

# Interim report January-September 2021

## Continued strong growth and earnings development in a challenging environment

### Third quarter of 2021

- Net sales rose by 21 percent to SEK 1,425 million (1,181). Organic growth was 20 percent and order intake was higher than net sales
- Operating profit (EBITA) increased to SEK 164 million (142) and the operating margin was 11.5 percent (12.1)
- Adjusted for acquisitions and remeasured additional purchase considerations, operating profit (EBITA) increased to SEK 182 million (142) and the operating margin to 12.8 percent (12.0)
- Earnings per share rose by 18 percent to SEK 2.90 (2.46)
- Staffan Pehrson was appointed new President and CEO and joins the company in February 2022
- Component Solutions Group, with annual sales of about SEK 280 million, was acquired
- Jenny | Wattle GmbH and Tilka Trading AB with annual sales of about SEK 190 million and SEK 50 million respectively were acquired after the end of the quarter

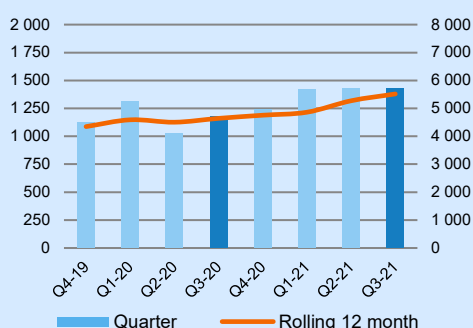
### January-September 2021

- Net sales rose by 22 percent to SEK 4,279 million (3,518). Organic growth was 25 percent and order intake was higher than net sales
- Operating profit (EBITA) increased to SEK 526 million (361) and the operating margin was 12.3 percent (10.2)
- Earnings per share rose by 56 percent to SEK 9.40 (6.01)

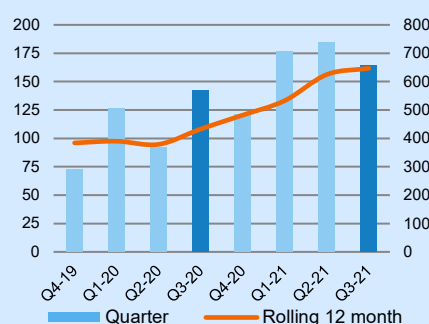
### THE GROUP IN BRIEF (FOR DEFINITIONS, SEE PAGE 22)

	Quarter 3			Jan-Sep			12-months rolling	Full year
SEK million	2021	2020	%	2021	2020	%	2021/20	2020
Order intake	1,454	1,219	19	4,461	3,528	26	5,760	4,827
Net sales	1,425	1,181	21	4,279	3,518	22	5,517	4,756
Gross profit	405	320	27	1,195	929	29	1,518	1,252
%	28.4	27.1		27.9	26.4		27.5	26.3
Operating expenses	-241	-178	35	-669	-568	18	-872	-771
%	-16.9	-15.0		-15.6	-16.2		-15.8	-16.2
Operating profit (EBITA)	164	142	16	526	361	46	647	482
%	11.5	12.1		12.3	10.2		11.7	10.1
Operating profit	157	135	16	505	338	49	618	452
%	11.0	11.4		11.8	9.6		11.2	9.5
Profit after tax	113	91	24	355	223	59	431	299
Earnings per share, SEK	2.90	2.46	18	9.40	6.01	56	11.43	8.04

Net sales, SEK million



Operating profit (EBITA), SEK million



SALES GROWTH

21%

OPERATING MARGIN (EBITA)

11.5%

## CEO's overview

The good demand that we saw during the first half of the year continued in the third quarter. Bufab delivered a high organic growth and strong earnings, despite a continued very challenging operational situation following the strained supply chains. During the quarter, we acquired the US company Components Solutions Group, and after the quarter end Jenny | Wattle and Tilka Trading.

Organic growth amounted to 20 percent which, alongside a weak comparative quarter, was primarily due to continued strong underlying demand in all segments, but also due to continued captured market shares.

The economic recovery and strong increase in demand after the pandemic created major challenges for the industry globally. This is primarily in the form of an extremely strained supply chain and higher prices for raw materials and freight, but also because there is now a shortage of capacity at many stages of the supply chain. Overall, this creates uncertainty and consequently, additional work throughout our organisation, which is expected to continue for at least the first half of 2022.

Similar to most other companies, we have been affected by large price increases for raw materials and freight, but have succeeded to date in offsetting this by passing these costs on to the customer. This work, together with the higher volumes relative to the comparative quarter, resulted in a good gross margin in the quarter.

The proportion of operating expenses increased during the quarter but adjusted for acquisitions and remeasured additional purchase considerations it is nonetheless at a historically low level. As society has started to open up in most markets, we have begun, for example, to increase the pace of recruitment and investments in our own operations to secure future growth. These investments will not only lead to increased growth, but also to enhanced efficiency, which in turn, will generate positive and sustainable profitability for us going forward. Adjusted for acquisitions and remeasured additional purchase considerations our operating profit and the operating margin increased significantly relative to the comparative quarter.

We have a continued focus on acquisitions and we have a strong pipeline of potential acquisition candidates in several geographies. During the quarter, this resulted in our acquisition of

Components Solutions Group, a company we have been monitoring since 2013. The company, which has annual sales of approximately MSEK 280 million and 85 employees, will strengthen our position in the North American market, which we regard as one of our potentially large growth markets going forward. Through many meetings in recent years, we have become very familiar with the company and we can see many similarities with Bufab.

After the reporting period we also acquired Jenny | Wattle and Tilka Trading with annual sales of MSEK 190 and 43 employees and net sales of MSEK 50 and 18 employees respectively. The companies have operations in Austria and Sweden, and we have followed them for some years and also here we see several similarities with Bufab.

During the quarter, the Board of Directors appointed Staffan Pehrson as new CEO of Bufab effective from 1 February 2022. Staffan has long and solid experience of senior positions, primarily at Nefab Group and Ericsson Group, and his proven leadership ability, technical expertise and business acumen are well matched with Bufab's future needs. We all look forward to welcoming him in February.

The challenge going forward will be to address the normalisation of the cost level by further increasing productivity and to continue to manage the strained supply situation in the market, as well as continuing to pass on the higher costs of raw materials and freight to customers. I do however take a positive view of the future. This is because Bufab's offering, in times such as these, should be perceived as even more relevant in terms of securing the companies' own supply of C-parts. In addition, the healthy demand looks to continue in the fourth quarter. Combined with continued low inventory levels throughout the manufacturing industry in Europe and North America, I foresee good conditions for a favourable development also going forward.

Overall, we are very proud that we, despite a challenging environment, have succeeded in maintaining supplies to our customers in a favourable manner. I want to sincerely thank all of our 1,450 solutionists for the incredible focus and flexibility they demonstrated during the year.

Johan Lindqvist  
President and CEO

## The Group in brief

### THIRD QUARTER

Order intake was SEK 1,454 million (1,219), which was higher than net sales. Net sales rose by 21 percent to SEK 1,425 million (1,181). Of the total growth of 21 percent, -2 percent was attributable to currency effects, +2 to acquisitions and a full +20 percent to organic growth.

The strong demand that we saw during the first half of the year continued in the third quarter and we delivered robust organic growth and strong earnings, despite a continued very challenging operational situation. During the quarter, the North American company Components Solutions Group was also acquired.

Organic growth amounted to 20 percent and, alongside a weak comparative quarter, was primarily due to continued strong underlying demand in all segments, but also that we continued to capture market shares.

