

# Year-end Report 2021

**Continued strong growth in sales and profit in the fourth quarter. Bufab delivers highest-ever full-year result. Board proposes raised dividend.**

## Fourth quarter 2021

- Net sales rose by 29 percent to SEK 1,599 million (1,238), of which 19 percent was organic
- Order intake increased by 25 percent and was higher than net sales
- Operating profit (EBITA) rose 40 percent to SEK 169 million (121), corresponding to a margin of 10.6 percent (9.8). Adjusted for acquisition costs and remeasured additional purchase considerations, operating profit (EBITA) amounted to SEK 184 million (126), corresponding to an operating margin of 11.5 percent (10.2)
- Earnings per share rose by 57 percent to SEK 3.17 (2.03)
- During the quarter, Jenny I Wattle and Tilka Trading were acquired, with annual sales of approximately SEK 190 million and SEK 50 million, respectively

## Full-year 2021

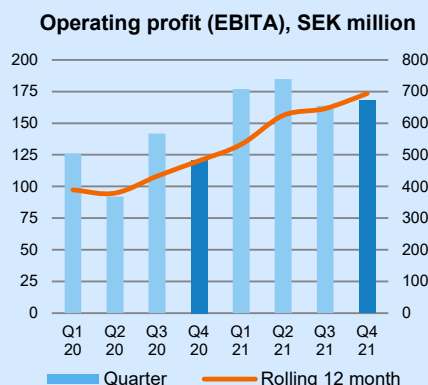
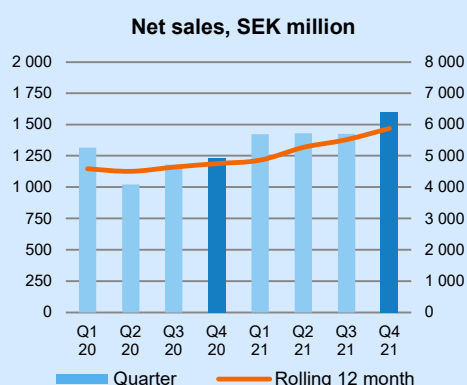
- Net sales rose by 24 percent to SEK 5,878 million (4,756), of which 23 percent was organic
- Order intake increased by 26 percent and was higher than net sales
- Operating profit (EBITA) rose 44 percent to SEK 695 million (482), corresponding to a margin of 11.8 percent (10.1). Adjusted for acquisition costs and remeasured additional purchase considerations, operating profit (EBITA) increased to SEK 744 million (477), corresponding to an operating margin of 12.7 percent (10.1)
- Earnings per share rose by 56 percent to SEK 12.57 (8.04)
- In 2021, Bufab achieved its highest-ever annual sales, operating profit and earnings per share
- The Board of Directors proposes a dividend of SEK 3.75 per share (2.75)

## THE GROUP IN BRIEF

SEK million	Quarter 4			Jan-Dec		
	2021	2020	Δ %	2021	2020	Δ %
Order intake	1,623	1,299	25	6,084	4,827	26
Net sales	1,599	1,238	29	5,878	4,756	24
Gross profit	443	323	37	1,638	1,252	31
%	27.7	26.1		27.9	26.3	
Operating expenses*	-274	-202	35	-942	-771	22
%	-17.1	-16.3		-16.0	-16.2	
Operating profit (EBITA)*	169	121	40	695	482	44
%	10.6	9.8		11.8	10.1	
Operating profit	160	114	40	664	452	47
%	10.0	9.2		11.3	9.5	
Profit after tax	115	76	51	470	299	57
Earnings per share, SEK	3.17	2.03	57	12.57	8.04	56
Dividend per share, SEK	–	–		3.75**	2.75	36

\*For definitions, see page 22

\*\*Proposed by Board of Directors



SALES GROWTH

**+29%**

OPERATING MARGIN (EBITA)

**10.6%**

## Strong end to a very good year

Bufab has delivered its highest ever sales, operating profit and earnings per share for the full year. We completed three strategic acquisitions with combined annual sales of more than SEK 500 million and continued to invest in our own operations to ensure future sustainable and profitable growth.

As expected, the strong demand continued in the fourth quarter. We delivered a strong organic growth of 19 percent, explained by solid underlying demand in all segments, price increases and increased market shares.

We also reported a strong gross margin, driven by higher volumes and efforts to pass on increased raw materials and freight prices to customers. The high level of demand, together with the continued challenging situation in the supply chain, places high pressure on our organisation, but our assessment is that the situation improved somewhat during the fourth quarter.

The share of operating expenses increased during the quarter, but adjusted for acquisitions and remeasured additional purchase considerations, the share of operating expenses is at a stable and continued low level, which contributed to our strong result. This was primarily due to effective cost control, but also due to continued low level of activity in terms of travel, customer events, training, and trade fairs as a result of the pandemic. The challenge going forward will be to meet the normalisation of the cost level by further increasing productivity.

Overall, operating profit increased by 40 percent and the margin by 0.8 percentage points. Adjusted for acquisitions and remeasured additional purchase considerations the operating profit increased by 44 percent and the margin by 2.2 percentage points.

We are however not satisfied with the weak cash flow during the year and particularly during the fourth quarter. However, the weak cash flow is a natural result of strong organic growth, that we had very low inventory at the beginning of the year and the significantly longer lead times from suppliers

that we noted in the wake of the strained supply chain. Overall, this meant that, in order to meet our customers' demand, we needed to build up higher working capital, mainly in the form of increased inventory during the year. We deem that these effects will be normalised during the first half of 2022 and therefore expect cash flow to be significantly strengthened moving forward.

We have a continued focus on acquisitions, and we have a strong pipeline of potential acquisition candidates in several markets. During the quarter, we acquired Jenny | Waltle in Austria and Tilka Trading in Sweden, with combined annual sales of SEK 240 million. Similar to other companies we have acquired, these companies have a strong entrepreneurial spirit and several synergies with Bufab, which we will benefit from.

Our strong results the last quarters are partly due to the investments in processes and digital tools that we made in recent years. This has increased Bufab's productivity. Moving forward, we will continue our investments in these areas, but also in areas such as sustainability. We also see the need to strengthen the organisation, particularly in sales, to continue creating profitable growth and increase our market share.

