

Published on October 23, 2020

# Interim report

## Third quarter

### January - September 2020



#### JULY - SEPTEMBER 2020

- Sales amounted to 3,328 MSEK (4,244).
  - Operating profit, excl. non-recurring items, increased to 593 MSEK (583).
  - Operating margin, excl. non-recurring items, increased to 17.8 percent (13.7).
  - Profit after tax increased to 426 MSEK (355).
  - Earnings per share increased by 20 percent to 1.24 SEK (1.03). Earnings per share, excl. non-recurring items, decreased by 2 percent to 1.24 SEK (1.27).
  - Operating cash flow amounted to 773 MSEK (812).
  - Non-recurring items, before tax, amounted to 0 MSEK (100).
- Significant event after the end of the period: The Board of Directors proposes a dividend of 2.30 SEK per share (2.25) for 2019.

#### JANUARY - SEPTEMBER 2020

- Sales amounted to 10,022 MSEK (11,734).
- Operating profit, excl. non-recurring items, amounted to 1,389 MSEK (1,720).
- Operating margin, excl. non-recurring items, amounted to 13.9 percent (14.7).
- Profit after tax amounted to 953 MSEK (1,206).
- Earnings per share amounted to 2.77 SEK (3.50). Earnings per share, excl. non-recurring items, decreased by 21 percent to 2.94 SEK (3.74).
- Operating cash flow amounted to 1,525 MSEK (1,875).
- Non-recurring items, before tax, amounted to 76 MSEK (100).

**”Significantly reduced costs and improved volumes to our customers compared to the second quarter gave a strong result in the quarter”**

*Peter Rosén, Acting CEO and CFO*

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#### ABOUT HEXPOL

HEXPOL is a world-leading polymers group with strong global positions in advanced polymer compounds (Compounding), gaskets for plate heat exchangers (Gaskets and Seals), 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, building and construction industry and within sectors as transportation, energy, oil/gas, consumer and cable industry and manufacturers of medical equipment, plate heat exchangers and forklifts. The Group is organized in two business areas, HEXPOL Compounding and HEXPOL Engineered Products. The HEXPOL Group's sales in 2019 amounted to 15,508 MSEK and the Group has approximately 4,600 employees in fourteen countries.

## Comments from CEO

Significantly reduced costs and improved volumes to our customers compared to the second quarter gave a strong result in the quarter

The third quarter 2020 showed sales of 3,328 MSEK, an increase by 32 percent compared to the previous quarter positively affected by demand that has begun to recover. At the same time, the sales decreased by 22 percent compared to the corresponding quarter previous year. The lower sales were affected by Covid-19 and which impacted the countries we are in and the customers we supply with our products as well as lower sales prices. We also continued to reduce our costs during the third quarter compared to previous quarters. That means we delivered a very strong adjusted EBIT of 593 MSEK (583), which corresponds to a margin of 17.8 percent (13.7). At the same time, we generated a good operating cash flow of 773 MSEK (812).

Although the Covid -19 pandemic continues to have a negative effect on demand we saw a clear improvement in our sales compared to previous quarter. Specifically, we saw clearly increased volumes to automotive customers but also to building and construction industry while other customer segments showed a slower improvement. We experience that our strong customer focus combined with our ability to offer fast and stable deliveries to our customers are appreciated when the uncertainty is substantial around the world. Our large geographical coverage with plants close to our customers is a clear competitive advantage. Just like previous quarters, all our plants were open and we did not experienced any significant problems with either raw material supply or delivery of goods to our customers.

We have continued the work to reduce the costs considerably during the quarter, both direct and indirect costs. This results in a very clear strengthening of our operating margin compared to the corresponding quarter previous year, but also compared to previous quarter this year. Part of the cost savings come as a result of lower production levels but a large part of the savings are structural.

HEXPOL's experienced and decentralized organization continues to show its strength in situations like this with major and varied challenges. Every unit acts fast and adapts to the conditions that apply locally, both to be able to support our customers but also to secure our financial position. At the same time, all necessary processes and resources are coordinated centrally to benefit in the best possible way of our global position.

The uncertainty going forward remains high, due to the Covid-19 pandemic. However, we believe that our strong customer focus in combination with our geographical closeness to our customer gives us opportunities to further build our market position. We have also significantly reduced our costs, which strengthens our already strong financial position and give us good conditions for continued growth and additional acquisitions.

**EBIT**  
**593 MSEK**

**EBIT margin**  
**17.8%**

**Cash flow**  
**773 MSEK**



**Peter Rosén**  
Acting CEO & CFO

## Group Summary

Key figures MSEK	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Full Year 2019	Oct 19- Sep 20
Sales	3 328	4 244	10 022	11 734	15 508	13 796
EBITA, excl. non-recurring items	611	604	1 447	1 777	2 320	1 990
EBITA margin, excl. non-recurring items, %	18,4	14,2	14,4	15,1	15,0	14,4
EBITA	611	504	1 371	1 677	2 121	1 815
EBITA margin, %	18,4	11,9	13,7	14,3	13,7	13,2
Operating profit, EBIT, excl. non-recurring items	593	583	1 389	1 720	2 242	1 911
Operating margin, EBIT, excl. non-recurring items, %	17,8	13,7	13,9	14,7	14,5	13,9
Operating profit, EBIT	593	483	1 313	1 620	2 043	1 736
Operating margin, EBIT %	17,8	11,4	13,1	13,8	13,2	12,6
Profit before tax	561	474	1 263	1 604	2 008	1 667
Profit after tax	426	355	953	1 206	1 542	1 289
Earnings per share, excl. non-recurring items, SEK	1,24	1,27	2,94	3,74	4,93	4,13
Earnings per share after dilution, SEK	1,24	1,03	2,77	3,50	4,48	3,75
Equity/assets ratio, %			64	53	56	
Return on capital employed, % R12			12,5	16,9	15,2	
Operating cash flow	773	812	1 525	1 875	2 607	2 257



## Group development

### July - September 2020

#### Sales

The HEXPOL Group's sales amounted to 3,328 MSEK (4,244) during the quarter, a decrease by 22 percent compared with the corresponding quarter previous year. Exchange rate fluctuations affected the sales negatively by 5 percent, while the organic sales decreased by 17 percent, partly affected by lower sales prices.

