



FULL YEAR, JAN-DEC 2021

10 FEBRUARY 2022, AT 15.30 CET

FULL YEAR REPORT, JAN-DEC 2021

- Telephone/audio conference 10 February 2022, at 15.30 CET
- Presented by:
 - Anders Nyström, President and CEO
 - Anna Åkerblad, CFO

Direct Link Audiocast:

<https://tv.streamfabriken.com/bulten-q4-2021>

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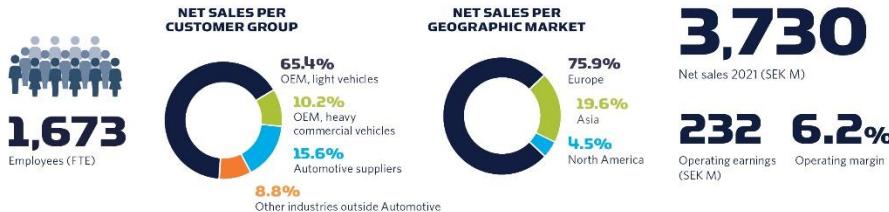
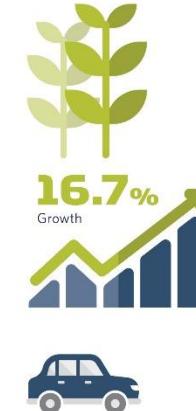
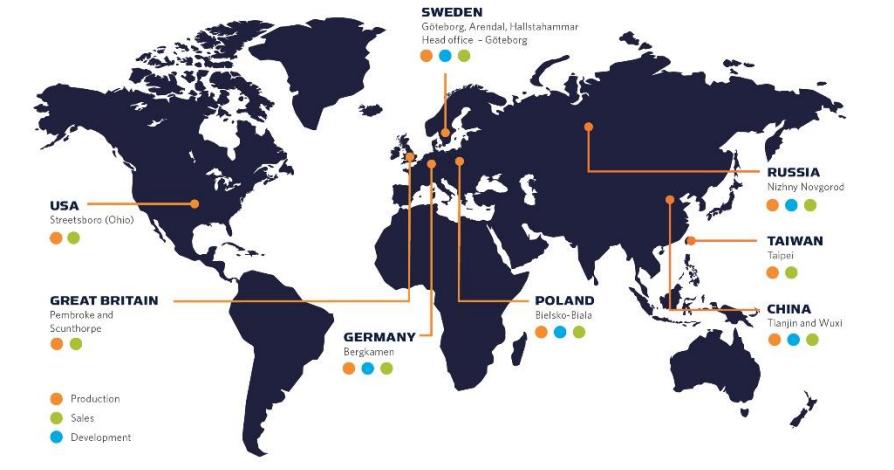


AGENDA

1. Bulten in brief
2. Market development
3. Fourth quarter & full year 2021
4. In focus 2022



BULTEN IN BRIEF



SELECTION OF CUSTOMERS

Light vehicles: Audi, Avtovaz, BAIC, BMW, Fiat, Ford, Gaz, Geely, Jaguar, Land Rover, Lynk & Co, Nissan, Opel, Peugeot, Porsche, Renault, Seat, Skoda, Tesla, UAZ, Volkswagen, Volvo

Heavy vehicles: AB Volvo, Mack, MAN, Renault, Scania, UD Trucks

Suppliers: Adient, Autoliv, Aisin, Bosch, CAFL, Chassis Brake Int'l, Delphi, Novares, Elring Klinger, Keltin, Magna, Faic, Faurecia, Hoerbiger, Lear Corporation, Magna, Mann + Hummel, Mahle, Optimas, Schaeffler, Takata, TRW, Trelleborg

Others: Alcom, Garmin, GE, Foxconn, Hitachi, Honeywell, Jabil, Miele, Mindray, Philips, Sony, TE



2. MARKET DEVELOPMENT





LMC AUTOMOTIVE SHORT-TERM MARKET VIEW

- LMC Automotive summary of global vehicle production, full year 2021:
 - Production of light vehicles in 2021 up by 2.2%
 - Production of heavy commercial vehicles (>15 t) in 2021 down by 2.9%
 - For Bulten's mix towards automotive, up 1.6%
 - Light vehicles stands for ~88% of automotive sales
 - Heavy commercial vehicles stands ~12% of automotive sales

