

An aerial night view of a city, likely San Francisco, with the Golden Gate Bridge visible in the background. The city is illuminated with blue light trails that sweep across the scene, creating a sense of motion and technology. The text 'Trelleborg interim report' is overlaid in large, white, sans-serif font.

# Trelleborg interim report

**Q1, January- March 2023**

Peter Nilsson, President & CEO  
Fredrik Nilsson, CFO



# Agenda

Highlights

Business areas

Financials

Summary & Outlook Q2 2023

Q&A

# A good start to the year

## Q1 2023 financial summary<sup>1</sup>

- Sales at SEK 8 711 M, an increase of 23 percent
- Organic sales +7 percent, currency +7 percent, M&A +9 percent
- EBIT grew by 15 percent to SEK 1 411 M, corresponding to a margin of 16.2 percent
- Highest quarterly sales and EBIT to date
- Items affecting comparability at SEK -49 M
- Operating cash flow at SEK 549 M, an increase of 67 percent
- Merger clearances for disposal of Trelleborg Wheel Systems
- Acquisition of US-based manufacturer of aerospace components

# Organic sales development by geography

## Organic sales continuing operations

Total	
Q1 23	Q1 22
7%	13%

Europe		
Share of sales <sup>1</sup>	Q1 23	Q1 22
46%	7%	12%

Americas		
Share of sales <sup>1</sup>	Q1 23	Q1 22
33%	12%	21%

Asia & Other markets		
Share of sales <sup>1</sup>	Q1 23	Q1 22
21%	-1%	8%

# Agenda

Highlights

Business areas

Financials

Summary & Outlook Q2 2023

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# Good development continues

## Trelleborg Industrial Solutions<sup>1</sup>

- Organic sales: +8%
- Strong sales growth for LNG and marine solutions
- Aerospace, automotive and railway all had healthy sales growth
- Weaker sales for European residential construction and certain industrial segments
- EBIT and margin improved on sales growth
- Inflation offset by pricing and efficiency

SEK M	Q1 2023	Q1 2022	Change, %
Net sales	3 840	3 323	16
Organic, %	8	21	
Structural, %	1	2	
Exchange rate, %	7	6	
EBIT	529	441	20
EBIT, %	13.8	13.3	0.5 p.p.

# Highest sales and EBIT to date

## Trelleborg Sealing Solutions<sup>1</sup>

- Organic sales: +5%, M&A +17%
- Sales growth in Europe and Americas
- Asia weaker on lower China sales
- Sales to aerospace and healthcare & medical increased considerably
- Sales to automotive developed favorably; industrial demand decreased somewhat
- Margin impacted by integration of MRP and soft China sales

SEK M	Q1 2023	Q1 2022	Change, %
Net sales	4 738	3 664	29
Organic, %	5	8	
Structural, %	17	1	
Exchange rate, %	7	8	
EBIT	953	878	9
EBIT, %	20.1	24.0	-3.9 p.p.

An aerial photograph of a city skyline, likely San Francisco, taken at dusk or dawn. The sky is dark, and the city lights are visible. Several bright blue light trails streak across the scene from the right side towards the left, creating a sense of motion and technology. The text is overlaid on the left side of the image.

# Trelleborg Wheel Systems

- reported as Assets held for sale



# Stable development

## Trelleborg Wheel Systems<sup>1</sup>

- Organic sales: 0%
- Favorable sales in North America and in the OE agricultural tire business
- Europe impacted by lower aftermarket sales
- EBIT improved on cost control and price adjustments

SEK M	Q1 2023	Q1 2022	Change, %
Net sales	3 639	3 365	8
Organic, %	0	33	
Structural, %	-	-	
Exchange rate, %	8	7	
EBIT	545	525	4
EBIT, %	15.0	15.6	-0.6 p.p.

