



Welcome to the World of Trelleborg

Welcome to the World of Trelleborg



**Please
Turn off Your
Mobile Phones**

**All presentations will be uploaded to
www.trelleborg.com during the afternoon**





CMD Agenda – the first half

- Group Overview & Strategy Peter Nilsson, President & CEO
- Group Financial Overview Ulf Berghult, Chief Financial Officer
~ 14:30 – Coffee break 15 minutes
- Trelleborg Offshore & Construction Fredrik Meuller, Business Area President
- Trelleborg Coated Systems Dario Porta, Business Area President
- Trelleborg Industrial Solutions Mikael Fryklund, Business Area President
~16:30 – Coffee break 15 minutes



CMD Agenda – the second half

- Trelleborg Sealing Solutions Claus Barsøe, Business Area President
- Trelleborg Wheel Systems Maurizio Vischi, Business Area President
- ~ 17:45 – *Coffee break 15 minutes*
- Intro – TrelleborgVibracoustic Peter Nilsson, President & CEO
- TrelleborgVibracoustic Hans-Jürgen Goslar, CEO
- CEO Closing Remarks Peter Nilsson, President & CEO
- ~ 19:00 – *End of presentation session*

Dinner and mingle with Trelleborg's management at Berns Salonger



Trelleborg Overview & Strategy

Capital Markets Day 2014

Peter Nilsson, President and CEO



Agenda

Trelleborg introduction

Our evolution

Trends and drivers for our business

Securing and leveraging our leading positions

Summary



Trelleborg – a world-leader in engineered polymer solutions

We seal, damp and protect critical applications in demanding environments

**Our innovative engineered solutions accelerate performance
for our customers in a sustainable way**

Engineered Solutions From Space to Seabed





Conquering new frontiers.

Vacuum and radiation. Intense cold and fierce heat. Space is an extremely unfriendly environment. Out here, there are no standard solutions to fall back on. In other words, it's the perfect place to put our innovative thinking and polymer engineering skills to the test.

SPACE SHUTTLE HEAT SHIELD

After 254 days in space it was time for Curiosity to enter the Martian atmosphere. Thanks to Trelleborg Eccospheres it was well shielded and survived the extreme heat and friction generated in the descent.

[Explore more](#)

Keeping planes airborne.

Everything on a plane has to work without fail. You can't just pull over and check the engine. As a trusted partner to the aerospace industry, innovative solutions from Trelleborg help ensure that countless critical applications are up to the task.

AIRFRAME SEALS

At 37,000 feet, temperatures plunge to minus 30°C or less outside a plane's windows. Up here, a leak in the pressurized cabin could spell disaster. Trelleborg seals help the plane remain airtight.

[Explore more](#)



Exploring opportunities worldwide.

From stormy seas to still waters, Trelleborg comes to the rescue for projects in every possible environment. Combining the strength and capabilities of a global group with a genuine local presence, we deliver value for customers across nearly every industry.

OFFSHORE OIL & GAS – TOPSIDE

Out here, 1400°C jet fires and corrosion could be a deadly duo. That's why oilrigs worldwide rely on our flexible and corrosion-free deluge and sprinkler systems with a 30-year minimum maintenance life.

[Explore more](#)



Always the right solution.

Need critical applications in extreme environments? At Trelleborg, we have the answers for our customers. Our leading-edge technology and in-depth understanding of their operating conditions helps them seal, damp and protect in practically any situation.

INFRASTRUCTURE CONSTRUCTION

By their very nature, infrastructure projects are complex undertakings. To help customers meet challenges they face, Trelleborg delivers sealing profiles, dredging hoses and bearings for seismic areas.

[Explore more](#)



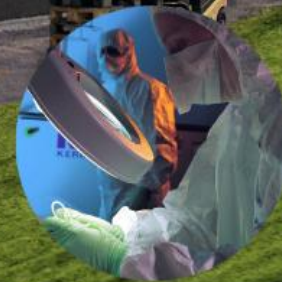
Helping businesses perform.

Superior sealing, damping and protecting. All three can enhance systems, improve functionality and raise profitability for Trelleborg customers. For critical applications, the superior performance we provide is invaluable.

PHARMACEUTICAL & LIFE SCIENCES

Patient's safety. Operational success. Improved efficiency. Trelleborg's innovative line of medical-grade silicone solutions is specially designed for the most sensitive life-enhancing processes.

[Explore more](#)



Growing with sustainable solutions.

As natural resources become increasingly scarce, the world's appetite for them still keeps growing. We develop innovations that have a positive impact on society, while helping our customers save energy, reduce emissions and improve efficiency. We call this our Blue Dimension.

AGRICULTURAL & FORESTRY EQUIPMENT

Using less fuel and reducing CO2 emissions while increasing crop yields. Thanks to the ingenious design of Trelleborg's TM Blue tire concept, it's possible for farmers to conserve natural resources while harvesting more.

[Explore more](#)



Connecting with our customers.

The closer we work together, the better the results. Teaming up with customers is key for us. That's why our channels of communication are always open. By being accessible and ready to act, Trelleborg simplifies the work of their customers, helps them meet deadlines and do business better.

TRANSPORTATION EQUIPMENT

Every day, millions of people and tons of goods are transported by train. To keep things rolling smoothly, the world's railway manufacturers and operators rely on Trelleborg polymer solutions.

[Explore more](#)



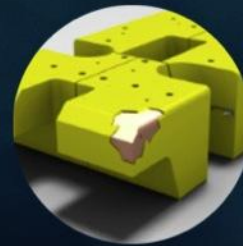
Curiosity drives innovation.

Our curious nature and ambition to evolve have always been driving forces at Trelleborg. They have led us to many new discoveries and innovative solutions, making it possible for our customers to go where no others have gone before.

SUB-SURFACE EQUIPMENT

At extreme depths. In total darkness. Underwater exploration down to the seabed deep sea would be impossible without a Remotely Operated Vehicle (ROV). Trelleborg's solutions keep them working effectively.

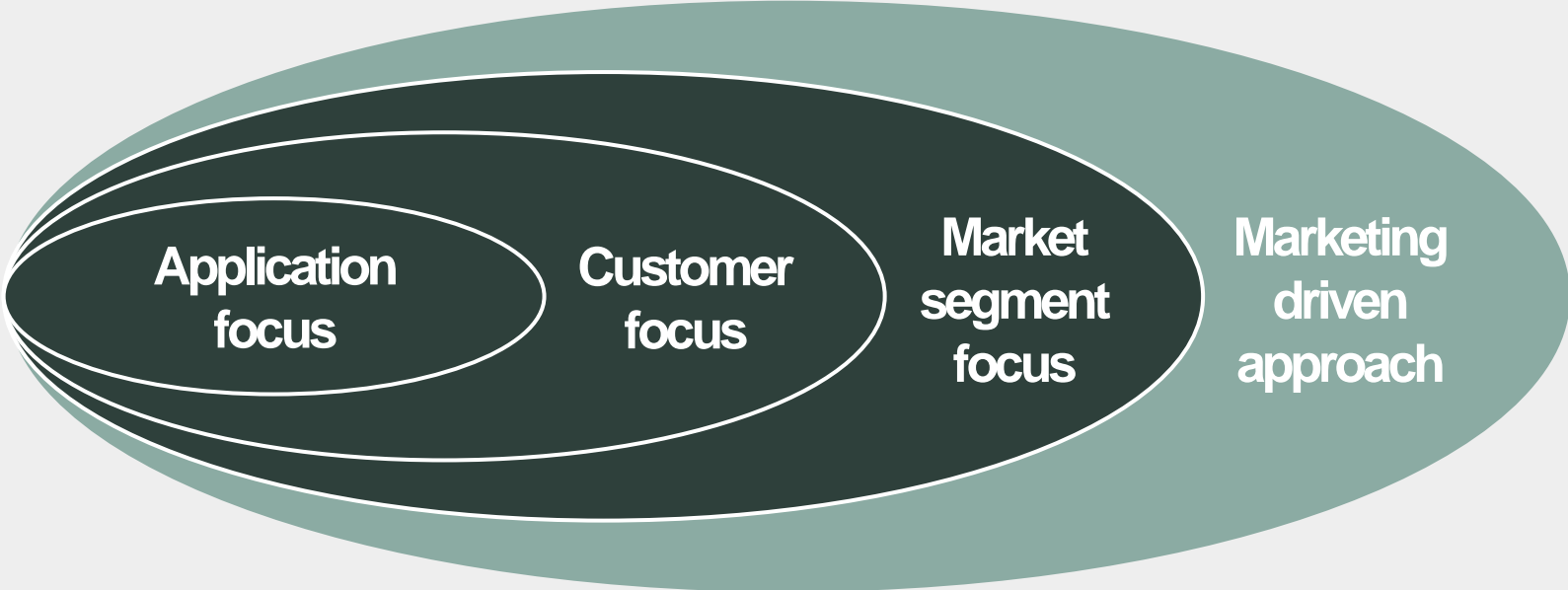
[Explore more](#)



Our overall strategy

Leading positions in
selected segments

Our market approach



Trelleborg's core capabilities

Applications
Expertise

Local Presence
Global Reach

Customer
Integration

Polymer
Engineering

Business
Accelerator



Agenda

Trelleborg introduction

Our evolution

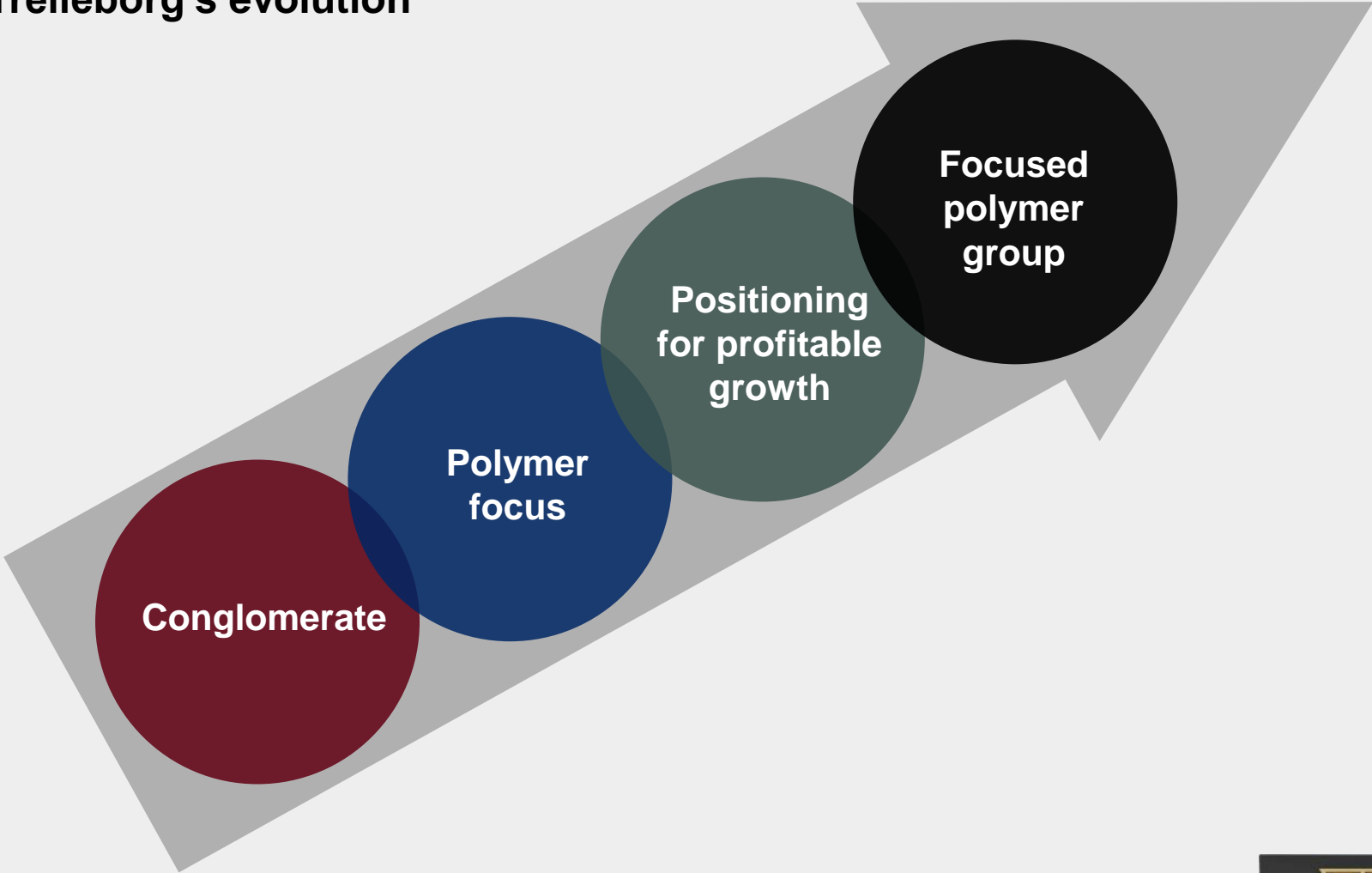
Trends and drivers for our business

Securing and leveraging our leading positions

Summary

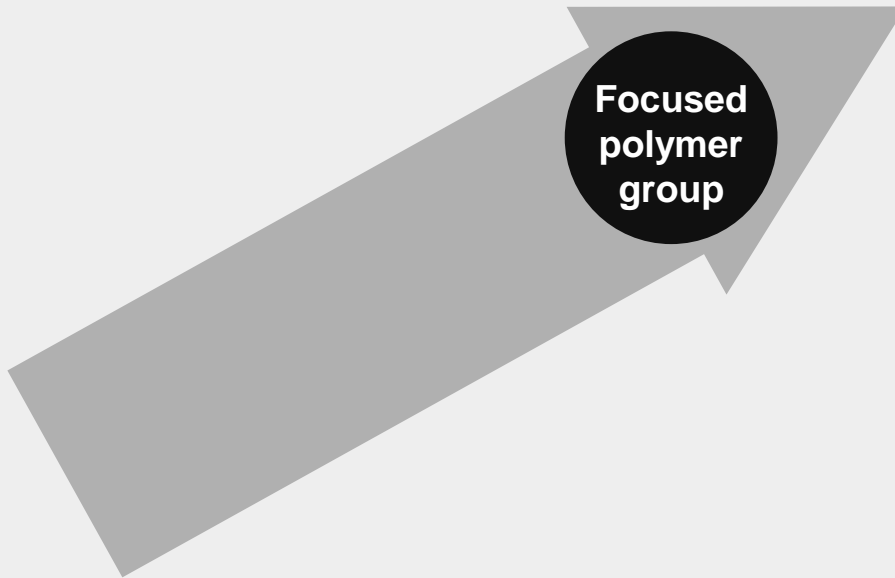
From conglomerate to focused polymer group

