



Interim report January – June 2020

Best second quarter to-date despite COVID-19

Unit sales in Russia/CIS grow even as market declines sharply

Robust aftermarket and contracting services performance

Operating profit up on revenue resilience and cost control

Sales in Germany decline quarter-on-quarter in line with market

Strong operating cash flows and lower net debt

Selected key Group ratios*

SEK M	Q2 2020**	Q2 2019	%	6M 2020**	6M 2019	%
Revenue	1 203	1 100	9%	2 321	1 823	27%
Operating profit	105	98	7%	156	154	1%
Result for the period	76	73	4%	96	119	-19%
Earnings per share	5.24	5.03	4%	6.64	8.21	-19%
Gross margin	17.2%	20.1%		16.8%	20.1%	
Operating margin	8.7%	8.9%		6.7%	8.4%	
Return on capital employed	23%	33%		23%	33%	
Working capital / Revenue	10%	18%		10%	18%	
Net debt / (cash)	230	446		230	446	

* Definitions and purposes of the key ratios are presented on page 25.

** Q2 and 6M 2020 includes consolidation of Ferronordic's operations in Germany



Lars Corneliusson
CEO

Operating profit in Russia/CIS grew by 22% YoY to SEK 120m.

In January, we started aftermarket and sales operations for Volvo and Renault trucks in Germany

Our business adapted and managed well through the negative effects of the pandemic in Q2 2020

Our key focus is the health and safety for our employees and our customers as well as delivering great service to our clients

In a longer perspective, we remain positive

CEO comment

Thanks to great efforts from our team, despite COVID-19 and the fact that we are still only starting up our operations in Germany, Q2 2020 was our strongest second quarter to-date.

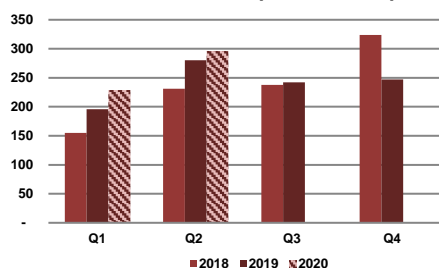
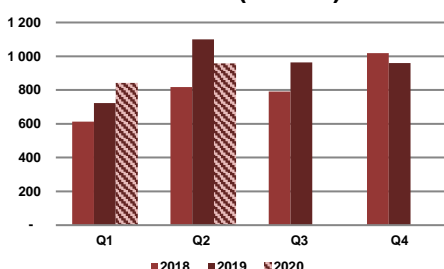
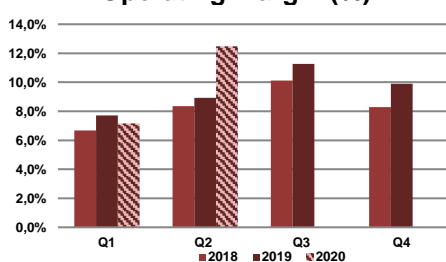
In Russia/CIS, all business areas contributed to our robust performance without government support and again demonstrated the resilience of our business model. Our new construction equipment unit sales grew despite an overall market decline of 40% and we gained market shares in most product groups. Our premium offering mainly serves a customer base that tends to remain strong and that continue to rely on our services through economic downturns to reach their objectives. Despite widespread restrictions and problems to reach our customers' sites, aftermarket sales grew in local currency as our installed machine population remained utilized. Contracting services continued to deliver at the level reached in H2 2019. Total revenue declined 13% to SEK 958m (5% in RUB). As a result of our cost reduction program, but also of a SEK 11m one-off customs duty recovery, our operating profit increased by 22% to a record SEK 120m.

In Germany, where we service and sell Volvo and Renault Trucks since January 2020, the market for new trucks declined by more than 50% which negatively impacted sales. Demand for service and parts was more stable but also decreased. Revenue amounted to SEK 245m in the quarter with an operating loss of SEK 15m. The ongoing pandemic does not only impact the market but also cause some delays to our efforts to implement new systems and business improvements.

Total revenue for the Group amounted to SEK 1,203m. Despite the negative contribution from Germany, operating profit increased by 7% to SEK 105m, implying an operating margin of 8.7%, above our 6-8% target. Although higher finance costs negatively affected the result, net income grew 4% to SEK 76m. Cash flows from operating activities were strong at SEK 312m as net working capital decreased to 10% of revenue. Net debt declined to SEK 230m or 0.4x EBITDA, putting Ferronordic in an even stronger financial position as we enter 2H 2020.

During the quarter, our organisation faced various degrees of disruption from measures taken by governments, suppliers and customers to deal with COVID-19. While our business adapted and managed these challenges well through the quarter, we recognise that the future remains uncertain. Our focus is the health and safety for our employees and our customers as well as delivering great service to our clients.

In July, business trends seen in Q2 2020 have continued. Looking ahead, we are confident that our business model, which is built on a great team and a robust aftermarket business, will remain resilient. While we expect our markets to decline in 2020, we believe that we may have seen the lows. In a longer perspective, we remain positive as we believe that the underlying fundamentals and business opportunities in our markets are strong.

New machines (units sold)

Revenue (SEK m)

Operating margin (%)


We delivered 296 new units, which is an increase of 6%

Operating profit from the operations in Russia/CIS grew 22% to SEK 120m on resilient revenue, lower expenses and one-off other income

Net working capital declined from SEK 525m to SEK 400m

SEK 193m net debt in Q1 2020 reversed to SEK 47m net cash in Q2 2020

Russia/CIS

As a result of the ongoing pandemic, the market for our main product groups (measured in units) declined by 40% in Q2 2020. Our unit sales however grew by 6% to 296 machines as we almost doubled our market share. Our premium service and product offering is mainly geared towards demanding customers that make long-term investment decisions based on total cost of ownership, productivity and uptime. Such customers tend to be more resistant to economic decline, both in their capex and in their utilisation of their current fleets of machines. We notably gained market share in the excavator segment, which partly is reflected in a 25% (17% in local currency) lower average sales price.

Revenue in the Russia/CIS operations decreased by 13% (5% in local currency) to SEK 958m (SEK 1,100m). Equipment sales declined by 21% (13%), aftermarket sales decreased by 3% (+7%) while contracting services grew by 31% (43%).

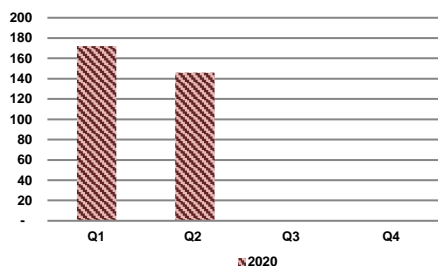
Despite higher revenue shares of contracting services and aftermarket sales, the gross margin was largely unchanged at 19.9% (20.1%), partly as a result of lower margins on smaller machines in new machine sales. SG&A declined by SEK 31m (-28%) vs Q2 2019 and by SEK 13m (-14%) vs Q1 2020, partly due to the weaker ruble, but also as a result of the cost reduction program launched in March and of restrictions in operations, limiting travel and marketing. As business normalizes, some of these costs will return. As a percent of revenue, SG&A costs declined 1.7pp and 2.7pp vs Q2 2019 and Q1 2020, respectively, to 8.4%. As a result of lower costs, but also due to a SEK 11m one-off customs duty recovery, the operating margin grew by 3.6pp to 12.5% as operating profit increased by 22% to SEK 120m.

