

Q4 2022 presentation

February 9, 2023

Erik Lundén, CEO
Marcus Söderberg, CFO





Q4 & Full Year highlights

Erik Lundén
President & CEO

Q4 Summary – Stable end to a strong year

- **Continued strong growth in the Quarter**

- Strong growth in the quarter of +30%, mainly driven by the latest year's acquisitions.
- Organic growth of +1%, impacted by a weaker demand in the end of the quarter and strong comparative figures
- Order intake slightly higher than net sales
- Segment West reported strong organic growth

- **Higher gross margin and strong improvement in EBITA**

- Somewhat higher gross margin explained by a favorable business mix and lower share of operating expenses due to continued good cost control
- Strong improvement in EBITA (+43%), corresponding to an operating margin of 11.7% (10.6)

- **Strengthened cash flow in the Quarter**

- Operating cash flow improved in the quarter as expected
- We expect the cash flow to continue to improve during the coming quarters of 2023

Full Year 2022 – A record year for Bufab

- **Bufab delivered our highest Sales, Operating profit and Earnings per share ever**
 - Net sales increased by 44% to SEK 8,431 million (5,878), of which 12% was organic
 - Order intake in line with net sales
 - Strong growth in all Segments
- **Strong EBITA and increased Earnings per share**
 - Operating profit (EBITA) increased by 42%, corresponding to a margin of 11.7% (11.8)
 - Earnings per share increased by 29%
 - The Board of Directors proposes raised dividend
- **3 strategic acquisitions, Science Based Targets validated and a stable platform for continued long term growth**
 - Completed three strategic acquisitions with a combined annual turnover of more than SEK 1 billion during the year
 - Our climate goals under the Science Based Targets initiative (SBTi) were validated in Q4 2022
 - Continued to develop business towards continued long-term and profitable growth



