

Troax Group AB (publ)
Hillerstorp, the 24th of October 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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INTERIM REPORT JANUARY- SEPTEMBER 2023

JULY – SEPTEMBER

- Order intake in the quarter was unchanged compared with the same period last year and amounted to 62,3 (62,0) MEUR. Adjusted for currency and acquisitions it increased by 2 percent.
- Sales in the quarter decreased by 14 percent compared with the same period last year and amounted to 61,4 (71,3) MEUR. Adjusted for currency and acquisitions sales decreased by 12 percent.
- Operating profit before amortizations (EBITA) decreased to 12,8 (13,2) MEUR.
- Operating margin before amortizations (EBITA margin) increased to 20,8 (18,5) percent.
- Financial net was -0,7 (-0,2) MEUR.
- Profit after tax decreased to 8,9 (9,9) MEUR.
- Earnings per share after dilution amounted to 0,15 (0,17) EUR.

JANUARY - SEPTEMBER

- Order intake in the period decreased by 5 percent compared with the same period last year and amounted to 197,6 (209,1) MEUR. Adjusted for currency and acquisitions the decrease was 5 percent.
- Sales in the period decreased by 10 percent compared with the same period last year and amounted to 197,7 (218,8) MEUR. Adjusted for currency and acquisitions the decrease was 9 percent.
- Operating profit before amortizations (EBITA) decreased to 38,5 (40,0) MEUR.
- Operating margin before amortizations (EBITA) increased to 19,5 (18,3) percent.
- Financial net was -1,9 (-0,7) MEUR.
- Profit after tax decreased to 26,9 (29,7) MEUR.
- Earnings per share after dilution amounted to 0,45 (0,50) EUR.

TROAX GROUP FIGURES

MEUR	3 Months	3 Months	9 Months	9 Months	12 Months	12 Months	12 Months
	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022	Jan-Dec 2021	Okt-Sep 2022/2023
Order intake	62,3	62,0	197,6	209,1	272,7	275,8	261,2
Sales	61,4	71,3	197,7	218,8	284,1	252,3	263,0
Gross profit	24,4	24,0	76,0	74,6	97,3	95,2	98,7
Gross margin, %	39,7	33,7	38,4	34,1	34,2	37,7	37,5
EBITA	12,8	13,2	38,5	40,0	51,1	53,4	49,6
EBITA margin, %	20,8	18,5	19,5	18,3	18,0	21,2	18,9
EBIT	12,3	12,9	37,1	39,1	49,6	52,4	47,6
EBIT margin, %	20,0	18,1	18,8	17,9	17,5	20,8	18,1
Profit after tax	8,9	9,9	26,9	29,7	36,8	39,7	34,0
EBITDA 1)	15,4	15,7	46,0	47,4	61,2	62,3	59,8
EBITDA margin, % 1)	25,1	22,0	23,3	21,7	21,5	24,7	22,7
Net debt / EBITDA					0,6	0,8	
Earnings per share after dilution in EUR	0,15	0,17	0,45	0,50	0,61	0,66	0,57
Closing rate SEK/EUR	11,49	10,92	11,49	10,92	11,12	10,22	11,07
Earnings per share after dilution in SEK. 2)	1,70	1,80	5,15	5,41	6,82	6,76	6,27

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 stabilized during the third quarter. We had a smaller increase this quarter, which is an improvement compared to earlier this year. This is the effect of the projects for automated warehouses no longer forming part of the comparison figures for 2022 and that our core business continues to develop positively. As we have previously disclosed, no major projects in automated warehouses are expected in the near term, but the customer base continues to increase, and the trend is positive for the smaller and medium-sized customers. Larger projects in this sector are expected to become relevant only sometime next year. Other customer segments continue to increase volumes during the third quarter as well, which is a good indication that our core business continues to develop positively. However, the order intake from automotive was weak during this quarter. No reduction due to a general decline in demand/activity has been noticeable, with the exception of new inquiries in the basement storage segment in the Nordics. Within this segment, it is noticeable that new construction has started to decrease.

