DISCOVERING THE NEXT SOLUTION

Q2 REPORT

Q2

Erik Lundén
President & CEO

Marcus Söderberg
CFO

BUFAB

Q2 highlights

Erik Lundén
President & CEO

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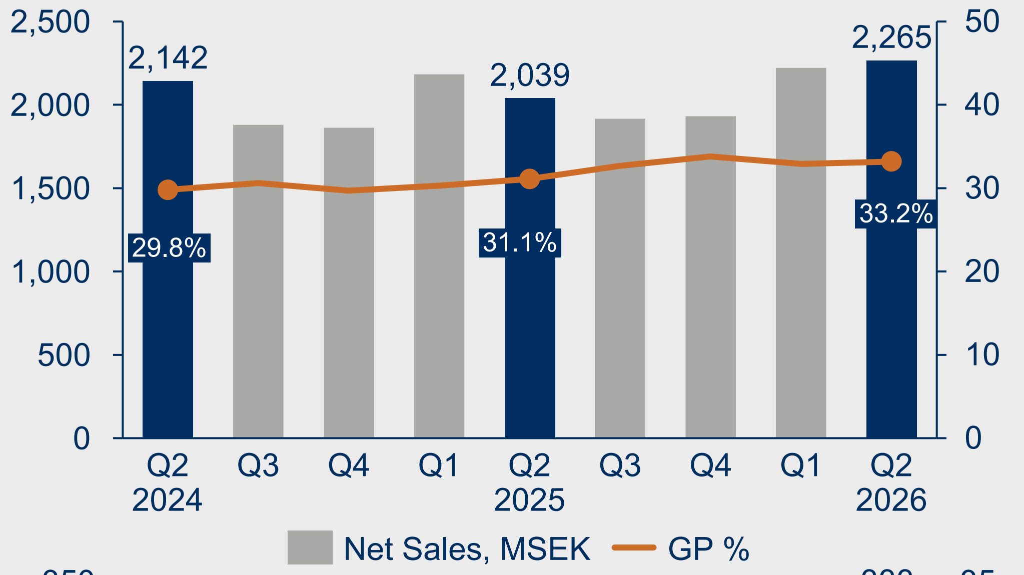
Q2 highlights – strong growth and improved results

- Continued execution on our strategy with a strong focus on value creation for our customers
- Organic sales growth at 5.3% with improvements in all regions
- Underlying demand remained cautious
- Gross margin up by 2.1 pp, reaching 33.2%
- Adj. operating margin at a strong 14.7% (13.1)
- All regions and the vast majority of companies delivered improved results
- Acquisition of DC Iron at the beginning of July



