



2017 Year-end Result
22 February 2018



Fourth Quarter 2017

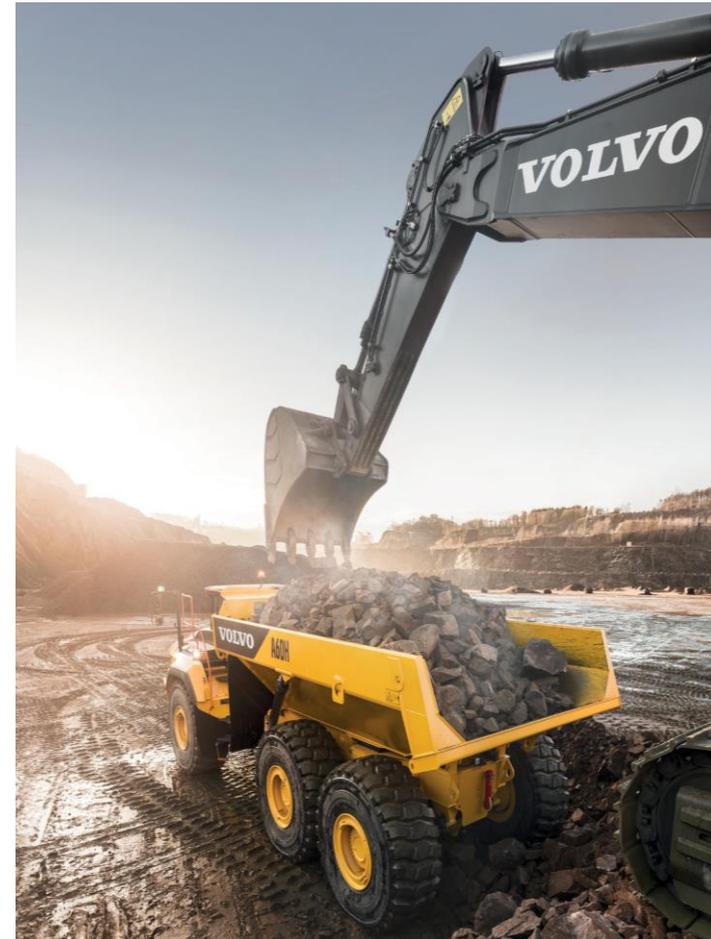
- ◇ Economy continued to recover modestly during the quarter
 - ◇ Construction output turning to positive
 - ◇ Inflation even lower (2.5% in December)
 - ◇ Increase in real wages and consumer confidence
 - ◇ However, production output down at the end of the year

- ◇ The Russian market for new construction equipment continued to recover during the quarter, although at a slightly more moderate pace
 - ◇ The market grew by approximately 50% (72% during the year)
 - ◇ Still at less than 50% of 2012 and 2013 levels

- ◇ The oil price increased from USD 58 per barrel to USD 67

- ◇ The ruble strengthened from 7.1 to 7.0 ruble per krona

- ◇ The Russian Central Bank continued to cut its key rate (8.50% to 7.75%)
 - ◇ On 9 February 2018 the key rate was cut further to 7.50%



Fourth Quarter 2017 (cont'd)

- ◇ Continued revenue growth but at slower pace
 - ◇ Revenue was 13% higher than during the same period last year
 - ◇ Negatively effected by certain lost and postponed deals
 - ◇ First two Mecalac machines invoiced

- ◇ Operating profit slightly below last year
 - ◇ Operating margin below our financial objectives for the quarter but above for the year
 - ◇ Partly due to lost and postponed deals, lower gross margin and certain one-off write-offs end expenses (SEK 6m)

- ◇ Negative cash flow following an expected increase in working capital



Full year 2017

- ◇ Despite a somewhat weaker ending of the year, 2017 was a good year for Ferronordic
- ◇ Highest result ever – both revenue and earnings
- ◇ Revenue amounted to SEK 2.6 billion
 - ◇ Increase of 55% compared to the previous year
- ◇ Operating profit amounted to SEK 187m
 - ◇ Increase of 42% compared to the adjusted EBIT the previous year