The HEXPOL Compounding business area's sales decreased during the quarter by 22 percent to 3,091 MSEK (3,984). Currency effects affected negatively by 5 percent while the organic sales decreased by 17 percent, partly affected by lower sales prices. The sales became lower as a result of the Covid-19 pandemic impact on our customers. We saw a clear improvement in demand during the quarter compared to previous quarter. Specifically, we saw a recovery in sales to automotive customers and building and construction industry while other customer segments showed a slower improvement.

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

The HEXPOL Engineered Products were also affected by the pandemic and the sales decreased slightly during the quarter compared with the corresponding quarter 2019 and amounted to 237 MSEK (260).

From a geographical perspective the sales in America decreased by 27 percent and in Europe by 13 percent, while the sales in Asia increased by 3 percent compared to the corresponding quarter previous year.

#### Earnings

Operating profit before amortization of intangible assets and excluding non-recurring items, adjusted EBITA, increased to 611 MSEK (604), which meant a corresponding adjusted EBITA margin of 18.4 percent (14.2). Exchange rate fluctuations affected the operating profit negatively in the quarter by 20 MSEK.

Operating profit, excluding non-recurring items, increased to 593 MSEK (583) while the adjusted operating margin increased to 17.8 percent (13.7). The higher margin is an effect of our work to reduce both direct and indirect costs during the quarter. Operating profit amounted to 593 MSEK (483).

Non-recurring items, regarding restructuring costs, amounted to 0 MSEK (100). Specification can be found in note 2.

The Group's net financial items amounted to an expense of 32 MSEK (expense 9) and includes 16 MSEK in a revaluation effect related to the acquisition, which was executed during the quarter, of the minority share in Mesgo. See note 3 for more information. Profit before tax increased to 561 MSEK (474) while profit after tax increased to 426 MSEK (355) and earnings per share 1.24 SEK (1.03). Earnings per share, adjusted for non-recurring items, amounted to 1.24 SEK (1.27).

Sales  
**3,328 MSEK**

EBIT  
**593 MSEK**

## January - September 2020

### Sales

The HEXPOL Group's sales decreased by 15 percent during the period to 10,022 MSEK (11,734). Acquisition (Preferred Compounding) increased the sales by 7 percent, while exchange rate fluctuations decreased the sales by 1 percent and the organic sales decreased by 21 percent, partly affected by lower sales prices.

The HEXPOL Compounding business area's sales decreased during the period by 15 percent to 9,287 MSEK (10,941). After a first quarter with increased sales, the sales fell considerably during the second quarter driven by Covid-19, to recover again during the third quarter. The acquisition of Preferred Compounding contributed with 8 percent, currency effects contributed with 0 percent while the organic sales decreased by 23 percent, partly affected by lower sales prices. Even if demand continued to be affected negatively due to the Covid-19 pandemic we saw a clear improvement in volumes, during the last quarter, especially to the automotive industry and to building and construction industry. Other customer segments showed a slower recovery.

The HEXPOL Engineered Products sales decreased slightly during the period and amounted to 735 MSEK (793).

From a geographical perspective the sales in America decreased by 15 percent and in Europe and Asia by 16 respectively 3 percent compared to the corresponding period previous year.

### Earnings

Operating profit before amortization of intangible assets and excluding non-recurring items, adjusted EBITA, amounted to 1,447 MSEK (1,777), which meant a corresponding adjusted EBITA margin of 14.4 percent (15.1). Exchange rate fluctuations affected the operating profit positively during the period by 4 MSEK.

Operating profit, excluding non-recurring items, amounted to 1,389 MSEK (1,720) while the adjusted operating margin amounted to 13.9 percent (14.7). The lower margin was mainly affected by the lower organic volume driven by Covid-19 but also by the slightly lower margin at the acquired Preferred Compounding. However, during the third quarter we saw a significant strengthening of the margin. Operating profit amounted to 1,313 MSEK (1,620).

Non-recurring items, regarding restructuring costs, amounted to 76 MSEK (100). Specification can be found in note 2.

The Group's net financial items amounted to an expense of 50 MSEK (expense 16) and includes 16 MSEK in a revaluation effect related to the acquisition, which was executed during the quarter, of the minority share in Mesgo. See note 3 for more information. Profit before tax amounted to 1,263 MSEK (1,604) while profit after tax amounted to 953 MSEK (1,206) and earnings per share 2.77 SEK (3.50). Earnings per share, adjusted for non-recurring items, amounted to 2.94 SEK (3.74).

### Sales

**10,022 MSEK**

### EBIT \*

**1,389 MSEK**

\* Excl. non-recurring items

## Financial overview

### Equity/assets ratio

The equity/assets ratio continued strong and increased to 64 percent (53). The Group's total assets amounted to 16,185 MSEK (18,579). Net debt amounted to 1,517 MSEK (3,089) whereof 399 MSEK (518) relates to financial leasing liabilities according to IFRS 16, which gives a net debt/EBITDA of 0.69 (1.21).

**Net debt/EBITDA**  
**0.69**

The Group had the following major credit agreements with Nordic banks as per September 30:

- A credit agreement with a limit of 125 MUSD due in February 2021
- A credit agreement with a limit of 1,500 MSEK due in August 2021
- A credit agreement with a limit of 2,000 MSEK due in July 2022
- A credit agreement with a limit of 1,500 MSEK due in September 2023

### Cash flow

The operating cash flow for the Group amounted to 773 MSEK (812) in the third quarter. Cash flow from operating activities amounted to 727 MSEK (700). Operating cash flow for the period January - September was 1,525 MSEK (1,875) while cash flow from operating activities was 1,481 MSEK (1,581).