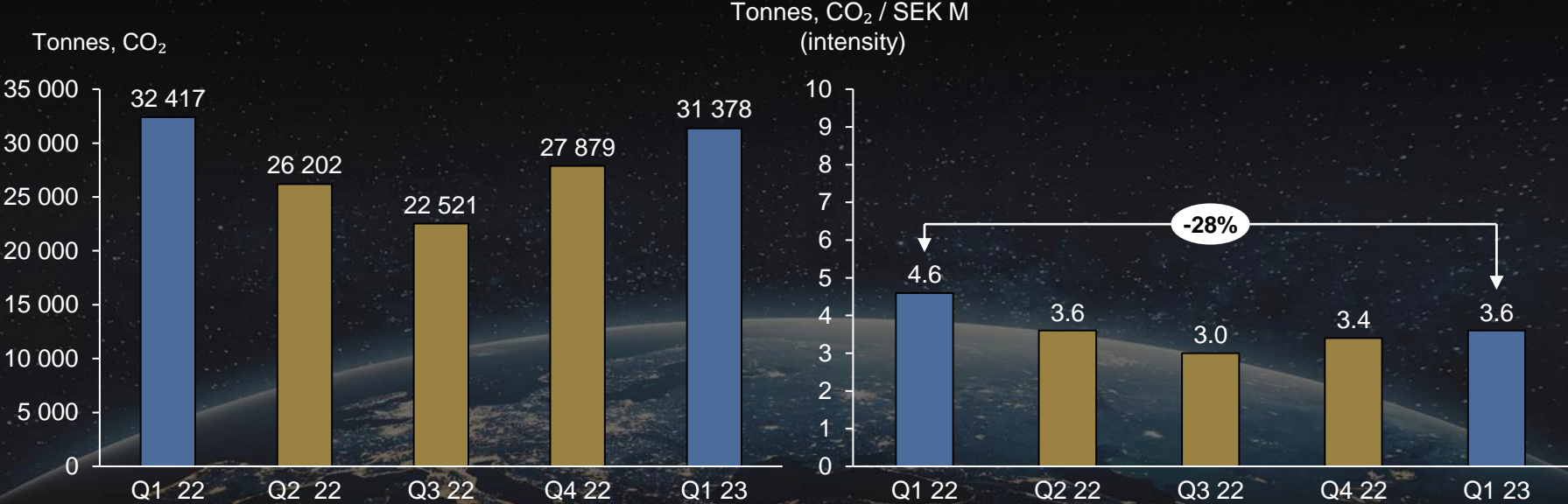
# Divestments update

## Trelleborg Wheel Systems and Trelleborg Printing Solutions

- Merger clearances for Trelleborg Wheel Systems in the quarter
- Closing of the Wheel Systems transaction is expected in Q2 2023
- Closing of the Printing Solutions transaction is expected in Q2 2023
- In line with earlier communication, net proceeds from the divestments will lead to a net cash position for the Group
- Capital gain from the divestments will amount to approx. SEK 6 B and is expected to be reported as a non-recurring income in Q2 2023

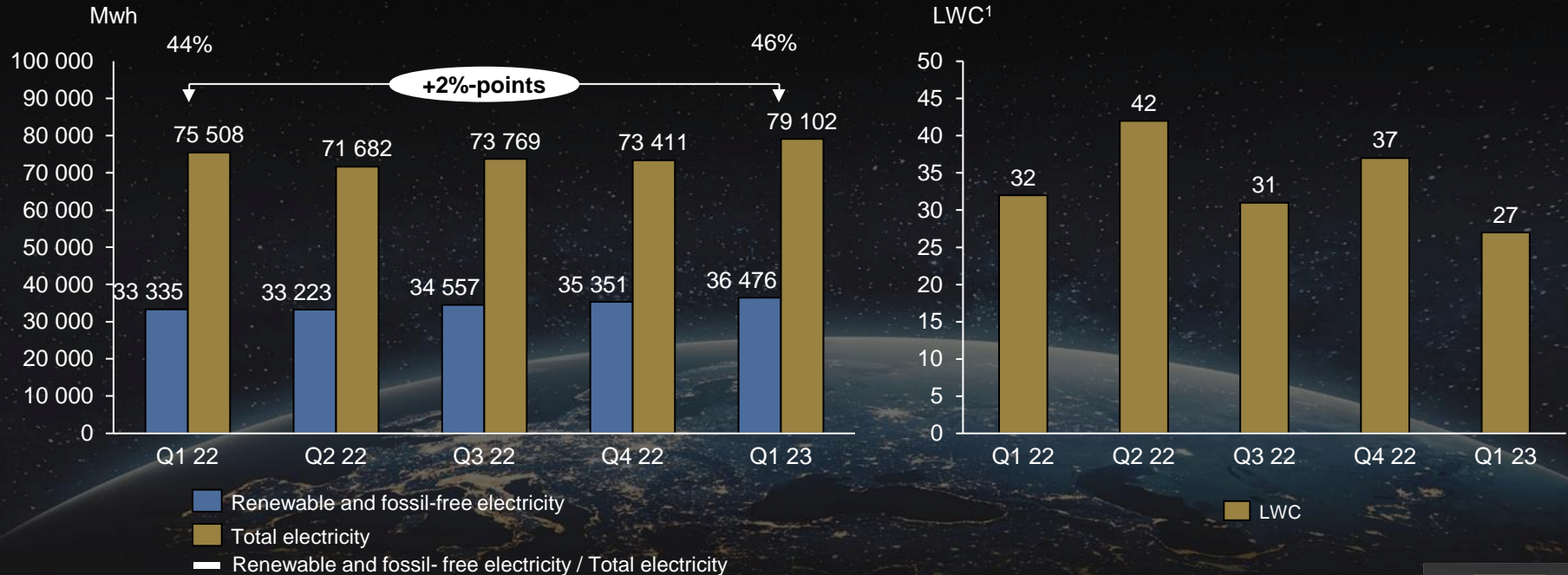
# Sustainability KPIs – continuing operations

