

# INTERIM REPORT


 Q1

## Strong start to Q1 slowed by COVID-19 pandemic – measures taken

### FIRST QUARTER

- Net sales amounted to SEK 821 (810) million, an increase of 1.4% on the same period last year.
- Operating earnings (EBIT) totaled SEK 43 (58) million, equating to an operating margin of 5.2% (7.1).
- Earnings after tax amounted to SEK 9 (44) million.
- Order bookings totaled SEK 688 (733) million, a decrease of -6.1% on the same period last year.
- Cash flow from operating activities totaled SEK 63 (-57) million.
- Earnings per share were SEK 0.63 (2.12).
- Net debt amounted to SEK 679 (501) million. Net debt (excluding lease liabilities) totaled SEK 391 (252) million.
- The equity/assets ratio was 51.5% (58.0) at the end of the period. The equity/assets ratio (excluding lease liabilities) totaled SEK 56.1% (62.9).
- Bulten has acquired all shares in PSM International Holdings Limited (PSM) for a purchase price of USD 24.5 (SEK 230) million on a cash-free and debt-free basis.
- Bulten is coordinating its business with PSM and moving into a shared building in Ohio, USA.
- Bulten is taking measures to mitigate the impact of COVID-19 in all affected markets.
- Bulten's Board has decided to withdraw its proposal to pay a dividend of SEK 4.00 per share.

### SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- Executive VP & CFO Helena Wennerström has announced her resignation.
- Bulten's Nominations Committee has withdrawn its proposal on an increase in fees to the Audit Committee.

### CEO'S COMMENTS

*"The year started off strongly for Bulten and was in line with the high order intake at the end of 2019. Since then, the situation for Bulten and the global automotive industry has changed dramatically due to the effects of COVID-19. Already in February, car production stopped in China, and during March most of Bulten's customers closed down their production units in Europe and North America. As a consequence, Bulten has had significantly lower production and sales than planned during the first quarter. The decline in the market was reflected in the order intake and net sales for the quarter, the effects being partly offset by the acquisition of PSM. Net sales increased by 1.4 percent and order intake decreased by 6.1 percent. The prevailing uncertain production situation in the automotive industry means that the development in the coming months remains difficult to predict. At the end of the quarter, however, vehicle production in China started to recover from the COVID-19 situation, but has still not reached previous levels.*

*We have taken measures to adapt the company's operations to the situation in each market. Different forms and degree of working time reductions and furloughs for around 1,200 employees are now in place at Bulten's units in Europe and North America. Further measures have also been taken to reduce costs. Our focus is also on the capital structure and measures to improve cash flow, a restriction on investments is now in place and the SEK 250-300 million real estate investment in Poland has been postponed to a later date. The Board's previous dividend proposal is withdrawn to the 2020 AGM.*

*It is not possible to predict at this time how vehicle production will be affected during the year. The measures we have taken do, however, enable that the company is ready to increase production at short notice.*

*On 20 February Bulten held a Capital Market Day presenting its Stronger 24 strategy and the acquisition of PSM. The strategy also includes new financial targets, with an ambition of reaching net sales of SEK 5 billion within five years, an operating margin of at least 8%, and a return on capital employed of at least 15%. While 2020 will be a challenge, we are sticking to our strategy and our ambitious goals. We hold a strong position on our market, and we will get through these times with a focus on health, growth, profitability and cash flow."*

# BULTEN IN BRIEF

## DEVELOPMENT Q1

The year started off strong and was in line with Bulten's high order intake at the end of 2019. Since then, the situation for Bulten and the global automotive industry has changed dramatically due to the effects of COVID-19. Already in February, car production stopped in China, and during March most of Bulten's customers closed down their production units in Europe and North America. As a result, Bulten has had far lower production and sales than planned during the first quarter.

The decline in the market was reflected in the order intake and net sales for the quarter, the effects being partly offset by the acquisition of PSM. Net sales increased by 1.4 percent and order intake decreased by 6.1 percent, but considered to be difficult to assess due to the current uncertain production situation in the automotive industry, the development in the next few months remains difficult to predict. At the end of the quarter, however, vehicle production in China started to recover from the COVID-19 situation, but has still not reached previous levels. Operating profit during the quarter amounted to SEK 43 (58) million and can be explained by the significantly lower volumes in March.

A number of measures have been taken to adapt the company's operations to the situation in each market. Different forms and degree of working time reductions and furloughs for around 1,200 employees are now in place at Bulten's units in Europe and North America, and management has taken a pay cut of 10% for the next few months. Further measures have also been taken to reduce costs. Our focus is also on the capital structure and measures to improve cash flow, a restriction on investments is now in place and the SEK 250–300 million real estate investment in Poland has been postponed to a later date. The Board's previous dividend proposal is withdrawn to the 2020 AGM.

It is not possible to predict at this time how vehicle production will be affected during the year. The measures taken do, however, ensure that the company is ready to increase production at short notice.

On 20 February Bulten held a Capital Market Day presenting its Stronger 24 strategy and the acquisition of PSM. The strategy also includes new financial targets, with an ambition of reaching net sales of SEK 5 billion by 2024, corresponding to an average annual growth (CAGR) of 10%, both organic and through acquisitions, an operating margin of at least 8%, and a return on capital employed of at least 15%. The dividend policy to distribute at least one-third of the net profit after tax is unchanged.

As part of Bulten's strategy BUFOe was launched, a new product family focused on energy efficiency. Replacing conventional fasteners in a vehicle with BUFOe can reduce CO2 emissions in the manufacturing process by more than 30%. Bulten thereby helps to meet the automotive industry's climate challenges.

In early March the company decided to coordinate its operations in the USA with newly acquired PSM, and to move both into a newly built, shared site in Ohio. The aim is to enable expansion on the local North American market, and also to capitalize on synergies. Relocation is expected to begin in autumn 2020.

Bulten has also communicated changes in its executive management. Marco Suzuki, CEO of PSM, is now a member of Bulten's executive management team. Executive VP & CFO Helena Wennerström has decided to leave the company and move on to new challenges elsewhere. She will continue in her current post until the end of September 2020. The recruitment process for a replacement has been started.

## MARKET AND OUTLOOK

About 88% of Bulten's net sales is attributable to light vehicles and about 10% to commercial vehicles and 2% to the rest. Around 88% of total sales relate to direct deliveries to vehicle manufacturers (OEMs) and the remainder to their suppliers and other players.

Bulten's products are mainly distributed to Europe, but demand is governed by the production of vehicles for the global market. At the end of 2019, the management judged that Bulten had maintained its market share compared with the previous year, and the focus moving forward is on global growth.

For 2020, LMC Automotive has significantly changed its forecast due to the effects of COVID-19 and according to the latest report from Q1, 2020 global light vehicle production is expected to decrease by -13.4% and heavy commercial vehicles by -27.2% in 2020 compared with 2019. Weighted for Bulten's exposure to the automotive industry, this means a decrease of -14.8% for the corresponding period.

Due to the global effects of COVID-19 on the automotive industry, it is hard to predict developments over the next few months. Overall, this will impact on Bulten's production rate in 2020, and ongoing adaptations are being made in both purchasing and production. As previously announced, Bulten has contracts in place worth approximately half a billion SEK a year at full production in 2022. Work on the new contracts is being ramped up far more slowly than previously planned. Bulten's strong contract portfolio is, however, a major asset once customer volumes start picking up again.

While 2020 will be a challenge, Bulten is sticking to its strategy and its ambitious goals. Bulten holds a strong position on its market, and will get through these times with a focus on health, growth, profitability and cash flow.

## ORDER BOOKINGS AND NET SALES

### First quarter

The market decline is reflected in order bookings and net sales during the quarter, although the effects have been partially balanced out by the acquisition of PSM.

Order bookings amounted to SEK 688 (733) million, a decrease of -6.1% on the same period last year. The prevailing uncertain production situation in the automotive industry means that the development in the coming months remains difficult to predict.

Group net sales amounted to SEK 821 (810) million, an increase of 1.4% on the same period last year. Adjusted for foreign exchange effects, growth totaled -0.9% for the same period.