### Investments, depreciation and amortisation

The Group's investments amounted to 44 MSEK (82) for the quarter and refers mainly to regular maintenance investments. At the same time, depreciation, amortisation and impairment amounted to 106 MSEK (128) whereof 18 MSEK (24) relates to leased assets according to IFRS 16. The investments amounted to 179 MSEK (185) during the period January - September, while depreciation and amortization amounted to 334 MSEK (332). Of these refers 64 MSEK (61) to leased assets, according to IFRS 16.

### Tax expenses

The Group's tax expenses amounted to 135 MSEK (119) during the third quarter, which corresponds to a tax rate of 24.1 percent (25.1). Tax expenses for January - September amounted to 310 MSEK (398), which corresponds to a tax rate of 24.5 percent (24.8).

### Profitability

The return on average capital employed, R12, amounted to 12.5 percent (16.9). The return on shareholders' equity, R12, amounted to 12.5 percent (17.4).

### Parent Company

The Parent Company's profit after tax for the third quarter amounted to negative 4 MSEK (12). Profit after tax amounted to 138 MSEK (180) for January - September. Shareholders' equity increased to 5,046 MSEK (3,827).



## HEXPOL Compounding

### July - September 2020

The sales decreased by 22 percent to 3,091 MSEK (3,984) affected by Covid-19. Currency effects affected negatively by 5 percent while the organic sales decreased by 17 percent, partly affected by lower sales prices. The pandemic affected most all customers negatively but during the third quarter we saw a clear improvement compared to previous quarter in demand and increased volumes from especially automotive industry but also from building and construction industry, however from low levels. Other customer segments showed a slower improvement.

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

Operating profit, excluding non-recurring items, increased slightly to 552 MSEK (547) and the corresponding operating margin increased to 17.9 percent (13.7). The higher margin was mainly an effect of our work to reduce both direct and indirect costs during the quarter.

HEXPOL Compounding Americas sales decreased during the quarter affected by the pandemic. The business area saw sales decreases to most of the customer segments where especially the automotive industry, but also general industry were negatively affected. However, the automotive industry in particular recovered during the quarter compared to previous quarter.

The sales for HEXPOL Compounding Europe decreased during the quarter, compared to the corresponding quarter previous year, mainly to customers within automotive and general industry.

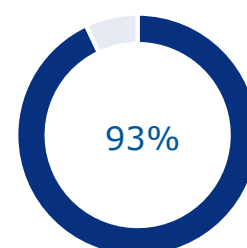
HEXPOL Compounding Asia's sales increased slightly compared to the corresponding quarter previous year, affected by, among other things, increased sales to automotive.

HEXPOL Thermoplastic Compounding showed lower sales affected by lower volumes to automotive customers compared to the corresponding quarter previous year.

The sales for HEXPOL TPE Compounding showed also a slightly lower sales compared to the same quarter previous year.

### Share of the Group's sales

January - September 2020



### About HEXPOL Compounding

The business area is one of the world's leading suppliers in 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 building and construction sector. Other key segments are transportation sector, energy, oil and gas sector, consumer sector, cable industries and manufacturers of medical equipment

### January - September 2020

The sales for HEXPOL Compounding decreased by 15 percent to 9,287 MSEK (10,941) affected by Covid-19. At the same time, operating profit, excluding non-recurring items, amounted to 1,284 MSEK (1,616), which corresponds to an operating margin of 13.8 percent (14.8).

#### HEXPOL Compounding

MSEK	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Full Year 2019	Oct 19- Sep 20
Sales	3 091	3 984	9 287	10 941	14 465	12 811
Operating profit, excl. non-recurring items	552	547	1 284	1 616	2 109	1 777
Operating margin, excl. non-recurring items, %	17,9	13,7	13,8	14,8	14,6	13,9
Operating profit, EBIT	548	447	1 211	1 516	1 910	1 605

## HEXPOL Engineered Products

### July - September 2020

The sales decreased by 9 percent compared to the corresponding period previous year and amounted to 237 MSEK (260). Here too, the sales were negatively affected by the Covid-19, although to a lesser extent compared with HEXPOL Compounding. We saw strong sales in Asia during the quarter. Operating profit, excluding non-recurring items, increased to 41 MSEK (36) and the corresponding operating margin increased to 17.3 percent (13.8).

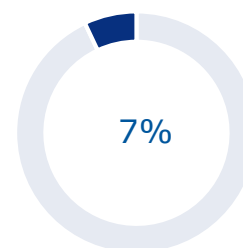
The product area's, Gaskets and Wheels showed a slightly lower sales compared to the same period previous year, while product area Profiles increased the sales.

### January - September 2020

The sales amounted to 735 MSEK (793) in the period, a decrease by 7 percent, affected by Covid-19. Operating profit, excluding non-recurring items, amounted to 105 MSEK (104) with an increased operating margin of 14.3 percent (13.1).

### Share of the Group's sales

January - September 2020



### About HEXPOL Engineered Products

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

### HEXPOL Engineered Products

	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full Year	Oct 19-
MSEK	2020	2019	2020	2019	2019	Sep 20
Sales	237	260	735	793	1 043	985
Operating profit, excl. non-recurring items	41	36	105	104	133	134
Operating margin, excl. non-recurring items, %	17,3	13,8	14,3	13,1	12,8	13,6
Operating profit, EBIT	45	36	102	104	133	131



## After the end of the period

The Covid-19 pandemic continue to create high uncertainty as regards demand on the company's products.

### Dividend

In April 2020, the Board of Directors of HEXPOL AB (publ) decided to withdraw its proposal of dividend for the financial year of 2019. This as a consequence of the great uncertainty surrounding Covid-19. At the same time, it was stated that the Board's ambition was to summon the shareholders to an Extraordinary General Meeting during the fall and proceed its earlier communicated proposal for dividend of SEK 2.30 per share. The consequences of the Covid-19-pandemic can now be better assessed and the Board has judged that, thanks to the Group's strong accomplishment and liquidity, there are conditions to reinstate the dividend according to the original proposal. The Board therefore intends to call an Extraordinary General Meeting on the 20th November 2020 to resolve on a proposal for dividend of SEK 2.30 per share for the financial year of 2019. In connection with an established dividend, HEXPOL will repay the governmental grants received in Sweden related to the COVID-19-pandemic.

