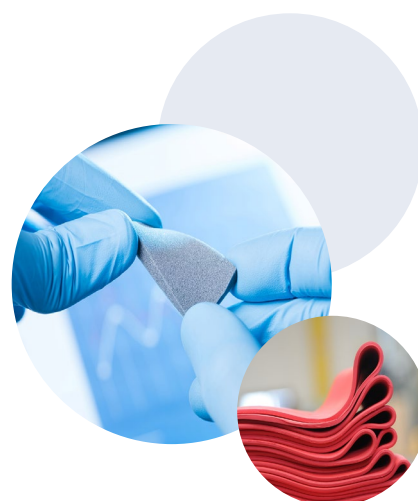


Published on April 26, 2024

Interim report

January - March 2024



JANUARY – MARCH 2024

- Sales amounted to 5,312 MSEK (5,990).
- EBIT amounted to 905 MSEK (946).
- EBIT-margin increased to 17.0 percent (15.8).
- Profit after tax amounted to 654 MSEK (668).
- Earnings per share amounted to 1.90 SEK (1.94).
- Operating cash flow amounted to 112 MSEK (593).

Group Summary

Key figures MSEK	Jan-Mar 2024	Jan-Mar 2023	Full Year 2023	Apr 23- Mar 24
Sales	5 312	5 990	22 046	21 368
EBITA, adjusted	939	975	3 787	3 751
EBITA-margin, adjusted, %	17,7	16,3	17,2	17,6
EBITA	939	975	3 704	3 668
EBITA-margin, %	17,7	16,3	16,8	17,2
EBIT, adjusted	905	946	3 659	3 618
EBIT-margin, adjusted, %	17,0	15,8	16,6	16,9
EBIT	905	946	3 576	3 535
EBIT-margin, %	17,0	15,8	16,2	16,5
Profit before tax	867	876	3 346	3 337
Profit after tax	654	668	2 524	2 510
Earnings per share, adjusted, SEK	1,90	1,94	7,51	7,47
Earnings per share, SEK	1,90	1,94	7,33	7,29
Equity/assets ratio, %	66	60	65	
Return on capital employed, % R12	18,8	19,0	19,0	
Operating cash flow	112	593	3 994	3 513

”Stable beginning with strong margins”

Peter Rosén, Acting CEO and CFO

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 tractor 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 2023 amounted to 22,046 MSEK and the Group has approximately 5,100 employees in fourteen countries.

Stable beginning with strong margins

We deliver a first quarter in 2024 with good profitability and high margins. In the quarter, sales amounted to 5,312 MSEK (5,990) and EBIT amounted to 905 MSEK (946). At the same time we strengthened the EBIT margin to 17.0 percent (15.8) driven by better product and price mix and delivered a return on capital employed of 18.8 percent (19.0). Demand from our customers remains on the same level as we saw during the second half of 2023 and sales prices are also stable. At the same time we meet high first quarter 2023 comparative figures when both demand and sales prices were higher, the latter driven by then higher raw material prices. Also, the number of sales days are lower in the first quarter of 2024 compared to 2023, having negative impact on sales.

Sales to automotive-related customers are sequentially stable and varies as before from market to market. However, sales are down slightly compared to first quarter 2023, affected by a lower production rate in the automotive industry in the markets where we are active. We see a similar picture when it comes to sales to customers within building and construction with sequentially stable sales but significantly lower sales compared to the corresponding quarter previous year in virtually all markets driven by lower construction. Also when it comes to sales to consumer related end customer segments, it is lower compared to the first quarter 2023 driven by generally lower demand.

We continue the focused execution of our solid business model with high customer focus combined with our ability to offer fast and stable deliveries, as well as implementation of price adjustments. This allows us to continue deliver strong results and high profitability. Another part of the business model is to continuously assess our production efficiency and cost levels. Consequently, we decided at the end of 2023 to consolidate our operations in California and close one of two factories and transfer these volumes to the remaining production unit. That work is progressing according to plan and is expected to be completed after the summer of 2024.

The acquisition strategy is set and we work focused according to it. We acquired Star Thermoplastics in the US at the end of 2023. A smaller acquisition from a financial point of view, but strategically important as it gives us a foothold on the American TPE market where we have not been present until now. The work on integrating the company is ongoing and is expected to be completed during the spring.

