

INTERIM REPORT APRIL–JUNE 2023

ANOTHER STRONG QUARTER

Second quarter 2023 – continuing operations

- Net sales for the quarter increased 18 percent to SEK 8,696 M (7,351). Organic sales increased 3 percent compared with the preceding year, while acquisitions increased sales by 9 percent and currency by 6 percent.
- EBITA, excluding items affecting comparability, increased 14 percent to SEK 1,563 M (1,376). Earnings were the best to date for a quarter. The EBITA margin was 17.9 percent (18.7).
- Operating cash flow amounted to SEK 1,585 M (798), an increase of 99 percent. The cash conversion ratio for the most recent 12-month period amounted to 88 percent (69).
- Items affecting comparability for the quarter totaled SEK -194 M (-33) and pertained to restructuring costs.
- EBITA, including items affecting comparability, amounted to SEK 1,368 M (1,343) for the quarter.
- 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 and is recognized under discontinuing operations in the income statement. For further information, refer to pages 9 and 20.
- As a result of the divestments, the Group reported a net cash position of SEK 1,881 M (-10,959) at the end of the quarter.
- Earnings per share for continuing operations, excluding items affecting comparability, amounted to SEK 4.71 (3.63), up 30 percent. For the Group as a whole, including discontinuing operations, earnings per share were SEK 27.67 (5.68), primarily impacted by the capital gain from the divestments of the Group's tire and printing blanket operations.
- The key figures in this report relate to continuing operations, unless otherwise stated. From this quarter, EBITA has replaced EBIT as an operational performance metric.

SEK M	Q2 2023	Q2 2022	Change, %	6M 2023	6M 2022	Change, %
Continuing operations						
Net sales	8,696	7,351	18	17,407	14,446	20
Organic sales, %	3	11		5	12	
EBITA, excluding items affecting comparability	1,563	1,376	14	3,091	2,658	16
EBITA-margin, %	17.9	18.7		17.7	18.4	
Items affecting comparability	-194	-33		-243	-58	
EBITA	1,368	1,343	2	2,848	2,600	10
Profit before tax, continuing operations	1,388	1,246	11	2,585	2,406	7
Net profit, discontinuing operations	6,130	574	968	6,593	1,017	548
Net profit, Group	7,027	1,516	364	8,389	2,819	198
Earnings per share, SEK						
Continuing operations	3.55	3.52	1	7.07	6.70	6
Discontinuing operations	24.12	2.16	1,017	25.93	3.79	584
Group	27.67	5.68	387	33.00	10.49	215
Continuing operations, excluding items affecting comparability	4.71	3.63	30	8.37	6.88	22
Operating cash flow	1,585	798	99	2,134	1,126	90
Cash conversion ratio R12, %	88	69		88	69	

ANOTHER STRONG QUARTER

“The Group continued to perform well during the second quarter of the year and recognized strong sales, earnings and cash flow. Net sales increased year-on-year by 18 percent, with organic growth contributing 3 percent, acquisitions 9 percent and positive exchange rate effects 6 percent. EBITA, excluding items affecting comparability, increased 14 percent and the corresponding margin amounted to 17.9 percent (18.7). This was the highest EBITA to date for a single quarter. Inflation continued to affect us during the period, but was effectively offset by price increases and efficiency improvements.

It was a particularly eventful quarter. We concluded the sales of the tire and printing blanket operations at the beginning of May and the proceeds from these divestments mean that the Group can now recognize a positive net cash balance. The capital gain after tax amounted to approximately SEK 6.1 billion.

As a consequence of these significant Group changes, new financial targets and new sustainability targets were presented during the quarter. To summarize, the new targets entail higher ambitions, which are described in more detail in this interim report.

Our strong balance sheet enables continued share buybacks, at the same time as we are investing in focused organic initiatives and acquisitions in selected niches. During the period, we decided, for example, to invest in a new manufacturing facility for sealing solutions in India and a new manufacturing facility in Vietnam, primarily focused on marine solutions. In addition, we finalized the acquisition of a US operation specialized in sealing solutions for the aerospace industry, as well as the acquisition of an operation focusing on automotive boots for the fast-growing Indian light vehicles market.

Trelleborg Industrial Solutions reported increased organic sales in all geographic regions, with most market segments contributing to growth. Particularly strong sales were noted for LNG-related and marine solutions, as well as for the aerospace industry. However, deliveries of sealing solutions for residential construction continued to develop negatively and we also noticed a slowdown in some industrial segments, partly impacted by inventory adjustments among customers.

Organic sales for Trelleborg Sealing Solutions developed positively, although the pace was somewhat calmer than in the most recent quarters. Sales to healthcare & medical performed well, while deliveries to the aerospace industry remained highly favorable. However, even in this business area, we noted a certain decrease in sales to general industry in several geographic regions, driven by somewhat lower demand accentuated by destocking among our customers. Within the business area, considerable investments in the organization were made during the quarter to meet the anticipated demand within a number of rapidly expanding market segments.

There is significant uncertainty regarding market performance in the second half of the year. While our order book is solid, we can see a slight slowdown in order intake compared with previous quarters. Meanwhile, we are highly confident in our ability to address market fluctuations. Due to our favorable market positions and financial position, Trelleborg now stands stronger than ever before. For the third quarter, our overall assessment is that demand will be somewhat lower than in the second quarter of the year.”

Peter Nilsson,
President and CEO

MARKET OUTLOOK FOR THE THIRD QUARTER OF 2023

Demand is expected to be somewhat lower than in the second quarter of 2023, adjusted for seasonal variations. The geopolitical situation entails a heightened degree of uncertainty. For further information, refer to page 11.

Market outlook from the interim report published on April 27, 2023, relating to the second quarter of 2023

Demand is expected to be in line with or somewhat lower than in the first quarter of 2023, adjusted for seasonal variations. The geopolitical situation entails a heightened degree of uncertainty.

NET SALES AND RESULT¹

SEK M	Q2 2023	Q2 2022	Change, %	6M 2023	6M 2022	Change, %
Continuing operations						
Net sales	8,696	7,351	18	17,407	14,446	20
Change total, %	18	21		20	21	
Organic sales, %	3	11		5	12	
Structural change, %	9	2		9	2	
Currency effects, %	6	8		6	7	
EBITA, excluding items affecting comparability	1,563	1,376	14	3,091	2,658	16
EBITA-margin, %	17.9	18.7		17.7	18.4	
Items affecting comparability	-194	-33		-243	-58	
EBITA	1,368	1,343	2	2,848	2,600	10
Amortization of surplus values related to acquisitions	-120	-57	-111	-238	-109	-118
EBIT	1,248	1,286	-3	2,610	2,491	5
Financial income and expenses	140	-40	450	-25	-85	71
Profit before tax	1,388	1,246	11	2,585	2,406	7
Taxes	-491	-304	-62	-789	-604	-31
Net profit, continuing operations	897	942	-5	1,796	1,802	0
Net profit, discontinuing operations	6,130	574	968	6,593	1,017	548
Net profit, Group	7,027	1,516	364	8,389	2,819	198
Earnings per share, SEK						
Continuing operations	3.55	3.52	1	7.07	6.70	6
Discontinuing operations	24.12	2.16	1,017	25.93	3.79	584
Group	27.67	5.68	387	33.00	10.49	215
Continuing operations, excluding items affecting comparability	4.71	3.63	30	8.37	6.88	22

Net sales during the second quarter of 2023 amounted to SEK 8,696 M (7,351), up 18 percent. Organic sales increased by just over 3 percent compared with the year-earlier period. The net effect of currency movements increased sales by 6 percent, while acquisitions contributed 9 percent compared with the year-earlier period.

Sales per market. In Europe, organic sales increased by 3 percent compared with the preceding year. Organic sales in North and South America were up by 4 percent. In Asia and Other markets, organic sales increased by 4 percent compared with the preceding year.

