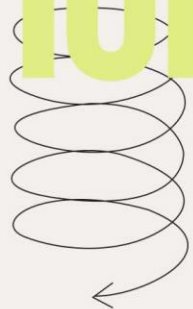




# CELEBRATING

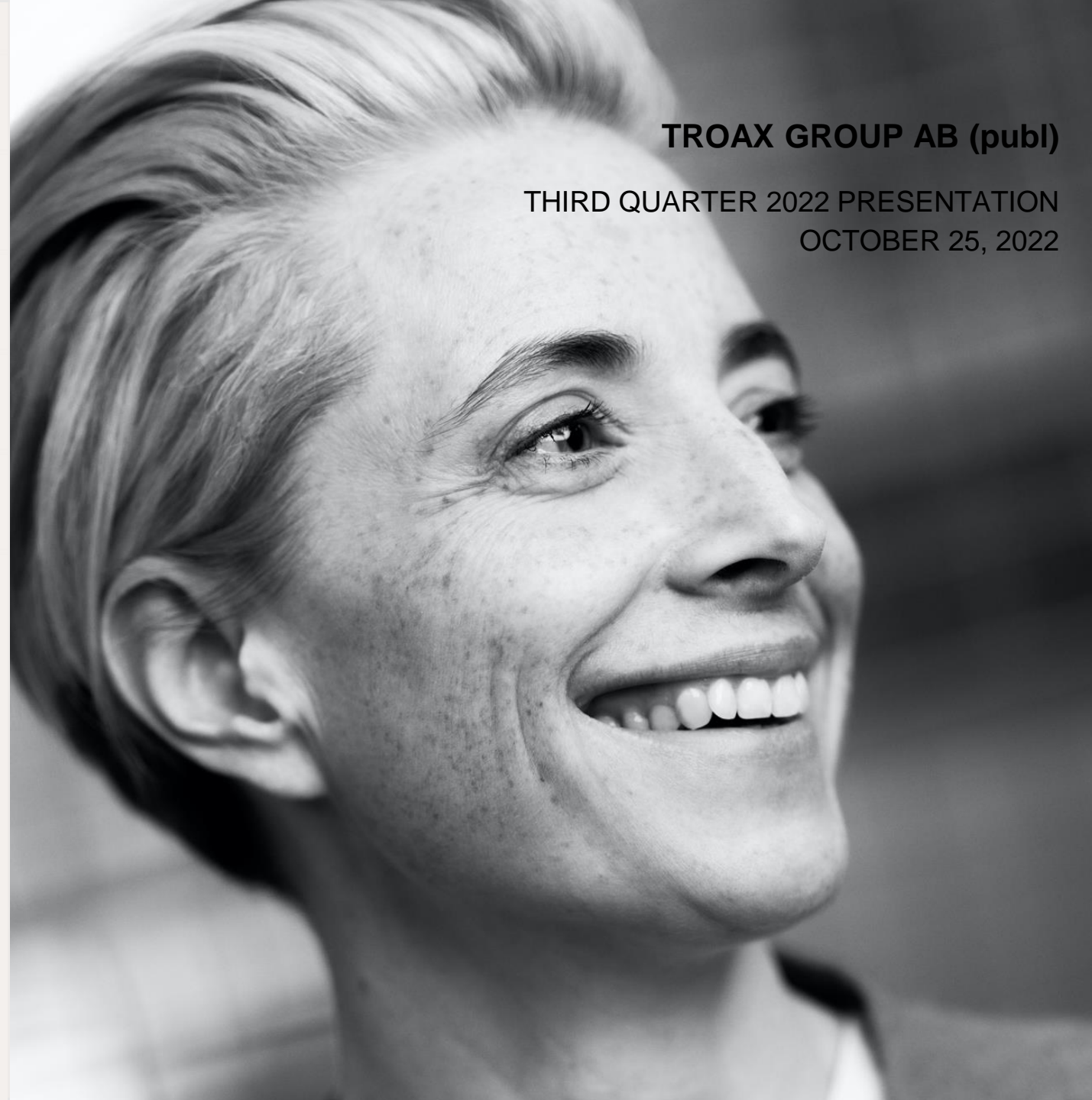


# COOPERATION



TROAX GROUP AB (publ)

