

Q3

Interim report July–September 2020

Earnings and cash flow level with previous year

- Organic sales declined 7 percent and continued to be impacted by the market development as a result of COVID-19. Net sales for the quarter declined 12 percent to SEK 7,743 M (8,828).
- EBIT, excluding items affecting comparability, amounted to SEK 999 M (1,036), corresponding to an EBIT margin of 12.9 percent (11.7).
- Operating cash flow amounted to SEK 1,391 M (1,412). The cash conversion ratio for the most recent 12-month period amounted to 121 percent (82).
- Items affecting comparability for the quarter were a negative SEK 80 M (neg: 127) and pertained in their entirety to restructuring costs.
- Earnings per share, excluding items affecting comparability, totaled SEK 2.31 (2.83). For the Group, earnings per share were SEK 2.41 (2.44).

SEK M	Q3 2020	Q3 2019	Change, %	9M 2020	9M 2019	Change, %
Group						
Net sales	7,743	8,828	-12	24,718	27,570	-10
Organic sales, %	-7	-1		-11	0	
EBIT, excluding items affecting comparability	999	1,036	-4	3,176	3,652	-13
EBIT-margin, %	12.9	11.7		12.9	13.2	
Items affecting comparability	-80	-127		-231	-265	
EBIT	919	909	1	2,945	3,387	-13
Profit before tax	849	850	0	2,730	3,097	-12
Net profit, Group	652	662	-2	2,051	2,320	-12
Earnings per share, SEK						
Excluding items affecting comparability	2.31	2.83	-18	7.99	9.44	-15
Group ¹	2.41	2.44	-1	7.57	8.56	-12
Operating cash flow	1,391	1,412	-1	3,519	2,642	33
Cash conversion ratio R12, %				121	82	
Core Businesses						
Net sales	6,895	7,842	-12	21,906	24,571	-11
Organic sales, %	-8	-1		-12	1	
EBIT, excluding items affecting comparability	942	1,045	-10	2,987	3,652	-18
EBIT-margin, %	13.7	13.3		13.6	14.9	
Businesses Under Development						
Net sales	862	1,019	-15	2,864	3,112	-8
Organic sales, %	-3	1		-1	-3	
EBIT, excluding items affecting comparability	57	-9	733	189	0	
EBIT-margin, %	6.6	-0.9		6.6	0.0	

¹ Q3 2020 affected by a non-recurring item of SEK +0.32 attributable to a change in the law in the US regarding deferred tax.

Earnings and cash flow level with previous year

“During the third quarter, sales declined 12 percent, of which organic sales declined 7 percent. Exchange rate effects had a negative impact on sales of 5 percentage points. EBIT, excluding items affecting comparability, declined 4 percent, corresponding to an operating margin of 12.9 percent (11.7). The operating margin for our core businesses amounted to 13.7 (13.3). Operating cash flow, in relation to operating profit, was strengthened significantly.

Hard work and good ability to adapt the operations to the prevailing situation were the factors behind the margin improvement during the third quarter. The stable level of earnings, given the circumstances, was achieved through a strong focus on operational excellence, which includes strict cost control and good price discipline at all levels of the Group.

In parallel with this daily work, we continued to improve our long-term structure, which will lead to further efficiency and stability over time. Focused measures were implemented in those areas of the Group where demand has been particularly affected by the prevailing situation, such as in the aerospace segment.

During this period marked by the COVID-19 pandemic, we have continued to prepare both processes and legal structures for units in the Businesses Under Development reporting segment. The structural work has largely been completed, which gives us possibilities to act swiftly if certain conditions arise. Discussions with external stakeholders were limited during the summer as a result of the restrictions related to the pandemic. At the end of the quarter, several discussions on structural alternatives had been resumed.

Within Trelleborg Industrial Solutions, sales to most market segments continued to recover. Deliveries to the automotive industry made a strong recovery and sales of our marine solutions grew somewhat.

Sales in Trelleborg Sealing Solutions to the aerospace industry continued to note a very negative trend under the influence of the ongoing pandemic and deliveries to this segment halved compared with the year-earlier period. Sales to both general industry and the automotive segment improved, compared with the sharp fall during the second quarter. China stood out, in particular, with a positive trend.

Sales in Trelleborg Wheel Systems made a strong recovery and displayed slightly positive growth overall. This was primarily driven by deliveries of agricultural tires, both to OE manufacturers and aftermarket sales. Sales of tires for material handling and construction vehicles remained weaker compared with the year-earlier period.

Organic sales in Businesses Under Development declined, although the trend was more positive compared with the preceding quarter. This was mainly attributable to the favorable development in our offshore oil & gas operation.

During the quarter, demand improved gradually in most market segments, which was probably due to a combination of an underlying improvement and some pent-up demand caused by the lockdowns during earlier quarters. However, there is considerable uncertainty regarding developments moving forward and further consequences of the ongoing pandemic remain.

We see today that new local restrictions are being imposed as the spread of the infection continues. We foresee a tougher climate during the fourth quarter of the year, not least in the oil & gas segment, and a recovery in the aerospace segment will not occur until further into the future. We continue to adapt to the constantly changing conditions and we are doing this well. However, our general assessment in the current situation is that demand for the fourth quarter will be on a par with the third quarter.”

Peter Nilsson,
President and CEO

MARKET OUTLOOK FOR THE FOURTH QUARTER OF 2020

Demand is expected to be on a par with the third quarter of 2020, adjusted for seasonal variations. Uncertainty regarding demand for the coming quarters remains considerable.

Market outlook from the interim report published on July 20, 2020, relating to the third quarter of 2020

Demand was expected to be slightly better than in the second quarter of 2020, adjusted for seasonal variations.

DIVIDEND

The Board of Directors has resolved not to pay a dividend during 2020.