EBITA, excluding items affecting comparability, increased 14 percent to SEK 1,563 M (1,376). The EBITA margin was 17.9 percent (18.7), initially impacted by acquisitions with a lower margin.

The total exchange rate effect on EBITA, excluding items affecting comparability, from the translation of foreign subsidiaries, had a positive impact of SEK 63 M on earnings compared with the year-earlier period.

Items affecting comparability for the quarter totaled SEK -194 M (-33) and pertained to restructuring costs.

EBITA, including items affecting comparability, amounted to SEK 1,368 M (1,343) for the quarter.

Financial income and expenses for continuing operations amounted to SEK 140 M (-40), 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.

Net profit was SEK 897 M (942). The tax rate for the quarter amounted to 35 percent (24), impacted by a non-recurring tax expense of SEK 150 M. This expense is related to a change in the Group's legal structure following the divestment of the Group's tire business. The tax rate for the quarter, excluding items affecting comparability, amounted to 25 percent (24). The underlying tax rate for continuing operations is expected to remain at 26 percent.

Earnings per share, excluding items affecting comparability, amounted to SEK 4.71 SEK (3.63). For the Group as a whole, including discontinuing operations, earnings per share were SEK 27.67 (5.68), mainly impacted by the capital gain from the divestments of the Group's tire and printing blanket 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	Q2 2023	Q2 2022	Change, %	6M 2023	6M 2022	Change, %
EBIT, excluding items affecting comparability	1,442	1,319	9	2,853	2,549	12
Depreciation/write-down, property, plant and equipment	317	264	20	632	519	22
Amortization/write-down, intangible assets	132	69	91	262	132	98
EBITDA	1,891	1,652	14	3,747	3,200	17
Capital expenditure ¹	-374	-290	-29	-771	-624	-24
Sold non-current assets	1	19	-95	13	24	-46
Amortization of lease liabilities	-88	-78	-13	-173	-154	-12
Change in working capital ¹	151	-505		-670	-1,314	
Dividend from associated companies	-8	0		-8	0	
Non cash-flow affecting items	12	0		-4	-6	
Operating cash flow, continuing operations	1,585	798	99	2,134	1,126	90
Cash conversion ratio R12, %	88	69		88	69	
Operating cash flow, discontinuing operations	-356	313	-214	-326	726	-145
Operating cash flow, Group	1,229	1,111	11	1,808	1,852	-2

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.

SEK M	6M 2023	6M 2022	12M 2022
Net debt Group, opening balance	-20,897	-8,367	-8,367
Operating cash flow	1,808	1,852	5,204
Cash impact from items affecting comparability	-168	-178	-306
Financial items	-275	12	-150
Paid tax	-811	-703	-1,443
Free cash flow	554	983	3,305
Acquisitions	-431	-248	-11,199
Disposed operations	26,442	149	149
Capital increase associated companies	-	-7	-17
Dividend - equity holders of the parent company	-1,524	-1,481	-1,481
Repurchase own shares	-1,611	-1,486	-3,079
Sum net cash flow	23,430	-2,090	-12,322
Exchange rate differences	-696	-760	-518
Lease liability according to IFRS 16 ²	62	139	146
Pension liability ²	-18	119	164
Net debt Group, closing balance	1,881	-10,959	-20,897
Of which:			
Pension liability	-340	-463	-438
Lease liability according to IFRS 16	-1,732	-2,110	-2,215
Net debt, excluding effect of lease and pension liability	3,953	-8,386	-18,244
Debt/equity ratio, %	-4	31	56
Net debt/EBITDA ³	-0.1	1.4	2.4

² Pertains to non-cash items.

³ EBITDA including items affecting comparability.

Operating cash flow for the quarter amounted to SEK 1,585 M (798), positively affected by the higher earnings generation and efficient working capital management. The rate of investment was higher than in the preceding year, and amounted to SEK 374 M (290) for the quarter. The cash conversion ratio for the most recent 12-month period amounted to 88 percent (69).

Free cash flow for the first half of 2023 was SEK 554 M (983), where financial items were affected by higher interest expenses and negative exchange rate effects compared with the preceding year. Net cash flow amounted to SEK 23,430 M (-2,090), primarily affected by the divestments of the Group's tire and printing blanket operations with a combined effect of SEK 26,442 M. In addition, net cash flow was impacted by the effects of acquisitions of SEK -431 M (-248), 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 -1,611 M (-1,486).

Net debt during the period was affected by net cash flow of SEK 23,430 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 1,881 M (-10,959) at the end of the second quarter. In addition, net debt was impacted by exchange rate differences of SEK -696 M (-760) and non-cash adjustments of leasing and pension liabilities totaling SEK 44 M (258).

As the Group reports a net cash position, the reported debt ratio becomes negative and amounts to -4 percent (31). Net debt/net cash in relation to EBITDA was -0.1 (1.4).

RETURN ON CAPITAL EMPLOYED AND RETURN ON EQUITY

%	R12 2023	R12 2022
Return on capital employed, continuing operations		
Excluding items affecting comparability	13.9	16.1
Including items affecting comparability	12.8	15.5
Return on equity, Group		
Excluding items affecting comparability	28.5	14.2
Including items affecting comparability	27.2	13.5

Capital employed within continuing operations increased year-on-year and amounted to SEK 43,111 M (30,247) at the end of the quarter, primarily impacted by acquisitions and exchange rate effects.

Return on capital employed for the most recent 12-month period, excluding items affecting comparability, was 13.9 percent (16.1). Return on capital employed, including items affecting comparability (restructuring costs and non-recurring items), for the corresponding period was 12.8 percent (15.5). Both return on capital employed measures were impacted by acquisitions with initially lower returns.

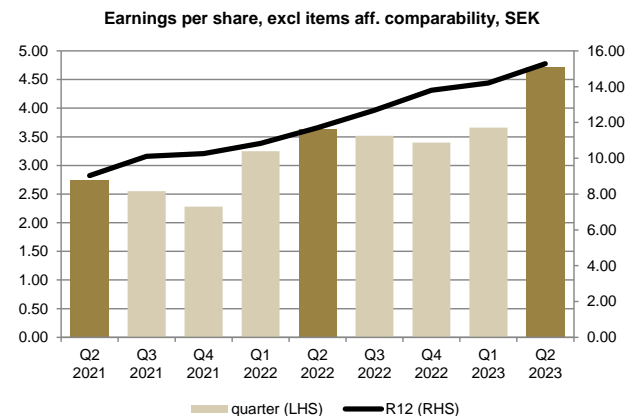
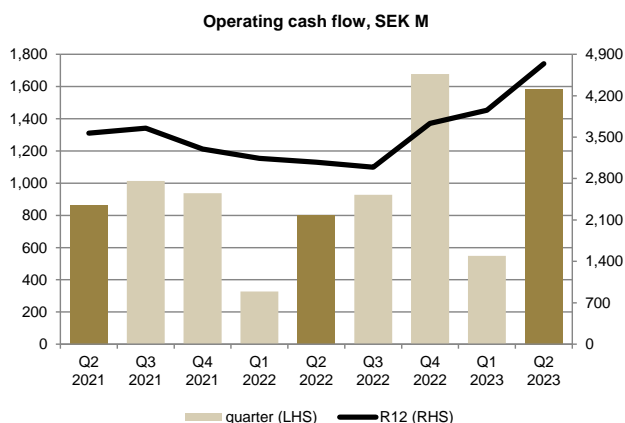
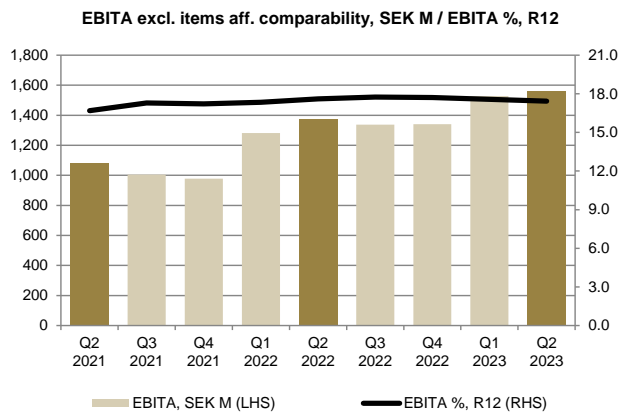
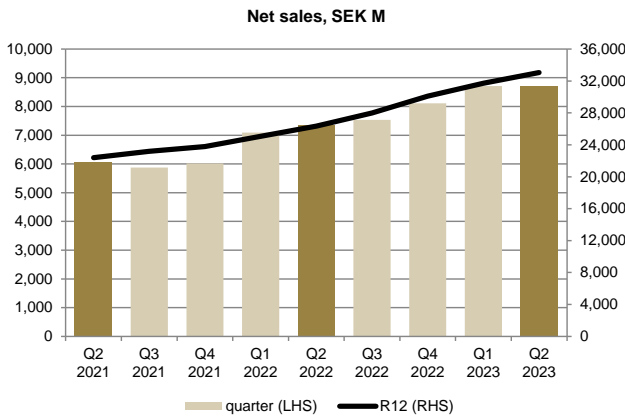
Shareholders' equity for the Group at the close of the period amounted to SEK 44,394 M (35,359), mainly positively impacted by earnings for the period, including the capital gain attributable to the divestments of the tire and printing blanket operations. Shareholders' equity was also affected by positive translation effects and negatively by the dividend to the shareholders of the Parent Company and the repurchase

