

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**

Financial Performance

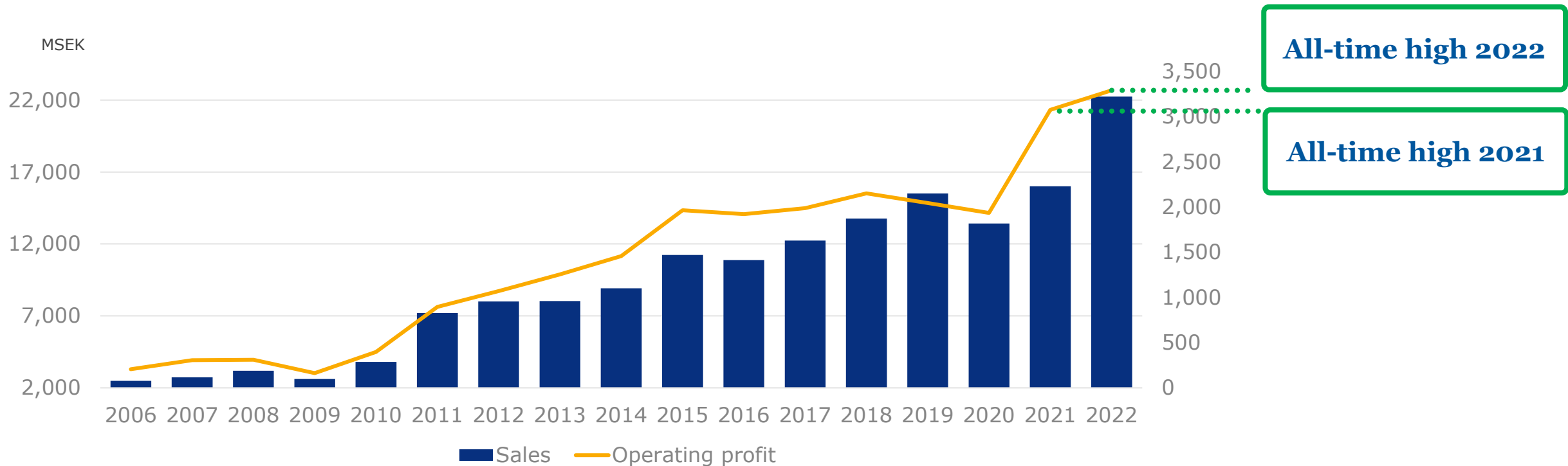
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Peter Rosén

Deputy CEO and CFO

Fast Growing And All-Time High Profits

STRONG SALES & OPERATING PROFIT



Financial Targets and Ambitions

Annual sales
growth above 10%
over a cycle

CAGR between 2010
and 2022 is +16%

Operating Margin
above 17% over
a cycle

Since the formulation
of the target in 2015,
the average Operating
Margin has been 16%*

Equity Asset Ratio
above 30%

The average Equity
Asset Ratio since
2010 is 59%

Dividend policy
25-50% of Net
Income

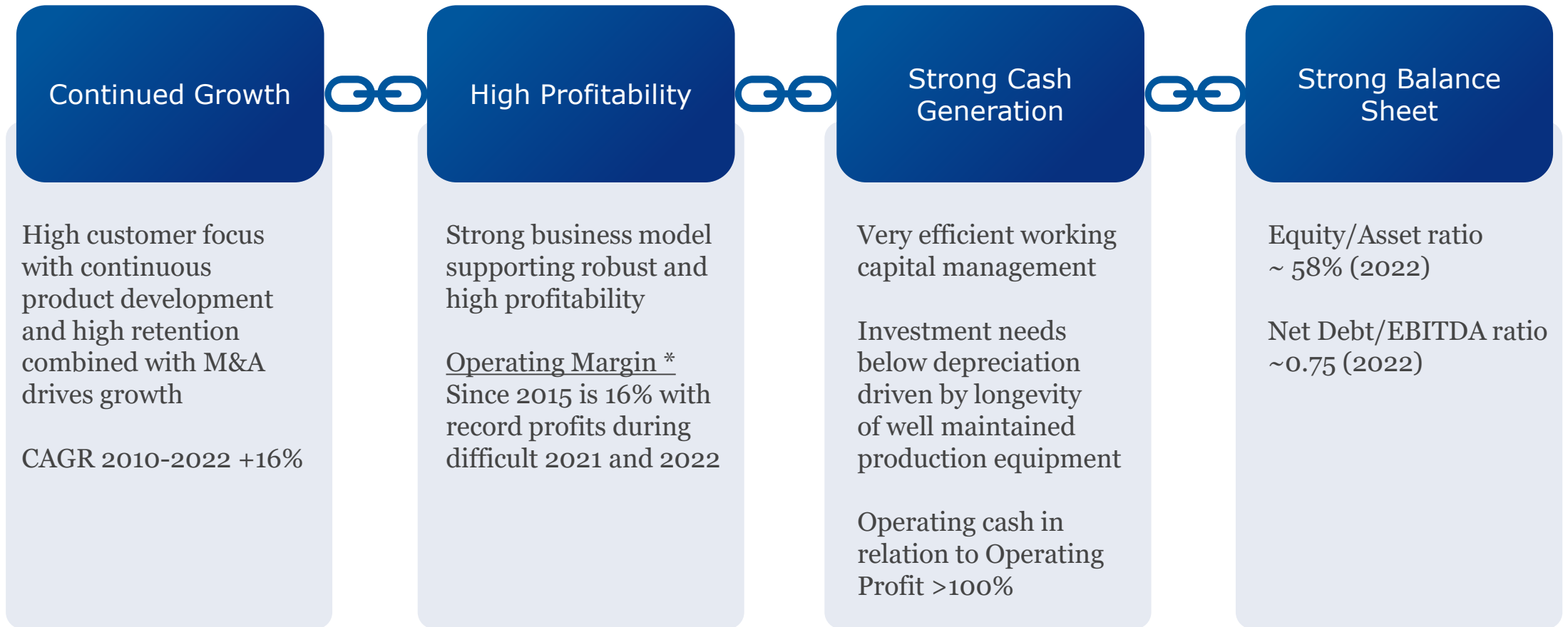
The average dividend
pay out since 2010
is 50%

