

TROAX GROUP AB (publ)

SECOND QUARTER 2023 PRESENTATION

AUGUST 16, 2023

ACTIVE + AWARE

THIS IS TROAX

SAFE AND SOUND ON SOLID GROUND

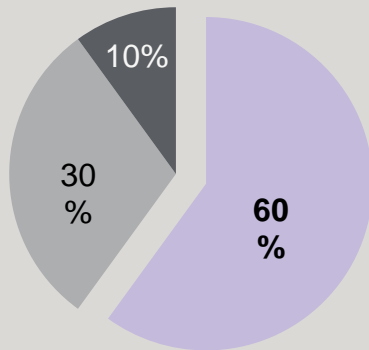
Making your
world safe.

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PRODUCT SEGMENTS

MACHINE GUARDING

Maximum safety

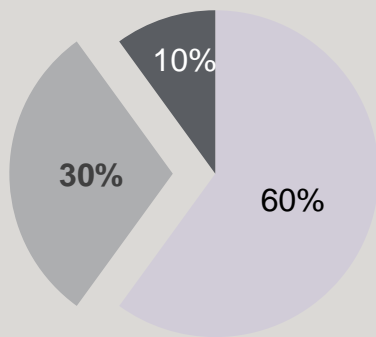


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PRODUCT SEGMENTS

WAREHOUSE PARTITIONING

Safe handling

