



THREE MONTHS REPORT, JAN-MARCH 2016

TELEPHONE CONFERENCE 26 APRIL, 2016, AT 14:30 CET

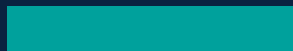
TOMMY ANDERSSON, PRESIDENT AND CEO | HELENA WENNERSTRÖM, EVP AND CFO

TO PARTICIPATE, PLEASE CALL 5 MINUTES BEFORE THE OPENING OF THE CONFERENCE
CALL TO SWEDEN +46 08 5059 6306, UK +44 020 3139 4830, US +1 718 873 9077. CODE: 82818687#.



AGENDA

1. Bulten in brief
2. Market development
3. First quarter 2016
4. Going forward





BULTEN IS A LEADING SUPPLIER OF FASTENERS TO THE INTERNATIONAL AUTOMOTIVE INDUSTRY

VISION

Supporting the global automotive industry with state of the art fastener technology and services.

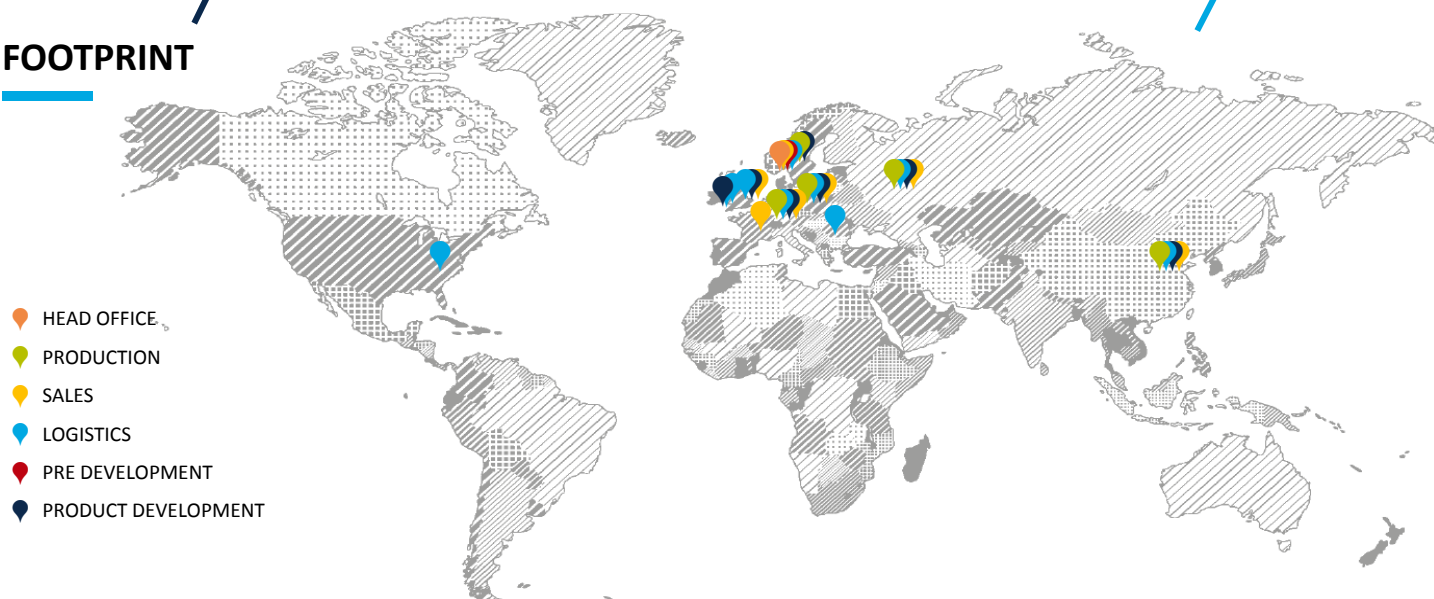
BUSINESS CONCEPT

- Bulten shall be the leading business partner and the most cost-effective supplier of fasteners and services to the automotive industry.
- Bulten shall with empowered and dedicated people continuously develop its full service concept and actively launch innovations.
- Bulten shall develop long-term relations based on professionalism and good business ethics.

FINANCIAL TARGETS

- To grow stronger than the industry in average
- Operating Profit (EBIT) > 7%
- Return on Capital Employed (ROCE) > 15%

FOOTPRINT





MORE THAN 140 YEARS OF FASTENERS EXPERIENCE

1873

BULTEN WAS FOUNDED.



2015

BULTEN HAS HAD A STRONG GROWTH AND IS NOW A MAJOR PLAYER IN THE EUROPEAN AUTOMOTIVE MARKET



2000's

BULTEN STARTED TO FOCUS ON THE FSP CONCEPT AND WON SEVERAL SIGNIFICANT CONTRACTS.





BULTEN IS ONE OF THE LARGEST SUPPLIERS OF FASTENERS TO THE EUROPEAN AUTOMOTIVE MARKET

- Development and production of metallic fasteners and related services
- Technical development, materials, production know-how and logistics
- Full Service Provider (FSP) concept
- Number of employees approx. 1,200
- Sales SEK 2.7 billion in 2015