■ Targets ■ Ambition

* Excluding restructuring costs

March 20, 2023

Drivers of Long-Term Value For Shareholders



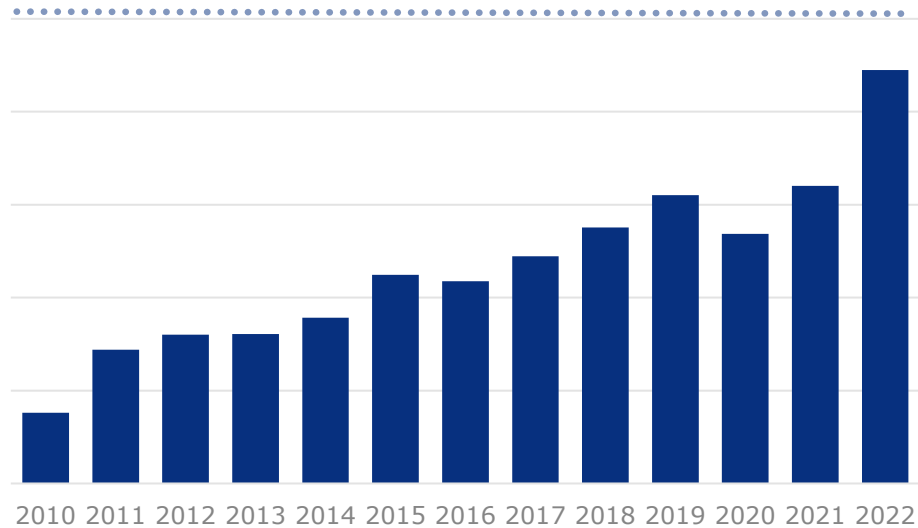
* Excluding restructuring costs

March 20, 2023

Continued Sales Growth

Growth drivers will fuel continued growth

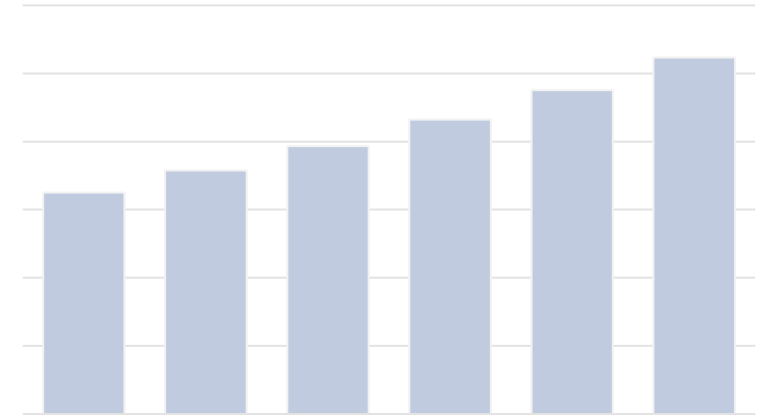
CAGR 2010-2022 +16%



Growth Drivers

- Structural market growth
- Gain market share
- Geographical growth
- New applications
- M&A