## Carbon dioxide emissions



# Sustainability KPIs – continuing operations

## Share of renewable and fossil-free electricity and LWC rate



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Highlights

Business areas

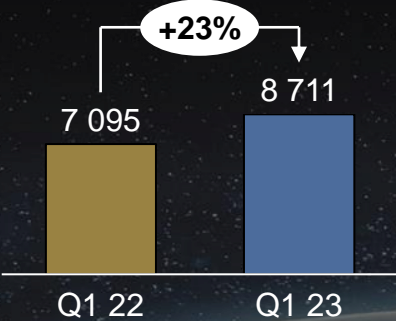
Financials

Summary & Outlook Q2 2023

Q&A

# Strong sales increase

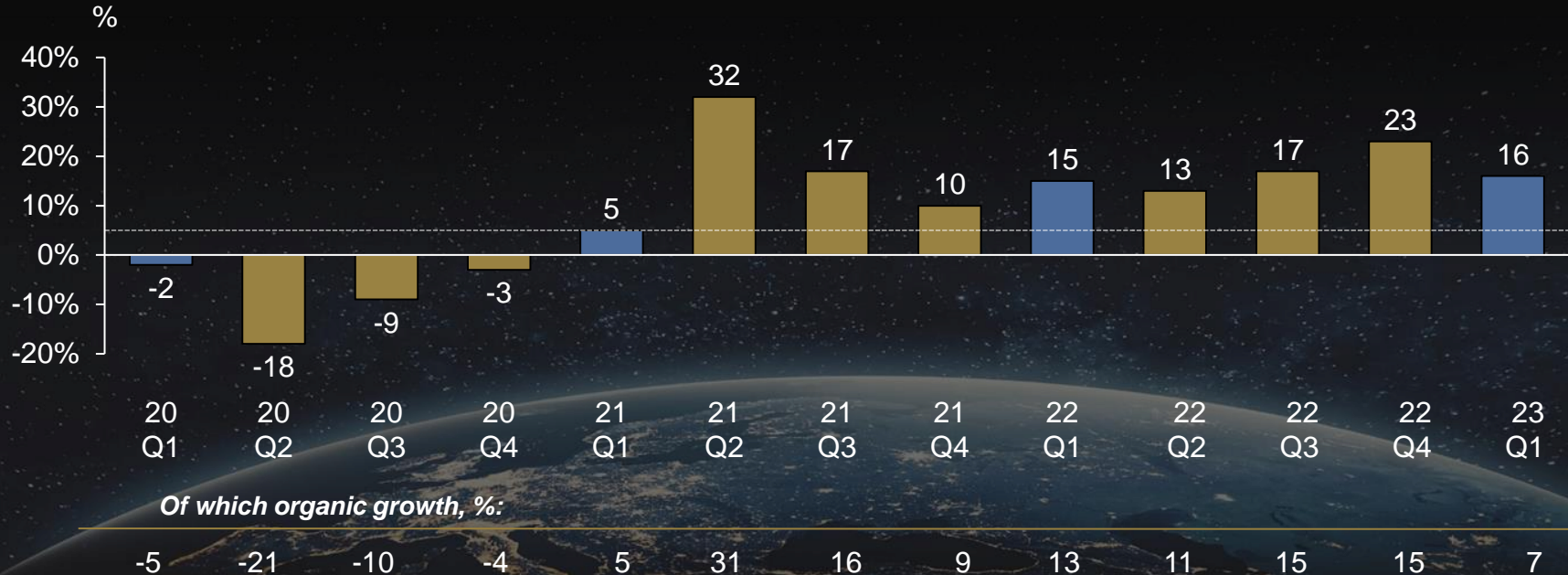
Sales development continuing operations



Q1 2023 (%)	
Organic	7
Structural	9
Currency	7
<b>Total</b>	<b>23</b>

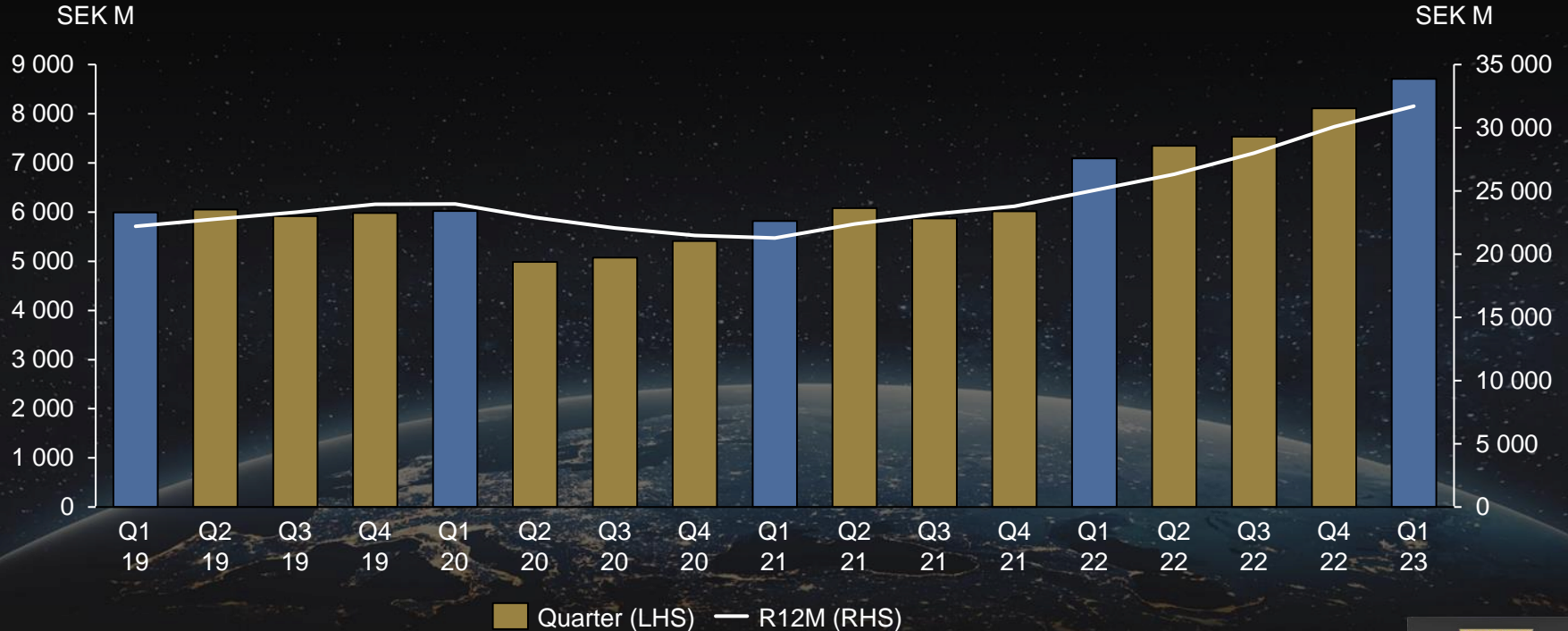
# Strong sales trend continues

Target: 5-8% annual sales growth with *constant currencies* over a business cycle<sup>1</sup>