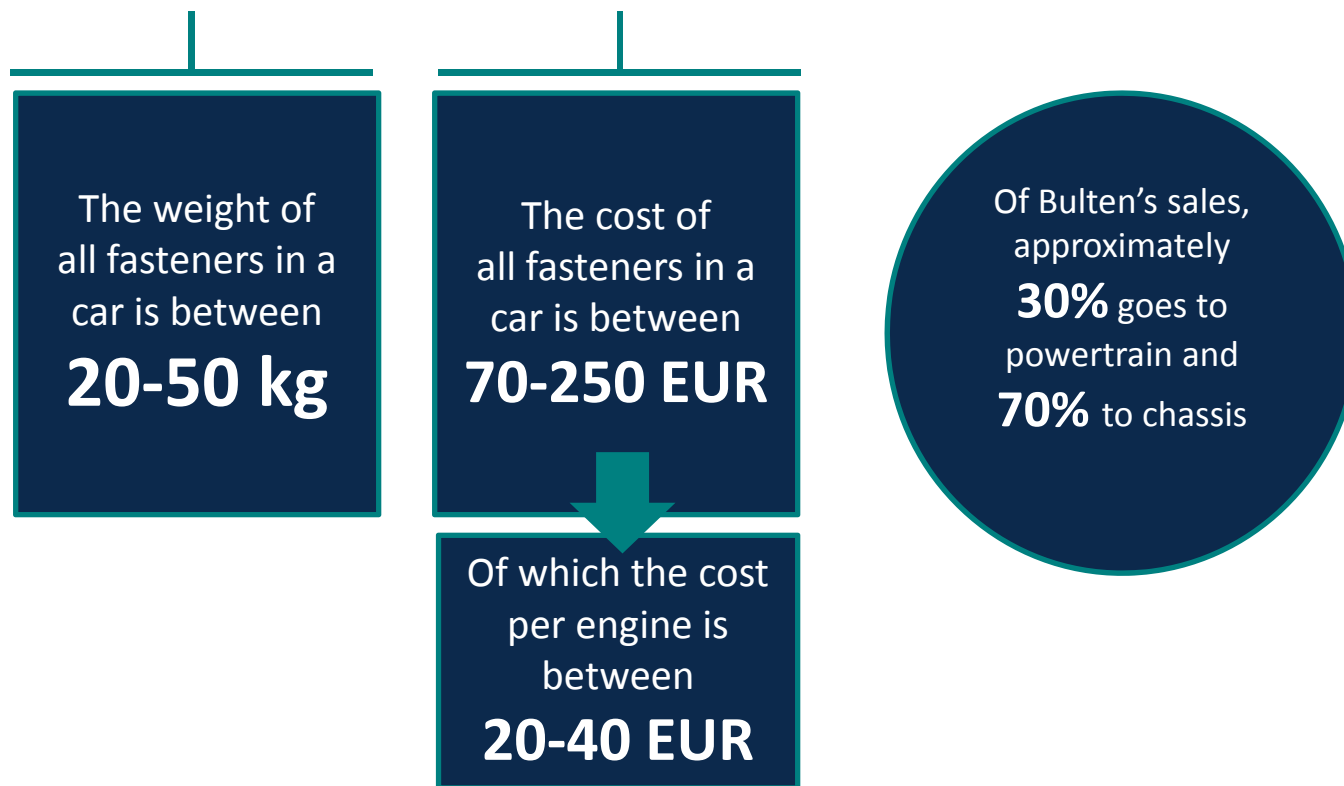
Bulten's offer

Core products are metallic screws, bolts and nuts	METALLIC BOLTS/SCREWS AND NUTS	
Other types of fasteners including rivets, washers and clips	PINS WASHERS SCREWS	RIVET CLIPS PLASTIC
Services linked to fasteners	PROJECT MANAGEMENT ENGINEERING SERVICE LINE-FEEDING LOGISTICS	TESTING TVM DESIGN



FASTENER CONTENT IN PASSENGER CARS

A passenger car contains a total of
1,500-2,000 fasteners.



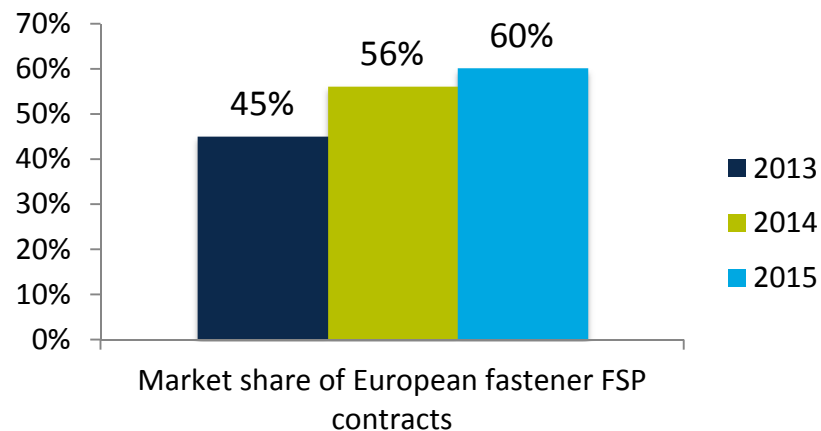
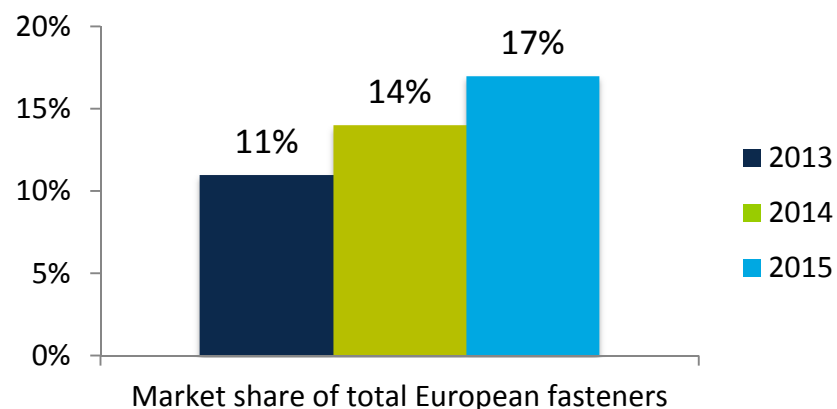


BULTEN MARKET SHARE DEVELOPMENT

■ Management estimates*:

- Market share 17% of the European market of fasteners for the automotive industry 2015, up 3 pp.
- Market share of FSP contracts for the same market to be 60% 2015, up 4 pp.

BULTEN MARKET SHARE DEVELOPMENT

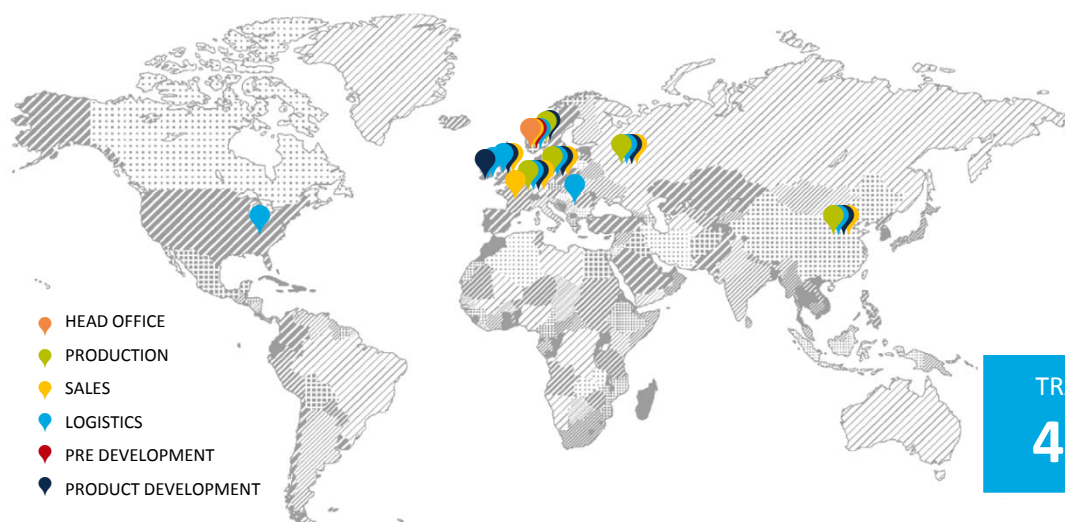


* Based on data from EIFI (European Industrial Fasteners Institute)