Gross margin rose to a strong 28.4 percent (27.1). The higher gross margin relative to the comparative quarter is mainly attributable to higher volumes and that we so far have successfully passed on increased costs for raw materials and freight to customers.

The proportion of operating expenses increased to 16.9 percent (15.0). The increased proportion of operating expenses is mainly attributable to Segment North remeasuring its provisions for additional purchase considerations of SEK -15 million, due to a better performance than expected in the acquired company HT Bendix, and that Segment Other assumed acquisition costs of SEK -5 million attributable to the company acquired during the quarter, Component Solutions Group. Adjusted for this, the share of operating expenses amounted to 15.5 percent (15.0).

As society in most markets now continues to open up, the Group has again accelerated the pace of recruitment for the purpose of securing long-term growth.

Operating profit (EBITA) rose to SEK 164 million (142), corresponding to a margin of 11.5 percent (12.1).

Exchange-rate fluctuations impacted operating profit negatively by SEK -3 million, volumes positively by

SEK +55 million, cost savings and the price/mix and other factors negatively by SEK -12 million and acquisitions, including the remeasurement of additional purchase considerations, negatively by SEK -18 million.

Earnings per share rose by 18 percent to SEK 2.90 (2.46)

### JANUARY-SEPTEMBER

Order intake was SEK 4,461 million (3,528), which was clearly higher than net sales. Net sales rose by 22 percent to SEK 4,279 million (3,518). Of the total growth of 22 percent, -4 percent was attributable to currency effects, +1 to acquisitions and +25 percent to organic growth.

Underlying demand was clearly higher and was observed in all of the Group's segments. The strong organic growth during the nine-month period was mainly attributable to demand being significantly lower in the comparative period. The market share increased.

The gross margin rose to 27.9 percent (26.4). The higher gross margin was primarily attributable to significantly higher volumes relative to the comparative period, but also to purchasing savings in the first quarter of the year and the fact that price increases for customers have to date offset higher prices for raw materials and freight.

The proportion of operating expenses declined to a low 15.6 percent (16.2), mainly due to positive operational leverage on increased volumes and good cost control.

In total, operating profit (EBITA) rose to SEK 526 million (361), equal to an operating margin of 12.3 percent (10.2).

Exchange-rate fluctuations impacted operating profit negatively by SEK -20 million, volumes positively by SEK +252 million, cost savings and the price/mix/other negatively by SEK -35 million and acquisitions, including the remeasured additional purchase considerations, negatively by SEK -31 million.

Earnings per share rose by 56 percent to SEK 9.40 (6.01)

## The Group in brief, continued

### FINANCIAL ITEMS AND TAX

The Group's net financial items amounted to SEK -8 million (-16) for the third quarter, of which exchange-rate differences accounted for SEK -2 million (-3).

During the nine-month period, net financial items amounted to SEK -34 million (-46), of which exchange-rate differences accounted for SEK -4 million (-4). The Group's profit after financial items was SEK 149 million (118) for the quarter and SEK 471 (292) for the nine-month period.

The improved net financial items compared with the preceding year was attributable to a lower indebtedness and reduced interest rates relative to the comparative period.

The tax expense for the quarter was SEK -37 million (-27), implying an effective tax rate of 25 percent (23). The tax expense for the nine-month period was SEK -115 million (-69), which implies an effective tax rate of 24 percent (24).

### CASH FLOW, WORKING CAPITAL AND FINANCIAL POSITION

SEK million	Quarter 3		Jan-Sep	
	2021	2020	2021	2020
EBITDA, adjusted	176	152	562	391
Other non-cash items	16	2	30	-6
Changes in working capital	-138	54	-346	37
<b>Cash flow from operations</b>	<b>54</b>	<b>208</b>	<b>246</b>	<b>422</b>
Investments excluding acquisitions	-4	-18	-13	-31
<b>Operating cash flow</b>	<b>50</b>	<b>190</b>	<b>233</b>	<b>391</b>
Cash conversion ratio	28%	125%	41%	100%

Operating cash flow was significantly lower both during the quarter and during the first nine months, primarily due to increased working capital, which was attributable in its entirety to the strong organic growth in the first nine months, combined with the low inventory levels at the end of the preceding year.

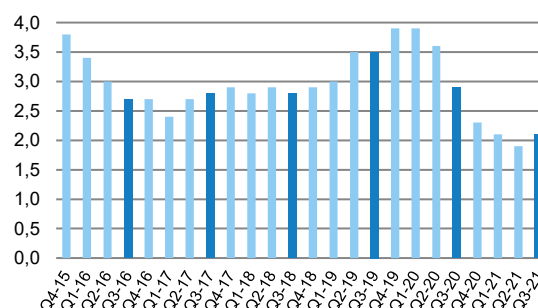
Average working capital in relation to net sales amounted to 29.5 percent (34.8). The level of working capital is the lowest for many years and the improvement is mainly due to the robust increase in sales in the last four quarters, together with low inventory levels during the first half of 2021.

On 30 September 2021 the adjusted net debt amounted to SEK 1,450 million (1,392). The increase is explained by the acquisition of Component Solutions Group.

The debt/equity ratio was 81 percent (90).

The performance measure ND/EBITDA, adjusted, was a multiple of 2.1x (2.9x) at the end of the quarter, which is a reduction of 0.8x relative to the comparative quarter, despite the acquisition of Component Solutions Group. In the past year, this performance measure improved particularly due to strong cash flow in the second half of 2020, as well as a strong improvement in operating profit in the last four quarters.

Net debt / EBITDA, adjusted, multiple



## Segment North

Segment North comprises Bufab's operations in Sweden, Finland, Norway and Denmark, as well as a purchasing office in China, which is affiliated to one of the Swedish subsidiaries. The business mainly comprises trading companies, but also some manufacturing of particularly demanding components in proprietary plants.

### THIRD QUARTER

The strong demand noted by the segment during the first half of the year continued in the third quarter. Organic growth was +17 percent and was mainly attributable to strong underlying demand, as well as to a weak comparative quarter. As during the first half of the year, the trend was particularly strong in Denmark and in the segment's manufacturing companies. Order intake was in line with net sales.

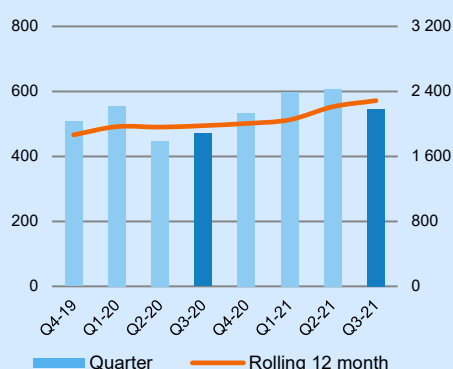
The gross margin for the third quarter was significantly higher than in the comparative quarter, primarily due to higher volumes in the segment's manufacturing units and because increased raw material and freight prices were successfully passed on to customers.

The proportion of operating expenses increased. The increase was primarily attributable to costs of SEK -15 million being charged to the quarter due to the remeasurement of additional purchase considerations attributable to the acquisition of HT BENDIX A/S, which performed significantly better than expected, continued investments in future growth, and the proportion of expenses in the comparative quarter being exceptionally low.

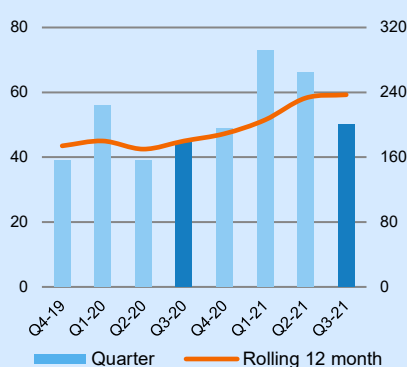
Adjusted for remeasured additional purchase considerations, operating profit and the operating margin increased significantly relative to the comparative quarter. During the autumn and winter, the focus will be on capturing market shares and on managing the continued challenging supply chain situation in the market.

