

**Troax Group AB (publ)**  
Hillerstorp, the 16<sup>th</sup> of August 2023



# TROAX EQUALS SAFETY

## **A SAFE FUTURE STARTS EVERY DAY**

Safety means everything to us. We keep people, property and processes safe. It is our reason for being and the very purpose of this company. Our products are made of high-quality steel to keep what matters most out of harm's way.

Troax is the global market leader in metal-based mesh solutions for machine guarding, warehouse partitioning and property protection. We protect people from injuries and machinery as well as goods from getting damaged in everyday work.

Troax Group AB (publ), Reg. No. 556916-4030, is a global organization with an unparalleled sales force and an efficient logistics setup, enabling local presence and short delivery times. We are represented in 45 countries and employ around 1 100 people. Our headquarters are located in Hillerstorp, Sweden. In 2022, Troax net sales amounted to 284 MEUR.

Stay safe with Troax, today and tomorrow.

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[troaxgroup.org](https://troaxgroup.org)

## INTERIM REPORT JANUARY- JUNE 2023

### APRIL – JUNE

- Order intake in the quarter decreased by 10 percent compared with the same period last year and amounted to 65,4 (72,6) MEUR. Adjusted for currency and acquisitions the decrease was 9 percent.
- Sales in the quarter decreased by 12 percent compared with the same period last year and amounted to 68,5 (77,9) MEUR. Adjusted for currency and acquisitions sales decreased by 11 percent.
- Operating profit before amortizations (EBITA) decreased to 13,0 (14,0) MEUR.
- Operating margin before amortizations (EBITA margin) increased to 19,0 (18,0) percent.
- Financial net was -0,6 (-0,3) MEUR.
- Profit after tax decreased to 9,1 (10,5) MEUR.
- Earnings per share after dilution amounted to 0,15 (0,18) EUR.

### JANUARY - JUNE

- Order intake in the period decreased by 8 percent compared with the same period last year and amounted to 135,3 (147,1) MEUR. Adjusted for currency and acquisitions the decrease was 8 percent.
- Sales in the period decreased by 8 percent compared with the same period last year and amounted to 136,3 (147,5) MEUR. Adjusted for currency and acquisitions the decrease was 8 percent.
- Operating profit before amortizations (EBITA) decreased to 25,7 (26,8) MEUR.
- Operating margin before amortizations (EBITA) increased to 18,9 (18,2) percent.
- Financial net was -1,2 (-0,5) MEUR.
- Profit after tax decreased to 18,0 (19,8) MEUR.
- Earnings per share after dilution amounted to 0,30 (0,33) EUR.

### TROAX GROUP FIGURES

MEUR	3 Months	3 Months	6 Months	6 Months	12 Months	12 Months	12 Months
	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022	Jan-Dec 2021	Jul-Jun 2022/2023
Order intake	65,4	72,6	135,3	147,1	272,7	275,8	260,9
Sales	68,5	77,9	136,3	147,5	284,1	252,3	272,9
Gross profit	26,1	26,1	51,6	50,6	97,3	95,2	98,3
Gross margin, %	38,1	33,5	37,9	34,3	34,2	37,7	36,0
EBITA	13,0	14,0	25,7	26,8	51,1	53,4	50,0
EBITA margin, %	19,0	18,0	18,9	18,2	18,0	21,2	18,3
EBIT	12,6	13,7	24,8	26,2	49,6	52,4	48,2
EBIT margin, %	18,4	17,6	18,2	17,8	17,5	20,8	17,7
Profit after tax	9,1	10,5	18,0	19,8	36,8	39,7	35,0
EBITDA 1)	15,4	16,6	30,6	31,7	61,2	62,3	60,1
EBITDA margin, % 1)	22,5	21,3	22,5	21,5	21,5	24,7	22,0
Net debt / EBITDA					0,6	0,8	
Earnings per share after dilution in EUR	0,15	0,18	0,30	0,33	0,61	0,66	0,58
Closing rate SEK/EUR	11,79	10,34	11,79	10,34	11,12	10,22	11,07
Earnings per share after dilution in SEK. 2)	1,79	1,81	3,54	3,41	6,82	6,76	6,46

