

Press Release
Stockholm, 15 February 2019

Ferronordic Machines AB (publ)
Year-end Report January - December 2018

STRONGEST QUARTER EVER – AGAIN!

FOURTH QUARTER 2018

- Revenue increased by 68% (76% increase in rubles) to SEK 1,019m (SEK 606m)
- Operating profit increased to SEK 84m (SEK 38m)
- Operating margin was 8.3% (6.2%)
- EBITDA increased to SEK 105m (SEK 46m)
- The result for the period increased to SEK 64m (SEK 28m)
- Earnings per ordinary share amounted to SEK 4.40 (SEK 0.52)
- Cash flows from operating activities amounted to SEK 12m (SEK -134m)

JANUARY - DECEMBER 2018

- Revenue increased by 26% (34% increase in rubles) to SEK 3,241m (SEK 2,567m)
- Operating profit increased to SEK 274m (SEK 187m)
- Operating margin was 8.4% (7.3%)
- EBITDA amounted to SEK 322m (SEK 214m)
- The result for the period amounted to SEK 209m (SEK 151m)
- Earnings per ordinary share amounted to SEK 13.22 (SEK 8.06)
- Cash flows from operating activities amounted to SEK 150m (SEK 148m)

SEK M	Q4 2018	Q4 2017	%	12m 2018	12m 2017	%
Revenue	1,019	606	68%	3,241	2,567	26%
EBITDA	105	46	130%	322	214	50%
Operating profit	84	38	124%	274	187	46%
Result for the period	64	28	127%	209	151	38%
Earnings per ordinary share	4.40	0.52	741%	13.22	8.06	64%
Return on capital employed	41.3%	36.1%		41.3%	36.1%	
Working capital / Revenue	1.5%	4.6%		1.5%	4.6%	
Net debt / (cash)	(303)	(312)		(303)	(312)	

Lars Corneliusson, CEO Ferronordic, comments: *"The fourth quarter was our strongest quarter ever in terms of both revenue and earnings. Revenue increased by 68% compared to the same period in 2017 and was 25% higher than during our second-best quarter. At the same time we managed to continue to reduce operating expenses as a percentage of revenue and thus increase operating profit and net income by as much as 124% and 127%, respectively. Also for the year as a whole both revenue and earnings increased significantly. Our success in 2018 is explained e.g. by the growing contracting services business, as well as growing aftermarket sales, particularly during the second half of the year, and to a large extent driven by our digitalization program. In addition to expanding our existing business, we also signed an agreement to become Volvo CE dealer in Kazakhstan and thus took the first step in our expansion beyond Russia. As regards demand on our markets in the long- and medium term perspective, we remain optimistic, especially given the existing indications of significantly increased infrastructure spending. Finally, the Board will propose an ordinary dividend of SEK 3.75 per share and an extraordinary dividend of SEK 3.75 per share, i.e. in total SEK 7.50 per share."*

About Ferronordic

Ferronordic is the authorized dealer of Volvo Construction Equipment, Terex Trucks, Dressta, Mecalac and Rottne in Russia. In certain parts of the country, Ferronordic has also been appointed aftermarket dealer for Volvo and Renault Trucks and dealer for Volvo Penta. Since January 2019 Ferronordic is also the authorized dealer of Volvo Construction Equipment and Mecalac in Kazakhstan. The company began its operations in 2010 and has expanded rapidly across Russia. The company is well established in all federal districts with 79 outlets and over 1,000 employees. Ferronordic's vision is to be regarded as the leading service and sales company in the CIS markets. The shares in Ferronordic are listed on Nasdaq Stockholm.

www.ferronordic.com

Financial Calendar 2019/20

Interim report January-March 2019	14 May 2019
Interim report January-June 2019	15 August 2019
Interim report January-September 2019	22 November 2019
Year-end report January-December 2019	20 February 2020

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