

Press Release
Stockholm, 13 August 2020

Ferronordic AB (publ)
Interim Report January - June 2020

Best second quarter to-date despite COVID-19

SECOND QUARTER 2020

- Revenue increased by 9% to SEK 1,203m (SEK 1,100m)
- Operating profit increased by 7% to SEK 105m (SEK 98m)
- Operating margin decreased to 8.7% (8.9%)
- The result for the period increased by 4% to SEK 76m (SEK 73m)
- Earnings per ordinary share amounted to SEK 5.24 (SEK 5.03)
- Cash flows from operating activities amounted to SEK 312m (SEK -313m)

FIRST SIX MONTHS 2020

- Revenue increased by 27% to SEK 2,321m (SEK 1,823m)
- Operating profit increased by 1% to SEK 156m (SEK 154m)
- Operating margin decreased to 6.7% (8.4%)
- The result for the period decreased by 19% to SEK 96m (SEK 119m)
- Earnings per ordinary share amounted to SEK 6.64 (SEK 8.21)
- Cash flows from operating activities amounted to SEK 413m (SEK -428m)

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	

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

Lars Corneliusson, CEO Ferronordic, comments: "Q2 2020 was our strongest second quarter to-date, despite the effects of COVID-19. In Russia/CIS, new machine unit sales grew even as the market declined sharply and we gained market shares in most product groups. Although challenged by restrictions, our aftermarket sales grew in local currency and contracting services delivered at the historic high levels reached in H2 2019. Supported by our cost cutting efforts and without government support, operating profit increased by 22% to a record SEK 120m. In Germany the market for new trucks declined by more than 50%. Our revenue amounted to SEK 245m with an operating loss of SEK 15m. Total revenue for the Group amounted to SEK 1,203m and the operating profit increased by 7% to SEK 105m, implying an operating margin of 8.7%, above our 6-8% target. Cash flows from operating activities were strong as net working capital decreased to 10% of revenue. Net debt declined to SEK 230m, putting Ferronordic in an even stronger position as we enter H2 2020. Looking ahead, we recognise that the future remains uncertain but 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."

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

12 November 2020

Year-end report January-December 2020

19 February 2021

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