



INTERIM REPORT AND YEAR-END REPORT 2023

A SOLID END TO THE YEAR

Fourth quarter 2023 – continuing operations

- Net sales for the quarter increased 4 percent to SEK 8,421 M (8,113). Organic sales were unchanged compared with the preceding year, while structural changes increased sales by 3 percent and currency by 1 percent.
- EBITA, excluding items affecting comparability, increased 6 percent to SEK 1,424 M (1,340). The EBITA margin was 16.9 percent (16.5). Earnings and the margin were the highest to date for a fourth quarter.
- Operating cash flow amounted to SEK 1,321 M (1,678), down 21 percent. This was the second highest operating cash flow for a fourth quarter. The cash conversion ratio for the most recent 12-month period amounted to 92 percent (74).
- Items affecting comparability for the quarter were SEK -260 M (-115) and pertained to restructuring costs of SEK -173 M (-115) and a capital loss from the divestment of a US offshore oil & gas operation of SEK -87 M, in line with what was previously communicated.
- EBITA, including items affecting comparability, amounted to SEK 1,164 M (1,225) for the quarter.
- Earnings per share for continuing operations, excluding items affecting comparability, amounted to SEK 4.08 (3.40), up 20 percent. For the Group as a whole, earnings per share were SEK 3.40 (4.66). The comparable figure in the year-earlier quarter includes a contribution of SEK 1.68 from discontinuing operations.
- The Board of Directors proposes a cash dividend of SEK 6.75 per share (6.00).
- The key figures in this report relate to continuing operations, unless otherwise stated.

SEK M	Q4 2023	Q4 2022	Change, %	12M 2023	12M 2022	Change, %
<u>Continuing operations</u>						
Net sales	8,421	8,113	4	34,286	30,095	14
Organic sales, %	0	15		2	14	
EBITA, excluding items affecting comparability	1,424	1,340	6	6,002	5,334	13
EBITA-margin, %	16.9	16.5		17.5	17.7	
Restructuring costs	-173	-115		-527	-381	
Capital gain/loss, divestment of operations and assets	-87	-		-87	140	
Items affecting comparability	-260	-115		-614	-241	
EBITA	1,164	1,225	-5	5,388	5,093	6
Profit before tax, continuing operations	1,006	1,048	-4	4,797	4,595	4
Net profit, discontinuing operations	-	431	-100	6,593	1,828	261
Net profit, Group	780	1,196	-35	10,074	5,257	92
Earnings per share, SEK						
Continuing operations	3.40	2.98	14	14.31	13.01	10
Discontinuing operations	-	1.68	-100	25.93	6.93	274
Group	3.40	4.66	-27	40.24	19.94	102
Continuing operations, excluding items affecting comparability	4.08	3.40	20	16.64	13.80	21
Operating cash flow	1,321	1,678	-21	5,063	3,732	36
Cash conversion ratio R12, %	92	74		92	74	

Full-year 2023 – continuing operations

- Net sales for the full-year 2023 increased 14 percent to SEK 34,286 M (30,095). Sales were the highest to date for a full year. Organic sales increased 2 percent, while structural changes increased sales by 7 percent and currency movements by 5 percent compared with the preceding year.
- EBITA, excluding items affecting comparability, increased 13 percent to SEK 6,002 M (5,334), corresponding to an EBITA margin of 17.5 percent (17.7). Earnings were the highest to date for a full year.
- Items affecting comparability were SEK -614 M (-241) and pertained to restructuring costs of SEK -527 M (-381) and a capital loss from the divestment of a US offshore oil & gas operation of SEK -87 M (2022 included a capital gain from the sale of assets of SEK 140 M). The relatively higher restructuring costs for 2023 are mainly attributable to adjustments to lower demand.
- Earnings per share, excluding items affecting comparability, amounted to SEK 16.64 (13.80), up 21 percent. For the Group as a whole, including discontinuing operations, earnings per share were SEK 40.24 (19.94), mainly impacted by the capital gain from divestments of the Group's tire and printing blanket operations. These were divested in the second quarter of 2023.
- Operating cash flow amounted to SEK 5,063 M (3,732), up 36 percent. This was the highest operating cash flow to date for a full year. The cash conversion ratio was 92 percent (74).

MARKET OUTLOOK FOR THE FIRST QUARTER OF 2024

Demand is expected to be on a par with the fourth quarter of 2023, adjusted for seasonal variations. The geopolitical situation entails a heightened degree of uncertainty. For further information, refer to page 12.

Market outlook from the interim report published on October 26, 2023, relating to the fourth quarter of 2023

Demand is expected to be on a par with the third quarter of 2023, adjusted for seasonal variations. The geopolitical situation entails a heightened degree of uncertainty.

DIVIDEND 2023

The Board of Directors proposes a cash dividend of SEK 6.75 per share (6.00).

A SOLID END TO THE YEAR

“2023 was Trelleborg’s best year to date, with the Group reporting its highest sales and earnings on record. During the year, we transformed and improved Trelleborg in a number of ways. We established the platform that we will continue to build on and which is characterized by higher growth and profitability. At the same time the business has become less cyclical and gained a better sustainability profile.

During the fourth quarter, sales increased by 4 percent. Organic sales remained unchanged and acquisitions contributed 3 percent. EBITA, excluding items affecting comparability, increased 6 percent, corresponding to an operating margin of 16.9 percent. Both sales and EBITA, with corresponding margin, were the best to date for a fourth quarter and represented a solid end to the year.

Trelleborg Industrial Solutions reported organic sales for the quarter that were marginally lower year-on-year. This minor decline was primarily due to lower sales in Asia and weaker construction markets. In contrast, sales to the marine segment remained strong, mainly supported by larger project transactions, while deliveries to the automotive industry increased. It was particularly gratifying that the business area further improved its profitability.

The performance of Trelleborg Sealing Solutions’ market segments also varied. Overall, organic sales increased slightly year-on-year. The organic trend was primarily due to price adjustments for customers. Sales to general industry were weaker in Europe and North America. Deliveries to the automotive industry developed positively, while sales to healthcare & medical slowed slightly due to inventory adjustments among customers. Deliveries to the aerospace industry continued to perform strongly.

The integration of the acquired Minnesota Rubber & Plastics is progressing according to plan. A range of initiatives are in progress that will lead to greater sales synergies over time. During the quarter a new state-of-the-art facility was inaugurated in Vietnam, which will strengthen Trelleborg Sealing Solutions’ presence and capacity, primarily in Southeast Asia.

In December, we signed an agreement to acquire the South Korean MNE Group, a leading manufacturer of precision seals for semiconductor production equipment. The acquisition brings new technology and provides a base in Asia in this attractive segment.

We maintained a high level of investment activity during the year in the form of new capacity and expansion of our presence in selected geographies and market segments. In 2024, we will continue to invest at a high rate. We will focus on fast-growing segments, for example aerospace, healthcare & medical, semiconductors and other selected industrial niches.

We find ourselves in a somewhat cooler macro environment compared to the beginning of 2023. However, the Group stands well equipped with a very strong balance sheet that enables both value-creating acquisitions and continued share repurchases. We look to the future with confidence.

Our general assessment in the current situation is that demand in the first quarter will be on a par with the fourth quarter.”

Peter Nilsson,
President and CEO

NET SALES AND RESULT¹

SEK M	Q4 2023	Q4 2022	Change, %	12M 2023	12M 2022	Change, %
Continuing operations						
Net sales	8,421	8,113	4	34,286	30,095	14
Change total, %	4	35		14	27	
Organic sales, %	0	15		2	14	
Structural change, %	3	8		7	3	
Currency effects, %	1	12		5	10	
EBITA, excluding items affecting comparability	1,424	1,340	6	6,002	5,334	13
EBITA-margin, %	16.9	16.5		17.5	17.7	
Restructuring costs	-173	-115		-527	-381	
Capital gain/loss, divestment of operations and assets	-87	-		-87	140	
Items affecting comparability	-260	-115		-614	-241	
EBITA	1,164	1,225	-5	5,388	5,093	6
Amortization of surplus values related to acquisitions	-120	-101	-19	-484	-268	-81
EBIT	1,044	1,124	-7	4,904	4,825	2
Financial income and expenses	-38	-76	50	-107	-230	53
Profit before tax	1,006	1,048	-4	4,797	4,595	4
Taxes	-226	-283	20	-1,316	-1,166	-13
Net profit, continuing operations	780	765	2	3,481	3,429	2
Net profit, discontinuing operations	-	431	-100	6,593	1,828	261
Net profit, Group	780	1,196	-35	10,074	5,257	92
Earnings per share, SEK						
Continuing operations	3.40	2.98	14	14.31	13.01	10
Discontinuing operations	-	1.68	-100	25.93	6.93	274
Group	3.40	4.66	-27	40.24	19.94	102
Continuing operations, excluding items affecting comparability	4.08	3.40	20	16.64	13.80	21

Net sales for the fourth quarter of 2023 amounted to SEK 8,421 M (8,113), up 4 percent. Organic sales were unchanged year-on-year. The net effect of currency movements increased sales by 1 percent, while structural changes contributed 3 percent compared with the year-earlier period.

