

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.

# Trelleborg interim report

**Q4, October-December 2023**

Peter Nilsson, President & CEO  
Fredrik Nilsson, CFO



# Agenda

Highlights

Business areas

Financials

Summary & Outlook Q1 2024

Q&A

# A solid end to the year

## Q4 2023 financial summary<sup>1</sup>

- Sales at SEK 8 421 M, an increase of 4 percent
- Organic sales unchanged, M&A +3 percent, currency +1 percent
- EBITA grew by 6 percent to SEK 1 424 M, corresponding to a margin of 16.9 percent
- Items affecting comparability at SEK -260 M, of which restructuring charges of SEK -173 M
- Operating cash flow at SEK 1 321 M
- Signed agreement to acquire a South Korean semicon sealing company

# Organic sales development by geography

## Organic sales continuing operations

Total	
Oct - Dec 23	Oct - Dec 22
0%	15%

Europe		
Share of sales <sup>1</sup>	Oct - Dec 23	Oct - Dec 22
46%	2%	13%

North- and South America		
Share of sales <sup>1</sup>	Oct - Dec 23	Oct - Dec 22
35%	-1%	18%

Asia and rest of the world		
Share of sales <sup>1</sup>	Oct - Dec 23	Oct - Dec 22
19%	-1%	14%

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Highlights

Business areas

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Summary & Outlook Q1 2024

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# Strong profit development

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

- Organic sales: -1%, M&A +2%
- Still weak sales for residential construction and certain industrial segments
- Sales to marine segment remained strong
- Automotive deliveries developed favorably
- EBITA and margin increased on structural improvements and positive sales mix
- Highest Q4 EBITA margin to date

SEK M	Q4 2023	Q4 2022	Change, %
Net sales	3 766	3 691	2
Organic, %	-1	18	
Structural, %	2	1	
Exchange rate, %	1	11	
EBITA	586	519	13
EBITA %	15.6	14.0	1.6 p.p.

# Solid performance with mixed demand

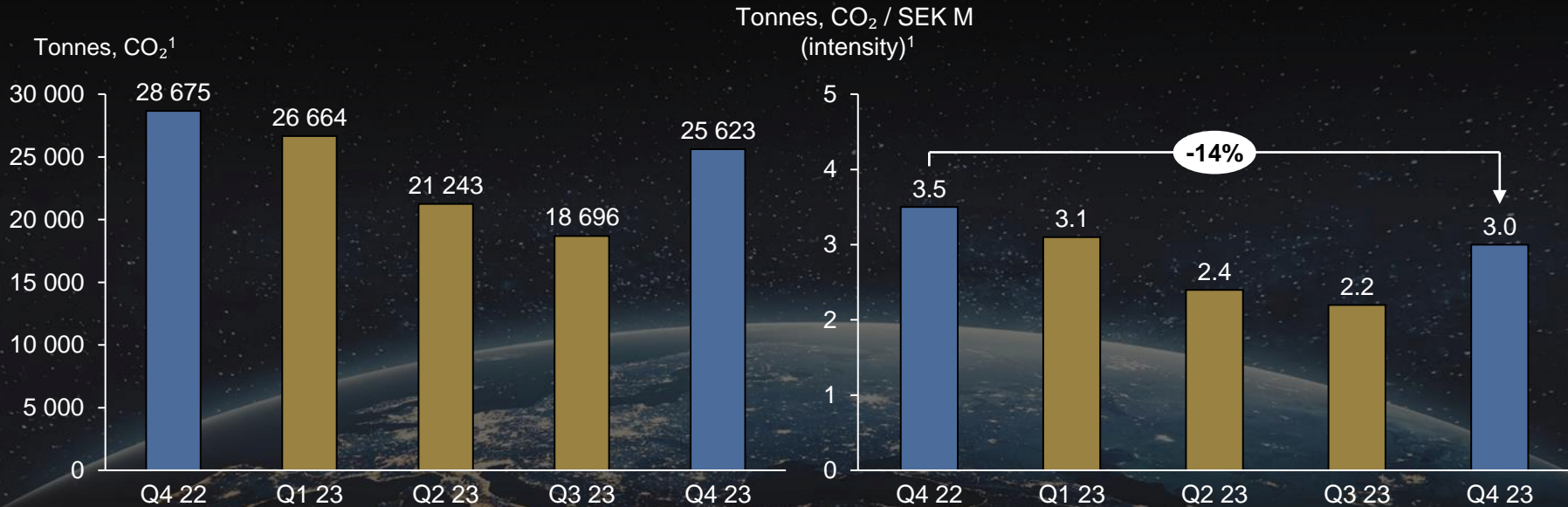
## Trelleborg Sealing Solutions<sup>1</sup>

- Organic sales: +1%, M&A +4%
- Sales to general industry declined in most markets while automotive demand increased
- Continued strong sales to aerospace
- Sales to healthcare & medical slightly softer due to customer inventory adjustments
- EBITA and margin declined, mainly due to acquisitions with initially lower margins
- Investments in several fast-growing market segments – temporary adverse margin impact

SEK M	Q4 2023	Q4 2022	Change, %
Net sales	4 551	4 303	6
Organic, %	1	12	
Structural, %	4	14	
Exchange rate, %	1	13	
EBITA	909	912	0
EBITA %	20.0	21.2	-1.2 p.p.

