

TROAX GROUP AB (publ)

FOURTH QUARTER 2023 PRESENTATION

FEBRUARY 9, 2024

ACTIVE + AWARE

THIS IS TROAX

SAFE AND SOUND ON SOLID GROUND

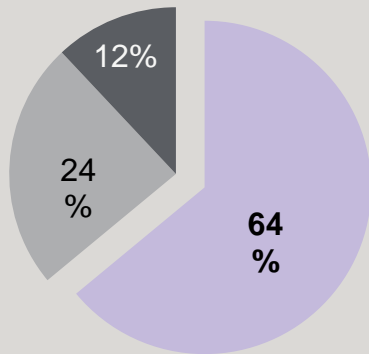
Making your
world safe.

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PRODUCT SEGMENTS

MACHINE GUARDING

Maximum safety

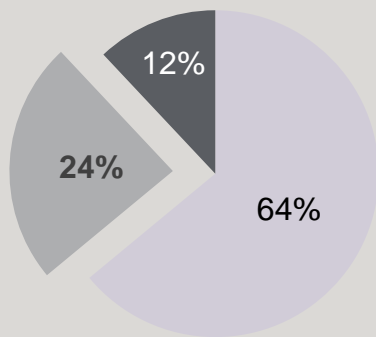


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PRODUCT SEGMENTS

WAREHOUSE PARTITIONING

Safe handling

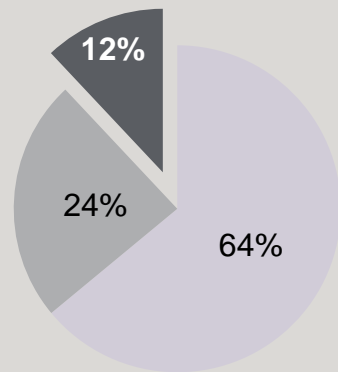