	Quarter 3		Δ	Jan-Sep		Δ	Rolling 12 months	Full year
SEK million	2021	2020	%	2021	2020	%	2021/20	2020
Order intake	543	486	12	1,828	1,487	23	2,393	2,052
Net sales	545	470	16	1,753	1,471	19	2,286	2,005
Gross profit	145	110	32	458	341	34	581	465
%	26.7	23.5		26.1	23.2		25.4	23.2
Operating expenses	-95	-65	46	-268	-201	34	-343	-276
%	-17.4	-13.8		-15.3	-13.7		-15.0	-13.7
Operating profit (EBITA)	50	45	11	189	141	35	238	189
%	9.2	9.7		10.8	9.6		10.4	9.4

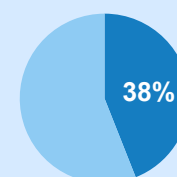
Net sales, SEK million



Operating profit (EBITA), SEK million



SHARE OF TOTAL SALES



SALES GROWTH

16%

OPERATING MARGIN (EBITA)

9.2%

# Segment West

Segment West comprises Bufab's operations in France, the Netherlands, Germany, the Czech Republic, Austria and Spain.

## THIRD QUARTER

The strong demand noted by the segment during the first half of the year continued in the third quarter. Organic growth was +17 percent and was mainly attributable to strong underlying demand, as well as to a weak comparative quarter. The operations in the Netherlands had an especially strong performance. Order intake was clearly higher than net sales.

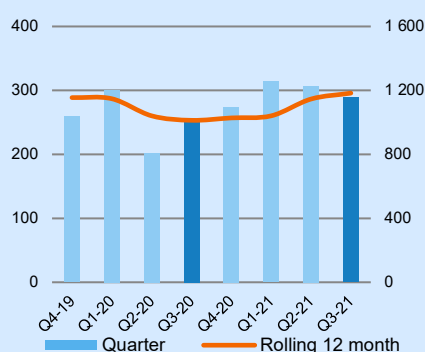
The gross margin for the quarter was lower than in the comparative quarter and lower than in the first half of 2021. The lower gross margin is primarily attributable to the work to pass on higher raw materials and freight prices to customers not having fully offset the higher purchasing prices in the quarter. In addition to this, the segment had a somewhat disadvantageous product mix compared with the first half of 2021.

The proportion of operating expenses was essentially unchanged relative to the comparative quarter as a result of good cost control.

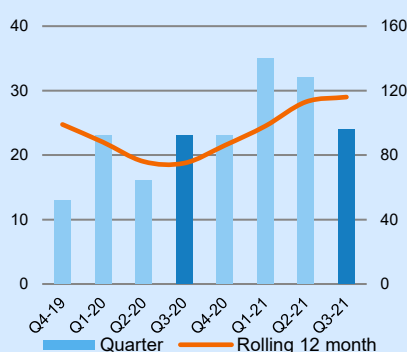
Due to the lower gross margin, operating profit and the operating margin declined during the period. During the autumn and winter, the focus will be on intensifying the work to pass on the price increases for raw materials and freight, capturing market shares and on managing the continued challenging supply chain situation in the market. The segment will also work further on the restructuring of one of the large companies, and with recruitment to key positions for continued growth.

SEK million	Quarter 3		Δ %	Jan-Sep		Δ %	Rolling 12 months	Full year
	2021	2020		2021	2020		2021/20	2020
Order intake	316	271	17	959	758	26	1,248	1,047
Net sales	289	251	15	910	754	21	1,183	1,028
Gross profit	70	63	11	229	188	22	298	257
%	24.3	25.0		25.2	24.9		25.2	25.0
Operating expenses	-46	-40	15	-138	-125	10	-183	-171
%	-15.8	-15.9		-15.1	-16.6		-15.5	-16.7
Operating profit (EBITA)	24	23	4	92	62	48	116	86
%	8.5	9.1		10.1	8.2		9.8	8.3

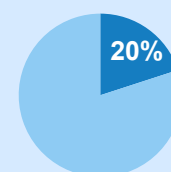
Net sales, SEK million



Operating profit (EBITA), SEK million



SHARE OF TOTAL SALES



SALES GROWTH

15%

OPERATING MARGIN (EBITA)

8.5%

## Segment East

Segment East comprises Bufab's operations in Poland, Hungary, Romania, the Baltic States, Russia, Slovakia, Turkey, China, Singapore and other countries in Southeast Asia, and India.

### THIRD QUARTER

The strong demand noted by the segment during the first half of the year continued in the third quarter. Organic growth was 18 percent. The growth was primarily due to healthy underlying demand in both Eastern Europe and Asia, but also to many companies increasing their market shares and a weak comparative quarter. The segment's customers who benefit from the so-called "staycation" trend, as well as customers who operate in medical devices, for example, continued their strong performance. Order intake was higher than net sales.

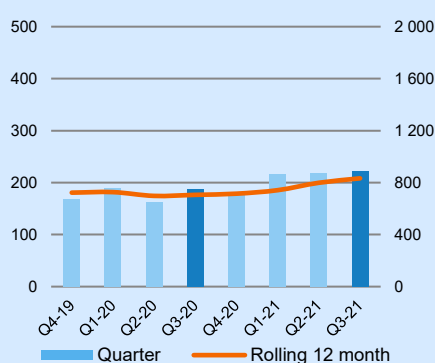
The gross margin during the quarter was lower than in the comparative quarter and also somewhat lower than in the first quarter of 2021, primarily due to continued price pressure from a couple of the segment's major customers and to the inability to fully offset higher raw material and freight prices through customer price increases.

The proportion of operating expenses increased. The increase was mainly attributable to the segment continuing to invest in future growth and that the proportion of expenses in the comparative quarter was exceptionally low.

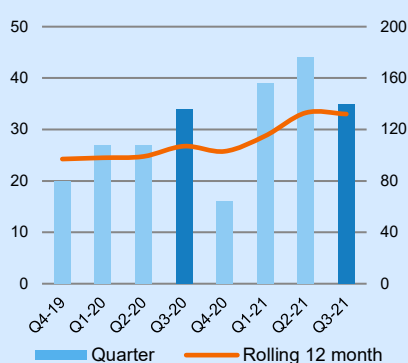
In total, operating profit increased somewhat, while the operating margin declined. During the autumn and winter, the focus will be on capturing market shares and on managing the continued challenging supply chain situation in the market. The work to pass on price increases for raw materials and freight to customers will also be intensified. The focus of the segment is to invest in further growth, for example, by strengthening the sales team in Eastern Europe and Asia.

SEK million	Quarter 3			Jan-Sep			Rolling 12 months	Full year
	2021	2020	Δ %	2021	2020	Δ %	2021/20	2020
Order intake	228	188	21	698	542	29	881	725
Net sales	222	187	18	656	538	22	833	715
Gross profit	67	60	12	203	172	18	259	227
%	30.4	32.0		30.9	31.9		31.0	31.8
Operating expenses	-33	-26	26	-87	-85	3	-127	-125
%	-14.8	-13.9		-13.2	-15.7		-15.2	-17.4
Operating profit (EBITA)	35	34	2	116	87	33	132	103
%	15.6	18.1		17.7	16.2		15.8	14.4

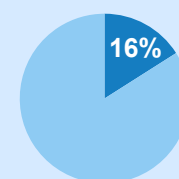
Net sales, SEK million



Operating profit (EBITA), SEK million



SHARE OF TOTAL SALES



SALES GROWTH

18%

OPERATING MARGIN (EBITA)

15.6%

# Segment UK/North America

Segment UK/North America comprises Bufab's operations in the UK, Ireland, the US and Mexico.

