

Q1

Interim report January–March 2020

Stable quarter – growing challenges ahead

- The Group was affected by the Coronavirus (COVID-19), particularly during the latter part of the quarter. The effects of COVID-19 are expected to impact sales and earnings significantly more during the coming quarters compared with the first quarter. See further details on page 6.
- Net sales for the first quarter of 2020 declined 1 percent to SEK 9,286 M (9,381).
- Organic sales declined 5 percent.
- EBIT, excluding items affecting comparability, amounted to SEK 1,235 M (1,295), which was equivalent to an EBIT margin of 13.3 percent (13.8).
- Items affecting comparability for the quarter were a negative SEK 46 M (neg: 20) and pertained in their entirety to restructuring costs.
- Earnings per share, excluding items affecting comparability, totaled SEK 3.21 (3.25). For the Group, earnings per share were SEK 3.05 (3.14).
- Operating cash flow amounted to SEK 705 M (179). The cash conversion ratio for the most recent 12-month period increased to 102 percent (12M 2019: 90).
- After the close of the period, the molded component operations in Sweden and Estonia, belonging to Businesses Under Development, were divested.

SEK M	Q1 2020	Q1 2019	Change, %	R12 2020	12M 2019
Group					
Net sales	9,286	9,381	-1	36,493	36,588
Organic sales, %	-5	1			0
EBIT, excluding items affecting comparability	1,235	1,295	-5	4,598	4,658
EBIT-margin, %	13.3	13.8		12.6	12.7
Restructuring costs	-46	-20		-524	-498
Impairment of capital employed ¹	-	-		-3,198	-3,198
Items affecting comparability	-46	-20		-3,722	-3,696
EBIT	1,189	1,275	-7	876	962
Profit before tax	1,128	1,155	-2	554	581
Net profit, Group	827	852	-3	-224	-199
Earnings per share, SEK					
Excluding items affecting comparability	3.21	3.25	-1	11.85	11.89
Group	3.05	3.14	-3	-0.82	-0.73
Operating cash flow	705	179	294	4,700	4,174
Cash conversion ratio R12, %				102	90
Core Businesses					
Net sales	8,192	8,415	-3	32,229	32,452
Organic sales, %	-7	2			0
EBIT, excluding items affecting comparability	1,156	1,297	-11	4,487	4,628
EBIT-margin, %	14.1	15.4		13.9	14.3
Businesses Under Development					
Net sales	1,114	1,007	11	4,390	4,283
Organic sales, %	10	-7			1
EBIT, excluding items affecting comparability	79	-2	4,050	111	30
EBIT-margin, %	7.1	-0.3		2.5	0.7

¹ Pertains to the impairment of capital employed in the reporting segment Businesses Under Development.

Stable quarter – growing challenges ahead

“Trelleborg’s first quarter was marked by an accelerating impact from the spread of the COVID-19 pandemic. We have continuously initiated measures to offset the challenges, entailing that the earnings trend and cash flow were relatively stable despite the downturn in sales.

It is a priority for Trelleborg to remain a reliable and stable business partner, even under difficult conditions. In the same way, our employees’ well-being and safety are in focus and comprehensive routines and measures have been activated to prevent the spread of infection.

Organic sales for the Group declined 5 percent, with an accelerating decline in the latter part of the quarter. EBIT, excluding items affecting comparability, declined 5 percent, while operating cash flow was strengthened significantly.

The measures implemented during the period address both costs and cash flow, and comprise focused cost savings in the form of, for example, shortened working hours, lay-off notices and redundancies, temporary facility closures and reduced investments, and an intensified focus on working capital. All units have initiated local action plans that address their unique situation.

Sales and earnings in Trelleborg Industrial Solutions were negatively impacted by strikes in Turkey and France, as well as COVID-19. Despite these strikes, sales were healthy for some time, but at the end of the period, the business climate deteriorated significantly. All market segments and regions were increasingly impacted by their own and customers’ temporary facility closures.

Trelleborg Sealing Solutions generally noted relatively good sales, despite the negative effect of temporary facility closures, first in China and then in Europe. However, during March, demand declined due to the increased uncertainty. Strict cost control limited the impact on the earnings trend.

Trelleborg Wheel Systems experienced a continued subdued agricultural market. During the latter part of the quarter, a number of OE manufacturers of agricultural machinery announced temporary closures of manufacturing units, which contributed to a decline in deliveries. Sales of tires to material handling and construction vehicles were also affected by the declining demand in the wake of the pandemic. Cost savings were initiated during the quarter, which meant that the result could be maintained at a healthy level considering the circumstances.

Businesses Under Development continued to improve its profitability, and all units displayed an operating profit during the quarter. This was achieved despite the latter part of the quarter being affected by temporary facility closures aimed at offsetting customers’ production stoppages and to comply with official decisions. The favorable organic sales were mainly driven by strong growth in the offshore operation. However, during the latter part of the quarter, the oil price fell significantly, which will lead to a worsening market situation.

We are now in the second quarter and the market conditions are very unique and uncertain. During the next quarters, the negative impact on demand will be considerable due to all of the direct and indirect effects arising from the COVID-19 pandemic. That said, Trelleborg has a strong financial base, with good liquidity and long-term confirmed financing in place, and the Group stands well-equipped to face challenging times.

Our overall assessment is that demand will be significantly lower during the second quarter.”

Peter Nilsson,
President and CEO

MARKET OUTLOOK FOR THE SECOND QUARTER 2020

Demand is expected to be significantly lower than in the first quarter of 2020, adjusted for seasonal variations.

Market outlook from the interim report published on February 12, 2020, relating to the first quarter of 2020

Demand is expected to be somewhat lower than the fourth quarter of 2019, adjusted for seasonal variations.

NET SALES AND RESULT

SEK M	Q1 2020	Q1 2019	Change, %	R12 2020	12M 2019
Net sales	9,286	9,381	-1	36,493	36,588
Change total, %	-1	9			8
Organic sales, %	-5	1			0
Structural change, %	2	2			3
Currency effects, %	2	6			5
EBIT, excluding items affecting comparability	1,235	1,295	-5	4,598	4,658
EBIT-margin, %	13.3	13.8		12.6	12.7
Restructuring costs	-46	-20		-524	-498
Impairment of capital employed ¹	-	-		-3,198	-3,198
Items affecting comparability	-46	-20		-3,722	-3,696
EBIT	1,189	1,275	-7	876	962
Financial income and expenses	-61	-120	49	-322	-381
Profit before tax	1,128	1,155	-2	554	581
Taxes	-301	-303	1	-778	-780
Net profit, Group	827	852	-3	-224	-199
Earnings per share, SEK					
Excluding items affecting comparability	3.21	3.25	-1	11.85	11.89
Group	3.05	3.14	-3	-0.82	-0.73

¹ Pertains to the impairment of capital employed in the reporting segment Businesses Under Development.

Net sales for the Group during the first quarter of 2020 amounted to SEK 9,286 M (9,381). Organic sales declined 5 percent compared with the preceding year. Structural changes made a positive contribution of 2 percent. Exchange rate effects accounted for a positive 2-percent impact on sales compared with the year-earlier period.

