

Forward-Looking Statements

This presentation includes forward-looking statements that are subject to risks and uncertainties, including those pertaining to the anticipated benefits to be realized from the proposals described herein.

This presentation contains several forward-looking statements including, in particular, statements about future events, future financial performances, plans, strategies, expectations, prospects, competitive environment, regulation and supply and demand. HEXPOL has based these forward-looking statements on its views with respect to future events and financial performance. Actual financial performance of the entities described herein could differ materially from that projected in the forward-looking statements due to the inherent uncertainty of estimates, forecasts and projections, and financial performance may be better or worse than anticipated.

Given these uncertainties, readers should not put undue reliance on any forward-looking statements. Forward-looking statements represent estimates and assumptions only as of the date that they were made. The information contained in this presentation is subject to change without notice and HEXPOL does not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, except to the extent required by applicable laws and regulations.



A Material Difference

Fast Growing With Strong Margins

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Georg Brunstam

President & CEO



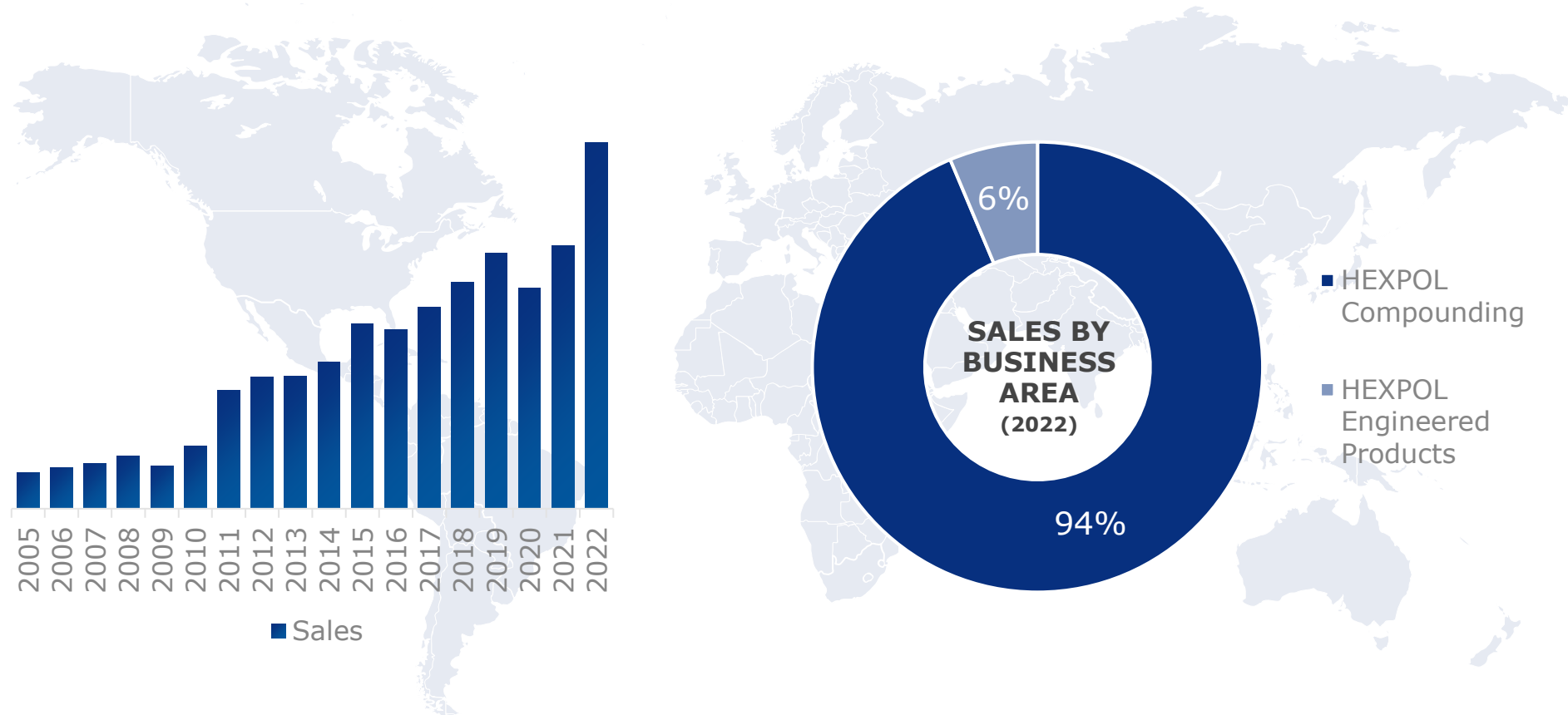
Strong Global Position In Advanced Polymer Solutions



All numbers at end of 2022

March 20, 2023

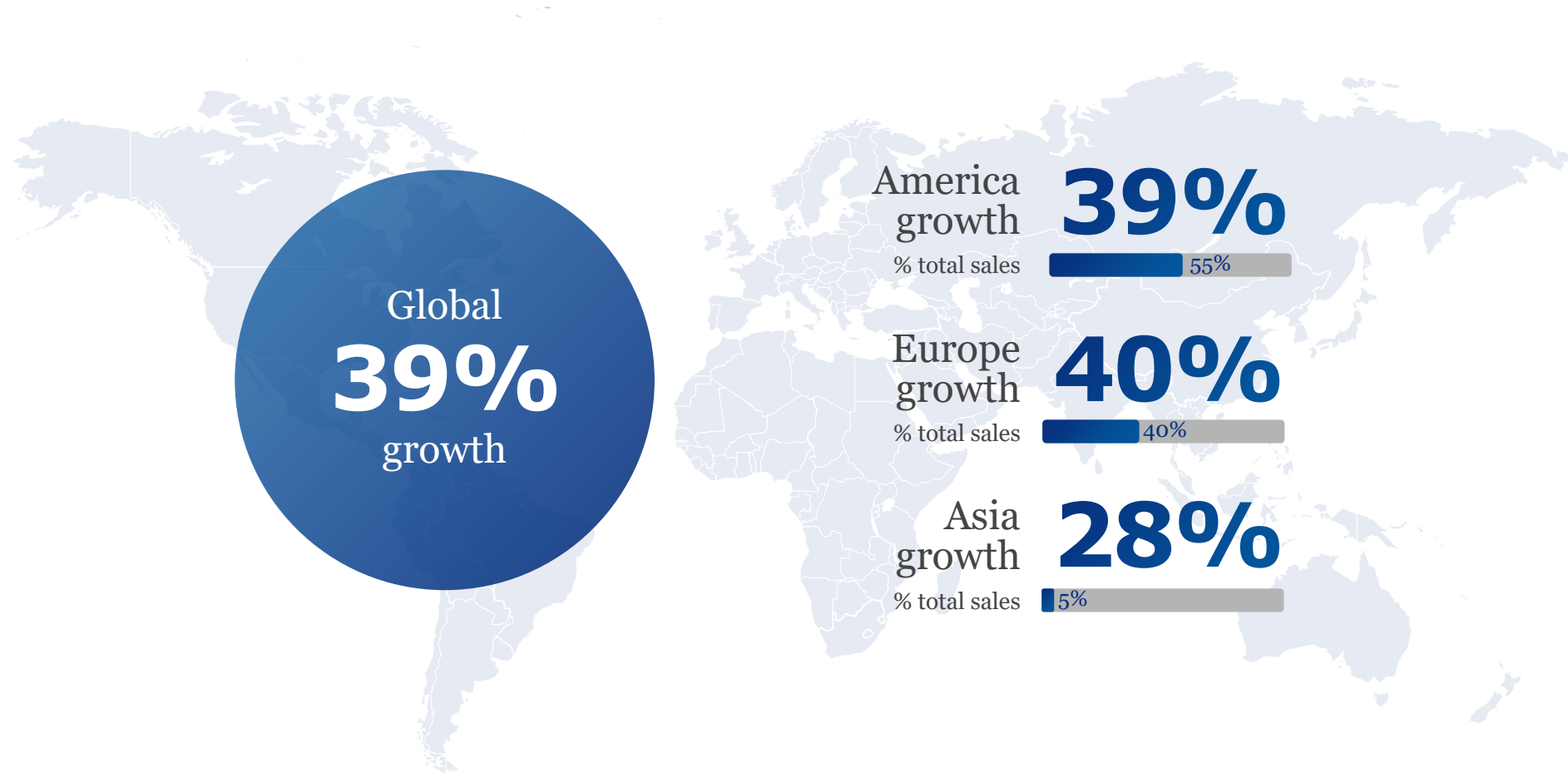
We Help Customers Worldwide To Secure Critical Applications



