

INTERIM REPORT APRIL–JUNE 2021

## CONTINUED STRONG PERFORMANCE

- Organic sales increased 31 percent in the quarter compared with the preceding year, which was strongly impacted by the pandemic. Net sales during the quarter increased 23 percent, despite negatively impacted by exchange rate effects, and amounted to SEK 8,637 M (7,031).
- EBIT, excluding items affecting comparability, increased by 58 percent to SEK 1,387 M (878), corresponding to an EBIT margin of 16.1 percent (12.5). Earnings were the best to date for a single quarter.
- Operating cash flow amounted to SEK 1,279 M (1,403). The cash conversion ratio for the most recent 12-month period amounted to 112 percent (121).
- Items affecting comparability for the quarter were a negative SEK 43 M (neg: 61) and pertained to restructuring costs.
- Earnings per share, excluding items affecting comparability, totaled SEK 3.74 (2.28). For the Group as a whole, earnings per share were SEK 3.66 (2.11).
- The key figures in this report relate to continuing operations, unless otherwise stated.

SEK M	Q2 2021	Q2 2020	Change, %	6M 2021	6M 2020	Change, %
<b>Continuing operations</b>						
Net sales	8,637	7,031	23	16,856	15,513	9
Organic sales, %	31	-20		17	-14	
EBIT, excluding items affecting comparability	1,387	878	58	2,737	2,051	33
EBIT-margin, %	16.1	12.5		16.2	13.2	
Restructuring costs	-43	-61		-88	-97	
Capital gain on real estates	-	-		144	-	
Items affecting comparability	-43	-61		56	-97	
EBIT	1,344	817	65	2,793	1,954	43
Profit before tax, continuing operations	1,286	741	74	2,703	1,822	48
Net profit, discontinuing operations	12	12	0	16	49	-67
Net profit, Group	992	572	73	2,096	1,399	50
Earnings per share, SEK						
Continuing operations	3.61	2.07	74	7.67	4.98	54
Discontinuing operations	0.05	0.04	25	0.06	0.18	-67
Group	3.66	2.11	73	7.73	5.16	50
Continuing operations, excluding items affecting comparability	3.74	2.28	64	7.51	5.32	41
Operating cash flow	1,279	1,403	-9	2,241	2,135	5
Cash conversion ratio R12, %	112	121		112	121	

As a result of the reorganization in March 2021, comparative figures have been restated. For further information about Group's key figures, including discontinued operations, see pages 17-18.

## CONTINUED STRONG PERFORMANCE

*“The second quarter was characterized by a continued strong performance. Organic sales increased 31 percent compared with the preceding year, which was strongly impacted by the pandemic. Compared with the second quarter of 2019, a period that was unaffected by the pandemic, organic sales increased 6 percent, and all three business areas contributed growth.*

*EBIT, excluding items affecting comparability, increased 58 percent, corresponding to an EBIT margin of 16.1 percent (12.5). Earnings were the company’s best to date for a single quarter. Operating cash flow remained strong. The earnings improvement was enabled by higher volumes in all business areas, in combination with continued good cost control and effective price discipline.*

*In Trelleborg Industrial Solutions, most market segments and geographic markets reported an upturn in demand, which was particularly notable in the automotive industry and construction-related segments. It was also gratifying that sales growth was noted for the aerospace industry compared with both the previous quarter and a year earlier.*

*Organic sales in Trelleborg Sealing Solutions to general industry and the automotive industry grew significantly in all regions. Sales to the aerospace industry improved compared with the preceding quarter but remained lower year on year. However, clear signals from our customers in this segment indicate that the bottom has been reached and growth is expected to occur from the current levels going forward.*

*Trelleborg Wheel Systems also reported strong organic sales growth compared with the year-earlier period. Marked sales growth for tires for agricultural machinery was noted in most geographic markets. Sales of tires for materials handling and construction vehicles also displayed a significant upturn compared with the preceding quarter and the year-earlier period. However, the margin was negatively affected by the rapid and strong price rise for raw materials and partly by the sales mix. Price adjustments to customers were implemented and will gradually offset the higher raw materials prices.*

*As we look toward the second half of the year, we do so with confidence. Order intake during the quarter was at a record level in many of our businesses and the order books are well filled. The level of activity is high in most of our manufacturing units and price adjustments have already been implemented to address the rising raw materials prices. In the few segments in which we are still waiting for growth, such as the aerospace industry, the market conditions are looking more promising for the remainder of the year.*

*However, the situation remains strained in several stages of the supplier chain, which, combined with continued development of the pandemic, represents a certain risk. If the situation escalates, it could restrict sales growth in the short to medium term, but as it stands today, it is expected that it will be possible to manage the situation satisfactorily.*

*As usual, we continue to adapt to changed conditions. Our general assessment at present is that demand for the third quarter will be on a par with the high level of demand in the second quarter, adjusted for seasonal variations.”*

Peter Nilsson,  
President and CEO

## MARKET OUTLOOK FOR THE THIRD QUARTER OF 2021

Demand is expected to be on a par with the second quarter of 2021, adjusted for seasonal variations. Uncertainty regarding the pandemic’s impact on the coming quarters remains.

### **Market outlook from the interim report published on April 22, 2021, relating to the second quarter of 2021**

Demand is expected to be better than in the first quarter of 2021, adjusted for seasonal variations.

NET SALES AND RESULT<sup>1</sup>

SEK M	Q2 2021	Q2 2020	Change, %	6M 2021	6M 2020	Change, %
<b>Continuing operations</b>						
Net sales	8,637	7,031	23	16,856	15,513	9
Change total, %	23	-18		9	-10	
Organic sales, %	31	-20		17	-14	
Structural change, %	0	2		0	2	
Currency effects, %	-8	0		-8	2	
EBIT, excluding items affecting comparability	1,387	878	58	2,737	2,051	33
EBIT-margin, %	16.1	12.5		16.2	13.2	
Restructuring costs	-43	-61		-88	-97	
Capital gain on real estates	-	-		144	-	
Items affecting comparability	-43	-61		56	-97	
EBIT	1,344	817	65	2,793	1,954	43
Financial income and expenses	-58	-76	24	-90	-132	32
Profit before tax	1,286	741	74	2,703	1,822	48
Taxes	-306	-181	-69	-623	-472	-32
Net profit, continuing operations	980	560	75	2,080	1,350	54
Net profit, discontinuing operations	12	12	0	16	49	-67
Net profit, Group	992	572	73	2,096	1,399	50
Earnings per share, SEK						
Continuing operations	3.61	2.07	74	7.67	4.98	54
Discontinuing operations	0.05	0.04	25	0.06	0.18	-67
Group	3.66	2.11	73	7.73	5.16	50
Continuing operations, excluding items affecting comparability	3.74	2.28	64	7.51	5.32	41

**Net sales** during the second quarter of 2021 amounted to SEK 8,637 M (7,031). Organic sales increased 31 percent compared with the year-earlier period. Exchange rate effects were negative 8 percent compared with the year-earlier period.

**Sales per market.** In Europe, organic sales increased by 32 percent compared with the preceding year. Organic sales in North America rose 18 percent. In South and Central America, the organic sales increase was 76 percent, and in Asia and other markets, organic sales increased by 39 percent compared with the preceding year.

**EBIT, excluding items affecting comparability,** totaled SEK 1,387 M (878), corresponding to a margin of 16.1 percent (12.5).

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 were a negative SEK 43 M (neg: 61) and pertained to restructuring costs.

EBIT, including items affecting comparability, amounted to SEK 1,344 M (817) for the quarter.

**The net financial expense** was SEK 58 M (expense: 76). The lower financial expenses are due to reduced net debt in 2021 compared with the preceding year. Net interest income in relation to net debt for the Group amounted to 1.9 percent (2.2).

**Net profit** was SEK 980 M (560). The tax rate for the quarter, excluding items affecting comparability, amounted to 24 percent (23).

**Earnings per share,** excluding items affecting comparability, totaled SEK 3.74 (2.28). For the Group in total, earnings per share were SEK 3.66 (2.11).

<sup>1</sup> The key figures in this report relate to continuing operations, unless otherwise stated. Continuing operations pertains to the business areas Trelleborg Industrial Solutions, Trelleborg Sealing Solutions, Trelleborg Wheel Systems and Group Activities.

