



# CORPORATE PRESENTATION

JP MORGAN SMALL/MID CAP CONFERENCE, 10-11 SEPTEMBER 2014



**FINNVEDENBULTEN FOCUSES ENTIRELY  
ON FASTENERS FOR THE AUTOMOTIVE  
INDUSTRY AND HAS CHANGED NAME  
FROM SEPTEMBER 1, 2014 TO BULTEN AB.**





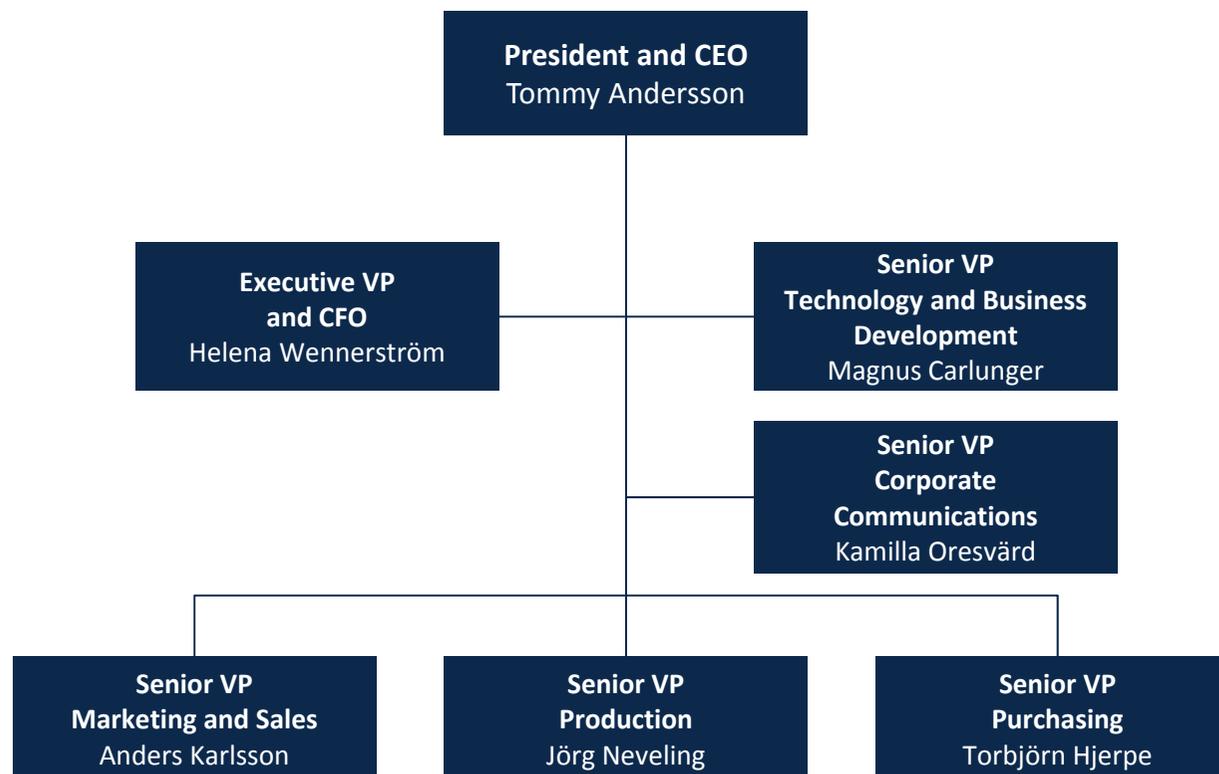
## FINNVEDENBULTEN FOCUSES ENTIRELY ON FASTENERS FOR THE AUTOMOTIVE INDUSTRY - DIVISION FINNVEDEN METAL STRUCTURES DIVESTED

- Division Finnveden Metal Structures sold to Shiloh Industries Inc.
- The final purchase price for all shares in FMS amounts to SEK 374, including interest of SEK 2 m (SEK 487 m on a debt free basis) and was paid in cash on the closing date on 30 June 2014
- The business will be entirely focused on the fast growing and international fastener business of division Bulten
- The financial position for Bulten is strengthened and creates better conditions to seize opportunities the coming years
- The head of Bulten, Tommy Andersson, becomes new President and CEO of the Bulten Group





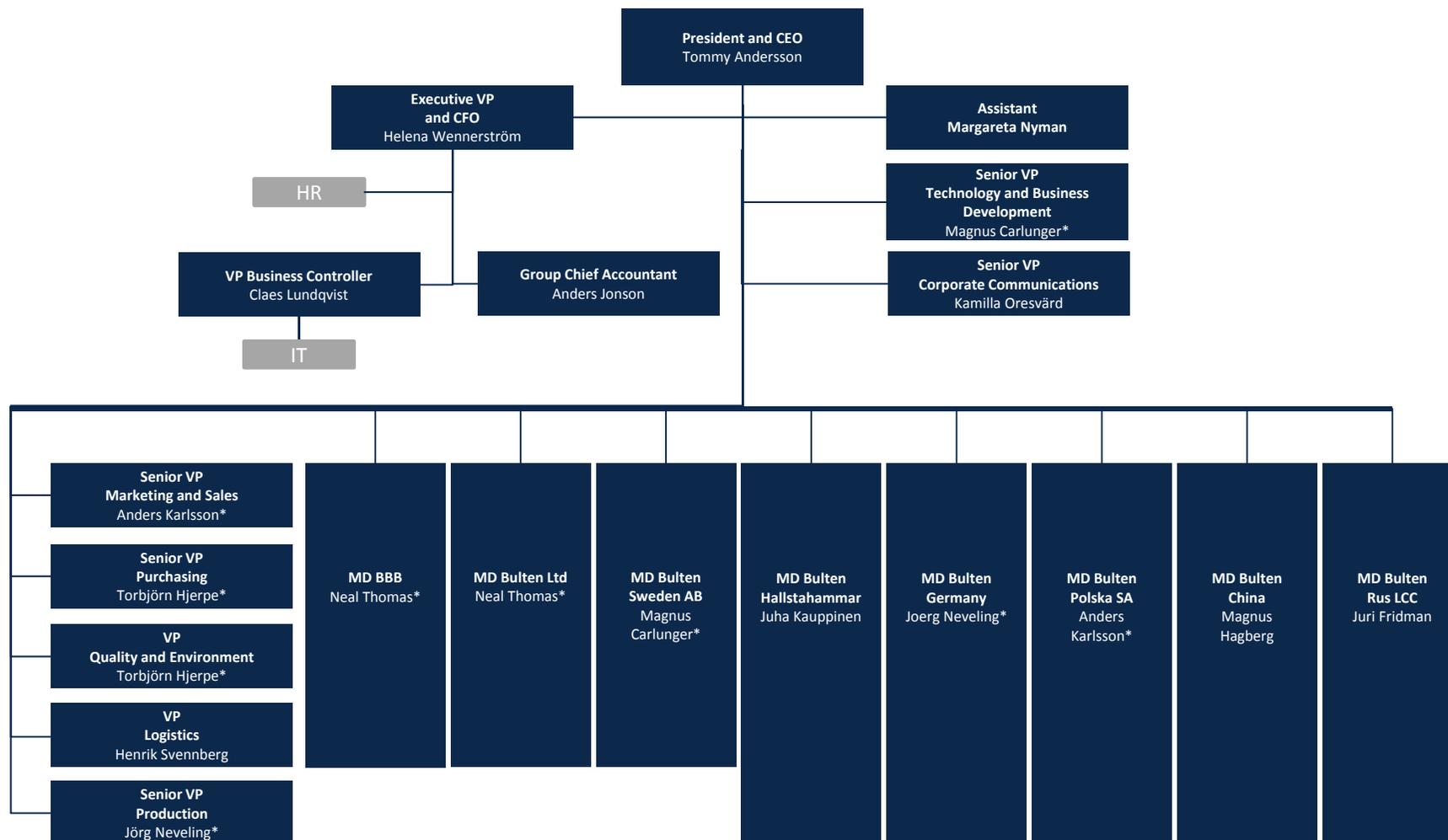
## NEW GROUP EXECUTIVE MANAGEMENT TEAM



- A highly experienced management team with deep knowledge of the fasteners and automotive industry



# EXTENDED MANAGEMENT GROUP (EMM)



*\*) Double functions  
In total 15 members*



## SHAREHOLDER INFORMATION

- Listed on NASDAQ OMX Stockholm since 20 May 2011
- On September 1, 2014 the company formally changed name from FinnvedenBulten AB to Bulten AB (new ticker BULTEN)
- Largest shareholder Volito's President is board member of Bulten AB

### FIVE LARGEST SHAREHOLDERS, 29 AUGUST 2014

Owner	No of shares	Votes and capital (%)
Volito AB	4 226 000	20.1
ÖRESUND, INVESTMENT AB	1 457 359	6.9
Catella Fondförvaltning	1 370 948	6.5
JPM CHASE NA	761 021	3.6
Spiltan Fonder AB	562 905	2.7

Source: Euroclear Sweden AB

# BULTEN – A STRONGER SOLUTION





# 140 YEARS OF FASTENERS' EXPERIENCE

## 1873

Bulten was founded.



