

INTERIM REPORT JANUARY - JUNE 2015

JANUARY – JUNE 2015

- Order intake increased 36 per cent whereof 11 per cent organically.
- Sales increased 32 per cent to 50,2 (37,9) MEUR, the acquired business Satech represents 24 per cent units of this increase. The organic growth (excluding Satech) was 8 per cent.
- Operating profit increased to 10,4 (6,9) MEUR.
- Operating margin increased to 20,7 (18,2) per cent.
- Adjusted operating profit increased to 10,4 (6,2) MEUR.*)
- Adjusted operating margin increased to 20,7 (16,4) per cent, mostly explained by higher volumes.*)
- Earnings per share was 0,30 (0,24) EUR.

APRIL – JUNE 2015

- Order intake increased 34 per cent whereof 9 per cent organically.
- Net sales increased with 28 per cent to 25,5 (20,0) MEUR, whereof the acquired Satech represents 25 per cent units of the increase. Adjusted for acquisition, the organic growth was 3 per cent.
- Operating profit increased to 5,4 (4,7) MEUR.
- Operating margin decreased to 21,2 (23,5) per cent.
- Adjusted operating profit increased to 5,4 (3,8) MEUR.*)
- Adjusted operating margin increased to 21,2 (19,0) per cent explained by increased volumes.*)
- Earnings per share was 0,15 (0,17) EUR.

*) Adjusted operating result is described on page 4.

TROAX GROUP FIGURES

M Euro	3 Months	3 Months	6 Months	6 Months	12 Months	12 Months	12 Months
	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014	1.) Jan-Dec 2014	2.) Jul-Jun 2014/2015
Order intake	25,8	19,3	51,7	37,9	92,6	96,5	98,7
Sales	25,5	20,0	50,2	37,9	84,5	91,2	96,8
Gross profit	11,2	7,9	21,5	14,8	34,6	38,3	41,4
Gross margin, %	43,9	39,5	42,8	39,1	40,9	42,0	42,8
Operating profit	5,4	4,7	10,4	6,9	13,8	14,9	17,3
Operating margin, %	21,2	23,5	20,7	18,2	16,3	16,3	17,9
Adjusted operating profit	5,4	3,8	10,4	6,2	15,0	16,3	19,2
Adjusted operating margin, %	21,2	19,0	20,7	16,4	17,8	17,9	19,8
Profit after tax	3,0	3,3	5,9	4,7	8,7	8,7	9,7
Adjusted EBITDA	5,9	4,3	11,5	7,3	17,3	18,6	21,4
Adjusted EBITDA margin, %	23,1	21,5	22,9	19,3	20,5	20,4	22,1
Earnings per share after dilution	0,15	0,17	0,30	0,24	0,28	0,28	0,48
Closing rate SEK/EUR	9,22	8,95	9,22	8,95	9,52	9,52	9,22

1.) Column 2014 includes Satech figures as if the acquisition was completed 1st January 2014.

2.) Column Jul-Jun includes Satech figures as if the acquisition was completed 1st January 2014.

CEO COMMENTS

During the second quarter, Troax continued the positive trend from 2014 with increased order levels and results. The organic growth increased during the second quarter with 9 per cent, for comparable units in the same period last year. The development has been especially positive in the UK, Nordic countries and Satech. Our development in the New Markets has improved during the period as regards sales invoiced, albeit from a low level. The total order levels increased by 9 per cent, including the acquired company Satech compared on a pro forma basis, with the corresponding quarter last year.

Excluding acquisition, sales increased with 3 per cent, compared with same period last year. We estimate, the general market has continued to grow during this quarter in order intake, but the number of bigger project orders have been low compared with last year.

The positive result development has continued which is mainly coming from the Italian acquisition and a continued good capacity utilization in our manufacturing units. The adjusted operating profit amounted to 5,4 MEUR for the period, which is more than 40 per cent higher than second quarter last year. Satech accounts for approximately 1,5 MEUR of the result for the quarter. The integration of Satech is developing according to plan and the company has delivered a significantly higher result than last year.

