

**Troax Group AB (publ)**  
Hillerstorp, the 16<sup>th</sup> of August 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](https://troax.com)

[troaxgroup.org](https://troaxgroup.org)

## INTERIM REPORT JANUARY- JUNE 2022

### Continued good activity in the quarter

#### APRIL - JUNE

- Order intake in the quarter increased by 5 percent compared with the same period last year and amounted to 72,6 (69,3) MEUR. Adjusted for currency and acquisitions the increase was 1 percent.
- Sales in the quarter increased by 15 percent compared with the same period last year and amounted to 77,9 (67,5) MEUR. Adjusted for currency and acquisitions the increase was 12 percent.
- Operating profit decreased to 13,7 (15,4) MEUR.
- Operating margin decreased to 17,6 (22,8) percent.
- Financial net was -0,3 (-0,2) MEUR.
- Profit after tax decreased to 10,5 (11,6) MEUR.
- Earnings per share after dilution amounted to 0,18 (0,19) EUR.

#### JANUARY - JUNE

- Order intake in the quarter increased by 10 percent compared with the same period last year and amounted to 147,1 (133,8) MEUR. Adjusted for currency and acquisitions the increase was 8 percent.
- Sales in the quarter increased by 21 percent compared with the same period last year and amounted to 147,5 (122,2) MEUR. Adjusted for currency and acquisitions the increase was 19 percent.
- Operating profit decreased to 26,2 (26,4) MEUR.
- Operating margin decreased to 17,8 (21,6) percent.
- Financial net was -0,5 (-0,4) MEUR.
- Profit after tax decreased to 19,8 (20,0) MEUR.
- Earnings per share after dilution amounted to 0,33 (0,33) EUR.

### TROAX GROUP FIGURES

MEUR	3 Months	3 Months	6 Months	6 Months	12 Months	12 Months	12 Months
	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021	Jan-Dec 2020	Jul-Jun 2021/2022
Order intake	72,6	69,3	147,1	133,8	275,8	178,4	289,1
Sales	77,9	67,5	147,5	122,2	252,3	163,6	277,6
Gross profit	25,8	25,5	50,0	47,1	94,2	64,2	97,1
Gross margin, %	33,1	37,8	33,9	38,5	37,3	39,2	35,0
Operating profit	13,7	15,4	26,2	26,4	52,4	30,8	52,2
Operating margin, %	17,6	22,8	17,8	21,6	20,8	18,8	18,8
Profit after tax	10,5	11,6	19,8	20,0	39,7	23,2	39,5
EBITDA 1)	16,6	17,8	31,7	31,2	62,3	38,5	62,8
EBITDA margin, % 1)	21,3	26,4	21,5	25,5	24,7	23,5	22,6
Net debt / EBITDA					0,8	1,4	
Earnings per share after dilution in EUR	0,18	0,19	0,33	0,33	0,66	0,39	0,66
Closing rate SEK/EUR	10,34	10,12	10,34	10,12	10,22	10,04	10,24
Earnings per share after dilution in SEK. 2)	1,81	1,96	3,41	3,37	6,76	3,88	6,74

1) 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 this quarter, however with a modest figure of 5%, which is entirely attributable to price changes and currency. Excluding price changes, there was a negative growth of around 10% during the quarter, which considering the very strong order intake in the 2<sup>nd</sup> quarter of 2021 can still be described as stable and acceptable. We have had continued good activity during the quarter in general, but note that the large projects we had in 2021 within automated warehouse have greatly decreased in number. Our previous conclusion that several customers 'overinvested' in 2021 remains, which means that the activities from this important sub-segment have been and will be lower during the rest of the year. Excluding orders from large customers within automated warehouse and excluding price increases made due to implemented steel price increases, order intake in the quarter was in line with last year.

