

Interim report January-March 2017

Published on April 28, 2017

First quarter 2017 – Increased sales and higher profit

- Sales increased 14 per cent to 3,138 MSEK (2,757).
- Operating profit increased 7 per cent to 532 MSEK (497).
- Operating margin amounted to 17.0 per cent (18.0).
- Profit after tax rose to 379 MSEK (355).
- Earnings per share increased 7 per cent to 1.10 SEK (1.03).
- Operating cash flow rose to 435 MSEK (325).
- Mikael Fryklund appointed new president and CEO, is expected to start not later than July 1.
- March 31, Trelleborg's Rubber Compounding unit in Czech Republic, a well-known Rubber Compounder in Central Europe, was acquired.
- In early April, Valley Processing, a well-known US Rubber Compounder, was acquired.

President's comments

"The first quarter of 2017 was another strong quarter – our best quarter to date. The Sales increased 14 per cent and the volume development was positive. Earnings per share increased 7 per cent and the operating cash flow was once again strong, 435 MSEK (325). During the quarter, the prices on our main raw materials have increased and the price pressure continued strong on all markets.

At the end of the quarter Trelleborg's Rubber Compounding unit in Czech Republic, a well-known Rubber Compounder in Central Europe, was acquired. In early April, Valley Processing, a well-known US Rubber Compounder, was acquired. Our strong operating cash flow and our net cash of 981 MSEK provides scope for continued acquisition-driven expansion.

The Nomination Committee has proposed me as Chairman after Melker Schörling, who has been Chairman of the Board since our start and listing, and who unfortunately declined re-election. I am convinced that my successor Mikael Fryklund with his broad international experience from the rubber and plastic industry will continue to develop HEXPOL positively."

Georg Brunstam, President and CEO

Group summary

Key figures	Jan-Mar		Full Year	Apr 16-
MSEK	2017	2016	2016	Mar 17
Sales	3 138	2 757	10 879	11 260
Operating profit, EBIT	532	497	1 921	1 956
Operating margin, %	17,0	18,0	17,7	17,4
Profit before tax	529	494	1 913	1 948
Profit after tax	379	355	1 397	1 421
Earnings per share before dilution, SEK	1,10	1,03	4,06	4,13
Earnings per share after dilution, SEK	1,10	1,03	4,06	4,13
Equity/assets ratio, %	75	74	77	
Return on capital employed, % R12	26,2	28,9	26,8	
Operating cash flow	435	325	2 057	2 167

HEXPOL is a world-leading polymers group with strong global market positions in advanced polymer compounds (Compounding), gaskets for plate heat exchangers (Gaskets), and wheels made of 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 4,400 employees in eleven countries. Further information is available at www.hexpol.com.

First quarter of 2017

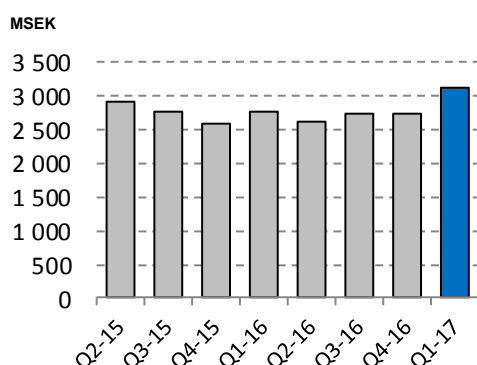
The HEXPOL Group's sales increased 14 per cent to 3,138 MSEK (2,757) during the first quarter. Currency effects had a positive impact of 118 MSEK on sales, mainly due to a strengthening of the USD.

The volume development was positive and the sales growth (adjusted for currency effects), amounted to 10 per cent. Sales growth (adjusted for currency effects and acquisitions) amounted to 5 per cent. During the quarter, the prices on our main raw materials have increased and the price pressure continued strong on all markets.

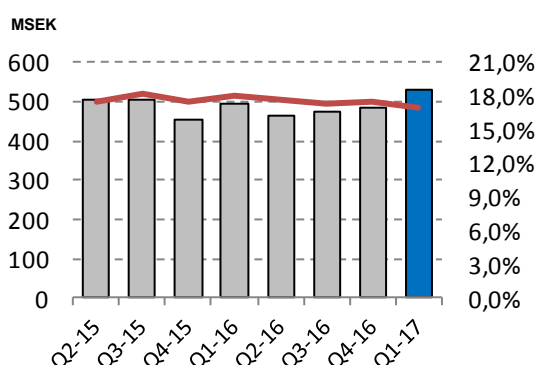
Operating profit increased 7 per cent to 532 MSEK (497) and the operating margin amounted to 17.0 per cent (18.0). Exchange rate fluctuations had a positive impact of 21 MSEK on operating profit for the quarter.

