DISCOVERING THE NEXT SOLUTION

Q1 REPORT

Q1

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Erik Lundén
President & CEO

Pär Ihrskog
CFO

First quarter highlights

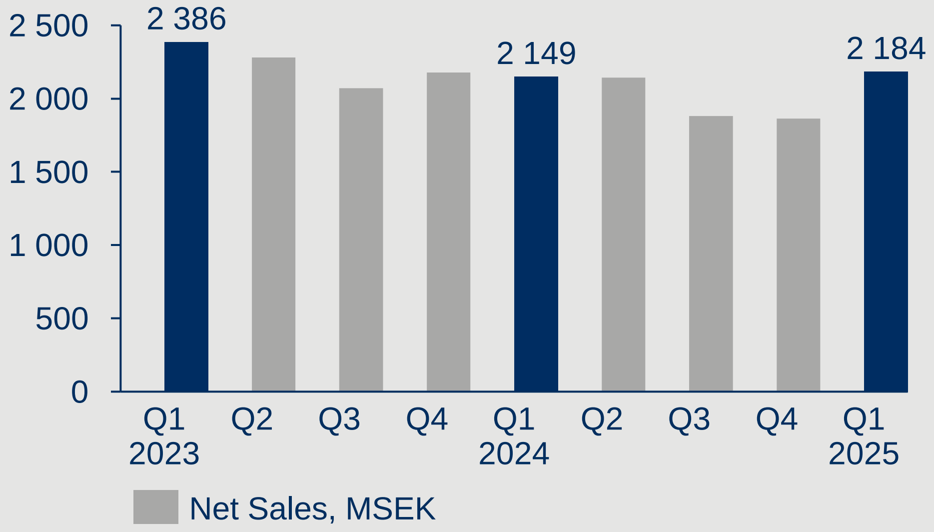
Erik Lundén

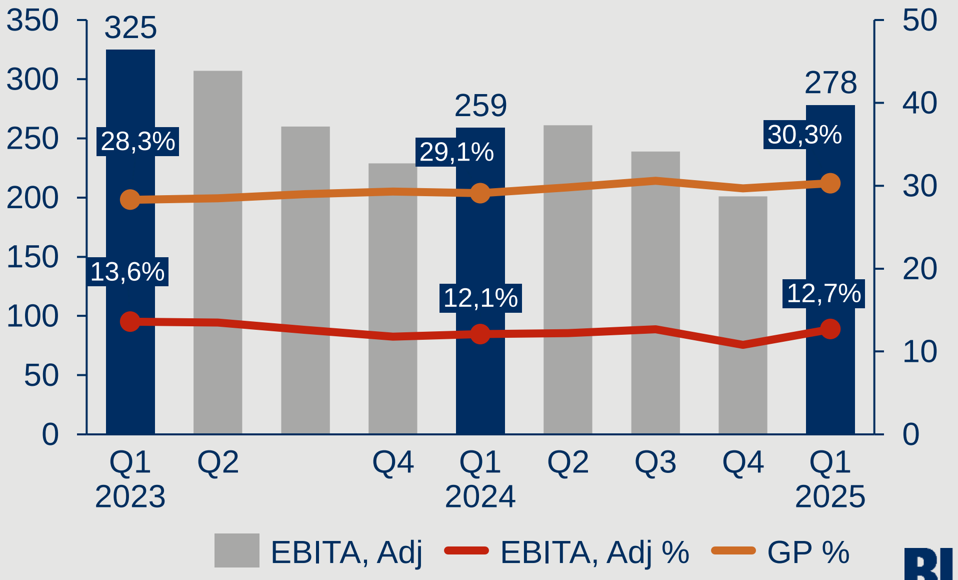
President & CEO

BUFAB

First quarter highlights – a good start of the year

- Positive sales growth of 1.6% after several quarters of negative growth
- Organic growth of -0.1%, an improvement over Q4 (-1.5)
