



TWELVE MONTHS REPORT, JAN-DEC 2014

TELEPHONE CONFERENCE 5 FEB, 2015, AT 15:30 CET

TOMMY ANDERSSON, PRESIDENT AND CEO | HELENA WENNERSTRÖM, EVP AND CFO

TO PARTICIPATE, PLEASE CALL 5 MINUTES BEFORE THE OPENING OF THE CONFERENCE CALL TO SWEDEN +46 8 5055 6453, UK +44 2030 092 455, US +1 855 228 3719. CODE: 456287#.



AGENDA

1. Bulten in brief
2. Market development
3. Fourth quarter 2014
4. Going forward





BULTEN IS FOCUSED ON FASTENERS FOR THE AUTOMOTIVE INDUSTRY

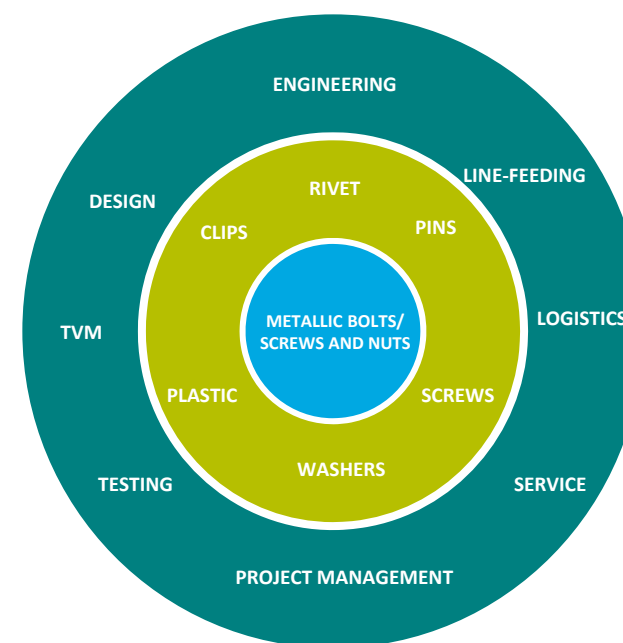
- In end of June 2014, division Finnveden Metal Structures was sold to Shiloh Industries Inc. to a final purchase price amounting to SEK 374 m
- The continuing business is focused on the fast growing and international fastener business
- The financial position for Bulten is strengthened after the divestment and creates better conditions to seize opportunities the coming years
- Tommy Andersson is President and CEO of the Bulten Group
- Company name changed from FinnvedenBulten AB to Bulten AB as from September 1, 2014





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. 1,200
- Sales SEK 2,4 billion in 2014



