

Interim report

January – March 2024

Q1

BUFAB

Solid profitability and stable cash flow despite softer demand

First quarter of 2024

- Net sales declined by -9.9 percent to SEK 2,149 million (2,386). Organic growth was -10.6 percent and order intake was in line with net sales
- Adjusted operating profit (EBITA) was SEK 259 million (325), corresponding to an operating margin of 12.1 percent (13.6)
- Operating profit (EBITA) was SEK 259 million (323) and the operating margin was 12.1 percent (13.5)
- Earnings per share decreased by 28 percent to SEK 3.82 (5.33)
- Cash flow from operating activities amounted to SEK 259 million (301), corresponding to a cash conversion ratio of 95 percent (89)
- The key figure net debt/EBITDA, adjusted, was 2.7 percent (2.7)

Key figures

MSEK	Q1		Δ %	LTM 23/24	Full-year 2023
	2024	2023			
Order intake	2,147	2,329	-8	8,420	8,602
Net sales	2,149	2,386	-10	8,443	8,680
Gross profit	625	675	-7	2,444	2,494
Gross margin (%)	29.1	28.3		28.9	28.7
Operating expenses	-365	-351	4	-1,470	-1,451
Share of net sales (%)	-17.0	-14.7		-17.3	-16.7
Operating profit (EBITA)	259	323	-20	974	1,043
Operating margin EBITA (%)	12.1	13.5		11.6	12.0
Operating profit (EBITA), adjusted	259	325	-20	1,055	1,121
Operating margin EBITA, (%) adjusted	12.1	13.6		12.5	12.9
Operating profit	243	306	-21	910	974
Operating margin (%)	11.3	12.8		10.8	11.2
Profit after tax	145	201	-28	517	574
Earnings per share, SEK	3.82	5.33	-28	13.66	15.17
Cash flow from operating activities	259	301	-14	910	974
Net debt / EBITDA, adjusted	2.7	2.7	-	-	-

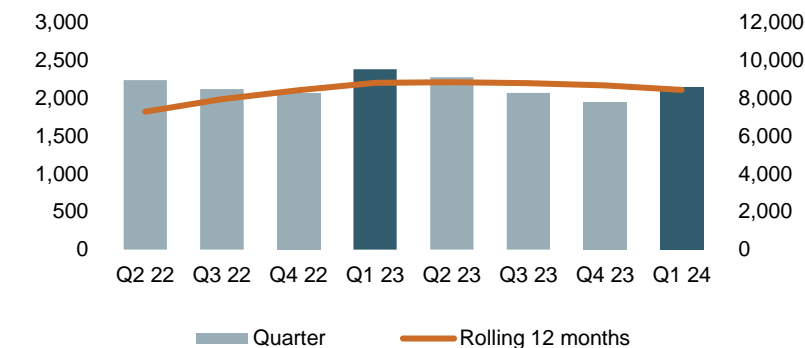
-9.9%

Sales growth

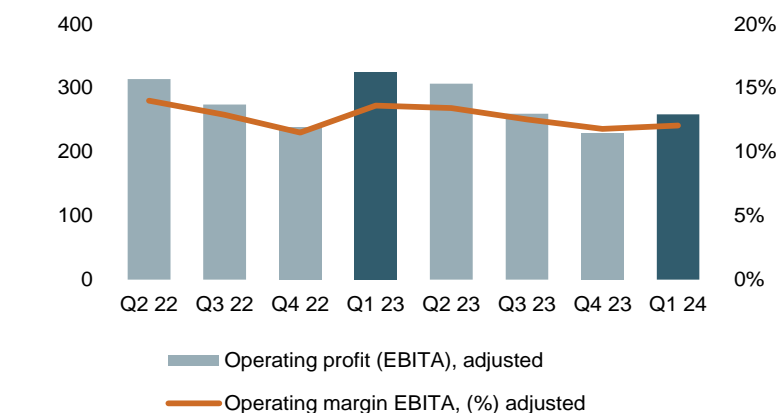
12.1%

Operating margin (EBITA), adjusted

Net sales, SEK million



Operating profit (EBITA) adjusted, SEK million



CEO's overview

We have started the year with an improved gross margin, solid profitability and a stable cash flow despite weaker demand.

The general market situation remains challenging, and we have seen a wide variation in demand among different sectors. The strongest demand was seen in energy and defence, while sectors that experienced tailwinds during the pandemic, such as construction, bath, kitchen and outdoor recreation, reported a weak development. Demand in general industry was also weaker.

Order intake was in line with net sales. Net sales growth amounted to -10 percent in the quarter and organic growth to -10.6 percent. Growth was impacted by strong comparative figures and lower demand across all regions. Some cost adjustments were made during the quarter to meet the lower demand.

Our focused efforts to strengthen our gross margin continued to show result. The gross margin improved by 0.8 percentage points compared to previous year due to a better customer and product mix and purchasing savings. The share of operating expenses increased compared to the comparison quarter last year as a result of the lower volumes but also due to inflationary effects, restructuring costs and investments to promote market growth.

The adjusted operating margin amounted to 12.1 percent (13.6), which is a stable level given the lower demand in the quarter. All regions reported

a stable operating margin except Region Europe North & East, which was impacted by a higher share of operating expenses.

Cash flow from operating activities amounted to SEK 259 million (301) for the quarter. Net debt/EBITDA was 2.7 (2.7). Bufab's strengthened financial position in recent quarters presents opportunities for value-creating acquisitions moving forward. We have noted a greater M&A activity recently and are evaluating several potential candidates.

The market outlook for the quarters ahead remains uncertain and we are faced with challenging comparative figures next quarter as well.

During the quarter, we have adjusted our cost base in several of our companies and are well positioned if demand decreases further with situationally adapted measures for each Bufab company. At the same time, we have a well-diversified customer base and article portfolio, with a good spread of risk among various sectors and markets, and a strategy that is well-adapted for the future. Our offer to customers is becoming increasingly relevant and we are well positioned to take additional market shares in the coming quarters.

In 2024, we will continue to implement our strategy according to which our short-term priorities stand firm: to capture market share, gradually improve our margin and deliver a stronger cash flow. The strategic review of our manufacturing companies is proceeding as planned.

As of January 1, Bufab has a new reporting structure that will enable more effective governance of the Group. The new structure comprises five regions: Europe North & East, Europe West, Americas, UK/Ireland, and Asia-Pacific. We have also welcomed Mathias Torstensson to the Group Management as Director Region Asia-Pacific.

