



Press release

5 November 2021

Interim Report January-September 2021

Record sales and full utilisation in transport operations

Third quarter

- Consolidated net sales increased by 33.6 percent to SEK 126.2 million (94.5).
- Operating profit (EBIT) increased to SEK 25.3 million (14.4).
- Earnings per share after dilution amounted to SEK 0.79 (0.40).

First nine months of the year

- Consolidated net sales increased by 0.2 percent to SEK 306.2 million (305.7).
- Operating profit (EBIT) decreased to SEK 31.5 million (46.1).
- Earnings per share after dilution amounted to SEK 0.92 (1.36).

Significant events in the third quarter

- Railcare's new innovation MPV was brought on stream with the customer on 21 July 2021.

CEO's comments

In the third quarter, we generated operating profit (EBIT) of SEK 25.3 million and net sales totalled SEK 126.2 million. This corresponded to an operating margin of 20.0 %. Net sales increased by 33.6 percent year-on-year, the highest figure on record for an individual quarter. The increase was mainly due to record high utilisation in the transport operations.

On the construction side, volumes were higher in the third quarter compared to the corresponding period in the previous year. Because construction work started early in the year last year, a high proportion of the work was carried out in the first half-year, unlike this year when construction work started later. Although this had a positive impact on the third quarter, year-on-year volumes were down for the year to date. In the lining operations, utilisation was higher year-on-year, and the number of enquiries and orders increased. Snow clearance on behalf of Trafikverket will start on 15 November, in line with previous years.

The tests and approvals needed to carry out work with our new battery-powered MPV on the Swedish railways have been completed and obtained since June. In Karlstad, the first live project with Railcares MPV started on 21 July, where we carried out cable excavations over four weeks. All the work relating to MPV has gone very well and ensures a good foundation for future development of battery-powered working vehicles on the railways.

Transport Scandinavia presented a very strong quarter with year-on-year growth of 57.1 percent. The increased sales, which set a new record for the segment, are the result of high utilisation of construction transport in connection with track replacements for operators including Leonhard Weiss, Infrakraft and others. In combination with extended and expanded transports for LKAB, where the current contract runs until 31 December 2021, this contributed to achieving record volume transports. Virtually all available resources, both in terms of personnel and machinery, operated at full capacity during the quarter.



We also transported iron ore on behalf of Kaunis Iron in the quarter, and transport services are proceeding as planned with two round trips each day, seven days a week, between Pitkäjärvi and Narvik.

The locomotive workshop had high utilisation in the quarter and demand for our services remains strong. During the quarter, we provided workshop services for BLS Rail, Strukton, Infranord and others, as well as carrying out repairs and maintenance of our own locomotives.

Year-on-year utilisation was lower in the third quarter in the UK, due to projects postponed by the customer. We carried out work in most of Network Rail's geographical regions in the quarter.

The business area Machine Sales presented lower year-on-year sales in the third quarter, totalling SEK 6.1 million (7.1). The decrease was due to reduced leasing of machinery to the Swedish construction operations. There were no major machine sales in the quarter.

The workshop is currently constructing two Ballast Feeders that will be used in our proprietary leasing operations in Sweden or abroad, as well as constructing power packs for Loram scheduled for delivery in the fourth quarter 2021.

Railcare currently has several projects out for tendering in areas where our innovative machines are a good fit with customer requirements. The planned establishment in Asia has been delayed due to Covid restrictions. We expect to start preparations for this in 2022.

The order stock is stable with multiple and long-term agreements relating to both transport and construction operations, which means that the outlook is very positive. In Sweden, the government has initiated historically high investments in railways and infrastructure to be rolled out over a long period. Many countries require extensive maintenance work on the railways and there is considerable interest in our innovative railway solutions, particularly our latest innovation relating to battery vehicles for railway machines.

Railcare has a very exciting journey ahead. As the world opens up again after the pandemic, we will be able to start to meet global demand, and we have made adjustments to Group management to better be able to meet the planned expansion. Looking ahead, I will be focusing on our second main market, the UK, and on being Business Area Manager of Construction Abroad. I would like to take this opportunity to thank all our staff, shareholders, customers and stakeholders for the 8 years that I have served as CEO of Railcare. We have made excellent progress together, and continue to build for the future. I also want to wish Mattias good luck in his role as Railcare's new CEO.

With innovative railway solutions and our staff as our primary resource, we are building the Railcare of the future.

Daniel Öholm

CEO up until 30 September 2021

I am both humbled and grateful for the confidence shown in me with the appointment as CEO of Railcare. This is a fascinating company with an excellent corporate culture, great staff and a strong drive.

The extensive investments in railways announced in Sweden and internationally are important for the transition to a sustainable society. I am proud that Railcare leads the progress in sustainable railway maintenance thanks to the development of its battery-powered maintenance machine MPV. I look forward to continuing to develop innovative solutions alongside my incredible colleagues.

Mattias Remahl

CEO from 1 October 2021



This information is such that Railcare Group AB (publ) is required to disclose under the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below, for publication on 5 November 2021 at 7:30 a.m. CET.

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About Railcare Group

Rail specialist Railcare Group AB offers products and services that strengthen customer reliability, punctuality and profitability, mainly in the Nordic countries and the United Kingdom. The rail industry is growing and developing well, with increasing traffic volumes and extensive investment programs, along with a rapid development of cost-effective freight and passenger transport and increasing environmental awareness. Railcare has unique opportunities to deliver efficient solutions that contribute to the railways increasing their share of the total transport market. Railcare Group AB (publ)'s share is listed on the Nasdaq Stockholm Small Cap since April 2018. The Group has approximately 140 employees and annual sales amounting to approximately 400 MSEK. The Company's registered office is domiciled in Skellefteå, Sweden.