Sales per market for the Group's core businesses¹: Organic sales for the Group's core businesses declined by 7 percent compared with the first quarter of 2019. Organic sales declined by 10 percent in Western Europe and increased by 3 percent in the rest of Europe. In the North American market, organic sales declined by 5 percent. In South and Central America, organic sales increased by 4 percent and decreased by 9 percent in Asia and other markets.

EBIT, excluding items affecting comparability, totaled SEK 1,235 M (1,295), corresponding to a margin of 13.3 percent (13.8).

The total exchange rate effect on EBIT, excluding items affecting comparability, from the translation of foreign subsidiaries, had a positive impact of SEK 36 M on earnings compared with the year-earlier period.

Items affecting comparability for the quarter amounted to negative SEK 46 M (neg: 20) and pertained in their entirety to restructuring costs.

EBIT, including items affecting comparability, amounted to SEK 1,189 M (1,275) for the quarter.

The net financial expense was SEK 61 M (expense: 120), mainly due to positive exchange rate differences. Net interest in relation to net debt was 2.0 percent (2.5).

Net profit for the Group was SEK 827 M (852). The quarter was charged with a nonrecurring cost attributable to dividends from subsidiaries due to additional withholding tax. The dividends will entail a strengthening of the central liquidity, since these funds were previously in bank accounts outside the Group accounts structure.

The tax rate for the quarter for the Group, excluding items affecting comparability, amounted to 26 percent (25).

Earnings per share, excluding items affecting comparability, for the first quarter totaled SEK 3.21 (3.25). For the Group in total, earnings per share amounted to SEK 3.05 (3.14).

¹ Core businesses pertains to the business areas Trelleborg Industrial Solutions, Trelleborg Sealing Solutions and Trelleborg Wheel Systems.

CASH FLOW AND NET DEBT

SEK M	Q1 2020	Q1 2019	Change, %	R12 2020	12M 2019
EBITDA, operating profit before depreciation	1,706	1,755	-3	6,556	6,605
Capital expenditure	-359	-298	-20	-1,858	-1,797
Sold non-current assets	112	7		123	18
Amortization of lease liabilities	-105	-90		-421	-406
Change in working capital	-651	-1,192		283	-258
Dividend from associated companies	-	-		1	1
Non cash-flow affecting items	2	-3		16	11
Operating cash flow	705	179	294	4,700	4,174

SEK M	Q1 2020	Q1 2019	12M 2019
Net debt, opening balance	-14,914	-10,499	-10,499
Operating cash flow	705	179	4,174
Cash impact from items affecting comparability	-104	-61	-353
Non-controlling interests	-	-	10
Financial items	-98	-165	-377
Paid tax	-259	-235	-763
Free cash flow	244	-282	2,691
Acquisitions	-3	-1,099	-3,066
Disposed operations	27	-	-
Dividend - equity holders of the parent company	-	-	-1,288
Sum net cash flow	268	-1,381	-1,663
Financial liability for dividend – Parent Company shareholders	-	-1,288	-
Exchange rate differences	-995	-253	-377
Lease liability according to IFRS 16 ¹	-3	-2,345	-2,224
Pension liability	-	-	-151
Net debt, closing balance	-15,644	-15,766	-14,914
Debt/equity ratio, %	50	52	51
Net debt/EBITDA ²	2.6	2.5	2.5

Net debt including, as of 2019, lease liability in accordance with IFRS 16 and pension liability.

¹ Pertains to non-cash items.

² EBITDA excluding items affecting comparability.

Operating cash flow for the quarter amounted to SEK 705 M (179). The positive change compared with the preceding year was mainly attributable to improved development of the Group's working capital. The investment level was somewhat higher during the quarter compared with the year-earlier period, but the full-year outcome is expected to be significantly lower than for 2019. During the quarter, a property was divested with a cash effect of approximately SEK 100 M, with only a minor impact on earnings. The cash conversion ratio for the most recent 12-month period was 102 percent (12M 2019: 90).

Free cash flow for the quarter amounted to SEK 244 M (neg: 282). Net cash flow amounted to SEK 268 M (neg: 1,381). Net cash flow for the year was impacted by completed acquisitions in the negative amount of SEK 3 M (neg: 1,099) and effects of divested operations of SEK 27 M (-).

Net debt at the end of the first quarter amounted to SEK 15,644 M (15,766) and was impacted by the year's net cash flow of SEK 268 M, negative exchange rate differences of SEK 995 M and a minor adjustment for lease liabilities of negative SEK 3 M.

The debt/equity ratio amounted to 50 percent (52).

Net debt in relation to EBITDA was 2.6 (2.5).

RETURN ON CAPITAL EMPLOYED AND RETURN ON EQUITY

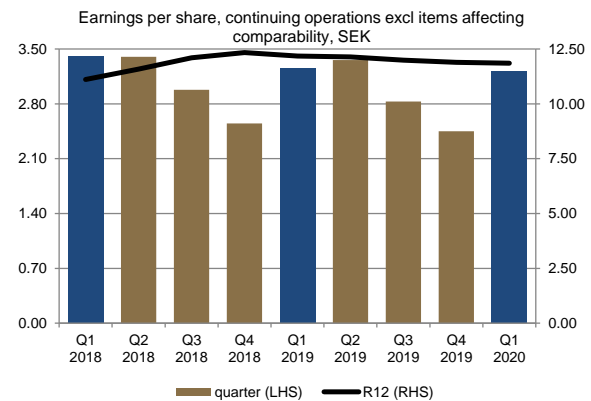
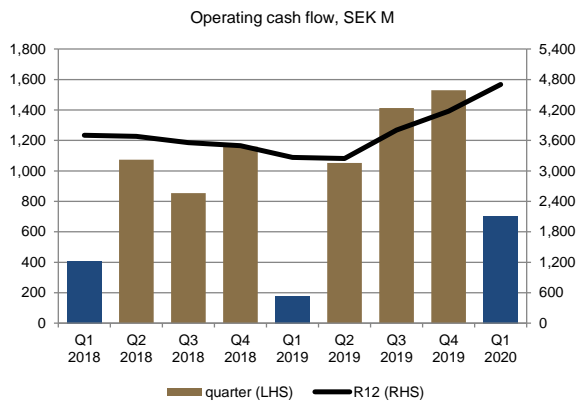
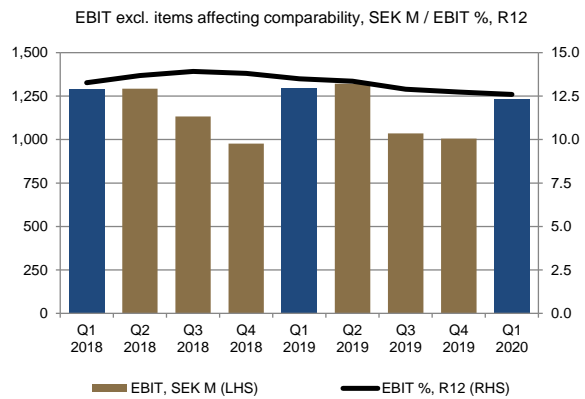
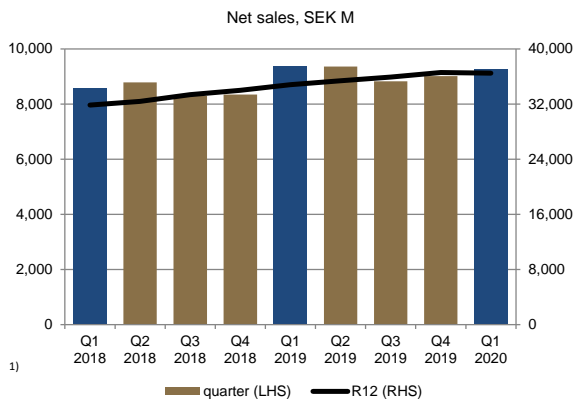
%	R12 2020	R12 2019	12M 2019
Return on capital employed			
Excluding items affecting comparability	9.6	11.0	9.8
Group	1.8	10.6	2.0
Return on equity			
Excluding items affecting comparability	10.4	11.1	10.9
Group	-0.7	10.5	-0.7

Capital employed increased year on year to SEK 47,544 M (46,678), mainly impacted by acquisitions completed, investments and translation effects.