In our various geographical regions, we note a stable order intake both in North America and Europe, compared to 2022. A smaller number of major projects means that order intake in the UK is lower than in 2022. The opposite is found in new markets, where order intake has increased this quarter. Overall for the third quarter, order intake is 2% higher than in 2022, when we exclude acquired companies and currency effects.

Invoicing is 12% lower than the previous year when, in the third quarter of 2022, we delivered a couple of larger projects within automated warehouses. Any impact on the margin due to price effects is minimal during this quarter.

The gross margin has gradually improved during 2023 and is now at the level of the group's internal target of 39–40%. Behind this is again the fact that purchasing 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. Capacity reductions have continued mainly 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 has also resulted in an improved EBITA margin, where, despite volume reductions in our factories, we have exceeded the margin for the same period last year. In absolute terms, EBITA is slightly lower than in 2022, but the operating margin (EBITA) has increased in the quarter from 18,5% to 20,8% in 2023 despite the volume reduction.

Cash flow has remained strong during the third 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 Poland, we have continued to transfer production from the existing, rented factory, to our own owned facility in Sroda. 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. In 2022 the company acquired the Spanish business, Claitec, and in Sweden, Svenska Cykelrum, have had a continued positive development in the period. After the end of the period, our dealer in Croatia has been acquired and is now part of the Troax group as a subsidiary.

Thomas Widstrand, President and CEO

THE GROUP SUMMARY

JULY – SEPTEMBER

The total order intake was unchanged in the quarter. Order intake amounted to 62,3 (62,0) MEUR. Adjusted for currency and acquisitions the order intake increased by 2 percent compared to the same period last year. The Nordic region and United Kingdom decreased their order intake while North America and New Markets increased order intake in the period compared with the corresponding period last year.

Sales amounted to 61,4 (71,3) MEUR, a decrease of 14 percent compared with the corresponding period last year. Adjusted for currency and acquisitions sales decreased by 12 percent. All regions except New Markets decreased their sales during the period compared with the corresponding period last year.

Operating profit before amortizations (EBITA) amounted to 12,8 (13,2) MEUR, corresponding to an EBITA margin of 20,8 (18,5) percent.

JANUARY – SEPTEMBER

The total order intake developed negatively in the period. Order intake amounted to 197,6 (209,1) MEUR, a decrease by 5 percent compared with the corresponding period last year. Adjusted for currency and acquisitions the decrease was 5 percent. All regions decreased their order intake during the period compared with the corresponding period last year.

Sales amounted to 197,7 (218,8) MEUR, a decrease of 10 percent compared with the corresponding period last year. Adjusted for currency and acquisitions the decrease was 9 percent. All regions except Nordic and New Markets decreased their sales during the period compared with the corresponding period last year.

Operating profit before amortizations (EBITA) amounted to 38,5 (40,0) MEUR, corresponding to an EBITA margin of 19,5 (18,3) percent.

FINANCIAL NET

During the third quarter of 2023, financial net amounted to -0,7 (-0,2) MEUR and to -1,9 (-0,7) for the first nine months of 2023.

TAXES

The tax expense was -2,7 (-2,8) MEUR for the third quarter of 2023 and was -8,3 (-8,7) MEUR for the first nine months of 2023.

NET RESULT

Net result for the third quarter amounted to 8,9 (9,9) MEUR and to 26,9 (29,7) MEUR for the first nine months of 2023.

CASH FLOW, WORKING CAPITAL AND NET DEBT

Cash flow from operating activities was 12,5 (22,2) MEUR for the third quarter and was 34,9 (29,9) MEUR for the first nine months of 2023. Net debt was 29,4 (52,4) MEUR at the end of the period. Net debt in relation to the 12-month rolling EBITDA was 0,5 (0,9) to be compared with the company's financial target of less than 2,5.

