



Press release

Trelleborg, March 25, 2022

## **Trelleborg divests its business area Trelleborg Wheel Systems**

### **Trelleborg becomes more profitable, less cyclical, and its sustainability profile improves**

Trelleborg Group has signed an agreement to divest its Trelleborg Wheel Systems business area to Yokohama Rubber Company for EUR 2,100 M (SEK ~22,000 M) on a cash and debt free basis, which represents 13x the business area's 2021 operational EBITDA, or 17.5x 2021 EBIT. Less than 3 percent of the purchase price is subject to the performance of Trelleborg Wheel Systems in 2022. The transaction will result in an estimated capital gain of SEK 6,000 M. Closing of the transaction is subject to approvals from relevant authorities and is expected to be completed in the latter part of 2022.

Peter Nilsson, President and CEO of Trelleborg Group, says: "Our ambition is to grow Trelleborg into the world's foremost engineered polymer solutions company in our selected industries, such as healthcare & medical, automation and aerospace, as well as in specialty industrial applications. Moreover, we see a great potential to expand into adjacent products and solutions that complement and strengthen our existing offering.

"The divestment creates a more coherent portfolio with similar business models and drivers. It improves our profitability and capital efficiency, while the transaction also reduces our cyclicity. Our sustainability profile improves significantly with a lower CO<sub>2</sub> footprint.

"Under Trelleborg's ownership, Trelleborg Wheel Systems has during the past few years more than doubled in size and substantially increased its profitability. Today the business is in great shape. While evaluating different alternatives for the Group we have concluded that a divestment at this valuation generates the most shareholder value and creates exciting opportunities going forward.

"To conclude, Trelleborg becomes more profitable, less cyclical, and its sustainability profile improves. Today's transaction clearly visualizes the shareholder value embedded in the Group. We further strengthen our capacity to accelerate growth, both organically and through acquisitions, as well as returning additional capital to shareholders. Further information on the use of proceeds will follow in due course. The transaction also prompts a review of our financial targets to be communicated at a later stage."

Cont.



### **Trelleborg Wheel Systems**

The Trelleborg Wheel Systems business area is a leading global supplier of tires and complete wheels for off-highway vehicles such as agricultural machines, material handling, construction vehicles, and specialty applications. Net sales in 2021 amounted to SEK 10,076 M with an EBIT margin of 12.0 percent. At year-end 2021 it had 6,750 employees and manufacturing facilities in Italy, Latvia, Brazil, Czech Republic, Serbia, Slovenia, China, Sri Lanka, and US.

### **Accounting**

In the financial statements Trelleborg Wheel Systems will be recognized among Assets held for sale as from the first quarter report for 2022. Historical sales and earnings figures will be restated and communicated by the end of week commencing March 28 (Week 13).

### **Conference call**

Analysts, investors and media are invited to attend a telephone conference at 09:30 a.m. CET on March 25, 2022. See separate invitation for details.

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**Trelleborg** is a world leader in engineered polymer solutions that seal, damp and protect critical applications in demanding environments. Its innovative solutions accelerate performance for customers in a sustainable way. The Trelleborg Group has annual sales of about SEK 34 billion and operations in about 50 countries. The Group comprises three business areas: Trelleborg Industrial Solutions, Trelleborg Sealing Solutions and Trelleborg Wheel Systems. The Trelleborg share has been listed on the Stock Exchange since 1964 and is listed on Nasdaq Stockholm, Large Cap. [www.trelleborg.com](http://www.trelleborg.com)

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