The return on capital employed, excluding items affecting comparability, was 9.6 percent (11.0).

Shareholders' equity for the Group at the close of the period amounted to SEK 31,151 M (30,352).

Equity per share amounted to SEK 115 (112). The equity/assets ratio was 51 percent (52). The total return on shareholders' equity for the Group, excluding items affecting comparability, was 10.4 percent (11.1).



COVID-19

The impact of the Coronavirus on Trelleborg. Organic sales for Trelleborg for the first quarter of 2020 were negatively impacted by COVID-19, particularly during the latter part of the quarter.

The Group is continuously initiating measures to offset the development. This entailed that the earnings trend and cash flow were relatively stable during the quarter despite the downturn in sales.

The measures implemented address both costs and cash flow, and comprise focused cost savings in the form of, for example, shortened working hours, lay-off notices and redundancies, temporary facility closures and reduced investments, and an intensified focus on working capital. All units have initiated local actions that address their unique situation.

Trelleborg has a strong financial base, with good liquidity and a long-term confirmed financing in place. The only financial covenant in the syndicated loan facilities is based on the net debt/equity ratio, excluding the impact of IFRS 16 and pension liabilities, which must not exceed 150 percent. The Group's net debt/equity ratio, by this definition, amounted to 40 percent at the close of the period.

Uncertainty regarding the demand trend for the next quarters is considerable. Contingency plans are in place and activated to manage different scenarios.

Answers to frequently asked questions about COVID-19 and its impact on Trelleborg were published together with the press release "Trelleborg comments on the impact of the Coronavirus" from March 31, 2020, and can be read via this [link](#).

SIGNIFICANT EVENTS DURING THE QUARTER

Divestment of French operation. Trelleborg signed an agreement and finalized the divestment of an operation in France. The operation is included in Trelleborg's reporting segment Businesses Under Development and is a part of the printing blankets operation. It develops and manufactures rubber-covered rollers as well as rubber belts. The buyer is the Belgian Hannecard Group.

The divested operation had annual sales of approximately SEK 70 M in 2019. The transaction will only have a negligible impact on the Group's earnings.

The operation will be deconsolidated as of January 7, 2020.

A press release was published on January 8, 2020.

Unchanged Board fees. As a consequence of the uncertainty due to COVID-19 and its impact on economic development, the Nomination Committee proposed that the Annual General Meeting on April 23 resolves on unchanged Board and Committee fees compared to 2019. The Nomination Committee's other proposals to the Annual General Meeting remain unchanged.

A press release was published on March 27, 2020.

SIGNIFICANT EVENTS AFTER THE CLOSE OF THE PERIOD

Postponement of dividend decision. The Board of Directors of Trelleborg decided to withdraw the previous dividend proposal and instead propose that the Annual General Meeting on April 23 resolves that no dividend will be paid. When the market has stabilized, and visibility of earnings has normalized, it is the Board's ambition to call to an extraordinary general meeting later this year, to decide on a dividend for the 2019 fiscal year.

The background to this proposal is the increased economic uncertainty and the public measures taken to slow down the spread of COVID-19 globally and their effects on the Group. Trelleborg has a strong financial base, with good liquidity and long-term confirmed financing in place, but as a precaution the Board chooses to propose to the Annual General Meeting that it decides to postpone the decision on the dividend. This proposal does not change the Group's dividend policy.

A press release was published on April 14, 2020.

Divestment of molded component operations. Trelleborg signed an agreement and finalized the divestment of its Swedish and Estonian operations that manufacture molded components, a business unit within the reporting segment Businesses Under Development. The buyer is the current local management of the operations. The operations develop and manufacture various types of molded products.

The divested operations had annual sales of approximately SEK 250 M in 2019. The transaction will only have a minor positive impact on the Group's net profit.

The operations were deconsolidated on April 22, 2020.

A press release was published on April 23, 2020.

RISK MANAGEMENT

Trelleborg serves a broad range of customers in a variety of market segments and niches. The business has a wide geographic spread. The Group has operations in about 50 countries, sales are conducted in just over 150 countries worldwide and manufacturing operations are carried out at more than 100 production sites. The business is diversified, which provides Trelleborg with an effective underlying risk spread.

Demand for the Group's products and solutions largely moves in line with fluctuations in global industrial production. Trelleborg focuses on maintaining an exposure to its market segments that has a good balance between early and late cyclical industry, meaning general as well as capital-intensive industry, the demands from which often balance each other out. Seasonal effects occur in the various market segments, particularly in the agricultural segment, which normally experiences higher demand for tires for agricultural machines during the first half of the year. For the Group, demand is usually higher in the first half of the year than in the second half of the year.

Long-term risks. Trelleborg has identified the relevant areas based on strategic risks, operational risks, regulatory compliance risks and financial risks that may result in damage or loss with substantial impact on the entire Group and therefore justify management of the risk exposure at Group level.

For information regarding the Group's risks, risk exposure and risk management, refer to the latest Trelleborg Annual Report, www.trelleborg.com.

Short-term risks. The COVID-19 outbreak and the measures taken by various governments to prevent the spread of the virus

impacted the Group in the first quarter of 2020. In addition to the known effects, the macroeconomic uncertainty is causing a reduction in economic activity and the long-term impact on the Group's operations is currently unknown. The scope and length of this pandemic are uncertain, but are expected to affect Trelleborg further. The most important risks resulting from the current uncertain situation relating to COVID-19 are:

- **Supply chain:** The Group's access to components and the ability to transport finished products to customers could be affected. However, in general, the Group is not currently experiencing any major disruptions to its supply chain. The facilities that are closed are not so due to shortages of raw materials or components, but as a result of individual countries' decisions to implement extraordinary measures or that customers have closed their production facilities for various reasons.
- **Earnings and profitability:** Trelleborg's revenue could be affected by individual countries' decisions on extraordinary measures and customer behavior resulting from COVID-19.
- **Capital employed:** The Group initiated an extended review of working capital, with particular focus on accounts receivable and inventory. The inventory was in line with the level at year-end and overdue accounts receivable declined compared with the level at year-end. Depending on the effect of COVID-19 in terms of both scope and time, impairments of goodwill and other intangible assets may occur.
- **Financing and liquidity:** The Group has guaranteed long-term financing in place and healthy liquidity.

This report has not been subject to a brief review by the company's auditor.

Trelleborg, April 23, 2020
Board of Directors of Trelleborg AB (publ)



Trelleborg Industrial Solutions is a leading supplier of polymer-based critical solutions in selected industrial application areas and infrastructure projects.

