



Press release, Malmö, Sweden, April 3, 2017

HEXPOL acquires VALLEY Processing, a well-known U.S. Rubber Compounder

HEXPOL has signed an agreement to acquire the business of Valley Processing from Mr. Ted Ballou and his family.

"The acquisition is a very good complement to our HEXPOL Compounding business. Valley Processing broadens our presence and strengthens our portfolio; particularly in the western and southeastern regions of the United States while also strengthening our market position in several key areas."

Tracy Garrison, President and CEO HEXPOL Compounding NAFTA

Valley Processing, with a manufacturing facility in City of Industry, California, US, had a turnover of 34 MUSD in 2016 and have around 90 employees. Valley Processing's manufacturing facility in Virginia is not included in the transaction.

The acquired business has an EBITDA margin below the HEXPOL Group and is expected to have a positive impact on earnings per share.

"This is a further step in expanding and strengthening the HEXPOL Group with a further acquisition within our core business. Valley Processing, with its competence and capabilities, will fit nicely into the HEXPOL Group."

Georg Brunstam, CEO HEXPOL Group

The acquisition price amounts to approximately 44 MUSD on a cash and debt free basis for the business plus an additional purchase price based on product transfers, and is funded by a combination of cash and existing bank facilities. The acquisition price for the business will be paid upon completion of the acquisition, which is estimated to take place during April, subject to certain conditions. The additional purchase price based on product transfers will be paid later.

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HEXPOL is a world-leading polymers group with strong global market positions in advanced polymer compounds (Compounding), gaskets for plate heat exchangers (Gasket), and plastic and rubber materials for truck and castor wheel applications (Wheels). Customers are primarily system suppliers to the global automotive and engineering industry, the construction sector, the energy, oil, and gas sector, medical equipment manufacturers and OEM manufacturers of plate heat exchangers and forklifts. The Group is organised in two business areas, HEXPOL Compounding and HEXPOL Engineered Products. The HEXPOL Group's sales in 2016 amounted to 10,879 MSEK. The HEXPOL Group has approximately 4,100 employees in eleven countries. Further information is available at www.hexpol.com.