

# Q4 2021 presentation

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February 10, 2022

Johan Lindqvist, CEO  
Marcus Söderberg, CFO



# Continued strong growth and profitability

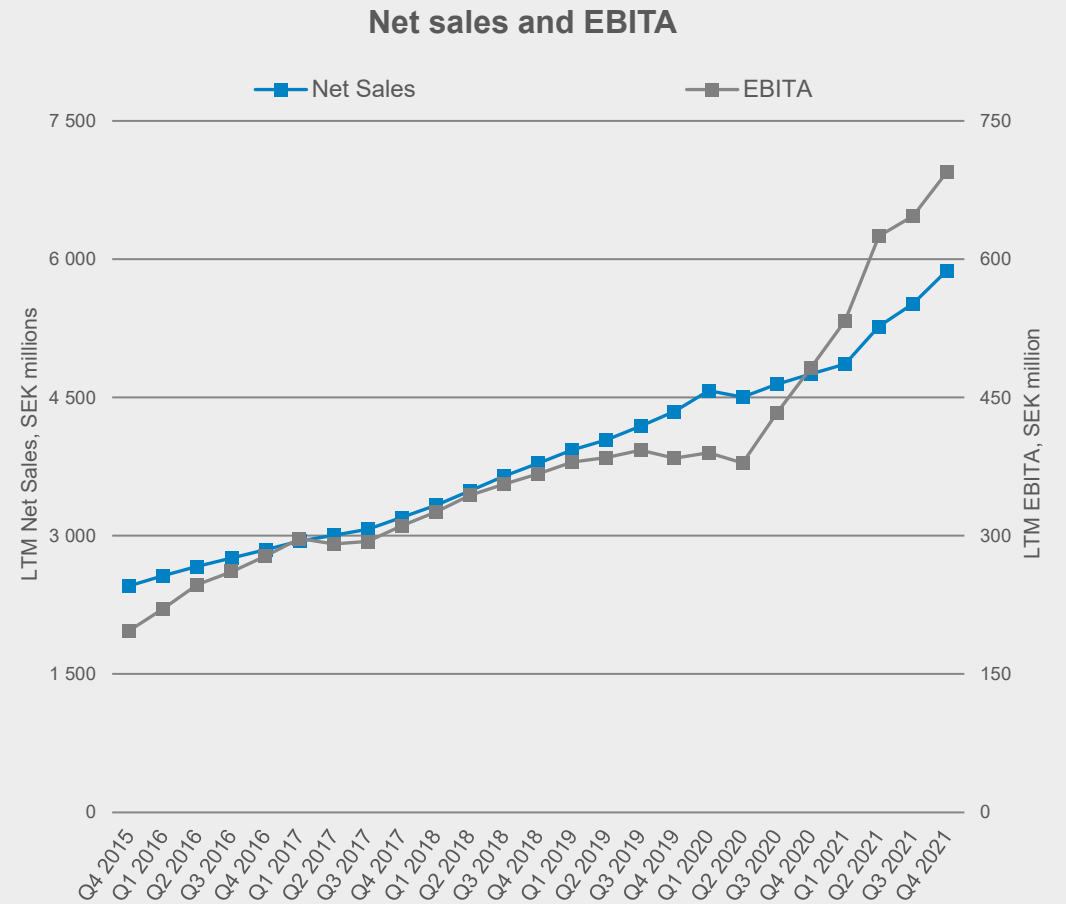
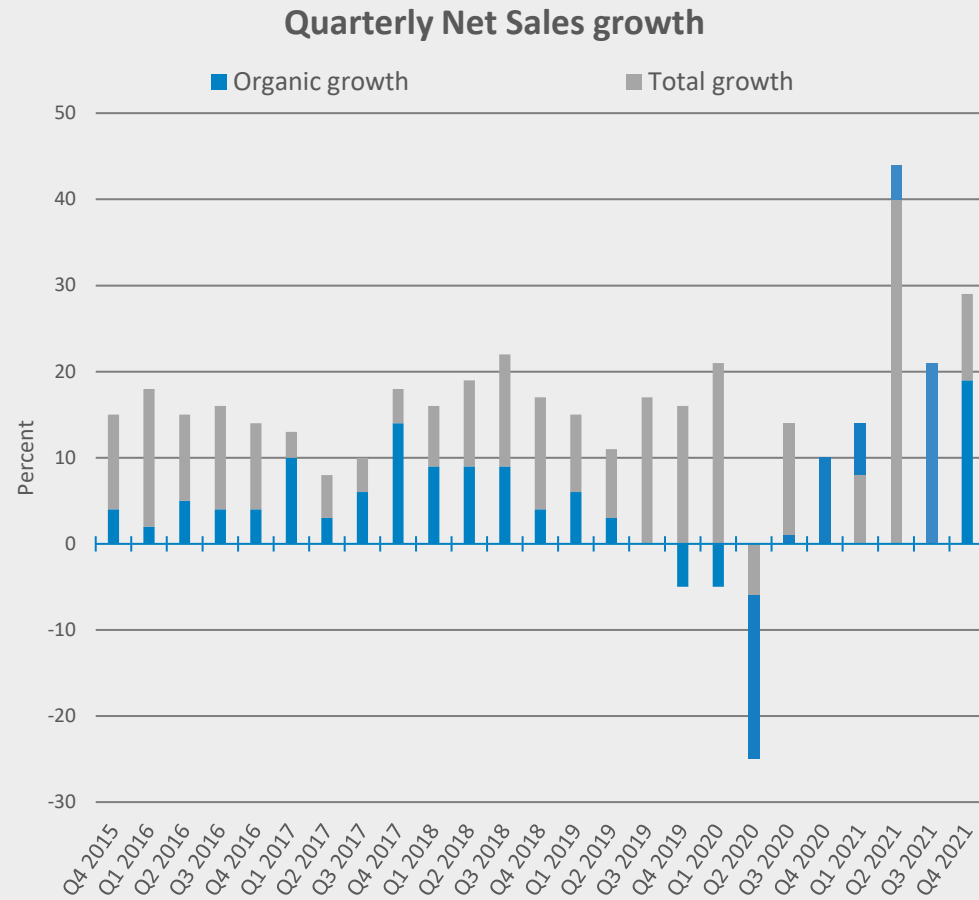
- Bufab reported its highest sales, operating profit and earnings per share ever for the full year
- Strong demand continued in Q4 across all segments
  - Organic growth up 19%, driven by strong underlying demand, improved market share and price increases
  - Order intake in excess of sales
- Operationally challenging quarter with continued strained supply chains
- Despite this; strong improvement in EBITA (+40%) and net profit (+51%)
- Weak cash flow during the year and especially in Q4, due to strong organic growth, low inventory levels in the beginning of the year together with significantly longer lead-times from suppliers
- Three strategic acquisitions in 2021, whereof two in Q4. Adding a combined annual turnover over SEK 500 million
- The Board proposes a dividend of SEK 3.75 per share, +36% increase from last year
- Johan Lindqvist will continue as acting President and CEO until a long-term solution is in place