## 2000's

Bulten started to focus on the FSP concept and won several significant contracts.



## 2014

Bulten has grown with the Swedish automotive industry into a large player in the European automotive industry.

In 1873 Bultfabriks AB was founded in Hallstahammar. Hot-forging machines were bought in England and were driven by water power from the river beside the factory. Ever since the beginning Bulten produced high quality nails, nuts and bolts.

During the 1980's and 1990's, Bulten grow, mainly by acquisitions in Sweden, Germany, Poland and China. In the 1990's Bulten started to focus on the automotive industry.

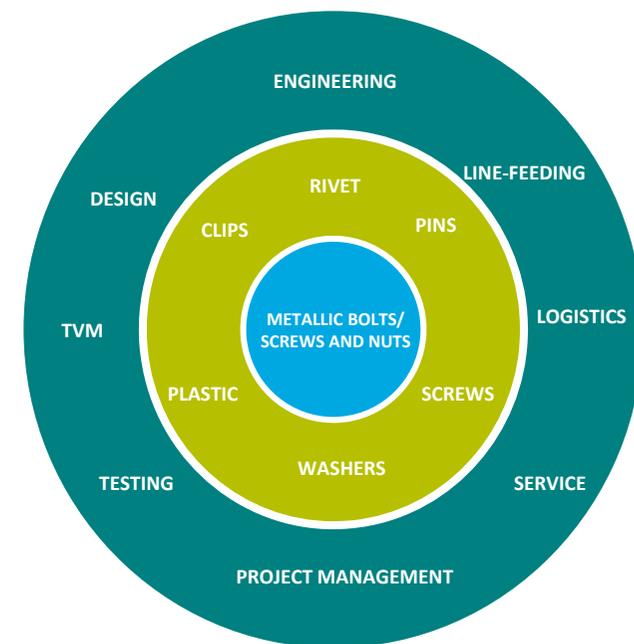
In the 2000's and 2010's Bulten started to focus on an FSP concept and gain markets shares. Major contracts were signed with Autoliv, Ford, Volvo Car, etc. In 2013 Bulten signed two new significant FSP contracts with annual value of approximately SEK 500 m.

Bulten has grown strongly with a clear focus on organic growth in Europe, Russia and China. In the coming years, Bulten sees good opportunities for continued organic growth on the global automotive market.



## BULTEN IS ONE OF THE LARGEST SUPPLIERS OF FASTENERS TO THE EUROPEAN AUTOMOTIVE MARKET

- Development and production of a wide range of metallic fasteners and related services
  - Major player in critical fasteners for engines
  - Customer-specific, special fasteners is a large part of the product range
- Technical development, materials, production know-how and logistics as well as full Full Service Provider (FSP) concepts
  - Leading FSP supplier in Europe
- Number of employees approx. 1,000
- Sales in 2013 approx. SEK 1,806 million



- Core products are metallic screws, bolts and nuts
- There are also other types of fasteners including rivets, washers and clips
- Services linked to fasteners



## STRATEGIC DIRECTION

### VISION

Supporting the global automotive industry with state of the art fastener technology. Empower our people to be the best in the industry.

### BUSINESS IDEA

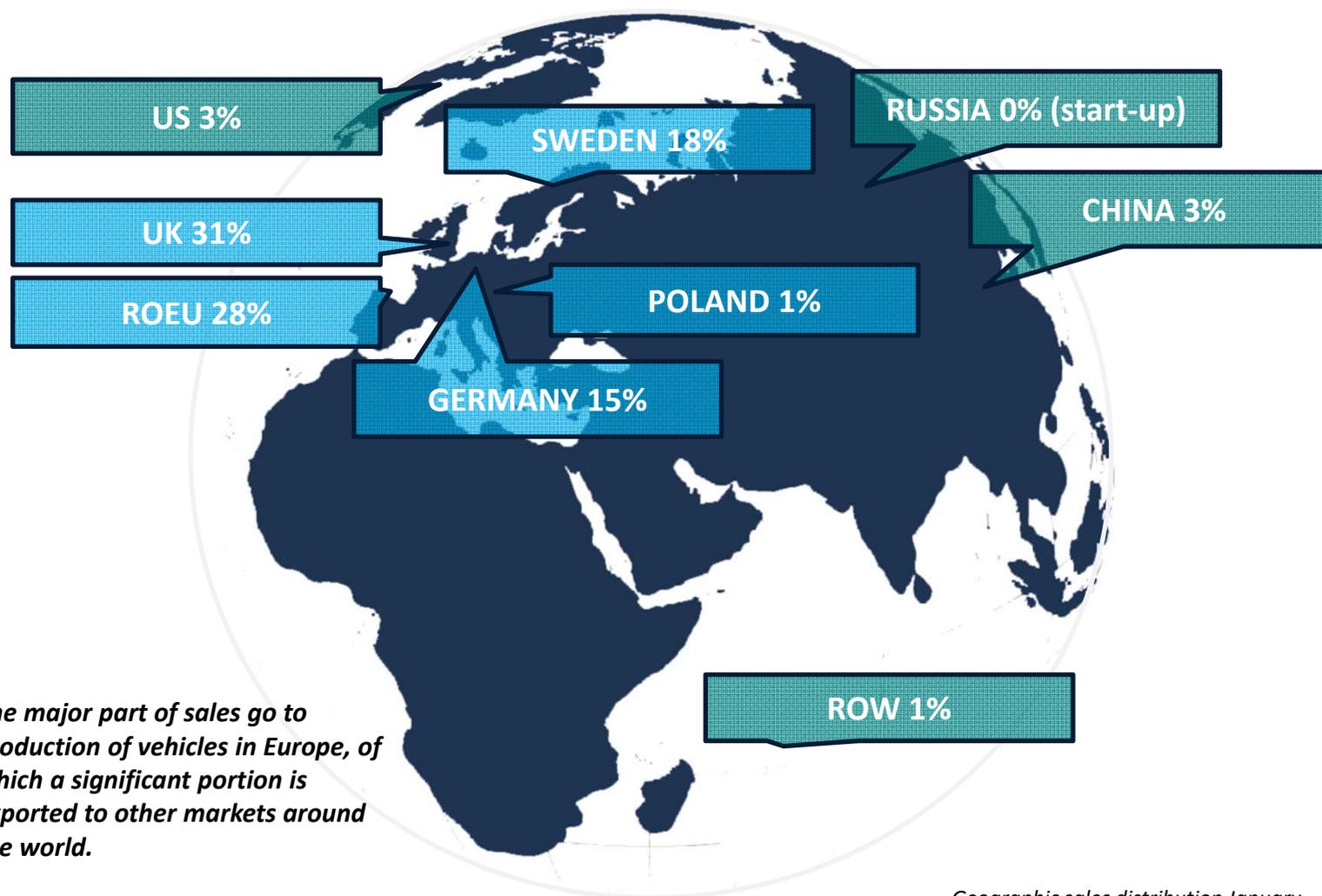
- Be a leading business partner and supplier of fasteners to the global automotive industry - continuously developing its full service concept.
- Actively launch innovations and services in the product area of fasteners
- Be the preferred supplier when customers requires quality deliveries

