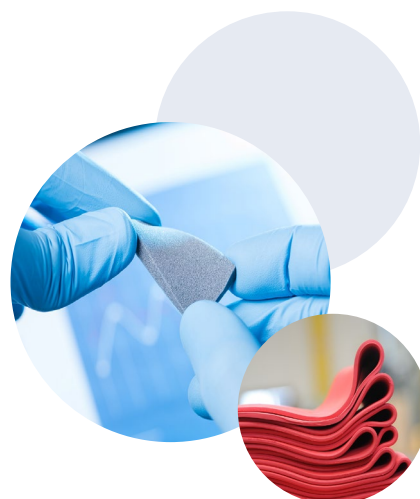


Published on July 19, 2023

Half-year report January - June 2023



APRIL – JUNE 2023

- Sales amounted to 5,727 MSEK (5,654).
- EBIT increased by 13 percent and amounted to 945 MSEK (836).
- EBIT-margin amounted to 16.5 percent (14.8).
- Profit after tax amounted to 679 MSEK (644).
- Earnings per share amounted to 1.97 SEK (1.87).
- Operating cash flow increased to 1,048 MSEK (642).

JANUARY – JUNE 2023

- Sales increased by 8 percent and amounted to 11,717 MSEK (10,827).
- EBIT increased by 17 percent and amounted to 1,891 MSEK (1,611).
- EBIT-margin amounted to 16.1 percent (14.9).
- Profit after tax amounted to 1,347 MSEK (1,244).
- Earnings per share amounted to 3.91 SEK (3.61).
- Operating cash flow increased to 1,641 MSEK (745).

”Improved margins - our best second quarter to date”

Georg Brunstam, President and CEO

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 polymer 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, 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 2022 amounted to 22,243 MSEK and the Group has approximately 5,000 employees in fourteen countries.

Improved margins - our best second quarter to date

Once again, we delivered a very strong quarter. EBIT amounted to 945 MSEK (836), which in terms of results is our best second quarter to date and represents an increase of 13 percent compared with the corresponding quarter previous year. At the same time, the EBIT margin improved to 16.5 percent (14.8). Our sales prices are lower compared to both the first quarter this year and compared to the corresponding quarter previous year as a result of lower prices on our main raw materials. The sales for the quarter as a total was in line with the corresponding quarter previous year. Included in the sales for HEXPOL Group are positive effects from acquisitions and positive currency effects. The operating cashflow was strong in the quarter with 1,048 MSEK (642).

Sales to automotive-related customers show an improvement but still varies from market to market. As a result of lower demand, sales to customers within building and construction are significantly lower in virtually all markets. We also see lower sales to consumer related end customer segments. The challenges within supply chains continue, but with lower intensity and then mainly for certain raw materials. The companies acquired in recent years are now integrated in HEXPOL Group both geographically and organizationally and their plans have been delivered.

Strong execution of our solid business model with high customer focus combined with our ability to offer fast and stable deliveries, as well as rapid implementation of price adjustments are the key to the strong result. This together with our large geographical coverage with manufacturing close to our customers increases our delivery capacity.

The acquisition strategy is set and we work focused according to it. We recently acquired McCann Plastics LLC, an American specialist in thermoplastic compounds which has a significant proportion of recycled products. Our strong financial position and low debt ratios support our continued acquisition agenda.

The work on sustainability continues, not least with reducing our carbon footprint in order to achieve our goal of a reduction by 75 percent to 2025. Since the establishment of the target we have reduced our carbon footprint by 51 percent so we are well on our way to achieving our goal. The sustainability strategy includes a significant shift towards increased share of recycled materials, including acquisition of companies with a high portion of recycled material. The interest for recycled products is increasing sharply, not least in the automotive industry and we have many ongoing project in this area.

The uncertainty going forward remains high with high inflation and high interest rates, disturbances in supply chain and Russia's invasion of Ukraine. However, we believe that our strong customer focus in combination with our geographical closeness to our customers gives us continued opportunities to deal with the disruptions and further strengthen the market position. The strong business model in combination with a clear acquisition strategy and strong financial position give us good conditions for continued growth and acquisitions.