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Financial highlights

Marcus Söderberg
CFO

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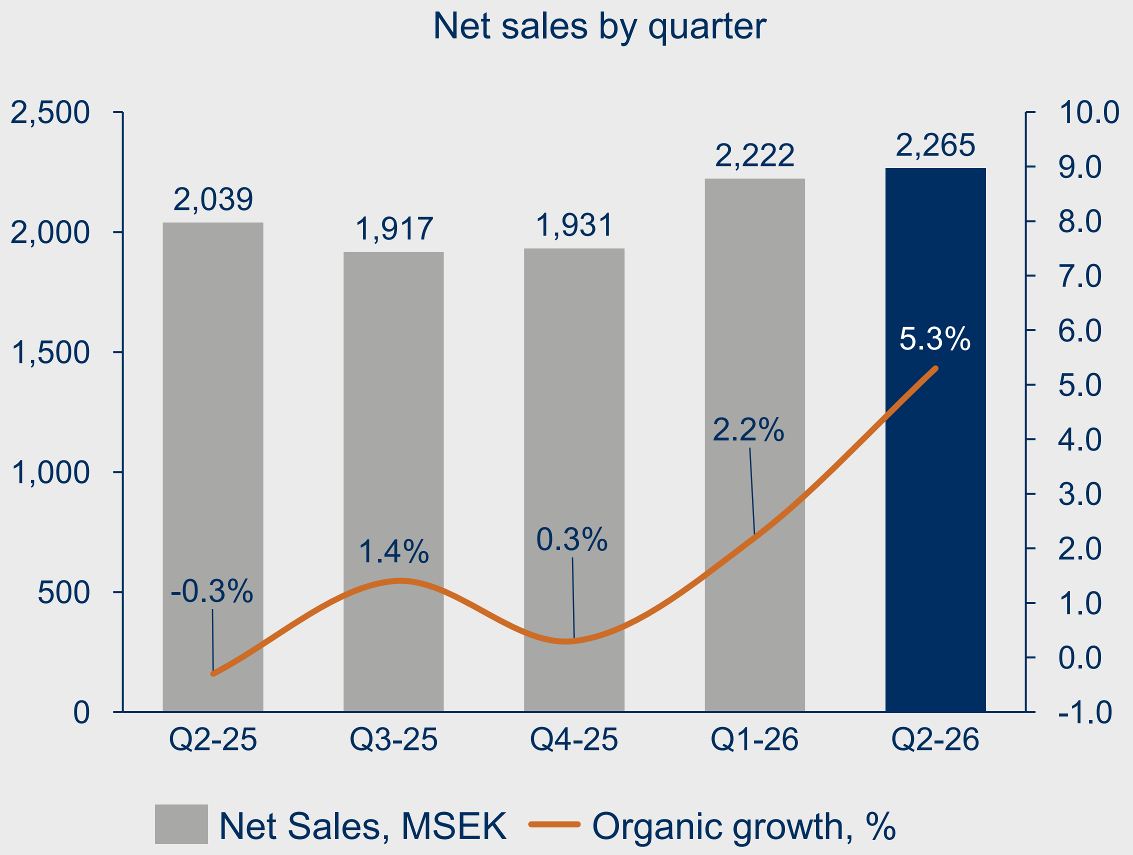
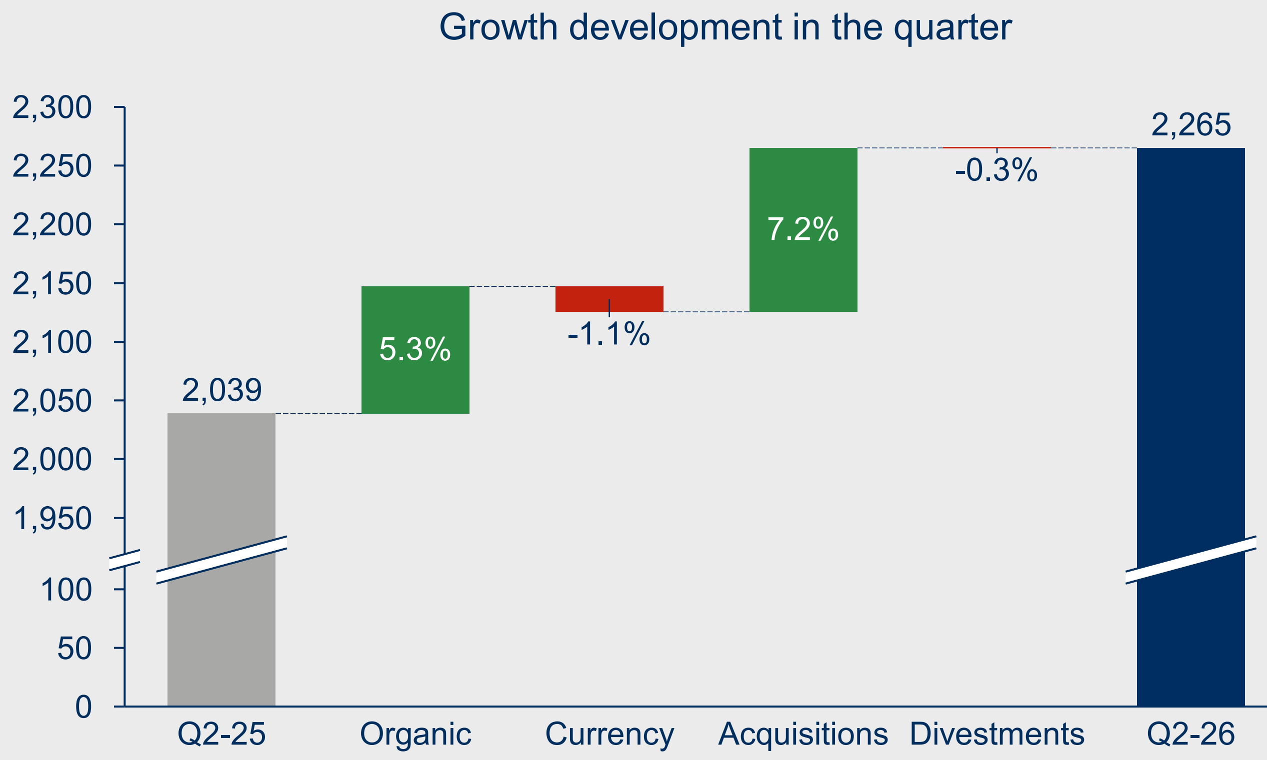
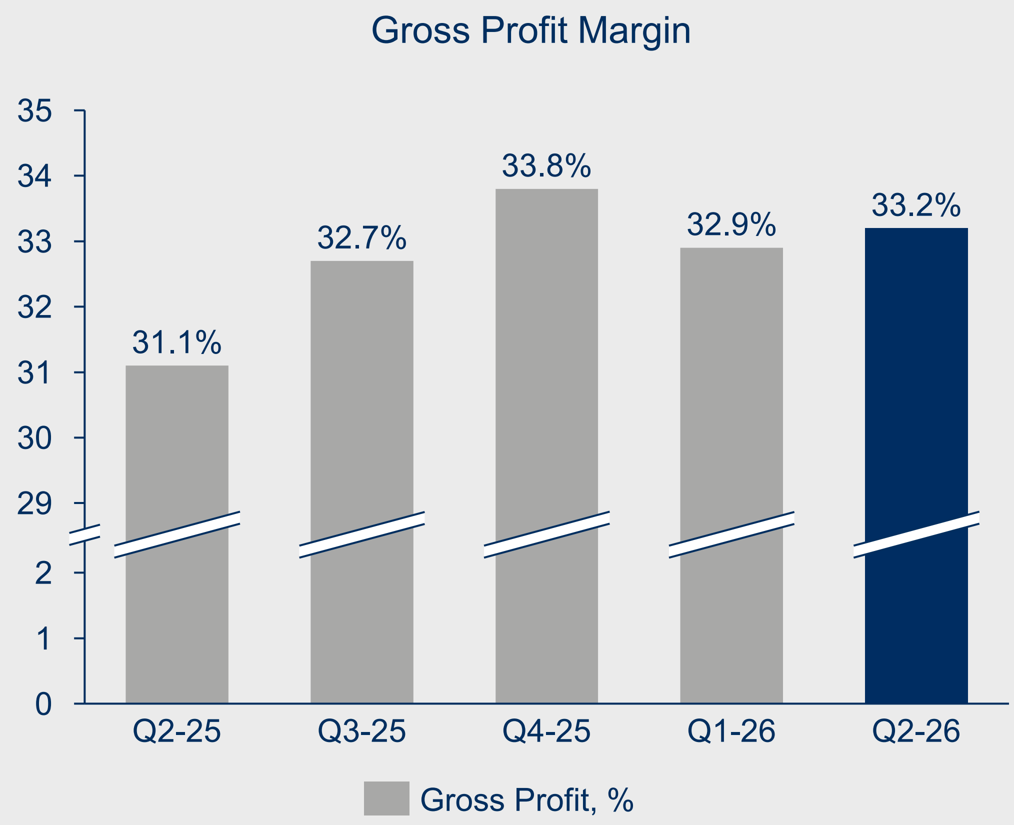
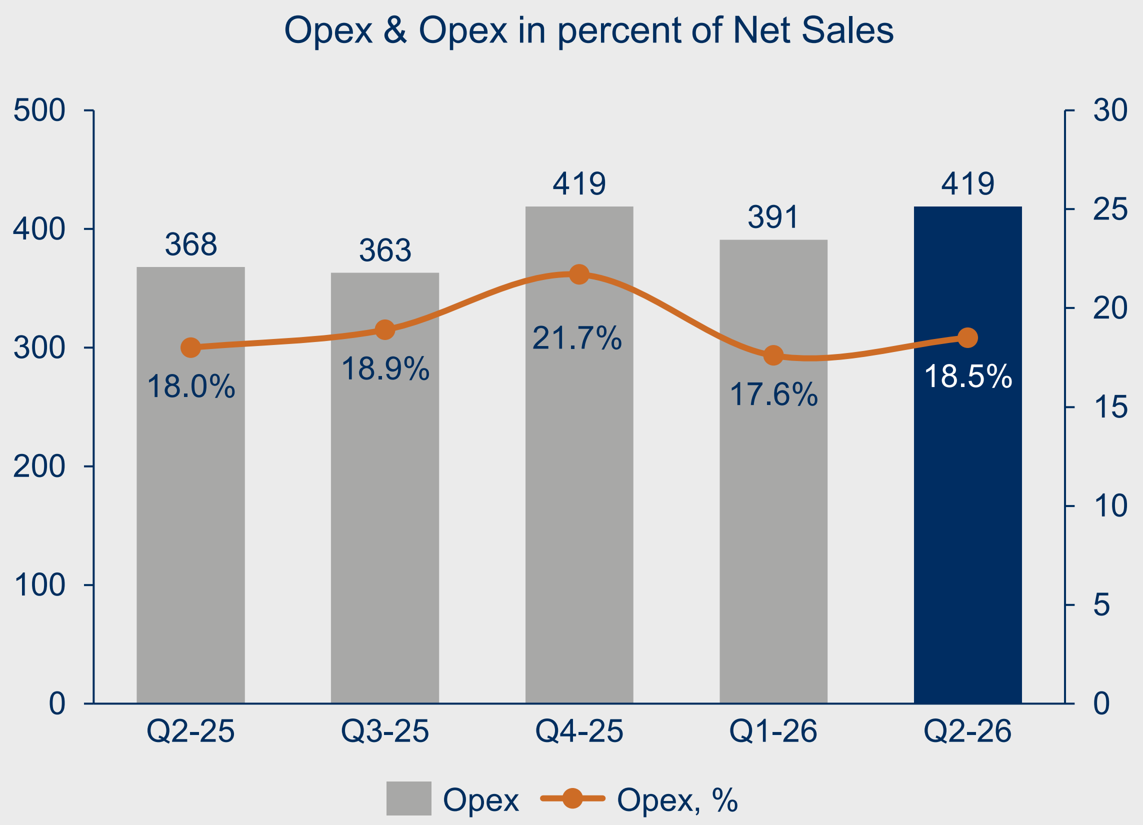
Strong organic growth mainly driven by increased market shares