## Other information

### Risk factors

The Group's and Parent Company's business risks, risk management and management of financial risks are described in detail in the 2019 Annual Report. The Covid-19 pandemic outbreaks have a major impact on the world and HEXPOL. At present, it is very difficult to estimate or quantify the risks related to this, but it is likely that the negative effect will continue to affect, both sales and earnings. The Board and management follows the development closely.

### 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 2019 Annual Report have also been applied in this interim report. No new or revised IFRS that came into force 2020 have had any significant impact on the Group's financial reports.

### 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.

## Personnel

The number of employees at the end of the period was 4,560 (5,148). The decrease, compared to the corresponding period previous year, is explained by the adjustments of the organization related to lower volumes affected by Covid-19.

Number of  
employees  
**4,560**

## 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 nearly 13,000 shareholders on September 30, 2020. The largest shareholder is Melker Schörling AB with 25 percent of the capital and 46 percent of the voting rights. The twenty largest shareholders own 68 percent of the capital and 77 percent of the voting rights.

## Invitation to presentation of the report

A presentation of this report will be held through a webcasted conference call on October 23 at 01:00 p.m. CET. The presentation, as well as information concerning participations, is available at [www.hexpol.com](http://www.hexpol.com).



## Financial calendar

HEXPOL AB publish financial information on the following dates:

- |   |                  |
|---|------------------|
| - Year-end report 2020                    | January 29, 2021 |
| - Interim report January – March 2021     | April 28, 2021   |
| - Annual General Meeting 2021             | April 28, 2021   |
| - Half-year report January – June 2021    | July 16, 2021    |
| - Interim report January – September 2021 | October 22, 2021 |

Financial information is also available in Swedish and English on HEXPOL AB's website – [www.hexpol.com](http://www.hexpol.com).

Malmö, Sweden October 23, 2020

HEXPOL AB (publ.)

Peter Rosén

Acting CEO and CFO

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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 (publ.) 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 a.m. CET on October 23, 2020. 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, 2020 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 23, 2020  
Ernst & Young AB

Johan Thuresson  
Authorized Public Accountant

## Summary financial information

### Condensed consolidated income statement

MSEK	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Full Year 2019	Oct 19- Sep 20
Sales	3 328	4 244	10 022	11 734	15 508	13 796
Cost of goods sold	-2 529	-3 415	-7 917	-9 324	-12 430	-11 023
<b>Gross profit</b>	<b>799</b>	<b>829</b>	<b>2 105</b>	<b>2 410</b>	<b>3 078</b>	<b>2 773</b>
Selling and administrative cost, etc.	-206	-346	-792	-790	-1 035	-1 037
<b>Operating profit</b>	<b>593</b>	<b>483</b>	<b>1 313</b>	<b>1 620</b>	<b>2 043</b>	<b>1 736</b>
Financial income and expenses	-32	-9	-50	-16	-35	-69
<b>Profit before tax</b>	<b>561</b>	<b>474</b>	<b>1 263</b>	<b>1 604</b>	<b>2 008</b>	<b>1 667</b>
Tax	-135	-119	-310	-398	-466	-378
<b>Profit after tax</b>	<b>426</b>	<b>355</b>	<b>953</b>	<b>1 206</b>	<b>1 542</b>	<b>1 289</b>
- of which, attributable to Parent Company shareholders	426	355	953	1 206	1 542	1 289
Earnings per share before dilution, SEK	1,24	1,03	2,77	3,50	4,48	3,75
Earnings per share after dilution, SEK	1,24	1,03	2,77	3,50	4,48	3,75
Earnings per share, excl non recurring items, SEK	1,24	1,27	2,94	3,74	4,93	4,13
Shareholders' equity per share, SEK			29,98	28,84	28,34	
Average number of shares, 000s	344 201	344 201	344 201	344 201	344 201	344 201
Depreciation, amortisation and impairment	-106	-128	-334	-332	-447	-449

### Condensed statement of comprehensive income

MSEK	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Full Year 2019	Oct 19- Sep 20
Profit after tax	426	355	953	1 206	1 542	1 289
<b>Items that will not be reclassified to the income statement</b>						
Remeasurements of defined benefit pension plans	-	0	-	0	-2	-2
Income tax relating to items that will not be reclassified to the income statement	-	0	-	0	0	0
<b>Items that may be reclassified to the income statement</b>						
Cash-flow hedges	-	0	-	0	0	0
Hedge of net investment	-	-1	-	-2	7	9
Income tax relating to items that may be reclassified to the income statement	-	0	-	0	-2	-2
Translation differences	-269	502	-390	910	399	-901
<b>Comprehensive income</b>	<b>157</b>	<b>856</b>	<b>563</b>	<b>2 114</b>	<b>1 944</b>	<b>393</b>
- of which, attributable to Parent Company's shareholders	157	856	563	2 114	1 944	393