If we look ahead, we see that the strong demand we noted during the fourth quarter continued into January. Together with stable order intake, this indicates a continued positive trend in demand during the first quarter of 2022. The challenges continue to be the handling of the strained supply chain and to offset the increased inflationary pressure through higher productivity.

Overall, we are very proud that, despite a challenging business environment, we have succeeded in meeting our customers' demand in a positive way. I want to end by thanking all of Bufab's 1,500 employees for a great achievement during the year. Together, we have delivered Bufab's best ever result!

Johan Lindqvist  
President and CEO

## The Group in brief

### FOURTH QUARTER

Order intake was SEK 1,623 million (1,299), which was higher than net sales.

Net sales rose by 29 percent to SEK 1,599 million (1,238). Of the total growth of +29 percent, 0 percent was attributable to currency effects, +10 to acquisitions and +19 percent to organic growth. The strong organic growth in the quarter is mainly explained by the fact that underlying demand was clearly higher than in the comparison period, but also by price increases. The market share increased.

Gross margin rose to 27.7 percent (26.1). The increased gross margin is partly a result of a successful effort to pass on higher raw materials and freight prices to customers, and partly due to higher volumes and a somewhat advantageous product/business mix relative to the comparative quarter.

The share of operating expenses increased to 17.1 percent (16.3). The increased share of operating expenses is mainly due to Segment UK/North America remeasuring its provisions for additional purchase considerations of SEK -14 million, due to a better performance than expected in the acquired company American Bolt & Screw. Adjusted for this and acquisitions costs of -2 MSEK, the share of operating expenses amounted to 16.2 (15.9) percent.

As a result of higher volumes, an improved gross margin and good operational leverage, operating profit (EBITA) increased by 40 percent to SEK 169 million (121) and the margin to 10.6 percent (9.8). Adjusted for remeasured provisions for additional purchase considerations and acquisition costs, operating profit (EBITA) amounted to SEK 184 (126) million and the margin to 11.5 (10.2) percent

Exchange-rate fluctuations impacted operating profit negatively by SEK -1 million, volumes positively by SEK 66 million, cost savings and the price/cost/mix negatively by SEK -17 million and acquisitions, including remeasured additional purchase considerations and acquisition costs, by SEK -1 million.

Earnings per share rose by 57 percent to SEK 3.17 (2.03).

### JANUARY-DECEMBER

Order intake was SEK 6,084 million (4,827), which was higher than net sales.

Net sales rose by 24 percent to SEK 5,878 million (4,756). Of the total growth of +24 percent, -3 percent was attributable to currency effects, +3 to acquisitions and +23 percent to organic growth.

Underlying demand was clearly higher than in the comparison period and was observed in all of the Group's segments. The strong organic growth for the full year was mainly attributable to demand being significantly lower in the comparative period, but also to price increases. The market share increased.

Gross margin rose to 27.9 percent (26.3). The increase was partly a result of the higher volumes and an advantageous product/business mix relative to the comparative period, as well as successful efforts in passing on price increases for raw materials and freight to customers.

The share of operating expenses amounted to a low 16.0 percent (16.2). The low share of operating expenses is a result of strong operational leverage and a continued effective cost control. Adjusted for remeasured additional purchase considerations of -42 MSEK and acquisitions costs of -8 MSEK, the share of operating expenses amounted to a low 15.2 (16.3) percent.

As a result of high volumes, an improved gross margin and good operational leverage, operating profit (EBITA) increased by 44 percent to SEK 695 million (482) and the margin to 11.8 percent (10.1). Adjusted for remeasured provisions for additional purchase considerations and acquisition costs, operating profit (EBITA) amounted to SEK 744 (477) million and the margin to 12.7 (10.0) percent.

Exchange-rate fluctuations impacted operating profit negatively by SEK -21 million, volumes positively by SEK 327 million, cost savings and the price/cost/mix negatively by SEK -61 million and acquisitions, including remeasured additional purchase considerations and acquisition costs, by SEK -32 million.

Earnings per share rose by 56 percent to SEK 12.57 (8.04).

## FINANCIAL ITEMS AND TAX

The Group's net financial items amounted to SEK -15 million (-15) for the fourth quarter, of which exchange-rate differences accounted for SEK -5 million (+1).

For the full-year period, net financial items amounted to SEK -49 million (-60), of which exchange-rate differences accounted for SEK -9 million (-4). The Group's profit after financial items was SEK 145 million (99) for the quarter and SEK 615 (391) for the full year. The improved net financial items compared with the preceding year was attributable to a lower indebtedness and lower interest rates relative to the comparative period.

The tax expense for the quarter was SEK -30 million (-23), implying an effective tax rate of 21 percent (23). The full-year tax expense was SEK -145 million (-92), implying an effective tax rate of 24 percent (24).

## CASH FLOW, WORKING CAPITAL AND FINANCIAL POSITION

SEK million	Quarter 4		Jan-Dec	
	2021	2020	2021	2020
EBITDA, adjusted	180	133	741	524
Other non-cash items	15	-2	45	-8
Changes in working capital	-196	53	-542	90
<b>Cash flow from operations</b>	<b>-1</b>	<b>184</b>	<b>243</b>	<b>606</b>
Investments excluding acquisitions	-19	-18	-34	-66
<b>Operating cash flow</b>	<b>-20</b>	<b>166</b>	<b>209</b>	<b>540</b>

Operating cash flow was very weak during the quarter and significantly lower for the full year compared with the comparative periods. However, the weak cash flow is a natural result of the strong organic growth, that we had very low inventory at the beginning of the year and the significantly longer lead times from suppliers that we noted in the wake of the strained supply chain. Overall, this meant that, in order to meet the high customer demand

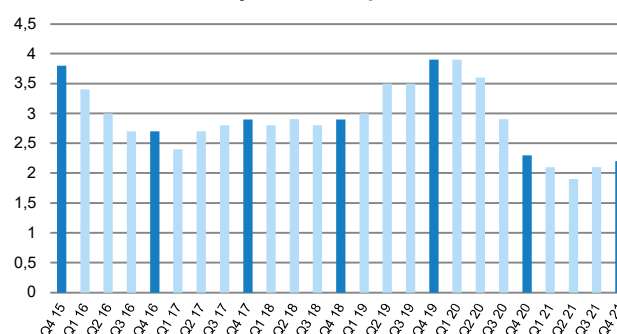
going forward, the Group needed to build up larger working capital, mainly in the form of increased inventory.