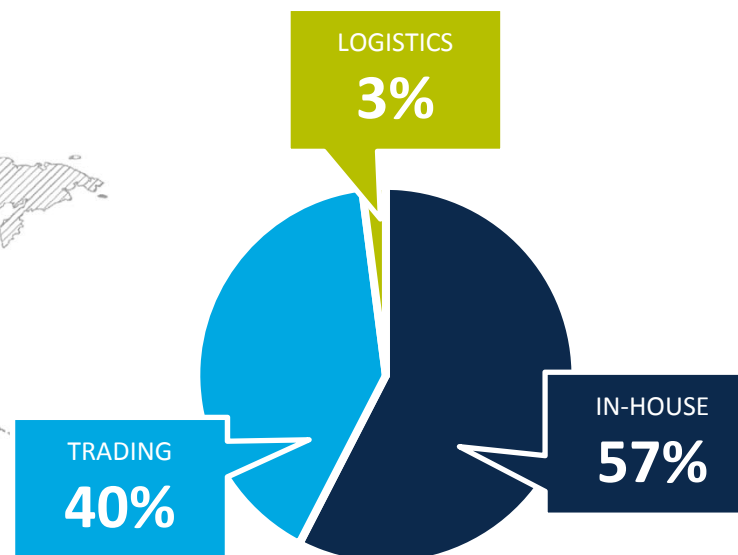


BULTEN HAS A WELL POSITIONED MANUFACTURING AND LOGISTIC FOOTPRINT AND FLEXIBLE SUPPLY CHAIN

LEAN AND WELL POSITIONED MANUFACTURING FACILITIES IN EUROPE AND ASIA



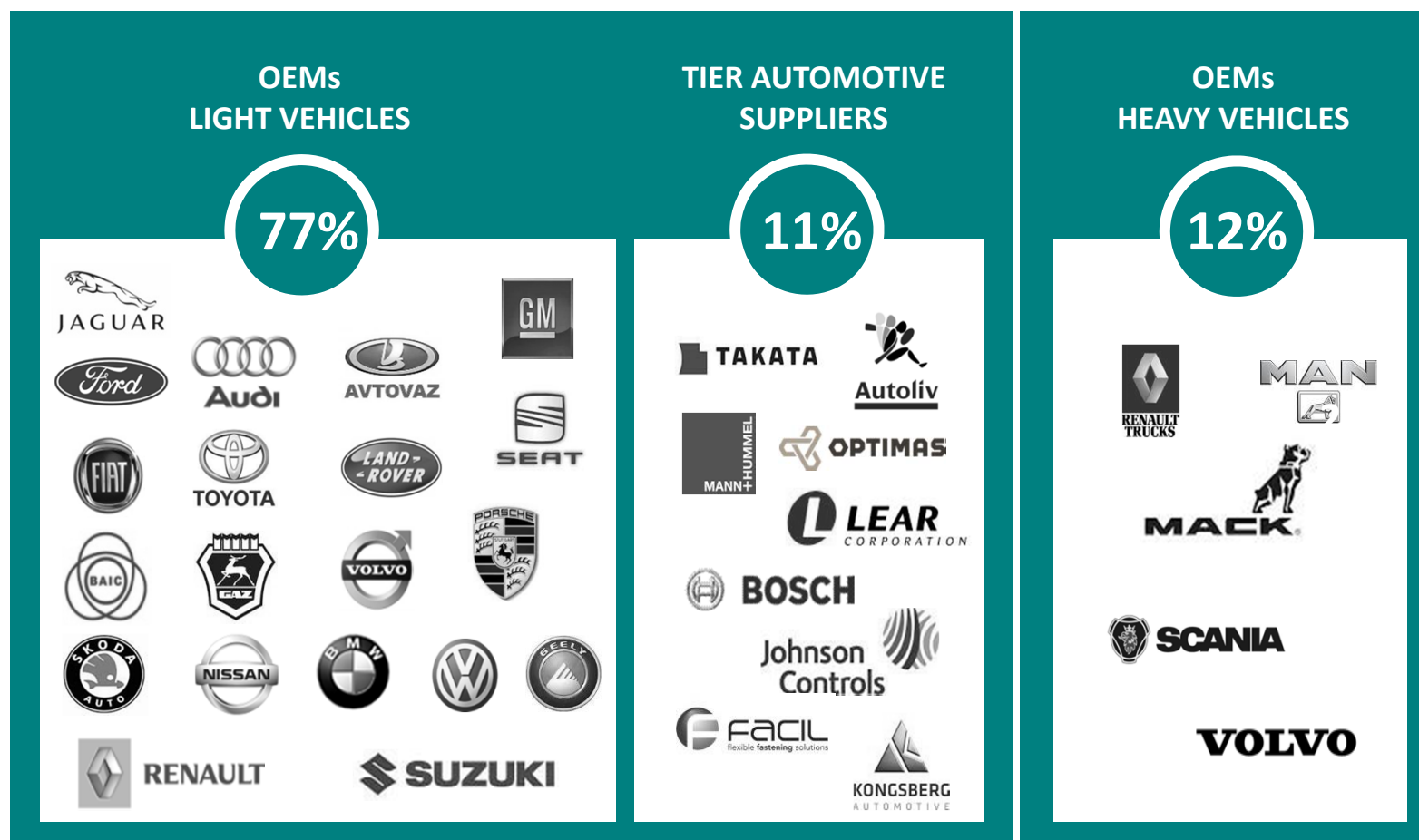
IN-HOUSE VS. TRADING (SALES VALUE)



- Production mainly in Western and Eastern Europe
- Establishment in Russia and growth in Chinese plant will strengthen future production footprint and support local content
- Bulten produces most products in-house and has a significant trading operation to optimize efficiency
 - Trading - flexibility
- Strengthened logistic capacity in the US, UK and Poland



