

STAY  
SAFE

TROAX GROUP AB (publ)

THIRD QUARTER 2021 PRESENTATION  
OCTOBER 26, 2021



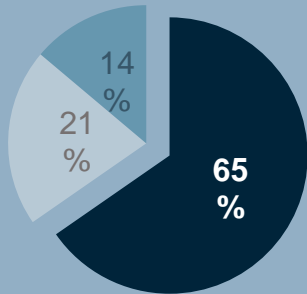
An aerial photograph of a vast, dense forest. The trees are a mix of green and dark green, suggesting a mix of deciduous and coniferous species. A thick layer of white mist or fog rises from the forest floor, partially obscuring the lower parts of the trees and creating a sense of depth and atmosphere.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

**SAFE AND SOUND  
ON SOLID GROUND**

PRODUCT SEGMENTS

# MACHINE GUARDING

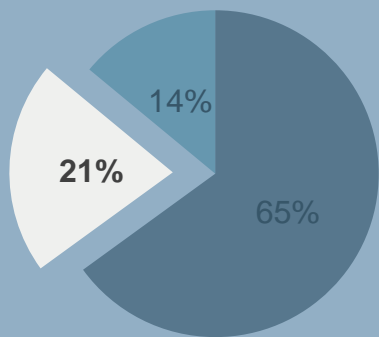
Maximum safety



PRODUCT SEGMENTS

# WAREHOUSE PARTITIONING

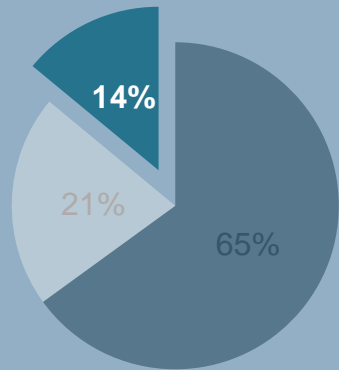
