

Q2



Erik Lundén
President & CEO



Pär Ihrskog
CFO

Group News

Erik Lundén
President & CEO

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Bufab divests Bufab Lann AB and Hallborn Metall AB

In line with Bufab's strategy to increase value for our customers and shareholders

Lann and Hallborn manufacture turned and milled components

5% of the group's total net sales. Historical EBITA margin of 5-10% & significant part of the groups CAPEX

Divestment to Arbona Industri AB closed in beginning of July

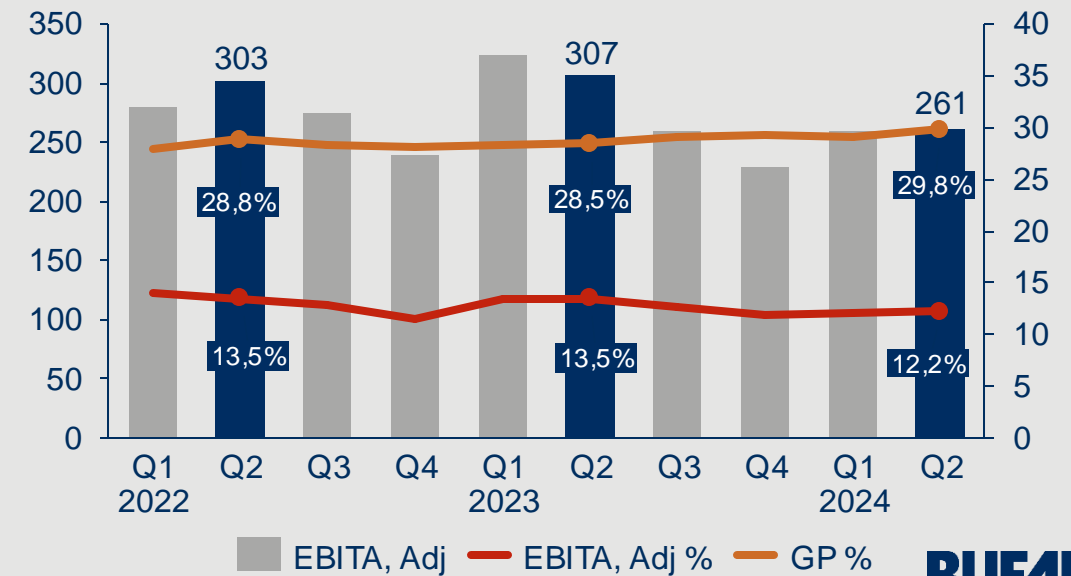
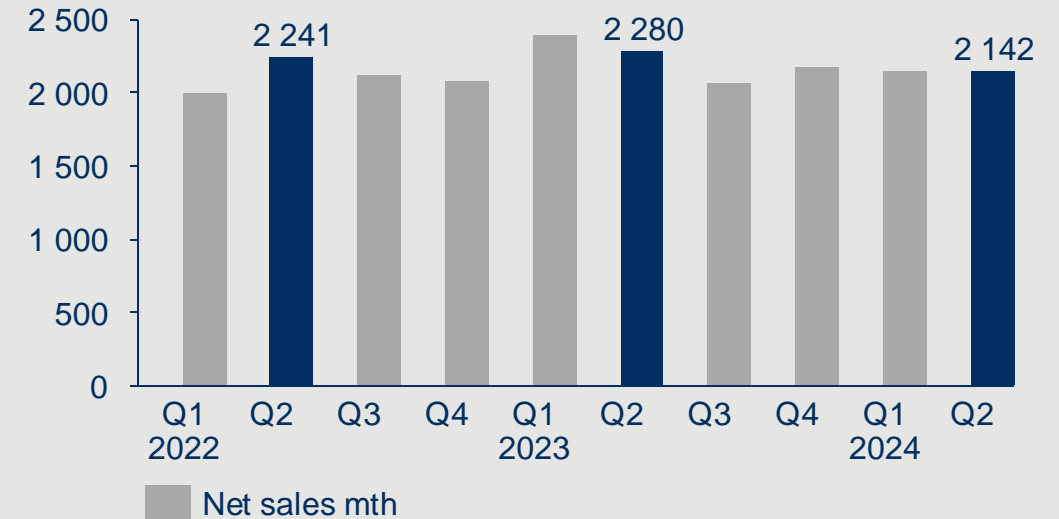
EV of SEK 230 million on a cash and debt free basis