THIRD QUARTER 2022 PRESENTATION  
OCTOBER 25, 2022



THIS IS TROAX

**SAFE AND SOUND  
ON SOLID GROUND**

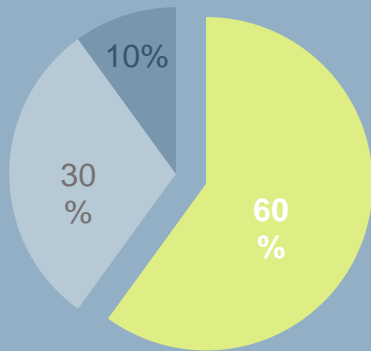
**Making your  
world safe.**

THIS IS TROAX

PRODUCT SEGMENTS

# MACHINE GUARDING

Maximum safety

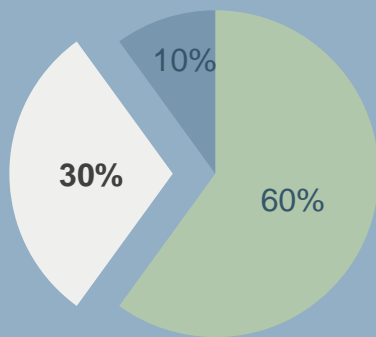


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PRODUCT SEGMENTS

# WAREHOUSE PARTITIONING

Safe handling

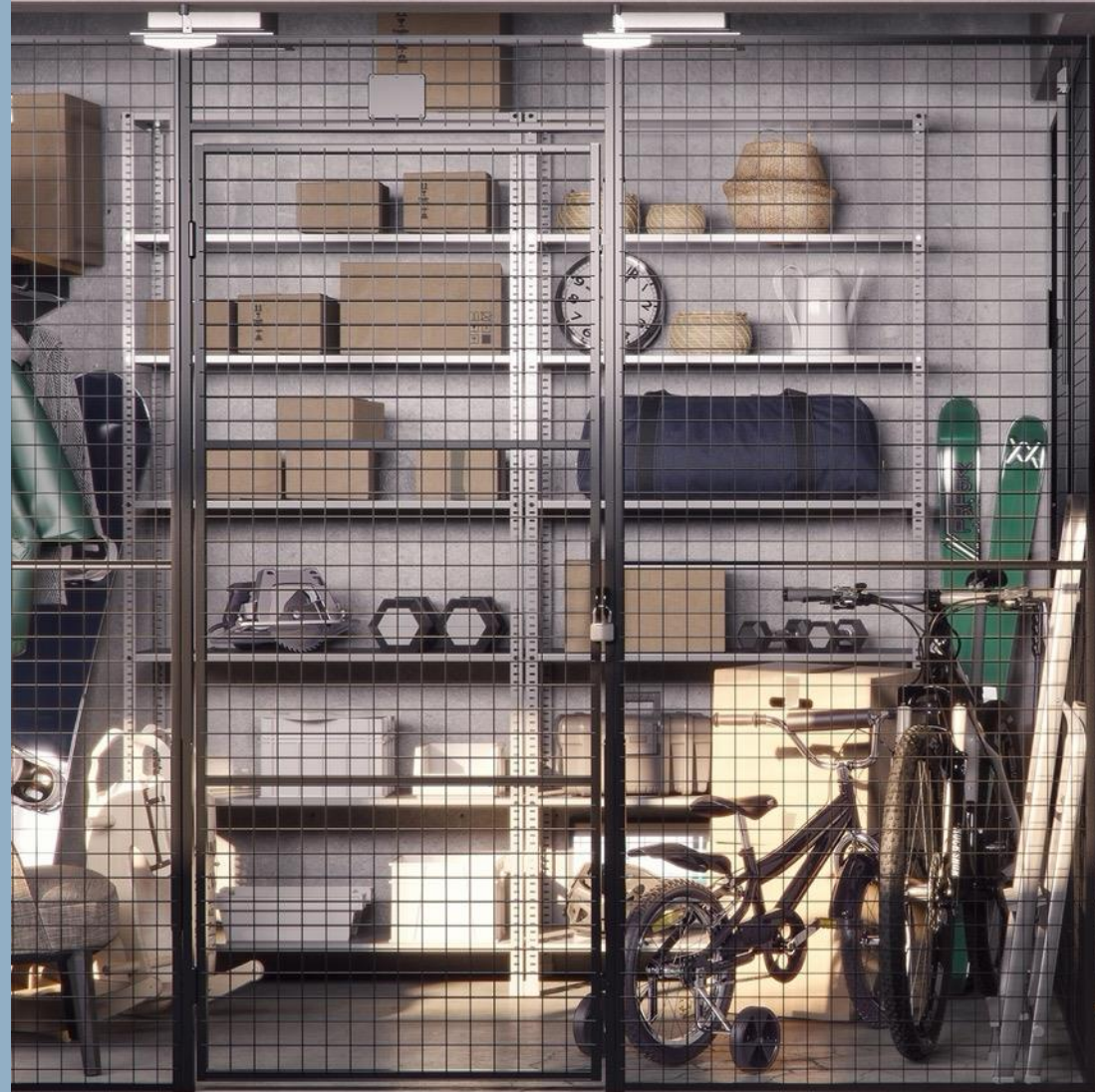
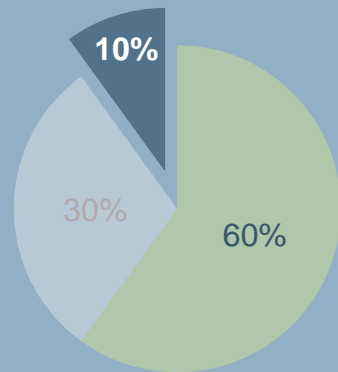


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PRODUCT SEGMENTS

# PROPERTY PROTECTION

Storage solutions



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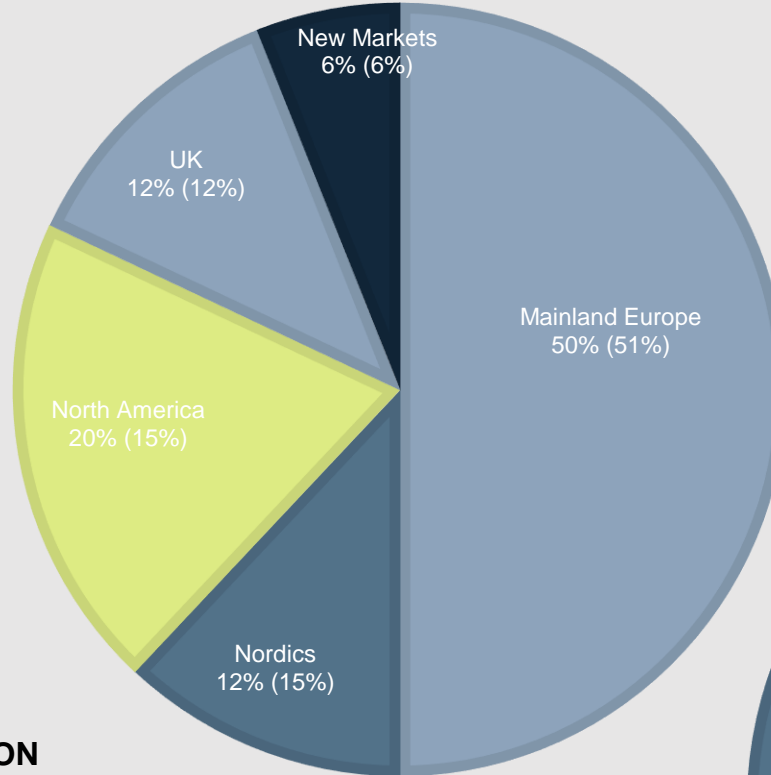
# AUTOMATED WAREHOUSE

