



Trelleborg interim report

Q2 Apr-Jun 2021

Peter Nilsson, President & CEO
Fredrik Nilsson, CFO



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Continued strong performance

Q2 2021 financial summary

- Sales at SEK 8 637 M, an increase of 23 percent
- Organic sales increased by 31 percent, negative F/X of 8 percent
- EBIT¹ at SEK 1 387 M, corresponding to a margin of 16.1 percent
- Best quarterly EBIT to date
- Items affecting comparability at SEK -43 M and is related to restructuring
- Operating cash flow at SEK 1 279 M
- Cash conversion at 112 percent

Organic sales development by geography

Organic sales continuing operations¹

Continuing operations Total	
Apr-Jun 21	Apr-Jun 20
31%	-20%

Western Europe		
Share	Apr-Jun 21	Apr-Jun 20
47%	31%	-22%

North America		
Share	Apr-Jun 21	Apr-Jun 20
24%	18%	-24%

Other Europe		
Share	Apr-Jun 21	Apr-Jun 20
9%	43%	-15%

South and Other America		
Share	Apr-Jun 21	Apr-Jun 20
3%	76%	-23%

Asia & Other markets		
Share	Apr-Jun 21	Apr-Jun 20
17%	39%	-7%

Share = Continuing operations 2020

¹ Excluding discontinuing business





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Stronger margins on widespread growth

Trelleborg Industrial Solutions¹

- Organic sales: +23%
- Sales grew in all major geographies
- Sales to most market segments increased, especially in auto and construction
- Aerospace registered modest growth
- EBIT and margin improved on higher volumes and good cost control

SEK M	Q2 2021	Q2 2020	Change, %
Net sales	2 866	2 461	16
Organic, %	23	-18	
Structural, %	1	4	
Exchange rate, %	-8	0	
EBIT	368	215	71
EBIT, %	12.8	8,7	4.1 p.p.

Significant growth in all regions

Trelleborg Sealing Solutions¹

- Organic sales: +37%
- General industry and automotive grew in all regions
- Healthcare & medical saw overall growth, mixed geographic picture
- Aerospace improved sequentially, but still down Y/Y; expected to improve
- EBIT and margin improved on higher volumes and cost control

SEK M	Q2 2021	Q2 2020	Change, %
Net sales	3 155	2 498	26
Organic, %	37	-22	
Structural, %	-	2	
Exchange rate, %	-11	1	
EBIT	755	465	62
EBIT, %	24.0	18.6	5.4 p.p.

¹Excl. items affecting comparability

High demand for all tire categories

Trelleborg Wheel Systems¹

- Organic sales: +32%
- Significant increase in demand for agri- and material handling & construction tires
- Some freight and supply challenges remain
- EBIT and margin was held back by the rapid and strong price rise for raw materials and by sales mix
- Announced price adjustments to customers will gradually kick in during H2

SEK M	Q2 2021	Q2 2020	Change, %
Net sales	2 557	2 046	25
Organic, %	32	-18	
Structural, %	-	0	
Exchange rate, %	-7	-1	
EBIT	342	256	34
EBIT, %	13.4	12.5	0.9 p.p.



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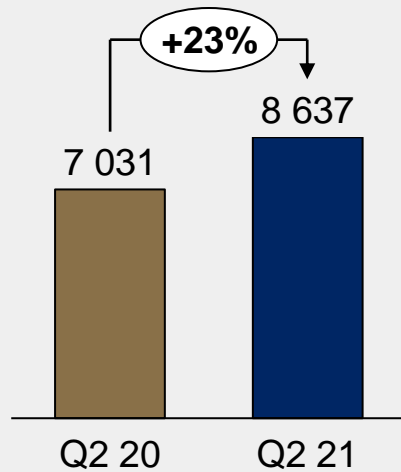
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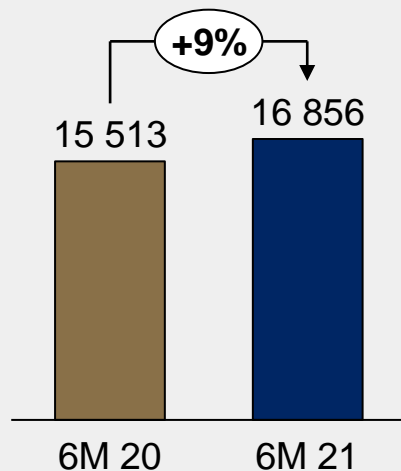
Strong organic trend but negative F/X

Sales development continuing operations



April - June [%]

