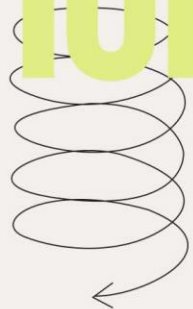




**CELEBRATING**



**COOPERATION**



TROAX GROUP AB (publ)

SECOND QUARTER 2022 PRESENTATION  
AUGUST 16, 2022



THIS IS TROAX

**SAFE AND SOUND  
ON SOLID GROUND**

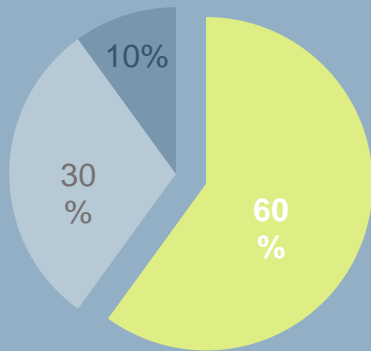
**Making your  
world safe.**

THIS IS TROAX

PRODUCT SEGMENTS

# MACHINE GUARDING

Maximum safety

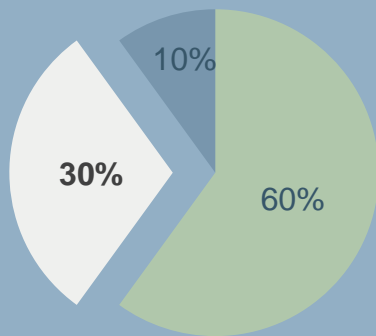


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PRODUCT SEGMENTS

# WAREHOUSE PARTITIONING

Safe handling

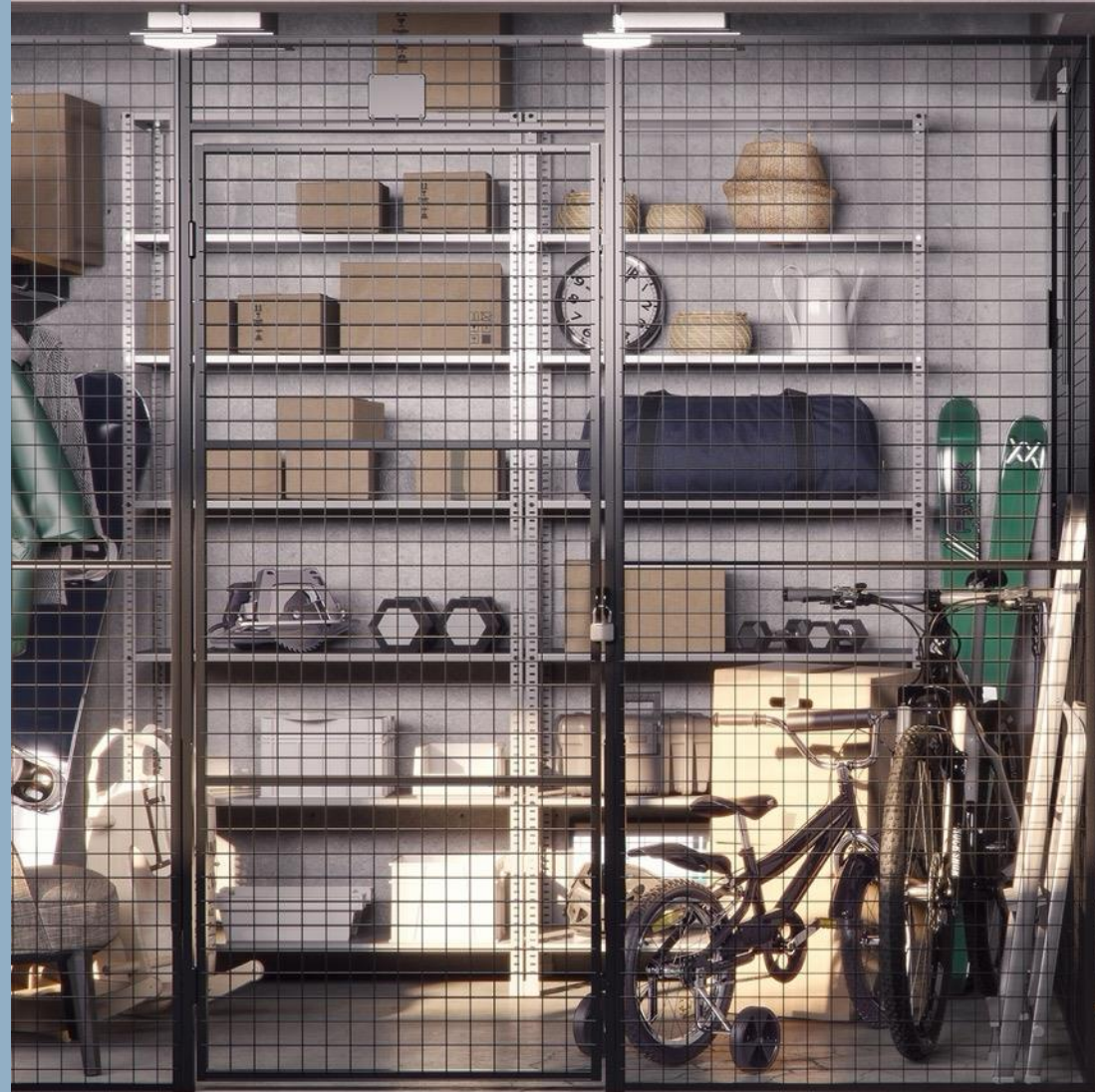
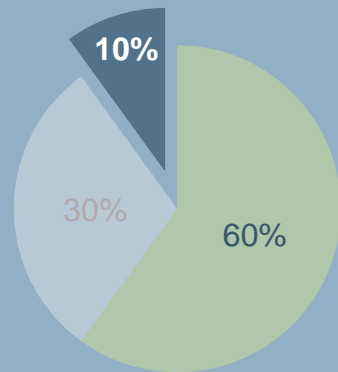