Dividend proposal

- ◇ In line with the dividend policy, the Board will propose that the AGM resolve on a dividend in the amount of SEK 1.73 per ordinary share
 - ◇ Total dividend of approximately SEK 25m
 - ◇ 25% of result after dividend on preference shares

- ◇ Should the AGM approve the Board's proposal, the record date would be around 22 May 2018, i.e. following the redemption of all remaining preference shares



Important events

- ◇ The company's ordinary shares were listed on Nasdaq Stockholm
 - ◇ Capital raising of approx. SEK 200m
- ◇ Conversion of most of the company's preference shares to ordinary shares
- ◇ Cash redemption of additional preference shares
 - ◇ Only 66,728 preference shares remain
- ◇ Dividend paid on preference shares
 - ◇ SEK 60 per share



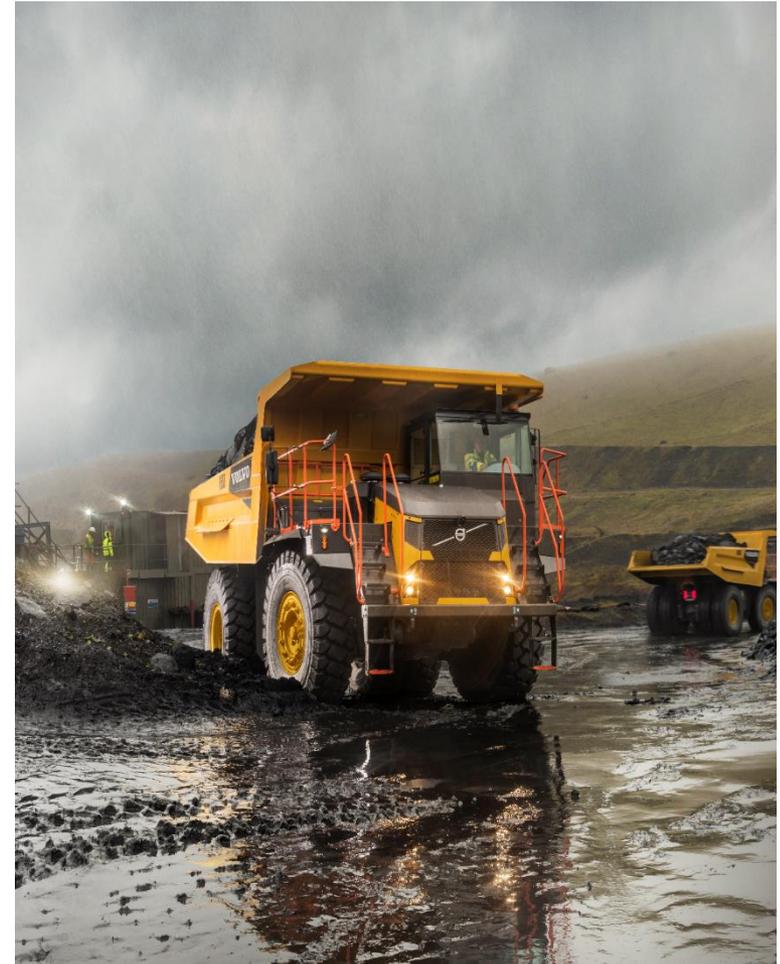
AGM and Annual Report

- ◇ AGM in Stockholm on 27 April 2018
 - ◇ Notice will be sent out by end of March
- ◇ Annual report available around 30 March



New VCE Rigid Hauler

- ◇ On 11 January 2018, Volvo CE announced that it will enter the rigid hauler market with its own Volvo brand of rigid haulers
- ◇ The new four-model range has relied heavily on the rigid hauler expertise of Volvo CE's subsidiary Terex Trucks, combined with the technological strength of the Volvo Group
- ◇ The range consists of the 45-ton R45D, 60-ton R60D, 72-ton R70D and the flagship 100-ton R100E
- ◇ Ferronordic expects to be able to start selling the new Volvo-branded rigid dump trucks towards the fourth quarter of 2018
 - ◇ Meanwhile Ferronordic will continue to sell Terex-branded rigid dump trucks



