

# FULL YEAR REPORT

# Q4



## New phase of growth begins with increased sales and continued strong order bookings

### FOURTH QUARTER

- Net sales reached SEK 740 million (674), an increase of 9.8% on the same period last year.
- Operating earnings (EBIT) were SEK 55 million (52), which corresponds to an operating margin of 7.5% (7.7).
- Earnings after tax were SEK 47 million (37).
- Order bookings amounted to SEK 839 million (744), an increase of 12.8% on the same period last year.
- Cash flow from operating activities was SEK 2 million (122).
- Earnings per share were SEK 2.26 (1.82).
- Bulten has taken a decision to make an investment in a new heat treatment plant in Hallstahammar worth around SEK 45 million.
- Bulten is preparing for a change in CEO by 2019 at the latest due to the retirement of the current CEO.

### JANUARY–DECEMBER

- Net sales reached SEK 2,856 million (2,676), an increase of 6.7% on the same period last year.
- Operating earnings (EBIT) were SEK 210 million (200), which corresponds to an operating margin of 7.4% (7.5).
- Earnings after tax were SEK 159 million (146).
- Order bookings amounted to SEK 3,015 million (2,717), an increase of 11.0% on the same period last year.
- Cash flow from operating activities was SEK 58 million (351).
- Earnings per share were SEK 7.98 (7.27).
- Net debt was SEK 49 million (net cash of 30) and the equity/assets ratio at the end of the period was 66.8% (68.9).
- The Board of Bulten AB proposes to the AGM that the dividend be SEK 3.75 per share (SEK 4.50 in 2016, of which SEK 3.50 was an ordinary dividend and SEK 1.00 an extra dividend).

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### CEO'S COMMENTS

*"Bulten has entered a new phase of growth, with increases during the quarter in net sales of 9.8% and in continued strong order bookings of 12.8%, both compared with the same period last year. The growth stems from successive increases in volumes following model changes as well as from the start of deliveries that are part of the previously announced contract worth EUR 20 million annually. Generally good demand for cars in Europe also had a positive effect.*

*Bulten's operating margin was 7.5% during the quarter, helped partly by currency effects but also negatively influenced by higher global market prices for steel and other metals. Consequently, we exceeded our target for operating margin and strengthened our profitability on both the quarterly and annual basis, while also improving earnings per share.*

*Bulten's financial position remains strong. To meet increased demand for our products and the rise in volumes connected to signed contracts, we decided during 2017 to invest in new capacity. The planned supplementary plant for production and distribution of fasteners in Poland is expected to be completed in 2019 and will become one of Europe's leading fastener facilities.*

*With previously signed contracts that are worth around half a billion Swedish kronor at the full production rate expected in 2020, the planned investment in capacity and the strong financial position, Bulten is prepared for this new phase of growth. We also judge that we have continued good prospects for winning new business."*

Tommy Andersson, President and CEO

# BULTEN IN SUMMARY

## DEVELOPMENT DURING THE QUARTER

Bulten has entered a new phase of growth, with increases in net sales of 9.8% and continued strong order bookings of 12.8% for the final quarter of 2017 compared with the final quarter of 2016. The growth stems from successive increases in volumes following model changes as well as from the start of deliveries that are part of the previously announced contract worth EUR 20 million annually. Generally good demand for cars in Europe also had a positive effect.

Bulten exceeded its target for operating margin and strengthened profitability indicators on both the quarterly and annual basis, while also improving earnings per share. The operating margin for the quarter was 7.5% (7.7), helped partly by currency effects of around SEK 3 million but also negatively influenced by higher global market prices for steel and other metals worth around net SEK 3 million in the final quarter. Most of Bulten's contracts contain clauses concerning raw materials that regulate changes in raw material prices, although adjustments are subject to a time delay.

The start-up of the business activity in the US also had an impact on earnings as had the start of new contracts. Underlying profitability can be assessed as good and rising, with consideration to the aforementioned factors.

Profitability was strengthened by 0.5 percentage points during the quarter and the return on capital employed was 14.4% (16.7% excluding goodwill), which can be compared with the target of 15%.

During the second half of 2017, Bulten reached a decision to invest PLN 80 million (SEK 177 million) in a new, strategically important production and logistics plant in Poland that will meet future growth. Work on the plant began at the end of 2017 with production start-up planned for 2019.

The establishment in the US expands Bulten's market and creates further opportunities for growth among both existing customers and new ones. There are also positive signs for the future in both China and Russia.

## MARKET AND OUTLOOK

Of Bulten's net sales, around 86% is attributable to light vehicles and around 14% to commercial vehicles. Of total net sales, around 90% are direct deliveries to vehicle producers (OEMs) and the remainder to their sub-suppliers and to other sectors.

For full-year 2017, car sales in Europe (EU and EFTA) increased by 3.4% compared with 2016 according to ACEA's statistics.

According to LMC Automotive's latest forecast from Q4 2017, European production of light vehicles is expected to have increased by 3.2% and production of heavy commercial vehicles by 4.9% in 2017. Weighted for Bulten's exposure, this means a rise of 3.5% for the same period, compared with their previous forecast of 3.0%. For full-year 2018, production of light vehicles is expected to increase by 1.1% and production of heavy commercial vehicles by 4.6%. Weighted for Bulten's exposure, this means a rise of 1.6%, compared with the previous forecast of 1.8%.

Distribution of Bulten's products is primarily to Europe, although demand is affected by production of vehicles for the global market. Bulten's management team considers that the underlying demand for light vehicles in Europe remains good, as does demand for vehicles earmarked for export from Europe to global markets.

Capacity utilisation by most suppliers of fasteners is judged to be high at the present time.

