



ANNUAL GENERAL MEETING 2018

TOMMY ANDERSSON, PRESIDENT AND CEO
26 APRIL 2018



2017 IN SUMMARY

- Advanced position with significant new FSP contracts
 - One of the company's largest ever FSP contract signed
- Established on the American market
- Significant investment decisions during the year
- Development of technology for powertrains for electric cars and hybrids
- Investment in innovation and development of sustainability work
- Entered into a new period of growth

BULTEN AT A GLANCE

- More than 140 years of fasteners experience, started in 1873
- Full Service Provider (FSP) to international automotive industry
- Footprint
- Technology leader
- Quality leader
- Strong financials



https://www.bulten.com

A PASSENGER CAR CONSISTS OF 25 TO 50 KILOS OF FASTENERS



Of Bulten's sales, approximately
25% goes to powertrain and
75% to chassis



The **weight** of
all fasteners in a car is between
20-50 kg

The **cost** of
all fasteners in a car is between
70-250 EUR



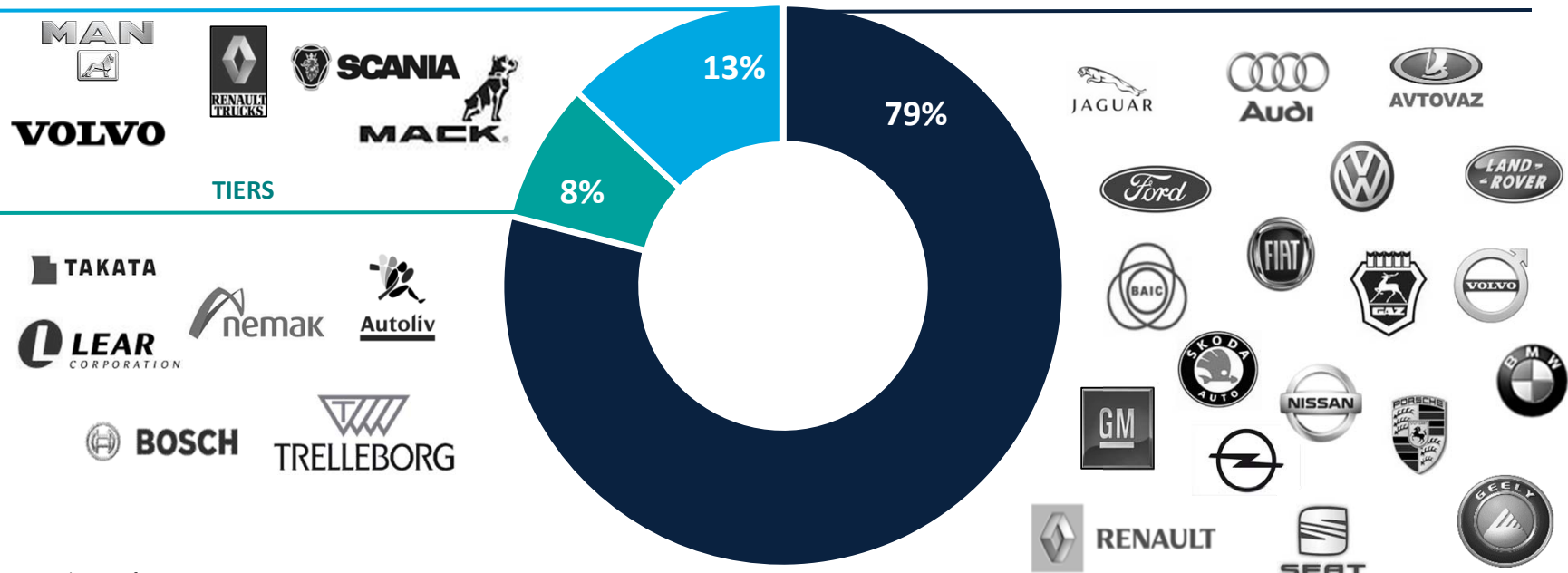
Of which the cost
per engine is between
20-40 EUR