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PRODUCT SEGMENTS

PROPERTY PROTECTION

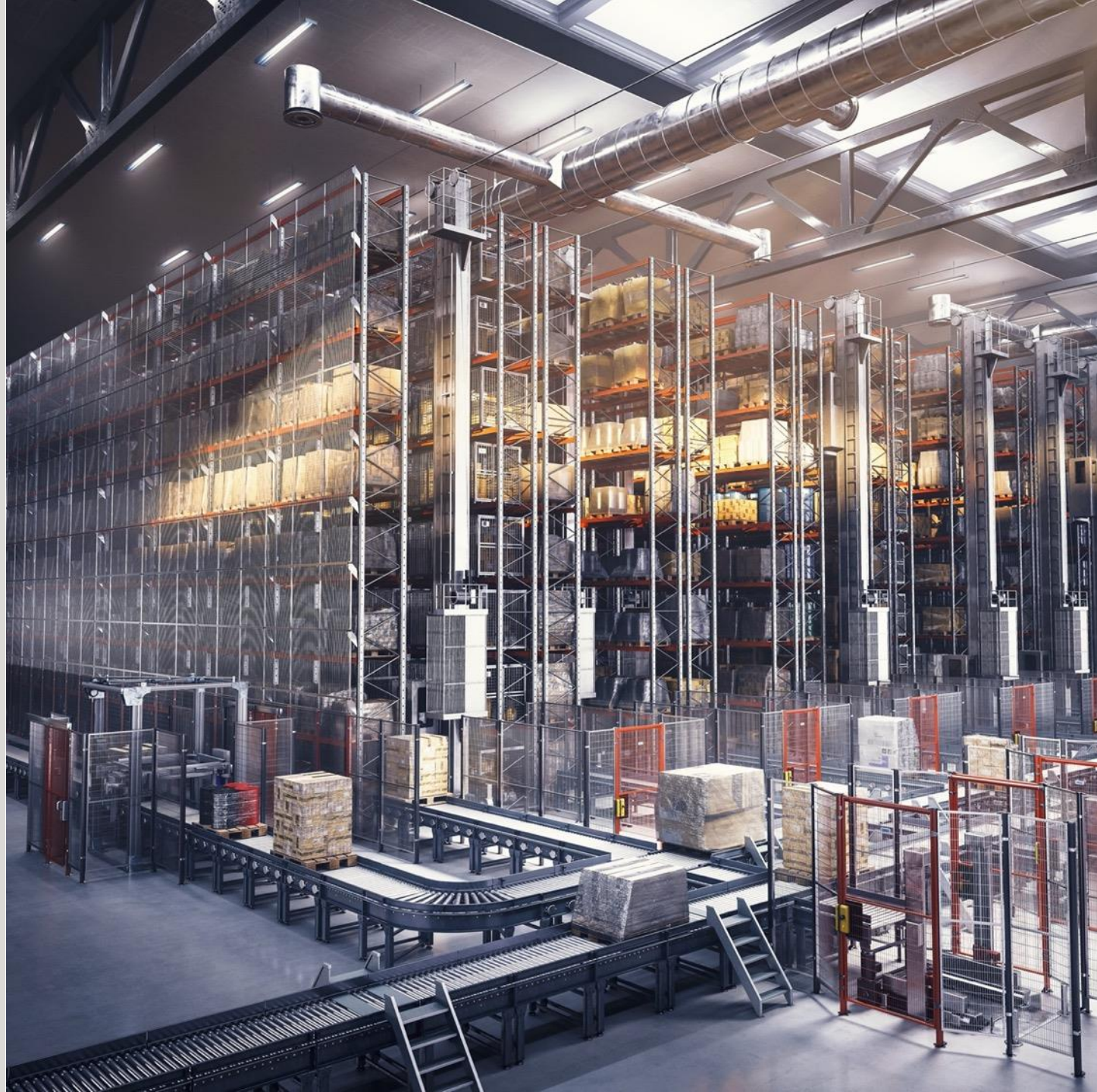
Storage solutions



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AUTOMATED WAREHOUSE

Safety on all levels



THIS IS **TROAX**

ACTIVE SAFETY

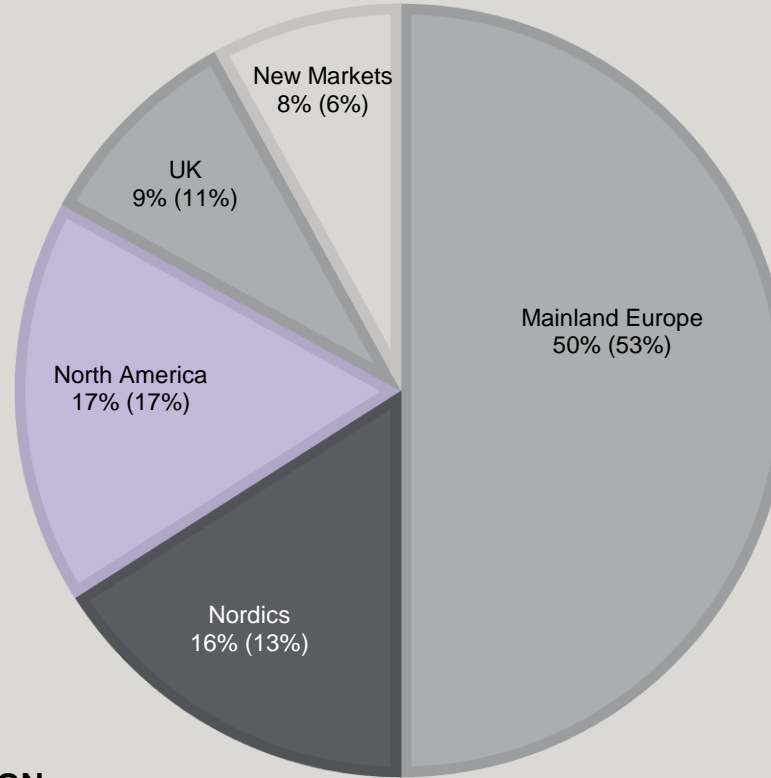
Actively prevent accidents



THE YEAR IN BRIEF

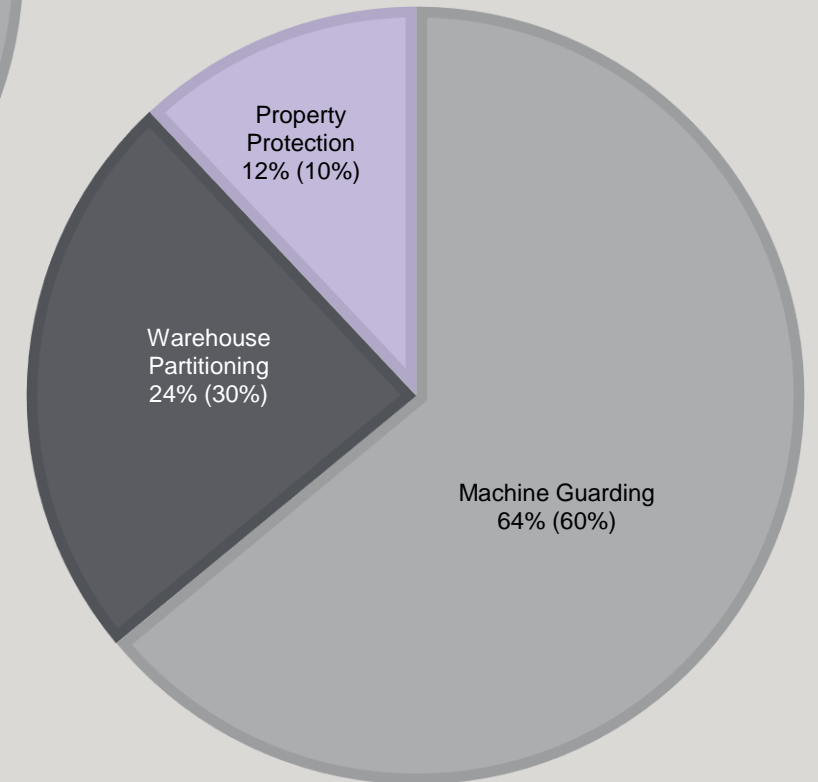
SALES PER REGION

2023 (2022)



SALES PER BUSINESS AREA

2023 (2022)



