

Interim Report Q1 2024

railcare

Railcare Group AB (publ)
Corp. ID No.: 556730-7813

Railcare uses the brand new locomotive Effishunter 1000 in its transport operations. These locomotives offer improved environmental performance due to their Stage V engines, and are equipped with onboard systems compatible with the new signalling system ERTMS. The locomotives are used for clearance work under a contingency assignment from The Swedish Transport Administration.



INTERIM REPORT JANUARY-MARCH 2024

Challenging weather affects profit

FIRST QUARTER

- Consolidated net sales increased by 16.6 percent to SEK 129.4 million (111.0).
- Operating profit (EBIT) increased to SEK 13.8 million (13.1).
- Earnings per share before and after dilution amounted to SEK 0.37 (0.36).

SIGNIFICANT EVENTS IN THE FIRST QUARTER

- Railcare increases its financial targets for the period until 2027. The new targets are net sales of SEK 1,000 million and operating margin of 13 percent.

FINANCIAL SUMMARY

Group, SEK million	Jan-Mar 2024	Jan-Mar 2023	Rolling 12 months	Full-year 2023
Net sales	129.4	111.0	582.6	564.2
Operating profit/loss (EBIT)	13.8	13.1	68.6	67.9
Operating margin, %	10.7	11.8	11.8	12.0
Profit for the period	9.0	8.7	43.9	43.6
Equity/assets ratio, %	44.5	42.9	44.5	42.6
Earnings per share before and after dilution, SEK	0.37	0.36	1.82	1.81

Stable quarter despite postponed assignments

Net sales in the first quarter were SEK 129.4 million (111.0) and operating profit was SEK 13.8 million (13.1). This corresponded to an operating margin of 10.7 percent.

“The first quarter was negatively impacted by the long winter, which meant that we needed to postpone planned work in the contracting operations. We nevertheless presented a stable quarter thanks to the transport operations, where we continued to deliver according to agreements with Kaunis Iron, LKAB and clearance locomotives for The Swedish Transport Administration throughout the quarter.”

The cold and long winter generated a lot of work with our snow clearance machines, but also meant that the Relining operations in particular were forced to postpone most of its work scheduled for the first quarter. The high volume of snow clearance did not compensate for the fact that we needed to postpone contracting work; under the snow clearance contract we are paid for contingency provision plus increased costs that arise when carrying out snow clearance.

Volumes remained low in the UK contracting operations. The final months of Control Period 6, CP6, have now been concluded. The new Control Period, CP7, started on 1 April and the framework agreement with Network Rail has been extended by a year. We are currently in talks with Network Rail regarding their future needs.

Shortcomings in Sweden’s railways jeopardize major industrial initiatives

The fact that there is a significant maintenance deficit on Swedish railways has been known for some time. The shortcomings present several challenges and the need for robust and reliable railways has never been greater. The clearest example is provided by the two derailments on Malmbanan this winter, which brought



“The major industrial initiatives currently underway require transport of significantly higher volumes than at present. Railway transport is the only realistic option, both with regards to volume and from a sustainability perspective.”

traffic to a standstill for 76 days. In the short term, this had major financial consequences for the affected companies, including LKAB and Kaunis Iron, who are entirely dependent on Malmbanan for delivering products to customers. At present there are no alternatives to rail transport. This summer, the period allocated for track work is longer and more extensive than previously, and covers throughout the entire period from May to September. This means even less capacity on Malmbanan, at a time when stocks are huge following the derailments.

In the long term, the challenges presented are even greater. The major industrial initiatives currently underway require transport of significantly higher volumes than at present. Railway transport is the only realistic option, both with regards to volume and from a sustainability perspective. For many of these major industrial projects, financing has already been secured and the project planning for investments and associated facilities completed. The need for infrastructure remains to be addressed, i.e. power supply and transport solutions. It is fully justified that there are significant concerns that the infrastructure issues will not be addressed in time.

” In the first quarter, we started test runs of the new generation MPVs, one of our innovative machines for efficient and sustainable railway maintenance.”

Confidence in Sweden’s green industry is at stake. It is both serious and urgent that these matters are resolved. New methods for increasing the efficiency of planning and maintenance are required.

For this purpose, Railcare has coined the phrase “Formula 1 pit stops”. This means that once maintenance stoppages take place, they need to be carefully prepared and synchronized, so that as much work as possible is carried out in as short a time as possible. With our knowledge and experience, we intend to make this a reality.

Test run of next generation MPVs

In the first quarter, we started test runs of the new generation MPVs, one of our innovative machines for efficient and sustainable railway maintenance. The machine will be operated using a pantograph that charges the unit directly from overhead lines, which increases the efficiency of the MPV. The batteries can also be charged with the same pantograph, and we are probably amongst the first in the world to develop this solution and implement it for a machine of this size and capacity. The next step is for The Swedish Transport Agency to approve the machine for use on Sweden’s railways. Once this has been achieved, we will start training

Railcare’s machine operators with the aim of commencing use of the machine in contracting operations from autumn 2024 onwards.

Mattias Remahl
 CEO

Financial summary- Group

NET SALES

Net sales for the first quarter of 2024 increased by 16.6 percent to SEK 129.4 million, compared to SEK 111.0 million for the corresponding period last year. Contracting Sweden and Transport Scandinavia are the main contributors to the increase in sales.

For Transport Scandinavia, the increased sales were largely due to the renewed contract with LKAB which included all of the first quarter, unlike the previous year when the contract did not start until March.

Net sales in the contracting operations were negatively affected by the cold weather, as several planned assignments needed to be postponed. In Relining, it was only possible to complete a small number of assignments.

