



Trelleborg interim report

Q4, Oct-Dec 2021

Peter Nilsson, President & CEO

Fredrik Nilsson, CFO



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Summary & Outlook Q1 2022

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Strong finish to a record year

Q4 2021 financial summary¹

- Sales at SEK 8 768 M, an increase of 15 percent
- Organic sales increased by 14 percent, structural changes by 1 percent
- EBIT grew by 12 percent to SEK 1 211 M, corresponding to a margin of 13.8 percent
- Highest fourth-quarter sales and EBIT to date
- Items affecting comparability at SEK -160 M, due to restructuring projects
- Operating cash flow at SEK 989 M
- Proposed cash dividend of SEK 5.50 per share
- Acquisitions of VB Seal and a division of Alpha Engineered Composites

Organic sales development by geography

Organic sales continuing operations

Continuing operations total	
Oct-Dec 21	Oct – Dec 20
14%	0%

North America		
Share	Oct - Dec 21	Oct - Dec 20
23%	24%	-15%

Europe		
Share	Oct - Dec 21	Oct - Dec 20
55%	10%	2%

South and Other America		
Share	Oct - Dec 21	Oct - Dec 20
4%	44%	14%

Asia & Other markets		
Share	Oct - Dec 21	Oct - Dec 20
18%	8%	8%

Share = Continuing operations full-year 2021





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Solid growth continues

Trelleborg Industrial Solutions¹

- Organic sales: +7%
- Sales stable in Europe and increased significantly in North America and Asia
- Deliveries to the construction-related market, aerospace and train segments increased
- Sales to automotive customers declined
- EBIT and margin decreased; corresponding period last year positively impacted by individual large projects

SEK M	Q4 2021	Q4 2020	Change, %
Net sales	2 857	2 621	9
Organic, %	7	-5	
Structural, %	1	0	
Exchange rate, %	1	-7	
EBIT	364	391	-7
EBIT, %	12.7	14.9	-2.2 p.p.

Strong growth in most segments and regions

Trelleborg Sealing Solutions¹

- Organic sales: +14%
- Sales to general industry and aerospace increased significantly in all geographies
- Component shortages held back sales to automotive
- Health & Medical solid growth, but still somewhat impacted by delayed elective surgeries due to the pandemic
- EBIT and margin improved on higher volumes and cost control

SEK M	Q4 2021	Q4 2020	Change, %
Net sales	3 106	2 673	16
Organic, %	14	-4	
Structural, %	1	1	
Exchange rate, %	1	-6	
EBIT	656	512	28
EBIT, %	21.1	19.1	2.0 p.p.

Strong demand for all tire categories

Trelleborg Wheel Systems¹

- Organic sales: +25%
- Strong demand for agri tires and material handling & construction tires in all regions
- Continued prioritization of OE-customers for long-term benefits
- Raw materials, freight and energy prices continued to increase, dampening the EBIT and margin
- Price adjustments to customers will improve profitability in coming quarters

SEK M	Q4 2021	Q4 2020	Change, %
Net sales	2 753	2 185	26
Organic, %	25	8	
Structural, %	-	-	
Exchange rate, %	1	-8	
EBIT	275	225	22
EBIT, %	10.0	10.3	-0.3 p.p.



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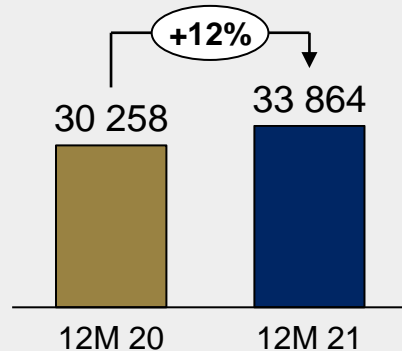
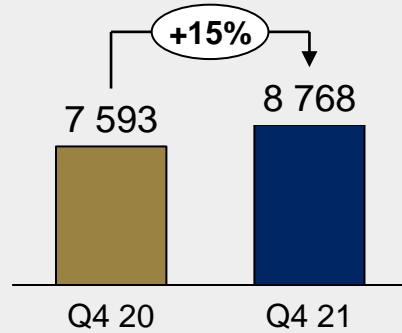
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Strong organic sales trend