Strong gross margin momentum and continued cost control





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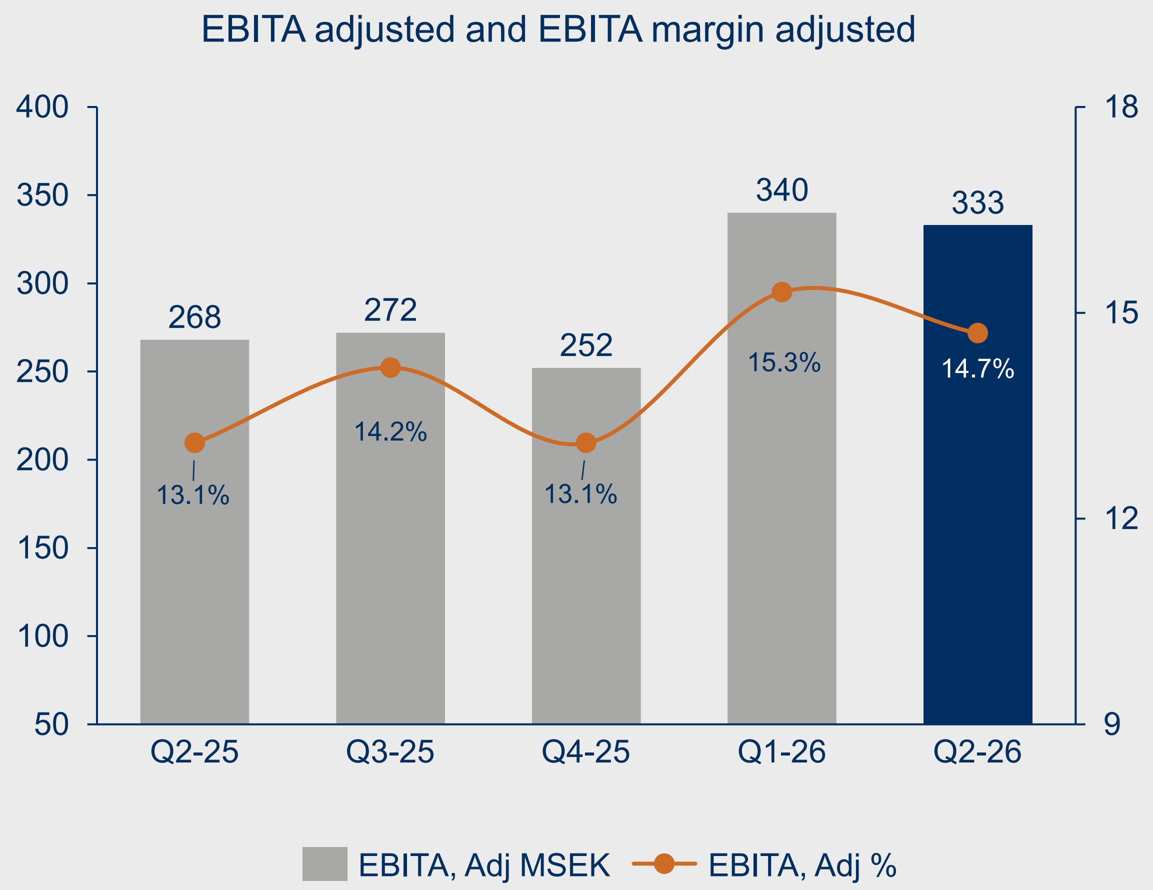
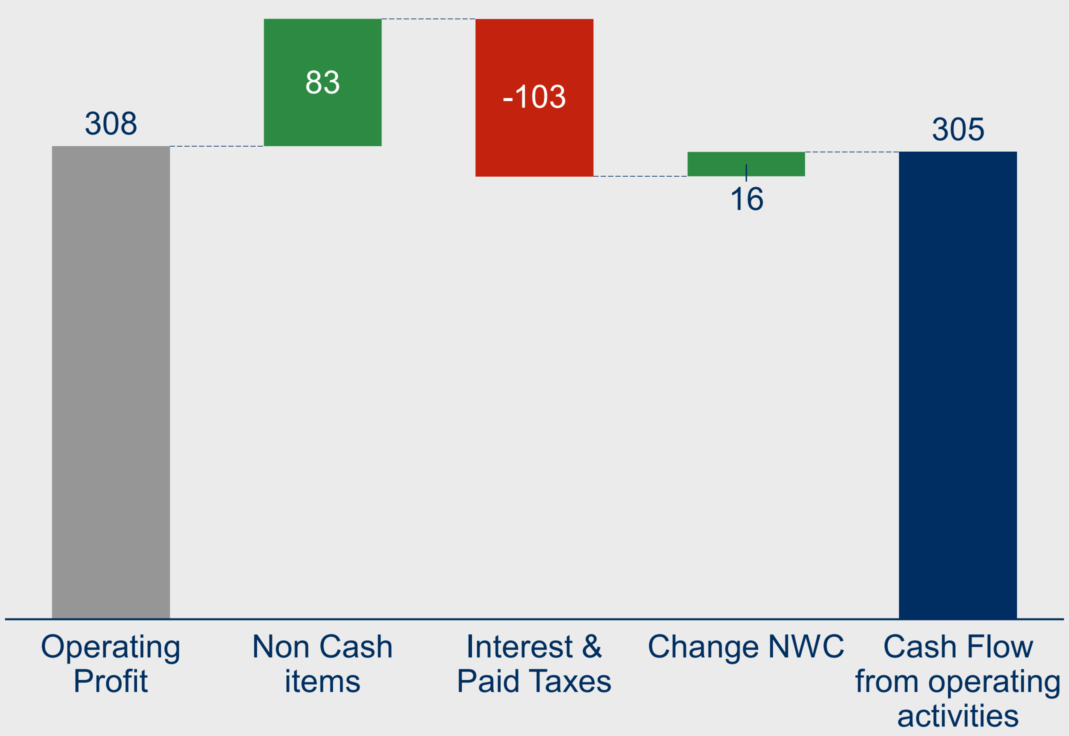
Clear improvement in operating margin – well on track to reach our margin target



