

# Interim report January - March 2023

**Strong start to the year with continued healthy growth in both sales and operating profit, and a robust improvement in cash flow**

## First quarter of 2023

- Net sales increased by 19 percent to SEK 2,386 million (2,002).  
Organic growth was 0 percent and order intake was somewhat lower than net sales
- Operating profit (EBITA) increased by 33 percent to SEK 323 million (243) and the operating margin was 13.5 percent (12.1). Adjusted for items affecting comparability related to the closure of the Russian operations of SEK 0 million (-15), remeasured additional purchase considerations of SEK -2 million (-15) and acquisition costs of SEK 0 million (-8), operating profit increased by 16 percent to SEK 325 million (281), corresponding to an adjusted operating margin of 13.6 percent (14.0)
- Earnings per share increased by 21 percent to SEK 5.33 (4.42)
- Operating cash flow amounted to SEK 336 million (-22), corresponding to a cash conversion ratio of 99 percent (-8)
- Bufab once again achieved its highest ever sales, operating profit and earnings per share for a single quarter

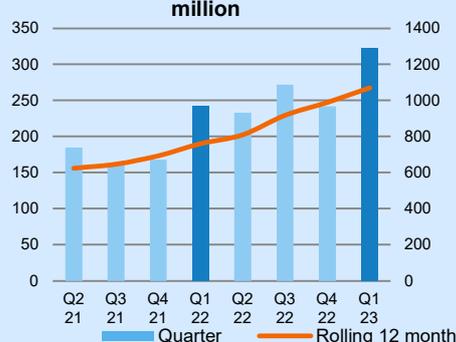
## THE GROUP IN BRIEF (FOR DEFINITIONS, SEE PAGE 18)

SEK million	Quarter 1		Δ	12-months rolling	Full year
	2023	2022			
Order intake	2,329	2,041	14	8,631	8,453
Net sales	2,386	2,002	19	8,823	8,431
Gross profit	675	561	20	2,503	2,389
%	28.3	28.0		28.4	28.3
Operating expenses	-351	-318	11	-1,433	-1,399
%	-14.7	-15.9		-16.2	-16.6
Operating profit (EBITA)	323	243	33	1,071	990
%	13.5	12.1		12.1	11.7
Operating profit	306	233	32	1,004	930
%	12.8	11.6		11.4	11.0
Profit after tax	201	166	26	645	609
Earnings per share, SEK	5.33	4.42	21	17.14	16.23

Net sales, SEK million



Operating profit (EBITA), SEK million



SALES GROWTH

**+19%**

OPERATING MARGIN (EBITA)

**13.5%**

## Strong start to the year



We had a very positive start to the year, despite challenging market conditions. Bufab once again achieved its highest ever sales, operating profit and earnings per share for a single quarter.

The sales growth for the quarter amounted to a strong 19 percent, driven by the latest year's acquisitions and currency effects. Organic growth was 0 percent, positively impacted by a healthy performance in Segments West and North but offset by strong comparative figures and weak demand in Segments East and UK/North America. Order intake was slightly lower than sales.

The gross margin increased somewhat, primarily driven by a positive business mix. The share of operating expenses decreased during the quarter, but when adjusted for items affecting comparability in the first quarter of 2022 related to the discontinuation of our Russian operations, remeasured additional purchase considerations and acquisition costs, the share of operating expenses increased somewhat.

We have continued good cost control within the Group, despite increased inflationary pressure. This, combined with good contributions from the recent year's acquisitions, explains the good result in the quarter. Overall, operating profit rose by 33 percent and the operating margin was a strong 13.5 percent (12.1). Adjusted for the above-mentioned items affecting comparability, operating profit increased 16 percent and the operating margin amounted to 13.6 percent (14.0). All segments contributed to the

earnings development, but especially Segment North and Segment West.

Our efforts to improve our cash flow have paid off and operating cash flow improved significantly during the quarter as a direct result of the strong earnings development combined with inventory reductions. We expect continued strong cash flow coming quarters.

We continue to undertake the intensive work of integrating the recent acquisitions, with the sustained priority of realising growth synergies high on the agenda. We also continue with the long-term development of our business by, integrating sustainability throughout the whole organisation, broadening our customer offer, as well as increasing our degree of both digitalisation and productivity. In addition to this, we also continue to work with efficiency activities to compensate for the realised inflationary pressure and have situationally adapted plans in place for each company within the Group.

Given the geopolitical and macroeconomic situation, there is great uncertainty, and we are seeing a continued cautionary approach among our customers in certain industrial segments. However, we have a large and a well-diversified customer- and article portfolio, with good diversification of risk in various industries and markets. At the same time, a weaker economy creates favourable conditions for a strong player such as Bufab to take new market shares as customers increase their focus on reducing indirect costs such as C-parts. These possibilities combined with our broad customer offer and increased customer relevance give us a favourable outlook for a continued long-term, sustainable, and profitable growth journey.