- Continued cautious market demand and large variation across industries
- Strengthened gross margin, reaching 30.3% (29.1)
- Underlying cost level lower than last year
- Improved adjusted operating margin at 12.7% (12.1), a step in the right direction towards our profitability target





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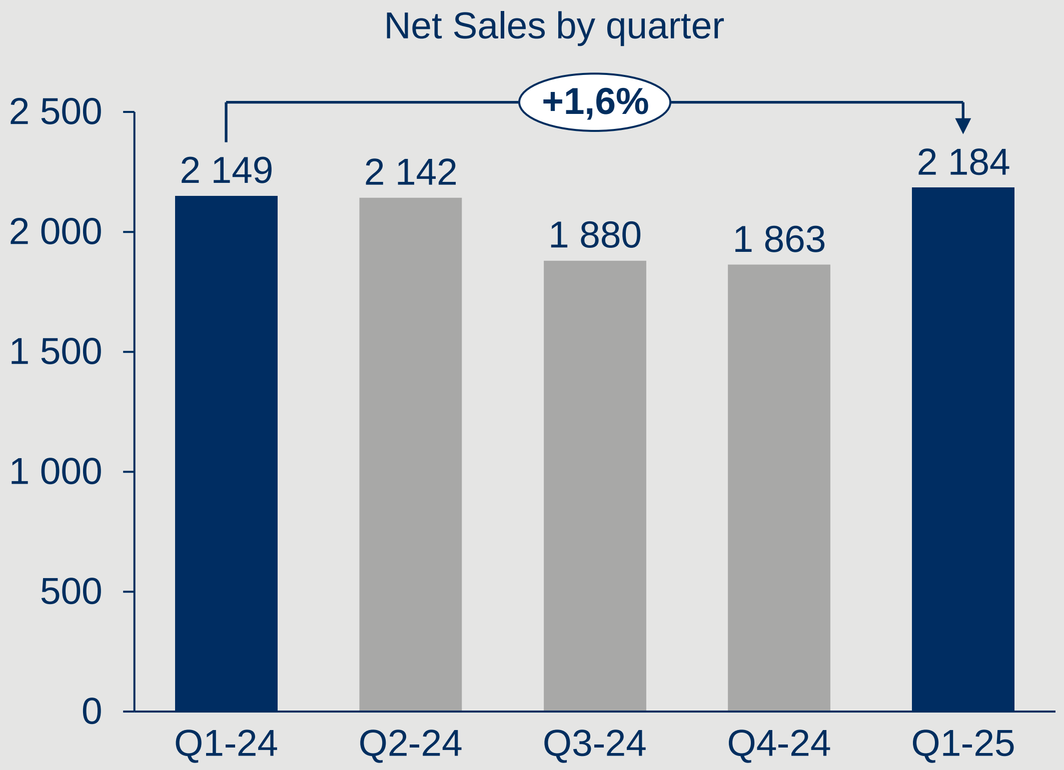
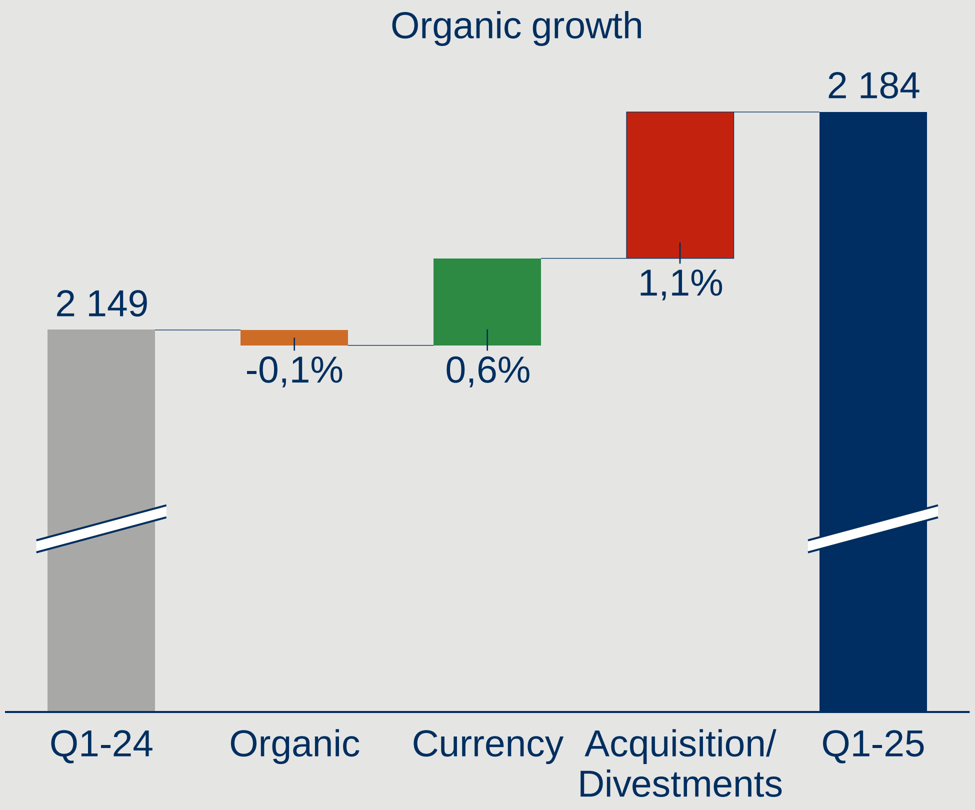
Financial Highlights

