

Trox Group AB (publ)
Hillerstorp, the 26th of October 2021



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 42 countries and employ around 975 people. Our headquarters is located in Hillerstorp, Sweden. In 2020, Troax net sales amounted to 164 MEUR.

Stay safe with Troax, today and tomorrow.

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INTERIM REPORT JANUARY- SEPTEMBER 2021

Continued strong development in the quarter

JULY - SEPTEMBER

- Order intake increased by 80 percent to 68,5 (38,1) MEUR. Adjusted for currency and acquisitions the increase was 47 percent compared with the same period last year.
- Sales increased by 56 percent to 65,5 (42,0) MEUR. Adjusted for currency and acquisitions, sales increased by 37 percent compared to the same period last year.
- Operating profit increased to 14,7 (9,3) MEUR.
- Operating margin increased to 22,4 (22,1) percent.
- Financial net was -0,3 (-0,2) MEUR.
- Profit after tax increased to 11,1 (6,9) MEUR.
- Earnings per share after dilution amounted to 0,19 (0,12) EUR.

JANUARY - SEPTEMBER

- Order intake increased by 68 percent to 202,3 (120,4) MEUR. Adjusted for currency and acquisitions the increase was 44 percent compared with the same period last year.
- Sales increased by 58 percent to 187,7 (118,7) MEUR. Adjusted for currency and acquisitions, sales increased by 40 percent compared to the same period last year.
- Operating profit increased to 41,1 (22,2*) MEUR.
- Operating margin increased to 21,9 (18,7) percent.
- Financial net was -0,7 (-0,6) MEUR.
- Profit after tax increased to 31,1 (16,4) MEUR.
- Earnings per share after dilution amounted to 0,52 (0,27) 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	9 Months	9 Months	12 months	12 months	12 months
	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020	Jan-Dec 2019	Oct-Sep 2020/2021
Order intake	68,5	38,1	202,3	120,4	178,4	168,1	260,3
Sales	65,5	42,0	187,7	118,7	163,6	168,0	232,6
Gross profit	24,5	17,3	71,6	46,3	64,2	67,1	89,5
Gross margin, %	37,4	41,2	38,1	39,0	39,2	39,9	38,5
Operating profit	14,7	9,3	41,1	22,2	30,8	32,9	49,7
Operating margin, %	22,4	22,1	21,9	18,7	18,8	19,6	21,4
Profit after tax	11,1	6,9	31,1	16,4	23,2	24,3	37,9
EBITDA 1)	17,0	11,1	48,2	27,6	38,5	38,9	59,1
EBITDA margin, % 1)	26,0	26,4	25,7	23,3	23,5	23,2	25,4
Net debt / EBITDA					1,4	1,3	
Earnings per share after dilution in EUR	0,19	0,12	0,52	0,27	0,39	0,41	0,63
Closing rate SEK/EUR	10,20	10,54	10,20	10,54	10,04	10,45	10,16
Earnings per share after dilution in SEK. 2)	1,89	1,21	5,29	2,88	3,88	4,23	6,42

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 47% organically during the quarter, which is indicative of the continuing strong increase in volume and activity we have been experiencing. Including our newly acquired company in Poland, the corresponding figure for the third quarter will be 80%. These figures include a positive price effect that can be estimated at about 8% for that quarter. Accumulated, the corresponding figures are 44% organic and 68% including acquisitions and currency. Here, the price effect can be estimated at about 5%. The activity in the quarter was again 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). It should be noted that the Group's dependence on these few major customers in automated warehouses has clearly increased over the past two years, due to the positive increase in sales volumes in this area. As in the previous quarter, we have noted some higher activity levels from the automotive sector, although this level can still be described as low, with the exception of activities in North America. In general, we would describe market demand as very strong, driven by a return to normal levels after Corona. We estimate that the previously noticeable effect of delays due to Corona is now fading and will not be noticeable for the rest of the year.

During the quarter, our production units had a very good utilization rate, driven by the strong order intake during the second and third quarters. This resulted in good coverage of fixed costs, which is also reflected in operating profit, despite a noticeable negative effect from price increases on steel, packaging materials and freight. We have, in consultation with our customers, raised prices to compensate for these increases as much as possible, but have continued a certain time lag. A continued increase in internal costs in the form of overtime and hiring of staff to cope with the volume increases has also been noted during the third quarter but is expected to decline to more 'normal' levels during the fourth quarter. During this quarter, Troax also experienced some negative impact on late deliveries of raw materials / components, which affected planning and efficiency, but we have largely succeeded in keeping customers indemnified for these delays.

