

INTERIM REPORT JANUARY – MARCH 2016

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- Order intake increased by 12 per cent, 29,1 (25,9) MEUR, or 11 per cent adjusted for acquisition and currency.
- Sales increased 9 per cent to 26,8 (24,7) MEUR, or 7 per cent adjusted for acquisition and currency.
- Operating profit decreased to 4,7 (5,0) MEUR
- Operating margin decreased to 17,5 (20,2) per cent.
- Adjusted operating profit decreased to 4,7 (5,0) MEUR.
- Adjusted operating margin decreased to 17,5 (20,2) per cent, after planned higher market investments and implementation cost for new paint line.
- Earnings per share was 0,14 (0,15) EUR.

TROAX GROUP FIGURES

MEUR	3 Months	3 Months	12 Months	12 Months	12 Months	12 Months
	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015	Jan-Dec 2014	1.) Jan-Dec 2014	Apr-Mar 2015/16
Order intake	29,1	25,9	104,4	85,8	96,5	107,6
Sales	26,8	24,7	103,7	84,5	91,2	105,8
Gross profit	10,9	10,3	44,6	34,6	38,3	45,2
Gross margin, %	40,7	41,7	43,0	40,9	42,0	42,7
Operating profit	4,7	5,0	22,4	13,8	14,9	22,1
Operating margin, %	17,5	20,2	21,6	16,3	16,3	20,9
Adjusted operating profit	4,7	5,0	22,4	15,0	16,3	22,1
Adjusted operating margin, %	17,5	20,2	21,6	17,8	17,9	20,9
Profit after tax	2,8	2,9	13,7	8,7	8,7	13,6
Adjusted EBITDA	5,3	5,6	24,6	17,3	18,6	24,3
Adjusted EBITDA margin, %	19,8	22,7	23,7	20,5	20,4	23,0
Earnings per share after dilution in €	0,14	0,15	0,69	0,44	0,28	0,68
Closing rate SEK/EUR	9,23	9,29	9,14	9,52	9,52	9,23
Earnings per share after dilution in SEK. 2.)	1,29	1,35	6,26	4,14	2,66	6,28

1.) The 2014 Column includes Satech figures, as if the acquisition was completed 1st January 2014.

2.) Earnings per share after dilution in SEK, is calculated based on result in Euro and Closing rate SEK/EUR.

CEO COMMENTS

During the first Quarter 2016, Troax showed an increased strength in the development of the orders received. This increased by 12 per cent (11 per cent excluding currency and acquisitions). This is considered to be above market development for the first quarter. All regions, except UK, have increased compared with the same quarter last year. The improvement is especially positive in New markets and can be derived from good development in North America and China. Positive in that we now have the highest order book ever, thanks to the good order intake.

Sales invoiced increased in the quarter by 9 per cent, compared with the same period last year (excluding acquisition and currency the increase is 7 per cent). The development was especially positive for New Market, but also Continental Europe saw good figures. Totally, the Group has increased to a turnover level of approximately 106 MEUR on a rolling 12 months basis.

The result development has been slightly negative during the quarter compared with last year. The deviation is mainly explained by planned market investments in New Markets but also in extra costs connected with the implementation of the new paint line (0,4 MEUR in quarter one). This new line is expected to be running as planned during quarter 2, when these costs are expected to decrease step by step. We may conclude that the new line is running well. The extra costs are mainly explained by planned expenditure in connection with startup and corrective adjustments.

We have not had any major currency effect in the result this quarter (-0,1), last year the effect was +0,4. The operating result therefore becomes 4,7 (5,0) MEUR, which corresponds to a profit margin of 17,5 per cent to be compared with 20,2 per cent last year.

The result per share, after the first quarter is 0,14 euro to be compared with 0,15 euro last year.

The Working Capital has somewhat increased during the quarter, with a certain increase of the receivables due to the good invoicing level. We have also a greater amount than usual in work in progress (WIP), as we increase work on projects for customers, not yet ready for invoicing. We have continued with good cash generation during the quarter and the net debt is now 44,3 MEUR, a decrease of 1,7 MEUR in the quarter.

Thomas Widstrand, President and CEO

THE GROUP SUMMARY

JANUARY - MARCH

Total Order intake increased during first quarter. Order intake amounted to 29,1 (25,9) MEUR and was higher than sales. During the period, order intake increased by 12 per cent, adjusted for acquisition and currency the increase was 11 per cent. All market except United Kingdom increased their order intake.