Finally, I would like to thank all our customers, partners and employees for a great job in the first quarter.

Erik Lundén
President and CEO



The Group in brief

First quarter

Order intake declined to SEK 2,147 million (2,329) and was in line with net sales. Net sales declined by -9.9 percent to SEK 2,149 million (2,386). Of the total change in sales, 0.7 percent was attributable to currency effects, 0 percent to acquisitions and -10.6 percent to organic growth. Growth was impacted by weaker demand from sectors that experienced tailwinds during the pandemic.

The gross margin was 29.1 percent (28.3). The higher gross margin was due primarily to a more favourable customer and business mix.

The share of operating expenses increased to 17.0 percent (14.7). The increase is essentially due to the lower demand in addition to cost increases in the form of inflation and investments to promote market growth.

Adjusted operating profit (EBITA) declined to SEK 259 million (325), corresponding to an operating margin of 12.1 percent (13.6). Operating profit (EBITA) declined to SEK 259 million (323), corresponding to an operating margin of 12.1 percent (13.5).

Earnings per share decreased by 28 percent to SEK 3.82 (5.33)

Financial items and tax

The Group's net financial items totalled SEK -52 million (-41) for the first quarter, of which exchange-rate differences accounted for SEK -3 million (4) and interest rates for SEK -49 million (-44). The Group's profit after financial items amounted to SEK 191 million (265) for the quarter.

The deterioration in net financial items compared with the comparative period is attributable to higher interest rates and negative exchange-rate differences.

The tax expense for the quarter was SEK -46 million (-64), entailing an effective tax rate of 24.1 percent (24.2).

Cash flow, working capital and financial position

Cash flow from operating activities amounted to SEK 259 million (301), corresponding to a cash conversion ratio of 95 percent (89).

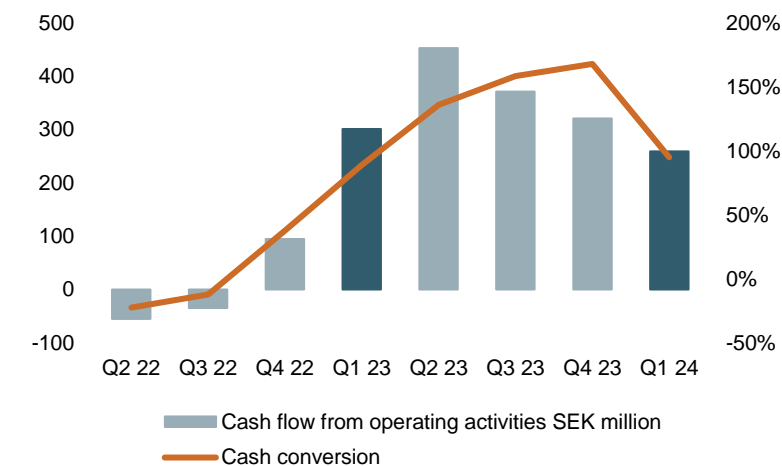
Cash flow from operating activities was lower than in the comparative period, and was mainly due to lower earnings. Cash flow from changes in working capital remained positive and improved year on year.

Working capital as a percentage of net sales was 37.9 percent (42.0). The improvement is a direct result of the Group's goal of unlocking capital tied up in operations.

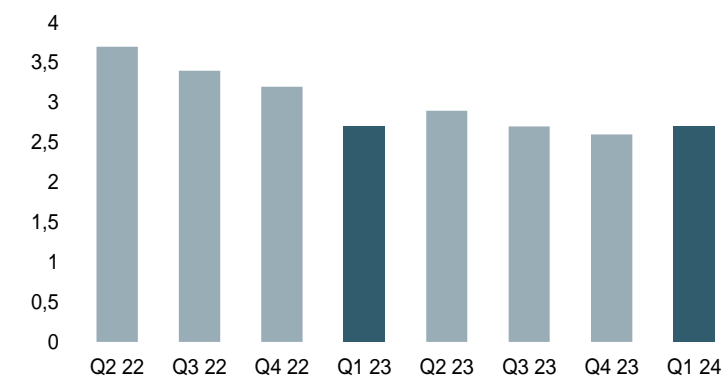
On 31 March 2024, the adjusted net debt totalled SEK 2,740 million (3,042) and the debt/equity ratio was 89 percent (108). The lower net debt and debt/equity ratio were directly attributable to the favourable operating cash flow in 2023 and the first quarter of 2024.

The key figure net debt/EBITDA, adjusted, was 2.7 (2.7) on 31 March 2024. The key figure is unchanged year on year.

Operating cash flow and cash conversion ratio



Net debt/EBITDA, adjusted



Region Europe North & East

40%

Share of total sales

The region consists of Bufab's operations in Sweden, Finland, Norway, Denmark, Poland, Hungary, Romania, the Baltic States and Slovakia.

First quarter

Growth amounted to -10 percent, of which -11 percent was organic, with a similar performance in Northern and Eastern Europe. The decrease was due to lower demand in the region during the quarter, with the exception of the defence industry and oil industry in Norway. Demand remained weak in the construction, bath and kitchen sectors as well as outdoor recreation, while the automotive industry showed signs of a softer trend. Order intake was lower than net sales.

The share of operating expenses for the period increased due to the decrease in net sales, higher obsolescence provisions, restructuring costs and investments to promote market growth. The lower volumes and the higher share of operating expenses resulted in a SEK 48 million decrease in adjusted operating profit, yielding an adjusted operating margin of 10.6 percent (14.5).

The gross margin for the quarter was slightly higher year on year due to an improved customer mix and purchasing savings.