Bulten's estimated market share at the end of 2017 was around 17% of the European market for fasteners for the auto sector, which is unchanged on the figure for 2016. On the corresponding market for FSP business, Bulten's market share is estimated at around 60% at the end of 2017, which is also unchanged compared with the figure for 2016. This estimate is based on data about the European auto industry's purchasing of fasteners in 2017 according to the European Industrial Fasteners Institute (EIFI).

With signed contracts under ramp-up and not yet started worth around SEK 500 million annually at full production rate expected in 2020, the planned capacity investments and the strong financial position, Bulten is well-equipped for the new phase of growth. The prospects for winning new business are also considered to be good.

## ORDER BOOKINGS AND NET SALES

### Q4

Order bookings were SEK 839 million (744), an increase of 12.8% compared with the corresponding period in the previous year.

Net sales for the Group totalled SEK 740 million (674), an increase of 9.8% compared with the corresponding period in the previous year. Adjusted for currency effects, organic growth was 10.1% in the same period.

### January - December

Order bookings were SEK 3,015 million (2,717), an increase of 11.0% compared with the corresponding period in the previous year.

Net sales for the Group totalled SEK 2,856 million (2,676), an increase of 6.7% compared with the corresponding period in the previous year. Adjusted for currency effects, organic growth was 5.2% for the same period.



## EARNINGS AND PROFITABILITY

### Q4

The Group's gross earnings were SEK 142 million (140), corresponding to a gross margin of 19.3% (20.8). Earnings before depreciation (EBITDA) were SEK 76 million (71), corresponding to an EBITDA margin of 10.2% (10.6). Earnings (EBIT) were SEK 55 million (52), corresponding to an operating margin of 7.5% (7.7).

Higher global prices for steel and other metals continued to affect profitability, with a negative effect of around net SEK 3 million after adjustments for raw materials compensation.

Operating earnings were affected positively by currency changes amounting net to SEK 3 million (-3) when converting operating capital on the closing date.

Net financial items in the Group were SEK 6 million (-2). Financial income was SEK 7 million (-), of which exchange rate gains were SEK 7 million (-). Financial costs were SEK -1 million (-2), of which interest costs were SEK -1 million (-1), currency losses were SEK - million (-1) and other financial costs were SEK -0 million (-0).

The Group's earnings before tax were SEK 61 million (50) and earnings after tax were SEK 47 million (37).

#### January - December

The Group's gross earnings were SEK 558 million (531), corresponding to a gross margin of 19.6% (19.8). Earnings before depreciation (EBITDA) were SEK 290 million (271), corresponding to an EBITDA margin of 10.1% (10.1). Earnings (EBIT) were SEK 210 million (200), corresponding to an operating margin of 7.4% (7.5).

Higher global prices for steel and other metals had a negative effect on profitability of around net SEK 13 million after adjustments for raw materials compensation.

Operating earnings were affected negatively by currency changes amounting net to SEK -2 million (4) when converting operating capital on the closing date. Operating earnings were positively affected by SEK 4 million attributable to a recovered receivable.

Net financial items in the Group were SEK -0 million (-4). Financial income was SEK 6 million (3), of which currency gains were SEK 6 million (3). Financial costs were SEK -6 million (-7), of which interest costs were SEK -4 million (-6) and other financial costs were SEK -2 million (-2).

The Group's earnings before tax were SEK 210 million (196) and earnings after tax were SEK 159 million (146).

## CASH FLOW, WORKING CAPITAL, INVESTMENTS AND FINANCIAL POSITION

### Q4

Cash flow from operating activities totalled SEK 2 million (122). Cash flow effects of changes in working capital amounted to SEK -71 million (60). Operating capital is driven by the positive development in volumes. Inventories increased in the period by SEK 71 million (16), while operating receivables changed by SEK 109 million (-13). Current liabilities increased by SEK 96 million (15).

Cash flow from investing activities was SEK -43 million (-30). Investments of SEK 44 million (30) relate to tangible assets. Sales of tangible assets amounted to SEK -1 million (-0).

### January - December

Cash flow from operating activities totalled SEK 58 million (351). Cash flow effects of changes in working capital amounted to SEK -201 million (104). Inventories changed in the period by SEK 83 million (-23) and operating receivables changed by SEK 212 million (-16). Current liabilities increased by SEK 93 million (3).

Cash flow from investing activities was SEK -55 million (-82). Investments of SEK 122 million (82) relate to tangible assets. The corresponding figure for intangible assets was SEK 1 million (0). Sales of tangible assets amounted to SEK -2 million (-0).

During the year, around SEK 67 million of the loan to the joint venture, BBB Services Ltd., was replaced with operating capital financing. The change has meant that the Group's cash flow from current business was negatively affected by SEK 67 million and the Group's cash flow from investment activities was positively affected by the same amount.

At the end of the period net debt was SEK 49 million, of which cash and cash equivalents were SEK 48 million. Last year, net cash was SEK 30 million, of which cash and cash equivalents were SEK 109 million. Adjusted for financial leasing, net debt was SEK 12 million. Last year, adjusted net cash was SEK 68 million.

#### NET SALES

SEK **740** MILLION

#### OPERATING EARNINGS

SEK **55** MILLION

#### OPERATING MARGIN

**7.5%**

Q4

#### FINANCIAL SUMMARY

SEK MILLION	Q4			JAN - SEPT		
	2017	2016	Δ	2017	2016	Δ
Net sales	740	674	9.8%	2,856	2,676	6.7%
Gross profit	142	140	2	558	531	27
Earnings before depreciation (EBITDA)	76	71	5	290	271	19
Operating earnings (EBIT)	55	52	3	210	200	10
Operating margin, %	7.5	7.7	-0.2	7,4	7,5	-0.1
Earnings after tax	47	37	10	159	146	13
Order bookings	839	744	12,8%	3,015	2,717	11.0%
Return on capital employed, %	-	-	-	14.4	13.9	0.5
Return on capital employed excluding goodwill, %	-	-	-	16.7	16.2	0.5

# OTHER INFORMATION

## ACCOUNTING PRINCIPLES

This full year report has been prepared for the Group in accordance with IAS 34 (Interim Financial Reporting) and the Swedish annual accounts act. The financial statement for the parent company has been drawn up in accordance with the Swedish annual accounts act and RFR 2 (Reporting for legal entities) of the Swedish Financial Accounting Standards Council. The accounting principles are unchanged compared with the principles explained in the 2016 annual report.