# Financial highlights, Group

SEK million	Quarter 4			Jan-Dec		
	2021	2020	Δ	2021	2020	Δ
Order intake	1,623	1,299	25	6,084	4,827	26
Net sales	1,599	1,238	29	5,878	4,756	24
Gross profit	443	323	37	1,638	1,252	31
%	27.7	26.1		27.9	26.3	
Operating expenses	-274	-202	35	-942	-771	22
%	-17.1	-16.3		-16.0	-16.2	
Operating profit (EBITA)	169	121	40	695	482	44
%	10.6	9.8		11.8	10.1	
Operating profit	160	114	40	664	452	47
%	10.0	9.2		11.3	9.5	
Profit after tax	115	76	51	470	299	57
Earnings per share, SEK	3.17	2.03	57	12.57	8.04	56
Dividend per share, SEK	-	-		3.75**	2.75	36

<b>EBITA Q4 2020</b>	<b>121</b>
Currencies	-1
Volume	+66
Cost + price/mix/other	-17
Acquisitions, including remeasured additional purchase considerations	-1
<b>EBITA Q4 2021</b>	<b>169</b>

# Financial development, Group



# Segment North

	Quarter 4			Jan-Dec		
			Δ			Δ
<i>SEK million</i>	2021	2020	%	2021	2020	%
Order intake	608	565	8	2,436	2,052	19
Net sales	613	533	15	2,366	2,005	18
Gross profit	153	124	23	611	465	31
%	25.0	23.2		25.8	23.2	
Operating expenses	-93	-75	24	-362	-276	31
%	-15.2	-14.0		-15.3	-13.7	
Operating profit (EBITA)	60	49	22	249	189	32
%	9.8	9.2		10.5	9.4	

- Strong demand in the quarter, especially in Denmark. Organic growth up 14%
- Improved gross margin due to higher volumes and price increases
- Higher costs due to continued investments in future growth and exceptionally low costs in 2020
- Focus to accelerate growth and continue to grow market share

