

Interim report January – March 2021

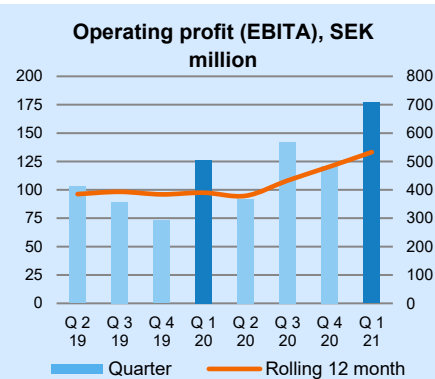
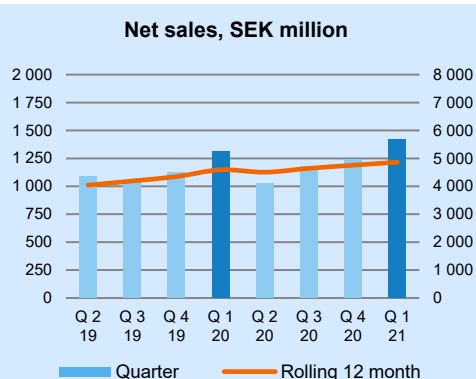
Continued strong growth and robust improvement in profitability.

First quarter of 2021

- Net sales increased by 8 percent to SEK 1,423 million (1,316).
Organic growth was +14 percent and order intake higher than net sales
- Operating profit (EBITA) increased by 40 percent to SEK 177 million (126) and the operating margin was 12.4 percent (9.5)
- Operating cash flow increased to SEK 105 million (84)
- Earnings per share increased by 38 percent to SEK 3.18 (2.31)
- Bufab achieved its highest ever single quarter sales, operating profit and earnings per share
- Bufab joined the Science Based Targets initiative
- Bufab's Board of Directors decided on new financial targets until 2025

THE GROUP IN BRIEF (FOR DEFINITIONS, SEE PAGE 19)

SEK million	Quarter 1		Δ %	12-months rolling	Full year
	2021	2020		2021/20	2020
Order intake	1,481	1,321	12	4,987	4,827
Net sales	1,423	1,316	8	4,863	4,756
Gross profit	397	351	13	1,298	1,252
%	27.9	26.7		26.7	26.3
Operating expenses	-220	-226	-3	-765	-771
%	-15.5	-17.2		-15.7	-16.2
Operating profit (EBITA)	177	126	40	533	482
%	12.4	9.5		11.0	10.1
Operating profit	170	118	44	504	452
%	11.9	9.0		10.4	9.5
Profit after tax	119	86	38	332	299
Earnings per share, SEK	3.18	2.31	38	8.91	8.04



SALES GROWTH
+8%
OPERATING MARGIN (EBITA)
12.4%

CEO's overview

The first quarter of 2021 was operationally very challenging for Bufab. Despite this, we achieved our best-ever sales and operating profit and increased our profitability significantly.

Already during the end of 2020, we saw a return to healthy growth with most of our customers. This trend continued into the first quarter. Organic growth was 14 percent, albeit in relation to a weak first quarter in 2020, mostly in Asia. We saw both good underlying demand and continued market share growth.

During the end of last year, the growth was mainly driven by our customers regaining lost production volumes from the beginning of the year. We believe the growth at the beginning of 2021 to be more solid, and mainly driven by stronger demand from end customers. This is particularly true for industries that have for various reasons benefited from the coronavirus pandemic.

The dramatic shifts in demand caused difficulties during the quarter in the global supply chains. Raw materials and production capacity were affected by bottlenecks and sharp price increases. Certain categories of components have been difficult to obtain at all. Transport systems experienced major capacity problems, particularly in container freight from Asia to North America and Europe. Bufab has been hit with significant increases in the cost of components and freight, which in turn has led to an increased workload as all prices with both suppliers and customers need renegotiation. Overall, the supply situation and corresponding workload at Bufab were under immense strain during the quarter.

We are therefore particularly proud that, under such challenging circumstances, we have been able to keep our customers supplied with the billions of components featuring more than a hundred thousand unique specifications that we manage on their behalf. We are convinced that this strengthens our customer relationships in the short and long term, while laying the foundation for further growth going forward.

Under these circumstances, it is also further satisfying that Bufab achieved a really strong result. Sales increased by 8 percent and operating profit by a full 40 percent to SEK 177 million, which is our

best-ever operating profit in a single quarter, by a wide margin. This in turn is due to strong demand combined with very low operating expenses. We have significantly increased the efficiency in our operations during the last two years, and thus were able to implement last year's cost savings programme of SEK 100 million without compromising on quality or delivery precision, and without slowing down our sales initiatives. Earnings improved on a broad front: all operating segments increased their sales, profit, and margins. Our newly acquired companies performed particularly well.

Now that the pandemic is entering its fifth quarter, there is naturally great uncertainty. Higher costs for components and freight will put pressure on the gross margin and will need to be passed on to the customers. We will also need to increase recruitment to address the current high level of activity, which will add to costs from the current very low level. On the other hand, we have seen healthy demand at the beginning of the year, we have increased our market shares, and order intake shows no indication of a downward turn. Combined with very low inventory levels throughout the manufacturing industry in Europe and North America, this provides excellent conditions for a continued favourable development moving forward. Our financial status is also strong due to excellent cash flow and profit recently.

