



Hillerstorp 9th of February 2024, 12:30 CET

TROAX GROUP: YEAR-END REPORT JANUARY- DECEMBER 2023

OCTOBER – DECEMBER

- Order intake in the quarter decreased by 5 percent compared with the same period last year and amounted to 60,6 (63,6) MEUR. Adjusted for currency and acquisitions the decrease was 6 percent.
- Sales in the quarter increased by 2 percent compared with the same period last year and amounted to 66,6 (65,3) MEUR. Adjusted for currency and acquisitions sales increased by 1 percent.
- Operating profit before amortizations (EBITA) increased to 13,4 (11,1) MEUR.
- Operating margin before amortizations (EBITA margin) increased to 20,1 (17,0) percent.
- Financial net was -0,7 (-0,7) MEUR.
- Profit after tax increased to 8,9 (7,1) MEUR.
- Adjusted earnings per share after dilution amounted to 0,16 (0,13) EUR.¹
- Earnings per share after dilution amounted to 0,15 (0,12) EUR.

JANUARY - DECEMBER

- Order intake in the period decreased by 5 percent compared with the same period last year and amounted to 258,2 (272,7) MEUR. Adjusted for currency and acquisitions the decrease was 5 percent.
- Sales in the period decreased by 7 percent compared with the same period last year and amounted to 264,3 (284,1) MEUR. Adjusted for currency and acquisitions the decrease was 7 percent.
- Operating profit before amortizations (EBITA) increased to 51,9 (51,1) MEUR.
- Operating margin before amortizations (EBITA) increased to 19,6 (18,0) percent.
- Financial net was -2,6 (-1,4) MEUR.
- Profit after tax decreased to 35,8 (36,8) MEUR.
- Adjusted earnings per share after dilution amounted to 0,63 (0,64) EUR.¹
- Earnings per share after dilution amounted to 0,60 (0,61) EUR.
- The Board of Directors suggests a dividend of 0,34 (0,32) EUR per share.

TROAX GROUP FIGURES

MEUR	3 Months	3 Months	12 Months	12 Months	12 Months
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2023	2022	2023	2022	2021
Order intake	60,6	63,6	258,2	272,7	275,8
Sales	66,6	65,3	264,3	284,1	252,3
Gross profit	26,0	22,7	102,0	97,3	95,2
Gross margin, %	39,0	34,8	38,6	34,2	37,7
EBITA	13,4	11,1	51,9	51,1	53,4
EBITA margin, %	20,1	17,0	19,6	18,0	21,2
EBIT	12,9	10,5	50,0	49,6	52,4
EBIT margin, %	19,4	16,1	18,9	17,5	20,8
Profit after tax	8,9	7,1	35,8	36,8	39,7
EBITDA	16,2	13,8	62,2	61,2	62,3
EBITDA margin, %	24,3	21,1	23,5	21,5	24,7
Net debt / EBITDA			0,9	0,6	0,8
Adjusted earnings per share after dilution in EUR 1)	0,16	0,13	0,63	0,64	0,68
Closing rate SEK/EUR	11,49	11,12	11,49	11,12	10,22

¹ Earnings per share is calculated excluding amortizations which amounted to -0,5 (-0,6) in the quarter and -1,9 (-1,5) for the year 2023.



CEO COMMENTS

As previously reported, Troax's order intake stabilized during the third quarter. In the fourth quarter however, we experienced a further reduction in order intake, this is attributable to weaker order intake levels in our North American business as well as a negative impact in the Nordic region due to a reduction within the new construction sector. We also note that a number of customers are cautious and have postponed major investments until the interest rate situation is more favourable. Previously, we have also reported that the activity of our customers within automated warehousing is expected to slowly increase towards the end of 2024 or the beginning of 2025, we still believe this to be the case. In summary, most customer segments have continued stable positive development during the quarter with the exception of a weak development in North America within the automotive sector and a generally continued lower activity within the automated warehouse segment. The order intake from automotive in Europe was improved this quarter and more projects look like they will be commenced in the future. Commentators from various organisations claim that we are in a recession, therefore we continue to be prepared to act depending on how the economy develops going forward. The full year 2023 is characterized by reduced activity and orders within automated warehouses, but the group has compensated for this in terms of results, through cost reductions and focus on other areas.

From a geographical perspective, we note during the quarter a stable order intake in Continental Europe and New Markets compared to 2022. A smaller number of major projects in 2023 means that order intake in the UK is still lower than in 2022. Order intake was weak in the quarter also in North America and the Nordic region, where during this quarter we received fewer large project orders than usual. Overall for the fourth quarter, order intake is 6% lower than in 2022, when we exclude acquired companies and currency effects. For the whole of 2023, we show a reduction in order intake by 5%.

Sales are 1% higher than the previous year, which indicates a stable development without any major surprises during the quarter. For the full year, we report a decrease of 7%, excluding currency and acquisitions.

The gross margin has gradually improved during 2023 and is now at the level of the group's internal target of 39–40%. Behind this is the fact that purchasing costs of various kinds have been relatively stable and declining during the period (with the exception of energy costs) while the volumes, with the exception of North America, continued at approximately the planned level. Capacity reductions have continued mainly in North America and in Poland. The improved gross margin is achieved even though it is still negatively affected by lower volumes compared to 2022 and thus under-absorbed costs. In Poland, the last of our acquired factories in 2020 will be closed in March/April this year and operations will be moved to our new factory in Sroda outside Poznan.

The improved gross margin can also be seen in an improved EBITA margin, where, despite volume reductions in our factories, we have exceeded the margin for the same period last year. In absolute terms, EBITA is also higher than in 2022 and the EBITA margin has increased in the quarter from 17,0% to 20,1% in 2023, despite the volume reduction. For the full year 2023, the EBITA margin amounts to 19,6% compared to 18,0% for 2022.

The cash flow has remained strong during the fourth quarter and was positively affected by a stable result. However, we have increased debt in the period due to our major acquisition as of December 1st. Despite this acquisition, Troax has a stable financial situation and is still interested in making complementary acquisitions.

As of December 1st, we acquired Garantell AB, a Swedish-based company, mainly trading within the European market and which produces and sells shelves and anti-collapse systems for warehouses. The company has had good growth and development over several years and complements Troax in a positive way, both in terms of product and sales channel. Although we are currently in a recession for warehouse investments, we believe that this market will continue to grow long term, which is why we see this as an important and strategic investment. A pro forma for 2023, where Garantell is included throughout the financial year, would give the group a turnover of approximately EUR 294 million and an EBITA of approximately EUR 55 million or 19% in EBITA margin. The Garantell acquisition adds approximately 100 employees to the group.

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 9th of February 2024 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 45 countries. In 2023, Troax net sales amounted to 264 MEUR and the number of employees amounted to about 1 200 persons. The Company's head office is located in Hillerstorp, Sweden. www.troax.com