

Interim report January – March 2015

Stable earnings despite negative currency effect. Favourable development in segment International. Acquisition of Flos B.V.

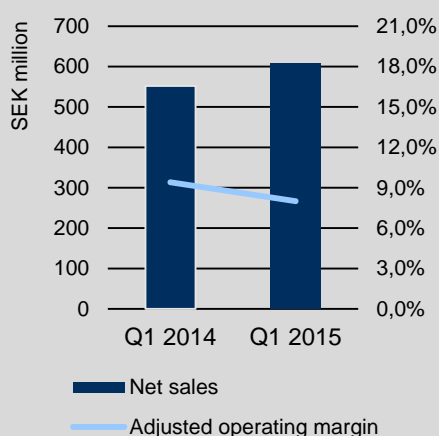
First quarter 2015

- Net sales rose to SEK 609 million (552), an increase of 10 percent. Adjusted for currency effects and acquisitions, sales increased 4 percent.
- Order intake exceeded net sales.
- Operating profit amounted to SEK 49 million (33) and adjusted operating profit to SEK 49 million (52).
- Earnings per share increased to SEK 0.88 (0.45).
- Flos B.V. was acquired at the end of February. Net sales for 2014 totalled approximately SEK 160 million.

GROUP IN BRIEF (for definitions, see page 16)

SEK millions	Quarter 1		Δ	12 month rolling	Full year	
	2015	2014			2014/15	2014
Order intake	616	563	9	2,248	2,195	2
Net sales	609	552	10	2,255	2,198	3
Gross profit	170	162	5	649	641	1
Gross margin,%	28.0	29.5		28.8	29.2	
Operating profit	49	33	46	189	174	9
Operating margin,%	8.0	6.0		8.4	7.9	
Adjusted operating profit	49	52	-6	189	192	-2
Adjusted operating margin,%	8.0	9.4		8.4	8.7	
Profit after tax	33	17	97	128	112	15
Earnings per share	0.88	0.45	97	3.37	2.94	15

THE QUARTER IN BRIEF



NET SALES

SEK **609**m

SALES GROWTH

+10%

OPERATING PROFIT

SEK **49**m

OPERATING MARGIN

8.0%

CEO'S OVERVIEW

Underlying demand during the first quarter of 2015 remained cautious and in line with the preceding quarter. Compared with the first quarter of 2014, our assessment is that underlying demand in segment Sweden is somewhat weaker, while for International it is essentially unchanged.

Our strategic efforts in our sales organisation continue to generate results in the form of increased market shares, particularly in the International segment. Growth in this segment is largely attributable to all markets and many different customers. In segment Sweden, net sales declined. This is partly due to customers choosing to relocate their production abroad, which favours sales in segment International, and that a major customer of one of our manufacturing units in Sweden has chosen to proceed with its own manufacturing.

Overall, the Group's organic growth is mainly attributable to market share gains.

The US dollar continued to strengthen against the Swedish krona. In addition, the euro weakened against the dollar during the quarter. Compared with the first quarter of 2014, our purchasing costs rose SEK 14 million due to exchange-rate fluctuations. We have taken measures in the form of price increases for customers, reduced purchasing prices and general cost savings. Combined with higher

sales volumes during the quarter, we were thus able to maintaining a stable operating profit. We will remain highly active in implementing these measures throughout 2015.

Value-generating acquisition is a key component of Bufab's growth strategy. During the first quarter, we thus acquired the Dutch company, Flos B.V. This company is a positive complement to Bufab and, as a result of the acquisition, we are strengthening our position in the expanding segment for specialised C-Parts. The acquisition will make a positive contribution to Bufab's earnings per share as of the second quarter.

Despite some positive signals, we have so far seen no enduring improvement in underlying demand. The exchange rates have continued to change in a manner that is unfavourable for Bufab. However, during the quarter, we have demonstrated the strength in our business model and organisation by succeeding in compensating unfavourable external factors with increased market shares and improved efficiency. Going forward, we intend to continue Bufab's long-term favourable development in the same manner.

Jörgen Rosengren, President and CEO



ABOUT BUFAB

Bufab Holding AB (publ), Corporate Registration Number 556685-6240, is a trading company that offers its customers a full-service solution as Supply Chain Partner for sourcing, quality control and logistics for C-Parts (screws, nuts, etc.). Bufab's Global Parts Productivity™ customer offering aims to improve productivity in customers' value chain for C-Parts.