NET SALES AND RESULT

SEK M	Q3 2020	Q3 2019	Change, %	9M 2020	9M 2019	Change, %
Net sales	7,743	8,828	-12	24,718	27,570	-10
Change total, %	-12	6		-10	7	
Organic sales, %	-7	-1		-11	0	
Structural change, %	0	3		1	3	
Currency effects, %	-5	4		0	4	
EBIT, excluding items affecting comparability	999	1,036	-4	3,176	3,652	-13
EBIT-margin, %	12.9	11.7		12.9	13.2	
Items affecting comparability	-80	-127		-231	-265	
EBIT	919	909	1	2,945	3,387	-13
Financial income and expenses	-70	-59	-19	-215	-290	26
Profit before tax	849	850	0	2,730	3,097	-12
Taxes	-197	-188	-5	-679	-777	13
Net profit, Group	652	662	-2	2,051	2,320	-12
Earnings per share, SEK						
Excluding items affecting comparability	2.31	2.83	-18	7.99	9.44	-15
Group	2.41	2.44	-1	7.57	8.56	-12

Net sales for the Group during the third quarter of 2020 amounted to SEK 7,743 M (8,828). Organic sales declined 7 percent compared with the preceding year. Exchange rate effects were negative 5 percent compared with the year-earlier period.

Sales per market for the Group's core businesses¹:

Organic sales for the Group's core operations declined 8 percent compared with the third quarter of 2019. Organic sales declined 9 percent in Western Europe and increased 8 percent in the rest of Europe. In the North American market, organic sales declined by 15 percent. In South and Central America, organic sales declined by 19 percent and increased by 4 percent for Asia and other markets.

EBIT, excluding items affecting comparability, totaled SEK 999 M (1,036), corresponding to a margin of 12.9 percent (11.7).

The total exchange rate effect on EBIT, excluding items affecting comparability, from the translation of foreign subsidiaries had a negative impact of SEK 59 M on earnings compared with the year-earlier period.

Items affecting comparability for the quarter amounted to negative SEK 80 M (neg: 127) and pertained in their entirety to restructuring costs. Restructuring measures were initiated during the second quarter to address the impact of COVID-19.

EBIT, including items affecting comparability, amounted to SEK 919 M (909) for the quarter.

The net financial expense was SEK 70 M (expense: 59). The preceding year's net financial expense was impacted by positive exchange rate differences. Net interest in relation to net debt amounted to 2.4 percent (2.1).

Net profit for the Group was SEK 652 M (662).

The tax rate for the quarter for the Group was 23 percent (22).

Earnings per share, excluding items affecting comparability, for the third quarter totaled SEK 2.31 (2.83). For the Group in total, earnings per share were SEK 2.41 (2.44).

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	Q3 2020	Q3 2019	Change, %	9M 2020	9M 2019	Change, %
EBITDA, operating profit before depreciation	1,451	1,526	-5	4,598	5,081	-10
Capital expenditure	-236	-458	48	-830	-1,126	26
Sold non-current assets	2	-6		142	9	
Amortization of lease liabilities	-101	-100		-311	-290	
Change in working capital	282	451		-38	-1,026	
Dividend from associated companies	1	0		1	1	
Non cash-flow affecting items	-8	-1		-43	-7	
Operating cash flow	1,391	1,412	-1	3,519	2,642	33

SEK M	9M 2020	9M 2019	12M 2019
Net debt, opening balance	-14,914	-10,499	-10,499
Operating cash flow	3,519	2,642	4,167
Cash impact from items affecting comparability	-205	-226	-353
Non-controlling interests	-	-	10
Financial items	-226	-289	-377
Paid tax	-569	-678	-763
Free cash flow	2,519	1,449	2,684
Acquisitions	3	-2,241	-3,066
Disposed operations	147	-	-
Dividend - equity holders of the parent company	-	-1,288	-1,288
Sum net cash flow	2,669	-2,080	-1,670
Exchange rate differences	53	-672	-370
Lease liability according to IFRS 16 ¹	117	-2,435	-2,224
Pension liability	-54	-174	-151
Net debt, closing balance	-12,129	-15,860	-14,914
Of which:			
Pension liability ²	-658	-713	-600
Lease liability according to IFRS 16 ²	-2,184	-2,435	-2,353
Net debt, excluding effect of lease and pension liability	-9,287	-12,712	-11,961
Debt/equity ratio, %	40	49	51
Net debt/EBITDA ³	2.2	2.6	2.5

¹ Pertains to non-cash items.

² Net debt including, as of 2019, lease liability in accordance with IFRS 16 and pension liability.

³ EBITDA excluding items affecting comparability.

Operating cash flow for the quarter amounted to SEK 1,391 M (1,412). Reduced investments compared with the preceding year did not fully offset the somewhat poorer trend in working capital compared with the year-earlier period. The cash conversion ratio for the most recent 12-month period amounted to 121 percent (82).

Free cash flow for the first nine months of the year amounted to SEK 2,519 M (1,449). Net cash flow amounted to SEK 2,669 M (neg: 2,080). Net cash flow for the year was impacted by effects from acquisitions of SEK 3 M (neg: 2,241) and effects from divested operations of SEK 147 M (-). The preceding year's net cash flow was also impacted by a dividend to shareholders of SEK 1,288 M. No dividend has been paid in 2020, in accordance with the resolution of the Annual General Meeting.

Net debt at the end of the third quarter amounted to SEK 12,129 M (15,860) and was impacted by the year's net cash flow of SEK 2,669 M, positive exchange rate differences of SEK 53 M and non-cash adjustments of lease and pension liabilities totaling SEK 63 M.

The debt/equity ratio was 40 percent (49). Net debt in relation to EBITDA was 2.2 (2.6).