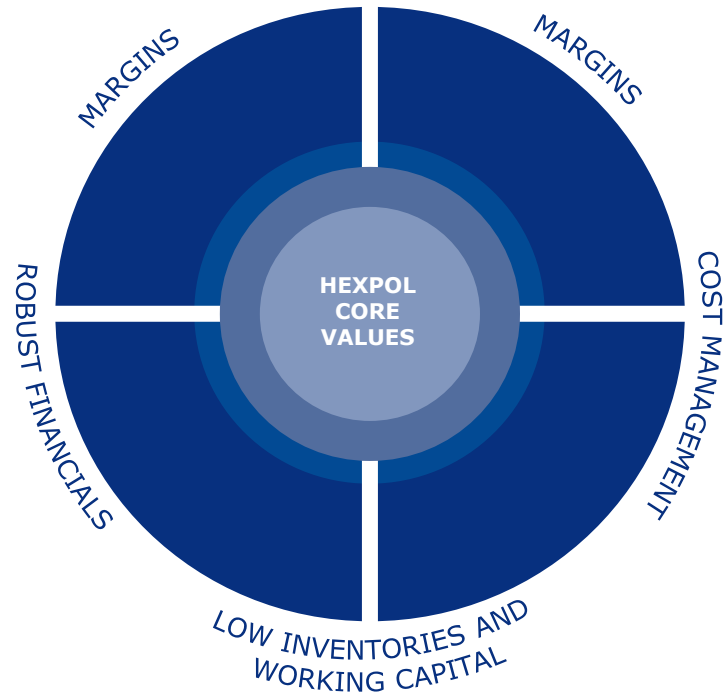
Target >10% Sales Growth



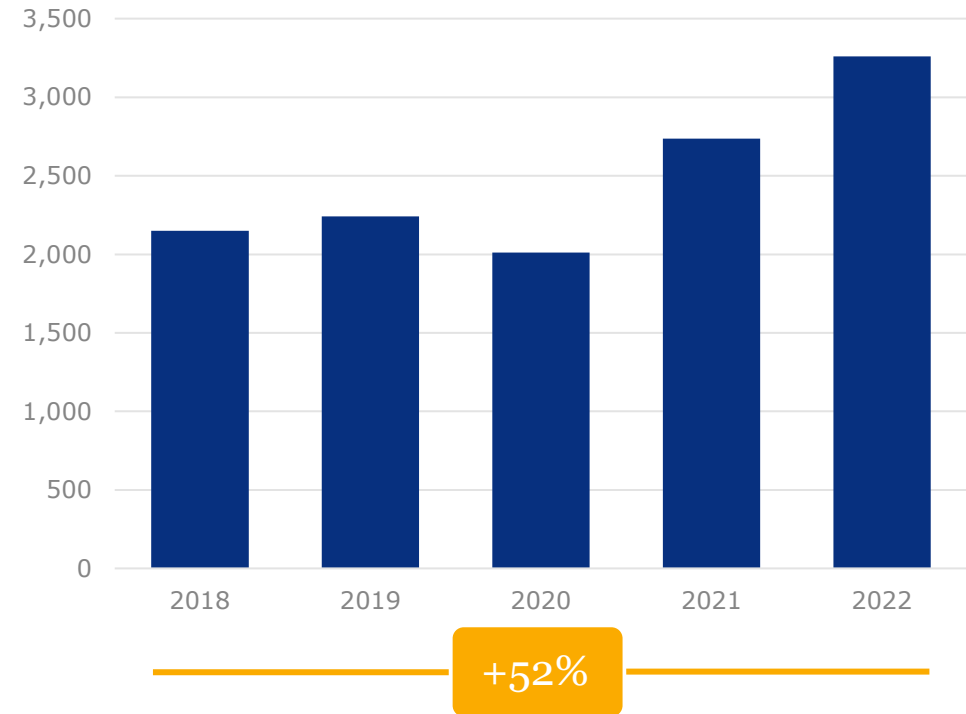
High Profitability

Well executed business model drives profitability

Business Model



EBIT Development (MSEK)*

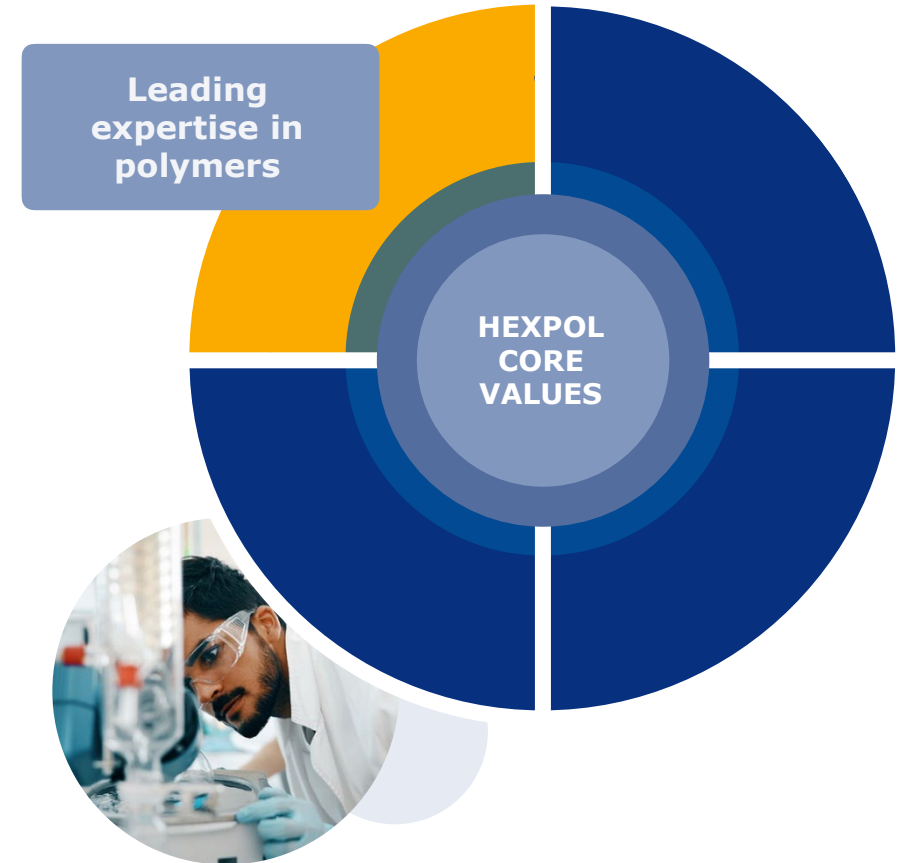


* Excluding restructuring costs

