



NINE MONTHS REPORT, JAN-SEP 2020

22 OCTOBER 2020, AT 15.30 CET

SIX MONTHS REPORT, JAN-JUNE 2020

- Telephone/audio conference 22 October 2020, at 15.30 CET
- Presented by:
 - Anders Nyström, President and CEO
 - Claes Lundqvist, acting CFO

Direct Link Audiocast:

<https://tv.streamfabriken.com/bulten-q3-2020>

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AGENDA

1. Bulten in brief
2. Market development
3. Third quarter 2020
4. In focus 2020





Strong customer base and relationships with major vehicle OEMs as well as Tier 1 suppliers

Heavy Vehicle OEM's

AB Volvo
Mack
MAN

Renault
Scania
UD Trucks

Suppliers

Autoliv
Aisin
CATL
Chassis Brake Intl.
Elringklinger
Facil
Faurecia
Hoerbiger

Lear Corporation
Magna
Mahle
Optimas
Schaeffler
Takata
TRW
Trelleborg

Other

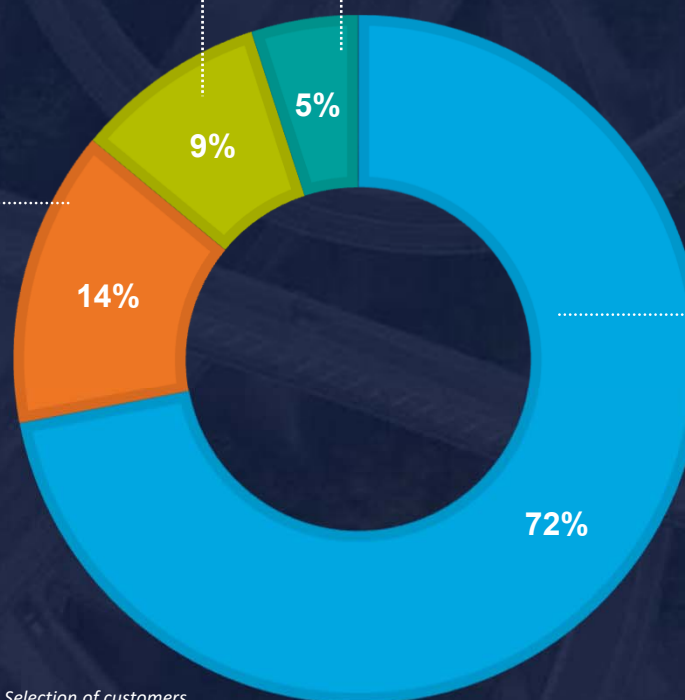
Akcom
Garmin
GE
Foxconn
Hitachi
Honeywell