All amounts are in SEK million unless otherwise stated.

Amounts in parentheses show figures for last year. Some figures are rounded up, which is why amounts might not always add up.

As of January 1, 2018, IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers apply. IFRS 9 deals with the classification, valuation and accounting of financial assets and liabilities. It replaces those parts of IAS 39 that deal with the classification and valuation of financial instruments. IFRS 15 contains a combined model for revenue recognition for customer contracts not covered by other standards. It replaces IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations IFRIC 13, 15, 18 and SIC-31.

The Group's analysis has shown that the implementation of IFRS 9 and IFRS 15 will not have a material effect on the Group's financial reports. Thus, no transition effects will arise as a result of the introduction of these accounting standards.

## RISKS AND RISK MANAGEMENT

Exposure to operational and financial risks are a natural part of business activity and this is reflected in Bulten's approach to risk management. The purpose is to identify and prevent risks and limit any damage that may result. The main risks that the Group is exposed to relate to the impact of the business cycle on demand, supplies of raw materials and their price variations, as well as general economic and geopolitical factors.

For a more detailed description of these risks, see Note 3, Risks and risk management, of the company's 2016 annual report.

## SEASONAL VARIATIONS

Bulten is not exposed to traditional seasonal variations. The year reflects customers' production days, which vary between quarters. The lowest net sales and operating earnings normally occur in Q3, where there are fewest production days. The other quarters are relatively even although variations may occur.

## TRANSACTION WITH RELATED PARTIES

No significant transactions were made with related parties during the reporting period.

For further information, see note 34 of the 2016 annual report.

## EMPLOYEES

The total number of employees in the Group amounted on the closing day to 1,305 (1,264).

## CONTINGENT LIABILITIES

During the report period there was no significant change in contingent liabilities.

## PARENT COMPANY

Bulten AB (publ) owns, directly or indirectly, all the companies in the Group. The equity/assets ratio was 75.1% (73.1). Equity was SEK 1,124 million (1,155). The parent company had no cash and cash equivalents on the closing day. The company had 9 employees on the closing day.

## SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no significant events to report.

## PROPOSED DIVIDEND

Bulten's target is to pay dividends to shareholders representing over time one third of net earnings after tax. Consideration shall however be given to Bulten's financial position, cash flow and outlook.

The Board of Bulten AB proposes to the Annual General Meeting that a dividend of SEK 3.75 per share be paid, which represents around 47% of net earnings after tax adjusted for non-recurring items.

The reconciliation date for the dividend is proposed to be 30 April 2018.

## 2018 ANNUAL GENERAL MEETING

The Annual General Meeting for Bulten AB (publ) will be held on 26 April 2018 in Göteborg. Shareholders wishing to have matters dealt with at the meeting must send their proposals to the Board of directors via email to [chairman@bulten.com](mailto:chairman@bulten.com) or via post to Bulten AB (publ)

Årsstämma  
Box 9148  
400 93 Göteborg  
SWEDEN

Proposals must reach the company no later than 16 February 2018.

## 2017 ANNUAL REPORT AND SUSTAINABILITY REPORT

Bulten's annual report and sustainability report for 2017 is expected to be available at the latest on 5 April 2018 when it will be published on the company's website, [www.bulten.se](http://www.bulten.se), where it may also be ordered in printed form.

### AUDITOR'S VERIFICATION

This report has not been verified by the company's auditors.

### NOMINATIONS COMMITTEE

In accordance with the resolution of the AGM, the Nominations Committee shall comprise four members, one representative each for the three largest shareholders as of the final banking day in September who wish to appoint a representative to the nominations committee, and the chairman of the Board. The three largest

shareholders are those registered and owner-grouped by Euroclear Sweden AB as of the final banking day in September.

The Nominations Committee for the 2018 AGM is as follows:

- Claes Murander, appointed by Lannebo Fonder
- Öystein Engebretsen, appointed by Investment AB Öresund
- Pär Andersson, appointed by Spiltan Fonder AB
- Ulf Liljedahl, Chairman of Bulten AB

Göteborg, Sweden  
8 February 2018  
Bulten AB (publ)

Tommy Andersson  
President and CEO

# ABOUT BULTEN

Bulten is one of the leading suppliers of fasteners to the international automotive industry. The company's product range includes everything from customer-specific standard products to specialist, customized fasteners. The company also provides technical development, line-feeding, logistics, material and production expertise. Bulten offers a Full Service Provider concept or parts thereof. The company was founded in 1873, has around 1,300 employees in eight countries and has its head office in Göteborg, Sweden. The share (BULTEN) is listed on Nasdaq Stockholm.

### VISION

Supporting the global automotive industry with state-of-the-art fastener technology and services.

### BUSINESS CONCEPT

Bulten shall:

- be the leading business partner and the most cost-effective supplier of fasteners and services to the automotive industry.
- with empowered and dedicated people continuously develop its full service concept and actively launch innovations.
- develop long-term relations based on professionalism and good business ethics.

### FINANCIAL TARGETS AND DIVIDEND POLICY

- The Group's target is to achieve profitable organic growth and to grow more strongly than the industry average.
- The Group's target is to achieve an operating margin of at least seven (7) percent.
- The Group's target is to achieve a return on average capital employed of at least fifteen (15) percent.
- Bulten's dividend policy over time is to pay out a dividend of at least one third of net earnings after tax. Consideration is given, however, to the company's financial position, cash flow and outlook.

