

## Interim report 1 January – 30 June 2024

### Q2 2024: Continued strength in the US

#### Summary of the second quarter, April – June 2024<sup>1</sup>

##### Group:

- 62% revenue growth driven by the addition of the US operations.
- Operating result increased to SEK -4m with strong contribution from the US.
- Net profit decreased to SEK -81m, partly because of exchange rate losses.
- Net debt of SEK 1,671m after acquisition and consolidation of balance sheet in US operations.
- Total equity decreased to SEK 1,627m.

##### USA:

- Market lower but still strong.
- Stable revenue on stronger aftermarket.
- Total revenue of SEK 707m.
- Operating result of SEK 51m.
- Operating margin of 7.3%.

##### Germany:

- Market recovered and grew by 11%.
- New unit sales decreased by 65% against high base in 2023.

- Total revenue decreased by 44% to SEK 332m.
- Operating result decreased to SEK -27m.
- Implementation of the cost reduction program continued.
- Inventory levels remained high.

##### Central Asia (CA):

- New and used unit sales decreased.
- Total revenue decreased by 29% to SEK 56m.
- Operating result declined to SEK -1m.

# 62%

Revenue growth

# -4m

Operating profit, SEK m

# -0.3%

Operating margin

# -5.56

Earnings per share, SEK

#### Selected key group ratios

SEK m (or as stated)	2024 Q2	2023 Q2	%	2024 6M	2023 6M	%	2023 FY
Revenue	1,095	674	62%	2,267	1,305	74%	2,863
Gross profit	202	84	139%	433	169	156%	377
Operating profit	-4	-10	63%	17	-25	169%	-115
Result for the period	-81	64	-226%	-11	71	-115%	-107
Earnings per share, SEK <sup>2</sup>	-5.56	4.41	-226%	-0.73	4.87	-115%	-7.39
Cash flow from operations	270	40		394	-86		-27
Net debt (cash)	1,671	-539		1,671	-539		1,349
<i>Gross margin, %</i>	18.4%	12.5%	5,9pp	19,1%	12.9%	6,2pp	13.2%
<i>Operating margin, %</i>	-0,3%	-1.5%	1,2pp	0,7%	-1.9%	2,6pp	-4.0%
<i>Working capital/LTM Revenue, %</i>	21%	20%	1,7pp	21%	20%	1,7pp	20%
<i>Equity/total assets, %</i>	33%	62%	-28,4pp	33%	62%	-28,4pp	34%
<i>Return on capital employed, %</i>	-2%	11%	-12,4pp	-2%	11%	-12,4pp	-3%
<i>Return on equity, %</i>	-7%	23%	-30,6pp	-7%	23%	-30,6pp	-6%

<sup>1</sup> Comparison with same period in prior year unless stated otherwise. <sup>2</sup> 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 to 22.

## Continued strength in the US

The second quarter of 2024 was mixed for Ferronordic with continued solid performance in the US but also continued challenges in our other markets.

The US operations continued to perform well. Total revenue was SEK 707m and the operating profit was SEK 51m, implying an operating margin of 7.3%. Equipment sales remained strong but lower than in the first quarter. The aftermarket business was stronger than in the first quarter. In the first five months of 2024, the market for construction equipment was down 6% in North America compared to the same period last year. 2023 was however a very strong year and demand remains at good levels. We significantly increased our market share and delivered more machines to customers despite the correction in the market. As we entered the construction season, utilisation of the rental fleet improved and demand for parts and service increased.

During the second quarter, we continued to spend time with our new colleagues to learn more about the organisation and the opportunities. We had a strategy meeting with all branch managers in June where we exchanged ideas and shared our impressions and vision for the business. Overall, our conclusion remains that we have a solid foundation in the US that can grow and be developed further. We are very optimistic about the future opportunities. We believe that demand for machinery, in the US in general and our sales area in the Midwest in particular, will remain strong and see opportunities to improve profitability by gaining market share, increasing machine population and capturing a larger share of the aftermarket sales potential.

In Germany, we had another challenging quarter. Overall, the market grew 11% but our deliveries of new trucks in units declined as we saw the effects of increased supply and price competition from previous quarters. Some of our customers postponed orders as they put fleet renewals on hold. We also had some cancellations. As a result, our sales in units declined and we lost market share. While 2023 was a high base, our sales in the second quarter of 2024 was disappointing. On the other hand, a greater share of our new truck sales were rigid trucks, which generally have better potential than truck tractors for sales of service and parts. Sales of used trucks were more stable as we continue to work to reduce our stock levels. Despite unusually high levels of absence amongst our mechanics, due to both sickness and vacation, and a build-up in work-in-process, our aftermarket sales held up well, with sales largely unchanged compared to the same period last year. We also continued to implement our efficiency program. This is a difficult process that has come with more restructuring costs than we initially anticipated. We however estimate that we reached our target of saving approx. SEK 60m per year at the end of the second quarter.

Due to slower than expected sales, inventory in Germany remains too high. The work to normalise the inventory level will continue throughout 2024.

We continue to invest in electric trucks and sustainable transportation. During the second quarter, the rental fleet of electric trucks grew to 42 units. The fleet is expected to grow.

Overall, revenue in Germany decreased by 44% to SEK 332m. Operating profit decreased to SEK -27m.



*"We are optimistic about the opportunities in the US"*

In Kazakhstan, the market for construction equipment remained challenging. Our sales of new machines, measured in units, decreased to 11. The aftermarket also declined as business activity decreased. As equipment sales was lower than expected, the inventory is too high in Kazakhstan as well.

Revenue decreased to SEK 56m, or 5% of the Group's turnover. The operating result decreased to SEK -1m.

For the Group, revenue increased by 62% to SEK 1,095m. The operating result amounted to SEK -4m. The net result was negatively impacted by the appreciation of the Swedish krona against the dollar and the euro. The Group's net debt increased to SEK 1,671m, mainly as a result of the acquisition of the American operations in November 2023.

Ferronordic plans to host a capital markets update on 2 October 2024 to present our strategic direction and financial targets.

### Outlook

We are optimistic about our expansion into the US and the opportunities we see there. The US is the world's second-largest market for construction equipment. Demand is supported by a dynamic economy, a significant need to upgrade the country's infrastructure and extensive federal and state programs for infrastructure investment. These programs should provide a stable foundation for construction equipment demand, even in case of broader fluctuations in the general economy. In addition, we foresee further large construction projects involving data centers, battery plants and logistics centers throughout the US Midwest.

