



Interim report 1 January – 30 September 2024

Q3 2024: Strong performance in the US

Summary of the third quarter, July – September 2024¹

Group:

- 77% revenue increase driven by the addition and performance of the US operations.
- Operating result increased to SEK 2m (SEK 32m excluding one-off effect of impairment of inventory in Germany).
- Net profit decreased to SEK -88m, partly because of exchange rate effects.
- Net debt of SEK 1,792m after the acquisition of the US operations and partly driven by expansion of the rental fleet in the US.
- Total equity decreased to SEK 1,483m.

USA:

- Slightly weaker but still strong market.
- Stable revenue on stronger rental income and steady service and parts sales.
- Total revenue of SEK 686m.
- Operating result of SEK 53m.
- Operating margin of 7.7%.

Germany:

- Market declined by 40%.
- New unit sales decreased by 60% against high base in 2023.
- Total revenue decreased by 35% to SEK 372m.

- Service and parts sales increased by 6%
- SEK 31m impairment of inventory.
- Inventory levels start to normalise.
- Operating result decreased to SEK -40m or increased to SEK -9m excluding effect impairment of inventory.
- Cost reduction program shows effects.

Central Asia (CA):

- New unit sales increased by 24%.
- Total revenue increased by 19% to SEK 82m.
- Operating result increased to SEK 3m.
- Normalisation of inventory makes progress.

77%

Revenue growth

2

Operating profit, SEK m

0.1%

Operating margin

-6.07

Earnings per share, SEK

Selected key group ratios

SEK m (or as stated)	2024 Q3	2023 Q3	%	2024 9M	2023 9M	%	2023 FY
Revenue	1,141	643	77%	3,408	1,948	75%	2,863
Gross profit	204	75	171%	637	244	161%	377
Operating profit	2	-28	106%	19	-53	135%	-115
Result for the period	-88	-89	1%	-99	-19	-429%	-107
Earnings per share, SEK ²	-6,07	-6,16	1%	-6,80	-1,29	-447%	-7,39
Cash flow from operations	427	-88		821	-174		-27
Net debt (cash)	1,792	-378		1,792	-378		1,349
<i>Gross margin, %</i>	17.9%	11.7%	6.2pp	18.7%	12.5%	6.2pp	13.2%
<i>Operating margin, %</i>	0.1%	-4.4%	4.5pp	0.5%	-2.7%	3.3pp	-4.0%
<i>Working capital/LTM Revenue, %</i>	22%	20%	1.5pp	22%	20%	1.5pp	20%
<i>Equity/total assets, %</i>	31%	62%	-30.9pp	31%	62%	-30.9pp	34%
<i>Return on capital employed, %</i>	-1%	-1%	0.4pp	-1%	-1%	0.4pp	-3%
<i>Return on equity, %</i>	-12%	-2%	-9.6pp	-12%	-2%	-9.6pp	-6%

¹ Comparison with same period in prior year unless stated otherwise. ² Before dilution.

All amounts are stated in millions of SEK unless stated otherwise. Rounding differences when summing up can occur with +/- SEK 1m. In cases where an underlying number is rounded off to SEK 0m, this is written as 0. Definitions and purposes of the key ratios are presented on pages 20 to 22.

Strong performance in the US

In the third quarter of 2024, we saw continued strong contribution from the US, but also improving underlying performance in our other business areas. However, we also decided to revalue part of our inventories in Germany, leading to a lower result for the Group.

The US operations continued to perform well. Total revenue was SEK 686m and the operating profit was SEK 53m, implying an operating margin of 7.7%. Despite a more cautious market before the elections, equipment sales remained strong in the quarter. Our new machine sales in units were slightly lower but revenue from equipment sales was higher than in the second quarter thanks to strong sales of larger machines, particularly articulated haulers and drills. Service and parts sales were stable quarter-on-quarter.

In the first nine months of 2024, the market for construction equipment was down 10% in North America. This however compares to a record strong 2023. The market remains firm and activity in the construction sector is high. Favourable weather conditions have allowed customers to complete jobs earlier than planned and move their fleets to new sites, resulting in higher utilisation and stronger demand for machines. With the elections now over, we believe that projects that have been on-hold may be launched, contributing to continued high demand going forward. The US Fed cut the funds rate in the quarter. Lower rates should support demand and lower our funding costs.

Our inventory and rental fleet are higher than at the start of the year. This is from a low base in 2023 and in line with our strategy to take market share in the excavator segment. We believe that demand for machinery, in the US in general and our sales area in the Midwest in particular, will remain strong and see opportunities to improve profitability further by gaining market share, increasing machine population and capturing a larger share of the service and part sales potential.

In Germany, the market declined by 40% in the third quarter and our deliveries of new trucks in units were down by 60%. Some customers have put fleet renewals on hold due to the poor business sentiment in Germany. As a result of weak demand and a supply glut, we have seen growing price competition. Our efforts to reduce our slow-moving inventory in Germany have – in the context of intense price pressure and cases of customer order cancellations – led us to conclude that we must revalue parts of our inventory. We need to reduce our balance sheet to increase the future efficiency of our business and, unfortunately, we cannot sell some of the trucks in inventory at a positive margin in the current market. In the third quarter, we thus recognised an impairment of SEK 31m on our stock.

At the same time, we saw an improvement in the underlying performance of the business. Our cost reduction program started to show results and our run rate is now in line with our annual target. Service and parts sales, which are most crucial for profitability in Germany, were higher than last year. Demand is high in most of our workshops and we could sell more parts and service with more technicians. Our cost absorption is below target but has improved as a result of both lower costs and higher aftermarket sales. We also saw an increase in new orders for future truck deliveries and our electric rental business developed well.



"We are optimistic about the opportunities in the US"

With a leaner organisation and balance sheet, we are in good position to capture the recovery in the German market, which we believe will come.

Overall, revenue in Germany decreased by 35% to SEK 372m. Operating profit decreased to SEK -40m. Excluding the one-off effect of the inventory impairment, the operating profit improved to SEK -9m.

In Kazakhstan, our sales of new machines, measured in units, however increased to 21. We are making progress on normalising the inventory in Kazakhstan.

Total revenue increased to SEK 82m, or 7% of the Group's turnover. The operating result increased to SEK 3m.

For the Group, revenue increased by 77% to SEK 1,141m. The operating result amounted to SEK 2m, or SEK 32m excluding the one-off effect of the impairment of inventory in Germany. The net result was negatively impacted by the appreciation of the Swedish krona. The Group's net debt increased to SEK 1,792m, mainly as a result of the acquisition of the American operations in November 2023 but also due to the expansion of the rental fleet in the US throughout 2024.

Outlook

We are optimistic about our expansion into the US and the opportunities we see there. Demand is supported by a dynamic economy, a significant need to upgrade the country's infrastructure and extensive federal and state programs for infrastructure investment. These programs should support demand for construction equipment through the cycle. We also expect further large construction projects involving data centers, battery plants and logistics hubs in the US Midwest.