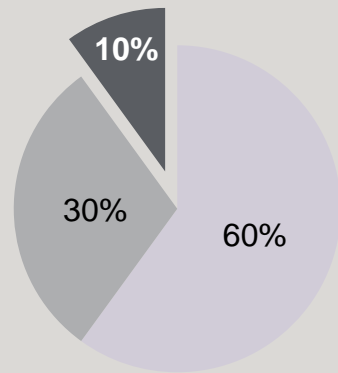


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PRODUCT SEGMENTS

PROPERTY PROTECTION

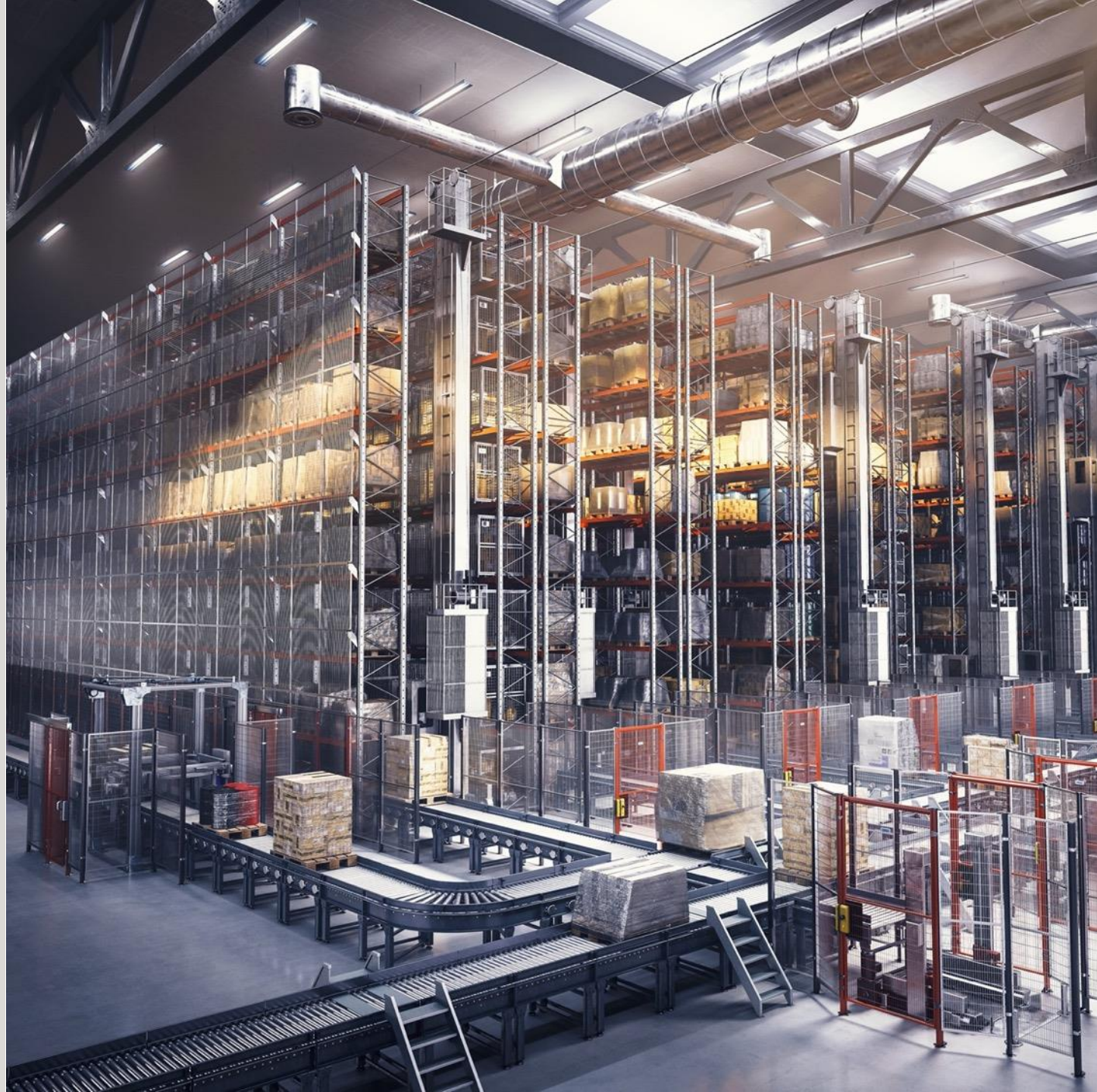
Storage solutions



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AUTOMATED WAREHOUSE

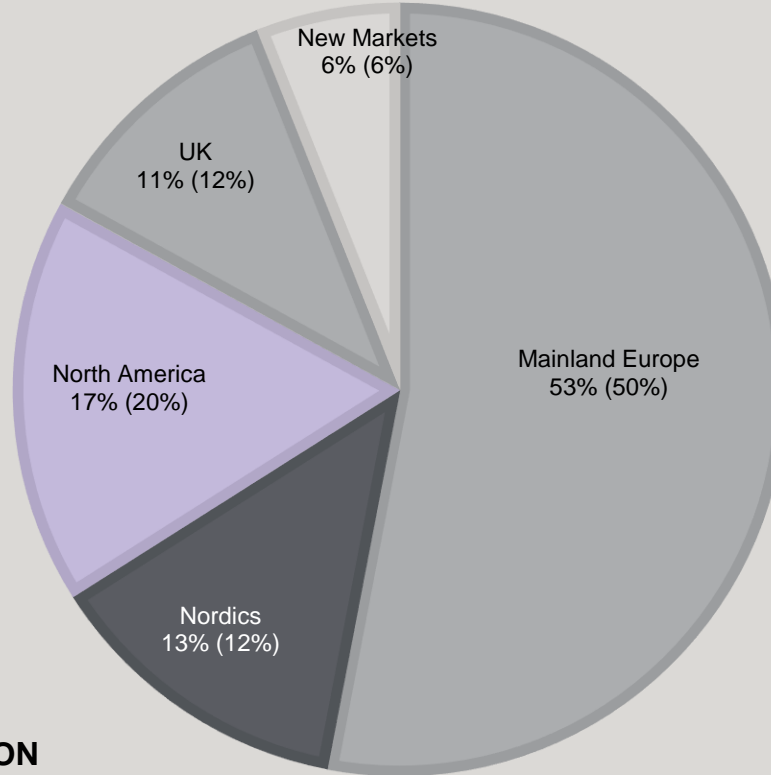
Safety on all levels



THE YEAR IN BRIEF

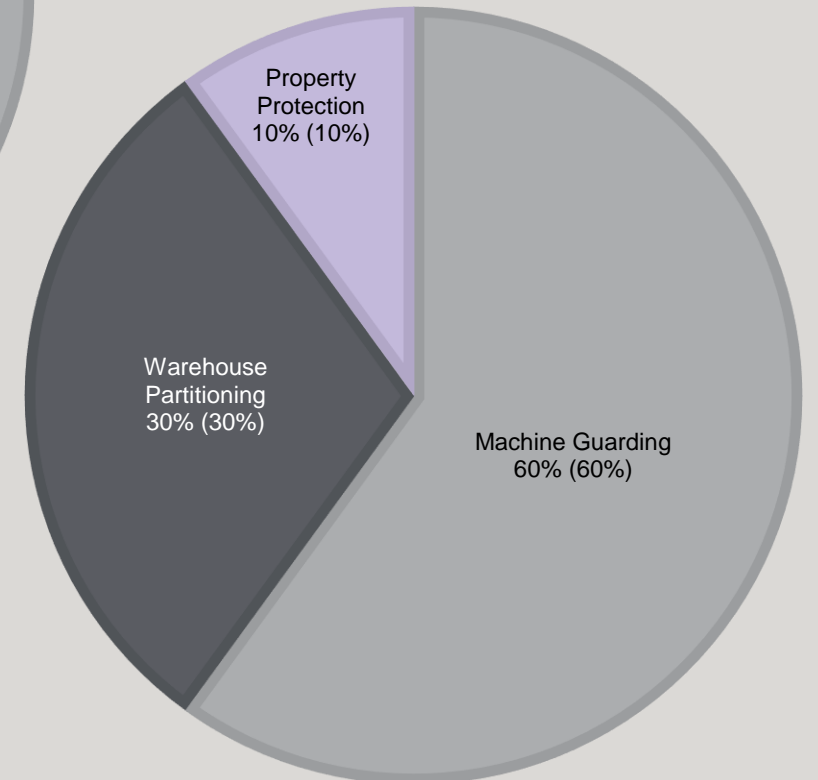
SALES PER REGION

2022 (2021)



SALES PER BUSINESS AREA

2022 (2021)