Sales
5,727 MSEK

EBIT
945 MSEK

+13%

EBIT-margin
16.5%



Georg Brunstam
President and CEO

Group Summary

Key figures MSEK	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full Year 2022	Jul 22- Jun 23
Sales	5 727	5 654	11 717	10 827	22 243	23 133
EBITA, adjusted	976	859	1 951	1 656	3 358	3 653
EBITA-margin, adjusted, %	17,0	15,2	16,7	15,3	15,1	15,8
EBITA	976	859	1 951	1 656	3 388	3 683
EBITA-margin, %	17,0	15,2	16,7	15,3	15,2	15,9
EBIT, adjusted	945	836	1 891	1 611	3 260	3 540
EBIT-margin, adjusted, %	16,5	14,8	16,1	14,9	14,7	15,3
EBIT	945	836	1 891	1 611	3 290	3 570
EBIT-margin, %	16,5	14,8	16,1	14,9	14,8	15,4
Profit before tax	882	834	1 758	1 615	3 244	3 387
Profit after tax	679	644	1 347	1 244	2 483	2 586
Earnings per share, adjusted, SEK	1,97	1,87	3,91	3,61	7,14	7,44
Earnings per share after dilution, SEK	1,97	1,87	3,91	3,61	7,21	7,51
Equity/assets ratio, %			60	54	58	
Return on capital employed, % R12			18,9	21,6	19,2	
Operating cash flow	1 048	642	1 641	745	2 813	3 709



Group development

April - June 2023

Sales

During the second quarter 2023, our sales once again increased compared to the corresponding quarter previous year. The HEXPOL Group's sales increased by 1 percent and amounted to 5,727 MSEK (5,654) during the quarter, including positive currency effects of 383 MSEK. In addition to the positive currency effects, the sales were positively affected by acquisitions (McCann) with 2 percent.

The HEXPOL Compounding business area's sales increased by 1 percent during the quarter, compared to the corresponding quarter 2022. The sales amounted to 5,354 MSEK (5,291) including positive currency effects of 363 MSEK. Adjusted for these, the sales amounted to 4,991 MSEK. In addition to the positive currency effects, the sales were positively affected by acquisitions with 2 percent.

Sales to automotive-related customers show an improvement but still varies from market to market. As a result of lower demand, sales to customers within building and construction are significantly lower in virtually all markets. We also see lower sales to consumer related end customer segments.

We have seen continued lower raw material prices during the quarter.

The HEXPOL Engineered Products sales increased during the quarter, and amounted to 373 MSEK (363), an increase by 3 percent. The operations in Asia developed positively during the quarter.

From a geographical perspective the group sales decreased in Europe by 6 percent compared to the corresponding quarter previous year. In America, the sales increased by 5 percent and in Asia by 17 percent, both compared with the corresponding quarter previous year.

Earnings

EBITA increased to 976 MSEK (859), which meant a corresponding EBITA margin of 17.0 percent (15.2).

EBIT increased by 13 percent to 945 MSEK (836). Positive currency effects of 39 MSEK are included. The corresponding operating margin amounted to 16.5 percent (14.8). The higher EBIT margin is driven by better product- and price mix.

The Group's net financial items amounted to an expense of 63 MSEK (expense 2). Profit before tax amounted to 882 MSEK (834), profit after tax amounted to 679 MSEK (644) and earnings per share 1.97 SEK (1.87).

Sales
5,727 MSEK

EBIT
945 MSEK

+13%

EBIT-margin
16.5%

January - June 2023

Sales

During the first half-year 2023, our sales once again increased compared to the corresponding period previous year. The HEXPOL Group's sales increased by 8 percent and amounted to 11,717 MSEK (10,827) during the period, including positive currency effects of 846 MSEK. In addition to the positive currency effects, the sales were positively affected by acquisitions (almaak and McCann) with 4 percent.

The HEXPOL Compounding business area's sales increased by 8 percent during the period, compared to the corresponding period 2022. The sales amounted to 10,971 MSEK (10,132) including positive currency effects of 802 MSEK. Adjusted for these, the sales amounted to 10,169 MSEK. In addition to the positive currency effects, the sales were positively affected by acquisitions with 5 percent.

Sales to automotive-related customers show an improvement but still varies from market to market. As a result of lower demand, sales to customers within building and construction are significantly lower in virtually all markets. We also see lower sales to consumer related end customer segments.

We have seen continued lower raw material prices during the period.

The HEXPOL Engineered Products sales also increased during the period, and amounted to 746 MSEK (695), an increase by 7 percent. The operations in Asia developed positively during the period.

From a geographical perspective the group sales increased in Europe by 3 percent compared to the corresponding period previous year. In America, the sales increased by 11 percent and in Asia by 18 percent, both compared with the corresponding period previous year.

Earnings

EBITA increased to 1,951 MSEK (1,656), which meant a corresponding EBITA margin of 16.7 percent (15.3).

EBIT increased by 17 percent to 1,891 MSEK (1,611). Positive currency effects of 120 MSEK are included. The corresponding operating margin amounted to 16.1 percent (14.9). The higher EBIT margin is driven by better product- and price mix.