March 31, Trelleborg's Rubber Compounding unit in Czech Republic, a well-known Rubber Compounder in Central Europe, was acquired. Trelleborg Material and Mixing Lesina s.r.o, with a manufacturing facility in Lesina, Czech Republic had a turnover of 40 MEUR in 2016 and has around 125 employees.

Sales



Operating profit & operating margin



The HEXPOL Compounding business area's sales increased 14 per cent to 2,910 MSEK (2,550) during the quarter. Operating profit increased 7 per cent to 505 MSEK (473). The operating margin was strong and amounted to 17.4 per cent (18.5).

The HEXPOL Engineered Products business area's sales during the quarter increased 10 per cent to 228 MSEK (207). Operating profit rose 12 per cent to 27 MSEK (24), and the operating margin amounted to 11.8 per cent (11.6).

Sales in Europe (including Berwin Group, acquired in June 2016), increased 24 per cent compared to the corresponding year earlier period. Also adjusted for the acquired Berwin Group the sales were higher in Europe compared to the corresponding year-earlier period. Sales in NAFTA increased 9 per cent and in Asia 17 per cent compared to the corresponding year earlier period. Sales to automotive-related customers remained strong, while sales to segments as mining, agricultural and oil and gas sector remained weak.

The Group's operating cash flow increased to 435 MSEK (325). The Group's net financial items amounted to an expense of 3 MSEK (expense: 3).

Profit before tax increased to 529 MSEK (494) and profit after tax increased to 379 MSEK (355). Earnings per share rose 7 per cent to 1.10 SEK (1.03).

Profitability

The return on average capital employed, R12, amounted to 26.2 per cent (28.9). The return on shareholders' equity, R12, amounted to 19.8 per cent (23.1).

Financial position and liquidity

The equity/assets ratio increased to 75 per cent (74). The Group's total assets amounted to 10,496 MSEK (8,776). Net cash increased to 981 MSEK (714).

The Group has the following major credit agreements with Nordic banks:

- A credit agreement with a limit of 125 MUSD that will fall due in February 2020.
- A credit agreement with a limit of 1,500 MSEK that will fall due in August 2019.

Cash flow

The operating cash flow amounted to 435 MSEK (325). Cash flow from operating activities amounted to 407 MSEK (311).

Investments, depreciation and amortisation

The Group's investments amounted to 34 MSEK (27). Investments are mainly attributable to capacity investments. Depreciation, amortisation and impairment amounted to 58 MSEK (57).

Tax expenses

The Group's tax expenses amounted to 150 MSEK (139), corresponding to a tax rate of 28.4 per cent (28.1).

Personnel

The number of employees at the end of the period was 4,330 (3,925). The increase in number of employees relates mainly to the units in Mexico and the acquired operations Berwin Group and Trelleborg Material & Mixing Lesina s.r.o.

Acquisition

March 31, Trelleborg's Rubber Compounding unit in Czech Republic, a well-known Rubber Compounder in Central Europe, was acquired. Trelleborg Material and Mixing Lesina s.r.o, with a manufacturing facility in Lesina, Czech Republic had a turnover of 40 MEUR in 2016 and has around 125 employees. The acquisition price is estimated to approximately 65 MEUR on a cash and debt free basis. Acquired excess values amounts preliminary to 49 MEUR and are mainly attributable to intangible assets. The Group's ownership is 100 per cent and the operations are consolidated from the acquisition day.

Business area HEXPOL Compounding

The HEXPOL Compounding business area is one of the world's leading suppliers in the development and manufacturing of advanced, high-quality polymer compounds for demanding applications and demanding end users. Customers are manufacturers of polymer products and components who impose rigorous demands on performance and global delivery capacity. The market is global and the largest end-customer segments are the automotive and engineering industries, followed by the construction sector. Other key segments are medical technology, cable and water treatment, energy, oil and gas industry, general industry and consumer.

	Jan-Mar	Full Year	Apr 16-
MSEK	2017	2016	Mar 17
Sales	2 910	2 550	10 028
Operating profit	505	473	1 806
Operating margin, %	17,4	18,5	18,0

HEXPOL Compounding's sales (including Berwin Group, acquired in June 2016) increased 14 per cent to 2,910 MSEK (2,550), during the first quarter. During the quarter, the prices on our main raw materials have increased and the price pressure continued strong on all markets.