- 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

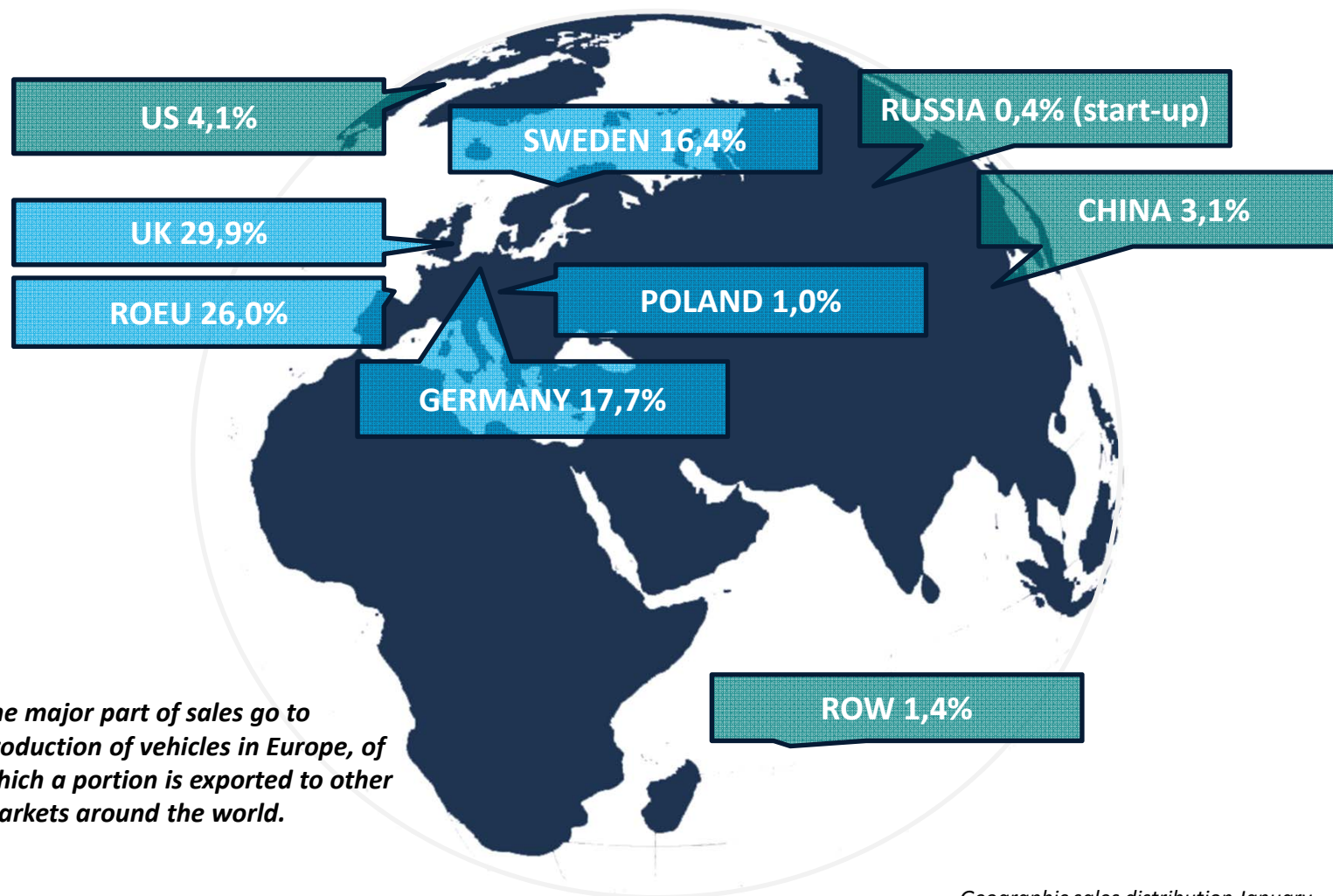
- Be a leading business partner and supplier of fasteners to the international automotive industry - continuously developing its full service concept.
- Actively launch innovations and services in the product area of fasteners - securing its position in Europe and increase presence on growth markets.
- Be the preferred supplier when customers requires quality deliveries including design, project management, application engineering, testing, TVM (Total Value Management), manufacturing/trading and logistics.

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 portion is exported to other markets around the world.