Net sales amounted to 26,8 (24,7) MEUR, an increase of 9 per cent, or 7 per cent adjusted for acquisitions and currency. As regards geographical development, Continental Europe and New Markets developed well.

Adjusted operating result amounted to 4,7 (5,0) MEUR, corresponding to an operating margin of 17,5 (20,2) per cent. The decrease in result is mainly explained by higher cost for implementation of new paint line, increased investments in market and a negative effect on currency.

FINANCIAL NET

The group financial net was -0,9 (-1,0) MEUR in the quarter. The reduction is explained by the amortization of 10 MEUR to the bondholder in June 2015.

TAXES

Taxes decreased to 1,0 (1,1) MEUR in the quarter. The decrease is mainly due to lower result before tax.

NET RESULT

Net result for the quarter amounted to 2,8 (2,9) MEUR. The decrease is related to higher cost for implementing new paint line and higher investments in market. During the first quarter last year Troax had a positive currency effect of 0,4 MEUR compared to a loss -0,1 MEUR in Q1 2016.

CASH FLOW, WORKING CAPITAL AND NET DEBT

Cash flow from operating activities was 2,0 (2,9) MEUR. Net debt was 44,3 (51,3) MEUR at the end of the period. Net debt to EBITDA was 1,8 to be compared with the company's financial targets less 2,5.

INVESTMENTS

In the quarter Troax invested 0,4 (1,2) MEUR. The decrease is primarily due to the investment of the new paint line in Hillerstorp last year, which will improve production efficiency and capacity.

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

New Markets – rest of the world including all distributors directly connected to Sweden.

Order intake MEUR	3 Months			12 Months			12 Months		
	Jan-Mar 2016	Jan-Mar 2015	Diff	Jan-Dec 2015	1.) Jan-Dec 2014	Diff	Apr-Mar 2015/16	Jan-Dec 2015	Diff
Continental Europe	15,4	13,9	11%	56,2	52,9	6%	57,7	56,2	3%
Nordic region	4,9	4,8	2%	21,3	18,8	13%	21,4	21,3	0%
United Kingdom	4,4	4,6	-4%	17,4	15,3	14%	17,2	17,4	-1%
New Markets	3,8	2,6	46%	9,5	5,6	70%	10,7	9,5	13%
Order intake excl Acquisitions	28,5	25,9	10%				107,0	104,4	2%
Acquisitions	0,6	0,0					0,6	0,0	
Total Order intake	29,1	25,9	12%	104,4	92,6	13%	107,6	104,4	3%

Total Sales MEUR	3 Months			12 Months			12 Months		
	Jan-Mar 2016	Jan-Mar 2015	Diff	Jan-Dec 2015	1.) Jan-Dec 2014	Diff	Apr-Mar 2015/16	Jan-Dec 2015	Diff
Continental Europe	15,0	13,9	8%	56,0	52,3	7%	57,1	56,0	2%
Nordic region	4,6	4,6	0%	20,9	17,6	19%	20,9	20,9	0%
United Kingdom	4,1	4,2	-2%	17,4	15,5	12%	17,3	17,4	-1%
New Markets	2,5	2,0	25%	9,4	5,7	65%	9,9	9,4	5%
Sales excl. Acquisitions	26,2	24,7	6%				105,2	103,7	1%
Acquisitions	0,6	0,0					0,6	0,0	
Total Sales	26,8	24,7	9%	103,7	91,1	14%	105,8	103,7	2%

1.) Column 2014 includes Satech figures as if the acquisition was completed 1st January 2014.

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 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 103 MEUR and the number of employees amounted to about 440 persons. The Company's head office is located in Hillerstorp, Sweden. www.troax.com

THE GROUP - SUMMARY

MEUR	3 Months	3 Months	12 Months	12 Months	12 Months
	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015	Jan-Dec 2014	1.) Jan-Dec 2014
Sales	26,8	24,7	103,7	84,5	91,2
Cost of goods sold	-15,9	-14,4	-59,1	-49,9	-52,9
Gross profit	10,9	10,3	44,6	34,6	38,3
Sales expenses	-4,5	-4,1	-17,0	-14,6	-15,5
Administrative expenses	-1,6	-1,6	-6,3	-5,9	-7,6
Other operating income and expenses	-0,1	0,4	1,1	-0,3	-0,3
Operating profit	4,7	5,0	22,4	13,8	14,9
Financial income and expenses	-0,9	-1,0	-4,1	-3,5	-4,4
Result after financial expenses	3,8	4,0	18,3	10,3	10,5
Taxes	-1,0	-1,1	-4,6	-1,6	-1,8
Net result for the period	2,8	2,9	13,7	8,7	8,7
Earnings per share before dilution	0,14 €	2,32 €	0,88 €	5,94 €	5,94 €
Number of shares after dilution in thousands	20 000	946	15 510	929	929
Earnings per share after dilution	0,14 €	0,15 €	0,69 €	0,44 €	0,44 €
Number of shares after dilution in thousands	20 000	20 000	20 000	20 000	20 000