Sales per market. In Europe, organic sales increased 2 percent compared with the preceding year. Organic sales in North and South America declined 1 percent compared with the year-earlier period. In Asia and other markets, organic sales declined by 1 percent compared with the preceding year.

EBITA, excluding items affecting comparability, increased 6 percent to SEK 1,424 M (1,340). The EBITA margin was 16.9 percent (16.5).

The total exchange rate effect on EBITA, excluding items affecting comparability, from the translation of foreign subsidiaries, had a positive impact of SEK 4 M on earnings compared with the year-earlier period.

Items affecting comparability for the quarter were SEK -260 M (-115) and pertained to restructuring costs of SEK -173 M (-115) and a capital loss from the divestment of a US offshore oil & gas operation of SEK -87 M.

EBITA, including items affecting comparability, amounted to SEK 1,164 M (1,225) for the quarter.

Financial income and expenses for continuing operations amounted to SEK -38 M (-76). Net financial items were impacted by higher interest expenses though this was offset by interest income attributable to the Group's net cash position.

Net profit was SEK 780 M (765). The tax rate for the quarter amounted to 22 percent (27). The tax rate for the quarter, excluding items affecting comparability, amounted to 25 percent (25). The underlying tax rate for continuing operations is expected to amount to 25 percent.

Earnings per share, excluding items affecting comparability, amounted to SEK 4.08 (3.40), up 20 percent. The increase is attributed to the higher operating profit, the improved financial net, and a reduced number of outstanding shares due to the ongoing share buyback program. For the Group as a whole, earnings per share were SEK 3.40 (4.66). The comparable figure in the year-earlier quarter includes a contribution of SEK 1.68 from discontinuing operations.

¹ 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	Q4 2023	Q4 2022	Change, %	12M 2023	12M 2022	Change, %
EBIT, excluding items affecting comparability	1,304	1,239	5	5,518	5,066	9
Depreciation/write-down, property, plant and equipment	348	302	15	1,308	1,093	20
Amortization/write-down, intangible assets	138	113	22	542	316	72
EBITDA	1,790	1,654	8	7,368	6,475	14
Capital expenditure ¹	-510	-434	-18	-1,678	-1,330	-26
Sold non-current assets	12	20	-40	29	51	-43
Amortization of lease liabilities	-139	-87	-60	-465	-322	-44
Change in working capital ¹	312	525	-38	-1,125	-1,125	-
Dividend from associated companies	1	0		9	0	
Non cash-flow affecting items ²	-145	0		-162	-17	
Operating cash flow, continuing operations	1,321	1,678	-21	5,063	3,732	36
Cash conversion ratio R12, %	92	74		92	74	
Operating cash flow, discontinuing operations	-	755	-100	-326	1,472	-122
Operating cash flow, Group	1,321	2,433	-46	4,737	5,204	-9

¹ As of 2023, capital expenditures include change in accounts payable linked to investments. These liabilities were previously part of the change in working capital. Items affecting comparability have been restated to reflect this reclassification.

² Mainly impacted by effects from divested operations during the quarter in the Czech Republic and the US.

SEK M	12M 2023	12M 2022
Net debt Group, opening balance	-20,897	-8,367
Operating cash flow	4,737	5,204
Cash impact from items affecting comparability	-479	-306
Financial items	-325	-150
Paid tax	-1,407	-1,443
Free cash flow	2,526	3,305
Acquisitions	-447	-11,199
Disposed operations	26,462	149
Capital increase associated companies	-	-17
Dividend - equity holders of the parent company	-1,524	-1,481
Repurchase own shares	-3,880	-3,079
Sum net cash flow	23,137	-12,322
Exchange rate differences	390	-518
Lease liability according to IFRS 16 ³	62	146
Pension liability ³	-10	164
Net debt Group, closing balance	2,682	-20,897
Of which:		
Pension liability	-326	-438
Lease liability according to IFRS 16	-1,606	-2,215
Net debt, excluding effect of lease and pension liability	4,614	-18,244
Debt/equity ratio, %	-6	56
Net debt/EBITDA ⁴	-0.2	2.4

³ Pertains to non-cash items.

⁴ EBITDA including items affecting comparability.

Operating cash flow for the quarter amounted to SEK 1,321 M (1,678). Change in working capital amounted to SEK 312 M (525). The rate of investment was higher than in the preceding year, and amounted to SEK 510 M (434) for the quarter. The cash conversion ratio for the most recent 12-month period amounted to 92 percent (74).

Free cash flow for the full year was SEK 2,526 M (3,305). Net cash flow amounted to SEK 23,137 M (-12,322), primarily affected by the divestment of the Group's tire and printing blanket operations with a combined effect of SEK 26,328 M. In addition, net cash flow was impacted by the effects of acquisitions of SEK -447 M (-11,199), dividends to the shareholders of the Parent Company of SEK -1,524 M (-1,481) as well as the repurchase of own shares of SEK -3,880 M (-3,079).

Net debt during the period was affected by net cash flow of SEK 23,137 M, of which proceeds from the divestments of the Group's tire and printing blanket operations led to the Group recognizing net cash of SEK 2,682 M (-20,897) at the end of the period. In addition, net cash was impacted by exchange rate differences of SEK 382 M (-518) and non-cash adjustments of leasing and pension liabilities totaling SEK 52 M (310).

As the Group reports a net cash position, the reported debt ratio becomes negative and amounts to -6 percent (56). Net debt in relation to EBITDA was -0.2 (2.4).

RETURN ON CAPITAL EMPLOYED AND RETURN ON EQUITY

%	R12 2023	R12 2022
Return on capital employed, continuing operations		
Excluding items affecting comparability	12.9	15.9
Including items affecting comparability	11.5	15.3
Return on equity, Group		
Excluding items affecting comparability	27.0	15.6
Including items affecting comparability	25.4	14.9

Capital employed for continuing operations decreased year-on-year and amounted to SEK 39,768 M (41,309) at the end of the quarter.

Return on capital employed for the most recent 12-month period, excluding items affecting comparability, was 12.9 percent (15.9). Return on capital employed, including items affecting comparability, for the corresponding period was 11.5 percent (15.3). Both return on capital employed measures were impacted by acquisitions with initially lower returns.

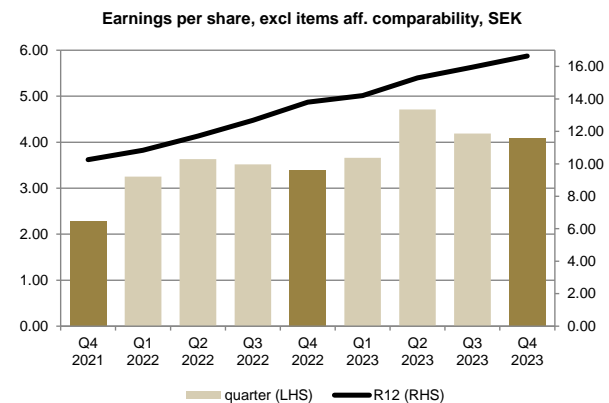
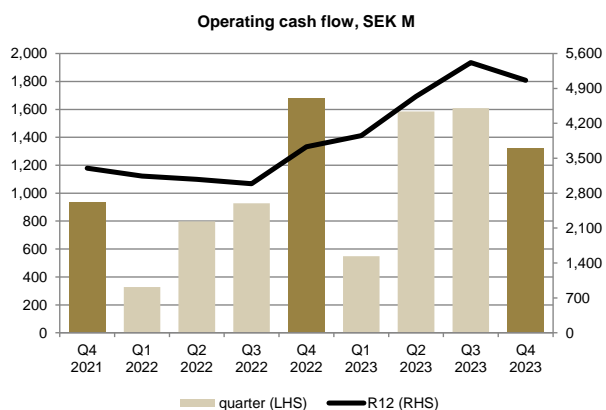
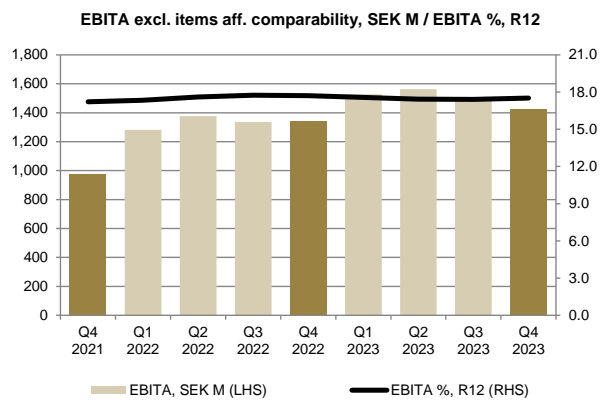
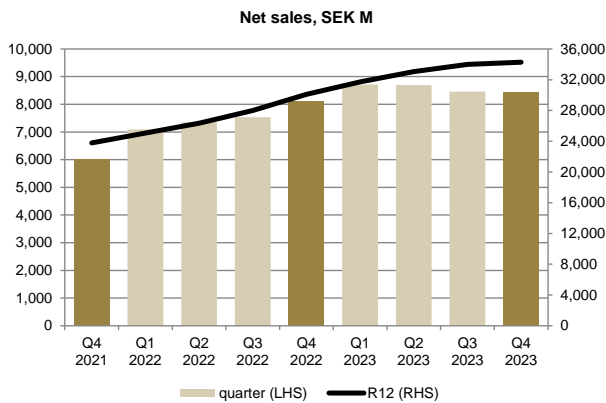
Shareholders' equity for the Group at the close of the period amounted to SEK 41,727 M (37,488), positively impacted by earnings for the year, including the capital gain attributable to the divestments of the Group's tire and printing blanket operations. Shareholders' equity was also affected by positive translation effects and negatively by the dividend to the shareholders of the Parent Company and the repurchase of own shares.

