

## YEAR-END REPORT 2017

### OCTOBER – DECEMBER 2017

- Order intake increased by 17 per cent to 38,4 (32,8) MEUR. Adjusted for acquisition and currency the increase was 4 per cent.
- Sales increased 29 per cent to 41,0 (31,9) MEUR. Adjusted for acquisition and currency the increase was 15 per cent.
- Operating profit decreased to 8,3 (9,4) MEUR. Prior year a redemption of the bond and the revaluation of the pension liability influenced the operating result positively by 1,2 MEUR.
- Operating margin decreased to 20,2 (29,5) per cent.
- Financial net was -0,3 (-1,1) MEUR, a decrease that is related to the redemption of the bond that took place in June 2017.
- The cost for income tax is impacted by -2,2 MEUR due to a reduction of corporation tax in USA from 35% to 21%. The impact is related to the acquisition of Folding Guard.
- Profit after tax decreased to 4,1 (6,4) MEUR.
- Earnings per share decreased to 0,21 (0,32) EUR.

### JANUARY – DECEMBER 2017

- Order intake increased by 27 per cent to 152,0 (119,6) MEUR. Adjusted for acquisition and currency the increase was 13 per cent.
- Sales increased 31 per cent to 152,1 (115,8) MEUR. Adjusted for acquisition and currency the increase was 17 per cent.
- Operating profit increased to 30,6 (25,3) MEUR.
- Operating margin increased to 20,1 (21,8) per cent.
- Financial net was -5,2 (-3,9) MEUR of which -2,3 MEUR is related to a one-time cost related to the redemption of the bond.
- The cost for income tax is impacted by -2,2 MEUR due to a reduction of corporation tax in USA from 35% to 21%. The impact is related to the acquisition of Folding Guard.
- Profit after tax increased to 17,1 (16,3) MEUR.
- Earnings per share was 0,86 (0,82) EUR.
- The board suggest a dividend of 4,25 (3,75) SEK (Swedish Krona) per share

## TROAX GROUP FIGURES

MEUR	3 Months	3 Months	12 Months	12 Months	12 Months
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2017	2016	2017	2016	2015
Order intake	38,4	32,8	152,0	119,6	104,4
Sales	41,0	31,9	152,1	115,8	103,7
Gross profit	15,6	14,0	60,0	48,8	44,6
Gross margin, %	38,0	43,9	39,4	42,1	43,0
Operating profit	8,3	9,4	30,6	25,3	22,4
Operating margin, %	20,2	29,5	20,1	21,8	21,6
Profit after tax	4,1	6,4	17,1	16,3	13,7
EBITDA	9,0	10,4	33,7	28,0	24,6
EBITDA margin, %	22,0	32,6	22,2	24,2	23,7
Net debt / EBITDA	1,6	2,3	1,6	2,3	2,1
Earnings per share after dilution in €	0,21	0,32	0,86	0,82	0,69
Closing rate SEK/EUR	9,85	9,57	9,85	9,57	9,14
Earnings per share after dilution in SEK. 1.)	2,02	3,06	8,42	7,80	6,26

All figures from Jan 2017 includes Folding Guard.

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

2) Earnings per share 2017 excluding the impact from the lowering of the corporation tax in the USA is 0,32 (Oct-Dec) and 0,97 (Jan-Dec)

3) Earnings per share 2017 excluding the impact from the lowering of the corporation tax in the USA is 3,10 (Oct-Dec) and 9,51 (Jan-Dec)

## CEO COMMENTS

Troax had a continued good development during the fourth quarter 2017. The organic growth was 4 percent in orders received, and was not impacted by bigger one-time orders from the automotive industry which was the case in the same quarter of last year. However, the growth is to some extent lower in the fourth quarter also excluding these orders. The Group's order intake of the year was around 152 MEUR which is an increase of 27% or 13% excluding acquisition and currency. We have again received several important orders from customers within automotive, warehouse and property, which shows that the Troax offering is strong. The USA based company Folding Guard that was acquired in late 2016 is generally following their plans and has a positive trend. Our judgment also for this quarter is that the market development has been positive for the Group. The growth has been especially strong in Continental Europe and Nordic region, but also New markets have had a positive quarter. In the UK, we have again during the fourth quarter seen some negative effects of a weaker willingness to invest at some customer groups, probably caused by the uncertainty related to among others the Brexit issue. The orderbook at the end of the quarter is on a satisfying level.