Pär Ihrskog

CFO

Positive sales growth of 1.6% after several quarters of negative growth





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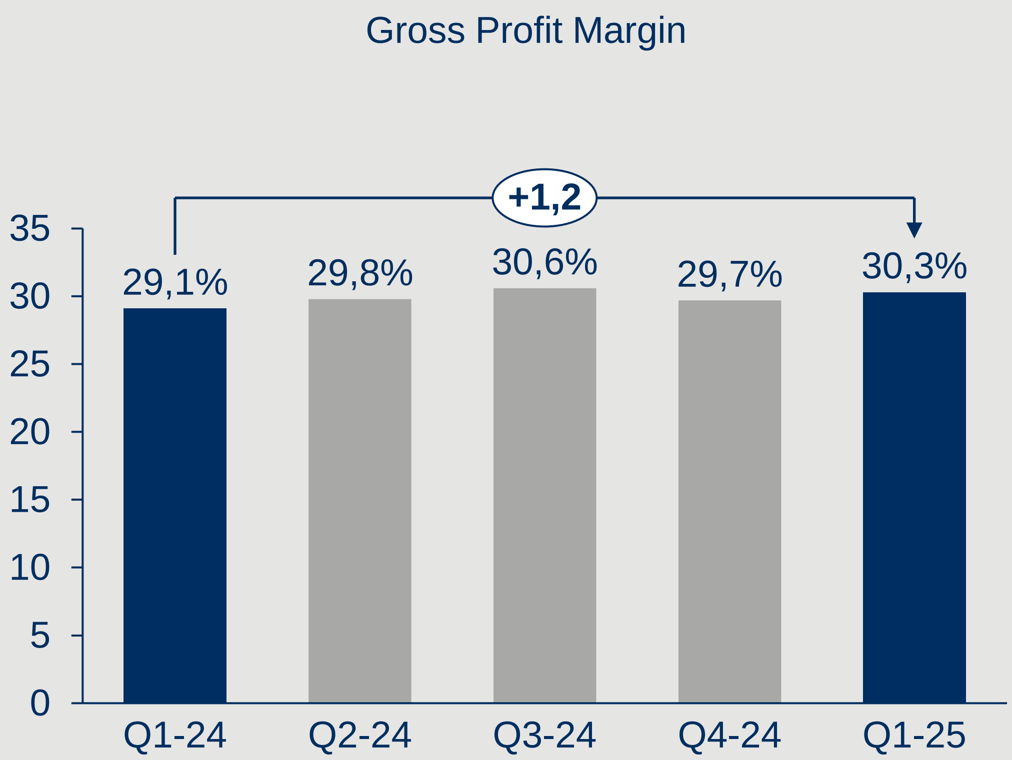
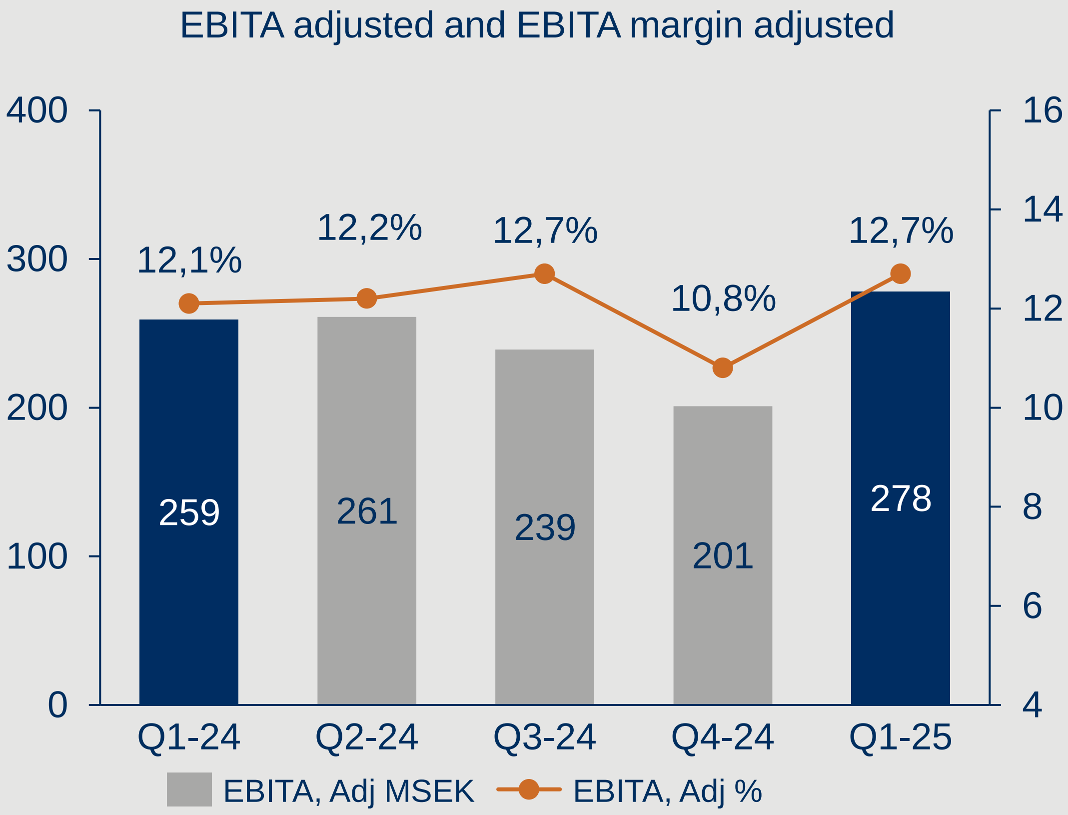
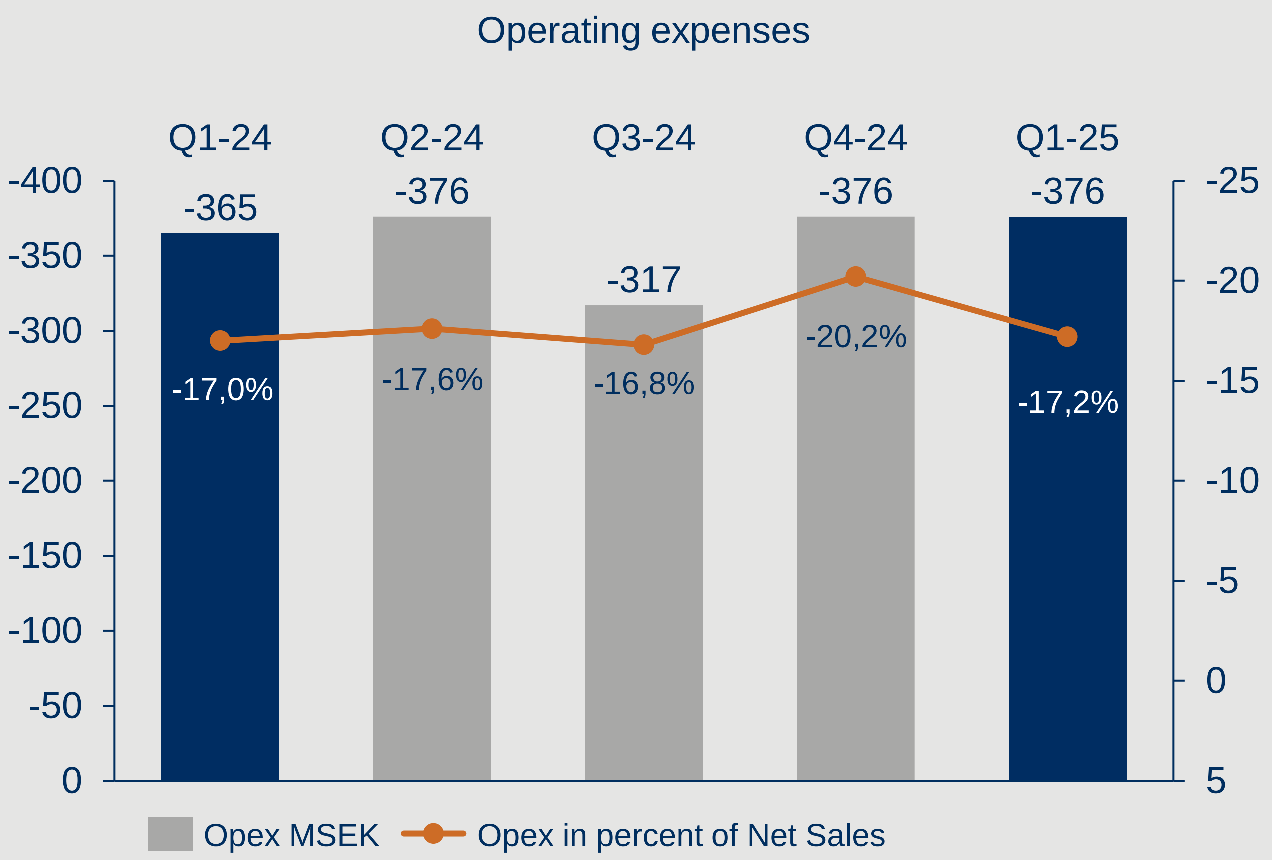
Improved gross margin by 1.2 pp driven by our trading business