Trelleborg's evolution



From conglomerate to focused polymer group

Trelleborg's evolution



- Improved structure
- Geographical balance
- Portfolio improvement
- Excellence in all aspects

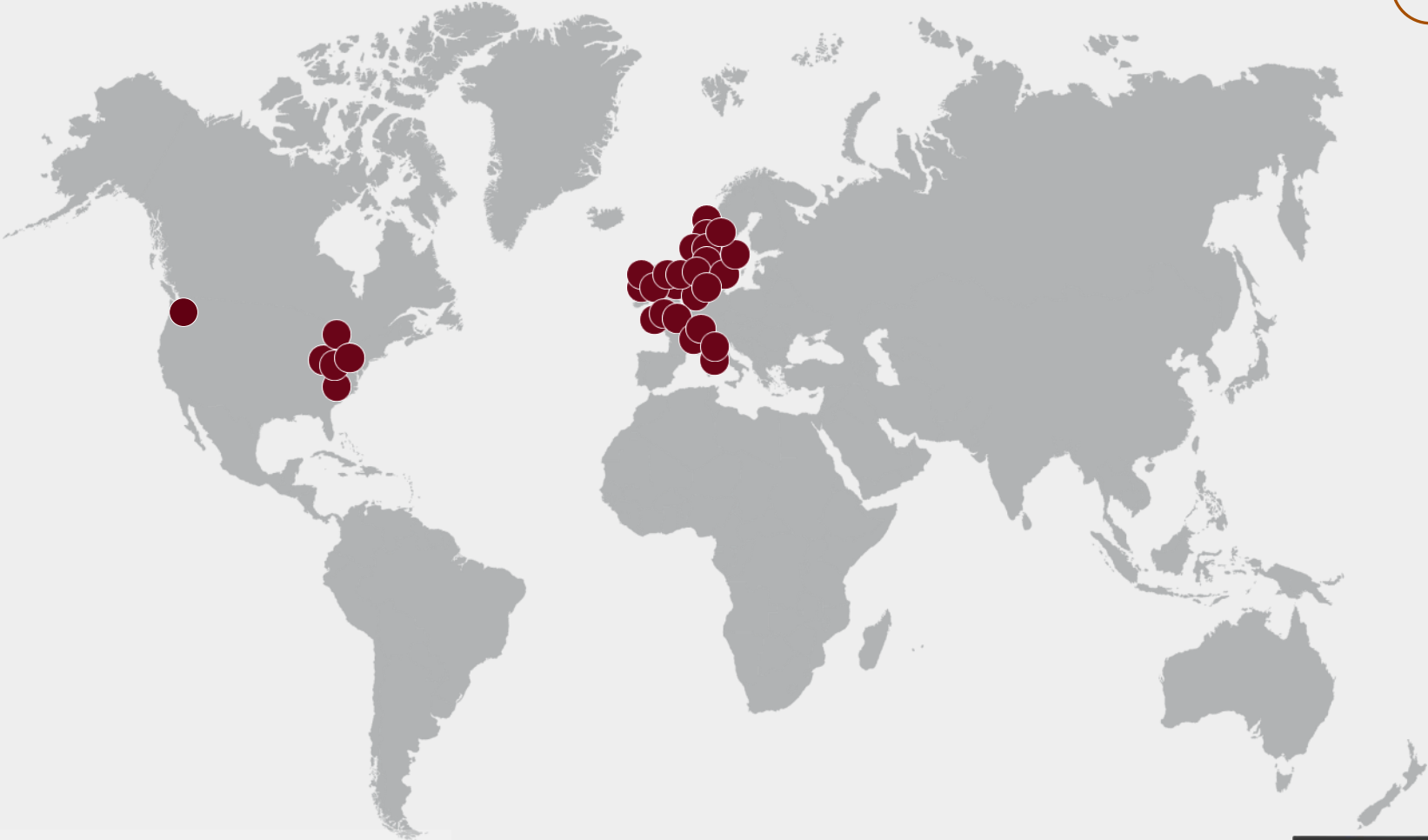
Trelleborg's evolution is driven by our strategic cornerstones



Strategic
cornerstones

Balancing our geographical footprint

Structural improvements since 2005

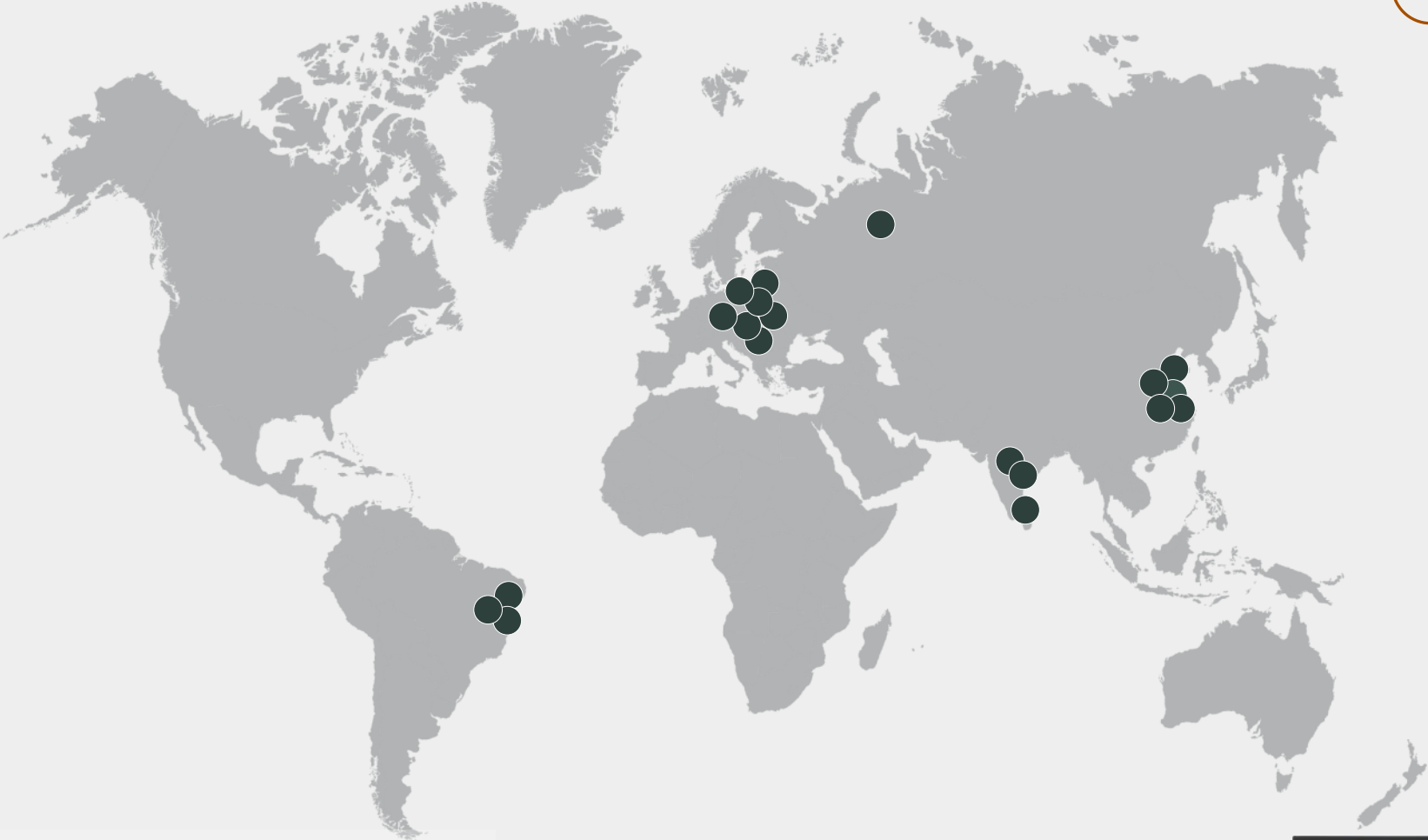


● Divested / closed manufacturing plant



Balancing our geographical footprint

Structural improvements since 2005 (cont.)



