

YEAR-END REPORT 2015

OCTOBER – DECEMBER 2015

- Order intake increased by 7 per cent, or 5 per cent adjusted for acquisition and currency.
- Sales increased 10 per cent to 27,9 (25,3) MEUR.
- Adjusted for acquisition and currency the Sales increased 8 per cent.
- Operating profit increased to 6,6 (3,1) MEUR.
- Operating margin increased to 23,7 (12,3) per cent.
- Adjusted operating profit increased to 6,6 (5,0) MEUR.*)
- Adjusted operating margin increased to 23,7 (19,8) per cent, mostly explained by higher volumes. *)
- Earnings per share was 0,22 (0,08) EUR.

JANUARY – DECEMBER 2015

- Order intake increased by 22 per cent. Adjusted for acquisition and currency, the growth was 9 per cent.
- Net sales increased with 23 per cent to 103,7 (84,5) MEUR. Adjusted for acquisition and currency, the growth was 10 per cent.
- Operating profit increased to 22,4 (13,8) MEUR.
- Operating margin increased to 21,6 (16,3) per cent.
- Adjusted operating profit increased to 22,4 (15,0) MEUR. *)
- Adjusted operating margin increased to 21,6 (17,8) per cent explained by increased volumes. *)
- Earnings per share was 0,69 (0,44) EUR.
- The board suggest a dividend of 3,00 SEK (Swedish Krona) per share.

*) Adjusted operating result is described on page 5.

TROAX GROUP FIGURES

M Euro	3 Months	3 Months	12 Months	12 Months	12 Months
	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014	1.) Jan-Dec 2014
Order intake	27,3	25,5	104,4	85,8	96,5
Sales	27,9	25,3	103,7	84,5	91,2
Gross profit	12,3	10,8	44,6	34,6	38,3
Gross margin, %	44,1	42,7	43,0	40,9	42,0
Operating profit	6,6	3,1	22,4	13,8	14,9
Operating margin, %	23,7	12,3	21,6	16,3	16,3
Adjusted operating profit 2.)	6,6	5,0	22,4	15,0	16,3
Adjusted operating margin, %	23,7	19,8	21,6	17,8	17,9
Profit after tax	4,3	1,7	13,7	8,7	8,7
Adjusted EBITDA	7,2	5,6	24,6	17,3	18,6
Adjusted EBITDA margin, %	25,8	22,1	23,7	20,5	20,4
Earnings per share after dilution	0,22	0,08	0,69	0,44	0,28
Closing rate SEK/EUR	9,14	9,52	9,14	9,52	9,52

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

2.) Adjusted result only effect 2014, and the adjustments are described in page 5.

CEO COMMENTS

During the 4th quarter Troax, as throughout 2015 showed a good development in orders with an increase of 7 percent, compared with the strong last quarter of 2014. The development was especially positive in The Nordic region and New Markets. The development in the New Markets has continued to improve, from a low level. We have, during the quarter, received important orders both in North America as well as the Far East. The development in North America is positive with increasing order levels. However, despite several important new orders, a major breakthrough with the very large potential customers, has not yet been recorded. In Continental Europe, we did note an improvement in orders from larger customers relating to bigger investment in industrial projects.

Sales increased in the quarter by 10 per cent, compared with the same period last year. The sales development was particularly positive in the Nordic region and the New Markets. The Nordic region's good development has been mainly driven by strong construction sector activity.

The positive result development has continued during the quarter, largely due to higher sales and continuing good capacity utilization in our manufacturing units. The adjusted operating profit increased to 6,6 (5,0) MEUR, which is 32 per cent higher than the fourth quarter 2014. The integration of Satech is progressing 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 somewhat increased during the quarter, with a certain increase of the receivables. This is due to increased turnover towards the end of the period. Good generation of cash flow continues, and the Net Debt is reduced to 45,5 MEUR, despite continued investments in the new paint line.

In total, for 2015 the order intake increased with approx. 9 per cent, adjusted for acquisitions and currency. This corresponds also to the volume increase. Compared with the estimated market increase of some 4-6 per cent, this means Troax continues to take market share. The total operating profit amounted to 22,4 MEUR (15,0 2014). This corresponds to an operating margin of 21,6 per cent.