OPERATING EXPENSES

Operating expenses for the first quarter 2024 increased by 16.2 percent compared to the corresponding period last year. The increase in operating expenses was mainly due to increased volume in the operations.

Headcount increased to meet growing demand, which entailed higher personnel costs.



OPERATING PROFIT

Operating profit (EBIT) for the first quarter 2024 was in line with the corresponding period in the previous year, totalling SEK 13.8 million (13.1). Operating margin decreased slightly to 10.7 percent against 11.8 percent in the corresponding period of the previous year.

The lower operating margin was mainly attributable to the contracting operations, where the weather affected and delayed some planned projects. Our assessment is that this work will be completed later in the financial year.

The transport operations returned improved operating margin in the quarter, attributable to increased volumes.

PROFIT FOR THE PERIOD

Profit for the first quarter 2024 totalled SEK 9.0 million (8.7). Interest expenses were essentially unchanged on the previous year, despite extensive investments in the operations in the period. Alongside its bank, the Group continuously reviews the financing structure and terms, which has meant that investments have initially largely been financed with internally-generated funds.

CASH FLOW

Cash flow during the first quarter of the year was SEK -25.9 million (-5.5). Cash flow from operating activities amounted to SEK 1.6 million (17.5) and was temporarily affected by higher operating receivables at the end of the quarter.

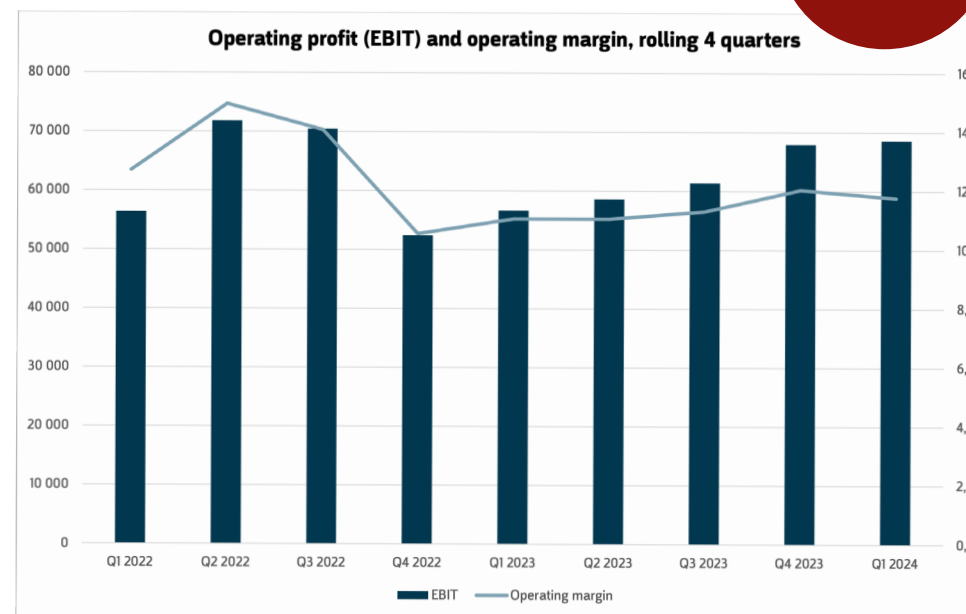
The ongoing review of the structure and terms applying to borrowing meant that no new loans were raised in the quarter. Investments in the quarter totalled SEK 16.3 million (12.3), relating to machines for proprietary operations, largely for the continued development of new generation MPVs using a pantograph.

Investments were financed with internally-generated funds, which had a negative impact on cash flow. In the second quarter of the year, borrowing will be raised for some investments that have already been completed.

EQUITY/ASSET RATIO

At the end of the period, the equity/assets ratio was 44.5 percent, compared to 42.9 percent on 31 March 2023.

Amounts in
SEK 000



Financial summary - Contracting Sweden

Railcare's contracting operations in Sweden carry out maintenance contracts on the railways, using proprietary staff and machinery. With the help of vacuum technology in our Railvac machines, and with the Ballast Feeder System, various types of track maintenance is performed, such as cable relocation, cable laying, reballasting and snow clearing. The same technology is now available in Railcare's 100% battery-powered MPVs (Multi Purpose Vehicle).

Another part of the contracting business specialises in culvert renovations beneath railways and roads and at industrial sites, as well as permit inspections of culverts. Relining, as it is called, is performed using fibreglass lining that is UV-cured. An environmentally friendly technology that can be used on culverts regardless of shape. The relining is carried out without disrupting rail traffic.

Net sales in the Contracting Sweden segment in the first quarter of 2024 amounted to SEK 46.7 million (41.1), an increase of 13.6 percent on the corresponding period in the previous year. Profit after financial items decreased compared with the preceding year and amounted to SEK 0.5 million (1.8).

The long and cold winter meant that our snow clearance machines operated at full capacity. This illustrates the need for snow contingency planning, and it was pleasing that both our machines and personnel could contribute to efficient snow clearance. On the other hand, the long winter also meant that we were forced to postpone a number of planned assignments, which had an overall negative impact on finances.

In the Relining operations, the cold weather had an extensive negative impact and only a small number of assignments were completed in the first quarter. This work has been rescheduled and is likely to be completed later in the year.



Key performance indicators – Contracting Sweden

SEK 000	Jan-Mar 2024	Jan-Mar 2023	Change, %
Net sales	46,714	41,120	13.6
Profit/loss after financial items	546	1,751	-68.8
Net margin, %	1.2	4.3	-3.1

The segments' net sales also include intra-Group sales between segments. See Note 3 for sales between segments.