## EARNINGS AND PROFITABILITY

### First quarter

The Group's gross profit was SEK 154 (159) million, corresponding to a gross margin of 18.7% (19.6). Earnings before depreciation and amortization (EBITDA) amounted to SEK 83 (91) million, corresponding to an EBITDA margin of 10.1% (11.2). Operating profit (EBIT) totaled SEK 43 (58) million, equating to an operating margin of 5.2% (7.1). Adjustment of production to demand during the quarter has negatively affected the company's earnings in the form of under-absorption of fixed costs. Last year, adjusted operating profit, relating to relocation costs totaled SEK 59 million, equating to an adjusted operating margin of 7.3%. Operating profit was affected by exchange rate fluctuations of SEK 2 (3) million when converting working capital at the closing day rate.

The Group's net financial items were SEK -21 (1) million. Financial income of SEK 0 (4) million comprises currency gains of SEK 0 (4) million. Financial expenses of SEK -21 (-3) million include interest expenses of SEK -3 (-3) million, of which interest expenses for lease liabilities total SEK -2 (-2) million. Currency losses amount to SEK -17 (-) million which is attributable to the translation of financial liabilities. Other financial expenses amount to SEK -1 (0) million.

The Group's profit before tax amounted to SEK 22 (59) million and profit after tax was SEK 9 (44) million. The high tax rate is due to loss carryforwards not being balanced for some of Bulten's units where taxable surpluses have not yet been recorded.

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

### First quarter

Cash flow from operating activities totaled SEK 63 (-57) million. The effect on cash flow of the change in working capital amounted to SEK 16 (-114) million. At the end of the quarter, working capital increased by SEK 121 million with the acquisition of PSM. In total, inventories increased during the period by SEK 94 (22) million. At the same time current receivables increased by SEK 161 (94) million and current liabilities by SEK 111 (3) million.

Cash flow from investing activities amounted to SEK -71 (-35) million. Investments of SEK 12 (35) million relate to property, plant and equipment. Acquisition of shares totaled SEK -60 million.

On the closing date, net debt amounted to SEK 679 million. Net debt for the previous year amounted to SEK 501 million. Net debt (excluding lease liabilities) totaled SEK 391 million. Net debt (excluding lease liabilities) in the previous year totaled SEK 252 million. The increase in net debt is primarily attributable to the acquisition of PSM.

Consolidated cash equivalents amounted to SEK 142 (29) million at the end of the period. In addition to cash equivalents, the Group also had approved but unused overdraft facilities of SEK 303 (482) million, which means that the Group's liquidity amounted to SEK 445 (511) million.

## FINANCIAL AGREEMENT

The company is mainly financed through a financing agreement with total credit of SEK 750 million. During the quarter, the company exercised the option to extend the financing agreement, which now expires until June 2024 with largely unchanged terms but adapted to the new conditions following the acquisition of PSM.

| NET SALES       | OPERATING EARNINGS | OPERATING MARGIN |
|-----------------|--------------------|------------------|
| SEK 821 MILLION | SEK 43 MILLION     | 5.2%             |



### FINANCIAL SUMMARY

| SEK MILLION   | 2020 | JAN-MAR |       | 12-MONTH ROLLING<br>APRIL 2019-MARCH 2020 | YEAR<br>2018 | △     |
|---|------|---------|-------|---|--------------|-------|
|   |      | 2020    | 2019  |   |              |       |
| Net sales   | 821  | 810     | 1.4%  | 3,104                                     | 3,093        | 0,4%  |
| Gross profit  | 154  | 159     | -5    | 538                                       | 543          | -5    |
| Earnings before depreciation (EBITDA)                       | 83   | 91      | -8    | 231                                       | 239          | -8    |
| Operating earnings (EBIT)                                   | 43   | 58      | -15   | 83  | 98           | -15   |
| Operating margin, %   | 5.2  | 7.1     | -1.9  | 2.7                                       | 3.2          | -0.5  |
| Adjusted operating earnings (EBIT) <sup>1)</sup>            | 43   | 59      | -16   | 131                                       | 147          | -16   |
| Adjusted operating margin, %                                | 5.2  | 7.3     | -2.1  | 4.2                                       | 4.8          | -0.6  |
| Earnings after tax  | 9    | 44      | -35   | 20  | 55           | -35   |
| Earnings per share before dilution, SEK                     | 0.63 | 2.12    | -1.49 | 1.13                                      | 2.62         | -1.49 |
| Adjusted earnings per share before dilution, SEK            | 0.63 | 2.20    | -1.57 | 3.16                                      | 4.73         | -1.57 |
| Order bookings  | 688  | 733     | -6.1% | 3,058                                     | 3,103        | -1.4% |
| Return on capital employed, %                               | -    | -       | -     | 3.9                                       | 5.5          | -1.6  |
| Return on capital employed, (excluding leasing, IFRS 16), % | -    | -       | -     | 5.1                                       | 5.8          | -0.7  |

<sup>1)</sup> See specification page 14.

# 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 2019 Annual Report.

## 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 external geopolitical and financial factors.

Covid-19 has recently had a major impact on Bulten's deliveries. Given the uncertain situation, it is currently not possible to estimate the full potential impact of The Bulten Group but there is a significant risk of a negative financial impact on the Group. Bulten closely monitors and evaluates the situation and has a close dialogue with business partners in order to minimize the impact as far as possible. Bulten's employees follow local authorities' guidelines and recommendations on possible local quarantine and attendance at the workplace.

For a more detailed description of risks, please see Note 5 Risks and risk management in the 2019 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.

## ACQUISITION OF PSM GROUP

On 28 February 2020, Bulten completed its acquisition of the shares in PSM International Holding Limited ('PSM').

PSM, founded in 1931, develops, produces and supplies fasteners to international markets, primarily in the automotive industry. The company has around 350 employees, production units in China, Taiwan and the UK as well as distribution centers in 22 countries. Asia/the Pacific region is the largest market and accounts for approximately 50% of PSM's sales, followed by the USA, which accounts for around 30%. PSM's customer base includes many large, well-known brands in the automotive, consumer electronics and domestic appliances industries, among others. For the financial year 2019, PSM's sales totaled approximately USD 42 (SEK 406) million. Since the acquisition, PSM's sales have amounted to SEK 33 million and a net result of SEK 3 million.

## Purchase sum as of 28 February 2020

The purchase price amounts to USD 24.5 (SEK 230) million on a cash-free and debt-free basis, and is financed through a vendor note of USD 8.5 (SEK 80) million, a transfer of 1,000,000 own shares in Bulten and a cash payment of USD 7.5 (SEK 71) million which is included in the existing financing agreement. The transfer of own shares to the seller of PSM, includes a 12-month lock-up. Bulten's transaction costs in relation to the acquisition are estimated at SEK 12 million, which were charged in 2019.

## The amounts below indicate acquired cash effect in the quarter

| SEK MILLION  |     |
|--|-----|
| Cash payment   | 139 |
| Less: Liquid assets in PSM   | -79 |
| The effect of the acquisition on the Group's cash and cash equivalents | 60  |

## Acquisition balance on 28 February 2020

From 1 March 2020, PSM is included in Bulten's consolidated financial statements. The acquisition balance on 28 February 2020 amounted to:

| SEK MILLION                         | FAIR VALUE |
|-------------------------------------|------------|
| Intangible assets                   | 6          |
| Machinery and equipment             | 29         |
| Joint ventures                      | 55         |
| Deferred tax assets                 | 6          |
| Inventories                         | 86         |
| Accounts receivable                 | 100        |
| Other receivables                   | 29         |
| Cash and cash equivalents           | 79         |
| <b>Total assets</b>                 | <b>390</b> |
| Equity                              | 293        |
| Deferred tax liabilities            | 2          |
| Accounts payable                    | 68         |
| Other liabilities                   | 27         |
| <b>Total equity and liabilities</b> | <b>390</b> |

The acquisition balance is preliminary pending that the fair values of acquired assets and liabilities are finally determined.

## TRANSACTIONS WITH RELATED PARTIES

There have been no significant transactions between related parties during the reporting period. For further information, please see Note 38 of the 2019 Annual Report.

## EMPLOYEES

The average number of employees (FTE) in the Group during the period 1 January – 31 March 2020 was 1,455 (1,466). On the balance sheet date, the number of employees amounted to 1 694.

