

STAY
SAFE

TROAX GROUP AB (publ)

FOURTH QUARTER 2021 PRESENTATION

FEBRUARY 4, 2021



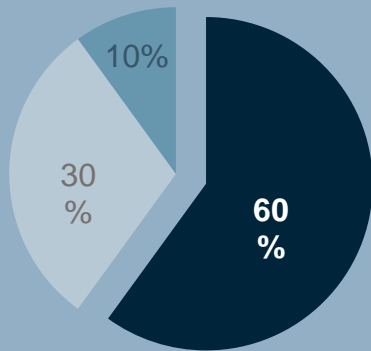
An aerial photograph of a vast, dense forest. The trees are a mix of green and dark green, suggesting a mix of deciduous and coniferous species. A thick layer of white mist or fog rises from the forest floor, partially obscuring the lower parts of the trees and creating a sense of depth and atmosphere.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

**SAFE AND SOUND
ON SOLID GROUND**

PRODUCT SEGMENTS

MACHINE GUARDING

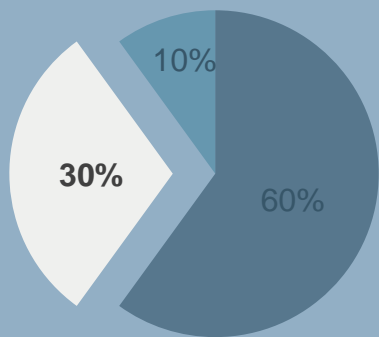
Maximum safety



PRODUCT SEGMENTS

WAREHOUSE PARTITIONING

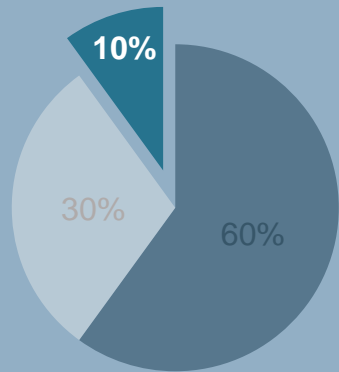
Safe handling



PRODUCT SEGMENTS

PROPERTY PROTECTION

Storage solutions



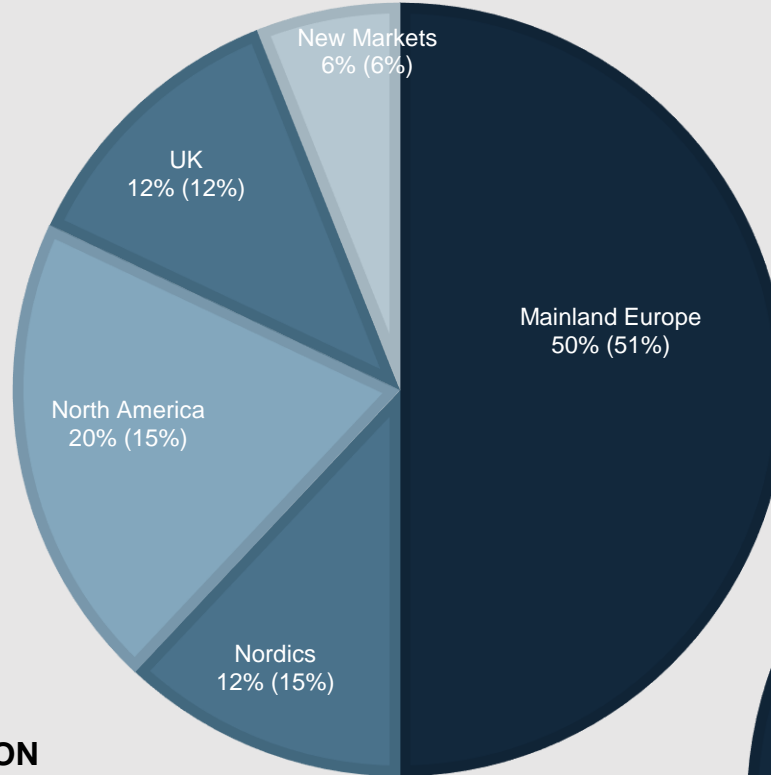
AUTOMATED WAREHOUSE

Safety on all levels

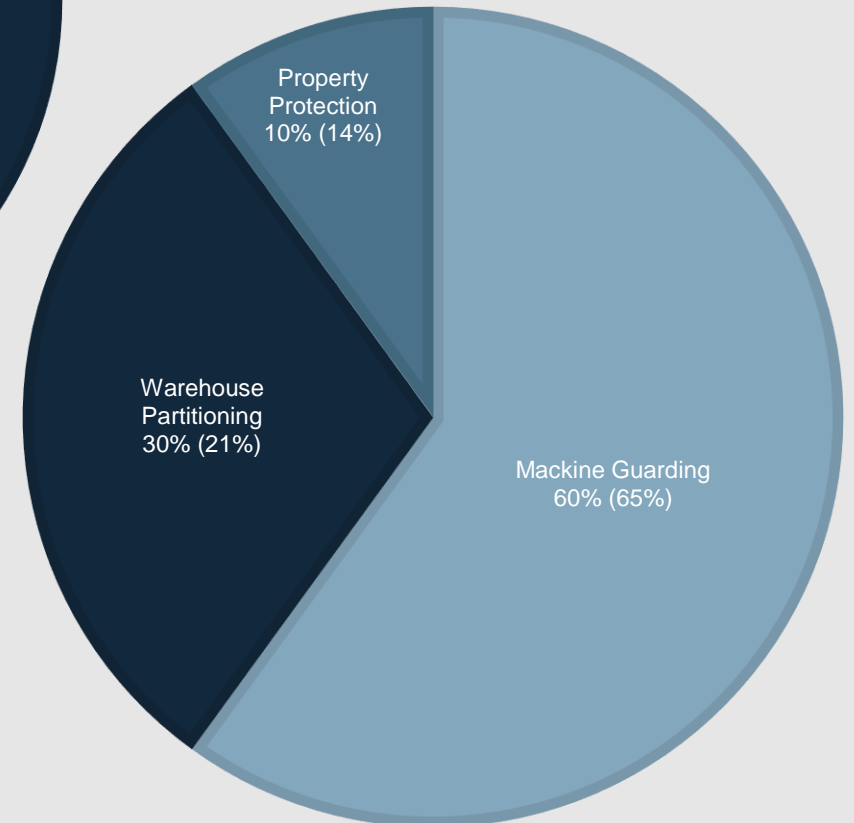


THE YEAR IN BRIEF

SALES PER REGION
2021 (2020)



SALES
PER BUSINESS AREA 2021 (2020)