Financial highlights

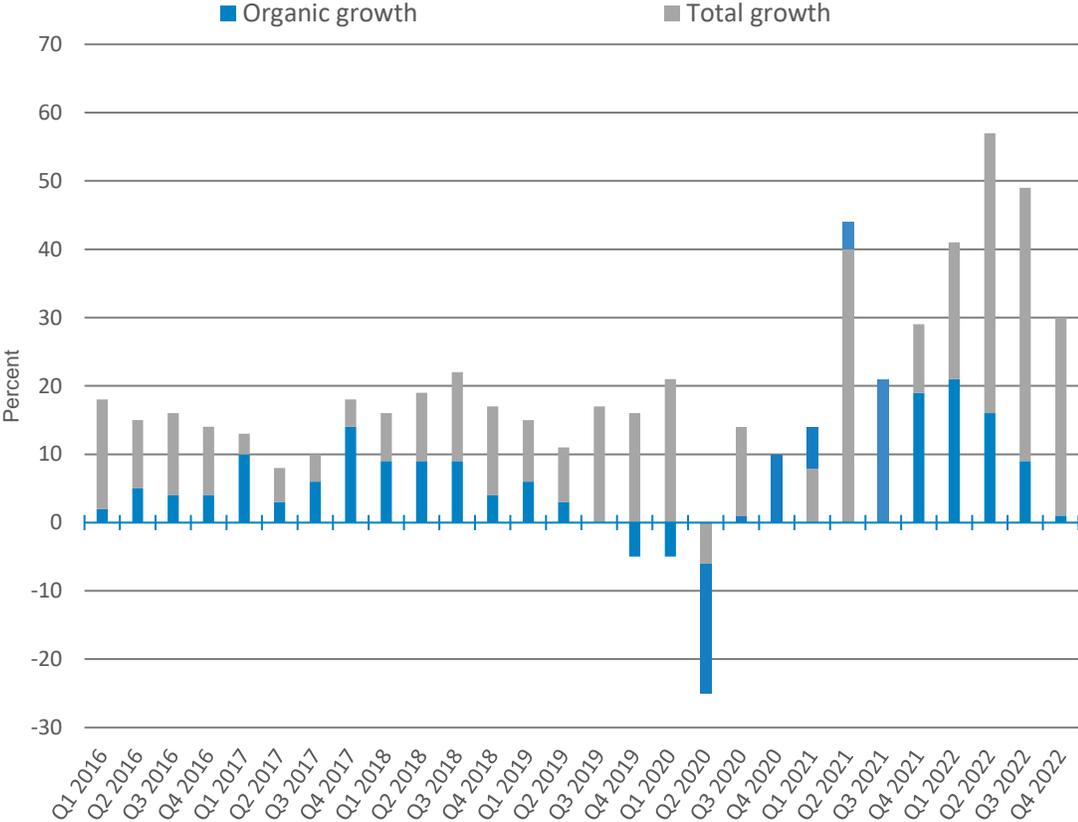
Marcus Söderberg
CFO

Financial highlights, Group

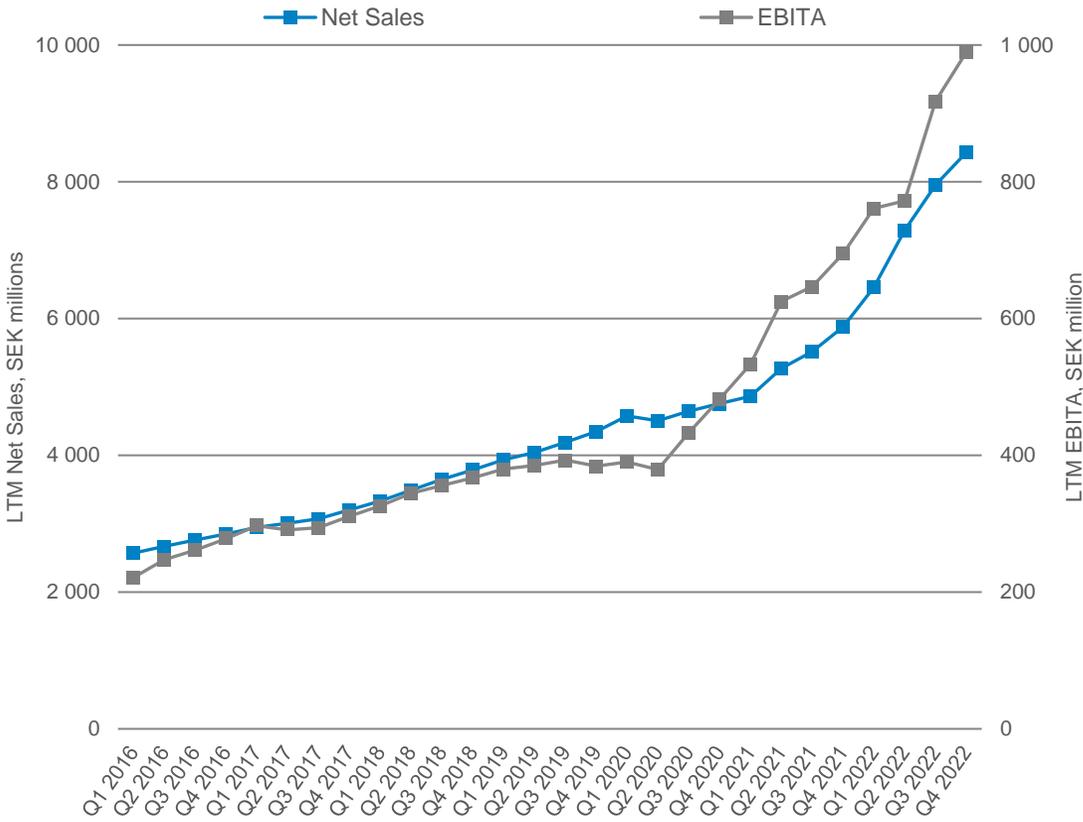
<i>SEK million</i>	<i>Quarter 4</i>			<i>Jan-Dec</i>		
	<i>2022</i>	<i>2021</i>	<i>Δ</i>	<i>2022</i>	<i>2021</i>	<i>Δ</i>
Order intake	2,092	1,623	29	8,453	6,084	39
Net sales	2,074	1,599	30	8,431	5,878	44
Gross profit	583	443	32	2,389	1,638	46
%	28.1	27.7		28.3	27.9	
Operating expenses*	-341	-274	25	-1,399	-942	48
%	-16.4	-17.1		-16.6	-16.0	
Operating profit (EBITA)*	242	169	43	990	695	42
%	11.7	10.6		11.7	11.8	
Operating profit	225	160	41	930	664	40
%	10.9	10.0		11.0	11.3	
Profit after tax	135	115	17	609	470	30
Earnings per share, SEK	3.58	3.17	13	16.23	12.57	29
Dividend per share, SEK	4,75**	3.75	27	4,75**	3.75	27