Safe handling



PRODUCT SEGMENTS

# PROPERTY PROTECTION

Storage solutions

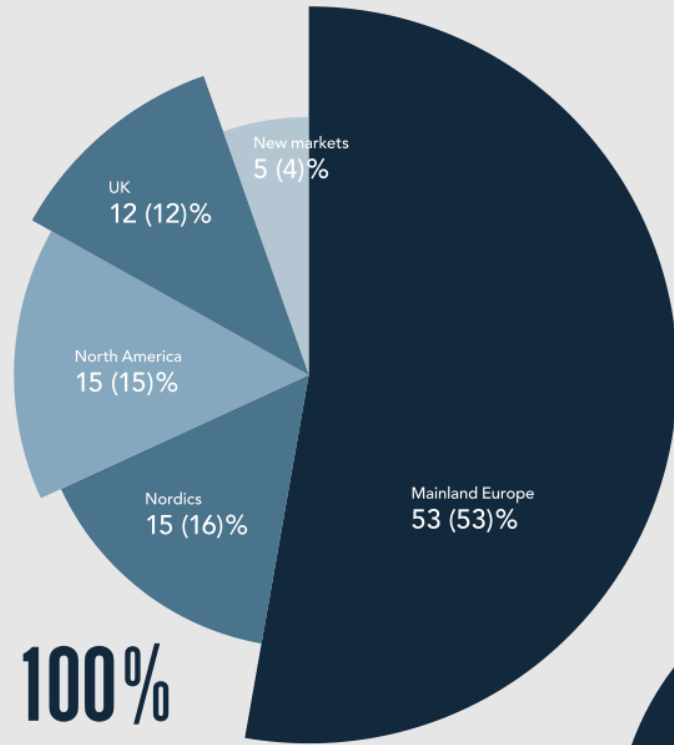


# AUTOMATED WAREHOUSE

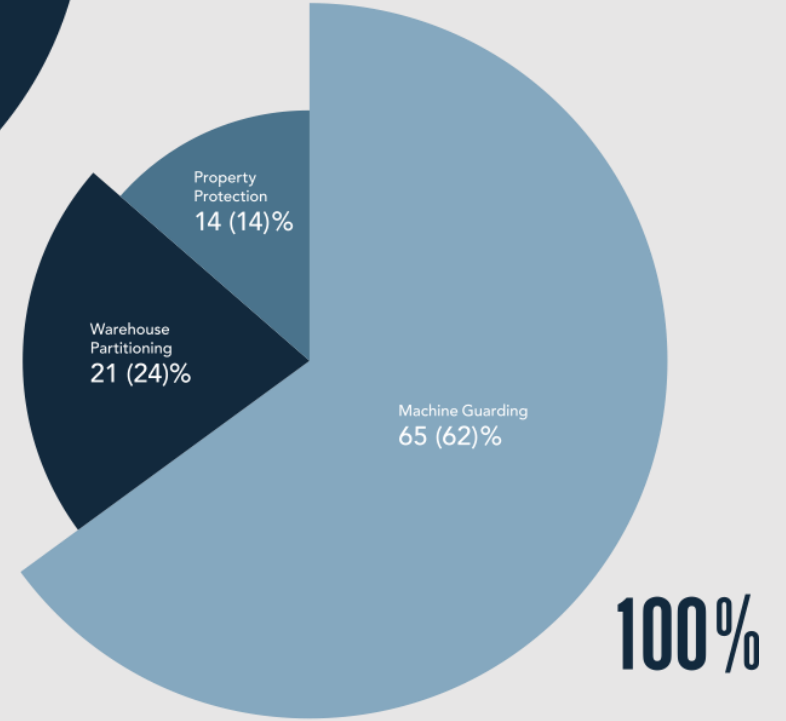
Safety on all levels



# THE YEAR IN BRIEF



SALES PER REGION  
2020 (2019)



SALES  
per business area 2020 (2019)

**2020 EUR MILLION**

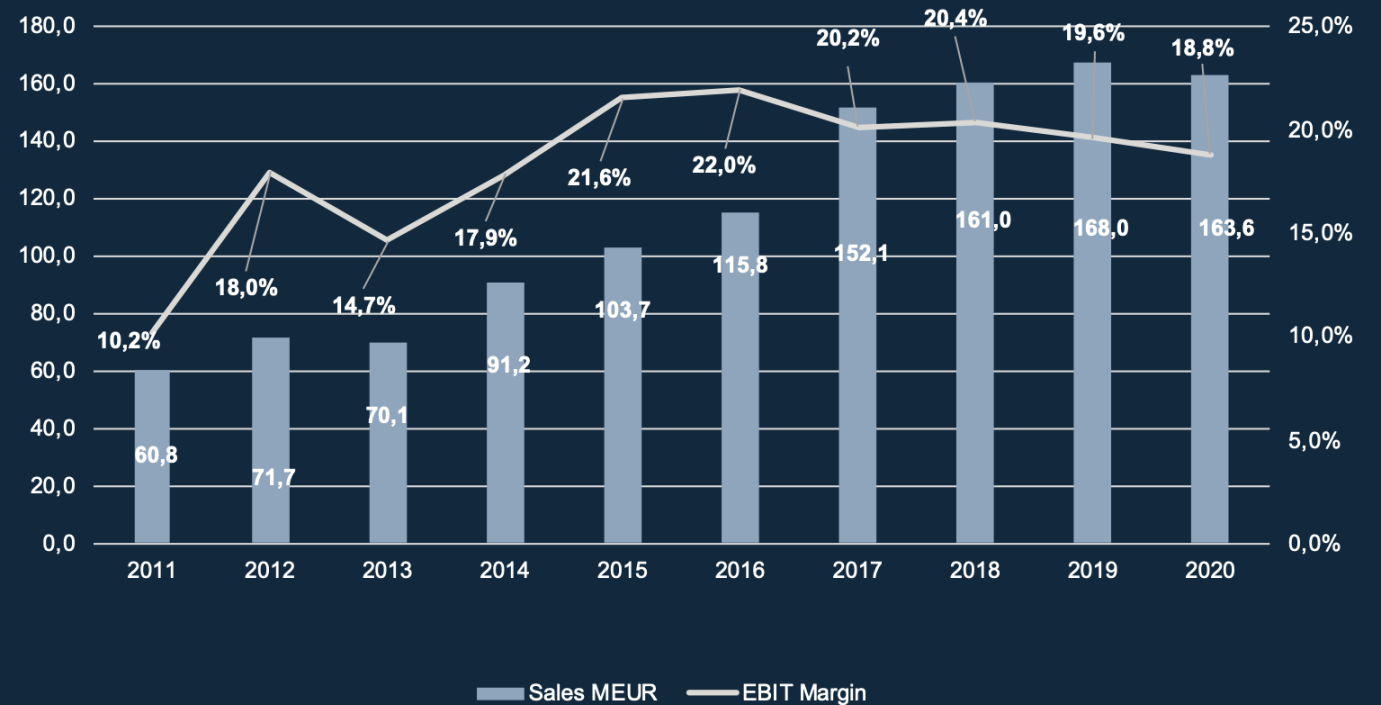
**2020**

**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 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>39%</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>21,9%</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>0,9x</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