2023 EUR MILLION

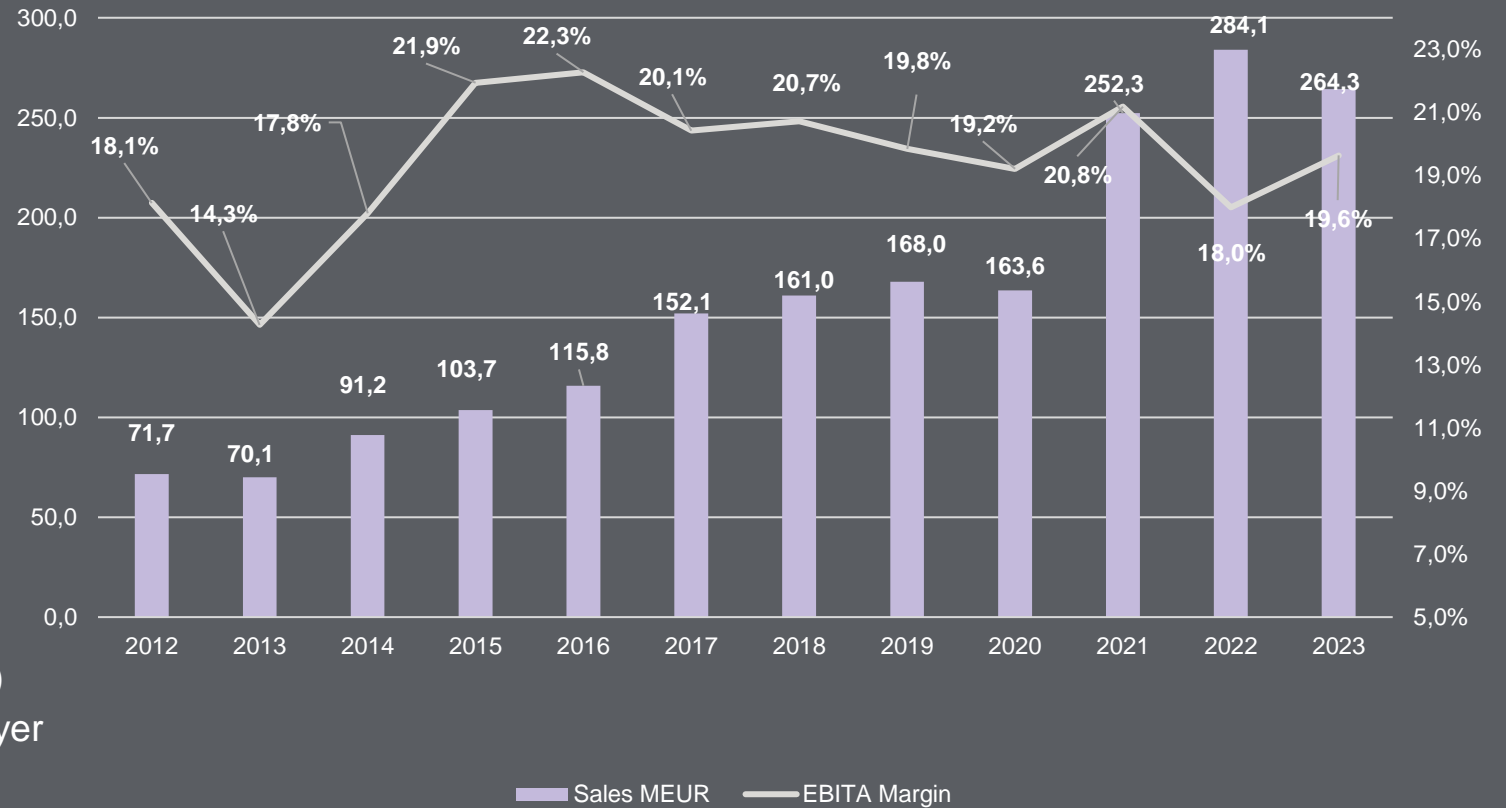
2023

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 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	19,6%
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

Q4 2023



- Q4 was characterized by a continuation of the lower market activity especially from automated warehouse customers, started in Q2 2022, however we noted that the figures were starting to stabilize in Q3. Q4 were more negatively hit by a lack of activity in the building sector and some absence of bigger project orders.
- 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 lack of activity in the automotive sector in North America.
- The steel price has been stable in quarter four.
- A positive EBITA result and margin in Q4 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 again reached the targeted levels, despite the facts that we are lacking some volumes.
- A bit weak sales level in many areas in the quarter. The exception being Continental Europe and New markets where we've had quite decent development in Q4.
- Adjusted earnings per share were 0,16 (0,13) 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 again strong in the quarter, however negatively influenced by the acquisition of Garantell.