The integration work of the acquired company (end of last year), Folding Guard is progressing well. The focus to realize the growth synergies from the acquisition remains strong and is expected to deliver greater effects during 2018. We can again confirm that the acquisition has so far been well received by important customers in the US. We see good opportunities to strengthen the customer base, long term, for both brands in the important market of North America. During 2018 we are planning to start up production of Troax products in our Chicago factory.

Sales increased in the quarter by 29 per cent compared with the same period last year (excluding acquisition and currency the increase is 15 per cent). The progress was positive in all markets except UK.

The result for the quarter is on the same level as last year if we exclude the impact from the redemption of the bond and the revaluation of the pension liability from last year's fourth quarter. We have now started to invest in marketing for both mature and new markets after having focused more on the integration of Folding Guard in 2017. For full year, excluding the impact from Folding Guard, the operating margin is at the same level in 2017 as in 2016.

The operating result was 8,3 (9,4) MEUR, which corresponds to a profit margin of 20,2 per cent to be compared with 29,5 per cent last year. It should be noted that the consolidation of Folding Guard still decreases the margin in percentage terms. We do however see clear possibilities to increase the margin also for Folding Guard long term.

The cost for income tax is impacted by -2,2 MEUR due to a reduction of corporation tax in USA from 35% to 21% and is related to a decrease in deferred tax assets that arose in conjunction with the acquisition of Folding Guard. The Net result amounts to 4,1 MEUR for the quarter compared to 6,4 MEUR last year.

The earnings per share for the fourth quarter are 0,21 EUR and for the year 0,86 EUR to be compared with 0,32 and 0,82 EUR respectively in 2016. Excluding the additional income tax cost of -2,2 MEUR in the fourth quarter the earnings per share is 0,32 EUR for the for the quarter and 0,97 EUR for the year.

The Working Capital is improved to some extent compared to previous quarter. Work in Progress has decreased and has transformed to accounts receivables as the sales has been good for the quarter. We have continued with good cash generation during the quarter and the net debt is now 54 MEUR and the key figure of our interest-bearing loan in comparison with EBITDA is now 1,6 which clearly is below our target for the Group. As the volume growth has been strong during the last years we have decided to increase the production capacity in our main factory in Hillerstorp. This will render an investment of approximately 5 MEUR and the machine is expected to be in production by the end of 2018.

**Thomas Widstrand, President and CEO**

## THE GROUP SUMMARY

### OCTOBER – DECEMBER

Total Order intake developed positively during the quarter. Order intake amounted to 38,4 (32,8) MEUR, an increase by 17 per cent or 4 per cent adjusted for acquisition and currency. All regions except the UK increased their order intake compared with the same period last year.

Net sales amounted to 41,0 (31,9) MEUR, an increase of 29 per cent, or 15 per cent adjusted for acquisitions and currency. All regions except the UK increased their net sales compared to the same period last year.

Operating result amounted to 8,3 (9,4) MEUR, corresponding to an operating margin of 20,2 (29,5) per cent. Prior year a redemption of the bond and the revaluation of the pension liability influenced the operating result positively by 1,2 MEUR.

The cost for income tax is impacted by -2,2 MEUR due to a reduction of corporation tax in USA from 35% to 21% and is related to a decrease in deferred tax assets that arose in conjunction with the acquisition of Folding Guard. Since January 2017 the acquired company Folding Guard is included in our financial reporting.