Excluding items affecting comparability, SEK M	Q1 2020	Q1 2019	Change, %	R12 2020	12M 2019
Net sales	2,595	2,628	-1	10,852	10,885
Change total, %	-1	10			12
Organic sales, %	-8	2			4
Structural change, %	4	3			4
Currency effects, %	3	5			4
EBIT	209	284	-26	1,140	1,215
EBIT, %	8.1	10.8		10.5	11.2

Additional key ratios on pages 16 - 18

Organic sales during the quarter decreased 8 percent year on year. In addition to COVID-19, the business area was negatively affected by strikes the production facilities in Turkey and France. Deliveries to construction-related industries and general industry were relatively favorable for some time, but a significant decline and increased uncertainty were experienced during the latter part of the quarter. The increased uncertainty also affected sales to the automotive industry. Sales declined in most regions, with a more limited sales decline noted in North America.

EBIT and the EBIT margin decreased year on year, primarily as a result of the drop in demand in the wake of COVID-19, but also due to the strikes in Turkey and France described earlier. Cost savings were initiated during the period, which partly offset the loss of volume. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 7 M on EBIT compared with the year-earlier period.



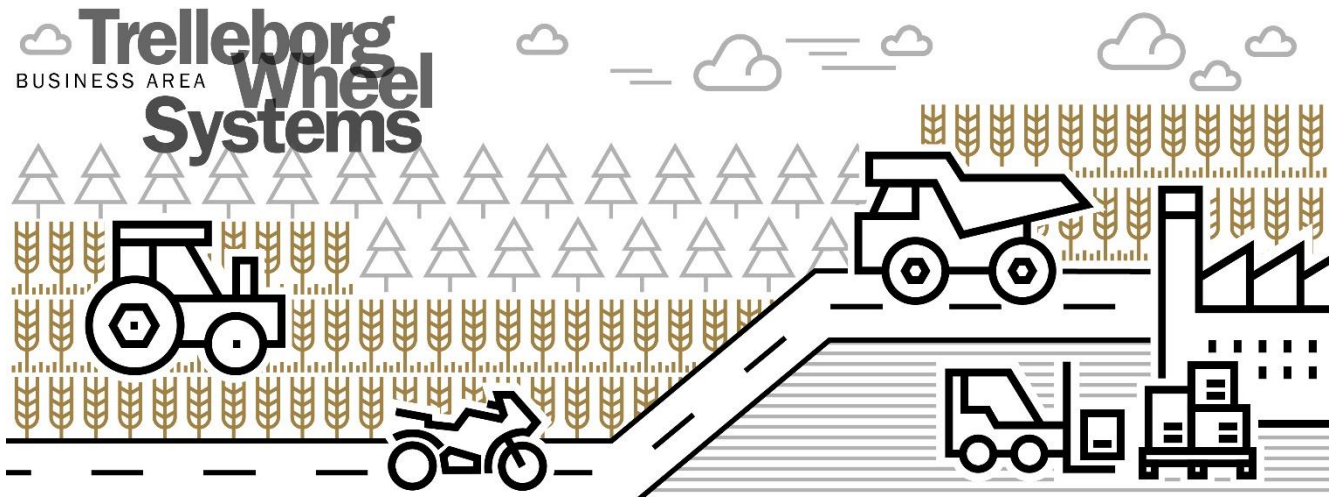
Trelleborg Sealing Solutions is a leading global supplier of polymer-based critical sealing solutions and components deployed in general industry, automotive and aerospace.

Excluding items affecting comparability, SEK M	Q1 2020	Q1 2019	Change, %	R12 2020	12M 2019
Net sales	3,209	3,118	3	12,233	12,142
Change total, %	3	11			10
Organic sales, %	-3	0			0
Structural change, %	2	4			5
Currency effects, %	4	7			5
EBIT	706	724	-2	2,711	2,729
EBIT, %	22.0	23.2		22.2	22.5

Additional key ratios on pages 16 - 18

Organic sales during the quarter declined 3 percent year on year. The business area experienced relatively favorable organic sales during most of the period, despite the facility closures in China during February. However, sales were negatively affected by declining demand and increased uncertainty during the latter part of the quarter. The organic trend was downward in most regions, primarily in Asia. Sales to general industry declined in all regions. Deliveries to the automotive industry increased somewhat in Europe due to the positive start to the quarter, but declined in Asia and were down significantly in North America. Sales to the aerospace industry displayed weak positive growth attributable to healthy deliveries at the beginning of the period, but a notable decline during the latter part of the period.

EBIT and the EBIT margin decreased year on year, mainly due to lower deliveries. However, strict cost control limited the impact on earnings performance. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 23 M on EBIT compared with the year-earlier quarter.



Trelleborg Wheel Systems is a leading global supplier of tires and complete wheels for off-highway vehicles and specialty applications.

Excluding items affecting comparability, SEK M	Q1 2020	Q1 2019	Change, %	R12 2020	12M 2019
Net sales	2,459	2,723	-10	9,364	9,628
Change total, %	-10	11			1
Organic sales, %	-12	4			-4
Structural change, %	0	2			1
Currency effects, %	2	5			4
EBIT	297	349	-15	861	913
EBIT, %	12.1	12.8		9.2	9.5

Additional key ratios on pages 16 - 18

Organic sales during the quarter declined 12 percent year on year. Sales of tires for agricultural machines declined significantly in most markets under the continued influence of a sluggish agricultural market and various official decisions in some countries. In the latter part of the period, a number of OE manufacturers of agricultural machinery announced temporary closures of production units, which contributed to a decline in supplies. The sale of tires for material handling vehicles and construction vehicles declined year on year, with the decrease most noticeable in North America.

EBIT and the EBIT margin declined as a result of lower sales volumes, which were partially offset by a positive sales mix. Cost savings were initiated during the quarter. Exchange rate fluctuations from the translation of foreign subsidiaries had a positive impact of SEK 8 M on EBIT compared with the year-earlier quarter.

Businesses Under Development

The reporting segment **Businesses Under Development** comprises areas where improvement in position and profitability must occur; the operations of printing blankets, offshore oil & gas, some specialty molded components and technical rubber products, as well as bicycle tires.

Excluding items affecting comparability, SEK M	Q1 2020	Kv1 2019	Change, %	R12 2020	12M 2019
Net sales	1,114	1,007	11	4,390	4,283
Change total, %	11	-3			4
Organic sales, %	10	-7			1
Structural change, %	-1	0			0
Currency effects, %	2	4			3
EBIT	79	-2	4,050	111	30
EBIT, %	7.1	-0.3		2.5	0.7

Additional key ratios on pages 16 - 18

Organic sales during the quarter increased 10 percent year on year. Sales increased in all major regions, driven by a continued strong performance in offshore oil & gas. During the latter part of the quarter, the oil price fell significantly, which will lead to a worsening market situation. Deliveries of printing blankets declined in several markets, primarily during the latter part of the period. Sales of specialty molded components were positive, while the technical rubber products operation experienced a significant decline in deliveries in March due to temporary facility closures caused by customers' production stoppages and official decisions.

EBIT and the EBIT margin increased primarily as a result of higher sales volumes in offshore oil & gas. All operations displayed positive results during the period. Exchange rate fluctuations from the translation of foreign subsidiaries had a negative impact of SEK 1 M on EBIT compared with the year-earlier period.

