

INTERIM REPORT JANUARY–MARCH 2022

## STRONG GROWTH AND PROFITABILITY

### First quarter 2022 – continuing operations

- Net sales during the quarter increased 22 percent, positively impacted by acquisitions and exchange rate effects, and amounted to SEK 7,095 M (5,822). Organic sales increased 13 percent compared with the preceding year.
- EBIT, excluding items affecting comparability, increased 25 percent to SEK 1,230 M (982). Earnings were the best to date for a quarter. The EBIT margin was 17.3 percent (16.9).
- Operating cash flow amounted to SEK 328 M (484). The cash conversion ratio for the most recent 12-month period amounted to 76 percent (121).
- Items affecting comparability for the quarter were a negative SEK 25 M (pos: 105).
- EBIT, including items affecting comparability, amounted to SEK 1,205 M (1,087) for the quarter.
- Earnings per share, excluding items affecting comparability, totaled SEK 3.25 (2.68). For the Group as a whole, earnings per share were SEK 4.81 (4.08).
- An agreement was signed to divest the Trelleborg Wheel Systems business area to Yokohama Rubber Company. It is reported as a discontinued operation in the financial statements. For further information, refer to page 10.
- The repurchase of own shares according to a previous decision was initiated at the end of the quarter. For further information, refer to page 10.
- The key figures in this report relate to continuing operations, unless otherwise stated.

SEK M	Q1 2022	Q1 2021	Change, %	R12 2022	12M 2021
<u>Continuing operations</u>					
Net sales	7,095	5,822	22	25,062	23,789
Organic sales, %	13	5		17	15
EBIT, excluding items affecting comparability	1,230	982	25	4,151	3,903
EBIT-margin, %	17.3	16.9		16.6	16.4
Items affecting comparability <sup>1</sup>	-25	105		-213	-83
EBIT	1,205	1,087	11	3,938	3,820
Profit before tax, continuing operations	1,160	1,052	10	3,788	3,680
Net profit, discontinuing operations	443	294	51	1,156	1,007
Net profit, Group	1,303	1,104	18	3,915	3,716
Earnings per share, SEK					
Continuing operations	3.18	2.99	6	10.19	10.00
Discontinuing operations	1.63	1.09	50	4.26	3.72
Group	4.81	4.08	18	14.45	13.72
Continuing operations, excluding items affecting comparability	3.25	2.68	21	10.83	10.26
Operating cash flow	328	484	-32	3,142	3,298
Cash conversion ratio R12, %	76	121		76	85

<sup>1</sup> For further information, refer to page 3.

## STRONG GROWTH AND PROFITABILITY

*“The first quarter of the year was characterized by strong growth and improved profitability. Net sales increased by 22 percent, mainly impacted by organic growth of 13 percent and positive exchange rate effects.*

*EBIT, excluding items affecting comparability, increased 25 percent and the operating margin amounted to 17.3 percent (16.9). This was the best quarter to date in terms of EBIT and the EBIT margin, despite challenges in the form of rising prices for raw materials, energy and freight. Operating cash flow was held back by an increased need for working capital in pace with growing sales, but also the need to secure customer deliveries by deliberately increasing inventory levels for some products, raw materials and input goods.*

*Demand was healthy in most industries, and the order book was at its highest level to date at the end of the quarter. Capacity utilization is high in our manufacturing facilities, which generated good efficiency. The deterioration in the geopolitical situation in our local area added to the challenges related to raw materials supplies and freight, but had only a limited financial impact during the quarter. We have managed to balance the rising cost inflation well so far using our own price adjustments and efficiency improvements.*

*In Trelleborg Industrial Solutions, sales grew in all geographical markets. Deliveries to all industries increased, which was particularly notable within marine solutions, and to the aerospace and construction-related industries. Sales to automotive and train manufacturers remained positive compared with the year-earlier quarter.*

*Trelleborg Sealing Solutions noted favorable organic development in most industries, at the same time as order intake improved. Deliveries increased in Europe and, above all, in North and South America. However, sales in Asia were lower, negatively impacted by further restrictions and measures in China due to Covid-19. Sales to general industry, healthcare & medical and the aerospace industry increased significantly. Deliveries to the automotive industry also grew somewhat as a result of increased market shares in some niches.*

*Trelleborg Wheel Systems noted a highly favorable increase in sales in all tire categories and geographical markets. During the quarter, we signed an agreement to divest the business area to Yokohama Rubber Company for approximately SEK 22 billion. The valuation reflects the operation’s position as one of the world’s foremost suppliers of off-the-road tires, while the transaction, when completed, will create new, exciting opportunities for a more streamlined Trelleborg going forward.*

*The availability of some raw materials and transport capacity still represents a bottleneck. There is also a workforce shortage in some regions. We foresee continued major potential for growth, both organically and through acquisitions, within adjacent products and solutions that complement and strengthen our existing offerings. Our strong financial position also allows for a share repurchase program, which commenced during the quarter and will continue in the future.*

*The extensive geopolitical uncertainty means that the market outlook is difficult to assess in many respects. Our record-strong order book and favorable market positions, however, mean that we can continue to look ahead with cautious confidence. Our general assessment in the current situation is that demand for the second quarter will remain at the same healthy level as in the first quarter.”*

Peter Nilsson,  
President and CEO

## MARKET OUTLOOK FOR THE SECOND QUARTER OF 2022

Demand is expected to be on a par with the first quarter of 2022, adjusted for seasonal variations. However, the geopolitical situation (for further information, refer to page 11) that has arisen entails a heightened degree of uncertainty.

### **Market outlook from the interim report published on February 4, 2022, relating to the first quarter of 2022**

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

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

SEK M	Q1 2022	Q1 2021	Change, %	R12 2022	12M 2021
<b>Continuing operations</b>					
Net sales	7,095	5,822	22	25,062	23,789
Change total, %	22	-3		18	11
Organic sales, %	13	5		17	15
Structural change, %	2	0		1	1
Currency effects, %	7	-8		0	-5
EBIT, excluding items affecting comparability	1,230	982	25	4,151	3,903
EBIT-margin, %	17.3	16.9		16.6	16.4
Items affecting comparability <sup>1</sup>	-25	105		-213	-83
EBIT	1,205	1,087	11	3,938	3,820
Financial income and expenses	-45	-35	-29	-150	-140
Profit before tax	1,160	1,052	10	3,788	3,680
Taxes	-300	-242	-24	-1,029	-971
Net profit, continuing operations	860	810	6	2,759	2,709
Net profit, discontinuing operations	443	294	51	1,156	1,007
Net profit, Group	1,303	1,104	18	3,915	3,716
Earnings per share, SEK					
Continuing operations	3.18	2.99	6	10.19	10.00
Discontinuing operations	1.63	1.09	50	4.26	3.72
Group	4.81	4.08	18	14.45	13.72
Continuing operations, excluding items affecting comparability	3.25	2.68	21	10.83	10.26

<sup>1</sup> For further information, see below.

**Net sales** for the first quarter of 2022 amounted to SEK 7,095 M (5,822). Organic sales increased 13 percent compared with the year-earlier period. The net effect of currency movements increased sales by 7 percent, while structural changes contributed 2 percent year on year.

**Sales per market.** In Europe, organic sales increased by 12 percent compared with the preceding year. Organic sales in North and South America increased by 21 percent, and in Asia and other markets, organic sales increased by 8 percent compared with the preceding year.

**EBIT, excluding items affecting comparability**, totaled SEK 1,230 M (982), corresponding to a margin of 17.3 percent (16.9).

The total exchange rate effect on EBIT, excluding items affecting comparability, from the translation of foreign subsidiaries had a positive impact of SEK 55 M on earnings compared with the year-earlier period.

Items affecting comparability for the quarter were a negative SEK 25 M (pos: 105) and pertained to restructuring costs of SEK 75 M (39) and the capital gain on the sale of properties of SEK 140 M (144). This also includes a provision of SEK 90 M (-) which fully covers the Group's fixed assets and working capital attributable to Russia and Belarus.

EBIT, including items affecting comparability, amounted to SEK 1,205 M (1,087) for the quarter.

**The net financial expense** was SEK 45 M (expense: 35). Net interest income in relation to net debt for the Group amounted to 1.8 percent (1.5).

**Net profit** was SEK 860 M (810). The tax rate for the quarter amounted to 26 percent (23). The underlying tax rate for continuing operations is expected to amount to approximately 26 percent.