Jabil
Miele
Mindary
Philips
Sony
TE

Light vehicle OEM's

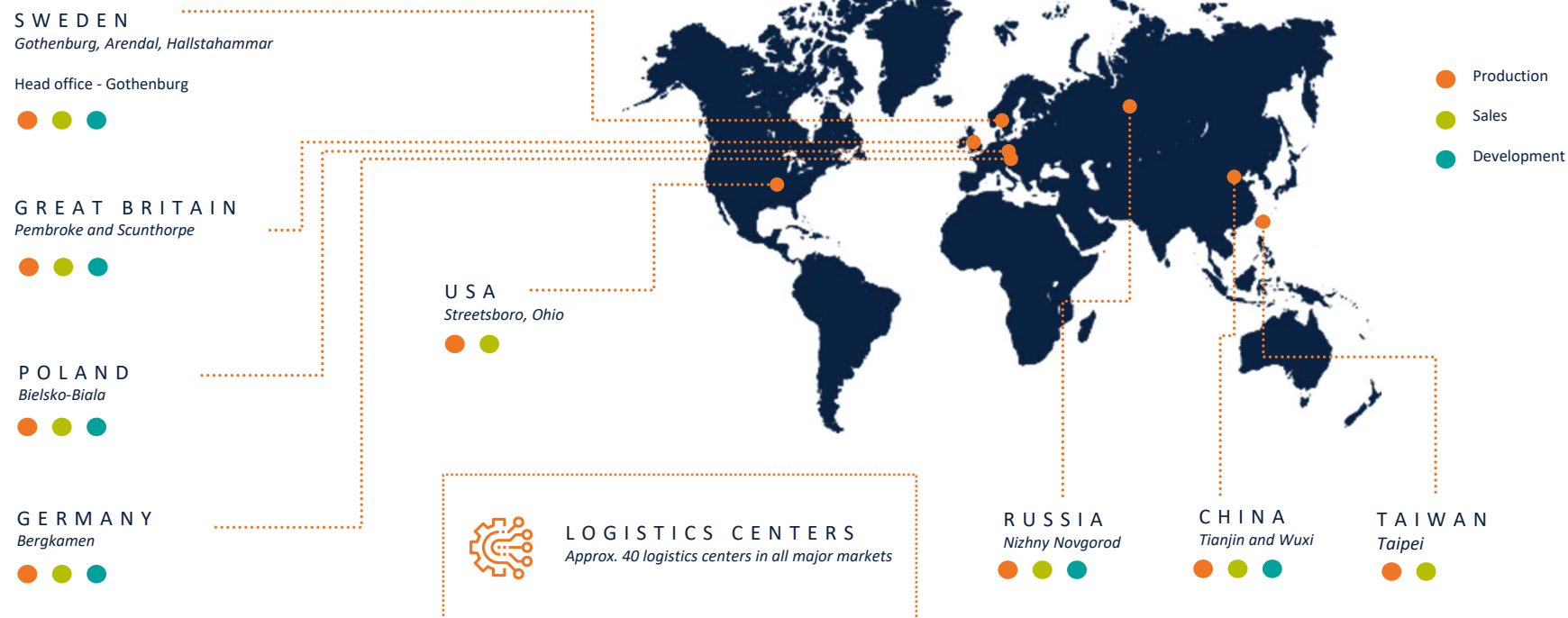
Audi
Avtovaz
BAIC
BMW
Fiat
Ford
Gaz
Geely
Jaguar
Land Rover
Lynk & Co

Nissan
Opel
Polestar
Porsche
Renault
Seat
Skoda
UAZ
Volkswagen
Volvo





STRONG GEOGRAPHICAL FOOTPRINT





Stronger 24

Bulten strategy





2. MARKET DEVELOPMENT





LMC AUTOMOTIVE SHORT-TERM MARKET VIEW

- LMC Automotive estimates of global automotive production, FY 2020
 - Stabilized forecast situation in Q3 compared to Q2
 - Production of LV in 2020 estimated down by 16.7%
 - Production of HCV (>15 t) in 2020 estimated down by 21.1%
 - For Bulten's mix towards automotive, down 17.1%
 - LV stands for ~89% of automotive sales
 - HCV stands ~11% of automotive sales
- LMC Automotive estimates of global light vehicle sales September 2020
 - A decrease by 19.4% compared to Jan-Sep sales same period 2019