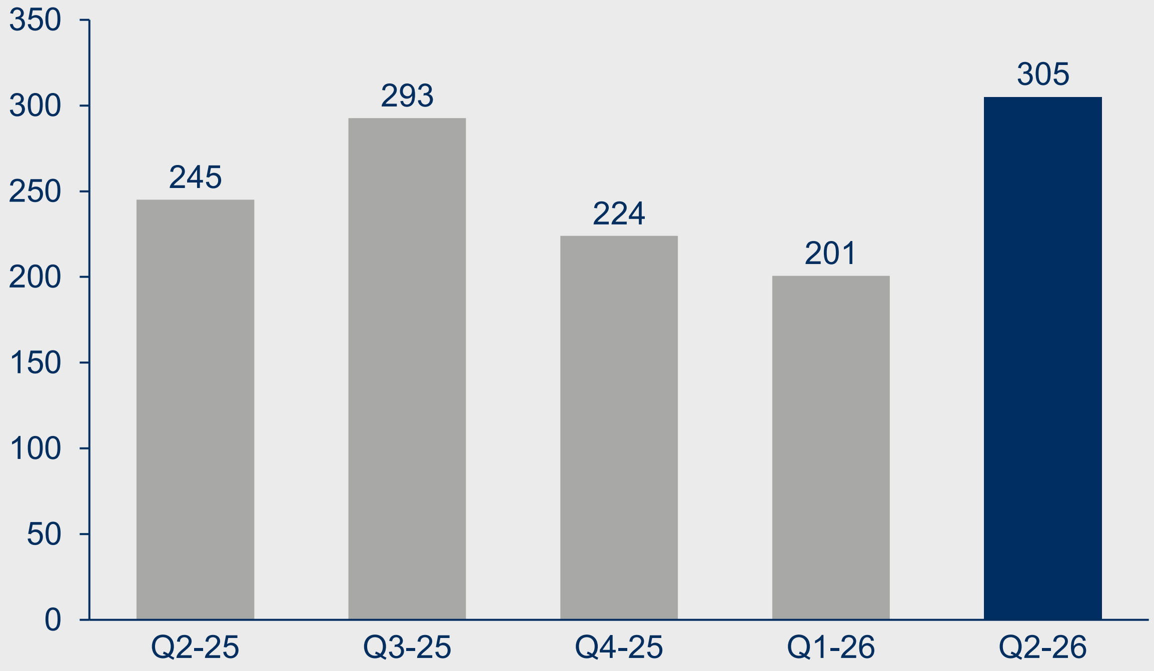
- Strong topline, increased gross margin in combination with good cost control led to a clear improvement in operating margin, 14.7% (13.1).
- Adjusted operating profit increased 24% to 333 SEK million (268).
- Well on track to reach our margin target for the full year 2026.