Finally, I would like to thank our customers for the trust they show us and extend a big thank you to our approximately 1 800 "solutionists" worldwide. Without your commitment and effort, we would not have been able to deliver such a strong quarter.

Erik Lundén  
President and CEO

# The Group in brief

## FIRST QUARTER

Order intake amounted to SEK 2,329 million (2,041) and was slightly lower than net sales.

Net sales increased by 19 percent to SEK 2,386 million (2,002). Of the total growth of 19 percent, 5 percent was attributable to currency effects, 14 to acquisitions and 0 percent to organic growth. Organic growth was positively impacted by a healthy performance in Segments West and North, but offset by strong comparative figures and weak demand in Segments East and UK/North America. The market share is deemed to be unchanged.

The gross margin increased somewhat to 28.3 percent (28.0). The improved gross margin was mainly a result of a favourable business mix relative to the comparative quarter.

The share of operating expenses was 14.7 percent (15.9). Adjusted for the following items affecting comparability: closure of the Russian operations totalling SEK 0 million (-15), remeasured additional purchase considerations of SEK -2 million (-15) and acquisition costs of SEK 0 million (-8), the share of operating expenses amounted to 14.6 percent (14.0). The Group continues to maintain effective cost control, despite persistent inflationary pressure.

Operating profit (EBITA) rose by 33 percent to SEK 323 million (243) and the operating margin was 13.5 percent (12.1). Adjusted for the above mentioned comparative items, operating profit amounted to SEK 325 million (281) and the operating margin to 13.6 percent (14.0). Exchange-rate fluctuations impacted operating profit by SEK 12 million.

Earnings per share increased by 21 percent to SEK 5.33 (4.42).

## FINANCIAL ITEMS AND TAX

Net financial items amounted to SEK -41 million (-13), of which exchange-rate differences accounted for SEK 4 million (-1). Profit after financial items amounted to SEK 265 million (220).

The tax expense was SEK -64 million (-54), implying an effective tax rate of 24 percent (25).

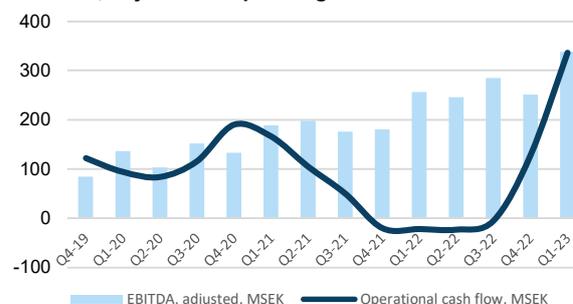
## CASH FLOW, WORKING CAPITAL AND FINANCIAL POSITION

Operating cash flow noted a robust improvement during the quarter, a direct result of a continued strong earnings trend in combination with a reduced working

capital, with favourable contributions from inventory reductions.

SEK million	Quarter 1	
	2023	2022
EBITDA, adjusted	338	256
Other non-cash items	4	32
Changes in working capital	7	-292
<b>Cash flow from operations</b>	<b>349</b>	<b>-7</b>
Investments excluding acquisitions	-13	-15
<b>Operating cash flow</b>	<b>336</b>	<b>-22</b>
<i>Cash conversion</i>	<i>99%</i>	<i>-8%</i>

### EBITDA, adjusted & Operating cash flow

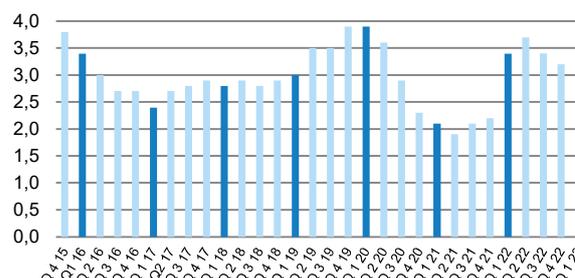


Average working capital in relation to net sales amounted to 40.1 percent (30.9). The deterioration was primarily due to the Group increasing its inventory during 2022 in response to the longer lead times created by the strained supply chain.

The adjusted net debt as per 31 March 2023, totalled SEK 3,042 million (2,782) and the debt/equity ratio was 108 percent (128). The higher net debt, were primarily attributable to the acquisitions completed in the past 12 months, the negative exchange-rate impact on acquisition loans in foreign currency and costs attributable to remeasured additional purchase considerations.

The key figure net debt/EBITDA, adjusted, decreased by 0.5x during the quarter and amounted to a multiple of 2.7 (3.4) at the end of the quarter.

### Net debt / EBITDA, adjusted, multiple



## Segment North

Segment North comprises Bufab's operations in Sweden, Finland, Norway and Denmark, a purchasing office in China, which is affiliated to the segment, and the during 2022 acquired company Pajo-Bolte A/S. The companies' operations mainly comprise trading companies, but also certain manufacturing of particularly demanding components.