Financial summary - Contracting Abroad

Railcare also provides services using vacuum technology outside Sweden. This segment is currently operated from the UK, where railway maintenance largely involves reballasting beneath tracks and switches. Proprietary Railvac machines and specially-adapted Ballast Feeder UK machines are used for these assignments.

The machines that are adapted for the UK can also be used in other countries, which means that the market potential for these machines is extensive.

Net sales in Contracting Abroad decreased by 35.4 per cent in the first quarter of 2024, compared with the corresponding quarter in the preceding year and amounted to SEK 8.6 million (13.2). Profit after financial items decreased to SEK 0.7 million (1.6).

As previously communicated, Control Period 6 (CP6) was concluded at the end of the first quarter. Historically, volumes have been lower towards the end of control periods as allocated funds tend to run out. The start of a new control period usually also implies reduced volumes, as new funds need to be distributed and included in the planning of new projects.

The framework agreement with Network Rail has been extended for a year and discussions are underway regarding future demand for Railcare's services.

The segments' net sales also include intra-Group sales between segments. See Note 3 for sales between segments.



Key performance indicators – Contracting Abroad

SEK 000	Jan-Mar 2024	Jan-Mar 2023	Change, %
Net sales	8,550	13,239	-35.4
Profit/loss after financial items	706	1,592	-55.7
Net margin, %	8.3	12.0	-3.9

Financial summary - Transport Scandinavia

In the transport business, Railcare offers railway transport using proprietary locomotives, wagons and staff. The company provides freight, construction and specialist transport, with transportation licenses in Sweden and Norway.

In connection with major maintenance contracts, Railcare operates transport of sleepers and macadam, and the track replacement train. Railcare transports ore on behalf of the mining industry using round trips. Furthermore, Railcare provides locomotives for the Swedish Transport Administration that can be used at short notice for vehicle recovery and, in exceptional cases, evacuation.

Within this segment, Railcare also offers workshop services for railway vehicles, such as extending the service life of rolling stock, reviews, repairs and regular maintenance. The locomotive workshop has been certified as a unit responsible for maintenance (ECM) for railway vehicles.

Net sales in the Transport Scandinavia segment increased by 20.0 percent in the first quarter of 2024, compared with the corresponding quarter in the preceding year and amounted to SEK 82.0 million (68.3). Profit after financial items increased to SEK 10.2 million (6.6).

The increased sales were largely due to the renewed contract with LKAB which encompassed all of the first quarter unlike the previous year when the contract did not start until March. The two derailments on Malmbanan which involved stoppages to traffic for 67 days, did not have a negative financial impact on Railcare, as the customer is responsible for stoppages.

The locomotive workshop in Långsele saw slightly lower sales compared to the corresponding period in the previous year. The focus has been on completing TB locomotives on behalf of Infranord. Delivery will take place in the second quarter. In addition, installation of onboard equipment is underway in TME locomotives on behalf of Nordic Re-Finance, as well as extending the service life, i.e. engine replacement and upgrade of the operator cab, of a TC locomotive on behalf of Infranord.

The segments' net sales also include intra-Group sales between segments. See Note 3 for sales between segments.



Key performance indicators – Transport Scandinavia

SEK 000	Jan-Mar 2024	Jan-Mar 2023	Change, %
Net sales	81,991	68,343	20.0
Profit/loss after financial items	10,186	6,617	53.9
Net margin, %	12.4	9.7	2.8

Financial summary - Machines and Technology

In this segment Railcare constructs, builds, develops and sells maintenance machinery using vacuum technology for railways. The latest machine the company has developed is the battery-powered Multi Purpose Vehicle (MPV), the world's first and largest battery-powered maintenance machine of its kind.

Other machines that Railcare has developed are: Railvac: vacuum technology enables maintenance work that does not damage the infrastructure. Ballast Feeder System: handles large volumes during reballasting and refilling. Snow machines: shovel and melt the snow into water directly in large tanks.

The machines operation also develops existing machines and vehicles. This may include new technology and new operational methods, as well as service and maintenance. The machinery is exported to countries where Railcare does not carry out its own contracting work.

Net sales in the Machines and Technology segment increased in the first quarter of 2024, compared to the corresponding quarter last year and amounted to SEK 23.6 million (18.0). Profit/loss after financial items was marginally lower than the equivalent quarter in the preceding year and amounted to SEK 0.7 million (0.9).

There were no major external machine sales in the first quarter.

The next generation MPVs were tested in the first quarter. A number of tests were carried out during this phase, with positive outcomes. The pantograph located on the roof of the machine is raised towards the overhead line, and power from the overhead line allows the vacuum engines to operate while the battery also charges. In the next step, the machine will require approval from the Swedish Transport Agency for use on Sweden's railways. After that, training of Railcare's machine operators will ensue, to finally commence use of the machine in the contracting operations from autumn 2024.



Key performance indicators – Machines and Technology

Amounts in SEK 000, unless otherwise stated	Jan-Mar 2024	Jan-Mar 2023	Change, %
Net sales	23,646	17,965	31.6
Profit/loss after financial items	668	923	-27.6
Net margin, %	2.8	5.1	-2.3

The segments' net sales also include intra-Group sales between segments. See Note 3 for sales between segments.

Shares

Railcare Group AB's share has been listed since 2007 and was included on Nasdaq Stockholm's Small Cap list in 2018 under the ticker "RAIL", ISIN code SE0010441139.

SHARE CAPITAL AND CAPITAL STRUCTURE

The share capital amounted to approximately SEK 9.9 million and the quotient value was SEK 0.41 per share as of 31 March 2024. Each share carries one vote at the Annual General Meeting.

