

TROAX GROUP AB (publ)

FIRST QUARTER 2023 PRESENTATION

APRIL 26, 2023

# ACTIVE + AWARE

THIS IS TROAX

# SAFE AND SOUND ON SOLID GROUND

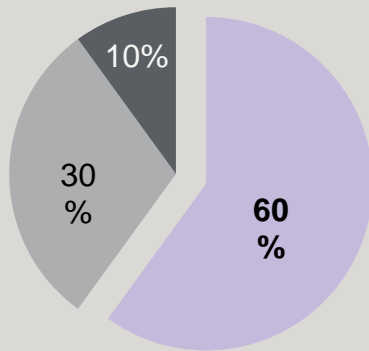
Making your  
world safe.

THIS IS TROAX

PRODUCT SEGMENTS

# MACHINE GUARDING

Maximum safety

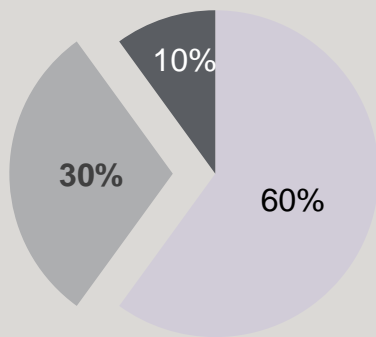


THIS IS TROAX

PRODUCT SEGMENTS

# WAREHOUSE PARTITIONING

Safe handling