of own shares.

During the first half of the year, 5,969,626 Series B shares in Trelleborg had been repurchased, corresponding to SEK 1,611 M. This corresponded to 2.3 percent of the shares outstanding. In accordance with the resolution at the Annual General Meeting on April 27, 2023, Trelleborg has canceled 15,945,864 own shares of Series B that were previously repurchased during 2022/2023. After the cancellation, the total number of shares in the company amounts to 255,125,919.

Equity per share amounted to SEK 174 (130). The equity/assets ratio was 68 percent (57). The return on shareholders' equity for the Group for the most recent 12-month period, excluding items affecting comparability, totaled 28.5 percent (14.2). The return on shareholders' equity for the Group, including items affecting comparability, amounted to 27.2 percent (13.5) 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



JANUARY–JUNE 2023

Net sales for the first half of 2023 amounted to SEK 17,407 M (14,446), an increase of 20 percent year-on-year. The organic sales growth was 5 percent.

EBITA, excluding items affecting comparability, totaled SEK 3,091 M (2,658), corresponding to an EBITA margin of 17.7 percent (18.4). Items affecting comparability amounted to SEK -243 M (-58) and pertained to restructuring costs. EBITA, including items affecting comparability, totaled SEK 2,848 M (2,600).

The net financial expense was SEK -25 M (-85), corresponding to an average interest rate of 4.3 percent (1.7). 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 2,585 M (2,406). The tax rate amounted to 30 percent (25), impacted by a non-recurring tax expense of SEK 150 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 8,389 (2,819), 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 8.37 (6.88). For the Group as a whole, earnings per share were SEK 33.00 (10.49), mainly impacted by the capital gain from the divestments of the Group's tire and printing blanket operations.

SUSTAINABILITY

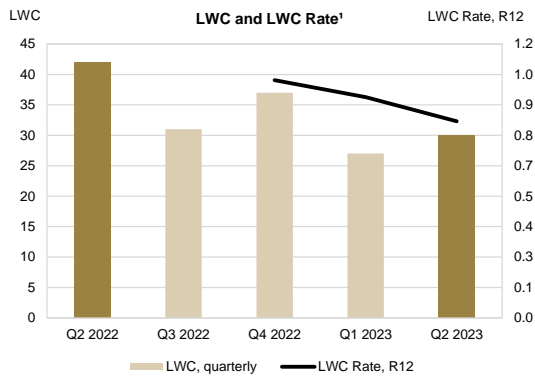
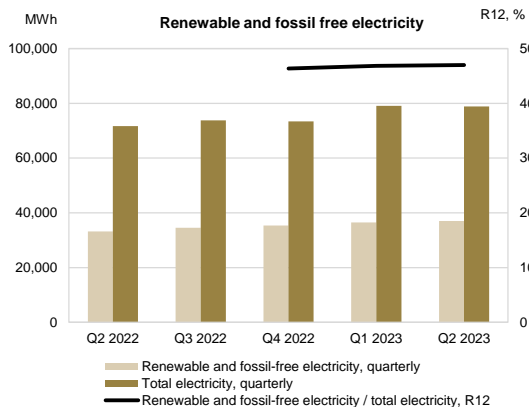
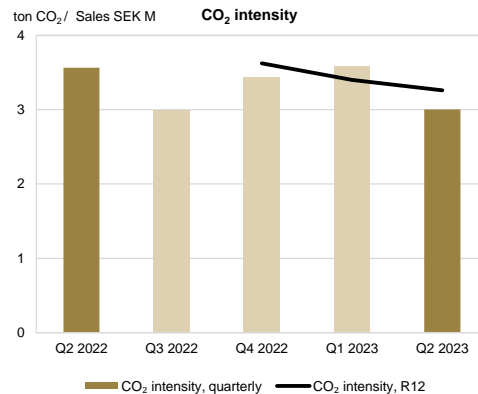
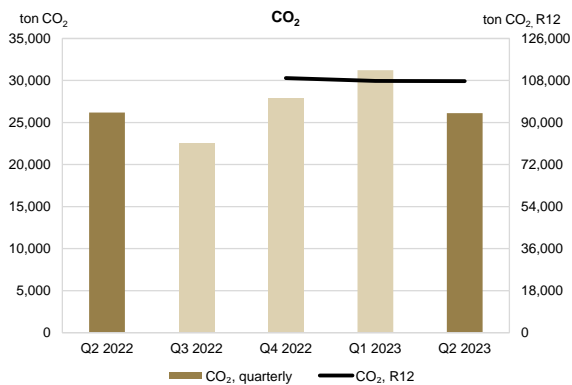
Lower climate impact. The CO₂ intensity (CO₂/SEK M) improved to 3.0 metric tons (3.6).

CO₂ emissions for the quarter for the Group's continuing operations were in line with the preceding year and amounted to 26,111 metric tons (26,202). The trend was driven by increased use of renewable electricity and reduced consumption of natural gas and electricity. The completed acquisitions have a lower share of renewable and fossil-free electricity.

The proportion of renewable and fossil-free electricity in the quarter increased to 47 percent (46), driven primarily by increased usage of renewable electricity in a number of units.

LWC. The number of work-related injuries (Lost Work Cases, LWC) amounted to 30 (42). The LWC frequency declined to 0.8 (1.1), 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 involvement are Trelleborg's provision of the necessary school materials for a school in Tokat, Türkiye, and equipment for the renovation of an elementary school in Querétaro, Mexico.



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.