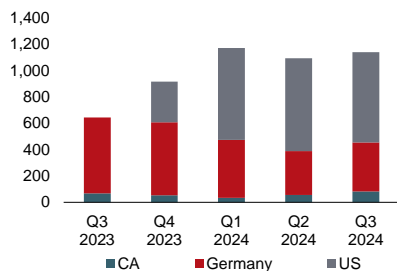
The German economy remains weak. We have taken actions to cut costs and make our organisation more resilient. We believe in continued strong demand in the service and parts business and remain optimistic about the long-term potential in the German market and the opportunities in e-mobility and sustainable transport solutions.

Kazakhstan represents a small part of the Group's business. We continue to see long-term potential in the country.

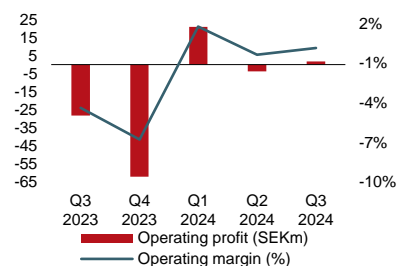
Lars Corneliusson
President and CEO

Group

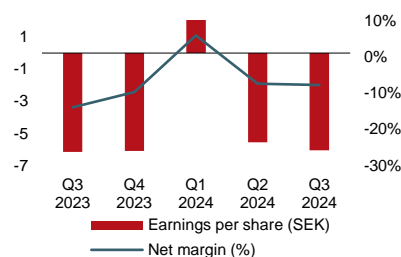
Revenue by segment (SEKm)



Operating profit and operating margin (adjusted*)



EPS and net margin



Revenue

In Q3 2024, the revenue of the Group increased by 77% to SEK 1,141m (643). Sales of equipment and trucks increased by 32% and service and part sales increased by 160%. Other revenue, mainly consisting of rental sales, increased by 379%. The increase in sales is mainly related to the addition of the US operations from December 2023. Excluding the US operations, total revenue decreased by 29% to SEK 188m.

In 9M 2024, the Group revenue increased by 75% to SEK 3,408m (1,948). The sales of trucks and equipment increased by 36% and service and part sales increased by 154%, mainly as a result of the Group's acquisition of the operations in the USA.

Gross profit and operating result

In Q3 2024, the gross margin for the Group increased to 17.9% (11,7). As a result of higher revenue and higher gross margin, gross profit increased by 171% to SEK 204m (75). The gross margin was positively affected by the addition of the US business. In Q3 2024, the gross margin was negatively impacted by an impairment of inventory of SEK 31m in Germany.

As a percentage of revenue, selling, general and administrative expenses decreased in Q3 2024 to 16.3% (16.8). The operating result for Q3 2024 increased by 106% to SEK 2m (-28). The operating margin during the quarter increased from -4,4% to 0.1%.

In 9M 2024, the gross margin increased to 18.7% (12.5). As a result of higher margin and higher revenue, gross profit increased by 161% to SEK 637m (244).

As a percentage of revenue, selling, general and administrative expenses increased in 9M 2024 to 18.2% (16.0). The operating result for 9M 2024 increased by 135% to SEK 19m (-53). The operating margin increased from -2.7% to 0.5%.

According to IAS 2, inventories should be valued at the lower of cost and net realisable value. Due to a supply-demand imbalance in the market, we have seen growing price competition and margin pressure throughout Q3 2024. As a result, we have decided to impair trucks in our stock for which there is no customer order. The effect of the impairment was SEK 31m in Q3 2024.

Net income

In Q3 2024, finance costs (net) amounted to SEK -37m (-2). Finance costs increased on higher interest rates and increased debt to fund the acquisition of the US operations and to expand the rental fleet in the US business. Foreign exchange losses (net) amounted to SEK -49m (-84.0) in Q3 2024, mainly as the Swedish krona appreciated against the US dollar and the euro.

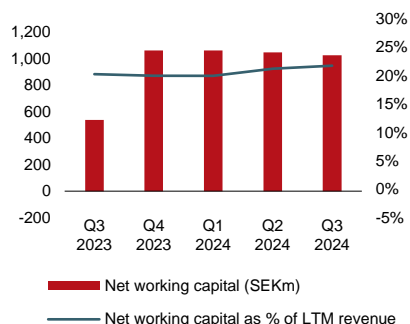
The result before income tax for Q3 2024 increased to SEK -84m (-115). The result for Q3 2024 remained at the previous year's level at SEK -88m (-89).

In 9M 2024, finance costs (net) increased to SEK -103m (-2). Foreign exchange gains (net) were SEK 11m (27). The result before income tax for 9M 2024 decreased by 170% to SEK -74m (-27). The result for 9M 2024 decreased by 429% to SEK -99m (-19).

Earnings per share

Earnings per share before dilution in Q3 2024 amounted to SEK -6.07 (-6,16).

Net working capital and % LTM revenue



Earnings per share before dilution in 9M 2024 amounted to SEK -6.80 (-1,29).

Cash flows

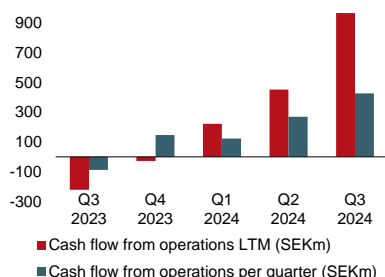
In Q3 2024, cash flows from operating activities increased to SEK 427m (-88). Working capital at the end of Q3 2024 was SEK 1,026m, a decrease compared to the end of Q4 2023 at SEK 1,063m. As a percentage of revenue, working capital was 21,8% (20.0% at the end of 2023) in Q3 2024, mainly due to lower payables.

Cash flow from investing activities in Q3 2024 amounted to SEK -113m (-29). Investments are mainly related to the purchase of new equipment for the rental fleet in the US.

In 9M 2024, cash flows from operating activities increased to SEK 821m (-174). Higher cash flows were partly a result of lower inventories and receivables.

Cash flows from investing activities during 9M 2024 amounted to SEK -520m (-103).

Operating cash flow per quarter and over LTM



Financial position

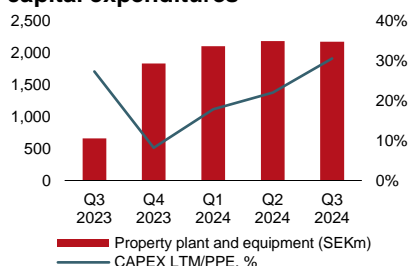
On 30 September 2024, cash and cash equivalents amounted to SEK 360m, a decrease of SEK 66m compared to the end of 2023. The cash decreased mainly as a result of repayment of loans and purchase of machines to the US rental business.

At the end of Q3 2024, interest-bearing liabilities (including lease liabilities and effects of IFRS-16) amounted to SEK 2,153m, an increase of SEK 377m compared to the end of 2023. The increase is partly a result of a movement of trade payables to interest-bearing liabilities, mainly in the US and mainly related to purchase of equipment for the rental fleet. The movement has no effect on cash flows. The net debt increased from SEK 1,349m at the end of Q4 2023 to SEK 1,792m at the end of Q3 2024.

On 30 September 2024, property, plant and equipment (PP&E) amounted to SEK 2,165m, an increase of SEK 337m from SEK 1,828m at the end of 2023. The increase is mainly related to the increase in the US rental fleet.

On 30 September 2024, equity amounted to SEK 1,483m, a decrease of SEK 139m compared to the end of 2023. The decrease was partly a result of currency effects.