2022 EUR MILLION

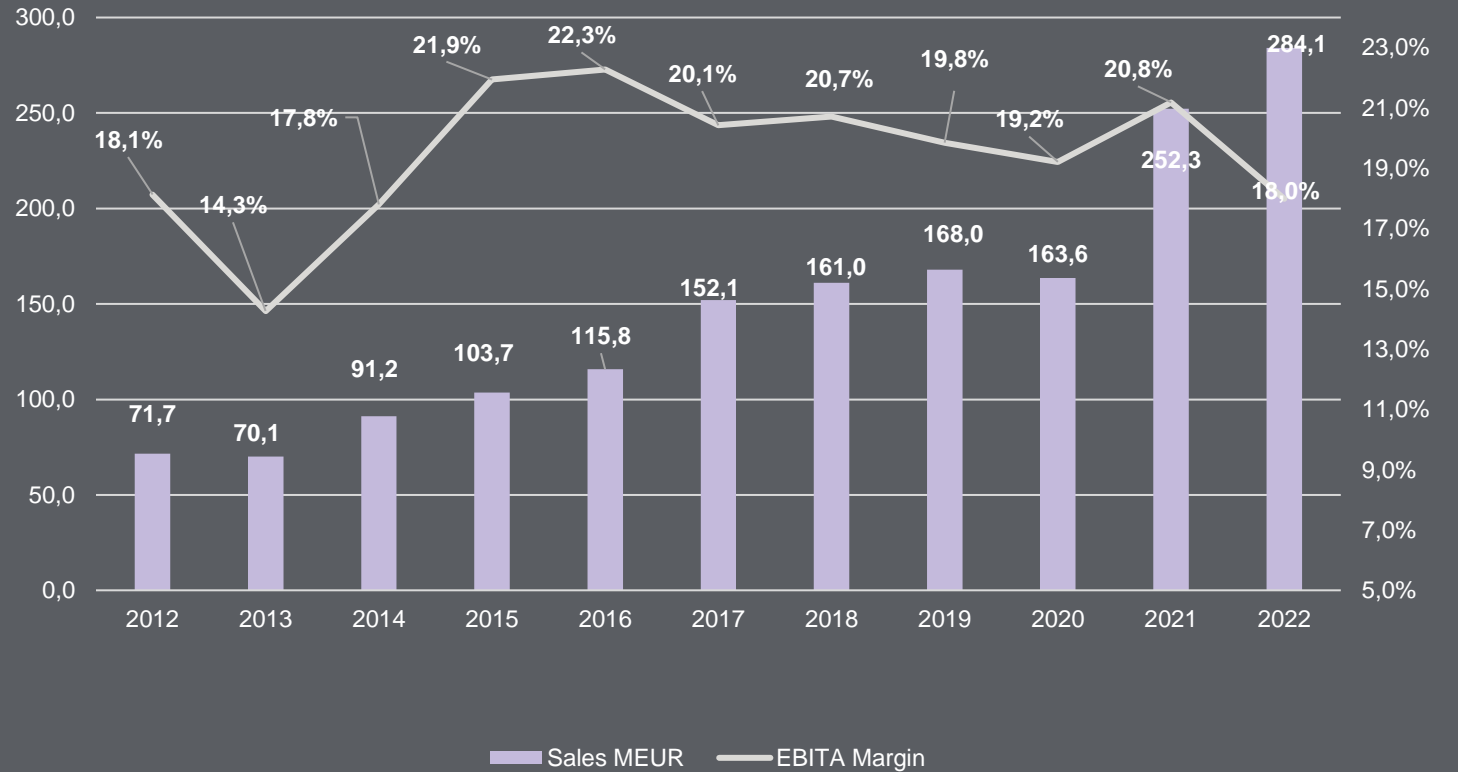
2022

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
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: -11% M&A: 1%
Profitability	“Troax’ target is to have an operating margin in excess of 20%”	20% Adjusted EBITA margin	19,0%
Capital structure	“Net debt in relation to EBITDA, excluding temporary deviations, shall not exceed 2.5 times.”	<2,5x Net debt to EBITDA	0,7x
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	N/A

SUMMARY

Q2 2023



- Q2 was characterized by a continuation of the lower market activity especially from automated warehouse customers, started in Q2 2022.
- Positive is, that the rest of the market continued to have good activity levels. Troax saw a reasonable development in other customer segments. We have also seen a continuation of improvement of orders within the automotive sector.
- The steel price has been stable or even reducing during quarter two.
- A positive EBITA result and margin in Q2 2023 was recorded especially seen in the light of the volume 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 still hampered by the lower volume in the second quarter.
- Reasonable sales levels in the Nordic region and North America whereas Great Britain was negatively influenced by the lack of invoicing projects within automated warehouse.
- Earnings per share were 0,15 (0,18) EUR.