Well Executed Business Model Drives Profitability

Business model supports strong margins

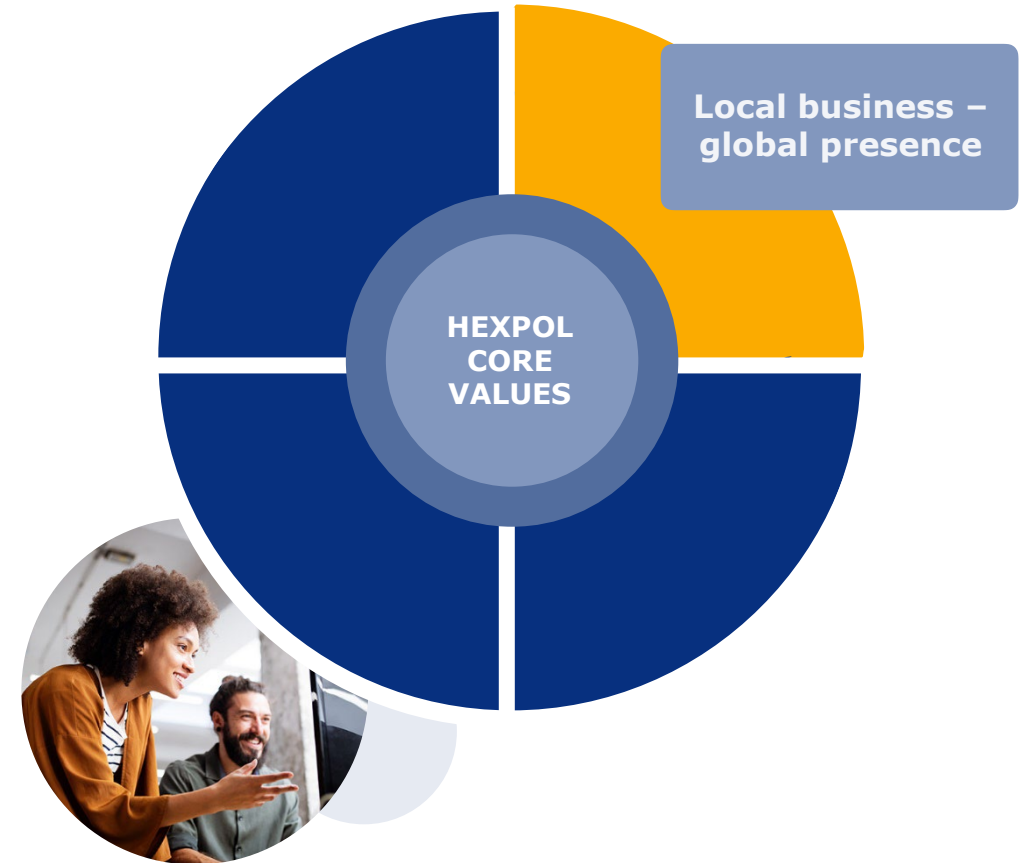
- Advanced compounds supporting high customer requirements demand a premium.
- Strong teams with chemists driving continuous product development.