- As per 1st of December, we acquired Garantell, a Swedish based European focused manufacturer of mainly anti-collapse systems and shelves. The acquired company adds approximately 30 MEUR in turnover and complements Troax offering in quite a good way.
- During the quarter we have finished the building work for yet another expansion of our facilities in Hillerstorp, Sweden. We are also in the process of expanding our manufacturing capacity in China. In Poland, after March/April 2024, we will have all activities in our major unit in Sroda outside of Poznan.

FINANCIAL HIGHLIGHTS, GROUP

	3 Months	3 Months	12 Months	12 Months	12 Months
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec	Jan-Dec
MEUR	2023	2022	2023	2022	2021
Order intake	60,6	63,6	258,2	272,7	275,8
Sales	66,6	65,3	264,3	284,1	252,3
Gross profit	26,0	22,7	102,0	97,3	95,2
Gross margin, %	39,0	34,8	38,6	34,2	37,7
EBITA	13,4	11,1	51,9	51,1	53,4
EBITA margin, %	20,1	17,0	19,6	18,0	21,2
EBIT	12,9	10,5	50,0	49,6	52,4
EBIT margin, %	19,4	16,1	18,9	17,5	20,8
Profit after tax	8,9	7,1	35,8	36,8	39,7
EBITDA	16,2	13,8	62,2	61,2	62,3
EBITDA margin, %	24,3	21,1	23,5	21,5	24,7
Net debt / EBITDA			0,9	0,6	0,8
Adjusted earnings per share after dilution in EUR 1)	0,16	0,13	0,63	0,64	0,68
Closing rate SEK/EUR	11,49	11,12	11,49	11,12	10,22