2021 EUR MILLION

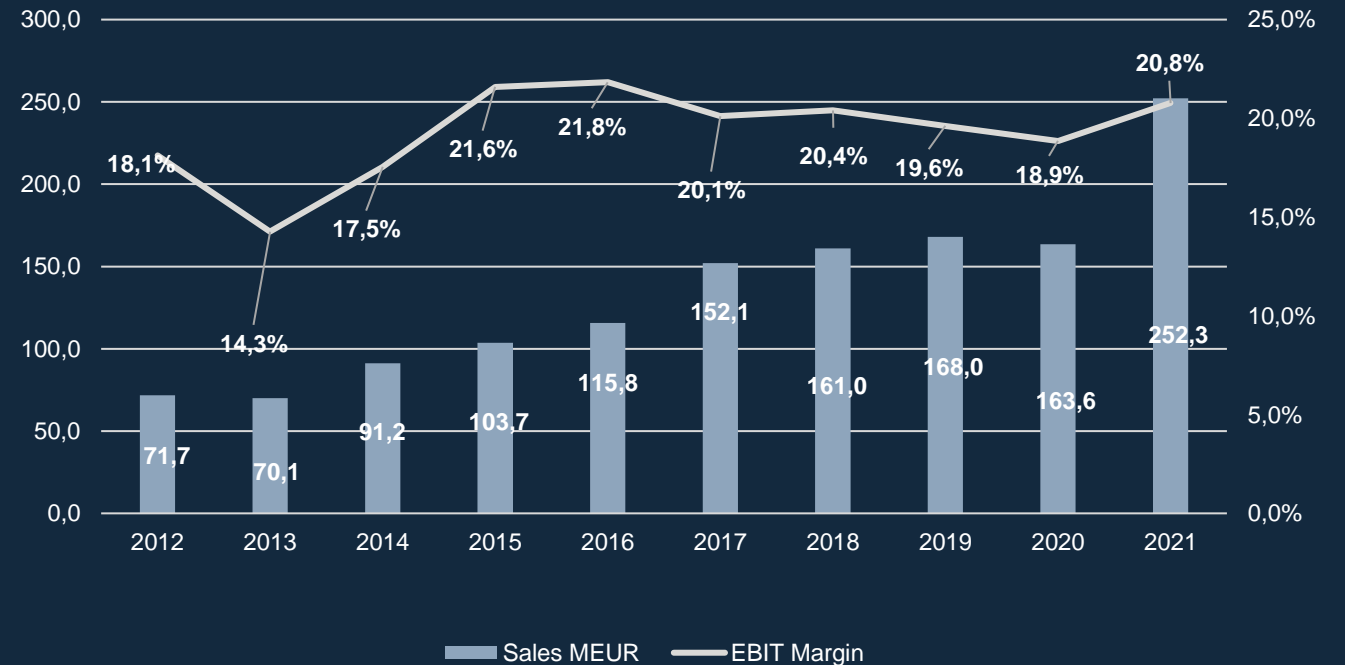
2021

**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 2021
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: 39% M&A: 15%
Profitability	“Troax’ target is to have an operating margin in excess of 20%”	20% Adjusted EBITA margin	20,8%
Capital structure	“Net debt in relation to EBITDA, excluding temporary deviations, shall not exceed 2.5 times.”	<2,5x Net debt to EBITDA	0,8x
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	45%

SUMMARY Q4 2021



- Q4 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. We note that the market activity is not as high in the fourth quarter as it was in previous quarters during 2021. The main reason for this is that during the second and third quarter we received several orders that were remaining from previous years.
- A good EBIT result and margin in Q4 2021 was recorded compared to LY thanks to good utilization in our manufacturing units. The gross margin were on the lower side due to project mix and still some delay in price increases to customers.
- Good sales levels in all markets. This was again reflecting good activity in Q4 and previous quarter.
- Earnings per share were 0,14 (0,11) 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 Q4, with good volumes. The steel price has continued to increase also in the fourth quarter, but we saw a stabilization towards the end of the period.
- Prices have with some delay, been adjusted to reflect the higher steel price.
- Automotive has continued to be not as strong as expected during the fourth 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 also in the fourth quarter. We started the move to our new facility in this period and our intention is to have the two existing units moved in to one during 2022/2023.
- During the quarter we started a new sales company in Australia.

FINANCIAL HIGHLIGHTS, GROUP

	Okt-Dec	Okt-Dec	Jan-Dec	Jan-Dec	Jan-Dec
MEUR	2021	2020	2021	2020	2019
Order intake	73,5	58,0	275,8	178,4	168,1
Sales	64,6	44,9	252,3	163,6	168,0
Gross profit	22,6	17,9	94,2	64,2	67,1
Gross margin, %	35,0	39,9	37,3	39,2	39,9
Operating profit	11,3	8,6	52,4	30,8	32,9
Operating margin, %	17,5	19,2	20,8	18,8	19,6
Profit after tax	8,6	6,8	39,7	23,2	24,3
EBITDA 1)	14,4	10,9	62,3	38,5	38,9
EBITDA margin, % 1)	22,3	24,3	24,7	23,5	23,2
Net debt / EBITDA			0,8	1,4	1,3
Earnings per share after dilution in EUR	0,14	0,11	0,66	0,39	0,41
Closing rate SEK/EUR	10,22	10,04	10,22	10,04	10,45
Earnings per share after dilution in SEK. 2)	1,46	1,14	6,76	3,88	4,23