There is no significant currency impact in the result for the period.

The Working Capital has been stable during the quarter, with a certain increase of receivables due to the relative high invoicing level, by the end of the quarter. We have continued our good cash flow generation, even though during this second quarter, we continued to pay some parts of the main investment in the new paint line that will be finished during Q1 2016. In accordance with the agreement that was made in connection with the stock exchange listing, we made a one off amortization of 10 MEUR of our bond loan during June.

We do not make any forecast for the whole year.

Thomas Widstrand, CEO and President

THE GROUP SUMMARY

JANUARY - JUNE

The total sales developed positively during this period, only Continental Europe showed a negative development of our market segments. Order intake amounted to 51,7 (37,9) MEUR and was higher than Sales. During the first half year, the order intake increased by 11 per cent for comparable units versus the same period last year.

Sales amounted to 50,2 (37,9) MEUR, equal to an increase of 32 per cent of which 8 per cent was organic growth. Satech contributed with 9,1 MEUR or 24 per cent units. All market segments increased with exception of Continental Europe. Especially the UK and Nordic regions together with the acquired company Satech developed well. New Markets increased the sales, albeit from a low level.

The adjusted operating profit amounted to 10,4 (6,2) MEUR giving an operating margin of 20,7 (16,4) per cent. Satech contributed with an operating profit of 2,5 MEUR. Excluding the acquisition, the adjusted operating profit increased by 22 per cent compared to last year. The increase in result is mainly explained by higher volumes and a continued good capacity utilization.

APRIL - JUNE

Total Net sales increased during second quarter, exception being Continental Europe which decreased, mainly explained by a number of bigger orders that were invoiced in the corresponding period last year. Order intake amounted to 25,8 (19,3) MEUR and was higher than sales. During the period, order intake increased with 9 per cent for comparable units.

Net sales amounted to 25,5 (20,0) MEUR, an increase with 28 per cent, whereof 3 per cent units organic growth. The acquisition of Satech contributed with 4,9 MEUR or 25 per cent units. All market segments excluding Continental Europe increased their net sales. As regards geographical development, UK, Nordic region and Satech developed well.

Adjusted operating result amounted to 5,4 (3,8) MEUR, corresponding to an operating margin of 21,2 (19,0) per cent. The acquisition of Satech contributed to the operating result with 1,5 MEUR.

FINANCIAL NET

The group financial net was -1,5 (-0,7) MEUR in the second quarter. The increase of 0,8 MEUR, is explained by higher financial cost due to the acquisition of Satech and higher cost for the bond (higher interest rate and higher volume).

TAXES

Taxes increased to 0,9 (0,7) MEUR in the quarter. The increase is mainly due to higher result and the higher tax rates in the acquired Satech company in Italy.

NET RESULT

Net result for the second quarter period amounted to 3,0 (3,3) MEUR.

CASH FLOW, WORKING CAPITAL AND NET DEBT

Cash flow from operating activities was 5,0 (3,2) MEUR. Working Capital has increased somewhat due to high level of sales by the end of the quarter. Net debt was 51,9 MEUR at the end of the period. Net debt to EBITDA was 2,4 which is in line with the company's financial targets.

INVESTMENTS

Troax has an ongoing investment plan to maintain, expand and improve the efficiency in the production units. In the second quarter 2015 Troax invested 3,3 (0,2) MEUR. The increase is primarily due to the ongoing investment of the new paint line in Hillerstorp, which will be in operation in the first quarter 2016.

