

Trelleborg interim report

Q3, July-September 2022

Peter Nilsson, President & CEO
Fredrik Nilsson, CFO

Agenda

Highlights

Business areas

Financials

Summary & Outlook Q4 2022

Q&A

Another strong quarter

Q3 2022 financial summary¹

- Sales at SEK 7 536 M, an increase of 28 percent, highest quarterly sales to date
- Organic sales +15 percent, currency +11 percent, M&A +2 percent
- EBIT grew by 34 percent to SEK 1 278 M, corresponding to a margin of 17.0 percent
- Highest third quarterly EBIT and margin to date
- Items affecting comparability at SEK -68 M
- Operating cash flow at SEK 928 M
- Acquisitions of Minnesota Rubber & Plastics and MG Silikon
- Post Q3: Acquisition of part of Innovative Sewer Technologies (IST)

Organic sales development by geography

Organic sales continuing operations

Total	
Q3 22	Q3 21
15%	16%

Europe		
Share of sales ¹	Q3 22	Q3 21
51%	7%	17%

Americas		
Share of sales ¹	Q3 22	Q3 21
28%	24%	19%

Asia & Other markets		
Share of sales ¹	Q3 22	Q3 21
21%	20%	13%

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Strong growth and margin improvement

Trelleborg Industrial Solutions¹

- Organic sales: +17%
- Sales to most market segments and geographic markets increased
- Some slowdown in European construction
- Cost increases offset by pricing and efficiency
- EBIT and margin improved significantly on higher volumes

SEK M	Q3 2022	Q3 2021	Change, %
Net sales	3 472	2 708	28
Organic, %	17	10	
Structural, %	1	1	
Exchange rate, %	10	-1	
EBIT	476	326	46
EBIT, %	13.7	12.0	1.7 p.p.

Significant volume growth

Trelleborg Sealing Solutions¹

- Organic sales: +13%
- Sales rose by a double-digit rate in most geographies
- Sales to industrial and automotive developed favorably
- Sales to healthcare & medical and aerospace increased significantly
- EBIT at highest level to date
- Margin somewhat impacted by integration cost and build-up of resources

SEK M	Q3 2022	Q3 2021	Change, %
Net sales	3 970	3 086	29
Organic, %	13	24	
Structural, %	3	-	
Exchange rate, %	13	-1	
EBIT	884	720	23
EBIT, %	22.3	23.3	-1.0 p.p.

Acquisition of Minnesota Rubber & Plastics

Accelerating our journey

- Step change for Trelleborg Sealing Solutions – becoming as strong in North America as in Europe
- Strengthening the core – sailing in known waters and highly synergistic
- More complete and global offering to customers
- Enhances exposure to high growth segments – Healthcare & Medical, Food & Beverage, Water