## Condensed consolidated balance sheet

MSEK	Sep 30 2020	Sep 30 2019	Dec 31 2019
Intangible fixed assets	9 123	9 717	9 429
Tangible fixed assets	2 445	2 842	2 632
Financial fixed assets	2	20	3
Deferred tax asset	43	53	52
<b>Total fixed assets</b>	<b>11 613</b>	<b>12 632</b>	<b>12 116</b>
Inventories	1 161	1 568	1 391
Accounts receivable	2 039	2 560	1 983
Other receivables	169	225	261
Prepaid expenses and accrued income	44	68	50
Cash and cash equivalents	1 159	1 526	1 624
<b>Total current assets</b>	<b>4 572</b>	<b>5 947</b>	<b>5 309</b>
<b>Total assets</b>	<b>16 185</b>	<b>18 579</b>	<b>17 425</b>
Equity attributable to Parent Company's shareholders	10 319	9 926	9 756
<b>Total shareholders' equity</b>	<b>10 319</b>	<b>9 926</b>	<b>9 756</b>
Interest-bearing liabilities	1 863	3 127	2 754
Other liabilities	43	444	41
Provision for deferred tax	518	539	580
Provision for pensions	68	54	55
<b>Total non-current liabilities</b>	<b>2 492</b>	<b>4 164</b>	<b>3 430</b>
Interest-bearing liabilities	815	1 508	1 249
Accounts payable	1 689	2 238	1 953
Other liabilities	284	279	598
Accrued expenses, prepaid income, provisions	586	464	439
<b>Total current liabilities</b>	<b>3 374</b>	<b>4 489</b>	<b>4 239</b>
<b>Total shareholders' equity and liabilities</b>	<b>16 185</b>	<b>18 579</b>	<b>17 425</b>

## Condensed consolidated changes in shareholders' equity

	Sep 30, 2020		Sep 30, 2019		Dec 31, 2019	
MSEK	Attributable to Parent Company shareholders	Total equity	Attributable to Parent Company shareholders	Total equity	Attributable to Parent Company shareholders	Total equity
<b>Opening equity</b>	<b>9 756</b>	<b>9 756</b>	<b>8 586</b>	<b>8 586</b>	<b>8 586</b>	<b>8 586</b>
Comprehensive income	563	563	2 114	2 114	1 944	1 944
Dividend	-	-	-774	-774	-774	-774
<b>Closing equity</b>	<b>10 319</b>	<b>10 319</b>	<b>9 926</b>	<b>9 926</b>	<b>9 756</b>	<b>9 756</b>

## 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
<b>Number of shares at the end of the period</b>	<b>14 765 620</b>	<b>329 435 660</b>	<b>344 201 280</b>

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 Jun 1, 2019 – December 31, 2020.



## Condensed consolidated cash-flow statement

MSEK	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Full Year 2019	Oct 19- Sep 20
Cash flow from operating activities before changes in working capital	620	417	1 435	1 473	1 958	1 920
Changes in working capital	107	283	46	108	403	341
<b>Cash flow from operating activities</b>	<b>727</b>	<b>700</b>	<b>1 481</b>	<b>1 581</b>	<b>2 361</b>	<b>2 261</b>
Acquisitions Note 3	- 412	-2 213	- 412	-2 191	-2 204	-425
Cash flow from other investing activities	-44	-82	-179	-185	-286	-280
<b>Cash flow from investing activities</b>	<b>-456</b>	<b>-2 295</b>	<b>-591</b>	<b>-2 376</b>	<b>-2 490</b>	<b>-705</b>
Dividend	-	-	-	-774	-774	-
Cash flow from other financing activities	-235	1 290	-1 324	1 774	1 201	-1 897
<b>Cash flow from financing activities</b>	<b>-235</b>	<b>1 290</b>	<b>-1 324</b>	<b>1 000</b>	<b>427</b>	<b>-1 897</b>
<b>Change in cash and cash equivalents</b>	<b>36</b>	<b>-305</b>	<b>-434</b>	<b>205</b>	<b>298</b>	<b>-341</b>
Cash and cash equivalents at January 1	1 134	1 738	1 624	1 164	1 164	1 526
Exchange-rate differences in cash and cash equivalents	-11	93	-31	157	162	-26
<b>Cash and cash equivalents at the end of the period</b>	<b>1 159</b>	<b>1 526</b>	<b>1 159</b>	<b>1 526</b>	<b>1 624</b>	<b>1 159</b>

## Operating cash flow, Group

MSEK	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Full Year 2019	Oct 19- Sep 20
Operating profit	593	483	1 313	1 620	2 043	1 736
Other non cash adjustment	11	-	11	-	-	11
Depreciation/amortisation/impairment	106	128	334	332	447	449
Change in working capital	107	283	46	108	403	341
Sale of fixed assets	0	0	0	0	0	0
Investments	-44	-82	-179	-185	-286	-280
<b>Operating Cash flow</b>	<b>773</b>	<b>812</b>	<b>1 525</b>	<b>1 875</b>	<b>2 607</b>	<b>2 257</b>

## Other key figures, Group

	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Full Year 2019	Oct 19- Sep 20
Profit margin before tax, %	16,9	11,2	12,6	13,7	12,9	12,1
Return on shareholders' equity, % R12			12,5	17,4	16,2	
Interest-coverage ratio, multiple			30	50	43	29
Net debt, MSEK			-1 517	-3 089	-2 376	
Sales growth adjusted for currency effects, %	-17	19	-14	8	7	
Sales growth adjusted for currency effects and acquisitions, %	-17	-8	-21	-8	-9	
Cash flow per share, SEK	2,11	2,03	4,30	4,59	6,86	6,57
Cash flow per share before change in working capital, SEK	1,80	1,21	4,17	4,28	5,69	5,58

## Condensed income statement, Parent Company

MSEK	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Full Year 2019	Oct 19- Sep 20
Sales	13	14	43	41	54	56
Administrative costs, etc.	-18	-19	-63	-50	-62	-75
<b>Operating loss</b>	<b>-5</b>	<b>-5</b>	<b>-20</b>	<b>-9</b>	<b>-8</b>	<b>-19</b>
Financial income and expenses	1	17	149	186	1 295	1 258
<b>Profit after financial items</b>	<b>-4</b>	<b>12</b>	<b>129</b>	<b>177</b>	<b>1 287</b>	<b>1 239</b>
Untaxed reserves	-	-	-	-	0	0
<b>Profit before tax</b>	<b>-4</b>	<b>12</b>	<b>129</b>	<b>177</b>	<b>1 287</b>	<b>1 239</b>
Tax	0	0	9	3	-26	-20
<b>Profit after tax</b>	<b>-4</b>	<b>12</b>	<b>138</b>	<b>180</b>	<b>1 261</b>	<b>1 219</b>