Organic	31
Structural	0
Currency	-8
Total	23

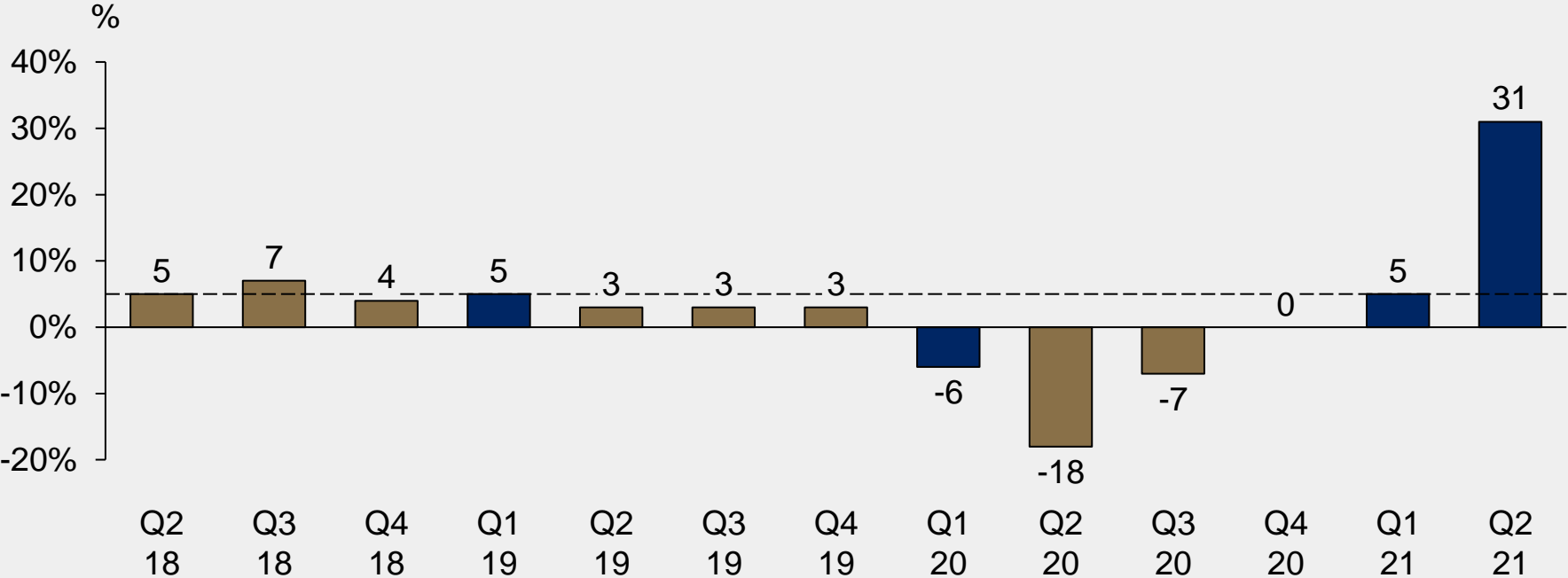


January - June [%]

Organic	17
Structural	0
Currency	-8
Total	9

Strong sales trend¹

Target: 5-8% annual sales growth with constant currencies over a business cycle



Of which organic growth, %:

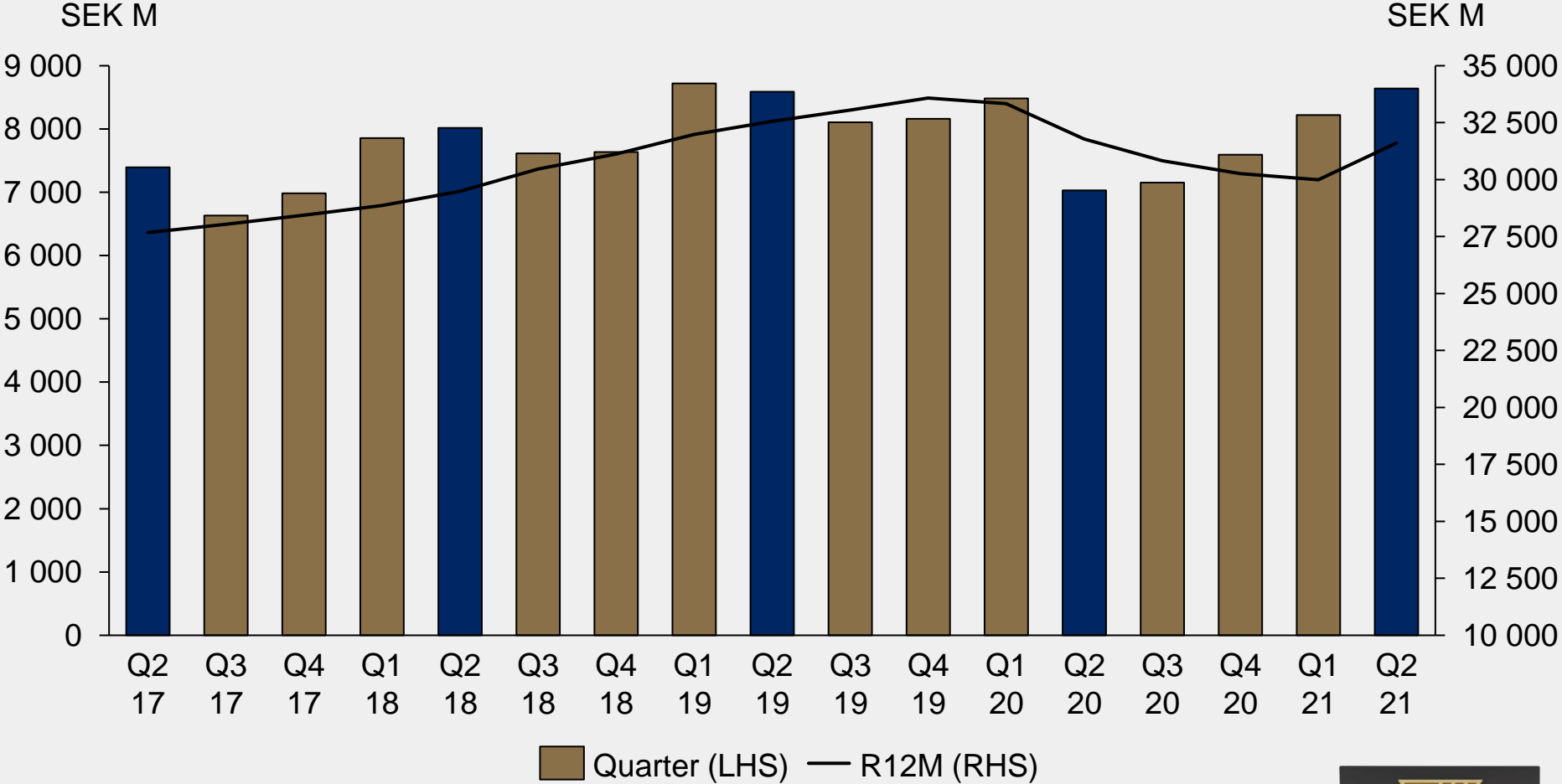
4	5	2	2	0	-1	-2	-8	-20	-7	0	5	31
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¹Structural growth + organic growth **excluding** currency effects, continuing operations



