

TROAX GROUP AB (publ)

THIRD QUARTER 2023 PRESENTATION

OCTOBER 24, 2023

ACTIVE + AWARE

THIS IS TROAX

SAFE AND SOUND ON SOLID GROUND

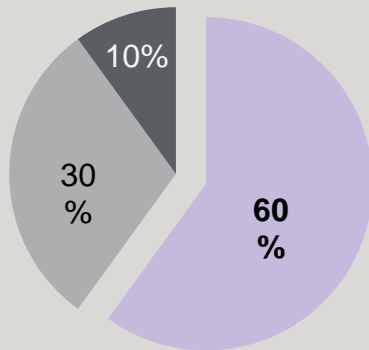
Making your
world safe.

THIS IS TROAX

PRODUCT SEGMENTS

MACHINE GUARDING

Maximum safety

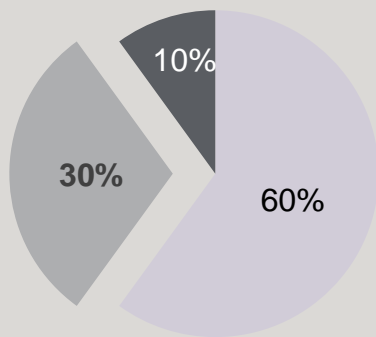


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PRODUCT SEGMENTS

WAREHOUSE PARTITIONING

Safe handling