Safety on all levels

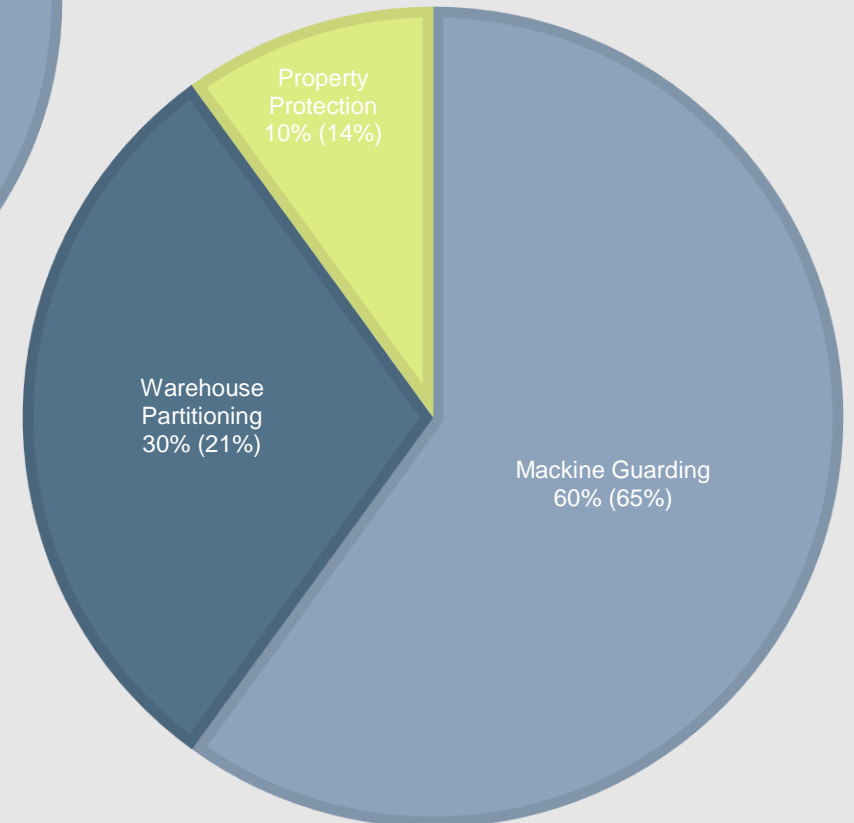


# THE YEAR IN BRIEF

SALES PER REGION  
2021 (2020)



SALES  
PER BUSINESS AREA 2021 (2020)



2021 EUR MILLION

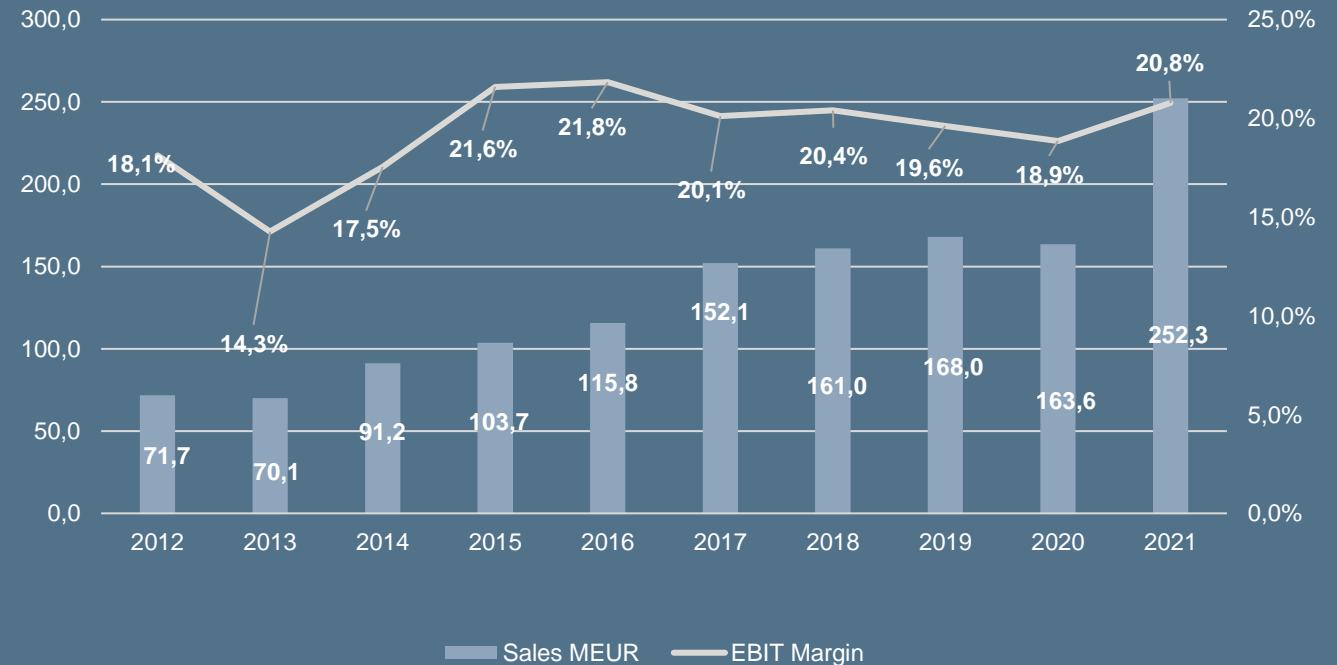
2021

YEAR ON  
YEAR CHANGE

|                          |       |       |
|--------------------------|-------|-------|
| Orders received          | 275.8 | +55%  |
| Net sales                | 252,3 | +54%  |
| Operating profit         | 52.4  | +70%  |
| Operating margin         | 20.8% | +2.0% |
| Earnings per share (EUR) | 0.66  | +69%  |
| Dividend per share       | 0.30  | +50%  |

# THE YEAR IN BRIEF

- Troax is the global market leader of indoor perimeters protection ("mesh panel solutions")
- Relative market share is -2.5x larger than #2 player
- Local presence in 45 countries
- Troax had a sales CAGR 2012-2021 of 15.2% and an organic sales CAGR 2012-2021 of 12,0%
- Strong position in the value chain and low supplier and customer dependency
- Approx, 30% of total employees work within sales





# FINANCIAL TARGETS

|                          |  | Financial targets                        | Actuals<br>2022 YTD                  |
|--------------------------|--|--|--------------------------------------|
| <b>Sales growth</b>      | “Troax’ objective is to exceed the growth in the Company’s current markets through organic growth, as well as selective acquisitions”  | <b>&gt;Market growth</b><br>Sales growth | Organic:<br><b>16%*</b> )<br>M&A: 1% |
| <b>Profitability</b>     | “Troax’ target is to have an operating margin in excess of 20%”  | <b>20%</b><br>Adjusted EBITA margin      | <b>17,9%</b>                         |
| <b>Capital structure</b> | “Net debt in relation to EBITDA, excluding temporary deviations, shall not exceed 2.5 times.”  | <b>&lt;2,5x</b><br>Net debt to EBITDA    | <b>0,9 x</b>                         |
| <b>Dividend policy</b>   | “Troax’ target is to pay approximately 50 percent of its net profit in dividends. The dividend proposal shall take into account Troax’ long-term development potential, it’s financial position and its investment needs.” | <b>50%</b><br>Pay-out ratio              | <b>N/A</b>                           |

\*) Whereof main part is price.



