



NINE MONTHS REPORT, JAN-SEP 2021

28 OCTOBER 2021, AT 15.30 CET

Nine Months Report, Jan-Sep 2021



- Telephone/audio conference
28 October 2021, at 15.30 CET
- Presented by:
 - Anders Nyström, President and CEO
 - Anna Åkerblad, CFO

Direct Link Audiocast:
<http://www.financialhearings.com/event/13094>

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Agenda

1. Bulten in brief
2. Market development
3. Third quarter 2021
4. In focus 2021





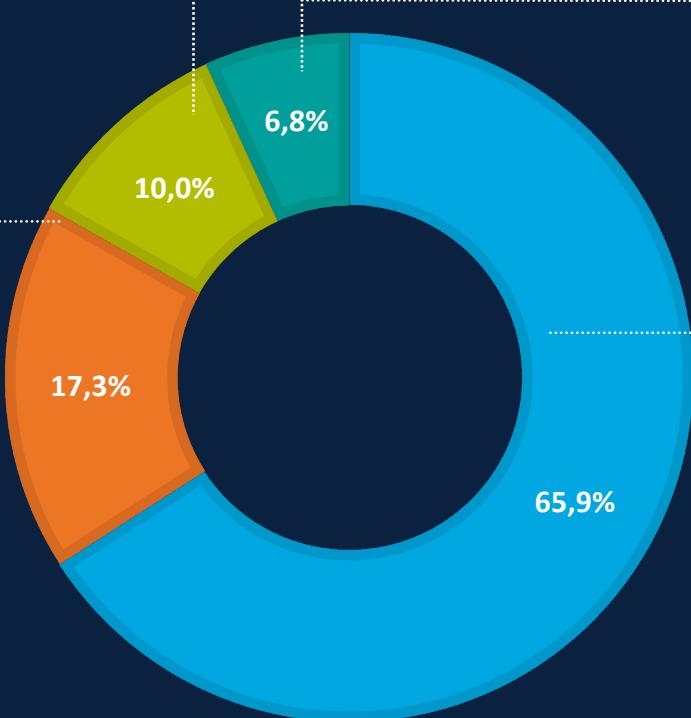
Strong customer base and relationships with major vehicle OEMs as well as Tier 1 suppliers

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

- Selection of customers
- Share of Bulten's sales YTD Sept 2021



Strong geographical footprint

S W E D E N
Gothenburg, Arendal, Hallstahammar

Head office - Gothenburg



G R E A T B R I T A I N
Pembroke and Scunthorpe



P O L A N D
Bielsko-Biala



G E R M A N Y
Bergkamen



U S A
Streetsboro, Ohio



LOGISTICS CENTERS

In total, approx. 40 logistics centers in all major markets.

PARTLY-OWNED DISTRIBUTION COMPANIES

A total of 5 partly owned distribution companies in 5 countries.

R U S S I A
Nizhny Novgorod



C H I N A
Tianjin and Wuxi



T A I W A N
Taipei



- Production
- Sales
- Development





2. Market Development





LMC Automotive short-term market view

- LMC Automotive estimate global automotive production, full-year 2021
 - Forecasts radically reduced in Q3 2021 compared to Q4 2020
 - Full-year production of light vehicles in 2021 estimated up by 2.8% vs 2020
 - Full-year production of heavy commercial vehicles (>15 t) in 2021 up by 1.3% vs 2020
 - For Bulten's mix towards automotive, up 2.7%
 - Light vehicles stands for ~89% of automotive sales
 - Heavy commercial vehicles stands for ~11% of automotive sales
- LMC Automotive global light vehicle sales September 2021
 - September light vehicles sales -20.3% vs same period 2020
 - January-September sales +12% vs same period 2020

