



PRESS RELEASE

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Corona update: stable operations but negative growth in May. Some signs of recovery, and good effect of cost measures.

The corona pandemic and its effect on the global manufacturing industry impact Bufab's sales in the second quarter of 2020.

Our priorities are to (1) Protect Health, (2) Protect Customers and (3) Protect Bufab. We have so far managed to avoid any significant impact on the health of our employees or our own operations, and to supply our customers without disruption throughout the crisis.

We have however seen a considerable impact to Bufab's sales as our customers reduced their consumption and inventory of C parts during April and May. This in turned was caused by considerable shut-downs and capacity reductions in the manufacturing industry worldwide in the same period.

Bufab's organic sales growth in May was approximately -25% (April -30%), adjusted for the number of working days. Total sales growth in May was approximately -10% (April -20%), adjusted for the number of working days.

During the month, we saw a gradual recovery of the demand from our customers in Europe and North America, but from low levels and to some extent slowed by inventory adjustments. We expect this trend toward a recovery to continue in June. It is not possible to forecast the development during the remainder of the year.

All of Bufab's subsidiaries have adjusted their cost bases to meet the drop in demand. This includes short-time work schemes, balancing the number of hours worked with organic growth. We are seeing good effects of these and other measures on our cost base.

"This is a difficult period for everyone. We are happy to see that we have managed to keep our staff and partners healthy and safe, and to continue to provide uninterrupted supply to our customers worldwide. We have been forced to take tough measures to reduce cost, and these are now showing good 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 about 1,400 employees. Bufab's net sales for 2019 amounted to SEK 4.3 billion and the operating margin was 8.8 percent. The Bufab share is listed on Nasdaq Stockholm, under the ticker "BUFAB". Please visit www.bufab.com for more information.