

INTERIM REPORT



Q3

Bulten grows on a volatile market

THIRD QUARTER

- Net sales amounted to SEK 722 (630) million, an increase of 14.5% on the same period last year.
- Operating earnings (EBIT) totaled SEK 38 (35) million, equating to an operating margin of 5.2% (5.5).
- Earnings after tax amounted to SEK 25 (22) million.
- Order bookings amounted to SEK 723 (691) million, an increase of 4.7% on the same period last year.
- Cash flow from operating activities totaled SEK -15 (21) million.
- Earnings per share were SEK 1.26 (1.11).

JANUARY – SEPTEMBER

- Net sales amounted to SEK 2,385 (2,116) million, an increase of 12.7% on the same period last year.
- Operating earnings (EBIT) totaled SEK 162 (155) million, equating to an operating margin of 6.8% (7.3).
- Earnings after tax amounted to SEK 113 (112) million.
- Order bookings amounted to SEK 2,357 (2,176) million, an increase of 8.3% on the same period last year.
- Cash flow from operating activities totaled SEK 65 (56) million.
- Earnings per share were SEK 5.69 (5.71).
- Net debt amounted to MSEK 164 (13) million and the equity/assets ratio was 65.1% (68.6) at the end of the period.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- Bulten has signed a Full Service Provider (FSP) contract for electric vehicle drive technologies, initially worth in the region of EUR 2 million a year. The deliveries span seven years and are expected to begin at the end of 2020, gradually increasing to full capacity in 2021.
- Bulten has decided to relocate its operation in China from Beijing to Tianjin with the aim to expand in the local Chinese market. The relocation includes an investment of approximately SEK 25 million and the cost is estimated to amount to 16-20 MSEK distributed over the moving period, the main part in 2019.

CEO'S COMMENTS

“Continued strong growth during the third quarter, with an increase in net sales of 14.5%, adjusted for currency 5.8%. The organic growth is primarily driven by new contracts which is now in production. We are therefore continuing to take shares on a market characterized by temporarily higher volatility in demand for cars during the quarter, which is largely an effect of new environmental tax regulations in several European countries.

Order bookings increased 4.7% on the same quarter last year when orders were also strong, primarily due to the start-up of a new contract, and model shifts.

Operating earnings were on a par with last year, with a slight fall in operating margin. The lower operating margin is primarily attributable to negative exchange rate fluctuations, as well as an imbalance in production due to market volatility. Furthermore, global market prices for raw materials for fasteners have risen continually since the first quarter of 2017. No increases have been announced for the fourth quarter.

Our financial position remains strong and we are continuing to develop the business to secure anticipated growth based on contracts already won. During October, we decided to relocate our operation in China from Beijing to Tianjin in order to expand on the local market, where we are seeing a considerably rise in volumes and growth opportunities for Bulten, from a previously quite low level.

Demand for hybrids and electric cars is increasing, a favorable development for Bulten since the value of fasteners is currently far higher in these vehicles compared to ones with conventional combustion engines. Also in October we signed a new FSP contract for an electric vehicle drive technology driveline, clear confirmation that we are on the leading edge when it comes to technology for electrification.”

Tommy Andersson, President and CEO

BULTEN IN BRIEF

DEVELOPMENT DURING THE QUARTER

Continued strong growth during the third quarter, with an increase in net sales of 14.5%, adjusted for currency 5.8%. The organic growth is primarily driven by new contracts which is now in production. Bulten is therefore continuing to take shares on a market characterized by a temporarily higher volatility in demand for cars during the quarter, which is largely an effect of new environmental tax regulations in several European countries.

Order bookings increased 4.7% on the same quarter last year when orders were also strong, primarily due to the start-up of a new contract, and model shifts.

Operating earnings were on a par with last year, with a slight fall in operating margin. The lower operating margin is primarily attributable to negative exchange rate fluctuations, as well as an imbalance in production due to market volatility. Furthermore, global market prices for raw materials for fasteners have risen continually since the first quarter of 2017. No increases have been announced for the fourth quarter.

Bulten's financial position is strong and the company is continuing to develop the business to secure anticipated growth based on contracts already won. Planned investments in capacity are vital to Bulten's contracted growth and its objective to be the most cost-effective producer of fasteners on the market. The upcoming investments - which include a new production and logistics building in Poland, a new heat treatment plant in Hallstahammar and a new surface treatment plant at the Polish unit - will elevate Bulten's planned investment rate for the next few years above the guide ratio of 2-3% of net sales. A decision was also made during October to relocate the Chinese operation from Beijing to Tianjin. The aim is to be able to expand on the local Chinese market, where volumes and growth opportunities are increasing considerably for Bulten, from a previously relatively low level. The move is expected to be finished by the end of 2019. The relocation includes an investment of approximately SEK 25 million and the cost is estimated to amount to 16-20 MSEK distributed over the moving period, the main part in 2019.

Demand for hybrids and electric cars is increasing, a favorable development for Bulten since the value of fasteners is currently far higher in these vehicles compared to ones with conventional combustion engines. After the end of the quarter, Bulten signed a Full Service Provider (FSP) contract for electric vehicle drive technologies with a significant European automotive manufacturer. The contract is initially worth in the region of EUR 2 million a year and spans seven years.

In September, Bulten's 2017 Annual Report was voted the best among Swedish companies listed on the Nasdaq Stockholm Mid Cap.

MARKET AND OUTLOOK

Approximately 86% of Bulten's net sales are attributable to light vehicles and roughly 14% to commercial vehicles. Around 92% of total sales are attributable to direct deliveries to vehicle manufacturers (OEMs) and the remainder to their tiers and other players. European car sales (EU and EFTA) during the first nine months of 2018 increased by 2.5% on the same period in 2017, according to ACEA statistics.