### FINANCIAL TARGETS

- To grow stronger than the industry in average
- Operating Profit (EBIT) > 7%
- Return on Capital Employed (ROCE) > 15%



## BULTEN HAS ITS STRONGEST POSITION IN NORTHERN EUROPE BUT WILL GROW ON EMERGING MARKETS



*The major part of sales go to production of vehicles in Europe, of which a significant portion is exported to other markets around the world.*

Geographic sales distribution January – June 2014



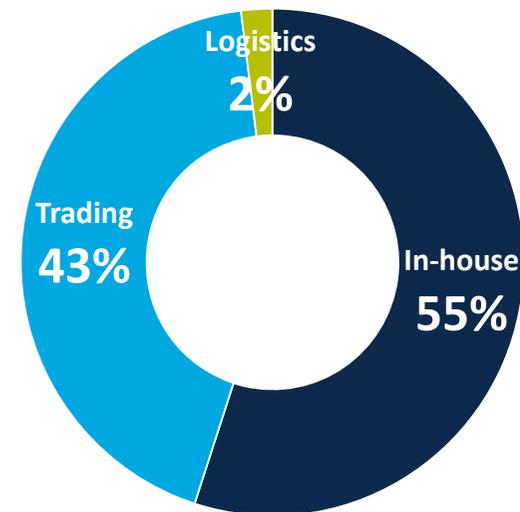
# BULTEN IS EXPANDING ITS MANUFACTURING AND LOGISTIC FOOTPRINT

## LEAN AND WELL POSITIONED MANUFACTURING FACILITIES IN EUROPE AND ASIA



- Production mainly in Western and Eastern Europe with low-cost production
- New establishment in Russia and growth in Chinese plant will strengthen future production footprint and support local content

## IN-HOUSE VS. TRADING (SALES VALUE)



- Bulten produces most products in-house and has a significant trading operation to optimize efficiency
- Strengthened logistic capacity in the US, the UK and planned in Poland



# STRONG CUSTOMER BASE AND RELATIONSHIPS WITH MAJOR LIGHT VEHICLE AND HEAVY COMMERCIAL VEHICLE OEMS AS WELL AS TIER 1 SUPPLIERS





## MARKET SHARE AND MAJOR COMPETITORS

- In total some hundred suppliers of fasteners in Europe – many of them small and supply non automotive industry
- Very few FSP suppliers in Europe of which Bulten is one of the largest
- Estimated market share within the automotive production in Europe to > 11%
- European automotive suppliers:
  - Nedschroef
  - Kamax
  - LISI
  - Bulten
  - Agrati
  - Fontana
  - Whitesell
  - Anixter
  - HEWI
  - Brugola
  - Etc.

Differences between automotive FSP supplier and trader	Automotive FSP	Trader
Production of fasteners	X	
In depth knowledge of fasteners	X	
In the frontline of new technology	X	
Flexibility to pick today's lowest price		X
Buying on spot market		X
Full traceability of parts	X	
FSP	X	X*
Zero defect powertrain fastener	X	
Secured supply of critical fasteners	X	

\* More logistics than full FSP

# MARKET DEVELOPMENT





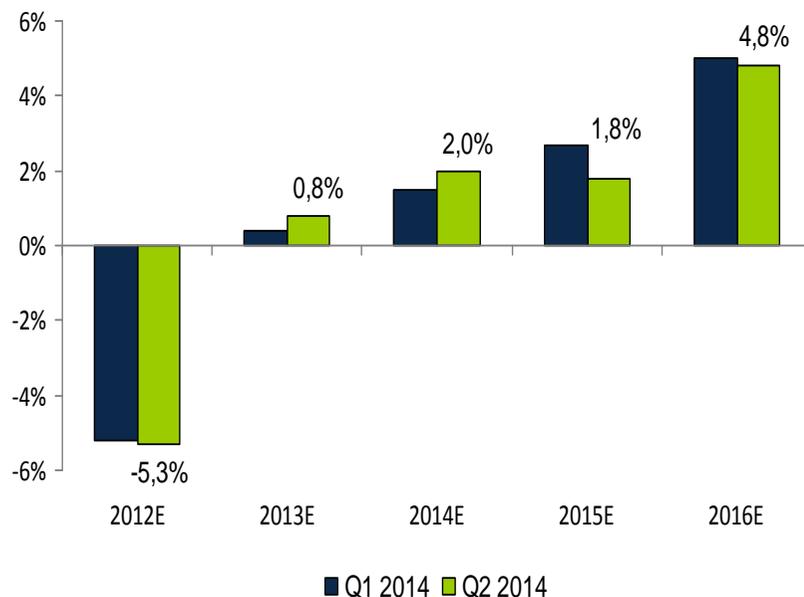
## MARKET DEVELOPMENT

- In their June forecast, LMC Automotive reports for automotive production in Europe, 2014:
  - Production of LV in 2014 up by 2.0% compared to 2013
  - Production of HCV (>15 t) in 2014 down by -5.1 % compared to 2013
  - For FinnvedenBulten's mix (excl. Finnveden Metal Structures), up 0.9%
  - For FinnvedenBulten's mix (incl. Finnveden Metal Structures), up 0.2%
- European Automobile Manufacturer's Association (ACEA) reports passenger car registrations up 6.9% over five months and up 4.5% in May compared to 2013
- FinnvedenBulten Q2, 2014:
  - Strong market share and volume growth in division Bulten
  
  - *FinnvedenBulten's deliveries incl. FMS at present:*
    - *LV stands for ~75%*
    - *HCV stands for ~25%*
  
  - *Bulten's deliveries at present:*
    - *LV stands for ~86% of sales*
    - *HCV stands ~14% of sales*



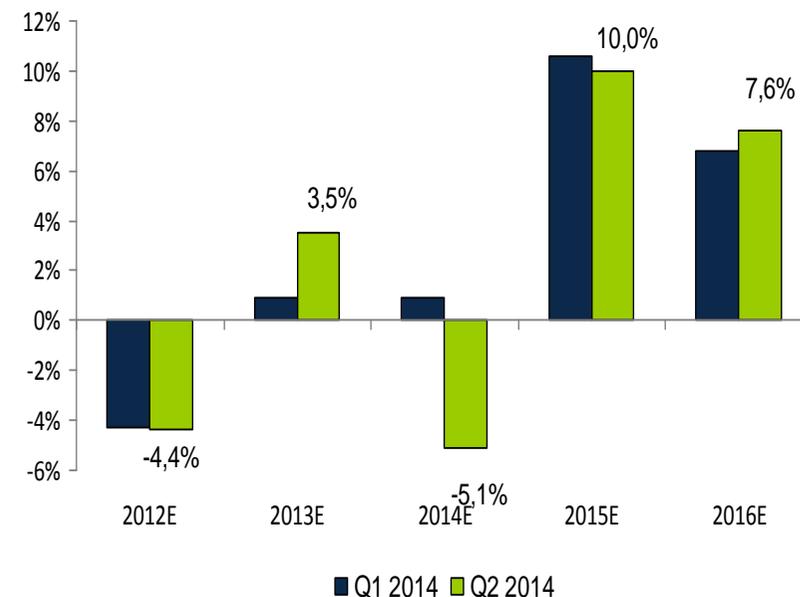
# LMC AUTOMOTIVE FORECAST Q2, 2014

PRODUCTION GROWTH RATE (YEAR ON YEAR)  
LIGHT VEHICLES EUROPE



LMC Automotive analysis show that production of LV in 2013 was 0.8% higher than 2012, growth rates are expected to pick up over the next three years.

