

Press release

Gothenburg, 20 December 2019

Bulten strengthens its position in Asia and North America through the acquisition of PSM International

Bulten has today signed an agreement to acquire all shares in PSM International Holdings Limited (“PSM”) (“the Acquisition”). The Acquisition strengthens Bulten’s position in the international fasteners market and provides a strong platform for continued growth globally. The purchase price amounts to USD 24.5 million (SEK 230 million) on cash-free and debt-free basis.

PSM, founded in 1931, develops, manufactures and supplies fasteners to international markets, primarily in the automotive industry. The company has approximately 350 employees, production units in China, Taiwan and the United Kingdom, as well as distribution centres in 22 countries. Asia-Pacific is the largest market and accounts for approximately 50 percent of PSM's sales, followed by the United States, which accounts for approximately 30 percent. PSM's customer base includes a number of large and well-known brands in the automotive, consumer electronics and home appliances industries, among others. During the twelve-month period up to and including August 2019, PSM's sales amounted to approximately USD 42 million (approximately SEK 395 million) with a normalized EBITDA margin of approximately 14 percent.

“PSM has a strong brand as an innovative supplier of fasteners and I am very pleased to be able to announce this strategically important acquisition. Our operations complement each other well and the acquisition means that we will broaden Bulten's customer base in our growth markets in Asia and North America as well as strengthening our production capacity and our product offering. In addition, PSM's growth potential in Europe is strengthened by Bulten's strong position in this market. The acquisition is a milestone in Bulten's development and I look forward to welcoming PSM to the Bulten Group”, says Anders Nyström, President and CEO of Bulten.

The purchase price amounts to USD 24.5 million (SEK 230 million) on cash-free and debt-free basis and is financed through a vendor note of USD 8.5 million (SEK 80 million), a transfer of 1,000,000 treasury shares in Bulten of USD 8.5 million (SEK 80 million) based on an assumed value of SEK 80 per share and a cash payment of USD 7.5 million (SEK 71 million) which is included in the existing financing agreement. The transfer of treasury shares to current PSM owners, EQT Greater China II, includes a 12-month lock-up. Following the transfer, Bulten will retain 52,215 treasury shares. The completion of the Acquisition is conditional upon certain actions taken by the seller and the Acquisition is expected to be completed during the first quarter of 2020. Bulten’s transaction costs in relation to the Acquisition is estimated to SEK 12 million.

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Bulten sees potential for synergies in a number of key areas and the transaction is expected to have a positive contribution to Bulten's development and earnings, as well as a substantial improvement of earnings per share during 2020 and onwards.

Handelsbanken Capital Markets, PwC and Setterwalls act as advisors to Bulten in connection with the Acquisition.

For further information, please contact:

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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 contact person set out above, at 15:40 CET on 20 December 2019.

Bulten AB (publ) 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. Read more at www.bulten.com.