Key figures

	Q1		Δ %	LTM 23/24	Full-year 2023
	2024	2023			
MSEK	2024	2023		23/24	2023
Order intake	853	941	-9	3,335	3,424
Net sales	868	968	-10	3,328	3,429
Gross profit	236	261	-10	894	920
Gross margin (%)	27.2	27.0		26.9	26.8
Operating expenses	-143	-121	19	-503	-480
Share of net sales (%)	-16.5	-12.5		-15.1	-14.0
Operating profit (EBITA)	92	140	-34	391	440
Operating margin EBITA (%)	10.6	14.5		11.8	12.8
Operating profit (EBITA), adjusted	92	140	-34	391	440
Operating margin EBITA, (%) adjusted	10.6	14.5		11.8	12.8

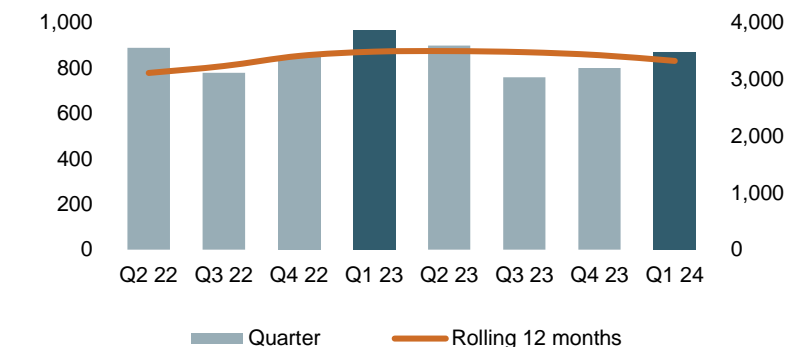
-10%

Sales growth

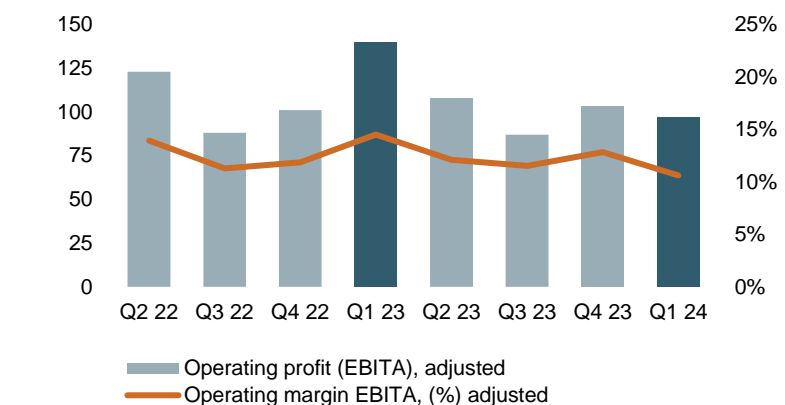
10.6%

Operating margin (EBITA)

Net sales, SEK million



Operating profit (EBITA) adjusted, SEK million



Region Europe West

23%

Share of total sales

The region consists of Bufab's operations in France, the Netherlands, Germany, the Czech Republic, Austria, Spain and Türkiye.

First quarter

Growth was -10 percent, of which organic growth was -9 percent. The favourable demand in the defence and aerospace industries could not offset the lower demand noted in the automotive and construction industries. Demand was particularly strong in France, the Czech Republic and Türkiye, while Austria and the Netherlands noted a continued soft market development. Order intake was slightly higher than net sales.

The gross margin was higher year on year, primarily due to a positive product and customer mix, favourable price adjustments and purchasing savings.

Operating expenses were in line with last year while the share of operating expenses increased due to the lower volumes.

Overall, adjusted operating profit decreased by SEK 13 million, yielding an adjusted operating margin of 13.1 percent (14.0).

Key figures

	Q1		Δ %	LTM 23/24	Full-year 2023
	2024	2023			
MSEK	2024	2023		23/24	2023
Order intake	494	545	-9	1,852	1,902
Net sales	490	546	-10	1,895	1,951
Gross profit	123	134	-9	462	474
Gross margin (%)	25.1	24.6		24.4	24.3
Operating expenses	-59	-58	2	-230	-229
Share of net sales (%)	-12.0	-10.6		-12.1	-11.7
Operating profit (EBITA)	64	77	-15	233	245
Operating margin EBITA (%)	13.1	14.0		12.3	12.6
Operating profit (EBITA), adjusted	64	77	-15	233	245
Operating margin EBITA, (%) adjusted	13.1	14.0		12.3	12.6

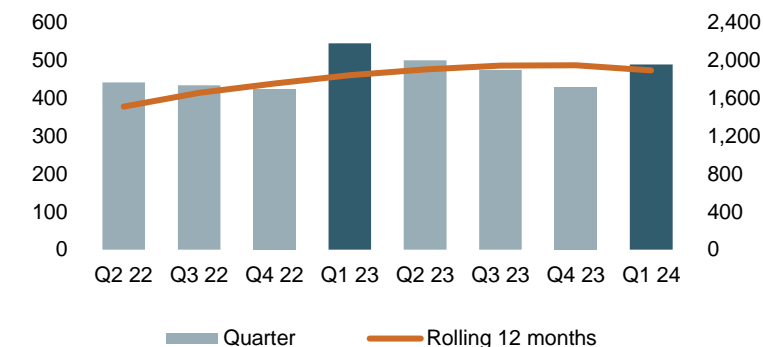
-10%

Sales growth

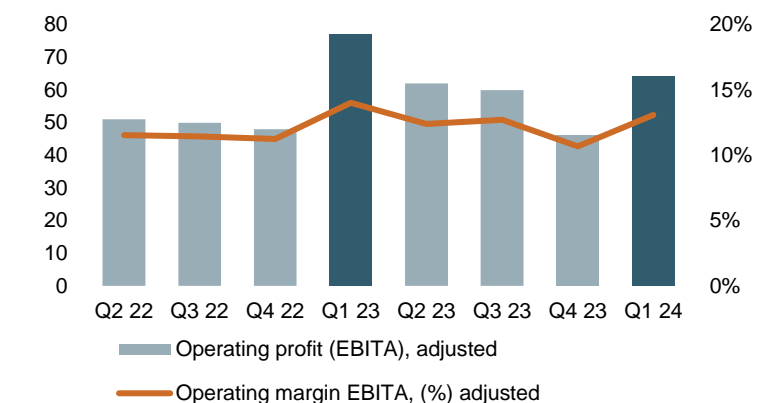
13.1%

Operating margin (EBITA)

Net sales, SEK million



Operating profit (EBITA) adjusted, SEK million



Region Americas

The region comprises Bufab's operations in the US and Mexico.

First quarter

Growth was -12 percent; the entire decrease was organic. The lower growth was due to the continued weakening of the mobile home industry and a generally soft market. The decrease was impacted further by price pressure from customers. Order intake was higher than net sales.

The gross margin in the quarter remained strong year on year due to a favourable customer mix, continued price adjustments and purchasing savings.