Bufab was founded in 1977 in Småland and is an international company with operations in 23 countries. The head office is located in Värnamo, Sweden and Bufab has about 850 employees. Bufab's sales for 2014 amounted to SEK 2.2 billion and adjusted operating margin was 9 percent. The Bufab share is listed on NASDAQ Stockholm, under the ticker "BUFAB."

The Group in brief

FIRST QUARTER

Order intake amounted to SEK 616 million (563) and exceeded net sales.

Net sales rose 10 percent to SEK 609 million (552). Flos was acquired on 26 February and contributed to the increase in net sales for the period by 3 percentage points. Adjusted for currency effects and the acquisition, the increase was 4 percent.

Favourable growth in segment International, with increased market shares and an improved operating profit, offset the weaker development in Sweden, which was burdened by unfavourable exchange rates.

Operating profit amounted to SEK 49 million (33), corresponding to an operating margin of 8 percent (6), while the adjusted operating profit was SEK 49 million (52), corresponding to an adjusted operating margin of 8 percent (9). Exchange-rate fluctuations had a negative impact of SEK 14 million on operating profit, volumes a positive impact on operating profit of SEK 7 million and “price/cost/mix” and other items a positive impact of SEK 1 million.

During the quarter, the Dutch company Flos B.V. was acquired. The company is a positive complement to Bufab and this acquisition strengthens Bufab’s position in the expanding segment for specialised C-Parts. The acquisition had a net negative impact on operating profit of SEK 1 Million after acquisition costs of SEK 2 million. The acquisition will make a positive contribution to Bufab’s earnings per share from the second quarter. For further information on the acquisition, see page 15.

FINANCIAL ITEMS AND TAX

The Group’s net financial items amounted to a negative SEK 5 million (neg: 8) during the first quarter. During the quarter, exchange-rate differences had a positive effect on net financial items of SEK 1 million (neg: 2).

The Group’s profit after financial items was SEK 44 million (25).

Tax expense was SEK 11 million (8).

CASH FLOW, WORKING CAPITAL AND FINANCIAL POSITION

<i>SEK millions</i>	<i>Quarter 1</i>	
	<i>2015</i>	<i>2014</i>
Operating profit	49	34
Depreciation/amortisation and impairment	8	8
Other non-cash items	-1	0
Changes in working capital	-41	-27
Cash flow from activities	15	15
Investments excluding acquisitions	-7	-6
Operational cash flow	8	9

Operating cash flow amounted to SEK 8 million (9) and was negatively impacted by increased working capital. The increase was attributable to a higher level of accounts receivable.

Working capital as a percentage of net sales was 36.6 percent (35.5).

At 31 March 2015, the Group’s net debt totalled SEK 654 million (622). Net debt increased mainly due to loans raised in conjunction with the acquisition of Flos. At 31 March, the debt/equity ratio amounted to 55 percent (60).

Segment Sweden

First quarter

Order intake amounted to SEK 257 million (268) and exceeded net sales.

Net sales amounted to SEK 251 million (263), a decline of 5 percent. The underlying demand during the period remained cautious and in line with the preceding quarter. Compared with the first quarter of 2014, our assessment is that the demand was somewhat weaker.

Sales in the segment were negatively affected by a major customer of one of the manufacturing units choosing to conduct its own manufacturing and that customers chose to relocate their production abroad, which favours sales in the International segment. Market shares otherwise increased somewhat as a result of new business.

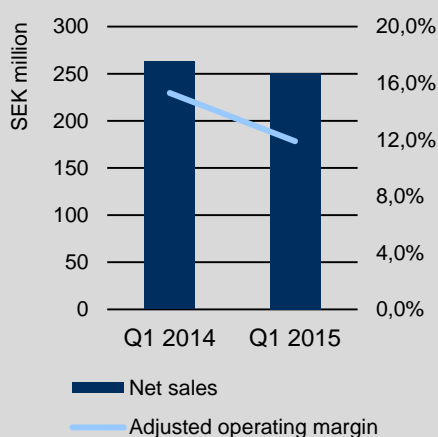
The gross margin declined to 28.9 percent (31.9), mainly due to higher purchasing costs attributable to a stronger USD rate, which could only be partly offset to date by price increases and cost savings.

Operating profit amounted to SEK 30 million (40), corresponding to an operating margin of 12 percent (15). Exchange-rate fluctuations had a negative impact of SEK 10 million on operating profit, volumes a negative impact of SEK 4 million, "price/cost/mix" and other items a positive impact of SEK 4 million.