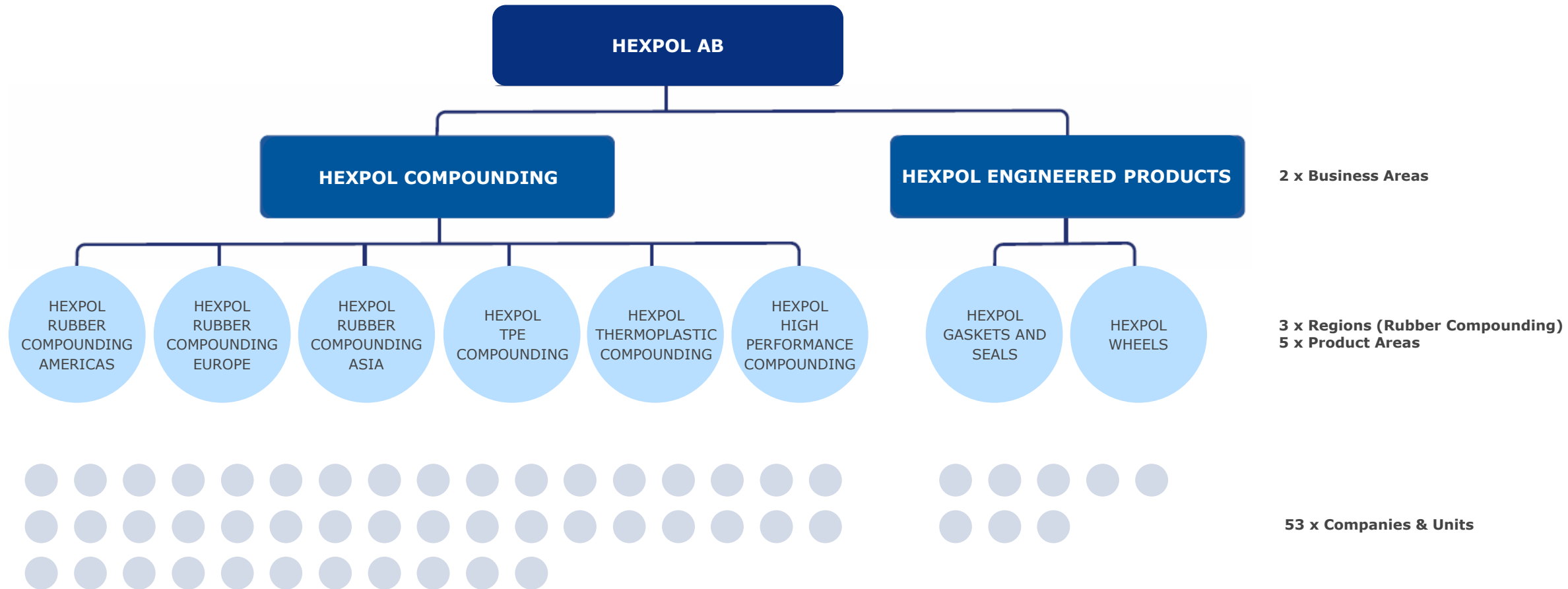
All numbers at end of 2022

March 20, 2023

Strong Growth During 2022



Empowered Units In A Lean Structure



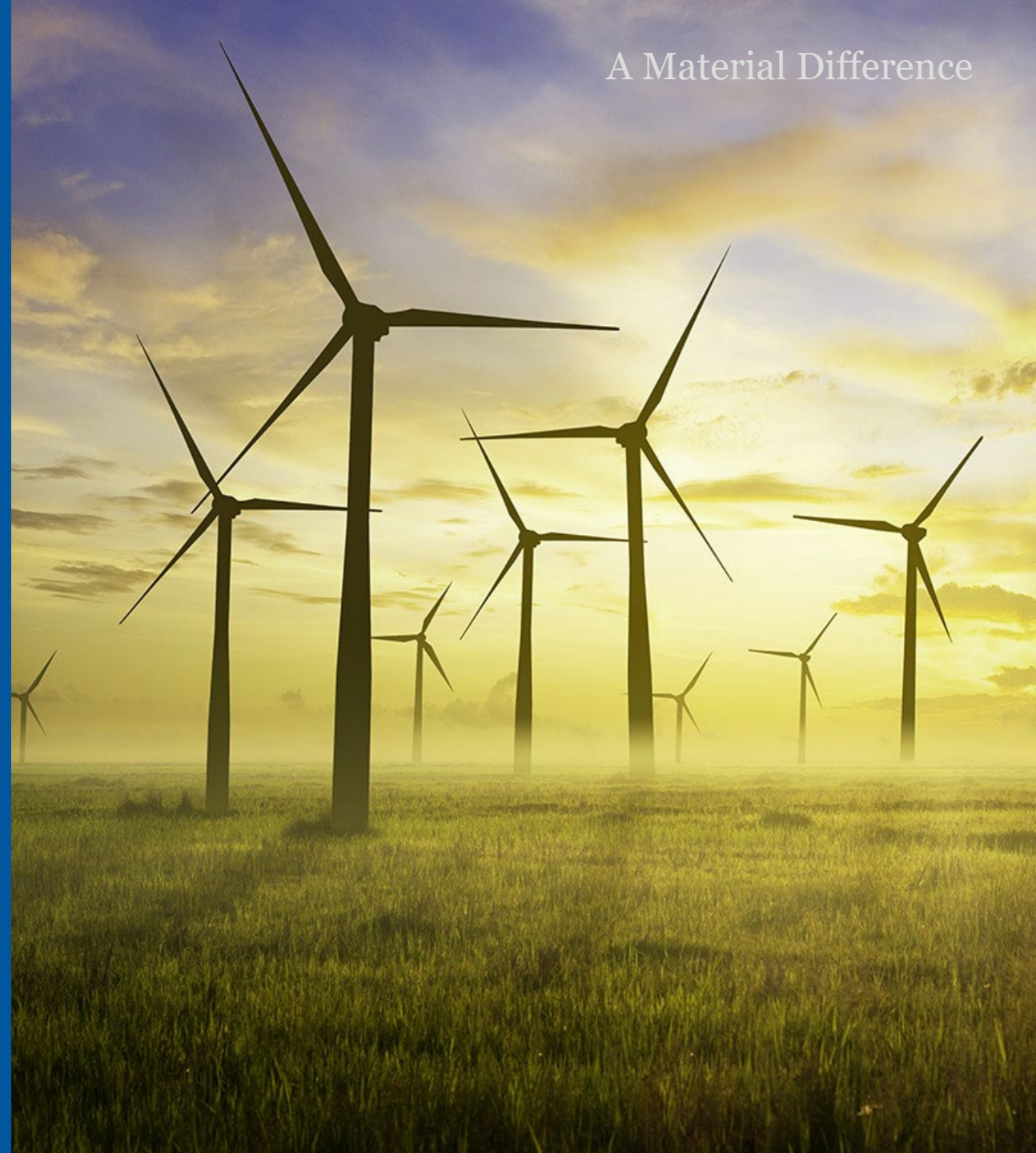
Our Mission

We engineer high-quality
polymer solutions
which improve
customer applications,
everyday, everywhere



Our Vision

The preferred
solutions provider
for sustainable
polymer applications



A Material Difference

Our Purpose

We Create
A Material Difference



Strong Business Culture

Our Core Values Enables A HEXPOL Mindset

**We Are
Close To You**

Our global footprint with agile development focused units will ensure that you always have the best local support for your needs.

**We Are
Committed**

We know our markets, customers and their end products. This ensures that you can grow with us globally in any segment regardless application.

**We Are
Entrepreneurial**

A decentralized structure with local experts and close customer contact give you the benefit of speed and creativity combined with the efficiency in a larger structure.

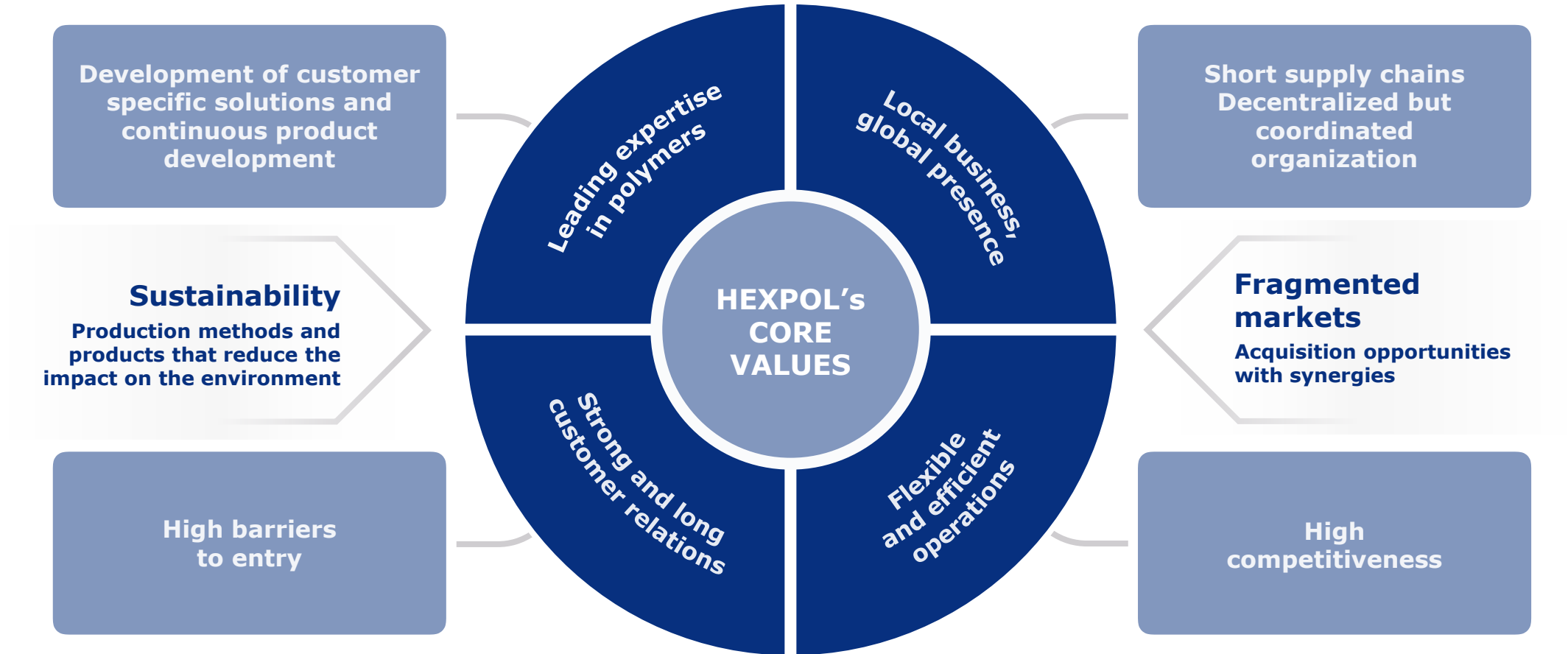
**We Make You
Sustainable**

We take sustainability seriously and challenge our businesses to be best in class when it comes to corporate citizenship and to minimize the climate impact.

**We Are True
Specialists**

HEXPOL values technical skills and deep applications knowledge over everything else. This enables us to exceed your expectations and make your products better.