STRONG CUSTOMER BASE AND RELATIONSHIPS WITH MAJOR VEHICLE OEMS AS WELL AS TIER 1 SUPPLIERS



- Selection of customers.
- Share of Bulten's sales YTD



KEY SUCCESS FACTORS

**TECHNOLOGY
LEADER**



**GEOGRAPHIC
PROXIMITY**



**FINANCIAL
PLATFORM**



**QUALITY
LEADER**



**EXPERIENCED
MANAGEMENT
AND EMPOWERED
EMPLOYEES**



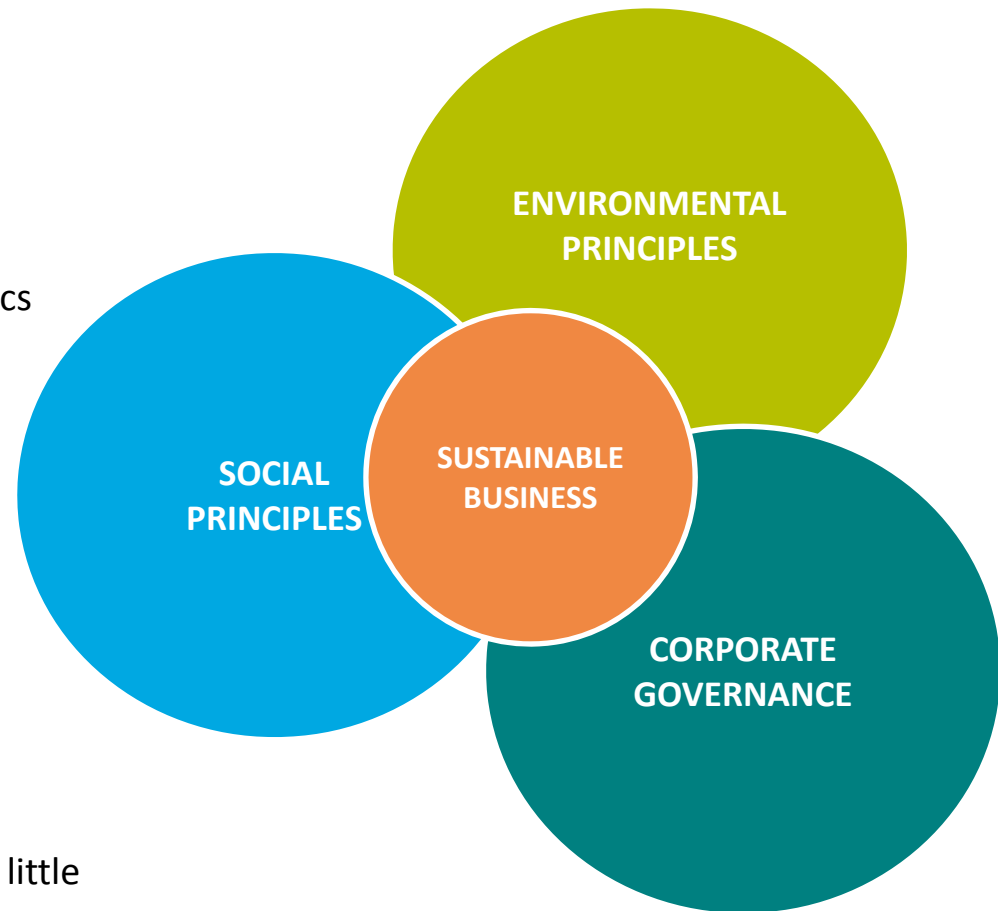
**FULL SERVICE
PROVIDER (FSP)**





SUSTAINABILITY IS A NATURAL PART OF ALL OUR ACTIVITIES

- Social responsibility
 - Consideration to human rights
 - Treat people with respect and good ethics
 - Work methods based on core values
- Corporate governance
 - High business ethics, good risk management and sensible corporate culture
 - Follow rules and regulations
 - Code of Conduct and other policies
- Environmental principles
 - Production shall be carried out with as little environmental impact that is practically possible and economically viable



TRENDS AND DRIVING FORCES IN THE AUTOMOTIVE INDUSTRY



■ Global platforms

- Realizing economy of scale
- Opportunity for variation reduction, thus greater volumes per variant
- Bulten is one of few suppliers that can handle the large full service contracts

■ High demands on suppliers

- OEMs are reducing their number of suppliers
- Weight reduction in combination with more efficient drivelines
- Suppliers are taking a more integrated and complete responsibility
- Bulten's FSP offer

■ Production in growth markets – local content

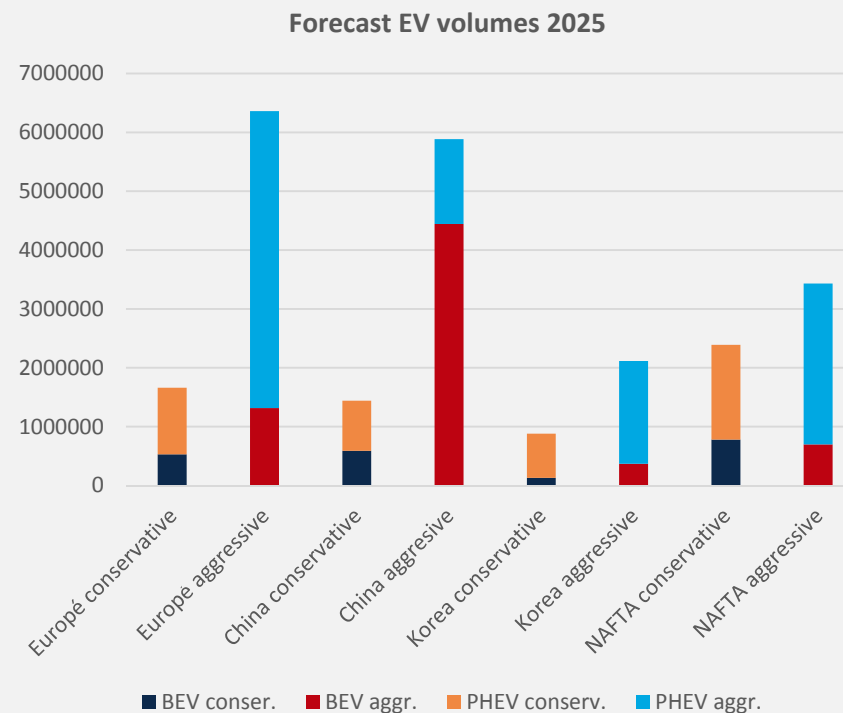
- Bulten has factories in Poland, Russia and China