Q4 2017 Profit & Loss

SEK MM	Q4 2017	Q4 2016	% Change SEK	% Change RUB
<i>New Units</i>	168	147	14%	14%
Revenue	606	537	13%	13%
Gross Profit	112	108	4%	4%
<i>% Margin</i>	18.4%	20.0%		
EBITDA	46	45	0%	1%
<i>% Margin</i>	7.5%	8.5%		
Adjusted EBIT*	38	39	(4%)	(4%)
<i>% Margin</i>	6.2%	7.3%		
Adjusted Result*	28	31	(8%)	(7%)
Net Debt/(Cash)	(312)	(173)		

* Adjusted amounts exclude write-downs of non-current assets during the fourth quarter 2016

- ◇ Number of new units sold up 14%
 - ◇ Used units sold increased 38%
- ◇ Revenue up 13% (same in rubles)
 - ◇ Equipment sales up 11%
 - ◇ Aftermarket sales up 12%
- ◇ Higher gross profit but lower margin
 - ◇ General margin pressure, especially on machines
- ◇ S, G & A expenses 11.4% of revenue vs. 12.1% in Q4 2016
- ◇ High one-off expenses of SEK 7m
 - ◇ In COGS, OPEX and finance costs
- ◇ EBIT slightly below adjusted EBIT in Q4 2016
- ◇ Strong net cash position