### JANUARY – DECEMBER

Total Order intake developed positively during the period. Order intake amounted to 152,0 (119,6) MEUR, an increase by 27 per cent or 13 per cent adjusted for acquisition and currency. All regions except the UK increased their order intake compared with the same period last year.

Net sales amounted to 152,1 (115,8) MEUR, an increase of 31 per cent, or 17 per cent adjusted for acquisitions and currency. All regions except for UK increased their net sales compared to the same period last year.

Operating result amounted to 30,6 (25,3) MEUR, corresponding to an operating margin of 20,1 (21,8) per cent. The increase in result is explained by higher sales volumes. Since January 2017 the acquired company Folding Guard is included in our financial reporting.

### FINANCIAL NET

Financial net was -0,3 (-1,1) MEUR in the quarter. The decrease is related to the redemption of the bond that took place in the second quarter of 2017 which rendered a one-time cost of -2,3 MEUR. Barring any other eventualities, this change in the company's financing structure will improve the finance net by 3,4 MEUR annually from now onwards.

### TAXES

Taxes increased to -3,9 (-1,9) MEUR in the quarter. The cost for income tax is impacted by -2,2 MEUR due to a reduction of corporation tax in USA from 35% to 21% and is related to a decrease in deferred tax assets that arose in conjunction with the acquisition of Folding Guard.

### NET RESULT

Net result for the quarter amounted to 4,1 (6,4) MEUR.

### CASH FLOW, WORKING CAPITAL AND NET DEBT

Cash flow from operating activities was 7,2 (7,3) MEUR. Net debt was 54,5 (63,9) MEUR at the end of the period. Net debt to EBITDA (including EBITDA from the acquired company Folding Guard) was 1,6 (2,1) to be compared with the company's financial targets of less than 2,5.

### INVESTMENTS

In the quarter, Troax invested 1,9 (25,1) MEUR and for the year Troax has invested 2,8 (27,6) MEUR. This year's investments are primarily related to investments in machinery.

## 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			12 Months			12 Months		
	Oct-Dec	Oct-Dec	Diff	Jan-Dec	Jan-Dec	Diff	Jan-Dec	Jan-Dec	Diff
MEUR	2017	2016		2017	2016		2016	2015	
Continental Europe	20,0	18,6	8%	77,5	65,5	18%	65,5	56,2	17%
Nordic region	7,0	6,2	13%	26,0	22,8	14%	21,4	20,9	2%
United Kingdom	3,5	4,5	-22%	17,0	18,0	-6%	20,3	17,4	17%
New Markets	3,5	3,5	0%	14,3	13,3	8%	13,5	9,5	42%
<b>Total excl Currency and Acq.</b>	<b>34,0</b>	<b>32,8</b>	<b>4%</b>	<b>134,8</b>	<b>119,6</b>	<b>13%</b>	<b>120,7</b>	<b>104,0</b>	<b>16%</b>
Currency effect	-0,4	0,0	-1%	-1,8	0,0	-2%	-2,8	0,0	-3%
Acquisitions	4,8	0,0		19,0	0,0		1,7	0,4	
<b>Total Order intake</b>	<b>38,4</b>	<b>32,8</b>	<b>17%</b>	<b>152,0</b>	<b>119,6</b>	<b>27%</b>	<b>119,6</b>	<b>104,4</b>	<b>15%</b>

  

Total Sales	3 Months			12 Months			12 Months		
	Oct-Dec	Oct-Dec	Diff	Jan-Dec	Jan-Dec	Diff	Jan-Dec	Jan-Dec	Diff
MEUR	2017	2016		2017	2016		2016	2015	
Continental Europe	20,9	17,4	20%	77,1	63,3	22%	63,4	56,0	13%
Nordic region	7,7	6,3	22%	25,9	22,4	16%	20,9	20,5	2%
United Kingdom	3,6	4,5	-20%	17,1	17,6	-3%	19,8	17,4	14%
New Markets	4,4	3,7	19%	15,0	12,5	20%	12,8	9,4	36%
<b>Total excl Currency and Acq.</b>	<b>36,6</b>	<b>31,9</b>	<b>15%</b>	<b>135,1</b>	<b>115,8</b>	<b>17%</b>	<b>116,9</b>	<b>103,3</b>	<b>13%</b>
Currency effect	-0,4	0,0	-1%	-1,8	0,0	-2%	-2,8	0,0	-3%
Acquisitions	4,8	0,0		18,8	0,0		1,7	0,4	
<b>Total Sales</b>	<b>41,0</b>	<b>31,9</b>	<b>29%</b>	<b>152,1</b>	<b>115,8</b>	<b>31%</b>	<b>115,8</b>	<b>103,7</b>	<b>12%</b>

