

# Capital Markets Day 2018



Jean-Paul  
Mindermann

# TRELLEBORG



## Group Strategic Update

12:45

Business Area  
Priorities

Lunch



12:00

Trelleborg  
Industrial Solutions

Concluding  
remarks

15:30



# Trelleborg Industrial Solutions

R12 2018 Q1, SEK M

**7,051**

Sales

**22%**

of Group  
sales

**719**

EBIT

**10.2%**

ROS

**HQ – Trelleborg, Sweden**  
**~6,000 employees**

- Leader in polymer-based solutions for selected applications
- Global presence and unique capabilities in niches

# Focus on selected applications and segments

General industry



Construction



Automotive



Transportation



Oil & Gas



Attractive niche positions

# A leader in global niches

Fluid handling  
solutions



Antivibration  
solutions<sup>1</sup>



Sealing  
profiles



Pipe  
seals



CV joint  
boots<sup>2</sup>



# Strategic priorities

Profitable  
growth

Value  
creation

Structure and  
excellence

Portfolio  
management

Geographic  
development

# Strategic priorities

Profitable  
growth

Value  
creation

Structure and  
excellence

Portfolio  
management

Geographic  
development

# Value creation

**Product  
innovations**

**Ease of doing  
business**

**Business  
accelerators**

# Selected examples

**Value creation – product innovation**  
Cryolite

**Value creation – product innovation**  
Seats for modular construction

**Value creation – product innovation**  
Hydraulic axle guide bearing

- W
- F
- G

**Auto-adjusting intelligent guide bearings**

- Improved stability allowing for higher speeds on curves
- Cost savings from reduced wear in axle and wheels
- Global market value EUR ~40 M

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**Value creation – ease of doing business**  
Mountfinder Pro

- Smart
- Simple
- App as
- Request

**Value creation – ease of doing business**  
Industrial hose wear indicator system

- Smart solution that informs when hoses need replacing
- Conductive wires embedded in hose
- Avoid unnecessary maintenance and production breaks

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**Value creation – business accelerator**  
Turnkey trailer solution

- Res
- -
- -

**Value creation – business accelerator**  
Compact Hydromount, protecting assets, protecting people

- Dynamic articulation for Off Highway equipment
- Improved productivity through higher operator comfort
- Enhanced uptime through reduced maintenance and repairs

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# Value creation – product innovation

## Jettyless Liquid Natural Gas transfer



### Cryoline LNG hose

- Enables offloading in new locations
- Reduced infrastructure investment
- Order value EUR ~2-10 M



# Value creation – product innovation

## Seals for modular construction

- Wall-to-floor and wall-to-ceiling seals
- Faster assembly time
- Global growth forecast ~6% p.a. to 2023



# Value creation – product innovation

## Hydraulic axle guide bearing

### Auto-adjusting intelligent guide bearings

- Improved stability allowing for higher speeds on curves
- Cost savings from reduced wear to rails and wheels
- Global market value EUR ~40 M



# Value creation – ease of doing business

## MountFinder Pro

- Smartphone placed on object and measures vibration frequency
- App suggests choice of mounts with technical details
- Request for quotation submitted electronically



# Value creation – ease of doing business

## Industrial hose wear indicator system

- Smart solution that informs when hoses need replacing
- Conductive wires embedded in hose
- Avoid unnecessary maintenance and production breaks

# Pipe seals – business fundamentals



+



# Value creation – business accelerator

## Turnkey trailer solution

- Ready-to-go trailer for no-dig pipe rehabilitation
- ~1,000,000 km of pipes installed in USA
- ~75% are in need of repair<sup>1</sup>



# Value creation – business accelerator

Compact Hydromount; protecting assets, protecting people

- Enhanced uptime through reduced maintenance and repairs
- Dynamic antivibration for Off Highway equipment
- Higher operator comfort