Thomas Widstrand, President and CEO

THE GROUP SUMMARY

OCTOBER - DECEMBER

Total Order intake increased during fourth quarter. Order intake amounted to 27,3 (25,5) MEUR and was slightly lower than sales. During the period, order intake increased with 7 per cent, adjusted for acquisition and currency the increase was 5 per cent.

Net sales amounted to 27,9 (25,3) MEUR, an increase of 10 per cent, or 8 per cent adjusted for acquisitions and currency. All market segments increased their net sales. As regards geographical development, Nordic region and New Markets developed well.

Adjusted operating result amounted to 6,6 (5,0) MEUR, corresponding to an operating margin of 23,7 (19,8) per cent. The increase in result is mainly explained by higher volumes and a continued good capacity utilization.

JANUARY - DECEMBER

Order intake amounted to 104,4 (85,8) MEUR and was higher than Sales. During the period, the order intake increased by 9 per cent excluding acquisitions and currency.

Sales amounted to 103,7 (84,5) MEUR, equal to an increase of 23 per cent of which 10 per cent excluding acquisitions and currency. All market segments increased. Especially Nordic regions, New Markets and UK developed well. Changes in currency rates has given a positive impact on the Net Sales with 2 MEUR for the full year 2015.

The adjusted operating profit amounted to 22,4 (15,0) MEUR giving an operating margin of 21,6 (17,8) per cent. The acquired company Satech from last year has continued to develop well.

FINANCIAL NET

The group financial net was -0,7 (-1,1) MEUR in the fourth quarter. The reduction is explained by the amortization of 10 MEUR to the bondholder in June 2015.

TAXES

Taxes increased to 1,6 (0,3) 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 fourth quarter period amounted to 4,3 (1,7) MEUR. The increase is related to higher Sales and high usage of production capacity. During the fourth quarter of 2014 the result was effected with one-off items totaling 1,9 MEUR, before taxes.

CASH FLOW, WORKING CAPITAL AND NET DEBT

Cash flow from operating activities was 4,4 (0,5) MEUR. Working Capital has increased due to high level of sales by the end of the quarter. Net debt was 45,5 (53,4) MEUR at the end of the period. Net debt to EBITDA was 1,8 to be compared with the company's financial targets less 2,5.

INVESTMENTS

In the fourth quarter of 2015 Troax invested 0,7 (0,4) MEUR. The increase is primarily due to the ongoing investment of the new paint line in Hillerstorp, which will improve production efficiency and capacity.

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			12 Months			12 Months		
	Oct-Dec	Oct-Dec	Diff	Jan-Dec	Jan-Dec	Diff	Jan-Dec	1.) Jan-Dec	Diff			
M Euro	2015	2014		2015	2014		2015	2014				
Continental Europe	14,9	14,6	2%	46,7	46,0	2%	56,2	52,9	6%			
Nordic region	6,3	5,6	13%	21,3	18,8	13%	21,3	18,8	13%			
United Kingdom	4,0	3,7	8%	17,4	15,3	14%	17,4	15,3	14%			
New Markets	2,1	1,6	31%	9,5	5,7	67%	9,5	5,6	70%			
Order intake excl Acquisitions	27,3	25,5	7%	94,9	85,8	11%						
Acquisitions	0,0	0,0		9,5	0,0							
Total Order intake	27,3	25,5	7%	104,4	85,8	22%	104,4	92,6	13%			

Total Sales	3 Months			3 Months			12 Months			12 Months		
	Oct-Dec	Oct-Dec	Diff	Jan-Dec	Jan-Dec	Diff	Jan-Dec	1.) Jan-Dec	Diff			
M Euro	2015	2014		2015	2014		2015	2014				
Continental Europe	14,6	14,1	4%	46,9	45,6	3%	56,0	52,3	7%			
Nordic region	6,6	5,3	25%	20,9	17,6	19%	20,9	17,6	19%			
United Kingdom	4,2	4,0	5%	17,4	15,5	12%	17,4	15,5	12%			
New Markets	2,5	1,9	32%	9,4	5,8	62%	9,4	5,7	65%			
Sales excl. Acquisitions	27,9	25,3	10%	94,6	84,5	12%						
Acquisitions	0,0	0,0		9,1	0,0							
Total Sales	27,9	25,3	10%	103,7	84,5	23%	103,7	91,1	14%			