Sales development

Continuing operations, R12M

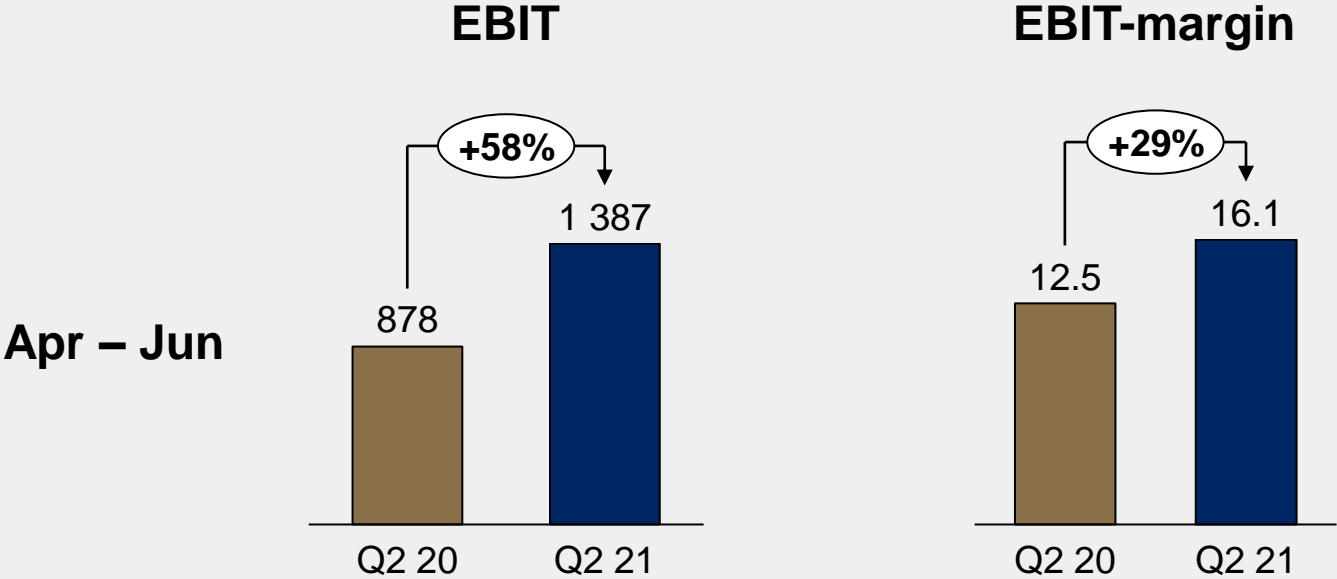


■ Quarter (LHS) — R12M (RHS)