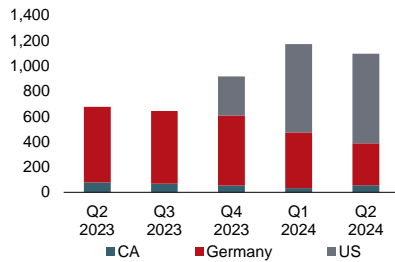
The German economy remains weak and market sentiment is negative. We are taking actions to make our organisation and cost structure more resilient. We however believe in continued strong demand in the aftermarket business. We remain optimistic about the long-term potential in the German market and the opportunities in e-mobility and sustainable transport solutions.

Although the operations in Kazakhstan will represent a small part of the Group's future business, we continue to see long-term potential in the country.

**Lars Corneliusson**  
President and CEO

# Group

## Revenue by segment (SEKm)



## Revenue

In Q2 2024, the revenue of the Group increased by 62% to SEK 1,095m (674). Sales of equipment and trucks increased by 17% and aftermarket sales increased by 169%. Other revenue, mainly consisting of rental sales, increased by 297%. The increase in sales is mainly related to the addition of the US operations from December 2023. Excluding the US operations, total revenue decreased by 42% to SEK 286m.

In 6M 2024, the Group revenue increased by 74% to SEK 2,267m (1,305). The sales of trucks and equipment increased by 38% and aftermarket sales increased by 151%, mainly as a result of the Group's acquisition of the operations in the USA.

## Gross profit and operating result

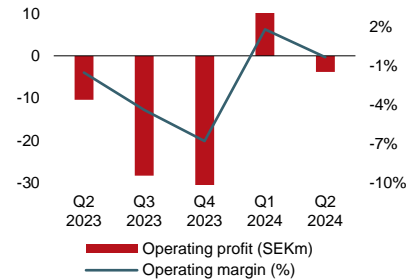
In Q2 2024, the gross margin for the Group increased to 18.4% (12.5). As a result of higher revenue and higher gross margin, gross profit increased by 139% to SEK 202m (84).

As a percentage of revenue, selling, general and administrative expenses increased in Q2 2024 to 19.8% (15.5). The operating result for Q2 2024 increased by 63% to SEK -4m (-10). The operating margin during the quarter increased from -1.5% to -0.3%.

In 6M 2024, the gross margin increased to 19.1% (12.9). As a result of higher margin and higher revenue, gross profit increased by 156% to SEK 433m (169).

As a percentage of revenue, selling, general and administrative expenses increased in 6M 2024 to 19.2% (15.6). The operating result for 6M 2024 increased by 169% to SEK 17m (-25). The operating margin increased from -1.9% to 0.7%.

## Operating profit and operating margin (adjusted\*)



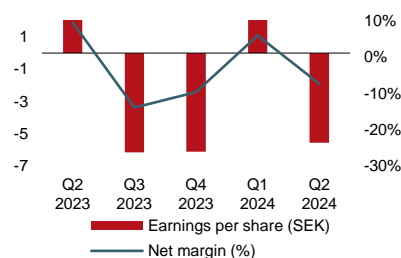
## Net income

In Q2 2024, finance costs (net) amounted to SEK -40m (2). Finance costs increased on higher interest rates and increased debt to fund the acquisition of the US operations. Foreign exchange losses (net) amounted to SEK -35m in Q2 2024, compared to gains (net) of SEK 88m in Q2 2023, mainly as the Swedish krona appreciated against the US dollar and the euro.

The result before income tax for Q2 2024 decreased to SEK -79m (80). The result for Q2 2024 decreased to SEK -81m (64).

In 6M 2024, finance costs (net) increased to SEK -67m (0). Foreign exchange gains (net) were SEK 60m (112). The result before income tax for 6M 2024 decreased by 89% to SEK 10m (88). The result for 6M 2024 decreased by 115% to SEK -11m (71).

## EPS and net margin

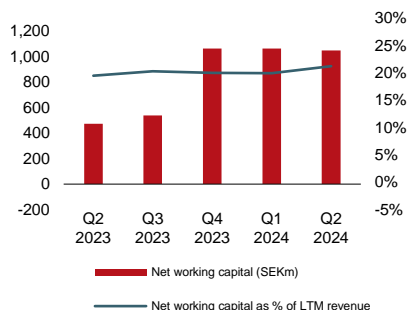


## Earnings per share

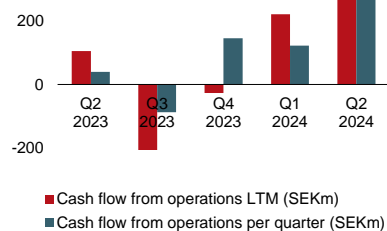
Basic and diluted earnings per share in Q2 2024 amounted to SEK -5.56 (basic: 4.41, diluted: 4.27).

Basic and diluted earnings per share in 6M 2024 amounted to SEK -0.73 (basic: 4.87, diluted: 4.71).

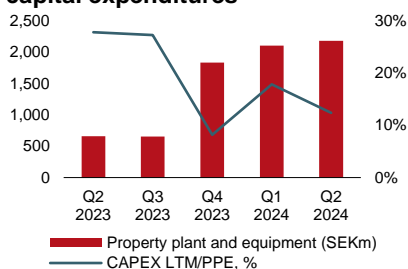
**Net working capital and % LTM revenue**



**Operating cash flow per quarter and over LTM**



**Property, plant and equipment and capital expenditures**



**Cash flows**

In Q2 2024, cash flows from operating activities increased to SEK 270m (40). Working capital at the end of Q2 2024 was SEK 1,049m, a small decrease compared to the end of Q4 2023 at SEK 1,063m. As a percentage of revenue, working capital was 21,2% (20.0%) in Q2 2024.

Cash flow from investing activities in Q2 2024 amounted to SEK -174m (-68). Investments are mainly related to the purchase of new equipment for the rental fleet in the US.

In 6M 2024, cash flows from operating activities increased to SEK 394m (-86). Higher cash flows were partly a result of higher trade and other payables.

Cash flows from investing activities during 6M 2024 amounted to SEK -407m (-74).

