

Interim report January-September 2019

Published on October 24, 2019

Third quarter 2019 – Increased sales and significant strategic acquisition

- Sales increased 23 per cent to 4,244 MSEK (3,443).
- Operating profit, excl. non-recurring items, increased 11 per cent to 583 MSEK (527).
- Operating margin, excl. non-recurring items, amounted to 13.7 per cent (15.3).
- Profit after tax amounted to 355 MSEK (404).
- Earnings per share, excl. non-recurring items, increased to 1.27 SEK (1.17). Earnings per share including these items amounted to 1.03 SEK (1.17).
- Operating cash flow increased to 812 MSEK (516).
- July 1st Preferred Compounding, a notable Rubber Compounder in North America, was acquired.
- Non-recurring items, before tax, amounted to 100 MSEK.

Jan-Sep 2019 – Increased sales and significant strategic acquisition

- Sales increased 15 per cent to 11,734 MSEK (10,213).
- Operating profit, excl. non-recurring items, increased 6 per cent to 1,720 MSEK (1,628).
- Operating margin, excl. non-recurring items, amounted to 14.7 per cent (15.9).
- Profit after tax amounted to 1,206 MSEK (1,241).
- Earnings per share, excl. non-recurring items, increased 4 per cent to 3.74 SEK (3.61). Earnings per share including these items amounted to 3.50 SEK (3.61).
- Operating cash flow increased to 1,875 MSEK (1,340).

President's comments

"The sales increased 23 per cent and operating profit, excl. non-recurring items, increased 11 per cent in the third quarter 2019. The sales increased sharply, thanks to the acquisitions, mainly Preferred Compounding, but also Mesgo Group and Kirkill Rubber. However, organically we had a negative sales development in the quarter and saw consequently a continued softening in demand. We are very pleased with the acquisition of Preferred Compounding and together we will be able to continue to develop our compounding business in America. Following the integration at Preferred Compounding has a restructuring project been initiated in order to optimize the operations and extract cost synergies. The sales increased 15 per cent and earnings per share, excl. non-recurring items increased by 4 per cent, during January-September 2019. Operating cash flow was strong and increased by 40 per cent. Our financial position remains strong and we are well equipped for further expansion."

Mikael Fryklund, President and CEO

Group summary

Key figures	Jul-Sep		Jan-Sep		Full Year	Oct 18-
MSEK	2019	2018	2019	2018	2018	Sep 19
Sales	4 244	3 443	11 734	10 213	13 770	15 291
EBITA, excl. non-recurring items	604	535	1 777	1 650	2 183	2 310
EBITA margin, excl. non-recurring items, %	14,2	15,5	15,1	16,2	15,9	15,1
EBITA	504	535	1 677	1 650	2 183	2 210
EBITA margin, %	11,9	15,5	14,3	16,2	15,9	14,5
Operating profit, excl. non-recurring items	583	527	1 720	1 628	2 150	2 242
Operating margin, excl. non-recurring items, %	13,7	15,3	14,7	15,9	15,6	14,7
Operating profit, EBIT	483	527	1 620	1 628	2 150	2 142
Operating margin, EBIT %	11,4	15,3	13,8	15,9	15,6	14,0
Profit before tax	474	531	1 604	1 633	2 161	2 132
Profit after tax	355	404	1 206	1 241	1 646	1 611
Earnings per share, excl. non-recurring items, SEK	1,27	1,17	3,74	3,61	4,78	4,91
Earnings per share after dilution, SEK	1,03	1,17	3,50	3,61	4,78	4,67
Equity/assets ratio, %			53	64	59	
Return on capital employed, % R12			16,9	24,0	22,5	
Operating cash flow	812	516	1 875	1 340	2 019	2 554

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 2018 amounted to 13,770 MSEK. The HEXPOL Group has approximately 5,100 employees in fourteen countries. Further information is available at www.hexpol.com.

Third quarter of 2019

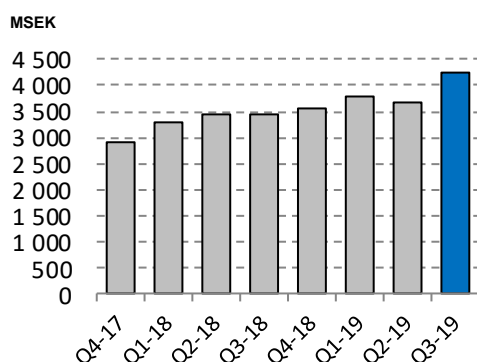
The HEXPOL Group's sales (incl. the acquired operations of Kirkhill Rubber, Mesgo Group, and Preferred Compounding) increased by 23 per cent to 4,244 MSEK (3,443) during the quarter. Acquisitions increased the sales by 26 per cent, exchange rate fluctuations by 5 per cent, while the organic sales decreased by 8 per cent.

Operating profit, excl. non-recurring items, increased 11 per cent to 583 MSEK (527) which means that the corresponding operating margin amounted to 13.7 per cent (15.3). The operating margin was affected by lower organic volume, acquisitions, mix changes and amortisation of acquired intangible assets. Operating profit amounted to 483 MSEK (527). Operating profit before amortisation of intangible assets and excluding non-recurring items, EBITA, increased 13 per cent to 604 MSEK (535), which means that the corresponding EBITA margin amounted to 14.2 per cent (15.5). Exchange rate fluctuations affected the operating profit positively by 22 MSEK in the quarter.

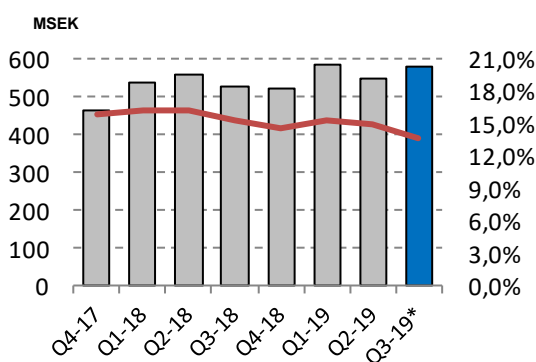
July 1st, Preferred Compounding, a notable Rubber Compounder in North America, was acquired. Preferred Compounding had sales in 2018 of approximately 240 MUSD and around 540 employees in six facilities, five in the US and one in Mexico. The acquisition strengthens our global positions within advanced polymer compounds with improved supply chain, cutting-edge expertise in polymer materials and solid knowledge of applications.

