

Troax Group AB (publ)
Hillerstorp, the 9th of February 2024



TROAX EQUALS SAFETY

A SAFE FUTURE STARTS EVERY DAY

Safety means everything to us. We keep people, property and processes safe. It is our reason for being and the very purpose of this company. Our products are made of high-quality steel to keep what matters most out of harm's way.

Troax is the global market leader in metal-based mesh solutions for machine guarding, warehouse partitioning and property protection. We protect people from injuries and machinery as well as goods from getting damaged in everyday work.

Troax Group AB (publ), Reg. No. 556916-4030, is a global organization with an unparalleled sales force and an efficient logistics setup, enabling local presence and short delivery times. We are represented in 45 countries and employ around 1 200 people. Our headquarters are located in Hillerstorp, Sweden. In 2023, Troax net sales amounted to 264 MEUR.

Stay safe with Troax, today and tomorrow.

troax.com

troaxgroup.org

YEAR-END REPORT JANUARY- DECEMBER 2023

OCTOBER – DECEMBER

- Order intake in the quarter decreased by 5 percent compared with the same period last year and amounted to 60,6 (63,6) MEUR. Adjusted for currency and acquisitions the decrease was 6 percent.
- Sales in the quarter increased by 2 percent compared with the same period last year and amounted to 66,6 (65,3) MEUR. Adjusted for currency and acquisitions sales increased by 1 percent.
- Operating profit before amortizations (EBITA) increased to 13,4 (11,1) MEUR.
- Operating margin before amortizations (EBITA margin) increased to 20,1 (17,0) percent.
- Financial net was -0,7 (-0,7) MEUR.
- Profit after tax increased to 8,9 (7,1) MEUR.
- Adjusted earnings per share after dilution amounted to 0,16 (0,13) EUR.¹
- Earnings per share after dilution amounted to 0,15 (0,12) EUR.

JANUARY - DECEMBER

- Order intake in the period decreased by 5 percent compared with the same period last year and amounted to 258,2 (272,7) MEUR. Adjusted for currency and acquisitions the decrease was 5 percent.
- Sales in the period decreased by 7 percent compared with the same period last year and amounted to 264,3 (284,1) MEUR. Adjusted for currency and acquisitions the decrease was 7 percent.
- Operating profit before amortizations (EBITA) increased to 51,9 (51,1) MEUR.
- Operating margin before amortizations (EBITA) increased to 19,6 (18,0) percent.
- Financial net was -2,6 (-1,4) MEUR.
- Profit after tax decreased to 35,8 (36,8) MEUR.
- Adjusted earnings per share after dilution amounted to 0,63 (0,64) EUR.¹
- Earnings per share after dilution amounted to 0,60 (0,61) EUR.
- The Board of Directors suggests a dividend of 0,34 (0,32) EUR per share.

TROAX GROUP FIGURES

MEUR	3 Months	3 Months	12 Months	12 Months	12 Months
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2023	2022	2023	2022	2021
Order intake	60,6	63,6	258,2	272,7	275,8
Sales	66,6	65,3	264,3	284,1	252,3
Gross profit	26,0	22,7	102,0	97,3	95,2
Gross margin, %	39,0	34,8	38,6	34,2	37,7
EBITA	13,4	11,1	51,9	51,1	53,4
EBITA margin, %	20,1	17,0	19,6	18,0	21,2
EBIT	12,9	10,5	50,0	49,6	52,4
EBIT margin, %	19,4	16,1	18,9	17,5	20,8
Profit after tax	8,9	7,1	35,8	36,8	39,7
EBITDA	16,2	13,8	62,2	61,2	62,3
EBITDA margin, %	24,3	21,1	23,5	21,5	24,7
Net debt / EBITDA			0,9	0,6	0,8
Adjusted earnings per share after dilution in EUR 1)	0,16	0,13	0,63	0,64	0,68
Closing rate SEK/EUR	11,49	11,12	11,49	11,12	10,22

¹ Earnings per share is calculated excluding amortizations which amounted to -0,5 (-0,6) in the quarter and -1,9 (-1,5) for the year 2023.