# Segment West

<i>SEK million</i>	<i>Quarter 4</i>			<i>Jan-Dec</i>		
	<i>2021</i>	<i>2020</i>	<i>Δ</i>	<i>2021</i>	<i>2020</i>	<i>Δ</i>
Order intake	<b>358</b>	289	24	<b>1,317</b>	1,047	26
Net sales	<b>326</b>	274	19	<b>1,236</b>	1,028	20
Gross profit	<b>81</b>	69	17	<b>310</b>	257	21
%	<b>24.7</b>	25.3		<b>25.1</b>	25.0	
Operating expenses	<b>-51</b>	-46	11	<b>-189</b>	-171	10
%	<b>-15.6</b>	-16.7		<b>-15.3</b>	-16.7	
Operating profit (EBITA)	<b>29</b>	23	26	<b>121</b>	86	41
%	<b>9.0</b>	8.4		<b>9.8</b>	8.3	

- Organic growth was 10 percent, especially strong Netherlands, France and Czech Republic
- Lower gross margin due to price pressure
- Lower cost level due to effective operational leverage and good cost control
- Focus on price adjustments and recruitments

# Segment East

<i>SEK million</i>	<i>Quarter 4</i>			<i>Jan-Dec</i>		
	<i>2021</i>	<i>2020</i>	<i>Δ</i>	<i>2021</i>	<i>2020</i>	<i>Δ</i>
Order intake	<b>235</b>	183	28	<b>933</b>	725	29
Net sales	<b>233</b>	177	32	<b>889</b>	715	24
Gross profit	<b>73</b>	56	30	<b>276</b>	227	22
%	<b>31.3</b>	31.5		<b>31.0</b>	31.8	
Operating expenses	<b>-39</b>	-40	-2	<b>-126</b>	-125	1
%	<b>-16.7</b>	-22.6		<b>-14.2</b>	-17.4	
Operating profit (EBITA)	<b>34</b>	16	113	<b>150</b>	103	46
%	<b>14.6</b>	9.0		<b>16.9</b>	14.4	

- Strong demand both in Eastern Europe and Asia. Organic growth up 34%
- Lower gross margin, however, significantly higher than in Q2 and Q3
- Lower costs due to effective operational leverage and adjusted reserves in Q4 2020
- Focus on continued investments and to grow market share

# Segment UK/North America

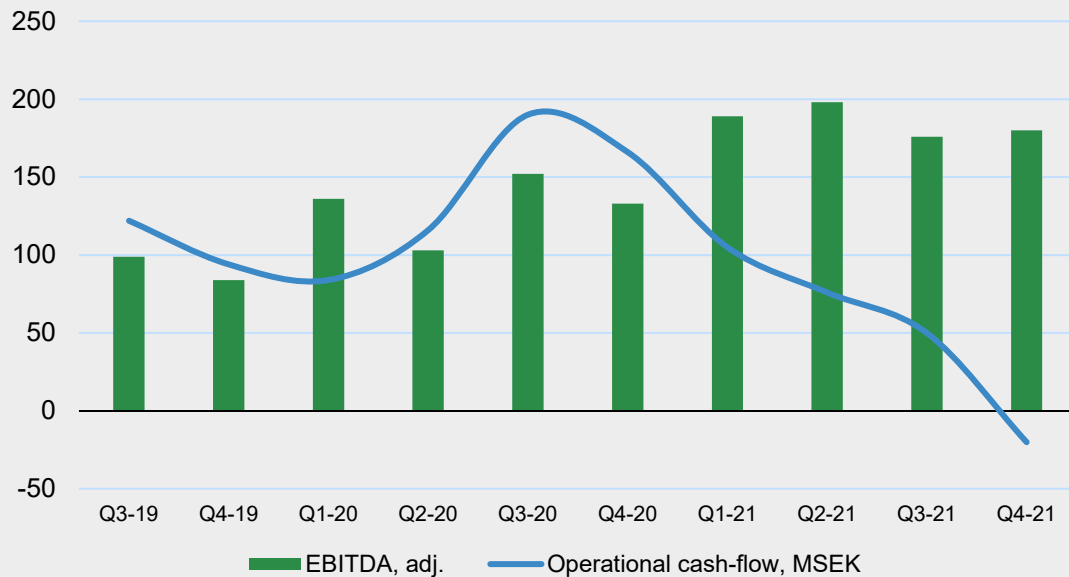
<i>SEK million</i>	<i>Quarter 4</i>			<i>Jan-Dec</i>		
	<i>2021</i>	<i>2020</i>	<i>%</i>	<i>2021</i>	<i>2020</i>	<i>%</i>
Order intake	<b>422</b>	262	61	<b>1,398</b>	1,002	40
Net sales	<b>427</b>	254	68	<b>1,388</b>	1,008	38
Gross profit	<b>137</b>	79	73	<b>446</b>	317	41
%	<b>32.1</b>	31.1		<b>32.2</b>	31.4	
Operating expenses	<b>-88</b>	-42	110	<b>-241</b>	-189	27
%	<b>-20.6</b>	-16.5		<b>-17.3</b>	-18.7	
Operating profit (EBITA)	<b>49</b>	38	29	<b>206</b>	128	61
%	<b>11.5</b>	15.0		<b>14.8</b>	12.7	