Our new acquisition Natom Logistic in Poland also shows a continued positive development this quarter, both in terms of order intake and earnings. The new building in which we invested during the first half of the year is now starting to be ready to move into, at least in a first phase. Depending on how quickly the electricity supply can be secured, the move-in will be completely completed by the end of 2022 or during the first half of 2023. The integration work will continue with some lag, due to previous pandemic effects.

The gross margin has been positively affected by good capacity utilization and sales prices have, with some lag, continued to increase during the quarter. The lag in customer pricing is expected to pick up no later than the first quarter of next year. The costs are judged to be under control and together with the good sales volume, this means that Troax delivers an almost all-time high result in the quarter (the second quarter of this year was slightly higher).

Overall, this means that operating profit for the quarter amounted to 14,7 MEUR with a margin of approximately 22,4%. The corresponding figures for the same quarter last year were 9,3 MEUR and 22,1%. Accumulated operating profit amounts to 41,1 MEUR, which gives a margin of 21,9% compared with 18,7% the previous year. Net profit amounts to 11,1 MEUR for the quarter, compared with 6,9 MEUR the previous year. No major changes have taken place regarding the development of working capital compared with the previous year, except for the acquisition of our Polish company which was made during the fourth quarter of 2020. The inventory value is still somewhat high, but at present this is something that increases delivery security in our business. Net debt is still at a low level. At the beginning of the quarter, we acquired ABB's operations in aluminium protection. This business has now been integrated and deliveries to customers have begun on a smaller scale, towards the end of the quarter.

Thomas Widstrand, President and CEO

THE GROUP SUMMARY

JULY – SEPTEMBER

The total order intake increased in the period compared with the corresponding period last year. Order intake amounted to 68,5 (38,1) MEUR, an increase of 80 percent. Adjusted for currency fluctuations and acquisitions, the increase was 47 percent. All markets increased their order intake during the period compared with the corresponding period last year.

Net sales amounted to 65,5 (42,0) MEUR, an increase of 56 percent. Adjusted for currency fluctuations and acquisitions, the increase was 37 percent. All Markets increased their sales in the period compared with the corresponding period last year.

Operating profit amounted to 14,7 (9,3) MEUR, corresponding to an operating margin of 22,4 (22,1) percent.

JANUARY – SEPTEMBER

The total order intake increased in the period compared with the corresponding period last year. Order intake amounted to 202,3 (120,4) MEUR, an increase of 68 percent. Adjusted for currency fluctuations and acquisitions, the increase was 44 percent. All markets increased their order intake during the period compared with the corresponding period last year.

Net sales amounted to 187,7 (118,7) MEUR, an increase of 58 percent. Adjusted for currency fluctuations and acquisitions, the increase was 40 percent. All Markets increased their sales in the period compared with the corresponding period last year.

Operating profit amounted to 41,1 (22,2*) MEUR, corresponding to an operating margin of 21,9 (18,7) percent.

** 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".*

FINANCIAL NET

For the third quarter of 2021, financial net amounted to -0,3 (-0,2) MEUR and to -0,7 (-0,6) MEUR for the first three quarters of 2021.

TAXES

The tax expense was -3,3 (-2,2) MEUR for the third quarter and -9,3 (-5,2) MEUR for the first three quarters of 2021.

NET RESULT

Net result for the third quarter amounted to 11,1 (6,9) MEUR and 31,1 (16,4) MEUR for the first three quarters of 2021.

CASH FLOW, WORKING CAPITAL AND NET DEBT

Cash flow from operating activities was 10,0 (7,2) MEUR for the quarter and 22,3 (18,4) MEUR for the first three quarters of 2021. Net debt including the impact from IFRS 16 was 55,2 (43,0) MEUR. Net debt in relation to the 12-month rolling EBITDA was 0,9 (1,1) to be compared with the company's financial target of less than 2,5. Dividend to shareholders of 12,0 (6,0) MEUR was charged to the second quarter's cash flow this year, while the dividend for 2020 took place during the third quarter.

