

Interim report 1 January – 31 March 2024

Stockholm 16 May 2024

Q1 2024: A strong start in the US

FIRST QUARTER 2024

- Revenue increased by 86% to SEK 1,172m (631)
- Operating profit increased by 247% to SEK 21m (-14)
- Operating margin increased to 1.8% (-2.2)
- The result for the period increased by 939% to SEK 70m (7)
- Basic earnings per share¹ amounted to SEK 4.83 (0.46)
- Cash flows from operating activities amounted to SEK 124m (-126)

SEK m (or as stated)	2024 Q1	2023 Q1	%	2023 FY
Revenue	1,172	631	86%	2,863
Gross profit	231	85	173%	377
Operating profit	21	-14	247%	-115
Result for the period	70	7	939%	-107
Earnings per share, SEK1	4.83	0.46	939%	-7.39
Cash flow from operations	124	-126		-27
Net debt (cash)	1,542	-681		1,349
<i>Gross margin, %</i>	19.7%	13.4%	6.3pp	13.2%
<i>Operating margin, %</i>	1.8%	-2.2%	4.0pp	-4.0%
<i>Working capital/LTM Revenue, %</i>	20%	23%	-3.4pp	20%
<i>Equity/total assets, %</i>	33%	59%	-25.4pp	34%
<i>Return on capital employed, %</i>	-2%	11%	-12.9pp	-3%
<i>Return on equity, %</i>	-2%	26%	-28.3pp	-6%

¹ Before dilution.

Lars Corneliussen, President and CEO, comments: *The first quarter of 2024 was our first full quarter with Rudd Equipment Company. Our expansion to the US has started well. During the first quarter, revenue amounted to SEK 699m with an operating profit of SEK 60m, corresponding to an operating margin of 8.6%. We gained market share, especially in the important segment of articulated haulers, boding well for future sales of service and spare parts. After four months in the US, we are even more positive about the future opportunities. Rudd is already a well-managed and profitable company, but we see opportunities to both grow and improve profitability by, in the long term, gaining market share, increasing machine population and capturing a larger share of potential aftermarket sales.*

In Germany, the situation remains challenging. Demand is weak and customers are postponing fleet renewals. Activity in our workshops, however, remained high and aftermarket sales increased by 9%. The work to reduce costs and create a leaner organisation continued in the quarter. We continue to develop our aftermarket business and invest in e-mobility. Our business for sustainable transport solutions has grown its rental fleet to 40 electric trucks. Inventory decreased but remains high. Work to normalise inventory in Germany continues. Revenue in Germany decreased by 20% to SEK 439m. Operating profit decreased to SEK -12m.

Although Kazakhstan's economy continued to grow, the market for construction equipment declined. Our sales of new and used machines decreased, while the aftermarket business was more stable. We expect the inventory position to normalise during 2024. Revenue in decreased to SEK 34m, or 3% of the Group's turnover. The operating result decreased to SEK -3m.

For the Group, revenue increased by 86% to SEK 1,172m, mainly due to the consolidation of the American operations. The operating result for the Group amounted to SEK 21m. The Group's net debt of increased to SEK 1,542m, mainly as a result of the acquisition of the American operations.

We are optimistic about our expansion into the US and the opportunities there. The US is the world's second-largest market for construction equipment. Demand is supported by a dynamic economy and extensive support programs for infrastructure investment. The German economy currently looks weak. We are taking measures to make our organisation more efficient and resilient. We believe in continued strong demand in the aftermarket business and are optimistic about the long-term potential in the German market. We continue to develop our operations in Kazakhstan.

About Ferronordic

Ferronordic is a service and sales company in the areas of construction equipment and trucks. It is the dealer for Volvo CE in all or parts of nine states in the United States and also represents Hitachi, Sandvik and Link-Belt in parts of the same area. Ferronordic is dealer of Volvo Trucks, Renault Trucks and Sandvik Mobile Crushers in Germany and dealer of Volvo CE and certain other brands in Kazakhstan. Ferronordic began its operations in 2010 and currently has 42 outlets and approx. 800 employees. Ferronordic's vision is to be the leading service and sales company in its markets. The shares in Ferronordic AB (publ) are listed on Nasdaq Stockholm. www.ferronordic.com

This information is information that Ferronordic AB (publ) is obliged to disclose pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act (2007:528). The information was submitted for publication on 16 May 2024, 07:30 CET.

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Financial calendar

Annual general meeting 2024 – 16 May
Interim report April-June 2023 – 15 August
Interim report July-September – 14 November
Year-end report 1 January – 31 December – 20 February 2025

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