During 2023, 13,950,485 Series B shares in Trelleborg were repurchased (of which 3,587,755 in the fourth quarter),

corresponding to SEK 3,880 M. This corresponds to 5.5 percent of the shares outstanding that amounted to 255,125,919 on the balance sheet date. In accordance with the resolution at the Annual General Meeting on April 27, 2023, Trelleborg canceled 15,945,864 own shares of Series B, where 13,691,970 were repurchased during 2022 and 2,253,894 during 2023. The number of treasury shares amounted to 11,696,591 on the balance sheet date.

Equity per share amounted to SEK 171 (146), based on the number of outstanding shares less treasury shares on the balance sheet date (243,429,328 shares). The equity/assets ratio was 70 percent (49). The return on shareholders' equity for the Group for the most recent 12-month period, excluding items affecting comparability, totaled 27.0 percent (15.6). The return on shareholders' equity for the Group, including items affecting comparability, amounted to 25.4 percent (14.9) for the corresponding period. Both return on investment measures were affected by the capital gain of SEK 6,052 M attributable to the divestments of the Group's tire and printing blanket operations.

KEY FIGURES AND TRENDS



FULL-YEAR 2023

Net sales in full-year 2023 amounted to SEK 34,286 M (30,095), an increase of 14 percent year-on-year. The organic sales growth was 2 percent.

EBITA, excluding items affecting comparability, totaled SEK 6,002 M (5,334), corresponding to an EBITA margin of 17.5 percent (17.7). Items affecting comparability were SEK -614 M (-241) and pertained to restructuring costs of SEK -527 M (-381) and a capital loss from the divestment of a US offshore oil & gas operation of SEK -87 M (2022 included a capital gain from the sale of assets of SEK 140 M). The relatively higher restructuring costs for 2023 are mainly attributable to adjustments to lower demand. EBITA, including items affecting comparability, amounted to SEK 5,388 M (5,093).

The net financial expense was SEK -107 M (-230), corresponding to an average interest rate of 5.4 percent (1.9). Net financial items were impacted by non-recurring financial

income of SEK 218 M (SEK 173 M after tax). This income is explained by terminated interest rate hedges in connection with repayment of loans when the Group's tire business was divested.

Profit before tax totaled SEK 4,797 M (4,595). The tax rate amounted to 27 percent (25), impacted by a non-recurring tax expense of SEK 100 M. This expense is related to a change in the Group's legal structure following the divestment of the Group's tire business.

Net profit for the Group was SEK 10,074 (5,257), mainly impacted by the capital gain from the divestments of the Group's tire and printing blanket operations.

Earnings per share, excluding items affecting comparability, totaled SEK 16.64 (13.80). For the Group as a whole, earnings per share were SEK 40.24 (19.94), mainly impacted by the capital gain from the divestments of the Group's tire and printing blanket operations.

SUSTAINABILITY

Lower climate impact. The CO₂-intensity (CO₂/SEK M) improved to 3.0 (3.5) for the quarter. On a full-year basis, the intensity amounted to 2.7 (3.6).

CO₂ emissions for the quarter for the Group's continuing operations declined compared with the preceding year and amounted to 25,623 metric tons (28,675), a decrease of 11 percent. The trend was driven by increased use of renewable electricity and a reduced consumption of natural gas. The change compared to the third quarter of 2023 is due to seasonal variations. The proportion of renewable and fossil-free electricity in the quarter increased to 54 percent (46) compared with the year-earlier period.

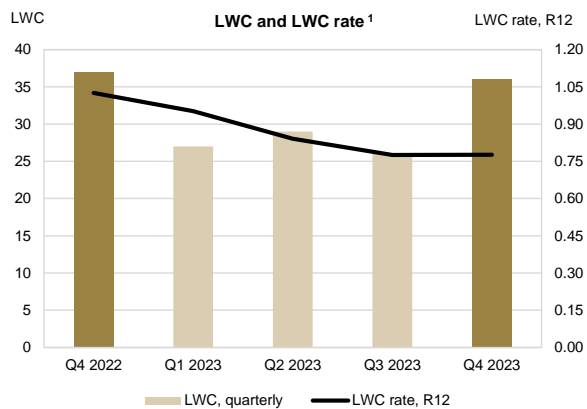
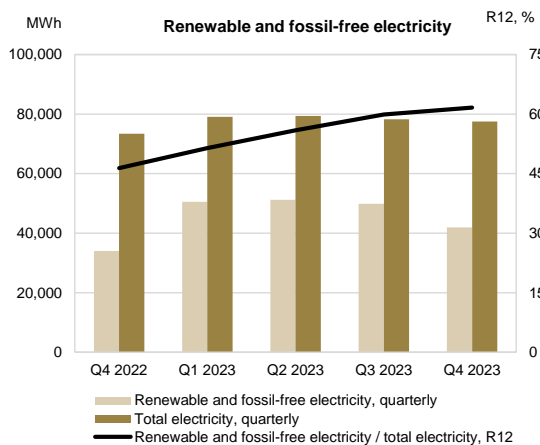
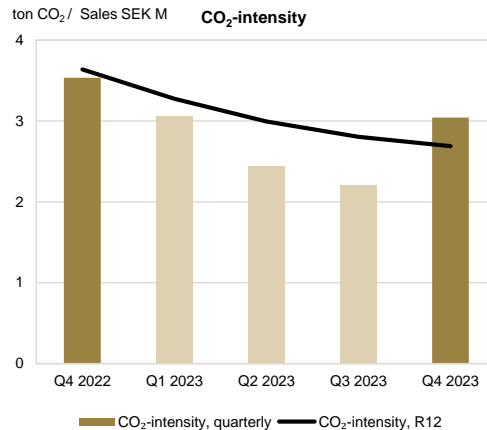
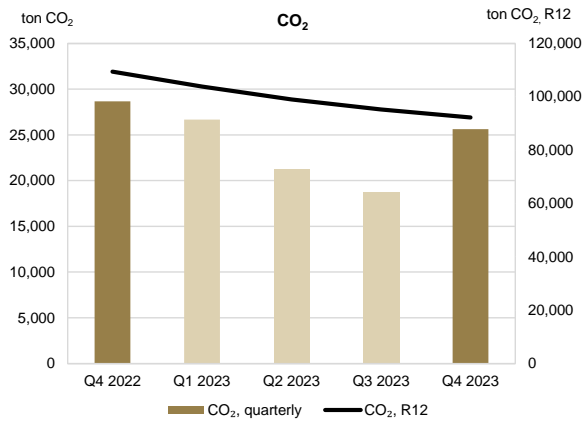
Trelleborg's new climate targets validated by the Science Based Targets initiative (SBTi). Efforts moving forward to reduce the Group's climate impact by 2030 are therefore aligned with the Paris Agreement's goal to limit global warming to 1.5°C.

Under the new validated climate targets, Trelleborg is committed to halving direct and indirect CO₂ emissions (Scope 1 and Scope 2) by 2030 compared with the base year 2021, and, during the same period, reducing CO₂ emissions along the value chain (Scope 3) by 25 percent.

