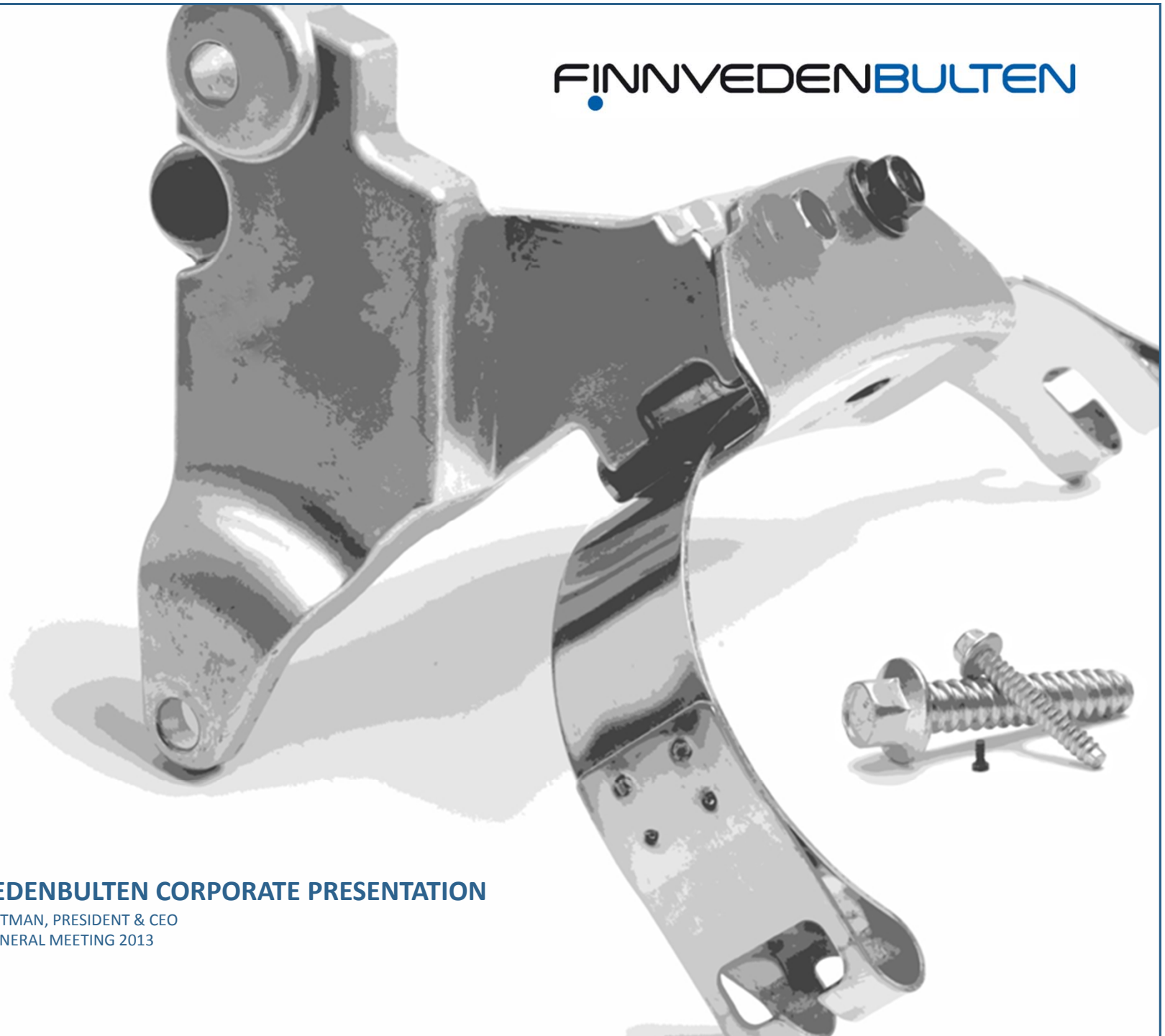


FINNVEDENBULTEN



FINNVEDENBULTEN CORPORATE PRESENTATION

JOHAN WESTMAN, PRESIDENT & CEO
ANNUAL GENERAL MEETING 2013

FINNVEDENBULTEN OVERVIEW

FinnvedenBulten develops and manages industrial businesses, offering products, technical solutions and systems in metallic materials

The Group

FINNVEDENBULTEN

FinnvedenBulten is structured into two divisions, both with strong positions in their respective customer segments.

