

Ferronordic

Second quarter 2025
14 August 2025

Q2 2025: Stable revenue and cash flow, further steps towards profitability



Group and segment highlights:

- Stable sales and cash flows
- Revenue of SEK 1,088m (1,115)
- Cash flows from operating activities at SEK 262m (270)
- Gross profit declined 4% to SEK 177m (185)
- Gross margin largely unchanged at 16.3% (16.6)
- SG&A decreased 6%
- Operating profit SEK -5m (-4)
- Net finance cost decreased 26% to SEK 29m
- Net debt decreased to SEK 1,679m

-2%

Revenue
growth

SEK -5m

Operating profit

0.4%

Operating profit
margin

SEK -3.51

EPS

Q2 2025

Stable revenue and cash flow, further steps towards profitability

- New CEO since mid May
- Stable revenue and cash flows despite uncertainty in the US and stagnation in Germany
- Operating profit negative at SEK -5 due to lower contribution from US
- Not because of softening market but mainly due to own measures to improve and grow business going forward
- Demand was holding up and the market in the US territory was up 10% in the quarter
- In Germany, the operating result improved YoY but remained negative
- Main priority here is to continue increasing the number of technicians to fully meet existing demand
- Continued optimization of inventories – which are now generally balanced – and reduction of debt
- Lower financing cost positively impacting net result

Our customers in the US remain optimistic about the future

Our customers in Germany remained cautious about new investments

In Germany we reduced our cost base, inventory levels, and financing costs

Q2 2025

Group summary financials¹

Group revenue at SEK 1,088m (-2%)

- US revenue -4% to SEK 695m (+4% in USD)
- German revenue +10% to SEK 366m (+12% in EUR)
- Kazakhstan revenue -54% to SEK 26m (-45% in KZT)

Group operating profit of SEK -5m (-4)

- US operating profit decreased from SEK 51m to SEK 26m
- German operating profit increased from SEK -27m to SEK -13m
- Kazakhstan operating profit unchanged at SEK -1m
- Unallocated group costs decreased from SEK 27m to SEK 17m

Net income increased to SEK -51m (-81) on lower finance costs but continued foreign exchange losses

Net debt decreased to SEK 1,679m mainly on loan repayments and currency effects

- 31% equity to total assets
- Book equity of SEK 1,302m as at 30 June 2025

¹ In Q2 2025 certain revenue and cost items have been reclassified, with some effects on comparable numbers in Q2 2024 for revenue, gross profit, SG&A and other income. For more details on this effect, please refer to the slide 14 in this presentation or the note on p8 of the financial report for Q2 2025.