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

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

Order intake	3 Months			3 Months			6 Months			6 Months			12 Months			12 Months		
	Apr-Jun	Apr-Jun	Diff	Jan-Jun	Jan-Jun	Diff	Jan-Jun	Jan-Jun	Diff	1.) Jan-Dec	2.) Jul-Jun	Diff	2014	2014/2015	Diff	2014	2014/2015	Diff
M Euro	2015	2014		2015	2014		2015	2014		2014	2014/2015		2014	2014/2015		2014	2014/2015	
Continental Europe	9,7	9,2	5%	18,8	18,5	2%	37,2	37,5	1%	37,2	37,5	1%	37,2	37,5	1%	37,2	37,5	1%
Nordic region	5,4	4,9	10%	10,2	9,4	9%	18,8	19,6	4%	18,8	19,6	4%	18,8	19,6	4%	18,8	19,6	4%
United Kingdom	4,4	3,6	22%	9,0	7,2	25%	15,3	17,1	12%	15,3	17,1	12%	15,3	17,1	12%	15,3	17,1	12%
New Markets	1,6	1,6	0%	4,2	2,8	50%	5,6	7,0	25%	5,6	7,0	25%	5,6	7,0	25%	5,6	7,0	25%
Order intake excl Acquisitions	21,1	19,3	9%	42,2	37,9	11%	76,9	81,2	6%	76,9	81,2	6%	76,9	81,2	6%	76,9	81,2	6%
Acquisitions	4,7			9,5			15,7	17,5	11%	15,7	17,5	11%	15,7	17,5	11%	15,7	17,5	11%
Total Order intake	25,8	19,3	34%	51,7	37,9	36%	92,6	98,7	7%	92,6	98,7	7%	92,6	98,7	7%	92,6	98,7	7%
Total Sales	Apr-Jun	Apr-Jun	Diff	Jan-Jun	Jan-Jun	Diff	1.) Jan-Dec	2.) Jul-Jun	Diff	2014	2014/2015	Diff	2014	2014/2015	Diff	2014	2014/2015	Diff
M Euro	2015	2014		2015	2014		2014	2014/2015		2014	2014/2015		2014	2014/2015		2014	2014/2015	
Continental Europe	8,8	10,1	-13%	18,5	19,3	-4%	37,8	37,3	-1%	37,8	37,3	-1%	37,8	37,3	-1%	37,8	37,3	-1%
Nordic region	5,0	4,6	9%	9,6	8,5	13%	17,6	18,7	6%	17,6	18,7	6%	17,6	18,7	6%	17,6	18,7	6%
United Kingdom	4,6	3,8	21%	8,8	7,4	19%	15,5	16,9	9%	15,5	16,9	9%	15,5	16,9	9%	15,5	16,9	9%
New Markets	2,2	1,5	47%	4,2	2,7	56%	5,7	7,2	26%	5,7	7,2	26%	5,7	7,2	26%	5,7	7,2	26%
Sales excl. Acquisitions	20,6	20,0	3%	41,1	37,9	8%	76,6	80,1	5%	76,6	80,1	5%	76,6	80,1	5%	76,6	80,1	5%
Acquisitions	4,9			9,1			14,5	16,6	14%	14,5	16,6	14%	14,5	16,6	14%	14,5	16,6	14%
Total Order intake	25,5	20,0	28%	50,2	37,9	32%	91,1	96,7	6%	91,1	96,7	6%	91,1	96,7	6%	91,1	96,7	6%

1.) Column 2014 includes Satech figures as if the acquisition was completed 1st January 2014.

2.) Column Jul-Jun includes Satech figures as if the acquisition was completed 1st January 2014.

ABOUT TROAX

Troax is the leading global supplier of indoor perimeter protection ("metal-based mesh panel solutions") for the market segments: Automation & Robotics, Material Handling & Logistics and Property Protection. Troax develops high quality and innovative safety solutions to protect people, property and processes.