Geographic sales distribution January – December 2014



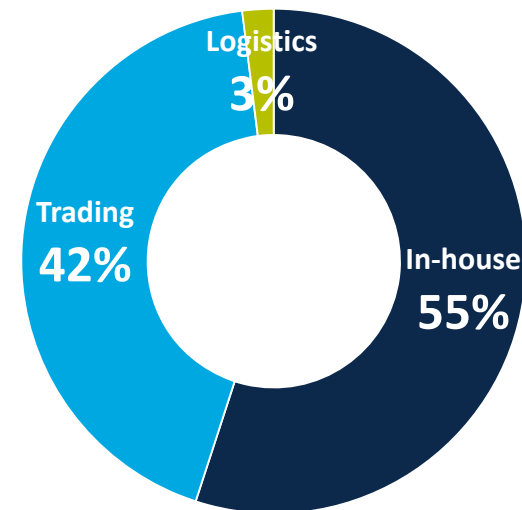
BULTEN IS EXPANDING ITS MANUFACTURING AND LOGISTIC FOOTPRINT

LEAN AND WELL POSITIONED MANUFACTURING FACILITIES IN EUROPE AND ASIA



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

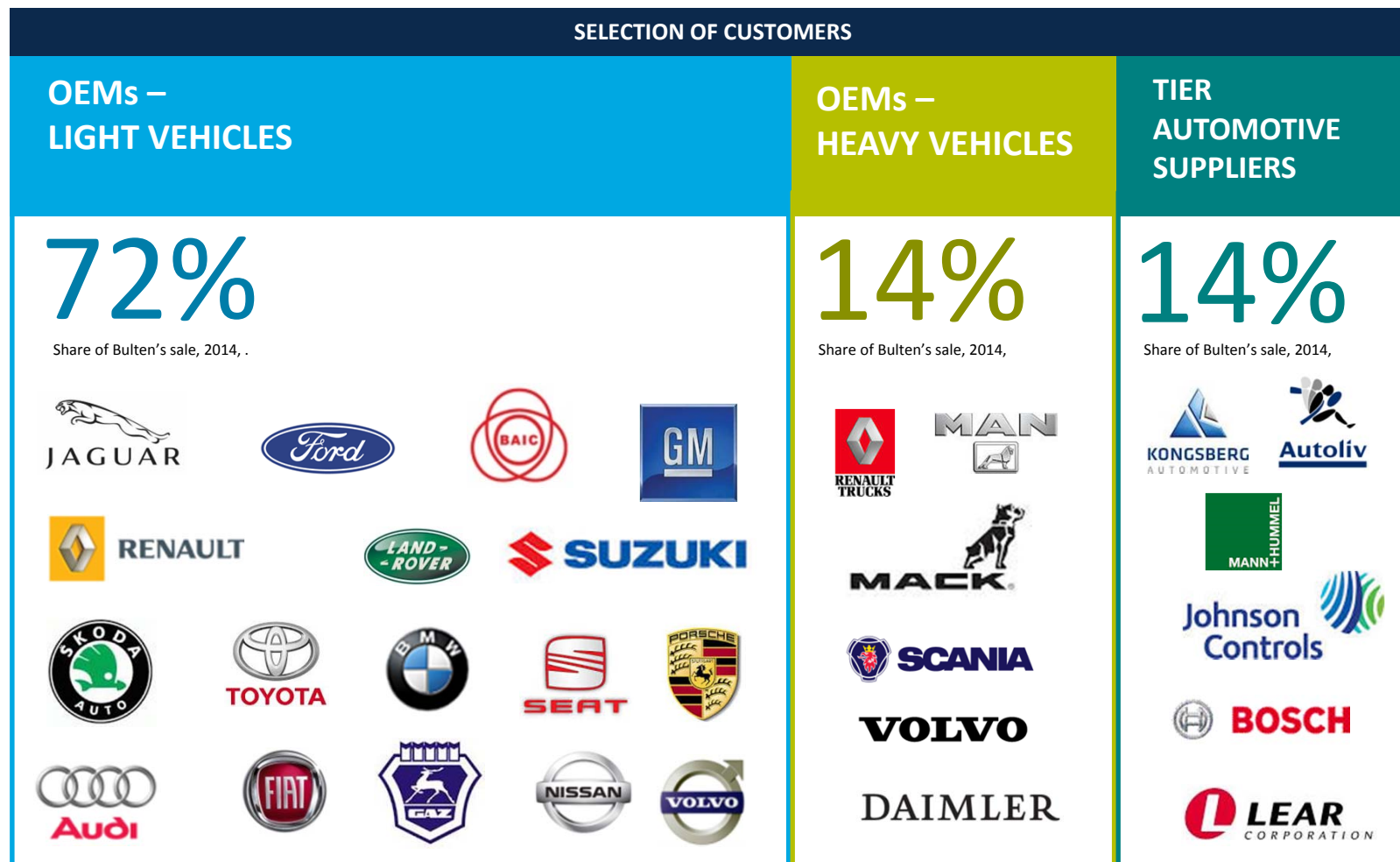
IN-HOUSE VS. TRADING (SALES VALUE)