Sales development continuing operations



October - December [%]

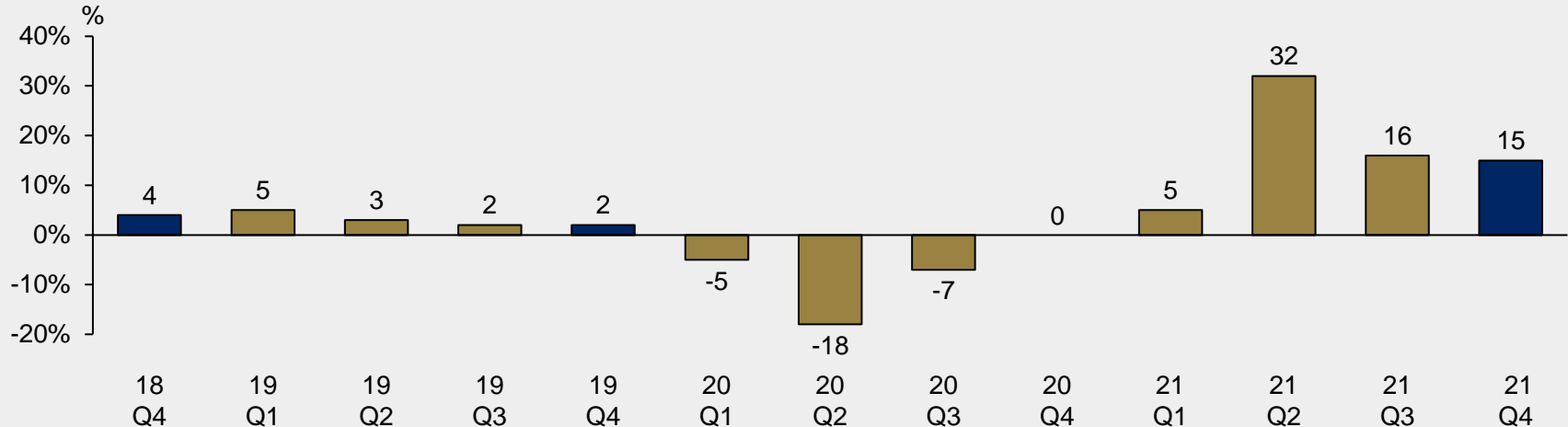
Organic	14
Structural	1
Currency	0
Total	15

January - December [%]

