

Trox Group AB (publ)
Hillerstorp, the 29^h of October 2024

A large, solid blue rectangular area occupies the lower half of the page. Inside this area, the word "HIGHLIGHTS" is written in a large, bold, maroon-colored, sans-serif font. The word is repeated four times, stacked vertically, with the second and fourth instances being mirrored (read from right to left).

HIGHLIGHTS
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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 for 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 1 200 people. Our headquarters are located in Hillerstorp, Sweden. In 2023, Troax net sales amounted to 264 MEUR.

Stay safe with Troax, today and tomorrow.

troax.com

troaxgroup.org

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

	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
MEUR	2024	2023	2024	2023	2023	2022	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

THE GROUP SUMMARY

JULY – SEPTEMBER

The total order intake amounted to 67,0 (62,3) MEUR, an increase by 8 percent compared with the corresponding period last year. Adjusted for currency and acquisitions the order intake decreased by 1 percent. North America and New Markets increased their order intake during the period compared with the corresponding period last year whereas the other markets decreased their order intake.

Sales amounted to 69,0 (61,4) MEUR, an increase of 12 percent compared with the corresponding period last year. Adjusted for currency and acquisitions, sales increased by 2 percent. Continental Europe, United Kingdom and New Markets increased their sales during the period compared with the corresponding period last year whereas the other markets decreased their sales.

Operating profit before amortizations (EBITA) amounted to 13,6 (12,8) MEUR, corresponding to an EBITA margin of 19,7 (20,8) percent.

JANUARY – SEPTEMBER

The total order intake amounted to 208,9 (197,6) MEUR, an increase by 6 percent compared with the corresponding period last year. Adjusted for currency and acquisitions the order intake decreased by 4 percent. United Kingdom and New Markets increased their order intake during the period compared with the corresponding period last year whereas the other markets decreased their order intake.

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Operating profit before amortizations (EBITA) amounted to 36,7 (38,5) MEUR, corresponding to an EBITA margin of 17,3 (19,5) percent.

FINANCIAL NET

During the third quarter of 2024, financial net amounted to -1,1 (-0,7) MEUR and to -3,9 (-1,9) for the first nine months of the year.

TAXES

The tax expense was -2,9 (-2,7) MEUR for the third quarter of 2024 and was -7,5 (-8,3) for the first nine months of 2024.

NET RESULT

Net result for the third quarter 2024 amounted to 8,9 (8,9) MEUR and to 23,1 (26,9) for the first nine months of 2024.

CASH FLOW, WORKING CAPITAL AND NET DEBT

Cash flow from operating activities was 13,7 (12,5) MEUR for the third quarter 2024 and was 28,0 (34,9) for the first nine months of 2024. Net debt by the end of the period was 56,8 (29,4) MEUR. Net debt in relation to the 12-month rolling EBITDA was 0,9 (0,5) to be compared with the company's financial target of less than 2,5.

INVESTMENTS

During the third quarter of 2024, investments were 4,8 (1,6) MEUR and were 9,0 (5,9) for the first nine months of 2024. The investments mainly relates to machinery in Sweden and the acquisition of shares in subsidiaries.