**Earnings per share**, excluding items affecting comparability, totaled SEK 3.25 (2.68). For the Group as a whole, earnings per share were SEK 4.81 (4.08).

<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 and Group Activities.

## CASH FLOW AND NET DEBT

SEK M	Q1 2022	Q1 2021	Change, %	R12 2022	12M 2021
EBIT, excluding items affecting comparability	1,230	982	25	4,151	3,903
Depreciation/write-down, property, plant and equipment	254	243	5	984	973
Amortization/write-down, intangible assets	64	55	16	240	231
EBITDA	1,548	1,280	21	5,375	5,107
Capital expenditure	-232	-189	-23	-1,088	-1,045
Sold non-current assets	5	65	-92	54	114
Amortization of lease liabilities	-76	-76	0	-303	-303
Change in working capital	-912	-759		-704	-551
Dividend from associated companies	0	0		1	1
Non cash-flow affecting items	-5	163		-193	-25
<b>Operating cash flow, continuing operations</b>	<b>328</b>	<b>484</b>	<b>-32</b>	<b>3,142</b>	<b>3,298</b>
Cash conversion ratio R12, %	76	121		76	85
<b>Operating cash flow, discontinuing operations</b>	<b>413</b>	<b>568</b>	<b>-27</b>	<b>1,116</b>	<b>1,271</b>
<b>Operating cash flow, Group</b>	<b>741</b>	<b>1,052</b>	<b>-30</b>	<b>4,258</b>	<b>4,569</b>

SEK M	Q1 2022	Q1 2021	12M 2021
<b>Net debt Group, opening balance</b>	<b>-8,367</b>	<b>-10,026</b>	<b>-10,026</b>
Operating cash flow	741	1,052	4,569
Cash impact from items affecting comparability	-117	-76	-98
Financial items	-22	-80	-199
Paid tax	-202	-171	-962
<b>Free cash flow</b>	<b>400</b>	<b>725</b>	<b>3,310</b>
Acquisitions	-1	-157	-573
Disposed operations	149	-12	616
Capital increase associated companies	-	-8	-29
Dividend - equity holders of the parent company	-	-	-1,355
Repurchase own shares	-80	-	-
<b>Sum net cash flow</b>	<b>468</b>	<b>548</b>	<b>1,969</b>
Exchange rate differences	-285	-433	-446
Lease liability according to IFRS 16 <sup>1</sup>	69	15	70
Pension liability <sup>1</sup>	75	16	66
<b>Net debt Group, closing balance</b>	<b>-8,040</b>	<b>-9,880</b>	<b>-8,367</b>
Of which:			
Pension liability	-478	-592	-548
Lease liability according to IFRS 16	-2,068	-2,110	-2,102
Net debt, excluding effect of lease and pension liability	-5,494	-7,178	-5,717
Debt/equity ratio, %	23	32	25
Net debt/EBITDA <sup>2</sup>	1.1	1.6	1.2

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

<sup>2</sup> EBITDA including items affecting comparability.

**Operating cash flow** for the quarter amounted to SEK 328 M (484). Cash flow was positively affected by the higher earnings generation. The sales increase for the quarter generated a larger need for working capital. The rate of investment was higher than in the preceding year. The cash conversion ratio for the most recent 12-month period amounted to 76 percent (121).

Free cash flow was SEK 400 M (725). Net cash flow amounted to SEK 468 M (548). Net cash flow for the period was impacted by effects from acquisitions of negative SEK 1 M (neg: 157), effects from divested operations of SEK 149 M (neg: 12) and the repurchase of own shares for negative SEK 80 M (-).

**Net debt** at the end of the first quarter amounted to SEK 8,040 M (9,880) and was impacted by the period's net cash flow of SEK 468 M, negative exchange rate differences of SEK 285 M and non-cash adjustments of lease and pension liabilities totaling SEK 144 M.

The debt/equity ratio was 23 percent (32). Net debt in relation to EBITDA was 1.1 (1.6).

# RETURN ON CAPITAL EMPLOYED AND RETURN ON EQUITY

%	R12 2022	R12 2021
<b>Return on capital employed, continuing operations</b>		
Excluding items affecting comparability	15.7	12.0
Including items affecting comparability	14.9	11.5
<b>Return on equity, Group</b>		
Excluding items affecting comparability	12.6	10.1
Including items affecting comparability	11.9	9.7

**Capital employed** within continuing operations increased year on year and amounted to SEK 27,786 M (25,975) at the end of the quarter, impacted by higher sales, acquisitions and exchange rate effects. The capital employed for assets held of sale amounted to SEK 15,950 M and pertained to the Group's printing blanket operation and the former Trelleborg Wheel Systems business area.

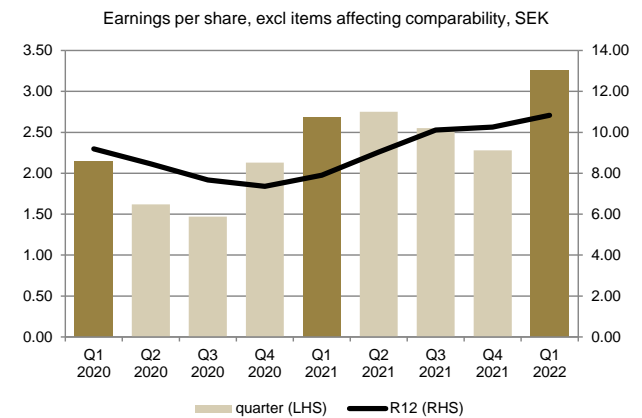
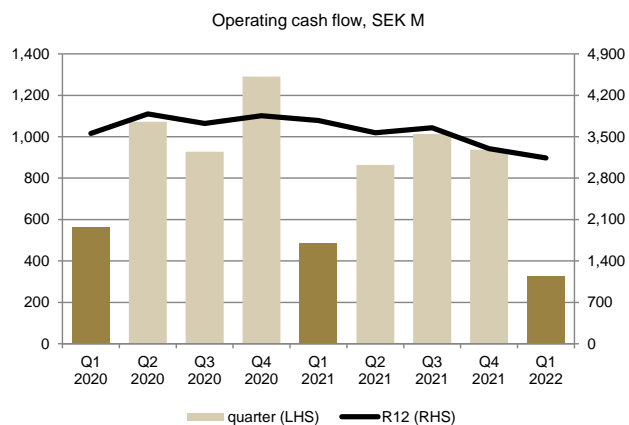
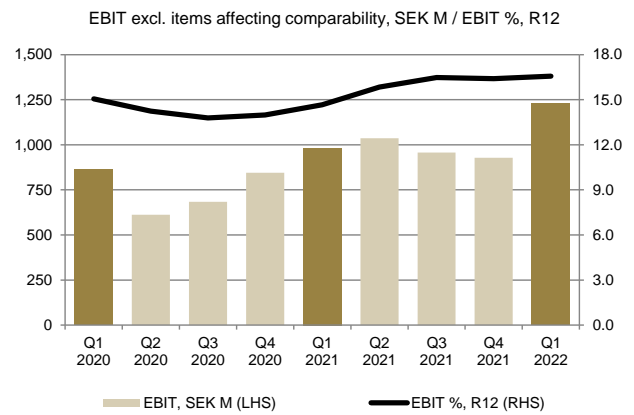
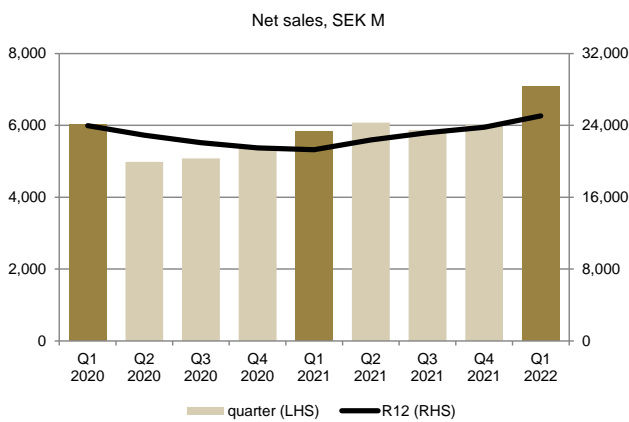
The return on capital employed, excluding items affecting comparability, was 15.7 percent (12.0).

The return on capital employed, including items affecting comparability (restructuring costs and non-recurring items), was 14.9 percent (11.5).