\* Note that we report organic growth excluding currency effect.

## ABOUT TROAX

Troax is the leading global supplier of indoor perimeter protection ("metal-based mesh panel solutions") for the market segments: Machine guarding, Warehouse partitioning 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 36 countries. In 2017 Troax net sales amounted to around 152 MEUR and the number of employees amounted to about 670 persons. The Company's head office is located in Hillerstorp, Sweden. [www.troax.com](http://www.troax.com)

## THE GROUP – SUMMARY

### INCOME STATEMENT

MEUR	3 Months	3 Months	12 Months	12 Months	12 Months
	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016	Jan-Dec 2015
<b>Sales</b>	<b>41,0</b>	<b>31,9</b>	<b>152,1</b>	<b>115,8</b>	<b>103,7</b>
Cost of goods sold	-25,4	-17,9	-92,1	-67,0	-59,1
<b>Gross profit</b>	<b>15,6</b>	<b>14,0</b>	<b>60,0</b>	<b>48,8</b>	<b>44,6</b>
Sales expenses	-4,7	-4,0	-20,3	-18,0	-17,0
Administrative expenses	-2,1	-1,8	-8,4	-6,5	-6,3
Other operating income and expenses	-0,5	1,2	-0,7	1,0	1,1
<b>Operating profit</b>	<b>8,3</b>	<b>9,4</b>	<b>30,6</b>	<b>25,3</b>	<b>22,4</b>
Financial income and expenses	-0,3	-1,1	-5,2	-3,9	-4,1
<b>Result after financial expenses</b>	<b>8,0</b>	<b>8,3</b>	<b>25,4</b>	<b>21,4</b>	<b>18,3</b>
Taxes	-3,9	-1,9	-8,3	-5,1	-4,6
<b>Net result for the period</b>	<b>4,1</b>	<b>6,4</b>	<b>17,1</b>	<b>16,3</b>	<b>13,7</b>
Earnings per share before dilution	<b>0,21 €</b>	<b>0,32 €</b>	<b>0,86 €</b>	<b>0,82 €</b>	<b>0,88 €</b>
Number of shares after dilution in thousands	<b>20 000</b>	<b>20 000</b>	<b>20 000</b>	<b>20 000</b>	<b>15 510</b>
Earnings per share after dilution	<b>0,21 €</b>	<b>0,32 €</b>	<b>0,86 €</b>	<b>0,82 €</b>	<b>0,69 €</b>
Number of shares after dilution in thousands	<b>20 000</b>	<b>20 000</b>	<b>20 000</b>	<b>20 000</b>	<b>20 000</b>

Number of shares increased to total 20 million in connection with the IPO, 27th of March 2015.

