

Q1

Interim report
January – March 2016

Interim report January – March 2016

Stronger profit, margins and cash flow.
Acquisition of Magnetfabriken AB.

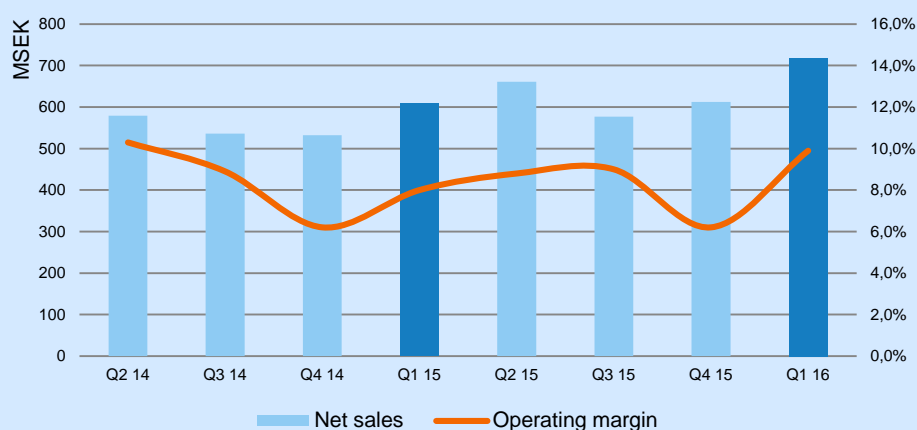
First quarter 2016

- Net sales rose by 18 percent to SEK 718 million (609).
Adjusted for currency effects and acquisitions, net sales increased by 2 percent.
- Order intake exceeded net sales.
- Operating profit rose to SEK 71 million (49) and the operating margin increased to 9.9 percent (8.0).
- Earnings per share rose to SEK 1.30 (0.88).
- Magnetfabriken AB was acquired.

GROUP IN BRIEF (FOR DEFINITIONS, SEE PAGE 16)

| SEK millions | Quarter 1 | | Δ | 12 month rolling | Full year |
|-------------------------|-----------|------|----|------------------|-----------|
| | 2016 | 2015 | | 2015/16 | 2015 |
| Order intake | 738 | 616 | 20 | 2,586 | 2,463 |
| Net sales | 718 | 609 | 18 | 2,568 | 2,458 |
| Gross profit | 206 | 170 | 21 | 713 | 677 |
| Gross margin, % | 28.6 | 28.0 | | 27.8 | 27.5 |
| Operating expenses | -135 | -121 | 11 | -494 | -480 |
| Operating profit | 71 | 49 | 46 | 219 | 197 |
| Operating margin, % | 9.9 | 8.0 | | 8.5 | 8.0 |
| Profit after tax | 49 | 33 | 48 | 141 | 125 |
| Earnings per share, SEK | 1.30 | 0.88 | 48 | 3.69 | 3.27 |

QUARTERLY DEVELOPMENT



NET SALES, DEVELOPMENT

+18%

OPERATING MARGIN

9.9%

CEO'S OVERVIEW

During the first quarter, net sales rose by 18 percent to SEK 718 million, Bufab's highest net sales ever for a single quarter. Most of the increase stems from the three acquisitions carried out since February 2015. All acquisitions report good growth in market shares, net sales and profitability for the quarter. Moderate organic growth of 2 percent due to higher market shares in the segment International contributed to the Group's increase in net sales.

The quarter's gross margin strengthened to 28.6 percent (28.0). This increase is a direct result of our focus on improved sourcing prices and higher customer prices which counteracted negative currency effects. These measures, paired with good contributions from the acquired companies, increased sales volumes and good cost control have enabled us to considerably improve our operating margin to 9.9 percent (8.0). We still have a way to go before we reach our operating margin target of 12 percent, but we are moving in the right direction.

We have long worked systematically to improve our tied-up capital, particularly in terms of trade payables and inventory. Consequently, it was very satisfying to see that we together with the improvement in tied up capital were able to convert the good operating profits into a robust increase of our operating cash flow, from SEK 8 to 44 million.