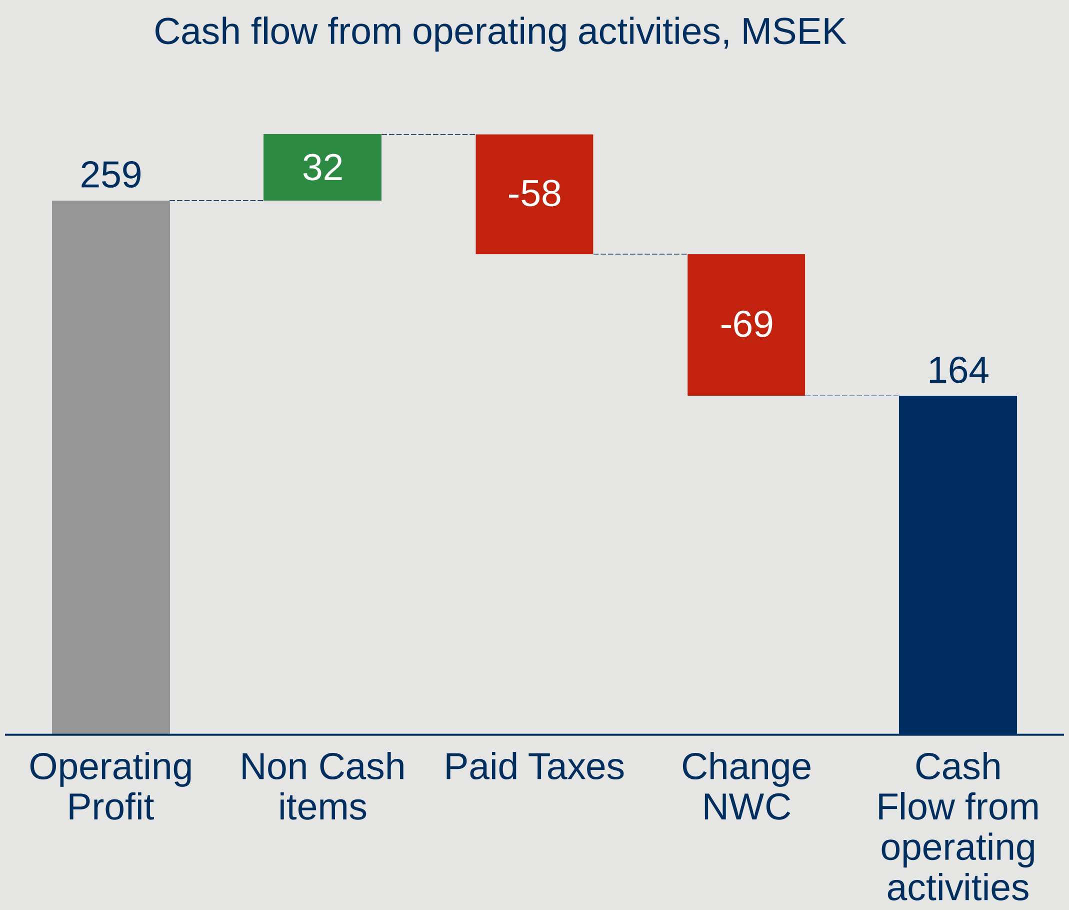


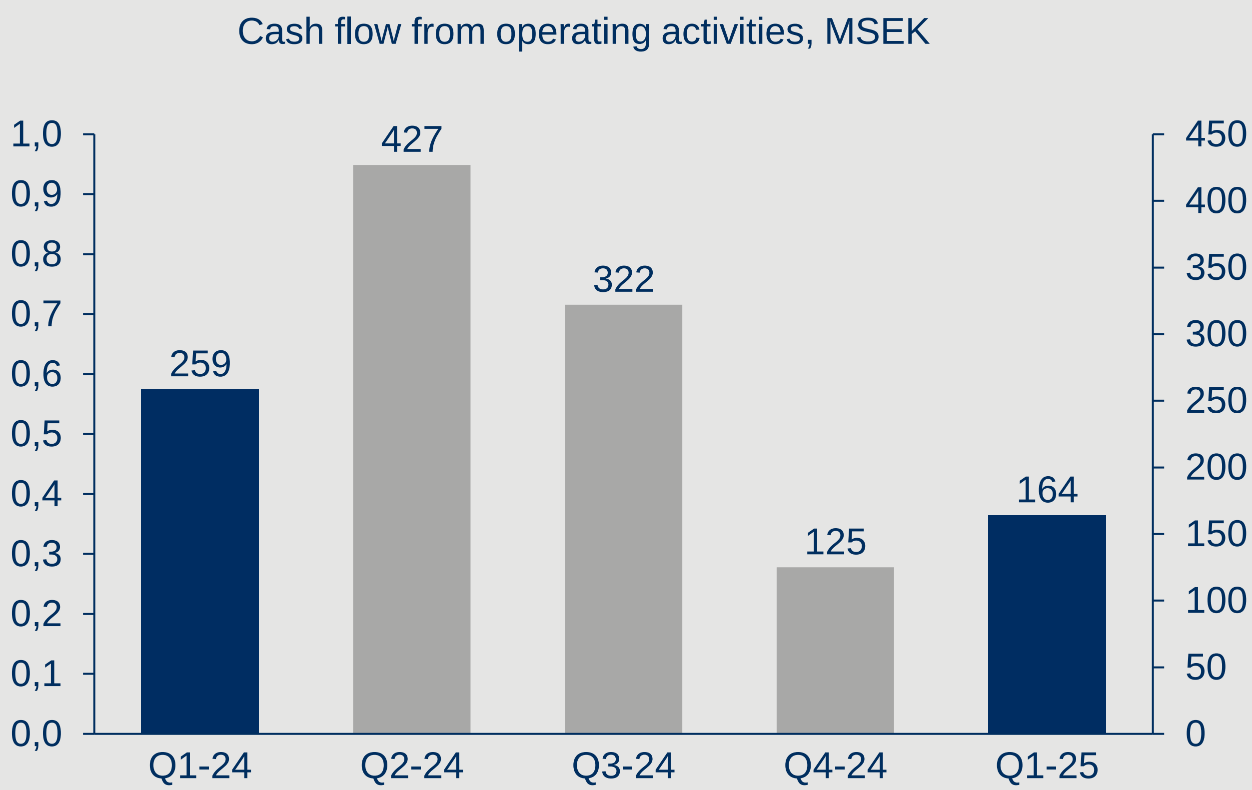
The underlying cost level lower than last year when adjusted for one-offs, restructuring costs and currency effects



- Higher level of operating expenses vs Q1 2024
- Mainly due to one off's & restructuring cost, bad debt, acqusition of Vital and negative currency translation effects
- Underlying cost base slightly lower than last year (16.7%)
- We continue to place a strong focus on cost control across the organisation and several measures have been implemented to reduce our cost base
- We will have additional minor restructuring cost during the upcoming quarters

Cash flow from operations lower than last year due to the lower inventory reduction compared to Q1 2024