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

## CEO COMMENTS

Troax' order intake decreased during the second quarter. This follows the pattern from the last few quarters, where the previously strong order intake from customers within the Automated warehouse sector decreased due to earlier overinvestments. This trend is expected to continue throughout 2023, which means that the comparative figures for the second half of 2022 were also affected by this negative trend, due to the decline in Automated Warehouses starting in the second quarter of the previous year. As we disclosed in the interim report for the first quarter, we have noted an increase in demand in this segment among small and medium-sized players, which is a signal that the long-term trend is still positive. Other customer segments continue to increase volumes during the second quarter, which is a good indication that our core business continues to develop positively. No reduction due to a general drop in demand has been noticeable.

Demand from our automotive customers has continued to increase. We note greater interest from this customer segment in both North America and Europe, compared to 2022. The low demand from customers in Automated warehouses is again most noticeable in Natom Logistic (part of Continental Europe) and North America, where order intake has been low in the period. Overall, for the second quarter, order intake is 9% lower than in 2022, when we exclude acquired companies and currency effects.

In terms of invoicing, however, we have been able to maintain the numbers in general due to our loyal small and medium-sized customers continuing to buy at an unabated rate, even though the UK measures itself against high comparative figures for 2022. The decline is approximately 11% and our price adjustments are now gone in the comparison against 2022. This means that implemented price increases have had full impact already in previous quarters.

The gross margin has gradually improved and is now almost on par with the group's internal target of 39–40%. Behind this is again the fact that purchase costs of various kinds have been relatively stable and declining during the period (with the exception of energy costs) while the volumes continued at the planned level. Reductions in capacity have been made mainly in the first quarter in North America and in Poland. The improved gross margin is achieved even though it is still negatively affected by lower volumes compared to 2022 and thus under-absorbed costs.

The improved gross margin can also be seen in an improved EBITA margin, where, despite volume reductions in our factories, we clearly exceed the margin for the same period last year. In absolute terms, EBITA is slightly lower than in 2022, but the operating margin has increased in the quarter from 18% to 19% in 2023 despite the volume reduction.

Cash flow has remained strong during the second quarter and positively affected by reductions in inventory levels. This means that Troax has a continued stable financial situation and sees good opportunities to continue looking for interesting complementary companies to acquire.

In the quarter, we have continued to invest long-term for continued capacity growth and for increased productivity, primarily in Natom Logistic in Poland, where additional production equipment has been put into use. We are also in the process of partially moving production from an old rented factory to our own in Sroda, Poland. This move will continue into 2024. Operations in Hillerstorp are being expanded further in 2023 and we expect the building to be completed by the turn of the year. The companies acquired in 2022 in Spain, Claitec, and in Sweden, Svenska Cykelrum, have had a continued positive development in the period.

During the quarter, an exciting market launch was made, of our new 'panel detection system'. This means that customers who invest in this new system get a significantly higher level of safety and protection, as the system alerts the user if any panels are missing in the installation. Once installed and configured, this means that a machine cannot be started, without the safety guarding system being complete.

**Thomas Widstrand, President and CEO**

## THE GROUP SUMMARY

### APRIL – JUNE

The total order intake developed negatively in the quarter. Order intake amounted to 65,4 (72,6) MEUR, a decrease by 10 percent compared with the corresponding period last year. Adjusted for currency and acquisitions the decrease was 9 percent. All regions decreased their order intake in the period compared with the corresponding period last year.

Sales amounted to 68,5 (77,9) MEUR, a decrease of 12 percent compared with the corresponding period last year. Adjusted for currency and acquisitions sales decreased by 11 percent. All regions except Nordic decreased their sales during the period compared with the corresponding period last year.

Operating profit before amortizations (EBITA) amounted to 13,0 (14,0) MEUR, corresponding to an EBITA margin of 19,0 (18,0) per cent.

### JANUARY – JUNE

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Sales amounted to 136,3 (147,5) MEUR, a decrease of 8 percent compared with the corresponding period last year. Adjusted for currency and acquisitions the decrease was 8 percent. All regions except Continental Europe and United Kingdom increased their sales during the period compared with the corresponding period last year.