THE AUTOMOTIVE INDUSTRY IS FACING MAJOR CHALLENGES WITH ELECTRIFICATION AND AUTONOMOUS CARS MOST IN FOCUS

- The electrification trend is driven by both regulatory requirements and consumer demand
- The world's car manufacturers have investment focus on new technologies as a replacement for combustion engines
- Developing segment Electric Vehicles are defined as
 - PHEV – Plug-in hybrid electric vehicles
 - BEV – Battery electric vehicles and
 - FCEV – Fuel Cell electric vehicles
- Hybrid engines are already becoming increasingly common
- Breakthrough for the electrification technology is expected when the cost of battery technology has been reduced
- High pace of development of autonomous cars



Total volume conservative forecast:	6,4 mpcs	5,6% of global volume
Total volume aggressive forecast:	17,8 mpcs	15,6%
Total global forecasted vehicle production: 114 mpcs/annum		

Source: Roland Berger, based on information from IHS.



BULTEN AS A CONTRIBUTOR IN THE SUSTAINABLE DEVELOPMENT

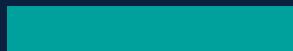
- Bulten is involved in electrification projects with various automotive manufacturers and is helping to drive developments concerning fastener shape and material to create optimal conditions for the new technology.
- Participation in Chalmers program – Future Powertrain, Electrification
- Various customer projects
 - Tesla
 - NEVS
 - American Axle
 - PowerCell



National
Electric Vehicle
Sweden



2. MARKET DEVELOPMENT





MARKET DEVELOPMENT

- LMC Automotive reports for automotive production in Europe, 2016:
 - Production of LV in 2016 up by 2.4% compared to 2015
 - Production of HCV (>15 t) in 2016 up by 1.3% compared to 2015
 - For Bulten's mix, up 2.3%
 - LV stands for ~88% of sales
 - HCV stands ~12% of sales

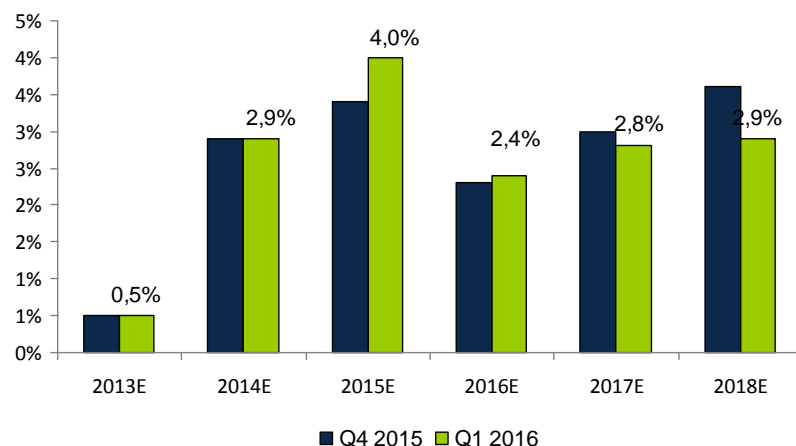
- ACEA reports for LV sales in Europe for the first quarter, 2016
 - European LV sales up 8.2% compared to same period last year

Source: LMC Automotive Q1, 2016. ACEA Q1, 2016



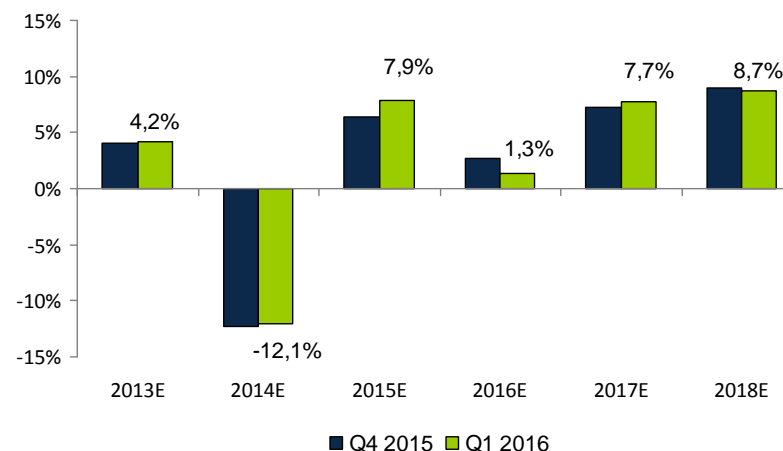
LMC AUTOMOTIVE REPORTS FOR AUTOMOTIVE PRODUCTION IN EUROPE

PRODUCTION GROWTH RATE (YEAR ON YEAR)
LIGHT VEHICLES EUROPE



- LMC Automotive (Q1 2016 report) has increased its forecast of LV production 2016 to an increase of 2.4% compared to 2015

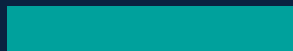
PRODUCTION GROWTH RATE (YEAR ON YEAR)
HEAVY COMMERCIAL VEHICLES (>15t) EUROPE



- LMC Automotive (Q1 2016 report) has decreased its forecast of HCV production 2016 to an increase of 1.3% compared to 2015

Source: LMC Automotive Q1, 2016

3. FIRST QUARTER 2016





OPERATIONAL HIGHLIGHTS

- Improved earnings with effects from optimization and smooth and steady production and good order intake of +5.9%
- Strong cash flow as a result of good profitability and reduction in working capital
- Several new small orders in Russia - total initial value of approximately SEK 5 million with good growth potential
 - One of the orders from the largest automotive manufacturer in Russia
- New FSP contract signed in Jan 2016 with a new customer, a Chinese automotive manufacturer
 - The total order value is appr. SEK 60 million over two years initially with a start 2017



Bulten has been awarded Volvo Cars Quality Excellence (VQE) Award. The award was presented during a ceremony at Volvo Cars on January 28, 2016 .