Trelleborg's previous target of a 50-percent reduction in direct and indirect carbon emissions relative to sales by 2025, with 2020 as the base year, was achieved already in 2023.

LWC. The number of work-related injuries (Lost Work Cases, LWC) amounted to 36 (37). The LWC rate declined to 0.8 (1.0), impacted by activities conducted to improve safety.

Social engagement. Trelleborg participates actively in the local communities where the Group operates. The focus is on promoting education and physical activity among children and young people. Examples of local engagement include Trelleborg's support to a sports academy in Leicester, in the UK, which works to promote physical, social and psychological well-being through exercise in the gym, and the Idrott för alla (Sport for All) initiative in Ramlösa, Sweden, which helps functionally diverse individuals to participate in sport.



¹ LWC is measured as the number of work-related injuries which have caused at least one day of absence. LWC rate is the number of cases per 100 employees.

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	Q4 2023	Q4 2022	Change, %	12M 2023	12M 2022	Change, %
Net sales	3,766	3,691	2	15,249	13,998	9
Change total, %	2	30		9	28	
Organic sales, %	-1	18		3	18	
Structural change, %	2	1		2	2	
Currency effects, %	1	11		4	8	
EBITA	586	519	13	2,375	2,057	15
EBITA, %	15.6	14.0		15.6	14.7	
Capital employed, closing balance	12,767	12,857		12,767	12,857	
Return on capital employed R12, %	16.7	15.6	7	16.7	15.6	7

Additional key ratios on pages 16 -17

FOURTH QUARTER 2023

Organic sales for the quarter declined 1 percent year-on-year, impacted by lower volumes. Sales grew in Europe, while organic sales declined in North America and Asia. Deliveries to the construction industry were negative, primarily driven by the continued decline in North America. A number of industrial market segments noted weaker demand. Sales to the marine segment remained strong, supported by larger project transactions. Sales to the automotive industry were positive compared with the year-earlier quarter.

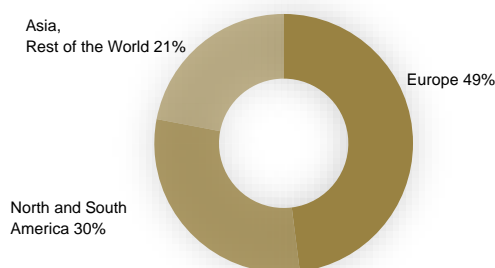
EBITA and the EBITA margin increased year-on-year, primarily as a result of structural improvements and a positive sales mix. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 3 M on EBITA compared with the year-earlier quarter.

FULL-YEAR 2023

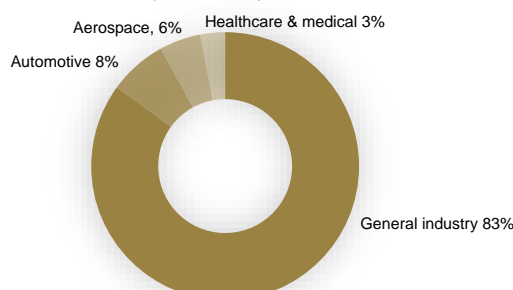
Organic sales for the full year increased 3 percent compared with the preceding year. The sales trend was positive in all major geographic regions. Deliveries to the construction industry were weak throughout the year. Other larger market segments reported organic sales growth.

EBITA and the EBITA margin increased compared with the preceding year, with sales and EBITA reaching their highest levels to date. Structural improvements and a positive sales mix resulted in higher margins. Generally good cost control and active price adjustments for customers offset higher costs during the year. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 61 M on EBITA compared with the preceding year.

Sales per geography



Sales per industry



Net sales per geographic market and per industry are based on full-year 2023.

BUSINESS AREA

TRELLEBORG SEALING SOLUTIONS

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

Excluding items affecting comparability, SEK M	Q4 2023	Q4 2022	Change, %	12M 2023	12M 2022	Change, %
Net sales	4,551	4,303	6	18,548	15,662	18
Change total, %	6	39		18	25	
Organic sales, %	1	12		1	10	
Structural change, %	4	14		12	5	
Currency effects, %	1	13		5	10	
EBITA	909	912	0	3,879	3,616	7
EBITA, %	20.0	21.2		20.9	23.1	
Capital employed, closing balance	27,913	28,140		27,913	28,140	
Return on capital employed R12, %	12.2	18.6	-34	12.2	18.6	-34

Additional key ratios on pages 16 -17

FOURTH QUARTER 2023

Organic sales for the quarter rose by 1 percent year-on-year, primarily driven by price adjustments to meet increased costs. Acquisitions contributed 4 percent sales growth. Sales to general industry declined in both Europe and North America but grew slightly in Asia. Sales to the automotive industry developed positively, while sales to healthcare & medical declined slightly as a result of inventory adjustments among customers. Deliveries to the aerospace industry continued to perform strongly.

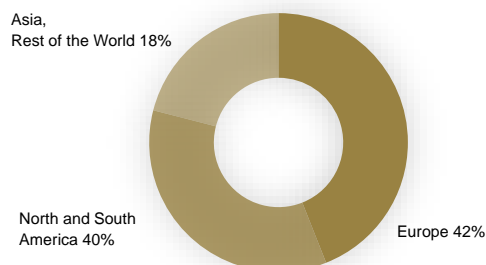
EBITA was on par with the year-earlier period, while the EBITA margin fell, mainly on account of acquisitions with a lower margin. Investments in the organization within a number of rapidly expanding market segments are having a temporary negative impact on the margin but are expected to have a positive effect in the long term. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 8 M on EBITA compared with the year-earlier quarter.

FULL-YEAR 2023

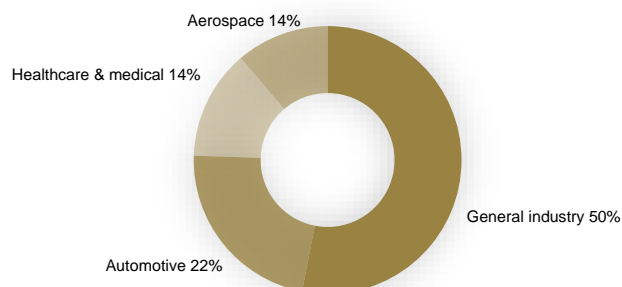
Organic sales for the full year increased 1 percent compared with the preceding year. Acquisitions contributed 12 percent sales growth. Organic sales to Europe and North America developed positively. Sales to Asia declined, mainly due to falling volumes in China. Sales to general industry declined during the year. Deliveries to the automotive and aerospace industries and healthcare & medical all developed positively.

EBITA increased as the result of price adjustments for customers and completed acquisitions. The EBITA margin declined, mainly as a result of acquisitions with lower margins. Investments in the organization within a number of rapidly expanding market segments are having a temporary negative impact on the margin but are expected to have a positive effect in the long term. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 123 M on EBITA compared to the preceding year.

Sales per geography



Sales per industry



Net sales per geographic market and per industry are based on full -year 2023.

SIGNIFICANT EVENTS DURING THE QUARTER

Divestment of Czech automotive component operation.

Trelleborg signed an agreement to divest a Czech operation in automotive components. The operation is currently recognized under Group activities in the financial statements. In 2022, the divested operation reported annual sales of approximately SEK 450 M and made a minor loss. The sale has only an insignificant impact on the Group's EBITA and profit after tax. The buyer is Kaprain, a Czech investment group.

The operation was deconsolidated on December 29.

Press releases were published on October 25 and December 29.

Divestment of offshore oil & gas operation in the US.

Trelleborg signed an agreement and finalized the divestment of a US offshore oil & gas operation, an industry where Trelleborg divested the majority of its operations in 2021. The divested operation, which is part of the Trelleborg Industrial Solutions business area, reported sales of approximately SEK 30 M in 2022. The divestment contributed positively to cash flow but entailed a non-cash capital loss of approximately SEK 90 M, which was recognized as a non-recurring cost in the fourth quarter of 2023. The buyer is a company active in offshore oil & gas.

On November 23, 2023, the operation was deconsolidated and the press release was published.

Divestment of metal component operation in the UK.

Trelleborg signed an agreement and finalized the divestment of its UK operation specializing in trading in customized metal components. The divested operation, which was part of the Trelleborg Sealing Solutions business area, reported annual

sales of approximately SEK 60 M in 2022. The divestment contributed positively to cash flow but did not have any impact on the Group's net profit. The divestment safeguards Trelleborg from the costs associated with the planned business restructuring. The buyer is a local entrepreneur.

On November 30, 2023, the operation was deconsolidated and the press release was published.

Acquisition of leading South Korean manufacturer of precision seals for semiconductor production equipment.

