

STAY  
SAFE

TROAX GROUP AB (publ)

SECOND QUARTER 2021 PRESENTATION

AUGUST 17, 2021



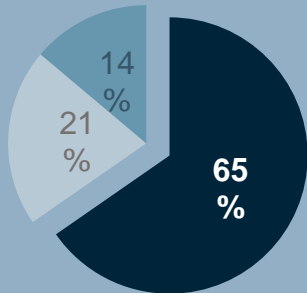
An aerial photograph of a vast, dense forest. The trees are a mix of green and dark green, suggesting a mix of deciduous and coniferous species. A thick layer of white mist or fog rises from the forest floor, partially obscuring the lower parts of the trees and creating a sense of depth and atmosphere.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

**SAFE AND SOUND  
ON SOLID GROUND**

PRODUCT SEGMENTS

# MACHINE GUARDING

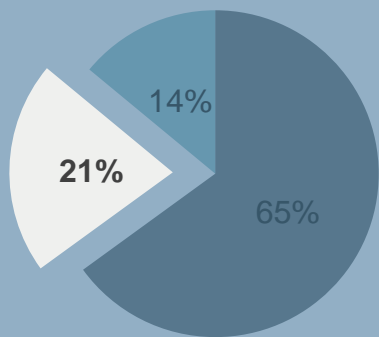
Maximum safety



PRODUCT SEGMENTS

# WAREHOUSE PARTITIONING

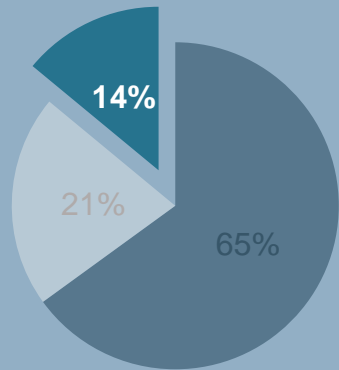
Safe handling



PRODUCT SEGMENTS

# PROPERTY PROTECTION

Storage solutions

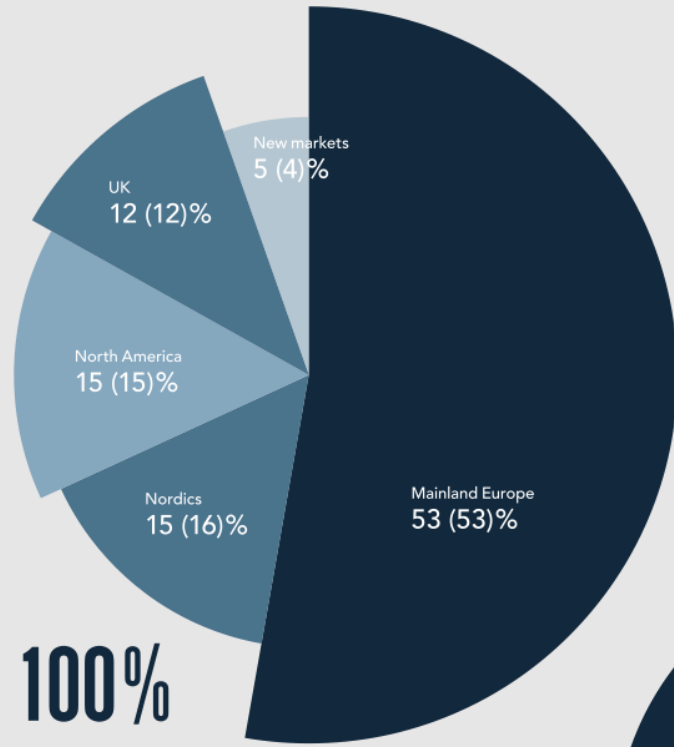


# AUTOMATED WAREHOUSE

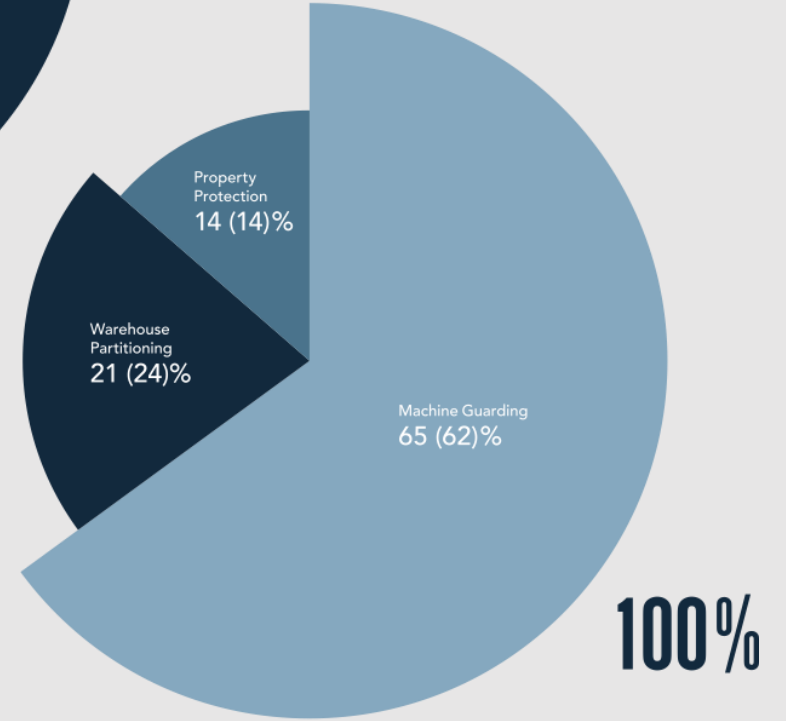
Safety on all levels



# THE YEAR IN BRIEF



SALES PER REGION  
2020 (2019)



SALES  
per business area 2020 (2019)