Trelleborg Wheel Systems

- reported as Assets held for sale

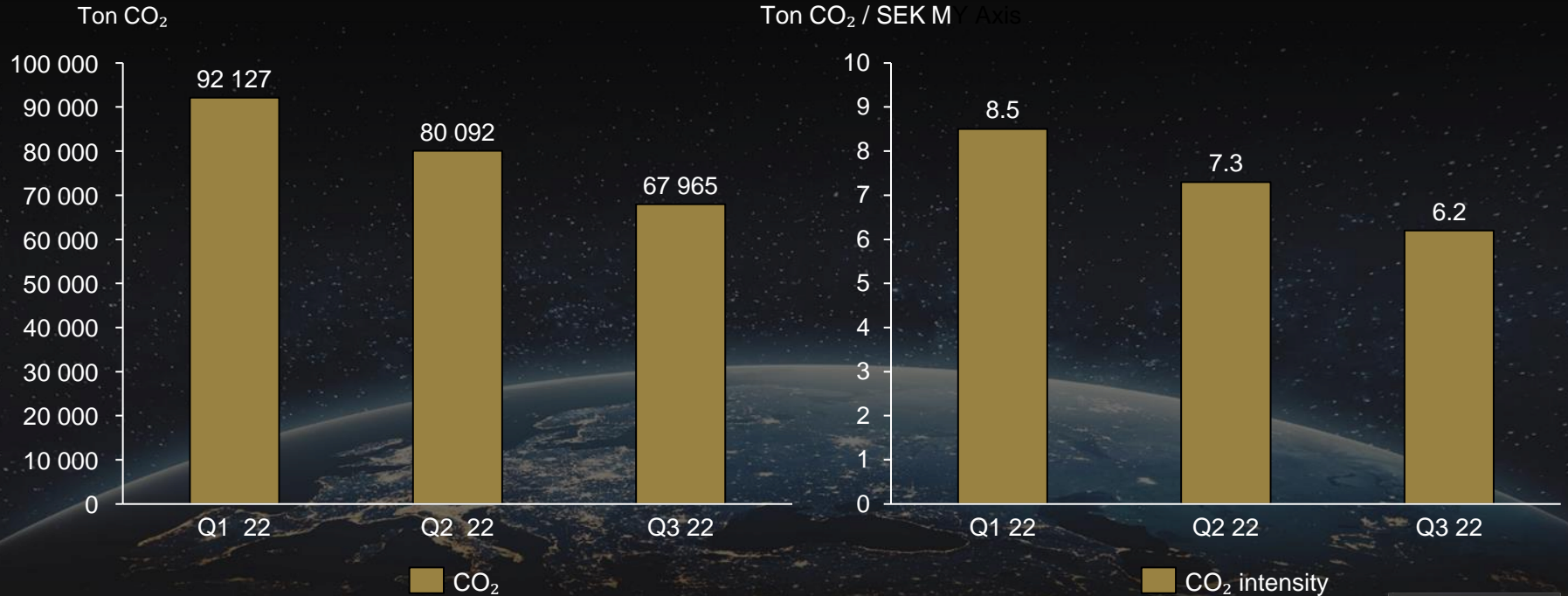
Strong sales and EBIT growth

Trelleborg Wheel Systems¹

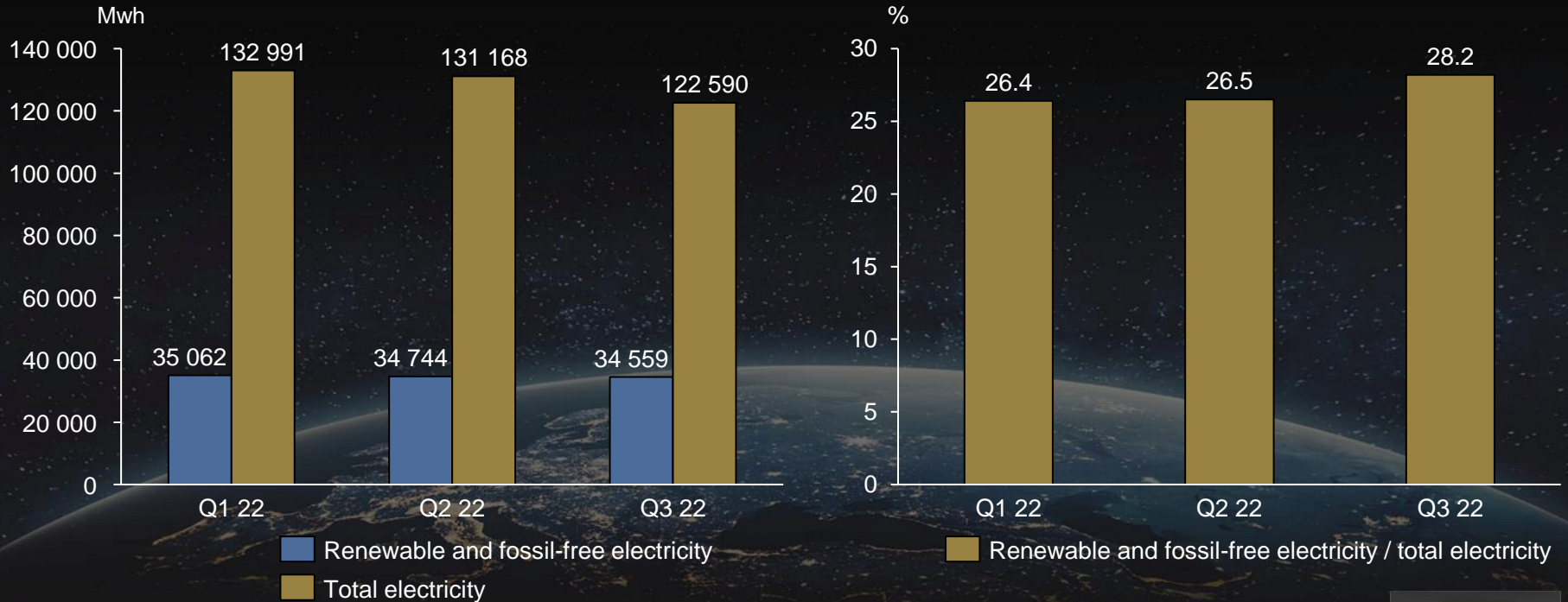
- Organic sales: +20%
- Sales growth in all tire categories and in most geographical markets
- Sales in the Americas particularly strong
- European aftermarket for agri tires weaker, impacted by Russia/Ukraine war
- Significantly higher costs for raw materials and energy
- EBIT increased on higher sales, margin slightly down on a negative sales mix

SEK M	Q3 2022	Q3 2021	Change, %
Net sales	3 151	2 369	33
Organic, %	20	15	
Structural, %	-	-	
Exchange rate, %	13	-1	
EBIT	309	238	30
EBIT, %	9.8	10.1	-0.3 p.p.