-19%

LV global sales
YTD

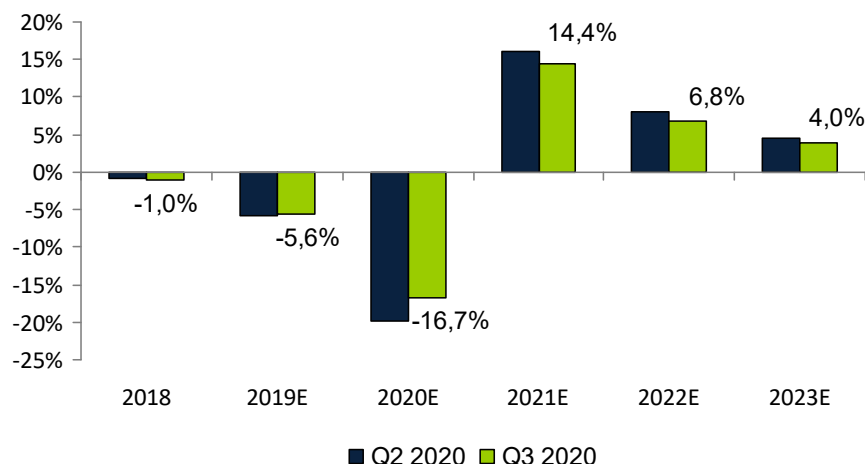
Source: LMC Automotive, Q3 2020 and Global Light Vehicle Sales update September

LMC AUTOMOTIVE LONG-TERM VIEW FOR GLOBAL PRODUCTION



GLOBAL PRODUCTION GROWTH RATE (YEAR ON YEAR)

LIGHT VEHICLES

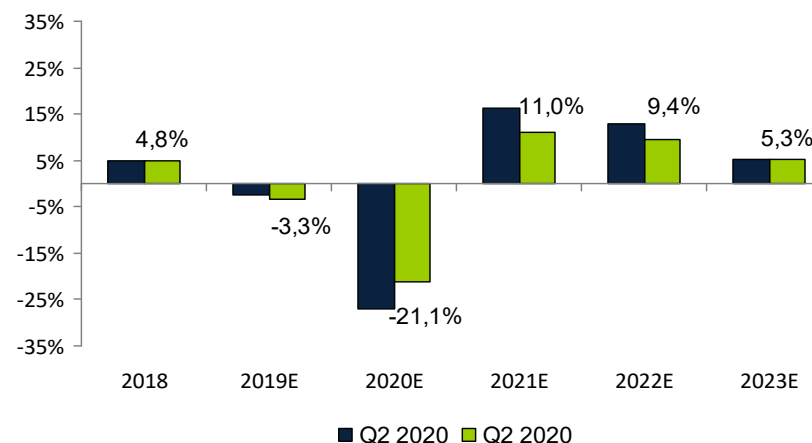


LMC Automotive (Q3 2020 report) has increased its global forecast of LV production 2020 compared to the Q2 2020 forecast. Q3 forecast 2020 shows a decrease of 16.7% compared to 2019. LMCA predicts a bounce back in 2021 and forecast an increase of 14.4% in 2021 and 6.8% in 2022.

Source: LMC Automotive Forecast Q2 & Q3 2020

GLOBAL PRODUCTION GROWTH RATE (YEAR ON YEAR)

HEAVY COMMERCIAL VEHICLES (>15T)



LMC Automotive (Q3 2020 report) has increased its world forecast of HCV production 2020 compared to the Q2 forecast. Q3 forecast 2020 shows a decrease of 21.1% compared to 2019. LMCA predicts a bounce back in 2021 and forecast an increase of 11.0% in 2021 and 9.4% in 2022.



3. THIRD QUARTER 2020





EVENTS DURING Q3 2020

- After a slow start in Q3 volumes increased at the end of August and in September
 - Automotive industry recovery
 - Ramp up of new contracts and PSM acquisition
- Bulten signed a new full-service contract (FSP) in July, with an annual value of approximately EUR 60 million at full pace
- Bulten and PSM's respective operations in the US moves to a joint greenfield site in Streetsboro, Ohio
- Bulten moves and expands its manufacturing facility in Taiwan
- Changes in Group Management
 - New Senior Vice President Technology and Innovation.
 - Bulten's President and CEO took over the management of PSM after PSM's President chose to leave.

