

Corona update: stable operations but negative organic growth in April. Despite some positive signals, Q2 outlook remains challenging.

The corona pandemic and the following extensive countermeasures have, as earlier communicated, started to impact the Bufab Group in the second quarter of 2020.

Our priorities in this situation are the same as before, to (1) Protect Health, (2) Protect Customers and (3) Protect Bufab. So far, our action program has helped us avoid any significant impact on Bufab's own operations. By focused efforts in cooperation with customers and suppliers, we also managed to keep our customers supplied without disruption throughout the first four months of the year.

In March and April, demand in China and South-East Asia recovered after a weak start to the year. However, throughout Europe and North America, as well as India, government action forced many customers to suspend or severely limit operations. As a result, demand weakened considerably.

Bufab's organic sales growth in April was approximately -30%, in line with the update provided in the first-quarter report. Including currency effects and our recent acquisitions, total sales growth was approximately -20%.

Toward the end of April, we received some positive signals in the form of a slight demand recovery in some geographies as well as information from several customers intending to resume operations in May. On the other hand, the development of the pandemic itself as well as future government countermeasures are impossible to predict.

In summary, we are expecting a significant impact on sales and orders at least during the remainder of May, and it is currently difficult to say how long it will last. However, Bufab's operations are stable, we are getting deliveries from suppliers worldwide, and are able to deliver to customers in all countries.

All impacted subsidiaries have implemented short-time work schemes according to the rules in each country. During April, the reduction of paid working hours was in line with organic growth. It is our ambition to succeed with this also during the rest of the second quarter.

"This is a difficult period for everyone. Bufab's primary concern is keeping our staff and partners healthy and safe, and to continue to provide uninterrupted supply to our customers worldwide. The tough measures we have taken to reduce cost are now starting to show results. I'd like to again thank all team members for their excellent teamwork, customer focus and personal dedication in these tough times," says Jörgen Rosengren, Bufab's President and CEO.



Bufab is closely monitoring the development and continuously adjusting measures in accordance with the changing situation.

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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 approximately 1,400 employees. Bufab's net sales for the past 12 months amounted to SEK 4.6 billion and the operating margin was 8.5 percent. The Bufab share is listed on Nasdaq Stockholm, under the ticker "BUFAB". Please visit www.bufab.com for more information.