CEO COMMENTS

As previously reported, Troax's order intake stabilized during the third quarter. In the fourth quarter however, we experienced a further reduction in order intake, this is attributable to weaker order intake levels in our North American business as well as a negative impact in the Nordic region due to a reduction within the new construction sector. We also note that a number of customers are cautious and have postponed major investments until the interest rate situation is more favourable. Previously, we have also reported that the activity of our customers within automated warehousing is expected to slowly increase towards the end of 2024 or the beginning of 2025, we still believe this to be the case. In summary, most customer segments have continued stable positive development during the quarter with the exception of a weak development in North America within the automotive sector and a generally continued lower activity within the automated warehouse segment. The order intake from automotive in Europe was improved this quarter and more projects look like they will be commenced in the future. Commentators from various organisations claim that we are in a recession, therefore we continue to be prepared to act depending on how the economy develops going forward. The full year 2023 is characterized by reduced activity and orders within automated warehouses, but the group has compensated for this in terms of results, through cost reductions and focus on other areas.

From a geographical perspective, we note during the quarter a stable order intake in Continental Europe and New Markets compared to 2022. A smaller number of major projects in 2023 means that order intake in the UK is still lower than in 2022. Order intake was weak in the quarter also in North America and the Nordic region, where during this quarter we received fewer large project orders than usual. Overall for the fourth quarter, order intake is 6% lower than in 2022, when we exclude acquired companies and currency effects. For the whole of 2023, we show a reduction in order intake by 5%.

Sales are 1% higher than the previous year, which indicates a stable development without any major surprises during the quarter. For the full year, we report a decrease of 7%, excluding currency and acquisitions.

The gross margin has gradually improved during 2023 and is now at the level of the group's internal target of 39–40%. Behind this is the fact that purchasing costs of various kinds have been relatively stable and declining during the period (with the exception of energy costs) while the volumes, with the exception of North America, continued at approximately the planned level. Capacity reductions have continued mainly in North America and in Poland. The improved gross margin is achieved even though it is still negatively affected by lower volumes compared to 2022 and thus under-absorbed costs. In Poland, the last of our acquired factories in 2020 will be closed in March/April this year and operations will be moved to our new factory in Sroda outside Poznan.

The improved gross margin can also be seen in an improved EBITA margin, where, despite volume reductions in our factories, we have exceeded the margin for the same period last year. In absolute terms, EBITA is also higher than in 2022 and the EBITA margin has increased in the quarter from 17,0% to 20,1% in 2023, despite the volume reduction. For the full year 2023, the EBITA margin amounts to 19,6% compared to 18,0% for 2022.

The cash flow has remained strong during the fourth quarter and was positively affected by a stable result. However, we have increased debt in the period due to our major acquisition as of December 1st. Despite this acquisition, Troax has a stable financial situation and is still interested in making complementary acquisitions.

As of December 1st, we acquired Garantell AB, a Swedish-based company, mainly trading within the European market and which produces and sells shelves and anti-collapse systems for warehouses. The company has had good growth and development over several years and complements Troax in a positive way, both in terms of product and sales channel. Although we are currently in a recession for warehouse investments, we believe that this market will continue to grow long term, which is why we see this as an important and strategic investment. A pro forma for 2023, where Garantell is included throughout the financial year, would give the group a turnover of approximately EUR 294 million and an EBITA of approximately EUR 55 million or 19% in EBITA margin. The Garantell acquisition adds approximately 100 employees to the group.

Thomas Widstrand, President and CEO

THE GROUP SUMMARY

OCTOBER – DECEMBER

The total order intake developed negatively in the quarter. Order intake amounted to 60,6 (63,6) MEUR, a decrease by 5 percent compared with the corresponding period last year. Adjusted for currency and acquisitions the order intake decreased by 6 percent compared to the same period last year. All regions except Continental Europe and New Markets decreased their order intake compared with the corresponding period last year.

Sales amounted to 66,6 (65,3) MEUR, an increase by 2 percent compared with the corresponding period last year. Adjusted for currency and acquisitions sales increased by 1 percent. All regions except Continental Europe and New Markets decreased their sales during the period compared with the corresponding period last year.

Operating profit before amortizations (EBITA) amounted to 13,4 (11,1) MEUR, corresponding to an EBITA margin of 20,1 (17,0) percent.

JANUARY – DECEMBER

The total order intake developed negatively in the period. Order intake amounted to 258,2 (272,7) MEUR, a decrease by 5 percent compared with the corresponding period last year. Adjusted for currency and acquisitions the decrease was 5 percent. All regions except New Markets decreased their order intake during the period compared with the corresponding period last year.