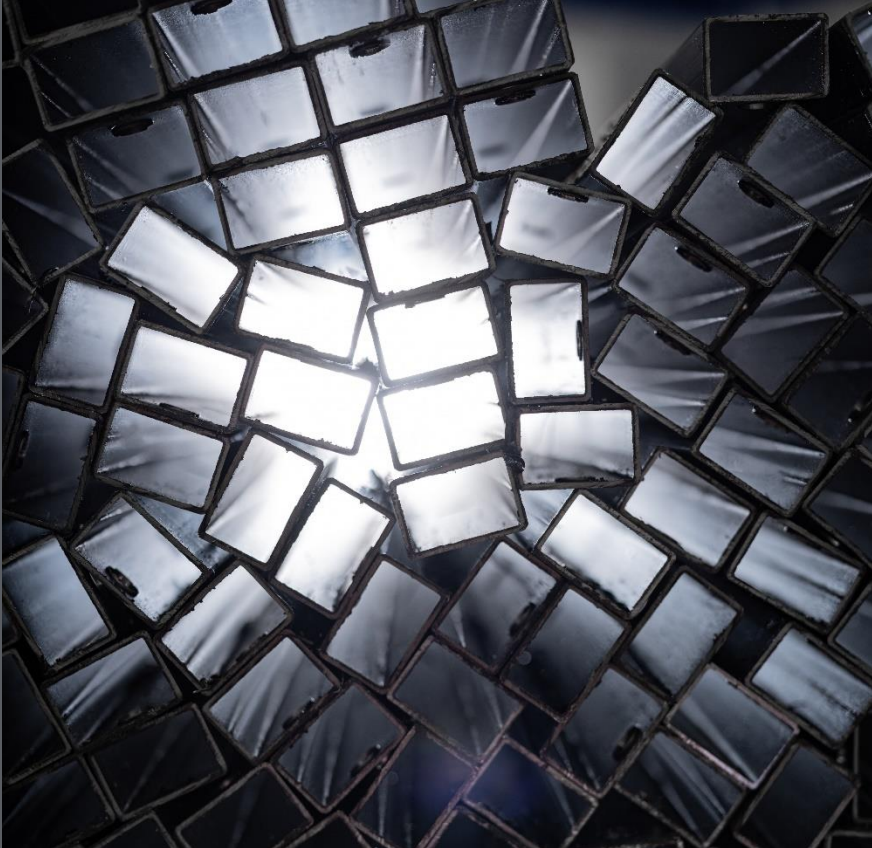
¹ Earnings per share is calculated excluding amortizations which amounted to -0,5 (-0,6) in the quarter and -1,9 (-1,5) for the year 2023.