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PRODUCT SEGMENTS

# PROPERTY PROTECTION

Storage solutions



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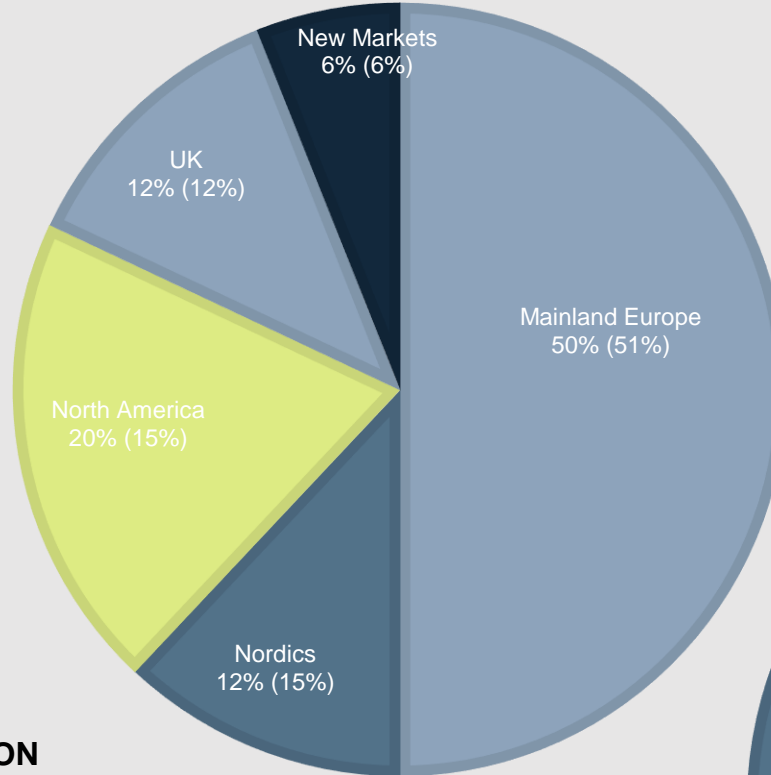
# AUTOMATED WAREHOUSE

Safety on all levels

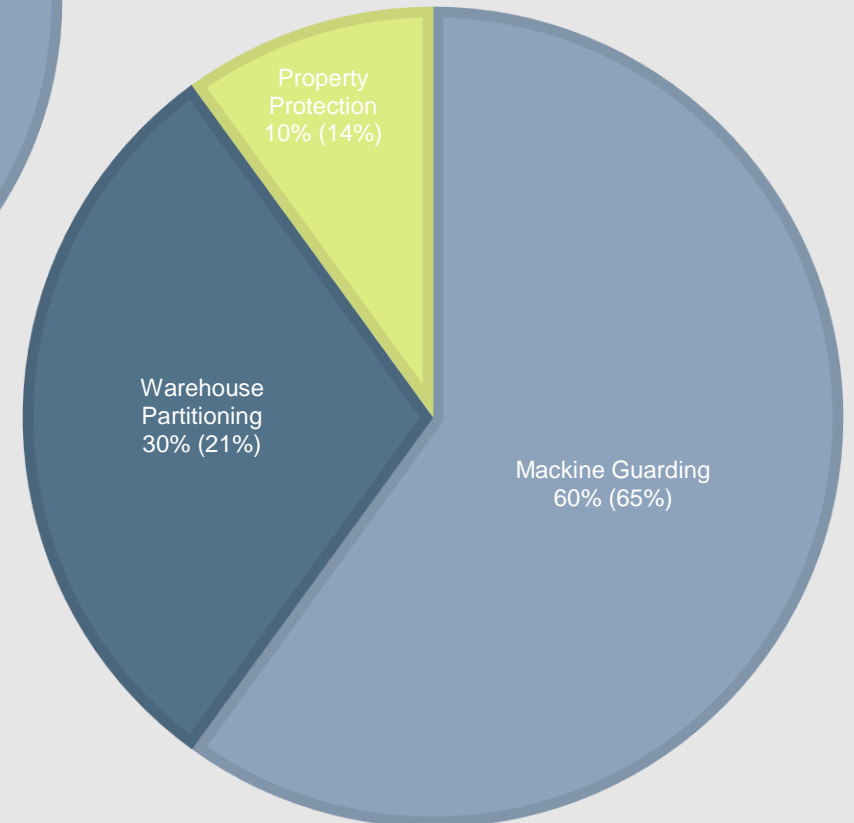


# THE YEAR IN BRIEF

SALES PER REGION  
2021 (2020)



SALES  
PER BUSINESS AREA 2021 (2020)