According to the latest LMC Automotive forecast in Q3 2018, European production of light vehicles is expected to increase by 0.6% and heavy commercial vehicles by 1.6% in 2018. Weighted for Bulten's business exposure, this means a rise of 0.7% in the corresponding period.

Bulten's products are mainly distributed to Europe, but demand is governed by the production of vehicles for the global market.

Capacity utilization for most suppliers of fasteners is currently deemed to be high, and volatility on the market has increased due to the environmental tax regulations mentioned above.

The management team estimates that Bulten's market share at the end of 2017 amounted to about 17% of the European market for fasteners for the automotive industry, which is unchanged from 2016. On the same market, Bulten's estimated market share for FSP business was around 60% at the end of 2017, which is also unchanged compared to 2016. The information is based on data from the European Industrial Fasteners Institute (EIFI) relating to European automotive industry purchases of fasteners during 2017.

Bulten has a strong position in its niche, and long-term growth opportunities are looking good, with incoming volumes from already signed contracts worth just over SEK 0.5 billion annually when full production is reached in 2020. The conditions for winning new business are also still deemed strong.

ORDER BOOKINGS AND NET SALES

Third quarter

Order bookings amounted to SEK 723 (691) million, an increase of 4.7% on the same period last year.

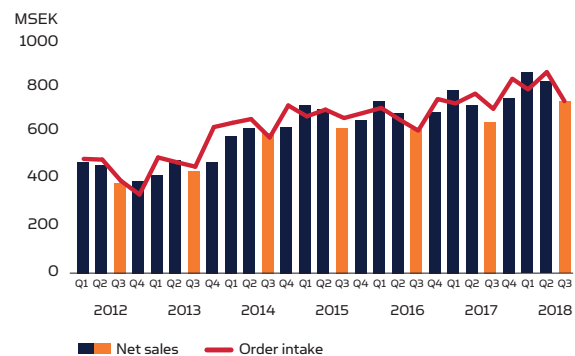
Group net sales amounted to SEK 722 (630) million, an increase of 14.5% on the same period last year.

Adjusted for currency effects, organic growth totaled 5.8% for the same period.

January - September

Order bookings amounted to SEK 2,357 (2,176) million, an increase of 8.3% on the same period last year.

Group net sales amounted to SEK 2,385 (2,116) million, an increase of 12.7% on the same period last year. Adjusted for currency effects, organic growth totaled 6.7% for the same period.



EARNINGS AND PROFITABILITY

Third quarter

The Group's gross profit was SEK 132 (122) million, corresponding to a gross margin of 18.3% (19.3). Earnings before depreciation (EBITDA) amounted to SEK 61 (55) million, corresponding to an EBITDA margin of 8.4% (8.7). Operating earnings (EBIT) totaled SEK 38 (35) million, equating to an operating margin of 5.2% (5.5).

Profitability was affected negatively by higher global market prices for steel and other metals as well as an uneven rate of production. Operating earnings were affected negatively by exchange rate fluctuations of SEK -4 (-3) million net when converting operating capital at the closing day rate.

The Group's net financial items were SEK -2 (-5) million. Financial income was SEK 0 (0) million, including interest income of SEK 0 (0) million.

Financial expenses were SEK -2 (-5) million, primarily comprising interest expenses of SEK -1 (-1) million, currency losses of SEK -0 (-3) million and other financial expenses of SEK -1 (-1) million.

The Group's earnings before tax amounted to SEK 36 (30) million and earnings after tax amounted to SEK 25 (22) million.

January - September

The Group's gross profit was SEK 447 (416) million, corresponding to a gross margin of 18.7% (19.7). Earnings before depreciation (EBITDA) amounted to SEK 229 (214) million, corresponding to an EBITDA margin of 9.6% (10.1). Operating earnings (EBIT) totaled SEK 162 (155) million, equating to an operating margin of 6.8% (7.3).

Profitability was affected negatively by higher global market prices for steel and other metals as well as an uneven rate of production, but was partly balanced out by currency effects; the operating earnings were affected positively by exchange rate fluctuations of SEK 5 (-4) net on converting working capital at the exchange rate on the closing day. In the previous year, operating profit was affected positively by an amount of SEK 4 million attributable to a recovered claim.

The Group's net financial items were SEK -8 (-6) million. Financial income was SEK 0 (0) million, including interest income of SEK 0 (0) million. Financial expenses were SEK -8 (-6) million, comprising interest expenses of SEK -3 (-3) million, currency losses of SEK -3 (-1) million and other financial expenses of SEK -2 (-2) million.

The Group's earnings before tax amounted to SEK 154 (149) million and earnings after tax amounted to SEK 113 (112) million.

CASH FLOW, WORKING CAPITAL, INVESTMENTS AND FINANCIAL POSITION

Third quarter

Cash flow from operating activities totaled SEK -15 (21) million. The effect on cash flow of the change in working capital amounted to SEK -69 (-16) million. Working capital has been driven by positive developments in volume. Inventories increased during the period by SEK 63 (36) million, while current receivables decreased by SEK -15 (-13) million. Current liabilities changed by SEK -6 (8) million. Cash flow from investing activities amounted to SEK -34 (-40) million. Investments of SEK 33 (41) million relate to tangible fixed assets.

January - September

Cash flow from operating activities totaled SEK 65 (56) million. The effect on cash flow of the change in working capital amounted to SEK -131 (-130) million. Working capital has been driven by positive developments in volume. Inventories increased during the period by SEK 180 (12) million, while current receivables increased by SEK 126 (103) million. Current liabilities increased by SEK 91 (3) million.

Cash flow from investing activities amounted to SEK -109 (-12) million. Investments of SEK 108 (78) million relate to tangible fixed assets. Last year the change in financial assets was SEK 67 million, relating to a loan to the joint venture company BBB Services Ltd. which was replaced by working capital financing. The change had a negative impact on consolidated cash flow from operating activities of SEK 67 million, with a corresponding positive impact on consolidated cash flow from investing activities.

