

STAY
SAFE

TROAX GROUP AB (publ)

FIRST QUARTER 2021 PRESENTATION
APRIL 26, 2021



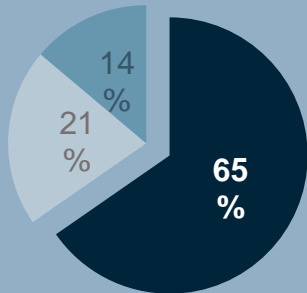
An aerial photograph of a vast, dense forest. The trees are a mix of green and dark green, suggesting a mix of deciduous and coniferous species. A thick layer of white mist or fog rises from the forest floor, partially obscuring the lower parts of the trees and creating a sense of depth and atmosphere. The lighting is soft, likely from an overcast day or early morning.

**SAFE AND SOUND
ON SOLID GROUND**

PRODUCT SEGMENTS

MACHINE GUARDING

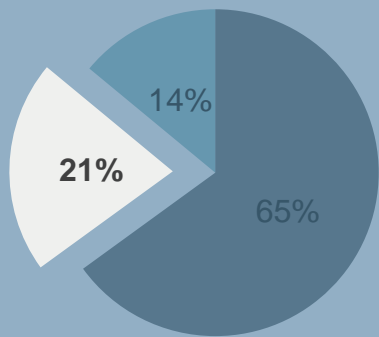
Maximum safety



