

An aerial night view of a city skyline, likely San Francisco, with the Golden Gate Bridge visible in the background. The image is dark with blue light trails streaking across the scene, creating a sense of motion and technology.

# Trelleborg interim report

**Q2, April-June 2023**

Peter Nilsson, President & CEO  
Fredrik Nilsson, CFO



# Agenda

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Q&A

# Another strong quarter

## Q2 2023 financial summary<sup>1</sup>

- Sales at SEK 8 696 M, an increase of 18 percent
- Organic sales +3 percent, M&A +9 percent, currency +6 percent
- EBITA grew by 14 percent to SEK 1 563 M, corresponding to a margin of 17.9 percent - highest quarterly EBITA to date
- Items affecting comparability at SEK -194 M
- Operating cash flow at SEK 1 585 M, an increase of 99 percent
- Finalized disposals of the tire business and printing blanket operations
- New ambitious financial- and sustainability targets announced at CMD



# Organic sales development by geography

## Organic sales continuing operations

Total	
Apr - Jun 23	Apr - Jun 22
3%	11%

Europe		
Share of sales <sup>1</sup>	Apr - Jun 23	Apr - Jun 22
46%	3%	10%

North- and South America		
Share of sales <sup>1</sup>	Apr - Jun 23	Apr - Jun 22
33%	4%	23%

Asia and rest of the world		
Share of sales <sup>1</sup>	Apr - Jun 23	Apr - Jun 22
21%	4%	1%

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# Solid quarter in all aspects

## Trelleborg Industrial Solutions<sup>1</sup>

- Organic sales: +6%
- Strong sales growth for LNG and marine solutions
- Aerospace, automotive and railway all had healthy sales growth
- Weaker sales for residential construction and certain industrial segments
- EBITA improved on sales growth
- Inflation offset by pricing and efficiency

SEK M	Q2 2023	Q2 2022	Change, %
Net sales	3 980	3 512	13
Organic, %	6	16	
Structural, %	2	1	
Exchange rate, %	5	7	
EBITA	632	561	13
EBITA %	15.8	15.9	-0.1 p.p.



# Mixed demand picture

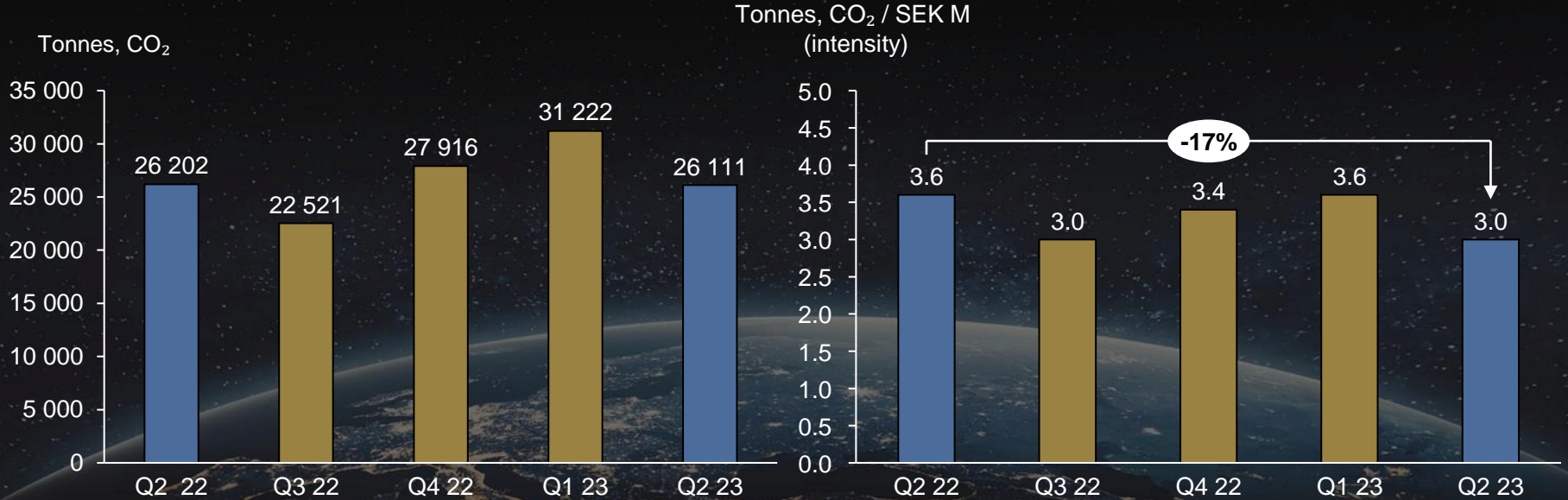
## Trelleborg Sealing Solutions<sup>1</sup>

- Organic sales: +1%, M&A +16%
- Sales grew in Americas, flat in Europe and weaker in Asia
- Sales to aerospace and healthcare & medical increased considerably
- Sales to automotive increased slightly while industrial demand decreased
- EBITA improved while the EBITA margin declined, mainly as a result of acquisitions with initially lower margins

SEK M	Q2 2023	Q2 2022	Change, %
Net sales	4 571	3 725	23
Organic, %	1	7	
Structural, %	16	2	
Exchange rate, %	6	9	
EBITA	1 001	900	11
EBITA %	21.9	24.1	-2.2 p.p.