Financial development

Quarterly Net Sales growth

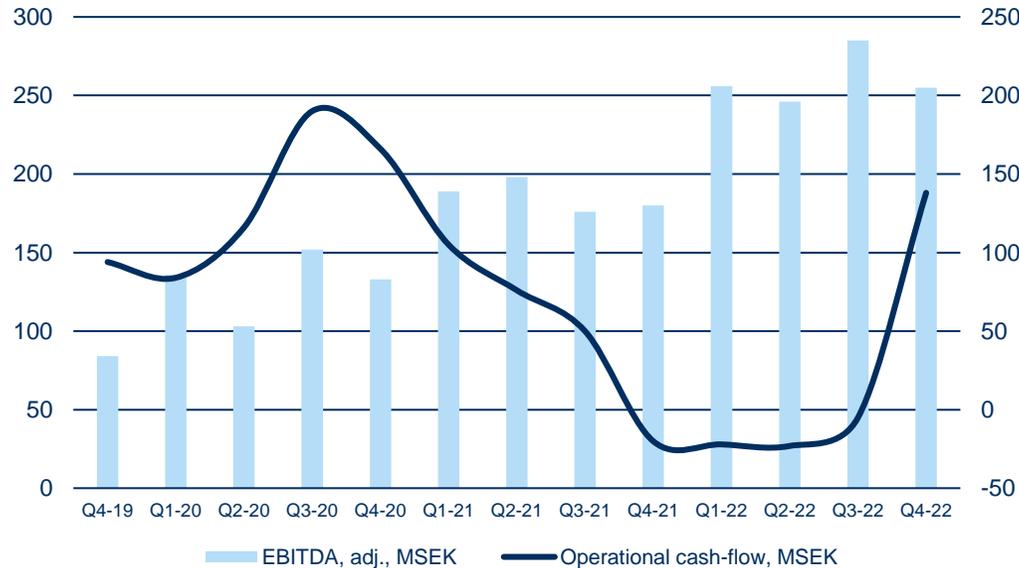


Net sales and EBITA



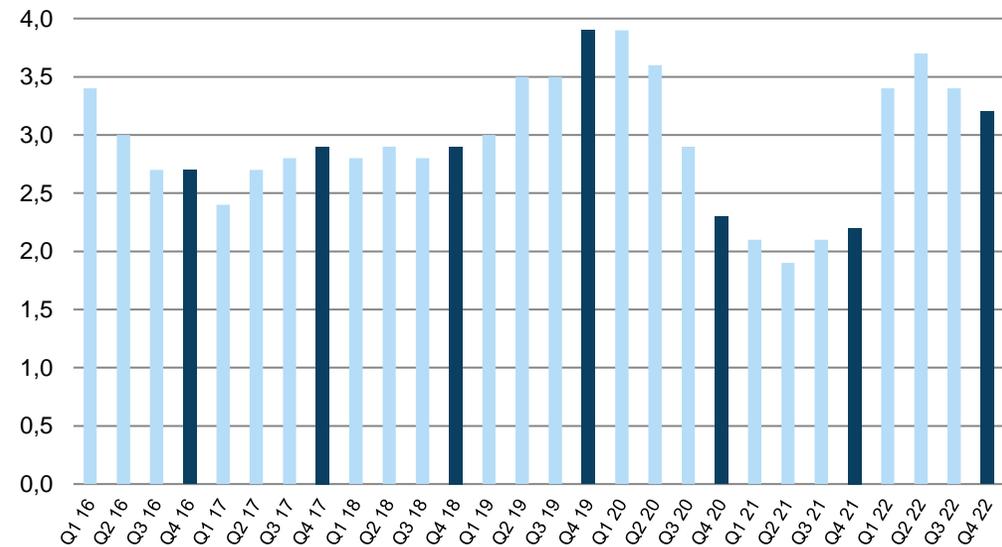
Cashflow and ND/EBITDA

Operating cash flow and cash conversion



- Strengthened cash flow;
 - Starting to re-normalizing net working capital to new market conditions – lower organic growth and shortened lead-times on goods
- Focus going forward:
 - Continue the re-normalization and increase the cash-flow the coming quarters

Net debt/EBITDA adj, x



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

EBITA Bridge

EBITA Q4 2021	169
North	27
West	14
East	0
UK/North America	25
Other	5
EBITA Q4 2022	242

EBITA Full Year 2021	695
North	104
West	67
East	3
UK/North America	116
Other	4
EBITA Full Year 2022	990