PRODUCT SEGMENTS

WAREHOUSE PARTITIONING

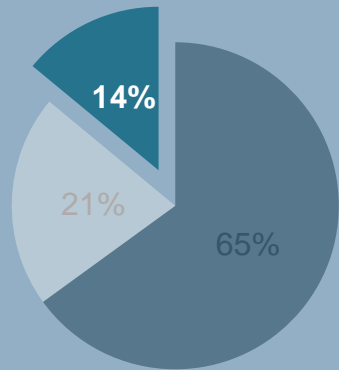
Safe handling



PRODUCT SEGMENTS

PROPERTY PROTECTION

Storage solutions

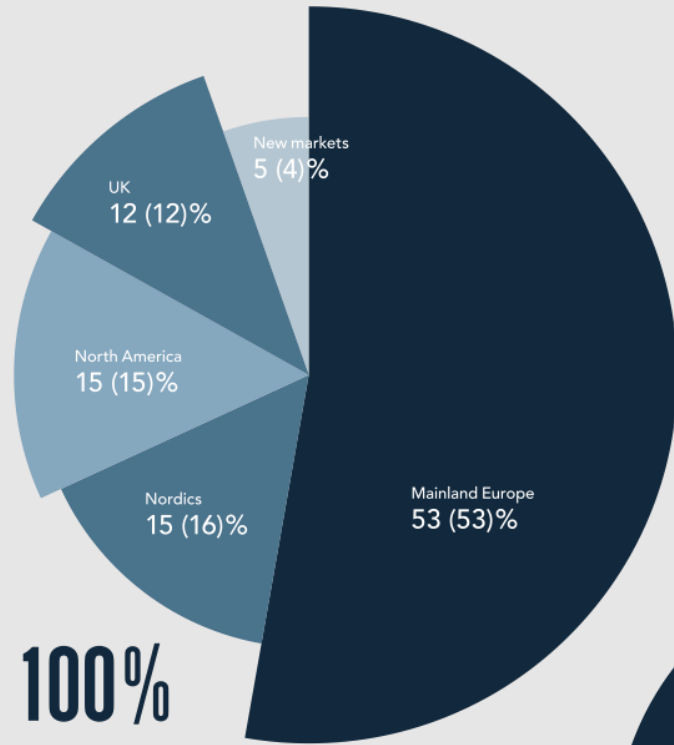


AUTOMATED WAREHOUSE

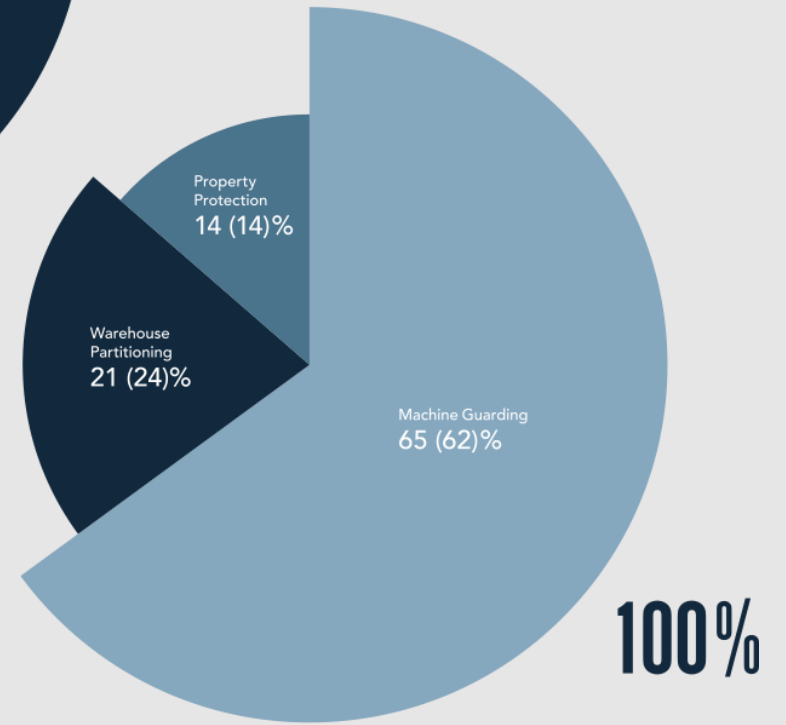
Safety on all levels



THE YEAR IN BRIEF



SALES PER REGION
2020 (2019)



SALES
per business area 2020 (2019)

2020 EUR MILLION

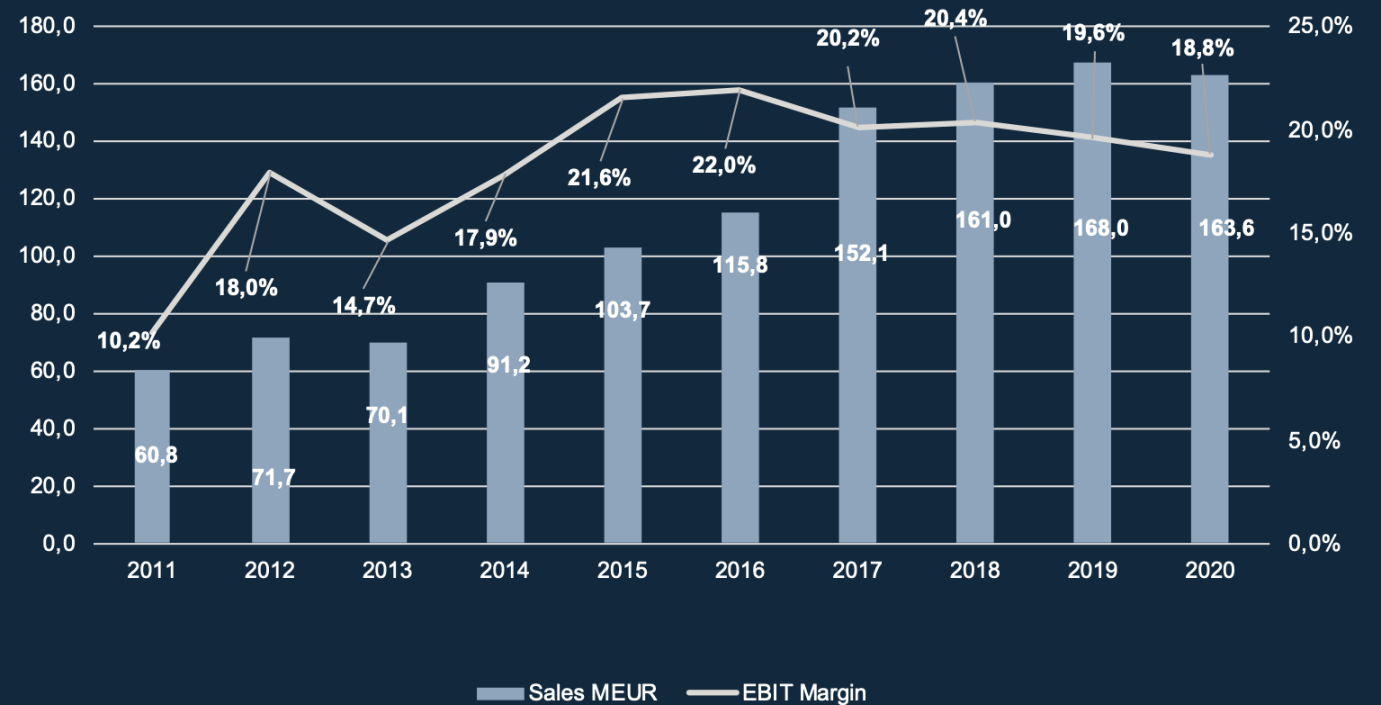
2020

**YEAR ON
YEAR CHANGE**

Orders received	178.4	+6%
Net sales	163.6	-3%
Operating profit	30.8	-6%
Operating margin	18.8%	-0.8%
Earnings per share (EUR)	0.39	-5%
Dividend per share	0.20	+100%