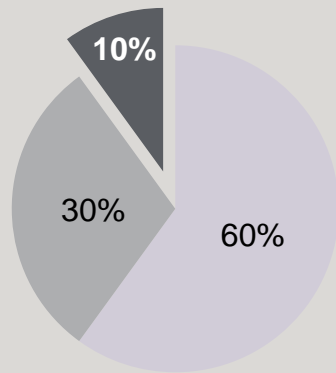


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PRODUCT SEGMENTS

PROPERTY PROTECTION

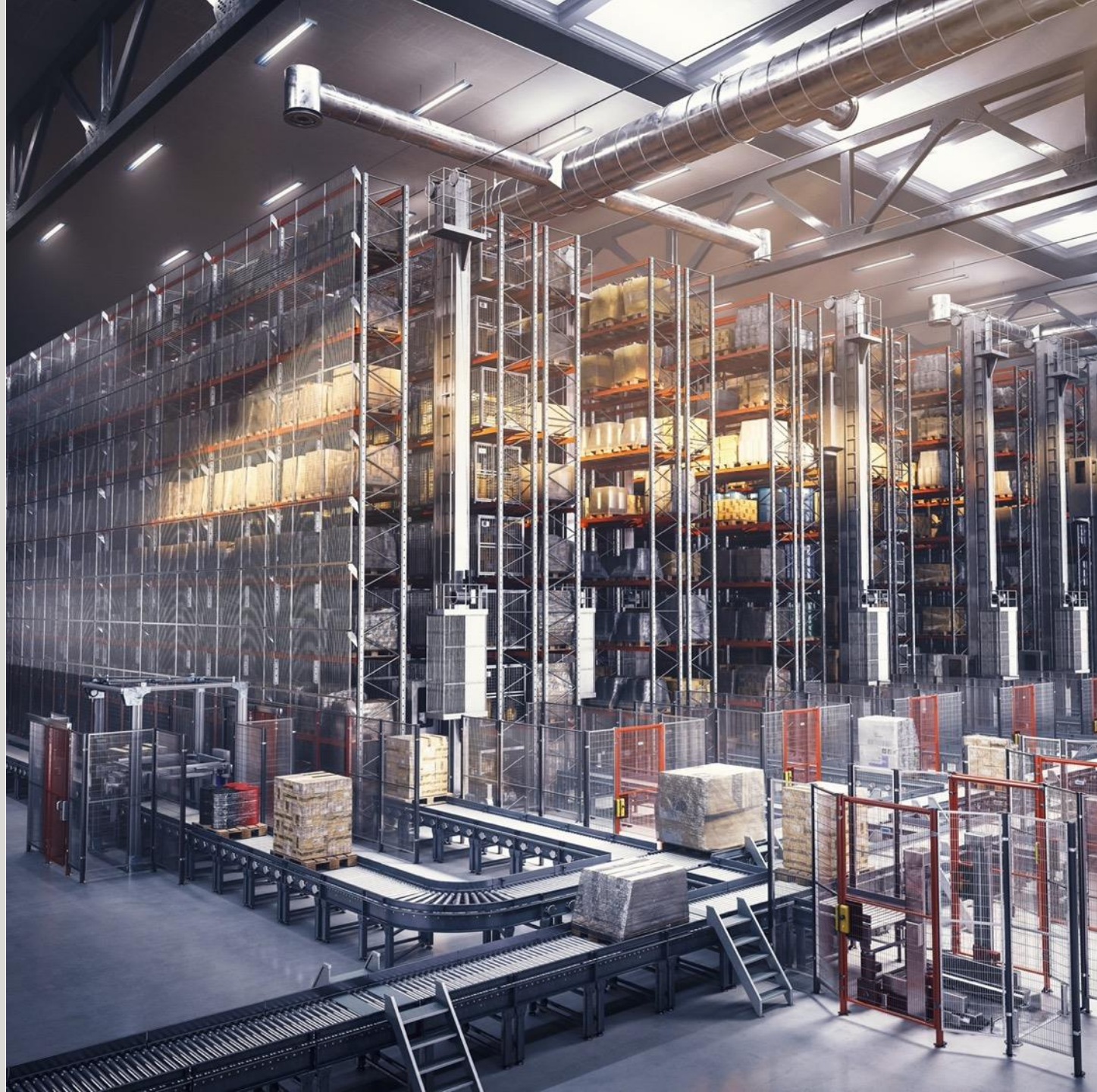
Storage solutions



THIS IS **TROAX**

AUTOMATED WAREHOUSE

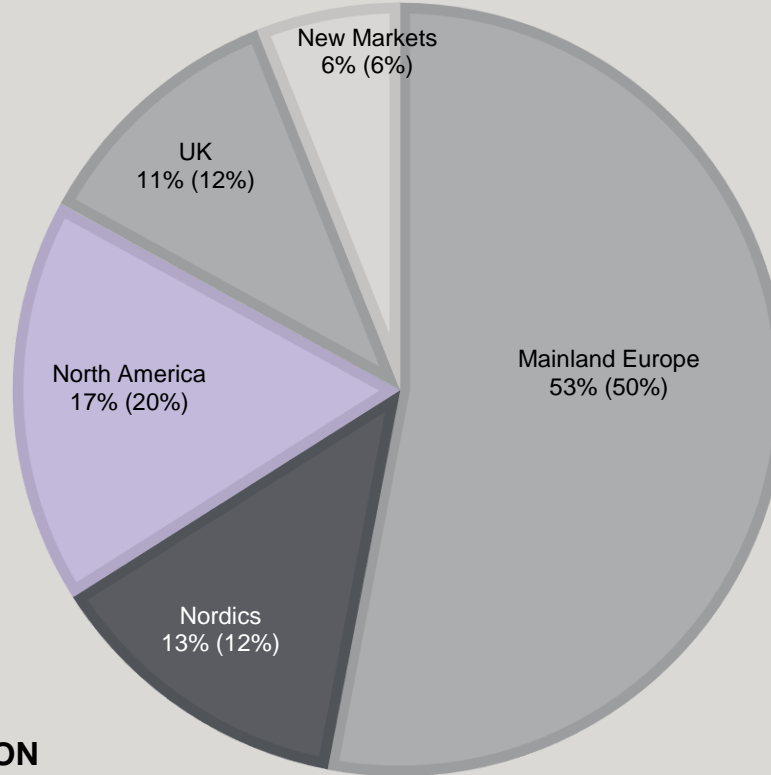
Safety on all levels



THE YEAR IN BRIEF

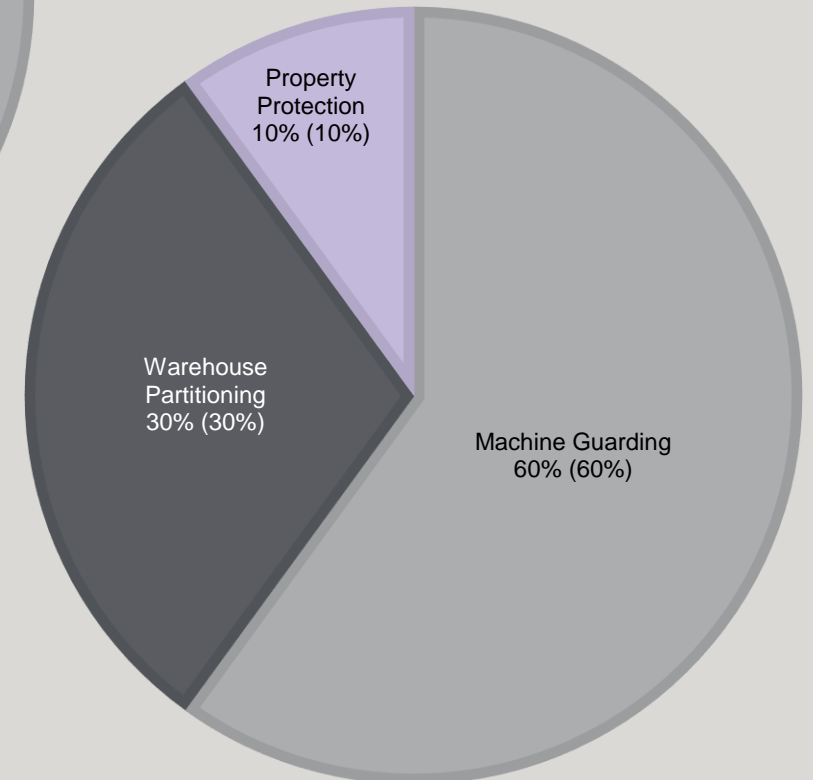
SALES PER REGION

2022 (2021)



SALES PER BUSINESS AREA

2022 (2021)