STRONG CUSTOMER BASE AND RELATIONSHIPS WITH MAJOR VEHICLE OEMS AS WELL AS TIER 1 SUPPLIERS

HEAVY VEHICLES

LIGHT VEHICLES

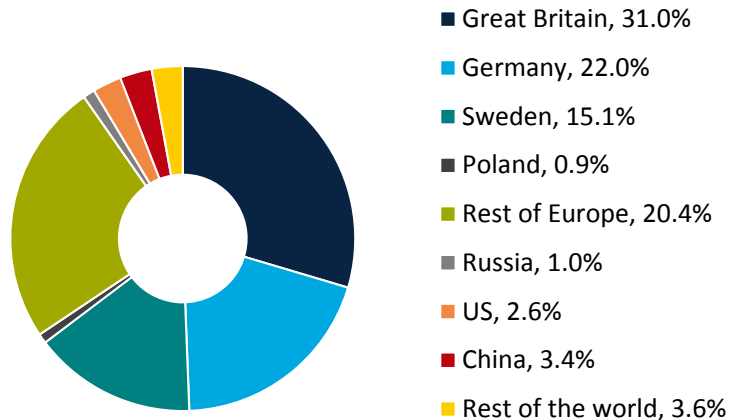


- Selection of customers.
- Share of Bulten's sales YTD



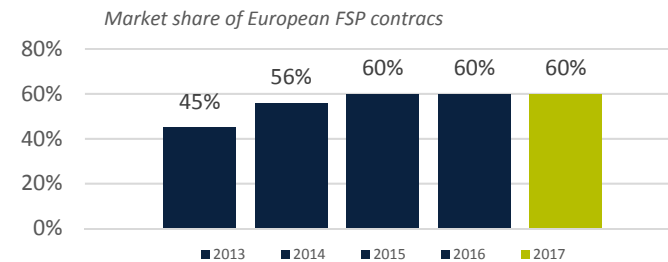
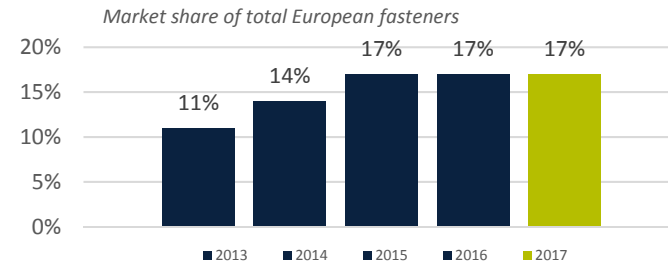
BULTEN HAS ITS STRONGEST POSITION IN NORTHERN EUROPE BUT WILL GROW ON EMERGING MARKETS

GEOGRAPHIC SALES DISTRIBUTION JANUARY – MARCH 2018



The major part of sales go to production of vehicles in Europe, of which a portion is exported to other markets in for example North America and BRIC.