INVESTMENTS

During the third quarter, investments were 1,6 (1,2) MEUR and 9,7 (5,5) MEUR for the first three quarters of 2021. The year's investments mainly relate to the investment in a new building in Poland.

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			9 Months			12 Months			12 Months Oct-Sep 2020/2021
	Jul-Sep 2021	Jul-Sep 2020	Diff	Jan-Sep 2021	Jan-Sep 2020	Diff	Jan-Dec 2020	Jan-Dec 2019	Diff	
Continental Europe	25,4	19,9	28%	78,4	60,4	30%	81,0	90,6	-11%	99,0
Nordic region	7,2	6,0	20%	22,9	19,8	16%	26,2	26,1	0%	29,3
United Kingdom	8,4	3,6	133%	22,8	14,6	56%	24,1	19,4	24%	32,3
North America	12,2	6,7	82%	38,9	19,2	103%	31,3	24,2	29%	51,0
New Markets	2,8	1,9	47%	10,5	6,4	64%	9,2	7,8	18%	13,3
Total excl Currency	56,0	38,1	47%	173,5	120,4	44%	171,8	168,1	2%	224,9
Currency effect	0,5	0,0	1%	-1,3	0,0	-1%	-0,9	0,0	-1%	-2,2
Order intake acquisitions	12,0	0,0	31%	30,1	0,0	25%	7,5	0,0	4%	37,6
Total Order intake	68,5	38,1	80%	202,3	120,4	68%	178,4	168,1	6%	260,3

Total Sales MEUR	3 Months			9 Months			12 Months			12 Months Oct-Sep 2020/2021
	Jul-Sep 2021	Jul-Sep 2020	Diff	Jan-Sep 2021	Jan-Sep 2020	Diff	Jan-Dec 2020	Jan-Dec 2019	Diff	
Continental Europe	26,6	21,0	27%	73,2	61,3	19%	82,7	88,7	19%	94,6
Nordic region	7,1	6,2	15%	20,5	18,2	13%	25,2	26,6	-5%	27,5
United Kingdom	7,1	4,9	45%	24,4	14,5	68%	19,0	20,7	-8%	28,9
North America	13,5	7,5	80%	38,4	18,2	111%	24,9	24,5	2%	45,1
New Markets	3,3	2,4	38%	10,0	6,5	54%	8,9	7,5	19%	12,4
Total excl Currency	57,6	42,0	37%	166,5	118,7	40%	160,7	168,0	-4%	208,5
Currency effect	0,4	0,0	1%	-1,3	0,0	-1%	-0,8	0,0	0%	-2,1
Sales acquisitions	7,5	0,0	18%	22,5	0,0	19%	3,7	0,0	2%	26,2
Total Sales	65,5	42,0	56%	187,7	118,7	58%	163,6	168,0	-3%	232,6

* Note that we report organic growth excluding currency effect.

THE GROUP - SUMMARY

INCOME STATEMENT

MEUR	3 Months	3 Months	9 Months	9 Months	12 months	12 months	12 months
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec	Jan-Dec	Oct-Sep
	2021	2020	2021	2020	2020	2019	2020/2021
Sales	65,5	42,0	187,7	118,7	163,6	168,0	232,6
Cost of goods sold	-41,0	-24,7	-116,1	-72,4	-99,4	-100,9	-143,1
Gross profit	24,5	17,3	71,6	46,3	64,2	67,1	89,5
Sales expenses	-6,6	-5,8	-20,7	-18,0	-23,5	-23,9	-26,2
Administrative expenses	-3,4	-2,2	-9,9	-7,2	-10,7	-9,7	-13,4
Other operating income and expenses	0,2	0,0	0,1	1,1	0,8	-0,6	-0,2
Operating profit	14,7	9,3	41,1	22,2	30,8	32,9	49,7
Financial income and expenses	-0,3	-0,2	-0,7	-0,6	-0,7	-0,9	-0,8
Result after financial expenses	14,4	9,1	40,4	21,6	30,1	32,0	48,9
Taxes	-3,3	-2,2	-9,3	-5,2	-6,9	-7,7	-11,0
Net result for the period	11,1	6,9	31,1	16,4	23,2	24,3	37,9
Earnings per share before / after dilution	0,19 €	0,12 €	0,52 €	0,27 €	0,39 €	0,41 €	0,63 €
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	9 Months	9 Months	12 months	12 months	12 months
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec	Jan-Dec	Oct-Sep
	2021	2020	2021	2020	2020	2019	2020/2021
Net result for the period	11,1	6,9	31,1	16,4	23,2	24,3	37,9
Other comprehensive income:							
Items that may be reclassified to the income statement							
Translation differences	-0,3	-1,4	-0,4	-2,1	2,1	-0,7	3,8
Tax related to items that may be reclassified	0,0	0,0	0,0	0,0	0,0	0,0	0,0
	-0,3	-1,4	-0,4	-2,1	2,1	-0,7	3,8
Items that will not be reclassified to the income statement							
Actuarial gains and losses on defined-benefit pension commitment	0,0	0,0	0,0	0,0	-0,2	-0,6	-0,2
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	-0,2	-0,5	-0,2
Other comprehensive income, net of tax	-0,3	-1,4	-0,4	-2,1	1,9	-1,2	3,6
Total comprehensive income for the period	10,8	5,5	30,7	14,3	25,1	23,1	41,5
EBITDA							
	14,7	9,3	41,1	22,2	30,8	32,9	49,7
Depreciations	2,3	1,8	7,1	5,4	7,7	6,0	9,4
EBITDA	17,0	11,1	48,2	27,6	38,5	38,9	59,1

