

Interim report

January – September 2024

Q3

BUFAB

Strong gross margin and stable operating margin

Third quarter of 2024

- Net sales declined by -9.2 percent to SEK 1,880 million (2,071). Organic growth was -2.6 percent and order intake was lower than net sales
- Adjusted operating profit (EBITA) was SEK 239 million (260), corresponding to an operating margin of 12.7 percent (12.6)
- Operating profit (EBITA) was SEK 258 million (220) and the operating margin was 13.7 percent (10.6)
- Earnings per share increased by 50.3 percent to SEK 3,85 (2.56).
- Cash flow from operating activities amounted to SEK 322 million (371), corresponding to a cash conversion ratio of 121 percent (159)
- Net debt/EBITDA, adjusted, was 2.4 (2.7).

January – September 2024

- Net sales declined by -8.4 percent to SEK 6,171 million (6,737). Organic growth was -6.6 percent and order intake was lower than net sales
- Adjusted operating profit (EBITA) was SEK 759 million (892), corresponding to an operating margin of 12.3 percent (13.2)
- Operating profit (EBITA) decreased by 9.4 percent to SEK 781 million (862) and the operating margin was 12.7 percent (12.8).
- Earnings per share decreased by 12.7 percent to SEK 11.61 (13.30)
- Cash flow from operating activities amounted to SEK 974 million (1,125), corresponding to a cash conversion ratio of 119 percent (124)

Key figures

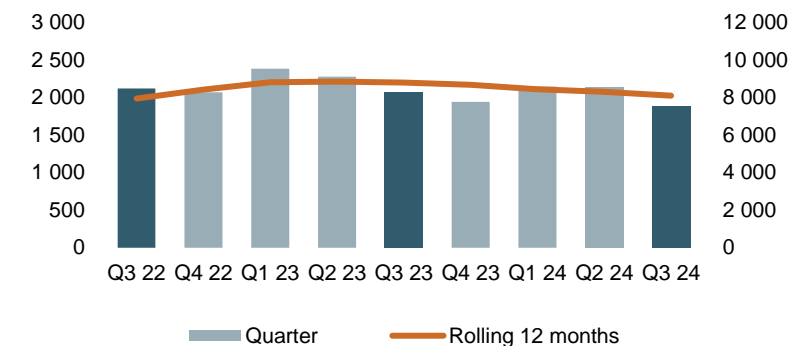
MSEK	Q3		Δ %	Jan-Sep			LTM 23/24	Full-year 2023
	2024	2023		2024	2023	Δ %		
Order intake	1,671	1,983	-16	5,978	6,566	-9	8,014	8,602
Net sales	1,880	2,071	-9	6,171	6,737	-8	8,114	8,680
Gross profit	575	601	-4	1,839	1,925	-4	2,408	2,494
Gross margin (%)	30.6	29.0		29.8	28.6		29.7	28.7
Operating expenses	-317	-381	-17	-1,058	-1,063	-0	-1,446	-1,451
Share of net sales (%)	-16.8	-18.4		-17.1	-15.8		-17.8	-16.7
Operating profit (EBITA)	258	220	17	781	862	-9	962	1,043
Operating margin EBITA (%)	13.7	10.6		12.7	12.8		11.9	12.0
Operating profit (EBITA), adjusted	239	260	-8	759	892	-15	999	1,121
Operating margin EBITA, (%) adjusted	12.7	12.6		12.3	13.2		12.3	12.9
Operating profit	241	202	19	731	809	-10	894	974
Operating margin (%)	12.8	9.8		11.8	12.0		11.0	11.2
Profit after tax	146	98	49	440	503	-13	661	574
Earnings per share, SEK	3.85	2.56	50	11.61	13.30	-13	13.48	15.17
Cash flow from operating activities	322	371	-13	974	1,125	-13	1,295	1,446
Net debt / EBITDA, adjusted	2.4	2.7	-11	-	-		-	-

-9.2% **12.7%**

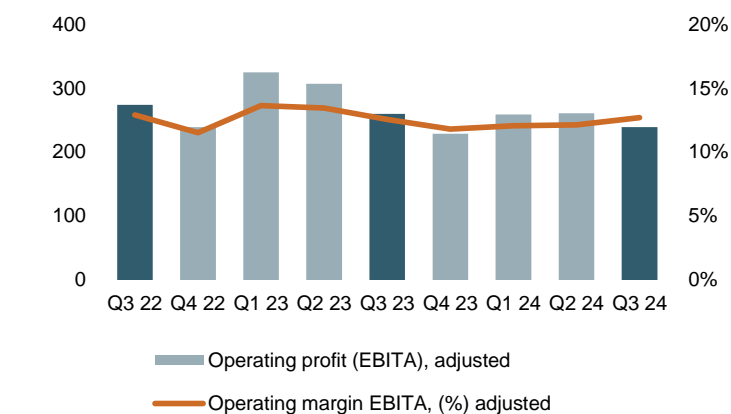
Sales growth

Operating margin (EBITA), adjusted

Net sales, SEK million



Operating profit (EBITA) adjusted, SEK million



CEO's overview

Bufab reported a strong gross margin and stable operating margin in the third quarter, in a continued cautious market.

Demand in the quarter remained cautious, with continued large variations between different industries and regions. Similar to previous quarters, the strongest developments were noted in energy and defence. Demand in the important mobile home and trailer segment remained at low levels, and the development in construction, bath, kitchen and outdoor recreation sectors were also weak. Organic growth amounted to -2.6 percent, indicating an improvement to the previous quarter (-6.6 percent). The region Asia-Pacific showed a new trend with organic growth of a strong 13.2 percent, driven by particularly strong growth in China.

We have continued our efforts to strengthen the gross margin, which increased by 1.6 percentage points in the quarter to an all-time high of 30.6 percent. The gradual strengthening over the past few quarters is a result of the long-term work that began in 2023 to improve our customer and product mix, develop our value creation for customers, and achieve purchasing savings.

The adjusted operating margin was in line with last year, amounting to 12.7 (12.6) percent, which is a stable level given the challenging market conditions. Our dedicated work with cost control throughout the organisation have yielded the expected results, primarily due to staff reductions,

but also reduced overhead costs. At the same time, we continue to invest in driving growth and improving profitability in the long term, and have continued to invest in our customer offering during the quarter.

Region Europe North & East showed particularly strong profitability with an adjusted operating margin over 14 percent and region Europe West also showed good results, while Asia-Pacific noted a weak profit development in the quarter.

Cash flow from operating activities remained stable and amounted to 322 MSEK (371) for the quarter. The net debt/EBITDA was 2.4 (2.7), and our strengthened financial position gives us room for value-creating acquisitions. We see an increase in M&A activity and are in ongoing discussions with several potential acquisition candidates.

We continue, according to plan, implementing our strategy where our short-term priorities remain; to gain market share, gradually improve our margin, and deliver a strong cash flow. A focus area in our strategy is to lead the development of sustainability in our industry and continue to strengthen our customer offering. An example of our customer offering is our many different logistics solutions that create great value for our customers through less administration, lower

indirect costs, and ensuring efficient material supply. In 2024, we have installed a record number of new solutions that both strengthen our customer relationship and increase our growth rate.

Uncertainty regarding the general economic outlook remains, but we see indications of improved demand from general industry, likely not until the first half of 2025. At the same time, a weaker economy creates favourable conditions for a strong player such as Bufab to take new market shares. This, together with our focused work on strengthening our gross margin and on cost savings, will put us in a strong position once the market rebounds.