**Shareholders' equity** for the Group at the close of the period amounted to SEK 34,722 M (31,027), positively impacted by net profit for the period and translation effects, and negatively by the repurchase of own shares. A total of 369,968 shares were repurchased during the quarter, corresponding to 0.14 percent of the outstanding shares.

Equity per share amounted to SEK 128 (114). The equity/assets ratio was 61 percent (56). The return on shareholders' equity for the Group, excluding items affecting comparability, totaled 12.6 percent (10.1). The return on shareholders' equity for the Group, including items affecting comparability, amounted to 11.9 percent (9.7).

## KEY FIGURES AND TRENDS



## SUSTAINABILITY

**Lower climate impact.** Trelleborg's intention to divest the Trelleborg Wheel Systems business area (for further information, refer to page 10) will, on completion, entail a reduction of the Group's greenhouse gas emissions by approximately 60 percent within the framework of Scope 1 and Scope 2. As a result of this change, the Group's climate targets will be reviewed.

The intention is also to make improvements in emissions throughout the supply chain, Scope 3. In dialog with the Science Based Targets initiative, Trelleborg will establish this target during 2022.

**Cooperation for reduced emissions.** Since March 2022, Trelleborg has participated in the European Innovation Council's (EIC) program aimed at achieving the best possible results for a more rapid reduction in greenhouse gases in Europe and improved competitiveness through the development of completely new solutions. It involves bringing together established companies with start-ups and small companies to jointly identify solutions that address the challenge of reducing the carbon footprint of larger companies.

**Increased circularity via *Polymers for Tomorrow*.** With circularity in focus, Trelleborg established the cross-organizational team *Polymers for Tomorrow* at the end of 2021, which has the task of increasing the sustainability of Trelleborg's raw material. More specifically, the *Polymers for Tomorrow* team will investigate seven of the Group's key materials to identify ways to increase the proportion of recovered or renewable alternative materials, an approach that will lead to new and more circular concepts.

**Social engagement.** Trelleborg supports local communities through various community activities. All workplaces with more than 50 employees must have a plan for their social engagement. In India, for example, Trelleborg supports a local foundation through academic scholarships for more than 200 children from underprivileged backgrounds. Locally in the US, the Group sponsors a basketball team by providing nutritious meals before matches and locally in Spain, employees carry out volunteer work for newly arrived school students, which Trelleborg matches with school supplies.

## 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.

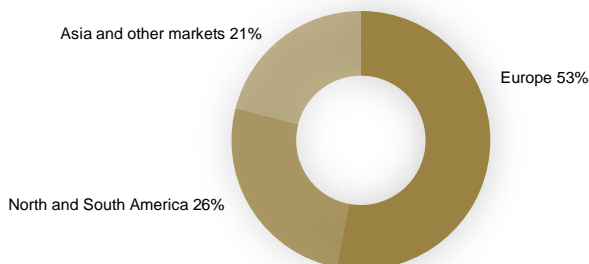
Excluding items affecting comparability, SEK M	Q1 2022	Q1 2021	Change, %	R12 2022	12M 2021
Net sales	3,323	2,577	29	11,682	10,936
Change total, %	29	-5		16	7
Organic sales, %	21	3		15	10
Structural change, %	2	0		1	1
Currency effects, %	6	-8		0	-4
EBIT	441	308	43	1,493	1,360
EBIT, %	13.3	11.9		12.8	12.4
Capital employed, closing balance	11,581	10,935		11,581	11,062
Return on capital employed R12, %	13.5	10.8	25	13.5	12.6

Additional key ratios on pages 16 - 18

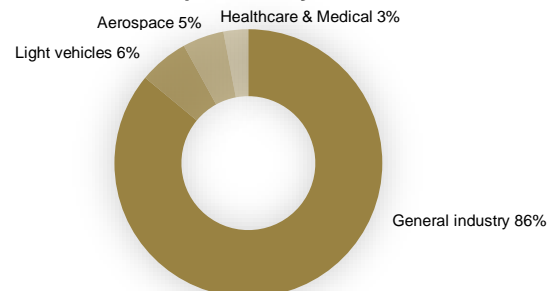
**Organic sales** for the quarter increased by 21 percent year on year. Sales grew significantly in all geographical markets. Deliveries to all industries increased, which was particularly notable within marine solutions, and to the aerospace and construction-related industries. Sales to automotive and train manufacturers remained positive compared with the year-earlier quarter.

**EBIT and the EBIT margin** increased significantly year on year, where sales growth and price adjustments fully offset the inflationary pressure on raw materials, energy and freight. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 13 M on EBIT.

Sales per geography



Sales per industry



Net sales per geographic market and per industry are based on full-year 2021.

## 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.

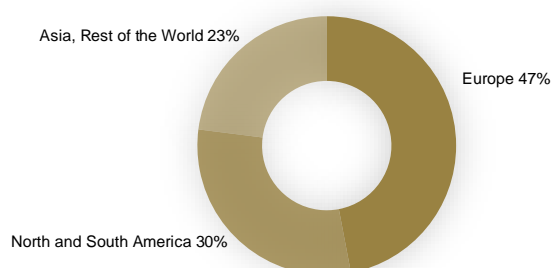
Excluding items affecting comparability, SEK M	Q1 2022	Q1 2021	Change, %	R12 2022	12M 2021
Net sales	3,664	3,133	17	13,011	12,480
Change total, %	17	-2		20	15
Organic sales, %	8	6		19	19
Structural change, %	1	-		1	0
Currency effects, %	8	-8		0	-4
EBIT	878	734	20	3,009	2,865
EBIT, %	24.0	23.4		23.1	23.0
Capital employed, closing balance	15,759	14,326		15,759	15,102
Return on capital employed R12, %	20.4	15.1	35	20.4	20.1

Additional key ratios on pages 16 - 18

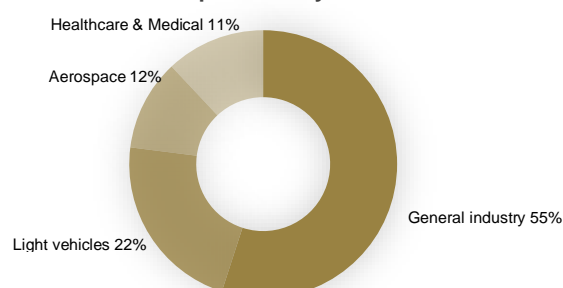
**Organic sales** for the quarter increased by 8 percent year on year. Organic sales grew in Europe and particularly in North and South America, while sales in Asia were lower. Sales in Asia were negatively impacted by renewed lockdowns in China due to Covid-19. Sales to general industry, healthcare & medical and the aerospace industry increased significantly. Sales derived from deliveries to the automotive industry displayed slight growth, despite the challenges resulting from component shortages in this industry.

**EBIT and the EBIT margin** increased year on year, due primarily to larger deliveries and price adjustments, despite considerably higher prices for raw materials, energy and freight. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 45 M on EBIT.

Sales per geography



Sales per industry



Net sales per geographic market and per industry are based on full-year 2021.



## DISCONTINUING OPERATIONS

An agreement was signed during the fourth quarter of 2021 to divest the Group's printing blanket operation to Continental. Completion of the transaction is subject to the approval of the relevant authorities. The divestment is expected to be finalized during the first half of 2022.

In March 2022, an agreement was signed to divest the Trelleborg Wheel Systems business area to Yokohama Rubber Company. Completion of the transaction is subject to the approval of the relevant authorities and is expected to be finalized during the latter part of 2022.

For further information, refer to page 20.

Excluding items affecting comparability, SEK M	Q1 2022	Q1 2021	Change, %	R12 2022	12M 2021
Net sales	3,706	2,995	24	12,672	11,961
Change total, %	24	-9		14	4
Organic sales, %	30	5		24	17
Structural change, %	-11	-5		-9	-7
Currency effects, %	5	-9		-1	-6
EBIT	585	398	47	1,588	1,401
EBIT, %	15.8	13.3		12.5	11.7
Capital employed, closing balance	15,970	15,850		15,970	15,713
Return on capital employed R12, %	10.1	8.0	26	10.1	9.0

Of which Trelleborg Wheel Systems, SEK M	Q1 2022	Q1 2021	Change, %	R12 2022	12M 2021
Net sales	3,365	2,397	40	11,044	10,076
Change total, %	40	-3		27	15
Organic sales, %	33	6		26	19
Structural change, %	-	-		-	-
Currency effects, %	7	-9		1	-4
EBIT	525	359	46	1,380	1,214
EBIT, %	15.6	15.0		12.5	12.0
Capital employed, closing balance	14,606	13,891		14,606	14,374
Return on capital employed R12, %	9.7	7.8	24	9.7	8.7

## TRELLEBORG WHEEL SYSTEMS

**Organic sales** for the quarter increased by 33 percent year on year. A highly favorable increase in sales for agricultural tires was noted in all geographical markets and in all sales channels. Above all, the trend in North and South America was particularly strong. Demand for tires for material handling and construction vehicles was also very healthy during the period. The organic trend was mainly affected by volume growth, but also by price adjustments implemented at the beginning of the quarter.

