



Hillerstorp 29<sup>th</sup> of October 2024, 08:30 CET

## TROAX GROUP: INTERIM REPORT JANUARY- SEPTEMBER 2024

### JULY – SEPTEMBER

- Order intake in the quarter increased by 8 percent compared with the same period last year and amounted to 67,0 (62,3) MEUR. Adjusted for currency and acquisitions the order intake decreased by 1 percent.
- Sales in the quarter increased by 12 percent compared with the same period last year and amounted to 69,0 (61,4) MEUR. Adjusted for currency and acquisitions sales increased by 2 percent.
- Operating profit before amortizations (EBITA) increased to 13,6 (12,8) MEUR.
- Operating margin before amortizations (EBITA margin) decreased to 19,7 (20,8) percent.
- Financial net was -1,1 (-0,7) MEUR.
- Profit after tax was unchanged at 8,9 (8,9) MEUR.
- Adjusted earnings per share after dilution amounted to 0,16 (0,16) EUR.
- Earnings per share after dilution amounted to 0,15 (0,15) EUR.

### JANUARY - SEPTEMBER

- Order intake in the period increased by 6 percent compared with the same period last year and amounted to 208,9 (197,6) MEUR. Adjusted for currency and acquisitions the order intake decreased by 4 percent.
- Sales in the period increased by 7 percent compared with the same period last year and amounted to 211,8 (197,7) MEUR. Adjusted for currency and acquisitions sales decreased by 3 percent.
- Operating profit before amortizations (EBITA) decreased to 36,7 (38,5) MEUR.
- Operating margin before amortizations (EBITA margin) decreased to 17,3 (19,5) percent.
- Financial net was -3,9 (-1,9) MEUR.
- Profit after tax decreased to 23,1 (26,9) MEUR.
- Adjusted earnings per share after dilution amounted to 0,42 (0,47) EUR.
- Earnings per share after dilution amounted to 0,39 (0,45) EUR.

### TROAX GROUP FIGURES

MEUR	3 Months	3 Months	9 Months	9 Months	12 Months	12 Months	12 Months
	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023	Jan-Dec 2022	Oct-Sep 2023/2024
Order intake	67,0	62,3	208,9	197,6	258,2	272,7	269,5
Sales	69,0	61,4	211,8	197,7	264,3	284,1	278,4
Gross profit	27,1	24,4	80,0	76,0	102,0	97,3	106,0
Gross margin, %	39,3	39,7	37,8	38,4	38,6	34,2	38,1
EBITA	13,6	12,8	36,7	38,5	51,9	51,1	50,1
EBITA margin, %	19,7	20,8	17,3	19,5	19,6	18,0	18,0
EBIT	12,9	12,3	34,5	37,1	50,0	49,6	47,4
EBIT margin, %	18,7	20,0	16,3	18,8	18,9	17,5	17,0
Profit after tax	8,9	8,9	23,1	26,9	35,8	36,8	32,0
EBITDA	16,6	15,4	45,5	46,0	62,2	61,2	61,7
EBITDA margin, %	24,1	25,1	21,5	23,3	23,5	21,5	22,2
Net debt / EBITDA					0,9	0,6	
Adjusted earnings per share after dilution in EUR	0,16	0,16	0,42	0,47	0,63	0,64	0,58



## COMMENTS FROM THE PRESIDENT AND CEO

In conclusion, I am satisfied with the third quarter, also my first full quarter as President and CEO of Troax Group. It has been an interesting and eventful quarter, where we worked intensively on defining our future strategic direction and at the same time focused on delivering 'here and now'. Our sales grew by 12%, our profit increased by 6% (EBITA) and we delivered a strong cash flow.

Among many things during the quarter, we have made a strategic decision to invest in our operations in North America to increase capacity and efficiency. The work to detail the plan is now in full swing and we aim to complete the investment and ramp up production in 2026. We have also officially opened our new factory in China which will be an important piece of the puzzle in growing our business in Asia profitably.

### **Growth in orders, invoicing and profit despite subdued market demand**

Demand continued to develop similarly to the second quarter, with a mixed demand picture between markets and end-customer segments. Troax Group grew order intake by 8% in the third quarter, where organic order intake was -1%. The development continued positively in all market regions except Northern Europe, where the markets continue to be more challenging specifically within the warehouse and construction segments. We noted a couple of breakthrough orders in North America within Active Safety, which is strategically important and very pleasing. We also noticed a general increase in activity around automated warehousing which gives us some confidence for 2025 and 2026. Garantell, our latest acquisition, continued to gain market share in a weak demand market in Northern Europe.

We continue to be impacted by several uncertainties such as political elections and macroeconomic factors. Despite these factors our sales grew by 12%, of which 2% organically, at the same time as we faced some operational challenges related to the summer weather and floods. It is positive to see both North America and Asia grow in the third quarter.

On the cost side, the development continued with stable input costs and the gross margin was similar to the second quarter, in line with our internal target. The work to continuously improve our cost and capital efficiency progressed well. We continue to be affected by the relatively low manufacturing volumes that generate under-absorption in our factories. Our selling and administrative expenses have been in line with our plan and we have carried out a major review before 2025 with the aim of gradually increasing our efficiency.

Overall, our EBITA margin was 19.7% in the third quarter. Our comparable EBITA margin, i.e. excluding our latest acquisition Garantell, was 20.3%, a level that I think is good given the market conditions (20.8% Q3 2023).

### **Strong operational cash flow and continued reduction in net debt**

In the third quarter, we delivered strong operating cash flow, and our net debt to EBITDA ratio continued to decrease to 0.9. Overall, the group has a stable and strong financial position which gives us opportunities to continue investing in profitable organic and acquired growth.

### **Last, but not least**

The third quarter, now behind us, becomes history with a mixed demand picture where we saw subdued demand in Northern Europe while other regions developed more positively. We have made good progress in articulating the strategic path forward and we will tirelessly continue to work for our customers' safety in everyday life - just as we have done for almost 70 years.

In the third quarter, Troax Group demonstrated that we are a well-positioned, resilient and growing company, and we will continue to focus on delivering profitable growth and shareholder value. In the long term, our strong market position, ability to execute the strategy, as well as our flexible, fast way of working give us a unique position to improve customer safety while continuing our profitable growth journey!

Thank you for your continued trust in the team at Troax Group,  
**Martin Nyström, President and CEO**



## TEAMS WEBINAR

Invitation to presentation of the latest quarter result:

Martin Nyström, CEO, and Anders Eklöf, CFO, will present the results at a Teams webinar on the 29th of October 2024 at 12:30 CET. The conference will be held in English. For more information, please refer to

<https://www.troax.com/investors/press-releases/>

### For additional information, please contact:

#### **Martin Nyström**

President and CEO

[martin.nystrom@troax.com](mailto:martin.nystrom@troax.com)

Tel: +46 370 828 31

#### **Anders Eklöf**

CFO

[anders.eklof@troax.com](mailto:anders.eklof@troax.com)

Tel +46 370 828 25

*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 08:30 CET on the 29<sup>th</sup> of October 2024.*

## 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.*

[www.troax.com](http://www.troax.com)