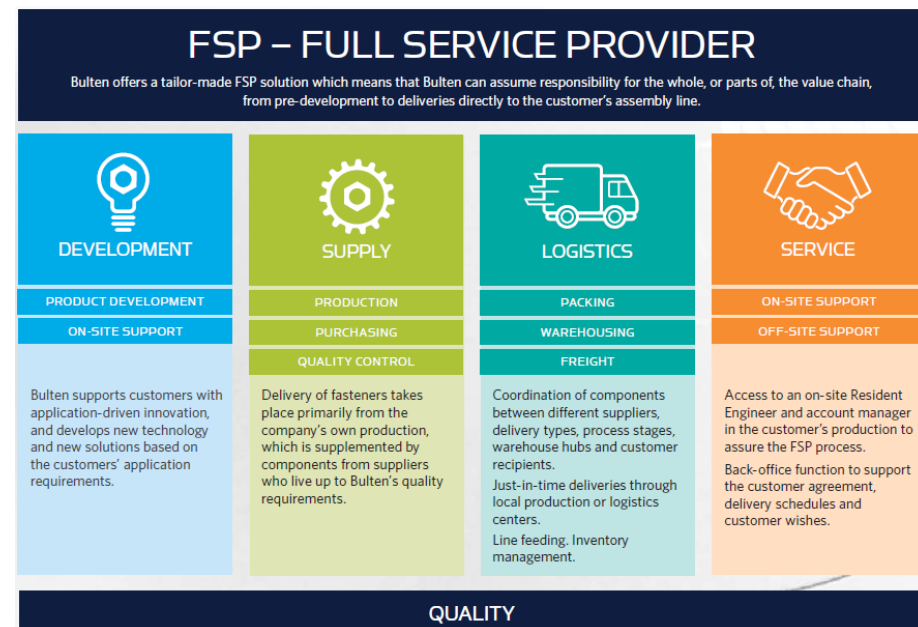
BULTEN MARKET SHARE DEVELOPMENT





FULL SERVICE PROVIDER (FSP) TO INTERNATIONAL AUTOMOTIVE INDUSTRY

- Bulten is one of few players in Europe that has a proven track record and can handle complex full service contracts for the automotive industry
- Complete responsibility throughout the entire value chain of fasteners
- Offers a full set of services, always customized to the customers' own requirements with one point of contact





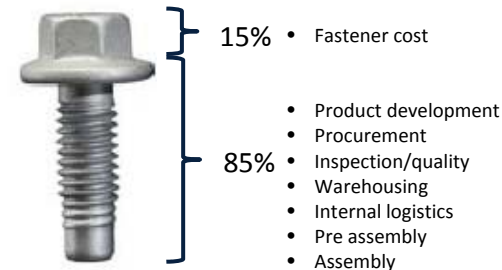
LOWER IN PLACE COST (IPC) WITH SMART TECHNOLOGIES

- Bulten's advanced technology aim to optimize the total cost (IPC) for the customer
- The cost of the physical fastener normally amounts to 15% of the total cost
- Bulten's innovative solutions and value-added technologies can achieve cost reductions by e.g.
 - Standardization
 - Simplified assembly
 - Reduction of peripheral costs such as e.g. development and logistics