Cash flow from financing activities was affected by a dividend to Parent Company shareholders of SEK -76 (-92) million.

On the closing date, net debt amounted to SEK 164 million, of which SEK 25 million was cash and cash equivalents. In the previous year, net debt was SEK 13 million, of which SEK 86 million was cash and cash equivalents. Net debt adjusted for financial leasing agreements amounted to SEK 128 million. Adjusted net cash for the previous year amounted to SEK 23 million.

NEW FINANCING AGREEMENT SIGNED

During the second quarter, the company signed a new, extended financing agreement with an operating and real estate credit facility totaling SEK 750 million, compared to the previous SEK 460 million. The agreement covers a period of 4+1+1 years and initially runs until the end of June 2022.

Otherwise the new financing agreement entails no significant changes compared to the previous one.

The credit facility is associated with certain covenants pertaining to relational figures including EBITDA, net debt/equity and financial expenses.

All the covenants, new and old, have been met during 2017 and 2018.

NET SALES
SEK **722** MILLION

OPERATING EARNINGS
SEK **38** MILLION

OPERATING MARGIN
5.2%



FINANCIAL SUMMARY

SEK MILLION	Q3			JAN-SEPT			12-MONTH ROLLING	YEAR	
	2018	2017	Δ	2018	2017	Δ	OCT 2017-SEPT 2018	2017	Δ
Net sales	722	630	14.5%	2,385	2,116	12.7%	3,125	2,856	9.4%
Gross profit	132	122	10	447	416	31	589	558	31
Earnings before depreciation (EBITDA)	61	55	6	229	214	15	305	290	15
Operating earnings (EBIT)	38	35	3	162	155	7	217	210	7
Operating margin, %	5.2	5.5	-0.3	6.8	7.3	-0.5	7.0	7.4	-0.4
Earnings after tax	25	22	3	113	112	1	160	159	1
Earnings per share before dilution, SEK	1.26	1.11	0.15	5.69	5.71	-0.02	7.95	7.98	-0.03
Order bookings	723	691	4.7%	2,357	2,176	8.3%	3,196	3,015	6.0%
Return on capital employed, %	-	-	-	-	-	-	14.0	14.4	-0.4
Return on capital employed, excluding goodwill, %	-	-	-	-	-	-	16.0	16.7	-0.7

OTHER INFORMATION

ACCOUNTING PRINCIPLES

This interim report has, for the Group, been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The financial reporting for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for legal entities, issued by the Swedish Financial Reporting Board. The accounting principles applied are unchanged compared to those outlined in the 2017 Annual Report, with the following exceptions:

From 1 January 2018, the Group is applying IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. IFRS 9 covers the classification, measurement and recognition of financial assets and liabilities. It replaces the parts of IAS 39 that concern the classification and measurement 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 the related interpretations IFRIC 13, 15, 18 and SIC-31.

The implementation of IFRS 9 and IFRS 15 does not have any significant effect on the Group's financial reports. Consequently, no transition effects have arisen as a result of introducing these accounting standards.

IFRS 16 Leases will be applied from 1 January 2019. The standard requires that assets and liabilities relating to all leases, with some exceptions, be recognized in the balance sheet. The income statement recognizes depreciation of the asset and an interest expense for the lease liability. Under the current IAS 17, lease payments are expensed over the term of the lease for operating leases. The Group is a lessee in operating leases that are expected to be affected by IFRS 16. The Group has started but not yet finalized analyzing the full effect on the Group's financial reporting.

All amounts in SEK million unless otherwise stated. Figures in brackets refer to the previous year. Some figures are rounded, so amounts might not always appear to match when added up.

RISKS AND RISK MANAGEMENT

Exposure to risk is a natural part of a business and this is reflected in Bulten's approach to risk management. This aims to identify risks and prevent risks from occurring and to limit any damage resulting from these risks. The most significant risks for the Group relate to the economic situation's effect on demand, access to and price fluctuations in raw materials, and geopolitical and financial external factors.

For a more detailed description of risks, please see Note 5 Risks and risk management in the 2017 Annual Report.

SEASONAL VARIATIONS

Bulten has no traditional seasonal variation but the year reflects the customers' production days, which vary between quarters. Generally speaking, the lowest net sales and operating earnings are seen in the third quarter with the lowest number of production days. The other quarters are relatively even but may vary slightly.

TRANSACTIONS WITH RELATED PARTIES

There have been no significant transactions between related parties during the reporting period. For further information, please see Note 37 of the 2017 Annual Report.

EMPLOYEES

The average number of employees (FTE) in the Group during the period 1 January - 30 September 2018 was 1,430 (1,291).

CONTINGENT LIABILITIES

There were no significant changes in contingent liabilities during the interim period.

PARENT COMPANY

Bulten AB (publ) owns, directly or indirectly, all the companies in the Group. The equity/assets ratio was 73.8% (73.9). Equity amounted to SEK 1,036 (1,051) million. There were no cash or cash equivalents on the closing date. The company had nine employees on the closing date.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Bulten has signed a Full Service Provider (FSP) contract for an electric car driveline with a significant European automotive manufacturer. The contract is initially worth in the region of EUR 2 million a year. The deliveries span seven years and are expected to begin at the end of 2020, gradually increasing to full capacity in 2021.

Bulten has decided to relocate its operation in China from Beijing to Tianjin with the aim to expand in the local Chinese market. The relocation will start in 2018 and is expected to be finalized in late 2019. The relocation includes an investment of approximately SEK 25 million and the cost is estimated to amount to 16-20 MSEK distributed over the moving period, the main part in 2019.

There are no other significant events to report.

NOMINATION COMMITTEE

According to an AGM decision, the nomination committee shall comprise four members: one representative for each of the three largest shareholders on the final banking day in September who wish to appoint a member, and the Chairman of the Board. The three largest shareholders are considered to be the three largest shareholders as registered with Euroclear Sweden AB on the final banking day in September.