**Financial position**

On 30 June 2024, cash and cash equivalents amounted to SEK 208m, a decrease of SEK 219m compared to the end of 2023. The cash decreased mainly as a result of repayment of loans and purchase of machines to the US rental business.

At the end of Q2 2024, interest-bearing liabilities (including lease liabilities and effects of IFRS-16) amounted to SEK 1,878m, an increase of SEK 103m compared to the end of 2023. The increase is partly a result of a movement of trade payables to interest-bearing liabilities, mainly in the US. The movement has no effect on cash flows. The net debt increased from SEK 1,349m at the end of Q4 2023 to SEK 1,671m at the end of Q2 2024.

On 30 June 2024, property, plant and equipment (PP&E) amounted to SEK 2,177m, an increase of SEK 349m from SEK 1,828m at the end of 2023. The increase is mainly related to the increase in the US rental fleet.

On 30 June 2024, equity amounted to SEK 1,627m, an increase of SEK 5m compared to the end of 2023. The increase was partly a result of currency effects.

**Parent company**

In Q2 2024, the revenue of the Parent Company decreased to SEK 2m (12), mainly due to less equipment trading with subsidiaries. Administrative expenses decreased by 26% to SEK 18m (24). The operating result decreased to SEK -15m (-14). The result for the quarter decreased to SEK -5m (64) mainly due to higher finance cost and foreign exchange losses.

In 6M 2024, the revenue of the Parent company decreased to SEK 8m (20). Administrative expenses decreased by 38% to SEK 40m (66). The operating result increased to SEK -36m (-52) in 6M 2024. The result for the 6M 2024 increased to SEK 71m (57).

**Foreign exchange rates**

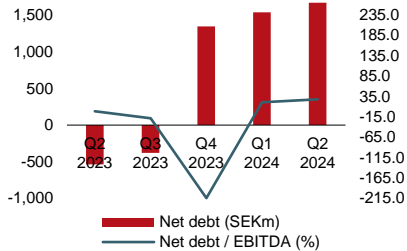
The following foreign exchange rates have been used to translate the Q2 2024 (Q2 2023) results to the presentation currency:

- Average rates of SEK/EUR 11.29 (-0.5% vs 11.35) and SEK/USD 10.53 have been used to translate the income statements.
- End of period rates of SEK/EUR 11.39 (-3.4% vs 11.79) and SEK/USD 10.61 have been used to translate the balance sheet.

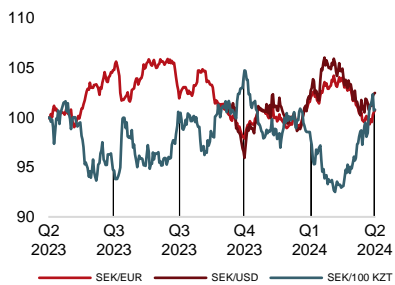
The Group's currency exposure is mainly to the US dollar and the euro, from its US and German operations respectively. The Group also has exposure to the Kazakh tenge.



**Net debt and net debt/EBITDA**



**Currency index last 5 quarters (indexed 1 April 2023)**



**Employees**

At the end of Q2 2024, the number of full-time equivalent employees in the Group was 814 (498), of which 397 (425) related to Germany, 355 (-) to U.S., 43 (64) to Kazakhstan and 12 (12) occupied Group functions.

**Sustainability**

In Q2 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.

**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 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 Q3 2024.

**Events after the reporting period**

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

## Segments

From Q4 2023 Ferronordic recognises three separate reportable segments: US, Germany and Central Asia (CA) (see also note 5 on page 17). In the US, equipment and truck equipment sales includes sales of new construction equipment from Volvo, Hitachi, Sandvik, Link-Belt Cranes and Bergmann, and used machines. In Germany, equipment and truck 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), equipment and truck sales includes 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	
	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023
<b>External revenue</b>	<b>707</b>	-	<b>332</b>	<b>595</b>	<b>56</b>	<b>80</b>			<b>1,095</b>	<b>674</b>
Equipment and truck sales	356	-	172	428	46	64			574	492
Aftermarket sales	275	-	144	144	10	16			429	160
Other revenue	76	-	16	23	0	0			92	23
Gross profit	156	-	38	73	8	11			202	84
EBITDA	131	-	0	22	0	8	-27	-19	104	11
Operating profit	51	-	-27	2	-1	7			23	8
Group costs	0	-	0		0		-27	-19	-27	-19
Operating profit after group costs	51	-	-27	2	-1	7	-27	-19	-4	-10
Finance items (net)									-75	90
Profit(loss) before tax									-79	80
<b>Result for the period</b>									<b>-81</b>	<b>64</b>
Gross margin, %	<b>22.1%</b>		<b>11.4%</b>	<b>12.3%</b>	<b>13.6%</b>	<b>14.4%</b>			<b>18.4%</b>	<b>12.5%</b>
Operating margin, %	<b>7.3%</b>	-	<b>-8.2%</b>	<b>0.3%</b>	<b>-2.3%</b>	<b>8.6%</b>			<b>-0.3%</b>	<b>-1.5%</b>

SEK m (or as stated)	US		Germany		CA		Unallocated Group costs		Total	
	6M 2024	6M 2023	6M 2024	6M 2023	6M 2024	6M 2023	6M 2024	6M 2023	6M 2024	6M 2023
<b>External revenue</b>	<b>1,406</b>		<b>771</b>	<b>1,142</b>	<b>90</b>	<b>163</b>			<b>2,267</b>	<b>1,305</b>
Equipment and truck sales	795		432	803	65	132			1,292	935
Aftermarket sales	483		306	293	25	31			813	324
Other revenue	128		33	46	0	0			161	46
Gross profit	325		94	140	13	28			433	169
EBITDA	239		5	46	-3	16	-51	-45	190	17
Operating profit	112		-39	6	-5	14			68	20
Group costs	0		0	0	0		-51	-45	-51	-45
Operating profit after group costs	112		-39	6	-5	14	-51	-45	17	-25
Finance items (net)									-7	112
Profit(loss) before tax									10	88
<b>Result for the period</b>									<b>-11</b>	<b>71</b>
Gross margin, %	<b>23.1%</b>		<b>12.2%</b>	<b>12.3%</b>	<b>14.9%</b>	<b>17.5%</b>			<b>19.1%</b>	<b>12.9%</b>
Operating margin, %	<b>7.9%</b>		<b>-5.1%</b>	<b>0.5%</b>	<b>-5.2%</b>	<b>8.6%</b>			<b>0.7%</b>	<b>-1.9%</b>