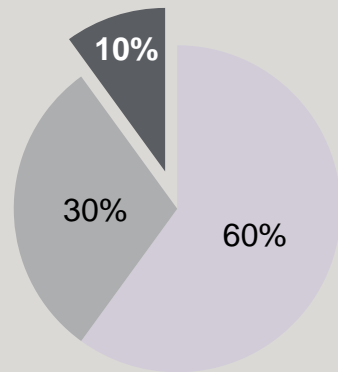


THIS IS TROAX

PRODUCT SEGMENTS

# PROPERTY PROTECTION

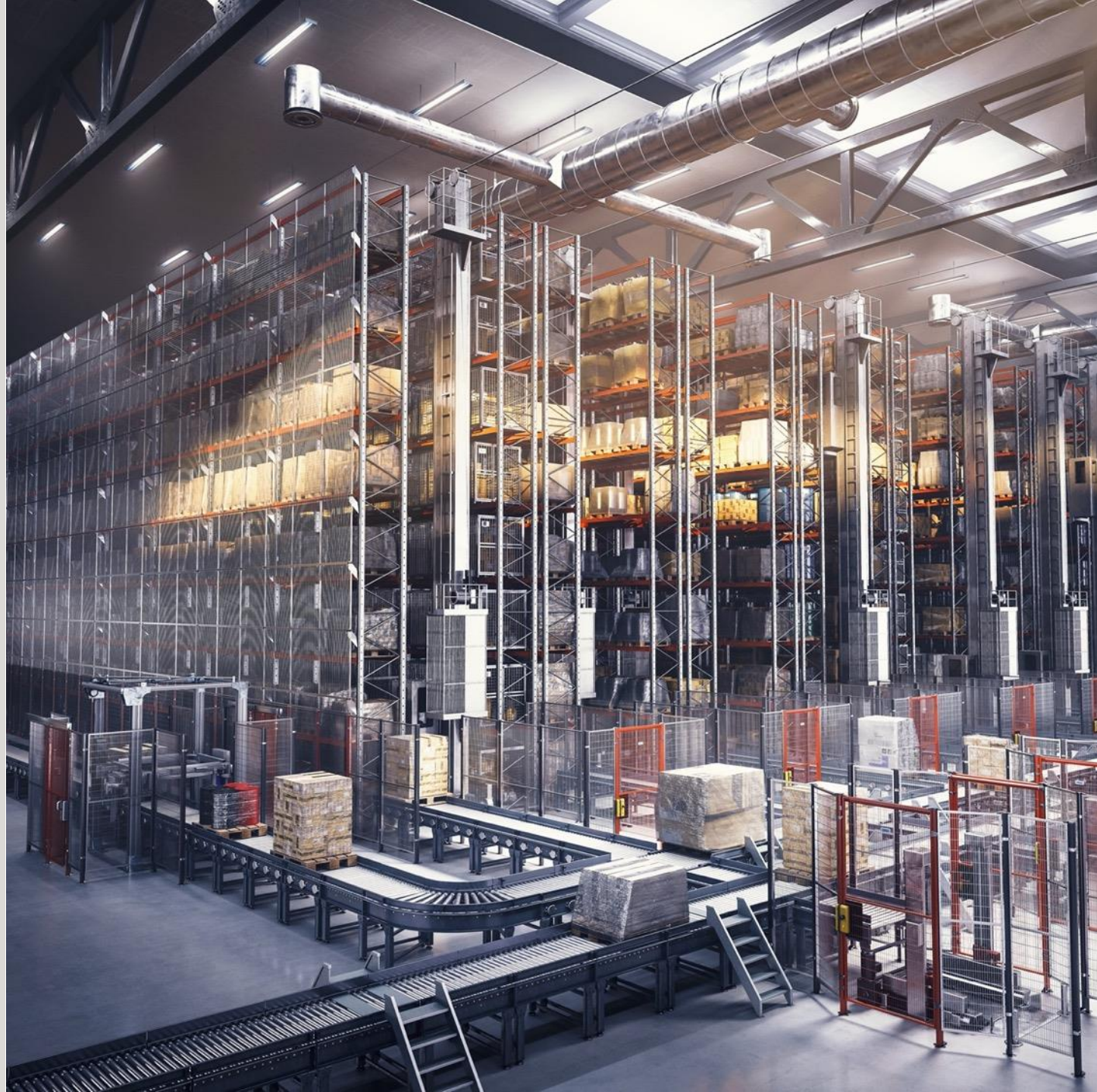
Storage solutions



THIS IS **TROAX**

# AUTOMATED WAREHOUSE

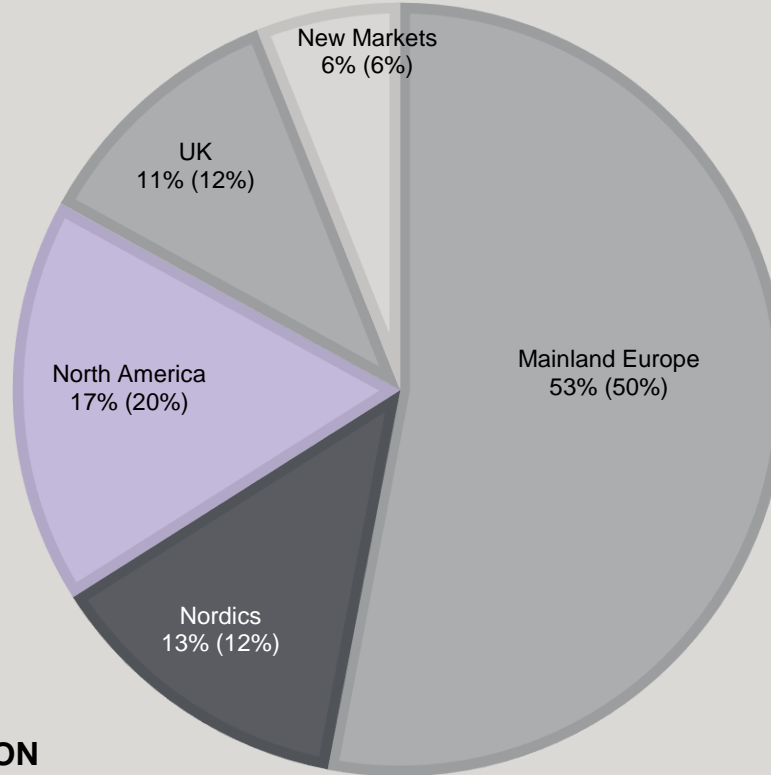
Safety on all levels



# THE YEAR IN BRIEF

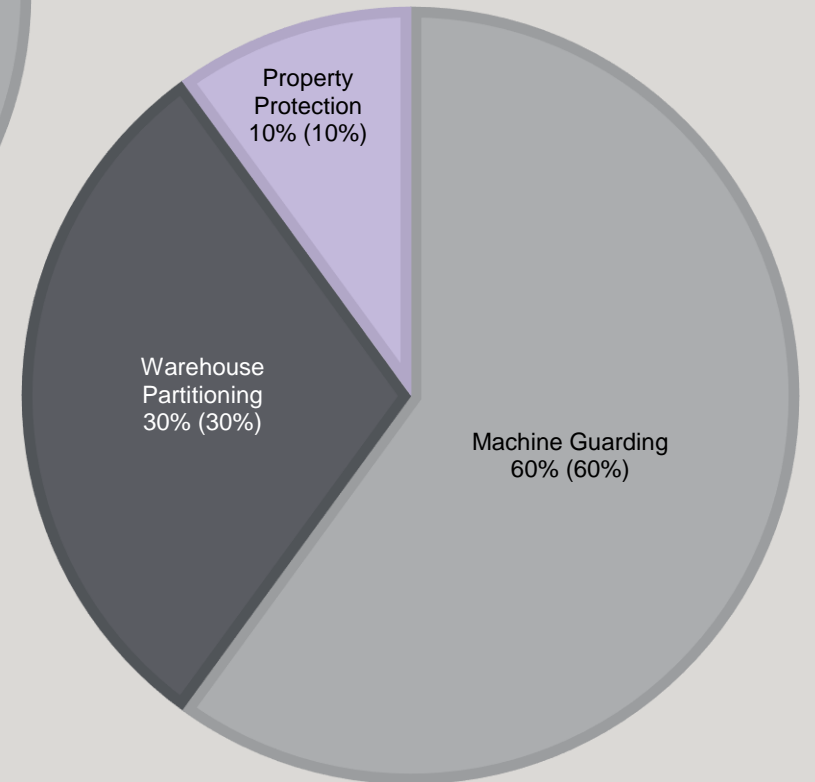
## SALES PER REGION

2022 (2021)



## SALES PER BUSINESS AREA

2022 (2021)