2021 EUR MILLION

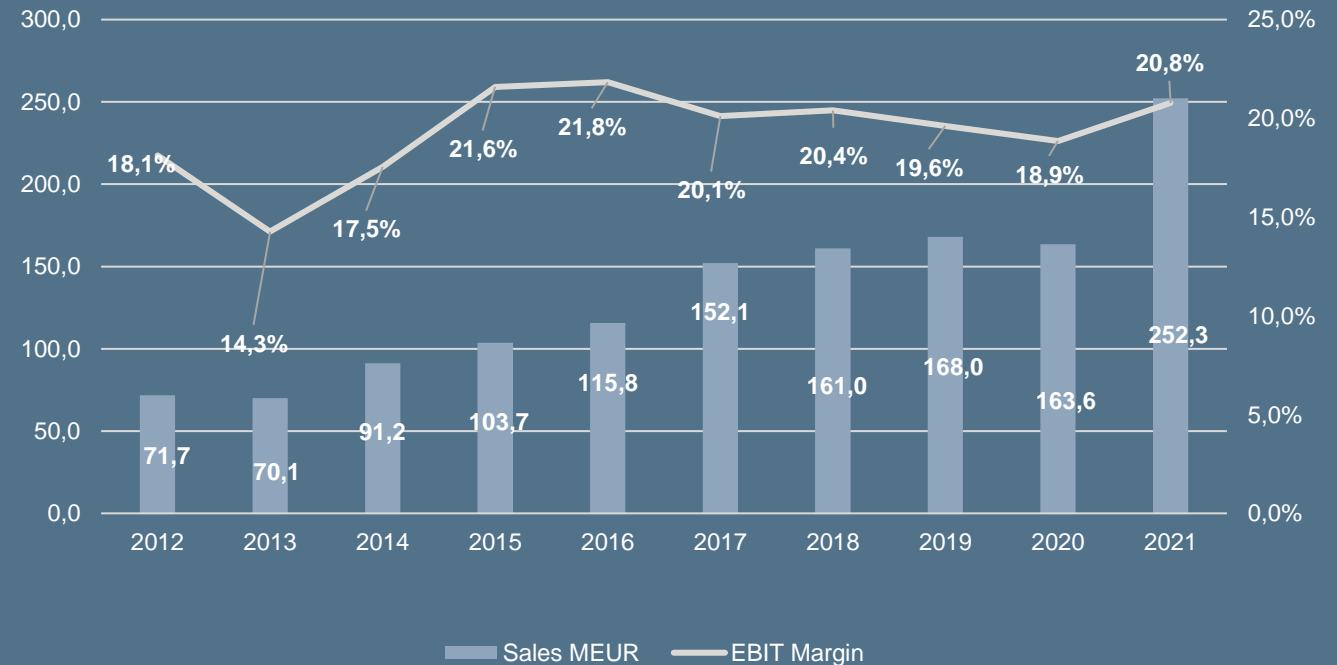
2021

YEAR ON  
YEAR CHANGE

Orders received	275.8	+55%
Net sales	252,3	+54%
Operating profit	52.4	+70%
Operating margin	20.8%	+2.0%
Earnings per share (EUR)	0.66	+69%
Dividend per share	0.30	+50%

# 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 45 countries
- Troax had a sales CAGR 2012-2021 of 15.2% and an organic sales CAGR 2012-2021 of 12,0%
- 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 2022 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>19%</b> M&A: <b>1%</b>
<b>Profitability</b>	“Troax’ target is to have an operating margin in excess of 20%”	<b>20%</b> Adjusted EBITA margin	<b>17,8%</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>1,1x</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>



- Q2 continued with good order trend which started in 2021, with the exception of Automated Warehouse. The main explanation for this is the over investment done in 2021 in this important sub segment. For our other segments, order intake has been quite strong, in line with 2021.
- The increases are positively influenced by a net effect of price increases due to steel price development with approximately 15%.
- A reasonable EBIT result and margin in Q2 2022 was recorded especially seen in the light of the turbulent pricing situation in the quarter.
- We have again in this quarter good utilization in our manufacturing units, with the exception of our Chinese unit that was closed for most of the period. This closure was forced upon us due to regulations from the Chinese government.
- The gross margin were still on the low side due to continued increases of mainly purchased steel materials during end of Q1 and Q2. We have in cooperation with our customers increased prices, but there is a time delay of 2-3 months before our margins are being compensated.
- Good sales levels in most markets. Especially New Markets show good growth figures in the quarter. In North America we have been hit by the lack of bigger projects in Automated Warehouse.
- Earnings per share were 0,18 (0,19) EUR.
- Working capital is on expected level, inventory is still high due to higher security levels.
- The steel price has continued to be turbulent during Q2, but we noticed a stabilisation towards the end of the quarter. This turbulence started due to the effects of the Ukrainian war. We saw a risk for continued turbulence in the steel market which now has been reflected in the pricing during Q2.
- Prices have with some delay, been adjusted to reflect the higher steel price.
- Natom Logistics, Poland, has again showed good development in the second quarter. Our smaller acquisition in Spain, Claitec, has started well and we are introducing their solutions to interested Troax customers.