Average working capital in relation to net sales amounted to 29.9 percent (33.1) for the fourth quarter. The improvement is primarily attributable to increased volumes and very low levels of inventory at the beginning of the year.

On 31 December 2021, adjusted net debt totaled SEK 1,621 million (1,220) and the debt/equity ratio was 84 percent (80). The higher net debt and the somewhat higher debt/equity ratio are a direct result of the acquisitions of Component Solution Group, Jenny I Wattle and Tilka Trading, combined with weak operating cash flow.

The performance measure net debt/EBITDA, adjusted, was a multiple of 2.2 (2.3) 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, as well as a purchasing office in China, which is affiliated to the segment. The business mainly comprises trading companies, but also some manufacturing of particularly demanding components in proprietary plants. The newly acquired company Tilka Trading AB, with operations in Sweden, is also included since the fourth quarter.

### FOURTH QUARTER

The strong demand noted by the segment during the first three quarters continued in the fourth quarter. Organic growth was +14 percent and was mainly attributable to strong underlying demand, but also to price increases. As in the first three quarters, the development was particularly strong in Denmark and in the segment's manufacturing companies. Order intake was in line with net sales.

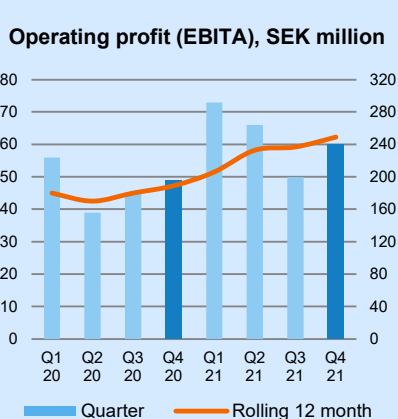
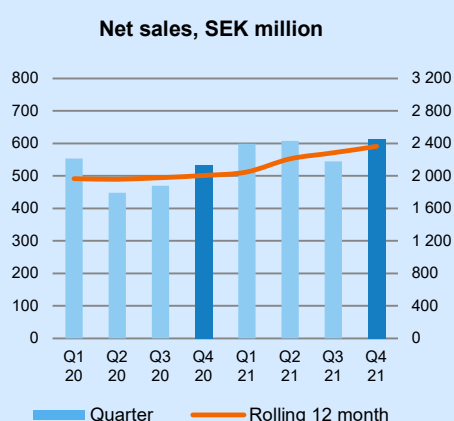
The gross margin for the fourth quarter was significantly higher than in the comparative quarter, primarily due to increased volumes and because higher raw materials and freight prices were successfully passed on to customers.

The share of operating expenses increased as a result of continued investments in future growth, primarily in the form of the recruitment of personnel to meet higher volumes, and that the cost share in the comparative quarter was exceptionally low.

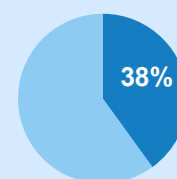
In total, both operating profit and the operating margin increased relative to the comparative quarter.

The focus during the spring will be to accelerate growth and to continue capturing market shares.

SEK million	Quarter 4			Jan-Dec		
	2021	2020	Δ %	2021	2020	Δ %
Order intake	608	565	8	2,436	2,052	19
Net sales	613	533	15	2,366	2,005	18
Gross profit	153	124	23	611	465	31
%	25.0	23.2		25.8	23.2	
Operating expenses	-93	-75	24	-362	-276	31
%	-15.2	-14.0		-15.3	-13.7	
Operating profit (EBITA)	60	49	22	249	189	32
%	9.8	9.2		10.5	9.4	



#### SHARE OF TOTAL SALES



#### SALES GROWTH

+15%

#### OPERATING MARGIN (EBITA)

9.8%

## Segment West

Segment West comprises Bufab's operations in France, the Netherlands, Germany, the Czech Republic, Austria and Spain. The newly acquired company Jenny I Wattle GmbH, with its operations in Austria, is also included since the fourth quarter.

### FOURTH QUARTER

Segment West reported continued healthy demand in the fourth quarter. Organic growth was 10 percent and was mainly attributable to good underlying demand, as well as to price increases. The operations in the Netherlands, France and Czech Republic 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, but higher than in the third quarter of 2021. The lower gross margin relative to the preceding year is mainly explained by the fact that the work to pass on higher raw materials and freight prices to customers has not fully offset the higher purchasing prices in the quarter.

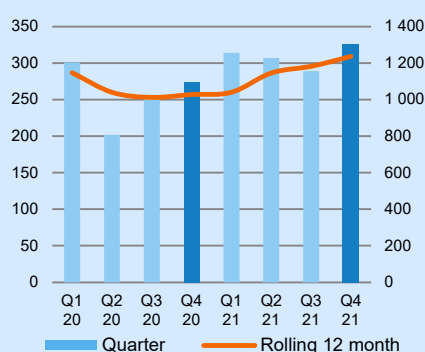
The lower gross margin was offset by a lower share of operating expenses, which is a direct result of effective operational leverage on the higher volumes and continued good cost control.

In total, both operating profit and the operating margin increased relative to the comparative quarter.

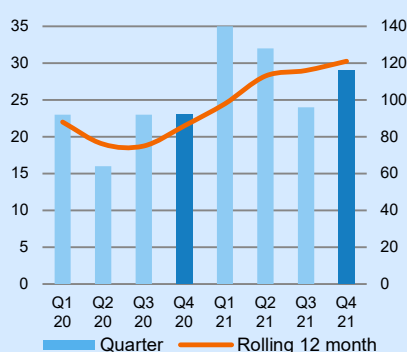
During the spring, the work to pass on price increases for raw materials and freight to customers will be intensified. The segment will also continue the work on the restructuring of one of the large companies, and with recruitment to key positions for continued growth.