SEK millions	Quarter 1			12 month rolling		
	2015	2014	Δ	2014/15	2014	Δ
Order intake*	257	268	-4	957	968	-1
Net sales*	251	263	-5	969	982	-1
Gross margin,%	28.9	31.9		30.9	31.7	
Operating profit	30	40	-26	133	144	-7
Operating margin,%	11.9	15.3		13.7	14.6	
Adjusted operating profit	30	40	-26	133	144	-7
Adjusted operating margin,%	11.9	15.3		13.7	14.6	

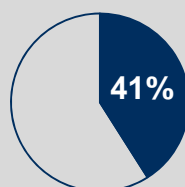
*Pertains to net sales and order intake from external customers

THE QUARTER IN BRIEF



NET SALES
SEK 251 m

SHARE OF TOTAL SALES



SALES GROWTH
-5%

OPERATING PROFIT

SEK 30 m

OPERATING MARGIN

11.9%

Segment International

First quarter

Order intake amounted to SEK 359 million (295) and was in line with net sales.

Net sales rose 24 percent to SEK 358 million (289). Flos was acquired on 26 February and contributed to the increase in net sales by about 6 percentage points. Adjusted for currency effects and the acquisition, the increase in net sales was 11 percent. The organic increase is largely a result of higher market shares in most markets and that some customers have chosen to relocate their production outside Sweden. Market shares for the segment have increased clearly compared with the year-earlier period.

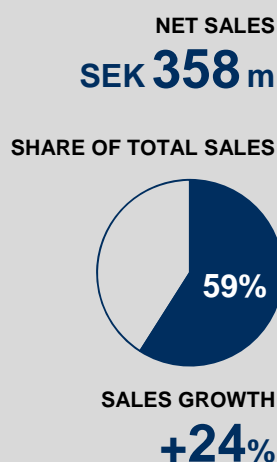
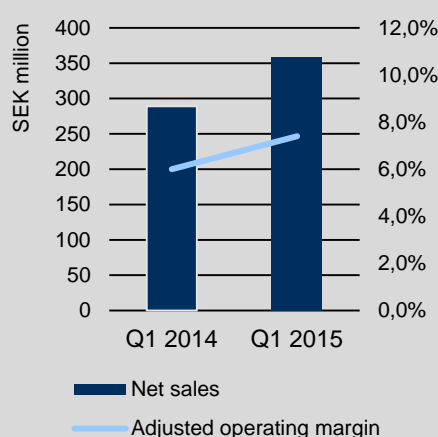
Gross margin was unchanged at 28.0 percent (28.0).

Operating profit increased to SEK 27 million (17), corresponding to an operating margin of 7.4 percent (6.0). Exchange-rate fluctuations had a negative impact of SEK 4 million on operating profit, volumes a positive impact of SEK 11 million, "price/cost/mix" and other items a positive impact of SEK 2 million, and a positive impact of SEK 1 million from the acquisition of Flos.

SEK millions	Quarter 1		Δ	12 month rolling		Δ
	2015	2014		2014/15	2014	
Order intake*	359	295	22	1,291	1,227	5
Net sales*	358	289	24	1,286	1,217	6
Gross margin,%	28.0	28.0		28.0	28.0	
Operating profit	27	17	54	84	75	12
Operating margin,%	7.4	6.0		6.5	6.2	
Adjusted operating profit	27	17	54	84	75	12
Adjusted operating margin,%	7.4	6.0		6.5	6.2	

*Pertains to net sales and order intake from external customers.

THE QUARTER IN BRIEF



Consolidated Income Statement

<i>SEK millions</i>	<i>Quarter 1</i>	
	<i>2015</i>	<i>2014</i>
Net sales	609	552
Cost of goods sold	-439	-390
Gross profit	170	162
Distribution costs	-83	-82
Administrative expenses	-36	-48
Other operating income	8	5
Other operating expenses	-10	-4
Operating profit Note 1	49	33
<i>Profit/loss from financial items</i>		
Interest and similar income	1	0
Interest and similar expenses	-6	-8
Profit after financial items	44	25
Tax on profit of the period	-11	-8
Profit for the period	33	17

Statement of Comprehensive Income

<i>SEK millions</i>	<i>Quarter 1</i>	
	2015	2014
Profit after tax	33	17
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Actuarial gains and losses, net of tax	-	-
Items that may be reclassified subsequently to profit or loss		
Translation differences	1	2
Other comprehensive income after tax	1	2
Total comprehensive income	34	19
Total comprehensive income attributable to:		
Parent Company shareholders	34	19

