

Q1

INTERIM REPORT

APRIL 25, 2024

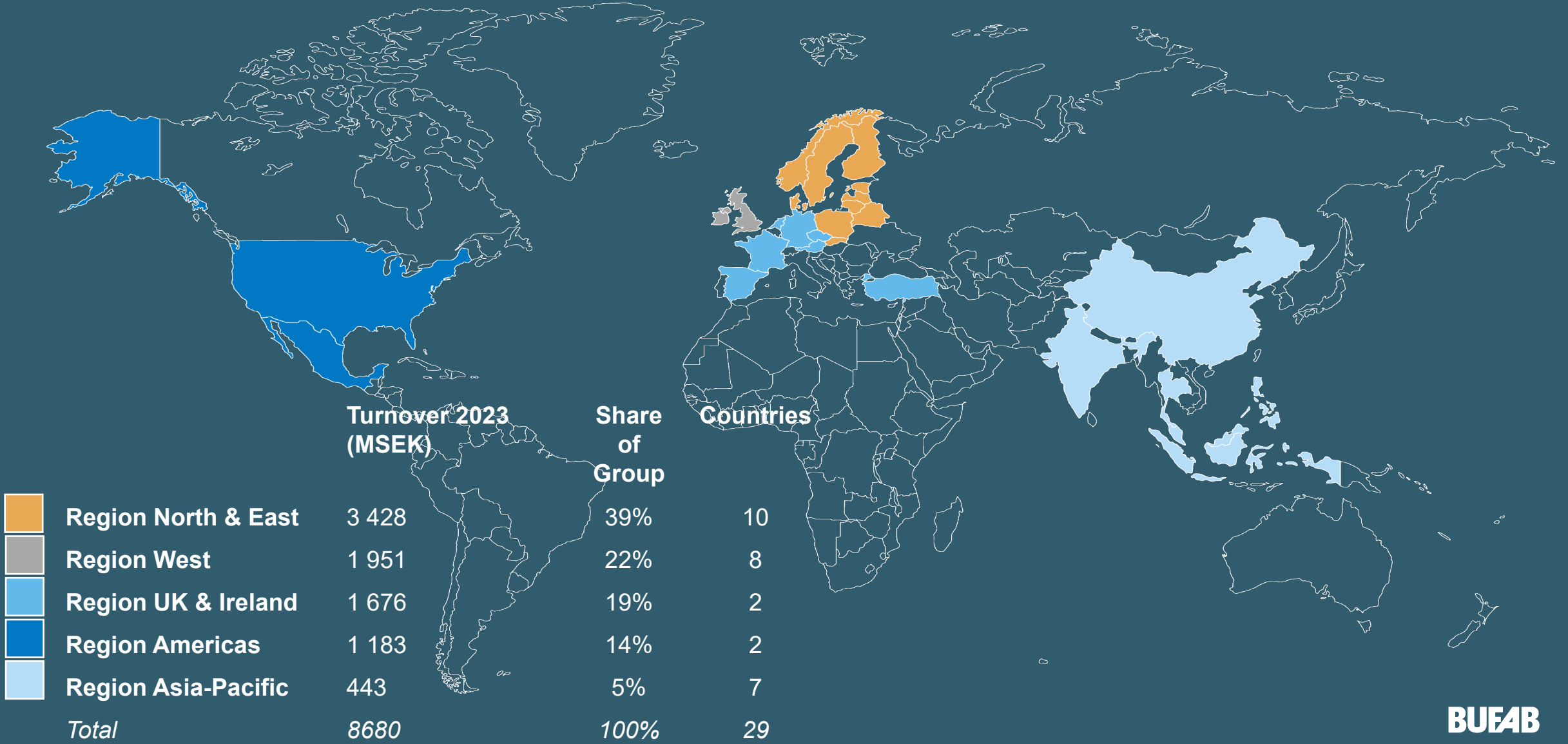


Erik Lundén
President & CEO



Pär Ihrskog
CFO

New Regional set-up from 1st of January



Q1 highlights

Erik Lundén
President & CEO

Q1 highlights: Solid profitability and stable cash flow in a challenging market

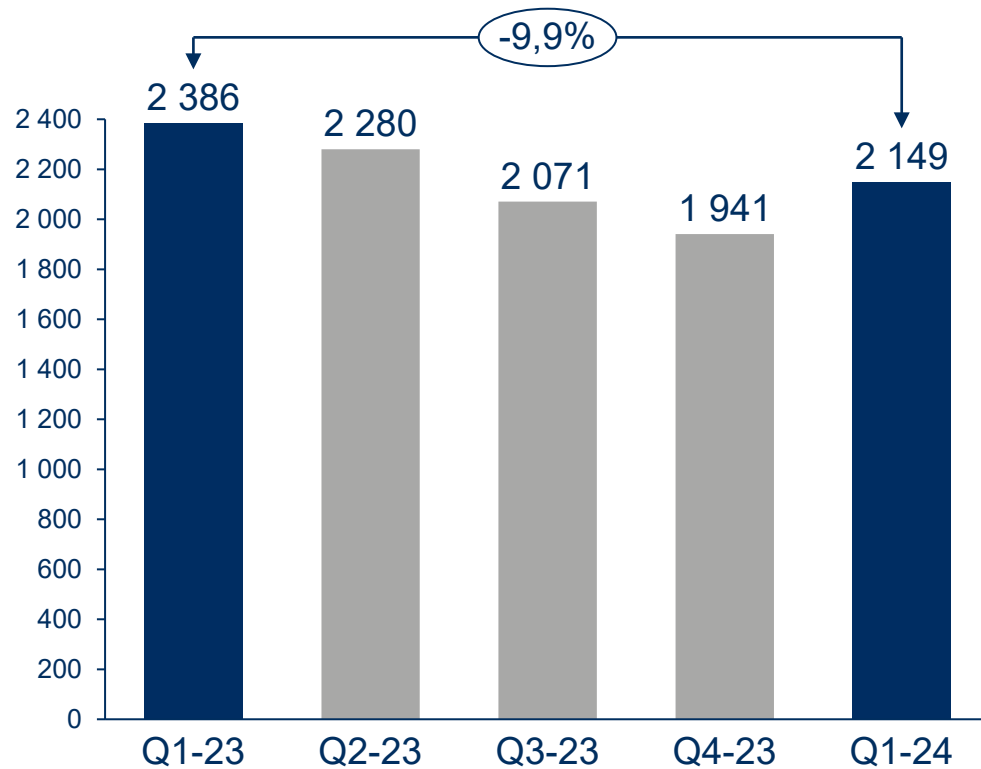
- **Challenging market with lower demand Year on Year**
 - Total growth of -9.9% and organic growth was -10.6%, due to lower demand across all regions and strong comparative figures.
 - Favourable demand in energy, oil & gas and defence, while weak in sectors such as construction, bath, kitchen and outdoor and general industry.
 - Order intake in line with net sales.
- **Improved gross margin and solid operating margin**
 - Continued improved gross margin of 29.1% (28.3) with improvements in all Regions mainly driven by good work with our product- and customer mix.
 - The share of operating expenses increased compared to last year due to lower demand, inflationary effects, restructuring costs and investments in market growth.
 - Adjusted cost base in several of our companies during the quarter.
 - Adjusted operating margin of 12.1% (13.6) impacted by lower volumes.
- **Stable cash flow & strengthened financial position recent quarters**
 - Operating cash flow amounted to SEK 259 million (301), corresponding to a cash conversion ratio of 95% (89).
 - Strengthened financial position recent quarters provides scope for acquisitions going forward.