Q4 - Segment highlights

Erik Lundén
President & CEO

Segment North – Q4 summary

<i>SEK million</i>	<i>Quarter 4</i>		Δ	<i>Jan-Dec</i>		Δ
	2022	2021	%	2022	2021	%
Order intake	737	608	21	2,815	2,436	16
Net sales	729	613	19	2,837	2,366	20
Gross profit	179	153	17	737	611	21
%	24.6	25.0		26.0	25.8	
Operating expenses	-92	-93	-2	-384	-362	6
%	-12.6	-15.2		-13.5	-15.3	
Operating profit (EBITA)	87	60	45	352	249	41
%	11.9	9.8		12.4	10.5	

- The segment noted continued favorable growth during the quarter. Total growth amounted to +19 percent
- Organic growth up +1%, impacted negatively by weak performance in one of the Danish entities
- Lower gross margin due to reduced volumes and negative business mix in manufacturing companies
- Lower share of expenses due to continued good cost control

Segment West – Q4 summary

<i>SEK million</i>	<i>Quarter 4</i>		Δ	<i>Jan-Dec</i>		Δ
	<i>2022</i>	<i>2021</i>	<i>%</i>	<i>2022</i>	<i>2021</i>	<i>%</i>
Order intake	397	358	11	1,716	1,317	30
Net sales	409	326	25	1,694	1,236	37
Gross profit	103	81	27	408	310	32
%	25.1	24.7		24.1	25.1	
Operating expenses	-59	-51	16	-219	-189	16
%	-14.5	-15.6		-12.9	-15.3	
Operating profit (EBITA)	43	29	48	188	121	56
%	10.5	9.0		11.1	9.8	

- Total growth amounted to +25 percent, of which +10 per cent was organic growth
- Organic growth was mainly driven by underlying demand and increased market shares. The operations in the Netherlands and Czech Republic had an especially strong performance
- Somewhat higher gross margin due to favorable business mix and Lower share of expenses due to good cost control and operational leverage
- Both operating profit and the operating margin increased

Segment East – Q4 summary

<i>SEK million</i>	<i>Quarter 4</i>		Δ	<i>Jan-Dec</i>		Δ
	<i>2022</i>	<i>2021</i>	<i>%</i>	<i>2022</i>	<i>2021</i>	<i>%</i>
Order intake	274	235	17	1,066	933	14
Net sales	253	233	9	1,073	889	21
Gross profit	81	73	12	342	276	24
%	32.1	31.3		31.9	31.0	
Operating expenses	-47	-39	21	-190	-126	51
%	-18.7	-16.7		-17.7	-14.2	
Operating profit (EBITA)	34	34	1	153	150	2
%	13.4	14.6		14.2	16.9	

- Total growth of +9 percent in the segment driven fully by acquisitions and foreign currency
- Organic growth -5%, due to strong comparative figures and weak development in Poland and Singapore
- Higher gross margin mainly due CDA Polska and price increases
- Higher share of expenses mainly due to lower volumes
- In total, operating profit was flat, while the margin declined

Segment UK/North America – Q4 summary

<i>SEK million</i>	<i>Quarter 4</i>		Δ	<i>Jan-Dec</i>		Δ
	2022	2021	%	2022	2021	%
Order intake	683	422	62	2,855	1,398	104
Net sales	681	427	61	2,824	1,388	105
Gross profit	212	137	55	890	446	99
%	31.1	32.1		31.5	32.2	
Operating expenses	-137	-88	56	-568	-241	136
%	-20.1	-20.6		-20.1	-17.3	
Operating profit (EBITA)	74	49	53	321	206	56
%	10.9	11.5		11.4	14.8	

- The segment reported strong growth of +61 percent, driven entirely by acquisitions and foreign currency
- Organic growth was -4%, due to strong comparative figures and lower demand for stainless steel C-parts in the UK and mobile homes in North America
- Lower gross margin due to TIMCO and lower share of expenses due to continued good cost control
- Overall, operating profit increased, while the margin declined

