DISCOVERING THE NEXT SOLUTION

Q4 REPORT

Q4

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Erik Lundén
President & CEO

Pär Ihrskog
CFO

BUFAB

Group News

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Acquisition of VITAL – a leading Italian C-parts distributor

- Net sales of EUR 48 million in 2023
- Operating profit margin above Bufab's 2026 profitability target
- A platform acquisition. Deepen our presence in southern Europe and increase our service level to current and new customers
- Former owners will stay in management positions

Full year highlights & Q4 result

Erik Lundén

President & CEO

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Full year 2024 – another good year for Bufab

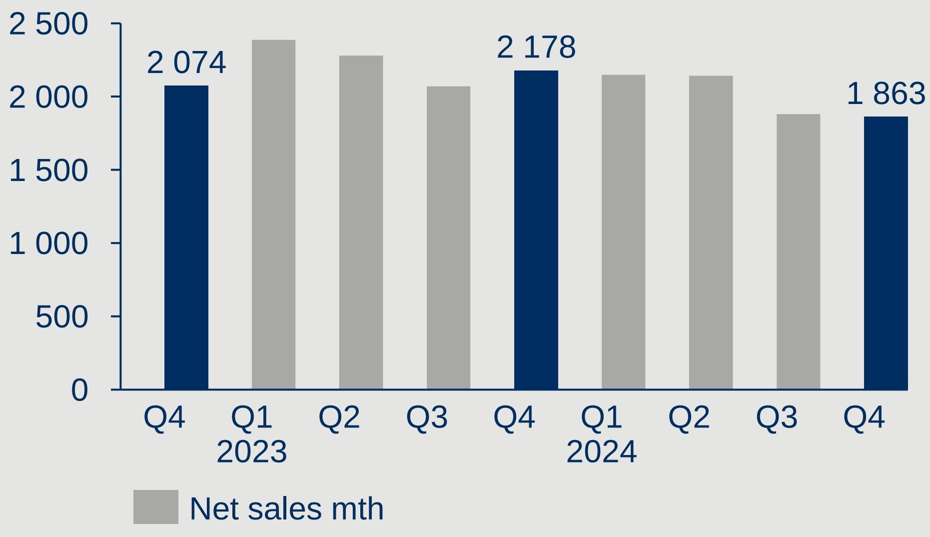
- **Stable result, despite weaker demand - Demonstrating our resilience even in a more challenging market**
  - Total growth was -7.4% and the organic growth was -5.4%
  - Record-strong gross margin, reaching 29.7%
  - Stable adjusted operating margin at 11.9% and cash flow
  - Proposed dividend of SEK 5.25 (5.00) per share

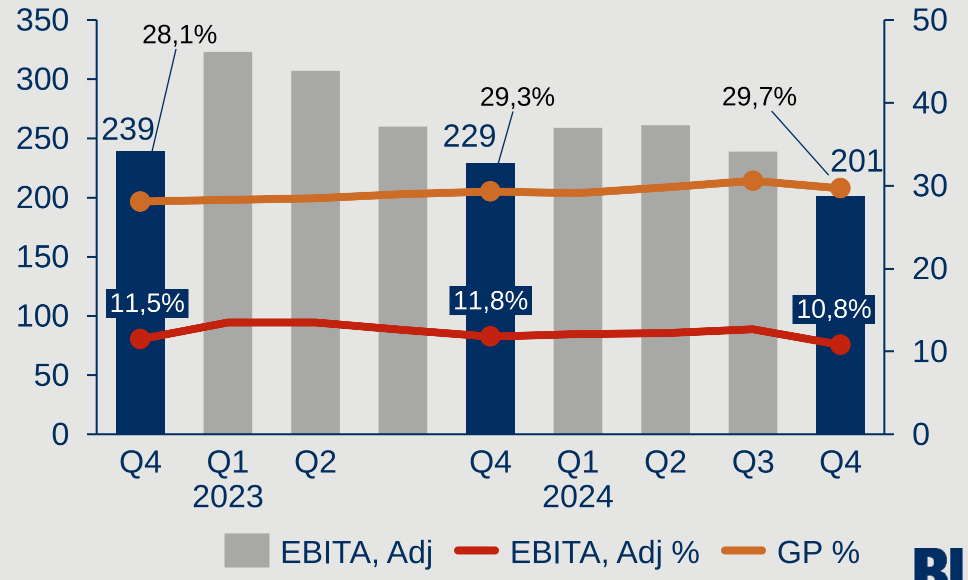
- **Successful implementation of our strategy**
  - Strengthened value proposition through expanded service and product portfolio – *Drives organic growth and GP imp.*
  - Clear focus on Profitable Growth – *Gradually improve our customer and product mix*
  - Next step on our sustainability journey – *From internal focus to customer value creation*
  - Improved operating model & tailormade plans for each sister – *Decentralization and strong performance management*
  - Acquisition of VITAL & divestment of Bufab Lann and Hallborn Metall – *Focus on Trading & Niche*

➡ ***Strong position to deliver on our financial targets***

Fourth quarter highlights

- Continued cautious market demand and large variation across industries
- Organic growth of -1.5%, an improvement over Q3 (-2,6)
- Gross margin improvement, reaching 29.7% (29.3)
- Higher operating expenses, driven by one-offs and currency effects. Underlying cost base under control
- Adjusted operating margin at 10.8% (11.8)