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 2023/2024
	Jul-Sep 2024	Jul-Sep 2023	Diff	Jan-Sep 2024	Jan-Sep 2023	Diff	Jan-Dec 2023	Jan-Dec 2022	Diff	
Continental Europe	29,9	31,5	-5%	96,5	100,9	-4%	132,5	135,1	-2%	128,1
Nordic region	6,0	7,7	-22%	22,7	29,8	-24%	37,8	41,4	-9%	30,7
United Kingdom	6,9	7,0	-1%	21,7	19,9	9%	25,0	30,9	-19%	26,8
North America	12,9	11,5	12%	32,4	33,0	-2%	40,7	45,2	-10%	40,1
New Markets	6,1	4,6	33%	17,3	14,0	24%	22,3	20,1	11%	25,6
Total excl Currency	61,8	62,3	-1%	190,6	197,6	-4%	258,3	272,7	-5%	251,3
Currency effect	0,2	0,0	0%	0,4	0,0	0%	-4,8	0,0	-2%	-4,4
Order intake acquisitions	5,0	0,0	8%	17,9	0,0	9%	4,7	0,0	2%	22,6
Total Order intake	67,0	62,3	8%	208,9	197,6	6%	258,2	272,7	-5%	269,5
Total Sales MEUR	3 Months			9 Months			12 Months			12 Months Oct-Sep 2023/2024
	Jul-Sep 2024	Jul-Sep 2023	Diff	Jan-Sep 2024	Jan-Sep 2023	Diff	Jan-Dec 2023	Jan-Dec 2022	Diff	
Continental Europe	33,4	31,0	8%	99,9	97,0	3%	131,4	143,3	-8%	134,3
Nordic region	6,5	8,4	-23%	23,4	30,1	-22%	40,2	38,4	5%	33,5
United Kingdom	6,6	6,2	6%	19,8	19,2	3%	24,6	34,7	-29%	25,2
North America	9,8	10,5	-7%	30,6	36,6	-16%	46,6	49,4	-6%	40,6
New Markets	6,4	5,3	21%	18,9	14,8	28%	21,8	18,3	19%	25,9
Total excl Currency	62,7	61,4	2%	192,6	197,7	-3%	264,6	284,1	-7%	259,5
Currency effect	0,2	0,0	0%	0,4	0,0	0%	-4,9	0,0	-2%	-4,5
Sales acquisitions	6,1	0,0	10%	18,8	0,0	10%	4,6	0,0	2%	23,4
Total Sales	69,0	61,4	12%	211,8	197,7	7%	264,3	284,1	-7%	278,4

THE GROUP - SUMMARY

INCOME STATEMENT

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
Sales	69,0	61,4	211,8	197,7	264,3	284,1	278,4
Cost of goods sold	-41,9	-37,0	-131,8	-121,7	-162,3	-186,8	-172,4
Gross profit	27,1	24,4	80,0	76,0	102,0	97,3	106,0
Sales expenses	-9,3	-7,7	-29,9	-24,5	-33,4	-30,5	-38,8
Administrative expenses	-4,5	-3,8	-13,8	-12,3	-16,9	-15,9	-18,4
Other operating income and expenses	0,3	-0,1	0,4	-0,7	0,2	0,2	1,3
Operating profit before Amortizations (EBITA)	13,6	12,8	36,7	38,5	51,9	51,1	50,1
Amortization	-0,7	-0,5	-2,2	-1,4	-1,9	-1,5	-2,7
Operating profit (EBIT)	12,9	12,3	34,5	37,1	50,0	49,6	47,4
Financial income and expenses	-1,1	-0,7	-3,9	-1,9	-2,6	-1,4	-4,6
Result after financial expenses	11,8	11,6	30,6	35,2	47,4	48,2	42,8
Taxes	-2,9	-2,7	-7,5	-8,3	-11,6	-11,4	-10,8
Net result for the period	8,9	8,9	23,1	26,9	35,8	36,8	32,0
Earnings per share before / after dilution	0,15 €	0,15 €	0,39 €	0,45 €	0,60 €	0,61 €	0,53 €
Adjusted earnings per share before / after dilution	0,16 €	0,16 €	0,42 €	0,47 €	0,63 €	0,64 €	0,58 €
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 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023	Jan-Dec 2022	Oct-Sep 2023/2024
Net result for the period	8,9	8,9	23,1	26,9	35,8	36,8	32,0
Other comprehensive income:							
Items that may be reclassified to the income statement							
Translation differences	0,0	2,6	-1,1	-2,5	0,9	-7,8	2,3
Tax related to items that may be reclassified	0,0	0,0	0,0	0,0	0,0	0,0	0,0
	0,0	2,6	-1,1	-2,5	0,9	-7,8	2,3
Items that will not be reclassified to the income statement							
Actuarial gains and losses on defined-benefit pension (c)	0,0	0,0	0,0	0,0	-0,2	1,3	-0,2
Tax related to items that may be reclassified	0,0	0,0	0,0	0,0	0,0	-0,2	0,0
	0,0	0,0	0,0	0,0	-0,2	1,1	-0,2
Other comprehensive income, net of tax	0,0	2,6	-1,1	-2,5	0,7	-6,7	2,1
Total comprehensive income for the period	8,9	11,5	22,0	24,4	36,5	30,1	34,1