# Sustainability KPIs – continuing operations

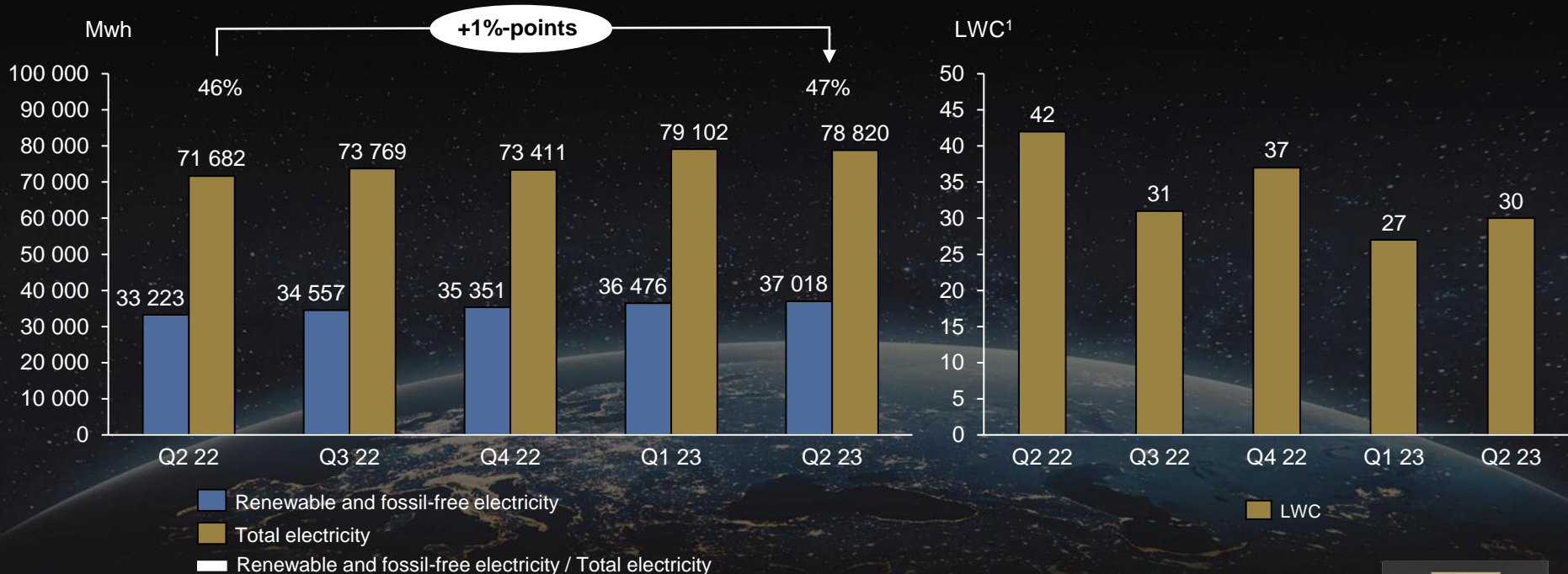
## Carbon dioxide emissions





# Sustainability KPIs – continuing operations

## Share of renewable and fossil-free electricity and LWC rate



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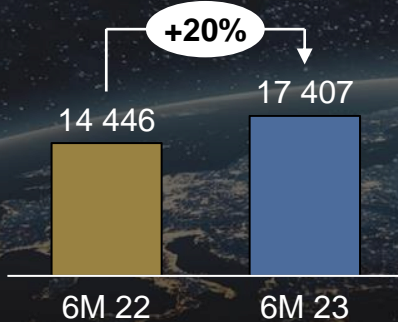
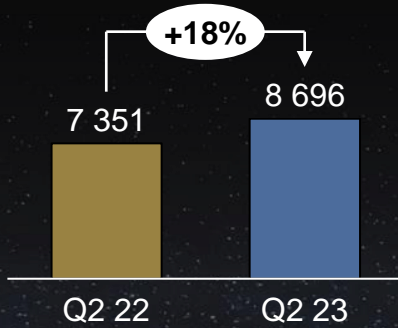
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# Strong sales increase