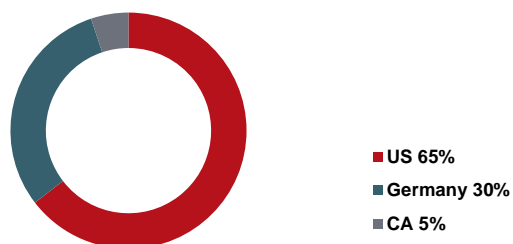
**30 June 2024**

SEK m	US	Germany	CA	Group assets	Total
Non-current assets	1,714	820	7	7	2,547
Total assets	2,941	1,573	267	97	4,879

**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, Q2 2024**

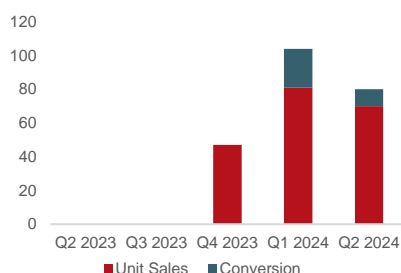


**Segment share of total assets, 30 June 2024**

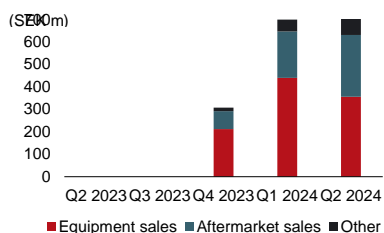


# USA

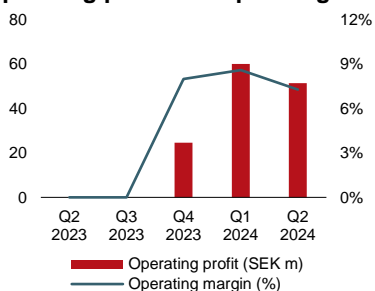
## Unit sales (incl. rental conversion)



## Revenue by activity



## Operating profit and operating margin



## Market and sales

US GDP increased by an annualised 2.8 % in Q2 2024. Annual headline inflation in June dropped to 3.0%, its lowest level since June 2023, while the core inflation rate hit an over three-year low of 3.3%. Jobs growth has also eased, leaving more room for lower rates in the future. Construction spending in June 2024 and H1 2024 increased by 6.2% and 8,6% respectively compared to the same periods in 2023. Federal and state programs for infrastructure investment, such as the Bipartisan Infrastructure Investment and Jobs Act (IIJA), supports demand for machines 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. In Q2 2024, the market for larger construction equipment (GPE segment) in Ferronordic's area is estimated to have decreased by 27%. The decline was driven by a decrease in crawler excavators and articulated haulers. Ferronordic's sales of larger machines in the GPE segment decreased by 7% compared to Q2 2023 and we thus gained market share. In Q2 2024, Ferronordic's American operations sold 70 new units, 25 used units and 10 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 were strong in Q2 2024.

## Revenue and operating result

Revenue in Q2 2024 amounted to SEK 707m. The operating result amounted to SEK 51m. The operating margin was 7,3%. In Q2 2024, 50% of revenue was related to sales of new and used equipment and rental 39% of revenue was related to aftermarket business, 11% was other sales, mainly related to rental of machines.

## Cash flows and balance sheet

The net working capital at the end of Q2 2024 was SEK 437m, 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<sup>1</sup> estimated revenue, working capital was 15% at the end of the quarter. The operating cash flow in Q2 2024 was SEK 270m.

## 6M 2024

In 6M 2024, revenue in the US amounted to SEK 1,406m with a gross margin of 23.1%. The operating result amounted to SEK 112m with an operating margin of 7.9%.

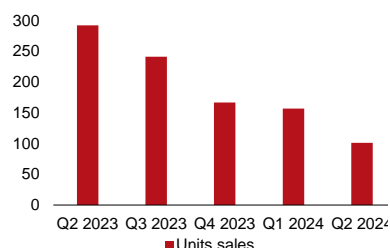
	2024	2023	%	2024	2023	%	2023
	Q2	Q2	change	6M	6M	change	Dec
New units	70			151			47
Conversion from rental, units	10			33			0
Used units	25			48			9
Revenue, SEK m	707			1,406			308
Gross profit, SEK m	156			325			82
Operating profit, SEK m	51			112			25
Gross margin, %	22,1%			23,1%			26.6%
Operating margin, %	7,3%			7.9%			8.0%
Working capital/LTM Revenue, %	15%			15%			17%

<sup>1</sup> Based on annualized Q2 2024 revenue.

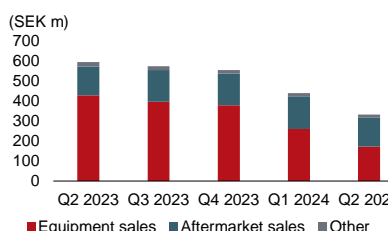


# Germany

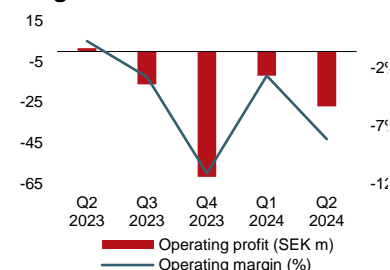
## Unit sales



## Revenue by activity



## Operating profit and operating margin



## Market and sales

German GDP declined 0.1% in Q2 2024 and forecasts for 2024 have been revised lower, to 0.2-0.3%. Inflation in June was lower at 2.2% and the ECB lowered the key rate by 0.25%. The IFO business climate index and the PMI manufacturing declined in June and July. Industrial production also declined. The general sentiment remains negative, and business managers are cautious. Despite this backdrop, based on registrations of new trucks, the total German market for heavy trucks increased by 11% in Q2 and 3% H1 2024. New trucks registered in Ferronordic's sales area increased by 22% and represented approx. 18% of the German market. Ferronordic also saw orders being postponed and cancellations. Ferronordic's new truck sales in units fell by 65% to 101 compared to a strong second Q2 in 2023. Used truck sales in units fell 10% to 80. Ferronordic continues to decrease its used truck inventory and its rental fleet to reduce capital commitment and focus on how these operations can support new sales and the aftermarket business in a weaker market. Despite an unusually high level of absence and an increase in work in progress, aftermarket sales were broadly flat. Our cost reduction program has taken longer and cost more than we originally anticipated. At the end of Q2 2024, however, we believe that we achieved an annual saving of SEK 60m per year.