GROUP SUMMARY

FIRST QUARTER

- Net sales up 0.3%
- EBIT margin 7.7% (5.1)
- Earnings after tax SEK 40.4 m (29.5)
- EPS 2.03 SEK (1.44)

COMMENTS

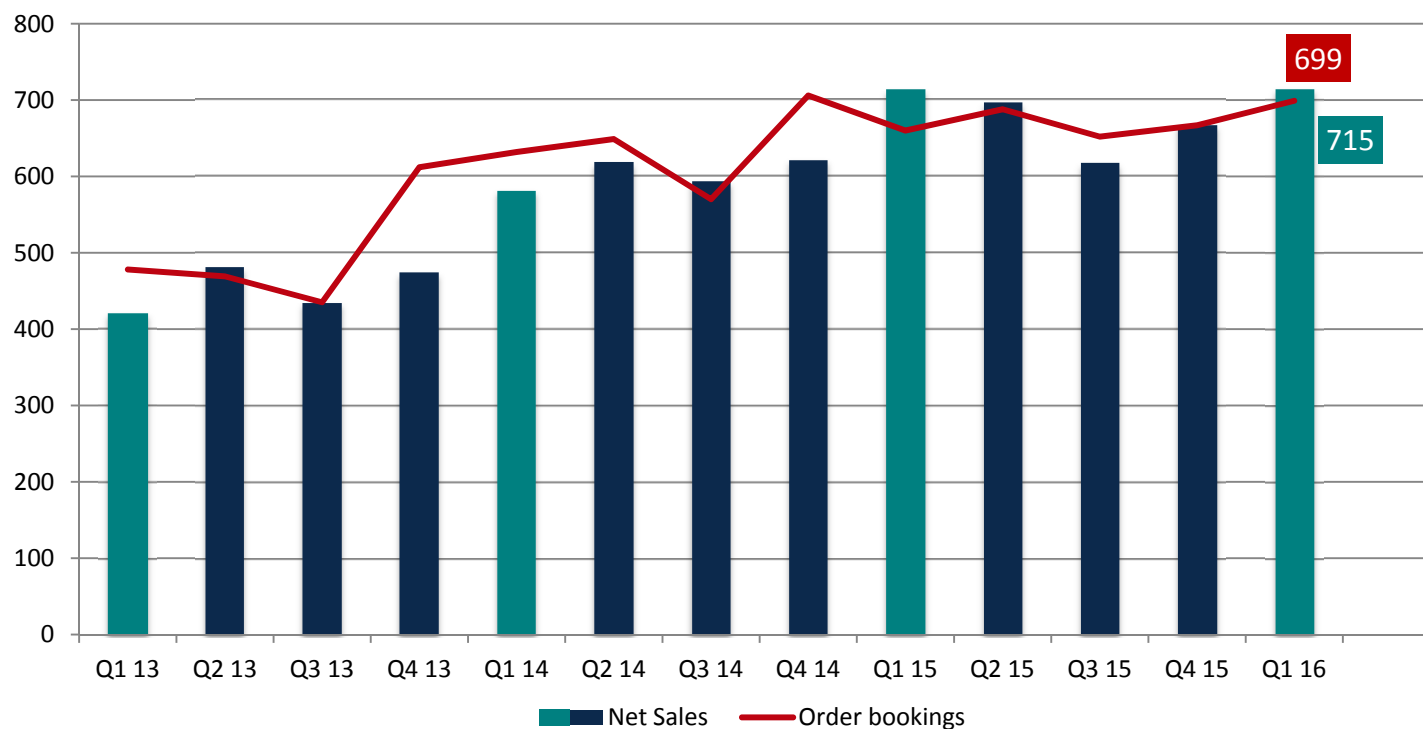
- Good sales to customers with a focus in the premium segment and strong order booking
- Stronger EBIT margin; optimization, smooth and steady production

FINANCIAL SUMMARY (MSEK)	Q1			12M ROLLING Apr 2014- Mar 2015	FULL YEAR 2015	Δ
	2016	2015	Δ			
Net sales	715.3	713.5	0.3%	2,695.3	2,693.5	0.1%
Gross profit	135.9	130.6	5.3	515.4	510.1	5.3
Earnings before depreciation (EBITDA)	72.0	50.5	21.5	246.5	225.0	21.5
Operating earnings (EBIT)	55.3	36.4	18.9	183.9	165.0	18.9
Operating margin, %	7.7	5.1	2.6	6.8	6.1	0.7
Adjusted operating earnings (EBIT)	55.3	36.4	18.9	176.1	157.2	18.9
Adjusted operating margin, %	7.7	5.1	2.6	6.5	5.8	0.7
Earnings after tax	40.4	29.5	10.9	121.8	110.9	10.9
Adjusted Earnings after tax	40.4	29.5	10.9	114.0	103.1	10.9
Order bookings	698.6	659.6	5.9%	2,712.5	2,673.5	1.5%
Return on capital employed, %	-	-	-	12.3	11.5	0.8