### FIRST QUARTER

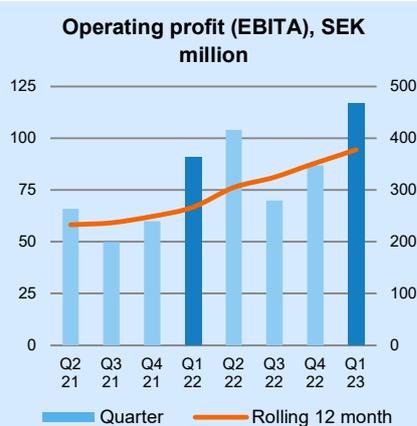
The segment noted favourable growth during the quarter. The total growth was 18 percent and was mainly attributable to the acquisition of Pajo-Bolte, but also to continued healthy underlying demand, primarily in the Swedish operations. Organic growth amounted to 4 percent. The market share is deemed to be somewhat higher compared to previous year. Order intake was slightly lower than net sales.

The gross margin was unchanged relative to the comparative quarter.

The share of operating expenses decreased relative to the comparative period, primarily as a result of effective cost control and increased efficiency combined with somewhat higher volumes.

Due to a stable gross margin and a lower share of operating expenses, both operating profit and the operating margin increased relative to the comparative quarter.

SEK million	Quarter 1		Δ %	Rolling 12 months	Full year
	2023	2022		2022/23	2022
Order intake	789	681	16	2,924	2,815
Net sales	821	694	18	2,964	2,837
Gross profit	215	182	18	769	737
%	26.2	26.2		25.9	26.0
Operating expenses	-98	-91	-7	-391	-384
%	-11.9	-13.1		-13.2	-13.5
Operating profit (EBITA)	117	91	29	378	352
%	14.2	13.1		12.8	12.4



# Segment West

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

## FIRST QUARTER

The segment reported continued strong demand during the quarter. Total growth was 20 percent and organic growth was a strong 13 percent. The organic growth was mainly attributable to continued healthy underlying demand and increased market shares. The operations in France, the Netherlands and Czech Republic had an especially strong performance, driven by higher demand and increased market shares particularly in the automotive, engineering and defence industry. Order intake was in line with net sales.

The gross margin was somewhat higher, primarily as a result of a positive business mix relative to the comparative quarter.

The percentage of operating expenses decreased as a direct result of continued healthy cost control combined with the higher volumes.

Overall, operating profit increased by a strong 46 percent to SEK 73 million (50), equal to an operating margin of 13.8 percent (11.4).

SEK million	Quarter 1		Δ	Rolling 12 months	Full year
	2023	2022	%	2022/23	2022
Order intake	520	457	14	1,721	1,716
Net sales	526	440	20	1,781	1,694
Gross profit	128	104	23	431	408
%	24.3	23.7		24.2	24.1
Operating expenses	-55	-55	0	-220	-219
%	-10.5	-12.5		-12.4	-12.9
Operating profit (EBITA)	73	50	46	211	188
%	13.8	11.4		11.9	11.1

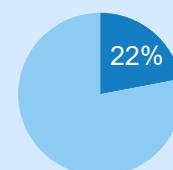
Net sales, SEK million



Operating profit (EBITA), SEK million



SHARE OF TOTAL SALES



SALES GROWTH

+20%

OPERATING MARGIN (EBITA)

13.8%

# Segment East

Segment East comprises Bufab's operations in Poland, Hungary, Romania, the Baltic States, Slovakia, Turkey, China, the Philippines, Singapore and other countries in Southeast Asia, India and the during 2022 acquired company CDA Bufab.

## FIRST QUARTER

The segment noted continued growth during the quarter. Total growth amounted to 5 percent and was fully attributable to acquisitions and currency effects. Organic growth was -6 percent. The negative organic growth was mainly attributable to strong comparative figures and a weaker trend in Poland and Singapore. The acquired company CDA Bufab (fm CDA Polska) continued its favourable development during the quarter. Order intake was slightly higher than net sales.

The gross margin was in line with the comparative quarter.

The share of operating expenses decreased significantly as a direct result of the comparative quarter being charged with costs for the discontinuation of the segment's Russian operations totalling SEK -15 million. Adjusted for these costs, the share of operating expenses amounted to 15.0 percent (13.9).

Overall, operating profit increased to SEK 49 million (36), equal to a margin of 16.6 percent (12.7). Adjusted for the above mentioned items affecting comparability, operating profit amounted to SEK 49 million (51), corresponding to an adjusted operating margin of 16.6 percent (18.1).

