

# Trelleborg interim report

**Q1, January-March 2024**

Peter Nilsson, President & CEO  
Fredrik Nilsson, CFO

# Agenda

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# Improved margin despite slightly lower sales

## Q1 2024 financial summary<sup>1</sup>

- Sales at SEK 8 234 M, a decrease of 5 percent
- Organic sales -3 percent, M&A -2 percent, currency unchanged
- The Easter Holiday impacted organic growth negatively by close to 2 percent
- EBITA at SEK 1 490 M, corresponding to a margin of 18.1 percent
- Items affecting comparability at SEK -55 M
- Operating cash flow at SEK 718 M
- New business area - Trelleborg Medical Solutions
- Signed agreement to acquire Baron Group
- Post Q1: Acquisition of MNE Group finalized; agreement to acquire BP-Tech Group

# Organic sales development by geography

## Organic sales continuing operations

Total	
Jan - Mar 24	Jan - Mar 23
-3%	7%

Europe		
Share of sales <sup>1</sup>	Jan - Mar 24	Jan - Mar 23
46%	0%	7%

North- and South America		
Share of sales <sup>1</sup>	Jan - Mar 24	Jan - Mar 23
35%	-10%	12%

Asia and rest of the world		
Share of sales <sup>1</sup>	Jan - Mar 24	Jan - Mar 23
19%	5%	-1%

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# Improved profitability despite lower sales

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

- Organic sales: -3%, M&A +1%
- Residential construction and certain industrial segments continue to be soft
- Sales to LNG customers increased significantly
- Automotive sales still growing
- EBITA and margin increased on structural improvements and positive sales mix
- Post Q1: Agreement to acquire BP-Tech Group

SEK M	Q1 2024	Q1 2023	Change, %
Net sales	3 721	3 840	-3
Organic, %	-3	8	
Structural, %	1	1	
Exchange rate, %	-1	7	
EBITA	613	563	9
EBITA %	16.5	14.7	1.8 p.p.

# Inventory adjustment in the industry

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

- Organic sales: -11%
- Drawn-out inventory adjustment phase due to pandemic-related inventory levels
- EBITA more or less unchanged, while the margin improved on sales mix
- Baron Group acquisition will enhance EBITA margin
- Significant investments made in recent years will over time positively impact both growth and profitability

SEK M	Q1 2024	Q1 2023	Change, %
Net sales	583	653	-11
Organic, %	-11	13	
Structural, %	-	40	
Exchange rate, %	0	12	
EBITA	82	83	-1
EBITA %	14.0	12.8	1.2 p.p.

# Growth and profit impacted by Easter Holiday

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

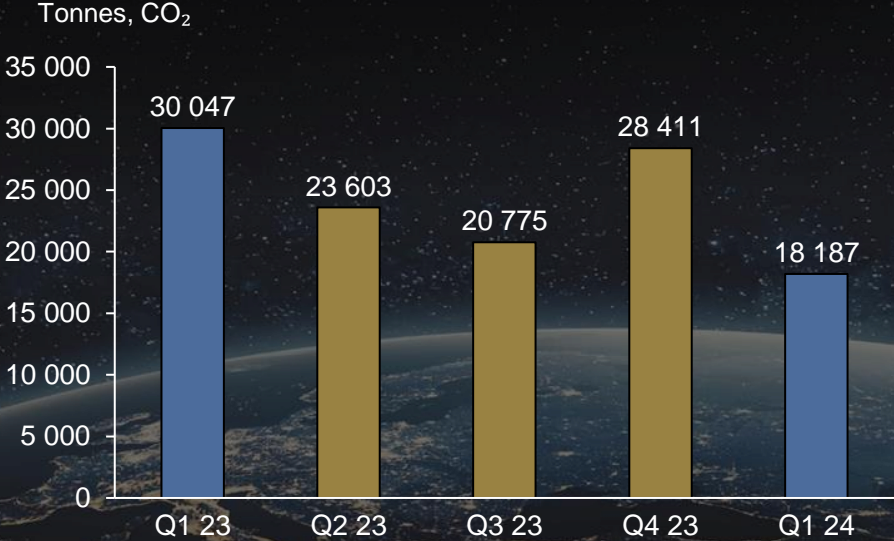
- Organic sales: -2%
- Fewer working days due to Easter holiday, which fell within this quarter unlike in 2023
- Sales to general industry declined in most markets while automotive demand stable
- Continued strong sales to aerospace
- EBITA and margin declined, mainly due to lower sales and earlier acquisitions
- Investments in several fast-growing market segments – temporary adverse margin impact