RETURN ON CAPITAL EMPLOYED AND RETURN ON EQUITY

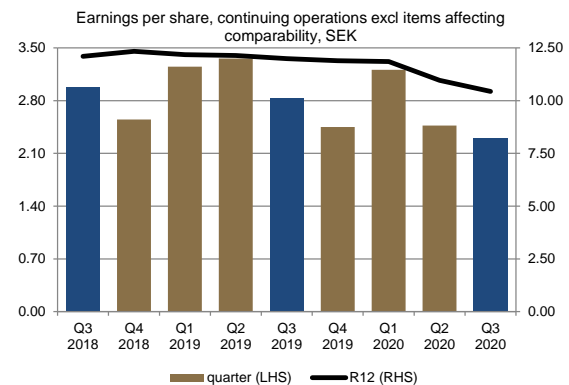
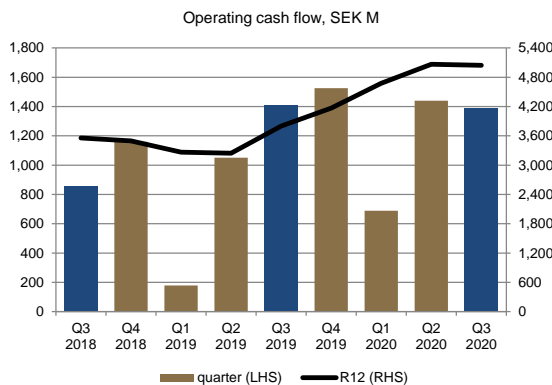
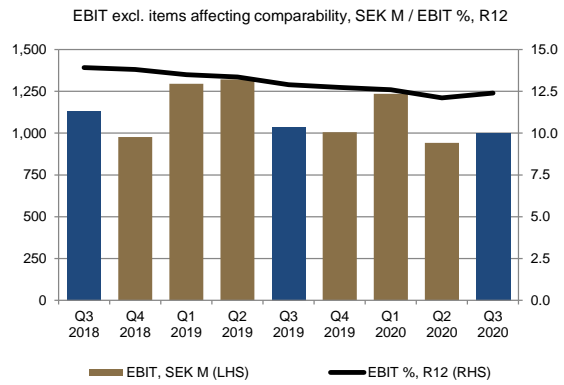
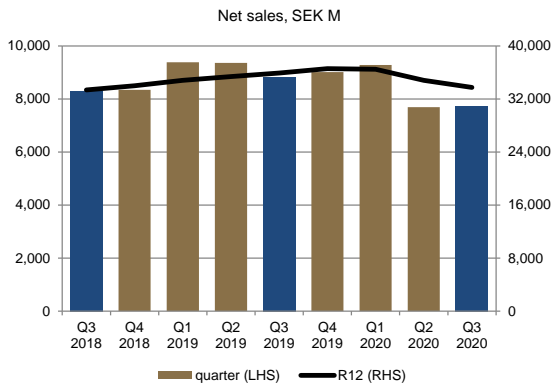
%	R12 2020	R12 2019	12M 2019
Return on capital employed			
Excluding items affecting comparability	9.2	10.0	9.8
Group	1.1	9.3	2.0
Return on equity			
Excluding items affecting comparability	9.0	10.5	10.9
Group	-1.5	9.5	-0.7

Capital employed, declined year on year and amounted to SEK 43,147 M (49,033), mainly impacted by lower working capital, net of completed acquisitions, impairments made at the end of 2019, and translation effects.

The return on capital employed, excluding items affecting comparability, was 9.2 percent (10.0).

Shareholders' equity for the Group at the close of the period amounted to SEK 30,255 M (32,491), negatively impacted by exchange rate effects.

Equity per share amounted to SEK 112 (120). The equity/assets ratio was 51 percent (54). The return on shareholders' equity for the Group, excluding items affecting comparability, totaled 9.0 percent (10.5).



JANUARY–SEPTEMBER 2020

Net sales for the first nine months of 2020 amounted to SEK 24,718 M (27,570), a decline of 10 percent year on year. EBIT for the first nine months was SEK 2,945 M (3,387). The net financial expense was SEK 215 M (expense: 290). Net interest in relation to net debt amounted to 2.2 percent (2.3).

Profit before tax totaled SEK 2,730 M (3,097). Net profit for the Group amounted to SEK 2,051 M (2,320). Total earnings per share for the Group were SEK 7.57 (8.56).

COVID-19

Coronavirus impact on Trelleborg. As a result of COVID-19, organic sales continued to be affected by the negative market trend during the third quarter of 2020. The Group's various measures to offset this development entailed that the earnings trend and cash flow remained relatively stable during the quarter despite the downturn in sales.

The measures that have been implemented and continue to be implemented address both costs and cash flow, and comprise focused cost-savings in the form of, for example, shortened working hours, redundancies, lower production levels and reduced investments, as well as an intensified focus on working capital. Permanent personnel cutbacks were initiated during the second quarter in the particularly affected segments. All units have initiated local action plans that address their unique situation. Trelleborg prioritizes its employees' well-being

and safety with comprehensive routines and measures to prevent the spread of infection, while customer needs are also in focus.

Trelleborg has a strong financial base, with good liquidity and long-term confirmed financing in place. The only financial covenant on the Group's 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 31 percent at the end of the quarter.

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

SIGNIFICANT EVENTS DURING THE QUARTER

New Chief Financial Officer at Trelleborg Group. Fredrik Nilsson was appointed as the new Chief Financial Officer for the Trelleborg Group and will assume this position during the first quarter of 2021. He will succeed Ulf Berghult, who has decided to leave his position to take up work outside the Group. Ulf will complete the 2020 year-end report before leaving Trelleborg for his new assignment.

Fredrik Nilsson served most recently as the CFO of AAK. He has worked at AAK for nearly 14 years, holding the position of CFO for the past seven years. Prior to his time at AAK, Fredrik worked at Sandvik for just over six years.

Ulf Berghult has been Chief Financial Officer of Trelleborg since 2012.

The press release was published on July 17, 2020.

SIGNIFICANT EVENTS AFTER THE CLOSE OF THE PERIOD

Nomination Committee for the 2021 Annual General Meeting. According to a previous resolution by the Annual General Meeting of Trelleborg AB, the Chairman of the Board is assigned the task of annually asking the five largest shareholders, in terms of votes registered on August 31, to appoint one member each to the Nomination Committee prior to the next Annual General Meeting.

The following have agreed to participate in the Nomination Committee prior to 2021 Annual General Meeting:

Ragnar Lindqvist, Dunker Foundations
Anna Sundberg, Handelsbanken Funds
Peter Lagerlöf, Lannebo Funds
Henrik Didner, Didner & Gerge Funds
Johan Sjöström, AP2

The Annual General Meeting will be held in Trelleborg, Sweden, on April 22, 2021, at 5:00 p.m. CET.

The press release was published on October 2, 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. COVID-19 and the measures taken by various countries to prevent the spread of the virus have impacted the Group. 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.
- **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. Inventory was lower at the end of the third quarter of 2020 compared with the situation 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 consolidated goodwill and other intangible assets may occur.
- **Financing and liquidity:** The Group has guaranteed long-term financing in place and healthy liquidity.