SEK million	Quarter 1		Δ	Rolling 12 months	Full year
	2023	2022		%	2022/23
Order intake	302	289	4	1,079	1,066
Net sales	297	282	5	1,088	1,073
Gross profit	94	90	5	347	342
%	31.6	31.7		31.9	31.9
Operating expenses	-45	-54	-17	-181	-190
%	-15.0	-19.0		-16.6	-17.7
Operating profit (EBITA)	49	36	37	166	153
%	16.6	12.7		15.3	14.2

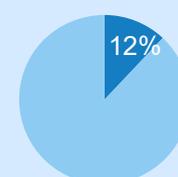
Net sales, SEK million



Operating profit (EBITA), SEK million



SHARE OF TOTAL SALES



SALES GROWTH

+5%

OPERATING MARGIN (EBITA)

16.6%

# Segment UK/North America

Segment UK/North America comprises Bufab's operations in the UK, Ireland, the US, Mexico and during the 2022 acquired company TI Midwood & Co Ltd. (TIMCO).

## FIRST QUARTER

The segment reported strong growth of 27 percent, entirely attributable to acquisitions and currency effects. Organic growth amounted to -13 percent. The negative organic growth was due to strong comparative figures and a reduced demand for stainless steel C-parts in the UK and within the mobile home and trailer markets in North America. However, operations in Ireland performed strongly and the acquisition of TIMCO in the UK noted continued good volumes during the quarter. Order intake was lower than net sales.

The gross margin was somewhat lower than in the strong comparative quarter. The lower gross margin was primarily attributable to the acquisition of TIMCO, which has a lower gross margin than the rest of the segment. Adjusted for the acquisition of TIMCO, the gross margin was 32.5 percent (32.0), an improvement driven mainly by a positive business mix.

The proportion of operating expenses increased. Adjusted for remeasured additional purchase considerations of SEK -2 million (-14), the share of operating expenses increased to 18.3 percent (17.3). The increase is mainly attributable to lower volumes relative to the comparative quarter.

Overall, operating profit increased by 14 percent to SEK 96 million (85), equal to an operating margin of 13.0 percent (14.5). Adjusted for the above mentioned items affecting comparability, operating profit amounted to SEK 98 million (98), corresponding to an operating margin of SEK 13.2 million (16.9).

SEK million	Quarter 1		Δ	Rolling 12 months	Full year
	2022	2022			
Order intake	718	614	17	2,907	2,855
Net sales	742	585	27	2,988	2,824
Gross profit	234	187	25	937	890
%	31.6	32.0		31.4	31.5
Operating expenses	-138	-103	34	-604	-568
%	-18.6	-17.5		-20.2	-20.1
Operating profit (EBITA)	96	85	14	333	321
%	13.0	14.5		11.2	11.4

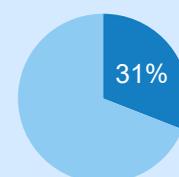
Net sales, SEK million



Operating profit (EBITA), SEK million



SHARE OF TOTAL SALES



SALES GROWTH

**+27%**

OPERATING MARGIN (EBITA)

**13.0%**

## Consolidated Income Statement

<i>SEK million</i>	<i>Quarter 1</i>	
	<b>2023</b>	2022
Net sales	2,386	2,002
Cost of goods sold	-1,711	-1,441
<b>Gross profit</b>	<b>675</b>	<b>561</b>
Distribution costs	-227	-172
Administrative expenses	-146	-124
Other operating income and operating expenses	4	-32
<b>Operating profit</b>	<b>306</b>	<b>233</b>
<b><i>Profit/loss from financial items</i></b>		
Interest income and similar income items	8	1
Interest expenses and similar expenses	-49	-14
<b>Profit after financial items</b>	<b>265</b>	<b>220</b>
Tax on net profit for the period	-64	-54
<b>Profit after tax</b>	<b>201</b>	<b>166</b>

## Statement of Comprehensive Income

<i>SEK million</i>	<i>Quarter 1</i>	
	<b>2023</b>	2022
<b>Profit after tax</b>	<b>201</b>	<b>166</b>
<b>Other comprehensive income</b>		
Items that may be reclassified subsequently to profit or loss		
Translation differences / Currency hedging net after tax	37	32
<b>Other comprehensive income after tax</b>	<b>37</b>	<b>32</b>
<b>Total comprehensive income</b>	<b>238</b>	<b>198</b>
Total comprehensive income attributable to:		
Parent Company shareholders	238	198

## Earnings per share

<i>SEK</i>	<i>Quarter 1</i>	
	<b>2023</b>	2022
Earnings per share	5.33	4.42
Weighted number of shares outstanding before dilution, thousands	37,729	37,489
Diluted earnings per share, SEK	5.25	4.35
Weighted number of shares outstanding after dilution, thousands	38,280	38,144