Finally, I would like to thank all our customers, partners and employees for your continued support and commitment.

Erik Lundén
President and CEO



The Group in brief

Third quarter

Order intake decreased to SEK 1 671 million (1,983) and was lower than net sales. Net sales declined by -9.2 percent to SEK 1 880 million (2,071). Of the total change in sales, -3.1 percent was attributable to currency effects, -3.5 percent to acquisitions and -2.6 percent to organic growth.

The gross margin strengthened year-on-year and amounted to 30.6 percent (29.0). The higher gross margin is the result of focused efforts to improve the customer and product mix, develop the added value delivered to customers, and purchase savings.

The share of operating expenses declined to 16,8 percent (18.4). The operating expenses were impacted by a positive effect from the remeasurement of additional purchase considerations of SEK 8 million in the quarter, and a negative effect of SEK 40 million was noted in the comparable quarter. Adjusted for the remeasured additional purchase considerations, the share of operating expenses amounted to 17.3 percent (16.5).

Adjusted operating profit (EBITA) decreased to SEK 239 million (260), corresponding to an operating margin of 12,7 percent (12.6). Operating profit (EBITA) increased to SEK 258 million (220), equal to an operating margin of 13,7 percent (10.6).

Earnings per share increased by 50.3 percent to SEK 3,85 (2.56).

January – September

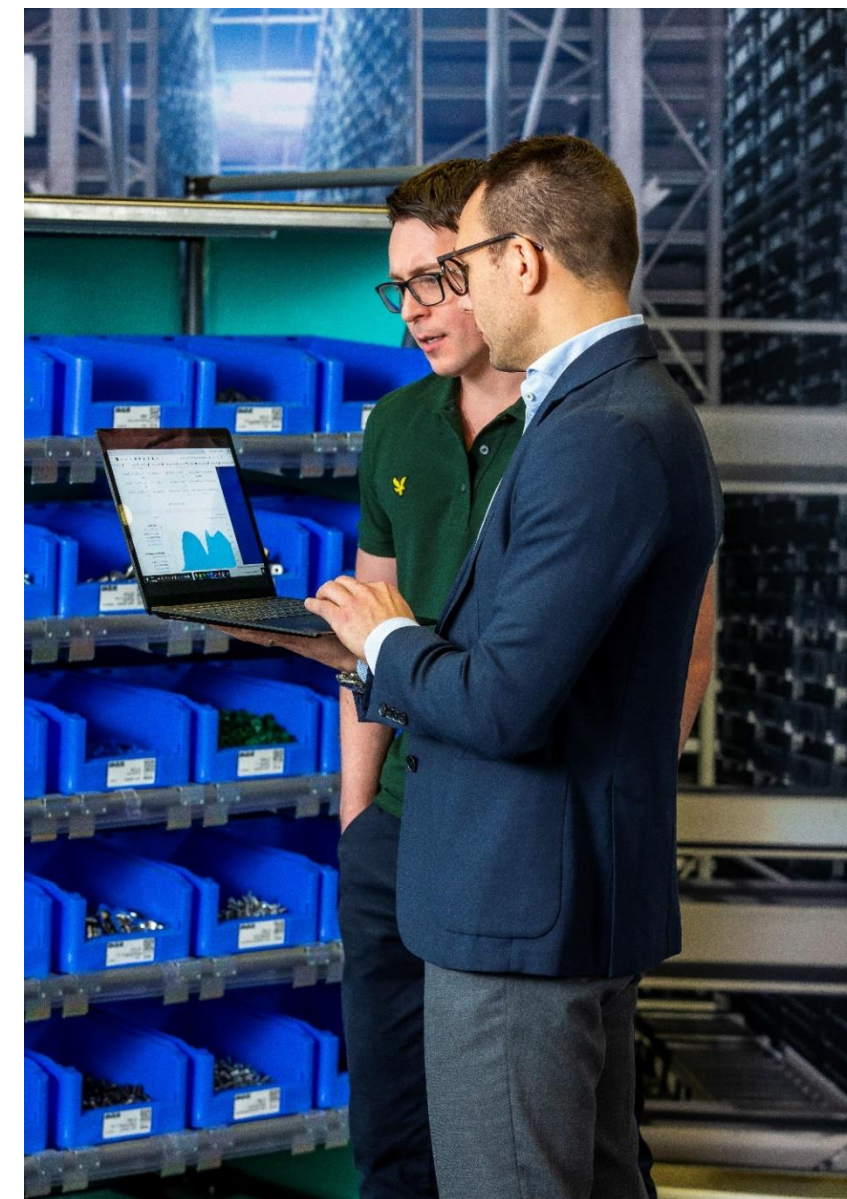
Order intake decreased to SEK 5,978 million (6,566) and was lower than net sales. Net sales declined by -8.4 percent to SEK 6,171 million (6,737). Of the total growth, -0.7 percent was attributable to currency effects, -1.1 percent to acquisitions and -6.6 percent to organic growth.

The gross margin strengthened year-on-year and amounted to 29.8 percent (28.6).

The share of operating expenses increased to 17.1 percent (15.8). The increase compared with last year was due to lower volumes, inflationary effects and investments, but also to remeasured additional purchase considerations, which were SEK 11 million for the period compared with SEK -30 million in the comparison period. Adjusted for the remeasured additional purchase considerations, the share of operating expenses amounted to 17.3 percent (15.3).

Adjusted operating profit (EBITA) declined to SEK 759 million (892), corresponding to an operating margin of 12.3 percent (13.2). Operating profit (EBITA) declined to SEK 781 million (862) and the operating margin was 12.7 percent (12.8).

Earnings per share decreased by 12.7 percent to SEK 11.61 (13.30).



Financial items and tax

The Group's net financial items totalled SEK -51 million (-71) for the third quarter, of which exchange-rate differences accounted for SEK 4 million (-6) and interest rates for SEK -47 million (-69). During the nine-month period, net financial items amounted to SEK -155 million (-147), of which exchange-rate differences accounted for SEK 0 million (14) and interest rates for SEK -153 million (-174). The Group's profit after financial items was SEK 190 million (131) for the quarter and SEK 575 million (662) for the nine-month period.

The tax expense for the quarter was SEK -44 million (-33), resulting in an effective tax rate of 23.2 percent (25.2). The tax expense for the nine-month period was SEK -135 million (-159), resulting in an effective tax rate of 23.5 percent (24.0).

Cash flow, working capital and financial position

Cash flow from operating activities amounted to SEK 322 million (371), corresponding to a cash conversion ratio of 121 percent (159). For the nine-month period, cash flow from operating activities amounted to SEK 974 million (1,125), corresponding to a cash conversion ratio of 119 percent (124).