REGIONAL DEVELOPMENT ORDER INTAKE AND SALES

Order intake MEUR	3 Months	3 Months	Diff	12Months	12Months	Diff	12 Months	Diff
	Okt-Dec	Okt-Dec		Jan-Dec	Jan-Dec		Jan-Dec	
	2023	2022		2023	2022		2021	
Continental Europe	32,5	30,0	8%	132,5	135,1	-2%	136,6	-1%
Nordic region	8,7	11,1	-22%	37,8	41,4	-9%	32,2	29%
United Kingdom	4,6	5,9	-22%	25,0	30,9	-19%	30,6	1%
North America	7,1	11,0	-35%	40,7	45,2	-10%	58,7	-23%
New Markets	7,0	5,6	25%	22,3	20,1	11%	17,7	14%
Total excl Currency	59,9	63,6	-6%	258,3	272,7	-5%	275,8	-1%
Currency effect	-1,1	0,0	-2%	-4,8	0,0	-2%	0,0	0%
Order intake acquisitions	1,8	0,0	3%	4,7	0,0	2%	0,0	0%
Total Order intake	60,6	63,6	-5%	258,2	272,7	-5%	275,8	-1%
Total Sales MEUR	3 Months	3 Months	Diff	12Months	12Months	Diff	12 Months	Diff
	Okt-Dec	Okt-Dec		Jan-Dec	Jan-Dec		Jan-Dec	
	2023	2022		2023	2022		2021	
Continental Europe	35,4	33,9	4%	131,4	143,3	-8%	123,6	16%
Nordic region	10,4	10,7	-3%	40,2	38,4	5%	30,0	28%
United Kingdom	4,9	5,8	-16%	24,6	34,7	-29%	30,9	12%
North America	9,3	10,2	-9%	46,6	49,4	-6%	51,0	-3%
New Markets	5,7	4,7	21%	21,8	18,3	19%	16,8	9%
Total excl Currency	65,7	65,3	1%	264,6	284,1	-7%	252,3	13%
Currency effect	-0,9	0,0	-1%	-4,9	0,0	-2%	0,0	0%
Sales acquisitions	1,8	0,0	3%	4,6	0,0	2%	0,0	0%
Total Sales	66,6	65,3	2%	264,3	284,1	-7%	252,3	13%

* 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.
- Continued positive development in result reflecting both improved sales gross margins and unfortunately lower utilization levels in our manufacturing units.
- Decent/stable activity level and we continued with good success in orders in most markets in the fourth 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 and the automotive segment in North America.
- We see the total development in the quarter again as stable and positive, even if the volumes were on the low side.
- The expectations are that the demand in automotive warehouse will start to increase again during 2024/2025.
- An important acquisition was done. We acquired Garantell AB, which in a good way complements Troax offering to customers.

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

Värnamo,
SWEDEN

Production of mainly anti-collapse systems and shelves.

Capacity (shelves)
~1,500,000

Capacity utilisation
60%

Area (m²)
20,000

Hillerstorp,
SWEDEN

Production of the entire range of panels.

Capacity (metres)
>1,500,000

Capacity utilisation
75%

Area (m²)
35,000

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)
~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
75%