## Consolidated Balance Sheet

<i>SEK million</i>	<i>31 Mar 23</i>	<i>31 Mar 22</i>	<i>31 Dec 22</i>
<b>ASSETS</b>			
<b><i>Non-current assets</i></b>			
Intangible assets	3,374	3,130	3,373
Property, plant and equipment	712	736	711
Financial assets	30	34	33
<b>Total non-current assets</b>	<b>4,116</b>	<b>3,900</b>	<b>4,117</b>
<b><i>Current assets</i></b>			
Inventories	3,258	2,602	3,449
Current receivables	1,807	1,702	1,548
Cash and cash equivalents	280	323	322
<b>Total current assets</b>	<b>5,346</b>	<b>4,627</b>	<b>5,319</b>
<b>Total assets</b>	<b>9,462</b>	<b>8,527</b>	<b>9,436</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>3,284</b>	<b>2,575</b>	<b>3,036</b>
<b><i>Non-current liabilities</i></b>			
Non-current liabilities, interest-bearing	2,950	3,334	3,173
Non-current liabilities, non-interest-bearing	377	849	370
<b>Total non-current liabilities</b>	<b>3,327</b>	<b>4,183</b>	<b>3,543</b>
<b><i>Current liabilities</i></b>			
Current liabilities, interest-bearing	865	281	911
Current liabilities, non-interest-bearing	1,986	1,488	1,946
<b>Total current liabilities</b>	<b>2,851</b>	<b>1,769</b>	<b>2,857</b>
<b>Total equity and liabilities</b>	<b>9,462</b>	<b>8,527</b>	<b>9,436</b>

## Consolidated Statement of Changes in Equity

<i>SEK million</i>	<i>31 Mar 23</i>	<i>31 Mar 22</i>
<b>Equity at beginning of year</b>	<b>3,036</b>	<b>2,377</b>
<b>Comprehensive income</b>		
Profit after tax	201	166
<i>Other comprehensive income</i>		
Items that may be reclassified in profit or loss		
Translation differences / Currency hedging net after tax	37	32
<b>Total comprehensive income</b>	<b>238</b>	<b>198</b>
<b>Transactions with shareholders</b>		
Call option premium	12	0
Redemption call option programme	-2	0
<b>Total transactions with shareholders</b>	<b>10</b>	<b>0</b>
<b>Equity at end of period</b>	<b>3,284</b>	<b>2,575</b>

## Consolidated Cash Flow Statement

<i>SEK million</i>	<i>Quarter 1</i>	
	<i>2023</i>	<i>2022</i>
<b><i>Operating activities</i></b>		
Profit before financial items	306	232
Depreciation/amortisation and impairment	67	50
Interest and other finance income	8	1
Interest and other finance expenses	-49	-14
Other non-cash items	4	32
Income tax paid	-42	-61
<b>Cash flow from operating activities before changes in working capital</b>	<b>294</b>	<b>240</b>
<b><i>Changes in working capital</i></b>		
Increase (-)/decrease (+) in inventories	243	-90
Increase (-)/decrease (+) in operating receivables	-238	-230
Increase (+)/decrease (-) in operating liabilities	2	28
<b>Cash flow from operating activities</b>	<b>301</b>	<b>-52</b>
<b><i>Investing activities</i></b>		
Acquisition of property, plant and equipment	-12	-15
Company acquisitions including additional purchase considerations	-7	-936
Acquisition of intangible assets	-1	-
<b>Cash flow from investing activities</b>	<b>-20</b>	<b>-951</b>
<b><i>Financing activities</i></b>		
Incentive programme	10	0
Increase (+)/decrease (-) in borrowings	-331	1,031
<b>Cash flow from financing activities</b>	<b>-321</b>	<b>1,031</b>
<b>Cash flow for the period</b>	<b>-40</b>	<b>28</b>
Cash and cash equivalents at beginning of period	323	293
Translation differences	-3	1
<b>Cash and cash equivalents at end of period</b>	<b>280</b>	<b>323</b>

## The Group's segment reporting

<i>SEK million</i>	2021				2022				2023
<b>North</b>	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net sales	<b>599</b>	608	545	613	<b>694</b>	758	656	729	<b>821</b>
Gross profit	<b>159</b>	154	145	153	<b>182</b>	206	169	179	<b>215</b>
%	<b>26.5</b>	25.2	26.7	25.0	<b>26.2</b>	27.2	25.8	24.6	<b>26.2</b>
Operating expenses	<b>-86</b>	-88	-95	-93	<b>-91</b>	-102	-99	-92	<b>-98</b>
%	<b>-14.4</b>	-14.4	-17.4	-15.2	<b>-13.1</b>	-13.4	-15.2	-12.6	<b>-11.9</b>
Operating profit (EBITA)	<b>73</b>	66	50	60	<b>91</b>	104	70	87	<b>117</b>
%	<b>12.2</b>	10.8	9.2	9.8	<b>13.1</b>	13.8	10.7	11.9	<b>14.2</b>