+31%
Bulten net sales in
total YTD

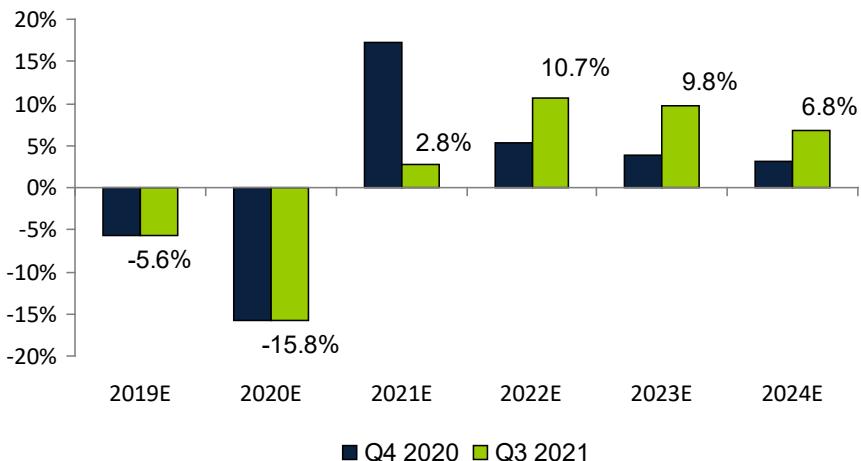
Market share gains for Bulten,
driven by both organic and
un-organic growth.



LMC Automotive long-term view for global production

GLOBAL PRODUCTION GROWTH RATE (YEAR ON YEAR)

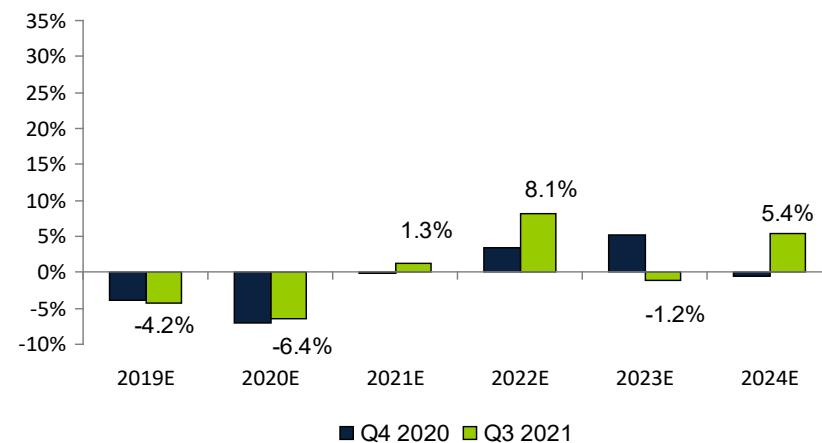
LIGHT VEHICLES



LMC Automotive (Q3 2021 report) has decreased its global forecast of LV production 2021 compared to the Q4 2020 forecast. Q3 forecast 2021 shows an increase of 2.8% compared to 2020.

GLOBAL PRODUCTION GROWTH RATE (YEAR ON YEAR)

HEAVY COMMERCIAL VEHICLES (> 15 T)



LMC Automotive (Q3 2021 report) has increased its world forecast of HCV production 2021 compared to the Q4 forecast. Q2 forecast 2021 shows an increase of 1.3% compared to 2020.

Source: LMC Automotive Forecast Q4 2020 & Q3 2021



3. Third Quarter 2021





Events during Q3 2021

- Lack of semiconductors, which affected the entire industry throughout 2021, was a clear inhibiting factor for Bulten in Q3.
- Lower volume, lower capacity utilization and record high raw material prices affected profitability negatively during the quarter, partly offset by efficiencies and raw material related sales price compensation.
- New contracts from existing customers as well as new customers – within and outside the automotive industry.