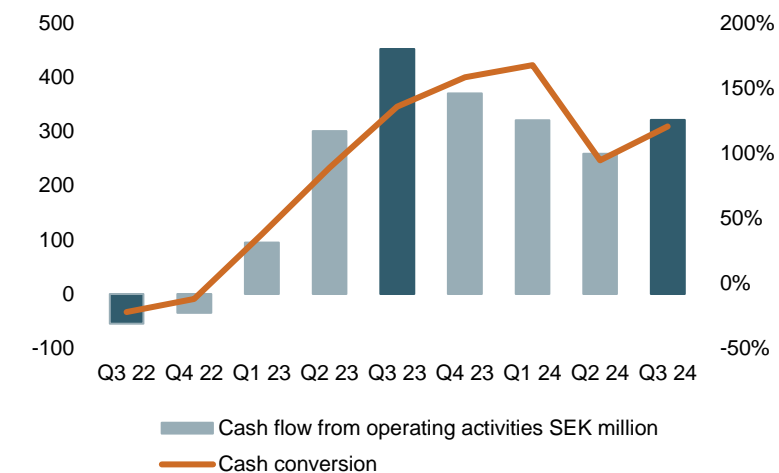
Cash flow from operating activities was lower than in the comparative period and was mainly due to lower cash flow from working capital. The sale of Bufab Lann and Hallborn had a positive impact on cash flow from investing activities of SEK 110 million.

Working capital as a percentage of net sales was 34.1 percent (37.0). The improvement is a direct result of the Group's goal of unlocking capital tied up in operations.

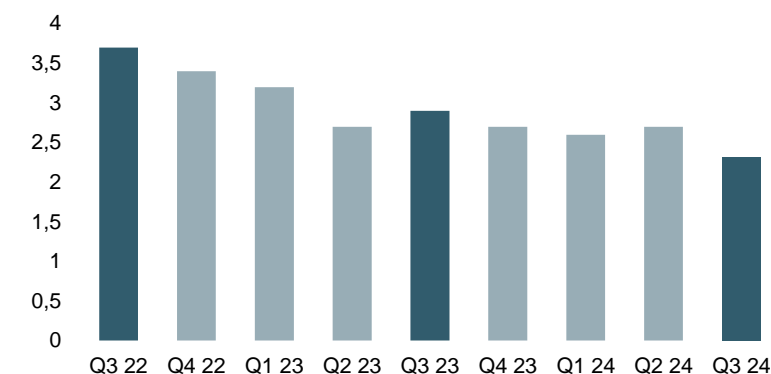
On 30 September 2024, adjusted net debt totalled SEK 2,367 million (3,117) and the debt/equity ratio was 78 percent (104). The lower net debt is directly attributable to the favorable operating cash flow over the past four quarters.

The key figure net debt/EBITDA, adjusted, was 2.4 (2.7) on 30 September 2024. The key figure improved year-on-year.

Operating cash flow and cash conversion ratio



Net debt/EBITDA, adjusted



Region Europe North & East

36%

Share of total sales

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

Third quarter

Sales growth amounted to -12.1 percent in the quarter and organic growth to -0.9 percent, an improvement on the preceding quarter. The divestment of Bufab Lann and Hallborn Metall had an impact on sales of -9.7 percent in the quarter. The decline was due to the continued challenging market conditions in Bufab Poland and Bufab Finland. Meanwhile, HT Bendix noted increased demand in the quarter, albeit from a low level, and Bumax also noted a favorable development, mainly driven by new distribution agreements.

The gross margin improved 2.6 percentage points year-on-year, primarily due to a strong performance in Sweden. The strengthened gross margin was the result of

purchasing savings, improved customer and product mix, and due to proactive efforts with the customer offering in the region.

Operating expenses declined by SEK 22 million year-on-year. Costs were impacted by a positive effect from the remeasurement of additional purchase considerations of SEK 8 million in the quarter. In addition, good cost control and currency effects had a positive impact on operating expenses compared with the preceding year.

Overall, adjusted operating profit increased by SEK 7 million, yielding an adjusted operating margin of 14.2 percent (11.5).

Key figures

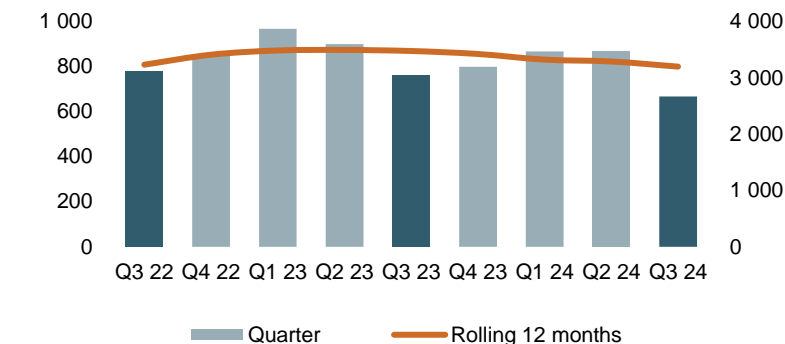
	Q3			Jan-Sep			LTM	Full-year
	2024	2023	Δ	2024	2023	Δ		
MSEK							23/24	2023
Order intake	468	755	-38	2 193	2 593	-15	3 024	3 424
Net sales	668	760	-12	2 403	2 628	-9	3 203	3 429
Gross profit	197	204	-3	678	702	-3	896	920
Gross margin (%)	29,4	26,8		28,2	26,7		28,0	26,8
Operating expenses	-94	-116	-19	-383	-365	5	-498	-480
Share of net sales (%)	-14,1	-15,3		-15,9	-13,9		-15,5	-14,0
Operating profit (EBITA)	102	88	17	296	337	-12	399	440
Operating margin EBITA (%)	15,3	11,5		12,4	12,8		12,4	12,8
Operating profit (EBITA), adjusted	95	88	8	288	337	-14	391	440
Operating margin EBITA, (%) adjusted	14,2	11,5		12,0	12,8		12,2	12,8

-12.1% 14.2%

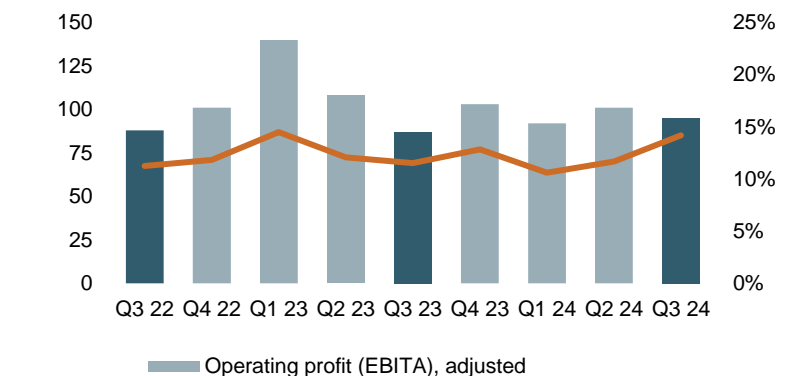
Sales growth

Operating margin (EBITA), adjusted

Net sales, SEK million



Operating profit (EBITA) adjusted, SEK million



Region Europe West

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

Third quarter

Sales growth amounted to -6.8 percent in the quarter and organic growth to -2.0 percent, an improvement on the preceding quarter. A higher level of activity was noted from the automotive industry during the quarter, and in parallel defence and energy continued to develop well. Bufab France and Bufab Czech Republic noted healthy demand, while Bufab Germany, Jenny I Waltie and Flos continued to be impacted by challenging market conditions.

The gross margin improved 1.0 percentage point year-on-year, due to purchasing savings, price adjustments and an improved customer and product mix.