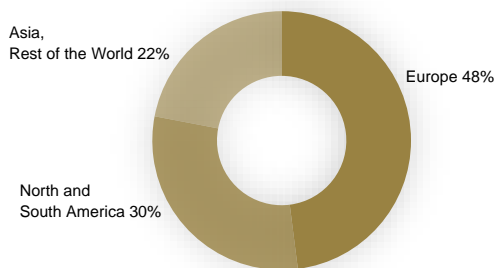
Excluding items affecting comparability, SEK M	Q2 2023	Q2 2022	Change, %	6M 2023	6M 2022	Change, %
Net sales	3,980	3,512	13	7,820	6,835	14
Change total, %	13	24		14	26	
Organic sales, %	6	16		7	18	
Structural change, %	2	1		1	1	
Currency effects, %	5	7		6	7	
EBITA	632	561	13	1,195	1,031	16
EBITA, %	15.8	15.9		15.2	15.0	
Capital employed, closing balance	13,850	12,516		13,850	12,516	
Return on capital employed R12, %	15.9	14.6	9	15.9	14.6	9

Additional key ratios on pages 16 - 17

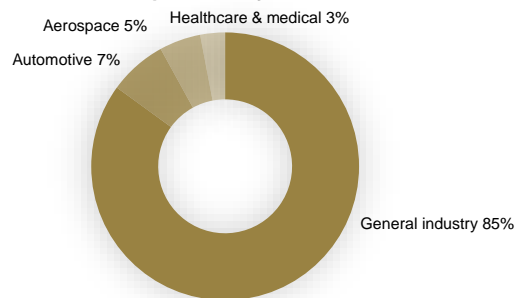
Organic sales for the quarter increased by 6 percent year-on-year. Sales grew in all geographical regions. Sales to automotive and train manufacturers remained positive compared with the year-earlier quarter. Strong sales were noted within LNG-related and marine solutions, as well as to the aerospace industry. Deliveries of sealing solutions for residential construction remained negative, driven by significantly worsened construction markets in Europe and North America. Some industrial market segments also noted weaker demand, partly influenced by inventory adjustments among customers.

EBITA improved, while the EBITA margin was almost unchanged year-on-year. Sales growth and price adjustments offset the general inflationary pressure. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 26 M on EBITA.

Sales per geography



Sales per industry



Net sales per geographic market and per industry are based on full-year 2022.

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.

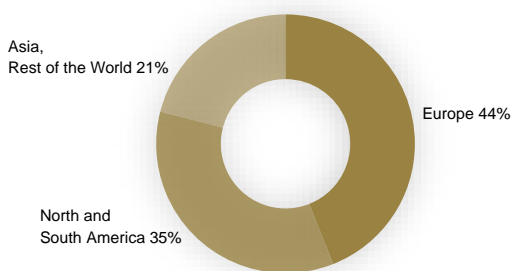
Excluding items affecting comparability, SEK M	Q2 2023	Q2 2022	Change, %	6M 2023	6M 2022	Change, %
Net sales	4,571	3,725	23	9,309	7,389	26
Change total, %	23	18		26	18	
Organic sales, %	1	7		3	8	
Structural change, %	16	2		16	2	
Currency effects, %	6	9		7	8	
EBITA	1,001	900	11	2,034	1,797	13
EBITA, %	21.9	24.1		21.8	24.3	
Capital employed, closing balance	30,177	17,252		30,177	17,252	
Return on capital employed R12, %	14.4	20.3	-29	14.4	20.3	-29

Additional key ratios on pages 16 - 17

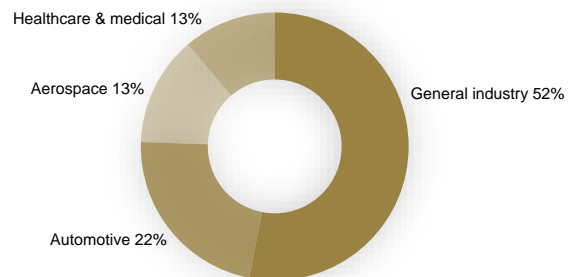
Organic sales for the quarter increased by 1 percent year-on-year. Acquisitions contributed 16 percent sales growth. Sales to healthcare & medical performed well in most markets, while deliveries to the aerospace industry remained highly favorable. Organic sales to general industry declined in most geographic regions, as an effect of slightly lower demand accentuated by inventory adjustments among customers. Deliveries to the automotive industry increased somewhat, mainly driven by Europe.

EBITA improved at the same time as the EBITA margin declined, mainly as a result of acquisitions with a lower margin. Lower volumes to industrial market segments and a certain negative sales mix were offset by price adjustments and cost savings. In addition, the business area has made considerable investments in the organization to meet the anticipated demand within a number of rapidly expanding market segments. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 44 M on EBITA compared with the year-earlier quarter.

Sales per geography



Sales per industry



Net sales per geographic market and per industry are based on full-year 2022.

SIGNIFICANT EVENTS DURING THE QUARTER

New facility for sealing solutions in India. Trelleborg decided to invest in a completely new production facility for sealing solutions in India. It will replace existing facilities that will soon reach their full capacity. The Indian market is showing continued strong growth and the investment is part of Trelleborg's strategy to strengthen positions in attractive and profitable industries and geographic areas.

Trelleborg will acquire land in the Bangalore area to build a modern facility that can meet future demands for both efficient production processes and sustainability, which includes solar panels, energy efficiency, green transportation, and effective water management. In addition, the production equipment will be upgraded. Production in the new facility will start in the first half of 2026. The Group will invest approximately SEK 300 M in total between 2023 and 2026.

The press release was published on April 19, 2023.

Decision to exercise authorization to acquire own shares.

The Board of Directors of Trelleborg has decided to exercise the authorization granted by the Annual General Meeting on April 27, 2023, 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 at 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 canceled by resolutions at upcoming annual general meetings.

The press release was published on April 27, 2023.

Divestment of tire operation finalized. Trelleborg finalized the divestment of its Trelleborg Wheel Systems business area to The Yokohama Rubber Co., Ltd. after the approval of all the relevant authorities and the remaining necessary documentation had been signed by the parties.

The total purchase consideration amounts to approximately EUR 2.2 billion (approximately SEK 24.4 billion). The purchase consideration includes both the purchase price and earnout, as well as an adjustment of the working capital.

The divestment yields a capital gain of approximately SEK 6.0 billion, which is recognized as non-recurring income in this report. The positive net effect on equity is approximately SEK 6.4 billion, including impact from currency translations.

The business area was deconsolidated on May 2, 2023.

The press release was published on May 2, 2023.

Divestment of printing blanket operation finalized.

Trelleborg finalized the divestment of its printing blanket operation to Continental. The operation has been recognized among Assets held for sale in the financial statements.

The purchase price amounts to approximately SEK 1,530 M. A capital gain of approximately SEK 50 M is reported as non-recurring income in this report.

The operation was deconsolidated on May 2, 2023.

The press release was published on May 2, 2023.

New financial targets and new sustainability targets.

Trelleborg presented new financial targets and new sustainability targets at its Capital Markets Day. These new targets are based on improved conditions for growth and sustainability following the completed divestment of the Group's tire operation, and on higher ambitions regarding financial governance and sustainability.

Trelleborg's updated financial targets:

1. *Sales growth:* Total annual sales growth over a business cycle is to amount to >8 percent

2. *EBITA margin:* Over a business cycle, the EBITA margin, excluding items affecting comparability, is to amount to >20 percent.

3. *Return on capital employed:* Over a business cycle, return on capital employed (ROCE), excluding items affecting comparability, is to amount to >15 percent.

Trelleborg's updated sustainability targets within climate, circularity and diversity:

1. *Climate target:* Trelleborg has applied to have its climate target approved by the Science Based Targets initiative (SBTi). The climate target is to halve direct and indirect CO₂ emissions (Scope 1 and Scope 2) by the end of 2030 compared with the base year 2021, and, during the same period, reduce emissions along the value chain (Scope 3) by 25 percent.

2. *Circularity:* The share of recycled or bio-based raw material is to amount to 25 percent by the end of 2030.

3. *Diversity:* Several diversity targets are launched, one of which is that there should be at least 30 percent female managers at management levels 1–5 in Trelleborg by the end of 2030.

Other financial changes:

Due to the completed divestment of the Group's tire operation, interest rate hedges were closed, yielding non-recurring financial income for continuing operations of approximately SEK 215 M (approximately SEK 180 M after tax). This amount is recognized in net financial items in this report.

As a result of the divestment, the Group's legal structure was also reviewed. A non-recurring tax expense of approximately SEK 150 M is recognized for continuing operations in this report.

The press release was published on May 23, 2023.

New facility for marine solutions in Vietnam. Trelleborg decided to invest in a completely new manufacturing facility in Vietnam for mainly marine solutions, such as marine construction, infrastructure, and fenders. The investment is part of a larger restructuring project where Trelleborg concentrates manufacturing in these product areas to Vietnam and China.