2022 EUR MILLION

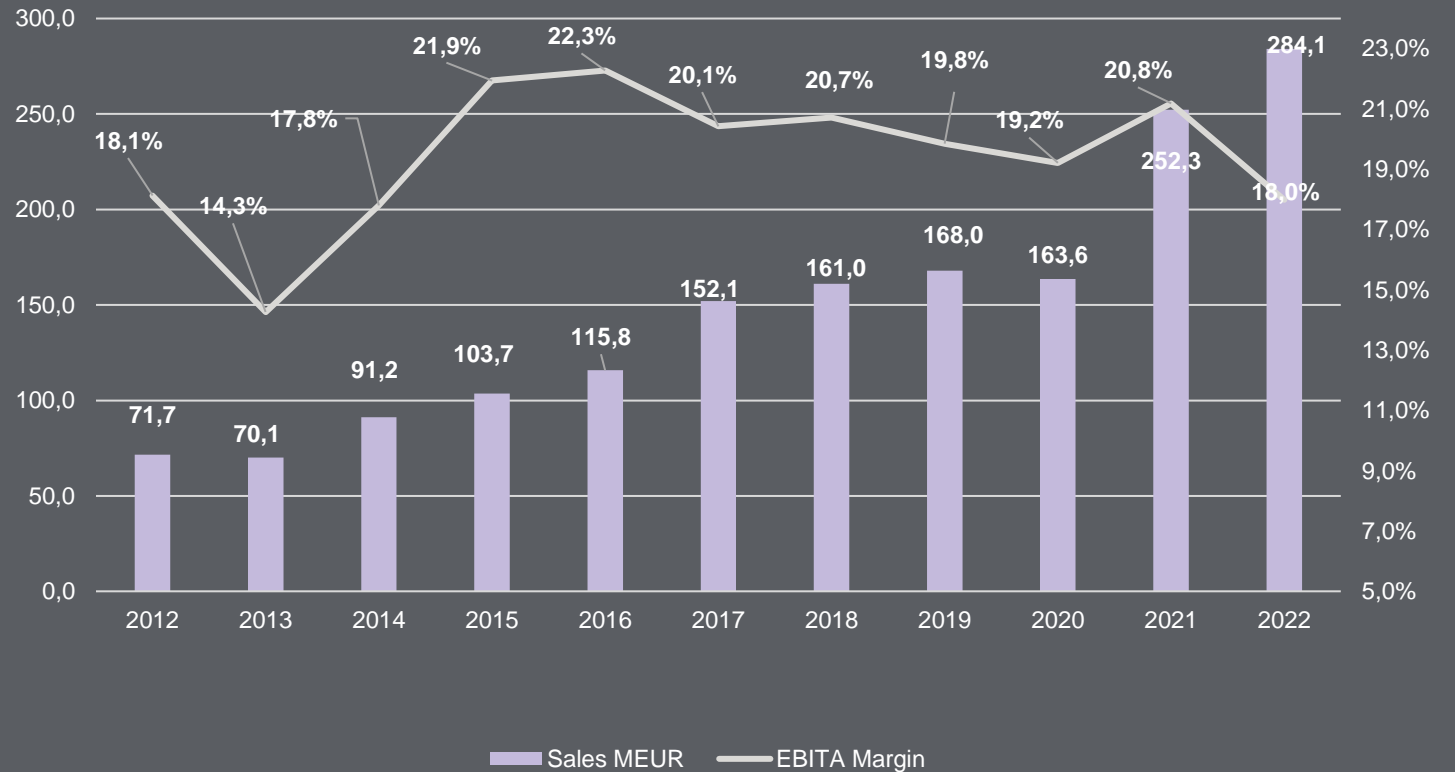
2022

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

Q3 2023



- Q3 was characterized by a continuation of the lower market activity especially from automated warehouse customers, started in Q2 2022, however we note that the figures are starting to stabilize, which means that the core business is increasing compared to previous quarters.
- Positive is, that the rest of the market continued to have good activity levels. Troax saw a reasonable development in other customer segments, with the exception of the building market in the Nordic area.
- The steel price has been stable or even reducing during quarter three.
- A positive EBITA result and margin in Q3 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 has now reached the targeted levels, despite the facts that we are lacking some volumes.
- Reasonable sales levels in all areas with the exception of the Nordic region and Great Britain. In the quarter we had quite good development in New markets.
- Earnings per share were 0,15 (0,17) 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. However, the third quarter saw a better activity level than in previous quarters this year. 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.