More information about the development of share capital can be found at www.railcare.se.

SHAREHOLDERS

As of 31 March 2024, Railcare Group AB had 4,414 shareholders. The ten largest shareholders represented 55.3 percent of the total shareholding. The largest shareholder was Nornan Invest AB with a holding representing 29.5 percent of the company's share capital.

Distribution by size category

Holding	Number of shareholders	No. of shares	% of votes and capital
1-500	2,807	398,406	1.65
501-1,000	622	503,976	2.09
1,001-5,000	742	1,712,718	7.10
5,001-10,000	110	841,860	3.49
10,001-15,000	29	370,378	1.54
15,001-20,000	17	305,668	1.27
20,001-	87	19,991,161	82.87
Total	4,414	24,124,167	100.0

Shareholder structure

Ten largest shareholders 31 March 2024	No. of shares	Proportion of share capital and votes (%)
Nornan Invest AB	7,121,395	29.5
TREAC AB	2,390,000	9.9
Avanza Pension	820,783	3.4
Bernt Larsson	750,987	3.1
Canaccord Genuity Wealth Management	599,906	2.5
Mikael Gunnarsson	493,000	2.0
Nordnet Pensionsförsäkring AB	384,113	1.6
Torsten Germund Dahlquist	278,400	1.2
Harry Markku Sjöblom	259,643	1.1
Mare Invest AB	235,010	1.0
Ten largest shareholders	13,333,237	55.3
Other shareholders	10,790,930	44.7
Total	24,124,167	100.0

Source: Modular Finance AB. Compiled and processed data sourced from Euroclear, Morningstar and the Swedish Financial Supervisory Authority. (Railcare has changed its provider of shareholder data which means that nominee accounts are not specified in shareholder structure.)

4,414

Number of shareholders in
 Railcare Group AB
 as per 31 March 2024

Other information

EMPLOYEES

As of 31 March 2024, the Railcare Group had 177 employees, compared to 164 on 31 March 2023. This corresponded to an increase in headcount of 13, mainly within Transport Scandinavia in order to meet growing demand.

PARENT COMPANY

Railcare Group AB (publ), Corp. ID no. 556730-7813 is a Parent Company registered in Sweden with its registered office in Skellefteå. Railcare Group AB is listed on Nasdaq Stockholm Small Cap under the ticker RAIL.

The Parent Company's net sales for the first quarter of 2024 amounted to SEK 10.6 million (7.6) and consisted mainly of Group-wide services. Operating profit amounted to SEK -0.7 million (0.1).

TARGETS

Financial targets

- Net sales SEK 1,000 million
- Operating margin 13 percent

Railcare's updated financial targets are net sales of SEK 1,000 million by 2027 and an operating margin of over 13 percent.

Sustainability

- Reduce fossil fuel emissions from proprietary locomotives and machinery by 40% by 2025.

Railcare has set clear goals as part of its ongoing sustainability work. Railcare has concluded that the biggest difference can be achieved by reducing fossil fuel emissions from fuel used in the contracting and transport operations.

DIVIDEND

The company's dividend policy is to distribute 30-40 percent of profit after tax while maintaining an equity/assets ratio of 25 percent after dividends.

The Board of Directors intends to propose a dividend of SEK 0.70 (0.60) per share, totalling SEK 16,886,917 (14,474,500), for the 2023 financial year.

SIGNIFICANT RISKS AND UNCERTAINTIES

A description of significant risks and uncertainties can be found in Railcare's Annual Report for 2023, which can be downloaded at www.railcare.se. There have been no material changes to significant risks and uncertainties since the publication of the Annual Report.

EVENTS AFTER THE END OF THE PERIOD

No significant events, other than ordinary activities, have occurred since the end of the reporting period.

TRANSACTIONS WITH RELATED PARTIES

During the period, there were no significant changes to the Group or the Parent Company's relations or transactions with related parties, compared to the information provided in the 2023 Annual Report.

ANNUAL GENERAL MEETING 2024

Railcare's Annual General Meeting 2024 will take place on Wednesday, 8 May 11.00 a.m. CEST at the company's premises at Näsuddsvägen 10, SE-932 32 Skelleftehamn, Sweden.

The Annual Report and other documents are available on Railcare's website, www.railcare.se.

Skelleftehamn, Sweden, 7 May 2024

Railcare Group AB (publ)
 Board of Directors

This report has not been subject to review by the company's auditors.

About Railcare

OPERATIONS

Railcare offers innovative products and services for the railway, such as railway maintenance with proprietary machines, freight, contracting and specialist transport, a locomotive workshop and machine sales.

Our corporate culture is to do things differently and this approach characterises our entire operation. For us, this means coming up with unexpected ways of solving problems. It also means that all our employees show – and are expected to show – a high degree of personal responsibility for everything from customer deliveries to embodying our values.

The Group has some 170 employees and annual sales of approximately SEK 550 million. The company's registered office is located in Skellefteå, Sweden.

VISION

Railcare shall develop with satisfied customers and positive profitability, thereby increasing shareholder value.

BUSINESS CONCEPT

In close partnership with its customers, Railcare shall develop innovative and sustainable services, products and methods for the railway industry's various segments. Railcare is to be characterised by its culture of safety, skilled personnel, high quality and delivery reliability.

STRATEGY

- Focus on the employees, who are by far our most important asset
- Efficient contracting assignments that contribute to more sustainable railways
- Provide reliable, sustainable transport
- Embodying the entrepreneurial spirit
- Driving progress towards more sustainable railways

FINANCIAL TARGETS

- Net sales of SEK 1,000 million
- Operating margin of 13%

Railcare's ambition is to achieve these targets by the end of 2027.