### STRATEGY

Bulten has a clear focus on organic growth in Europe, USA, Russia and China. The prospects for Bulten to continue to grow organic on the global automotive market are good.

Bulten shall be a preferred full service provider and provide everything from development, production and logistics to final delivery at the customer's assembly line. This has been a successful concept and the strategy is to continue developing the business in this direction. Already today Bulten's contract portfolio consists of approximately three quarters full service contracts and the share is expected to increase.

Bulten's strategy is based on offering competitive products and services. This will be achieved by having production processes at low costs with geographical proximity to the customer. Bulten is continuously working to develop its expertise in order to offer its customers the best possible quality at the best possible price.

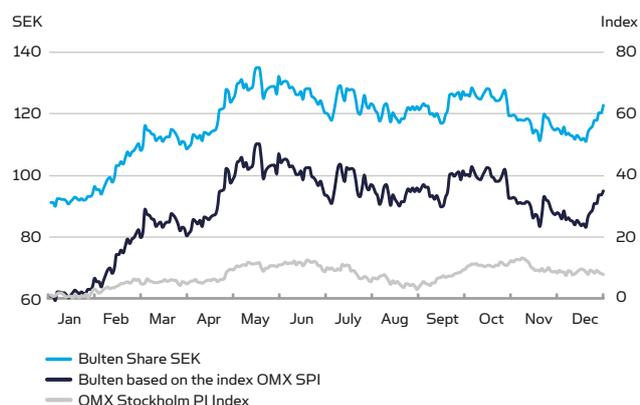
Part of Bulten's strategy is also to constantly develop the innovative and technological know-how needed to create new products together with customers, thus offering improved and more cost-effective solutions to OEMs.

# SHAREHOLDER INFORMATION

PRICE-RELATED SHARE DATA	Q4			FULL YEAR		
	2017	2016	Δ	2017	2016	Δ
Share price at period-end (final pay price), SEK	122.50	89.00	33.50	122.50	89.00	33.50
Highest share price during period (final pay price), SEK	129.50	99.75	29.75	135.50	99.75	35.75
Lowest share price during period (final pay price), SEK	109.00	79.25	29.75	89.00	67.75	21.25
Market value at period end, MSEK	2,577	1,873	704	2,577	1,873	704
P/E	–	–	–	15.36	12.23	3.13
Dividend yield, %	–	–	–	3.06	5.06	-2.00
<b>Data per share</b>						
Earnings before depreciation (EBITDA) *)	3.72	3.50	0.22	14.22	13.32	0.90
Operating earnings (EBIT) *)	2.72	2.55	0.17	10.32	9.83	0.49
Earnings after net financial items (EAFI) *)	2.98	2.45	0.53	10.32	9.63	0.69
Earnings for the period *)	2.26	1.82	0.44	7.98	7.27	0.71
Shareholders equity *)	–	–	–	70.76	65.96	4.80
Cash flow from the operating activities *)	0.14	6.01	-5.87	2.88	17.23	-14.35
Cash flow for the period *)	-2.06	1.12	-3.18	-3.13	3.27	-6.40
Dividend	–	–	–	3.75	4.50	-0.75
<b>Total outstanding ordinary shares, 000s</b>						
Weighted total during the period *)	20,359.7	20,359.7	–	20,359.7	20,359.7	–
At period end *)	20,359.7	20,359.7	–	20,359.7	20,359.7	–

\*) Before dilution.

## THE SHARE



Source: Cision register, 31 December 2017

## BULTEN'S TEN LARGEST SHAREHOLDERS

SHAREHOLDER	NO OF SHARES	HOLDING, %
Volito AB	4,450,000	21.2
Lannebo fonder	2,676,454	12.7
Investment AB Öresund	2,263,535	10.8
Spiltan Fonder AB	967,312	4.6
JP Morgan	697,705	3.3
Bulten AB	680,500	3.2
Skandinaviska Enskilda Banken S.A	472,834	2.2
Sjöbergstiftelsen	400,000	1.9
CBNY-DFA-INT SML CAP V	344,076	1.6
Clients Accounts-DCS	309,849	1.5

Total number of shareholders: 6,631

Source: Euroclear Sweden AB's register, 31 December 2017

## INFORMATION ABOUT THIS INTERIM REPORT

Bulten aims to operate a sustainable business and strives to identify areas where we can reduce our environmental impact. As from Q2 2016 Bulten no longer print the interim reports.

All of Bulten's reports can be read at, and downloaded from, [www.bulten.se](http://www.bulten.se). Shareholders who are unable to read reports online may order a printed copy by contacting Bulten.

Our subscription service at [www.bulten.se](http://www.bulten.se) gives you the opportunity to subscribe for Bulten's reports and press releases via email.