Trelleborg, October 27, 2020
Board of Directors of Trelleborg AB (publ)

REVIEW REPORT

Introduction

We have reviewed the interim report for Trelleborg AB (publ) for the period January 1–September 30, 2020. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Trelleborg, October 27, 2020

Deloitte AB

Hans Warén
Authorized Public Accountant
Auditor in charge

Maria Ekelund
Authorized Public Accountant



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	Q3 2020	Q3 2019	Change, %	9M 2020	9M 2019	Change, %
Net sales	2,354	2,722	-14	7,258	8,090	-10
Change total, %	-14	14		-10	12	
Organic sales, %	-9	6		-12	5	
Structural change, %	-	4		3	3	
Currency effects, %	-5	4		-1	4	
EBIT	262	289	-9	673	900	-25
EBIT, %	11.1	10.6		9.3	11.1	

Additional key ratios on pages 16 - 18

Organic sales for the quarter declined 9 percent year on year. Sales to the infrastructure construction and construction-related market segments were lower compared with the preceding year. Deliveries to the automotive industry made a strong recovery and closed slightly under the level for the year-earlier quarter, mainly driven by the robust trend in China. Sales of marine solutions increased somewhat during the quarter.

EBIT decreased year on year, mainly due to lower volumes. The EBIT margin increased somewhat as a result of strict cost control and measures to offset the effects of COVID-19. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 17 M on EBIT compared with the year-earlier quarter.



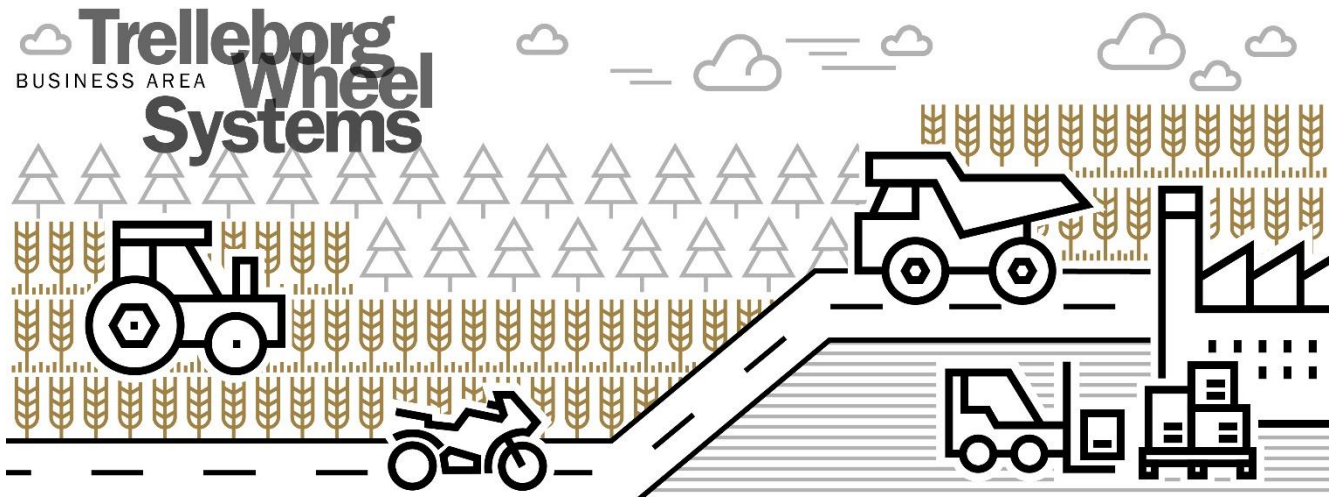
Trelleborg Sealing Solutions is a leading global supplier of polymer-based critical sealing solutions and components deployed in general industry, automotive and aerospace.

Excluding items affecting comparability, SEK M	Q3 2020	Q3 2019	Change, %	9M 2020	9M 2019	Change, %
Net sales	2,512	2,982	-16	8,219	9,190	-11
Change total, %	-16	7		-11	9	
Organic sales, %	-13	-2		-12	0	
Structural change, %	2	5		2	4	
Currency effects, %	-5	4		-1	5	
EBIT	454	668	-32	1,625	2,103	-23
EBIT, %	18.1	22.4		19.8	22.9	

Additional key ratios on pages 16 - 18

Organic sales for the quarter declined by 13 percent year on year. Sales to the aerospace industry were very negatively impacted by the ongoing pandemic and deliveries were halved compared with the year-earlier quarter. Sales to general industry declined in both Europe and North America, but noted healthy growth in Asia. Deliveries to the automotive industry partly recovered, with an increase in sales in Asia but with levels remaining lower in other regions.

EBIT and the EBIT margin declined due to lower sales volumes and under-utilization in parts of the business area as a result of the drastic decline in, for example, the aerospace industry. Measures to adapt capacity in these exposed market segments are in progress and will mainly have an effect from next year. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 33 M on EBIT compared with the year-earlier period.



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	Q3 2020	Q3 2019	Change, %	9M 2020	9M 2019	Change, %
Net sales	2,075	2,188	-5	6,580	7,447	-12
Change total, %	-5	-2		-12	3	
Organic sales, %	1	-7		-11	-3	
Structural change, %	-1	1		0	2	
Currency effects, %	-5	4		-1	4	
EBIT	272	148	84	825	816	1
EBIT, %	13.1	6.8		12.5	11.0	

Additional key ratios on pages 16 - 18

Organic sales for the quarter rose by 1 percent year on year, which was mainly attributable to a recovery in the agricultural market. Organic sales of tires for agricultural machinery increased in most markets during the quarter, except in North America. Organic sales of tires for material handling and construction vehicles declined in all regions compared with the preceding year.

EBIT and the EBIT margin increased as a result of strict price and cost discipline and measures to offset the effects of COVID-19, and because the comparison period was characterized by a lower rate of production aimed at adjusting inventory levels. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 16 M on EBIT compared with the year-earlier period.

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, technical rubber products, as well as bicycle tires.

Excluding items affecting comparability, SEK M	Q3 2020	Q3 2019	Change, %	9M 2020	9M 2019	Change, %
Net sales	862	1,019	-15	2,864	3,112	-8
Change total, %	-15	4		-8	1	
Organic sales, %	-3	1		-1	-3	
Structural change, %	-6	0		-5	0	
Currency effects, %	-6	3		-2	4	
EBIT	57	-9	733	189	0	
EBIT, %	6.6	-0.9		6.6	0.0	

Additional key ratios on pages 16 - 18

Organic sales for the quarter declined 3 percent year on year. Sales in offshore oil & gas continued to perform well, while there was a downturn in deliveries of printing blankets in most markets. The technical rubber products business recovered compared with the preceding quarter, but organic development remained negative compared with the year-earlier quarter.