Non-recurring items, referring mainly to integration- and restructuring costs, but also acquisition- and legal expenses, amounted to 100 MSEK.

Sales



Operating profit & operating margin



*Excl. non-recurring items

The HEXPOL Compounding business area's sales (incl. the acquired operations of Kirkhill Rubber, Mesgo Group and Preferred Compounding) increased 25 per cent to 3,984 MSEK (3,180) during the quarter. Operating profit, excl. non-recurring items, increased 12 per cent to 547 MSEK (488) and the corresponding operating margin amounted to 13.7 per cent (15.3). Operating profit amounted to 447 MSEK (488).

The HEXPOL Engineered Products business area's sales were stable and amounted to 260 MSEK (263) during the quarter. Operating profit amounted to 36 MSEK (39), and the operating margin amounted to 13.8 per cent (14.8).

Sales in Europe increased by 22 per cent and in Americas by 27 per cent, while the sales decreased by 8 per cent in Asia compared to the corresponding year earlier period.

The Group's operating cash flow increased to 812 MSEK (516). The Group's net financial items amounted to an expense of 9 MSEK (4).

Profit before tax amounted to 474 MSEK (531). Profit after tax amounted to 355 MSEK (404) and earnings per share amounted to 1.03 SEK (1.17). Earnings per share, excl. non-recurring items, increased by 9 per cent to 1.27 SEK (1.17).

January - September 2019

The HEXPOL Group's sales (incl. the acquired operations of Kirkhill Rubber, Mesgo Group and Preferred Compounding) increased 15 per cent to 11,734 MSEK (10,213) during the period. Acquisitions increased the sales by 16 per cent and exchange rate fluctuations by 7 per cent, while the organic sales decreased by 8 per cent.

The volume was higher including the acquired operations of Kirkhill Rubber, Mesgo Group and Preferred Compounding.

Operating profit, excl. non-recurring items, increased 6 per cent to 1,720 MSEK (1,628), which means the corresponding operating margin amounted to 14.7 per cent (15.9). The operating margin was affected by lower organic volume, acquisitions, mix changes and amortisation of acquired intangible assets.

Operating profit amounted to 1,620 SEK (1,628). Operating profit before amortisation of intangible assets and excl. non-recurring items, EBITA, increased by 8 per cent to 1,777 MSEK (1,650), which means that the corresponding EBITA margin amounted to 15.1 per cent (16.2). Exchange rate fluctuations affected the operating profit positively by 103 MSEK during the period.

Non-recurring items, acquisition-, integration-, restructuring- and legal costs, amounted to 100 MSEK and were reported during the third quarter and refers to HEXPOL Compounding.

The HEXPOL Compounding business area's sales (incl. the acquired operations of Kirkhill Rubber, Mesgo Group, and Preferred Compounding) increased 16 per cent to 10,941 MSEK (9,444) during the period. Operating profit, excl. non-recurring items, increased 6 per cent to 1,616 MSEK (1,520), which means that the corresponding operating margin amounted to 14.8 per cent (16.1). Operating profit amounted to 1,516 MSEK (1,520).

The HEXPOL Engineered Products business area's sales increased 3 per cent to 793 MSEK (769) during the period. Operating profit amounted to 104 MSEK (108), and the operating margin amounted to 13.1 per cent (14.0).

Sales in Europe increased by 25 per cent and in Americas by 11 per cent, while the sales decreased by 6 per cent in Asia compared to the corresponding year earlier period.

The Group's operating cash flow increased to 1,875 MSEK (1,340) during the period. The Group's net financial items amounted to an expense of 16 MSEK (5).

Profit before tax amounted to 1,604 MSEK (1,633) during the period. Profit after tax amounted to 1,206 MSEK (1,241) and earnings per share amounted to 3.50 SEK (3.61). Earnings per share, excl. non-recurring items, increased 4 per cent to 3.74 SEK (3.61).

Profitability

The return on average capital employed, R12, amounted to 16.9 per cent (24.0). The return on shareholders' equity, R12, amounted to 17.4 per cent (22.0).

Financial position and liquidity

The equity/assets ratio was still strong and amounted to 53 per cent (64). The Group's total assets increased to 18,579 MSEK (12,664). Net debt increased to 3,089 MSEK (28), of which 518 MSEK relates to financial leasing liabilities according to IFRS 16. The Group's total assets and net debt increased mainly due to the acquisition of Mesgo Group and Preferred Compounding.

The Group had 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.
- A credit agreement with a limit of 1,500 MSEK that will fall due in September 2021.
- A credit agreement with a limit of 2,000 MSEK that will fall due in July 2022.

Cash flow

The operating cash flow increased to 1,875 MSEK (1,340). Cash flow from operating activities increased to 1,581 MSEK (1,149).

Investments, depreciation and amortisation

The Group's investments amounted to 185 MSEK (144) and refers mainly to regular maintenance investments. Depreciation, amortisation and impairment amounted to 332 MSEK (188), of which 61 MSEK relates to leased assets according to IFRS 16.

Tax expenses

The Group's tax expenses amounted to 398 MSEK (392), which corresponds to a tax rate of 24.8 per cent (24.0).

Personnel

The number of employees at the end of the period was 5,148 (4,470). The increase relates mainly to Mesgo Group that was acquired in October 2018 and Preferred Compounding, acquired in July 2019.

Acquisitions

July 1st, Preferred Compounding, a notable Rubber Compounder in North America, was acquired. Preferred Compounding had sales in 2018 of approximately 240 MUSD and around 540 employees in six facilities, five in the US and one in Mexico. The acquisition price amounts to approximately 232 MUSD (2,213 MSEK) on a cash and debt free basis. The Group's ownership is 100 per cent and the business is consolidated from July 2019. Acquisition related costs are estimated to approximately 2 MUSD (19 MSEK) and has been expensed in the third quarter. See more information, Note 3.