After the end of the quarter, the Swedish and Estonian operations that manufacture specialty molded components were divested. See page 6.

NOTES

This report has been prepared in accordance with IAS 34 Interim Financial Reporting and the applicable rules of the Swedish Annual Accounts Act. Disclosures in accordance with IAS 34.16A appear in addition to the financial statements and their accompanying notes also in other parts of the interim report. The Parent Company applies recommendation RFR 2, Accounting for Legal Entities of the Swedish Financial Reporting Board and Chapter 9 of the Swedish Annual Accounts Act, Interim Reports. The accounting policies applied by the Group and Parent Company correspond to the accounting policies applied in the preparation of the most recent annual report.

Condensed Income Statements

Income Statements, SEK M	Q1 2020	Q1 2019	R12 2020	12M 2019
Net sales	9,286	9,381	36,493	36,588
Cost of goods sold	-6,284	-6,320	-24,834	-24,870
Gross profit	3,002	3,061	11,659	11,718
Selling expenses	-819	-800	-3,221	-3,202
Administrative expenses	-800	-778	-3,142	-3,120
Research and development costs	-163	-152	-628	-617
Other operating income/expenses	12	-37	-76	-125
Profit from associated companies	3	1	6	4
EBIT, excluding items affecting comparability	1,235	1,295	4,598	4,658
Items affecting comparability	-46	-20	-3,722	-3,696
EBIT	1,189	1,275	876	962
Financial income and expenses	-61	-120	-322	-381
Profit before tax	1,128	1,155	554	581
Tax	-301	-303	-778	-780
Total net profit	827	852	-224	-199
- equity holders of the parent company	827	852	-224	-199
- non-controlling interest	0	-	0	0

Earnings per share, SEK ¹	Q1 2020	Q1 2019	R12 2020	12M 2019
Group, Excluding items affecting comparability	3.21	3.25	11.85	11.89
Group, total	3.05	3.14	-0.82	-0.73

¹ No dilution effects arose.

Number of shares	Q1 2020	Q1 2019	R12 2020	12M 2019
End of period	271,071,783	271,071,783	271,071,783	271,071,783
Average number	271,071,783	271,071,783	271,071,783	271,071,783

Statements of comprehensive income, SEK M	Q1 2020	Q1 2019	R12 2020	12M 2019
Total net profit	827	852	-224	-199
Other comprehensive income				
Items that will not be reclassified to the income statement				
Reassessment of net pension obligation ²	-	-	-151	-151
Income tax relating to components of other comprehensive income	-	-	32	32
Total	-	-	-119	-119
Items that may be reclassified to the income statement				
Cash flow hedges	-127	-59	-166	-98
Hedging of net investment	-665	-295	-760	-390
Translation difference	1,862	1,085	2,017	1,240
Income tax relating to components of other comprehensive income	27	69	35	77
Total	1,097	800	1,126	829
Other comprehensive income, net of tax	1,097	800	1,007	710
Total comprehensive income	1,924	1,652	783	511

² Remeasurement is carried out in connection with preparation of the six-month and full-year financial statements and thereafter only in the event of significant changes.

EBIT specification, SEK M	Q1 2020	Q1 2019	R12 2020	12M 2019
Excluding items affecting comparability:				
EBITDA	1,706	1,755	6,556	6,605
Depreciation/write-down, property, plant and equipment	-376	-373	-1,588	-1,585
EBITA	1,330	1,382	4,968	5,020
Amortization/write-down, intangible assets	-95	-87	-370	-362
EBIT	1,235	1,295	4,598	4,658
Items affecting comparability	-46	-20	-3,722	-3,696
EBIT	1,189	1,275	876	962

Condensed Balance Sheets

Balance Sheets, SEK M	Mar 31 2020	Mar 31 2019	Dec 31 2019
Property, plant and equipment	13,794	13,282	13,306
Goodwill	20,325	20,203	19,198
Other intangible assets	5,530	5,268	5,289
Participations in associated companies	110	93	108
Financial non-current assets	46	52	46
Deferred tax assets	964	792	941
Total non-current assets	40,769	39,690	38,888
Inventories	6,675	6,510	6,361
Current operating receivables	8,074	8,166	7,071
Current tax assets	1,072	1,059	1,041
Interest-bearing receivables	211	164	286
Cash and cash equivalents	4,102	2,384	2,694
Total current assets	20,134	18,283	17,453
Total assets	60,903	57,973	56,341
Share capital	2,620	2,620	2,620
Other capital contributions	226	226	226
Other reserves	4,058	2,931	2,961
Profit brought forward	23,410	23,723	23,608
Net profit for the year	827	852	-199
Total	31,141	30,352	29,216
Non-controlling interests	10	-	10
Equity	31,151	30,352	29,226
Interest-bearing non-current liabilities	13,603	12,369	13,063
Other non-current liabilities	301	136	188
Pension obligations	640	538	604
Other provisions	199	219	202
Deferred tax liabilities	1,150	1,103	1,075
Total non-current liabilities	15,893	14,365	15,132
Interest-bearing current liabilities	5,718	5,418	4,234
Current tax liabilities	1,294	1,160	1,234
Other current liabilities	6,478	6,360	6,122
Other provisions	369	318	393
Total current liabilities	13,859	13,256	11,983
Total equity and liabilities	60,903	57,973	56,341
Specification of changes in equity, SEK M	Mar 31 2020	Mar 31 2019	Dec 31 2019
Opening balance, January 1	29,226	30,126	30,126
Non-recurring item relating to IFRS 16	1	-138	-133
Total net profit	827	852	-199
Other comprehensive income	1,097	800	710
Dividend	-	-1,288	-1,288
Non-controlling interests	0	-	10
Closing balance	31,151	30,352	29,226
Specification of capital employed, SEK M	Mar 31 2020	Mar 31 2019	Dec 31 2019
Total assets	60,903	57,973	56,341
Less:			
Interest-bearing receivables	233	199	308
Cash and cash equivalents	4,102	2,384	2,694
Tax assets	2,036	1,851	1,982
Operating liabilities	6,988	6,861	6,648
Capital employed	47,544	46,678	44,709