## Sales development continuing operations



### April – June (%)

Organic	3
Structural	9
Currency	6
<b>Total</b>	<b>18</b>

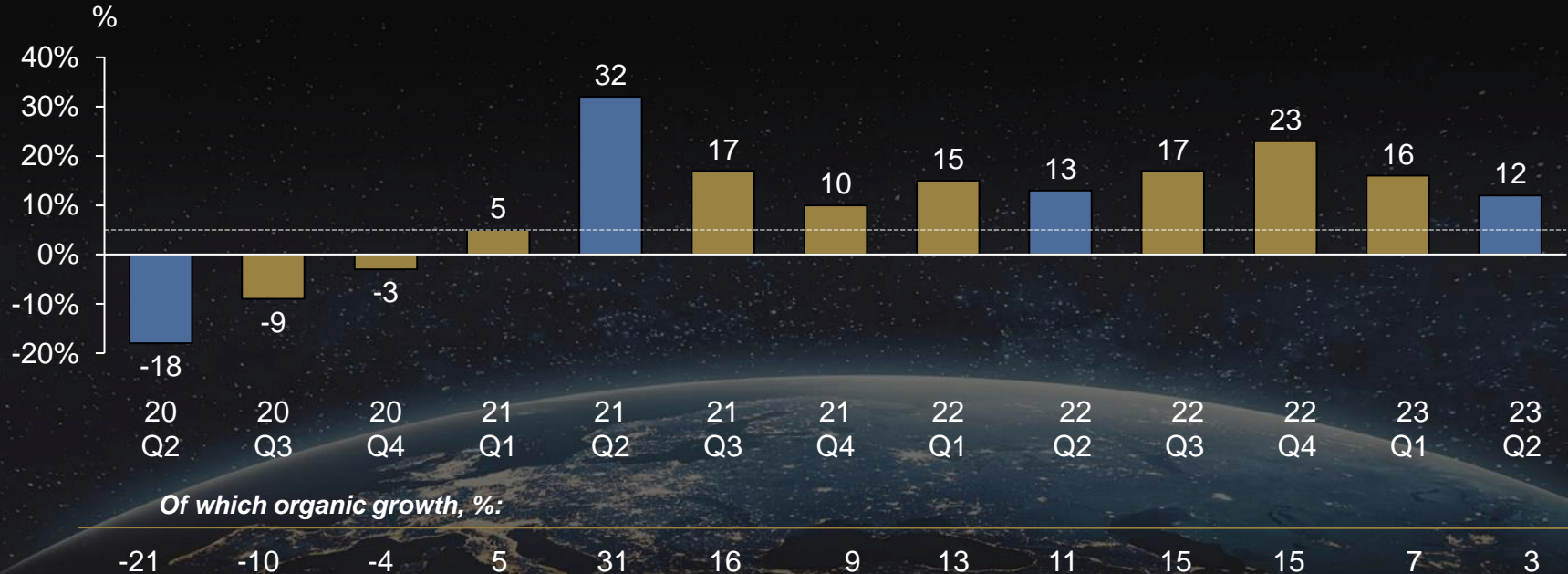
### January – June (%)