INVESTMENTS

During the third quarter, investments were 1,6 (5,1) MEUR and were 5,9 (11,7) MEUR for the first nine 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	3 Months	Diff	9 Months	9 Months	Diff	12 Months	12 Months	Diff	12 Months
	Jul-Sep 2023	Jul-Sep 2022		Jan-Sep 2023	Jan-Sep 2022		Jan-Dec 2022	Jan-Dec 2021		Okt-Sep 2022/2023
Continental Europe	31,7	31,7	0%	100,0	105,1	-5%	135,1	136,6	-1%	130,0
Nordic region	7,2	7,8	-8%	29,1	30,3	-4%	40,7	32,2	26%	39,5
United Kingdom	6,8	7,6	-11%	20,4	25,0	-18%	30,9	30,6	1%	26,3
North America	12,3	11,6	6%	33,6	34,2	-2%	45,2	58,7	-23%	44,6
New Markets	5,2	3,3	58%	15,3	14,5	6%	20,1	17,7	14%	20,9
Total excl Currency	63,2	62,0	2%	198,4	209,1	-5%	272,0	275,8	-1%	261,3
Currency effect	-1,6	0,0	-3%	-3,7	0,0	-2%	0,0	0,0	0%	-3,7
Order intake acquisitions	0,7	0,0	1%	2,9	0,0	1%	0,7	0,0	0%	3,6
Total Order intake	62,3	62,0	0%	197,6	209,1	-5%	272,7	275,8	-1%	261,2
Total Sales MEUR	3 Months	3 Months		9 Months	9 Months		12 Months	12 Months		12 Months
	Jul-Sep 2023	Jul-Sep 2022	Diff	Jan-Sep 2023	Jan-Sep 2022	Diff	Jan-Dec 2022	Jan-Dec 2021	Diff	Okt-Sep 2022/2023
Continental Europe	31,4	35,4	-11%	96,0	109,4	-12%	143,3	123,6	16%	129,9
Nordic region	7,8	8,7	-10%	29,8	27,7	8%	37,6	30,0	25%	39,7
United Kingdom	6,1	8,6	-29%	19,7	28,9	-32%	34,7	30,9	12%	25,5
North America	11,4	14,3	-20%	37,3	39,2	-5%	49,4	51,0	-3%	47,5
New Markets	5,9	4,3	37%	16,1	13,6	18%	18,3	16,8	9%	20,8
Total excl Currency	62,6	71,3	-12%	198,9	218,8	-9%	283,3	252,3	12%	263,4
Currency effect	-2,0	0,0	-3%	-4,0	0,0	-2%	0,0	0,0	0%	-4,0
Sales acquisitions	0,8	0,0	1%	2,8	0,0	1%	0,8	0,0	0%	3,6
Total Sales	61,4	71,3	-14%	197,7	218,8	-10%	284,1	252,3	13%	263,0

* Note that organic growth is reported excluding currency effect.

THE GROUP - SUMMARY

INCOME STATEMENT

MEUR	3 Months	3 Months	9 Months	9 Months	12 Months	12 Months	12 Months
	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022	Jan-Dec 2021	Okt-Sep 2022/2023
Sales	61,4	71,3	197,7	218,8	284,1	252,3	263,0
Cost of goods sold	-37,0	-47,3	-121,7	-144,2	-186,8	-157,1	-164,3
Gross profit	24,4	24,0	76,0	74,6	97,3	95,2	98,7
Sales expenses	-7,7	-7,4	-24,5	-23,0	-30,5	-28,0	-32,0
Administrative expenses	-3,8	-3,9	-12,3	-11,7	-15,9	-14,1	-16,5
Other operating income and expenses	-0,1	0,5	-0,7	0,1	0,2	0,3	-0,6
Operating profit before Amortizations (EBITA)	12,8	13,2	38,5	40,0	51,1	53,4	49,6
Amortization	-0,5	-0,3	-1,4	-0,9	-1,5	-1,0	-2,0
Operating profit (EBIT)	12,3	12,9	37,1	39,1	49,6	52,4	47,6
Financial income and expenses	-0,7	-0,2	-1,9	-0,7	-1,4	-1,0	-2,6
Result after financial expenses	11,6	12,7	35,2	38,4	48,2	51,4	45,0
Taxes	-2,7	-2,8	-8,3	-8,7	-11,4	-11,7	-11,0
Net result for the period	8,9	9,9	26,9	29,7	36,8	39,7	34,0
Earnings per share before / after dilution	0,15 €	0,17 €	0,45 €	0,50 €	0,61 €	0,66 €	0,57 €
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	9 Months	9 Months	12 Months	12 Months	12 Months
	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022	Jan-Dec 2021	Okt-Sep 2022/2023
Net result for the period	8,9	9,9	26,9	29,7	36,8	39,7	34,0
Other comprehensive income:							
Items that may be reclassified to the income statement							
Translation differences	2,6	-0,9	-2,5	-3,7	-7,8	1,1	-6,6
Tax related to items that may be reclassified	0,0	0,0	0,0	0,0	0,0	0,0	0,0
	2,6	-0,9	-2,5	-3,7	-7,8	1,1	-6,6
Items that will not be reclassified to the income statement							
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
	0,0	0,0	0,0	0,0	1,1	-0,3	1,1
Other comprehensive income, net of tax	2,6	-0,9	-2,5	-3,7	-6,7	0,8	-5,5
Total comprehensive income for the period	11,5	9,0	24,4	26,0	30,1	40,5	28,5