Q2 Highlights

Erik Lundén
President & CEO

Second quarter highlights

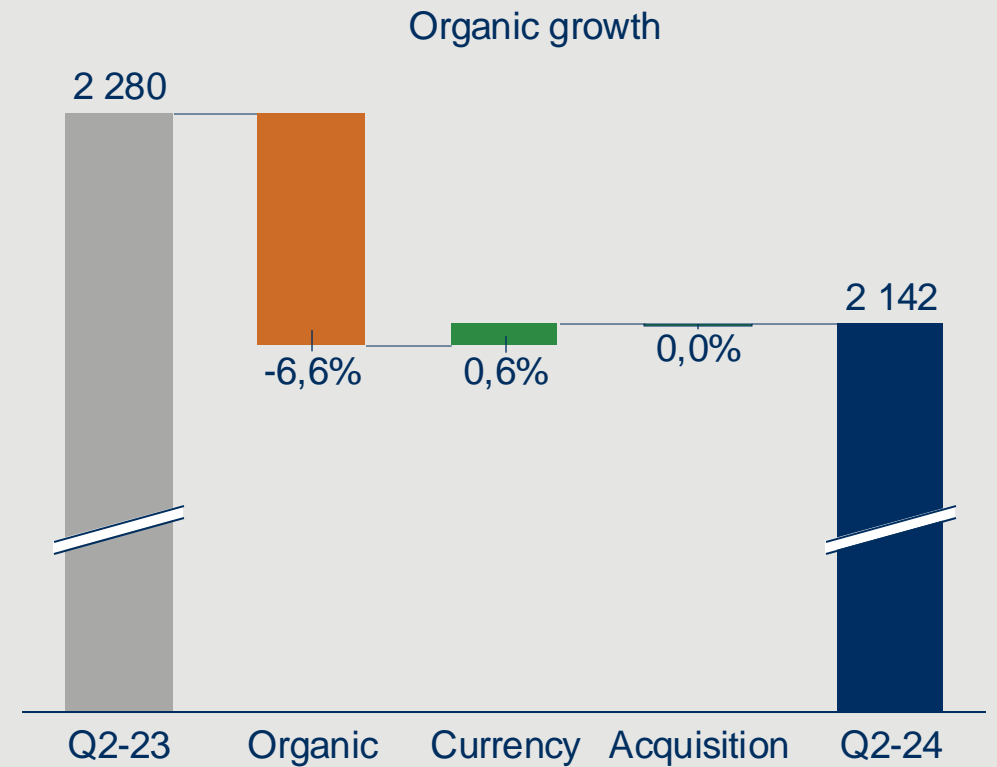
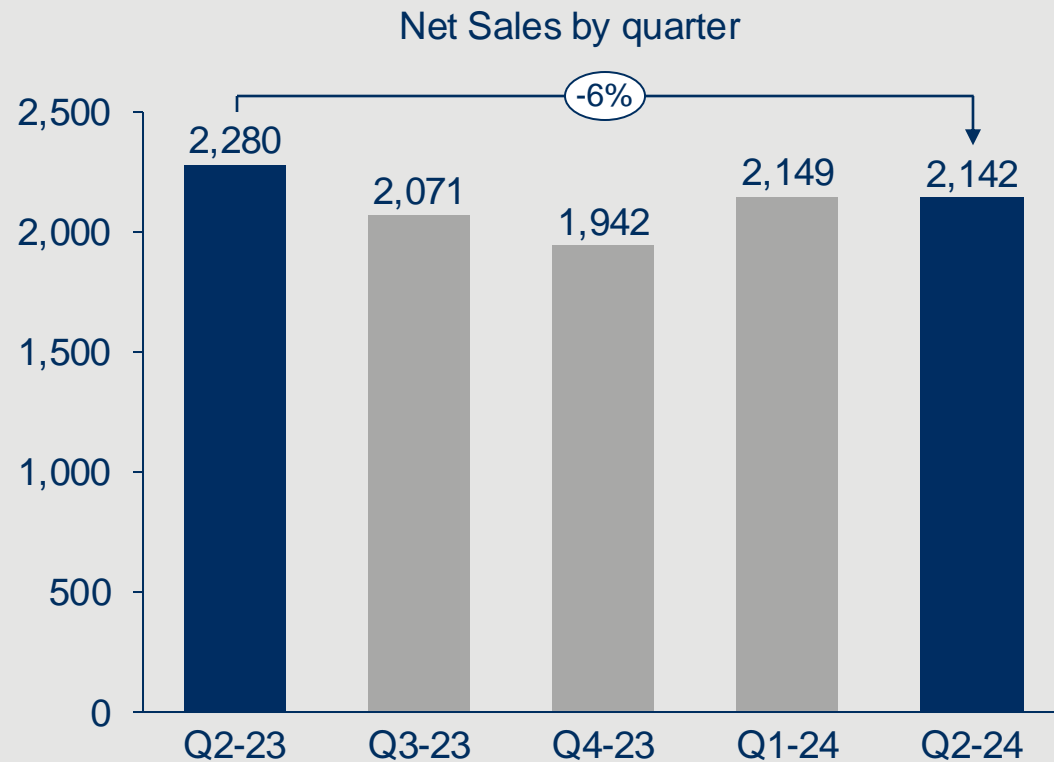
- Total growth of -6.0% and organic growth of -6.6%, improvement to previous quarter
- Favourable demand in energy and defence, while weak in construction, bath, kitchen and outdoor
- General industry still weak, indications that a turnaround is in sight
- Improved gross margin by +1.3pp reaching 29,8% (28,5)
- Higher share of OpEx due to lower volumes and inflationary effects and investment in market growth
- Cost savings activities and investments in growth continued in the quarter
- Stable adjusted operating margin of 12.2% (13.5)
- Stable cash flow and reduced Net Working Capital