Property, plant and equipment and capital expenditures



Parent company

In Q3 2024, the revenue of the Parent Company decreased to SEK 2m (8), mainly due to less equipment trading with subsidiaries. Administrative expenses decreased by 76% to SEK 3m (14), which was mainly due to some unusual effects, including the release of bonus accruals and a reserve for potential legal claim against the Company. The operating result increased to SEK 0m (-4). The result for the quarter increased to SEK -16m (-47) mainly due to higher finance income.

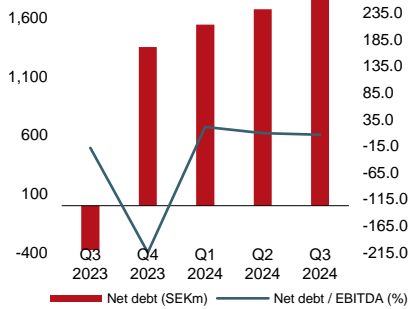
In 9M 2024, the revenue of the Parent company decreased to SEK 10m (28). Administrative expenses decreased by 38% to SEK 44m (80). The operating result increased to SEK -36m (-56) in 9M 2024. The result for the 9M 2024 increased to SEK 58m (21).

Foreign exchange rates

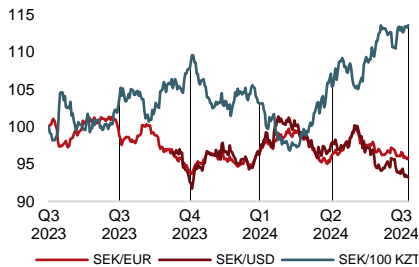
The following foreign exchange rates have been used to translate the Q3 2024 (Q3 2023) results to the presentation currency:

- Average rates of SEK/EUR 11.41 (-3% vs 11.76) and SEK/USD 10.50 have been used to translate the income statements.

Net debt and net debt/EBITDA



Currency index last 5 quarters (indexed 1 July 2023)



- End of period rates of SEK/EUR 11.30 (-1,7% vs 11.49) and SEK/USD 10.09 have been used to translate the balance sheet.

The Group’s currency exposure is mainly to the US dollar (USD) and the euro (EUR), from its US and German operations respectively. The Group also has exposure to the Kazakh tenge (KZT).

Employees

At the end of Q3 2024, the number of full-time equivalent employees in the Group was 801 (502), of which 387 (434) related to Germany, 361 (-) to US, 41 (56) to Kazakhstan and 12 (12) occupied Group functions.

Sustainability

In Q3 2024, Ferronordic continued work to build institutional capacity to measure, report and follow up on its sustainability targets internally and as required by the CSRD and the ESRS.

Risks and uncertainties

Ferronordic is exposed to a number of operational and financial risks. The Group currently operates in the US, Germany and Kazakhstan, which means that the Group has business in two developed markets and in one emerging market. In developed markets, competitive, labour and regulatory pressure can be strong. In the US, the incoming administration has discussed raising import tariffs. In an emerging market, the institutional and regulatory frameworks can be unstable. The tax and judicial systems are not always transparent or consistent. Corruption can be a problem. Access to funding can be limited, monetary policy unpredictable and the currency unstable. Counterparty and insurance risks are often greater and instruments to manage such risks are either less effective or more expensive. In its position as a service and sales company, between suppliers and customers, Ferronordic is exposed to both supply and demand disruptions and to changes in macroeconomic activity. For more on risks and uncertainties, please refer to Ferronordic’s annual report.

German efficiency enhancement program

In Q4 2023, Ferronordic launched an efficiency enhancement program in Germany. The program aimed at making Ferronordic’s organisation leaner and more resilient by reducing both horizontal and vertical administrative units, while increasing the efficiency of the productive organisation. Ferronordic has thus reduced the number of regions in its sales area from four to two and has reduced a number of middle management roles. The German management team has been reorganised to include Group Executives with operational functions in the German business, including Group Commercial Director, Group HR Director and Group CEO. Ferronordic has also analysed its cost structure across all functional areas to identify opportunities to reduce costs without negatively impacting – and where possible improving – the productivity of the service and sales areas. One key objective of the program is to increase Ferronordic’s absorption level in Germany, which is how much of its fixed costs are covered by the gross profit from its aftermarket business. As a result of the cost reduction program, Ferronordic expects to save approx. SEK 60m annually, starting from Q3 2024.

New financial objectives and dividend policy

On 1 October 2024, Ferronordic decided on new financial objectives and dividend policy for the Group. The new financial objectives take into consideration the long-term potential for growth, profitability and cash flows in Ferronordic’s current business profile, including its expansion to the US.

Ferronordic’s new financial objectives reflect Ferronordic’s current business position and strategic direction in 2024-2029 on an organic¹ basis:

- Double the 2024² revenue in its current markets by 2029
- Operating margin above 6%
- Net debt/EBITDA below 3 times (over a business cycle)

Ferronordic's financial objectives are aligned with its strategic objectives:

- Leadership in the market for construction equipment and trucks
- Geographic expansion
- Expansion into related business areas
- Development of sustainable transport services
- Industry leading digital service and sales platforms
- Aftermarket absorption³ rate of at least 1.0 x

The Board has also reviewed Ferronordic's dividend policy. According to the new policy, the ambition for the Company should be to pay at least 50% of net income if net debt/EBITDA is less than 1.0, post dividend payment, and to pay at least 25% if net debt/EBITDA is more than 1.0. The Board will take several factors into account when proposing the level of dividend including legal requirements, the articles of association, the Group's expansion opportunities, its financial position and other investment needs.

1. Ferronordic's 6M 2024 revenue x 2 is used as a base for growth

2. Current markets are defined as Ferronordic's current (Q2 2024) sales area in the US, Germany and Kazakhstan. They include expansion to other brands and products and expansion of our network in and directly adjacent to our current area

3. Percentage of fixed costs covered by gross profit from the aftermarket business

Events after the reporting period

Other than as mentioned above, there were no significant events after the end of the reporting period.

Segments

From Q4 2023 Ferronordic recognises three separate reportable segments: US, Germany and Central Asia (CA) (see also note 5 on page 17). In the US, equipment and truck sales include sales of new construction equipment from Volvo, Hitachi, Sandvik, Link-Belt Cranes and Bergmann and used machines. In Germany, equipment and truck sales include sales of new Volvo Trucks and Renault Trucks, Renault light commercial vehicles and used trucks. In Central Asia (CA), equipment and truck

sales include sales of new and used construction equipment, used trucks and attachments. Service and parts sales are also referred to as aftermarket sales. Other revenue consists mainly of rental revenue. To show the underlying performance of the operating segments, Ferronordic shows unallocated Group costs and assets separately. These are costs that are incurred and assets that are held for the benefit of the Group as a whole.