Organic	16
Structural	0
Currency	-4
Total	12

Strong sales trend

Target: 5-8% annual sales growth with constant currencies over a business cycle¹

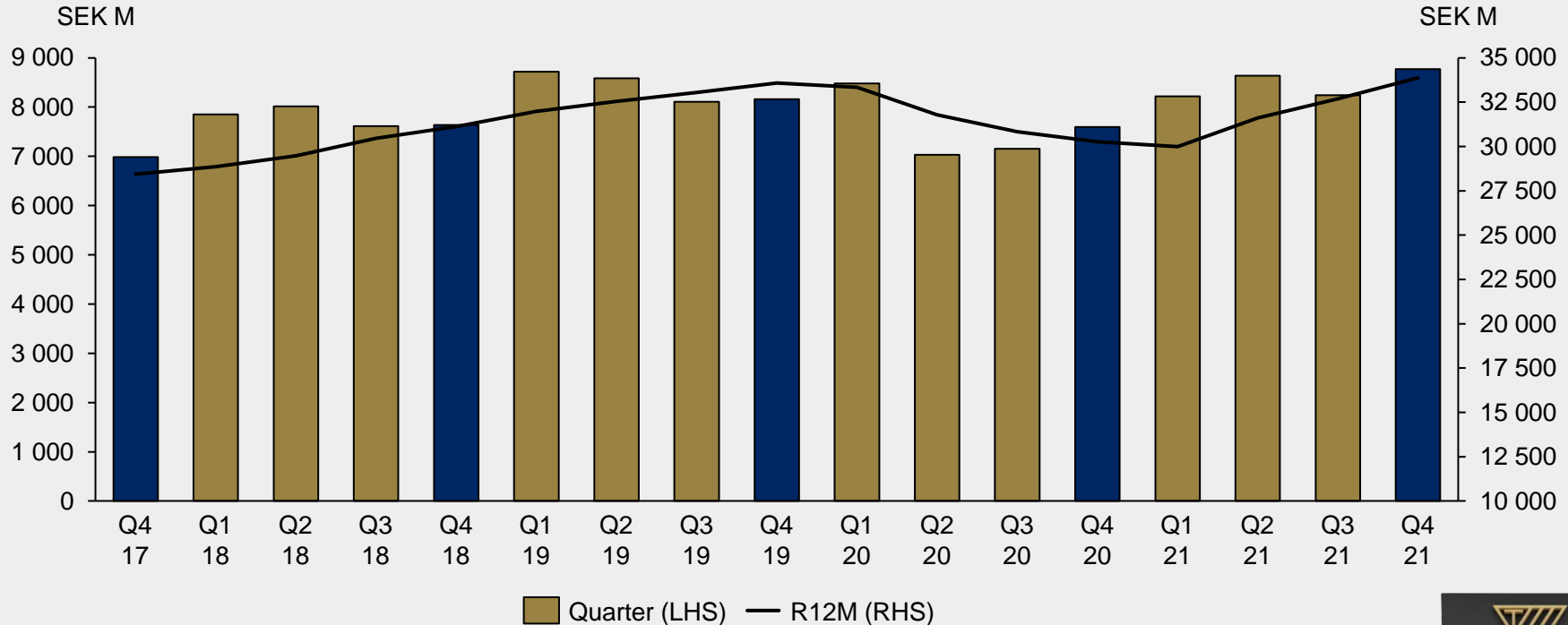


Of which organic growth, %:

2 2 0 -1 -2 -8 -20 -7 0 5 31 16 14

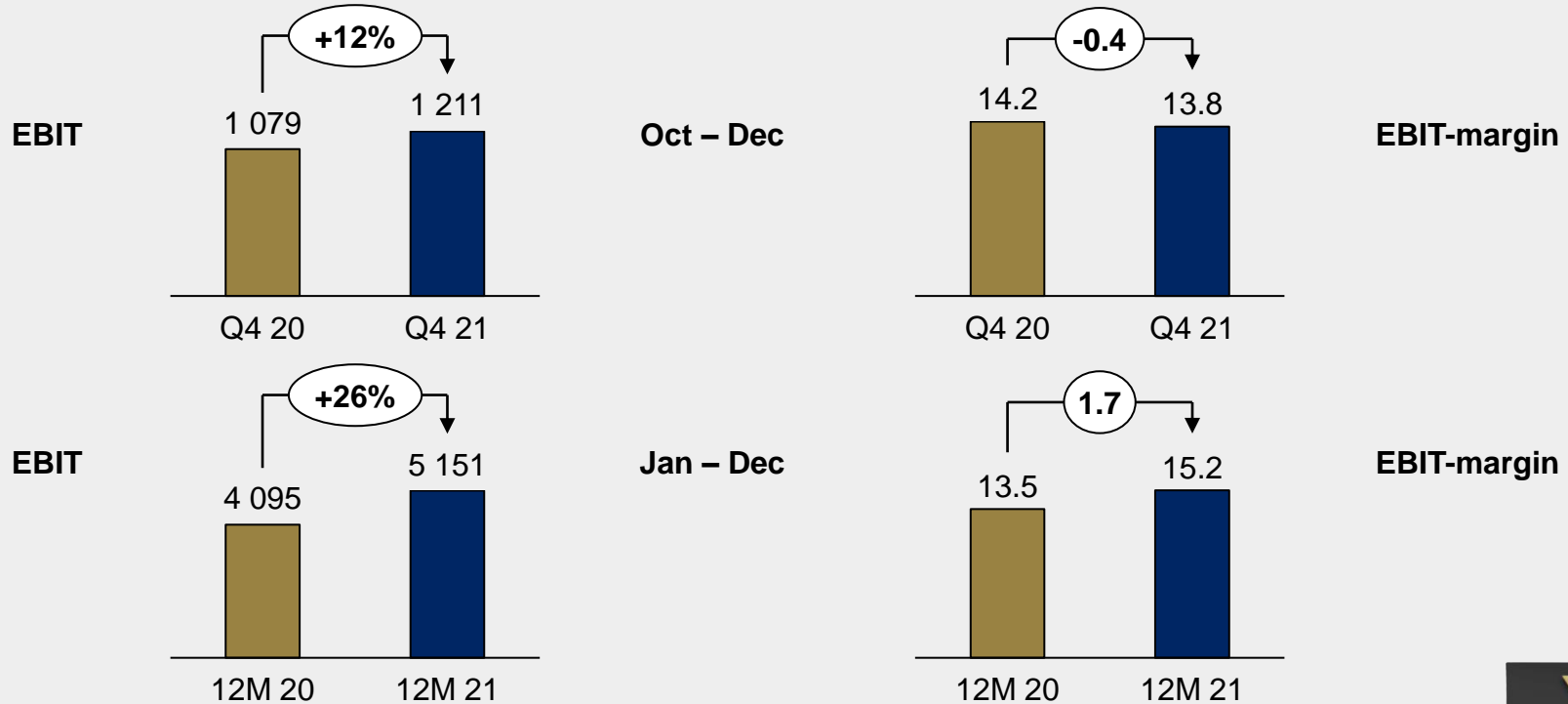
Sales development

Continuing operations, R12M



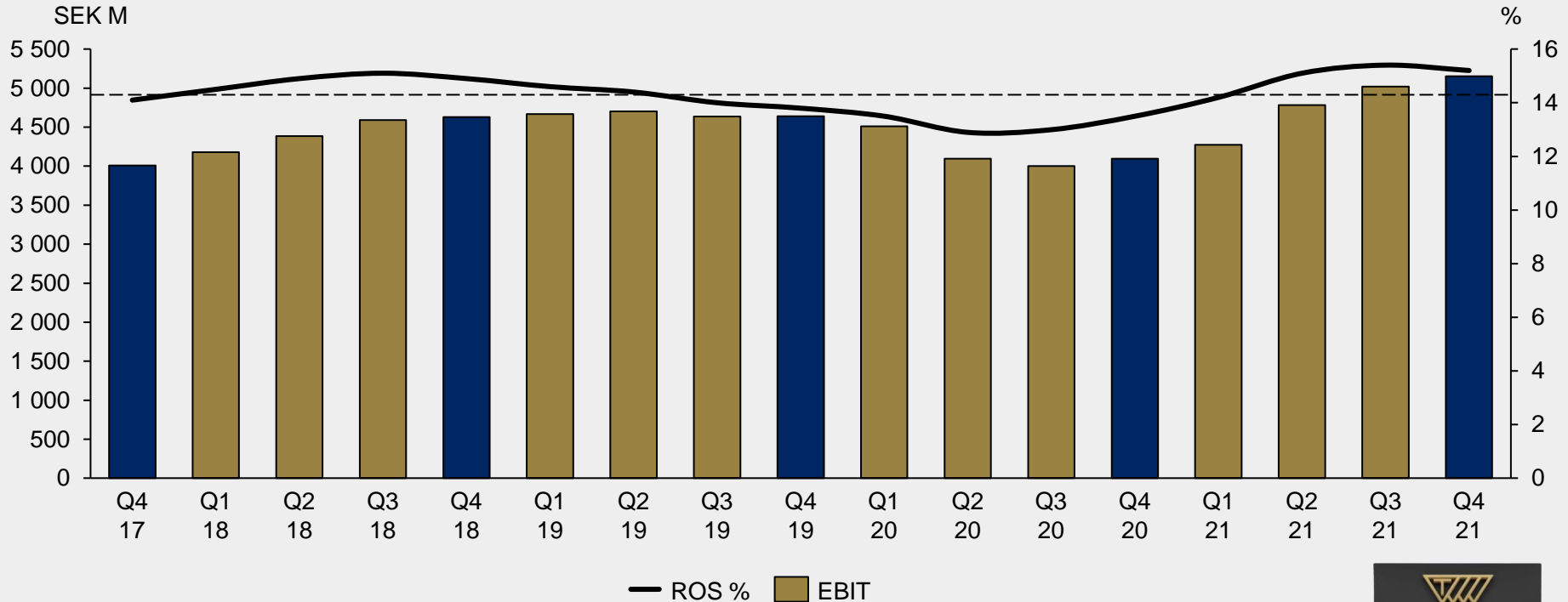
Highest full-year EBIT and margin to date