# Sales development

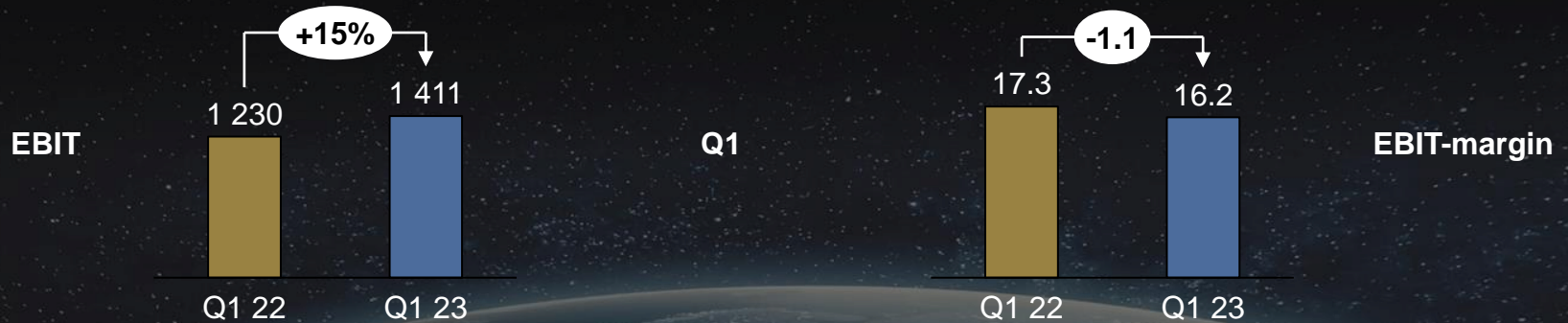
## Continuing operations, R12M





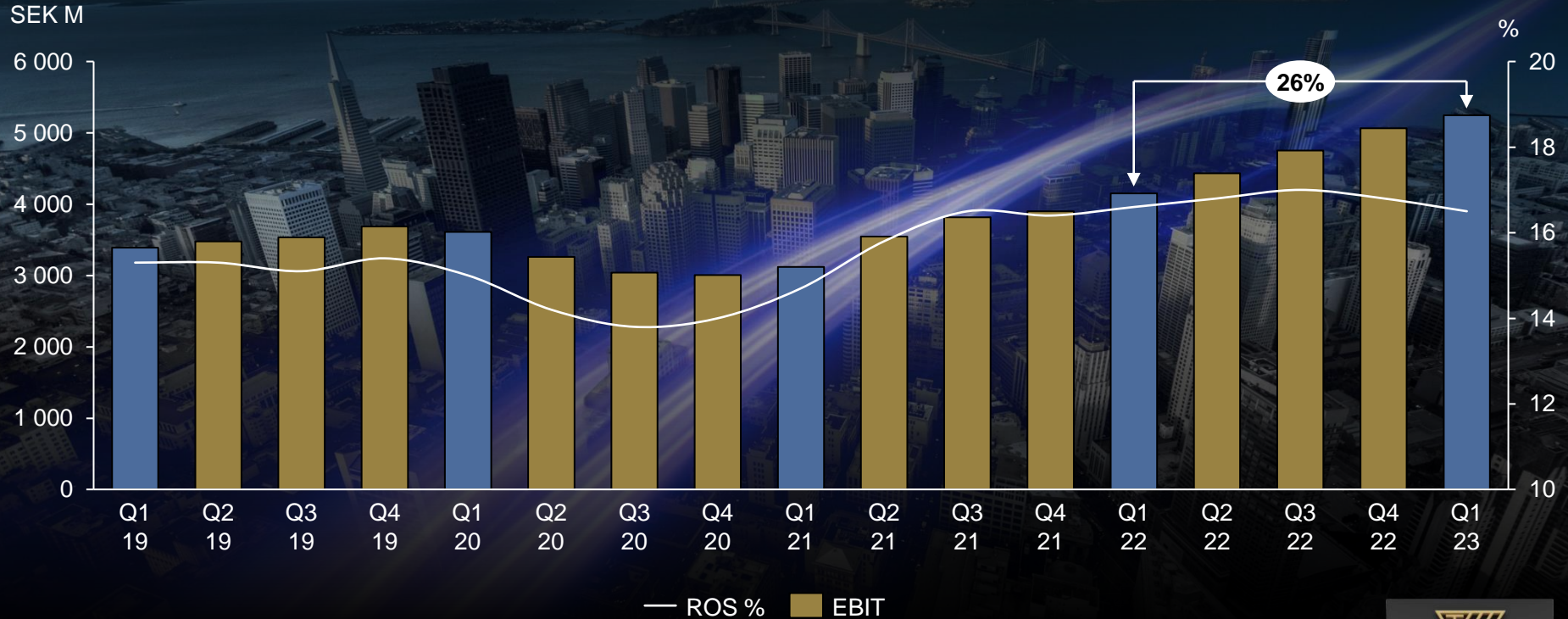
# Highest EBIT to date

## EBIT and margin development<sup>1</sup>



# Highest R12M EBIT to date

## EBIT and margin, R12M<sup>1</sup>

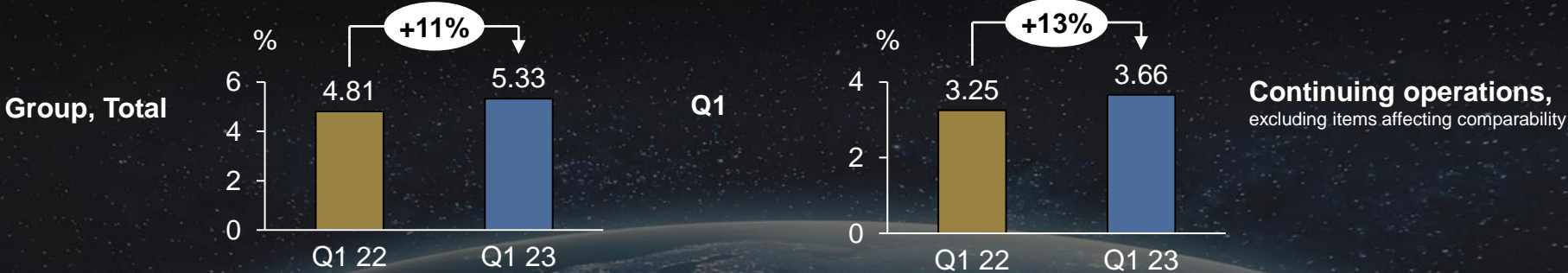


# Profit & loss statement

SEK M	Q1 2023	Q1 2022	Change, %
Net sales	8 711	7 095	23
<b>EBIT, excluding items affecting comparability</b>	<b>1 411</b>	<b>1 230</b>	<b>15</b>
EBIT- margin, %	16.2	17.3	
Items affecting comparability	-49	-25	
<b>EBIT</b>	<b>1 362</b>	<b>1 205</b>	<b>13</b>
Financial income and expenses	-165	-45	
<b>Profit before tax</b>	<b>1 197</b>	<b>1 160</b>	<b>3</b>
Taxes	-298	-300	1
<b>Net profit, continuing operations</b>	<b>899</b>	<b>860</b>	<b>5</b>
Net profit, discontinuing operations	463	443	5
<b>Net profit, Group</b>	<b>1 362</b>	<b>1 303</b>	<b>5</b>
Earnings per share, SEK, Group	5.33	4.81	11
Earnings per share, SEK Continuing operations, excluding items affecting comparability	3.66	3.25	13