SEK m (or as stated)	US		Germany		CA		Unallocated Group costs ¹		Total	
	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
External revenue	686	-	372	574	82	69			1,141	643
Equipment and truck sales	336	-	186	396	73	54			594	449
Service and parts sales	272	-	168	158	9	15			450	173
Other revenue	78	-	18	20	0	0			96	20
Gross profit	182	-	14	66	9	9			204	75
EBITDA	131	-	-18	7	3	1	-14	-12	103	-4
Operating profit	53	-	-40	-16	3	0			16	-16
Group costs	0	-	0	0	0	0	-14	-12	-14	-12
Operating profit after group costs	53	-	-40	-16	3	0	-14	-12	2	-28
Finance items (net)									-86	-87
Profit(loss) before tax									-84	-115
Result for the period									-88	-89
Gross margin, %	26.5%		3.7%	11.5%	10.4%	13.7%			17.9%	11.7%
Operating margin, %	7.7%	-	-10.7%	-2.8%	3.1%	0.4%			0.1%	-4.4%

SEK m (or as stated)	US		Germany		CA		Unallocated Group costs ¹		Total	
	9M	9M	9M	9M	9M	9M	9M	9M	9M	9M
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
External revenue	2,092	-	1,143	1,717	172	232			3,408	1,948
Equipment and truck sales	1,131	-	618	1,199	138	186			1,887	1,385
Service and parts sales	755	-	474	451	34	46			1,264	497
Other revenue	206	-	51	67	0	0			257	67
Gross profit	507	-	108	206	22	38			637	244
EBITDA	370	-	-13	53	0	18	-65	-57	292	14
Operating profit	165	-	-79	-10	-2	14			84	4
Group costs	0	-	0	0	0	0	-65	-57	-65	-57
Operating profit after group costs	165	-	-79	-10	-2	14	-65	-57	19	-53
Finance items (net)									-93	25
Profit(loss) before tax									-74	-27
Result for the period									-99	-19
Gross margin, %	24.2%		9.5%	12.0%	12.7%	16.4%			18.7%	12.5%
Operating margin, %	7.9%		-6.9%	-0.6%	-1.3%	6.2%			0.5%	-2.7%

¹ Both Q3 2024 and Q3 2023 had extraordinary items, including the release of accruals, that lowered the Group costs in the periods. The amounts of such releases were approximately SEK 7.1m and SEK 6.5m in Q3 2024 and Q3 2023 respectively

30 September 2024

SEK m	US	Germany	CA	Group assets	Total
Non-current assets	1,682	833	6	7	2,527
Total assets	2,930	1,516	242	71	4,760

31 December 2023

SEK m	US	Germany	CA	Group assets	Total
Non-current assets	1,360	823	9	7	2,199
Total assets	2,412	1,693	308	292	4,705

Segment share of revenue, Q3 2024

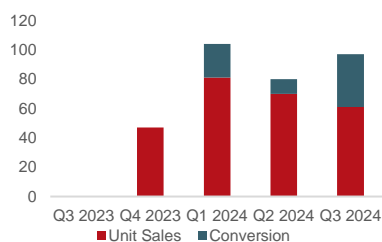


Segment share of total assets, 30 September 2024

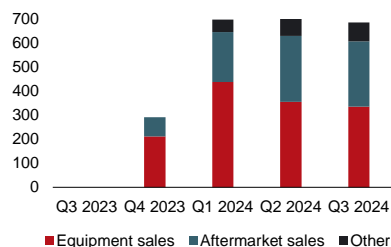


USA

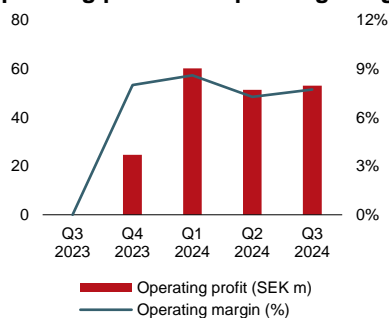
Unit sales (incl. rental conversion)



Revenue by activity (SEKm)



Operating profit and operating margin



Market and sales

US GDP increased by an annualised 2.8% in Q3 2024. Annual headline inflation dropped to 2.7% in September. Jobs growth also eased in September, leaving more room for lower rates in the future. After the elections, market rates however turned higher. Residential and non-residential construction spending increased by 6.6% and 7.8% respectively in 9M 2024, compared to 9M 2023. Investments in data centers and battery factories have contributed to increased demand in Ferronordic's area. Federal and state programs for infrastructure investment, such as the Bipartisan Infrastructure Investment and Jobs Act (IIJA), should continue to support demand for machines across the US. The total market for construction equipment in North America has historically been approx. 52,000 to 56,000 units. Ferronordic's area covers approx. 8% of the total North American market. In 9M 2024, the market for larger construction equipment (GPE segment) in North America declined by 10%. In Ferronordic's sales area, the market is estimated to have decreased by 21%, mainly driven by a decline in excavators. Ferronordic's sales of new machines and conversions in the GPE segment in Q3 2024 increased by 2% compared to Q3 2023 and we thus gained market share. Sales of Sandvik drills were strong in the quarter. In Q3 2024, Ferronordic sold 61 new units, 10 used units and 36 units were converted to sales from rental. The service and parts business was stable in Q3 2024.

Revenue and operating result

Revenue in Q3 2024 amounted to SEK 686m, with a gross margin of 26.5%. The operating result amounted to SEK 53m. The operating margin was 7.7%. In Q3 2024, 49% of revenue was related to sales of new and used equipment and conversions, 11% was related to rental and 40% to service and parts.

Cash flows and balance sheet

The net working capital at the end of Q3 2024 was SEK 543m, an increase compared to Q2 2024 as inventory decreased less than payables. As a percentage of full year¹ estimated revenue, working capital was 19% at the end of Q3 2024. The operating cash flow in Q3 2024 was SEK 337m.

9M 2024

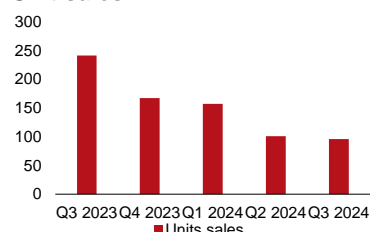
In 9M 2024, revenue in the US amounted to SEK 2,092m with a gross margin of 24.2%. The operating result amounted to SEK 165m with an operating margin of 7.9%.

	2024	2023	%	2024	2023	%	2023
	Q3	Q3	change	9M	9M	change	Dec
New units	61	-		212	-		47
Conversion from rental, units	36	-		69	-		0
Used units	10	-		58	-		9
Revenue, SEK m	686	-		2,092	-		308
Gross profit, SEK m	182	-		507	-		82
Operating profit, SEK m	53	-		165	-		25
Gross margin, %	26.5%	-		24.2%	-		26.6%
Operating margin, %	7.7%	-		7.9%	-		8.0%
Working capital/LTM Revenue, %	19%	-		19%	-		17%

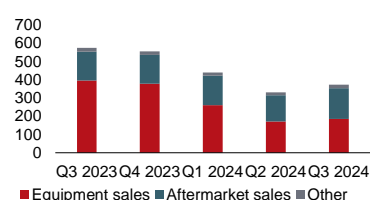
¹ Based on annualized 9M 2024 revenue.