### 2022 EUR MILLION

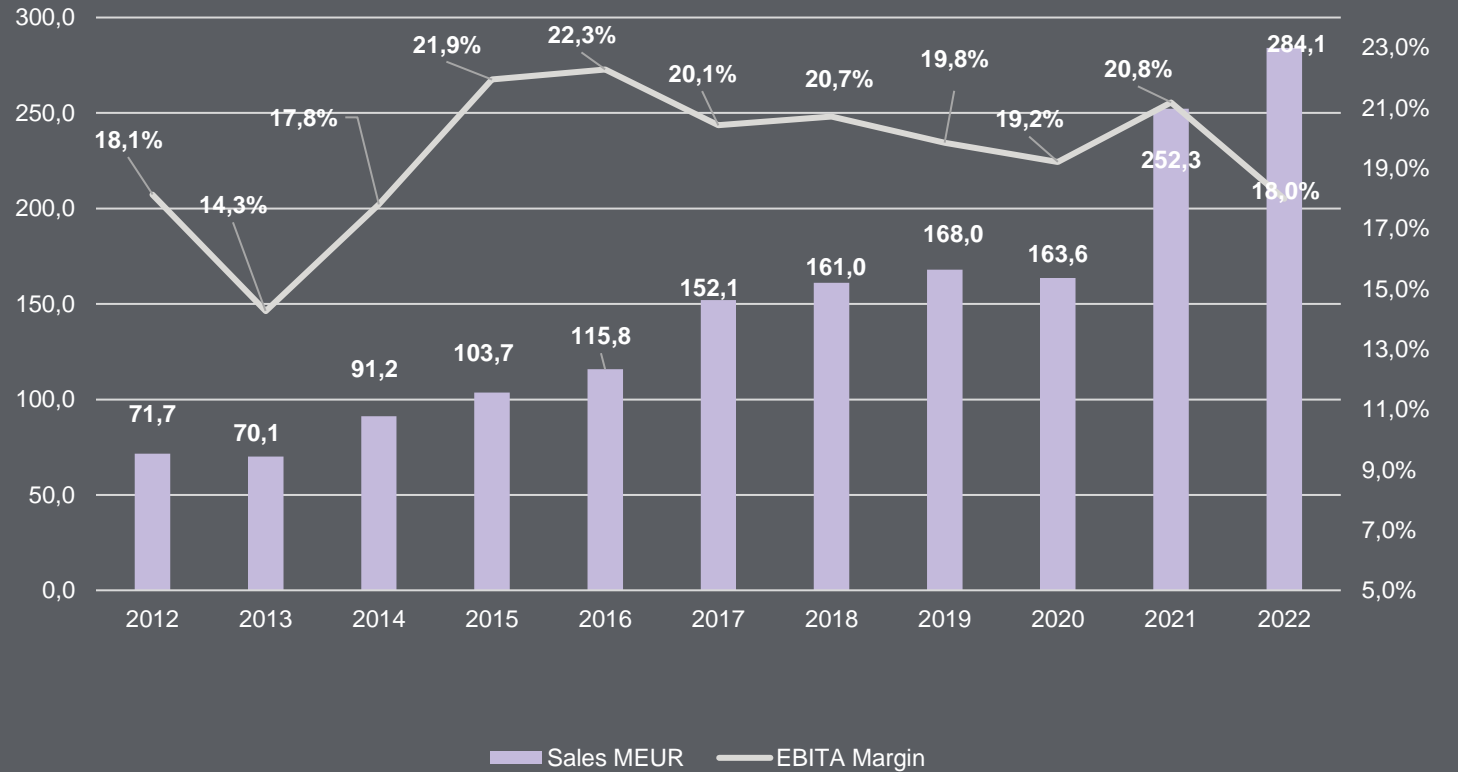
### 2022

### YEAR ON YEAR CHANGE

Orders received	272.7	-1%
Net sales	284.1	+13%
Operating profit	51.1	-4%
Operating margin (EBITA)	18.0%	-3.2%
Earnings per share (EUR)	0.61	-8%
Dividend per share	0.32	+7%

# THE YEAR IN BRIEF

- Troax is the global market leader of indoor perimeters protection ("mesh panel solutions")
- Relative market share is 3x larger than #2 player
- Local presence in 45 countries
- Troax had a sales CAGR 2013-2022 of 14.7% and an organic sales CAGR 2013-2022 of 11.7%
- Strong position in the value chain and low supplier and customer dependency
- Approx, 30% of total employees work within sales





# FINANCIAL TARGETS

		Financial targets	Actuals 2023 YTD
<b>Sales growth</b>	“Troax’ objective is to exceed the growth in the Company’s current markets through organic growth, as well as selective acquisitions”	<b>&gt;Market growth</b> Sales growth	Organic: <b>-4%</b> M&A: <b>1%</b>
<b>Profitability</b>	“Troax’ target is to have an operating margin in excess of 20%”	<b>20%</b> Adjusted EBITA margin	<b>18,7%</b>
<b>Capital structure</b>	“Net debt in relation to EBITDA, excluding temporary deviations, shall not exceed 2.5 times.”	<b>&lt;2,5x</b> Net debt to EBITDA	<b>0,6 x</b>
<b>Dividend policy</b>	“Troax’ target is to pay approximately 50 percent of its net profit in dividends. The dividend proposal shall take into account Troax’ long-term development potential, it’s financial position and its investment needs.”	<b>50%</b> Pay-out ratio	<b>N/A</b>

# SUMMARY

## Q1 2023



- Q1 was as expected hampered by lower activities within automated warehouse. Positive is, that the rest of the market continued to have good activity levels. We have also seen an improvement of orders within the automotive sector.
- The sales invoiced is positively influenced by a net effect due to steel price development with approximately 6-8%. The steel price has been stable since the summer period.
- A positive EBITA result and margin in Q1 2023 was recorded especially seen in the light of the turbulent situation in the quarter as regards Automated Warehouse and the lower volume produced in our manufacturing units.
- The gross margin is starting to approach the targeted levels,, but is hampered by the lower volume in the first quarter.
- Good sales levels in the Nordic region and New markets.
- Earnings per share were 0,15 (0,16) EUR.
- Working capital is on expected levels. Cash flow was again positive in the quarter.
- Natom Logistics, Poland, has this quarter again been negatively influenced by the lower activity from Automated Warehouse customers. Our smaller acquisition in Spain, Claitec, has again continued to develop well.  
Integration work in the Nordic region is ongoing as regards Svenska Cykelrum, which adds product solutions for bicycle storage.
- During the quarter we have continued the ground preparation work for yet another expansion of our facilities in Hillerstorp, Sweden.
- Troax Group has also appointed a new function for Sales and Marketing.

