

Press Release  
Stockholm, 19 February 2021

Ferronordic AB (publ)  
Year-end Report January - December 2020

## Strong equipment sales and cash flow

### FOURTH QUARTER 2020

- Revenue increased by 23% to SEK 1,185m (SEK 960m)
- Operating profit decreased by 31% to SEK 65m (SEK 95m)
- Operating margin decreased to 5.5% (9.9%)
- The result for the period decreased by 23% to SEK 44m (SEK 57m)
- Earnings per ordinary share amounted to SEK 3.05 (SEK 3.95)
- Cash flows from operating activities amounted to SEK 179m (SEK 3m)

### JANUARY-DECEMBER 2020

- Revenue increased by 24% to SEK 4,635m (SEK 3,747m)
- Operating profit decreased by 8% to SEK 328m (SEK 358m)
- Operating margin decreased to 7.1% (9.5%)
- The result for the period decreased by 12% to SEK 222m (SEK 251m)
- Earnings per ordinary share amounted to SEK 15.25 (SEK 17.26)
- Cash flows from operating activities amounted to SEK 693m (SEK -330m)
- Board updates financial objectives and proposes SEK 7.5 per share dividend

SEK M	Q4 2020*	Q4 2019	%	12M 2020*	12M 2019	%
Revenue	1,185	960	23%	4,635	3,747	24%
Operating profit	65	95	-31%	328	358	-8%
Result for the period	44	57	-23%	222	251	-12%
Earnings per share	3.05	3.95	-23%	15.25	17.26	-12%
Gross margin	15.8%	21.0%		17.2%	20.7%	
Operating margin	5.5%	9.9%		7.1%	9.5%	
Return on capital employed	20%	27%		20%	27%	
Working capital / Revenue	5%	20%		5%	20%	
Net debt / (cash)	-20	593		-20	593	

\* Q4 and 12M 2020 includes consolidation of Ferronordic's operations in Germany

Lars Corneliusson, CEO Ferronordic, comments: "In a year of unprecedented challenges, I am very proud of how our people responded and performed. In 2020, Russia/CIS delivered record net income and cash flow while we launched and started to build our business in Germany. In Q4 2020, we also invested in development. In Russia/CIS, we ramped up our new contracting services project in Norilsk and expanded our center for component and machine rebuild in Ekaterinburg. We sold 17% more units and gained market share in a recovering market. Our aftermarket business was however affected by covid-related restrictions and the weaker ruble. Total revenue in Russia/CIS was up 34% in RUB but was flat in SEK. Our operating margin was lower due to start-up costs in contracting services and a lower share of revenue from aftermarket sales. In Germany, we continued to build the organisation and improve our network. In December and January, we announced the appointment of a new country manager and the acquisition of two strategically located workshops. Q4 2020 trucks sales were up but aftermarket sales were lower, partly due to renewed covid-restrictions. Together with restructuring and acquisition costs, this negatively affected the operating result. Mostly as a result of the negative contribution from Germany, our consolidated Q4 2020 operating profit declined 31% to SEK 65m. Strong cash flows reversed a SEK 83m net debt in Q3 to a SEK 20m net cash position at the end of Q4 2020. While much uncertainty remains, we expect our markets to recover in 2021 and remain optimistic about the long-term potential. Looking at the opportunities ahead, and at our performance and financial position in 2020, the Board has decided to update Ferronordic's financial objectives and dividend policy and also to recommend a dividend of SEK 7.5 per share."

**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 more than 90 outlets and about 1,400 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-March 2021	12 May 2021
Annual General Meeting 2021	12 May 2021
Interim report January-June 2021	12 August 2021
Interim report January-September 2021	12 November 2021

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