**2020 EUR MILLION**

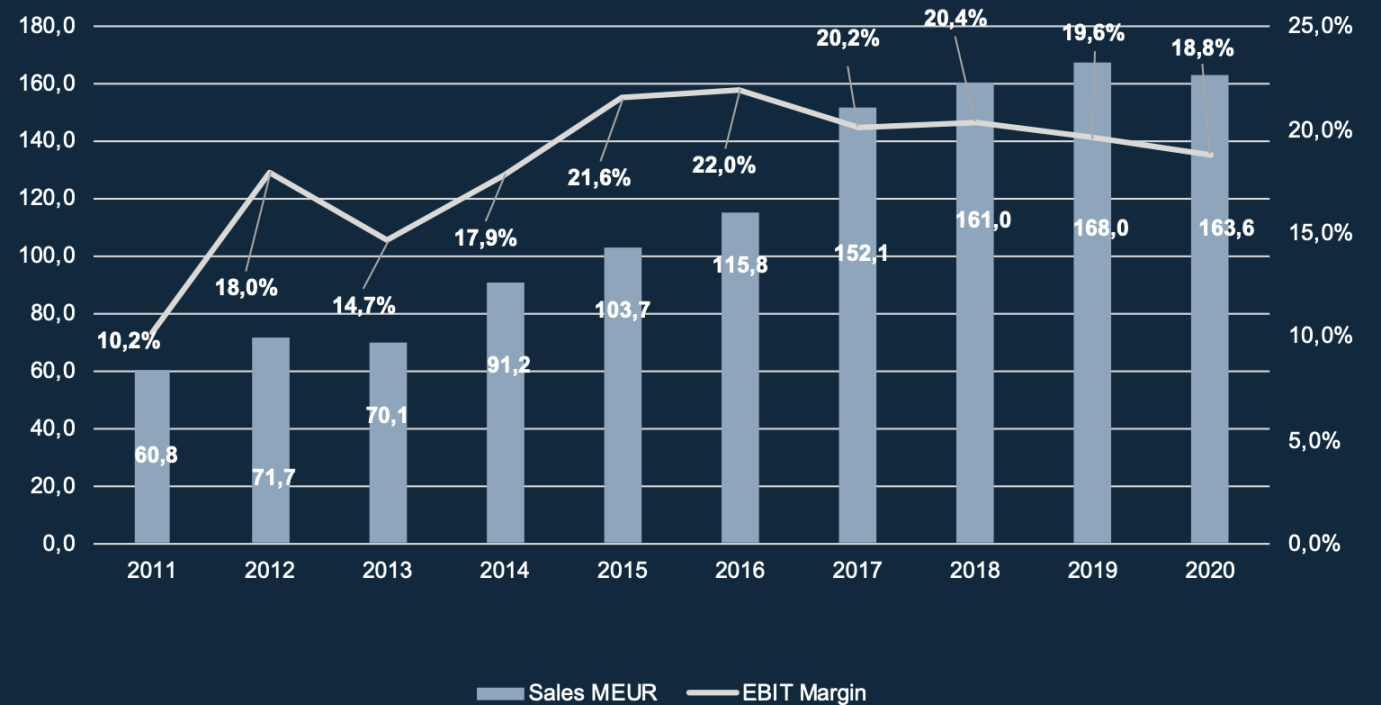
**2020**

**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 2021 YTD
<b>Sales growth</b>	“Troax’ objective is to exceed the growth in the Company’s current markets through organic growth, as well as selective acquisitions”	<b>&gt;Market growth</b> Sales growth	Organic: <b>40%</b> M&A: <b>19%</b>
<b>Profitability</b>	“Troax’ target is to have an operating margin in excess of 20%”	<b>20%</b> Adjusted EBITA margin	<b>21,6%</b>
<b>Capital structure</b>	“Net debt in relation to EBITDA, excluding temporary deviations, shall not exceed 2.5 times.”	<b>&lt;2,5x</b> Net debt to EBITDA	<b>1,2x</b>
<b>Dividend policy</b>	“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.”	<b>50%</b> Pay-out ratio	<b>N/A</b>

# SUMMARY Q2 2021



- Q2 continued with the good order trend which started in Q1. The main explanation for this is the continued strong development from customers within Automated Warehouses and Machine Guarding.
- A good EBIT result and margin in Q2 2021 was recorded compared to LY thanks to good utilization in our manufacturing units.
- Good sales levels in all markets. This was reflecting good activity in Q2, but also that the good order levels in Q4 2020 and Q1 2021 were turned into sales invoiced.
- Earnings per share was 0,19 (0,08) EUR.
- Working capital is on expected level, inventory is still high due to precautions in connection with the Corona effects.
- All manufacturing units within the group had a good development in Q2, with good volumes. The steel price has continued to be quite turbulent also in the second quarter and is expected to continue like that for the coming quarters. Prices have with some delay, been adjusted to reflect the higher steel price.