## CASH FLOW AND NET DEBT

SEK M	Q2 2021	Q2 2020	Change, %	6M 2021	6M 2020	Change, %
EBIT, excluding items affecting comparability	1,387	878	58	2,737	2,051	33
Depreciation/write-down, property, plant and equipment	338	380	-11	680	731	-7
Amortization/write-down, intangible assets	87	94	-7	173	187	-7
EBITDA	1,812	1,352	34	3,590	2,969	21
Capital expenditure	-233	-218	-7	-473	-557	15
Sold non-current assets	10	27	-63	88	131	-33
Amortization of lease liabilities	-102	-102	0	-201	-202	0
Change in working capital	-79	345		-796	-176	
Dividend from associated companies	0	0		0	0	
Non cash-flow affecting items	-129	-1		33	-30	
<b>Operating cash flow, continuing operations</b>	<b>1,279</b>	<b>1,403</b>	<b>-9</b>	<b>2,241</b>	<b>2,135</b>	<b>5</b>
Cash conversion ratio R12, %	112	121		112	121	
<b>Operating cash flow, discontinuing operations</b>	<b>51</b>	<b>37</b>	<b>38</b>	<b>141</b>	<b>-7</b>	<b>2,114</b>
<b>Operating cash flow, Group</b>	<b>1,330</b>	<b>1,440</b>	<b>-8</b>	<b>2,382</b>	<b>2,128</b>	<b>12</b>

SEK M	6M 2021	6M 2020	12M 2020
<b>Net debt, opening balance</b>	<b>-10,026</b>	<b>-14,914</b>	<b>-14,914</b>
Operating cash flow	2,382	2,128	5,332
Cash impact from items affecting comparability	-21	-181	-325
Financial items	-121	-156	-319
Paid tax	-420	-437	-772
<b>Free cash flow</b>	<b>1,820</b>	<b>1,354</b>	<b>3,916</b>
Acquisitions	-174	3	3
Disposed operations	143	147	147
Capital increase associated companies	-20	-	-
Dividend - equity holders of the parent company	-1,355	-	-
<b>Sum net cash flow</b>	<b>414</b>	<b>1,504</b>	<b>4,066</b>
Exchange rate differences	-245	-38	732
Lease liability according to IFRS 16 <sup>1</sup>	-8	56	141
Pension liability <sup>1</sup>	16	-7	-51
<b>Net debt, closing balance</b>	<b>-9,849</b>	<b>-13,399</b>	<b>-10,026</b>
Of which:			
Pension liability <sup>2</sup>	-590	-610	-603
Lease liability according to IFRS 16 <sup>2</sup>	-2,122	-2,268	-2,049
Net debt, excluding effect of lease and pension liability	-7,137	-10,521	-7,374
Debt/equity ratio, %	32	45	35
Net debt/EBITDA <sup>3</sup>	1.5	2.4	1.7

<sup>1</sup> Pertains to non-cash items.

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

<sup>3</sup> EBITDA including items affecting comparability.

**Operating cash flow** for the quarter amounted to SEK 1,279 M (1,403). Cash flow was positively affected by the higher earnings generation. Working capital increased in relation to the year-earlier period, driven by higher sales. Investments were in line with the preceding year. The cash conversion ratio for the most recent 12-month period amounted to 112 percent (121).

Free cash flow for the first six months of the year amounted to SEK 1,820 M (1,354). Net cash flow amounted to SEK 414 M (1,504). Net cash flow for the year was impacted by effects from acquisitions of negative SEK 174 M (pos: 3), effects from divested operations of positive SEK 143 M (pos: 147), capital contributions to associated companies of negative SEK 20 M (-), and a dividend to shareholders of the Parent Company of negative SEK 1,355 M (-).

**Net debt** at the end of the second quarter amounted to SEK 9,849 M (13,399) and was impacted by the year's net cash flow of SEK 414 M, negative exchange rate differences of SEK 245 M and non-cash adjustments of lease and pension liabilities totaling SEK 8 M.

The debt/equity ratio was 32 percent (45). Net debt in relation to EBITDA was 1.5 (2.4).

## RETURN ON CAPITAL EMPLOYED AND RETURN ON EQUITY

%	R12 2021	R12 2020
<b>Return on capital employed, continuing operations</b>		
Excluding items affecting comparability	12.1	9.4
Including items affecting comparability	11.7	6.9
<b>Return on equity, Group</b>		
Excluding items affecting comparability	11.6	9.8
Including items affecting comparability	11.4	-1.5

**Capital employed** declined year on year and amounted to SEK 39,390 M (41,735) at the end of the quarter, impacted by exchange rate effects, reduced working capital and the net of investments and depreciation/amortization for the year.

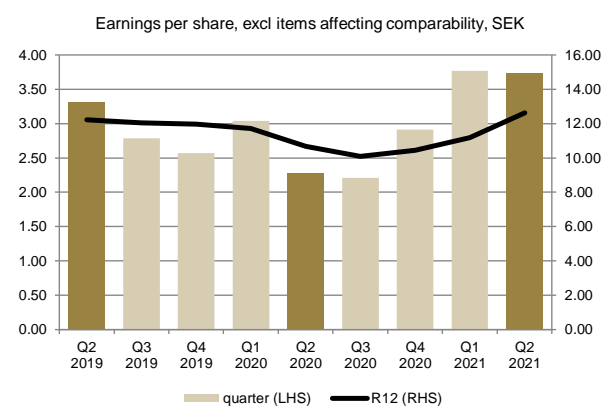
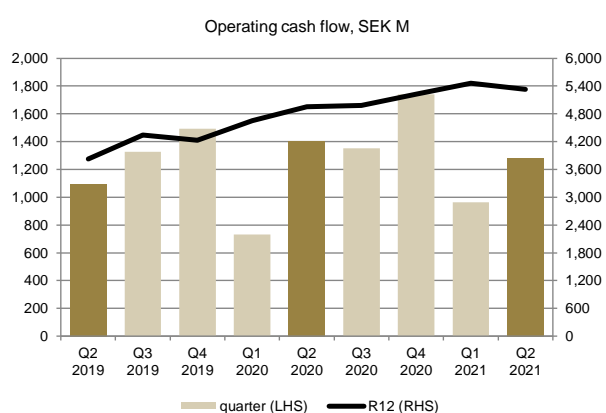
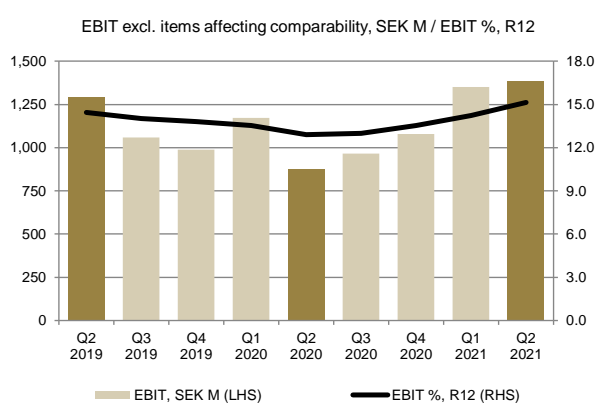
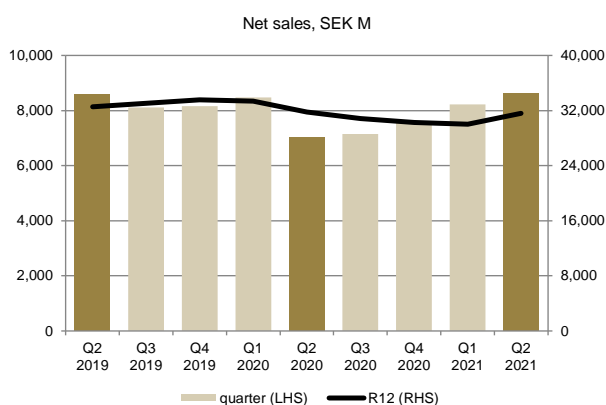
The return on capital employed, excluding items affecting comparability, was 12.1 percent (9.4).

The return on capital employed, including items affecting comparability (restructuring costs and non-recurring items), was 11.7 percent (6.9).