Group sustainability KPI's



Group sustainability KPI's



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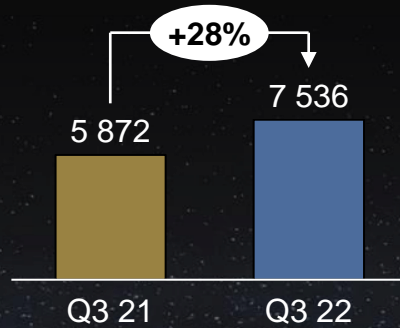
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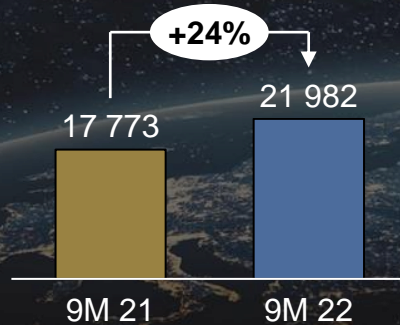
Q&A

Strong organic sales

Sales development continuing operations



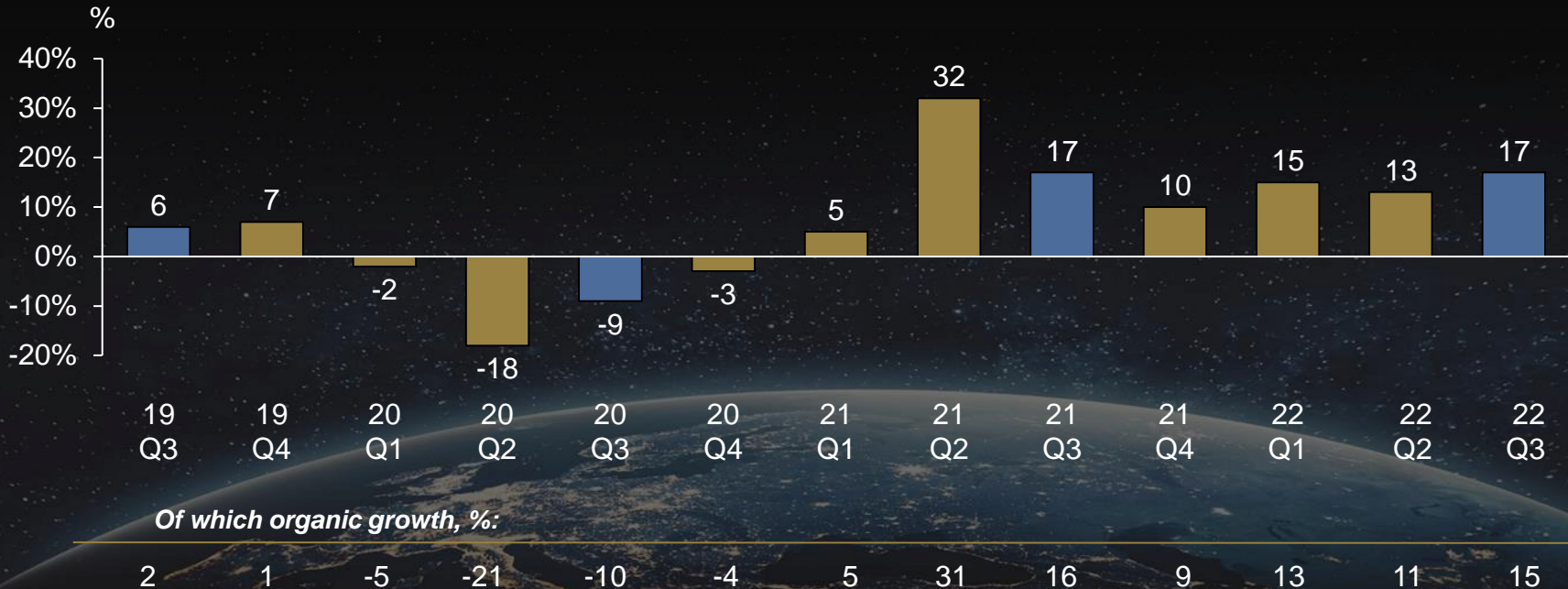
Q3 (%)	
Organic	15
Structural	2
Currency	11
Total	28