FINNVEDEN

Division Finnveden Metal Structures



Johan Westman

- President and CEO FinnvedenBulten
- President Finnveden Metal Structures
- With FinnvedenBulten since 2006



Helena Wennerström

- CFO FinnvedenBulten
- With FinnvedenBulten since 2002

BULTEN 

Division Bulten




Tommy Andersson

- Executive Vice President FinnvedenBulten
- President Bulten
- With FinnvedenBulten since 2001

Strong customer base and relationships with major light- and heavy commercial vehicle OEMs as well as Tier 1 suppliers

A SELECTION OF CUSTOMERS

OEMs – Light Vehicles	OEMs – Heavy Commercial Vehicles	Tier 1 Automotive Suppliers and Industrial Customers	
			

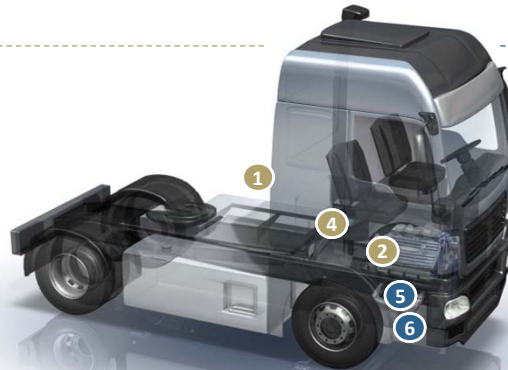
FinnvedenBulten offers an advanced product portfolio with new technology and quality leadership



1

FASTENERS

Many vehicles contain a total of 1,500-2,000 fasteners supplied by FinnvedenBulten.



OIL PAN

Deep-drawn, stamped sheet metal with Extremely high demands on tolerance:



5



2

B14

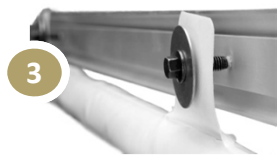
B14 is a super-clean high-resilience steel that is 40% stronger than previous solutions. Dimensions can be reduced to cut the weight of the fastener by 30-40%.

TRUCK FOOT STEP

Low-weight product made from aluminum.



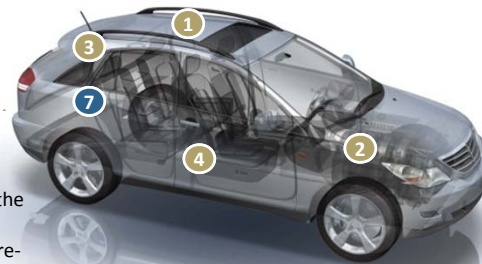
6



3

ONE TOUCH ASSEMBLY

One touch assembly solutions minimize the assembly of components and improve ergonomics for operators by providing pre-assembled modules.



LOAD RETENTION EYE

Load loops in multi-material to help keep the luggage in the trunk in place.



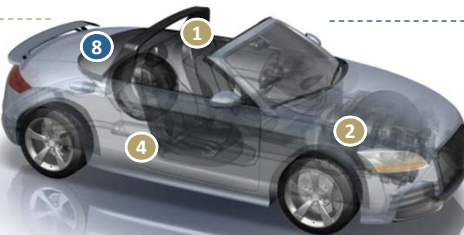
7



4

TAPTITE

Taptite is trilobular (triangular shaped) fastener that forms its own thread when driven into a material during assembly. This eliminates stages in the assembly process such as pre/threading and degreasing.



CONVERTIBLE FRAME

Light weight product made from magnesium.