The nomination committee ahead of the 2019 AGM is composed as follows:

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

Gothenburg, 25 October 2018
Bulten AB (publ)

Tommy Andersson
President and CEO

REVIEW REPORT

INTRODUCTION

We have performed a review of the summarised interim financial information (interim report) for Bulten AB (publ) as of 30 September 2018 and the nine-month period ending on that date. It is the Board and CEO who are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analysis and taking other review procedures. A review has a different focus and significantly less scope than the orientation and scope of an audit in accordance with ISA and generally accepted auditing standards. The procedures

performed in a review do not enable us to obtain Review report assurance that we would become aware of all significant circumstances that might be identified in an audit. The conclusion based on a review does not give the same assurance as a conclusion expressed based on an audit.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the parent company in accordance with the Swedish Annual Accounts Act.

Göteborg, 25 October 2018
PricewaterhouseCoopers AB

Fredrik Göransson
Authorized Public Accountant

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 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 1,400 employees in eight countries and its head office in Gothenburg. 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 goal is to achieve profitable organic growth and to grow more strongly than the industry average.
- The Group's goal is to achieve an operating margin of at least 7% (7).
- The Group's goal is to achieve a return on average capital employed of at least 15% (15).
- The Group's dividend policy is, over time, to pay out a dividend of at least one third of net earnings after tax. Consideration shall, however, be given to Bulten's financial position, cash flow and outlook.

STRATEGY

Global system supplier of fastener solutions

Bulten shall be a global full service provider (FSP) of fastener solutions to the automotive industry.

Value enhancement throughout the value chain

Bulten creates value throughout the value chain: from pre-development, technology and product development, production, purchasing and logistics, to final delivery at the customer's production line.

Organic growth

Bulten's primary strategy is to grow organically. Acquisitions and joint ventures deemed to complement the offering either in terms of products, processes or geography are also of interest.

Customers in the automotive industry

Vehicle manufacturers and suppliers in the automotive industry are the primary target groups.

Geographic proximity

Bulten's geographic spread allows global delivery capacity to the automotive industry.

Innovation drives development

An innovative climate serves to develop technological know-how to create optimal, sustainable, cost-effective solutions for the customer.

Global purchasing strategy

Bulten's global purchasing strategy harmonizes and consolidates the purchase of intermediate goods in a sustainable, cost-effective way

Sustainable, cost-effective production

Bulten's production technology and structure ensures sustainable, cost-effective production of the highest quality.

Strong balance sheet for growth investments

A strong balance sheet and low indebtedness provide flexibility and preparedness for investments in increased capacity and growth, as well as for strategic acquisitions.

Personnel and a unique corporate culture create a sustainable operation

Bulten's employees contribute to sustainable development with their expertise and keen dedication. The company's core values are the foundation of Bulten's unique corporate culture.

Development of sustainability work

All activities within Bulten should be sustainably designed and in line with the company's ethical guidelines, based on social responsibility, environmental principles and responsible corporate governance.

SHAREHOLDER INFORMATION

PRICE-RELATED SHARE DATA	Q3			JAN-SEPT			12-MONTH ROLLING	YEAR
	2018	2017	Δ	2018	2017	Δ	OCT 2017 – SEPT 2018	2017
Share price at end of period (price paid), SEK	107.20	126.00	-18.80	107.20	126.00	-18.80	107.20	122.50
Highest share price during the period (price paid), SEK	113.40	130.50	-17.10	124.40	135.50	-11.10	129.50	135.50
Lowest share price during the period (price paid), SEK	97.60	115.00	-17.40	97.60	89.00	8.60	97.60	89.00
Market value at end of period, SEK million	2,256	2,651	-395	2,256	2,651	-395	2,256	2,577
P/E	–	–	–	–	–	–	13.48	15.36
Yield, %	–	–	–	–	–	–	–	3.06
Data per share								
Earnings before depreciation (EBITDA) *)	2.98	2.70	0.28	11.23	10.50	0.73	14.95	14.22
Operating earnings (EBIT) *)	1.86	1.72	0.14	7.94	7.59	0.35	10.67	10.32
Earnings after net financial items (EAFI) *)	1.77	1.50	0.27	7.56	7.33	0.23	10.54	10.32
Earnings for the period *)	1.26	1.11	0.15	5.69	5.71	-0.02	7.95	7.98
Equity *)	–	–	–	73.86	67.18	6.68	–	70.76
Cash flow from operating activities *)	-0.72	1.01	-1.73	3.21	2.74	0.47	–	2.88
Cash flow for the period *)	-0.04	0.31	-0.35	1.23	-1.07	-0.16	–	-3.13
Dividend	–	–	–	–	–	–	–	3.75
Total outstanding ordinary shares, 000								
Weighted number during the period *)	20,359.7	20,359.7	–	20,359.7	20,359.7	–	20,359.7	20,359.7
At the end of the period *)	20,359.7	20,359.7	–	20,359.7	20,359.7	–	20,359.7	20,359.7

*) Before dilution.

SHARE PERFORMANCE



BULTEN'S TEN LARGEST SHAREHOLDERS

SHAREHOLDERS	NO. OF SHARES	SHARE-HOLDING, %
Volito AB	4,500,000	21.4
Lannebo fonder	2,808,424	13.4
Investment AB Öresund	2,487,535	11.8
Spiltan Fonder AB	859,717	4.1
Bulten AB	680,500	3.2
Skandinaviska Enskilda Banken S.A.	509,834	2.4
Lazard Freres Banque	385,000	1.8
Third AP Fund	379,229	1.8
CBNY-DFA-INT SML CAP V	351,655	1.7
Försäkringsaktiebolaget, Avanza Pension	318,675	1.5

Total number of shareholders: 7,430

Source: Euroclear Sweden AB on 30 September 2018

INFORMATION ABOUT INTERIM REPORTS

Bulten strives for sustainable business, and to find areas where we can minimize environmental impact. From Q2 2016, interim reports are no longer available in printed form.