SEK million	Quarter 4			Jan-Dec		
	2021	2020	Δ %	2021	2020	Δ %
Order intake	358	289	24	1,317	1,047	26
Net sales	326	274	19	1,236	1,028	20
Gross profit	81	69	17	310	257	21
%	24.7	25.3		25.1	25.0	
Operating expenses	-51	-46	11	-189	-171	10
%	-15.6	-16.7		-15.3	-16.7	
Operating profit (EBITA)	29	23	26	121	86	41
%	9.0	8.4		9.8	8.3	

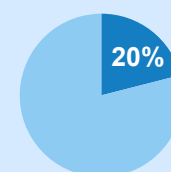
Net sales, SEK million



Operating profit (EBITA), SEK million



SHARE OF TOTAL SALES



SALES GROWTH

+19%

OPERATING MARGIN (EBITA)

9.0%

# 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.

## FOURTH QUARTER

The high growth noted by the segment during the first three quarters was further strengthened in the fourth quarter. Organic growth was a full 34 percent. The growth was primarily due to healthy underlying demand and market shares captured in both Eastern Europe and Asia, but also due to price increases. Order intake was in line with net sales.

The gross margin for the quarter was somewhat lower than in the comparative quarter. However, the gross margin was clearly higher than in both the second and third quarters of 2021, a result of intensified work during the quarter to pass on higher costs for raw materials and freight to customers.

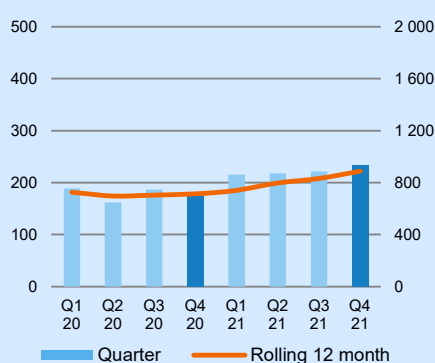
The proportion of operating expenses declined significantly. The decline was largely attributable to strong operational leverage of significantly higher volumes and that the comparative quarter was burdened with higher costs due to adjusted provisions.

Operating profit increased by a full 113 percent to SEK 34 million, equal to an operating margin of 14.6 percent.

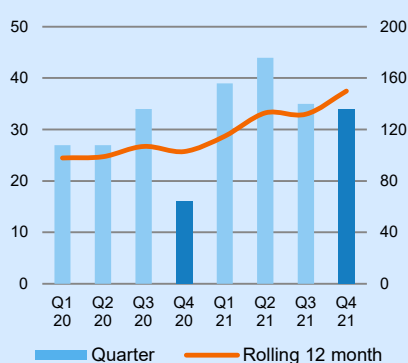
During the spring, the focus in the segment will be to invest in additional growth, for example, by strengthening the sales team in both Eastern Europe and Asia and thereby continuing to capture market shares.

SEK million	Quarter 4			Jan-Dec		
	2021	2020	Δ %	2021	2020	Δ %
Order intake	235	183	28	933	725	29
Net sales	233	177	32	889	715	24
Gross profit	73	56	30	276	227	22
%	31.3	31.5		31.0	31.8	
Operating expenses	-39	-40	-2	-126	-125	1
%	-16.7	-22.6		-14.2	-17.4	
Operating profit (EBITA)	34	16	113	150	103	46
%	14.6	9.0		16.9	14.4	

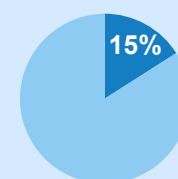
Net sales, SEK million



Operating profit (EBITA), SEK million



SHARE OF TOTAL SALES



SALES GROWTH

+32%

OPERATING MARGIN (EBITA)

14.6%

# Segment UK/North America

Segment UK/North America comprises Bufab's operations in the UK, Ireland, the USA and Mexico. Since the third quarter, the newly acquired corporate group Component Solutions Group, with operations in the USA, has been included.

## FOURTH QUARTER

The segment reported continued strong demand during the fourth quarter. Organic growth was a full 31 percent, driven by strong underlying demand and price increases. Order intake was in line with net sales. The subsidiary American Bolt & Screw in North America continued its very strong performance, primarily due to the high demand from customers in the recreational vehicle industry. The UK subsidiary APEX, which focuses on stainless steel products, also had a strong quarter.

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

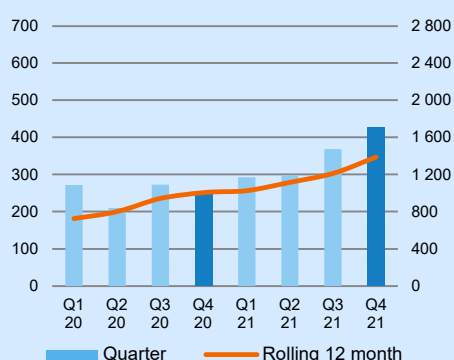
The proportion of operating expenses increased. The increase was mainly attributable to costs of SEK -14 million being charged to the quarter due to the remeasurement of additional purchase considerations attributable to the acquisition of American Bolt & Screw, which performed significantly better than expected. In addition, the share of costs in the comparative quarter was exceptionally low.

Operating profit rose by 29 percent to SEK 49 million, equal to an operating margin of 11.5 percent. Adjusted for remeasured additional purchase considerations, operating profit increased by 66 percent to SEK 63 million, equal to an operating margin of 14.8 percent.

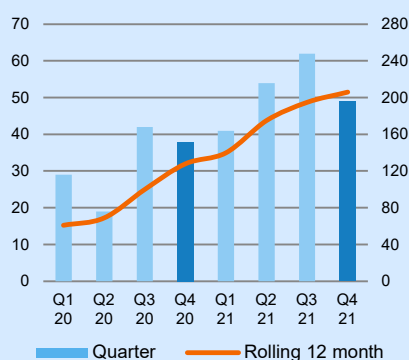
During the spring, the focus in the segment will be to invest in additional growth, for example, by strengthening the sales team, particularly in North America, and thereby continuing to capture market shares.