- Automotive has started to be a more active segment and we received some interesting orders during the second quarter. The Automated Warehouse segment has continued to give us important orders.
- Natom Logistics, Poland, has continued to have a good development in the second quarter being part of the Troax Group. They have had a continued inflow of orders mainly within the Warehouse segment. We have during the quarter continued to invest in a new facility outside Poznan. Our intention is to move the two existing units in to one during 2021/2022.
- As per 1<sup>st</sup> of July, Troax purchased the Aluminum guarding activities from ABB, called Quick-Guard.

# FINANCIAL HIGHLIGHTS, GROUP

MEUR	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
	2021	2020	2021	2020	2020	2019	2020/2021
Order intake	69,3	37,7	133,8	82,3	178,4	168,1	229,9
Sales	67,5	35,9	122,2	76,7	163,6	168,0	209,1
Gross profit	25,5	13,7	47,1	29,0	64,2	67,1	82,3
Gross margin, %	37,8	38,2	38,5	37,8	39,2	39,9	39,4
Operating profit	15,4	6,4	26,4	12,9	30,8	32,9	44,3
Operating margin, %	22,8	17,8	21,6	16,8	18,8	19,6	21,2
Profit after tax	11,6	4,7	20,0	9,5	23,2	24,3	33,7
EBITDA 1)	17,8	8,2	31,2	16,5	38,5	38,9	53,2
EBITDA margin, % 1)	26,4	22,8	25,5	21,5	23,5	23,2	25,4
Net debt / EBITDA					1,4	1,3	
Earnings per share after dilution in EUR	0,19	0,08	0,33	0,16	0,39	0,41	0,56
Closing rate SEK/EUR	10,12	10,48	10,12	10,48	10,04	10,45	10,22
Earnings per share after dilution in SEK. 2)	1,96	0,82	3,37	1,66	3,88	4,23	5,74