EBIT and the EBIT margin increased as a result of higher sales volumes in offshore oil & gas, but also due to improvements in the operations in the Czech Republic and generally good cost control in all operations. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 3 M on EBIT compared with the year-earlier quarter.

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	Q3 2020	Q3 2019	9M 2020	9M 2019	R12 2020	12M 2019
Net sales	7,743	8,828	24,718	27,570	33,736	36,588
Cost of goods sold	-5,322	-6,070	-16,905	-18,682	-23,093	-24,870
Gross profit	2,421	2,758	7,813	8,888	10,643	11,718
Selling expenses	-647	-787	-2,098	-2,402	-2,898	-3,202
Administrative expenses	-624	-750	-2,101	-2,294	-2,927	-3,120
Research and development costs	-127	-152	-430	-459	-588	-617
Other operating income/expenses	-24	-36	-10	-87	-48	-125
Profit from associated companies	0	3	2	6	0	4
EBIT, excluding items affecting comparability	999	1,036	3,176	3,652	4,182	4,658
Items affecting comparability	-80	-127	-231	-265	-3,662	-3,696
EBIT	919	909	2,945	3,387	520	962
Financial income and expenses	-70	-59	-215	-290	-306	-381
Profit before tax	849	850	2,730	3,097	214	581
Tax	-197	-188	-679	-777	-682	-780
Total net profit	652	662	2,051	2,320	-468	-199
- equity holders of the parent company	652	662	2,051	2,320	-468	-199
- non-controlling interest	0	-	0	-	0	0

Earnings per share, SEK ¹	Q3 2020	Q3 2019	9M 2020	9M 2019	R12 2020	12M 2019
Group, Excluding items affecting comparability	2.31	2.83	7.99	9.44	10.44	11.89
Group, total	2.41	2.44	7.57	8.56	-1.72	-0.73

¹ No dilution effects arose.

Number of shares	Q3 2020	Q3 2019	9M 2020	9M 2019	R12 2020	12M 2019
End of period	271,071,783	271,071,783	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	271,071,783	271,071,783

Statements of comprehensive income, SEK M	Q3 2020	Q3 2019	9M 2020	9M 2019	R12 2020	12M 2019
Total net profit	652	662	2,051	2,320	-468	-199
Other comprehensive income						
Items that will not be reclassified to the income statement						
Reassessment of net pension obligation	-47	-98	-54	-174	-31	-151
Income tax relating to components of other comprehensive income	10	22	10	38	4	32
Total	-37	-76	-44	-136	-27	-119
Items that may be reclassified to the income statement						
Cash flow hedges	0	-41	-111	-165	-44	-98
Hedging of net investment	3	-244	18	-725	353	-390
Translation difference	-352	864	-911	2,404	-2,075	1,240
Income tax relating to components of other comprehensive income	1	8	25	90	12	77
Total	-348	587	-979	1,604	-1,754	829
Other comprehensive income, net of tax	-385	511	-1,023	1,468	-1,781	710
Total comprehensive income	267	1,173	1,028	3,788	-2,249	511

EBIT specification, SEK M	Q3 2020	Q3 2019	9M 2020	9M 2019	R12 2020	12M 2019
Excluding items affecting comparability:						
EBITDA	1,451	1,526	4,598	5,081	6,122	6,605
Depreciation/write-down, property, plant and equipment	-361	-394	-1,140	-1,160	-1,565	-1,585
EBITA	1,090	1,132	3,458	3,921	4,557	5,020
Amortization/write-down, intangible assets	-91	-96	-282	-269	-375	-362
EBIT	999	1,036	3,176	3,652	4,182	4,658
Items affecting comparability	-80	-127	-231	-265	-3,662	-3,696
EBIT	919	909	2,945	3,387	520	962

Condensed Balance Sheets

Balance Sheets, SEK M	Sep 30 2020	Sep 30 2019	Dec 31 2019
Property, plant and equipment	12,543	13,801	13,306
Goodwill	18,937	21,448	19,198
Other intangible assets	5,018	5,782	5,289
Participations in associated companies	105	98	108
Financial non-current assets	87	60	46
Deferred tax assets	954	819	941
Total non-current assets	37,644	42,008	38,888
Inventories	5,674	6,863	6,361
Current operating receivables	7,034	8,005	7,071
Current tax assets	1,006	1,117	1,041
Interest-bearing receivables	129	81	286
Cash and cash equivalents	7,782	2,587	2,694
Total current assets	21,625	18,653	17,453
Total assets	59,269	60,661	56,341
Share capital	2,620	2,620	2,620
Other capital contributions	226	226	226
Other reserves	1,982	3,727	2,961
Profit brought forward	23,367	23,598	23,608
Net profit for the year	2,051	2,320	-199
Total	30,246	32,491	29,216
Non-controlling interests	9	-	10
Equity	30,255	32,491	29,226
Interest-bearing non-current liabilities	13,798	13,217	13,063
Other non-current liabilities	324	242	188
Pension obligations	661	731	604
Other provisions	153	222	202
Deferred tax liabilities	978	1,093	1,075
Total non-current liabilities	15,914	15,505	15,132
Interest-bearing current liabilities	5,630	4,602	4,234
Current tax liabilities	1,380	1,228	1,234
Other current liabilities	5,672	6,499	6,122
Other provisions	418	336	393
Total current liabilities	13,100	12,665	11,983
Total equity and liabilities	59,269	60,661	56,341
Specification of changes in equity, SEK M	Sep 30 2020	Sep 30 2019	Dec 31 2019
Opening balance, January 1	29,226	30,126	30,126
Non-recurring item relating to IFRS 16	1	-135	-133
Total net profit	2,051	2,320	-199
Other comprehensive income	-1,023	1,468	710
Dividend	-	-1,288	-1,288
Non-controlling interests	0	-	10
Closing balance	30,255	32,491	29,226
Specification of capital employed, SEK M	Sep 30 2020	Sep 30 2019	Dec 31 2019
Total assets	59,269	60,661	56,341
Less:			
Interest-bearing receivables	194	122	308
Cash and cash equivalents	7,782	2,587	2,694
Tax assets	1,960	1,936	1,982
Operating liabilities	6,186	6,983	6,648
Capital employed	43,147	49,033	44,709