- Working capital is on a lower level compared to last year. Troax has reduced the inventory level to balance the lower demand within automated warehouse. Cash flow was strong 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, and in Sweden, Svenska Cykelrum, have continued to develop well.
- During the quarter we have continued the building work for yet another expansion of our facilities in Hillerstorp, Sweden.
- During the quarter, Troax has introduced an interesting new development called Troax Panel Detection that will further enhance the safety levels in manufacturing environments.

FINANCIAL HIGHLIGHTS, GROUP

	3 Months	3 Months	6 Months	6 Months	12 Months	12 Months	12 Months
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec	Jan-Dec	Jul-Jun
MEUR	2023	2022	2023	2022	2022	2021	2022/2023
Order intake	65,4	72,6	135,3	147,1	272,7	275,8	260,9
Sales	68,5	77,9	136,3	147,5	284,1	252,3	272,9
Gross profit	26,1	26,1	51,6	50,6	97,3	95,2	98,3
Gross margin, %	38,1	33,5	37,9	34,3	34,2	37,7	36,0
EBITA	13,0	14,0	25,7	26,8	51,1	53,4	50,0
EBITA margin, %	19,0	18,0	18,9	18,2	18,0	21,2	18,3
EBIT	12,6	13,7	24,8	26,2	49,6	52,4	48,2
EBIT margin, %	18,4	17,6	18,2	17,8	17,5	20,8	17,7
Profit after tax	9,1	10,5	18,0	19,8	36,8	39,7	35,0
EBITDA 1)	15,4	16,6	30,6	31,7	61,2	62,3	60,1
EBITDA margin, % 1)	22,5	21,3	22,5	21,5	21,5	24,7	22,0
Net debt / EBITDA					0,6	0,8	
Earnings per share after dilution in EUR	0,15	0,18	0,30	0,33	0,61	0,66	0,58
Closing rate SEK/EUR	11,79	10,34	11,79	10,34	11,12	10,22	11,07
Earnings per share after dilution in SEK. 2)	1,79	1,81	3,54	3,41	6,82	6,76	6,46