Key figures

MSEK	Q3			Jan-Sep			LTM	Full-year
	2024	2023	Δ %	2024	2023	Δ %	23/24	2023
Order intake	445	405	10	1 414	1 451	-3	1 865	1 902
Net sales	443	475	-7	1 401	1 522	-8	1 830	1 951
Gross profit	113	117	-3	355	371	-5	458	474
Gross margin (%)	25,6	24,6		25,3	24,4		25,0	24,3
Operating expenses	-53	-57	-7	-172	-172	1	-229	-229
Share of net sales (%)	-12,0	-11,9		-12,3	-11,3		-12,5	-11,7
Operating profit (EBITA)	61	60	1	183	199	-8	229	245
Operating margin EBITA (%)	13,7	12,7		13,1	13,1		12,5	12,6
Operating profit (EBITA), adjusted	61	60	1	183	199	-8	229	245
Operating margin EBITA, (%) adjusted	13,7	12,7		13,1	13,1		12,5	12,6

24%

Share of total sales

Operating expenses decreased by SEK 4 million year-on-year, as cost-reducing measures have begun to generate results. In relation to sales, operating expenses increased marginally.

Overall, adjusted operating profit increased by SEK 1 million, yielding an adjusted operating margin of 13.7 percent (12.7).

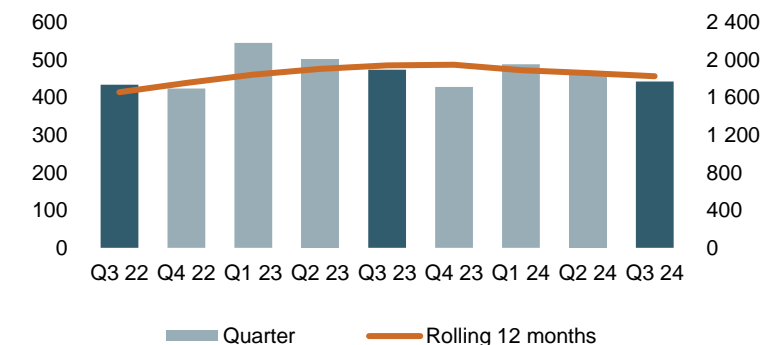
-6.8%

Sales growth

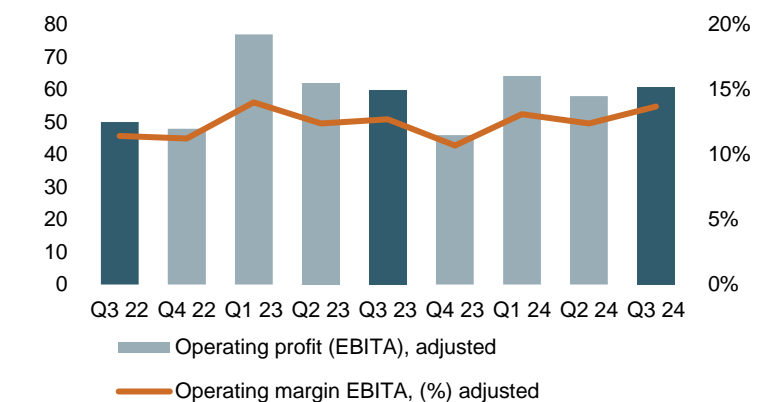
13.7%

Operating margin (EBITA), adjusted

Net sales, SEK million



Operating profit (EBITA) adjusted, SEK million



Region Americas

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

Third quarter

Sales growth amounted to -15.9 percent in the quarter and organic growth to -8.9 percent, an improvement on the preceding quarter. Currency effects had an impact on sales of -7 percent. The decline was the result of continued challenging market conditions in the important mobile home and trailer segment, but also in the automotive segment, which especially impacted our company Component Solutions Group.

The gross margin increased 1 percentage point compared with the comparative quarter mainly due to an improved customer and product mix.

Key figures

	Q3			Jan-Sep			LTM	Full-year
	2024	2023	Δ	2024	2023	Δ		
MSEK							23/24	2023
Order intake	213	265	-20	783	862	-9	1 013	1 092
Net sales	248	295	-16	804	925	-13	1 062	1 182
Gross profit	87	101	-13	286	321	-11	376	412
Gross margin (%)	35,2	34,2		35,5	34,7		35,4	34,8
Operating expenses	-56	-61	-8	-186	-172	8	-249	-235
Share of net sales (%)	-22,7	-20,7		-23,2	-18,6		-23,4	-19,8
Operating profit (EBITA)	31	40	-22	99	149	-33	128	177
Operating margin EBITA (%)	12,5	13,4		12,3	16,1		12,0	15,0
Operating profit (EBITA), adjusted	31	40	-22	99	145	-32	128	174
Operating margin EBITA, (%) adjusted	12,5	13,4		12,3	15,7		12,0	14,7

13%

Share of total sales

Operating expenses decreased in the quarter due to implemented cost savings, though operating expenses increased relative to sales by 2.0 percentage points compared with the comparative quarter.

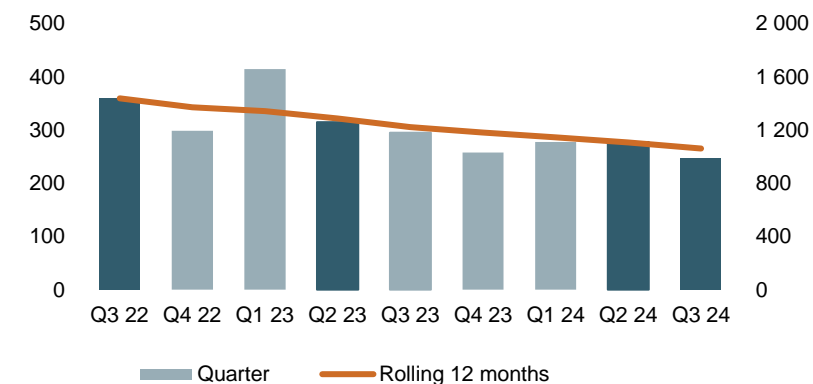
Overall, adjusted operating profit decreased by SEK 9 million, yielding an adjusted operating margin of 12.5 percent (13.4).

-15.9% 12.5%

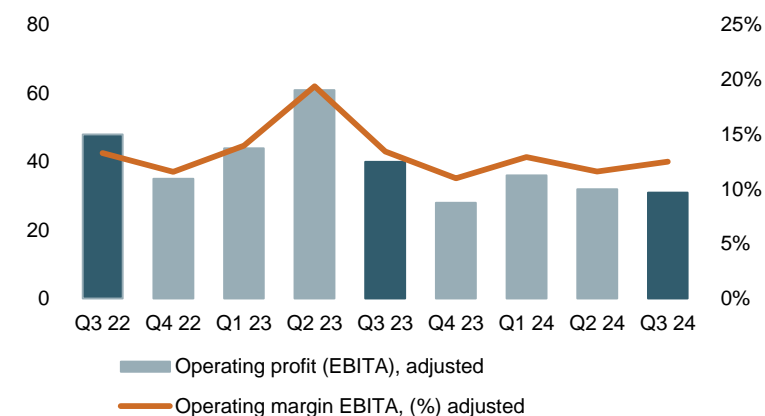
Sales growth

Operating margin (EBITA), adjusted

Net sales, SEK million



Operating profit (EBITA) adjusted, SEK million



Region UK/Ireland

22%

Share of total sales

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

Third quarter

Sales growth amounted to -7.2 percent in the quarter and organic growth to -5.9 percent, an improvement on the preceding quarter. The decline was attributable to lower market prices, which mainly impacted Apex Stainless Fasteners and TIMCO. Bufab Ireland and Bufab UK reported healthy demand in the quarter.