- Strong demand in the quarter, especially American Bolt & Screw and APEX, and the RV segment in North America. Organic growth up 31%
- Improved gross margin due price increases and the higher volumes
- Higher costs due to additional purchase considerations of SEK -14 million attributable to American Bolt & Screw
- Focus on continued investments and to grow market share



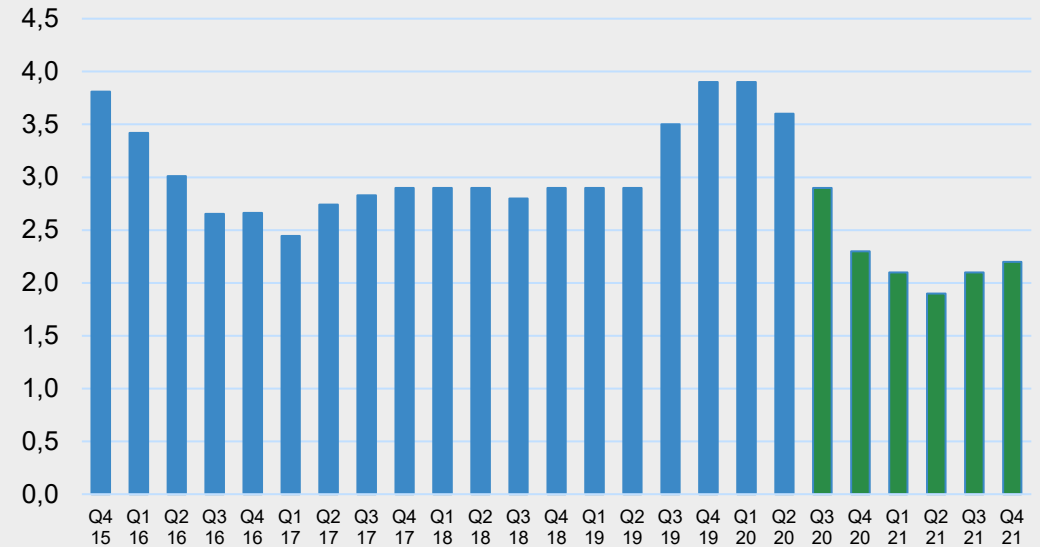
# Weak cash flow but continued strong balance sheet

## Operating cash flow and cash conversion



- Weak cash flow due to;
  - Strong organic growth
  - Low inventory levels at the beginning of the year – normalization ongoing
  - Significantly longer lead-times from suppliers during the last quarters

## Net debt/EBITDA adj, x



- Solid balance sheet, despite 3 acquisitions during H2-21, adding 500 MSEK of Net Sales
- Gives continued room for strong execution of our acquisition strategy also going forward

# EBITA Bridge

<b>EBITA Q4 2020</b>	<b>121</b>
Currencies	-1
Volume	+66
Cost + price/mix/other	-17
Acquisitions, acquisition costs and revaluated additional purchase considerations	-1
<b>EBITA Q4 2021</b>	<b>169</b>

<b>EBITA Q4 2020</b>	<b>121</b>
North	11
West	6
East	18
UK/North America	11
Other	-3
<b>EBITA Q4 2021</b>	<b>169</b>

<b>EBITA 2020</b>	<b>482</b>
Currencies	-21
Volume	327
Cost + price/mix/other	-61
Acquisitions, acquisition costs and revaluated additional purchase considerations	-32
<b>EBITA 2021</b>	<b>695</b>

<b>EBITA 2020</b>	<b>482</b>
North	60
West	35
East	47
UK/North America	78
Other	-7
<b>EBITA 2021</b>	<b>695</b>

# Consolidator in a fragmented market



+50

acquisitions since 1977

12 | 700

acquisitions  
since 2014

employees

2,400 MSEK

# Summary and Outlook

- **Fourth quarter**

- Operationally challenging quarter, but continued strong growth in sales and profit
- Demand improvement in all segments and increased market share
- Continued supply chain disruptions
- Bufab delivered its highest ever sales, operating profit and earnings per share for the full year

## **Outlook**

- Strong demand continued into January indicates a good development also in Q1
- Handling the continued supply chain disruptions and offset increased inflation with productivity gains

- **Priorities**

- Focus on continued investments to secure future growth, mainly recruitments
- Continue to handling the strained supply chain and the increased inflationary pressure
- Price adjustments to customers
- Continued focus on productivity gains in order to meet both the normalization of the cost level and inflation
- Continued acquisition agenda



# Q&A