EBIT and margin development¹



Highest R12M EBIT and margin to date

EBIT and margin, R12M¹

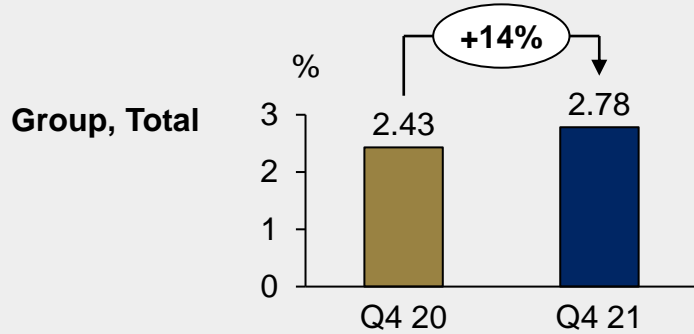


Profit & loss statement

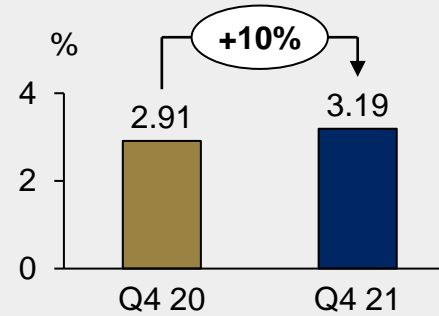
SEK M	Q4 2021	Q4 2020	Change, %	12M 2021	12M 2020	Change, %
Continuing operations						
Net sales	8 768	7 593	15	33 864	30 258	12
EBIT, excluding items affecting comparability	1 211	1 079	12	5 151	4 095	26
EBIT-margin, %	13,8	14,2		15,2	13,5	
Restructuring costs	-160	-140		-313	-318	
Capital gain on real estates	-	-		177	-	
Items affecting comparability	-160	-140		-136	-318	
EBIT	1 051	939	12	5 015	3 777	33
Financial income and expenses	-43	-68	37	-176	-266	34
Profit before tax	1 008	871	16	4 839	3 511	38
Taxes	-276	-189	-46	-1 173	-854	-37
Net profit, continuing operations	732	682	7	3 666	2 657	38
Net profit, discontinuing operations	20	-22		50	54	-7
Net profit, Group	752	660	14	3 716	2 711	37
Earnings per share, SEK						
Continuing operations	2,71	2,52	8	13,53	9,81	38
Total Group	2,78	2,43	14	13,71	10,00	37
Continuing operations, excluding items affecting comparability	3,19	2,91	10	13,95	10,44	34