We can now therefore look to the future and invest in future growth. During the quarter, we launched a new strategy for Sustainable Leadership 2025. It entails intensified work with growth and profitability improvement, as well as investment in development and further acquisitions. We have also communicated new financial targets. Until 2025, we aim to increase our sales by 10 percent and profit by 15 percent per year, and achieve a sustainable operating margin of 12 percent latest by 2023. Also, Bufab has joined the UN's Science-Based Targets initiative, which marks a significantly increased ambition level in the area of sustainability.

Once again, I want to thank Bufab's 1,300 "Solutionists" throughout the world for their outstanding work.

Jörgen Rosengren
President and CEO

The Group in brief

FIRST QUARTER

Order intake was SEK 1,481 million (1,321), which was clearly higher than net sales.

Net sales rose by 8 percent to SEK 1,423 million (1,316). Of the total growth of 8 percent, -6 percent was attributable to currency effects and +14 percent to organic growth.

Underlying demand was clearly higher and was observed in all of the Group's segments. Organic growth in March was particularly strong, which was attributable to a slowdown in demand in the comparative period in the wake of the coronavirus pandemic. The market share increased.

Gross margin rose to 27.9 percent (26.7). The higher gross margin was primarily attributable to significantly higher volumes relative to the comparative quarter and to realised purchasing savings.

The proportion of operating expenses declined to a very low 15.5 percent (17.2), mainly due to positive operational leverage on increased volumes and effective cost control. The cost-savings programme that was completed at year-end continues to deliver the intended results.

Operating profit (EBITA) rose by 40 percent to SEK 177 million (126) and the operating margin to 12.4 percent (9.5). Operating profit was the highest ever for Bufab in a single quarter.

Earnings per share rose by 38 percent to SEK 3.18 (2.31).

Exchange-rate fluctuations impacted operating profit negatively by SEK -11 million, volumes positively by SEK +55 million, cost savings and the price/mix and other factors positively by SEK +13 million and acquisitions negatively by SEK -6 million, which pertained to the adjustment of additional purchase considerations of SEK -6 million.

FINANCIAL ITEMS AND TAX

Net financial items amounted to SEK -13 million (-5), of which exchange-rate differences accounted for SEK -2 million (+9).

Profit after financial items amounted to SEK 157 million (113). The tax expense was SEK -38 million (-27), implying an effective tax rate of 25 percent (24).

CASH FLOW, WORKING CAPITAL AND FINANCIAL POSITION

SEK million	Quarter 1	
	2021	2020
EBITDA, adjusted	189	136
Other non-cash items	7	1
Changes in working capital	-88	-43
Cash flow from operations	108	94
Investments excluding acquisitions	-3	-10
Operating cash flow	105	84

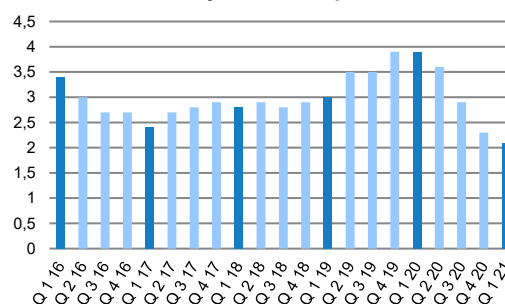
Operating cash flow amounted to SEK 105 million (84) for the period. Operating cash flow increased due to higher operating profit and continued effective control of working capital.

The working capital increased slightly due to the very strong organic growth in the quarter. Average working capital in relation to net sales declined to 32.0 percent (34.6). The level is the lowest for many years.

On 31 March 2021, the adjusted net debt totalled SEK 1,189 million (1,690) and the debt/equity ratio was 74 percent (107). The significantly lower net debt and debt/equity ratio were directly attributable to the positive earnings trend and the favourable operating cash flow for the past four quarters.

The performance measure net debt/EBITDA, adjusted, was a multiple of 2.1 (3.9) at the end of the quarter. The ratio improved by 1.8x during the most recent four quarters, mainly as a result of strong cash flow and a favourable earnings trend. This level is the best for more than a decade.

Net debt / EBITDA, adjusted, multiple



Segment North

Segment North comprises Bufab's operations in Sweden, Finland, Norway and Denmark, as well as a purchasing office in China, which is affiliated to the segment. The business mainly comprises trading companies, but also some manufacturing of particularly demanding components in proprietary plants.

FIRST QUARTER

The segment reported strong growth during the quarter. Organic growth was +10 percent, partly driven by a weaker comparative quarter in the wake of the coronavirus pandemic. The trend was particularly strong in Denmark and in the segment's manufacturing companies. Order intake was clearly higher than net sales.

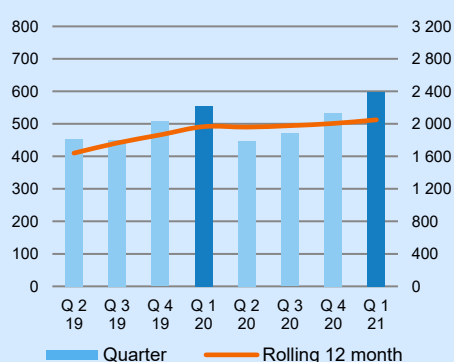
The gross margin for the quarter was significantly higher than in the comparative quarter, primarily due to higher volumes and purchasing savings realised in all of the segment's companies.