# FINANCIAL INFORMATION

## CONSOLIDATED INCOME STATEMENT

SEK MILLION	Q4			FULL YEAR		
	2017	2016	Δ	2017	2016	Δ
Net sales	740	674	66	2,856	2 676	180
Cost of goods sold	-598	-534	-64	-2,298	-2 145	-153
<b>Gross profit</b>	<b>142</b>	<b>140</b>	<b>2</b>	<b>558</b>	<b>531</b>	<b>27</b>
Other operating income	10	6	4	25	26	-1
Selling expenses	-52	-49	-3	-196	-188	-8
Administrative expenses	-47	-43	-4	-177	-165	-12
Other operating expenses	0	-3	3	-4	-1	-3
Share of result of Joint Venture	2	1	1	4	-3	7
<b>Operating earnings</b>	<b>55</b>	<b>52</b>	<b>3</b>	<b>210</b>	<b>200</b>	<b>10</b>
Financial income	7	-	7	6	3	3
Financial expenses	-1	-2	1	-6	-7	1
<b>Earnings before tax</b>	<b>61</b>	<b>50</b>	<b>11</b>	<b>210</b>	<b>196</b>	<b>14</b>
Tax on period's earnings	-14	-13	-1	-51	-50	-1
<b>Earnings after tax</b>	<b>47</b>	<b>37</b>	<b>10</b>	<b>159</b>	<b>146</b>	<b>13</b>
Attributable to						
Parent company shareholders	46	37	9	162	148	14
Minority interests	1	0	1	-3	-2	-1
<b>Earnings after tax</b>	<b>47</b>	<b>37</b>	<b>10</b>	<b>159</b>	<b>146</b>	<b>13</b>
<b>Earnings per share attributable to parent company shareholders</b>						
Earnings per share before dilution, SEK	2.26	1.82	0.44	7.98	7.27	0.71
Earnings per share after dilution, SEK	2.25	1.82	0.43	7.93	7.23	0.70
Weighted outstanding ordinary shares before dilution, 000	20,359.7	20,359.7	-	20,359.7	20,359.7	-
Weighted outstanding ordinary shares after dilution, 000	20,464.4	20,482.7	-18.3	20,464.4	20,482.7	-18.3

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK MILLION	Q4			FULL YEAR		
	2017	2016	Δ	2017	2016	Δ
Earnings after tax	47	37	10	159	146	13
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Revaluation of defined benefit pension plan, net after tax	-1	1	-2	-1	1	-2
Items that may be reclassified subsequently to profit or loss						
Exchange rate differences	27	-1	28	25	29	-4
<b>Total comprehensive income</b>	<b>73</b>	<b>37</b>	<b>36</b>	<b>183</b>	<b>176</b>	<b>7</b>
Attributable to						
Parent company shareholders	73	35	38	187	174	13
Minority interests	-	2	-2	-4	2	-6
<b>Total comprehensive income</b>	<b>73</b>	<b>37</b>	<b>36</b>	<b>183</b>	<b>176</b>	<b>7</b>

# CONSOLIDATED BALANCE SHEET

SEK MILLION	31-12-2017	31-12-2016
<b>ASSETS</b>		
<b>Fixed assets</b>		
Intangible fixed assets <sup>1)</sup>	206	206
Tangible fixed assets	628	570
Financial assets	5	61
Deferred tax receivables	8	35
<b>Total fixed assets</b>	<b>847</b>	<b>872</b>
<b>Current assets</b>		
Inventories	533	450
Current receivables	750	538
Cash and cash equivalents	48	109
<b>Total current assets</b>	<b>1,331</b>	<b>1,097</b>
<b>Total assets</b>	<b>2,178</b>	<b>1,969</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity attributable to parent company shareholders	1,440	1,343
Minority interests	14	14
<b>Total equity</b>	<b>1,454</b>	<b>1,357</b>
<b>Non-current liabilities</b>		
Non-current interest-bearing liabilities and provisions	97	78
<b>Total non-current liabilities</b>	<b>97</b>	<b>78</b>
<b>Current liabilities</b>		
Current liabilities, interest-bearing	4	5
Current liabilities, non-interest-bearing	623	529
<b>Total current liabilities</b>	<b>627</b>	<b>534</b>
<b>Total equity and liabilities</b>	<b>2,178</b>	<b>1,969</b>

1) Whereof goodwill SEK 203 million (204).

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK MILLION	31-12-2017	31-12-2016
Opening equity	1,357	1,245
<b>Comprehensive income</b>		
Earnings after tax	159	146
Other comprehensive income	24	30
<b>Total comprehensive income</b>	<b>183</b>	<b>176</b>
<b>Transactions with shareholders</b>		
Transactions with minority	4	–
Share-based payment to employees	2	2
Dividend paid to parent company shareholders	-92	-66
<b>Total transactions with shareholders</b>	<b>-86</b>	<b>-64</b>
<b>Closing equity</b>	<b>1,454</b>	<b>1,357</b>

## CONSOLIDATED CASH FLOW STATEMENT

SEK MILLION	Q4		FULL YEAR	
	2017	2016	2017	2016
<b>Operating activities</b>				
Earnings after financial items	61	50	210	196
Adjustments for items not included in cash flow	18	17	74	72
Tax paid	-6	-5	-25	-21
<b>Cash flow from operating activities before changes in working capital</b>	<b>73</b>	<b>62</b>	<b>259</b>	<b>247</b>
<b>Cash flow from changes in working capital</b>				
Change in working capital	-71	60	-201	104
<b>Cash flow from operating activities</b>	<b>2</b>	<b>122</b>	<b>58</b>	<b>351</b>
<b>Investing activities</b>				
Acquisition of intangible fixed assets	-0	-0	-1	-1
Acquisition of tangible fixed assets	-44	-30	-122	-82
Disposal of tangible fixed assets	1	0	2	0
Change of financial assets	-	-	66	-
<b>Cash flow from investing activities</b>	<b>-43</b>	<b>-30</b>	<b>-55</b>	<b>-82</b>
<b>Financing activities</b>				
Change in overdraft facilities and other financial liabilities	-1	-69	21	-136
Dividend paid to parent company shareholders	-	-	-92	-66
Transactions with minority	-	-	4	-
<b>Cash flow from financing activities</b>	<b>-1</b>	<b>-69</b>	<b>-67</b>	<b>-202</b>
<b>Cash flow for the period</b>	<b>-42</b>	<b>23</b>	<b>-64</b>	<b>67</b>
Cash flow for the period	-42	23	-64	67
Cash and cash equivalents at start of financial year	86	86	109	40
Exchange rate difference in cash and cash equivalents	4	-0	3	2
<b>Cash and cash equivalents at end of period</b>	<b>48</b>	<b>109</b>	<b>48</b>	<b>109</b>

