



Press release

Trelleborg, December 2, 2021

Trelleborg presents new financial targets and proposes program for the repurchase of its own shares

The Trelleborg Group is today holding a Capital Markets Day. During the afternoon, Trelleborg's strategic priorities and targets, the Group's financial performance and progress in the area of sustainability and new digital solutions, will be presented. All presentations will be available at www.trelleborg.com.

"Trelleborg's strategy – to secure leading positions in selected segments – stands firm. The conditions are better than ever, both operationally, and thanks to trends such as increased electrification, digitization, and industrial automation. Trelleborg has a clear and decisive role in the transformation of global society. We prioritize investments in segments with potential for high growth and profit, and we continue to focus on areas that give us a high return on capital employed," says Peter Nilsson, President and CEO of Trelleborg Group.

"Demand for our balanced portfolio of solutions generates sales and margins that are evenly distributed over the business cycle. Our long-term customer relationships are based on close collaboration on innovations with well-known industry players, who are on the same journey as ourselves – in the direction of better sustainability," concludes Peter Nilsson.

"We have demonstrated good profitability and a favorable earnings trend in recent years, despite, to say the least, challenging market conditions. We have also recently completed a strategic review from 2019, which was tasked with evaluating various structural initiatives for a number of operations. This included the divestment of several companies with combined sales of more than SEK 3,200 M. We are now fully focused on continuing to develop the Group, driving organic growth but also accelerating company acquisitions, which is supported by our strong cash flow," says Fredrik Nilsson, CFO of Trelleborg Group.

"Recent progress provides us with the confidence to present our new financial targets for the Group today, together with the Board's intention to, at an Extraordinary General Meeting, propose a program for the repurchase of our own shares. Trelleborg's financial position will be strong and capable of providing the headroom to continue to develop the Group, even after the proposed share buybacks," concludes Fredrik Nilsson.

Trelleborg's updated financial targets

1. Sales growth

Total sales growth over an economic cycle is to amount to 5 to 8 percent.

2. EBIT margin

Over an economic cycle, the EBIT margin, excluding items affecting comparability, is to amount to ≥ 16 percent.

3. Return on capital employed

Over an economic cycle, return on capital employed (ROCE), excluding items affecting comparability, is to amount to ≥ 14 percent.

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Program for the repurchase of shares

The Board of Directors of Trelleborg AB intends to convene an Extraordinary General Meeting to propose that it resolves to authorize the Board, until the Annual General Meeting in April 2022, to resolve on repurchase of the company's own shares on the stock exchange on customary terms.

“The Board's purpose in proposing a program for repurchase of the company's own shares at an Extraordinary General Meeting is to start to adapt the company's capital structure and thereby contribute to increased shareholder value. Our objective is that the program will recur and therefore the Board intends to return to Annual General Meetings in the coming years with proposals of repurchases of the company's own shares. The ambition is to repurchase own shares of approximately SEK 2,000 to 3,000 M per year. The Board's intent is that the repurchased shares are canceled at a time decided by upcoming Annual General Meetings,” says Hans Biörck, Chairman of the Board of Trelleborg Group.

Announcement of the notice of the Extraordinary General Meeting will take place through a separate press release. The Board of Directors has decided that the Extraordinary General Meeting shall be conducted without physical presence by shareholders, exercising their voting rights only by voting by post.

Trelleborg is a world leader in engineered polymer solutions that seal, damp and protect critical applications in demanding environments. Its innovative solutions accelerate performance for customers in a sustainable way. The Trelleborg Group has annual sales of about SEK 33 billion and operations in about 50 countries. The Group comprises three business areas: Trelleborg Industrial Solutions, Trelleborg Sealing Solutions and Trelleborg Wheel Systems. The Trelleborg share has been listed on the Stock Exchange since 1964 and is listed on Nasdaq Stockholm, Large Cap. www.trelleborg.com

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