



Hillerstorp 17<sup>th</sup> of August 2021, 12:30 CET

## INTERIM REPORT JANUARY- JUNE 2021

### All time high in the quarter

#### APRIL - JUNE

- Order intake increased by 84 percent to 69,3 (37,7) MEUR. Adjusted for currency and acquisitions the increase was 59 percent compared with the same period last year.
- Sales increased by 88 percent to 67,5 (35,9) MEUR. Adjusted for currency and acquisitions, sales increased by 68 percent compared to the same period last year.
- Operating profit increased to 15,4 (6,4\*) MEUR.
- Operating margin increased to 22,8 (17,8) percent.
- Financial net was -0,2 (-0,2) MEUR.
- Profit after tax increased to 11,6 (4,7) MEUR.
- Earnings per share after dilution amounted to 0,19 (0,08) EUR.

#### JANUARY - JUNE

- Order intake increased by 63 percent to 133,8 (82,3) MEUR. Adjusted for currency and acquisitions the increase was 43 percent compared with the same period last year.
- Sales increased by 59 percent to 122,2 (76,7) MEUR. Adjusted for currency and acquisitions, sales increased by 42 percent compared to the same period last year.
- Operating profit increased to 26,4 (12,9\*) MEUR.
- Operating margin increased to 21,6 (16,8) percent.
- Financial net was -0,4 (-0,4) MEUR.
- Profit after tax increased to 20,0 (9,5) MEUR.
- Earnings per share after dilution amounted to 0,33 (0,16) EUR.

\* 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	6 Months	6 Months	12 Months	12 Months	12 Months
	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020	Jan-Dec 2019	Jul-Jun 2020/2021
Order intake	69,3	37,7	133,8	82,3	178,4	168,1	229,9
Sales	67,5	35,9	122,2	76,7	163,6	168,0	209,1
Gross profit	25,5	13,7	47,1	29,0	64,2	67,1	82,3
Gross margin, %	37,8	38,2	38,5	37,8	39,2	39,9	39,4
Operating profit	15,4	6,4	26,4	12,9	30,8	32,9	44,3
Operating margin, %	22,8	17,8	21,6	16,8	18,8	19,6	21,2
Profit after tax	11,6	4,7	20,0	9,5	23,2	24,3	33,7
EBITDA 1)	17,8	8,2	31,2	16,5	38,5	38,9	53,2
EBITDA margin, % 1)	26,4	22,8	25,5	21,5	23,5	23,2	25,4
Net debt / EBITDA					1,4	1,3	
Earnings per share after dilution in EUR	0,19	0,08	0,33	0,16	0,39	0,41	0,56
Closing rate SEK/EUR	10,12	10,48	10,12	10,48	10,04	10,45	10,22
Earnings per share after dilution in SEK. 2)	1,96	0,82	3,37	1,66	3,88	4,23	5,74

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 59 percent organically during the quarter, which means a continued strong increase in volumes and activities. Including our newly acquired company in Poland, the corresponding figure for the second quarter will be 84 percent. These figures include a positive price effect that can be estimated at about 5 percent. However, this significant increase is compared against a corresponding quarter in 2020, which was negatively affected by the effects of the Corona virus situation. Accumulated, the corresponding figures are 43 percent organic and 63 percent including acquisitions and currency. Here, the price effect can be estimated at about 3 percent. The activity in the quarter was better than expected and is characterized by a continued strong order intake mainly from larger customers in automated warehouses (driven by the need for increased e-commerce solutions) but also pleasingly, the start of a return to previous higher activity levels for small and medium-sized customers. We also note this quarter a somewhat higher level of activity from the automotive sector, although this can far from be described as a good level. In general, we would describe market demand as very strong, driven by a return to normal levels after Corona, as well as some catch-up effects from some customers, who now have to reduce their previous backlogs caused by the pandemic.

During the quarter, our production units had a very good utilization rate, which is also reflected in the stable operating profit for the period. The significant increase in volumes during the second quarter has meant that the units have had to make every effort to meet our commitments. Pleasingly, they have managed this very meritoriously, even though it has led to increased costs in the form of overtime and hiring of staff. We also had some negative impact on late deliveries of raw materials during this quarter, which affected planning and efficiency, but we have largely succeeded in keeping customers indemnified against these delays. During the quarter, we also experienced continued sharp increases in the steel price in particular, which we mainly compensated for with our customers pricing. However, there is a certain lag in price increases for customers, which has a negative effect on the quarter's margin. We expect continued price increases for steel during the third quarter and there is a risk that it will continue into next year before a stabilization occurs.

It is particularly gratifying that the development has remained positive in terms of order intake in North America, but our European operations also show good figures for the quarter. If we look at the sales for the quarter, we can also highlight good increases in the UK and our New markets.

Our new acquisition, Natom Logistic in Poland, also showed continued good development during the quarter, both in terms of order intake and earnings. During the first half of the year, we have 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 has gained new momentum as lock downs have now largely disappeared.

The gross margin is positively affected by good capacity utilization and sales prices have, with some lag, continued to increase during the quarter. The costs are judged to be under control and together with the good sales volume, this means that Troax delivers an all-time high result in the quarter.

In total, this means that the operating profit for the quarter amounted to 15,4 MEUR with a margin of approximately 22,8 percent. Accumulated operating profit amounts to 26,4 MEUR, which gives a margin of 21,6 percent compared with 16,8 percent the previous year. Net profit amounts to 11,6 MEUR for the quarter, compared with 4,7 MEUR the previous year. No major changes have taken place regarding the development of working capital compared with the previous year, apart from the acquisition of our Polish company during the fourth quarter of 2020. We are still somewhat high in terms of inventory value, but at present this is something that increases security in our operations. After the end of the quarter, we acquired ABB's operations in aluminium protection, which strengthens Troax' product offering, especially in Europe and North America.

**Thomas Widstrand, President and CEO**

## TELEPHONE CONFERENCE

Invitation to presentation of the second quarter result:

Thomas Widstrand, CEO presents the result on a phone conference on the 17th of August 2021 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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#### **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](http://www.troax.com)*