CONTINUED INCREASE IN SALES AND ORDER INTAKE

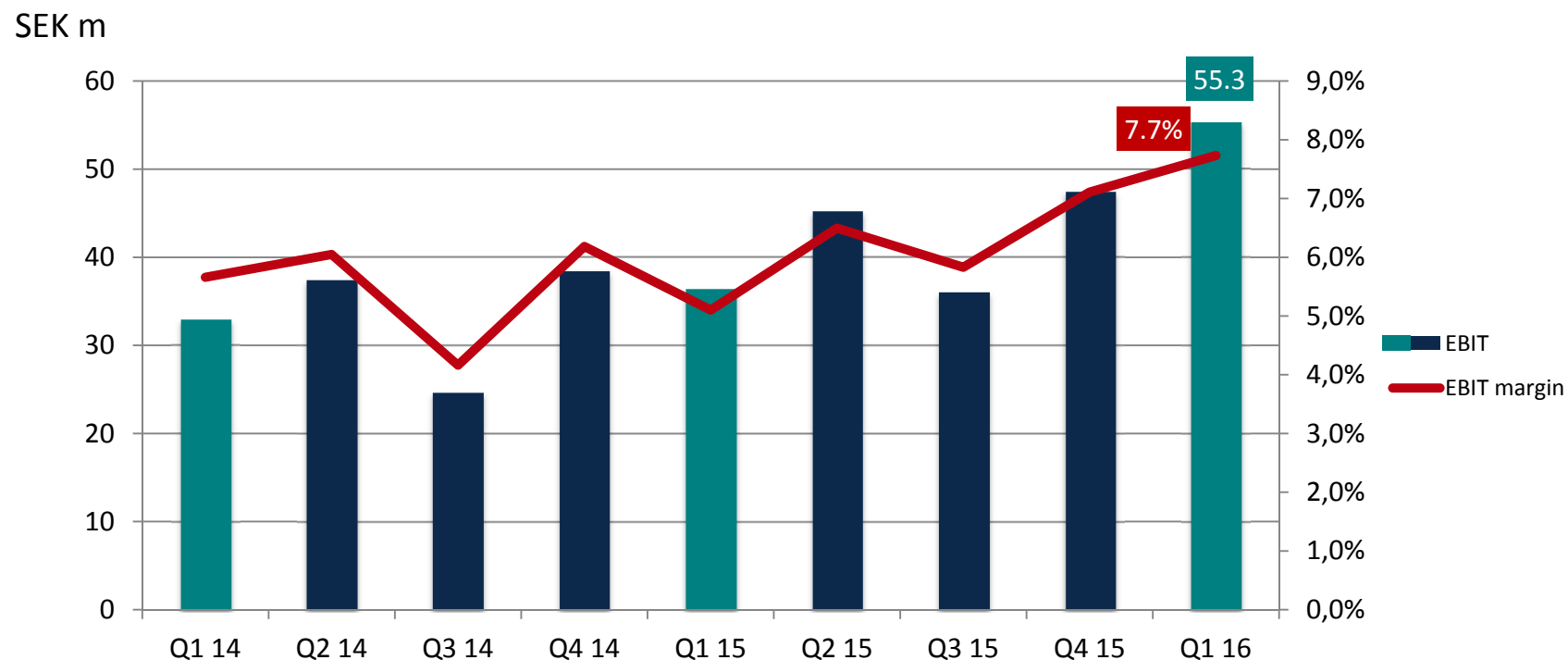
SEK m



- Sales up 0.3% in Q1 vs last year and 1% currency adjusted
- Order intake up 5.9% in Q1 vs last year



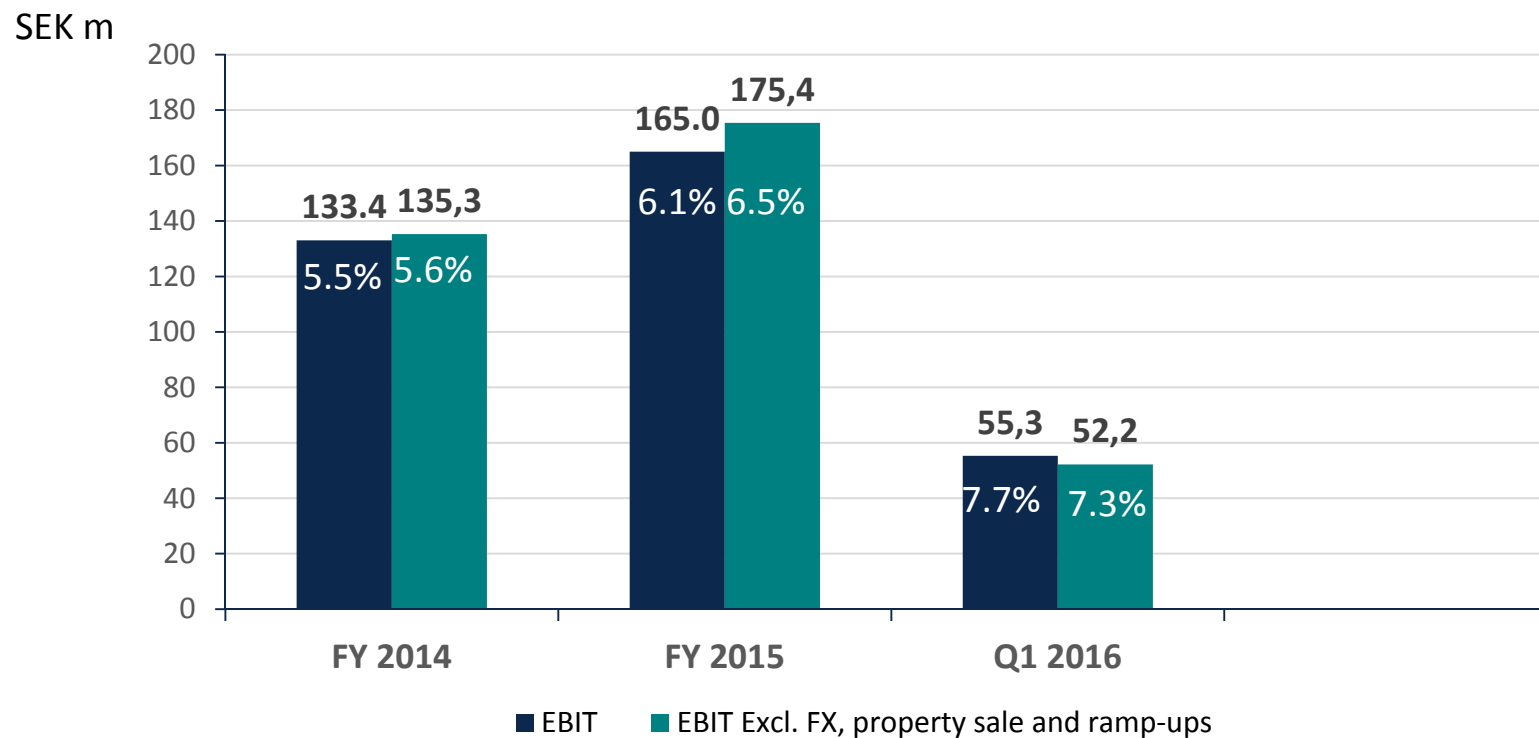
IMPROVED EBIT TREND CONTINUED IN Q1



- Improved EBIT of SEK 55.3 m (36.4), EBIT margin of 7.7% (5.1%)
 - Positive effect of optimization and smooth and steady production.
 - Slightly positive currency effect of SEK 3.1 m in Q1 compared to last year negative effect of SEK -13.1 m



EBIT IMPROVEMENTS – OPTIMIZATION AND STEADY PRODUCTION



- Q1 2016 EBIT affected by
 - Pos. FX-effect SEK +3.1 m (-13.1)



CASH FLOW, BALANCE SHEET AND NET DEBT

CASH FLOW STATEMENT, MSEK	JAN-MARCH		FULL YEAR
	2016	2015	2015
Cash flow from operating activities before changes in working capital	67.6	48.8	186.8
Cash flow from operating activities	77.9	48.7	141.3
Cash flow from investing activities	-16.0	-87.6	-306.9
Cash flow for the period from continued operations	53.6	-43.0	-209.6
Cash flow for the period	53.6	-45.5	-212.1
Cash and cash equivalents at end of period	94.0	209.5	40.5