SEK M	Q1 2024	Q1 2023	Change, %
Net sales	4 102	4 214	-3
Organic, %	-2	4	
Structural, %	0	15	
Exchange rate, %	-1	7	
EBITA	864	950	-9
EBITA %	21.1	22.5	-1.4 p.p.



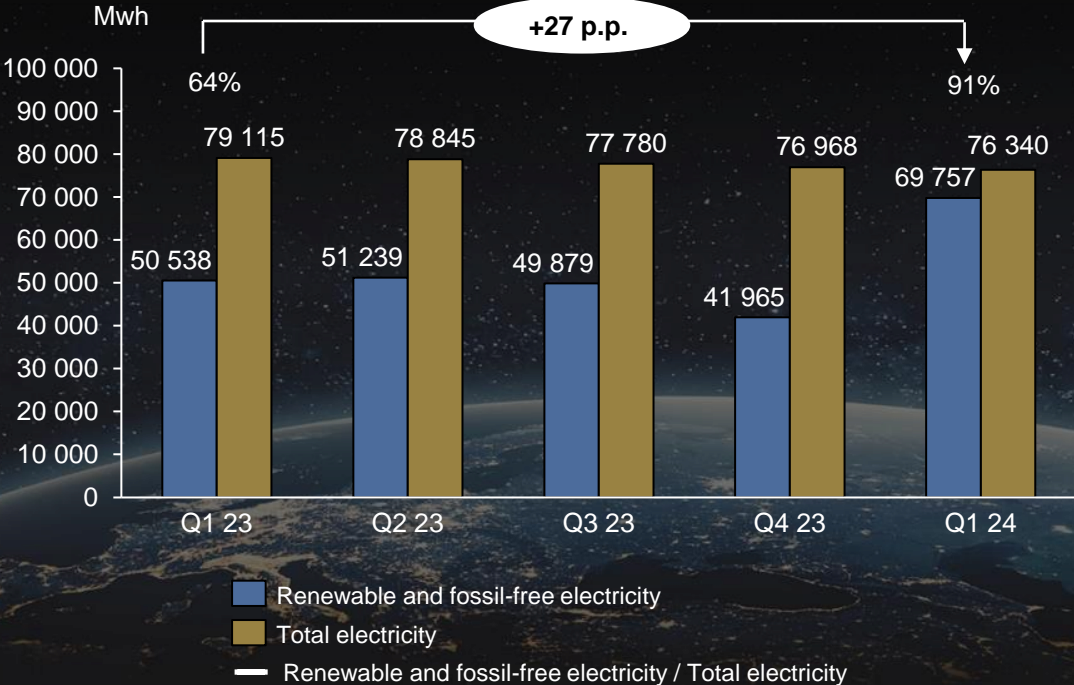
# Sustainability KPIs – continuing operations

## Carbon dioxide emissions



# Sustainability KPIs – continuing operations

## Share of renewable and fossil-free electricity



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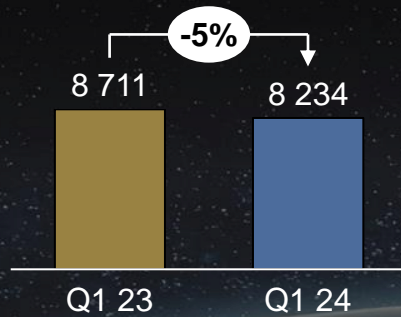
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# Organic sales impacted by Easter holiday