● Acquired / greenfield manufacturing plant

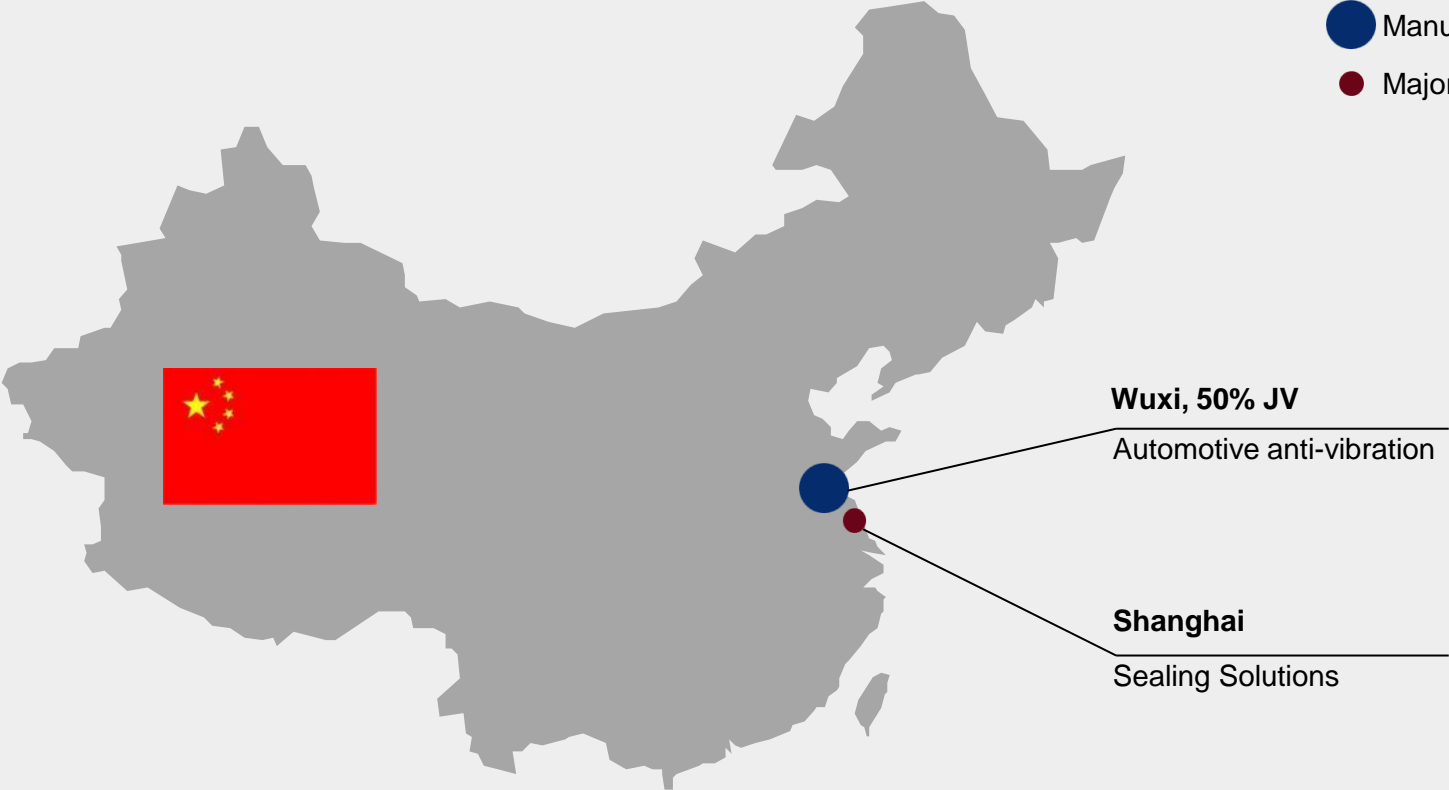


Continuously strengthening our presence in China

Major Group locations in China, 2005

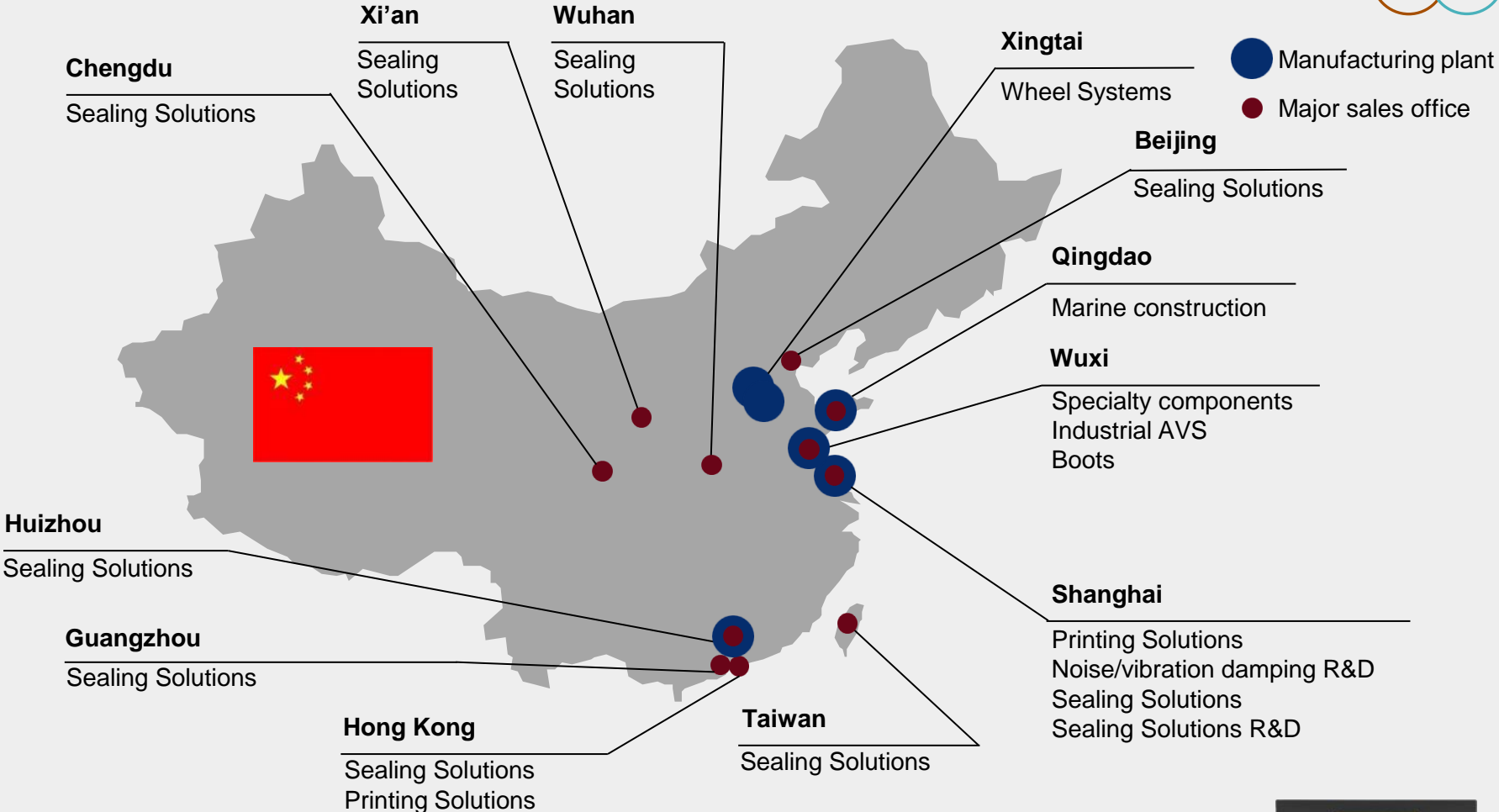


- Manufacturing plant
- Major sales office



Continuously strengthening our presence in China

Major Group locations in China, 2014



...as well as in Brazil

Major Group locations in Brazil, 2005



- Manufacturing plant
- Major sales office



...as well as in Brazil

Major Group locations in Brazil, 2014



- Manufacturing plant
- Major sales office

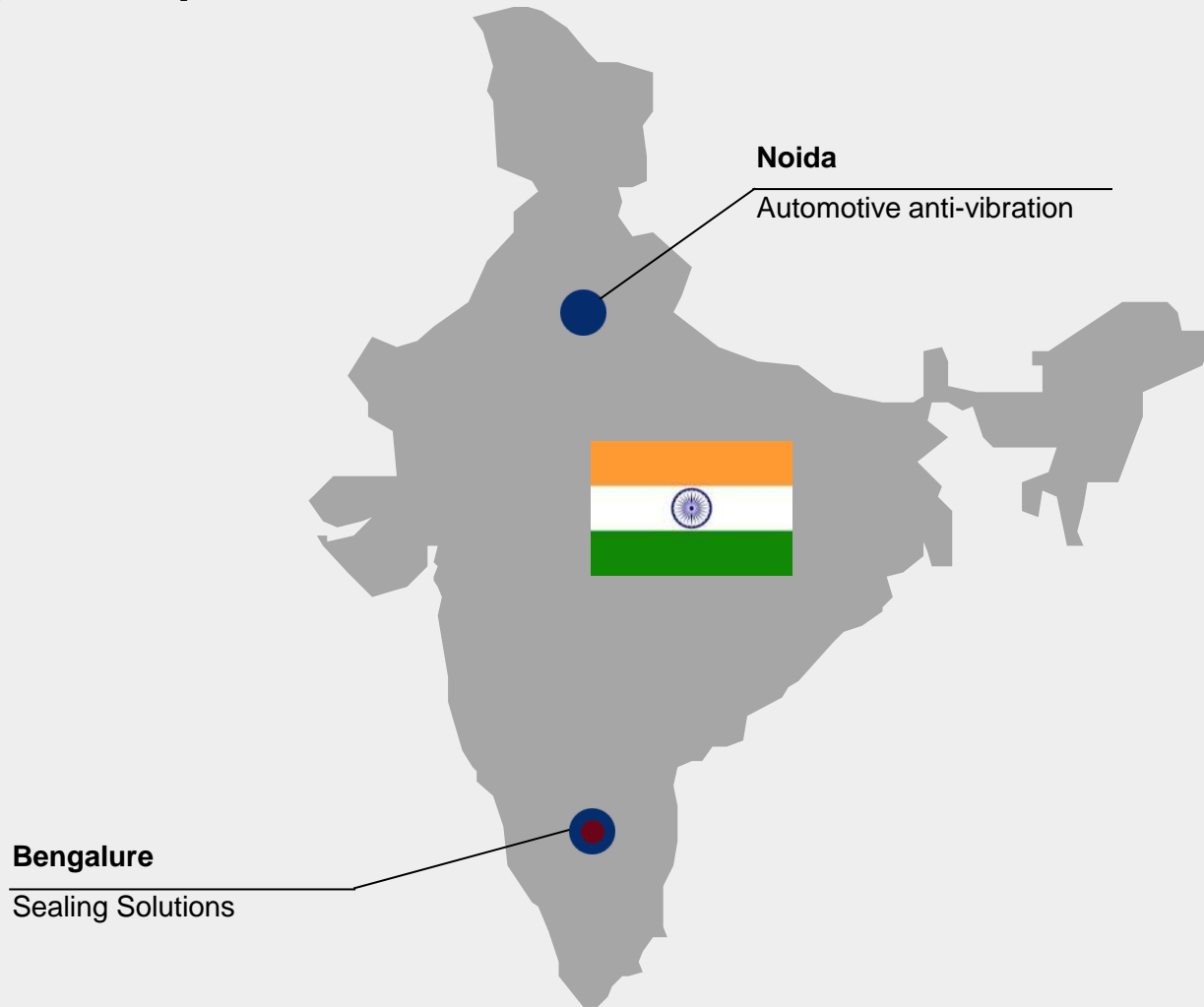


...and in India

Major Group locations in India, 2005

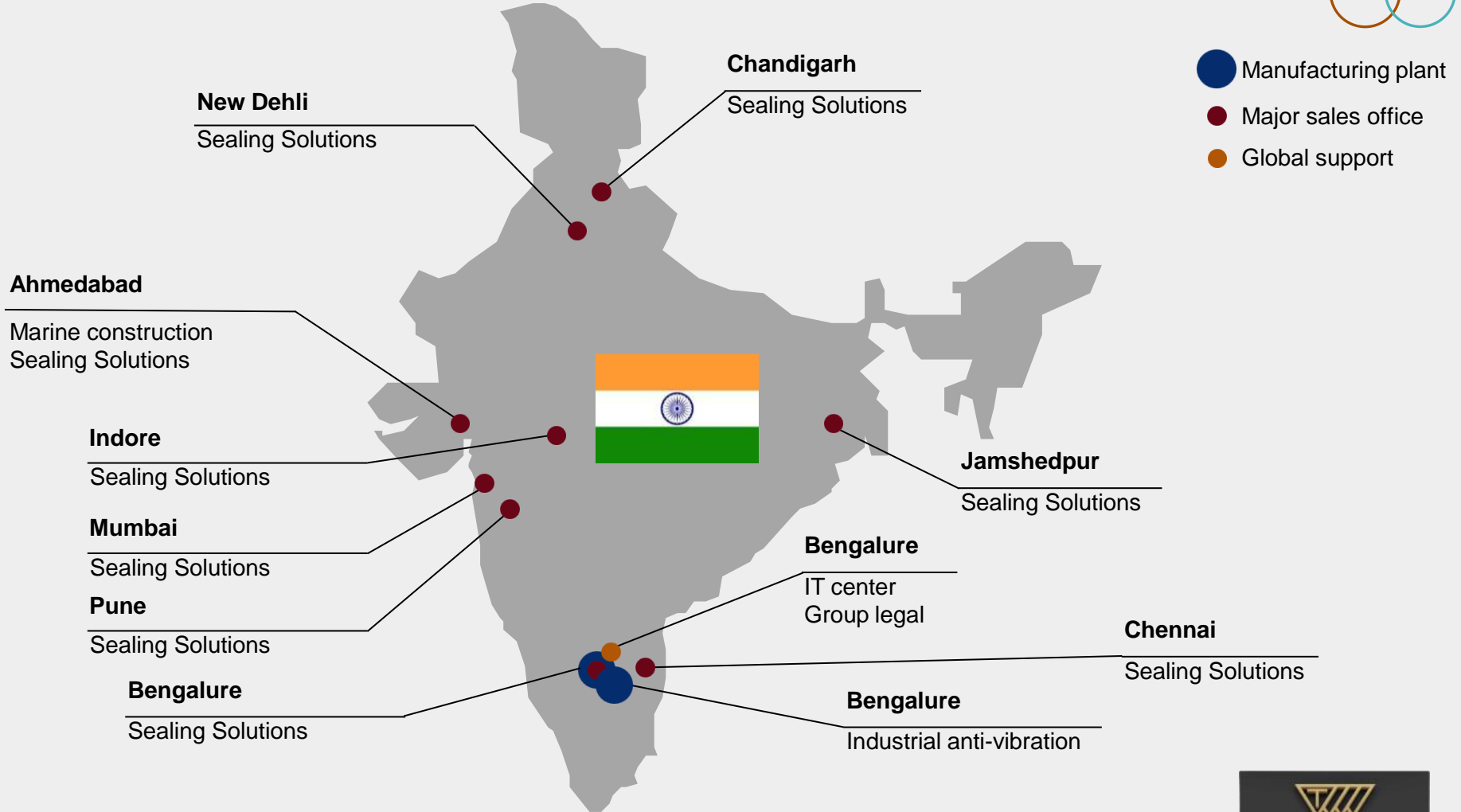


- Manufacturing plant
- Major sales office



...and in India

Major Group locations in India, 2014



Summary – all this work results in

Further improving our...

- **geographical balance**



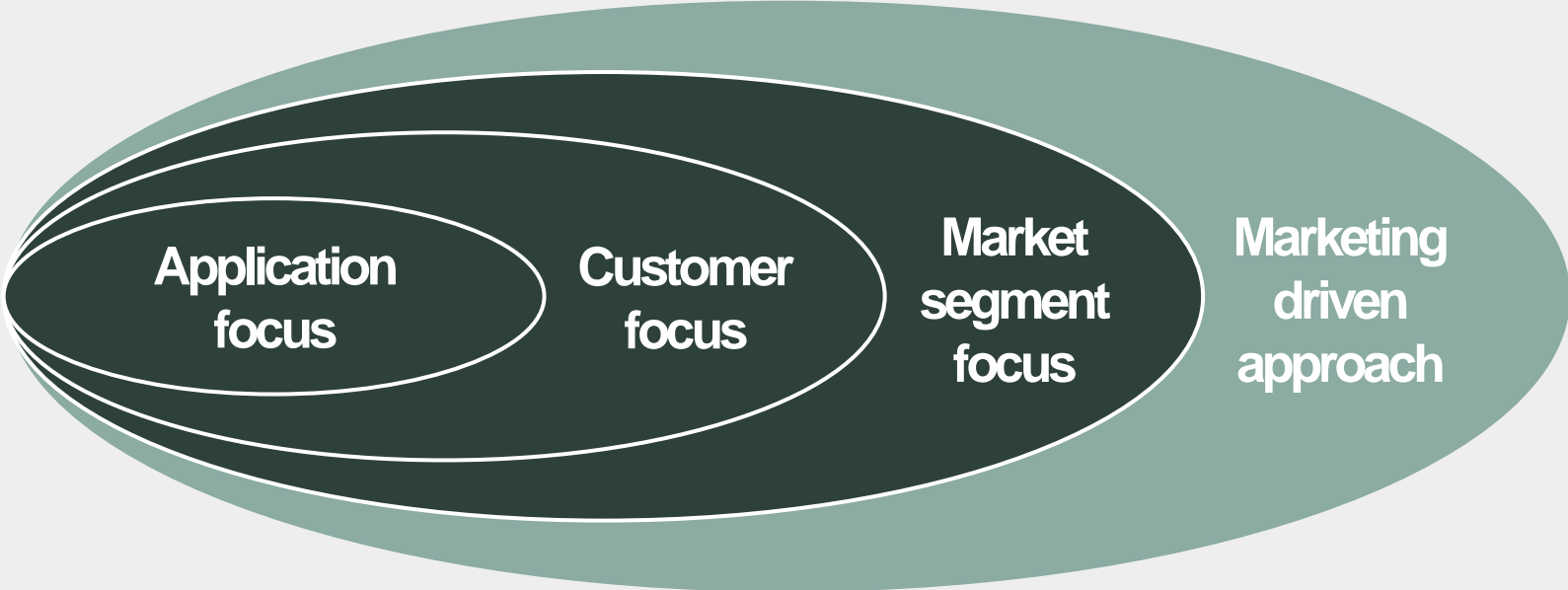
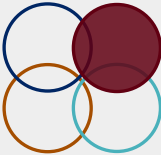
Trelleborg's evolution is driven by our strategic cornerstones



Strategic
cornerstones

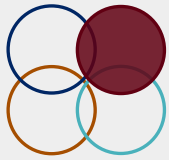
Organically driven portfolio adjustments

Our approach



M&A to strengthen our leading positions

Transactions 2005-2014



More than 40 acquisitions

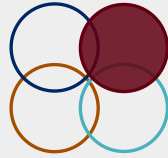
15 divestments

Global world leader created



Creation of TrelleborgVibracoustic

50/50 Joint Venture between Trelleborg and Freudenberg



 TrelleborgVibracoustic

- ▼ **Global market leader** for automotive antivibration solutions
- ▼ **All top OEMs** and Tier 1 suppliers served
- ▼ Six business areas covering a **complete product portfolio**
- ▼ Strong **product innovation** pipeline
- ▼ **Most global footprint** with 32 production and 6 pure development sites in 18 countries
- ▼ **~10,000** employees



Successful integration

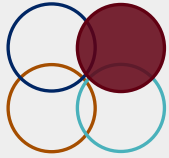


 TrelleborgVibracoustic

- ▶ **Stand-alone** company
- ▶ **Global** organization established
- ▶ **Successful** integration
- ▶ Stand-alone **financing**
- ▶ **Solid** performance