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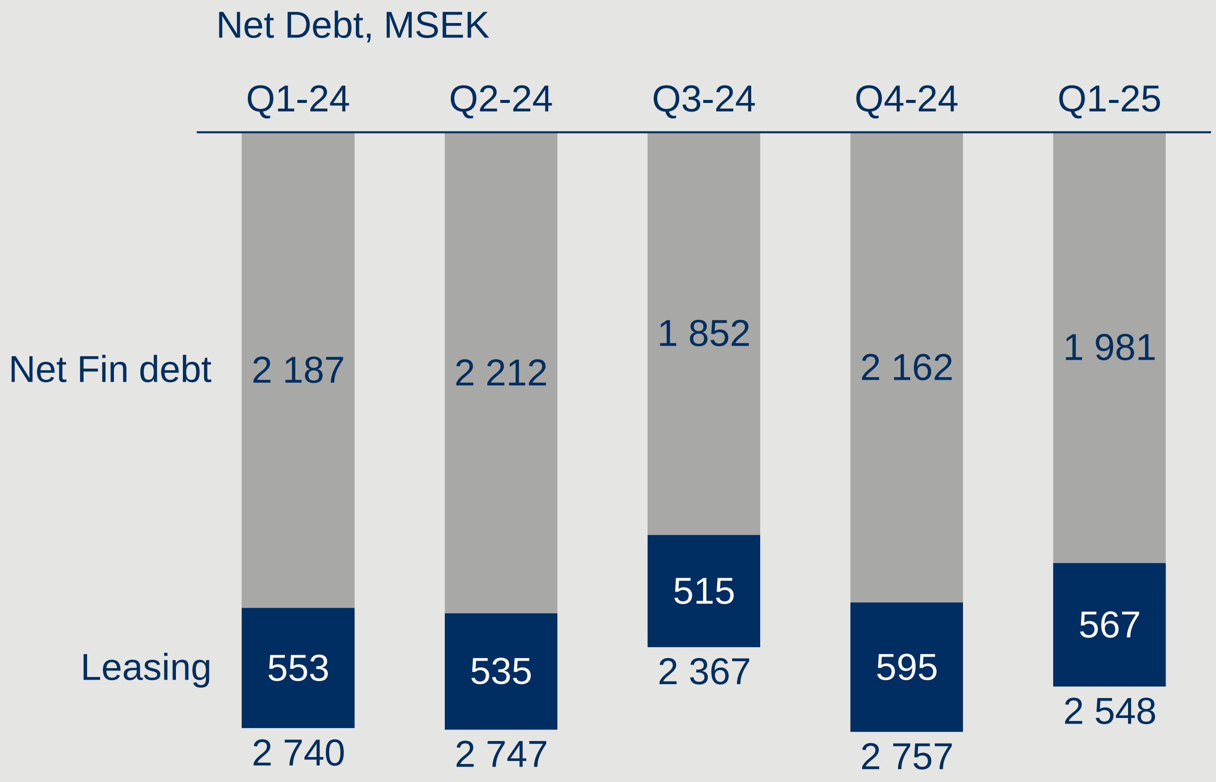
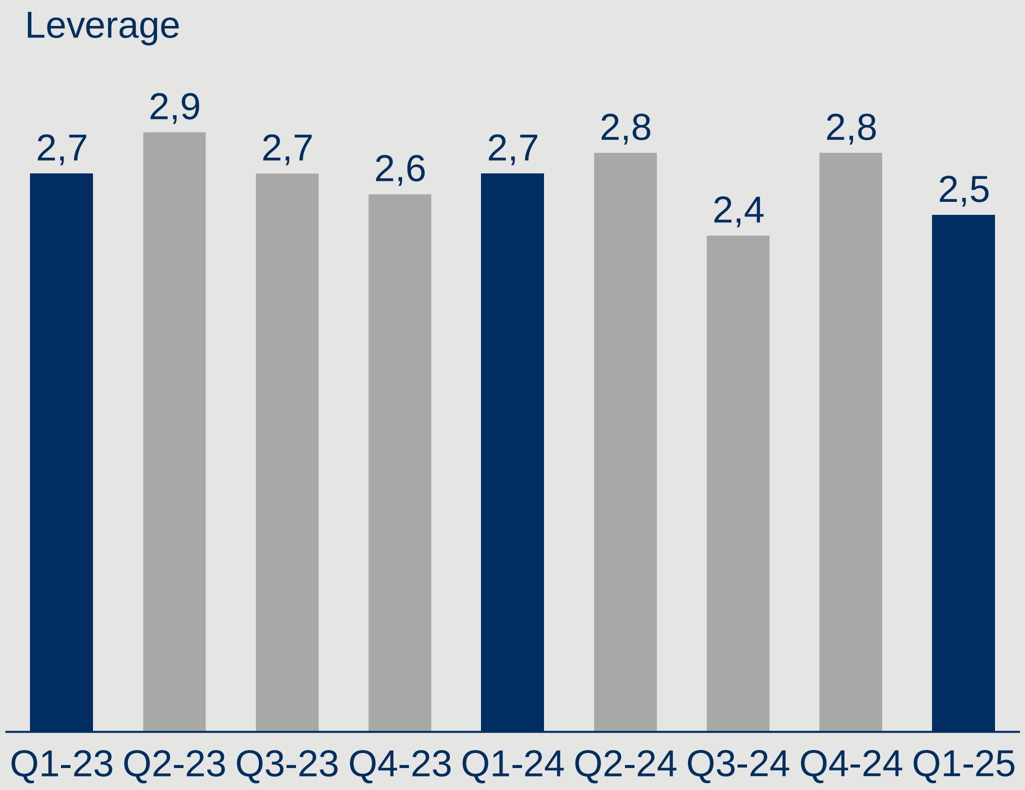
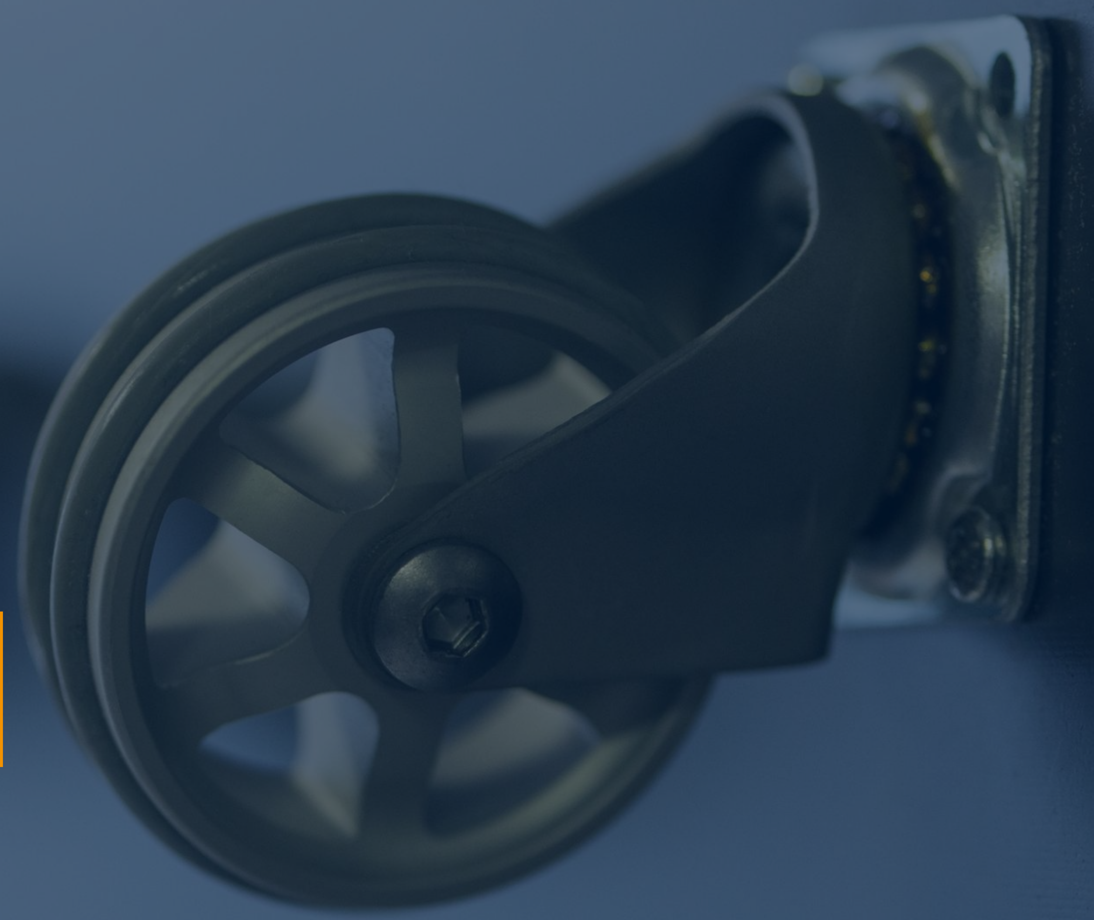
Net debt reduced to previous quarter mainly due to reduction of loans. Net debt/EBITDA was 2.5