With the exception of customers within automated warehouse, as mentioned above, demand during the second quarter remains strong and we see no signs of any reduced activity among our customers. Automotive demand has been the same as in previous quarters, but a certain increase in inquiry activity has been noticed during the period. The weak demand from automated warehouse customers is most noticeable in North America, where order intake has been low in the period. Other markets have generally had a good or stable development. We note a particularly pleasing development in the quarter in 'New markets', where we increased the order intake nominally by 50% compared to the previous year.

Sales has been good and show a similar level as last year, excluding the price increases made. Under normal circumstances, the result for the group would have increased in line with the sales increase, but as a large steel consumer, we have been negatively affected by the very large price increases for steel, which occurred after the tragic war in Ukraine started. We have again, in consultation with our customers, raised the prices to compensate for the increased steel prices, but have, as previously informed, a certain lag in the increases to our customers. We have also tried to reduce the strain on our loyal customers by being more flexible with pricing during this turbulent quarter. Towards the end of the quarter, steel prices began to stabilize and even decline, which means that Troax has a good chance of returning to previous levels of margins. Thus, Troax has a better position at the end of the second quarter compared to the first quarter regarding the development of steel prices.

Our production units have during the quarter again had a very good utilization 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. The exception to this applies to our factory in China, which was basically closed for most of the quarter due to government restrictions from Corona. This has caused some problems with deliveries to customers in Asia, as these deliveries had to be sent from Europe or the USA instead. We have largely been able to keep our delivery times to our customers but undeniably, shipping issues have put things on edge over the last few months. Troax has generally not had any major delivery problems to our customers, but we note that some purchased parts containing semiconductors have continued to have very long lead times and it is also difficult to receive delivery notices.

Our latest major new acquisition, Natom Logistic in Poland, also shows this quarter a continued good development both in terms of incoming orders and in terms of earnings. The new building that we invested in during 2021 has now been filled with equipment and we have also greatly increased the capacity for shelves in 2022. Troax' latest acquisition, Claitec in Spain, has also had a good development during the quarter and we have started selling their solutions on a smaller scale, to interested Troax customers.

As described above, the gross margin is still negatively affected by the lag in price increases towards customers. Under 'normal' circumstances, we would now start to approach our margin targets, but due to the impact from the war in Ukraine, we estimate that it will take one to two quarters before it starts to stabilize at a higher level. Towards the end of the quarter, we have started to pick up from the lower margins that we had in March/April 2022 and are now working together with customers to stabilize price levels based on today's situation. Overall, this means that Troax has a lower result than the strong second quarter of 2021. Despite the lags on the price side, Troax delivers an operating profit of 17,6%, which is indeed lower than in 2021, but still at an acceptable level.

In total for the first half of 2022, this means that the operating profit amounted to 26,2 MEUR, which is in level with previous year. However, the operating margin is lower at 17,8%, compared to 21.6% in 2021. The net profit for the second quarter amounts to 10,5 MEUR compared to 11,6 MEUR in previous year. We have deliberately continued to have high inventory levels compared to the same period last year to ensure a good ability to deliver to our customers. Troax continues to have a stable financial situation and sees opportunities to continue looking for interesting complementary companies to acquire.

**Thomas Widstrand, President and CEO**

## **THE GROUP SUMMARY**

### **APRIL – JUNE**

The total order intake developed positively in the quarter. Order intake amounted to 72,6 (69,3) MEUR, an increase by 5 percent compared with the corresponding period last year. Adjusted for currency and acquisitions the increase was 1 percent. All regions except North America and Continental Europe increased their order intake during the period compared with the corresponding period last year.

Sales amounted to 77,9 (67,5) MEUR, an increase by 15 percent compared with the corresponding period last year. Adjusted for currency and acquisitions the increase was 12 percent. All regions except North America and New Markets increased their sales during the period compared with the corresponding period last year.

Operating profit amounted to 13,7 (15,4) MEUR, corresponding to an operating margin of 17,6 (22,8) per cent.