Segment International performed well. Adjusted for currency effects and acquisitions, net sales increased by 5 percent. The organic growth rate was lower than during 2015, particularly at the start of the quarter. However, we estimate that our market shares increased during the period. Weaker sales growth in Norway, Finland and Asia was compensated for by strong growth in the rest of Europe. Due to good cost control, the higher net sales generated a stronger operating margin. Better

sourcing prices and higher customer prices also contributed. We continue to reinforce the segment's organisation in both sales and sourcing, and feel that we have excellent potential to further expand our market share moving forward.

In segment Sweden, net sales declined by 3 percent, primarily the result of low demand in the telecommunications sector. Our ambition is to gradually expand our market share for segment Sweden from what is already a good level. We continue to work intensively to increase new sales in Sweden but have not yet reached sufficient growth levels. Despite weak sales growth, we managed to reinforce both gross and operating margins and increase the segments' operating profit. This was accomplished through sourcing savings, higher customer prices and lower operating expenses.

In March, we acquired Magnetfabriken AB, one of the leading suppliers of magnets and magnet systems in the Nordic region with annual sales of around SEK 20 million. As previously, we are continuously evaluating additional acquisition opportunities.

We face some important challenges: to continue to achieve organic growth, also in Sweden, and to further improve our operating margin. But the year has started well for Bufab. Our ambition level is high, and we look ahead with confidence on the conditions for the remainder of 2016.

Jörgen Rosengren
President & CEO



ABOUT BUFAB

Bufab 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 935 employees. Bufab's net sales for 2015 amounted to SEK 2.5 billion and operating margin was 8 percent. The Bufab share is listed on Nasdaq Stockholm, under the ticker "BUFAB." For more information visit www.bufab.com.

The Group in brief

FIRST QUARTER

Order intake amounted to SEK 738 million (616) and exceeded net sales.

Net sales rose by 18 percent to SEK 718 million (609). This represented a 2-percent increase when adjusted for currency effects and acquisitions. Adjusted accordingly, the growth was +5 percent for segment International and -3 percent for segment Sweden.

Magnetfabriken AB, with annual sales of approximately SEK 20 million, was acquired during the quarter. For more information, see page 15.

Underlying demand is deemed to be basically unchanged, and the market share slightly higher compared with the year-earlier period.

Gross margin strengthened during the quarter, both compared with last year and sequentially. The acquired companies have a higher gross margin and accounted for approximately half of the increase. The remaining increase can be attributed to higher customer prices and cost savings in sourcing, which counteracted negative currency effects during the quarter. Operating expenses have increased by SEK 14 million compared with the previous year, largely due to the acquired companies.

Operating profit increased to SEK 71 million (49), corresponding to an operating margin of 9.9 percent (8.0).

Exchange-rate fluctuations had a negative impact of SEK 4 million on operating profit, volumes had a positive impact of SEK 3 million, the price/cost/mix a positive impact of SEK 5 million, acquisitions a positive SEK 16 million and acquisition cost of a positive SEK 2 million.

FINANCIAL ITEMS AND TAX

The Group's net financial items amounted to SEK -5 million (-6) for the first quarter. During the quarter, exchange-rate differences had a positive impact of SEK 2 million (1) on net financial items.

The Group's profit after financial items amounted to SEK 66 million (44).

The tax expense was SEK 17 (11) million, which implies an effective tax rate of 25 (25) per cent.

CASH FLOW, WORKING CAPITAL AND FINANCIAL POSITION

| <i>SEK millions</i> | <i>Quarter 1</i> | |
|--|------------------|-------------|
| | <i>2016</i> | <i>2015</i> |
| Operating profit | 71 | 49 |
| Depreciation/amortisation and impairment | 11 | 8 |
| Other non-cash items | 0 | -1 |
| Changes in working capital | -32 | -41 |
| Cash flow from activities | 50 | 15 |
| Investments excluding acquisitions | -6 | -7 |
| Operational cash flow | 44 | 8 |

Operating cash flow amounted to SEK 44 million (8). The increase compared with the previous year is due both to improved operating profit and more favourable growth in working capital.