Higher cash flow, mainly explained by improved results

Cash flow from operating activities, MSEK

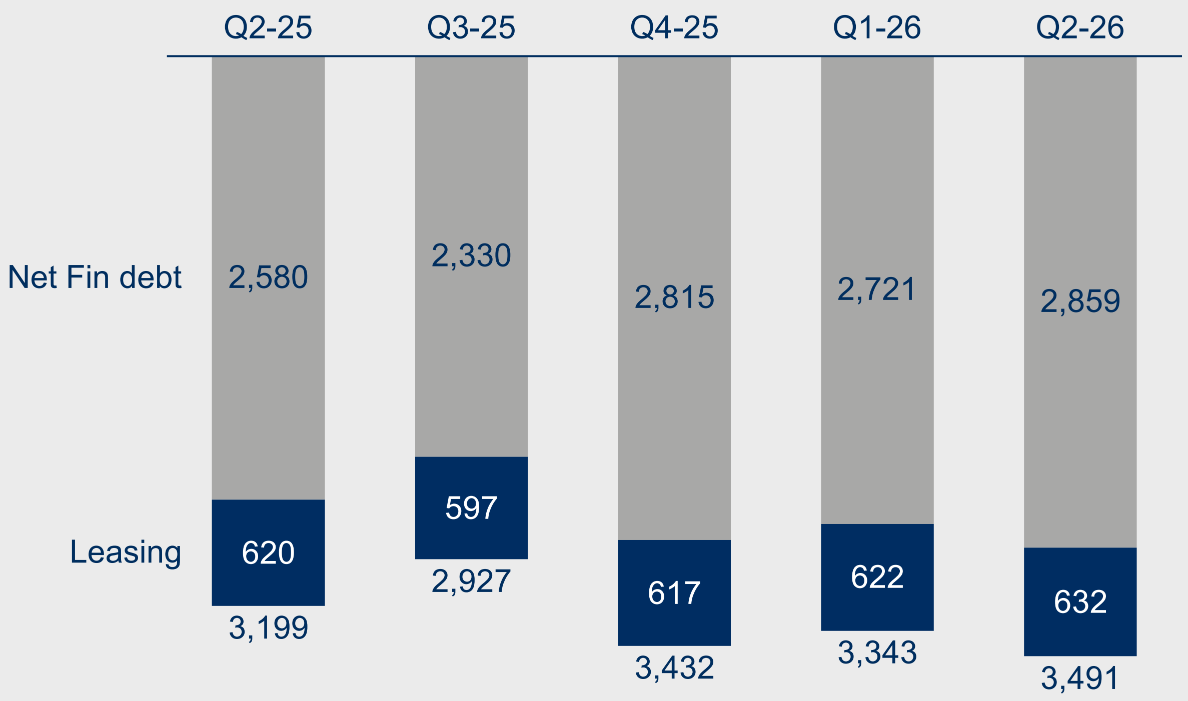


Cash flow from operating activities, MSEK

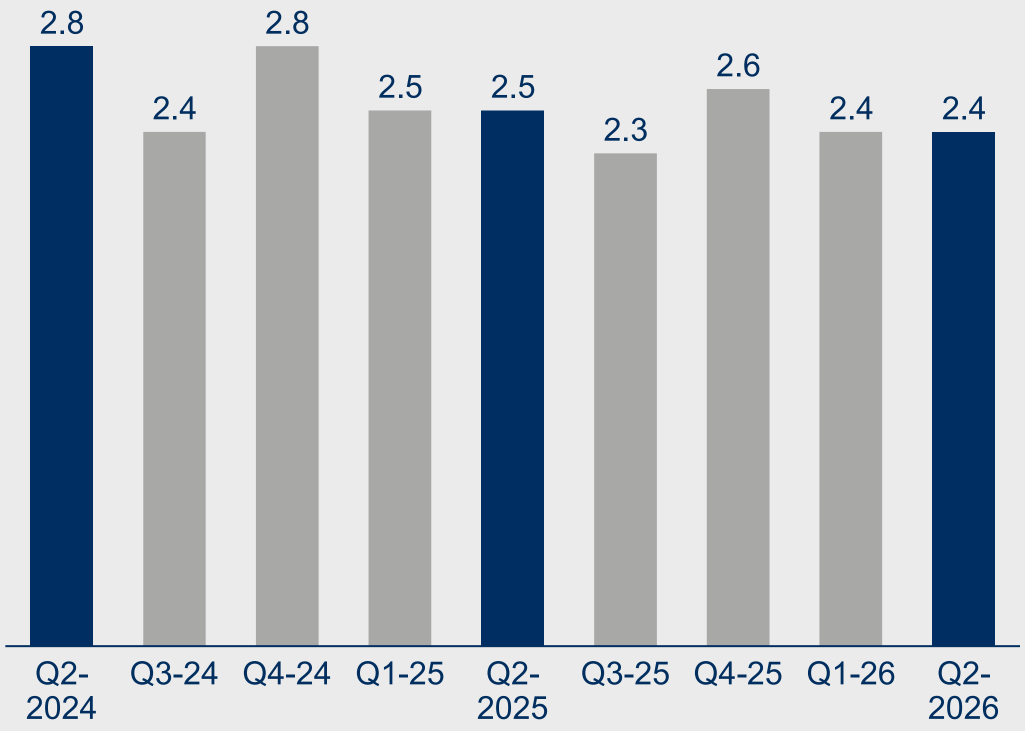


Net Debt/EBITDA remained at 2.4x due to currency

Net Debt, MSEK



Adjusted Net Debt/EBITDA



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Regional highlights

Erik Lundén
President & CEO

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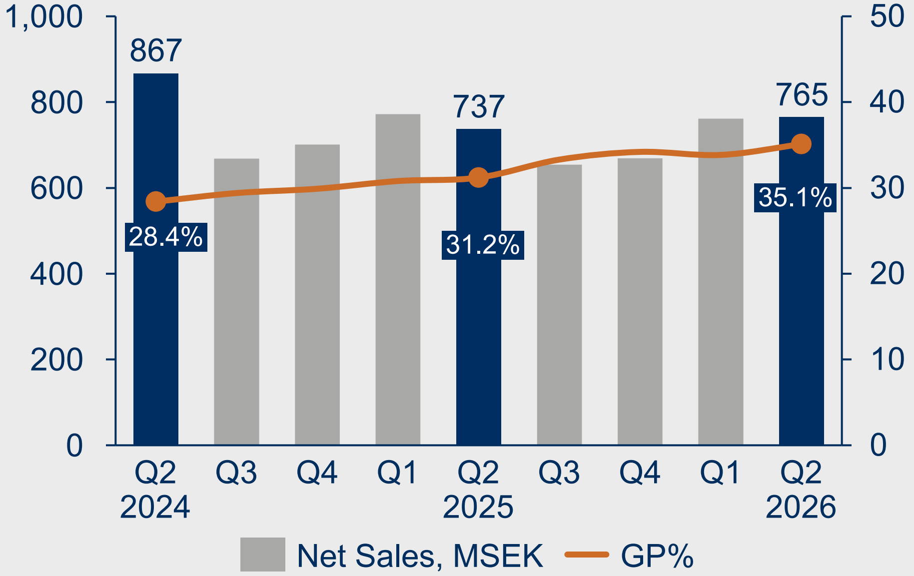
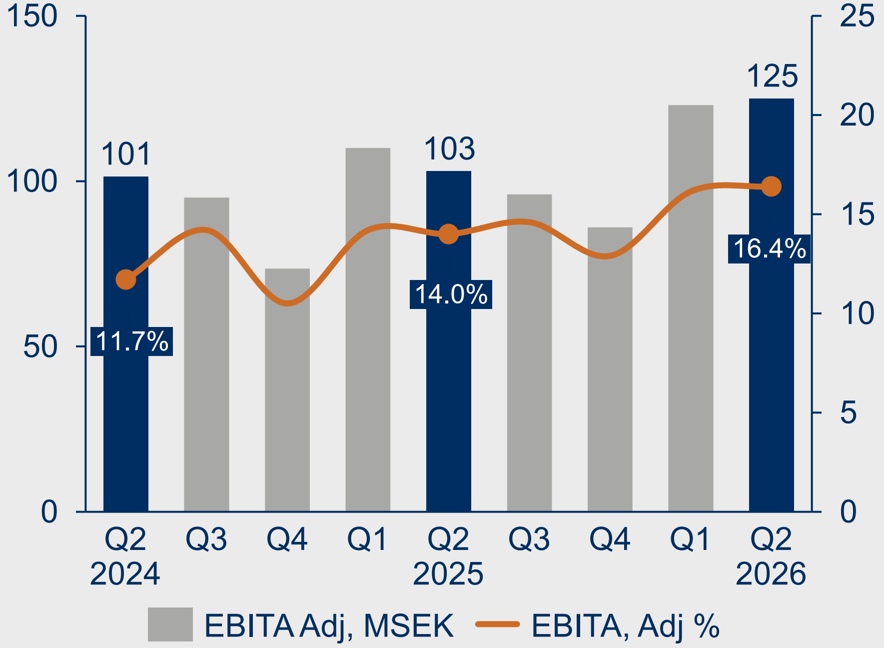
Region