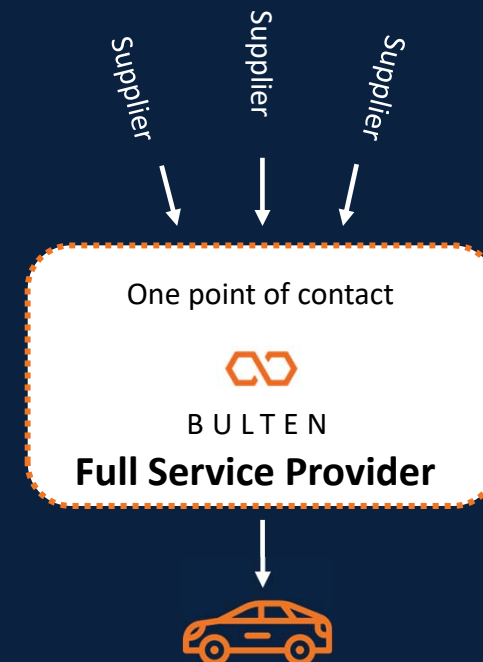


New, shared site for Bulten and PSM in Streetsboro, Ohio.

BULTEN AWARDED A NEW FSP CONTRACT

- Bulten awarded an FSP contract for supply of fasteners to a European automotive manufacturer for two assembly plants
- Takeover of existing FSP from a competitor, deliveries started immediately (July 24) at the point in time pace and extends for a period of five years
- The annual order value is of appr. EUR 60 million at full pace
- Start-up costs are expected to be around EUR 1 million, EUR 0.3 million in the third quarter

FROM COMPLEX AND TIME CONSUMING
TO ONE POINT OF CONTACT



GROUP SUMMARY Q3 2020



FINANCIAL SUMMARY

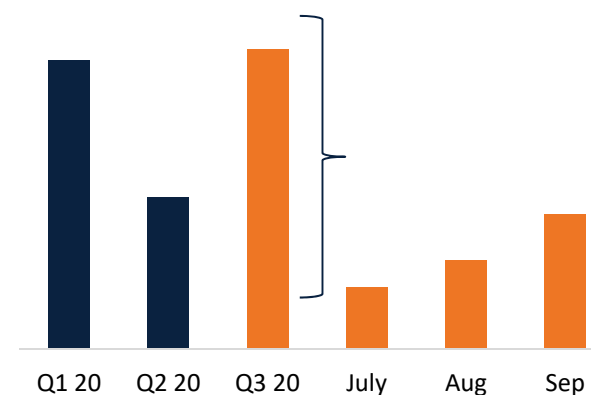
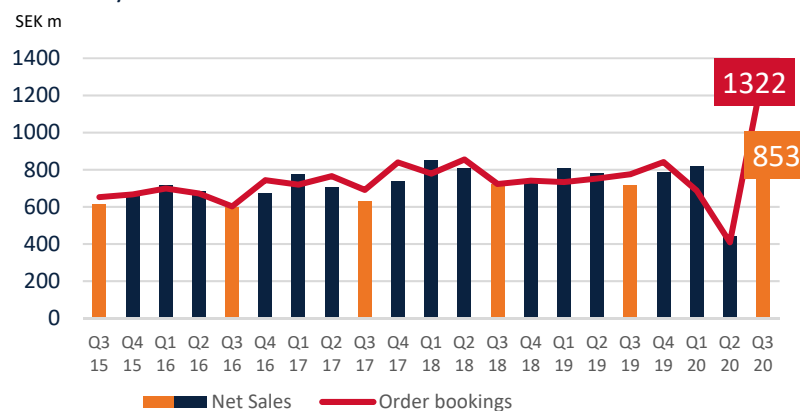
	Q3			JAN - SEP			LTM	FY	Δ
	2020	2019	Δ	2020	2019		OCT 19- SEP 20	2019	
Net sales	853	718	18.8%	2,115	2,309	-8.4%	2,899	3,093	-6.3%
Gross profit	161	106	55	355	394	-39	504	543	-39
Earnings before depreciation (EBITDA)	80	29	51	145	174	-29	210	239	-21
Operating earnings (EBIT)	40	-8	48	24	71	-47	51	98	-47
Operating margin, %	4.7	-1.0	5.7	1.2	3.1	-1.9	1.8	3.2	-1.4
Adj, operating earnings (EBIT)	40	19	21	24	105	-81	66	147	-81
Adj, operating margin, %	4.7	2.8	1.9	1.2	4.6	-3.4	2.3	4.8	-2.5
Earnings after tax	17	-14	31	-13	44	-57	-2	55	-57
Earnings per share before dilution, SEK	0.91	-0.75	1.66	-0.33	2.08	-2.41	0.19	2.62	-2.43
Adj. earnings per share before dilution, SEK	0.91	0.28	0.63	-0.33	3.46	-3.79	0.90	4.73	-3.83
Order bookings	1,322	776	70.2%	2,419	2,261	7.0%	3,261	3,103	5.1%
Return on capital employed, %	–	–	–				2.5	5.5	-3.0
Return on capital employed excluding lease liabilities, %	–	–	–				2.6	5.8	-3.2