The proportion of operating expenses declined due to good operational leverage and contributions from the cost savings programme. However, costs increased by SEK 6 million due to the remeasurement of additional purchase considerations attributable to the acquisition of HT BENDIX A/S, which in turn, is due to this company performing better than expected. In total, operating profit and the operating margin increased significantly relative to the comparative quarter.

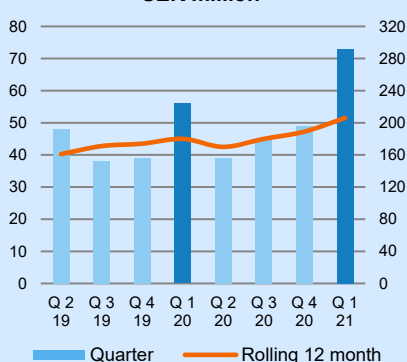
During the spring, the focus will be on continuing to capture market shares and on managing the challenging supply situation in the market, as well as passing on price increases for raw materials and transportation to the customer.

SEK million	Quarter 1		Δ %	Rolling 12 months	Full year
	2021	2020		2021/20	2020
Order intake	629	565	11	2,116	2,052
Net sales	599	554	8	2,050	2,005
Gross profit	159	137	16	487	465
%	26.5	24.8		23.8	23.2
Operating expenses	-86	-82	-5	-280	-276
%	-14.4	-14.8		-13.7	-13.7
Operating profit (EBITA)	73	56	30	206	189
%	12.2	10.1		10.0	9.4

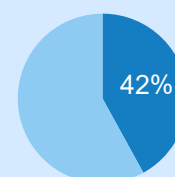
Net sales, SEK million



Operating profit (EBITA), SEK million



SHARE OF TOTAL SALES



SALES GROWTH

+8%

OPERATING MARGIN (EBITA)

12.2%

Segment West

Segment West comprises Bufab's operations in France, the Netherlands, Germany, the Czech Republic, Austria and Spain.

FIRST QUARTER

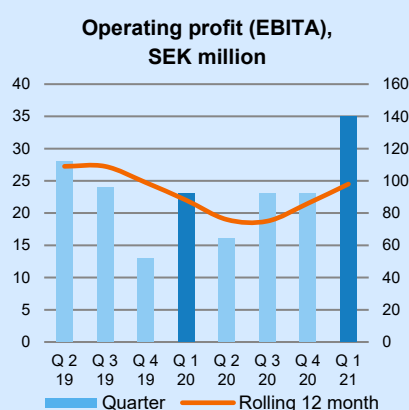
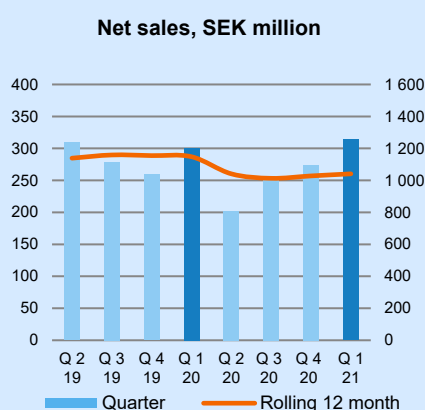
The segment reported strong development during the quarter. Organic growth was +11 percent, partly driven by a weaker comparative quarter in the wake of the coronavirus pandemic. The operations in the Netherlands, in particular, had an especially strong performance, driven by significantly higher volumes. Order intake was in line with net sales.

The gross margin for the quarter was clearly higher than in the comparative quarter, primarily due to purchasing savings realised through effective purchasing work in 2020.

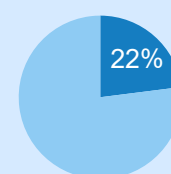
The proportion of operating expenses declined due to good operational leverage, as well as restructuring and efficiency measures within the framework of the global cost savings programme. In total, both operating profit and the operating margin increased significantly relative to the comparative quarter, which however was weak.

During the spring, the focus will be on continuing to capture market shares and on managing the challenging supply situation in the market, as well as passing on price increases for raw materials and transportation to the customer. The segment will also continue the work to restructure one of the larger companies, and recruitment to key positions to meet the higher level of activity.

SEK million	Quarter 1		Δ %	Rolling 12 months	Full year
	2021	2020		2021/20	2020
Order intake	318	299	6	1,066	1,047
Net sales	314	301	4	1,041	1,028
Gross profit	82	75	9	264	257
%	26.1	25.1		25.4	25.0
Operating expenses	-47	-52	10	-166	-171
%	-15.0	-17.4		-15.9	-16.7
Operating profit (EBITA)	35	23	52	98	86
%	11.1	7.7		9.4	8.3



SHARE OF TOTAL SALES



NET SALES, TREND

4%

OPERATING MARGIN

11.1%

Segment East

Segment East comprises Bufab's operations in Poland, Hungary, Romania, the Baltic States, Russia, Slovakia, Turkey, China, the Philippines, Singapore and other countries in Southeast Asia, and India.

FIRST QUARTER

The segment reported strong development during the quarter. Organic growth was very high at +28 percent. The strong growth during the quarter was partly attributable to the segment's Asian operations, which had a weak comparative quarter since they were impacted early by the coronavirus pandemic. But the growth was also due to most of the companies increasing their market shares and to favourable underlying demand in both Eastern Europe and Asia. The segment also has certain customers that have benefitted particularly from the pandemic, such as in the medical industry and companies benefitting from the "staycation" trend. Order intake was clearly higher than net sales.