Average working capital in relation to net sales during the past 12 months amounted to 36.6 percent (36.6). A reduction in tied-up inventory and increase in payables had a positive impact on key figures, while the higher tied-up capital in the acquisition of Apex Stainless Fasteners had a negative impact. Excluding this acquisition, average working capital in relation to net sales during the past 12 months amounted to 35.1 percent (36.6).

On 31 March 2016, the Group's net debt totalled SEK 879 million (654). Net debt has increased mainly due to loans taken in conjunction with the acquisition of Apex Stainless Fasteners and Magnetfabriken. On 31 March 2016, the Group's debt/equity ratio was 71 percent (55).

Segment Sweden

First quarter

Order intake amounted to SEK 251 million (257) and exceeded net sales.

Net sales amounted to SEK 244 million (251), down 3 percent. Magnetfabriken AB was acquired in March 2016 and was included in net sales in the amount of SEK 2 million. Adjusted for the acquisition, net sales declined by 3 percent. Underlying demand during the period is deemed basically unchanged, with the exception of customers in the telecommunications sector that demonstrated a sharp drop in demand. Moreover, as in previous quarters, growth was burdened by customers' relocation of production from Sweden to other countries, primarily Eastern Europe, corresponding to around 1 percent of the segment's sales. The segment International benefits from these production relocations. The market share in

Sweden is otherwise assessed as being unchanged.

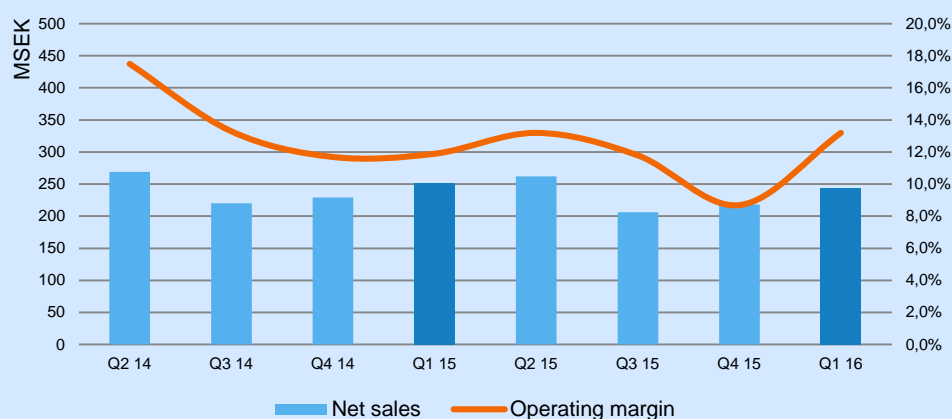
Gross margin rose to 29.6 percent (28.9). Cost savings in sourcing and higher customer prices together with, to a lesser degree, the acquisition had a positive impact on the gross margin that surpassed the negative currency effects.

Operating profit amounted to SEK 32 million (30), corresponding to a significantly better operating margin of 13.2 percent (11.9). Exchange-rate fluctuations had a negative impact of SEK 2 million on operating profit, volumes a negative impact of SEK 3 million and the price/cost/mix a positive impact of SEK 7 million and the acquisition of Magnetfabriken an impact of SEK 0 million.

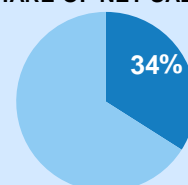
| SEK millions | Quarter 1 | | | 12 month rolling | |
|---------------------|-----------|------|----|------------------|------|
| | 2016 | 2015 | Δ | 2015/16 | 2015 |
| Order intake* | 251 | 257 | -2 | 926 | 932 |
| Net sales* | 244 | 251 | -3 | 931 | 937 |
| Gross profit | 72 | 73 | -1 | 268 | 269 |
| Gross margin, % | 29.6 | 28.9 | | 28.8 | 28.7 |
| Operating expenses | -40 | -43 | -7 | -158 | -161 |
| Operating profit | 32 | 30 | 8 | 110 | 108 |
| Operating margin, % | 13.2 | 11.9 | | 11.8 | 11.5 |

*Pertains to net sales and order intake from external customers

QUARTERLY DEVELOPMENT



SHARE OF NET SALES



NET SALES, DEVELOPMENT

-3%

OPERATING MARGIN

13.2%

Segment International

First quarter

Order intake amounted to SEK 487 million (359) and exceeded net sales.