SALES: POSITIVE MARKET DEVELOPMENT AND RAMP UP OF NEW CONTRACTS

- Sales 853 MSEK (718), up 18.8% in Q3 vs last year
 - 117 MSEK of sales is attributable to PSM
- Order bookings 1322 MSEK (776), up 70% in Q3 vs last year
 - Due to new contracts, positive market development and pent-up demand
 - 113 MSEK of order bookings is attributable to PSM
- Uncertain production situation in the automotive industry due to COVID-19 and macroeconomic factors

Quarterly volumes

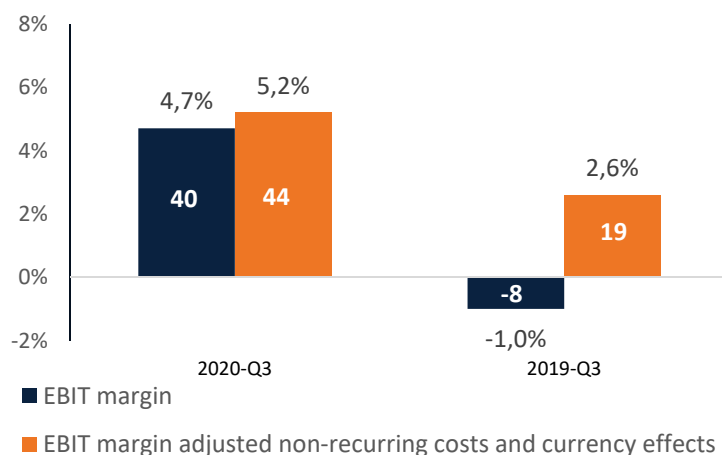




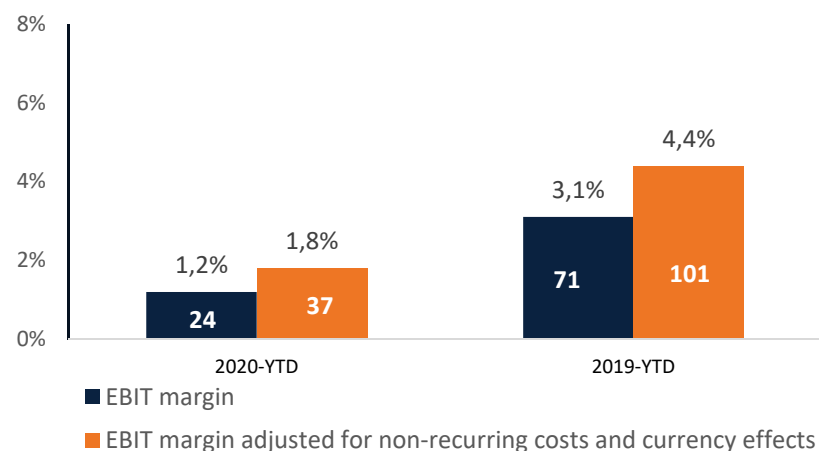
EBIT: HIGHER VOLUMES AFFECTED MARGINS

- Quarter EBIT SEK 40 million with EBIT margin rising to 4.7% (-1.0) in Q3
 - Volumes and production affected profitability positively mainly in September, but low in July and partly August
 - Government support 8 MSEK related to pandemic. No lay-offs as from October 1.
 - Currency effects of SEK -4 million