Through its Trelleborg Sealing Solutions business area, Trelleborg signed an agreement to acquire MNE Group, consisting of the companies Materials Nano Engineering and Materials Nano Solution.

MNE Group is a South Korean company primarily focused on manufacturing high-performance specialty seals for both the aftermarket and OE manufacturers of semiconductor production equipment. The headquarters and manufacturing facility are located in Yongin, just outside Seoul.

MNE Group is expected to generate approximately SEK 300 M in revenue in 2023 with an EBITA margin in line with the Trelleborg Sealing Solutions business area. The purchase price amounts to approximately SEK 650 M on a cash and debt-free basis.

The transaction is expected to be finalized in the first quarter of 2024.

The press release was published on December 20.

OTHER NEWS

Mooring system DynaMoor debuts in Japan. Trelleborg has entered into an agreement with JERA, Japan's largest power generation company, and global logistics enterprise, Nippon Yusen Kabushiki Kaisha, paving the way for trial operation of its DynaMoor mooring system. The trial is slated to commence in 2024, with the goal of enhancing the safety, efficiency, and movement of moored vessels at the ports.

Launch of Orkot® C620 High-Load Composite Bearings.

Trelleborg pushes the boundaries of composite technology with Orkot® C620, an innovative ultra-low friction bearing material that offers five times the compressive strength of other Orkot materials. This bearing meets the requirements of the most demanding high-load applications across various market sectors, including energy, off-highway, and industrial.

Trelleborg launches Dartex® MicroClimate EcoPlus.

The material is an innovative fabric that combines exceptional chemical resistance with unparalleled breathability, setting a new benchmark for performance, comfort, and sustainability. The material is used for medical devices with high requirements for safety and hygiene. Manufactured using 100 percent recycled polyester yarn, certified to the Global Recycled

Standard, Dartex® MicroClimate EcoPlus also contributes to Trelleborg and its customers' carbon reduction targets.

Expanded Hydrogen Testing Capabilities. A new hydrogen testing lab in Fort Wayne, Indiana, USA, is set to break ground. Construction is scheduled to be completed in Q1 of 2024. This expansion is part of Trelleborg's strategic goal to become a leader in hydrogen sealing and testing. It aims to help customers navigate the challenges of the entire hydrogen value chain, including generation, storage, transportation, end use, and future hydrogen applications.

Trelleborg's first manufacturing facility in Vietnam.

In November, the new facility in Long Thanh, strategically located near both Ho Chi Minh City and surrounding ports, opened. This provides access to both the domestic market and other markets in Southeast Asia. The establishment's focus is on the automotive and industrial markets and strengthens Trelleborg Sealing Solutions presence and capacity in the region. The facility meets high sustainability standards, including high energy efficiency and its own electricity production from solar panels.

RISK MANAGEMENT

Trelleborg serves a broad range of customers in a variety of industries and niches. The business has a wide geographic spread. Group has operations in around 40 countries, sales are conducted in just over 140 countries worldwide and manufacturing operations are carried out at approximately 100 production units. The business is diversified geographically and within a number of industries, 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. The Group focuses on industries and geographies with good growth that can deliver consistent results even when negative economic fluctuations occur in individual industries.

Long-term risks. Trelleborg has identified the relevant areas based on strategic risks, operational risks, regulatory compliance risks and financial risks that may result in damage

or loss with substantial impact on the entire Group and therefore justify management of the risk exposure at Group level.

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

Short-term risks. The major global geopolitical uncertainty resulting from Russia's invasion of Ukraine in 2022 contributed to higher energy prices, which exasperated the incipient inflation and subsequent strong interest rate hikes. Trelleborg has continuously addressed both opportunities and challenges that have arisen through flexible production, but has also proactively managed prices to address cost increases.

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

Trelleborg, February 1, 2024
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 2022. No new or revised IFRSs or interpretative statements applied as of January 1, 2023 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 2022 Annual and Sustainability Report.

Condensed Income Statements

Income Statements, SEK M	Q4 2023	Q4 2022	12M 2023	12M 2022
Net sales	8,421	8,113	34,286	30,095
Cost of goods sold	-5,423	-5,267	-22,195	-19,341
Gross profit	2,998	2,846	12,091	10,754
Selling expenses	-626	-610	-2,526	-2,242
Administrative expenses	-820	-815	-3,123	-2,808
Research and development costs	-162	-175	-697	-554
Other operating income ¹	261	72	792	295
Other operating expenses ¹	-342	-80	-1,017	-384
Profit from associated companies	-5	1	-2	5
EBIT, excluding items affecting comparability	1,304	1,239	5,518	5,066
Items affecting comparability	-260	-115	-614	-241
EBIT	1,044	1,124	4,904	4,825
Financial income and expenses ²	-38	-76	-107	-230
Profit before tax	1,006	1,048	4,797	4,595
Tax ³	-226	-283	-1,316	-1,166
Net profit, continuing operations	780	765	3,481	3,429
Net profit, discontinuing operations ⁴	-	431	6,593	1,828
Net profit, Group	780	1,196	10,074	5,257
- equity holders of the parent company	780	1,197	10,075	5,260
- non-controlling interest	0	-1	-1	-3

¹ Other operating income and expenses are affected by exchange rate differences reported on a gross basis. Exchange rate differences were reclassified between other operating income and expenses to financial income and expenses for the May-September 2023 period. This reclassification will have no effect on EBIT or financial income and expenses.

² Q2 2023 includes non-recurring financial income of SEK 218 M (SEK 173 M after tax) attributable to concluded interest rate hedges in connection with the divestment of the Group's tire operation.

³ Q2 2023 includes a non-recurring tax expense of SEK 150 M related to a review of the Group's legal structure after the divestment of the Group's tire operation. This tax expense declined by SEK 50 M in Q4 2023.

⁴ Q2 2023 includes a capital gain attributable to the divestment of the Group's tire and printing blanket operations.

Earnings per share, SEK ⁵	Q4 2023	Q4 2022	12M 2023	12M 2022
Continuing operations	3.40	2.98	14.31	13.01
Discontinuing operations	-	1.68	25.93	6.93
Group	3.40	4.66	40.24	19.94
Group, excluding items affecting comparability	4.08	5.10	42.68	20.81
Continuing operations, excluding items affecting comparability	4.08	3.40	16.64	13.80

⁵ No dilution effects arose.

Number of shares	Q4 2023	Q4 2022	12M 2023	12M 2022
End of period	255,125,919	271,071,783	255,125,919	271,071,783
of which, in treasury	11,696,591	13,691,970	11,696,591	13,691,970
Average number	244,527,357	257,803,579	250,349,374	263,885,220

Statements of comprehensive income, SEK M	Q4 2023	Q4 2022	12M 2023	12M 2022
Net profit, Group	780	1,196	10,074	5,257
Other comprehensive income				
Items that will not be reclassified to the income statement				
Reassessment of net pension obligation	1	30	-1	145
Income tax relating to components of other comprehensive income	0	-8	0	-32
Total	1	22	-1	113
Items that may be reclassified to the income statement				
Cash flow hedges	4	42	-261	408
Hedging of net investment	441	-142	435	-966
Translation difference	-2,224	-328	-741	3,774
Income tax relating to components of other comprehensive income	-91	21	-88	112
Total	-1,870	-407	-655	3,328
Other comprehensive income, net of tax	-1,869	-385	-656	3,441
Total comprehensive income	-1,089	811	9,418	8,698
Total comprehensive income attributable to:				
- equity holders of the parent company	-1,089	814	9,418	8,701
- non-controlling interest	0	-3	0	-3

Condensed Balance Sheets

Balance Sheets, SEK M	Dec 31 2023	Dec 31 2022
Property, plant and equipment	7,757	7,589
Right-of-use assets	1,538	1,507
Goodwill	20,491	20,818
Other intangible assets	5,333	5,744
Participations in associated companies	54	61
Financial non-current assets	165	456
Deferred tax assets	498	543
Total non-current assets	35,836	36,718
Inventories	5,119	5,463
Current operating receivables	6,440	6,620
Current tax assets	853	1,068
Interest-bearing receivables	709	429
Cash and cash equivalents	10,546	3,924
Total current assets	23,667	17,504
Assets held for sale	-	22,844
Total assets	59,503	77,066
Share capital	2,620	2,620
Other capital contributions	226	226
Other reserves	4,684	5,339
Profit brought forward	24,117	24,037
Net profit for the year	10,075	5,260
Total	41,722	37,482
Non-controlling interests	5	6
Equity	41,727	37,488
Interest-bearing non-current liabilities	5,344	9,029
Other non-current liabilities	71	86
Pension obligations	346	352
Other provisions	447	288
Deferred tax liabilities	799	910
Total non-current liabilities	7,007	10,665
Interest-bearing current liabilities	2,953	16,124
Current tax liabilities	1,241	1,360
Other current liabilities	6,080	6,045
Other provisions	495	361
Total current liabilities	10,769	23,890
Liabilities held for sale	-	5,023
Total equity and liabilities	59,503	77,066