## Q3 2021



- Q3 continued with the good order trend which started in Q1. The main explanation for this is the continued strong development from customers mainly within Automated Warehouses and Machine Guarding.
- A good EBIT result and margin in Q3 2021 was recorded compared to LY thanks to good utilization in our manufacturing units.
- Good sales levels in all markets. This was again reflecting good activity in Q3. We note that the delay in orders coming from 2020 is diminishing.
- Earnings per share was 0,19 (0,12) EUR.
- Working capital is on expected level, inventory is still high due to higher security levels.
- All manufacturing units within the group had a good development in Q3, with good volumes. The steel price has continued to increase also in the third quarter and is expected to start to stabilize in the coming quarters.
- Prices have with some delay, been adjusted to reflect the higher steel price.
- Automotive has not been as strong as expected during the third quarter. This is probably attributable to the delay in supply of semiconductors to the industry in general.
- The Automated Warehouse segment has continued to give us important orders. It should be noted that Troax dependence of these major international customers have increased in the last two years.
- Natom Logistics, Poland, has continued to have a good development in the third quarter. They have had a good order intake in the Warehouse segment. We have during the quarter continued to invest in a new facility outside Poznan where the first phase will be implemented by the end of 2021. Our intention is to move the two existing units in to one during 2022/2023.
- We have during the third quarter started deliveries of the newly acquired Quickguard aluminum product range.

# FINANCIAL HIGHLIGHTS, GROUP

MEUR	3 Months	3 Months	9 Months	9 Months	12 months	12 months	12 months
	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020	Jan-Dec 2019	Oct-Sep 2020/2021
Order intake	68,5	38,1	202,3	120,4	178,4	168,1	260,3
Sales	65,5	42,0	187,7	118,7	163,6	168,0	232,6
Gross profit	24,5	17,3	71,6	46,3	64,2	67,1	89,5
Gross margin, %	37,4	41,2	38,1	39,0	39,2	39,9	38,5
Operating profit	14,7	9,3	41,1	22,2	30,8	32,9	49,7
Operating margin, %	22,4	22,1	21,9	18,7	18,8	19,6	21,4
Profit after tax	11,1	6,9	31,1	16,4	23,2	24,3	37,9
EBITDA 1)	17,0	11,1	48,2	27,6	38,5	38,9	59,1
EBITDA margin, % 1)	26,0	26,4	25,7	23,3	23,5	23,2	25,4
Net debt / EBITDA					1,4	1,3	
Earnings per share after dilution in EUR	0,19	0,12	0,52	0,27	0,39	0,41	0,63
Closing rate SEK/EUR	10,20	10,54	10,20	10,54	10,04	10,45	10,16
Earnings per share after dilution in SEK. 2)	1,89	1,21	5,29	2,88	3,88	4,23	6,42