Area (m²)
15,400

Sroda,
POLAND

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

Capacity (shelves)
~1,500,000

Capacity utilisation
60%

Area (m²)
14,500

MAIN PRODUCTION FACILITY

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TROAX GROUP



Working together
for a safer world



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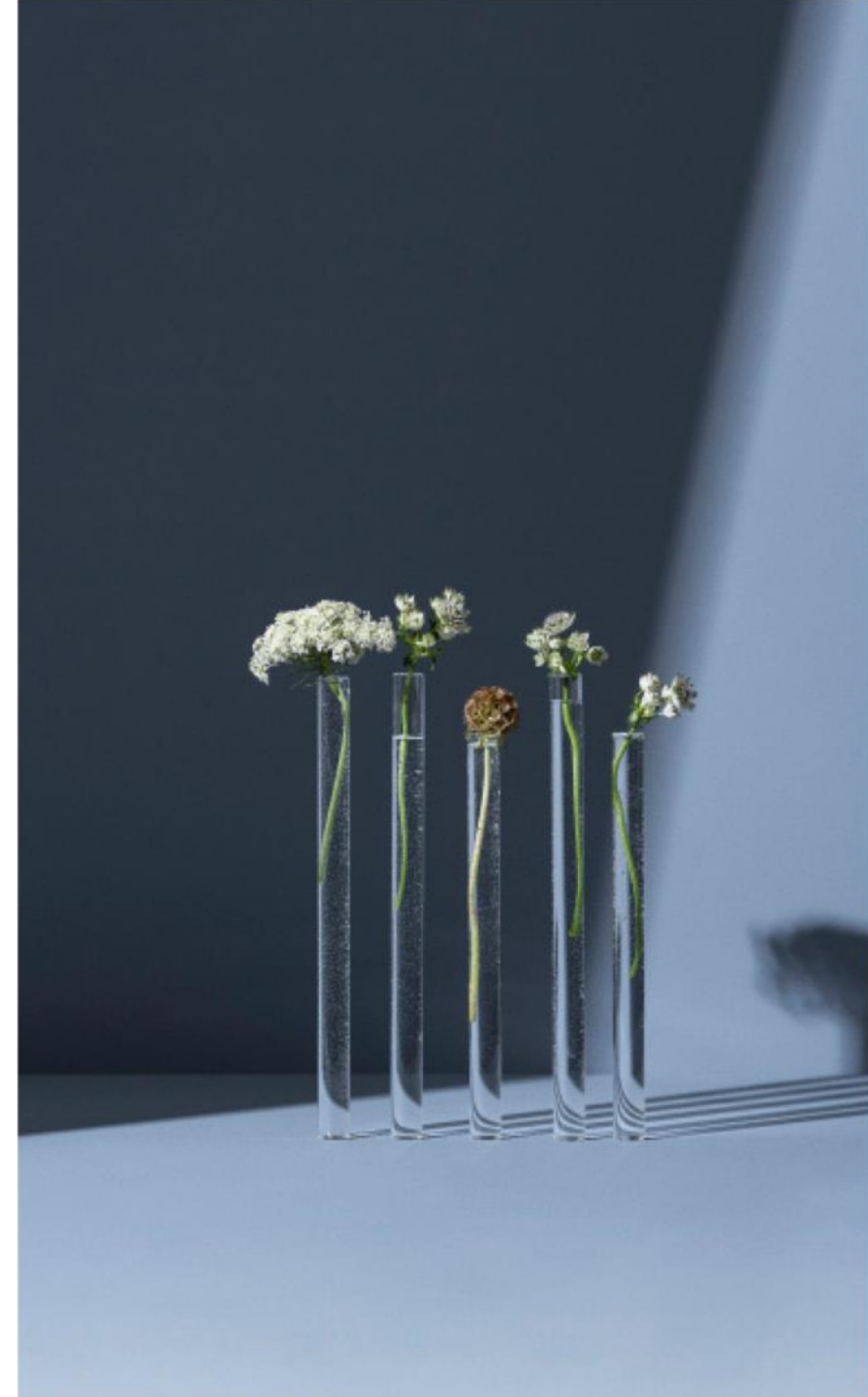
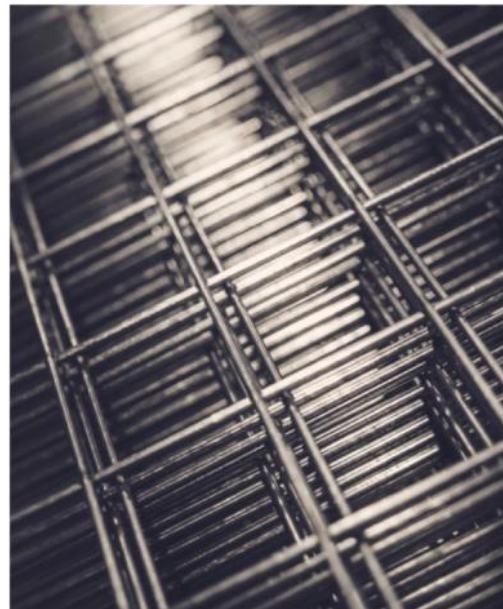
A SAFER TOMORROW

