

Interim report January-March 2018

Published on April 24, 2018

First quarter 2018 – Increased sales and higher result

- Sales increased 5 per cent to 3,309 MSEK (3,138).
- Operating profit increased to 540 MSEK (532).
- Operating margin amounted to 16.3 per cent (17.0).
- Profit after tax increased 8 per cent to 411 MSEK (379).
- Earnings per share increased 8 per cent to 1.19 SEK (1.10).
- Operating cash flow amounted to 302 MSEK (435).

President's comments

"The first quarter of 2018 was another strong quarter – our best quarter to date for both sales and operating profit. The sales increased 5 per cent to 3,309 MSEK and the volume development was positive with higher volumes in Europe and Asia and stable volumes in NAFTA. The sales have been affected positively by the fact that the sales prices have been higher, since the prices on our main raw materials have increased. The sales to automotive related customers were still good and improved to customers within engineering and general industry and the construction industry. Currency effects had a negative impact on both sales and operating profit. Operating profit increased to 540 MSEK and compared with the last three quarters in 2017 the operating margin increased from 16.0 to 16.3 per cent. Earnings per share increased 8 per cent to 1.19 SEK (1.10). Our financial position remains strong and with a net cash of 267 MSEK we are well equipped for further expansion."

Mikael Fryklund, President and CEO

Group summary

Key figures MSEK	Jan -Mar 2018	2017	Full Year 2017	Apr 17- Mar 18
Sales	3 309	3 138	12 230	12 401
Operating profit, EBIT	540	532	1 986	1 994
Operating margin, %	16,3	17,0	16,2	16,1
Profit before tax	540	529	1 968	1 979
Profit after tax	411	379	1 527	1 559
Earnings per share before dilution, SEK	1,19	1,10	4,44	4,53
Earnings per share after dilution, SEK	1,19	1,10	4,44	4,53
Earnings per share excl. non-recurring effects of the US tax reform, SEK	1,19	1,10	4,13	4,22
Equity/assets ratio, %	68	75	68	
Return on capital employed, % R12	24,7	26,2	25,1	
Operating cash flow	302	435	2 001	1 868

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 2017 amounted to 12,230 MSEK. The HEXPOL Group has approximately 4,400 employees in eleven countries. Further information is available at www.hexpol.com.

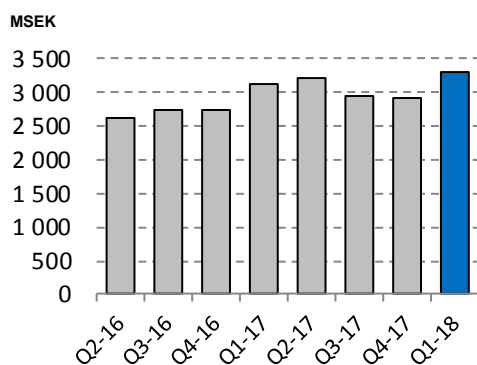
First quarter of 2018

The HEXPOL Group's sales increased 5 per cent to 3,309 MSEK (3,138) during the quarter. Exchange rate fluctuations affected the overall sales negatively by 153 MSEK, mainly due to a weakening of the USD and a strengthening of the EUR.

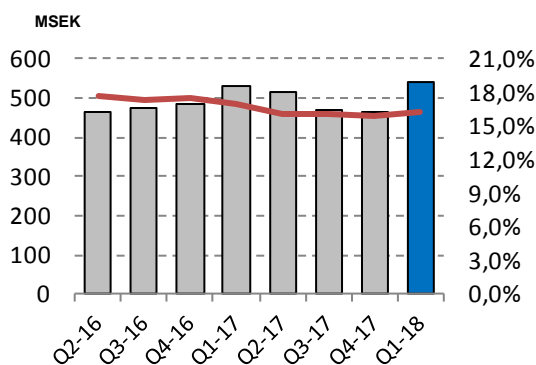
The volume development was positive and the sales growth (adjusted for currency effects), amounted to 10 per cent. Sales growth (adjusted for currency effects and acquisitions) amounted to 4 per cent. The sales have been positively affected by the fact that the sales prices have been higher, since the prices on our main raw materials have increased.