Financial Highlights

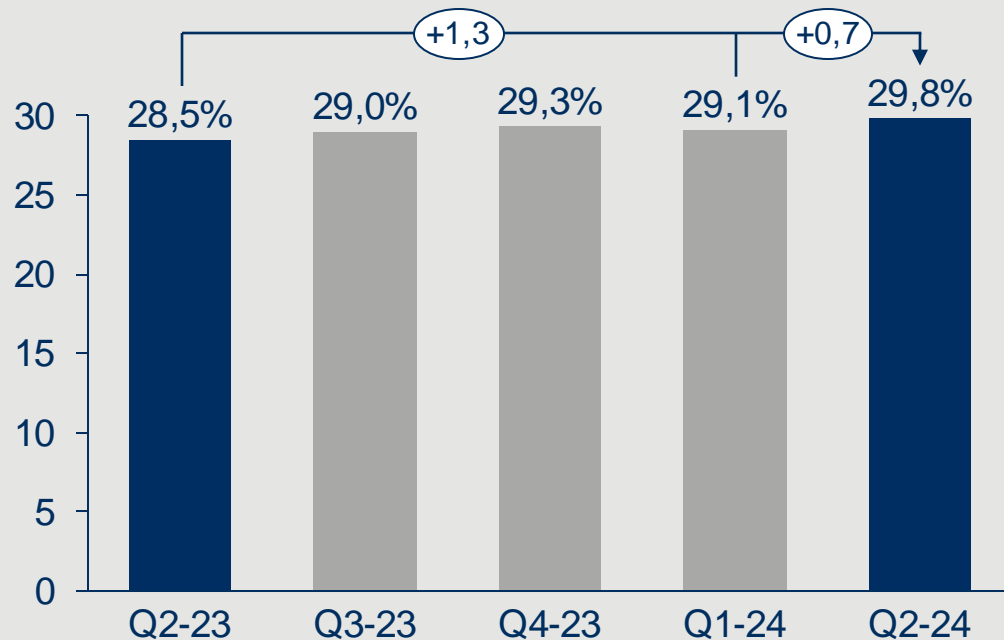
Pär Ihrskog
CFO

Continued negative organic growth, however, improvement to previous quarter

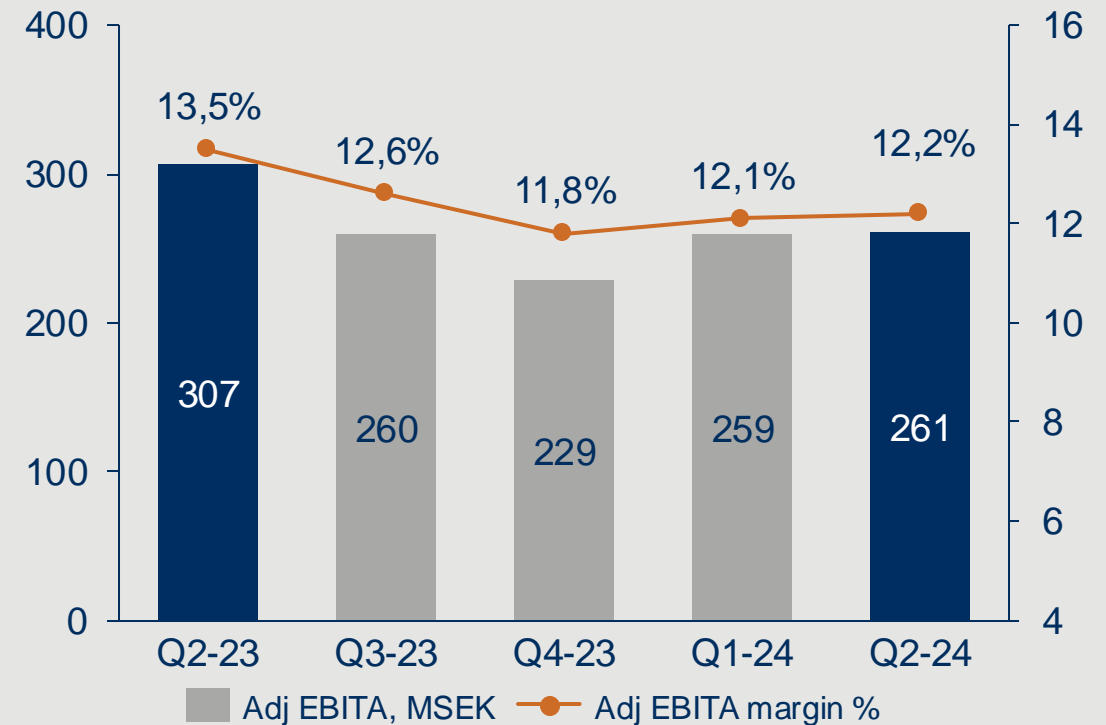


Improved gross margin by 1.3pp and stable operating margin

Gross Profit Margin

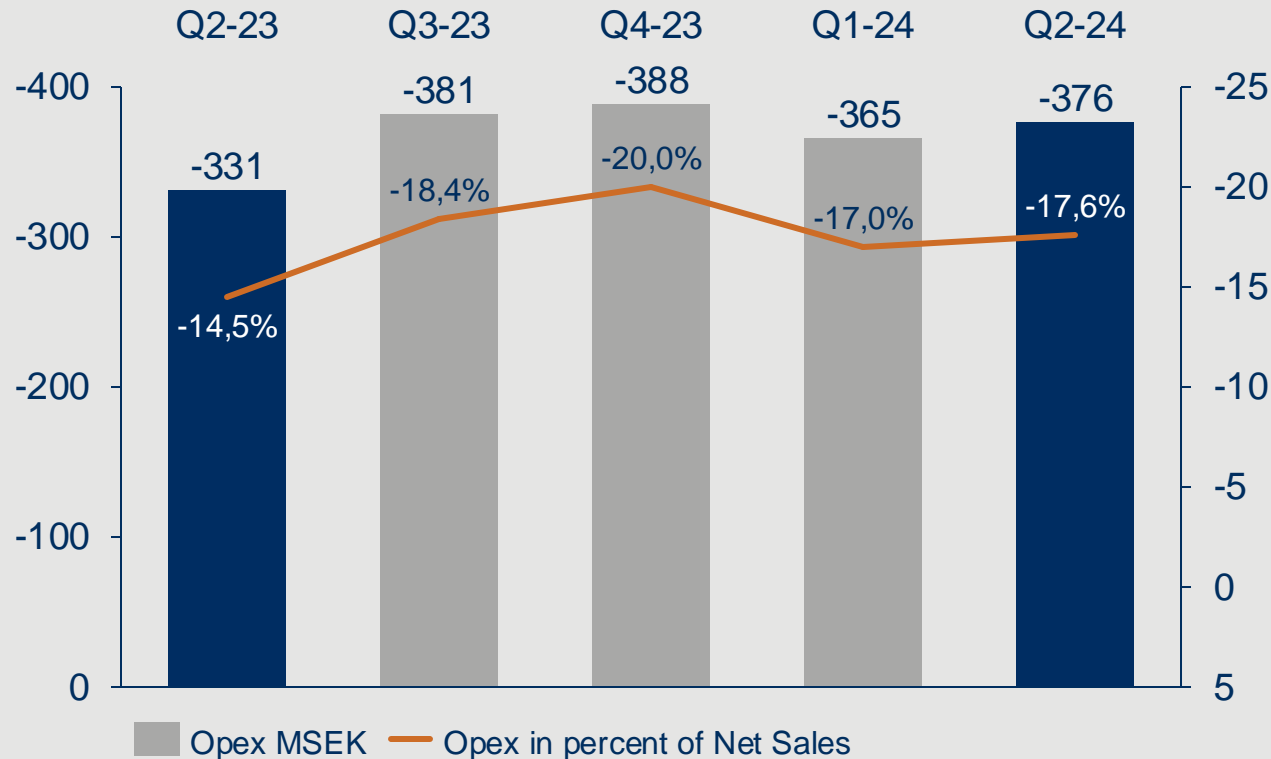


EBITA adjusted and EBITA margin adjusted



Operating expenses above last year, focused cost measures continue