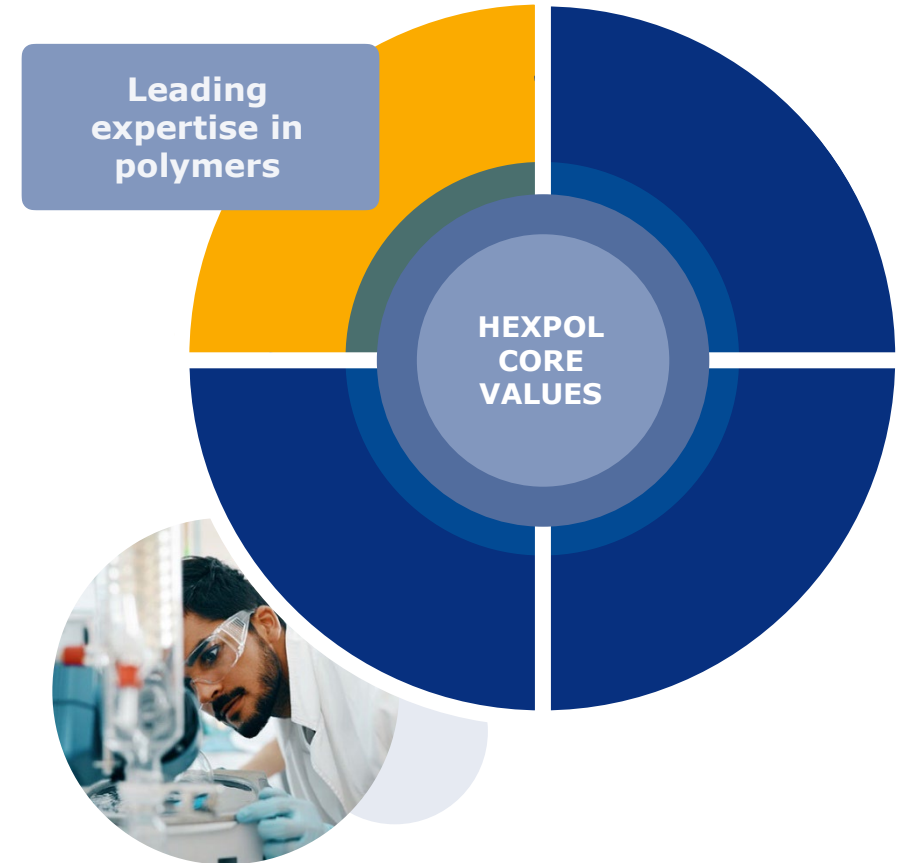
Strong Business Model Drives Profitable Growth



Strong Business Model Drives Profitable Growth

Leading expertise in polymers

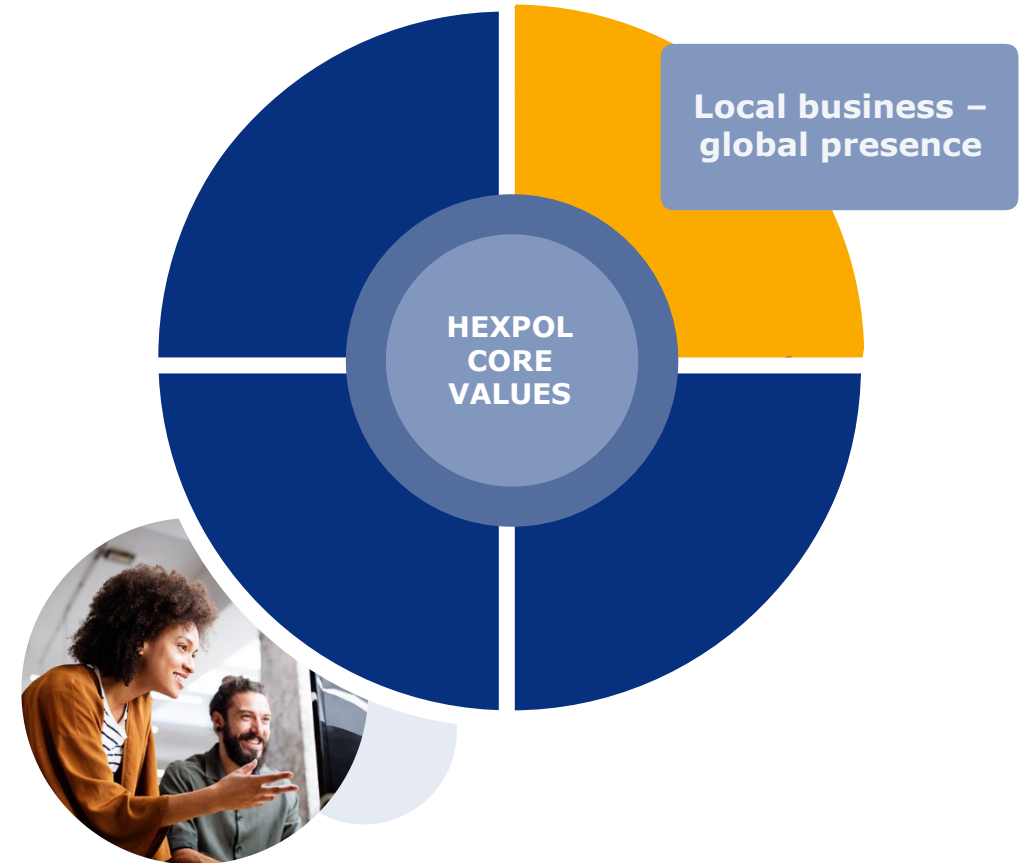
- HEXPOL develops together with customers and OEMs specific solutions - customer development is our focus.
- HEXPOL have more than 100 very qualified and experienced chemists and application engineers.



Strong Business Model Drives Profitable Growth

Local business – global presence

- HEXPOL has a true global footprint with production, sales and development close to our customers.
- HEXPOL can deliver within short distance to customer eliminating the problem with limited shelf-life.
- Shorter supply chains are a huge advantage in times of major transport problems and trade & tariff barriers.



Decentralized And Strongly Coordinated

Entrepreneurial and empowered units... with global muscles

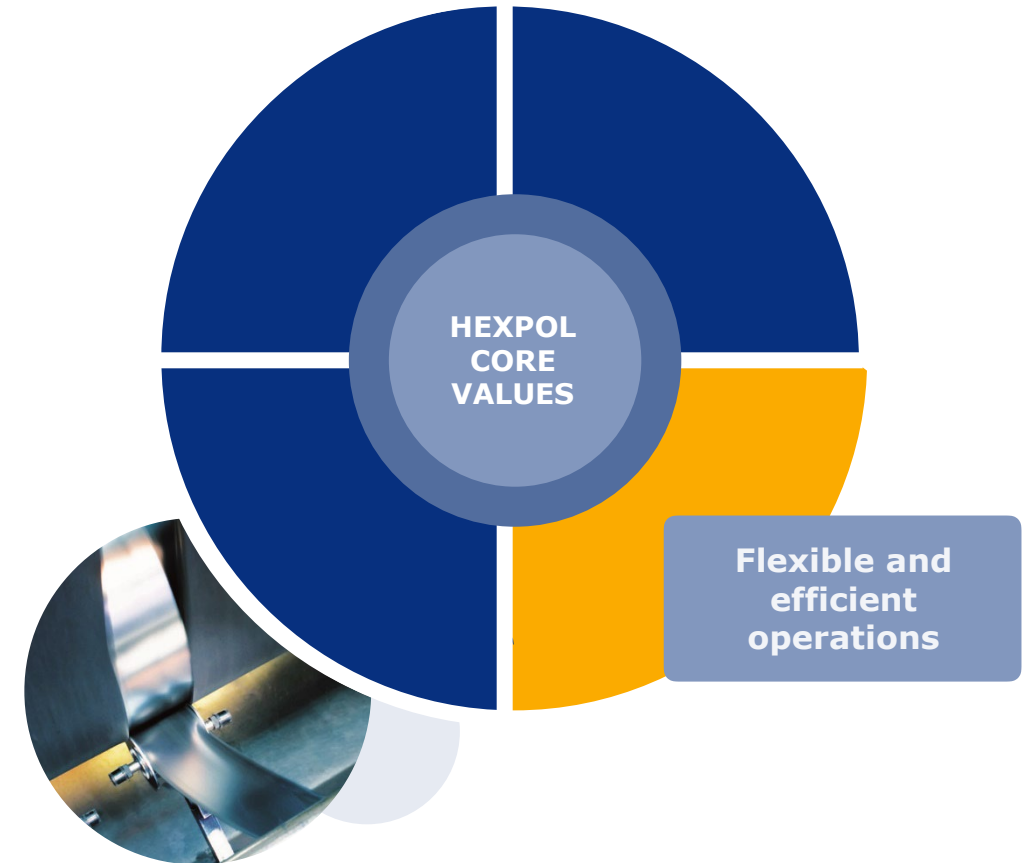


- With a strong coordination on commercial strategy, procurement, technology, finance, IT and M&A
- Guidelines, best practices, technology centers and virtual teams optimize business performance

Strong Business Model Drives Profitable Growth

Flexible and efficient operations

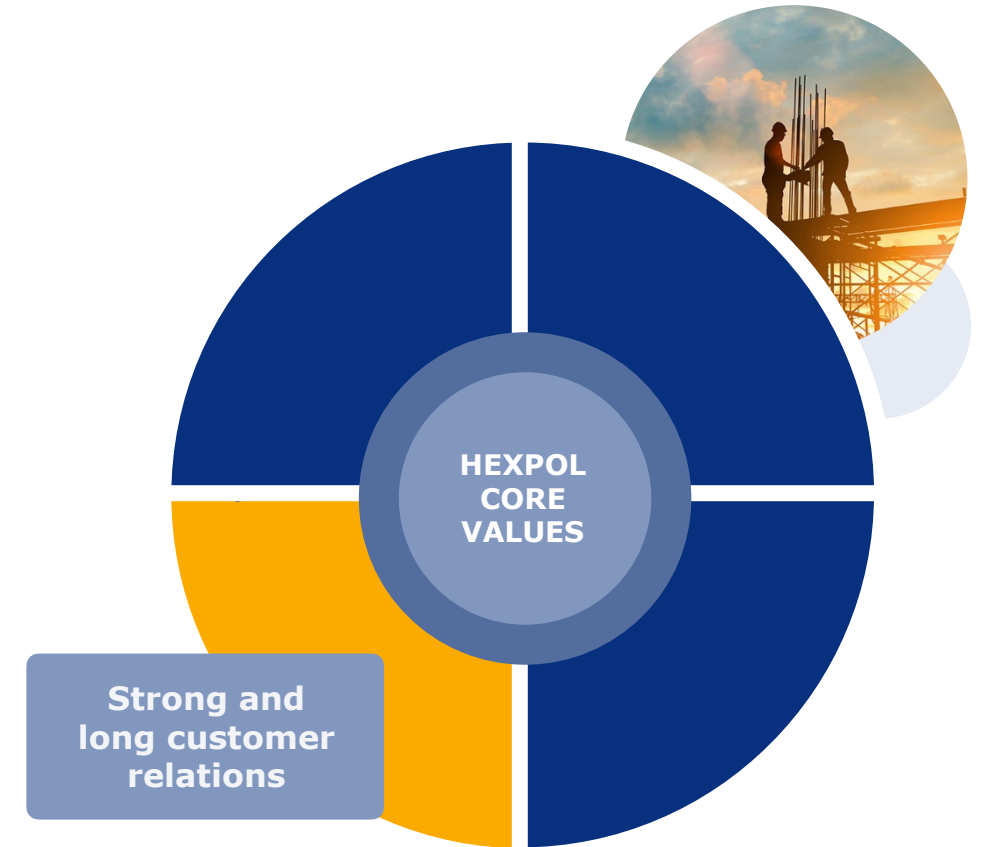
- Products are made to customer orders with legal order call offs from customer forecast. This is giving flexibility and the very low working capital is helping profitability.
- The well invested business is batch oriented and benchmarked to lowest possible change over times (start and stop).