Organic	5
Structural	9
Currency	6
<b>Total</b>	<b>20</b>



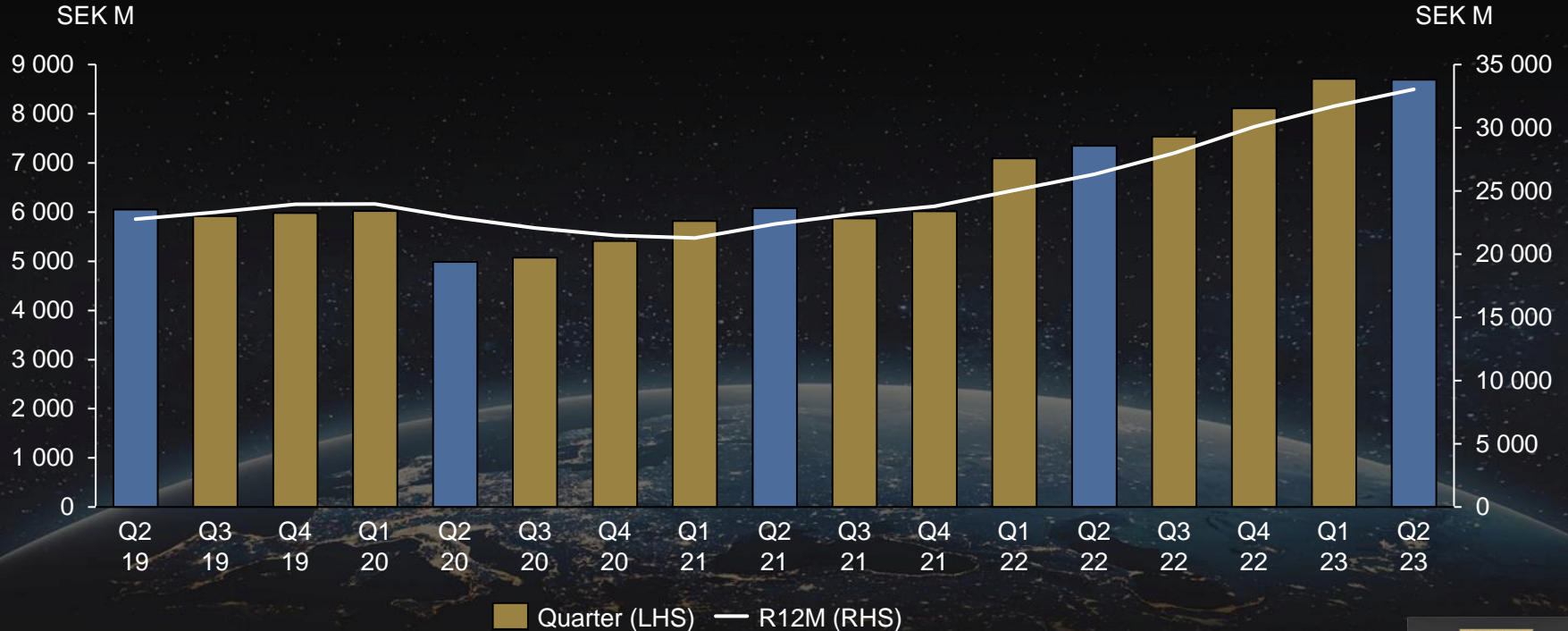
# Strong sales trend continues

Target: 8% annual sales growth with *constant currencies* over a business cycle<sup>1</sup>



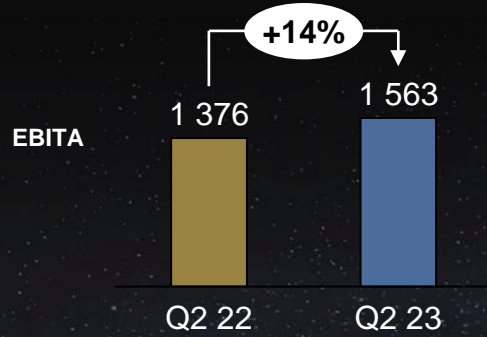
# Sales development

## Continuing operations, R12M

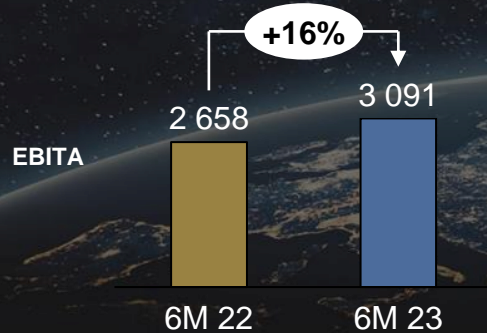
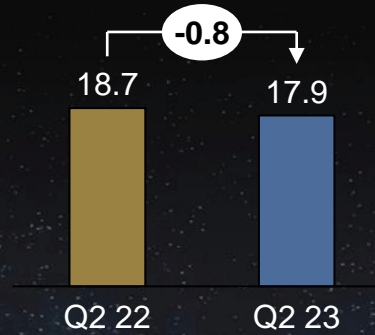


# Solid EBITA growth

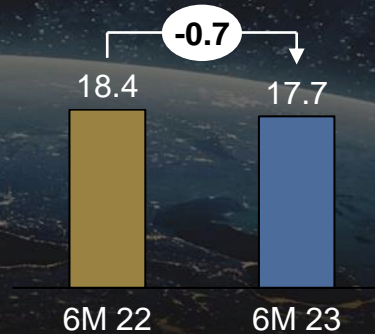
## EBITA and margin development<sup>1</sup>