IPC EQUALS THE TOTAL COST,
THE SO CALLED IN PLACE COST

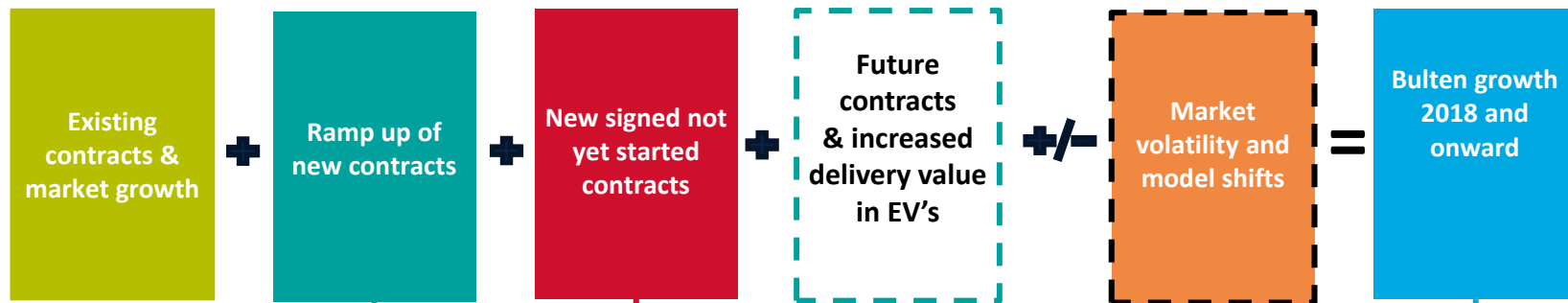


Cost profile for a fastener





PREDICTED STRONGER BULTEN GROWTH VS THE MARKET

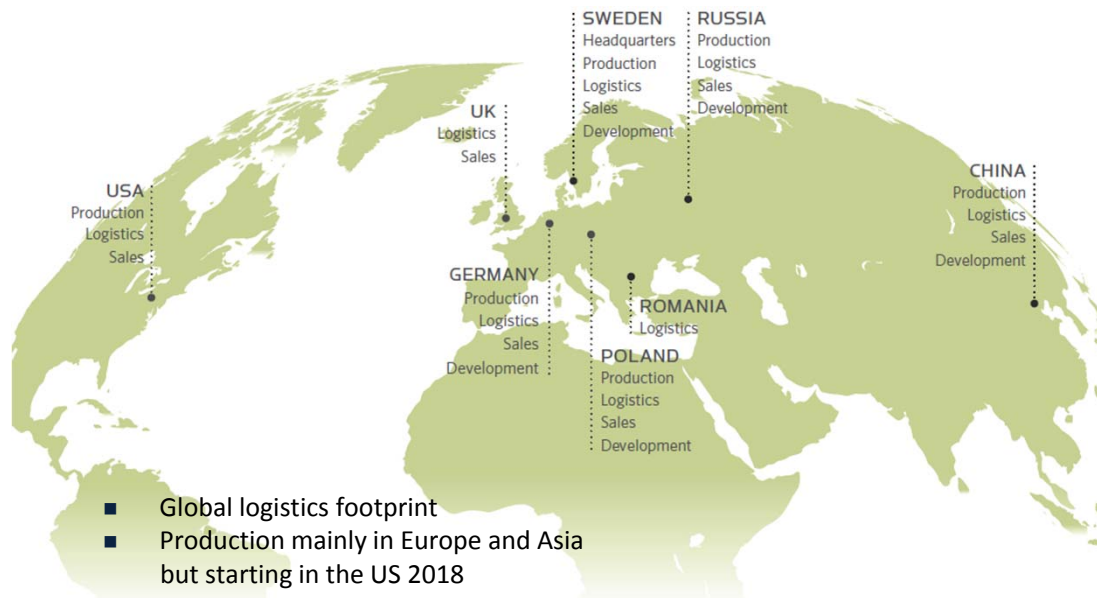


Ramp up and new contracts not yet started
EUR 64 million/year
Of long term sustainable business

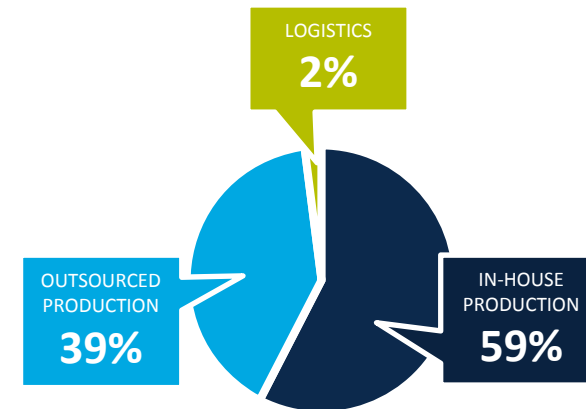


BULTEN HAS A LEAN AND WELL POSITIONED LOGISTICS AND MANUFACTURING FOOTPRINT AND FLEXIBLE SUPPLY CHAIN

LEAN AND WELL POSITIONED LOGISTICS AND MANUFACTURING FACILITIES



IN-HOUSE VS. TRADING (SALES VALUE)



- Bulten produces most products in-house and has but has also production outsourced to optimize efficiency and flexibility

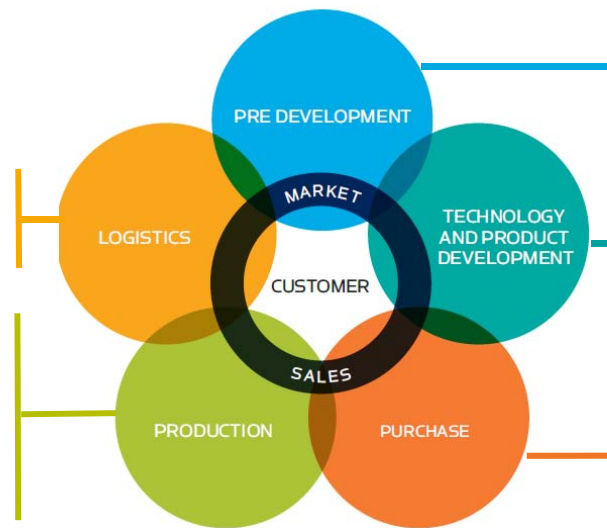
SUSTAINABILITY – A NATURAL PART OF OUR BUSINESS



SUSTAINABILITY FOCUS AREAS BASED ON BULTEN'S VALUE CHAIN

Delivering **SUSTAINABLE SOLUTIONS**:
Product quality, packaging, logistics and transport emissions.