# FINANCIAL HIGHLIGHTS, GROUP

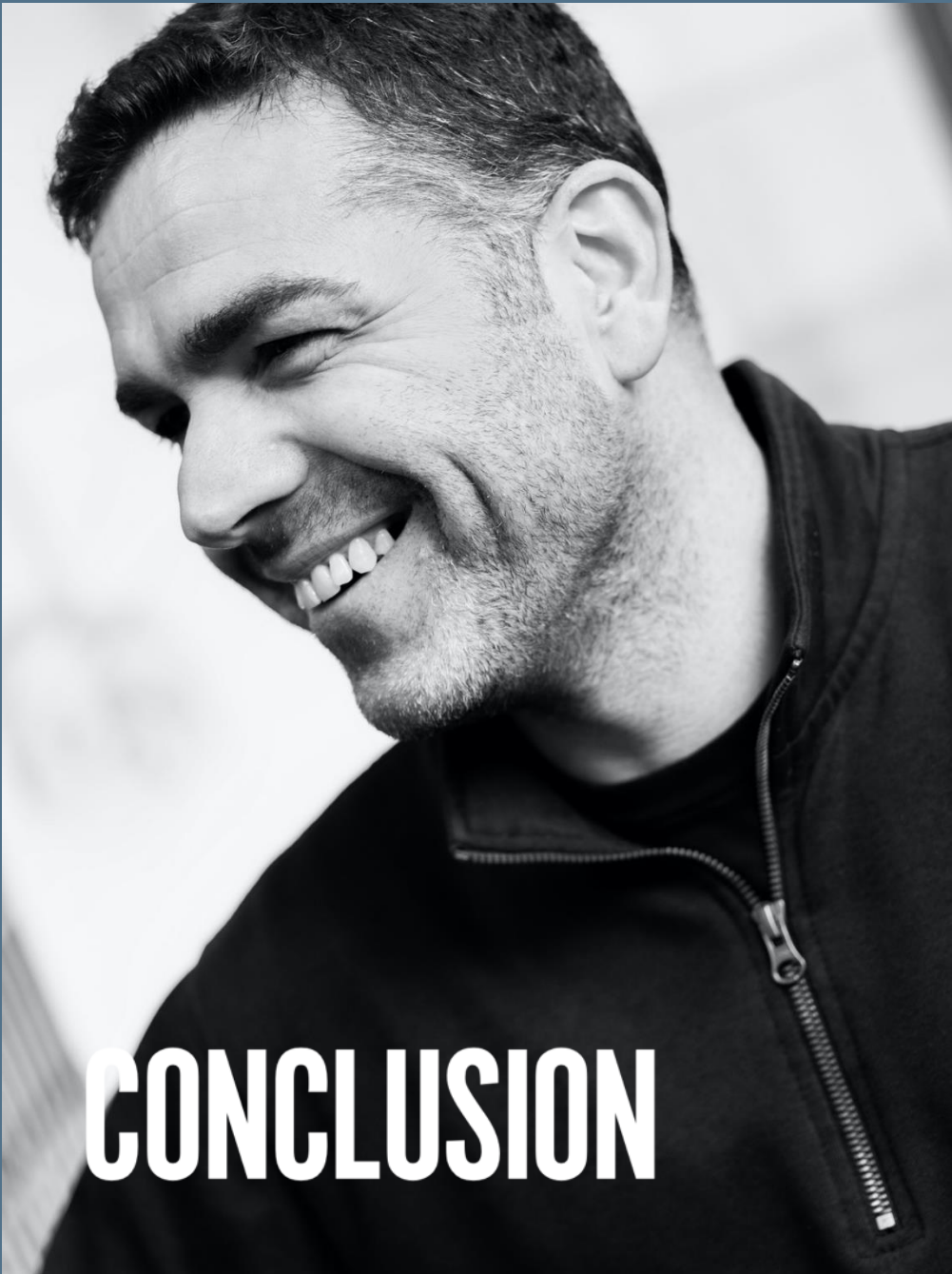
MEUR	3 Months	3 Months	6 Months	6 Months	12 Months	12 Months	12 Months
	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021	Jan-Dec 2020	Jul-Jun 2021/2022
Order intake	72,6	69,3	147,1	133,8	275,8	178,4	289,1
Sales	77,9	67,5	147,5	122,2	252,3	163,6	277,6
Gross profit	25,8	25,5	50,0	47,1	94,2	64,2	97,1
Gross margin, %	33,1	37,8	33,9	38,5	37,3	39,2	35,0
Operating profit	13,7	15,4	26,2	26,4	52,4	30,8	52,2
Operating margin, %	17,6	22,8	17,8	21,6	20,8	18,8	18,8
Profit after tax	10,5	11,6	19,8	20,0	39,7	23,2	39,5
EBITDA 1)	16,6	17,8	31,7	31,2	62,3	38,5	62,8
EBITDA margin, % 1)	21,3	26,4	21,5	25,5	24,7	23,5	22,6
Net debt / EBITDA					0,8	1,4	
Earnings per share after dilution in EUR	0,18	0,19	0,33	0,33	0,66	0,39	0,66
Closing rate SEK/EUR	10,34	10,12	10,34	10,12	10,22	10,04	10,24
Earnings per share after dilution in SEK. 2)	1,81	1,96	3,41	3,37	6,76	3,88	6,74