## THIRD QUARTER

Most companies in the segment reported continued very strong demand during the third quarter. Organic growth was a full 26 percent Order intake was in line with net sales. The operations in North America performed very strongly and benefitted from the staycation trend, as noted by customers in the mobile home industry in the past year. The operations in the UK also noted continued strong demand during the quarter. It is the subsidiary APEX, which focuses on stainless steel C-parts, that had a particularly robust performance.

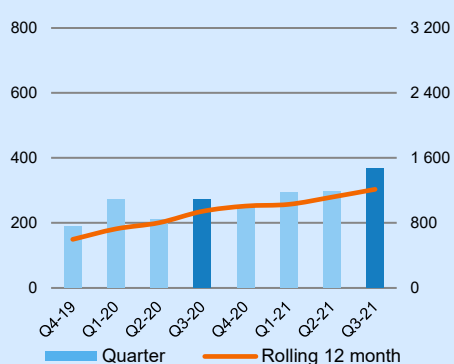
The higher gross margin is primarily attributable to successful work on passing on higher raw materials and freight prices to customers and higher volumes relative to the comparative quarter.

The proportion of operating expenses declined relative to the comparative quarter. The reduced proportion of operating expenses is a result of effective operational leverage of the higher volumes in both North America and the UK, as well as good cost control.

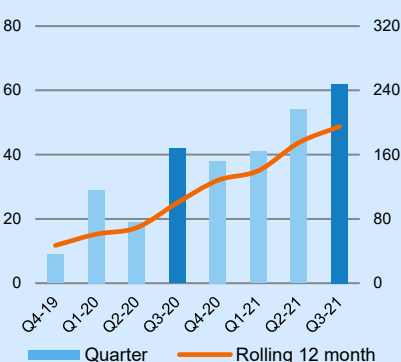
In total, both operating profit and the operating margin increased significantly relative to the comparative quarter. During the autumn and winter, the focus will be on capturing market shares and on managing the continued very challenging supply situation in the market.

SEK million	Quarter 3			Jan-Sep			Rolling 12 months	Full year
	2021	2020	Δ %	2021	2020	Δ %	2021/20	2020
Order intake	366	275	33	976	740	32	1,238	1,002
Net sales	369	273	35	960	755	27	1,214	1,008
Gross profit	122	88	38	310	238	30	389	317
%	33.0	32.3		32.2	31.5		32.1	31.4
Operating expenses	-60	-46	29	-153	-147	4	-194	-189
%	-16.2	-16.9		-15.9	-19.5		-16.0	-18.7
Operating profit (EBITA)	62	42	49	157	91	73	195	128
%	16.9	15.4		16.4	12.0		16.1	12.7

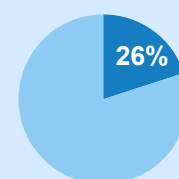
Net sales, SEK million



Operating profit (EBITA), SEK million



SHARE OF TOTAL SALES



SALES GROWTH

35%

OPERATING MARGIN (EBITA)

16.9%



## Consolidated Income Statement

<i>SEK million</i>	<i>Quarter 3</i>		<i>Jan-Sep</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
Net sales	1,425	1,181	4,279	3,518
Cost of goods sold	-1,020	-861	-3,084	-2,589
<b>Gross profit</b>	<b>405</b>	<b>320</b>	<b>1,195</b>	<b>929</b>
Distribution costs	-143	-119	-429	-416
Administrative expenses	-87	-69	-248	-215
Other operating income	11	17	53	89
Other operating expenses	-28	-15	-65	-48
<b>Operating profit</b>	<b>157</b>	<b>135</b>	<b>506</b>	<b>338</b>
<b><i>Profit from financial items</i></b>				
Interest income and similar income items	0	1	1	2
Interest expenses and similar expenses	-8	-17	-35	-48
<b>Profit after financial items</b>	<b>149</b>	<b>118</b>	<b>471</b>	<b>292</b>
Tax on net profit for the period	-36	-27	-115	-69
<b>Profit after tax</b>	<b>112</b>	<b>91</b>	<b>355</b>	<b>223</b>

## Statement of Comprehensive Income

<i>SEK million</i>	<i>Quarter 3</i>		<i>Jan-Sep</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
<b>Profit after tax</b>	<b>112</b>	<b>91</b>	<b>355</b>	<b>223</b>
<b>Other comprehensive income</b>				
Items that may be reclassified subsequently to profit or loss				
Translation differences / Currency hedging net after tax	22	-9	42	-50
<b>Other comprehensive income after tax</b>	<b>22</b>	<b>-9</b>	<b>42</b>	<b>-50</b>
<b>Total comprehensive income</b>	<b>134</b>	<b>82</b>	<b>397</b>	<b>173</b>
Total comprehensive income attributable to:				
Parent Company shareholders	134	82	397	173

## Earnings per share

<i>SEK</i>	<i>Quarter 3</i>		<i>Jan-Sep</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
Earnings per share before dilution	2.90	2.46	9.40	6.01
Weighted number of shares outstanding before dilution, thousands	37,479	37,169	37,393	37,167
Diluted earnings per share, SEK	2.85	2.42	9.21	5.97
Weighted number of shares outstanding after dilution, thousands	38,134	37,752	38,148	37,361

## Consolidated Balance Sheet

<i>SEK million</i>	<i>30 Sept 21</i>	<i>30 Sept 20</i>	<i>31 Dec 20</i>
<b>ASSETS</b>			
<b><i>Non-current assets</i></b>			
Intangible assets	2,163	1,982	1,893
Property, plant and equipment	563	577	548
Financial assets	36	33	37
<b>Total non-current assets</b>	<b>2,762</b>	<b>2,591</b>	<b>2,478</b>
<b><i>Current assets</i></b>			
Inventories	1,731	1,364	1,316
Current receivables	1,224	964	905
Cash and cash equivalents	303	319	292
<b>Total current assets</b>	<b>3,258</b>	<b>2,647</b>	<b>2,513</b>
<b>Total assets</b>	<b>6,020</b>	<b>5,239</b>	<b>4,991</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>2,243</b>	<b>1,926</b>	<b>1,931</b>
<b><i>Non-current liabilities</i></b>			
Non-current liabilities, interest-bearing	1,973	1,884	1,744
Non-current liabilities, non-interest-bearing	445	482	364
<b>Total non-current liabilities</b>	<b>2,418</b>	<b>2,366</b>	<b>2,108</b>
<b><i>Current liabilities</i></b>			
Current liabilities, interest-bearing	137	175	95
Current liabilities, non-interest-bearing	1,223	771	857
<b>Total current liabilities</b>	<b>1,360</b>	<b>946</b>	<b>951</b>
<b>Total equity and liabilities</b>	<b>6,020</b>	<b>5,239</b>	<b>4,991</b>

## Consolidated Statement of Changes in Equity

<i>SEK million</i>	30 Sept 21	30 Sept 20
<b>Equity at beginning of year</b>	<b>1,931</b>	<b>1,750</b>
<b>Comprehensive income</b>		
Profit after tax	355	223
<i>Other comprehensive income</i>		
Items that may be reclassified in profit or loss		
Translation differences / Currency hedging net after tax	42	-50
<b>Total comprehensive income</b>	<b>397</b>	<b>173</b>
<b>Transactions with shareholders</b>		
Call option premium	4	3
Redemption call option programme	14	–
Dividends	-103	–
<b>Total transactions with shareholders</b>	<b>-85</b>	<b>3</b>
<b>Equity at end of period</b>	<b>2,243</b>	<b>1,926</b>