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

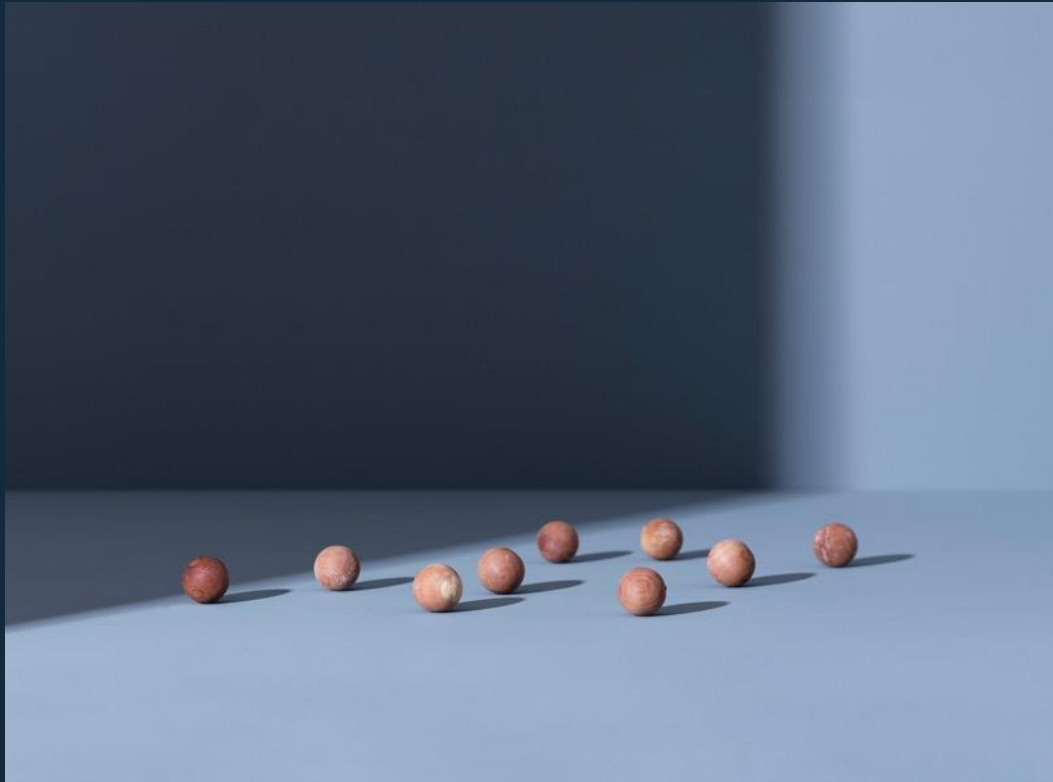
2) Earnings per share after dilution in SEK, is calculated based on result in Euro at Closing rate SEK/EUR.