Financial highlights

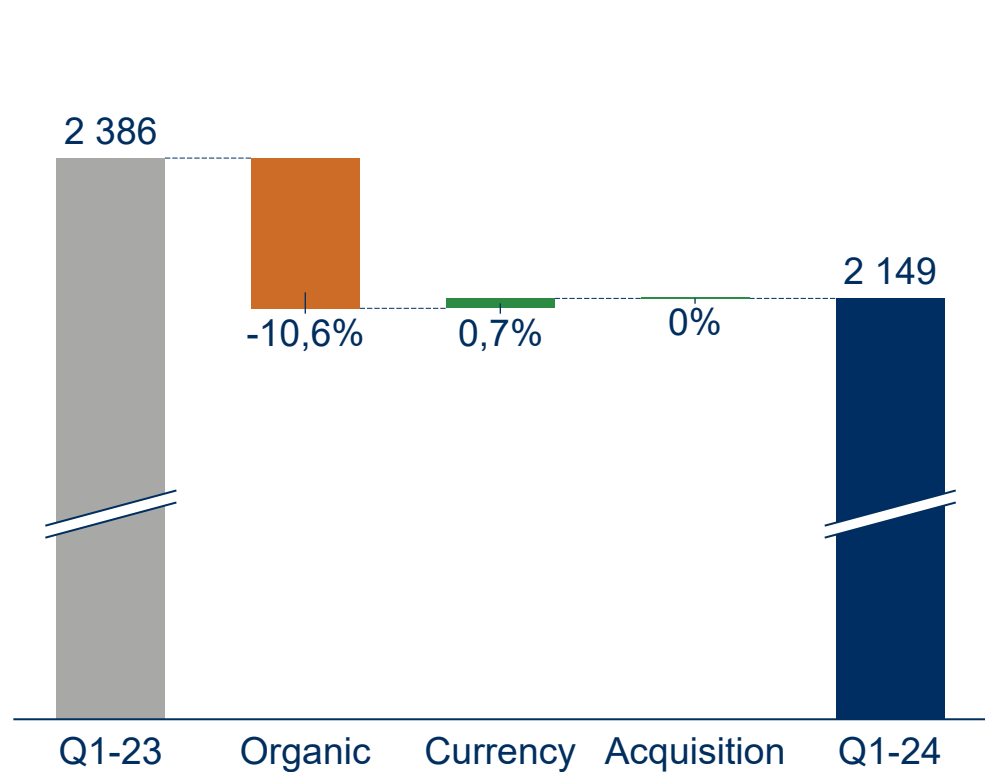
Pär Ihrskog
CFO

Challenging market with lower demand Year on Year

Net Sales by quarter

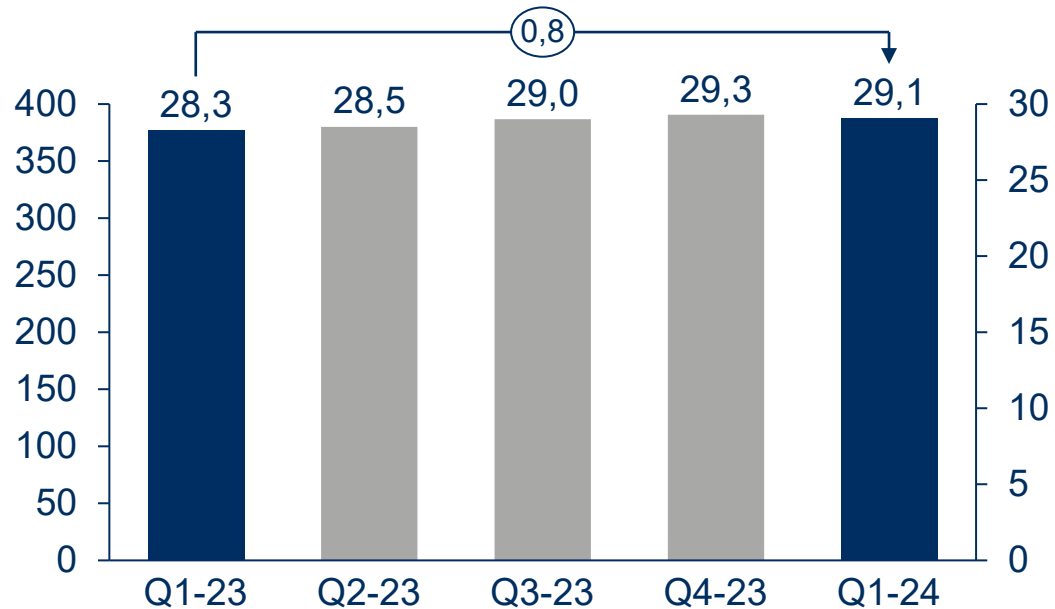


Organic growth

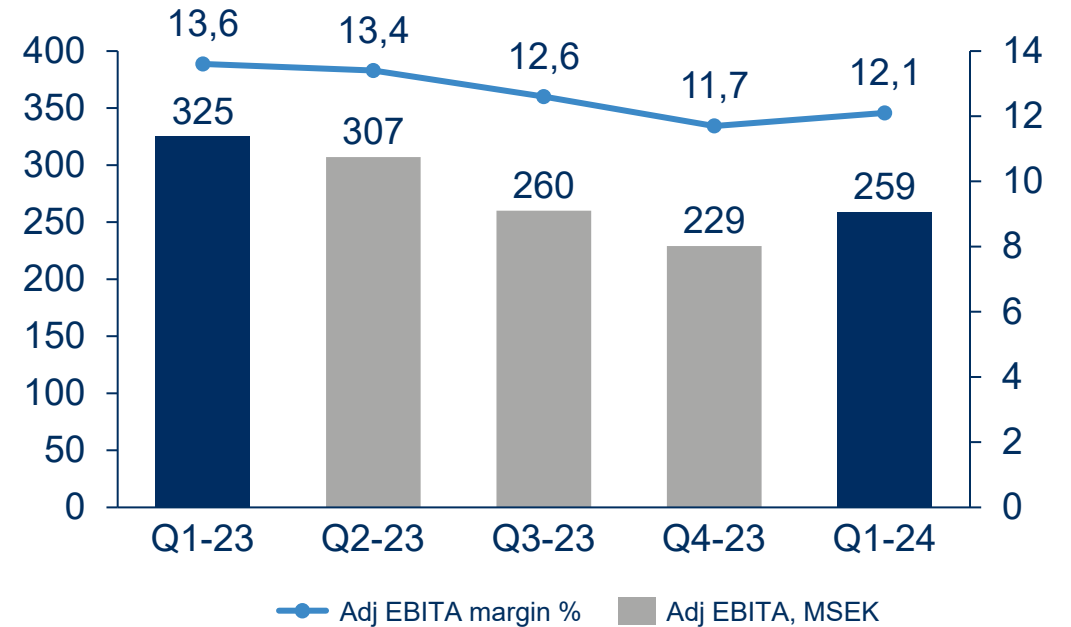