# Solid EPS improvement

Earnings per share<sup>1</sup>



<sup>1</sup> No dilution effects



# Strong cash flow improvement

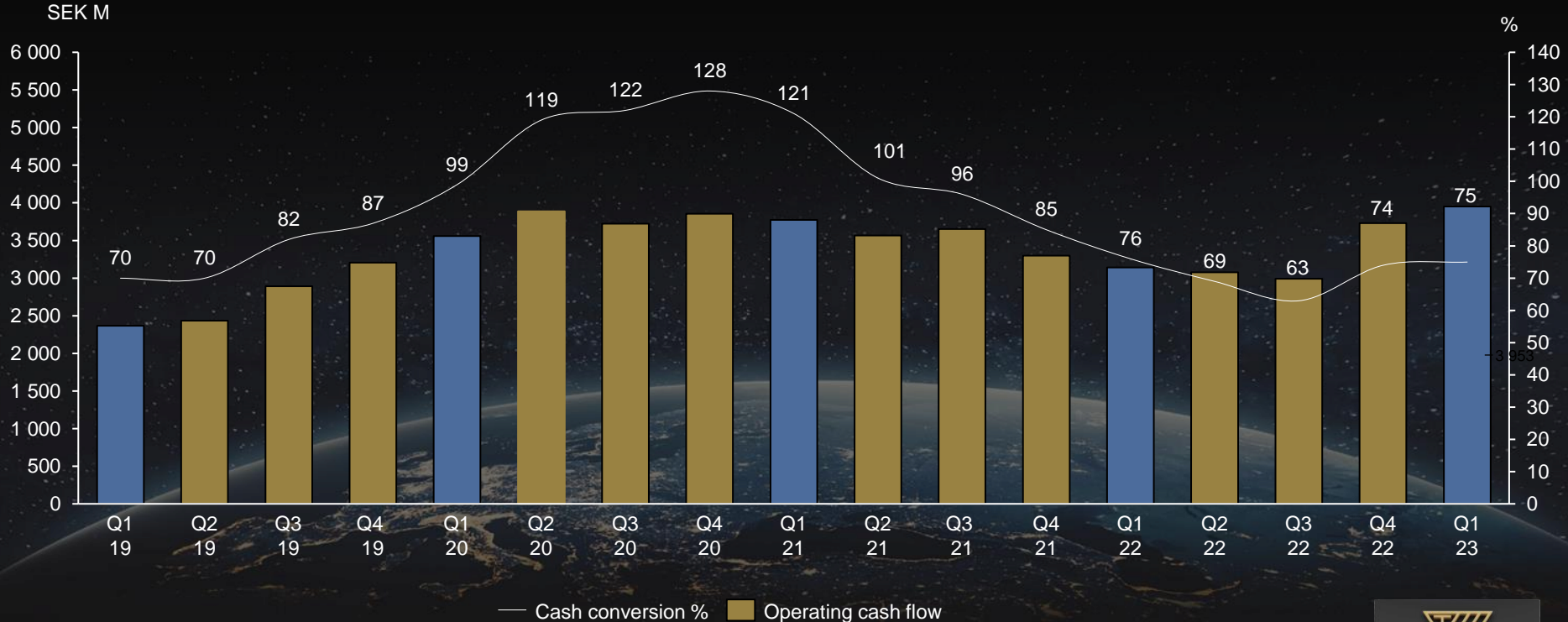
## Operating cash flow<sup>1</sup>



SEK M	Q1 2023	Q1 2022	Change
EBITDA	1 856	1 548	308
Working capital	-821	-809	-12