Cash flows from operating activities in Russia/CIS were positive as receivables and inventories decreased faster than payables. Net working capital declined from 14% to 11% of revenue. SEK 193m net debt related to the Russia/CIS operations reversed into a SEK 47m net cash position from Q1 2020 to Q2 2020.

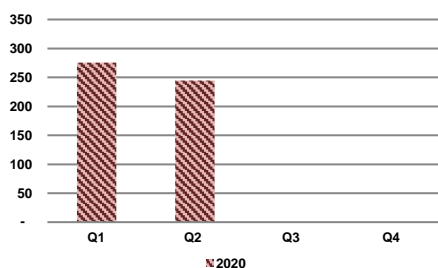
Russia/CIS

	Q2 2020	Q2 2019	%	6M 2020	6M 2019	%
SEK M						
New units	296	280	6%	525	476	10%
Revenue	958	1100	-13%	1 801	1 823	-1%
Gross profit	190	221	-14%	346	367	-6%
Operating profit	120	98	22%	180	154	17%
Gross margin	19.9%	20.1%		19.2%	20.1%	
Operating margin	12.5%	8.9%		10.0%	8.4%	

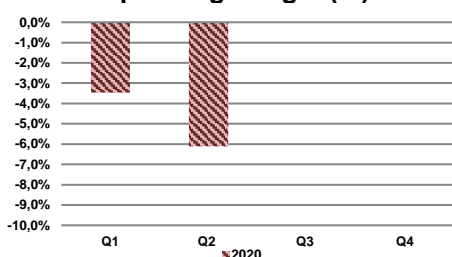
New trucks (units sold)



Revenue (SEK m)



Operating margin (%)



During the second quarter, the German market for heavy trucks contracted 54%

Revenue in Germany amounted to SEK 245m, of which 68% related to sales of trucks and 28% to aftermarket sales

Net working capital decreased to SEK 75m and net debt to SEK 280m during the second quarter

Germany

In Q2 2020, the German market for heavy trucks, based on registrations, declined by 54% compared to Q2 2019 and by 15% compared to Q1 2020. The sharp decline was partly due to negative effects of the COVID-19 pandemic on the German economy, and partly to a high-base effect from a very strong Q2 2019. The decrease was particularly noticeable in the tractor segment where registrations dropped by 63%, compared to 44% in the rigid segment. Ferronordic's sales area represented approx. 18% of the total German market and declined by 53% in the second quarter. Ferronordic sold 146 new units in Q2 2020, which was 15% less than the 172 units in Q1 2020 as our market share was largely unchanged.

As a result of COVID-19, aftermarket sales saw a decline in March, which set a lower level through the second quarter. However, all workshops remained operational. Plans to implement government backed furlough schemes to reduce shifts and man-hours were only partly employed as demand for service and parts proved more robust than expected in the quarter.

Revenue in Germany amounted to SEK 245m, of which 68% related to sales of trucks, 28% to aftermarket sales and 4% to other revenue, mainly consisting of rental and car sales. Gross margin stood at 6.7%, down from 9.7% in Q1 2020. As a percentage of sales, SG&A costs were 13.3%, up 0,5pp on Q1 2020. The operating margin was -6.1%, compared to -3.5% in Q1 2020 and resulting in an operating loss of SEK -15m.

Cash flows from operating activities in Q2 2020 were positive. Net working capital decreased from SEK 135m at the end of Q1 2020 to SEK 75m, or 7% of annualized revenue. Net debt attributable to Germany decreased from SEK 340m at the end of Q1 2020 to SEK 280m at the end of Q2 2020.

In the first six months of 2020, revenue was SEK 520m with a gross margin of 8.3%. The operating result amounted to SEK -25m, with an operating margin of -4.7%.

Germany

SEK M	Q2 2020	Q2 2019	%	6M 2020	6M 2019	%
New units	146	0	-	318	0	-
Revenue	245	0	-	520	0	-
Gross profit	16	0	-	43	0	-
Operating profit	-15	0	-	-25	0	-
Gross margin	6,7%	0,0%		8,3%	0,0%	
Operating margin	-6,1%	0,0%		-4,7%	0,0%	

Comments on the Group results

The following foreign exchange rates have been used when translating Q2 2020 results to the presentation currency: Average RUB/SEK 7.48 (6.84) and SEK/EUR 10.65 have been used to translate income statements.

End of period RUB/SEK 7.54 (6.80) and SEK/EUR 10.48 have been used to translate balance sheets.

Revenue

Revenue increased by 9% to SEK 1,203m (SEK 1,100m) as a result of the consolidation of the Group's operations in Germany

In the second quarter of 2020, Group revenue increased by 9% to SEK 1,203m (SEK 1,100m). Revenue in Russia/CIS declined by 13% to SEK 958m and the consolidation of the Group's operations in Germany added revenue of SEK 245m to the Group. The operations in Germany were acquired as assets and business at the end of 2019. Sales of equipment and trucks increased by 1% and aftermarket sales increased by 27%. Revenue from contracting services increased by 30%.

In the first six months of 2020, Group revenue increased by 27% to SEK 2,321m (SEK 1,823m). Revenue in Russia/CIS declined 1% to SEK 1,801m and the consolidation of the Group's operations in Germany added revenue of SEK 520m. Sale of equipment and trucks increased by 21%, aftermarket sales by 33% and contracting services by 46%.

Gross profit and operating profit

Gross profit for the quarter decreased by 6% to SEK 207m on lower gross margin

The gross margin decreased from 20.1% to 17.2% on the back of a flat gross margin in Russia/CIS (19.9% in 2Q 2020 vs 20.1% in 2Q 2019) and the consolidation of a lower gross margin (6.7%) in Germany. As a net result of lower margin on higher revenues, gross profit in Q2 2020 decreased by 6% to SEK 207m (SEK 221m) compared to Q2 2019.

As percentage of revenue, SG&A (Selling, General and Administrative) expenses decreased from 10.1% in Q2 2019 to 9.4% in Q2 2020. Lower SG&A were a result of efforts in March and Q2 2020 to cut costs in the face of the market and business uncertainty related to the outbreak of COVID-19. Such cost cuts included headcount and temporary voluntary salary reductions, furlough schemes and provisional rent reduction. Cost reduction was however also an effect of the restrictions as travel and marketing activities were postponed. As markets gradually open up and if our markets recover, some of these costs will return.

