

Ferronordic completes acquisition of leading dealer for Volvo Construction Equipment in the USA

Ferronordic has completed the acquisition of Rudd Equipment Company, Inc. (“Rudd”), one of the largest dealers for Volvo CE in the United States, with operations in all or parts of nine states. Ferronordic thereby takes the first step to expand into the important US market.

Ferronordic announced on 13 November 2023 that the company had entered into an agreement to acquire Rudd Equipment Company, Inc. (“Rudd”). On 30 November 2023, Ferronordic completed the acquisition of Rudd.

Rudd is based in Louisville, Kentucky, but covers an extensive sales area with several major cities, such as Cincinnati, Columbus, St. Louis, Cleveland and Pittsburgh.

In 2022, Rudd had revenue of USD 308.3m with an operating profit of USD16.5m and profit before tax of USD 16.4m (adjusted to IFRS from Rudd's audited financial statements). The purchase price amounts to USD 95.0m, corresponding to 5.8 x 2022 adjusted profit before tax. In addition, Ferronordic acquires two properties for USD 10m, currently leased by Rudd.

The total purchase price for the shares in Rudd and the two properties thus amounts to USD 105m. Of this, USD 60m is financed with own cash/equity and USD 45m with new loans.

Ferronordic's CEO, Lars Corneliusson, comments on the transaction: *“This is a transformative transaction for us. We have been looking for geographical expansion opportunities in different regions, mainly in developed markets. The US is the world's second largest market for construction equipment with extensive infrastructure investment programs likely to support strong demand going forward. Rudd is a good strategic fit for Ferronordic and provides the business platform and scale we were looking for. The acquisition provides a strong base in a dynamic market that opens up for further expansion in North America”.*

For more information about the transaction, we refer to Ferronordic's press release from 13 November 2023. The press release is also available on our website:

<https://ferronordic.com/sv/investerarrelationer/pressmedalenden/>.



About Ferronordic

Ferronordic is a service and sales company in the areas of trucks and construction equipment. It 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 is the dealer for Volvo CE in all or parts of nine states in the United States and also represents Hitachi, Sandvik and Linkbelt in parts of the same area. 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

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