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			6 Months			12 Months			12 Months Jul-Jun 2022/2023
	Apr-Jun 2023	Apr-Jun 2022	Diff	Jan-Jun 2023	Jan-Jun 2022	Diff	Jan-Dec 2022	Jan-Dec 2021	Diff	
Continental Europe	33,1	34,8	-5%	68,3	73,4	-7%	132,3	136,6	-3%	127,2
Nordic region	10,0	10,7	-7%	21,9	22,5	-3%	41,6	32,2	29%	41,0
United Kingdom	6,9	7,1	-3%	13,6	17,4	-22%	30,6	30,6	0%	26,8
North America	10,1	13,4	-25%	21,3	22,6	-6%	40,3	58,7	-31%	39,0
New Markets	5,9	6,6	-11%	10,1	11,2	-10%	21,0	17,7	19%	19,9
Total excl Currency	66,0	72,6	-9%	135,2	147,1	-8%	265,8	275,8	-4%	253,9
Currency effect	-1,5	0,0	-2%	-2,1	0,0	-1%	2,6	0,0	1%	0,5
Order intake acquisitions	0,9	0,0	1%	2,2	0,0	1%	4,3	0,0	2%	6,5
Total Order intake	65,4	72,6	-10%	135,3	147,1	-8%	272,7	275,8	-1%	260,9
Total Sales MEUR	3 Months			6 Months			12 Months			12 Months Jul-Jun 2022/2023
	Apr-Jun 2023	Apr-Jun 2022	Diff	Jan-Jun 2023	Jan-Jun 2022	Diff	Jan-Dec 2022	Jan-Dec 2021	Diff	
Continental Europe	33,4	37,5	-11%	64,6	74,0	-13%	142,0	123,6	19%	132,6
Nordic region	11,1	10,7	4%	22,0	19,0	16%	38,6	30,0	29%	41,6
United Kingdom	7,4	11,4	-35%	13,6	20,3	-33%	34,5	30,9	12%	27,8
North America	12,0	12,8	-6%	25,9	24,9	4%	44,1	51,0	-14%	45,1
New Markets	5,4	5,5	-2%	10,2	9,3	10%	19,3	16,8	15%	20,2
Total excl Currency	69,3	77,9	-11%	136,3	147,5	-8%	278,5	252,3	10%	267,3
Currency effect	-1,6	0,0	-2%	-2,0	0,0	-1%	2,9	0,0	1%	0,9
Sales acquisitions	0,8	0,0	1%	2,0	0,0	1%	2,7	0,0	1%	4,7
Total Sales	68,5	77,9	-12%	136,3	147,5	-8%	284,1	252,3	13%	272,9

* Note that organic growth is reported excluding currency effect.

