

Q3 2022 presentation

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Q3 Summary - Continued healthy growth & strong results

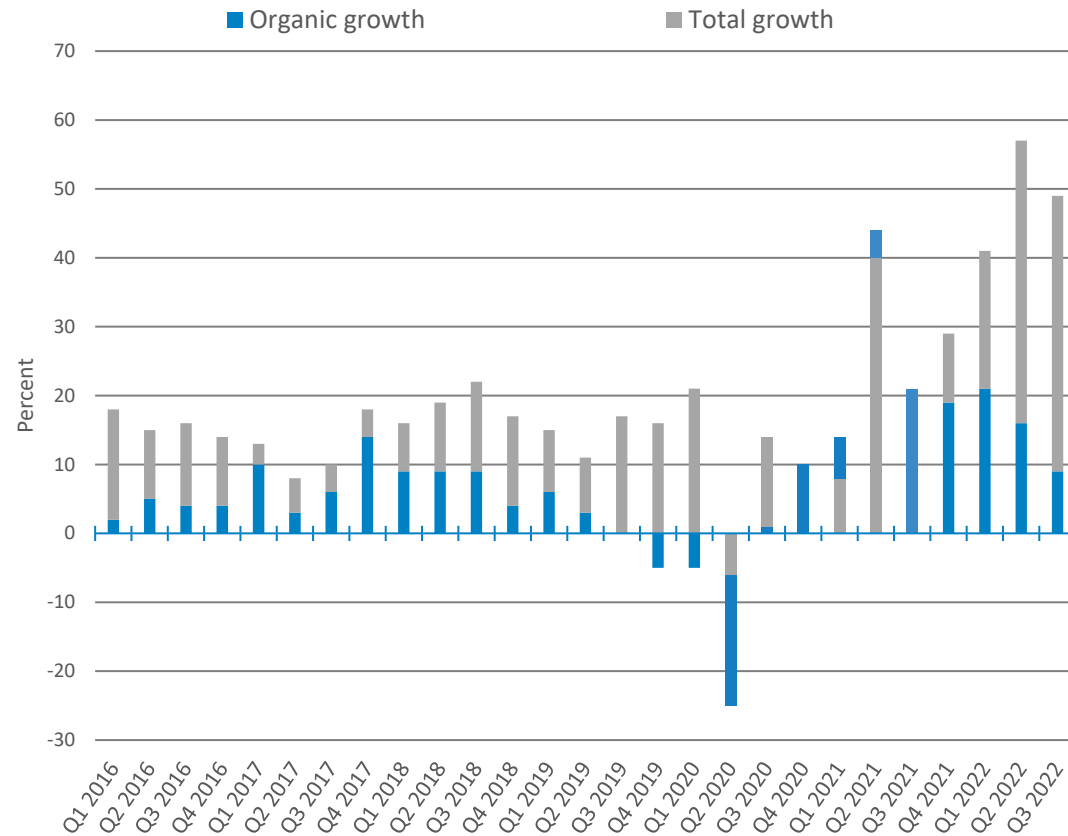
- **Continued strong demand in the third quarter despite challenging market conditions**
 - Net sales increased by 49%, with good organic growth of 9%
 - Stable underlying demand and organic growth was mainly a result of price increases and captured market shares
 - Order intake in line with net sales. A somewhat higher level of caution noted among customers in certain industrial segments
- **Stable gross margin and strong improvement in EBITA**
 - Stable gross margin with lower share of operating expenses due to continued growth in combination with good cost control
 - Strong improvement in EBITA (+66%), corresponding to an operating margin of 12.8% (11.5)
 - Weak cash flow, however, actions taken the last quarter to reverse trend during Q4 and then gradually improve
- **Focus areas & Deliverables in Q3**
 - To be well-positioned if demand weakens, with company-by-company situation specific measures
 - Focus on inventory reduction and efficiency improvements, cost savings and price increases towards customers
 - Work to integrate the recent acquisitions and realize growth synergies is on the agenda going forward