## Condensed balance sheet, Parent company

MSEK	Sep 30 2020	Sep 30 2019	Full year 2019
Fixed assets	9 356	9 011	8 970
Current assets	2 407	3 596	3 008
<b>Total assets</b>	<b>11 763</b>	<b>12 607</b>	<b>11 978</b>
<b>Restricted shareholders' equity</b>			
Share capital	69	69	69
<b>Total restricted shareholders' equity</b>	<b>69</b>	<b>69</b>	<b>69</b>
<b>Non-restricted shareholders' equity</b>			
Share premium reserve	598	598	598
Accumulated earnings	4 241	2 980	2 980
Profit after tax	138	180	1 261
<b>Total non-restricted shareholders' equity</b>	<b>4 977</b>	<b>3 758</b>	<b>4 839</b>
<b>Total shareholders' equity</b>	<b>5 046</b>	<b>3 827</b>	<b>4 908</b>
Untaxed reserves	0	-	0
Non-current liabilities	1 541	2 690	2 391
Current liabilities	5 176	6 090	4 679
<b>Total shareholders' equity and liabilities</b>	<b>11 763</b>	<b>12 607</b>	<b>11 978</b>

# Notes to the financial reports

## Note 1 Financial instrument per category and measurement level

Sep 30, 2020		Financial assets/liabilities measured at: fair value through profit or loss	
MSEK	amortized costs	Measurem. level	Total
<b>Assets in the balance sheet</b>			
Non-current financial assets	2	-	2
Accounts receivable	2 039	-	2 039
Cash and cash equivalents	1 159	-	1 159
<b>Total</b>	<b>3 200</b>	<b>-</b>	<b>3 200</b>
<b>Liabilities in the balance sheet</b>			
Interest-bearing non-current liabilities	1 559	-	1 559
Interest-bearing non-current lease liabilities	304	-	304
Interest-bearing current liabilities	720	-	720
Interest-bearing current lease liabilities	95	-	95
Accounts payable	1 689	-	1 689
Other liabilities	284	-	284
Accrued expenses, prepaid income, provisions	586	-	586
<b>Total</b>	<b>5 237</b>	<b>-</b>	<b>5 237</b>

Sep 30, 2019		Financial assets/liabilities measured at: fair value through profit or loss	
MSEK	amortized costs	Measurem. level	Total
<b>Assets in the balance sheet</b>			
Derivative financial instruments	-	1	2
Non-current financial assets	20	-	20
Accounts receivable	2 560	-	2 560
Cash and cash equivalents	1 526	-	1 526
<b>Total</b>	<b>4 106</b>	<b>1</b>	<b>4 107</b>
<b>Liabilities in the balance sheet</b>			
Interest-bearing non-current liabilities	2 709	-	2 709
Interest-bearing non-current lease liabilities	418	-	418
Other non-current liabilities	44	-	44
Liabilities to minority shareholders	-	400	3
Interest-bearing current liabilities	1 408	-	1 408
Interest-bearing current lease liabilities	100	-	100
Accounts payable	2 238	-	2 238
Other liabilities	268	-	268
Supplementary purchase price	-	11	3
Accrued expenses, prepaid income, provisions	464	-	464
<b>Total</b>	<b>7 649</b>	<b>411</b>	<b>8 060</b>

Derivative 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 Non-recurring items in the income statement

Refers to restructuring costs

<b>MSEK</b>	<b>Jul-Sep 2020</b>	<b>Jul-Sep 2019</b>	<b>Jan-Sep 2020</b>	<b>Jan-Sep 2019</b>	<b>Full Year 2019</b>
Costs of goods sold	2	-17	-20	-17	-97
Selling and administrative costs, etc.	-2	-83	-56	-83	-102
<b>Profit before tax</b>	<b>0</b>	<b>-100</b>	<b>-76</b>	<b>-100</b>	<b>-199</b>
Tax	0	20	17	20	43
<b>Profit after tax</b>	<b>0</b>	<b>-80</b>	<b>-59</b>	<b>-80</b>	<b>-156</b>

## Note 3 Acquisitions

### Acquisition within Compounding 2020

In early October 2018 the HEXPOL Group acquired 80 percent of MESGO Group. According to the agreement HEXPOL had an option to acquire the remaining shares (during the period March 2022 - June 2023) and the Caldara family had an option to sell the remaining shares to HEXPOL (during the period March 2020 – June 2023), the commitment was reported as a liability to minority shareholder. The option has now been utilized by the minority owner and HEXPOL has acquired the remaining 20 percent of MESGO Group. Operating profit have been affected negatively by 11 MSEK and the financial net by 16 MSEK in revaluation effect. The transaction took place on August 6 and the purchase price amounted to 39,8 MEUR.

### Acquisition within Compounding 2019

July 1st 2019 the HEXPOL Group acquired 100 percent of Preferred Compounding. The acquisition price amounted to approximately 232 MUSD on a cash and debt free basis. The business is consolidated from July 2019.

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

<b>MSEK</b>	
Purchase consideration	2 238
Fair value of acquired net assets	611
<b>Goodwill</b>	<b>1 627</b>

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 within advanced 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 194 MSEK for the estimated value of acquired intangible assets.