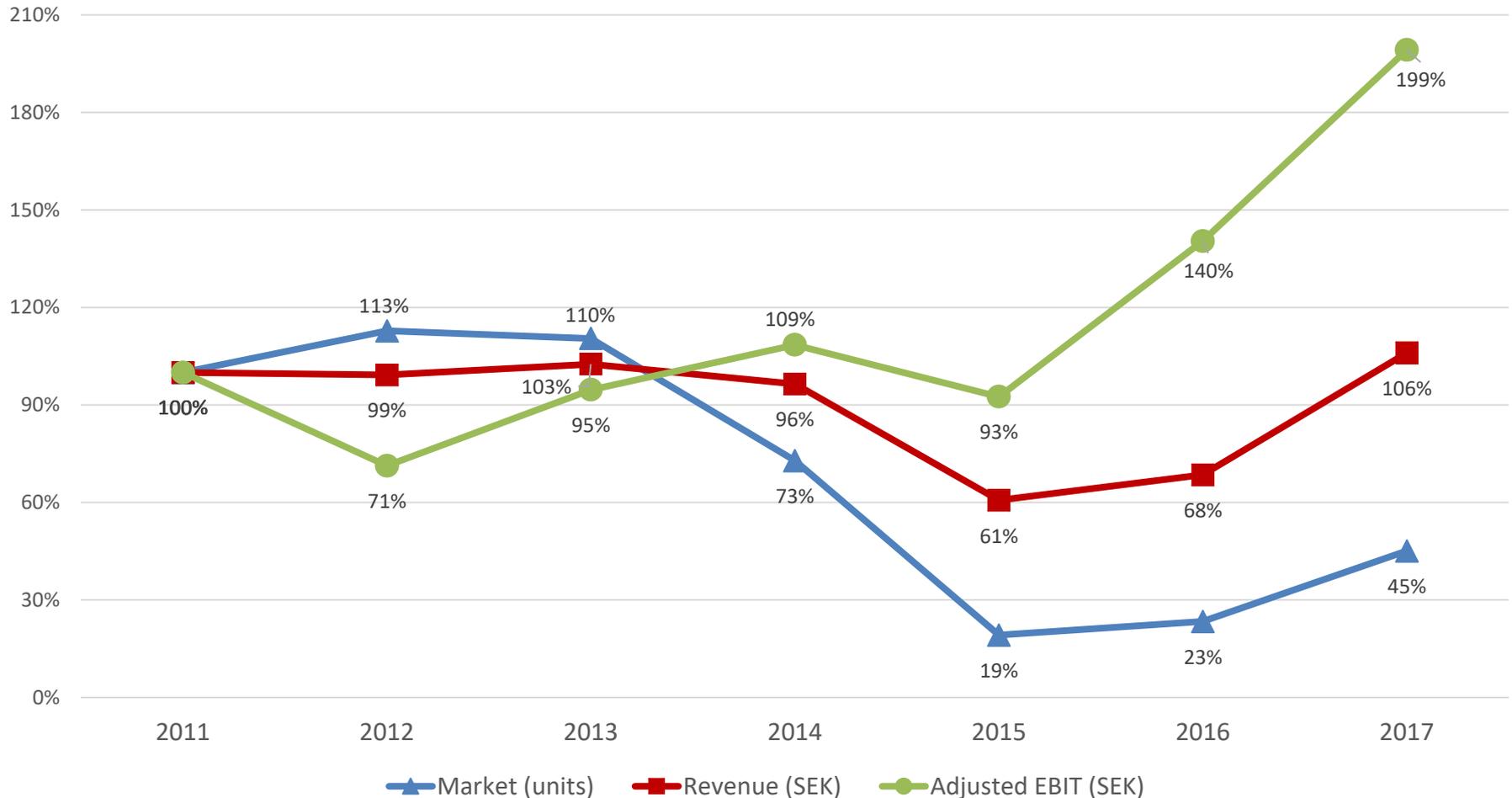
2017 Profit & Loss

SEK MM	2017	2016	% Change SEK	% Change RUB
<i>New Units</i>	738	479	54%	54%
Revenue	2,567	1,658	55%	37%
Gross Profit	488	366	33%	17%
<i>% Margin</i>	19.0%	22.1%		
EBITDA	214	154	39%	23%
<i>% Margin</i>	8.3%	9.3%		
Adjusted EBIT*	187	132	42%	26%
<i>% Margin</i>	7.3%	7.9%		
Adjusted result*	123	106	43%	27%
Net Debt/(Cash)	(312)	(173)		

* Adjusted amounts exclude amortization of transaction-related intangible assets until May 2016 and write-downs of non-current assets during the fourth quarter 2016

- ◇ Number of new units sold up 54%
 - ◇ Used units sold down 24%
- ◇ Revenue up 55% (37% increase in rubles)
 - ◇ Equipment sales up 72%
 - ◇ Aftermarket sales up 24%
- ◇ Higher gross profit but lower margin
 - ◇ Lower margin on sales of machines
 - ◇ Revenue mix effect
- ◇ S, G & A expenses 11.3% of revenue vs. 14.2% last year
- ◇ Adjusted EBIT increased 42%
- ◇ Net financial income
- ◇ Strong increase in net income
- ◇ Strong net cash position

Strong development despite low market volumes



Note: Adjusted EBIT exclude one-off expenses in Q4 2016 and amortization of transaction related intangibles until May 2016.

Market data based on Russian import statistics and excludes machines imported from China, bulldozers, forestry machines and rigid dump trucks.

Balance Sheet

SEK MM	31/12/17	31/12/16
Cash & Cash Equivalent	352	199
Debt	-	-
Financial leases	40	26
Net debt / (cash)	(312)	(173)
Working capital	117	110
<i>% of Revenue</i>	5%	7%
Shareholders Equity	611	442
Total Assets	1 414	1 033
<i>Equity/Assets</i>	43%	43%

Cash Flow

SEK MM	Q4 2017	Q4 2016	2017	2016
Cash flow from:				
Operating Activities	(141)	121	148	141
<i>of which change in working capital</i>	<i>(176)</i>	<i>85</i>	<i>(20)</i>	<i>18</i>
Investing Activities	(9)	(10)	(4)	(5)
Cash Flow before Financing Activities	(150)	111	144	136
Financing Activities	64	(30)	21	(155)
Cash Flow (before FX fluctuations)	(86)	81	165	(19)

Outlook – CEO comment

“In consideration of the recent recovery of the Russian economy, we are optimistic about the development of the Russian construction equipment market. Although the market is still a rather low level, we do not believe that the market will grow as strongly in 2018 as it did during 2017. As regards the future of our business in a longer perspective, we are also optimistic, as the long-term fundamentals in the Russian construction equipment market remain strong.”