Net sales rose by 33 percent to SEK 474 million (358). This was a 5 percent increase when adjusted for currency effects and acquisitions. The organic increase is primarily the result of higher market shares. Moreover, customers' production relocations from Sweden to mostly Eastern Europe had a positive impact of just under 1 percent on the segment's sales. Underlying demand is deemed to be slightly stronger than for the year-on-year quarter. Nonetheless, Bufab saw weaker demand in Norway, Finland and Asia.

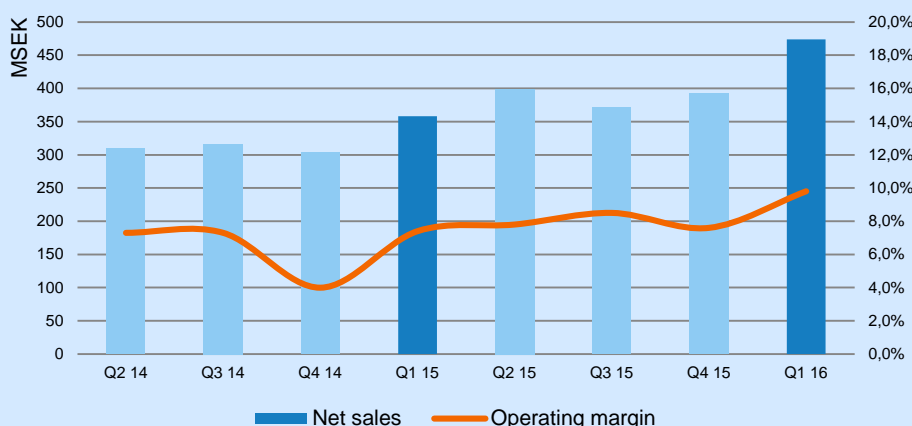
Gross margin rose to 29.1 percent (28.0). The acquired companies have a higher gross margin and accounted for over half of the increase. The remaining increase is attributable to cost savings in

sourcing and higher customer prices. Operating profit increased to SEK 47 million (27), corresponding to an operating margin of 9.8 percent (7.4). Exchange-rate fluctuations had a negative impact of SEK 2 million on operating profit, volumes a positive impact of SEK 6 million, the price/cost/mix an impact of SEK 0 million and the acquisition of Flos and Apex Stainless Fasteners a positive impact of SEK 16 million.

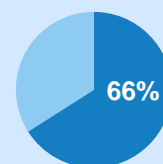
| SEK millions | Quarter 1 | | Δ | 12 month rolling | |
|---------------------|-----------|------|----|------------------|-------|
| | 2016 | 2015 | | 2015/16 | 2015 |
| Order intake* | 487 | 359 | 36 | 1,660 | 1,531 |
| Net sales* | 474 | 358 | 33 | 1,637 | 1,521 |
| Gross profit | 138 | 100 | 38 | 457 | 419 |
| Gross margin, % | 29.1 | 28.0 | | 27.9 | 27.6 |
| Operating expenses | -91 | -73 | 25 | -318 | -300 |
| Operating profit | 47 | 27 | 76 | 139 | 119 |
| Operating margin, % | 9.8 | 7.4 | | 8.5 | 7.8 |