**Shareholders' equity** for the Group at the close of the period amounted to SEK 30,380 M (29,622), positively impacted by net profit for the year and translation effects, and negatively by the dividend to shareholders.

Equity per share amounted to SEK 112 (109). The equity/assets ratio was 57 percent (50). The return on shareholders' equity for the Group, excluding items affecting comparability, totaled 11.6 percent (9.8).

## KEY FIGURES AND TRENDS



## JANUARY–JUNE 2021

**Net sales for the first half of 2021** amounted to SEK 16,856 M (15,513), a total increase of 9 percent year-on-year. The organic sales growth was 17 percent.

EBIT for the first half of 2021, including items affecting comparability, was SEK 2,793 M (1,954).

The net financial expense was SEK 90 M (expense: 132), corresponding to an average interest rate of 2.1 percent (2.1).

Profit before tax totaled SEK 2,703 M (1,822).

Net profit for the Group amounted to SEK 2,096 M (1,399).

Total earnings per share for the Group were SEK 7.73 (5.16).

**Trelleborg's Businesses Under Development reporting segment was discontinued** during the first quarter, since its operations have been largely divested or are intended to be divested during 2021.

The various parts of the reporting segment were reported as of the interim report for the first quarter of 2021 either as Assets held for sale, within Trelleborg Industrial Solutions or in the Group Activities item.

The press release regarding this split was published on March 26, 2021.

The press release on the restated key figures was published on April 12, 2021.

## BUSINESS AREA

## TRELLEBORG INDUSTRIAL SOLUTIONS

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

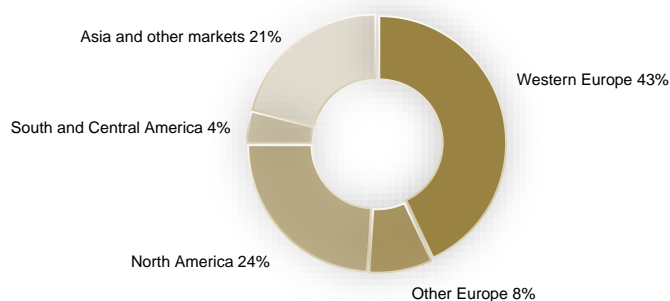
Excluding items affecting comparability, SEK M	Q2 2021	Q2 2020	Change, %	6M 2021	6M 2020	Change, %
Net sales	2,866	2,461	16	5,482	5,209	5
Change total, %	16	-14		5	-8	
Organic sales, %	23	-18		12	-13	
Structural change, %	1	4		1	4	
Currency effects, %	-8	0		-8	1	
EBIT	368	215	71	683	432	58
EBIT, %	12.8	8.7		12.5	8.3	
Capital employed, closing balance	10,895	11,419		10,895	11,419	
Return on capital employed R12, %	12.5	8.9	40	12.5	8.9	40

Additional key ratios on pages 16 - 18

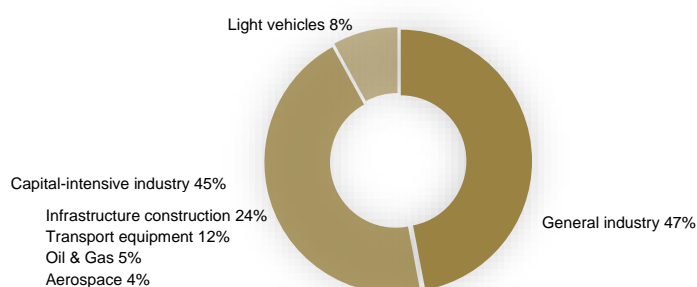
**Organic sales** for the quarter increased by 23 percent year on year. Most market segments and geographic markets reported an upturn in demand, which was particularly notable in the automotive industry and construction-related segments. Minor growth in deliveries was also noted for the aerospace industry, although from low levels. Sales to train manufacturers and other rail and mass transit applications remained negative year on year, but are expected to gradually improve during the second half of the year.

**EBIT and the EBIT margin** increased year on year, due primarily to higher volumes and continued effective cost discipline. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 14 M on EBIT compared with the year-earlier quarter.

Sales per geography



Sales per segment



Net sales per market segment and per geographic market are based on full-year 2020, adjusted for the new reporting structure. Historically, the percentages have not fluctuated significantly between the quarters and, accordingly, the full-year values for 2020 are a good approximation.

## BUSINESS AREA

## TRELLEBORG SEALING SOLUTIONS

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

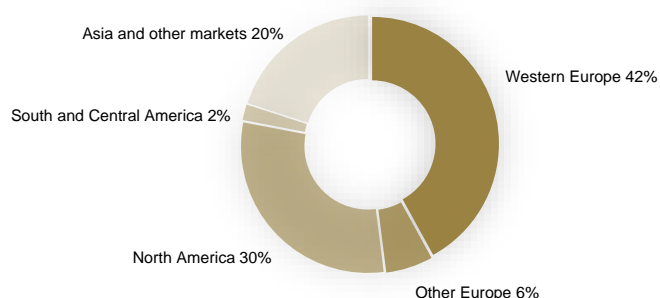
Excluding items affecting comparability, SEK M	Q2 2021	Q2 2020	Change, %	6M 2021	6M 2020	Change, %
Net sales	3,155	2,498	26	6,288	5,707	10
Change total, %	26	-19		10	-8	
Organic sales, %	37	-22		20	-12	
Structural change, %	-	2		-	2	
Currency effects, %	-11	1		-10	2	
EBIT	755	465	62	1,489	1,171	27
EBIT, %	24.0	18.6		23.7	20.5	
Capital employed, closing balance	14,157	14,895		14,157	14,895	
Return on capital employed R12, %	17.5	16.2	8	17.5	16.2	8

Additional key ratios on pages 16 - 18

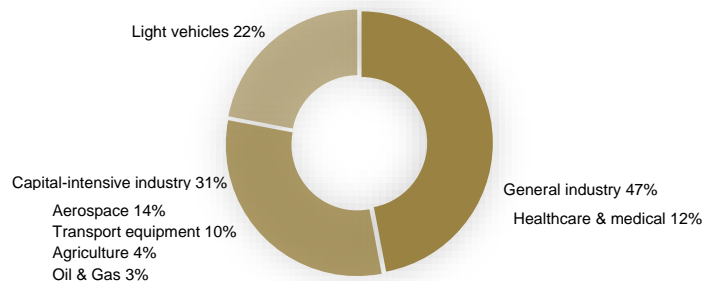
**Organic sales** for the quarter increased by 37 percent year on year. Organic sales to general industry and the automotive industry grew significantly in all regions. Deliveries to healthcare & medical increased to a lesser extent, but the geographic trend was mixed. Sales to the aerospace industry improved compared with the preceding quarter, but remained negative year on year.

**EBIT and the EBIT margin** increased year on year, due primarily to higher volumes, combined with strict cost control. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 33 M on EBIT compared with the year-earlier quarter.

Sales per geography



Sales per segment



Net sales per market segment and per geographic market are based on full-year 2020. Historically, the percentages have not fluctuated significantly between the quarters and, accordingly, the full-year values for 2020 are a good approximation.



## BUSINESS AREA

## TRELLEBORG WHEEL SYSTEMS

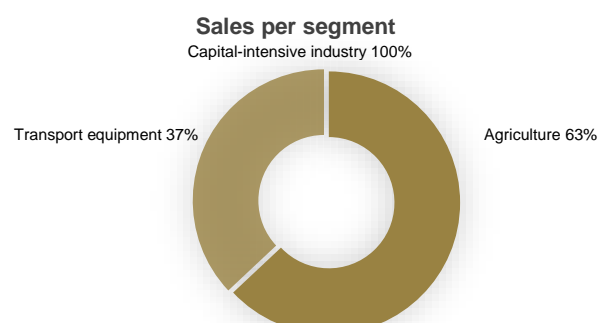
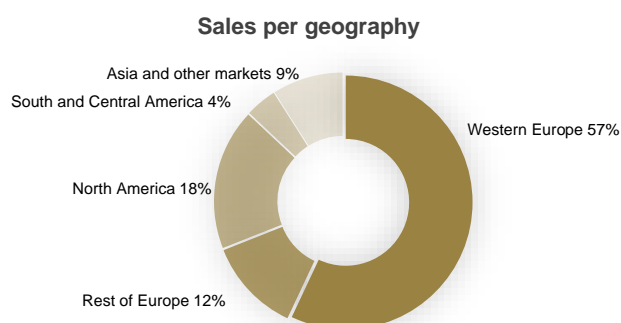
Trelleborg Wheel Systems is a leading global supplier of tires and complete wheels for off-highway vehicles and specialty applications.