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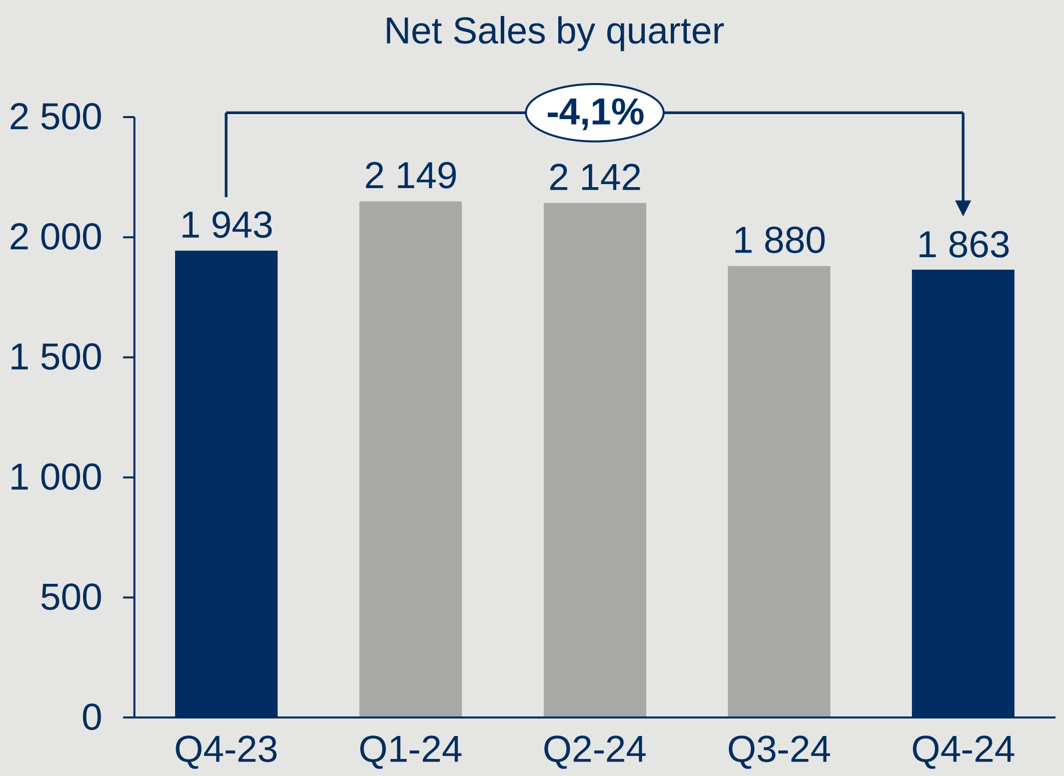
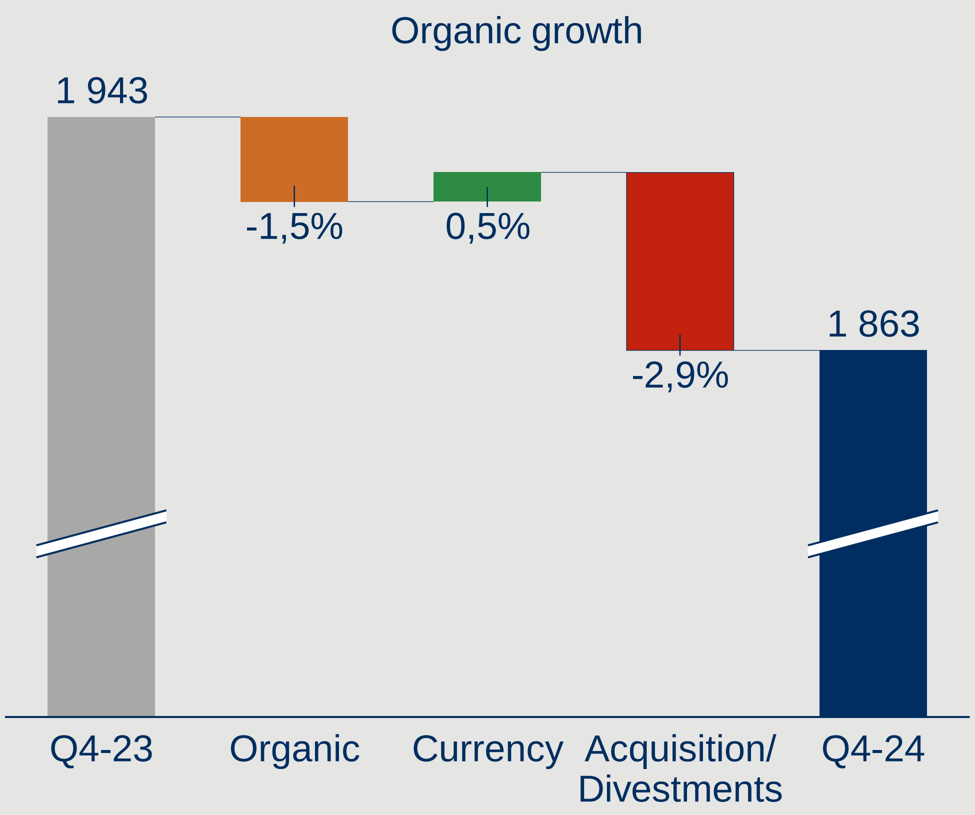
Financial Highlights

Pär Ihrskog
CFO

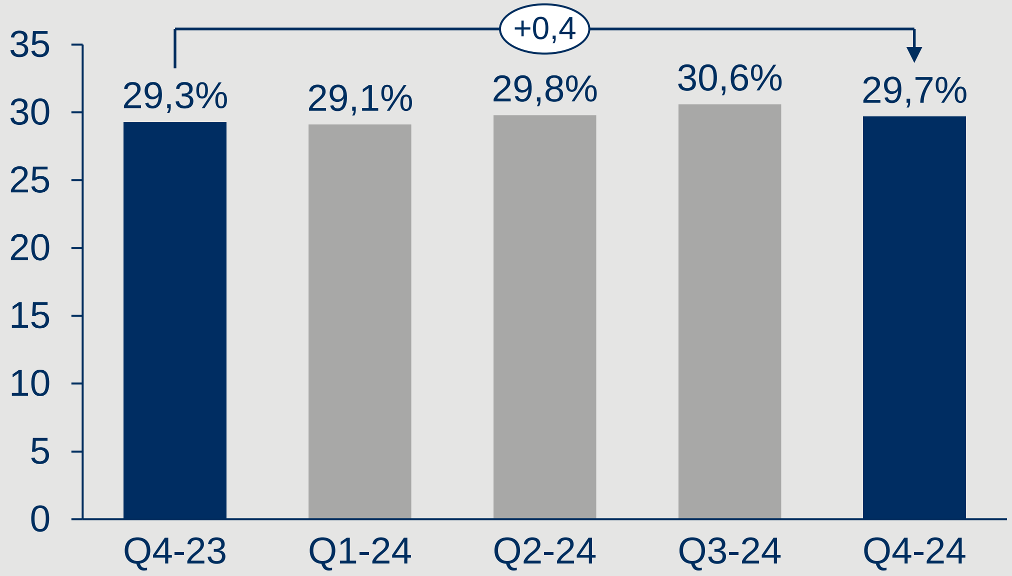
Continued negative organic growth, however, improvement to previous quarter