+16.7%
Bulten net sales
in total YTD

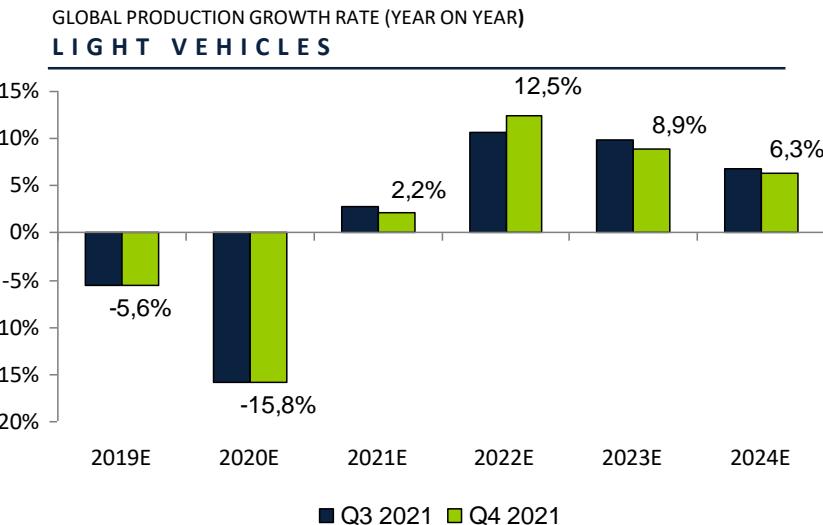
vs

+1.6%
Automotive sales
in Bulten's
market mix

Source: LMC Automotive, Q4 2021 & Global Light Vehicle Sales update January 2021

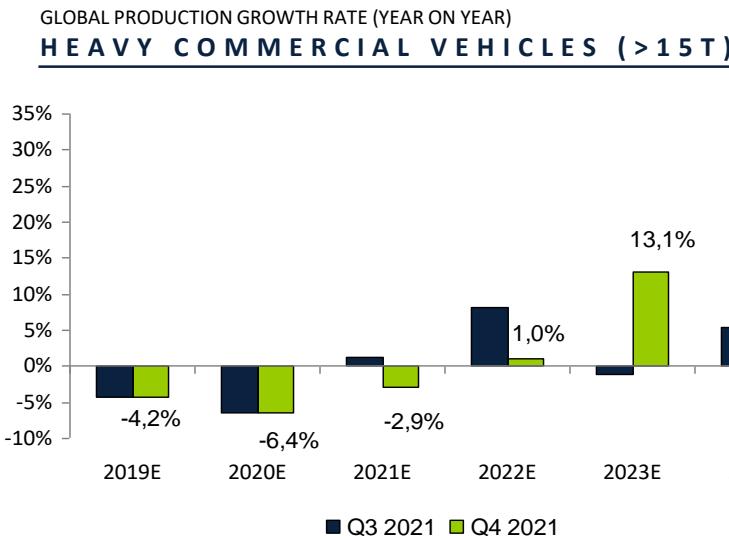


LMC AUTOMOTIVE LONG-TERM VIEW FOR GLOBAL PRODUCTION



LMC Automotive (Q4 2021 report) has decreased its global forecast of light vehicle production 2021 compared to the Q3 2021 forecast. The Q4 forecast 2021 shows an increase of 2.2% compared to 2020. LMCA predicts a bounce back in 2022 of 12.5%.

Source: LMC Automotive Forecast Q3 2021 & Q4 2021



LMC Automotive (Q4 2021 report) has decreased its world forecast of heavy commercial vehicles production 2021 compared to the Q3 2021 forecast. The Q4 forecast 2021 shows a decrease of 2.9% compared to 2020. LMCA now predicts a small recovery in 2022 of 1% followed by a larger increase in 2023 of 13.1%.