EBITDA	3 Months	3 Months	9 Months	9 Months	12 Months	12 Months	12 Months
	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022	Jan-Dec 2021	Okt-Sep 2022/2023
Operating result (EBIT)	12,3	12,9	37,1	39,1	49,6	52,4	47,6
Amortizations	0,5	0,3	1,4	0,9	1,5	1,0	2,0
Adjusted operating result (EBITA)	12,8	13,2	38,5	40,0	51,1	53,4	49,6
Depreciations	2,6	2,5	7,5	7,4	10,1	8,9	10,2
EBITDA	15,4	15,7	46,0	47,4	61,2	62,3	59,8

STATEMENT OF FINANCIAL POSITION

MEUR	2023 30-sep	2022 30-sep	2022 31-dec	2021 31-dec
Assets				
Intangible assets	95,7	98,2	98,6	95,6
Tangible assets	59,1	58,2	60,0	60,3
Financial fixed assets	6,1	6,5	6,3	5,9
Total fixed assets	160,9	162,9	164,9	161,8
Inventories	28,0	39,8	32,3	35,5
Current receivables	58,1	61,2	55,4	57,5
Cash and cash equivalents	33,9	32,0	37,5	35,2
Total current assets	120,0	133,0	125,2	128,2
TOTAL ASSETS	280,9	295,9	290,1	290,0
Equity and liabilities				
Equity	160,2	150,8	154,9	142,6
Long-term liabilities	76,9	98,3	89,4	101,9
Current liabilities	43,8	46,8	45,8	45,5
TOTAL EQUITY AND LIABILITIES	280,9	295,9	290,1	290,0
Net debt	29,4	52,4	38,2	52,1

STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE PARENT COMPANY'S SHAREHOLDERS	2023 30-sep	2022 30-sep	2022 31-dec	2021 31-dec
Opening balance	154,9	142,6	142,6	114,0
Dividends	-19,3	-18,0	-18,0	-12,0
Received option premiums	0,2	0,2	0,2	0,1
Re-purchase of shares	0,0	0,0	0,0	0,0
Total comprehensive income for the period	24,4	26,0	30,1	40,5
Closing balance	160,2	150,8	154,9	142,6

CASH FLOW STATEMENT

MEUR	3 Months 2023 30-sep	3 Months 2022 30-sep	9 Months 2023 30-sep	9 Months 2022 30-sep	12 Months 2022 31-dec	12 Months 2021 31-dec
Operating profit before Amortizations (EBITA)	12,8	13,2	38,5	40,0	51,1	53,4
Depreciations, interest received and paid, tax paid and adjustments	-0,1	0,7	-3,2	-3,5	-6,8	0,1
Changes in working capital	-0,2	8,3	-0,4	-6,6	5,6	-21,3
Cash flow from operating activities	12,5	22,2	34,9	29,9	49,9	32,2
Investments	-1,6	-5,1	-5,9	-11,7	-14,4	-14,6
Cash flow after investing activities	10,9	17,1	29,0	18,2	35,5	17,6
Financing activities	-1,1	-1,1	-32,6	-21,4	-32,5	-15,3
Cash flow for the period	9,8	16,0	-3,6	-3,2	3,0	2,3
Cash and cash equivalents at the start of the period	24,1	16,0	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
Cash and cash equivalents at the end of the period	33,9	32,0	33,9	32,0	37,5	35,2