Germany

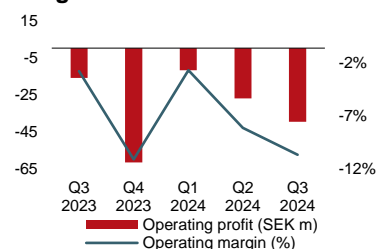
Unit sales



Revenue by activity (SEKm)



Operating profit and operating margin



Market and sales

German GDP declined 0.2% in Q3 2024. For the whole 2024, growth is expected at 0%. The IFO business climate index and the PMI manufacturing improved slightly from September to October. The PMI however continues to point to a deep contraction in the manufacturing sector. The business sentiment in the German economy in general, and in the automotive sector in particular, is weak. Based on registrations of new trucks, the total German market for heavy trucks declined by 40% in Q3 2024. New trucks registered in Ferronordic's sales area decreased by 47% and represented approx. 17% of the total German market. Tractor trucks declined more than rigid trucks. Some of Ferronordic's customers have postponed and others have cancelled orders, which has contributed to a higher stock. Ferronordic's sales of trucks in units fell by 60% to 96 compared to a strong Q3 2023. Used truck sales in units declined 38% to 64 as Ferronordic continued to decrease its stock of used trucks and its conventional rental fleet. There is still a supply overhang effect from the Covid period. Against the backdrop of a weak market, this has led to intensified price competition. As Ferronordic has aimed to reduce its inventory in this market context, the Company has decided that it should revalue parts of its inventory. A SEK 31m impairment was booked in Q3 2024. Service and parts sales however continued to grow in the quarter. Demand for aftermarket services remains strong. Ferronordic estimates that it could sell more service and parts if it had more technicians.

Revenue and operating result

Total revenue in Germany decreased by 35% to SEK 372m (574) in Q3 2024. Truck sales decreased by 53%. Service and parts sales increased by 6% to SEK 168m and as a share of revenue by 18pp to 45%. The gross margin decreased to 3.7% (11.5). Excluding the effect of the inventory impairment, the gross margin increased to 12%.

Selling, general and administrative expenses decreased by 27% compared to Q3 2023 to SEK 60m (82). The operating margin decreased to -10.7% (-2.8). The operating result decreased to SEK -40m (-16). Excluding the effect of the inventory impairment, the operating result and margin improved to SEK -9m and -2.4%.

Cash flows and balance sheet

Cash flows from operating activities amounted to SEK 103m (-88). At the end of Q3 2024, working capital was at SEK 462m, which was lower than at year-end 2023 and Q2 2024. As a percentage of revenue, working capital increased to 27%, compared to 26% at the end of Q4 2023. Cash flow from financing activities amounted to at SEK -5m (-4).

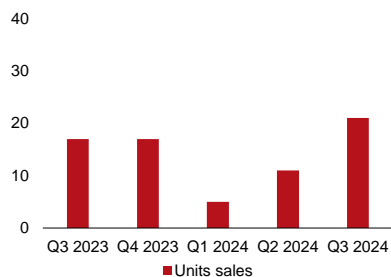
9M 2024

In 9M 2024, revenue in Germany decreased by 33% to SEK 1,143m (1,717) with a gross margin of 9.5% (12.0). The operating result amounted to SEK -79m (-10) with an operating margin of -6.9% (-0.6).

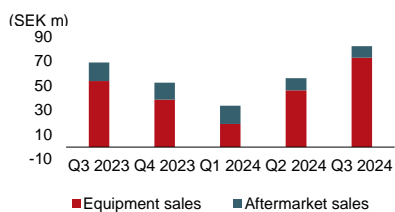
	2024 Q3	2023 Q3	% change	2024 9M	2023 9M	% change	2023 FY
New units	96	241	-60%	354	777	-54%	944
Used units	64	103	-38%	253	278	-9%	394
Revenue, SEK m	372	574	-35%	1,143	1,717	-33%	2,271
Gross profit, SEK m	14	66	-79%	108	206	-48%	253
Operating profit, SEK m	-40	-16	-147%	-79	-10	-691%	-72
Gross margin, %	3.7%	11.5%		9.5%	12.0%		11.1%
Operating margin, %	-10.7%	-2.8%		-6.9%	-0.6%		-3.2%
Working capital/LTM Revenue, %	27%	22%		27%	22%		26%

Central Asia (CA)

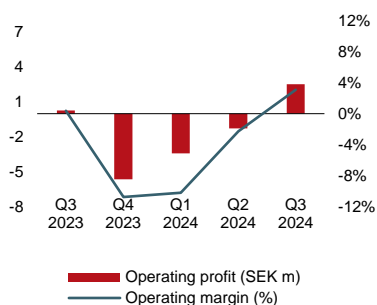
Unit sales



Revenue by activity



Operating profit and operating margin



Market and sales

Kazakhstan's GDP expanded by 4% in 9M 2024 after slowing to 3.2% in 6M 2024. The IMF forecast for Kazakhstan in 2024 improved to 3.5%. In 2025, growth is expected to accelerate to 4.6%, driven by strong budget spending. Inflation eased further to 8.3% in September, partly a result of tight monetary conditions. In October, the National Bank held its benchmark interest rate steady at 14.25%, following a 25 bps cut in September. In August, the Kazakh government approved a National Infrastructure Plan until 2029, which includes 204 projects in energy, transport, digital and water infrastructure sectors worth nearly KZT 40trn (USD 82bn). Despite a strong economy and supportive government investments, the market for construction equipment remains challenging. In Q3 2024, the market is estimated to have grown by 9% but the structure of tenders, competition from Chinese equipment and lack of customer funding created market hurdles. Ferronordic's sales of new machines in units in Q3 2024 increased to 21, but partly at the expense of gross margins. Sales of used construction equipment decreased to 8 units. Service and parts sales declined in the quarter as client business activity decreased. Ferronordic continues to normalise its inventory position.

Revenue and operating result.

Total revenue in Kazakhstan increased by 19% to SEK 82m (69). Equipment sales increased by 35%, while service and parts sales decreased by 38%. The gross margin decreased to 10.4% (13.7) and gross profit was flat SEK 9m (9).

Selling, general and administrative expenses decreased by 23%, partly due to currency effects. As a percentage of revenue, these expenses decreased to 6.5% (10.0), on lower costs and higher revenue. The operating result increased to SEK 3m (0), implying an operating margin of 3.1% (0.4).

Cash flows and balance sheet

Cash flows from operating activities decreased to SEK 6m (30). Working capital increased to SEK 62m, compared to SEK 48m at the end of Q2 2024, due to higher receivables and lower payables. As a percentage of revenue, working capital was 27% at the end of Q3 2024, compared to 18% at the end of Q2 2024.

9M 2024

In 9M 2024, new machine sales in units decreased by 35% to 37. Revenue decreased by 26% to SEK 172m (232). The gross margin decreased to 12.7% (16.4). The operating profit decreased to SEK -2m (14). The operating margin declined to -1.3% (6.2).