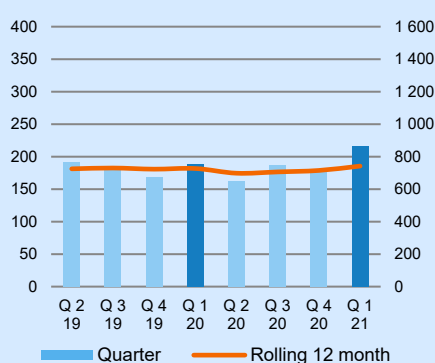
The gross margin for the quarter was higher than in the comparative quarter, primarily due to purchasing savings realised in several of the segment's companies.

The proportion of operating expenses declined significantly due to good operational leverage and contributions from the cost savings programme. In total, both operating profit and the operating margin increased significantly relative to the comparative quarter.

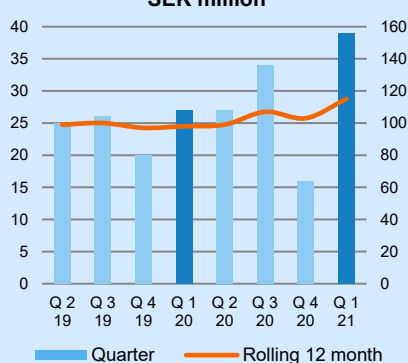
During the spring, the focus will be on continuing to capture market shares and on managing the challenging supply situation in the market, as well as passing on price increases for raw materials and transportation to the customer. The long-term focus of the segment is to invest in further growth, for example, by strengthening the sales team in Eastern Europe and Asia.

SEK million	Quarter 1		Δ %	Rolling 12 months	Full year
	2021	2020		2021/20	2020
Order intake	234	189	24	770	725
Net sales	216	189	14	742	715
Gross profit	68	59	15	236	227
%	31.5	31.0		31.8	31.8
Operating expenses	-29	-32	9	-122	-125
%	-13.4	-17.0		-16.4	-17.4
Operating profit (EBITA)	39	27	44	115	103
%	18.1	14.1		15.5	14.4

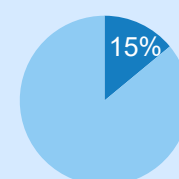
Net sales, SEK millions



Operating profit (EBITA), SEK million



SHARE OF TOTAL SALES



SALES GROWTH

+14%

OPERATING MARGIN (EBITA)

18.1%

Segment UK/North America

Segment UK/North America comprises Bufab's operations in the UK, Ireland, the US and Mexico.

FIRST QUARTER

The segment reported strong development during the quarter. Organic growth was +17 percent, partly driven by a weaker comparative quarter in the wake of the coronavirus pandemic. The mobile home industry continued to report very strong demand in North America, which made a significant contribution to the segment's growth. But the companies in the UK also noted strong demand in general, and particularly among certain customers that were positively impacted by the pandemic, such as manufacturers of automated storage and retrieval systems and greenhouses. Order intake was higher than net sales.

The gross margin increased somewhat relative to the comparative quarter.

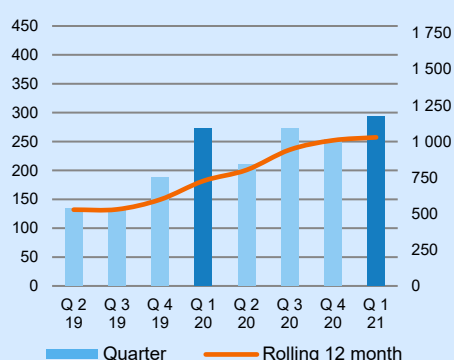
The proportion of operating expenses declined due to good operational leverage from higher volumes and the global cost savings programme. As part of this, we have now completed the restructuring of a business unit in the UK, resulting in a strong earnings improvement. In total, both operating profit and the operating margin increased significantly relative to the comparative quarter.

The successes of the vaccination programme in both the US and the UK are enabling a gradual increase in sales activities. Brexit has led to major practical problems in importing components, which will entail additional work for Bufab in the short term, but will ultimately strengthen our value offering for customers.

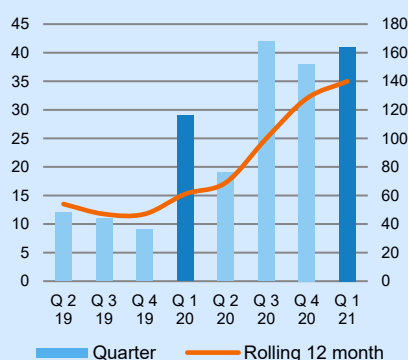
During the spring, the focus will be on continuing to capture market shares and on managing the challenging supply situation in the market, as well as passing on price increases for raw materials and transportation to the customer. We will conduct recruitment to strengthen the sales organisation in the segment, while we will continue to work on efficiency.