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

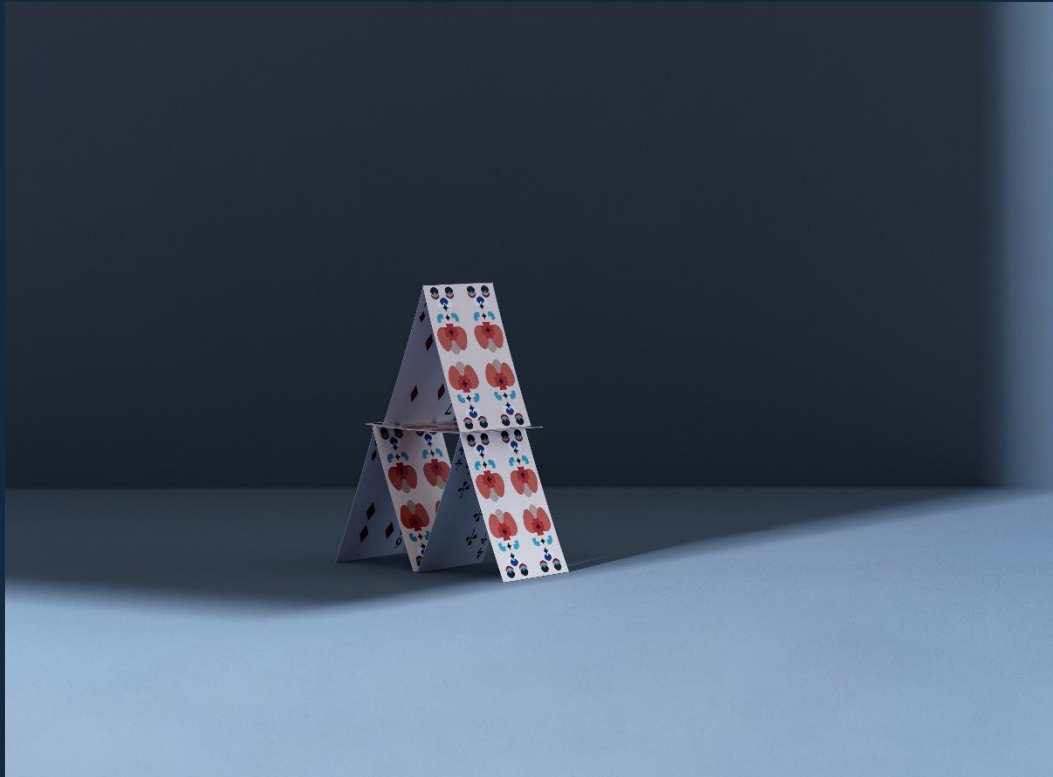
2) Earnings per share after dilution in SEK, is calculated based on result in Euro at Closing rate SEK/EUR.

# REGIONAL DEVELOPMENT ORDER INTAKE AND SALES

Order intake MEUR	3 Months			9 Months			12 Months			12 Months Oct-Sep 2020/2021
	Jul-Sep 2021	Jul-Sep 2020	Diff	Jan-Sep 2021	Jan-Sep 2020	Diff	Jan-Dec 2020	Jan-Dec 2019	Diff	
Continental Europe	25,4	19,9	28%	78,4	60,4	30%	81,0	90,6	-11%	99,0
Nordic region	7,2	6,0	20%	22,9	19,8	16%	26,2	26,1	0%	29,3
United Kingdom	8,4	3,6	133%	22,8	14,6	56%	24,1	19,4	24%	32,3
North America	12,2	6,7	82%	38,9	19,2	103%	31,3	24,2	29%	51,0
New Markets	2,8	1,9	47%	10,5	6,4	64%	9,2	7,8	18%	13,3
<b>Total excl Currency</b>	<b>56,0</b>	<b>38,1</b>	<b>47%</b>	<b>173,5</b>	<b>120,4</b>	<b>44%</b>	<b>171,8</b>	<b>168,1</b>	<b>2%</b>	<b>224,9</b>
Currency effect	0,5	0,0	1%	-1,3	0,0	-1%	-0,9	0,0	-1%	-2,2
Order intake acquisitions	12,0	0,0	31%	30,1	0,0	25%	7,5	0,0	4%	37,6
<b>Total Order intake</b>	<b>68,5</b>	<b>38,1</b>	<b>80%</b>	<b>202,3</b>	<b>120,4</b>	<b>68%</b>	<b>178,4</b>	<b>168,1</b>	<b>6%</b>	<b>260,3</b>
Total Sales MEUR	3 Months			9 Months			12 Months			12 Months Oct-Sep 2020/2021
	Jul-Sep 2021	Jul-Sep 2020	Diff	Jan-Sep 2021	Jan-Sep 2020	Diff	Jan-Dec 2020	Jan-Dec 2019	Diff	
Continental Europe	26,6	21,0	27%	73,2	61,3	19%	82,7	88,7	19%	94,6
Nordic region	7,1	6,2	15%	20,5	18,2	13%	25,2	26,6	-5%	27,5
United Kingdom	7,1	4,9	45%	24,4	14,5	68%	19,0	20,7	-8%	28,9
North America	13,5	7,5	80%	38,4	18,2	111%	24,9	24,5	2%	45,1
New Markets	3,3	2,4	38%	10,0	6,5	54%	8,9	7,5	19%	12,4
<b>Total excl Currency</b>	<b>57,6</b>	<b>42,0</b>	<b>37%</b>	<b>166,5</b>	<b>118,7</b>	<b>40%</b>	<b>160,7</b>	<b>168,0</b>	<b>-4%</b>	<b>208,5</b>
Currency effect	0,4	0,0	1%	-1,3	0,0	-1%	-0,8	0,0	0%	-2,1
Sales acquisitions	7,5	0,0	18%	22,5	0,0	19%	3,7	0,0	2%	26,2
<b>Total Sales</b>	<b>65,5</b>	<b>42,0</b>	<b>56%</b>	<b>187,7</b>	<b>118,7</b>	<b>58%</b>	<b>163,6</b>	<b>168,0</b>	<b>-3%</b>	<b>232,6</b>