9 M (%)	
Organic	13
Structural	2
Currency	9
Total	24

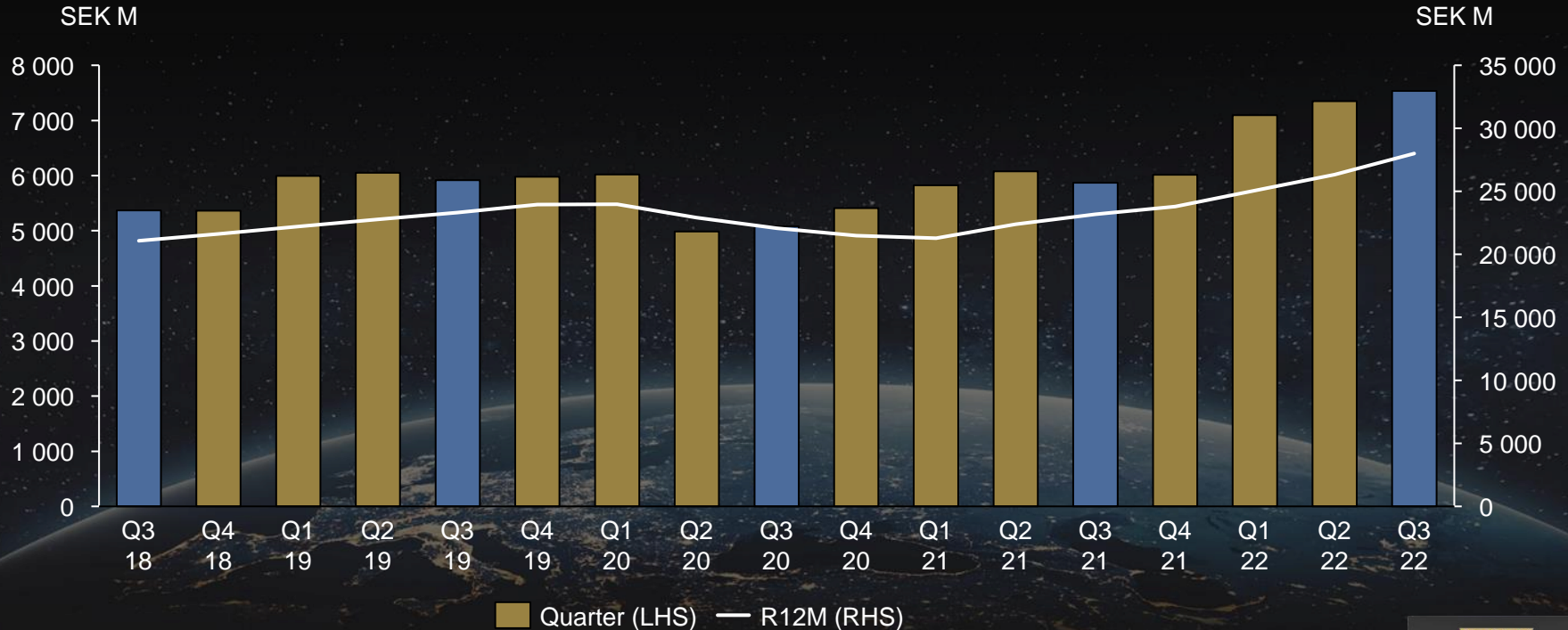
Strong sales trend continues

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



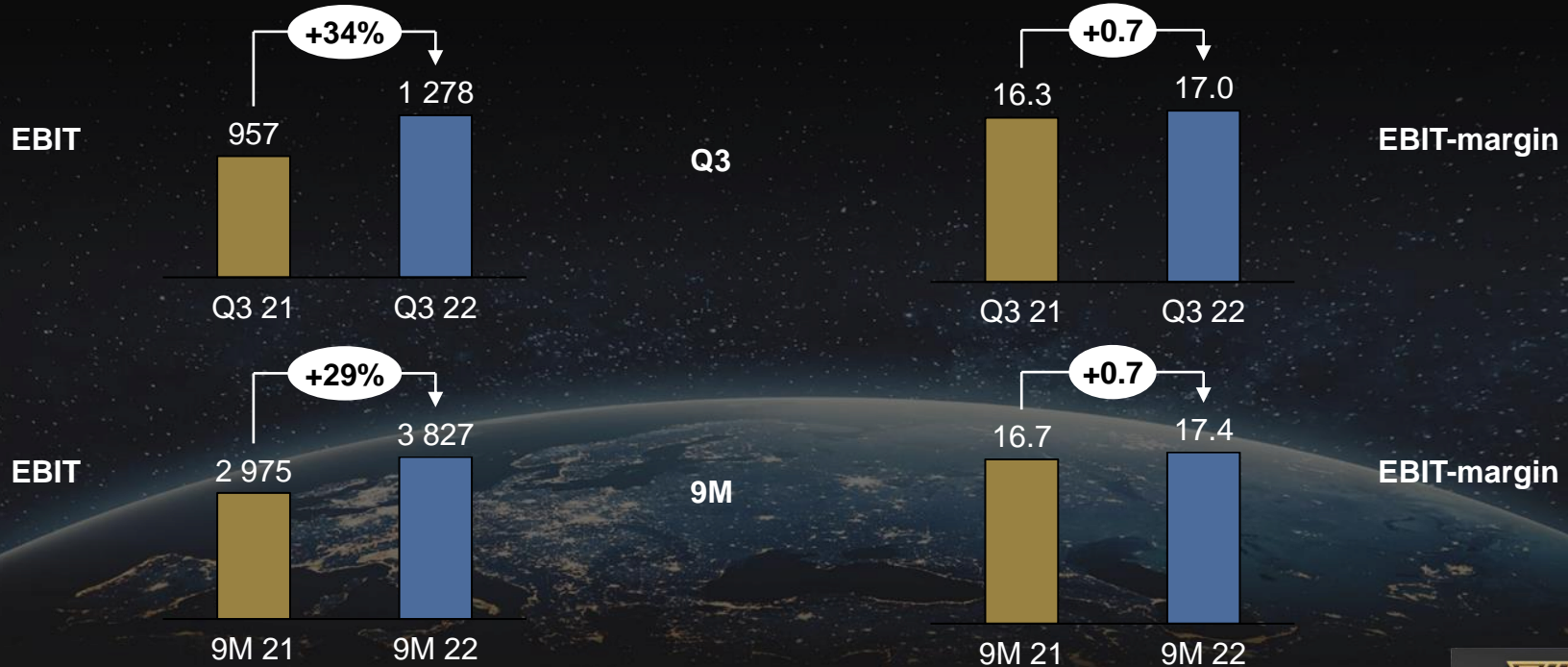
Sales development

Continuing operations, R12M



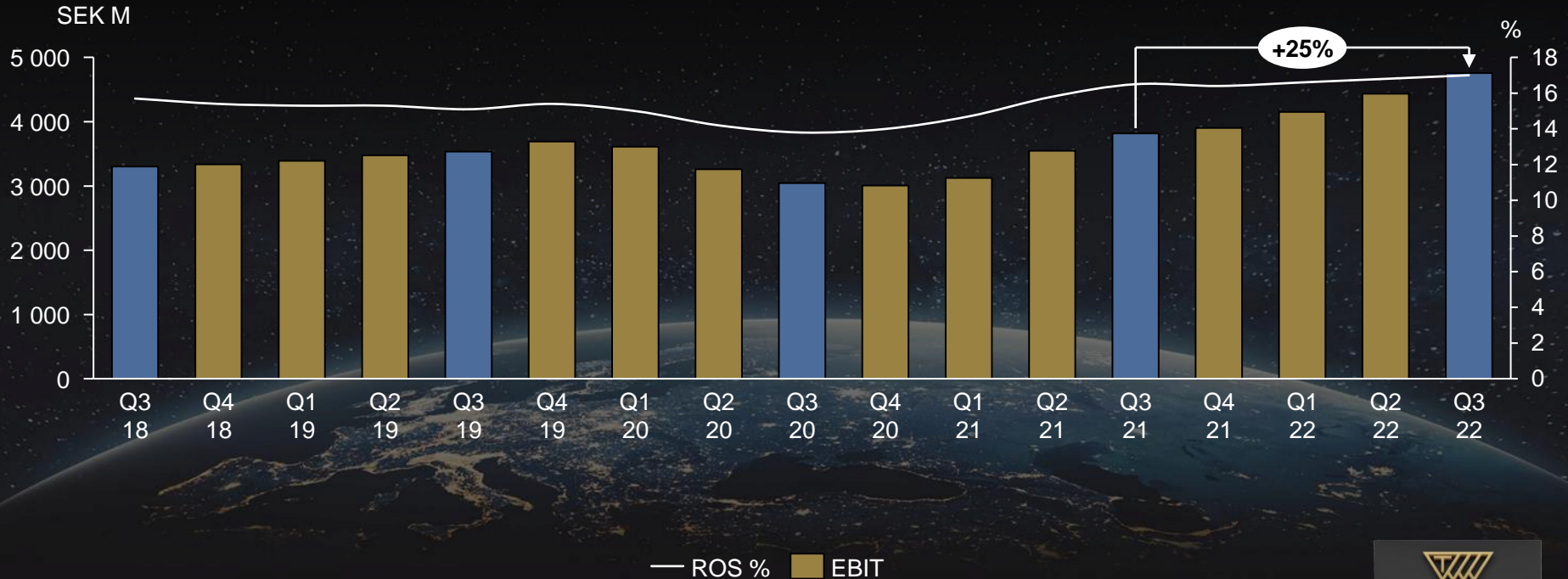
Highest Q3 EBIT and margin to date

EBIT and margin development¹



Highest R12M EBIT and margin to date

