

Trox Group AB (publ)
Hillerstorp, the 4th of February 2022



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 of 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 1 100 people. Our headquarters is located in Hillerstorp, Sweden. In 2021, Troax net sales amounted to 252 MEUR.

Stay safe with Troax, today and tomorrow.

troax.com

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YEAR-END REPORT JANUARY- DECEMBER 2021

Continued strong development in the quarter

OCTOBER - DECEMBER

- Order intake increased by 27 percent to 73,5 (58,0) MEUR. Adjusted for currency and acquisitions the increase was 21 percent compared with the same period last year.
- Sales increased by 44 percent to 64,6 (44,9) MEUR. Adjusted for currency and acquisitions, sales increased by 37 percent compared to the same period last year.
- Operating profit increased to 11,3 (8,6) MEUR.
- Operating margin decreased to 17,5 (19,2) percent.
- Financial net was -0,3 (-0,1) MEUR.
- Profit after tax increased to 8,6 (6,8) MEUR.
- Earnings per share after dilution amounted to 0,14 (0,11) EUR.

JANUARY - DECEMBER

- Order intake increased by 55 percent to 275,8 (178,4) MEUR. Adjusted for currency and acquisitions the increase was 36 percent compared with the same period last year.
- Sales increased by 54 percent to 252,3 (163,6) MEUR. Adjusted for currency and acquisitions, sales increased by 39 percent compared to the same period last year.
- Operating profit increased to 52,4 (30,8*) MEUR.
- Operating margin increased to 20,8 (18,8) percent.
- Financial net was -1,0 (-0,7) MEUR.
- Profit after tax increased to 39,7 (23,2) MEUR.
- Earnings per share after dilution amounted to 0,66 (0,39) EUR.
- The Board of Directors suggests a dividend of 0,30 (0,20) EUR per share.

* Operating profit in the second quarter 2020 contains government subsidies of 1,3 MEUR due to the Corona pandemic. The subsidies have been reported on the line "Other operating income and expenses".

TROAX GROUP FIGURES

MEUR	3 Months	3 Months	12 Months	12 Months	12 months
	Okt-Dec 2021	Okt-Dec 2020	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 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.

CEO COMMENTS

Troax increased order intake by 21% organically during the quarter, continuing the trend from the increases achieved in the 2nd and 3rd quarters. When including the company acquired in Poland during the previous year, the total order increase for the 4th quarter will be 27%. These figures include a positive price effect that can be estimated at over 10% for the quarter. Accumulated, the corresponding figures are 36% organic and 55% including acquisitions and currency. The price effect is estimated to be about 7-8%. Activity in the quarter was good, even though the pent-up demand that existed during the previous quarters of this year have now been satisfied. The quarter's increase in order intake is mainly due to larger customers in automated warehouses, driven by the need for increased e-commerce solutions. As previously commented, the Group's dependence on these relatively few major customers in automated warehouses has increased over the past two years, due to the substantial increase in sales volumes in this sector. As in the previous quarter, we have experienced higher activity levels from the automotive sector, although this level may still be described as low, with the exception of activities in North America. In general, we would describe market demand as strong, driven by a need to, in many cases, increase production capacities, as bottlenecks appeared in various sectors after the pandemic restrictions eased in March 2021. Towards the end of the fourth quarter, similar problems began to arise as before during the pandemic, with increased restrictions impacting on the ability to make customer visits and make trips.

During the quarter, our production units again had a very good utilization rate, driven by good order intake in recent quarters. This resulted in good coverage of fixed costs, which is also reflected in operating profit, despite a noticeable negative effect from price increases on steel, packaging materials, energy and freight. We have, in consultation with our customers, raised prices to compensate for these increases as much as possible, but have continued a certain time lag. During this quarter, Troax also experienced some negative impact with late deliveries of raw materials and components, which affected planning and efficiency, however we have largely managed to keep customers protected from these delays. Particularly gratifying this quarter is the development in terms of order intake that has continued to be positive in North America, but our so-called New Markets should also be highlighted. If we look at sales for the quarter, it is good in all regions with an extra plus in North America and also our New Markets.