## Revenue and operating result

Driven by lower trucks sales, total revenue in Germany decreased by 44% to SEK 332m (595) in Q2 2024. Truck sales decreased by 60%. Aftermarket sales was steady at SEK 144m. As a result, aftermarket sales increased by 19pp as a share of revenue to 43%. The gross margin decreased to 11.4% (12.3).

Selling, general and administrative expenses decreased by 7% compared to Q2 2023 to SEK 67m (72). The operating margin decreased to -8.2% (0.3). The operating result decreased to SEK -27m (2).

## Cash flows and balance sheet

Cash flows from operating activities were positive at SEK 13m (117). Working capital was unchanged compared to year end 2023 at SEK 589m. As a percentage of revenue, working capital increased to 31% at the end of Q2 2024, compared to 26% at the end of Q4 2023. Cash flow from financing activities amounted to at -110 MSEK (-359) driven by a repayment of a loan.

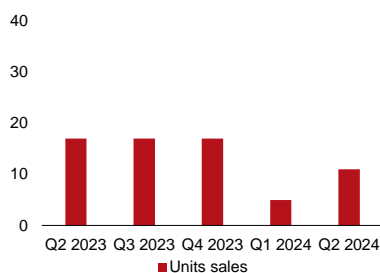
## 6M 2024

In 6M 2024, revenue in Germany decreased by 32% to SEK 771m (1.142) with a gross margin of 12.2% (12.3). The operating result amounted to SEK -39m (6) with an operating margin of -5.1% (0.5).

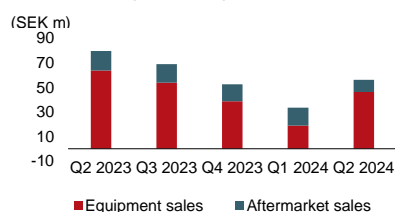
	2024 Q2	2023 Q2	% change	2024 6M	2023 6M	% change	2023 FY
New units	101	292	-65%	258	536	-52%	944
Used units	80	89	-10%	189	175	8%	394
Revenue, SEK m	332	595	-44%	771	1,142	-33%	2 271
Gross profit, SEK m	38	73	-48%	94	140	-33%	253
Operating profit, SEK m	-27	2	-1,770%	-39	6	-734%	-72
Gross margin, %	11.4%	12.3%		12.2%	12.3%		11.1%
Operating margin, %	-8.2%	0.3%		-5.1%	0.5%		-3.2%
Working capital/LTM Revenue, %	31%	21%		31%	21%		26%

## Central Asia (CA)

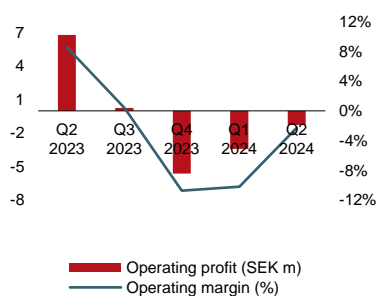
### Unit sales



### Revenue by activity



### Operating profit and operating margin



### Market and sales

The Kazakh economy grew by 3.3% year-on-year in H1 2024. IMF's forecast for 2024 improved to 3.5%. In 2025, growth is projected to pick up to 4.6% as production capacity in Kazakhstan's existing oilfields is expected to expand. Inflation continued to decline and reached 8.4% in June. As a result, the National Bank lowered the base rate further by another 0.5% to 14.25%. 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 market for construction equipment is challenging. In Q2 2024, the market is estimated to have grown by 9% but the structure of tenders, competition from Chinese equipment and lack of consumer funding create market hurdles. Ferronordic's sales of new machines in units in Q2 2024 decreased to 11. Sales of used construction equipment decreased to 12 units. Aftermarket sales also declined 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 29% to SEK 56m (80). Equipment sales decreased by 27%, while aftermarket sales decreased by 37%. The gross margin decreased to 13.6% (14.4) and gross profit decreased to SEK 8m (11).

Selling, general and administrative expenses increased by 21%. As a percentage of revenue, these expenses increased to 16.1% (9.4), on higher costs and lower revenue. The operating margin decreased to -2.3% (8.6) and the operating result decreased to SEK -1m (7).

### Cash flows and balance sheet

Cash flows from operating activities increased to SEK -6m (-87), mainly due to receipts from sales in prior periods. Working capital decreased to SEK 48m at the end of Q2 2024, compared to SEK 67m at the end of Q4 2023. As a percentage of revenue, working capital was 22.5% at the end of Q2 2024, compared to 23.6% at the end of Q4 2023.

### 6M 2024

In 6M 2024, new machine sales in units decreased by 60% to 16. Revenue decreased by 45% to SEK 90m (163). The gross margin decreased to 14.9% (17.5). The operating profit decreased by 133% to SEK -5m (14). The operating margin declined to -5.2% (8.6).

	2024 Q2	2023 Q2	% change	2024 6M	2023 6M	% change	2023 FY
New units	11	17	-35%	16	40	-60%	74
Used units	12	17	-29%	17	29	-41%	54
Revenue, SEK m	56	80	-29%	90	163	-45%	284
Gross profit, SEK m	8	11	-33%	13	28	-53%	43
Operating profit, SEK m	-1	7	-119%	-5	14	-133%	9
Gross margin, %	13.6%	14.4%		14.9%	17.5%		15.0%
Operating margin adjusted, %	-2.3%	8.6%		-5.2%	8.6%		3.1%
Working capital/LTM Revenue, %	236%	32%		23%	32%		24%