SEMICONDUCTOR SHORTAGE – A GLOBAL PROBLEM

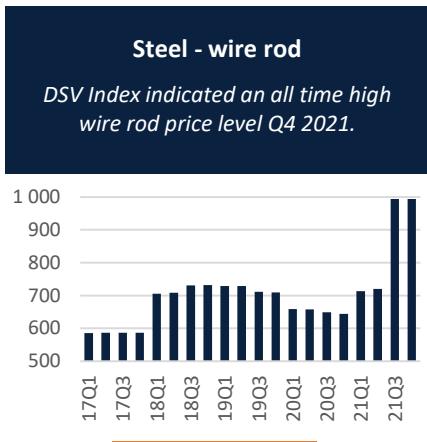
- Signs indicate the **shortage will persist** in the coming months, even as the microchip production comes online
- According to a study by the U.S. Commerce Department shows that a *“significant, persistent mismatch in supply and demand for chips”* remains
- Many types of **chips in short supply throughout 2022**, and with some component lead times pushing into 2023
- By the end of 2022, the **lead times will decrease** to 10–20 weeks (20–52 weeks mid 2021)
- The industry will probably be **in balance by early 2023**

-9,6 million is the estimated light vehicle production impact in units due to the semiconductor shortage in 2021.

Source: Deloitte Global, Dec. 1, 2021 & Autoforecast, January 31, 2022



RAW MATERIAL PRICE DEVELOPMENT



Cost drivers

- Iron ore, coking coal and steel scrap
- Energy prices
- Supply vs. demand
- Trade tariffs
- Emission rights

2022 Outlook

Price pressure anticipated to impact steel prices negatively during the first half of 2022.

We expect supply/demand to become more aligned during the second half of 2022, which could provide some relief on material cost.

Source: Deutscher Schraubenverband



2. FOURTH QUARTER & FULL YEAR 2021





EVENTS DURING AND AFTER Q4 2021

- Signed an FSP (Full Service Provider) to a new European vehicle program
 - Contract value of ~ SEK 100 million annually at full capacity
 - Clear sustainability objectives
- Signed several smaller, but strategically important contracts, with automotive suppliers and home electronic customers...
- Renewed financing agreement with Svenska Handelsbanken
 - 550 MSEK extra in credit (1,300 MSEK in total)
- The Board propose the AGM a dividend for 2021 of SEK 2.25 (2.00) per share



An FSP contract was signed with clear sustainable objectives

A YEAR WITH INCREASED MARKET SHARE AND SALES RECORD



Q4 2021

- Third best quarter ever in sales
- Strong sales growth in Automotive suppliers and other industries outside the Automotive sector
- Increased costs in energy, steel rods and transports, combined with continued semiconductor shortage and lag in cost compensation, put pressure on the EBIT margin

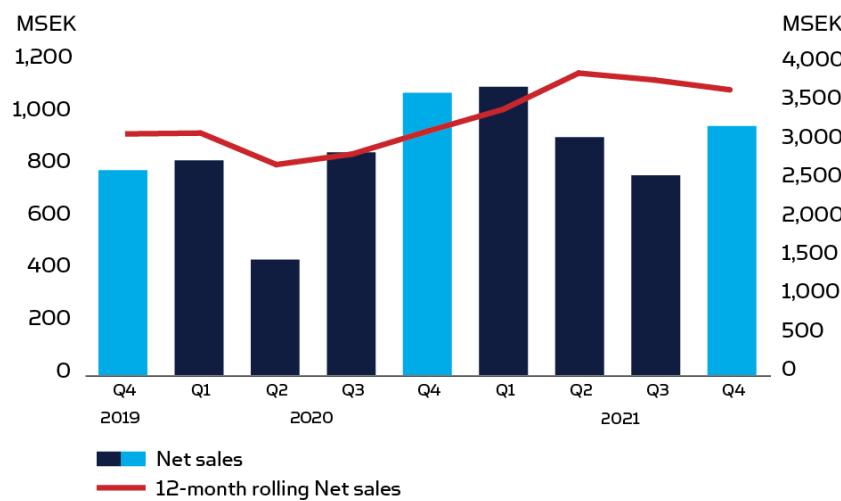
Full year 2021

- Best year ever in sales
- Increased market share within Automotive
- Strategically important agreements
- Strong flow of new agreements
- Strong sales growth in Automotive suppliers and other industries outside the Automotive sector