# REGIONAL DEVELOPMENT ORDER INTAKE AND SALES

Order intake MEUR	3 Months	3 Months	Diff	6 Months	6 Months	Diff	12 Months	12 Months	Diff	12 Months
	Apr-Jun	Apr-Jun		Jan-Jun	Jan-Jun		Jan-Dec	Jan-Dec		Jul-Jun
	2021	2020		2021	2020		2020	2019		2020/2021
Continental Europe	28,2	18,2	55%	53,0	40,5	31%	81,0	90,6	-11%	93,5
Nordic region	8,3	6,9	20%	15,7	13,8	14%	26,2	26,1	0%	28,1
United Kingdom	5,1	4,3	19%	14,4	11,0	31%	24,1	19,4	24%	27,5
North America	15,2	5,8	162%	26,7	12,5	114%	31,3	24,2	29%	45,5
New Markets	3,2	2,5	28%	7,7	4,5	71%	9,2	7,8	18%	12,4
<b>Total excl Currency</b>	<b>60,0</b>	<b>37,7</b>	<b>59%</b>	<b>117,5</b>	<b>82,3</b>	<b>43%</b>	<b>171,8</b>	<b>168,1</b>	<b>2%</b>	<b>207,0</b>
Currency effect	-0,9	0,0	-2%	-1,8	0,0	-2%	-0,9	0,0	-1%	-2,7
Order intake acquisitions	10,2	0,0	27%	18,1	0,0	22%	7,5	0,0	4%	25,6
<b>Total Order intake</b>	<b>69,3</b>	<b>37,7</b>	<b>84%</b>	<b>133,8</b>	<b>82,3</b>	<b>63%</b>	<b>178,4</b>	<b>168,1</b>	<b>6%</b>	<b>229,9</b>
<b>Total Sales</b> MEUR	<b>3 Months</b>	<b>3 Months</b>		<b>6 Months</b>	<b>6 Months</b>		<b>12 Months</b>	<b>12 Months</b>		<b>12 Months</b>
	Apr-Jun	Apr-Jun	Diff	Jan-Jun	Jan-Dec	Diff	Jan-Dec	Jan-Dec	Diff	Jul-Jun
	2021	2020		2021	2020		2020	2019		2020/2021
Continental Europe	24,4	17,8	37%	46,6	40,3	16%	82,7	88,7	19%	89,0
Nordic region	7,7	6,1	26%	13,4	12,0	12%	25,2	26,6	-5%	26,6
United Kingdom	9,5	4,7	102%	17,3	9,6	80%	19,0	20,7	-8%	26,7
North America	14,3	5,2	175%	24,9	10,7	133%	24,9	24,5	2%	39,1
New Markets	4,3	2,1	105%	6,7	4,1	63%	8,9	7,5	19%	11,5
<b>Total excl Currency</b>	<b>60,2</b>	<b>35,9</b>	<b>68%</b>	<b>108,9</b>	<b>76,7</b>	<b>42%</b>	<b>160,7</b>	<b>168,0</b>	<b>-4%</b>	<b>192,9</b>
Currency effect	-0,9	0,0	-3%	-1,7	0,0	-2%	-0,8	0,0	0%	-2,5
Sales acquisitions	8,2	0,0	23%	15,0	0,0	20%	3,7	0,0	2%	18,7
<b>Total Sales</b>	<b>67,5</b>	<b>35,9</b>	<b>88%</b>	<b>122,2</b>	<b>76,7</b>	<b>59%</b>	<b>163,6</b>	<b>168,0</b>	<b>-3%</b>	<b>209,1</b>

\* Note that we report organic growth excluding currency effect.

# CONCLUSION



- We have received several main orders in the second quarter of 2021. This refers mainly to customers within Automated Warehouse and Machine Guarding. We noted during the quarter a continued inflow of orders which might be reflecting some sort of catch-up effect from previous lower activities in 2020.
- All time high development in result reflecting both order levels in Q2 and good utilization in all manufacturing units in the group.
- Troax Inc, and Folding Guard are continuing to develop well during Q2 and showed a continued improved result.
- Very strong activity and success in order, was noted in all markets in Q2.
- All factories in the Troax Group were continuing to developing well. Continued turbulence with steel prices.
- Integration of Natom was continuing in Q2.
- In total, a good development in the quarter with a substantial better result than in corresponding quarter 2020, which was negatively influenced by Covid.