EBITDA	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
Operating result (EBIT)	12,9	12,3	34,5	37,1	50,0	49,6	47,4
Amortizations	0,7	0,5	2,2	1,4	1,9	1,5	2,7
Adjusted operating result (EBITA)	13,6	12,8	36,7	38,5	51,9	51,1	50,1
Depreciations	3,0	2,6	8,8	7,5	10,3	10,1	11,6
EBITDA	16,6	15,4	45,5	46,0	62,2	61,2	61,7

STATEMENT OF FINANCIAL POSITION

	2024	2023	2023	2022
MEUR	30-sep	30-sep	31-dec	31-dec
Assets				
Intangible assets	116,9	95,7	115,2	98,6
Tangible assets	79,1	59,1	82,1	60,0
Financial fixed assets	10,3	6,1	6,9	6,3
Total fixed assets	206,3	160,9	204,2	164,9
Inventories	29,0	28,0	30,8	32,3
Current receivables	59,9	58,1	55,9	55,4
Cash and cash equivalents	23,8	33,9	33,2	37,5
Total current assets	112,7	120,0	119,9	125,2
TOTAL ASSETS	319,0	280,9	324,1	290,1
Equity and liabilities				
Equity	172,2	160,2	172,3	154,9
Long-term liabilities	99,3	76,9	99,2	89,4
Current liabilities	47,5	43,8	52,6	45,8
TOTAL EQUITY AND LIABILITIES	319,0	280,9	324,1	290,1
Net debt	56,8	29,4	53,4	38,2

STATEMENT OF CHANGES IN EQUITY ATTRIBUTA TO THE PARENT COMPANY'S SHAREHOLDERS	2024	2023	2023	2022
	30-sep	30-sep	31-dec	31-dec
Opening balance	172,3	154,9	154,9	142,6
Dividends	-20,3	-19,3	-19,3	-18,0
Received option premiums	0,2	0,2	0,2	0,2
Re-purchase of shares	-2,0	0,0	0,0	0,0
Total comprehensive income for the period	22,0	24,4	36,5	30,1
Closing balance	172,2	160,2	172,3	154,9

CASH FLOW STATEMENT

	3 Months	3 Months	9 Months	9 Months	12 Months	12 Months
MEUR	2024	2023	2024	2023	2023	2022
	30-sep	30-sep	30-sep	30-sep	31-dec	31-dec
Operating profit before Amortizations (EBITA)	13,6	12,8	36,7	38,5	51,9	51,1
Depreciations, interest received and paid, tax paid and	-0,9	-0,1	-1,5	-3,2	-9,4	-6,8
Changes in working capital	1,0	-0,2	-7,2	-0,4	7,8	5,6
Cash flow from operating activities	13,7	12,5	28,0	34,9	50,3	49,9
Investments	-4,8	-1,6	-9,0	-5,9	-41,1	-14,4
Cash flow after investing activities	8,9	10,9	19,0	29,0	9,2	35,5
Financing activities	-1,1	-1,1	-28,4	-32,6	-13,7	-32,5
Cash flow for the period	7,8	9,8	-9,4	-3,6	-4,5	3,0
Cash and cash equivalents at the start of the period	16,0	24,1	33,2	37,5	37,5	35,2
Translation difference in cash and cash equivalents	0,0	0,0	0,0	0,0	0,2	-0,7
Cash and cash equivalents at the end of the period	23,8	33,9	23,8	33,9	33,2	37,5