Operating profit for the quarter increased by 7% Y-o-Y to SEK 105m

Despite the lower gross profit and a SEK 15m operating loss in Germany, the consolidated operating profit for the second quarter increased 7% to SEK 105m (SEK 98m). The higher operating profit was a result of the lower cost base in Russia/CIS but also of a one-off SEK 11m recovery of customs duty. The consolidated operating margin during the quarter decreased from 8.9% to 8.7%, as a higher margin in Russia/CIS of 12.5%

The consolidated operating margin during the quarter decreased from 8.9% to 8.7%

was offset by the consolidation of a lower operating margin of -6.1% in Germany.

During the first six months of 2020, the gross profit increased by 6% to SEK 389m (SEK 367m). The gross margin decreased from 20.1% in H1 2019 to 16.8% in H1 2020 as a result of lower gross margin in Russia/CIS and the consolidation of a lower gross margin (8.3%) in Germany. As a percentage of revenue, SG&A decreased from 10.8% to 10.4%, as lower costs in Russia/CIS (10.8% to 9.7%) were partly offset a higher cost/revenue ratio at 13.0% in Germany. The operating result during the first six months compared to the same period last year increased 1% to SEK 156m (SEK 154m), despite of an operating loss in Germany of SEK 25m. The consolidated operating margin declined from 8.4% to 6.7%, as a higher margin in Russia/CIS of 10.0% was offset by a lower margin of -4.7% in Germany.

Result

As a result of debt used to fund the acquisition of the German operations in Q4 2019, as well as the consolidation of debt in the acquired business in Germany, and of precautionary liquidity measures that increased gross debt in Russia/CIS, net finance costs increased from SEK 10m to SEK 15m in Q2 2020. As a result of the weaker ruble, foreign exchange gains (net) were SEK 3m in Q2 2020 compared to foreign exchange gains (net) of SEK 4m in Q2 2019. The result before income tax for the quarter was largely unchanged from Q2 2019 and amounted to SEK 92m (SEK 92m). The net result for the quarter increased by 4% to SEK 76m (SEK 73m) as a result of consolidation of tax benefits on losses in Germany.

The result for the quarter increased by 4% to SEK 76m

During the first six months of 2020, the result before income tax decreased 19% to SEK 122m (SEK 151m). The net result for Russia/CIS increased 2% to SEK 121m but the Group net income decreased 19% to SEK 96m (SEK 119m) due to the consolidation of a SEK 25m net loss from the operations in Germany.

Earnings per share

Earnings per share for the second quarter amounted to SEK 5.24 (SEK 5.03).

Earnings per share during the first six months amounted to SEK 6.64 (SEK 8.21).

Earnings per share for the quarter amounted to SEK 5.24

Cash flows

Cash flows from operating activities increased to SEK 312m (SEK -313m) during the quarter. The positive cash flows was mainly a result of a decrease in net working capital from SEK 660m to SEK 476m during the quarter. The reduction in working capital was a result of lower inventory and lower receivables compared to Q1 2020, partly offset by lower payables. In Russia/CIS, inventory decreased on higher sales

Cash flows from operating activities after taxes and interest increased to SEK 312m (SEK -313m) during the quarter

Net working capital decreased from SEK 660m to SEK 476m during the quarter

than new purchases in Q2 2020. Receivables decreased mainly on better cash collections in 2Q 2020, and partly due to collection of receivables that were rolled over from Q1 2020. In the German operations, inventory decreased as we reduced the stock position assumed from Volvo in Q1 2020, including the trucks inventory, which was part of the transactions agreed in Q4 2019. Stronger cash flows from operations were supported by lower income tax but offset by higher interest paid.

Cash flows from investing activities in Q2 2020 amounted to SEK -22m (SEK -34m). The decrease was mainly due to lower acquisition of property, plant and equipment compared to Q2 2019 and partly a result of a deliberate reduction of capex to strengthen the Group's financial position given a more uncertain outlook. In Q2 2019, investments mostly related to machines in contracting services and service vans for mechanics.

Interest received in Q2 2020 was higher compared to Q2 2019 due to a higher cash position.

Cash flows from operating activities during the first six months increased to SEK 413m (SEK -428m)

Cash flows from operating activities during the first six months increased to SEK 413m (SEK -428m) on the back of lower net working capital compared to the end of 2019. Cash flows from investing activities amounted to SEK -27m (SEK -53m), as acquisitions of property, plant and equipment, and mainly machines for contracting services, were lower than in the first six months of 2019. In Russia, SEK 307m were released from working capital in the first half of 2020 and net working capital as a percentage of revenue declined from 19% at the end of 2019 to 11% at the end of the second quarter. The build-up of working capital in the second half of 2019, which was partly related to Ferronordic assuming responsibility of importation of machines and parts from Volvo, was thus partly reversed in the first half of 2020.

Financial position

At 30 June 2020, cash and cash equivalents amounted to SEK 733m, an increase of SEK 214m from the end of 2019 and SEK 95m from the end of the first quarter. The higher cash balance partly reflected stronger cash flows from operations and lower investments, but also a draw down on credit facilities available to the Group to increase the Group's liquidity position.

Interest-bearing liabilities (including lease liabilities and effects of IFRS-16) at the end of the quarter amounted to SEK 963m, a decrease of SEK 149m compared to the end of 2019. The decrease was mainly due to repayment of part of loans in Russia/CIS, partly offset by borrowings used to fund the operations in Germany. Interest bearing liabilities also include liabilities in the German operations amounting to SEK 86m that were transferred from payables to borrowings, during the first six months of 2020. As such transfers were non-cash, they are not reflected in cash flows.

Net debt declined from SEK 593m to SEK 230m

Net debt declined from SEK 593m at the end of 2019 to SEK 230m in Q2 2020.

Property, plant and equipment decreased by SEK 118m during the quarter from SEK 700m to SEK 582m, mainly as an effect of translation following the weakening of the Russian ruble, but also due to depreciation in the amount of SEK 94m. The main additions included right-of-use assets related to the business in Germany in the amount of SEK 30m.

Equity at 30 June 2020 amounted to SEK 883m

Equity at 30 June 2020 amounted to SEK 883m, a decrease of SEK 7m compared to 31 December 2019. The decrease, despite the positive result, was mainly a result of negative balance sheet translation differences following the 12% depreciation of the Russian ruble over the quarter. The translation loss during the first six months amounted to SEK 104m

Employees

The number of full-time equivalent employees at the end of Q2 2020 was 1,352

At the end of Q2 2020, the number of full-time equivalent employees was 1,352, of which 1,090 related to Russia/CIS, 250 to Germany and 12 occupied group functions. At the end of 2Q 2019, the number of full-time equivalent employees was 1,146. At the end of 2019, the number of full-time equivalent employees was 1,239, of which 1,189 related to the Russia/CIS and 50 to Germany. The 99 headcount reduction in Russia/CIS was a net result of increased headcount in contracting services and component rebuild but decreased in central and other functions.

Parent company

The parent company's result for the quarter increased to SEK 1m (SEK -12m)

During the second quarter, the revenue of the parent company increased to SEK 31m (SEK 25m) due to higher intra-group sales from the parent to its subsidiaries. Administrative expenses increased to SEK 6m (SEK 3m), mainly as a result of professional services, travel, taxes and staff changes. The result for the quarter increased to SEK 1m (SEK -12m), mainly due to foreign exchange gains (net) of SEK 1m in Q2 2020 compared to foreign exchange losses (net) of SEK -12m in Q2 2019.