<i>SEK million</i>	2021				2022				2023
<b>West</b>	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net sales	<b>314</b>	307	289	326	<b>440</b>	426	419	409	<b>526</b>
Gross profit	<b>82</b>	78	70	81	<b>104</b>	100	101	103	<b>128</b>
%	<b>26.1</b>	25.3	24.3	24.7	<b>23.7</b>	23.5	24.0	25.1	<b>24.3</b>
Operating expenses	<b>-47</b>	-45	-46	-51	<b>-55</b>	-54	-51	-59	<b>-55</b>
%	<b>-15.0</b>	-14.8	-15.8	-15.6	<b>-12.5</b>	-12.6	-12.3	-14.5	<b>-10.5</b>
Operating profit (EBITA)	<b>35</b>	32	24	29	<b>50</b>	46	49	43	<b>73</b>
%	<b>11.1</b>	10.5	8.5	9.0	<b>11.4</b>	10.8	11.7	10.5	<b>13.8</b>

<i>SEK million</i>	2021				2022				2023
<b>East</b>	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net sales	<b>216</b>	218	222	233	<b>282</b>	266	272	253	<b>297</b>
Gross profit	<b>68</b>	67	67	73	<b>90</b>	83	88	81	<b>94</b>
%	<b>31.5</b>	30.8	30.4	31.3	<b>31.7</b>	31.4	32.4	32.1	<b>31.6</b>
Operating expenses	<b>-29</b>	-25	-33	-39	<b>-54</b>	-40	-49	-47	<b>-45</b>
%	<b>-13.4</b>	-11.5	-14.8	-16.7	<b>-19.0</b>	-15.0	-18.0	-18.7	<b>-15.0</b>
Operating profit (EBITA)	<b>39</b>	42	35	34	<b>36</b>	44	39	34	<b>49</b>
%	<b>18.1</b>	19.3	15.6	14.6	<b>12.7</b>	16.4	14.4	13.4	<b>16.6</b>

<i>SEK million</i>	2021				2022				2023
<b>UK/North America</b>	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net sales	<b>293</b>	298	369	427	<b>585</b>	791	774	681	<b>742</b>
Gross profit	<b>93</b>	95	122	137	<b>187</b>	253	238	212	<b>234</b>
%	<b>31.7</b>	32.0	33.0	32.1	<b>32.0</b>	32.0	30.7	31.1	<b>31.6</b>
Operating expenses	<b>-52</b>	-42	-60	-88	<b>-103</b>	-206	-122	-137	<b>-138</b>
%	<b>-17.7</b>	-14.0	-16.2	-20.6	<b>-17.5</b>	-26.0	-15.8	-20.1	<b>-18.6</b>
Operating profit (EBITA)	<b>41</b>	54	62	49	<b>85</b>	47	115	74	<b>96</b>
%	<b>14.0</b>	18.0	16.9	11.5	<b>14.5</b>	5.9	14.9	10.9	<b>13.0</b>

<i>SEK million</i>	2021				2022				2023
<b>Other</b>	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net sales	<b>1</b>	0	0	0	<b>1</b>	0	1	2	<b>0</b>
Gross profit	<b>-5</b>	-1	1	0	<b>-3</b>	-3	6	8	<b>4</b>
Operating expenses	<b>-6</b>	-8	-7	-3	<b>-16</b>	-9	-7	-5	<b>-16</b>
Operating profit (EBITA)	<b>-11</b>	-9	-7	-3	<b>-18</b>	-8	-2	2	<b>-12</b>

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

<i>SEK million</i>	2021				2022				2023
<b>Group</b>	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net sales	<b>1,423</b>	1,431	1,425	1,599	<b>2,002</b>	2,241	2,122	2,074	<b>2,386</b>
Gross profit	<b>397</b>	393	405	443	<b>561</b>	645	601	583	<b>675</b>
%	<b>27.9</b>	27.4	28.4	27.7	<b>28.0</b>	28.8	28.3	28.1	<b>28.3</b>
Operating expenses	<b>-220</b>	-208	-241	-274	<b>-318</b>	-411	-329	-341	<b>-351</b>
%	<b>-15.5</b>	-14.5	-16.9	-17.1	<b>-15.9</b>	-18.3	-15.5	-16.4	<b>-14.7</b>
Operating profit (EBITA)	<b>177</b>	185	164	169	<b>243</b>	233	272	242	<b>323</b>
%	<b>12.4</b>	12.9	11.5	10.6	<b>12.1</b>	10.4	12.8	11.7	<b>13.5</b>

## Consolidated Key Figures

For definitions, see page 18.