	2024 Q2	2023 Q3	% change	2024 9M	2023 9M	% change	2023 FY
New units	21	17	24%	37	57	-35%	74
Used units	8	17	-53%	25	46	-46%	54
Revenue, SEK m	82	69	19%	172	232	-26%	284
Gross profit, SEK m	9	9	-10%	22	38	-42%	43
Operating profit, SEK m	3	0	836%	-2	14	-115%	9
Gross margin, %	10.4%	13.7%		12.7%	16.4%		15.0%
Operating margin adjusted, %	3.1%	0.4%		-1.3%	6.2%		3.1%
Working capital/LTM Revenue, %	27%	23%		27%	23%		24%

Condensed consolidated statement of comprehensive income

SEK m	Q3 2024	Q3 2023	9M 2024	9M 2023	FY 2023
Revenue	1,141	643	3,408	1,948	2,863
Cost of sales	-937	-568	-2,771	-1,704	-2,486
Gross profit	204	75	637	244	377
Selling expenses	-58	-49	-182	-139	-190
General and administrative expenses	-129	-59	-439	-172	-319
Other income	-8	9	19	19	24
Other expenses	-8	-4	-16	-4	-8
Operating profit	2	-28	19	-53	-115
Finance income	2	8	7	23	31
Finance costs	-39	-11	-110	-25	-48
Foreign exchange gains/(-losses) (net)	-49	-84	11	27	-21
Result before income tax	-84	-115	-74	-27	-153
Income tax	-4	26	-25	9	46
Result for the period	-88	-89	-99	-19	-107
Other comprehensive result					
<i>Items that are or may be reclassified to profit or loss:</i>					
Foreign currency translation differences for foreign operations	-20	18	-35	5	-35
Other comprehensive result for the period, net of tax	-20	18	-35	5	-35
Total comprehensive result for the period	-108	-72	-134	-14	-142
Earnings per share					
Basic earnings per share (SEK)	-6.07	-6.16	-6.80	-1.29	-7.39
Diluted earnings per share (SEK)	-6.07	-6.16	-6.80	-1.29	-7.39

Condensed consolidated statement of financial position

SEK m	30 Sept 2024	30 Jun 2024	31 Dec 2023	30 Sept 2023
ASSETS				
Non-current assets				
Property, plant and equipment	2,165	2,177	1,828	655
Intangible assets	234	241	244	88
Deferred tax assets	128	129	127	109
Total non-current assets	2,527	2,547	2,199	852
Current assets				
Inventories	1,363	1,466	1,443	699
Trade and other receivables	496	653	630	315
Prepayments	12	5	6	3
Cash and cash equivalents	360	208	426	950
Total current assets	2,233	2,331	2,506	1,966
TOTAL ASSETS	4,760	4,879	4,705	2,819
EQUITY AND LIABILITIES				
Equity				
Share capital	1	1	1	1
Additional paid in capital	634	630	630	630
Translation reserve	-57	-6	-22	18
Retained earnings	1,004	1,013	1,120	1,120
Result for the period	-99	-11	-107	-19
TOTAL EQUITY	1,483	1,627	1,622	1,750
Non-current liabilities				
Borrowings	999	628	671	69
Deferred income	5	4	14	18
Deferred tax liabilities	273	294	277	0
Long-term lease liabilities	34	49	59	51
Total non-current liabilities	1,310	976	1,020	138
Current liabilities				
Borrowings	1,080	1,178	1,024	428
Trade and other payables	827	1,051	997	470
Deferred income	10	12	8	8
Provisions	10	11	12	0
Short-term lease liabilities	40	23	22	23
Total current liabilities	1,966	2,276	2,062	930
TOTAL LIABILITIES	3,277	3,251	3,083	1,068
TOTAL EQUITY AND LIABILITIES	4,760	4,879	4,705	2,819

Condensed consolidated statement of changes in equity

SEK m	Share capital	Additional paid in capital	Translation reserve	Retained earnings	Total equity
Balance 1 January 2024	1	630	-22	1,013	1,622
Total comprehensive result for the period					
Result for the period	0	0	0	-99	-99
Other comprehensive result					
Foreign exchange differences	0	0	-35	0	-35
Total comprehensive result for the period	0	0	-35	-99	-134
Contribution by and distribution to owners					
Dividends	0	0	0	0	0
Other changes in Equity	0	0	0	-9	-9
Warrant issue	0	4	0	0	4
Total contributions and distributions	0	4	0	-9	-5
Balance 30 September 2024	1	634	-57	905	1,483

SEK m	Share capital	Additional paid in capital	Translation reserve	Retained earnings	Total equity
Balance 1 January 2023	1	630	13	1,229	1,873
Total comprehensive result for the period					
Result for the period	0	0	0	-19	-19
Other comprehensive result					
Foreign exchange differences	0	0	5	0	5
Total comprehensive result for the period	0	0	5	-19	-14
Contribution by and distribution to owners					
Dividends	0	0	0	-109	-109
Total contributions and distributions	0	0	0	-109	-109
Balance 30 September 2023	1	630	18	1,101	1,750

Condensed consolidated statement of cash flows

SEK m	Q3 2024	Q3 2023	9M 2024	9M 2023
Cash flows from operating activities				
Result before income tax	-84	-115	-75	-27
Adjustments for:				
Depreciation and amortization	102	25	274	66
(Gain)/loss from impairment of receivables	7	2	7	-2
Profit on disposal of property, plant and equipment	0	0	0	0
Finance costs	39	11	110	25
Finance income	0	-8	-4	-23
Foreign exchange losses/(gains) (net)	49	84	-11	-27
Cash flows from operating activities before changes in working capital and provisions	113	-2	301	12
Change in inventories	65	7	93	-226
Change in trade and other receivables	128	-42	87	40
Change in prepayments	-4	6	-6	-2
Change in trade and other payables	168	-32	502	46
Change in provisions	-2	0	-2	-1
Change in deferred income	-2	-4	-8	-12
Cash flows from operating activities before interest and tax paid	466	-67	968	-143
Income tax paid	-1	-13	-44	-18
Interest paid	-37	-7	-103	-12
Cash flows from operating activities	427	-88	821	-174
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	-6	0	1	0
Interest received	2	8	5	24
Acquisition of property, plant and equipment	-109	-38	-527	-127
Acquisition of intangible assets	0	0	0	0
Cash flows from investing activities	-113	-29	-520	-103
Cash flows from financing activities				
Dividends	0	0	0	-109
Proceeds from borrowings	0	0	0	12
Repayment of loans	-133	-1	-329	-360
Leasing financing paid	-6	-3	-20	-10
Warrant issue	4	0	4	0
Cash flows from financing activities	-135	-4	-346	-468
Net change in cash and cash equivalents	179	-121	-45	-745
Cash and cash equivalents at start of the period	207	1,127	426	1,688
Effect of exchange rate fluctuations on cash and cash equivalents	-26	-56	-20	7
Cash and cash equivalents at end of the period	360	950	360	950

Parent company income statement

SEK m	Q3 2024	Q3 2023	9M 2024	9M 2023	FY 2023
Revenue	2	8	10	28	36
Cost of sales	0	-4	-3	-17	-22
Gross profit	2	3	7	11	14
Administrative expenses	-3	-14	-44	-80	-118
Other income	1	7	1	13	21
Other costs	0	0	0	0	0
Operating profit	0	-4	-36	-56	-82
Finance income	38	19	116	49	78
Finance costs	-10	-1	-33	-3	-7
Foreign exchange gains/(-losses) (net)	-44	-61	19	34	-20
Result before income tax	-16	-47	65	25	-30
Income tax	4	11	-8	-4	6
Result for the period	-12	-36	58	21	-24

Total comprehensive result for the period is the same as the Result for the period.