<i>SEK millions</i>	<i>Quarter 1</i>	
	2015	2014
Earnings per share	0.88	0.45
Weighted number of shares outstanding before dilution, thousands	38,110.5	38,110.5
Diluted earnings per share, SEK	0.88	0.45
Weighted number of shares outstanding after dilution, thousands	38,110.5	38,110.5

Note 1 NON-RECURRING ITEMS DURING THE PERIOD <i>SEK millions</i>	<i>Quarter 1</i>	
	2015	2014
<i>Total non-recurring items with effect on gross profit</i>	-	-
Costs for listing on NASDAQ STOCKHOLM	-	-18
<i>Total non-recurring items with effect on operating expenses</i>	-	-18
Total non-recurring items with effect on operating profit	-	-18

Consolidated Balance Sheet

<i>SEK millions</i>	<i>31-mar-15</i>	<i>31-mar-14</i>	<i>31-dec-14</i>
ASSETS			
<i>Non-current assets</i>			
Intangible assets	821	742	752
Property, land and equipment	142	140	140
Financial assets	27	25	28
Total non-current assets	990	907	920
<i>Current assets</i>			
Inventories	721	635	698
Current receivables	584	502	474
Cash and cash equivalents	94	76	128
Total current assets	1,399	1,213	1,300
Total assets	2,389	2,120	2,220
EQUITY AND LIABILITIES			
Equity	1,181	1,031	1,147
<i>Non-current liabilities</i>			
Non-current liabilities, interest bearing	624	598	599
Non-current liabilities, non-interest bearing	56	29	36
Total non-current liabilities	680	627	635
<i>Current liabilities</i>			
Current liabilities, interest bearing	124	100	72
Current liabilities, non-interest bearing	404	362	366
Total current liabilities	528	462	438
Total equity and liabilities	2,389	2,120	2,220

Consolidated Statement of Changes in Equity

<i>SEK millions</i>	31-mar-15	31-mar-14
Equity at beginning of year	1,147	1,012
Comprehensive income		
Profit after tax	33	17
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Actuarial gain or losses on pension obligations, net of tax	-	-
Items that may be reclassified subsequently to profit or loss		
Translation differences	1	2
Total comprehensive income	34	19
Owner transactions		
Total owner transactions	0	0
Equity at end of period	1,181	1,031

Consolidated Cash Flow Statement

<i>SEK millions</i>	<i>Quarter 1</i>	
	<i>2015</i>	<i>2014</i>
<i>Operating activities</i>		
Profit before financial items	49	34
Depreciation/amortisation and impairment	8	8
Interest and other financial revenues	0	0
Interest and other financial costs	-5	-7
Other non-cash items	-1	0
Income tax paid	-13	-15
Cash flow from operating activities before changes in working capital	38	20
<i>Changes in working capital</i>		
Increase (-)/decrease (+) in inventories	12	-9
Increase (-)/decrease (+) in operating receivables	-77	-61
Increase (+)/decrease (-) in operating liabilities	24	43
Cash flow from operating activities	-3	-7
<i>Investing activities</i>		
Acquisition of property, plant and equipment	-6	-4
Company acquisitions	-86	0
Acquisition of intangible assets	-1	-2
Cash flow from investing activities	-93	-6
<i>Financing activities</i>		
Increase (+)/decrease (-) of borrowings	62	-9
Cash flow from financing activities	62	-9
Cash flow for the period	-34	-22
Cash and cash equivalents at beginning of period	128	98
Translation differences	0	0
Cash and cash equivalents at end of period	94	76

*For further information, see page 15

The Group's Segment Reporting

Sweden	2014				2015			
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
Net sales	263	269	220	229	251			
Gross margin,%	31.9	33.5	30.6	30.3	28.9			
Operating profit	40	47	29	27	30			
Operating margin,%	15.3	17.5	13.3	11.7	11.9			
Adjusted operating profit	40	47	29	27	30			
Adjusted operating margin,%	15.3	17.5	13.3	11.7	11.9			

International	2014				2015			
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
Net sales	289	310	316	303	358			
Gross margin,%	28.0	28.9	27.5	27.6	28.0			
Operating profit	17	23	23	12	27			
Operating margin,%	6.0	7.3	7.3	4.0	7.4			
Adjusted operating profit	17	23	23	12	27			
Adjusted operating margin,%	6.0	7.3	7.3	4.0	7.4			