Our new acquisition Natom Logistic in Poland also shows a continued strong development this quarter, both in terms of order intake and results. The new building in which we invested during the first half of the year has now begun to be filled with production equipment from both old units in Poland and newly acquired machinery. The move will be fully completed in 2023, when the electricity supply capacity for the unit will be completed. During the year, the management resources in the unit were also strengthened.

The gross margin is negatively affected by the lag in price increases for customers and the fact that several major projects were invoiced during the 4th quarter. These projects were taken at lower price levels earlier in the year. In addition, the move in Poland entailed certain extra costs during this quarter, which together make the margin worse than expected, despite good capacity utilization. The lag in customer pricing is still expected to pick up no later than the first quarter of 2022, given today's conditions. The costs are judged to be under control and together with the good sales volume, this means that Troax delivers a result for the quarter that is 30% better than the previous year.

Overall, this means that the operating profit for the quarter amounted to 11,3 MEUR with a margin of approximately 17,5%. The corresponding figures for the same quarter last year were 8,6 MEUR and 19,2%. Accumulated operating profit amounts to 52,4 MEUR, which gives a margin of 20,8%, compared with 18,8% the previous year. Net profit amounts to 8,6 MEUR for the quarter, compared with 6,8 MEUR the previous year. No major changes have taken place regarding the development of working capital compared with the previous year. However, inventory levels are higher than normal which is mainly due to the fact that we want to minimize delivery delays to the customer, as there are still some ongoing issues with lead times from subcontractors. Net debt is still at a low level. During the quarter, we have started a new subsidiary in Australia, in order to provide a better service customers in this region with our security solutions. The Board of Directors proposes a dividend of 0,30 EUR per share, which corresponds to 45% of the Group's net profit for the financial year 2021.

Thomas Widstrand, President and CEO

THE GROUP SUMMARY

OCTOBER – DECEMBER

The total order intake increased in the period compared with the corresponding period last year. Order intake amounted to 73,5 (58,0) MEUR, an increase of 27 percent. Adjusted for currency fluctuations and acquisitions, the increase was 21 percent. All markets except UK increased their order intake during the period compared with the corresponding period last year.

Net sales amounted to 64,6 (44,9) MEUR, an increase of 44 percent. Adjusted for currency fluctuations and acquisitions, the increase was 37 percent. All markets increased their sales in the period compared with the corresponding period last year.

Operating profit amounted to 11,3 (8,6) MEUR, corresponding to an operating margin of 17,5 (19,2) percent.

JANUARY – DECEMBER

The total order intake increased in the period compared with the corresponding period last year. Order intake amounted to 275,8 (178,4) MEUR, an increase of 55 percent. Adjusted for currency fluctuations and acquisitions, the increase was 36 percent. All markets increased their order intake during the period compared with the corresponding period last year.

Net sales amounted to 252,3 (163,6) MEUR, an increase of 54 percent. Adjusted for currency fluctuations and acquisitions, the increase was 39 percent. All markets increased their sales in the period compared with the corresponding period last year.

Operating profit amounted to 52,4 (30,8*) MEUR, corresponding to an operating margin of 20,8 (18,8) percent.

** Operating profit in the second quarter 2020 contains government subsidies of 1,3 MEUR due to the Corona pandemic. The subsidies have been reported on the line "Other operating income and expenses".*

FINANCIAL NET

For the fourth quarter of 2021, financial net amounted to -0,3 (-0,1) MEUR and to -1,0 (-0,7) MEUR for the year 2021.

TAXES

The tax expense was -2,4 (-1,7) MEUR for the fourth quarter and -11,7 (-6,9) MEUR for the year 2021.

NET RESULT

Net result for the fourth quarter amounted to 8,6 (6,8) MEUR and 39,7 (23,2) MEUR for the year 2021.

CASH FLOW, WORKING CAPITAL AND NET DEBT

Cash flow from operating activities was 9,4 (7,9) MEUR for the fourth quarter and 31,7 (26,3) MEUR for the year 2021. Net debt including the impact from IFRS 16 was 52,1 (52,6) MEUR. Net debt in relation to the 12-month rolling EBITDA was 0,8 (1,4) to be compared with the company's financial target of less than 2,5.