SEK 1,088m
(-2%) revenue

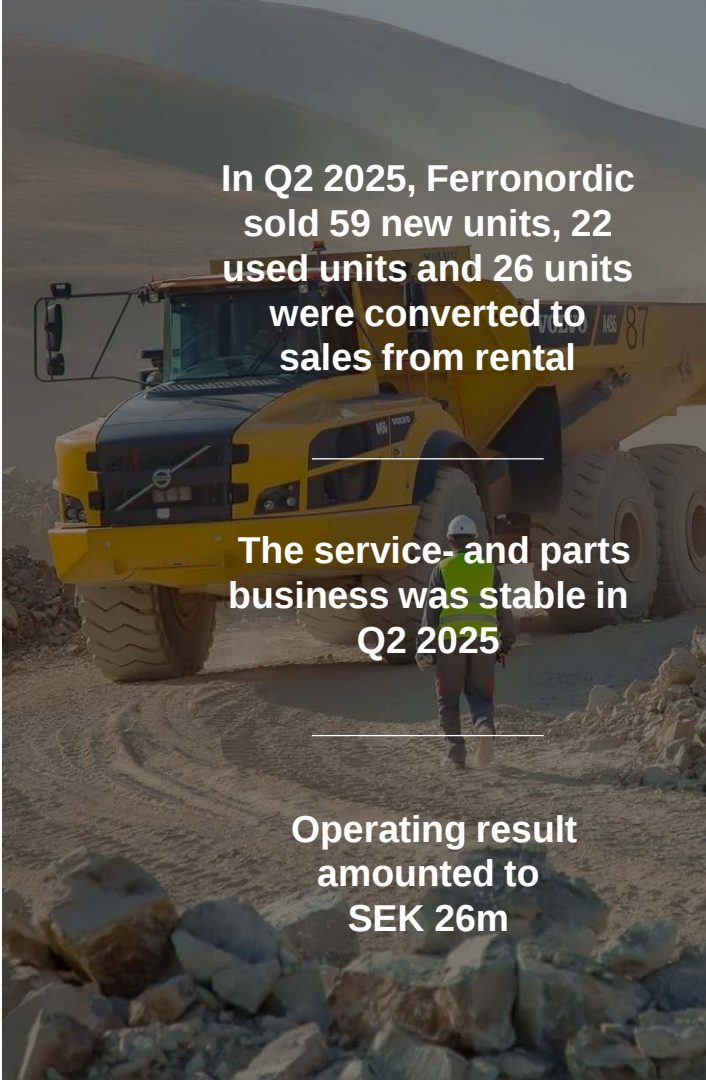
SEK -5m
operating profit

Net debt of
SEK 1,679m

Q2 2025

US operational highlights¹

- Consistent demand despite uncertainty regarding trade policy and tax
- Activity remains high. Customers are optimistic and have strong backlogs
- Market in Ferronordic's territory increased 10%
- Big Beautiful Bill removed uncertainty on tax incentives for investments
- Ferronordic does not currently foresee that tariffs will affect it worse than others
- Market share decreased somewhat as Ferronordic added fewer new machines to rental fleet
- Rental revenue increased as rental utilization improved
- Stable service and parts sales
- Low-utilization machines sold at loss, increasing revenue by SEK 19m but reducing gross profit by SEK 2m
- SEK 5m inventory impairment on certain parts and components
- Without these effects, gross margin was largely in line with previous year



In Q2 2025, Ferronordic sold 59 new units, 22 used units and 26 units were converted to sales from rental

The service- and parts business was stable in Q2 2025

Operating result amounted to SEK 26m

Q2 2025

Germany operational highlights

- Demand for new and used trucks remained soft as many customers continued to delay new investments
- New trucks registered in Germany decreased by 27%¹
- New trucks registered in Ferronordic's territory decreased by 38% Y-o-Y and represented about 18% of the total market
- Sales of new trucks increased by 53% to 155 in units and by 32% to SEK 180m in revenue
- Customers continue to actively utilize their fleets – resulting in continued demand for service and parts
- Service and parts sales increased by 6% to SEK 152m
- Capacity has increased but the number of technicians should grow further
- Gross margin improved and gross profit increased by 33%. Despite this, expenses declined
- Inventory declined by 53% to SEK 218m at the end Q2 2025 from SEK 461m at the end of Q2 2024
- Lower financing costs

¹ ACEA statistics, based on registrations



New truck sales in
units increased by 53%
to 155 units

Service and parts sales
increased by +6% to
SEK 152m

Inventory declined by
53% to SEK 218m

Q2 2025

Kazakhstan operational highlights

- Economy continued to grow
- Activity in the mining sector, however, where many of Ferronordic's large customers are active, remained low
- Market for larger machines (GPE segment) declined by 27% Y-o-Y
- Equipment sales down 79% Y-o-Y as we sold less new and used machines
- Service and parts sales increased by 65% Y-o-Y
- Gross margin improved
- SEK 1m inventory impairment of parts
- Lower expenses despite 1m SEK restructuring cost
- Inventory reduced to SEK 68m at the end of Q2 2025 compared to 209m at the end of Q2 2024



Sales of new machines in units decreased to 6 (11)

Aftermarket sales increased +65% Y-o-Y

Inventory declined to SEK 68m

Economic development

- **US**

- GDP +2.0% Y-o-Y and 3.0% Q-o-Q in Q2 2025¹ and +1.3-1.5% growth expected in 2025²
- Core PCE inflation at +2.8% in June 2025³
- Effective Fed Funds Rate remained unchanged at 4.33% in Q2 2025⁴

- **Germany**

- GDP +0.4% Y-o-Y, but -0.1% Q-o-Q in Q2 2025⁵
- 0% expected in 2025⁶
- Inflation rate at +2.0% in June 2025⁷

- **Kazakhstan**

- +5.0% GDP in 2024⁸ and +4.9% GDP expected in 2025⁹
- Inflation rate at +11.8% in June 2025⁸
- National Bank base rate remained unchanged at 16.5% in Q2 2025⁹

1) <https://www.bea.gov/news/2025/gross-domestic-product-2nd-quarter-2025-advance-estimate>