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 with 57 percent and 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. In line with this, we are now also investing in our own capacity to recycle rubber. By the end of 2024, we expect to have this in place in Europe. The interest for recycled products continues to be high, not least in the automotive industry where we have many ongoing projects.

The uncertainty going forward remains high in terms of development of inflation, interest rates, Russia's invasion of Ukraine as well as the situation in the Middle East. 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
5,312 MSEK

EBIT
905 MSEK

EBIT-margin
17.0%



Peter Rosén
Acting CEO and CFO

Group development

January - March 2024

Sales

The HEXPOL Group's sales amounted to 5,312 MSEK (5,990) during the first quarter, a decrease by 11 percent compared with the corresponding quarter previous year. The sales were negatively affected by currency effects of 5 MSEK. In addition to the currency effects, the sales were positively affected by acquisitions (Star ThermoPlastics) with 1 percent. Also, the number of sales days are lower in the first quarter of 2024 compared to 2023, having negative impact on sales.

The HEXPOL Compounding business area's sales amounted to 4,939 MSEK (5,617) which corresponds to a decrease of 12 percent. Exchange rate changes affected the sales negatively by 2 MSEK. Adjusted for currency effects, the sales amounted to 4,941 MSEK. In addition to the currency effects, the sales were positively affected by acquisitions (Star Thermoplastics) with 1 percent.

Sales to automotive-related customers are sequentially stable and varies as before from market to market. However, sales are down slightly compared to first quarter 2023, affected by a lower production rate in the automotive industry in the markets where we are active. We see a similar picture when it comes to sales to customers within building and construction with sequentially stable sales but significantly lower sales compared to the corresponding quarter previous year in virtually all markets driven by lower construction. Also when it comes to sales to consumer related end customer segments, it is lower compared to the first quarter 2023 driven by generally lower demand.

In relation to the corresponding quarter previous year, the sales prices have decreased driven by lower raw material prices. However, sequentially the sales- and raw material prices are essentially stable.

The HEXPOL Engineered Products sales during the quarter were in line with the corresponding quarter 2023, and amounted to 373 MSEK (373). The operations in America and Asia developed positively during the quarter.

From a geographical perspective the group sales increased in Asia by 5 percent compared to the corresponding quarter previous year. In America, the sales decreased by 13 percent, and in Europe by 11 percent, both compared with the corresponding quarter previous year.

Earnings

EBITA amounted to 939 MSEK (975), which meant a corresponding EBITA margin of 17.7 percent (16.3).

EBIT decreased by 4 percent to 905 MSEK (946) compared to the corresponding quarter previous year. Negative currency effects affected by 4 MSEK. The corresponding operating margin amounted to 17.0 percent (15.8). The higher EBIT margin is mainly driven by better product- and price mix.

The Group's net financial items amounted to an expense of 38 MSEK (expense 70). Profit before tax amounted to 867 MSEK (876), profit after tax amounted to 654 MSEK (668) and earnings per share 1.90 SEK (1.94).

Sales
5,312 MSEK

EBIT
905 MSEK

EBIT-margin
17.0%

Financial overview

Equity/assets ratio

The equity/assets ratio remains strong at 66 percent (60). The Group's total assets amounted to 24,340 MSEK (24,075). Net debt amounted to 1,461 MSEK (2,469) whereof 507 MSEK (420) relates to financial leasing liabilities according to IFRS 16, which gives a net debt/EBITDA of 0.36 (0.62).

The Group had the following major credit agreements with Nordic banks as per March 31:

- A credit agreement with a limit of 1,100 MSEK due in February 2027
- 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 2027
- 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 March 31 they amounted to 2,070 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 112 MSEK (593) in the quarter and cash flow from operating activities amounted to 167 MSEK (460). The cash flow is normally at its lowest in the first quarter of each year affected by low accounts receivables at the beginning of the year. There are no underlying changes to terms and conditions.

Investments, depreciation and amortisation

The Group's investments amounted to 155 MSEK (129) for the quarter. At the same time, depreciation, amortization and impairment amounted to 143 MSEK (130) whereof 21 MSEK (20) refers to leased assets according to IFRS 16.

Tax expenses

The Group's tax expenses amounted to 213 MSEK (208) for the first quarter 2024, which corresponds to a tax rate of 24.6 percent (23.7). The increased tax rate in the quarter is driven by larger profits in countries with higher tax rates.

Profitability

The return on average capital employed, R12, amounted to 18.8 percent (19.0). The return on shareholders' equity, R12, amounted to 16.5 percent (18.9).