8

FinnvedenBulten's strategy is to continue the development of Bulten and Finnveden Metal Structures to realise the full potential in both divisions

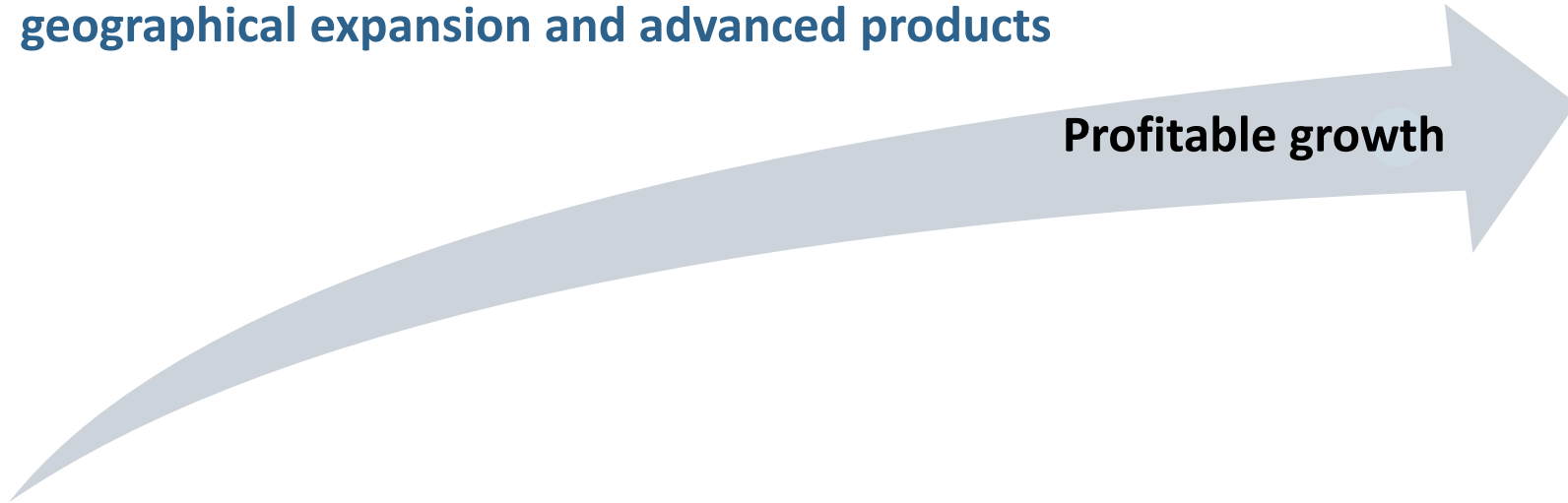
Bulten's strategy

- Organic growth
 - Gain market share in Europe
 - Expand in emerging markets
- Preferred full service provider, covering everything from development, production and logistics to final delivery to the customer's production line
- Competitive cost structure and geographic proximity
- Innovative and technologically advanced products

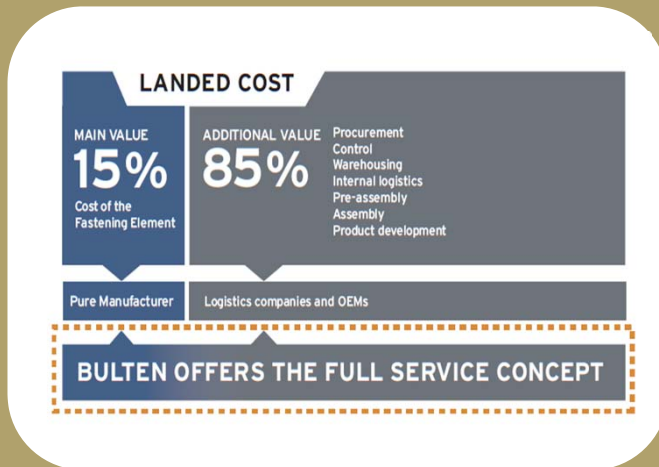
Finnveden Metal Structures' strategy

- Organic growth
 - Capture business opportunities linked to weight reduction
 - Strengthen position within light metals and multi-material solutions
 - Continued cost and capital rationalization
 - Invest in new, strategic, production capacity
- Geographical and industry expansion
 - Follow key customers into emerging markets
 - Grow and develop the industry segment in e.g. renewable energy, food processing industry, furniture and agricultural products
- Growth through acquisitions