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 transportation, energy, oil and gas industry, consumer industries, wire and cable industries and medical equipment industries.

	Jul-Sep		Jan-Sep		Full Year	Oct 18-
MSEK	2019	2018	2019	2018	2018	Sep 19
Sales	3 984	3 180	10 941	9 444	12 745	14 242
Operating profit, excl. non-recurring items	547	488	1 616	1 520	2 006	2 102
Operating margin, excl. non-recurring items, %	13,7	15,3	14,8	16,1	15,7	14,8
Operating profit, EBIT	447	488	1 516	1 520	2 006	2 002

HEXPOL Compounding's sales (including the acquired operations of Kirkhill Rubber, Mesgo Group and Preferred Compounding) increased by 25 per cent to 3,984 MSEK (3,180), during the third quarter. Operating profit, excl. non-recurring items, increased 12 per cent to 547 MSEK (488) and the corresponding operating margin amounted to 13.7 per cent (15.3). The operating margin was affected by lower organic volume, acquisitions, mix changes and amortisation of acquired intangible assets. Operating profit amounted to 447 MSEK (488).

The raw material prices on our main raw materials were slightly lower than the corresponding quarter last year.

The volume was considerably higher with higher volumes in Europe and Americas, while the volumes in Asia were lower. Adjusted for the acquired operations in Mesgo Group, the volumes were stable in Europe and adjusted for the acquired operations in Preferred Compounding and Kirkhill Rubber the volumes were lower in Americas. When the sales decline at customers within rubber compounding with own mixing capacity, they tend to insource somewhat more, which has affected the organic sales growth.

HEXPOL Compounding Americas sales were considerably higher during the quarter. However, the sales were lower excluding the acquired Preferred Compounding and Kirkhill Rubber. The sales increased to automotive related customers and to customers within building & construction, engineering & general industry and wire and cable industry. Adjusted for the acquired operations in Preferred Compounding and Kirkhill Rubber the sales were however lower to automotive related customers and to customers within building & construction and stable to customers within engineering & general industry.

Sales in HEXPOL Compounding Europe increased during the quarter, while sales excluding Mesgo Group were stable. Sales increased to automotive related customers and to customers within engineering & general industry, building & construction, and wire and cable industry. Excluding the acquired Mesgo Group, sales were lower to customers within engineering & general industry and stable to building & construction and wire and cable industry.

HEXPOL Compounding Asia's sales were lower during the quarter, mainly due to lower demand from automotive related customers in China.

HEXPOL TPE Compounding's sales were slightly lower during the quarter.

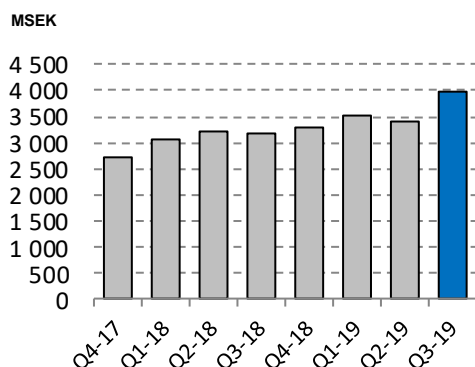
HEXPOL TP Compounding's sales were lower during the quarter, mainly affected by lower sales to automotive related customers.

July 1st, Preferred Compounding, a notable Rubber Compounder in North America, was acquired. Preferred Compounding had sales in 2018 of approximately 240 MUSD and around 540 employees in six facilities, five in the US and one in Mexico. The business is integrated in HEXPOL Compounding Americas organisation and develops according to plan.

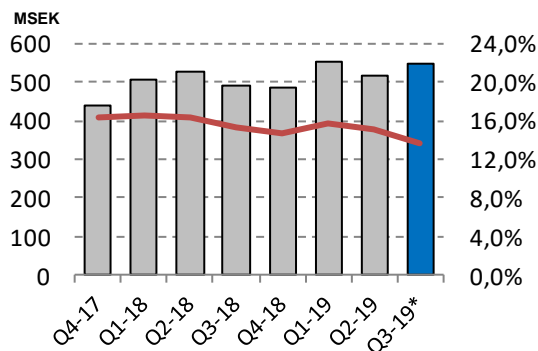
Non-recurring items, referring mainly to integration- and restructuring costs, but also acquisition- and legal expenses, amounted to 100 MSEK.

Integration and restructuring projects are still ongoing with review of the production capacity in HEXPOL Compounding Americas and is estimated to amount to approximately 10 MUSD in the fourth quarter. Costs during 2019 includes mainly the closing of two production units and Preferreds head office as well as adjustment of overhead organisation. Depending of the development of the general market in America during 2020, further adjustment of capacity might be needed, which at present is calculated to an expense of approximately 10 MUSD. Cost synergies are estimated to amount to approximately 5 MUSD during 2020 and to approximately 9 MUSD on an annual basis after the integration- and restructuring projects are completed, which is expected to be completed in the end of 2020.

Sales



Operating profit & operating margin



*Excl. non-recurring items

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.

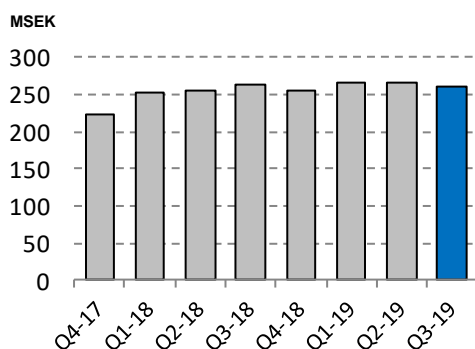
	Jul-Sep		Jan-Sep		Full Year	Oct 18-Sep 19
MSEK	2019	2018	2019	2018	2018	
Sales	260	263	793	769	1 025	1 049
Operating profit , EBIT	36	39	104	108	144	140
Operating margin, EBIT %	13,8	14,8	13,1	14,0	14,0	13,3

The HEXPOL Engineered Products business area's sales were stable and amounted to 260 MSEK (263) during the third quarter. Operating profit amounted to 36 MSEK (39), and the operating margin amounted to 13.8 per cent (14.8). Operating profit was affected by continued delivery problems of an important raw material to one of HEXPOL Wheels plants.

