

TROAX GROUP AB (publ)

FIRST QUARTER 2024 PRESENTATION

APRIL 22, 2024

HIGHLIGHTS HIGHLIGHTS

THIS IS TROAX

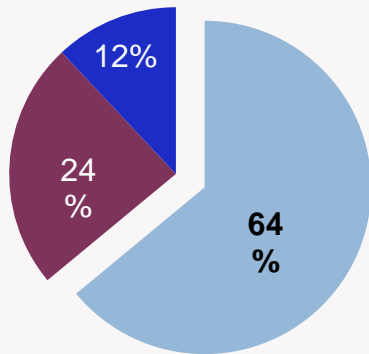
**SAFE AND SOUND
ON SOLID GROUND**

THIS IS TROAX

PRODUCT SEGMENTS

MACHINE GUARDING

Maximum safety

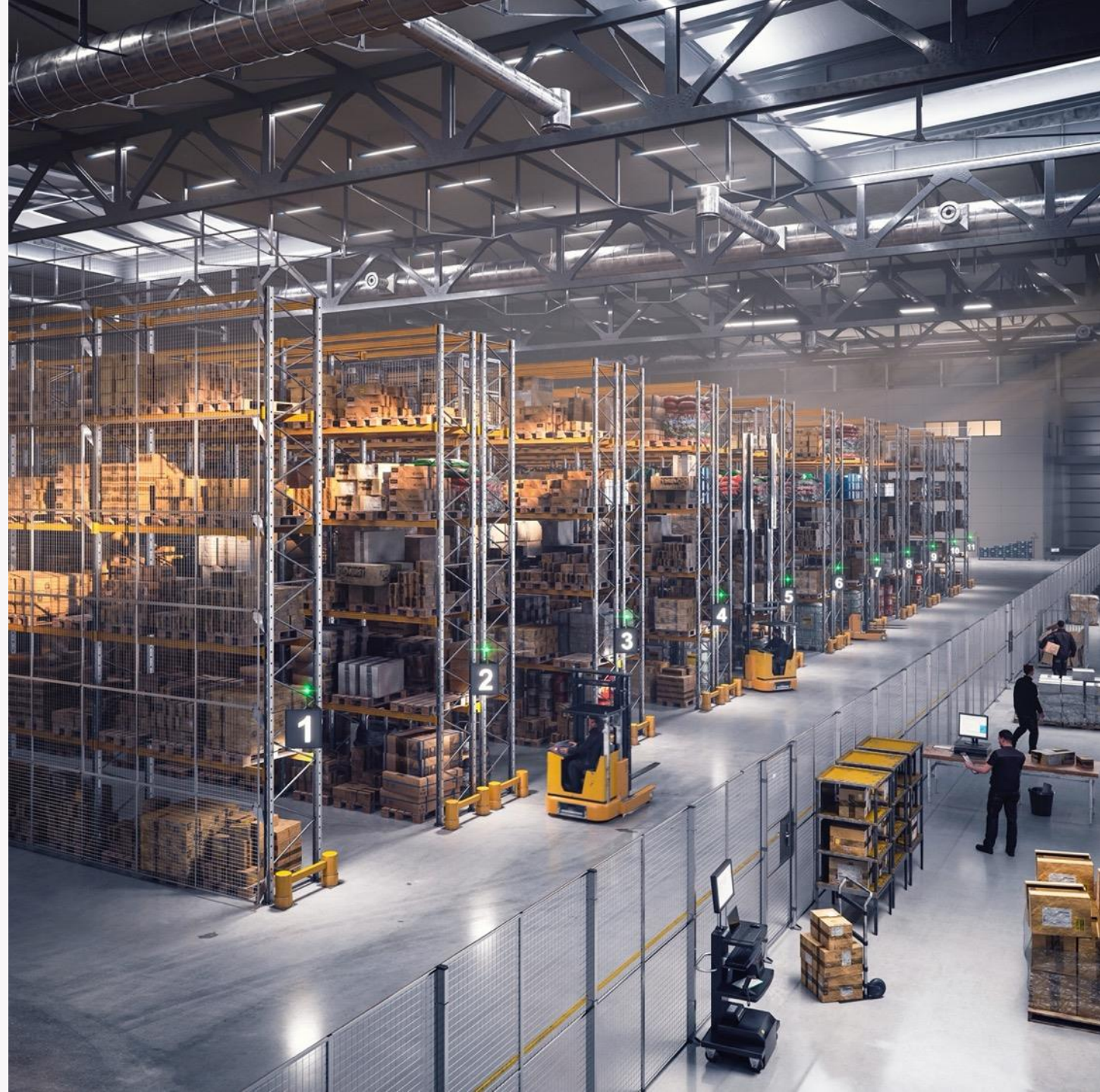
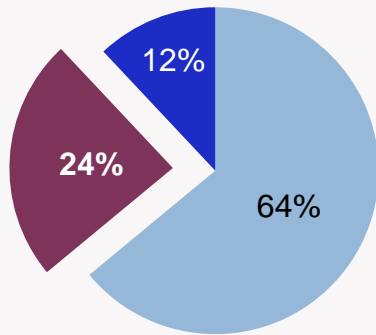