The Group's net financial items amounted to an expense of 133 MSEK (4). Profit before tax amounted to 1,758 MSEK (1,615), profit after tax amounted to 1,347 MSEK (1,244) and earnings per share 3.91 SEK (3.61).

Sales

11,717 MSEK

EBIT

1,891 MSEK

+17%

EBIT-margin

16.1%

Financial overview

Equity/assets ratio

The equity/assets ratio remains strong at 60 percent (54). The Group's total assets amounted to 24,806 MSEK (22,400). Net debt amounted to 2,854 MSEK (3,291) whereof 423 MSEK (402) relates to financial leasing liabilities according to IFRS 16, which gives a net debt/EBITDA of 0.70 (0.89).

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

- A credit agreement with a limit of 1,100 MSEK due in February 2026
- A credit agreement with a limit of 1,000 MSEK due in May 2026
- A credit agreement with a limit of 150 MEUR due in May 2026
- A credit agreement with a limit of 1,500 MSEK due in June 2026

The Group use commercial papers as part of the company's financing and as of June 30 they amounted to 2,370 MSEK. In accordance with IAS1, outstanding volumes are reported in the balance sheet as current liabilities, but since HEXPOL's bilateral credit agreements also function as back-up facilities for outstanding commercial papers, they are of a non-current nature.

Cash flow

The operating cash flow for the Group amounted to 1,048 MSEK (642) in the quarter and cash flow from operating activities amounted to 906 MSEK (487). Operating cash flow for the Group amounted to 1,641 MSEK (745) for the first half-year, while cash flow from operating activities amounted to 1,366 MSEK (609) for the same period.

Investments, depreciation and amortisation

The Group's investments amounted to 160 MSEK (182) for the quarter. At the same time, depreciation, amortization and impairment amounted to 130 MSEK (123) whereof 18 MSEK (21) refers to leased assets according to IFRS 16. The Group's investments amounted to 289 MSEK (274) during the first half-year. Depreciation, amortization and impairment amounted to 260 MSEK (229) for the same period, whereof 38 MSEK (42) refers to leased assets according to IFRS 16.

Tax expenses

The Group's tax expenses amounted to 203 MSEK (190) for the second quarter 2023, which corresponds to a tax rate of 23.0 percent (22.8). The Group's tax expenses for the first half-year amounted to 411 MSEK (371) which corresponds to a tax rate of 23.4 percent (23.0).

Net debt/EBITDA
0.70

Operating cashflow
1,048 MSEK
+63%

Profitability

The return on average capital employed, R12, amounted to 18.9 percent (21.6).

The return on shareholders' equity, R12, amounted to 18.2 percent (21.5).

Parent Company

The Parent Company's profit after tax for the second quarter amounted to 197 MSEK (182). Profit after tax for the first half-year amounted to 169 MSEK (173). Shareholders' equity amounted to 4,539 MSEK (4,353).

HEXPOL Compounding

April - June 2023

The sales increased during the second quarter 2023 by 1 percent, compared to the corresponding quarter previous year. The sales amounted to 5,354 MSEK (5,291) including positive currency effects of 363 MSEK. Adjusted for these, the sales amounted to 4,991 MSEK. In addition to positive currency effects, the sales were positively affected by acquisitions with 2 percent.

Sales to automotive-related customers show an improvement but still varies from market to market. As a result of lower demand, sales to customers within building and construction are significantly lower in virtually all markets. We also see lower sales to consumer related end customer segments.

We have seen continued lower raw material prices during the quarter.

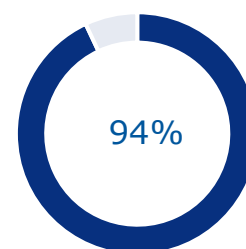
EBIT increased to 883 MSEK (759) and the corresponding operating margin amounted to 16.5 percent (14.3). The higher EBIT margin is driven by better product- and price mix.

January - June 2023

The sales for HEXPOL Compounding increased during the period by 8 percent to 10,971 MSEK (10,132). EBIT increased at the same time to 1,756 MSEK (1,480) and the corresponding operating margin amounted to 16.0 percent (14.6). The higher EBIT margin is driven by better product- and price mix.

Share of the Group's sales

January - June 2023



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 sector, consumer sector, cable industries and manufacturers of medical equipment.