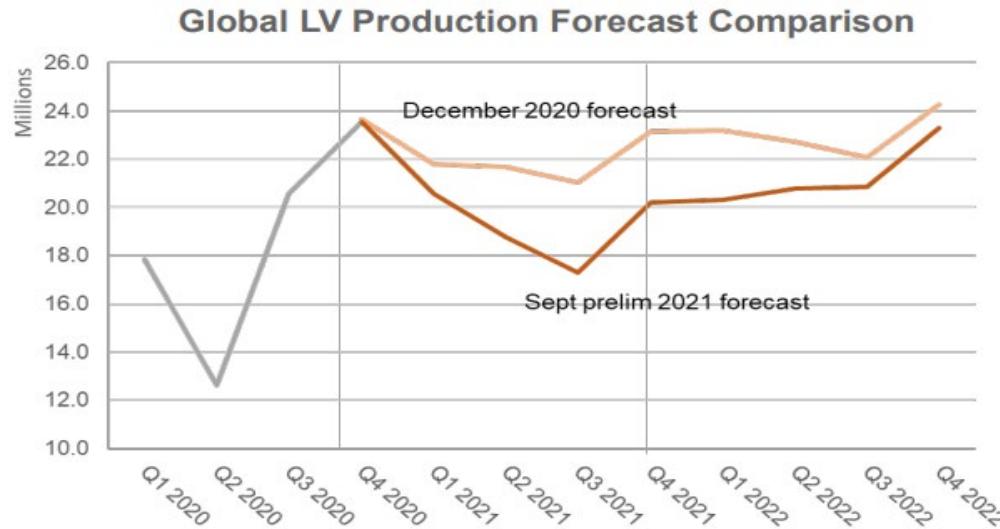
New contracts Q3 2021

- Extension of the scope of an existing FSP contract worth appr. SEK 68 million per year.
- A new FSP contract from a new customer for Bulten, related to an electric vehicle program under development. The contract value is approximately SEK 220 million per year.
- A strategically important agreement in China for supply of fasteners to a leading provider of consumer electronics. Annual value of approximately SEK 50 million.





Semiconductor shortage – a global problem



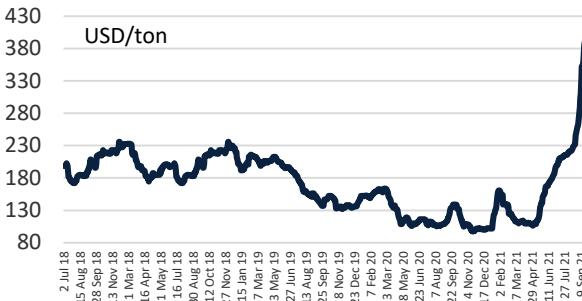
Source: LMC Automotive Flash Alert September 2021

Increase of steel prices



- Imbalance between supply and demand
- Prices have continued to increase significantly during the quarter
- Time lag for price compensation from customers

Coaking Coal on all time high levels in Aug-Sep



Source: S&P Global Platts

Iron Ore dropped significantly in Aug-Sep



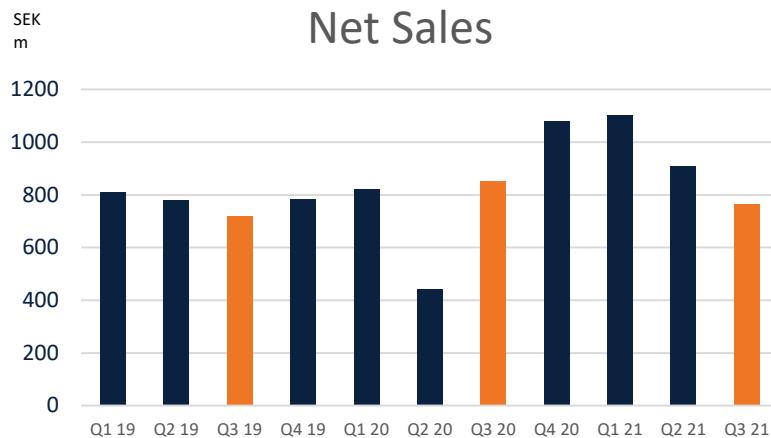
Scrap has dropped since its peak level in July