SEK million	Quarter 1		Δ %	Rolling 12 months	Full year
	2021	2020		2021/20	2020
Order intake	301	268	12	1,035	1,002
Net sales	293	272	8	1,029	1,008
Gross profit	93	85	9	325	317
%	31.7	31.4		31.6	31.4
Operating expenses	-52	-56	7	-185	-189
%	-17.7	-20.6		-18.0	-18.7
Operating profit (EBITA)	41	29	41	140	128
%	14.0	10.8		13.6	12.7

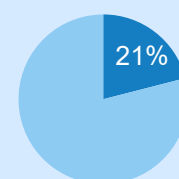
Net sales, SEK million



Operating profit (EBITA), SEK million



SHARE OF TOTAL SALES



SALES GROWTH

+8%

OPERATING MARGIN (EBITA)

14.0%

Consolidated Income Statement

<i>SEK million</i>	<i>Quarter 1</i>	
	<i>2021</i>	<i>2020</i>
Net sales	1,423	1,316
Cost of goods sold	-1,026	-965
Gross profit	397	351
Distribution costs	-141	-161
Administrative expenses	-79	-78
Other operating income	16	14
Other operating expenses	-23	-9
Operating profit	170	118
<i>Profit/loss from financial items</i>		
Interest income and similar income items	1	11
Interest expenses and similar expenses	-14	-16
Profit after financial items	157	113
Tax on net profit for the period	-38	-27
Profit after tax	119	86

Statement of Comprehensive Income

<i>SEK million</i>	<i>Quarter 1</i>	
	<i>2021</i>	<i>2020</i>
Profit after tax	119	86
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Translation differences / Currency hedging net after tax	52	23
Other comprehensive income after tax	52	23
Total comprehensive income	171	109
Total comprehensive income attributable to:		
Parent Company shareholders	171	109

Earnings per share

<i>SEK</i>	<i>Quarter 1</i>	
	<i>2021</i>	<i>2020</i>
Earnings per share	3.18	2.31
Weighted number of shares outstanding before dilution, thousands	37,281	37,165
Diluted earnings per share, SEK	3.11	2.31
Weighted number of shares outstanding after dilution, thousands	38,155	37,165

Consolidated Balance Sheet

<i>SEK million</i>	<i>31 Mar 21</i>	<i>31 Mar 20</i>	<i>31 Dec 20</i>
ASSETS			
<i>Non-current assets</i>			
Intangible assets	1,943	2,103	1,893
Property, plant and equipment	578	626	548
Financial assets	38	35	37
Total non-current assets	2,559	2,763	2,478
<i>Current assets</i>			
Inventories	1,408	1,475	1,316
Current receivables	1,132	1,022	905
Cash and cash equivalents	362	291	292
Total current assets	2,902	2,788	2,513
Total assets	5,461	5,551	4,991
EQUITY AND LIABILITIES			
Equity	2,102	1,859	1,931
<i>Non-current liabilities</i>			
Non-current liabilities, interest-bearing	1,814	2,252	1,744
Non-current liabilities, non-interest-bearing	381	536	364
Total non-current liabilities	2,195	2,788	2,108
<i>Current liabilities</i>			
Current liabilities, interest-bearing	100	119	96
Current liabilities, non-interest-bearing	1,064	785	855
Total current liabilities	1,164	904	951
Total equity and liabilities	5,461	5,551	4,991

Consolidated Statement of Changes in Equity

<i>SEK million</i>	<i>31 Mar 21</i>	<i>31 Mar 20</i>
Equity at beginning of year	1,931	1,750
Comprehensive income		
Profit after tax	119	86
<i>Other comprehensive income</i>		
Items that may be reclassified in profit or loss		
Translation differences / Currency hedging net after tax	52	24
Total comprehensive income	171	110
Transactions with shareholders	-	-
Total transactions with shareholders	-	-
Equity at end of period	2,102	1,860

Consolidated Cash Flow Statement

<i>SEK million</i>	<i>Quarter 1</i>	
	<i>2021</i>	<i>2020</i>
<i>Operating activities</i>		
Profit before financial items	170	118
Depreciation/amortisation and impairment	45	48
Interest and other finance income	1	11
Interest and other finance expenses	-14	-16
Other non-cash items	7	1
Income tax paid	-36	-50
Cash flow from operating activities before changes in working capital	173	112
<i>Changes in working capital</i>		
Increase (-)/decrease (+) in inventories	-57	34
Increase (-)/decrease (+) in operating receivables	-200	-174
Increase (+)/decrease (-) in operating liabilities	169	97
Cash flow from operating activities	85	69
<i>Investing activities</i>		
Acquisition of property, plant and equipment	-3	-10
Company acquisitions including additional purchase considerations	–	-15
Acquisition of intangible assets	–	0
Cash flow from investing activities	-3	-25
<i>Financing activities</i>		
Increase (+)/decrease (-) in borrowings	-23	26
Cash flow from financing activities	-23	26
Cash flow for the period	60	70
Cash and cash equivalents at beginning of period	291	216
Translation differences	6	5
Cash and cash equivalents at end of period	358	291

The Group's segment reporting

<i>SEK million</i>	2019				2020				2021
North	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net sales	453	454	451	507	554	448	470	533	599
Gross profit	119	121	111	124	137	94	110	124	159
%	26.3	26.7	24.6	24.4	24.8	20.9	23.5	23.2	26.5
Operating expenses	-69	-74	-73	-85	-82	-55	-65	-75	-86
%	-15.2	-16.2	-16.2	-16.7	-14.8	-12.3	-13.8	-14.0	-14.4
Operating profit (EBITA)	50	48	38	39	56	39	45	49	73
%	10.9	10.5	8.4	7.7	10.1	8.7	9.7	9.2	12.2