Excluding items affecting comparability, SEK M	Q2 2021	Q2 2020	Change, %	6M 2021	6M 2020	Change, %
Net sales	2,557	2,046	25	4,954	4,505	10
Change total, %	25	-19		10	-14	
Organic sales, %	32	-18		18	-15	
Structural change, %	-	0		-	0	
Currency effects, %	-7	-1		-8	1	
EBIT	342	256	34	701	553	27
EBIT, %	13.4	12.5		14.1	12.3	
Capital employed, closing balance	13,744	14,747		13,744	14,747	
Return on capital employed R12, %	8.6	5.2	65	8.6	5.2	65

Additional key ratios on pages 16 - 18

**Organic sales** for the quarter increased by 32 percent year on year. Strong demand for tires for agricultural machinery was noted in most geographic markets and measures to increase the rate of production were implemented. Sales of tires for materials handling and construction vehicles displayed a significant upturn compared with the preceding quarter and the year-earlier period.

**EBIT and the EBIT margin** increased as a result of higher sales volumes, structural measures implemented earlier and effective cost control. The margin was negatively affected by the rapid and strong price rise for raw materials and by the sales mix. Price adjustments to customers are expected to gradually improve profitability during the second half of the year. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 16 M on EBIT.



Net sales per market segment and per geographic market are based on full-year 2020. Historically, the percentages have not fluctuated significantly between the quarters and, accordingly, the full-year values for 2020 are a good approximation.

## SIGNIFICANT EVENTS DURING THE QUARTER

### Norwegian offshore oil & gas operation divested.

Trelleborg signed an agreement and finalized the divestment of its oil & gas operation in Norway. In the financial statements, the operation is recognized among Assets held for sale. It had annual sales of approximately SEK 310 M in 2020. The transaction does not have any material impact on the Group's net profit. The buyer is the current management together with a local partner.

The company was deconsolidated as of June 1, 2021.

The press release about the divestment was published on April 29, 2021.

The press release about the finalization of the divestment was published on June 1, 2021.

## SIGNIFICANT EVENTS AFTER THE CLOSE OF THE PERIOD

No significant events were reported after the close of the period.

## OTHER

### NEWS IN PRODUCTS AND SOLUTIONS



**Hoses in more dimensions.** The Performer Ceramic hose range is being extended to offer more dimensions. The ceramic-lined rubber hoses are used in abrasive industrial applications, such as in cement production, steel mills and the mining industry and last up to ten times longer, are up to 60 percent lighter and five times more flexible than other ceramic hoses in the market.

**New in Africa.** Trelleborg's first African production facility was completed in Morocco. It will manufacture automotive boots for local customers. This investment establishes Trelleborg's automotive boots as a truly global business as they are now manufactured on four continents.



**Turcon® VL Seal® II.** A new generation of aircraft seals was launched for hydraulic sealing of actuators in flight controls and landing gear, as well as in landing gear shock

absorbers. These seals are combined with O-Rings compounds, suitable for use in all hydraulic fluids and service parameters.

**60 years of manufacturing.** Trelleborg celebrated 60 years in Malta, where 25 million O-Rings and engineered seals are now produced each week for a global customer base, including many of the world's leading light vehicle manufacturers.



**New industrial tires.** The next-generation forklift tires, the XP800 range, was launched. The tires have an extra wide tread and a unique profile for minimized vibrations, enhanced handling and excellent stability in indoor applications. At the same time, the lateral block design with deep lugs optimizes traction in

outdoor areas. Its extra deep tread increases tire longevity.

### SUSTAINABILITY



**Polymers of the future.** A new development group – *Polymers for tomorrow* – was formed within Trelleborg. It will analyze new, interesting materials

research and development. This group, comprising members from the business areas and the Group, will monitor potential strategic collaborations for bio-based materials, recycled materials and completely new polymer solutions in accordance with the principles of circularity.

**Trelleborg's longstanding Safety@Work program** aims to create a shared safety culture and to prevent occupational accidents and injuries at all of the Group's production units. With the aim of intensifying the positive trend, the program was relaunched under the theme "Team up for Safety," with local initiatives and workshops that further deepen risk awareness and preventive efforts.

## 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](http://www.trelleborg.com).

**Short-term risks.** The Coronavirus pandemic and the measures taken by various countries to prevent the spread of the virus have impacted the Group. 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 the pandemic are:

- **Supply chain:** The Group's access to components and the ability to transport finished products to customers could be affected.
- **Earnings and profitability:** Trelleborg's revenue could be affected by individual countries' decisions on extraordinary measures and customer behavior resulting from the Coronavirus pandemic.

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

## BOARD OF DIRECTORS' ASSURANCE

This interim report provides a fair overview of the operations, position and results of the Parent Company and the Group, and describes material risks and uncertainties faced by the Parent Company and the companies that are included in the Group.

Trelleborg, July 22, 2021  
Board of Directors of Trelleborg AB (publ)

Hans Biörck  
*Chairman of the Board*

Gunilla Fransson  
*Board member*

Monica Gimre  
*Board member*

Johan Malmquist  
*Board member*

Peter Nilsson  
*Board member and  
President/CEO*

Anne Mette Olesen  
*Board member*

Jan Ståhlberg  
*Board member*

Jimmy Faltin  
*Employee representative*

Lars Pettersson  
*Employee representative*

## 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.

In addition, IASB has published amendments to standards effective from January 1, 2021 or later. These amended standards have not had any material impact on Trelleborg's financial statements.