Sales amounted to 264,3 (284,1) MEUR, a decrease by 7 percent compared with the corresponding period last year. Adjusted for currency and acquisitions the decrease was 7 percent. All regions except Nordic and New Markets decreased their sales during the period compared with the corresponding period last year.

Operating profit before amortizations (EBITA) amounted to 51,9 (51,1) MEUR, corresponding to an EBITA margin of 19,6 (18,0) percent.

FINANCIAL NET

During the fourth quarter of 2023, financial net amounted to -0,7 (-0,7) MEUR and to -2,6 (-1,4) for the year 2023.

TAXES

The tax expense was -3,3 (-2,7) MEUR for the fourth quarter of 2023 and -11,6 (-11,4) MEUR for the year 2023.

NET RESULT

Net result for the fourth quarter 2023 amounted to 8,9 (7,1) MEUR and to 35,8 (36,8) MEUR for the year 2023.

CASH FLOW, WORKING CAPITAL AND NET DEBT

Cash flow from operating activities was 15,4 (20,0) MEUR for the fourth quarter and was 50,3 (49,9) MEUR for the year 2023. Net debt was 53,4 (38,2) MEUR at the end of the year. Net debt in relation to the 12-month rolling EBITDA was 0,9 (0,6) to be compared with the company's financial target of less than 2,5.

INVESTMENTS

During the fourth quarter 2023, investments were 35,2 (2,7) MEUR and were 41,1 (14,4) MEUR for the year 2023. This year's investments mainly relates to acquisitions of subsidiaries, an expansion of the building in Sweden and to investments in machinery in Sweden and Poland.

REGIONAL DEVELOPMENT

Troax operations are reported as one segment. As secondary information Order intake and Sales are reported based on geographical regions.

Nordic – Sweden, Denmark, Norway and Finland

Continental Europe – Europe excluding Nordic and United Kingdom

United Kingdom – Great Britain and Ireland

North America – US and Canada

New Markets – rest of the world including all distributors directly connected to Sweden

Order intake MEUR	3 Months	3 Months	Diff	12Months	12Months	Diff	12 Months	Diff
	Oct-Dec 2023	Oct-Dec 2022		Jan-Dec 2023	Jan-Dec 2022		Jan-Dec 2021	
Continental Europe	32,5	30,0	8%	132,5	135,1	-2%	136,6	-1%
Nordic region	8,7	11,1	-22%	37,8	41,4	-9%	32,2	29%
United Kingdom	4,6	5,9	-22%	25,0	30,9	-19%	30,6	1%
North America	7,1	11,0	-35%	40,7	45,2	-10%	58,7	-23%
New Markets	7,0	5,6	25%	22,3	20,1	11%	17,7	14%
Total excl Currency	59,9	63,6	-6%	258,3	272,7	-5%	275,8	-1%
Currency effect	-1,1	0,0	-2%	-4,8	0,0	-2%	0,0	0%
Order intake acquisitions	1,8	0,0	3%	4,7	0,0	2%	0,0	0%
Total Order intake	60,6	63,6	-5%	258,2	272,7	-5%	275,8	-1%
Total Sales MEUR	3 Months	3 Months	Diff	12Months	12Months	Diff	12 Months	Diff
	Oct-Dec 2023	Oct-Dec 2022		Jan-Dec 2023	Jan-Dec 2022		Jan-Dec 2021	
Continental Europe	35,4	33,9	4%	131,4	143,3	-8%	123,6	16%
Nordic region	10,4	10,7	-3%	40,2	38,4	5%	30,0	28%
United Kingdom	4,9	5,8	-16%	24,6	34,7	-29%	30,9	12%
North America	9,3	10,2	-9%	46,6	49,4	-6%	51,0	-3%
New Markets	5,7	4,7	21%	21,8	18,3	19%	16,8	9%
Total excl Currency	65,7	65,3	1%	264,6	284,1	-7%	252,3	13%
Currency effect	-0,9	0,0	-1%	-4,9	0,0	-2%	0,0	0%
Sales acquisitions	1,8	0,0	3%	4,6	0,0	2%	0,0	0%
Total Sales	66,6	65,3	2%	264,3	284,1	-7%	252,3	13%

* Note that organic growth is reported excluding currency effect.