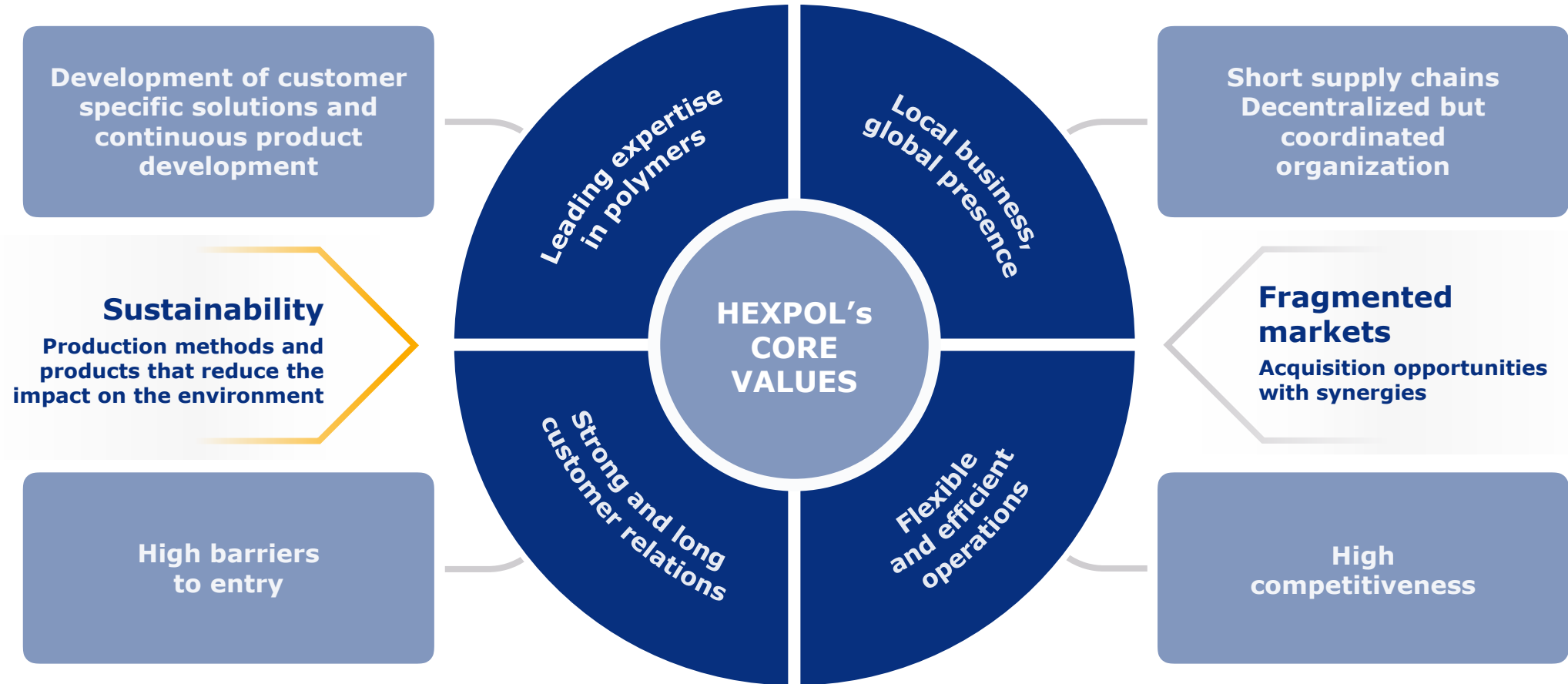
Strong Business Model Drives Profitable Growth

Strong and long customer relations

- HEXPOL owns the recipe in most cases.
- Products are subject to approvals after long, expensive and comprehensive testing with customers and OEM and is then very often specified by OEM.
- Many of our customers have been with us 20+ years.



Strong Business Model Drives Profitable Growth



Driving Sustainability With Ambitious Targets

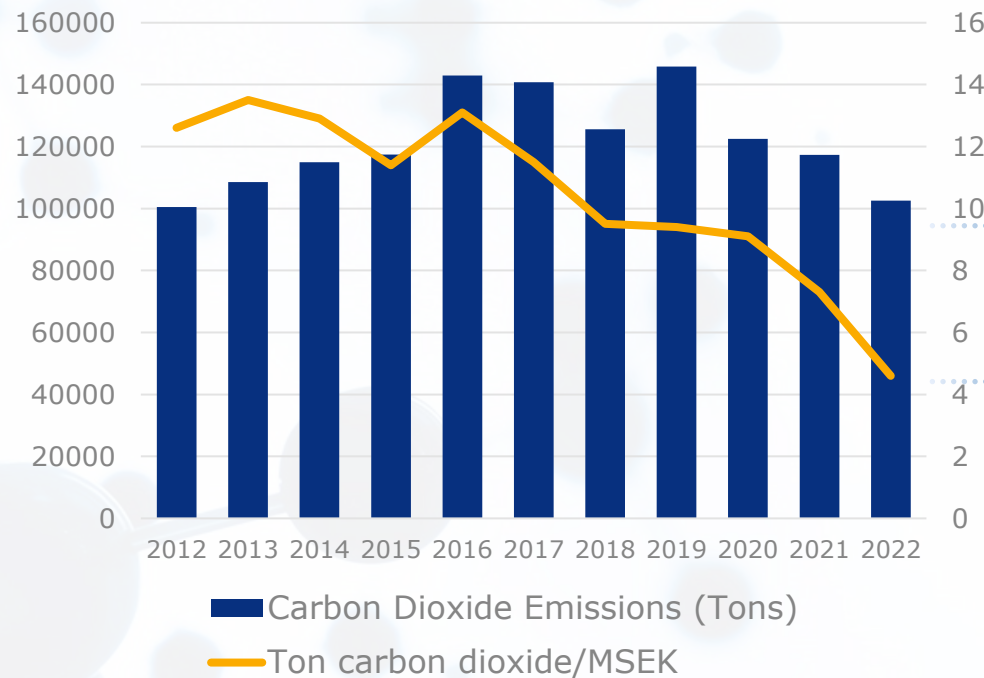
We will further
reduce the
carbon footprint
of our energy use

- 75% reduction of CO₂ emissions by 2025.
Compared with the average for 2018-2019 (scope 1 and 2 in accordance with GHG Protocol).
- Increase the purchase of fossil-free energy.
- Increase the energy-efficiency.
- Reduce the use of fossil fuels.
- Continue with installation of solar panels.

We will further
develop our
portfolio of
"green products"

- Increase the use of bio-based and recycled raw materials.
- Strategic and close collaboration with key suppliers on materials, processes and reporting.
- Implementation of circular materials into selected products.
- Provide information about the carbon footprint of our products.

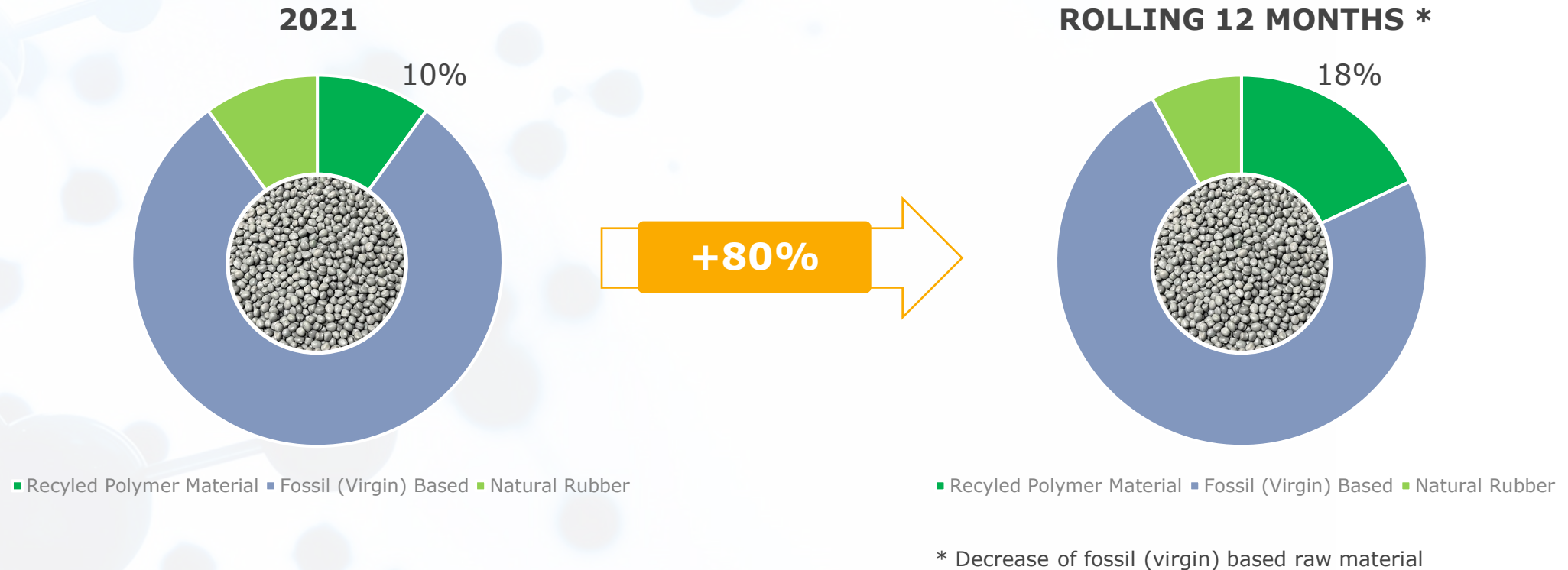
75% Reduction Of CO₂ Emissions By 2025



CO₂ decrease
-49%
since base year*

* Compared with the average
for 2018-2019

Strong Increase Of Recycled Polymer Raw Material



almaak Acquisition

Frontrunner in the European thermoplastic market with a specialization in advanced recycled engineered compounds. almaak has high competence and is geared towards automotive.

Strategic rationale

- Geographic and market share growth within European thermoplastic compounding.
- Product and capacity expansion in “greener materials”, engineered polymers with high level of recycled materials.
- High technical competence and state of the art manufacturing facility with open capacity.

Turnover: 75 M EUR.

Location: Two sites in Germany, approx. 190 employees.

Markets served: Mainly the automotive industry where the interest for recycled compounds is high.

Products offered: Six product families with unique functionalities.



McCann Plastics Acquisition

A US based thermoplastics compounder with a strong position and high competence in niche thermoplastic compounds, with special focus on roto molding applications.

Strategic rationale

- Complement current Thermoplastics operations in the US and strengthens market position as well as widens customer offer.
- Technology and materials additions, including expertise for roto molding applications.
- Open capacity enable the company's further growth.