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PRODUCT SEGMENTS

WAREHOUSE PARTITIONING

Safe handling

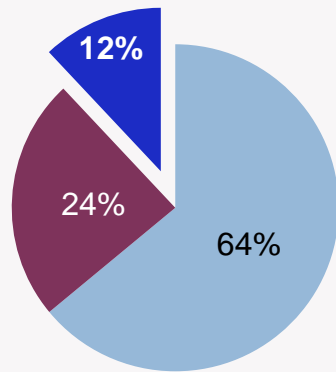


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PRODUCT SEGMENTS

PROPERTY PROTECTION

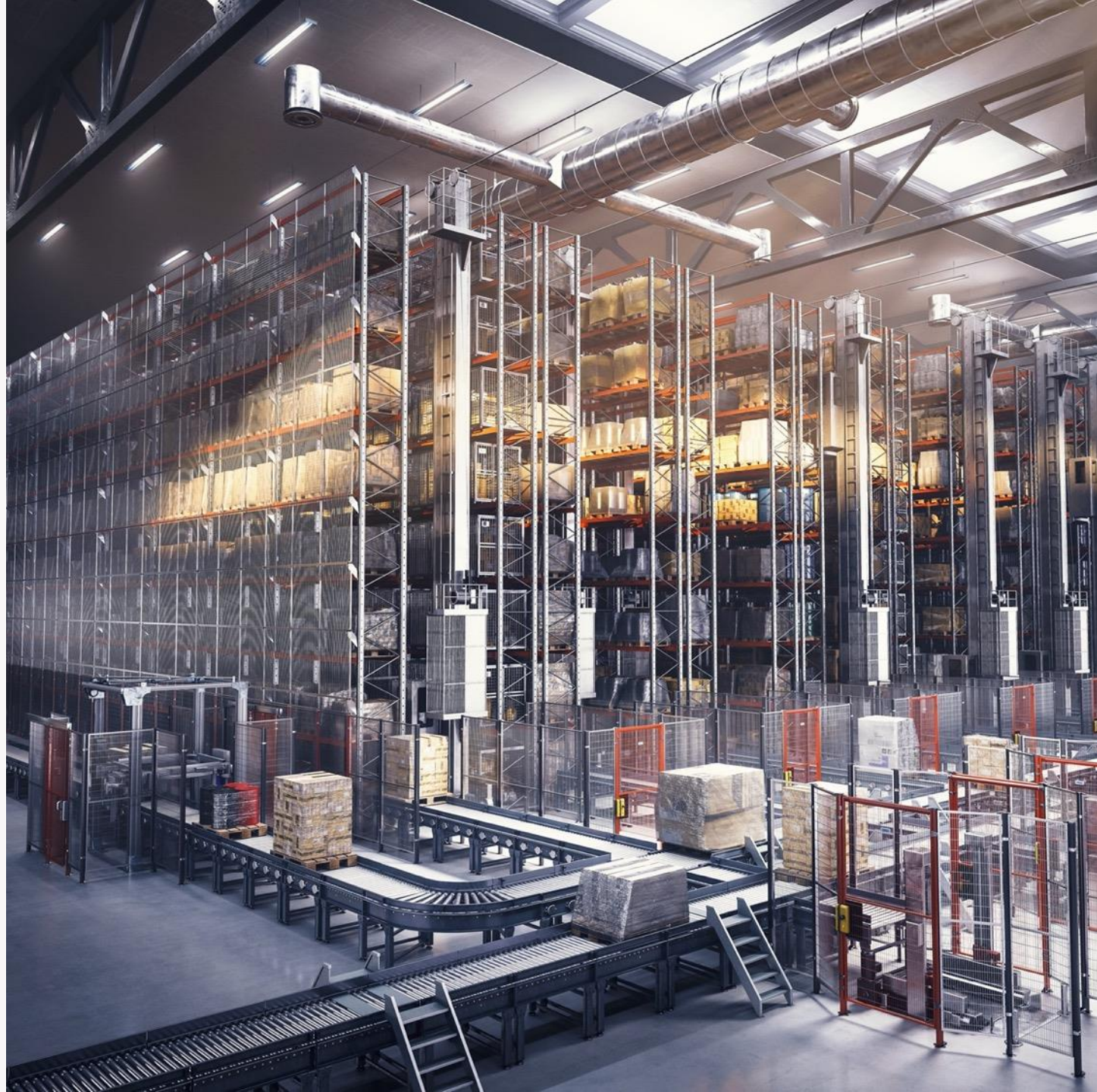
Storage solutions