EBIT and margin, R12M¹

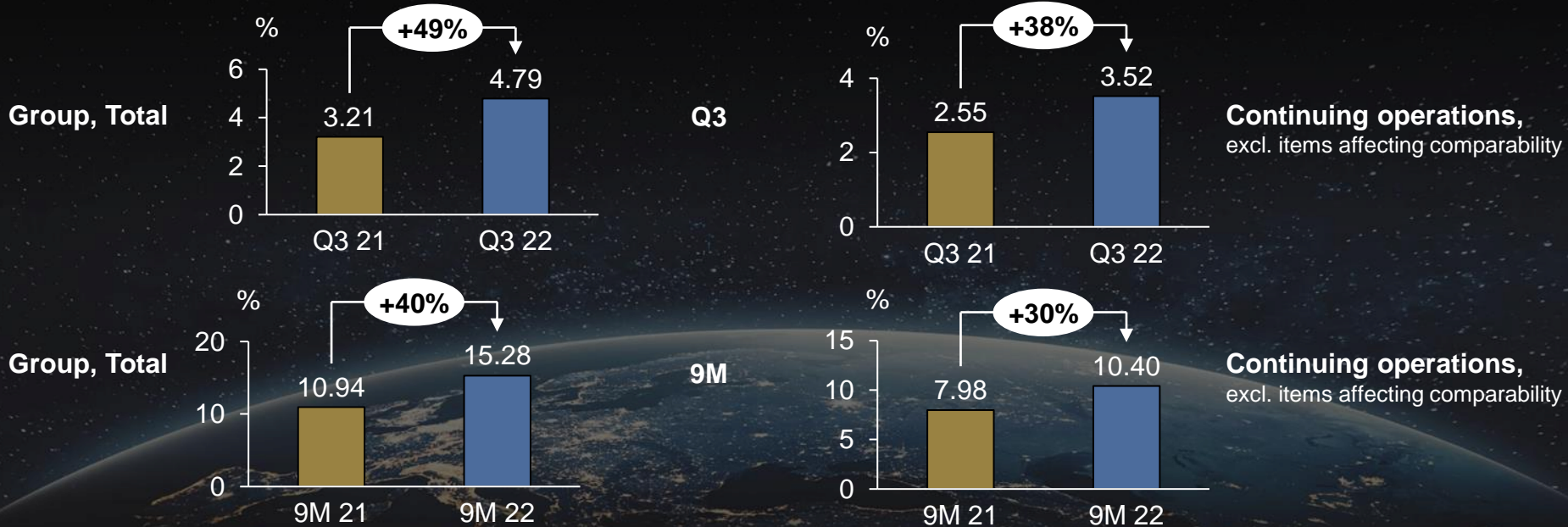


Profit & loss statement

SEK M	Q3 2022	Q3 2021	Change, %	9M 2022	9M 2021	Change, %
Net sales	7 536	5 872	28	21 982	17 773	24
EBIT, excluding items affecting comparability	1 278	957	34	3 827	2 975	29
EBIT- margin, %	17.0	16.3		17.4	16.7	
Items affecting comparability	-68	-20		-126	45	
EBIT	1 210	937	29	3 701	3 020	23
Financial income and expenses	-69	-34	-103	-154	-106	-45
Profit before tax	1 141	903	26	3 547	2 914	22
Taxes	-279	-230	-21	-883	-717	-23
Net profit, continuing operations	862	673	28	2 664	2 197	21
Net profit, discontinuing operations	380	195	95	1 397	767	82
Net profit, Group	1 242	868	43	4 061	2 964	37
Earnings per share, SEK, Group	4.79	3.21	49	15.28	10.94	40
Earnings per share, SEK Continuing operations, excluding items affecting comparability	3.52	2.55	38	10.40	7.98	30