**EBIT and the EBIT margin** increased as a result of higher sales volumes, price adjustments and effective cost control. The favorable trend was achieved despite significantly higher costs for raw materials, energy and freight. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 22 M on EBIT.

## SIGNIFICANT EVENTS DURING THE QUARTER

### Agreement to divest Trelleborg Wheel Systems business area.

Trelleborg Group signed an agreement to divest its Trelleborg Wheel Systems business area to Yokohama Rubber Company for EUR 2,100 M (SEK ~22,000 M) on a cash and debt-free basis, which represents 13x the business area's 2021 operational EBITDA, or 17.5x 2021 EBIT. Less than 3 percent of the purchase price is subject to the performance of Trelleborg Wheel Systems in 2022. The transaction will result in an estimated capital gain of SEK 6,000 M. Closing of the transaction is subject to approvals from relevant authorities and is expected to be completed in the latter part of 2022.

In the financial statements, Trelleborg Wheel Systems will be recognized among Assets held for sale as of this interim report. Historical sales and earnings figures have been restated and communicated through a press release on April 1, 2022.

In summary, Trelleborg will become more profitable and less cyclical, and will improve its sustainability profile as a result of the divestment. The transaction will further strengthen the Group's capacity to accelerate growth, both organic and through acquisitions, as well as returning additional capital to shareholders. Further information on the use of proceeds will follow in due course. The transaction has also prompted a review of the Group's financial targets, which will also be communicated at a later stage.

The press release was published on March 25, 2022.

### Decision to exercise authorization to acquire own shares.

The Board of Directors of Trelleborg has decided to exercise

the authorization granted by the Extraordinary General Meeting on December 28, 2021, to acquire own Series B shares.

The acquisition of shares will be carried out in accordance with the Market Abuse Regulation (EU) No 596/2014 ("MAR") and the Commission Delegated Regulation (EU) No 2016/1052 (the "Safe Harbour Regulation"). Trelleborg will report on a regular basis via press releases and at [www.trelleborg.com](http://www.trelleborg.com) regarding the number of Trelleborg Series B shares the Group has repurchased.

The Board of Director's intent is that the repurchased shares will later be cancelled by resolutions at upcoming annual general meetings.

The press release was published on March 25, 2022.

**New General Counsel.** Katarina Olsson has been appointed the new General Counsel for the Group as of the end of the second quarter 2022. She succeeds Charlotta Gråhs, who is stepping down from her position at Trelleborg to take a similar role at another company. This has previously been communicated. Like her predecessor, Katarina will be a member of Group Management and act as secretary to Trelleborg's Board. Katarina Olsson joins Trelleborg from a position as General Counsel for Beijer Ref. She has previously served in such positions as corporate counsel at ICA and Ericsson. Katarina holds a Master of Law (LLM) from Lund University, Sweden.

The press release was published on January 28, 2022.

## SIGNIFICANT EVENTS AFTER THE CLOSE OF THE PERIOD

**Acquisition in healthcare & medical.** Trelleborg signed an agreement and finalized the acquisition of the US-based company EirMed, LLC. The company specializes in technical precision plastic injection-molded components, which are mainly applied in medical devices, such as those used for in-vitro diagnostics, minimally invasive surgery, and orthopedics.

The company has its head office and manufacturing in Menomonie, Wisconsin, in the US. Sales amounted to approximately SEK 100 M in 2021.

The market for healthcare & medical is expected to report stable and strong growth in the years ahead. For Trelleborg, the bolt-on acquisition is part of its strategy to grow in attractive industries that have high entry barriers, and which complement and strengthen its existing offerings.

The transaction is consolidated as of April 25, 2022.

The press release was published on April 26, 2022.

## OTHER

### NEWS IN PRODUCTS AND SOLUTIONS

**Composite material for aerospace.** Trelleborg launched Orkot® C620 composite material, specifically developed to meet the needs of the aerospace industry, in particular the requirement for a strong and light material to withstand the high loads and stresses landing gear are subject to. The material supports the move to lighter more fuel-efficient aircraft, as it is an alternative to metallic components.

**Lifting bags for first responders.** The Nova inflatable lifting bag is being launched in the spring. It has a pressure of 15 bar, the highest of any lifting bag on the market. Lifting bags are used by first responders at accidents where vehicles or rubble obstruct rescue efforts. Nova provides an exceptional lifting capacity of up to 100 tons.

**Shorter mooring times.** Trelleborg's rope-free automated mooring system AutoMoor was installed in the port of Tallinn, Estonia. It is the country's largest port and one of the busiest passenger ports in the world. A vacuum-based mooring system reduces the mooring time to just a few minutes.

**Seals for high temperatures.** Trelleborg launched XploR™ S-Seal and XploR™ FS-Seal, which are custom-engineered, spring-energized elastomer seals. Meeting the needs of the energy industry, these offer maximum extrusion resistance in demanding high pressure, high temperature (HPHT) sealing environments. The seals are single-piece components, engineered to make installation easier and safer.

## RISK MANAGEMENT

Trelleborg serves a broad range of customers in a variety of industries 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 industries 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 industries, with demand in the first half of the year tending to be slightly higher 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 strong demand during 2021 brought challenges in the supply chain, but also rising costs for raw materials, freight and energy, as well as staff shortages in some regions. These challenges remain in 2022 on account of the volatile geopolitical situation that has arisen, combined with increased inflationary pressure and the fact that measures to combat the spread of the coronavirus in some countries are still impacting the supply chain. Trelleborg has continuously managed its supply chain and has activated contingency plans to address the disruptions in the supply of raw materials.

The effects of the geopolitical situation and the continued existence of the coronavirus, and the effects associated with these, will persist in the forthcoming quarter.

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

Trelleborg, April 27, 2022  
Board of Directors of Trelleborg AB (publ)

## 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.

Accounting policies and calculation methods applied in this report are unchanged compared with those applied in the preparation of the annual and consolidated accounts for 2021. No new or revised IFRSs or interpretative statements applied as of January 1, 2022 had any material impact on the consolidated financial statements. For a more detailed description of the accounting policies applied for the Group and Parent Company in this interim report, refer to the 2021 Annual and Sustainability Report.

Comparative figures have been restated on account of the transfer of the Trelleborg Wheel Systems business area to discontinuing operations and the transfer of a small operation from the Trelleborg Industrial Solutions business area to Group activities.