SEK million	Quarter 4			Jan-Dec		
	2021	2020	Δ	2021	2020	Δ
Order intake	422	262	61	1,398	1,002	40
Net sales	427	254	68	1,388	1,008	38
Gross profit	137	79	73	446	317	41
%	32.1	31.1		32.2	31.4	
Operating expenses	-88	-42	110	-241	-189	27
%	-20.6	-16.5		-17.3	-18.7	
Operating profit (EBITA)	49	38	29	206	128	61
%	11.5	15.0		14.8	12.7	

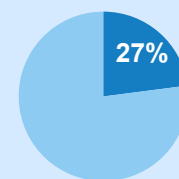
Net sales, SEK million



Operating profit (EBITA), SEK million



SHARE OF TOTAL SALES



SALES GROWTH

**+68%**

OPERATING MARGIN (EBITA)

**11.5%**



## Consolidated Income Statement

<i>SEK million</i>	<i>Quarter 4</i>		<i>Jan-Dec</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
Net sales	1,599	1,238	5,878	4,756
Cost of goods sold	-1,156	-914	-4,240	-3,504
<b>Gross profit</b>	<b>443</b>	<b>323</b>	<b>1,638</b>	<b>1,252</b>
Distribution costs	-174	-132	-603	-548
Administrative expenses	-99	-72	-347	-287
Other operating income	12	1	37	55
Other operating expenses	-22	-7	-61	-20
<b>Operating profit</b>	<b>160</b>	<b>114</b>	<b>664</b>	<b>452</b>
<b><i>Profit/loss from financial items</i></b>				
Interest income and similar income items	0	3	1	3
Interest expenses and similar expenses	-15	-18	-50	-63
<b>Profit after financial items</b>	<b>145</b>	<b>99</b>	<b>615</b>	<b>391</b>
Tax on net profit for the period	-30	-23	-145	-92
<b>Profit after tax</b>	<b>115</b>	<b>76</b>	<b>470</b>	<b>299</b>

## Statement of Comprehensive Income

<i>SEK million</i>	<i>Quarter 4</i>		<i>Jan-Dec</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
<b>Profit after tax</b>	<b>115</b>	<b>76</b>	<b>470</b>	<b>299</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified in profit or loss				
Actuarial loss / profit on pension obligations, net after tax	1	1	1	1
Items that may be reclassified subsequently to profit or loss				
Translation differences / Currency hedging net after tax	17	-81	59	-132
<b>Other comprehensive income after tax</b>	<b>18</b>	<b>-80</b>	<b>60</b>	<b>-131</b>
<b>Total comprehensive income</b>	<b>133</b>	<b>-4</b>	<b>530</b>	<b>168</b>
Total comprehensive income attributable to:				
Parent Company shareholders	133	-4	530	168

## Earnings per share

<i>SEK</i>	<i>Quarter 4</i>		<i>Jan-Dec</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
Earnings per share	3.17	2.03	12.57	8.04
Weighted number of shares outstanding before dilution, thousands	37,489	37,281	37,417	37,195
Diluted earnings per share, SEK	3.12	1.98	12.32	7.95
Weighted number of shares outstanding after dilution, thousands	38,144	38,173	38,147	37,564

## Consolidated Balance Sheet

<i>SEK million</i>	<i>31 Dec 21</i>	<i>31 Dec 20</i>
<b>ASSETS</b>		
<b><i>Non-current assets</i></b>		
Intangible assets	2,300	1,893
Property, plant and equipment	586	548
Financial assets	35	37
<b>Total non-current assets</b>	<b>2,921</b>	<b>2,478</b>
<b><i>Current assets</i></b>		
Inventories	2,140	1,316
Current receivables	1,219	905
Cash and cash equivalents	293	292
<b>Total current assets</b>	<b>3,652</b>	<b>2,513</b>
<b>Total assets</b>	<b>6,573</b>	<b>4,991</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>2,377</b>	<b>1,931</b>
<b><i>Non-current liabilities</i></b>		
Non-current liabilities, interest-bearing	2,104	1,744
Non-current liabilities, non-interest-bearing	523	364
<b>Total non-current liabilities</b>	<b>2,627</b>	<b>2,108</b>
<b><i>Current liabilities</i></b>		
Current liabilities, interest-bearing	192	96
Current liabilities, non-interest-bearing	1,377	855
<b>Total current liabilities</b>	<b>1,569</b>	<b>951</b>
<b>Total equity and liabilities</b>	<b>6,573</b>	<b>4,991</b>

# Consolidated Statement of Changes in Equity

<i>SEK million</i>	<i>31 Dec 21</i>	<i>31 Dec 20</i>
<b>Equity at beginning of year</b>	<b>1,931</b>	<b>1,750</b>
<b>Comprehensive income</b>		
Profit after tax	470	299
<i>Other comprehensive income</i>		
Items that will not be reclassified in profit or loss		
Actuarial loss / profit on pension obligations, net after tax	1	1
Items that may be reclassified in profit or loss		
Translation differences / Currency hedging net after tax	59	-132
<b>Total comprehensive income</b>	<b>530</b>	<b>168</b>
<b>Transactions with shareholders</b>		
Issued call options	4	3
Redemption call options	15	10
Dividend to shareholders	-103	-
<b>Total transactions with shareholders</b>	<b>-84</b>	<b>13</b>
<b>Equity at end of period</b>	<b>2,377</b>	<b>1,931</b>