All of Bulten's reports are available to read and download at bulten.se. Shareholders who are unable to access the reports digitally can order printed copies by contacting Bulten.

Our subscription service at bulten.se also enables users to subscribe to Bulten's reports and press releases by e-mail.

FINANCIAL INFORMATION

CONSOLIDATED INCOME STATEMENT

SEK MILLION	NOTE	Q3			JAN-SEPT			12-MONTH ROLLING	YEAR
		2018	2017	Δ	2018	2017	Δ	OCT 2017 – SEPT 2018	2017
Net sales	1	722	630	92	2,385	2,116	269	3,125	2,856
Cost of goods sold		-590	-508	-82	-1,938	-1,700	-238	-2,536	-2,298
Gross profit		132	122	10	447	416	31	589	558
Other operating income		7	5	2	17	18	-1	24	25
Selling expenses		-59	-47	-12	-172	-144	-28	-224	-196
Administrative expenses		-39	-40	1	-134	-130	-4	-181	-177
Other operating expenses		-4	-5	1	-1	-7	6	2	-4
Share of profit in joint ventures		1	0	1	5	2	3	7	4
Operating earnings		38	35	3	162	155	7	217	210
Financial income		0	0	0	0	0	0	6	6
Financial expenses		-2	-5	3	-8	-6	-2	-8	-6
Earnings before tax		36	30	6	154	149	5	215	210
Tax on earnings for the period		-11	-8	-3	-41	-37	-4	-55	-51
Earnings after tax		25	22	3	113	112	1	160	159
Attributable to									
Parent Company shareholders		26	23	3	116	116	–	162	162
Non-controlling interests		-1	-1	–	-3	-4	1	-2	-3
Earnings after tax		25	22	3	113	112	1	160	159

Earnings per share attributable to Parent Company shareholders

Earnings per share before dilution, SEK	1.26	1.11	0.15	5.69	5.71	-0.02	7.95	7.98
Earnings per share after dilution, SEK	1.26	1.11	0.15	5.66	5.68	-0.02	7.92	7.93
Weighted number of outstanding ordinary shares before dilution, 000	20,359.7	20,359.7	–	20,359.7	20,359.7	–	20,359.7	20,359.7
Weighted number of outstanding ordinary shares after dilution, 000	20,451.9	20,462.8	-10.9	20,451.9	20,482.7	-10.9	20,451.9	20,464.4

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK MILLION	Q3			JAN-SEPT			12-MONTH ROLLING	YEAR
	2018	2017	Δ	2018	2017	Δ	OCT 2017 – SEPT 2018	2017
Earnings after tax	25	22	3	113	112	1	160	159
Other comprehensive income								
Items not to be reversed in the income statement								
Revaluation of defined-benefit pension plans, net after tax	–	–	–	–	–	–	-1	-1
Items that may later be reversed in the income statement								
Exchange differences	-8	-13	5	23	-2	25	50	25
Total comprehensive income	17	9	8	136	110	26	209	183
Attributable to								
Parent Company shareholders	18	10	8	139	114	25	212	187
Non-controlling interests	-1	-1	–	-3	-4	1	-3	-4
Total comprehensive income	17	9	8	136	110	26	209	183

CONSOLIDATED BALANCE SHEET

SEK MILLION	30-09-2018	30-09-2017	31-12-2017
ASSETS			
Fixed assets			
Intangible fixed assets ¹⁾	205	206	206
Tangible fixed assets	678	594	628
Financial assets	6	5	5
Deferred tax assets	6	18	8
Total fixed assets	895	823	847
Current assets			
Inventories	641	462	533
Current receivables	767	641	750
Cash equivalents	25	86	48
Total current assets	1,433	1,189	1,331
Total assets	2,328	2,012	2,178
EQUITY AND LIABILITIES			
Equity			
Equity attributable to Parent Company shareholders	1,504	1,368	1,440
Non-controlling interests	11	13	14
Total equity	1,515	1,381	1,454
Long-term liabilities			
Long-term interest-bearing liabilities and provisions	191	100	97
Total long-term liabilities	191	100	97
Current liabilities			
Current liabilities, interest-bearing	3	4	4
Current liabilities, non interest-bearing	619	527	623
Total current liabilities	622	531	627
Total equity and liabilities	2,328	2,012	2,178

1) Of which goodwill SEK 202 (202) (203) million.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK MILLION	JAN-SEPT		YEAR
	30-09-2018	30-09-2017	31-12-2017
Equity at start of period	1,454	1,357	1,357
Comprehensive income			
Earnings after tax	113	112	159
Other comprehensive income	23	-2	24
Total comprehensive income	136	110	183
Transactions with shareholders			
Transaction with non-controlling interests	0	4	4
Share-based remuneration to employees	1	2	2
Dividend to Parent Company shareholders	-76	-92	-92
Total transactions with shareholders	-75	-86	-86
Equity at end of period	1,515	1,381	1,454