During the first six months the revenue of the parent company increased to SEK 73m (SEK 62m). Administrative expenses amounted to SEK 13m (SEK 6m). The result amounted to SEK -5m (SEK -7m).

Risks and uncertainties

As described in the 2019 annual report, Ferronordic is exposed to a number of risks. Some of these risks have intensified as a result of the outbreak and spread of COVID-19. There have been no significant changes to what was stated in the 2019 annual report. The parent company is indirectly subject to the same risks and uncertainties as the Group.

Changes in management

On 9 July 2020, it was announced that Ceren Wende had been appointed Director of Marketing and Communications, starting 3 August. Since 2015, Ceren has worked with marketing and communication in leading positions in Volvo Trucks with a special focus on developing the Group's digital marketing strategy. Ceren will report directly to Ferronordic's CEO, Lars Corneliusson.

Expansion to Germany

The integration of Ferronordic's business in Germany is ongoing

Ferronordic started operations in Germany on 1 January 2020. While Ferronordic acquired partly existing organisations and infrastructure from the Volvo Group and Auto-Haas (a private Volvo and Renault trucks dealer in Ferronordic's area of operations), significant resources are invested to integrate these structures into the Group's organisation and processes and to implement Group systems and standards. Ferronordic sees opportunities to grow the market share of Volvo Trucks and Renault Trucks in its area and expects Ferronordic's share of the total aftermarket sales in the area to increase over time. As the aftermarket sales increases, the profitability of the new business is expected to improve. As a result of the business disruption caused by the outbreak of COVID-19, it is possible that the planned changes and improvements will take longer than previously estimated.

Major events

On 11 March 2020, WHO declared the outbreak of COVID-19 a global pandemic. From mid-March, authorities have issued recommendations and regulations to restrict movement and social contacts in order to contain the spread of the virus. Governments have launched initiatives to support businesses and protect their economies. Companies, including our suppliers, competitors and customers, are taking measures to adapt to an uncertain operating environment. While our markets gradually started to open up in the end of Q2 2020, the path of the virus and the measures to halt it cannot be predicted and we cannot exclude further supply or demand side disruption in our business.

Events after the reporting date

The Russian Central Bank continued to ease monetary policy. On July 24, the key rate was lowered by another 0.25% to 4.25%, compared to 6.25% at the end of 2019.

In Germany, as of July 1, VAT was temporarily lowered from 19% to 16% and 7% to 5% (reduced) respectively to support demand during the COVID-19 crisis.

Except as described elsewhere in this report, no events have occurred after the reporting date that require disclosure in the financial statements.

Outlook

The outbreak and the measures to contain the spread of COVID-19 have caused great uncertainty across our markets. For the rest of 2020, we may continue to face various degrees of disruption in supply, demand and customer interfacing.

Looking ahead, we are confident that our business model, which is built on a great team and a robust aftermarket business, will remain resilient. While we expect our markets to decline in 2020, we believe that we may have seen the lows. In a longer perspective, we remain positive as we believe that the underlying fundamentals and business opportunities in our markets are strong.

In a longer perspective, we remain positive

Annual general meeting (AGM)

Ferronordic's AGM was held on 25 June 2020 without physical presence pursuant to the Act on temporary exceptions to facilitate the execution of general meetings in companies and other associations (SFS 2020:198).

At the AGM, the shareholders resolved as follows:

- As proposed by the Board of Directors, it was resolved not to pay dividends.
- The company's and the group's income statements and balance sheets were adopted. The Board members and CEO were discharged from liability for the financial year 2019.
- Annette Brodin Rampe, Magnus Brännström, Lars Corneliussen, Erik Eberhardson, Håkan Eriksson and Staffan Jufors were re-elected Board members. Staffan Jufors was re-elected Board chairman.
- Fees to the Board in a total amount of SEK 1,800,000 were approved.
- KPMG AB was re-elected auditor. Fees to the auditor are paid as per agreement between the company and KPMG AB.
- Procedures were adopted regarding the election of the nomination committee and its work. The procedures provide, inter alia, that the four largest shareholders shall be invited to nominate members to the nomination committee. No fees are paid to the members of the nomination committee.
- Guidelines for remuneration to senior executives were adopted.
- The proposal for an incentive program for members of the group's executive and extended management teams was rejected.
- The Board was authorised to decide upon an issue of ordinary shares in the Company corresponding to a maximum increase of 20% of the number of shares.

Presentation of the report

This report for the second quarter 2020 was published on 13 August 2020 at 07.30 CET and is available at www.ferronordic.com.

Ferronordic invites investors, analysts and the media to a presentation where Lars Corneliussen, CEO, and Erik Danemar, CFO, comment on the report.

The presentation will be held on 13 August 2020 at 10:00 CET and can be followed via telephone conference or audiocast.

The presentation will be held in English and will be followed by a questions and answers session. Questions can be asked via the telephone conference or in written form via the audiocast. No preregistration is needed.

To participate via telephone, please dial-in no later than five minutes prior to the announced time.

Dial-in numbers:

Germany:	+49 69 2222 39 167
Russia:	+8 800 500 01 33
Sweden:	+46 8 505 58 369
Switzerland:	+41 22 567 56 32
UK:	+44 33 330 09 274
USA:	+1 833 823 05 86

The presentation can also be viewed live at <https://tv.streamfabriken.com/ferronordic-q2-2020>

Afterwards, a recording of the presentation will be available at the same page.

Condensed Consolidated Statement of Comprehensive Income

	Q2 2020 SEK '000	Q2 2019 SEK '000	Six months 2020 SEK '000	Six months 2019 SEK '000
Revenue	1 202 562	1 099 990	2 320 781	1 822 881
Cost of sales	(996 018)	(879 157)	(1 931 569)	(1 455 831)
Gross profit	206 544	220 833	389 212	367 050
Selling expenses	(53 201)	(46 501)	(108 347)	(85 094)
General and administrative expenses	(59 710)	(64 664)	(133 590)	(112 251)
Other income	12 569	607	14 415	2 961
Other expenses	(1 557)	(12 185)	(6 135)	(18 826)
Operating profit	104 645	98 090	155 555	153 840
Finance income	5 152	1 798	6 932	4 246
Finance costs	(20 726)	(11 778)	(39 446)	(19 712)
Foreign exchange gains/(-losses) (net)	3 208	4 203	(1 439)	12 396
Result before income tax	92 279	92 313	121 602	150 770
Income tax	(16 072)	(19 256)	(25 134)	(31 397)
Result for the period	76 207	73 057	96 468	119 373
Other comprehensive result				
<i>Items that are or may be reclassified to profit or loss:</i>				
Foreign currency translation differences for foreign operations	24 126	18 932	(103 915)	75 135
Other comprehensive result for the period, net of tax	24 126	18 932	(103 915)	75 135
Total comprehensive result for the period	100 333	91 989	(7 447)	194 508
Earnings per share				
Basic and diluted earnings per share (SEK)	5.24	5.03	6.64	8.21