# FINANCIAL HIGHLIGHTS, GROUP

	3 Months	3 Months	12 Months	12 Months	12 Months
	Jan-Mar	Jan-Mar	Jan-Dec	Jan-Dec	Apr-Mar
MEUR	2023	2022	2022	2021	2022/2023
Order intake	69,9	74,5	272,7	275,8	268,1
Sales	67,8	69,6	284,1	252,3	282,3
Gross profit	25,5	24,5	97,3	95,2	98,3
Gross margin, %	37,6	35,2	34,2	37,7	34,8
EBITA	12,7	12,8	51,1	53,4	51,0
EBITA margin, %	18,7	18,4	18,0	21,2	18,1
EBIT	12,2	12,5	49,6	52,4	49,3
EBIT margin, %	18,0	18,0	17,5	20,8	17,5
Profit after tax	8,9	9,3	36,8	39,7	36,4
EBITDA 1)	15,2	15,2	61,2	62,3	61,2
EBITDA margin, % 1)	22,4	21,8	21,5	24,7	21,7
Net debt / EBITDA			0,6	0,8	
Earnings per share after dilution in EUR	0,15	0,16	0,61	0,66	0,61
Closing rate SEK/EUR	11,28	10,34	11,12	10,22	10,83
Earnings per share after dilution in SEK. 2)	1,67	1,60	6,82	6,76	6,57

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

# REGIONAL DEVELOPMENT ORDER INTAKE AND SALES

Order intake MEUR	3 Months	3 Months	Diff	12 Months	12 Months	Diff	12 Months
	Jan-Mar	Jan-Mar		Jan-Dec	Jan-Dec		Apr-Mar
	2023	2022		2022	2021		2022/2023
Continental Europe	35,2	38,6	-9%	132,3	136,6	-3%	128,9
Nordic region	11,9	11,8	1%	41,6	32,2	29%	41,7
United Kingdom	6,7	10,3	-35%	30,6	30,6	0%	27,0
North America	11,2	9,2	22%	40,3	58,7	-31%	42,3
New Markets	4,2	4,6	-9%	21,0	17,7	19%	20,6
<b>Total excl Currency</b>	<b>69,2</b>	<b>74,5</b>	<b>-7%</b>	<b>265,8</b>	<b>275,8</b>	<b>-4%</b>	<b>260,5</b>
Currency effect	-0,6	0,0	-1%	2,6	0,0	1%	2,0
Order intake acquisitions	1,3	0,0	2%	4,3	0,0	2%	5,6
<b>Total Order intake</b>	<b>69,9</b>	<b>74,5</b>	<b>-6%</b>	<b>272,7</b>	<b>275,8</b>	<b>-1%</b>	<b>268,1</b>
Total Sales MEUR	3 Months	3 Months	Diff	12 Months	12 Months	Diff	12 Months
	Jan-Mar	Jan-Mar		Jan-Dec	Jan-Dec		Apr-Mar
	2023	2022		2022	2021		2022/2023
Continental Europe	31,2	36,5	-15%	142,0	123,6	19%	136,7
Nordic region	10,9	8,3	31%	38,6	30,0	29%	41,2
United Kingdom	6,2	8,9	-30%	34,5	30,9	12%	31,8
North America	13,9	12,1	15%	44,1	51,0	-14%	45,9
New Markets	4,8	3,8	26%	19,3	16,8	15%	20,3
<b>Total excl Currency</b>	<b>67,0</b>	<b>69,6</b>	<b>-4%</b>	<b>278,5</b>	<b>252,3</b>	<b>10%</b>	<b>275,9</b>
Currency effect	-0,4	0,0	-1%	2,9	0,0	1%	2,5
Sales acquisitions	1,2	0,0	2%	2,7	0,0	1%	3,9
<b>Total Sales</b>	<b>67,8</b>	<b>69,6</b>	<b>-3%</b>	<b>284,1</b>	<b>252,3</b>	<b>13%</b>	<b>282,3</b>

\* Note that organic growth is reported excluding currency effect.