2) <https://fred.stlouisfed.org/graph/?q=1heMm>

3) <https://www.bea.gov/data/personal-consumption-expenditures-price-index-excluding-food-and-energy>

4) <https://fred.stlouisfed.org/series/fedfunds>

5) https://www.destatis.de/EN/Press/2025/07/PE25_278_811.html

6) https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/WEOWORLD

7) https://www.destatis.de/EN/Press/2025/07/PE25_250_611.html

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

9) <https://www.nationalbank.kz/ru/news/grafik-prinyatiya-resheniy-po-bazovoy-stavke/rubrics/2237>



US economy
up +3.0% in Q2 2025

German economy
up -0.1% in Q2 2025

Kazakh economy
expected +4.9% in 2025

Q2 2025

Income statement

SEK MM	Q2 2024	Q2 2024	Q2 2024	Q2 2024	Q2 2025	Q2 2025	Q2 2025	Q2 2025	% change
	Kazakhstan	Germany	US	Group	Kazakhstan	Germany	US	Group	Group
FX (SEK/KZT, EUR/SEK, USD/SEK)	42.68	11.29	10.53		50.40	11.09	10.17		
New units sold	11	101	70	182	6	155	59	220	21%
Revenue	56	332	727	1,115	26	366	695	1,088	-2%
Gross profit	8	38	140	185	6	50	121	177	-4%
% Margin	13.6%	11.4%	19.2%	16.6%	24.0%	13.7%	17.3%	16.3%	-0.3pp
Operating profit*	-1	-27	51	-4	-1	-13	26	-5	23%
% Margin	-2.3%	-8.2%	7.1%	-0.3%	-3.6%	-3.5%	3.8%	-0.4%	-0.1pp
Net result for the period				-81				-51	-37%
EPS				-5.56				-3.51	-37%
EBITDA ¹	0	0	131	104	0	9	104	95	-8%

- Total revenue down 2% to SEK 1,088m
 - 64% US, 34% Germany and 2% KZ
 - 49% equipment and trucks, 41% aftermarket and 9% other
- Gross profit down 4%
- Gross margin largely unchanged at 16.3% (down 0.3pp Y-o-Y) (lower in US compensated by higher in Germany)²
- SG&A decreased -6% to SEK 181m
- As % of revenue, SG&A declined to 16.6% (17.3%)
- Operating margin decreased to -0.4% (-0.3%)
- Operating profit at SEK -5m (-4), mainly on lower US contribution
- Net income of SEK -51m on lower financing cost but continued foreign exchange losses

¹ Group operating profit and EBITDA includes Group costs not allocated on the reporting segments

² In Q2 2025 certain revenue and cost items have been reclassified, with some effects on comparable numbers in Q2 2024 for revenue, gross profit, SG&A and other income. For more details on this effect, please refer to the slide 14 in this presentation or the note on p8 of the financial report for Q2 2025.

Q2 2025

Balance sheet

SEK MM	Q2 2024	Q1 2025	US Q2 2025	Q2 2025
<i>FX SEK/EUR</i>	11.39	10.85		11.15
<i>FX SEK/USD</i>	10.61	10.03	9.51	9.51
<i>FX SEK/KZT</i>	44.42	50.07		54.94
Property, plant and equipment	2,177	2,282	1,615	2,254
Cash and cash equivalents	208	232	27	185
Debt	1,806	2,003	1,840	1,811
Finance Leases	72	55	16	53
Net debt / (cash)	1,671	1,826	1,828	1,679
Working capital	1,049	825	401	625
<i>% of Revenue</i>	21%	17%	14%	13%
Shareholders equity	1,627	1,372	90	1,302
Total Assets	4,879	4,540	2,732	4,183
Equity / Assets	33%	30%	3%	31%