## Condensed consolidated statement of comprehensive income

SEK m	Q2 2024	Q2 2023	6M 2024	6M 2023	FY 2023
<b>Revenue</b>	<b>1,095</b>	<b>674</b>	<b>2,267</b>	<b>1,305</b>	<b>2,863</b>
Cost of sales	-893	-590	-1,834	-1,136	-2,486
<b>Gross profit</b>	<b>202</b>	<b>84</b>	<b>433</b>	<b>169</b>	<b>377</b>
Selling expenses	-59	-48	-125	-90	-190
General and administrative expenses	-157	-57	-311	-113	-319
Other income	15	10	27	10	24
Other expenses	-4	0	-7	0	-8
<b>Operating profit</b>	<b>-4</b>	<b>-10</b>	<b>17</b>	<b>-25</b>	<b>-115</b>
Finance income	1	10	4	15	31
Finance costs	-41	-8	-71	-15	-48
Foreign exchange gains/(-losses) (net)	35	88	60	112	-21
<b>Result before income tax</b>	<b>-79</b>	<b>80</b>	<b>10</b>	<b>88</b>	<b>-153</b>
Income tax	-2	-16	-20	-17	46
<b>Result for the period</b>	<b>-81</b>	<b>64</b>	<b>-11</b>	<b>71</b>	<b>-107</b>
<b>Other comprehensive result</b>					
<i>Items that are or may be reclassified to profit or loss:</i>					
Foreign currency translation differences for foreign operations	-21	-19	-15	-13	-35
<b>Other comprehensive result for the period, net of tax</b>	<b>-21</b>	<b>-19</b>	<b>-15</b>	<b>-13</b>	<b>-35</b>
<b>Total comprehensive result for the period</b>	<b>-102</b>	<b>45</b>	<b>-26</b>	<b>58</b>	<b>-142</b>
<b>Earnings per share</b>					
Basic earnings per share (SEK)	-5.56	4.41	-0.73	4.87	-7.39
Diluted earnings per share (SEK)	-5.56	4.27	-0.73	4.71	-7.39

## Condensed consolidated statement of financial position

SEK m	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Jun 2023
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2,177	2,099	1,828	660
Intangible assets	241	257	244	90
Deferred tax assets	129	131	127	83
<b>Total non-current assets</b>	<b>2,547</b>	<b>2,488</b>	<b>2,199</b>	<b>833</b>
<b>Current assets</b>				
Inventories	1,466	1,687	1,443	718
Trade and other receivables	653	678	630	263
Prepayments	5	8	6	9
Cash and cash equivalents	208	217	426	1,127
<b>Total current assets</b>	<b>2,331</b>	<b>2,589</b>	<b>2,506</b>	<b>2,117</b>
<b>TOTAL ASSETS</b>	<b>4,879</b>	<b>5,076</b>	<b>4,705</b>	<b>2,951</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	1	1	1	1
Additional paid in capital	630	630	630	630
Translation reserve	-6	-16	-22	0
Retained earnings	1,013	1,013	1,120	1,120
Result for the period	-11	70	-107	71
<b>TOTAL EQUITY</b>	<b>1,627</b>	<b>1,698</b>	<b>1,622</b>	<b>1,822</b>
<b>Non-current liabilities</b>				
Borrowings	628	610	671	70
Deferred income	4	12	14	22
Deferred tax liabilities	294	297	277	0
Long-term lease liabilities	49	53	59	57
<b>Total non-current liabilities</b>	<b>976</b>	<b>972</b>	<b>1,020</b>	<b>150</b>
<b>Current liabilities</b>				
Borrowings	1,178	1,071	1,024	437
Trade and other payables	1,051	1,283	997	509
Deferred income	12	8	8	9
Provisions	11	18	12	0
Short-term lease liabilities	23	26	22	24
<b>Total current liabilities</b>	<b>2,276</b>	<b>2,406</b>	<b>2,062</b>	<b>978</b>
<b>TOTAL LIABILITIES</b>	<b>3,251</b>	<b>3,378</b>	<b>3,083</b>	<b>1,128</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,879</b>	<b>5,076</b>	<b>4,705</b>	<b>2,951</b>

## Condensed consolidated statement of changes in equity

SEK m	Share capital	Additional paid in capital	Translation reserve	Retained earnings	Total equity
<b>Balance 1 January 2024</b>	<b>1</b>	<b>630</b>	<b>-22</b>	<b>1,013</b>	<b>1,622</b>
<b>Total comprehensive result for the period</b>					
Result for the period	0	0	0	-11	-11
<b>Other comprehensive result</b>					
Foreign exchange differences	0	0	16	0	16
<b>Total comprehensive result for the period</b>	<b>0</b>	<b>0</b>	<b>16</b>	<b>-11</b>	<b>5</b>
<b>Contribution by and distribution to owners</b>					
Dividends	0	0	0	0	0
<b>Total contributions and distributions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance 30 June 2024</b>	<b>1</b>	<b>630</b>	<b>-6</b>	<b>1,002</b>	<b>1,627</b>

SEK m	Share capital	Additional paid in capital	Translation reserve	Retained earnings	Total equity
<b>Balance 1 January 2023</b>	<b>1</b>	<b>630</b>	<b>13</b>	<b>1,229</b>	<b>1,873</b>
<b>Total comprehensive result for the period</b>					
Result for the period	0	0	0	71	71
<b>Other comprehensive result</b>					
Foreign exchange differences	0	0	-13	0	-13
<b>Total comprehensive result for the period</b>	<b>0</b>	<b>0</b>	<b>-13</b>	<b>71</b>	<b>58</b>
<b>Contribution by and distribution to owners</b>					
Dividends	0	0	0	-109	-109
<b>Total contributions and distributions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-109</b>	<b>-109</b>
<b>Balance 30 June 2023</b>	<b>1</b>	<b>630</b>	<b>0</b>	<b>1,191</b>	<b>1,822</b>