Operating profit increased to 540 MSEK (532) and the operating margin amounted to 16.3 per cent (17.0). Compared with the last three quarters in 2017 the operating margin increased from 16.0 to 16.3 per cent. Exchange rate fluctuations had a negative impact of 32 MSEK on operating profit for the quarter.

Sales



Operating profit & operating margin



The HEXPOL Compounding business area's sales increased 5 per cent to 3,057 MSEK (2,910) during the quarter. Operating profit amounted to 506 MSEK (505). The operating margin amounted to 16.6 per cent (17.4).

The HEXPOL Engineered Products business area's sales increased 11 per cent to 252 MSEK (228) during the quarter. Operating profit increased 26 per cent to 34 MSEK (27), and the operating margin improved to 13.5 per cent (11.8).

Sales in Europe (including Trelleborg Material & Mixing Lesina, acquired in March 2017), increased 20 per cent compared to the corresponding year earlier period. Also adjusted for acquired units the sales were higher in Europe compared to the corresponding year earlier period.

Sales in NAFTA (including Valley Processing, acquired in April 2017) decreased 3 per cent and sales in Asia increased 22 per cent compared to the corresponding year earlier period. Sales in NAFTA were affected by currency effects due to a weakening of the USD, in local currency the sales in NAFTA increased by 7 per cent compared to the corresponding year earlier period. Adjusted for both currency effects and acquisitions the sales in NAFTA increased.

The Group's operating cash flow amounted to 302 MSEK (435). The Group's net financial items amounted to 0 MSEK (expense: 3), which includes exchange rate gains.

Profit before tax increased to 540 MSEK (529). Profit after tax increased 8 per cent to 411 MSEK (379) and earnings per share increased to 1.19 SEK (1.10).

Profitability

The return on average capital employed, R12, amounted to 24.7 per cent (26.2). The return on shareholders' equity, R12, increased to 22.8 per cent (19.8).

Financial position and liquidity

The equity/assets ratio was still strong and amounted to 68 per cent (75). The Group's total assets amounted to 11,301 MSEK (10,496). Net cash amounted to 267 MSEK (981).

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 2020.

Cash flow

The operating cash flow amounted to 302 MSEK (435). Cash flow from operating activities amounted to 315 MSEK (407).

Investments, depreciation and amortisation

The Group's investments amounted to 50 MSEK (34) and are mainly attributable to maintenance investments and capacity investments within HEXPOL TPE Compounding. Depreciation, amortisation and impairment amounted to 61 MSEK (58).

Tax expenses

The Group's tax expenses was affected by lower tax rate in the US and amounted to 129 MSEK (150), which corresponds to a tax rate of 23.9 per cent (28.4).

Personnel

The number of employees at the end of the period was 4,376 (4,330).

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, transport industry, energy, oil and gas industry, general industry and consumer.

	Jan-Mar 2018	2017	Full Year 2017	Apr 17- Mar 18
MSEK				
Sales	3 057	2 910	11 326	11 473
Operating profit	506	505	1 873	1 874
Operating margin, %	16,6	17,4	16,5	16,3

HEXPOL Compounding's sales (including Trelleborg Material & Mixing Lesina and Valley Processing, acquired in 2017) increased 5 per cent to 3,057 MSEK (2,910), during the first quarter. The sales have been affected positively by the fact that the sales prices have been higher, since the prices on our main raw materials have increased.

Operating profit amounted to 506 MSEK (505) and the operating margin amounted to 16.6 per cent (17.4). Compared with the second half of 2017 the operating margin increased from 16.3 to 16.6 per cent.

The volume development was positive, with higher volumes in Europe and Asia and stable volumes in NAFTA. Overall the volumes were slightly lower adjusted for the acquired units Trelleborg Material & Mixing Lesina and Valley Processing.

HEXPOL Compounding NAFTA's sales increased, also excluding the acquired Valley Processing, during the quarter in local currency. However, affected by the weakened USD the sales were lower in SEK. The sales continued stable to automotive related customers. Sales improved to customers within engineering and general industry and within building and constructions. Sales to customers within oil and gas and mining sector have also improved, however from a low level.