# SUMMARY Q3 2022

- Q3 continued with good activity except in automated warehouse. Excluding automated warehouse we show a similar order level as the strong third quarter 2021. On the other hand, there is a continued weak demand in automated warehouse, which is expected to continue in to 2023.
- The sales invoiced is positively influenced by a net effect due to steel price development with approximately 17%. The steel price has started to be reduced from the summer period, but Troax has during the third quarter still been consuming steel purchased earlier for a higher price.
- A reasonable EBIT result and margin in Q3 2022 was recorded especially seen in the light of the turbulent situation in the quarter.
- We have in this quarter relatively good utilization in our manufacturing units.
- The gross margin were still on the low side due to continued increases of mainly purchased steel materials during end of Q1 and Q2. We have in good cooperation with our customers increased prices and the effect is started to be seen during the quarter.
- Good sales levels in the Nordic region and New markets.
- Earnings per share were 0,17 (0,19) EUR.
- Working capital is on expected level, inventory is still high due to higher security levels, but started to go down.
- Natom Logistics, Poland, has this quarter been negatively influenced by the lower activity from automated warehouse customers. Our smaller acquisition in Spain, Claitec, has continued to develop well, but has some problems with long lead times on some components. After the closure of the quarter, we have acquired Svenska Cykelrum, which adds product solutions for bicycle storage mainly in the Nordic area.

# FINANCIAL HIGHLIGHTS, GROUP

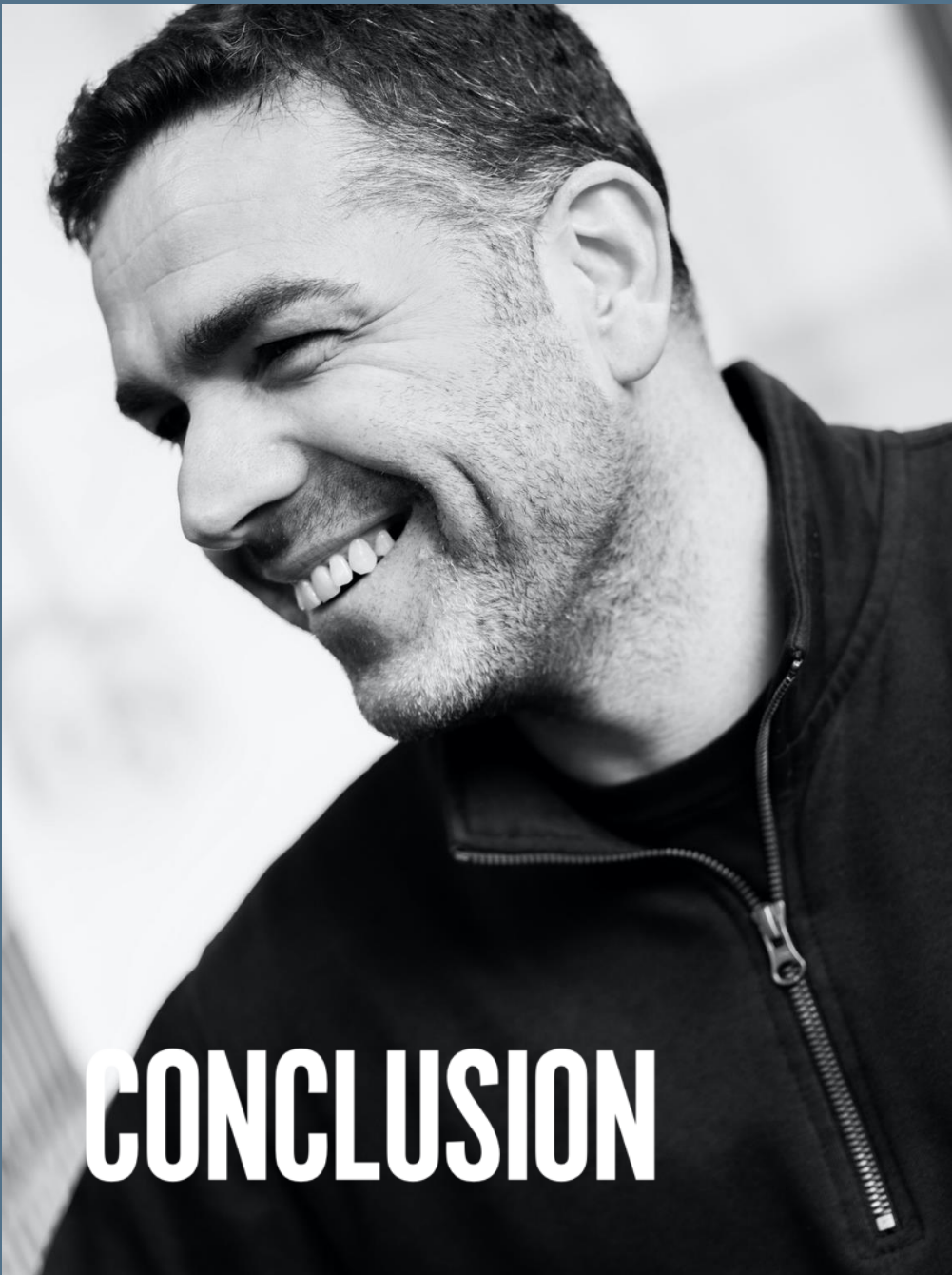
| MEUR   | 3 Months | 3 Months | 9 Months | 9 Months | 12 Months | 12 Months | 12 Months |
|--|----------|----------|----------|----------|-----------|-----------|-----------|
|  | Jul-Sept | Jul-Sept | Jan-Sept | Jan-Sept | Jan-Dec   | Jan-Dec   | Oct-Sept  |
|  | 2022     | 2021     | 2022     | 2021     | 2021      | 2020      | 2021/2022 |
| Order intake                                 | 62,0     | 68,5     | 209,1    | 202,3    | 275,8     | 178,4     | 282,6     |
| Sales  | 71,3     | 65,5     | 218,8    | 187,7    | 252,3     | 163,6     | 283,4     |
| Gross profit                                 | 23,7     | 24,5     | 73,7     | 71,6     | 94,2      | 64,2      | 96,3      |
| Gross margin, %                              | 33,2     | 37,4     | 33,7     | 38,1     | 37,3      | 39,2      | 34,0      |
| Operating profit                             | 12,9     | 14,7     | 39,1     | 41,1     | 52,4      | 30,8      | 50,4      |
| Operating margin, %                          | 18,1     | 22,4     | 17,9     | 21,9     | 20,8      | 18,8      | 17,8      |
| Profit after tax                             | 9,9      | 11,1     | 29,7     | 31,1     | 39,7      | 23,2      | 38,3      |
| EBITDA 1)                                    | 15,7     | 17,1     | 47,4     | 48,2     | 62,3      | 38,5      | 61,5      |
| EBITDA margin, % 1)                          | 22,0     | 26,1     | 21,7     | 25,7     | 24,7      | 23,5      | 21,7      |
| Net debt / EBITDA                            |          |          |          |          | 0,8       | 1,4       |           |
| Earnings per share after dilution in EUR     | 0,17     | 0,19     | 0,50     | 0,52     | 0,66      | 0,39      | 0,64      |
| Closing rate SEK/EUR                         | 10,92    | 10,20    | 10,92    | 10,20    | 10,22     | 10,04     | 10,44     |
| Earnings per share after dilution in SEK. 2) | 1,80     | 1,89     | 5,41     | 5,29     | 6,76      | 3,88      | 6,66      |