All focus on operational excellence



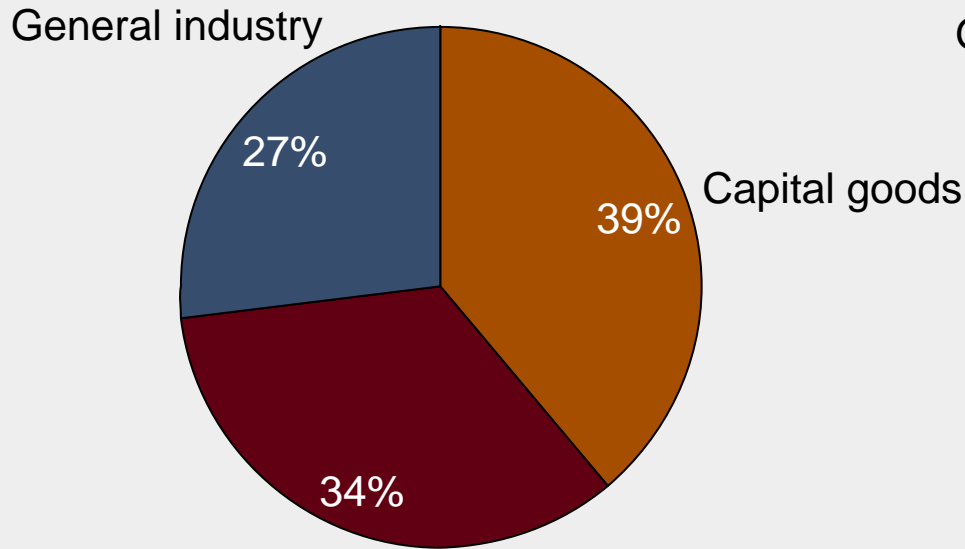
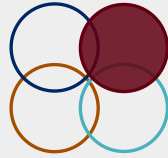
TrelleborgVibracoustic

- ▶ Development **according to plan**
- ▶ **Operational excellence** and footprint optimization
- ▶ Integration **benefits** according to plan
- ▶ Cooperation with Freudenberg works well
– agenda going forward **aligned**

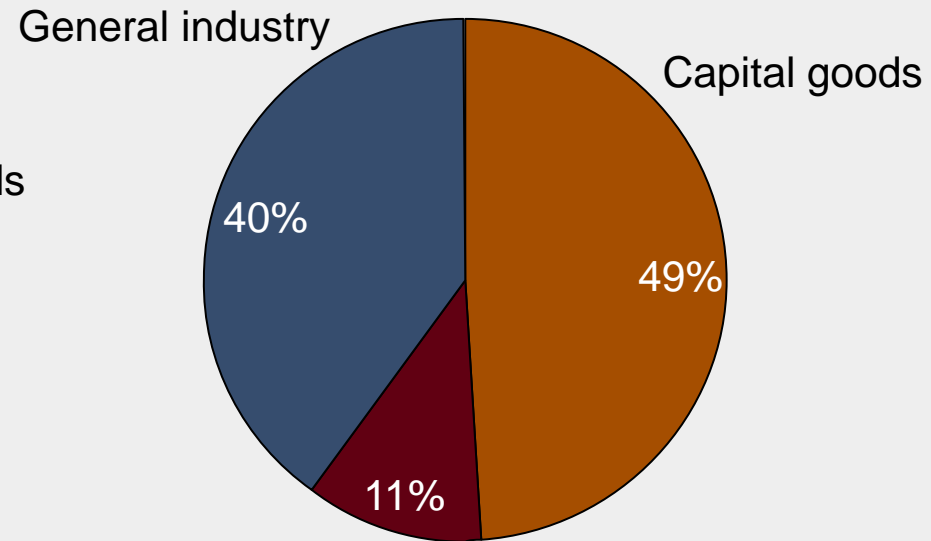


A balanced business portfolio¹

Segment split



2010



2013

Summary – all this work results in

Further improving our...

- **geographical balance**

Further improving our...

- **business portfolio**



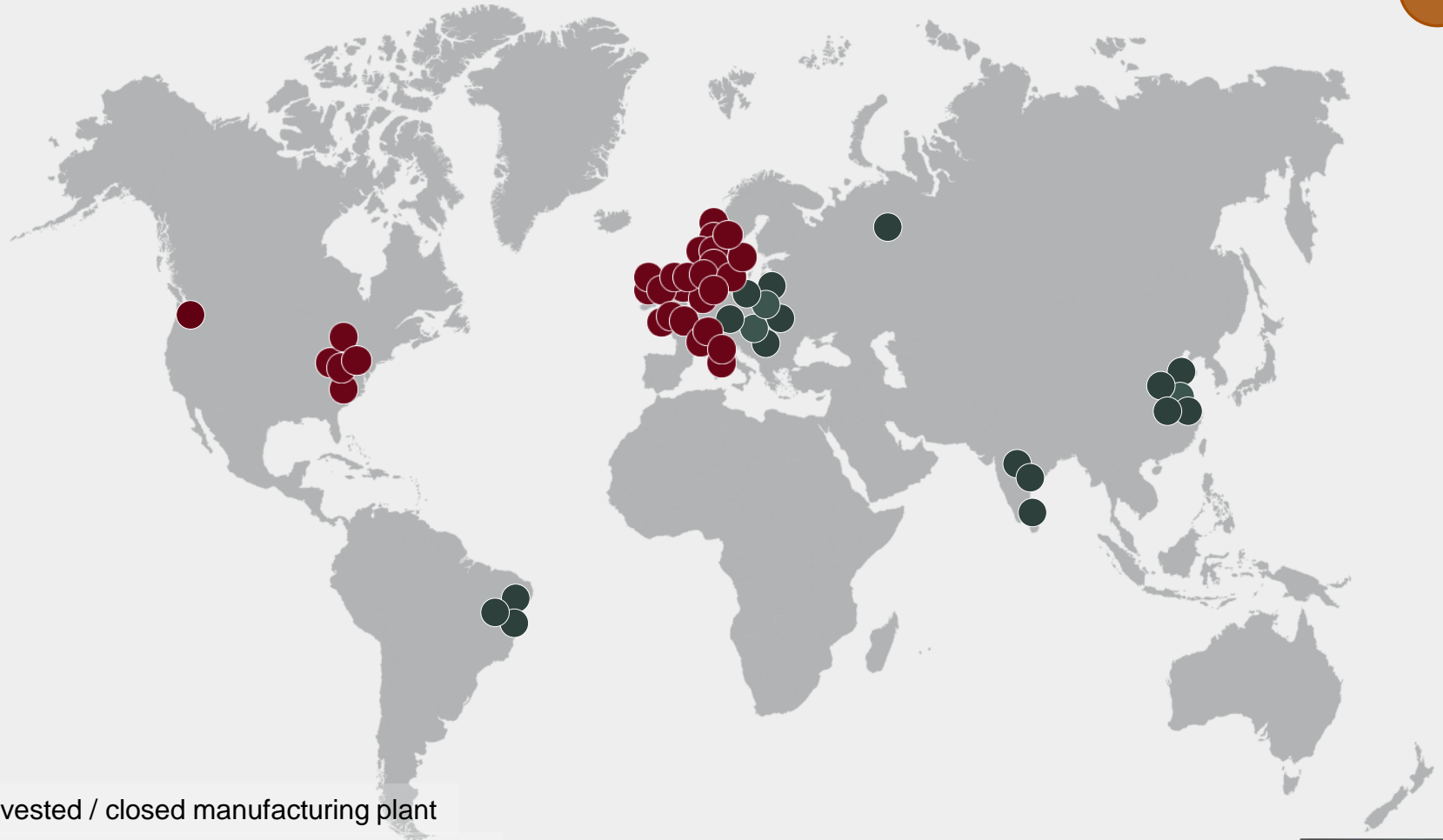
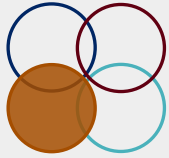
Trelleborg's evolution is driven by our strategic cornerstones



Strategic
cornerstones

Balancing our geographical footprint still key

Structural improvements since 2005

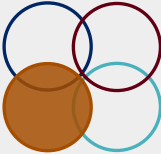


- Divested / closed manufacturing plant
- Acquired / greenfield manufacturing plant



Global leading positions in all segments

Competitive position, no. 1-3



Aerospace precision seals	●	●	●
Solid industrial tires	●	●	●
Industrial hoses	●		●
Polymer coated fabrics	●	●	●

~20 more segments

Summary – all this work results in

Further improving our...

- **geographical balance**

Further improving our...

- **business portfolio**

Further improving our...

- **segment positions**



Trelleborg's evolution is driven by our strategic cornerstones



Strategic
cornerstones

Raising the bar in our daily operations

Manufacturing
Excellence

Purchasing
Excellence

Working Capital
Excellence

Sales
Excellence

Summary – all this work results in

Further improving our...

- **geographical balance**

Further improving our...

- **business portfolio**

Further improving our...

- **segment positions**

Further improving our...