PARENT COMPANY– SUMMARY

INCOME STATEMENT	3 Months	3 Months	9 Months	9 Months	12 Months	12 Months
	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022	Jan-Dec 2021
MEUR						
Sales	0,3	0,3	0,8	0,7	0,9	0,9
Cost of goods sold	0,0	0,0	0,0	0,0	0,0	0,0
Gross profit	0,3	0,3	0,8	0,7	0,9	0,9
Administrative expenses	-0,7	-0,5	-2,7	-1,7	-2,2	-2,5
Other operating income and expenses	-0,1	-0,2	0,0	-0,3	-0,3	0,0
Operating profit before Amortizations (EBITA)	-0,5	-0,4	-1,9	-1,3	-1,6	-1,6
Financial income and expenses	0,4	1,6	24,6	15,1	28,0	16,3
Result after financial expenses	-0,1	1,2	22,7	13,8	26,4	14,7
Year-end appropriations	0,0	0,0	0,0	0,0	1,3	0,0
Profit before tax	-0,1	1,2	22,7	13,8	27,7	14,7
Taxes	0,0	-0,2	0,4	-0,4	-3,4	-1,4
Net result for the period	-0,1	1,0	23,1	13,4	24,3	13,3
STATEMENT OF COMPREHENSIVE INCOME						
Net result for the period	-0,1	1,0	23,1	13,4	24,3	13,3
Other comprehensive income, net of tax	0,0	0,0	0,0	0,0	0,0	0,0
Total comprehensive income for the period	-0,1	1,0	23,1	13,4	24,3	13,3
STATEMENT OF FINANCIAL POSITION						
	30-sep	30-sep	31-dec	31-dec		
MEUR	2023	2022	2022	2021		
Assets						
Shares in subsidiaries	87,7	87,7	87,7	87,7		
Receivables to subsidiaries	24,6	26,5	24,4	23,0		
Total fixed assets	112,3	114,2	112,1	110,7		
Receivables to subsidiaries	0,0	4,4	5,4	6,9		
Current receivables	0,8	0,9	0,8	1,0		
Cash and cash equivalents	7,2	0,0	9,8	12,8		
Total current assets	8,0	5,3	16,0	20,7		
TOTAL ASSETS	120,3	119,5	128,1	131,4		
Equity and liabilities						
Equity	49,8	34,6	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	14,8	7,1	16,8	15,4		
TOTAL EQUITY AND LIABILITIES	120,3	119,5	128,1	131,4		
CASH FLOW STATEMENT						
	3 Months	3 Months	9 Months	9 Months	12 Months	12 Months
MEUR	2023	2022	2023	2022	2022	2021
	30-sep	30-sep	30-sep	30-sep	31-dec	31-dec
Operating profit before financial items	-0,5	-0,4	-1,9	-1,3	-1,6	-1,6
Interest paid and received, taxes, adjustments	-0,5	0,8	23,5	10,3	23,5	0,3
Change in working capital	-0,5	-0,4	5,1	-3,8	3,1	12,5
Cash flow from continuing operations	-1,5	0,0	26,7	5,2	25,0	11,2
Investments	0	0,0	0	0,0	0	0
Cash flow from investment activities	-1,5	0,0	26,7	5,2	25,0	11,2
Cash flow from financing activities	0	0,0	-29,3	-18,0	-28,0	1,0
Cash flow for the period	-1,5	0,0	-2,6	-12,8	-3,0	12,2
Cash and cash equivalents at the beginning of the period	8,7	0,0	9,8	12,8	12,8	0,6
Translation difference	0,0	0,0	0,0	0,0	0,0	0,0
Cash and cash equivalents at the end of the period	7,2	0,0	7,2	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.

Growth	Troax`s objective is to grow in its current markets, both organically and by selective acquisitions
Profitability	Troax`s target is to have an operating margin in excess of 20 per cent.
Financial structure	Net debt in relation to the 12-month rolling EBITDA, excluding temporary deviations, shall not exceed 2,5 times.
Dividend policy	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.