## Condensed Income Statements

Income Statements, SEK M	Q2 2021	Q2 2020	6M 2021	6M 2020	R12 2021	12M 2020
Net sales	8,637	7,031	16,856	15,513	31,601	30,258
Cost of goods sold	-5,762	-4,780	-11,174	-10,426	-21,030	-20,282
<b>Gross profit</b>	<b>2,875</b>	<b>2,251</b>	<b>5,682</b>	<b>5,087</b>	<b>10,571</b>	<b>9,976</b>
Selling expenses	-658	-588	-1,296	-1,343	-2,530	-2,577
Administrative expenses	-684	-633	-1,382	-1,387	-2,675	-2,680
Research and development costs	-130	-129	-262	-280	-525	-543
Other operating income/expenses	-15	-21	-6	-26	-59	-79
Profit from associated companies	-1	-2	1	0	-1	-2
<b>EBIT, excluding items affecting comparability</b>	<b>1,387</b>	<b>878</b>	<b>2,737</b>	<b>2,051</b>	<b>4,781</b>	<b>4,095</b>
Items affecting comparability	-43	-61	56	-97	-165	-318
<b>EBIT</b>	<b>1,344</b>	<b>817</b>	<b>2,793</b>	<b>1,954</b>	<b>4,616</b>	<b>3,777</b>
Financial income and expenses	-58	-76	-90	-132	-224	-266
<b>Profit before tax</b>	<b>1,286</b>	<b>741</b>	<b>2,703</b>	<b>1,822</b>	<b>4,392</b>	<b>3,511</b>
Tax	-306	-181	-623	-472	-1,005	-854
<b>Net profit, continuing operations</b>	<b>980</b>	<b>560</b>	<b>2,080</b>	<b>1,350</b>	<b>3,387</b>	<b>2,657</b>
Net profit, discontinuing operations	12	12	16	49	21	54
<b>Net profit, Group</b>	<b>992</b>	<b>572</b>	<b>2,096</b>	<b>1,399</b>	<b>3,408</b>	<b>2,711</b>
- equity holders of the parent company	992	572	2,096	1,399	3,409	2,712
- non-controlling interest	0	0	0	0	-1	-1
<b>Earnings per share, SEK <sup>1</sup></b>	<b>Q2 2021</b>	<b>Q2 2020</b>	<b>6M 2021</b>	<b>6M 2020</b>	<b>R12 2021</b>	<b>12M 2020</b>
Continuing operations	3.61	2.07	7.67	4.98	12.50	9.81
Discontinuing operations	0.05	0.04	0.06	0.18	0.07	0.19
<b>Group</b>	<b>3.66</b>	<b>2.11</b>	<b>7.73</b>	<b>5.16</b>	<b>12.57</b>	<b>10.00</b>
Continuing operations, excluding items affecting comparability	3.74	2.28	7.51	5.32	12.63	10.44
<sup>1</sup> No dilution effects arose.						
<b>Number of shares</b>						
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
<b>Statements of comprehensive income, SEK M</b>	<b>Q2 2021</b>	<b>Q2 2020</b>	<b>6M 2021</b>	<b>6M 2020</b>	<b>R12 2021</b>	<b>12M 2020</b>
<b>Net profit, Group</b>	<b>992</b>	<b>572</b>	<b>2,096</b>	<b>1,399</b>	<b>3,408</b>	<b>2,711</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to the income statement</b>						
Reassessment of net pension obligation	0	-7	16	-7	-28	-51
Income tax relating to components of other comprehensive income	0	-	-3	0	3	6
<b>Total</b>	<b>0</b>	<b>-7</b>	<b>13</b>	<b>-7</b>	<b>-25</b>	<b>-45</b>
<b>Items that may be reclassified to the income statement</b>						
Cash flow hedges	27	16	56	-111	118	-49
Hedging of net investment	107	680	-135	15	429	579
Translation difference	-407	-2,400	769	-559	-1,679	-3,007
Income tax relating to components of other comprehensive income	-7	-3	-13	24	-134	-97
<b>Total</b>	<b>-280</b>	<b>-1,707</b>	<b>677</b>	<b>-631</b>	<b>-1,266</b>	<b>-2,574</b>
<b>Other comprehensive income, net of tax</b>	<b>-280</b>	<b>-1,714</b>	<b>690</b>	<b>-638</b>	<b>-1,291</b>	<b>-2,619</b>
<b>Total comprehensive income</b>	<b>712</b>	<b>-1,142</b>	<b>2,786</b>	<b>761</b>	<b>2,117</b>	<b>92</b>
<b>Total comprehensive income attributable to:</b>						
- equity holders of the parent company	712	-1,142	2,786	761	2,118	93
- non-controlling interest	0	0	0	0	-1	-1
<b>EBIT specification, continuing operations, SEK M</b>	<b>Q2 2021</b>	<b>Q2 2020</b>	<b>6M 2021</b>	<b>6M 2020</b>	<b>R12 2021</b>	<b>12M 2020</b>
Excluding items affecting comparability:						
EBITDA	1,812	1,352	3,590	2,969	6,503	5,882
Depreciation/write-down, property, plant and equipment	-338	-380	-680	-731	-1,371	-1,422
EBITA	1,474	972	2,910	2,238	5,132	4,460
Amortization/write-down, intangible assets	-87	-94	-173	-187	-351	-365
EBIT	1,387	878	2,737	2,051	4,781	4,095
Items affecting comparability	-43	-61	56	-97	-165	-318
<b>EBIT</b>	<b>1,344</b>	<b>817</b>	<b>2,793</b>	<b>1,954</b>	<b>4,616</b>	<b>3,777</b>

## Condensed Balance Sheets

Balance Sheets, SEK M	Jun 30 2021	Jun 30 2020	Dec 31 2020
Property, plant and equipment	11,201	12,819	11,928
Goodwill	18,159	19,103	17,867
Other intangible assets	4,372	5,129	4,675
Participations in associated companies	50	106	104
Financial non-current assets	10	45	62
Deferred tax assets	576	993	742
<b>Total non-current assets</b>	<b>34,368</b>	<b>38,195</b>	<b>35,378</b>
Inventories	5,352	6,190	5,263
Current operating receivables	7,222	6,671	6,250
Current tax assets	914	1,061	884
Interest-bearing receivables	55	305	233
Cash and cash equivalents	2,904	6,413	5,756
<b>Total current assets</b>	<b>16,447</b>	<b>20,640</b>	<b>18,386</b>
Assets held for sale	2,631	-	-
<b>Total assets</b>	<b>53,446</b>	<b>58,835</b>	<b>53,764</b>
Share capital	2,620	2,620	2,620
Other capital contributions	226	226	226
Other reserves	1,059	2,330	382
Profit brought forward	24,371	23,038	23,005
Net profit for the year	2,096	1,399	2,712
<b>Total</b>	<b>30,372</b>	<b>29,613</b>	<b>28,945</b>
Non-controlling interests	8	9	8
<b>Equity</b>	<b>30,380</b>	<b>29,622</b>	<b>28,953</b>
Interest-bearing non-current liabilities	8,887	14,724	10,718
Other non-current liabilities	206	332	272
Pension obligations	578	614	619
Other provisions	142	168	149
Deferred tax liabilities	830	1,088	899
<b>Total non-current liabilities</b>	<b>10,643</b>	<b>16,926</b>	<b>12,657</b>
Interest-bearing current liabilities	3,405	4,785	4,706
Current tax liabilities	1,294	1,265	1,138
Other current liabilities	6,640	5,840	5,987
Other provisions	320	397	323
<b>Total current liabilities</b>	<b>11,659</b>	<b>12,287</b>	<b>12,154</b>
Liabilities held for sale	764	-	-
<b>Total equity and liabilities</b>	<b>53,446</b>	<b>58,835</b>	<b>53,764</b>
<b>Specification of changes in equity, SEK M</b>	<b>Jun 30 2021</b>	<b>Jun 30 2020</b>	<b>Dec 31 2020</b>
<b>Opening balance, January 1</b>	<b>28,953</b>	<b>28,861</b>	<b>28,861</b>
Adjustment, IFRS 16 Leasing	-4	-	-
Total net profit	2,096	1,399	2,711
Other comprehensive income	690	-638	-2,619
Dividend	-1,355	-	-
<b>Closing balance</b>	<b>30,380</b>	<b>29,622</b>	<b>28,953</b>
<b>Specification of capital employed, SEK M</b>	<b>Jun 30 2021</b>	<b>Jun 30 2020</b>	<b>Dec 31 2020</b>
Total assets, Group total	53,446	58,835	53,764
Less:			
Interest-bearing receivables	323	327	275
Cash and cash equivalents	2,904	6,413	5,756
Tax assets	1,490	2,054	1,626
Operating liabilities	7,548	6,341	6,408
<b>Capital employed</b>	<b>41,181</b>	<b>43,700</b>	<b>39,699</b>
Of which discontinuing operations	1,791	1,965	1,831
<b>Continuing operations</b>	<b>39,390</b>	<b>41,735</b>	<b>37,868</b>