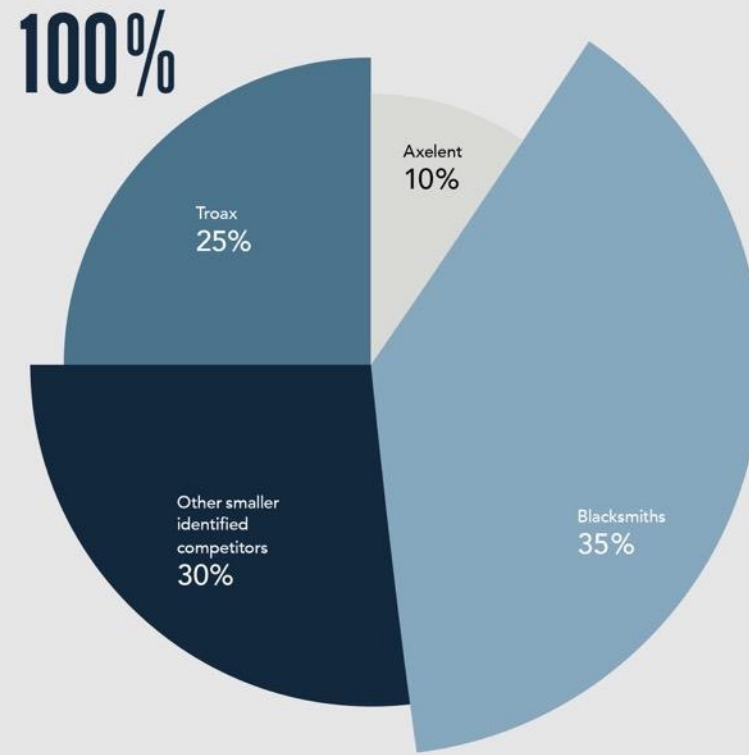
THIS IS TROAX

# GROWTH FACTORS

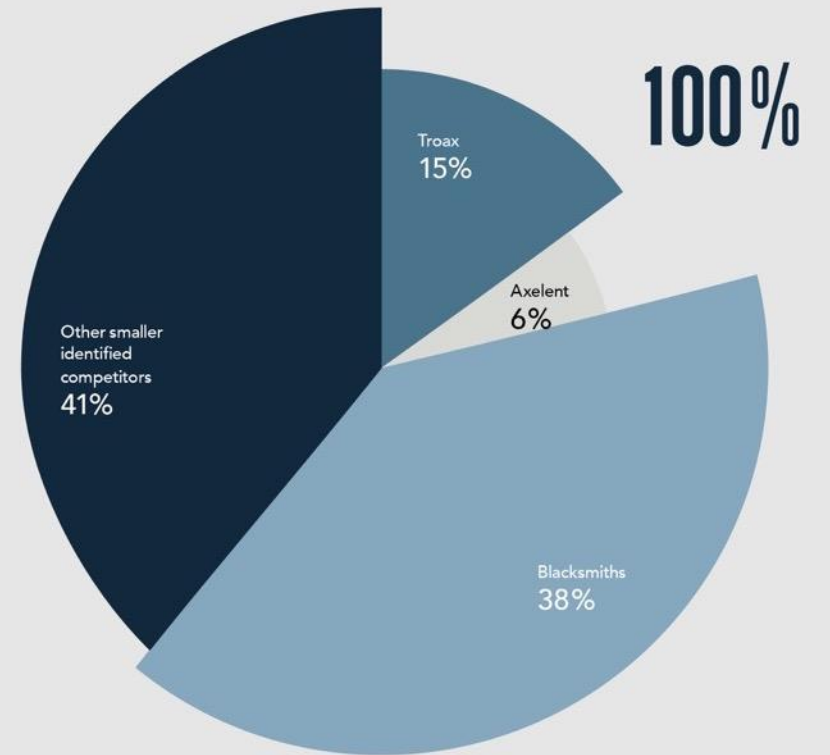
- Increased industrial automation
- On-shoring of manufacturing
- Growth in e-commerce
- Safety awareness
- Stricter regulation
- Residential construction and safe storage



# MARKET LEADER



EUROPEAN MARKET SHARE 2018/2019  
(500 MEUR)