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		Dec 31 2023	Dec 31 2022	Dec 31 2023	Dec 31 2022
	Dec 31 2023	Dec 31 2022	Dec 31 2023	Dec 31 2022	Dec 31 2023	Dec 31 2022	Dec 31 2023	Dec 31 2022				
	2023	2022	2023	2022	2023	2022	2023	2022				
Opening balance, January 1	2,620	2,620	226	226	5,339	2,011	29,297	28,133	6	8	37,488	32,998
Net profit/loss for the year							10,075	5,260	-1	-3	10,074	5,257
Other comprehensive income					-655	3,328	-1	112	-	1	-656	3,441
Repurchase own shares							-3,880	-3,079	-	-	-3,880	-3,079
Cancellation of own shares	-154						154	-	-	-	-	-
Bonus issue	154						-154	-	-	-	-	-
Dividend							-1,524	-1,481	-	-	-1,524	-1,481
Impact from IAS 29 ¹							225	352	-	-	225	352
Closing balance	2,620	2,620	226	226	4,684	5,339	34,192	29,297	5	6	41,727	37,488

¹ Refers to hyperinflationary accounting in operations in Turkey.

Repurchased own shares that are included in the equity item Profit brought forward	Number of shares		Amount that affected equity, SEK M
	Dec 31 2023	Dec 31 2022	Dec 31 2023
	2023	2022	2023
Opening repurchased own shares	13,691,970		-3,079
Purchases for the year	13,950,485		-3,880
Cancellations for the year	-15,945,864		-
Closing repurchased own shares	11,696,591		-6,959

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	Q4 2023	Q4 2022	12M 2023	12M 2022
Operating activities				
EBIT incl part in associated companies	1,044	1,124	4,904	4,825
Adjustments for items not included in cash flow from operating activities:				
Depreciation, property, plant and equipment	238	209	924	760
Depreciation, right-of-use assets	93	87	365	323
Amortization, intangible assets	137	113	539	316
Impairment losses, property, plant and equipment	23	7	38	10
Impairment losses, intangible assets	-	0	3	-
Dividend from associated companies	1	1	9	1
Participations in associated companies and other non cash-flow affecting items	-144	-6	-162	-15
Capital gain in divested operations	87	-	87	-140
Interest received	139	201	381	254
Interest paid	-124	-206	-848	-390
Other financial items	3	38	265	31
Taxes paid	-298	-234	-1,266	-984
Cash flow from operating activities before changes in working capital	1,199	1,334	5,239	4,991
Cash flow from changes in working capital				
Change in inventories	272	99	122	-694
Change in operating receivables	426	780	-262	-461
Change in operating liabilities ¹	-362	-310	156	113
Cash flow from operating activities	1,535	1,903	5,255	3,949
Investing activities				
Acquisitions	-31	-10,935	-447	-11,199
Disposed/discontinuing operations	135	-	135	149
Capital increase associated companies	-	-9	-	-16
Capital expenditure, property, plant and equipment ¹	-457	-397	-1,529	-1,218
Capital expenditure, intangible assets	-53	-37	-149	-112
Sale of non-current assets	10	27	30	57
Cash flow from investing activities	-396	-11,351	-1,960	-12,339
Financing activities				
New/utilized loans	0	11,714	12,515	16,706
Amortized loans	209	-9,389	-19,942	-12,403
Amortized leased liabilities	-139	-87	-465	-322
Repurchase own share	-1,078	-384	-3,880	-3,079
Dividend - equity holders of the parent company	-	-	-1,524	-1,481
Cash flow from financing activities	-1,008	1,854	-13,296	-579
Total cash flow, continuing operations	131	-7,594	-10,001	-8,969
Total cash flow, discontinuing operations	-	9,250	15,884	10,121
Cash flow for the period, Group	131	1,656	5,883	1,152
Cash and cash equivalents				
At beginning of the period, continuing operations	10,558	2,746	3,924	3,460
At beginning of the period, discontinuing operations	-	-507	-835	-36
Cash classified as assets held for sale	-	-835	-	-835
Exchange rate differences	-143	-150	-96	111
Cash and cash equivalents at end of period	10,546	3,924	10,546	3,924

¹ As of 2023, capital expenditures include change in accounts payable linked to investments. These liabilities were previously part of the change in working capital. Items affecting comparability have been restated to reflect this reclassification.

Change in liabilities from financing activities, SEK M	Non-cash changes								
	Dec 31 2022	Transfer between non-current and current loans	Cash changes	Acquisitions	Translation differences	Fair value changes	Lease liabilities according to IFRS 16	Pension liabilities	Dep 31 2023
Non-current loans	7,672	-2,561	-1,021	-	-66	-	-	-	4,024
Current loans	15,481	2,561	-15,374	-	-107	-	-	-	2,561
Other non-current financial liabilities	1	-	-1	-	0	-	-	-	0
Other current financial liabilities	325	-	56	-	-275	-	-	-	106
Lease liabilities according to IFRS 16	2,215	-	-1,026	-	-28	-	445	-	1,606
Pension obligations	458	-	-113	-	-9	-	-	10	346
Total	26,152	-	-17,479	-	-485	-	445	10	8,643

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 operational 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 www.trelleborg.com/en/investors/key-figures.

SEK M	Q4 2023	Q4 2022	12M 2023	12M 2022	
Net sales					
Trelleborg Industrial Solutions	3,766	3,691	15,249	13,998	
Trelleborg Sealing Solutions	4,551	4,303	18,548	15,662	
Group activities	178	169	727	650	
Eliminations	-74	-50	-238	-215	
Continuing operations	8,421	8,113	34,286	30,095	
EBITA, excluding items affecting comparability					
Trelleborg Industrial Solutions	586	519	2,375	2,057	
Trelleborg Sealing Solutions	909	912	3,879	3,616	
Group activities	-71	-91	-252	-339	
Continuing operations	1,424	1,340	6,002	5,334	
EBITA %, excluding items affecting comparability					
Trelleborg Industrial Solutions	15.6	14.0	15.6	14.7	
Trelleborg Sealing Solutions	20.0	21.2	20.9	23.1	
Continuing operations	16.9	16.5	17.5	17.7	
Net sales per market continuing operations, organic growth, %	Q4 2023	Q4 2022	12M 2023	12M 2022	
Europe (46)	2	13	4	10	
North- and South America (35)	-1	18	4	21	
Asia and rest of the world (19)	-1	14	-2	11	
Total (100% refer to share 2023)	0	15	2	14	
Bridge net sales	Q4 2022, SEK M	Organic sales, %	Structural change, %	Currency effects, %	Q4 2023, SEK M
Trelleborg Industrial Solutions	3,691	-1	2	1	3,766
Trelleborg Sealing Solutions	4,303	1	4	1	4,551
Group activities	119				104
Continuing operations	8,113	0	3	1	8,421
Exchange rate differences impacting EBITA excluding items affecting comparability ¹, SEK M	Q4 2023	12M 2023			
Trelleborg Industrial Solutions	-3	61			
Trelleborg Sealing Solutions	8	123			
Group activities	-1	-12			
Continuing operations	4	172			
¹ Impact on EBITA excluding items affecting comparability in translation of foreign subsidiaries.					
EBIT specification, continuing operations, SEK M	Q4 2023	Q4 2022	12M 2023	12M 2022	
Excluding items affecting comparability:					
EBITDA	1,790	1,654	7,368	6,475	
Depreciation/write-down, property, plant and equipment	-348	-302	-1,308	-1,093	
Amortization/write-down, intangible assets	-18	-12	-58	-48	
EBITA	1,424	1,340	6,002	5,334	
Amortization of surplus values related to acquisitions	-120	-101	-484	-268	
EBIT	1,304	1,239	5,518	5,066	
Items affecting comparability	-260	-115	-614	-241	
EBIT	1,044	1,124	4,904	4,825	

Specification of capital employed, SEK M	Dec 31 2023	Dec 31 2022
Working capital	4,595	5,591
Property, plant and equipment	7,757	7,589
Right-of-use assets	1,538	1,507
Intangible assets	25,824	26,561
Participations in joint ventures/associated companies	54	61
Continuing operations	39,768	41,309