PRODUCTION GROWTH RATE (YEAR ON YEAR)  
HEAVY COMMERCIAL VEHICLES (>15t) EUROPE



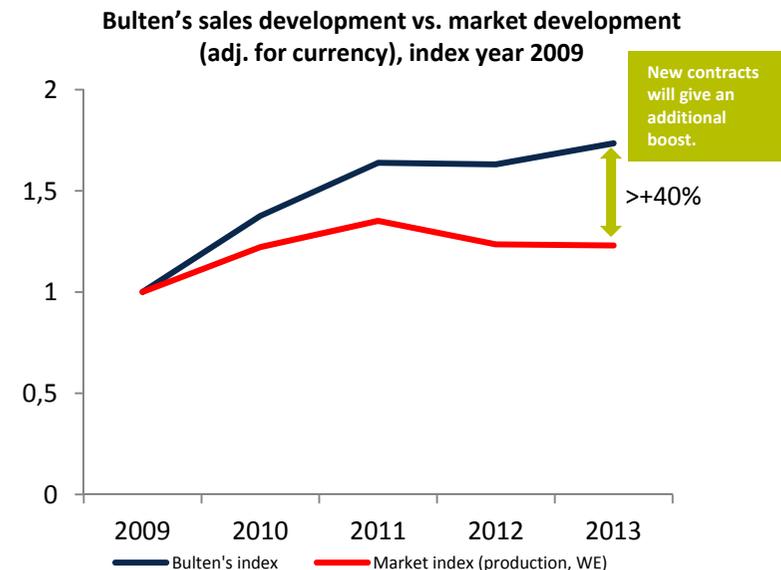
LMC Automotive analysis show that production of HCV in 2013 was 3.5% higher than 2012. In 2014 LMC Automotive expect a production drop of -5,1%, with a strong recovery in 2015.

Source: LMC Automotive Q2, 2014



## BULTEN HAS OUTPERFORMED THE GROWTH OF VEHICLE PRODUCTION IN WESTERN EUROPE - NEW CONTRACTS STRENGTHEN THIS TREND

- FSP contract for supply of fasteners to major automotive manufacturers
- During 2013 Bulten was awarded contracts with annual value of approx. SEK 500 million
  - New deliveries have started early 2014, well executed and according to plan
  - Estimated full delivery capacity in 2015
- Main contract winning contributors:
  - Technical competences
  - Proven track record with years of experience of successfully supplying complex and critical fasteners



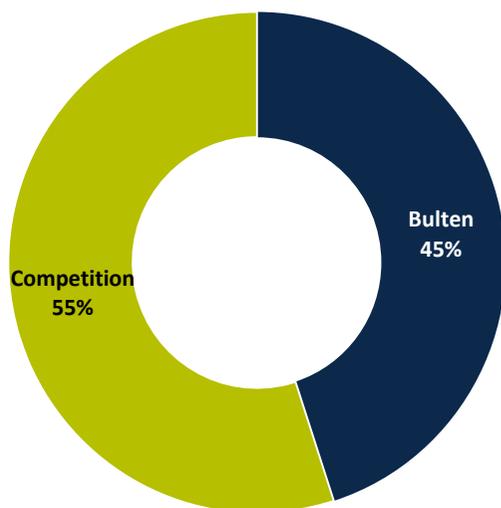
*Solid underlying business and well positioned to gain market share with new and existing FSP contracts*

Source: IHS Automotive

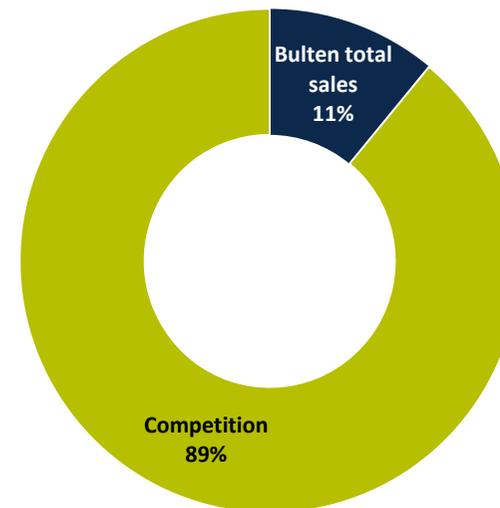


# BULTEN IS EUROPEAN MARKET LEADER IN FSP-RELATED SOLUTIONS FOR THE INTERNATIONAL AUTOMOTIVE INDUSTRY - CONDITIONS FOR INCREASED SHARES ARE GOOD

BULTEN'S SHARE OF TOTAL AUTOMOTIVE FSP CONTRACTS IN EU 2013



BULTEN'S SHARE OF TOTAL AUTOMOTIVE FASTENER SPEND IN EU 2013



- New FSP contracts will increase Bulten's share in 2014.

Source: EIFI, FinnvedenBulten



## KEY SUCCESS FACTORS FOR BULTEN'S STRONG GROWTH

- Full Service Provider concept
- Experienced management and dedicated staff
- Quality leader
- Technology leader
- Low cost production



KEY SUCCESS FACTOR

**FULL SERVICE PROVIDER**



## THE FULL SERVICE PROVIDER CONCEPT



### BULTEN OFFERS THE FULL SERVICE CONCEPT

- Bulten can complete any set-up with just the services the customers require or with total solutions that create added value
- Bulten handles everything from technical development, testing, documentation, production, logistics and line-feeding, always adapted according to the customers' needs
- The customers can free up more time to concentrate on the strategic aspects of their work



## BULTEN HAS IN FIERCE COMPETITION POSITIONED ITSELF AS A LEADING FSP SUPPLIERS IN EUROPE

- Fasteners are high volume and low cost components that are complex in sourcing and logistics
- Bulten's FSP concept means that Bulten takes full responsibility for all fasteners of a platform or factory
  - High credibility from successful FSP implementations with highest level of quality and delivery performance
- Beneficial structure for Bulten and its customers
  - Common goal to lower costs
  - Incentive for customer to continue to expand partnership with Bulten
- Long-term business
  - Long life-span of platforms, 5-7 years for light vehicles and 10-15 years for heavy vehicles and engine platforms
  - FSP contracts normally roll forward into next generations of vehicle and engine platforms
  - Difficult and costly to change FSP supplier