INVESTMENTS

During the fourth quarter, investments were 4,4 (9,3) MEUR and 14,1 (14,8) MEUR for the 2021. The year's investments mainly relate to the new building in Poland and machinery investments in Sweden, Poland and Italy.

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		Diff	12 Months		Diff	12 Months		Diff
	Oct-Dec 2021	Oct-Dec 2020		Jan-Dec 2021	Jan-Dec 2020		Jan-Dec 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		Diff	12 Months		Diff	12 Months		Diff
	Oct-Dec 2021	Oct-Dec 2020		Jan-Dec 2021	Jan-Dec 2020		Jan-Dec 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 <u>2021</u>	Oct-Dec <u>2020</u>	Jan-Dec <u>2021</u>	Jan-Dec <u>2020</u>	Jan-Dec <u>2019</u>
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	<u>+0,6</u>	<u>+0,8</u>	<u>+2,5</u>	<u>+3,0</u>	<u>+2,5</u>
Total	+0,0	+0,0	+0,0	+0,0	+0,0

THE GROUP - SUMMARY

INCOME STATEMENT

MEUR	3 Months	3 Months	12 Months	12 Months	12 months
	Okt-Dec	Okt-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2021	2020	2021	2020	2019
Sales	64,6	44,9	252,3	163,6	168,0
Cost of goods sold	-42,0	-27,0	-158,1	-99,4	-100,9
Gross profit	22,6	17,9	94,2	64,2	67,1
Sales expenses	-7,3	-5,5	-28,0	-23,5	-23,9
Administrative expenses	-4,2	-3,5	-14,1	-10,7	-9,7
Other operating income and expenses	0,2	-0,3	0,3	0,8	-0,6
Operating profit	11,3	8,6	52,4	30,8	32,9
Financial income and expenses	-0,3	-0,1	-1,0	-0,7	-0,9
Result after financial expenses	11,0	8,5	51,4	30,1	32,0
Taxes	-2,4	-1,7	-11,7	-6,9	-7,7
Net result for the period	8,6	6,8	39,7	23,2	24,3
Earnings per share before / after dilution	0,14 €	0,11 €	0,66 €	0,39 €	0,41 €
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
	Okt-Dec	Okt-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2021	2020	2021	2020	2019
Net result for the period	8,6	6,8	39,7	23,2	24,3
Other comprehensive income:					
Items that may be reclassified to the income statement					
Translation differences	1,5	4,2	1,1	2,1	-0,7
Tax related to items that may be reclassified	0,0	0,0	0,0	0,0	0,0
	1,5	4,2	1,1	2,1	-0,7
Items that will not be reclassified to the income statement					
Actuarial gains and losses on defined-benefit pension commitment	-0,3	-0,2	-0,3	-0,2	-0,6
Tax related to items that may be reclassified	0,0	0,0	0,0	0,0	0,1
	-0,3	-0,2	-0,3	-0,2	-0,5
Other comprehensive income, net of tax	1,2	4,0	0,8	1,9	-1,2
Total comprehensive income for the period	9,8	10,8	40,5	25,1	23,1
EBITDA					
	11,3	8,6	52,4	30,8	32,9
Depreciations	3,1	2,3	9,9	7,7	6,0
EBITDA	14,4	10,9	62,3	38,5	38,9

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

STATEMENT OF FINANCIAL POSITION

	2021	2020	2019
MEUR	31-dec	31-dec	31-dec
Assets			
Intangible assets	95,6	95,1	87,3
Tangible assets	60,3	51,5	41,8
Financial fixed assets	5,9	6,3	6,2
Total fixed assets	161,8	152,9	135,3
Inventories	35,5	18,0	14,5
Current receivables	57,5	41,2	40,0
Cash and cash equivalents	35,2	32,5	30,4
Total current assets	128,2	91,7	84,9
TOTAL ASSETS	290,0	244,6	220,2
Equity and liabilities			
Equity	142,6	114,0	95,7
Long-term liabilities	101,9	100,5	91,3
Current liabilities	45,5	30,1	33,2
TOTAL EQUITY AND LIABILITIES	290,0	244,6	220,2
Net debt	52,1	52,6	49,1