## Condensed consolidated statement of cash flows

SEK m	Q2 2024	Q2 2023	6M 2024	6M 2023
<b>Cash flows from operating activities</b>				
Result before income tax	-79	80	10	88
Adjustments for:				
Depreciation and amortization	107	21	172	42
(Gain)/loss from impairment of receivables	-1	-3	0	-3
Profit on disposal of property, plant and equipment	0	0	0	0
Finance costs	77	8	143	15
Finance income	-37	-10	-77	-15
Foreign exchange losses/(gains) (net)	35	-88	-60	-112
<b>Cash flows from operating activities before changes in working capital and provisions</b>	<b>101</b>	<b>8</b>	<b>188</b>	<b>14</b>
Change in inventories	206	-164	28	-233
Change in trade and other receivables	-21	95	-40	82
Change in prepayments	0	-2	-1	-8
Change in trade and other payables	33	109	334	78
Change in provisions	-7	0	-1	-1
Change in deferred income	-4	-4	-6	-9
<b>Cash flows from operating activities before interest and tax paid</b>	<b>308</b>	<b>43</b>	<b>503</b>	<b>-76</b>
Income tax paid	0	-1	-43	-5
Interest paid	-37	-3	-66	-5
<b>Cash flows from operating activities</b>	<b>270</b>	<b>40</b>	<b>394</b>	<b>-86</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of property, plant and equipment	7	0	7	0
Interest received	1	10	4	15
Acquisition of property, plant and equipment	-182	-78	-418	-89
Acquisition of intangible assets	0	0	0	0
<b>Cash flows from investing activities</b>	<b>-174</b>	<b>-68</b>	<b>-407</b>	<b>-74</b>
<b>Cash flows from financing activities</b>				
Dividends	0	-109	0	-109
Proceeds from borrowings	0	0	0	12
Repayment of loans	-98	-359	-197	-359
Leasing financing paid	-8	0	-14	-7
<b>Cash flows from financing activities</b>	<b>-106</b>	<b>-468</b>	<b>-211</b>	<b>-463</b>
<b>Net change in cash and cash equivalents</b>	<b>-10</b>	<b>-497</b>	<b>-224</b>	<b>-624</b>
<b>Cash and cash equivalents at start of the period</b>	<b>217</b>	<b>1,574</b>	<b>426</b>	<b>1,688</b>
Effect of exchange rate fluctuations on cash and cash equivalents	1	51	6	63
<b>Cash and cash equivalents at end of the period</b>	<b>208</b>	<b>1,127</b>	<b>208</b>	<b>1,127</b>

## Parent company income statement

SEK m	Q2 2024	Q2 2023	6M 2024	6M 2023	FY 2023
<b>Revenue</b>	2	12	8	20	36
Cost of sales	0	-8	-3	-13	-22
<b>Gross profit</b>	2	4	4	8	14
Administrative expenses	-18	-24	-40	-66	-118
Other income	0	6	0	6	21
Other costs	0	0	0	0	0
<b>Operating profit</b>	-15	-14	-36	-52	-82
Finance income	39	18	78	30	78
Finance costs	-13	-1	-23	-2	-7
Foreign exchange gains/(-losses) (net)	-17	76	62	95	-20
<b>Result before income tax</b>	-7	79	81	72	-30
Income tax	1	-15	-11	-15	6
<b>Result for the period</b>	-5	64	71	57	-24

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

## Parent company balance sheet

SEK m	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Jun 2023
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	0	0	0	0
Intangible assets	0	0	0	0
Financial assets				
Holdings in group companies	288	288	288	288
Loans to group companies	54	56	66	0
Deferred tax assets	6	6	6	0
<b>Total financial assets</b>	<b>348</b>	<b>350</b>	<b>360</b>	<b>288</b>
<b>Total non-current assets</b>	<b>348</b>	<b>351</b>	<b>361</b>	<b>289</b>
<b>Current assets</b>				
Trade and other receivables	44	109	47	53
Prepayments	0	0	0	0
Loans to group companies	2,077	1,936	1,784	743
Cash and cash equivalents	63	146	266	1,021
<b>Total current assets</b>	<b>2,183</b>	<b>2,191</b>	<b>2,097</b>	<b>1,817</b>
<b>TOTAL ASSETS</b>	<b>2,532</b>	<b>2,541</b>	<b>2,458</b>	<b>2,106</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Restricted equity				
Share capital	1	1	1	1
Unrestricted equity				
Share premium reserve	640	640	640	640
Retained earnings	1,283	1,283	1,308	1,308
Result for the period	71	76	-24	57
<b>TOTAL EQUITY</b>	<b>1,995</b>	<b>2,001</b>	<b>1,925</b>	<b>2,006</b>
<b>Non-current liabilities</b>				
Borrowings	481	483	455	0
<b>Total non-current liabilities</b>	<b>481</b>	<b>483</b>	<b>455</b>	<b>0</b>
<b>Current liabilities</b>				
Trade and other payables	55	57	78	100
<b>Total current liabilities</b>	<b>55</b>	<b>57</b>	<b>78</b>	<b>100</b>
<b>TOTAL LIABILITIES</b>	<b>536</b>	<b>541</b>	<b>534</b>	<b>100</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,532</b>	<b>2,542</b>	<b>2,458</b>	<b>2,106</b>

# Notes

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## 1. Accounting policies

Ferronordic applies the IFRS<sup>®</sup> 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).

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## 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.

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## 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.

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## 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).

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## 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.

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## 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.

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## 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.

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## 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.

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**Result for the period, SEK m**

	<b>2024 Q2</b>	<b>2023 Q2</b>	<b>2024 6M</b>	<b>2023 6M</b>
<b>Result attributable to shareholders, SEK m</b>	<b>-81</b>	<b>64</b>	<b>-11</b>	<b>71</b>
Average number of shares during the period before dilution, thousand	14,532	14,532	14,532	14,532
<b>Earnings per share before dilution, SEK</b>	<b>-5.56</b>	<b>4.41</b>	<b>-0,73</b>	<b>4,87</b>
Dilution effect	0	455	0	496
Average number of shares during the period after dilution, thousand	14,532	14,987	14,532	15,028
<b>Earnings per share after dilution, SEK</b>	<b>-5.56</b>	<b>4.27</b>	<b>-0,73</b>	<b>4,71</b>

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**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 second 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, 15 August 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 April 2022 – 30 June 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

	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
SEK m (or as stated)	2022	2022	2022	2023	2023	2023	2023	2024	2024
Revenue	402	412	705	631	674	643	915	1,172	1,095
Gross profit	43	57	97	85	84	75	133	231	202
Gross margin, %	10.6%	13.9%	13.8%	13.4%	12.5%	11.7%	14.5%	19.7%	18.4%
Operating profit	-30	300	-13	-14	-10	-28	-62	21	-4
Operating margin, %	-7.4%	-5.0%	-1.9%	-2.2%	-1.5%	-4.4%	-6.8%	1.8%	-0.3%
Result from continuing operations	-97	262	49	7	64	-89	-89	70	-81
Result for the period	32	366	-21	7	64	-89	-89	70	-81
Result per share, SEK	2.20	25.20	-1.42	0.46	4.41	-6.16	-6.11	4.83	-5.56
Working capital/LTM Revenue, %	14%	18%	11%	23%	20%	20%	20%	20%	21%
Cash flow from operations	39	240	-48	-126	40	-88	147	124	270
Equity/total assets, %	37%	42%	58%	59%	62%	62%	34%	33%	33%
Return on equity, LTM%	22%	35%	30%	26%	23%	-2%	-6%	-2%	-7%
Return on capital employed, LTM%	23%	31%	11%	11%	11%	-1%	-3%	-2%	-2%

