

INTERIM REPORT JANUARY - SEPTEMBER 2015

JULY – SEPTEMBER 2015

- Order intake increased by 13 per cent.
- Sales increased 20 per cent to 25,6 (21,3) MEUR.
- Operating profit increased to 5,4 (3,8) MEUR.
- Operating margin increased to 21.1 (17,8) per cent.
- Adjusted operating profit increased to 5,4 (3,8) MEUR. *)
- Adjusted operating margin increased to 21,1 (17,8) per cent, mostly explained by higher volumes. *)
- Earnings per share was 0,18 (0,12) EUR.

JANUARY – SEPTEMBER 2015

- Order intake increased 28 per cent. Adjusted for acquisition, the growth was 12 per cent.
- Net sales increased with 28 per cent to 75,8 (59,2) MEUR. Adjusted for acquisition, the growth was 13 per cent.
- Operating profit increased to 15,8 (10,7) MEUR.
- Operating margin increased to 20,8 (18,1) per cent.
- Adjusted operating profit increased to 15,8 (10,0) MEUR. *)
- Adjusted operating margin increased to 20,8 (16,9) per cent explained by increased volumes. *)
- Earnings per share was 0,47 (0,35) EUR.

*) Adjusted operating result is described on page 5.

TROAX GROUP FIGURES

M Euro	3 Months	3 Months	9 Months	9 Months	12 Months	12 Months	12 Months
	July-Sep 2015	July-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Jan-Dec 2014	1.) Jan-Dec 2014	Oct-Sep 2014/2015
Order intake	25,4	22,4	77,1	60,3	92,6	96,5	102,8
Sales	25,6	21,3	75,8	59,2	84,5	91,2	101,2
Gross profit	10,8	9,0	32,3	23,8	34,6	38,3	43,2
Gross margin, %	42,2	42,3	42,6	40,2	40,9	42,0	42,7
Operating profit	5,4	3,8	15,8	10,7	13,8	14,9	18,9
Operating margin, %	21,1	17,8	20,8	18,1	16,3	16,3	18,7
Adjusted operating profit	5,4	3,8	15,8	10,0	15,0	16,3	20,8
Adjusted operating margin, %	21,1	17,8	20,8	16,9	17,8	17,9	20,6
Profit after tax	3,5	2,3	9,4	7,0	8,7	8,7	10,9
Adjusted EBITDA	5,9	4,4	17,4	11,7	17,3	18,6	23,0
Adjusted EBITDA margin, %	23,0	20,7	23,0	19,8	20,5	20,4	22,7
Earnings per share after dilution	0,18	0,12	0,47	0,35	0,28	0,28	0,55
Closing rate SEK/EUR	9,41	9,18	9,41	9,18	9,52	9,52	9,41

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

CEO COMMENTS

During the third quarter, Troax continued the positive trend from 2014 with increased order levels and results. The organic growth increased during the third quarter with 13 per cent, for comparable units in the same period last year. The development has been especially positive in the Nordic countries and New Markets. Our development in the New Markets has improved during the period as regards sales invoiced, albeit from a low level. We have received a few important orders to the automotive sector in the Far East.

In North America we have a positive development in order intake, but no major breakthrough with significant potential customers yet. At the end of the quarter In Continental Europe, we have noted customer's greater caution to new large industrial investments.

Sales increased with 20 per cent, compared with the same period last year. The development has been especially positive in the Continental Europe, Nordic countries and New Markets. Nordic region have had a strong development in Property Protection.

The positive result development has continued, mainly due to higher sales and a continuous good capacity utilization in our manufacturing units. The adjusted operating profit amounted to 5,4 (3,8) MEUR for the period, which is more than 40 per cent higher than third quarter last year. 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, with a certain increase of receivables by the quarter end, due to the relative high invoicing level.. We have continued our good cash flow generation, the Net Debt has decreased by 2,7 MEUR, even though during this quarter, we have continued to pay some parts of the main investment in the new paint line that will be finished during Q1 2016.