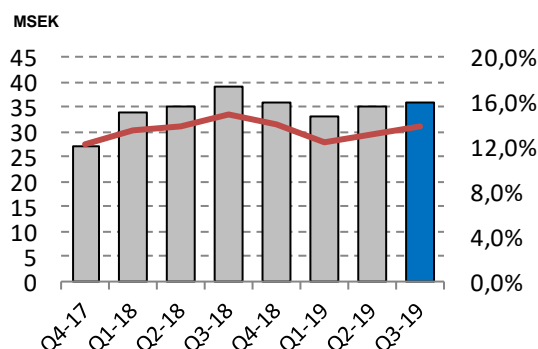
The sales for the HEXPOL Gaskets product area was slightly lower, compared to the corresponding quarter last year.

The sales for HEXPOL Wheels product area was stable, compared to the corresponding quarter last year.

Sales



Operating profit & operating margin



Parent Company

The Parent Company's profit after tax amounted to 180 MSEK (360). Shareholders' equity increased to 3,827 MSEK (2,765).

Risk factors

The Group's and Parent Company's business risks, risk management and management of financial risks are described in detail in the 2018 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 2018 Annual Report have also been applied in this interim report. No new or revised IFRS that came into force in 2019 have had any significant impact on the Group's financial reports, except IFRS 16.

IFRS 16 – Leases

This standard came into force January 1, 2019 and implicate that assets and liabilities attributable to leasing agreements are recognised in the balance sheet. The leasing agreements mainly cover operational leasing agreements for buildings, production- and office equipment and vehicles. The Group has chosen to apply a simplified transition method and has applied the expedient to not restate any comparative information. A single discount rate per currency has been established. Right-of-use periods have been determined based on the term of the agreement. Right-of-use agreement shorter than 12 months or with a value as new below 5 KUSD is not reported as liabilities. See further Note 2 and the Annual Report 2018.

Alternative Performance Measures (APMs)

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 12,600 shareholders on September 30, 2019. 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 73 per cent of the capital and 80 per cent of the voting rights.

Significant subsequent events

No significant events have occurred after the balance sheet date.

Invitation to the presentation of the report

This report will be presented via a telephone conference on October 24 at 2:30 p.m. CET. The presentation, as well as the information concerning participation, is available at www.hexpol.com

Calendar for financial information

HEXPOL AB will publish financial information on the following dates:

▪ Year-end report 2019	January 30, 2020
▪ Interim report January-March 2020	April 28, 2020
▪ Annual General Meeting 2020	April 28, 2020
▪ Half-year report January-June 2020	July 17, 2020
▪ Interim report January-September 2020	October 23, 2020

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

Malmö, Sweden October 24, 2019
HEXPOL AB (publ.)

Mikael Fryklund
President and CEO

For more information, please contact:

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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 1:00 p.m. CET on October 24, 2019. 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.

Review Report

HEXPOL AB (publ), corporate identity number 556108-9631

To the Board of Directors of HEXPOL AB (publ)

Introduction

We have reviewed the condensed interim report for HEXPOL AB (publ) as at September 30, 2019 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material aspects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Malmö, Sweden October 24, 2019

Ernst & Young AB

Johan Thuresson
Authorized Public Accountant

Condensed consolidated income statement

	Jul-Sep		Jan-Sep		Full Year	Oct 18-
MSEK	2019	2018	2019	2018	2018	Sep 19
Sales	4 244	3 443	11 734	10 213	13 770	15 291
Cost of goods sold	-3 415	-2 723	-9 324	-8 017	-10 846	-12 153
Gross profit	829	720	2 410	2 196	2 924	3 138
Selling and administrative cost, etc.	-346	-193	-790	-568	-774	-996
Operating profit	483	527	1 620	1 628	2 150	2 142
Financial income and expenses	-9	4	-16	5	11	-10
Profit before tax	474	531	1 604	1 633	2 161	2 132
Tax	-119	-127	-398	-392	-515	-521
Profit after tax	355	404	1 206	1 241	1 646	1 611
- of w hich, attributable to Parent Company shareholders	355	404	1 206	1 241	1 646	1 611
Earnings per share before dilution, SEK	1,03	1,17	3,50	3,61	4,78	4,67
Earnings per share after dilution, SEK	1,03	1,17	3,50	3,61	4,78	4,67
Earnings per share, excl non recurring items, SEK	1,27	1,17	3,74	3,61	4,78	4,91
Shareholders' equity per share, SEK			28,84	23,68	24,96	
Average number of shares, 000s	344 201	344 201	344 201	344 201	344 201	344 201
Depreciation, amortisation and impairment	-128	-61	-332	-188	-259	-403

Condensed statement of comprehensive income

	Jul-Sep		Jan-Sep		Full Year	Oct 18-
MSEK	2019	2018	2019	2018	2018	Sep 19
Profit after tax	355	404	1 206	1 241	1 646	1 611
Items that will not be reclassified to the income statement						
Remeasurements of defined benefit pension plans	0	0	0	0	-2	-2
Income tax relating to items that will not be reclassified to the income statement	0	0	0	0	0	0
Items that may be reclassified to the income statement						
Cash-flow hedges	0	0	0	0	0	0
Hedge of net investment	-1	9	-2	-51	122	171
Income tax relating to items that may be reclassified to the income statement	0	-2	0	11	-27	-38
Translation differences	502	-814	910	611	514	813
Comprehensive income	856	-403	2 114	1 812	2 253	2 555
- of w hich, attributable to Parent Company's shareholders	856	-403	2 114	1 812	2 253	2 555