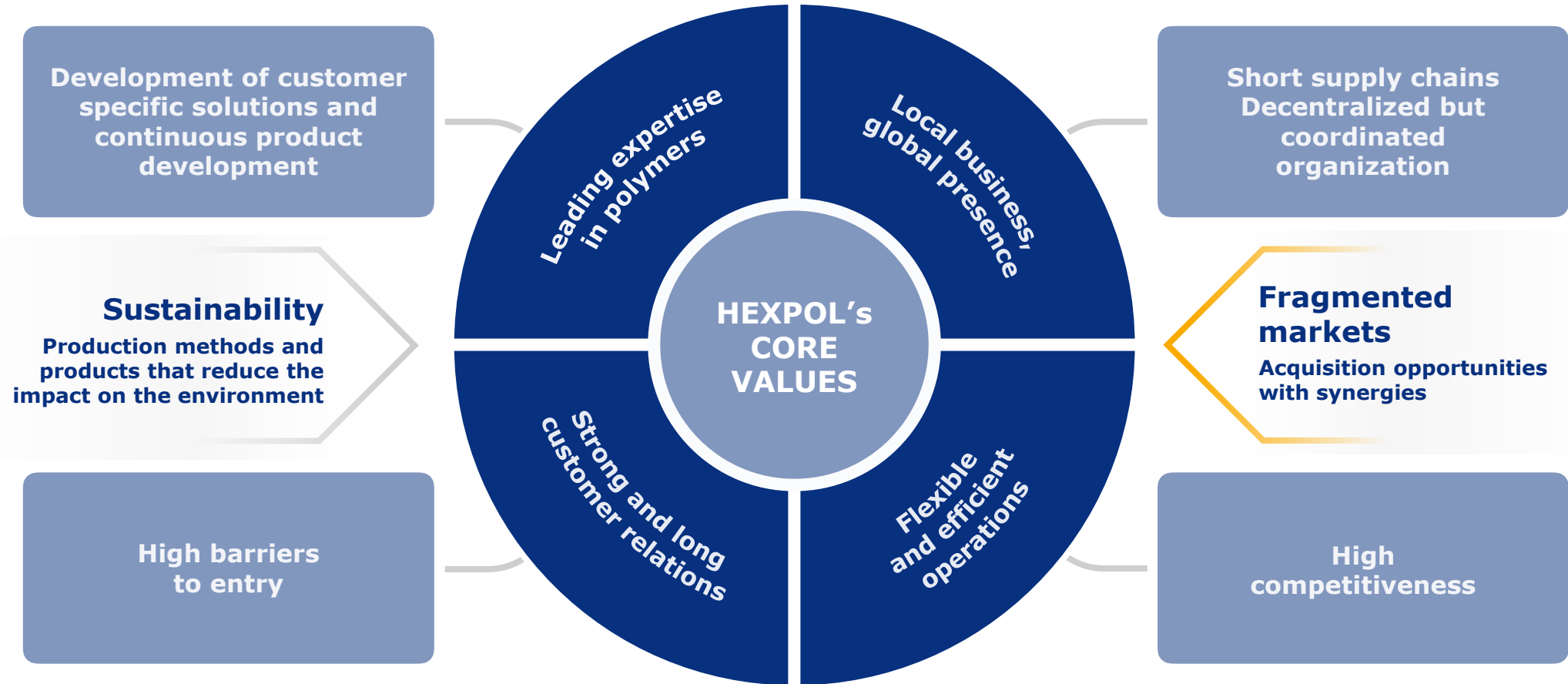
Turnover: 72 MUSD.

Location: Two sites in Ohio, USA with some 100 employees in total.

Markets served: Main segments are general industry, agriculture and the fast growth segment of specialized cooling boxes.

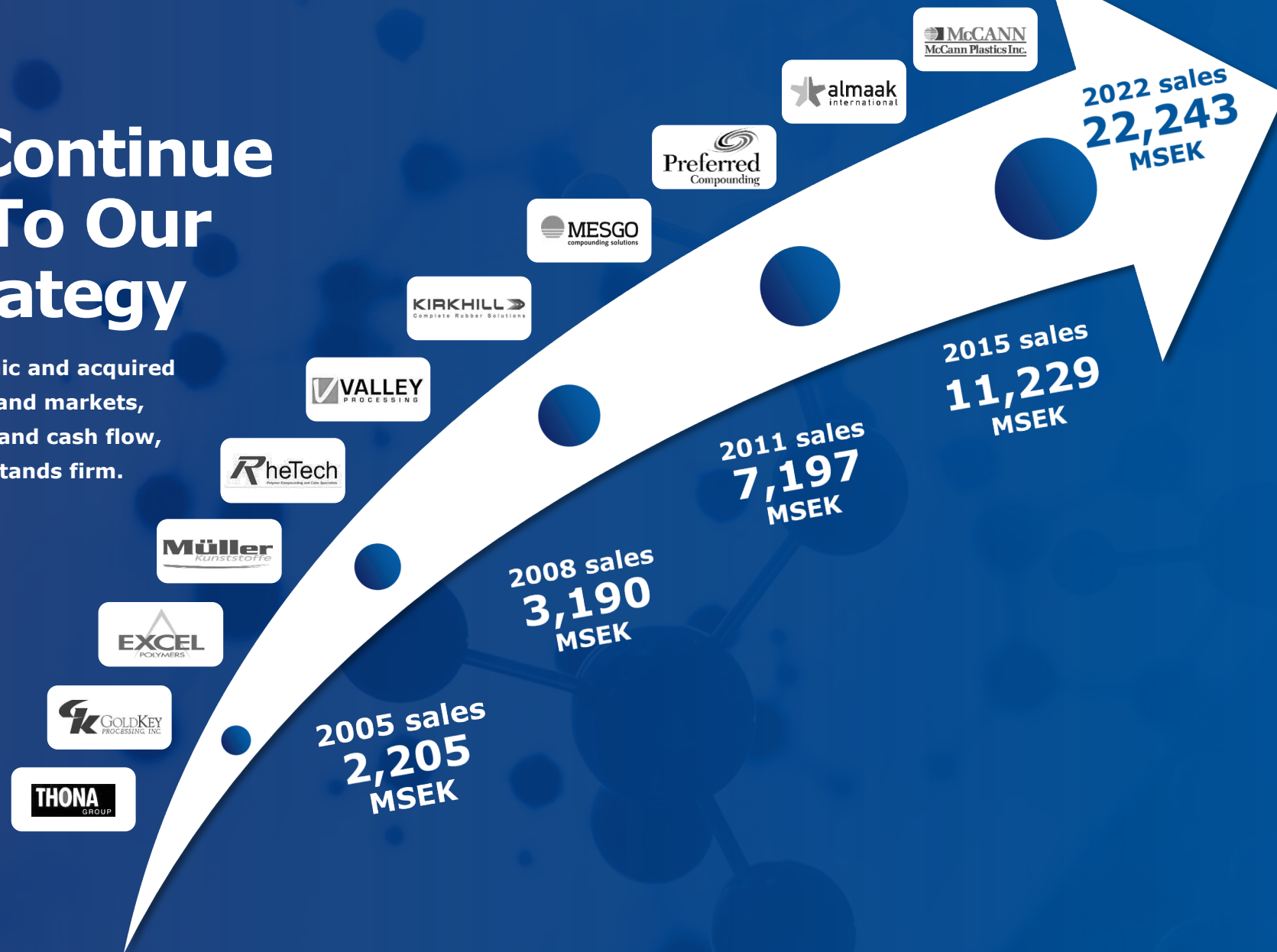


Strong Business Model Drives Profitable Growth



Acquisitions Continue To Be Vital To Our Growth Strategy

HEXPOL's strategy of both organic and acquired growth in selected segments and markets, combined with strong margins and cash flow, has proven successful and stands firm.



A Fragmented Landscape With Several Acquisition Opportunities



GEOGRAPHICAL EXPANSION

- Rubber Compounding
- Thermoplastic Elastomers
- Thermoplastics
- High Performance Compounds
- Emerging markets



MARKET CONSOLIDATION

- Rubber Compounding
 - Geographical gaps
 - New competences
- Polyurethane Wheels
 - Europe
 - Americas



TECHNOLOGY & MATERIALS

- New Materials
- New Segments
- New Technology
- Alternative Distribution Channels



Fast Growing With Strong Margins

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investors.HEXPOL.com



A Material Difference

**Fast Growing With
Strong Margins**

Business Update And Trends

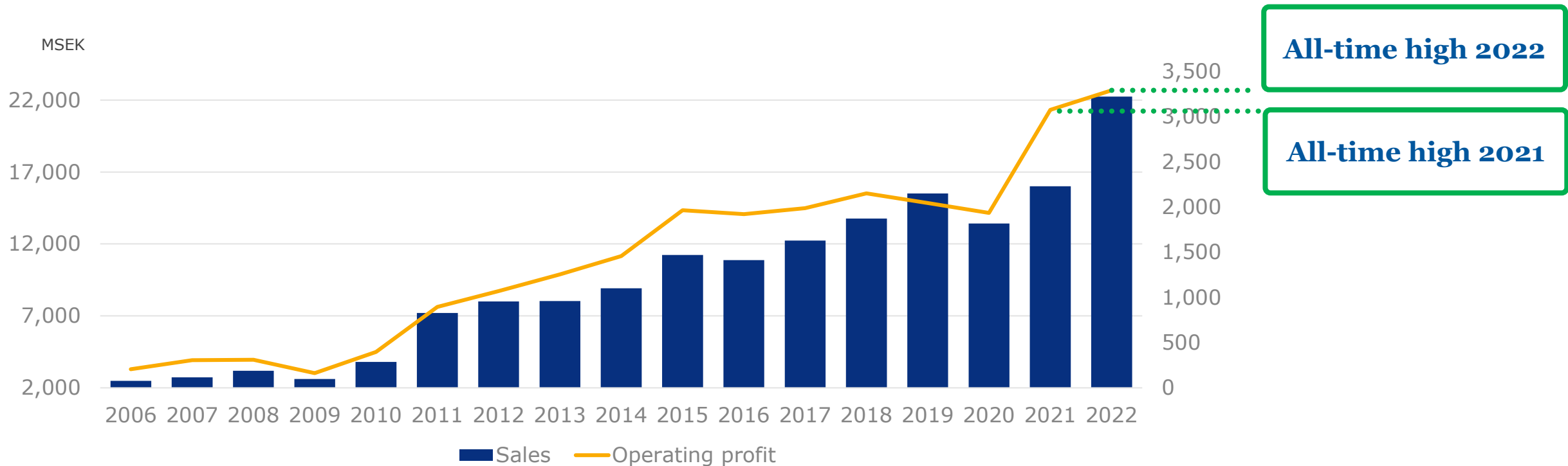
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Georg Brunstam