Key figures

MSEK	Q1		Δ	LTM	Full-year
	2024	2023			
Order intake	286	283	1	1,095	1,092
Net sales	278	315	-12	1,146	1,182
Gross profit	98	107	-8	403	412
Gross margin (%)	35.2	33.9		35.1	34.8
Operating expenses	-62	-71	-12	-226	-235
Share of net sales (%)	-22.3	-22.5		-19.7	-19.8
Operating profit (EBITA)	36	36	-0	177	177
Operating margin EBITA (%)	12.9	11.4		15.4	15.0
Operating profit (EBITA), adjusted	36	44	-19	165	174
Operating margin EBITA, (%) adjusted	12.9	14.1		14.4	14.7

13%

Share of total sales

The share of operating expenses declined slightly. Adjusted for the remeasurement of additional purchase considerations of SEK 0 million (-8), the share of operating expenses amounted to 22.3 percent (20.0). The year-on-year increase in the share of operating expenses was mainly due to lower volumes.

Overall, adjusted operating profit decreased by SEK 8 million, yielding an adjusted operating margin of 12.9 percent (14.1).

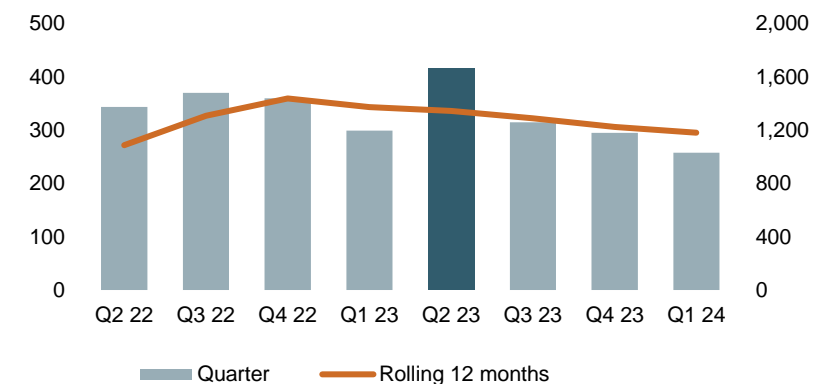
-12%

Sales growth

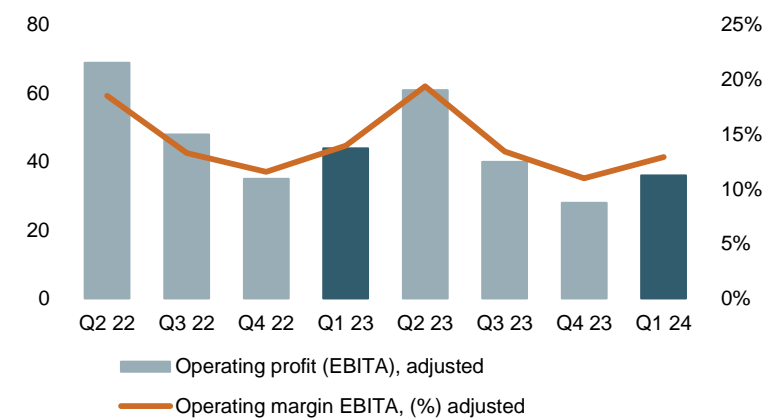
12.9%

Operating margin (EBITA)

Net sales, SEK million



Operating profit (EBITA) adjusted, SEK million



Region UK/Ireland

The region comprises Bufab's operations in the UK and Ireland.

19%

Share of total sales

First quarter

Growth amounted to -7 percent for the period, of which -11 percent was organic. The decline is due to a strong comparative quarter and continued challenging market conditions in stainless steel, which was particularly notable in the manufacturing industry. Order intake was slightly lower than net sales.

The gross margin continued its positive trend from last year and improved during the quarter. The increase is due to an improved customer mix and purchasing savings. The gross margin was further improved as a result of a strategic rationalisation of customer accounts.

The share of operating expenses increased by 5 percent to 20.7 percent (15.7). Adjusted for the remeasurement of additional purchase considerations of SEK 0 million (6), the share of operating expenses amounted to 20.7 percent (17.1). The higher share of operating expenses was impacted by lower volumes and IT investments.

Adjusted for remeasured additional purchase considerations in the comparative quarter, adjusted operating profit decreased by SEK 6 million, yielding an adjusted operating margin of 12.2 percent (12.7).

Key figures

MSEK	Q1		Δ	LTM	Full-year
	2024	2023			
Order intake	392	426	-8	1,721	1,754
Net sales	398	427	-7	1,647	1,676
Gross profit	131	127	3	540	537
Gross margin (%)	32.8	29.9		32.8	32.1
Operating expenses	-82	-67	23	-420	-405
Share of net sales (%)	-20.7	-15.7		-25.5	-24.1
Operating profit (EBITA)	48	60	-20	121	133
Operating margin EBITA (%)	12.2	14.1		7.3	7.9
Operating profit (EBITA), adjusted	48	54	-10	208	214
Operating margin EBITA, (%) adjusted	12.2	12.7		12.6	12.8

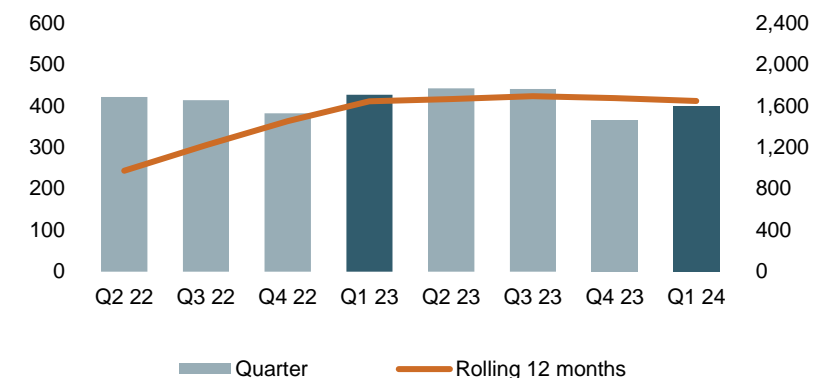
-7%

Sales growth

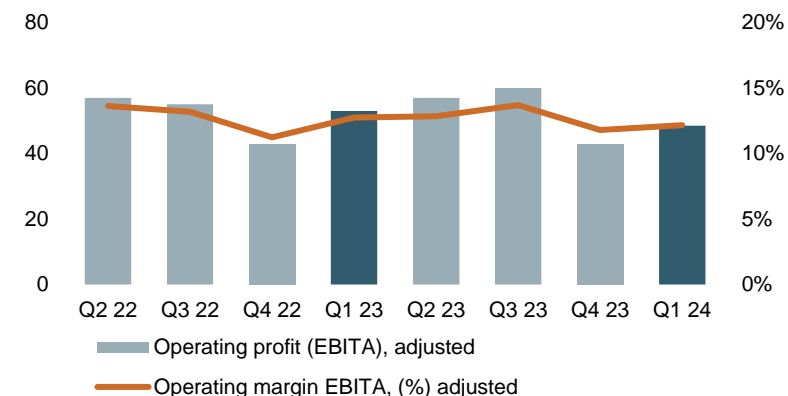
12.2%

Operating margin (EBITA)

Net sales, SEK million



Operating profit (EBITA) adjusted, SEK million



Region Asia-Pacific

The region consists of Bufab's operations in China, India, Singapore and other countries in Southeast Asia.