## Condensed Cash-flow Statements

Cash flow statements, SEK M	Q2 2021	Q2 2020	6M 2021	6M 2020	R12 2021	12M 2020
<b>Operating activities</b>						
EBIT incl part in associated companies	1,344	817	2,793	1,954	4,616	3,777
Adjustments for items not included in cash flow from operating activities:						
Depreciation, property, plant and equipment	339	357	673	722	1,355	1,404
Amortization, intangible assets	87	94	173	187	351	365
Impairment losses, property, plant and equipment	7	22	15	7	65	57
Impairment losses, intangible assets	0	0	0	0	1	1
Dividend from associated companies	0	0	0	0	1	1
Participations in associated companies and other non cash-flow affecting items	0	7	-2	-21	13	-6
Interest received and other financial items	-11	10	13	19	62	68
Interest paid and other financial items	-27	-88	-126	-162	-327	-363
Taxes paid	-246	-167	-448	-435	-800	-787
<b>Cash flow from operating activities before changes in working capital</b>	<b>1,493</b>	<b>1,052</b>	<b>3,091</b>	<b>2,271</b>	<b>5,337</b>	<b>4,517</b>
<b>Cash flow from changes in working capital</b>						
Change in inventories	-313	78	-472	-26	5	451
Change in operating receivables	-288	615	-1,469	-61	-1,557	-149
Change in operating liabilities	522	-348	1,145	-89	1,668	434
Change in items affecting comparability	-16	2	-5	-33	46	18
<b>Cash flow from operating activities</b>	<b>1,398</b>	<b>1,399</b>	<b>2,290</b>	<b>2,062</b>	<b>5,499</b>	<b>5,271</b>
<b>Investing activities</b>						
Acquisitions	-17	6	-174	3	-174	3
Disposed/discontinuing operations	-	-	-	27	-	27
Capital increase associated companies	-12	-	-20	-	-20	-
Capital expenditure, property, plant and equipment	-203	-199	-418	-501	-920	-1,003
Capital expenditure, intangible assets	-30	-19	-55	-56	-109	-110
Sale of non-current assets	10	27	88	131	107	150
<b>Cash flow from investing activities</b>	<b>-252</b>	<b>-185</b>	<b>-579</b>	<b>-396</b>	<b>-1,116</b>	<b>-933</b>
<b>Financing activities</b>						
Change in interest-bearing investments	26	-108	189	-32	252	31
Change in interest-bearing liabilities	34	-107	-362	-646	-258	-542
New/utilized loans	0	2,245	0	4,640	-1,520	3,120
Amortized loans	-1,626	-854	-3,111	-1,938	-4,910	-3,737
Dividend - equity holders of the parent company	-1,355	0	-1,355	-	-1,355	-
<b>Cash flow from financing activities</b>	<b>-2,921</b>	<b>1,176</b>	<b>-4,639</b>	<b>2,024</b>	<b>-7,791</b>	<b>-1,128</b>
<b>Total cash flow, continuing operations</b>	<b>-1,775</b>	<b>2,390</b>	<b>-2,928</b>	<b>3,690</b>	<b>-3,408</b>	<b>3,210</b>
<b>Total cash flow, discontinuing operations</b>	<b>-56</b>	<b>70</b>	<b>152</b>	<b>115</b>	<b>128</b>	<b>91</b>
<b>Cash flow for the period, Group</b>	<b>-1,831</b>	<b>2,460</b>	<b>-2,776</b>	<b>3,805</b>	<b>-3,280</b>	<b>3,301</b>
<b>Cash and cash equivalents</b>						
At beginning of the period	4,894	4,102	5,756	2,694	6,413	2,694
Exchange rate differences	-14	-149	69	-86	-84	-239
<b>Cash and cash equivalents at end of period</b>	<b>3,049</b>	<b>6,413</b>	<b>3,049</b>	<b>6,413</b>	<b>3,049</b>	<b>5,756</b>

Change in liabilities from financing activities, SEK M	Non-cash changes								
	Dec 31 2020	Transfer between long-term and short-term loans	Cash changes	Acquisitions	Translation differences	Fair value changes	Lease liabilities according to IFRS 16	Pension liabilities	Jun 30 2021
Long-term loans	9,015	-1,251	-684	-	115	-	-	-	7,195
Current loans	4,128	1,251	-2,427	-	10	-	-	-	2,962
Other non-current financial liabilities	23	-	-20	-	0	-	-	-	3
Other current financial liabilities	209	-	-266	-	138	-	-	-	81
Lease liabilities according to IFRS 16	2,049	-	-196	-	50	-	219	-	2,122
Pension obligations	618	-	3	-	-1	-	-	-15	605
<b>Total</b>	<b>16,042</b>	<b>-</b>	<b>-3,590</b>	<b>-</b>	<b>312</b>	<b>-</b>	<b>219</b>	<b>-15</b>	<b>12,968</b>

## Key figures

Trelleborg employs a number of alternative performance measures related to financial position, including 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 uses the performance metrics of EBITDA, EBITA and EBIT excluding items affecting comparability, which the Group considers to be relevant for investors seeking to understand its earnings generation before items affecting comparability.

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

SEK M	Q2 2021	Q2 2020	6M 2021	6M 2020	R12 2021	12M 2020
<b>Net sales</b>						
Trelleborg Industrial Solutions	2,866	2,461	5,482	5,209	10,608	10,335
Trelleborg Sealing Solutions	3,155	2,498	6,288	5,707	11,473	10,892
Trelleborg Wheel Systems	2,557	2,046	4,954	4,505	9,214	8,765
Group Activities	132	45	252	157	500	405
Eliminations	-73	-19	-120	-65	-194	-139
<b>Continuing operations</b>	<b>8,637</b>	<b>7,031</b>	<b>16,856</b>	<b>15,513</b>	<b>31,601</b>	<b>30,258</b>
Discontinuing operations	532	680	1,130	1,515	2,311	2,696
Eliminations	-40	-21	-84	-52	-150	-118
<b>Group</b>	<b>9,129</b>	<b>7,690</b>	<b>17,902</b>	<b>16,976</b>	<b>33,762</b>	<b>32,836</b>
<b>EBIT, excluding items affecting comparability</b>						
Trelleborg Industrial Solutions	368	215	683	432	1,348	1,097
Trelleborg Sealing Solutions	755	465	1,489	1,171	2,455	2,137
Trelleborg Wheel Systems	342	256	701	553	1,198	1,050
Group Activities	-78	-58	-136	-105	-220	-189
<b>Continuing operations</b>	<b>1,387</b>	<b>878</b>	<b>2,737</b>	<b>2,051</b>	<b>4,781</b>	<b>4,095</b>
Discontinuing operations	30	64	60	126	121	187
<b>Group</b>	<b>1,417</b>	<b>942</b>	<b>2,797</b>	<b>2,177</b>	<b>4,902</b>	<b>4,282</b>
<b>EBIT %, excluding items affecting comparability</b>						
Trelleborg Industrial Solutions	12.8	8.7	12.5	8.3	12.7	10.6
Trelleborg Sealing Solutions	24.0	18.6	23.7	20.5	21.4	19.6
Trelleborg Wheel Systems	13.4	12.5	14.1	12.3	13.0	12.0
<b>Continuing operations</b>	<b>16.1</b>	<b>12.5</b>	<b>16.2</b>	<b>13.2</b>	<b>15.1</b>	<b>13.5</b>
Discontinuing operations	5.7	9.4	5.3	8.3	5.3	7.0
<b>Group</b>	<b>15.5</b>	<b>12.3</b>	<b>15.6</b>	<b>12.8</b>	<b>14.5</b>	<b>13.0</b>
<b>Net sales per market continuing operations, organic growth, %</b>						
Western Europe (47)	31	-22	16	-16		
Other Europe (9)	43	-15	21	-6		
North America (24)	18	-24	2	-15		
South and Central America (3)	76	-23	47	-6		
Asia and other markets (17)	39	-7	35	-9		
<b>Total (100% refer to share 2020)</b>	<b>31</b>	<b>-20</b>	<b>17</b>	<b>-14</b>		



Bridge net sales	Q2 2020, SEK M	Organic sales, %	Structural change, %	Currency effects, %	Q2 2021, SEK M
Trelleborg Industrial Solutions	2,461	23	1	-8	2,866
Trelleborg Sealing Solutions	2,498	37	-	-11	3,155
Trelleborg Wheel Systems	2,046	32	-	-7	2,557
Group Activities	26				59
<b>Continuing operations</b>	<b>7,031</b>	<b>31</b>	<b>0</b>	<b>-8</b>	<b>8,637</b>

Exchange rate differences impacting EBIT excluding items affecting comparability <sup>1</sup> , SEK M	Q2 2021	6M 2021
Trelleborg Industrial Solutions	-14	-31
Trelleborg Sealing Solutions	-33	-85
Trelleborg Wheel Systems	-16	-51
Group activities	4	9
<b>Continuing operations</b>	<b>-59</b>	<b>-158</b>

<sup>1</sup> Impact on EBIT excluding items affecting comparability in translation of foreign subsidiaries.