Operating profit increased 7 per cent to 505 MSEK (473), and the operating margin was strong and amounted to 17.4 per cent (18.5).

The volume development was positive, excluding contract manufacturing to the tire industry, with higher volumes in Europe, Asia as well as in NAFTA. The contract manufacturing within HEXPOL Compounding to the tire industry in NAFTA was unusually high during the first quarter 2016, while the sales during the first quarter 2017 were at a normal level. The volume development was also positive including contract manufacturing to the tire industry.

HEXPOL Compounding NAFTA's sales increased during the quarter with continued strong volumes to automotive related customers and improved volumes to customers within building and construction while volumes to segments such as mining, exporting industry, agricultural and oil and gas sector remained weak.

Sales in HEXPOL Compounding Europe increased, also excluding the acquired Berwin Group, with continued strong volumes to automotive related customers and improved volumes to customers within building and construction industry.

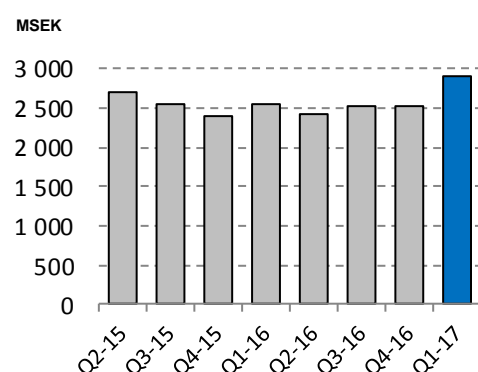
HEXPOL Compounding Asia developed positively during the first quarter with increased volumes, mainly to automotive-related customers in China.

HEXPOL TPE Compounding developed positively during the first quarter.

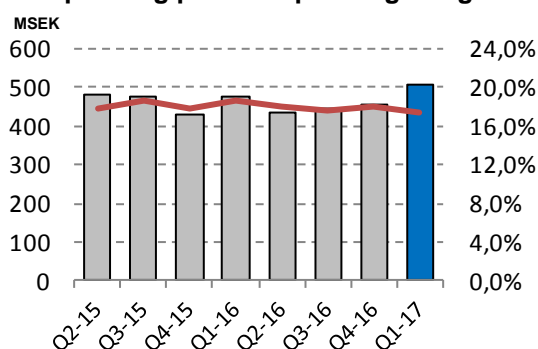
RheTech Thermoplastic Compounding, which was acquired in January 2015, has had a continued positive development during the quarter.

March 31, Trelleborg's Rubber Compounding unit in Czech Republic, a well-known Rubber Compounder in Central Europe, was acquired. Trelleborg Material and Mixing Lesina s.r.o, with a manufacturing facility in Lesina, Czech Republic had a turnover of 40 MEUR in 2016 and has around 125 employees. The acquisition is a very good complement to HEXPOL Compounding and broadens and strengthens our presence with Rubber Compounds in Europe. The unit will be integrated in HEXPOL Compounding's European organisation in line with HEXPOL Group's strategy.

Sales



Operating profit & operating margin



Business area HEXPOL Engineered Products

The HEXPOL Engineered Products has operations in a number of niche areas with strong global positions in gaskets for plate heat exchangers (Gaskets) as well as polyurethane, rubber and plastic wheels for forklifts and material handling (Wheels). The market for gaskets and wheels is global. Gasket customers include manufacturers of plate heat exchangers and wheel customers are manufacturers of forklifts and castor wheels.

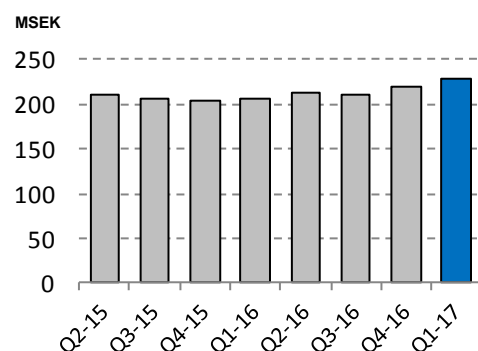
	Jan-Mar 2017	2016	Full Year 2016	Apr 16- Mar 17
MSEK				
Sales	228	207	851	872
Operating profit	27	24	115	118
Operating margin, %	11,8	11,6	13,5	13,5

The HEXPOL Engineered Products business area's sales increased 10 per cent to 228 MSEK (207) during the first quarter. Operating profit increased 12 per cent to 27 MSEK (24), and the operating margin increased to 11.8 per cent (11.6). The operating profit improved mainly thanks to increased volumes and continued efficiency enhancements in the operations.