THE GROUP - SUMMARY

INCOME STATEMENT

MEUR	3 Months	3 Months	12 Months	12 Months	12 Months
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2023	2022	2023	2022	2021
Sales	66,6	65,3	264,3	284,1	252,3
Cost of goods sold	-40,6	-42,6	-162,3	-186,8	-157,1
Gross profit	26,0	22,7	102,0	97,3	95,2
Sales expenses	-8,9	-7,5	-33,4	-30,5	-28,0
Administrative expenses	-4,6	-4,2	-16,9	-15,9	-14,1
Other operating income and expenses	0,9	0,1	0,2	0,2	0,3
Operating profit before Amortizations (EBITA)	13,4	11,1	51,9	51,1	53,4
Amortization	-0,5	-0,6	-1,9	-1,5	-1,0
Operating profit (EBIT)	12,9	10,5	50,0	49,6	52,4
Financial income and expenses	-0,7	-0,7	-2,6	-1,4	-1,0
Result after financial expenses	12,2	9,8	47,4	48,2	51,4
Taxes	-3,3	-2,7	-11,6	-11,4	-11,7
Net result for the period	8,9	7,1	35,8	36,8	39,7
Earnings per share before / after dilution	0,15 €	0,12 €	0,60 €	0,61 €	0,66 €
Adjusted earnings per share before / after dilution	0,16 €	0,13 €	0,63 €	0,64 €	0,68 €
Number of shares before / after dilution in thousands	60 000	60 000	60 000	60 000	60 000

STATEMENT OF COMPREHENSIVE INCOME

	3 Months	3 Months	12 Months	12 Months	12 Months
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2023	2022	2023	2022	2021
Net result for the period	8,9	7,1	35,8	36,8	39,7
Other comprehensive income:					
Items that may be reclassified to the income statement					
Translation differences	3,4	-4,1	0,9	-7,8	1,1
Tax related to items that may be reclassified	0,0	0,0	0,0	0,0	0,0
	3,4	-4,1	0,9	-7,8	1,1
Items that will not be reclassified to the income statement					
Actuarial gains and losses on defined-benefit pension commitment	-0,2	1,3	-0,2	1,3	-0,3
Tax related to items that may be reclassified	0,0	-0,2	0,0	-0,2	0,0
	-0,2	1,1	-0,2	1,1	-0,3
Other comprehensive income, net of tax	3,2	-3,0	0,7	-6,7	0,8
Total comprehensive income for the period	12,1	4,1	36,5	30,1	40,5

EBITDA	3 Months	3 Months	12 Months	12 Months	12 Months
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2023	2022	2023	2022	2021
Operating result (EBIT)	12,9	10,5	50,0	49,6	52,4
Amortizations	0,5	0,6	1,9	1,5	1,0
Adjusted operating result (EBITA)	13,4	11,1	51,9	51,1	53,4
Depreciations	2,8	2,7	10,3	10,1	8,9
EBITDA	16,2	13,8	62,2	61,2	62,3

STATEMENT OF FINANCIAL POSITION

MEUR	2023	2022	2021
	31-dec	31-dec	31-dec
Assets			
Intangible assets	115,2	98,6	95,6
Tangible assets	82,1	60,0	60,3
Financial fixed assets	6,9	6,3	5,9
Total fixed assets	204,2	164,9	161,8
Inventories	30,8	32,3	35,5
Current receivables	55,9	55,4	57,5
Cash and cash equivalents	33,2	37,5	35,2
Total current assets	119,9	125,2	128,2
TOTAL ASSETS	324,1	290,1	290,0
Equity and liabilities			
Equity	172,3	154,9	142,6
Long-term liabilities	99,2	89,4	101,9
Current liabilities	52,6	45,8	45,5
TOTAL EQUITY AND LIABILITIES	324,1	290,1	290,0
Net debt	53,4	38,2	52,1

STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE PARENT COMPANY'S SHAREHOLDERS	2023	2022	2021
	31-dec	31-dec	31-dec
Opening balance	154,9	142,6	114,0
Dividends	-19,3	-18,0	-12,0
Received option premiums	0,2	0,2	0,1
Re-purchase of shares	0,0	0,0	0,0
Total comprehensive income for the period	36,5	30,1	40,5
Closing balance	172,3	154,9	142,6