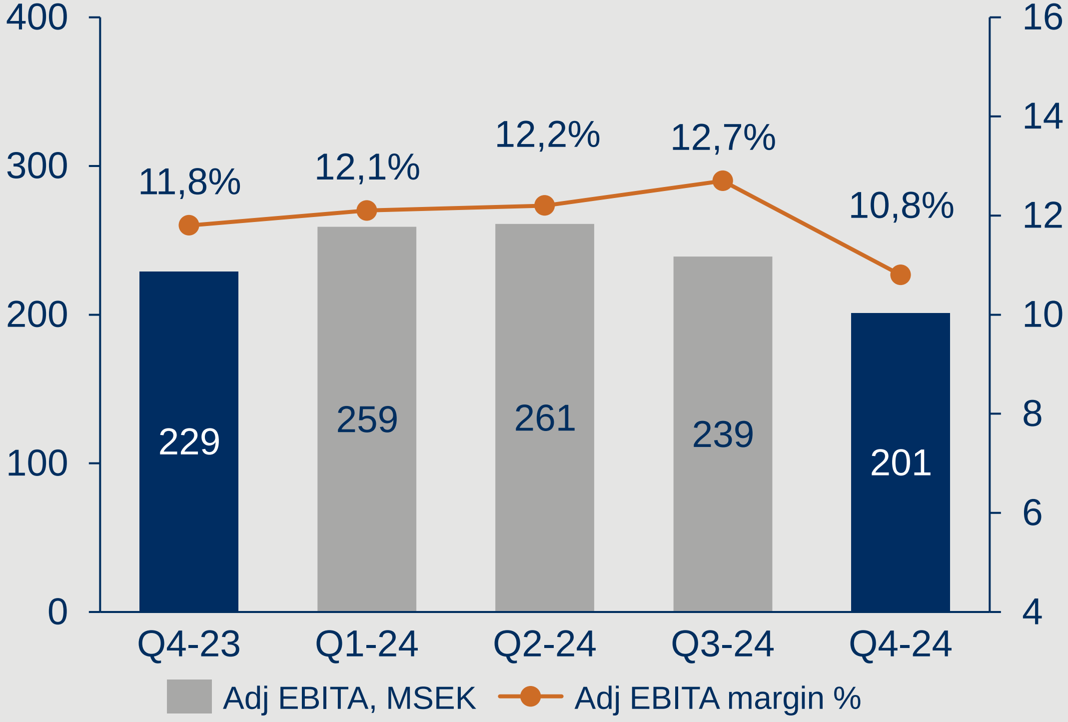


Improved gross margin by 0.4 pp driven by our trading business

Gross Profit Margin



EBITA adjusted and EBITA margin adjusted



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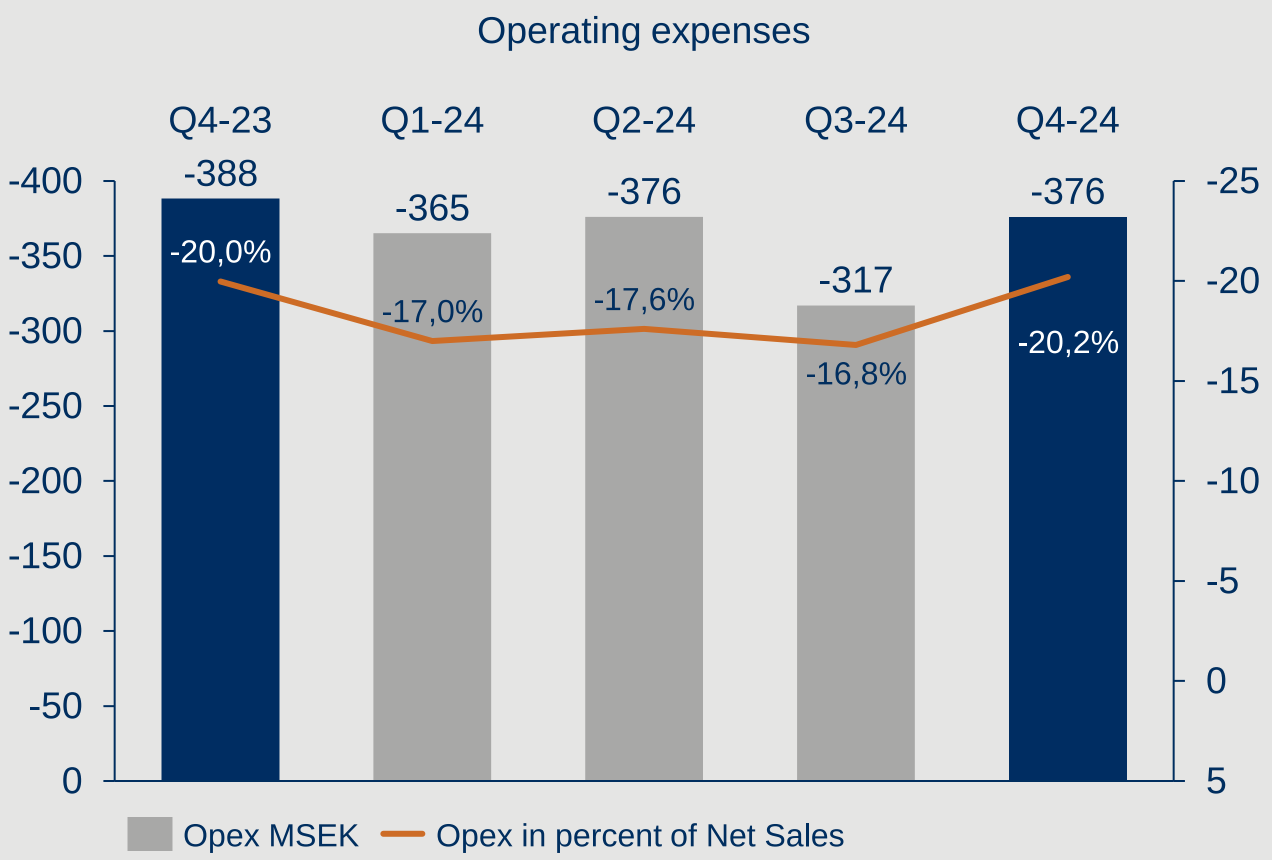
High level of operating expenses due to one-offs and currency



- Higher level of operating expenses when adjusted for revaluation of additional purchase considerations in Q4 2023
- Mainly due to obsolescence reserves, the acquisition/divestment costs, restructuring costs and negative currency effects
- Underlying cost base under control
- Continued focus on cost control and savings throughout the business