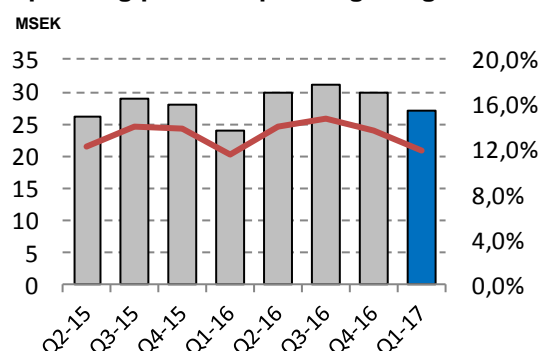
The sales for the HEXPOL Gaskets product area increased compared to the corresponding year-earlier period, but the sales remained weak to project-related operations. The business in China continued to develop positively. As previous, the market was characterised by general price pressure.

The sales for HEXPOL Wheels product area increased compared to the corresponding year-earlier period. The HEXPOL Wheels business in China developed positively.

Sales



Operating profit & operating margin



Parent Company

The Parent Company's profit after tax amounted to negative 2 MSEK (20). Shareholders' equity amounted to 3,733 MSEK (3,179).

Risk factors

The Group's and Parent Company's business risks, risk management and management of financial risks are described in detail in the 2016 Annual Report. No significant events occurred during the year that affected or changed these descriptions of the Group's or the Parent Company's risks and their management.

Accounting policies

The consolidated financial statements in this interim report have been prepared in compliance with International Financial Reporting Standards (IFRS), as adopted by the EU. The Parent Company's financial statements have been prepared in compliance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Reporting for Legal Entities. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting and measurement policies, as well as the assessment bases, applied in the 2016 Annual Report have also been applied in this interim report. No new or revised IFRSs that entered into force in 2017 have had any significant impact on the Group.

Alternative Performance Measures (APMs)

New ESMA (European Securities and Markets Authority) guidelines on alternative performance measures are effective from 2016. HEXPOL presents financial definitions and reconciliations of alternative performance measures in this report. HEXPOL presents alternative performance measures as these provide valuable additional information to investors and the company's management as they allow evaluation of the company's performance.

Ownership structure

HEXPOL AB (publ), with Corporate Registration Number 556108-9631, is the Parent Company of the HEXPOL Group. HEXPOL's Class B shares are listed on NASDAQ Stockholm, Large Cap. HEXPOL AB had 13,935 shareholders on March 31, 2017. The largest shareholder is Melker Schörling AB with 26 per cent of the capital and 47 per cent of the voting rights. The twenty largest shareholders own 64 per cent of the capital and 74 per cent of the voting rights.

Annual General Meeting, April 28 2017

The Annual General Meeting will be held on April 28, 2017 at 3 p.m. CET in Malmö (Börshuset, Skeppsbron 2), Sweden. The Annual Report for 2016 is available on HEXPOL's website and at the head office.

Dividend proposal

The Board of Directors proposes that the Annual General Meeting approve a dividend of 4.75 SEK per share, consisting of an ordinary dividend of 1.75 SEK per share and a special dividend of 3.00 SEK per share. This corresponds to a total of 1,635 MSEK.

Proposal from the Nomination Committee

The appointed committee, consisting of Mikael Ekdahl (Melker Schörling AB), Åsa Nisell (Swedbank Robur fonder), Henrik Didner (Didner & Gerge Fonder) and Elisabeth Jamal Bergström (Handelsbanken Fonder), has the following nominees for election to the Board:

- Re-election of the Board members Alf Göransson, Jan-Anders Månsson, Malin Persson, Märta Schörling Andreen, Kerstin Lindell and Georg Brunstam and new election of Gun Nilsson.
- New election of Georg Brunstam as Chairman of the Board.

New President and CEO

The Board of Directors has appointed Mikael Fryklund, who assumes the position not later than July 1, 2017, to President and CEO.

Significant subsequent events

In early April, Valley Processing, a well-known Rubber Compounder in the Western US, was acquired. Valley Processing, with a manufacturing facility in California, US, had a turnover of 34 MUSD in 2016 and has around 90 employees. Valley Processing's manufacturing facility in Virginia is not included in the transaction. The acquisition price amounts to approximately 46 MUSD on a cash and debt free basis for the business plus an additional purchase price based on product transfers. The Group's ownership is 100 per cent and the business will be consolidated from April 2017.

Invitation to the presentation of the report

This report will be presented via a telephone conference on April 28 at 1:00 p.m. CET. The presentation, as well as information concerning participation, is available at www.hexpol.com.