Troax Group AB (publ), Reg. No. 556916-4030, has a global organisation with an unparalleled sales force and efficient logistics setup, enabling local presence and short delivery times in 31 countries. In 2014 Troax net sales amounted to around EUR 90 million and the number of employees amounted to about 400 persons. The Company's head office is located in Hillerstorp, Sweden. www.troax.com

THE GROUP - SUMMARY

M Euro	3 Months	3 Months	6 Months	6 Months	12 Months	12 Months	12 Months
	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014	1.) Jan-Dec 2014	2.) Jul-Jun 2014/2015
Sales	25,5	20,0	50,2	37,9	84,5	91,2	96,8
Cost of goods sold	-14,3	-12,1	-28,7	-23,1	-49,9	-52,9	-55,4
Gross profit	11,2	7,9	21,5	14,8	34,6	38,3	41,4
Sales expenses	-4,5	-4,0	-8,6	-7,2	-14,6	-15,5	-16,1
Administrative expenses	-1,6	-0,5	-3,2	-1,8	-5,9	-7,6	-7,3
Other operating income and expenses	0,3	1,3	0,7	1,1	-0,3	-0,3	-0,7
Operating profit	5,4	4,7	10,4	6,9	13,8	14,9	17,3
Financial income and expenses	-1,5	-0,7	-2,5	-1,3	-3,5	-4,4	-4,7
Result after financial expenses	3,9	4,0	7,9	5,6	10,3	10,5	12,6
Taxes	-0,9	-0,7	-2,0	-0,9	-1,6	-1,8	-2,9
Net result for the period	3,0	3,3	5,9	4,7	8,7	8,7	9,7
Earnings per share before dilution		2,25		3,11	5,94	5,94	7,97
Earnings per share after dilution	0,15	0,17	0,30	0,24	0,28	0,28	0,48
Average number of shares in the period in thousands	20 000	938	946	938	930	930	944
Number of shares after dilution in thousands	20 000	-	20 000	-	-	-	20 000

Number of shares increased to total 20 million in connection with the IPO, 27th of March 2014.

STATEMENT OF COMPREHENSIVE INCOME

	3 Months	3 Months	6 Months	6 Months	12 Months	12 Months	12 Months
	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014	1.) Jan-Dec 2014	2.) Jul-Jun 2014/2015
Net result for the period	3,0	3,3	5,9	4,7	8,7	8,7	9,7
Other comprehensive income:							
Items that may be reclassified to the income statement							
Translation differences	0,6	-0,5	2,7	-1,7	-4,7	-4,7	-0,3
Tax related to items that may be reclassified	0,0	0,0	0,0	0,0	0,0	0,0	0,0
	0,6	-0,5	2,7	-1,7	-4,7	-4,7	-0,3
Items that will not be reclassified to the income statement							
Actuarial gains and losses on defined-benefit pension	0,0	0,0	0,0	0,0	-0,6	-0,6	-0,6
Tax related to items that may be reclassified	0,0	0,0	0,0	0,0	0,1	0,1	0,1
	0,0	0,0	0,0	0,0	-0,5	-0,5	-0,5
Other comprehensive income, net of tax	0,6	-0,5	2,7	-1,7	-5,2	-5,2	-0,8
Total comprehensive income for the period	3,6	2,8	8,6	3,0	3,5	3,5	8,9

Adjusted operating result	3 Months	3 Months	6 Months	6 Months	12 Months	12 Months	12 Months
	Apr-Jun 2015	Apr-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014	1.) Jan-Dec 2014	2.) Jul-Jun 2014/2015
Operating result	5,4	4,7	10,4	6,9	13,8	14,9	17,3
Extra ordinary cost in connection with Acquisitions	0,0	0,2	0,0	0,4	0,4	0,4	0,0
Extra ordinary cost in connection with IPO	0,0	0,0	0,0	0,0	1,0	1,0	1,0
Extra ordinary cost in connection capital gain property	0,0	-1,1	0,0	-1,1	-0,2	-0,2	0,9
Extra ordinary cost Satech Jan-June 2014	0,0	0,0	0,0	0,0	0,0	0,2	0,0
	0,0	-0,9	0,0	-0,7	1,2	1,4	1,9
Adjusted operating result	5,4	3,8	10,4	6,2	15,0	16,3	19,2

1.) Column 2014 includes Satech figures as if the Acquisition was completed 1:st of January 2014.