CONCLUSION

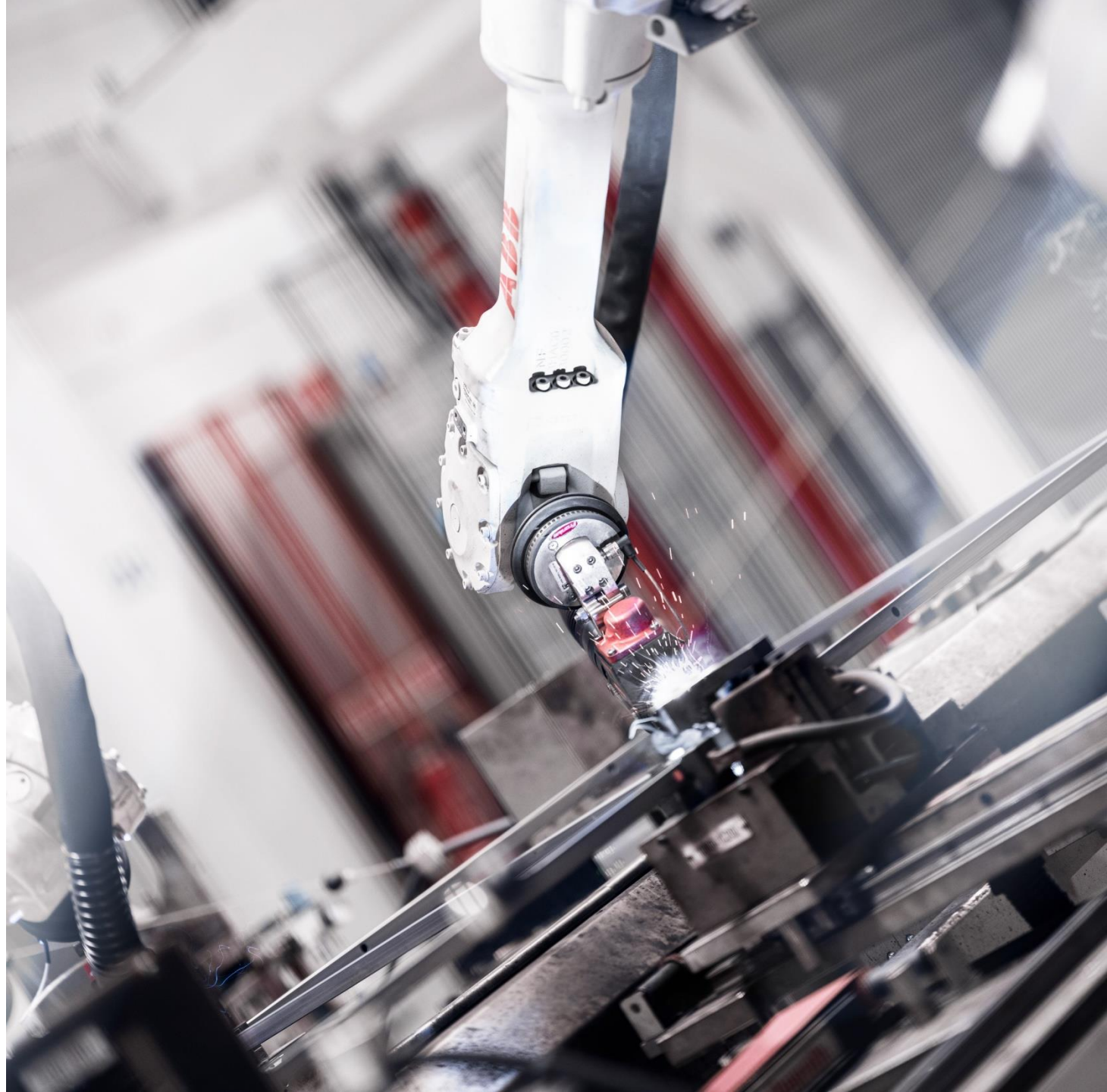


- We have continued to receive several important orders in the quarter in all segments. This refers this quarter mainly to customers within Machine Guarding, as the orders for automated warehouse were again weak in the quarter. We note that the orders are increasing from the automotive sector.
- Continued 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 second 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 newcomers to the group are ongoing in a positive way.
- We see the total development in the quarter again as positive, as the demand from automated warehouse has been weak. Unfortunately, we expect the demand from this sector to continue to be weak during the remaining part of 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 (m²)
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 (m²)
4,100

Shanghai, CHINA

Mesh panels and machine guarding products.

Capacity (metres)
~100,000

Capacity utilisation
75%

Area (m²)
3,500

Bulciago, ITALY

Modular protection solutions for machine guarding.