Sales development continuing operations

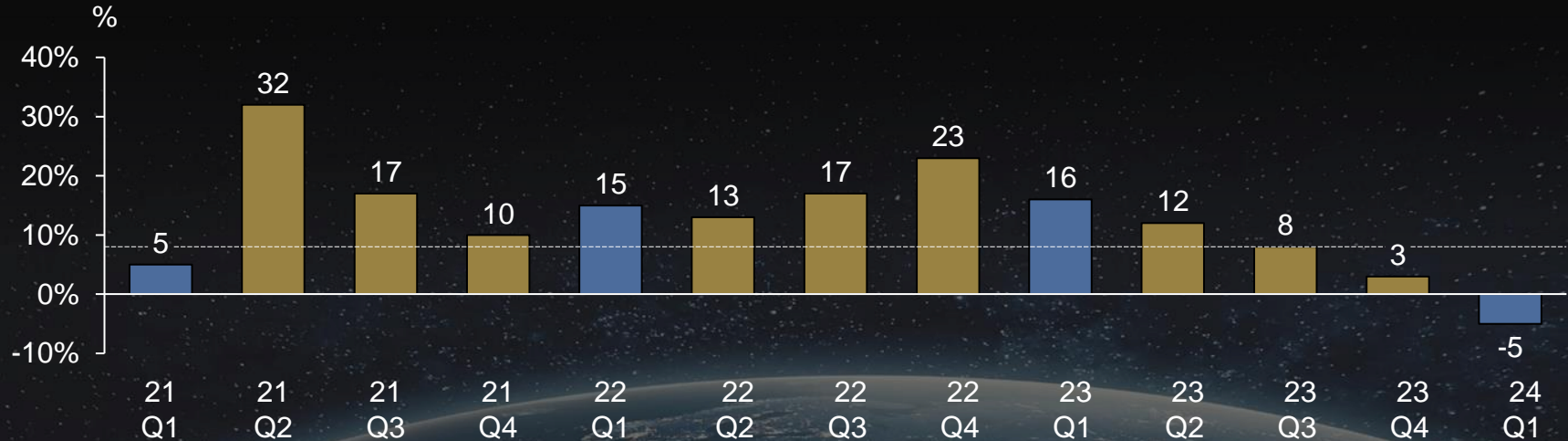


## January – March 2024 (%)

Organic	-3
Structural	-2
Currency	0
<b>Total</b>	<b>-5</b>

# A more subdued sales start of the year

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

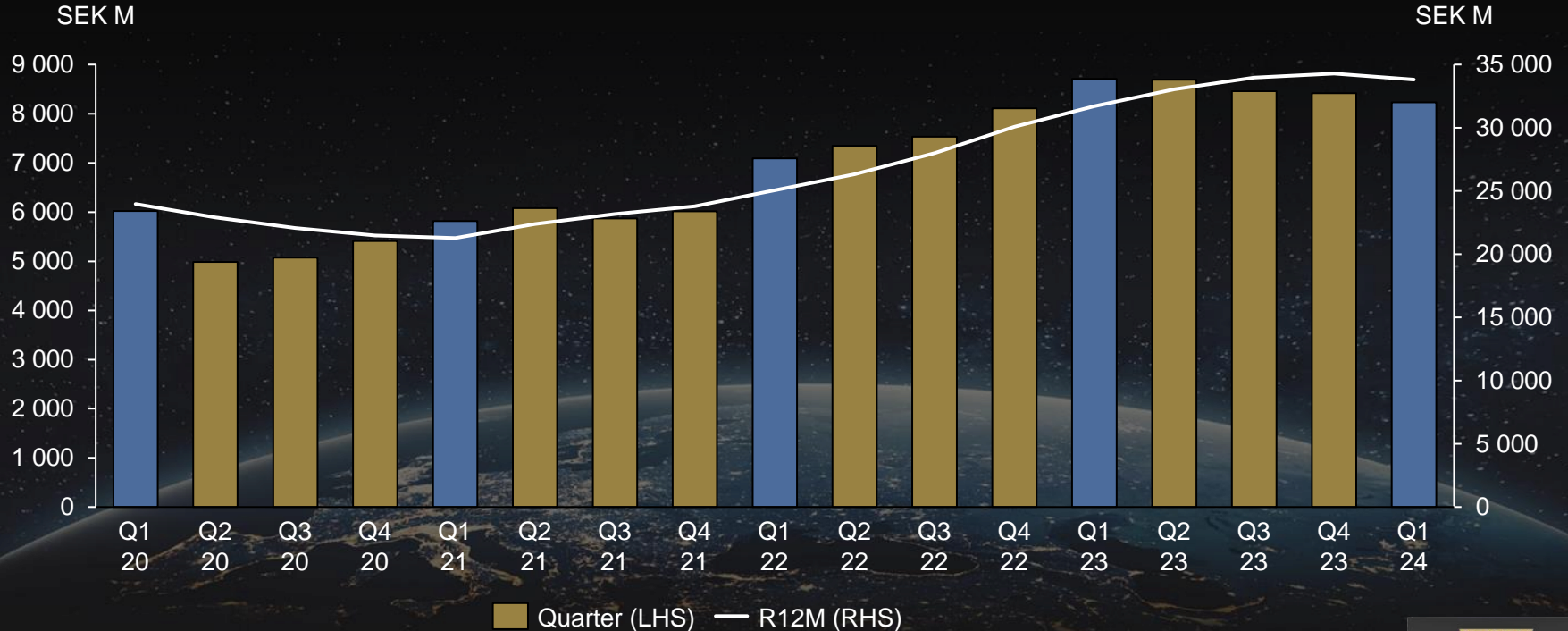


*Of which organic growth, %:*

5	31	16	9	13	11	15	15	7	3	-1	0	-3
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# Sales development