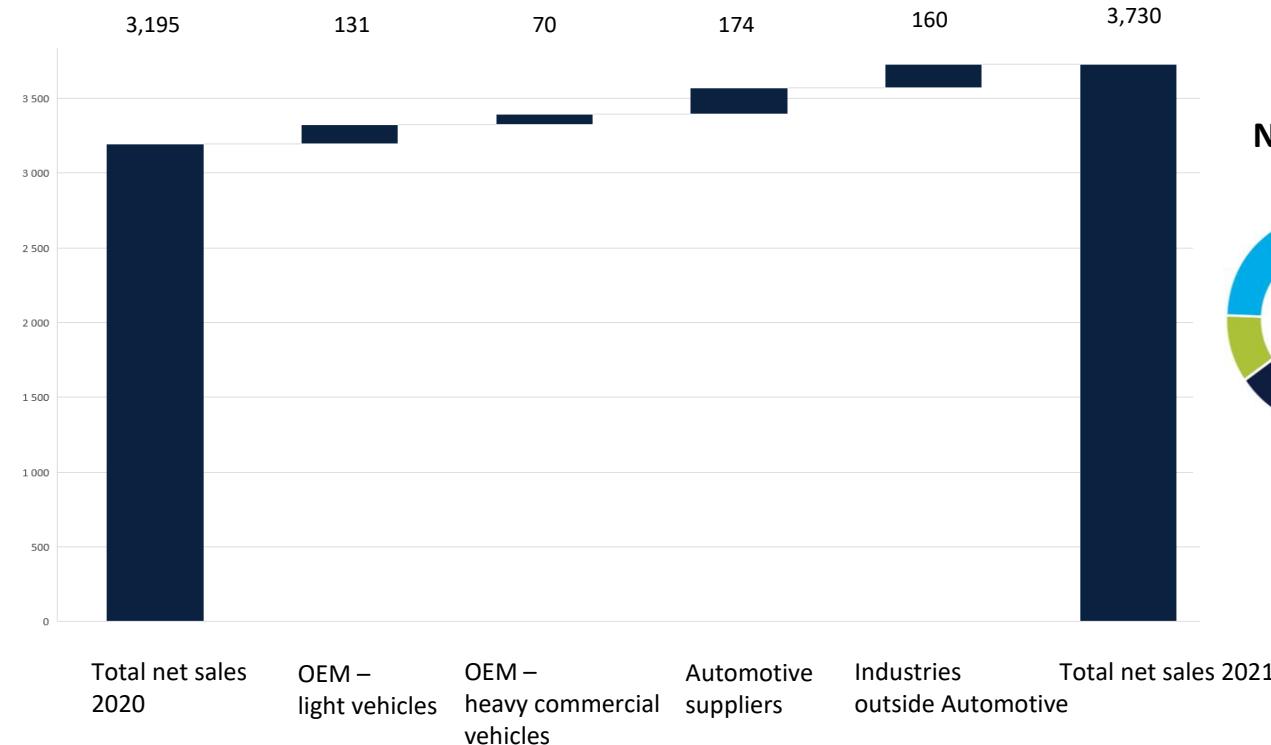
THIRD BEST QUARTER AND BEST YEAR EVER

- Sales in Q4: 953 MSEK (1,080), down -11.7% vs Q4 last year
- Sales 2021: 3,730 MSEK (3,195), up 16.7% vs previous year
- EBIT margin Q4: 5.0 (8.5)%
- EBIT margin 2021: 6.2 (3.6)%