The gross margin was marginally higher year-on-year.

Operating expenses decreased sharply in the quarter as the comparable quarter was impacted by a negative effect from remeasurement of additional purchase considerations of SEK 40 million. Adjusted for this, operating expenses were unchanged in absolute figures year-on-year. Relative to sales, operating expenses rose as inflationary effects exceeded the cost savings realised during the quarter.

Overall, adjusted operating profit decreased by SEK 9 million, yielding an adjusted operating margin of 12.5 percent (13.6).

Key figures

	Q3		Δ	Jan-Sep			LTM	Full-year
	2024	2023		2024	2023	%		
MSEK								
Order intake	410	453	-10	1 211	1 313	-8	1 653	1 754
Net sales	409	441	-7	1 222	1 310	-7	1 588	1 676
Gross profit	135	144	-6	404	411	-2	530	537
Gross margin (%)	33,1	32,8		33,1	31,4		33,4	32,1
Operating expenses	-84	-124	-32	-248	-274	-9	-379	-405
Share of net sales (%)	-20,6	-28,2		-20,3	-20,9		-23,9	-24,1
Operating profit (EBITA)	51	20	151	156	138	13	151	133
Operating margin EBITA (%)	12,5	4,6		12,8	10,5		9,5	7,9
Operating profit (EBITA), adjusted	51	60	-14	153	171	-11	196	214
Operating margin EBITA, (%) adjusted	12,5	13,6		12,5	13,0		12,3	12,8

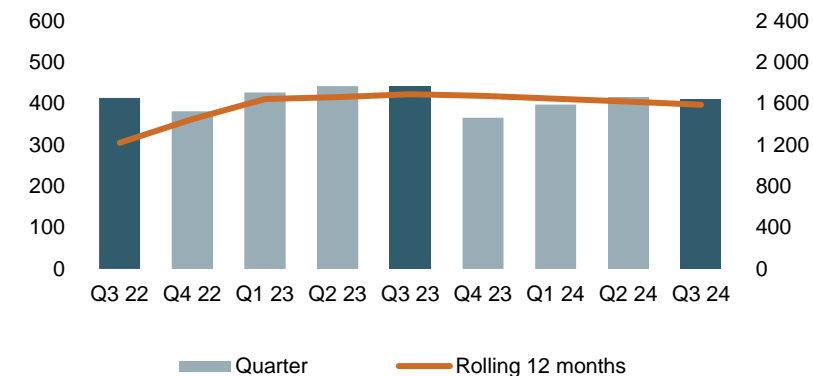
-7.2%

Sales growth

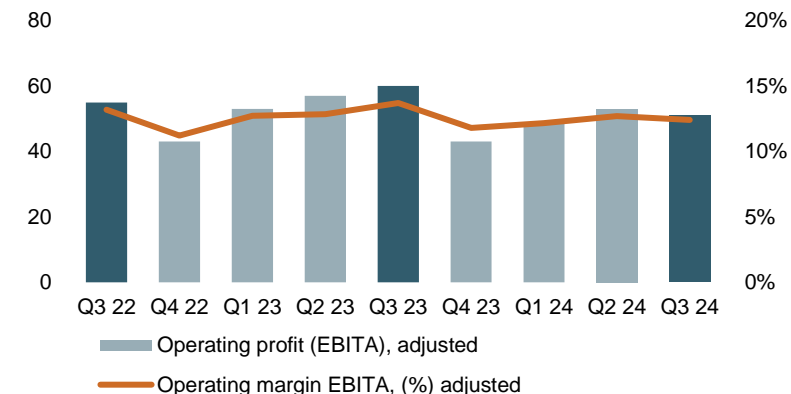
12.5%

Operating margin (EBITA), adjusted

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.

Third quarter

Sales growth amounted to 10.4 percent in the quarter and organic growth to 13.2 percent. The organic growth is a positive reversal in the trend following a number of quarters of negative organic growth. Demand was strong in the region, particularly in China. Bufab India had a challenging year in terms of sales due to uncertainties concerning the election in India, but following the election the market situation has stabilised. During the quarter, Kian Soon noted healthy demand and is again reporting growth.

The weakening of the gross margin during the quarter was due to a unfavorable customer and product mix.

Key figures

MSEK	Q3			Jan-Sep			LTM	Full-year
	2024	2023	% Δ	2024	2023	% Δ	23/24	2023
Order intake	134	105	29	376	347	8	459	431
Net sales	110	100	10	340	353	-4	430	443
Gross profit	34	31	8	105	109	-4	133	137
Gross margin (%)	30,6	31,3		30,8	31,0		30,8	31,0
Operating expenses	-24	-19	27	-62	-56	11	-80	-74
Share of net sales (%)	-21,6	-18,7		-18,2	-15,8		-18,5	-16,6
Operating profit (EBITA)	10	13	-21	43	53	-20	53	64
Operating margin EBITA (%)	9,0	12,6		12,6	15,2		12,3	14,4
Operating profit (EBITA), adjusted	10	13	-21	43	53	-20	53	64
Operating margin EBITA, (%) adjusted	9,0	12,6		12,6	15,2		12,3	14,4

5%

Share of total sales

Operating expenses increased by SEK 5 million year-on-year. The increase was primarily attributable to inflationary effects, investments in the customer offering and unfavorable currency fluctuations.

Overall, adjusted operating profit decreased by SEK 3 million, yielding an adjusted operating margin of 9.0 percent (12.6).

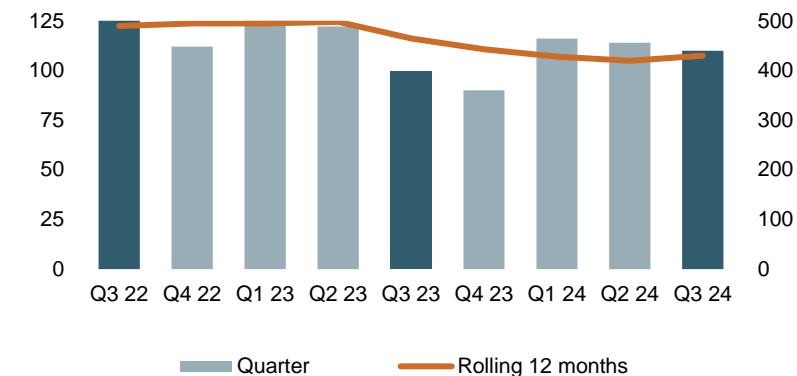
10.4%

Sales growth

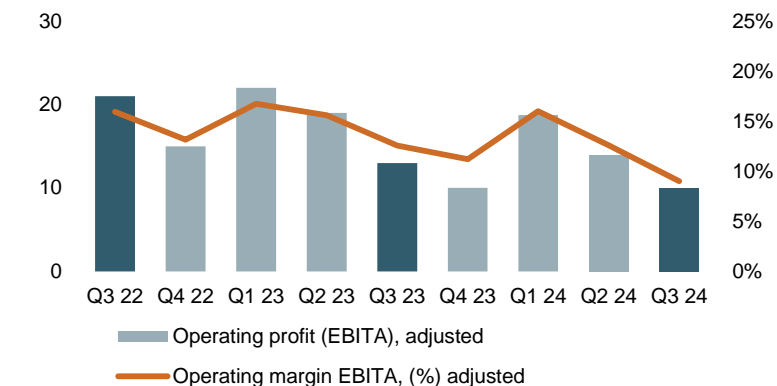
9.0%

Operating margin (EBITA), adjusted

Net sales, SEK million



Operating profit (EBITA) adjusted, SEK million



Financial statements

Condensed Consolidated Income Statement

MSEK	Q3		Jan-Sep	
	2024	2023	2024	2023
Net sales	1 880	2 071	6 171	6 737
Costs of goods sold	-1 305	-1 470	-4 333	-4 812
Gross profit	575	601	1 839	1 925
Distribution costs	-235	-238	-735	-700
Administrative expenses	-139	-135	-433	-417
Other operating income and operating expenses	40	-26	60	1
Operating profit	241	202	731	809
Profit/loss from financial items				
Interest income and similar profit/loss items	6	6	7	27
Interest expenses and similar profit/loss items	-57	-77	-162	-174
Profit after financial items	190	131	575	662
Tax on net profit for the period	-44	-33	-135	-159
Profit after tax	146	98	440	503