### USA

	Q2	Q3	Q4	Q1	Q2	Q3	Dec	Q1	Q2
SEK m (or as stated)	2022	2022	2022	2023	2023	2023	2023	2024	2024
Revenue	-	-	-	-	-	-	308	699	707
Gross profit	-	-	-	-	-	-	82	169	156
Gross margin, %	-	-	-	-	-	-	26.6%	24.1%	22.1%
Operating profit	-	-	-	-	-	-	25	60	51
Operating margin, %	-	-	-	-	-	-	8.0%	8.6%	7.3%
Working capital/LTM Revenue, %	-	-	-	-	-	-	17%	13%	15%

### Germany

	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
SEK m (or as stated)	2022	2022	2022	2023	2023	2023	2023	2024	2024
Revenue	375	359	616	548	595	574	555	439	332
Gross profit	36	49	82	68	73	66	47	57	38
Gross margin, %	9.7%	13.5%	13.4%	12.3%	12.3%	11.5%	8.4%	12.9%	11.4%
Operating profit	-7	-5	-2	5	2	-16	-62	-12	-27
Operating margin, %	-1.9%	-1.4%	-0.4%	0.8%	0.3%	-2.8%	-11.1%	-2.7%	-8.2%
Working capital/LTM Revenue, %	15%	17%	17%	27%	21%	22%	26%	30%	31%

**CA**

	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
SEK m (or as stated)	2022	2022	2022	2023	2023	2023	2023	2024	2024
Revenue	26	53	89	83	80	69	52	34	56
Gross profit	6	9	15	17	11	9	5	6	8
Gross margin, %	23.5%	16.7%	16.5%	20.4%	14.4%	13.7%	8.9%	17.1%	13.6%
Operating profit	2	4	5	7	7	0	-6	-3	-1
Operating margin, %	9.2%	8.0%	6.1%	8.7%	8.6%	0.4%	-10.7%	10,2%	-2.3%
Working capital/LTM Revenue, %	13%	18%	-3%	17%	32%	23%	24%	29%	23%

**Net debt**

	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
SEK m	2022	2022	2022	2023	2023	2023	2023	2024	2024
Long term borrowings	515	340	393	416	70	69	671	610	628
Long term lease liabilities	124	111	43	38	57	51	59	53	49
Short term borrowings	673	989	274	418	437	428	1,024	1,071	1,178
Short term lease liabilities	59	78	21	20	24	23	22	26	23
<b>Total interest bearing liabilities</b>	<b>1,370</b>	<b>1,518</b>	<b>731</b>	<b>892</b>	<b>588</b>	<b>571</b>	<b>1,776</b>	<b>1,759</b>	<b>1,878</b>
Cash & cash equivalents	658	939	1,688	1,574	1,127	950	426	217	208
Net debt / (cash)	712	579	-957	-681	-539	-378	1,349	1,542	1,671
Net debt / EBITDA (times)	0.9	0.5	-3.0	-2.0	-1.5	-18.4	-214.7	21.0	9.4

**Working capital**

	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
SEK m	2022	2022	2022	2023	2023	2023	2023	2024	2024
Inventory	1,346	1,326	460	534	718	699	1,443	1,687	1,466
Trade and other receivables	993	856	344	365	263	315	630	678	653
Prepayments	116	243	1	7	9	3	6	8	5
Trade and other payables	1,415	1,117	573	392	509	470	997	1,283	1,051
Deferred income	36	33	16	12	9	8	8	8	12
Provisions	86	92	1	0	0	0	12	18	11
<b>Working capital</b>	<b>917</b>	<b>1,184</b>	<b>215</b>	<b>503</b>	<b>472</b>	<b>538</b>	<b>1,063</b>	<b>1,062</b>	<b>1,049</b>
Revenue LTM	6,791	6,610	1,973	2,149	2,422	2,653	5,313	5,314	4,938
Working capital / Revenue (%)	14%	18%	11%	23%	20%	20%	20%	20%	21%

**Capital employed**

	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
SEK m	2022	2022	2022	2023	2023	2023	2023	2024	2024
Long term interest bearing liabilities	638	451	436	455	127	120	730	663	677
Short term interest bearing liabilities	732	1,067	295	438	461	451	1,046	1,096	1,201
Shareholder equity	1,739	2,108	1,873	1,886	1,822	1,750	1,622	1,698	1,627
<b>Capital employed</b>	<b>3,109</b>	<b>3,626</b>	<b>2,604</b>	<b>2,778</b>	<b>2,411</b>	<b>2,322</b>	<b>3,397</b>	<b>3,457</b>	<b>3,505</b>
Average capital employed	2,397	2,738	2,336	2,356	2,760	2,974	3,001	3,117	2,958
EBIT	514	818	247	257	277	-66	-115	-80	-84
Interest income	30	28	2	7	17	25	31	29	30
Result LTM	544	846	249	265	293	-41	-84	-51	-53
Return on capital employed (%)	23%	31%	11%	11%	11%	-1%	-3%	-2%	-2%

**Return on equity**

	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
SEK m	2022	2022	2022	2023	2023	2023	2023	2024	2024
Shareholder equity	1,739	2,108	1,873	1,886	1,822	1,750	1,622	1,698	1,627
Average equity	1,315	1,568	1,487	1,486	1,781	1,929	1,748	1,792	1,725
Net result LTM	291	549	440	384	416	-39	-107	-44	-125
Return on equity (%)	22%	35%	30%	26%	23%	-2%	-6%	-2%	-7%

**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 41 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](http://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 15 August 2024 at 07:30 CET.*

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## Financial calendar

Interim report July-September 2024 – 14 November 2024  
Interim report October-December – 20 February 2025

### Conference call

A presentation for investors, analysts and media will be held on 15 August 2024 at 10:00 CET and is accessible at [www.ferronordic.com](http://www.ferronordic.com).

To participate via teleconference, please register on the link below.

<https://conference.financialhearings.com/teleconference/?id=50049919>

To participate via webcast, please use the link below.

<https://ir.financialhearings.com/ferronordic-q2-report-2024>

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