<i>SEK million</i>	2019				2020				2021
West	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net sales	308	309	279	259	301	202	251	274	314
Gross profit	84	83	74	65	75	49	63	69	82
%	27.3	26.8	26.7	24.9	25.2	24.4	25.0	25.3	26.1
Operating expenses	-51	-55	-50	-52	-52	-33	-40	-46	-47
%	-16.6	-17.7	-17.9	-20.1	-17.4	-16.4	-15.9	-16.7	-15.0
Operating profit (EBITA)	34	28	24	13	23	16	23	23	35
%	11.0	9.1	8.8	4.8	7.7	7.9	9.1	8.4	11.1

<i>SEK million</i>	2019				2020				2021
East	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net sales	185	191	179	168	189	162	187	177	216
Gross profit	58	61	57	55	59	53	60	56	68
%	31.4	31.9	31.8	32.5	31.0	32.7	32.0	31.5	31.5
Operating expenses	-32	-35	-31	-35	-32	-26	-26	-40	-29
%	-17.3	-18.3	-17.3	-20.8	-17.0	-16.0	-13.9	-22.6	-13.4
Operating profit (EBITA)	27	25	26	20	27	27	34	16	39
%	14.2	13.1	14.5	11.7	14.1	16.7	18.1	9.0	18.1

<i>SEK million</i>	2019				2020				2021
UK/North America	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net sales	143	134	134	188	272	210	273	254	293
Gross profit	45	42	42	56	85	64	88	79	93
%	31.8	31.3	31.5	29.6	31.4	30.5	32.3	31.1	31.7
Operating expenses	-30	-30	-31	-47	-56	-45	-46	-42	-52
%	-21.0	-22.4	-23.2	-24.8	-20.6	-21.4	-16.9	-16.5	-17.7
Operating profit (EBITA)	15	12	11	9	29	19	42	38	41
%	10.5	8.9	8.3	4.7	10.8	9.1	15.4	14.8	14.0

<i>SEK million</i>	2019				2020				2021
Other	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net sales	2	2	2	2	2	1	0	0	1
Gross profit	-3	-4	-5	-2	-5	-3	-1	-5	-5
Operating expenses	-2	-6	-6	-6	-2	-6	-1	0	-6
Operating profit (EBITA)	-5	-10	-11	-8	-7	-8	-2	-5	-11

*Other includes unallocated costs of a Group-wide nature and costs for the Sourcing offices in China and Taiwan.

<i>SEK million</i>	2019				2020				2021
Group	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net sales	1,091	1,089	1,044	1,124	1,316	1,022	1,181	1,238	1,423
Gross profit	304	303	279	297	351	258	320	323	397
%	27.9	27.8	26.7	26.4	26.7	25.2	27.1	26.1	27.9
Operating expenses	-184	-200	-191	-224	-226	-165	-178	-202	-220
%	-16.9	-18.4	-18.3	-19.9	-17.2	-16.2	-15.0	-16.3	-15.5
Operating profit (EBITA)	119	103	89	73	126	92	142	121	177
%	10.9	9.5	8.5	6.5	9.5	9.1	12.1	9.8	12.4

Consolidated Key Figures

For definitions, see page 19.

	Quarter 1		Δ	Rolling	Full year
	2021	2020		12	
	2021	2020	%	2020/21	2020
Order intake, SEK million	1,481	1,321	12	4,987	4,827
Net sales, SEK million	1,423	1,316	8	4,863	4,756
Gross profit, SEK million	397	351	13	1,298	1,252
EBITDA, SEK million	215	164	31	686	635
EBITDA, adjusted, SEK million	189	136	39	577	524
Operating profit (EBITA), SEK million	177	126	40	533	482
Operating profit, SEK million	170	118	44	504	452
Profit after tax, SEK million	119	86	38	322	299
Gross margin, %	27.9	26.7		26.7	26.3
Operating margin (EBITA), %	12.4	9.5		11.0	10.1
Operating margin, %	11.9	9.0		10.4	9.5
Net margin, %	8.4	6.5		6.8	6.3
Net debt, SEK million	1,552	2,080	25		
Net debt, SEK million, adjusted	1,189	1,690	30		
Debt/equity ratio, %	74	107	-31		
Net debt / EBITDA, adjusted, multiple ⁽¹⁾	2.1	3.9			
Working capital, SEK million	1,653	1,741	-5		
Average working capital, SEK million	1,554	1,626	-4		
Average working capital in relation to net sales, %	32.0	34.6			
Equity/assets ratio, %	38	36			
Operating cash flow, SEK million	105	84	25		
Earnings per share, SEK	3.18	2.31	38		

⁽¹⁾ Paid purchase prices have been charged in full to adjusted net debt while EBITDA, adjusted, has only been credited from the respective acquisition date.