Regional highlights

Erik Lundén
President & CEO

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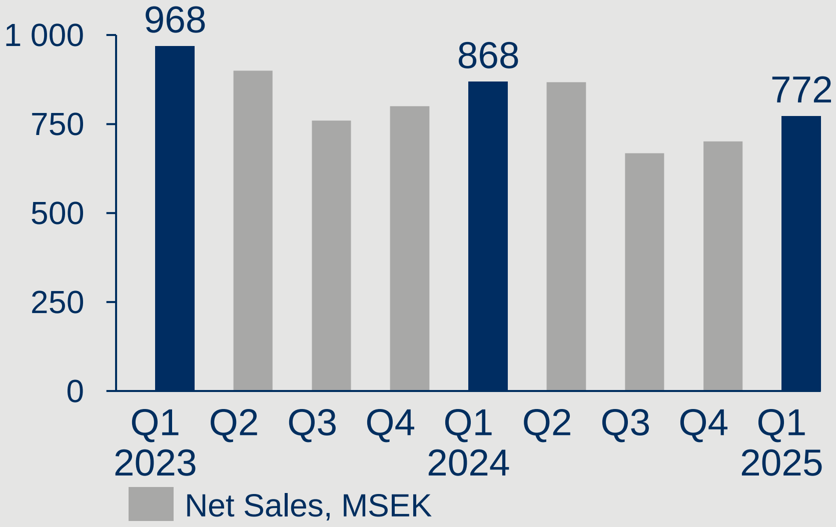
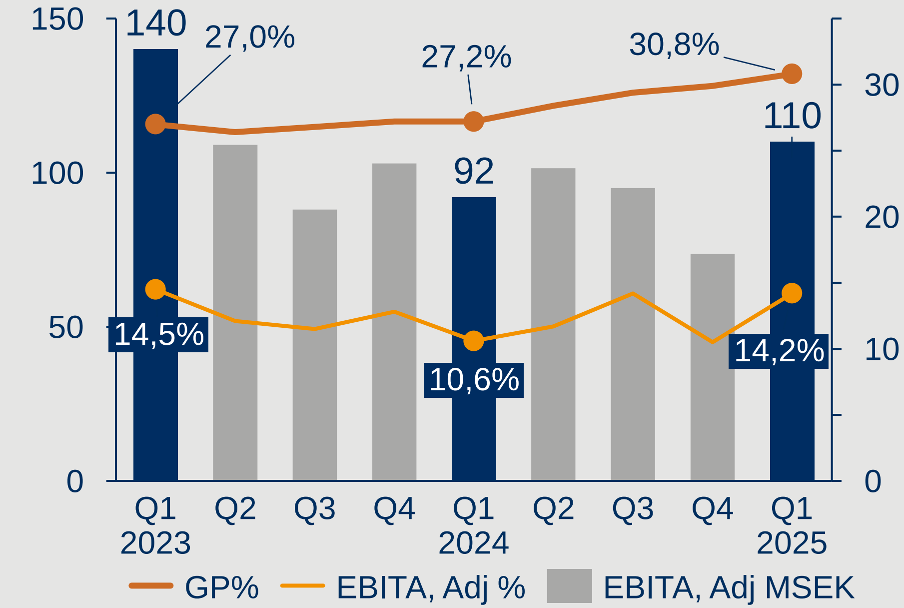
Region

Europe North & East

- Total growth was -11.0% and organic growth was 0.8%
- Bufab Finland noted continued weak development, while Bufab Poland saw improved demand
- Gross margin up by 3.6 pp
- Lower share of OpEx mainly due to revaluation of additional purchase considerations, the divestment of Bufab Lann and Hallborn Metall, and currency
- Adjusted operating margin improved to 14.2% (10.6)





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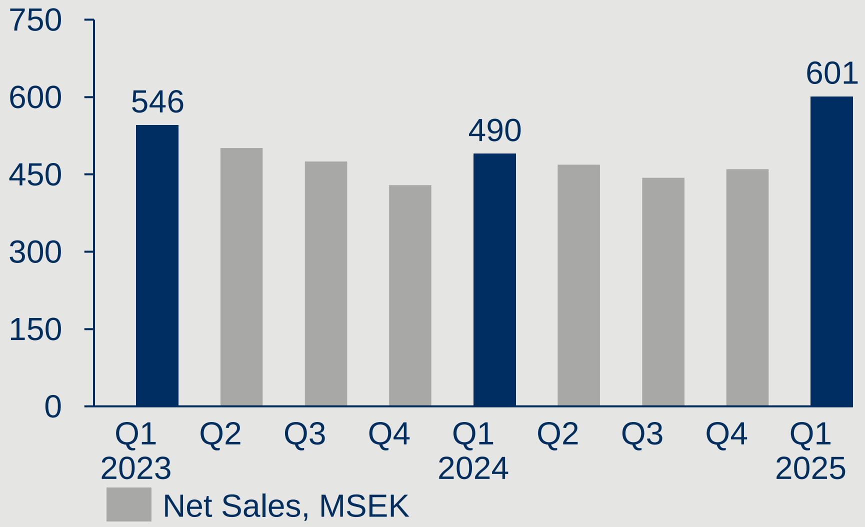
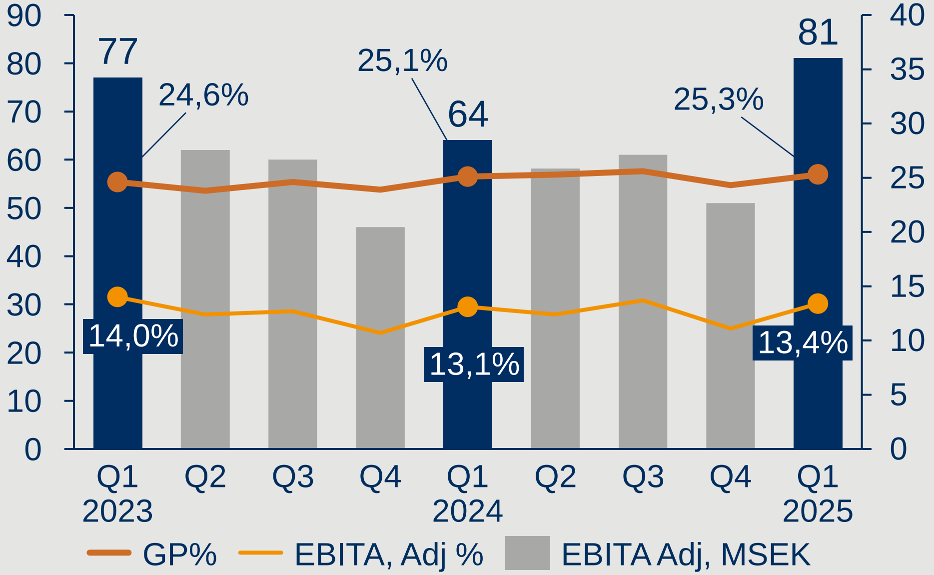
Region