## Condensed Income Statements

Income Statements, SEK M	Q1 2022	Q1 2021	R12 2022	12M 2021
Net sales	7,095	5,822	25,062	23,789
Cost of goods sold	-4,533	-3,663	-16,102	-15,232
<b>Gross profit</b>	<b>2,562</b>	<b>2,159</b>	<b>8,960</b>	<b>8,557</b>
Selling expenses	-523	-447	-1,966	-1,890
Administrative expenses	-656	-599	-2,385	-2,328
Research and development costs	-122	-108	-446	-432
Other operating income	14	40	239	265
Other operating expenses	-47	-63	-253	-269
Profit from associated companies	2	0	2	0
<b>EBIT, excluding items affecting comparability</b>	<b>1,230</b>	<b>982</b>	<b>4,151</b>	<b>3,903</b>
Items affecting comparability	-25	105	-213	-83
<b>EBIT</b>	<b>1,205</b>	<b>1,087</b>	<b>3,938</b>	<b>3,820</b>
Financial income and expenses	-45	-35	-150	-140
<b>Profit before tax</b>	<b>1,160</b>	<b>1,052</b>	<b>3,788</b>	<b>3,680</b>
Tax	-300	-242	-1,029	-971
<b>Net profit, continuing operations</b>	<b>860</b>	<b>810</b>	<b>2,759</b>	<b>2,709</b>
Net profit, discontinuing operations	443	294	1,156	1,007
<b>Net profit, Group</b>	<b>1,303</b>	<b>1,104</b>	<b>3,915</b>	<b>3,716</b>
- equity holders of the parent company	1,303	1,104	3,916	3,717
- non-controlling interest	0	0	-1	-1
<b>Earnings per share, SEK <sup>1</sup></b>	<b>Q1 2022</b>	<b>Q1 2021</b>	<b>R12 2022</b>	<b>12M 2021</b>
Continuing operations	3.18	2.99	10.19	10.00
Discontinuing operations	1.63	1.09	4.26	3.72
<b>Group</b>	<b>4.81</b>	<b>4.08</b>	<b>14.45</b>	<b>13.72</b>
Group, excluding items affecting comparability	4.90	3.82	15.32	14.24
Continuing operations, excluding items affecting comparability	3.25	2.68	10.83	10.26
<sup>1</sup> No dilution effects arose.				
<b>Number of shares</b>	<b>Q1 2022</b>	<b>Q1 2021</b>	<b>R12 2022</b>	<b>12M 2021</b>
End of period	271,071,783	271,071,783	271,071,783	271,071,783
of which, in treasury	369,968	-	369,968	-
Average number	271,065,428	271,071,783	271,071,253	271,071,783
<b>Statements of comprehensive income, SEK M</b>	<b>Q1 2022</b>	<b>Q1 2021</b>	<b>R12 2022</b>	<b>12M 2021</b>
<b>Net profit, Group</b>	<b>1,303</b>	<b>1,104</b>	<b>3,915</b>	<b>3,716</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to the income statement</b>				
Reassessment of net pension obligation	75	16	125	66
Income tax relating to components of other comprehensive income	-13	-3	-20	-10
<b>Total</b>	<b>62</b>	<b>13</b>	<b>105</b>	<b>56</b>
<b>Items that may be reclassified to the income statement</b>				
Cash flow hedges	160	29	252	121
Hedging of net investment	-115	-242	-176	-303
Translation difference	405	1,176	987	1,758
Income tax relating to components of other comprehensive income	-11	-6	47	52
<b>Total</b>	<b>439</b>	<b>957</b>	<b>1,110</b>	<b>1,628</b>
<b>Other comprehensive income, net of tax</b>	<b>501</b>	<b>970</b>	<b>1,215</b>	<b>1,684</b>
<b>Total comprehensive income</b>	<b>1,804</b>	<b>2,074</b>	<b>5,130</b>	<b>5,400</b>
<b>Total comprehensive income attributable to:</b>				
- equity holders of the parent company	1,804	2,074	5,131	5,401
- non-controlling interest	0	0	-1	-1
<b>EBIT specification, continuing operations, SEK M</b>	<b>Q1 2022</b>	<b>Q1 2021</b>	<b>R12 2022</b>	<b>12M 2021</b>
Excluding items affecting comparability:				
EBITDA	1,548	1,280	5,375	5,107
Depreciation/write-down, property, plant and equipment	-254	-243	-984	-973
EBITA	1,294	1,037	4,391	4,134
Amortization/write-down, intangible assets	-64	-55	-240	-231
EBIT	1,230	982	4,151	3,903
Items affecting comparability	-25	105	-213	-83
<b>EBIT</b>	<b>1,205</b>	<b>1,087</b>	<b>3,938</b>	<b>3,820</b>

## Condensed Balance Sheets

Balance Sheets, SEK M	Mar 31 2022	Mar 31 2021	Dec 31 2021
Property, plant and equipment	6,041	9,435	10,000
Right-of-use assets	1,407	1,876	1,864
Goodwill	13,468	18,423	18,792
Other intangible assets	2,281	4,499	4,390
Participations in associated companies	52	39	60
Financial non-current assets	161	12	42
Deferred tax assets	465	591	594
<b>Total non-current assets</b>	<b>23,875</b>	<b>34,875</b>	<b>35,742</b>
Inventories	4,295	5,099	6,395
Current operating receivables	4,701	7,023	7,093
Current tax assets	932	887	1,013
Interest-bearing receivables	248	80	114
Cash and cash equivalents	2,215	4,788	3,460
<b>Total current assets</b>	<b>12,391</b>	<b>17,877</b>	<b>18,075</b>
Assets held for sale	20,971	2,848	1,823
<b>Total assets</b>	<b>57,237</b>	<b>55,600</b>	<b>55,640</b>
Share capital	2,620	2,620	2,620
Other capital contributions	226	226	226
Other reserves	2,450	1,339	2,011
Profit brought forward	28,115	25,730	24,416
Net profit for the year	1,303	1,104	3,717
<b>Total</b>	<b>34,714</b>	<b>31,019</b>	<b>32,990</b>
Non-controlling interests	8	8	8
<b>Equity</b>	<b>34,722</b>	<b>31,027</b>	<b>32,998</b>
Interest-bearing non-current liabilities	9,205	9,747	9,666
Other non-current liabilities	91	223	202
Pension obligations	359	580	525
Other provisions	139	137	152
Deferred tax liabilities	683	796	926
<b>Total non-current liabilities</b>	<b>10,477</b>	<b>11,483</b>	<b>11,471</b>
Interest-bearing current liabilities	703	4,362	1,738
Current tax liabilities	1,321	1,262	1,309
Other current liabilities	3,972	6,246	7,162
Other provisions	333	288	380
<b>Total current liabilities</b>	<b>6,329</b>	<b>12,158</b>	<b>10,589</b>
Liabilities held for sale	5,709	932	582
<b>Total equity and liabilities</b>	<b>57,237</b>	<b>55,600</b>	<b>55,640</b>

Specification of changes in equity, SEK M	Attributable to shareholders of the Parent Company								Non-controlling interests		Total	
	Share Capital		Other capital contributions		Other reserves		Profit brought forward		Mar 31 2022	Dec 31 2021	Mar 31 2022	Dec 31 2021
	Mar 31 2022	Dec 31 2021	Mar 31 2022	Dec 31 2021	Mar 31 2022	Dec 31 2021	Mar 31 2022	Dec 31 2021				
Opening balance, January 1	2,620	2,620	226	226	2,011	382	28,133	25,717	8	8	32,998	28,953
Net profit/loss for the year							1,303	3,717	0	-1	1,303	3,716
Other comprehensive income					439	1,629	62	54	0	1	501	1,684
Repurchase own shares							-80	-	-	0	-80	-
Dividend							-	-1,355	-	-	-	-1,355
<b>Closing balance</b>	<b>2,620</b>	<b>2,620</b>	<b>226</b>	<b>226</b>	<b>2,450</b>	<b>2,011</b>	<b>29,418</b>	<b>28,133</b>	<b>8</b>	<b>8</b>	<b>34,722</b>	<b>32,998</b>

Repurchased own shares that are included in the equity item Profit brought forward	Number of shares		Amount that affected equity, SEK M
	Mar 31 2022	Mar 31 2022	Mar 31 2022
	Opening repurchased own shares	-	-
Purchases for the year	369,968	-	-80
Cancellations for the year	-	-	-
<b>Closing repurchased own shares</b>	<b>369,968</b>	<b>-</b>	<b>-80</b>

For treasury shares, all rights are void until such time as these shares are re-issued. Repurchased shares include the cost of own shares held by the Parent Company. The number of own shares is calculated using the cash/settlement approach.