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	3 Months	Diff	9 Months	9 Months	Diff	12 Months	12 Months	Diff
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep		Jan-Dec	Jan-Dec	
	2023	2022		2023	2022		2022	2021	
Organic sales / growth	62,6	71,3	-12%	198,9	218,8	-9%	283,3	252,3	12%
Currency effect	-2,0	0,0	-3%	-4,0	0,0	-2%	0,0	0,0	0%
Sales from acquisitions	0,8	0,0	1%	2,8	0,0	1%	0,8	0,0	0%
Total Sales	61,4	71,3	-14%	197,7	218,8	-10%	284,1	252,3	13%

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-sep 2023	30-sep 2022	31-dec 2022	31-dec 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)	13,3	14,5	15,8	17,3
Total debt	63,3	84,5	75,8	87,3
cash	33,9	32,0	37,5	35,2
Net debt incl IFRS 16	29,4	52,5	38,3	52,1
12 month rolling EBITDA incl IFRS 16	59,8	61,5	61,2	62,3
Net debt / EBITDA incl IFRS 16	0,5	0,9	0,6	0,8
Net debt excl IFRS 16	16,1	38,0	22,5	34,8
12 month rolling EBITDA excl IFRS 16	55,0	57,3	56,3	58,5
Net debt / EBITDA excl IFRS 16	0,3	0,7	0,4	0,6

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.

CALL OPTION PROGRAM FOR SENIOR EXECUTIVES AND OTHER KEY PERSONNEL

Outstanding share-based incentive programs for the CEO, senior executives and certain other key personnel within the Group are set out in Note 1 of the Annual Report for 2022. At the Annual General Meeting for 2023, the Board was instructed to issue additional call options corresponding to a maximum of 300 000 shares, corresponding to a maximum of 0,5 percent of the total number of shares and votes in the company. An offer to subscribe for call options took place during the third quarter of 2023, in which 110 000 options were subscribed for at the option premium of SEK 17,07 SEK and at a subscription price amounting to 229,33 SEK per share.

RE-PURCHASE OF SHARES

On the 12th of September, 2023, the Board of Directors resolved on a repurchase program of a maximum of 100,000 shares, supported by authorization from the Annual General Meeting on the 26th of April, 2023. As of the 30st of September, 2023, Troax Group AB (publ) owned 54,668 own shares.

EMPLOYEES

At the end of the period the Group had 1 103 (1 120) employees.

OTHER EVENTS AFTER THE QUARTER

After the third quarter of 2023, the Group acquired all shares in Troax d.o.o, one of Troax distributors located in Croatia. The annual turnover of the acquired company amounts to approximately 1,5-2,0 MEUR.

DEVELOPMENT IN THE PARENT COMPANY

There is no significant information to report for the quarter.

AUDIT

This report has been reviewed by the auditors.

OTHER INFORMATION (CONT.)

NEXT REPORTS

Interim report Q4 2023, 9th of February 2024
Interim report Q1 2024, 22nd of April 2024
Interim report Q2 2024, 14th of August 2024
Interim report Q3 2024, 29th of October 2024
Interim report Q4 2024, 7th of February 2025

ELECTION COMMITTEE

Based on shareholder statistics as of August 31, 2023, the following nomination committee has been appointed:

Ossian Ekdahl (chairman) – Investmentaktiebolaget Latour
Pär Andersson – Spiltan Fonder
Patrik Jönsson – SEB Investment Management
Anders Mörck – Chairman of the Board

Shareholders who wish to leave suggestions for the Election Committee can send them to Troax Group AB (publ), Attention: Election Committee Ossian Ekdahl, Box 89, 335 04 Hillerstorp, Sweden.

TELEPHONE CONFERENCE

Invitation to presentation of the third quarter result:

Thomas Widstrand, CEO presents the result on a phone conference on the 24th of October 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>

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Troax Group AB (publ)
Hillerstorp, 24th of October 2023

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This information is information that Troax Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation 596/2014). The information was submitted for publication, through the agency of the contact person set out above, at 12:30 CET on the 24th of October 2023.