Condensed consolidated balance sheet

	Sep 30		Dec 31
MSEK	2019	2018	2018
Intangible fixed assets	9 717	5 833	7 637
Tangible fixed assets	2 842	1 816	1 999
Financial fixed assets	20	1	25
Deferred tax asset	53	81	37
Total fixed assets	12 632	7 731	9 698
Inventories	1 568	1 119	1 405
Accounts receivable	2 560	1 956	1 925
Other receivables	225	142	210
Prepaid expenses and accrued income	68	60	54
Cash and cash equivalents	1 526	1 656	1 164
Total current assets	5 947	4 933	4 758
Total assets	18 579	12 664	14 456
Equity attributable to Parent Company's shareholders	9 926	8 151	8 592
Total shareholders' equity	9 926	8 151	8 592
Interest-bearing liabilities	3 127	1 670	2 308
Other liabilities	444	-	476
Provision for deferred tax	539	356	539
Provision for pensions	54	21	42
Total non-current liabilities	4 164	2 047	3 365
Interest-bearing liabilities	1 508	15	24
Accounts payable	2 238	1 848	1 913
Other liabilities	279	210	216
Accrued expenses, prepaid income, provisions	464	393	346
Total current liabilities	4 489	2 466	2 499
Total shareholders' equity and liabilities	18 579	12 664	14 456

Consolidated changes in shareholders' equity

	Sep 30, 2019		Sep 30, 2018		Dec 31, 2018	
MSEK	Attributable to Parent Company shareholders	Total equity	Attributable to Parent Company shareholders	Total equity	Attributable to Parent Company shareholders	Total equity
Opening equity	8 592	8 592	7 010	7 010	7 010	7 010
Effects of transition to IFRS 16 Leases	-6	-6	-	-	-	-
Converted opening equity	8 586	8 586	7 010	7 010	7 010	7 010
Comprehensive income	2 114	2 114	1 812	1 812	2 253	2 253
Dividend	-774	-774	-671	-671	-671	-671
Closing Equity	9 926	9 926	8 151	8 151	8 592	8 592

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 was 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. The warrants gives the right to subscribe for shares during the period June 1, 2019 - December 31, 2020.

Condensed consolidated cash-flow statement

MSEK	Jul-Sep		Jan-Sep		Full Year	Oct 18-
	2019	2018	2019	2018	2018	Sep 19
Cash flow from operating activities before changes in working capital	417	451	1 473	1 481	1 989	1 981
Changes in working capital	283	-27	108	-332	-183	257
Cash flow from operating activities	700	424	1 581	1 149	1 806	2 238
Acquisitions	Note 3	-2 213	-449	-2 191	-490	-2 190
Cash flow from other investing activities		-82	-45	-185	-144	-207
Cash flow from investing activities		-2 295	-494	-2 376	-634	-2 397
Dividend		-	-	-774	-671	-774
Cash flow from other financing activities		1 290	718	1 774	845	1 446
Cash flow from financing activities		1 290	718	1 000	174	775
Change in cash and cash equivalents		-305	648	205	689	184
Cash and cash equivalents at January 1		1 738	1 022	1 164	813	813
Exchange-rate differences in cash and cash equivalents		93	-14	157	154	167
Cash and cash equivalents at the end of the period		1 526	1 656	1 526	1 656	1 164

Operating cash flow, Group

MSEK	Jul-Sep		Jan-Sep		Full Year	Oct 18-
	2019	2018	2019	2018	2018	Sep 19
Operating profit	483	527	1 620	1 628	2 150	2 142
Depreciation/amortisation/impairment	128	61	332	188	259	403
Change in working capital	283	-27	108	-332	-183	257
Sales of fixed assets	0	0	0	0	0	0
Investments	-82	-45	-185	-144	-207	-248
Operating Cash flow	812	516	1 875	1 340	2 019	2 554

Other key figures, Group

	Jul-Sep		Jan-Sep		Full Year	Oct 18-
	2019	2018	2019	2018	2018	Sep 19
Profit margin before tax, %	11,2	15,4	13,7	16,0	15,7	13,9
Return on shareholders' equity, % R12			17,4	22,0	20,4	
Interest-coverage ratio, multiple			50	137	121	56
Net debt, MSEK			-3 089	-28	-1 143	
Sales growth adjusted for currency effects, %	19	7	8	8	9	
Sales growth adjusted for currency effects and acquisitions, %	-8	6	-8	5	4	
Cash flow per share, SEK	2,03	1,23	4,59	3,34	5,25	6,50
Cash flow per share before change in working capital, SEK	1,21	1,31	4,28	4,30	5,78	5,76

Condensed income statement, Parent Company

	Jul-Sep		Jan-Sep		Full Year	Oct 18-
MSEK	2019	2018	2019	2018	2018	Sep 19
Sales	14	12	41	35	47	53
Administrative costs, etc.	-19	-14	-50	-42	-60	-68
Operating loss	-5	-2	-9	-7	-13	-15
Financial income and expenses	17	194	186	364	1 970	1 792
Untaxed reserves	-	-	-	-	61	61
Profit before tax	12	192	177	357	2 018	1 838
Tax	0	1	3	3	-1	-1
Profit after tax	12	193	180	360	2 017	1 837

Condensed balance sheet, Parent Company

	Sep 30		Full Year
MSEK	2019	2018	2018
Fixed assets	9 011	6 363	8 956
Current assets	3 596	2 876	1 851
Total assets	12 607	9 239	10 807
Total shareholders' equity	3 827	2 765	4 421
Untaxed reserves	-	61	-
Non-current liabilities	2 690	1 670	2 290
Current liabilities	6 090	4 743	4 096
Total shareholders' equity and liabilities	12 607	9 239	10 807

Note 1 Financial instruments per category and measurement level

Sep 30, 2019		Financial assets/liabilities measured at:		
		fair value through		
MSEK	amortized costs	Carrying value	Measurem. level	Total
Assets in the balance sheet				
Derivative financial instrument	-	1	2	1
Non-current financial assets	20	-		20
Accounts receivable	2 560	-		2 560
Cash and cash equivalents	1 526	-		1 526
Total	4 106	1		4 107
Liabilities in the balance sheet				
Interest-bearing non-current liabilities	3 127	-		3 127
Other non-current liabilities	44	-		44
Liabilities to minority shareholders	-	400	3	400
Interest-bearing current liabilities	1 508	-		1 508
Accounts payable	2 238	-		2 238
Supplementary purchase price	-	11	3	11
Other liabilities	268	-		268
Accrued expenses, prepaid income, provisions	464	-		464
Total	7 649	411		8 060