In the Netherlands and Singapore, Sales & Design Engineering Excellence Centers are being established for tunnel seals and marine offshore infrastructure, such as offshore wind power.

A state-of-the-art manufacturing facility will be built in Ba Ria Vung Tau, near Ho Chi Minh City. It will meet future demands for both efficient production processes and sustainability, including solar panels, and effective water and wastewater systems. Production in the new facility will start in 2026. The Group will invest approximately SEK 400 M in total between 2023 and 2026.

The press release was published on May 23, 2023.

Acquisition of automotive boots market leader. Trelleborg finalized the acquisition of an operation specializing in automotive boots for the fast-growing Indian light vehicles market. The operation is part of the India-based privately owned company Injectoplast. The acquisition means that Trelleborg further strengthens its globally leading market position in automotive boots.

The company has its head office and manufacturing in Kanpur, in the north of India, close to a light vehicle manufacturing cluster, and has annual sales of approximately SEK 70 M.

The transaction was consolidated as of May 25, 2023.

The press release was published on May 25, 2023.

Changes in number of shares and votes. In accordance with the resolution at the Annual General Meeting on April 27, 2023, Trelleborg has canceled 15,945,864 own shares of Series B that were previously repurchased by the company. After the cancellation, the total number of shares in the company

amounts to 255,125,919, of which 28,500,000 are shares of Series A (10 votes per share) and 226,625,919 are shares of Series B (one vote per share), corresponding to 511,625,919 votes in total.

The press release was published on May 31, 2023.

Acquisition of manufacturer of aerospace components.

Trelleborg 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 head office and manufacturing are located in Tukwila, Washington, US, and it has annual sales of approximately SEK 85 M. This bolt-on acquisition is part of Trelleborg's strategy to strengthen its positions in attractive industries.

The transaction was consolidated as of June 30, 2023.

The press release was published on June 30, 2023.

SIGNIFICANT EVENTS AFTER THE CLOSE OF THE PERIOD

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

OTHER

NEWS IN PRODUCTS AND SOLUTIONS

New damper component in vehicles. A new jounce bumper solution has been launched by Trelleborg and Celanese. The component conforms to the sustainability and circularity requirements the automotive industry needs to meet regulatory and consumer demands. The Hytrel® thermoplastic elastomer suspension component can integrate up to four parts into one, making it both durable and recyclable at the end of a vehicle's life. The product can then be reground and reused.

Carbon capture and storage (CCS). Trelleborg participated in the pilot phase of the prestigious Greensand project whose mission is to capture and then store CO₂ in the North Sea off the coast of Denmark. Trelleborg's specially developed hoses were used to transport the captured CO₂ to safe and efficient storage.

Supply reliability in Germany. A series of SafePilot solutions were delivered to a floating LNG terminal vessel (FSRU) in the port of Wilhelmshaven, Germany. The SafePilot technology platform is one of the Group's solutions included in SmartPort marine systems, which contain products for mooring, docking, and anchoring.

Strengthened presence in Asia. Trelleborg has enhanced its presence in the aerospace industry in Asia through the establishment of several regional Customer Solution Centers for sealing solutions, increased warehouse capacity in the region and more value-added services, such as batch kitting, assembly and inspection.

Seals for off-highway vehicles. MFN Nexus are Trelleborg's new mechanical face seals that are specially designed for rotating applications in extremely demanding environments where they have very good wear resistance while preventing the ingress of hard and abrasive media from the outside. They are particularly suitable for off-highway vehicles in construction and tunnel environments.

Seals for semiconductor production. Trelleborg launched two additional materials to its Isolast® PureFab™ range, which were developed for sealing applications for the semiconductor industry. Microchips are produced in semiconductor fabrication plants whose production equipment relies on critical sealing that can stand up to the particularly harsh conditions of fab processing.

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 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.

BOARD OF DIRECTORS' ASSURANCE

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

Trelleborg, July 19, 2023
Board of Directors of Trelleborg AB (publ)

Johan Malmquist
Chairman of the Board

Gunilla Fransson
Board member

Monica Gimre
Board member

Henrik Lange
Board member

Peter Nilsson
*Board member and
President/CEO*

Anne Mette Olesen
Board member

Jan Ståhlberg
Board member

Jimmy Faltin
Employee representative

Lars Pettersson
Employee representative

NOTES

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

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	Q2 2023	Q2 2022	6M 2023	6M 2022	R12 2023	12M 2022
Net sales	8,696	7,351	17,407	14,446	33,056	30,095
Cost of goods sold	-5,687	-4,706	-11,294	-9,239	-21,396	-19,341
Gross profit	3,009	2,645	6,113	5,207	11,660	10,754
Selling expenses	-615	-546	-1,252	-1,069	-2,425	-2,242
Administrative expenses	-763	-650	-1,537	-1,306	-3,039	-2,808
Research and development costs	-176	-125	-354	-247	-661	-554
Other operating income ¹	233	73	341	87	549	295
Other operating expenses ¹	-249	-80	-465	-127	-722	-384
Profit from associated companies	3	2	7	4	8	5
EBIT, excluding items affecting comparability	1,442	1,319	2,853	2,549	5,370	5,066
Items affecting comparability	-194	-33	-243	-58	-426	-241
EBIT	1,248	1,286	2,610	2,491	4,944	4,825
Financial income and expenses ²	140	-40	-25	-85	-170	-230
Profit before tax	1,388	1,246	2,585	2,406	4,774	4,595
Tax ³	-491	-304	-789	-604	-1,351	-1,166
Net profit, continuing operations	897	942	1,796	1,802	3,423	3,429
Net profit, discontinuing operations ⁴	6,130	574	6,593	1,017	7,404	1,828
Net profit, Group	7,027	1,516	8,389	2,819	10,827	5,257
- equity holders of the parent company	7,027	1,517	8,389	2,820	10,829	5,260
- non-controlling interest	0	-1	0	-1	-2	-3

¹ Other operating income and expenses are impacted by exchange rate differences recognized gross.

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.

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	Q2 2023	Q2 2022	6M 2023	6M 2022	R12 2023	12M 2022
Continuing operations	3.55	3.52	7.07	6.70	13.36	13.01
Discontinuing operations	24.12	2.16	25.93	3.79	28.85	6.93
Group	27.67	5.68	33.00	10.49	42.21	19.94
Group, excluding items affecting comparability	28.83	5.81	34.41	10.71	44.28	20.81
Continuing operations, excluding items affecting comparability	4.71	3.63	8.37	6.88	15.28	13.80

⁵ No dilution effects arose.

Number of shares	Q2 2023	Q2 2022	6M 2023	6M 2022	R12 2023	12M 2022
End of period	255,125,919	271,071,783	255,125,919	271,071,783	255,125,919	271,071,783
of which, in treasury	3,715,732	6,750,489	3,715,732	6,750,489	3,715,732	13,691,970
Average number	252,702,014	266,727,532	254,204,841	268,898,598	256,538,341	263,885,220

Statements of comprehensive income, SEK M	Q2 2023	Q2 2022	6M 2023	6M 2022	R12 2023	12M 2022
Net profit, Group	7,027	1,516	8,389	2,819	10,827	5,257
Other comprehensive income						
Items that will not be reclassified to the income statement						
Reassessment of net pension obligation	-16	44	-18	119	8	145
Income tax relating to components of other comprehensive income	3	-10	3	-23	-6	-32
Total	-13	34	-15	96	2	113
Items that may be reclassified to the income statement						
Cash flow hedges	-239	86	-265	246	-103	408
Hedging of net investment	-125	-388	-251	-503	-714	-966
Translation difference	1,597	1,978	2,059	2,383	3,450	3,774
Income tax relating to components of other comprehensive income	23	61	54	50	116	112
Total	1,256	1,737	1,597	2,176	2,749	3,328
Other comprehensive income, net of tax	1,243	1,771	1,582	2,272	2,751	3,441
Total comprehensive income	8,270	3,287	9,971	5,091	13,578	8,698
Total comprehensive income attributable to:						
- equity holders of the parent company	8,270	3,287	9,971	5,091	13,581	8,701
- non-controlling interest	0	0	0	0	-3	-3