Condensed Consolidated Statement of Financial Position

	30 June 2020 SEK '000	31 March 2020 SEK '000	31 December 2019 SEK '000	30 June 2019 SEK '000
ASSETS				
Non-current assets				
Property, plant and equipment	582 352	605 285	700 330	480 409
Intangible assets	9 287	10 076	11 679	8 597
Deferred tax assets	53 212	43 528	51 287	48 417
Total non-current assets	644 851	658 889	763 296	537 423
Current assets				
Inventories	1 133 554	1 292 560	1 289 887	1 359 867
Trade and other receivables	436 400	574 797	321 544	488 736
Prepayments	27 178	45 898	83 506	35 952
Cash and cash equivalents	733 330	638 538	519 361	188 897
Total current assets	2 330 462	2 551 793	2 214 298	2 073 452
TOTAL ASSETS	2 975 313	3 210 682	2 977 594	2 610 875
EQUITY AND LIABILITIES				
Equity				
Share capital	1 297	1 297	1 297	1 297
Additional paid in capital	612 136	612 136	612 136	612 136
Translation reserve	(226 009)	(250 135)	(122 094)	(139 535)
Retained earnings	399 003	399 003	148 184	148 184
Result for the period	96 468	20 261	250 819	119 373
TOTAL EQUITY	882 895	782 562	890 342	741 455
Non-current liabilities				
Borrowings	348 844	410 426	205 296	-
Deferred income	3 184	4 523	7 174	3 834
Deferred tax liabilities	4 472	1 603	6 622	1 220
Long-term lease liabilities	134 817	158 790	171 847	110 997
Total non-current liabilities	491 317	575 342	390 939	116 051
Current liabilities				
Borrowings	400 346	524 693	639 280	461 615
Trade and other payables	1 075 830	1 211 275	917 279	1 190 548
Deferred income	19 059	18 697	21 453	14 890
Provisions	26 538	22 940	22 282	23 898
Short-term lease liabilities	79 328	75 173	96 019	62 418
Total current liabilities	1 601 101	1 852 778	1 696 313	1 753 369
TOTAL LIABILITIES	2 092 418	2 428 120	2 087 252	1 869 420
TOTAL EQUITY AND LIABILITIES	2 975 313	3 210 682	2 977 594	2 610 875

Condensed Consolidated Statement of Changes in Equity

SEK '000	Attributable to equity holders of the company				Total equity
	Share capital	Additional paid in capital	Translation reserve	Retained earnings	
Balance 1 January 2020	1 297	612 136	(122 094)	399 003	890 342
Total comprehensive result for the period					
Result for the period				96 468	96 468
Other comprehensive result					
Foreign exchange differences			(103 915)		(103 915)
Total comprehensive result for the period			(103 915)	96 468	(7 447)
Contribution by and distribution to owners					
Dividend on shares				-	-
Total contributions and distributions	-	-	-	-	-
Balance 30 June 2020	1 297	612 136	(226 009)	495 471	882 895

SEK '000	Attributable to equity holders of the company				Total equity
	Share capital	Additional paid in capital	Translation reserve	Retained earnings	
Balance 1 January 2019	1 297	612 136	(214 670)	257 177	655 940
Total comprehensive result for the period					
Result for the period				119 373	119 373
Other comprehensive result					
Foreign exchange differences			75 135		75 135
Total comprehensive result for the period			75 135	119 373	194 508
Contribution by and distribution to owners					
Dividend on shares				(108 993)	(108 993)
Total contributions and distributions	-	-	-	(108 993)	(108 993)
Balance 30 June 2019	1 297	612 136	(139 535)	267 557	741 455

Condensed Consolidated Statement of Cash Flows

	Q2 2020 SEK '000	Q2 2019 SEK '000	Six months 2020 SEK '000	Six months 2019 SEK '000
Cash flows from operating activities				
Result before income tax	92 279	92 313	121 602	150 770
Adjustments for:				
Depreciation and amortisation	47 232	27 494	95 422	53 650
(Gain)/loss from impairment of receivables	430	1 445	4 147	6 303
Profit on disposal of property, plant and equipment	1 581	8 816	1 454	8 661
Finance costs	20 726	11 778	39 446	19 712
Finance income	(5 152)	(1 798)	(6 932)	(4 246)
Foreign exchange losses/(gains) (net)	(3 208)	(4 203)	1 439	(12 396)
Cash flows from operating activities before changes in working capital and provisions	153 888	135 845	256 578	222 454
Change in inventories	201 969	(97 017)	19 363	(558 082)
Change in trade and other receivables	138 538	(121 428)	(172 099)	(131 375)
Change in prepayments	20 395	(15 135)	50 658	(32 994)
Change in trade and other payables	(181 854)	(181 881)	316 502	116 632
Change in provisions	3 679	9 614	6 303	4 728
Change in deferred income	(1 885)	1 406	(3 085)	(720)
Cash flows from operating activities before interest and tax paid	334 730	(268 596)	474 220	(379 357)
Income tax paid	(1 885)	(31 931)	(21 399)	(29 556)
Interest paid	(20 471)	(12 008)	(39 528)	(19 261)
Cash flows from operating activities	312 374	(312 535)	413 293	(428 174)
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	889	61	2 164	1 499
Interest received	5 182	1 798	6 926	4 246
Acquisition of property, plant and equipment	(28 222)	(33 184)	(35 834)	(55 284)
Acquisition of intangible assets	(47)	(2 558)	(339)	(3 102)
Cash flows from investing activities	-	-	-	-
Cash flows from financing activities	(22 198)	(33 883)	(27 083)	(52 641)
Dividend on ordinary shares	-	(108 993)	-	(108 993)
Proceeds from borrowings	86 388	459 313	390 028	692 927
Repayment of loans	(256 971)	(219 417)	(516 481)	(244 447)
Financing received	-	26 136	-	26 136
Leasing financing paid	(23 448)	(21 230)	(55 630)	(34 137)
Cash flows from financing activities	(194 031)	135 809	(182 083)	331 486
Net change in cash and cash equivalents	96 145	(210 609)	204 127	(149 329)
Cash and cash equivalents at start of the period	638 538	401 853	519 361	356 589
Effect of exchange rate fluctuations on cash and cash equivalents	(1 353)	(2 347)	9 842	(18 363)
Cash and cash equivalents at end of the period	733 330	188 897	733 330	188 897