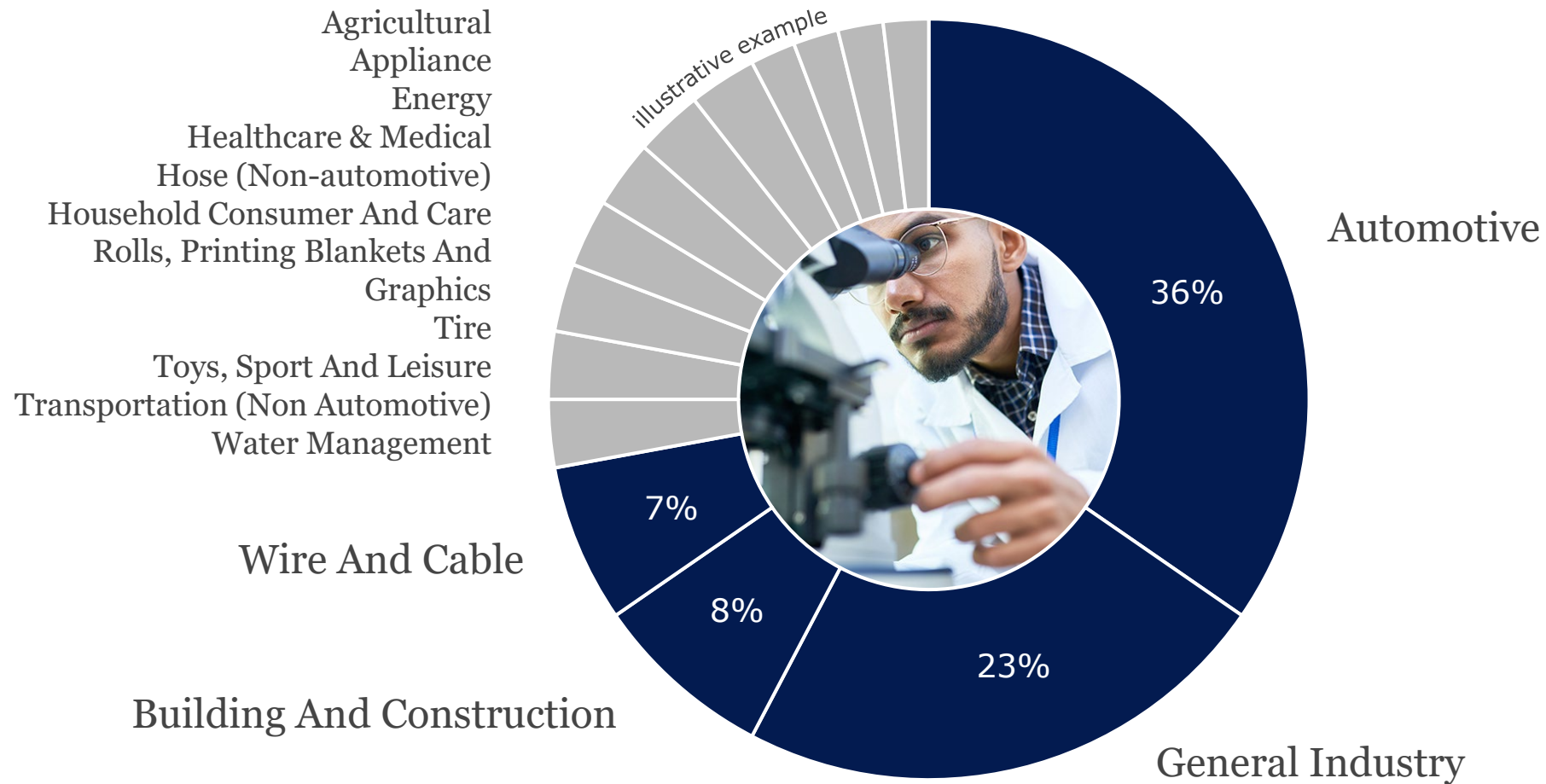
President & CEO

Fast Growing And All-Time High Profits

STRONG SALES & OPERATING PROFIT



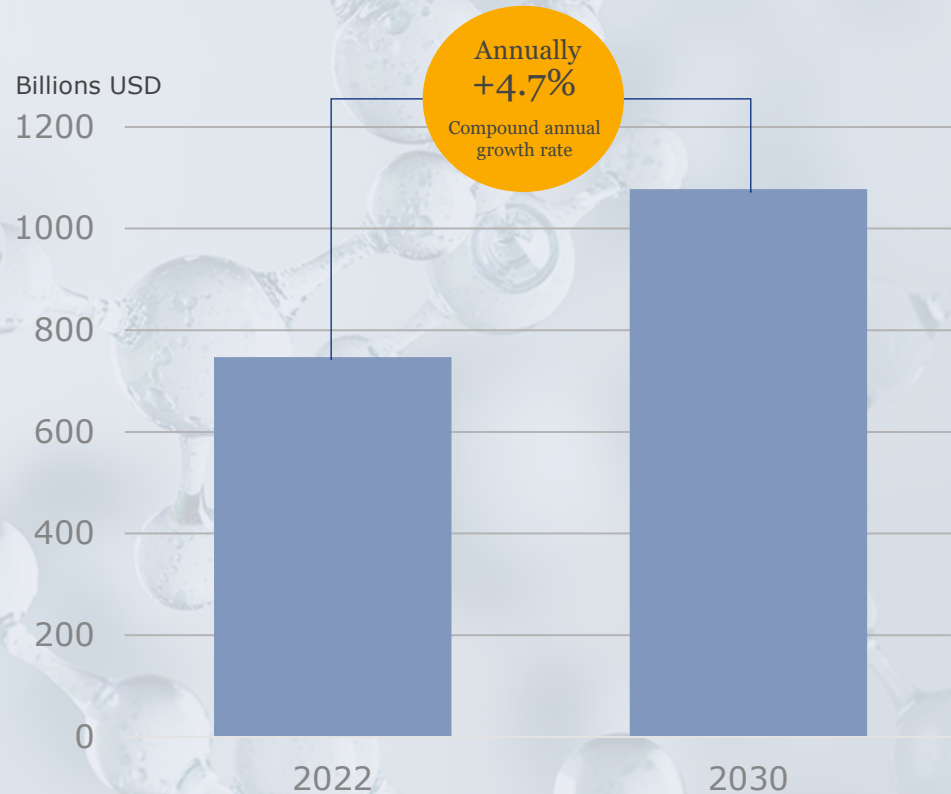
A Well-Positioned Company For Growth In Growing End-User Segments



Structural Growth In Polymer Materials

Thermoset, Thermoplastic & Elastomer

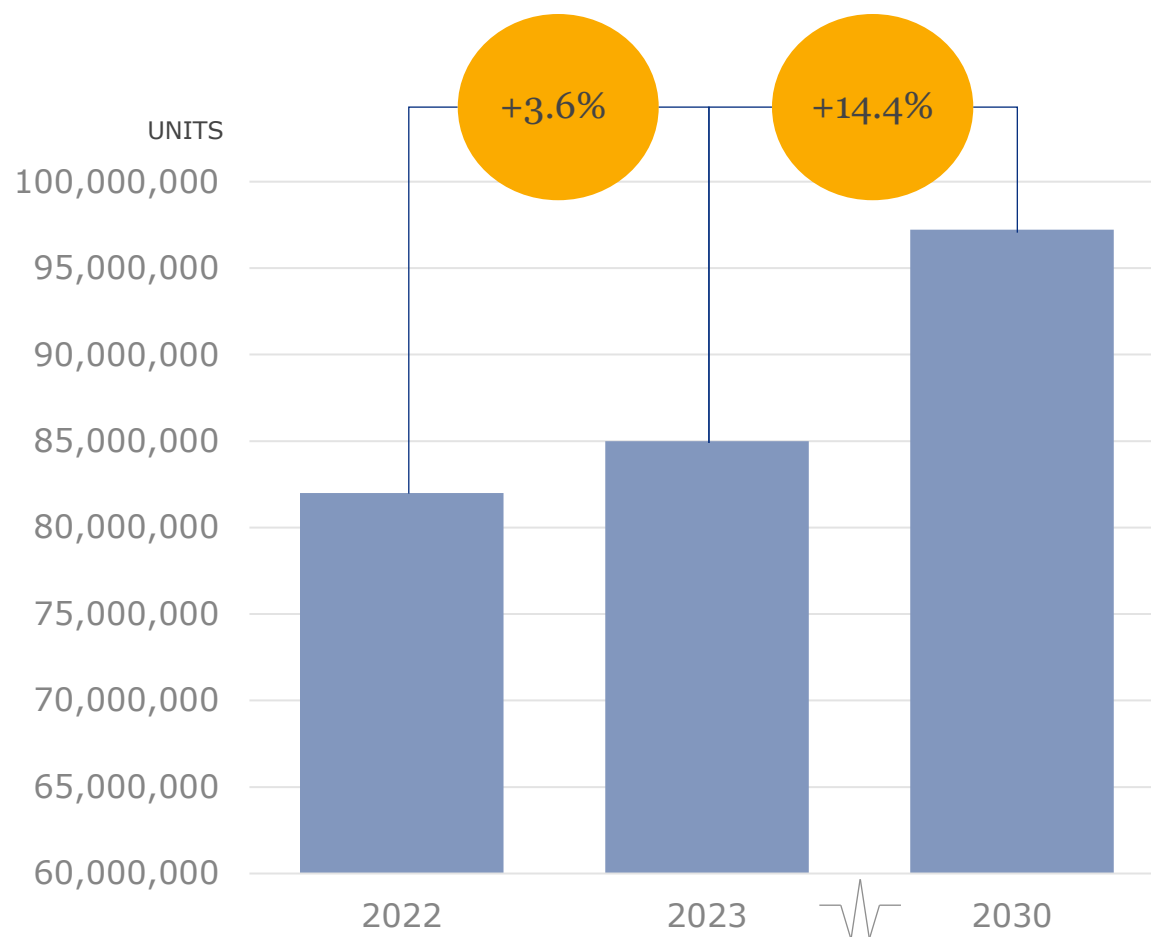
- ① The increasing demand for specialty polymers is fueling the growth of the polymers market. Customers are using polymers to substitute other materials (e.g. metals) due to its low weight and cost.