Apr - Jun



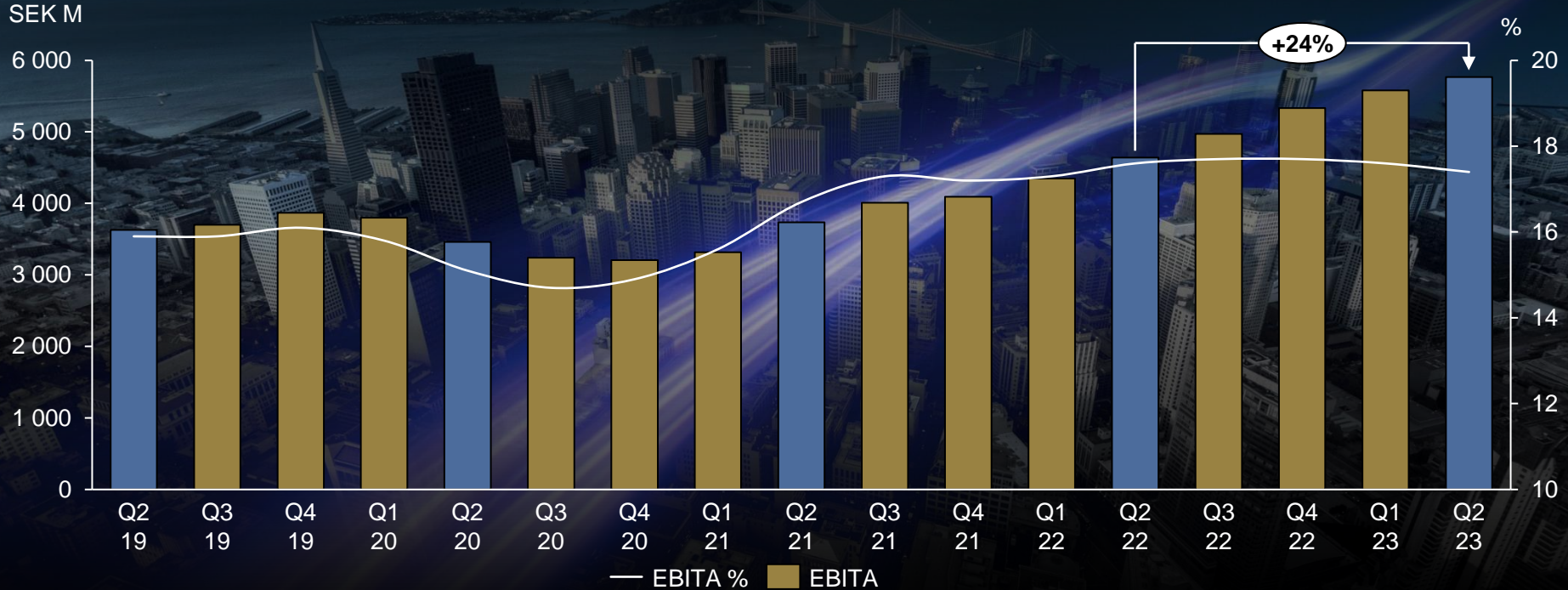
Jan - Jun





# Highest R12M EBITA to date

## EBITA and margin, R12M<sup>1</sup>

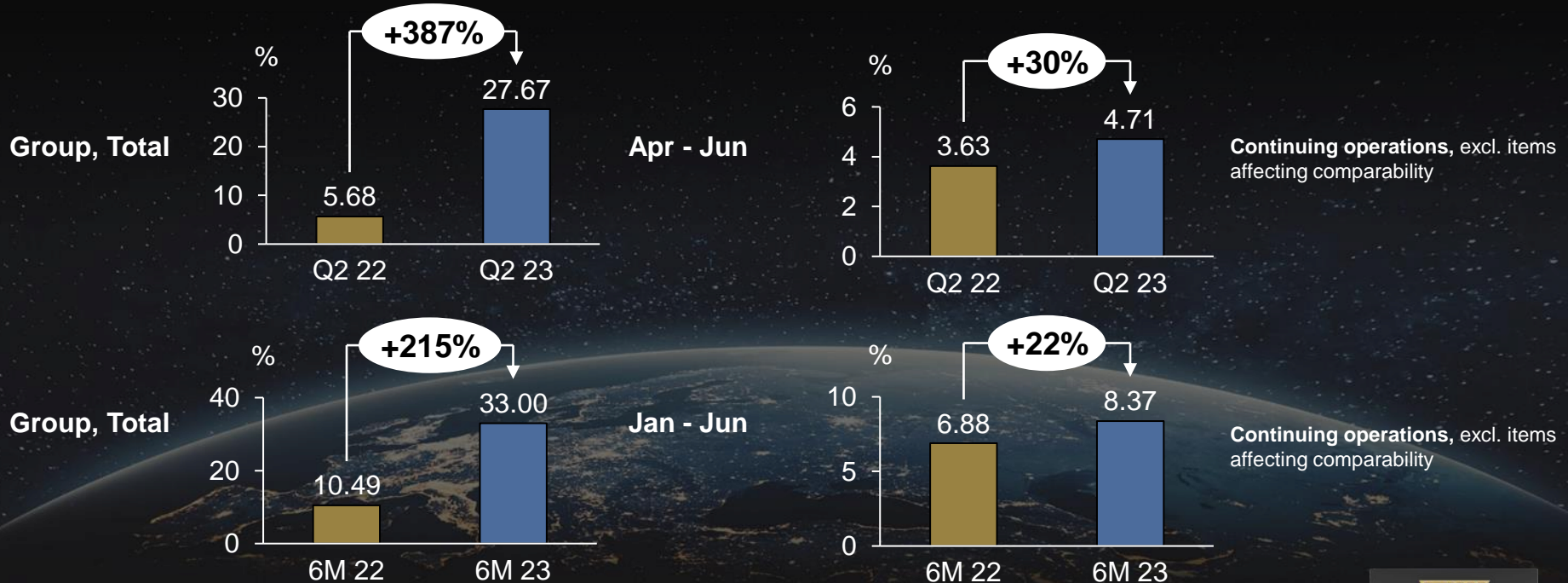


# Profit & loss statement

SEK M	Q2 2023	Q2 2022	Change, %	6M 2023	6M 2022	Change, %
Net sales	8 696	7 351	18	17 407	14 446	20
<b>EBITA, excluding items affecting comparability</b>	<b>1 563</b>	<b>1 376</b>	<b>14</b>	<b>3 091</b>	<b>2 658</b>	<b>16</b>
EBITA-margin, %	17.9	18.7		17.7	18.4	
<b>EBIT, excluding items affecting comparability</b>	<b>1 442</b>	<b>1 319</b>	<b>9</b>	<b>2 853</b>	<b>2 549</b>	<b>12</b>
EBIT-margin, %	16.6	17.9		16.4	17.6	
Items affecting comparability	-194	-33		-243	-58	
<b>EBIT</b>	<b>1 248</b>	<b>1 286</b>	<b>-3</b>	<b>2 610</b>	<b>2 491</b>	<b>5</b>
Financial income and expenses	140	-40	450	-25	-85	71
<b>Profit before tax</b>	<b>1 388</b>	<b>1 246</b>	<b>11</b>	<b>2 585</b>	<b>2 406</b>	<b>7</b>
Taxes	-491	-304	-62	-789	-604	-31
<b>Net profit, continuing operations</b>	<b>897</b>	<b>942</b>	<b>-5</b>	<b>1 796</b>	<b>1 802</b>	<b>0</b>
Net profit, discontinuing operations	6 130	574	968	6 593	1 017	548
<b>Net profit, Group</b>	<b>7 027</b>	<b>1 516</b>	<b>364</b>	<b>8 389</b>	<b>2 819</b>	<b>198</b>
Earnings per share, SEK, Group	27.67	5.68	387	33.00	10.49	215
Earnings per share, SEK Continuing operations, excluding items affecting comparability	4.71	3.63	30	8.37	6.88	22