Other*	2014				2015			
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
Net sales	-	-	-	-	-			
Operating loss	-23**	-10	-5	-6	-8			
Operating margin, %	-	-	-	-	-			
Adjusted operating loss	-5	-10	-5	-6	-8			
Adjusted operating margin, %	-	-	-	-	-			

*Other includes undistributed shared Group costs

**Includes SEK 18 million for listing on NASDAQ Stockholm

Group	2014				2015			
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
Net sales	552	579	536	532	609			
Gross margin, %	29.5	30.5	28.4	28.1	28.0			
Operating profit	33	60	48	33	49			
Operating margin, %	6.0	10.3	8.9	6.2	8.0			
Adjusted operating profit	52	60	48	33	49			
Adjusted operating margin, %	9.4	10.3	8.9	6.2	8.0			

Consolidated key figures

	<i>Quarter 1</i>		<i>Δ</i>
	<i>2015</i>	<i>2014</i>	<i>%</i>
Order intake, SEK million	616	563	9
Net sales, SEK million	609	552	10
Gross profit, SEK million	170	162	5
Adjusted EBITDA, SEK million	57	60	-5
Operating profit, SEK million	49	33	46
Adjusted operating profit/loss, SEK million	49	52	-6
Profit after tax, SEK million	33	17	97
Gross margin, %	28.0	29.5	
Operating margin, %	8.0	6.0	
Adjusted operating margin, %	8.0	9.4	
Net margin, %	5.5	3.1	
Net debt, SEK million	654	622	5
Debt/equity ratio, %	55	60	
Net debt / adjusted EBITDA	3.0	2.5	
Working capital, SEK million	901	775	
Average working capital, SEK million	837	741	
Average working capital in relation to net sales, %	36.6	35.5	
Equity/assets ratio, %	49	49	
Operating cash flow, SEK million	8	9	
Earnings per share, SEK	0.88	0.45	

For definitions, see page 16.

Parent Company Income Statement

<i>SEK millions</i>	<i>Quarter 1</i>	
	<i>2015</i>	<i>2014</i>
Administrative expenses	-2	-20*
Other operating income	1	1
Operating profit/loss	-1	-19
<i>Profit/loss from financial items</i>		
Interest and similar expenses	0	0
Profit/loss after financial items	-1	-19
Appropriations	-	-
Tax on profit of the period	0	3
Profit for the period	-1	-16
Other comprehensive income	-	-
Total comprehensive income	-1	-16

*Including listing costs totalling SEK 18 million in the first quarter of 2014

Parent Company Balance Sheet

<i>SEK millions</i>	<i>31-mar-15</i>	<i>31-mar-14</i>
ASSETS		
<i>Non-current assets</i>		
Financial assets		
Participations in Group companies	845	845
Total non-current assets	845	845
<i>Current assets</i>		
Receivables from Group companies	154	342
Other receivables	8	13
Cash and cash equivalents	14	1
Total current assets	176	356
Total assets	1,021	1,201
EQUITY AND LIABILITIES		
Equity	937	869
Untaxed reserves	80	58
<i>Non-current interest-bearing liabilities</i>		
Other non-current liabilities	-	-
Total non-current liabilities	0	0
<i>Current non-interest-bearing liabilities</i>		
Liabilities to Group companies	0	261
Other current liabilities	4	13
Total current liabilities	4	274
Total equity and liabilities	1,021	1,201

Other information

ACCOUNTING POLICIES

This interim report has been prepared pursuant to IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company's accounts were prepared in accordance with the Swedish Annual Accounts Act, Chapter 9 and the Swedish Financial Reporting Board's recommendation RFR 2.

The accounting policies applied correspond to the accounting policies and measurement principles presented in the 2014 Annual Report. The 2014 Annual Report is available at www.bufab.com.

RISKS AND RISK MANAGEMENT

Exposure to risk is a natural part of business activity and this is reflected in Bufab's approach to risk management. The aim is to identify and prevent risks and to limit any loss or damage from these risks. The main risks to which the Group is exposed are related to the impact of the economy on demand. For further information, see Note 3 of the 2014 Annual Report.

SEASONAL VARIATIONS

Bufab has no essential seasonal variation but sales throughout the year vary depending on the number of customers' production days in each quarter. Net sales and operating profit are normally lowest in the third quarter.

RELATED-PARTY TRANSACTIONS

No related-party transactions took place during the quarter.