After the third quarter, the company Lagermix Rullportar AB was acquired, which will add products and solutions to Troax customers in the growing market for self-storage.

The company do not make any forecast for the whole year.

Thomas Widstrand, CEO and President

THE GROUP SUMMARY

JULY - SEPTEMBER

Total Order intake increased during third quarter, only the UK region had the same volume. Order intake amounted to 25,4 (22,4) MEUR and was slightly lower than sales. During the period, order intake increased with 13 per cent for comparable units.

Net sales amounted to 25,6 (21,3) MEUR, an increase with 20 per cent. All market segments increased their net sales. As regards geographical development, Continental Europe, Nordic region and New Markets developed well.

Adjusted operating result amounted to 5,4 (3,8) MEUR, corresponding to an operating margin of 21,1 (17,8) per cent. The increase in result is mainly explained by higher volumes and a continued good capacity utilization.

JANUARY - SEPTEMBER

Order intake amounted to 77,1 (60,3) MEUR and was higher than Sales. During the period, the order intake increased by 12 per cent for comparable units versus the same period last year.

Sales amounted to 75,8 (59,2) MEUR, equal to an increase of 28 per cent of which 13 per cent for comparable units. All market segments increased. Especially the UK, Nordic regions and New Markets developed well.

The adjusted operating profit amounted to 15,8 (10,0) MEUR giving an operating margin of 20,8 (16,9) per cent. The acquired company Satech from last year has continued to develop well.

FINANCIAL NET

The group financial net was -0,9 (-1,1) MEUR in the third quarter. The reduction is explained by the amortization of 10 MEUR to the bondholder, June 2015.

TAXES

Taxes increased to 1,0 (0,4) MEUR in the quarter. The increase is mainly due to higher result and the higher tax rates in the company in Italy.

NET RESULT

Net result for the third quarter period amounted to 3,5 (2,3) MEUR. The increase is related to higher Sales and high usage of production capacity.

CASH FLOW, WORKING CAPITAL AND NET DEBT

Cash flow from operating activities was 4,2 (7,5) MEUR. Working Capital has increased due to high level of sales by the end of the quarter. Net debt was 49,2 (58,0) MEUR at the end of the period. Net debt to EBITDA was 2,1 to be compared with the company's financial targets less 2,5.

INVESTMENTS

In the third quarter 2015 Troax invested 1,7 (0,0) 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 M Euro	3 Months			3 Months			9 Months			9 Months			12 Months			12 Months		
	July-Sep		Diff	July-Sep		Diff	Jan-Sep		Diff	Jan-Sep		Diff	1.) Jan-Dec		Diff	Oct-Sep		Diff
	2015	2014		2015	2014		2015	2014		2015	2014		2014	2014/2015				
Continental Europe	13,0	12,9	1%	31,8	31,4	1%	52,9	56,1	6%									
Nordic region	4,8	3,8	26%	15,0	13,2	14%	18,8	20,6	10%									
United Kingdom	4,4	4,4	0%	13,4	11,6	16%	15,3	17,1	12%									
New Markets	3,2	1,3	146%	7,4	4,1	80%	5,6	9,0	61%									
Order intake excl Acquisitions	25,4	22,4	13%	67,6	60,3	12%												
Acquisitions	0,0	0,0		9,5	0,0													
Total Order intake	25,4	22,4	13%	77,1	60,3	28%	92,6	102,8	11%									
Total Sales M Euro	3 Months			3 Months			9 Months			9 Months			12 Months			12 Months		
	July-Sep		Diff	July-Sep		Diff	Jan-Sep		Diff	Jan-Sep		Diff	1.) Jan-Dec		Diff	Oct-Sep		Diff
	2015	2014		2015	2014		2015	2014		2015	2014		2014	2014/2015				
Continental Europe	13,8	12,2	13%	32,3	31,5	3%	52,3	55,4	6%									
Nordic region	4,7	3,8	24%	14,3	12,3	16%	17,6	19,7	12%									
United Kingdom	4,4	4,1	7%	13,2	11,5	15%	15,5	17,3	12%									
New Markets	2,7	1,2	125%	6,9	3,9	77%	5,7	8,8	54%									
Sales excl. Acquisitions	25,6	21,3	20%	66,7	59,2	13%												
Acquisitions	0,0	0,0		9,1	0,0													
Total Sales	25,6	21,3	20%	75,8	59,2	28%	91,1	101,2	11%									