# Sustainability KPIs – continuing operations

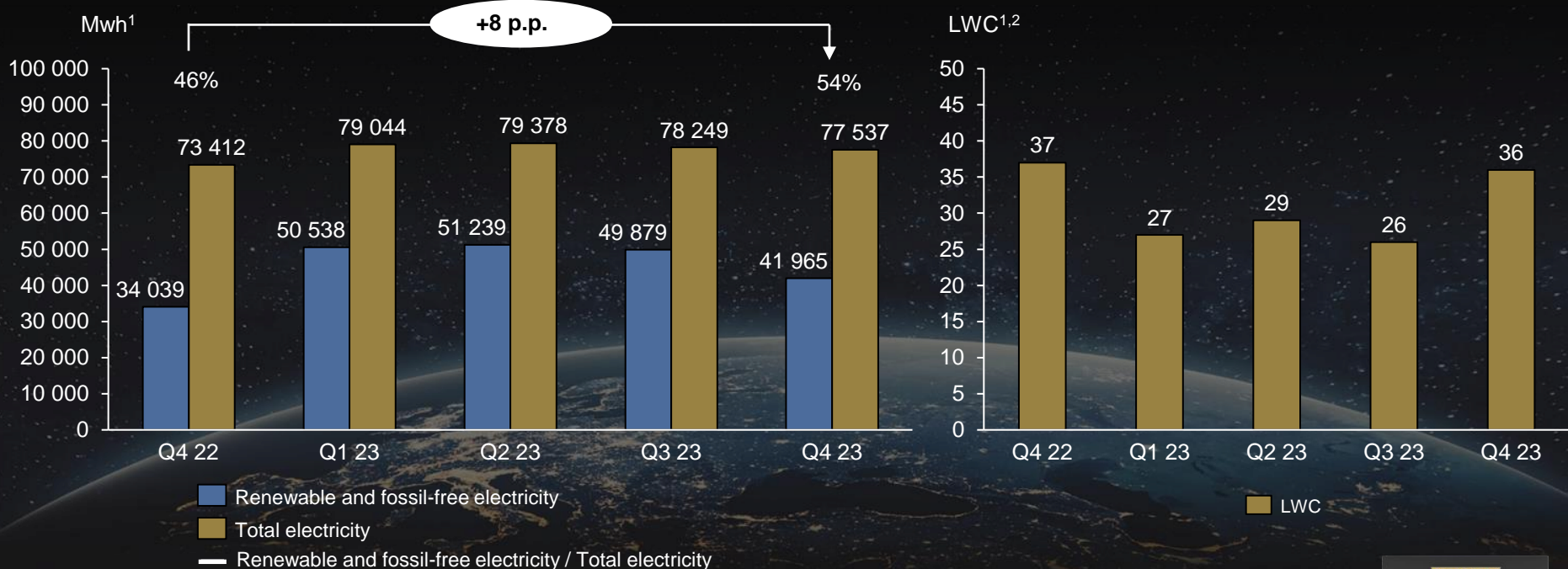
## Carbon dioxide emissions





# Sustainability KPIs – continuing operations

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



<sup>1</sup> During Q3 2023, electricity certificates were purchased primarily in the US, covering consumption for the whole of 2023. The previously reported outcome for Q1 and Q2 2023 has therefore been adjusted, which affects both graphs.

<sup>2</sup> LWC (Lost Working Cases) is measured as the number of work-related injuries which have caused at least one day of absence. LWC rate is the number of cases per 100 employees.

# Agenda

Highlights

Business areas

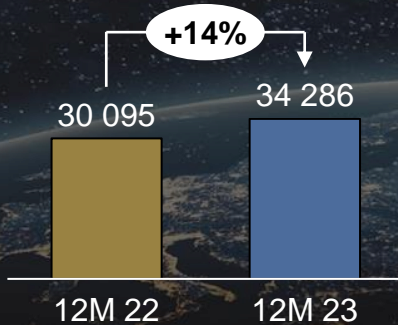
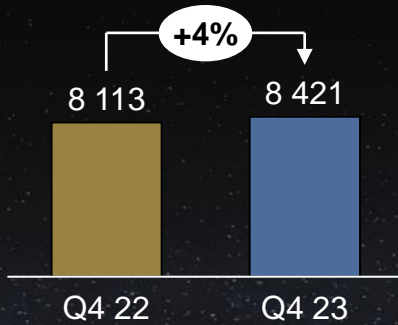
Financials