Europe North & East

- Total growth was 3.8%, of which organic growth was 3.8%
- Demand in the furniture and kitchen sector remained weak, while defence, digital infrastructure and electrification were strong
- Gross margin up 3.9 pp driven by customer and product mix, consolidations of purchasing volumes and currency
- Cost level up mainly due to currency losses and higher personnel costs
- Ad. operating margin improved to 16.4% (14.0)





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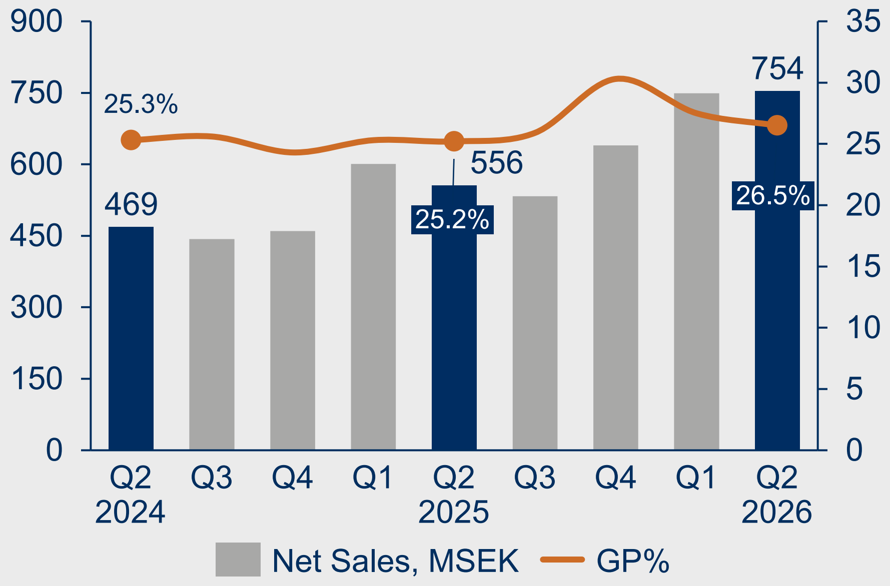
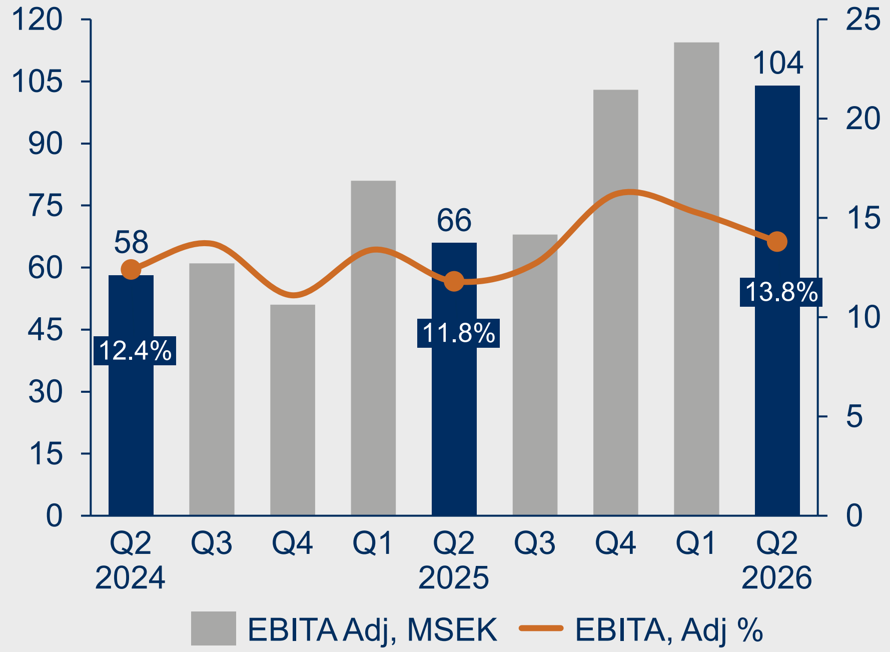
Region
Europe West

- Total growth was 35.8%, of which 26.6% was acquisitions and 10.1% was organic growth
- Strong demand in mechatronics, aerospace and defence
- Gross margin up 1.3 pp, driven by an improved product mix and added value on new projects
- Cost level down due to strong operational leverage
- Adj. operating margin improved to 13.8% (11.8)
- The newly acquired novia Group developed according to plan