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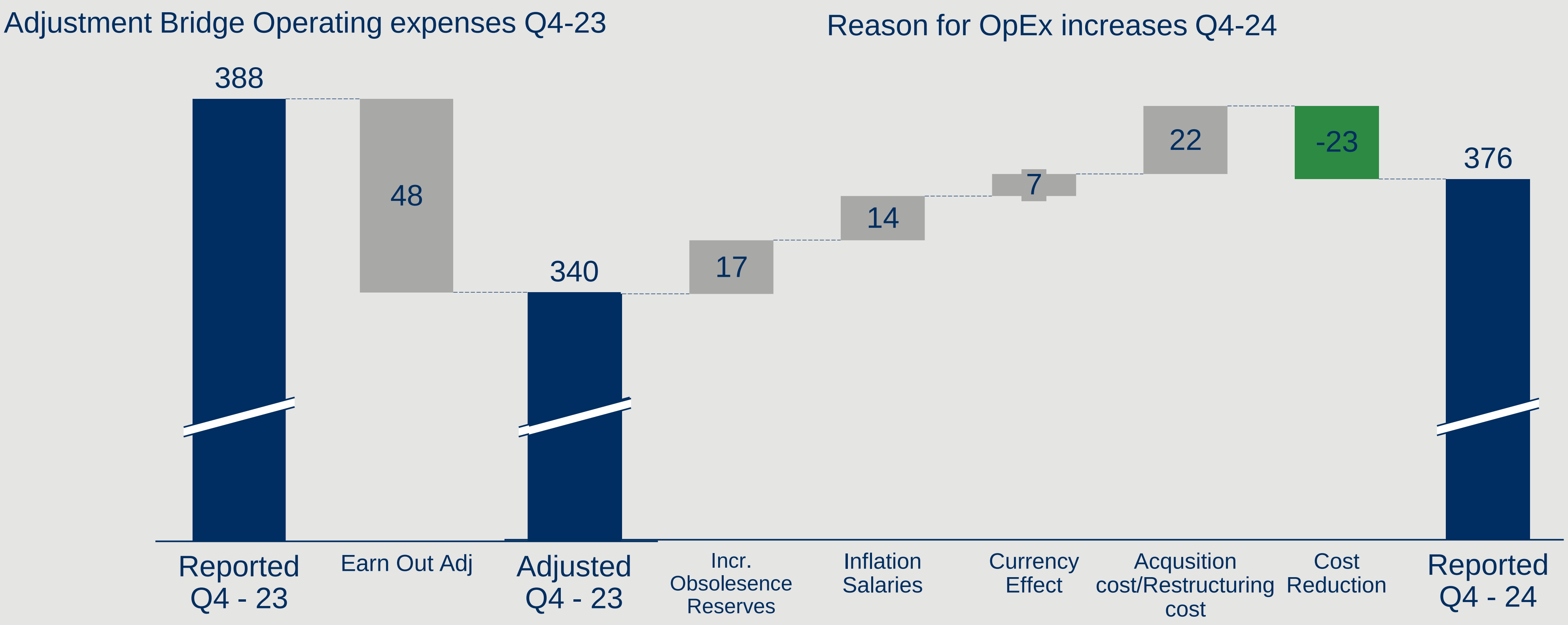
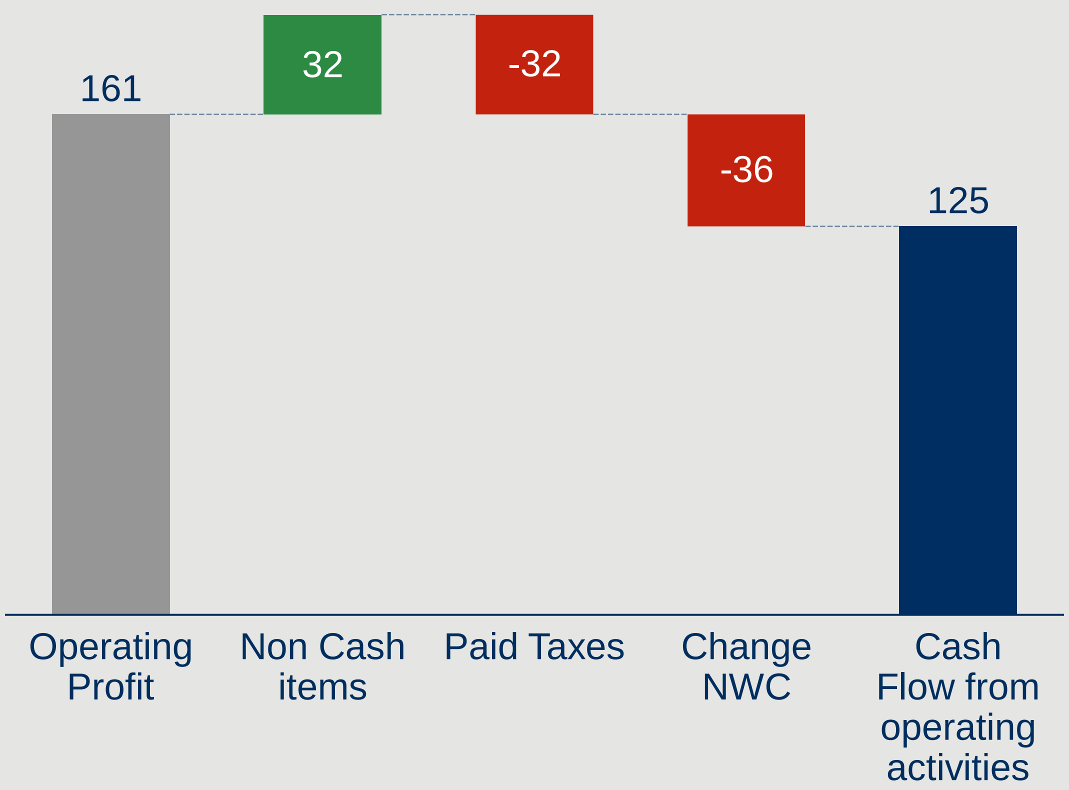
OpEx Bridge Q4-2023 vs-Q4 2024