Division Bulten - profitable organic growth built on FSP-concept, geographical expansion and advanced products



FSP-CONCEPT



COMPETITIVE COST STRUCTURE AND GEOGRAPHIC PROXIMITY



ADVANCED PRODUCTS



Full-service supplier for newly launched engine

- The contract refers to a new 1.0 litre petrol engine recently launched
 - awarded “International Engine of the Year 2012”
- Division Bulten was involved early and has taken part in every step of the engine’s development, from prototype builds in 2008 until its launch this year
- Division Bulten was awarded the contract as Full Services Provider of fasteners in 2009
- Volumes are on a steady ramp up, and are expected to grow over the years to come in Brazil, India, China and others on top of the European volumes



Division Finnveden Metal Structures – multi-material offering, weight reduction and geographical expansion are important growth drivers

Profitable growth

STRENGTHENED POSITION WITHIN MULTI-MATERIAL

Components (Steel, Al & Mg)



More complex structures (Steel, Al & Mg)



LIGHT WEIGHT TREND



Magnesium and Aluminium



GEOGRAPHICAL AND INDUSTRY EXPANSION

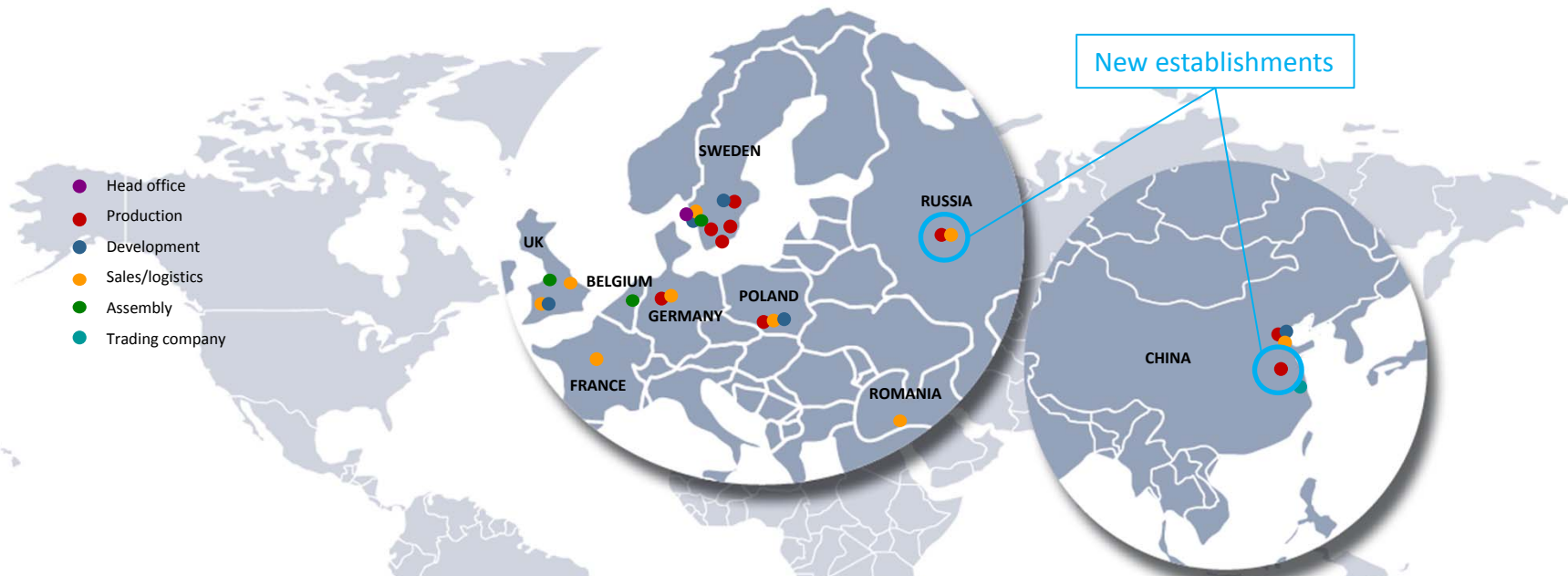


New concept enhances efficiency in the value chain

- The first customer is a Tier-1 supplier in the automotive industry
- Finnveden Metal Structures' value proposition
 - Production of components in our Polish factory
 - Automated welding cells and industrialized in the Olofström factory and installed at the customer's site for final assembly
 - Training of the customer's staff
 - Start up production
- During ongoing production
 - Finnveden Metal Structures has responsibility for
 - Supplying components to the assembly line
 - Production support and maintenance
