



SECOND QUARTER 2019 PRESENTATION
AUGUST 14

MAKING YOUR WORLD SAFE

MACHINE GUARDING



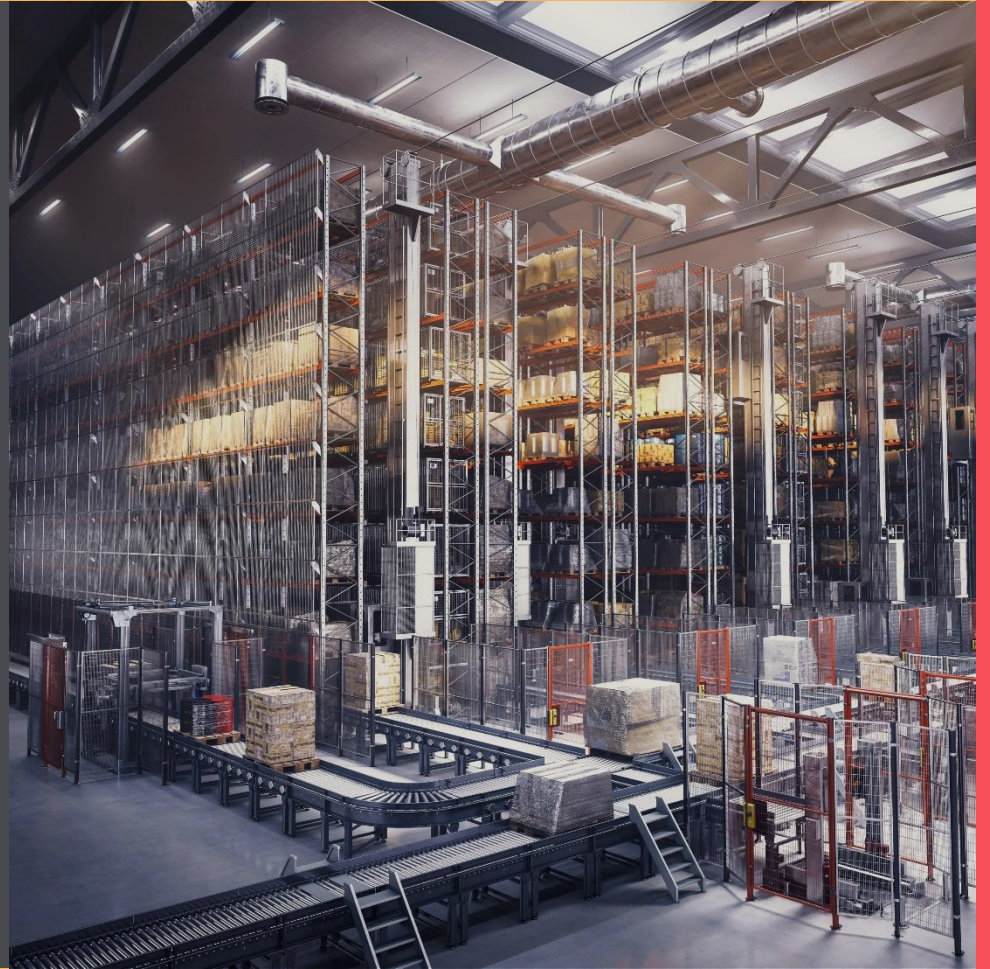
WAREHOUSE PARTITIONING



PROPERTY PROTECTION



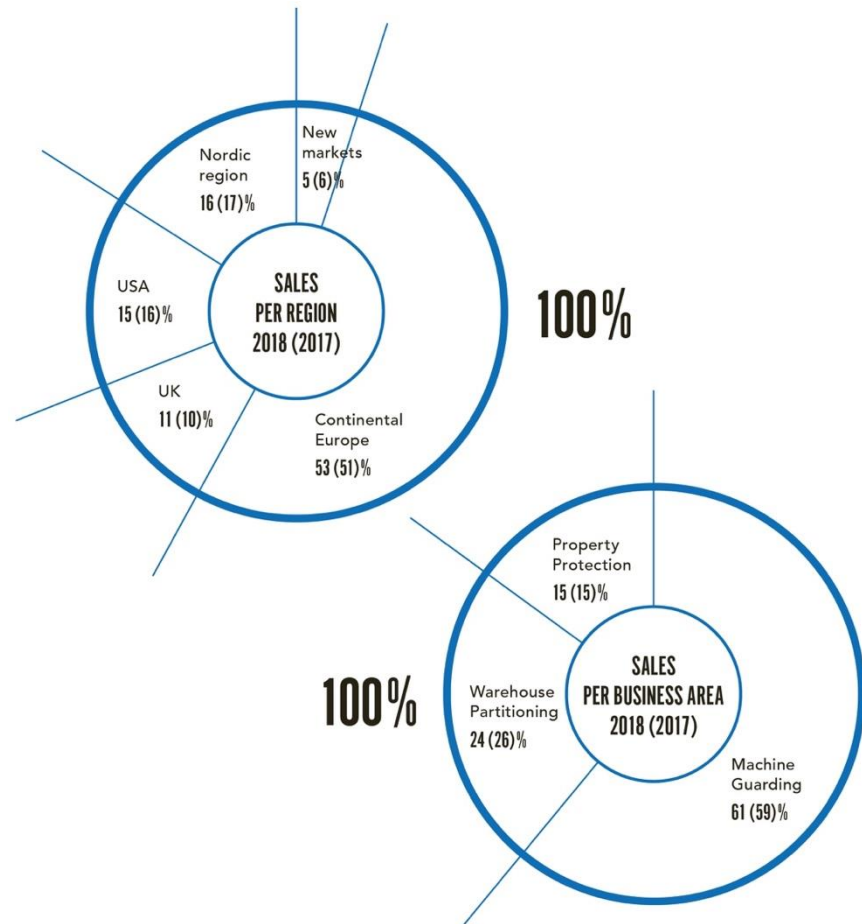
AUTOMATED WAREHOUSE



THE YEAR IN BRIEF

2018 | EUR MILLION

	2018	YEAR-ON-YEAR CHANGE
Orders received	165.0	+9%
Net sales	161.0	+6%
Operating profit	32.9	+7%
Operating margin	20.4%	+1.5%
Earnings per share (EUR)	1.22	+43%
Proposed dividend per share (SEK)	5.00	+18%

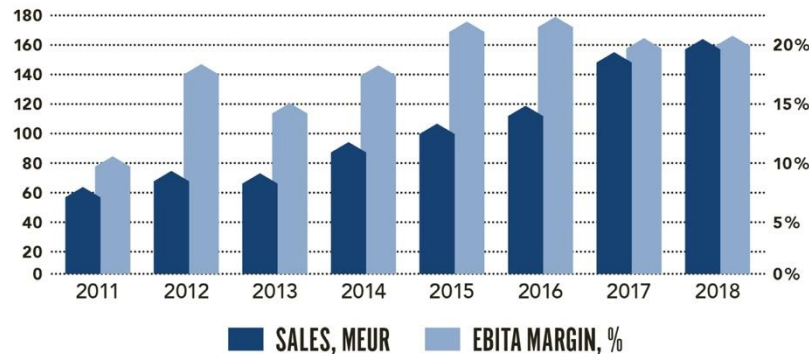


THE YEAR IN BRIEF

OVERVIEW

- 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 2011–2018 of **15,0%** and an organic sales CAGR 2011–2018 of **11,0%**
- Strong position in the value chain and low supplier and customer dependency
- Approx. **36%** of total employees work within sales

FINANCIAL DEVELOPMENT, 2011–2018



FINANCIAL TARGETS

		Financial targets	Actuals 2019 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% M&A: 0%
Profitability	“Troax’ target is to have an operating margin in excess of 20%”	20% Adjusted EBITA margin	17,7%
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	N/A

SUMMARY Q2 2019

- Much stronger second quarter.
- A higher EBIT result and margin in Q2 2019 was recorded compared to LY, mainly due to good volume development and improvement in USA (Folding Guard).
- Positive development in most areas but especially in North America.
- Earnings per share was 0,11 (0,09) EUR.
- Implemented split of shares 3:1.
- Substantial improvements in Folding Guard in Q2. Main focus now on sales and marketing.
- Working capital is on expected level. Investments are proceeding according to plan.
- General marketing situation is considered to be stable, but clearly not growing.
- Automotive is continuing to be a weak segment.