Cash-flow statements

Cash flow statements, SEK M	Q3 2020	Q3 2019	9M 2020	9M 2019	R12 2020	12M 2019
Operating activities						
EBIT incl part in associated companies	919	909	2,945	3,387	520	962
Adjustments for items not included in cash flow from operating activities:						
Depreciation, property, plant and equipment	362	393	1,132	1,155	1,556	1,579
Amortization, intangible assets	91	97	282	269	385	372
Impairment losses, property, plant and equipment	-1	8	8	11	449	452
Impairment losses, intangible assets	1	-	4	2	2,711	2,709
Dividend from associated companies	1	0	1	1	1	1
Participations in associated companies and other non cash-flow affecting items	-5	-4	-37	-10	-23	4
Items affecting comparability	-	3	0	3	-3	-
Interest received and other financial items	5	10	24	26	43	45
Interest paid and other financial items	-75	-56	-250	-315	-357	-422
Taxes paid	-132	-172	-569	-678	-654	-763
working capital	1,166	1,188	3,540	3,851	4,628	4,939
Cash flow from changes in working capital						
Change in inventories	429	71	414	-235	727	78
Change in operating receivables	-231	523	-268	-597	464	135
Change in operating liabilities	84	-143	-184	-194	-461	-471
Change in items affecting comparability	30	26	-11	31	140	182
Cash flow from operating activities	1,478	1,665	3,491	2,856	5,498	4,863
Investing activities						
Acquisitions	-	-1,133	3	-2,241	-822	-3,066
Disposed/discontinuing operations	-	-	147	-	147	-
Capital expenditure, property, plant and equipment	-216	-412	-751	-1,007	-1,376	-1,632
Capital expenditure, intangible assets	-20	-46	-79	-119	-125	-165
Sale of non-current assets	27	-6	173	9	185	21
Cash flow from investing activities	-209	-1,597	-507	-3,358	-1,991	-4,842
Financing activities						
Change in interest-bearing investments	131	138	113	-2	-98	-213
Change in interest-bearing liabilities	117	-304	-457	-741	-324	-608
New/utilized loans	0	773	4,620	3,265	4,359	3,004
Amortized loans	-112	-456	-2,050	-649	-2,050	-649
Dividend - equity holders of the parent company	-	0	-	-1,288	-	-1,288
Dividend - non-controlling interest	0	-	0	-	10	10
Cash flow from financing activities	136	151	2,226	585	1,897	256
Cash flow for the period	1,405	219	5,210	83	5,404	277
Cash and cash equivalents						
At beginning of the period	6,413	2,299	2,694	2,341	2,587	2,341
Exchange rate differences	-36	69	-122	163	-209	76
Cash and cash equivalents at end of period	7,782	2,587	7,782	2,587	7,782	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	Sep 30 2020
Long-term loans	11,016	-1,758	2,789	-	-94	-	-	-	11,953
Current loans	3,368	1,758	-252	-	0	-	-	-	4,874
Other non-current financial liabilities	95	-	-63	-	0	-	-	-	32
Other current financial liabilities	465	-	-57	-	-21	-	-	-	387
Lease liabilities according to IFRS 16	2,353	-	-315	-	-53	-	197	-	2,182
Pension liabilities	602	-	10	-	-5	-	-	54	661
Total	17,899	-	2,112	-	-173	-	197	54	20,089

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	Q3 2020	Q3 2019	9M 2020	9M 2019	R12 2020	12M 2019
Net sales						
Trelleborg Industrial Solutions	2,354	2,722	7,258	8,090	10,053	10,885
Trelleborg Sealing Solutions	2,512	2,982	8,219	9,190	11,171	12,142
Trelleborg Wheel Systems	2,075	2,188	6,580	7,447	8,761	9,628
Eliminations	-46	-50	-151	-156	-198	-203
Core Businesses	6,895	7,842	21,906	24,571	29,787	32,452
Businesses Under Development	862	1,019	2,864	3,112	4,035	4,283
Eliminations	-14	-33	-52	-113	-86	-147
Group	7,743	8,828	24,718	27,570	33,736	36,588
EBIT, excluding items affecting comparability						
Trelleborg Industrial Solutions	262	289	673	900	988	1,215
Trelleborg Sealing Solutions	454	668	1,625	2,103	2,251	2,729
Trelleborg Wheel Systems	272	148	825	816	922	913
Group items	-46	-60	-136	-167	-198	-229
Core Businesses	942	1,045	2,987	3,652	3,963	4,628
Businesses Under Development	57	-9	189	0	219	30
Group	999	1,036	3,176	3,652	4,182	4,658
EBIT %, excluding items affecting comparability						
Trelleborg Industrial Solutions	11.1	10.6	9.3	11.1	9.8	11.2
Trelleborg Sealing Solutions	18.1	22.4	19.8	22.9	20.2	22.5
Trelleborg Wheel Systems	13.1	6.8	12.5	11.0	10.5	9.5
Core Businesses	13.7	13.3	13.6	14.9	13.3	14.3
Businesses Under Development	6.6	-0.9	6.6	0.0	5.4	0.7
Group	12.9	11.7	12.9	13.2	12.4	12.7

Net sales per market, share and organic growth, %	Q3 2020	Q3 2019	9M 2020	9M 2019
Western Europe (47%)	-10	-1	-13	0
Other Europe (9%)	6	0	-4	-2
North America (24%)	-17	0	-15	2
South and Central America (4%)	5	-11	6	-11
Asia and other markets (16%)	4	2	-4	1
Total (100% refer to share 2019)	-7	-1	-11	0

Net sales per market Core Businesses, organic growth, %	Q3 2020	Q3 2019	9M 2020	9M 2019
Western Europe	-9	-3	-14	0
Other Europe	8	1	-1	-3
North America	-15	-2	-15	2
South and Central America	-19	12	-15	9
Asia and other markets	4	2	-4	2
Total	-8	-1	-12	1

Bridge net sales	Q3 2019, SEK M	Organic sales, %	Structural change, %	Currency effects, %	Q3 2020, SEK M
Trelleborg Industrial Solutions	2,722	-9	-	-5	2,354
Trelleborg Sealing Solutions	2,982	-13	2	-5	2,512
Trelleborg Wheel Systems	2,188	1	-1	-5	2,075
Eliminations	-50	-	-	-	-46
Core Businesses	7,842	-8	1	-5	6,895
Businesses Under Development	1,019	-3	-6	-6	862
Eliminations	-33	-	-	-	-14
Group	8,828	-7	0	-5	7,743