 - The customer has responsibility for
 - Manning the final assembly line
 - Daily operation
- Transport is optimized by avoiding transports of larger objects
- Concept benefits:
 - Cost-effective and flexible production
 - Lower total value chain costs and reduced environmental impact
 - The equipment for final assembly can be expanded or freed up for other assignments
 - The machinery can be used better since the concept makes it easier for adaptation to new variants of products through relatively easy methods

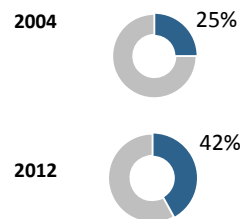


Improved footprint with new establishments in Russia & China - Strong growth opportunities and low-cost production

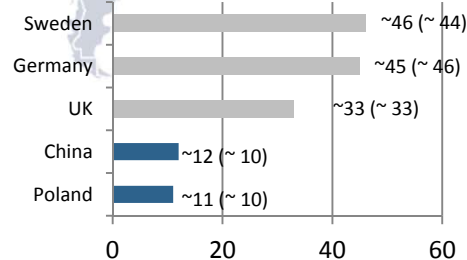


EMPLOYEES

% OF EMPLOYEES IN LCC



AVERAGE WAGE COST PER EMPLOYEE & MONTH (SEK TH) 2012



PRODUCTION

- Production takes place mainly in Western and Eastern Europe with significant low-cost production in Poland
- Number of FTEs amounts to 1,810 of which 768 in Poland and China
- Lean and well positioned manufacturing facilities in Europe and Asia
- With the new establishments in Russia and China, FinnvedenBulten improves future production footprint

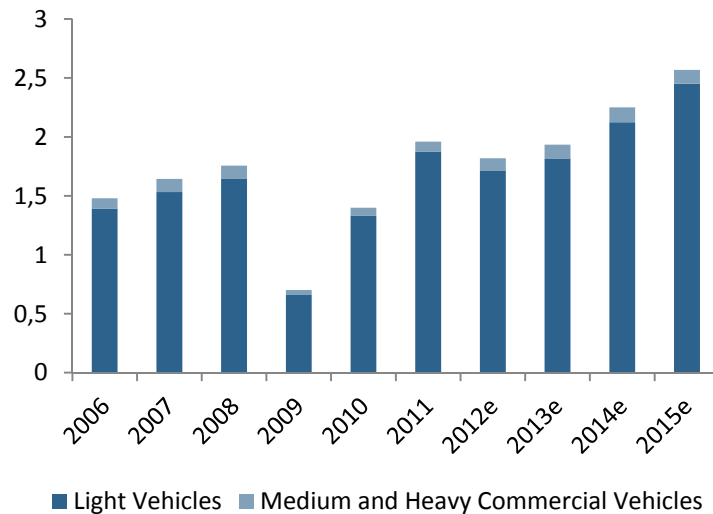
FinnvedenBulten expands into the Russian market

- Division Bulten signed an agreement with GAZ in December 2012, to start a new company in Nizhniy Novgorod
- Manufacturing at GAZ Group’s plant in Gorky Automobile Plant
- Supply and development of advanced fastener technology to Russia and CIS-countries
- The potential of the Russian market is estimated to be significant - growing middle class drives demand for both LV and HCV
- Trend of international OEM:s establishing production in Russia