The following assets and liabilities were included in the acquisition:

<b>MSEK</b>	
Cash and cash equivalents	25
Accounts receivable	368
Current assets	237
Tangible assets	232
Intangible assets	194
Deferred tax liabilities	-36
Pensions	-9
Non-current liabilities	-43
Accounts payables	-285
Current liabilities	-72
<b>Acquired net assets</b>	<b>611</b>
Goodwill	1 627
Purchase considerations	2 238
Cash and cash equivalents in acquired operations	25
<b>Change in Group's cash and cash equivalents</b>	<b>2 213</b>

## Segment reporting and distribution of revenues

### Sales per business area

MSEK	2020			2019				Full Year	Oct 19-Sep 20	2018				Full Year
	Q1	Q2	Q3	Q1	Q2	Q3	Q4			Q1	Q2	Q3	Q4	
HEXPOL Compounding	3 906	2 290	3 091	3 539	3 418	3 984	3 524	14 465	12 811	3 057	3 207	3 180	3 301	12 745
HEXPOL Engineered Products	262	236	237	266	267	260	250	1 043	985	252	254	263	256	1 025
<b>Group total</b>	<b>4 168</b>	<b>2 526</b>	<b>3 328</b>	<b>3 805</b>	<b>3 685</b>	<b>4 244</b>	<b>3 774</b>	<b>15 508</b>	<b>13 796</b>	<b>3 309</b>	<b>3 461</b>	<b>3 443</b>	<b>3 557</b>	<b>13 770</b>

### Sales per geographic region

MSEK	2020			2019				Full Year	Oct 19-Sep 20	2018				Full Year
	Q1	Q2	Q3	Q1	Q2	Q3	Q4			Q1	Q2	Q3	Q4	
Europe	1 464	983	1 178	1 519	1 439	1 360	1 301	5 619	4 926	1 162	1 181	1 114	1 317	4 774
Americas	2 548	1 382	1 958	2 127	2 066	2 697	2 293	9 183	8 181	1 967	2 105	2 126	2 056	8 254
Asia	156	161	192	159	180	187	180	706	689	180	175	203	184	742
<b>Group total</b>	<b>4 168</b>	<b>2 526</b>	<b>3 328</b>	<b>3 805</b>	<b>3 685</b>	<b>4 244</b>	<b>3 774</b>	<b>15 508</b>	<b>13 796</b>	<b>3 309</b>	<b>3 461</b>	<b>3 443</b>	<b>3 557</b>	<b>13 770</b>

### Sales per geographic region HEXPOL Compounding

MSEK	2020			2019				Full Year	Oct 19-Sep 20	2018				Full Year
	Q1	Q2	Q3	Q1	Q2	Q3	Q4			Q1	Q2	Q3	Q4	
Europe	1 334	866	1 068	1 380	1 298	1 228	1 174	5 080	4 442	1 031	1 042	985	1 184	4 242
Americas	2 466	1 321	1 893	2 053	1 999	2 630	2 225	8 907	7 905	1 903	2 043	2 056	1 984	7 986
Asia	106	103	130	106	121	126	125	478	464	123	122	139	133	517
<b>Group total</b>	<b>3 906</b>	<b>2 290</b>	<b>3 091</b>	<b>3 539</b>	<b>3 418</b>	<b>3 984</b>	<b>3 524</b>	<b>14 465</b>	<b>12 811</b>	<b>3 057</b>	<b>3 207</b>	<b>3 180</b>	<b>3 301</b>	<b>12 745</b>

### Sales per geographic region HEXPOL Engineered Products

MSEK	2020			2019				Full Year	Oct 19-Sep 20	2018				Full Year
	Q1	Q2	Q3	Q1	Q2	Q3	Q4			Q1	Q2	Q3	Q4	
Europe	130	117	110	139	141	132	127	539	484	131	139	129	133	532
Americas	82	61	65	74	67	67	68	276	276	64	62	70	72	268
Asia	50	58	62	53	59	61	55	228	225	57	53	64	51	225
<b>Group total</b>	<b>262</b>	<b>236</b>	<b>237</b>	<b>266</b>	<b>267</b>	<b>260</b>	<b>250</b>	<b>1 043</b>	<b>985</b>	<b>252</b>	<b>254</b>	<b>263</b>	<b>256</b>	<b>1 025</b>

### Operating profit per business area

MSEK	2020			2019				Full Year	Oct 19-Sep 20**	2018				Full Year
	Q1*	Q2**	Q3**	Q1	Q2	Q3*	Q4*			Q1	Q2	Q3	Q4	
HEXPOL Compounding	554	178	552	553	516	547	493	2 109	1 777	506	526	488	486	2 006
HEXPOL Engineered Products	33	31	41	33	35	36	29	133	134	34	35	39	36	144
<b>Group total</b>	<b>587</b>	<b>209</b>	<b>593</b>	<b>586</b>	<b>551</b>	<b>583</b>	<b>522</b>	<b>2 242</b>	<b>1 911</b>	<b>540</b>	<b>561</b>	<b>527</b>	<b>522</b>	<b>2 150</b>

### Operating margin per business area

%	2020			2019				Full Year	Oct 19-Sep 20**	2018				Full Year
	Q1*	Q2**	Q3**	Q1	Q2	Q3*	Q4*			Q1	Q2	Q3	Q4	
HEXPOL Compounding	14,2	7,8	17,9	15,6	15,1	13,7	14,0	14,6	13,9	16,6	16,4	15,3	14,7	15,7
HEXPOL Engineered Products	12,6	13,1	17,3	12,4	13,1	13,8	11,6	12,8	13,6	13,5	13,8	14,8	14,1	14,0
<b>Group total</b>	<b>14,1</b>	<b>8,3</b>	<b>17,8</b>	<b>15,4</b>	<b>15,0</b>	<b>13,7</b>	<b>13,8</b>	<b>14,5</b>	<b>13,9</b>	<b>16,3</b>	<b>16,2</b>	<b>15,3</b>	<b>14,7</b>	<b>15,6</b>