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

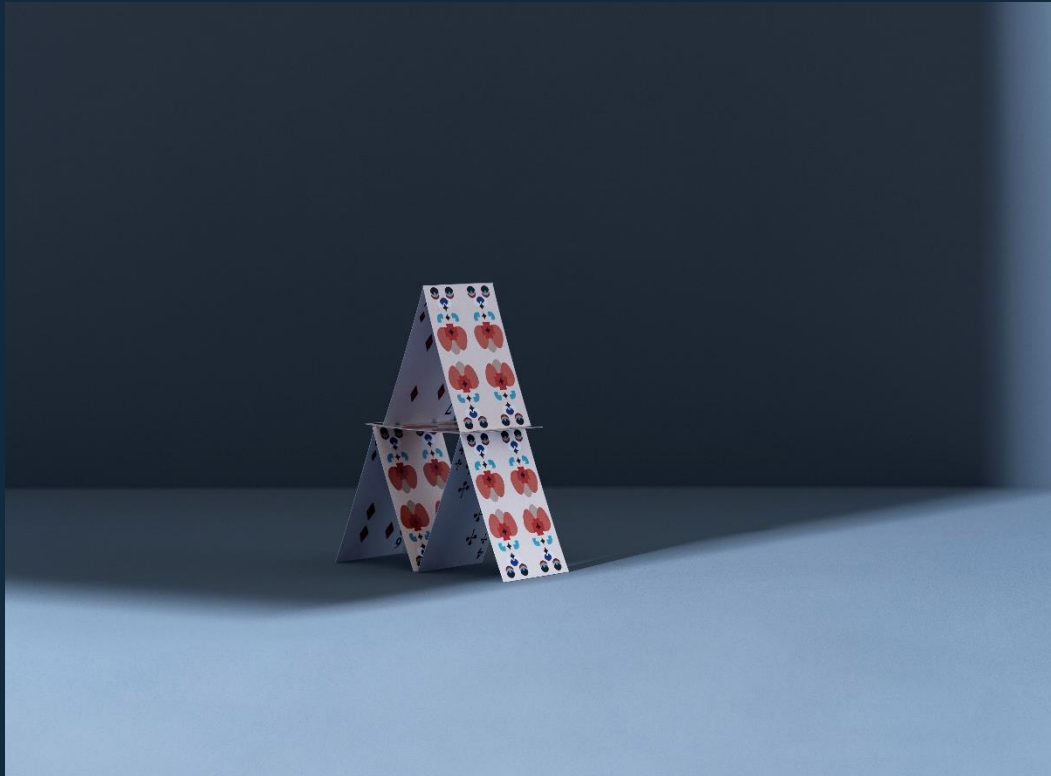
Order intake MEUR	3 Months	3 Months	Diff	12 Months	12 Months	Diff	12 Months	Diff
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec		Jan-Dec	
	2021	2020		2021	2020		2019	
Continental Europe	30,8	27,0	14%	106,0	84,5	25%	86,6	-2%
Nordic region	8,5	6,4	33%	31,5	26,2	20%	26,2	0%
United Kingdom	6,2	9,3	-33%	29,2	24,1	21%	19,9	21%
North America	19,5	11,9	64%	59,5	31,5	89%	25,1	25%
New Markets	4,9	3,4	44%	17,2	12,1	42%	10,3	17%
Total excl Currency	69,9	58,0	21%	243,4	178,4	36%	168,1	6%
Currency effect	0,4	0,0	1%	-0,9	0,0	-1%	0,0	0%
Order intake acquisitions	3,2	0,0	6%	33,3	0,0	19%	0,0	0%
Total Order intake	73,5	58,0	27%	275,8	178,4	55%	168,1	6%
Total Sales MEUR	3 Months	3 Months	Diff	12 Months	12 Months	Diff	12 Months	Diff
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec		Jan-Dec	
	2021	2020		2021	2020		2019	
Continental Europe	31,3	23,8	32%	101,3	82,2	23%	84,7	19%
Nordic region	8,7	7,1	23%	29,3	25,3	16%	26,7	-5%
United Kingdom	4,9	4,4	11%	29,5	19,1	54%	21,2	-10%
North America	12,0	6,6	82%	51,5	25,2	104%	25,4	-1%
New Markets	4,4	3,0	47%	16,2	11,8	37%	10,0	18%
Total excl Currency	61,3	44,9	37%	227,8	163,6	39%	168,0	-3%
Currency effect	0,7	0,0	2%	-0,6	0,0	0%	0,0	0%
Sales acquisitions	2,6	0,0	6%	25,1	0,0	15%	0,0	0%
Total Sales	64,6	44,9	44%	252,3	163,6	54%	168,0	-3%

* Note that we report organic growth excluding currency effect.