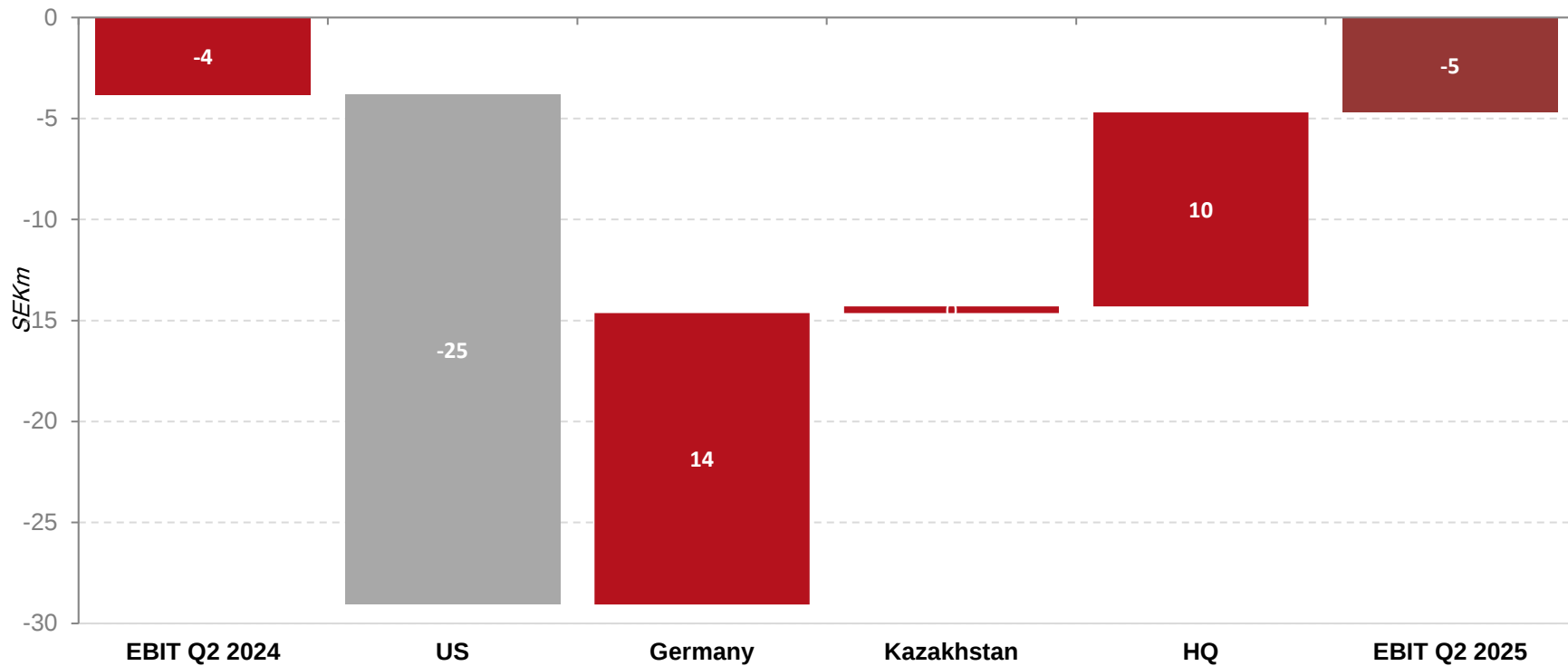
- PP&E increased Y-o-Y despite FX, mainly due to addition of rental fleet in the US and e-rental fleet in Germany
- In US, net working capital decreased Q-o-Q from 17% to 14% of LTM revenue as inventory and receivables declined more than payables
- In Germany, net working capital decreased Q-o-Q from 16% to 11% of LTM revenue, mainly as a result of lower receivables, which was partly due to receipt of electric truck subsidies
- In Kazakhstan, net working capital decreased in SEK but increased from 47% to 49% Q-o-Q on lower LTM revenue
- Net debt decreased SEK 146m Q-o-Q to SEK 1,679m
- Equity / assets increased Q-o-Q to 31%

Changes in presentation of US segment

SEK m	Q2 2025	Q2 2024	Q2 ADJ	Q2 2024 ADJ	Y-o-Y reported	Y-o-Y adjusted
Revenue	695	707	21	727	-2%	-4%
Equipment and truck sales	334	356	7	362	-6%	-8%
Service and parts sales	281	275	14	289	2%	-3%
Other revenue	80	76	-	76	6%	6%
Cost of sales	-575	-550	-38	-588	4%	-2%
Gross profit	121	156	-17	139	-23%	-13%
Selling expenses	-28	-19	-4	-23	47%	21%
General and administrative expenses	-68	-95	28	-67	-28%	1%
Other income	1	9	-7	2		
Other expenses	1	-1		-1		
Operating profit	26	51	-	51	-49%	-49%
Gross margin	17.3%	22.1%		19.1%		
Operating margin	3.8%	7.3%		7.0%		