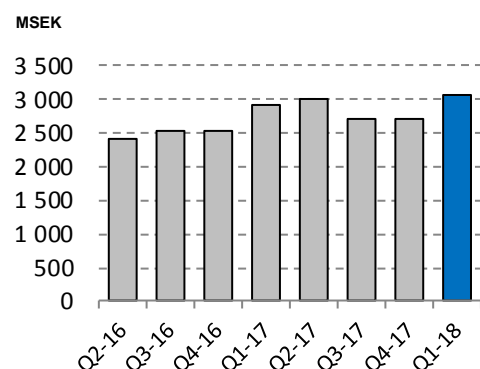
Sales in HEXPOL Compounding Europe increased, also excluding the acquired Trelleborg Material & Mixing Lesina, with stable sales to automotive related customers and improved sales to customers within engineering and general industry and within building and constructions.

HEXPOL Compounding Asia sales increased significantly during the quarter with increased sales to automotive related customers in China.

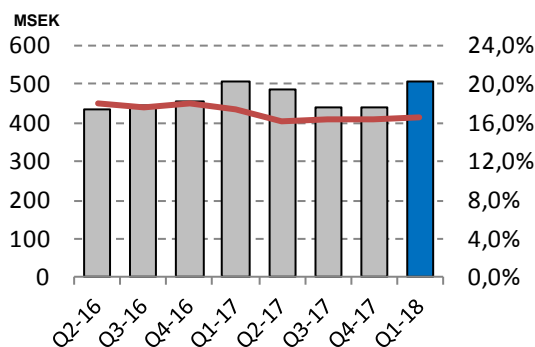
HEXPOL TPE Compounding developed positively during the quarter with significantly higher sales.

HEXPOL TP Compounding's sales developed also positively during the quarter with increased sales in local currency, mainly to automotive related customers. However, affected by the weakened USD the sales were lower in SEK.

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.

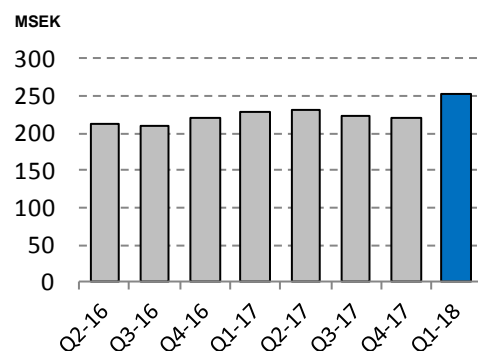
	Jan-Mar 2018	2017	Full Year 2017	Apr 17- Mar 18
MSEK				
Sales	252	228	904	928
Operating profit	34	27	113	120
Operating margin, %	13,5	11,8	12,5	12,9

The HEXPOL Engineered Products business area's sales increased 11 per cent to 252 MSEK (228) during the first quarter. Operating profit increased 26 per cent to 34 MSEK (27), and the operating margin improved to 13.5 per cent (11.8).

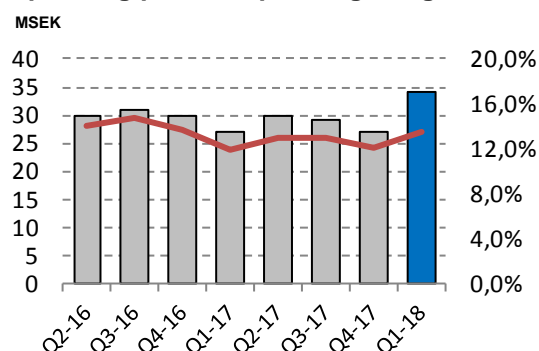
The sales for the HEXPOL Gaskets product area was higher compared to the corresponding year-earlier period, and the sales improved to project-related business, however from a low level.

Also the sales for HEXPOL Wheels product area increased, mainly to customers within material handling, compared to the corresponding year-earlier period. HEXPOL Wheels had a positive sales development in most units.

Sales



Operating profit & operating margin



Parent Company

The Parent Company's profit after tax amounted to 41 MSEK (negative 2), which include a dividend from subsidiary. Shareholders' equity amounted to 3,117 MSEK (3,733).

Risk factors

The Group's and Parent Company's business risks, risk management and management of financial risks are described in detail in the 2017 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

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. 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. The accounting and measurement policies, as well as the assessment bases, applied in the 2017 Annual Report have also been applied in this interim report. No new or revised IFRSs that came into force in 2018 have had any significant impact on the Group's financial reports. The Group is currently evaluating the effects of the introduction of the standard IFRS16 Leases.