Bufab Group - Financial highlights

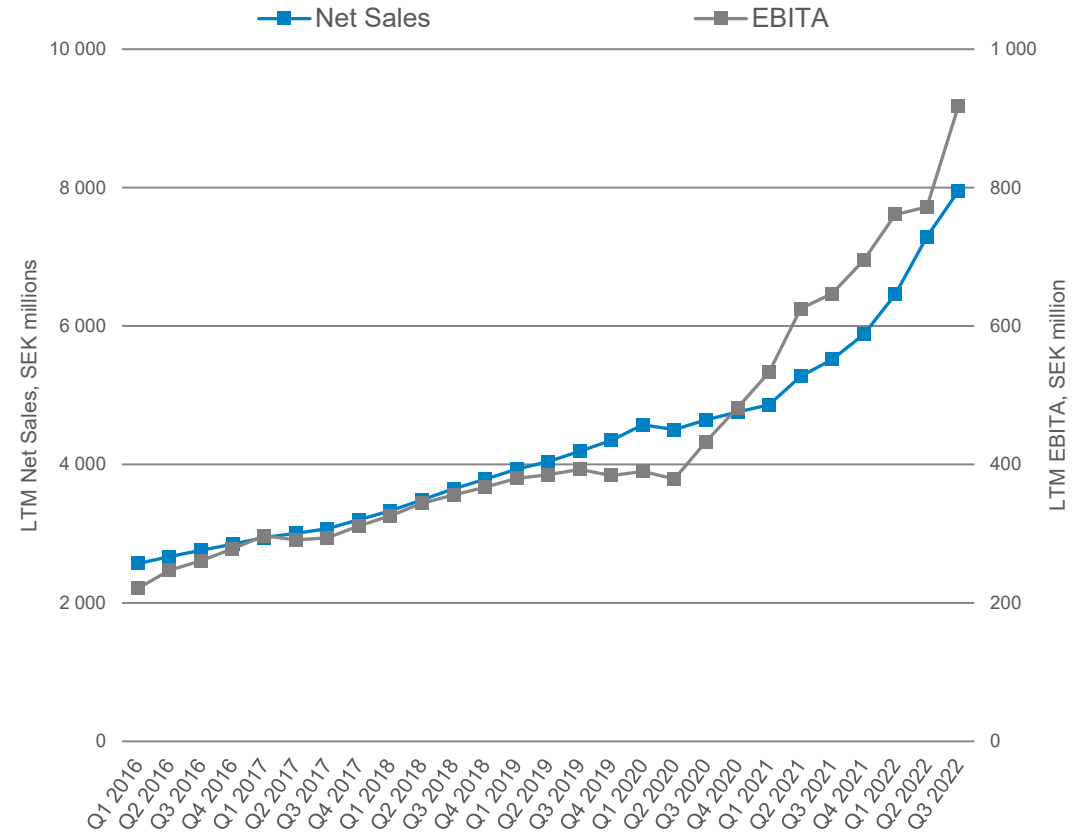
<i>SEK million</i>	Quarter 3			Jan-Sep			12- months rolling	Full year
	2022	2021	Δ	2022	2021	Δ	2022/21	2021
Order intake	2,071	1,454	42	6,361	4,461	43	7,874	6,084
Net sales	2,122	1,425	49	6,358	4,279	49	7,953	5,867
Gross profit	601	405	49	1,807	1,195	51	2,249	1,638
%	28.3	28.4		28.4	27.9		28.3	27.9
Operating expenses	-329	-241	37	-1,059	-669	58	-1,332	-942
%	-15.5	-16.9		-16.6	-15.6		-16.7	-16.1
Operating profit (EBITA)	272	164	66	748	526	42	918	695
%	12.8	11.5		11.8	12.3		11.5	11.9
Operating profit	250	157	59	705	505	40	865	664
%	11.8	11.0		11.1	11.8		10.9	11.3
Profit after tax	177	113	57	474	355	34	589	470
Earnings per share, SEK	4.71	2.90	62	12.64	9.40	34	15.57	12.57

Bufab Group - Financial development

Quarterly Net Sales growth



Net sales and EBITA



Segment North

<i>SEK million</i>	<i>Quarter 3</i>			<i>Jan-Sep</i>			<i>Rolling 12 months</i>	<i>Full year</i>
	<i>2022</i>	<i>2021</i>	<i>%</i>	<i>2022</i>	<i>2021</i>	<i>%</i>	<i>2022/21</i>	<i>2021</i>
Order intake	637	543	17	2,079	1,828	14	2,686	2,436
Net sales	656	545	20	2,108	1,753	20	2,721	2,366
Gross profit	169	145	16	557	458	22	711	611
%	25.8	26.7		26.4	26.1		26.1	25.8
Operating expenses	-99	-95	5	-292	-268	9	-386	-362
%	-15.2	-17.4		-13.9	-15.3		-14.2	-15.3
Operating profit (EBITA)	70	50	39	265	189	40	325	249
%	10.7	9.2		12.6	10.8		11.9	10.5