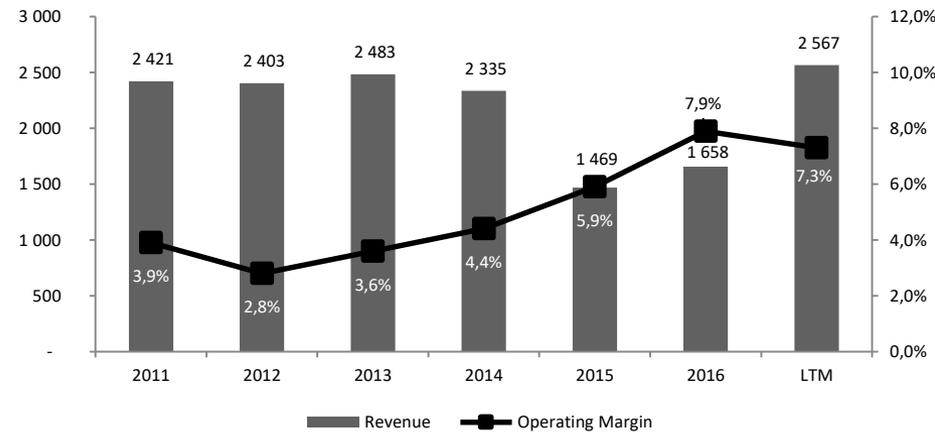


Ferronordic Machines overview

Overview

- Official dealer of Volvo Construction Equipment in all of Russia since 2010
- Authorised dealer of Terex Trucks (2014), Dressta (2016), Rottne (2016) and Mecalac (2017) in all of Russia
- Aftermarket dealer for Volvo Trucks and Renault Trucks, and dealer for Volvo Penta in selected regions
- Distribution and sales of new and used construction equipment, sales of parts, as well as providing services and technical support
- Core focus on Volvo CE brand, a high-quality construction equipment manufacturer and the No. 1 brand in Russia
- Ordinary shares listed on Nasdaq Stockholm since 2017 and preference shares listed on Nasdaq First North Premier Stockholm since 2013 (Avanza Bank AB - Certified Adviser)

Financial development (SEKm)

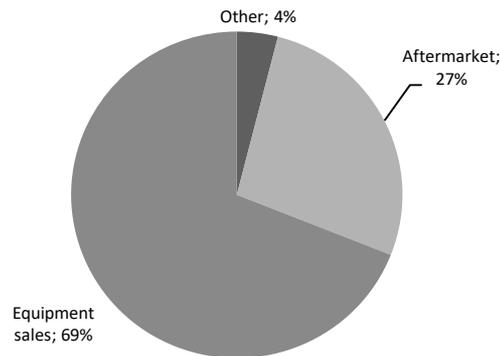


Development

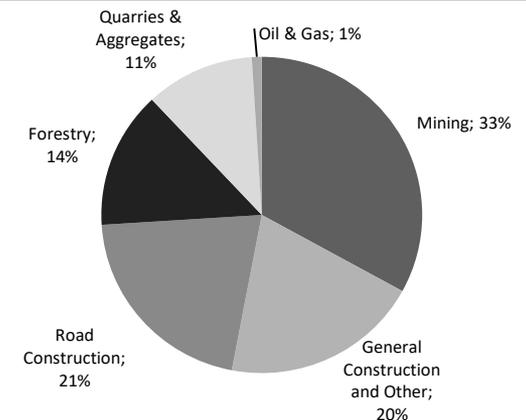
	Start	2017
Employees	160	848
Revenue (SEK M)	1 184 ⁽¹⁾	2,567
Outlets	6	74