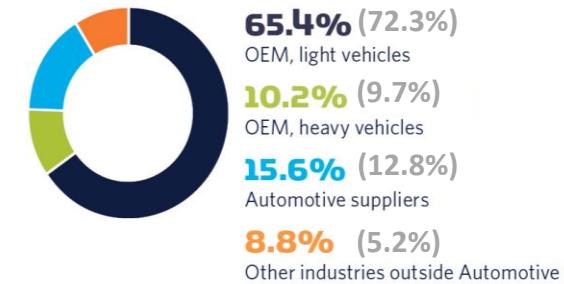




ALL CUSTOMER GROUPS CONTRIBUTED TO SALES



Net sales per customer group



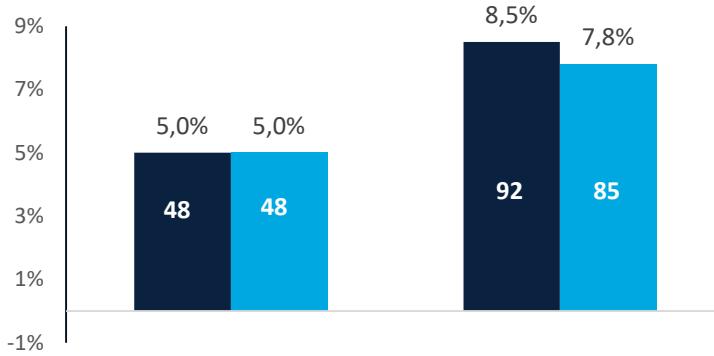


EBIT Q4: LOWER MARGINS

EBIT FULL YEAR: INCREASED MARGINS

- Quarter EBIT SEK 48 million with EBIT margin 5.0% (8.5)
- Full year EBIT SEK 232 million (116) with EBIT margin 6.2% (3.6)
 - Fluctuating volumes due to Covid-19, semiconductor shortage and lag in price compensation

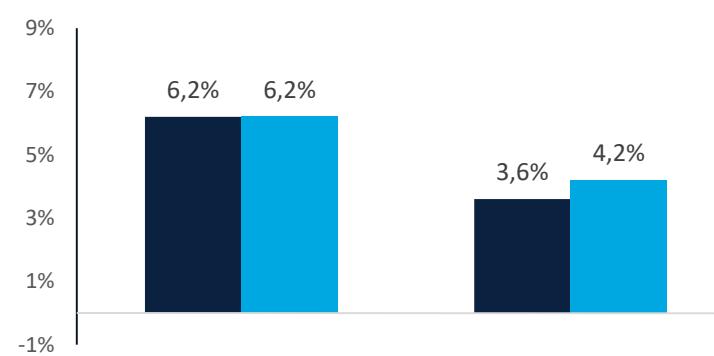
Quarter EBIT margin



■ EBIT margin

■ EBIT margin adjusted non-recurring costs and currency effects

Full year EBIT margin



■ EBIT margin

■ EBIT margin adjusted non-recurring costs and currency effects



GROUP SUMMARY Q4 2021

FINANCIAL SUMMARY

	Q4			FY		
	2021	2020	Δ	2021	2020	Δ
Net sales	953	1,080	-11.7%	3,730	3,195	16.7%
Gross profit	168	212	-44	710	567	143
Earnings before depreciation (EBITDA)	90	132	-42	400	277	123
Operating earnings (EBIT)	48	92	-44	232	116	116
Operating margin, %	5.0	8.5	-3.5	6.2	3.6	2.6
Adj. operating earnings (EBIT)	48	85	-37	232	113	116
Adj. operating margin, %	5.0	7.8	-2.8	6.2	3.5	2.7
Earnings after tax	32	63	-31	154	50	104
Earnings per share before dilution, SEK	1.16	2.96	-1.80	6.85	2.66	4.19
Adj. earnings per share before dilution, SEK	1.16	2.67	-1.51	6.85	2.53	4.32
Return on capital employed, %	-	-	-	9.7	5.4	4.3
Return on capital employed excluding lease liabilities, %	-	-	-	11.0	5.9	5.1



CASH FLOW, BALANCE SHEET AND NET DEBT

CASH FLOW STATEMENT (MSEK)	Q 4		FULL YEAR	
	2021	2020	2021	2020
Cash flow from operating activities before changes in working capital	72	121	332	234
Cash flow from operating activities including changes in working capital	45	176	48	447
Cash flow from investing activities	-69	-19	-165	-119
Cash flow from financing activities	71	-66	109	-154
Cash flow for the period	47	91	-8	174
Cash and cash equivalents at end of period	242	236	242	236
BALANCE SHEET (MSEK)				
	2021 - 12 - 31		2020 - 12 - 31	
ASSETS				
Total assets	3,419		3,071	
EQUITY AND LIABILITIES				
Equity	1,687		1,517	
Total long-term liabilities	641		574	
Total current liabilities	1,091		980	
Total equity and liabilities	3,419		3,071	
Net debt (-)	-655		-458	
Net debt (-) excluding lease liabilities	-323		-112	