Number of shares increased to total 20 million in connection with the IPO, 27th of March 2015.

STATEMENT OF COMPREHENSIVE INCOME

	3 Months	3 Months	12 Months	12 Months	12 Months
	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015	Jan-Dec 2014	1.) Jan-Dec 2014
Net result for the period	2,8	2,9	13,7	8,7	8,7
Other comprehensive income:					
Items that may be reclassified to the income statement					
Translation differences	-0,7	2,1	2,9	-4,7	-4,7
Tax related to items that may be reclassified	0,0	0,0	0,0	0,0	0,0
	-0,7	2,1	2,9	-4,7	-4,7
Items that will not be reclassified to the income statement					
Actuarial gains and losses on defined-benefit pension commitment	0,0	0,0	0,2	-0,6	-0,6
Tax related to items that may be reclassified	0,0	0,0	0,0	0,1	0,1
	0,0	0,0	0,2	-0,5	-0,5
Other comprehensive income, net of tax	-0,7	2,1	3,1	-5,2	-5,2
Total comprehensive income for the period	2,1	5,0	16,8	3,5	3,5
Adjusted operating result					
Operating result	4,7	5,0	22,4	13,8	14,9
Extra ordinary cost in connection with Acquisitions	0,0	0,0	0,0	0,4	0,4
Extra ordinary cost in connection with IPO	0,0	0,0	0,0	1,0	1,0
Extra ordinary cost in connection capital gain property	0,0	0,0	0,0	-0,2	-0,2
Extra ordinary cost Satech Jan-June 2014	0,0	0,0	0,0	0,0	0,2
	0,0	0,0	0,0	1,2	1,4
Adjusted operating result	4,7	5,0	22,4	15,0	16,3

1.) The 2014 Column includes Satech figures, as if the acquisition was completed 1st January 2014.

STATEMENT OF FINANCIAL POSITION

MEUR	2016 31-mar	2015 31-mar	2015 31-dec	2014 31-dec
Assets				
Intangible assets	82,9	82,1	83,6	80,7
Tangible assets	18,1	16,3	18,4	15,6
Financial fixed assets	0,5	0,9	0,5	0,4
Total fixed assets	101,5	99,3	102,5	96,7
Inventories	8,3	7,0	8,0	6,5
Current receivables	22,7	21,5	22,5	20,0
Cash and cash equivalents	12,4	14,8	11,1	13,2
Total current assets	43,4	43,3	41,6	39,7
TOTAL ASSETS	144,9	142,6	144,1	136,4
Equity and liabilities				
Equity	62,1	48,2	60,0	43,2
Long-term liabilities	64,5	72,9	64,5	73,2
Current liabilities	18,3	21,5	19,6	20,0
TOTAL EQUITY AND LIABILITIES	144,9	142,6	144,1	136,4
Net debt = Loan (Bond) less cash and equivalents	44,3	51,3	45,5	53,4

STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE PARENT COMPANY'S SHAREHOLDERS

Opening balance	60,0	43,2	43,2	45,9
Reduction of the share capital	-	-	-	-9,8
New share issue	-	-	-	-
Non cash-issue	-	-	-	3,6
Total comprehensive income for the period	2,1	5,0	16,8	3,5
Closing balance	62,1	48,2	60,0	43,2

CASH FLOW

MEUR	3 Months 2016 31-mar	3 Months 2015 31-mar	12 Months 2015 31-dec	12 Months 2014 31-dec
Operating profit	4,7	5,0	22,4	13,8
Interest received and paid, tax paid and adjustments	-1,1	-1,5	-4,5	-3,4
Changes in working capital	-1,6	-0,6	-4,3	0,8
Cash flow from operating activities	2,0	2,9	13,6	11,2
Net investments	-0,4	-1,2	-5,7	-18,2
Cash flow after investing activities	1,6	1,7	7,9	-7,0
Financing activities	-0,2	0,0	-10,0	5,7
Cash flow for the period	1,4	1,7	-2,1	-1,3
Cash and cash equivalents at the start of the period	11,1	13,2	13,2	15,5
Translation difference in cash and cash equivalents	-0,1	-0,1	0,0	-1,0
Cash and cash equivalents at the end of the period	12,4	14,8	11,1	13,2