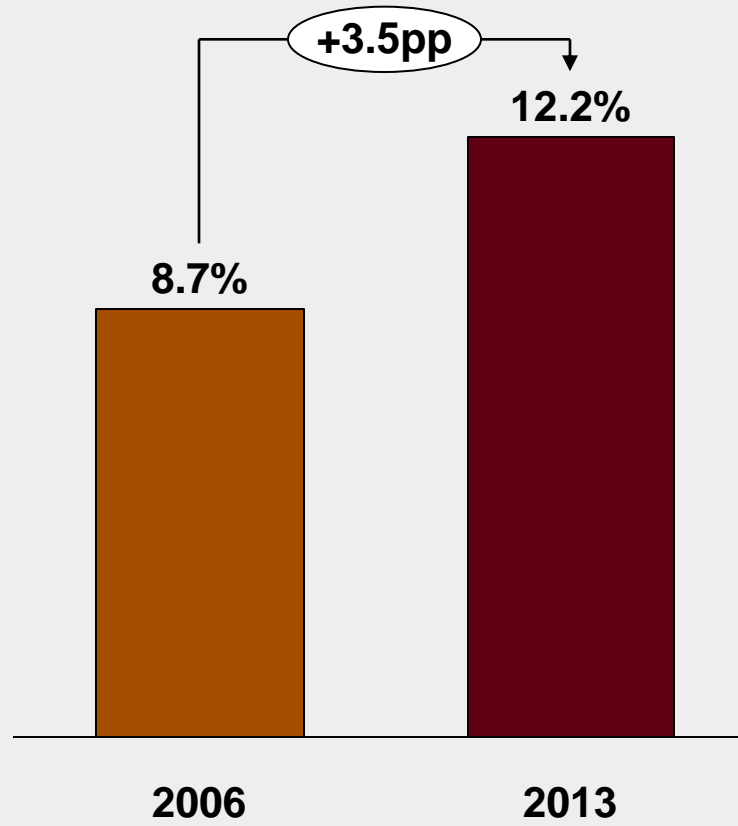
- **daily operations**

...and in addition



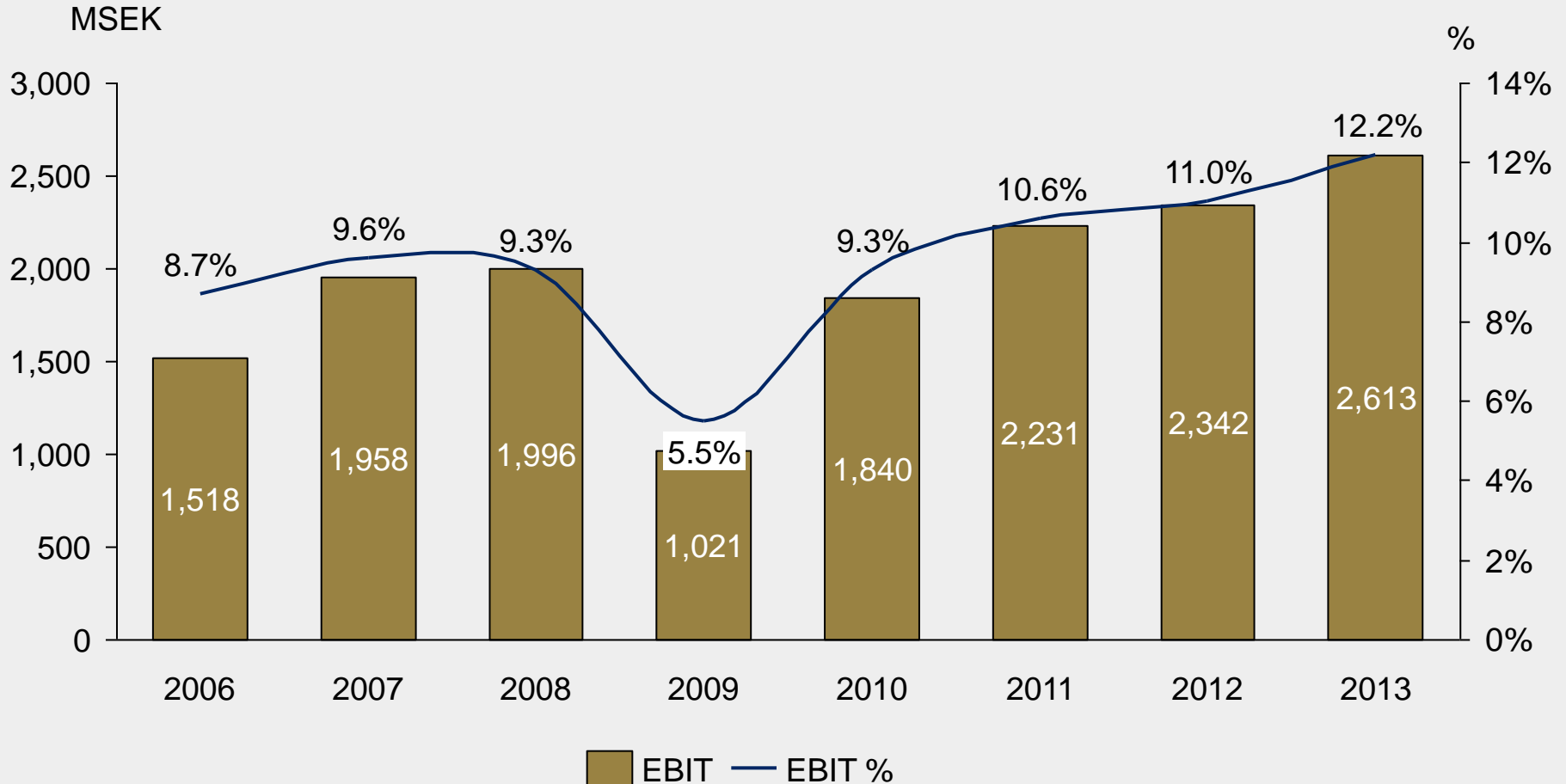
Improved operating margins

EBIT margin development



Operating margin development¹

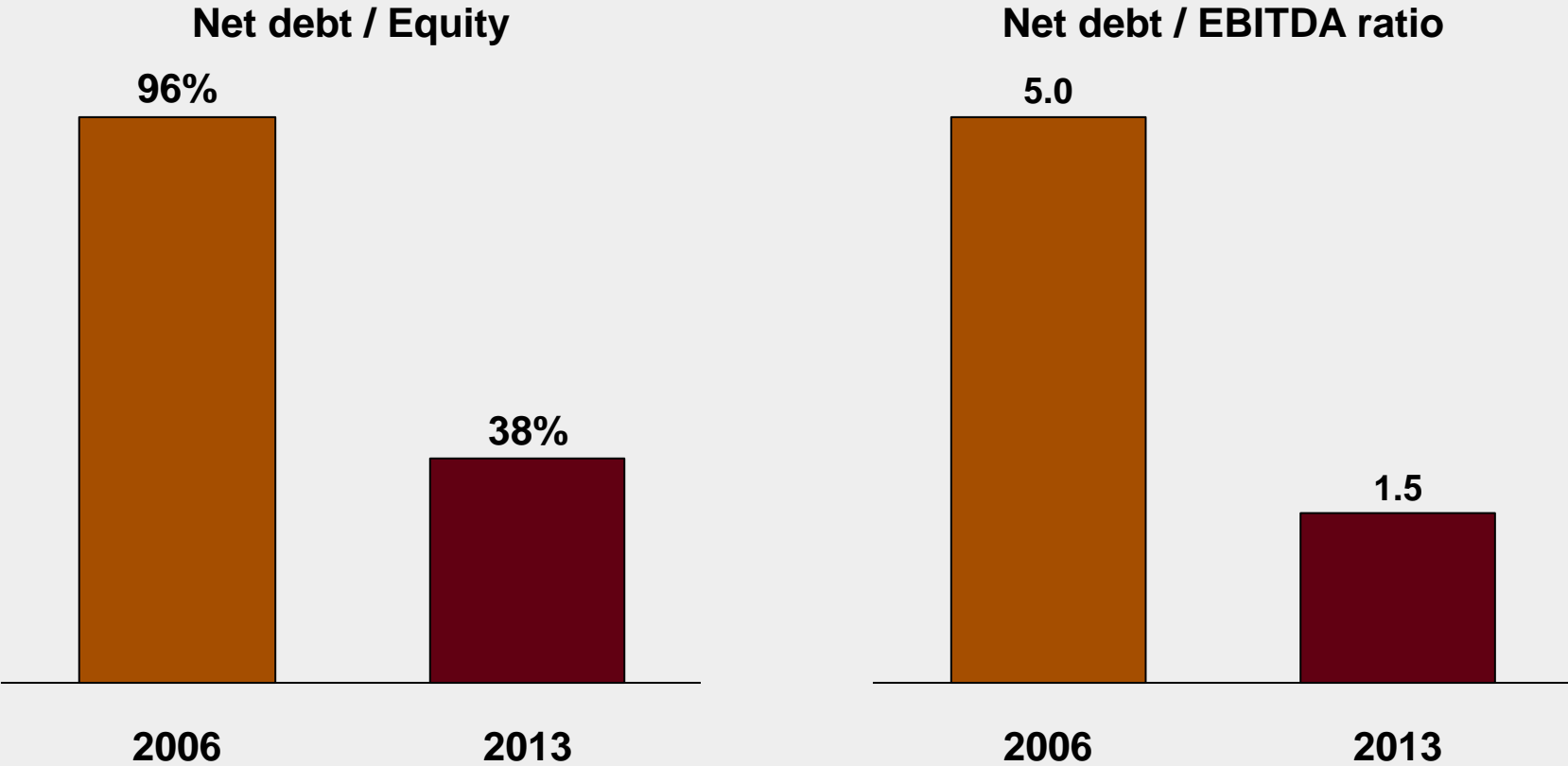
EBIT margin target: $\geq 12\%$



¹ Continuing operations, excl. items affecting comparability and excl. TrelleborgVibracoustic

Improved capital structure

Trelleborg group, excl. items affecting comparability



Summary – all this work results in

Further improving our...

- **geographical balance**

Further improving our...

- **business portfolio**

Further improving our...

- **segment positions**

Further improving our...

- **daily operations**

Further improving our...

- **margins and capital structure**





Agenda

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Summary

Volatility is here to stay

Selected near-term uncertainties

Geopolitical



European Union

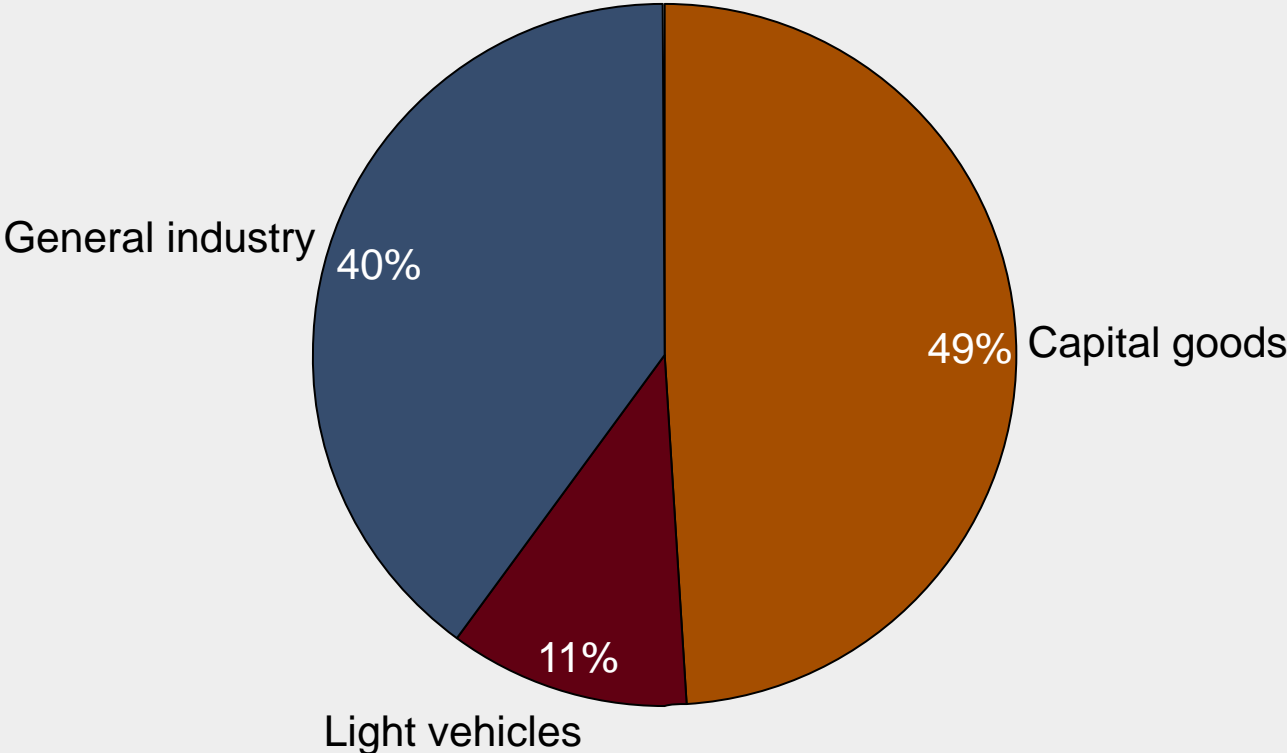


Capital markets



Well-balanced structure with early and late cyclical exposure

Segment split 2013¹

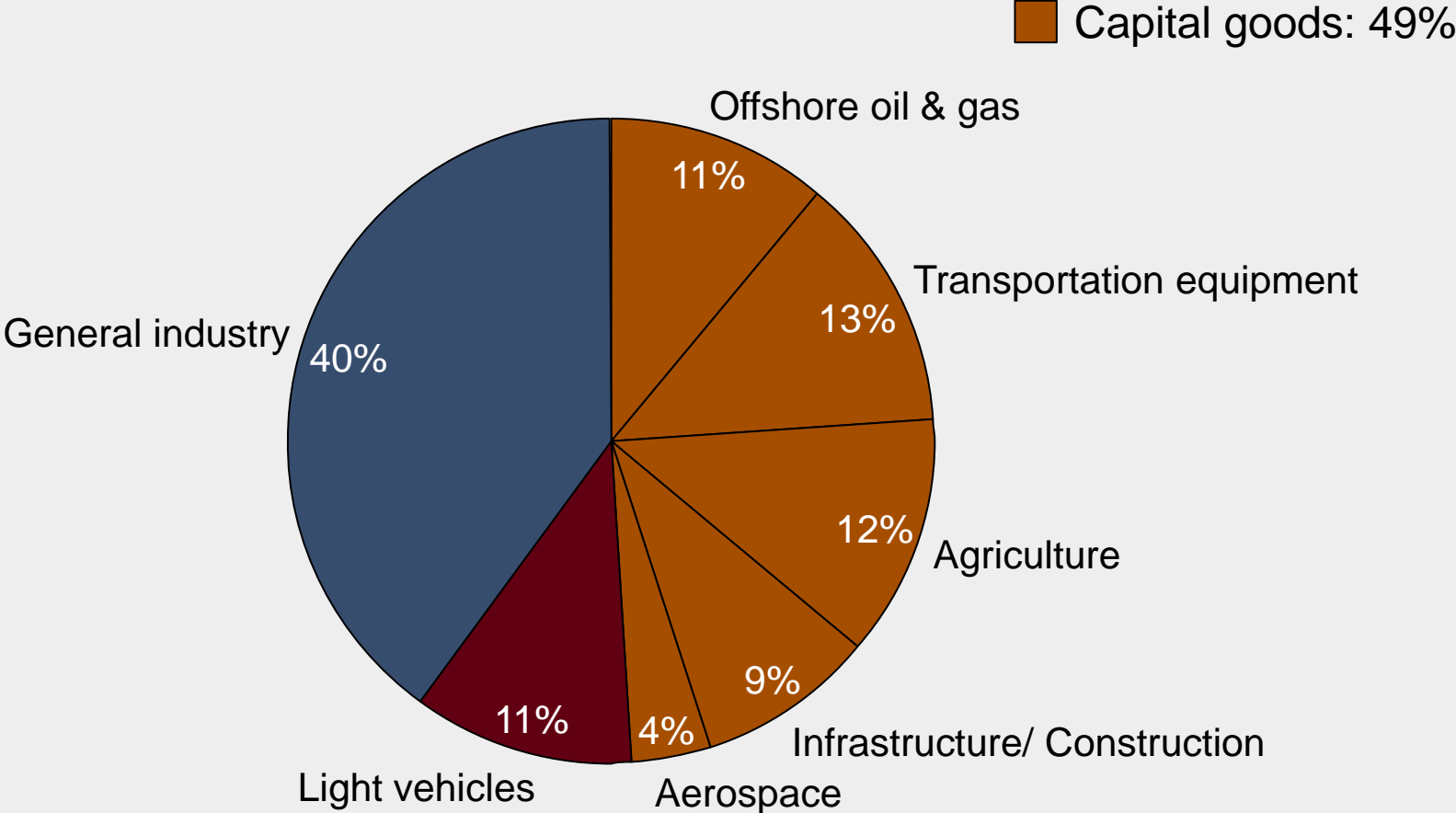


¹ Excluding indirect exposure through TrelleborgVibracoustic



Well-balanced structure with early and late cyclical exposure

Segment split 2013¹



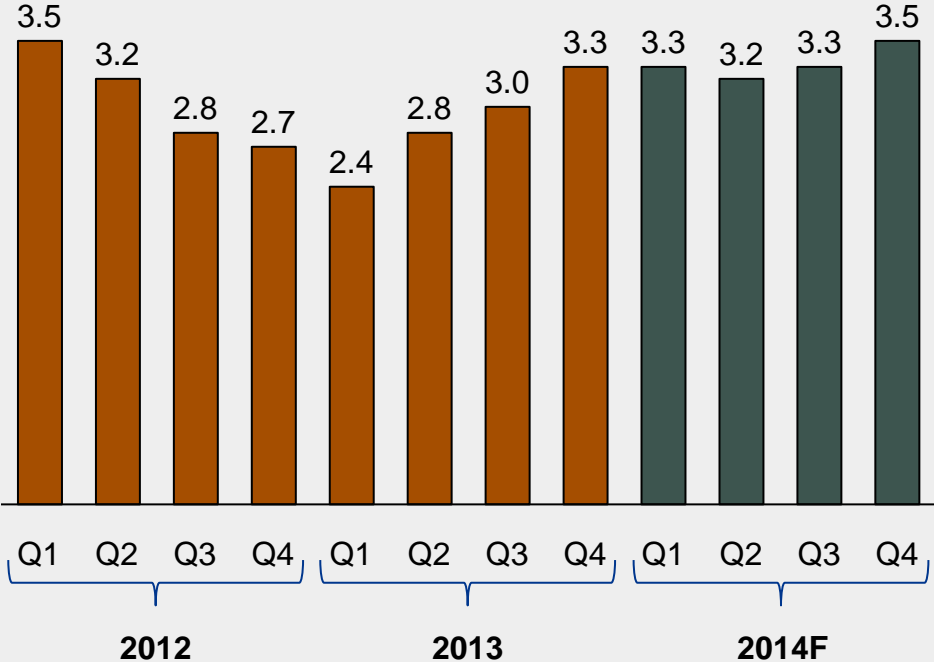
¹ Excluding indirect exposure through TrelleborgVibracoustic



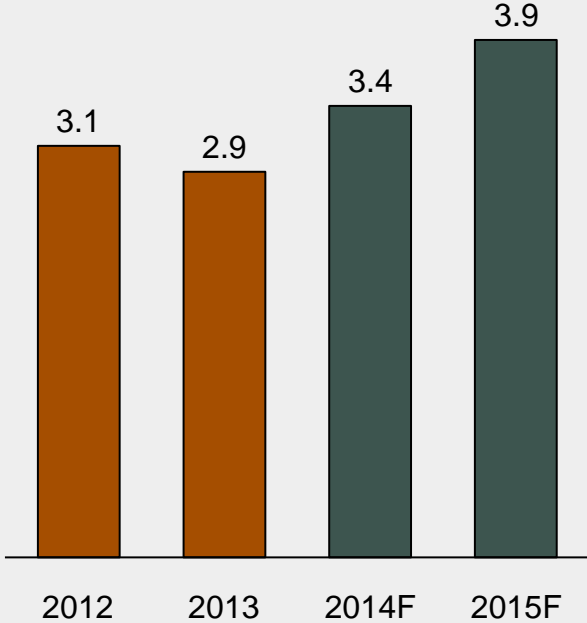
Global growth expected to have bottomed out