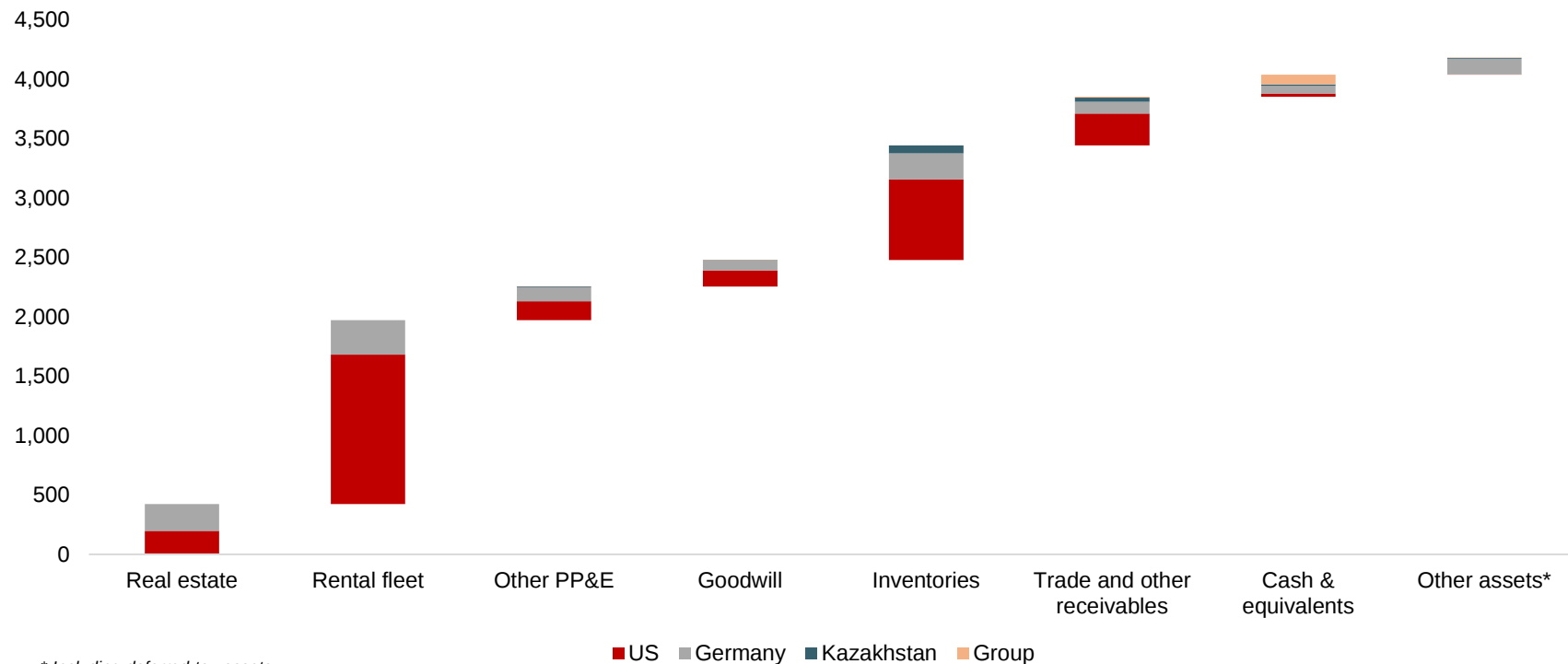
- In 2025, certain revenue and cost items in the income statement for the US segment have been reclassified to align the presentation of the US segment to Group reporting guidelines
- The table shows the Q2 2024 income statement as reported in August 2024 and after the change in presentation and also the difference in column Q2 ADJ.
- The reclassifications affect revenue, gross profit, gross margin, SG&A, other income and operating margin but has no effect on the operating profit