SEK M	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
<b>Net sales</b>									
Trelleborg Industrial Solutions	2,866	2,616	2,622	2,504	2,461	2,748	2,963	2,858	2,864
Trelleborg Sealing Solutions	3,155	3,133	2,672	2,513	2,498	3,209	2,952	2,982	3,090
Trelleborg Wheel Systems	2,557	2,397	2,185	2,075	2,046	2,459	2,182	2,188	2,536
Group activities	132	120	155	93	45	112	104	121	140
Eliminations	-73	-47	-41	-33	-19	-46	-39	-42	-43
<b>Continuing operations</b>	<b>8,637</b>	<b>8,219</b>	<b>7,593</b>	<b>7,152</b>	<b>7,031</b>	<b>8,482</b>	<b>8,162</b>	<b>8,107</b>	<b>8,587</b>
Discontinuing operations	532	598	569	612	680	835	911	755	817
Eliminations	-40	-44	-44	-22	-21	-31	-54	-32	-43
<b>Group</b>	<b>9,129</b>	<b>8,773</b>	<b>8,118</b>	<b>7,742</b>	<b>7,690</b>	<b>9,286</b>	<b>9,019</b>	<b>8,830</b>	<b>9,361</b>
<b>EBIT, excluding items affecting comparability</b>									
Trelleborg Industrial Solutions	368	315	391	274	215	217	332	296	327
Trelleborg Sealing Solutions	755	734	511	455	465	706	626	668	710
Trelleborg Wheel Systems	342	359	225	272	256	297	97	148	319
Group items	-78	-58	-49	-35	-58	-47	-67	-53	-64
<b>Continuing operations</b>	<b>1,387</b>	<b>1,350</b>	<b>1,078</b>	<b>966</b>	<b>878</b>	<b>1,173</b>	<b>988</b>	<b>1,059</b>	<b>1,292</b>
Discontinuing operations	30	30	27	34	64	62	18	-23	30
<b>Group</b>	<b>1,417</b>	<b>1,380</b>	<b>1,105</b>	<b>1,000</b>	<b>942</b>	<b>1,235</b>	<b>1,006</b>	<b>1,036</b>	<b>1,322</b>
<b>EBIT %, excluding items affecting comparability</b>									
Trelleborg Industrial Solutions	12.8	12.1	14.9	10.9	8.7	7.9	11.2	10.4	11.4
Trelleborg Sealing Solutions	24.0	23.4	19.1	18.1	18.6	22.0	21.2	22.4	23.0
Trelleborg Wheel Systems	13.4	15.0	10.3	13.1	12.5	12.1	4.4	6.8	12.6
<b>Continuing operations</b>	<b>16.1</b>	<b>16.4</b>	<b>14.2</b>	<b>13.5</b>	<b>12.5</b>	<b>13.8</b>	<b>12.1</b>	<b>13.1</b>	<b>15.0</b>
Discontinuing operations	5.7	4.9	4.7	5.7	9.4	7.4	2.1	-3.1	3.7
<b>Group</b>	<b>15.5</b>	<b>15.7</b>	<b>13.6</b>	<b>12.9</b>	<b>12.3</b>	<b>13.3</b>	<b>11.2</b>	<b>11.7</b>	<b>14.1</b>

Condensed Income Statements, SEK M	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Net sales	8,637	8,219	7,593	7,152	7,031	8,482	8,162	8,107	8,587
Cost of goods sold	-5,762	-5,412	-5,009	-4,847	-4,780	-5,646	-5,504	-5,498	-5,679
<b>Gross profit</b>	<b>2,875</b>	<b>2,807</b>	<b>2,584</b>	<b>2,305</b>	<b>2,251</b>	<b>2,836</b>	<b>2,658</b>	<b>2,609</b>	<b>2,908</b>
Selling expenses	-658	-638	-636	-598	-588	-755	-726	-709	-744
Administrative expenses	-684	-698	-699	-594	-633	-754	-777	-702	-714
Research and development costs	-130	-132	-143	-120	-129	-151	-147	-140	-144
Other operating income/costs	-15	9	-27	-26	-21	-5	-19	-1	-14
Profit from associated companies	-1	2	-1	-1	-2	2	-1	2	0
<b>EBIT, excluding items affecting comparability</b>	<b>1,387</b>	<b>1,350</b>	<b>1,078</b>	<b>966</b>	<b>878</b>	<b>1,173</b>	<b>988</b>	<b>1,059</b>	<b>1,292</b>
Items affecting comparability	-43	99	-139	-82	-61	-36	-877	-113	-94
<b>EBIT</b>	<b>1,344</b>	<b>1,449</b>	<b>939</b>	<b>884</b>	<b>817</b>	<b>1,137</b>	<b>111</b>	<b>946</b>	<b>1,198</b>
Financial income and expenses	-58	-32	-68	-66	-76	-56	-80	-51	-102
<b>Profit before tax</b>	<b>1,286</b>	<b>1,417</b>	<b>871</b>	<b>818</b>	<b>741</b>	<b>1,081</b>	<b>31</b>	<b>895</b>	<b>1,096</b>
Tax	-306	-317	-189	-193	-181	-291	-103	-235	-283
<b>Net profit, continuing operations</b>	<b>980</b>	<b>1,100</b>	<b>682</b>	<b>625</b>	<b>560</b>	<b>790</b>	<b>-72</b>	<b>660</b>	<b>813</b>
Net profit, discontinuing operations	12	4	-22	27	12	37	-2,446	1	-6
<b>Net profit, Group</b>	<b>992</b>	<b>1,104</b>	<b>660</b>	<b>652</b>	<b>572</b>	<b>827</b>	<b>-2,518</b>	<b>661</b>	<b>807</b>
- equity holders of the parent company	992	1,104	661	652	572	827	-2,518	661	807
- non-controlling interest	0	0	-1	0	0	0	-	-	0

Continuing operations	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Net sales, SEK M	8,637	8,219	7,593	7,152	7,031	8,482	8,162	8,107	8,587
Organic sales, %	31	5	0	-7	-20	-8	-2	-1	0
EBITDA, excl items affecting comparability, SEK M	1,812	1,778	1,518	1,395	1,352	1,617	1,465	1,511	1,734
EBITDA, excl items affecting comparability, %	21.0	21.6	20.0	19.5	19.3	19.0	18.0	18.6	20.2
EBITA, excl items affecting comparability, SEK M	1,474	1,436	1,168	1,054	972	1,266	1,075	1,151	1,373
EBITA, excl items affecting comparability, %	17.1	17.4	15.4	14.7	13.8	14.9	13.2	14.2	16.0
EBIT, excl items affecting comparability, SEK M	1,387	1,350	1,078	966	878	1,173	988	1,059	1,292
EBIT, excl items affecting comparability, %	16.1	16.4	14.2	13.5	12.5	13.8	12.1	13.1	15.0
Items affecting comparability, SEK M	-43	99	-139	-82	-61	-36	-877	-113	-94
EBIT, SEK M	1,344	1,449	939	884	817	1,137	111	946	1,198
Earnings per share, excluding items affecting comparability SEK	3.74	3.77	2.91	2.21	2.28	3.04	2.57	2.78	3.31
Operating cash flow, excl items affecting comp., SEK M	1,279	962	1,740	1,352	1,403	732	1,494	1,328	1,095
Cash conversion ratio, excl items affecting comp., R12, %	112	128	128	124	121	103	91	94	81
Capital employed, closing balance, SEK M	39,390	39,849	37,868	40,775	41,735	44,900	42,258	43,945	42,153
Return on capital employed R12, %	11.7	10.2	9.1	6.9	6.9	7.8	8.3	10.5	11.4

Group total	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Earnings per share, excl items affecting comparability, SEK	3.81	3.82	2.90	2.31	2.47	3.21	2.45	2.83	3.36
Earnings per share, Group, SEK	3.66	4.07	2.43	2.41	2.11	3.05	-9.29	2.44	2.98
Free cash flow, SEK M	1,095	725	1,397	1,165	1,099	255	1,235	1,101	630
Net debt, closing balance, SEK M	-9,849	-9,880	-10,026	-12,129	-13,399	-15,644	-14,914	-15,860	-15,307
Net debt/EBITDA	1.5	1.6	1.7	2.2	2.4	2.6	2.5	2.6	2.5
Debt/equity ratio %	32	32	35	41	45	51	52	49	50
Return on equity R12, %	11.4	9.7	9.4	-1.5	-1.5	-0.7	-0.7	9.5	10.1
Equity/assets ratio, %	57	56	54	51	50	51	51	53	53

## Acquisitions

### Carrying amounts of identifiable acquired assets and assumed liabilities

#### 6M 2021

During the first quarter 2021, Trelleborg signed, through its Trelleborg Industrial Solutions business area, an agreement and finalized the acquisition of the Dutch company Gutteling Group BV. The company develops and sells composite hoses to the chemical industry and is market leader in hoses for LNG ship-to-ship transfer.