Statement of Comprehensive Income

MSEK	Q3		Jan-Sep	
	2024	2023	2024	2023
Profit after tax	146	98	440	503
Other comprehensive income				
Items that will not be reclassified in profit or loss				
Actuarial loss / profit on pension obligations, net after tax	-	-	-	-
Translation differences / Currency hedging net after tax	-41	52	49	78
Other comprehensive income after tax	-41	52	49	78
Total comprehensive income	105	150	489	581
Total comprehensive income attributable to:				
Parent Company shareholders	105	150	489	581

Earnings per share

SEK	Q3		Jan-Sep	
	2024	2023	2024	2023
Earnings per share	3.85	2.56	11.61	13.3
Weighted number of shares outstanding before dilution, thousands	37 874	37 853	37 872	37 804
Earnings per share after dilution	3.84	2.54	11.56	13.17
Weighted number of shares outstanding after dilution, thousands	38 036	38 146	38 051	38 183

Condensed Consolidated Balance Sheet

MSEK	30 Sep		31 Dec
	2024	2023	2023
Assets			
Fixed assets			
Intangible fixed assets	3 315	3 429	3 289
Property plant and equipment	664	699	769
Financial assets	35	29	32
Total non-current assets	4 014	4 157	4 090
Current assets			
Inventories	2 522	3 018	2 857
Current receivables	1 552	1 674	1 435
Cash and cash equivalents	208	362	218
Total current assets	4 282	5 054	4 510
Total assets	8 297	9 211	8 600

MSEK	30 Sep		31 Dec
	2024	2023	2023
Equity and liabilities			
Equity	3 707	3 438	3 418
Non-current liabilities			
Non-current liabilities, interest bearing	2 758	3 055	3 346
Non-current liabilities, non-interest bearing	160	260	201
Total non-current liabilities	2 918	3 315	3 547
Current liabilities			
Current liabilities, interest bearing	331	883	271
Current liabilities, non-interest bearing	1 340	1 575	1 364
Total current liabilities	1 671	2 458	1 635
Total equity and liabilities	8 297	9 211	8 600

Consolidated Statement of Changes in Equity

MSEK	30 Sep	
	2024	2023
Equity at beginning of year	3 418	3 036
Comprehensive income		
Profit after tax	440	503
<i>Other comprehensive income</i>		
Items that will not be reclassified in profit or loss		
Actuarial loss / profit on pension obligations, net after tax	-	-
Items that may be reclassified in profit or loss		
Translation differences / Currency hedging net after tax	49	78
Total comprehensive income	489	581
Transactions with shareholders		
Option programme	-11	0
Issued call options	-	-
Redemption call options	-	-
Repurchase of own shares	-	-
Dividend to shareholders	-189	-179
Total transactions with shareholders	-200	-179
Equity at end of period	3 707	3 438

Consolidated Cash Flow Statement

MSEK	Q3		Jan-Sep	
	2024	2023	2024	2023
Operating activities				
Profit before financial items	241	202	731	809
Depreciation and amortization	66	69	211	202
Interest and other finance income	-1	-1	1	27
Interest and other finance expenses	-53	-69	-162	-174
Other non-cash items	-24	20	-24	33
Income tax paid	-40	-40	-150	-146
Cash flow from operations	189	181	607	751
Changes in working capital				
Increase (-)/decrease (+) in inventories	29	91	394	499
Increase (-)/decrease (+) in operating receivables	185	138	-114	-69
Increase (+)/decrease (-) in operating liabilities	-81	-39	87	-56
Cash flow from operating activities	322	371	974	1,125
Investing activities				
Purchase of intangible assets	-3	-3	-8	-5
Acquisition of property, plant and equipment	-21	-24	-52	-65
Company acquisitions including additional purchase considerations	-23	13	-168	-626
Proceeds from sale of companies and shares	110	-	110	-
Cash flow from (-used in) investing activities	63	-14	-118	-696
Financing activities				
Dividend paid	-	-	-189	-94
Option programme	1	-	-11	-
Increase (+)/decrease (-) in borrowings	-387	-311	-669	-314
Cash flow from financing activities	-386	-311	-869	-408
Cash flow for (-used in) the period	-1	46	-13	21
Cash and cash equivalents at the beginning of the period	212	314	218	322
Translation differences	-3	2	3	19
Cash and cash equivalents at the end of the period	208	362	208	362

The Group's Segment Reporting

Europe North & East

MSEK	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 24	Q3 24
Net sales	780	853	968	900	760	800	868	867	668
Gross profit	211	221	261	237	204	218	236	246	197
<i>Gross margin (%)</i>	27,1	25,9	27,0	26,4	26,8	27,2	27,2	28,4	29,4
Operating expenses	-123	-119	-121	-128	-116	-115	-143	-145	-94
<i>Share of net sales (%)</i>	-15,8	-14,0	-12,5	-14,3	-15,3	-14,4	-16,5	-16,7	-14,1
Operating profit (EBITA)	88	101	140	109	88	103	92	101	102
Operating margin EBITA (%)	11,3	11,9	14,5	12,1	11,5	12,8	10,6	11,7	15,3
Operating profit (EBITA), adjusted	88	101	140	109	88	103	92	101	95
Operating margin EBITA, (%) adjusted	11,3	11,9	14,5	12,1	11,5	12,8	10,6	11,7	14,2

Europe West

MSEK	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 24	Q3 24
Net sales	435	425	546	501	475	429	490	469	443
Gross profit	106	108	134	120	117	103	123	119	113
<i>Gross margin (%)</i>	24,4	25,5	24,6	23,8	24,6	23,9	25,1	25,3	25,6
Operating expenses	-56	-60	-58	-57	-57	-57	-59	-60	-53
<i>Share of net sales (%)</i>	-13,0	-14,2	-10,6	-11,5	-11,9	-13,3	-12,0	-12,9	-12,0
Operating profit (EBITA)	50	48	77	62	60	46	64	58	61
Operating margin EBITA (%)	11,4	11,2	14,0	12,4	12,7	10,7	13,1	12,4	13,7
Operating profit (EBITA), adjusted	50	48	77	62	60	46	64	58	61
Operating margin EBITA, (%) adjusted	11,4	11,2	14,0	12,4	12,7	10,7	13,1	12,4	13,7