1.) Column 2014 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	9 Months	9 Months	12 Months	12 Months	12 Months
	July-Sep 2015	July-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Jan-Dec 2014	1.) Jan-Dec 2014	Oct-Sep 2014/2015
Sales	25,6	21,3	75,8	59,2	84,5	91,2	101,2
Cost of goods sold	-14,8	-12,3	-43,5	-35,4	-49,9	-52,9	-58,0
Gross profit	10,8	9,0	32,3	23,8	34,6	38,3	43,2
Sales expenses	-4,0	-3,6	-12,6	-10,8	-14,6	-15,5	-16,5
Administrative expenses	-1,3	-1,4	-4,5	-3,2	-5,9	-7,6	-7,2
Other operating income and expenses	-0,1	-0,2	0,6	0,9	-0,3	-0,3	-0,6
Operating profit	5,4	3,8	15,8	10,7	13,8	14,9	18,9
Financial income and expenses	-0,9	-1,1	-3,4	-2,4	-3,5	-4,4	-4,4
Result after financial expenses	4,5	2,7	12,4	8,3	10,3	10,5	14,5
Taxes	-1,0	-0,4	-3,0	-1,3	-1,6	-1,8	-3,6
Net result for the period	3,5	2,3	9,4	7,0	8,7	8,7	10,9
Earnings per share after dilution	0,18	0,12	0,47	0,35	0,44	0,44	0,55
Number of shares after dilution in thousands	20 000	20 000	20 000	20 000	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	9 Months	9 Months	12 Months	12 Months	12 Months
	July-Sep 2015	July-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Jan-Dec 2014	1.) Jan-Dec 2014	Oct-Sep 2014/2015
Net result for the period	3,5	2,3	9,4	7,0	8,7	8,7	10,9
Other comprehensive income:							
Items that may be reclassified to the income statement							
Translation differences	-2,1	-1,0	0,6	-2,7	-4,7	-4,7	-1,4
Tax related to items that may be reclassified	0,0	0,0	0,0	0,0	0,0	0,0	0,0
	-2,1	-1,0	0,6	-2,7	-4,7	-4,7	-1,4
Items that will not be reclassified to the income statement							
Actuarial gains and losses on defined-benefit pension commitment	0,0	-0,5	0,0	-0,5	-0,6	-0,6	-0,1
Tax related to items that may be reclassified	0,0	0,1	0,0	0,1	0,1	0,1	0,1
	0,0	-0,4	0,0	-0,4	-0,5	-0,5	0,0
Other comprehensive income, net of tax	-2,1	-1,4	0,6	-3,1	-5,2	-5,2	-1,4
Total comprehensive income for the period	1,4	0,9	10,0	3,9	3,5	3,5	9,5

Adjusted operating result

	3 Months	3 Months	9 Months	9 Months	12 Months	12 Months	12 Months
	July-Sep 2015	July-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Jan-Dec 2014	1.) Jan-Dec 2014	Oct-Sep 2014/2015
Operating result	5,4	3,8	15,8	10,7	13,8	14,9	18,9
Extra ordinary cost in connection with Acquisitions	0,0	0,0	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	0,0	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	0,0	0,0	-0,7	1,2	1,4	1,9
Adjusted operating result	5,4	3,8	15,8	10,0	15,0	16,3	20,8