## CONSOLIDATED NET CASH/NET DEBT

SEK MILLION	31-12-2017	31-12-2016
Non-current interest-bearing liabilities	-84	-60
Provisions for pensions	-13	-18
Current interest-bearing liabilities	-4	-5
Financial interest-bearing liabilities	4	5
Cash and cash equivalents	48	109
<b>Net cash(+)/net debt(-)</b>	<b>-49</b>	<b>30</b>
Adjusted for interest bearing liabilities related to financial lease agreements	37	38
<b>Adjusted net cash(+)/net debt(-)</b>	<b>-12</b>	<b>68</b>

## CONSOLIDATED KEY INDICATORS

THE GROUP	Q4		FULL YEAR	
	2017	2016	2017	2016
<b>Margins</b>				
EBITDA margin, %	10.2	10.6	10.1	10.1
EBIT margin (operating margin), %	7.5	7.7	7.4	7.5
Net margin, %	6.3	5.5	5.6	5.5
<b>Capital structure</b>				
Interest coverage ratio, times	48.6	40.9	38.8	30.6
<b>Data per share attributable to parent company shareholders</b>				
Earnings per share before dilution, SEK	2.26	1.82	7.98	7.27
Earnings per share after dilution, SEK	2.25	1.82	7.93	7.27
<b>Number of outstanding ordinary shares</b>				
Weighted outstanding ordinary shares before dilution, 000	20,359,7	20,359,7	20,359,7	20,359,7
Weighted outstanding ordinary shares after dilution, 000	20,464,4	20,482,7	20,464,4	20,482,7

THE GROUP	31-12-2017	31-12-2016
<b>Capital structure</b>		
Net debt/equity ratio, times	-0.0	0.0
Equity/assets ratio, %	66.8	68.9
<b>Other</b>		
Net cash(+)/net debt(-), SEK m	-49	30
Adjusted net cash(+)/net debt(-), SEK m	-12	68
<b>Equity per share attributable to parent company shareholders</b>		
Equity per share before dilution, SEK	70.76	65.96
Equity per share after dilution, SEK	70.39	65.56
<b>Number of outstanding ordinary shares</b>		
Number of outstanding ordinary shares before dilution at period end, 000	20,359,7	20,359,7
Number of outstanding ordinary shares after dilution at period end, 000	20,464,4	20,464,7

THE GROUP, 12 MONTHS ROLLING	2017	2016
<b>Return indicators</b>		
Return on capital employed, %	14.4	13.9
Adjusted return on capital employed, % <sup>1)</sup>	14.4	13.9
Return on capital employed excluding goodwill, %	16.7	16.2
Adjusted return on capital employed excluding goodwill, % <sup>1)</sup>	16.7	16.2
Return on equity, %	11.7	11.5
Adjusted return on equity, % <sup>2)</sup>	11.7	11.5
<b>Capital structure</b>		
Capital turnover, times	1.9	1.8
<b>Employees</b>		
Sales per employee, SEK '000	2,189	2,117
Operating earnings per employee, SEK '000	161	158
Number of employees on closing date	1,305	1,264

## DEFINITIONS

Definitions of key indicators are unchanged compared with those used in the 2016 annual report.

Other key indicators not used in the annual report or on page 13 in this interim report are explained below.

- 1) Adjusted return on capital employed: Earnings before financial cost adjusted for non-recurring items in percentage of average capital employed.
- 2) Adjusted return on equity: Net earnings adjusted for non-recurring items divided with average equity.

## CONSOLIDATED QUARTERLY DATA

SEK MILLION	2017				2016			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order bookings	839	691	765	720	744	602	672	699
<b>Income statement</b>								
Net sales	740	630	708	778	674	601	686	715
Gross earnings	142	122	141	153	140	117	138	136
Earnings before depreciation (EBITDA)	76	55	76	83	71	57	71	72
EBITDA margin, %	10.2	8.7	10.8	10.6	10.6	9.6	10.3	10.1
Adjusted earnings before depreciation (EBITDA)	76	55	76	83	71	57	71	72
Adjusted EBITDA margin, %	10.2	8.7	10.8	10.6	10.6	9.6	10.3	10.1
Operating earnings (EBIT)	55	35	57	63	52	39	54	55
EBIT margin (operating margin), %	7.5	5.5	8.1	8.1	7.7	6.5	7.8	7.7
Adjusted operating earnings (EBIT)	55	35	57	63	52	39	54	55
Adjusted EBIT margin (operating margin), %	7.5	5.5	8.1	8.1	7.7	6.5	7.8	7.7
Earnings after tax	47	22	39	51	37	30	39	40
Net margin, %	6.3	3.5	5.5	6.6	5.5	5.0	5.7	5.6
Adjusted earnings after tax	47	22	39	51	37	30	39	40
Adjusted net margin, %	6.3	3.5	5.5	6.6	5.5	5.0	5.7	5.6
<b>Cash flow from</b>								
operating activities	2	21	37	-2	122	55	95	78
investment activities	-43	-40	2	26	-31	-29	-6	-16
financing activities	-1	26	-82	-10	-69	10	-135	-8
Cash flow for the period	-42	7	-43	14	23	36	-46	54
<b>Earnings per share attributable to parent company shareholders</b>								
Earnings per share before dilution, SEK	2.26	1.11	2.01	2.59	1.82	1.50	1.92	2.03
<b>Number of outstanding ordinary shares</b>								
Weighted outstanding ordinary shares before dilution, 000	20,359.7	20,359.7	20,359.7	20,359.7	20,359.7	20,359.7	20,359.7	20,359.7