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			6 Months			12 Months			12 Months Jul-Jun 2021/2022
	Apr-Jun 2022	Apr-Jun 2021	Diff	Jan-Jun 2022	Jan-Jun 2021	Diff	Jan-Dec 2021	Jan-Dec 2020	Diff	
Continental Europe	36,3	36,5	-1%	74,9	67,5	11%	136,6	84,5	62%	144,0
Nordic region	10,6	8,7	22%	22,4	16,3	37%	32,2	26,2	23%	38,3
United Kingdom	6,3	5,5	15%	16,6	14,9	11%	30,6	24,1	27%	32,3
North America	11,2	14,7	-24%	20,4	25,6	-21%	58,7	31,5	86%	53,5
New Markets	5,9	3,9	50%	10,5	9,5	10%	17,7	12,1	46%	18,7
<b>Total excl Currency</b>	<b>70,2</b>	<b>69,3</b>	<b>1%</b>	<b>144,7</b>	<b>133,8</b>	<b>8%</b>	<b>275,8</b>	<b>178,4</b>	<b>55%</b>	<b>286,7</b>
Currency effect	1,5	0,0	2%	1,5	0,0	1%	0,0	0,0	0%	1,5
Order intake acquisitions	0,9	0,0	1%	0,9	0,0	1%	0,0	0,0	0%	0,9
<b>Total Order intake</b>	<b>72,6</b>	<b>69,3</b>	<b>5%</b>	<b>147,1</b>	<b>133,8</b>	<b>10%</b>	<b>275,8</b>	<b>178,4</b>	<b>55%</b>	<b>289,1</b>
<b>Total Sales MEUR</b>	<b>39,4</b>	<b>30,7</b>	<b>28%</b>	<b>75,9</b>	<b>58,0</b>	<b>31%</b>	<b>123,6</b>	<b>82,2</b>	<b>19%</b>	<b>141,5</b>
Continental Europe	39,4	30,7	28%	75,9	58,0	31%	123,6	82,2	19%	141,5
Nordic region	10,6	8,1	31%	18,9	14,0	35%	30,0	25,3	19%	34,9
United Kingdom	10,5	9,9	6%	19,4	17,8	9%	30,9	19,1	62%	32,5
North America	10,4	13,8	-25%	22,5	23,9	-6%	51,0	25,2	102%	49,6
New Markets	4,8	5,0	-5%	8,6	8,5	1%	16,8	11,8	42%	16,9
<b>Total excl Currency</b>	<b>75,6</b>	<b>67,5</b>	<b>12%</b>	<b>145,2</b>	<b>122,2</b>	<b>19%</b>	<b>252,3</b>	<b>163,6</b>	<b>54%</b>	<b>275,3</b>
Currency effect	1,8	0,0	3%	1,8	0,0	1%	0,0	0,0	0%	1,8
Sales acquisitions	0,5	0,0	1%	0,5	0,0	0%	0,0	0,0	0%	0,5
<b>Total Sales</b>	<b>77,9</b>	<b>67,5</b>	<b>15%</b>	<b>147,5</b>	<b>122,2</b>	<b>21%</b>	<b>252,3</b>	<b>163,6</b>	<b>54%</b>	<b>277,6</b>

\* Note that we report organic growth 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, but also some other segments have progressed positively. We note that requests for quotes are increasing from the automotive sector which otherwise has been quiet for some time.
- Continued reasonable development in result reflecting both order levels in Q2 and earlier, combined with good utilization in all manufacturing units except China. The margin were in the quarter on the low side, due to higher steel prices.
- Good activity level and we continued with good success in orders in most markets in the second quarter of the year.
- We have a continued turbulence with steel prices, created by the war in Ukraine. However, we saw a stabilisation towards the end of the quarter.
- Integration of Natom is still ongoing in a positive way. Acquisition of Claitec, Spain, was done in the second quarter of this year.
- In total, a reasonable development in the quarter despite the turbulence created by the steel price development.

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

## Birmingham, UK

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

Capacity (metres)  
**~ 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  
**75%**

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

## Bulciago, ITALY

Modular protection solutions for machine guarding.