- After the ending of the quarter, we acquired our distributor in Croatia.

FINANCIAL HIGHLIGHTS, GROUP

MEUR	3 Months	3 Months	9 Months	9 Months	12 Months	12 Months	12 Months
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec	Jan-Dec	Okt-Sep
	2023	2022	2023	2022	2022	2021	2022/2023
Order intake	62,3	62,0	197,6	209,1	272,7	275,8	261,2
Sales	61,4	71,3	197,7	218,8	284,1	252,3	263,0
Gross profit	24,4	24,0	76,0	74,6	97,3	95,2	98,7
Gross margin, %	39,7	33,7	38,4	34,1	34,2	37,7	37,5
EBITA	12,8	13,2	38,5	40,0	51,1	53,4	49,6
EBITA margin, %	20,8	18,5	19,5	18,3	18,0	21,2	18,9
EBIT	12,3	12,9	37,1	39,1	49,6	52,4	47,6
EBIT margin, %	20,0	18,1	18,8	17,9	17,5	20,8	18,1
Profit after tax	8,9	9,9	26,9	29,7	36,8	39,7	34,0
EBITDA 1)	15,4	15,7	46,0	47,4	61,2	62,3	59,8
EBITDA margin, % 1)	25,1	22,0	23,3	21,7	21,5	24,7	22,7
Net debt / EBITDA					0,6	0,8	
Earnings per share after dilution in EUR	0,15	0,17	0,45	0,50	0,61	0,66	0,57
Closing rate SEK/EUR	11,49	10,92	11,49	10,92	11,12	10,22	11,07
Earnings per share after dilution in SEK. 2)	1,70	1,80	5,15	5,41	6,82	6,76	6,27