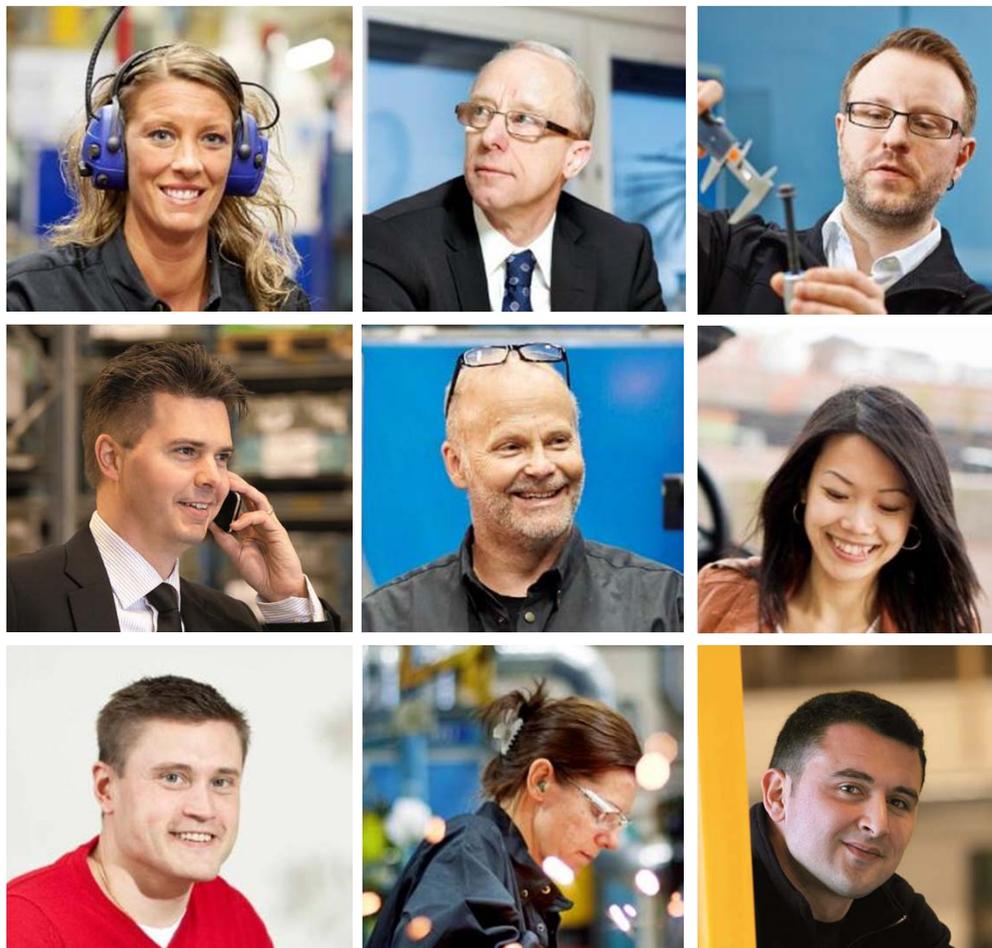
KEY SUCCESS FACTOR

EXPERIENCED MANAGEMENT  
AND DEDICATED STAFF



## EXPERIENCED MANAGEMENT AND DEDICATED, EMPOWERED STAFF – KEY ASSETS FOR BULTEN’S STRONG GROWTH

- Strong corporate culture with an open environment
- Dedicated and confident people with passion for fasteners
- A professional workplace where people create innovative technical fasteners solutions



KEY SUCCESS FACTOR

QUALITY LEADER



## QUALITY LEADING POSITION IN THE AUTOMOTIVE INDUSTRY

- ISO/TS 16949, ISO 9001, ISO 14001, Q1
- PPM level well in line with customers demand (13 PPM 6 months rolling)
- Controlled Processes
- Bulten = Fulfills customer's expectations
- Zero defect critical fasteners



KEY SUCCESS FACTOR

TECHNOLOGY LEADER



## BULTEN IS ONE OF THE TECHNOLOGY LEADERS IN THE FASTENERS' INDUSTRY

- Bulten has since many years had a reputation as one of the best regarding technical competence and technology
- Bulten is strengthening its position as a core supplier to engine manufacturers, gaining market shares at several key OEM's. Success factors are know how, product range and quality performance
- Bulten's technical position is a combination of licensed technologies and own developments
- The aim is to ensure access to state-of-the-art technology in order to enhance customer satisfaction and profitability

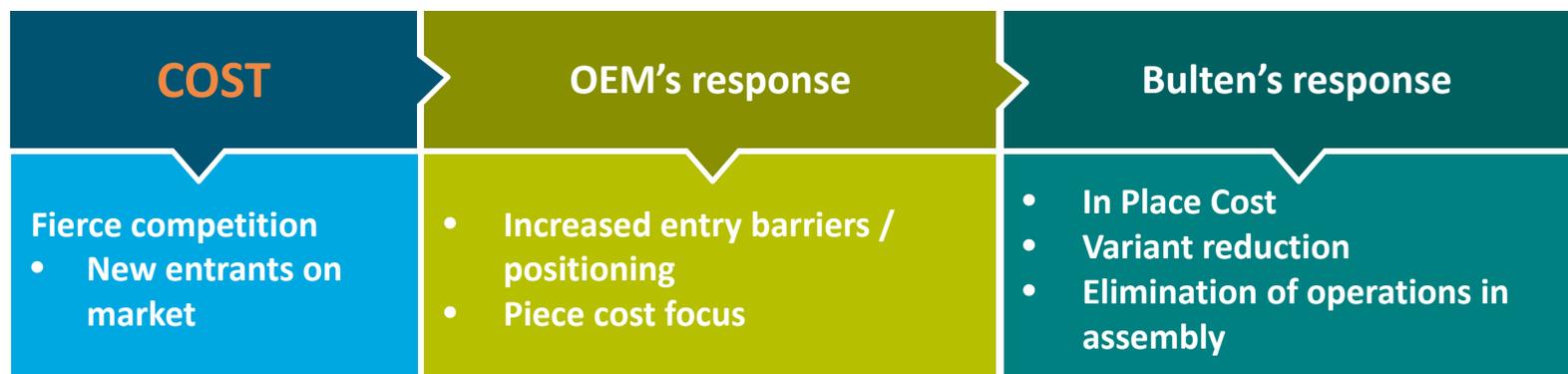


*Bulten was involved in every step of the 1.0-litre EcoBoost petrol engine awarded "International Engine of the Year", from prototype builds in 2008 until its launch 2013.*



# CHALLENGES IN AUTOMOTIVE INDUSTRY

## - IMPACT ON BULTEN PRODUCT DEVELOPMENT STRATEGY





## IN PLACE COST

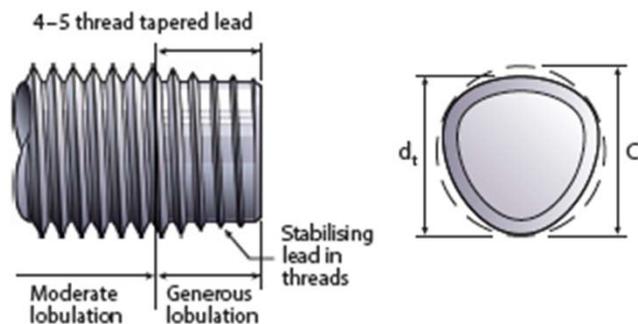
- In Place Cost (IPC) is the overall cost for all activities involved until a fastener is assembled and fulfils its function
- Generally is the cost of the fastener, that in average represents 15% of the entire cost focused meanwhile the remaining 85% of costs are getting less attention
- By using Bultens expertise, solutions and value adding technologies substantial cost reductions of IPC can be achieved with maintained or improved performance

15%	85%				
	<b>RESEARCH &amp; DEVELOPMENT</b> <ul style="list-style-type: none"><li>• Product planning</li><li>• Design</li><li>• Product lifecycle management</li><li>• Product development</li><li>• Testing and validation</li><li>• Documentation</li></ul>	<b>ACQUISITION</b> <ul style="list-style-type: none"><li>• Customer quotes</li><li>• Supply agreement</li><li>• Material planning</li><li>• Order generation</li><li>• Invoicing</li></ul>	<b>LOGISTICS</b> <ul style="list-style-type: none"><li>• Administration</li><li>• External transport</li><li>• Internal transport</li><li>• Material handling</li><li>• Warehousing</li></ul>	<b>MANUFACTURING</b> <ul style="list-style-type: none"><li>• Processing</li><li>• Assembling</li><li>• Quality control</li><li>• Production analysis</li></ul>	<b>AFTERMARKET</b> <ul style="list-style-type: none"><li>• Maintenance and deposition</li><li>• Product discontinuation</li></ul>



## EXAMPLES OF PRODUCTS OFFERING ADDED VALUE

### TAPTITE 2000®



- Advanced thread former for steel and soft alloys
  - Excellent axial alignment
  - Superior vibration resistance
  - High strip-to-drive ratio
  - Excellent torque-tension relationship
  - Significant reduction of IPC

### FASTITE® 2000™



- Advanced thread former for thin sheet metal attachment applications
  - Elimination of weld nuts & extrusions, i.e. eliminate secondary operations
  - Increased thread engagement through extrusion of sheet metal
  - Significant reduction of IPC



## EXAMPLE OF AN APPLICATION OPTIMIZED BY BULTEN

### BEFORE

- Plastic clip to reduce rattle and to center anchor plate
- Shoulder on screw to host plastic clip and anchor plate
- Spacer to avoid wear and tear on b-pillar skin
- Retaining washer to transport secure assembly



