



Hillerstorp 27th of April 2022, 12:30 CET

INTERIM REPORT JANUARY- MARCH 2022

All time high order intake in the quarter

JANUARY – MARCH

- Order intake in the quarter increased by 16 percent compared with the same period last year both before and adjusted for currency and amounted to 74,5 (64,5) MEUR.
- Sales in the quarter increased by 27 percent compared with the same period last year both before and adjusted for currency and amounted to 69,6 (54,7) MEUR.
- Operating profit increased to 12,5 (11,0) MEUR.
- Operating margin decreased to 18,0 (20,1) percent.
- Financial net was -0,2 (-0,2) MEUR.
- Profit after tax increased to 9,3 (8,4) MEUR.
- Earnings per share after dilution amounted to 0,16 (0,14) EUR.

TROAX GROUP FIGURES

MEUR	3 Months	3 Months	12 Months	12 Months	12 Months
	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021	Jan-Dec 2020	Apr-Mar 2021/2022
Order intake	74,5	64,5	275,8	178,4	285,8
Sales	69,6	54,7	252,3	163,6	267,2
Gross profit	24,2	21,6	94,2	64,2	96,8
Gross margin, %	34,8	39,5	37,3	39,2	36,2
Operating profit	12,5	11,0	52,4	30,8	53,9
Operating margin, %	18,0	20,1	20,8	18,8	20,2
Profit after tax	9,3	8,4	39,7	23,2	40,6
EBITDA 1)	15,2	13,4	62,3	38,5	64,1
EBITDA margin, % 1)	21,8	24,5	24,7	23,5	24,0
Net debt / EBITDA			0,8	1,4	
Earnings per share after dilution in EUR	0,16	0,14	0,66	0,39	0,68
Closing rate SEK/EUR	10,34	10,24	10,22	10,04	10,24
Earnings per share after dilution in SEK. 2)	1,60	1,43	6,76	3,88	6,93

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 16% organically during the quarter, which mostly comes from price increases and less from pure volume increases. We have had a rising order and margin trend during the quarter and the market still looks strong, even though price increases and other problems may, sooner or later, reduce our customers' willingness to invest. We note that the strong order intake from automated warehouses continues, but at a lower level than in 2021. Some projects, mainly in North America, have been delayed because customers have postponed these projects. The quarter's increase in order intake is mainly due to a general increase in small and medium-sized projects with a large number of customers around the world. Europe developed well during the quarter, while it was slightly weaker in North America and Asia. As in the previous quarter, we note a certain higher level of activity from the automotive sector, although this level may still be described as low. In general, we would again describe market demand as strong, driven by a need to increase production capacity in many cases, as bottlenecks have occurred in various places since the pandemic eased in March 2021. We expect continued good demand in the coming months. Invoicing for the quarter was 27% higher than the corresponding quarter last year, which corresponds to a volume growth in the order of 12-13%. This increase is expected to be above market growth during this quarter. We have a strong sales development for most geographical regions during the first quarter.

Our production units have during the quarter again had a very good utilisation rates, driven by good order intake in recent quarters. This ensures good coverage of fixed costs, which is also reflected in operating profit, despite a continued significant negative effect from price increases on steel, packaging materials, energy and freight. Some cost increase occurred during the quarter in our factories, when staff absence increased significantly, mainly due to the pandemic. This effect has, in March stabilized at a more normal level. We have again, in consultation with our customers, raised prices to compensate for steel price increases as much as possible, but have continued with a certain time lag. We saw some stabilization in steel prices towards the end of 2021, however prices have risen significantly towards the end of the first quarter of 2022. This is of course due to the war in Ukraine which has led to a general shortage of steel in Europe, at least in the short term. We believe that we will be able to maintain delivery performance during the coming turbulent period. At present, short-term agreements with suppliers apply. We will therefore be forced to continue with price increases towards customers in the future, until purchase prices begin to stabilize.

Our new acquisition Natom Logistic in Poland also shows continued good development this quarter, both in terms of order intake and results. The new building in which we invested in 2021 has now been filled with equipment and we have also received delivery of a new production line for shelves, which is why our capacity in Poland in 2022 will increase significantly.

As described above, the gross margin is still negatively affected by the lag in price increases for customers. Under 'normal' circumstances, we would now begin to achieve our marginal targets, but due to the effects of the war in Ukraine, we estimate that it will take additional quarters before it begins to stabilize at a higher level. Towards the end of the quarter, we began to pick up the lag from 2021 on a marginal basis, but are now working with customers to minimize the damaging effects of price increases that have arisen towards the end of the first quarter. 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 13% better than the previous year.

Overall, this means that operating profit for the quarter amounted to 12,5 MEUR with a margin of approximately 18%. The corresponding figures for the same quarter last year were 11,0 MEUR and 20%. Net profit amounts to 9,5 MEUR for the quarter, compared with 8,4 MEUR the previous year. We have deliberately increased inventory levels compared with the same period last year and the good invoicing has led to an increased need for working capital for the first quarter of this year.

Thomas Widstrand, President and CEO



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>

For additional information, please contact:

Thomas Widstrand

President and CEO

Troax Group AB

Box 89

SE-335 04 Hillerstorp

Tel +46 (0)370-828 31

thomas.widstrand@troax.com

This information is information that Troax Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation 596/2014. The information was submitted for publication, through the agency of the contact person set out above, at 12:30 CET on the 27th of April 2022.

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 45 countries. In 2021 Troax net sales amounted to around 252 MEUR and the number of employees amounted to about 1 100 persons. The Company's head office is located in Hillerstorp, Sweden. www.troax.com