

Press Release

Värnamo, November 6, 2019

Bufab acquires American Bolt & Screw

Bufab has entered into an agreement to acquire all outstanding shares in the US company American Bolt & Screw Mfg Corp (“ABS”), with annual sales of approximately USD 52 million.

ABS is a leading distributor of fasteners and other C-class components in the North American market. It is headquartered in Ontario, California, and has branch offices also in Indiana, Georgia, Texas, Oregon and Arizona. ABS was founded in 1946, and since 1982 has been fully owned and run by its current President, Jim Hooper. Under his leadership, ABS has expanded to a nation-wide supply chain partner to customers across many industries. In the twelve-month period ending September 2019, ABS had 96 employees and sales of approximately USD 52 million with an 11% normalized operating margin.

"It gives me great pleasure to announce that ABS is joining the Bufab Group. Over many meetings in the past two years, we have gotten to know the company well, and see great similarities to Bufab in the solution-oriented, entrepreneurial approach to creating customer value. This strategic expansion into the North American market further underlines our commitment to growth, and to our Leadership 2020 strategy", says Jörgen Rosengren, Bufab's President and CEO. "We are confident that ABS will continue to grow and thrive as a member of the Bufab Group. The acquisition of ABS also strengthens Bufab's offering to global customers, and provides us with a stronger base for further expansion in North America", says Urban Bülow, Group Director North America.

"By joining Bufab, we will be able to continue to improve our customer service, grow our business and strengthen our team in the same way we have for the last decades. It will be business as usual, with the same high ambition level, but now as a part of a globally leading organization. I am pleased to continue as Senior Advisor to ABS, and together with the whole ABS team I look forward to the cooperation with Bufab", says Jim Hooper, American Bolt & Screw's main owner.

The acquisition will be financed within Bufab's existing credit facilities. The purchase price paid upon closing of the transaction amounts to USD 30 million on a cash-free/debt-free basis. A further deferred purchase price of USD 30 million will be paid in instalments, mainly in 2023-2024. Finally, a performance-based additional payment may occur in 2023 conditional on a significantly improved operating profit. The transaction is expected to close today and will be reported within Bufab's segment International. It will generate transaction costs of approximately 10 MSEK in the fourth quarter of 2019.

ABS is expected to contribute to Bufab's earnings per share starting from the first quarter of 2020.

For further information, please contact:

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This information is information that Bufab AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 07.30 am CET on November 6, 2019.

**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, Sweden and today is an international company with operations in 27 countries. The head office is located in Värnamo, Sweden, and Bufab has about 1,350 employees. Bufab's net sales for the past 12 months amounted to SEK 4.2 billion and the operating margin was 9.5 percent. The Bufab share is listed on Nasdaq Stockholm, under the ticker "BUFAB". Please visit www.bufab.com for more information.