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: 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 33 countries. In 2015 Troax net sales amounted to around 103 MEUR and the number of employees amounted to about 440 persons. The Company's head office is located in Hillerstorp, Sweden. www.troax.com

THE GROUP - SUMMARY

M Euro	3 Months	3 Months	12 Months	12 Months	12 Months
	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014	1.) Jan-Dec 2014
Sales	27,9	25,3	103,7	84,5	91,2
Cost of goods sold	-15,6	-14,5	-59,1	-49,9	-52,9
Gross profit	12,3	10,8	44,6	34,6	38,3
Sales expenses	-4,4	-3,8	-17,0	-14,6	-15,5
Administrative expenses	-1,8	-2,7	-6,3	-5,9	-7,6
Other operating income and expenses	0,5	-1,2	1,1	-0,3	-0,3
Operating profit	6,6	3,1	22,4	13,8	14,9
Financial income and expenses	-0,7	-1,1	-4,1	-3,5	-4,4
Result after financial expenses	5,9	2,0	18,3	10,3	10,5
Taxes	-1,6	-0,3	-4,6	-1,6	-1,8
Net result for the period	4,3	1,7	13,7	8,7	8,7
Earnings per share before dilution	0,22 €	0,95 €	0,88 €	5,94 €	5,94 €
Number of shares after dilution in thousands	20 000	946	15 510	929	929
Earnings per share after dilution	0,22 €	0,08 €	0,69 €	0,44 €	0,44 €
Number of shares after dilution in thousands	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	12 Months	12 Months	12 Months
	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014	1.) Jan-Dec 2014
Net result for the period	4,3	1,7	13,7	8,7	8,7
Other comprehensive income:					
Items that may be reclassified to the income statement					
Translation differences	2,3	-2,0	2,9	-4,7	-4,7
Tax related to items that may be reclassified	0,0	0,0	0,0	0,0	0,0
	2,3	-2,0	2,9	-4,7	-4,7
Items that will not be reclassified to the income statement					
Actuarial gains and losses on defined-benefit pension commitments	0,2	-0,1	0,2	-0,6	-0,6
Tax related to items that may be reclassified	0,0	0,0	0,0	0,1	0,1
	0,2	-0,1	0,2	-0,5	-0,5
Other comprehensive income, net of tax	2,5	-2,1	3,1	-5,2	-5,2
Total comprehensive income for the period	6,8	-0,4	16,8	3,5	3,5
Adjusted operating result					
	3 Months	3 Months	12 Months	12 Months	12 Months
	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014	1.) Jan-Dec 2014
Operating result	6,6	3,1	22,4	13,8	14,9
Extra ordinary cost in connection with Acquisitions	0,0	0,0	0,0	0,4	0,4
Extra ordinary cost in connection with IPO	0,0	1,0	0,0	1,0	1,0
Extra ordinary cost in connection capital gain property	0,0	0,9	0,0	-0,2	-0,2
Extra ordinary cost Satech Jan-June 2014	0,0	0,0	0,0	0,0	0,2
	0,0	1,9	0,0	1,2	1,4
Adjusted operating result	6,6	5,0	22,4	15,0	16,3

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

STATEMENT OF FINANCIAL POSITION

M Euro	2015 31-dec	2014 31-dec
Assets		
Intangible assets	83,6	80,7
Tangible assets	18,4	15,6
Financial fixed assets	0,5	0,4
Total fixed assets	102,5	96,7
Inventories	8,0	6,5
Current receivables	22,5	20,0
Cash and cash equivalents	11,1	13,2
Total current assets	41,6	39,7
TOTAL ASSETS	144,1	136,4
Equity and liabilities		
Equity	60,0	43,2
Long-term liabilities	64,5	73,2
Current liabilities	19,6	20,0
TOTAL EQUITY AND LIABILITIES	144,1	136,4
Net debt = Loan (Bond) less cash and equivalents	45,5	53,4