Summary & Outlook Q1 2024

Q&A

# Unchanged organic sales development

## Sales development continuing operations



### October – December (%)

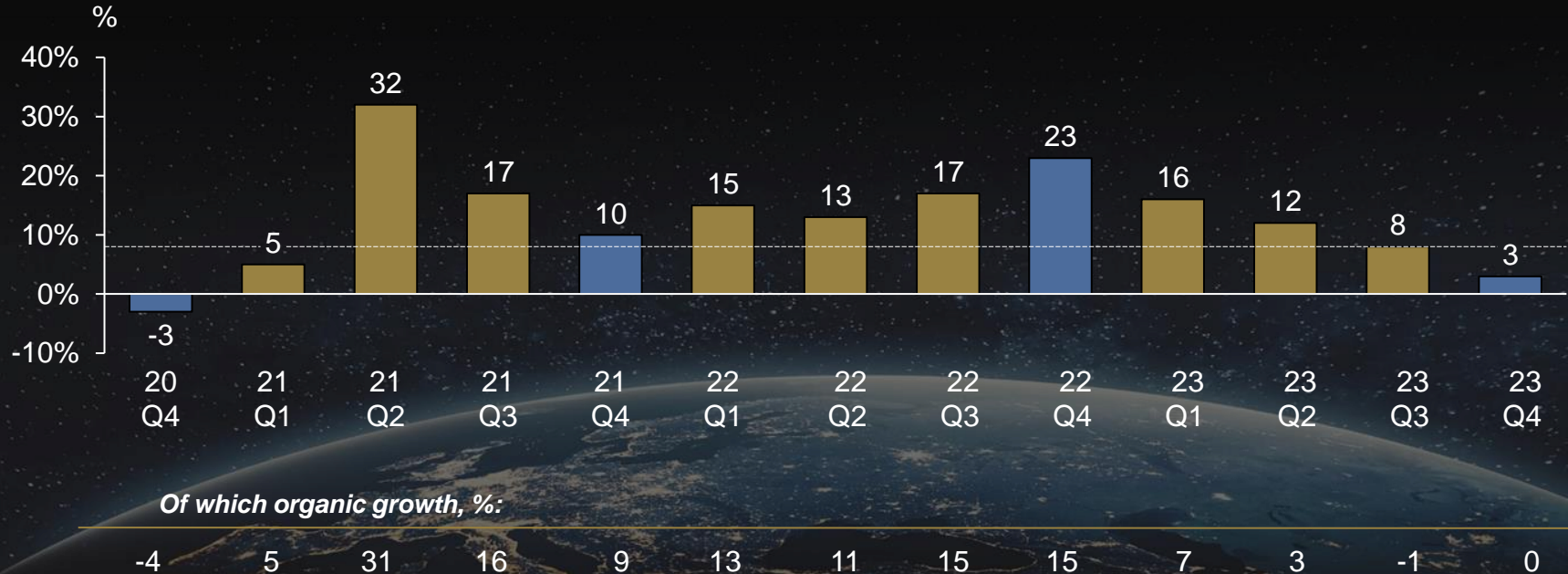
Organic	0
Structural	3
Currency	1
<b>Total</b>	<b>4</b>