## Consolidated Cash Flow Statement

<i>SEK million</i>	<i>Quarter 3</i>		<i>Jan-Sep</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
<b><i>Operating activities</i></b>				
Profit before financial items	158	135	505	338
Depreciation/amortisation and impairment	49	46	137	137
Interest and other finance income	0	-1	1	0
Interest and other finance expenses	-8	-14	-35	-45
Other non-cash items	16	2	30	-6
Income tax paid	-23	-28	-99	-78
<b>Cash flow from operating activities before changes in working capital</b>	<b>193</b>	<b>140</b>	<b>539</b>	<b>346</b>
<b><i>Changes in working capital</i></b>				
Increase (-)/decrease (+) in inventories	-186	63	-362	100
Increase (-)/decrease (+) in operating receivables	-3	-67	-305	-138
Increase (+)/decrease (-) in operating liabilities	51	58	336	75
<b>Cash flow from operating activities</b>	<b>55</b>	<b>194</b>	<b>193</b>	<b>383</b>
<b><i>Investing activities</i></b>				
Acquisition of intangible assets	-	0	-2	0
Acquisition of property, plant and equipment	-4	-18	-13	-31
Company acquisitions including additional purchase considerations	-207	0	-207	-15
<b>Cash flow from investing activities</b>	<b>-211</b>	<b>-18</b>	<b>-222</b>	<b>-46</b>
<b><i>Financing activities</i></b>				
Dividend paid	0	0	-103	0
Call option premium	0	0	4	3
Redemption call option programme	4	0	14	0
Increase (+)/decrease (-) in borrowings	199	-103	119	-235
<b>Cash flow from financing activities</b>	<b>203</b>	<b>-103</b>	<b>34</b>	<b>-232</b>
<b>Cash flow for the period</b>	<b>47</b>	<b>73</b>	<b>5</b>	<b>105</b>
Cash and cash equivalents at beginning of period	256	246	292	216
Translation differences	0	0	6	-2
<b>Cash and cash equivalents at end of period</b>	<b>303</b>	<b>319</b>	<b>303</b>	<b>319</b>

## The Group's segment reporting

SEK million	2019				2020				2021
North	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net sales	451	507	554	448	470	533	599	608	545
Gross profit	111	124	137	94	110	124	159	154	145
%	24.6	24.4	24.8	20.9	23.5	23.2	26.5	25.2	26.7
Operating expenses	-73	-85	-82	-55	-65	-75	-86	-88	-95
%	-16.2	-16.7	-14.8	-12.3	-13.8	-14.0	-14.4	-14.4	-17.4
Operating profit (EBITA)	38	39	56	39	45	49	73	66	50
%	8.4	7.7	10.1	8.7	9.7	9.2	12.2	10.8	9.2

SEK million	2019				2020				2021
West	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net sales	279	259	301	202	251	274	314	307	289
Gross profit	74	65	75	49	63	69	82	78	70
%	26.7	24.9	25.2	24.4	25.0	25.3	26.1	25.3	24.3
Operating expenses	-50	-52	-52	-33	-40	-46	-47	-45	-46
%	-17.9	-20.1	-17.4	-16.4	-15.9	-16.7	-15.0	-14.8	-15.8
Operating profit (EBITA)	24	13	23	16	23	23	35	32	24
%	8.8	4.8	7.7	7.9	9.1	8.4	11.1	10.5	8.5

SEK million	2019				2020				2021
East	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net sales	179	168	189	162	187	177	216	218	222
Gross profit	57	55	59	53	60	56	68	67	67
%	31.8	32.5	31.0	32.7	32.0	31.5	31.5	30.8	30.4
Operating expenses	-31	-35	-32	-26	-26	-40	-29	-25	-33
%	-17.3	-20.8	-17.0	-16.0	-13.9	-22.6	-13.4	-11.5	-14.8
Operating profit (EBITA)	26	20	27	27	34	16	39	42	35
%	14.5	11.7	14.1	16.7	18.1	9.0	18.1	19.3	15.6

SEK million	2019				2020				2021
UK/North America	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net sales	134	188	272	210	273	254	293	298	369
Gross profit	42	56	85	64	88	79	93	95	122
%	31.5	29.6	31.4	30.5	32.3	31.1	31.7	32.0	33.0
Operating expenses	-31	-47	-56	-45	-46	-42	-52	-42	-60
%	-23.2	-24.8	-20.6	-21.4	-16.9	-16.5	-17.7	-14.0	-16.2
Operating profit (EBITA)	11	9	29	19	42	38	41	54	62
%	8.3	4.7	10.8	9.1	15.4	14.8	14.0	18.0	16.9

SEK million	2019				2020				2021
Other	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net sales	2	2	2	1	0	0	1	0	0
Gross profit	-5	-2	-5	-3	-1	-5	-5	-1	1
Operating expenses	-6	-6	-2	-6	-1	0	-6	-8	-7
Operating profit (EBITA)	-11	-8	-7	-8	-2	-5	-11	-9	-7

\*Other includes unallocated costs of a Group-wide nature and costs for the Sourcing offices in China and Taiwan.

SEK million	2019				2020				2021
Group	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net sales	1,044	1,124	1,316	1,022	1,181	1,238	1,423	1,431	1,425
Gross profit	279	297	351	258	320	323	397	393	405
%	26.7	26.4	26.7	25.2	27.1	26.1	27.9	27.4	28.4
Operating expenses	-191	-224	-226	-165	-178	-202	-220	-208	-241
%	-18.3	-19.9	-17.2	-16.2	-15.0	-16.3	-15.5	-14.5	-16.9
Operating profit (EBITA)	89	73	126	92	142	121	177	185	164
%	8.5	6.5	9.5	9.1	12.1	9.8	12.4	12.9	11.5

## Consolidated Key Figures

For definitions, see page 21

	Quarter 3			Jan-Sep		
	2021	2020	Δ	2021	2020	Δ
Order intake, SEK million	<b>1,454</b>	1,219	19	<b>4,461</b>	3,528	26
Net sales, SEK million	<b>1,425</b>	1,181	21	<b>4,279</b>	3,518	22
Gross profit, SEK million	<b>405</b>	320	27	<b>1,195</b>	929	29
EBITDA, SEK million	<b>203</b>	181	12	<b>638</b>	475	34
EBITDA, adjusted, SEK million	<b>176</b>	152	16	<b>562</b>	391	44
Operating profit (EBITA), SEK million	<b>164</b>	142	16	<b>526</b>	361	46
Operating profit, SEK million	<b>157</b>	135	16	<b>505</b>	338	49
Profit after tax, SEK million	<b>113</b>	91	24	<b>355</b>	223	59
Gross margin, %	<b>28.4</b>	27.1		<b>27.9</b>	26.4	
Operating margin (EBITA), %	<b>11.5</b>	12.1		<b>12.3</b>	10.2	
Operating margin, %	<b>11.0</b>	11.4		<b>11.8</b>	9.6	
Net margin, %	<b>7.9</b>	7.7		<b>8.3</b>	6.3	
Net debt, SEK million	<b>1,807</b>	1,740	4			
Net debt, SEK million, adjusted	<b>1,450</b>	1,392	4			
Debt/equity ratio, %	<b>81</b>	90	-10			
Net debt / EBITDA, adjusted, multiple <sup>(1)</sup>	<b>2.1</b>	2.9				
Working capital, SEK million	<b>1,832</b>	1,584	16			
Average working capital, SEK million	<b>1,648</b>	1,631	1			
Average working capital in relation to net sales, %	<b>29.5</b>	34.5				
Equity/assets ratio, %	<b>37</b>	37				
Operating cash flow, SEK million	<b>50</b>	190	-74	<b>233</b>	391	-40
Earnings per share, SEK	<b>2.90</b>	2.46	18	<b>9.40</b>	6.01	56

<sup>(1)</sup> Paid purchase prices have been charged in full to adjusted net debt while EBITDA, adjusted, has only been credited from the respective acquisition date.