Europe West

- Total growth amounted to 22.7% and the organic growth was -2.3%
- The organic growth decrease is due to lower activity levels in the automotive and construction industries
- Gross margin up 0.2 pp
- Share of OpEx in line with last year
- The adjusted operating margin improved to 13.4% (13.1)

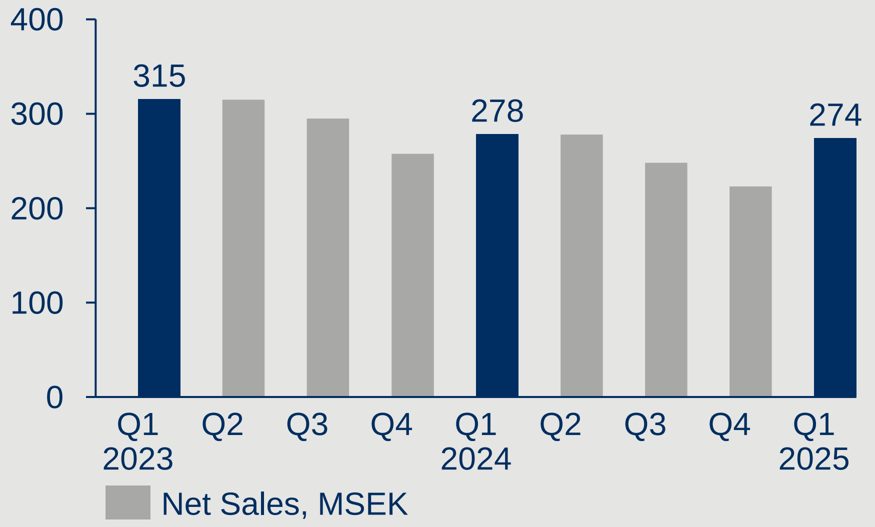


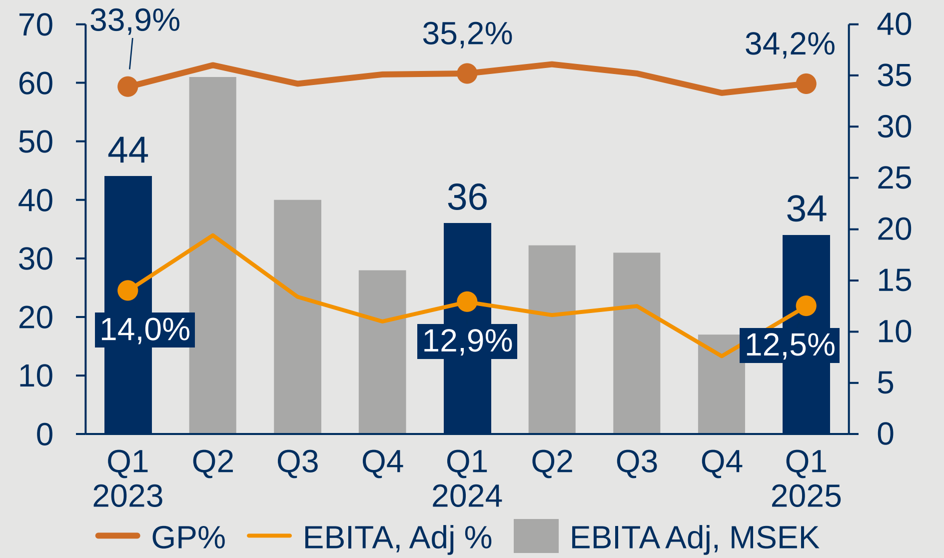


Region

Americas

- Total growth amounted to -1.5% and the organic growth was -4.2%
- Demand was stable for the important RV and trailer market, but low demand was noted in the automotive industry
- Gross margin decreased by 1 pp driven by the automotive industry and general uncertainty in the market
- Lower share of OpEx due to good cost control
- The adjusted operating margin was 12.5% (12.9)