■ SINCE 1955 →

FOR A SAFER TOMORROW

WHAT WE FOCUS ON TODAY

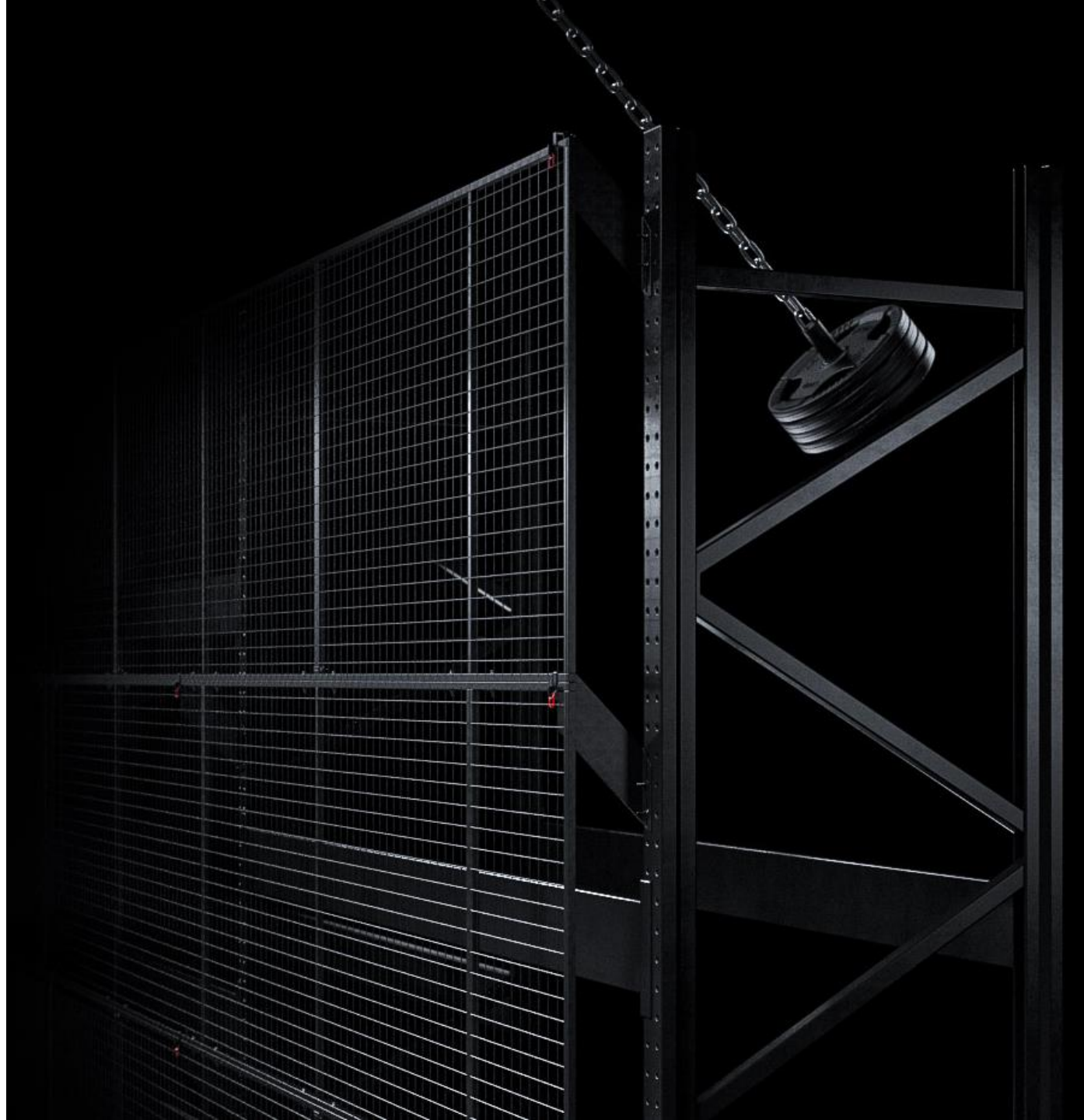
- We offset emissions from our air transport due to its significant environmental impact. (We use Euro 6 trucks for land based transports.)
- Continuously decrease of our total energy consumption, target 2% per year
- Regional manufacturing decreases transportation
- Recertified ISO 14001 and ISO 9001
- 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 begin reporting in accordance with CSRD starting with the 2024 Annual Report.



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



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PROTECTING PEOPLE, PROPERTY AND PROCESSES



**THE ORIGINAL
SINCE 1955**



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SAFETY EQUALS TROAX