### January – December (%)

Organic	2
Structural	7
Currency	5
<b>Total</b>	<b>14</b>

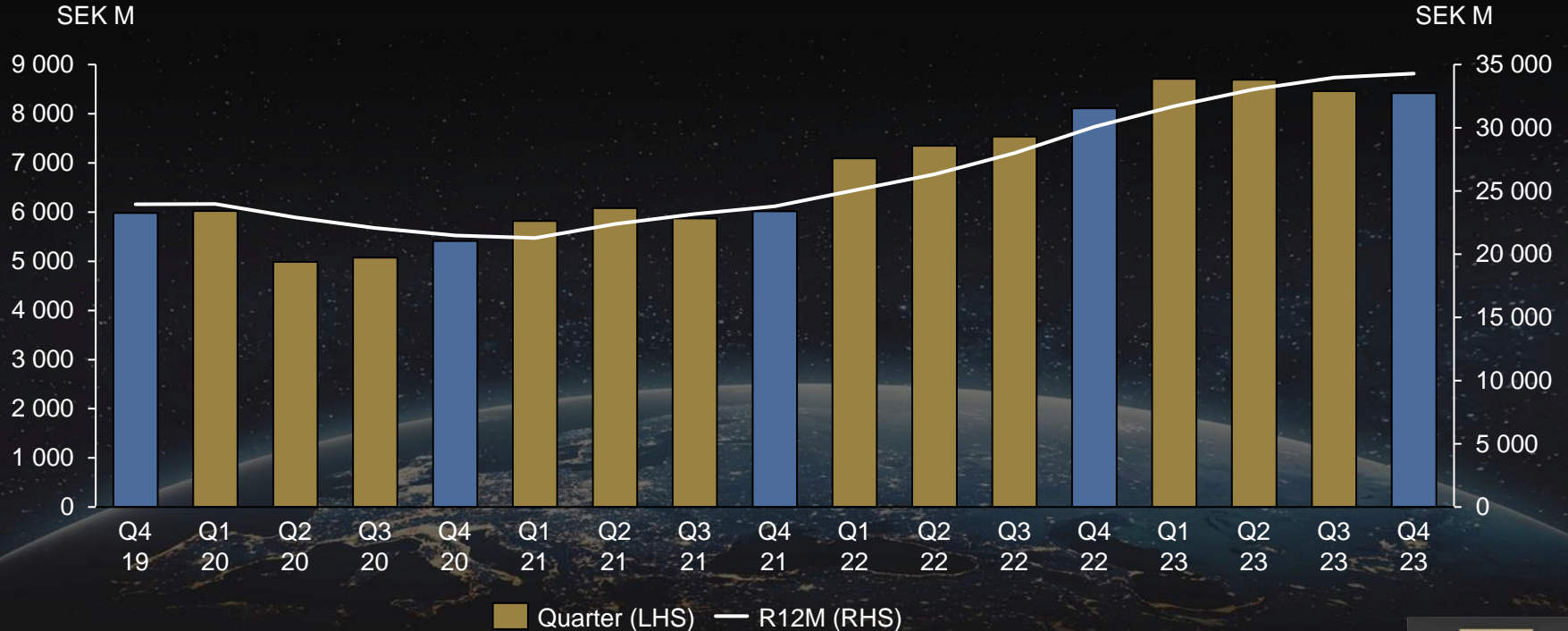
# Sales growth reflects tough comps

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



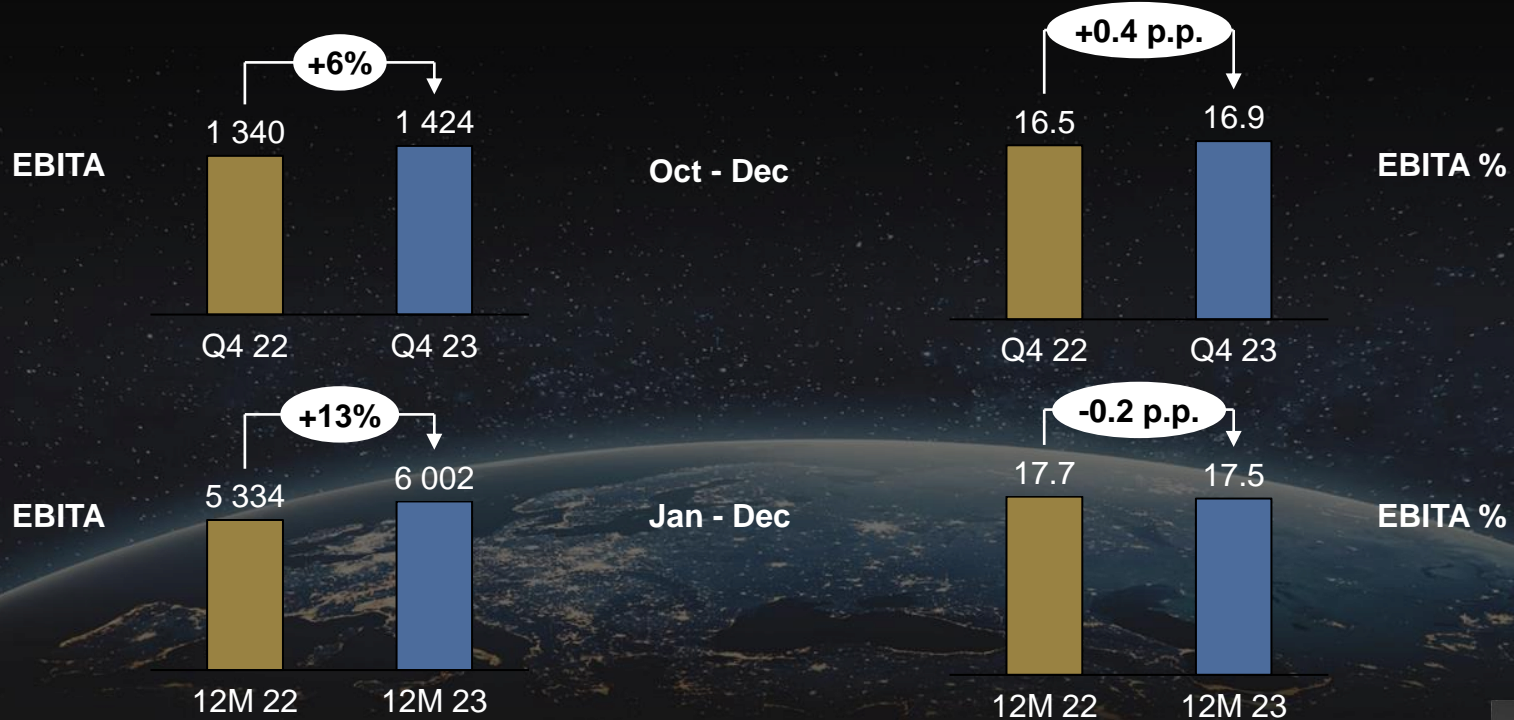
# Sales development

## Continuing operations, R12M



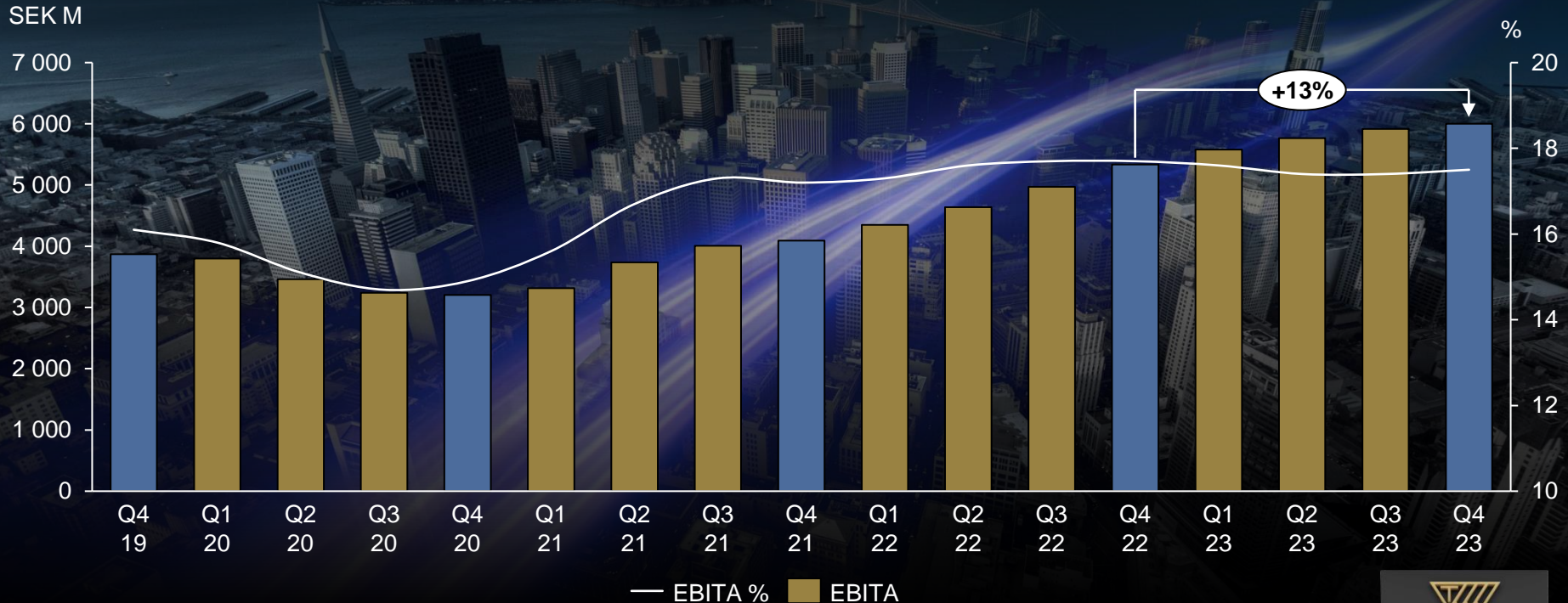
# Highest fourth quarter margin to date

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



# Highest R12M EBITA to date

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



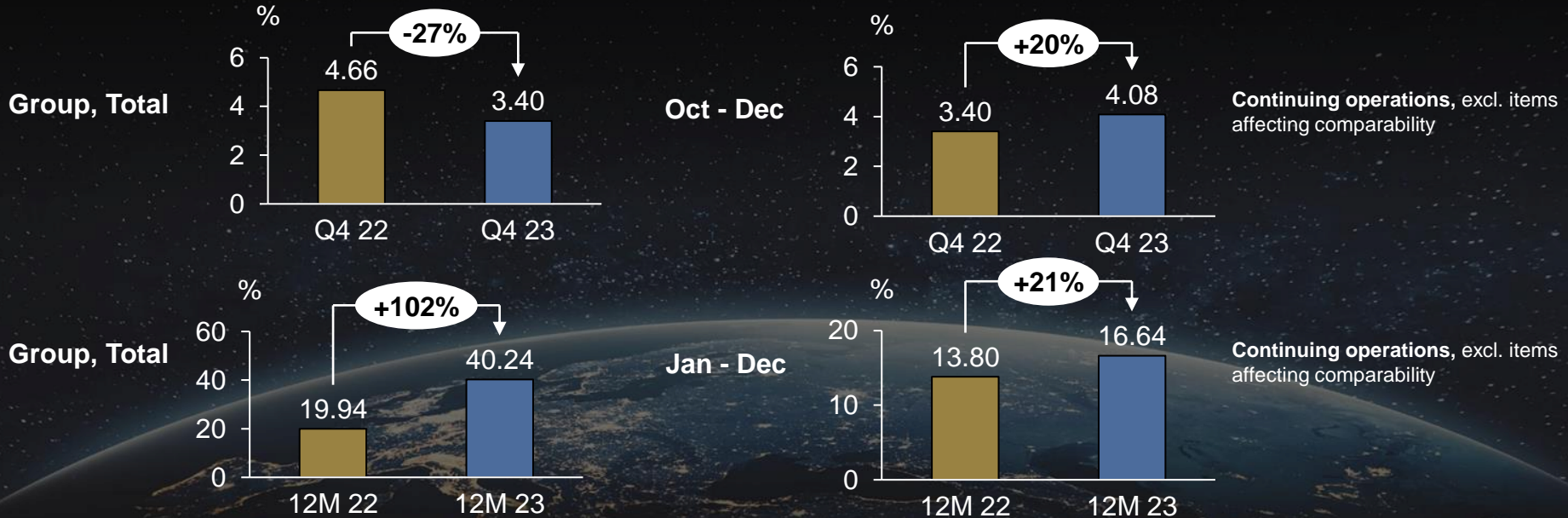
# Profit & loss statement

SEK M	Q4 2023	Q4 2022	Change, %	12M 2023	12M 2022	Change, %
