



Hillerstorp 11<sup>th</sup> of February 2021, 12:30 CET

## YEAR-END REPORT JANUARY- DECEMBER 2020

### OCTOBER - DECEMBER

- Order intake increased by 39 percent to 58,0 (41,8) MEUR. Adjusted for acquisitions and currency the increase was 22 percent.
- Sales increased by 1 percent and amounted to 44,9 (44,4) MEUR. Adjusted for acquisitions and currency sales decreased by 6 percent compared to the same period last year.
- Operating profit decreased to 8,6 (8,7) MEUR.
- Operating margin decreased to 19,2 (19,6) percent.
- Financial net was -0,1 (-0,2) MEUR.
- Profit after tax increased to 6,8 (6,4) MEUR.
- Earnings per share after dilution amounted to 0,11 (0,11) EUR.
- At the beginning of November, the Group acquired all shares in Natom Logistic, a leading manufacturer and supplier of warehousing equipment in the European market.

### JANUARY - DECEMBER

- Order intake increased by 6 percent to 178,4 (168,1) MEUR. Adjusted for acquisitions and currency the increase was 2 percent.
- Sales decreased by 3 percent to 163,6 (168,0) MEUR. Adjusted for acquisitions and currency the decrease was 4 percent.
- Operating profit decreased to 30,8 (32,9) MEUR.
- Operating margin decreased to 18,8 (19,6) percent.
- Financial net was -0,7 (-0,9) MEUR.
- Profit after tax decreased to 23,2 (24,3) MEUR.
- Earnings per share after dilution amounted to 0,39 (0,41) EUR.
- The operating profit includes government subsidies in the USA and the UK during the first half of the year at the amount of 1,3 MEUR related to the Corona pandemic. The subsidies have been reported on the line "Other operating income and expenses".
- Earnings per share after dilution amounted to 0,39 (0,41) EUR.
- The board suggest a dividend of 0,20 (0,10) EUR per share.

## TROAX GROUP FIGURES

MEUR	3 Months	3 Months	12 Months	12 Months	12 Months
	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2018
Order intake	58,0	41,8	178,4	168,1	165,0
Sales	44,9	44,4	163,6	168,0	161,0
Gross profit	17,9	17,8	64,2	67,1	63,6
Gross margin, %	39,9	40,1	39,2	39,9	39,5
Operating profit	8,6	8,7	30,8	32,9	32,8
Operating margin, %	19,2	19,6	18,8	19,6	20,4
Profit after tax	6,8	6,4	23,2	24,3	24,4
EBITDA 1)	10,9	10,1	38,5	38,9	35,6
EBITDA margin, % 1)	24,3	22,7	23,5	23,2	22,1
Net debt / EBITDA			1,4	1,3	1,3
Earnings per share after dilution in EUR 2)	0,11	0,11	0,39	0,41	0,41
Closing rate SEK/EUR	10,04	10,45	10,04	10,45	10,29
Earnings per share after dilution in SEK. 2,3)	1,14	1,11	3,88	4,23	4,18

1) The 2019 and 2020 numbers are impacted by IFRS 16 (approx. 0,8 MEUR per quarter in decreased leasing costs).

2) Earnings per share for all periods is calculated based on 60 000 00 shares after the split 3:1 on June 19th 2019

3) Earnings per share after dilution in SEK, is calculated based on result in Euro at Closing rate SEK/EUR.



## CEO COMMENTS

After a turbulent year, driven by pandemics and Brexit, to name a few important events, the Troax Group increased order intake by 6% for the full year (2% excluding acquisitions and currency). However, the sales trend was negative and shows 4% down, excluding acquisitions and currency effects. Against the background of Covid-19 and Brexit, 2020 may be characterized as a good year from a growth point of view. The result for the year basically followed the sales trend and finished with an EBIT of 18,8% compared to 19,6% the previous year.

For the fourth quarter, the group achieved good order intake figures with a 39% increase compared to the same quarter last year (22% excluding acquisitions and currency). This is mainly explained by strong order intake in North America and the United Kingdom in the area of automated warehouses, which generally developed well during the year, driven by higher demand for e-commerce solutions. This demand will not decrease due to this year's pandemic, but is expected to increase further in the coming years. The fourth quarter of the year, however, had an exceptionally high order intake, which is something we generally cannot expect to see in the future. Declining figures in the quarter are shown from the Nordic and Continental Europe regions, which can be explained by continued weak development in automotive, as well as the effects of shutdowns in most countries, which had a negative effect on demand. Overall, however, Troax continued to take important orders in all sub-segments and we see a continued positive development in the quarter in terms of continuing to take market shares. In terms of sales, it was slightly weaker and we report a decline of 6% in the quarter, excluding acquisitions and currency. This of course has a negative effect on the result for the quarter, but thanks to good cost control and some help from our newly acquired company Natom Logistics (two months' effect), we can report a result similar to previous year (EBIT).

The business, at basically all production units within the group, had a good volume development during the quarter, which of course helps to keep the result up. Our North American operations have developed well during the year, driven by good order intake within the Troax brand, Folding Guard has also greatly improved its results compared with previous years (some subsidies were received from the US government during the second quarter but during all other quarters, Folding Guard did not receive any subsidies). The newly acquired company Natom Logistics has had a good order intake during the two months that we have consolidated the company and show a development, at least in line with our calculations. However, it is too short a time to be able to draw any conclusions about this acquisition yet.

The most recent major investments in our production facilities, in order to increase machine capacity, were in principle completed during the year, although we see a continued need for improvements both within existing units and our newly acquired unit in Poland, where machine capacity also needs to be increased. The unit in Bulciago, Italy, was completed at the beginning of the year and has continued to develop positively throughout the year after some start-up disruptions. Our smallest factory in Shanghai, China, has developed well during the year and we generally see that we are increasing our volumes in this part of the world, even though the level is still low compared to other markets.

The gross margin for the quarter is at a similar level as the corresponding quarter in 2019. For the full year, we show a slightly lower level than the full year 2019, which has mainly been negatively affected by a slightly lower volumes. Factory closures had a negative effect during the second quarter, but were mostly offset with a good development during the remainder of the year. Sales prices were basically unchanged during the year, but these will need to increase during in 2021, to reflect the higher steel prices already initiated by the steelworks towards the end of 2020. We therefore expect further turbulence on the steel price during the first half of 2021.

In total for the Group, net profit was higher in the fourth quarter compared with 2019, with a profit of 6,8 MEUR for the quarter, compared with 6,4 MEUR the previous year. Net debt / EBITDA remains stable and amounts to 1,4 compared with 1,3 the previous year, despite the acquisition of Natom Logistics as of the 2nd of November. Operating cash flow during the year was good and at a similar level as in 2019. The number of employees increased after the acquisition of Natom and amounted to 975 people at the end of 2020, including short-term hires. Of the total increase in the number of employees in 2020, 250 people, 205 refer to the operations acquired during the year in Poland and Japan. The remainder refers to increases in New Markets and an increase in activities in Satech, Italy, in connection with a new factory. The Board of Directors proposes a dividend of 0,20 EUR per share, which is a return to the previous policy of distributing approximately 50% of the Group's net profit to shareholders. (As a pure safety measure, 50% of the 'normal' dividend was distributed for 2019).

**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 11th of February 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>

### For additional information, please contact:

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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)*