Well Executed Business Model Drives Profitability

Global footprint but decentralized organization support strong margins

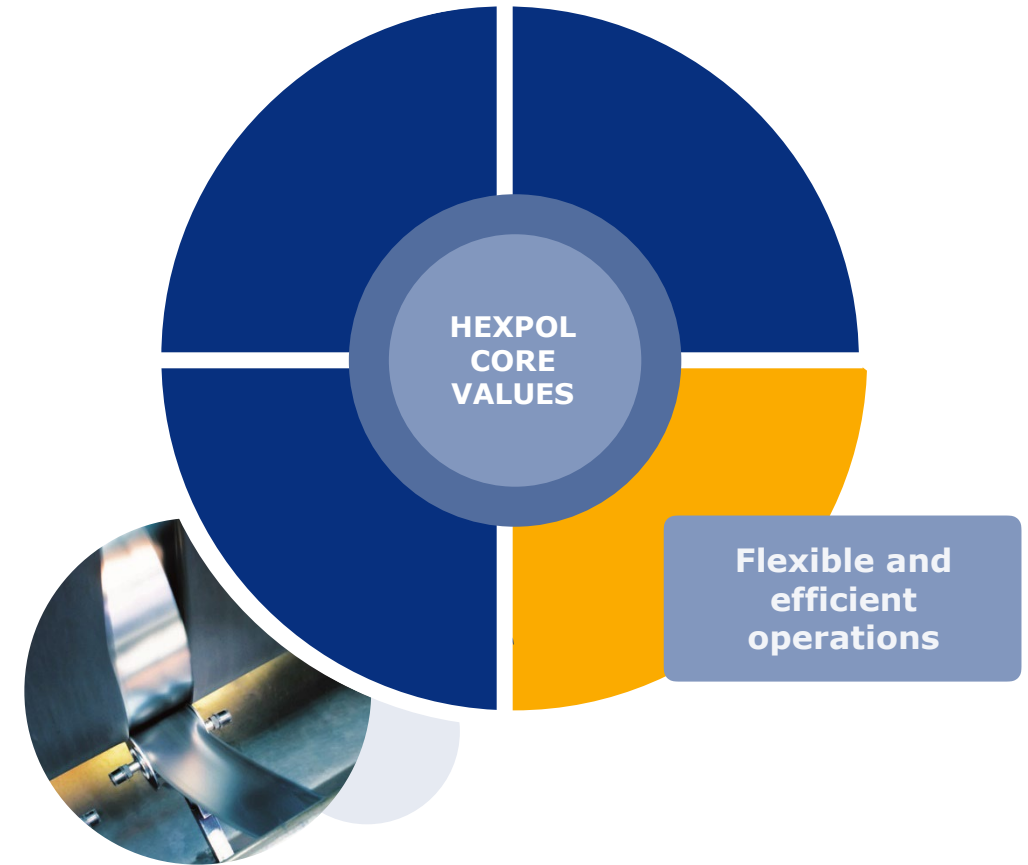
- Global footprint combined with high volumes have positive impact on purchasing.
- Decentralized organization with operative management directly responsible for local business.
- Manufacturing footprint close to the customers.



Well Executed Business Model Drives Profitability

Flexible and efficient operations support strong cost management and give low working capital