## 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 66.3% (65.3). Equity amounted to SEK 1,110 (1,106) million. There were no cash or cash equivalents on the closing date. The Parent Company had eight employees on the closing date.

## SIGNIFICANT DEVELOPMENTS AFTER THE END OF THE REPORTING PERIOD

There are no other significant events to report.

## AUDITOR'S REVIEW

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

Gothenburg, 23 April 2020  
Bulten AB (listed)

Anders Nyström  
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 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. In 2020, Bulten acquired PSM, a fastener supplier with 350 employees. 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

- Net sales SEK 5 billion in 2024, equating to a compound annual growth rate (CAGR) of 10%.
- Operating margin (EBIT) >8%.
- Return on capital employed (ROCE) >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 system supplier of fastener solutions to the automotive industry, and shall continue to use the FSP concept as a tool for growth.

#### Innovation drives development

An innovative corporate culture serves to develop technological know-how and creates optimal, sustainable, cost-effective solutions for the customer.

#### Organic growth and complementary acquisitions

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

#### Customers in the automotive industry

OEMs and suppliers in the automotive industry are the primary target groups, but expansion into other customer segments is also part of the growth strategy.

#### Geographic proximity

Bulten's geographic spread allows global delivery capacity.

#### 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.

#### Global purchasing strategy

Bulten's global purchasing strategy aims to consolidate the purchase of intermediate goods for all the company's units in a sustainable, cost-effective way.

#### 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.

#### Employees 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.

#### Sustainable, cost-effective production

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

# SHAREHOLDER INFORMATION

|   | JAN-MAR  |          |        | 12-MONTH ROLLING      | YEAR<br>2019 |
|---|----------|----------|--------|-----------------------|--------------|
|   | 2020     | 2019     | △      | APRIL 2019–MARCH 2020 |              |
| <b>PRICE-RELATED SHARE DATA</b>                         |          |          |        |                       |              |
| Share price at end of period (price paid), SEK          | 39.50    | 79.50    | -40.00 | 39.50                 | 78.80        |
| Highest share price during the period (price paid), SEK | 81.90    | 86.10    | -4.20  | 90.40                 | 97.00        |
| Lowest share price during the period (price paid), SEK  | 38.25    | 79.10    | -40.85 | 38.25                 | 57.60        |
| Market value at end of period, SEK million              | 831      | 1,673    | -842   | 831                   | 1,658        |
| P/E   | –        | –        | –      | –                     | 30.03        |
| Yield, %  | –        | –        | –      | –                     | 5.08         |
| <b>Data per share</b>                                   |          |          |        |                       |              |
| Earnings before depreciation (EBITDA) *)                | 4.08     | 4.51     | -0.43  | 11.51                 | 11.93        |
| Operating earnings (EBIT) *)                            | 2.10     | 2.86     | -0.76  | 4.17                  | 4.92         |
| Earnings after net financial items (EAIFI) *)           | 1.06     | 2.92     | -1.86  | 2.74                  | 4.61         |
| Earnings for the period *)                              | 0.63     | 2.12     | -1.49  | 1.13                  | 2.62         |
| Equity *)   | 76.41    | 77.70    | -1.29  | –                     | 74.09        |
| Cash flow from operating activities *)                  | -2.79    | -2.83    | 0.04   | –                     | 10.33        |
| Cash flow for the period *)                             | 0.48     | 0.49     | -0.01  | –                     | 2.25         |
| Dividend  | –        | –        | –      | –                     | 4.00         |
| <b>Total outstanding ordinary shares, 000</b>           |          |          |        |                       |              |
| Weighted number during the period *)                    | 20,350.6 | 20,103.4 | 247.2  | 20,092.5              | 20,030.8     |
| At the end of the period *)                             | 20,988.0 | 20,075.9 | 912.1  | 20,988.0              | 19,988.0     |

\*) Before dilution.

## SHARE PERFORMANCE



Source: Cision on 31 March 2020

## BULTEN'S TEN LARGEST SHAREHOLDERS

| SHAREHOLDERS                            | NO. OF SHARES | SHARE-HOLDING, % |
|---|---------------|------------------|
| Volito AB                               | 5,000,000     | 23.8             |
| Investment AB Öresund                   | 2,900,000     | 13.8             |
| Lannebo fonder                          | 1,888,574     | 9.0              |
| Brown Brothers Harriman & Co            | 1,000,000     | 4.8              |
| State Street Bank & Trust Com., Boston  | 777,673       | 3.7              |
| Fjärde AP-Fonden                        | 766,734       | 3.6              |
| Spiltan Fonder AB                       | 419,320       | 2.0              |
| Tredje AP-Fonden                        | 383,071       | 1.8              |
| Försäkringsaktiebolaget, Avanza Pension | 344,128       | 1.6              |
| BNP Paribas SEC Serv Luxenburg, W8IMY   | 342,665       | 1.6              |

Total number of shareholders: 7,118

Source: Euroclear Sweden AB on 31 March 2020

## 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](http://bulten.se). Shareholders who are unable to access the reports digitally can order printed copies by contacting Bulten.

Our subscription service at [bulten.se](http://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 | JAN-MAR    |            | △          | 12-MONTH ROLLING<br>APRIL 2019–<br>MARCH 2020 | YEAR<br>2019 |
|---|------|------------|------------|------------|---|--------------|
|   |      | 2020       | 2019       |            |   |              |
| Net sales   | 1    | 821        | 810        | 11         | 3,104   | 3,093        |
| Cost of goods sold  |      | -667       | -651       | -16        | -2,566  | -2,550       |
| <b>Gross profit</b>   |      | <b>154</b> | <b>159</b> | <b>-5</b>  | <b>538</b>                                    | <b>543</b>   |
| Other operating income  | 4    | 7          | -3         | 12         | 15  |              |
| Selling expenses  |      | -63        | -61        | -2         | -254  | -252         |
| Administrative expenses   |      | -52        | -48        | -4         | -207  | -203         |
| Other operating expenses  | 0    | 0          | –          | -7         | -7  |              |
| Share of profit in joint ventures                                     |      | 0          | 1          | -1         | 1   | 2            |
| <b>Operating earnings</b>   |      | <b>43</b>  | <b>58</b>  | <b>-15</b> | <b>83</b>                                     | <b>98</b>    |
| Financial income  |      | 0          | 4          | -4         | 4   | 8            |
| Financial expenses  |      | -21        | -3         | -18        | -32   | -14          |
| <b>Earnings before tax</b>  |      | <b>22</b>  | <b>59</b>  | <b>-37</b> | <b>55</b>                                     | <b>92</b>    |
| Tax on earnings for the period  |      | -13        | -15        | 2          | -35   | -37          |
| <b>Earnings after tax</b>   |      | <b>9</b>   | <b>44</b>  | <b>-35</b> | <b>20</b>                                     | <b>55</b>    |
| Attributable to   |      |            |            |            |   |              |
| Parent Company shareholders   |      | 13         | 43         | -30        | 23  | 53           |
| Non-controlling interests   |      | -4         | 1          | -5         | -3  | 2            |
| <b>Earnings after tax</b>   |      | <b>9</b>   | <b>44</b>  | <b>-35</b> | <b>20</b>                                     | <b>55</b>    |
| <b>Earnings per share attributable to Parent Company shareholders</b> |      |            |            |            |   |              |
| Earnings per share before dilution, SEK                               |      | 0.63       | 2.12       | -1.49      | 1.13  | 2.62         |
| Earnings per share after dilution, SEK                                |      | 0.63       | 2.12       | -1.49      | 1.13  | 2.62         |
| Weighted number of outstanding ordinary shares before dilution, 000   |      | 20,350.6   | 20,103.4   | -247.2     | 20,350.6                                      | 20,030.8     |
| Weighted number of outstanding ordinary shares after dilution, 000    |      | 20,350.6   | 20,138.2   | -212.4     | 20,350.6                                      | 20,044.1     |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| SEK MILLION   |  | JAN-MAR   |           | △          | 12-MONTH ROLLING<br>APRIL 2019–<br>MARCH 2020 | YEAR<br>2019 |
|---|--|-----------|-----------|------------|---|--------------|
|   |  | 2020      | 2019      |            |   |              |
| Earnings after tax  |  | 9         | 44        | -35        | 20  | 55           |
| Other comprehensive income                                  |  |           |           |            |   |              |
| Items not to be reversed in the income statement            |  |           |           |            |   |              |
| Revaluation of defined-benefit pension plans, net after tax |  | –         | –         | –          | –   | 0            |
| Items that may later be reversed in the income statement    |  |           |           |            |   |              |
| Exchange differences  |  | 40        | 18        | 22         | 41  | 19           |
| <b>Total comprehensive income</b>                           |  | <b>49</b> | <b>62</b> | <b>-13</b> | <b>61</b>                                     | <b>74</b>    |
| Attributable to   |  |           |           |            |   |              |
| Parent Company shareholders                                 |  | 55        | 60        | -5         | 65  | 70           |
| Non-controlling interests                                   |  | -6        | 2         | -8         | -4  | 4            |
| <b>Total comprehensive income</b>                           |  | <b>49</b> | <b>62</b> | <b>-13</b> | <b>61</b>                                     | <b>74</b>    |