Operating profit before amortizations (EBITA) amounted to 25,7 (26,8) MEUR, corresponding to an EBITA margin of 18,9 (18,2) per cent.

### FINANCIAL NET

During the second quarter of 2023, financial net amounted to -0,6 (-0,3) MEUR and to -1,2 (-0,5) for the first six months of 2023.

### TAXES

The tax expense was -2,9 (-2,9) MEUR for the second quarter of 2023 and was -5,6 (-5,9) MEUR for the first six months of 2023.

### NET RESULT

Net result for the second quarter amounted to 9,1 (10,5) MEUR and to 18,0 (19,8) MEUR for the first six months of 2023.

### CASH FLOW, WORKING CAPITAL AND NET DEBT

Cash flow from operating activities was 13,9 (5,4) MEUR for the second quarter and was 22,4 (7,7) MEUR for the first six months of 2023. Net debt was 40,1 (69,3) MEUR at the end of the period. Net debt in relation to the 12-month rolling EBITDA was 0,7 (1,1) to be compared with the company's financial target of less than 2,5.

### INVESTMENTS

During the second quarter, investments were 2,0 (5,6) MEUR and were 4,3 (6,6) MEUR for the first six months of 2023. This year's investments mainly relates to an expansion of the building in Sweden and to investments in machinery in Sweden and Poland.

## REGIONAL DEVELOPMENT

Troax operations are reported as one segment. As secondary information Order intake and Sales are reported based on geographical regions.

Nordic – Sweden, Denmark, Norway and Finland

Continental Europe – Europe excluding Nordic and United Kingdom

United Kingdom – Great Britain and Ireland

North America – US and Canada

New Markets – rest of the world including all distributors directly connected to Sweden

Order intake MEUR	3 Months			6 Months			12 Months			12 Months Jul-Jun 2022/2023
	Apr-Jun 2023	Apr-Jun 2022	Diff	Jan-Jun 2023	Jan-Jun 2022	Diff	Jan-Dec 2022	Jan-Dec 2021	Diff	
Continental Europe	33,1	34,8	-5%	68,3	73,4	-7%	132,3	136,6	-3%	127,2
Nordic region	10,0	10,7	-7%	21,9	22,5	-3%	41,6	32,2	29%	41,0
United Kingdom	6,9	7,1	-3%	13,6	17,4	-22%	30,6	30,6	0%	26,8
North America	10,1	13,4	-25%	21,3	22,6	-6%	40,3	58,7	-31%	39,0
New Markets	5,9	6,6	-11%	10,1	11,2	-10%	21,0	17,7	19%	19,9
<b>Total excl Currency</b>	<b>66,0</b>	<b>72,6</b>	<b>-9%</b>	<b>135,2</b>	<b>147,1</b>	<b>-8%</b>	<b>265,8</b>	<b>275,8</b>	<b>-4%</b>	<b>253,9</b>
Currency effect	-1,5	0,0	-2%	-2,1	0,0	-1%	2,6	0,0	1%	0,5
Order intake acquisitions	0,9	0,0	1%	2,2	0,0	1%	4,3	0,0	2%	6,5
<b>Total Order intake</b>	<b>65,4</b>	<b>72,6</b>	<b>-10%</b>	<b>135,3</b>	<b>147,1</b>	<b>-8%</b>	<b>272,7</b>	<b>275,8</b>	<b>-1%</b>	<b>260,9</b>
Total Sales MEUR	3 Months			6 Months			12 Months			12 Months Jul-Jun 2022/2023
	Apr-Jun 2023	Apr-Jun 2022	Diff	Jan-Jun 2023	Jan-Jun 2022	Diff	Jan-Dec 2022	Jan-Dec 2021	Diff	
Continental Europe	33,4	37,5	-11%	64,6	74,0	-13%	142,0	123,6	19%	132,6
Nordic region	11,1	10,7	4%	22,0	19,0	16%	38,6	30,0	29%	41,6
United Kingdom	7,4	11,4	-35%	13,6	20,3	-33%	34,5	30,9	12%	27,8
North America	12,0	12,8	-6%	25,9	24,9	4%	44,1	51,0	-14%	45,1
New Markets	5,4	5,5	-2%	10,2	9,3	10%	19,3	16,8	15%	20,2
<b>Total excl Currency</b>	<b>69,3</b>	<b>77,9</b>	<b>-11%</b>	<b>136,3</b>	<b>147,5</b>	<b>-8%</b>	<b>278,5</b>	<b>252,3</b>	<b>10%</b>	<b>267,3</b>
Currency effect	-1,6	0,0	-2%	-2,0	0,0	-1%	2,9	0,0	1%	0,9
Sales acquisitions	0,8	0,0	1%	2,0	0,0	1%	2,7	0,0	1%	4,7
<b>Total Sales</b>	<b>68,5</b>	<b>77,9</b>	<b>-12%</b>	<b>136,3</b>	<b>147,5</b>	<b>-8%</b>	<b>284,1</b>	<b>252,3</b>	<b>13%</b>	<b>272,9</b>