In order to show a more accurate picture of the Group's order intake and net sales, a redistribution of order intake and net sales per market region has been made in this year-end report compared with previously submitted interim reports. This redistribution has had the following effects for each quarter:

	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2021	2020	2021	2020	2019
Continental Europe	-1,0	-1,2	-4,4	-4,1	-4,0
Nordic region	+0,0	+0,0	+0,1	+0,1	+0,1
United Kingdom	+0,1	+0,1	+0,4	+0,3	+0,5
North America	+0,3	+0,3	+1,4	+0,7	+0,9
New Markets	+0,6	+0,8	+2,5	+3,0	+2,5
Total	+0,0	+0,0	+0,0	+0,0	+0,0

CONCLUSION

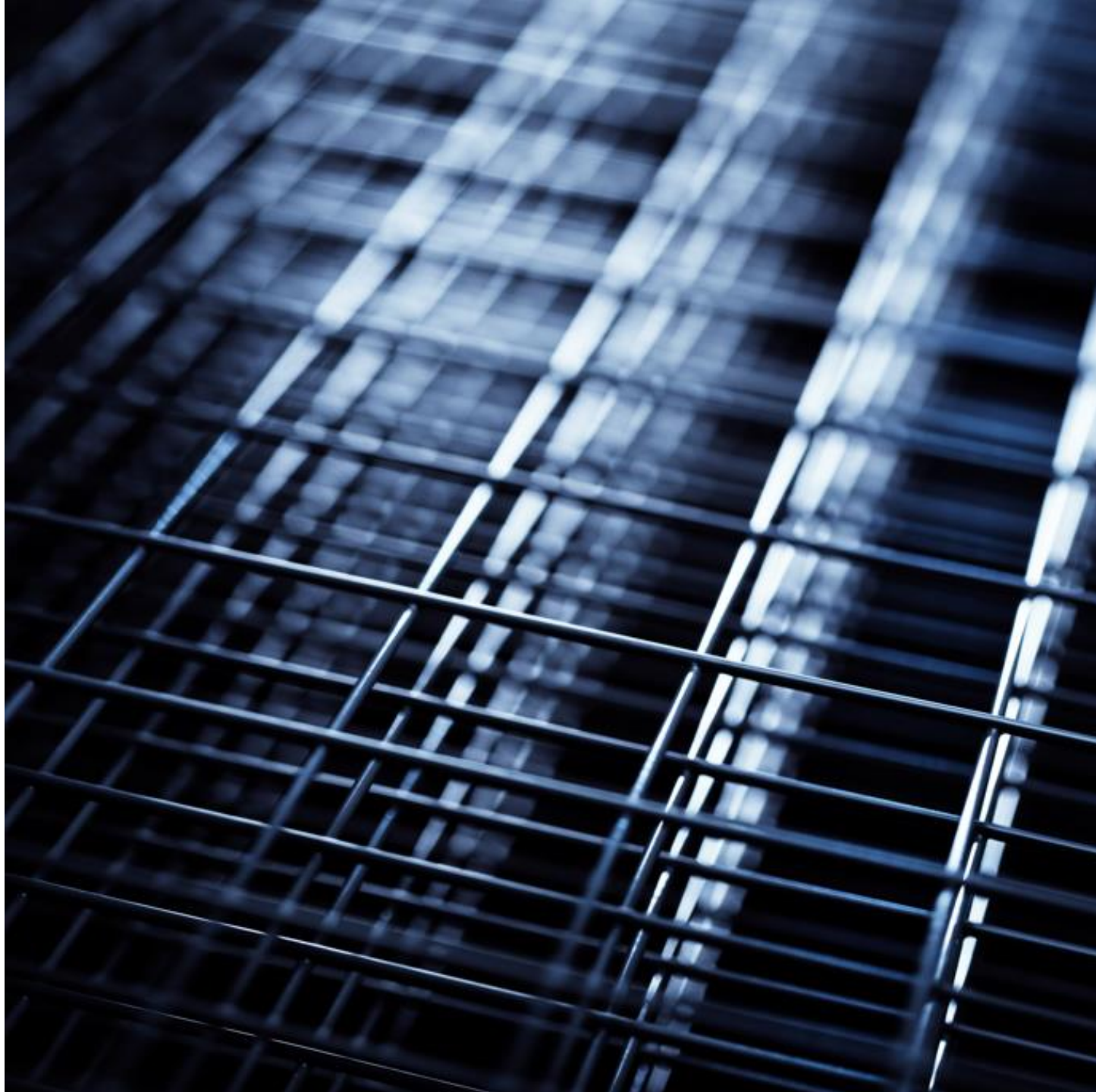


- We have received several important orders in the fourth quarter in all segments. This refers mainly to customers within Automated Warehouse and Machine Guarding, but also other segments have progressed positively. We noted during the quarter that the continued inflow of orders which might be reflecting some sort of catch-up effect from previous lower activities in 2020 ended.
- Continued good development in result reflecting both order levels in Q4 and good utilization in all manufacturing units in the group. The margin were in the quarter on the low side.
- Our North American operations continue to develop well during Q4 and showed improved result.
- Very strong activity and success in order, was noted in all markets in Q4.
- All factories in the Troax Group were continuing to developing well. Continued turbulence with steel prices, but showed signs of stabilization during the quarter.
- Integration of Natom is still ongoing in a positive way. The move to new facilities have started.
- In total, a good development in the quarter with a better result than in corresponding quarter 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



OUR PRODUCTION UNITS

- DISTRIBUTION CENTERS
- SALES OFFICES
- PRODUCTION FACILITIES

Hillerstorp, SWEDEN

Production of the entire range of panels.

Capacity (metres)
>1,500,000

Capacity utilisation
75%

Area m²
35,000

Birmingham, UK

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

Capacity (metres)
~ 66,000

Capacity utilisation
50%

Area m²
4,100

Shanghai, CHINA

Mesh panels and machine guarding products.

Capacity (metres)
~ 100,000

Capacity utilisation
75%

Area m²
3,500

Bulciago, ITALY

Modular protection solutions for machine guarding.