(1) Annualized

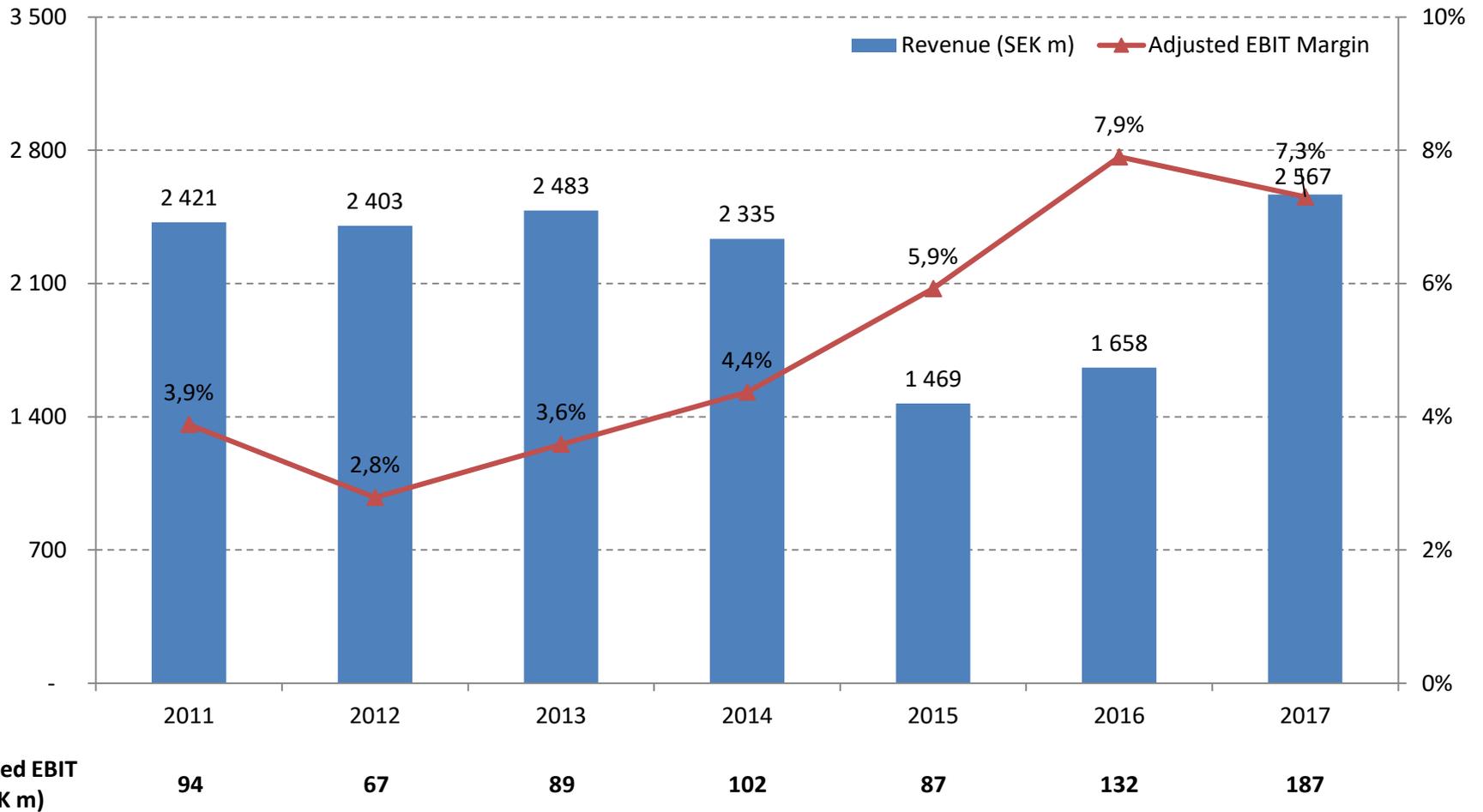
Revenue per segment (2017)



