

Press Release
Stockholm, 12 November 2020

Ferronordic AB (publ)
Interim Report January - September 2020

Record profit and strong cash flow

THIRD QUARTER 2020

- Revenue increased by 17% to SEK 1,129m (SEK 964m)
- Operating profit decreased by 1% to SEK 107m (SEK 109m)
- Operating margin decreased to 9.5% (11.3%)
- The result for the period increased by 9% to SEK 81m (SEK 74m)
- Earnings per ordinary share amounted to SEK 5.57 (SEK 5.09)
- Cash flows from operating activities amounted to SEK 100m (SEK 95m)

FIRST NINE MONTHS 2020

- Revenue increased by 24% to SEK 3,450m (SEK 2,787m)
- Operating profit was largely unchanged at SEK 263m (SEK 262m)
- Operating margin decreased to 7.6% (9.4%)
- The result for the period decreased by 8% to SEK 177m (SEK 193m)
- Earnings per ordinary share amounted to SEK 12.21 (SEK 13.31)
- Cash flows from operating activities amounted to SEK 514m (SEK -333m)

| SEK M | Q3 2020* | Q3 2019 | % | 9M 2020* | 9M 2019 | % |
|----------------------------|----------|---------|-----|----------|---------|-----|
| Revenue | 1 129 | 964 | 17% | 3 450 | 2 787 | 24% |
| Operating profit | 107 | 109 | -1% | 263 | 262 | 0% |
| Result for the period | 81 | 74 | 9% | 177 | 193 | -8% |
| Earnings per share | 5.57 | 5.09 | 9% | 12.21 | 13.31 | -8% |
| Gross margin | 19.6% | 21.4% | | 17.7% | 20.6% | |
| Operating margin | 9.5% | 11.3% | | 7.6% | 9.4% | |
| Return on capital employed | 25% | 34% | | 25% | 34% | |
| Working capital / Revenue | 8% | 18% | | 8% | 18% | |
| Net debt / (cash) | 83 | 411 | | 83 | 411 | |

* Q3 and 9M 2020 includes consolidation of Ferronordic's operations in Germany

Lars Corneliusson, CEO Ferronordic, comments: "Q3 2020 was another quarter where our organization delivered a very strong result. Despite continued uncertainty related to COVID-19, we achieved our best net profit to date. In Russia/CIS, our customers remained active and continued to rely on our services. New construction equipment unit sales grew 21% in a market that declined and aftermarket sales grew 14% in ruble terms. Contracting services was up 21% in rubles and we announced a new project which can expand our market potential. We also launched an expansion of our center for component and machine rebuild in Ekaterinburg. We saw increased activities and tendering for the so-called national projects, which aim at improving the infrastructure in Russia. Despite strong organic growth, total revenue declined by 7% to SEK 900m, due to the weaker ruble. As a result of continued cost discipline, our operating profit however increased by 14% to SEK 124m, our highest to date for Russia/CIS. In Germany, the market for new trucks remained weak while the demand for service and spare parts was more stable. The operating profit declined by 11% Q-o-Q as we implement plans to turn the acquired business around. We continue to work to improve our German service network and increase aftermarket sales. Cash flows from operating activities were strong for the Group at SEK 100m. Net debt decreased to SEK 83m. Currently, we expect the markets in Russia/CIS and Germany to start to recover next year. In a longer perspective, we remain positive as we believe that the underlying fundamentals and business opportunities in our markets are strong."

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

Year-end report January-December 2020

19 February 2021

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