First quarter

The region displayed growth of -11 percent for the period, of which -8 percent was organic. The decline was driven by a generally softer market, mainly in the biomedical, rail and energy management industries in Singapore and India. Order intake was slightly higher than net sales.

The gross margin improved slightly year on year, driven by a better customer and product mix.

Key figures

MSEK	Q1		Δ %	LTM 23/24	Full-year 2023
	2024	2023			
Order intake	122	127	-4	425	431
Net sales	116	131	-11	428	443
Gross profit	37	41	-11	133	137
Gross margin (%)	31.5	31.3	31.0	31.0	31.0
Operating expenses	-18	-19	-5	-73	-74
Share of net sales (%)	-15.6	-14.6	-17.0	-16.6	-16.6
Operating profit (EBITA)	19	22	-15	60	64
Operating margin EBITA (%)	16.0	16.7	14.1	14.4	14.4
Operating profit (EBITA), adjusted	19	22	-15	60	64
Operating margin EBITA, (%) adjusted	16.0	16.7	14.1	14.4	14.4

5%

Share of total sales

Operating expenses decreased year on year, due to cost-saving measures to address the lower demand. However, the share of operating expenses increased due to the lower volumes and amounted to 15.6 percent (14.6). Overall, adjusted operating profit decreased by SEK 3 million, yielding an adjusted operating margin of 16.0 percent (16.7).

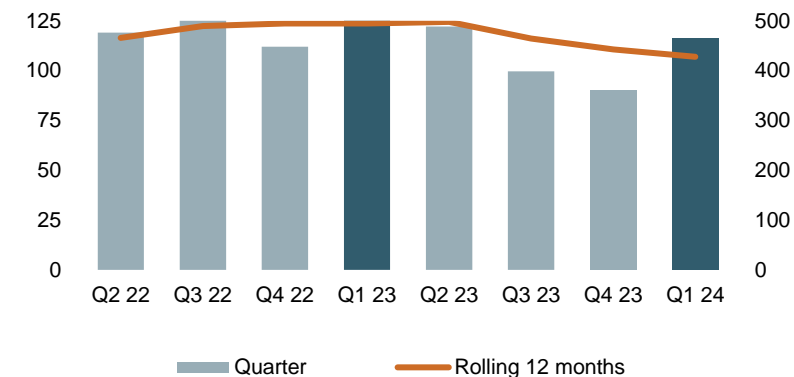
-11%

Sales growth

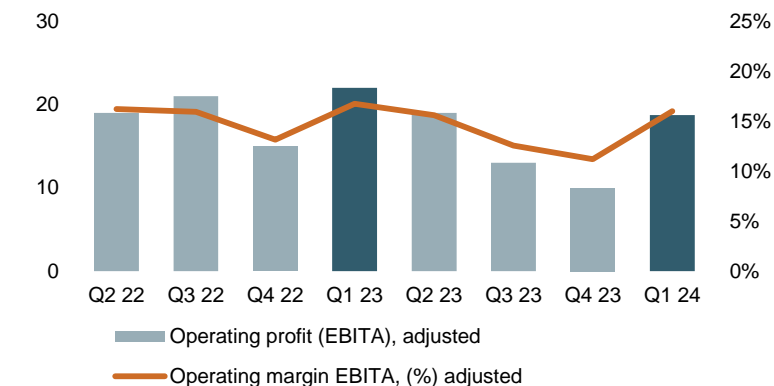
16.0%

Operating margin (EBITA)

Net sales, SEK million



Operating profit (EBITA) adjusted, SEK million



Financial statements

Condensed Consolidated Income Statement

MSEK	Q1	
	2024	2023
Net sales	2,149	2,386
Costs of goods sold	-1,524	-1,711
Gross profit	625	675
Distribution costs	-250	-227
Administrative expenses	-140	-146
Other operating income and operating expenses	8	4
Operating profit	243	306
Profit/loss from financial items		
Interest income and similar profit/loss items	4	8
Interest expenses and similar profit/loss items	-56	-49
Profit after financial items	191	265
Tax on net profit for the period	-46	-64
Profit after tax	145	201

Statement of Comprehensive Income

MSEK	Q1	
	2024	2023
Profit after tax	145	201
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Translation differences / Currency hedging net after tax	122	37
Other comprehensive income after tax	122	37
Total comprehensive income	267	238
Total comprehensive income attributable to:		
Parent Company shareholders	267	238

Earnings per share

SEK	Q1	
	2024	2023
Earnings per share	3.82	5.33
Weighted number of shares outstanding before dilution, thousands	37,888	37,729
Diluted earnings per share, SEK	3.80	5.25
Weighted number of shares outstanding after dilution, thousands	38,081	38,280

Condensed Consolidated Balance Sheet

MSEK	31 Mar		31 Dec
	2024	2023	2023
Assets			
Fixed assets			
Intangible fixed assets	3,406	3,374	3,289
Property plant and equipment	781	712	769
Financial assets	34	30	32
Total non-current assets	4,221	4,116	4,090
Current assets			
Inventories	2,711	3,258	2,857
Current receivables	1,763	1,807	1,435
Cash and cash equivalents	239	280	218
Total current assets	4,713	5,346	4,510
Total assets	8,933	9,462	8,600

MSEK	31 Mar		31 Dec
	2024	2023	2023
Equity and liabilities			
Equity	3,685	3,284	3,418
Non-current liabilities			
Non-current liabilities, interest bearing	3,202	2,950	3,346
Non-current liabilities, non-interest bearing	202	377	201
Total non-current liabilities	3,404	3,327	3,547
Current liabilities			
Current liabilities, interest bearing	330	865	271
Current liabilities, non-interest bearing	1,514	1,986	1,364
Total current liabilities	1,844	2,851	1,635
Total equity and liabilities	8,933	9,462	8,600