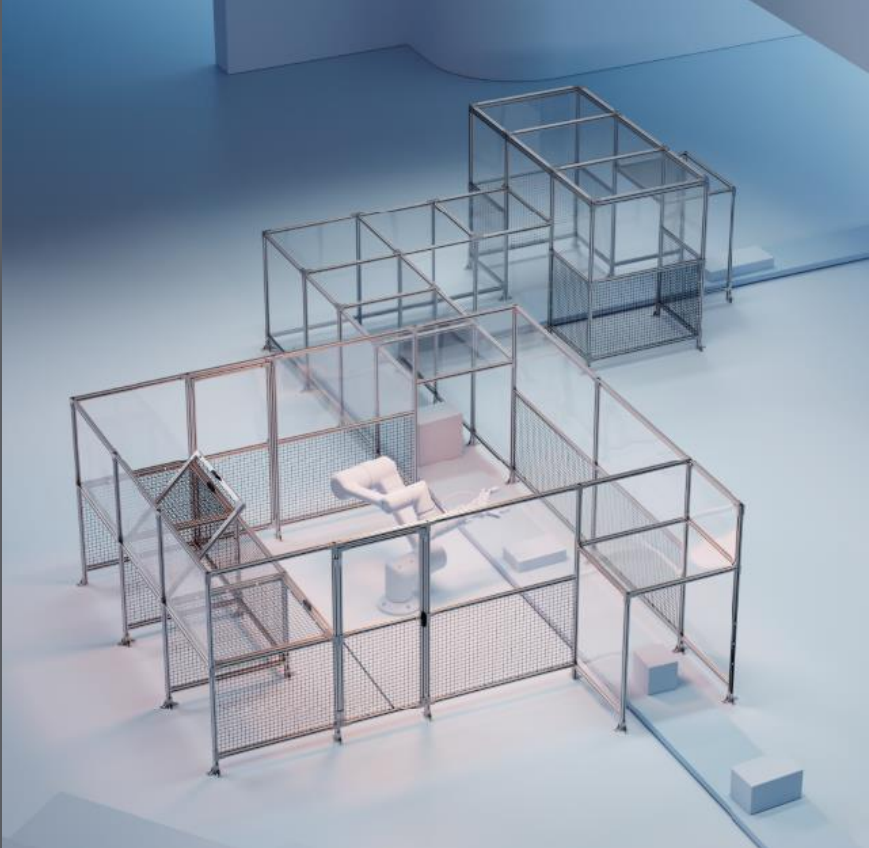
1) Earnings per share after dilution in SEK, is calculated based on result in Euro at Closing rate SEK/EUR.

REGIONAL DEVELOPMENT ORDER INTAKE AND SALES

Order intake MEUR	3 Months	3 Months	Diff	9 Months	9 Months	Diff	12 Months	12 Months	Diff	12 Months
	Jul-Sep 2023	Jul-Sep 2022		Jan-Sep 2023	Jan-Sep 2022		Jan-Dec 2022	Jan-Dec 2021		Okt-Sep 2022/2023
Continental Europe	31,7	31,7	0%	100,0	105,1	-5%	135,1	136,6	-1%	130,0
Nordic region	7,2	7,8	-8%	29,1	30,3	-4%	40,7	32,2	26%	39,5
United Kingdom	6,8	7,6	-11%	20,4	25,0	-18%	30,9	30,6	1%	26,3
North America	12,3	11,6	6%	33,6	34,2	-2%	45,2	58,7	-23%	44,6
New Markets	5,2	3,3	58%	15,3	14,5	6%	20,1	17,7	14%	20,9
Total excl Currency	63,2	62,0	2%	198,4	209,1	-5%	272,0	275,8	-1%	261,3
Currency effect	-1,6	0,0	-3%	-3,7	0,0	-2%	0,0	0,0	0%	-3,7
Order intake acquisitions	0,7	0,0	1%	2,9	0,0	1%	0,7	0,0	0%	3,6
Total Order intake	62,3	62,0	0%	197,6	209,1	-5%	272,7	275,8	-1%	261,2
Total Sales										
Total Sales MEUR	3 Months	3 Months	Diff	9 Months	9 Months	Diff	12 Months	12 Months	Diff	12 Months
	Jul-Sep 2023	Jul-Sep 2022		Jan-Sep 2023	Jan-Sep 2022		Jan-Dec 2022	Jan-Dec 2021		Okt-Sep 2022/2023
Continental Europe	31,4	35,4	-11%	96,0	109,4	-12%	143,3	123,6	16%	129,9
Nordic region	7,8	8,7	-10%	29,8	27,7	8%	37,6	30,0	25%	39,7
United Kingdom	6,1	8,6	-29%	19,7	28,9	-32%	34,7	30,9	12%	25,5
North America	11,4	14,3	-20%	37,3	39,2	-5%	49,4	51,0	-3%	47,5
New Markets	5,9	4,3	37%	16,1	13,6	18%	18,3	16,8	9%	20,8
Total excl Currency	62,6	71,3	-12%	198,9	218,8	-9%	283,3	252,3	12%	263,4
Currency effect	-2,0	0,0	-3%	-4,0	0,0	-2%	0,0	0,0	0%	-4,0
Sales acquisitions	0,8	0,0	1%	2,8	0,0	1%	0,8	0,0	0%	3,6
Total Sales	61,4	71,3	-14%	197,7	218,8	-10%	284,1	252,3	13%	263,0

* Note that organic growth is reported excluding currency effect.