Parent Company income statement

<i>SEK million</i>	<i>Quarter 1</i>	
	<i>2021</i>	<i>2020</i>
Administrative expenses	-5	-4
Other operating income	3	2
Operating loss	-2	-2
<i>Profit/loss from financial items</i>		
Interest and similar expenses	–	–
Loss after financial items	-2	-2
Appropriations	–	–
Tax on net profit/loss for the period	–	–
Loss after tax	-2	-2
Other comprehensive income	–	–
Total comprehensive income	-2	-2

Parent Company Balance Sheet

<i>SEK million</i>	31 Mar 21	31 Mar 20	31 Dec 20
ASSETS			
Non-current assets			
<i>Financial assets</i>			
Participations in Group companies	845	845	845
Total non-current assets	845	845	845
Current assets			
Receivables from Group companies	54	66	61
Other current receivables	53	36	46
Cash and cash equivalents	–	–	–
Total current assets	107	102	107
Total assets	952	947	952
EQUITY AND LIABILITIES			
Equity	849	829	851
Untaxed reserves	81	100	81
Non-current interest-bearing liabilities			
Other non-current liabilities	–	–	–
Total non-current liabilities	0	0	0
Current non-interest-bearing liabilities			
Other current liabilities	22	19	20
Total current liabilities	22	19	20
Total equity and liabilities	952	947	952

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 financial statements 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 2020 Annual Report. The 2020 Annual Report is available at www.bufab.com.

RISKS AND RISK MANAGEMENT

Exposure to risk is a natural part of business activity, as 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 relate to the impact of the economy on demand. For further information regarding risks and risk management, see Note 3 of the 2020 Annual Report.

SEASONAL VARIATIONS

Bufab has no significant seasonal variation in its sales, but sales over the year vary based on the number of production days in each quarter for customers.

RELATED-PARTY TRANSACTIONS

There were no related-party transactions during the period.

ACQUISITIONS

Acquisitions made during 2019-2021.

	Date	Net sales*	Employees
HT BENDIX A/S	16 July 2019	500	80
American Bolt & Screw Corp.	6 November 2019	500	90

*Estimated annual net sales at the date of acquisition

SIGNIFICANT EVENTS DURING THE QUARTER

Bufab joins the Science Based Targets initiative

On 25 February 2021, Bufab signed the UN-sponsored Science Based Targets initiative, which entails a substantial increase in the ambition to further reduce the company's greenhouse gas emissions.

The Group has thus committed to set targets that are aligned with the Paris Agreement, intended to limit global warming to 1.5°C.

New financial targets

On 17 March 2021, Bufab's Board of Directors resolved on new financial targets for the period through 2025. The new targets are:

Profitable growth

Average annual increase of net sales by 10 percent and of earnings per share by 15 percent, through both organic growth and acquisitions.

Profitability

Achieve an annual operating margin (EBITA) of 12 percent latest by 2023.

Dividend

A dividend of 30–60 percent of annual net profit.

Financial stability

Net debt in relation to operating profit before depreciation and amortisation (ND/EBITDA) shall normally be in the range of 2–3x.

The new financial targets are based partly on Bufab's strong performance in recent years and partly on Bufab's new "Sustainable Leadership" strategy. This strategy was communicated externally at Bufab's capital markets day on 18 March 2021.

President and CEO Jörgen Rosengren to leave Bufab

On 28 March 2021, Bufab's President and CEO Jörgen Rosengren informed the Board of Directors that, after nine years at Bufab, he has decided to leave his position and move on to a similar role in a different industry. He will remain in his role during his period of notice, but no longer than until September 2021. Work has begun to recruit a successor.

EMPLOYEES

The number of employees in the Group at 31 March 2021 amounted to 1,298 (1,394).

CONTINGENT LIABILITIES

There were no significant changes to the company's contingent liabilities during the interim period.

AUDIT REVIEW

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

FINANCIAL REPORTING DATES

Interim report Q2, 2021
13 July 2021

Värnamo, 20 April 2021

Interim report Q3, 2021
27 October 2021

Jörgen Rosengren
President and CEO

Year-end report 2021
10 February 2022

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

EBITDA, adjusted

Operating profit before depreciation, amortisation and impairment, less amortisation on right-of-use assets according to IFRS 16 Leases. This key figure is an approximation and is intended to present a comparable EBITDA as though IAS 17 continued to be applied.

Operating profit (EBITA)

Gross profit less operating expenses.

Net debt, adjusted

Interest-bearing liabilities, lease liabilities according to IFRS 16, less cash and cash equivalents and 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, adjusted, multiple

Net debt, adjusted, at the end of the period divided by adjusted EBITDA in the last twelve months

Operating expenses

Total distribution costs, administrative expenses, other operating income and other operating expenses excluding depreciation, amortisation and impairment of acquisition-related intangible assets

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

Average working capital in relation to 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

EBITDA, adjusted, plus other non-cash items, minus changes in working capital and investments.

Earnings per share

Profit after tax for the period divided by the average number of common shares

Performance measures not defined in accordance with IFRS

Bufab uses certain performance measures not defined in the rules for financial reporting adopted by Bufab. The purpose of these performance measures is to provide a better understanding of the performance of the operations. It should be pointed out that these alternative performance measures, as they are defined, are not fully comparable with other companies' performance measures with the same name.

Organic growth

Because Bufab has operations in many countries with different currencies, it is essential to provide an understanding of the company's performance without current effects when translating foreign subsidiaries. In addition, Bufab has an important strategic objective in carrying out value-generating acquisitions. For these reasons, growth is also recognised excluding currency effects when translating foreign subsidiaries and excluding acquired operations within the term Organic growth. This performance measure is expressed in percentage points of last year's net sales.