Consolidated Statement of Changes in Equity

MSEK	31 Mar	
	2024	2023
Equity at beginning of year	3,418	3,036
Comprehensive income		
Profit after tax	145	201
<i>Other comprehensive income</i>		
Items that may be reclassified in profit or loss		
Translation differences / Currency hedging net after tax	122	37
Total comprehensive income	267	238
Transactions with shareholders		
Option programme	-	10
Total transactions with shareholders	-	10
Equity at end of period	3,685	3,284

Consolidated Cash Flow Statement

MSEK	Q1	
	2024	2023
Operating activities		
Profit before financial items	243	306
Depreciation and amortization	71	67
Interest and other finance income	4	8
Interest and other finance expenses	-56	-49
Other non-cash items	2	4
Income tax paid	-55	-42
Cash flow from operations	209	294
Changes in working capital		
Increase (-)/decrease (+) in inventories	243	243
Increase (-)/decrease (+) in operating receivables	-296	-238
Increase (+)/decrease (-) in operating liabilities	103	2
Cash flow from operating activities	259	301
Investing activities		
Purchase of intangible assets	-2	-1
Acquisition of property, plant and equipment	-7	-12
Company acquisitions including additional purchase considerations	-	-7
Cash flow from (-used in) investing activities	-9	-20
Financing activities		
Dividend paid	-	-
Option programme	-	10
Increase (+)/decrease (-) in borrowings	-237	-331
Cash flow from financing activities	-237	-321
Cash flow for (-used in) the period	13	-40
Cash and cash equivalents at the beginning of the period	218	323
Translation differences	8	-3
Cash and cash equivalents at the end of the period	239	280

The Group's Segment Reporting

Europe North & East

MSEK	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Net sales	830	889	780	853	968	900	760	800	868
Gross profit	222	246	211	221	261	237	204	218	236
<i>Gross margin (%)</i>	26.7	27.7	27.1	25.9	27.0	26.4	26.8	27.2	27.2
Operating expenses	-125	-123	-123	-119	-121	-128	-116	-115	-143
<i>Share of net sales (%)</i>	-15.1	-13.8	-15.8	-14.0	-12.5	-14.3	-15.3	-14.4	-16.5
Operating profit (EBITA)	97	124	88	101	140	109	88	103	92
Operating margin EBITA (%)	11.7	13.9	11.3	11.9	14.5	12.1	11.5	12.8	10.6
Operating profit (EBITA), adjusted	97	124	88	101	140	109	88	103	92
Operating margin EBITA, (%) adjusted	11.7	13.9	11.3	11.9	14.5	12.1	11.5	12.8	10.6

Europe West

MSEK	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Net sales	455	442	435	425	546	501	475	429	490
Gross profit	110	106	106	108	134	120	117	103	123
<i>Gross margin (%)</i>	24.2	24.0	24.4	25.5	24.6	23.8	24.6	23.9	25.1
Operating expenses	-57	-55	-56	-60	-58	-57	-57	-57	-59
<i>Share of net sales (%)</i>	-12.6	-12.5	-13.0	-14.2	-10.6	-11.5	-11.9	-13.3	-12.0
Operating profit (EBITA)	53	51	50	48	77	62	60	46	64
Operating margin EBITA (%)	11.6	11.5	11.4	11.2	14.0	12.4	12.7	10.7	13.1
Operating profit (EBITA), adjusted	53	51	50	48	77	62	60	46	64
Operating margin EBITA, (%) adjusted	11.6	11.5	11.4	11.2	14.0	12.4	12.7	10.7	13.1

Americas

MSEK	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Net sales	344	370	360	299	315	315	295	258	278
Gross profit	108	123	113	98	107	113	101	91	98
<i>Gross margin (%)</i>	31.5	33.4	31.2	32.9	33.9	36.0	34.2	35.1	35.2
Operating expenses	-63	-245	-95	-61	-71	-40	-61	-62	-62
<i>Share of net sales (%)</i>	-18.2	-66.2	-26.3	-20.3	-22.5	-12.8	-20.7	-24.1	-22.3
Operating profit (EBITA)	46	-121	18	38	36	73	40	28	36
Operating margin EBITA (%)	13.3	-32.8	5.0	12.6	11.4	23.2	13.4	11.0	12.9
Operating profit (EBITA), adjusted	62	69	48	35	44	61	40	28	36
Operating margin EBITA, (%) adjusted	17.9	18.5	13.3	11.6	14.0	19.4	13.4	11.0	12.9

UK/Ireland

MSEK	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Net sales	235	421	414	382	427	442	441	366	398
Gross profit	79	130	125	113	127	139	144	126	131
<i>Gross margin (%)</i>	33.6	30.9	30.2	29.6	29.9	31.5	32.8	34.5	32.8
Operating expenses	-40	38	-33	-70	-67	-82	-124	-131	-82
<i>Share of net sales (%)</i>	-17.0	9.1	-8.1	-18.4	-15.7	-18.7	-28.2	-35.8	-20.7
Operating profit (EBITA)	39	168	92	43	60	57	20	-5	48
Operating margin EBITA (%)	16.6	40.0	22.1	11.2	14.1	12.8	4.6	-1.3	12.2
Operating profit (EBITA), adjusted	39	57	55	43	54	57	60	43	48
Operating margin EBITA, (%) adjusted	16.6	13.6	13.2	11.2	12.7	12.8	13.7	11.8	12.2

Asia-Pacific

MSEK	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Net sales	131	119	132	112	131	122	100	90	116
Gross profit	44	37	41	34	41	37	31	28	37
<i>Gross margin (%)</i>	33.6	30.9	31.0	30.5	31.3	30.4	31.3	30.9	31.5
Operating expenses	-17	-18	-20	-19	-19	-18	-19	-18	-18
<i>Share of net sales (%)</i>	-13.1	-14.7	-15.1	-17.3	-14.6	-14.8	-18.7	-19.7	-15.6
Operating profit (EBITA)	27	19	21	15	22	19	13	10	19
Operating margin EBITA (%)	20.5	16.2	15.9	13.1	16.7	15.6	12.6	11.2	16.0
Operating profit (EBITA), adjusted	27	19	21	15	22	19	13	10	19
Operating margin EBITA, (%) adjusted	20.5	16.2	15.9	13.1	16.7	15.6	12.6	11.2	16.0