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	2019	2018	2019	2018	2018	2017	2018/19
Order intake	46,6	42,9	86,3	83,2	165,0	152,0	168,1
Sales	42,3	41,1	81,4	77,8	161,0	152,1	164,6
Gross profit	17,1	15,5	31,6	30,3	63,6	60,0	64,9
Gross margin, %	40,4	37,7	38,8	38,9	39,5	39,4	39,4
Operating profit	8,5	7,7	14,4	14,1	32,8	30,6	33,1
Operating margin, %	20,1	18,7	17,7	18,1	20,4	20,1	20,1
Profit after tax	6,3	5,6	10,6	10,2	24,4	17,0	24,8
EBITDA	10,0	8,3	17,3	15,5	35,6	33,7	37,4
EBITDA margin, %	23,6	20,2	21,3	19,9	22,1	22,2	22,7
Net debt / EBITDA					1,3	1,6	
Earnings per share after dilution in €	0,11	0,09	0,18	0,17	0,41	0,28	0,41
Closing rate SEK/EUR	10,56	10,42	10,56	10,42	10,28	9,85	10,29
Earnings per share after dilution in SEK. 1.)	1,11	0,92	1,87	1,77	4,18	2,79	4,25

1) Only the 2019 numbers are impacted by IFRS 16 (0,7 MEUR per quarter in decreased leasing costs).

2) Earnings per share for all periods is calculated based on 60 000 00 shares after the split 3:1 on June 19th 2019

3) 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 ME UR	3 Months			6 Months			12 Months			12 Months Jul-Jun 2018/2019
	Apr-Jun 2019	Apr-Jun 2018	Diff	Jan-Jun 2019	Jan-Jun 2018	Diff	Jan-Dec 2018	Jan-Dec 2017	Diff	
Continental Europe	24,3	22,3	9%	45,8	44,3	3%	86,7	77,4	12%	88,2
Nordic region	6,9	7,1	-3%	14,1	13,6	4%	27,3	25,7	6%	27,8
United Kingdom	5,5	5,2	6%	9,8	9,5	3%	19,7	15,9	24%	20,0
North America	7,6	6,2	23%	12,4	11,9	4%	25,2	24,7	2%	25,7
New Markets	2,0	2,1	-5%	3,7	3,9	-5%	9,1	8,3	10%	8,9
Total excl Currency and Acq.	46,3	42,9	8%	85,8	83,2	3%	168,0	152,0	11%	170,6
Currency effect	0,3	0,0	1%	0,5	0,0	1%	-3,0	0,0	-2%	-2,5
Order intake acquisitions	0,0	0,0	0%	0,0	0,0	0%	0,0	0,0	0%	0,0
Total Order intake	46,6	42,9	9%	86,3	83,2	4%	165,0	152,0	9%	168,1

Total Sales ME UR	3 Months			6 Months			12 Months			12 Months Jul-Jun 2018/2019
	Apr-Jun 2019	Apr-Jun 2018	Diff	Jan-Jun 2019	Jan-Jun 2018	Diff	Jan-Dec 2018	Jan-Dec 2017	Diff	
Continental Europe	22,8	21,9	4%	43,3	41,7	4%	85,8	77,1	19%	86,7
Nordic region	6,8	6,5	5%	13,4	12,4	8%	26,7	25,7	4%	27,0
United Kingdom	4,9	4,8	2%	10,4	8,7	20%	17,4	16,0	9%	17,5
North America	5,5	5,6	-2%	10,2	11,1	-8%	25,2	25,0	1%	25,1
New Markets	2,1	2,3	-9%	3,7	3,9	-5%	8,9	8,3	7%	8,7
Total excl Currency and Acq.	42,1	41,1	2%	81,0	77,8	4%	164,0	152,1	8%	165,0
Currency effect	0,2	0,0	0%	0,4	0,0	1%	-3,0	0,0	-2%	-2,8
Sales acquisitions	0,0	0,0	0%	0,0	0,0	0%	0,0	0,0	0%	0,0
Total Sales	42,3	41,1	3%	81,4	77,8	5%	161,0	152,1	6%	162,2

* Note that we report organic growth excluding currency effect.