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

STATEMENT OF FINANCIAL POSITION

M Euro	2015 30-sep	2014 30-sep	2014 31-dec
Assets			
Intangible assets	81,3	81,6	80,7
Tangible assets	17,5	15,5	15,6
Financial fixed assets	2,1	2,2	0,4
Total fixed assets	100,9	99,3	96,7
Inventories	7,6	6,8	6,5
Current receivables	23,4	13,3	20,0
Cash and cash equivalents	7,4	14,9	13,2
Total current assets	38,4	35,0	39,7
TOTAL ASSETS	139,3	134,3	136,4
Equity and liabilities			
Equity	53,2	43,6	43,2
Long-term liabilities	64,9	74,0	73,2
Current liabilities	21,2	16,7	20,0
TOTAL EQUITY AND LIABILITIES	139,3	134,3	136,4
Net debt = Loan (Bond) less cash and equivalents	49,2	58,0	53,4

STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE PARENT COMPANY'S SHAREHOLDERS

Opening balance	43,2	45,9	45,9
Reduction of the share capital	-	-9,8	-9,8
New share issue	-	-	0,0
Non cash-issue	-	3,6	3,6
Total comprehensive income for the period	10,0	3,9	3,5
Closing balance	53,2	43,6	43,2

CASH FLOW

M Euro	3 Months 2015 30-sep	3 Months 2014 30-sep	9 Months 2015 30-sep	9 Months 2014 30-sep	12 Months 2014 31-dec
Operating profit	5,4	3,8	15,8	10,7	13,8
Interest received and paid, tax paid and adjustments	-2,2	-2	-4,8	-2,9	-3,4
Changes in working capital	1,0	5,7	-1,8	2,9	0,8
Cash flow from operating activities	4,2	7,5	9,2	10,7	11,2
Net investments	-1,7	0,0	-5,0	-19,5	-18,2
Cash flow after investing activities	2,5	7,5	4,2	-8,8	-7,0
Financing activities	0,1	-14,9	-10,0	8,1	5,7
Cash flow for the period	2,6	-7,4	-5,8	-0,7	-1,3
Cash and cash equivalents at the start of the period	4,7	22,2	13,2	15,4	15,5
Translation difference in cash and cash equivalents	0,1	0,1	0,0	0,2	-1,0
Cash and cash equivalents at the end of the period	7,4	14,9	7,4	14,9	13,2

PARENT COMPANY - SUMMARY

INCOME STATEMENT	3 Months	3 Months	9 Months	9 Months	12 Months
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
M Euro	2015	2014	2015	2014	2014
Administrative expenses	0,5	0,1	0,2	0,0	-1,0
Other operating income and expenses	0,0	0,0	0,0	0,0	0,0
Operating profit	0,5	0,1	0,2	0,0	-1,0
Financial income and expenses	-3,0	0,0	-3,0	0,0	1,9
Result after financial expenses	-2,5	0,1	-2,8	0,0	0,9
Year-end appropriations	0,0	0,0	0,0	0,0	-0,7
Profit before tax	-2,5	0,1	-2,8	0,0	0,2
Taxes	0,5	0,0	0,6	0,0	-0,2
Net result for the period	-2,0	0,1	-2,2	0,0	0,0

STATEMENT OF COMPREHENSIVE INCOME	30-sep	30-sep	30-sep	30-sep	30-sep
	2015	2014	2015	2014	2014
Net result for the period	-2,0	0,1	-2,2	0,0	0,0
Other comprehensive income, net of tax	1,3	0,0	1,3	0,0	0,0
Total comprehensive income for the period	-0,7	0,1	-0,9	0,0	0,0