## Condensed Cash-flow Statements

Cash flow statements, SEK M	Q1 2022	Q1 2021	R12 2022	12M 2021
<b>Operating activities</b>				
EBIT incl part in associated companies	1,205	1,087	3,938	3,820
Adjustments for items not included in cash flow from operating activities:				
Depreciation, property, plant and equipment	175	165	674	664
Depreciation, right-of-use assets	77	77	309	309
Amortization, intangible assets	64	55	240	231
Impairment losses, property, plant and equipment	2	0	47	45
Impairment losses, intangible assets	-	-	14	14
Dividend from associated companies	0	0	1	1
Participations in associated companies and other non cash-flow affecting items	-3	0	-26	-23
Capital gain in divested operations	-140	-	-140	-
Interest received	23	29	117	123
Interest paid	-109	-111	-269	-271
Other financial items	4	5	7	8
Taxes paid	-164	-153	-798	-787
<b>Cash flow from operating activities before changes in working capital</b>	<b>1,134</b>	<b>1,154</b>	<b>4,114</b>	<b>4,134</b>
<b>Cash flow from changes in working capital</b>				
Change in inventories	-289	-124	-927	-762
Change in operating receivables	-810	-873	-459	-522
Change in operating liabilities	216	253	765	802
<b>Cash flow from operating activities</b>	<b>251</b>	<b>410</b>	<b>3,493</b>	<b>3,652</b>
<b>Investing activities</b>				
Acquisitions	-1	-157	-417	-573
Disposed/discontinuing operations	149	-	149	-
Capital increase associated companies	-	-8	-21	-29
Capital expenditure, property, plant and equipment	-207	-167	-991	-951
Capital expenditure, intangible assets	-25	-22	-97	-94
Sale of non-current assets	5	65	54	114
<b>Cash flow from investing activities</b>	<b>-79</b>	<b>-289</b>	<b>-1,323</b>	<b>-1,533</b>
<b>Financing activities</b>				
New/utilized loans	1,642	297	3,158	1,813
Amortized loans	-1,714	-1,951	-6,676	-6,913
Amortized leased liabilities	-76	-76	-303	-303
Repurchase own share	-80	-	-80	-
Dividend - equity holders of the parent company	-	-	-1,355	-1,355
<b>Cash flow from financing activities</b>	<b>-228</b>	<b>-1,730</b>	<b>-5,256</b>	<b>-6,758</b>
<b>Total cash flow, continuing operations</b>	<b>-56</b>	<b>-1,609</b>	<b>-3,086</b>	<b>-4,639</b>
<b>Total cash flow, discontinuing operations</b>	<b>-908</b>	<b>664</b>	<b>667</b>	<b>2,239</b>
<b>Cash flow for the period, Group</b>	<b>-964</b>	<b>-945</b>	<b>-2,419</b>	<b>-2,400</b>
<b>Cash and cash equivalents</b>				
At beginning of the period	3,496	5,756	4,788	5,756
Cash classified as assets held for sale	-348	-106	-242	-36
Exchange rate differences	31	83	88	140
<b>Cash and cash equivalents at end of period</b>	<b>2,215</b>	<b>4,788</b>	<b>2,215</b>	<b>3,460</b>

Change in liabilities from financing activities, SEK M	Non-cash changes								
	Dec 31 2021	Transfer between non-current and current loans	Cash changes	Acquisitions	Translation differences	Fair value changes	Lease liabilities according to IFRS 16	Pension liabilities	Mar 31 2022
Non-current loans	7,964	0	-117	-	83	-	-	-	7,930
Current loans	1,098	0	-898	-	0	-	-	-	200
Other non-current financial liabilities	2	-	0	-	0	-	-	-	2
Other current financial liabilities	264	-	-243	-	198	-	-	-	219
Lease liabilities according to IFRS 16	2,102	-	-103	-	35	-	34	-	2,068
Pension obligations	549	-	6	-	0	-	-	-75	480
<b>Total</b>	<b>11,979</b>	<b>-</b>	<b>-1,355</b>	<b>-</b>	<b>316</b>	<b>-</b>	<b>34</b>	<b>-75</b>	<b>10,899</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	Q1 2022	Q1 2021	R12 2022	12M 2021
<b>Net sales</b>				
Trelleborg Industrial Solutions	3,323	2,577	11,682	10,936
Trelleborg Sealing Solutions	3,664	3,133	13,011	12,480
Group activities	169	159	610	600
Eliminations	-61	-47	-241	-227
<b>Continuing operations</b>	<b>7,095</b>	<b>5,822</b>	<b>25,062</b>	<b>23,789</b>
Discontinuing operations	3,706	2,995	12,672	11,961
Eliminations	-18	-44	-101	-127
<b>Group</b>	<b>10,783</b>	<b>8,773</b>	<b>37,633</b>	<b>35,623</b>
<b>EBIT, excluding items affecting comparability</b>				
Trelleborg Industrial Solutions	441	308	1,493	1,360
Trelleborg Sealing Solutions	878	734	3,009	2,865
Group activities	-89	-60	-351	-322
<b>Continuing operations</b>	<b>1,230</b>	<b>982</b>	<b>4,151</b>	<b>3,903</b>
Discontinuing operations	585	398	1,588	1,401
<b>Group</b>	<b>1,815</b>	<b>1,380</b>	<b>5,739</b>	<b>5,304</b>
<b>EBIT %, excluding items affecting comparability</b>				
Trelleborg Industrial Solutions	13.3	11.9	12.8	12.4
Trelleborg Sealing Solutions	24.0	23.4	23.1	23.0
<b>Continuing operations</b>	<b>17.3</b>	<b>16.9</b>	<b>16.6</b>	<b>16.4</b>
Discontinuing operations	15.8	13.3	12.5	11.7
<b>Group</b>	<b>16.8</b>	<b>15.7</b>	<b>15.3</b>	<b>14.9</b>

Net sales per market continuing operations, organic growth, %	Q1 2022	Q1 2021	12M 2021
Europe (51)	12	4	14
North- and South America (28)	21	-9	10
Asia and other markets (21)	8	32	22
<b>Total (100% refer to share 2021)</b>	<b>13</b>	<b>5</b>	<b>15</b>

Bridge net sales	Q1 2021, SEK M	Organic sales, %	Structural change, %	Currency effects, %	Q1 2022, SEK M
Trelleborg Industrial Solutions	2,577	21	2	6	3,323
Trelleborg Sealing Solutions	3,133	8	1	8	3,664
Group activities	112				108
<b>Continuing operations</b>	<b>5,822</b>	<b>13</b>	<b>2</b>	<b>7</b>	<b>7,095</b>

Exchange rate differences impacting EBIT excluding items affecting comparability <sup>1</sup> , SEK M	Q1 2022
Trelleborg Industrial Solutions	13
Trelleborg Sealing Solutions	45
Group activities	-3
<b>Continuing operations</b>	<b>55</b>

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



Specification of capital employed, SEK M	Mar 31 2022	Mar 31 2021	Dec 31 2021
Working capital	4,536	3,787	3,610
Property, plant and equipment	6,041	5,508	5,934
Right-of-use assets	1,407	1,439	1,445
Intangible assets	15,750	15,223	15,558
Participations in joint ventures/associated companies	52	18	10
<b>Continuing operations</b>	<b>27,786</b>	<b>25,975</b>	<b>26,557</b>
Discontinuing operations	15,950	15,785	15,689
<b>Group</b>	<b>43,736</b>	<b>41,760</b>	<b>42,246</b>

SEK M	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
<b>Net sales</b>									
Trelleborg Industrial Solutions	3,323	2,828	2,703	2,828	2,577	2,587	2,473	2,440	2,710
Trelleborg Sealing Solutions	3,664	3,106	3,086	3,155	3,133	2,673	2,513	2,498	3,209
Group activities	169	137	134	170	159	190	124	66	150
Eliminations	-61	-55	-52	-73	-47	-41	-33	-19	-46
<b>Continuing operations</b>	<b>7,095</b>	<b>6,016</b>	<b>5,871</b>	<b>6,080</b>	<b>5,822</b>	<b>5,409</b>	<b>5,077</b>	<b>4,985</b>	<b>6,023</b>
Discontinuing operations	3,706	3,069	2,808	3,089	2,995	2,754	2,686	2,726	3,294
Eliminations	-18	-12	-31	-40	-44	-45	-21	-21	-31
<b>Group</b>	<b>10,783</b>	<b>9,073</b>	<b>8,648</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>EBIT, excluding items affecting comparability</b>									
Trelleborg Industrial Solutions	441	366	326	360	308	385	270	215	211
Trelleborg Sealing Solutions	878	656	720	755	734	512	454	465	706
Group activities	-89	-94	-89	-79	-60	-52	-40	-68	-52
<b>Continuing operations</b>	<b>1,230</b>	<b>928</b>	<b>957</b>	<b>1,036</b>	<b>982</b>	<b>845</b>	<b>684</b>	<b>612</b>	<b>865</b>
Discontinuing operations	585	334	288	381	398	261	315	330	370
<b>Group</b>	<b>1,815</b>	<b>1,262</b>	<b>1,245</b>	<b>1,417</b>	<b>1,380</b>	<b>1,106</b>	<b>999</b>	<b>942</b>	<b>1,235</b>
<b>EBIT %, excluding items affecting comparability</b>									
Trelleborg Industrial Solutions	13.3	12.9	12.0	12.7	11.9	14.9	10.9	8.8	7.8
Trelleborg Sealing Solutions	24.0	21.1	23.3	24.0	23.4	19.1	18.1	18.6	22.0
<b>Continuing operations</b>	<b>17.3</b>	<b>15.4</b>	<b>16.3</b>	<b>17.0</b>	<b>16.9</b>	<b>15.6</b>	<b>13.5</b>	<b>12.3</b>	<b>14.4</b>
Discontinuing operations	15.8	10.9	10.3	12.3	13.3	9.5	11.7	12.1	11.2
<b>Group</b>	<b>16.8</b>	<b>13.9</b>	<b>14.4</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>