Cash-flow statements

Cash flow statements, SEK M	Q1 2020	Q1 2019	R12 2020	12M 2019
Operating activities				
EBIT incl part in associated companies	1,189	1,275	876	962
Adjustments for items not included in cash flow from operating activities:				
Depreciation, property, plant and equipment	389	370	1,598	1,579
Amortization, intangible assets	95	87	380	372
Impairment losses, property, plant and equipment	3	3	452	452
Impairment losses, intangible assets	3	0	2,712	2,709
Dividend from associated companies	0	-	1	1
Participations in associated companies and other non cash-flow affecting items	-14	-3	-7	4
Items affecting comparability	-	-	-	-
Interest received and other financial items	9	8	46	45
Interest paid and other financial items	-107	-173	-356	-422
Taxes paid	-259	-235	-787	-763
Cash flow from operating activities before changes in working capital	1,308	1,332	4,915	4,939
Cash flow from changes in working capital				
Change in inventories	-86	-112	104	78
Change in operating receivables	-674	-1,206	667	135
Change in operating liabilities	109	126	-488	-471
Change in items affecting comparability	-62	-41	161	182
Cash flow from operating activities	595	99	5,359	4,863
Investing activities				
Acquisitions	-3	-1,099	-1,970	-3,066
Disposed/discontinuing operations	27	-	27	-
Capital expenditure, property, plant and equipment	-321	-268	-1,685	-1,632
Capital expenditure, intangible assets	-38	-30	-173	-165
Sale of non-current assets	112	7	126	21
Cash flow from investing activities	-223	-1,390	-3,675	-4,842
Financing activities				
Change in interest-bearing investments	76	-90	-47	-213
Change in interest-bearing liabilities	-415	-198	-825	-608
New/utilized loans	2,396	1,678	3,722	3,004
Amortized loans	-1,084	-148	-1,585	-649
Dividend - equity holders of the parent company	-	-	-1,288	-1,288
Dividend - non-controlling interest	-	-	10	10
Cash flow from financing activities	973	1,242	-13	256
Cash flow for the period	1,345	-49	1,671	277
Cash and cash equivalents				
At beginning of the period	2,694	2,341	2,384	2,341
Exchange rate differences	63	92	47	76
Cash and cash equivalents at end of period	4,102	2,384	4,102	2,694

Change in liabilities from financing activities, SEK M	Non-cash changes								
	Dec 31 2019	Transfer between long-term and short-term loans	Cash changes	Acquisitions	Translation differences	Fair value changes	Lease liabilities according to IFRS 16	Pension liabilities	Mar 31 2020
Long-term loans	11,016	-998	1,007	-	503	-	-	-	11,528
Current loans	3,368	998	287	-	3	-	-	-	4,656
Other non-current financial liabilities	95	-	-50	-	0	-	-	-	45
Other current financial liabilities	465	-	-229	-	415	-	-	-	651
Lease liabilities according to IFRS 16	2,353	-	-122	-	104	-	107	-	2,442
Pension liabilities	600	-	2	-	35	-	-	-	637
Total	17,897	-	895	-	1,060	-	107	-	19,959

Key figures

Trelleborg employs a number of alternative key figures related to financial position: return on equity and capital employed, net debt, debt/equity ratio and equity/assets ratio. The Group deems the key figures useful for the readers of its financial reports as a complement for assessing the possibility of dividends, implementing strategic investments and considering the Group's ability to meet its financial commitments. In addition, Trelleborg uses the cash-flow measurements of operating cash flow and free cash flow to provide an indication of the funds the operations generate to be able to implement strategic investments, make amortizations and pay returns to the shareholders. Trelleborg also uses the result measurements of EBITDA, EBITA and EBIT, excluding items affecting comparability, which are measurements the Group considers relevant for investors who want to understand earnings generation before items affecting comparability. The Group defines the key figures as set out below.

For further description and calculation of key figures, see <https://www.trelleborg.com/en/investors/financial--definitions>.

SEK M	Q1 2020	Q1 2019	R12 2020	12M 2019
Net sales				
Trelleborg Industrial Solutions	2,595	2,628	10,852	10,885
Trelleborg Sealing Solutions	3,209	3,118	12,233	12,142
Trelleborg Wheel Systems	2,459	2,723	9,364	9,628
Eliminations	-71	-54	-220	-203
Core Businesses	8,192	8,415	32,229	32,452
Businesses Under Development	1,114	1,007	4,390	4,283
Eliminations	-20	-41	-126	-147
Group	9,286	9,381	36,493	36,588
EBIT, excluding items affecting comparability				
Trelleborg Industrial Solutions	209	284	1,140	1,215
Trelleborg Sealing Solutions	706	724	2,711	2,729
Trelleborg Wheel Systems	297	349	861	913
Group items	-56	-60	-225	-229
Core Businesses	1,156	1,297	4,487	4,628
Businesses Under Development	79	-2	111	30
Group	1,235	1,295	4,598	4,658
EBIT %, excluding items affecting comparability				
Trelleborg Industrial Solutions	8.1	10.8	10.5	11.2
Trelleborg Sealing Solutions	22.0	23.2	22.2	22.5
Trelleborg Wheel Systems	12.1	12.8	9.2	9.5
Core Businesses	14.1	15.4	13.9	14.3
Businesses Under Development	7.1	-0.3	2.5	0.7
Group	13.3	13.8	12.6	12.7
Net sales per market, share and organic growth, %				
Western Europe (47%)	-8	3	0	0
Other Europe (9%)	0	-3	-2	-2
North America (24%)	-4	1	1	1
South and Central America (4%)	21	-8	-4	-4
Asia and other markets (16%)	-8	-1	2	2
Total (100% refer to share 2019)	-5	1	0	0
Net sales per market Core Businesses, organic growth, %				
Western Europe	-10	3	-1	-1
Other Europe	3	-5	-2	-2
North America	-5	2	1	1
South and Central America	4	7	12	12
Asia and other markets	-9	2	2	2
Total	-7	2	0	0

Bridge net sales	Q1 2019, SEK M	Organic sales, %	Structural change, %	Currency effects, %	Q1 2020, SEK M
Trelleborg Industrial Solutions	2,628	-8	4	3	2,595
Trelleborg Sealing Solutions	3,118	-3	2	4	3,209
Trelleborg Wheel Systems	2,723	-12	0	2	2,459
Eliminations	-54	-	-	-	-71
Core Businesses	8,415	-7	2	2	8,192
Businesses Under Development	1,007	10	-1	2	1,114
Eliminations	-41	-	-	-	-20
Group	9,381	-5	2	2	9,286

Exchange rate differences impacting EBIT excluding items affecting comparability ¹ , SEK M	Q1 2020
Trelleborg Industrial Solutions	7
Trelleborg Sealing Solutions	23
Trelleborg Wheel Systems	8
Eliminations	-1
Core Businesses	37
Businesses Under Development	-1
Group	36

¹ Impact on EBIT excluding items affecting comparability in translation of foreign subsidiaries.

SEK M	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Net sales									
Trelleborg Industrial Solutions	2,595	2,795	2,722	2,740	2,628	2,524	2,378	2,432	2,382
Trelleborg Sealing Solutions	3,209	2,952	2,982	3,090	3,118	2,622	2,787	2,840	2,800
Trelleborg Wheel Systems	2,459	2,181	2,188	2,536	2,723	2,271	2,243	2,529	2,449
Eliminations	-71	-47	-50	-52	-54	-43	-51	-51	-51
Core Businesses	8,192	7,881	7,842	8,314	8,415	7,374	7,357	7,750	7,580
Businesses Under Development	1,114	1,171	1,019	1,086	1,007	1,012	976	1,078	1,034
Eliminations	-20	-34	-33	-39	-41	-44	-33	-42	-37
Group	9,286	9,018	8,828	9,361	9,381	8,342	8,300	8,786	8,577
EBIT, excluding items affecting comparability									
Trelleborg Industrial Solutions	209	315	289	327	284	252	223	267	252
Trelleborg Sealing Solutions	706	626	668	711	724	535	647	693	684
Trelleborg Wheel Systems	297	97	148	319	349	247	273	371	364
Group items	-56	-62	-60	-47	-60	-19	0	-74	-50
Core Businesses	1,156	976	1,045	1,310	1,297	1,015	1,143	1,257	1,250
Businesses Under Development	79	30	-9	11	-2	-38	-10	36	41
Group	1,235	1,006	1,036	1,321	1,295	977	1,133	1,293	1,291
EBIT %, excluding items affecting comparability									
Trelleborg Industrial Solutions	8.1	11.3	10.6	11.9	10.8	10.0	9.4	11.0	10.6
Trelleborg Sealing Solutions	22.0	21.2	22.3	23.0	23.2	20.4	23.2	24.4	24.4
Trelleborg Wheel Systems	12.1	4.4	6.8	12.6	12.8	10.9	12.2	14.7	14.9
Core Businesses	14.1	12.4	13.3	15.8	15.4	13.8	15.5	16.2	16.5
Businesses Under Development	7.1	2.6	-0.9	1.1	-0.3	-3.8	-1.1	3.3	4.0
Group	13.3	11.2	11.7	14.1	13.8	11.7	13.6	14.7	15.1