World GDP development

World real GDP per quarter
(%, yoy)



World real GDP per year
(%, yoy)



Favorable segment fundamentals

Segment trends and drivers

Capital goods

49%



- Energy demand
- Advanced technology



- Urbanization
- Emerging markets



- Industrialization
- Mechanization
- Biofuels



- Emerging markets
- Increased travel



- Globalization
- Global trade

Favorable segment fundamentals

Segment trends and drivers

Capital goods

49%



- Energy demand
- Advanced technology



- Urbanization
- Emerging markets



- Industrialization
- Mechanization
- Biofuels



- Emerging markets
- Increased travel



- Globalization
- Global trade

General industry

40%



- Polarization
- Global partner
- Total value

Favorable segment fundamentals

Segment trends and drivers



- Energy demand
- Advanced technology



- Urbanization
- Emerging markets



- Industrialization
- Mechanization
- Biofuels



- Emerging markets
- Increased travel



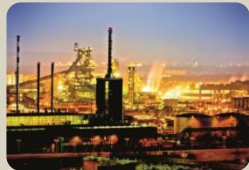
- Globalization
- Global trade

Capital goods

49%

General industry

40%



- Polarization
- Global partner
- Total value

Light vehicles



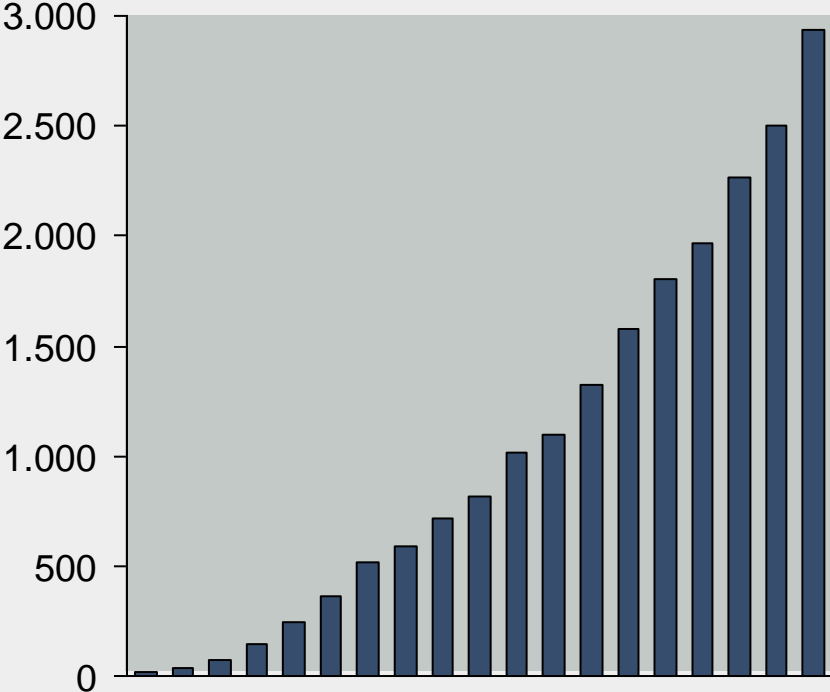
- Globalization
- Polarization
- Niche focus

11%

Interaction with customers is changing

Digital trends affecting customer interaction

Internet users
(1995-2013, million)



61% of global Internet users research products online

131bn web searches per month

82% of mobile media time from apps

...and growing

Source: Nielsen, Comscore, Internet World Stats





Agenda

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Our evolution

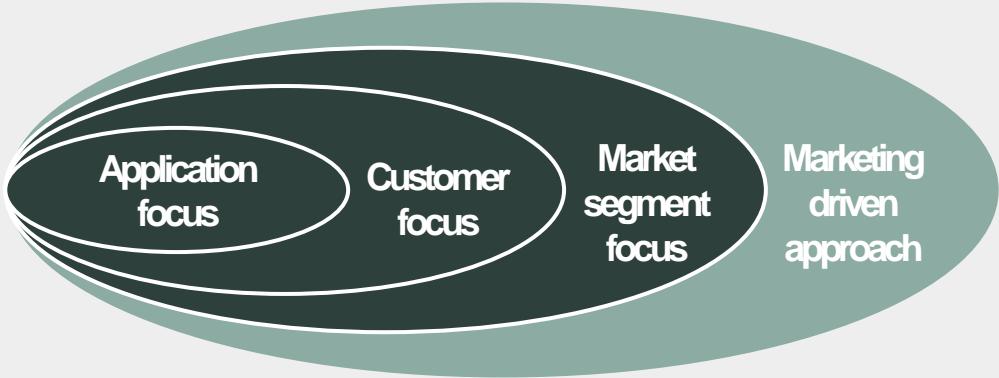
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Summary