Net capex	-385	-329	-56
Leasing	-85	-76	-9
Other	-16	-6	-10
<b>Operating cash flow</b>	<b>549</b>	<b>328</b>	<b>221</b>

# Cash conversion trending higher

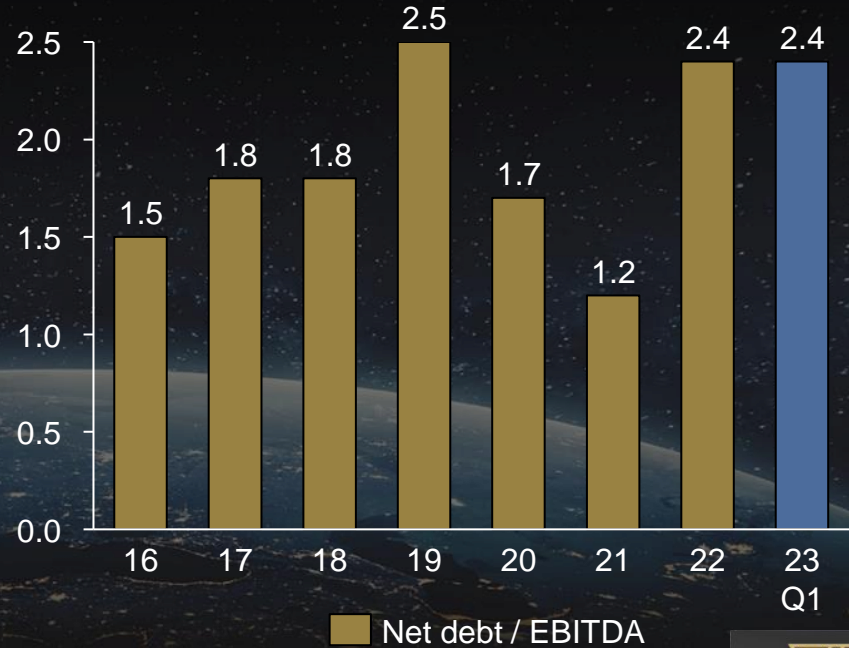
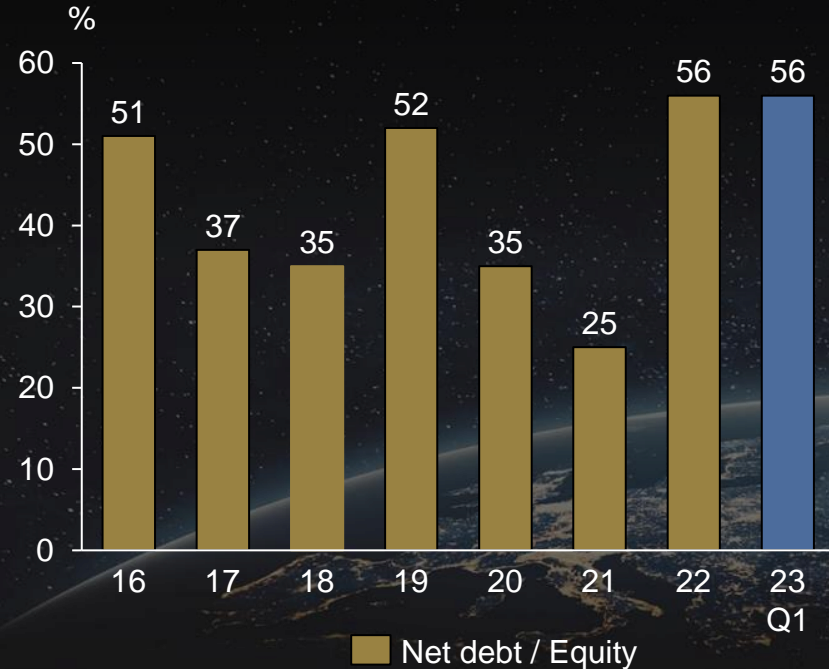
## Operating cash flow, R12M<sup>1</sup>