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

# CONCLUSION

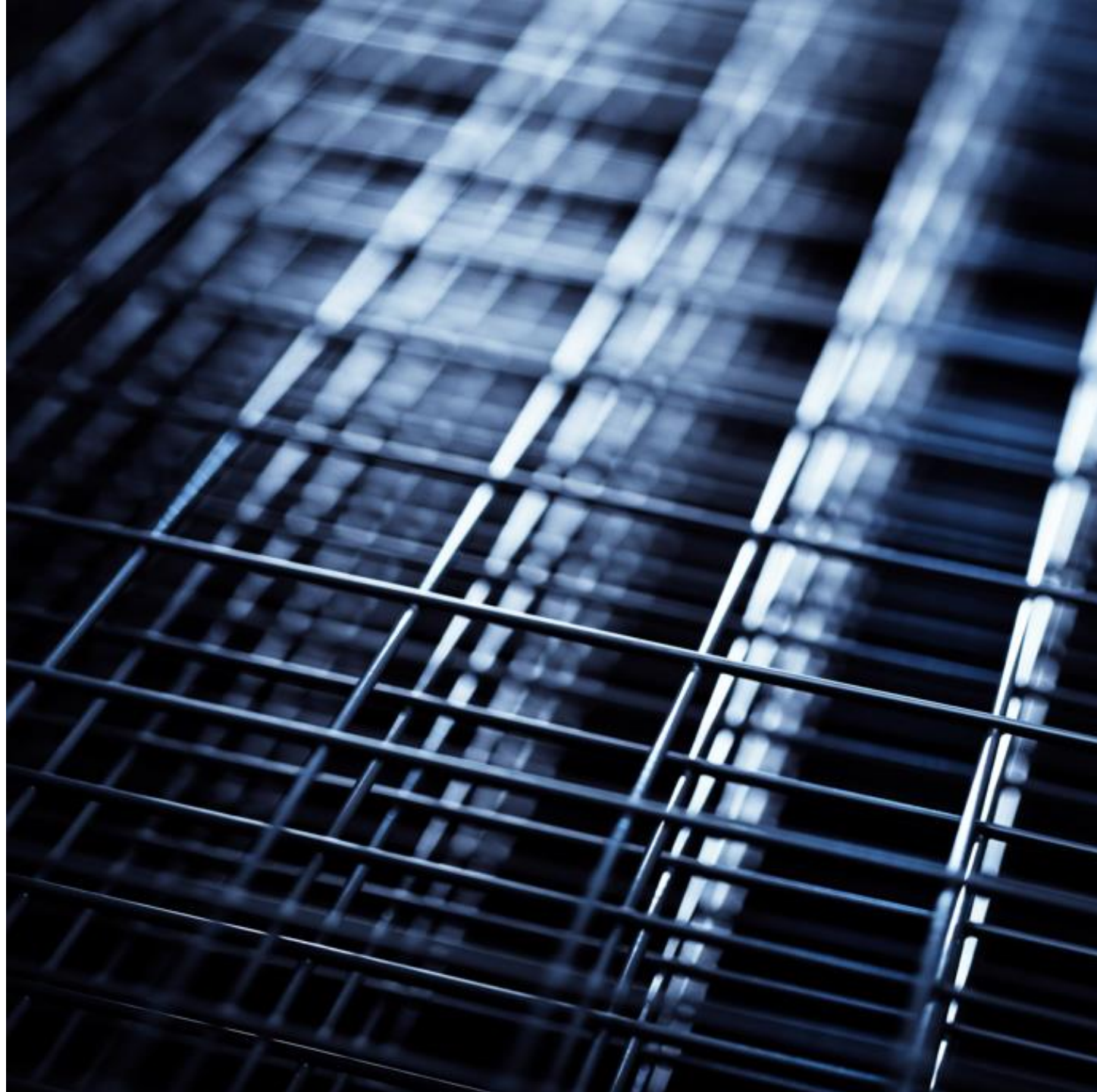


- We have received several important orders in the third quarter in all segments. This refers mainly to customers within Automated Warehouse and Machine Guarding, but also other segments have progressed positively. We noted during the quarter that the continued inflow of orders which might be reflecting some sort of catch-up effect from previous lower activities in 2020 started to decrease.
- Continued good development in result reflecting both order levels in Q3 and good utilization in all manufacturing units in the group.
- Our North American operations continue to develop well during Q3 and showed improved result.