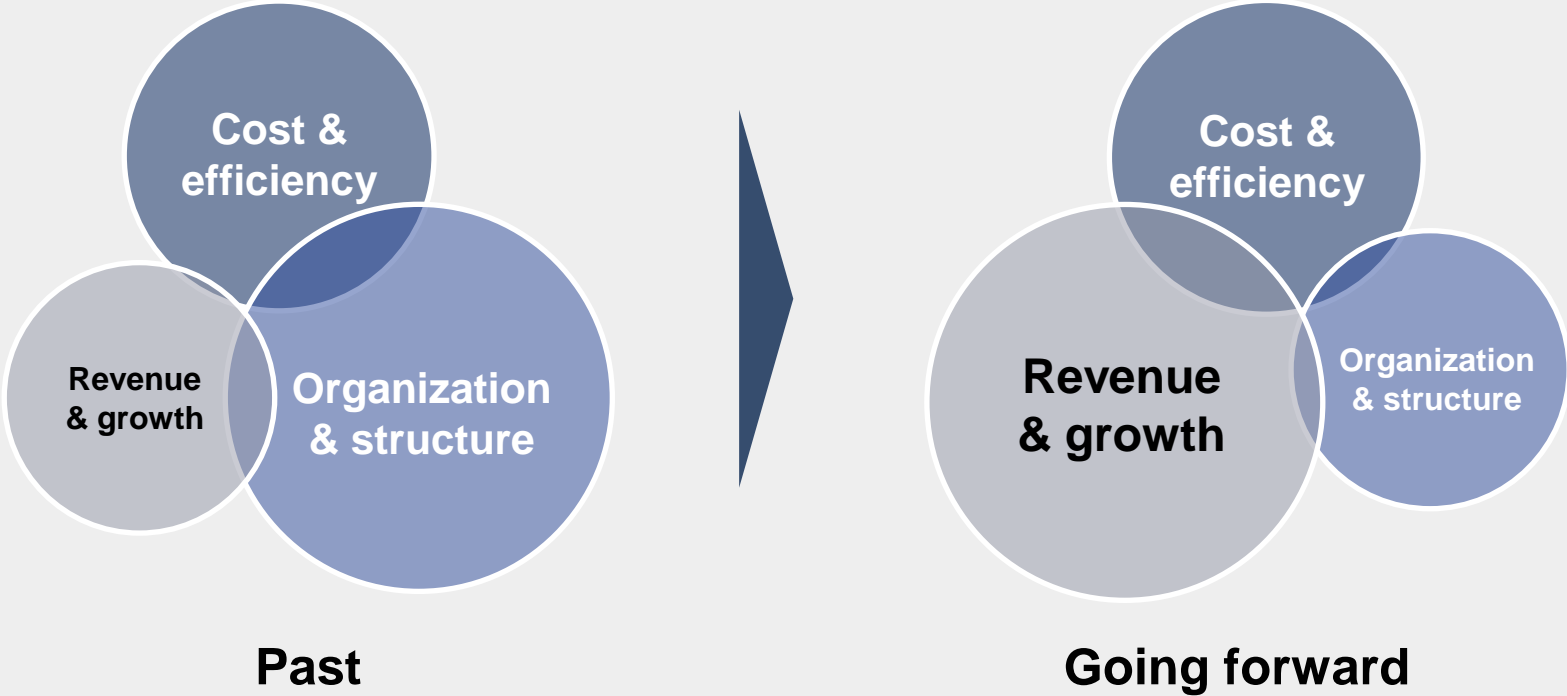
Our overall strategy

Leading positions in selected segments



Increasing focus on revenue and growth

Operational focus areas





**Gear up
for Growth**

Focus on our strategic cornerstones remains



Geographical
balance

Portfolio
optimization

Improved
structure

Focus on our strategic cornerstones remains



Manufacturing
Excellence

Purchasing
Excellence

Working Capital
Excellence

Sales
Excellence

We invest more than ever in training

Trelleborg University



Managerial Training

Managerial Level: 2-4
Senior Executive Program

Managerial Level: 3-5
Induction Seminar

Managerial Level: 3-6
Maximizing Performance

Managerial Level: 4-6
TIMP

Managerial Level: 4-6
Mentoring

Managerial Level: 3-7
Mentor Training

Managerial Level: 6-7
DMSC

Managerial Level: 6-7
Graduate program

Functional Training

Managerial Level: 3-5
Strategic Marketing

Managerial Level: 3-7
Purchasing Excellence

Managerial Level: 3-7
PE e-learning

Managerial Level: 2-7
Competition Law

Managerial Level: 3-7
Manufacturing Excellence

Managerial Level: 5-7
Advanced Selling Skills

Managerial Level: 6-7
Essential Sales Skills



**Applications
expertise**



**Customer
integration**

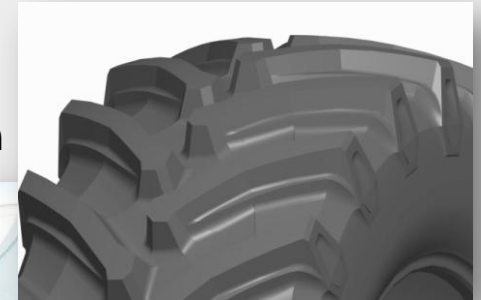


**Business
accelerator**

Multidimensional growth based on excellent positions

Further exemplified in business area presentations

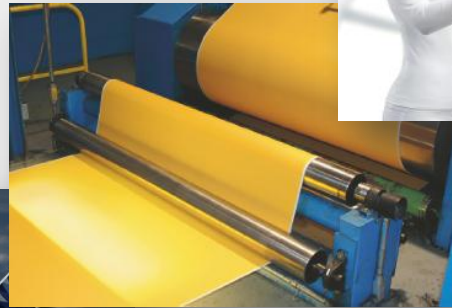
Differentiation



Customer communication



Innovation



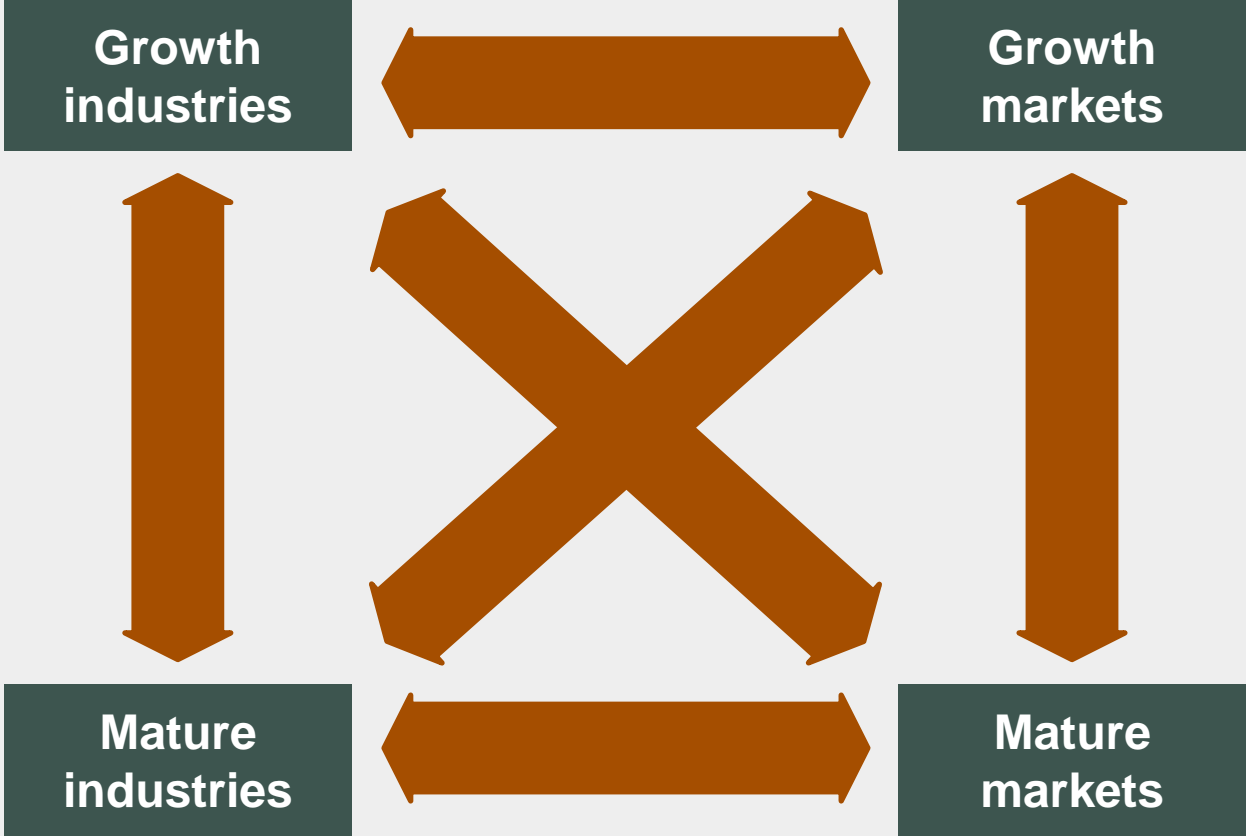
Segment



Geography

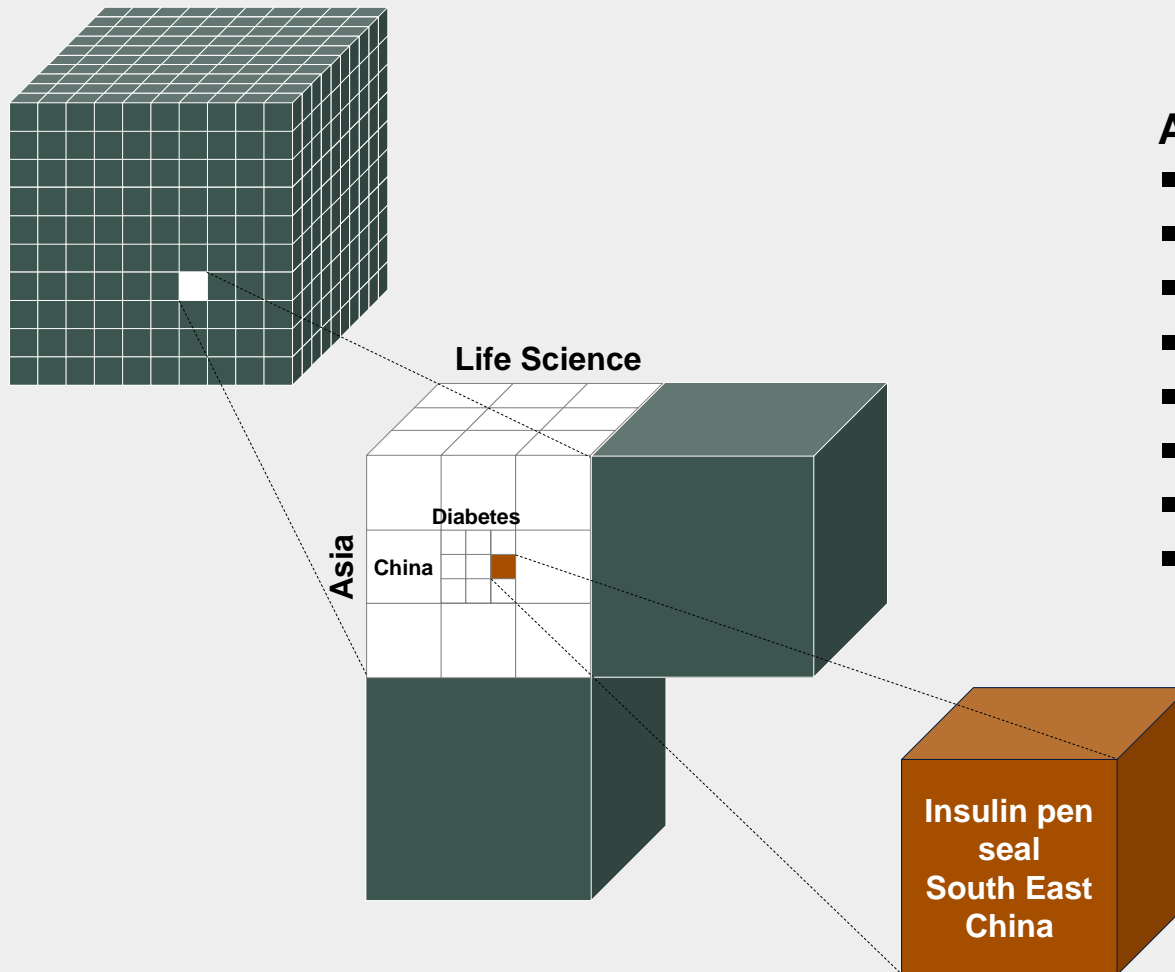


Growth in a granular world



A granular perspective on growth

Making the right choices about where to compete



A granular perspective on

- Segments
- Sub-segments
- Verticals
- Geographies
- Local regions
- Applications
- Products
- Customers

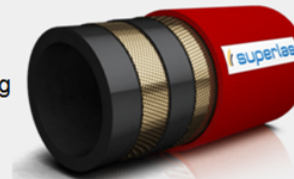
Catalyzing growth through acquisitions

Our acquisition focus – strengthen current positions

Further strengthening our market leading position in industrial hoses

Recent acquisition example – Superlas

- Medium/low pressure industrial hoses for a wide range of industries
- Annual sales > SEK 400 M (2013)
- Consolidates Trelleborg's market leading position in industrial hoses
- Supplements product offering
- Facilitates geographic expansion, particularly in North America and Asia



superlas
THE HOSE COMPANY



2



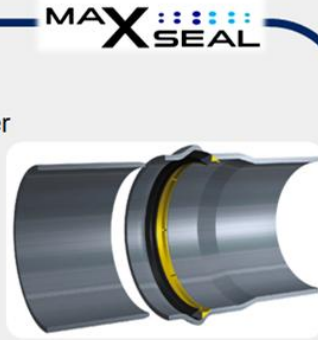
Catalyzing growth through acquisitions

Our acquisition focus – new geographies

Expanding our geographical footprint

Max Seal – highly complementary in all aspects

- 51% ownership
- Regional leading pipe seal manufacturer
- Manufacturing in Mexico
- Annual sales ~ SEK 80 M
- Expands product offering and customer base
- Enables enhanced global support
- Facilitates geographic expansion, particularly in North America and Latin America



Catalyzing growth through acquisitions

Our acquisition focus – adjacent segments

Establishing a platform in Life Science

Silcotech – a strong niche player within precision silicone

- Strong expertise in high precision liquid silicon rubber
- Highly automated production: 20% in clean rooms
- Main sites in Switzerland and Canada
- Annual sales ~ SEK 180 M
- A strong base for Life Science segment growth plans
- Very strong manufacturing and product capabilities



85



Catalyzing growth through acquisitions

Our acquisition focus – adjacent technologies

Expanding our presence in the growing market for LNG transportation

SeaTechnik – a turnkey solution via new technology

- Developing and manufacturing marine control and communication systems
- Holds a dominant market position in LNG ship to shore communication link (SSL)
- Market share 70-80%
- Enable us to offer an attractive turnkey solution for vessels and harbors
- Complementary software, adjacent to Trelleborg Marine Systems current scope
- Customers often already buy Trelleborg's and SeaTechnik's products as a bundle

SeaTechnik



87

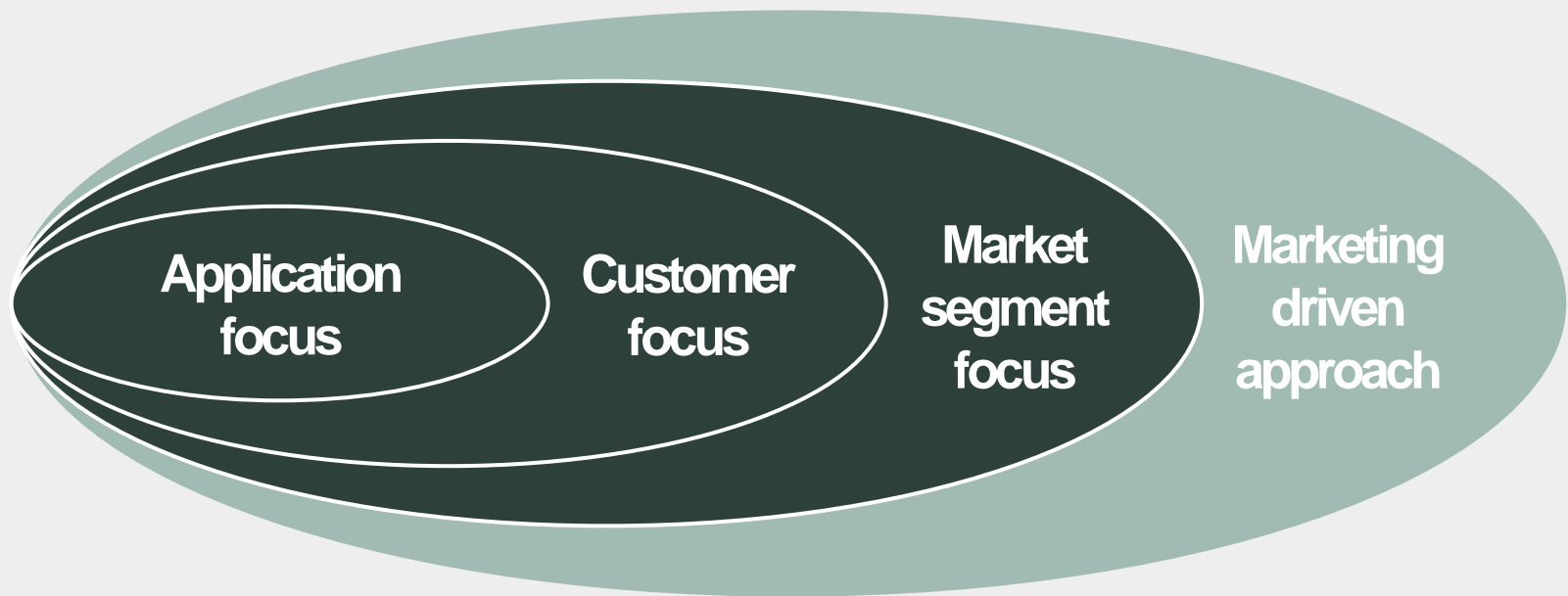


- Customers often already buy Trelleborg's and SeaTechnik's products as a bundle



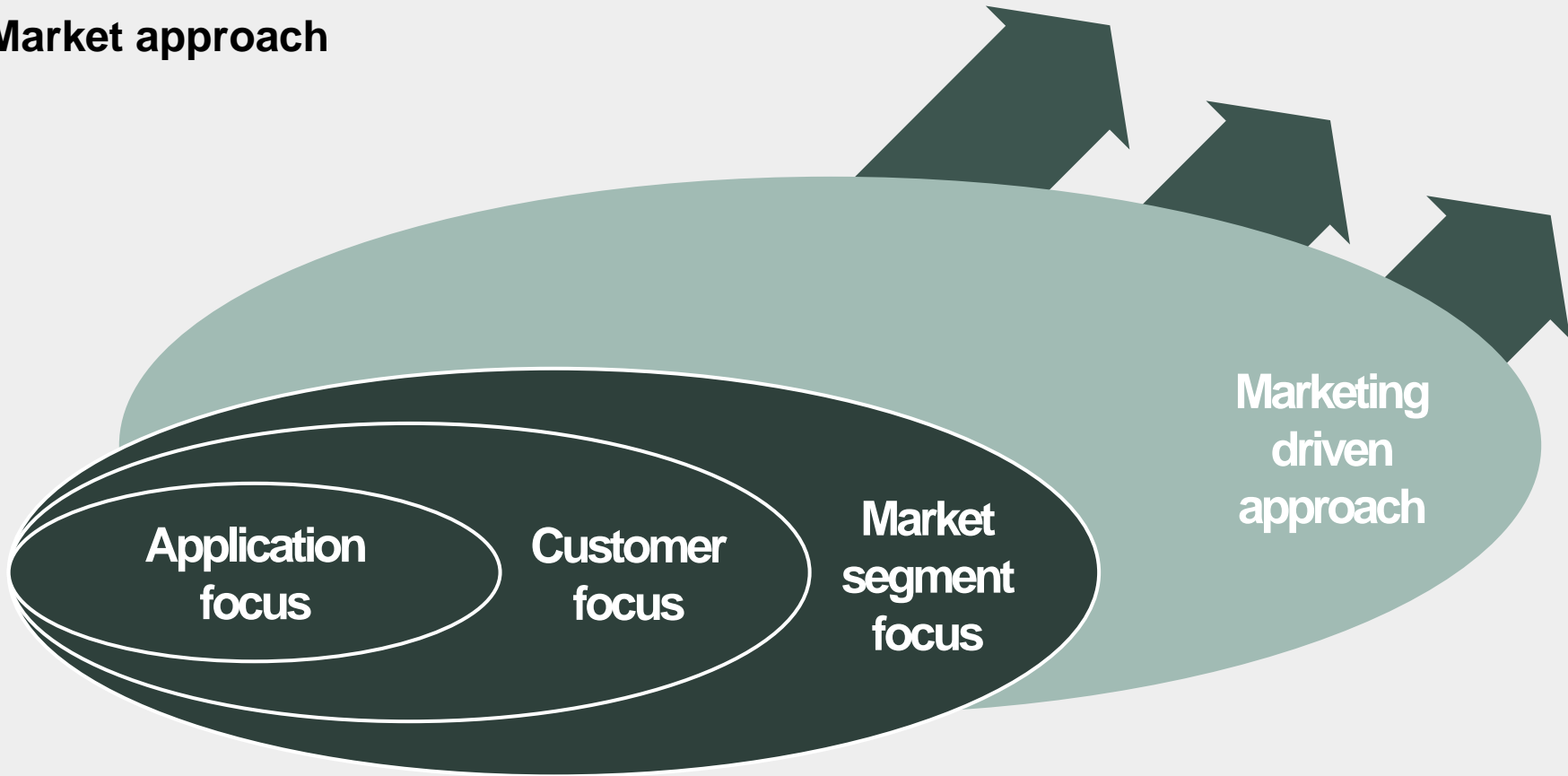
Staying ahead of customer expectations...

Market approach



...by moving with new technologies

Market approach



Technology impacting our business model

Illustrative examples

- Average user looks at smart phone more than 150 times per day
- Facebook reached 150 M users in four years

The Facebook logo, consisting of the word "facebook" in white lowercase letters on a blue rectangular background.