Source: Polymer Market Research Report Global Industry Analysis and Growth Forecast to 2030 by Precedence Research @ October 2022

Light Vehicle Production Is Forecasted To Grow

Structural shift from internal combustion to electric propulsion



Growth rationale

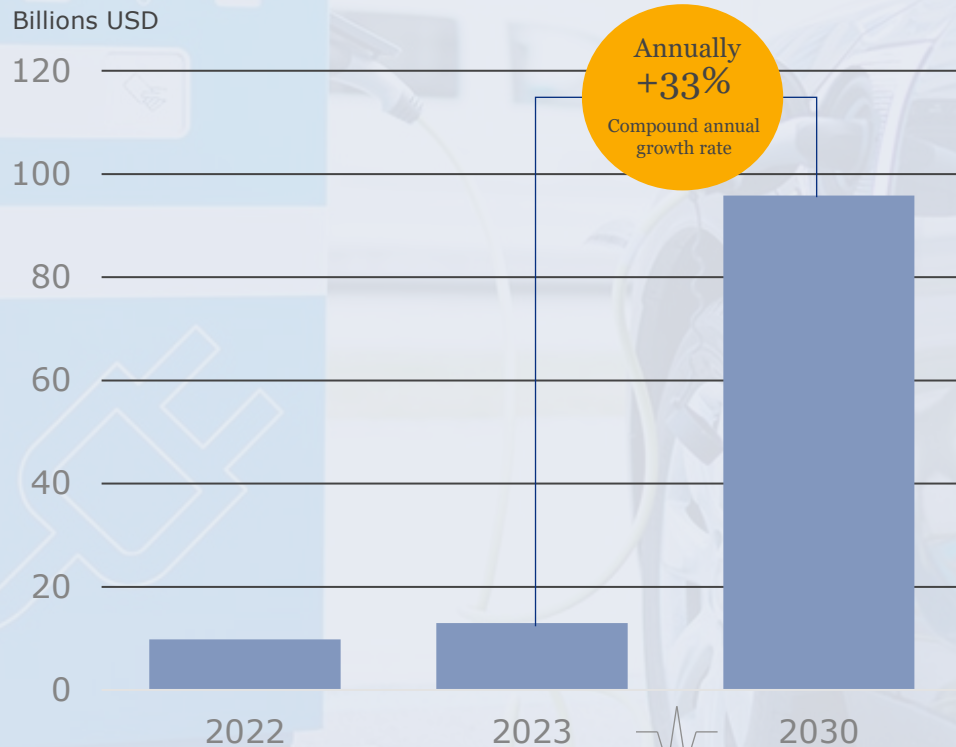
The global auto industry continues to be influenced by near-term challenges of navigating ongoing supply chain pressures coupled with economic headwinds and intermediate-to-longer term dynamics involving a structural shift from internal combustion to electric propulsion. While semiconductor availability continues to improve, having the right chip for the right vehicle at the right plant can still prove elusive and impact the ability to accelerate production.

Global light vehicle production summary by region

| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Europe | 15,688,109 | 16,522,173 | 17,461,762 | 17,694,961 | 17,680,960 | 17,746,305 | 17,897,966 | 18,214,677 | 18,041,066 |
| Greater China | 26,347,612 | 26,621,431 | 28,076,521 | 29,355,299 | 30,448,197 | 31,167,082 | 31,967,584 | 32,657,330 | 33,074,013 |
| Japan/Korea | 11,131,951 | 11,703,979 | 11,417,474 | 11,270,167 | 10,771,147 | 10,892,568 | 11,049,517 | 10,937,926 | 10,731,771 |
| Middle East/Africa | 2,242,353 | 2,329,371 | 2,487,640 | 2,568,361 | 2,619,385 | 2,606,679 | 2,532,267 | 2,470,420 | 2,476,532 |
| North America | 14,307,260 | 15,084,083 | 15,849,231 | 16,479,764 | 16,480,663 | 16,333,305 | 16,486,530 | 16,471,027 | 16,333,559 |
| South America | 2,828,244 | 2,996,874 | 3,183,276 | 3,385,360 | 3,542,332 | 3,758,045 | 3,934,763 | 4,130,877 | 4,263,687 |
| South Asia | 9,462,432 | 9,728,853 | 9,766,776 | 10,204,228 | 10,593,709 | 10,788,063 | 11,317,762 | 11,697,620 | 12,303,608 |
| Total | 82,007,961 | 84,986,764 | 88,242,680 | 90,958,140 | 92,136,393 | 93,292,047 | 95,186,389 | 96,579,877 | 97,224,236 |

Source: Light Vehicle Production (LVP) according to S&P @ February 2023

Global Electric Vehicle Polymers Market



Source: Electric Vehicle Polymers Market Research Report by 360iResearch @ January 2023

Accelerated Polymer Usage in Electric Vehicles

Thermoset, Thermoplastic & Elastomer

- ① As BEV's often are completely new designs the opportunity to make radical shifts in materials are significant.
- ① Polymers and polymer alloys can in many cases have better properties than metals at a much lower weight and cost.
- ① The increased focus on recycled raw materials and green production processes favors polymer materials.

Polymer Content Increasing In Electric Vehicles (BEV)

Vs. Internal Combustion Engine Vehicles (ICE)

Structural parts & Interior

- Metal structural parts are replaced by polymer materials to save weight
- Other metal parts are likely to switch to polymer materials due to easier processability
- Interior parts are rapidly moving to polymers due to aesthetics and functional requirements

Charging infrastructure

- Cable and connectors for supercharger
- Infrastructure cabling for charging stations

Electric powertrain

Battery

ICE Powertrain

13 kg



BEV Powertrain

30 kg

Combustion
Engine
Compartment

Battery frame
Connectors
Electric housings






















- Sealing for battery housing
- Dampening mats for battery cells
- Cooling systems for battery pack
- Sealing for F-Cell housing
- Layer sealing
- Huge increase in automotive cabling

Source: Polymers in passenger car powertrains
by Mann + Hummel and BASF

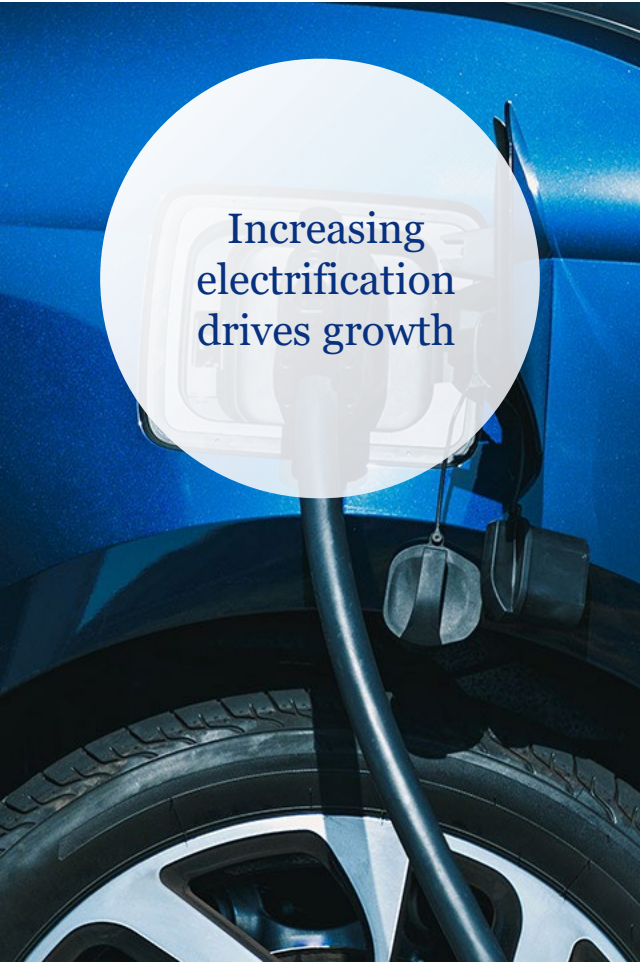
March 20, 2023

HEXPOL Benefit From E-Mobility

Growth In Main Applications

| HEXPOL's Main Applications % of HEXPOL Compounding sales to automotive | | Plug-in Hybrid | Fully Electric |
|---|---|--|---|
|  |  Weatherstrip |  <ul style="list-style-type: none"> • Increased demand for noise cancellation • Light weighting for range extension | |
|  |  Suspension & Dampening |  <ul style="list-style-type: none"> • Different load distribution • More air spring systems • Different requirements | |
|  |  Hose |  <ul style="list-style-type: none"> • Higher temperature requirements • Need for High Performance elastomers |  <ul style="list-style-type: none"> • Only cooling hoses and AC (no Turbo, no fuel pipe) • Cooling might not need flexible hoses |
|  |  Tire |  <ul style="list-style-type: none"> • Weight reduction development |  <ul style="list-style-type: none"> • Different design • Different material requirements |
|  |  Belt |  <ul style="list-style-type: none"> • Transmission of auxiliaries via ICE |  <ul style="list-style-type: none"> • E-drives won't need timing belts • Water & AC Systems might be in line with E-drive |
|  |  Wire & Cable |  <ul style="list-style-type: none"> • More sensors and more cable • Charging cables | |

Growth Oriented Mindset Supported By Macro Trends

A close-up photograph of a black charging cable plugged into the charging port of a blue electric vehicle. The background is a solid blue color.


Increasing
electrification
drives growth

A photograph of several wind turbines on a grassy hill under a cloudy sky at sunset or sunrise. The turbines are silhouetted against the warm light of the low sun.

Clear business
opportunities in
sustainable
development

A photograph of a long bridge with many vertical supports, extending over a body of water. The scene is captured at sunset, with the sky in shades of orange and blue, and the bridge's lights reflecting on the water.

Short supply
chains are
business critical
for customers

A photograph of a surgeon in a blue scrubs and a surgical mask, working in an operating room. The scene is brightly lit by surgical lamps, and the focus is on the surgeon's hands and the patient area.

Growing need of
advanced materials
in the health and
medical technology
segments

HEXPOL Rubber Compounding

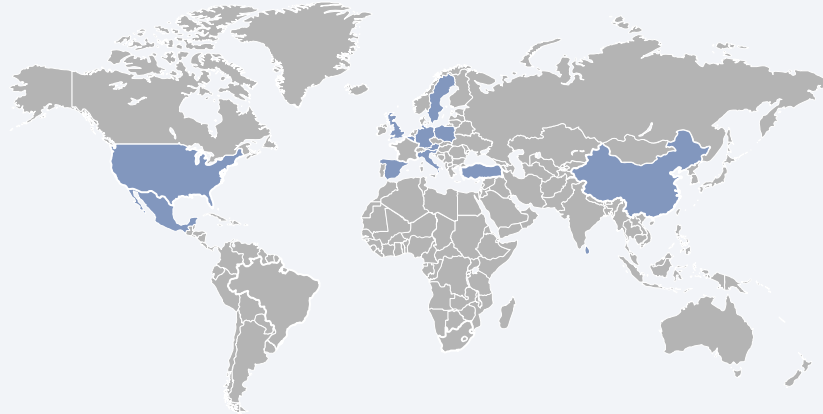
MARKET

- Global market growth
- Recovery in Automotive, Building & Construction and General Industry

HEXPOL POSITION

- Leading position in Europe and Americas
- Profitable niche position in China

COUNTRIES WITH UNITS



GROWTH OPPORTUNITIES

- Growth in Automotive, Building & Construction, General Industry
- Geographic growth, in regions where we are not present or weak e.g. Asia, South and Eastern Europe, Canada, South America and regions within the US
- Market share growth, with customer development and new applications

RECENT ACQUISITIONS



COMPETITIVE LANDSCAPE

Fragmented market, few global competitors, many local players, many family and PE owned companies.