IFRS 9 – Financial instruments

The introduction of the standard with a new model for calculating credit loss reserves have not had any significant impact on the company's financial statements as the Group has historically had few credit losses.

IFRS 15 – Revenue from Contracts with Customers

The Group's revenues consist mainly of one stream of revenues, sales of goods. The Group have one performance obligation for which revenues is reported at a time of delivery. The introduction of the standard has not had any significant impact on the company's financial statements. New information has been added where the company's revenues also are distributed geographically by segment.

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 13,780 shareholders on March 31, 2018. The largest shareholder is Melker Schörling AB with 25 per cent of the capital and 46 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.

Significant subsequent events

No significant events have occurred after the balance sheet date.

Annual General Meeting, April 24 2018

The Annual General Meeting will be held on April 24, 2018 at 3:00 p.m. CET in Malmö (Börshuset, Skeppsbron 2), Sweden. The Annual Report for 2017 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 1.95 SEK per share (4.75 SEK, consisting of an ordinary dividend of 1.75 SEK and a special dividend of 3.00 SEK).

Proposal from the Nomination Committee

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

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

Invitation to the presentation of the report

This report will be presented via a telephone conference on April 24 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 2018 | April 24, 2018 |
| ▪ Half-year report January-June 2018 | July 18, 2018 |
| ▪ Interim report January-September 2018 | October 25, 2018 |

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

The interim report January-March 2018 has not been audited by HEXPOL AB's auditors.

Malmö, Sweden April 24, 2018
HEXPOL AB (publ.)

Mikael Fryklund
President and CEO

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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 24, 2018. 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 2018	2017	Full Year 2017	Apr 17- Mar 18
Sales	3 309	3 138	12 230	12 401
Cost of goods sold	-2 583	-2 436	-9 572	-9 719
Gross profit	726	702	2 658	2 682
Selling and administrative cost, etc.	-186	-170	-672	-688
Operating profit	540	532	1 986	1 994
Financial income and expenses	0	-3	-18	-15
Profit before tax	540	529	1 968	1 979
Tax	-129	-150	-441	-420
Profit after tax	411	379	1 527	1 559
- of which, attributable to Parent Company shareholders	411	379	1 527	1 559
Earnings per share before dilution, SEK	1,19	1,10	4,44	4,53
Earnings per share after dilution, SEK	1,19	1,10	4,44	4,53
Earnings per share excl. non-recurring effects of the US tax reform, SEK	1,19	1,10	4,13	4,22
Shareholders' equity per share, SEK	22,32	22,73	20,37	
Average number of shares, 000s	344 201	344 201	344 201	344 201
Depreciation, amortisation and impairment	-61	-58	-243	-246

Condensed statement of comprehensive income

MSEK	Jan-Mar 2018	2017	Full Year 2017	Apr 17- Mar 18
Profit after tax	411	379	1 527	1 559
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	-10	14	72	48
Income tax relating to items that may be reclassified to the income statement	2	-3	-16	-11
Translation differences	269	-125	-498	-104
Comprehensive income	672	265	1 084	1 491
- of which, attributable to Parent Company's shareholders	672	265	1 084	1 491

Condensed consolidated balance sheet

	Mar 31		Dec 31
MSEK	2018	2017	2017
Intangible fixed assets	5 365	4 978	5 227
Tangible fixed assets	1 792	1 811	1 751
Financial fixed assets	1	1	1
Deferred tax asset	73	96	69
Total fixed assets	7 231	6 886	7 048
Inventories	944	857	887
Accounts receivable	1 851	1 651	1 414
Other receivables	106	59	146
Prepaid expenses and accrued income	62	40	42
Cash and cash equivalents	1 107	1 003	813
Total current assets	4 070	3 610	3 302
Total assets	11 301	10 496	10 350
Equity attributable to Parent Company's shareholders	7 682	7 824	7 010
Total shareholders' equity	7 682	7 824	7 010
Interest-bearing liabilities	825	-	825
Provision for deferred tax	336	406	331
Provision for pensions	21	21	21
Total non-current liabilities	1 182	427	1 177
Interest-bearing liabilities	15	22	15
Accounts payable	1 879	1 753	1 626
Other liabilities	236	141	197
Accrued expenses, prepaid income, provisions	307	329	325
Total current liabilities	2 437	2 245	2 163
Total shareholders' equity and liabilities	11 301	10 496	10 350