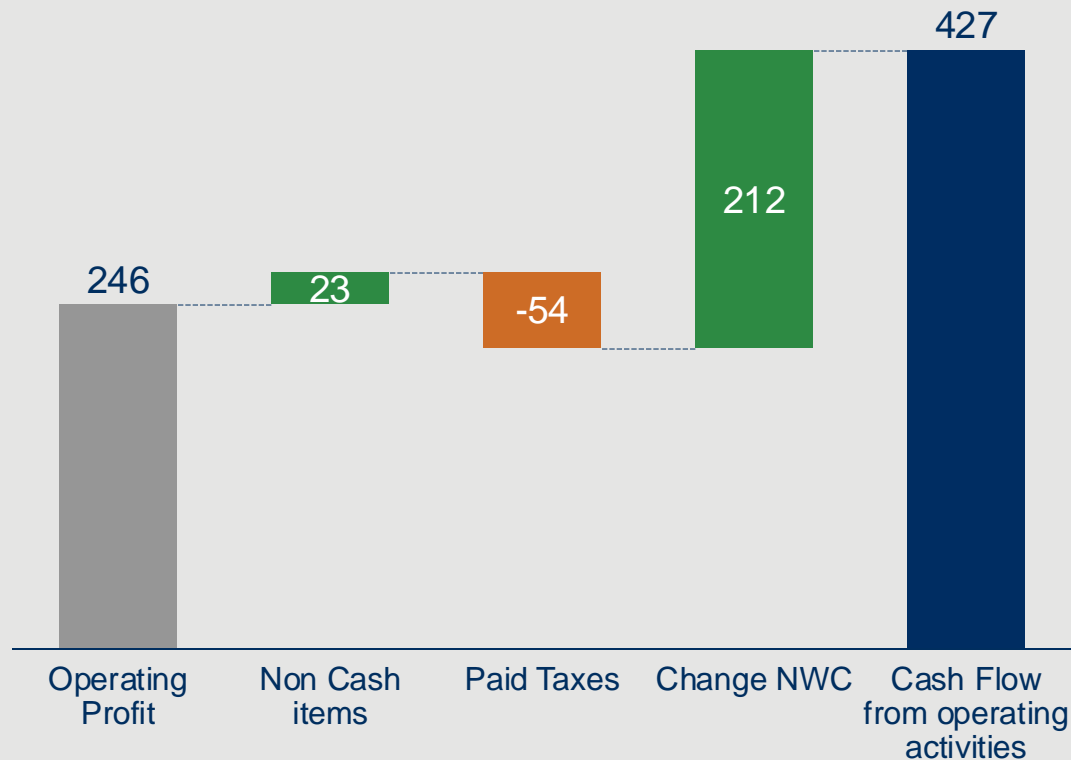
Operating expenses



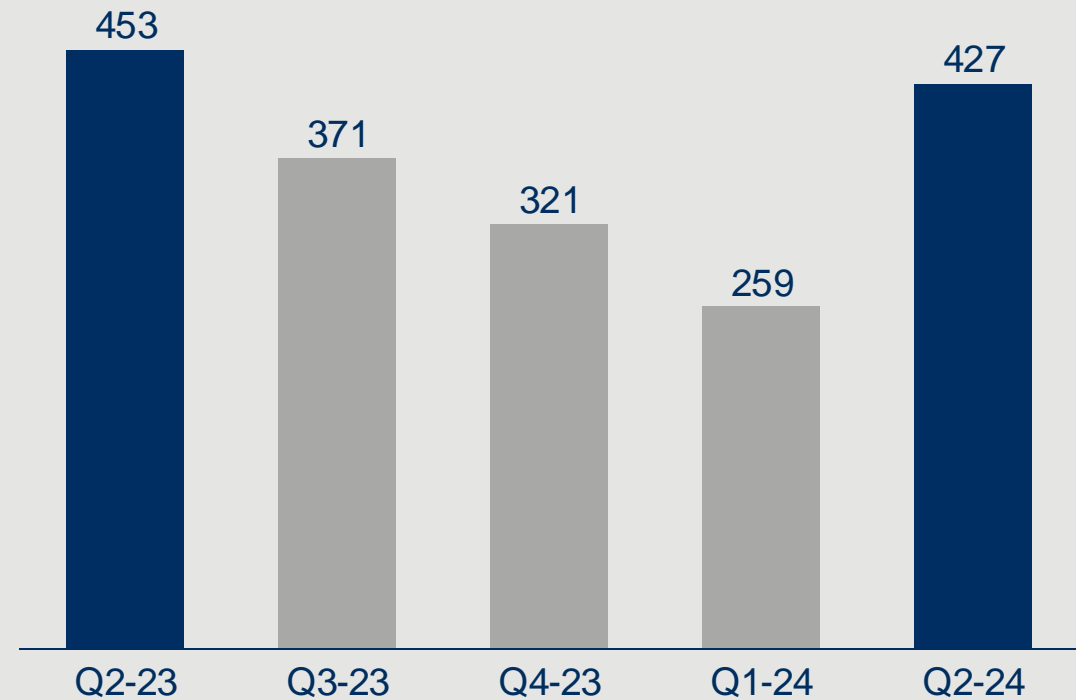
- Higher share of OpEx due to lower volumes and inflationary effects in H1
- Focused cost measures continue with the aim of strengthening the operating margin, mainly staff reductions, but also reduced overheads
- Continued investments in our operations do drive growth; global sales force, new warehouses and e-commerce solutions