THIS IS **TROAX**

AUTOMATED WAREHOUSE

Safety on all levels



THIS IS **TROAX**

ACTIVE SAFETY

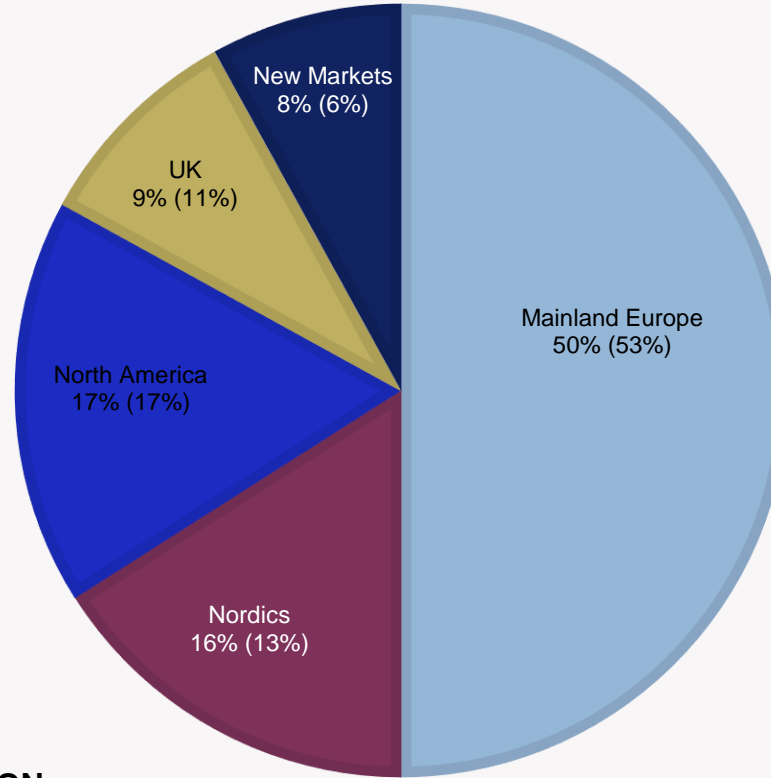
Actively prevent accidents



THE YEAR IN BRIEF

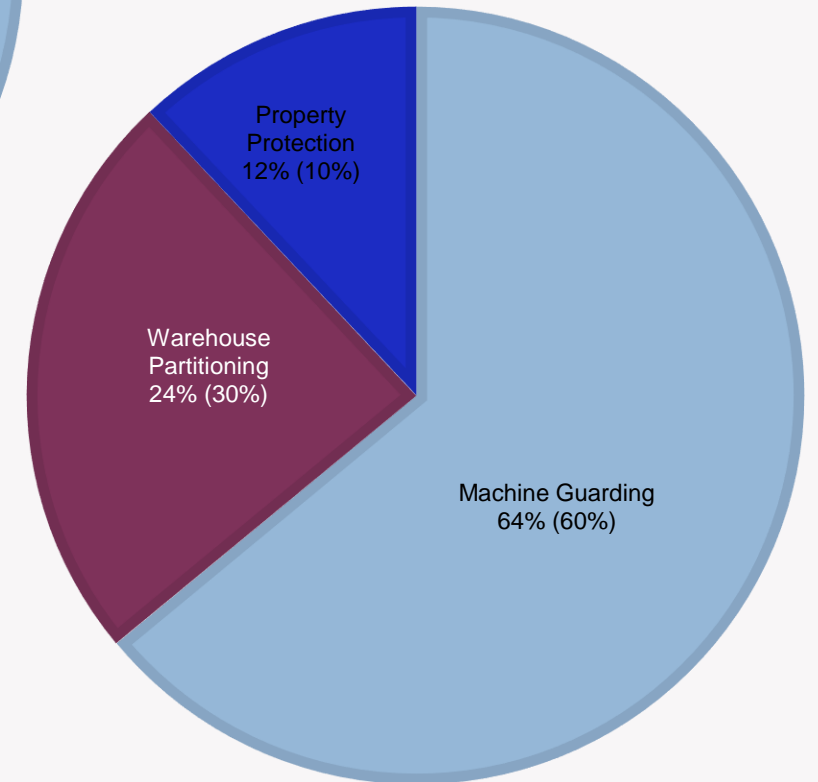
SALES PER REGION

2023 (2022)



SALES PER BUSINESS AREA

2023 (2022)