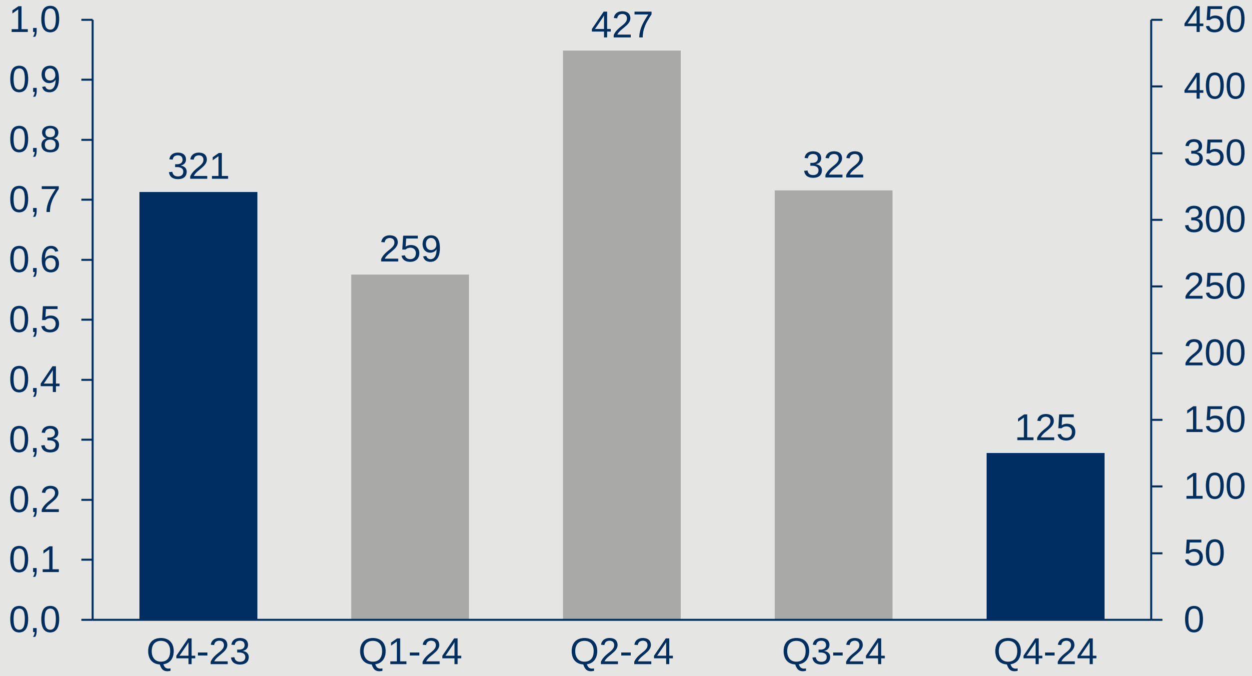


Cash flow negatively impacted by investment in inventory

Cash flow from operating activities, MSEK



Cash flow from operating activities, MSEK



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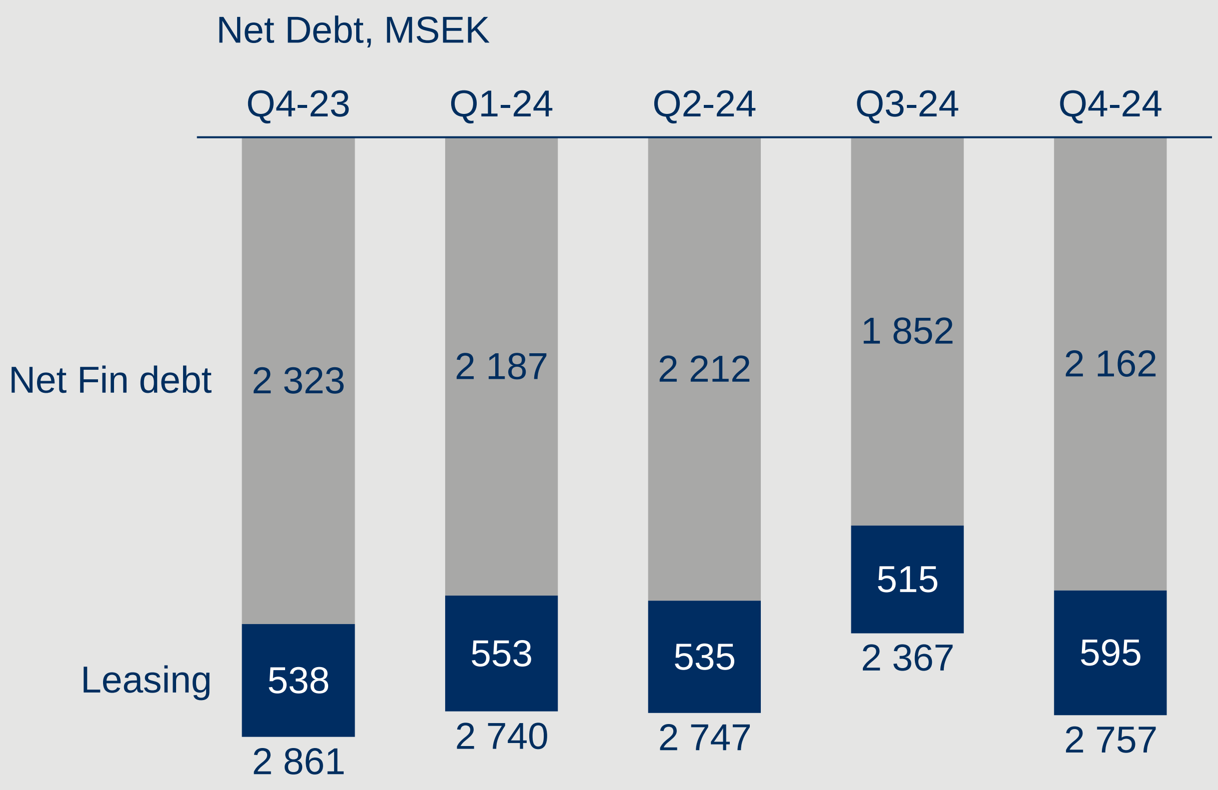
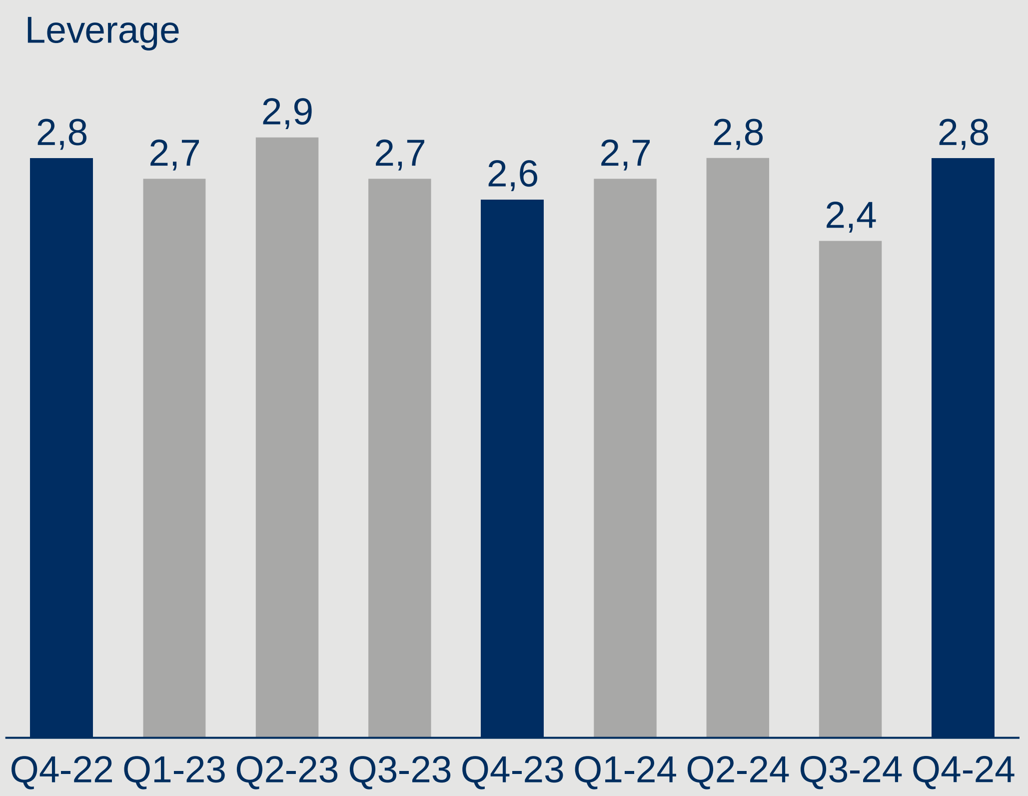
Net debt increased to previous quarter mainly due to the acquisition of VITAL. Net debt/EBITDA was 2.8.