2021, percentage points	Quarter 1				
	Group	North	West	East	UK/North America
Organic growth	14	10	11	28	17
Currency translation effects	-6	-2	-5	-13	-9
Acquisitions	–	–	–	–	–
Recognised growth	8	8	5	15	8

2020, percentage points	Quarter 1				
	Group	North	West	East	UK/North America
Organic growth	-5	-8	-5	1	-4
Currency translation effects	2	0	3	1	3
Acquisitions	24	29	0	0	91
Recognised growth	21	21	-2	2	90

Operating cash flow

In order to improve its total cash flow, Bufab continuously measures the cash flow generated by operations in all its companies. This is expressed as Operating cash flow and defined below.

SEK million	Quarter 1	
	2021	2020
EBITDA, adjusted	189	136
Other non-cash items	0	1
Changes in inventory	-57	34
Changes in operating receivables	-200	-174
Changes in operating liabilities	176	97
Cash flow from operations	108	94
Investments excluding acquisitions	-3	-10
Operating cash flow	105	84

EBITDA

EBITDA is an expression of operating profit before depreciation, amortisation and impairment. The performance measure is defined below.

<i>SEK million</i>	<i>Quarter 1</i>	
	2021	2020
Operating profit	170	118
Depreciation/amortisation and impairment	45	46
EBITDA	215	164

EBITDA, adjusted

The performance measure EBITDA, adjusted, is an expression of operating profit before depreciation, amortisation and impairment, less amortisation on right-of-use assets and interest expenses on lease liabilities according to IFRS 16. The performance measure is defined below.

<i>SEK million</i>	<i>Quarter 1</i>	
	2021	2020
Operating profit	170	118
Depreciation/amortisation and impairment	45	46
Less: amortisation on right-of-use assets according to IFRS 16	-23	-25
Less: interest expenses on lease liabilities according to IFRS 16	-3	-3
EBITDA, adjusted	189	136

EBITA

Bufab's growth strategy includes the acquisition of companies. For the purpose of illustrating the underlying operation's performance, management has chosen to monitor EBITA (operating profit before depreciation, amortisation and impairment of acquired intangible assets). The performance measure is defined below.

<i>SEK million</i>	<i>Quarter 1</i>	
	2021	2020
Operating profit	170	118
Depreciation and amortisation of acquired intangible assets	7	7
EBITA	177	126

Operating expenses

Operating expenses is an expression of operating expenses before depreciation, amortisation and impairment of acquired intangible assets. The performance measure is defined below.

<i>SEK million</i>	<i>Quarter 1</i>	
	2021	2020
Distribution costs	-141	-161
Administrative expenses	-78	-78
Other operating income	16	14
Other operating expenses	-23	-9
Depreciation and amortisation of acquired intangible assets	7	7
Operating expenses	-220	-226

Working capital

Because Bufab is a trading company, working capital represents a large share of the balance sheet's value. In order to optimise the company's cash generation, management focuses on the local company's development, and thereby the entire Group's development, of working capital as it is defined below.

<i>SEK million</i>	<i>31 Mar</i>	<i>31 Mar</i>
	<i>2021</i>	<i>2020</i>
Current assets	2,902	2,788
Less: cash and cash equivalents	-362	-291
Less: current non-interest-bearing liabilities excluding liabilities for additional purchase prices	-887	-756
Working capital on the balance-sheet date	1,653	1,741

Net debt

Net debt is an expression of how large the financial borrowing is in the company in absolute figures after deductions for cash and cash equivalents. The performance measure is defined below.

<i>SEK million</i>	<i>31 Mar</i>	<i>31 Mar</i>
	<i>2021</i>	<i>2020</i>
Non-current interest-bearing liabilities	1,814	2,252
Current interest-bearing liabilities	100	119
Less: cash and cash equivalents	-362	-291
Less: other interest-bearing receivables	0	0
Net debt on balance-sheet date	1,552	2,080

Net debt, adjusted

Net debt, adjusted, is an expression of how large the financial borrowing is in the company in absolute figures after deductions for lease liabilities according to IFRS 16 and cash and cash equivalents. The performance measure is defined below.

<i>SEK million</i>	<i>31 Mar</i>	<i>31 Mar</i>
	<i>2021</i>	<i>2020</i>
Non-current interest-bearing liabilities	1,814	2,252
Current interest-bearing liabilities	100	119
Less: lease liabilities according to IFRS 16	-363	-390
Less: cash and cash equivalents	-362	-291
Less: other interest-bearing receivables	0	0
Net debt, adjusted, on the balance-sheet date	1,189	1,690

CONFERENCE CALL

A conference call will be held on 20 April 2021 at 10:00 a.m. CET. Jörgen Rosengren, President and CEO, and Marcus Söderberg, CFO, will present the results. The conference call will be held in English.

To participate in the conference, use any of the following dial-in numbers: +44 (0) 2071 928000, 08 445 718 892, Sweden 08 506 921 80 or the US 1 631 510 74 95. Conference code: 4371767.

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



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This information is such that Bufab AB (publ) is obliged to disclose in accordance with the EU's Market Abuse Regulation. The information was submitted for publication by the aforementioned contacts on 20 April 2021 at 7:30 a.m. CEST.

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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 the customers' value chain for C-Parts.

Bufab was founded in 1977 in Småland and is an international company with operations in 28 countries. The head office is located in Värnamo, Sweden, and Bufab has about 1,300 employees. Bufab's net sales for the past 12 months amounted to SEK 4.9 billion and the operating margin was 11.0 percent. The Bufab share is listed on Nasdaq Stockholm, under the ticker "BUFAB". Please visit www.bufab.com for more information.