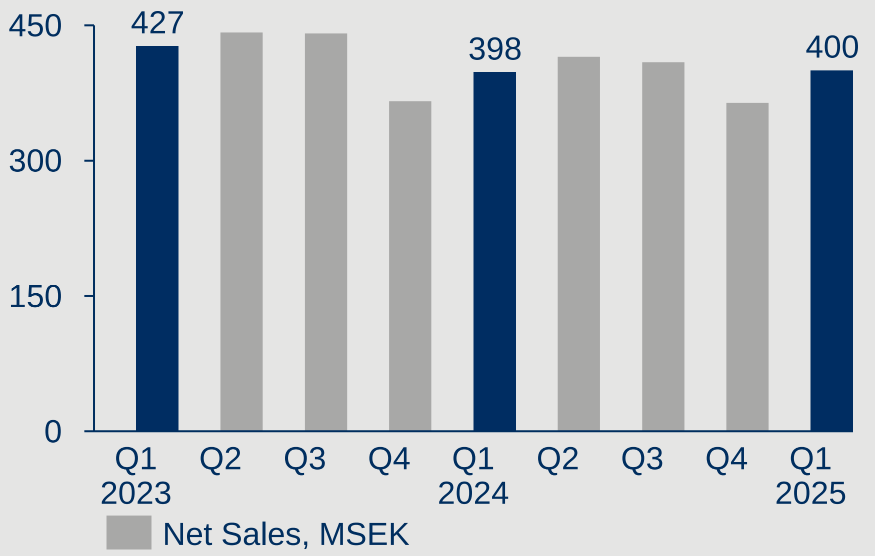


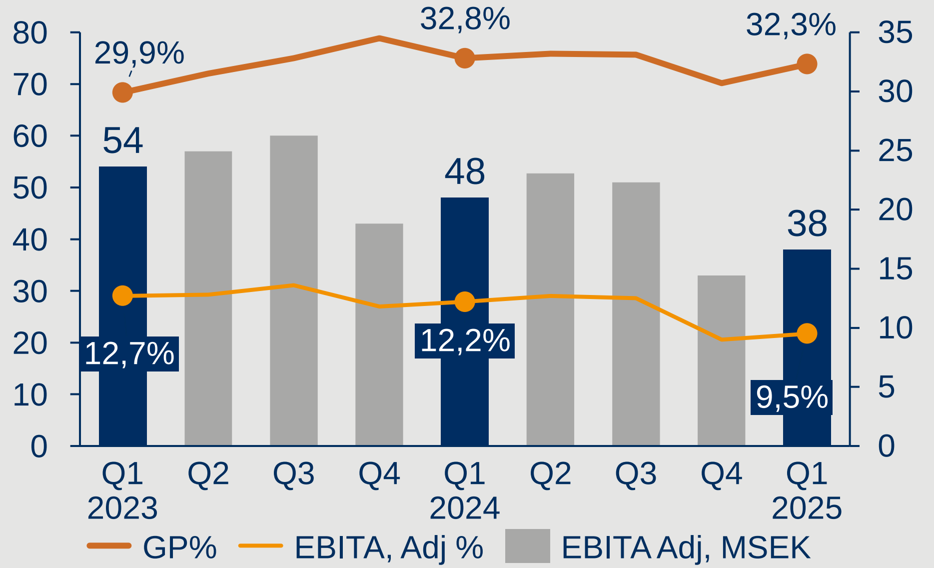


Region

UK & Ireland

- Total growth amounted to 0.4% and the organic growth was -1.7%
- Lower market prices in mainly Apex and low demand from the manufacturing industry
- Gross margin declined by 0.5 pp, mainly driven by price pressure on stainless components
- OpEx higher than last year impacted by a bad debt expense of SEK 6 million and restructuring costs
- The adjusted operating margin was 9.5% (12.2)





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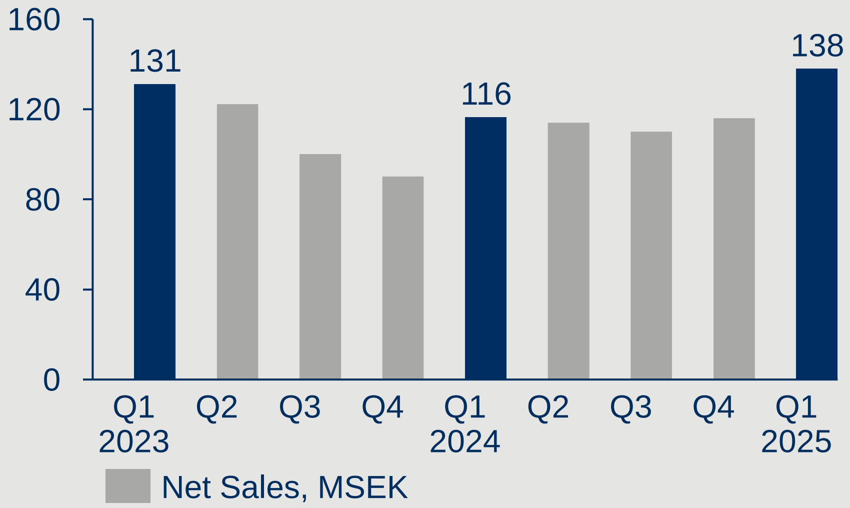
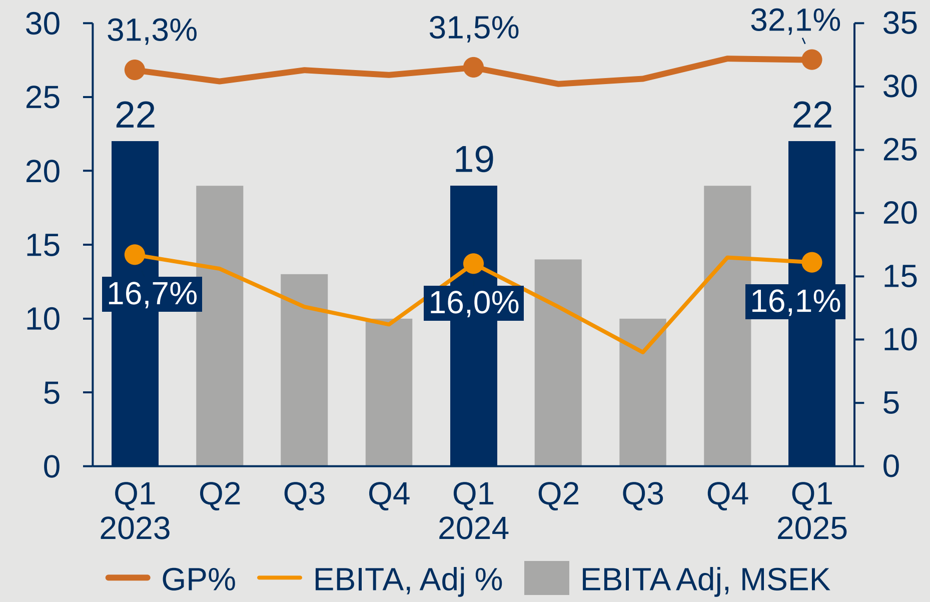
Region
Asia-Pacific

- Total growth amounted to 19.0% and the organic growth was 17.2%
- Strong demand in all companies, led by Bufab Shanghai
- Gross margin improved by 0.6 pp
- Higher share of OpEx than last year
- The adjusted operating margin was 16.1% (16.0)





US business & impact from tariffs

Erik Lundén
President & CEO

Our US business and impact from US tariffs

Our US business

- Two niche companies: American Bolt & Screw and Component Solution Group
- ABS – mobile home and trailer market
- CSG – automotive market, i.e., EV-vehicles, SUV's and trucks
- 12% of Bufab's total sales 2024 in US

Impact from US tariffs

- ABS source ~ 38% and CSG ~ 8% from China
- No impact on Bufabs margin but might lead to lower demand in the US
- Lower prices from China to the rest of the world – Buyers market
- The main risk is the overall impact on the global economy
- As a large and stable supplier Bufab can manage these disruptions better than smaller competitors

Mitigating actions

- Price increases passed on to customers
- Prepared for different tariff scenarios
- Using alternative sources when needed (US sourcing generally not an option)
- Working closely with different stakeholders such as suppliers, customers and boarder control

Summary, Outlook & Priorities

Erik Lundén

President & CEO

BUFAB

Summary, Outlook & Priorities

- Improved gross margin and operating margin, and the organic growth continues to strengthen
- Several measures to reduce the cost base have been implemented and more to come, will give effect in 2025/2026
- Despite the uncertain market climate, we remain optimistic about the future – Focus on things within our control
- Continue to execute on our strategy – *Discovering the Next Solution*
    1) Continue securing new business and taking market shares
    2) Improve our margin - focused work on strengthening our gross margin and on cost savings
    3) Continuing to improve our NWC and secure strong cash flow

Q&A

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