THE YEAR IN BRIEF

- Troax is the global market leader of indoor perimeters protection ("mesh panel solutions")
- Relative market share is -2.5x larger than #2 player
- Local presence in 42 countries
- Troax had a sales CAGR 2011-2020 of 11.6% and an organic sales CAGR 2011-2020 of 8.3%
- 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 2020 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: - 4% M&A: 1%
Profitability	“Troax’ target is to have an operating margin in excess of 20%”	20% Adjusted EBITA margin	18,8%
Capital structure	“Net debt in relation to EBITDA, excluding temporary deviations, shall not exceed 2.5 times.”	<2,5x Net debt to EBITDA	1,4x
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	52% Suggested

SUMMARY

Q1 2021



- Q1 continued with a good order trend, similar to the development in Q4 2020. The main explanation for this is the continued strong development from customers within Automated Warehouses.
- A good EBIT result and margin in Q1 2021 was recorded compared to LY, despite some negative effects of the Corona virus.
- Good sales levels in most markets. This was reflecting good activity in Q1, but also that the good order levels in Q4 2020 was turned into sales invoiced.
- Earnings per share was 0,14 (0,08) EUR.
- The improvement process in Folding Guard was continuing also in Q1 and the result continued to improve compared to 2020.
- Working capital is on expected level, inventory is still high due to pre-cautions in connection with the Corona effects.
- All manufacturing units within the group had a good development in Q1, with good volumes. The steel price has been quite turbulent during the first quarter and is expected to continue like that for the coming quarters. Prices have been adjusted to reflect the higher steel price.
- Automotive is continuing to be a weak segment, even if we again have had some smaller orders during the first quarter. Troax has again had a very positive development in the quarter from the Automated Warehouse business.
- Natom Logistics, Poland, has had a good development in the first months being part of the Troax Group. They have had a continued inflow of orders mainly within the Warehouse segment. We have during the quarter invested in a new facility outside Poznan. Our intention is to move the two existing units in to one during 2021/2022.

FINANCIAL HIGHLIGHTS, GROUP

MEUR	3 Months	3 Months	12 Months	12 Months	12 Months
	Jan-Mar	Jan-Mar	Jan-Dec	Jan-Dec	Apr-Mar
	2021	2020	2020	2019	2020/2021
Order intake	64,5	44,6	178,4	168,1	198,3
Sales	54,7	40,8	163,6	168,0	177,5
Gross profit	21,6	15,3	64,2	67,1	70,5
Gross margin, %	39,5	37,5	39,2	39,9	39,7
Operating profit	11,0	6,5	30,8	32,9	35,3
Operating margin, %	20,1	15,9	18,8	19,6	19,9
Profit after tax	8,4	4,8	23,2	24,3	26,8
EBITDA 1)	13,4	8,3	38,5	38,9	43,6
EBITDA margin, % 1)	24,5	20,3	23,5	23,2	24,6
Net debt / EBITDA			1,4	1,3	
Earnings per share after dilution in EUR	0,14	0,08	0,39	0,41	0,45
Closing rate SEK/EUR	10,24	11,08	10,04	10,45	10,31
Earnings per share after dilution in SEK. 2)	1,43	0,89	3,88	4,23	4,61

1) EBITDA is impacted by IFRS 16 (approx. 0,8-1,0 MEUR per quarter in decreased leasing costs).