## Continuing operations, R12M



# Margin continues to improve

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



# R12M EBITA – continued improvement

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



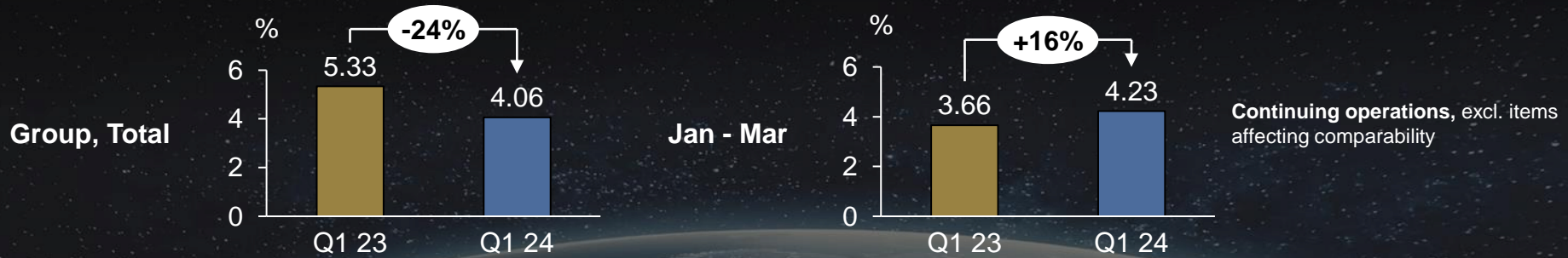


# Profit & loss statement

SEK M	Q1 2024	Q1 2023	Change, %
Net sales	8 234	8 711	-5
<b>EBITA, excluding items affecting comparability</b>	<b>1 490</b>	<b>1 528</b>	<b>-2</b>
EBITA-margin, %	18.1	17.5	
<b>EBIT, excluding items affecting comparability</b>	<b>1 379</b>	<b>1 411</b>	<b>-2</b>
EBIT-margin, %	16.8	16.2	
Items affecting comparability	-55	-49	
<b>EBIT</b>	<b>1 324</b>	<b>1 362</b>	<b>-3</b>
Financial income and expenses	-20	-165	88
<b>Profit before tax</b>	<b>1 304</b>	<b>1 197</b>	<b>9</b>
Taxes	-324	-298	-9
<b>Net profit, continuing operations</b>	<b>980</b>	<b>899</b>	<b>9</b>
Net profit, discontinuing operations	-	463	-100
<b>Net profit, Group</b>	<b>980</b>	<b>1 362</b>	<b>-28</b>
Earnings per share, SEK, Group	4.06	5.33	-24
Earnings per share, SEK Continuing operations, excluding items affecting comparability	4.23	3.66	16

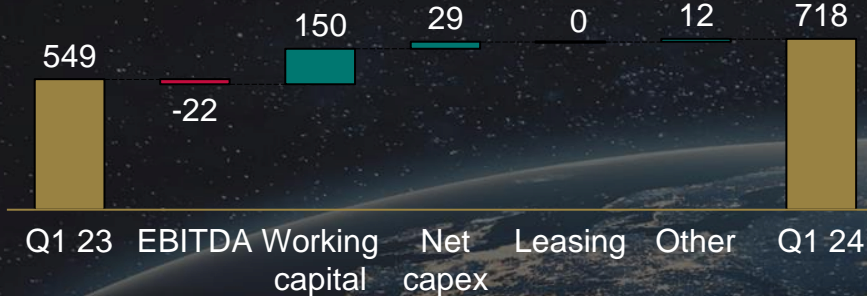
# EPS improvement in continuing operations