- Organic growth up 4%, driven by price increases
- Lower gross margin due to reduced volumes in manufacturing companies
- Last year, segment burdened by remeasured additional purchase considerations of SEK -15 million. Adj. for these, costs increased somewhat
- Both operating profit and the operating margin increased

Segment West

<i>SEK million</i>	<i>Quarter 3</i>			<i>Jan-Sep</i>			<i>Rolling 12 months</i>	<i>Full year</i>
	2022	2021	Δ %	2022	2021	Δ %	2022/21	2021
Order intake	415	316	31	1,319	959	38	1,619	1,317
Net sales	419	289	45	1,286	910	41	1,612	1,236
Gross profit	101	70	44	305	229	33	386	310
%	24.0	24.3		23.7	25.2		23.9	25.1
Operating expenses	-51	-46	13	-160	-138	16	-211	-189
%	-12.3	-15.8		-12.4	-15.1		-13.1	-15.3
Operating profit (EBITA)	49	24	101	145	92	58	174	121
%	11.7	8.5		11.3	10.1		10.8	9.8

- Organic growth up 15% due to price increases, increased market shares and continued strong underlying demand
- Somewhat lower gross margin due to Jenny Waltle
- Lower cost due to effects of Jenny Waltle, good cost control and operational leverage
- Overall, operating profit the margin increased significantly

Segment East

	Quarter 3			Jan-Sep			Rolling 12 months	Full year
<i>SEK million</i>	2022	2021	Δ	2022	2021	Δ	2022/21	2021
Order intake	251	228	10	792	698	13	1,027	933
Net sales	272	222	23	820	656	25	1,053	889
Gross profit	88	67	31	261	203	29	334	276
%	32.4	30.4		31.9	30.9		31.7	31.0
Operating expenses	-49	-33	50	-143	-87	64	-182	-126
%	-18.0	-14.8		-17.4	-13.2		-17.3	-14.1
Operating profit (EBITA)	39	35	13	119	116	2	152	150
%	14.4	15.6		14.5	17.7		14.5	16.8

- Organic growth up 6%, due to price increases and increased market shares
- Improved gross margin mainly due CDA Polska and price increases
- Higher costs mainly due to costs of SEK 6 million, for sale of Russian operation
- In total, operating profit increased, while the margin declined somewhat