# CONSOLIDATED BALANCE SHEET

| SEK MILLION   | 31-03-2020   | 31-03-2019   | 31-12-2019   |
|---|--------------|--------------|--------------|
| <b>ASSETS</b>   |              |              |              |
| <b>Fixed assets</b>   |              |              |              |
| Intangible fixed assets <sup>1)</sup>                       | 210          | 207          | 208          |
| Tangible fixed assets                                       | 805          | 693          | 790          |
| Right-of-use assets   | 281          | 249          | 265          |
| Financial assets  | 64           | 6            | 6            |
| Deferred tax assets   | 13           | 5            | 5            |
| <b>Total fixed assets</b>                                   | <b>1,373</b> | <b>1,160</b> | <b>1,274</b> |
| <b>Current assets</b>                                       |              |              |              |
| Inventories   | 746          | 731          | 652          |
| Current receivables   | 888          | 792          | 720          |
| Cash equivalents  | 142          | 29           | 64           |
| <b>Total current assets</b>                                 | <b>1,776</b> | <b>1,551</b> | <b>1,436</b> |
| <b>Total assets</b>   | <b>3,149</b> | <b>2,712</b> | <b>2,710</b> |
| <b>EQUITY AND LIABILITIES</b>                               |              |              |              |
| <b>Equity</b>   |              |              |              |
| Equity attributable to Parent Company shareholders          | 1,604        | 1,560        | 1,481        |
| Non-controlling interests                                   | 18           | 12           | 16           |
| <b>Total equity</b>   | <b>1,622</b> | <b>1,572</b> | <b>1,497</b> |
| <b>Long-term liabilities</b>                                |              |              |              |
| Deferred tax liabilities                                    | 6            | –            | 5            |
| Long-term interest-bearing lease liabilities                | 242          | 210          | 225          |
| Other long-term interest-bearing liabilities and provisions | 493          | 284          | 349          |
| <b>Total long-term liabilities</b>                          | <b>741</b>   | <b>494</b>   | <b>579</b>   |
| <b>Current liabilities</b>                                  |              |              |              |
| Current lease liabilities, interest-bearing                 | 46           | 39           | 42           |
| Other current liabilities, interest-bearing                 | 45           | 1            | 17           |
| Other current liabilities, non interest-bearing             | 695          | 606          | 575          |
| <b>Total current liabilities</b>                            | <b>786</b>   | <b>646</b>   | <b>634</b>   |
| <b>Total equity and liabilities</b>                         | <b>3,149</b> | <b>2,712</b> | <b>2,710</b> |

1) Of which goodwill SEK 201 (203) (204) million.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| SEK MILLION   | JAN-MAR      | YEAR         |              |
|---|--------------|--------------|--------------|
|   | 31-03-2020   | 31-03-2019   | 31-12-2019   |
| <b>Equity at start of period</b>                                |              |              |              |
| <b>Comprehensive income</b>                                     |              |              |              |
| Earnings after tax  | 9            | 44           | 55           |
| Other comprehensive income                                      | 40           | 18           | 19           |
| <b>Total comprehensive income</b>                               | <b>49</b>    | <b>62</b>    | <b>74</b>    |
| <b>Transactions with shareholders</b>                           |              |              |              |
| Transaction with non-controlling interests                      | 8            | –            | 3            |
| Share-based remuneration to employees                           | –            | 1            | 0            |
| Buy-back of own shares  | –            | -5           | -14          |
| Issue of ordinary shares in business combinations <sup>1)</sup> | 68           | –            | –            |
| Dividend to Parent Company shareholders                         | –            | –            | -80          |
| <b>Total transactions with shareholders</b>                     | <b>76</b>    | <b>-4</b>    | <b>-91</b>   |
| <b>Equity at end of period</b>                                  | <b>1,622</b> | <b>1,572</b> | <b>1,497</b> |

1) Refers to shares in own repository that were used as payment in business combination.

## CONSOLIDATED CASH FLOW STATEMENT

| SEK MILLION   | JAN-MAR    |            | YEAR<br>2019 |
|---|------------|------------|--------------|
|   | 2020       | 2019       |              |
| <b>Operating activities</b>   |            |            |              |
| Earnings after financial items  | 22         | 59         | 92           |
| Adjustments for items not included in cash flow                                   | 39         | 30         | 152          |
| Taxes paid  | -14        | -32        | -67          |
| <b>Cash flow from operating activities before changes in working capital</b>      | <b>47</b>  | <b>57</b>  | <b>177</b>   |
| <b>Cash flow from changes in working capital</b>                                  |            |            |              |
| Change in working capital   | 16         | -114       | 30           |
| <b>Cash flow from operating activities</b>  | <b>63</b>  | <b>-57</b> | <b>207</b>   |
| <b>Investing activities</b>   |            |            |              |
| Acquisition of intangible fixed assets  | -          | 0          | 0            |
| Acquisition of tangible fixed assets  | -12        | -35        | -218         |
| Divestment of tangible fixed assets   | 1          | 0          | 0            |
| Acquisition of subsidiaries after deduction of acquired cash and cash equivalents | -60        | -          | -            |
| <b>Cash flow from investing activities</b>  | <b>-71</b> | <b>-35</b> | <b>-218</b>  |
| <b>Financing activities</b>   |            |            |              |
| Change in overdraft facilities and other financial liabilities                    | 90         | 117        | 194          |
| Amortization of lease liabilities   | -14        | -10        | -44          |
| Dividend to Parent Company shareholders   | -          | -          | -80          |
| Buy-back of own shares  | -          | -5         | -14          |
| Transactions with non-controlling interests                                       | 8          | -          | -            |
| <b>Cash flow from financing activities</b>  | <b>84</b>  | <b>102</b> | <b>56</b>    |
| <b>Cash flow for the period</b>   | <b>76</b>  | <b>10</b>  | <b>45</b>    |
| Cash flow for the period  | 76         | 10         | 45           |
| Cash and cash equivalents at start of period                                      | 64         | 18         | 18           |
| Exchange rate difference in cash and cash equivalents                             | 2          | 1          | 1            |
| <b>Cash and cash equivalents at end of period</b>                                 | <b>142</b> | <b>29</b>  | <b>64</b>    |

## CONSOLIDATED NET DEBT COMPOSITION

| SEK MILLION   | 31-03-2020  | 31-03-2019  | 31-12-2019  |
|---|-------------|-------------|-------------|
| Long-term interest-bearing liabilities                              | -720        | -479        | -559        |
| Provision for pensions  | -15         | -15         | -15         |
| Current interest-bearing liabilities                                | -91         | -41         | -59         |
| Financial interest-bearing receivables                              | 4           | 5           | 4           |
| Cash equivalents  | 142         | 29          | 64          |
| <b>Net debt (-)</b>   | <b>-679</b> | <b>-501</b> | <b>-565</b> |
| Less interest-bearing liabilities attributable to lease liabilities | 288         | 249         | -267        |
| <b>Adjusted net debt (-), (excluding lease liabilities)</b>         | <b>-391</b> | <b>-252</b> | <b>-299</b> |