HEXPOL Compounding

	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full Year 2022	Jul 22-Jun 23
MSEK	2023	2022	2023	2022	2022	2023
Sales	5 354	5 291	10 971	10 132	20 834	21 673
EBIT, adjusted	883	759	1 756	1 480	2 982	3 258
EBIT-margin, adjusted, %	16,5	14,3	16,0	14,6	14,3	15,0
EBIT	883	759	1 756	1 480	3 012	3 288

HEXPOL Engineered Products

April – June 2023

The sales increased by 3 percent compared to the same quarter previous year and amounted to 373 MSEK (363). The increase include positive currency effects of 20 MSEK. Adjusted for these, the sales amounted to 353 MSEK. EBIT amounted to 62 MSEK (77) which correspond to an operating margin of 16.6 percent (21.2). The lower profit and margin are explained entirely by negative currency effects related to Sri Lanka.

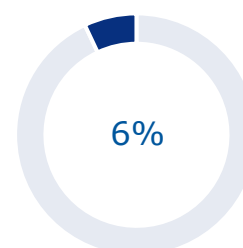
All product areas increased their sales compared to the corresponding quarter previous year. The operations in Asia developed positively during the quarter.

January – June 2023

The sales for HEXPOL Engineered Products increased by 7 percent to 746 MSEK (695), during the period. EBIT increased at the same time to 135 MSEK (131) and the corresponding operating margin amounted to 18.1 percent (18.8). The lower EBIT margin is explained by negative currency effects related to Sri Lanka.

Share of the Group's sales

January - June 2023



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 wheels of polymer materials 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

MSEK	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full Year 2022	Jul 22-Jun 23
Sales	373	363	746	695	1 409	1 460
EBIT	62	77	135	131	278	282
EBIT-margin, %	16,6	21,2	18,1	18,8	19,7	19,3

After the end of the period

Significant events

No significant events after the end of the period have been reported.

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 2022 Annual Report. HEXPOL's global operation entails a risk that the company is affected by events in the global environment, beyond the company's direct control. Examples of this could be changed geopolitical situations or changes in the supply chain. It is high on the agenda of both the management and The Board to monitor events in the global environment in order to be able to act quickly in situations that can have a significant impact on HEXPOL.

Accounting policies

This half-year 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 2022 Annual Report have also been applied in this half-year report. No new or revised IFRS that came into force 2023 have had any significant impact on the Group's financial reports.

Liabilities for put options are recognized as a financial liability measured at fair value with changes in value in profit or loss, and are valued in accordance with Level 3.

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 5,012 (5,109). The decrease, compared to the corresponding period previous year, is explained by adaptation of production planning.

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 approximately 12,500 shareholders on June 30, 2023. 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 70 percent of the capital and 79 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 July 19, 2023 at 11:00 a.m. CET. The presentation, as well as information concerning participations, is available at www.hexpol.com.

Number of
employees
5,012



Financial calendar

HEXPOL AB publish financial information on the following dates:

- Interim report January-September 2023 October 27, 2023

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

This half-year report January – June 2023 has not been audited by HEXPOL AB's auditors.

Board Assurance

The half-year report provides a fair view of the Parent Company's and the Group's operations, financial position and results. It also describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Malmö, Sweden July 19, 2023

HEXPOL AB (publ.)

Georg Brunstam
President and CEO

Alf Göransson
Chairman of the Board

Malin Persson

Jan-Anders E. Månsson

Kerstin Lindell

Nils-Johan Andersson

Märtha Schörling Andreen

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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 and the Securities Market Act. The information was submitted for publication, through the agency of the contact person set out above, at 10:00 a.m. CET on July 19, 2023. 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.

Summary financial information

Condensed consolidated income statement

MSEK	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full Year 2022	Jul 22- Jun 23
Sales	5 727	5 654	11 717	10 827	22 243	23 133
Cost of goods sold	-4 466	-4 537	-9 209	-8 705	-17 899	-18 403
Gross profit	1 261	1 117	2 508	2 122	4 344	4 730
Selling and administrative cost, etc.	-316	-281	-617	-511	-1 054	-1 160
Operating profit	945	836	1 891	1 611	3 290	3 570
Financial income and expenses	-63	-2	-133	4	-46	-183
Profit before tax	882	834	1 758	1 615	3 244	3 387
Tax	-203	-190	-411	-371	-761	-801
Profit after tax	679	644	1 347	1 244	2 483	2 586
- of which, attributable to Parent Company shareholders	679	644	1 347	1 244	2 483	2 586
Earnings per share before dilution, SEK	1,97	1,87	3,91	3,61	7,21	7,51
Earnings per share after dilution, SEK	1,97	1,87	3,91	3,61	7,21	7,51
Shareholders' equity per share, SEK			43,11	35,04	39,97	
Average number of shares, 000s	344 437	344 437	344 437	344 437	344 437	344 437
Depreciation, amortisation and impairment	-130	-123	-260	-229	-492	-523