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

Capacity utilisation  
**60%**

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  
**75%**

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

## Sroda, POLAND

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

Capacity (metres)  
**~1,000,000**

Capacity utilisation  
**70%**

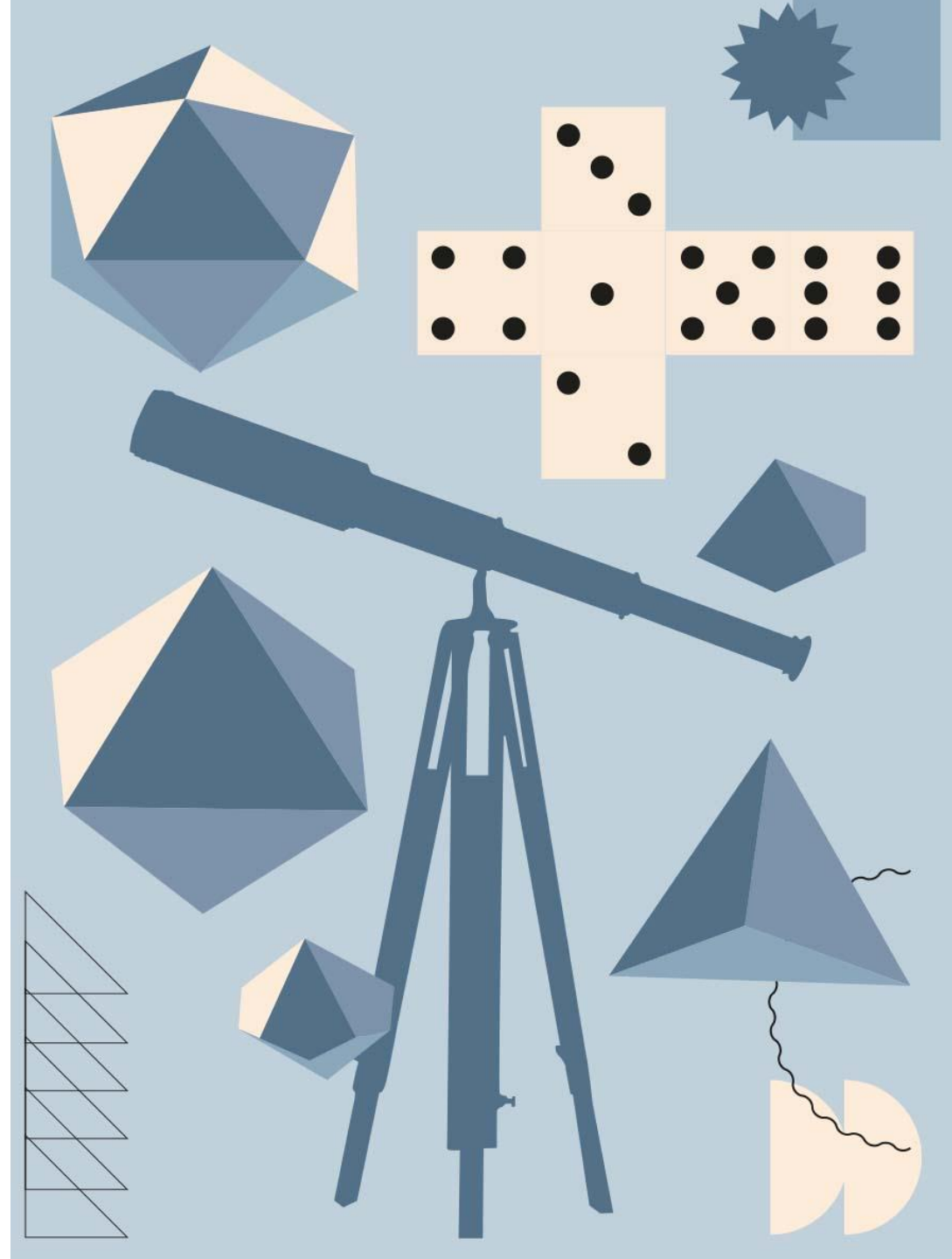
Area m<sup>2</sup>  
**14,500**

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# TROAX GROUP



Working together  
for a safer world





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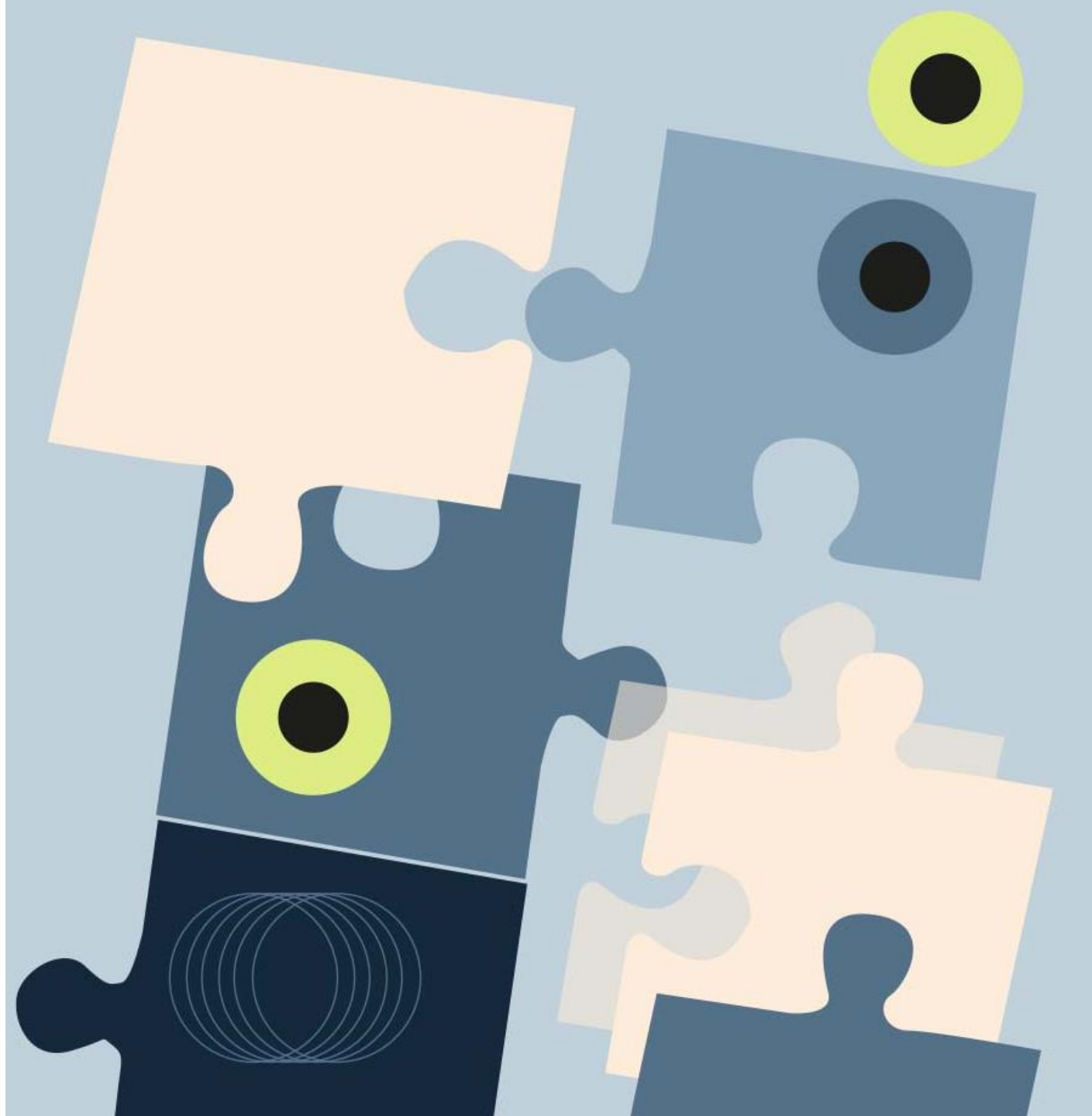
**A SAFER TOMORROW**