CONCLUSION

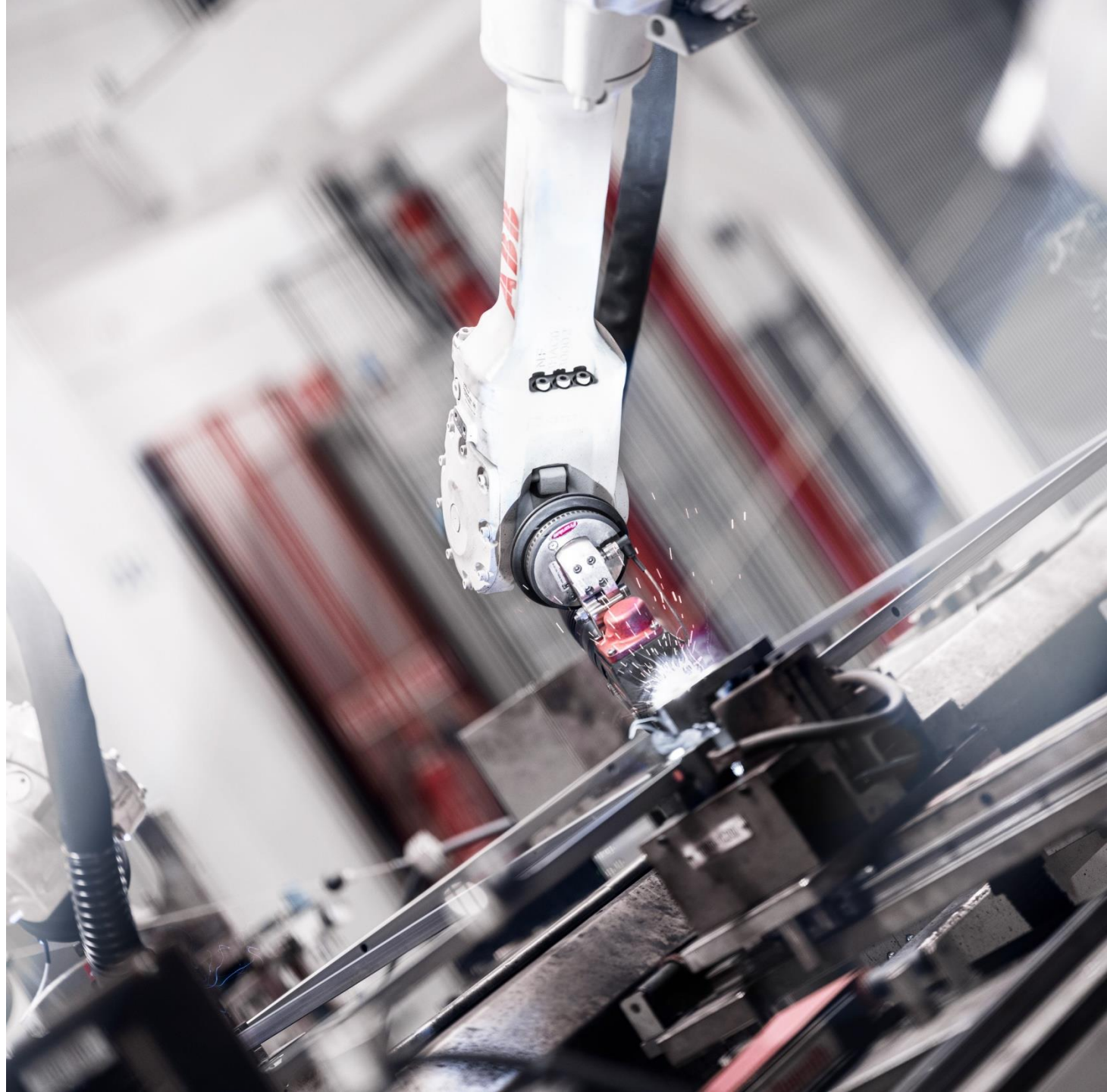


- We have continued to receive several important orders in the quarter in all segments. This refers this quarter mainly to customers within Machine Guarding.
- Continued positive development in result reflecting both improved sales gross margins and unfortunately lower utilization levels in our manufacturing units.
- Decent activity level and we continued with good success in orders in most markets in the third quarter of the year. We see no signs of any major decreases in demand, with the possible exception of the building market in the Nordic area.
- Planned investments in Natom is more or less finished.
- We see the total development in the quarter again as stable and positive, as the volumes are still lacking in some areas.
- The expectations are that the demand in automotive warehouse will start to increase again during 2024.