# KEY FIGURES FOR THE GROUP

| GROUP  | JAN-MAR                 |                         | FULL YEAR  |
|--|-------------------------|-------------------------|------------|
|  | 2020                    | 2019                    | 2019       |
| <b>Margins</b>   |                         |                         |            |
| EBITDA margin, %   | 10.1                    | 11.2                    | 7.7        |
| Adjusted EBITDA margin, % <sup>3)</sup>  | 10.1                    | 11.4                    | 9.3        |
| EBIT margin (operating margin), %  | 5.2                     | 7.1                     | 3.2        |
| Adjusted EBIT margin (operating margin), % <sup>3)</sup>                       | 5.2                     | 7.3                     | 4.8        |
| Net margin, %  | 1.1                     | 5.4                     | 1.8        |
| Adjusted net margin, % <sup>3)</sup>   | 1.1                     | 5.6                     | 3.1        |
| <b>Capital structure</b>   |                         |                         |            |
| Interest coverage ratio, times   | 2.0                     | 21.5                    | 7.6        |
| <b>Earnings per share attributable to Parent Company shareholders</b>          |                         |                         |            |
| Earnings per share before dilution, SEK  | 0.63                    | 2.12                    | 2.62       |
| Adjusted earnings per share before dilution, SEK <sup>3)</sup>                 | 0.63                    | 2.20                    | 4.73       |
| Earnings per share after dilution, SEK   | 0.63                    | 2.12                    | 2.62       |
| <b>Number of outstanding ordinary shares</b>                                   |                         |                         |            |
| Weighted number of outstanding ordinary shares before dilution, 000            | 20,350.6                | 20,103.4                | 20,030.8   |
| Weighted number of outstanding ordinary shares after dilution, 000             | 20,350.6                | 20,138.2                | 20,044.1   |
| GROUP  |                         |                         |            |
|  | 31-03-2020              | 31-03-2019              | 31-12-2019 |
| <b>Capital structure</b>   |                         |                         |            |
| Net debt/equity ratio, times   | -0.4                    | -0.3                    | -0.4       |
| Equity/assets ratio, %   | 51.5                    | 58.0                    | 55.2       |
| Equity/assets ratio, (excluding lease liabilities), %                          | 56.1                    | 62.9                    | 60.5       |
| <b>Other</b>   |                         |                         |            |
| Net debt (-), SEK million  | -679                    | -501                    | -565       |
| Adjusted net debt (-), (excluding lease liabilities), SEK million              | -391                    | -252                    | -299       |
| <b>Equity per share attributable to Parent Company shareholders</b>            |                         |                         |            |
| Equity per share before dilution, SEK  | 76.41                   | 77.70                   | 74.09      |
| Equity per share after dilution, SEK   | 76.41                   | 77.57                   | 74.09      |
| <b>Number of outstanding ordinary shares</b>                                   |                         |                         |            |
| Number of outstanding ordinary shares before dilution on the closing date, 000 | 20,988.0                | 20,103.4                | 19,988.0   |
| Number of outstanding ordinary shares after dilution on the closing date, 000  | 20,988.0                | 20,138.2                | 19,988.0   |
| GROUP, 12-MONTH ROLLING  |                         |                         |            |
|  | 12-MONTH ROLLING        |                         | FULL YEAR  |
|  | APRIL 2019 – MARCH 2020 | APRIL 2018 – MARCH 2019 | 2019       |
| <b>Profitability ratios</b>  |                         |                         |            |
| Return on capital employed, %  | 3.9                     | 10.9                    | 5.5        |
| Adjusted return on capital employed, % <sup>1)</sup>                           | 5.9                     | 11.0                    | 8.1        |
| Return on capital employed, (excluding leasing, IFRS 16), %                    | 5.1                     | 11.5                    | 5.8        |
| Adjusted return on capital employed, (excluding leasing IFRS 16), %            | 7.4                     | 11.6                    | 8.5        |
| Return on capital employed, excluding goodwill, %                              | 4.2                     | 12.2                    | 6.2        |
| Return on equity, %  | 1.4                     | 9.0                     | 3.5        |
| Adjusted return on equity, % <sup>2)</sup>                                     | 4.0                     | 9.2                     | 6.4        |
| <b>Capital structure</b>   |                         |                         |            |
| Capital turnover rate, times   | 1.4                     | 1.6                     | 1.6        |
| <b>Employees</b>   |                         |                         |            |
| Net sales per employee, SEK 000  | 2,133                   | 2,107                   | 2,171      |
| Operating earnings per employee, SEK 000                                       | 57                      | 137                     | 69         |
| Average number of full-time employees (FTE)                                    | 1,455                   | 1,466                   | 1,425      |

## DEFINITIONS

Definitions of calculated key indicators are unchanged compared to the definitions in the 2019 Annual Report.

Other key indicators not in the Annual Report or on page 14 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.

3) Adjusted result: Result adjusted for items affecting comparability.

# QUARTERLY DATA FOR THE GROUP

| SEK MILLION   | 2020     |          |          |          | 2019     |          |          |          | 2018     |    |    |    |    |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----|----|----|----|
|   | Q1       | Q4       | Q3       | Q2       | Q1       | Q4       | Q3       | Q2       | Q1       | Q4 | Q3 | Q2 | Q1 |
| Order bookings  | 688      | 842      | 776      | 752      | 733      | 741      | 723      | 855      | 779      |    |    |    |    |
| <b>Income statement</b>   |          |          |          |          |          |          |          |          |          |    |    |    |    |
| Net sales   | 821      | 784      | 718      | 781      | 810      | 747      | 722      | 810      | 853      |    |    |    |    |
| Gross profit  | 154      | 149      | 106      | 129      | 159      | 142      | 135      | 160      | 163      |    |    |    |    |
| Adjusted gross profit <sup>3)</sup>                                   | 154      | 149      | 117      | 134      | 160      | 142      | 135      | 160      | 163      |    |    |    |    |
| Earnings before depreciation (EBITDA)                                 | 83       | 65       | 29       | 54       | 91       | 71       | 61       | 80       | 88       |    |    |    |    |
| EBITDA margin, %  | 10.1     | 8.3      | 4.1      | 6.9      | 11.2     | 9.6      | 8.4      | 9.8      | 10.4     |    |    |    |    |
| Adjusted Earnings before depreciation (EBITDA) <sup>3)</sup>          | 83       | 80       | 56       | 60       | 92       | 72       | 61       | 80       | 88       |    |    |    |    |
| Adjusted EBITDA margin, % <sup>3)</sup>                               | 10.1     | 10.2     | 6.8      | 7.6      | 11.4     | 9.7      | 8.4      | 9.8      | 10.4     |    |    |    |    |
| Operating earnings (EBIT)   | 43       | 27       | -8       | 21       | 58       | 48       | 38       | 57       | 67       |    |    |    |    |
| EBIT margin (operating margin), %                                     | 5.2      | 3.5      | -1.0     | 2.7      | 7.1      | 6.4      | 5.2      | 7.1      | 7.8      |    |    |    |    |
| Adjusted Operating earnings (EBIT) <sup>3)</sup>                      | 43       | 42       | 19       | 27       | 59       | 49       | 38       | 57       | 67       |    |    |    |    |
| Adjusted EBIT margin (operating margin), % <sup>3)</sup>              | 5.2      | 5.4      | 2.8      | 3.4      | 7.3      | 6.6      | 5.2      | 7.1      | 7.8      |    |    |    |    |
| Earnings after tax  | 9        | 11       | -14      | 14       | 44       | 30       | 25       | 40       | 48       |    |    |    |    |
| Net margin, %   | 1.1      | 1.4      | -2.1     | 1.8      | 5.4      | 4.0      | 3.5      | 4.9      | 5.7      |    |    |    |    |
| Adjusted earnings after tax <sup>3)</sup>                             | 9        | 26       | 6        | 20       | 45       | 31       | 25       | 40       | 48       |    |    |    |    |
| Adjusted Net margin, % <sup>3)</sup>                                  | 1.1      | 3.3      | 0.8      | 2.5      | 5.6      | 4.1      | 3.5      | 4.9      | 5.7      |    |    |    |    |
| <b>Cash flow from</b>   |          |          |          |          |          |          |          |          |          |    |    |    |    |
| operating activities  | 63       | 98       | 114      | 52       | -57      | 60       | -15      | 54       | 26       |    |    |    |    |
| investing activities  | -71      | -50      | -84      | -49      | -35      | -51      | -34      | -36      | -39      |    |    |    |    |
| financing activities  | 84       | -23      | -57      | 34       | 102      | -16      | 48       | -35      | 6        |    |    |    |    |
| Cash flow for the period  | 76       | 25       | -27      | 37       | 10       | -7       | -1       | -17      | -7       |    |    |    |    |
| <b>Earnings per share attributable to Parent Company shareholders</b> |          |          |          |          |          |          |          |          |          |    |    |    |    |
| Earnings per share before dilution, SEK                               | 0.63     | 0.54     | -0.75    | 0.71     | 2.12     | 1.50     | 1.26     | 1.99     | 2.43     |    |    |    |    |
| Adjusted earnings per share before dilution, SEK                      | 0.63     | 0.54     | -0.75    | 0.98     | 2.20     | 1.55     | 1.26     | 1.99     | 2.43     |    |    |    |    |
| <b>Number of outstanding ordinary shares</b>                          |          |          |          |          |          |          |          |          |          |    |    |    |    |
| Weighted number of outstanding ordinary shares before dilution, 000   | 20,350.6 | 19,988.0 | 19,989.5 | 20,044.2 | 20,103.4 | 20,216.9 | 20,359.7 | 20,359.7 | 20,359.7 |    |    |    |    |