- Very strong activity and success in order, was noted in all markets in Q3.
- All factories in the Troax Group were continuing to developing well. Continued turbulence with steel prices.
- Integration of Natom is still ongoing in a positive way.
- In total, a good development in the quarter with a substantial better result than in corresponding quarter 2020, which was negatively influenced by Covid.

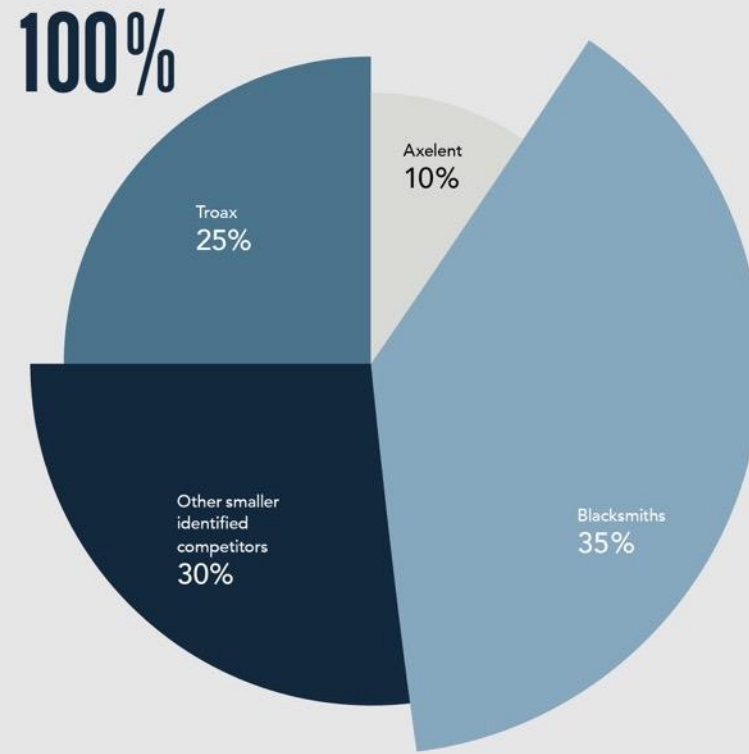
THIS IS TROAX

# GROWTH FACTORS

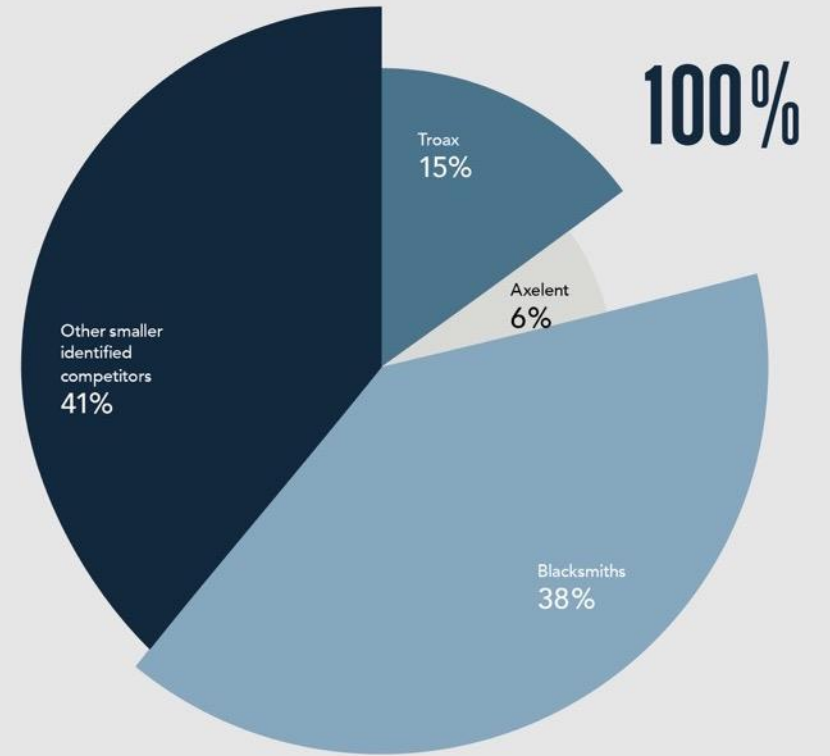
- Increased industrial automation
- On-shoring of manufacturing
- Growth in e-commerce
- Safety awareness
- Stricter regulation
- Residential construction and safe storage