Stable cash flow by solid operating profit and reduced Net Working Capital

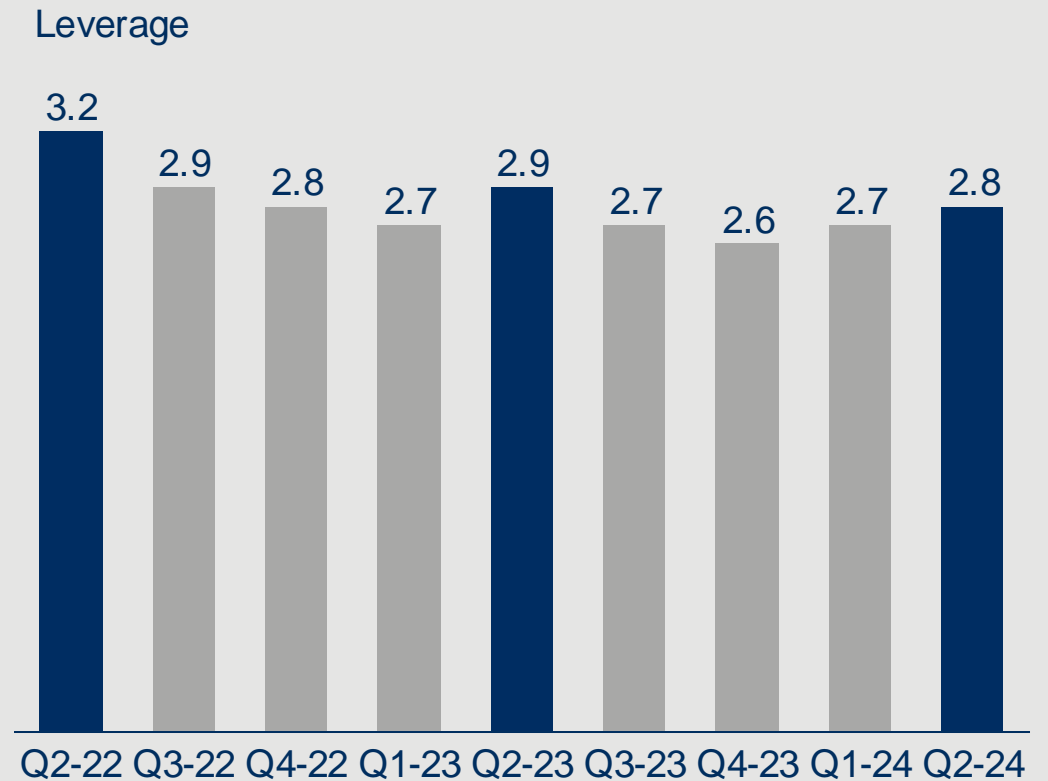
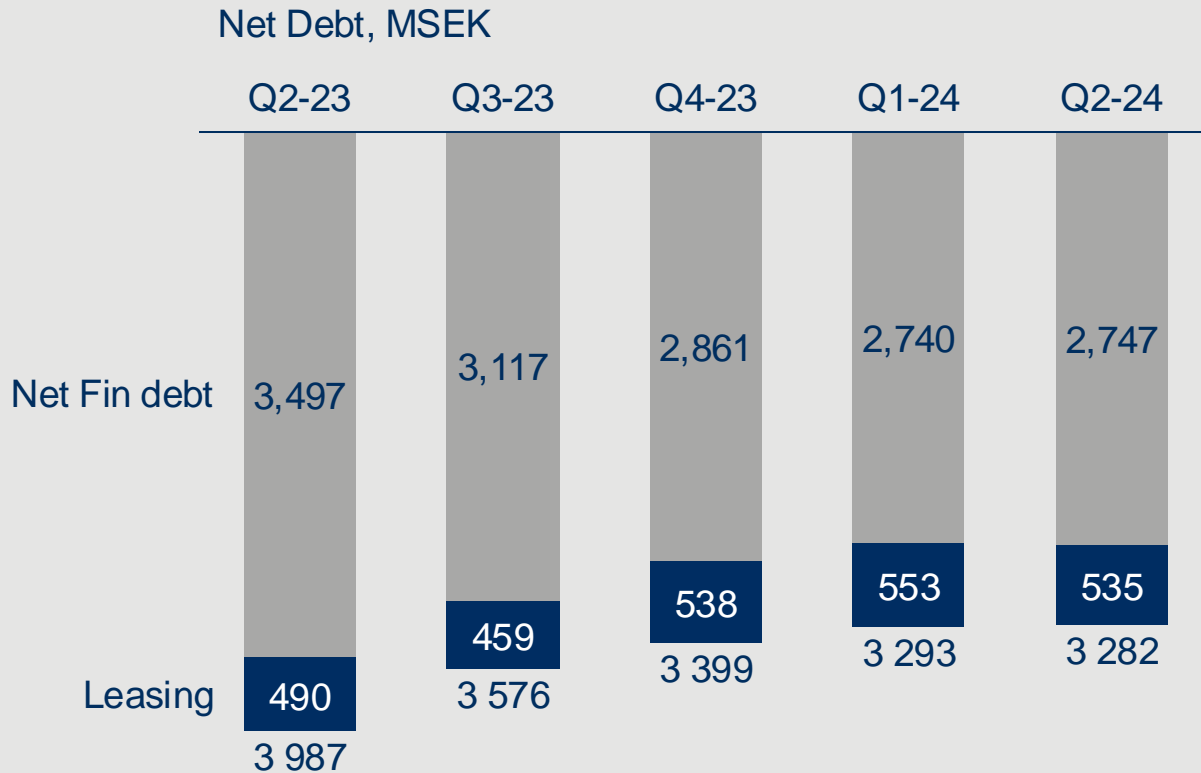
Cash flow from operating activities, MSEK