Key Ratios

	Q2 2020	Q2 2019	Six months 2020	Six months 2019
Revenue, SEK'000	1 202 562	1 099 990	2 320 781	1 822 881
Revenue growth, %	9.3%	34.6%	27.3%	27.4%
Gross margin, %	17.2%	20.1%	16.8%	20.1%
EBITDA, SEK'000	151 877	125 584	250 977	207 490
EBITDA margin, %	12.6%	11.4%	10.8%	11.4%
Operating profit, SEK'000	104 645	98 090	155 555	153 840
Operating margin, %	8.7%	8.9%	6.7%	8.4%
Result for the period, SEK'000	76 207	73 057	96 468	119 373
Undiluted earnings per share, SEK	5.24	5.03	6.64	8.21
Diluted earnings per share, SEK	5.24	5.03	6.64	8.21
Net debt/(cash), SEK'000	230 005	446 133	230 005	446 133
Net debt/EBITDA, x	0.4	1.1	0.4	1.1
Capital employed, SEK'000	1 846 230	1 376 485	1 846 230	1 376 485
Return on capital employed, %	22.9%	32.6%	22.9%	32.6%
Working capital, SEK'000	475 705	655 219	475 705	655 219
Working capital/Revenue, %	10.0%	18.0%	10.0%	18.0%
No. of employees at close of period	1 352	1 146	1 352	1 146

Ferronordic presents certain key ratios in its interim reports which are not defined according to IFRS. The company considers these ratios to provide valuable supplementary information for investors and the company's management as they enable the assessment of relevant trends.

Ferronordic's definitions of these measures may differ from other companies' definitions of the same terms. These ratios should therefore be seen as a supplement rather than as a replacement for measures defined according to IFRS. The definition and purpose of each key ratio are presented on page 25.

Parent Company Income Statement

	Q2 2020 SEK '000	Q2 2019 SEK '000	Six months 2020 SEK '000	Six months 2019 SEK '000
Revenue	30 831	25 028	73 068	61 786
Cost of sales	(25 332)	(24 278)	(62 563)	(57 006)
Gross profit	5 499	750	10 505	4 780
Administrative expenses	(5 661)	(3 031)	(13 035)	(5 691)
Operating profit	(162)	(2 281)	(2 530)	(911)
Finance income	595	80	877	82
Finance costs	(50)	(45)	(96)	(89)
Foreign exchange gains/(-losses) (net)	1 327	(12 473)	(4 559)	(8 034)
Result before income tax	1 710	(14 719)	(6 309)	(8 952)
Income tax	(361)	2 910	1 242	1 668
Result for the period	1 349	(11 809)	(5 067)	(7 284)

The total comprehensive result for the period is the same as the result for the period.

Parent Company Balance Sheet

	30 June 2020 SEK '000	31 December 2019 SEK '000	30 June 2019 SEK '000
ASSETS			
Non-current assets			
Intangible assets	880	993	1 069
Property, plant and equipment	-	-	1
Financial assets			
Holdings in group companies	163 785	158 785	152 941
Loans to group companies	2 671	2 638	-
Deferred tax assets	18 266	17 024	19 001
Total financial assets	<u>184 722</u>	<u>178 447</u>	<u>171 942</u>
Total non-current assets	<u>185 602</u>	<u>179 440</u>	<u>173 012</u>
Current assets			
Trade and other receivables	58 592	81 839	39 291
Prepayments	772	823	895
Cash and cash equivalents	18 488	39 327	49 780
Total current assets	<u>77 851</u>	<u>121 989</u>	<u>89 967</u>
TOTAL ASSETS	<u>263 454</u>	<u>301 428</u>	<u>262 979</u>
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	1 297	1 297	1 297
Unrestricted equity			
Share premium reserve	622 148	622 148	622 148
Retained earnings	(382 297)	(381 905)	(381 905)
Result for the period	(5 067)	(393)	(7 284)
TOTAL EQUITY	<u>236 082</u>	<u>241 148</u>	<u>234 257</u>
Current liabilities			
Trade and other payables	27 372	60 280	28 722
Total current liabilities	<u>27 372</u>	<u>60 280</u>	<u>28 722</u>
TOTAL LIABILITIES	<u>27 372</u>	<u>60 280</u>	<u>28 722</u>
TOTAL EQUITY AND LIABILITIES	<u>263 454</u>	<u>301 428</u>	<u>262 979</u>

Basis of presentation and summary of significant accounting policies

1. Accounting Policies

Ferronordic applies the International Financial Reporting Standards (IFRS) as adopted by the EU. This report has been prepared in accordance with IAS 34, the Swedish Annual Accounts Act and recommendation RFR 2 (only parent company), issued by the Swedish Financial Reporting Board.

Ferronordic has changed its accounting policies in respect of operating segments. For details please see Note 1 Operational segments and revenue.

Other new or revised standards that come into effect 2020 or later are not expected to have any significant effect on Ferronordic's financial statements.

Except as described above, the same accounting and valuation principles were applied in the preparation of this report as in the preparation of the 2019 annual report (with regard to the 2019 financial year).

2. Determination of fair values

The basis for determination of fair value of financial assets and liabilities is disclosed in note 5 in the 2019 annual report. The fair values of the Group's financial assets and liabilities approximate their respective carrying amounts.

3. Seasonal Variations

Ferronordic's revenue and earnings are affected by seasonal variations in the construction industry in Russia/CIS. Q1 is typically the weakest for sales of machines as activity in construction projects is constrained during the winter months. On the other hand, the demand in aftermarket (sales of parts and services) is usually strong since many customers use the quiet period to service their machines. This is usually followed by an increase during Q2 as contracts start to be put out for tender and customers prepare for the more active summer period. Q3 tends to be slower with regard to both machine sales and aftermarket. In Q4, activity usually strengthens as customers make year-end capital spending decisions. In Germany, seasonal trends are less significant.

4. Ferronordic AB (publ)

Ferronordic AB (publ) and its subsidiaries are sometimes referred to as the Group or Ferronordic. Ferronordic AB (publ) is also sometimes referred to as the company or Ferronordic. Any mentioning of the Board is a reference to the Board of Directors of Ferronordic AB (publ).

Notes

1. Operational segments and revenue
(i) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The chief operating decision-maker, who is responsible for allocating resources and assessing financial performance of the operating segments, has been identified as the Group Executive Management Team. Until 2019, the Group had one reportable segment: *Equipment Distribution*. Starting from Q1 2020, and following the Group's expansion of its operations to Germany, the Group recognises two separate reportable segments: *Russia/CIS* and *Germany*. The new segments are partly managed separately due to differences in markets, logistics, supply chains, products, customers and marketing strategies. For each segment, the Group's management reviews internal reports on at least a monthly basis. Russia/CIS comprises of sales of new and used construction and other equipment, aftermarket sales, rental, contracting services and other services in Russia and CIS (the Commonwealth of Independent States), currently in Russia and Kazakhstan. Germany comprises of sales of new and used trucks, aftermarket sales, rental and other services in Germany. The accounting policies of the segments are the same as described in Note 4 of the annual report 2019. Group overhead costs, such as Group executive management costs, are allocated between the segments using principles set forth by the CODM. Information regarding the results of each segment is included below. The performance of each segment is mainly evaluated based on revenue, gross profit, gross margin, EBITDA, operating profit and operating margin, as included in internal management reports that are reviewed by the Group's Executive Management Team. The Group had no inter-segment revenues during the periods presented.