Improved Gross margin and solid operating margin

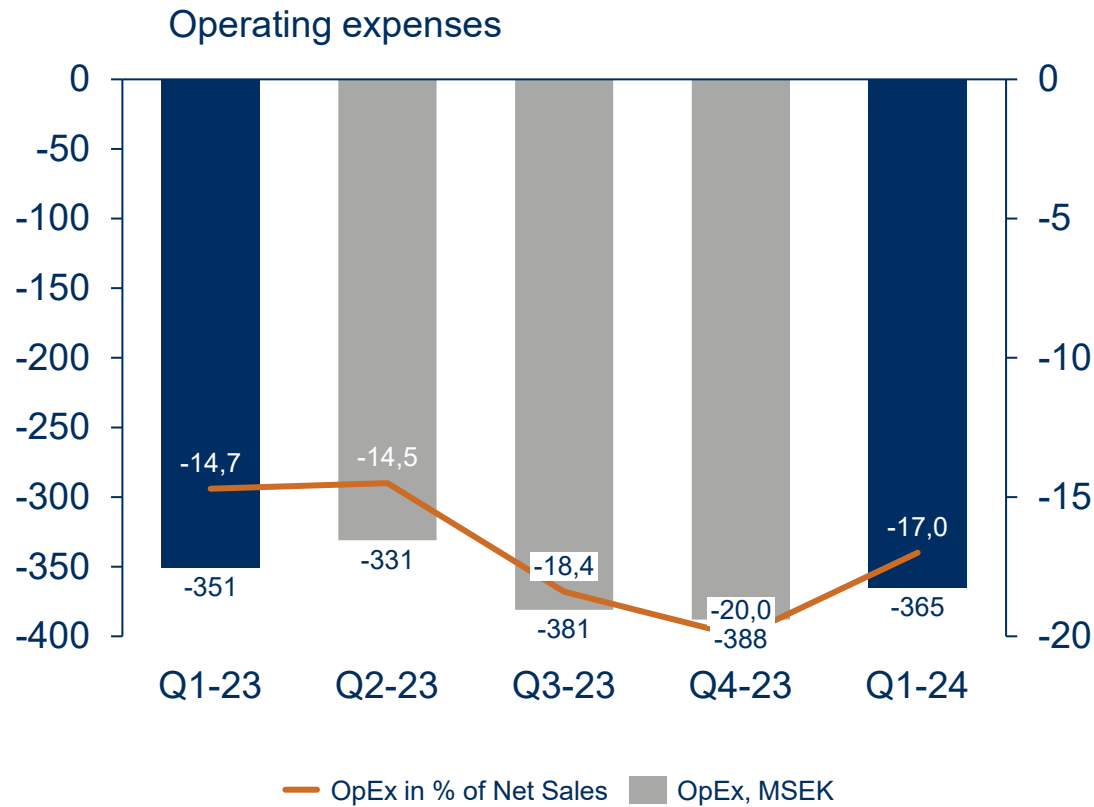
Gross Profit Margin



EBITA, MSEK adjusted and EBITA margin adjusted



Operating expenses above LY Q1



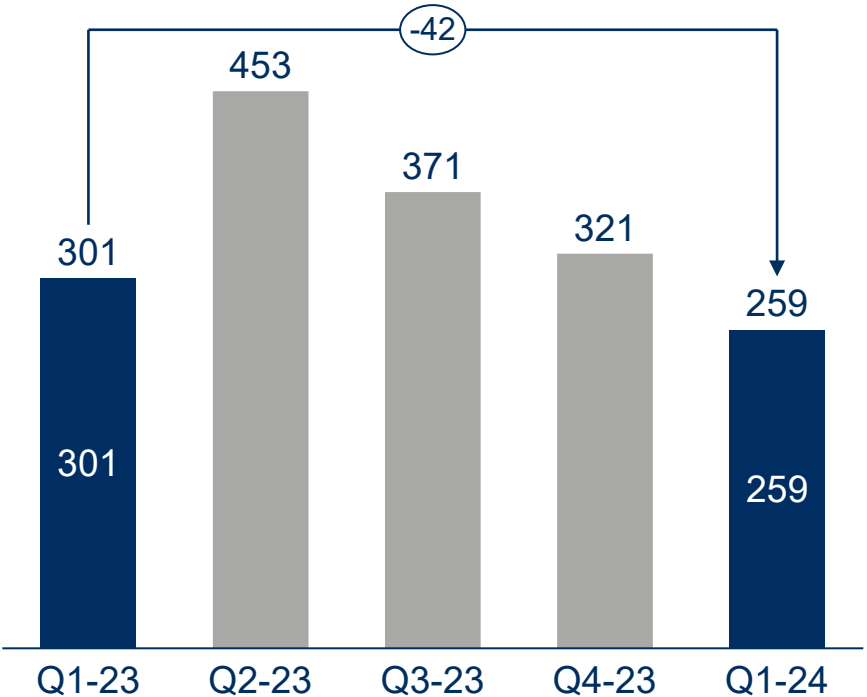