Group EBIT Y-o-Y



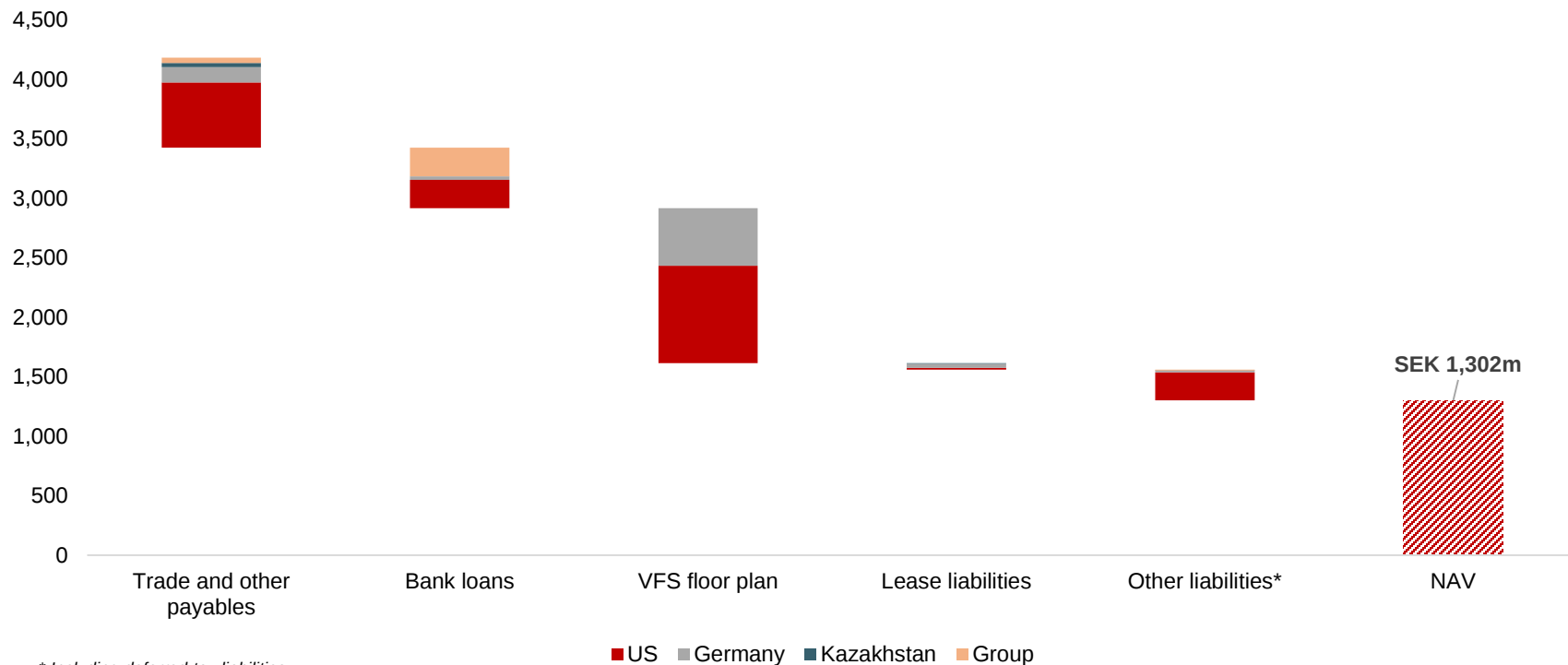
Group assets by segment

Split by main items and segment as at 30.06.2025



Group liabilities by segment

Split by main items and segment as at 30.06.2025



Financial objectives and dividend policy

KPI	Objective	Q2 2025 LTM
Revenue	Double the 2024 ¹ revenue in current markets over 5 years (in SEK)	1.02x <i>2 x 6M 2024 revenue</i>
Operating margin	Above 6%	0.3%
Net debt / EBITDA	Below 3 times <i>(over a business cycle)</i>	4.5 x
Dividend policy	The ambition is to pay at least 50% of net income if net debt/EBITDA is less than 1.0 x², post dividend payment, and to pay at least 25% if net debt/EBITDA is more than 1.0 x². The Board will take several factors into account when proposing the level of dividend including legal requirements, the articles of association, the Group's expansion opportunities, its financial position and other investment needs.	

- 1) Based on 2x 6M 2024 revenue. Current markets are defined as Ferronordic's current (Q2 2024) sales area in the US, Germany and Kazakhstan. They include expansion to other brands and products and expansion of our network in and directly adjacent to our current area
- 2) After and including accounting for paying the dividend

Outlook

We remain optimistic about our operations in the US and the long-term opportunities there. We expect activity in the infrastructure sector to remain as the need to maintain and develop American roads and other infrastructure is significant. We see clear opportunities to further develop and expand our US operations going forward.

In Germany, truck demand remains low while demand for service and parts is holding up relatively well. When the economy starts to recover, demand for both new trucks and service and parts should increase, too. We must ensure that we have enough capacity in our workshops to fully meet this demand. Meanwhile, we have reduced our cost base, our inventory levels, and our financing costs. Overall, we are also optimistic about our operations in Germany.

Kazakhstan represents a small part of the Group's business, but we see promising opportunities in the market over the longer term.



Thank you