Sales: Decreased sales, lack of semiconductors affected

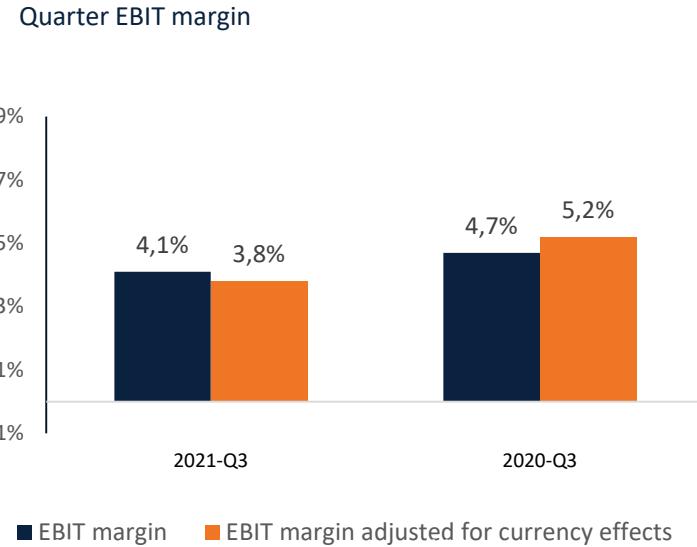
- Sales 764 MSEK (853), down -10.5% in Q3 vs last year
 - Sales slowed down in Q3, due to lack of semiconductors that caused disruptions in the production in the automotive industry.
 - Strong Q3 last year due to returned volumes after pandemic.





EBIT: Lower volumes affected margins

- Quarter EBIT SEK 31 million (40) with EBIT margin amounted to 4.1% (4.7) in Q3
 - Lower volumes and capacity utilization
 - Lack of semiconductors
 - Adjusted production capacity to meet lower demand
 - Higher steel prices
 - Currency effects of SEK 2 (-4) million





Group summary Q3 2021

FINANCIAL SUMMARY	Q3			JAN - SEP			LTM		FY	
	2021	2020	Δ	2021	2020	Δ	OCT 20 - SEP 21	2020	2020	Δ
Net sales	764	853	-10.5%	2,777	2,115	31.3%	3,857	3,195	20.7%	
Gross profit	140	161	-21	542	355	187	754	567	187	
Earnings before depreciation (EBITDA)	74	80	-6	310	145	165	442	277	165	
Operating earnings (EBIT)	31	40	-9	184	24	160	276	116	160	
Operating margin, %	4.1	4.7	-0.6	6.6	1.2	5.4	7.1	3.6	3.5	
Adj. operating earnings (EBIT)	31	40	-9	184	24	160	273	113	160	
Adj. operating margin, %	4.1	4.7	-0.6	6.6	1.2	5.4	7.1	3.5	3.6	
Earnings after tax	16	17	-1	122	-13	135	185	50	135	
Earnings per share before dilution, SEK	0.68	0.91	-0.23	5.69	-0.33	6.02	8.65	2.66	5.99	
Adj. earnings per share before dilution, SEK	0.68	0.91	-0.23	5.69	-0.33	6.02	8.53	2.53	6.00	
Order bookings	830	1,322	-37.2%	2,787	2,419	15.2%	3,975	3,607	10.2%	
Return on capital employed, %	-	-	-	-	-	-	11.7	5.4	6.3	
Return on capital employed (excl. lease, IFRS 16) %	-	-	-	-	-	-	13.5	5.9	7.6	

Cash flow, Balance Sheet and Net Debt



CASH FLOW STATEMENT (MSEK)	Q 3		JAN - SEP		FULL YEAR
	2021	2020	2021	2020	2020
Cash flow from operating activities before changes in working capital	64	75	260	113	234
Cash flow from operating activities including changes in working capital	-122	157	3	271	447
Cash flow from investing activities	-55	-12	-96	-100	-119
Cash flow from financing activities	171	-144	38	-88	-154
Cash flow for the period	-6	1	-55	83	174
Cash and cash equivalents at end of period	191	147	191	147	236

BALANCE SHEET (MSEK)	2021 - 09 - 30	2020 - 09 - 30	2020 - 12 - 31
	ASSETS		
Total assets	3,216	3,043	3,071
EQUITY AND LIABILITIES			
Equity	1,637	1,512	1,517
Total long-term liabilities	608	587	574
Total current liabilities	971	944	980
Total equity and liabilities	3,216	3,043	3,071
Net debt (-)	-623	-605	-458
Net debt (-) excluding lease liabilities	-285	-238	-112