Parent Company

The Parent Company's profit after tax for the first quarter amounted to an expense of 25 MSEK (expense 28). Shareholders' equity amounted to 5,963 MSEK (5,582).

Net debt/EBITDA
0.36

HEXPOL Compounding

January - March 2024

The sales decreased during the first quarter 2024 by 12 percent, compared to the corresponding quarter previous year. The sales amounted to 4,939 MSEK (5,617) including negative currency effects of 2 MSEK. Adjusted for these, the sales amounted to 4,941 MSEK. In addition to negative currency effects, the sales were positively affected by acquisitions (Star Thermoplastics) with 1 percent. Also, the number of sales days are lower in the first quarter of 2024 compared to 2023, having negative impact on sales.

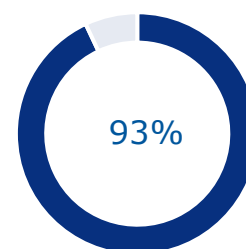
Sales to automotive-related customers are sequentially stable and varies as before from market to market. However, sales are down slightly compared to first quarter 2023, affected by a lower production rate in the automotive industry in the markets where we are active. We see a similar picture when it comes to sales to customers within building and construction with sequentially stable sales but significantly lower sales compared to the corresponding quarter previous year in virtually all markets driven by lower construction. Also when it comes to sales to consumer related end customer segments, it is lower compared to the first quarter 2023 driven by generally lower demand.

In relation to the corresponding quarter previous year, the sales prices have decreased driven by lower raw material prices. However, sequentially the sales- and raw material prices are essentially stable.

EBIT decreased during the quarter and amounted to 837 MSEK (873), while the corresponding operating margin increased and amounted to 16.9 percent (15.5). The higher EBIT margin is mainly driven by better product- and price mix.

Share of the Group's sales

January - March 2024



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

	Jan-Mar 2024	Jan-Mar 2023	Full Year 2023	Apr 23-Mar 24
MSEK	2024	2023	2023	Mar 24
Sales	4 939	5 617	20 581	19 903
EBIT, adjusted	837	873	3 401	3 365
EBIT-margin, adjusted, %	16,9	15,5	16,5	16,9
EBIT	837	873	3 318	3 282

HEXPOL Engineered Products

January – March 2024

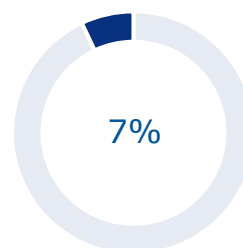
The business area's sales were in line with the same quarter previous year and amounted to 373 MSEK (373). The sale includes negative currency effects of 3 MSEK. Adjusted for these, the sales amounted to 376 MSEK. Also, the number of sales days are lower in the first quarter of 2024 compared to 2023, having negative impact on sales.

EBIT amounted to 68 MSEK (73) which corresponds to an operating margin of 18.2 percent (19.6).

Wheels increased the sales compared to the same quarter previous year. The remaining product areas showed slightly lower sales for the same period. The operations in Asia and Americas developed positively during the quarter.

Share of the Group's sales

January - March 2024



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	Jan-Mar 2024	Jan-Mar 2023	Full Year 2023	Apr 23-Mar 24
Sales	373	373	1 465	1 465
EBIT	68	73	258	253
EBIT-margin, %	18,2	19,6	17,6	17,3

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 2023 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 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 2023 Annual Report have also been applied in this interim report. No new or revised IFRS that came into force 2024 have had any significant impact on the Group's financial reports.

Liabilities to minority shareholders 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 5,084 (5,087).

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 12,100 shareholders on March 31, 2024. 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 April 26, 2024 at 01:00 p.m. CET. The presentation, as well as information concerning participations, is available at www.hexpol.com.

Number of
employees
5,084



Financial calendar

HEXPOL AB publish financial information on the following dates:

- Half-year report 2024 July 17, 2024
- Interim report January-September 2024 October 25, 2024

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

This interim report January-March 2024 has not been audited by HEXPOL AB's auditors.