1) EBITDA is impacted by IFRS 16 (0,8-1,0 MEUR in decreased leasing costs per quarter).

STATEMENT OF FINANCIAL POSITION

MEUR	2021 30-sep	2020 30-sep	2020 31-dec	2019 31-dec
Assets				
Intangible assets	95,2	87,5	95,1	87,3
Tangible assets	57,0	42,0	51,5	41,8
Financial fixed assets	6,7	6,0	6,3	6,2
Total fixed assets	158,9	135,5	152,9	135,3
Inventories	29,9	13,9	18,0	14,5
Current receivables	58,6	38,1	41,2	40,0
Cash and cash equivalents	30,1	34,3	32,5	30,4
Total current assets	118,6	86,3	91,7	84,9
TOTAL ASSETS	277,5	221,8	244,6	220,2
Equity and liabilities				
Equity	132,7	103,2	114,0	95,7
Long-term liabilities *	30,3	90,3	100,5	91,3
Current liabilities *	114,5	28,3	30,1	33,2
TOTAL EQUITY AND LIABILITIES	277,5	221,8	244,6	220,2
Net debt	55,2	43,0	52,6	49,1

* Loans from credit institutions are reported as current liabilities in the balance sheet from Q2 2021 as the current agreement matures within 12 months after the balance sheet date. Negotiations on a new loan agreement are ongoing and are expected to be completed during the second half of 2021.

STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE PARENT COMPANY'S SHAREHOLDERS	2021 30-sep	2020 30-sep	2020 31-dec	2019 31-dec
Opening balance	114,0	95,7	95,7	82,6
Dividends	-12,0	-6,0	-6,0	-9,4
Re-purchase of shares	0,0	-0,8	-0,8	-0,6
Total comprehensive income for the period	30,7	14,3	25,1	23,1
Closing balance	132,7	103,2	114,0	95,7

CASH FLOW STATEMENT

MEUR	3 Months 2021 30-sep	3 Months 2020 30-sep	9 Months 2021 30-sep	9 Months 2020 30-sep	12 months 2020 31-dec	12 months 2019 31-dec
Operating profit	14,7	9,3	41,1	22,2	30,8	32,9
Interest received and paid, tax paid and adjustments	-4,8	-1,0	-7,8	-1,4	-1,7	-0,6
Changes in working capital	0,1	-1,1	-11,0	-2,4	-2,8	-3,4
Cash flow from operating activities	10,0	7,2	22,3	18,4	26,3	28,9
Net investments	-1,6	-1,2	-9,7	-5,5	-14,8	-8,6
Cash flow after investing activities	8,4	6,0	12,6	12,9	11,5	20,3
Financing activities	-1,0	-6,7	-15,0	-9,0	-9,5	-12,2
Cash flow for the period	7,4	-0,7	-2,4	3,9	2,0	8,1
Cash and cash equivalents at the start of the period	22,7	35,0	32,5	30,4	30,4	22,7
Translation difference in cash and cash equivalents	0,0	0,0	0,0	0,0	0,1	-0,4
Cash and cash equivalents at the end of the period	30,1	34,3	30,1	34,3	32,5	30,4