# CONCLUSION



- We have continued to receive several important orders in the quarter in all segments. This refers this quarter mainly to customers within Machine Guarding, as the orders for automated warehouse were again weak in the quarter. We note that the orders are increasing from the automotive sector.
- Positive development in result reflecting both improved sales gross margins and unfortunately lower utilization levels in our manufacturing units.
- Decent activity level (except automated warehouse) and we continued with good success in orders in most markets in the first quarter of the year. We see no signs of any major decreases in demand.
- Planned investments in Natom is more or less finished. Integration of Claitec, Spain, is ongoing in a positive way. Similar development for Svenska Cykelrum, which was acquired in October.
- We see the total development in the quarter as positive, as the demand from automated warehouse has been very weak. Unfortunately, we expect the demand from this sector to continue to be weak during the whole year 2023, as communicated earlier.

THIS IS TROAX

# GROWTH FACTORS

- Increased industrial automation
- On-shoring of manufacturing
- Growth in e-commerce
- Safety awareness
- Stricter regulation
- Residential construction and safe storage



# OUR PRODUCTION UNITS

- DISTRIBUTION UNITS
- SALES OFFICES
- PRODUCTION UNITS

## Hillerstorp, SWEDEN

Production of the entire range of panels.

Capacity (metres)  
**>1,500,000**

Capacity utilisation  
**75%**

Area (m<sup>2</sup>)  
**35,000**

MAIN PRODUCTION FACILITY

## Birmingham, UK

Partitions for offices and industry, to minimise noise and dust.

Capacity (panels)  
**~66,000**

Capacity utilisation  
**50%**

Area (m<sup>2</sup>)  
**4,100**

## Shanghai, CHINA

Mesh panels and machine guarding products.

Capacity (metres)  
**~100,000**

Capacity utilisation  
**75%**

Area (m<sup>2</sup>)  
**3,500**

## Bulciago, ITALY

Modular protection solutions for machine guarding.

Capacity (metres)  
**~700,000**

Capacity utilisation  
**60%**

Area (m<sup>2</sup>)  
**20,000**

## Chicago, USA

Metal mesh panel solutions for machine guarding, warehouses and property protection.

Capacity (metres)  
**~400,000**

Capacity utilisation  
**75%**

Area (m<sup>2</sup>)  
**15,400**

## Sroda, POLAND

Production of shelves, dividers, safety barriers and warehouse accessories.

Capacity (metres)  
**~1,000,000**

Capacity utilisation  
**50%**

Area (m<sup>2</sup>)  
**14,500**

THIS IS TROAX

# TROAX GROUP

Working together  
for a safer world





THIS IS TROAX

**A SAFER TOMORROW**

**■ SINCE 1955 →**

# FOR A SAFER TOMORROW

## WHAT WE FOCUS ON TODAY

- Climate compensating program concerning all transportations
- Continuously decrease of our total energy consumption, target 2% per year
- Regional manufacturing decreases transportation
- Recertified ISO 14001 and ISO 9001
- Minimize use of plastic products
- 99% recyclable steel
- Minimum 80% recycled steel in our products long-term – most important from a Co2 point of view.
- Transition from natural gas to biogas
- Solar panels cover 50% of energy consumption in Italian factory
- Co2 consumption per main articles available on our webpage