Consolidated changes in shareholders' equity

	Mar 31, 2018		Mar 31, 2017		Dec 31, 2017	
MSEK	Attributable to Parent Company shareholders	Total equity	Attributable to Parent Company shareholders	Total equity	Attributable to Parent Company shareholders	Total equity
Opening equity	7 010	7 010	7 559	7 559	7 559	7 559
Comprehensive income	672	672	265	265	1 084	1 084
Issue of subscription warrants	-	-	-	-	2	2
Dividend	0	0	-	-	-1 635	-1 635
Closing Equity	7 682	7 682	7 824	7 824	7 010	7 010

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 were subscribed for by 39 senior executives and key employees. The issue rate was SEK 9 per subscription warrant and every warrant gives the right to subscribe for 1.01 new shares at subscription rate SEK 88.70, adjusted for special dividend in May 2017 according to the warrant terms. During 2017, 225,000 subscription warrants has been subscribed for by 1 senior executive, where the issue rate was SEK 9 per subscription warrant and every warrant gives the right to subscribe for 1.00 new share at subscription rate SEK 88.70.

Condensed consolidated cash-flow statement

	Jan-Mar	Full Year	Apr 17-	
MSEK	2018	2017	Mar 18	
Cash flow from operating activities before changes in working capital	564	528	1 732	1 768
Changes in working capital	-249	-121	-33	-161
Cash flow from operating activities	315	407	1 699	1 607
Acquisitions	-29	-636	-1 081	-474
Cash flow from other investing activities	-50	-34	-195	-211
Cash flow from investing activities	-79	-670	-1 276	-685
Dividend	-	-	-1 635	-1 635
Issue of subscription warrants	-	-	2	2
Cash flow from other financing activities	1	-7	810	818
Cash flow from financing activities	1	-7	-823	-815
Change in cash and cash equivalents	237	-270	-400	107
Cash and cash equivalents at January 1	813	1 297	1 297	1 003
Exchange-rate differences in cash and cash equivalents	57	-24	-84	-3
Cash and cash equivalents at the end of the period	1 107	1 003	813	1 107

Operating cash flow, Group

	Jan-Mar	Full Year	Apr 17-	
MSEK	2018	2017	2017 Mar 18	
Operating profit	540	532	1 986	1 994
Depreciation/amortisation/impairment	61	58	243	246
Change in working capital	-249	-121	-33	-161
Sales of fixed assets	0	0	4	4
Investments	-50	-34	-199	-215
Operating Cash flow	302	435	2 001	1 868

Other key figures, Group

	Jan-Mar	Full Year	Apr 17-	
	2018	2017	2017	Mar 18
Profit margin before tax, %	16,3	16,9	16,1	16,0
Return on shareholders' equity, % R12	22,8	19,8	22,2	
Interest-coverage ratio, multiple	109	266	152	125
Net cash, MSEK	267	981	-27	
Sales growth adjusted for currency effects, %	10	10	12	
Sales growth adjusted for currency effects and acquisitions, %	4	5	5	
Cash flow per share, SEK	0,92	1,18	4,94	4,68
Cash flow per share before change in working capital, SEK	1,64	1,53	5,03	5,14

Financial instruments per category and measurement level

		Financial assets measured at fair value through profit or loss		
Mar 31, 2018				
MSEK	Loan and account receivables	Carrying value	Measurement level	Total
Assets in the balance sheet				
Derivative instruments	-	2	2	2
Non-current financial assets	1	-		1
Accounts receivable	1 851	-		1 851
Cash and cash equivalents	1 107	-		1 107
Total	2 959	2		2 961

		Financial liabilities measured at fair value through profit or loss		
MSEK				
	Other financial liabilities	Carrying value	Measurement level	Total
Liabilities in the balance sheet				
Interest-bearing non-current liabilities	825	-		825
Interest-bearing current liabilities	15	-		15
Accounts payable	1 879	-		1 879
Other liabilities	236	-		236
Total	2 955	-		2 955

		Financial assets measured at fair value through profit or loss		
Mar 31, 2017				
MSEK	Loan and account receivables	Carrying value	Measurement level	Total
Assets in the balance sheet				
Non-current financial assets	1	-		1
Accounts receivable	1 651	-		1 651
Cash and cash equivalents	1 003	-		1 003
Total	2 655	-		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 current liabilities	22	-		22
Accounts payable	1 753	-		1 753
Other liabilities	141	-		141
Total	1 916	3		1 919