#### 2020

No acquisitions were carried out in 2020.

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

Acquisitions, SEK M	6M 2021 Acquired 2021	6M 2020 Adjustments to Acquisitions 2019
Developed technology <sup>1</sup>	-	6
Trademarks <sup>2</sup>	-	-
Customer relationships <sup>3</sup>	50	-8
Other intangible assets	7	-
Property, plant and equipment	2	-
Deferred tax assets	0	-
Shares in associated companies	-	-
Interest-bearing receivables	19	-
Inventories	24	-1
Operating receivables	23	-2
Current tax asset	1	1
Cash and cash equivalents	22	-
Deferred tax liabilities	-12	-6
Interest-bearing liabilities	-19	-
Post employment benefits	-	-
Provision obligations	-	-
Current tax liability	-2	-2
Operating liabilities	-23	-2
<b>Net assets</b>	<b>92</b>	<b>-14</b>
Goodwill	87	11
<b>Total purchase price</b>	<b>179</b>	<b>-3</b>
Cash and other net debt in acquired operations	-5	-
<b>Impact shown in cash flow statement</b>	<b>174</b>	<b>-3</b>

<sup>1</sup> Excess value of developed technology is amortized over 10-12 years.

<sup>2</sup> Trademarks have an indefinite useful life, no amortization takes place.

<sup>3</sup> Excess value of customer relationships are amortized over 10-12 years.

The goodwill recognized above for 2021 was primarily attributable to synergy effects expected after the acquisition. The fair value of acquired, identifiable, intangible assets is preliminary pending final measurement of these assets.

## 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 June 30, 2021, SEK M		Assets at fair value in profit and loss		Derivatives used for hedging purposes		Total
	Assets measured at amortized cost	Carrying amount	Measurement level	Carrying amount	Measurement level	
<b>Assets in the balance sheet</b>						
Derivative instruments	-	8	2	67	2	75
Financial non-current assets	-	-		-		-
Accounts receivable	6,135	-		-		6,135
Interest-bearing receivable	16	-		-		16
Cash and cash equivalents	3,048	-		-		3,048
<b>Total</b>	<b>9,199</b>	<b>8</b>		<b>67</b>		<b>9,274</b>
		Liabilities at fair value in profit and loss		Derivatives used for hedging purposes		Total
	Liabilities measured at amortized cost	Carrying amount	Measurement level	Carrying amount	Measurement level	
<b>Liabilities in the balance sheet</b>						
Derivative instruments	-	33	2	215	2	248
Interest-bearing non-current liabilities	7,198	-		-		7,198
Interest-bearing current liabilities	2,967	42	3	-		3,009
Lease liabilities according to IFRS 16	2,122	-		-		2,122
Accounts payable	3,746	-		-		3,746
<b>Total</b>	<b>16,033</b>	<b>75</b>		<b>215</b>		<b>16,323</b>

### 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 0 M (39) and SEK 42 M (34), 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 contract, 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 93 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 June 30, 2020, SEK M		Assets at fair value in profit and loss		Derivatives used for hedging purposes		Total
	Assets measured at amortized cost	Carrying amount	Measurement level	Carrying amount	Measurement level	
<b>Assets in the balance sheet</b>						
Derivative instruments	-	120	2	175	2	295
Financial non-current assets	2	-		-		2
Accounts receivable	5,213	-		-		5,213
Interest-bearing receivable	64	-		-		64
Cash and cash equivalents	6,413	-		-		6,413
<b>Total</b>	<b>11,692</b>	<b>120</b>		<b>175</b>		<b>11,987</b>
		Liabilities at fair value in profit and loss		Derivatives used for hedging purposes		Total
	Liabilities measured at amortized cost	Carrying amount	Measurement level	Carrying amount	Measurement level	
<b>Liabilities in the balance sheet</b>						
Derivative instruments	-	185	2	309	2	494
Interest-bearing non-current liabilities	12,800	39	3	-		12,839
Interest-bearing current liabilities	4,225	34	3	-		4,259
Lease liabilities according to IFRS 16	2,268	-		-		2,268
Accounts payable	2,883	-		-		2,883
<b>Total</b>	<b>22,176</b>	<b>258</b>		<b>309</b>		<b>22,743</b>

## Parent Company

Condensed Income statements, SEK M	Q2 2021	Q2 2020	6M 2021	6M 2020	R12 2021	12M 2020
Net sales	107	135	204	266	400	462
Administrative expenses	-67	-58	-133	-132	-296	-295
Other operating income	-2	1	-1	2	3	6
Other operating expenses	-28	-28	-56	-59	-265	-268
<b>EBIT</b>	<b>10</b>	<b>50</b>	<b>14</b>	<b>77</b>	<b>-158</b>	<b>-95</b>
Financial income and expenses	3,691	474	4,185	301	4,355	471
<b>Profit before tax</b>	<b>3,701</b>	<b>524</b>	<b>4,199</b>	<b>378</b>	<b>4,197</b>	<b>376</b>
Appropriations	-	-	-	-	134	134
Tax	-21	-14	-7	-3	-38	-34
<b>Net profit</b>	<b>3,680</b>	<b>510</b>	<b>4,192</b>	<b>375</b>	<b>4,293</b>	<b>476</b>

Condensed Balance sheets, SEK M	Jun 30 2021	Jun 30 2020	Dec 31 2020
Property, plant and equipment	11	12	12
Intangible assets	20	23	22
Financial assets	36,915	36,050	36,777
<b>Total non-current assets</b>	<b>36,946</b>	<b>36,085</b>	<b>36,811</b>
Current receivables	218	345	83
Current tax asset	5	3	3
Interest-bearing receivables	-	-	134
Cash and cash equivalents	0	-	-
<b>Total current assets</b>	<b>223</b>	<b>348</b>	<b>220</b>
<b>Total assets</b>	<b>37,169</b>	<b>36,433</b>	<b>37,031</b>
<b>Equity</b>	<b>10,862</b>	<b>7,925</b>	<b>8,025</b>
Interest-bearing non-current liabilities	188	91	85
Other non-current liabilities	50	50	45
<b>Total non-current liabilities</b>	<b>238</b>	<b>141</b>	<b>130</b>
Interest-bearing current liabilities	25,920	28,303	28,718
Current tax liabilities	-	1	-
Other current liabilities	149	63	158
<b>Total current liabilities</b>	<b>26,069</b>	<b>28,367</b>	<b>28,876</b>
<b>Total equity and liabilities</b>	<b>37,169</b>	<b>36,433</b>	<b>37,031</b>

### 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 2020 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	47%	5%	12%		24%	4%	45%	8%
Trelleborg Sealing Solutions	47%	3%	10%	4%		14%	31%	22%
Trelleborg Wheel Systems			37%	63%			100%	
<b>Continuing operations</b>	<b>33%</b>	<b>3%</b>	<b>19%</b>	<b>20%</b>	<b>8%</b>	<b>6%</b>	<b>56%</b>	<b>11%</b>

Net sales per market segment and business area based on full-year 2020. Historically, these percentages have not changed substantially between the quarters, the full-year figures of 2020 will therefore give a good approximation.

## TELEPHONE CONFERENCE ON JULY 22

A telephone conference will be held on July 22, at 3:00 p.m. CEST. To participate in the telephone conference, call +46 8 505 583 65 (Sweden), +44 333 3009 035 (UK) or +1 646 7224 902 (US). Code: "Trelleborg". The conference will also be streamed in real-time on the Internet. Visit our website [www.trelleborg.com](http://www.trelleborg.com) for the Internet link and presentation material.

## FINANCIAL CALENDER

Interim report July–September 2021	October 27, 2021
Year-end report 2021	February 4, 2022
Interim report January–March 2022	April 27, 2022
Annual General Meeting 2022	April 27, 2022
Interim report April–June 2022	July 21, 2022

## 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](http://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 and the Securities Markets Act. The information was issued, by the contact person above, for publication on July 22, 2021 at 1:00 p.m. CEST.**

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