Capacity (metres)
~700,000

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
75%

Area (m²)
15,400

Sroda, POLAND

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

Capacity (shelves)
~1,200,000

Capacity utilisation
60%

Area (m²)
14,500

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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



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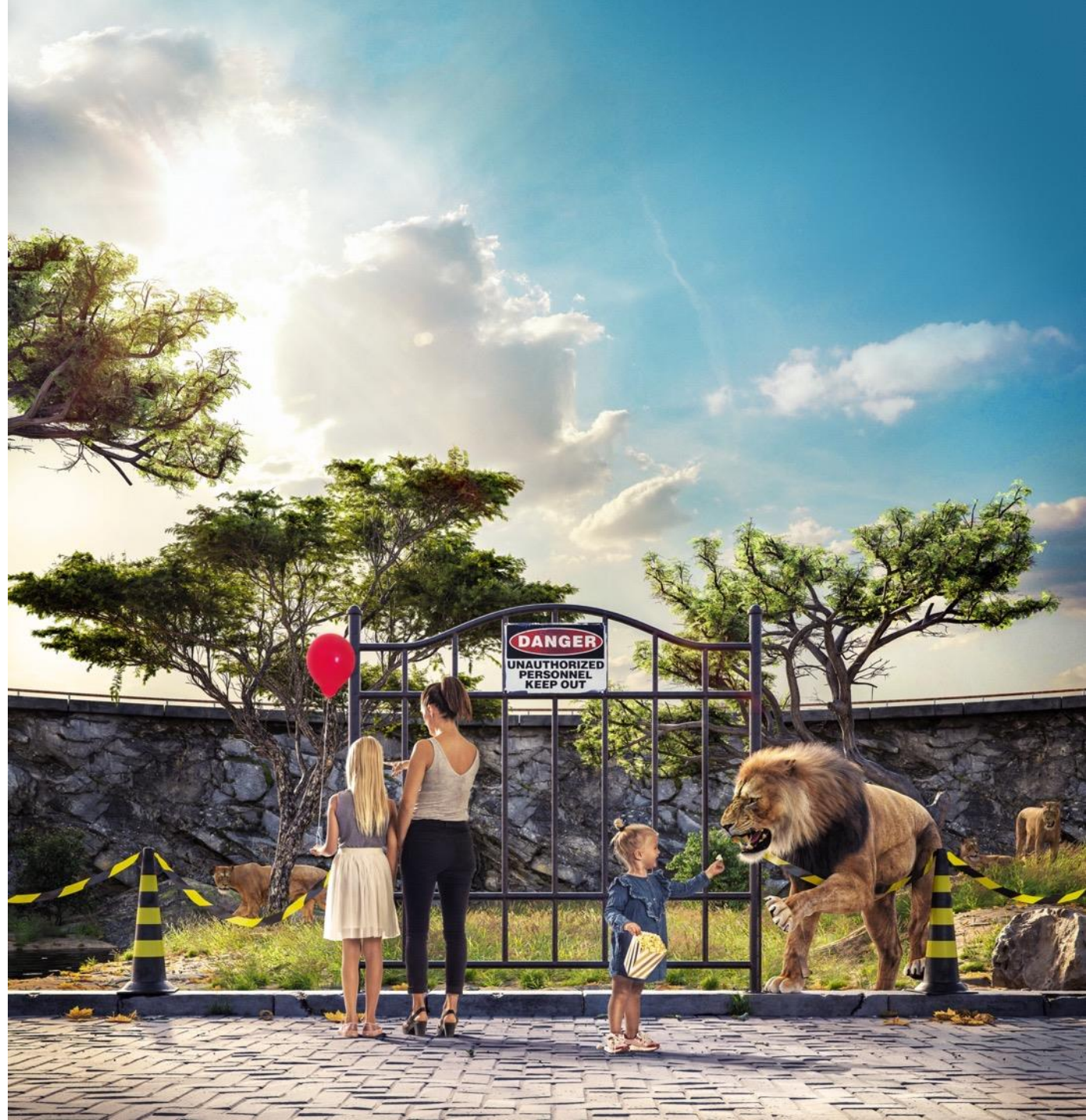
TROAX SAFETY CENTER

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



TROAX

PANEL DETECTION

- AUTOMATIC MONITORING
OF PANELS



POTENTIAL RISK



-HOW CAN YOU BE SURE
THAT THE MACHINE
GUARD IS IN PLACE
AFTER A
MAINTENANCE?

**THE HIGHEST
SAFETY
STANDARD**

**SLEEP WELL
AT NIGHT**



REDUCE RISK

**PATENTED AND
FIRST OF ITS KIND**

**THE ORIGINAL
SINCE 1955**



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**SAFETY
EQUALS
TROAX**