	2021	2020	2019
STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE PARENT COMPANY'S SHAREHOLDERS	31-dec	31-dec	31-dec
Opening balance	114,0	95,7	82,6
Dividends	-12,0	-6,0	-9,4
Received option premiums	0,1		
Re-purchase of shares		-0,8	-0,6
Total comprehensive income for the period	40,5	25,1	23,1
Closing balance	142,6	114,0	95,7

CASH FLOW STATEMENT

	3 Months	3 Months	12 Months	12 Months	12 months
MEUR	2021	2020	2021	2020	2019
	31-dec	31-dec	31-dec	31-dec	31-dec
Operating profit	11,3	8,6	52,4	30,8	32,9
Interest received and paid, tax paid and adjustments	-2,0	-0,3	-9,7	-1,7	-0,6
Changes in working capital	0,1	-0,4	-11,0	-2,8	-3,4
Cash flow from operating activities	9,4	7,9	31,7	26,3	28,9
Net investments	-4,4	-9,3	-14,1	-14,8	-8,6
Cash flow after investing activities	5,0	-1,4	17,6	11,5	20,3
Financing activities	0,1	-0,5	-14,9	-9,5	-12,2
Cash flow for the period	5,1	-1,9	2,7	2,0	8,1
Cash and cash equivalents at the start of the period	30,1	34,3	32,5	30,4	22,7
Translation difference in cash and cash equivalents	0,0	0,1	0,0	0,1	-0,4
Cash and cash equivalents at the end of the period	35,2	32,5	35,2	32,5	30,4

PARENT COMPANY – SUMMARY

INCOME STATEMENT	3 Months	3 Months	12 Months	12 Months	12 months
	Okt-Dec	Okt-Dec	Jan-Dec	Jan-Dec	Jan-Dec
MEUR	2021	2020	2021	2020	2019
Sales	0,3	-0,1	0,9	0,8	1,2
Cost of goods sold	0,0	0,0	0,0	0,0	0,0
Gross profit	0,3	-0,1	0,9	0,8	1,2
Administrative expenses	-0,9	-0,4	-2,5	-1,7	-1,8
Other operating income and expenses	0,0	0,0	0,0	-0,2	-0,2
Operating profit	-0,6	-0,5	-1,6	-1,1	-0,8
Financial income and expenses	7,3	4,0	16,3	2,9	10,0
Result after financial expenses	6,7	3,5	14,7	1,8	9,2
Year-end appropriations	0,0	-0,4	0,0	-0,4	7,4
Profit before tax	6,7	3,1	14,7	1,4	16,6
Taxes	-1,4	-0,6	-1,4	-0,2	-1,6
Net result for the period	5,3	2,5	13,3	1,2	15,0

STATEMENT OF COMPREHENSIVE INCOME

Net result for the period	5,3	2,5	13,3	1,2	15,0
Other comprehensive income, net of tax	0,0	0,0	0,0	0,0	0,0
Total comprehensive income for the period	5,3	2,5	13,3	1,2	15,0

STATEMENT OF FINANCIAL POSITION

MEUR	31-dec	31-dec	31-dec
	2021	2020	2019
Assets			
Shares in subsidiaries	87,7	87,7	87,7
Receivables to subsidiaries	23,0	21,2	23,5
Total fixed assets	110,7	108,9	111,2
Receivables to subsidiaries	6,9	5,0	9,7
Current receivables	1,0	0,4	0,4
Cash and cash equivalents	12,8	0,0	0,0
Total current assets	20,7	5,4	10,1
TOTAL ASSETS	131,4	114,3	121,3
Equity and liabilities			
Equity	39,0	37,6	43,2
Untaxed reserves	7,0	7,0	6,5
Long-term liabilities	70,0	69,0	69,0
Current liabilities	15,4	0,7	2,6
TOTAL EQUITY AND LIABILITIES	131,4	114,3	121,3