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

	2018	2017					Full	Apr 17-	2016				Full
MSEK	Q1	Q1	Q2	Q3	Q4	Year	Year	Mar 18	Q1	Q2	Q3	Q4	Year
HEXPOL Compounding	3 057	2 910	2 999	2 713	2 704	11 326	11 326	11 473	2 550	2 414	2 531	2 533	10 028
HEXPOL Engineered Products	252	228	231	223	222	904	904	928	207	213	211	220	851
Group total	3 309	3 138	3 230	2 936	2 926	12 230	12 230	12 401	2 757	2 627	2 742	2 753	10 879

Sales per geographic region

	2018	2017					Full	Apr 17-	2016				Full
MSEK	Q1	Q1	Q2	Q3	Q4	Year	Year	Mar 18	Q1	Q2	Q3	Q4	Year
Europe	1 162	969	1 072	995	1 006	4 042	4 042	4 235	780	828	842	818	3 268
NAFTA	1 967	2 021	2 025	1 784	1 737	7 567	7 567	7 513	1 851	1 688	1 770	1 768	7 077
Asia	180	148	133	157	183	621	621	653	126	111	130	167	534
Group total	3 309	3 138	3 230	2 936	2 926	12 230	12 230	12 401	2 757	2 627	2 742	2 753	10 879

Sales per geographic region HEXPOL Compounding

	2018	2017					Full	Apr 17-	2016				Full
MSEK	Q1	Q1	Q2	Q3	Q4	year	year	Mar 18	Q1	Q2	Q3	Q4	Year
Europe	1 031	852	954	883	886	3 575	3 575	3 754	669	714	739	704	2 826
NAFTA	1 903	1 957	1 961	1 728	1 681	7 327	7 327	7 273	1 793	1 633	1 713	1 711	6 850
Asia	123	101	84	102	137	424	424	446	88	67	79	118	352
Group total	3 057	2 910	2 999	2 713	2 704	11 326	11 326	11 473	2 550	2 414	2 531	2 533	10 028

Sales per geographic region HEXPOL Engineered Products

	2018	2017					Full	Apr 17-	2016				Full
MSEK	Q1	Q1	Q2	Q3	Q4	year	year	Mar 18	Q1	Q2	Q3	Q4	Year
Europe	131	117	118	112	120	467	467	481	111	114	103	114	442
NAFTA	64	64	64	56	56	240	240	240	58	55	57	57	227
Asia	57	47	49	55	46	197	197	207	38	44	51	49	182
Group total	252	228	231	223	222	904	904	928	207	213	211	220	851

Operating profit per business area

	2018	2017					Full	Apr 17-	2016				Full
MSEK	Q1	Q1	Q2	Q3	Q4	Year	Year	Mar 18	Q1	Q2	Q3	Q4	Year
HEXPOL Compounding	506	505	487	441	440	1 873	1 873	1 874	473	435	444	454	1 806
HEXPOL Engineered Products	34	27	30	29	27	113	113	120	24	30	31	30	115
Group total	540	532	517	470	467	1 986	1 986	1 994	497	465	475	484	1 921

Operating margin per business area

	2018	2017					Full	Apr 17-	2016				Full
%	Q1	Q1	Q2	Q3	Q4	Year	Year	Mar 18	Q1	Q2	Q3	Q4	Year
HEXPOL Compounding	16,6	17,4	16,2	16,3	16,3	16,5	16,5	16,3	18,5	18,0	17,5	17,9	18,0
HEXPOL Engineered Products	13,5	11,8	13,0	13,0	12,2	12,5	12,5	12,9	11,6	14,1	14,7	13,6	13,5
Group total	16,3	17,0	16,0	16,0	16,0	16,2	16,2	16,1	18,0	17,7	17,3	17,6	17,7

Condensed income statement, Parent Company

	Jan-Mar		Full Year	Apr 17-
MSEK	2018	2017	2017	Mar 18
Sales	11	10	42	43
Administrative costs, etc.	-19	-14	-57	-62
Operating loss	-8	-4	-15	-19
Financial income and expenses	48	2	1 039	1 085
Untaxed reserves	0	0	-29	-29
Profit before tax	40	-2	995	1 037
Tax	1	0	-20	-19
Profit after tax	41	-2	975	1 018