Higher expenses coming from

- Inflationary effects
- Restructuring cost
- Investment in Growth

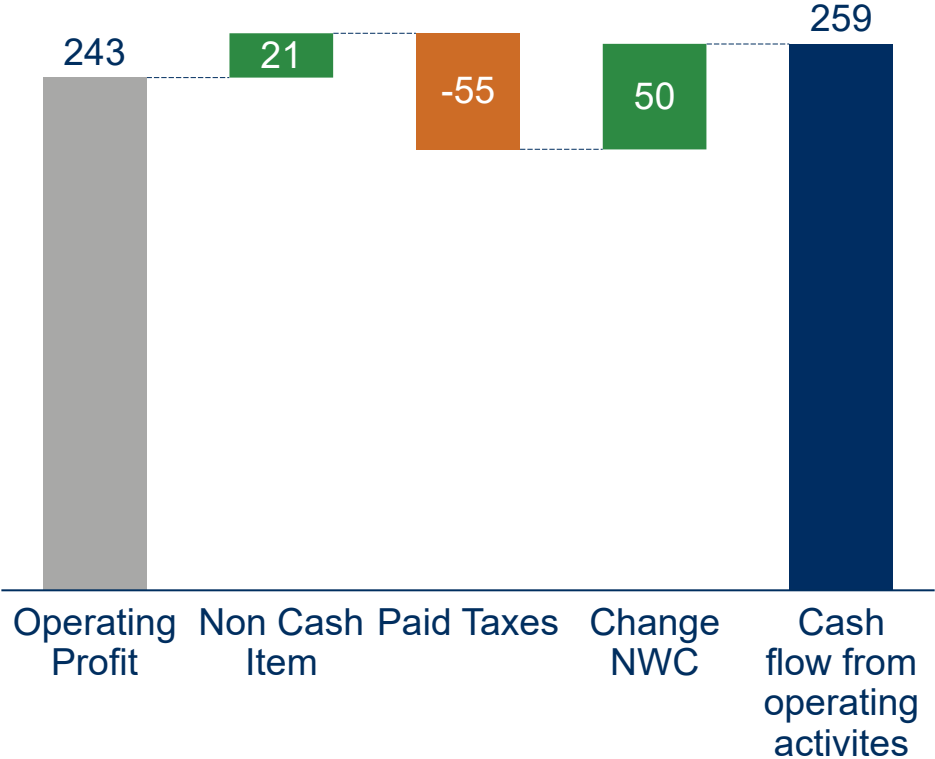
OpEx in % of Net Sales higher than last year mainly due to lower sales volumes and higher cost

