

Press release

Göteborg September 30, 2019

Bulten earnings for the third quarter were negatively affected by restructuring in Germany and lower production rate

Bulten AB (publ) releases its full report for the third quarter on October 24, 2019. As previously announced, restructuring is underway in the company's unit in Bergkamen, Germany. The restructuring is expected to generate an annual saving of approximately SEK 25 million from the calendar year 2020. Costs for the restructuring are expected to amount to approximately SEK 20 million, which will be charged to the third quarter 2019. Continued decline in the automotive markets and the adaptation of production to demand impacted the company's earnings during the third quarter by approximately SEK 20 million. The weaker demand can affect the rate of production even in the fourth quarter.

In August, Bulten announced a restructuring program in the company's German unit. The measures include a staff reduction of a total of 50 persons, including both permanent and temporary employees. Trade union negotiations are ongoing and are planned to be completed before the turn of the year. The restructuring is expected to result in an annual saving of approximately SEK 25 million from the calendar year 2020. Costs for the restructuring are expected to amount to approximately SEK 20 million, which will be charged to the third quarter of 2019.

In the third quarter, the downturn in the vehicle markets continued. The weaker demand is reflected in Bulten's volumes and has resulted in a continued lower production rate and a greater under-absorption than was communicated in the second quarter. This is estimated to affect the company's earnings by approximately SEK 20 million in the third quarter. The lower demand can affect the rate of production even in the fourth quarter. Volume reductions from customers at short notice counteract the effects of initiated measures for inventory reduction. Adjustments to demand in purchasing and production capacity are ongoing.

As previously announced, Bulten has received contracts worth an annual value of approximately SEK half a billion at full rate in 2021. However, the upgrading of the new contracts has been slower than previously planned, but is expected to gradually compensate for the general market decline in the coming quarters.

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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 head office in Gothenburg. The share (BULTEN) is listed on Nasdaq Stockholm. More information can be found at www.bulten.com.