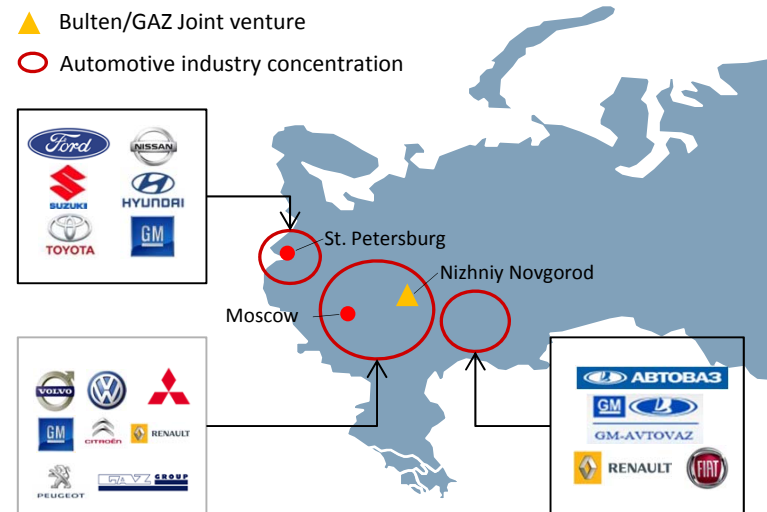


Bo Andersson, CEO GAZ Group and Tommy Andersson, President Bulten

RUSSIAN AUTOMOTIVE PRODUCTION



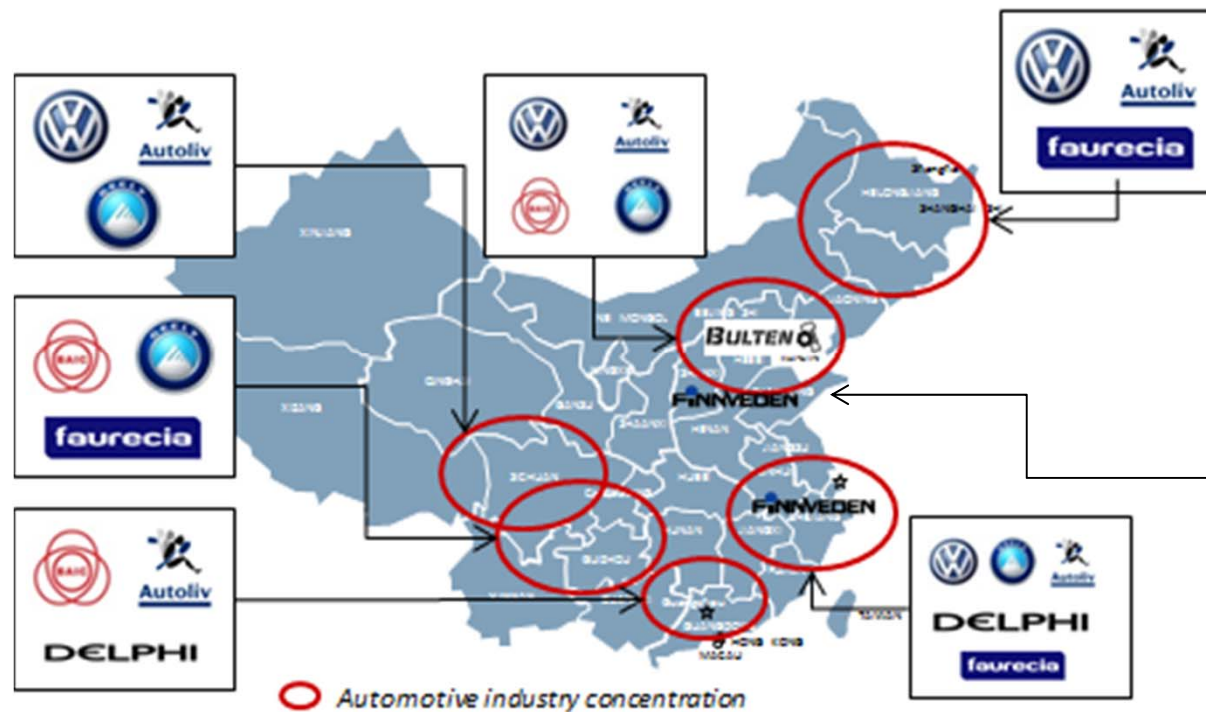
RUSSIAN AUTOMOTIVE MARKET CONCENTRATION



Source: 2014-15 FinnvedenBulten estimate, IHS Global Insight.