Net sales	8 421	8 113	4	34 286	30 095	14
<b>EBITA, excluding items affecting comparability</b>	<b>1 424</b>	<b>1 340</b>	<b>6</b>	<b>6 002</b>	<b>5 334</b>	<b>13</b>
EBITA-margin, %	16.9	16.5		17.5	17.7	
<b>EBIT, excluding items affecting comparability</b>	<b>1 304</b>	<b>1 239</b>	<b>5</b>	<b>5 518</b>	<b>5 066</b>	<b>9</b>
EBIT-margin, %	15.5	15.3		16.1	16.8	
Items affecting comparability	-260	-115		-614	-241	
<b>EBIT</b>	<b>1 044</b>	<b>1 124</b>	<b>-7</b>	<b>4 904</b>	<b>4 825</b>	<b>2</b>
Financial income and expenses	-38	-76	50	-107	-230	53
<b>Profit before tax</b>	<b>1 006</b>	<b>1 048</b>	<b>-4</b>	<b>4 797</b>	<b>4 595</b>	<b>4</b>
Taxes	-226	-283	20	-1 316	-1 166	-13
<b>Net profit, continuing operations</b>	<b>780</b>	<b>765</b>	<b>2</b>	<b>3 481</b>	<b>3 429</b>	<b>2</b>
Net profit, discontinuing operations	-	431	-100	6 593	1 828	261
<b>Net profit, Group</b>	<b>780</b>	<b>1 196</b>	<b>-35</b>	<b>10 074</b>	<b>5 257</b>	<b>92</b>
Earnings per share, SEK, Group	3.40	4.66	-27	40.24	19.94	102
Earnings per share, SEK Continuing operations, excluding items affecting comparability	4.08	3.40	20	16.64	13.80	21



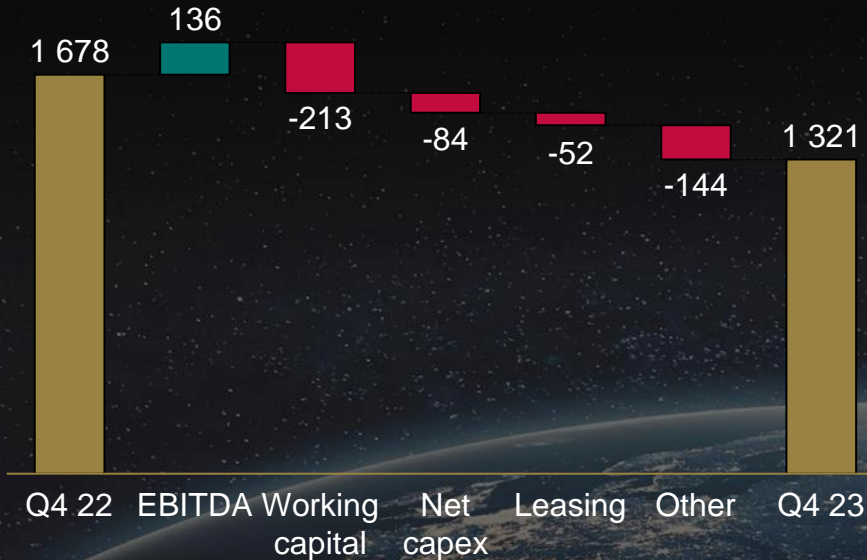
# EPS improvement in continuing operations