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

Opening balance	43,2	45,9
Reduction of the share capital	-	-9,8
New share issue	-	0,0
Non cash-issue	-	3,6
Total comprehensive income for the period	16,8	3,5
Closing balance	60,0	43,2

CASH FLOW

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

PARENT COMPANY - SUMMARY

PARENT COMPANY - SUMMARY

INCOME STATEMENT	3 Months	3 Months	12 Months	12 Months
	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
M Euro				
Administrative expenses	-0,4	-1,1	-0,2	-1,1
Other operating income and expenses	0,3	0,0	0,3	0,0
Operating profit	-0,1	-1,1	0,1	-1,1
Financial income and expenses	-0,8	2,0	-3,8	2,0
Result after financial expenses	-0,9	0,9	-3,7	0,9
Year-end appropriations	9,2	-0,9	9,2	-0,9
Profit before tax	8,3	0,0	5,5	0,0
Taxes	-1,8	0,0	-1,2	0,0
Net result for the period	6,5	0,0	4,3	0,0

STATEMENT OF COMPREHENSIVE INCOME

Net result for the period	6,5	0,0	4,3	0,0
Other comprehensive income, net of tax	-1,2	0,3	0,1	0,3
Total comprehensive income for the period	5,3	0,3	4,4	0,3

STATEMENT OF FINANCIAL POSITION

	31-dec 2015	31-dec 2014
M Euro		
Assets		
Financial fixes assets	87,7	8,1
Total fixed assets	87,7	8,1
Current receivables	12,2	37,9
Cash and cash equivalents	0,0	0,0
Total current assets	12,2	37,9
TOTAL ASSETS	99,9	46,0
Equity and liabilities		
Equity	40,7	36,3
Long-term liabilities	57,5	0,0
Current liabilities	1,7	9,7
TOTAL EQUITY AND LIABILITIES	99,9	46,0

CASH FLOW

	31-dec 2015	31-dec 2014
M Euro		
Operating profit	0,1	-1,1
Interest received and paid, tax paid, etc.	-4,5	2,0
Changes in working capital	12,3	9,0
Cash flow from operating activities	7,9	9,9
	0,0	0,0
Net investments	0,0	0,0
Cash flow after investing activities	7,9	9,9
Financing activities	-8,0	-9,8
Cash flow for the period	-0,1	0,1
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	0,1

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 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.

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 446 (404) employee. Temporary staff accounts for 27 of the increase of 42.

OTHER EVENTS DURING FOURTH QUARTER

The company Lagermix Rullportar AB was integrated into the group. The company expects to have a turnover of 1 MEUR. The purchase is expected to have small impact on the Troax Group AB profit per share.

OTHER EVENTS AFTER THE FOURTH QUARTER

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

AUDIT

This report has not been reviewed by the auditors.

NEXT REPORT

Annual report 2015, will be published on www.troax.com during week 16, 2016.

Interim report Q1, 10th of May 2016

Interim report Q2, 11th of August 2016

Interim report Q3, 7th of November 2016

DIVIDEND

The board suggest a dividend of 3,00 SEK (Swedish Krona) per share to the owners. Total 60 MSEK. The dividend is close to 50% of the Net result in 2015. The proposed reconciliation date for the dividend is the 12th May 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 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. The complete notice to the shareholders meeting will be presented on the Troax website at the latest on 8th of April. Applications to attend the shareholders meeting can be made from 8th of April.

PHONE CONFERENCE

Invitation to presentation of the fourth quarter result:

Thomas Widstrand, CEO presents the result on a phone conference on the 16th of February 2016 at 17:00 CET. The conference will be held in English. For more information please refer to www.troax.com.



Hillerstorp 16-02-2016

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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 16th of February, 2016 at 12.00.

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