# EPS improvement impacted by one-off income

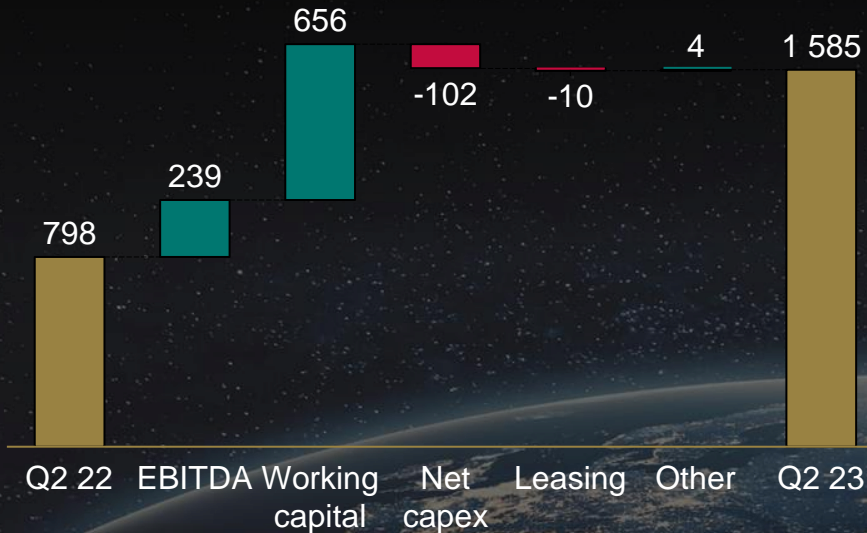
## Earnings per share<sup>1</sup>





# Strong cash flow improvement

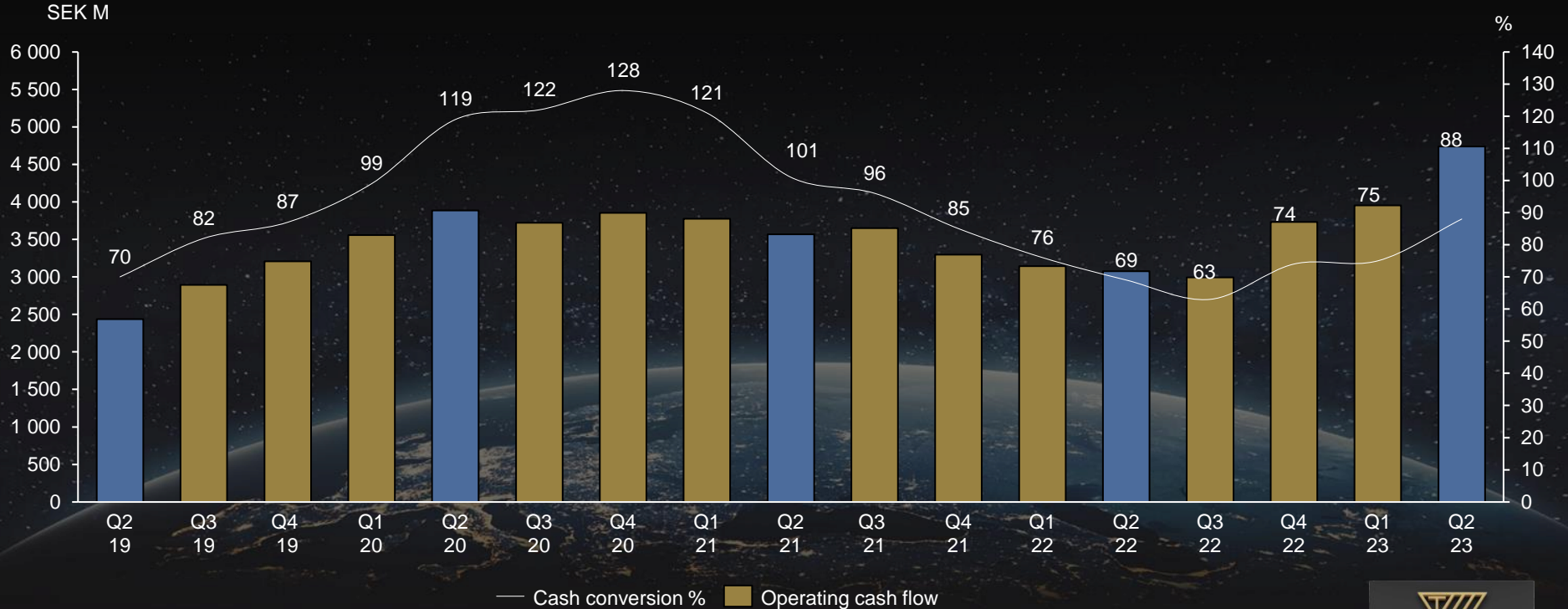
## Operating cash flow<sup>1</sup>



SEK M	Q2 2023	Q2 2022	Change
EBITDA	1 891	1 652	239
Working capital	151	-505	656
Net capex	-373	-271	-102
Leasing	-88	-78	-10
Other	4	0	4
<b>Operating cash flow</b>	<b>1 585</b>	<b>798</b>	<b>787</b>