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

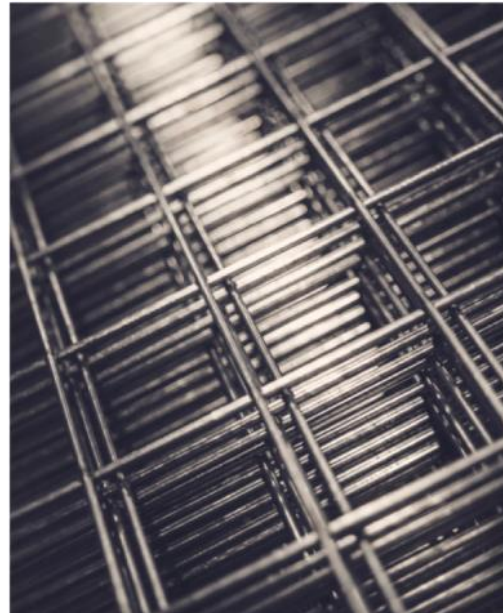
A SAFER TOMORROW

■ SINCE 1955 →

FOR A SAFER TOMORROW

WHAT WE FOCUS ON TODAY

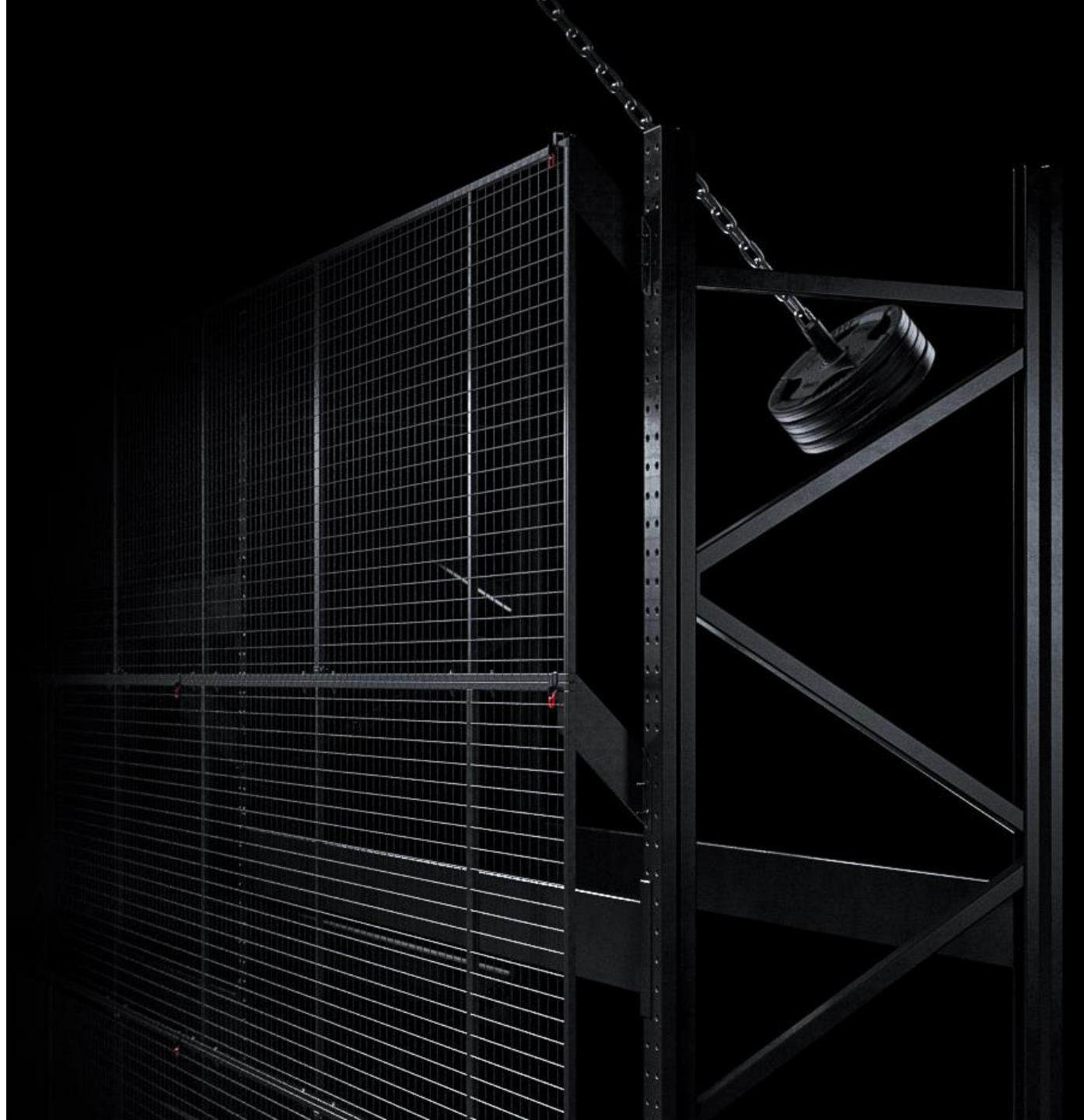
- Climate compensating program concerning all transportations
- Continuously decrease of our total energy consumption, target 2% per year
- Regional manufacturing decreases transportation
- Recertified ISO 14001 and ISO 9001
- Minimize use of plastic products
- 99% recyclable steel
- Minimum 80% recycled 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