Condensed balance sheet, Parent Company

	Mar 31		Full Year
MSEK	2018	2017	2017
Fixed assets	6 324	6 359	6 314
Current assets	1 841	2 149	1 506
Total assets	8 165	8 508	7 820
Total shareholders' equity	3 117	3 733	3 075
Untaxed reserves	61	32	61
Non-current liabilities	825	-	825
Current liabilities	4 162	4 743	3 859
Total shareholders' equity and liabilities	8 165	8 508	7 820

Reconciliation alternative performance measures

Sales

	2018	2017					2016				
MSEK	Q1	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Sales	3 309	3 138	3 230	2 936	2 926	12 230	2 757	2 627	2 742	2 753	10 879
Currency effects	-153	118	162	-106	-169	5	18	-56	6	142	110
Sales excluding currency effects	3 462	3 020	3 068	3 042	3 095	12 225	2 739	2 683	2 736	2 611	10 769
Acquisitions	210	128	286	182	186	782	-	38	111	110	259
Sales excluding currency effects and acquisitions	3 252	2 892	2 782	2 860	2 909	11 443	2 739	2 645	2 625	2 501	10 510

Sales growth

	Jan-Mar	Full Year	
%	2018	2017	2017
Sales growth excluding currency effects	10	10	12
Sales growth excluding currency effects and acquisitions	4	5	5

Capital employed

	2018	2017				2016			
MSEK	Mar 31	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31
Total assets	11 301	10 496	10 594	10 550	10 350	8 776	9 355	9 451	9 848
Provision for deferred tax	-336	-406	-388	-396	-331	-340	-356	-338	-407
Accounts payable	-1 879	-1 753	-1 694	-1 603	-1 626	-1 259	-1 358	-1 431	-1 405
Other liabilities	-236	-141	-241	-252	-197	-141	-69	-119	-101
Accrued expenses, prepaid income, provisions	-307	-329	-344	-371	-325	-296	-353	-386	-326
Total Group	8 543	7 867	7 927	7 928	7 871	6 740	7 219	7 177	7 609

Return on capital employed, R12

	Jan-Mar	Full Year	
MSEK	2018	2017	2017
Average capital employed	8 067	7 468	7 898
Profit before tax	1 979	1 948	1 968
Interest expense	16	10	13
Total	1 995	1 958	1 981
Return on capital employed, %	24,7	26,2	25,1

Shareholders' equity

	2018	2017				2016			
MSEK	Mar 31	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31
Shareholders' equity	7 682	7 824	6 295	6 353	7 010	6 452	6 414	6 879	7 559

Return on equity, R12

	Jan-Mar		Full
MSEK	2018	2017	Year 2017
Average shareholders' equity	6 835	7 169	6 871
Profit after tax	1 559	1 421	1 527
Return on equity, %	22,8	19,8	22,2

Net cash

	Mar 31		Full
MSEK	2018	2017	Year 2017
Cash and cash equivalents	1 107	1 003	813
Non-current interest-bearing liabilities	-825	-	-825
Current interest-bearing liabilities	-15	-22	-15
Net cash	267	981	-27

Equity/assets ratio

	Mar 31		Full
MSEK	2018	2017	Year 2017
Shareholders' equity	7 682	7 824	7 010
Total assets	11 301	10 496	10 350
Equity/assets ratio, %	68	75	68

Profit after tax excl. non-recurring effects

	Jan-Mar		Full
MSEK	2018	2017	Year 2017
Profit after tax	411	379	1 527
Non-recurring effects of US tax reform	-	-	104
Profit after tax excl. non-recurring effects	411	379	1 423

Earnings per share excl. non-recurring effects

	Jan-Mar		Full Year
MSEK	2018	2017	2017
Profit after tax excl. non-recurring effects	411	379	1 423
Number of shares, end of period	344 201 280	344 201 280	344 201 280
Earnings per share excl. non-recurring effects	1,19	1,10	4,13

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.
Earnings per share after dilution	Profit after tax, in relation to the average number of shares outstanding adjusted for the dilution effect of warrants.
Earnings per share excl. non-recurring effects	Profit after tax excluding non-recurring effects, 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 excl. non-recurring effects	Profit after tax excluding non-recurring effects.
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.