Condensed statement of comprehensive income

MSEK	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full Year 2022	Jul 22- Jun 23
Profit after tax	679	644	1 347	1 244	2 483	2 586
Items that will not be reclassified to the income statement						
Remeasurements of defined benefit pension plans	-	-	-	-	5	5
Items that may be reclassified to the income statement						
Translation differences	862	1 043	974	1 242	1 696	1 428
Comprehensive income	1 541	1 687	2 321	2 486	4 184	4 019
- of which, attributable to Parent Company's shareholders	1 541	1 687	2 321	2 486	4 184	4 019

Condensed consolidated balance sheet

MSEK	Jun 30 2023	Jun 30 2022	Dec 31 2022
Intangible fixed assets	13 363	11 162	12 678
Tangible fixed assets	3 472	2 959	3 232
Financial fixed assets	7	3	7
Deferred tax asset	109	105	102
Total fixed assets	16 951	14 229	16 019
Inventories	2 492	2 648	2 454
Accounts receivable	3 530	3 603	3 078
Other receivables	442	273	384
Prepaid expenses and accrued income	117	97	77
Cash and cash equivalents	1 274	1 550	1 541
Total current assets	7 855	8 171	7 534
Total assets	24 806	22 400	23 553
Equity attributable to Parent Company's shareholders	14 848	12 069	13 767
Total shareholders' equity	14 848	12 069	13 767
Interest-bearing liabilities	1 660	3 240	1 822
Other liabilities	469	290	348
Provision for deferred tax	866	665	825
Provision for pensions	74	67	68
Total non-current liabilities	3 069	4 262	3 063
Interest-bearing liabilities	2 475	1 604	2 571
Accounts payable	3 247	3 479	3 111
Other liabilities	449	335	342
Accrued expenses, prepaid income, provisions	718	651	699
Total current liabilities	6 889	6 069	6 723
Total shareholders' equity and liabilities	24 806	22 400	23 553

Condensed consolidated changes in shareholders' equity

MSEK	Jun 30, 2023		Jun 30, 2022		Dec 31, 2022	
	Attributable to Parent Company shareholders	Total equity	Attributable to Parent Company shareholders	Total equity	Attributable to Parent Company shareholders	Total equity
Opening equity	13 767	13 767	11 650	11 650	11 650	11 650
Comprehensive income	2 321	2 321	2 486	2 486	4 184	4 184
Dividend	-1 240	-1 240	-2 067	-2 067	-2 067	-2 067
Closing equity	14 848	14 848	12 069	12 069	13 767	13 767

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	329 671 226	344 436 846
Number of shares at the end of the period	14 765 620	329 671 226	344 436 846

Condensed consolidated cash-flow statement

MSEK	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full Year 2022	Jul 22- Jun 23
Cash flow from operating activities before changes in working capital	773	622	1 587	1 430	2 903	3 060
Changes in working capital	133	-135	-221	-821	-310	290
Cash flow from operating activities	906	487	1 366	609	2 593	3 350
Acquisitions	-	-371	5	-371	-1 512	-1 136
Cash flow from other investing activities	-160	-182	-289	-274	-659	-674
Cash flow from investing activities	-160	-553	-284	-645	-2 171	-1 810
Dividend	-1 240	-2 067	-1 240	-2 067	-2 067	-1 240
Cash flow from other financing activities	210	2 179	-258	2 622	2 167	-713
Cash flow from financing activities	-1 030	112	-1 498	555	100	-1 953
Change in cash and cash equivalents	-284	46	-416	519	522	-413
Cash and cash equivalents at January 1	1 449	1 797	1 541	1 320	1 320	1 550
Exchange-rate differences in cash and cash equivalents	109	-293	149	-289	-301	137
Cash and cash equivalents at the end of the period	1 274	1 550	1 274	1 550	1 541	1 274

Operating cash flow, Group

MSEK	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full Year 2022	Jul 22- Jun 23
Operating profit	945	836	1 891	1 611	3 290	3 570
Depreciation/amortisation/impairment	130	123	260	229	492	523
Change in working capital	133	-135	-221	-821	-310	290
Sale of fixed assets	0	0	0	0	0	0
Investments	-160	-182	-289	-274	-659	-674
Operating Cash flow	1 048	642	1 641	745	2 813	3 709

Other key figures, Group

	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full Year 2022	Jul 22- Jun 23
Profit margin before tax, %	15,4	14,8	15,0	14,9	14,6	14,6
Return on shareholders' equity, % R12			18,2	21,5	19,1	
Interest-coverage ratio, multiple			17	53	34	20
Net debt, MSEK			-2 854	-3 291	-2 845	
Sales growth adjusted for currency effects, %	-5	28	0	27	25	
Sales growth adjusted for currency effects and acquisitions, %	-8	18	-4	19	17	
Cash flow per share, SEK	2,63	1,41	3,97	1,77	7,53	9,73
Cash flow per share before change in working capital, SEK	2,24	1,81	4,61	4,15	8,43	8,89