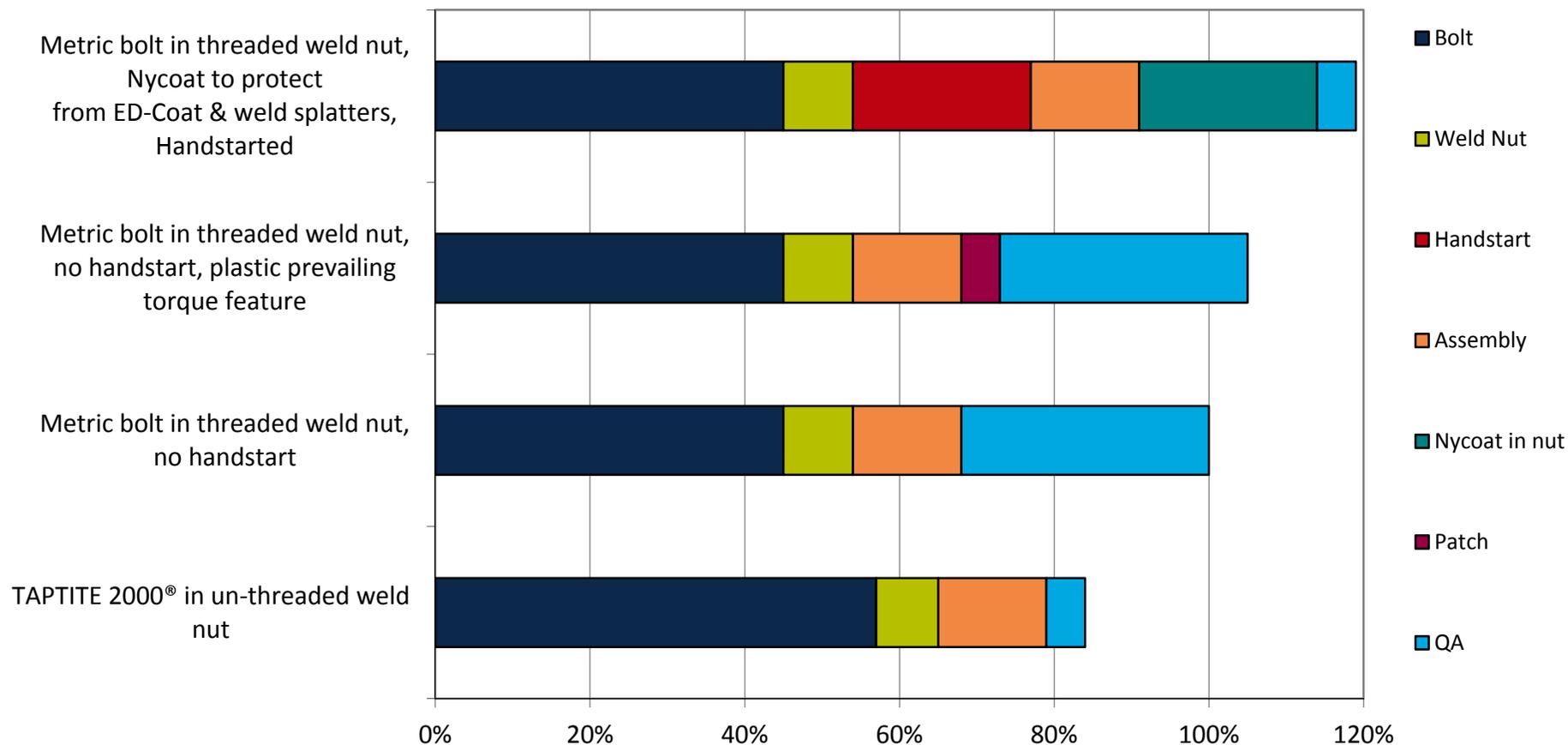
### AFTER

- Bolt with extended shoulder to eliminate spacer and serrations to enable transport securing of anchor plate
- Plastic clip pre-assembled on bolt with easy fool proof snap on function of anchor plate

**The Bulten design reduces weight with 10%, piece costs by 20% and assembly time with 70%!**



# TECHNOLOGY SUPPORT IN BULTEN'S BUSINESS CONCEPT – IPC TAPTITE 2000 VS METRIC BOLT

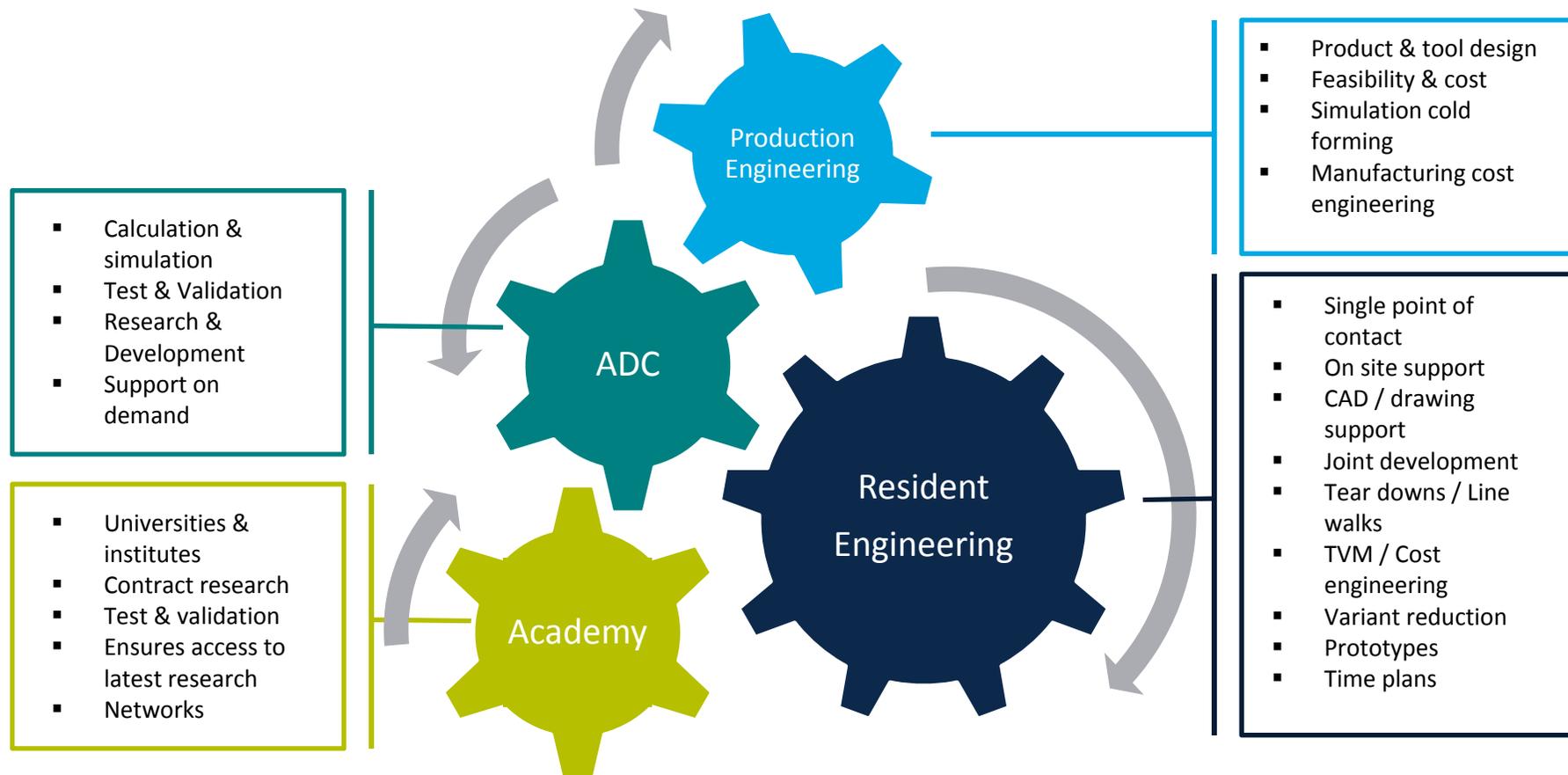




## BULTEN'S SET-UP OF DEVELOPMENT

### ■ Decentralized network structure

- Product development is not about comforting our engineers, it's about creating and delivering value to our customers
- Iterative process





## BULTEN'S TECHNICAL CENTRES



ADC - Hallstahammar



Bergkamen



Gothenburg



Beijing



Bielsko Biala

In addition to centre's above, Bulten have additional resources in Hallstahammar manufacturing plant. Resources will also be established in Russia.