# Consolidated Cash Flow Statement

<i>SEK million</i>	<i>Quarter 4</i>		<i>Jan-Dec</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
<b><i>Operating activities</i></b>				
Profit before financial items	159	113	664	452
Depreciation/amortisation and impairment	56	46	193	183
Interest and other finance income	0	3	1	3
Interest and other finance expenses	-17	-15	-52	-60
Other non-cash items	15	-2	45	-8
Income tax paid	-38	-11	-137	-89
<b>Cash flow from operating activities before changes in working capital</b>	<b>175</b>	<b>134</b>	<b>714</b>	<b>480</b>
<b><i>Changes in working capital</i></b>				
Increase (-)/decrease (+) in inventories	-289	-4	-651	96
Increase (-)/decrease (+) in operating receivables	105	27	-200	-111
Increase (+)/decrease (-) in operating liabilities	-12	30	309	105
<b>Cash flow from operating activities</b>	<b>-21</b>	<b>187</b>	<b>172</b>	<b>570</b>
<b><i>Investing activities</i></b>				
Acquisition of intangible assets	-18	-5	-31	-5
Acquisition of property, plant and equipment	-1	-13	-3	-61
Company acquisitions including additional purchase considerations*	-94	-8	-301	-23
<b>Cash flow from investing activities</b>	<b>-113</b>	<b>-26</b>	<b>-335</b>	<b>-89</b>
<b><i>Financing activities</i></b>				
Dividend paid	-	-	-103	-
Call options	-	-	4	3
Redemption call options	1	10	15	10
Increase (+)/decrease (-) in borrowings	122	-174	241	-409
<b>Cash flow from financing activities</b>	<b>124</b>	<b>-164</b>	<b>158</b>	<b>-396</b>
<b>Cash flow for the period</b>	<b>-10</b>	<b>-3</b>	<b>-5</b>	<b>86</b>
Cash and cash equivalents at beginning of period	303	302	292	216
Translation differences	0	-8	6	-10
<b>Cash and cash equivalents at end of period</b>	<b>293</b>	<b>292</b>	<b>293</b>	<b>292</b>

\*See page 19 for more information under Acquisitions.

## The Group's segment reporting

<i>SEK million</i>	2019				2020				2021
<b>North</b>	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	507	554	448	470	533	599	608	545	613
Gross profit	124	137	94	110	124	159	154	145	153
%	24.4	24.8	20.9	23.5	23.2	26.5	25.2	26.7	25.0
Operating expenses	-85	-82	-55	-65	-75	-86	-88	-95	-93
%	-16.7	-14.8	-12.3	-13.8	-14.0	-14.4	-14.4	-17.4	-15.2
Operating profit (EBITA)	39	56	39	45	49	73	66	50	60
%	7.7	10.1	8.7	9.7	9.2	12.2	10.8	9.2	9.8

<i>SEK million</i>	2019				2020				2021
<b>West</b>	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	259	301	202	251	274	314	307	289	326
Gross profit	65	75	49	63	69	82	78	70	81
%	24.9	25.2	24.4	25.0	25.3	26.1	25.3	24.3	24.7
Operating expenses	-52	-52	-33	-40	-46	-47	-45	-46	-51
%	-20.1	-17.4	-16.4	-15.9	-16.7	-15.0	-14.8	-15.8	-15.6
Operating profit (EBITA)	13	23	16	23	23	35	32	24	29
%	4.8	7.7	7.9	9.1	8.4	11.1	10.5	8.5	9.0

<i>SEK million</i>	2019				2020				2021
<b>East</b>	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	168	189	162	187	177	216	218	222	233
Gross profit	55	59	53	60	56	68	67	67	73
%	32.5	31.0	32.7	32.0	31.5	31.5	30.8	30.4	31.3
Operating expenses	-35	-32	-26	-26	-40	-29	-25	-33	-39
%	-20.8	-17.0	-16.0	-13.9	-22.6	-13.4	-11.5	-14.8	-16.7
Operating profit (EBITA)	20	27	27	34	16	39	42	35	34
%	11.7	14.1	16.7	18.1	9.0	18.1	19.3	15.6	14.6

<i>SEK million</i>	2019				2020				2021
<b>UK/North America</b>	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	188	272	210	273	254	293	298	369	427
Gross profit	56	85	64	88	79	93	95	122	137
%	29.6	31.4	30.5	32.3	31.1	31.7	32.0	33.0	32.1
Operating expenses	-47	-56	-45	-46	-42	-52	-42	-60	-88
%	-24.8	-20.6	-21.4	-16.9	-16.5	-17.7	-14.0	-16.2	-20.6
Operating profit (EBITA)	9	29	19	42	38	41	54	62	49
%	4.7	10.8	9.1	15.4	15.0	14.0	18.0	16.9	11.5

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

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

<i>SEK million</i>	2019				2020				2021
<b>Group</b>	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	1,124	1,316	1,022	1,181	1,238	1,423	1,431	1,425	1,599
Gross profit	297	351	258	320	323	397	393	405	443
%	26.4	26.7	25.2	27.1	26.1	27.9	27.4	28.4	27.7
Operating expenses	-224	-226	-165	-178	-202	-220	-208	-241	-274
%	-19.9	-17.2	-16.2	-15.0	-16.3	-15.5	-14.5	-16.9	-17.1
Operating profit (EBITA)	73	126	92	142	121	177	185	164	169
%	6.5	9.5	9.1	12.1	9.8	12.4	12.9	11.5	10.6

## Consolidated Key Figures

	Quarter 4		Δ	Jan-Dec		Δ
	2021	2020	%	2021	2020	%
Order intake, SEK million	<b>1,623</b>	1,299	25	<b>6,084</b>	4,827	26
Net sales, SEK million	<b>1,599</b>	1,238	29	<b>5,878</b>	4,756	24
Gross profit, SEK million	<b>443</b>	323	37	<b>1,638</b>	1,252	31
EBITDA, SEK million	<b>217</b>	160	37	<b>855</b>	635	35
EBITDA, adjusted, SEK million	<b>180</b>	133	35	<b>741</b>	524	41
Operating profit (EBITA), SEK million	<b>169</b>	121	40	<b>695</b>	482	44
Operating profit, SEK million	<b>160</b>	114	40	<b>664</b>	452	47
Profit after tax, SEK million	<b>115</b>	76	51	<b>470</b>	299	57
Gross margin, %	<b>27.7</b>	26.1		<b>27.9</b>	26.3	
Operating margin (EBITA), %	<b>10.6</b>	9.8		<b>11.8</b>	10.1	
Operating margin, %	<b>10.0</b>	9.2		<b>11.3</b>	9.5	
Net margin, %	<b>7.2</b>	6.1		<b>8.0</b>	6.3	
Net debt, SEK million	<b>2,003</b>	1,546	30			
Net debt, SEK million, adjusted	<b>1,621</b>	1,220	33			
Debt/equity ratio, %	<b>84</b>	80	5			
Net debt / EBITDA, adjusted, multiple <sup>(1)</sup>	<b>2.2</b>	2.3				
Working capital, SEK million	<b>2,101</b>	1,445	45			
Average working capital, SEK million	<b>1,681</b>	1,578	7			
Average working capital in relation to net sales, %	<b>28.6</b>	33.1				
Equity/assets ratio, %	<b>36</b>	39				
Operating cash flow, SEK million	<b>-20</b>	166	-112	<b>210</b>	540	-61
Earnings per share, SEK	<b>3.17</b>	2.03	57	<b>12.57</b>	8.04	56