THIS IS TROAX

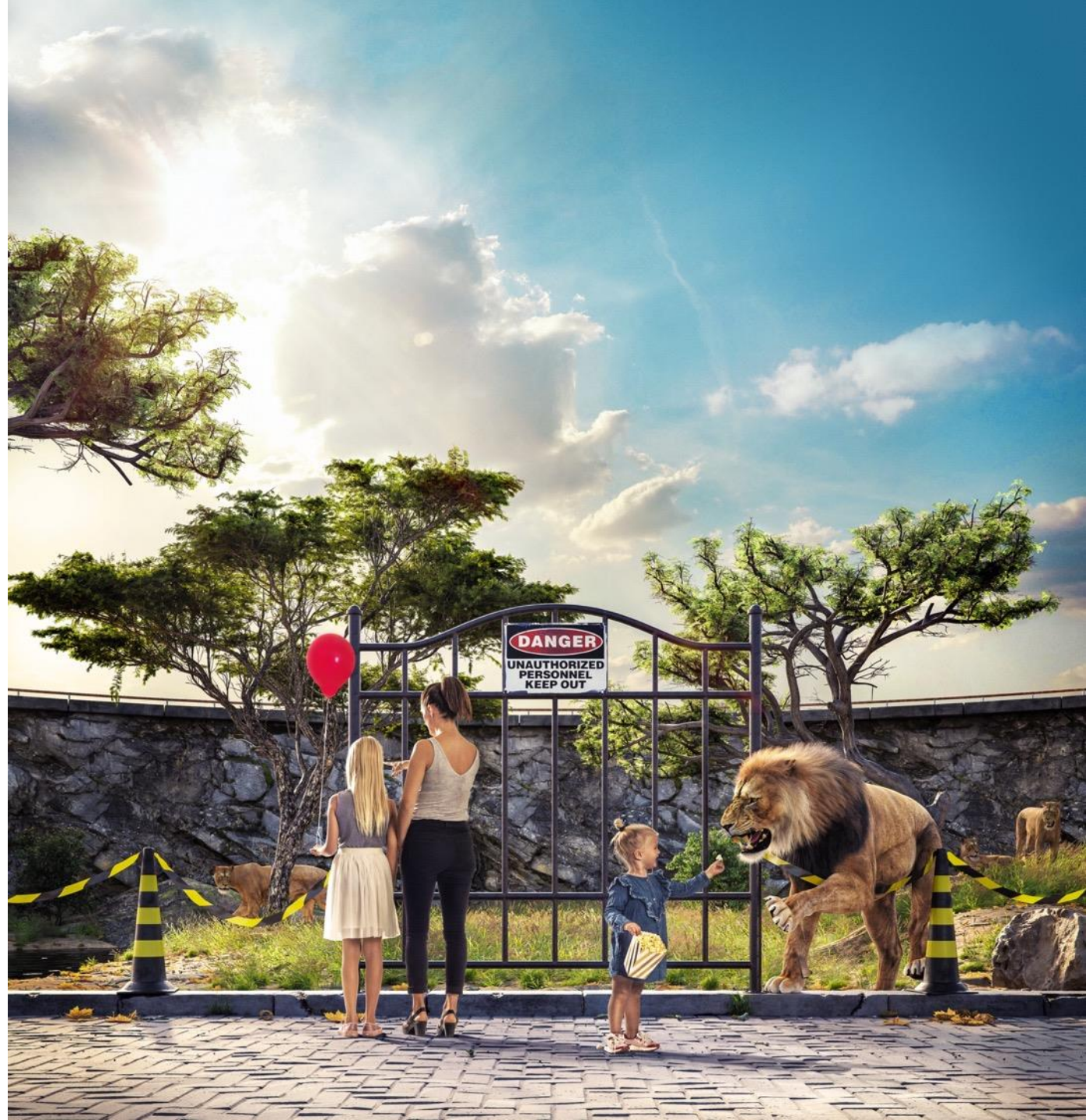
# TROAX SAFETY CENTER

Our R&D department, Troax Safety Center, is the backbone of Troax. We combine hard work and ingenuity to create the safest and most innovative products for the global market.



