



Bufab acquires Apex Stainless Holdings Limited

Bufab has agreed to acquire 100 per cent of the shares in Apex Stainless Holdings Limited (Apex Stainless) – a privately-owned UK company, specializing in the distribution of stainless steel fasteners, mainly to UK-based customers. The base purchase price amounts to approximately SEK 310 million on an “enterprise value” basis, of which SEK 13 million is placed in escrow conditional on a stable development in 2016. An additional performance-related purchase consideration of a maximum of SEK 39 million may be paid out in 2017, conditional on improved profit in 2016. The acquisition will close and take effect as of today, and will be reported within Bufab’s segment International.

Apex Stainless was founded in 1991 and has since then enjoyed a very stable and profitable growth. Today, Apex Stainless is one of the leading UK distributors of stainless fasteners. The company has 110 employees who work in four linked operations in Rugby, Bilston, Teddington and Leeds, and in the manufacturing unit in Leicester. Approximately 90 per cent of net sales refer to the trading business and 10 per cent to in-house manufacturing of specialized high-performance stainless steel fasteners. In 2014, Apex Stainless had net sales of approximately GBP 23.6 million and an EBIT margin of 19%.

The acquisition is financed through an extension of Bufab’s existing credit facilities. For the rolling 12-months period ended September 30, 2015, the acquisition would have impacted Bufab’s net sales by approximately SEK +300 million, EBIT by SEK +52 million, the profit after tax by SEK +35 million, and the earnings per share by approximately +0.90 SEK if it had been implemented October 1, 2014, excluding acquisitions costs. Net of acquisition costs, the acquisition will have a marginal negative effect on earnings per share for the fourth quarter of 2015, but is expected to contribute significantly to earnings per share starting from the first quarter of 2016.

“I am very proud to announce this highly complementary acquisition, which is a significant and attractive add-on to our existing businesses. We have known Apex Stainless for many years as a proven leader in its industry, enjoying a very strong position in stainless steel fasteners in the UK. We expect Apex Stainless to continue its strong and stable development under the existing management. We also expect the acquisition to strengthen the rest of the Group through its expertise in stainless fasteners, an important product area for Bufab”, concludes Jörgen Rosengren.

“Bufab is a well-known leader within our industry and has the international presence and network needed for our continued expansion. We will have the opportunity to continue working as an independent company and do business as usual, while benefitting from being part of the Bufab Group. We very much look forward to this”, comments Paul Lower, Chief Executive, Apex Stainless.

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About Bufab

Bufab (reg no 556685-6249) 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, washers, etc.). Bufab’s customer offering, Global Parts Productivity™, aims to enhance the productivity of the customer’s C-Parts value chain.

Bufab was founded 1977 in Småland, Sweden and is today an international company with operations in 23 countries. The company with headquarter in Värnamo, has approximately 830 employees. In 2014, Bufab’s sales amounted to 2.2 billion SEK and adjusted operating margin was 9 per cent. Bufab is listed on NASDAQ Stockholm, under the ticker “BUFAB”. Please visit www.bufab.com for further information.

This information is in accordance with the Swedish Securities Market Act, the Swedish Financial Instruments Trading Act and/or the regulations of NASDAQ Stockholm. The information was submitted for publication at November 27, 2015, at 08.00.