Condensed income statement, Parent Company

MSEK	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full Year	Jul 22- Jun 23
Sales	21	17	43	33	68	78
Administrative costs, etc.	-28	-31	-58	-56	-109	-111
Operating loss	-7	-14	-15	-23	-41	-33
Financial income and expenses	197	193	172	192	1 488	1 468
Profit after financial items	190	179	157	169	1 447	1 435
Profit before tax	190	179	157	169	1 447	1 435
Tax	7	3	12	4	-17	-9
Profit after tax	197	182	169	173	1 430	1 426

Condensed balance sheet, Parent company

MSEK	Jun 30 2023	Jun 30 2022	Dec 31 2022
Fixed assets	13 578	10 619	13 767
Current assets	388	2 854	703
Total assets	13 966	13 473	14 470
Restricted shareholders' equity			
Share capital	69	69	69
Total restricted shareholders' equity	69	69	69
Non-restricted shareholders' equity			
Share premium reserve	619	619	619
Accumulated earnings	3 682	3 492	3 492
Profit after tax	169	173	1 430
Total non-restricted shareholders' equity	4 470	4 284	5 541
Total shareholders' equity	4 539	4 353	5 610
Non-current liabilities	4 148	2 940	3 786
Current liabilities	5 279	6 180	5 074
Total shareholders' equity and liabilities	13 966	13 473	14 470

Notes to the financial reports

Note 1 Financial instrument per category and measurement level

Jun 30, 2023		Financial assets/liabilities measured at:		
MSEK	Amortized costs	Fair value through profit or loss	Measurem. level	Total
Assets in the balance sheet				
Non-current financial assets	7	-		7
Accounts receivable	3 530	-		3 530
Cash and cash equivalents	1 274	-		1 274
Total	4 811	-		4 811
Liabilities in the balance sheet				
Interest-bearing non-current liabilities	1 341	-		1 341
Interest-bearing non-current lease liabilities	319	-		319
Liabilities to minority shareholders*		430	3	430
Interest-bearing current liabilities	2 371	-		2 371
Interest-bearing current lease liabilities	104	-		104
Accounts payable	3 247	-		3 247
Other liabilities	449	-		449
Accrued expenses, prepaid income, provisions	718	-		718
Total	8 549	430		8 979

Jun 30, 2022		Financial assets/liabilities measured at:		
MSEK	Amortized costs	Fair value through profit or loss	Measurem. level	Total
Assets in the balance sheet				
Non-current financial assets	3	-		3
Accounts receivable	3 603	-		3 603
Cash and cash equivalents	1 550	-		1 550
Total	5 156	-		5 156
Liabilities in the balance sheet				
Interest-bearing non-current liabilities	2 941	-		2 941
Interest-bearing non-current lease liabilities	299	-		299
Liabilities to minority shareholders*		220	3	220
Interest-bearing current liabilities	1 501	-		1 501
Interest-bearing current lease liabilities	103	-		103
Accounts payable	3 479	-		3 479
Other liabilities	335	-		335
Accrued expenses, prepaid income, provisions	651	-		651
Total	9 309	220		9 529

*Liabilities to minority shareholders are recognized as other non-current liabilities.

Note 2 Non-recurring items in the income statement

MSEK	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full Year 2022
Costs of goods sold	-	-	-	-	-
Other operating income	-	-	-	-	30
Other operating expense	-	-	-	-	-
Profit before tax	-	-	-	-	30
Tax	-	-	-	-	-6
Profit after tax	-	-	-	-	24

The income during the full year 2022 is attributable to the dissolution of a cost accrual related to the fire in Jonesborough, TN, USA January 7, 2021.

Note 3 Acquisition

Acquisition within TP Compounding 2022

HEXPOL Group acquired 100% of the shares in McCann Plastics LLC from the McCann family in December. The company is specialized in niche thermoplastic compounds, with special focus on roto molding applications and is based in Ohio, USA. McCann has during the last 12 months delivered sales of some 72 MUSD with a profitability level just below that of the HEXPOL Group. McCann has operations in two locations in Ohio, USA with some 100 employees. The main end customer segments are general industry, agriculture and the fast growing segment of specialized cooling boxes. The acquisition price amounted to 120 MUSD on a cash and debt free basis and was funded by a combination of cash and existing bank facilities. During the first quarter, 5 MSEK was paid out in relation to the acquisition.