Condensed Income Statements, SEK M	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Net sales	7,095	6,016	5,871	6,080	5,822	5,409	5,077	4,985	6,023
Cost of goods sold	-4,533	-3,966	-3,762	-3,841	-3,663	-3,403	-3,372	-3,267	-3,868
<b>Gross profit</b>	<b>2,562</b>	<b>2,050</b>	<b>2,109</b>	<b>2,239</b>	<b>2,159</b>	<b>2,006</b>	<b>1,705</b>	<b>1,718</b>	<b>2,155</b>
Selling expenses	-523	-473	-505	-465	-447	-419	-407	-419	-526
Administrative expenses	-656	-625	-522	-582	-599	-593	-498	-538	-653
Research and development costs	-122	-111	-109	-104	-108	-112	-94	-105	-122
Other operating income	14	136	52	37	40	144	62	54	44
Other operating costs	-47	-49	-69	-88	-63	-181	-84	-97	-34
Profit from associated companies	2	0	0	0	0	0	0	-1	1
<b>EBIT, excluding items affecting comparability</b>	<b>1,230</b>	<b>928</b>	<b>956</b>	<b>1,037</b>	<b>982</b>	<b>845</b>	<b>684</b>	<b>612</b>	<b>865</b>
Items affecting comparability	-25	-129	-19	-40	105	-107	-71	-55	-27
<b>EBIT</b>	<b>1,205</b>	<b>799</b>	<b>937</b>	<b>997</b>	<b>1,087</b>	<b>738</b>	<b>613</b>	<b>557</b>	<b>838</b>
Financial income and expenses	-45	-35	-33	-37	-35	-51	-32	-41	-69
<b>Profit before tax</b>	<b>1,160</b>	<b>764</b>	<b>904</b>	<b>960</b>	<b>1,052</b>	<b>687</b>	<b>581</b>	<b>516</b>	<b>769</b>
Tax	-300	-253	-230	-246	-242	-190	-149	-126	-218
<b>Net profit, continuing operations</b>	<b>860</b>	<b>511</b>	<b>674</b>	<b>714</b>	<b>810</b>	<b>497</b>	<b>432</b>	<b>390</b>	<b>551</b>
Net profit, discontinuing operations	443	241	194	278	294	163	220	182	276
<b>Net profit, Group</b>	<b>1,303</b>	<b>752</b>	<b>868</b>	<b>992</b>	<b>1,104</b>	<b>660</b>	<b>652</b>	<b>572</b>	<b>827</b>
- equity holders of the parent company	1,303	752	869	992	1,104	661	652	572	827
- non-controlling interest	0	0	-1	-	0	-1	0	-	-

Continuing operations	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Net sales, SEK M	7,095	6,016	5,871	6,080	5,822	5,409	5,077	4,985	6,023
Organic sales, %	13	9	16	31	5	-3	-10	-21	-5
EBITDA, excl items affecting comparability, SEK M	1,548	1,237	1,255	1,335	1,280	1,161	995	961	1,182
EBITDA, excl items affecting comparability, %	21.8	20.6	21.4	22.0	22.0	21.5	19.6	19.3	19.6
EBITA, excl items affecting comparability, SEK M	1,294	991	1,013	1,093	1,037	902	742	673	928
EBITA, excl items affecting comparability, %	18.2	16.5	17.3	18.0	17.8	16.7	14.6	13.5	15.4
EBIT, excl items affecting comparability, SEK M	1,230	928	957	1,036	982	845	684	612	865
EBIT, excl items affecting comparability, %	17.3	15.4	16.3	17.0	16.9	15.6	13.5	12.3	14.4
Items affecting comparability, SEK M	-25	-129	-19	-40	105	-107	-71	-55	-27
EBIT, SEK M	1,205	799	937	997	1,087	738	613	557	838
Earnings per share, excluding items affecting comparability SEK	3.25	2.28	2.55	2.75	2.68	2.13	1.47	1.62	2.14
Operating cash flow, excl items affecting comp., SEK M	328	937	1,013	864	484	1,291	928	1,072	564
Cash conversion ratio, excl items affecting comp., R12, %	76	85	96	101	121	128	122	119	99
Capital employed, closing balance, SEK M	27,786	26,557	25,945	25,659	25,975	24,239	26,264	27,001	29,271
Return on capital employed R12, %	14.9	14.9	14.8	13.5	11.5	10.2	7.5	8.0	9.2

Group total	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Earnings per share, excl items affecting comparability, SEK	4.90	3.30	3.32	3.81	3.82	2.90	2.31	2.47	3.21
Earnings per share, Group, SEK	4.81	2.78	3.20	3.66	4.07	2.43	2.41	2.11	3.05
Free cash flow, SEK M	400	654	836	1,095	725	1,397	1,165	1,099	255
Net debt, closing balance, SEK M	-8,040	-8,367	-9,118	-9,849	-9,880	-10,026	-12,129	-13,399	-15,644
Net debt/EBITDA	1.1	1.2	1.3	1.5	1.6	1.7	2.2	2.4	2.6
Debt/equity ratio %	23	25	29	32	32	35	41	45	51
Return on equity R12, %	11.9	12.0	11.8	11.4	9.7	9.4	-1.5	-1.5	-0.7
Equity/assets ratio, %	61	59	58	57	56	54	51	50	51

# Acquisitions

## 2022

No acquisitions were finalized in the first quarter of 2022.

Certain adjustments were made to acquisition analyses attributable to acquisitions made in 2021.

## 2021

In the first quarter of 2021, Trelleborg signed, through its business area Trelleborg Industrial Solutions, 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.

Carrying amounts of identifiable acquired assets and assumed liabilities

Acquisitions, SEK M	Q1 2022 Acquired 2022	Q1 2021 Acquired 2021
Developed technology <sup>1</sup>	-	-
Trademarks <sup>2</sup>	-	-
Customer relationships <sup>3</sup>	-	50
Other intangible assets	-	7
Property, plant and equipment	-	2
Deferred tax assets	-	0
Shares in associated companies	-	-
Interest-bearing receivables	12	19
Inventories	-4	24
Operating receivables	12	23
Current tax asset	-	1
Cash and cash equivalents	-1	22
Deferred tax liabilities	-	-12
Interest-bearing liabilities	-12	-19
Post employment benefits	-	-
Provision obligations	-	-
Current tax liability	-	-2
Operating liabilities	-8	-23
<b>Net assets</b>	<b>-1</b>	<b>92</b>
Goodwill	1	87
<b>Total purchase price</b>	<b>-</b>	<b>179</b>
Cash and other net debt in acquired operations	1	-22
<b>Impact shown in cash flow statement</b>	<b>1</b>	<b>157</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.

## Discontinuing operations

As of the first quarter of 2021, the Group's printing blanket operation was reported as assets and liabilities held for sale and discontinuing operations. An agreement was signed during the fourth quarter of 2021 to divest the operation to Continental. Completion of the transaction is subject to the approval of the relevant authorities. The divestment is expected to be finalized during the first half of 2022.

In March 2022, an agreement was signed to divest the Trelleborg Wheel Systems business area to Yokohama Rubber Company. Closing of the transaction is subject to approvals from relevant authorities and is expected to be completed in the latter part of 2022. As of this report, the business area is regarded as assets and liabilities held for sale and discontinuing operations.

The tables below show the condensed income statements, balance sheets and cash flow statements for the Group's discontinuing operations.

Assets and Liabilities held for sale, SEK M	Mar 31 2022	Dec 31 2021
Non-current assets	13,423	1,108
Current assets	7,548	715
<b>Total assets</b>	<b>20,971</b>	<b>1,823</b>
Non-current liabilities	1,013	207
Current liabilities	4,696	375
<b>Total liabilities</b>	<b>5,709</b>	<b>582</b>

<sup>†</sup> The figures for 2021 pertain to the Group's printing blanket operations and Trelleborg Wheel Systems has been added for 2022.