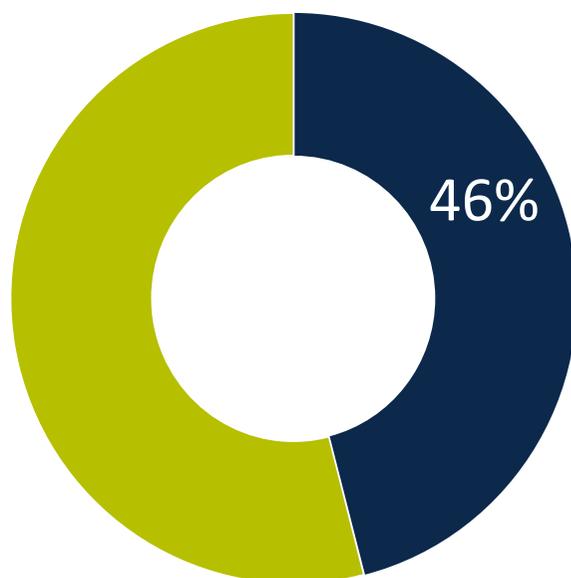
KEY SUCCESS FACTOR

**LOW COST PRODUCTION**



## PRODUCTION TAKES PLACE MAINLY IN EUROPE OF WHICH A SIGNIFICANT PART IS LOW-COST PRODUCTION

% OF EMPLOYEES IN LCC 2013



*LCC refers to Poland and China.*

- Number of FTEs amounts to approximately 900

LEAN AND WELL POSITIONED MANUFACTURING FACILITIES  
IN EUROPE AND ASIA



- Advanced production processes at low costs with geographical proximity to the customers

# FINANCIAL DEVELOPMENT Q2 REPORT





## CONTINUING OPERATIONS

- As a result of the divestment of division Finnveden Metal Structures June 30, 2014, Finnveden Metal Structures is reported as "Discontinued operations" separate from continuing operations in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinuing Operations"
- Unless otherwise stated, information in this presentation relates to continuing operations
- Continuing operations equal Bulten operations and HQ, such as overhead and IT operations



# GROUP SUMMARY

## SECOND QUARTER, CONTINUING OPERATIONS

- Net sales up 29.0%
- Operating margin 6,0% (8.2)
- Adj. earnings after tax SEK 26,5 million (26.0)
- Adj. earnings per share 1.30 SEK (1.24)

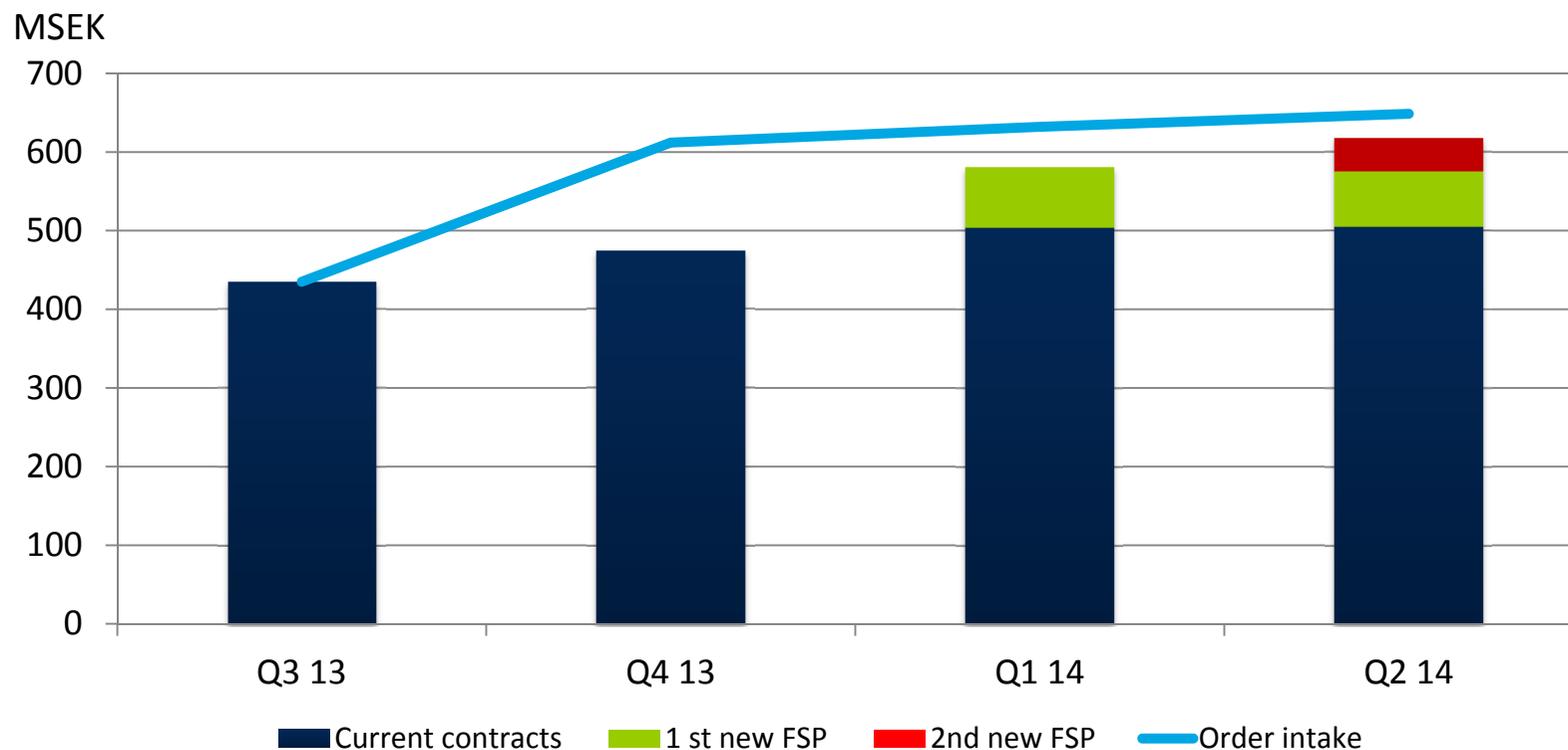
## COMMENTS, CONTINUING OPERATIONS

- Positive trend in sales and orders continued into the Q2
  - Successful start-up of the second comprehensive FSP contract
- EBIT just below last year, despite start-up cost for new FSP contracts and operations in Russia
- The operating earnings were negatively affected by exchange rate fluctuation

FINANCIAL SUMMARY (MSEK)	Q2			12 M ROLLING	FULL YEAR	Δ
	2014	2013	Δ	JUNE 2013 - JULY 2014	2013	
Net sales	618.4	479.5	29.0%	2,107.4	1,805.9	16.7%
Gross profit	129.3	93.6	32.7	429.0	357.3	71.7
Earnings before depreciation (EBITDA)	48.8	49.9	-1.1	164.0	152.2	11.8
Operating earnings (EBIT)	37.4	39.1	-1.7	120.6	109.2	11.4
Operating margin, %	6.0	8.2	-2.2	5.7	6.0	-0.3
Earnings after tax	26.5	53.1	-26.6	84.1	100.4	16.2
Adjusted Earnings after tax	26.5	26.0	0.5	84.1	73.3	10.8
Order bookings	648.7	465.7	39.3%	2,340.9	2,011.5	16.4%
Return on capital employed, %	-	-	-	9.0	7.8	1.2
<b>DISCONTINUED OPERATIONS</b>						
Earnings from discontinued operations	63.5	-13,7	77.2	92.7	-12.2	104.9
<b>TOTAL</b>						
Earnings from total operations	90.0	39.4	50.6	176.8	88.2	88.6