1) Earnings per share after dilution in SEK, is calculated based on result in Euro at Closing rate SEK/EUR.

# REGIONAL DEVELOPMENT ORDER INTAKE AND SALES

| Order intake<br>MEUR       | 3 Months         | 3 Months         | Diff        | 9 Months         | 9 Months         | Diff       | 12 Months        | 12 Months        | Diff       | 12 Months             |
|----------------------------|------------------|------------------|-------------|------------------|------------------|------------|------------------|------------------|------------|-----------------------|
|                            | Jul-Sept<br>2022 | Jul-Sept<br>2021 |             | Jan-Sept<br>2022 | Jan-Sept<br>2021 |            | Jan-Dec<br>2021  | Jan-Dec<br>2020  |            | Oct-Sept<br>2021/2022 |
| Continental Europe         | 30,7             | 35,5             | -14%        | 103,5            | 103,0            | 0%         | 136,6            | 84,5             | 62%        | 137,1                 |
| Nordic region              | 7,9              | 7,3              | 8%          | 30,7             | 23,6             | 30%        | 32,2             | 26,2             | 23%        | 39,3                  |
| United Kingdom             | 7,6              | 9,1              | -16%        | 24,6             | 24,0             | 3%         | 30,6             | 24,1             | 27%        | 31,2                  |
| North America              | 9,9              | 12,9             | -23%        | 30,5             | 38,5             | -21%       | 58,7             | 31,5             | 86%        | 50,7                  |
| New Markets                | 3,7              | 3,7              | 0%          | 15,1             | 13,2             | 15%        | 17,7             | 12,1             | 46%        | 19,6                  |
| <b>Total excl Currency</b> | <b>59,8</b>      | <b>68,5</b>      | <b>-13%</b> | <b>204,5</b>     | <b>202,3</b>     | <b>1%</b>  | <b>275,8</b>     | <b>178,4</b>     | <b>55%</b> | <b>278,0</b>          |
| Currency effect            | 1,0              | 0,0              | 1%          | 2,5              | 0,0              | 1%         | 0,0              | 0,0              | 0%         | 2,5                   |
| Order intake acquisitions  | 1,2              | 0,0              | 2%          | 2,1              | 0,0              | 1%         | 0,0              | 0,0              | 0%         | 2,1                   |
| <b>Total Order intake</b>  | <b>62,0</b>      | <b>68,5</b>      | <b>-9%</b>  | <b>209,1</b>     | <b>202,3</b>     | <b>3%</b>  | <b>275,8</b>     | <b>178,4</b>     | <b>55%</b> | <b>282,6</b>          |
| <b>Total Sales</b><br>MEUR | <b>3 Months</b>  | <b>3 Months</b>  |             | <b>9 Months</b>  | <b>9 Months</b>  |            | <b>12 Months</b> | <b>12 Months</b> |            | <b>12 Months</b>      |
|                            | Jul-Sept<br>2022 | Jul-Sept<br>2021 | Diff        | Jan-Sept<br>2022 | Jan-Sept<br>2021 | Diff       | Jan-Dec<br>2021  | Jan-Dec<br>2020  | Diff       | Oct-Sept<br>2021/2022 |
| Continental Europe         | 35,4             | 32,3             | 10%         | 109,2            | 90,3             | 21%        | 123,6            | 82,2             | 19%        | 142,5                 |
| Nordic region              | 8,8              | 7,1              | 24%         | 28,1             | 21,1             | 33%        | 30,0             | 25,3             | 19%        | 37,0                  |
| United Kingdom             | 8,6              | 7,7              | 12%         | 28,4             | 25,5             | 12%        | 30,9             | 19,1             | 62%        | 33,8                  |
| North America              | 12,2             | 14,2             | -14%        | 34,9             | 38,1             | -8%        | 51,0             | 25,2             | 102%       | 47,8                  |
| New Markets                | 4,8              | 4,2              | 14%         | 14,3             | 12,7             | 13%        | 16,8             | 11,8             | 42%        | 18,4                  |
| <b>Total excl Currency</b> | <b>69,8</b>      | <b>65,5</b>      | <b>7%</b>   | <b>215,0</b>     | <b>187,7</b>     | <b>15%</b> | <b>252,3</b>     | <b>163,6</b>     | <b>54%</b> | <b>279,6</b>          |
| Currency effect            | 1,1              | 0,0              | 2%          | 2,9              | 0,0              | 2%         | 0,0              | 0,0              | 0%         | 2,9                   |
| Sales acquisitions         | 0,4              | 0,0              | 1%          | 0,9              | 0,0              | 0%         | 0,0              | 0,0              | 0%         | 0,9                   |
| <b>Total Sales</b>         | <b>71,3</b>      | <b>65,5</b>      | <b>9%</b>   | <b>218,8</b>     | <b>187,7</b>     | <b>17%</b> | <b>252,3</b>     | <b>163,6</b>     | <b>54%</b> | <b>283,4</b>          |

\* Note that organic growth is reported excluding currency effect.



# CONCLUSION

- We have continued to receive several important orders in the quarter in all segments. This refers this quarter mainly to customers within Machine Guarding, as the orders for automated warehouse were weak in the quarter. We note that requests for quotes are increasing from the automotive sector which otherwise has been quiet for some time.
- Continued reasonable development in result reflecting both order levels in Q3 and earlier, combined with reasonable utilization in all manufacturing units. The margin were in the quarter still on the low side, due to higher steel prices being consumed in this period.
- Good activity level (except automated warehouse) and we continued with good success in orders in most markets in the third quarter of the year.
- Investments in Natom is ongoing according to plan. Acquisition of Claitec, Spain, was done in the second quarter of this year and is being integrated financially and operationally as we speak.  
Small investment of Svenska Cykelrum done in October.
- In total, a reasonable development in the quarter despite continued turbulence.

