

Q2 2022 presentation

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BUFA

Strong quarter in a continued challenging market

- Bufab once again reported its highest sales, operating profit and earnings per share ever for a single quarter
- Continued strong demand in the second quarter across all segments
 - Organic growth up 16%, driven by price increases, healthy underlying demand and improved market share
 - Order intake remains stable
- Improved gross margin driven primarily by Segment North and East
- Increased share of operating expenses due to remeasured additional purchase considerations
- Adjusted for this; strong improvement in EBITA (+66%), corresponding to an operating margin of 14.0% (13.4%)
- Weak cash flow, due to high lead-times and inventory build-up, however, turning point expected soon to be reached
- Acquisition of CDA Polska in Poland adding an annual turnover of approx. SEK 90 million, strengthening our offering in the construction industry

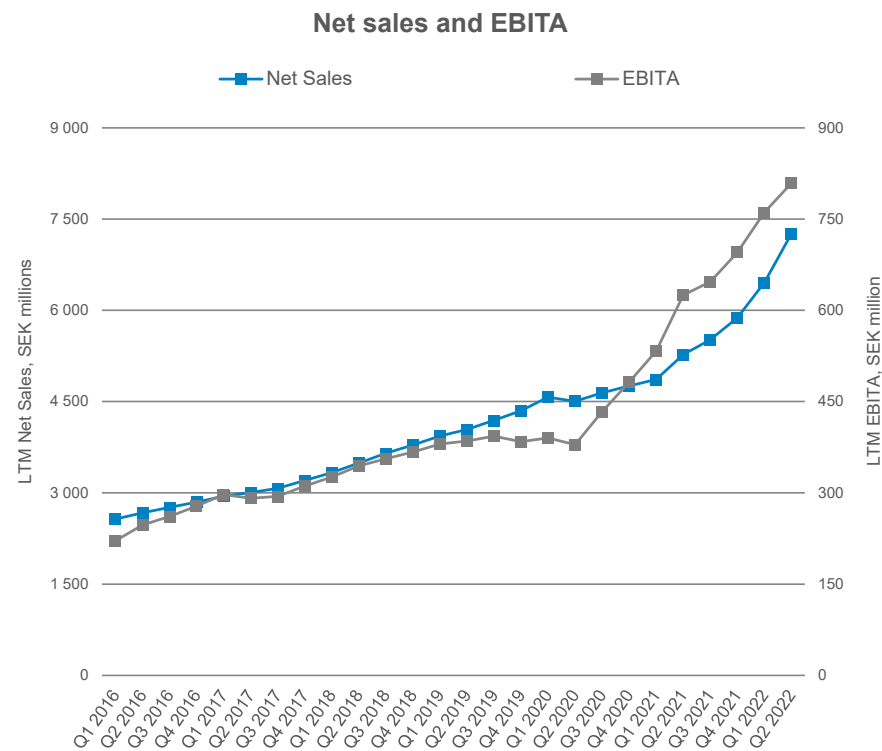
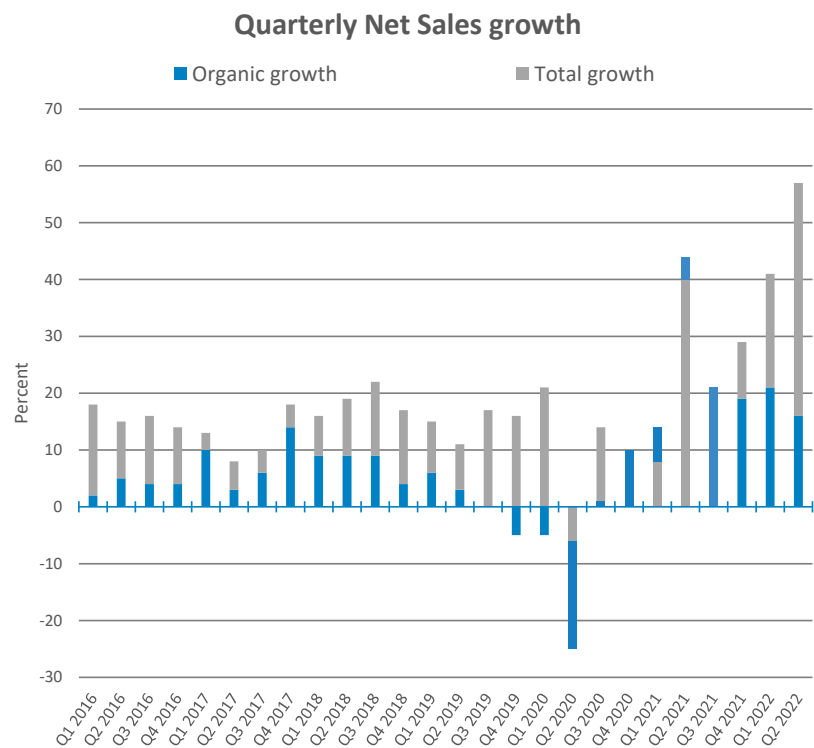
Financial highlights, Group