Calendar for financial information

HEXPOL AB will publish financial information on the following dates:

- | | |
|---|------------------|
| ▪ Annual General Meeting 2017 | April 28, 2017 |
| ▪ Half-year report January-June 2017 | July 19, 2017 |
| ▪ Interim report January-September 2017 | October 26, 2017 |

Financial information is also available in Swedish and English on HEXPOL AB's website – www.hexpol.com.

The interim report January – March 2017 has not been audited by HEXPOL AB's auditors.

Malmö, Sweden, April 28, 2017
HEXPOL AB (publ)

Georg Brunstam
President and CEO

For more information, please contact:

- Georg Brunstam, President and CEO
Tel: +46 708 55 12 51
- Karin Gunnarsson, Chief Financial Officer/ Investor Relations Manager
Tel: +46 705 55 47 32

Address: Skeppsbron 3
SE-211 20 Malmö, Sweden

Corporate Registered Number 556108–9631
Tel: +46 40-25 46 60
Fax: +46 40-25 46 89
Website: www.hexpol.com

This report may contain forward-looking statements. When used in this report, words such as “anticipate”, “believe”, “estimate”, “expect”, “plan” and “project” are intended to identify forward-looking statements. Such statements could encompass risks and uncertainties pertaining to product demand, market acceptance, effects of economic conditions, impact of competitive products and pricing, foreign currency exchange rates and other risks. These forward-looking statements reflect the views of HEXPOL's management as of the date made with respect to future events but are subject to risks and uncertainties. While all of these forward-looking statements are based on estimates and assumptions made by HEXPOL's management and are believed to be reasonable, they are inherently uncertain and difficult to predict. Actual results and experience could differ materially from the forward-looking statements. HEXPOL disclaims any intention or obligation to update these forward-looking statements.

This information is information that HEXPOL AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 12:00 p.m. CET on April 28, 2017. This report has been prepared both in Swedish and English. In case of any divergence in the content of the two versions, the Swedish version shall have precedence.

Condensed consolidated income statement

MSEK	Jan-Mar 2017	2016	Full Year 2016	Apr 16- Mar 17
Sales	3 138	2 757	10 879	11 260
Cost of goods sold	-2 436	-2 096	-8 315	-8 655
Gross profit	702	661	2 564	2 605
Selling and administrative cost, etc.	-170	-164	-643	-649
Operating profit	532	497	1 921	1 956
Financial income and expenses	-3	-3	-8	-8
Profit before tax	529	494	1 913	1 948
Tax	-150	-139	-516	-527
Profit after tax	379	355	1 397	1 421
- of which, attributable to Parent Company shareholders	379	355	1 397	1 421
Earnings per share before dilution, SEK	1,10	1,03	4,06	4,13
Earnings per share after dilution, SEK	1,10	1,03	4,06	4,13
Shareholders' equity per share, SEK	22,73	18,74	21,96	
Average number of shares, 000s	344 201	344 201	344 201	344 201
Depreciation, amortisation and impairment	-58	-57	-216	-217

Condensed statement of comprehensive income

MSEK	Jan-Mar 2017	2016	Full Year 2016	Apr 16- Mar 17
Profit after tax	379	355	1 397	1 421
Items that will not be reclassified to the income statement				
Remeasurements of defined benefit pension plans	0	0	-1	-1
Income tax relating to items that will not be reclassified to the income statement	0	0	0	0
Items that may be reclassified to the income statement				
Cash-flow hedges	0	0	0	0
Hedge of net investment	14	17	-62	-65
Income tax relating to items that may be reclassified to the income statement	-3	-4	14	15
Translation differences	-125	-149	550	574
Comprehensive income	265	219	1 898	1 944
- of which, attributable to Parent Company's shareholders	265	219	1 898	1 944

Condensed consolidated balance sheet

	Mar 31		Dec 31
MSEK	2017	2016	2016
Intangible fixed assets	4 978	4 068	4 577
Tangible fixed assets	1 811	1 597	1 745
Financial fixed assets	1	1	-
Deferred tax asset	96	67	101
Total fixed assets	6 886	5 733	6 423
Inventories	857	687	786
Accounts receivable	1 651	1 289	1 181
Other receivables	59	43	123
Prepaid expenses and accrued income	40	41	38
Cash and cash equivalents	1 003	983	1 297
Total current assets	3 610	3 043	3 425
Total assets	10 496	8 776	9 848
Equity attributable to Parent Company's shareholders	7 824	6 452	7 559
Total shareholders' equity	7 824	6 452	7 559
Interest-bearing liabilities	-	242	-
Provision for deferred tax	406	340	407
Provision for pensions	21	19	21
Total non-current liabilities	427	601	428
Interest-bearing liabilities	22	27	29
Accounts payable	1 753	1 259	1 405
Other liabilities	141	141	101
Accrued expenses, prepaid income, provisions	329	296	326
Total current liabilities	2 245	1 723	1 861
Total shareholders' equity and liabilities	10 496	8 776	9 848

