

Press Release
Stockholm, 9 November 2018

Ferronordic Machines AB (publ)
Interim Report January - September 2018

RECORD-BREAKING EARNINGS

THIRD QUARTER 2018

- Revenue increased by 26% (28% increase in rubles) to SEK 791m (SEK 626m)
- Operating profit increased to SEK 80m (SEK 50m)
- Operating margin was 10.1% (8.0%)
- EBITDA increased to SEK 91m (SEK 56m)
- The result for the period increased to SEK 61m (SEK 43m)
- Earnings per ordinary share amounted to SEK 4.17 (SEK 2.77)
- Cash flows from operating activities amounted to SEK 115m (SEK 98m)

JANUARY - SEPTEMBER 2018

- Revenue increased by 13% (20% increase in rubles) to SEK 2,222m (SEK 1,962m)
- Operating profit increased to SEK 189m (SEK 150m)
- Operating margin was 8.5% (7.6%)
- EBITDA amounted to SEK 217m (SEK 168m)
- The result for the period amounted to SEK 145m (SEK 123m)
- Earnings per ordinary share amounted to SEK 8.82 (SEK 7.98)
- Cash flows from operating activities amounted to SEK 149m (SEK 282m)

SEK M	Q3 2018	Q3 2017	%	9 Mo 2018	9 Mo 2017	%
Revenue	791	626	26%	2 222	1 962	13%
EBITDA	91	56	61%	217	168	29%
Operating profit	80	50	60%	189	150	26%
Result for the period	61	43	42%	145	123	18%
Earnings per ordinary share	4.17	2.77	51%	8.82	7.98	11%
Return on capital employed	39.9%	41.9%		39.9%	41.9%	
Working capital / Revenue	2.2%	(2.7%)		2.2%	(2.7%)	
Net debt / (cash)	(298)	(381)		(298)	(381)	

Lars Corneliusson, CEO Ferronordic, comments: "The third quarter was another very strong quarter for Ferronordic. Revenue was close to all time high for a single quarter and earnings were higher than ever. Operating profit reached SEK 80m which was 17% higher than the second quarter this year – our previously best quarter in terms of earnings. During the quarter we saw a very positive growth in the aftermarket, largely thanks to our investments in digitalized sales support which is now giving higher results. In total the aftermarket sales grew by as much as 24%. We also continue to optimize the efficiency of our organization. Thanks to our continuous efforts we managed, one again, to reduce our selling and administrative expenses as a percentage of revenue from 11.0% in the third quarter last year to 9.9% in this quarter. We are also happy that our contracting services business continues to develop and expand. Sales are increasing and we are learning to run projects with higher profitability. The increased sales and profitability in aftermarket and contracting services had a very positive impact on our overall profitability during for the quarter. Gross margin and operating margin for the quarter increased to 20.3% and 10.1%, respectively. As regards the long- and medium term development of the Russian equipment market, we remain optimistic, especially given the existing indications of significantly increased infrastructure spending.

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. 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 more than 900 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 2018/19

Interim report January-September 2018	9 November 2018
Year-end report January-December 2018	15 February 2019
Interim report January-March 2019	14 May 2019

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