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

## THE GROUP - SUMMARY

### INCOME STATEMENT

MEUR	3 Months	3 Months	6 Months	6 Months	12 Months	12 Months	12 Months
	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022	Jan-Dec 2021	Jul-Jun 2022/2023
<b>Sales</b>	<b>68,5</b>	<b>77,9</b>	<b>136,3</b>	<b>147,5</b>	<b>284,1</b>	<b>252,3</b>	<b>272,9</b>
Cost of goods sold	-42,4	-51,8	-84,7	-96,9	-186,8	-157,1	-174,6
<b>Gross profit</b>	<b>26,1</b>	<b>26,1</b>	<b>51,6</b>	<b>50,6</b>	<b>97,3</b>	<b>95,2</b>	<b>98,3</b>
Sales expenses	-8,5	-8,0	-16,8	-15,6	-30,5	-28,0	-31,7
Administrative expenses	-4,2	-4,1	-8,5	-7,8	-15,9	-14,1	-16,6
Other operating income and expenses	-0,4	0,0	-0,6	-0,4	0,2	0,3	0,0
<b>Operating profit before Amortizations (EBITA)</b>	<b>13,0</b>	<b>14,0</b>	<b>25,7</b>	<b>26,8</b>	<b>51,1</b>	<b>53,4</b>	<b>50,0</b>
Amortization	-0,4	-0,3	-0,9	-0,6	-1,5	-1,0	-1,8
<b>Operating profit (EBIT)</b>	<b>12,6</b>	<b>13,7</b>	<b>24,8</b>	<b>26,2</b>	<b>49,6</b>	<b>52,4</b>	<b>48,2</b>
Financial income and expenses	-0,6	-0,3	-1,2	-0,5	-1,4	-1,0	-2,1
<b>Result after financial expenses</b>	<b>12,0</b>	<b>13,4</b>	<b>23,6</b>	<b>25,7</b>	<b>48,2</b>	<b>51,4</b>	<b>46,1</b>
Taxes	-2,9	-2,9	-5,6	-5,9	-11,4	-11,7	-11,1
<b>Net result for the period</b>	<b>9,1</b>	<b>10,5</b>	<b>18,0</b>	<b>19,8</b>	<b>36,8</b>	<b>39,7</b>	<b>35,0</b>
Earnings per share before / after dilution	0,15 €	0,18 €	0,30 €	0,33 €	0,61 €	0,66 €	0,58 €
Number of shares before / after dilution in thousands	60 000	60 000	60 000	60 000	60 000	60 000	60 000