FinnvedenBulten is expanding its presence in the growing Chinese automotive market with an up and running production plant in Beijing already in place

CHINESE AUTOMOTIVE MARKET AND FINNVEDENBULTEN FOOTPRINT



FMS JV with BHAP and Amgain



Johan Westman, Finnveden Metal Structures, Liu Yinan, BHAP and Liu Xuesheng, Amgain

FMS JV with BHAP and Amgain (agreement signed in December 2012):

- Operations to be included in the JV is newly established die casting factory in the Shandong Province, between Beijing and Shanghai
- Manufacturing of light weight die casted components
- Partner BHAP is a subsidiary to BAIC, a major Chinese automotive OEM

2012 IN SHORT

2012 in short

- 2012 became a “start/stop” year with irregular demand and some months with very low volumes
 - In addition, one of our largest customers had significant production disturbances/stand still in Q4
- Bulten
 - Stable underlying business and well positioned with new and existing FSP contracts - in line with division strategy
 - Deliveries of fasteners for new, global engine platform started
- Finnveden Metal Structures
 - Challenges and restructuring of the non profitable Swedish foundry operation and focus on improving productivity
 - Stamping business performing well given relatively low volumes and start/stop behaviour from OEM-customers
- Two strategically important agreements were signed concerning establishments in Russia (Bulten) and China (Finnveden Metal Structures) - both with significant growth potential

2012 in figures

FULL YEAR

- Net sales down 3.9%, down 2.0% adjusted for currency effects
- Operating margin 3.4% (6.5)
- Profit after tax SEK 42 million (114)
- Earnings per share SEK 2.00 (6.57), or SEK 2.91 (6.57) adjusted
- Proposed dividend per share 2.00 SEK (2.00)

COMMENTS

- Decreased sales due to over all weaker automotive market with lowered production among several customers
- EBIT margin effected by lower volumes, irregular demand, challenges in the Swedish foundry operation, negative currency effects and costs for growth initiatives
- The tax charge of SEK –19.1 was a one-off effect due to the changed tax rate in Sweden.

FINANCIAL SUMMARY (MSEK)

	Full Year		
	2012	2011	Δ
Net sales	2,963.5	3,085.0	-3.9%
Gross profit	446.6	558.9	-112.3
Earnings before depreciation (EBITDA)	177.9	273.2	-95.3
Operating earnings (EBIT)	101.4	201.5	-100.1
Operating margin, %	3.4	6.5	-3.1
Adjusted operating earnings (EBIT)	101.4	219.7	-118.3
Adjusted operating margin, %	3.4	7.1	-3.7
Earnings after tax	42.0	114.5	-72.5
Order bookings	2,832.9	3,208.9	-11.7%
Return on capital employed, %	8.1	15.4	-7.3
Adjusted return on capital employed, %	8.1	16.8	-8.7

Q1

Group summary

FIRST QUARTER

- Net sales down 12.1%, down 10.0% adjusted for currency effects
- Operating margin 2.7%
- Profit after tax SEK 5.9 million
- Earnings per share 0.28 SEK

COMMENTS

- Lowered sales due to over all weaker automotive market with lowered production among several customers
 - Signs of stabilization. Improved sequential order intake
- EBIT margin effected by lower volumes and continued underperforming profitability in the Swedish foundry
 - Production disturbances/stop at a major customer had a negative impact on earnings until end of March
- Growth initiatives in Russia and China are proceeding according to plan

FINANCIAL SUMMARY (MSEK)	Q1			12 months Rolling	Full year	
	2013	2012	Δ	Apr 2012- Mar 2013	2012	Δ
Net sales	709.4	807.1	-12.1%	2,865.8	2,963.5	-3.3%
Gross profit	109.7	132.9	-23.2	423.4	446.6	-112,3
Earnings before depreciation (EBITDA)	38.6	59.0	-20.4	159.4	179.8	-20.4
Operating earnings (EBIT)	19.5	40.2	-20.7	82.6	103.3	-20.7
Operating margin, %	2.7	5.0	-2.3	2.9	3.5	-0.6
Earnings after tax	5.9	29.9	-24.0	19.5	43.5	-24.0
Order bookings	812.5	864.7	-6.0%	2,780.7	2,832.9	-1.8%
Return on capital employed, %	-	-	-	6.2	8.2	-2.0