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

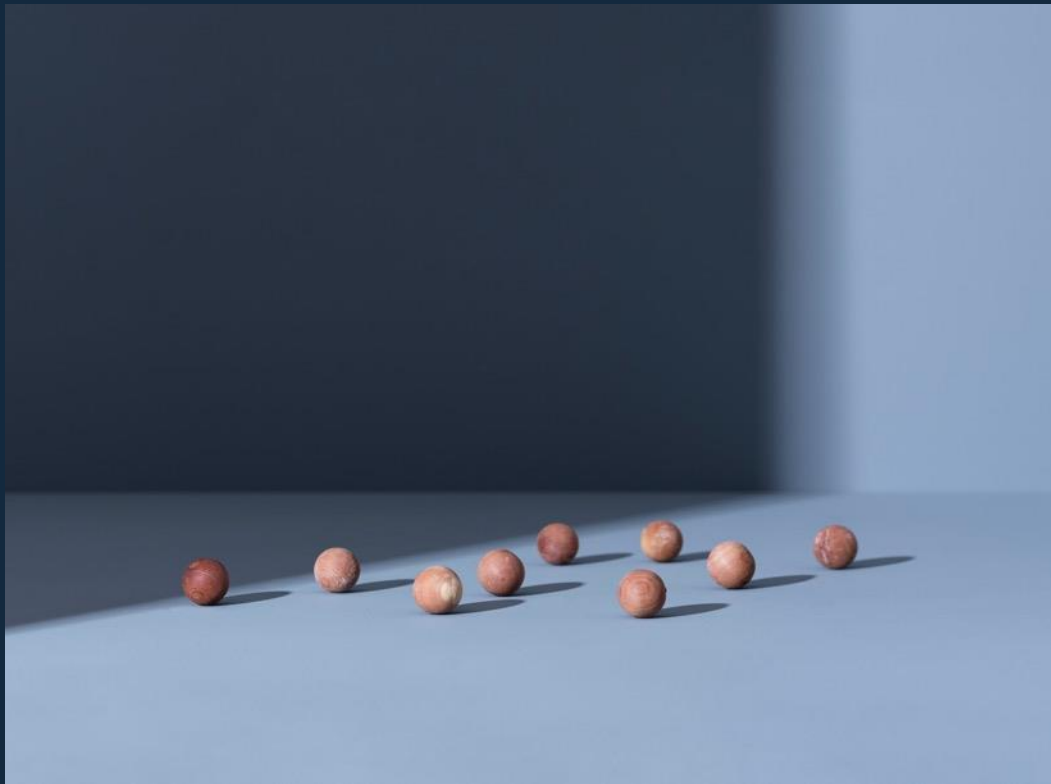
REGIONAL DEVELOPMENT ORDER INTAKE AND SALES

Order intake MEUR	3 Months	3 Months	Diff	12 Months	12 Months	Diff	12 Months
	Jan-Mar 2021	Jan-Mar 2020		Jan-Dec 2020	Jan-Dec 2019		Apr-Mar 2020/2021
Continental Europe	24,8	22,3	11%	81,0	90,6	-11%	83,5
Nordic region	7,4	6,9	7%	26,2	26,1	0%	26,7
United Kingdom	9,3	6,7	39%	24,1	19,4	24%	26,7
North America	11,5	6,7	72%	31,3	24,2	29%	36,1
New Markets	4,5	2,0	125%	9,2	7,8	18%	11,7
Total excl Currency	57,5	44,6	29%	171,8	168,1	2%	184,7
Currency effect	-0,9	0,0	-2%	-0,9	0,0	-1%	-1,8
Order intake acquisitions	7,9	0,0	18%	7,5	0,0	4%	15,4
Total Order intake	64,5	44,6	45%	178,4	168,1	6%	198,3

Total Sales MEUR	3 Months	3 Months	Diff	12 Months	12 Months	Diff	12 Months
	Jan-Mar 2021	Jan-Dec 2020		Jan-Dec 2020	Jan-Dec 2019		Apr-Mar 2020/2021
Continental Europe	22,2	22,5	-1%	82,7	88,7	19%	82,4
Nordic region	5,7	5,9	-3%	25,2	26,6	-5%	25,0
United Kingdom	7,8	4,9	59%	19,0	20,7	-8%	21,9
North America	10,6	5,5	93%	24,9	24,5	2%	30,0
New Markets	2,4	2,0	20%	8,9	7,5	19%	9,3
Total excl Currency	48,7	40,8	19%	160,7	168,0	-4%	168,6
Currency effect	-0,8	0,0	-2%	-0,8	0,0	0%	-1,6
Sales acquisitions	6,8	0,0	17%	3,7	0,0	2%	10,5
Total Sales	54,7	40,8	34%	163,6	168,0	-3%	177,5

* Note that we report organic growth excluding currency effect.