Condensed Balance Sheets

Balance Sheets, SEK M	Jun 30 2023	Jun 30 2022	Dec 31 2022
Property, plant and equipment	7,892	6,445	7,589
Right-of-use assets	1,555	1,420	1,507
Goodwill	22,059	14,491	20,818
Other intangible assets	5,952	2,509	5,744
Participations in associated companies	59	56	61
Financial non-current assets	185	288	456
Deferred tax assets	594	518	543
Total non-current assets	38,296	25,727	36,718
Inventories	5,910	4,919	5,463
Current operating receivables	7,802	6,307	6,620
Current tax assets	914	1,167	1,068
Interest-bearing receivables	268	125	429
Cash and cash equivalents	11,628	2,359	3,924
Total current assets	26,522	14,877	17,504
Assets held for sale	-	21,372	22,844
Total assets	64,818	61,976	77,066
Share capital	2,620	2,620	2,620
Other capital contributions	226	226	226
Other reserves	6,936	4,187	5,339
Profit brought forward	26,218	25,498	24,037
Net profit for the year	8,389	2,820	5,260
Total	44,389	35,351	37,482
Non-controlling interests	5	8	6
Equity	44,394	35,359	37,488
Interest-bearing non-current liabilities	8,297	9,975	9,029
Other non-current liabilities	83	76	86
Pension obligations	360	341	352
Other provisions	298	210	288
Deferred tax liabilities	890	842	910
Total non-current liabilities	9,928	11,444	10,665
Interest-bearing current liabilities	1,425	2,997	16,124
Current tax liabilities	1,242	1,413	1,360
Other current liabilities	7,372	5,431	6,045
Other provisions	457	338	361
Total current liabilities	10,496	10,179	23,890
Liabilities held for sale	-	4,994	5,023
Total equity and liabilities	64,818	61,976	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		Jun 30 2023	Dec 31 2022	Jun 30 2023	Dec 31 2022
	Jun 30 2023	Dec 31 2022	Jun 30 2023	Dec 31 2022	Jun 30 2023	Dec 31 2022	Jun 30 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							8,389	5,260	0	-3	8,389	5,257
Other comprehensive income					1,597	3,328	-15	113	-1	1	1,581	3,442
Repurchase own shares							-1,611	-3,079	-	-	-1,611	-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							71	351	-	-	71	351
Closing balance	2,620	2,620	226	226	6,936	5,339	34,607	29,297	5	6	44,394	37,488

¹ Refers to hyperinflationary accounting in operations in Turkey.

Repurchased own shares that are included in the equity item Profit brought forward	Amount that affected equity, SEK M	
	Number of shares	
	Jun 30 2023	Jun 30 2023
Opening repurchased own shares	13,691,970	-3,079
Purchases for the year	5,969,626	-1,611
Cancellations for the year	-15,945,864	-
Closing repurchased own shares	3,715,732	-4,690

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	Q2 2023	Q2 2022	6M 2023	6M 2022	R12 2023	12M 2022
Operating activities						
EBIT incl part in associated companies	1,248	1,286	2,610	2,491	4,944	4,825
Adjustments for items not included in cash flow from operating activities:						
Depreciation, property, plant and equipment	227	186	451	361	850	760
Depreciation, right-of-use assets	89	77	178	154	347	323
Amortization, intangible assets	132	68	262	132	446	316
Impairment losses, property, plant and equipment	9	0	11	2	19	10
Impairment losses, intangible assets	-	-	-	-	-	-
Dividend from associated companies	8	0	8	0	9	1
Participations in associated companies and other non cash-flow affecting items	-5	5	-20	2	-37	-15
Capital gain in divested operations	-	-	-	-140	-	-140
Interest received	62	19	178	42	390	254
Interest paid	-272	-23	-592	-132	-850	-390
Other financial items	253	-4	261	0	292	31
Taxes paid	-518	-369	-672	-533	-1,123	-984
Cash flow from operating activities before changes in working capital	1,233	1,245	2,675	2,379	5,287	4,991
Cash flow from changes in working capital						
Change in inventories	-35	-378	-200	-667	-227	-694
Change in operating receivables	-444	-267	-897	-1,077	-281	-461
Change in operating liabilities ¹	724	132	520	450	183	113
Cash flow from operating activities	1,478	732	2,098	1,085	4,962	3,949
Investing activities						
Acquisitions	-386	-247	-431	-248	-11,382	-11,199
Disposed/discontinuing operations	-	-	-	149	-	149
Capital increase associated companies	-	-7	-	-7	-9	-16
Capital expenditure, property, plant and equipment ¹	-347	-262	-714	-571	-1,361	-1,218
Capital expenditure, intangible assets	-27	-28	-57	-53	-116	-112
Sale of non-current assets	3	19	15	24	48	57
Cash flow from investing activities	-757	-525	-1,187	-706	-12,820	-12,339
Financing activities						
New/utilized loans	-	2,553	12,515	4,195	25,026	16,706
Amortized loans	-17,819	-463	-19,370	-2,177	-29,596	-12,403
Amortized leased liabilities	-88	-78	-173	-154	-341	-322
Repurchase own share	-957	-1,406	-1,611	-1,486	-3,204	-3,079
Dividend - equity holders of the parent company	-1,524	-1,481	-1,524	-1,481	-1,524	-1,481
Cash flow from financing activities	-20,388	-875	-10,163	-1,103	-9,639	-579
Total cash flow, continuing operations	-19,667	-668	-9,252	-724	-17,497	-8,969
Total cash flow, discontinuing operations	26,729	789	15,998	-119	26,238	10,121
Cash flow for the period, Group	7,062	121	6,746	-843	8,741	1,152
Cash and cash equivalents						
At beginning of the period, continuing operations	2,317	2,215	3,924	3,460	2,359	3,460
At beginning of the period, discontinuing operations	-2,158	-348	-835	-36	-835	-36
Cash classified as assets held for sale	-	-473	-	-473	-362	-835
Exchange rate differences	91	148	123	179	55	111
Cash and cash equivalents at end of period	11,628	2,359	11,628	2,359	11,628	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	Jun 30 2023
Non-current loans	7,672	0	-1,042	-	255	-	-	-	6,885
Current loans	15,481	0	-14,475	-	-98	-	-	-	908
Other non-current financial liabilities	1	-	0	-	0	-	-	-	1
Other current financial liabilities	325	-	-419	-	289	-	-	-	195
Lease liabilities according to IFRS 16	2,215	-	-723	-	88	-	153	-	1,733
Pension obligations	458	-	-131	-	15	-	-	18	360
Total	26,152	0	-16,790	-	549	-	153	18	10,082

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	Q2 2023	Q2 2022	6M 2023	6M 2022	R12 2023	12M 2022
Net sales						
Trelleborg Industrial Solutions	3,980	3,512	7,820	6,835	14,983	13,998
Trelleborg Sealing Solutions	4,571	3,725	9,309	7,389	17,582	15,662
Group activities	194	171	384	340	694	650
Eliminations	-49	-57	-106	-118	-203	-215
Continuing operations	8,696	7,351	17,407	14,446	33,056	30,095
EBITA, excluding items affecting comparability						
Trelleborg Industrial Solutions	632	561	1,195	1,031	2,221	2,057
Trelleborg Sealing Solutions	1,001	900	2,034	1,797	3,853	3,616
Group activities	-70	-85	-138	-170	-307	-339
Continuing operations	1,563	1,376	3,091	2,658	5,767	5,334
EBITA %, excluding items affecting comparability						
Trelleborg Industrial Solutions	15.8	15.9	15.2	15.0	14.8	14.7
Trelleborg Sealing Solutions	21.9	24.1	21.8	24.3	21.9	23.1
Continuing operations	17.9	18.7	17.7	18.4	17.4	17.7