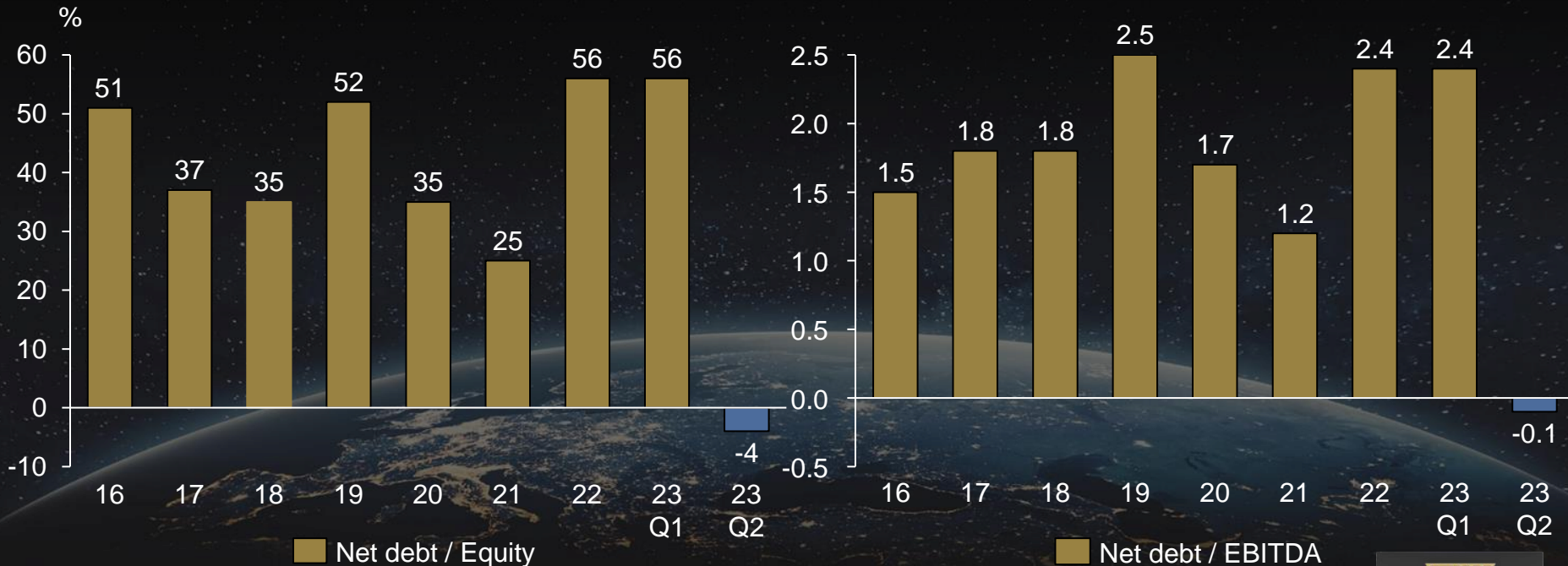
# Cash conversion trending higher

## Operating cash flow, R12M<sup>1</sup>



# Net cash position

## Gearing and leverage, R12M, Group<sup>1</sup>

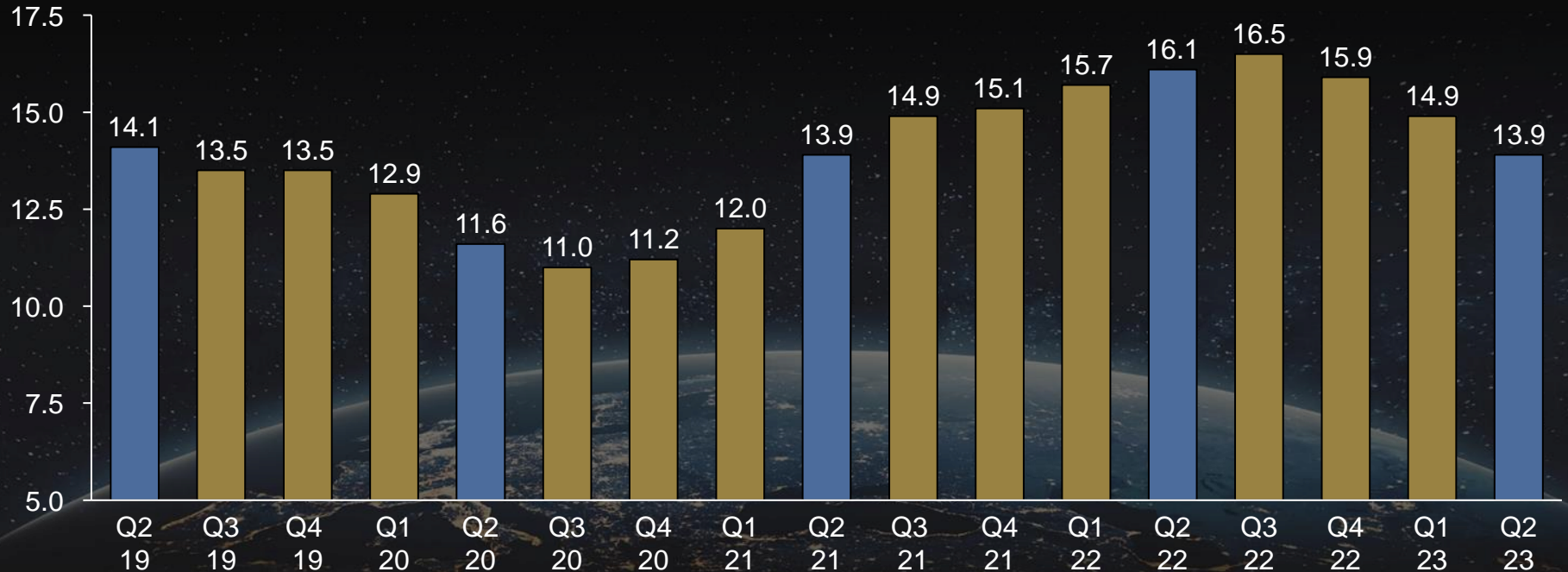


<sup>1</sup> From 2019 gearing and leverage are impacted by IFRS 16 (lease liability)



# ROCE impacted by acquisitions

Return on capital employed, R12M, %



# Financial guidelines for full-year 2023

## Continuing operations (excluding Assets held for sale)

- Capex: SEK ~1.5 Bn
- Restructuring costs: SEK ~400 M (integration of acquisitions and measures to address anticipated lower demand in H2 2023)
- Amortization of intangible assets SEK ~500 M
- Underlying tax rate: ~26 percent

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# Outlook Q3 2023

- Demand is expected to be somewhat lower than in the second quarter of 2023, adjusted for seasonal variations
- The geopolitical situation entails a heightened degree of uncertainty

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# Questions & answers

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