Parent company balance sheet

SEK m	30 Sep 2024	30 Jun 2024	31 Dec 2023	30 Sep 2023
ASSETS				
Non-current assets				
Property, plant and equipment	0	0	0	0
Intangible assets	0	0	0	0
Financial assets				
Holdings in group companies	288	288	288	288
Loans to group companies	86	54	66	0
Deferred tax assets	6	6	6	0
Total financial assets	380	348	360	288
Total non-current assets	380	348	360	288
Current assets				
Trade and other receivables	122	44	47	50
Prepayments	0	0	0	0
Loans to group companies	1,907	2,077	1,784	867
Cash and cash equivalents	67	63	266	844
Total current assets	2,097	2,183	2,097	1,761
TOTAL ASSETS	2,477	2,532	2,458	2,050
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital	1	1	1	1
Unrestricted equity				
Share premium reserve	640	640	640	640
Retained earnings	1.283	1.283	1.308	1.308
Result for the period	58	71	-24	21
TOTAL EQUITY	1,982	1,995	1,925	1,970
Non-current liabilities				
Borrowings	458	481	455	0
Total non-current liabilities	458	481	455	0
Current liabilities				
Trade and other payables	37	55	78	80
Total current liabilities	37	55	78	80
TOTAL LIABILITIES	495	536	534	80
TOTAL EQUITY AND LIABILITIES	2,477	2,532	2,458	2,050

Notes

1. Accounting policies

Ferronordic applies the IFRS[®] Accounting Standards 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.

New or revised standards that come into effect in 2024 or later are not expected to have significant effect on Ferronordic's financial statements.

The same accounting and valuation principles were applied in the preparation of this report as in the preparation of the 2023 annual report (regarding the 2023 financial year).

2. Determination of fair values

The basis for the determination of fair value of financial assets and liabilities is disclosed in note 5 in the 2023 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 Central Asia. The first quarter 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. Demand is typically stronger and relatively even through the rest of the year. In Germany, seasonal trends are less significant. During the summer US business tends to be lower. Rental conversion happens mainly in the 4th quarter.

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. Any mentioning of the Board is a reference to the Board of Directors of Ferronordic AB (publ).

5. 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 the financial performance of the operating segments, has been identified as the Group Executive Management Team. The Group recognises three separate reportable segments: *USA*, *Germany* and *CA*. The segments are partly managed separately due to differences in markets, logistics, supply chains, products, customers and marketing strategies. For each segment, management reviews internal reports on at

least a monthly basis. US sales are comprised of new and used construction and other equipment, aftermarket sales, rental, contracting services and other services. Germany's sales are comprised of new and used trucks, aftermarket sales, rental, mobile crushers and screens and other services. Central Asia (CA), which currently refers to Kazakhstan, has sales comprised of new and used construction and other equipment, mobile crushers and screens, used trucks, aftermarket sales, rental, contracting services and other services.

The accounting policies of the segments are the same as described in Note 4 of the annual report 2023. Group overhead costs, such as Group management costs, are allocated between the segments using principles set forth by the CODM. Information regarding the results of each segment is presented on page 6 of this report. 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.

Information on Group segments is presented in the front part of this report.

6. Contingencies

Besides as disclosed in this report, 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 financial institutions.

7. 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 2023 annual report.

8. Earnings per share

The calculation of earnings per share is based on the result attributable to the shareholders and is thus calculated as the result for the period divided by the average number of shares outstanding. Dilution can potentially follow from the Group's incentive program for its executive management, which includes warrants. For more information, please refer to Ferronordic's annual report for 2023.

Result for the period, SEK m

	2024 Q3	2023 Q3	2024 9M	2023 9M
Result attributable to shareholders, SEK m	-88	-89	-99	-19
Average number of shares during the period before dilution, thousand	14,532	14,532	14,532	14,532
Earnings per share before dilution, SEK	-6.07	-6.16	-6.80	-1.29
Dilution effect	0	0	0	
Average number of shares during the period after dilution, thousand	14,532	14,532	14,532	14,532
Earnings per share after dilution, SEK	-6.07	-6.16	-6.80	-1.29

9. Events after the reporting date

Information regarding events after the reporting date is set out in the front part of this report (p. 5).

Signatures

The Board of Directors and the Managing Director declare that the report for the third quarter of 2024 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, 14 November 2024

Staffan Jufors
Chairman

Aurore Belfrage
Director

Annette Brodin Rampe
Director

Niklas Florén
Director

Lars Corneliusson
Director and CEO

Håkan Eriksson
Director

This report has been reviewed by the Company's auditors

Key ratios

Financial information for individual quarters

The financial information below regarding individual quarters during the period 1 July 2022 – 30 September 2024 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' 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. As the amounts in the tables below have been rounded off to SEK m, the calculations do not always add up due to rounding.

Selected key group ratios

	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
SEK m (or as stated)	2022	2022	2023	2023	2023	2023	2024	2024	2024
Revenue	412	705	631	674	643	915	1,172	1,095	1,141
Gross profit	57	97	85	84	75	133	231	202	204
Gross margin, %	13.9%	13.8%	13.4%	12.5%	11.7%	14.5%	19.7%	18.4%	17.9%
Operating profit	300	-13	-14	-10	-28	-62	21	-4	2
Operating margin, %	-5.0%	-1.9%	-2.2%	-1.5%	-4.4%	-6.8%	1.8%	-0.3%	0.1%
Result from continuing operations	262	49	7	64	-89	-89	70	-81	-88
Result for the period	366	-21	7	64	-89	-89	70	-81	-88
Result per share, SEK	25.20	-1.42	0.46	4.41	-6.16	-6.11	4.83	-5.56	-6.07
Working capital/LTM Revenue, %	18%	11%	23%	20%	20%	20%	20%	21%	22%
Cash flow from operations	240	-48	-126	40	-88	147	124	270	427
Equity/total assets, %	42%	58%	59%	62%	62%	34%	33%	33%	31%
Return on equity, LTM%	35%	30%	26%	23%	-2%	-6%	-2%	-7%	-12%
Return on capital employed, LTM%	31%	11%	11%	11%	-1%	-3%	-2%	-2%	-1%

USA

	Q3	Q4	Q1	Q2	Q3	Dec	Q1	Q2	Q3
SEK m (or as stated)	2022	2022	2023	2023	2023	2023	2024	2024	2024
Revenue	-	-	-	-	-	308	699	707	686
Gross profit	-	-	-	-	-	82	169	156	182
Gross margin, %	-	-	-	-	-	26.6%	24.1%	22.1%	26.5%
Operating profit	-	-	-	-	-	25	60	51	53
Operating margin, %	-	-	-	-	-	8.0%	8.6%	7.3%	7.7%
Working capital/LTM Revenue, %	-	-	-	-	-	17%	13% ¹	15% ¹	19% ¹

¹ Based on annualized revenue for Ferronordic's US operations calculated as 9m 2024 / 9 x 12

Germany

	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
SEK m (or as stated)	2022	2022	2023	2023	2023	2023	2024	2024	2024
Revenue	359	616	548	595	574	555	439	332	372
Gross profit	49	82	68	73	66	47	57	38	14
Gross margin, %	13.5%	13.4%	12.3%	12.3%	11.5%	8.4%	12.9%	11.4%	3.7%
Operating profit	-5	-2	5	2	-16	-62	-12	-27	-40
Operating margin, %	-1.4%	-0.4%	0.8%	0.3%	-2.8%	-11.1%	-2.7%	-8.2%	-10.7%
Working capital/LTM Revenue, %	17%	17%	27%	21%	22%	26%	30%	31%	27%