** All figures from 2018 and 2019 includes the IFRS 15 effect.

CONCLUSION

- A somewhat better market activity has been noted during second quarter. A continued low demand from the automotive industry has also been recorded in quarter two.
- Folding Guard has for the second quarter substantially improved result.
- Troax Inc., is continuing to develop well during Q2.
- Capacity increase in Sweden is almost finished.
- Investments in Satech and the expansion of storage space in the Hillerstorp unit is proceeding as planned.

The background of the image is a complex technical drawing or blueprint. It features various lines, circles, and arrows in shades of purple, pink, and white. The drawing appears to be a detailed engineering plan of a mechanical component, possibly a connector or a housing, with various dimensions and annotations. The overall aesthetic is technical and precise.

TROAX INNOVATION CENTER TOGETHER FOR A SAFE FUTURE

WE WORK CONTINUOUSLY TO IMPROVE
OUR PRODUCTS – TO STAY ON TOP AND
TO KEEP YOU SAFE.

SUSTAINABLE SAFETY SOLUTIONS

A summary of what we focus on today:

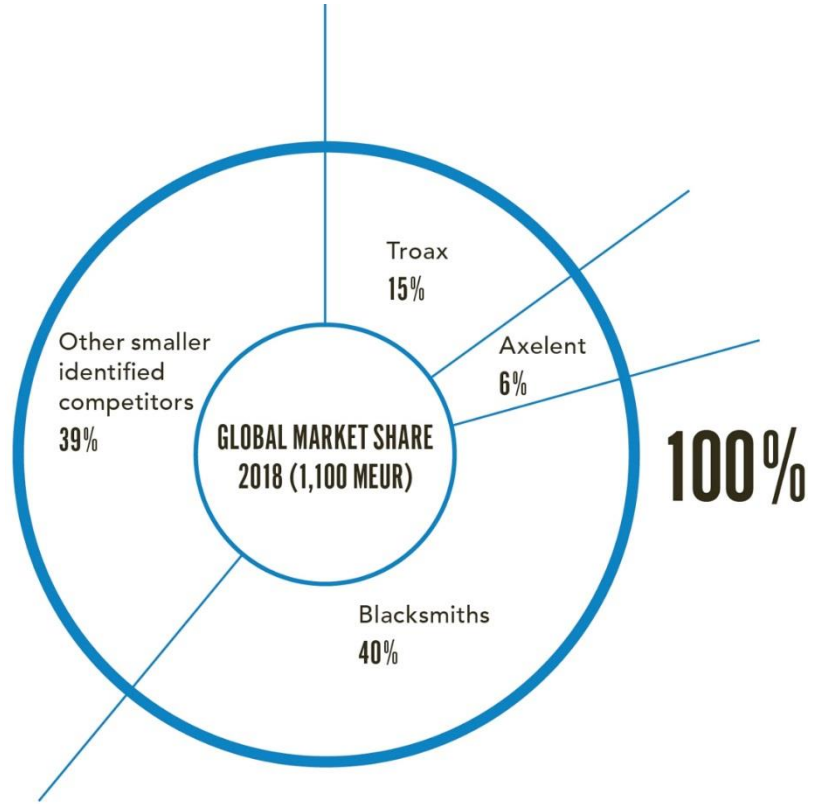
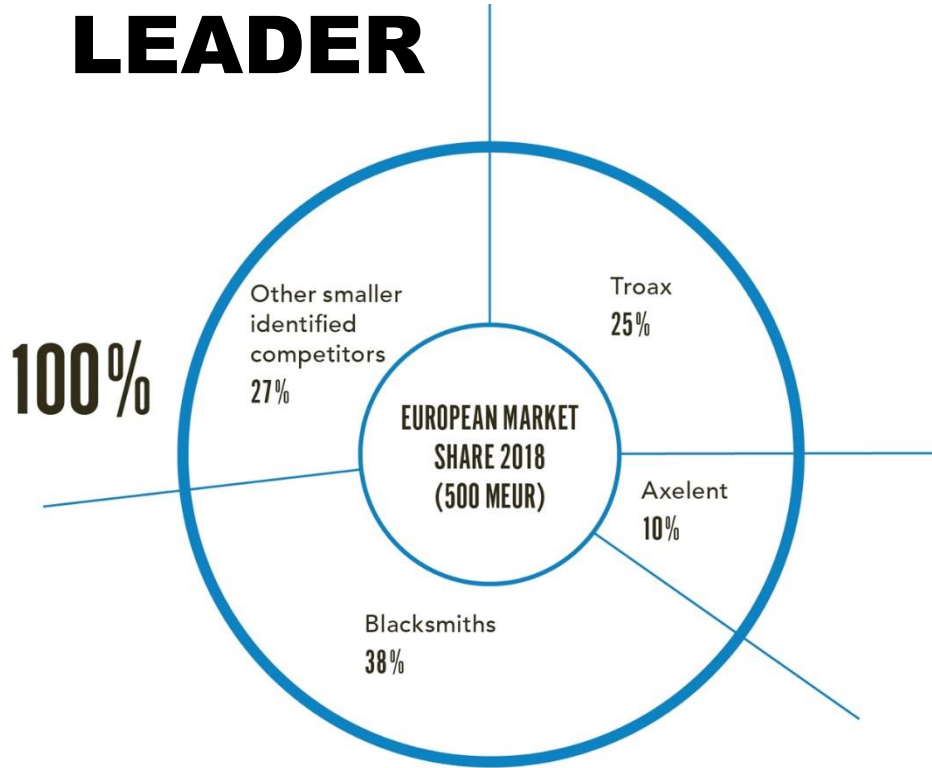
- Transition from natural gas to biogas
- Decreased our total energy consumption
- Climate compensating program for transports
- Regional manufacturing decreases transportation
- Recertified ISO 14001 and ISO 9001
- Avoiding plastics in products
- 99% recyclable steel