### STATEMENT OF COMPREHENSIVE INCOME

	3 Months	3 Months	12 Months	12 Months	12 Months
	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016	Jan-Dec 2015
<b>Net result for the period</b>	<b>4,1</b>	<b>6,4</b>	<b>17,1</b>	<b>16,3</b>	<b>13,7</b>
<b>Other comprehensive income:</b>					
<b>Items that may be reclassified to the income statement</b>					
Translation differences	-3,6	0,4	-6,6	-3,8	2,9
Tax related to items that may be reclassified	0,0	0,0	0,7	0,0	0,0
	<b>-3,6</b>	<b>0,4</b>	<b>-5,9</b>	<b>-3,8</b>	<b>2,9</b>
<b>Items that will not be reclassified to the income statement</b>					
Actuarial gains and losses on defined-benefit pension commitment	-0,2	0,1	-0,2	-0,1	0,2
Tax related to items that may be reclassified	0,0	0,0	0,0	0,0	0,0
	<b>-0,2</b>	<b>0,1</b>	<b>-0,2</b>	<b>-0,1</b>	<b>0,2</b>
<b>Other comprehensive income, net of tax</b>	<b>-3,8</b>	<b>0,5</b>	<b>-6,1</b>	<b>-3,9</b>	<b>3,1</b>
<b>Total comprehensive income for the period</b>	<b>0,3</b>	<b>6,9</b>	<b>11,0</b>	<b>12,4</b>	<b>16,8</b>
<b>EBITDA</b>					
<b>Operating result</b>	<b>8,3</b>	<b>9,4</b>	<b>30,6</b>	<b>25,3</b>	<b>22,4</b>
<b>Depreciations</b>	<b>0,7</b>	<b>1,0</b>	<b>3,1</b>	<b>2,7</b>	<b>2,2</b>
<b>EBITDA</b>	<b>9,0</b>	<b>10,4</b>	<b>33,7</b>	<b>28,0</b>	<b>24,6</b>

All figures from Jan 2017 includes Folding Guard.

## STATEMENT OF FINANCIAL POSITION

MEUR	2017 31-dec	2016 31-dec	2015 31-dec
<b>Assets</b>			
Intangible assets	90,0	94,6	83,6
Tangible assets	20,1	19,7	18,4
Financial fixed assets	4,7	7,2	0,5
<b>Total fixed assets</b>	<b>114,8</b>	<b>121,5</b>	<b>102,5</b>
Inventories	10,7	10,6	8,0
Current receivables	32,6	28,2	22,8
Cash and cash equivalents	14,1	12,2	10,8
<b>Total current assets</b>	<b>57,4</b>	<b>51,0</b>	<b>41,6</b>
<b>TOTAL ASSETS</b>	<b>172,2</b>	<b>172,5</b>	<b>144,1</b>
<b>Equity and liabilities</b>			
Equity	69,1	65,9	60,0
Long-term liabilities	77,1	79,7	64,5
Current liabilities	26,0	26,9	19,6
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>172,2</b>	<b>172,5</b>	<b>144,1</b>
Net debt = Loan (Bond) less cash and equivalents	54,5	63,9	45,8

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

Opening balance	65,9	60,0	43,2
Dividends	-7,8	-6,5	-
Total comprehensive income for the period	11,0	12,4	16,8
<b>Closing balance</b>	<b>69,1</b>	<b>65,9</b>	<b>60,0</b>

## CASH FLOW

MEUR	3 Months 2017 31-dec	3 Months 2016 31-dec	12 Months 2017 31-dec	12 Months 2016 31-dec	12 Months 2015 31-dec
<b>Operating profit</b>	<b>8,3</b>	<b>9,4</b>	<b>30,6</b>	<b>25,3</b>	<b>22,4</b>
Interest received and paid, tax paid and adjustments	-1,3	-1,9	-8,9	-6,5	-4,5
Changes in working capital	0,2	-0,2	-3,0	-2,4	-4,6
<b>Cash flow from operating activities</b>	<b>7,2</b>	<b>7,3</b>	<b>18,7</b>	<b>16,4</b>	<b>13,3</b>
Net investments	-1,9	-25,1	-2,8	-27,6	-5,7
<b>Cash flow after investing activities</b>	<b>5,3</b>	<b>-17,8</b>	<b>15,9</b>	<b>-11,2</b>	<b>7,6</b>
Financing activities	0,0	19,6	-14,9	12,9	-10,0
<b>Cash flow for the period</b>	<b>5,3</b>	<b>1,8</b>	<b>1,0</b>	<b>1,7</b>	<b>-2,4</b>
Cash and cash equivalents at the start of the period	8,3	10,4	12,2	10,8	13,2
Translation difference in cash and cash equivalents	0,5	0,0	0,9	-0,3	0,0
<b>Cash and cash equivalents at the end of the period</b>	<b>14,1</b>	<b>12,2</b>	<b>14,1</b>	<b>12,2</b>	<b>10,8</b>