CASH FLOW STATEMENT

MEUR	3 Months	3 Months	12 Months	12 Months	12 Months
	2021	2020	2021	2020	2019
	31-dec	31-dec	31-dec	31-dec	31-dec
Operating profit before financial items	-0,6	-0,5	-1,6	-1,1	-0,8
Interest paid and received, taxes, adjustments	0	-0,1	0,9	-0,7	9,6
Change in working capital	11,8	0,5	12,5	8,6	0,6
Cash flow from continuing operations	11,2	-0,1	11,8	6,8	9,4
Investments	0	0,0	0	0,0	0,0
Cash flow from investment activities	11,2	-0,1	11,8	6,8	9,4
Cash flow from financing activities	1,0	0,0	1,0	-6,8	-9,4
Cash flow for the period	12,2	-0,1	12,8	0,0	0,0
Cash and cash equivalents at the beginning of the period	0,6	0,1	0,0	0,0	0,0
Translation difference	0,0	0,0	0,0	0,0	0,0
Cash and cash equivalents at the end of the period	12,8	0,0	12,8	0,0	0,0

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 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 2020 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	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	
Organic sales / growth	61,3	44,9	37%	227,8	163,6	39%	168,0	-4%
Currency effect	0,7	0,0	2%	-0,6	0,0	0%	0,0	0%
Sales from acquisitions	2,6	0,0	6%	25,1	0,0	15%	0,0	2%
Total Sales	64,6	44,9	44%	252,3	163,6	54%	168,0	-3%

Net debt / EBITDA

Troax's definition of net debt is the sum of interest-bearing liabilities excluding pension liabilities less cash and cash equivalents. As of January 1, 2019, leasing liabilities are also included. 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.)

MEUR	Dec 2021	Dec 2020	Dec 2019
Short term loans	0,0	0,0	0,0
Long term loans	70,0	69,0	69,0
Liabilities for leases (IFRS 16)	17,3	16,1	10,5
Total debt	87,3	85,1	79,5
cash	35,2	32,5	30,4
Net debt	52,1	52,6	49,1
12 month rolling EBITDA	62,3	38,6	38,9
Net debt / EBITDA	0,8	1,4	1,3

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 26 in the Annual Report 2020.

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 2020. At the Annual General Meeting for 2021, 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 2021, in which 26 000 options were subscribed for at the option premium of SEK 36,68 SEK and at a subscription price amounting to 515,33 SEK per share.

EMPLOYEES

At the end of the period the Group had 1 102 (975) employees.

OTHER EVENTS DURING THE QUARTER

There is no other significant information to report for the quarter.

OTHER EVENTS AFTER THE QUARTER

There is no significant information to report after the quarter.

AUDIT

This report has not been reviewed by the auditors.

NEXT REPORTS

Annual report 2021, will be published on www.troax.com during week 13, 2022.

Interim report Q1 2022, 27th of April 2022

Interim report Q2 2022, 16th of August 2022

Interim report Q3 2022, 25th of October 2022

Interim report Q4 2022, 10th of February 2023

DIVIDEND

The board suggest a dividend of 0,30 (0,20) EUR per share to the shareholders. Total suggested dividend, 18,0 (12,0) MEUR, represents 45% of the Net income in 2021. The proposed reconciliation date for the dividend is the 29th of April 2022.

OTHER INFORMATION (CONT.)

SHAREHOLDERS MEETING

The Annual General Meeting will be held at Troax in Hillerstorp on the 27th of April 2022, 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 9th of March 2020 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 4th of February 2022 at 16:30 CET. The conference will be held in English. For more information, please refer to <https://www.troax.com/global/en/press>



THOMAS WIDSTRAND
President and CEO
Phone +46 (0)370-828 31
thomas.widstrand@troax.com

ANDERS EKLÖF
CFO
Phone +46 (0)370-828 25
anders.eklof@troax.com

Troax Group AB (publ)
Hillerstorp, 4th of February 2022

Headquarters:
Troax AB
Box 89, SE-335 04 Hillerstorp, Sweden
Phone: +46 (0)370-828 00
Fax +46 (0)370-824 86
www.troax.com

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