# Strategic priorities

Profitable  
growth

Value  
creation

Structure and  
excellence

Portfolio  
management

Geographic  
development

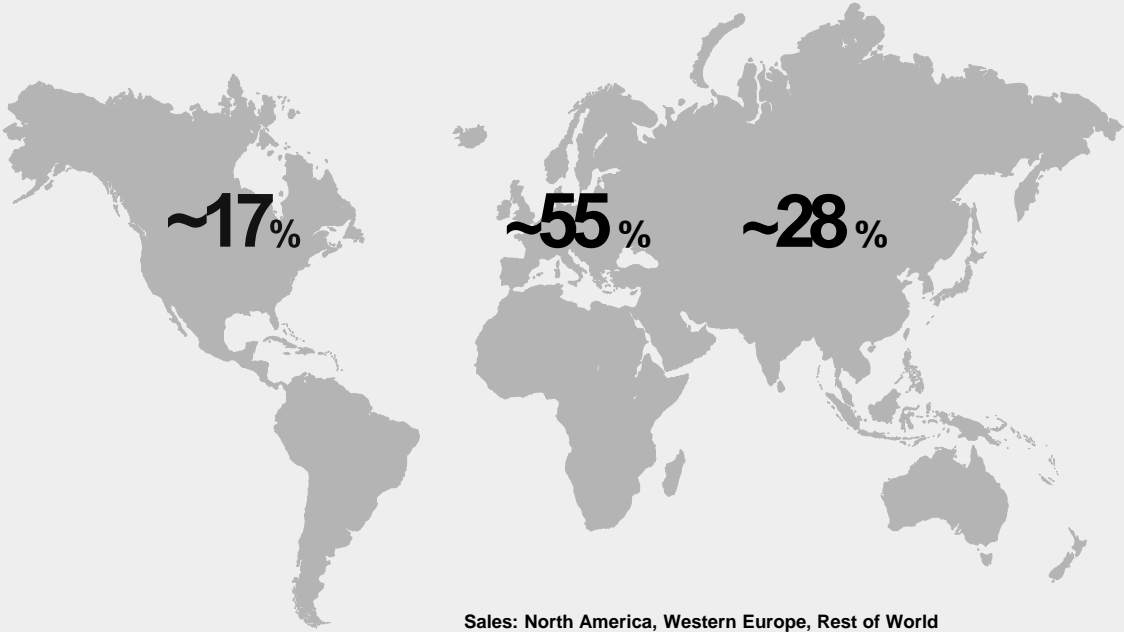
# Geographic development

## Business overview & sales by region

 **38**  
factories

 **55**  
sales offices

 **~100**  
countries



# Geographic development – North America

## Sealing profiles

### Footprint optimization

Consolidation of three factories into one



### Capacity expansion

Significant growth opportunities

### Examples of growth initiatives



#### Sunroof seals

EUR >35 M  
Market value



#### Aerospace profiles

EUR >50 M  
Market value

# Geographic development – Mexico

## Sealing Profiles

- New production site
- Closer to market
- Some production transfer from USA

## CV joint boots<sup>1</sup>

- Leading position in Americas
- Significant growth opportunities

## Examples of growth initiatives



### Cable protectors

EUR >15 M  
Market value<sup>2</sup>



### CV joint boots<sup>2</sup>

EUR >50 M  
Market value<sup>1</sup>

# Geographic development – China

## CV joint boots<sup>1</sup>

- Leading position in China – presence for a decade
- Second factory being inaugurated – capacity expansion ongoing
- Significant growth opportunities

## Antivibration solutions

- Niche position in China – presence for a decade
- Engine and cab mounts for SPVs<sup>2</sup>
- Local and global OEM customers

## Examples of growth initiatives



### CV joint boots<sup>2</sup>

EUR >100 M  
Market value<sup>1</sup>



### Off-highway

EUR >100 M  
Market value<sup>3</sup>

# Geographic development – India

## Antivibration Solutions

### Growth drivers

- Population growth
- Underdeveloped infrastructure and rolling stock
- Inter-urban rail segment expansion

### Antivibration solutions

- New plant in Bengaluru
- Target to significantly increase sales
- Platform for new applications

### Examples of growth initiatives

#### Suspension systems



 = Antivibration solutions

# Take-aways

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**Leading positions in selected segments**

**Niche approach**

**Leveraging improved structure**

**Investing more than ever in innovative solutions**

**Supplementary acquisitions**

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# Leveraging our strategic priorities

**EBIT-margin  
target**

Long-term target

**$\geq 12\%$**



# Capital Markets Day 2018



Paolo  
Pompei

# TRELLEBORG



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Trelleborg  
Wheel Systems

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remarks

15:30