Quarter EBIT margin



YTD EBIT margin





CASH FLOW, BALANCE SHEET AND NET DEBT

CASH FLOW STATEMENT (MSEK)

	Q 3		JAN - SEP		FY
	2020	2019	2020	2019	2019
Cash flow from operating activities before changes in working capital	75	38	113	143	177
Cash flow from operating activities including changes in working capital	157	114	271	109	207
Cash flow from investing activities	-12	-84	-100	-168	-218
Cash flow for the period	1	-27	83	20	45
Cash and cash equivalents at end of period	147	39	147	39	64

BALANCE SHEET (MSEK)

	2020-09-30	2019-09-30	2019-12-31
ASSETS			
Total assets	3,043	2,751	2,710
EQUITY AND LIABILITIES			
Equity	1,512	1,507	1,497
Total long-term liabilities	587	581	579
Total current liabilities	944	663	634
Total equity and liabilities	3,043	2,751	2,710
Net debt (-)	-605	-596	-565
Net debt (-) excluding lease liabilities	-238	-328	-299

KEY INDICATORS



THE GROUP, 12 MONTHS

	LTM		FULL YEAR
	OCT 19-SEP 20	OCT 18-SEP 19	2019
RETURN INDICATORS			
Return on capital employed, %	2.5	6.4	5.5
Adjusted Return on capital employed, %	3.1	8.3	8.1
Return on capital employed, (excluding financial lease) %	2.6	6.8	5.8
Adjusted Return on capital employed, (excluding financial lease) %	3.4	8.7	8.5
Return on equity %	0.3	4.8	3.5
Adj. Return on equity %	1.2	7.2	6.4
CAPITAL STRUCTURE			
Capital turnover, times*	1.3	1.6	1.6
Net debt (-) / EBITDA	-2.9	-2.4	-2.4
Adjusted Net debt (-) / EBITDA	-1.1	-1.3	-1.3
THE GROUP	2020-09-30	2019-09-30	2019-12-31
CAPITAL STRUCTURE			
Net debt/equity ratio, times	-0.4	-0.4	-0.4
Equity/assets ratio, %	49.7	54.8	55.2
* Equity/assets ratio, (excluding financial lease) %	56.0	59.9	60.5



FINANCIAL TARGETS AND GUIDELINES

Growth			Margin		ROCE					
Net sales SEK 5 billion in 2024, equating to a compound annual growth rate (CAGR) of 10%.			Operating margin of at least 8%.		At least 15%.					
	Q3	RTM	Q3	RTM	Q3	RTM		RTM	FULL YEAR 2019	GUIDE-LINES
Reported	18.8%	-6.3%	4.7%	1.8%	N.A.	2.5%	Average net working capital as % of sales	27.1	25.5	20-25
Adjusted ¹⁾	N.A.	N.A.	4.7%	2.3%	N.A.	2.6%	CAPEX as % of sales	2.9	7.1	2-3
							Depreciation as % of sales	5.5	4.5	4-5
							Depreciation (excl. lease liabilities IFRS 16) as % of sales	3.9	3.3	2-3
							Tax rate	113.9	41.7	24-28

1) Adjusted for non recurring costs (relocation-, restructuring- and acquisition costs)

¹⁾ Adjusted for non recurring costs (relocation-, restructuring- and acquisition costs)