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





MARKET DEVELOPMENT – AUTOMOTIVE PRODUCTION, EUROPE

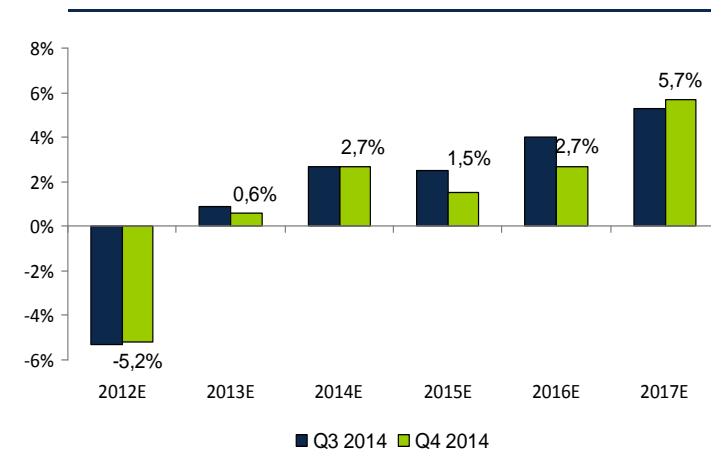
- LMC Automotive reports for automotive production in Europe, 2015:
 - Production of LV in 2015 expected up by 1.5% compared to 2014
 - Production of HCV (>15 t) in 2015 expected up by 4.7 % compared to 2014
 - For Bulten’s mix, up 1.9%

Bulten’s deliveries:

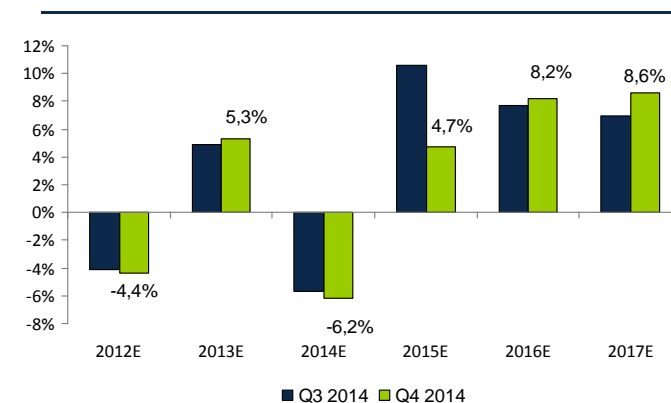
- LV stands for ~86% of sales
- HCV stands ~14% of sales

Source: LMC Automotive Q4, 2014

PRODUCTION GROWTH RATE (YEAR ON YEAR)
LIGHT VEHICLES EUROPE



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

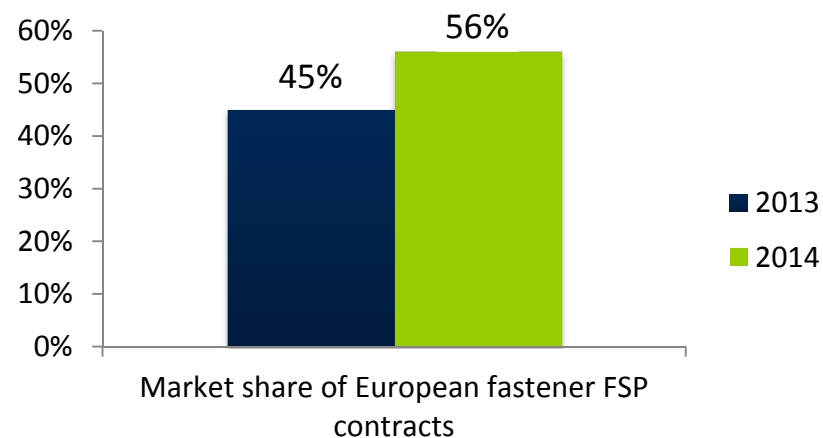
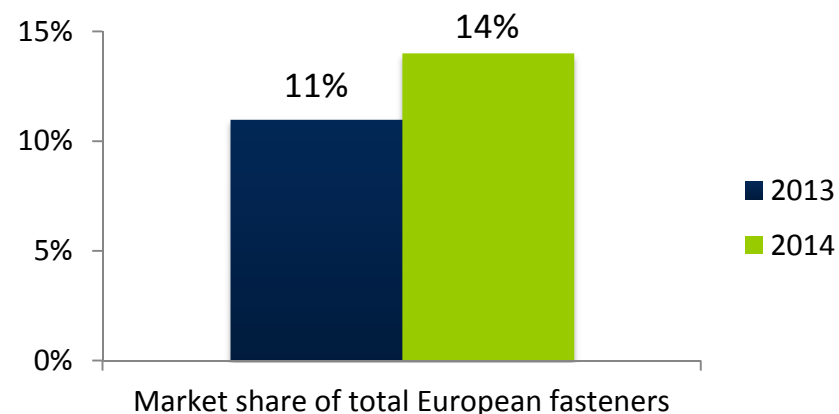