The Group did not disclose operating segments in its financial statements for 2019 and earlier. Due to the recognition of the reportable segments, the Group has restated the previously reported financial statements for the three months that ended on 30 June 2019 and as at 30 June 2019.

SEK'000	Russia/CIS		Germany		Total	
	Q2 2020 SEK '000	Q2 2019 SEK '000	Q2 2020 SEK '000	Q2 2019 SEK '000	Q2 2020 SEK '000	Q2 2019 SEK '000
External revenue	957 965	1 099 990	244 597	-	1 202 562	1 099 990
Gross profit	190 230	220 833	16 314	-	206 544	220 833
EBITDA	156 204	125 584	(4 327)	-	151 877	125 584
Operating profit	119 608	98 090	(14 963)	-	104 645	98 090
Profit(loss) before tax					92 279	92 313
Result for the period					76 207	73 057
Gross margin	19.9%	20.1%	6.7%	0.0%	17.2%	20.1%
Operating margin	12.5%	8.9%	-6.1%	0.0%	8.7%	8.9%

SEK'000	Russia/CIS		Germany		Total	
	Six months 2020 SEK '000	Six months 2019 SEK '000	Six months 2020 SEK '000	Six months 2019 SEK '000	Six months 2020 SEK '000	Six months 2019 SEK '000
External revenue	1 800 749	1 822 881	520 032	-	2 320 781	1 822 881
Gross profit	346 148	367 050	43 064	-	389 212	367 050
EBITDA	255 908	207 490	(4 931)	-	250 977	207 490
Operating profit	180 057	153 840	(24 502)	-	155 555	153 840
Profit(loss) before tax					121 602	150 770
Result for the period					96 468	119 373
Gross margin	19.2%	20.1%	8.3%	0.0%	16.8%	20.1%
Operating margin	10.0%	8.4%	-4.7%	0.0%	6.7%	8.4%

	Russia/CIS		Germany		Inter-segment		Total	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2020	2019	2020	2019	2020	2019	2020	2019
	SEK'000	SEK'000	SEK'000	SEK'000	SEK'000	SEK'000	SEK'000	SEK'000
TOTAL ASSETS	2 335 627	2 624 206	647 999	353 388	(8 313)	-	2 975 313	2 977 594
TOTAL LIABILITIES	1 434 295	1 733 968	660 794	353 284	(2 671)	-	2 092 418	2 087 252

(ii) **Revenue**

Disaggregation of revenue

SEK'000	Russia/CIS		Germany		Total	
	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019
	SEK '000	SEK '000	SEK '000	SEK '000	SEK '000	SEK '000
Equipment and trucks sales	617 019	779 233	158 115	0	775 134	779 233
Aftermarket sales	220 844	226 804	67 852	0	288 696	226 804
Contracting services	114 820	87 999	0	0	114 820	87 999
Other revenue	5 282	5 954	18 630	0	23 912	5 954
Total revenues	957 965	1 099 990	244 597	-	1 202 562	1 099 990

SEK'000	Russia/CIS		Germany		Total	
	Six months 2020	Six months 2019	Six months 2020	Six months 2019	Six months 2020	Six months 2019
	SEK '000	SEK '000	SEK '000	SEK '000	SEK '000	SEK '000
Equipment and trucks sales	1 128 055	1 229 174	348 314	0	1 476 369	1 229 174
Aftermarket sales	442 014	435 295	135 486	0	577 500	435 295
Contracting services	217 603	148 792	0	0	217 603	148 792
Other revenue	13 077	9 620	36 232	0	49 309	9 620
Total revenues	1 800 749	1 822 881	520 032	-	2 320 781	1 822 881

In Russia/CIS, equipment and trucks sales include sales of new and used construction equipment, attachments and diesel generators. Aftermarket sales include sales of service and parts. Contracting services include only revenue from contracting services operations. Other revenue consist mainly of rental revenue.

In Germany, equipment and trucks sales include sales of new Volvo and Renault trucks, Renault light commercial vehicles and used trucks. Aftermarket sales include sales of service and parts. Other revenue consist mainly of rental revenue and also passenger cars.

Number of units sold	Russia/CIS		Germany		Total	
	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019
New units	296	280	146	-	442	280
Used units	68	39	8	-	76	39
Total units	364	319	154	-	518	319

Number of units sold	Russia/CIS		Germany		Total	
	Six months 2020	Six months 2019	Six months 2020	Six months 2019	Six months 2020	Six months 2019
New units	525	476	318	-	843	476
Used units	119	66	15	-	134	66
Total units	644	542	333	-	977	542

In Russia/CIS, new units include the full range of construction equipment and diesel generators. Used units include construction equipment and trucks.

In Germany, new units include Volvo and Renault trucks as well as sales of Renault light commercial vehicles. Used units include Volvo and Renault trucks, as well as other trucks and light commercial vehicles. Sales of passenger cars are included in other revenue and are not included in the new or used unit count.

2. Events after the reporting date

Information regarding events after the reporting date is set out in the front part of this report.

3. Contingencies

The Group has no material contingencies. The parent company has issued a number of guarantees, all as security for the subsidiaries' obligations vis-à-vis suppliers and banks.

4. Related party transactions

There have been no significant changes in the relationships or transactions with related parties for the Group or the parent company compared with the information disclosed in the 2019 Annual Report.

5. Earnings per share

The calculation of earnings per share is based on the result attributable to the shareholders and thus is calculated as the result for the period divided by the average number of shares outstanding.

	Q2 2020 SEK '000	Q2 2019 SEK '000	Six months 2020 SEK '000	Six months 2019 SEK '000
Result for the period	76 207	73 057	96 468	119 373
Result attributable to shareholders	76 207	73 057	96 468	119 373
Average number of shares during the period before and after dilution	14 532 434	14 532 434	14 532 434	14 532 434
Earnings per share before and after dilution	5.24	5.03	6.64	8.21

The Board of Directors and the Managing Director declare that the report for the second quarter of 2020 provides a true and fair overview of the Group's and the parent company's operations, financial position and performance, and describes material risks and uncertainties facing the parent company and the companies in the Group.

Stockholm, 13 August 2020

Staffan Jufors
Chairman

Magnus Brännström
Director

Annette Brodin Rampe
Director

Lars Corneliusson
Director

Erik Eberhardson
Director

Håkan Eriksson
Director

Lars Corneliusson
Managing Director

This report has not been reviewed by the company's auditors.

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 approx. 100 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

Financial Calendar 2020/2021

Interim report January-September 2020
Year-end report January-December 2020

12 November 2020
19 February 2021

For more information, please contact:

Erik Danemar, CFO, Tel: +46 73 660 72 31, or email: erik.danemark@ferronordic.com

Ferronordic AB (publ)

Nybrogatan 6
114 34 Stockholm
Corporate ID no. 556748-7953
Phone: +46 8 5090 7280

This information is information that Ferronordic AB (publ) is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication on 13 August 2020, 07:30 CET.