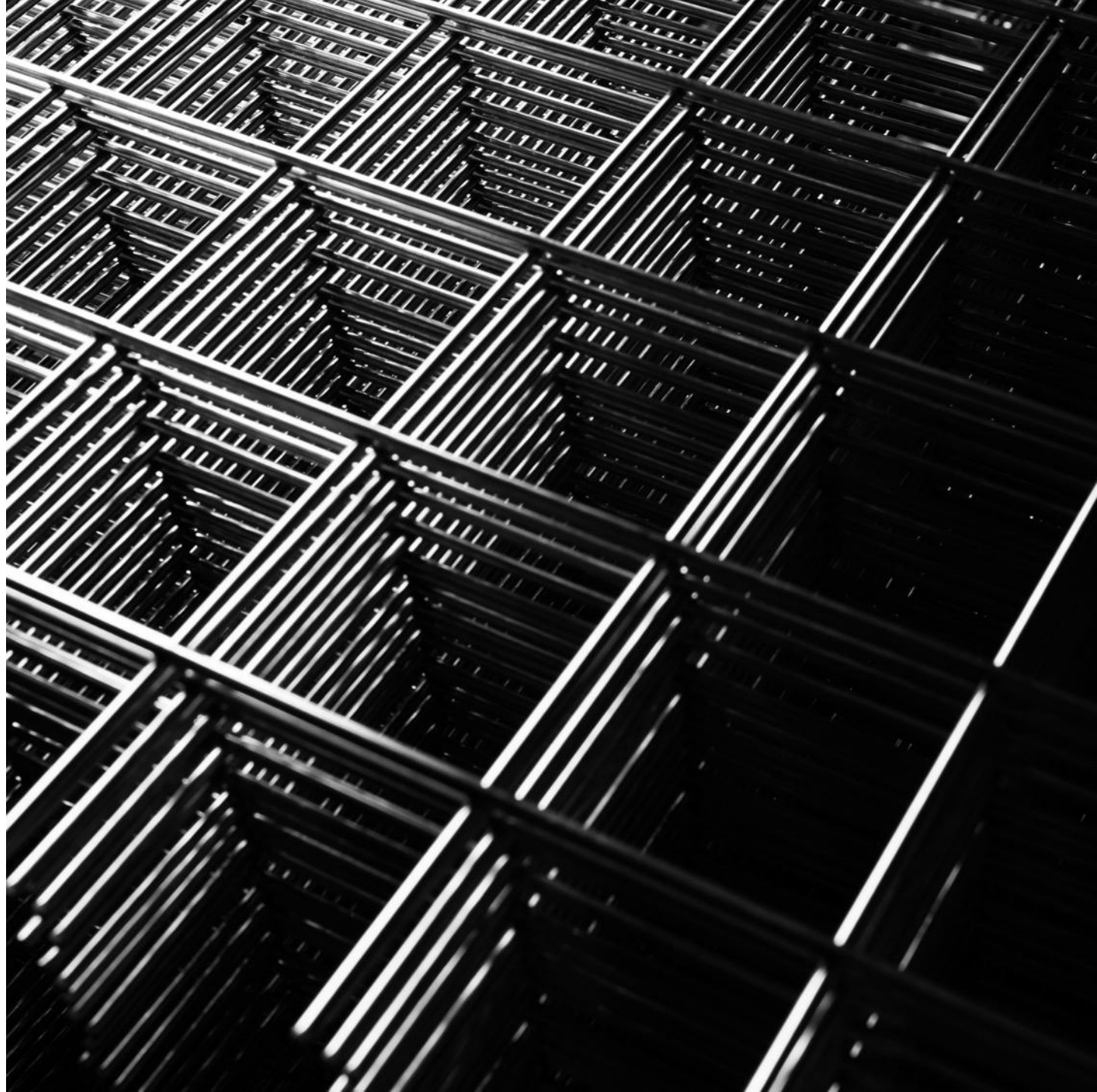
THIS IS TROAX

# CERTIFIED BY TÜV RHEINLAND



THIS IS TROAX

# PROTECTING PEOPLE, PROPERTY AND PROCESSES



THIS IS TROAX

# PANEL DETECTION

- The highest safety standard
- Reduce risk
- Sleep well at night
- Patented and first of its kind



**THE ORIGINAL  
SINCE 1955**



THIS IS TROAX

**SAFETY  
EQUALS  
TROAX**