SEK MILLION	31-12-2017	30-09-2017	30-06-2017	31-03-2017	31-12-2016	30-09-2016	30-06-2016	31-03-2016
<b>Balance sheet</b>								
Fixed assets	847	823	808	832	872	867	852	867
Current assets	1,331	1,189	1,161	1,205	1,097	1,071	1,037	1,103
Equity	1,454	1,381	1,367	1,420	1,357	1,319	1,267	1,283
Non-current liabilities	97	100	80	69	78	100	90	160
Current liabilities	627	531	522	548	534	519	532	527
<b>Other</b>								
Net cash(+)/net debt(-)	-49	-13	3	54	30	-63	-89	-114
Adjusted net cash(+)/net debt(-)	-12	23	40	91	68	-25	-53	-76
<b>Equity per share attributable to parent company shareholders</b>								
Equity per share before dilution, SEK	70.76	67.18	66.64	69.08	65.96	64.20	61.63	62.48
<b>Number of outstanding ordinary shares</b>								
Number of outstanding ordinary shares before dilution at period end, 000	20,359.7	20,359.7	20,359.7	20,359.7	20,359.7	20,359.7	20,359.7	20,359.7
<b>Shareprice</b>								
Shareprice at period end, (SEK)	122.50	126.00	120.00	112.25	89.00	97.50	81.75	74.50

## CONSOLIDATED, 12 MONTH ROLLING

SEK MILLION	JANUARY 2016– DECEMBER 2017	OCTOBER 2016– SEPTEMBER 2017	JULY 2016– JUNE 2017	APRIL 2016– MARCH 2017	JANUARY 2016– DECEMBER 2016	OCTOBER 2015– SEPTEMBER 2016	JULY 2015– JUNE 2016	APRIL 2015– MARCH 2016	JANUARY 2015– DECEMBER 2015
Order bookings	3,015	2,920	2,831	2,738	2,717	2,646	2,696	2,712	2,673
<b>Income statement</b>									
Net sales	2,856	2,790	2,760	2,739	2,676	2,669	2,686	2,695	2,693
Gross result	558	556	551	548	531	522	518	515	510
Earnings before depreciation (EBITDA)	290	285	287	282	271	264	257	246	225
EBITDA-margin, %	10.1	10.2	10.4	10.3	10.1	9.9	9.6	9.1	8.4
Adjusted earnings before depreciation (EBITDA)	290	285	287	282	271	260	253	239	217
Adjusted EBITDA-margin, %	10.1	10.2	10.4	10.3	10.1	9.7	9.4	8.9	8.1
Operating earnings (EBIT)	210	207	211	208	200	196	192	184	165
EBIT-margin (operating margin), %	7.4	7.4	7.6	7.6	7.5	7.3	7.2	6.8	6.1
Adjusted operating earnings (EBIT)	210	207	211	208	200	192	188	176	157
Adjusted EBIT-margin (operating margin), %	7.4	7.4	7.6	7.6	7.5	7.2	7.0	6.5	5.8
Earnings after tax	159	149	157	157	146	134	125	122	111
Net margin, %	5.6	5.4	5.7	5.7	5.5	5.0	4.7	4.5	4.1
Adjusted earnings after tax	159	149	157	157	146	130	121	114	103
Adjusted net margin, %	5.6	5.4	5.7	5.7	5.5	4.9	4.5	4.2	3.8
<b>Employees</b>									
Net sale per employee, SEK 000	2,189	2,161	2,145	2,140	2,117	2,115	2,154	2,193	2,246
Operating earnings per employee, SEK 000	161	160	164	163	158	155	154	150	138
Number of employee on closing day	1,305	1,291	1,287	1,280	1,264	1,262	1,247	1,229	1,199
<b>Return indicators</b>									
Return on capital employed, %	14.4	13.9	15.0	14.4	13.9	13.7	13.4	12.3	11.5
Adjusted return on capital employed, % <sup>1)</sup>	14.4	13.9	15.0	14.4	13.9	13.5	13.1	11.8	11.0
Return on capital employed excluding goodwill, %	16.7	16.1	17.4	16.7	16.2	16.0	15.7	14.3	13.4
Adjusted return on capital employed excluding goodwill, % <sup>1)</sup>	16.7	16.1	17.4	16.7	16.2	15.6	15.3	13.6	12.8
Return on equity, %	11.7	11.5	12.4	11.9	11.5	10.8	10.5	10.0	9.4
Adjusted return on equity, % <sup>2)</sup>	11.7	11.5	12.4	11.9	11.5	10.6	10.3	9.5	8.9
<b>Others</b>									
Net cash(+)/net debt(-)/EBITDA	-0.2	-0.0	0.0	0.2	0.1	-0.2	-0.3	-0.5	-0.8
Adjusted net cash(+)/net debt(-)/EBITDA	-0.0	0.1	0.1	0.3	0.3	-0.1	-0.2	-0.3	-0.6

## RECONCILIATION BETWEEN IFRS AND USED KEY INDICATORS

Some of the information in this report used by company managers and analysts to assess the Group's development is not produced in accordance with IFRS. Company managers consider that this information makes it easier for investors to analyse the Group's results and financial structure. Investors should see this information as a complement to, rather than a replacement for, financial reporting in accordance with IFRS.

### ADJUSTED NET SALES, ORGANIC GROWTH

SEK MILLION	Q4			FULL YEAR		
	2017	2016	Δ	2017	2016	Δ
Net sales	740	674	66	2,856	2,676	180
Currency effect current period	1	–	1	-41	–	-41
<b>Adjusted net sales</b>	<b>741</b>	<b>674</b>	<b>67</b>	<b>2,815</b>	<b>2,676</b>	<b>139</b>

When calculating adjusted net sales, organic growth, net sales are adjusted using currency effects of the current period and if necessary with net sales from completed acquisitions. This measurement gives a figure for comparing net sales with the previous year.