Consolidator in a fragmented market



+51

acquisitions since 1977

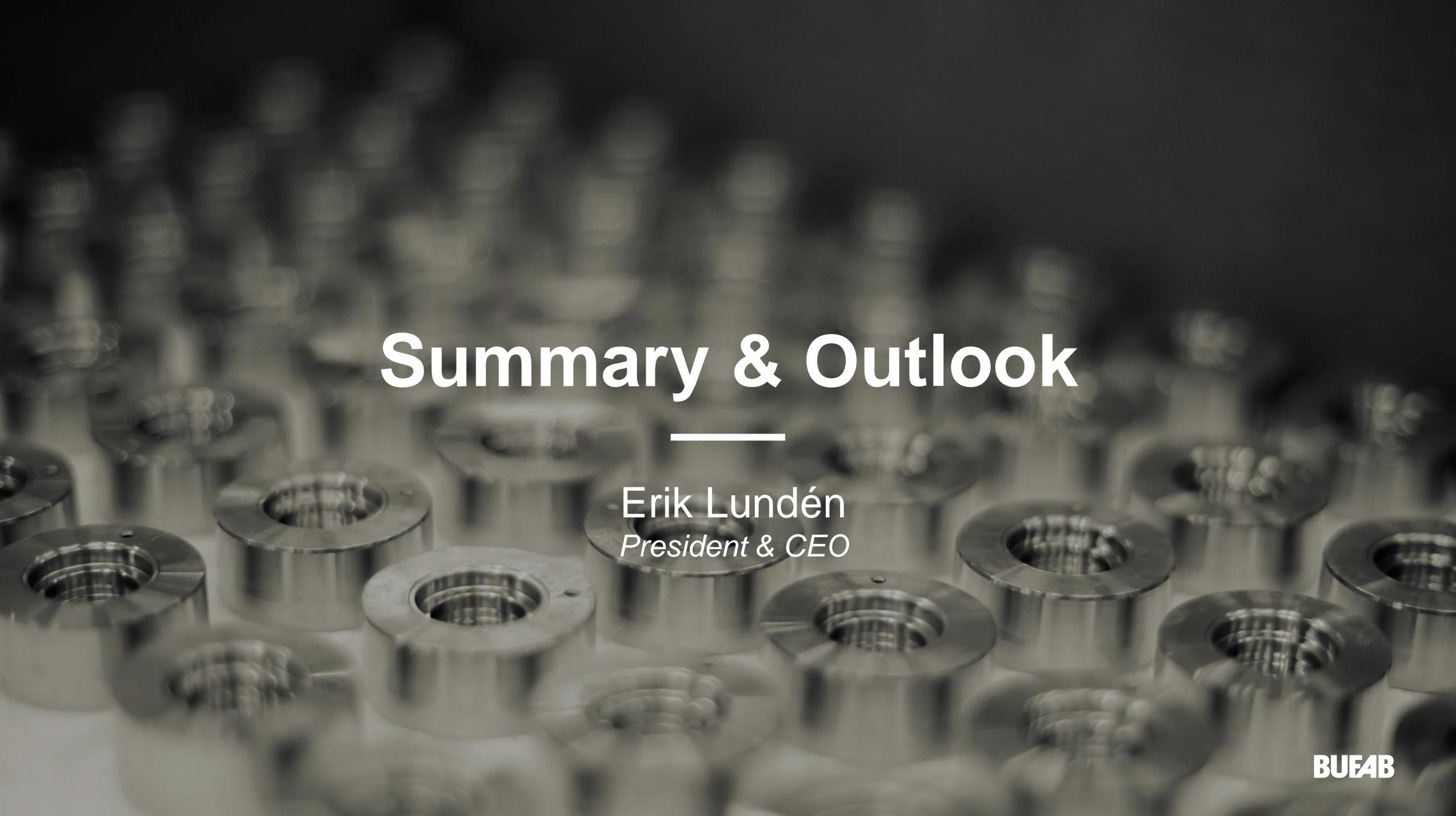
3

acquisitions
in 2022

900

employees

3,400 MSEK



Summary & Outlook

Erik Lundén
President & CEO

Summary & Outlook

- **Q4 Summary**

- Strong overall growth in the quarter mainly driven by the latest year's acquisitions. Organic growth hampered by weak demand in the end of the quarter and strong comparatives
- Strong result due to acquisitions and somewhat higher gross margin and lower share of expenses

- **Outlook**

- Given the geopolitical and macroeconomic situation, there is big uncertainty ahead of 2023
- A higher level of caution noted among customers in certain segments
- During the end of 2022, we have prepared our operations for potentially more difficult times and subsequently lower demand. We have a well-diversified customer- and article portfolio, with a good diversification of risk in various industries

- **Short term Priorities**

- Continue taking market share
- Protect margins, secure cash-flows and reduce debt
- Continuing working on efficiency improvements, development of our operations (productivity, digitalization etc) and NWC



Q&A