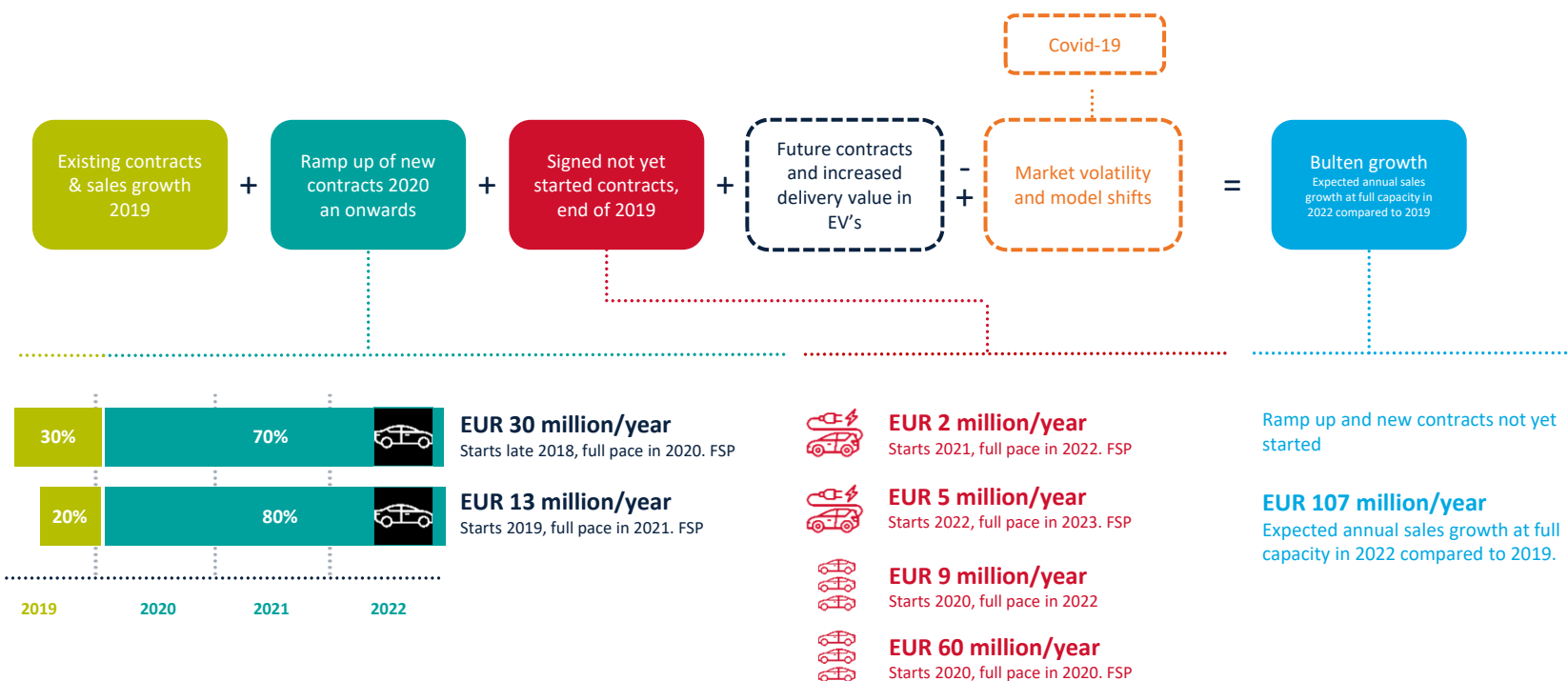


4. IN FOCUS 2020





PREDICTED STRONGER BULTEN GROWTH VS THE MARKET



COVID 19 and current market uncertainty may still have an impact on volumes

IN FOCUS 2020

- Closely monitor current situation in the industry and pandemic effects
- Continue strict cost and cash flow control
- Continue efficient ramp-ups
- Capture PSM synergies
- Increase innovation and sustainability activities
- Execute Stronger 24 strategy





BULTEN - A STRONGER SOLUTION