SUSTAINABLE, RESPONSIBLE PRODUCTION: energy, waste/scrap and chemicals, greenhouse gas emissions, health and safety, employee well-being, lifelong development and commitment, reduce the use of non-renewable energy sources and increase recycling, impact on local community.



NEW SOLUTIONS that have an environmental and economic impact throughout the value chain; choice of materials, waste generation, surface treatment, production, pollution, transport, recycling opportunities.

CONTINUOUS DEVELOPMENT OF PRODUCTS, PROCESSES AND TECHNOLOGY: Enabling customer to improve the sustainability performance for their products and processes.

SUSTAINABLE, RESPONSIBLE PURCHASING AND LOGISTICS: raw materials and conflict minerals, human rights and working conditions in the supply chain and logistics, greenhouse gas emissions from transports and manufacturing, energy use, waste, business ethics and compliance.



TRENDS THAT AFFECT BULTEN

TREND	IMPLICATIONS FOR BULTEN	BULTEN ACTIONS
GLOBALIZATION	Vehicle manufacturers to new markets.	➤ Follow customers and establish on selected markets.
SUSTAINABILITY	Expectations and higher demands on contributing to increased sustainability.	➤ Systematic work to increase sustainability where the company can influence.
CONTINUED COMPETITION IN AUTOMOTIVE INDUSTRY	Rise in large-scale production and global platforms for vehicle models.	➤ Reduction of fastener variants, creation of volume synergies, and closer collaboration with vehicle manufacturers through the FSP concept.
CONSOLIDATION	Fewer suppliers are expected to be more involved in the customer's development.	➤ FSP offer, Bulten can be involved already from the development stage to delivery on the customer line.
ELECTRIFICATION	Hybrids and electric cars are on the increase and are expected to make a commercial breakthrough. Both technologies require more fasteners.	➤ Collaboration with customers on the development of fasteners for hybrid and electric vehicles.
DIGITALIZATION	Greater computerization, e.g. driverless cars, entails an increasing number of electronics boxes, sensors, transmitters, etc. Requires more fasteners for installation.	➤ Increased offer and supply bespoke fasteners for in-vehicle installation.

THE NEXT GENERATION OF ELECTRIC CARS CONSIST OF SUBSTANTIALLY MORE FASTENERS THAN TRADITIONAL CARS



- Bulten has started deliveries of fasteners to the pre-series of the next generation of electric vehicles
- These deliveries entail a considerably higher delivery value per car compared to an equivalent model with a combustion engine
 - Up to approximately 40%
- The number of fasteners increase, mainly in the body, depending on material selection and design
- Still very low volumes for the industry



40%

HIGHER SALES VALUE
FOR FASTENERS

INCREASED RECOGNITION IN THE AREA OF ELECTRIC CARS AND BULTEN AS A CONTRIBUTOR IN THE SUSTAINABLE DEVELOPMENT



- Bulten is involved in electrification projects with various automotive manufacturers and is helping to drive developments concerning fastener shape and material to create optimal conditions for the new technology.
- Bulten has positioned itself with technology for electric cars and hybrids
 - developed the cooperation with one of the world's largest electric car producers and been appointed "Certified preferred supplier"
- Participation in Chalmers program – Future Powertrain, Electrification
- Various customer projects

SHAREHOLDER INFORMATION



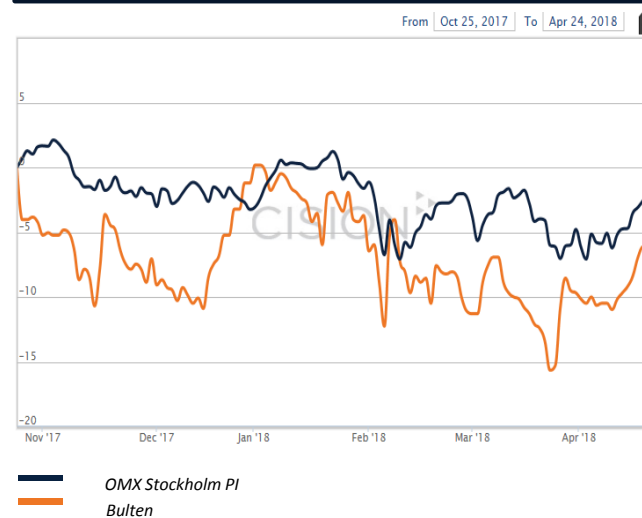
10 LARGEST HOLDERS (2018-02-28 – 2018-03-29)