Exchange rate differences impacting EBIT excluding items affecting comparability ¹ , SEK M	Q3 2020	9M 2020
Trelleborg Industrial Solutions	-17	-12
Trelleborg Sealing Solutions	-33	-7
Trelleborg Wheel Systems	-16	-20
Eliminations	4	4
Core Businesses	-62	-35
Businesses Under Development	3	0
Group	-59	-35

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

SEK M	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Net sales									
Trelleborg Industrial Solutions	2,354	2,309	2,595	2,795	2,722	2,740	2,628	2,524	2,378
Trelleborg Sealing Solutions	2,512	2,498	3,209	2,952	2,982	3,090	3,118	2,622	2,787
Trelleborg Wheel Systems	2,075	2,046	2,459	2,181	2,188	2,536	2,723	2,271	2,243
Eliminations	-46	-34	-71	-47	-50	-52	-54	-43	-51
Core Businesses	6,895	6,819	8,192	7,881	7,842	8,314	8,415	7,374	7,357
Businesses Under Development	862	888	1,114	1,171	1,019	1,086	1,007	1,012	976
Eliminations	-14	-18	-20	-34	-33	-39	-41	-44	-33
Group	7,743	7,689	9,286	9,018	8,828	9,361	9,381	8,342	8,300
EBIT, excluding items affecting comparability									
Trelleborg Industrial Solutions	262	202	209	315	289	327	284	252	223
Trelleborg Sealing Solutions	454	465	706	626	668	711	724	535	647
Trelleborg Wheel Systems	272	256	297	97	148	319	349	247	273
Group items	-46	-34	-56	-62	-60	-47	-60	-19	0
Core Businesses	942	889	1,156	976	1,045	1,310	1,297	1,015	1,143
Businesses Under Development	57	53	79	30	-9	11	-2	-38	-10
Group	999	942	1,235	1,006	1,036	1,321	1,295	977	1,133
EBIT %, excluding items affecting comparability									
Trelleborg Industrial Solutions	11.1	8.7	8.1	11.3	10.6	11.9	10.8	10.0	9.4
Trelleborg Sealing Solutions	18.1	18.6	22.0	21.2	22.4	23.0	23.2	20.4	23.2
Trelleborg Wheel Systems	13.1	12.5	12.1	4.4	6.8	12.6	12.8	10.9	12.2
Core Businesses	13.7	13.0	14.1	12.4	13.3	15.8	15.4	13.8	15.5
Businesses Under Development	6.6	6.0	7.1	2.6	-0.9	1.1	-0.3	-3.8	-1.1
Group	12.9	12.3	13.3	11.2	11.7	14.1	13.8	11.7	13.6

Condensed Income Statements, SEK M	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Net sales	7,743	7,689	9,286	9,018	8,828	9,361	9,381	8,342	8,300
Cost of goods sold	-5,322	-5,299	-6,284	-6,188	-6,071	-6,291	-6,320	-5,799	-5,664
Gross profit	2,421	2,390	3,002	2,830	2,757	3,070	3,061	2,543	2,636
Selling expenses	-647	-632	-819	-800	-786	-816	-800	-674	-651
Administrative expenses	-624	-677	-800	-826	-750	-766	-778	-930	-815
Research and development costs	-127	-140	-163	-158	-152	-155	-152	-143	-143
Other operating income/costs	-24	2	12	-38	-36	-14	-37	183	105
Profit from associated companies	0	-1	3	-2	3	2	1	-2	1
EBIT, excluding items affecting comparability	999	942	1,235	1,006	1,036	1,321	1,295	977	1,133
Items affecting comparability	-80	-105	-46	-3,431	-127	-118	-20	-98	-28
EBIT	919	837	1,189	-2,425	909	1,203	1,275	879	1,105
Financial income and expenses	-70	-84	-61	-91	-59	-111	-120	-78	-72
Profit before tax	849	753	1,128	-2,516	850	1,092	1,155	801	1,033
Tax	-197	-181	-301	-3	-188	-286	-303	-200	-251
Net profit	652	572	827	-2,519	662	806	852	601	782
- equity holders of the parent company	652	572	827	-2,519	662	806	852	601	782
- non-controlling interest	0	0	0	0	-	-	-	-	-

Group Key Figures	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Net sales, SEK M	7,743	7,689	9,286	9,018	8,828	9,361	9,381	8,342	8,300
Organic sales, %	-7	-19	-5	0	-1	0	1	2	4
EBITDA, excl items affecting comparability, SEK M	1,451	1,441	1,706	1,524	1,526	1,800	1,755	1,272	1,467
EBITDA, excl items affecting comparability, %	18.7	18.8	18.3	16.9	17.3	19.2	18.7	15.3	17.7
EBITA, excl items affecting comparability, SEK M	1,090	1,038	1,330	1,099	1,132	1,407	1,382	1,055	1,210
EBITA, excl items affecting comparability, %	14.1	13.5	14.3	12.2	12.8	15.0	14.7	12.7	14.6
EBIT, excl items affecting comparability, SEK M	999	942	1,235	1,006	1,036	1,321	1,295	977	1,133
EBIT, excl items affecting comparability, %	12.9	12.3	13.3	11.2	11.7	14.1	13.8	11.7	13.6
Items affecting comparability, SEK M	-80	-105	-46	-3,431	-127	-118	-20	-98	-28
EBIT, SEK M	919	837	1,189	-2,425	909	1,203	1,275	879	1,105
Earnings per share, excl items affecting comparability, SEK	2.31	2.47	3.21	2.45	2.83	3.36	3.25	2.55	2.98
Earnings per share, Group, SEK	2.41	2.11	3.05	-9.29	2.44	2.98	3.14	2.22	2.88
Operating cash flow, excl items affecting comp., SEK M	1,391	1,440	688	1,525	1,412	1,051	179	1,159	854
Cash conversion ratio, excl items affecting comp., R12, %	121	120	102	89	82	69	70	74	77
Free cash flow, SEK M	1,165	1,127	227	1,235	1,101	630	-282	773	567
Capital employed, closing balance, SEK M	43,147	44,135	47,544	44,709	49,033	47,210	46,678	41,118	41,261
Return on capital employed R12, %	1.1	1.1	1.8	2.0	9.3	10.1	10.6	11.1	10.6
Net debt, closing balance, SEK M	-12,129	-13,399	-15,644	-14,914	-15,860	-15,307	-15,766	-10,499	-11,233
Net debt/EBITDA	2.2	2.4	2.6	2.5	2.6	2.5	2.5	1.8	1.9
Debt/equity ratio %	40	45	50	51	49	49	52	35	38
Return on equity, %	-1.5	-1.5	-0.7	-0.7	9.5	10.0	10.5	11.1	10.3
Equity/assets ratio, %	51	51	51	52	54	54	52	58	57

Acquisitions

Carrying amounts of identifiable acquired assets and assumed liabilities

2020

No acquisitions were carried out in 2020.