**■ SINCE 1955 →**

# FOR A SAFER TOMORROW

## WHAT WE FOCUS ON TODAY

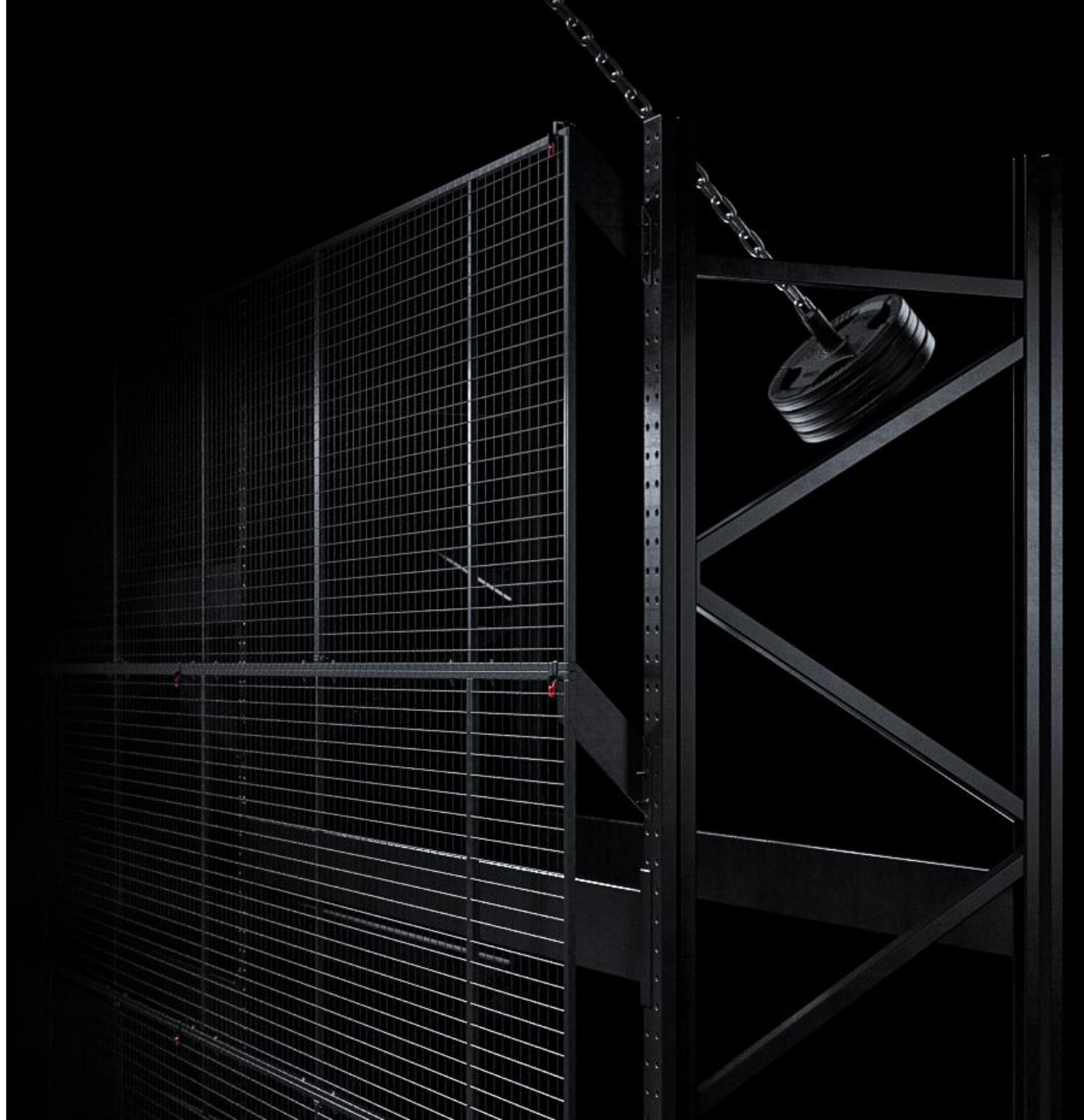
- Climate compensating program concerning all transportations
- Continuously decrease of our total energy consumption, target 2% per year
- Regional manufacturing decreases transportation
- Recertified ISO 14001 and ISO 9001
- Minimize use of plastic products
- 99% recyclable steel
- Minimum 80% recycled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



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.