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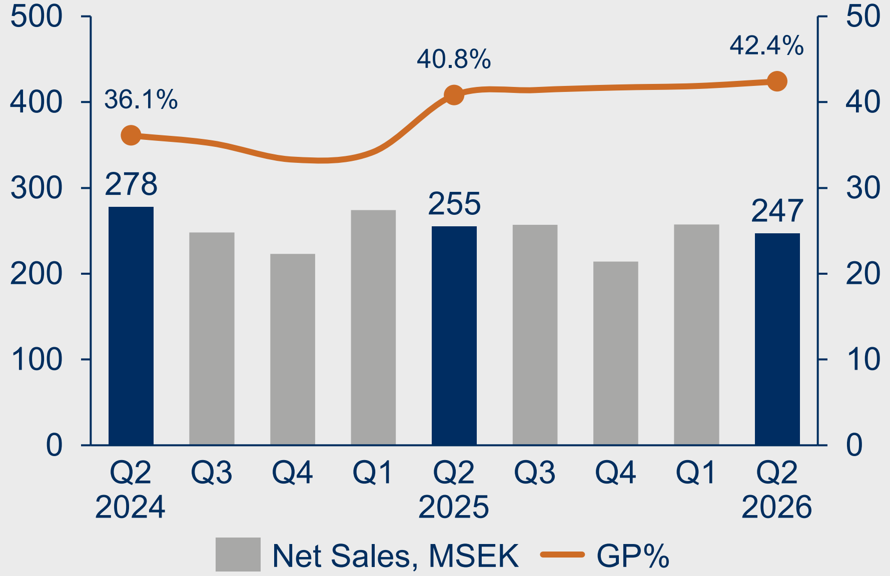
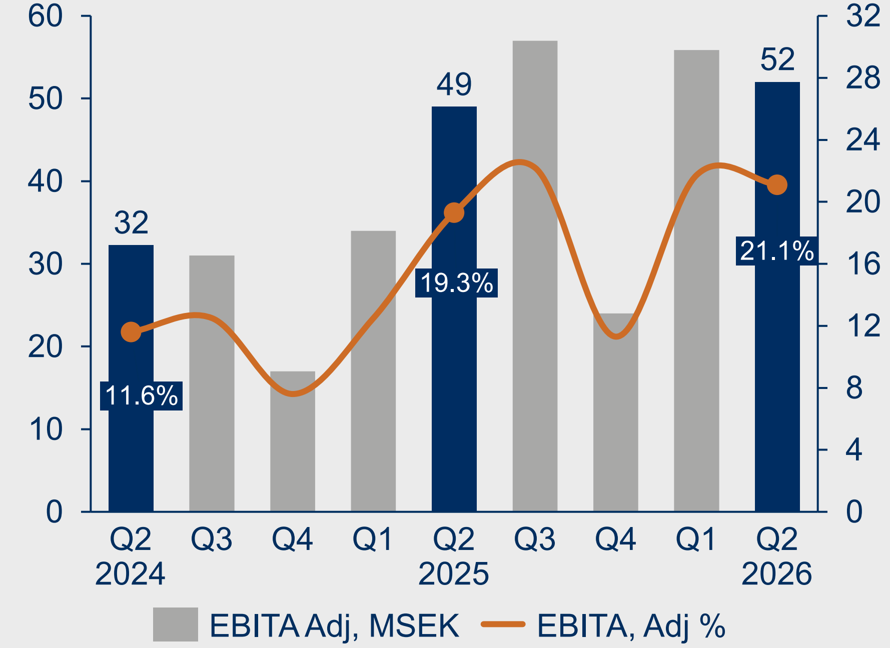
Region

Americas

- Total growth was -3.2%, of which organic growth was 2.6%,
- Stable demand but on a continued low level for the RV and trailer market, and low demand in the automotive industry
- Gross margin up 1.6 pp driven by price adjustments and a successful development within CSG
- Lower cost level due to the divestment within CSG and good cost control
- Adj. operating margin improved to 21.1% (19.3)





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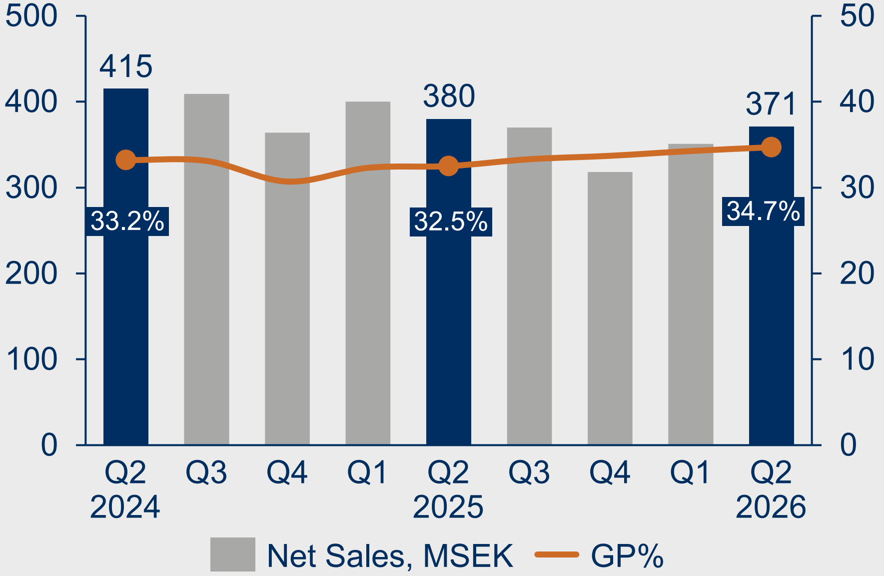
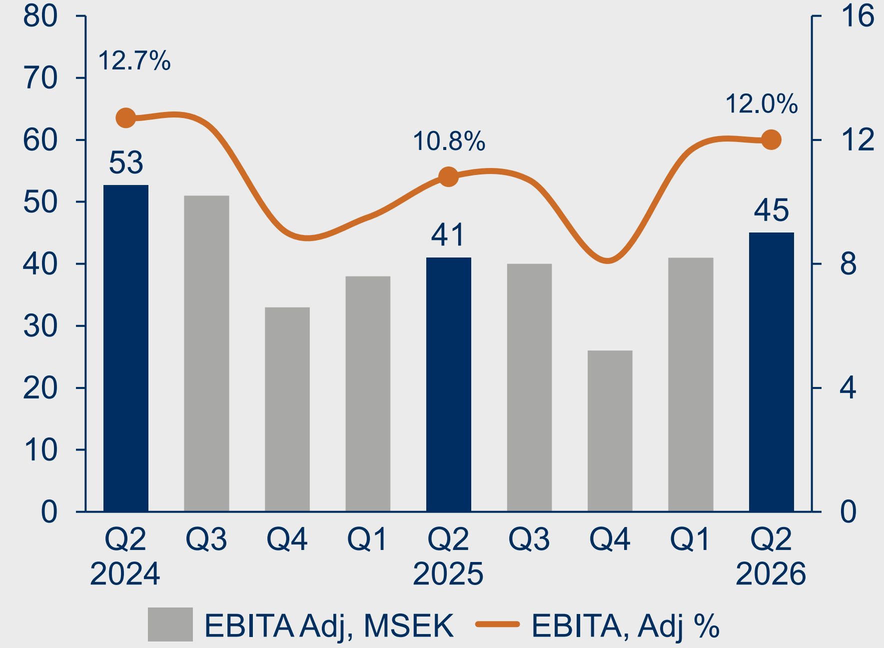
Region
UK & Ireland