Malmö, Sweden April 26, 2024

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 April 26, 2024. 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	Jan-Mar 2024	Jan-Mar 2023	Full Year 2023	Apr 23- Mar 24
Sales	5 312	5 990	22 046	21 368
Cost of goods sold	-4 131	-4 743	-17 186	-16 574
Gross profit	1 181	1 247	4 860	4 794
Selling and administrative cost, etc.	-276	-301	-1 284	-1 259
Operating profit	905	946	3 576	3 535
Financial income and expenses	-38	-70	-230	-198
Profit before tax	867	876	3 346	3 337
Tax	-213	-208	-822	-827
Profit after tax	654	668	2 524	2 510
- of which, attributable to Parent Company shareholders	654	668	2 524	2 510
Earnings per share, SEK	1,90	1,94	7,33	7,29
Shareholders' equity per share, SEK	46,86	42,23	42,32	
Average number of shares, 000s	344 437	344 437	344 437	344 437
Depreciation, amortisation and impairment	-143	-130	-544	-557

Condensed statement of comprehensive income

MSEK	Jan-Mar 2024	Jan-Mar 2023	Full Year 2023	Apr 23- Mar 24
Profit after tax	654	668	2 524	2 510
Items that will not be reclassified to the income statement				
Remeasurements of defined benefit pension plans	-	-	3	3
Items that may be reclassified to the income statement				
Translation differences	911	112	-473	326
Comprehensive income	1 565	780	2 054	2 839
- of which, attributable to Parent Company's shareholders	1 565	780	2 054	2 839

Condensed consolidated balance sheet

MSEK	Mar 31 2024	Mar 31 2023	Dec 31 2023
Intangible fixed assets	13 085	12 782	12 501
Tangible fixed assets	3 709	3 282	3 500
Financial fixed assets	5	7	5
Deferred tax asset	95	104	97
Total fixed assets	16 894	16 175	16 103
Inventories	2 209	2 466	2 092
Accounts receivable	3 395	3 539	2 575
Other receivables	296	345	552
Prepaid expenses and accrued income	84	101	82
Cash and cash equivalents	1 462	1 449	1 103
Total current assets	7 446	7 900	6 404
Total assets	24 340	24 075	22 507
Equity attributable to Parent Company's shareholders	16 142	14 547	14 577
Total shareholders' equity	16 142	14 547	14 577
Interest-bearing liabilities	722	579	685
Other liabilities	439	449	422
Provision for deferred tax	878	795	832
Provision for pensions	73	70	69
Total non-current liabilities	2 112	1 893	2 008
Interest-bearing liabilities	2 206	3 346	1 998
Accounts payable	2 967	3 316	2 737
Other liabilities	309	375	438
Accrued expenses, prepaid income, provisions	604	598	749
Total current liabilities	6 086	7 635	5 922
Total shareholders' equity and liabilities	24 340	24 075	22 507

Condensed consolidated changes in shareholders' equity

MSEK	Mar 31, 2024		Mar 31, 2023		Dec 31, 2023	
	Attributable to Parent Company shareholders	Total equity	Attributable to Parent Company shareholders	Total equity	Attributable to Parent Company shareholders	Total equity
Opening equity	14 577	14 577	13 767	13 767	13 767	13 767
Comprehensive income	1 565	1 565	780	780	2 054	2 054
Dividend	-	-	-	-	-1 244	-1 244
Closing equity	16 142	16 142	14 547	14 547	14 577	14 577

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	Jan-Mar 2024	Jan-Mar 2023	Full Year 2023	Apr 23- Mar 24
Cash flow from operating activities before changes in working capital	948	814	2 967	3 101
Changes in working capital	-781	-354	558	131
Cash flow from operating activities	167	460	3 525	3 232
Acquisitions Note 3	4	5	-211	-212
Cash flow from other investing activities	-155	-129	-684	-710
Cash flow from investing activities	-151	-124	-895	-922
Dividend	-	-	-1 244	-1 244
Cash flow from other financing activities	245	-468	-1 703	-990
Cash flow from financing activities	245	-468	-2 947	-2 234
Change in cash and cash equivalents	261	-132	-317	76
Cash and cash equivalents at January 1	1 103	1 541	1 541	1 449
Exchange-rate differences in cash and cash equivalents	98	40	-121	-63
Cash and cash equivalents at the end of the period	1 462	1 449	1 103	1 462

Operating cash flow, Group

MSEK	Jan-Mar 2024	Jan-Mar 2023	Full Year 2023	Apr 23- Mar 24
Operating profit	905	946	3 576	3 535
Depreciation/amortisation/impairment	143	130	544	557
Change in working capital	-781	-354	558	131
Sale of fixed assets	0	0	0	0
Investments	-155	-129	-684	-710
Operating Cash flow	112	593	3 994	3 513