*Peratins to net sales and order intake from external customers

QUARTERLY DEVELOPMENT



SHARE OF NET SALES



NET SALES, DEVELOPMENT

+33%

OPERATING MARGIN

9.8%

Consolidated Income Statement

| <i>SEK millions</i> | <i>Quarter 1</i> | |
|--|------------------|-------------|
| | <i>2016</i> | <i>2015</i> |
| Net sales | 718 | 609 |
| Cost of goods sold | -512 | -439 |
| Gross profit | 206 | 170 |
| Distribution costs | -97 | -83 |
| Administrative expenses | -38 | -36 |
| Other operating income | 8 | 8 |
| Other operating expenses | -8 | -10 |
| Operating profit | 71 | 49 |
| <i>Profit/loss from financial items</i> | | |
| Interest and similar income | 0 | 1 |
| Interest and similar expenses | -5 | -6 |
| Profit after financial items | 66 | 44 |
| Tax on profit of the period | -17 | -11 |
| Profit for the period | 49 | 33 |

Statement of Comprehensive Income

| SEK millions | Quarter 1 | |
|--|-----------|-----------|
| | 2016 | 2015 |
| Profit after tax | 49 | 33 |
| Other comprehensive income | | |
| Items that will not be reclassified subsequently to profit or loss | - | - |
| Items that may be reclassified subsequently to profit or loss | | |
| Translation differences/Hedging of net assets, net after tax | 1 | 1 |
| Other comprehensive income after tax | 1 | 1 |
| Total comprehensive income | 50 | 34 |
| Total comprehensive income attributable to: | | |
| Parent company shareholders | 50 | 34 |

Earnings per share

| SEK millions | Quarter 1 | |
|--|-----------|----------|
| | 2016 | 2015 |
| Earnings per share | 1.30 | 0.88 |
| Weighted number of shares outstanding before dilution, thousands | 38,110.5 | 38,110.5 |
| Diluted earnings per share, SEK | 1.30 | 0.88 |
| Weighted number of shares outstanding after dilution, thousands | 38,110.5 | 38,110.5 |

Consolidated Balance Sheet

| <i>SEK millions</i> | 31-mar-16 | 31-mar-15 | 31-dec-15 |
|---|------------------|--------------|--------------|
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | 985 | 821 | 955 |
| Property, land and equipment | 134 | 142 | 138 |
| Financial assets | 25 | 27 | 26 |
| Total non-current assets | 1,144 | 990 | 1,119 |
| Current assets | | | |
| Inventories | 844 | 721 | 856 |
| Current receivables | 642 | 584 | 571 |
| Cash and cash equivalents | 106 | 94 | 107 |
| Total current assets | 1,592 | 1,399 | 1,534 |
| Total assets | 2,736 | 2,389 | 2,653 |
| EQUITY AND LIABILITIES | | | |
| Equity | 1,233 | 1,181 | 1,183 |
| Non-current liabilities | | | |
| Non-current liabilities, interest bearing | 832 | 624 | 840 |
| Non-current liabilities, non-interest bearing | 83 | 56 | 72 |
| Total non-current liabilities | 915 | 680 | 912 |
| Current liabilities | | | |
| Current liabilities, interest bearing | 153 | 124 | 151 |
| Current liabilities, non-interest bearing | 434 | 404 | 407 |
| Total current liabilities | 588 | 528 | 558 |
| Total equity and liabilities | 2,736 | 2,389 | 2,653 |

Consolidated Statement of Changes in Equity

| <i>SEK millions</i> | 31-mar-16 | 31-mar-15 |
|--|------------------|------------------|
| Equity at beginning of year | 1,183 | 1,147 |
| Comprehensive income | | |
| Profit after tax | 49 | 33 |
| Other comprehensive income | | |
| Items that will not be reclassified subsequently to profit or loss | - | - |
| Items that may be reclassified subsequently to profit or loss | | |
| Translation differences/ hedging of net assets, net after tax | 1 | 1 |
| Total comprehensive income | 50 | 34 |
| Owner transactions | - | - |
| Total owner transactions | 0 | 0 |
| Equity at end of period | 1,233 | 1,181 |