2023 EUR MILLION

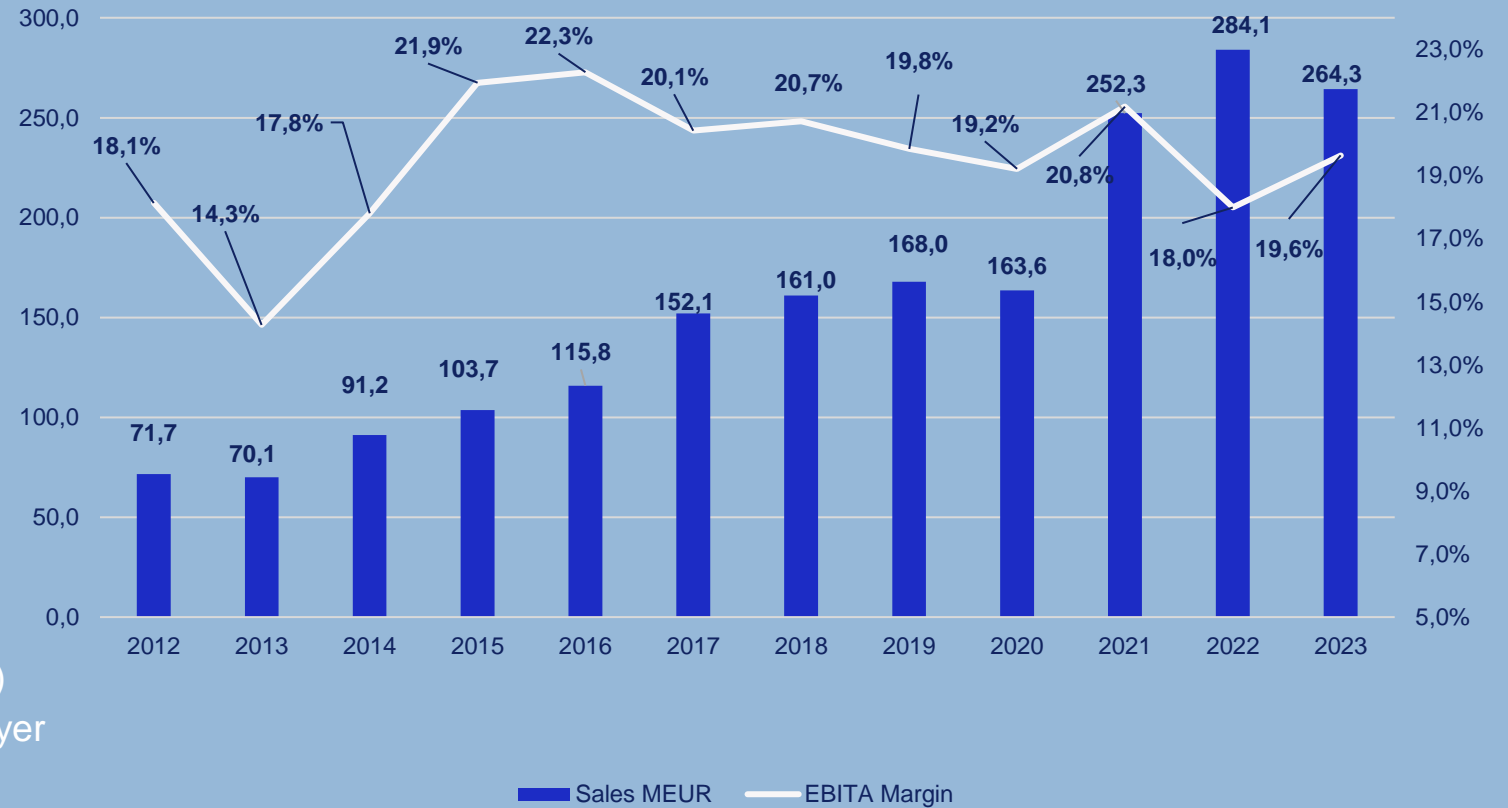
2023

YEAR ON YEAR CHANGE

Orders received	258.2	-5%
Net sales	264.3	-7%
Operating profit (EBITA)	51.9	+2%
Operating margin (EBITA)	19.6	+1.6%
Adj. earnings per share (EUR)	0.63	-2%
Dividend per share	0.34	+6%

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 2014-2023 of 14.2% and an organic sales CAGR 2014-2023 of 10,7%
- Strong position in the value chain and low supplier and customer dependency
- Almost 30% of total employees work within sales



FINANCIAL TARGETS

		Financial targets	Actuals Q1 2024
Sales growth	“Troax’ objective is to exceed the growth in the Company’s current markets through organic growth, as well as selective acquisitions”	>Market growth Sales growth	Organic: -6%
Profitability	“Troax’ target is to have an operating margin in excess of 20%”	20% Adjusted EBITA margin	16%
Capital structure	“Net debt in relation to EBITDA, excluding temporary deviations, shall not exceed 2.5 times.”	<2,5x Net debt to EBITDA	0,9x
Dividend policy	“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.”	50% Pay-out ratio	54%

SUMMARY

Q1 2024



- The first quarter of 2024 was characterized by a continuation of the lower market activity especially from automated warehouse customers, but now also clearly seen in the building market in the Nordic area. The quarter started in a weak way, but improved gradually later in the quarter as customers started to request quotes for bigger projects again.
- Positive is, that the rest of the market generally continues to have stable activity levels. Troax saw a reasonable development in other customer segments, with the exception of the building market in the Nordic area and a continued lack of activity in the automotive sector in North America. The automotive sector in North America is expected to revert to more normal demand levels from the summer period.
- The steel price has continued to be stable in the first quarter.