CONCLUSION



- We have received several main orders in the first quarter of 2021. This refers mainly to customers within Automated Warehouse.
- Stable development in result reflecting both order levels in Q1, but also turning orders from Q4 2020 in to revenue.
- A continued low demand från the automotive industry was recorded similar to the previous quarter.
- Troax Inc, and Folding Guard are continuing to develop well during Q1 and showed a continued improved result.
- A stable but somewhat lower activity in Continental Europe due to continued negative effects from the Corona virus.
- Very strong activity and success in order, was noted in Great Britain, North America and new Markets.
- All factories in the Troax Group were continuing to developing well. Continued turbulence with steel prices.
- No governmental support were recored in this quarter.
- Integration of Natom was continuing in Q1.
- In total, a stable development in the quarter with a better result than in 2020.

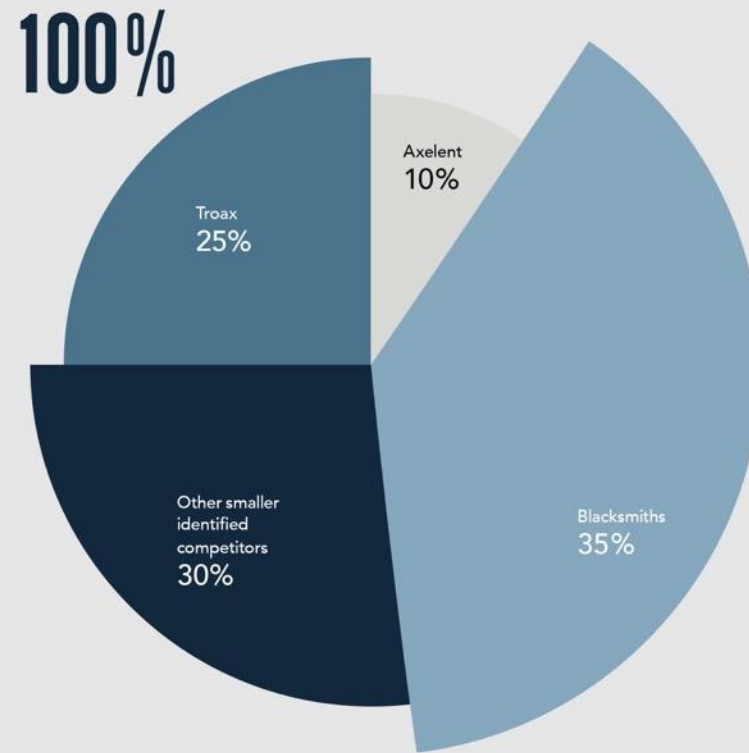
THIS IS TROAX

GROWTH FACTORS

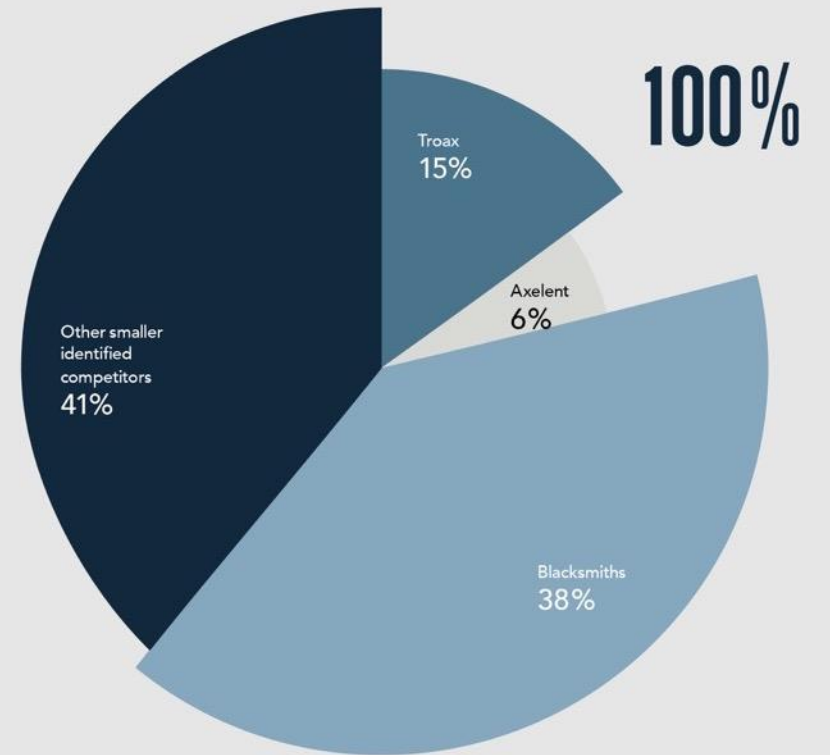
- Increased industrial automation
- On-shoring of manufacturing
- Growth in e-commerce
- Safety awareness
- Stricter regulation
- Residential construction and safe storage