Solid EPS improvement

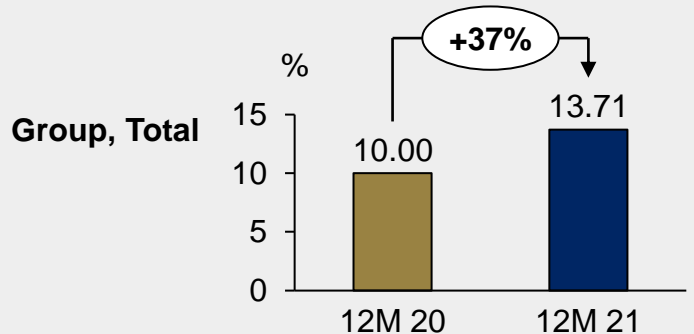
Earnings per share¹



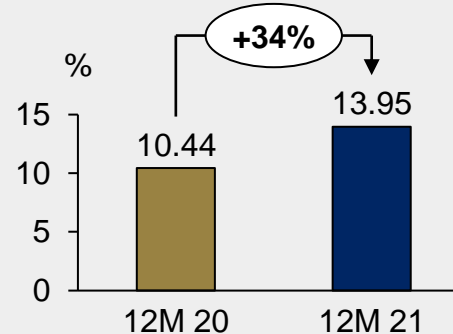
Oct – Dec



Continuing operations,
excluding items affecting
comparability



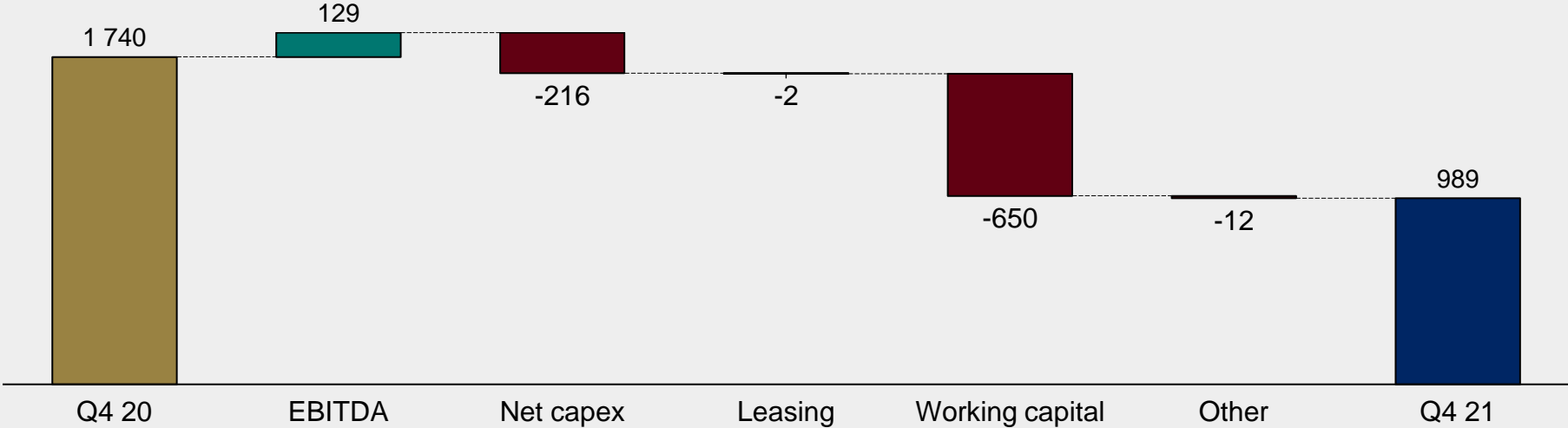
Jan – Dec



Continuing operations,
excluding items affecting
comparability

Cash flow reflects higher business activities

Operating cash flow¹

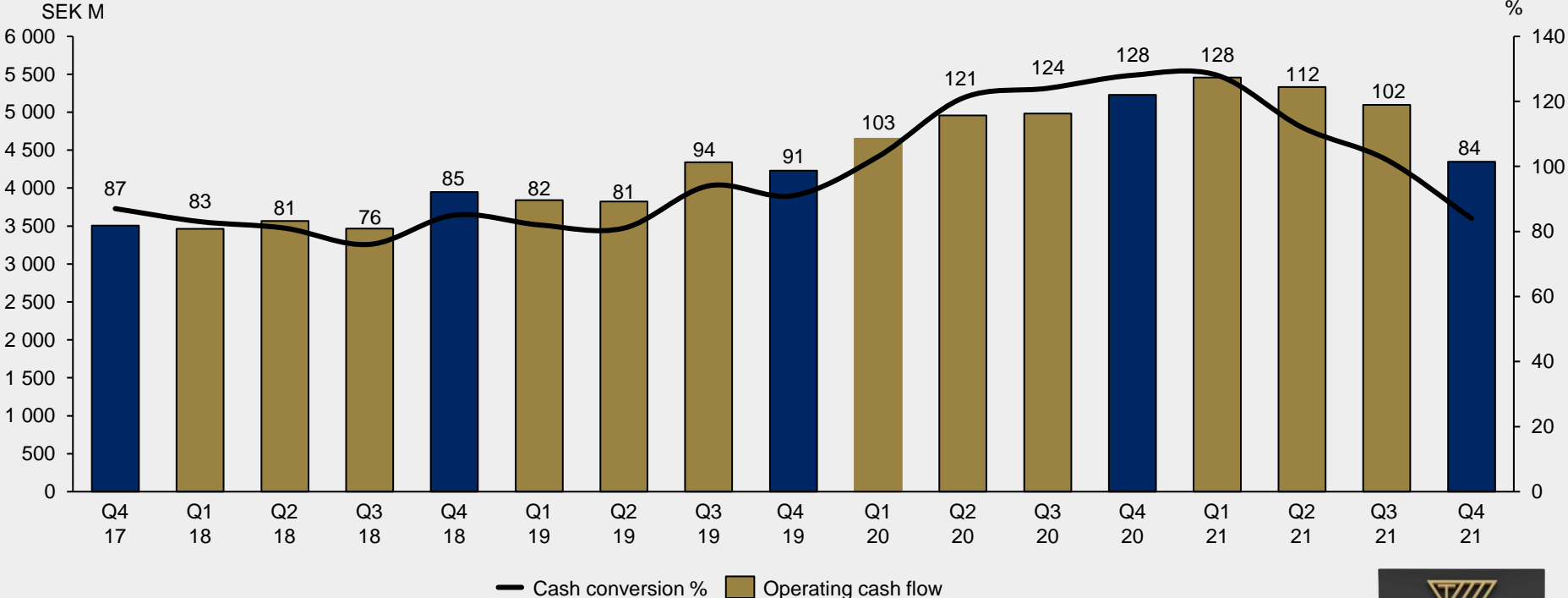


¹ Excl. items affecting comparability, continuing operations



Cash conversion at a solid level

Operating cash flow, R12M¹

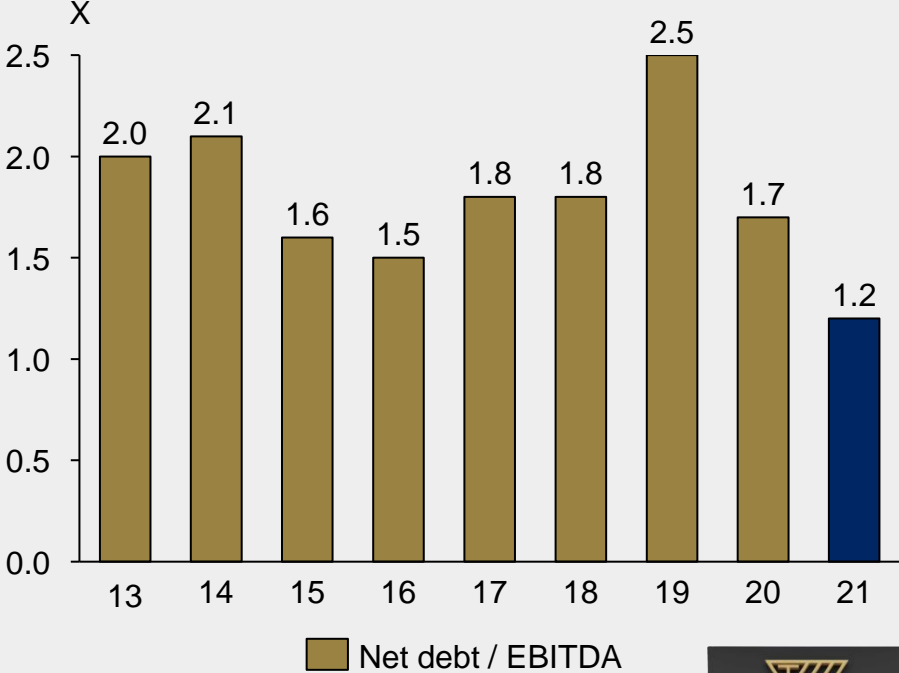