Cash flow from operating activities, MSEK



Net debt/EBITDA was 2.8 by the end of the quarter



Regional highlights



Erik Lundén

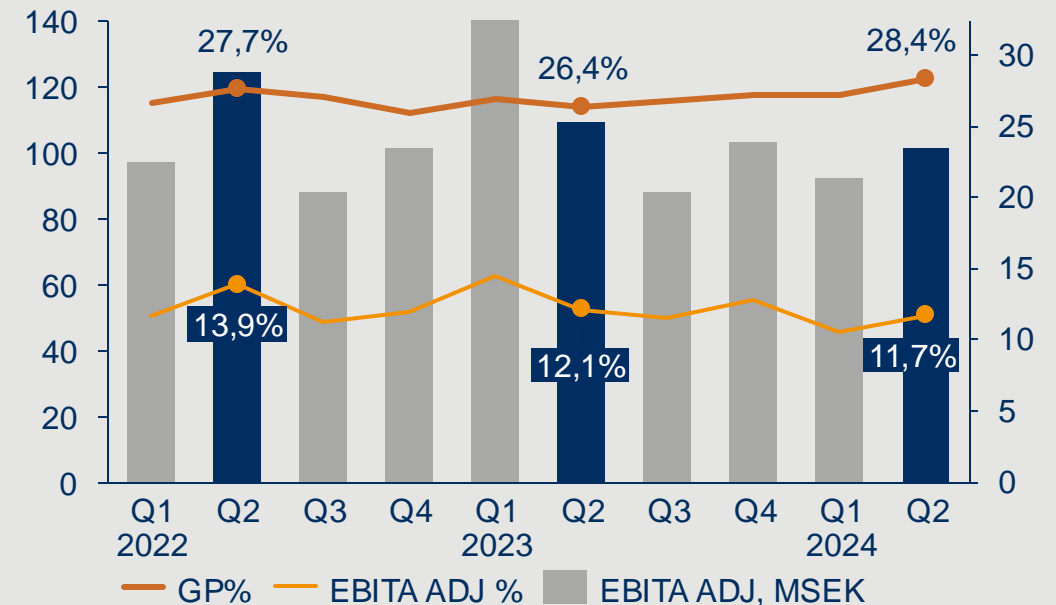
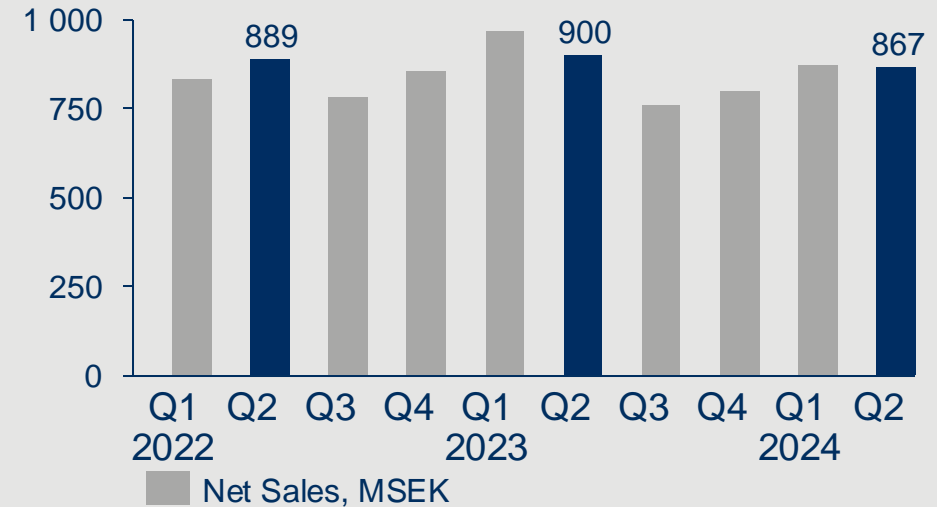
President & CEO

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Region

Europe North & East

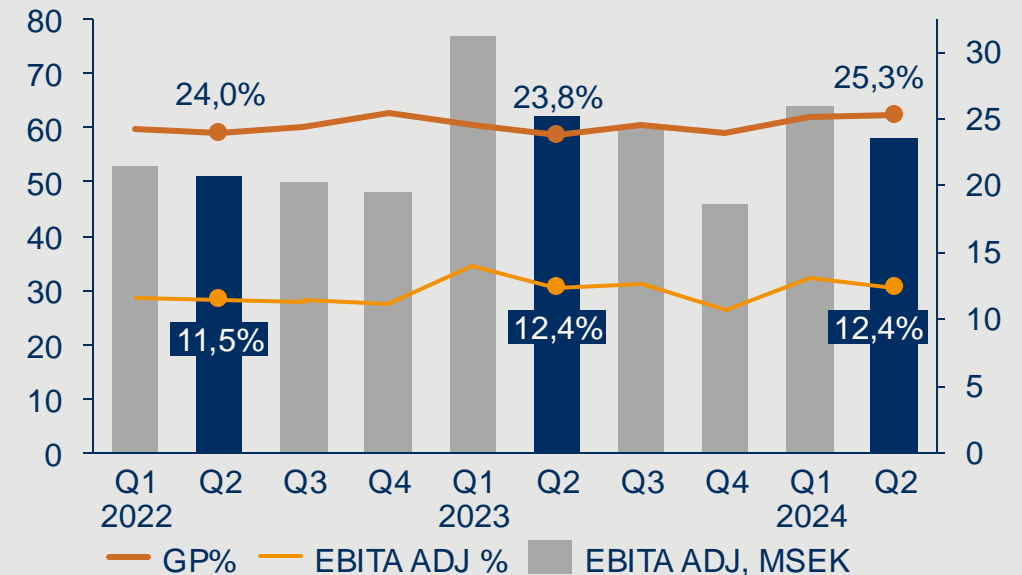
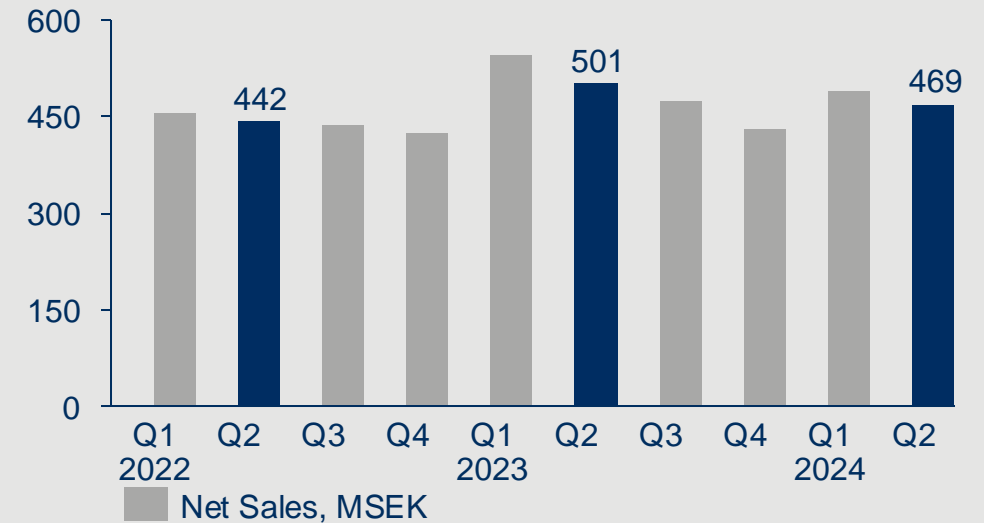
- Total growth amounted to -3.7% with an organic growth of -4.2%
- Weak demand in Bufab Poland and Bufab Finland. Strong demand in Tilka Trading, focusing on defence
- Gross margin improved 2.0 percentage points year-on-year reaching 28.4% (26.4) due to improved added value to customers & sourcing savings
- Higher share of OpEx due to higher costs for current staff, provision made for an anticipated bad debt loss and investments in the sales force
- Adjusted operating margin declined to 11.7% (12.1), would have been stable if adjusted for the anticipated bad debt loss