| SEK MILLION  | 31-03-2020 31-12-2019 30-09-2019 30-06-2019 31-03-2019 31-12-2018 30-09-2018 30-06-2018 31-03-2018 |          |          |          |          |          |          |          |          |  |
|--|--|----------|----------|----------|----------|----------|----------|----------|----------|--|
|  |  |          |          |          |          |          |          |          |          |  |
| <b>Balance sheet</b>   |  |          |          |          |          |          |          |          |          |  |
| Fixed assets   | 1,373  | 1,274    | 1,268    | 1,198    | 1,160    | 918      | 895      | 886      | 877      |  |
| Current assets   | 1,776  | 1,436    | 1,483    | 1,558    | 1,551    | 1,420    | 1,433    | 1,386    | 1,428    |  |
| Equity   | 1,622  | 1,497    | 1,507    | 1,511    | 1,572    | 1,514    | 1,515    | 1,498    | 1,533    |  |
| Long-term liabilities  | 741  | 579      | 581      | 626      | 494      | 201      | 191      | 145      | 104      |  |
| Current liabilities  | 786  | 634      | 663      | 619      | 646      | 623      | 622      | 629      | 668      |  |
| <b>Other</b>   |  |          |          |          |          |          |          |          |          |  |
| Net debt (-)   | -679   | -565     | -596     | -595     | -501     | -181     | -164     | -118     | -60      |  |
| Adjusted net debt (-)  | -391   | -299     | -328     | -347     | -252     | -145     | -128     | -80      | -22      |  |
| <b>Equity per share attributable to Parent Company shareholders</b>        |  |          |          |          |          |          |          |          |          |  |
| Equity per share before dilution, SEK                                      | 76.41  | 74.09    | 74.60    | 74.79    | 77.70    | 74.73    | 73.86    | 73.01    | 74.66    |  |
| <b>Number of outstanding ordinary shares</b>                               |  |          |          |          |          |          |          |          |          |  |
| Number of outstanding ordinary shares on closing date before dilution, 000 | 20,988.0   | 19,988.0 | 19,988.0 | 19,999.5 | 20,075.9 | 20,323.7 | 20,359.7 | 20,359.7 | 20,359.7 |  |
| <b>Share price</b>   |  |          |          |          |          |          |          |          |          |  |
| Share price at end of period (SEK)   | 39.50  | 78.80    | 62.30    | 73.00    | 79.50    | 88.20    | 107.20   | 104.40   | 112.00   |  |

## GROUP, 12-MONTH ROLLING

| SEK MILLION  | APRIL 2019–MARCH 2020 | JANUARY 2019–DECEMBER 2019 | OCTOBER 2018–SEPTEMBER 2019 | JULY 2018–JUNE 2019 | APRIL 2018–MARCH 2019 | JANUARY 2018–DECEMBER 2018 | OCTOBER 2017–SEPTEMBER 2018 | JULY 2017–JUNE 2018 | APRIL 2017–MARCH 2018 | JANUARY 2017–DECEMBER 2017 |
|--|-----------------------|----------------------------|-----------------------------|---------------------|-----------------------|----------------------------|-----------------------------|---------------------|-----------------------|----------------------------|
| Order bookings   | 3,058                 | 3,103                      | 3,002                       | 2,949               | 3,052                 | 3,098                      | 3,196                       | 3,164               | 3,074                 | 3,015                      |
| <b>Income statement</b>  |                       |                            |                             |                     |                       |                            |                             |                     |                       |                            |
| Net sales  | 3,104                 | 3,093                      | 3,056                       | 3,060               | 3,089                 | 3,132                      | 3,125                       | 3,033               | 2,931                 | 2,856                      |
| Gross profit   | 538                   | 543                        | 536                         | 565                 | 586                   | 600                        | 604                         | 594                 | 610                   | 572                        |
| Adjusted gross profit <sup>3)</sup>                                      | 552                   | 558                        | 551                         | 570                 | 587                   | 600                        | 604                         | 594                 | 610                   | 572                        |
| Earnings before depreciation (EBITDA)                                    | 231                   | 239                        | 245                         | 277                 | 303                   | 300                        | 304                         | 299                 | 295                   | 290                        |
| EBITDA margin, %   | 7.5                   | 7.7                        | 8.0                         | 9.1                 | 9.8                   | 9.6                        | 9.7                         | 9.8                 | 10.1                  | 10.1                       |
| Adjusted earnings before depreciation (EBITDA) <sup>3)</sup>             | 279                   | 288                        | 281                         | 285                 | 305                   | 301                        | 304                         | 299                 | 295                   | 290                        |
| Adjusted EBITDA margin, % <sup>3)</sup>                                  | 9.0                   | 9.3                        | 9.2                         | 9.3                 | 9.9                   | 9.6                        | 9.7                         | 9.8                 | 10.1                  | 10.1                       |
| Operating earnings (EBIT)  | 83                    | 98                         | 119                         | 165                 | 201                   | 210                        | 217                         | 214                 | 214                   | 210                        |
| EBIT margin (operating margin), %  | 2.7                   | 3.2                        | 3.9                         | 5.4                 | 6.5                   | 6.7                        | 7.0                         | 7.1                 | 7.3                   | 7.4                        |
| Adjusted operating earnings (EBIT) <sup>3)</sup>                         | 131                   | 147                        | 154                         | 173                 | 203                   | 211                        | 217                         | 214                 | 214                   | 210                        |
| Adjusted EBIT margin (operating margin), % <sup>3)</sup>                 | 4.2                   | 4.8                        | 5.1                         | 5.6                 | 6.6                   | 6.7                        | 7.0                         | 7.1                 | 7.3                   | 7.4                        |
| Earnings after tax   | 20                    | 55                         | 74                          | 113                 | 139                   | 143                        | 160                         | 157                 | 156                   | 159                        |
| Net margin, %  | 0.6                   | 1.8                        | 2.4                         | 3.7                 | 4.5                   | 4.6                        | 5.1                         | 5.2                 | 5.3                   | 5.6                        |
| Adjusted earnings after tax <sup>3)</sup>                                | 60                    | 97                         | 102                         | 121                 | 140                   | 144                        | 160                         | 157                 | 156                   | 159                        |
| Adjusted net margin, % <sup>3)</sup>                                     | 1.9                   | 3.1                        | 3.3                         | 4.0                 | 4.6                   | 4.6                        | 5.1                         | 5.2                 | 5.3                   | 5.6                        |
| <b>Employees</b>   |                       |                            |                             |                     |                       |                            |                             |                     |                       |                            |
| Net sales per employee, SEK 000  | 2,133                 | 2,171                      | 2,119                       | 2,103               | 2,107                 | 2,186                      | 2,185                       | 2,139               | 2,111                 | 2,189                      |
| Operating earnings per employee, SEK 000                                 | 57                    | 69                         | 83                          | 113                 | 137                   | 146                        | 152                         | 151                 | 154                   | 161                        |
| Average number of full-time employees (FTE) on closing date              | 1,455                 | 1,425                      | 1,442                       | 1,455               | 1,466                 | 1,433                      | 1,430                       | 1,418               | 1,388                 | 1,305                      |
| <b>Profitability ratios</b>  |                       |                            |                             |                     |                       |                            |                             |                     |                       |                            |
| Return on capital employed, %  | 3.9                   | 5.5                        | 6.4                         | 9.0                 | 10.9                  | 12.8                       | 14.0                        | 14.1                | 13.7                  | 14.4                       |
| Adjusted return on capital employed, % <sup>1)</sup>                     | 5.9                   | 8.1                        | 8.3                         | 9.5                 | 11.0                  | 12.9                       | 14.0                        | 14.1                | 13.7                  | 14.4                       |
| Return on capital employed, (excluding leasing, IFRS 16), %              | 5.1                   | 5.8                        | 6.8                         | 9.5                 | 11.5                  | 12.8                       | 14.0                        | 14.1                | 13.7                  | 14.4                       |
| Return on capital employed, excluding goodwill, % <sup>1)</sup>          | 4.2                   | 6.2                        | 7.2                         | 10.1                | 12.2                  | 14.6                       | 16.0                        | 16.2                | 15.8                  | 16.7                       |
| Adjusted return on capital employed, excluding goodwill, % <sup>1)</sup> | 6.5                   | 9.0                        | 9.3                         | 10.6                | 12.3                  | 14.7                       | 16.0                        | 16.2                | 15.8                  | 16.7                       |
| Return on equity, %  | 1.4                   | 3.5                        | 4.8                         | 7.6                 | 9.0                   | 9.9                        | 11.3                        | 11.2                | 10.9                  | 11.7                       |
| Adjusted return on equity, % <sup>2)</sup>                               | 4.0                   | 6.4                        | 6.7                         | 8.1                 | 9.2                   | 10.0                       | 11.3                        | 11.2                | 10.9                  | 11.7                       |
| <b>Other</b>   |                       |                            |                             |                     |                       |                            |                             |                     |                       |                            |
| Net debt(-)/EBITDA   | -2.9                  | -2.4                       | -2.4                        | -2.1                | -1.7                  | -0.6                       | -0.5                        | -0.4                | -0.2                  | -0.2                       |
| Adjusted net debt(-)/EBITDA <sup>3)</sup>                                | -1.7                  | -1.3                       | -1.3                        | -1.3                | -0.8                  | -0.5                       | -0.4                        | -0.3                | -0.1                  | -0.0                       |