## PARENT COMPANY - SUMMARY

INCOME STATEMENT	3 Months	3 Months	12 Months	12 Months	12 Months
	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016	Jan-Dec 2015
<b>MEUR</b>					
Administrative expenses	-0,4	-0,9	-1,5	-1,2	-0,2
Other operating income and expenses	0,2	1,8	0,9	1,6	0,3
<b>Operating profit</b>	<b>-0,2</b>	<b>0,9</b>	<b>-0,6</b>	<b>0,4</b>	<b>0,1</b>
Financial income and expenses	-2,8	-1,1	-7,6	-3,8	-3,8
<b>Result after financial expenses</b>	<b>-3,0</b>	<b>-0,2</b>	<b>-8,2</b>	<b>-3,4</b>	<b>-3,7</b>
Year-end appropriations	9,8	7,6	9,8	7,6	9,2
<b>Profit before tax</b>	<b>6,8</b>	<b>7,4</b>	<b>1,6</b>	<b>4,2</b>	<b>5,5</b>
Taxes	-1,5	-1,6	-0,4	-0,9	-1,2
<b>Net result for the period</b>	<b>5,3</b>	<b>5,8</b>	<b>1,2</b>	<b>3,3</b>	<b>4,3</b>

STATEMENT OF COMPREHENSIVE INCOME					
Net result for the period	5,3	5,8	1,2	3,3	4,3
	2,9	0,0	0,0	0,0	0,0
	-0,7	0,0	0,0	0,0	0,0
Other comprehensive income, net of tax	2,2	0,0	0,0	0,0	0,0
<b>Total comprehensive income for the period</b>	<b>7,5</b>	<b>5,8</b>	<b>1,2</b>	<b>3,3</b>	<b>4,3</b>

### STATEMENT OF FINANCIAL POSITION

	31-dec 2017	31-dec 2016	31-dec 2015
<b>MEUR</b>			
<b>Assets</b>			
	87,7	87,7	87,7
Financial fixes assets	32,1	24,8	0,0
<b>Total fixed assets</b>	<b>119,8</b>	<b>112,5</b>	<b>87,7</b>
Current receivables	0,0	4,8	12,5
Cash and cash equivalents	0,0	0,0	0,0
<b>Total current assets</b>	<b>0,0</b>	<b>4,8</b>	<b>12,5</b>
<b>TOTAL ASSETS</b>	<b>119,8</b>	<b>117,3</b>	<b>100,2</b>
<b>Equity and liabilities</b>			
Equity	30,8	37,4	40,7
Untaxed reserve	1,9	1,3	0,0
Long-term liabilities	69,0	76,9	57,5
Current liabilities	18,1	1,7	2,0
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>119,8</b>	<b>117,3</b>	<b>100,2</b>

### CASH FLOW

	31-dec 2017	31-dec 2016	31-dec 2015
<b>MEUR</b>			
Operating profit before financial items	-0,6	0,4	0,1
Interest paid and received, taxes, adjustments	-4,8	-3,8	-4,5
Change in working capital	21,2	-17,4	12,3
<b>Cash flow from continuing operations</b>	<b>15,8</b>	<b>-20,8</b>	<b>7,9</b>
Investments	0,0	0,0	0,0
<b>Cash flow from investment activities</b>	<b>15,8</b>	<b>-20,8</b>	<b>7,9</b>
Cash flow from financing activities	-15,8	20,8	-8,0
<b>Cash flow for the period</b>	<b>0,0</b>	<b>0,0</b>	<b>-0,1</b>
Cash and cash equivalents at the beginning of the period	0,0	0,0	0,1
Translation difference	0,0	0,0	0,0
<b>Cash and cash equivalents at the end of the period</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>