# MARKET LEADER



EUROPEAN MARKET SHARE 2018/2019  
(500 MEUR)



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

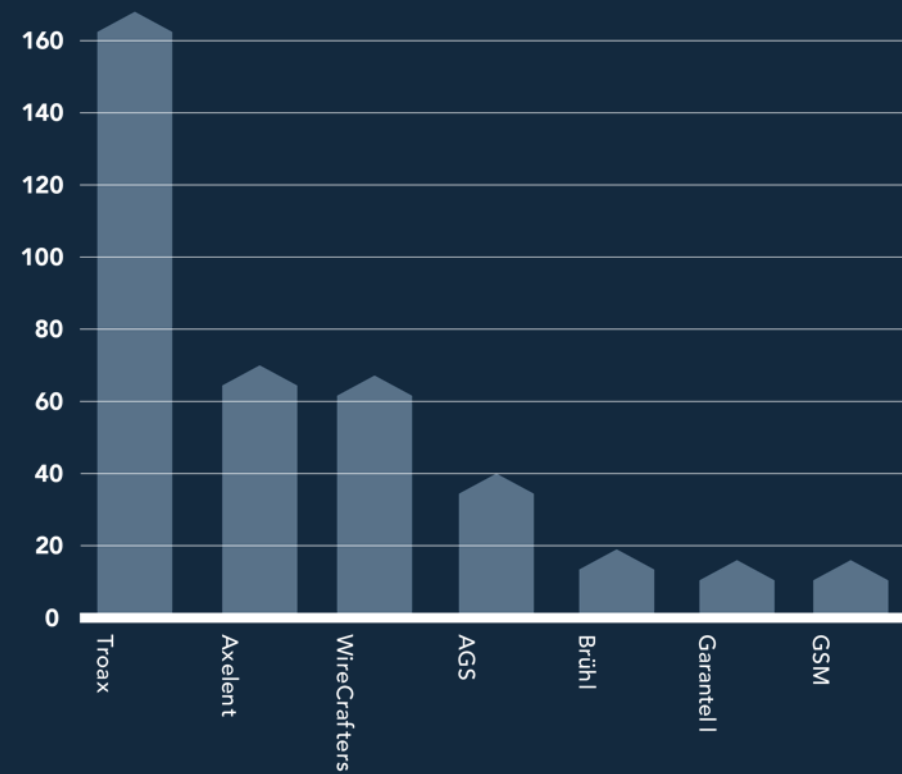
(ESTIMATED MARKET SIZE)