New machine revenue per customer type

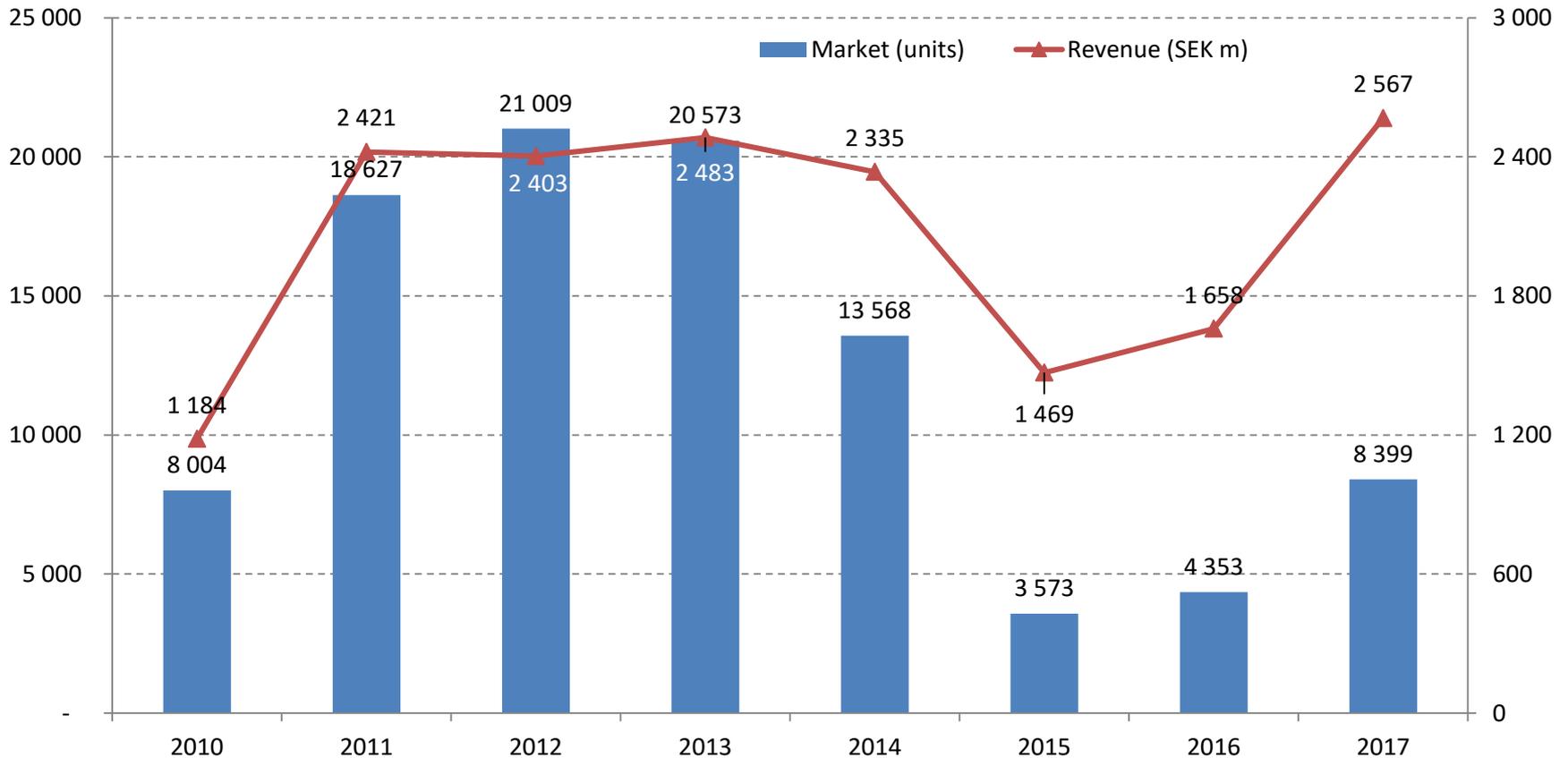


Revenue and profitability



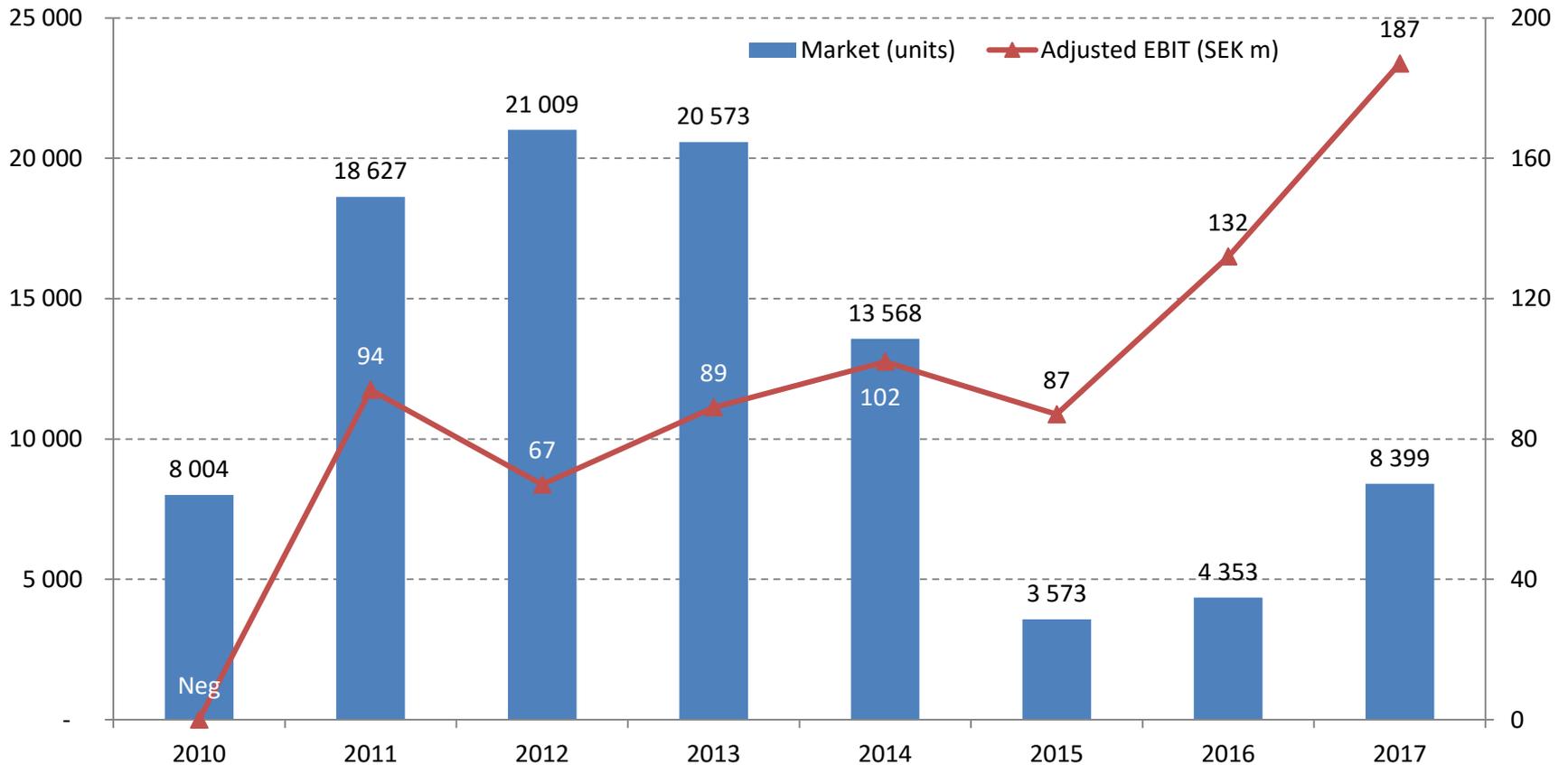
Note: Adjusted EBIT and Adjusted EBIT Margin exclude one-off expenses in Q4 2016 and amortization of transaction related intangibles until May 2016.

Market vs Revenue



Note: Market data based on Russian import statistics and excludes machines imported from China, bulldozers, forestry machines and rigid dump trucks.

Market vs Profitability



Note: Adjusted EBIT exclude one-off expenses in Q4 2016 and amortization of transaction related intangibles until May 2016.

Market data based on Russian import statistics and excludes machines imported from China, bulldozers, forestry machines and rigid dump trucks.