Americas

MSEK	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 24	Q3 24
Net sales	360	299	315	315	295	258	278	278	248
Gross profit	113	98	107	113	101	91	98	100	87
<i>Gross margin (%)</i>	31,2	32,9	33,9	36,0	34,2	35,1	35,2	36,1	35,2
Operating expenses	-95	-61	-71	-40	-61	-62	-62	-68	-56
<i>Share of net sales (%)</i>	-26,3	-20,3	-22,5	-12,8	-20,7	-24,1	-22,3	-24,5	-22,7
Operating profit (EBITA)	18	38	36	73	40	28	36	32	31
Operating margin EBITA (%)	5,0	12,6	11,4	23,2	13,4	11,0	12,9	11,6	12,5
Operating profit (EBITA), adjusted	48	35	44	61	40	28	36	32	31
Operating margin EBITA, (%) adjusted	13,3	11,6	14,0	19,4	13,4	11,0	12,9	11,6	12,5

UK/Ireland

MSEK	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 24	Q3 24
Net sales	414	382	427	442	441	366	398	415	409
Gross profit	125	113	127	139	144	126	131	138	135
<i>Gross margin (%)</i>	30,2	29,6	29,9	31,5	32,8	34,5	32,8	33,2	33,1
Operating expenses	-33	-70	-67	-82	-124	-131	-82	-82	-84
<i>Share of net sales (%)</i>	-8,1	-18,4	-15,7	-18,7	-28,2	-35,8	-20,7	-19,7	-20,6
Operating profit (EBITA)	92	43	60	57	20	-5	48	56	51
Operating margin EBITA (%)	22,1	11,2	14,1	12,8	4,6	-1,3	12,2	13,6	12,5
Operating profit (EBITA), adjusted	55	43	54	57	60	43	48	53	51
Operating margin EBITA, (%) adjusted	13,2	11,2	12,7	12,8	13,7	11,8	12,2	12,8	12,5

Asia-Pacific

MSEK	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 24	Q3 24
Net sales	132	112	131	122	100	90	116	114	110
Gross profit	41	34	41	37	31	28	37	34	34
<i>Gross margin (%)</i>	31,0	30,5	31,3	30,4	31,3	30,9	31,5	30,2	30,6
Operating expenses	-20	-19	-19	-18	-19	-18	-18	-20	-24
<i>Share of net sales (%)</i>	-15,1	-17,3	-14,6	-14,8	-18,7	-19,7	-15,6	-17,6	-21,6
Operating profit (EBITA)	21	15	22	19	13	10	19	14	10
Operating margin EBITA (%)	15,9	13,1	16,7	15,6	12,6	11,2	16,0	12,6	9,0
Operating profit (EBITA), adjusted	21	15	22	19	13	10	19	14	10
Operating margin EBITA, (%) adjusted	15,9	13,1	16,7	15,6	12,6	11,2	16,0	12,6	9,0

Group

MSEK	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 24	Q3 24
Net sales	2 146	2 074	2 386	2 280	2 071	1 943	2 149	2 142	1 880
Gross profit	601	583	675	649	601	569	625	639	575
<i>Gross margin (%)</i>	28,0	28,1	28,3	28,5	29,0	29,3	29,1	29,8	30,6
Operating expenses	-329	-341	-351	-331	-381	-388	-365	-376	-317
<i>Share of net sales (%)</i>	-15,3	-16,4	-14,7	-14,5	-18,4	-20,0	-17,0	-17,6	-16,8
Operating profit (EBITA)	272	242	323	319	220	181	259	263	258
Operating margin EBITA (%)	12,7	11,7	13,5	14,0	10,6	9,3	12,1	12,3	13,7
Operating profit (EBITA), adjusted	274	239	325	307	260	229	259	261	239
Operating margin EBITA, (%) adjusted	12,8	11,5	13,6	13,4	12,6	11,8	12,1	12,2	12,7

Consolidated Key Figures

MSEK	Q3		Δ	Jan-Sep		Δ	LTM	Full-year
	2024	2023		2024	2023		23/24	2023
Order intake	1 671	1 983	-16%	5 978	6 566	-9%	8 014	8 602
Net sales	1 880	2 071	-9%	6 171	6 737	-8%	8 114	8 680
Gross profit	575	601	-4%	1 839	1 925	-4%	2 408	2 494
EBITDA	307	270	14%	941	1 011	-7%	1 183	1 252
EBITDA, adjusted	267	233	14%	818	905	-10%	1 009	1 097
Operating profit (EBITA)	258	220	17%	781	862	-9%	962	1 043
Operating profit (EBITA), adjusted	239	260	-8%	759	892	-15%	999	1 121
Operating profit	241	202	19%	731	809	-10%	894	974
Profit after tax	146	98	49%	440	503	-13%	661	574
Gross margin	30,6%	29,0%		29,8%	28,6%		29,7%	28,7%
Operating margin EBITA	13,7%	10,6%		12,7%	12,8%		11,9%	12,0%
Operating margin EBITA, adjusted	12,7%	12,6%		12,3%	13,2%		12,3%	12,9%
Operating margin	12,8%	9,8%		11,8%	12,0%		11,0%	11,2%
Net margin	7,8%	4,7%		7,1%	7,5%		8,1%	6,6%
Net debt, SEK million	2 881	3 575	-19%					
Net debt, adjusted, SEK million	2 367	3 117	-24%					
Debt/equity ratio, (%)	78	104	-25%					
Net debt / EBITDA, adjusted	2,4	2,7	-13%					
Working capital, SEK million	2 763	3 280	-16%					
Average working capital, SEK million	3 042	3 602						
Working capital in relation to net sales, (%)	34,1	37,0						
Solidity (%)	45	37						
Return on capital employed (%)	12,8	15,5						
Cash flow from operating activities	322	371	-13%					
Earnings per share, SEK	3,85	2,56	50%	11,61	13,30	-13%		

Condensed Parent Company Income Statement

MSEK	Kv3		Jan-sep	
	2024	2023	2024	2023
Administrationskostnader	-7	-4	-18	-14
Övriga rörelseintäkter	3	2	8	7
Rörelseresultat	-5	-2	-10	-7
Resultat från finansiella poster	-	-	190	150
Ränteintäkter och liknande resultatposter	1	1	-0	1
Räntekostnader och liknande resultatposter	-4	-	-4	-0
Resultat efter finansiella poster	-8	-1	176	144
Bokslutsdispositioner	-	-	-	-
Skatt på periodens resultat	0	-	0	-
Resultat efter skatt	-8	-1	176	144

Condensed Parent Company Balance Sheet

MSEK	30 Sep		31 Dec
	2024	2023	2023
Assets			
Fixed assets			
Financial assets			
Investments in group companies	845	845	845
Other assets			
Other non-current receivables	2	-	1
Total non-current assets	847	845	846
Current assets			
Receivables from Group companies	334	371	372
Other current receivables	20	20	4
Cash and cash equivalents	-	-	-
Total current assets	350	391	376
Total assets	1 201	1 236	1 222

MSEK	30 Sep		31 Dec
	2024	2023	2023
Equity and liabilities			
Equity	1 092	1 038	1 116
Untaxed reserves	97	94	97
Non-current liabilities			
Other non-current liabilities	1	-	1
Total non-current liabilities	1	-	1
Current liabilities			
Trade payables	1	-0	1
Other current liabilities	10	104	8
Total current liabilities	11	104	8
Total equity and liabilities	1 201	1 236	1 222

Other information

Accounting policies

This interim report was prepared in accordance with 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 contingent 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 72 million at 30 September 2024 (250), of which SEK 43 million (88) was recognised as Non-current liabilities, non-interest-bearing and SEK 29 million (162) 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

During the third quarter, Bufab AB divested its manufacturing companies Bufab Lann AB and Hallborn Metall AB to Arbona Industri AB for a purchase price of SEK 230 million on a cash and debt-free basis. The divestment had no material impact on earnings.