PARENT COMPANY - SUMMARY

INCOME STATEMENT	3 Months	3 Months	12 Months	12 Months
	Jan-Mar	Jan-Mar	Jan-Dec	Jan-Dec
MEUR	2016	2015	2015	2014
Administrative expenses	-0,1	-0,2	-0,2	-1,1
Other operating income and expenses	-0,1	0,0	0,3	0,0
Operating profit	-0,2	-0,2	0,1	-1,1
Financial income and expenses	-0,9	0,0	-3,8	2,0
Result after financial expenses	-1,1	-0,2	-3,7	0,9
Year-end appropriations	0,0	0,0	9,2	-0,9
Profit before tax	-1,1	-0,2	5,5	0,0
Taxes	0,2	0,0	-1,2	0,0
Net result for the period	-0,9	-0,2	4,3	0,0

STATEMENT OF COMPREHENSIVE INCOME				
Net result for the period	-0,9	-0,2	4,3	0,0
Other comprehensive income, net of tax	-0,1	0,0	0,1	0,3
Total comprehensive income for the period	-1,0	-0,2	4,4	0,3

STATEMENT OF FINANCIAL POSITION	31-mar	31-mar
MEUR	2016	2015
Assets		
Financial fixes assets	87,7	8,1
Total fixed assets	87,7	8,1
Current receivables	12,6	37,9
Cash and cash equivalents	0,0	0,0
Total current assets	12,6	37,9
TOTAL ASSETS	100,3	46,0
Equity and liabilities		
Equity	39,7	36,3
Long-term liabilities	59,8	0,0
Current liabilities	0,8	9,7
TOTAL EQUITY AND LIABILITIES	100,3	46,0

CASH FLOW	31-mar	31-mar
MEUR	2016	2015
Operating profit	-0,2	-0,1
Interest received and paid, tax paid, adjustments	-1,0	0,0
Changes in working capital	1,4	0,0
Cash flow from operating activities	0,2	-0,1
Net investments	0,0	0,0
Cash flow after investing activities	0,2	-0,1
Financing activities	-0,2	0,1
Cash flow for the period	0,0	0,0
Cash at the start of the period	0,0	0,0
Translation difference	0,0	0,0
Cash at the end of the period	0,0	0,0

FINANCIAL TARGETS

Troax Group`s financial targets connected to the company`s strategic initiative are presented below. All expressed opinions in this part are future orientated.

Growth	Troax`s objective is to exceed the growth in the company`s current markets through organic growth, as well as 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 EBITDA, excluding temporary deviations, shall not exceed 2.5 times
Dividend	Troax`s target is to pay approximately 50 per cent of its net profit in dividends. The dividend proposal shall take into account 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.

RISK AND RISK ASSESSMENT

Exposure to risk is a natural part of business activity which is reflected in the Troax approach to risk assessment. The aim is to identify and prevent and reduce the risks and limit the damages these risks might cause. The most essential risk for the Group is related to how the general business cycle effects demand.

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

No special transaction to report.

EMPLOYEES

At the end of the period the Group had 477 (446) employee. Temporary staff accounts for 17 of the increase of 31.

OTHER EVENTS DURING FOURTH QUARTER

There is no significant other events to report in the quarter.

OTHER EVENTS AFTER THE FOURTH QUARTER

There is no significant information to report after the fourth quarter.

AUDIT

This report has not been reviewed by the auditors.

NEXT REPORT

Interim report Q2, 11th of August 2016

Interim report Q3, 7th of November 2016

PHONE CONFERENCE

Invitation to presentation of the fourth quarter result:

Thomas Widstrand, CEO presents the result on a phone conference on the 10th of May 2016 at 18:00 CET. The conference will be held in English. For more information please refer to

<http://www.troax.com/en/news>.



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This information is in accordance with the Swedish Securities Market Act, the Swedish Financial Instruments Trading Act and/or the regulations of NASDAQ Stockholm. The information was submitted for publication on 10th of May, 2016 at 12.00.

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