Consolidated changes in shareholders' equity

	Mar 31, 2017		Mar 31, 2016		Dec 31, 2016	
MSEK	Attributable to Parent Company shareholders	Total equity	Attributable to Parent Company shareholders	Total equity	Attributable to Parent Company shareholders	Total equity
Opening equity	7 559	7 559	6 233	6 233	6 233	6 233
Comprehensive income	265	265	219	219	1 898	1 898
Issue of subscription w arrants	-	-	-	-	13	13
Dividend	-	-	-	-	-585	-585
Closing Equity	7 824	7 824	6 452	6 452	7 559	7 559

Changes in number of shares

	Total number of Class A shares	Total number of Class B shares	Total number of shares
Number of shares at January 1	14 765 620	329 435 660	344 201 280
Number of shares at the end of the period	14 765 620	329 435 660	344 201 280

The Annual General Meeting in April 2016, resolved to implement an incentive program (2016/2020) for the senior executives and key employees through a directed issue of maximum 2,100,000 subscription warrants. During 2016, 1,408,000 subscription warrants has been subscribed for by 39 senior executives and key employees. The issue rate was SEK 9 per subscription warrant and every warrant give the right to subscribe for a new share at subscription rate SEK 89.20.

Condensed consolidated cash-flow statement

	Jan-Mar		Full Year	Apr 16-
MSEK	2017	2016	2016	Mar 17
Cash flow from operating activities before changes in working capital	528	513	1 640	1 655
Changes in working capital	-121	-202	70	151
Cash flow from operating activities	407	311	1 710	1 806
Acquisitions	-636	-	-295	-931
Cash flow from other investing activities	-34	-27	-150	-157
Cash flow from investing activities	-670	-27	-445	-1 088
Dividend	-	-	-585	-585
Issue of subscription warrants	-	-	13	13
Cash flow from other financing activities	-7	-253	-503	-257
Cash flow from financing activities	-7	-253	-1 075	-829
Change in cash and cash equivalents	-270	31	190	-111
Cash and cash equivalents at January 1	1 297	978	978	1 297
Exchange-rate differences in cash and cash equivalents	-24	-26	129	131
Cash and cash equivalents at the end of the period	1 003	983	1 297	1 317

Operating cash flow, Group

	Jan-Mar		Full Year	Apr 16-
MSEK	2017	2016	2016	Mar 17
Operating profit	532	497	1 921	1 956
Depreciation/amortisation/impairment	58	57	216	217
Change in working capital	-121	-202	70	151
Sales of fixed assets	0	0	16	16
Investments	-34	-27	-166	-173
Operating Cash flow	435	325	2 057	2 167

Other key figures, Group

	Jan-Mar		Full Year	Apr 16-
	2017	2016	2016	Mar 17
Profit margin before tax, %	16,9	17,9	17,6	17,3
Return on shareholders' equity, % R12	19,8	23,1	20,5	
Interest-coverage ratio, multiple	266	248	192	196
Net cash, MSEK	981	714	1 268	
Sales growth adjusted for currency effects, %	10	-7	-4	
Sales growth adjusted for currency effects and acquisitions, %	5	-7	-6	
Cash flow per share, SEK	1,18	0,90	4,97	5,25
Cash flow per share before change in working capital, SEK	1,53	1,49	4,76	4,80

Financial instruments per category and measurement level

		Financial assets measured at fair value through profit or loss		
Mar 31, 2017				
MSEK	Loans and accounts receivable	Carrying value	Measurement level	Total
Assets in the balance sheet				
Derivative instruments	-	-	2	-
Non-current financial assets	1	-		1
Accounts receivable	1 651	-		1 651
Cash and cash equivalents	1 003	-		1 003
Total	2 655	0		2 655

		Financial liabilities measured at fair value through profit or loss		
MSEK	Other financial liabilities	Carrying value	Measurement level	Total
Liabilities in the balance sheet				
Derivative instruments	-	3	2	3
Interest-bearing non-current liabilities	-	-		0
Interest-bearing current liabilities	22	-		22
Accounts payable	1 753	-		1 753
Total	1 775	3		1 778