Region

Europe West

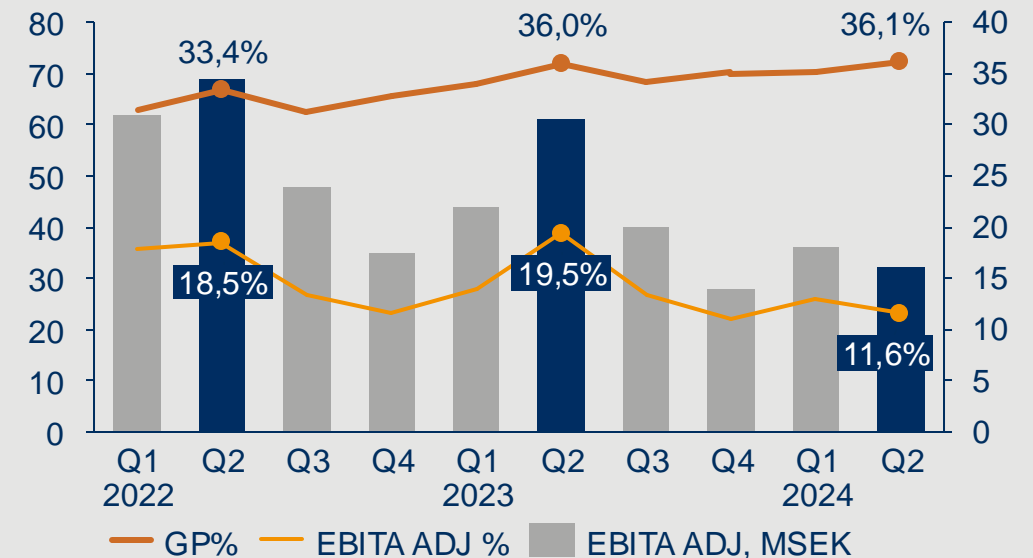
- Total growth amounted to -6.4% with an organic growth of -5.1%
- Weak demand in Bufab Germany, Jenny I Wattle and Bufab Flos, while strong performance in Bufab Türkiye, Czech Republic and France
- Improved gross margin 25.3% (23.8) due to added value to customers and sourcing savings
- Higher share of OpEx due to higher costs for current staff and investments in the sales force and in a new warehouse in Czech Republic
- The adjusted operating margin was stable at 12.4% (12.4)



Region

Americas

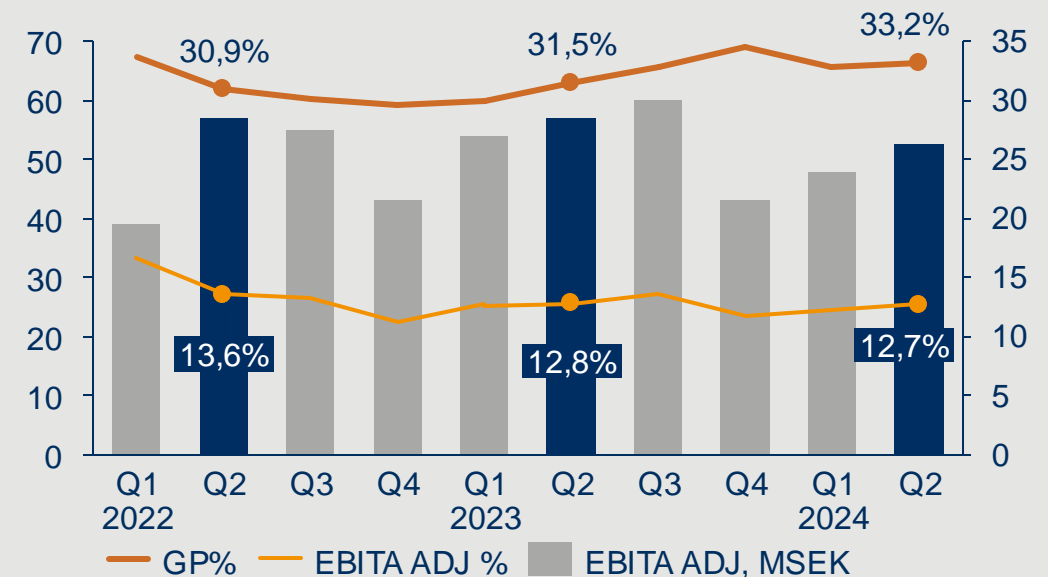
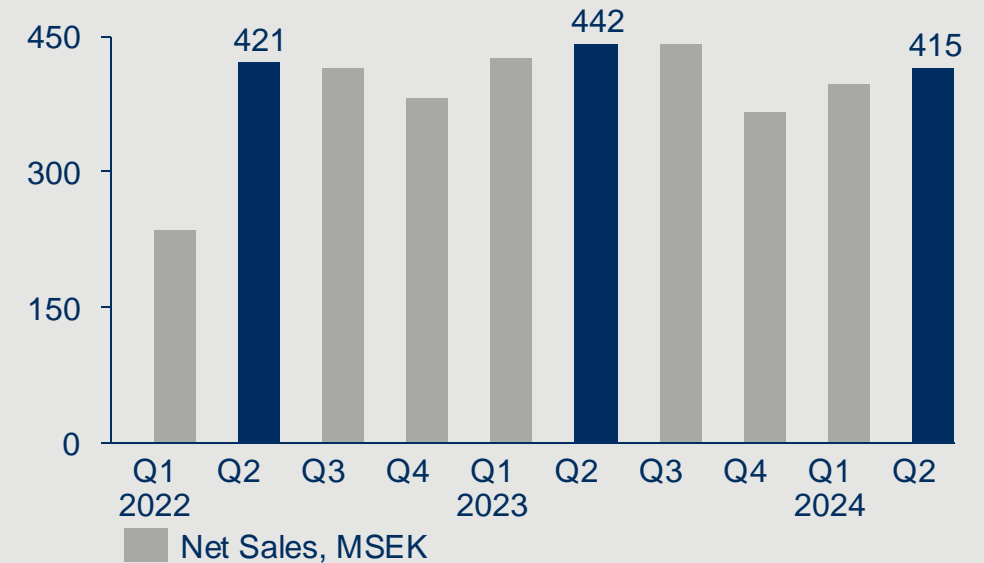
- Total growth amounted to -11.8% with an organic growth of -13.3%
- Weak demand in in the mobile home and trailer segment, but also in the automotive segment, which especially impacted our company CSG
- Gross margin was 36.1% and in line with last year
- Higher share of OpEx mainly due to revaluation of additional purchase considerations in the comparative quarter, but also inflationary effects
- The adjusted operating margin declined to 11.6% (19.5)