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



# Second best Q4 cash flow, but tough comps

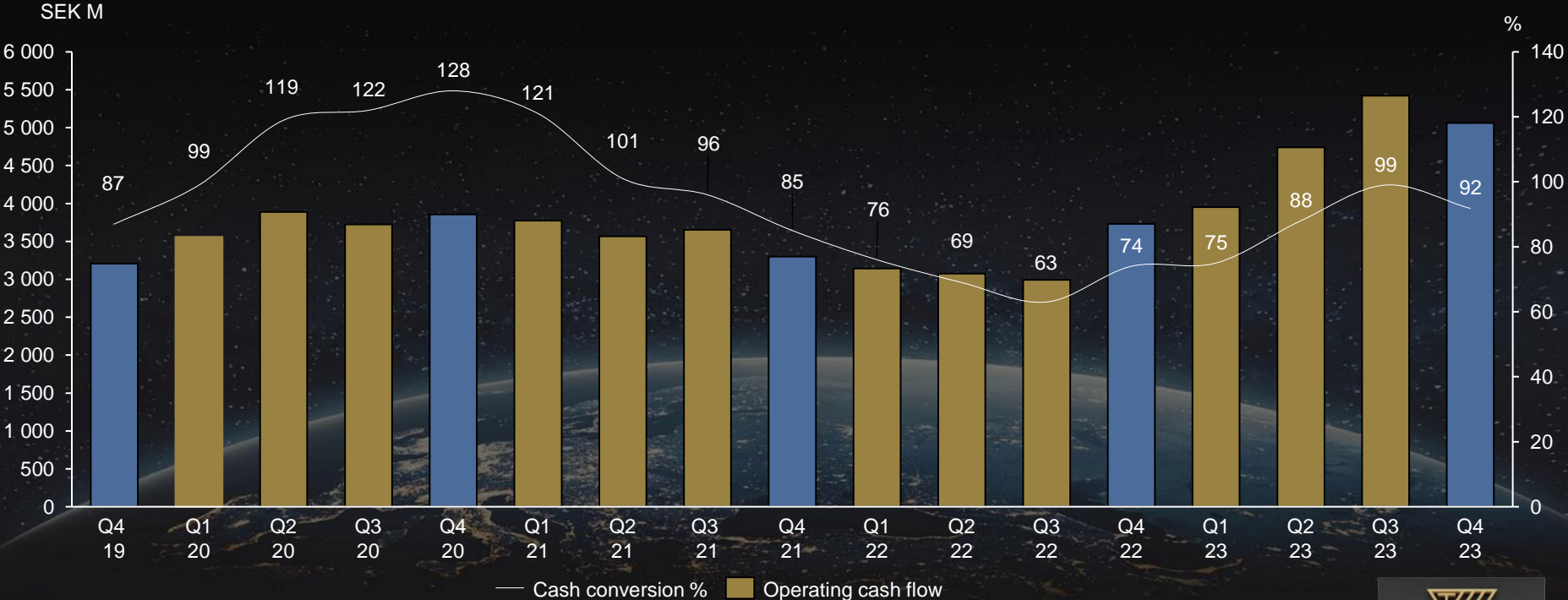
## Operating cash flow<sup>1</sup>



SEK M	Q4 2023	Q4 2022	Change
EBITDA	1 790	1 654	136
Working capital	312	525	-213
Net capex	-498	-414	-84
Leasing	-139	-87	-52
Other	-144	0	-144
<b>Operating cash flow</b>	<b>1 321</b>	<b>1 678</b>	<b>-357</b>

# Cash conversion remains at a high level

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

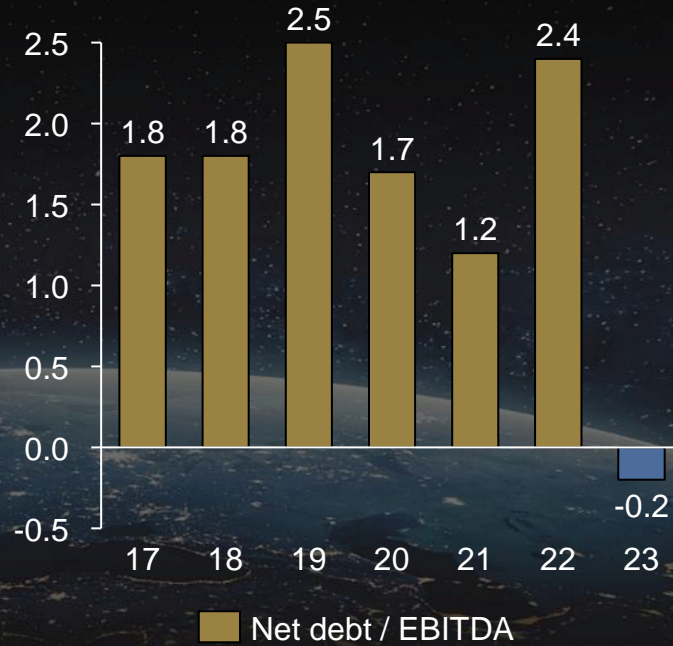
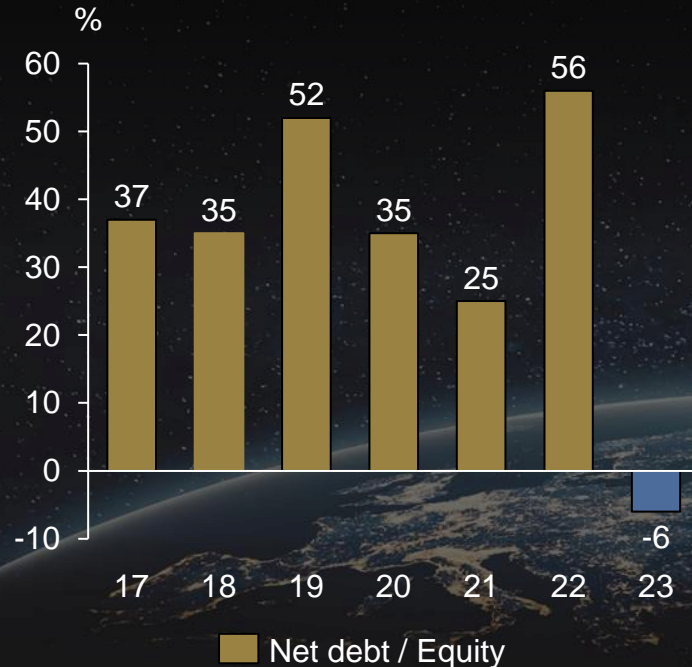