Other key figures, Group

	Jan-Mar 2024	Jan-Mar 2023	Full Year 2023	Apr 23- Mar 24
Profit margin before tax, %	16,3	14,6	15,2	15,6
Return on shareholders' equity, % R12	16,5	18,9	17,1	
Interest-coverage ratio, multiple	18	18	15	15
Net debt, MSEK	-1 461	-2 469	-1 575	
Sales growth adjusted for currency effects, %	-11	7	-6	
Sales growth adjusted for currency effects and acquisitions, %	-12	0	-9	
Cash flow per share, SEK	0,48	1,33	10,23	9,38
Cash flow per share before change in working capital, SEK	2,75	2,36	8,61	9,00

Condensed income statement, Parent Company

MSEK	Jan-Mar 2024	Jan-Mar 2023	Full Year 2023	Apr 23- Mar 24
Sales	21	22	68	67
Administrative costs, etc.	-21	-30	-93	-84
Operating loss	0	-8	-25	-17
Financial income and expenses	-28	-25	1 697	1 694
Profit after financial items	-28	-33	1 672	1 677
Profit before tax	-28	-33	1 672	1 677
Tax	3	5	-54	-56
Profit after tax	-25	-28	1 618	1 621

Condensed balance sheet, Parent company

MSEK	Mar 31 2024	Mar 31 2023	Dec 31 2023
Fixed assets	13 583	13 601	13 246
Current assets	1 168	690	636
Total assets	14 751	14 291	13 882
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	5 300	4 922	3 682
Profit after tax	-25	-28	1 618
Total non-restricted shareholders' equity	5 894	5 513	5 919
Total shareholders' equity	5 963	5 582	5 988
Non-current liabilities	3 152	2 857	2 996
Current liabilities	5 636	5 852	4 898
Total shareholders' equity and liabilities	14 751	14 291	13 882

Notes to the financial reports

Note 1 Financial instrument per category and measurement level

Mar 31, 2024		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	5	-		5
Accounts receivable	3 395	-		3 395
Cash and cash equivalents	1 462	-		1 462
Total	4 862	-		4 862
Liabilities in the balance sheet				
Interest-bearing non-current liabilities	350	-		350
Interest-bearing non-current lease liabilities	372	-		372
Liabilities to minority shareholders*		403	3	403
Interest-bearing current liabilities	2 071	-		2 071
Interest-bearing current lease liabilities	135	-		135
Accounts payable	2 967	-		2 967
Other liabilities	309	-		309
Accrued expenses, prepaid income, provisions	604	-		604
Total	6 808	403		7 211

Mar 31, 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	3 539	-		3 539
Cash and cash equivalents	1 449	-		1 449
Total	4 995	-		4 995
Liabilities in the balance sheet				
Interest-bearing non-current liabilities	259	-		259
Interest-bearing non-current lease liabilities	320	-		320
Liabilities to minority shareholders*		412	3	412
Interest-bearing current liabilities	3 246	-		3 246
Interest-bearing current lease liabilities	100	-		100
Accounts payable	3 316	-		3 316
Other liabilities	375	-		375
Accrued expenses, prepaid income, provisions	598	-		598
Total	8 214	412		8 626

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

Note 2 Non-recurring items in the income statement

MSEK	Jan-Mar 2024	Jan-Mar 2023	Full Year 2023
Administration costs	-	-	-46
Other operating income	-	-	-
Other operating expense	-	-	-37
Profit before tax	-	-	-83
Tax	-	-	19
Profit after tax	-	-	-64

The expense for the full year 2023 is related to the restructuring carried out in California where mainly production is consolidated from two factories to one factory.

Note 3 Acquisition

Acquisition within TPE Compounding 2023

HEXPOL acquired 100% of the shares in the American TPE Compounder Star Thermoplastic Alloys and Rubbers Inc from Thomas A. Dieschbourg in November 2023. Star Thermoplastic has during the last 12 months delivered sales of some 17 MUSD with at profitability level below that of HEXPOL Group. Star Thermoplastics has its operations near Chicago Illinois, US at one well invested location with plenty of growth capacity and has some 30 employees. The main end customer segment are automotive, building & construction, medical, industrial, electronics and consumer. The acquisition price amounts to 26,5 MUSD on a cash and debt free basis and is funded by a combination of cash on hand and existing bank facilities. During the quarter, 4 MSEK was paid out in relation to the acquisition.