Cash-flow statement for discontinuing operations, SEK M	Q1 2022	Q1 2021
Cash flow from operating activities	528	589
Cash flow from investing activities	-50	-60
Cash flow from financing activities	-1,386	135
<b>Total cash flow from discontinuing operations</b>	<b>-908</b>	<b>664</b>

Income statement for discontinuing operations, SEK M	Q1 2022	Q1 2021	R12 2022	12M 2021
Net sales	3,706	2,995	12,672	11,961
Operating expenses	-3,127	-2,616	-11,164	-10,653
<b>EBIT</b>	<b>579</b>	<b>379</b>	<b>1,508</b>	<b>1,308</b>
Financial items	8	-3	-52	-63
<b>Profit before tax</b>	<b>587</b>	<b>376</b>	<b>1,456</b>	<b>1,245</b>
Income tax	-144	-82	-300	-238
<b>Net profit</b>	<b>443</b>	<b>294</b>	<b>1,156</b>	<b>1,007</b>

## Financial instruments – classification and valuation

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

At March 31, 2022, 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	
<b>Assets in the balance sheet</b>						
Derivative instruments	-	47	2	286	2	333
Financial non-current assets	57	-	-	-	-	57
Accounts receivable	4,354	-	-	-	-	4,354
Interest-bearing receivable	4	-	-	-	-	4
Cash and cash equivalents	2,215	-	-	-	-	2,215
<b>Total</b>	<b>6,630</b>	<b>47</b>		<b>286</b>		<b>6,963</b>

	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	
<b>Liabilities in the balance sheet</b>						
Derivative instruments	-	113	2	40	2	153
Interest-bearing non-current liabilities	7,932	-	-	-	-	7,932
Interest-bearing current liabilities	241	60	3	-	-	301
Lease liabilities according to IFRS 16	1,557	-	-	-	-	1,557
Accounts payable	2,345	-	-	-	-	2,345
<b>Total</b>	<b>12,075</b>	<b>173</b>		<b>40</b>		<b>12,288</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 (21) and SEK 60 M (22), 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 36 M. No remeasurement was made for current loans because the carrying amount is regarded as a good estimate of the fair value due to their short term.

At March 31, 2021, 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	
<b>Assets in the balance sheet</b>						
Derivative instruments	-	61	2	40	2	101
Financial non-current assets	13	-	-	-	-	13
Accounts receivable	5,995	-	-	-	-	5,995
Interest-bearing receivable	17	-	-	-	-	17
Cash and cash equivalents	4,894	-	-	-	-	4,894
<b>Total</b>	<b>10,919</b>	<b>61</b>		<b>40</b>		<b>11,020</b>

	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	
<b>Liabilities in the balance sheet</b>						
Derivative instruments	-	53	2	363	2	416
Interest-bearing non-current liabilities	8,131	21	3	-	-	8,152
Interest-bearing current liabilities	3,789	22	3	-	-	3,811
Lease liabilities according to IFRS 16	2,110	-	-	-	-	2,110
Accounts payable	3,607	-	-	-	-	3,607
<b>Total</b>	<b>17,637</b>	<b>96</b>		<b>363</b>		<b>18,096</b>

## Parent Company

Condensed Income statements, SEK M	Q1 2022	Q1 2021	R12 2022	12M 2021
Net sales	121	97	489	465
Administrative expenses	-71	-66	-364	-359
Other operating income	1	1	3	3
Other operating expenses	-30	-28	-296	-294
<b>EBIT</b>	<b>21</b>	<b>4</b>	<b>-168</b>	<b>-185</b>
Financial income and expenses	114	494	4,006	4,386
<b>Profit before tax</b>	<b>135</b>	<b>498</b>	<b>3,838</b>	<b>4,201</b>
Appropriations	-	-	180	180
Tax	20	14	11	5
<b>Net profit</b>	<b>155</b>	<b>512</b>	<b>4,029</b>	<b>4,386</b>

Condensed Balance sheets, SEK M	Mar 31 2022	Mar 31 2021	Dec 31 2021
Property, plant and equipment	12	11	11
Intangible assets	17	21	18
Financial assets	38,190	36,914	36,928
<b>Total non-current assets</b>	<b>38,219</b>	<b>36,946</b>	<b>36,957</b>
Current receivables	294	153	182
Current tax asset	4	4	3
Interest-bearing receivables	2	0	181
Cash and cash equivalents	0	0	1
<b>Total current assets</b>	<b>300</b>	<b>157</b>	<b>367</b>
<b>Total assets</b>	<b>38,519</b>	<b>37,103</b>	<b>37,324</b>
<b>Equity</b>	<b>11,131</b>	<b>8,537</b>	<b>11,056</b>
Interest-bearing non-current liabilities	0	187	0
Other non-current liabilities	58	47	60
<b>Total non-current liabilities</b>	<b>58</b>	<b>234</b>	<b>60</b>
Interest-bearing current liabilities	27,238	28,245	26,046
Current tax liabilities	-	-	-
Other current liabilities	92	87	162
<b>Total current liabilities</b>	<b>27,330</b>	<b>28,332</b>	<b>26,208</b>
<b>Total equity and liabilities</b>	<b>38,519</b>	<b>37,103</b>	<b>37,324</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 2021 Annual Report.

## ABOUT TRELLEBORG

**The Trelleborg Group is a world leader** in engineered polymer solutions. The Group has annual sales of approximately SEK 34 billion (2021) and operations in about 50 countries.

With Trelleborg's material expertise and industry insight into cutting-edge areas with rigorous requirements, such as the aerospace and automotive industries, as well as healthcare & medical, the Group is creating the sustainable industrial solutions of today, shaped by such trends as electrification, digitalization, industrial automation and new sustainable materials. The Group's polymer-based solutions are often critical to the functionality of the customers' advanced end products.

**The engineered solutions** are based on unique sealing and damping properties of polymers such as rubber and plastic. The solutions save energy and reduce CO<sub>2</sub> emissions, eliminate noise and vibrations, and dramatically extend the lifecycles of machines and medical devices as well as skyscraper facades.

The Trelleborg Group has set ambitious science-based climate targets for its own operations, aiming for net zero emissions by 2035. Resource efficiency and circularity are becoming part of Trelleborg's DNA.

**Better platform than ever.** Trelleborg's way of achieving results – a strongly decentralized organization built on local responsibility and personal dedication – form the basis of the Group's model for profitability and business success.

Despite the turbulence in its operating environment, Trelleborg delivered a strong financial performance in recent years. Trelleborg's financial capacity is healthy.

Since 2019, the Group has divested a number of companies and those remaining are well-performing and well-positioned businesses.

### Trelleborg's industries:

Business area/Industry	General industry	Light Vehicles	Healthcare & Medical	Aerospace
Trelleborg Industrial Solutions	86%	6%	3%	5%
Trelleborg Sealing Solutions	55%	22%	11%	12%
<b>Continuing operations</b>	<b>69%</b>	<b>16%</b>	<b>7%</b>	<b>8%</b>

Net sales per industry and business area based on full-year 2021.

**Accelerated growth.** A number of industries have been identified as growing more than the industrial average in the years ahead – Trelleborg is therefore placing additional focus on developing its business in these industries.

The fast-growing segments will act as a driving force for other areas at Trelleborg, which through innovations, differentiation and greater global reach is expected to grow in the upper range of the industrial average.

There will be a greater focus on company acquisitions that strengthen Trelleborg in attractive market segments.

**Goal: Sustainability leader in the industry.** Trelleborg is working systematically to increase the share of bio-based and recycled raw materials in everything it develops, and has committed to setting a Science Based Target.

**Bespoke strategy for each business.** A common feature shared by all parts of Trelleborg is its engineered polymers with completely unique sealing and damping properties. The longstanding customer relationships are all built on close innovation collaboration with renowned industrial players.

Trelleborg's operational businesses are different and therefore have bespoke strategies to achieve leading positions in their markets.

**New horizons for Trelleborg.** The technological development and climate transition in society worldwide favor the Group, and Trelleborg is involved in developing the industrial solutions of today.

The Group has strengthened its financial targets and is ready for the new reality.

## TELEPHONE CONFERENCE ON APRIL 27

A telephone conference will be held on April 27, at 3:00 p.m. CEST. To participate in the telephone conference, call +46 8 505 583 55 (Sweden), +44 333 3009 031 (UK) or +1 646 7224 904 (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

Annual General Meeting 2022	April 27, 2022
Interim report April–June 2022	July 21, 2022
Interim report July–September 2022	October 26, 2022
Year-end report 2022	January 27, 2023
Interim report January–March 2023	April 27, 2023

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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. The information was submitted for publication, through the agency of the contact person set out above, at 1:00 p.m. CEST on April 27, 2022.**

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