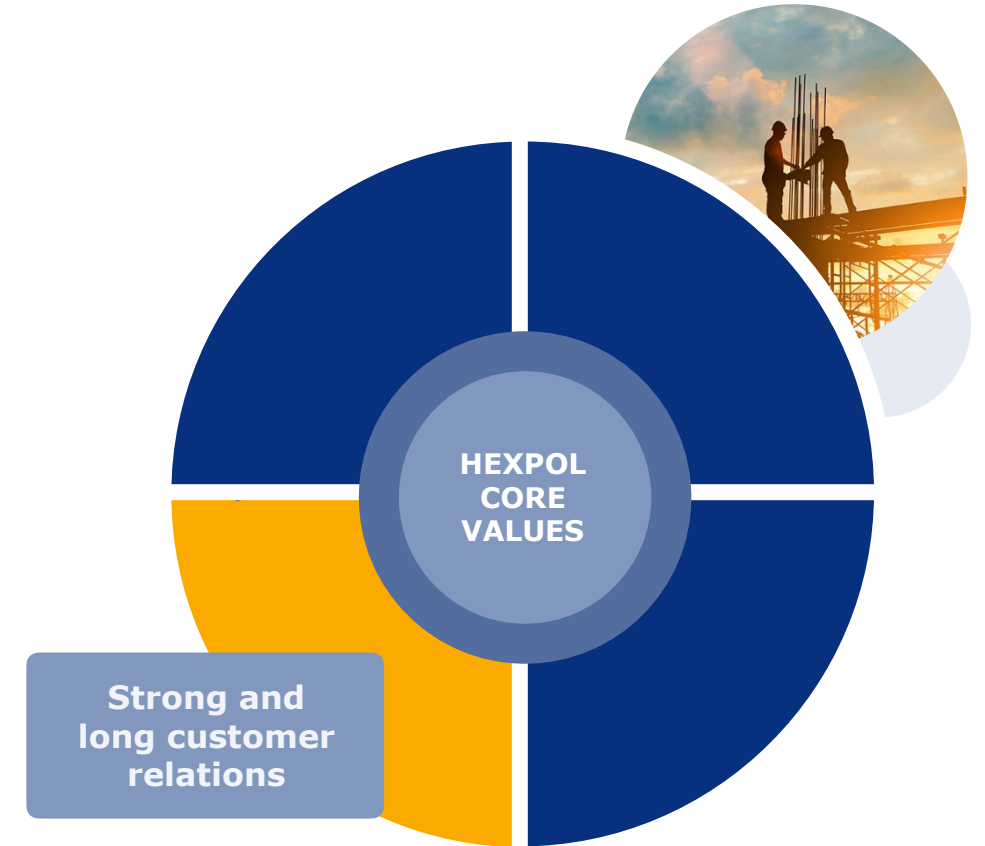
- Products are made to customer orders.
- Products generally have short shelf life.
- Large scale batch producer with lowest possible change over time, normally three shifts.



Well Executed Business Model Drives Profitability

Strong customer retention give robust financials

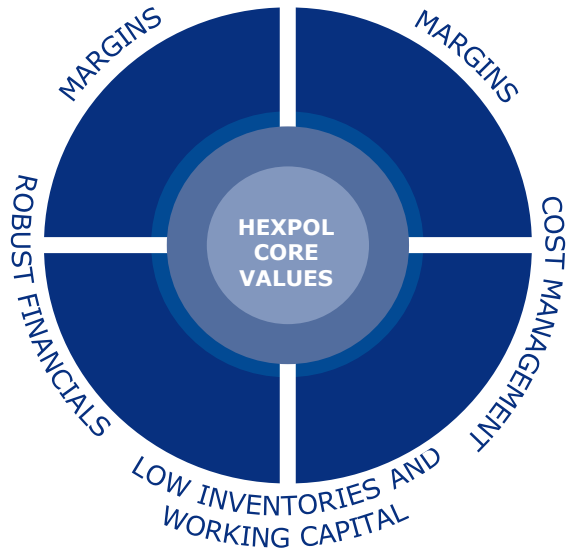
- Products go through comprehensive testing and approval processes by the customers.
- We own most product recipes.
- Appreciated for superior quality & service.
- Customers stay with HEXPOL for a long period of time.



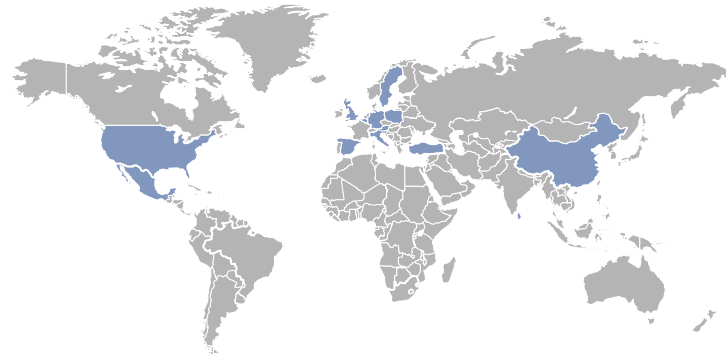
Financial Resilience Through Business Set Up