Segment reporting and distribution of revenues

Quarterly data, Group

Sales per business area

MSEK	2023		2022				Full Year	Jul 22- Jun 23	2021				Full Year
	Q1	Q2	Q1	Q2	Q3	Q4			Q1	Q2	Q3	Q4	
HEXPOL Compounding	5 617	5 354	4 841	5 291	5 554	5 148	20 834	21 673	3 548	3 723	3 826	3 791	14 888
HEXPOL Engineered Products	373	373	332	363	367	347	1 409	1 460	262	279	282	294	1 117
Group total	5 990	5 727	5 173	5 654	5 921	5 495	22 243	23 133	3 810	4 002	4 108	4 085	16 005

Sales per geographic region

MSEK	2023		2022				Full Year	Jul 22- Jun 23	2021				Full Year
	Q1	Q2	Q1	Q2	Q3	Q4			Q1	Q2	Q3	Q4	
Europe	2 407	2 208	2 118	2 341	2 281	2 109	8 849	9 005	1 480	1 666	1 617	1 571	6 334
Americas	3 300	3 221	2 815	3 059	3 354	3 061	12 289	12 936	2 141	2 128	2 267	2 275	8 811
Asia	283	298	240	254	286	325	1 105	1 192	189	208	224	239	860
Group total	5 990	5 727	5 173	5 654	5 921	5 495	22 243	23 133	3 810	4 002	4 108	4 085	16 005

Sales per geographic region HEXPOL Compounding

MSEK	2023		2022				Full Year	Jul 22- Jun 23	2021				Full Year
	Q1	Q2	Q1	Q2	Q3	Q4			Q1	Q2	Q3	Q4	
Europe	2 231	2 050	1 963	2 168	2 123	1 958	8 212	8 362	1 351	1 525	1 485	1 427	5 788
Americas	3 189	3 104	2 715	2 950	3 237	2 958	11 860	12 488	2 067	2 056	2 188	2 196	8 507
Asia	197	200	163	173	194	232	762	823	130	142	153	168	593
Group total	5 617	5 354	4 841	5 291	5 554	5 148	20 834	21 673	3 548	3 723	3 826	3 791	14 888

Sales per geographic region HEXPOL Engineered Products

MSEK	2023		2022				Full Year	Jul 22- Jun 23	2021				Full Year
	Q1	Q2	Q1	Q2	Q3	Q4			Q1	Q2	Q3	Q4	
Europe	176	158	155	173	158	151	637	643	129	141	132	144	546
Americas	111	117	100	109	117	103	429	448	74	72	79	79	304
Asia	86	98	77	81	92	93	343	369	59	66	71	71	267
Group total	373	373	332	363	367	347	1 409	1 460	262	279	282	294	1 117

EBIT per business area

MSEK	2023		2022				Full Year	Jul 22- Jun 23	2021				Full Year
	Q1	Q2	Q1	Q2	Q3	Q4*			Q1	Q2	Q3*	Q4*	
HEXPOL Compounding	873	883	721	759	765	737	2 982	3 258	658	679	618	586	2 541
HEXPOL Engineered Products	73	62	54	77	73	74	278	282	46	49	59	42	196
Group total	946	945	775	836	838	811	3 260	3 540	704	728	677	628	2 737

EBIT-margin per business area

%	2023		2022				Full Year	Jul 22- Jun 23	2021				Full Year
	Q1	Q2	Q1	Q2	Q3	Q4*			Q1	Q2	Q3*	Q4*	
HEXPOL Compounding	15,5	16,5	14,9	14,3	13,8	14,3	14,3	15,0	18,5	18,2	16,2	15,5	17,1
HEXPOL Engineered Products	19,6	16,6	16,3	21,2	19,9	21,3	19,7	19,3	17,6	17,6	20,9	14,3	17,5
Group total	15,8	16,5	15,0	14,8	14,2	14,8	14,7	15,3	18,5	18,2	16,5	15,4	17,1

*Adjusted EBIT for HEXPOL Compounding

Reconciliation alternative performance measures

Sales

MSEK	2023		2022				Full Year	2021				Full Year
	Q1	Q2	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Sales	5 990	5 727	5 173	5 654	5 921	5 495	22 243	3 810	4 002	4 108	4 085	16 005
Currency effects	463	383	363	516	709	681	2 269	-412	-405	-55	58	-814
Sales excluding currency effects	5 527	5 344	4 810	5 138	5 212	4 814	19 974	4 222	4 407	4 163	4 027	16 819
Acquisitions	338	128	242	400	249	308	1 199	33	109	210	217	569
Sales excluding currency effects and acquisitions	5 189	5 216	4 568	4 738	4 963	4 506	18 775	4 189	4 298	3 953	3 810	16 250