	Quarter 2			Jan-Jun			12- months rolling	Full year
SEK million	2022	2021	%	2022	2021	%	2022/21	2021
Order intake	2,249	1,526	47	4,290	3,007	43	7,367	6,084
Net sales	2,241	1,431	57	4,235	2,854	49	7,259	5,878
Gross profit	645	393	64	1,205	790	53	2,053	1,638
%	28.8	27.4		28.5	27.7		28.3	27.9
Operating expenses	-411	-208	98	-729	-428	70	-1,243	-942
%	-18.3	-14.5		-17.2	-15.0		-17.1	-16.0
Operating profit (EBITA)	233	185	26	476	362	31	809	695
%	10.4	12.9		11.2	12.7		11.1	11.8
Operating profit	223	178	25	455	349	31	770	664
%	9.9	12.4		10.7	12.2		10.6	11.3
Profit after tax	132	124	6	298	243	23	525	470
Earnings per share, SEK	3.51	3.18	10	7.76	6.49	20	13.84	12.57

EBITA Q2 2021	185
Segment North	+38
Segment West	+14
Segment East	+2
Segment UK/North America	-7
Segment Other	+1
EBITA Q2 2022	233
EBITA Jan-jun 2021	362
Segment North	+56
Segment West	+29
Segment East	-2
Segment UK/North America	+36
Segment Other	-7
EBITA Jan-jun 2022	476

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Financial development, Group



Segment North

	Quarter 2			Jan–Jun			Rolling 12 months	Full year
SEK million	2022	2021	Δ	2022	2021	%	2022/21	2021
Order intake	761	656	16	1,442	1,285	12	2,592	2,436
Net sales	758	608	25	1,452	1,208	20	2,610	2,366
Gross profit	206	154	34	388	312	24	687	611
%	27.2	25.2		26.7	25.9		26.3	25.8
Operating expenses	-102	-88	16	-193	-173	12	-381	-362
%	-13.4	-14.4		-13.3	-14.4		-14.6	-15.3
Operating profit (EBITA)	104	66	58	195	139	40	305	249
%	13.8	10.8		13.4	11.5		11.7	10.5

- Organic growth up 9%, supported by price increases and higher volumes in manufacturing companies
- Higher gross margin due to favorable business mix and price increases
- Lower costs due to good cost control and operational leverage

Segment West

	Quarter 2			Jan-Jun			Rolling 12 months	Full year
SEK million	2022	2021	%	2022	2021	%	2022/21	2021
Order intake	447	325	38	904	643	41	1,578	1,317
Net sales	426	307	39	866	621	39	1,481	1,236
Gross profit	100	78	28	204	159	28	355	310
%	23.5	25.3		23.6	25.6		24.0	25.1
Operating expenses	-54	-45	20	-108	-92	17	-205	-189
%	-12.6	-14.8		-12.5	-14.8		-13.9	-15.3
Operating profit (EBITA)	46	32	44	96	67	43	150	121
%	10.8	10.5		11.1	10.8		10.1	9.8

- Organic growth up 10% due to price increases and healthy demand
- Lower gross margin due to Jenny Wattle and that cost increases has not been fully offset by price increases
- Lower cost due to good cost control and operational leverage, more than offsetting the lower gross margin
- Focus on continued strategic investments in the workforce

Segment East

	Quarter 2			Jan-Jun			Rolling 12 months	Full year
SEK million	2022	2021	Δ	2022	2021	Δ	2022/21	2021
Order intake	251	236	6	540	470	15	1,004	933
Net sales	266	218	22	548	435	26	1,002	889
Gross profit	83	67	24	173	136	28	313	276
%	31.4	30.8		31.6	31.2		31.2	31.0
Operating expenses	-40	-25	60	-93	-54	73	-165	-126
%	-15.0	-11.5		-17.1	-12.4		-16.5	-14.2
Operating profit (EBITA)	44	42	4	80	82	-2	148	150
%	16.4	19.3		14.5	18.8		14.7	16.9

- Organic growth up 9%, growth higher in East as Asia impacted by lockdowns
- Improved gross margin mainly due to price increases
- Higher costs entirely due to remeasured provisions in Q2 2021
- Russian operations divested to local managements in June
- Focus on offsetting cost increases by productivity and further strengthen sales team