Group

MSEK	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Net sales	2,002	2,241	2,122	2,074	2,386	2,280	2,071	1,943	2,149
Gross profit	561	645	601	583	675	649	601	569	625
<i>Gross margin (%)</i>	28.0	28.8	28.3	28.1	28.3	28.5	29.0	29.3	29.1
Operating expenses	-318	-411	-329	-341	-351	-331	-381	-388	-365
<i>Share of net sales (%)</i>	-15.9	-18.4	-15.5	-16.4	-14.7	-14.5	-18.4	-20.0	-17.0
Operating profit (EBITA)	243	233	272	242	323	319	220	181	259
Operating margin EBITA (%)	12.1	10.4	12.8	11.7	13.5	14.0	10.6	9.3	12.1
Operating profit (EBITA), adjusted	256	314	274	239	325	307	260	229	259
Operating margin EBITA, (%) adjusted	12.8	14.0	12.9	11.5	13.6	13.4	12.6	11.8	12.1

Consolidated Key Figures

MSEK	Q1		Δ	LTM	Full-year
	2024	2023			
Order intake	2,147	2,329	-8%	8,420	8,602
Net sales	2,149	2,386	-10%	8,443	8,680
Gross profit	625	675	-7%	2,444	2,494
EBITDA	314	373	-16%	1,194	1,252
EBITDA, adjusted	274	337	-19%	1,033	1,097
Operating profit (EBITA)	259	323	-20%	974	1,043
Operating profit (EBITA), adjusted	259	325	-20%	1,055	1,121
Operating profit	243	306	-21%	910	974
Profit after tax	145	201	-28%	517	574
Gross margin	29.1%	28.3%		28.9%	28.7%
Operating margin EBITA	12.1%	13.5%		11.5%	12.0%
Operating margin EBITA, adjusted	12.1%	13.6%		12.5%	12.9%
Operating margin	11.3%	12.8%		10.8%	11.2%
Net margin	6.7%	8.4%		6.1%	6.6%
Net debt, SEK million	3,293	3,535	-7%		
Net debt, adjusted, SEK million	2,740	3,042	-10%		
Debt/equity ratio, (%)	89	108	-17%		
Net debt / EBITDA, adjusted	2.7	2.7	-2%		
Working capital, SEK million	3,201	3,708	-14%		
Average working capital, SEK million	3,321	3,542			
Working capital in relation to net sales, (%)	37.9	42.0			
Solidity (%)	41	35			
Return on capital employed (%)	12.8	14.8			
Cash flow from operating activities	259	301	-14%		
Earnings per share, SEK	3.82	5.33	-28%		

Condensed Parent Company Income Statement

MSEK	Q1	
	2024	2023
Administrative expenses	-5	-5
Other operating revenue	3	2
Operating profit	-3	-3
Profit/loss from financial items	-	-
Interest income and similar profit/loss items	0	-
Interest expenses and similar profit/loss items	-	-
Profit after financial items	-3	-3
Appropriations	-	-
Tax on net profit for the period	0	-
Profit after tax	-3	-3

Condensed Parent Company Balance Sheet

MSEK	31 Mar		31 Dec
	2024	2023	2023
Assets			
Fixed assets			
Financial assets			
Investments in group companies	845	845	845
Other assets			
Other non-current receivables	1	-	1
Total non-current assets	846	845	846
Current assets			
Receivables from Group companies	366	327	372
Other current receivables	9	17	4
Cash and cash equivalents	-	-	-
Total current assets	375	353	376
Total assets	1,221	1,189	1,222
MSEK	31 Mar		31 Dec
	2024	2023	2023
Equity and liabilities			
Equity	1,114	1,081	1,116
Untaxed reserves	97	94	97
Non-current liabilities			
Other non-current liabilities	1	-	1
Total non-current liabilities	1	-	1
Current liabilities			
Other current liabilities	9	14	8
Total current liabilities	9	14	8
Total equity and liabilities	1,221	1,189	1,222

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 2023 Annual Report. The 2023 Annual Report is available at www.bufabgroup.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. Risk management aims 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 2023 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

No related-party transactions occurred during the year, except for the payment of the fee to the Board of Directors, remuneration of the President and senior executives, and new subscription for call options within the framework of the long-term share-based incentive programme adopted at the Annual General Meeting under the terms outlined in more detail below. Further, the redemption of the long-term share-based incentive programme adopted at the 2020 Annual General Meeting was implemented on the terms contained in the 2023 Annual Report.

Acquisitions

Acquisitions made during 2022–2024:

	Date	Net sales*	Employees
Pajo-Bolte A/S	14 Mar 2022	190	40
TI Midwood & Co Ltd.	21 Mar 2022	730	187
CDA Polska S.p.z.o.o	21 Apr 2022	93	47

*Estimated annual net sales at the date of acquisition

Additional purchase considerations

The Group's liabilities for conditional considerations and unconditional additional purchase considerations attributable to acquisitions are measured at fair value. These items are recognised at fair value in the balance sheet with changes in value recognised in profit or loss. Total recognised liabilities for additional purchase considerations amounted to SEK 294 million (819) at 31 March 2024, of which SEK 53 million (189) was recognised as Non-current liabilities, non-interest-bearing and SEK 241 million (630) was recognised as Current liabilities, non-interest-bearing in the consolidated balance sheet. The reported additional purchase considerations are included – according to the Group's definition – in the amounts for "net indebtedness" and "net debt, adjusted" from the time when they are finally calculated until they are paid out.

Significant events

No significant events occurred during or after the first quarter.

Employees

The number of employees in the Group at 31 March 2024 amounted to 1,787 (1,841).

Contingent liabilities and collaterals

No additional significant changes were made to the company's contingent liabilities during the quarter.

Audit review

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

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 intended to present a comparable EBITDA as though IAS 17 continued to be applied.

Operating profit (EBITA)

Gross profit less operating expenses.

Net debt

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

Net debt, adjusted

Interest-bearing liabilities, excluding 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

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

Operating expenses

Total distribution costs, administrative expenses, other operating income/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

Working capital in relation to net sales, %

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.

Return on capital employed (ROCE), %

Profit after financial items plus interest expenses as a percentage of average equity and average interest-bearing liabilities.

Cash conversion

Cash flow from operating activities divided by EBITDA, adjusted

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 currency 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.