Consolidated Cash Flow Statement

| <i>SEK millions</i> | <i>Quarter 1</i> | |
|--|------------------|-------------|
| | <i>2016</i> | <i>2015</i> |
| <i>Operating activities</i> | | |
| Profit before financial items | 71 | 49 |
| Depreciation/amortisation and impairment | 11 | 8 |
| Interest and other financial revenues | 0 | 0 |
| Interest and other financial costs | -7 | -5 |
| Other non-cash items | 0 | -1 |
| Income tax paid | -12 | -13 |
| Cash flow from operating activities before changes in working capital | 63 | 38 |
| <i>Changes in working capital</i> | | |
| Increase (-)/decrease (+) in inventories | 16 | 12 |
| Increase (-)/decrease (+) in operating receivables | -80 | -77 |
| Increase (+)/decrease (-) in operating liabilities | 32 | 24 |
| Cash flow from operating activities | 31 | -3 |
| <i>Investing activities</i> | | |
| Acquisition of property, plant and equipment | -5 | -6 |
| Company acquisitions * | -23 | -86 |
| Acquisition of intangible assets | -1 | -1 |
| Cash flow from investing activities | -29 | -93 |
| <i>Financing activities</i> | | |
| Increase (+)/decrease (-) of borrowings | -3 | 62 |
| Cash flow from financing activities | -3 | 62 |
| Cash flow for the period | -1 | -34 |
| Cash and cash equivalents at beginning of period | 107 | 128 |
| Exchange-rate differences | 0 | 0 |
| Cash and cash equivalents at end of period | 106 | 94 |

*For further information, see page 15

The Group's Segment Reporting

| Sweden | 2015 | | | | 2016 | | | |
|-----------------------|------|------|------|------|------|-----|-----|-----|
| | Q 1 | Q 2 | Q 3 | Q 4 | Q 1 | Q 2 | Q 3 | Q 4 |
| Net sales | 251 | 262 | 206 | 218 | 244 | | | |
| Gross profit | 73 | 75 | 60 | 62 | 72 | | | |
| Gross margin, % | 28.9 | 28.5 | 29.2 | 28.3 | 29.6 | | | |
| Operating expenses | -43 | -40 | -36 | -43 | -40 | | | |
| Operating profit/loss | 30 | 35 | 24 | 19 | 32 | | | |
| Operating margin, % | 11.9 | 13.2 | 11.8 | 8.7 | 13.2 | | | |

| International | 2015 | | | | 2016 | | | |
|-----------------------|------|------|------|------|------|-----|-----|-----|
| | Q 1 | Q 2 | Q 3 | Q 4 | Q 1 | Q 2 | Q 3 | Q 4 |
| Net sales | 358 | 399 | 371 | 393 | 474 | | | |
| Gross profit | 100 | 109 | 102 | 108 | 138 | | | |
| Gross margin, % | 28.0 | 27.4 | 27.5 | 27.5 | 29.1 | | | |
| Operating expenses | -73 | -78 | -70 | -78 | -91 | | | |
| Operating profit/loss | 27 | 31 | 32 | 30 | 47 | | | |
| Operating margin, % | 7.4 | 7.8 | 8.5 | 7.6 | 9.8 | | | |

| Other* | 2015 | | | | 2016 | | | |
|-----------------------|------|-----|-----|-----|------|-----|-----|-----|
| | Q 1 | Q 2 | Q 3 | Q 4 | Q 1 | Q 2 | Q 3 | Q 4 |
| Net sales | - | - | - | - | - | | | |
| Gross profit | -3 | -3 | -3 | -3 | -4 | | | |
| Operating expenses | -5 | -5 | -1 | -8 | -4 | | | |
| Operating profit/loss | -8 | -8 | -4 | -11 | -8 | | | |
| Operating margin, % | - | - | - | - | - | | | |

*Other includes undistributed shared Group costs

| Group | 2015 | | | | 2016 | | | |
|-----------------------|------|------|------|------|------|-----|-----|-----|
| | Q 1 | Q 2 | Q 3 | Q 4 | Q 1 | Q 2 | Q 3 | Q 4 |
| Net sales | 609 | 661 | 577 | 612 | 718 | | | |
| Gross profit | 170 | 181 | 159 | 167 | 206 | | | |
| Gross margin, % | 28.0 | 27.4 | 27.5 | 27.4 | 28.6 | | | |
| Operating expenses | -121 | -123 | -107 | -129 | -135 | | | |
| Operating profit/loss | 49 | 58 | 52 | 38 | 71 | | | |
| Operating margin, % | 8.0 | 8.8 | 9.0 | 6.2 | 9.9 | | | |