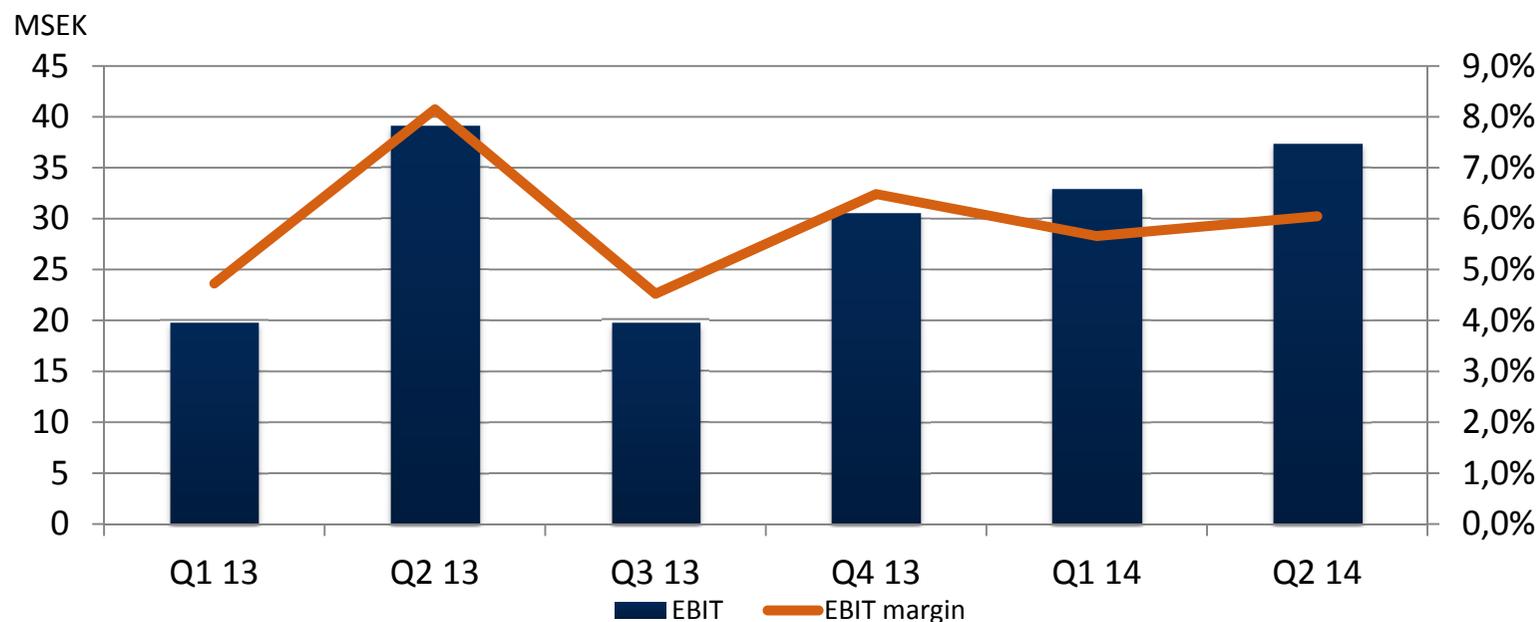
## SIGNIFICANT EFFECTS IN SALES AND ORDER INTAKE FROM NEW COMPREHENSIVE FSP CONTRACTS



- The ramp-up of the first contract well implemented in Q1. The second one was successfully implemented in Q2
- Top line boost with approximately SEK 500 million per annum when in full pace, 2015



## STRONG ORGANIC GROWTH AFFECTS EBIT – OPTIMIZATION ON-GOING



- Significant organic growth with many parallel activities. Start up costs for:
  - New FSP contracts; SEK 14 million in H1 2014, of which SEK 7,5 m affected Q2
  - Establishment in Russia; SEK 6 m in H1 2014, of which SEK 4 m affected Q2. Additional costs of SEK 5-8 m expected in H2
- The operating earnings were negatively affected by exchange rate fluctuation on a translation of working capital at the closing rate
  - Q2 of a net SEK -5.8 million (5.3)
  - H1 of a net SEK -7.7 million (4.8)
- Increased logistics capacity also partially affected profitability
- Optimization of new contracts is on-going, gradually strengthen profitability

# BULTEN IN SUMMARY





## FIRST HALF OF 2014 IS CHARACTERIZED BY MANY ACTIVITIES AND HIGH PACE IN OPERATIONS

- Successful launches of both FSP contracts
  - Ramp-up and optimization ongoing
  - Full volumes expected in 2015
- The new growth initiative in Russia intensified with preparations for production start in September 2014
  - All strategic equipment in place
  - Recruitment and training activities ongoing
  - Limited initial volumes - to increase gradually during the rest of the year
  - Continued strong interest from potential new customers
- Increased logistic capacity in UK and US to meet higher demands
- Divestment of division Finnveden Metal Structures
- Bulten has taken significant steps forward in the market and has created a high credibility in the automotive industry through the successful launches of the new FSP contracts



*From Bulten's factory in Russia.*



# CONDITIONS FOR CONTINUED GROWTH ON THE GLOBAL AUTOMOTIVE MARKET ARE CONTINUED GOOD

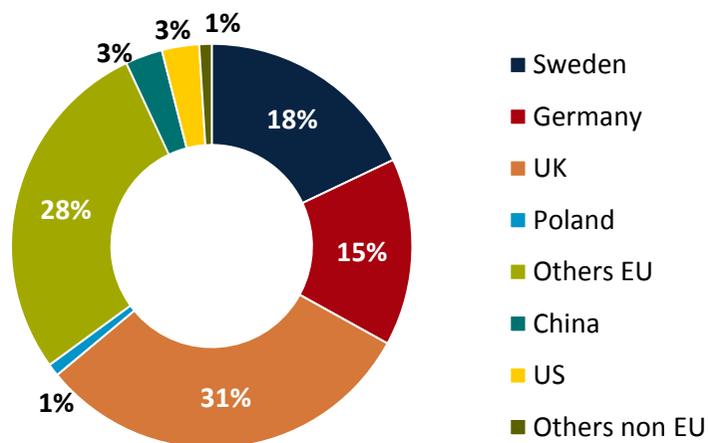
## OPPORTUNITIES TO GROW IN EUROPE AS WELL AS IN EMERGING MARKETS

- Bulten will continue to grow in eastern Europe in Russia, where Bulten has created a platform to grow from in JV with GAZ
- China is offering potential with BAIC, Geely and current customer base in fully owned production and logistics operation
- Potential NAFTA, Brazil and India

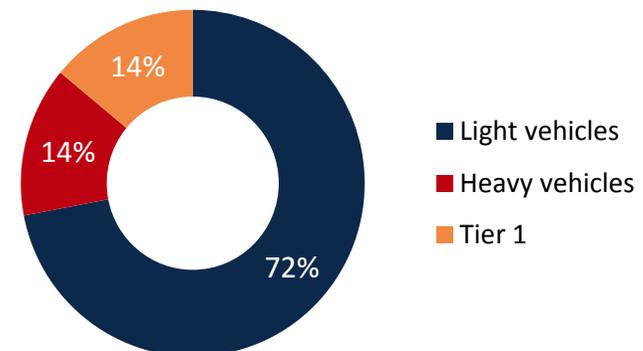
## A STRONG CUSTOMER BASE WITH GROWTH POTENTIAL

- Good relationship with major light- and heavy commercial vehicle OEMs as well as Tier 1 suppliers
- Potential to grow with existing contracts as they ramp up and with existing customers into new markets

SALES PER GEOGRAPHIC MARKET 2013



SALES PER CUSTOMER SEGMENT 2013



# A QUALITY GROWTH COMPANY WITH PROVEN TRACK RECORD



## ORGANIC GROWTH POTENTIAL

- Continued path of gaining market share in Western Europe
- Significant opportunities in emerging markets
- Potential to widen related business long-term – expansion of product lines and processes

## SOLID FINANCES

- Strong financial position
  - Current cash positions opens up for further growth initiatives
  - Prospects of growth with solid operating margins



# **BULTEN – AT YOUR SERVICE**