Condensed Income Statements, SEK M	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Net sales	9,286	9,018	8,828	9,361	9,381	8,342	8,300	8,786	8,577
Cost of goods sold	-6,284	-6,188	-6,071	-6,291	-6,320	-5,799	-5,664	-5,855	-5,730
Gross profit	3,002	2,830	2,757	3,070	3,061	2,543	2,636	2,931	2,847
Selling expenses	-819	-800	-786	-816	-800	-674	-651	-676	-668
Administrative expenses	-800	-826	-750	-766	-778	-930	-815	-840	-776
Research and development costs	-163	-158	-152	-155	-152	-143	-143	-146	-133
Other operating income/costs	12	-38	-36	-14	-37	183	105	23	18
Profit from associated companies	3	-2	3	2	1	-2	1	1	3
EBIT, excluding items affecting comparability	1,235	1,006	1,036	1,321	1,295	977	1,133	1,293	1,291
Items affecting comparability	-46	-3,431	-127	-118	-20	-98	-28	-32	-18
EBIT	1,189	-2,425	909	1,203	1,275	879	1,105	1,261	1,273
Financial income and expenses	-61	-91	-59	-111	-120	-78	-72	-70	-62
Profit before tax	1,128	-2,516	850	1,092	1,155	801	1,033	1,191	1,211
Tax	-301	-3	-188	-286	-303	-200	-251	-294	-301
Net profit	827	-2,519	662	806	852	601	782	897	910
- equity holders of the parent company	827	-2,519	662	806	852	601	782	897	910
- non-controlling interest	0	0	-	-	-	-	-	-	-

Group Key Figures	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Net sales, SEK M	9,286	9,018	8,828	9,361	9,381	8,342	8,300	8,786	8,577
Organic sales, %	-5	0	-1	0	1	2	4	2	4
EBITDA, excl items affecting comparability, SEK M	1,706	1,524	1,526	1,800	1,755	1,272	1,467	1,624	1,614
EBITDA, excl items affecting comparability, %	18.3	16.9	17.3	19.2	18.7	15.3	17.7	18.5	18.8
EBITA, excl items affecting comparability, SEK M	1,330	1,099	1,132	1,407	1,382	1,055	1,210	1,373	1,365
EBITA, excl items affecting comparability, %	14.3	12.2	12.8	15.0	14.7	12.7	14.6	15.6	15.9
EBIT, excl items affecting comparability, SEK M	1,235	1,006	1,036	1,321	1,295	977	1,133	1,293	1,291
EBIT, excl items affecting comparability, %	13.3	11.2	11.7	14.1	13.8	11.7	13.6	14.7	15.1
Items affecting comparability, SEK M	-46	-3,431	-127	-118	-20	-98	-28	-32	-18
EBIT, SEK M	1,189	-2,425	909	1,203	1,275	879	1,105	1,261	1,273
Earnings per share, excl items affecting comparability, SEK	3.21	2.45	2.83	3.36	3.25	2.55	2.98	3.40	3.41
Earnings per share, Group, SEK	3.05	-9.29	2.44	2.98	3.14	2.22	2.88	3.31	3.36
Operating cash flow, excl items affecting comp., SEK M	705	1,530	1,413	1,052	179	1,159	854	1,074	408
Cash conversion ratio, excl items affecting comp., R12, %	102	90	82	69	70	74	77	83	88
Free cash flow, SEK M	244	1,240	1,102	631	-282	773	567	732	-4
Capital employed, closing balance, SEK M	47,544	44,709	49,033	47,210	46,678	41,118	41,261	41,253	40,282
Return on capital employed R12, %	1.8	2.0	9.3	10.1	10.6	11.1	10.6	10.3	9.8
Net debt, closing balance, SEK M	-15,644	-14,914	-15,860	-15,307	-15,766	-10,499	-11,233	-11,560	-10,654
Net debt/EBITDA	2.6	2.5	2.6	2.5	2.5	1.8	1.9	2.0	1.9
Debt/equity ratio %	50	51	49	49	52	35	38	39	36
Return on equity, %	-0.7	-0.7	9.4	10.0	10.5	11.1	10.3	9.8	9.2
Equity/assets ratio, %	51	52	54	54	52	58	57	56	57

Acquisitions

Carrying amounts of identifiable acquired assets and assumed liabilities

2020

No acquisitions have been finalized during 2020.

Certain adjustments were made to acquisition analyses attributable to acquisitions made in 2019.

Acquisitions, SEK M	Q1 2020 Adjustments to Acquisitions 2019	Q1 2019 Acquired 2019
Developed technology ¹	6	-
Trademarks ²	-	-
Customer relationships ³	-8	216
Other intangible assets	-	0
Property, plant and equipment	-	167
Deferred tax assets	-	-
Shares in associated companies	-	-
Interest-bearing receivables	-	5
Inventories	-1	86
Operating receivables	-1	70
Current tax asset	1	-
Cash and cash equivalents	-	9
Deferred tax liabilities	-1	-51
Interest-bearing liabilities	-	-42
Post employment benefits	-	-1
Provision obligations	-	-
Current tax liability	-2	-
Operating liabilities	0	-40
Net assets	-6	419
Goodwill	9	651
Total purchase price	3	1,070
Cash and other net debt in acquired operations	-	29
Impact shown in cash flow statement	3	1,099

¹ Excess value of developed technology is amortized over 10-12 years.

² Trademarks have an indefinite useful life, no amortization takes place.

³ Excess value of customer relationships are amortized over 10-12 years.

Financial instruments - classification and valuation

A description of how fair value is calculated is provided below and in Accounting policies in the latest Annual Report.

At March 31, 2020, SEK M						
	Assets measured at amortized cost	Assets at fair value in profit and loss		Derivatives used for hedging purposes		Total
		Carrying amount	Measurement level	Carrying amount	Measurement level	
Assets in the balance sheet						
Derivative instruments	-	192	2	12	2	204
Financial non-current assets	2	-		-		2
Accounts receivable	6,538	-		-		6,538
Interest-bearing receivable	20	-		-		20
Cash and cash equivalents	4,102	-		-		4,102
Total	10,662	192		12		10,866

	Liabilities measured at amortized cost	Liabilities at fair value in profit and loss		Derivatives used for hedging purposes		Total
		Carrying amount	Measurement level	Carrying amount	Measurement level	
Liabilities in the balance sheet						
Derivative instruments	-	197	2	709	2	906
Interest-bearing non-current liabilities	11,528	-		-		11,528
Interest-bearing current liabilities	4,656	-		-		4,656
Accounts payable	3,461	-		-		3,461
Total	19,645	197		709		20,551

Measurement techniques used to calculate fair value of level 2 assets

Level 2 derivatives comprise currency futures and interest swaps and are primarily used for hedging purposes, but also for trading. Measurement of the fair value of currency futures is based on the published forward rates in an active market and on the discounted contractual cash flows. Measurement of interest swaps is based on forward interest rates prepared on the basis of observable Swedish interest curves and discounting of the contractual cash flows.