PARENT COMPANY– SUMMARY

INCOME STATEMENT	3 Months	3 Months	9 Months	9 Months	12 Months	12 Months
	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023	Jan-Dec 2022
MEUR						
Sales	0,3	0,3	0,8	0,8	1,0	0,9
Cost of goods sold	0,0	0,0	0,0	0,0	0,0	0,0
Gross profit	0,3	0,3	0,8	0,8	1,0	0,9
Administrative expenses	-0,9	-0,7	-3,0	-2,7	-3,7	-2,2
Other operating income and expenses	0,1	-0,1	-0,1	0,0	0,1	-0,3
Operating profit before Amortizations (EBITA)	-0,5	-0,5	-2,3	-1,9	-2,6	-1,6
Financial income and expenses	-1,5	0,6	-1,7	24,8	29,7	28,0
Result after financial expenses	-2,0	0,1	-4,0	22,9	27,1	26,4
Year-end appropriations	0,0	0,0	0,0	0,0	0,6	1,3
Profit before tax	-2,0	0,1	-4,0	22,9	27,7	27,7
Taxes	0,4	0,0	0,8	0,4	-0,6	-3,4
Net result for the period	-1,6	0,1	-3,2	23,3	27,1	24,3

STATEMENT OF COMPREHENSIVE INCOME

Net result for the period	-1,6	0,1	-3,2	23,3	27,1	24,3
Other comprehensive income, net of tax	0,0	0,0	0,0	0,0	0,0	0,0
Total comprehensive income for the period	-1,6	0,1	-3,2	23,3	27,1	24,3

STATEMENT OF FINANCIAL POSITION

MEUR	30-sep	30-sep	31-dec	31-dec
	2024	2023	2023	2022
Assets				
Shares in subsidiaries	87,7	87,7	87,7	87,7
Receivables to subsidiaries	23,3	24,6	23,6	24,4
Other long-term receivables	0,8	0,8	0,8	0,8
Total fixed assets	111,8	113,1	112,1	112,9
Receivables to subsidiaries	0,0	0,0	18,6	5,4
Current receivables	0,8	0,0	2,6	0,0
Cash and cash equivalents	0,0	7,2	11,2	9,8
Total current assets	0,8	7,2	32,4	15,2
TOTAL ASSETS	112,6	120,3	144,5	128,1
Equity and liabilities				
Equity	28,2	49,8	53,5	45,6
Untaxed reserves	5,1	5,7	5,1	5,7
Long-term liabilities	70,9	50,0	70,9	60,7
Current liabilities	8,4	14,8	15,0	16,1
TOTAL EQUITY AND LIABILITIES	112,6	120,3	144,5	128,1

CASH FLOW STATEMENT

MEUR	3 Months	3 Months	9 Months	9 Months	12 Months	12 Months
	2024	2023	2024	2023	2023	2022
	30-sep	30-sep	30-sep	30-sep	31-dec	31-dec
Operating profit before financial items	-0,5	-0,5	-2,3	-1,9	-2,6	-1,6
Interest paid and received, taxes, adjustments	-1,3	-0,5	-1,8	23,5	20,5	23,5
Change in working capital	1,5	-0,5	15,2	5,1	-7,2	3,1
Cash flow from continuing operations	-0,3	-1,5	11,1	26,7	10,7	25,0
Investments	0,0	0,0	0,0	0,0	0,0	0,0
Cash flow from investment activities	-0,3	-1,5	11,1	26,7	10,7	25,0
Cash flow from financing activities	0,0	0,0	-22,3	-29,3	-9,3	-28,0
Cash flow for the period	-0,3	-1,5	-11,2	-2,6	1,4	-3,0
Cash and cash equivalents at the beginning of the period	0,3	8,7	11,2	9,8	9,8	12,8
Translation difference	0,0	0,0	0,0	0,0	0,0	0,0
Cash and cash equivalents at the end of the period	0,0	7,2	0,0	7,2	11,2	9,8