### **JANUARY – JUNE**

The total order intake developed positively in the period. Order intake amounted to 147,1 (133,8) MEUR, an increase by 10 percent compared with the corresponding period last year. Adjusted for currency and acquisitions the increase was 8 percent. All regions except North America increased their order intake during the period compared with the corresponding period last year.

Sales amounted to 147,5 (122,2) MEUR, an increase by 21 percent compared with the corresponding period last year. Adjusted for currency and acquisitions the increase was 19 percent. All regions except North America increased their sales during the period compared with the corresponding period last year.

Operating profit amounted to 26,2 (26,4) MEUR, corresponding to an operating margin of 17,8 (21,6) per cent.

### **FINANCIAL NET**

During the second quarter of 2022, financial net amounted to -0,3 (-0,2) MEUR and to -0,5 (-0,4) for the first six months of 2022.

### **TAXES**

The tax expense was -2,9 (-3,6) MEUR for the second quarter of 2022 and was -5,9 (-6,0) MEUR for the first six months of 2022.

### **NET RESULT**

Net result for the second quarter amounted to 10,5 (11,6) MEUR and to 19,8 (20,0) MEUR for the first six months of 2022.

### **CASH FLOW, WORKING CAPITAL AND NET DEBT**

Cash flow from operating activities was 5,1 (9,4) MEUR for the second quarter and was 7,4 (12,4) MEUR for the first six months of 2022. Net debt was 69,3 (63,2) MEUR at the end of the period. Net debt in relation to the 12-month rolling EBITDA was 1,1 (1,2) to be compared with the company's financial target of less than 2,5.

### **INVESTMENTS**

During the second quarter, investments were 5,6 (2,0) MEUR and were 6,6 (8,1) MEUR for the first six months of 2022. This year's investments mainly relates to the acquisition of a subsidiary in Spain.

## 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			6 Months			12 Months			12 Months Jul-Jun 2021/2022
	Apr-Jun 2022	Apr-Jun 2021	Diff	Jan-Jun 2022	Jan-Jun 2021	Diff	Jan-Dec 2021	Jan-Dec 2020	Diff	
Continental Europe	36,3	36,5	-1%	74,9	67,5	11%	136,6	84,5	62%	144,0
Nordic region	10,6	8,7	22%	22,4	16,3	37%	32,2	26,2	23%	38,3
United Kingdom	6,3	5,5	15%	16,6	14,9	11%	30,6	24,1	27%	32,3
North America	11,2	14,7	-24%	20,4	25,6	-21%	58,7	31,5	86%	53,5
New Markets	5,9	3,9	50%	10,5	9,5	10%	17,7	12,1	46%	18,7
<b>Total excl Currency</b>	<b>70,2</b>	<b>69,3</b>	<b>1%</b>	<b>144,7</b>	<b>133,8</b>	<b>8%</b>	<b>275,8</b>	<b>178,4</b>	<b>55%</b>	<b>286,7</b>
Currency effect	1,5	0,0	2%	1,5	0,0	1%	0,0	0,0	0%	1,5
Order intake acquisitions	0,9	0,0	1%	0,9	0,0	1%	0,0	0,0	0%	0,9
<b>Total Order intake</b>	<b>72,6</b>	<b>69,3</b>	<b>5%</b>	<b>147,1</b>	<b>133,8</b>	<b>10%</b>	<b>275,8</b>	<b>178,4</b>	<b>55%</b>	<b>289,1</b>
Total Sales MEUR	3 Months			6 Months			12 Months			12 Months Jul-Jun 2021/2022
	Apr-Jun 2022	Apr-Jun 2021	Diff	Jan-Jun 2022	Jan-Jun 2021	Diff	Jan-Dec 2021	Jan-Dec 2020	Diff	
Continental Europe	39,4	30,7	28%	75,9	58,0	31%	123,6	82,2	19%	141,5
Nordic region	10,6	8,1	31%	18,9	14,0	35%	30,0	25,3	19%	34,9
United Kingdom	10,5	9,9	6%	19,4	17,8	9%	30,9	19,1	62%	32,5
North America	10,4	13,8	-25%	22,5	23,9	-6%	51,0	25,2	102%	49,6
New Markets	4,8	5,0	-5%	8,6	8,5	1%	16,8	11,8	42%	16,9
<b>Total excl Currency</b>	<b>75,6</b>	<b>67,5</b>	<b>12%</b>	<b>145,2</b>	<b>122,2</b>	<b>19%</b>	<b>252,3</b>	<b>163,6</b>	<b>54%</b>	<b>275,3</b>
Currency effect	1,8	0,0	3%	1,8	0,0	1%	0,0	0,0	0%	1,8
Sales acquisitions	0,5	0,0	1%	0,5	0,0	0%	0,0	0,0	0%	0,5
<b>Total Sales</b>	<b>77,9</b>	<b>67,5</b>	<b>15%</b>	<b>147,5</b>	<b>122,2</b>	<b>21%</b>	<b>252,3</b>	<b>163,6</b>	<b>54%</b>	<b>277,6</b>