Strong margin improvement

EBIT and margin development¹

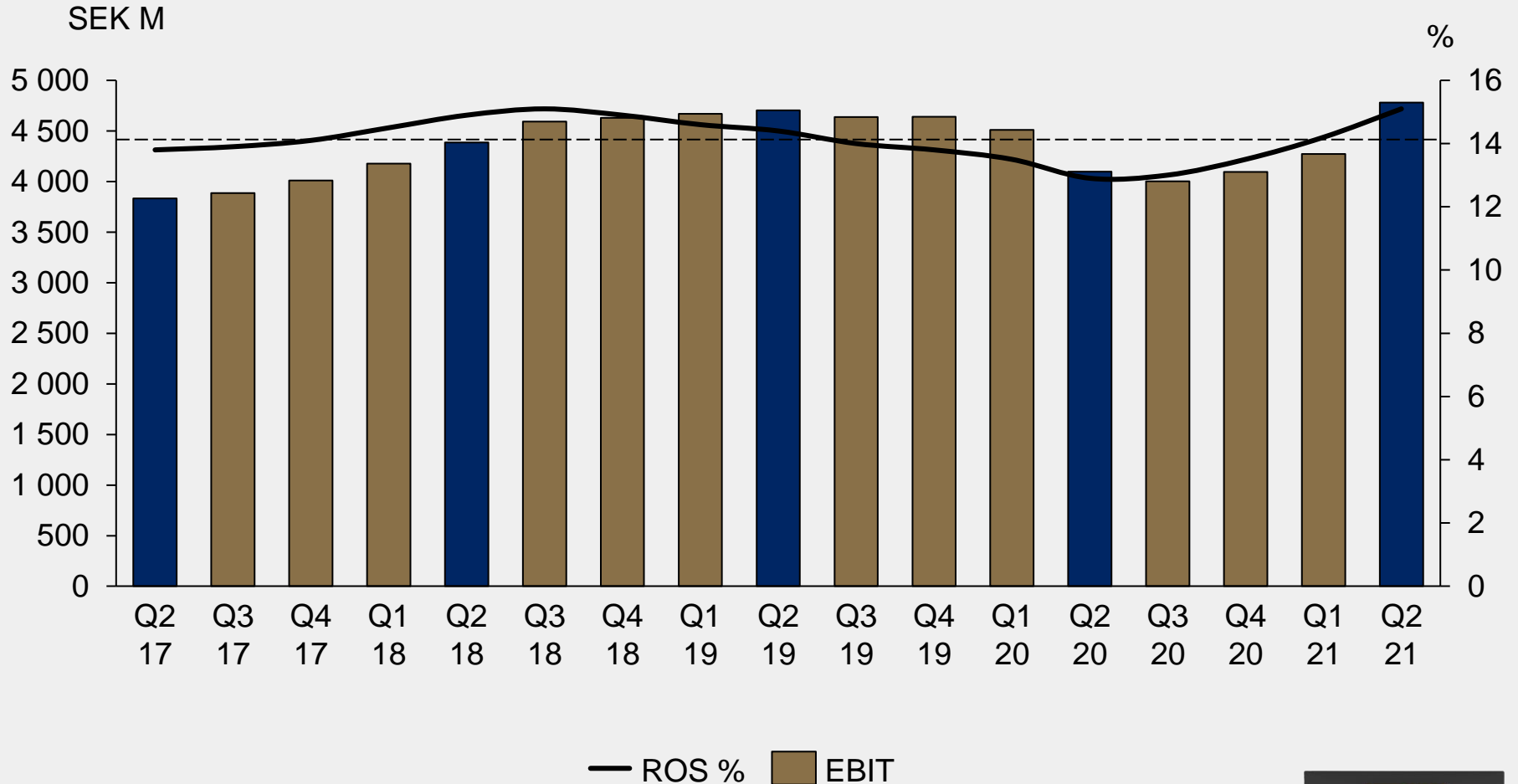


¹Continuing operations, Excluding items affecting comparability



Highest R12M EBIT and margin to date

EBIT and margin, R12M¹



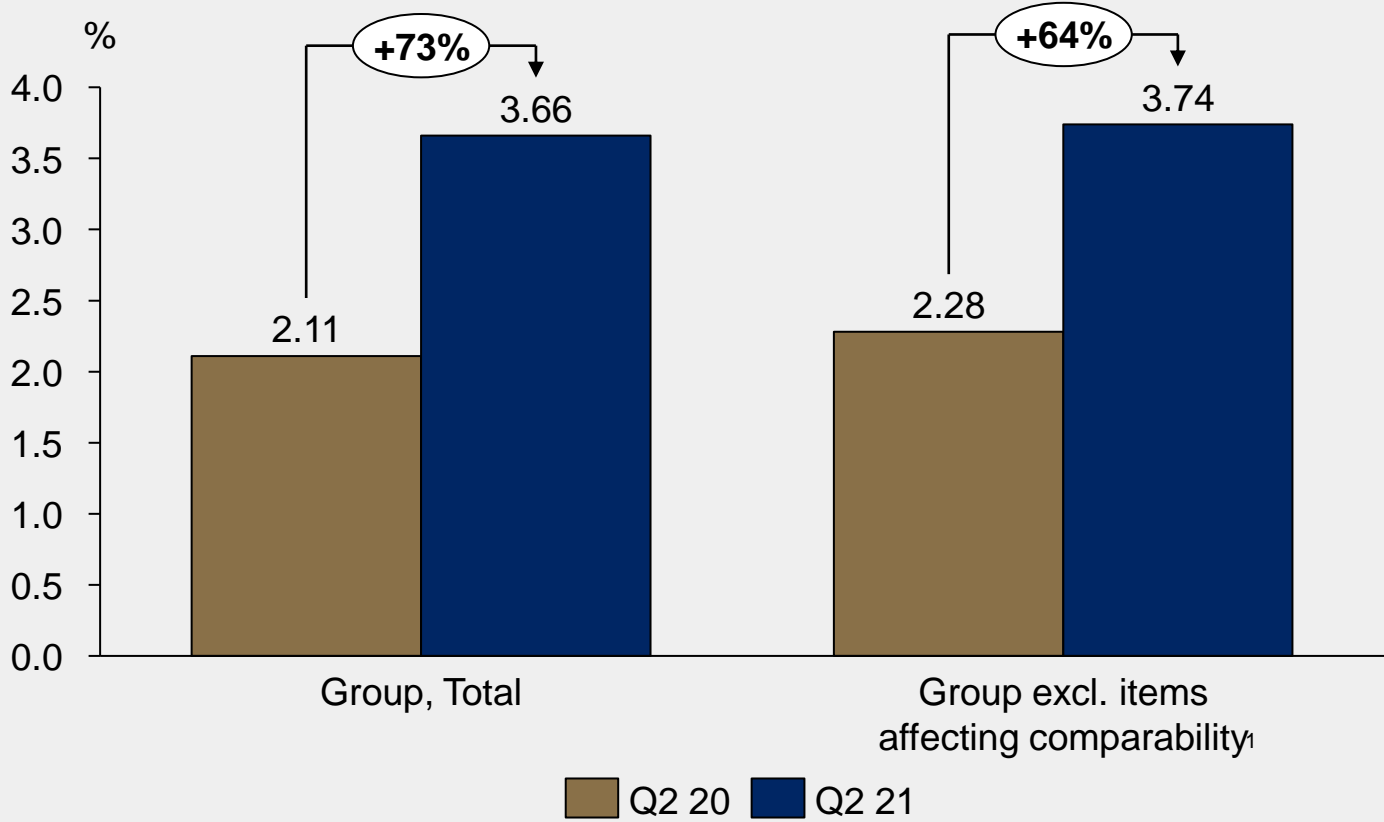
¹ Continuing operations, Excluding items affecting comparability