#### STATEMENT OF COMPREHENSIVE INCOME

	3 Months	3 Months	6 Months	6 Months	12 Months	12 Months	12 Months
	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022	Jan-Dec 2021	Jul-Jun 2022/2023
<b>Net result for the period</b>	<b>9,1</b>	<b>10,5</b>	<b>18,0</b>	<b>19,8</b>	<b>36,8</b>	<b>39,7</b>	<b>35,0</b>
<b>Other comprehensive income:</b>							
<b>Items that may be reclassified to the income statement</b>							
Translation differences	-3,2	-1,9	-5,1	-2,8	-7,8	1,1	-10,1
Tax related to items that may be reclassified	0,0	0,0	0,0	0,0	0,0	0,0	0,0
	<b>-3,2</b>	<b>-1,9</b>	<b>-5,1</b>	<b>-2,8</b>	<b>-7,8</b>	<b>1,1</b>	<b>-10,1</b>
<b>Items that will not be reclassified to the income statement</b>							
Actuarial gains and losses on defined-benefit pension commitment	0,0	0,0	0,0	0,0	1,3	-0,3	1,3
Tax related to items that may be reclassified	0,0	0,0	0,0	0,0	-0,2	0,0	-0,2
	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>1,1</b>	<b>-0,3</b>	<b>1,1</b>
<b>Other comprehensive income, net of tax</b>	<b>-3,2</b>	<b>-1,9</b>	<b>-5,1</b>	<b>-2,8</b>	<b>-6,7</b>	<b>0,8</b>	<b>-9,0</b>
<b>Total comprehensive income for the period</b>	<b>5,9</b>	<b>8,6</b>	<b>12,9</b>	<b>17,0</b>	<b>30,1</b>	<b>40,5</b>	<b>26,0</b>

EBITDA	3 Months	3 Months	6 Months	6 Months	12 Months	12 Months	12 Months
	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022	Jan-Dec 2021	Jul-Jun 2022/2023
<b>Operating result (EBIT)</b>	<b>12,6</b>	<b>13,7</b>	<b>24,8</b>	<b>26,2</b>	<b>49,6</b>	<b>52,4</b>	<b>48,2</b>
Amortizations	0,4	0,3	0,9	0,3	1,5	1,0	2,1
<b>Adjusted operating result (EBITA)</b>	<b>13,0</b>	<b>14,0</b>	<b>25,7</b>	<b>26,5</b>	<b>51,1</b>	<b>53,4</b>	<b>50,3</b>
Depreciations	2,4	2,6	4,9	5,2	10,1	8,9	9,8
<b>EBITDA</b>	<b>15,4</b>	<b>16,6</b>	<b>30,6</b>	<b>31,7</b>	<b>61,2</b>	<b>62,3</b>	<b>60,1</b>

## STATEMENT OF FINANCIAL POSITION

	2023	2022	2022	2021
MEUR	30-jun	30-jun	31-dec	31-dec
<b>Assets</b>				
Intangible assets	94,7	99,1	98,6	95,6
Tangible assets	59,2	57,6	60,0	60,3
Financial fixed assets	6,0	6,1	6,3	5,9
<b>Total fixed assets</b>	<b>159,9</b>	<b>162,8</b>	<b>164,9</b>	<b>161,8</b>
Inventories	28,5	40,9	32,3	35,5
Current receivables	59,7	72,4	55,4	57,5
Cash and cash equivalents	24,1	16,0	37,5	35,2
<b>Total current assets</b>	<b>112,3</b>	<b>129,3</b>	<b>125,2</b>	<b>128,2</b>
<b>TOTAL ASSETS</b>	<b>272,2</b>	<b>292,1</b>	<b>290,1</b>	<b>290,0</b>
<b>Equity and liabilities</b>				
Equity	148,5	141,6	154,9	142,6
Long-term liabilities	77,7	99,6	89,4	101,9
Current liabilities	46,0	50,9	45,8	45,5
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>272,2</b>	<b>292,1</b>	<b>290,1</b>	<b>290,0</b>
Net debt	40,1	69,3	38,2	52,1

	2023	2022	2022	2021
STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE PARENT COMPANY'S SHAREHOLDERS	30-jun	30-jun	31-dec	31-dec
Opening balance	154,9	142,6	142,6	114,0
Dividends	-19,3	-18,0	-18,0	-12,0
Received option premiums	0,0	0,0	0,2	0,1
Re-purchase of shares	0,0	0,0	0,0	0,0
Total comprehensive income for the period	12,9	17,0	30,1	40,5
<b>Closing balance</b>	<b>148,5</b>	<b>141,6</b>	<b>154,9</b>	<b>142,6</b>