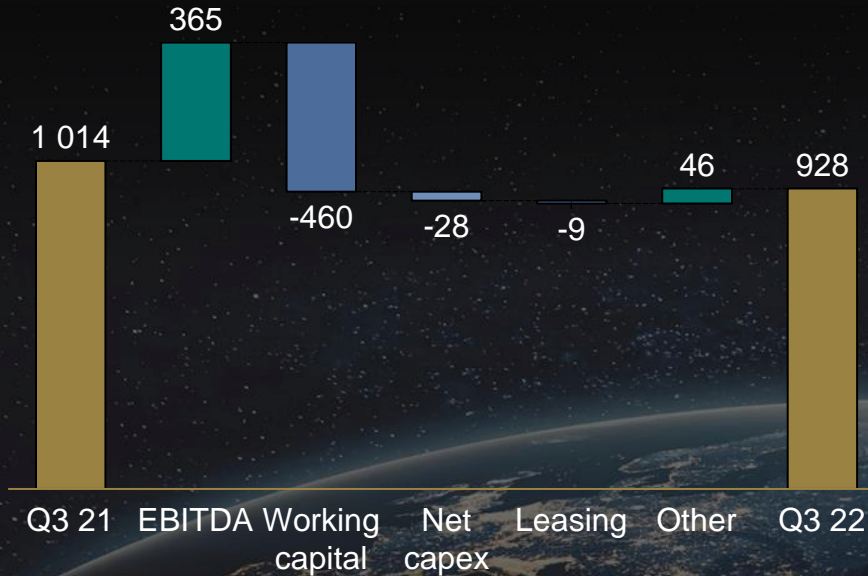
Significant EPS improvement

Earnings per share¹



Cash flow reflects higher sales

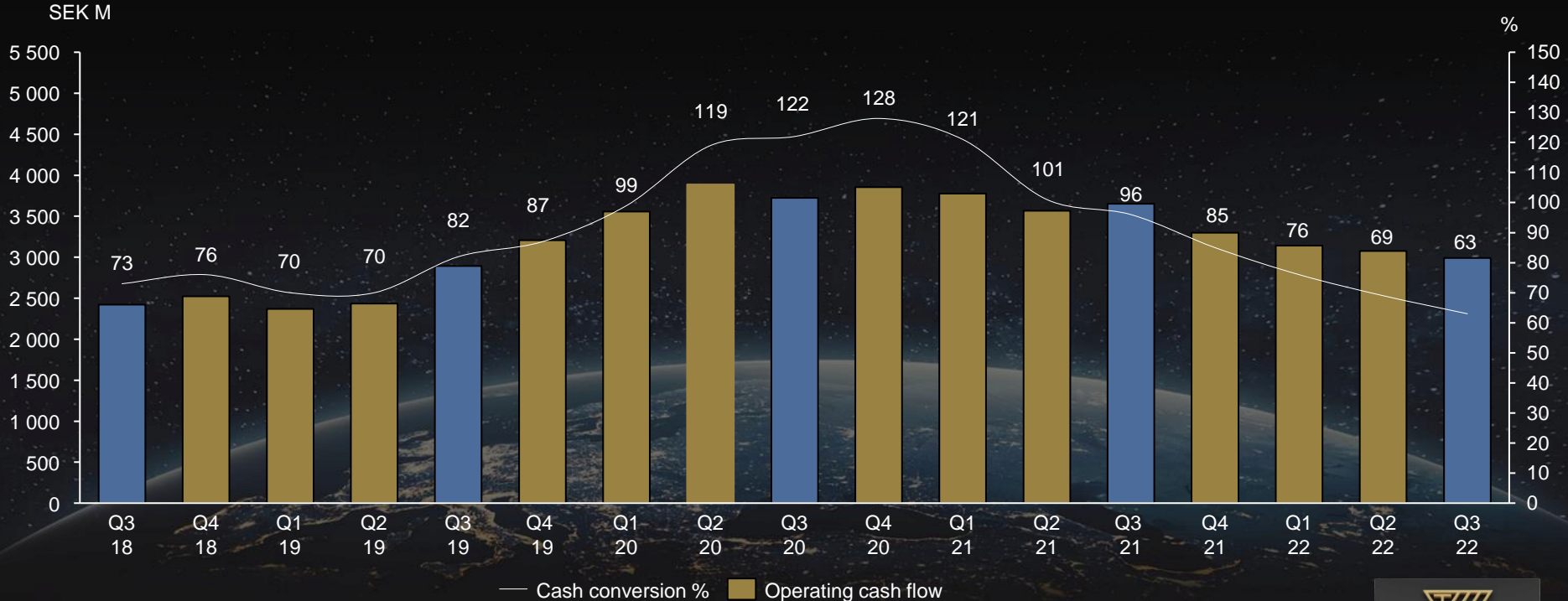
Operating cash flow¹



SEK M	Q3 2022	Q3 2021	Change
EBITDA	1 621	1 256	365
Working capital	-334	126	-460
Net capex	-267	-239	-28
Leasing	-81	-72	-9
Other	-11	-57	46
Operating cash flow	928	1 014	-86