Technology impacting our business model

Illustrative examples

- Average user looks at smart phone more than 150 times per day
- Facebook reached **150 M users in four years**



- WhatsApp processes 52 Bn messages per day
- WhatsApp reached **450 M users in four years**



Growth supported by customer communication

Trelleborg makes it easier to do business with us – an example

- Customized stakeholder interfaces
- Single customized portal and platform
- Ease of doing business with us



One of our many leading edges

Mobile app tools – several new launches every month

ISO Fits & Tolerances



Trelleborg Gateway



Unit Converter



O-ring Calculator



Aerospace Seals



Sealing Glossary



Trelleborg Load Calculator



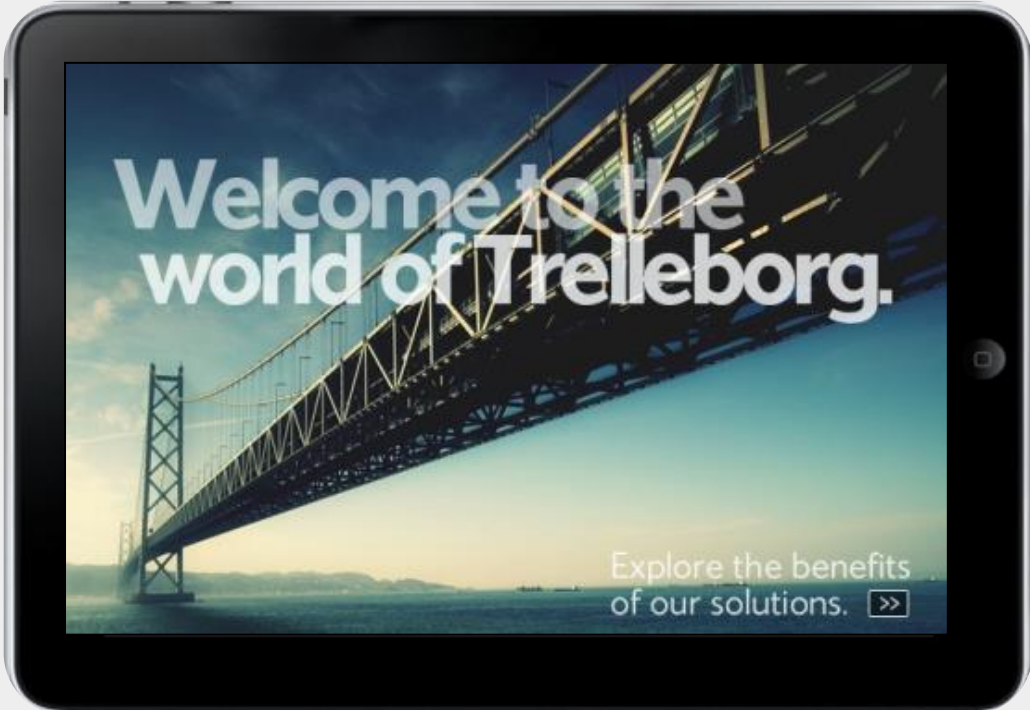
Trelleborg Tire Book



Agriculture Technical Manual



Our Investor Relations app





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Summary

Summary – all this work results in

Further improving our...

- **geographical balance**

Further improving our...

- **business portfolio**

Further improving our...

- **segment positions**

Further improving our...

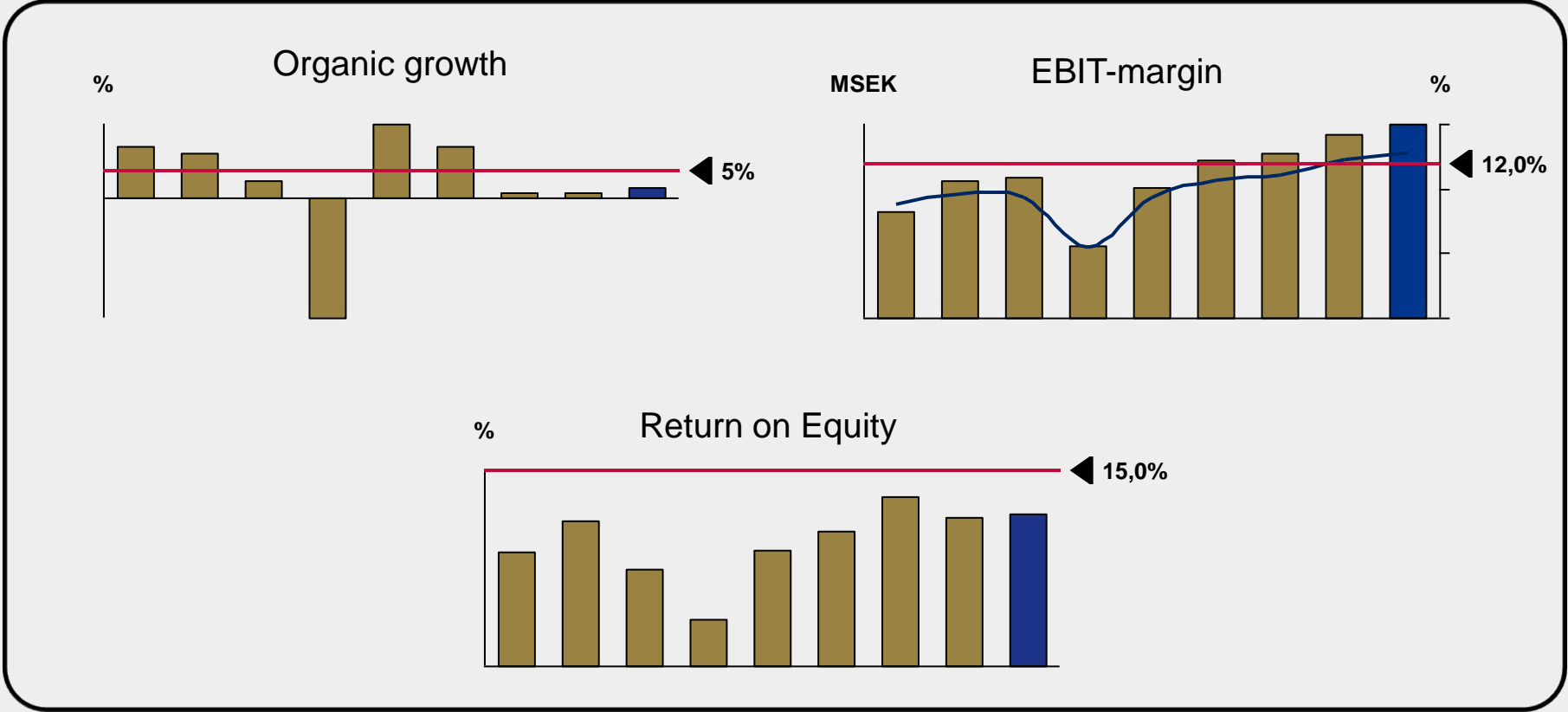
- **daily operations**

Further improving our...

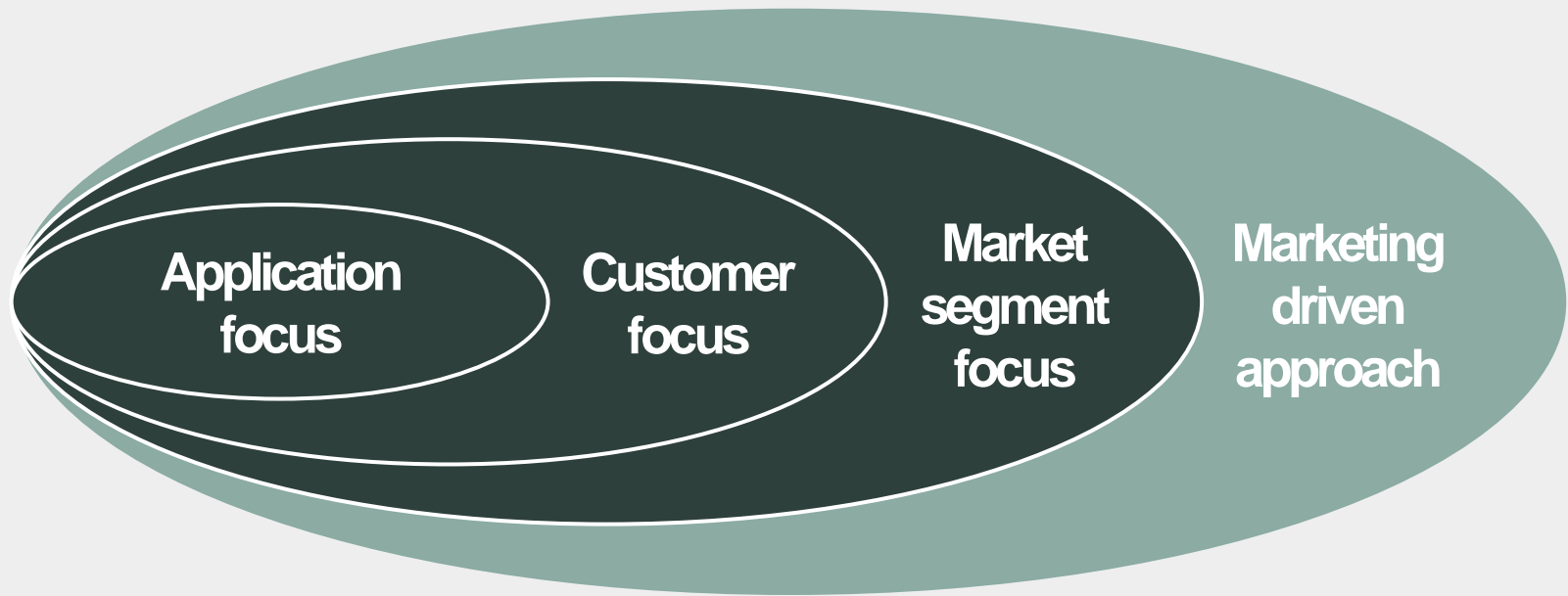
- **margins and capital structure**



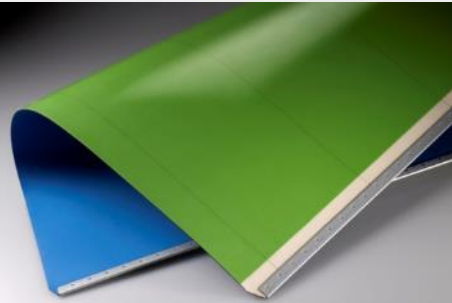
Financial targets



A marketing driven approach...



...creating the new Trelleborg



**Most
complete**
offering

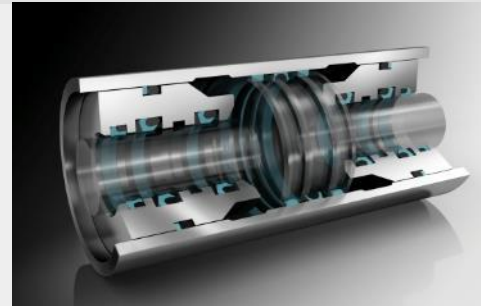
High degree of
**customer-unique
solutions**

**Global
and
local**



**Premium
positioning**

strong brand supported by
strategic marketing



Focus on
**attractive
segments**



When failure is
not an option

Supported by a strong leadership talent pipeline



TRELLEBORG GROUP UNIVERSITY

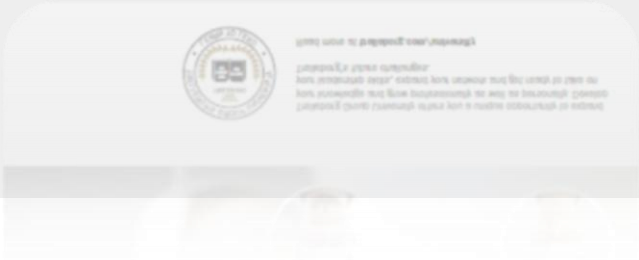
TRELLEBORG

Learn to lead

Trelleborg Group University offers you a unique opportunity to expand your knowledge and grow professionally as well as personally. Develop your leadership skills, expand your network and get ready to take on Trelleborg's future challenges.

Read more at trelleborg.com/university

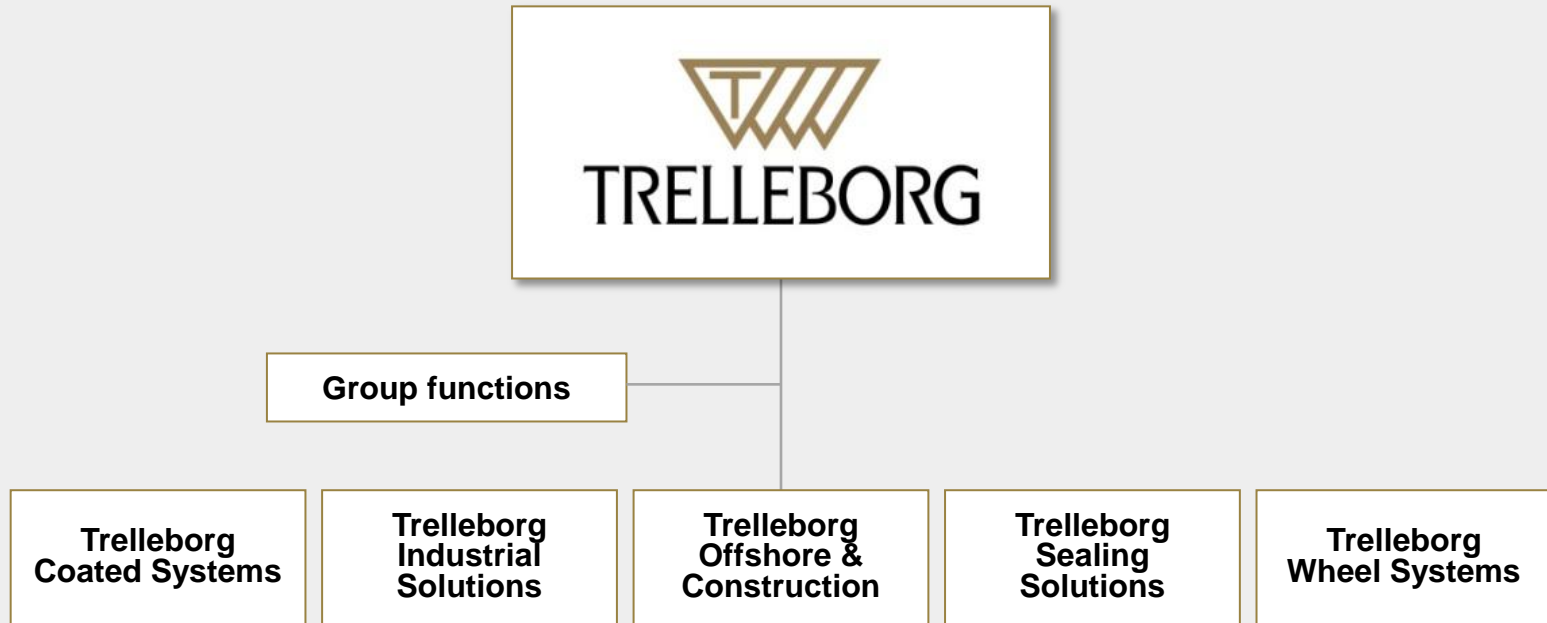
The poster features a central image of a hand pointing upwards, with dashed lines connecting it to five circular portraits of diverse individuals. The text 'Learn to lead' is prominently displayed in the center. The top left corner contains the text 'TRELLEBORG GROUP UNIVERSITY' and the top right corner features the 'TRELLEBORG' logo. At the bottom left is a circular seal with the text 'TRELLEBORG GROUP UNIVERSITY' and 'LEARN TO LEAD'. At the bottom right is a paragraph of text and a URL.



This is a faded, light-colored version of the poster described above, positioned below the main one.



Trelleborg operating structure



**Innovation and
Value Creation**

**Gear up
for Growth**

**Positioning for
Profitable Growth**