Profit & loss statement

SEK M	Q2 2021	Q2 2020	Change, %	6M 2021	6M 2020	Change, %
<u>Continuing operations</u>						
Net sales	8 637	7 031	23	16 856	15 513	9
Change total, %	23	-18		9	-10	
Organic sales, %	31	-20		17	-14	
Structural change, %	0	2		0	2	
Currency effects, %	-8	0		-8	2	
EBIT, excluding items affecting comparability	1 387	878	58	2 737	2 051	33
EBIT-margin, %	16,1	12,5		16,2	13,2	
Restructuring costs	-43	-61		-88	-97	
Capital gain on real estates	-	-		144	-	
Items affecting comparability	-43	-61		56	-97	
EBIT	1 344	817	65	2 793	1 954	43
Financial income and expenses	-58	-76	24	-90	-132	32
Profit before tax	1 286	741	74	2 703	1 822	48
Taxes	-306	-181	-69	-623	-472	-32
Net profit, continuing operations	980	560	75	2 080	1 350	54
Net profit, discontinuing operations	12	12	0	16	49	-67
Net profit, Group	992	572	73	2 096	1 399	50
Earnings per share, SEK						
Continuing operations	3,61	2,07	74	7,67	4,98	54
Discontinuing operations	0,05	0,04	25	0,06	0,18	-67
Group	3,66	2,11	73	7,73	5,16	50
Excluding items affecting comparability	3,74	2,28	64	7,51	5,32	41

Very strong EPS improvement

Earnings per share,

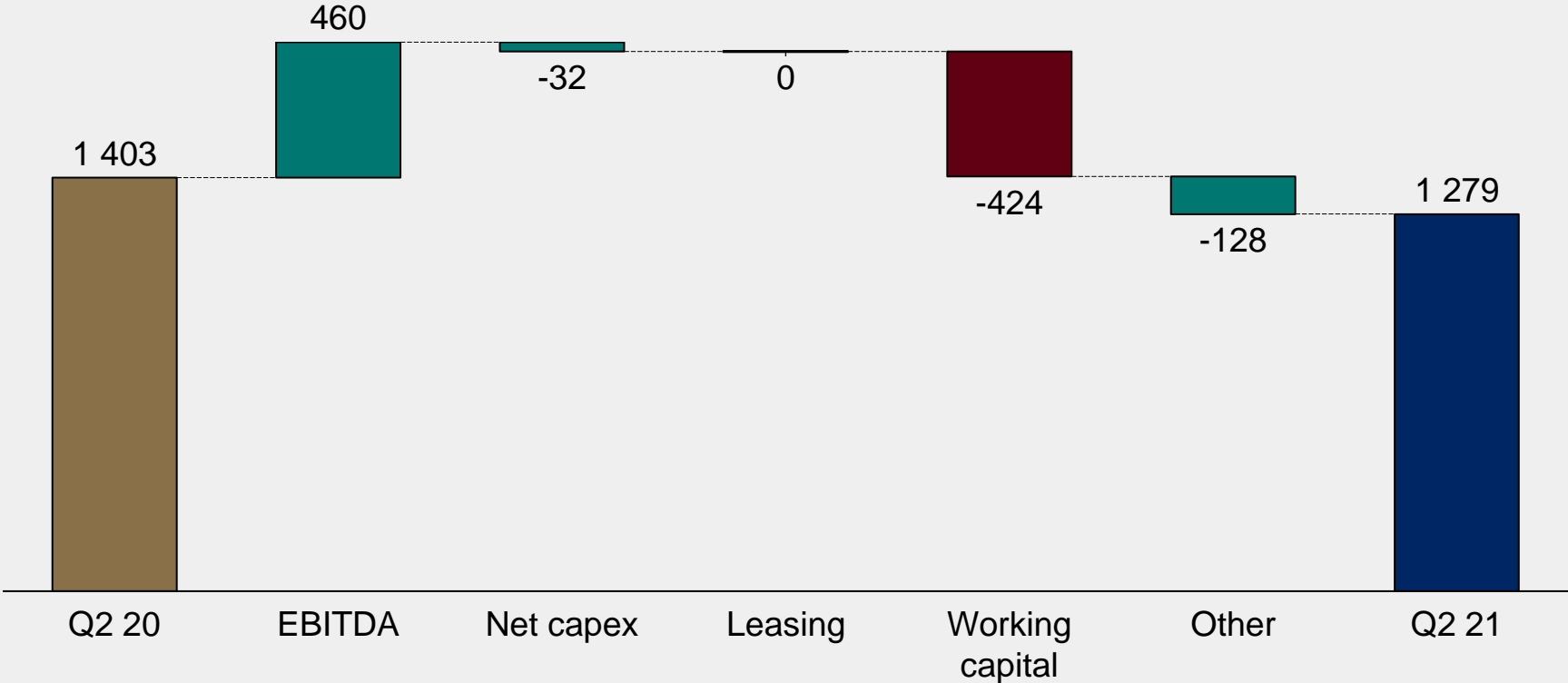


¹No dilution effects arose.