CONSOLIDATED CASH FLOW STATEMENT

SEK MILLION	Q3		JAN-SEPT		YEAR
	2018	2017	2018	2017	2017
Operating activities					
Earnings after financial items	36	30	154	149	210
Adjustments for items not included in cash flow	24	14	64	56	74
Taxes paid	-6	-7	-22	-19	-25
Cash flow from operating activities before changes in working capital	54	37	196	186	259
Cash flow from changes in working capital					
Change in working capital	-69	-16	-131	-130	-201
Cash flow from operating activities	-15	21	65	56	58
Investing activities					
Acquisition of intangible fixed assets	-1	-	-1	-1	-1
Acquisition of tangible fixed assets	-33	-41	-108	-78	-122
Divestment of tangible fixed assets	-	1	-	1	2
Change in financial assets	-	-	-	66	66
Cash flow from investing activities	-34	-40	-109	-12	-55
Financing activities					
Change in overdraft facilities and other financial liabilities	48	22	95	22	21
Dividend to Parent Company shareholders	-	-	-76	-92	-92
Transactions with non-controlling interests	-	4	-	4	4
Cash flow from financing activities	48	26	19	-66	-67
Cash flow for the period	-1	7	-25	-22	-64
Cash flow for the period	-1	7	-25	-22	-64
Cash and cash equivalents at start of period	27	81	48	109	109
Exchange rate difference in cash and cash equivalents	-1	-2	2	-1	3
Cash and cash equivalents at end of period	25	86	25	86	48

CONSOLIDATED NET CASH/NET DEBT COMPOSITION

SEK MILLION	30-09-2018	30-09-2017	31-12-2017
Long-term interest-bearing liabilities	-178	-84	-84
Provision for pensions	-13	-16	-13
Current interest-bearing liabilities	-3	-4	-4
Financial interest-bearing receivables	6	5	4
Cash and bank	25	86	48
Net cash (+)/net debt (-)	-164	-13	-49
Less interest-bearing liabilities attributable to financial leases	36	36	37
Adjusted net cash (+)/net debt (-)	-128	23	-12

KEY FIGURES FOR THE GROUP

GROUP	Q3		JAN-SEPT		12-MONTH ROLLING	YEAR
	2018	2017	2018	2017	OCT 2017 – SEPT 2018	2017
Margins						
EBITDA margin, %	8.4	8.7	9.6	10.1	9.7	10.1
EBIT margin (operating margin), %	5.2	5.5	6.8	7.3	7.0	7.4
Net margin, %	3.5	3.5	4.8	5.3	5.1	5.6
Capital structure						
Interest coverage ratio, times	19.5	7.7	20.4	28.7	27.5	38.8
Earnings per share attributable to Parent Company shareholders						
Earnings per share before dilution, SEK	1.26	1.11	5.69	5.71	7.95	7.98
Earnings per share after dilution, SEK	1.26	1.11	5.66	5.68	7.92	7.93
Number of outstanding ordinary shares						
Weighted number of outstanding ordinary shares before dilution, 000	20,359.7	20,359.7	20,359.7	20,359.7	20,359.7	20,359.7
Weighted number of outstanding ordinary shares after dilution, 000	20,451.9	20,462.8	20,451.9	20,462.8	20,451.9	20,464.4

GROUP	30-09-2018	30-09-2017	31-12-2017
Capital structure			
Net debt/equity ratio, times	-0.1	-0.0	-0.0
Equity/assets ratio, %	65.1	68.6	66.8
Other			
Net cash (+)/net debt (-), SEK million	-164	-13	-49
Adjusted net cash (+)/net debt (-), SEK million	-128	23	-12
Equity per share attributable to Parent Company shareholders			
Equity per share before dilution, SEK	73.86	67.18	70.76
Equity per share after dilution, SEK	73.53	66.84	70.39
Number of outstanding ordinary shares			
Number of outstanding ordinary shares before dilution on the closing date, 000	20,359.7	20,359.7	20,359.7
Number of outstanding ordinary shares after dilution on the closing date, 000	20,451.9	20,462.8	20,464.4

GROUP, 12-MONTH ROLLING	12-MONTH ROLLING		YEAR
	OCT 2017 – SEPT 2018	OCT 2016 – SEPT 2017	2017
Profitability ratios			
Return on capital employed, %	14.0	13.9	14.4
Return on capital employed, excluding goodwill, %	16.0	16.1	16.7
Return on equity, %	11.3	11.5	11.7
Capital structure			
Capital turnover rate, times	2.0	1.9	1.9
Employees			
Net sales per employee, SEK 000	2,185	2,161	2,189
Operating earnings per employee, SEK 000	152	160	161
Average number of full-time employees (FTE)	1,430	1,291	1,305

DEFINITIONS

Definitions of calculated key indicators are unchanged compared to the definitions in the 2017 Annual Report.

Other key indicators not in the Annual Report or on page 13 of this interim report are explained below.

- 1) Adjusted return on capital employed: Earnings before financial expenses adjusted for non-recurring items as a percentage of average capital employed.
- 2) Adjusted return on equity: Net earnings adjusted for non-recurring items divided by average equity.

QUARTERLY DATA FOR THE GROUP

SEK MILLION	2018			2017				2016	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Order bookings	723	855	779	839	691	765	720	744	602
Income statement									
Net sales	722	810	853	740	630	708	778	674	601
Gross profit	132	156	159	142	122	141	153	140	117
Earnings before depreciation (EBITDA)	61	80	88	76	55	76	83	71	57
EBITDA margin, %	8.4	9.8	10.4	10.2	8.7	10.8	10.6	10.6	9.6
Operating earnings (EBIT)	38	57	67	55	35	57	63	52	39
EBIT margin (operating margin), %	5.2	7.1	7.8	7.5	5.5	7.9	8.1	7.7	6.5
Earnings after tax	25	40	48	47	22	39	51	37	30
Net margin, %	3.5	4.9	5.7	6.3	3.5	5.5	6.6	5.5	5.0
Cash flow from									
operating activities	-15	54	26	2	21	37	-2	122	55
investing activities	-34	-36	-39	-43	-40	2	26	-30	-29
financing activities	48	-35	6	-1	26	-82	-10	-69	10
Cash flow for the period	-1	-17	-7	-42	7	-43	14	23	36
Earnings per share attributable to Parent Company shareholders									
Earnings per share before dilution, SEK	1.26	1.99	2.43	2.26	1.11	2.01	2.59	1.82	1.50
Number of outstanding ordinary shares									
Weighted number of 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	20,359.7