Net sales per market continuing operations, organic growth, %	Q2 2023	Q2 2022	6M 2023	6M 2022
Europe (46)	3	10	5	10
North- and South America (33)	4	23	8	22
Asia and rest of the world (21)	4	1	1	5
Total (100% refer to share 2022)	3	11	5	12

Bridge net sales	Q2 2022, SEK M	Organic sales, %	Structural change, %	Currency effects, %	Q2 2023, SEK M
Trelleborg Industrial Solutions	3,512	6	2	5	3,980
Trelleborg Sealing Solutions	3,725	1	16	6	4,571
Group activities	114				145
Continuing operations	7,351	3	9	6	8,696

Exchange rate differences impacting EBITA excluding items affecting comparability ¹ , SEK M	Q2 2023	6M 2023
Trelleborg Industrial Solutions	26	47
Trelleborg Sealing Solutions	44	94
Group activities	-7	-7
Continuing operations	63	134

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

EBIT specification, continuing operations, SEK M	Q2 2023	Q2 2022	6M 2023	6M 2022	R12 2023	12M 2022
Excluding items affecting comparability:						
EBITDA	1,891	1,652	3,747	3,200	7,022	6,475
Depreciation/write-down, property, plant and equipment	-317	-264	-632	-519	-1,206	-1,093
Amortization/write-down, intangible assets	-12	-12	-24	-23	-49	-48
EBITA	1,563	1,376	3,091	2,658	5,767	5,334
Amortization of surplus values related to acquisitions	-120	-57	-238	-109	-397	-268
EBIT	1,442	1,319	2,853	2,549	5,370	5,066
Items affecting comparability	-194	-33	-243	-58	-426	-241
EBIT	1,248	1,286	2,610	2,491	4,944	4,825

Specification of capital employed, SEK M	Jun 30 2023	Jun 30 2022	Dec 31 2022
Working capital	5,594	5,325	5,591
Property, plant and equipment	7,892	6,445	7,589
Right-of-use assets	1,555	1,420	1,507
Intangible assets	28,011	17,001	26,561
Participations in joint ventures/associated companies	59	56	61
Continuing operations	43,111	30,247	41,309

SEK M	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Net sales									
Trelleborg Industrial Solutions	3,980	3,840	3,691	3,472	3,512	3,323	2,831	2,708	2,833
Trelleborg Sealing Solutions	4,571	4,738	4,303	3,970	3,725	3,664	3,106	3,086	3,155
Group activities	194	190	169	141	171	169	137	134	170
Eliminations	-49	-57	-50	-47	-57	-61	-58	-56	-79
Continuing operations	8,696	8,711	8,113	7,536	7,351	7,095	6,016	5,872	6,079
Organic sales, %									
Trelleborg Industrial Solutions	6	8	18	17	16	21	8	10	23
Trelleborg Sealing Solutions	1	5	12	13	7	8	14	24	37
Continuing operations	3	7	15	15	11	13	9	16	31
EBITA, excluding items affecting comparability									
Trelleborg Industrial Solutions	632	563	519	508	561	470	394	354	388
Trelleborg Sealing Solutions	1,001	1,033	912	907	900	897	674	736	772
Group activities	-70	-68	-91	-78	-85	-85	-91	-85	-76
Continuing operations	1,563	1,528	1,340	1,337	1,376	1,282	977	1,005	1,084
EBITA %, excluding items affecting comparability									
Trelleborg Industrial Solutions	15.8	14.6	14.0	14.6	15.9	14.1	13.9	13.1	13.7
Trelleborg Sealing Solutions	21.9	21.8	21.2	22.9	24.1	24.5	21.7	23.9	24.5
Continuing operations	17.9	17.5	16.5	17.7	18.7	18.0	16.2	17.1	17.8

Condensed Income Statements, SEK M	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Net sales	8,696	8,711	8,113	7,536	7,351	7,095	6,016	5,872	6,079
Cost of goods sold	-5,687	-5,607	-5,267	-4,835	-4,706	-4,533	-3,966	-3,761	-3,842
Gross profit	3,009	3,104	2,846	2,701	2,645	2,562	2,050	2,111	2,237
Selling expenses	-615	-637	-610	-563	-546	-523	-473	-506	-464
Administrative expenses	-763	-774	-815	-687	-650	-656	-624	-522	-583
Research and development costs	-176	-178	-175	-132	-125	-122	-111	-109	-104
Other operating income ¹	233	108	72	136	73	14	136	53	36
Other operating expenses ¹	-249	-216	-80	-177	-80	-47	-50	-69	-87
Profit from associated companies	3	4	1	0	2	2	0	-1	1
EBIT, excluding items affecting comparability	1,442	1,411	1,239	1,278	1,319	1,230	928	957	1,036
Items affecting comparability	-194	-49	-115	-68	-33	-25	-128	-20	-40
EBIT	1,248	1,362	1,124	1,210	1,286	1,205	800	937	996
Financial income and expenses ²	140	-165	-76	-69	-40	-45	-34	-34	-37
Profit before tax	1,388	1,197	1,048	1,141	1,246	1,160	766	903	959
Tax ³	-491	-298	-283	-279	-304	-300	-254	-230	-245
Net profit, continuing operations	897	899	765	862	942	860	512	673	714
Net profit, discontinuing operations ⁴	6,130	463	431	380	574	443	240	195	278
Net profit, Group	7,027	1,362	1,196	1,242	1,516	1,303	752	868	992
- equity holders of the parent company	7,027	1,362	1,197	1,243	1,517	1,303	752	869	992
- non-controlling interest	0	0	-1	-1	-1	0	0	-1	0

¹ Other operating income and expenses are impacted by exchange rate differences recognized gross.

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.

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

Continuing operations	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Net sales, SEK M	8,696	8,711	8,113	7,536	7,351	7,095	6,016	5,872	6,079
Organic sales, %	3	7	15	15	11	13	9	16	31
EBITDA, excl items affecting comparability, SEK M	1,891	1,856	1,654	1,621	1,652	1,548	1,237	1,256	1,334
EBITDA, excl items affecting comparability, %	21.7	21.3	20.4	21.5	22.4	21.8	20.6	21.4	22.0
EBITA, excl items affecting comparability, SEK M	1,563	1,528	1,340	1,337	1,376	1,282	977	1,005	1,084
EBITA, excl items affecting comparability, %	17.9	17.5	16.5	17.7	18.7	18.0	16.2	17.1	17.8
EBIT, excl items affecting comparability, SEK M	1,442	1,411	1,239	1,278	1,319	1,230	928	957	1,036
EBIT, excl items affecting comparability, %	16.6	16.2	15.3	17.0	17.9	17.3	15.4	16.3	17.0
Items affecting comparability, SEK M	-194	-49	-115	-68	-33	-25	-128	-20	-40
EBIT, SEK M	1,248	1,362	1,124	1,210	1,286	1,205	800	937	996
Earnings per share, excluding items affecting comparability SEK	4.71	3.66	3.40	3.52	3.63	3.25	2.28	2.55	2.75
Operating cash flow, excl items affecting comp., SEK M	1,585	549	1,678	928	798	328	937	1,014	864
Cash conversion ratio, excl items affecting comp., R12, %	88	75	74	63	69	76	85	96	101
Capital employed, closing balance, SEK M	43,111	42,299	41,309	31,862	30,247	27,786	26,557	25,945	25,659
Return on capital employed R12, %	12.8	14.2	15.3	15.7	15.5	14.9	14.9	14.8	13.5

Group total	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Earnings per share, excl items affecting comparability, SEK	28.83	5.58	5.10	5.00	5.81	4.90	3.29	3.32	3.81
Earnings per share, Group, SEK	27.67	5.33	4.66	4.79	5.68	4.81	2.78	3.21	3.65
Free cash flow, SEK M	658	-104	1,823	499	583	400	654	836	1,095
Net debt, closing balance, SEK M	1,881	-21,628	-20,897	-12,038	-10,959	-8,040	-8,367	-9,118	-9,849
Net debt/EBITDA	-0.1	2.4	2.4	1.5	1.4	1.1	1.2	1.3	1.5
Debt/equity ratio %	-4	56	56	33	31	23	25	29	32
Return on equity R12, %	27.2	14.5	14.9	14.0	13.5	11.9	12.0	11.8	11.4
Equity/assets ratio, %	68	50	49	56	57	61	59	58	57

Acquisitions

6M 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.