## Parent Company Income Statement

<i>SEK million</i>	<i>Quarter 3</i>		<i>Jan-Sep</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
Administrative expenses	-5	-4	-16	-12
Other operating income	2	2	7	5
<b>Operating loss</b>	<b>-3</b>	<b>-2</b>	<b>-9</b>	<b>-7</b>
<b><i>Profit/loss from financial items</i></b>				
Interest expenses and similar expenses	–	–	–	–
Earnings from shares in Group companies	0	–	150	–
<b>Profit/loss after financial items</b>	<b>-3</b>	<b>-2</b>	<b>141</b>	<b>-7</b>
Appropriations	–	–	–	–
Tax on net profit/loss for the period	–	–	–	–
<b>Profit/loss after tax</b>	<b>-3</b>	<b>-2</b>	<b>141</b>	<b>-7</b>
<b>Other comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total comprehensive income</b>	<b>-3</b>	<b>-2</b>	<b>141</b>	<b>-7</b>



## Parent Company Balance Sheet

<i>SEK million</i>	30 Sept 21	30 Sept 20	31 Dec 20
<b>ASSETS</b>			
<b><i>Non-current assets</i></b>			
<i>Financial assets</i>			
Participations in Group companies	845	845	845
<b>Total non-current assets</b>	<b>845</b>	<b>845</b>	<b>845</b>
<b><i>Current assets</i></b>			
Receivables from Group companies	110	49	61
Other current receivables	52	50	46
Cash and cash equivalents	–	–	–
<b>Total current assets</b>	<b>162</b>	<b>100</b>	<b>107</b>
<b>Total assets</b>	<b>1,007</b>	<b>944</b>	<b>952</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>907</b>	<b>827</b>	<b>851</b>
<b>Untaxed reserves</b>	<b>81</b>	<b>100</b>	<b>81</b>
<b><i>Non-current interest-bearing liabilities</i></b>			
Other non-current liabilities	–	–	–
<b>Total non-current liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Current non-interest-bearing liabilities</i></b>			
Other current liabilities	19	18	20
<b>Total current liabilities</b>	<b>19</b>	<b>18</b>	<b>20</b>
<b>Total equity and liabilities</b>	<b>1,007</b>	<b>944</b>	<b>952</b>

## Other information

### ACCOUNTING POLICIES

This interim report has been prepared pursuant to IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company's financial statements were prepared in accordance with the Swedish Annual Accounts Act, Chapter 9 and the Swedish Financial Reporting Board's recommendation RFR 2. The accounting policies applied correspond to the accounting policies and measurement principles presented in the 2020 Annual Report. The 2020 Annual Report is available at [www.bufab.com](http://www.bufab.com).

### RISKS AND RISK MANAGEMENT

Exposure to risk is a natural part of business activity, as reflected in Bufab's approach to risk management. The aim is to identify and prevent risks and to limit any loss or damage from these risks. The main risks to which the Group is exposed relate to the impact of the economy on demand.

For further information regarding risks and risk management, see Note 3 of the 2020 Annual Report.

### SEASONAL VARIATIONS

Bufab has no significant seasonal variation in its sales, but sales over the year vary based on the number of production days in each quarter for customers.

### RELATED-PARTY TRANSACTIONS

No related-party transactions occurred during the interim period, except for the payment of the fee to the Board of Directors, remuneration of the President and senior executives, and new subscription for call options within the framework of the long-term share-based incentive programme adopted at the Annual General Meeting under the terms outlined in more detail below. Further, the redemption of the long-term share-based incentive programme adopted at the 2018 Annual General Meeting was implemented on the terms contained in the 2020 Annual Report.

### NOMINATION COMMITTEE

Bufab's Annual General Meeting 2021 decided to establish a Nomination Committee with the task of presenting to the Annual General Meeting 2022 proposals concerning, among other things, election of the members of the Board of Directors, Chairman of the Board of Directors and auditors, as well as fees to the Board members and auditors.

The members of the Nomination Committee are to be appointed from the company's four largest shareholders, in terms of votes, who, when asked, expressed their desire to participate in the Nomination Committee's work. The Nomination Committee shall also include the Chairman of the Board of Bufab.

The Nomination Committee consists of the following members:

Fredrik Liljedahl (Liljedahl Group, Johan Ståhl (Lannebo Fonder), Adam Gerge (Didner & Gerge), Niklas Johansson (Handelsbanken Fonder) and Bengt Liljedahl (Chairman of the Board of Directors).

### FINANCING AGREEMENT

During the quarter, Bufab signed a new credit agreement with two Swedish banks with a maturity of three years and an extension option of two one-year periods. The new credit agreement replaces a credit agreement signed earlier and entails an increase of the total credit framework from SEK 2,200 million to SEK 3,000 million, which can be used for general company purposes, including the financing of acquisitions. The process to release the international collateral package pledged for the obligations under the earlier credit agreement has commenced. No collateral is pledged for the obligations under the new credit agreement.

### LONG-TERM SHARE-BASED INCENTIVE PROGRAMME

#### Incentive programme 2021/2024

The 2021 Annual General Meeting resolved to adopt a long-term share-based incentive programme based on call options, comprising the CEO, senior executives and other key employees within the Group. The programme comprises a maximum of 350,000 call options, corresponding to approximately 0.9 percent of the total number of shares in the company. The purchase price for the call options has been set, using a Black & Scholes valuation, at SEK 45.98, corresponding to the market value of the options at the date of transfer. Each call option entitles the holder to acquire one share in Bufab during the period 15 May 2024–15 November 2024. The purchase price per share is SEK 261.25, corresponding to 115 percent of the volume-weighted average price paid for the company's share on Nasdaq Stockholm during the period 4 May 2020–10 May 2020. During the interim period, a total of 90,070 call options were subscribed for.

To encourage participation in the programme, the Board of Directors has resolved on a subsidy in the form of gross salary additions to participants, which may correspond to not more than the price paid for the call options. Payment of the subsidy will occur in June 2024 and requires that participants remain at that date in their positions or in another corresponding position of employment within the Bufab Group.

To hedge Bufab's delivery of shares, the Annual General Meeting also resolved to authorise the Board of Directors to repurchase a maximum of 350,000 shares in the company, and to transfer a maximum of 350,000 of the repurchased shares to the participants of the programme. No shares were repurchased during the interim period.

### Incentive programme 2018/2021

During the interim period, the redemption of the long-term share-based incentive programme adopted at the 2018 Annual General Meeting was implemented on the terms contained in the 2020 Annual Report. During the interim period, 197,903 shares were transferred.

## ACQUISITIONS

Acquisitions made during 2019-2021.

	<i>Date</i>	<i>Net sales*</i>	<i>Employees</i>
HT BENDIX A/S	16 July 2019	500	80
American Bolt & Screw Corp.	6 November 2019	500	90
Component Solution Group	8 Sep 2021	280	85

\*Estimated annual net sales at the date of acquisition

### Acquisition during the year – Component Solutions Group

On 8 September 2021, Bufab acquired 100 percent of the shares in Component Solutions Group with operations in North America. The purchase consideration amounted to SEK 288 million, of which SEK 68 million is conditional. The conditional portion of SEK 68 million comprises 80 percent of the maximum outcome of the additional purchase consideration and is subject to the company's future earnings performance.