## CASHFLOW STATEMENT

	3 Months	3 Months	6 Months	6 Months	12 Months	12 Months
MEUR	2023	2022	2023	2022	2022	2021
	30-jun	30-jun	30-jun	30-jun	31-dec	31-dec
<b>Operating profit before Amortizations (EBITA)</b>	<b>13,0</b>	<b>14,0</b>	<b>25,7</b>	<b>26,8</b>	<b>51,1</b>	<b>53,4</b>
Depreciations, interest received and paid, tax paid and adjustments	-2,6	-3,1	-3,1	-4,2	-6,8	0,1
Changes in working capital	3,5	-5,5	-0,2	-14,9	5,6	-21,3
<b>Cash flow from operating activities</b>	<b>13,9</b>	<b>5,4</b>	<b>22,4</b>	<b>7,7</b>	<b>49,9</b>	<b>32,2</b>
Investments	-2,0	-5,6	-4,3	-6,6	-14,4	-14,6
<b>Cash flow after investing activities</b>	<b>11,9</b>	<b>-0,2</b>	<b>18,1</b>	<b>1,1</b>	<b>35,5</b>	<b>17,6</b>
Financing activities	-20,4	-19,2	-31,5	-20,3	-32,5	-15,3
<b>Cash flow for the period</b>	<b>-8,5</b>	<b>-19,4</b>	<b>-13,4</b>	<b>-19,2</b>	<b>3,0</b>	<b>2,3</b>
Cash and cash equivalents at the start of the period	32,6	35,4	37,5	35,2	35,2	32,5
Translation difference in cash and cash equivalents	0,0	0,0	0,0	0,0	-0,7	0,4
<b>Cash and cash equivalents at the end of the period</b>	<b>24,1</b>	<b>16,0</b>	<b>24,1</b>	<b>16,0</b>	<b>37,5</b>	<b>35,2</b>



## PARENT COMPANY – SUMMARY

INCOME STATEMENT	3 Months	3 Months	6 Months	6 Months	12 Months	12 Months
	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022	Jan-Dec 2021
<b>MEUR</b>						
<b>Sales</b>	0,2	0,2	0,5	0,4	0,9	0,9
Cost of goods sold	0,0	0,0	0,0	0,0	0,0	0,0
<b>Gross profit</b>	0,2	0,2	0,5	0,4	0,9	0,9
Administrative expenses	-0,9	-0,6	-2,0	-1,2	-2,2	-2,5
Other operating income and expenses	0,2	0,0	0,1	-0,1	-0,3	0,0
<b>Operating profit before Amortizations (EBITA)</b>	-0,5	-0,4	-1,4	-0,9	-1,6	-1,6
Financial income and expenses	25,2	13,2	24,4	13,5	28,0	16,3
<b>Result after financial expenses</b>	24,7	12,8	23,0	12,6	26,4	14,7
Year-end appropriations	0,0	0,0	0,0	0,0	1,3	0,0
<b>Profit before tax</b>	24,7	12,8	23,0	12,6	27,7	14,7
Taxes	0,0	-0,2	0,4	-0,2	-3,4	-1,4
<b>Net result for the period</b>	24,7	12,6	23,4	12,4	24,3	13,3
<b>STATEMENT OF COMPREHENSIVE INCOME</b>						
Net result for the period	24,7	12,6	23,4	12,4	24,3	13,3
Other comprehensive income, net of tax	0,0	0,0	0,0	0,0	0,0	0,0
<b>Total comprehensive income for the period</b>	24,7	12,6	23,4	12,4	24,3	13,3
<b>STATEMENT OF FINANCIAL POSITION</b>						
	30-jun	30-jun	31-dec	31-dec		
<b>MEUR</b>	2023	2022	2022	2021		
<b>Assets</b>						
Shares in subsidiaries	87,7	87,7	87,7	87,7		
Receivables to subsidiaries	23,9	24,9	24,4	23,0		
<b>Total fixed assets</b>	111,6	112,6	112,1	110,7		
Receivables to subsidiaries	0,0	4,3	5,4	6,9		
Current receivables	0,8	0,9	0,8	1,0		
Cash and cash equivalents	1,1	0,0	9,8	12,8		
<b>Total current assets</b>	1,9	5,2	16,0	20,7		
<b>TOTAL ASSETS</b>	113,5	117,8	128,1	131,4		
<b>Equity and liabilities</b>						
Equity	49,7	33,4	45,6	39,0		
Untaxed reserves	5,7	7,0	5,7	7,0		
Long-term liabilities	50,0	70,8	60,0	70,0		
Current liabilities	8,1	6,6	16,8	15,4		
<b>TOTAL EQUITY AND LIABILITIES</b>	113,5	117,8	128,1	131,4		
<b>CASH FLOW STATEMENT</b>						
	3 Months	3 Months	6 Months	6 Months	12 Months	12 Months
<b>MEUR</b>	2023	2022	2023	2022	2022	2021
	30-jun	30-jun	30-jun	30-jun	31-dec	31-dec
Operating profit before financial items	-0,5	-0,4	-1,4	-0,9	-1,6	-1,6
Interest paid and received, taxes, adjustments	24,5	9,5	24	9,5	23,5	0,3
Change in working capital	-4,4	2,3	5,6	-3,4	3,1	12,5
<b>Cash flow from continuing operations</b>	19,6	11,4	28,2	5,2	25,0	11,2
Investments	0	0,0	0	0,0	0	0
<b>Cash flow from investment activities</b>	19,6	11,4	28,2	5,2	25,0	11,2
Cash flow from financing activities	-19,3	-18,0	-29,3	-18,0	-28,0	1,0
<b>Cash flow for the period</b>	0,3	-6,6	-1,1	-12,8	-3,0	12,2
Cash and cash equivalents at the beginning of the period	8,4	6,6	9,8	12,8	12,8	0,6
Translation difference	0,0	0,0	0,0	0,0	0,0	0,0
<b>Cash and cash equivalents at the end of the period</b>	8,7	0,0	8,7	0,0	9,8	12,8