BULTEN MARKET SHARE DEVELOPMENT

- Continued strong demand and gained market share in Q4
- Management estimates*:
 - Bultens market share to be 15% of the European market of fasteners for the automotive industry 2014, up 4 pp. since 2013
 - Bulten market share of FSP contracts for the same market to be 57% 2014, up 14 pp from 2013

BULTEN MARKET SHARE DEVELOPMENT



* Based on data from EIFI (European Industrial Fasteners Institute)

4. FOURTH QUARTER 2014





OPERATIONAL HIGHLIGHTS DURING THE QUARTER

- The ramp-up of the two FSP contracts has been successfully implemented and deliveries at full pace in Q4
- Started deliveries of supplementary order. Annual value SEK 150 million at full production from 2016
- Official inauguration of Russian plant in October
 - Limited initial production volumes in Q4 - increase gradually during 2015
 - Continued strong interest from potential new customers
 - Russian car market negatively affected as a result of the geopolitical uncertainty among others
 - ... however, increased interest for Russian local production among OEM:s





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

FOURTH QUARTER

- Net sales up 31.6%
- EBIT margin 6.2% (6.5)
- Earnings after tax SEK 18.4 m (18.4)
- EPS continuing operations, adj for one-off effects 3.91 SEK (3.49)

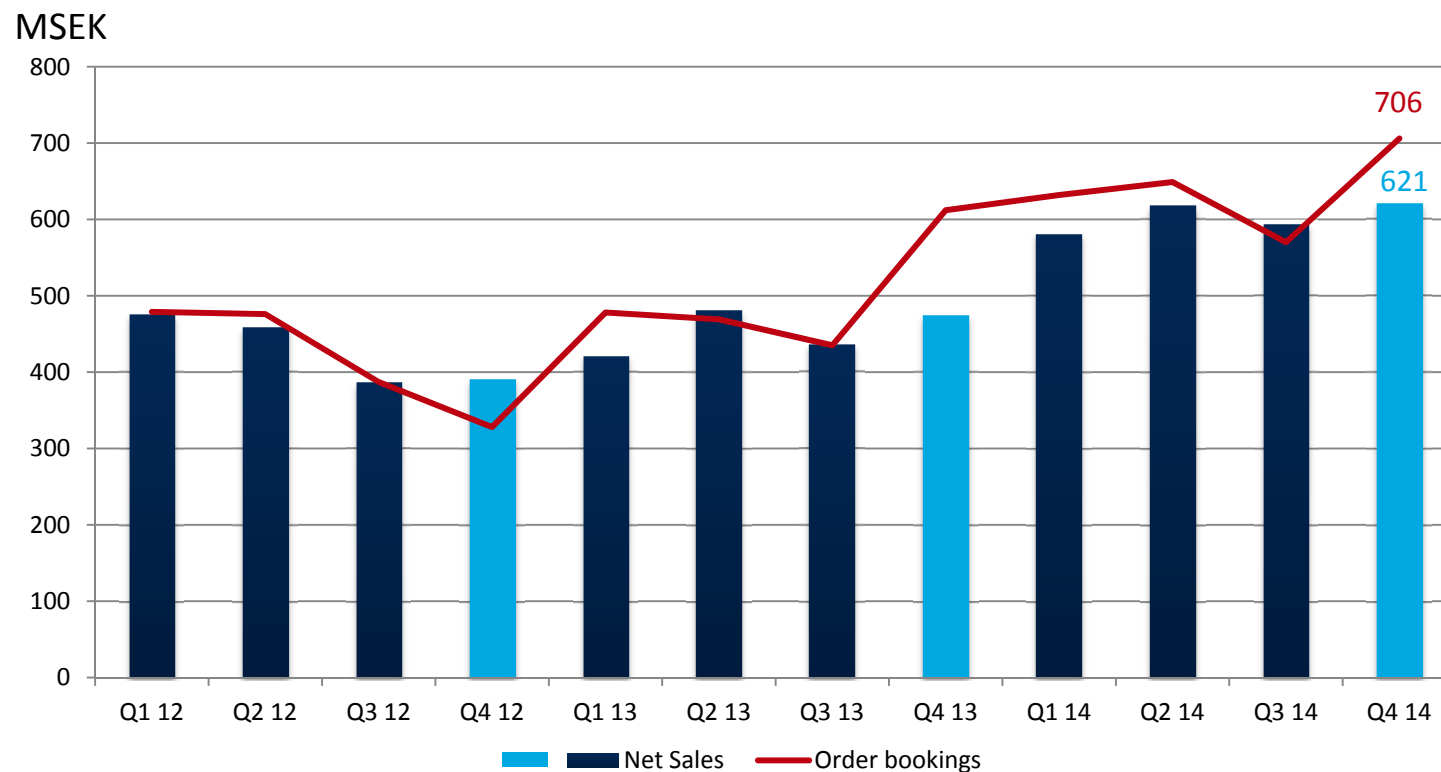
COMMENTS

- Positive trend in sales and orders continued in the fourth quarter
 - Started deliveries of supplementary order
- Stronger EBIT vs Q3, still affected by high priority of deliveries
 - Optimization of new contracts will gradually improve profitability

FINANCIAL SUMMARY (MSEK)	Q4			FULL YEAR		
	2014	2013	Δ	2014	2013	Δ
Net sales	621.1	471.9	31.6%	2,414.3	1,805.9	33.7%
Gross profit	114.9	97.4	17.5	454.6	341.8	112.8
Earnings before depreciation(EBITDA)	51.4	41.3	10.1	179.8	152.2	27.6
Operating earnings (EBIT)	38.4	30.6	7.8	133.4	109.2	24.2
Operating margin, %	6.2	6.5	-0.3	5.5	6.0	-0.5
Adjusted operating earnings (EBIT)	38.4	30.6	7.8	122.2	109.2	13.0
Adjusted operating margin, %	6.2	6.5	-0.3	5.1	6.0	-0.9
Earnings after tax	18.4	22.4	-4.0	84.4	100.4	-16.0
Adjusted Earnings after tax	18.4	22.4	-4.0	75.7	73.3	2.4
Order bookings	705.6	614.3	14.9%	2,556.8	2,011.5	27.1%
Return on capital employed, %	-	-	-	9.6	8.1	1.5