Financial information for individual quarters

The financial information below regarding individual quarters during the period 1 January 2018 – 30 June 2020 is collected from Ferronordic's interim reports for the relevant quarters.

Key ratios

Certain key ratios in Ferronordic's interim reports are not defined according to IFRS. The company considers these ratios to provide valuable supplementary information for investors and the company's management as they enable the assessment of relevant trends. Ferronordic's definitions of these measures may differ from other companies' definition of the same terms. These ratios should therefore be seen as a supplement rather than as a replacement for measures defined according to IFRS. As the amounts in the tables below have been rounded off to SEK m, the calculations do not always add up due to rounding.

Key ratios defined according to IFRS

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
SEK m (if not stated otherwise)										
Revenue	614	817	791	1 019	723	1 100	964	960	1 118	1 203
Result for the period	30	54	61	64	46	73	74	57	20	76
Basic and diluted earnings per share (SEK)	1.93	2.71	4.17	4.40	3.19	5.03	5.09	3.95	1.39	5.24

Key ratios not defined according to IFRS

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
SEK m (if not stated otherwise)										
Revenue growth (%)	11%	4%	26%	68%	18%	35%	22%	(6%)	55%	9%
Gross margin (%)	19.0%	19.3%	20.3%	17.6%	20.2%	20.1%	21.4%	21.0%	16.3%	17.2%
EBITDA	48	77	91	105	82	126	150	136	99	152
EBITDA margin (%)	7.8%	9.5%	11.5%	10.3%	11.3%	11.4%	15.6%	14.2%	8.9%	12.6%
Results from operating activities	41	68	80	84	56	98	109	95	51	105
Operating margin (%)	6.7%	8.3%	10.1%	8.3%	7.7%	8.9%	11.3%	9.9%	4.6%	8.7%
Net debt / (cash)	(264)	(204)	(298)	(303)	(59)	446	411	593	531	230
Net debt/EBITDA (x)	(1,2x)	(0,9x)	(1,1x)	(0,9x)	(0,2x)	1,1x	0,9x	1,2x	1,0x	0,4x
Capital employed	688	630	654	710	1 101	1 376	1 457	2 003	1 952	1 846
Return on capital employed (%)	34%	37%	40%	41%	33%	33%	34%	27%	23%	23%
Working capital	181	162	64	47	283	655	675	734	660	476
Working capital/Revenue (%)	7%	6%	2%	1%	8%	18%	18%	20%	13%	10%

Reconciliation of key ratios

The tables below show reconciliations of certain important key ratios.

Net debt / (Net cash)

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
SEK m (if not stated otherwise)										
Long term borrowings	0	0	0	0	0	0	0	205	410	349
Long term lease liabilities	20	23	17	28	25	60	86	110	95	79
Long term lease liabilities (after IFRS 16)	0	0	0	0	53	51	56	62	64	56
Short term borrowings	0	0	0	0	215	462	397	639	525	400
Short term lease liabilities	21	23	23	26	26	38	53	64	41	43
Short term lease liabilities (after IFRS 16)	0	0	0	0	23	25	28	32	34	36
Total Interest bearing liabilities	41	46	40	54	342	635	620	1 112	1 169	963
Cash & cash equivalents	306	250	338	357	402	189	210	519	639	733
Net debt / (cash)	(264)	(204)	(298)	(303)	(59)	446	411	593	531	230
Net debt / EBITDA (times)	(1.2)	(0.9)	(1.1)	(0.9)	(0.2)	1.1	0.9	1.2	1.0	0.4

Capital employed

SEK m (if not stated otherwise)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	2018	2018	2018	2018	2019	2019	2019	2019	2020	2020
Long term interest bearing liabilities	20	23	17	28	78	111	142	377	569	484
Short term interest bearing liabilities	21	23	23	26	264	524	478	735	600	480
Shareholder equity	647	584	614	656	758	741	837	890	783	883
Capital employed	688	630	654	710	1 101	1 376	1 457	2 003	1 952	1 846
Average capital employed	595	554	587	681	895	1 003	1 055	1 356	1 526	1 611
EBIT	41	68	80	84	56	98	109	95	51	105
Interest income	1	1	2	3	2	2	1	1	2	5
Result LTM	205	208	234	281	297	327	355	364	359	368
Return on capital employed (%)	34%	37%	40%	41%	33%	33%	34%	27%	23%	23%

Working capital

SEK m (if not stated otherwise)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	2018	2018	2018	2018	2019	2019	2019	2019	2020	2020
Inventory	691	712	755	741	1 295	1 360	1 168	1 290	1 293	1 134
Trade and other receivables	245	342	258	303	358	489	351	322	575	436
Prepayments	16	13	14	17	20	36	31	84	46	27
Trade and other payables	745	877	935	982	1 362	1 191	830	917	1 211	1 076
Deferred income	12	14	14	15	15	15	23	21	19	19
Provisions	12	14	15	17	14	24	23	22	23	27
Working capital	181	162	64	47	283	655	675	734	660	476
Revenue LTM	2 630	2 663	2 828	3 241	3 350	3 633	3 806	3 747	4 969*	4 765*
Working capital / Revenue (%)	7%	6%	2%	1%	8%	18%	18%	20%	13%	10%

* For the calculation of this ratio, annualised revenue was used for Germany, calculated as two times the first six months' revenue

Definitions of and purposes of alternative key ratios not defined by IFRS

New units sold: Number of new machines and trucks sold.

Used to measure and compare number of new units sold during relevant period.

Revenue growth: Growth in revenue compared to the same period last year, expressed in percentage.

Used for comparison of growth between periods as well as comparisons with the market as a whole and with the company's competitors.

Gross margin: Gross profit in relation to revenue.

Provides a measurement of the contribution from the ongoing business.

EBITDA: Operating profit activities excluding depreciation, amortisation and write-downs.

Provides a measurement of the result from the ongoing business.

EBITDA margin: EBITDA in relation to revenue.

Relevant key ratio in evaluating the Group's value creation.

Operating profit: Result before financial items and taxes.

Provides a measurement of the result from the ongoing business.

Operating margin: Operating profit in relation to revenue.

Relevant key ratio in evaluating the Group's value creation.

Net debt / (Net cash): Interest-bearing liabilities (including lease liabilities) less cash and cash equivalents.

Provides a measurement for the Group's net debt position.

Net debt / EBITDA: Net debt / (net cash) in relation to EBITDA for the last twelve months.

Shows to what extent EBITDA covers net debt. Used to evaluate financial risk.

Capital employed: Total equity and interest-bearing liabilities.

Shows the capital invested in the Group's business.

Return on capital employed: Adjusted EBIT plus financial income (for the last twelve months) in relation to capital employed (average during the last twelve months).

Shows how effectively the capital employed is used.

Working capital: Current assets excluding cash and cash equivalents, less non-interest bearing current liabilities.

Shows the amount of working capital tied up in the ongoing business.

Working capital / Revenue: Working capital in relation to revenue during the last twelve months.

Shows how effective the working capital is used in the business.