



Hillerstorp 26th of April 2021, 12:30 CET

INTERIM REPORT JANUARY- MARCH 2021

Significantly improved results for Troax for the first quarter

JANUARY – MARCH

- Order intake increased by 45 percent to 64,5 (44,6) MEUR. Adjusted for currency and acquisitions the increase was 29 percent compared with the same period last year.
- Sales increased by 34 percent to 54,7 (40,8) MEUR. Adjusted for currency and acquisitions, sales increased by 19 percent compared to the same period last year.
- Operating profit increased to 11,0 (6,5) MEUR. Operating profit does not contain any government subsidies due to the Corona pandemic in the period.
- Operating margin increased to 20,1 (15,9) percent.
- Financial net was -0,2 (-0,2) MEUR.
- Profit after tax increased to 8,4 (4,8) MEUR.
- Earnings per share after dilution amounted to 0,14 (0,08) EUR.

TROAX GROUP FIGURES

MEUR	3 Months	3 Months	12 Months	12 Months	12 Months
	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020	Jan-Dec 2019	Apr-Mar 2020/2021
Order intake	64,5	44,6	178,4	168,1	198,3
Sales	54,7	40,8	163,6	168,0	177,5
Gross profit	21,6	15,3	64,2	67,1	70,5
Gross margin, %	39,5	37,5	39,2	39,9	39,7
Operating profit	11,0	6,5	30,8	32,9	35,3
Operating margin, %	20,1	15,9	18,8	19,6	19,9
Profit after tax	8,4	4,8	23,2	24,3	26,8
EBITDA 1)	13,4	8,3	38,5	38,9	43,6
EBITDA margin, % 1)	24,5	20,3	23,5	23,2	24,6
Net debt / EBITDA			1,4	1,3	
Earnings per share after dilution in EUR	0,14	0,08	0,39	0,41	0,45
Closing rate SEK/EUR	10,24	11,08	10,04	10,45	10,31
Earnings per share after dilution in SEK. 2)	1,43	0,89	3,88	4,23	4,61

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 45% during the quarter, which means a very strong start to the year and a continuation from the good level which we were able to report in Q4 2020. Excluding our newly acquired company in Poland, the corresponding figure for the first quarter is 27%, which is still a good increase. The quarter was less turbulent than expected and is characterized by continued strong order intake, mainly from larger customers in automated warehouses (driven by the need for increased e-commerce solutions). We also note a certain higher level of activity from the automotive sector, although this can far from be described as a good level. The general demand and level of activity in the market is still below normal, driven by continued constraints due to pandemic effects, especially in the southern part of Europe. Despite the fact that the overall impression from the first quarter is clearly positive, we believe that this high level of order intake is not entirely representative of market activities in general.

Our production units had a good capacity utilization rate during the quarter, which is also reflected in a stable operating profit for the period. During the first part of the quarter, we had some negative impact on late deliveries of raw materials, which affected planning and efficiency, but we have succeeded in keeping customers insulated from these delays. During the quarter, we also experienced sharp increases in the price of steel in particular, which we mainly compensated for with our customer pricing. However, there is a risk that this turbulent development will continue during the next quarter and that we will be forced to take further measures to compensate for these cost increases.

It is particularly gratifying that the development has remained positive in North America, both in terms of efficiency and results. Sales have increased significantly in this region, together with the UK. For other regions, there has been a stable development in Continental Europe and the Nordic countries and a clearly positive development both in China and in New Markets.

Our new acquisition, Natom Logistic in Poland, has also shown a good development during the quarter, both in terms of order intake and earnings, which is why the strategy so far with this acquisition has proven to work well. During the quarter, we invested in a new building in Poland outside Poznan, where we envisage that today's two production units will be merged into one large one in 2021/22. The integration work continues even though there have been problems with physical visits to Poland due to lock downs.

The gross margin is positively affected by good capacity utilization and sales prices have increased towards the end of the quarter. The costs are judged to be under control together with the good sales volume, this means that Troax delivers an all-time high result for the quarter.

Overall, this means that the operating profit for the quarter amounted to 11,0 MEUR with a margin of approximately 20%. Net profit amounts to 8,4 MEUR for the quarter, compared with 4,8 MEUR the previous year. No major changes have taken place regarding the development of working capital compared with the previous year. We are still somewhat high in terms of inventory value, but at present this is something that increases the security of our business.

Thomas Widstrand, President and CEO



TELEPHONE CONFERENCE

Invitation to presentation of the first quarter result:

Thomas Widstrand, CEO presents the result on a phone conference on the 26th of April 2021 at 16:30 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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About Troax

Troax is the leading global supplier of indoor perimeter protection ("metal-based mesh panel solutions") for the market segments: Machine guarding, Warehouse partitioning and Property Protection.

Troax develops high quality and innovative safety solutions to protect people, property and processes.

Troax Group AB (publ), Reg. No. 556916-4030, has a global organisation with a strong sales force and efficient logistics setup, enabling local presence and short delivery times in 42 countries. In 2020 Troax net sales amounted to around 164 MEUR and the number of employees amounted to about 975 persons. The Company's head office is located in Hillerstorp, Sweden. www.troax.com