CASH FLOW STATEMENT

MEUR	3 Months	3 Months	12 Months	12 Months	12 Months
	2023	2022	2023	2022	2021
	31-dec	31-dec	31-dec	31-dec	31-dec
Operating profit before Amortizations (EBITA)	13,4	11,1	51,9	51,1	53,4
Depreciations, interest received and paid, tax paid and adjustments	-6,2	-3,3	-9,4	-6,8	0,1
Changes in working capital	8,2	12,2	7,8	5,6	-21,3
Cash flow from operating activities	15,4	20,0	50,3	49,9	32,2
Investments	-35,2	-2,7	-41,1	-14,4	-14,6
Cash flow after investing activities	-19,8	17,3	9,2	35,5	17,6
Financing activities	18,9	-11,1	-13,7	-32,5	-15,3
Cash flow for the period	-0,9	6,2	-4,5	3,0	2,3
Cash and cash equivalents at the start of the period	33,9	32,0	37,5	35,2	32,5
Translation difference in cash and cash equivalents	0,2	-0,7	0,2	-0,7	0,4
Cash and cash equivalents at the end of the period	33,2	37,5	33,2	37,5	35,2

PARENT COMPANY– SUMMARY

INCOME STATEMENT	3 Months	3 Months	12 Months	12 Months	12 Months
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec	Jan-Dec
MEUR	2023	2022	2023	2022	2021
Sales	0,2	0,2	1,0	0,9	0,9
Cost of goods sold	0,0	0,0	0,0	0,0	0,0
Gross profit	0,2	0,2	1,0	0,9	0,9
Administrative expenses	-1,0	-0,5	-3,7	-2,2	-2,5
Other operating income and expenses	0,1	-0,1	0,1	-0,3	0,0
Operating profit before Amortizations (EBITA)	-0,7	-0,4	-2,6	-1,6	-1,6
Financial income and expenses	5,1	12,9	29,7	28,0	16,3
Result after financial expenses	4,4	12,5	27,1	26,4	14,7
Year-end appropriations	0,6	1,3	0,6	1,3	0,0
Profit before tax	5,0	13,8	27,7	27,7	14,7
Taxes	-1,0	-3,0	-0,6	-3,4	-1,4
Net result for the period	4,0	10,8	27,1	24,3	13,3

STATEMENT OF COMPREHENSIVE INCOME

Net result for the period	4,0	10,8	27,1	24,3	13,3
Other comprehensive income, net of tax	0,0	0,0	0,0	0,0	0,0
Total comprehensive income for the period	4,0	10,8	27,1	24,3	13,3

STATEMENT OF FINANCIAL POSITION

MEUR	31-dec	31-dec	31-dec
	2023	2022	2021
Assets			
Shares in subsidiaries	87,7	87,7	87,7
Receivables to subsidiaries	23,6	24,4	23,0
Other long-term receivables	0,8	0,7	0,8
Total fixed assets	112,1	112,8	111,5
Receivables to subsidiaries	18,6	5,5	7,0
Current receivables	2,6	0,0	0,4
Cash and cash equivalents	11,2	9,8	12,8
Total current assets	32,4	15,3	20,2
TOTAL ASSETS	144,5	128,1	131,7
Equity and liabilities			
Equity	53,5	45,6	39,0
Untaxed reserves	5,1	5,7	7,0
Long-term liabilities	70,9	60,7	70,8
Current liabilities	15,0	16,1	14,9
TOTAL EQUITY AND LIABILITIES	144,5	128,1	131,7

	3 Months	3 Months	12 Months	12 Months	12 Months
	2023	2022	2023	2022	2021
MEUR	31-dec	31-dec	31-dec	31-dec	31-dec
Operating profit before financial items	-0,7	-0,4	-2,6	-1,6	-1,6
Interest paid and received, taxes, adjustments	-3,0	13,3	20,5	23,5	0,3
Change in working capital	-12,3	6,9	-7,2	3,1	12,5
Cash flow from continuing operations	-16,0	19,8	10,7	25,0	11,2
Investments	0,0	0,0	0,0	0,0	0,0
Cash flow from investment activities	-16,0	19,8	10,7	25,0	11,2
Cash flow from financing activities	20,0	-10,0	-9,3	-28,0	1,0
Cash flow for the period	4,0	9,8	1,4	-3,0	12,2
Cash and cash equivalents at the beginning of the period	7,2	0,0	9,8	12,8	0,6
Translation difference	0,0	0,0	0,0	0,0	0,0
Cash and cash equivalents at the end of the period	11,2	9,8	11,2	9,8	12,8

FINANCIAL TARGETS

Troax Group's financial targets connected to the company's strategic initiatives are presented below. All expressed opinions in this part are future orientated.