Segment reporting and distribution of revenues

Sales per business area

	2024	2023					Full	Apr 23-	2022				Full
MSEK	Q1	Q1	Q2	Q3	Q4	Year	Year	Mar 24	Q1	Q2	Q3	Q4	Year
HEXPOL Compounding	4 939	5 617	5 354	5 099	4 511	20 581		19 903	4 841	5 291	5 554	5 148	20 834
HEXPOL Engineered Products	373	373	373	362	357	1 465		1 465	332	363	367	347	1 409
Group total	5 312	5 990	5 727	5 461	4 868	22 046		21 368	5 173	5 654	5 921	5 495	22 243

Sales per geographic region

	2024	2023					Full	Apr 23-	2022				Full
MSEK	Q1	Q1	Q2	Q3	Q4	Year	Year	Mar 24	Q1	Q2	Q3	Q4	Year
Europe	2 133	2 407	2 208	1 972	1 903	8 490		8 216	2 118	2 341	2 281	2 109	8 849
Americas	2 882	3 300	3 221	3 186	2 663	12 370		11 952	2 815	3 059	3 354	3 061	12 289
Asia	297	283	298	303	302	1 186		1 200	240	254	286	325	1 105
Group total	5 312	5 990	5 727	5 461	4 868	22 046		21 368	5 173	5 654	5 921	5 495	22 243

Sales per geographic region HEXPOL Compounding

	2024	2023					Full	Apr 23-	2022				Full
MSEK	Q1	Q1	Q2	Q3	Q4	Year	Year	Mar 24	Q1	Q2	Q3	Q4	Year
Europe	1 977	2 231	2 050	1 837	1 756	7 874		7 620	1 963	2 168	2 123	1 958	8 212
Americas	2 755	3 189	3 104	3 058	2 533	11 884		11 450	2 715	2 950	3 237	2 958	11 860
Asia	207	197	200	204	222	823		833	163	173	194	232	762
Group total	4 939	5 617	5 354	5 099	4 511	20 581		19 903	4 841	5 291	5 554	5 148	20 834

Sales per geographic region HEXPOL Engineered Products

	2024	2023					Full	Apr 23-	2022				Full
MSEK	Q1	Q1	Q2	Q3	Q4	Year	Year	Mar 24	Q1	Q2	Q3	Q4	Year
Europe	156	176	158	135	147	616		596	155	173	158	151	637
Americas	127	111	117	128	130	486		502	100	109	117	103	429
Asia	90	86	98	99	80	363		367	77	81	92	93	343
Group total	373	373	373	362	357	1 465		1 465	332	363	367	347	1 409

EBIT per business area

	2024	2023					Full	Apr 23-	2022				Full
MSEK	Q1	Q1	Q2	Q3	Q4*	Year *	Year	Mar 24*	Q1	Q2	Q3	Q4*	Year *
HEXPOL Compounding	837	873	883	862	783	3 401		3 365	721	759	765	737	2 982
HEXPOL Engineered Products	68	73	62	68	55	258		253	54	77	73	74	278
Group total	905	946	945	930	838	3 659		3 618	775	836	838	811	3 260

EBIT-margin per business area

	2024	2023					Full	Apr 23-	2022				Full
%	Q1	Q1	Q2	Q3	Q4*	Year *	Year	Mar 24*	Q1	Q2	Q3	Q4*	Year *
HEXPOL Compounding	16,9	15,5	16,5	16,9	17,4	16,5		16,9	14,9	14,3	13,8	14,3	14,3
HEXPOL Engineered Products	18,2	19,6	16,6	18,8	15,4	17,6		17,3	16,3	21,2	19,9	21,3	19,7
Group total	17,0	15,8	16,5	17,0	17,2	16,6		16,9	15,0	14,8	14,2	14,8	14,7

*Adjusted EBIT for HEXPOL Compounding

Reconciliation alternative performance measures

Sales

MSEK	2024 Q1	Q1	2023 Q2	Q3	Q4	Full Year	Q1	2022 Q2	Q3	Q4	Full Year
Sales	5 312	5 990	5 727	5 461	4 868	22 046	5 173	5 654	5 921	5 495	22 243
Currency effects	-5	463	383	247	31	1 124	363	516	709	681	2 269
Sales excluding currency effects	5 317	5 527	5 344	5 214	4 837	20 922	4 810	5 138	5 212	4 814	19 974
Acquisitions	36	338	128	124	100	690	242	400	249	308	1 199
Sales excluding currency effects and acquisitions	5 281	5 189	5 216	5 090	4 737	20 232	4 568	4 738	4 963	4 506	18 775