STATEMENT OF FINANCIAL POSITION	30-sep	30-sep
	2015	2014
M Euro		
Assets		
Financial fixes assets	87,7	8,1
Total fixed assets	87,7	8,1
Current receivables	4,7	37,9
Cash and cash equivalents	0,0	0,0
Total current assets	4,7	37,9
TOTAL ASSETS	92,4	46,0
Equity and liabilities		
Equity	34,2	36,3
Long-term liabilities	57,5	0,0
Current liabilities	0,7	9,7
TOTAL EQUITY AND LIABILITIES	92,4	46,0

CASH FLOW	30-sep	30-sep
	2015	2014
M Euro		
Operating profit	0,2	0,0
Interest received and paid, tax paid	-2,4	0,0
Changes in working capital	2,1	0,0
Cash flow from operating activities	-0,1	0,0
Net investments	0,0	0,0
Cash flow after investing activities	-0,1	0,0
Financing activities	0,0	0,0
Cash flow for the period	-0,1	0,0
Cash at the start of the period	0,1	0,0
Translation difference	0,0	0,0
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 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.

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 434 (401) employee. Temporary staff accounts for 15 of the increase of 33.

OTHER EVENTS DURING THIRD QUARTER

The merge between Troax Group AB (publ) and its subsidiary Troax Corp AB has been completed in September 2015.

OTHER EVENTS AFTER THE THIRD QUARTER

In October 2015 Troax acquired all shares in Lagermix Rullportar AB. The company has an estimated annual turnover of approximately 10 MSEK, (1,1 MEUR). There will be no or only marginal impact on the profit per share in Troax Group AB

AUDIT

This report has been reviewed by the auditors.

NEXT REPORT

Year-end report period January – December, 16th of February 2016.

SHAREHOLDERS MEETING

The Annual General Meeting will be held at Troax in Hillerstorp on the 10th May 2016, at 15:00hrs Shareholders who wish to add topics to be the handled during the Shareholders Meeting can send their suggestions to the Chairman, Troax Group AB, attention "Topic for the Shareholders Meeting", Box 89, 330 33 Hillerstorp, Sweden.

The topics must arrive at least seven weeks prior to the meeting, and by the 22nd March 2016 at the latest, enabling them to be presented in the notice to the meeting.

ELECTION COMMITTEE

At the Annual General Meeting on the 5th March 2015 it was decided to set up an Election Committee for the 2016 Annual General Meeting. The elected Members were Lennart Sundén (Chairman of the Board), Bo Adrianzon (representing FSN Capital III Limited Partnership), Stefan Henningsson (representing shareholder Thomas Widstrand) and Kennet Lundberg (representing shareholder Ola Österberg). Bo Adrianzon was elected Chairman of the Election Committee.

The Shareholders Meeting decided that the Election Committee should have 4 members of whom 3 members are to represent the largest shareholders. The 4th member should be the Chairman of the Board. On the 30th of October 2015 the 3 largest shareholder were Investment AB Latour, Cage Holding Limited and Svolder AB, all of whom were appointed to the Election Committee for the Annual General Meeting 2016 in Troax Group AB:

- Anders Mörck – Investmentaktiebolaget Latour
- Peter Möller– Cage Holding Limited
- Ulf Hedlund – Svolder AB
- Lennart Sundén – Chairman of the Board

The Election Committee will prepare proposals to the Annual General Meeting 2016 for:

- Chairman for the Annual General Meeting,
- Board members
- Chairman of the Board
- Remuneration to the Board
- Auditors
- Auditors fee
- Possible changes to the Election Committee instruction.

Shareholders who wish to leave suggestions for the Election Committee can send them to Troax Group AB, Attention: Election Committee Anders Mörck, Box 89, 330 33 Hillerstorp, Sweden.

PHONE CONFERENCE

Invitation to presentation of the third quarter result:

Thomas Widstrand, CEO presents the result on a phone conference on the 6th of November 2015 at 10:00a.m. CET. The conference will be held in English. For more information please refer to www.troax.com.



Hillerstorp 06 -11- 2015

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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 6th of November, 2015 at 08.00.

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