreciation, amortisation. Provides a measurement of the result from the ongoing business. In financials before and including 2016, certain write-downs of assets were excluded from EBITDA.

EBITDA margin: EBITDA 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.

New units sold: Number of new machines and trucks sold. Used to measure and compare number of new units sold during relevant period.

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.

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.

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.

Return on equity: Net income (for the last twelve months) in relation to shareholders' equity (average during the last twelve months). Net income is calculated before dividends to common shareholders but after dividends to preferred shareholders.

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.

Abbreviations

Approx.	Approximately
CEO	Chief Executive Officer
CA	Central Asia
EUR	Euro
FY	Full year
IFRS	International Financial Reporting Standards
Q1, Q2, Q3, Q4	First, second, third and fourth quarter
SEK	Swedish krona
SEK m	Million Swedish krona
vs	Versus
LTM	Last twelve months
VCE	Volvo Construction Equipment
6M, 9M, 12M	6 months, 9 months, 12 months

This is Ferronordic

Ferronordic is a service and sales company in the areas of construction equipment and trucks. It is the dealer for Volvo CE in all or parts of nine states in the United States and also represents Hitachi, Sandvik, Link-Belt Cranes and Bergmann in parts of the same area. Ferronordic is dealer of Volvo Trucks, Renault Trucks and Sandvik mobile crushers in

Germany and dealer of Volvo CE and certain other brands in Kazakhstan. Ferronordic began its operations in 2010 and currently has 42 outlets and approx. 800 employees. Ferronordic's vision is to be the leading service and sales company in its markets. The shares in Ferronordic AB (publ) are listed on Nasdaq Stockholm. www.ferronordic.com

Vision

Ferronordic's vision is to be the leading service and sales company in the company's markets.

Mission

The company's mission is to support the growth and leadership of the company's customers.

Values

Quality, excellence and respect.

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
- Geographic expansion
- Industry leading digital service and sales platforms
- Expansion and development of contracting services

Strategic cornerstones

- Customer centricity
- Great team
- Building on a strong brands
- Operational excellence

Investment case highlights

- Strong brand portfolio
- Markets with high potential
- Further growth opportunities with attractive returns
- Resilient business model based on a robust aftermarket business and a great team
- Investment in innovation
- Experienced management and strong corporate governance
- Providing sustainable business solutions

About this report

Forward-looking statements

Some statements in this report are forward looking and the actual outcomes could be materially different. In addition to the factors explicitly discussed, other factors could have a material effect on the actual outcomes.

Language

In the event of inconsistency or discrepancy between the English and the Swedish version of this publication, the Swedish version shall prevail.

Totals and roundings

Totals quoted in tables and statements may not always be the exact sum of the individual items because of rounding differences. The aim is that each line item should correspond to its source and rounding differences may therefore arise.

This information is information that Ferronordic AB (publ) is obliged to disclose pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act (2007:528). The information was submitted for publication on 16 May 2024 at 07:30 CET.

Financial calendar

Annual general meeting – 16 May 2024
Interim report April-June 2024 – 15 August 2024
Interim report July-September 2024 – 14 November 2024

Conference call

A presentation for investors, analysts and media will be held on 16 May 2024 at 10:00 CET and is accessible at www.ferronordic.com.

To participate via teleconference, please register on the link below.
<https://conference.financialhearings.com/teleconference/?id=50049704>

To participate via webcast, please use the link below.
<https://ir.financialhearings.com/ferronordic-q1-report-2024>

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