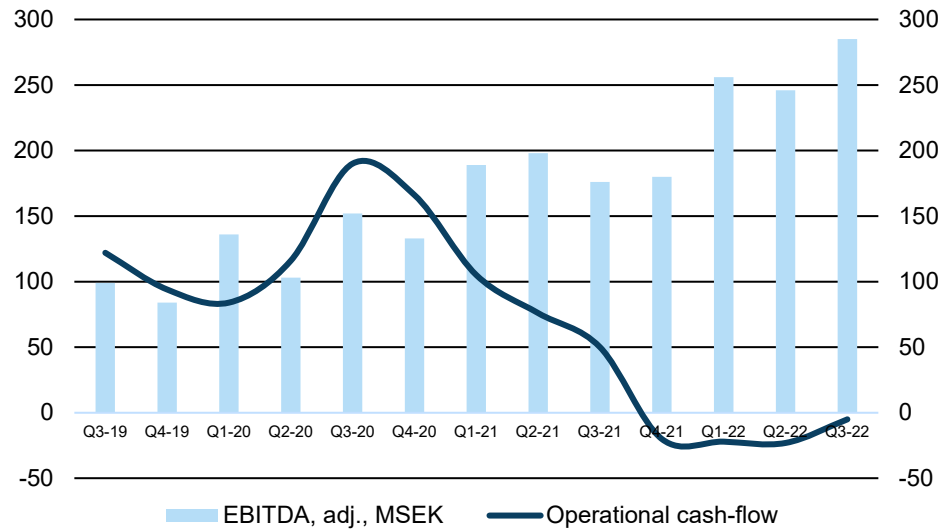
Segment UK/North America

	Quarter 3			Jan-Sep			Rolling 12 months	Full year
			Δ			Δ		
SEK million	2022	2021	%	2022	2021	%	2022/21	2021
Order intake	767	366	109	2,172	976	123	2,542	1,398
Net sales	774	369	111	2,143	960	125	2,567	1,388
Gross profit	238	122	95	678	310	119	815	446
%	30.7	33.0		31.6	32.2		31.7	32.2
Operating expenses	-122	-60	104	-431	-153	182	-519	-241
%	-15.8	-16.2		-20.1	-15.9		-20.2	-17.5
Operating profit (EBITA)	115	62	85	247	157	57	296	206
%	14.9	16.9		11.5	16.4		11.5	14.9

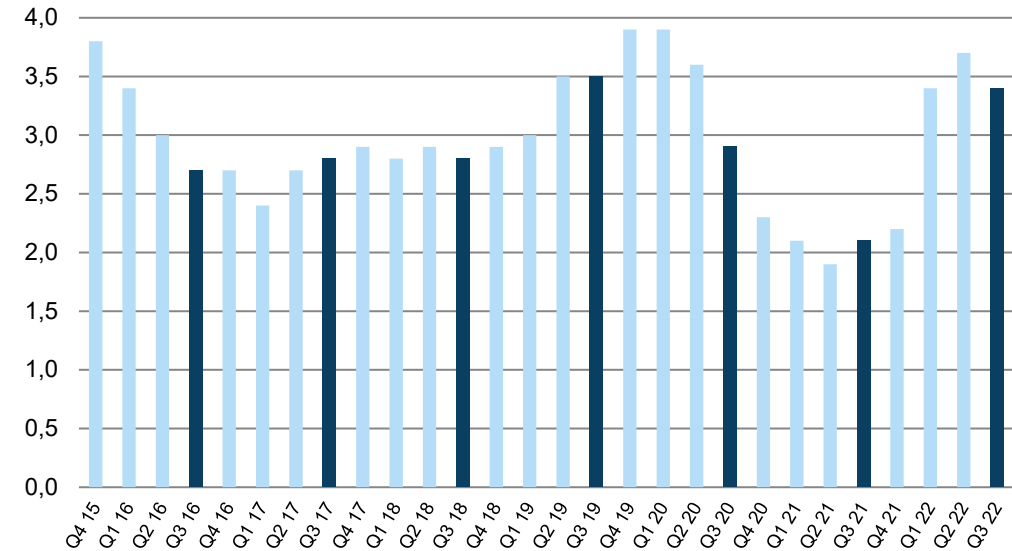
- Organic growth up by high 15%, due price increases, but also by continued healthy demand and increased market shares
- Lower gross margin due to TIMCO
- Lower operating costs due the strong growth and continued good cost control
- EBITA grew by 85% and margin was 14.9%

Cashflow and ND/EBITDA

Operating cash flow and cash conversion



Net debt/EBITDA adj, x



- Weak cash flow due to;
 - Normalization to the special market conditions 2021-2022H1 - strong organic growth and significantly longer lead-times
 - Balance sheet used more than in an average year - secured stock ensuring not to miss out on growth opportunities
- Focus going forward:
 - Re-normalization due to shorter lead-times and potential weaker market

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

EBITA Bridge

EBITA Q3 2021	164
North	20
West	25
East	4
UK/North America	53
Other	5
EBITA Q3 2022	272

EBITA Q1-Q3 2021	526
North	76
West	53
East	3
UK/North America	90
Other	0
EBITA Q1-Q3 2022	748

Consolidator in a fragmented market



+51

acquisitions since 1977

15

acquisitions
since 2014

900

employees

3,400 MSEK

Summary & Outlook

- **Q3 Summary**

- A strong quarter overall with continued healthy growth, stable gross margin and strong result

- **Outlook**

- Given the geopolitical and macroeconomic situation, the uncertainty regarding the upcoming year has increased

- A somewhat higher level of caution noted among customers in certain segments, but we have a well-diversified portfolio of customers and product items with good risk diversification

- **Short term Priorities**

- Well-positioned if demand declines with company-by-company adapted measures and focus on taking market share

- Cost savings and price adjustments to customers

- Continuing working on efficiency improvements, development of our operations (productivity, digitalization etc) and NWC

- Re-normalizing inventory and secure cash-flows



Q&A