SEK MILLION	30-09-2018	30-06-2018	31-03-2018	31-12-2017	30-09-2017	30-06-2017	31-03-2017	31-12-2016	30-09-2016
Balance sheet									
Fixed assets	895	886	877	847	823	808	832	872	867
Current assets	1,433	1,386	1,428	1,331	1,189	1,161	1,205	1,097	1,071
Equity	1,515	1,498	1,533	1,454	1,381	1,367	1,420	1,357	1,319
Long-term liabilities	191	145	104	97	100	80	69	78	100
Current liabilities	622	629	668	627	531	522	548	534	519
Other									
Net cash (+)/net debt (-)	-164	-118	-60	-49	-13	3	54	30	-63
Adjusted net cash (+)/net debt (-)	-128	-80	-22	-12	23	40	91	68	-25
Equity per share attributable to Parent Company shareholders									
Equity per share before dilution, SEK	73.86	73.01	74.66	70.76	67.18	66.64	69.08	65.96	64.20
Number of outstanding ordinary shares									
Number of outstanding ordinary shares on closing date 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	20,359.7
Share price									
Share price at end of period (SEK)	107.20	104.40	112.00	122.50	126.00	120.00	112.25	89.00	97.50

GROUP, 12-MONTH ROLLING

SEK MILLION	OCTOBER 2017- SEPTEMBER 2018	JULY 2017- JUNE 2018	APRIL 2017- MARCH 2018	JANUARY 2017- DECEMBER 2017	OCTOBER 2016- SEPTEMBER 2017	JULY 2016- JUNE 2017	APRIL 2016- MARCH 2017	JANUARY 2016- DECEMBER 2016	OCTOBER 2015- SEPTEMBER 2016
Order bookings	3,196	3,164	3,074	3,015	2,920	2,831	2,738	2,717	2,646
Income statement									
Net sales	3,125	3,033	2,931	2,856	2,790	2,760	2,739	2,676	2,669
Gross profit	589	579	564	558	556	551	548	531	522
Earnings before depreciation (EBITDA)	304	299	295	290	285	287	282	271	264
EBITDA margin, %	9.7	9.8	10.1	10.1	10.2	10.4	10.3	10.1	9.9
Adjusted earnings before depreciation (EBITDA)	304	299	295	290	285	287	282	271	260
Adjusted EBITDA margin, %	9.7	9.8	10.1	10.1	10.2	10.4	10.3	10.1	9.7
Operating earnings (EBIT)	217	214	214	210	207	211	208	200	196
EBIT margin (operating margin), %	7.0	7.1	7.3	7.4	7.4	7.6	7.6	7.5	7.3
Adjusted operating earnings (EBIT)	217	214	214	210	207	211	208	200	192
Adjusted EBIT margin (operating margin), %	7.0	7.1	7.3	7.4	7.4	7.6	7.6	7.5	7.2
Earnings after tax	160	157	156	159	149	157	157	146	134
Net margin, %	5.1	5.2	5.3	5.6	5.4	5.7	5.7	5.5	5.0
Adjusted earnings after tax	160	157	156	159	149	157	157	146	130
Adjusted net margin, %	5.1	5.2	5.3	5.6	5.4	5.7	5.7	5.5	4.9
Employees									
Net sales per employee, SEK 000	2,185	2,139	2,111	2,189	2,161	2,145	2,140	2,117	2,115
Operating earnings per employee, SEK 000	152	151	154	161	160	164	163	158	155
Average number of full-time employees (FTE) on closing date	1,430	1,418	1,388	1,305	1,291	1,287	1,280	1,264	1,262
Profitability ratios									
Return on capital employed, %	14.0	14.1	13.7	14.4	13.9	15.0	14.4	13.9	13.7
Adjusted return on capital employed, % ¹⁾	14.0	14.1	13.7	14.4	13.9	15.0	14.4	13.9	13.5
Return on capital employed, excluding goodwill, %	16.0	16.2	15.8	16.7	16.1	17.4	16.7	16.2	16.0
Adjusted return on capital employed, excluding goodwill, % ¹⁾	16.0	16.2	15.8	16.7	16.1	17.4	16.7	16.2	15.6
Return on equity, %	11.3	11.2	10.9	11.7	11.5	12.4	11.9	11.5	10.8
Adjusted return on equity, % ²⁾	11.3	11.2	10.9	11.7	11.5	12.4	11.9	11.5	10.6
Other									
Net cash(+)/net debt(-)/EBITDA	-0.5	-0.4	-0.2	-0.2	-0.0	0.0	0.2	0.1	-0.2
Adjusted net cash(+)/net debt(-)/EBITDA	-0.4	-0.3	-0.1	-0.0	0.1	0.1	0.3	0.3	-0.1

NOTE 1 INCOME

Bulten is engaged in manufacturing and sales of fasteners. Revenues from product sales are reported at the time the control of the product is transferred to the customer. This usually takes place at the time of delivery to the customer and ownership is transferred. Bulten's customers are mainly in the automotive industry in Europe, Asia and the United States. The table below refers to income by geographic market where the customer's delivery point is located. The Group has the major of its income from customers in Northern Europe, but part of the sales is then exported to other markets in the rest of the world. Customers are mainly manufacturers of light vehicles but also heavy commercial vehicles and other suppliers, so-called tiers. For heavy commercial vehicles, most of the deliveries are for critical fasteners for engines. Of the total sales, the majority goes to the chassis.