Solid cash flow generation despite WC build-up

Operating cash flow¹



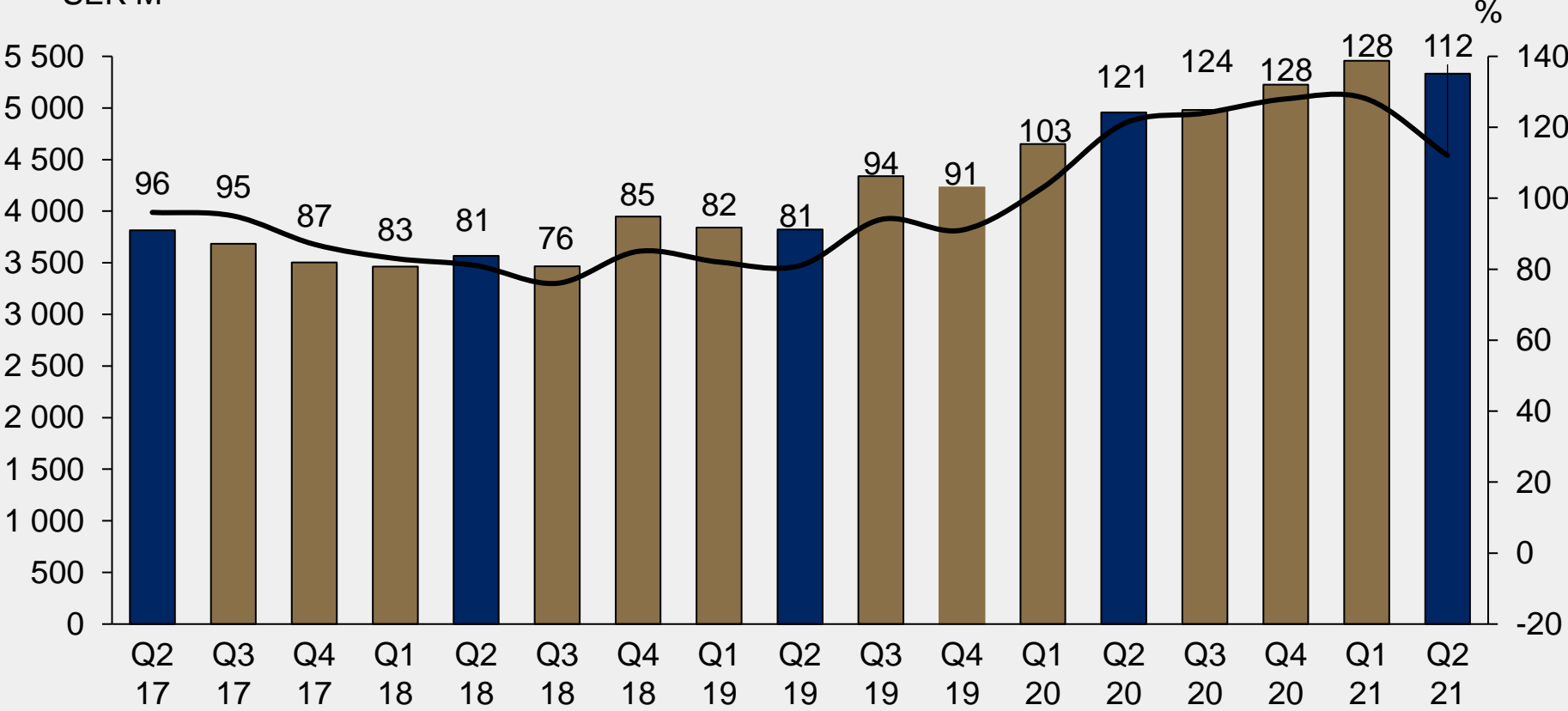
¹ Continuing operations, excluding items affecting comparability