Stable cash flow

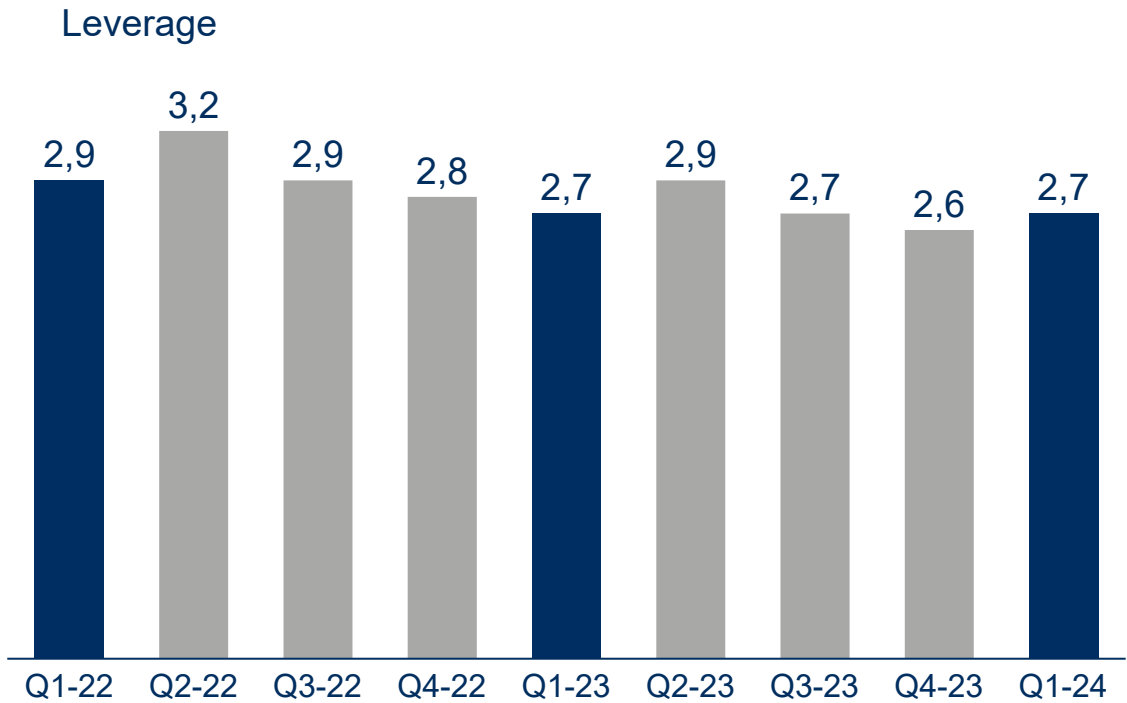
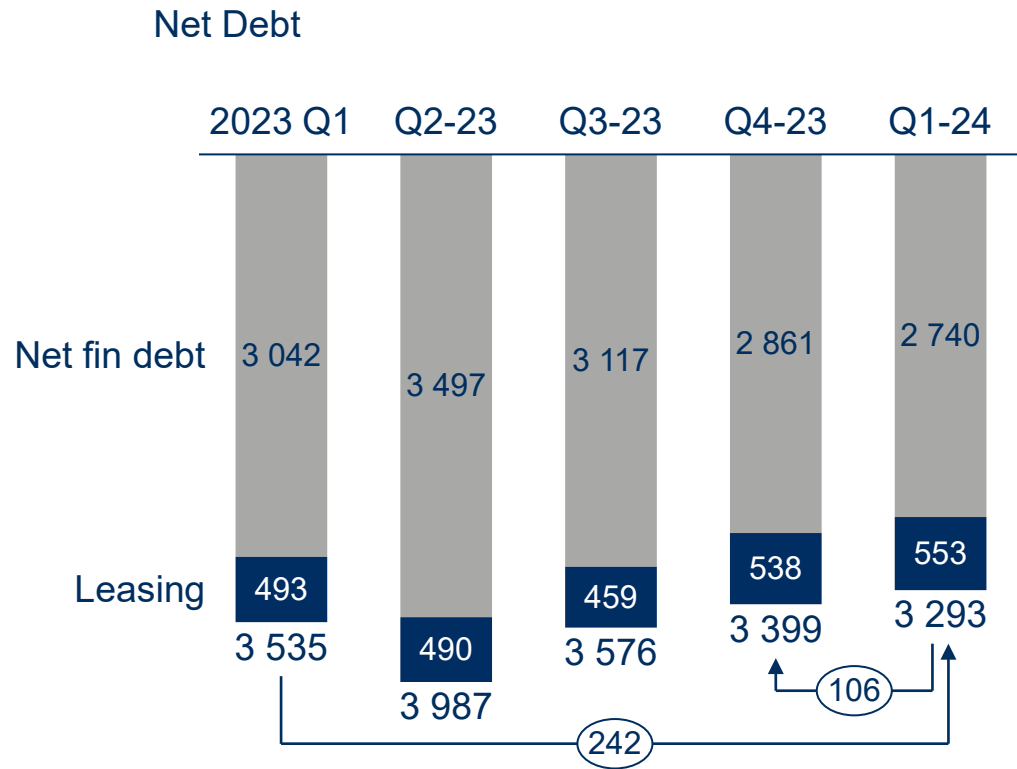
Cash flow from operating activities