<sup>1)</sup>) Adjusted net debt(-): Net debt exclusive lease liabilities

## 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/body.

### INCOME BY GEOGRAPHIC MARKET

| SEK MILLION         | JAN-MAR    |            |           | 12-MONTH ROLLING      | YEAR         |
|---------------------|------------|------------|-----------|-----------------------|--------------|
|                     | 2020       | 2019       | △         | APRIL 2019-MARCH 2020 |              |
| Sweden              | 119        | 130        | -11       | 465                   | 476          |
| Germany             | 89         | 132        | -43       | 409                   | 452          |
| UK                  | 226        | 213        | 13        | 819                   | 806          |
| Poland              | 8          | 7          | 1         | 30                    | 29           |
| Rest of Europe      | 275        | 226        | 49        | 971                   | 922          |
| China               | 29         | 22         | 7         | 130                   | 123          |
| USA                 | 32         | 41         | -9        | 122                   | 131          |
| Rest of the world   | 43         | 39         | 4         | 158                   | 154          |
| <b>Total income</b> | <b>821</b> | <b>810</b> | <b>11</b> | <b>3,104</b>          | <b>3,093</b> |

### INCOME BY CUSTOMER GROUP

| SEK MILLION                  | JAN-MAR    |            |           | 12-MONTH ROLLING      | YEAR         |
|------------------------------|------------|------------|-----------|-----------------------|--------------|
|                              | 2020       | 2019       | △         | APRIL 2019-MARCH 2020 |              |
| OEM Light vehicle            | 641        | 614        | 27        | 2,438                 | 2,411        |
| OEM Heavy commercial vehicle | 84         | 123        | -39       | 368                   | 407          |
| Tiers                        | 83         | 72         | 11        | 284                   | 273          |
| Others                       | 13         | 1          | 12        | 14                    | 2            |
| <b>Total income</b>          | <b>821</b> | <b>810</b> | <b>11</b> | <b>3,104</b>          | <b>3,093</b> |

### INCOME BY CHASSIS/BODY AND POWERTRAIN

| SEK MILLION         | JAN-MAR    |            |           | 12-MONTH ROLLING      | YEAR         |
|---------------------|------------|------------|-----------|-----------------------|--------------|
|                     | 2020       | 2019       | △         | APRIL 2019-MARCH 2020 |              |
| Chassis/body        | 622        | 624        | -2        | 2,251                 | 2 253        |
| Powertrain          | 186        | 185        | 1         | 839                   | 838          |
| Others              | 13         | 1          | 12        | 14                    | 2            |
| <b>Total income</b> | <b>821</b> | <b>810</b> | <b>11</b> | <b>3,104</b>          | <b>3 093</b> |

### INCOME DISTRIBUTED BY INCOME CATEGORY

| SEK MILLION           | JAN-MAR    |            |           | 12-MONTH ROLLING      | YEAR         |
|-----------------------|------------|------------|-----------|-----------------------|--------------|
|                       | 2020       | 2019       | △         | APRIL 2019-MARCH 2020 |              |
| Own production        | 421        | 484        | -63       | 1,785                 | 1,848        |
| Outsourced production | 377        | 305        | 72        | 1,229                 | 1,157        |
| Others                | 23         | 21         | 2         | 90                    | 88           |
| <b>Total income</b>   | <b>821</b> | <b>810</b> | <b>11</b> | <b>3,104</b>          | <b>3,093</b> |

# 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                     | JAN-MAR    |            |           |
|---------------------------------|------------|------------|-----------|
|                                 | 2020       | 2019       | △         |
| Net sales                       | 821        | 810        | 11        |
| Currency effect, current period | -19        | -          | -19       |
| <b>Adjusted net sales</b>       | <b>802</b> | <b>810</b> | <b>-8</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  | JAN-MAR   |           |           | 12-MONTH ROLLING      |            |
|--|-----------|-----------|-----------|-----------------------|------------|
|  | 2020      | 2019      | △         | APRIL 2019–MARCH 2020 | YEAR       |
| Operating earnings (EBIT)                              | 43        | 58        | -15       | 83                    | 98         |
| Depreciation/amortization and impairments              | 40        | 33        | 7         | 148                   | 141        |
| <b>Operating earnings before depreciation (EBITDA)</b> | <b>83</b> | <b>91</b> | <b>-8</b> | <b>241</b>            | <b>239</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 EARNINGS BEFORE DEPRECIATION, ADJUSTED EBITDA

| SEK MILLION   | JAN-MAR   |           |           | 12-MONTH ROLLING      |            |
|---|-----------|-----------|-----------|-----------------------|------------|
|   | 2020      | 2019      | △         | APRIL 2019–MARCH 2020 | YEAR       |
| Operating earnings excluding depreciation (EBITDA)              | 83        | 91        | -8        | 231                   | 239        |
| Relocation costs  | -         | -         | -         | 17                    | 17         |
| Restructuring cost  | -         | 1         | -1        | 19                    | 20         |
| Acquisition cost  | -         | -         | -         | 12                    | 12         |
| <b>Adjusted operating earnings before depreciation (EBITDA)</b> | <b>83</b> | <b>92</b> | <b>-9</b> | <b>279</b>            | <b>288</b> |