CA

	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
SEK m (or as stated)	2022	2022	2023	2023	2023	2023	2024	2024	2024
Revenue	53	89	83	80	69	52	34	56	82
Gross profit	9	15	17	11	9	5	6	8	9
Gross margin, %	16.7%	16.5%	20.4%	14.4%	13.7%	8.9%	17.1%	13.6%	10.4%
Operating profit	4	5	7	7	0	-6	-3	-1	3
Operating margin, %	8.0%	6.1%	8.7%	8.6%	0.4%	-10.7%	10.2%	-2.3%	3.1%
Working capital/LTM Revenue, %	18%	-3%	17%	32%	23%	24%	29%	23%	27%

Net debt

	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
SEK m	2022	2022	2023	2023	2023	2023	2024	2024	2024
Long term borrowings	340	393	416	70	69	671	610	628	999
Long term lease liabilities	111	43	38	57	51	59	53	49	34
Short term borrowings	989	274	418	437	428	1,024	1,071	1,178	1,080
Short term lease liabilities	78	21	20	24	23	22	26	23	40
Total interest bearing liabilities	1,518	731	892	588	571	1,776	1,759	1,878	2,153
Cash & cash equivalents	939	1,688	1,574	1,127	950	426	217	208	360
Net debt / (cash)	579	-957	-681	-539	-378	1,349	1,542	1,671	1,792
Net debt / EBITDA (times)	0.5	-3.0	-2.0	-1.5	-18.4	-214.7	21.0	9.4	6.6

Working capital

	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
SEK m	2022	2022	2023	2023	2023	2023	2024	2024	2024
Inventory	1,326	460	534	718	699	1,443	1,687	1,466	1,363
Trade and other receivables	856	344	365	263	315	630	678	653	496
Prepayments	243	1	7	9	3	6	8	5	12
Trade and other payables	1,117	573	392	509	470	997	1,283	1,051	827
Deferred income	33	16	12	9	8	8	8	12	10
Provisions	92	1	0	0	0	12	18	11	10
Working capital	1,184	215	503	472	538	1,063	1,062	1,049	1,026
Revenue LTM	6,610	1,973	2,149	2,422	2,653	5,313	5,314	4,938	4,712
Working capital / Revenue (%)	18%	11%	23%	20%	20%	20%	20%	21%	22% ¹

¹ Based on annualized revenue for Ferronordic's US operations calculated as 9m 2024 / 9 x 12

Capital employed

	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
SEK m	2022	2022	2023	2023	2023	2023	2024	2024	2024
Long term interest bearing liabilities	451	436	455	127	120	730	663	677	1,033
Short term interest bearing liabilities	1,067	295	438	461	451	1,046	1,096	1,201	1,120
Shareholder equity	2,108	1,873	1,886	1,822	1,750	1,622	1,698	1,627	1,483
Capital employed	3,626	2,604	2,778	2,411	2,322	3,397	3,457	3,505	3,636
Average capital employed	2,738	2,336	2,356	2,760	2,974	3,001	3,117	2,958	2,979
EBIT	818	247	257	277	-66	-115	-80	-84	-43
Interest income	28	2	7	17	25	31	29	30	15
Result LTM	846	249	265	293	-41	-84	-51	-53	-29
Return on capital employed (%)	31%	11%	11%	11%	-1%	-3%	-2%	-2%	-1%

Return on equity

	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
SEK m	2022	2022	2023	2023	2023	2023	2024	2024	2024
Shareholder equity	2,108	1,873	1,886	1,822	1,750	1,622	1,698	1,627	1,483
Average equity	1,568	1,487	1,486	1,781	1,929	1,748	1,792	1,725	1,617
Net result LTM	549	440	384	416	-39	-107	-44	-125	-188
Return on equity (%)	35%	30%	26%	23%	-2%	-6%	-2%	-7%	-12%

Alternative key ratios not defined by IFRS

EBITDA: Operating profit activities excluding depreciation, amortisation. Provides a measurement of the result from the ongoing business. In financials before and including 2016, certain write-downs of assets were excluded from EBITDA.

EBITDA margin: EBITDA 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.

New units sold: Number of new machines and trucks sold. Used to measure and compare number of new units sold during relevant period.

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.

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.

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.

Return on equity: Net income (for the last twelve months) in relation to shareholders' equity (average during the last twelve months). Net income is calculated before dividends to common shareholders but after dividends to preferred shareholders.

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.

Abbreviations

Approx.	Approximately
CEO	Chief Executive Officer
CA	Central Asia
EUR	Euro
FY	Full year
IFRS	International Financial Reporting Standards
Q1, Q2, Q3, Q4	First, second, third and fourth quarter
SEK	Swedish krona
SEK m	Million Swedish krona
vs	Versus
LTM	Last twelve months
VCE	Volvo Construction Equipment
6M, 9M, 12M	6 months, 9 months, 12 months

This is 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, Link-Belt Cranes and Bergmann in parts of the same area. Ferronordic is dealer of Volvo Trucks and Renault Trucks in Germany and dealer of

Volvo CE and certain other brands in Kazakhstan. Ferronordic began its operations in 2010 and currently has 41 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

Vision

Ferronordic's vision is to be the leading service and sales company in the company's markets.

Mission

The company's mission is to support the growth and leadership of the company's customers.

Values

Quality, excellence and respect.

Strategic objectives

- Leadership in the market for construction equipment and trucks
- Aftermarket absorption rate of at least 1.0 x
- Expansion into related business areas
- Geographic expansion
- Industry leading digital service and sales platforms
- Expansion and development of sustainable transport services

Strategic cornerstones

- Customer centricity
- Great team
- Building on a strong brands
- Operational excellence

Investment case highlights

- Robust and scalable business model
- Strong brand portfolio and OEM relationships
- Sustainability integrated part of business model
- Positioned to benefit from trends in
 - Electrification
 - Infrastructure investment
 - Shared asset models
- Poised for organic growth and bolt-on acquisitions
 - US - Strong market with growth potential
 - Germany - Turnaround that will capture recovery
 - Network, brand and product extension opportunities
- Open for strategic M&A
- Experienced management to execute

About this report

Forward-looking statements

Some statements in this report are forward looking and the actual outcomes could be materially different. In addition to the factors explicitly discussed, other factors could have a material effect on the actual outcomes.

Language

In the event of inconsistency or discrepancy between the English and the Swedish version of this publication, the Swedish version shall prevail.

Totals and roundings

Totals quoted in tables and statements may not always be the exact sum of the individual items because of rounding differences. The aim is that each line item should correspond to its source and rounding differences may therefore arise.

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 14 November 2024 at 07:30 CET.

Financial calendar

Year-end report January-December 2024 – 20 February 2025
Annual report 2024 – 11 April 2025
Interim report January-March 2025 – 15 May 2025

Conference call

A presentation for investors, analysts and media will be held on 14 November 2024 at 10:00 CET and is accessible at www.ferronordic.com.

To participate via teleconference, please register on the link below.
<https://conference.financialhearings.com/teleconference/?id=50049920>

To participate via webcast, please use the link below.
<https://ir.financialhearings.com/ferronordic-q3-report-2024>

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