	Quarter 1		Δ	12- months rolling	Full year
	2023	2022			
Order intake, SEK million	<b>2,329</b>	2,041	14	8,631	8,453
Net sales, SEK million	<b>2,386</b>	2,002	19	8,823	8,431
Gross profit, SEK million	<b>675</b>	561	20	2,503	2,389
EBITDA, SEK million	<b>373</b>	283	32	1,261	1,170
EBITDA, adjusted, SEK million	<b>337</b>	256	32	1,123	1,041
Operating profit (EBITA), SEK million	<b>323</b>	243	33	1,071	990
Operating profit, SEK million	<b>306</b>	233	32	1,004	930
Profit after tax, SEK million	<b>201</b>	166	21	645	609
Gross margin, %	<b>28.3</b>	28.0		28.4	28.3
Operating margin (EBITA), %	<b>13.5</b>	12.1		12.1	11.7
Operating margin, %	<b>12.8</b>	11.6		11.4	11.0
Net margin, %	<b>8.4</b>	8.3		7.3	7.2
Net debt, SEK million	<b>3,535</b>	3,292	8		
Net debt, adjusted, SEK million	<b>3,042</b>	2,782	9		
Debt/equity ratio, %	<b>108</b>	128			
Net debt / EBITDA, adjusted, multiple <sup>(1)</sup>	<b>2.7</b>	3.4			
Working capital, SEK million	<b>3,708</b>	2,839	31		
Average working capital, SEK million	<b>3,542</b>	2,109	68		
Average working capital in relation to net sales, %	<b>40.1</b>	30.9			
Equity/assets ratio, %	<b>35</b>	30			
Operating cash flow, SEK million	<b>336</b>	-22	1 627		
Earnings per share, SEK	<b>5.33</b>	4.42	21		

<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 1</i>	
	<i>2023</i>	<i>2022</i>
Administrative expenses	-5	-3
Other operating income	2	1
<b>Operating loss</b>	<b>-3</b>	<b>-2</b>
<b><i>Profit/loss from financial items</i></b>		
Interest expenses and similar expenses	-	-
<b>Loss after financial items</b>	<b>-3</b>	<b>-2</b>
Appropriations	-	-
Tax on net profit for the period	-	-
<b>Loss after tax</b>	<b>-3</b>	<b>-2</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>-3</b>	<b>-2</b>

## Parent Company Balance Sheet

<i>SEK million</i>	31 Mar 23	31 Mar 22	31 Dec 22
<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	327	198	318
Other current receivables	17	54	26
Cash and cash equivalents	-	-	-
<b>Total current assets</b>	<b>353</b>	<b>252</b>	<b>344</b>
<b>Total assets</b>	<b>1,189</b>	<b>1,097</b>	<b>1,189</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>1,081</b>	<b>981</b>	<b>1,073</b>
<b>Untaxed reserves</b>	<b>94</b>	<b>93</b>	<b>94</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	14	23	22
<b>Total current liabilities</b>	<b>14</b>	<b>23</b>	<b>22</b>
<b>Total equity and liabilities</b>	<b>1,189</b>	<b>1,097</b>	<b>1,189</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 2022 Annual Report. The 2022 Annual Report is available at [www.bufabgroup.com](http://www.bufabgroup.com)

### RISKS AND RISK MANAGEMENT

Exposure to risk is a natural part of business activity, and this is reflected in Bufab's approach to risk management. Risk management aims 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 2022 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 year, 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 2019 Annual General Meeting was implemented on the terms contained in the 2022 Annual Report.

### ACQUISITIONS

Acquisitions made during 2021-2023:

	<i>Date</i>	<i>Net sales*</i>	<i>Employees</i>
Component Solutions Group Ltd.	8 Sep 2021	280	85
Jenny   Wattle GmbH	19 Oct 2021	190	43
Tilka Trading AB	21 Oct 2021	50	18
Pajo-Bolte A/S	14 Mar 2022	190	40
TI Midwood & Co Ltd.	21 Mar 2022	730	187
CDA Polska S.p.z.o.o	21 Apr 2022	93	47

\*Estimated annual net sales at the date of acquisition

### Additional purchase considerations

The Group's liabilities for conditional considerations and unconditional additional purchase considerations attributable to acquisitions are measured at fair value. These items are recognised at fair value in the balance sheet with changes in value recognised in profit or loss. Total recognised liabilities for additional purchase considerations amounted to SEK 819 million at 31 March 2023 (679), of which SEK 189 million (672) was recognised as Non-current liabilities, non-interest-bearing and SEK 630 million (7) was recognised as Current liabilities, non-interest-bearing in the consolidated balance sheet. The reported additional purchase considerations are included – according to the Group's definition – in the amounts for "net indebtedness" and "net debt, adjusted" from the time when they are finally calculated and paid out.

### SIGNIFICANT EVENTS DURING THE YEAR

#### Organisation

On 3 April, it was announced that Frederick Neely had been appointed acting CFO of Bufab as of 1 May 2023. Frederick will assume his new role in conjunction with the current CFO, Marcus Söderberg, stepping down from his role to take up a position outside of the Group. Recruitment of a new CFO to replace Marcus Söderberg is in progress and is expected to be completed in the second quarter of 2023.