THIS IS TROAX

# FULLY AUTOMATED SOLUTION

## TROAX POWER DOOR - OPENS A NEW DOOR TO INDUSTRY 4.0

- Easily automates sliding doors in production and warehouses
- Suitable for new installations and retro fit
- Compatible with PLCs
- The PLC communication enables connection to AGVs, synchronising automated and connected manufacturing processes with your logistics flow
- Speeds and settings for three different door sizes
- CE marked and TÜV certified motor
- Easy CE marking process for the complete solution



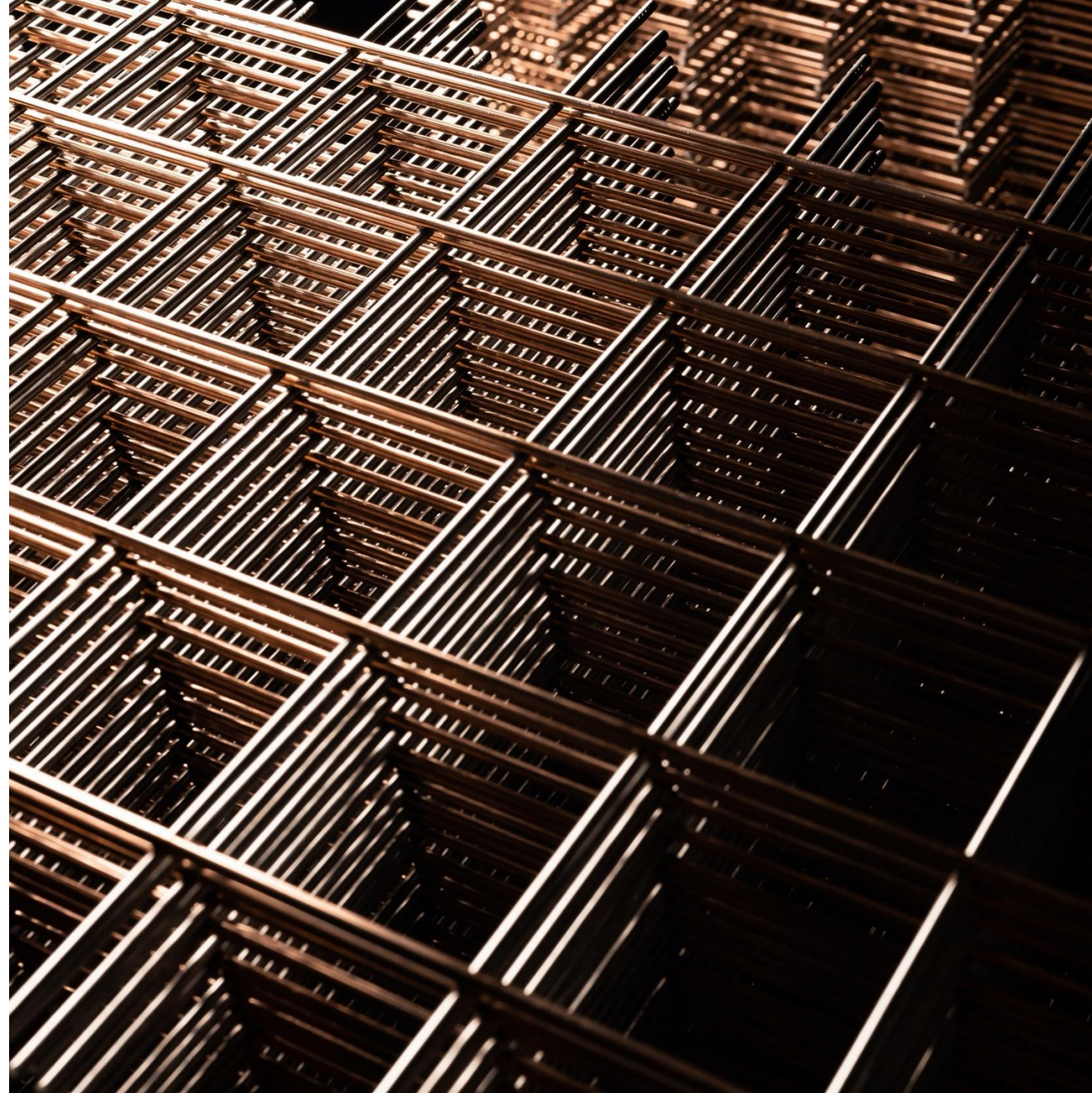
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# CERTIFIED BY TÜV RHEINLAND



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# PROTECTING PEOPLE, PROPERTY, AND PROCESSES



THIS IS TROAX

**THE ORIGINAL.  
SINCE 1955.**



THIS IS TROAX

# SAFETY EQUALS TROAX

A black and white photograph of a robotic arm in a factory setting. The arm is positioned vertically, and sparks are flying from its tool, suggesting it is in the middle of a welding or grinding process. The background is blurred, showing industrial machinery and structures. The text 'SAFETY EQUALS TROAX' is overlaid in large, bold, white letters across the center of the image.