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**

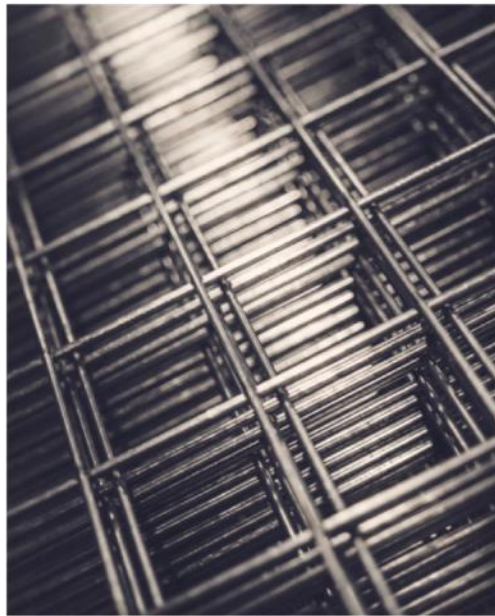
**■ SINCE 1955 →**

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# FOR A SAFER TOMORROW

## WHAT WE FOCUS ON TODAY

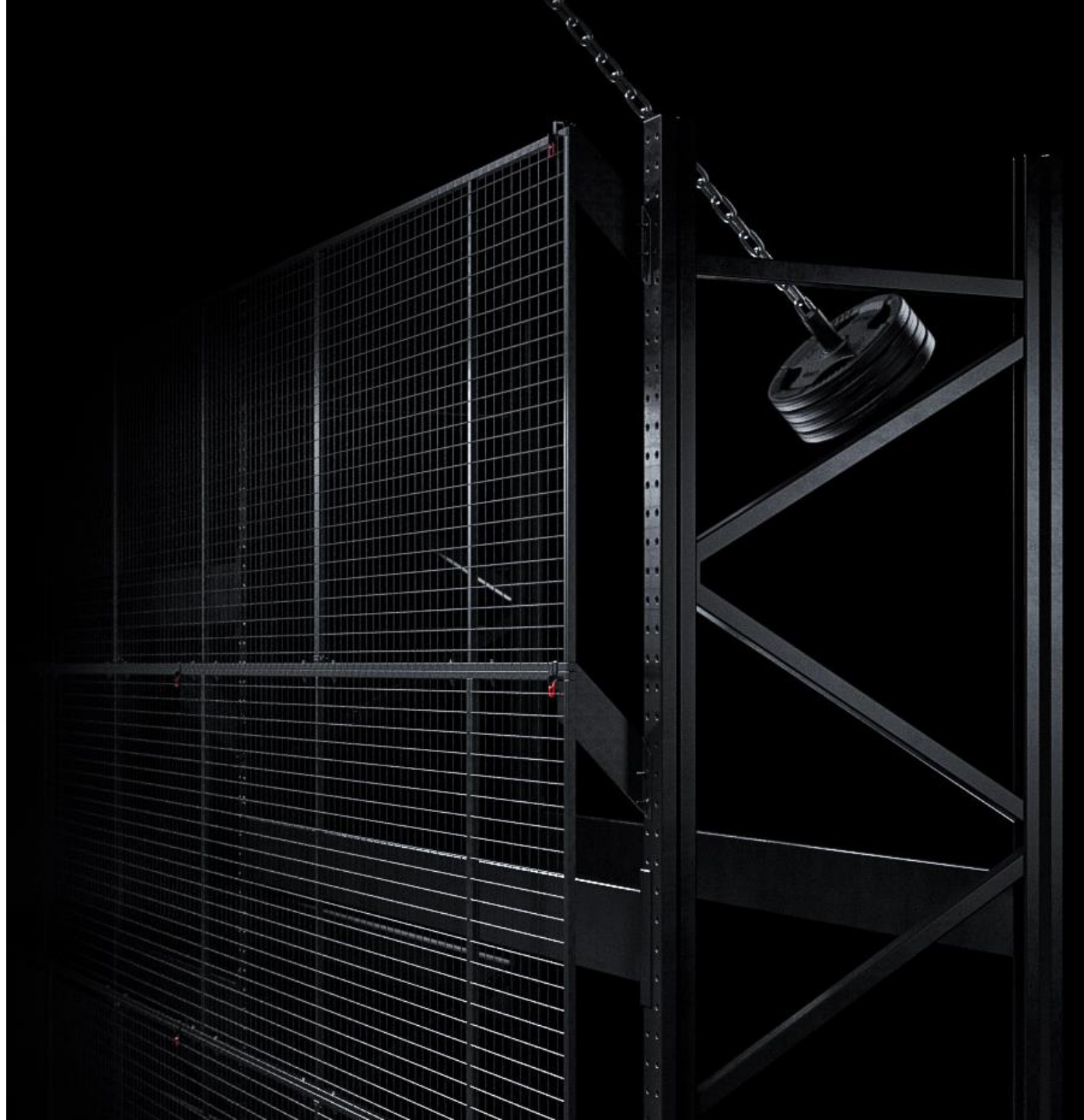
- Climate compensating program concerning all transportations
- Continuously decrease of our total energy consumption, target 2% per year – Reached in the main unit in Sweden for 2020.
- Regional manufacturing decreases transportation
- Recertified ISO 14001 and ISO 9001
- Minimize use of plastic products
- 99% recyclable steel
- Minimum 50% 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



THIS IS TROAX

**THE ORIGINAL.  
SINCE 1955.**





THIS IS TROAX

A photograph of a woman in a white hospital gown holding a baby in a bed. A young child with blonde hair is sitting up in the bed, looking towards the camera. The bed has white and orange pillows. The text 'WE PROTECT WHAT MATTERS' is overlaid in large white letters.

**WE PROTECT  
WHAT MATTERS**