KEY INDICATORS

THE GROUP, 12 MONTHS

	FULL YEAR	
	2021	2020
RETURN INDICATORS		
Return on capital employed, %	9.7	5.4
Adjusted Return on capital employed, %	9.7	5.2
Return on capital employed, (excluding financial lease) %	11.0	5.9
Adjusted Return on capital employed, (excluding financial lease) %	11.0	5.8
Return on equity %	9.1	3.7
Adj. Return on equity %	9.1	3.5
CAPITAL STRUCTURE		
Capital turnover, times*	1.6	1.5
Net debt (-) / EBITDA	-1.6	-1.7
Adjusted Net debt (-) / EBITDA	-0.8	-0.4
THE GROUP	2021-12-31	2020-12-31
CAPITAL STRUCTURE		
Net debt/equity ratio, times	-0.4	-0.3
Equity/assets ratio, %	49.3	49.4
Equity/assets ratio, (excluding financial lease) %	54.4	55.2



FINANCIAL TARGETS AND GUIDELINES

						FULL YEAR 2021	FULL YEAR 2020	GUIDE- LINES
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%			
	Q4 2021	Q4 2021	Q4 2021	Q4 2021				
Reported	-11.7%	16.7%	5.0%	6.2%	N.A.	9.7%		
						Average net working capital as % of sales	20.7	22.4
						CAPEX as % of sales	4.6	1.7
						Depreciation as % of sales	4.5	5.0
						Depreciation (excl. lease liabilities IFRS 16) as % of sales	2.9	3.5
						Tax rate	28.3	44.1
								24-28

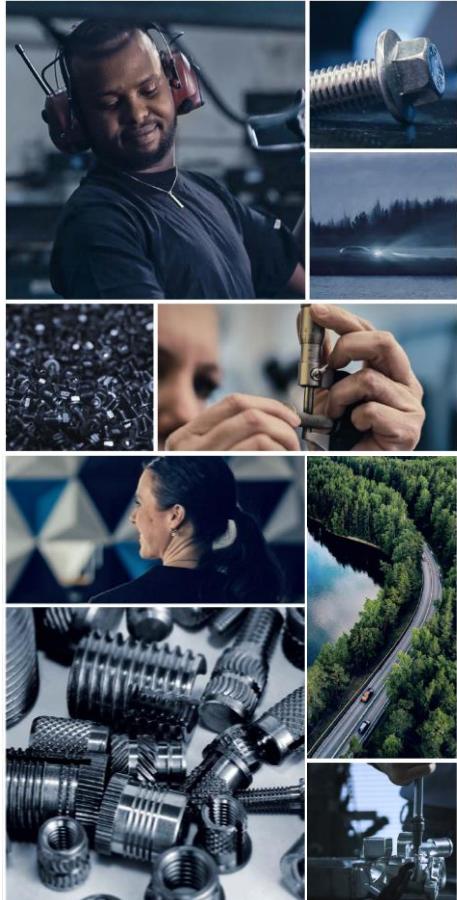


4. IN FOCUS 2022



In focus 2022

- Continue to closely monitor and adapt to the current situation in the industry
 - Shortages of semiconductors
 - Covid-19
 - Geopolitical instability
- Be prepared for recovery of customer production
- Continue margin improvement initiatives in order to offset:
 - Steel price effects
 - Freight rates
 - Energy cost
- Accelerate innovation and sustainability activities
- Win incremental business to secure further organic growth





BULTEN STRATEGY

Stronger 24

STRONG POSITION

FSP concept, 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's Capital Markets Day

Date: February 22, 2022

Time: 13:30-16:00

<https://tv.streamfabriken.com/bulten-cmd-2022>

Save the date and welcome!



BULTEN - A STRONGER SOLUTION