Regional highlights

Erik Lundén
President & CEO

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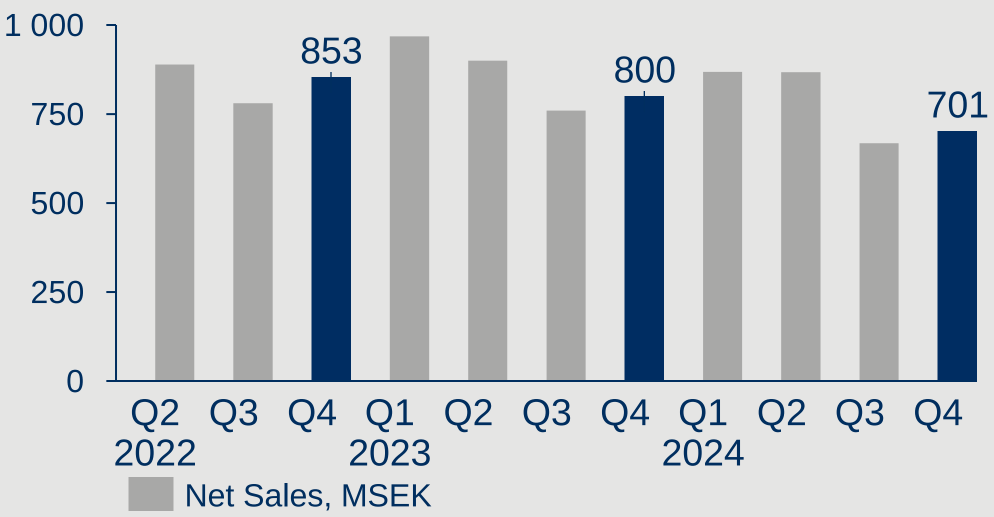
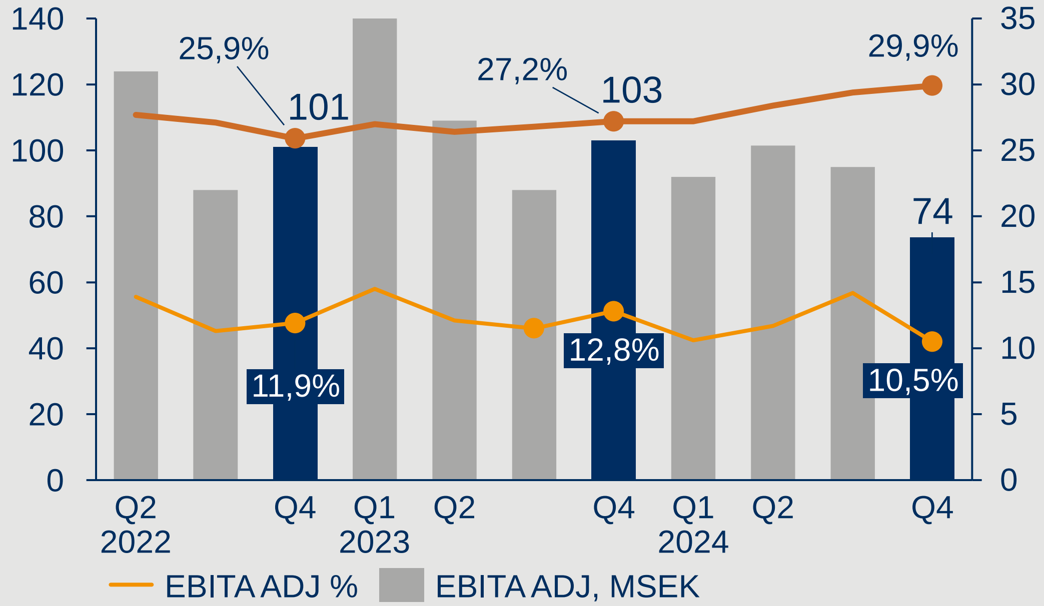
Region
Europe North & East

- Total growth was -12.4% and organic growth was -0.6%
- Continued weak demand in kitchens and bathrooms, while Tilka Trading saw strong demand
- Gross margin up 2.7 pp
- Higher share of OpEx mainly due to obsolescence reserves, negative currency effects, and inflation impacts
- Adjusted operating margin was 10.5% (12.8)





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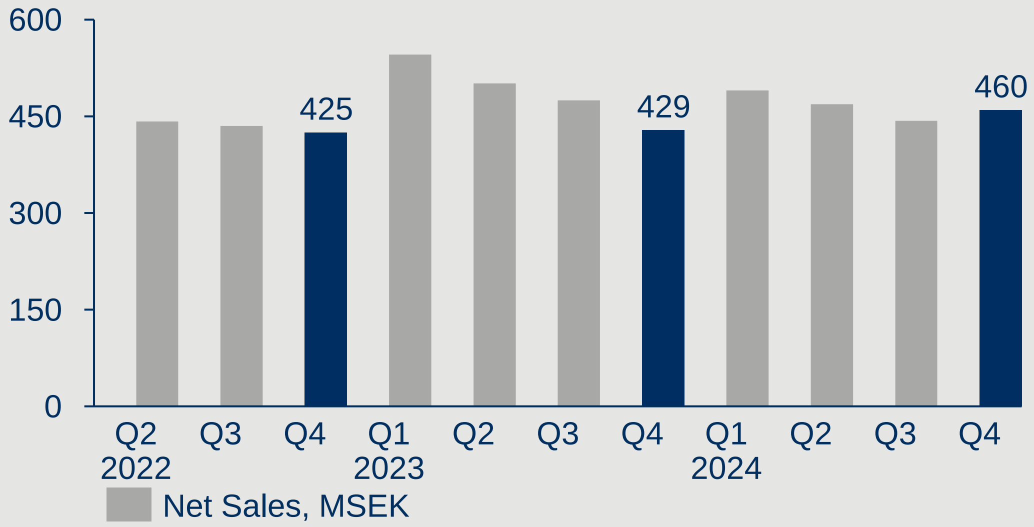
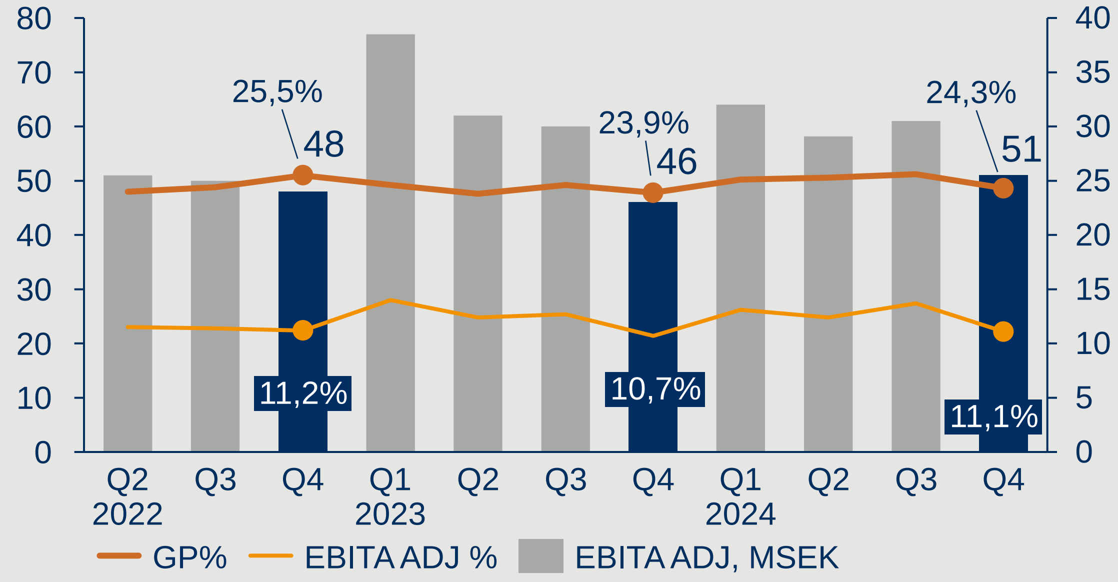
Region
Europe West