6M 2022

In the second quarter of 2022, Trelleborg signed, through its Trelleborg Sealing Solutions business area, an agreement and finalized the acquisition of the US-based company EirMed, LLC. The company specializes in technical precision injection-molded plastic components. The products are mainly applied in medical devices, such as those used for in-vitro diagnostics, minimally invasive surgery, and orthopedics.

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	6M 2023 Acquired 2022	6M 2022 Acquired 2021
Customer relationships ¹	163	77
Other intangible assets	0	-
Property, plant and equipment	4	26
Right-of-use assets	14	-
Deferred tax assets	15	0
Shares in associated companies	-	-
Interest-bearing receivables	-	12
Inventories	23	19
Operating receivables	33	36
Current tax asset	-	0
Cash and cash equivalents	6	10
Deferred tax liabilities	-24	-
Interest-bearing liabilities	-22	-205
Post employment benefits	0	-
Provision obligations	-4	-
Current tax liability	-5	0
Operating liabilities	-31	-26
Net assets	172	-51
Goodwill	243	116
Total purchase price	415	65
Cash and other net debt in acquired operations	16	183
Impact shown in cash flow statement	431	248

¹ Excess value of customer relationships are amortized over 10-12 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 preliminary 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	Q2 2023	Q2 2022	6M 2023	6M 2022	R12 2023	12M 2022
Net sales	1,122	3,677	5,108	7,383	12,340	14,615
Operating expenses	-1,016	-2,994	-4,290	-6,121	-10,381	-12,212
Capital gain	6,189	-	6,189	-	6,189	-
EBIT	6,295	683	7,007	1,262	8,148	2,403
Financial items	-9	41	-124	49	-206	-33
Profit before tax	6,286	724	6,883	1,311	7,942	2,370
Income tax	-156	-150	-290	-294	-538	-542
Net profit	6,130	574	6,593	1,017	7,404	1,828

Assets and Liabilities held for sale, SEK M	Jun 30 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	6M 2023	6M 2022
Cash flow from operating activities	-345	869
Cash flow from investing activities	26,213	-162
Cash flow from financing activities	-9,870	-826
Total cash flow from discontinuing operations	15,998	-119

Financial instruments – classification and valuation

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

At June 30, 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	-	82	2	91	2	173
Financial non-current assets	92	47	3	-	-	139
Accounts receivable	5,919	-	-	-	-	5,919
Interest-bearing receivable	1	162	3	-	-	163
Cash and cash equivalents	11,628	-	-	-	-	11,628
Total	17,640	291		91		18,022

	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	-	82	2	89	2	171
Interest-bearing non-current liabilities	6,886	-	-	-	-	6,886
Interest-bearing current liabilities	926	29	3	-	-	955
Lease liabilities according to IFRS 16	1,733	-	-	-	-	1,733
Accounts payable	2,772	-	-	-	-	2,772
Total	12,317	111		89		12,517

Measurement techniques used to calculate fair value of level 2 assets

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

Measurement techniques used to calculate fair value of level 3 assets

A financial interest-bearing receivable of SEK 209 M (0) is recognized at fair value. Interest-bearing current liabilities include additional purchase payments according to contract of SEK 29 M (49). 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 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 decrease the Group's non-current loans by SEK 42 M. No remeasurement was made for current loans because the carrying amount is regarded as a good estimate of the fair value due to their short term.

At June 30, 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	-	113	2	178	2	291
Financial non-current assets	56	-	-	-	-	56
Accounts receivable	4,830	-	-	-	-	4,830
Interest-bearing receivable	8	-	-	-	-	8
Cash and cash equivalents	2,359	-	-	-	-	2,359
Total	7,253	113		178		7,544

	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	-	79	2	154	2	233
Interest-bearing non-current liabilities	8,689	-	-	-	-	8,689
Interest-bearing current liabilities	2,472	49	3	-	-	2,521
Lease liabilities according to IFRS 16	1,582	-	-	-	-	1,582
Accounts payable	2,382	-	-	-	-	2,382
Total	15,125	128		154		15,407

Parent Company

Condensed Income statements, SEK M	Q2 2023	Q2 2022	6M 2023	6M 2022	R12 2023	12M 2022
Net sales	149	156	285	277	653	645
Administrative expenses	-277	-66	-344	-137	-622	-415
Other operating income	0	0	1	1	7	7
Other operating expenses	-34	-33	-63	-63	-351	-351
EBIT	-162	57	-121	78	-313	-114
Financial income and expenses ¹	15,033	955	14,816	1,069	21,835	8,088
Profit before tax	14,871	1,012	14,695	1,147	21,522	7,974
Appropriations	-	-	-	-	94	94
Tax	-9	-48	38	-28	-40	-106
Net profit	14,862	964	14,733	1,119	21,576	7,962

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

Condensed Balance sheets, SEK M	Jun 30 2023	Jun 30 2022	Dec 31 2022
Property, plant and equipment	10	12	11
Intangible assets	10	16	13
Financial assets	38,218	38,973	42,020
Total non-current assets	38,238	39,001	42,044
Current receivables	2,493	1,041	179
Current tax asset	4	5	1
Interest-bearing receivables	-	0	96
Cash and cash equivalents	1	0	-
Total current assets	2,498	1,046	276
Total assets	40,736	40,047	42,320
Equity	26,056	9,208	14,458
Interest-bearing non-current liabilities	0	0	0
Other non-current liabilities	58	61	64
Total non-current liabilities	58	61	64
Interest-bearing current liabilities	14,278	30,573	27,631
Current tax liabilities	-	-	-
Other current liabilities	344	205	167
Total current liabilities	14,622	30,778	27,798
Total equity and liabilities	40,736	40,047	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 30 billion in 2022 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, digitization, 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 has filed an application to have its climate target approved by the Science Based Targets initiative (SBTi) in 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	85%	7%	3%	5%
Trelleborg Sealing Solutions	52%	22%	13%	13%
Continuing operations	67%	16%	8%	9%

Net sales per industry and business area based on full-year 2022.

PRESENTATION OF THE REPORT

A combined webcast and telephone conference will be held on July 19 at 3:00 p.m. CEST.

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

Interim report July–September 2023
Year-end report 2023
Interim report January–March 2024
Annual General Meeting 2024
Interim report April–June 2024

October 26, 2023
February 1, 2024
April 24, 2024 (N.B. new date)
April 24, 2024
July 18, 2024

FOR FURTHER INFORMATION

Investors/analysts

Christofer Sjögren, VP Investor Relations

Phone: +46 (0)410 - 670 68
Mobile: +46 (0)708 - 66 51 40
E-mail: christofer.sjogren@trelleborg.com

Media

Patrik Romberg, Senior Vice President,
Communications and Human Resources
Phone: +46 (0)410 - 670 94
Mobile: +46 (0)704 - 55 11 04
E-mail: patrik.romberg@trelleborg.com

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



Trelleborg AB (publ) Corp. Reg. No. 556006-3421
PO Box 153, SE-231 22 Trelleborg, Sweden. Phone: +46 (0)410-670 00 www.trelleborg.com

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

This information is information that Trelleborg AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was issued, by the contact persons above, for publication on July 19, 2023 at 1:00 p.m. CEST.

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