Consolidated key figures

| | Quarter 1 | | Δ |
|---|-----------|------|----|
| | 2016 | 2015 | % |
| Order intake, SEK million | 738 | 616 | 20 |
| Net sales, SEK million | 718 | 609 | 18 |
| Gross profit, SEK million | 206 | 170 | 21 |
| EBITDA, SEK million | 82 | 57 | 43 |
| Operating profit, SEK million | 71 | 49 | 46 |
| Profit after tax, SEK million | 49 | 33 | 48 |
| Gross margin, % | 28.6 | 28.0 | |
| Operating margin, % | 9.9 | 8.0 | |
| Net margin, % | 6.9 | 5.5 | |
| Net debt, SEK million | 879 | 654 | 34 |
| Debt/equity ratio, % | 71 | 55 | |
| Net debt / EBITDA* | 3.4 | 3.0 | |
| Working capital, SEK million | 1,051 | 901 | 17 |
| Average working capital, SEK million | 958 | 837 | 14 |
| Average working capital in relation to net sales, % | 36.6 | 36.6 | |
| Equity/assets ratio, % | 45 | 49 | |
| Operating cash flow, SEK million | 44 | 8 | |
| Earnings per share, SEK | 1.30 | 0.88 | 48 |

*Paid purchase consideration for the acquired companies has been fully charged to net debt while EBITDA only has been credited from the acquisition date. For definitions, see page 16.

Parent Company Income Statement

| <i>SEK millions</i> | <i>Quarter 1</i> | |
|--|------------------|-------------|
| | <i>2016</i> | <i>2015</i> |
| Administrative expenses | -2 | -2 |
| Other operating income | 1 | 1 |
| Operating profit | -1 | -1 |
| <i>Profit/loss from financial items</i> | | |
| Interest and similar expenses | 0 | 0 |
| Profit after financial items | -1 | -1 |
| Appropriations | - | - |
| Tax on profit of the period | 0 | 0 |
| Profit for the period | -1 | -1 |
| Other comprehensive income | - | - |
| Total comprehensive income | -1 | -1 |

Parent Company Balance Sheet

| <i>SEK millions</i> | 31-mar-16 | <i>31-mar-15</i> | <i>31-dec-15</i> |
|---|------------------|------------------|------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Financial assets | | | |
| Participations in Group companies | 845 | 845 | 845 |
| Total non-current assets | 845 | 845 | 845 |
| Current assets | | | |
| Receivables from Group companies | 173 | 154 | 178 |
| Other receivables | 11 | 8 | 11 |
| Cash and cash equivalents | 1 | 14 | 0 |
| Total current assets | 185 | 176 | 189 |
| Total assets | 1,030 | 1,021 | 1,034 |
| EQUITY AND LIABILITIES | | | |
| Equity | 926 | 937 | 928 |
| Untaxed reserves | 100 | 80 | 100 |
| Non-current interest-bearing liabilities | | | |
| Other non-current liabilities | - | - | - |
| Total non-current liabilities | 0 | 0 | 0 |
| Current non-interest-bearing liabilities | | | |
| Liabilities to Group companies | - | 0 | - |
| Other current liabilities | 4 | 4 | 6 |
| Total current liabilities | 4 | 4 | 6 |
| Total equity and liabilities | 1,030 | 1,021 | 1,034 |

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 2015 Annual Report. The 2015 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 2015 Annual Report.

SEASONAL VARIATIONS

Bufab has no material seasonal variation, but sales throughout the year vary depending on the number of customer production days in each quarter.

RELATED-PARTY TRANSACTIONS

There were no related-party transactions during the period.

EMPLOYEES

The number of full-time employees in the Group as of 31 March 2016 was 934 (854), whereof 116 employees stem from the acquisitions of Apex Stainless Holdings Ltd and Magnetfabriken AB.

