

Troax Group AB acquires Folding Guard, a division within Leggett & Platt US

Press release, Hillerstorp 15 December 2016, 08.00 CET

Troax Group AB has through its wholly-owned subsidiary Troax Inc. entered into an agreement to acquire Folding Guard, a leading American manufacturer of indoor perimeter protection solutions. The seller is the publicly traded company Legget & Platt.

The acquisition is in line with Troax Group's ambition to gain a significant market position in North America. The acquisition is financed through existing cash and a tap issue under the company's existing bond loan. Closing of the transaction is set to the end of December 2016. Customary conditions precedents remain outstanding for completing the transaction and the purchase price will be paid on closing.

Folding Guard has 115 employees and its headquarters and manufacturing is based in the Chicago area in the US. Products are sold through Folding Guard's own sales force, representatives and distributors across the US. The company has a solid track record and net sales amounted to around USD 20 million in 2015 with a solid EBITDA margin. Troax Group estimates that the acquisition of Folding Guard will contribute with an EBITDA of around USD 3 million.

"Folding Guard is a leading supplier of indoor perimeter protection solutions in the US. We see a lot of synergies between our companies/resources; mainly on the sell- and production side. Troax will keep the Folding Guard brand on the North American market but gradually incorporate relevant products into Folding Guard's sell- and distribution channels. We see a growing interest and long-term need for quality solutions from large corporations and customer groups in the US. Troax and Folding Guard will together provide an unparalleled product offering" says Thomas Widstrand CEO Troax Group AB.

The purchase price amounts to USD 25.8 million and will be paid at closing. The purchase price is subject to adjustments during a period of maximum 120 days based on revised calculations, by both parties, of the closing balance statement. A second payment of maximum USD 2.2 million may be paid, if the 12 month rolling EBITDA, as calculated in June 2017, exceeds USD 3.225 million. The maximum total purchase price may hence amount to USD 28 million. The initial purchase price is financed by existing cash of about USD 4.9 million and through a tap issue of USD 20.9 million under the company's existing bond loan. The company's net debt to EBITDA is estimated to amount to 2.5 immediately following the completion of the acquisition of Folding Guard. The acquisition is expected to have immediate positive impact on Troax Group's earnings per share.

Carnegie Investment Bank has been engaged as financial advisor and Gernandt & Danielsson as legal advisor in conjunction with the tap issue. Mannheimer Swartling New York has been engaged as legal adviser in conjunction with the acquisition.

Hillerstorp 15 December 2016

Troax Group AB (publ)
Thomas Widstrand
CEO



For additional information contact:

Thomas Widstrand, CEO
Troax Group AB
Box 89
330 33 Hillerstorp
Tel +46 (0)370-82831
thomas.widstrand@troax.com

About Troax

Troax is the leading global supplier of indoor perimeter protection ("metal-based mesh panel solutions") for the market segments: Automation & Robotics, Material Handling & Logistics 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 an unparalleled sales force and efficient logistics setup, enabling local presence and short delivery times in 33 countries. In 2015 Troax net sales amounted to around EUR 103 million and the number of employees amounted to about 440 persons. The Company's head office is located in Hillerstorp, Sweden.

www.troax.com

This information is information that Troax Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08.00 CET on 15 December 2016.

Adress / Address

Troax AB
Box 89
SE-330 33 Hillerstorp
Sweden

Telefon / Telephone

+46 (0)370 828 00
Fax
+46 (0)370 824 86

Org.nr / Reg.No.

556093-5719

Hemsida / Website

www.troax.com
E-mail
info@troax.com