Robust – Flexible - Lean

**Business Model Resulting In
Long Term Customer
Relationships and Low Risk**

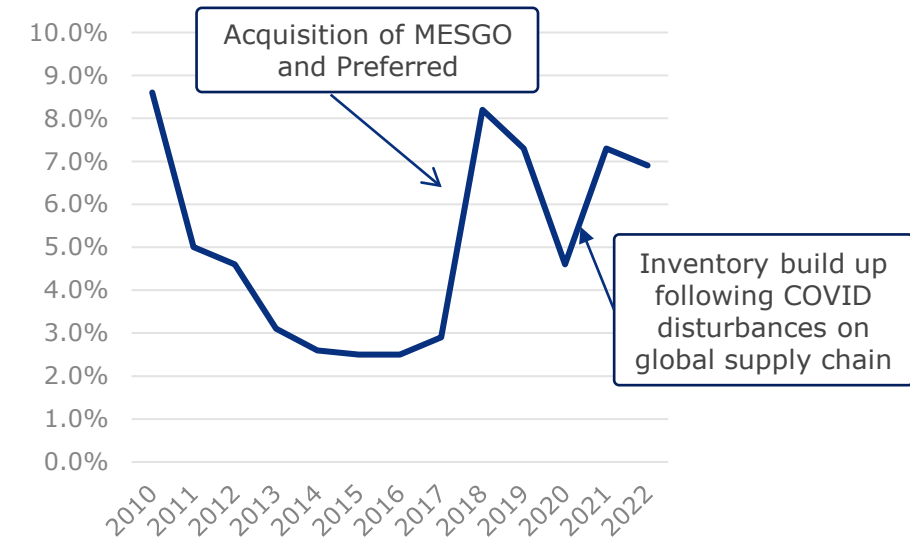


**Global Footprint
Close to Our Customers**



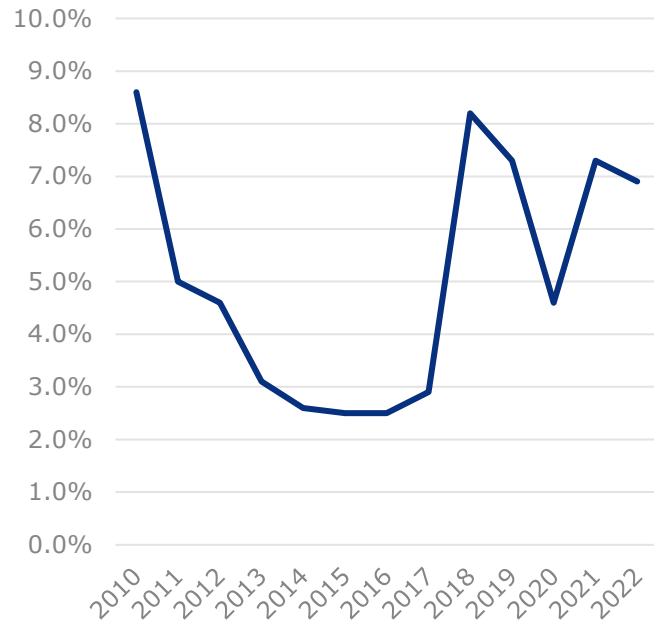
**Efficient Working Capital
Management**