SEK M	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Net sales									
Trelleborg Industrial Solutions	3,766	3,663	3,980	3,840	3,691	3,472	3,512	3,323	2,831
Trelleborg Sealing Solutions	4,551	4,688	4,571	4,738	4,303	3,970	3,725	3,664	3,106
Group activities	178	165	194	190	169	141	171	169	137
Eliminations	-74	-58	-49	-57	-50	-47	-57	-61	-58
Continuing operations	8,421	8,458	8,696	8,711	8,113	7,536	7,351	7,095	6,016
Organic sales, %									
Trelleborg Industrial Solutions	-1	-1	6	8	18	17	16	21	8
Trelleborg Sealing Solutions	1	-1	1	5	12	13	7	8	14
Continuing operations	0	-1	3	7	15	15	11	13	9
EBITA, excluding items affecting comparability									
Trelleborg Industrial Solutions	586	594	632	563	519	507	561	470	395
Trelleborg Sealing Solutions	909	936	1,001	1,033	912	907	900	897	674
Group activities	-71	-43	-70	-68	-91	-78	-85	-85	-91
Continuing operations	1,424	1,487	1,563	1,528	1,340	1,336	1,376	1,282	978
EBITA %, excluding items affecting comparability									
Trelleborg Industrial Solutions	15.6	16.2	15.9	14.7	14.0	14.6	16.0	14.2	13.9
Trelleborg Sealing Solutions	20.0	20.0	21.9	21.8	21.2	22.9	24.2	24.5	21.7
Continuing operations	16.9	17.6	18.0	17.5	16.5	17.7	18.7	18.1	16.2

Condensed Income Statements, SEK M	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Net sales	8,421	8,458	8,696	8,711	8,113	7,536	7,351	7,095	6,016
Cost of goods sold	-5,423	-5,478	-5,687	-5,607	-5,267	-4,835	-4,706	-4,533	-3,966
Gross profit	2,998	2,980	3,009	3,104	2,846	2,701	2,645	2,562	2,050
Selling expenses	-626	-648	-615	-637	-610	-563	-546	-523	-473
Administrative expenses	-820	-766	-763	-774	-815	-687	-650	-656	-624
Research and development costs	-162	-181	-176	-178	-175	-132	-125	-122	-111
Other operating income ¹	261	211	212	108	72	136	73	14	136
Other operating expenses ¹	-342	-231	-228	-216	-80	-177	-80	-47	-50
Profit from associated companies	-5	-4	3	4	1	0	2	2	0
EBIT, excluding items affecting comparability	1,304	1,361	1,442	1,411	1,239	1,278	1,319	1,230	928
Items affecting comparability	-260	-111	-194	-49	-115	-68	-33	-25	-128
EBIT	1,044	1,250	1,248	1,362	1,124	1,210	1,286	1,205	800
Financial income and expenses ²	-38	-44	140	-165	-76	-69	-40	-45	-34
Profit before tax	1,006	1,206	1,388	1,197	1,048	1,141	1,246	1,160	766
Tax ³	-226	-301	-491	-298	-283	-279	-304	-300	-254
Net profit, continuing operations	780	905	897	899	765	862	942	860	512
Net profit, discontinuing operations ⁴	-	-	6,130	463	431	380	574	443	240
Net profit, Group	780	905	7,027	1,362	1,196	1,242	1,516	1,303	752
- equity holders of the parent company	780	906	7,027	1,362	1,197	1,243	1,517	1,303	752
- non-controlling interest	0	-1	0	0	-1	-1	-1	0	0

¹ Other operating income and expenses are affected by exchange rate differences reported on a gross basis. Exchange rate differences were reclassified between other operating income and expenses to financial income and expenses for the May-September 2023 period. This reclassification will have no effect on EBIT or financial income and expenses.

² Q2 2023 includes non-recurring financial income of SEK 218 M (SEK 173 M after tax) attributable to concluded interest rate hedges in connection with the divestment of the Group's tire operation.

³ Q2 2023 includes a non-recurring tax expense of SEK 150 M related to a review of the Group's legal structure after the divestment of the Group's tire operation. This tax expense declined by SEK 50 M in Q4 2023.

⁴ Q2 2023 includes a capital gain attributable to the divestment of the Group's tire and printing blanket operations.

Continuing operations	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Net sales, SEK M	8,421	8,458	8,696	8,711	8,113	7,536	7,351	7,095	6,016
Organic sales, %	0	-1	3	7	15	15	11	13	9
EBITDA, excl items affecting comparability, SEK M	1,790	1,831	1,891	1,856	1,654	1,621	1,652	1,548	1,237
EBITDA, excl items affecting comparability, %	21.3	21.7	21.7	21.3	20.4	21.5	22.4	21.8	20.6
EBITA, excl items affecting comparability, SEK M	1,424	1,487	1,563	1,528	1,340	1,336	1,376	1,282	978
EBITA, excl items affecting comparability, %	16.9	17.6	18.0	17.5	16.5	17.7	18.7	18.1	16.2
EBIT, excl items affecting comparability, SEK M	1,304	1,361	1,442	1,411	1,239	1,278	1,319	1,230	928
EBIT, excl items affecting comparability, %	15.5	16.1	16.6	16.2	15.3	17.0	17.9	17.3	15.4
Items affecting comparability, SEK M	-260	-111	-194	-49	-115	-68	-33	-25	-128
EBIT, SEK M	1,044	1,250	1,248	1,362	1,124	1,210	1,286	1,205	800
Earnings per share, excluding items affecting comparability SEK	4.08	4.19	4.71	3.66	3.40	3.52	3.63	3.25	2.28
Operating cash flow, excl items affecting comp., SEK M	1,321	1,608	1,585	549	1,678	928	798	328	937
Cash conversion ratio, excl items affecting comp., R12, %	92	99	88	75	74	63	69	76	85
Capital employed, closing balance, SEK M	39,768	42,622	43,111	42,299	41,309	31,862	30,247	27,786	26,557
Return on capital employed R12, %	11.5	12.0	12.8	14.2	15.3	15.7	15.5	14.9	14.9

Group total	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Earnings per share, excl items affecting comparability, SEK	4.08	4.19	28.83	5.58	5.10	5.00	5.81	4.90	3.29
Earnings per share, Group, SEK	3.40	3.84	27.67	5.33	4.66	4.79	5.68	4.81	2.78
Free cash flow, SEK M	897	1,075	658	-104	1,823	499	583	400	654
Net debt, closing balance, SEK M	2,682	1,871	1,881	-21,628	-20,897	-12,038	-10,959	-8,040	-8,367
Net debt/EBITDA	-0.2	-0.1	-0.1	2.4	2.4	1.5	1.4	1.1	1.2
Debt/equity ratio %	-6	-4	-4	56	56	33	31	23	25
Return on equity R12, %	25.4	26.0	27.2	14.5	14.9	14.0	13.5	11.9	12.0
Equity/assets ratio, %	70	69	68	50	49	56	57	61	59

Acquisitions

2023

During the first quarter of 2023, Trelleborg, through its Trelleborg Sealing Solutions business area, signed agreements and finalized the acquisitions of two minor privately owned Swiss manufacturers of special tools for complex silicon components: Lehmann AG and Oechsli AG.

During the second quarter of 2023, Trelleborg, through its Trelleborg Industrial Solutions business area, finalized the acquisition of an operation specializing in automotive boots for the fast-growing Indian light vehicles market. The operation was part of the India-based privately owned company Injectoplast.

During the second quarter of 2023, Trelleborg, through its Trelleborg Sealing Solutions business area, finalized the acquisition of an operation from the US-based privately owned 4M Company, Inc. The operation specializes in sealing solutions for aerospace and industrial applications.

The acquisition of an operation from the 4M Company, Inc. was an acquisition of assets and liabilities, while the other acquisitions finalized in 2023 pertained to 100 percent of the shares in the respective companies.

Certain minor adjustments were made to purchase price allocations attributable to acquisitions made in 2022.

2022

Acquisitions in the Trelleborg Industrial Solutions business area:

- Parklane Textiles Ltd
- Sewer and drainage pipe rehabilitation operation. The acquisition pertained primarily to the acquisition of assets and liabilities.

Acquisitions in the Trelleborg Sealing Solutions business area:

- EirMed, LLC
- MG Silikon GmbH
- Minnesota Rubber & Plastics.

Certain minor adjustments were made to purchase price allocations attributable to acquisitions made in 2021.

Carrying amounts of identifiable acquired assets and assumed liabilities.