Sequential growth in order intake



Bulten

- Net sales of SEK 421 million in Q1
 - down 11.4% (down 8.3% adjusted for currency effects) compared to Q1 2012
- Operating earnings Q1 amounted to 20.3 SEK million
 - Operating margin of 4.8%
 - Low volumes compared to same quarter last year but order intake recovered
 - Stopped production at one major customer's production facility until end of March
 - Efficiency measures are ongoing
- Stable underlying business and well positioned to grow, order bookings in Q1 picked up considerably compared to Q3/Q4, 2012
- The new growth initiative in Russia is proceeding according to plan

Finnveden Metal Structures

- Net sales of SEK 290 million in Q1
 - Down 13.4 % (down 12.7 % adjusted for currency effects) compared to Q1 2012
- Operating earnings amounted to SEK -1 million
 - Operating margin -0.2%
 - Low volumes compared to Q1 2012, continued challenges within foundry operations
 - Stopped production at one major customer's production facility until end of March
 - Efficiency measures are ongoing
- Restructuring of the foundry operation, with increased production in Poland, on plan. Further measures needed to secure sustainable profitability in the total foundry operation
- The growth initiative in China is proceeding according to plan

GOING FORWARD

Outlook for 2013

Market estimates:

- IHS Automotive estimates for Western Europe automotive production show a volume reduction of 5.2% in 2013 compared to 2012 for both LV and HCV production – a somewhat raised forecast compared to last quarter.
- IHS Automotive indicates reaching the bottom in 2013 given the 2014 forecast:
 - LV production Western Europe: +2,7% vs. 2013
 - HCV production Western Europe: +31,5% vs. 2013

Group preconditions and actions for 2013:

- Still high customer uncertainty due to the macroeconomic situation
 - Signs of stabilized demand, especially in the HCV-segment, and improved order intake
- Cost reductions in Q1, flexibility improvements and productivity improvements
 - Actions to secure sustainable profitability in Finnveden Metal Structures' foundry operations
- Establish operations in growth markets Russia and China, start-up costs of SEK 10-15 million
- In a ruling dated 11 April 2013, the Stockholm administrative court of appeal repealed the Swedish Tax Agency's review decision and allowed the deduction of interest on the shareholder's loan in accordance with the submitted tax return
 - It is expected that FinnvedenBulten will be awarded an additional SEK 197 million in loss deductions, which represents an additional deferred tax asset of around SEK 43 million
 - This ruling does not yet have legal validity and is now being analysed by the management team together with tax experts
- A good financial position enables continued execution of the set strategy with further expansion into growth markets and potential acquisitions

Financial objectives

	TARGETS	Q1 2013 Actual	Q1 2012 Actual	FULL YEAR 2012 Actual
Sales growth	Target to achieve a profitable organic growth in excess of the market growth on the Company's respective markets.	-12.1%	1.4%	-3.9%
EBIT margin	Target to achieve an EBIT margin of at least 7 %.	2.7%	5.0%	3.5%
Return on capital employed (ROCE)	Target to achieve a ROCE exceeding 15 %.			8.2%
Dividend policy	FinnvedenBulten has a target to pay dividends corresponding to approximately 1/3 of net income after tax. FinnvedenBulten's financial position, cash flow and future prospects should however be considered.	n.a.	n.a	69% SEK 2.00 per share ¹

(1) Proposed by the board to the AGM. Adjusted for the one-off effects due to the change in the tax rate in Sweden.

THANK YOU FOR YOUR ATTENTION!

FinnvedenBulten develops and manages industrial businesses, offering products, technical solutions and systems in metallic materials. The Group operates as a business partner to international customers in the engineering industry, primarily the automotive industry. FinnvedenBulten is structured into two divisions – Finnveden Metal Structures and Bulten – both with strong positions in their respective customer segments. FinnvedenBulten is listed on NASDAQ OMX Stockholm.

www.finnvedenbulten.com