MARKET LEADER



EUROPEAN MARKET SHARE 2018/2019
(500 MEUR)



GLOBAL MARKET SHARE
2018/2019 (1,100 MEUR)

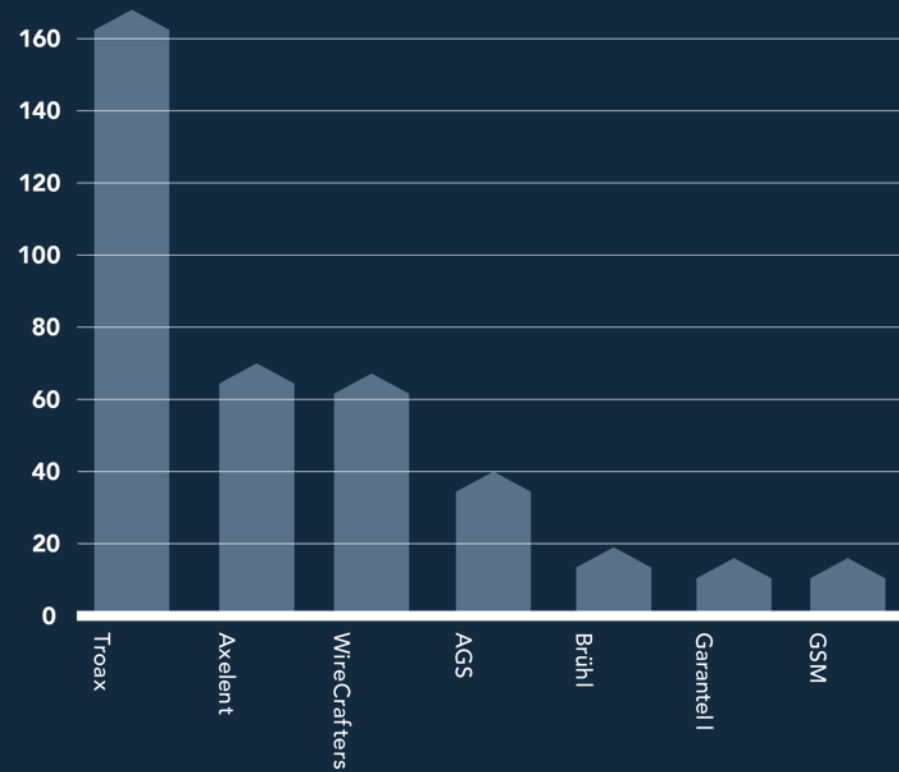
(ESTIMATED MARKET SIZE)

We expect that the total market has somewhat been decreasing in size during 2020.

A COMPETITIVE SITUATION

THE COMPANY'S ASSESMENT OF THE COMPETITIVE SITUATION IN 2019/2020

EUR million



OUR PRODUCTION UNITS

Hillerstorp, **SWEDEN**

Production of the entire range of panels.

Capacity (metres)
>1,500,000

Capacity utilisation
70%

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
50%

Area (m²)
3,500

Bulciago, **ITALY**

Modular protection solutions for machine guarding.