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

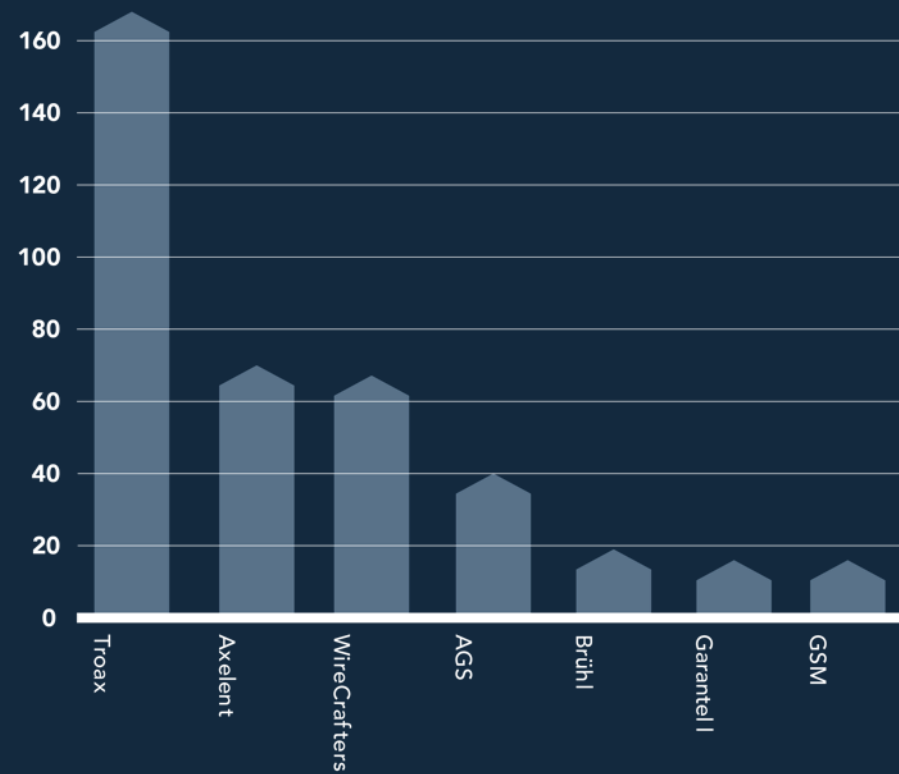
(ESTIMATED MARKET SIZE)

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 (m<sup>2</sup>)  
**35,000**

## Birmingham, **UK**

Partitions for offices and industry, to minimise noise and dust.

Capacity (panels)  
**~66,000**

Capacity utilisation  
**50%**

Area (m<sup>2</sup>)  
**4,100**

## Shanghai, **CHINA**

Mesh panels and machine guarding products.

Capacity (metres)  
**~100,000**

Capacity utilisation  
**50%**

Area (m<sup>2</sup>)  
**3,500**

## Bulciago, **ITALY**

Modular protection solutions for machine guarding.