\* Note that we report organic growth excluding currency effect.

## THE GROUP - SUMMARY

### INCOME STATEMENT

MEUR	3 Months	3 Months	6 Months	6 Months	12 Months	12 Months	12 Months
	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021	Jan-Dec 2020	Jul-Jun 2021/2022
<b>Sales</b>	77,9	67,5	147,5	122,2	252,3	163,6	277,6
Cost of goods sold	-52,1	-42,0	-97,5	-75,1	-158,1	-99,4	-180,5
<b>Gross profit</b>	25,8	25,5	50,0	47,1	94,2	64,2	97,1
Sales expenses	-8,0	-7,3	-15,6	-14,1	-28,0	-23,5	-29,5
Administrative expenses	-4,1	-3,2	-7,8	-6,5	-14,1	-10,7	-15,4
Other operating income and expenses	0,0	0,4	-0,4	-0,1	0,3	0,8	0,0
<b>Operating profit</b>	13,7	15,4	26,2	26,4	52,4	30,8	52,2
Financial income and expenses	-0,3	-0,2	-0,5	-0,4	-1,0	-0,7	-1,1
<b>Result after financial expenses</b>	13,4	15,2	25,7	26,0	51,4	30,1	51,1
Taxes	-2,9	-3,6	-5,9	-6,0	-11,7	-6,9	-11,6
<b>Net result for the period</b>	10,5	11,6	19,8	20,0	39,7	23,2	39,5

Earnings per share before / after dilution	0,18 €	0,19 €	0,33 €	0,33 €	0,66 €	0,39 €	0,66 €
Number of shares before / after dilution in thousands	60 000	60 000	60 000	60 000	60 000	60 000	60 000

### STATEMENT OF COMPREHENSIVE INCOME

	3 Months	3 Months	6 Months	6 Months	12 Months	12 Months	12 Months
	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021	Jan-Dec 2020	Jul-Jun 2021/2022
<b>Net result for the period</b>	10,5	11,6	19,8	20,0	39,7	23,2	39,5
<b>Other comprehensive income:</b>							
<b>Items that may be reclassified to the income statement</b>							
Translation differences	-1,9	1,2	-2,8	-0,1	1,1	2,1	-1,6
Tax related to items that may be reclassified	0,0	0,0	0,0	0,0	0,0	0,0	0,0
	-1,9	1,2	-2,8	-0,1	1,1	2,1	-1,6
<b>Items that will not be reclassified to the income statement</b>							
Actuarial gains and losses on defined-benefit pension commitment	0,0	0,0	0,0	0,0	-0,3	-0,2	-0,3
Tax related to items that may be reclassified	0,0	0,0	0,0	0,0	0,0	0,1	0,0
	0,0	0,0	0,0	0,0	-0,3	-0,1	-0,3
<b>Other comprehensive income, net of tax</b>	-1,9	1,2	-2,8	-0,1	0,8	1,9	-1,9
<b>Total comprehensive income for the period</b>	8,6	12,8	17,0	19,9	40,5	25,1	37,6