Capacity (metres)
~700,000

Capacity utilisation
50%

Area (m²)
20,000

Chicago, **USA**

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

Capacity (metres)
~400,000

Capacity utilisation
65%

Area (m²)
15,400

Sroda, **POLAND**

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

Capacity (metres)
~500,000

Capacity utilisation
80%

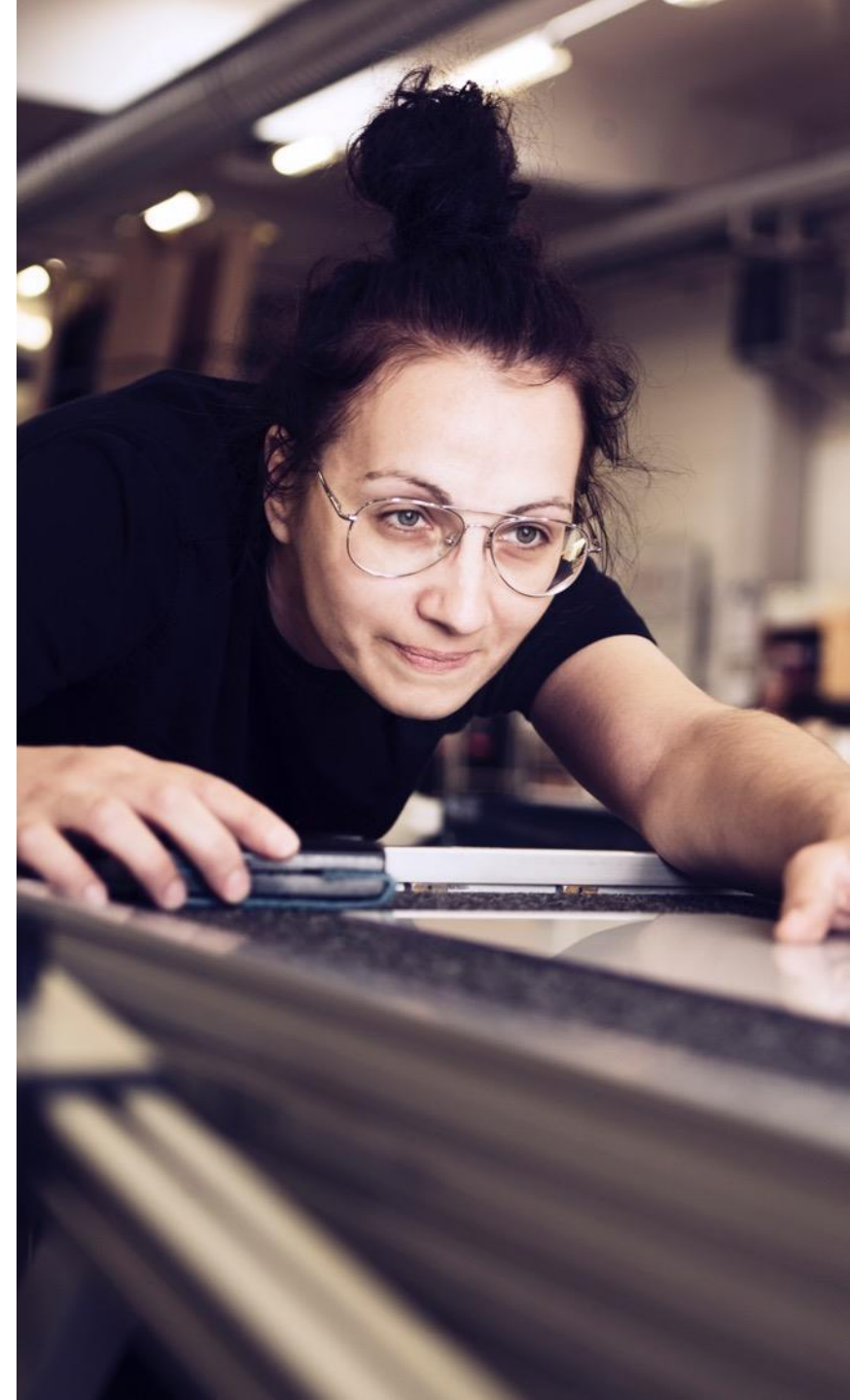
Area (m²)
14,500

THIS IS TROAX

TROAX GROUP



Working together
for a safer world



A SAFER TOMORROW

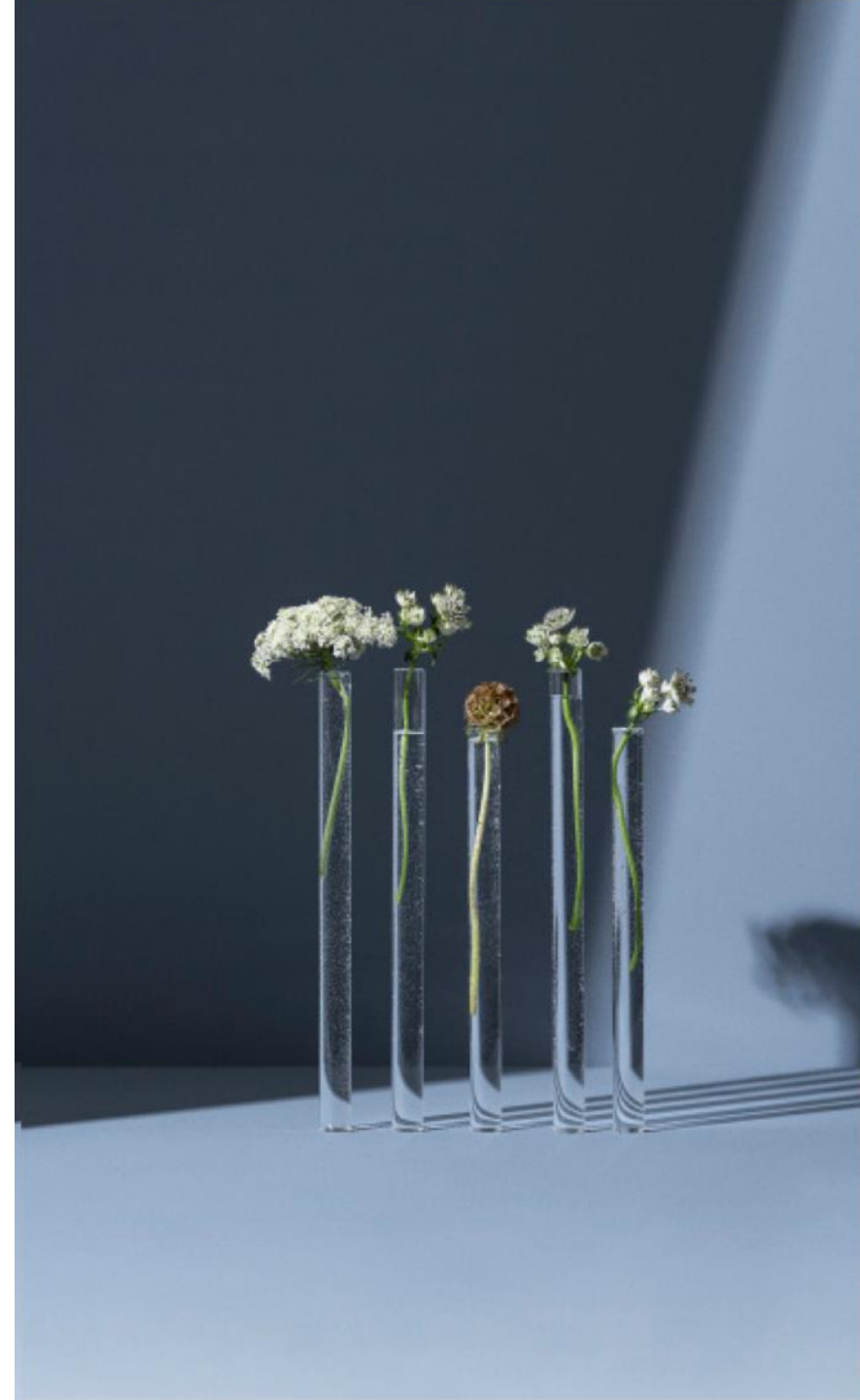
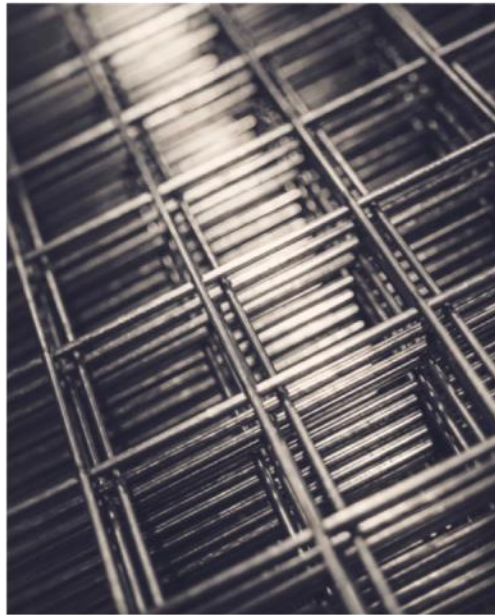
■ SINCE 1955 →

THIS IS **TROAX**

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 – Reached in the main unit in Sweden for 2020.
- Regional manufacturing decreases transportation
- Recertified ISO 14001 and ISO 9001
- Minimize use of plastic products
- 99% recyclable steel
- Minimum 30% recycled steel in our products
- Transition from natural gas to biogas
- Solar panels cover 50% of energy consumption in new Italian factory



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



THIS IS TROAX

**THE ORIGINAL.
SINCE 1955.**



THIS IS TROAX

A close-up photograph of a person's hands holding a baby. The person is wearing a dark green shirt with small white polka dots. The baby is wearing a light-colored, button-down shirt. The background is softly blurred, showing what appears to be a window with light coming through. The overall mood is warm and protective.

**WE PROTECT
WHAT MATTERS**