PARENT COMPANY – SUMMARY

INCOME STATEMENT	3 Months	3 Months	9 Months	9 Months	12 months	12 months
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec	Jan-Dec
MEUR	2021	2020	2021	2020	2020	2019
Sales	0,2	0,3	0,6	0,9	0,8	1,2
Cost of goods sold	0,0	0,0	0,0	0,0	0,0	0,0
Gross profit	0,2	0,3	0,6	0,9	0,8	1,2
Administrative expenses	-0,4	-0,3	-1,6	-1,3	-1,7	-1,8
Other operating income and expenses	0,0	0,0	0,0	-0,2	-0,2	-0,2
Operating profit	-0,2	0,0	-1,0	-0,6	-1,1	-0,8
Financial income and expenses	0,5	-1,0	9,0	-1,1	2,9	10,0
Result after financial expenses	0,3	-1,0	8,0	-1,7	1,8	9,2
Year-end appropriations	0,0	0,0	0,0	0,0	-0,4	7,4
Profit before tax	0,3	-1,0	8,0	-1,7	1,4	16,6
Taxes	-0,1	0,2	0,0	0,4	-0,2	-1,6
Net result for the period	0,2	-0,8	8,0	-1,3	1,2	15,0

STATEMENT OF COMPREHENSIVE INCOME

Net result for the period	0,2	-0,8	8,0	-1,3	1,2	15,0
Other comprehensive income, net of tax	0,0	0,0	0,0	0,0	0,0	0,0
Total comprehensive income for the period	0,2	-0,8	8,0	-1,3	1,2	15,0

STATEMENT OF FINANCIAL POSITION

MEUR	30-sep	30-sep	31-dec	31-dec
	2021	2020	2020	2019
Assets				
Shares in subsidiaries	87,7	87,7	87,7	87,7
Receivables to subsidiaries	22,4	12,6	21,2	23,5
Total fixed assets	110,1	100,3	108,9	111,2
Receivables to subsidiaries	0,0	9,8	5,0	9,7
Current receivables	1,0	0,5	0,4	0,4
Cash and cash equivalents	0,6	0,1	0,0	0,0
Total current assets	1,6	10,4	5,4	10,1
TOTAL ASSETS	111,7	110,7	114,3	121,3
Equity and liabilities				
Equity	33,7	35,1	37,6	43,2
Untaxed reserves	7,0	6,5	7,0	6,5
Long-term liabilities *	0,0	69,0	69,0	69,0
Current liabilities *	71,0	0,1	0,7	2,6
TOTAL EQUITY AND LIABILITIES	111,7	110,7	114,3	121,3

* Loans from credit institutions are reported as current liabilities in the balance sheet from Q2 2021 as the current agreement matures within 12 months after the balance sheet date. Negotiations on a new loan agreement are ongoing and are expected to be completed during the second half of 2021.

CASH FLOW STATEMENT	3 Months	3 Months	9 Months	9 Months	12 months	12 months
	2021	2020	2021	2020	2020	2019
MEUR	30-sep	30-sep	30-sep	30-sep	31-dec	31-dec
Operating profit before financial items	-0,2	0,0	-1,0	-0,6	-1,1	-0,8
Interest paid and received, taxes, adjustments	0,3	0,0	0,9	0,0	-0,7	9,6
Change in working capital	0,5	-0,1	0,7	7,5	8,6	0,6
Cash flow from continuing operations	0,6	-0,1	0,6	6,9	6,8	9,4
Investments	0	0,0	0	0,0	0	0,0
Cash flow from investment activities	0,6	-0,1	0,6	6,9	6,8	9,4
Cash flow from financing activities	0	-6,0	0	-6,8	-6,8	-9,4
Cash flow for the period	0,6	-6,1	0,6	0,1	0,0	0,0
Cash and cash equivalents at the beginning of the period	0,0	6,2	0,0	0,0	0,0	0,0
Translation difference	0,0	0,0	0,0	0,0	0,0	0,0
Cash and cash equivalents at the end of the period	0,6	0,1	0,6	0,1	0,0	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.