Sep 30, 2018		Financial assets/liabilities measured at:		
		fair value through		
MSEK	amortized costs	Carrying value	Measurem. level	Total
Assets in the balance sheet				
Non-current financial assets	1	-		1
Accounts receivable	1 956	-		1 956
Cash and cash equivalents	1 656	-		1 656
Total	3 613	-		3 613
Liabilities in the balance sheet				
Derivative financial instruments	-	1	2	1
Interest-bearing non-current liabilities	1 670	-		1 670
Interest-bearing current liabilities	15	-		15
Accounts payable	1 848	-		1 848
Other liabilities	210	-		210
Accrued expenses, prepaid income, provisions	393	-		393
Total	4 136	1		4 137

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

Note 2 Effects of the transition to IFRS 16 Leases

From January 1, 2019, the new accounting standard IFRS 16 Leases is applied, which mean the assets and liability attributable to leasing agreement are reported in the balance sheet. The effects of the transition to IFRS 16 Leases are presented below in the balance sheet and income statement.

Condensed consolidated income statement

MSEK	Jan-Sep 2019 excl IFRS 16	Jan-Sep 2019 IFRS 16 effect	Jan-Sep 2019 incl IFRS 16
Sales	11 734	-	11 734
Cost of goods sold	-9 328	4	-9 324
Gross profit	2 406	4	2 410
Selling and administrative cost, etc.	-791	1	-790
Operating profit	1 615	5	1 620
Financial income and expenses	-7	-9	-16
Profit before tax	1 608	-4	1 604
Tax	-399	1	-398
Profit after tax	1 209	-3	1 206
- of which, attributable to Parent Company shareholders	1 209	-3	1 206
Depreciation, amortisation and impairment	-271	-61	-332

Condensed consolidated balance sheet

MSEK	OB/CB - analysis			Sep 30, 2019		
	CB 1812	IFRS 16 effect	OB 1901	excl IFRS 16	IFRS 16 effect	incl IFRS 16
Intangible fixed assets	7 637	-	7 637	9 717	-	9 717
Tangible fixed assets	1 999	357	2 356	2 336	506	2 842
Financial fixed assets	25	-	25	20	-	20
Deferred tax asset	37	2	39	50	3	53
Total fixed assets	9 698	359	10 057	12 123	509	12 632
Inventories	1 405	-	1 405	1 568	-	1 568
Accounts receivable	1 925	-	1 925	2 560	-	2 560
Other receivables	210	-	210	225	-	225
Prepaid expenses and accrued income	54	-	54	68	-	68
Cash and cash equivalents	1 164	-	1 164	1 526	-	1 526
Total current assets	4 758	-	4 758	5 947	-	5 947
Total assets	14 456	359	14 815	18 070	509	18 579
Equity attributable to Parent Company's shareholders	8 592	-6	8 586	9 935	-9	9 926
Total shareholders' equity	8 592	-6	8 586	9 935	-9	9 926
Interest-bearing liabilities	2 308	280	2 588	2 709	418	3 127
Other liabilities	476	-	476	444	-	444
Provision for deferred tax	539	-	539	539	-	539
Provision for pensions	42	-	42	54	-	54
Total non-current liabilities	3 365	280	3 645	3 746	418	4 164
Interest-bearing liabilities	24	85	109	1 408	100	1 508
Accounts payable	1 913	-	1 913	2 238	-	2 238
Other liabilities	216	-	216	279	-	279
Accrued expenses, prepaid income, provisions	346	-	346	464	-	464
Total current liabilities	2 499	85	2 584	4 389	100	4 489
Total shareholders' equity and liabilities	14 456	359	14 815	18 070	509	18 579

Note 3 Acquisitions

Acquisitions within HEXPOL Compounding 2019

July 1st, HEXPOL Group acquired 100% of Preferred Compounding, a notable Rubber Compounder in North America. The acquisition price amounts to approximately 232 MUSD on a cash and debt free basis. The purchase price allocation is preliminary since some information is outstanding. The business is consolidated as of July 2019. Acquisition related costs are estimated to approximately 2 MUSD. The sales amounted to 240 MUSD during 2018.

Below are details of net assets acquired and goodwill for the above acquisition:

MSEK

Purchase consideration	2 238
Fair value of acquired net assets	691
Goodwill	1 547

Goodwill is attributable to the strategic importance of the acquisition in terms of the increased breadth it adds to the HEXPOL Group's existing product offering. The acquisition strengthen our global positions in advanced polymer compounds with improved supply chain, cutting-edge expertise in polymer materials and solid knowledge of applications. The fair value of the acquired net assets includes 197 MSEK for the estimated value of acquired intangible assets.

MSEK

Cash and cash equivalents	25
Accounts receivable	363
Current assets	259
Tangible assets	248
Intangible assets	197
Deferred tax liabilities	-18
Pensions	-52
Accounts payables	-286
Current liabilities	-45
Acquired net assets	691
Goodwill	1 547
Purchase considerations	2 238
Cash and cash equivalents in acquired operations	25
Change in the Group's cash and cash equivalents	2 213

Acquisitions within HEXPOL Compounding 2018

In September 2018 the HEXPOL Group acquired 100% of Kirkhill Rubber. The acquisition price for Kirkhill Rubber amounted to approximately 49 MUSD on cash and debt free basis. A smaller performance based consideration, approximately 1 MUSD, will be paid during the fourth quarter 2019. The business is consolidated as of September 2018.

Below are details of net assets acquired and goodwill for the above acquisition:

MSEK

Purchase consideration	453
Fair value of acquired net assets	148
Goodwill	305

Goodwill is attributable to the strategic importance of the acquisition in terms of the increased breadth it adds to the HEXPOL Group's existing product offering. The acquisition extends our capacity and ability to serve our customers more efficiently. The fair value of the acquired net assets includes 30 MSEK for the estimated value of acquired intangible assets.