Working Capital in Relation to Sales %

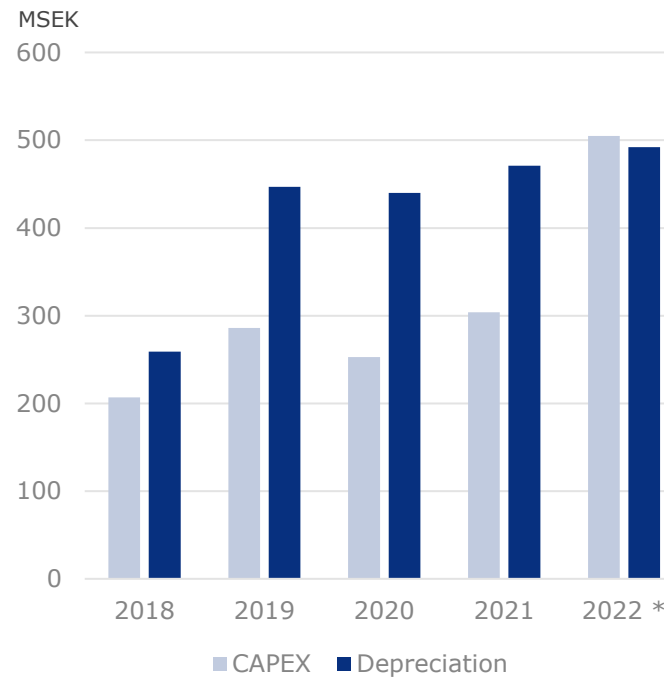


Strong Operating Cash Generation

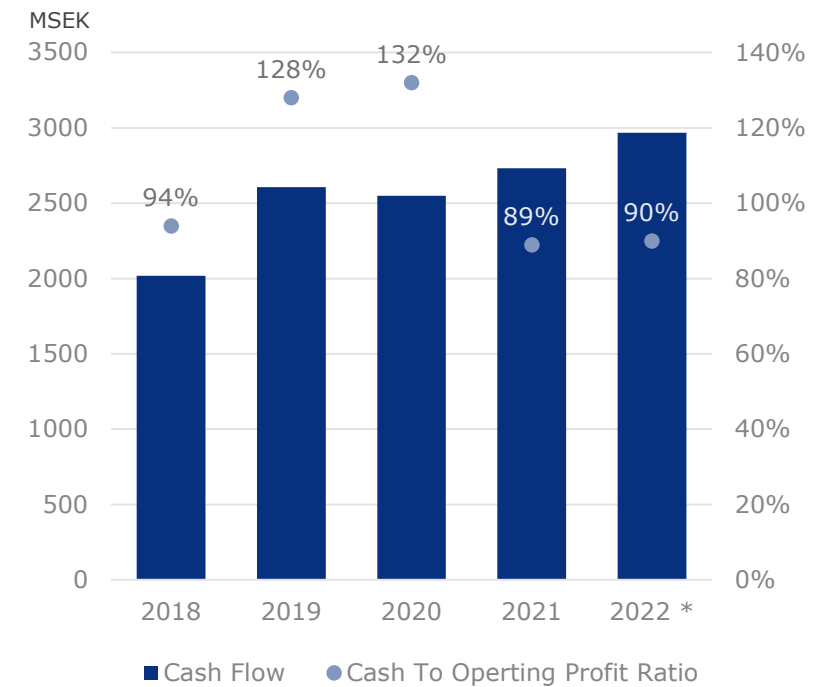
Efficient Management of Working Capital



CAPEX Below Depreciation

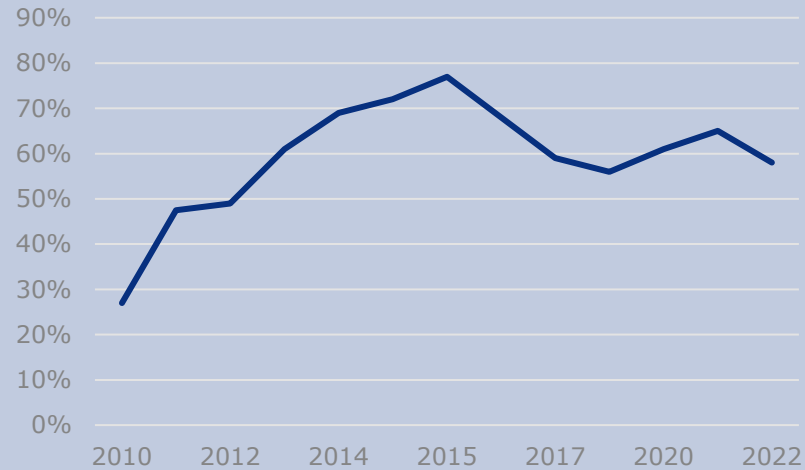


Efficient Management of Working Capital and Investments Drive Strong Operating Cash Flow

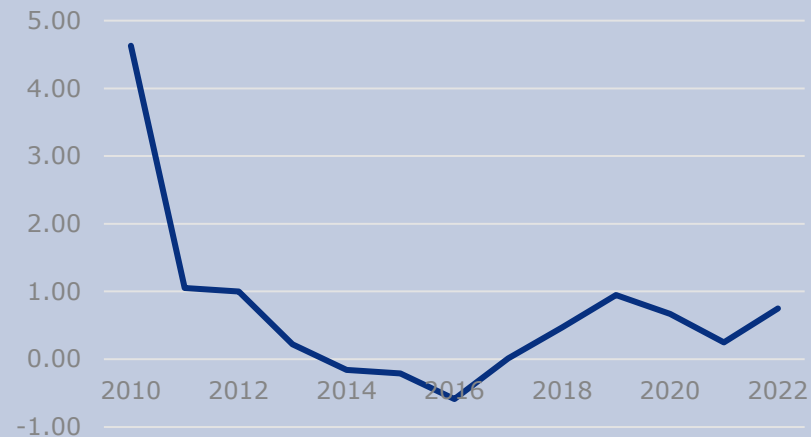


* Excluding CAPEX for acquired almaak and McCann

Equity / Asset Ratio



Net Debt/EBITDA Ratio



Strong Balance Sheet

Strong financial position supports further profitable growth including acquisitions

- Equity Asset Ratio well above target of 30%
- Low Net Debt/EBITDA Ratio despite acquisitions and high dividend levels
- Strong balance sheet enables both organic growth and active M&A



Fast Growing With Strong Margins

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