Growth	Troax's objective is to grow in its current markets, both organically and by selective acquisitions
Profitability	Troax's target is to have an operating margin (EBITA) in excess of 20 per cent.
Financial structure	Net debt in relation to the 12-month rolling EBITDA, excluding temporary deviations, shall not exceed 2,5 times.
Dividend policy	Troax's target is to pay approximately 50 per cent of its net profit in dividends. The dividend proposal shall consider Troax's long-term development potential, its financial position and its investment needs.

The financial targets represent future oriented information. Future oriented information shall not be considered as guarantees for future result or development. The actual result may and can materially vary from what is expressed in the future oriented information.

OTHER INFORMATION

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2, Accounting for Legal Entities. The Accounting principles that have been applied coincide with those accounting principles used for preparing the latest Annual Report. The Annual Report for 2022 is available on www.troax.com.

ALTERNATIVE KEY RATIOS

In this interim report, Troax presents certain financial measures that are not defined by IFRS, so-called alternative key ratios. The Group believes that these measures provide valuable supplementary information to investors as they enable an evaluation of the company's results and position. Since not all companies calculate financial measurements in the same way, these are not always comparable to those used by other companies. Investors should consider these financial measures as a complement rather than an IFRS financial statement. Troax uses the following alternative key figures:

Organic growth

As a large proportion of the Group's sales take place in currencies other than the reporting currency (Euro), the Group's sales are evaluated on the basis of its organic sales growth, which enables separate evaluations of the effect of acquisitions / divestments and currency effects.

Total Sales MEUR	3 Months			12 Months			12 Months	
	Oct-Dec 2023	Oct-Dec 2022	Diff	Jan-Dec 2023	Jan-Dec 2022	Diff	Jan-Dec 2021	Diff
Organic sales / growth	65,7	65,3	1%	264,6	284,1	-7%	252,3	12%
Currency effect	-0,9	0,0	-1%	-4,9	0,0	-2%	0,0	0%
Sales from acquisitions	1,8	0,0	3%	4,6	0,0	2%	0,0	0%
Total Sales	66,6	65,3	2%	264,3	284,1	-7%	252,3	13%

Operating profit before amortizations (EBITA)

Earnings before interest, tax, depreciation on acquisition-related intangible fixed assets, acquisition-related costs and income and items affecting comparability.

Adjusted earning per share after dilution

Profit after tax excluding amortizations of fixed assets related to surplus values from acquisitions, acquisition-related costs and income and items affecting comparability in relation to the weighted average number of outstanding shares. None of the group's outstanding call option programs are deemed to result in significant future dilution.

Net debt / EBITDA

Troax's definition of net debt is the sum of interest-bearing liabilities (including leasing liabilities according to IFRS 16 but excluding pension liabilities) less cash and cash equivalents. Net debt is used by Group management to monitor and analyze the debt development in the Group and evaluate the Group's

refinancing needs. Net debt compared with EBITDA provides a key figure for net debt in relation to cash-generating operating results, which gives an indication of the business' ability to pay its debts.

OTHER INFORMATION (CONT.)

	31-dec 2023	31-dec 2022	31-dec 2022	31-dec 2021
MEUR				
Short term loans	4,0	0,0	0,0	0,0
Long term loans	70,0	60,0	60,0	70,0
Liabilities for leases (IFRS 16)	12,6	15,8	15,8	17,3
Total debt	86,6	75,8	75,8	87,3
cash	33,2	37,5	37,5	35,2
Net debt incl IFRS 16	53,4	38,3	38,3	52,1
12 month rolling EBITDA incl IFRS 16	62,2	61,2	61,2	62,3
Net debt / EBITDA incl IFRS 16	0,9	0,6	0,6	0,8
Net debt excl IFRS 16	40,8	22,5	22,5	34,8
12 month rolling EBITDA excl IFRS 16	57,8	56,3	56,3	58,5
Net debt / EBITDA excl IFRS 16	0,7	0,4	0,4	0,6

RISKS AND RISK MANAGEMENT

Exposure to risks is a natural part of business operations and this reflects Troax's approach to risk management. This aims to identify and prevent the occurrence of risks and to limit any damage from these risks. The most significant risks to which the Group is exposed are related to the cyclical impact on demand. For further information, see the Management Report and Note 27 in the Annual Report 2022.