COMPETITORS:

Dynamix, AirBoss, Kraiburg, PTE, Elastorsa and many family-owned smaller players

KEY SEGMENTS & CUSTOMERS



- Automotive
- Building & Construction
- General Industry
- Wire & Cable



GROWTH PLAN

- ⬆ Market share, new and existing customers
- ⬆ New applications
- ⬆ Fragmented market, giving many acquisition possibilities

HEXPOL High Performance Compounding

MARKET

Global market with structural growth

HEXPOL POSITION

- Good European position in silicone compounding
- Developing position in US and UK

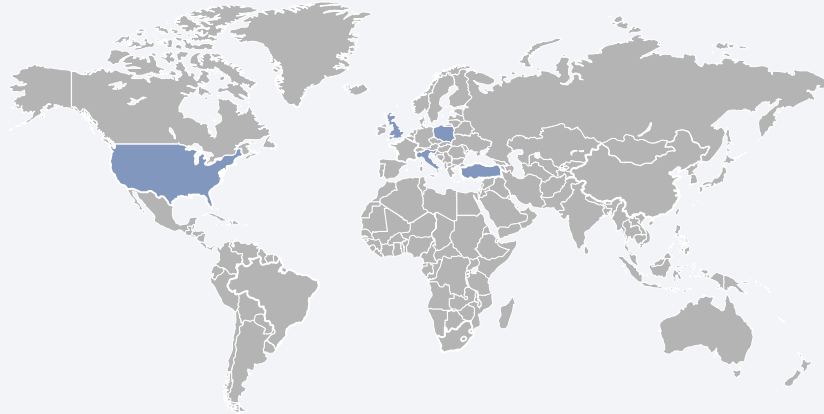
COMPETITIVE LANDSCAPE

Fragmented market with many medium and small sized players except for some few major global players especially in US

COMPETITORS:

Wacker, TSF, Momenive

COUNTRIES WITH UNITS



GROWTH OPPORTUNITIES

- Growth in Building & Construction, automotive, PVC replacement
- Develop position in US and UK, opportunities in northern Europe and Asia

KEY SEGMENTS & CUSTOMERS



- Wire & Cable
- Building & Construction
- Automotive

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GROWTH PLAN

- ⬆ Market share, new and existing customers
- ⬆ New applications
- ⬆ Geographical expansion
- ⬆ Attractive acquisition possibilities

HEXPOL Thermoplastic Compounding

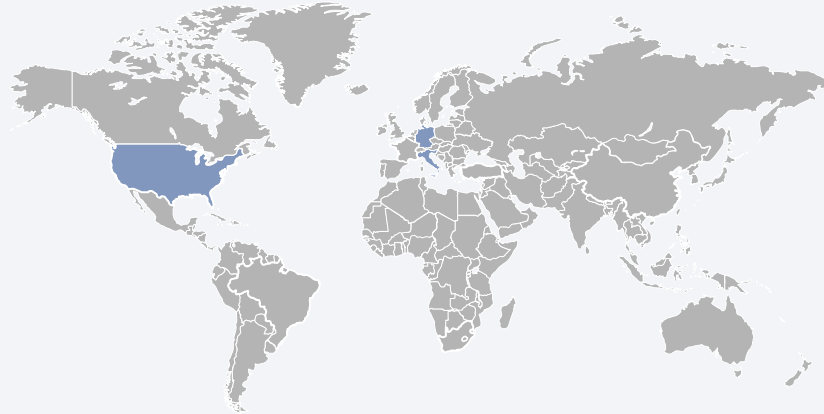
MARKET

Major global market with structural growth

HEXPOL POSITION

- Good position in US
- Growing position in Europe
- No position in Asia

COUNTRIES WITH UNITS



GROWTH OPPORTUNITIES

- Growth in all applications, e.g. Automotive and Appliance
- Growing position in EU and no position in Asia
- Acquisitions in reinforced PP, PC, PA

RECENT ACQUISITIONS



COMPETITIVE LANDSCAPE

Major global, sometime vertically integrated, players for commodity applications, fragmented market with many mid-sized and small players.

COMPETITORS:

Washington Penn, BADA, RTC, Asahi, Magna, SABIC, Borealis, Avient among many others.

KEY SEGMENTS & CUSTOMERS



- Automotive
- General Industry
- Appliance

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GROWTH PLAN

- ⬆ Market share, new and existing customers
- ⬆ New applications
- ⬆ Major acquisition possibilities

HEXPOL TPE Compounding

MARKET

Global market with structural growth

HEXPOL POSITION

- Good European position
- Americas weak position
- Asia weak but improving

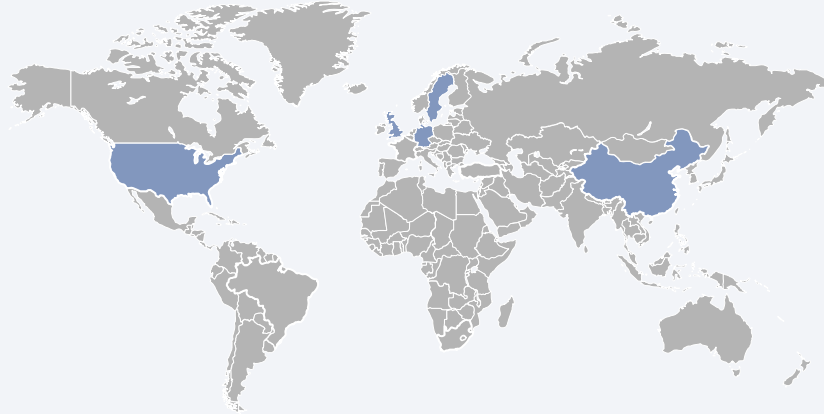
COMPETITIVE LANDSCAPE

Fragmented market but some bigger global players.

COMPETITORS:

Kraiburg, S.o.f.t.er, Teknor Apex, Avient, Multibase

COUNTRIES WITH UNITS



GROWTH OPPORTUNITIES

- Organic growth, in medical, healthcare, automotive and consumer
- Geographical expansion US, Asia and South Europe

KEY SEGMENTS & CUSTOMERS



- Building & Construction
- Healthcare & Medical
- Household Consumer & Care
- Toys, Sport & Leisure

B | BRAUN

MERAXIS

Coloplast

KOESTER CORPORATION

IKEA

LINDAL GROUP

REHAU

LEGO

GROWTH PLAN

- ⬆ Market share, new and existing customers
- ⬆ New applications
- ⬆ Geographical expansion
- ⬆ Attractive acquisition possibilities (but few sellers)

HEXPOL Wheels

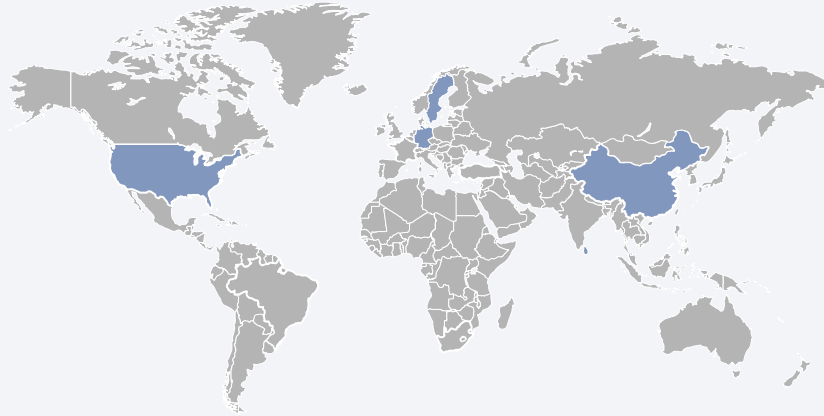
MARKET

Global market with structural growth driven by e-commerce / material handling

HEXPOL POSITION

Good global position

COUNTRIES WITH UNITS



GROWTH OPPORTUNITIES

Structural growth in e-commerce, automation, transportation and material handling

COMPETITIVE LANDSCAPE

Fragmented market with some sizeable family-owned German players, consolidation needed.

COMPETITORS:

Wicke, RaderVogel, Superior, Thombert

KEY SEGMENTS & CUSTOMERS



- Material Handling
- Automation
- E-commerce

TOYOTA
MATERIAL HANDLING

CROWN

KION
GROUP

JUNGHEINRICH
RAYMOND

GROWTH PLAN

- ⬆ Market share, new and existing customers
- ⬆ New applications
- ⬆ Market consolidation, acquisition possibilities

HEXPOL Gaskets & Seals

MARKET

Global market with growth, driven by environmental requirements

HEXPOL POSITION

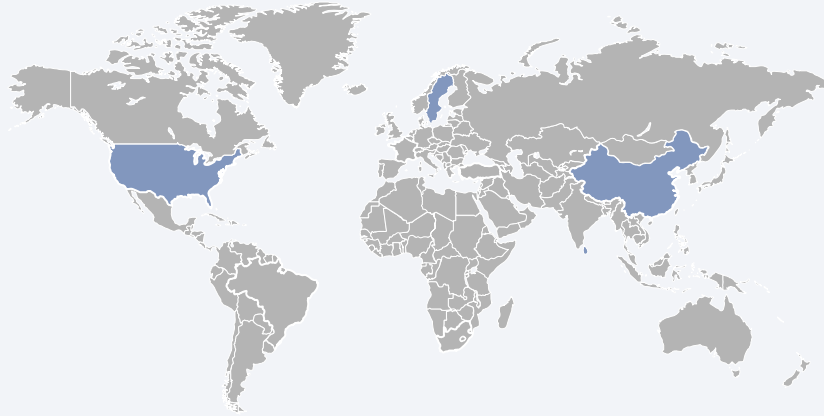
- Leading position in Europe and Asia (Plate Heat Exchangers)
- Developing position in US

COMPETITIVE LANDSCAPE

Consolidated niche market, few global players, local small players.

COMPETITORS:
TRP

COUNTRIES WITH UNITS



GROWTH OPPORTUNITIES

- Growth in energy saving applications
- PHE Gaskets is a niche market, growth driven by environmental improvements
- Geographical growth in the US

KEY SEGMENTS & CUSTOMERS



- Plate Heat Exchangers
- Building & Construction



GROWTH PLAN

- ① Geographical expansion



Fast Growing With Strong Margins

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