

Bufab raises profitability target and initiates a strategic review of its manufacturing companies

The Board of Directors of Bufab AB has decided to raise the profitability target and to initiate a strategic review regarding Bufab's manufacturing companies Bufab Lann AB and Hallborn Metall AB. The revised financial targets and the strategic review are a result of the company's updated strategy, which will be presented today at Bufab's Capital Markets Day.

Raised profitability target

In March 2021, Bufab presented new financial targets relating to profitable growth, profitability, dividend and financial stability for the period until 2025, where the financial target relating to profitability was set to be achieved by 2023 at the latest. In light of Bufab's positive EBITA margin development during 2021-2023, the growth opportunities and the updated strategy, the Board of Directors has decided to adopt a raised financial target relating to profitability in accordance with the below:

Profitability

Achieve an annual operating profit (EBITA) margin of 14 percent by 2026 at the latest (previously 12 percent by 2023 at the latest).

The other financial targets and dividend policy remain unchanged in accordance with the below and shall apply until further notice.

Profitable growth

Average annual increase of net sales by 10 percent and of earnings per share by 15 percent, through both organic growth and acquisition.

Financial stability

Net debt in relation to operating profit before depreciation and amortization (ND/EBITDA) shall normally be in the range of 2-3x.

Dividend Policy

Dividend of 30-60 percent of annual net profit.

Strategic review of manufacturing companies

In view of Bufab's updated strategy, which will be presented today at Bufab's Capital Markets Day, the Board of Directors has decided to initiate a process to evaluate strategic alternatives with regard to Bufab's manufacturing companies Bufab Lann AB and Hallborn Metall AB in order to maximize the value for Bufab's shareholders. The evaluation process will be initiated immediately and the review shall include a broad range of alternatives, including a potential sale of the companies.

The reason for the review is the last years' strong development of Bufab into a global provider of C-Parts and technical components where Bufab has become more focused on the trading business and complimentary niche companies.

The Board of Directors has not set a timetable for completion of the review. There can be no assurance regarding the results or outcome of the strategic review. Subject to compliance with ongoing disclosure obligations pursuant to applicable laws and regulations, Bufab undertakes no obligation to make any further announcements regarding the strategic review unless and until final decisions are made by the Board of Directors.

Bufab's Capital Markets Day

The strategic review and the financial targets will, together with the company's updated strategy and growth opportunities, be presented at Bufab's Capital Markets Day today December 6, at Fotografiska Museet in Stockholm, starting at 09.00 CET.

Follow the live webcast here:

[Bufab investor relations \(bufabgroup.com\)](https://bufabgroup.com)

This information is information that Bufab is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-12-06 08:00 CET.

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About Bufab

Bufab is a trading company that offers its customers a full-service solution as Supply Chain Partner for sourcing, quality control, sustainability and logistics for C-Parts. Bufab was founded in 1977 in Småland, Sweden, and is an international group that today consists of more than 50 companies. The group has 1,800 employees in some 28 countries and annual sales of SEK 8.4 billion in 2022. The share is listed on Nasdaq Stockholm since 2014. Read more on www.bufabgroup.com.