

Press Release  
Stockholm, 12 May 2021

Ferronordic AB (publ)  
Interim Report January - March 2021

## ***Best first quarter to date***

### **FIRST QUARTER 2021**

- Revenue increased by 13% to SEK 1,267m (SEK 1,118m)
- Operating profit increased by 57% to SEK 80m (SEK 51m)
- Operating margin increased to 6.3% (4.6%)
- The result for the period increased by 176% to SEK 56m (SEK 20m)
- Earnings per ordinary share amounted to SEK 3.85 (SEK 1.39)
- Cash flows from operating activities amounted to SEK 91m (SEK 101m)

<b>SEK M</b>	<b>Q1 2021</b>	<b>Q1 2020</b>	<b>%</b>
Revenue	<b>1,267</b>	<b>1,118</b>	<b>13%</b>
Operating profit	<b>80</b>	<b>51</b>	<b>57%</b>
Result for the period	<b>56</b>	<b>20</b>	<b>176%</b>
Earnings per share	<b>3.85</b>	<b>1.39</b>	<b>176%</b>
Gross margin	<b>17.0%</b>	<b>16.3%</b>	
Operating margin	<b>6.3%</b>	<b>4.6%</b>	
Return on capital employed	<b>21%</b>	<b>23%</b>	
Working capital / Revenue	<b>4%</b>	<b>13%</b>	
Net debt / (cash)	<b>-33</b>	<b>531</b>	

Lars Corneliusson, CEO Ferronordic, comments: "The first quarter of 2021 was another solid quarter, characterised by strong equipment sales in Russia/CIS, improving aftermarket sales in Germany and good profitability. In Russia/CIS, our new machine sales in units increased by 31% in a market that grew by 26%. Thanks to great efforts from our team, supported by our digital sales system, aftermarket revenue caught up with last year's sales in Swedish crowns, despite a 29% depreciation of the Russian ruble. Challenging weather conditions slowed the ramp-up of our new projects but our contracting services business continued to grow during the quarter. Our machine and component rebuild centre, which was expanded last year, is fully utilised until October. Revenue in Russia/CIS increased by 20% to SEK 1,007m. The operating margin and operating profit grew on higher gross profit and lower selling- and administrative expenses. In business development, we took an exciting step to become dealer for Sandvik mobile crushers and screens in all of Russia, effective from April. In Germany, we continued to invest in our service network and our organisation. We announced the acquisition of three additional workshops as well as the construction of a new site in Hannover. The German trucks market recovered during the quarter but our new trucks sales declined as some customers waited for deliveries of the new Volvo model range. Our aftermarket sales however grew and performed well. The gross margin improved as the revenue mix shifted towards aftermarket. Selling- and administrative costs were however higher, partly due to restructuring costs. The operating result declined compared to last year. For the Group as a whole, revenue was up 13% to SEK 1,267m. Operating profit increased 57% to SEK 80m, which is the best first quarter result to date, despite the negative contribution from Germany. Working capital remained low at 4% of revenue. Strong cash flows supported a net cash position of SEK 33m. The business environment remains uncertain, mainly as regards potential supply chain constraints. Despite this, we expect our markets to continue to recover in the remainder of 2021."

**About Ferronordic**

Ferronordic is a service and sales company in the areas of construction equipment and trucks. It is the dealer of Volvo Construction Equipment and certain other brands in all of Russia and Kazakhstan, aftermarket partner of Volvo Trucks and Renault Trucks in part of Russia, and dealer of Volvo Trucks and Renault Trucks in part of Germany. The company also offers contracting services where it owns and operates equipment to carry out works for customers. Ferronordic began its operations in 2010 and now has approx. 100 outlets and 1,500 employees. Ferronordic's vision is to be regarded as 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)

**Financial Calendar 2021/2022**

Interim report January-June 2021	12 August 2021
Interim report January-September 2021	12 November 2021
Year-end report January-December 2021	18 February 2022

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