Consolidated Statement of Comprehensive Income in summary

Amounts in SEK 000	Note	Jan-Mar 2024	Jan-Mar 2023	Full-year 2023
Net sales	3	129,419	111,009	564,220
Other operating income		683	2,561	4,022
Capitalised work on own account		5,293	4,245	14,247
Raw materials and consumables		-46,774	-42,161	-211,783
Other external costs		-19,320	-15,301	-85,600
Personnel costs		-42,974	-35,687	-170,134
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		-11,923	-10,543	-44,099
Other operating expenses		-615	-997	-2,938
Operating profit/loss (EBIT)		13,788	13,126	67,934
Net financial income/expense		-2,396	-2,168	-10,667
Profit/loss before tax		11,392	10,958	57,266
Income tax		-2,389	-2,258	-13,642
Profit for the period		9,003	8,701	43,624
Other comprehensive income				
Items that may be reclassified to profit/loss for the period				
Exchange rate differences from the translation of foreign operations		-164	100	873
Other comprehensive income for the period, net of tax		-164	100	873
Total comprehensive income for the period		8,839	8,801	44,497
Earnings per share*		0.37	0.36	1.81
Average number of shares		24,124,167	24,124,167	24,124,167
Number of shares outstanding on the reporting date		24,124,167	24,124,167	24,124,167

* Since there are no potential shares, there is no dilution effect.

Consolidated Statement of Financial Position in summary

Amounts in SEK 000	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
ASSETS				
Intangible assets		11,181	8,246	10,198
Property, plant and equipment	4	465,659	441,253	460,157
Financial non-current assets		4,521	3,954	4,465
Deferred tax assets		9	693	10
Total non-current assets		481,370	454,145	474,830
Inventories		37,077	32,665	36,284
Accounts receivable		57,484	45,523	56,518
Other current receivables		46,506	30,549	35,958
Total current receivables		103,991	76,072	92,476
Cash and cash equivalents		13,596	26,605	39,432
Total current assets		154,664	135,342	168,192
TOTAL ASSETS		636,034	589,487	643,022
EQUITY AND LIABILITIES				
Equity		282,956	252,896	274,118
Deferred tax liabilities and other provisions		59,634	54,753	59,639
Non-current liabilities to credit institutions		61,995	34,624	74,346
Non-current lease liabilities		34,878	40,211	37,128
Total non-current liabilities		156,507	129,588	171,113
Current liabilities to credit institutions		89,629	122,720	84,698
Current lease liabilities		12,380	10,470	11,899
Accounts payable		40,831	28,484	47,693
Other current liabilities		53,731	45,329	53,501
Total current liabilities		196,571	207,003	197,791
TOTAL EQUITY AND LIABILITIES		636,034	589,487	643,022

Consolidated Statement of Changes in Equity

Amounts in SEK 000	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
Equity, opening balance		274,118	244,095	244,095
Comprehensive income for the period		8,839	8,801	44,497
Dividend		-	-	-14,475
Equity, closing balance		282,957	252,896	274,118

The Group's equity is attributable in its entirety to Parent Company shareholders.

Consolidated Statement of Cash Flows in summary

Amounts in SEK 000	Note	Jan-Mar 2024	Jan-Mar 2023	Full-year 2023
Cash flow from operating activities				
Operating profit		13,788	13,126	67,934
Adjustment for non-cash items		11,928	9,686	46,017
Interest paid		-2,330	-2,069	-9,546
Interest received		18	37	150
Income tax paid		-3,615	-939	-381
Cash flow from operating activities before changes in working capital		19,789	19,841	104,174
Cash flow from changes in working capital				
Increase/decrease in inventories		-1,042	-438	-4,647
Increase/decrease in operating receivables		-11,354	1,754	-14,470
Increase/decrease in operating liabilities		-5,808	-3,631	17,223
Total changes in working capital		-18,204	-2,315	-1,894
Cash flow from operating activities		1,585	17,526	102,280
Cash flow from investing activities				
Investments in intangible assets		-1,090	-156	-3,007
Investments in property, plant and equipment		-15,263	-13,388	-57,364
Investments in other financial non-current assets		-	-	-1,557
Divestment of property, plant and equipment		-	1,240	1,210
Cash flow from investing activities		-16,353	-12,304	-60,718

Amounts in SEK 000	Note	Jan-Mar 2024	Jan-Mar 2023	Full-year 2023
Cash flow from financing activities				
Loans raised		-	-	20,525
Amortization of loans		-7,560	-7,551	-26,776
Amortisation of lease liabilities		-3,575	-3,138	-13,538
Dividend paid		-	-	-14,475
Cash flow from financing activities		-11,135	-10,689	-34,264
Cash flow for the period		-25,903	-5,467	7,298
Opening cash and cash equivalents		39,432	31,976	31,976
Exchange rate difference in cash and cash equivalents		67	96	158
Closing cash and cash equivalents		13,596	26,605	39,432

Parent Company Income Statement in summary

Amounts in SEK 000	Note	Jan-Mar 2024	Jan-Mar 2023	Full-year 2023
Net sales		10,603	7,554	45,292
Other operating income		1	124	149
Total operating income		10,604	7,678	45,441
Raw materials and consumables		-1,490	-52	-12,448
Other external costs		-5,596	-4,156	-18,577
Personnel costs		-4,025	-3,229	-17,190
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		-141	-103	-531
Other operating expenses		-8	-2	-34
Total operating expenses		-11,259	-7,543	-48,780
Operating profit		-656	135	-3,339
Profit/loss from financial items		-	-	451
Profit/loss after financial items		-656	-3,898	-2,888
Appropriations		-	-	26,100
Tax on profit/loss for the year		92	-28	-4,741
Profit/loss for the year		-563	107	18,471