Shareholder	No. of shares	Share of votes and capital (%)
Volito AB	4 500 000	21.4
Lannebo fonder	2 264 708	10.8
Öresund Investment AB	2 263 535	10.8
Spiltan Fonder AB	922 577	4.4
Bulten AB	680 500	3.2
Tredje AP-Fonden	560 125	2.7
Skandinaviska Enskilda Banken S.A., W8IMY	472 834	2.3
CBNY-DFA-INT SML CAP V	359 104	1.7
Clients Account-DCS	309 849	1.5
Carnegie fonder	308 336	1.5

Source: Euroclear Sweden AB

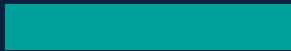
- Total number of shareholders: 6,928

SHARE DEVELOPMENT



- Listed on Nasdaq Stockholm since 20 May 2011.
- Ticker BULTEN

Q1 IN SUMMARY



OPERATIONAL HIGHLIGHTS FOR THE QUARTER



- Sales increased by 9.6%
- Order intake increased 8.2%
- EBIT margin 7.8% (8.1)
 - Positive currency effect
 - Higher raw material prices
 - Irregular production pace
- First volumes delivered from new surface treatment unit in Germany
- First pre series volumes delivered from US entity
- Prestigious reward achieved



- *Bulten Polska receives the reward "Employee Friendly Employer 2017" where the employees nominate the winner.*
- *The prize is awarded to employers who are distinguished by complying with legal requirements and collective agreements, health and safety and how to work with the unions at the workplace.*
- *In the picture, Poland's President Andrzej Duda handed over the award to Bulten Polska's Managing Director, Anders Karlsson at the Warsaw ceremony.*

GROUP SUMMARY



FIRST QUARTER

- Net sales SEK 853 m (778)
- EBIT margin 7.8% (8.1)
- Earnings after tax SEK 48 m (51)
- EPS 2.43 SEK (2.59), decreased by 6%

COMMENTS

- Sales up with 9.6% and strong order intake, up 8.2%
 - Growth comes from gradually increasing volumes after model change and deliveries to a previously announced significant contract
- EBIT impacted by currency effect and higher raw material prices

FINANCIAL SUMMARY (MSEK)	JAN-MAR			12 ROLLING	FULL YEAR	
	2018	2017	Δ	Apr 2017- Mar 2018	2017	Δ
Net sales	853	778	9.6%	2,931	2,856	2.6%
Gross profit	159	153	6	564	558	6
Earnings before depreciation (EBITDA)	88	83	5	295	290	5
Operating earnings (EBIT)	67	63	4	214	210	4
Operating margin, %	7.8	8.1	-0.3	7.3	7.4	-0.1
Earnings after tax	48	51	-3	156	159	-3
Order bookings	779	720	8.2%	3,074	3,015	2.0%
Return on capital employed, %	--	--	--	13.7	14.4	-0.7
Return on capital employed excluding goodwill, %	--	--	--	15.8	16.7	-0.9

CURRENCY FLUCTUATIONS AND RAW MATERIAL INCREASES AFFECTED THE TARGETS



	Growth Profitable organic growth more strongly than the industry average	Margin Operating margin of at least 7%	ROCE At least 15%	EPS EPS development	Dividend At least one third of net earnings after tax
Q1	9.6%	7.8%	Na	2.43 SEK	3.75 SEK
R12	7.0%	7.3%	13.7% 15,8% excl. goodwill	7.82 SEK	per share 47% for 2017
R12 target status	✓	✓	~	→	↗

GOING FORWARD





GOING FORWARD

- Entering new growth phase with secured contracts
 - Preparing for future growth through investments
 - Ramp-up preparation
- Becoming the most cost-effective FSP supplier in the industry
- Strong financial position

Bulten has taken significant steps forward in the market and has created a high credibility in the automotive industry



BULTEN - A STRONGER SOLUTION