Earnings per share<sup>1</sup>



# Significant working capital improvement

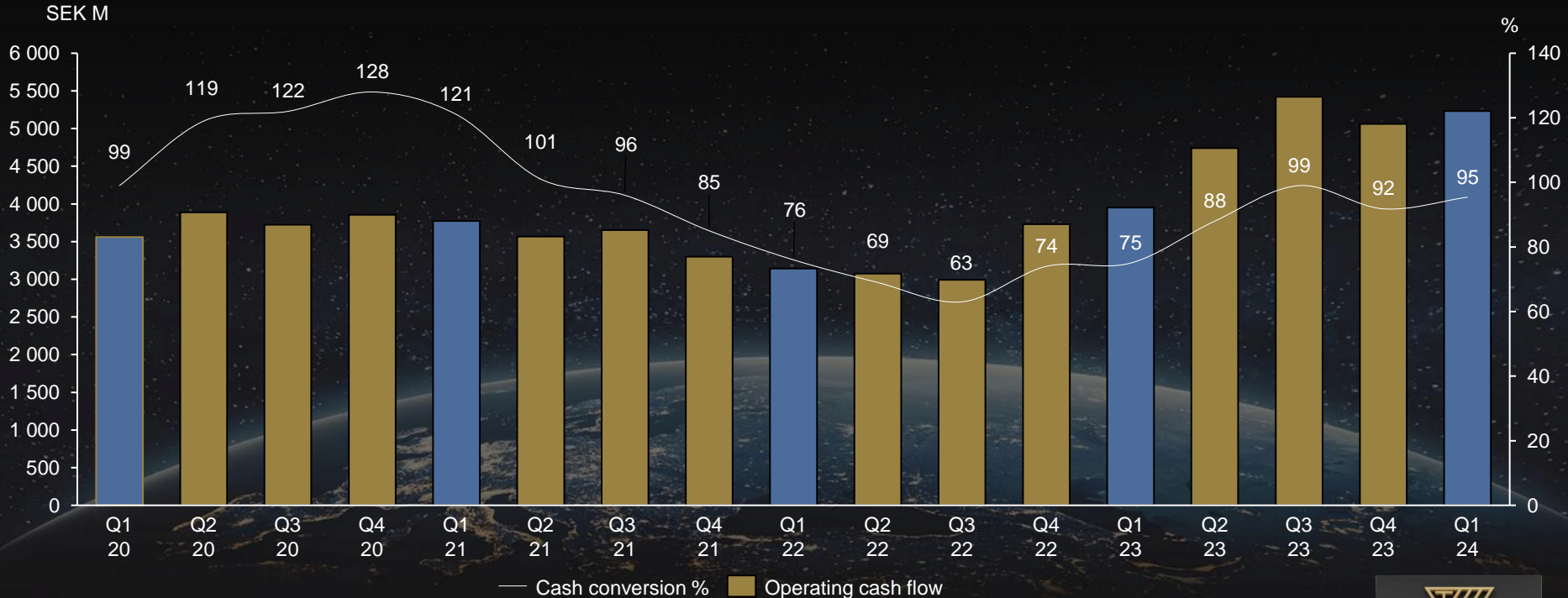
## Operating cash flow<sup>1</sup>



SEK M	Q1 2024	Q1 2023	Change
EBITDA	1 834	1 856	-22
Working capital	-671	-821	150