Cash flow from operating activities



Reduced net debt and stable leverage





Regional highlights

Erik Lundén
President & CEO

Region Europe North & East

MSEK	Q1		Δ	LTM	Full-year
	2024	2023	%	23/24	2023
Order intake	853	941	-9	3,335	3,424
Net sales	868	968	-10	3,328	3,429
Gross profit	236	261	-10	894	920
<i>Gross margin (%)</i>	<i>27.2</i>	<i>27.0</i>		<i>26.9</i>	<i>26.8</i>
Operating expenses	-143	-121	19	-503	-480
<i>Share of net sales (%)</i>	<i>-16.5</i>	<i>-12.5</i>		<i>-15.1</i>	<i>-14.0</i>
Operating profit (EBITA)	92	140	-34	391	440
Operating margin EBITA (%)	10.6	14.5		11.8	12.8
<i>Operating profit (EBITA), adjusted</i>	<i>92</i>	<i>140</i>	<i>-34</i>	<i>391</i>	<i>440</i>
<i>Operating margin EBITA, (%) adjusted</i>	<i>10.6</i>	<i>14.5</i>		<i>11.8</i>	<i>12.8</i>

- Total growth amounted to -10% with an organic growth of -11% with a similar performance in Northern and Eastern Europe.
- Weak demand in the construction, bath and kitchen sectors as well as outdoor. Strong demand in defence and oil&gas.
- Improved gross margin to 27.2% (27.0) driven by sourcing savings and improved customer- & product mix.
- Higher share of operating expenses due to the lower sales, higher obsolescence provisions, restructuring costs and investments in growth and Operating operating margin declined to 10.6% (14.5).

Region Europe West

MSEK	Q1		Δ	LTM	Full-year
	2024	2023	%	23/24	2023
Order intake	494	545	-9	1,852	1,902
Net sales	490	546	-10	1,895	1,951
Gross profit	123	134	-9	462	474
<i>Gross margin (%)</i>	<i>25.1</i>	<i>24.6</i>		<i>24.4</i>	<i>24.3</i>
Operating expenses	-59	-58	2	-230	-229
<i>Share of net sales (%)</i>	<i>-12.0</i>	<i>-10.6</i>		<i>-12.1</i>	<i>-11.7</i>
Operating profit (EBITA)	64	77	-15	233	245
Operating margin EBITA (%)	13.1	14.0		12.3	12.6
Operating profit (EBITA), adjusted	64	77	-15	233	245
Operating margin EBITA, (%) adjusted	13.1	14.0		12.3	12.6

- Total growth amounted to -10%, of which -9% was organic growth.
- Demand remained favourable in defence and aerospace, but weak in automotive and construction.
- Demand was particularly strong in France, the Czech Republic and Turkey, while Austria and the Netherlands noted a continued soft market development.
- Increased gross margin to 25.1% (24.6%) due to improved product- and customer mix.
- Higher share of operating expenses due to lower volumes, yielding an operating margin of 13.1% (14.0)

Region UK / Ireland

MSEK	Q1		Δ	LTM	Full-year
	2024	2023	%	23/24	2023
Order intake	392	426	-8	1,721	1,754
Net sales	398	427	-7	1,647	1,676
Gross profit	131	127	3	540	537
<i>Gross margin (%)</i>	32.8	29.9		32.8	32.1
Operating expenses	-82	-67	23	-420	-405
<i>Share of net sales (%)</i>	-20.7	-15.7		-25.5	-24.1
Operating profit (EBITA)	48	60	-20	121	133
Operating margin EBITA (%)	12.2	14.1		7.3	7.9
<i>Operating profit (EBITA), adjusted</i>	48	54	-10	208	214
<i>Operating margin EBITA, (%) adjusted</i>	12.2	12.7		12.6	12.8

- Total growth amounted to -7%. Organic growth was -11%, due to lower demand in stainless steel and a strong comparative quarter.
- Strong improvement in gross margin to 32.8% (29.9) due to a favourable customer mix, purchasing savings and strategic rationalisation and improvement of customer accounts.
- Share of operating expenses increased due to the lower volumes and IT investments.
- Adjusted operating margin declined and amounted to 12.2% (12.7).