- Total growth amounted to 7.1% and the organic growth was -0.1%
- The energy industry continued to develop well, especially in Bufab France and Czech Republic, lower activity levels in automotive and construction
- Gross margin up 0.4 pp
- Share of OpEx in line with last year
- The adjusted operating margin improved to 11.1% (10.7)





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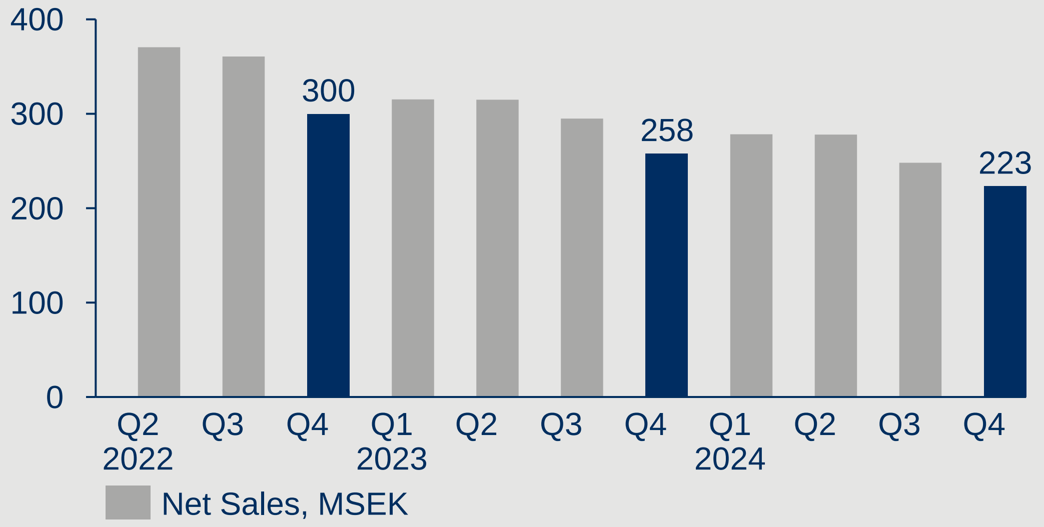
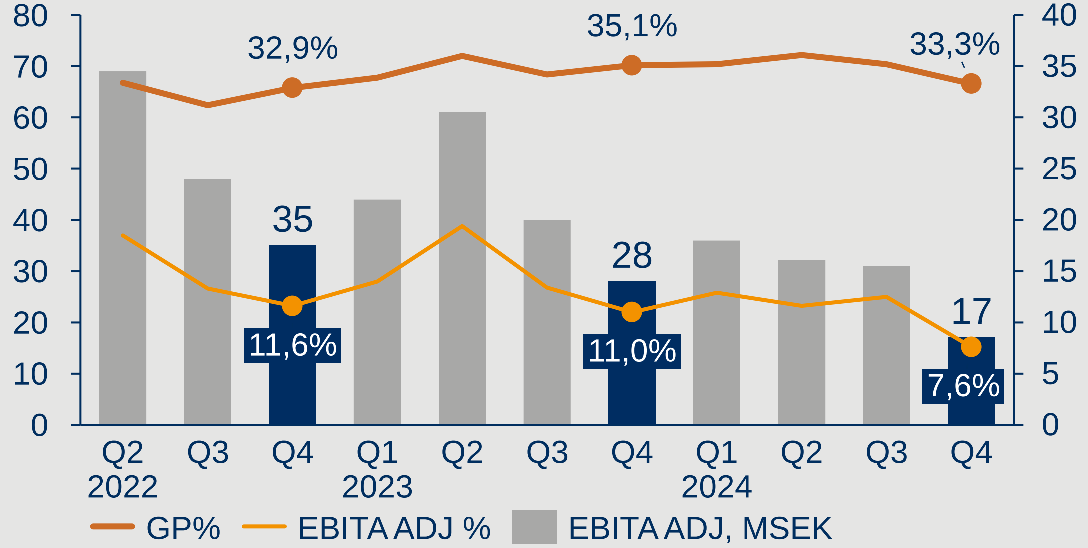
Region

Americas

- Total growth amounted to -13.3% and the organic growth was -11.3%
- Continued weak demand in in the mobile home and trailer segment, also the automotive segment
- Gross margin decreased by 1.8 pp due to price reduction for one customer
- Higher share of OpEx due to the lower sales
- The adjusted operating margin declined to 7.6% (11.0)
- The political situation in the US may impact business in the short term but we are well positioned





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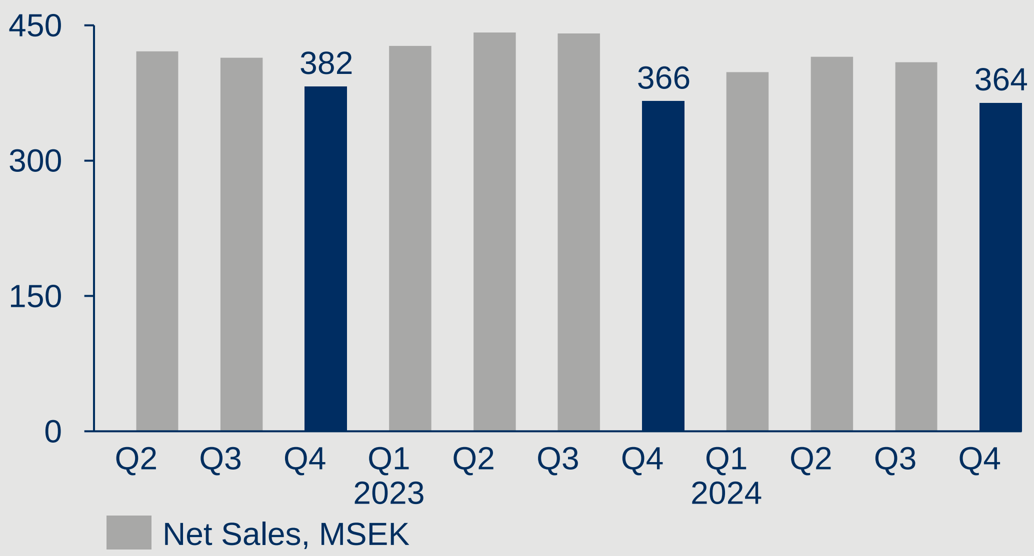
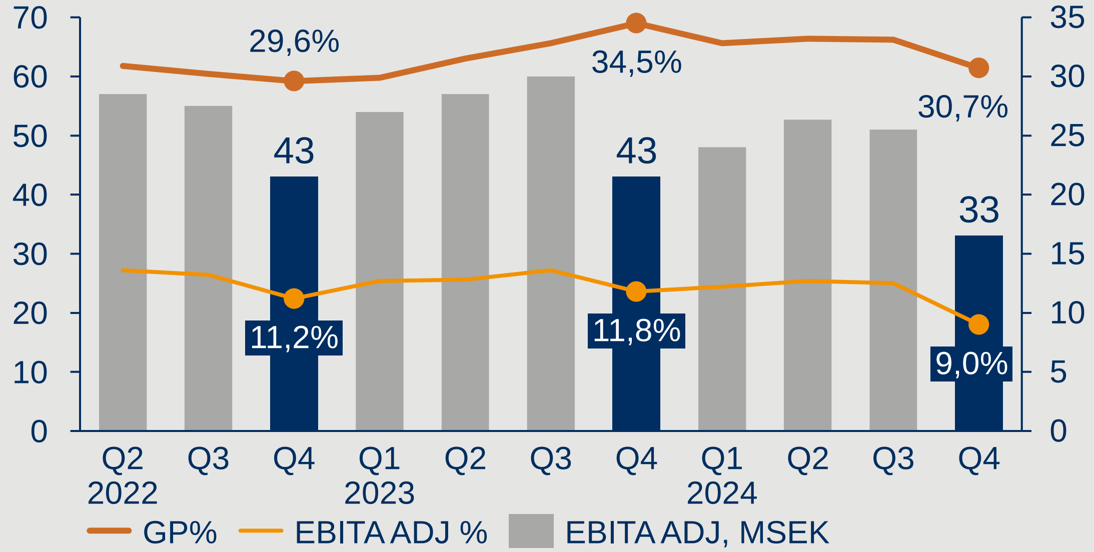
Region