MSEK

Accounts receivable	78
Current assets	61
Tangible assets	18
Intangible assets	30
Deferred tax liabilities	-10
Accounts payables	-25
Current liabilities	-4
Acquired net assets	148
Goodw ill	305
Purchase considerations	453
Contingent considerations	-11
Change in the Group's cash and cash equivalents	442
-where off changes in the Group's cash and cash equivalents during 2019	-7

In early October 2018 the HEXPOL Group acquired 80% of Mesgo Group. The acquisition price for 80% of the shares amounted to approximately 168 MEUR on cash and debt free basis and was founded by a combination of existing bank facilities and cash. According to the agreement HEXPOL has an option to acquire the remaining shares (during the period March 2022-June 2023), and the Caldara family has an option to sell the remaining shares to HEXPOL (during the period March 2020-June 2023), the commitment is reported as a liability to minority shareholder. The business is consolidated as of October 2018.

Below are details of net assets acquired and goodw ill for the above acquisition:

MSEK

Purchase consideration	2 036
Fair value of acquired net assets	714
Goodwill	1 322

Goodwill is attributable to the strategic importance of the acquisition in terms of the increased breadth it adds to the HEXPOL Group's existing product offering. The acquisition extends our capacity and ability to serve our customers more efficiently. The fair value of the acquired net assets includes 291 MSEK for the estimated value of acquired intangible assets.

MSEK

Cash and cash equivalents	53
Accounts receivable	339
Current assets	264
Tangible assets	176
Intangible assets	291
Deferred tax liabilities	-84
Pensions	-18
Accounts payables	-171
Current liabilities	-136
Acquired net assets	714
Goodw ill	1 322
Purchase considerations	2 036
Liability to minority shareholder	-386
Loan	88
Cash and cash equivalents in acquired operations	53
Change in the Group's cash and cash equivalents	1 685
-where off changes in the Group's cash and cash equivalents during 2019	-15

Note 4 Non-recurring items in the income statement

All items relates to HEXPOL Compounding

	Jul-Sep		Jan-Sep		Full year	Oct 18-
MSEK	2019	2018	2019	2018	2018	Sep 19
Costs of goods sold	-17	-	-17	-	-	-17
Selling and administrative costs, etc.	-83	-	-83	-	-	-83
Profit before tax	-100	-	-100	-	-	-100
Tax	20	-	20	-	-	20
Profit after tax	-80	-	-80	-	-	-80

Quarterly data, Group

Sales per business area

	2019			2018				Full	Oct 18-	2017				Full
MSEK	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Year	Sep 19	Q1	Q2	Q3	Q4	Year
HEXPOL Compounding	3 539	3 418	3 984	3 057	3 207	3 180	3 301	12 745	14 242	2 910	2 999	2 713	2 704	11 326
HEXPOL Engineered Products	266	267	260	252	254	263	256	1 025	1 049	228	231	223	222	904
Group total	3 805	3 685	4 244	3 309	3 461	3 443	3 557	13 770	15 291	3 138	3 230	2 936	2 926	12 230

Sales per geographic region

	2019			2018				Full	Oct 18-	2017				Full
MSEK	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Year	Sep 19	Q1	Q2	Q3	Q4	Year
Europe	1 519	1 439	1 360	1 162	1 181	1 114	1 317	4 774	5 635	969	1 072	995	1 006	4 042
Americas	2 127	2 066	2 697	1 967	2 105	2 126	2 056	8 254	8 946	2 021	2 025	1 784	1 737	7 567
Asia	159	180	187	180	175	203	184	742	710	148	133	157	183	621
Group total	3 805	3 685	4 244	3 309	3 461	3 443	3 557	13 770	15 291	3 138	3 230	2 936	2 926	12 230

Sales per geographic region HEXPOL Compounding

	2019			2018				Full	Oct 18-	2017				Full
MSEK	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Year	Sep 19	Q1	Q2	Q3	Q4	year
Europe	1 380	1 298	1 228	1 031	1 042	985	1 184	4 242	5 090	852	954	883	886	3 575
Americas	2 053	1 999	2 630	1 903	2 043	2 056	1 984	7 986	8 666	1 957	1 961	1 728	1 681	7 327
Asia	106	121	126	123	122	139	133	517	486	101	84	102	137	424
Group total	3 539	3 418	3 984	3 057	3 207	3 180	3 301	12 745	14 242	2 910	2 999	2 713	2 704	11 326

Sales per geographic region HEXPOL Engineered Products

	2019			2018				Full	Oct 18-	2017				Full
MSEK	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Year	Sep 19	Q1	Q2	Q3	Q4	year
Europe	139	141	132	131	139	129	133	532	545	117	118	112	120	467
Americas	74	67	67	64	62	70	72	268	280	64	64	56	56	240
Asia	53	59	61	57	53	64	51	225	224	47	49	55	46	197
Group total	266	267	260	252	254	263	256	1 025	1 049	228	231	223	222	904

Operating profit per business area

	2019			2018				Full	Oct 18-	2017				Full
MSEK	Q1	Q2	Q3*	Q1	Q2	Q3	Q4	Year	Sep 19*	Q1	Q2	Q3	Q4	Year
HEXPOL Compounding	553	516	547	506	526	488	486	2 006	2 102	505	487	441	440	1 873
HEXPOL Engineered Products	33	35	36	34	35	39	36	144	140	27	30	29	27	113
Group total	586	551	583	540	561	527	522	2 150	2 242	532	517	470	467	1 986

Operating margin per business area

	2019			2018				Full	Oct 18-	2017				Full
%	Q1	Q2	Q3*	Q1	Q2	Q3	Q4	Year	Sep 19*	Q1	Q2	Q3	Q4	Year
HEXPOL Compounding	15,6	15,1	13,7	16,6	16,4	15,3	14,7	15,7	14,8	17,4	16,2	16,3	16,3	16,5
HEXPOL Engineered Products	12,4	13,1	13,8	13,5	13,8	14,8	14,1	14,0	13,3	11,8	13,0	13,0	12,2	12,5
Group total	15,4	15,0	13,7	16,3	16,2	15,3	14,7	15,6	14,7	17,0	16,0	16,0	16,0	16,2