THIS IS TROAX

# GROWTH FACTORS

- Increased industrial automation
- On-shoring of manufacturing
- Growth in e-commerce
- Safety awareness
- Stricter regulation
- Residential construction and safe storage



# OUR PRODUCTION UNITS

- DISTRIBUTION UNITS
- SALES OFFICES
- PRODUCTION UNITS

## Hillerstorp, SWEDEN

Production of the entire range of panels.

Capacity (metres)  
**>1,500,000**

Capacity utilisation  
**75%**

Area m<sup>2</sup>  
**35,000**

## Birmingham, UK

Partitions for offices and industry, to minimise noise and dust.

Capacity (metres)  
**~ 66,000**

Capacity utilisation  
**50%**

Area m<sup>2</sup>  
**4,100**

## Shanghai, CHINA

Mesh panels and machine guarding products.

Capacity (metres)  
**~100,000**

Capacity utilisation  
**75%**

Area m<sup>2</sup>  
**3,500**

## Bulciago, ITALY

Modular protection solutions for machine guarding.

Capacity (metres)  
**~ 700,000**

Capacity utilisation  
**60%**

Area m<sup>2</sup>  
**20,000**

## Chicago, USA

Metal mesh panel solutions for machine guarding, warehouses and property protection.

Capacity (metres)  
**~ 400,000**

Capacity utilisation  
**75%**

Area m<sup>2</sup>  
**15,400**

## Sroda, POLAND

Production of shelves, dividers, safety barriers & warehouse accessories.