2023	Q1					
	Group	Europe North & East	Europe West	Americas	UK/Ireland	Asia-Pacific
Organic growth	-10.6	-11.4	-9.1	-11.4	-10.7	-8.1
Currency translation effects	0.7	1.0	-1.2	-0.2	3.9	-3.2
Acquisitions	-	-	-	-	-	-
Recognised growth	-9.9	-10.4	-10.3	-11.6	-6.8	-11.3

EBITDA

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

MSEK	Q1	
	2024	2023
Operating profit	243	306
Depreciation and amortization	71	67
EBITDA	314	373

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.

MSEK	Q1	
	2024	2023
Operating profit	243	306
Depreciation and amortization	71	67
Less: amortisation on right-of-use assets according to IFRS 16	-36	-31
Less: interest expenses on lease liabilities according to IFRS 16	-4	-3
EBITDA, adjusted	274	338

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.

MSEK	Q1	
	2024	2023
Operating profit	243	306
Depreciation and amortisation of acquired intangible assets	17	17
EBITA	259	323

EBITA, adjusted

The key figure Operating profit (EBITA) adjusted is an expression of the operating profit excluding items affecting comparability, which include but are not limited to restructuring costs, remeasurement of additional purchase considerations, and gains and losses in conjunction with divestment of operations.

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.

MSEK	Q1	
	2024	2023
Distribution costs	-250	-227
Administrative expenses	-140	-146
Other operating income and operating expenses	8	5
Depreciation and amortisation of acquired intangible assets	17	17
Operating expenses	-365	-351

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.

MSEK	31 Mar	
	2024	2023
Current assets	4,713	5,346
Less: cash and cash equivalents	-239	-280
Less: current non-interest-bearing liabilities excluding liabilities for additional purchase prices	-1,273	-1,357
Working capital on the balance-sheet date	3,201	3,708

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.

MSEK	31 Mar	
	2024	2023
Non-current liabilities, interest bearing	3,202	2,950
Current liabilities, interest bearing	330	865
Less: cash and cash equivalents	-239	-280
Less: other interest-bearing receivables	-	-
Net debt on balance-sheet date	3,293	3,535

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.

MSEK	31 Mar	
	2024	2023
Non-current liabilities, interest bearing	3,202	2,950
Current liabilities, interest bearing	330	865
Less: lease liabilities according to IFRS 16	-553	-493
Less: cash and cash equivalents	-239	-280
Less: other interest-bearing receivables	-	-
Net debt, adjusted, on the balance-sheet date	2,740	3,042

Return on capital employed

Return on capital employed is an expression of profitability after taking into account the amount of capital utilised. The performance measure is defined below.

MSEK	31 Mar	
	2024	2023
Result after financial items L12M	680	911
Interest expense	263	121
Average shareholder's equity	3,516	2,951
Average interest-bearing liabilities	3,847	4,000
Return on capital employed	12.8%	14.8%

Information and addresses

Conference call

A conference call will be held on 25 April 2024 at 9:00 a.m. CEST. Erik Lundén, President and CEO, and Pär Ihrskog, CFO, will present the results. Analysts and investors who wish to ask questions are asked to connect to the presentation via the following Teams link: **[Click here to join the meeting](#)** and use the "Raise Your Hand" function during the Q&A session.

Calendar

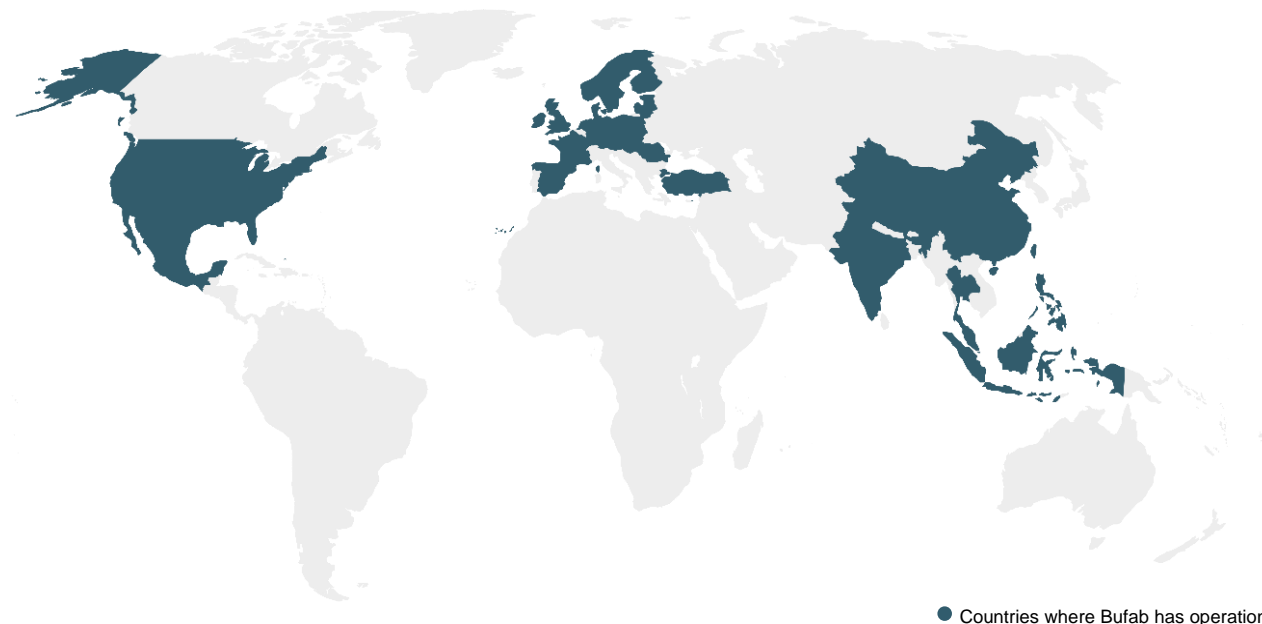
Annual General Meeting 2024:	25 April 2024
Interim report Q2, 2024:	11 July 2024
Interim Report Q3, 2024:	24 October 2024

Contact

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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 25 April 2024 at 7:30 a.m. CEST.



About Bufab

Bufab is a trading company that offers its customers a full-service solution as a Supply Chain Partner for sourcing, quality control, sustainability and logistics for C-Parts.

Bufab was founded in 1977 in Småland, Sweden, and is an international Group that currently consists of more than 50 companies. The Group has 1,800 employees in about 28 countries and annual sales in 2023 amounted to SEK 8.7 billion. The share has been listed on Nasdaq Stockholm since 2014. Please visit www.bufabgroup.com for more information.

28
Countries

51
Sister companies

1,800
Employees

BUFAB