## FINANCIAL TARGETS

Troax Group's financial targets connected to the company's strategic initiatives are presented below. All expressed opinions in this part are future orientated.

<b>Growth</b>	Troax's objective is to grow in its current markets, both organically and by selective acquisitions
<b>Profitability</b>	Troax's target is to have an operating margin in excess of 20 per cent.
<b>Financial structure</b>	Net debt in relation to the 12-month rolling EBITDA, excluding temporary deviations, shall not exceed 2,5 times.
<b>Dividend policy</b>	Troax's target is to pay approximately 50 per cent of its net profit in dividends. The dividend proposal shall consider Troax's long-term development potential, its financial position and its investment needs.

The financial targets represent future oriented information. Future oriented information shall not be considered as guarantees for future result or development. The actual result may and can materially vary from what is expressed in the future oriented information.

## OTHER INFORMATION

### ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2, Accounting for Legal Entities. The Accounting principles that have been applied coincide with those accounting principles used for preparing the latest Annual Report. The Annual Report for 2022 is available on [www.troax.com](http://www.troax.com).

### ALTERNATIVE KEY RATIOS

In this interim report, Troax presents certain financial measures that are not defined by IFRS, so-called alternative key ratios. The Group believes that these measures provide valuable supplementary information to investors as they enable an evaluation of the company's results and position. Since not all companies calculate financial measurements in the same way, these are not always comparable to those used by other companies. Investors should consider these financial measures as a complement rather than an IFRS financial statement. Troax uses the following alternative key figures:

#### Organic growth

As a large proportion of the Group's sales take place in currencies other than the reporting currency (Euro), the Group's sales are evaluated on the basis of its organic sales growth, which enables separate evaluations of the effect of acquisitions / divestments and currency effects.

Total Sales MEUR	3 Months			6 Months			12 Months		
	Apr-Jun 2023	Apr-Jun 2022	Diff	Jan-Jun 2023	Jan-Jun 2022	Diff	Jan-Dec 2022	Jan-Dec 2021	Diff
Organic sales / growth	69,3	77,9	-11%	136,3	147,5	-8%	278,5	252,3	10%
Currency effect	-1,6	0,0	-2%	-2,0	0,0	-1%	2,9	0,0	1%
Sales from acquisitions	0,8	0,0	1%	2,0	0,0	1%	2,7	0,0	1%
<b>Total Sales</b>	<b>68,5</b>	<b>77,9</b>	<b>-12%</b>	<b>136,3</b>	<b>147,5</b>	<b>-8%</b>	<b>284,1</b>	<b>252,3</b>	<b>13%</b>

#### Operating profit before amortizations (EBITA)

Earnings before interest, tax, depreciation on acquisition-related intangible fixed assets, acquisition-related costs and income and items affecting comparability.