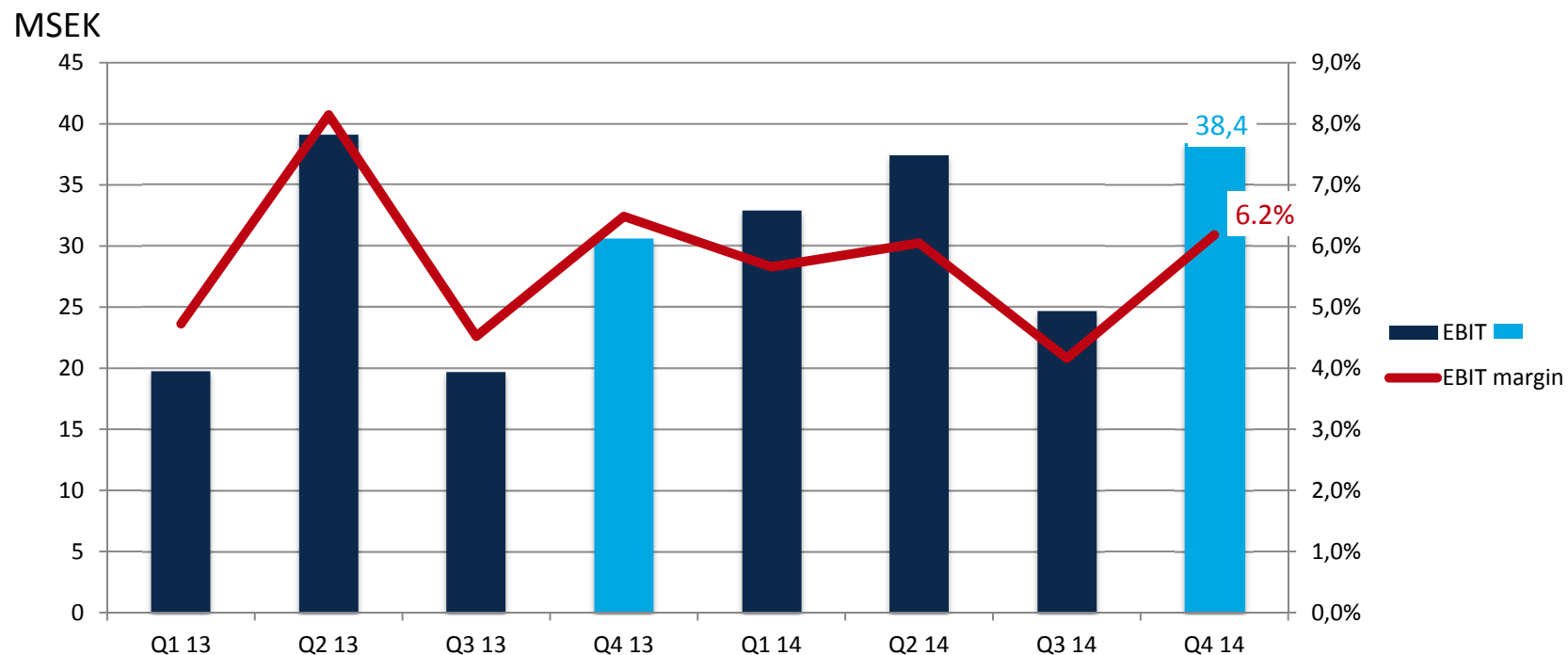
SIGNIFICANT INCREASE IN SALES AND ORDER INTAKE



- Order intake up 15% in Q4 vs last year
- Sales up 32% in Q4 vs last year



STRONG GROWTH AFFECTS EBIT – OPTIMIZATION ON-GOING



- Effects on EBIT at the closing rate
 - Exchange rate fluctuation in translation of working capital in Q4: SEK 3.3 m (0.5)
 - Establishment in Russia in Q4: SEK -2 m
- Optimization of new contracts will continue, with good potential to gradually strengthen profitability



CASH FLOW

CASH FLOW STATEMENT, MSEK	FULL YEAR	
	2014	2013
Cash flow from operating activities before changes in working capital	136.7	126.0
Cash flow from operating activities	-59.8	196.8
Cash flow from investing activities	-132.0	-66.2
Cash flow from financing activities	-70.6	-81.0
Cash flow for the period from continued operations	-262.4	49.6
Cash flow for the period from discontinued operations	411.2	-0.5
Cash flow for the period	148.8	49.1
Cash and cash equivalents at end of period	255.5	100.6

- Working capital has been balanced after the strong expansion in 2014, and cash flow has stabilized following a more normalized rate of investment in Q4
- Operating cash flow of approximately SEK 25 m in the second half of 2014



BALANCE SHEET

BALANCE SHEET, MSEK	2014-12-31	2013-12-31
ASSETS		
Total fixed assets	622.9	807.8
Total current assets	1,262.0	1,285.8
Total assets	1,884.9	2,093.6
EQUITY AND LIABILITIES		
Equity	1,272.7	1,103.5
Total non-current liabilities	119.7	249.6
Total current liabilities	492.5	740.5
Total equity and liabilities	1,884.9	2,093.6

MSEK	2014-12-31	2013-12-31
Net cash/Net debt, MSEK	137.3	-188.7

- The divestment of the Finnveden Metal Structures division has strengthened the Group's financial position considerably
- Net cash of SEK 137.3 million by the end of the quarter