EBITDA	3 Months	3 Months	6 Months	6 Months	12 Months	12 Months	12 Months
	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021	Jan-Dec 2020	Jul-Jun 2021/2022
<b>Operating result</b>	13,7	15,4	26,2	26,4	52,4	30,8	52,2
<b>Depreciations</b>	2,9	2,4	5,5	4,8	9,9	7,7	10,6
<b>EBITDA</b>	16,6	17,8	31,7	31,2	62,3	38,5	62,8

## STATEMENT OF FINANCIAL POSITION

	2022	2021	2021	2020
MEUR	30-jun	30-jun	31-dec	31-dec
<b>Assets</b>				
Intangible assets	99,1	95,7	95,6	95,1
Tangible assets	57,6	57,2	60,3	51,5
Financial fixed assets	6,1	5,8	5,9	6,3
<b>Total fixed assets</b>	<b>162,8</b>	<b>158,7</b>	<b>161,8</b>	<b>152,9</b>
Inventories	40,9	25,1	35,5	18,0
Current receivables	72,4	58,3	57,5	41,2
Cash and cash equivalents	16,0	22,8	35,2	32,5
<b>Total current assets</b>	<b>129,3</b>	<b>106,2</b>	<b>128,2</b>	<b>91,7</b>
<b>TOTAL ASSETS</b>	<b>292,1</b>	<b>264,9</b>	<b>290,0</b>	<b>244,6</b>
<b>Equity and liabilities</b>				
Equity	141,6	121,9	142,6	114,0
Long-term liabilities	99,6	30,8	101,9	100,5
Current liabilities	50,9	112,2	45,5	30,1
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>292,1</b>	<b>264,9</b>	<b>290,0</b>	<b>244,6</b>
Net debt	69,3	63,2	52,1	52,6

	2022	2021	2021	2020
TO THE PARENT COMPANY'S SHAREHOLDERS	30-jun	30-jun	31-dec	31-dec
Opening balance	142,6	114,0	114,0	95,7
Dividends	-18,0	-12,0	-12,0	-6,0
Received option premiums	0,0	0,0	0,1	0,0
Re-purchase of shares	0,0	0,0	0,0	-0,8
Total comprehensive income for the period	17,0	19,9	40,5	25,1
<b>Closing balance</b>	<b>141,6</b>	<b>121,9</b>	<b>142,6</b>	<b>114,0</b>

## CASHFLOW STATEMENT

	3 Months	3 Months	6 Months	6 Months	12 Months	12 Months
MEUR	2022	2021	2022	2021	2021	2020
	30-jun	30-jun	30-jun	30-jun	31-dec	31-dec
<b>Operating profit</b>	<b>13,7</b>	<b>15,4</b>	<b>26,2</b>	<b>26,4</b>	<b>52,4</b>	<b>30,8</b>
Interest received and paid, tax paid and adjustments	-2,8	-3,0	-3,6	-3,0	-9,7	-1,7
Changes in working capital	-5,5	-3,0	-14,9	-11,0	-11,0	-2,8
<b>Cash flow from operating activities</b>	<b>5,4</b>	<b>9,4</b>	<b>7,7</b>	<b>12,4</b>	<b>31,7</b>	<b>26,3</b>
Net investments	-5,6	-2,0	-6,6	-8,1	-14,1	-14,8
<b>Cash flow after investing activities</b>	<b>-0,2</b>	<b>7,4</b>	<b>1,1</b>	<b>4,3</b>	<b>17,6</b>	<b>11,5</b>
Financing activities	-19,2	-12,9	-20,3	-14,0	-14,9	-9,5
<b>Cash flow for the period</b>	<b>-19,4</b>	<b>-5,5</b>	<b>-19,2</b>	<b>-9,7</b>	<b>2,7</b>	<b>2,0</b>
Cash and cash equivalents at the start of the period	35,4	28,3	35,2	32,5	32,5	30,4
Translation difference in cash and cash equivalents	0,0	0,0	0,0	0,0	0,0	0,1
<b>Cash and cash equivalents at the end of the period</b>	<b>16,0</b>	<b>22,8</b>	<b>16,0</b>	<b>22,8</b>	<b>35,2</b>	<b>32,5</b>