Parent Company Balance Sheet in summary

Amounts in SEK 000	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
ASSETS				
Intangible assets		932	236	630
Property, plant and equipment		5,584	5,787	5,496
Financial non-current assets		28,969	33,939	28,969
Total non-current assets		35,484	39,962	35,094
Receivables from Group companies		133,276	104,237	105,191
Other current receivables		1,688	1,540	2,895
Total current receivables		134,964	105,777	108,086
Cash and cash equivalent		11,645	12,603	35,342
Total current assets		146,609	118,380	143,428
TOTAL ASSETS		182,093	158,343	178,522
EQUITY AND LIABILITIES				
Restricted equity		9,891	9,891	9,891
Non-restricted equity		33,008	29,683	33,571
Total equity		42,899	39,573	43,462
Provisions		82	56	77
Current liabilities to Group companies		129,107	112,940	119,006
Other current liabilities		10,005	5,774	15,976
Total current liabilities		139,112	118,714	134,982
TOTAL EQUITY AND LIABILITIES		182,093	158,343	178,522

The Parent Company has no items recognised as other comprehensive income, which is why total comprehensive income is the same as profit/loss for the year.

NOTE 1 GENERAL INFORMATION

Railcare Group AB (publ), ("Railcare"), Corp. ID no. 556730-7813 is a limited company registered in Sweden and domiciled in Skellefteå, with the address Näsuddsvägen 10, SE-932 32 Skelleftehamn, Sweden. Railcare Group AB is the Parent Company of the Group.

Unless otherwise stated, all amounts are given in SEK 000. Disclosures in parentheses pertain to the comparison year.

NOTE 2 BASIS FOR PREPARATION OF STATEMENTS

Railcare's consolidated financial statements have been prepared in accordance with the Annual Accounts Act, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups, International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act.

The accounts of the Parent Company have been prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The Interim Report for the Parent Company has been prepared in accordance with the Annual Accounts Act.

The accounting principles applied are consistent with those described in the Railcare Group's Annual Report for 2023. New or revised IFRS that have come into effect in 2024 do not have a material impact on the consolidated financial statements.

The fair value of financial assets and liabilities is estimated to correspond to their book value.

NOTE 3 OPERATING SEGMENTS

Group Management has identified four reportable segments in the Group's operations:

Contracting Sweden

Railway contracting work involving machinery and personnel, and renovation of fibre-glass-lined culverts beneath railways, roads and industrial areas in Sweden.

Contracting Abroad

Railway contracting work involving machinery and personnel in countries other than Sweden, currently predominantly in the UK.

Transport Scandinavia

Specialist transport involving locomotives, wagons and personnel in Scandinavia, as well as internal and external repair and upgrading services for locomotives and wagons performed in workshops.

Machines and Technology

Technological development, construction and sales of new machines, and the further development and conversion of existing machines to a national and international market.

The "Group-wide" item is used for reconciliation purposes and includes Group Management and other Group-wide services.

Income

Sales between segments are conducted on market terms. Income from external customers reported to Group Management is valued in line with the consolidated statement of comprehensive income. The Group's customers are private and public sector operators in the railway industry and vary according to the area of operation. The Group's customers are largely repeat customers based on long-term relationships.

	Jan-Mar 2024			Jan-Mar 2023		
	Income from external customers	Sales between segments	Segment income	Income from external customers	Sales between segments	Segment income
Contracting Sweden	42,018	4,696	46,714	32,865	8,255	41,120
Contracting Abroad	8,047	503	8,550	13,239	0	13,239
Transport Scandinavia	73,888	8,103	81,991	60,315	8,028	68,343
Machines and Technology	5,443	18,203	23,646	4,460	13,504	17,965
Group-wide	23	10,580	10,603	129	7,425	7,554
Total	129,419	42,084	171,503	111,009	37,212	148,222

Profit/loss after financial items

Group Management primarily uses profit/loss after financial items to assess consolidated earnings.

	Jan-Mar 2024	Jan-Mar 2023
Contracting Sweden	546	1,751
Contracting Abroad	706	1,592
Transport Scandinavia	10,186	6,617
Machines and Technology	668	923
Group-wide	-715	74
Total	11,391	10,958

Other profit/loss information

Sales comprise the income groups Income from services, Sales of goods and Leasing. A breakdown of income is provided below.

Segment	Income from services		Sales of goods		Leasing		Total	
	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar
	2024	2023	2024	2023	2024	2023	2024	2023
Contracting Sweden	41,967	32,844	51	21	-	-	42,018	32,865
Contracting Abroad	8,047	13,239	-	-	-	-	8,047	13,239
Transport Scandinavia	68,347	53,961	3,289	1,496	2,252	4,859	73,888	60,315
Machines and Technology	3,070	2,617	2,373	1,844	-	-	5,443	4,460
Group-wide	23	129	-	-	-	-	23	129
	121,454	102,790	5,713	3,360	2,252	4,859	129,419	111,009