### EARNINGS BEFORE DEPRECIATION, EBITDA

SEK MILLION	Q4			FULL YEAR		
	2017	2016	Δ	2017	2016	Δ
Operating earnings (EBIT)	55	52	3	210	200	10
Depreciation and amortisation	21	19	2	80	71	9
<b>Earnings before depreciation (EBITDA)</b>	<b>76</b>	<b>71</b>	<b>5</b>	<b>290</b>	<b>271</b>	<b>19</b>

When calculating operating earnings excluding depreciation (EBITDA), depreciation and impairments are returned to operating earnings (EBIT). This measurement provides a figure for operating earnings excluding depreciation which are in turn based on investments.

### ADJUSTED NET CASH/NET DEBT

SEK MILLION	31-12-2017	31-12-2016
Net cash(+)/net debt(-)	-49	30
Adjusted for interest bearing liabilities related to financial lease agreements	37	38
<b>Adjusted net cash(+)/net debt(-)</b>	<b>-12</b>	<b>68</b>

When calculating adjusted net cash/net debt, interest-bearing debt attributable to financial leases is deducted from net cash/net debt. This measurement provides a figure for a refined financial structure excluding lease liabilities.

## INCOME STATEMENT, PARENT COMPANY

SEK MILLION	Q4			FULL YEAR		
	2017	2016	△	2017	2016	△
Net sales	6	6	–	31	28	3
<b>Gross profit</b>	<b>6</b>	<b>6</b>	<b>–</b>	<b>31</b>	<b>28</b>	<b>3</b>
Administrative expenses	-14	-9	-5	-51	-39	-12
<b>Operating earnings</b>	<b>-8</b>	<b>-3</b>	<b>-5</b>	<b>-20</b>	<b>-11</b>	<b>-9</b>
Interest expenses and similar items	-0	-2	2	-3	-9	6
<b>Earnings after financial items</b>	<b>-8</b>	<b>-5</b>	<b>-3</b>	<b>-23</b>	<b>-20</b>	<b>-3</b>
Appropriations	99	174	-75	99	174	-75
<b>Earnings before tax</b>	<b>91</b>	<b>169</b>	<b>-78</b>	<b>76</b>	<b>154</b>	<b>-78</b>
Tax on period's earnings	-20	-37	17	-17	-34	17
<b>Earnings after tax</b>	<b>71</b>	<b>132</b>	<b>-61</b>	<b>59</b>	<b>120</b>	<b>-61</b>

## BALANCE SHEET, PARENT COMPANY

SEK MILLION	31-12-2017	31-12-2016
<b>ASSETS</b>		
<b>Fixed assets</b>		
Intangible fixed assets	1	1
Tangible fixed assets	1	1
<b>Total intangible and tangible fixed assets</b>	<b>2</b>	<b>2</b>
<b>Financial fixed assets</b>		
Participations in Group companies	1,382	1,382
Deferred tax assets	3	19
Other non-current receivables	–	2
<b>Total financial fixed assets</b>	<b>1,385</b>	<b>1,403</b>
<b>Total fixed assets</b>	<b>1,387</b>	<b>1,405</b>
<b>Current assets</b>		
Current receivables from Group companies	106	174
Other current receivables	4	2
<b>Total current assets</b>	<b>110</b>	<b>176</b>
<b>Total assets</b>	<b>1,497</b>	<b>1,581</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Restricted equity	110	110
Non-restricted equity	1,014	1,045
<b>Total equity</b>	<b>1,124</b>	<b>1,155</b>
<b>Non-current liabilities</b>		
Non-current liabilities to Group companies	290	346
<b>Total non-current liabilities</b>	<b>290</b>	<b>346</b>
<b>Current liabilities</b>		
Current liabilities to Group companies	67	67
Other current liabilities	16	13
<b>Total current liabilities</b>	<b>83</b>	<b>80</b>
<b>Total equity and liabilities</b>	<b>1,497</b>	<b>1,581</b>



JANUARY–DECEMBER 2017



*The surface treatment in Bulten's German unit in Bergkamen is now installed and in the start up phase. It both adds value to the company and increase competitiveness as well as provide greater flexibility and control over the process.*

#### FUTURE FINANCIAL REPORT DATES

<b>26 April 2018</b>	Interim report, January - March 2018
<b>11 July 2018</b>	Half year report, January - June 2018
<b>25 October 2018</b>	Interim report, January - September 2018
<b>7 February 2019</b>	Full year report, January - December 2018

The reports are available on Bulten's website, [www.bulten.com](http://www.bulten.com) as of the above dates.

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#### INVITATION TO PRESENTATION

Investors, analysts and media are invited to participate in the teleconference on February 8 at 15:30 CET. The report will be presented by Tommy Andersson, President and CEO and Helena Wennerström, Executive Vice President and CFO via audiocast.

The presentation will be held in English and can be followed live via the link: <https://tv.streamfabriken.com/bulten-q4-2017>. It will also be possible to take part of the audiocast afterwards at the same address or at [www.bulten.com/ir](http://www.bulten.com/ir).

To participate in the teleconference, please call 5 minutes before the opening:

SE: +46856642664  
UK: +442030089809  
US: +18558315945

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This information is information that Bulten AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the Senior Vice President Corporate Communications set out above, at 13:30 CET on February 8, 2017.

*Bulten is one of the leading suppliers of fasteners to the international automotive industry. The company's product range includes everything from customer-specific standard products to customized special fasteners. The company also provides technical development, line-feeding, logistics, material and production expertise. Bulten offers a Full Service Provider concept or parts thereof. The company was founded in 1873, has some 1,300 employees in nine countries and head office in Gothenburg. The share (BULTEN) is listed on Nasdaq Stockholm. Read more at [www.bulten.com](http://www.bulten.com)*

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