For definitions, see page 22

<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 4</i>		<i>Jan-Dec</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
Administrative expenses	-5	-4	-20	-16
Other operating income	2	2	9	7
<b>Operating loss</b>	<b>-3</b>	<b>-2</b>	<b>-11</b>	<b>-9</b>
<b><i>Profit/loss from financial items</i></b>				
Earnings from shares in Group companies	-	-	150	-
<b>Loss after financial items</b>	<b>-3</b>	<b>-2</b>	<b>139</b>	<b>-9</b>
Appropriations	88	19	88	19
Tax on net profit for the period	-12	-3	-12	-3
<b>Profit after tax</b>	<b>74</b>	<b>14</b>	<b>215</b>	<b>7</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>74</b>	<b>14</b>	<b>215</b>	<b>7</b>



# Parent Company Balance Sheet

<i>SEK million</i>	<i>31 Dec 21</i>	<i>31 Dec 20</i>
<b>ASSETS</b>		
<b><i>Non-current assets</i></b>		
Financial assets		
Participations in Group companies	845	845
<b>Total non-current assets</b>	<b>845</b>	<b>845</b>
<b><i>Current assets</i></b>		
Receivables from Group companies	203	61
Other current receivables	50	46
Cash and cash equivalents	–	–
<b>Total current assets</b>	<b>253</b>	<b>107</b>
<b>Total assets</b>	<b>1,098</b>	<b>952</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>983</b>	<b>851</b>
Untaxed reserves	93	81
<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><i>Current non-interest-bearing liabilities</i></b>		
Other current liabilities	22	20
<b>Total current liabilities</b>	<b>22</b>	<b>20</b>
<b>Total equity and liabilities</b>	<b>1,098</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 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 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 third 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 2021–10 May 2024. 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.

## ACQUISITIONS

Acquisitions made during 2019-2021.

	Date	Net sales*	Employees
HT BENDIX A/S	16 Jul 2019	500	80
American Bolt & Screw Corp.	6 Nov 2019	500	90
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

\*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 306 million, of which SEK 85 million is conditional. The conditional portion of SEK 85 million comprises 100 percent of the maximum outcome of the additional purchase consideration and is subject to the acquired company's future earnings performance. The acquisition added SEK 120 million to the Group's accumulated net sales since the transfer. The net impact, after acquisition costs, on operating profit (EBITA) to date was SEK 11 million and the effect on profit after tax was SEK 5 million. This acquisition would have positively impacted the Group's net sales by an estimated SEK 280 million, EBITA by about SEK 22 million and profit after tax by about SEK 11 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:

Component Solutions Group A/S	Fair value
Intangible assets	50
Other non-current assets	15
Inventories	66
Other current assets	47

Cash and cash equivalents	32
Deferred tax liabilities	-15
Other liabilities	-91
<b>Acquired net assets</b>	<b>104</b>
Goodwill	202
<b>Purchase consideration*</b>	<b>306</b>
Less: cash and cash equivalents in acquired operations	-32
Less: conditional purchase consideration	-85
<b>Effect on the Group's cash and cash equivalents</b>	<b>189</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.

### Acquisition during the year – Jenny | Wattle GmbH

On 19 October 2021, Bufab acquired 100 percent of the shares in Jenny | Wattle GmbH with operations in Austria. The purchase consideration amounted to SEK 109 million, of which SEK 20 million is conditional. The conditional portion of SEK 20 million comprises 100 percent of the maximum outcome of the additional purchase consideration and is subject to the acquired 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) to date was SEK 1 million and the effect on profit after tax was SEK 1 million. This acquisition would have positively impacted the Group's net sales by an estimated SEK 190 million, EBITA by about SEK 19 million and profit after tax by about SEK 14 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:

Jenny   Wattle	Fair value
Intangible assets	46
Other non-current assets	30
Inventories	43
Other current assets	14
Cash and cash equivalents	16
Deferred tax liabilities	-10
Other liabilities	-53

<b>Acquired net assets</b>	<b>85</b>
Goodwill	24
<b>Purchase consideration*</b>	<b>109</b>
Less: cash and cash equivalents in acquired operations	-16
Less: conditional purchase consideration	-20
<b>Effect on the Group's cash and cash equivalents</b>	<b>73</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.

#### Acquisition during the year – Tilka Trading AB

On 21 October 2021, Bufab acquired 100 percent of the shares in Tilka Trading AB with operations in Sweden. The purchase consideration amounted to SEK 40 million, of which SEK 25 million was conditional. The conditional portion of SEK 25 million comprises 100 percent of the maximum outcome of the additional purchase consideration and is subject to the acquired company's future earnings performance. The acquisition has added SEK 8 million to the Group's accumulated net sales since the transfer. The net impact, after acquisition costs, on operating profit (EBITA) to date was a negative SEK -1 million and the effect on profit after tax was a negative SEK -1 million. This acquisition would have positively impacted the Group's net sales by an estimated SEK 50 million, EBITA by about SEK 4 million and profit after tax by about SEK 3 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:

<b>Tilka Trading AB</b>	<i>Fair value</i>
Intangible assets	12
Other non-current assets	9
Inventories	14
Other current assets	9
Cash and cash equivalents	3
Deferred tax liabilities	-4
Other liabilities	-19
<b>Acquired net assets</b>	<b>24</b>
Goodwill	16
<b>Purchase consideration*</b>	<b>40</b>

Less: cash and cash equivalents in acquired operations	-3
Less: conditional purchase consideration	-24
<b>Effect on the Group's cash and cash equivalents</b>	<b>13</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 YEAR

##### Bufab joins the Science Based Targets initiative

On 25 February 2021, Bufab signed the UN-sponsored Science Based Targets initiative, which entails a substantial increase 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 of Bufab.