Acquisitions, SEK M	12M 2023 Acquired 2023	12M 2022 Acquired 2022
Trademarks ¹	-	28
Customer relationships ²	163	3,421
Other intangible assets	-	-
Property, plant and equipment	2	665
Right-of-use assets	14	63
Deferred tax assets	16	3
Shares in associated companies	-	-
Interest-bearing receivables	-	396
Inventories	23	446
Operating receivables	40	632
Current tax asset	-	1
Cash and cash equivalents	13	183
Deferred tax liabilities	-29	-17
Interest-bearing liabilities	-21	-3,096
Post employment benefits	-22	-9
Provision obligations	-4	-64
Current tax liability	-6	-4
Operating liabilities	-28	-446
Net assets	161	2,202
Goodwill	256	6,471
Total purchase price	417	8,673
Cash and other net debt in acquired operations	30	2,526
Impact shown in cash flow statement	447	11,199

¹ Excess value of trademarks are amortized over 1-10 years.

² Excess value of customer relationships are amortized over 10-16 years.

The goodwill recognized above for 2023 was primarily attributable to synergy effects expected after the acquisition. The fair value of acquired, identifiable intangible assets is preliminarily pending final measurement of these assets.

Assets and liabilities held for sale / Discontinuing operations

The Group's tire and printing blanket operations were divested to Yokohama Rubber and Continental, respectively, on May 2, 2023. The total capital gain amounts to SEK 6,189 M before tax and SEK 6,052 M after tax. For the divested operations, capital employed on April 30, 2023, amounted to SEK 19,399 M, of which SEK 9,231 M pertained to intangible assets, SEK 5,477 M to property, plant and equipment, SEK 4,042 M to working capital, SEK 583 M to right-of-use assets and SEK 66 M to participations in joint ventures/associated companies.

The tables below show the condensed income statements, balance sheets and cash flow statements for the Group's assets and liabilities held for sale / Discontinuing operations.

Income statement for discontinuing operations, SEK M	Q4 2023	Q4 2022	12M 2023	12M 2022
Net sales	-	3,741	5,108	14,615
Operating expenses	-	-3,108	-4,290	-12,212
Capital gain	-	-	6,189	-
EBIT	-	633	7,007	2,403
Financial items	-	-81	-124	-33
Profit before tax	-	552	6,883	2,370
Income tax	-	-121	-290	-542
Net profit	-	431	6,593	1,828

Assets and Liabilities held for sale, SEK M	Dec 31 2023	Dec 31 2022
Non-current assets	-	14,852
Current assets	-	7,992
Total assets	-	22,844
Non-current liabilities	-	1,168
Current liabilities	-	3,855
Total liabilities	-	5,023

Cash-flow statement for discontinuing operations, SEK M	12M 2023	12M 2022
Cash flow from operating activities	-345	1,495
Cash flow from investing activities	26,099	-429
Cash flow from financing activities	-9,870	9,055
Total cash flow from discontinuing operations	15,884	10,121

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 December 31, 2023, SEK M	Assets measured at amortized cost	Assets at fair value in profit and loss		Derivatives used for hedging purposes, measured at fair value		Total
		Carrying amount	Measurement level	Carrying amount	Measurement level	
Assets in the balance sheet						
Derivative instruments	-	220	2	535	2	755
Financial non-current assets	89	50	3	-	-	139
Accounts receivable	4,941	-	-	-	-	4,941
Interest-bearing receivable	12	-	-	-	-	12
Cash and cash equivalents	10,546	-	-	-	-	10,546
Total	15,588	270		535		16,393

	Liabilities measured at amortized cost	Liabilities at fair value in profit and loss		Derivatives used for hedging purposes, measured at fair value		Total
		Carrying amount	Measurement level	Carrying amount	Measurement level	
Liabilities in the balance sheet						
Derivative instruments	-	108	2	20	2	128
Interest-bearing non-current liabilities	4,024	-	-	-	-	4,024
Interest-bearing current liabilities	2,560	-	-	-	-	2,560
Lease liabilities according to IFRS 16	1,606	-	-	-	-	1,606
Accounts payable	2,311	-	-	-	-	2,311
Total	10,501	108		20		10,629

Measurement techniques used to calculate fair value of level 2

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

A financial interest-bearing receivable of SEK 50 M (47) is recognized at fair value. An assessment of the most likely outcome has been determined. The present value of this amount has been calculated.

Disclosure on fair value of borrowings and other financial instruments

Financial interest-bearing liabilities, except for financial derivatives that adjust loans, are recognized at amortized cost. Changes in interest-rate levels and credit margins create differences between fair value and amortized cost. Measurement at fair value would decrease the Group's non-current loans by SEK 5 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 December 31, 2022, SEK M	Assets measured at amortized cost	Assets at fair value in profit and loss		Derivatives used for hedging purposes, measured at fair value		Total
		Carrying amount	Measurement level	Carrying amount	Measurement level	
Assets in the balance sheet						
Derivative instruments	-	418	2	323	2	741
Financial non-current assets	101	47	3	-	-	148
Accounts receivable	5,124	-	-	-	-	5,124
Interest-bearing receivable	12	-	-	-	-	12
Cash and cash equivalents	3,924	-	-	-	-	3,924
Total	9,161	465		323		9,949

	Liabilities measured at amortized cost	Liabilities at fair value in profit and loss		Derivatives used for hedging purposes, measured at fair value		Total
		Carrying amount	Measurement level	Carrying amount	Measurement level	
Liabilities in the balance sheet						
Derivative instruments	-	60	2	238	2	298
Interest-bearing non-current liabilities	7,673	-	-	-	-	7,673
Interest-bearing current liabilities	15,510	49	3	-	-	15,559
Lease liabilities according to IFRS 16	1,674	-	-	-	-	1,674
Accounts payable	2,598	-	-	-	-	2,598
Total	27,455	109		238		27,802

Parent Company

Condensed Income statements, SEK M	Q4 2023	Q4 2022	12M 2023	12M 2022
Net sales	196	220	635	645
Administrative expenses	-157	-221	-558	-415
Other operating income	7	4	8	7
Other operating expenses	-320	-258	-426	-351
EBIT	-274	-255	-341	-114
Financial income and expenses ¹	-198	5,138	17,243	8,088
Profit before tax	-472	4,883	16,902	7,974
Appropriations	449	94	449	94
Tax	-135	-85	-80	-106
Net profit	-158	4,892	17,271	7,962

¹ Q2 2023 includes effects from divestments of the Group's tire and printing blanket operations.

Condensed Balance sheets, SEK M	Dec 31 2023	Dec 31 2022
Property, plant and equipment	9	11
Intangible assets	6	13
Financial assets	37,873	42,020
Total non-current assets	37,888	42,044
Current receivables	115	179
Current tax asset	-	1
Interest-bearing receivables	788	96
Cash and cash equivalents	0	-
Total current assets	903	276
Total assets	38,791	42,320
Equity	26,325	14,458
Untaxed reserves	101	-
Interest-bearing non-current liabilities	0	0
Other non-current liabilities	65	64
Total non-current liabilities	65	64
Interest-bearing current liabilities	12,087	27,631
Current tax liabilities	60	-
Other current liabilities	153	167
Total current liabilities	12,300	27,798
Total equity and liabilities	38,791	42,320

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 2022 Annual Report.

ABOUT TRELLEBORG

The Trelleborg Group is a world leader in engineered polymer solutions. The Group had sales of approximately SEK 34 billion in 2023 and operations in around 40 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 CO₂ emissions, eliminate noise and vibrations, and dramatically extend the lifecycles of machines and medical devices as well as skyscraper facades.

Trelleborg's climate targets were validated by the Science Based Targets initiative (SBTi) in the fourth quarter of 2023. 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.

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 segments.

The fast-growing industries 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 industries.

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. The Group's climate target is to halve direct and indirect CO₂ emissions by the end of 2030 compared with the base year 2021, and, during the same period, reduce emissions along the value chain by 25 percent.

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.

Trelleborg's industries:

Business area/Industry	General industry	Automotive	Healthcare & medical	Aerospace
Trelleborg Industrial Solutions	83%	8%	3%	6%
Trelleborg Sealing Solutions	50%	22%	14%	14%
Continuing operations	65%	16%	9%	10%

Net sales per industry and business area based on full-year 2023.

PRESENTATION OF THE REPORT

A combined webcast and telephone conference will be held on February 2 at 10:30 a.m. CET.

To follow the presentation webcast, either access this [link](#) or visit www.trelleborg.com.

To participate via teleconference, please register [here](#). After registration, you will be provided phone numbers and a conference ID to access the call. You can ask questions verbally via the teleconference.

The webcast will be available on Trelleborg's website following the presentation.

FINANCIAL CALENDER

Annual report 2023	March 1, 2024
Interim report January–March 2024	April 24, 2024
Annual General Meeting 2024	April 24, 2024
Interim report April–June 2024	July 18, 2024
Interim report July–September 2024	October 24, 2024
Year-end report 2024	January 29, 2025

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



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

This information is information that Trelleborg AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was issued, by the contact persons above, for publication on February 2, 2024 at 7:45 a.m. CET.

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