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 (EBITA) 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 2023 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 MEUR	3 Months			6 Months			12 Months		
	Jul-Sep 2024	Jul-Sep 2023	Diff	Jan-Sep 2024	Jan-Sep 2023	Diff	Jan-Dec 2023	Jan-Dec 2022	Diff
Organic sales / growth	62,7	61,4	2%	192,6	197,7	-3%	264,6	284,1	-7%
Currency effect	0,2	0,0	0%	0,4	0,0	0%	-4,9	0,0	-2%
Sales from acquisitions	6,1	0,0	10%	18,8	0,0	10%	4,6	0,0	2%
Total Sales	69,0	61,4	12%	211,8	197,7	7%	264,3	284,1	-7%

Operating profit before amortizations (EBITA)

Earnings before interest, tax, depreciation on acquisition-related intangible fixed assets, acquisition-related costs and income and items affecting comparability.

Adjusted earnings per share after dilution

Profit after tax excluding amortizations of fixed assets related to surplus values from acquisitions, acquisition-related costs and income and items affecting comparability in relation to the weighted average number of outstanding shares. None of the group's outstanding call option programs are deemed to result in significant future dilution.

OTHER INFORMATION (CONT.)

Net debt / EBITDA

Troax' definition of net debt is the sum of interest-bearing liabilities (including leasing liabilities according to IFRS 16 but excluding pension liabilities) less cash and cash equivalents. 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	30-sep 2024	30-sep 2023		31-dec 2023	31-dec 2022
Short term loans	1,0	0,0		4,0	0,0
Long term loans	70,0	50,0		70,0	60,0
Liabilities for leases (IFRS 16)	9,7	13,3		12,6	15,8
Total debt	80,7	63,3		86,6	75,8
cash	23,9	33,9		33,2	37,5
Net debt incl IFRS 16	56,8	29,4		53,4	38,3
12 month rolling EBITDA incl IFRS 16	60,4	59,8		61,2	61,2
Net debt / EBITDA incl IFRS 16	0,9	0,5		0,9	0,6
Net debt excl IFRS 16	47,1	16,1		40,8	22,5
12 month rolling EBITDA excl IFRS 16	57,4	55,0		57,8	56,3
Net debt / EBITDA excl IFRS 16	0,8	0,3		0,7	0,4

RISKS AND RISK MANAGEMENT

Exposure to risks is a natural part of business operations and this reflects Troax' 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 2023.

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 2023. At the Annual General Meeting for 2024, 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 2024, in which 91 765 options were subscribed for at the option premium of SEK 21:50 SEK and at a subscription price amounting to 281:22 SEK per share.

RE-PURCHASE OF SHARES

As of the 30th of September, 2024, Troax Group AB (publ) owned 154,668 own shares.

EMPLOYEES

At the end of the period the Group had 1 217 (1 103) employees.

OTHER EVENTS AFTER THE QUARTER

There is no significant information to report after the quarter.

DEVELOPMENT IN THE PARENT COMPANY

There is no significant information to report for the quarter.

AUDIT

This report has been comprehensively reviewed by the auditors.

OTHER INFORMATION (CONT.)

NEXT REPORTS

Year-end report Q4 2024, 7th of February 2025
Interim report Q1 2025, 23rd of April 2025
Interim report Q2 2025, 18th of July 2025
Interim report Q3 2025, 29th of October 2025
Year-end report Q4 2025, 5th of February 2026

ELECTION COMMITTEE

Based on shareholder statistics as of August 31, 2024, the following nomination committee has been appointed:

Ossian Ekdahl (chairman) – Investmentaktiebolaget Latour
Pär Andersson – Spiltan Fonder
Christian Lindström – SEB Asset 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 Ossian Ekdahl, Box 89, 335 04 Hillerstorp, Sweden.

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/>

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Troax Group AB (publ)
Hillerstorp, 29th of October 2024

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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 08:30 CET on the 29th of October 2024.



Auditor's report

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

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Introduction

We have reviewed the condensed interim financial information (interim report) of Troax Group (publ) as of 30 September 2024 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, 29 October 2024

Öhrlings PricewaterhouseCoopers AB

Johan Palmgren
Authorized Public Accountant