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

Acquisitions, SEK M	9M 2020 Adjustments to Acquisitions 2019	9M 2019 Acquired 2019 Adjustments to Acquisitions 2018
Developed technology ¹	6	4
Trademarks ²	-	4
Customer relationships ³	-8	626
Other intangible assets	-	0
Property, plant and equipment	-	213
Deferred tax assets	-	8
Shares in associated companies	-	-
Interest-bearing receivables	-	5
Inventories	-1	168
Operating receivables	-2	258
Current tax asset	1	2
Cash and cash equivalents	-	598
Deferred tax liabilities	-6	9
Interest-bearing liabilities	-	-1,578
Post employment benefits	-	-1
Provision obligations	-	0
Current tax liability	-2	-36
Operating liabilities	-2	-223
Net assets	-14	57
Goodwill	11	1,208
Total purchase price	-3	1,265
Cash and other net debt in acquired operations	-	976
Impact shown in cash flow statement	-3	2,241

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 September 30, 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	-	105	2	33	2	138
Financial non-current assets	2	45	3	-	-	47
Accounts receivable	5,430	-	-	-	-	5,430
Interest-bearing receivable	19	-	-	-	-	19
Cash and cash equivalents	7,781	-	-	-	-	7,781
Total	13,232	150		33		13,415

	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	-	172	2	507	2	679
Interest-bearing non-current liabilities	11,925	29	3	-	-	11,954
Interest-bearing current liabilities	4,840	34	3	-	-	4,874
Lease liabilities according to IFRS 16	2,184	-	-	-	-	2,184
Accounts payable	2,593	-	-	-	-	2,593
Total	21,542	235		507		22,284

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

A financial interest-bearing receivable of SEK 45 M is recognized at fair value. The carrying amount is a good approximation of the fair value. Interest-bearing non-current and current liabilities include earnouts according to contract in an amount of SEK 29 M (61) and SEK 34 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 and earnouts according to contracts, 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 increase the Group's non-current loans by SEK 72 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 September 30, 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	-	41	2	36	2	77
Financial non-current assets	2	-	-	-	-	2
Accounts receivable	6,393	-	-	-	-	6,393
Interest-bearing receivable	7	-	-	-	-	7
Cash and cash equivalents	2,587	-	-	-	-	2,587
Total	8,989	41		36		9,066

	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	-	165	2	300	2	465
Interest-bearing non-current liabilities	13,069	61	3	-	-	13,130
Interest-bearing current liabilities	4,496	19	3	-	-	4,515
Lease liabilities according to IFRS 16	2,435	-	-	-	-	2,435
Accounts payable	3,260	-	-	-	-	3,260
Total	23,260	245		300		23,805

Parent Company

Condensed Income statements, SEK M	Q3 2020	Q3 2019	9M 2020	9M 2019	R12 2020	12M 2019
Net sales	57	150	323	392	481	550
Administrative expenses	-35	-67	-167	-218	-280	-331
Other operating income	2	0	4	1	6	3
Other operating expenses	-31	-29	-90	-83	-317	-310
EBIT	-7	54	70	92	-110	-88
Financial income and expenses	34	-389	335	-79	79	-335
Profit before tax	27	-335	405	13	-31	-423
Appropriations	-	-	-	-	71	71
Tax	-28	-44	-31	-37	0	-6
Net profit	-1	-379	374	-24	40	-358

Condensed Balance sheets, SEK M	Sep 30 2020	Sep 30 2019	Dec 31 2019
Property, plant and equipment	12	13	13
Intangible assets	23	20	25
Financial assets	36,008	35,950	35,748
Total non-current assets	36,043	35,983	35,786
Current receivables	7	300	123
Current tax asset	0	0	-
Interest-bearing receivables	276	262	333
Cash and cash equivalents	-	-	-
Total current assets	283	562	456
Total assets	36,326	36,545	36,242
Equity	7,923	7,882	7,549
Interest-bearing non-current liabilities	92	85	91
Other non-current liabilities	45	62	50
Total non-current liabilities	137	147	141
Interest-bearing current liabilities	28,149	28,355	28,365
Current tax liabilities	2	-	1
Other current liabilities	115	161	186
Total current liabilities	28,266	28,516	28,552
Total equity and liabilities	36,326	36,545	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. We 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	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 OCTOBER 27, 2020

A telephone conference will be held on October 27, at 10:30 a.m. CET. To participate in the telephone conference, call +46 8 505 583 75 (Sweden), +44 333 3009 271 (UK) or +1 833 526 8397 (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

Year-end report 2020

2020 Annual Report

Interim report January-March 2021

Annual General Meeting 2021 (Trelleborg)

Interim report April-June 2021

Interim report July-September 2021

February 10, 2021

Week beginning March 15, 2021

April 22, 2021

April 22, 2021

July 22, 2021

October 27, 2021

FOR FURTHER INFORMATION

Investors/analysts

Christofer Sjögren, VP Investor Relations

Phone: +46 (0)410 - 670 68

Mobile: +46 (0)708 - 66 51 40

E-mail: christofer.sjogren@trelleborg.com

Media

Karin Larsson, VP Media Relations

Phone: +46 (0)410 - 670 15

Mobile: +46 (0)733 - 74 70 15

E-mail: karin.larsson@trelleborg.com

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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PO Box 153, SE-231 22 Trelleborg, Sweden. Phone: 0410-670 00 www.trelleborg.com

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 7:45 am. CET on October 27, 2020.