2.) Column Apr-Mar includes Satech figures as if the Acquisition was completed 1:st of January 2014.

STATEMENT OF FINANCIAL POSITION

	2015	2014	2014
M Euro	30-jun	30-jun	31-dec
Assets			
Intangible assets	82,6	83,1	80,7
Tangible assets	17,8	15,7	15,6
Financial fixed assets	2,6	2,4	0,4
Total fixed assets	103,0	101,2	96,7
Inventories	8,0	6,8	6,5
Current receivables	24,1	13,1	20,0
Cash and cash equivalents	4,7	22,2	13,2
Total current assets	36,8	42,1	39,7
TOTAL ASSETS	139,8	143,3	136,4
Equity and liabilities			
Equity	51,8	52,5	43,2
Long-term liabilities	65,1	74,0	73,2
Current liabilities	22,9	16,8	20,0
TOTAL EQUITY AND LIABILITIES	139,8	143,3	136,4
Interest-bearing net debt amount to:	51,9	49,9	53,4

STATEMENT OF CHANGES IN EQUITY ATTRIBUTE TO THE PARENT COMPANY'S SHAREHOLDER

Opening balance	43,2	45,9	45,9
Reduction of the share capital	-	-	-9,8
New share issue	-	-	0,0
Non cash-issue	-	3,6	3,6
Total comprehensive income for the period	8,6	3,0	3,5
Closing balance	51,8	52,5	43,2

CASH FLOW

	3 Months	3 Months	6 Months	6 Months	12 Months
M Euro	2015	2014	2015	2014	2014
	30-jun	30-jun	30-jun	30-jun	31-dec
Operating profit	5,0	4,7	10,4	6,9	13,8
Interest received and paid, tax paid and adjustments	-1,1	-1,1	-2,6	-0,9	-3,4
Changes in working capital	-2,2	-1,5	-2,8	-2,8	0,8
Cash flow from operating activities	1,7	2,1	5,0	3,2	11,2
Net investments	-2,1	-19,4	-3,3	-19,5	-18,2
Cash flow after investing activities	-0,4	-17,3	1,7	-16,3	-7,0
Financing activities	-10,1	23,0	-10,1	23,0	5,7
Cash flow for the period	-10,5	5,7	-8,4	6,7	-1,3
Cash and cash equivalents at the start of the period	15,2	16,5	13,2	15,4	15,5
Translation difference in cash and cash equivalents	0,0	0,0	-0,1	0,1	-1,0
Cash and cash equivalents at the end of the period	4,7	22,2	4,7	22,2	13,2

PARENT COMPANY - SUMMARY

INCOME STATEMENT	3 Months		3 Months		6 Months		6 Months		12 Months	
	Apr-Jun	2015	Apr-Jun	2014	Jan-Jun	2015	Jan-Jun	2014	Jan-Dec	2014
M Euro										
Administrative expenses	-0,1		0,0		-0,3		-0,1		-1,0	
Other operating income and expenses	0,0		0,0		0,0		0,0		0,0	
Operating profit	-0,1		0,0		-0,3		-0,1		-1,0	
Financial income and expenses	0,0		0,0		0,0		0,0		1,9	
Result after financial expenses	-0,1		0,0		-0,3		-0,1		0,9	
Year-end appropriations	0,0		0,0		0,0		0,0		-0,7	
Profit before tax	-0,1		0,0		-0,3		-0,1		0,2	
Taxes	0,1		0,0		0,1		0,0		-0,2	
Net result for the period	0,0		0,0		-0,2		-0,1		0,0	