Region

UK & Ireland

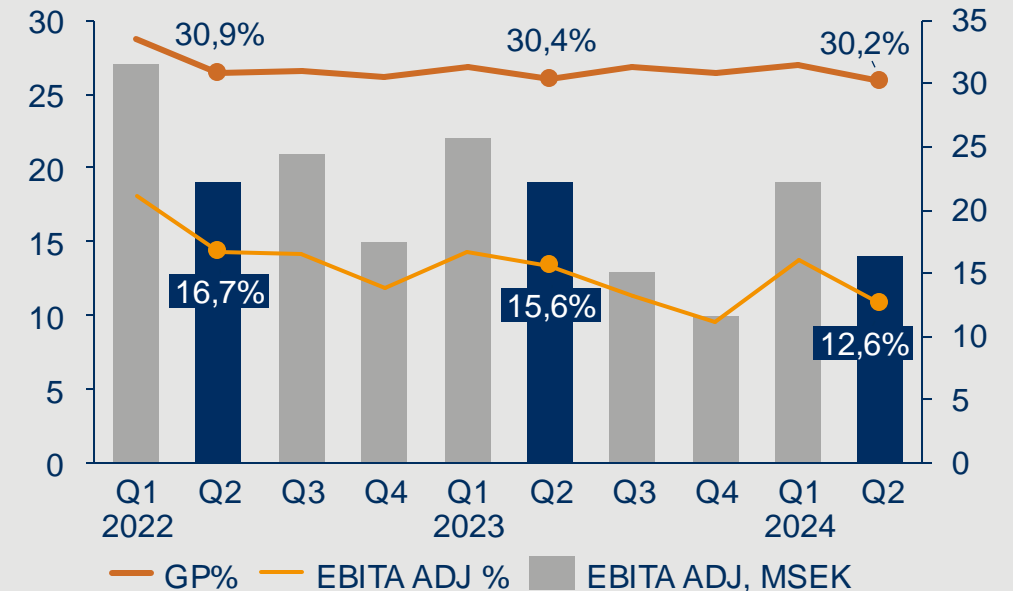
- Total growth amounted to -6.2% with an organic growth of -8.6%
- The decline mainly due to lower market prices in stainless sold by Apex, but was offset by new market shares for TIMCO
- Improved gross margin 33.2% (31.5) thanks to an improved customer and product mix, and sourcing savings
- Higher share of OpEx impacted by the revaluation of an additional purchase consideration, inflationary effects and IT and e-commerce and warehouse investments
- The adjusted operating margin was stable at 12.7% (12.8)



Region

Asia-Pacific

- Total growth amounted to -6.5% with an organic growth of -5.7%
- China continues to perform positively but has not offset the weaker performance in the rest of the region
- Gross margin 30.2% (30.4) marginally lower than last year
- Higher share of OpEx mainly due inflationary effects and investments in the customer offering
- The adjusted operating margin declined to 12.6% (15.6)



Business Highlights

Erik Lundén
President & CEO

Investments in new premises for Bufab CZ

- Bufab CZ been part of Bufab Group since 2006
- A trading company with a broad offering and services and diverse customer base
- Strong historical growth and EBITA well above group target of 14%
- In Q2 we invested in new premises in Brno to accelerate growth:
 - Total area 3317m² with warehouse of 2630m²,
 - 6 700 pallet spaces
 - Three floors with offices and meeting rooms, 432m²



Bufab CZ Growth

NS
CAGR
14-23
15%

EBITA
CAGR
14-23
24%



Net Sales EBITA



Summary, Outlook & Priorities

Erik Lundén

President & CEO

BUEAB

Summary, Outlook & Priorities

- Q2 summary: negative growth, strong gross margin coupled with stable profitability and cash flow
- Outlook: challenging market environment, however indications that a turnaround is in sight
- Priorities: 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 further and on cost savings puts us in a strong position once the market rebounds
 - 3) Continuing improve our NWC and secure strong cash flow

Q&A

Thanks