During the fourth quarter, however, Staffan Pehrson announced his intention to accept a different role, outside the Bufab Group, and, accordingly, will not assume the role of President and CEO of Bufab as of 1 February 2022. The Board has commenced the work to find a new President and CEO. Until a permanent solution is established, Johan Lindqvist will continue in his role as Acting President and CEO.

### EMPLOYEES

The number of employees in the Group as per 31 December 2021 amounted to 1,537 (1,295).

### DIVIDEND

The Board of Directors proposes a dividend of SEK 3.75 (2.75) per share for 2021, corresponding to a total dividend of SEK 140 million (103). The proposed record date is 25 April 2022 and the expected payment date for the dividend is 28 April 2022, with the share being traded without entitlement to a dividend as of 26 April 2022.

### 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 at 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. During the fourth quarter, the Tax Agency repaid the amount that Bufab had previously paid as a result of the decision.

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

### ANNUAL GENERAL MEETING

The Annual General Meeting of Bufab AB (publ) will be held in Värnamo, on 21 April 2022 at 10:30 a.m. Notice of the AGM will be available on Bufab's website as of 23 March 2022 at [www.bufab.com](http://www.bufab.com). The Annual Report for 2021 will be published no later than 31 March 2022.

### AUDIT REVIEW

This year-end report has not been examined by the company's auditors.

### CALENDAR

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

Värnamo, 10 February 2022

Johan Lindqvist  
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 an approximation and 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 4				
	Group	North	West	East	UK/North America
Organic growth	19	14	10	34	31
Currency translation effects	0	0	-1	-2	1
Acquisitions	10	2	10	0	36
Recognised growth	29	15	19	32	69

2021, percentage points	Jan-Dec				
	Group	North	West	East	UK/North America
Organic growth	23	19	21	30	29
Currency translation effects	-3	-1	-3	-6	-4
Acquisitions	3	0	3	0	12
Recognised growth	24	18	20	24	38

### 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 4		Jan-Dec	
	2021	2020	2021	2020
<b>EBITDA, adjusted</b>	<b>180</b>	<b>133</b>	<b>741</b>	<b>524</b>
Other non-cash items	15	-2	45	-8
Changes in inventory	288	-4	-650	96
Changes in operating receivables	104	27	-201	-111
Changes in operating liabilities	-11	30	310	105
<b>Cash flow from operations</b>	<b>-1</b>	<b>184</b>	<b>244</b>	<b>606</b>
Investments excluding acquisitions	-19	-18	-34	-66
<b>Operating cash flow</b>	<b>-18</b>	<b>166</b>	<b>210</b>	<b>540</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 4</i>		<i>Jan-Dec</i>	
	2021	2020	2021	2020
Operating profit	160	114	664	452
Depreciation/amortisation and impairment	57	46	191	183
<b>EBITDA</b>	<b>217</b>	<b>160</b>	<b>855</b>	<b>635</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>Quarter 4</i>		<i>Jan-Dec</i>	
	2021	2020	2021	2020
Operating profit	160	114	664	452
Depreciation/amortisation and impairment	57	46	191	183
Less: amortisation on right-of-use assets according to IFRS 16	-32	-24	-101	-99
Less: interest expenses on lease liabilities according to IFRS 16	-5	-3	-13	-12
<b>EBITDA, adjusted</b>	<b>180</b>	<b>133</b>	<b>741</b>	<b>524</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 4</i>		<i>Jan-Dec</i>	
	2021	2020	2021	2020
Operating profit	160	114	664	452
Depreciation and amortisation of acquired intangible assets	9	7	31	30
<b>EBITA</b>	<b>169</b>	<b>121</b>	<b>695</b>	<b>482</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 4</i>		<i>Jan-Dec</i>	
	2021	2020	2021	2020
Distribution costs	-174	-132	-603	-548
Administrative expenses	-99	-72	-347	-287
Other operating income	12	21	37	110
Other operating expenses	-22	-27	-61	-75
Depreciation and amortisation of acquired intangible assets	9	7	31	30
<b>Operating expenses</b>	<b>-274</b>	<b>-202</b>	<b>-942</b>	<b>-771</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>	<b>31 Dec</b>	<b>31 Dec</b>
	2021	2020
Current assets	3,652	2,513
Less: cash and cash equivalents	-293	-292
Less: current non-interest-bearing liabilities excluding liabilities for additional purchase prices	-1,258	-776
<b>Working capital on the balance-sheet date</b>	<b>2,101</b>	<b>1,445</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>	<b>31 Dec</b>	<b>31 Dec</b>
	2021	2020
Non-current interest-bearing liabilities	2,104	1,744
Current interest-bearing liabilities	192	96
Less: cash and cash equivalents	-293	-292
Less: other interest-bearing receivables	–	–
<b>Net debt on balance-sheet date</b>	<b>2,003</b>	<b>1,546</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.

	<b>31 Dec</b>	<b>31 Dec</b>
	2021	2020
Non-current interest-bearing liabilities	2,104	1,744
Current interest-bearing liabilities	192	96
Less: lease liabilities according to IFRS 16	-382	-326
Less: cash and cash equivalents	-293	-292
Less: other interest-bearing receivables	–	–
<b>Net debt, adjusted, on the balance-sheet date</b>	<b>1,621</b>	<b>1,220</b>

## CONFERENCE CALL

A conference call will be held on 10 February 2022 at 9:00 a.m. CET. 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: +44 (0)203 009 57 10, UK 08 444 93 3 57, Sweden 08 506 921 85 or the US 191 772 001 78. Conference code: **3386108**.

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 and the Swedish Securities Market Act. The information was submitted for publication by the aforementioned contacts on 10 February 2022 at 7:30 a.m. CET.*

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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 1,500 employees. Bufab's net sales for the past 12 months amounted to SEK 5.9 billion and the operating margin was 11.8 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.