The acquisition added SEK 28 million to the Group's accumulated net sales since the transfer. The net impact, after acquisition costs, on operating profit (EBITA) so far is a negative SEK -3 million and the effect on profit after tax was a negative SEK -4 million. This acquisition would have positively impacted the Group's net sales by an estimated SEK 220 million, EBITA by about SEK 17 million, operating profit by about SEK 14 million and profit after tax for the period by about SEK 8 million had it

been implemented on 1 January 2021.

The amounts of the assets and liabilities included in the acquisition according to the preliminary acquisition analysis were as follows:

<i>Component Solutions Group A/S</i>	<i>Fair value</i>
Intangible assets	42
Other non-current assets	15
Inventories	66
Other current assets	47
Cash and cash equivalents	32
Deferred tax liabilities	-12
Other liabilities	-91
<b>Acquired net assets</b>	<b>99</b>
Goodwill	190
<b>Purchase consideration*</b>	<b>288</b>
Less: cash and cash equivalents in acquired operations	-32
Less: conditional purchase consideration	-68
<b>Effect on the Group's cash and cash equivalents</b>	<b>188</b>

\* The consideration is stated excluding acquisition expenses

The acquisition analysis above is preliminary. Goodwill arising in connection with the acquisition is attributable to the knowledge accrued in the acquired company and the established and consolidated market positions and the anticipated profitability related to it. Goodwill is tested annually for any impairment requirement. Intangible assets will be amortised over a period of ten years.

## SIGNIFICANT EVENTS DURING THE PERIOD

### Bufab joins the Science Based Targets initiative

On 25 February 2021, Bufab signed the UN-sponsored Science Based Targets initiative, which entails a substantial increased in the ambition to further reduce the company's greenhouse gas emissions.

The Group has thus committed to set targets that are aligned with the Paris Agreement, intended to limit global warming to 1.5°C.

### New financial targets

On 17 March 2021, Bufab's Board of Directors resolved on new financial targets for the period through 2025. The new targets are:

*Profitable growth*

Average annual increase of net sales by 10 percent and of earnings per share by 15 percent, through both organic growth and acquisitions.

*Profitability*

Achieve an annual operating margin (EBITA) of 12 percent latest by 2023.

*Dividend*

A dividend of 30–60 percent of annual net profit.

*Financial stability*

Net debt in relation to operating profit before depreciation and amortisation (ND/EBITDA) shall normally be in the range of 2–3x.

The new financial targets are based partly on Bufab's strong performance in recent years and partly on Bufab's new "Sustainable Leadership" strategy. This strategy was communicated externally at Bufab's capital markets day on 18 March 2021.

**Organisation**

On 15 July 2021, the Board of Directors of Bufab appointed Staffan Pehrsson as new President and CEO. Staffan, who is currently President and CEO of Nefab Group AB, will join the company on 1 February 2022. As communicated earlier, Johan Lindqvist, Regional Director of Bufab's Segment North, was appointed Acting President and CEO between 1 September 2021 and 1 February 2022.

**EVENTS AFTER THE END OF THE REPORTING PERIOD**

After the reporting period, Bufab has acquired two companies, Jenny | Wattle GmbH and Tilka Trading AB. Jenny | Wattle was acquired 20<sup>th</sup> of October, has net sales of about SEK 190 million, 43 employees and with operations in Austria. Tilka Trading was acquired 21<sup>st</sup> of October, has net sales of about SEK 50 million, 18 employees and with operations in Sweden.

The costs of the acquisitions amounted to SEK 3 million and will be accounted for in the fourth quarter of 2021. The acquisitions are expected to contribute to Bufab's earnings per share from the fourth quarter of 2021.

**EMPLOYEES**

The number of employees in the Group at 30 September 2021 amounted to 1,454 (1,329). The higher number of employees was mainly due to the acquisition of Component Solutions Group, which added 85 employees to the Group in the third quarter of 2021.

**CONTINGENT LIABILITIES**

In the fourth quarter 2019, Bufab received the Swedish Tax Agency's decision to deny deduction of input VAT on certain costs that arose in 2015–2018. Bufab appealed the decision, and in the beginning of the fourth quarter 2021 the Administrative Court in Jönköping ruled that Bufab was entitled to deduct input VAT in accordance with what had been filed in Bufab's tax return for the relevant years. Since the appeal was successful, the Swedish Tax Agency is now obligated to recalculate Bufab's tax and repay the amount paid by Bufab as a result of the decision.

No other significant changes were made to the company's contingent liabilities during the interim period.

**CALENDAR**

Year-end report 2021:	10 February 2022
Interim report Q1, 2022:	21 April 2022
2022 Annual General Meeting:	21 April 2022
Interim report Q2, 2022:	13 July 2022
Interim Report Q3 2022:	27 October 2022
Year-end report 2022:	9 February 2023

## AUDITORS' REVIEW REPORT

Bufab AB (publ), Corp. Reg. No. 556685-6240

### Introduction

We have conducted a review of the financial information in summary (interim report) for Bufab AB (publ) (556685-6240) as of 30 September 2021 and the nine-month period that ended on that date. The Board of Directors and the President are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

### Focus and scope of the review

We have conducted our review in accordance with the Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA). The procedures performed in a review do not enable us

to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Opinion

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects, the accompanying interim report has not been prepared for the Group in accordance with IAS 34 and the Annual Accounts Act and for the Parent Company in accordance with the Annual Accounts Act.

Gothenburg, 27 October 2021

Öhrlings PricewaterhouseCoopers AB

Fredrik Göransson  
Authorised Public  
Accountant  
Main responsible

Helena Pegren  
Authorised Public  
Accountant

## Definitions of key figures

### **Gross margin, %**

Gross profit as a percentage of net sales for the period

### **EBITDA**

Operating profit before depreciation, amortisation and impairment

### **EBITDA, adjusted**

Operating profit before depreciation, amortisation and impairment, less amortisation on right-of-use assets according to IFRS 16 Leases. This key figure is intended to present a comparable EBITDA as though IAS 17 continued to be applied.

### **Operating profit (EBITA)**

Gross profit less operating expenses.

### **Net debt, adjusted**

Interest-bearing liabilities, lease liabilities according to IFRS 16, less cash and cash equivalents and interest-bearing assets, calculated at the end of the period

### **Debt/equity ratio, %**

Net debt divided by equity, calculated at the end of the period

### **Net debt / EBITDA, adjusted, multiple**

Net debt, adjusted, at the end of the period divided by adjusted EBITDA in the last twelve months

### **Operating expenses**

Total distribution costs, administrative expenses, other operating income and other operating expenses excluding depreciation, amortisation and impairment of acquisition-related intangible assets

### **Working capital**

Total current assets less cash and cash equivalents less current non-interest-bearing liabilities, calculated at the end of the period.

### **Average working capital**

Average working capital calculated as the average of the past four quarters

### **Average working capital in relation to net sales, %**

Average working capital as a percentage of net sales in the last twelve months

### **Equity/assets ratio, %**

Equity as a percentage of total assets, calculated at the end of the period

### **Operating cash flow**

EBITDA, adjusted, plus other non-cash items, minus changes in working capital and investments.