Measurement techniques used to calculate fair value of level 3 assets

Interest-bearing non-current and current liabilities include earnouts according to contract in an amount of SEK 41 M (18) and SEK 41 M (19), respectively. An assessment of the most probable outcome was made and the present value of this calculated.

Disclosure on fair value of borrowings and other financial instruments

Financial interest-bearing liabilities, except for financial derivatives that adjust loans, are recognized at amortized cost. Changes in interest-rate levels and credit margins create differences between fair value and amortized cost. Measurement at fair value would decrease the Group's non-current loans by SEK 140 M. No remeasurement was made for current loans because the carrying amount is regarded as a good estimate of the fair value due to their short term.

At March 31, 2019, SEK M						
	Assets measured at amortized cost	Assets at fair value in profit and loss		Derivatives used for hedging purposes		Total
		Carrying amount	Measurement level	Carrying amount	Measurement level	
Assets in the balance sheet						
Derivative instruments	-	36	2	146	2	182
Financial non-current assets	2	-		-		2
Accounts receivable	6,667	-		-		6,667
Interest-bearing receivable	3	-		-		3
Cash and cash equivalents	2,384	-		-		2,384
Total	9,056	36		146		9,238

	Liabilities measured at amortized cost	Liabilities at fair value in profit and loss		Derivatives used for hedging purposes		Total
		Carrying amount	Measurement level	Carrying amount	Measurement level	
Liabilities in the balance sheet						
Derivative instruments	-	219	2	168	2	387
Interest-bearing non-current liabilities	10,231	-		-		10,231
Interest-bearing current liabilities	3,290	-		-		3,290
Accounts payable	3,515	-		-		3,515
Total	17,036	219		168		17,423

Parent Company

Condensed Income statements, SEK M	Q1 2020	Q1 2019	R12 2020	12M 2019
Net sales	131	62	619	550
Administrative expenses	-74	-79	-326	-331
Other operating income	1	0	4	3
Other operating expenses	-31	-23	-318	-310
EBIT	27	-40	-21	-88
Financial income and expenses	-173	-12	-496	-335
Profit before tax	-146	-52	-517	-423
Appropriations	-	-	71	71
Tax	11	24	-19	-6
Net profit	-135	-28	-465	-358

Condensed Balance sheets, SEK M	Mar 31 2020	Mar 31 2019	Dec 31 2019
Property, plant and equipment	13	14	13
Intangible assets	24	15	25
Financial assets	36,043	37,780	35,748
Total non-current assets	36,080	37,809	35,786
Current receivables	207	132	123
Current tax asset	1	-	-
Interest-bearing receivables	0	261	333
Cash and cash equivalents	-	-	-
Total current assets	208	393	456
Total assets	36,288	38,202	36,242
Equity	7,415	7,877	7,549
Interest-bearing non-current liabilities	92	85	91
Other non-current liabilities	50	58	50
Total non-current liabilities	142	143	141
Interest-bearing current liabilities	28,633	30,052	28,365
Current tax liabilities	-	1	1
Other current liabilities	98	129	186
Total current liabilities	28,731	30,182	28,552
Total equity and liabilities	36,288	38,202	36,242

Other

Related parties. No material changes occurred for the Group or the Parent Company in relations or transactions with related parties, compared with what is described in Note 12 of the 2019 Annual Report.

ABOUT TRELLEBORG

Trelleborg is a world leader in engineered polymer solutions that seal, damp and protect critical applications in demanding environments. Our innovative solutions accelerate performance for customers in a sustainable way.

Business concept

Trelleborg's business concept is to seal, damp and protect in demanding industrial environments.

Strategy

Trelleborg's strategy is to secure leading positions in selected segments. This means that Trelleborg seeks segments, niches and product categories that – by virtue of the Group's market insights, core competencies and offering of advanced products and solutions – provide market leadership. In this manner, long-term shareholder value and added value are generated for customers. Trelleborg works with the strategy, both Group-wide and in the business areas, supported by four strategic cornerstones that – individually and in combination – underpin the strategy. The strategic cornerstones are: Geographic balance, Portfolio optimization, Structural improvements and Excellence.

Value drivers

Polymer engineering. Trelleborg should be best at developing polymer-based solutions that optimize and accelerate customers' applications and processes.

Local presence, global reach. Trelleborg leverages global strength and capabilities, while acting as a local partner to customers.

Application expertise. Trelleborg should be best at understanding customers' applications, thereby adding the most value.

Customer integration. Trelleborg makes it easy to do business with the Group and integrates in close partnerships with its customers.

Business accelerator. Powered by these core capabilities, the aim is always to improve, accelerate and grow customers' businesses. Trelleborg grows with its customers.

Trelleborg's market segments:

Business area/Segment distribution	General industry	General industry					Capital intensive industry	Light Vehicles
		Oil & gas	Transport equipment	Agriculture	Infrastructure construction	Aerospace		
Trelleborg Industrial Solutions	50%	3%	13%		22%	6%	44%	6%
Trelleborg Sealing Solutions	45%	2%	10%	4%		17%	33%	22%
Trelleborg Wheel Systems			41%	59%			100%	
Core Businesses	33%	2%	21%	19%	7%	8%	57%	10%
Businesses Under Development	55%	24%	8%		1%		33%	12%
Group	36%	4%	19%	17%	6%	7%	53%	11%

Net sales per market segment and business area based on annual accounts 2019. Historically, these percentages have not changed substantially between the quarters, the full year figures of 2019 will therefore give a good approximation.

TELEPHONE CONFERENCE ON APRIL 23, 2020

A telephone conference will be held on April 23, at 3:15 p.m. CET. To participate in the telephone conference, call +46 8 505 583 74 (Sweden), +44 333 3009 262 (UK) or +1 833 526 8383 (US). Code: "Trelleborg". The conference will also be streamed in real-time on the Internet. Visit our website www.trelleborg.com for the Internet link and presentation material.

FINANCIAL CALENDER

Annual General Meeting 2020 (Trelleborg)	April 23, 2020
Interim report April-June 2020	July 20, 2020
Interim report July-September 2020	October 27, 2020
Year-end report 2020	February 10, 2021
Interim report January-March 2021	April 22, 2021

FOR FURTHER INFORMATION

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For information about the Trelleborg Group, Annual Reports, the stakeholder magazine *T-TIME* and other information, please visit the Group's website www.trelleborg.com.



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This report contains forward-looking statements that are based on the current expectations of the management of Trelleborg. Although management believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, changes in the regulatory environment and other government actions, fluctuations in exchange rates and other factors.

This information is information that Trelleborg AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 1:00 p.m. CET on April 23, 2020.

This is a translation of the company's Interim Report in Swedish.