NOTE 4 PROPERTY, PLANT AND EQUIPMENT

	Buildings and land	Locomotives and wagons	Mobile machinery	Vehicles	Equipment, tools, fixtures and fittings	Construction in progress and advances for property, plant and equipment	Total
As of 31 March 2023							
Opening carrying amount	35,170	134,772	179,959	3,996	5,445	78,779	438,123
Exchange rate differences	12	-	-	2	-	-	15
Purchases/capitalised expenses for the year	740	-	3,241	499	881	11,509	16,870
Reclassifications	-	5,132	-	-	-	-7,830	-2,698
Disposals and scrappings	-	-297	-	-	-339	-	-636
Depreciation	-1,824	-3,674	-3,978	-630	-315	-	-10,421
Closing carrying amount 31 March 2023	34,099	135,933	179,223	3,866	5,672	82,459	441,253
Of which right-of-use assets	23,107	23,721	1,631	3,813	-	-	52,272
As of 31 March 2024							
Opening carrying amount	33,990	128,394	202,741	5,329	5,147	84,555	460,157
Exchange rate differences	23	-	-	2	-	-	25
Purchases/capitalised expenses for the year	3,053	-	1,786	1,191	533	11,785	18,348
Reclassifications	-	-	3	-	-	245	249
Disposals and scrappings	-1,212	-	-	-92	-	-	-1,304
Depreciation	-2,170	-3,798	-4,780	-758	-311	-	-11,816
Closing carrying amount 31 March 2024	33,684	124,596	199,751	5,673	5,370	96,585	465,659
Of which right-of-use assets	21,436	20,382	1,447	5,641	-	-	48,907

Key performance indicators, Group in summary

Group, SEK m	Jan-Mar 2024	Jan-Mar 2023	Rolling 12 months	Full-year 2023
Net sales	129,419	111,009	582,629	564,220
Sales growth, %	16.6	16.5	13.6	13.5
Operating profit/loss (EBIT)	13,788	13,126	68,595	67,934
Operating margin, %	10.7	11.8	11.8	12.0
Profit for the period	9,003	8,701	43,926	43,624
Net financial income/expense	-2,396	-2,168	-10,895	-10,667
Total assets	636,034	589,487	589,487	643,022
Equity/assets ratio, %	44.5	42.9	44.5	42.6
Key performance indicators per share, SEK	Jan-Mar 2024	Jan-Mar 2023	Rolling 12 months	Full-year 2023
Earnings per share before and after dilution	0.37	0.36	1.82	1.81
Equity per share	11.73	10.48	11.73	11.36
Dividend, SEK per share	-	-	0.6	0.6

Quarterly data, Group in summary

Amounts in SEK million	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Net sales	129.4	149.3	159.2	144.7	111.0	128.0	146.5	127.2	95.3
Other operating income	0.7	0.5	0.4	0.5	2.6	0.2	0.2	0.8	1.9
Capitalised work on own account	5.3	4.7	2.0	3.2	4.2	4.8	1.2	3.2	2.9
Raw materials and consumables	-46.8	-57.6	-57.9	-54.1	-42.2	-55.4	-56.4	-48.8	-32.5
Other external costs	-19.3	-25.2	-22.4	-22.7	-15.3	-19.4	-21.9	-19.1	-15.4
Personnel costs	-43.0	-46.4	-42.6	-45.5	-35.7	-40.3	-33.8	-39.5	-32.7
Depreciation and impairment of property, plant and equipment	-11.9	-11.5	-11.2	-10.8	-10.5	-10.7	-11.7	-10.7	-9.7
Other operating expenses	-0.6	-0.7	-0.9	-0.4	-1.0	-0.5	-0.2	-0.1	-1.0
Operating profit/loss (EBIT)	13.8	13.2	26.7	14.9	13.1	6.7	23.9	13.0	8.8
Net financial income/expense	-2.4	-3.4	-2.8	-2.2	-2.2	-1.9	-1.5	-1.1	-1.0
Profit/loss before tax	11.4	9.7	23.9	12.6	11.0	4.8	22.4	11.9	7.8
Tax	-2.4	-3.7	-5.1	-2.6	-2.3	-1.5	-4.6	-2.3	-1.8
Profit for the period	9.0	6.1	18.9	10.0	8.7	3.3	17.9	9.6	6.0
Equity/Asset ratio	44.5	42.6	42.8	40.3	42.9	41.2	41.6	39.3	40.2

* Reported according to the equity method

Definitions

GENERAL

All amounts in the tables are in SEK 000 unless otherwise stated. All values in brackets are comparative figures for the corresponding period in the preceding year unless otherwise stated. Amounts in tables and other summaries have been rounded individually. Accordingly, minor rounding differences may be found in totals.

ALTERNATIVE PERFORMANCE MEASURES

This Interim Report refers to a number of financial measures not defined in accordance with IFRS, known as alternative performance measures. Railcare uses these performance measures to monitor and analyse the financial outcome of the Group's operations and its financial position. These alternative performance measures are intended to supplement, not replace, the financial measures presented in accordance with IFRS. See definitions and further information below.

FINANCIAL PERFORMANCE MEASURES	DEFINITION/CALCULATION	PURPOSE
Operating profit/loss (EBIT)	Calculated as net profit/loss for the period before tax, profit from holdings in associated companies and financial items.	This performance measure illustrates the company's profit/loss generated by operating activities.
Net financial income/expense	Net financial items are calculated as financial income less financial expenses.	This performance measure illustrates the net amount from the company's financial activities.
Net margin	The net margin is calculated as income after financial items divided by net sales.	This performance measure illustrates how much of the company's earnings remain after all expenses, excluding corporation tax, have been deducted.
Total assets	Calculated as the total of the company's assets at the end of the period.	
Equity per share, SEK	Calculated as equity divided by the number of shares outstanding at the end of the period.	This performance measure illustrates the company's net worth per share.