STATEMENT OF COMPREHENSIVE INCOME	3 Months	3 Months	6 Months	6 Months	12 Months
	Apr-Jun	2015	Apr-Jun	2014	Jan-Dec
Net result for the period	0,0		0,0		0,0
Other comprehensive income, net of tax	0,0		0,0		0,0
Total comprehensive income for the period	0,0		0,0		0,0

STATEMENT OF FINANCIAL POSITION	30-jun	30-jun	CASH FLOW	Jan-Jun	Jan-Jun
	2015	2014	M Euro	2015	2014
M Euro					
Assets			Operating profit	-0,2	-0,1
Financial fixes assets	7,8	7,8	Interest received and paid, tax paid, adjustments	0,0	0,0
Total fixed assets	7,8	7,8	Changes in working capital	0,0	0,0
Current receivables	38,2	37,9	Cash flow from operating activities	-0,2	-0,1
Cash and cash equivalents	0,0	0,0		0,0	0,0
Total current assets	38,2	37,9	Net investments	0,0	0,0
TOTAL ASSETS	46,0	45,7	Cash flow after investing activities	-0,2	-0,1
Equity and liabilities			Financing activities	0,1	0,1
Equity	35,0	45,7	Cash flow for the period	-0,1	0,0
Long-term liabilities	10,7	0,0	Cash at the start of the period	0,1	0,0
Current liabilities	0,3	0,0	Translation difference	0,0	0,0
TOTAL EQUITY AND LIABILITIES	46,0	45,7	Cash at the end of the period	0,0	0,0

FINANCIAL TARGETS

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

Growth	Troax's objective is to exceed the growth in the company's current markets through organic growth, as well as selective acquisitions.
Profitability	Troax's target is to have an operating margin in excess of 20%.
Financial Structure	Net debt in relation to EBITDA, excluding temporary deviations, shall not exceed 2.5 times
Dividend	Troax's target is to pay approximately 50 per cent of its net profit in dividends. The dividend proposal shall take into account 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 have 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.

RISK AND RISK ASSESSMENT

Exposure for risk is a natural part of business activity which is reflected in Troax approach to risk assessments. The aim is to identify and prevent and reduce the risks and limit the damages these risk might cause. The most essential risk for the Group is related to how the general business cycle affects demand.

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 with high production, the company normally ties up more money in Working Capital. Cash is then released from working capital after a high season when produced goods are installed and the customer's receivables paid.

TRANSACTIONS

At the start of the period there was a shareholder agreement between FSN and other shareholders in the company. This agreement was cancelled and has expired in connection with the listing on NASDAQ Stockholm at the end of March.

EMPLOYEES

At the end of the period the Group had 429 (401) employee. Temporary staff accounts for 15 of the increase of 28.

OTHER EVENTS DURING SECOND QUARTER

Troax Group AB (publ) held an extraordinary general meeting in May where three new members of the board were elected and two resigned. The Troax bond was noted and the company amortized approximately 10 MEUR according to agreement with the bondholders.

A merge between Troax Group AB (publ) and its subsidiary Troax Corp AB has been started and is expected to be finished during the autumn 2015.

A positive decision for the Group has been made by the authorities concerning the environmental issue of trichloroethylene (TRI). A reduced monitoring programme will continue, but no additional actions or costs are expected.

AUDIT

This report has not been reviewed by the auditors.

NEXT REPORT

Interim report for the period January - September

6th November 2015

PHONE CONFERENCE

Invitation to presentation of the second quarter result:

Thomas Widstrand, CEO presents the result on a phone conference on the 14th of August 2015 at 10:00 CET. Conference will be held in English. For more information see www.troax.com.

Hillerstorp 14-08-2015

Lennart Sundén
Chairman of Board

Curt Germundsson
Board Member

Peter Möller
Board Member

Jan Svensson
Board Member

Anna Stålenbring
Board Member

Per Borgvall
Board Member

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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 on 14th of August, 2015 at 08.00.

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