# Impact from acquisitions & share buy-backs

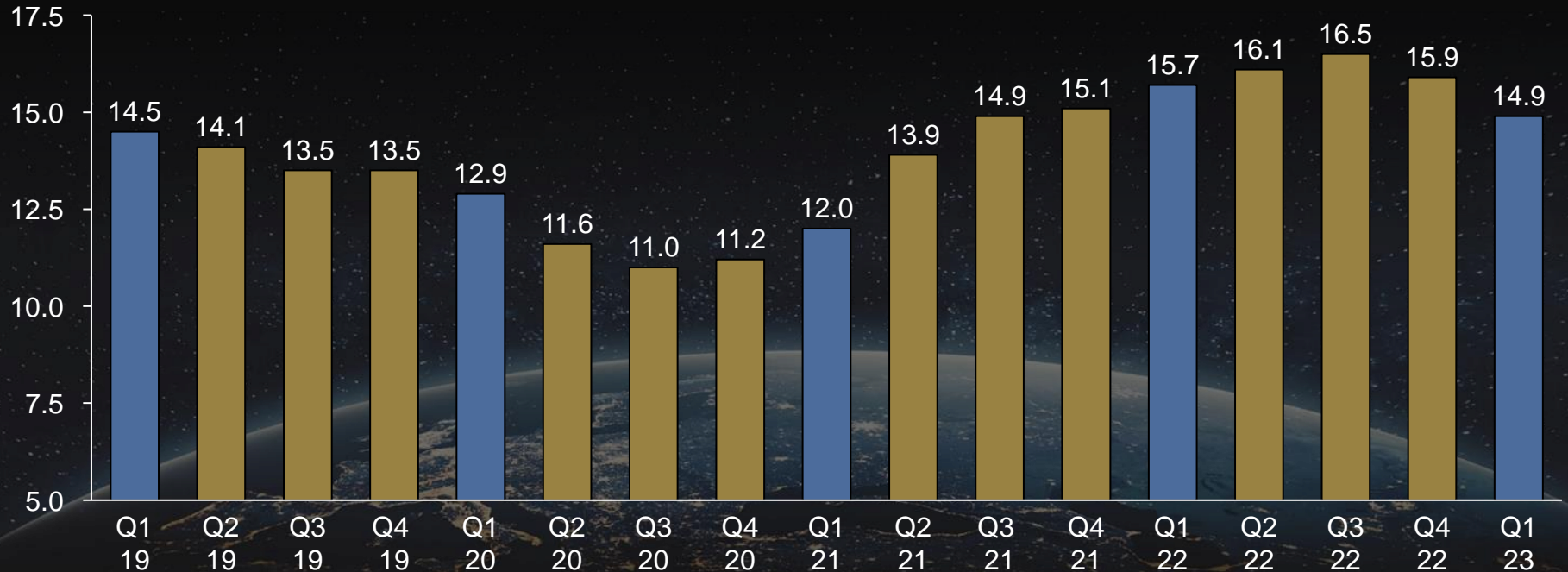
## Gearing and leverage, R12M, Group<sup>1</sup>

Proceeds from ongoing divestments of the Group's tire and printing blanket operations will exceed current net debt



# ROCE impacted by acquisitions

Return on capital employed, R12M, %





# Financial guidelines for full-year 2023

## Continuing operations (excluding Assets held for sale)

- Capex: SEK ~1.5 Bn
- Restructuring costs: SEK ~250 M
- Amortization of intangible assets SEK ~500 M
- Underlying tax rate: ~26 percent

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# Outlook Q2 2023

- Demand is expected to be in line with or somewhat lower than in the first quarter of 2023, adjusted for seasonal variations
- The geopolitical situation entails a heightened degree of uncertainty

# Capital Markets Day 2023

- May 23 between 12:00 – 16:30 CET
- IVA Konferenscenter at Grev Turegatan 16 in Stockholm
- If you intend to participate physically, please register no later than 14:00 CET on May 10
- Please note that a new registration for the May event is required even though you may have registered to attend the postponed March event
- Register here: [www.trelleborg.com/en/investors/capital-markets-day](http://www.trelleborg.com/en/investors/capital-markets-day)

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# Questions & answers

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