#### Net debt / EBITDA

Troax's definition of net debt is the sum of interest-bearing liabilities (including leasing liabilities according to IFRS 16 but excluding pension liabilities) less cash and cash equivalents. Net debt is used by Group management to monitor and analyze the debt development in the Group and evaluate the Group's refinancing needs. Net debt compared with EBITDA provides a key figure for net debt in relation to cash-generating operating results, which gives an indication of the business' ability to pay its debts.

## OTHER INFORMATION (CONT.)

MEUR	30-jun	30-jun	31-dec	31-dec
	2023	2022	2022	2021
Short term loans	0,0	0,0	0,0	0,0
Long term loans	50,0	70,0	60,0	70,0
Liabilities for leases (IFRS 16)	14,2	15,3	15,8	17,3
Total debt	64,2	85,3	75,8	87,3
cash	24,1	16,0	37,5	35,2
<b>Net debt</b>	<b>40,1</b>	<b>69,3</b>	<b>38,3</b>	<b>52,1</b>
12 month rolling EBITDA	60,1	62,9	62,3	62,3
<b>Net debt / EBITDA</b>	<b>0,7</b>	<b>1,1</b>	<b>0,6</b>	<b>0,8</b>

### RISKS AND RISK MANAGEMENT

Exposure to risks is a natural part of business operations and this reflects Troax's approach to risk management. This aims to identify and prevent the occurrence of risks and to limit any damage from these risks. The most significant risks to which the Group is exposed are related to the cyclical impact on demand. For further information, see the Management Report and Note 27 in the Annual Report 2022.

### SEASONAL VARIATIONS

Seasonal variations have some impact on Troax business. Sales are normally in general stable between the quarters but can fluctuate between the months in the quarter. Sales can be somewhat lower in the summer months (July-August) and from December to January. In periods of high production, the company normally ties up more money in Working Capital. Cash is then released from working capital after a high season when manufactured goods are installed and the customer's receivables paid.

### TRANSACTIONS WITH RELATED PARTIES

No significant transactions with related parties have taken place during the period.

### EMPLOYEES

At the end of the period the Group had 1 119 (1 132) employees.

### OTHER EVENTS AFTER THE QUARTER

There is no significant information to report after the quarter.

### DEVELOPMENT IN THE PARENT COMPANY

There is no significant information to report for the quarter.

### AUDIT

This report has not been reviewed by the auditors.

### NEXT REPORTS

Interim report Q3 2023, 24<sup>th</sup> of October 2023

Interim report Q4 2023, 9<sup>th</sup> of February 2024

### TELEPHONE CONFERENCE

Invitation to presentation of the second quarter result:

Thomas Widstrand, CEO presents the result on a phone conference on the 16<sup>th</sup> of August 2023 at 16:00

CET. The conference will be held in English. For more information, please refer to

<https://www.troax.com/global/en/press>

Hillerstorp 2023-08-16

Thomas Widstrand  
President and CEO

Anders Mörck  
Chairman

Anna Stålenbring

Eva Nygren

Bertil Persson

Fredrik Hansson

Stefan Lundgren  
Employee repr

THOMAS WIDSTRAND  
**President and CEO**  
Phone +46 (0)370-828 31  
thomas.widstrand@troax.com

ANDERS EKLÖF  
**CFO**  
Phone +46 (0)370-828 25  
anders.eklof@troax.com

**Troax Group AB (publ)**  
Hillerstorp, 16<sup>th</sup> of August 2023

Headquarters:  
**Troax AB**  
Box 89, SE-335 04 Hillerstorp, Sweden  
Phone: +46 (0)370-828 00  
Fax +46 (0)370-824 86  
www.troax.com

*This information is information that Troax Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation 596/2014 and the Securities Markets Act (2007:528). The information was submitted for publication, through the agency of the contact person set out above, at 12:30 CET on the 16<sup>th</sup> of August 2023.*