### **Earnings per share**

Profit after tax for the period divided by the average number of common shares

## Performance measures not defined in accordance with IFRS

Bufab uses certain performance measures not defined in the rules for financial reporting adopted by Bufab. The purpose of these performance measures is to provide a better understanding of the performance of the operations. It should be pointed out that these alternative performance measures, as they are defined, are not fully comparable with other companies' performance measures with the same name.

### Organic growth

Because Bufab has operations in many countries with different currencies, it is essential to provide an understanding of the company's performance without current effects when translating foreign subsidiaries. In addition, Bufab has an important strategic objective in carrying out value-generating acquisitions. For these reasons, growth is also recognised excluding currency effects when translating foreign subsidiaries and excluding acquired operations within the term Organic growth. This performance measure is expressed in percentage points of last year's net sales.

2021, percentage points	Quarter 3				
	Group	North	West	East	UK/North America
Organic growth	20	17	17	25	26
Currency translation effects	-2	-1	-2	-4	-2
Acquisitions	2	0	0	0	11
Recognised growth	21	16	15	18	35

2021, percentage points	Jan-Sep				
	Group	North	West	East	UK/North America
Organic growth	25	20	24	29	29
Currency translation effects	-4	-1	-4	-7	-6
Acquisitions	1	0	0	0	4
Recognised growth	22	19	21	22	27

### Operating cash flow

In order to improve its total cash flow, Bufab continuously measures the cash flow generated by operations in all its companies. This is expressed as Operating cash flow and defined below.

SEK million	Quarter 3		Jan-Sep	
	2021	2020	2021	2020
EBITDA, adjusted	176	152	562	391
Other non-cash items	16	2	30	-6
Changes in inventory	-186	63	-362	100
Changes in operating receivables	-3	-67	-305	-138
Changes in operating liabilities	51	58	321	75
<b>Cash flow from operations</b>	<b>54</b>	<b>208</b>	<b>246</b>	<b>422</b>
Investments excluding acquisitions	-4	-18	-15	-31
<b>Operating cash flow</b>	<b>50</b>	<b>190</b>	<b>231</b>	<b>391</b>

### EBITDA

EBITDA is an expression of operating profit before depreciation, amortisation and impairment. The performance measure is defined below.

<i>SEK million</i>	<i>Quarter 3</i>		<i>Jan-Sep</i>	
	2021	2020	2021	2020
Operating profit	157	135	505	338
Depreciation/amortisation and impairment	46	46	134	137
<b>EBITDA</b>	<b>203</b>	<b>181</b>	<b>638</b>	<b>475</b>

### EBITDA, adjusted

The performance measure EBITDA, adjusted, is an expression of operating profit before depreciation, amortisation and impairment, less amortisation on right-of-use assets and interest expenses on lease liabilities according to IFRS 16. The performance measure is defined below.

<i>SEK million</i>	<i>Quarter 3</i>		<i>Jan-Sep</i>	
	2021	2020	2021	2020
Operating profit	157	135	505	338
Depreciation/amortisation and impairment	46	46	134	137
Less: amortisation on right-of-use assets according to IFRS 16	-24	-26	-69	-75
Less: interest expenses on lease liabilities according to IFRS 16	-3	-3	-8	-9
<b>EBITDA, adjusted</b>	<b>176</b>	<b>152</b>	<b>562</b>	<b>391</b>

### EBITA

Bufab's growth strategy includes the acquisition of companies. For the purpose of illustrating the underlying operation's performance, management has chosen to monitor EBITA (operating profit before depreciation, amortisation and impairment of acquired intangible assets). The performance measure is defined below.

<i>SEK million</i>	<i>Quarter 3</i>		<i>Jan-Sep</i>	
	2021	2020	2021	2020
Operating profit	157	135	505	338
Depreciation and amortisation of acquired intangible assets	7	7	22	22
<b>EBITA</b>	<b>164</b>	<b>142</b>	<b>526</b>	<b>360</b>

### Operating expenses

Operating expenses is an expression of operating expenses before depreciation, amortisation and impairment of acquired intangible assets. The performance measure is defined below.

<i>SEK million</i>	<i>Quarter 3</i>		<i>Jan-Sep</i>	
	2021	2020	2021	2020
Distribution costs	-143	-118	-429	-416
Administrative expenses	-87	-69	-248	-215
Other operating income	11	18	53	89
Other operating expenses	-28	-15	-65	-48
Depreciation and amortisation of acquired intangible assets	7	7	22	22
<b>Operating expenses</b>	<b>-241</b>	<b>-178</b>	<b>-669</b>	<b>-568</b>



### Working capital

Because Bufab is a trading company, working capital represents a large share of the balance sheet's value. In order to optimise the company's cash generation, management focuses on the local company's development, and thereby the entire Group's development, of working capital as it is defined below.

<i>SEK million</i>	<i>30 Sept</i>	<i>30 Sept</i>
	<i>2021</i>	<i>2020</i>
Current assets	3,258	2,647
Less: cash and cash equivalents	-303	-319
Less: current non-interest-bearing liabilities excluding liabilities for additional purchase prices	-1,123	-744
<b>Working capital on the balance-sheet date</b>	<b>1,832</b>	<b>1,584</b>

### Net debt

Net debt is an expression of how large the financial borrowing is in the company in absolute figures after deductions for cash and cash equivalents. The performance measure is defined below.

<i>SEK million</i>	<i>30 Sept</i>	<i>30 Sept</i>
	<i>2021</i>	<i>2020</i>
Non-current interest-bearing liabilities	1,973	1,884
Current interest-bearing liabilities	137	175
Less: cash and cash equivalents	-303	-319
Less: other interest-bearing receivables	0	0
<b>Net debt on balance-sheet date</b>	<b>1,807</b>	<b>1,740</b>

### Net debt, adjusted

Net debt, adjusted, is an expression of how large the financial borrowing is in the company in absolute figures after deductions for lease liabilities according to IFRS 16 and cash and cash equivalents. The performance measure is defined below.

<i>SEK million</i>	<i>30 Sept</i>	<i>30 Sept</i>
	<i>2021</i>	<i>2020</i>
Non-current interest-bearing liabilities	1,973	1,884
Current interest-bearing liabilities	137	175
Less: lease liabilities according to IFRS 16	-357	-348
Less: cash and cash equivalents	-303	-319
Less: other interest-bearing receivables	0	0
<b>Net debt, adjusted, on the balance-sheet date</b>	<b>1,450</b>	<b>1,392</b>

## CONFERENCE CALL

A conference call will be held on 27 October 2021 at 10:00 a.m. CEST. Johan Lindqvist, President and CEO, and Marcus Söderberg, CFO, will present the results. The conference call will be held in English.

To participate in the conference, use any of the following dial-in numbers: Standard Intl. +44 (0) 2071 928000, UK 08 445 718 892, Sweden 08 506 921 80 or the US 1 631 510 74 95. Conference code: 9265615.

Please dial in 5-10 minutes ahead in order to complete the short registration process.



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## About Bufab

Bufab AB (publ), Corporate Registration Number 556685–6240, is a trading company that offers its customers a full-service solution as Supply Chain Partner for sourcing, quality control and logistics for C-Parts (screws, nuts, etc.). Bufab's Global Parts Productivity™ customer offering aims to improve productivity in the customers' value chain for C-Parts.

Bufab was founded in 1977 in Småland and is an international company with operations in 28 countries. The head office is located in Värnamo, Sweden, and Bufab has about 1,450 employees. Bufab's net sales for the past 12 months amounted to SEK 5.5 billion and the operating margin was 11.7 percent. The Bufab share is listed on Nasdaq Stockholm, under the ticker "BUFAB". Please visit [www.bufab.com](http://www.bufab.com) for more information.