## PARENT COMPANY – SUMMARY

INCOME STATEMENT	3 Months	3 Months	6 Months	6 Months	12 Months	12 Months
	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021	Jan-Dec 2020
<b>MEUR</b>						
<b>Sales</b>	0,2	0,2	0,4	0,4	0,9	0,8
Cost of goods sold	0,0	0,0	0,0	0,0	0,0	0,0
<b>Gross profit</b>	0,2	0,2	0,4	0,4	0,9	0,8
Administrative expenses	-0,6	-0,6	-1,2	-1,2	-2,5	-1,7
Other operating income and expenses	0,0	0,1	-0,1	0,0	0,0	-0,2
<b>Operating profit</b>	-0,4	-0,3	-0,9	-0,8	-1,6	-1,1
Financial income and expenses	13,2	7,6	13,5	8,5	16,3	2,9
<b>Result after financial expenses</b>	12,8	7,3	12,6	7,7	14,7	1,8
Year-end appropriations	0,0	0,0	0,0	0,0	0,0	-0,4
<b>Profit before tax</b>	12,8	7,3	12,6	7,7	14,7	1,4
Taxes	-0,2	0,1	-0,2	0,1	-1,4	-0,2
<b>Net result for the period</b>	12,6	7,4	12,4	7,8	13,3	1,2

### STATEMENT OF COMPREHENSIVE INCOME

Net result for the period	12,6	7,4	12,4	7,8	13,3	1,2
Other comprehensive income, net of tax	0,0	0,0	0,0	0,0	0,0	0,0
<b>Total comprehensive income for the period</b>	12,6	7,4	12,4	7,8	13,3	1,2

### STATEMENT OF FINANCIAL POSITION

	30-jun 2022	30-jun 2021	31-dec 2021	31-dec 2020
<b>MEUR</b>				
<b>Assets</b>				
Shares in subsidiaries	87,7	87,7	87,7	87,7
Receivables to subsidiaries	24,9	22,2	23,0	21,2
<b>Total fixed assets</b>	112,6	109,9	110,7	108,9
Receivables to subsidiaries	4,3	0,0	6,9	5,0
Current receivables	0,9	0,9	1,0	0,4
Cash and cash equivalents	0,0	0,0	12,8	0,0
<b>Total current assets</b>	5,2	0,9	20,7	5,4
<b>TOTAL ASSETS</b>	117,8	110,8	131,4	114,3
<b>Equity and liabilities</b>				
Equity	33,4	33,5	39,0	37,6
Untaxed reserves	7,0	7,0	7,0	7,0
Long-term liabilities	70,8	0,0	70,0	69,0
Current liabilities	6,6	70,3	15,4	0,7
<b>TOTAL EQUITY AND LIABILITIES</b>	117,8	110,8	131,4	114,3