		Financial assets measured at fair value through profit or loss		
Mar 31, 2016				
MSEK	Loans and accounts receivable	Carrying value	Measurement level	Total
Assets in the balance sheet				
Derivative instruments	-	0	2	0
Non-current financial assets	1	-		1
Accounts receivable	1 289	-		1 289
Cash and cash equivalents	983	-		983
Total	2 273	0		2 273

		Financial liabilities measured at fair value through profit or loss		
MSEK	Other financial liabilities	Carrying value	Measurement level	Total
Liabilities in the balance sheet				
Derivative instruments	-	1	2	1
Interest-bearing non-current liabilities	242	-		242
Interest-bearing current liabilities	27	-		27
Accounts payable	1 259	-		1 259
Total	1 528	1		1 529

Derivatives consist of currency forward contracts and are used for hedging purposes and are measured at the level 2. Fair value for other financial assets and liabilities are consistent in all material respects with the accounting value in the balance sheet.

Quarterly data, Group

Sales per business area

	2017	2016					Full	Apr 16-	2015				Full
MSEK	Q1	Q1	Q2	Q3	Q4	Year	Year	Mar 17	Q1	Q2	Q3	Q4	Year
HEXPOL Compounding	2 910	2 550	2 414	2 531	2 533	10 028	10 028	10 388	2 744	2 699	2 566	2 393	10 402
HEXPOL Engineered Products	228	207	213	211	220	851	851	872	207	211	206	203	827
Group total	3 138	2 757	2 627	2 742	2 753	10 879	10 879	11 260	2 951	2 910	2 772	2 596	11 229

Sales per geographic region

	2017	2016					Full	Apr 16-	2015				Full
MSEK	Q1	Q1	Q2	Q3	Q4	Year	Year	Mar 17	Q1	Q2	Q3	Q4	Year
Europe	969	780	828	842	818	3 268	3 268	3 457	850	808	763	715	3 136
NAFTA	2 021	1 851	1 688	1 770	1 768	7 077	7 077	7 247	1 963	1 964	1 881	1 730	7 538
Asia	148	126	111	130	167	534	534	556	138	138	128	151	555
Group total	3 138	2 757	2 627	2 742	2 753	10 879	10 879	11 260	2 951	2 910	2 772	2 596	11 229

Operating profit per business area

	2017	2016					Full	Apr 16-	2015				Full
MSEK	Q1	Q1	Q2	Q3	Q4	Year	Year	Mar 17	Q1	Q2	Q3	Q4	Year
HEXPOL Compounding	505	473	435	444	454	1 806	1 806	1 838	473	482	476	428	1 859
HEXPOL Engineered Products	27	24	30	31	30	115	115	118	22	26	29	28	105
Group total	532	497	465	475	484	1 921	1 921	1 956	495	508	505	456	1 964

Operating margin per business area

	2017	2016					Full	Apr 16-	2015				Full
%	Q1	Q1	Q2	Q3	Q4	Year	Year	Mar 17	Q1	Q2	Q3	Q4	Year
HEXPOL Compounding	17,4	18,5	18,0	17,5	17,9	18,0	18,0	17,7	17,2	17,9	18,6	17,9	17,9
HEXPOL Engineered Products	11,8	11,6	14,1	14,7	13,6	13,5	13,5	13,5	10,6	12,3	14,1	13,8	12,7
Group total	17,0	18,0	17,7	17,3	17,6	17,7	17,7	17,4	16,8	17,5	18,2	17,6	17,5

Condensed income statement, Parent Company

	Jan-Mar	Full Year	Apr 16-
MSEK	2017	2016	Mar 17
Sales	10	10	42
Administrative costs, etc.	-14	-17	-65
Operating loss	-4	-7	-23
Financial income and expenses	2	27	1 197
Untaxed reserves	0	-	-32
Profit before tax	-2	20	1 164
Tax	0	0	-21
Profit after tax	-2	20	1 121

Condensed balance sheet, Parent Company

	Mar 31	Full Year
MSEK	2017	2016
Fixed assets	6 359	4 997
Current assets	2 149	2 565
Total assets	8 508	7 562
Total shareholders' equity	3 733	3 735
Untaxed reserves	32	32
Non-current liabilities	-	-
Current liabilities	4 743	4 474
Total shareholders' equity and liabilities	8 508	8 241