Employees

The number of employees in the Group at 30 September 2024 amounted to 1,649 (1,785).

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 been reviewed by the company's auditors.

Auditors' review report

Bufab AB (publ), Corp. Reg. No. 556685-6240

Introduction

We have reviewed the condensed interim financial information (interim report) of Bufab AB (publ) as of 30 September 2024 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Gothenburg, 24 October 2024

Öhrlings PricewaterhouseCoopers AB

Johan Rippe
Authorised Public Accountant
Auditor in Charge

Helena Pegrén
Authorised Public Accountant

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

Bufab has operations in many countries with different currencies, it is therefore 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.

Q3						
2024	Group	Europe North & East	Europe West	Americas	UK/Ireland	Asia-Pacific
Organic growth	-2,6	-0,9	-2,0	-8,9	-5,9	13,2
Currency translation effects	-3,1	-1,6	-4,8	-7,0	-1,3	-2,8
Acquisitions	-3,5	-9,6	-	-	-	-
Recognised growth	-9,2	-12,1	-6,8	-15,9	-7,2	10,4

Jan-Sep						
2024	Group	Europe North & East	Europe West	Americas	UK/Ireland	Asia-Pacific
Organic growth	-6,6	-5,9	-5,6	-9,7	-8,4	-1,3
Currency translation effects	-0,7	0,1	-2,3	-3,3	1,7	-2,2
Acquisitions	-1,1	-2,8	-	-	-	-
Recognised growth	-8,4	-8,6	-7,9	-13,0	-6,7	-3,5

EBITDA

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

MSEK	Q3		Jan-Sep	
	2024	2023	2024	2023
Operating profit	241	202	731	809
Depreciation and amortization	66	68	211	202
EBITDA	307	270	941	1 011

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	Q3		Jan-Sep	
	2024	2023	2024	2023
Operating profit	241	202	731	809
Depreciation and amortization	66	68	211	202
Less: amortisation on right-of-use assets according to IFRS 16	-36	-32	-110	-95
Less: interest expenses on lease liabilities according to IFRS 16	-5	-4	-14	-11
EBITDA, adjusted	267	233	818	905

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	Q3		Jan-Sep	
	2024	2023	2024	2023
Operating profit	241	202	731	809
Depreciation and amortisation of acquired intangible assets	17	18	51	52
EBITA	258	220	782	862

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	Q3		Jan-Sep	
	2024	2023	2024	2023
Distribution costs	-235	-238	-735	-700
Administrative expenses	-139	-135	-433	-417
Other operating income and operating expenses	40	-26	60	1
Depreciation and amortisation of acquired intangible assets	17	18	51	52
Operating expenses	-317	-381	-1 057	-1 064

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	30 Sep	
	2024	2023
Current assets	4 282	5 054
Less: cash and cash equivalents	-208	-362
Less: current non-interest-bearing liabilities excluding liabilities for additional purchase prices	-1 311	-1 412
Working capital on the balance-sheet date	2 763	3 280

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	30 Sep	
	2024	2023
Non-current liabilities, interest bearing	2 758	3 055
Current liabilities, interest bearing	331	883
Less: cash and cash equivalents	-208	-362
Less: other interest-bearing receivables	-	-
Net debt on balance-sheet date	2 881	3 575

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	30 Sep	
	2024	2023
Non-current liabilities, interest bearing	2 758	3 055
Current liabilities, interest bearing	331	883
Less: lease liabilities according to IFRS 16	-515	-459
Less: cash and cash equivalents	-208	-362
Less: other interest-bearing receivables	-	-
Net debt, adjusted, on the balance-sheet date	2 367	3 117

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	30 Sep	
	2024	2023
Result after financial items L12M	670	934
Interest expense	-234	-263
Average shareholder's equity	3 602	3 175
Average interest-bearing liabilities	3 433	4 079
Return on capital employed	12,8%	15,5%

Information and addresses

Conference call

A conference call will be held on 24 October 2024 at 10:00 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

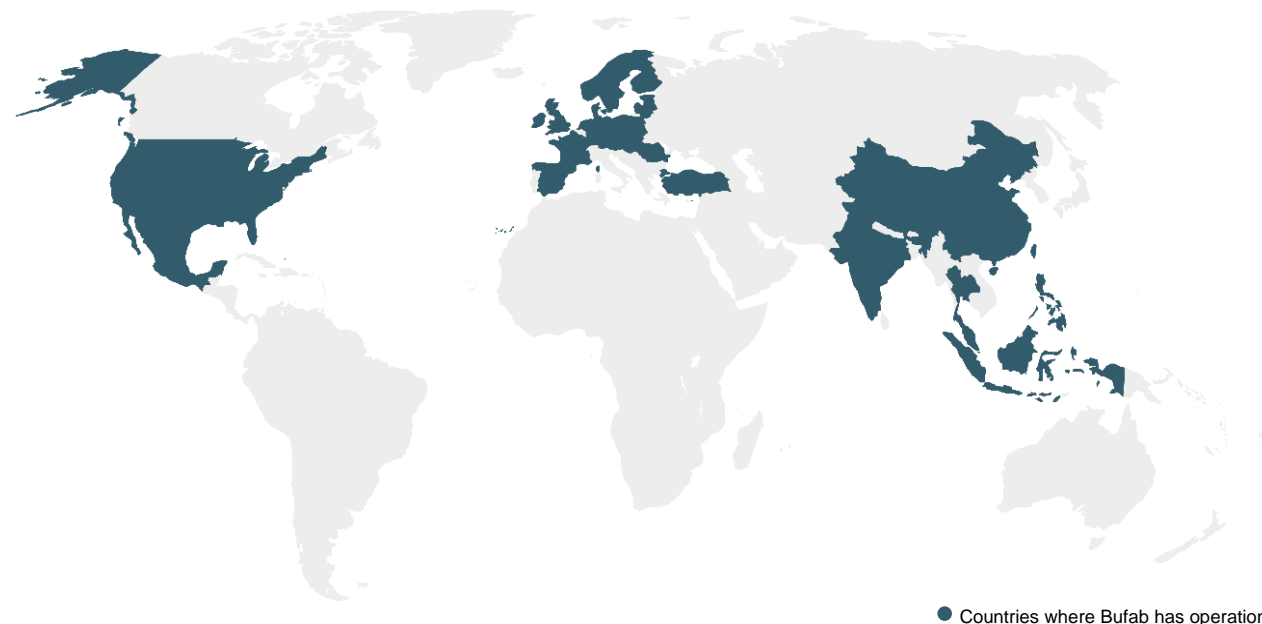
Year-end report Q4 2024:	6 February 2025
Interim Report Q1 2025:	25 April 2025
Annual General Meeting 2025:	25 April 2025
Interim Report Q2, 2025:	11 July 2025
Interim Report Q3, 2025:	24 October 2025

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 contact on 24 October 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 1,700 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

1,700
Employees

BUFAB