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PROTECTING PEOPLE, PROPERTY AND PROCESSES



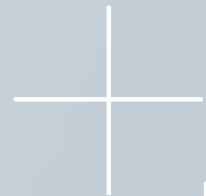
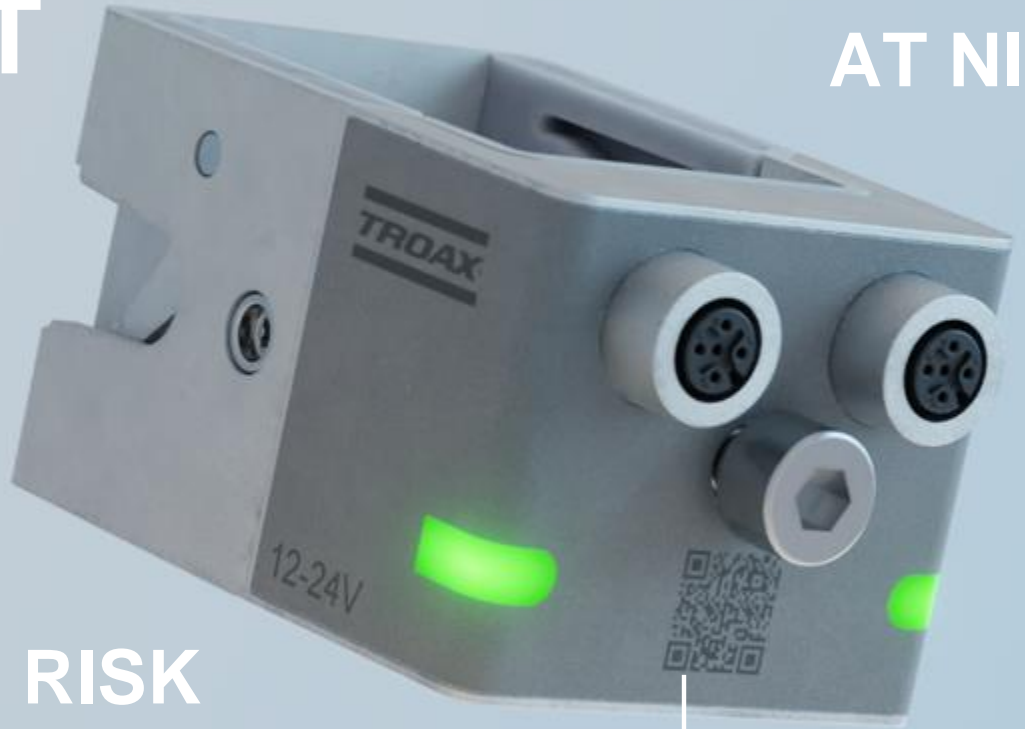
POTENTIAL RISK



-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**



THIS IS TROAX

SAFETY EQUALS TROAX