- A lower EBITA was recorded in Q1 2024 due to that the volume situation in the quarter as regards automated warehouse was below historical levels. The volume produced in our in our manufacturing units was on the low side, coupled with some one-off costs in connection with the closure of one of our manufacturing units in Poland.
- The gross margin has this quarter not reached the targeted levels, due to lower volumes and some one-time cost when closing the remaining old factory in Poland.
- A bit weak sales level in many areas in the quarter. The exception being Continental Europe, New markets and APAC where we've had quite decent development in Q1. The automotive sector in Europe has been quite strong in the quarter.
- Adjusted earnings per share were 0,13 (0,16) EUR.
- Working capital is on a similar level compared to last year. Troax has reduced the inventory level to balance the lower demand within automated warehouse.
- The newly acquired company Garantell has continued with a decent development and adds complementary sales channels according to expectations.
- We have almost finalised the expansion of our manufacturing capacity in China. The factory started to produce from April 1. In Poland, after April, we have now consolidated all activities to our major unit in Sroda outside of Poznan.

FINANCIAL HIGHLIGHTS, GROUP

	3 Months	3 Months	12 Months	12 Months	12 Months
	Jan-Mar	Jan-Mar	Jan-Dec	Jan-Dec	Apr-Mar
MEUR	2024	2023	2023	2022	2023/2024
Order intake	72,3	69,9	258,2	272,7	260,6
Sales	70,9	67,8	264,3	284,1	267,4
Gross profit	25,7	25,5	102,0	97,3	102,2
Gross margin, %	36,2	37,6	38,6	34,2	38,2
EBITA	11,0	12,7	51,9	51,1	50,2
EBITA margin, %	15,5	18,7	19,6	18,0	18,8
EBIT	10,2	12,2	50,0	49,6	48,0
EBIT margin, %	14,4	18,0	18,9	17,5	18,0
Profit after tax	6,7	8,9	35,8	36,8	33,6
EBITDA	13,9	15,2	62,2	61,2	60,4
EBITDA margin, %	19,6	22,4	23,5	21,5	22,6
Net debt / EBITDA			0,9	0,8	
Adjusted earnings per share after dilution in EUR	0,13	0,16	0,63	0,64	0,60
Closing rate SEK/EUR	11,53	11,28	11,49	10,22	11,07