### CASH FLOW STATEMENT

	3 Months 2022	3 Months 2021	6 Months 2022	6 Months 2021	12 Months 2021	12 Months 2020
<b>MEUR</b>	30-jun	30-jun	30-jun	30-jun	31-dec	31-dec
Operating profit before financial items	-0,4	-0,3	-0,9	-0,8	-1,6	-1,1
Interest paid and received, taxes, adjustments	9,5	-0,1	9,5	0,6	0,9	-0,7
Change in working capital	2,3	0,1	-3,4	0,2	12,5	8,6
<b>Cash flow from continuing operations</b>	11,4	-0,3	5,2	0,0	11,8	6,8
Investments	0	0,0	0	0,0	0	0
<b>Cash flow from investment activities</b>	11,4	-0,3	5,2	0,0	11,8	6,8
Cash flow from financing activities	-18,0	0,0	-18,0	0,0	1,0	-6,8
<b>Cash flow for the period</b>	-6,6	-0,3	-12,8	0,0	12,8	0,0
Cash and cash equivalents at the beginning of the period	6,6	0,3	12,8	0,0	0,0	0,0
Translation difference	0,0	0,0	0,0	0,0	0,0	0,0
<b>Cash and cash equivalents at the end of the period</b>	0,0	0,0	0,0	0,0	12,8	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.

<b>Growth</b>	Troax's objective is to grow in its current markets, both organically and by selective acquisitions
<b>Profitability</b>	Troax's target is to have an operating margin in excess of 20 per cent.
<b>Financial structure</b>	Net debt in relation to the 12-month rolling EBITDA, excluding temporary deviations, shall not exceed 2,5 times.
<b>Dividend policy</b>	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 2021 is available on [www.troax.com](http://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			6 Months			12 Months			
	Apr-Jun 2022	Apr-Jun 2021	Diff	Jan-Jun 2022	Jan-Jun 2021	Diff	Jan-Dec 2021	Jan-Dec 2020	Diff	Jul-Jun 2021/22
Organic sales / growth	75,6	67,5	12%	145,2	122,2	19%	252,3	163,6	54%	275,3
Currency effect	1,8	0,0	3%	1,8	0,0	1%	0,0	0,0	0%	1,8
Sales from acquisitions	0,5	0,0	1%	0,5	0,0	0%	0,0	0,0	0%	0,5
<b>Total Sales</b>	<b>77,9</b>	<b>67,5</b>	<b>15%</b>	<b>147,5</b>	<b>122,2</b>	<b>21%</b>	<b>252,3</b>	<b>163,6</b>	<b>54%</b>	<b>277,6</b>

#### 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.)

	Jun	Jun	Dec	Dec
MEUR	2022	2021	2021	2020
Short term loans	0,0	0,0	0,0	0,0
Long term loans	70,0	69,0	70,0	69,0
Liabilities for leases (IFRS 16)	15,3	17,0	17,3	16,1
Total debt	85,3	86,0	87,3	85,1
cash	16,0	22,8	35,2	32,5
<b>Net debt</b>	<b>69,3</b>	<b>63,2</b>	<b>52,1</b>	<b>52,6</b>
12 month rolling EBITDA	62,9	53,2	62,3	38,6
<b>Net debt / EBITDA</b>	<b>1,1</b>	<b>1,2</b>	<b>0,8</b>	<b>1,4</b>

### 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 27 in the Annual Report 2021.

### 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.

### EMPLOYEES

At the end of the period the Group had 1 132 (1 055) employees.

### OTHER EVENTS DURING THE QUARTER

Russia's invasion of Ukraine, which has led to a sharp decline in steel deliveries to the European market, is expected to have a negative impact on the Group in the form of price increases, primarily for steel but also for energy. In the second quarter of 2022, the Group acquired all shares in Claitec Solutions S.L, a Spanish company that specializes in industrial safety and accident prevention solutions on a global market. Claitec's annual turnover amounts to approx. 2 MEUR.

### 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

Interim report Q3 2022, 25<sup>th</sup> of October 2022

Interim report Q4 2022, 10<sup>th</sup> of February 2023

### TELEPHONE CONFERENCE

Invitation to presentation of the second quarter result: Thomas Widstrand, CEO presents the result on a phone conference on the 16<sup>th</sup> of August 2022 at 16:00 CET. The conference will be held in English. For more information, please refer to <https://www.troax.com/global/en/press>



Hillerstorp 2022-08-16

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