Capacity (metres)  
**~700,000**

Capacity utilisation  
**50%**

Area (m<sup>2</sup>)  
**20,000**

## Chicago, **USA**

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

Capacity (metres)  
**~400,000**

Capacity utilisation  
**65%**

Area (m<sup>2</sup>)  
**15,400**

## Sroda, **POLAND**

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

Capacity (metres)  
**~500,000**

Capacity utilisation  
**80%**

Area (m<sup>2</sup>)  
**14,500**

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# TROAX GROUP



Working together  
for a safer world



**A SAFER TOMORROW**

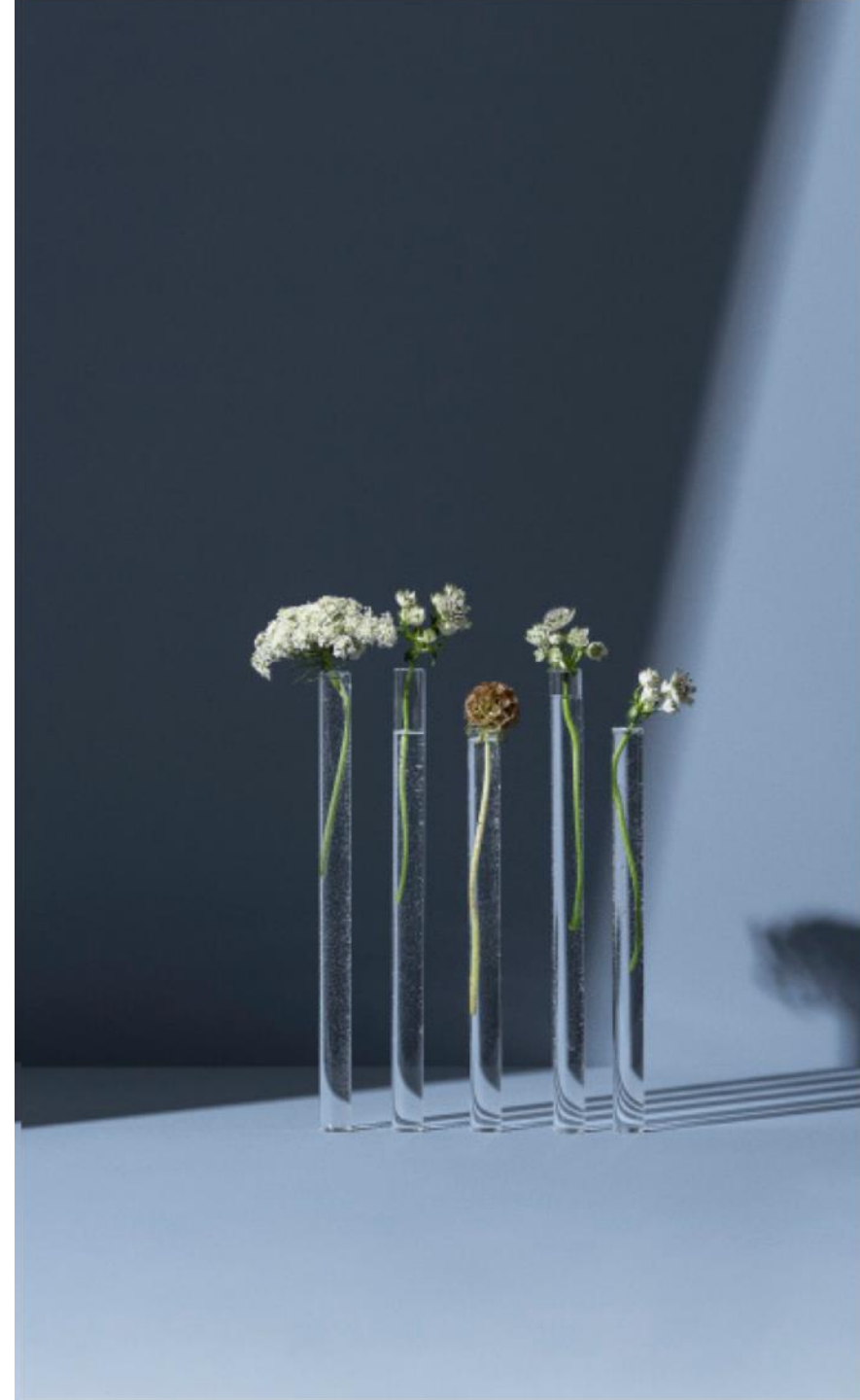
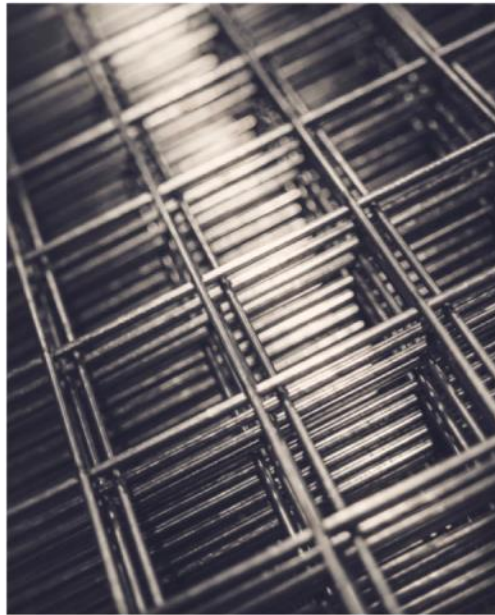
**■ SINCE 1955 →**

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



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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



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**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-up cardigan. 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**