

An aerial night view of a city, likely Chicago, with a body of water in the background. The city is illuminated by streetlights and building lights. Several bright blue light trails streak across the sky from the right side towards the center, creating a sense of motion and technology. The overall tone is dark and futuristic.

New horizons for Trelleborg

Trelleborg to acquire Minnesota Rubber & Plastics

August 2, 2022

Accelerating our journey

“Growing Trelleborg into the world’s foremost engineered polymer solutions company in our selected industries”



Press release

Trelleborg, August 2, 2022

Trelleborg to acquire Minnesota Rubber & Plastics A step change for Trelleborg Sealing Solutions

Trelleborg Group has signed an agreement to acquire the US-based company, Minnesota Rubber & Plastics, for USD 950 M (approximately SEK 9.5 billion) on a cash and debt free basis. If a tax asset of approximately SEK 900 million is taken into account, the purchase price amounts to approximately SEK 8.6 billion. Trelleborg has secured committed financing. The seller is an affiliate of the global investment firm KKR.

Minnesota Rubber & Plastics is a strong and well-established company in North America operating in several fast-growing industries such as medical equipment, water management and food & beverage, as well as in several industrial applications. The company is a leading manufacturer of polymer and thermoplastic components and a system provider for technically demanding applications.

“This is a step change for Trelleborg Sealing Solutions. The business area will be as strong in North America as its already established position in Europe,” says Peter Nilsson, President and CEO of Trelleborg Group.

“Minnesota Rubber & Plastics complements and strengthens Trelleborg’s current position and product offering in a number of fast-growing industries. The company is a very good fit with our own business within precision seals, and the transaction is expected to generate significant synergies in terms of lower costs and higher production efficiency. Minnesota Rubber & Plastics will gain access to Trelleborg’s global sales channels, and it will be able to offer our wider range of seals to its existing customer base in North America. All in all, this is expected to lead to extensive cross-selling opportunities,” continues Peter Nilsson.

“Minnesota Rubber & Plastics is well-known to us for being an innovative and high-quality company. The acquisition makes us the natural development partner for our local and global customers. The company’s new state-of-the-art manufacturing facilities will accelerate product development and speed to market,” says Peter Hahn, President of Trelleborg Group.



Accelerating our journey

Strategic rationale for deal

- 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 and more
- Accelerating our journey



An excellent fit for Trelleborg

Minnesota Rubber & Plastics

- Sales ~2,250 MSEK
- Headquarter in Plymouth, Minnesota, USA
- 8 manufacturing sites across North America, Europe and China
- >1,400 employees



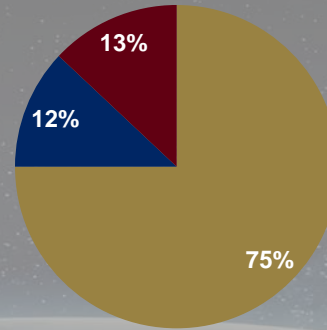
An excellent fit for Trelleborg

Footprint



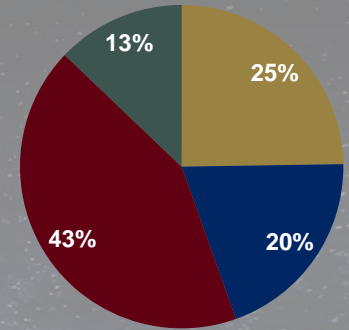
● Headquarter and innovation center ● Manufacturing sites

Geographical sales split



■ North America
■ Europe
■ Asia

Market segments



■ Medical
■ Food, Beverage & Water
■ Specialty Industrials
■ Automotive

Transaction overview

- Seller: Affiliate of KKR
- Strategic acquisition for Trelleborg
- Highly synergistic and accelerating our journey
- Valuation ~10x EBITDA including near-term synergies

Purchase price

USD 950 M

SEK ~9,500 M

- Cash and debt free basis
- Purchase price USD 860 M when considering tax benefits of USD ~90 M
- Committed bridge financing in place
- Closing subject to approvals by relevant authorities



Closing remarks

“Growing Trelleborg into the world’s foremost engineered polymer solutions company in our selected industries”

- Strong support and in line with our direction “New horizons for Trelleborg”
- More profitable, less cyclical and improved sustainability profile
- More coherent portfolio with similar business models and drivers
- Resource allocation to higher growth segments
- Strengthen our capacity to accelerate growth – organically and through acquisitions

New horizons for Trelleborg