REGIONAL DEVELOPMENT ORDER INTAKE AND SALES

Order intake MEUR	3 Months	3 Months	Diff	12 Months	12 Months	Diff	12 Months
	Jan-Mar 2024	Jan-Mar 2023		Jan-Dec 2023	Jan-Dec 2022		Apr-Mar 2023/2024
Continental Europe	34,2	35,5	-4%	132,5	135,1	-2%	131,2
Nordic region	8,1	12,3	-34%	37,8	41,4	-9%	33,6
United Kingdom	7,3	6,4	14%	25,0	30,9	-19%	25,9
North America	10,2	11,7	-13%	40,7	45,2	-10%	39,2
New Markets	5,3	4,0	33%	22,3	20,1	11%	23,6
Total excl Currency	65,1	69,9	-7%	258,3	272,7	-5%	253,5
Currency effect	0,0	0,0	0%	-4,8	0,0	-2%	-4,8
Order intake acquisitions	7,2	0,0	10%	4,7	0,0	2%	11,9
Total Order intake	72,3	69,9	3%	258,2	272,7	-5%	260,6
Total Sales MEUR	3 Months	3 Months		12 Months	12 Months		12 Months
	Jan-Mar 2024	Jan-Mar 2023	Diff	Jan-Dec 2023	Jan-Dec 2022	Diff	Apr-Mar 2023/2024
Continental Europe	33,6	31,9	5%	131,4	143,3	16%	133,1
Nordic region	8,1	10,8	-25%	40,2	38,4	5%	37,5
United Kingdom	5,8	5,9	-2%	24,6	34,7	-29%	24,5
North America	10,4	14,5	-28%	46,6	49,4	-6%	42,5
New Markets	6,1	4,7	30%	21,8	18,3	19%	23,2
Total excl Currency	64,0	67,8	-6%	264,6	284,1	-7%	260,8
Currency effect	0,0	0,0	0%	-4,9	0,0	-2%	-4,9
Sales acquisitions	6,9	0,0	10%	4,6	0,0	2%	11,5
Total Sales	70,9	67,8	5%	264,3	284,1	-7%	267,4

* Note that organic growth is reported excluding currency effect.