FINANCIAL PERFORMANCE MEASURES	DEFINITION/CALCULATION	PURPOSE
Sales growth, %	Calculated as the difference between net sales for the period and net sales for the preceding period, divided by net sales for the preceding period.	This performance measure illustrates the company's growth and historical performance, contributing to an understanding of the company's development.
Operating margin, %	Calculated as operating profit divided by net sales.	This performance measure illustrates how much of the company's profit/loss is generated by its operating activities.
Equity/assets ratio, %	Calculated as equity divided by total assets.	This performance measure illustrates the company's financial position and long-term solvency.
Dividend per share, SEK	Dividend per share approved by a General Meeting at which the Annual Report for the specified financial year is adopted.	
Earnings per share before dilution, SEK	Calculated as profit/loss attributable to Parent Company shareholders divided by the weighted average number of shares outstanding in the period.	This performance measure illustrates the company's earnings per share, excluding any dilution effect from outstanding convertibles.
Earnings per share after dilution, SEK	When calculating earnings per share after dilution, the weighted average number of shares outstanding is adjusted for the dilution effect of all potential shares. The Parent Company has a category of potential common shares with a dilution effect: convertible debentures. The convertible debentures are assumed to have been converted into shares and net profit is adjusted to eliminate interest expenses less tax effect. Convertible debentures do not give rise to a dilution effect when the interest per share that may be received upon conversion exceeds earnings per share before dilution.	This performance measure illustrates the company's earnings per share, excluding any dilution effect from outstanding convertibles.

Glossary

BALLAST FEEDER	The machine handles large volumes during reballasting and refilling.
CLEARANCE LOCOMOTIVE/ STANDBY LOCOMOTIVE	A clearance locomotive with personnel that is available around the clock 365 days of the year to urgently clear or remove vehicles involved in incidents or breakdowns on the railway. The aim is to quickly get the track open for traffic again.
CP6/CP7	Control Periods are the five-year periods Network Rail applies for the financial and other planning of the UK's railway infrastructure. Control Period 6 extends to 31 March 2024. Control Period 7 starts on 1 April 2024.
CULVERT INSPECTIONS	Assessment and documentation of the condition and potential maintenance need for culverts, mainly under railways and roads.
ERTMS	New signalling system for Sweden's entire rail network. Replaces an old system, simplifies traffic management and maintenance, and in the long term facilitates international traffic.
ETCS	The on-board system required in locomotives once the new ERTMS signalling system has been implemented on Sweden's railways.
EXTENDING SERVICE LIFE	Obsolete locomotives are upgraded with better engines, new signalling systems and a modernised working environment with the aim of better meeting future environmental requirements and technical standards.
MPV	Railcare's newest maintenance machine, Multi Purpose Vehicle, which is battery powered. Equipped with its own power source, vacuum pumps, hydraulics and operator cabs. The improved MPV has the same functionality, but is also equipped with a pantograph. This enables batteries to charge directly from overhead lines.

ONBOARD EQUIPMENT	The equipment required on board locomotives to enable communication with the relevant railway signalling system.
PANTOGRAPH	The trailing contact that transfers power from the overhead lines above the railway track to the electric vehicles and machines operating on the railways.
RAILVAC	Railcare's machines that are able to perform various types of track maintenance on the railways using vacuum technology.
RE-MOTORISATION	Engine replacement where older diesel motors are replaced with new modern diesel motors that meet current environmental standards, reduce operating costs and improve accessibility.
STAGE V ENGINES	Engines that meet the standard for emissions class stage V. Classification for industrial vehicles that regulates permitted emissions.
TB LOCOMOTIVE/ TC LOCOMOTIVE	Two types of locomotives that function as combined freight train and snow removal locomotives. The Tb is the largest of them and was built mainly for snow clearance in railway yards.
TRACK TIMETABLES	Time slots allocated by the Swedish Transport Administration for maintenance relating to carrying out work on the relevant tracks. During these periods, the tracks cannot be used for regular rail traffic.

PRESS RELEASES IN THE FIRST QUARTER

- 20 Mar** Railcare has started testing of the next generation battery-operated maintenance machine for railways.
- 15 Feb** Railcare increases its financial targets for the period until 2027. The new targets are net sales of SEK 1,000 million and operating margin of 13 percent.
- 15 Feb** Railcare publishes Year-end Report 2023.

FINANCIAL CALENDAR

- The Annual General Meeting will take place on 8 May 2024 at Railcare's head office in Skelleftehamn, Sweden.
- The Interim Report for January–June 2024 will be published on 15 August 2024.
- The Interim Report for January–September 2024 will be published on 7 November 2024.
- The Year-end Report for 2024 will be published on 20 February 2025.

FOR FURTHER INFORMATION, PLEASE CONTACT

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This is information that Railcare Group AB (publ) is required to disclose under the EU Market Abuse Regulation. This information was submitted to the market, through the agency of these contacts, for publication on 7 May 2024 at 07:30 a.m. CEST.

For further information, see www.railcare.se or www.railcare.se/en/

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ABOUT RAILCARE

The railway specialist Railcare offers innovative products and services for the railway; for example, railway maintenance with self-developed machines, a locomotive workshop, project and specialist transport, and machine sales. Our market is mainly in Scandinavia and the United Kingdom. The railway industry is undergoing positive development with increasing traffic volumes, extensive investment programmes, development of cost-effective freight and passenger transport, and rising environmental awareness. Railcare delivers both sustainable and efficient solutions that ensure that railway services can be used for the maximum number of years to come.

The shares of Railcare Group AB (publ) are listed on the Small Cap list of the Nasdaq Stockholm exchange. The Group has some 170 employees and annual sales of approximately SEK 550 million. The company's registered office is located in Skellefteå, Sweden.