EMPLOYEES

The number of employees in the Group as of 31 March 2015 was 854 (801 on 31 December 2014), of whom 50 were added through the acquisition of Flos.

ACQUISITION

On 26 February, Bufab Holding AB (publ) acquired 100 percent of the shares in Flos B.V. Flos is a leading Dutch supplier of C-Parts, with a range of about 60,000 different items, both fasteners and specialised components.

The purchase consideration amounted to SEK 102 million, of which SEK 72 million has been paid unconditionally and the remaining portion of SEK 30 million is a conditional purchase consideration. The conditional portion comprises about 34 percent of the maximum payment and is dependent on future profit improvements.

The acquisition impacted the Group's net sales by SEK 16 million during the quarter. There was a net negative impact on operating profit of SEK 1 million and negative SEK 1 million on income for the period after tax. The transaction cost for the acquisition amounted to SEK 2 million and are recognised in the item administration cost in the segment

Other. The acquisition would have impacted the Group's net sales by an estimated SEK 45 million, operating profit by about SEK 2 million and the profit after tax by about SEK 1 million if it had been implemented on 1 January 2015

The assets and liabilities included in the acquisition amount to the following according to the preliminary acquisition analysis:

	<i>Carrying amount at acquisition date</i>	<i>Adjustment to fair value</i>	<i>Fair value</i>
Intangible non-current assets		13	13
Other non-current assets	5		5
Inventories	35		35
Other current assets	36		36
Deferred tax liability	-1	-3	-4
Other liabilities	-38		-38
Acquired net assets	37	10	47
Goodwill			55
Consideration*			102
Less: cash in acquired business			0
Less: conditional consideration			-30
Added: paid out conditional consideration**			14
Effect on Group's cash			86

* The consideration is stated excluding acquisition expenses

** The amount is paid out to an escrow account

Goodwill is attributable to the acquired operation's established market position and the anticipated profitability related to this.

CONTINGENT LIABILITIES

There were no significant changes in contingent liabilities during the period.

AUDIT REVIEW REPORT

This interim report has not been examined by the company's auditors.

FINANCIAL REPORTING DATES

Interim Report Q2
21 July 2015

Interim Report Q3
23 October 2015

Värnamo, April 28, 2015

Jörgen Rosengren
President & CEO

DEFINITION OF KEY FIGURES

Gross margin, %

Gross profit as a percentage of net sales during the period

Adjusted gross profit

Gross profit adjusted for non-recurring items

Adjusted gross margin, %

Adjusted gross profit as a percentage of net sales during the period

EBITDA

Operating profit before depreciation, amortisation and impairment

Adjusted EBITDA

Adjusted operating profit before depreciation, amortisation and impairment

Operating margin, %

Operating profit as a percentage of net sales during the period

Adjusted operating profit

Operating profit adjusted for non-recurring items

Adjusted operating margin, %

Adjusted operating profit as a percentage of net sales during the period

Net debt

Interest-bearing liabilities less interest-bearing assets, calculated at the end of the period

Debt/equity ratio, %

Net debt divided by equity, calculated at the end of the period

Net debt/adjusted EBITDA, %

Net debt at the end of the period as a percentage of adjusted EBITDA in the last twelve months

Working capital

Total current assets less cash and cash equivalents less current non-interest-bearing liabilities, calculated at the end of the period

Average working capital

Average working capital calculated as the average of the past four quarters

Working capital/net sales, %

Average working capital as a percentage of net sales in the last twelve months

Equity/assets ratio, %

Equity as a percentage of total assets, calculated at the end of the period

Operating cash flow

Operating profit adjusted for depreciation/amortisation, impairment and other non-cash items less changes in working capital and investments excluding acquisitions

Earnings per share

Profit after tax divided by the average number of common shares adjusted for the set-off issue and the 80:1 share split that were conducted during the first quarter 2014

CONFERENCE CALL

A conference call will be held on April 28, 2015 at 10.00 CET. Jörgen Rosengren, President & CEO and Thomas Ekström, CFO will present the result. The call will be held in English.

In order to participate, please use one of the following numbers; +44 (0) 1452 54 1003, UK 08448719461, Sweden 0856619445 or US 16467412120. Conference code, 32935290.

Please dial in 5-10 minutes ahead in order to register.

This information is in accordance with the Swedish Securities Market Act, the Swedish Financial Instruments Trading Act and/or the regulations of NASDAQ Stockholm. The information was submitted for publication at April 28, 2015 at 08.00.



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