ACQUISITIONS

The following acquisitions were made during the period 2015 to 2016.

| | Date | Net sales* | Employees |
|-----------------------------|------------|------------|-----------|
| Flos BV | 2015-02-26 | 160 | 52 |
| Apex Stainless Holdings Ltd | 2015-11-26 | 300 | 110 |
| Magnetfabriken AB | 2016-03-02 | 20 | 6 |

*Estimated annual net sales at the time of acquisition

On 3 March 2016, Bufab AB (publ) acquired 100 percent of the shares in Magnetfabriken AB. Magnetfabriken AB was founded in 1992 and has since become one of the leading suppliers of magnets and magnet systems in the Nordic region. The purchase consideration amounted to SEK 36 million, of which SEK 27 million has been paid unconditionally and the remaining portion of SEK 9 million is a conditional purchase consideration. The conditional portion of SEK 9 million comprises about 57 percent of the maximum payment outcome. Approximately half is dependent on the acquired company's earnings through to April 2016 and approximately half to future earnings thereafter.

The acquisition has positively impacted the Bufab Group's accumulated net sales by SEK 2 million since transfer. The net impact on accumulated operating profit amounted to SEK 0 million and the effect on profit after tax was SEK 0 million. Transaction costs for the acquisition amounted to SEK 0 million. The acquisition would have positively

impacted the Group's net sales by an estimated SEK 5 million, operating profit by about SEK 1 million and profit after tax for the period by about SEK 1 million if they had been implemented on 1 January 2016. The amounts of the assets and liabilities included in the acquisitions were as follows:

| Magnetfabriken AB | Carrying amount at acquisition date | Adjustment to fair value | Fair value |
|-----------------------------------|-------------------------------------|--------------------------|------------|
| Intangible non-current assets | | 8 | 8 |
| Other non-current assets | 0 | | 0 |
| Inventories | 3 | | 3 |
| Other current assets | 2 | | 2 |
| Liquid funds | 4 | | 4 |
| Deferred tax liability | | -2 | -2 |
| Other liabilities | -2 | | -2 |
| Acquired net assets | 7 | 6 | 13 |
| Goodwill | | | 23 |
| Consideration* | | | 36 |
| Less: cash in acquired business | | | -4 |
| Less: conditional consideration | | | -9 |
| Effect on the Group's cash | | | 23 |

* The consideration is stated excluding acquisition expenses

Goodwill arising in connection with the acquisition is attributable to the knowledge accrued in the acquired company and the established and consolidated market positions and the anticipated profitability related to it.

CONTINGENT LIABILITIES

There were no material changes in contingent liabilities during the interim period.

AUDIT REVIEW REPORT

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

FINANCIAL REPORTING DATES

Interim report Q2

19 July, 2016

Interim report Q3

26 October, 2016

Year-end report 2016

21 February, 2017

Värnamo 27 April, 2016

Jörgen Rosengren
President & CEO

Definitions of key figures

Gross margin, %

Gross profit as a percentage of net sales for the period

EBITDA

Operating profit before depreciation, amortisation and impairment

Operating margin, %

Operating profit as a percentage of net sales for 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/EBITDA

Net debt at the end of the period divided by 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

Operating expenses

Sum of distribution costs, administrative expenses, other operating income and other operating expenses

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

Earnings per share

Profit after tax dividend by the average number of common shares

CONFERENCE CALL

A conference call will be held on 27 April 2016 at 10:00 a.m. CET. Jörgen Rosengren, President and CEO, and Thomas Ekström, CFO, will present the results. The conference call will be held in English.

To participate, please use one of the following numbers: +44 1452 555566, UK: 08444933800, Sweden: 0850336434, or US: 16315107498. Conference code: 86378099.

Please dial in 5-10 minutes ahead in order to complete the short registration process.

This interim report is published 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 27 April 2016 at 08.00 a.m. CET.



CONTACT

Jörgen Rosengren

CEO

+46 370 69 69 01

jorgen.rosengren@bufab.com

Thomas Ekström

CFO

+46 370 69 94 01

thomas.ekstrom@bufab.com

Boel Sundvall

Communications & IR

+46 370 69 69 61

boel.sundvall@bufab.com