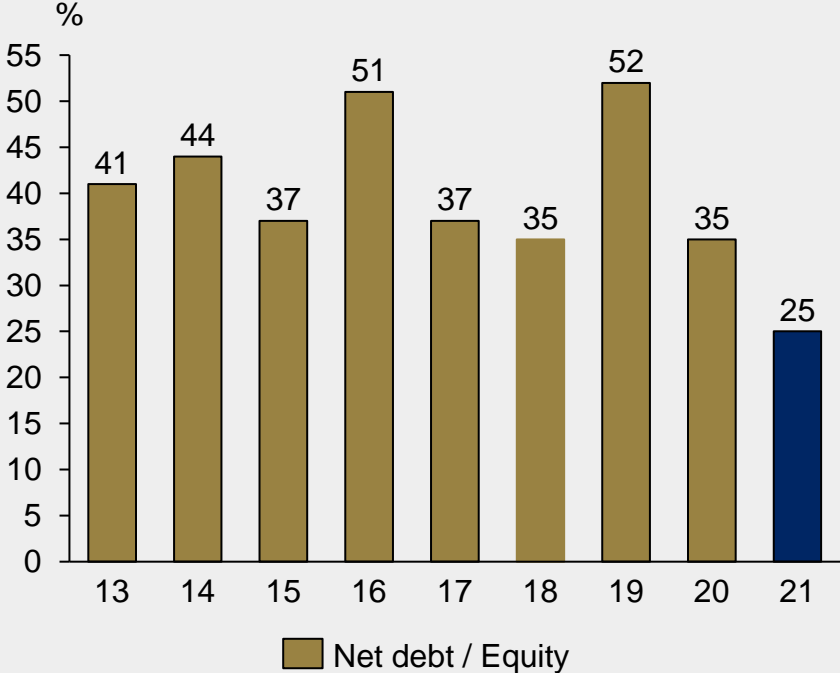


¹ Excl. items affecting comparability, continuing operations



Gearing and leverage development

R12M, Group¹



¹ From 2019 gearing and leverage are impacted by IFRS 16 (lease liability)





Updated financial targets - CMD Dec. 2021

- Total sales growth is to amount to 5 to 8 percent
- EBIT-margin¹ is to amount to ≥ 16 percent
- Return on capital employed¹ (ROCE) is to amount to ≥ 14 percent



Financial guidelines for full-year 2022

- Capex: SEK ~1.4 Bn
- Restructuring costs: SEK ~300 M
- Underlying tax rate: ~25%
- Amortization of intangible assets SEK ~375 M



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Main messages from Capital Markets Day

CMD December 2021

- Platform stronger than ever
- Exit of BUD units strengthens organic growth and EBIT-margin
- Increased focus on fast-growing segments, so called “speed boats”
- Increased M&A efforts in selected segments
- Bespoke strategies for each business area
- Extraordinary General Meeting authorized a share-buy back program

Outlook Q1 2022

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



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Questions & Answers