Net capex	-356	-385	29
Leasing	-85	-85	0
Other	-4	-16	12
<b>Operating cash flow</b>	<b>718</b>	<b>549</b>	<b>169</b>

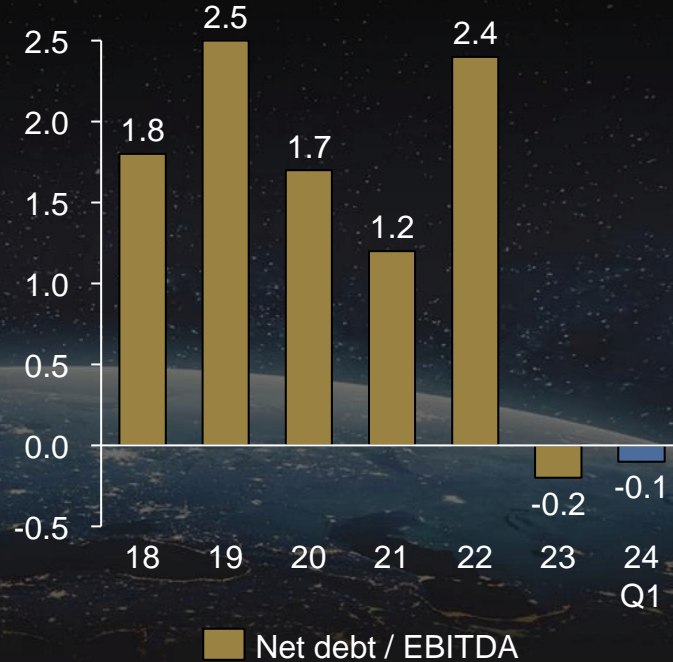
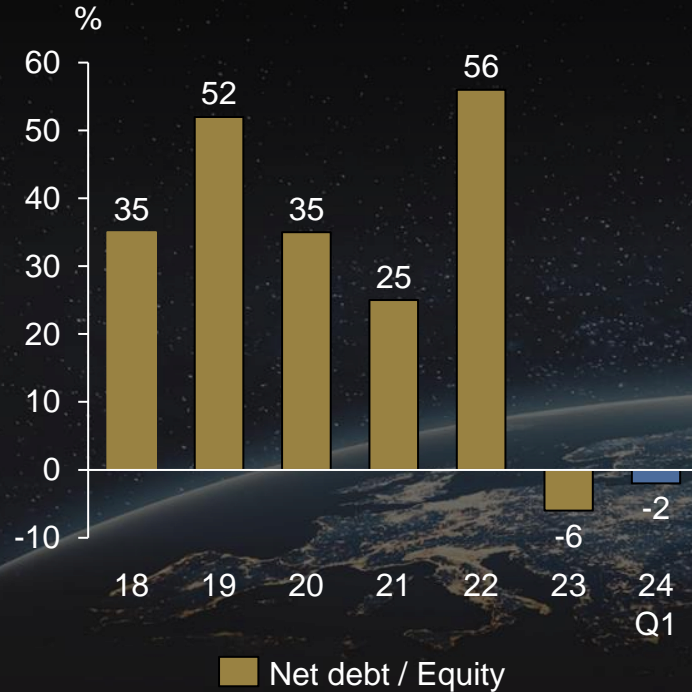
# Cash conversion remains at a high level