## 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.

<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 EBITDA, excluding temporary deviations, shall not exceed 2.5 times
<b>Dividend</b>	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. The Annual report for 2016 is available on [www.troax.com](http://www.troax.com)

#### *Preparations for new accounting standards*

IFRS 15, Income from agreements with customers. The Group's net sales primarily refer to revenue from the sale of goods. Revenues from the sale of goods are recognized in the context of the significant risks and benefits associated with the ownership of the goods have been transferred to third parties, usually in connection with delivery to customers. Some sales contracts include the sale of an assembly service in combination with the sale of the product. According to the current accounting standard, sales from sales of goods attributable to contracts including an assembly service have been recognized when the contract has been completed in full, ie when the assembly service has been completed. According to IFRS 15, sales of goods attributable to contracts that include an assembly service will be reported as an income when the goods have been delivered to third parties, usually in connection with delivery to customers. The implementation of IFRS 15 will lead to a change in the Group's accounting policy which will be applied with forward-looking retroactive effect. This means that a translation of the opening balance will be made by 2018-01-01 and that no change will be made regarding the opening balance per 2017-01-01 or 2017 income statement. The changed accounting policy will affect the opening equity 2018-01-01 positive by 0.9 MEUR, corresponding to 1.2%.

IFRS 9, Financial Instruments, is not expected to have any effect on the Group's financial reporting.

### RISK AND RISK ASSESSMENT

Exposure to risk is a natural part of business activity which is reflected in the Troax approach to risk assessment. The aim is to identify and prevent and reduce the risks and limit the damages these risks might cause. The most essential risk for the Group is related to how the general business cycle effects demand. For further information, see the Annual report 2016 note 24.



## 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

No special transaction to report.

## EMPLOYEES

At the end of the period the Group had 673 (485) employees. Of the total increase of 188 employees, 146 are related to the acquired company Folding Guard.

## OTHER EVENTS DURING THE QUARTER

There is no other significant information to report for the fourth quarter.

## OTHER EVENTS AFTER THE QUARTER

There is no significant information to report after the fourth quarter.

## AUDIT

This report has not been reviewed by the auditors.

## NEXT REPORTS

Annual report 2017, will be published on [www.troax.com](http://www.troax.com) week 15, 2018.

Interim report Q1, 2nd of May 2018.

Interim report Q2, 15th of August 2018.

Interim report Q3, 8th of November 2018.

## DIVIDEND

The board suggest a dividend of 4,25 SEK (Swedish Krona) per share to the owners (3,75 SEK last year). Total 85 MSEK. The dividend is 50% of the Net result in 2017. The proposed reconciliation date for the dividend is the 4th of May 2018.

## SHAREHOLDERS MEETING

The Annual General Meeting will be held at Troax in Hillerstorp on the 2<sup>nd</sup> of May 2018, 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, 335 04 Hillerstorp, Sweden. The topics must arrive at least seven weeks prior to the meeting, and by the 14<sup>th</sup> of March 2018 at the latest, enabling them to be presented in the notice to the meeting. The complete notice to the shareholders meeting will be presented on the Troax website at the latest on 3rd of April. Applications to attend the shareholders meeting can be made from 3rd of April.

## PHONE CONFERENCE

Invitation to presentation of the second quarter result:

Thomas Widstrand, CEO presents the result on a phone conference on the 12th of February 2018 at 16:00 CET. The conference will be held in English. For more information, please refer to

<https://www.troax.com/en/news>.



Hillerstorp 2018-02-12

Thomas Widstrand  
President and CEO  
Tel +46 370 828 31  
[thomas.widstrand@troax.com](mailto:thomas.widstrand@troax.com)

Anders Eklöf  
CFO  
Tel +46 370 828 25  
[anders.eklof@troax.com](mailto:anders.eklof@troax.com)

*This information is information that Troax Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 12:30 CET on 12th of February 2018.*

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