<sup>1</sup> Excl. items affecting comparability, continuing operations



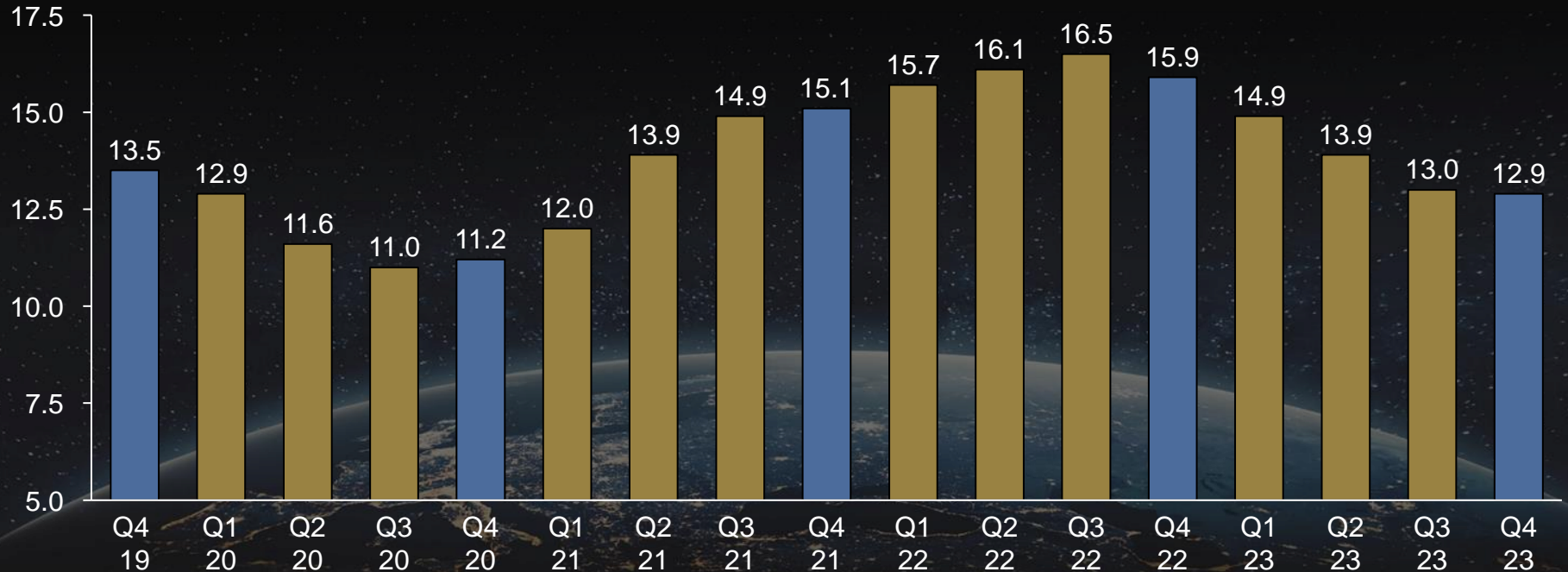
# Net cash position intact

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



# ROCE impacted by acquisitions

Return on capital employed, R12M, %



# Financial guidelines for full-year 2024

## Continuing operations

- Capex: SEK ~1.6 Bn
- Restructuring costs: SEK ~250 M
- Amortization of intangible assets SEK ~500 M
- Underlying tax rate: ~25 percent (previously 26 percent)

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# Outlook Q1 2024

- Demand is expected to be on a par with the fourth 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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