Sales growth

%	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full Year 2022
Sales growth excluding currency effects	-5	28	0	27	25
Sales growth excluding currency effects and acquisitions	-8	18	-4	19	17

EBITA, adjusted, %

MSEK	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full Year 2022	Jul 22-Jun 23
Sales	5 727	5 654	11 717	10 827	22 243	23 133
Operating profit	945	836	1 891	1 611	3 290	3 570
Non-recurring items	-	-	-	-	-30	-30
Amortisation and impairment of intangible assets	31	23	60	45	98	113
Total EBITA, adjusted	976	859	1 951	1 656	3 358	3 653
EBITA, adjusted, %	17,0	15,2	16,7	15,3	15,1	15,8

EBITA, %

MSEK	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full Year 2022	Jul 22-Jun 23
Sales	5 727	5 654	11 717	10 827	22 243	23 133
Operating profit	945	836	1 891	1 611	3 290	3 570
Amortisation and impairment of intangible assets	31	23	60	45	98	113
Total EBITA	976	859	1 951	1 656	3 388	3 683
EBITA%	17,0	15,2	16,7	15,3	15,2	15,9

Capital employed

MSEK	2023		2022				2021			
	Mar 31	Jun 30	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	31 Dec
Total assets	24 075	24 806	19 941	22 400	23 783	23 553	16 524	16 381	18 200	17 963
Provision for deferred tax	-795	-866	-612	-665	-705	-825	-544	-531	-662	-602
Accounts payable	-3 316	-3 247	-3 073	-3 479	-3 450	-3 111	-2 201	-2 320	-2 432	-2 431
Other liabilities	-375	-449	-457	-335	-354	-342	-316	-293	-302	-334
Accrued expenses, prepaid income, provisions	-598	-718	-546	-651	-777	-699	-494	-474	-570	-600
Total Group	18 991	19 526	15 253	17 270	18 497	18 576	12 969	12 763	14 234	13 996

Return on capital employed, R12

MSEK	Jun 30 2023	Jun 30 2022	Full Year 2022
Average capital employed	18 898	15 188	17 399
Profit before tax	3 387	3 236	3 244
Interest expense	177	52	98
Total	3 564	3 288	3 342
Return on capital employed, %	18,9	21,6	19,2

Interest-coverage ratio, multiple

MSEK	Jan-Jun 2023	Jan-Jun 2022	Full Year 2022	Jul 22- Jun 23
Profit before tax	1 758	1 615	3 244	3 387
Interest expense	110	31	98	177
Total	1 868	1 646	3 342	3 564
Interest-coverage ratio, multiple	17	53	34	20

Shareholders' equity

	2023		2022				2021			
MSEK	Mar 31	Jun 30	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31
Shareholders' equity	14 547	14 848	12 449	12 069	13 684	13 767	10 230	9 782	10 905	11 650

Return on equity, R12

MSEK	Jun 30 2023	Jun 30 2022	Full Year 2022
Average shareholders' equity	14 212	11 768	12 992
Profit after tax	2 586	2 531	2 483
Return on equity, %	18,2	21,5	19,1

Net debt

MSEK	Jun 30 2023	Jun 30 2022	Full Year 2022
Financial assets	7	3	7
Cash and cash equivalents	1 274	1 550	1 541
Non-current interest-bearing liabilities	-1 660	-3 240	-1 822
Current interest-bearing liabilities	-2 475	-1 604	-2 571
Net debt	-2 854	-3 291	-2 845

Net debt/EBITDA

MSEK	Jun 30 2023	Jun 30 2022	Full Year 2022
Net debt	-2 854	-3 291	-2 845
EBITDA, R12	4 093	3 711	3 782
Net debt/EBITDA, multiple	-0,70	-0,89	-0,75

Equity/assets ratio

MSEK	Jun 30 2023	Jun 30 2022	Full Year 2022
Shareholders' equity	14 848	12 069	13 767
Total assets	24 806	22 400	23 553
Equity/assets ratio, %	60	54	58

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. adjusted	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, adjusted	Operating profit excluding non-recurring items and amortisation and impairment of intangible assets.
EBITA margin, adjusted, %	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/EBITDA	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.
Net debt, net cash	Non-current and current interest-bearing liabilities less cash and cash equivalents.
Non-recurring items	Refers to integration- and restructuring costs and other material non-recurring items.
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, adjusted, %	Operating profit excluding non-recurring items, in relation to the sales.
Other investing activities	Investments and sales of intangible and tangible assets.
Operating profit, adjusted	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.