UK & Ireland

- Total growth amounted to -0.5% and the organic growth was -5.1%
- Lower market prices in mainly Apex and TIMCO
- Gross margin decreased by 3.8 pp mainly due to higher global freight rates
- Share of OpEx in line with last year when adjusted for remeasurement of additional purchase considerations last year
- The adjusted operating margin was 9.0% (11.8)





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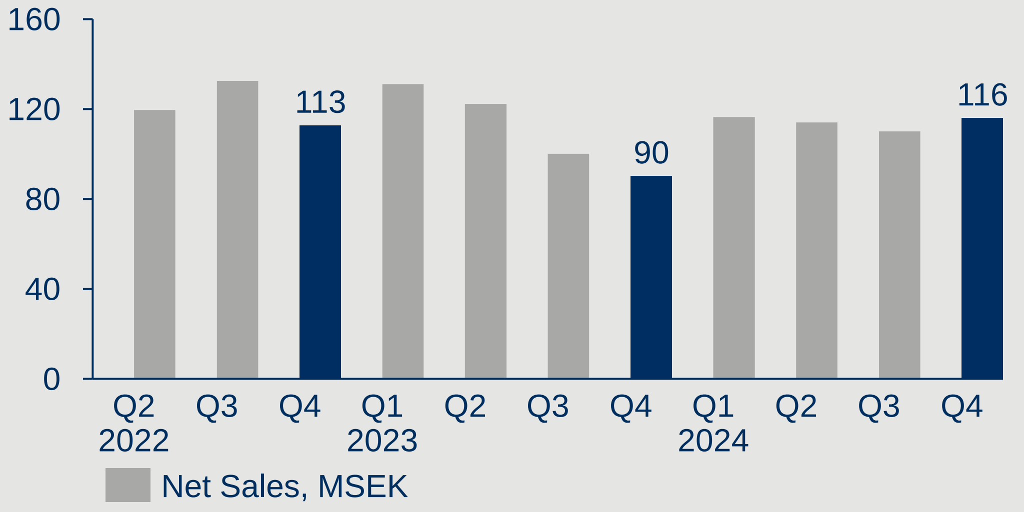
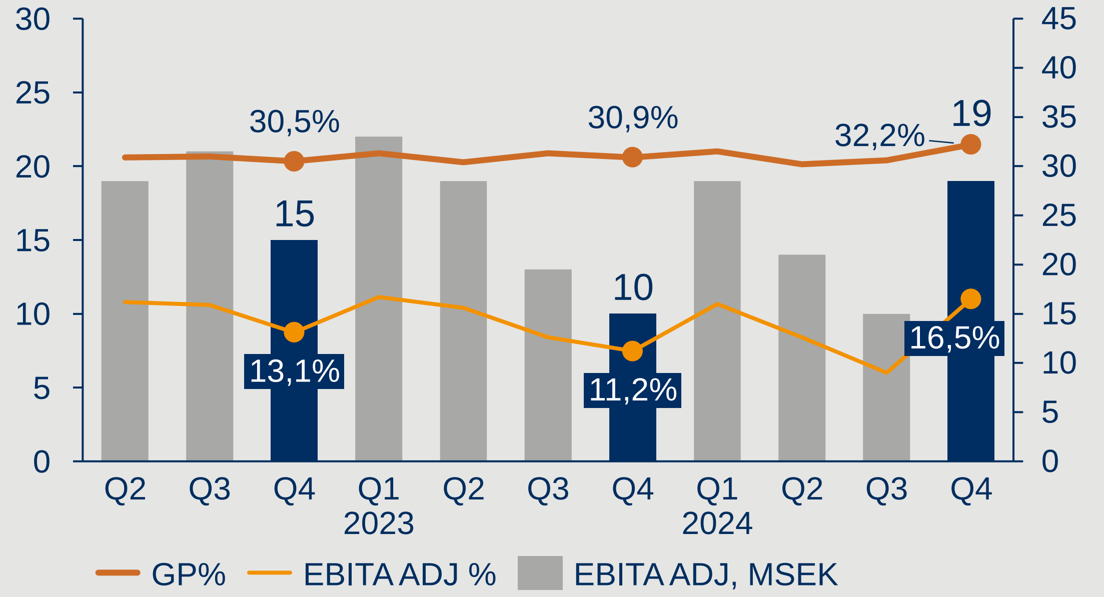
Region
Asia-Pacific

- Total growth amounted to 29.4% and the organic growth was 27.4%
- Strong demand in all companies, led by Kian Soon and Bufab Shanghai
- Gross margin improved by 1.3 pp
- Lower share of OpEx than last year
- The adjusted operating margin improved to 16.5% (11.2)





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Summary, Outlook & Priorities

Erik Lundén
President & CEO

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Summary, Outlook & Priorities

- Improved gross margin in the quarter but lower results due to one-offs and currency. Acquisition of VITAL
- Uncertainty remains, however, indications of improved demand from the general industry
- Efforts to strengthen the gross margin and focus on cost control will put Bufab in a strong position once the market rebounds
- 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 improve our NWC and secure strong cash flow

Q&A

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