*Excl. Non-recurring items for HEXPOL Compounding

Reconciliation alternative performance measures

Sales

MSEK	2019			2018				Full	2017				Full
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Sales	3 805	3 685	4 244	3 309	3 461	3 443	3 557	13 770	3 138	3 230	2 936	2 926	12 230
Currency effects	298	198	163	-153	36	313	230	426	118	162	-106	-169	5
Sales excluding currency effects	3 507	3 487	4 081	3 462	3 425	3 130	3 327	13 344	3 020	3 068	3 042	3 095	12 225
Acquisitions	380	356	911	210	0	31	330	571	128	286	182	186	782
Sales excluding currency effects and acquisitions	3 127	3 131	3 170	3 252	3 425	3 099	2 997	12 773	2 892	2 782	2 860	2 909	11 443

Sales growth

%	Jul-Sep		Jan-Sep		Full
	2019	2018	2019	2018	Year 2018
Sales growth excluding currency effects	19	7	8	8	9
Sales growth excluding currency effects and acquisitions	-8	6	-8	5	4

EBITA, %

MSEK	Jul-Sep		Jan-Sep		Full	Oct 18-
	2019	2018	2019	2018	Year 2018	Sep 19
Sales	4 244	3 443	11 734	10 213	13 770	15 291
Operating profit	483	527	1 620	1 628	2 150	2 142
Amortisation and impairment of intangible assets	21	8	57	22	33	68
Total EBITA	504	535	1 677	1 650	2 183	2 210
EBITA%	11,9	15,5	14,3	16,2	15,9	14,5

EBITA, excl. non-recurring items, %

MSEK	Jul-Sep		Jan-Sep		Full	Oct 18-
	2019	2018	2019	2018	Year 2018	Sep 19
Sales	4 244	3 443	11 734	10 213	13 770	15 291
Operating profit	483	527	1 620	1 628	2 150	2 142
Non-recurring items	100	-	100	-	-	100
Amortisation and impairment of intangible assets	21	8	57	22	33	68
Total EBITA	604	535	1 777	1 650	2 183	2 310
EBITA%	14,2	15,5	15,1	16,2	15,9	15,1

Capital employed

MSEK	2019			2018				2017			
	Mar 31	Jun 30	Sep 30	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31
Total assets	15 422	15 720	18 579	11 301	11 760	12 664	14 456	10 496	10 594	10 550	10 350
Provision for deferred tax	-549	-499	-539	-336	-352	-356	-539	-406	-388	-396	-331
Accounts payable	-1 990	-1 908	-2 238	-1 879	-1 977	-1 848	-1 913	-1 753	-1 694	-1 603	-1 626
Other liabilities	-253	-254	-279	-236	-216	-210	-216	-141	-241	-252	-197
Accrued expenses, prepaid income, provisions	-327	-339	-464	-307	-345	-393	-346	-329	-344	-371	-325
Total Group	12 303	12 720	15 059	8 543	8 870	9 857	11 442	7 867	7 927	7 928	7 871

Return on capital employed, R12

MSEK	Sep 30		Full
	2019	2018	Year 2018
Average capital employed	12 881	8 785	9 678
Profit before tax	2 132	2 096	2 161
Interest expense	39	15	18
Total	2 171	2 111	2 179
Return on capital employed, %	16,9	24,0	22,5

Interest-coverage ratio, multiple

MSEK	Jan-Sep		Full	
	2019	2018	Year 2018	Oct 18-Sep 19
Profit before tax	1 604	1 633	2 161	2 132
Interest expense	33	12	18	39
Total	1 637	1 645	2 179	2 171
Interest-coverage ratio, multiple	50	137	121	56

Shareholders' equity

MSEK	2019			2018				2017			
	Mar 31	Jun 30	Sep 30	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31
Shareholders' equity	9 387	9 068	9 926	7 682	7 882	8 151	8 592	7 824	6 295	6 353	7 010

Return on equity, R12

MSEK	Sep 30		Full
	2019	2018	Year 2018
Average shareholders' equity	9 243	7 681	8 077
Profit after tax	1 611	1 690	1 646
Return on equity, %	17,4	22,0	20,4

Net debt

MSEK	Sep 30		Full
	2019	2018	Year 2018
Financial assets	20	1	25
Cash and cash equivalents	1 526	1 656	1 164
Non-current interest-bearing liabilities	-3 127	-1 670	-2 308
Current interest-bearing liabilities	-1 508	-15	-24
Net debt	-3 089	-28	-1 143

Equity/assets ratio

MSEK	Sep 30		Full
	2019	2018	Year 2018
Shareholders' equity	9 926	8 151	8 592
Total assets	18 579	12 664	14 456
Equity/assets ratio, %	53	64	59

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 items	Profit after tax excluding non-recurring items, in relation to the average number of shares outstanding.
EBIT	Operating profit.
EBITA	Operating profit, excluding amortisation and impairment of intangible assets.
EBITA margin, %	Operating profit, excluding amortisation and impairment of intangible assets in relation to sales.
EBITA excl. non-recurring items	Operating profit excluding non-recurring items and amortisation and impairment of intangible assets.
EBITA margin excl. non-recurring items, %	Operating profit excluding non-recurring items and amortisation and impairment of intangible assets in relation to sales.
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.
Non-recurring items	Items affecting comparability.
Operating cash flow	Operating profit excluding depreciation, amortisation and impairment of tangible and intangible assets, less investments incl. new leasing agreements and plus sales of tangible and intangible assets, and after changes in working capital.
Operating margin, %	Operating profit in relation to the sales.
Operating margin, excl. non-recurring items, %	Operating profit excluding non-recurring items, in relation to the sales.
Other investing activities	Investments and sales of intangible and tangible assets.
Operating profit excl. non-recurring items	Operating profit excluding non-recurring items.
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.