Cash conversion above 100 percent

Operating cash flow, R12M¹

SEK M



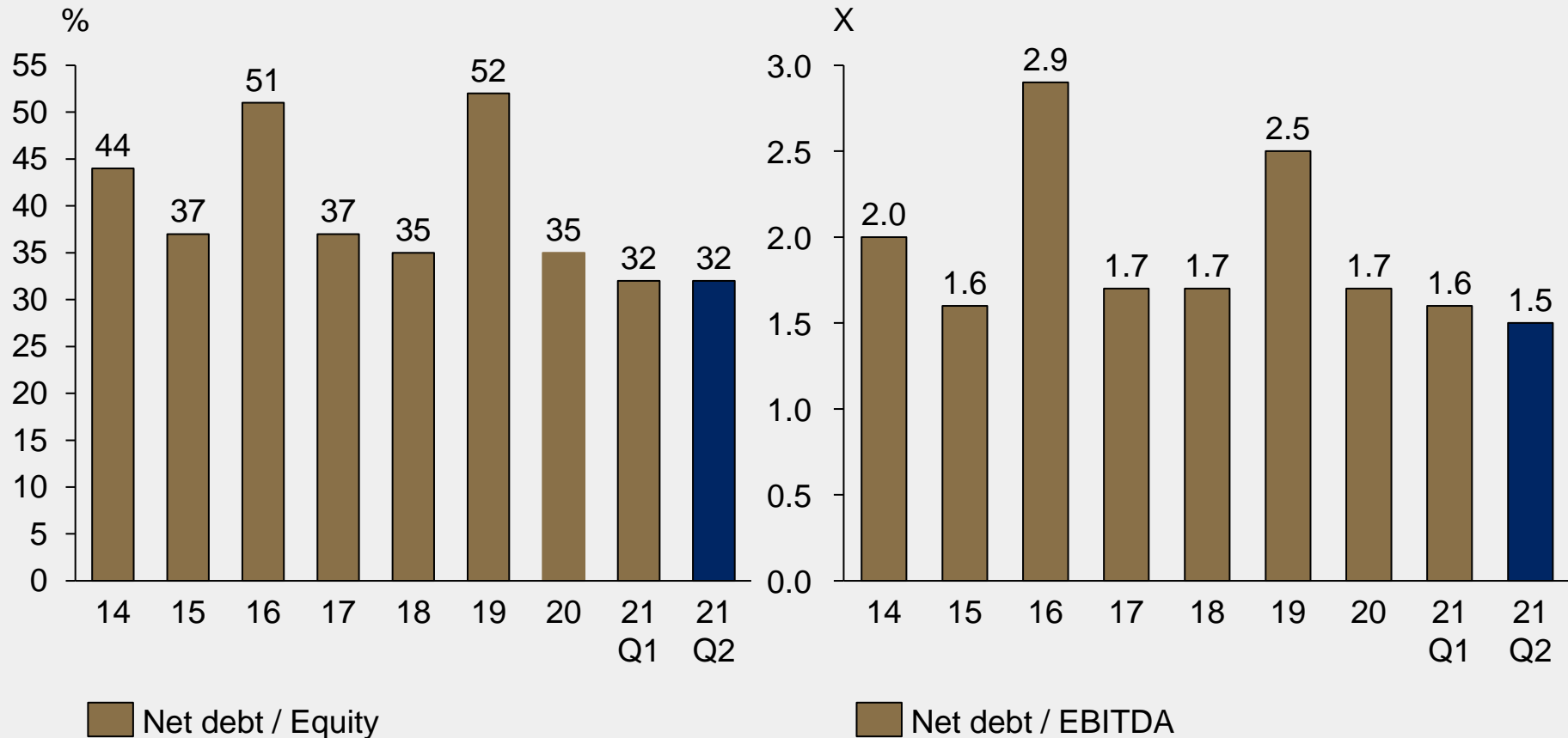
— Cash conversion % ■ Operating cash flow

¹ Continuing operations, excluding items affecting comparability



Gearing and leverage development¹

R12M, Group Total



¹From 2019 and forward gearing and leverage is impacted by lease liability for IFRS 16



Financial guidelines for full-year 2021

- Capex: SEK ~1.4 Bn
- Restructuring costs: SEK ~400 M (previous guidance SEK ~500 M)
- Underlying tax rate: ~25%
- Amortization of intangible assets ~400 M



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Balancing challenges and opportunities

2021 priorities

- Manage supply chain, logistic challenges and inflation
- Manage market conditions in the wake of Covid-19
- Continued portfolio management to improve leading positions
- Continued focus on operational excellence, efficiency measures and footprint optimization
- Continued focus on innovation, improved customer integration and smart use of new technology
- Integration of and scouting for acquisitions

Outlook Q3 2021

- Demand is expected to be on a par with the second quarter of 2021, adjusted for seasonal variations
- Uncertainty regarding the pandemic's impact on the coming quarters remains



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Questions & Answers

