

## Q4 2023: A restart

### FOURTH QUARTER 2023

- Revenue increased by 30% to SEK 915m (705)
- Operating profit decreased by 361% to SEK -62m (-13)
- Operating margin decreased to -6.8% (-1.9)
- The result for the period decreased by 329% to SEK -89m (-21)
- Basic earnings per share<sup>1</sup> amounted to SEK -6.11 (-1.42)
- Cash flows from operating activities amounted to SEK 147m (-48)

### JANUARY - DECEMBER 2023

- Revenue increased by 45% to SEK 2,863m (1,973)
- Operating profit decreased by 149% to SEK -115m (233)
- Operating margin decreased to -4.0% (11.8)
- The result for the period decreased by 124% to SEK -107m (440)
- Basic earnings per share<sup>1</sup> amounted to SEK -7.39 (30.28)
- Cash flows from operating activities amounted to SEK -27m (215)

SEK m (or as stated)	2023 Q4	2022 Q4	%	2023 12M	2022 12M <sup>2</sup>	%
Revenue	915	705	30%	2,863	1,973	45%
Gross profit	133	97	37%	377	250	51%
Operating profit	-62	-13	-361%	-115	233	-149%
Result from continuing operations	-89	49	-281%	-107	183	-159%
Result for the period	-89	-21	-329%	-107	440	-124%
Earnings per share from continuing operations, SEK <sup>1</sup>	-6.11	3.38	-281%	-7.39	12.58	-159%
Earnings per share, SEK <sup>1</sup>	-6.11	-1.42	-329%	-7.39	30.28	-124%
Cash flow from operations	147	-48		-27	215	
Net debt (cash)	1,349	-957		1,349	-957	
<i>Gross margin, %</i>	<i>14.5%</i>	<i>13.8%</i>	<i>0.8pp</i>	<i>13.2%</i>	<i>12.7%</i>	<i>0.5pp</i>
<i>Operating margin, %</i>	<i>-6.8%</i>	<i>-1.9%</i>	<i>-4.9pp</i>	<i>-4.0%</i>	<i>11.8%</i>	<i>-15.8pp</i>
<i>Working capital/LTM Revenue, %</i>	<i>20%</i>	<i>11%</i>	<i>9.1pp</i>	<i>20%</i>	<i>11%</i>	<i>9.1pp</i>
<i>Equity/total assets, %</i>	<i>34%</i>	<i>58%</i>	<i>-23.8pp</i>	<i>34%</i>	<i>58%</i>	<i>-23.8pp</i>
<i>Return on capital employed, %</i>	<i>-3%</i>	<i>11%</i>	<i>-13.5pp</i>	<i>-3%</i>	<i>11%</i>	<i>-13.5pp</i>
<i>Return on equity, %</i>	<i>-6%</i>	<i>30%</i>	<i>-35.7pp</i>	<i>-6%</i>	<i>30%</i>	<i>-35.7pp</i>

<sup>1</sup> Before dilution. <sup>2</sup> Including the effect of a one-off compensation payment from Volvo of SEK 321m

Lars Corneliusson, President and CEO, comments: Q4 2023 marks a new chapter in Ferronordic's history. As of 30 November 2023, Ferronordic is present in nine states in eastern USA. The acquired operations have a long history and are profitable. We are excited about the business and the opportunities to work with our new colleagues to grow market share and further improve profitability. In December, the revenue in the US operations amounted to SEK 308m with an operating profit of SEK 25m and an operating margin of 8.0%, including SEK 11m of transaction costs.

In Germany, we had a challenging quarter and face a weaker market. Although we saw continued good demand in our workshops, we do not get sufficient returns on our organisation. We are rebalancing our business to make it better fit for the future. We are reducing administrative costs and creating a leaner organisational structure under a new leadership. Our efficiency program is expected to result in savings of approx SEK 60m per year from Q2 2024, but it cost us SEK 23m in restructuring provisions in Q4 2023. Meanwhile, long delivery lead times from suppliers and declining demand contributed to continued growth in inventory and debt during the quarter. We are taking measures to reduce inventory in H1 2024. To further increase our flexibility and free up capital, we have decided to reduce our used inventory

and our rental fleet. Interest in electric trucks is however growing and we keep expanding our aftermarket business.

Q4 2023 was also challenging in Kazakhstan. Despite a strong economy, the market and our sales decreased. Aftermarket sales were more stable and our used machine sales increased. There is a lot of upside for our business in Kazakhstan.

For the Group, including one month of operations in the US, net sales increased by 30% to SEK 915m. The operating result was SEK -62m, or SEK -15m excluding the one-off costs and impairments recognized in the quarter. Mainly as a result of the acquisition in the US, the Group moved into a net debt position of SEK 1,349m. Due to the negative result, Ferronordic's Board recommends that no dividend be paid in 2024.

After a challenging and transformative 2023, we look forward with confidence to a restart in 2024. We are optimistic about our expansion to the USA and the opportunities there. The German market looks weak but we are taking measures to adapt our organisation to improve resilience and profitability. We are confident that we will emerge stronger from the current challenges and remain optimistic about the long-term potential in Germany. Our operations in Kazakhstan continue to develop, even if they will constitute a smaller part of the Group's total operations in the future.

## 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 and screens in Germany. 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 is also dealer of Volvo CE, Mecalac and Sandvik Mobile Crushers and screens 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)

*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 22 February 2024, 07:30 CET.*

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## Financial calendar

Annual report 2023 – 16 April  
Interim report January-March 2024 – 16 May  
Annual general meeting 2024 – 16 May  
Interim report April-June 2023 – 15 August  
Interim report July-September – 14 November

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