Capacity (metres)  
**~1,000,000**

Capacity utilisation  
**70%**

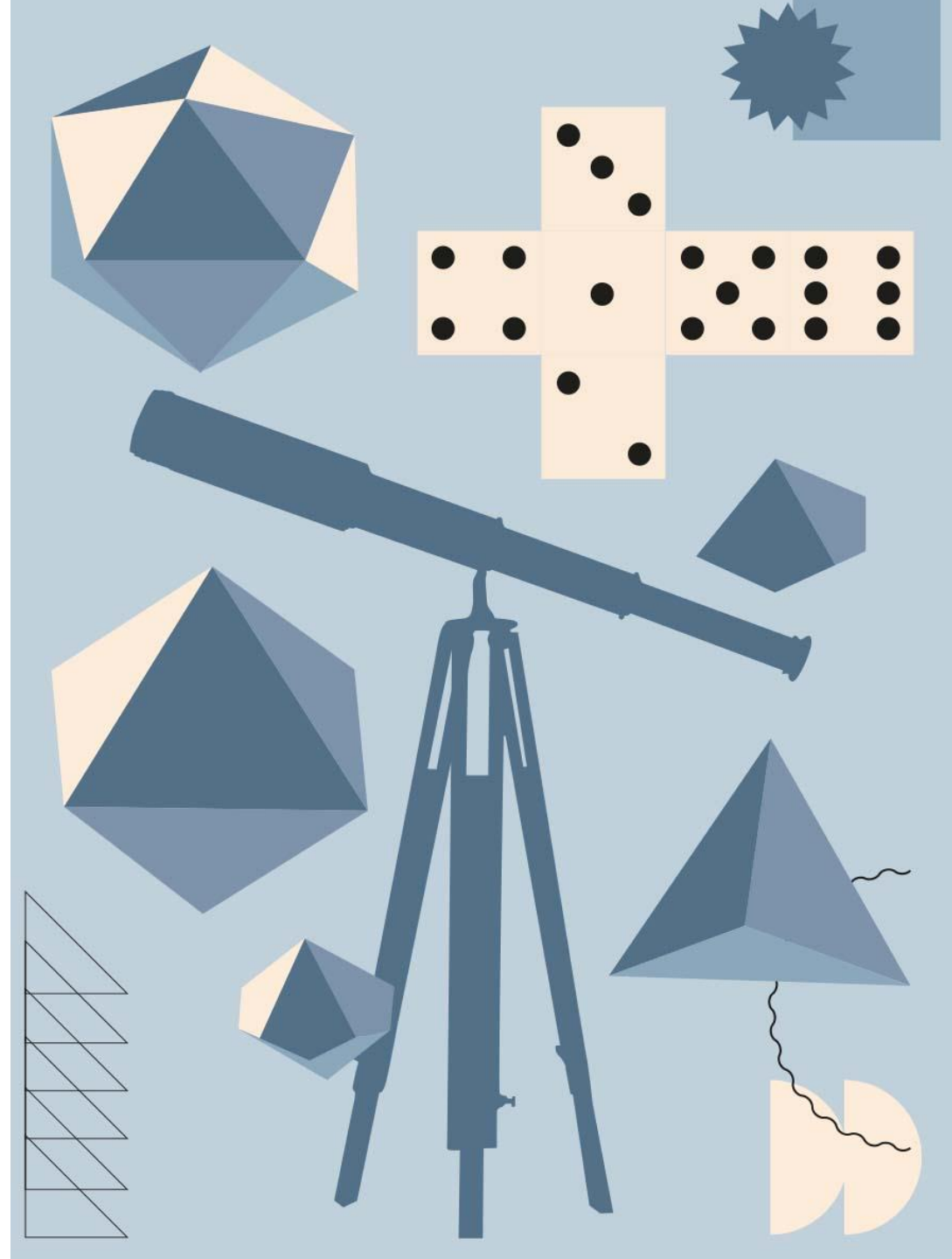
Area m<sup>2</sup>  
**14,500**

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# TROAX GROUP



Working together  
for a safer world





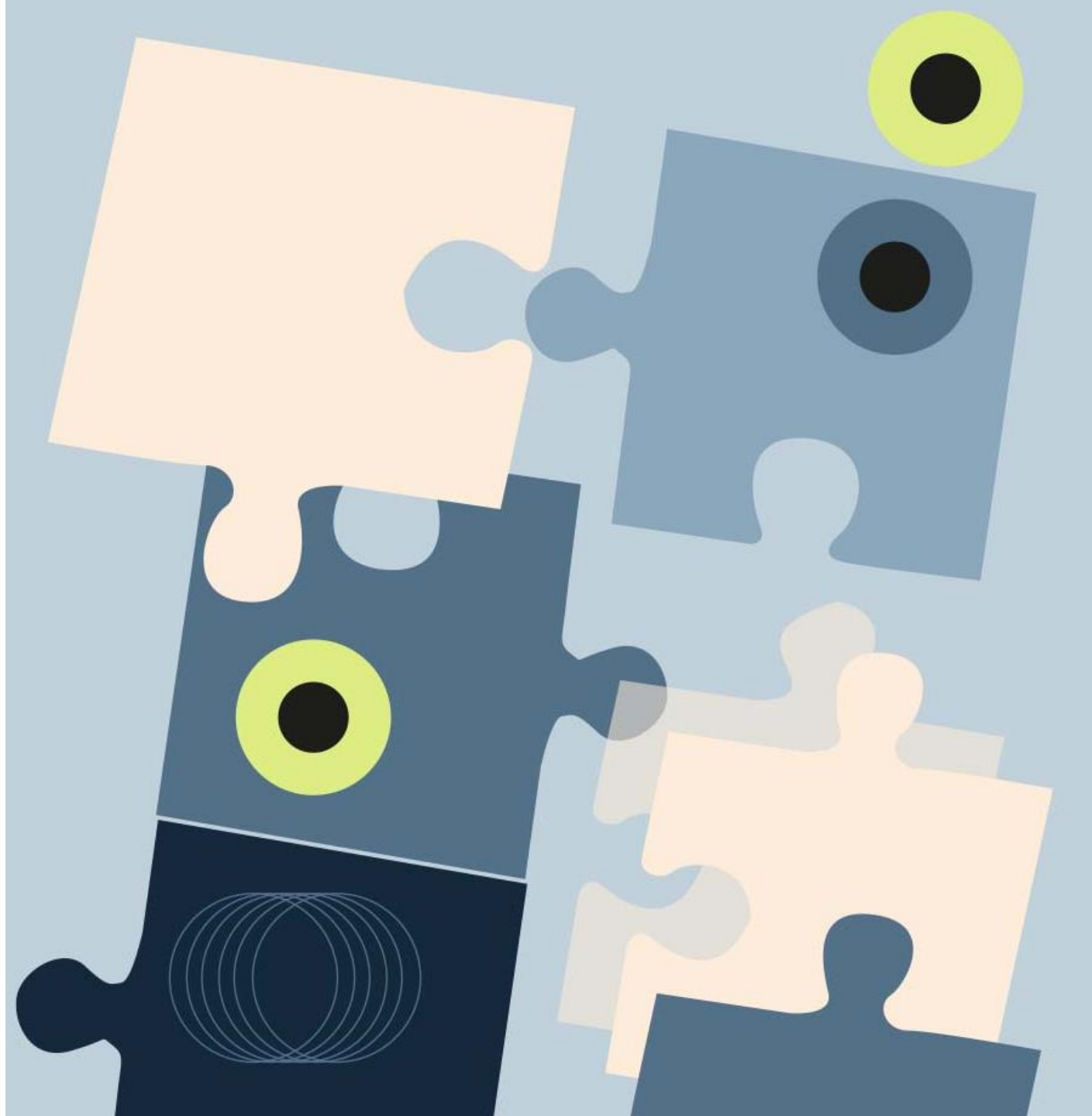
**A SAFER TOMORROW**

**■ SINCE 1955 →**

# FOR A SAFER TOMORROW

## WHAT WE FOCUS ON TODAY

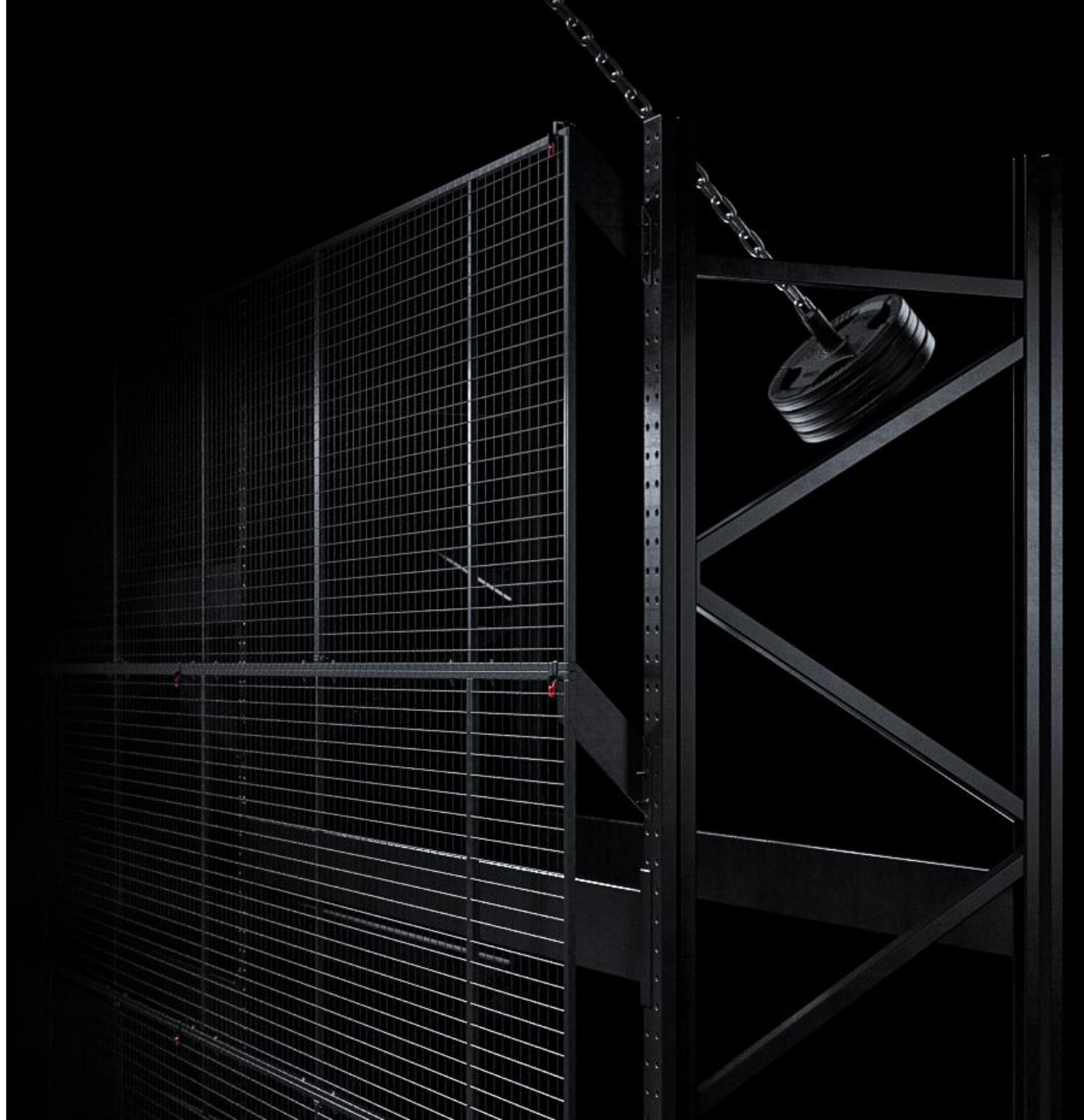
- Climate compensating program concerning all transportations
- Continuously decrease of our total energy consumption, target 2% per year
- Regional manufacturing decreases transportation
- Recertified ISO 14001 and ISO 9001
- Minimize use of plastic products
- 99% recyclable steel
- Minimum 80% recycled steel in our products long-term – most important from a Co2 point of view.
- Transition from natural gas to biogas
- Solar panels cover 50% of energy consumption in Italian factory
- Co2 consumption per main articles available on our webpage