INCOME BY GEOGRAPHIC MARKET

SEK MILLION	Q3			JAN-SEPT			12-MONTH ROLLING	YEAR
	2018	2017	Δ	2018	2017	Δ	OCT 2017 - SEPT 2018	2017
Sweden	101	96	5	363	328	35	492	457
Germany	125	116	9	439	414	25	588	563
UK	209	206	3	672	653	19	900	881
Poland	6	6	-	21	20	1	28	27
Rest of Europe	180	124	56	601	441	160	789	629
China	36	29	7	103	85	18	129	111
USA	25	21	4	73	66	7	93	86
Rest of the world	40	32	8	113	109	4	106	102
Total income	722	630	92	2,385	2,116	269	3,125	2,856

INCOME BY CUSTOMER GROUP

SEK MILLION	Q3			JAN-SEPT			12-MONTH ROLLING	YEAR
	2018	2017	Δ	2018	2017	Δ	OCT 2017 - SEPT 2018	2017
OEM Light vehicle	560	483	77	1,850	1,612	238	2,416	2,178
OEM Heavy commercial vehicle	94	82	12	323	281	42	429	387
Tiers	68	65	3	212	223	-11	280	291
Total income	722	630	92	2,385	2,116	269	3,125	2,856

INCOME BY CHASSIS AND POWERTRAIN

SEK MILLION	Q3			JAN-SEPT			12-MONTH ROLLING	YEAR
	2018	2017	Δ	2018	2017	Δ	OCT 2017 - SEPT 2018	2017
Chassis & other	546	420	126	1,787	1,548	239	2,293	2,054
Powertrain	176	210	-34	598	568	30	832	802
Total income	722	630	92	2,385	2,116	269	3,125	2,856

RECONCILIATION BETWEEN IFRS AND KEY INDICATORS USED

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 analyze 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	Q3			JAN-SEPT		
	2018	2017	Δ	2018	2017	Δ
Net sales	722	630	92	2,385	2,116	269
Currency effect, current period	-55	–	-55	-127	–	-127
Adjusted net sales	667	630	37	2,258	2,116	142

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	Q3			JAN-SEPT			12-MONTH ROLLING	YEAR
	2018	2017	Δ	2018	2017	Δ	OCT 2017 – SEPT 2018	2017
Operating earnings (EBIT)	38	35	3	162	155	7	217	210
Depreciation/amortization and impairments	23	20	3	67	59	8	88	80
Operating earnings excl. depreciation (EBITDA)	61	55	6	229	214	15	305	290

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	30-09-2018	30-09-2017	31-12-2017
Net cash (+)/net debt (-)	-164	-13	-49
Less interest-bearing liabilities attributable to financial leases	36	36	37
Adjusted net cash (+)/net debt (-)	-128	23	-12

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.

BALANCE SHEET, PARENT COMPANY

SEK MILLION	Q3			JAN-SEPT			YEAR
	2018	2017	△	2018	2017	△	2017
Net sales	13	7	6	26	25	1	31
Gross profit	13	7	6	26	25	1	31
Administrative expenses	-16	-9	-7	-40	-38	-2	-51
Operating earnings	-3	-2	-1	-14	-13	-1	-20
Interest expenses and similar loss items	-1	-1	-	-2	-2	-	-3
Earnings after net financial items	-4	-3	-1	-16	-15	-1	-23
Appropriations	-	-	-	-	-	-	99
Earnings before tax	-4	-3	-1	-16	-15	-1	76
Tax on earnings for the period	0	1	-1	3	3	-	-17
Earnings after tax	-4	-2	-2	-13	-12	-1	59

INCOME STATEMENT, PARENT COMPANY

SEK MILLION	30-09-2018	30-09-2017	31-12-2017
ASSETS			
Fixed assets			
Intangible fixed assets	1	1	1
Tangible fixed assets	1	1	1
Total intangible and tangible fixed assets	2	2	2
Financial assets			
Participations in Group companies	1,382	1,382	1,382
Deferred tax assets	7	23	3
Other long-term receivables	2	-	-
Total financial assets	1,391	1,405	1,385
Total fixed assets	1,393	1,407	1,387
Current assets			
Current receivables from Group companies	5	12	106
Other current receivables	5	3	4
Total current assets	10	15	110
Total assets	1,403	1,422	1,497
EQUITY AND LIABILITIES			
Equity			
Restricted equity	110	110	110
Non-restricted equity	926	941	1,014
Total equity	1,036	1,051	1,124
Long-term liabilities			
Long-term liabilities to Group companies	285	290	290
Total long-term liabilities	285	290	290
Current liabilities			
Current liabilities to Group companies	67	67	67
Other current liabilities	15	14	16
Total current liabilities	82	81	83
Total equity and liabilities	1,403	1,422	1,497

JANUARY – SEPTEMBER 2018



Photo: Sigrid Malmgren

In September, Bulten's 2017 Annual Report was voted the best among Swedish companies listed on the Nasdaq Stockholm Mid Cap. The jury's motivation, all together it is a simple and educational design with a good balance between text, images, diagrams and other illustrations that constitute strength in Bulten's annual report. Other items that the jury highlighted include risk focus, trends, and presentation of value chain, success factors, strategies, business model and sustainability efforts. A special plus also to the educational description of investments made over the last five years. Receiving the award, Helena Wennerström, Executive Vice President and CFO, Kamilla Oresvärd, SVP Corporate Communications and Anders Jonson Group Accounting Manager.

FINANCIAL CALENDAR

- February 7, 2019** Full-year report January–December 2018
- April 25, 2019** Interim report January–March 2019
- July 10 juli, 2019** Half year report January–June 2019
- October 24, 2019** Interim report January–September 2019
- February 6, 2020** Full-year report January–December 2019

The reports can be found on the Bulten website at www.bulten.se on their date of publication.

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INVITATION TO PRESENTATION

Investors, analysts and media are invited to participate in the teleconference on October 25 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-q3-2018>. It will also be possible to access the audiocast afterwards at the same address or via www.bulten.com/ir.

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

SE : +46 856642669
UK : +44 2030089807
US: +1 8558315944

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 October 25, 2018.

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 1,400 employees in eight countries and its head office in Gothenburg. The share (BULTEN) is listed on Nasdaq Stockholm. Read more at www.bulten.se.

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