Growth	Troax's objective is to grow in its current markets, both organically and by selective acquisitions
Profitability	Troax's target is to have an operating margin in excess of 20 per cent.
Financial structure	Net debt in relation to the 12-month rolling EBITDA, excluding temporary deviations, shall not exceed 2,5 times.
Dividend policy	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 2020 is available on 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	3 Months	3 Months	Diff	9 Months	9 Months	Diff	12 Months	12 Months	Diff	12 Months
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep		Jan-Dec	Jan-Dec		Oct-Sep
MEUR	2021	2020		2021	2020		2020	2019		2020/2021
Organic sales / growth	57,6	42,0	37%	166,5	118,7	40%	160,7	168,0	-4%	208,5
Currency effect	0,4	0,0	1%	-1,3	0,0	-1%	-0,8	0,0	0%	-2,1
Sales from acquisitions	7,5	0,0	18%	22,5	0,0	19%	3,7	0,0	2%	26,2
Total Sales	65,5	42,0	56%	187,7	118,7	58%	163,6	168,0	-3%	232,6

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.

MEUR	Sep 2021	Sep 2020	Dec 2020	Dec 2019
Short term loans	69,0	0,0	0,0	0,0
Long term loans	0,0	69,0	69,0	69,0
Liabilities for leases (IFRS 16)	16,3	8,3	16,1	10,5
Total debt	85,3	77,3	85,1	79,5
cash	30,1	34,3	32,5	30,4
Net debt	55,2	43,0	52,6	49,1
12 month rolling EBITDA	59,2	37,7	38,6	38,9
Net debt / EBITDA	0,9	1,1	1,4	1,3

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 26 in the Annual Report 2020.

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.

CALL OPTION PROGRAM FOR SENIOR EXECUTIVES AND OTHER KEY PERSONNEL

Outstanding share-based incentive programs for the CEO, senior executives and certain other key personnel within the Group are set out in Note 1 of the Annual Report for 2020. At the Annual General Meeting for 2021, the Board was instructed to issue additional call options corresponding to a maximum of 300 000 shares, corresponding to a maximum of 0,5 percent of the total number of shares and votes in the company. An offer to subscribe for call options took place during the third quarter of 2021, in which 26 000 options were subscribed for at the option premium of SEK 36,68 SEK and at a subscription price amounting to 515,33 SEK per share.

EMPLOYEES

At the end of the period the Group had 1 072 (760) employees.

OTHER EVENTS DURING THE QUARTER

There is no other significant information to report for the quarter.

OTHER EVENTS AFTER THE QUARTER

There is no significant information to report after the quarter.

AUDIT

This report has been reviewed by the auditors.

NEXT REPORTS

Interim report Q4 2021, 4th of February 2022

SHAREHOLDERS MEETING

The Annual General Meeting will be held at Troax in Hillerstorp on the 27th of April 2022, at 15:00hrs. Shareholders who wish to add topics to be handled during the Shareholders Meeting can send their suggestions to the Chairman, Troax Group AB, attention "Topic for the Shareholders Meeting", Box 89, 335 04 Hillerstorp, Sweden. The topics must arrive at least seven weeks prior to the meeting, and by the 9th of March 2020 at the latest.

OTHER INFORMATION (CONT.)

ELECTION COMMITTEE

Based on shareholder statistics as of August 31, 2021, the following nomination committee has been appointed:

Johan Menckel (chairman) – Investmentaktiebolaget Latour
Thomas Widstrand – Own holding
Patrik Jönsson – SEB Investment Management
Anders Mörck – Chairman of the Board

Shareholders who wish to leave suggestions for the Election Committee can send them to Troax Group AB (publ), Attention: Election Committee Johan Menckel, Box 89, 335 04 Hillerstorp, Sweden.

TELEPHONE CONFERENCE

Invitation to presentation of the third quarter result:

Thomas Widstrand, CEO presents the result on a phone conference on the 26th of October 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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Troax Group AB (publ)
Hillerstorp, 26th of October 2021

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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 26th of October 2021.



Auditor's report

Troax Group AB (publ). reg. no. 556916-4030

Introduction

We have reviewed the condensed interim financial information (interim report) of Troax Group AB (publ) as of 30 September 2021 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Gothenburg, 26 October 2021

Öhrlings PricewaterhouseCoopers AB

Johan Palmgren
Authorized Public Accountant