BALANCE SHEET, MSEK	2016-03-31	2015-03-31	2015-12-31
ASSETS			
Total assets	1,970.0	1,938.2	1,944.5
EQUITY AND LIABILITIES			
Equity	1,283.5	1,312.6	1,245.2
Total equity and liabilities	1,970.0	1,938.2	1,944.5

MSEK	2016-03-31	2015-03-31	2015-12-31
Net debt (-) Net cash (+)	-114.0	95.2	-176.0



KEY INDICATORS – CAPITAL STRUCTURE AND RETURN INDICATORS

THE GROUP, 12 MONTHS	12 M ROLLING		FULL YEAR
	Apr 2015- Mar 2016	Apr 2015- Mar 2016	2015
RETURN INDICATORS			
Return on capital employed, %	12.3	9.6	11.5
Return on equity %	10.0	13.3	9.4
Return on equity, adjusted %	9.5	12.6	8.9
CAPITAL STRUCTURE			
Capital turnover, times	1.8	1.7	1.9
Net debt (-) Net cash (+) / EBITDA	-0.5	0.5	-0.8
THE GROUP	2016-03-31	2015-12-31	
CAPITAL STRUCTURE			
Net debt/equity ratio, times	-0.1	0.1	-0.1
Equity/assets ratio, %	65.2	67.7	64.0



FINANCIAL GUIDELINES

THE GROUP	12 M ROLLING Q1	FULL YEAR 2015	GUIDELINES
Average net working capital as % of sales	19.6	19.8	20
CAPEX as % of sales	8.9	9.3	2-3
Depreciation as % of sales	2.3	2.2	2-3
Tax rate	27.8	27.8	26-29

- NWC is in line with our guidelines
- Capex and depreciation mirrored by the high activity this year
 - Capex excluding acquisition of property in Hallstahammar 4.7%
- Tax rate going forward is estimated to 26-29%. The tax rate will fluctuate between quarters

4. GOING FORWARD





SUMMARY OF Q1 2016

During Q1 2016 Bulten:

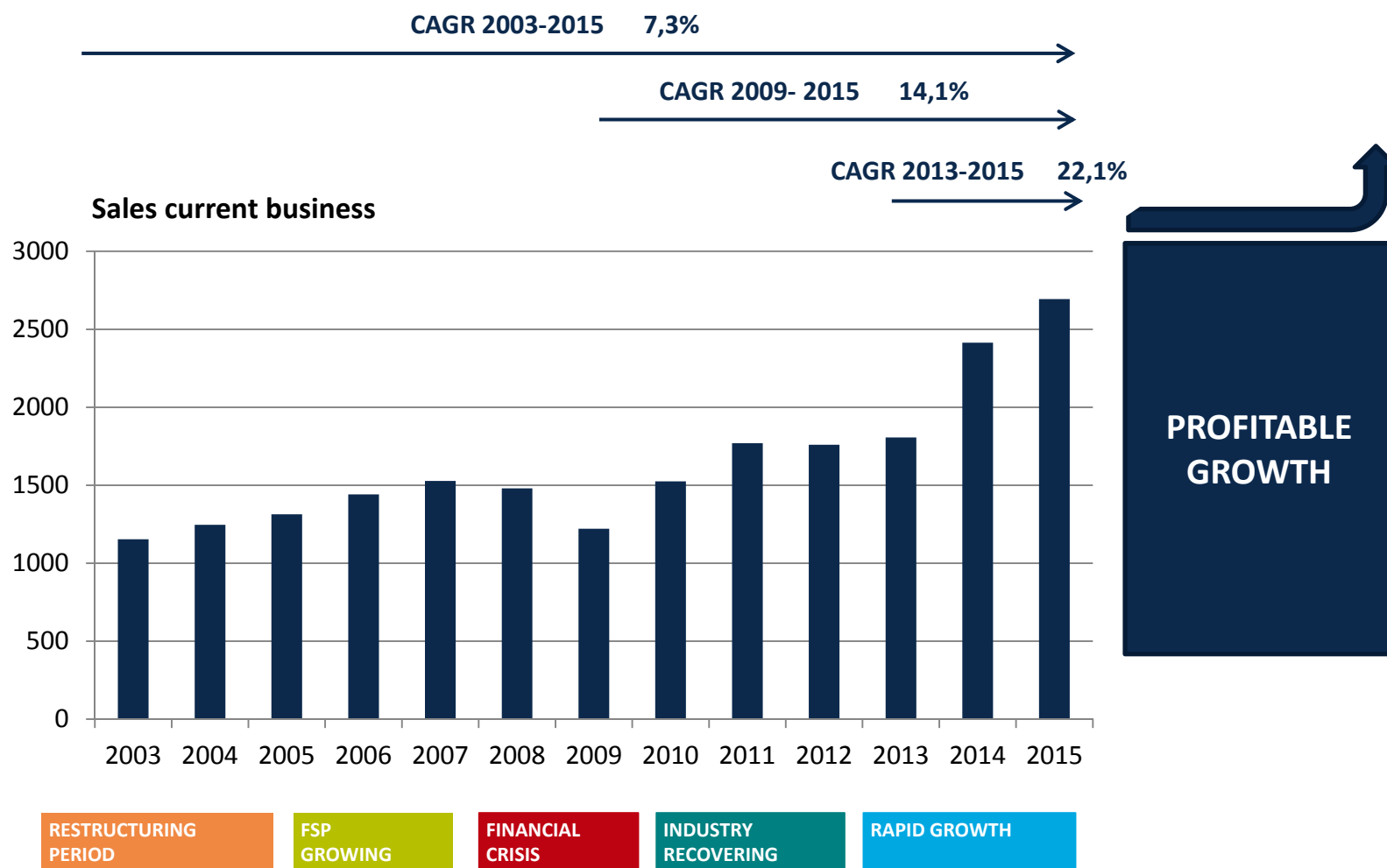
- Strong result and cash flow
- Sales slightly below market growth but good order intake
- New FSP contract win in China
- Expanding the customer base in Russia
- Focus on operation with improved profitability and strong cash flow
- Preparation for launch of new FSP contracts in 2017



Machinery in the factory in Russia.



CAPTURE FUTURE GROWTH





OPPORTUNITIES AHEAD

- Bulten's opportunities ahead are:
- Continued long-term organic growth potential
 - 2016 a year in line with market growth
 - Very good possibilities for market share gains the years thereafter, based on already won contracts and discussions with customers
 - Opportunities in emerging markets,
- Strong financial position

Bulten has taken significant steps forward in the market and has created a high credibility in the automotive industry



BULTEN

– A STRONGER SOLUTION

