



## Press release

17 February 2022

# Year-end report 2021

## Record sales and continued high utilisation in transport operations

### Fourth quarter

- Consolidated net sales increased by 37.9 percent to SEK 131.8 million (95.6).
- Operating profit (EBIT) increased to SEK 24.7 million (14.3).
- Earnings per share after dilution amounted to SEK 0.75 (0.47).

### Full-year 2021, January-December 2021

- Consolidated net sales increased by 9.1 percent to SEK 438.0 million (401.3).
- Operating profit (EBIT) decreased to SEK 56.2 million (60.4).
- Earnings per share after dilution amounted to SEK 1.68 (1.82).
- The Board of Directors intends to propose that the Annual General Meeting approve a dividend of SEK 0.60 (0.60) per share for the 2021 financial year.

### Significant events in the fourth quarter

- On 1 October, Mattias Remahl took up his position as CEO and President.
- Railcare signed an agreement with Infranord for the upgrade of locomotives worth a total of SEK 30 million.
- Railcare signed a four-year contract with the Swedish Transport Administration relating to standby locomotives worth a total of SEK 152 million.
- Railcare set a clear goal of reducing fossil emissions from its own locomotives and machinery by 40% by 2025.

### CEO's comments

*Net sales in the fourth quarter were SEK 131.8 million (95.6) and operating profit was SEK 24.7 million (14.3). This corresponded to an operating margin of 18.8 percent.*

- *“A very strong quarter characterised by continued high utilisation in the transport operations, while volumes in the Swedish construction operations increased on earlier in the year.”*

In the Swedish construction operations, volumes in the fourth quarter were in line with the previous year, and increased compared to earlier in the year. The construction work carried out mainly related to cable laying and reballasting. Snow clearance on behalf of the Swedish Transport Administration started as planned in mid-November and will continue until mid-March. Extensive snowfall in southern Sweden at the beginning of December meant that Railcare carried out snow clearance on Skånebanan for the first time. Utilisation in the lining operations, increased in year-on-year terms.

Utilisation in the construction operations in the UK were in line with the corresponding quarter last year. The cost saving measures introduced contributed to improved profitability. The Danish operations divested an older MY locomotive, generating a positive profit contribution of SEK 2.6 million.

Transport Scandinavia presented a very strong quarter with year-on-year growth of 80 percent. The higher sales were attributable to construction transport on behalf of Leonhard Weiss throughout the fourth quarter. Alongside transport of iron ore concentrate and iron ore for Kaunis Iron and LKAB, this contributed to high



transport volumes. The contract with LKAB expired at year end and has not been extended as the customer does not have a need for these transports at present. In December, Railcare signed a four-year agreement with the Swedish Transport Administration relating to standby locomotives worth a total of SEK 152 million, corresponding to SEK 38 million annually. The contract runs from 1 August 2022. Utilisation was high in the locomotive workshop, and Railcare signed an agreement with Infranord relating to the upgrade of two type TB diesel locomotives in early December. The agreement is worth a total of SEK 30 million.

In the Machine Sales segment, delivery of power packs for Loram were delayed due to delivery problems. A shortage of containers meant that delivery will take place in the first quarter 2022 instead of December 2021 as planned. In the fourth quarter, Railcare signed an agreement with BLS Rail regarding the sale of 28 timber sets, of which 6 were delivered to the customer before year end.

The planned establishment in Hong Kong cannot currently be completed due to the local authorities' decision to tighten the stringent Covid restrictions further.

In mid-December, Railcare announced an aggressive target of reducing fossil emissions from operations by 40% by 2025. This is an important step for Railcare and the sector as a whole. Railways are already an environmentally friendly alternative, but a great deal still remains to be done for operations to become sustainable in the long term. With our focus on people and the environment, our goal is to remain a market leader while making our yellow machinery greener.

**Mattias Remahl, CEO**

*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 17 February 2022 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.