KEY INDICATORS – CAPITAL STRUCTURE AND RETURN INDICATORS

THE GROUP, 12 MONTHS	FULL YEAR	
	2014	2013
RETURN INDICATORS		
Return on capital employed, %	9.6	8.1
Return on equity %	15.0	8.3
Return on equity, adjusted %	13.1	8.6
CAPITAL STRUCTURE		
Capital turnover, times	1.7	2.2
Net cash/Net debt/EBITDA	0.8	-1.2

THE GROUP	2014-12-31	2013-12-31
CAPITAL STRUCTURE		
Net debt/equity ratio, times	0.1	-0.2
Equity/assets ratio, %	67.5	52.7

- Balance sheet not recalculated



FINANCIAL GUIDELINES

THE GROUP	FULL YEAR 2014	GUIDELINES
Net working capital (% of sales)	21.4%	20%
CAPEX as % of sales	4.7%	2-3%
Depreciation as % of sales	1.9%	2-3%
Tax rate	28.8%	27-29%

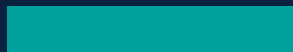
- Net working capital currently slightly higher due to the new business that has not been a part of the turnover for the whole period
- Capex and depreciation mirrored by the high activity this year
- Tax rate going forward is estimated to 27-29%. The tax rate will fluctuate between quarters



BOARD PROPOSAL OF HIGHER DIVIDEND AND SHARE BUYBACK PROGRAM OF IN TOTAL SEK 150 M OF OUTSTANDING SHARES

- Bulten's dividend policy over time is to pay out a dividend of approximately one third of net earnings after tax. Consideration shall however be given to Bulten's financial position, cash flow and outlook
- The Board proposes to the Annual General Meeting a dividend of SEK 3.00 per share (2.00), an increase of 50%
- It is further proposed that a share buyback program should be initiated with a mandate to buyback shares of a total value of SEK 150 million
- The purpose of the share buyback program is to optimise the company's capital structure, to bring shareholder value and still support further growth

3. GOING FORWARD





SUMMARY OF 2014

■ During 2014 Bulten:

- Divested division Finnveden Metal Structures
- Implemented a new organization and changed name to Bulten
- Ramped up two major FSP contracts
- Started production in Russia
- Had a strong sales growth and gained market shares
- The Board proposed a higher dividend

Bulten financial targets:

- profitable organic growth in excess of the market
- EBIT margin of at least 7%
- ROCE exceeding 15%
- Dividend: 1/3 of net income after tax



Bulten FY 2014

34%

5.5%

9.6%

36%



OPPORTUNITIES AHEAD

- Bulten's opportunities ahead are:
 - Continued organic growth potential
 - due to FSP contracts and supplementary order implemented during 2014
 - Continued path of gaining market share in Western Europe
 - Significant opportunities in emerging markets
 - Ongoing optimization gives opportunities of improvements in EBIT
 - Platform for production and logistics continues to improve
 - Decision on increased logistics facilities in Poland
 - Strong financial position
 - Current cash positions opens up for further growth initiatives
 - Prospects of growth with solid operating margins

**In 2014,
Bulten has taken
significant steps
forward in the market
and has created a high
credibility in the
automotive industry.**



BULTEN

– A STRONGER SOLUTION

APPENDIX





FINANCIAL OBJECTIVES

TARGETS		Q4 2014 ACTUAL	Q4 2013 ACTUAL	FULL YEAR 2014 ACTUAL	FULL YEAR 2013 ACTUAL
Sales growth	Target to achieve a profitable organic growth in excess of the market growth on the Company's respective markets.	31.6%	19.9%	33.7%	5.5%
Sales growth Currency adjusted	Target to achieve a profitable organic growth in excess of the market growth on the Company's respective markets.	27.3%	17.8%	28.0%	6.4%
EBIT margin	Target to achieve an EBIT margin of at least 7%.	6.2%	6.5%	5.5%	6.0%
Return on capital employed (ROCE)	Target to achieve a ROCE exceeding 15%.			9.6%	8.1%
Dividend policy	Bulten has a target to pay dividends corresponding to approximately 1/3 of net income after tax. Bulten's financial position, cash flow and future prospects should however be considered.			36% SEK 3.00 per share + Share buyback of in total SEK 150 m	48% SEK 2.00 per share