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



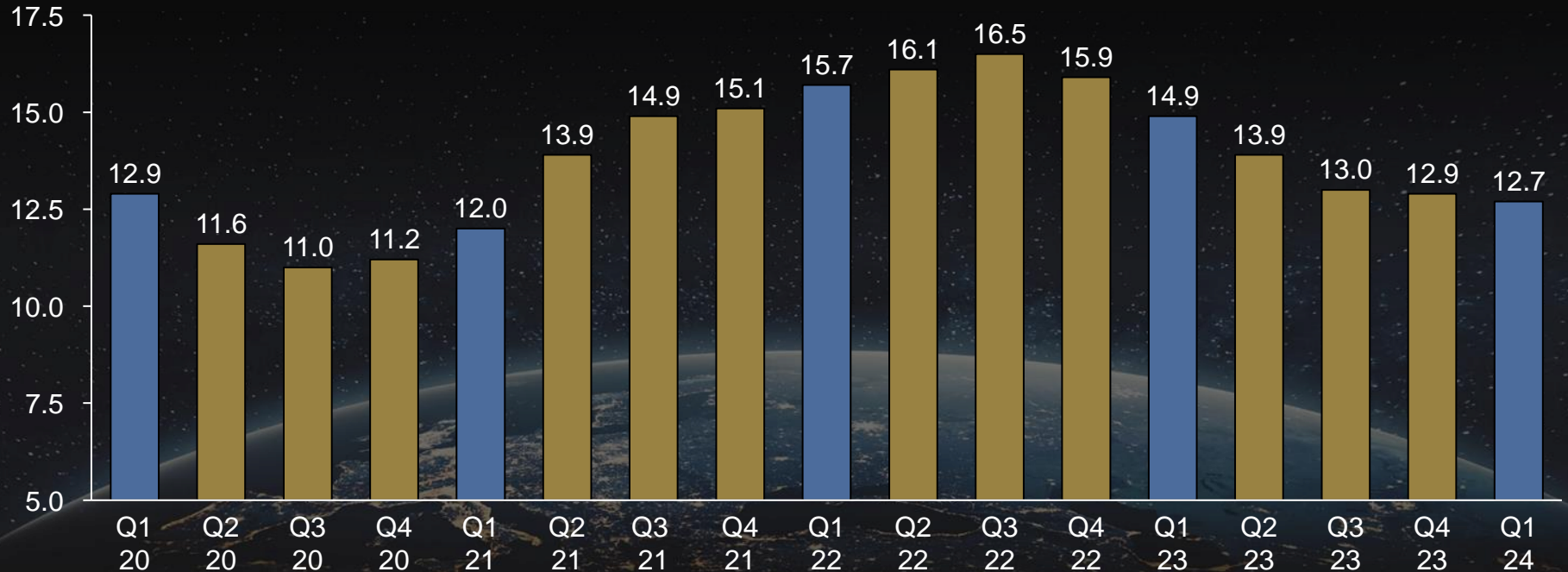
# Net cash position intact

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



# ROCE impacted by acquisitions

Return on capital employed, R12M, %



# Financial guidelines for full-year 2024

## Continuing operations

- Capex: SEK ~1.6 Bn
- Restructuring costs: SEK ~250 M
- Amortization of intangible assets SEK ~500 M
- Underlying tax rate: ~25 percent

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# Outlook Q2 2024

- Demand is expected to be on a par with the first quarter of 2024, adjusted for seasonal variations
- The geopolitical situation entails a heightened degree of uncertainty

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# Questions & answers

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 skyline, creating a sense of motion and technology.