Region Americas

MSEK	Q1		Δ	LTM	Full-year
	2024	2023	%	23/24	2023
Order intake	286	283	1	1,095	1,092
Net sales	278	315	-12	1,146	1,182
Gross profit	98	107	-8	403	412
<i>Gross margin (%)</i>	35.2	33.9		35.1	34.8
Operating expenses	-62	-71	-12	-226	-235
<i>Share of net sales (%)</i>	-22.3	-22.5		-19.7	-19.8
Operating profit (EBITA)	36	36	-0	177	177
Operating margin EBITA (%)	12.9	11.4		15.4	15.0
<i>Operating profit (EBITA), adjusted</i>	36	44	-19	165	174
<i>Operating margin EBITA, (%) adjusted</i>	12.9	14.1		14.4	14.7

- Total growth of -12%, of which all was organic.
- The decline was due to the weakening of the mobile home industry and a generally soft market.
- Strong improvement in gross margin 35.2% (33.9) due to favourable customer mix, continued price adjustments and sourcing savings.
- Higher share of operating expenses adjusted for remeasurement of additional purchase considerations, yielding an adjusted operating margin of 12.9% (14.1).

Region Asia-Pacific

MSEK	Q1		Δ	LTM	Full-year
	2024	2023	%	23/24	2023
Order intake	122	127	-4	425	431
Net sales	116	131	-11	428	443
Gross profit	37	41	-11	133	137
<i>Gross margin (%)</i>	<i>31.5</i>	<i>31.3</i>		<i>31.0</i>	<i>31.0</i>
Operating expenses	-18	-19	-5	-73	-74
<i>Share of net sales (%)</i>	<i>-15.6</i>	<i>-14.6</i>		<i>-17.0</i>	<i>-16.6</i>
Operating profit (EBITA)	19	22	-15	60	64
Operating margin EBITA (%)	16.0	16.7		14.1	14.4
Operating profit (EBITA), adjusted	19	22	-15	60	64
Operating margin EBITA, (%) adjusted	16.0	16.7		14.1	14.4

- Total growth amounted to -11%. Organic growth was -8%, due to a generally softer market, mainly in the biomedical, rail and energy management industries.
- Slightly higher gross margin due to a better customer and product mix.
- Share of operating expenses increased due to the lower volumes.
- Operating margin of 16.0% (16.7).

M&A – CONSOLIDATOR IN A FRAGMENTED MARKET

+51

acquisitions since 1977

14

acquisitions since 2014

+900

employees

+3400

MSEK



Q1 Summary, outlook & focus areas

Erik Lundén
President & CEO

Q1 Summary & outlook

- **Q1 Summary – Solid profitability and stable cash flow in a weaker market**
 - Challenging market with lower demand Year on Year.
 - Continued improved gross margin of 29.1% (28.3) due to good work with our product and customer mix and sourcing savings.
 - Solid adjusted operating margin of 12.1% (13.6) impacted by lower volumes.
 - Stable cash flow & strengthened financial position recent quarters.

- **Outlook & position**
 - Market outlook remains uncertain and challenging comparative figures also for next quarter.
 - Cost base adjusted in several of our companies and well positioned if demand decreases further.
 - Large and well-diversified customer- and article portfolio, with a good diversification of risk in various industries and markets.

Focus going forward

- **Continue execute on our new strategy – *Discovering the Next Solution***

- Focus on profitable growth by creating more value for our customers:

- 1) Continue securing new business and taking market shares**

- Our new organization and & way of working up and running
 - Good activity in the market, ensure we capture market share as our offering gets more and more relevant
 - Continue invest in selected companies and industries for further growth

- 2) Gradually improve our margins**

- Continue working on our customer- and product mix to further improve our gross margin
 - Execute our updated sourcing strategy to gain sourcing savings
 - Efficiency and cost reduction where needed

- 3) Continue focus on our NWC**

- Improvement plans in place in each Bufab company

Q&A