CONCLUSION

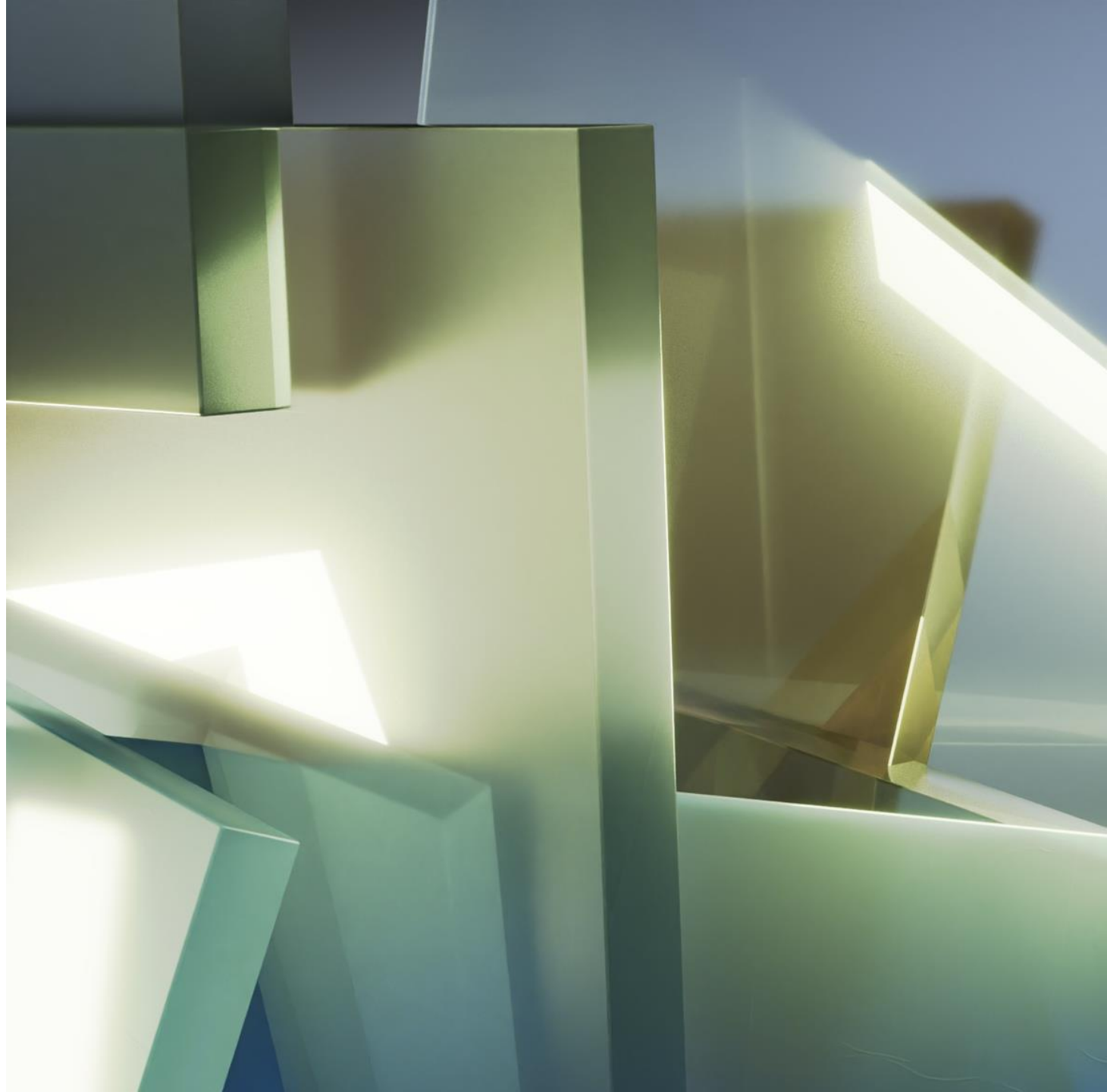


- We have continued to receive several important orders in the quarter in all segments, even if the total figure in this quarter was on the lower side.
- Lower result development reflecting both lower utilization in our manufacturing units and some one-off costs connected with the closure of one unit in Poland.
- Decent/stable activity level however on the low side. We see no signs of any major decreases in demand, with the exception of the building market in the Nordic area and the automotive segment in North America.
- We see the total development in the quarter again as stable and positive, even if the volumes and the result were on the low side.
- The expectations are that the demand in automotive warehouse will start to increase again during end of 2024 or beginning of 2025.
- We notice a good development in the newly acquired Garantell AB.

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

Hillerstorp, SWEDEN

Production of the entire range of panels.

Capacity (metres)
>1,500,000

Capacity utilisation
70%

Area (m²)
40,000

MAIN PRODUCTION FACILITY

Birmingham, UK

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

Capacity (panels)
~66,000

Capacity utilisation
50%

Area (m²)
4,100

Shanghai, CHINA

Mesh panels and machine guarding products.

Capacity (metres)
~300,000

Capacity utilisation
40%

Area (m²)
10,000

Bulciago, ITALY

Modular protection solutions for machine guarding.

Capacity (metres)
~765,000

Capacity utilisation
60%

Area (m²)
20,000

Chicago, USA

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

Capacity (metres)
~400,000

Capacity utilisation
70%

Area (m²)
15,400

Sroda, POLAND

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

Capacity (shelves)
~1,500,000

Capacity utilisation
50%

Area (m²)
14,500

Värnamo, SWEDEN

Production of mainly anti-collapse systems and shelves.