Reconciliation alternative performance measures

Sales

	2017	2016					2015				
MSEK	Q1	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Sales	3 138	2 757	2 627	2 742	2 753	10 879	2 951	2 910	2 772	2 596	11 229
Currency effects	118	18	-56	6	142	110	436	401	317	198	1 352
Sales excluding currency effects	3 020	2 739	2 683	2 736	2 611	10 769	2 515	2 509	2 455	2 398	9 877
Acquisitions	128	-	38	111	110	259	427	405	334	265	1 431
Sales excluding currency effects and acquisitions	2 892	2 739	2 645	2 625	2 501	10 510	2 088	2 104	2 121	2 133	8 446

Sales growth

	Jan-Mar	Full Year	
%	2017	2016	2016
Sales growth excluding currency effects	10	-7	-4
Sales growth excluding currency effects and acquisitions	5	-7	-6

Capital employed

	2017	2016					2015			
MSEK	Mar 31	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31	
Total assets	10 496	8 776	9 355	9 451	9 848	9 261	9 033	8 944	8 723	
Provision for deferred tax	-406	-340	-356	-338	-407	-277	-271	-274	-349	
Accounts payable	-1 753	-1 259	-1 358	-1 431	-1 405	-1 375	-1 378	-1 339	-1 210	
Other liabilities	-141	-141	-69	-119	-101	-203	-147	-107	-63	
Accrued expenses, prepaid income, provisions	-329	-296	-353	-386	-326	-384	-406	-409	-325	
Total Group	7 867	6 740	7 219	7 177	7 609	7 022	6 831	6 815	6 776	

Return on capital employed, R12

	Mar 31	Full Year	
MSEK	2017	2016	2016
Average capital employed	7 468	6 791	7 186
Profit before tax	1 948	1 947	1 913
Interest expense	10	14	10
Total	1 958	1 961	1 923
Return on capital employed, %	26,2	28,9	26,8

Shareholders' equity

	2017	2016					2015			
MSEK	Mar 31	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31	
Shareholders' equity	7 824	6 452	6 414	6 879	7 559	5 805	5 532	5 976	6 233	

Return on equity, R12

	Mar 31	Full Year	
MSEK	2017	2016	2016
Average shareholders' equity	7 169	6 048	6 826
Profit after tax	1 421	1 396	1 397
Return on equity, %	19,8	23,1	20,5

Net cash

	Mar 31	Full Year	
MSEK	2017	2016	2016
Cash and cash equivalents	1 003	983	1 297
Non-current interest-bearing liabilities	-	-242	0
Current interest-bearing liabilities	-22	-27	-29
Net cash	981	714	1 268

Equity/assets ratio

	Mar 31	Full Year	
MSEK	2017	2016	2016
Shareholders' equity	7 824	6 452	7 559
Total assets	10 496	8 776	9 848
Equity/assets ratio, %	75	74	77

Financial definitions

Average capital employed	Average of the last four quarters capital employed.
Average shareholders' equity	Average of the last four quarters shareholders' equity.
Capital employed	Total assets less deferred tax liabilities, accounts payable, other liabilities and accrued expenses, prepaid income and provisions.
Cash flow	Cash flow from operating activities.
Cash flow per share	Cash flow from operating activities in relation to the average number of shares outstanding.
Cash flow per share before changes in working capital	Cash flow from operating activities before changes in working capital in relation to the average number of shares outstanding.
Earnings per share	Profit after tax, in relation to the average number of shares outstanding.
EBIT	Operating profit.
EBITDA	Operating profit excluding depreciation, amortisation and impairment of tangible and intangible assets.
Equity/assets ratio	Shareholders' equity in relation to total assets.
Interest-coverage ratio	Profit before tax plus interest expenses in relation to interest expenses.
Net debt, net cash	Non-current and current interest-bearing liabilities less cash and cash equivalents.
Operating cash flow	Operating profit excluding depreciation, amortisation and impairment of tangible and intangible assets, less investments and plus sales of tangible and intangible assets, and after changes in working capital.
Operating margin	Operating profit in relation to the sales.
Other investing activities	Investments and sales of intangible and tangible assets.
Profit margin before tax	Profit before tax in relation to the sales.
Return on capital employed, R12	Twelve months profit before tax plus twelve months interest expenses in relation to average capital employed.
Return on equity, R12	Twelve months profit after tax in relation to average shareholders' equity.
R12	Rolling twelve months average.
Sales growth excluding currency effects	Sales excluding currency effects compared to the sales for the corresponding year-earlier period.
Sales growth excluding currency effects and acquisitions	Sales excluding currency effects and acquisitions compared to the sales for the corresponding year-earlier period.
Shareholders' equity per share	Shareholders' equity in relation to the number of shares outstanding at the end of the period.