## ADJUSTED OPERATING EARNINGS, ADJUSTED EBIT

| SEK MILLION                               | JAN-MAR   |           |            | 12-MONTH ROLLING      |            |
|---|-----------|-----------|------------|-----------------------|------------|
|   | 2020      | 2019      | △          | APRIL 2019–MARCH 2020 | YEAR       |
| Operating earnings (EBIT)                 | 43        | 58        | -15        | 83                    | 98         |
| Relocation costs                          | -         | -         | -          | 17                    | 17         |
| Restructuring cost                        | -         | 1         | -1         | 19                    | 20         |
| Acquisition cost                          | -         | -         | -          | 12                    | 12         |
| <b>Adjusted operating earnings (EBIT)</b> | <b>43</b> | <b>59</b> | <b>-16</b> | <b>131</b>            | <b>147</b> |

## ADJUSTED NET EARNINGS

| SEK MILLION                  | JAN-MAR  |           |            | 12-MONTH ROLLING      |           |
|------------------------------|----------|-----------|------------|-----------------------|-----------|
|                              | 2020     | 2019      | △          | APRIL 2019–MARCH 2020 | YEAR      |
| Net earnings                 | 9        | 44        | -35        | 20                    | 55        |
| Relocation costs             | -        | -         | -          | 17                    | 17        |
| Restructuring cost           | -        | 1         | -1         | 12                    | 13        |
| Acquisition cost             | -        | -         | -          | 12                    | 12        |
| <b>Adjusted net earnings</b> | <b>9</b> | <b>45</b> | <b>-36</b> | <b>61</b>             | <b>97</b> |

## ADJUSTED NET DEBT (EXCLUDING LEASE LIABILITIES)

| SEK MILLION   | 31-03-2020  | 31-03-2019  | 31-12-2019  |
|---|-------------|-------------|-------------|
| Net debt (-)  | -679        | -501        | -565        |
| Less interest-bearing liabilities attributable to lease liabilities | 288         | 249         | 267         |
| <b>Adjusted net debt (-), (excluding lease liabilities)</b>         | <b>-391</b> | <b>-252</b> | <b>-299</b> |

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

## INCOME STATEMENT, PARENT COMPANY

| SEK MILLION                               | JAN-MAR   |           |           | 12-MONTH ROLLING      | YEAR<br>2019 |
|---|-----------|-----------|-----------|-----------------------|--------------|
|   | 2020      | 2019      | △         | APRIL 2019–MARCH 2020 |              |
| Net sales                                 | 5         | 7         | -2        | 31                    | 33           |
| <b>Gross profit</b>                       | <b>5</b>  | <b>7</b>  | <b>-2</b> | <b>31</b>             | <b>33</b>    |
| Administrative expenses                   | -11       | -11       | —         | -52                   | -52          |
| <b>Operating earnings</b>                 | <b>-6</b> | <b>-4</b> | <b>-2</b> | <b>-21</b>            | <b>-19</b>   |
| Interest income                           | 0         | 0         | —         | 1                     | 1            |
| Interest expenses and similar loss items  | -1        | -1        | —         | -5                    | -5           |
| <b>Earnings after net financial items</b> | <b>-7</b> | <b>-5</b> | <b>-2</b> | <b>-25</b>            | <b>-23</b>   |
| Appropriations                            | —         | —         | —         | 60                    | 60           |
| <b>Earnings before tax</b>                | <b>-7</b> | <b>-5</b> | <b>-2</b> | <b>35</b>             | <b>37</b>    |
| Tax on earnings for the period            | 1         | 1         | —         | -9                    | -9           |
| <b>Earnings after tax</b>                 | <b>6</b>  | <b>-4</b> | <b>-2</b> | <b>26</b>             | <b>28</b>    |

## BALANCE SHEET, PARENT COMPANY

|   | 31-03-2020   | 31-03-2019   | 31-12-2019   |        |             |                |
|---|--------------|--------------|--------------|--------|-------------|----------------|
|   |              |              |              | ASSETS | LIABILITIES | OWNER'S EQUITY |
| <b>ASSETS</b>                                     |              |              |              |        |             |                |
| <b>Fixed assets</b>                               |              |              |              |        |             |                |
| Intangible fixed assets                           | 1            | 1            | 1            |        |             |                |
| Tangible fixed assets                             | 0            | 6            | 1            |        |             |                |
| <b>Total intangible and tangible fixed assets</b> | <b>1</b>     | <b>7</b>     | <b>2</b>     |        |             |                |
| <b>Financial assets</b>                           |              |              |              |        |             |                |
| Participations in Group companies                 | 1,450        | 1,382        | 1,382        |        |             |                |
| Deferred tax assets                               | 1            | 1            | —            |        |             |                |
| Other long-term receivables                       | 3            | 2            | 1            |        |             |                |
| <b>Total financial assets</b>                     | <b>1,454</b> | <b>1,385</b> | <b>1,383</b> |        |             |                |
| <b>Total fixed assets</b>                         | <b>1,455</b> | <b>1,392</b> | <b>1,385</b> |        |             |                |
| <b>Current assets</b>                             |              |              |              |        |             |                |
| Current receivables from Group companies          | 200          | 280          | 209          |        |             |                |
| Other current receivables                         | 20           | 27           | 16           |        |             |                |
| <b>Total current assets</b>                       | <b>220</b>   | <b>307</b>   | <b>225</b>   |        |             |                |
| <b>Total assets</b>                               | <b>1,675</b> | <b>1,699</b> | <b>1,610</b> |        |             |                |
| <b>EQUITY AND LIABILITIES</b>                     |              |              |              |        |             |                |
| <b>Equity</b>                                     |              |              |              |        |             |                |
| Restricted equity                                 | 110          | 110          | 110          |        |             |                |
| Non-restricted equity                             | 1,000        | 996          | 938          |        |             |                |
| <b>Total equity</b>                               | <b>1,110</b> | <b>1,106</b> | <b>1,048</b> |        |             |                |
| <b>Long-term liabilities</b>                      |              |              |              |        |             |                |
| Long-term liabilities to Group companies          | 287          | 200          | 287          |        |             |                |
| Other long-term liabilities                       | 250          | 289          | 250          |        |             |                |
| <b>Total long-term liabilities</b>                | <b>537</b>   | <b>489</b>   | <b>537</b>   |        |             |                |
| <b>Current liabilities</b>                        |              |              |              |        |             |                |
| Current liabilities to Group companies            | 1            | 67           | 0            |        |             |                |
| Other current liabilities                         | 27           | 37           | 25           |        |             |                |
| <b>Total current liabilities</b>                  | <b>28</b>    | <b>104</b>   | <b>25</b>    |        |             |                |
| <b>Total equity and liabilities</b>               | <b>1,675</b> | <b>1,699</b> | <b>1,610</b> |        |             |                |

JANUARY – MARCH 2020



## = A STRONGER SOLUTION

On February 28, the acquisition of PSM was completed. Bulten's and PSM's operations complement each other well and the acquisition will strengthen Bulten's position in Asia and North America, as well as the company's production capacity and product offering.

### FINANCIAL CALENDAR

**July 10, 2020** Half-year report January-June 2020  
**October 22, 2020** Interim report January-September 2020  
**February 11, 2021** Full-year report January-December 2020

The reports can be found on the Bulten website at [www.bulten.se](http://www.bulten.se) on their date of publication.

### CONTACT

Kamilla Oresvård, SVP Corporate Communications  
Phone: +46 (0)31-734 59 00, e-mail: [kamilla.oresvard@bulten.com](mailto:kamilla.oresvard@bulten.com)

### INVITATION TO PRESENTATION

Investors, analysts and media are invited to participate in the teleconference on April 23 at 15:30 CET. The report will be presented by Anders Nyström, 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-q1-2020>. 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: +46850558373  
UK: +443333009265  
US: +18332498405

---

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 13:30 CET on April 23, 2020.

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. In 2020, Bulten acquired PSM, a fastener supplier with 350 employees. The share (BULTEN) is listed on Nasdaq Stockholm. Read more at [www.bulten.se](http://www.bulten.se)

### Bulten AB (publ)

Box 9148, SE-400 93 Göteborg  
Visiting address: August Barks Gata 6 A  
Phone +46 (0)31-734 59 00  
[www.bulten.se](http://www.bulten.se)