Capacity (shelves)
~1,500,000

Capacity utilisation
60%

Area (m²)
20,000

THIS IS TROAX

TROAX GROUP



Working together
for a safer world



THIS IS TROAX

A SAFER TOMORROW

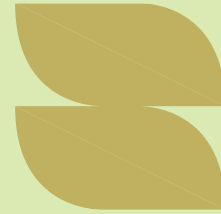
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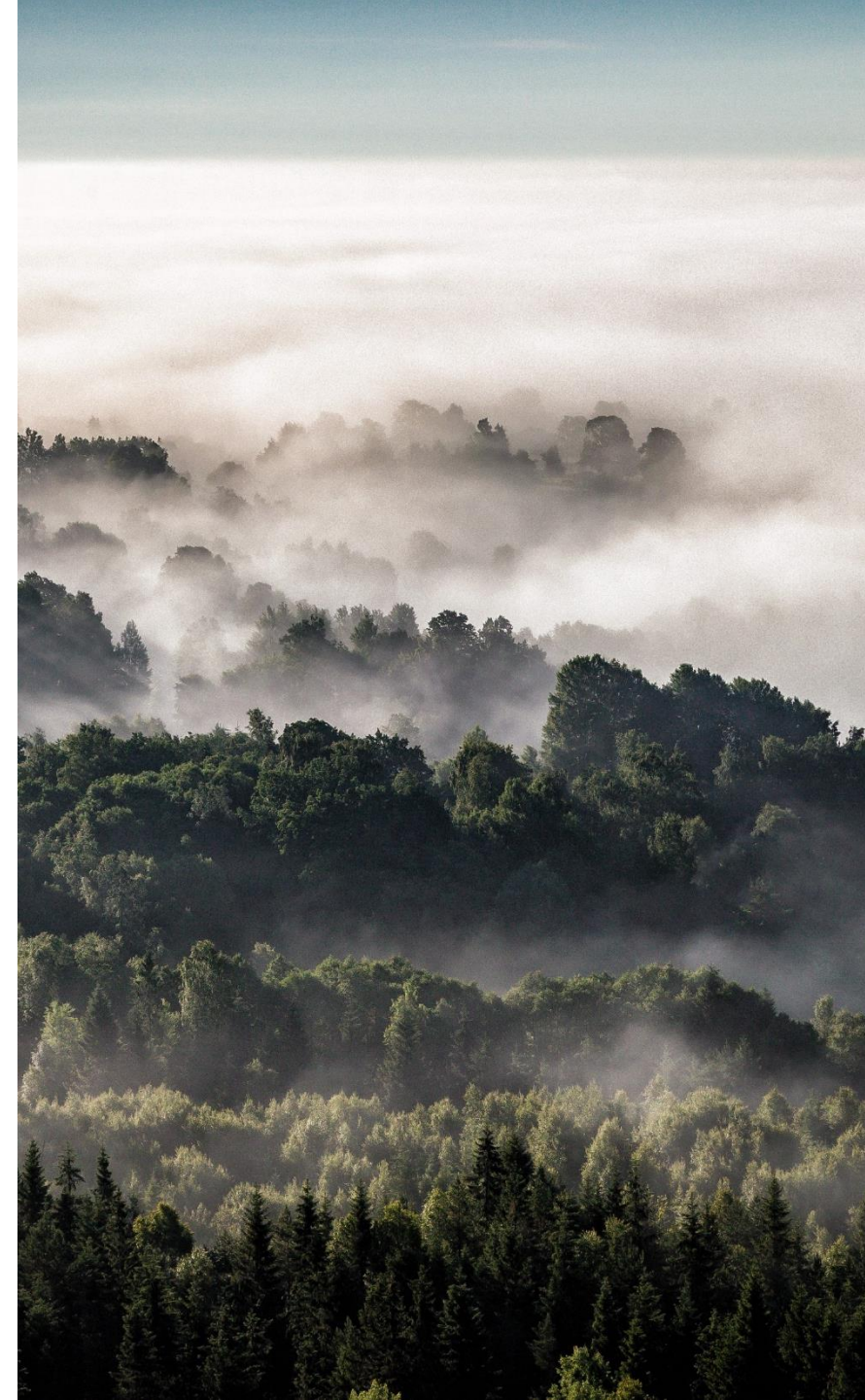
FOR A SAFER TOMORROW

WHAT WE FOCUS ON TODAY

- We offset emissions from our air transport due to its significant environmental impact. (We use Euro 6 trucks for land based transports.)
- 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
- We will report in accordance with CSRD starting with the 2024 Annual Report.



THE PERFECT BALANCE
SAFETY MEETS SUSTAINABILITY



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.



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CERTIFIED BY TÜV RHEINLAND



THIS IS TROAX

PROTECTING PEOPLE, PROPERTY AND PROCESSES



**THE ORIGINAL
SINCE 1955**



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SAFETY EQUALS TROAX

