

Ferronordic is awarded up to EUR 23m in government subsidies in Germany for investments in electric trucks

The German Ministry for Digital and Transport has awarded Ferronordic subsidies in an amount up to EUR 23m for investing in up to 117 electric trucks. Ferronordic plans to use subsidised electric trucks from Volvo Trucks and Renault Trucks to grow its business in electric trucks rental and sustainable transport solutions.

In 2022, Ferronordic founded a separate subsidiary in Germany, Ferronordic e-Rental GmbH, to focus on rental of electric trucks, charging equipment and promoting sustainable transport solutions. This was part of Ferronordic's strategy to develop expertise in operating and managing fleets of electric trucks and construction equipment, including charging and optimisation of charging infrastructure. Over time, the ambition is also to explore opportunities to offer transport and construction services based on electric trucks and machines.

Ferronordic e-Rental has been granted subsidies from the German Ministry for Digital and Transport for investment in electric trucks in an amount up to EUR 23m. The amount will be used to purchase up to 117 electric trucks during the coming 12 months. The final amount of subsidies will depend on how many electric trucks Ferronordic orders. The allocated subsidy is conditional on Ferronordic e-Rental GmbH retaining effective ownership over at least four years and reaching certain minimum levels of annual utilisation of the trucks.

The total value of the 117 electric trucks (before subsidies) would be approx. EUR 40m. The subsidies are expected to be received after the purchase of the trucks and no later than 2026. Ferronordic will work with its suppliers and financial partners to achieve the most efficient funding solution for sustainable transport. The subsidised trucks will be owned by Ferronordic e-Rental and be added to Ferronordic's fleet of electric trucks for rent and sustainable transport.

"The received subsidy will be fully used to decrease the rental price of the electric trucks, which will make the switch to zero emission transport more attractive to our customers. In most transport applications, we estimate that total cost of ownership of electric rental trucks will be lower than the equivalent cost for diesel rental trucks", says Patrick Holm, Managing Director at Ferronordic e-Rental.

The purchase of the electric trucks is supported by the Federal Ministry for Digitalisation and Transport in the context of the federal funding program "Climate-friendly commercial vehicles and infrastructure (KsNI)". The funding program is coordinated by NOW GmbH. Applications are approved by the Federal Logistics and Mobility Office. The aim of the program is to increase the share of commercial vehicles with low CO₂ emissions and to expand the charging infrastructure for electric trucks in Germany. The government program aims to cover 80 percent of the incremental investment costs for electric vehicles and infrastructure.

Ferronordic's CEO, Lars Corneliusson, comments:

"This is a milestone for our electric trucks rental business. Volvo Trucks and Renault Trucks are first movers and market leaders in battery electric trucks. We are working closely with our partners and customers to develop sustainable transport solutions. The German government subsidies program will help to catalyse the transformation of the transportation industry. This will unlock opportunities across the value chain as well as support society and our environment. We are very excited about the possibilities offered by electric trucks."

The impact on Ferronordic's earnings, cash flows and balance sheet will depend on the size and timing of the investment. The Company will make further disclosures regarding this development once more details on the subsidy program and Ferronordic's investment plans are available.



About Ferronordic

Ferronordic is a service and sales company in the areas of construction equipment and trucks. It is dealer of Volvo Trucks, Renault Trucks and Sandvik mobile crushers and screens in Germany and dealer of Volvo Construction Equipment, Sandvik mobile crushers and screens and Mecalac in Kazakhstan. Ferronordic began its operations in 2010 and currently has 28 outlets and approx. 450 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

Gefördert durch:



Koordiniert durch:



Bewilligungsbehörde:



aufgrund eines Beschlusses
des Deutschen Bundestages

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