Key indicators

THE GROUP, 12 MONTHS	FULL YEAR		
	OCT 20-SEP 21	OCT 19-SEP 20	2020
RETURN INDICATORS			
Return on capital employed, %	11.7	2.5	5.4
Adjusted Return on capital employed, %	11.6	3.1	5.2
Return on capital employed, (excluding lease, IFRS 16) %	13.5	2.6	5.9
Adjusted Return on capital employed, (excluding lease, IFRS 16) %	13.3	3.4	5.8
Return on equity %	11.7	0.3	3.7
Adj. Return on equity %	11.5	1.2	3.5
CAPITAL STRUCTURE			
Capital turnover, times	1.6	1.3	1.5
Net debt (-) / EBITDA	-1.4	-2.9	-1.7
Adjusted Net debt (-) / EBITDA	-0.6	-1.1	-0.4
THE GROUP	2021-09-30	2020-09-30	2020-12-31
CAPITAL STRUCTURE			
Net debt/equity ratio, times	-0.4	-0.4	-0.3
Equity/assets ratio, %	50.9	49.7	49.4
Equity/assets ratio, (excluding lease, IFRS 16) %	56.6	56.0	55.2



Financial Targets and Guidelines

Growth		Margin		ROCE		2021-09-30 RTM	FULL YEAR 2020	GUIDE-LINES		
				At least 15%.						
	Q3	RTM	Q3	RTM	RTM	2020				
Reported	-10.5%	20.7%	4.1%	7.1%	11.7%	5.4%	Average net working capital as % of sales	21.0	22.4	20-25
Adjusted¹⁾	N.A.	N.A.	4.1%	7.1%	11.6%	5.2%	CAPEX as % of sales	3.1	1.7	2-3
							Depreciation as % of sales	4.3	5.0	4-5
							Depreciation (excl. lease IFRS 16) as % of sales	2.8	3.5	2-3
							Tax rate	26.9	44.1	24-28

1) Adjusted for non recurring costs



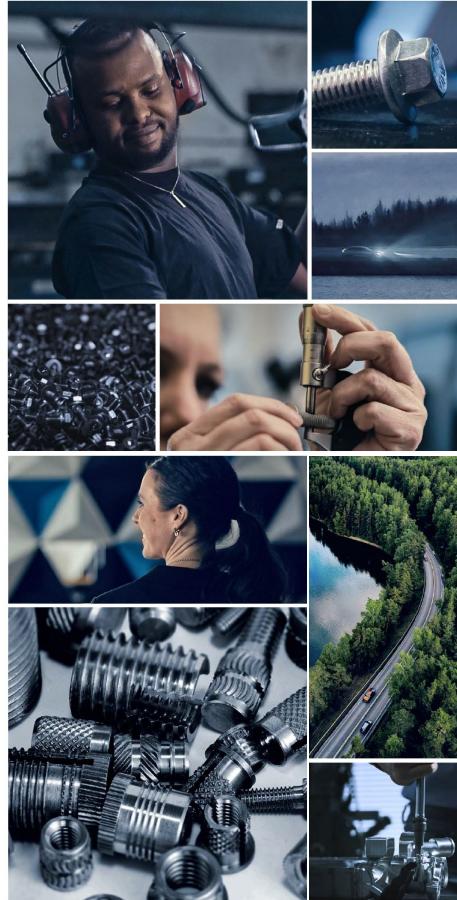
4. In focus





In focus 2021

- Closely monitor and adapt to the current situation in the industry
 - Shortages of semiconductors
 - High steel prices
- Maintain strict cost and cash flow control
- Be prepared for recovery of customer production
- Continue margin improvement initiatives
- Accelerate innovation and sustainability activities
- Win incremental business to secure further organic growth





BULTEN STRATEGY

Stronger 24

STRONG POSITION

FSP concept 2.0, geographic proximity, forefront of innovation and sustainability

Strong offer including sustainability and innovation leadership

GROWTH

Organic and Acquisition growth

Sales SEK 5 B 2024
CAGR 10%

MARGIN EXPANSION

Synergies, economy of scale, production efficiency, technology

EBIT margin
> 8%

STRONG FINANCIAL PLATFORM

Financial leverage, investments in efficiency, solid equity/asset ratio, dividends

ROCE
> 15%

Today

2024



BULTEN - A STRONGER SOLUTION