\*Excl. Non-recurring items for HEXPOL Compounding

\*\*Excl. Non-recurring items

# Reconciliation alternative performance measures

## Sales

MSEK	2020				2019				Full Year	2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
Sales	4 168	2 526	3 328	3 805	3 685	4 244	3 774	15 508	3 309	3 461	3 443	3 557	13 770
Currency effects	138	12	-202	298	198	163	152	811	-153	36	313	230	426
<b>Sales excluding currency effects</b>	<b>4 030</b>	<b>2 514</b>	<b>3 530</b>	<b>3 507</b>	<b>3 487</b>	<b>4 081</b>	<b>3 622</b>	<b>14 697</b>	<b>3 462</b>	<b>3 425</b>	<b>3 130</b>	<b>3 327</b>	<b>13 344</b>
Acquisitions	580	279	-	380	356	911	530	2 177	210	0	31	330	571
<b>Sales excluding currency effects and acquisitions</b>	<b>3 450</b>	<b>2 235</b>	<b>3 530</b>	<b>3 127</b>	<b>3 131</b>	<b>3 170</b>	<b>3 092</b>	<b>12 520</b>	<b>3 252</b>	<b>3 425</b>	<b>3 099</b>	<b>2 997</b>	<b>12 773</b>

## Sales growth

%	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Full Year 2019
Sales growth excluding currency effects	-17	19	-14	8	7
Sales growth excluding currency effects and acquisitions	-17	-8	-21	-8	-9

## EBITA, excl. non-recurring items, %

MSEK	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Full Year 2019	Oct 19-20
Sales	3 328	4 244	10 022	11 734	15 508	13 796
Operating profit	593	483	1 313	1 620	2 043	1 736
Non-recurring items	0	100	76	100	199	175
Amortisation and impairment of intangible assets	18	21	58	57	78	79
<b>Total EBITA</b>	<b>611</b>	<b>604</b>	<b>1 447</b>	<b>1 777</b>	<b>2 320</b>	<b>1 990</b>
<b>EBITA%</b>	<b>18,4</b>	<b>14,2</b>	<b>14,4</b>	<b>15,1</b>	<b>15,0</b>	<b>14,4</b>

## EBITA, %

MSEK	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Full Year 2019	Oct 19-20
Sales	3 328	4 244	10 022	11 734	15 508	13 796
Operating profit	593	483	1 313	1 620	2 043	1 736
Amortisation and impairment of intangible assets	18	21	58	57	78	79
<b>Total EBITA</b>	<b>611</b>	<b>504</b>	<b>1 371</b>	<b>1 677</b>	<b>2 121</b>	<b>1 815</b>
<b>EBITA%</b>	<b>18,4</b>	<b>11,9</b>	<b>13,7</b>	<b>14,3</b>	<b>13,7</b>	<b>13,2</b>

## Capital employed

MSEK	2020				2019				2018			
	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31
Total assets	19 088	16 131	16 185	15 422	15 720	18 579	17 425	11 301	11 760	12 664	14 456	
Provision for deferred tax	-584	-543	-518	-549	-499	-539	-580	-336	-352	-356	-539	
Accounts payable	-2 300	-1 257	-1 689	-1 990	-1 908	-2 238	-1 953	-1 879	-1 977	-1 848	-1 913	
Other liabilities	-658	-604	-284	-253	-254	-279	-598	-236	-216	-210	-216	
Accrued expenses, prepaid income, provisions	-543	-542	-586	-327	-339	-464	-439	-307	-345	-393	-346	
<b>Total Group</b>	<b>15 003</b>	<b>13 185</b>	<b>13 108</b>	<b>12 303</b>	<b>12 720</b>	<b>15 059</b>	<b>13 855</b>	<b>8 543</b>	<b>8 870</b>	<b>9 857</b>	<b>11 442</b>	



## Return on capital employed, R12

MSEK	Sep 30 2020	Sep 30 2019	Full Year 2019
Average capital employed	13 788	12 881	13 484
Profit before tax	1 667	2 132	2 008
Interest expense	59	39	48
<b>Total</b>	<b>1 726</b>	<b>2 171</b>	<b>2 056</b>
<b>Return on capital employed, %</b>	<b>12,5</b>	<b>16,9</b>	<b>15,2</b>

## Interest-coverage ratio, multiple

MSEK	Jan-Sep 2020	Jan-Sep 2019	Full Year 2019	Oct 19- Sep 20
Profit before tax	1 263	1 604	2 008	1 667
Interest expense	44	33	48	59
<b>Total</b>	<b>1 307</b>	<b>1 637</b>	<b>2 056</b>	<b>1 726</b>
<b>Interest-coverage ratio, multiple</b>	<b>30</b>	<b>50</b>	<b>43</b>	<b>29</b>

## Shareholders' equity

MSEK	2020			2019				2018			
	Mar 31	Jun 30	Sep 30	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31
Shareholders' equity	10 924	10 162	10 319	9 387	9 068	9 926	9 756	7 682	7 882	8 151	8 592

## Return on equity, R12

MSEK	Sep 30 2020	Sep 30 2019	Full Year 2019
Average shareholders' equity	10 290	9 243	9 534
Profit after tax	1 289	1 611	1 542
<b>Return on equity, %</b>	<b>12,5</b>	<b>17,4</b>	<b>16,2</b>

## Net debt

MSEK	Sep 30 2020	Sep 30 2019	Full Year 2019
Financial assets	2	20	3
Cash and cash equivalents	1 159	1 526	1 624
Non-current interest-bearing liabilities	-1 863	-3 127	-2 754
Current interest-bearing liabilities	-815	-1 508	-1 249
<b>Net debt</b>	<b>-1 517</b>	<b>-3 089</b>	<b>-2 376</b>

## Net debt/EBITDA

MSEK	Sep 30 2020	Sep 30 2019	Full Year 2019
Net debt	-1 517	-3 089	-2 376
EBITDA, R12	2 185	2 545	2 490
<b>Net debt/EBITDA, multiple</b>	<b>-0,69</b>	<b>-1,21</b>	<b>-0,95</b>

## Equity/assets ratio

MSEK	Sep 30 2020	Sep 30 2019	Full Year 2019
Shareholders' equity	10 319	9 926	9 756
Total assets	16 185	18 579	17 425
<b>Equity/assets ratio, %</b>	<b>64</b>	<b>53</b>	<b>56</b>

## Financial definitions

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