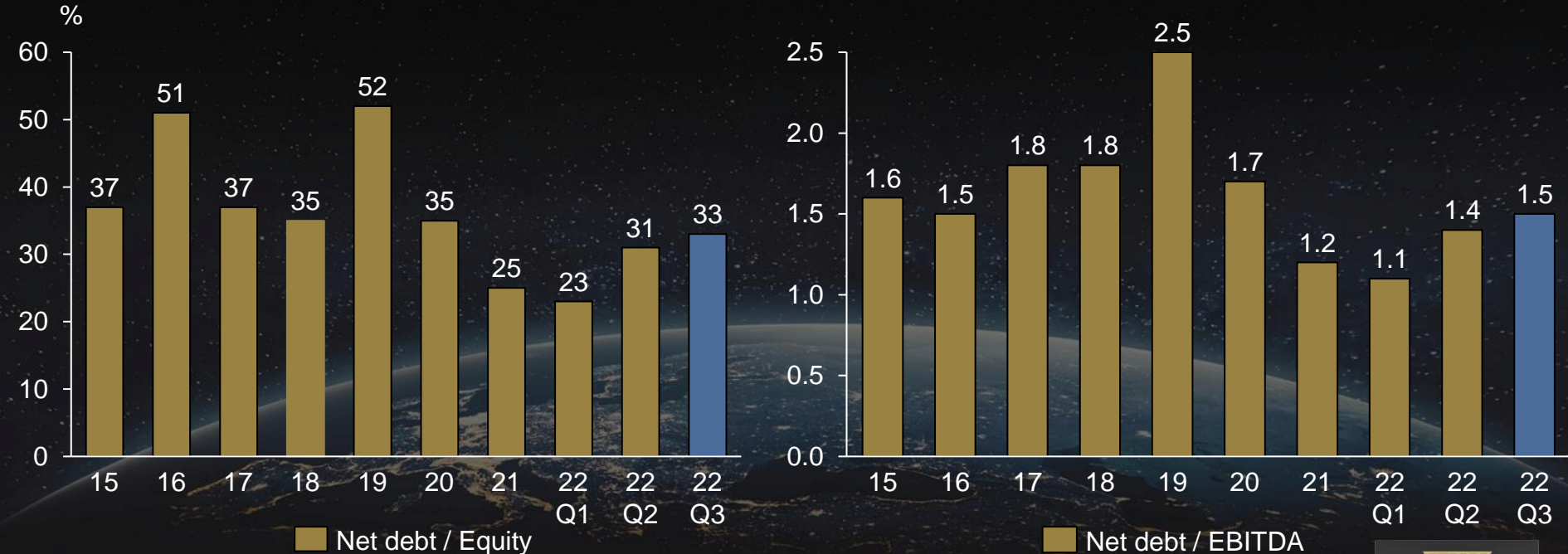
Cash conversion impacted by higher sales

Operating cash flow, R12M¹



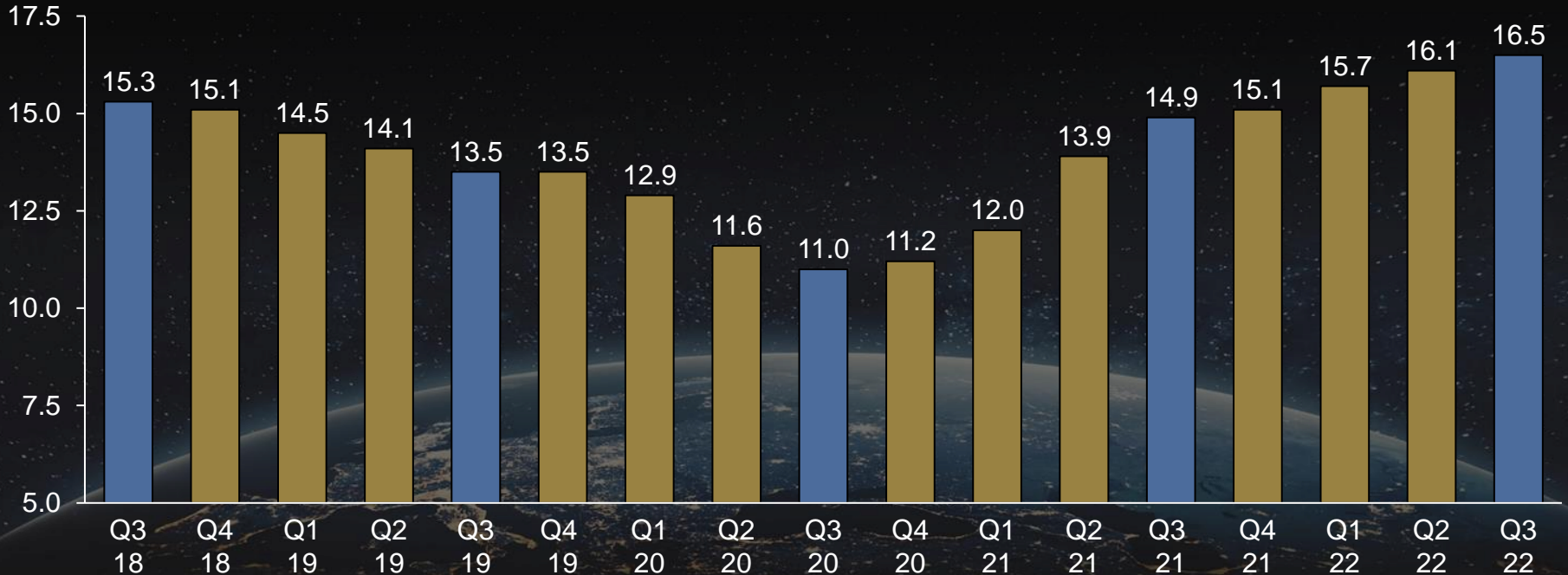
Net debt impacted by share buy-backs

Gearing and leverage, R12M, Group¹



Positive ROCE development continues

Return on capital employed, R12M, %



Financial guidelines for full-year 2022

Total group (including Assets held for sale)

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

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Outlook Q4 2022

- Demand is expected to be slightly lower than in the third quarter of 2022, 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.