Capacity (metres)
~ 700,000

Capacity utilisation
60%

Area m²
20,000

Chicago, USA

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

Capacity (metres)
~ 400,000

Capacity utilisation
75%

Area m²
15,400

Sroda, POLAND

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

Capacity (metres)
~ 600,000

Capacity utilisation
90%

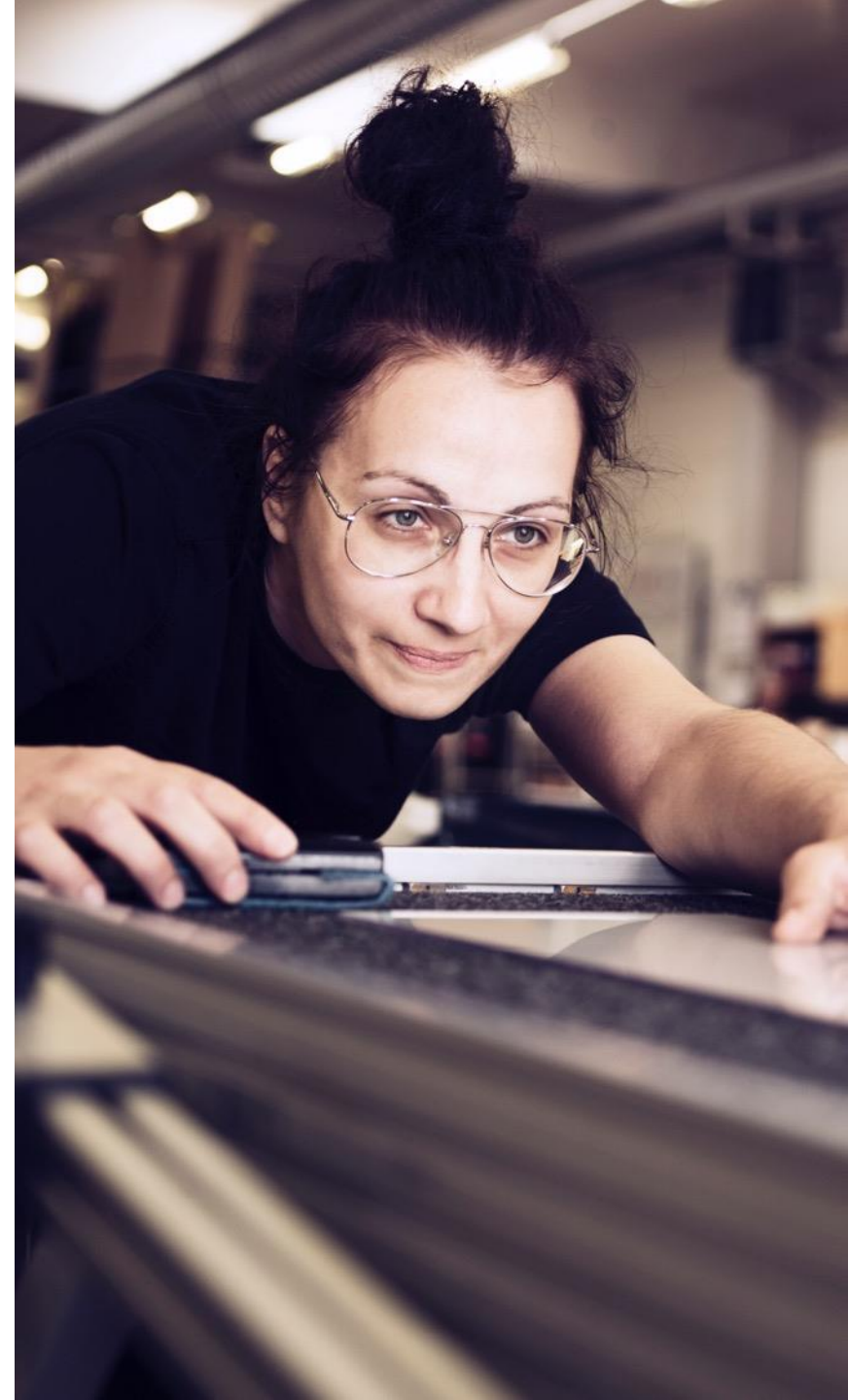
Area m²
14,500

THIS IS TROAX

TROAX GROUP



Working together
for a safer world



A SAFER TOMORROW

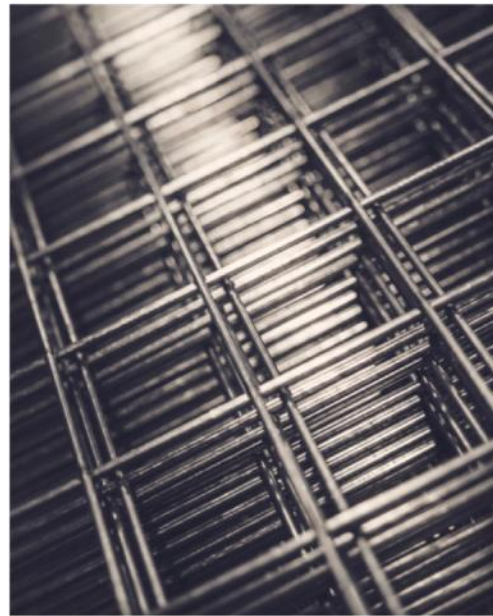
■ SINCE 1955 →

THIS IS **TROAX**

FOR A SAFER TOMORROW

WHAT WE FOCUS ON TODAY

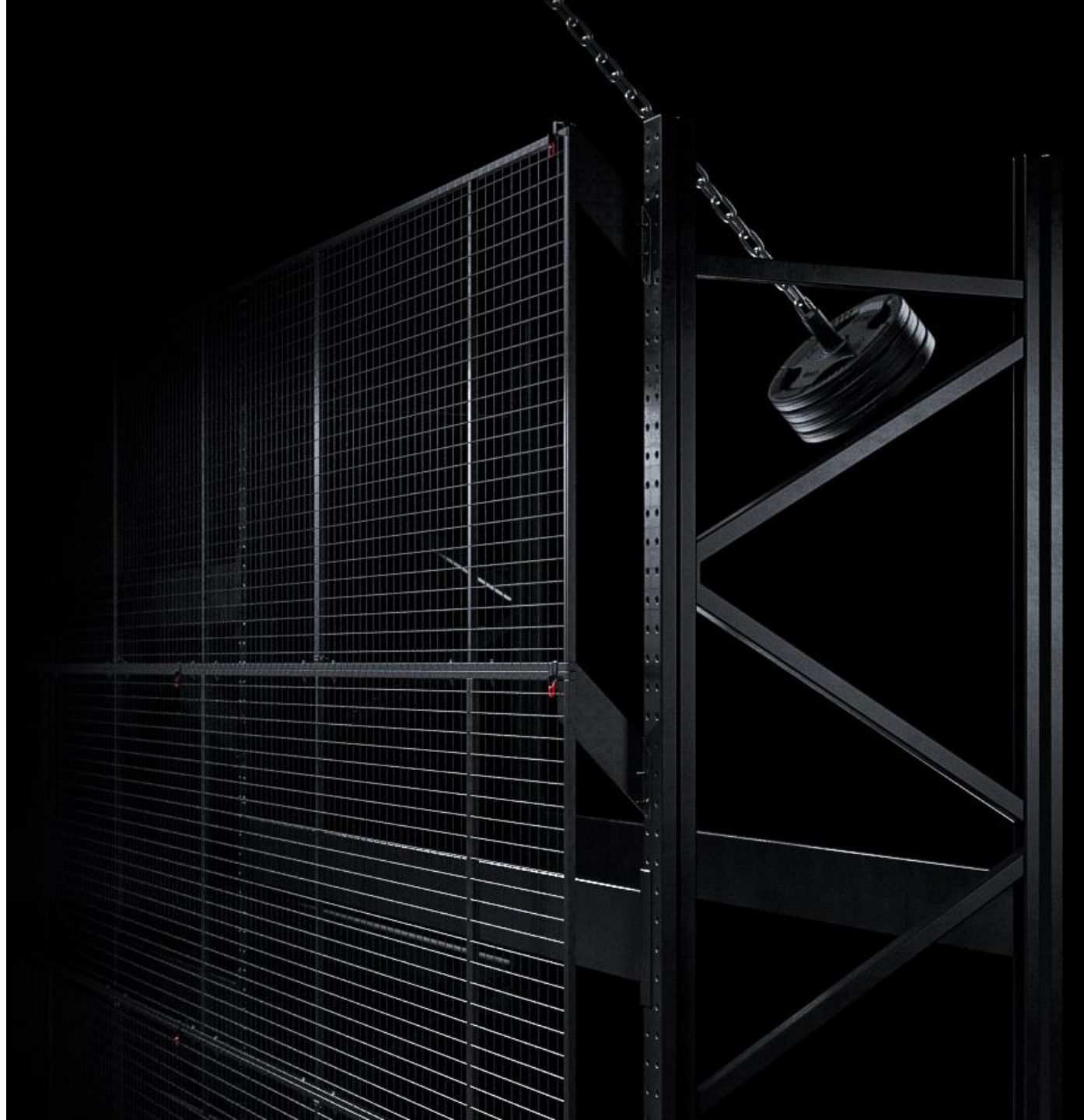
- Climate compensating program concerning all transportations
- Continuously decrease of our total energy consumption, target 2% per year – Reached in the main unit in Sweden for 2020.
- Regional manufacturing decreases transportation
- Recertified ISO 14001 and ISO 9001
- Minimize use of plastic products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



THIS IS TROAX

CERTIFIED BY TÜV RHEINLAND



THIS IS TROAX

PROTECTING PEOPLE, PROPERTY, AND PROCESSES



THIS IS TROAX

**THE ORIGINAL.
SINCE 1955.**



THIS IS TROAX

SAFETY EQUALS TROAX

A photograph of a young child with blonde hair lying in bed, looking towards the camera. The child is wearing a patterned shirt and is being held by an adult whose hands are visible. The bed has white linens and a large orange pillow. The text 'SAFETY EQUALS TROAX' is overlaid in large white letters.