Sales growth

%	Jan-Mar 2024	Jan-Mar 2023	Full Year 2023
Sales growth excluding currency effects	-11	7	-6
Sales growth excluding currency effects and acquisitions	-12	0	-9

EBITA, adjusted, %

MSEK	Jan-Mar 2024	Jan-Mar 2023	Full Year 2023	Apr 23- Mar 24
Sales	5 312	5 990	22 046	21 368
Operating profit	905	946	3 576	3 535
Non-recurring items	-	-	83	83
Amortisation and impairment of intangible assets	34	29	128	133
Total EBITA, adjusted	939	975	3 787	3 751
EBITA, adjusted, %	17,7	16,3	17,2	17,6

EBITA, %

MSEK	Jan-Mar 2024	Jan-Mar 2023	Full Year 2023	Apr 23- Mar 24
Sales	5 312	5 990	22 046	21 368
Operating profit	905	946	3 576	3 535
Amortisation and impairment of intangible assets	34	29	128	133
Total EBITA	939	975	3 704	3 668
EBITA%	17,7	16,3	16,8	17,2

Capital employed

MSEK	2024 Mar 31	Mar 31	2023 Jun 30	Sep 30	Dec 31	2022 Mar 31	Jun 30	Sep 30	31 Dec
Total assets	24 340	24 075	24 806	24 225	22 507	19 941	22 400	23 783	23 553
Provision for deferred tax	-878	-795	-866	-853	-832	-612	-665	-705	-825
Accounts payable	-2 967	-3 316	-3 247	-2 925	-2 737	-3 073	-3 479	-3 450	-3 111
Other liabilities	-309	-375	-449	-405	-438	-457	-335	-354	-342
Accrued expenses, prepaid income, provisions	-604	-598	-718	-776	-749	-546	-651	-777	-699
Total Group	19 582	18 991	19 526	19 266	17 751	15 253	17 270	18 497	18 576

Return on capital employed, R12

MSEK	Mar 31 2024	Mar 31 2023	Full Year 2023
Average capital employed	19 031	18 334	18 884
Profit before tax	3 337	3 339	3 346
Interest expense	239	140	239
Total	3 576	3 479	3 585
Return on capital employed, %	18,8	19,0	19,0

Interest-coverage ratio, multiple

MSEK	Jan-Mar 2024	Jan-Mar 2023	Full Year 2023	Apr 23- Mar 24
Profit before tax	867	876	3 346	3 337
Interest expense	51	51	239	239
Total	918	927	3 585	3 576
Interest-coverage ratio, multiple	18	18	15	15

Shareholders' equity

MSEK	2024 Mar 31	2023 Mar 31	2023 Jun 30	2023 Sep 30	2023 Dec 31	2022 Mar 31	2022 Jun 30	2022 Sep 30	2022 Dec 31
Shareholders' equity	16 142	14 547	14 848	15 217	14 577	12 449	12 069	13 684	13 767

Return on equity, R12

MSEK	Mar 31 2024	Mar 31 2023	Full Year 2023
Average shareholders' equity	15 196	13 517	14 797
Profit after tax	2 510	2 551	2 524
Return on equity, %	16,5	18,9	17,1

Net debt

MSEK	Mar 31 2024	Mar 31 2023	Full Year 2023
Financial assets	5	7	5
Cash and cash equivalents	1 462	1 449	1 103
Non-current interest-bearing liabilities	-722	-579	-685
Current interest-bearing liabilities	-2 206	-3 346	-1 998
Net debt	-1 461	-2 469	-1 575

Net debt/EBITDA

MSEK	Mar 31 2024	Mar 31 2023	Full Year 2023
Net debt	-1 461	-2 469	-1 575
EBITDA, R12	4 092	3 977	4 120
Net debt/EBITDA, multiple	-0,36	-0,62	-0,38

Equity/assets ratio

MSEK	Mar 31 2024	Mar 31 2023	Full Year 2023
Shareholders' equity	16 142	14 547	14 577
Total assets	24 340	24 075	22 507
Equity/assets ratio, %	66	60	65

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.