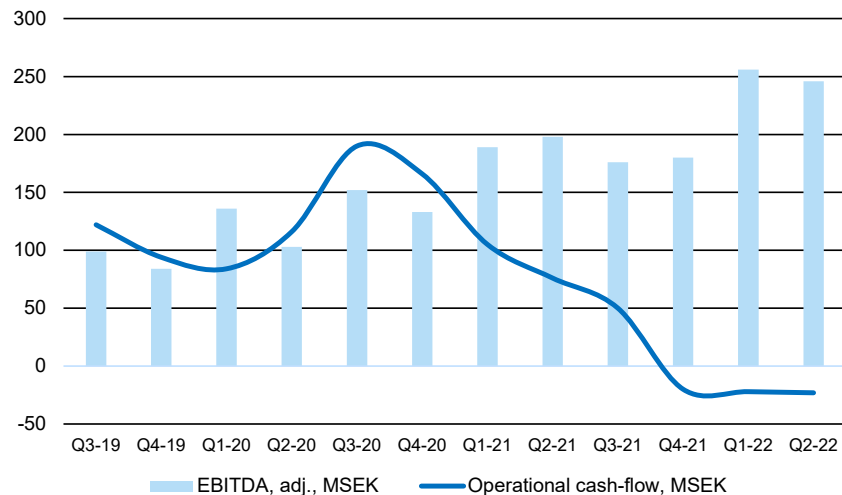
Segment UK/North America

	Quarter 2			Jan-Jun			Rolling 12 months	Full year
SEK million	2022	2021	%	2022	2021	%	2022/21	2021
Order intake	791	309	156	1,405	610	130	2,193	1,398
Net sales	791	298	165	1,369	591	134	2,166	1,388
Gross profit	253	95	170	441	188	133	699	446
%	32.0	32.0		32.2	31.8		32.3	32.2
Operating expenses	-206	-42	396	-309	-93	232	-457	-241
%	-26.0	-14.0		-22.6	-15.7		-21.1	-17.3
Operating profit (EBITA)	47	54	-9	131	95	38	242	206
%	5.9	18.0		9.6	16.0		11.2	14.8

- Organic growth up by high 43%, due to price increases and very strong demand in ABS and APEX
- Stable gross margin
- Higher operating costs due to remeasured additional purchase considerations, significantly better performance in ABS
- Adjusted for this, EBITA grew by 142% and margin was 16.0%

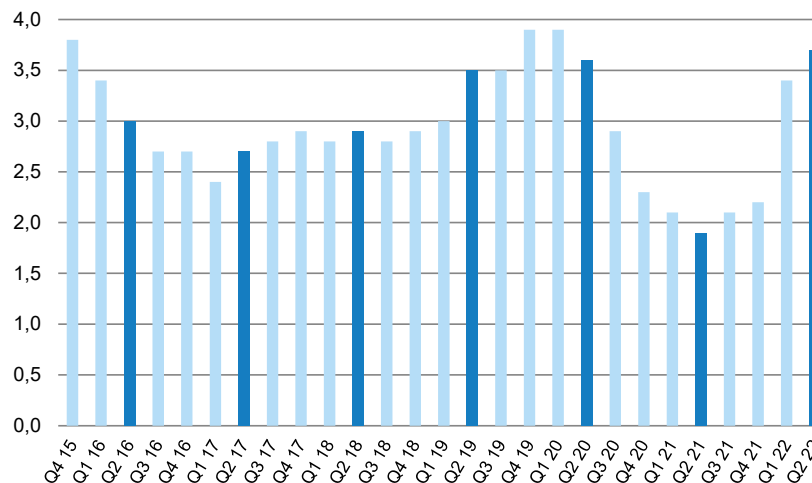
Cashflow and indebttness

Operating cash flow and cash conversion



- Weak cash flow due to;
 - Strong organic growth
 - Significantly longer lead-times from suppliers during the last quarters, due to strained supply-chain
 - Normalization to existing market conditions

Net debt/EBITDA adj, x



- Increased leverage due to acquisitions during L12
- Focus going forward;
 - Integrate acquired companies – smart
 - Leverage of synergies
 - Increase cash-flow and pay-off debt

Consolidator in a fragmented market



+50

acquisitions since 1977

15

acquisitions
since 2014

950

employees

3,400 MSEK

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Summary and Outlook

- **Second quarter**

- Operationally challenging quarter, but continued strong growth, good gross margin and a robust result

- **Outlook**

- Geopolitical situation and rising inflation creates uncertainty
- Continued supply chain disruptions, however, the situation has stabilised

- **Priorities**

- Focus on continuing working on the development of our operations (digitalization, sustainability and team etc.)
- Continue to handling the strained supply chain and the increased inflationary pressure
- Improving cash-flow
- Continue working with and investing in our sustainability program
- And as always, invest in people and team to secure long-term growth



Q&A