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# TROAX SAFETY CENTER

Our R&D department, Troax Safety Center, is the backbone of Troax. We combine hard work and ingenuity to create the safest and most innovative products for the global market.



THIS IS TROAX

# FULLY AUTOMATED SOLUTION

## TROAX POWER DOOR - OPENS A NEW DOOR TO INDUSTRY 4.0

- Easily automates sliding doors in production and warehouses
- Suitable for new installations and retro fit
- Compatible with PLCs
- The PLC communication enables connection to AGVs, synchronising automated and connected manufacturing processes with your logistics flow
- Speeds and settings for three different door sizes
- CE marked and TÜV certified motor
- Easy CE marking process for the complete solution



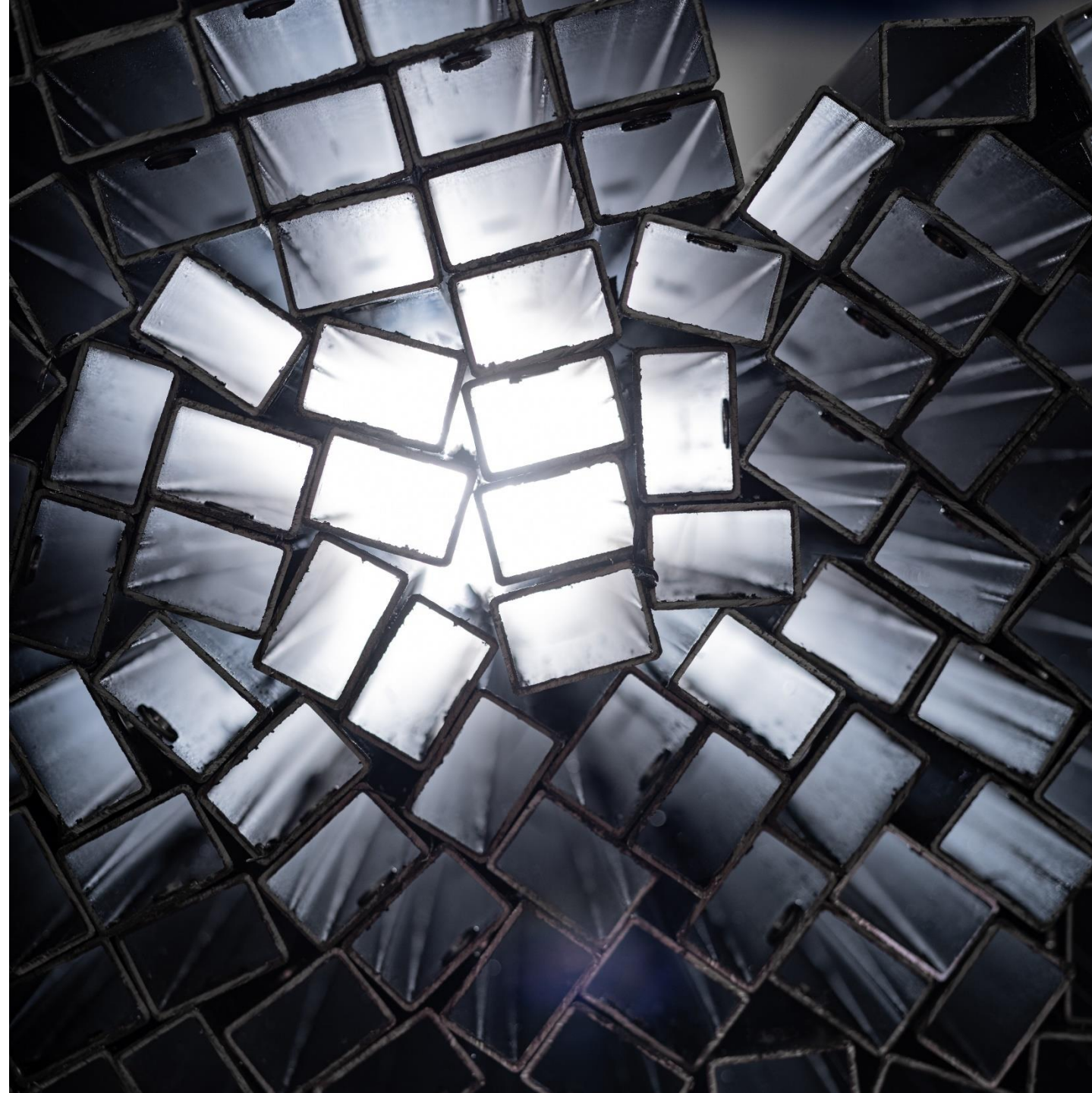
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# CERTIFIED BY TÜV RHEINLAND



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# PROTECTING PEOPLE, PROPERTY, AND PROCESSES



THIS IS TROAX

**THE ORIGINAL.  
SINCE 1955.**



THIS IS TROAX

# SAFETY EQUALS TROAX

A close-up, high-angle shot of a white industrial robotic arm performing a welding task. The arm is positioned vertically, and a bright, glowing red and orange weld is visible at the point of contact with the metal workpiece. The background is blurred, showing various industrial components and structures, suggesting a factory or manufacturing environment. The overall lighting is bright, highlighting the metallic surfaces and the intense heat of the welding process.