GROWTH FACTORS

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

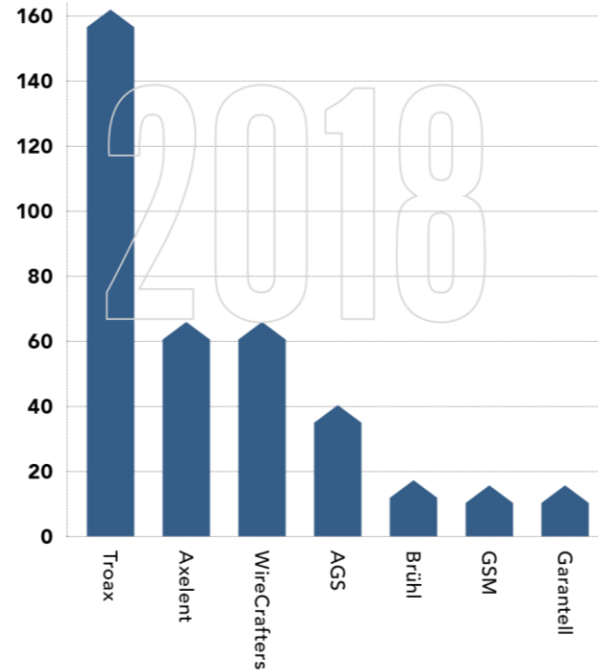
MARKET LEADER



(Estimated market size)

A COMPETITIVE SITUATION

THE COMPANY'S ASSESSMENT
OF THE COMPETITIVE SITUATION IN 2018 EUR million



BEST-IN CLASS MANUFACTURING

Hillerstorp, Sweden



The full line up of mesh panels is produced

Capacity (meters) ~ 1,500,000

Utilization rate 70%

Facility area (m²) 35,000

Main production facility

Birmingham, United Kingdom



Partitioning for offices and industry to reduce noise and dust

Capacity (panels) ~66,000

Utilization rate 50%

Facility area (m²) 4,100

Shanghai, China



Mesh panels and products for machine guarding

Capacity (meters) ~100,000

Utilization rate 35%

Facility area (m²) 3,500

Calco, Italy



Modular protection systems for industrial machinery

Capacity (meters) ~350,000

Utilization rate 90%

Facility area (m²) 10,000

Chicago, USA



Wire mesh solutions for both machine guarding and warehouse partitioning

Capacity (meters) ~350,000

Utilization rate 60%

Facility area (m²) 15,400

WE PUT OUR TEST TO THE ULTIMATE TEST

SAFETY CERTIFIED BY TÜV.



**THERE
ARE NO
SHORTCUTS
WHEN IT
COMES TO
SAFETY**