SEASONAL VARIATIONS

Seasonal variations have some impact on Troax business. Sales are normally in general stable between the quarters but can fluctuate between the months in the quarter. Sales can be somewhat lower in the summer months (July-August) and from December to January. In periods of high production, the company normally ties up more money in Working Capital. Cash is then released from working capital after a high season when manufactured goods are installed and the customer's receivables paid.

TRANSACTIONS WITH RELATED PARTIES

No significant transactions with related parties have taken place during the period.

CALL OPTION PROGRAM FOR SENIOR EXECUTIVES AND OTHER KEY PERSONNEL

Outstanding share-based incentive programs for the CEO, senior executives and certain other key personnel within the Group are set out in Note 1 of the Annual Report for 2022. At the Annual General Meeting for 2023, the Board was instructed to issue additional call options corresponding to a maximum of 300 000 shares, corresponding to a maximum of 0,5 percent of the total number of shares and votes in the company. An offer to subscribe for call options took place during the third quarter of 2023, in which 110 000 options were subscribed for at the option premium of SEK 17,07 SEK and at a subscription price amounting to 229,33 SEK per share.

RE-PURCHASE OF SHARES

On the 12th of September, 2023, the Board of Directors resolved on a repurchase program of a maximum of 100,000 shares, supported by authorization from the Annual General Meeting on the 26th of April, 2023. As of the 31st of December, 2023, Troax Group AB (publ) owned 54,668 own shares.

ACQUISITIONS

On December 1st 2023, Troax acquired the Swedish company Garantell AB for approximately 33,4 MEUR. Garantell AB specializes in the design, manufacturing and distribution of customized mesh shelves, mesh panels and security solutions primarily for industrial and commercial applications. The company has just over 100 employees and a turnover of approx. 30 MEUR. The acquired company's net assets at the time of acquisition were:

<u>MEUR</u>	<u>Fair value reported in the Group</u>
Acquired net assets	10,5
Purchase price paid	33,0
Surplus value intangible fixed assets and goodwill	15,9
Surplus value material fixed assets	8,3
Deferred tax	-1,7

OTHER EVENTS DURING THE QUARTER

No other significant information to report for the quarter.

EMPLOYEES

At the end of the period the Group had 1 217 (1 112) employees.

OTHER INFORMATION (CONT.)

OTHER EVENTS AFTER THE QUARTER

There is no significant information to report after the quarter.

DEVELOPMENT IN THE PARENT COMPANY

There is no significant information to report for the quarter.

AUDIT

This report has not been reviewed by the auditors.

NEXT REPORTS

Interim report Q1 2024, 22nd of April 2024

Interim report Q2 2024, 14th of August 2024

Interim report Q3 2024, 29th of October 2024

Interim report Q4 2024, 7th of February 2025

DIVIDEND

The board suggest a dividend of 0,34 (0,32) EUR per share to the shareholders. Total suggested dividend, 20,4 (19,2) MEUR, represents 54% (50%) of the Net income in 2023 excluding the cost from amortizations. The proposed reconciliation date for the dividend is the 24th of April 2024.

SHAREHOLDERS MEETING

The Annual General Meeting will be held at Troax in Hillerstorp on the 22nd of April 2024, at 15:00hrs. Shareholders who wish to add topics to be handled during the Shareholders Meeting can send their suggestions to the Chairman, Troax Group AB, attention "Topic for the Shareholders Meeting", Box 89, 335 04 Hillerstorp, Sweden. The topics must arrive at least seven weeks prior to the meeting, and by the 4th of March 2024 at the latest.

TELEPHONE CONFERENCE

Invitation to presentation of the fourth quarter result:

Thomas Widstrand, CEO presents the result on a phone conference on the 9th of February 2024 at 16:00 CET. The conference will be held in English. For more information, please refer to

<https://www.troax.com/global/en/press>

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Troax Group AB (publ)
Hillerstorp, 9th of February 2024

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