#### EMPLOYEES

The number of employees in the Group at 31 March 2023 amounted to 1,841 (1,750).

### CONTINGENT LIABILITIES AND COLLATERALS

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

### AUDIT REVIEW

This interim report has not been examined by the company's auditors.

### CALENDAR

Annual General Meeting 2023:	20 April 2023
Interim report Q2, 2023:	13 July 2023
Interim Report Q3, 2023:	26 October 2023
Year-end report 2023:	8 February 2024

Värnamo, 20 April 2023

Erik Lundén  
President and CEO

## 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**

Interest-bearing liabilities, less cash and cash equivalents and interest-bearing assets, calculated at the end of the period

### **Net debt, adjusted**

Interest-bearing liabilities, excluding 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 EBITDA, adjusted, in the last twelve months

### **Operating expenses**

Total distribution costs, administrative expenses, other operating income/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

### **Cash conversion**

Operating cash flow divided by EBITDA, adjusted

### **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.

2023, percentage points	Quarter 1				
	Group	North	West	East	UK/North America
Organic growth	0	4	13	-5	-11
Currency translation effects	5	2	7	4	7
Acquisitions/ divestment	14	12	0	6	31
Recognised growth	19	18	20	5	27

2022, percentage points	Quarter 1				
	Group	North	West	East	UK/North America
Organic growth	21	12	16	28	42
Currency translation effects	3	1	4	3	8
Acquisitions	16	3	21	-	50
Recognised growth	41	16	40	30	99

### 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 1	
	2023	2022
EBITDA, adjusted	338	256
Other non-cash items	4	32
Changes in inventory	243	-90
Changes in operating receivables	-238	-230
Changes in operating liabilities	2	28
<b>Cash flow from operations</b>	<b>349</b>	<b>-7</b>
Investments excluding acquisitions	-13	-15
<b>Operating cash flow</b>	<b>336</b>	<b>-22</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 1</i>	
	<b>2023</b>	2022
Operating profit	306	233
Depreciation/amortisation and impairment	67	50
<b>EBITDA</b>	<b>373</b>	<b>283</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 1</i>	
	<b>2023</b>	2022
Operating profit	306	233
Depreciation/amortisation and impairment	67	50
Less: amortisation on right-of-use assets according to IFRS 16	-31	-24
Less: interest expenses on lease liabilities according to IFRS 16	-4	-3
<b>EBITDA, adjusted</b>	<b>338</b>	<b>256</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 1</i>	
	<b>2023</b>	2022
Operating profit	306	233
Depreciation and amortisation of acquired intangible assets	17	10
<b>EBITA</b>	<b>323</b>	<b>243</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 1</i>	
	2023	2022
Distribution costs	-227	-172
Administrative expenses	-146	-124
Other operating income and operating expenses	5	-32
Depreciation and amortisation of acquired intangible assets	17	10
<b>Operating expenses</b>	<b>-351</b>	<b>-318</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>31 Mar</i>	<i>31 Mar</i>
	<i>2023</i>	<i>2022</i>
Current assets	5,346	4,627
Less: cash and cash equivalents	-280	-323
Less: current non-interest-bearing liabilities excluding liabilities for additional purchase prices	-1,357	-1,465
<b>Working capital on the balance-sheet date</b>	<b>3,708</b>	<b>2,839</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>31 Mar</i>	<i>31 Mar</i>
	<i>2023</i>	<i>2022</i>
Non-current interest-bearing liabilities	2,950	3,334
Current interest-bearing liabilities	865	281
Less: cash and cash equivalents	-280	-323
Less: other interest-bearing receivables	0	0
<b>Net debt on balance-sheet date</b>	<b>3,535</b>	<b>3,292</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>31 Mar</i>	<i>31 Mar</i>
	<i>2023</i>	<i>2022</i>
Non-current interest-bearing liabilities	2,950	3,334
Current interest-bearing liabilities	865	281
Less: lease liabilities according to IFRS 16	-493	-510
Less: cash and cash equivalents	-280	-323
Less: other interest-bearing receivables	0	0
<b>Net debt, adjusted, on the balance-sheet date</b>	<b>3,042</b>	<b>2,782</b>

## CONFERENCE CALL

A conference call will be held on 20 April 2023 at 9:00 a.m. CEST. Erik Lundén, 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: +44 (0) 33 0551 0202, Sweden +46 (0) 8 5051 0086 or the US +1 786 496 5601. Conference code: 4123660#.

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



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*This information is such that Bufab AB (publ) is obliged to disclose in accordance with the EU's Market Abuse Regulation. The information was submitted for publication by the aforementioned contacts on 20 April 2023 at 7:30 a.m. CEST.*

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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, Sweden, and is an international company with operations in 28 countries. The head office is located in Värnamo, Sweden, and Bufab has about 1,800 employees. Bufab's net sales for the past 12 months amounted to SEK 8.8 billion and the operating margin was 12.1 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.