- Total growth was -2.3%, of which organic growth was 0.3%
- Demand in the construction industry remained weak impacting TIMCO, while rising market prices resulted in improved performance of Apex Stainless Fasteners.
- Gross margin up 2.2 pp, mainly driven by rising prices of stainless steel, sourcing savings and somewhat lower freight charges
- Higher cost level due to a foreign currency translation last year
- Adj. operating margin improved to 12.0% (10.8)





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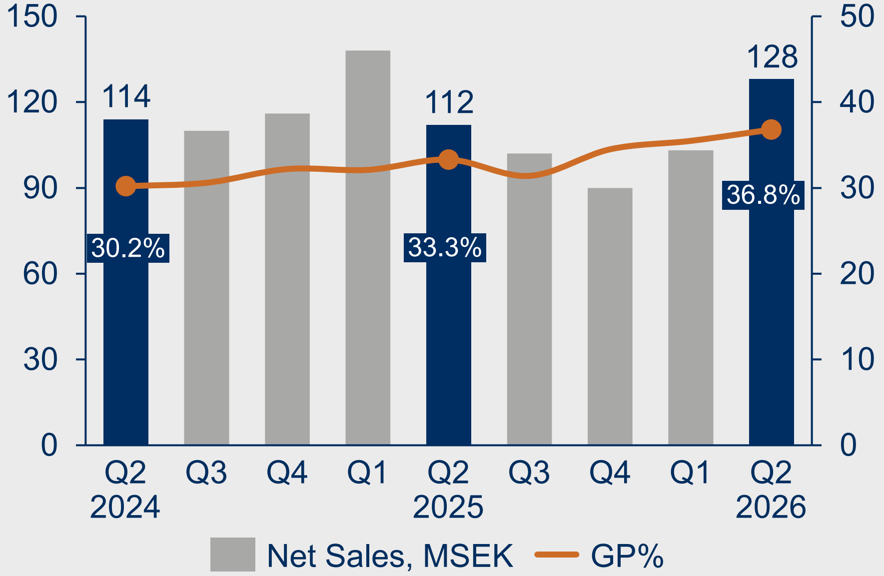
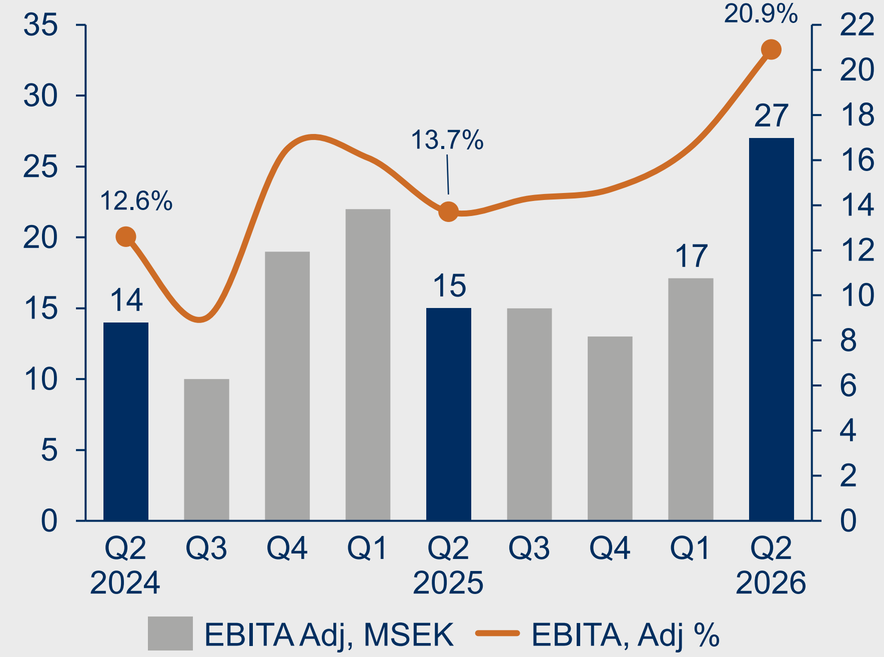
Region

Asia-Pacific

- Total growth amounted to 14.6%, of which organic growth was 14.9%.
- Strong growth within energy and industrial automation solutions impacting Bufab Shanghai and Bufab India
- Gross margin up 3.5 pp due to active work with value-based pricing, improved customer and product mix and purchasing savings
- Lower cost level mainly due to the higher volumes and a good cost control
- A solid development on all levels led to an adj. operating margin of 20.9% (13.7)





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Group news

Erik Lundén

President & CEO

Acquisition of DC Iron in the UK

Bufab team with Dave and Scott Collins at DC Iron

- Leading UK based distributor of iron work parts
- Net sales of GBP 14.8 million in 2025 and operating profit margin significant above Bufab's profitability target
- Scott Collins remains as MD
- We acquire 100% of the shares with a 3-year earn-out
- Niche company, reported within Region UK & Ireland

Why DC Iron? Great fit and in line with our strategy

- Leading player within an attractive and resilient niche market
- Broad- and multi-faceted product range
- End customers in segments such as infrastructure, public indoor and safety
- Low customer concentration
- Delivered excellent growth and profit and with great opportunities ahead
- Strong culture and commercial fit for Bufab

Bufab Shanghai awarded *"Excellent Cooperative Supplier"* by Schneider Electric

- Bufab Shanghai recognized as "Excellent Cooperative Supplier" at Schneider Electric Supplier Day 2026
- Bufab is a long-term partner to Schneider Electric globally and in China - supplying 20 of its 23 manufacturing sites in China
- Awarded for our end-to-end solutions including VMI services, R&D support, speed, and customer service excellence

Summary, Outlook & Priorities

Erik Lundén
President & CEO

Summary, outlook & priorities

- ✓ Strong performance in Q2 with strong organic growth and improved gross and operating margins
- ✓ Strong momentum in the gross margin, expected to continue during 2026
- ✓ Market uncertainty with a continued cautious approach among customers and somewhat increasing purchase prices
- ✓ We remain optimistic about the future – focus on things within our control

  1) Continue securing new business and taking market shares
  2) Improve our margin - focused work on strengthening our gross margin and on cost savings
  3) Continuing to improve our NWC and secure strong cash flow

- ✓ Continue our value journey, improving our customer and product mix and implement more value-based pricing
- ✓ Strong momentum for the future

Q&A

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