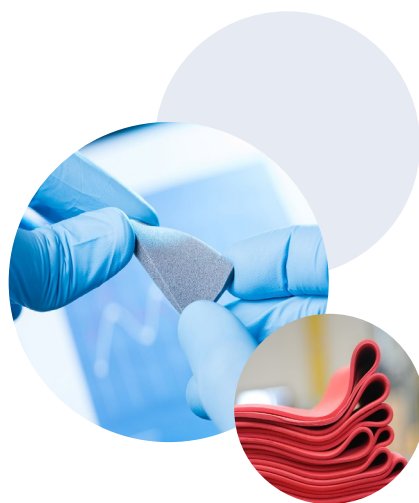


Published on October 25, 2024

Interim report

January – September 2024



JULY – SEPTEMBER 2024

- Sales amounted to 4,977 MSEK (5,461).
- EBIT amounted to 800 MSEK (930).
- EBIT-margin amounted to 16.1 percent (17,0).
- Profit after tax amounted to 559 MSEK (670).
- Earnings per share amounted to 1.62 SEK (1.95).
- Operating cash flow amounted to 803 MSEK (963).

JANUARY – SEPTEMBER 2024

- Sales amounted to 15,743 MSEK (17,178).
- EBIT amounted to 2,616 MSEK (2,821).
- EBIT-margin increased to 16.6 percent (16.4).
- Profit after tax amounted to 1,867 MSEK (2,017).
- Earnings per share amounted to 5.42 SEK (5.86).
- Operating cash flow amounted to 1,841 MSEK (2,604).

”Solid profits despite automotive downturn”

Klas Dahlberg, 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 2023 amounted to 22,046 MSEK and the Group has approximately 5,000 employees in fourteen countries.

Solid profits despite automotive downturn

During the third quarter we saw overall somewhat lower demand and sales compared to the corresponding quarter of 2023. This was most evident for automotive-related customers. At the same time, on a positive note, we saw increased demand from customers within building and construction. Driven by continued lower raw material prices, we still see somewhat lower sales prices.

Compared to the second quarter of 2024, we see lower sales which is mostly explained by recurring seasonal patterns at our customers driven by holiday periods. However, we also saw slightly lower underlying demand, mainly from automotive-related end customers. Both raw material prices and sales prices are sequentially stable.

In total, the third quarter of 2024 showed sales that amounted to 4,977 MSEK (5,461) and EBIT of 800 MSEK (930). At the same time, we delivered an EBIT margin of 16.1 percent (17.0).

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. Another part of the business model is to continuously assess our production efficiency and cost levels. In the short perspective, it means strict cost control to partially counteract the uncertainty we see around us. This allows us to continue delivering strong results and high profitability.

As part of delivering continued profitable growth, work is underway to review the conditions for organic growth in our various markets. We maintain our focus on acquisitions and view the market positively. Furthermore, we also review how we can continue to improve our overall efficiency.

The work with sustainability is a high priority, not least with reducing our carbon footprint to achieve our goal of a reduction by 75 percent to 2025. The sustainability strategy includes a significant shift towards an increased share of recycled materials. The interest in recycled products continues to be high, not least in the automotive industry where we have many ongoing projects.

Inflation and interest rates are on the way down, but we have not yet seen the positive effects of that on demand. 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 gives us good conditions for continued growth and acquisitions.

Sales
4,977 MSEK

EBIT
800 MSEK

EBIT-margin
16.1%



Klas Dahlberg
President and CEO

Group Summary

Key figures MSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full Year 2023	Oct 23- Sep 24
Sales	4 977	5 461	15 743	17 178	22 046	20 611
EBITA, adjusted	834	964	2 717	2 915	3 787	3 589
EBITA-margin, adjusted, %	16,8	17,7	17,3	17,0	17,2	17,4
EBITA	834	964	2 717	2 915	3 704	3 506
EBITA-margin, %	16,8	17,7	17,3	17,0	16,8	17,0
EBIT, adjusted	800	930	2 616	2 821	3 659	3 454
EBIT-margin, adjusted, %	16,1	17,0	16,6	16,4	16,6	16,8
EBIT	800	930	2 616	2 821	3 576	3 371
EBIT-margin, %	16,1	17,0	16,6	16,4	16,2	16,4
Profit before tax	749	891	2 487	2 649	3 346	3 184
Profit after tax	559	670	1 867	2 017	2 524	2 374
Earnings per share, adjusted, SEK	1,62	1,95	5,42	5,86	7,51	7,07
Earnings per share, SEK	1,62	1,95	5,42	5,86	7,33	6,89
Equity/assets ratio, %			64	63	65	
Return on capital employed, % R12			18,4	19,3	19,0	
Operating cash flow	803	963	1 841	2 604	3 994	3 231



Group development

July – September 2024

Sales

The HEXPOL Group's sales amounted to 4,977 MSEK (5,461) during the third quarter of 2024, a decrease of 9 percent compared with the corresponding quarter previous year. The sales were negatively affected by currency effects of 172 MSEK, at the same time as sales were positively affected by acquisitions (Star Thermoplastics) with 1 percent.

The HEXPOL Compounding business area's sales amounted to 4,612 MSEK (5,099), which corresponds to a decrease of 10 percent. Exchange rate changes affected the sales negatively by 162 MSEK. Adjusted for currency effects, the sales amounted to 4,774 MSEK. In addition to the currency effects, the sales were positively affected by acquisitions with 1 percent.

During the third quarter we saw overall somewhat lower demand and sales compared to the corresponding quarter of 2023. This was most evident for automotive-related customers. At the same time, we saw increased demand from customers within building and construction.

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

The HEXPOL Engineered Products sales increased during the quarter and amounted to 365 MSEK (362). The operations in Europe developed positively during the quarter.

From a geographical perspective the group sales in Asia increased by 8 percent compared to the corresponding quarter previous year. In America, the sales decreased by 14 percent, and in Europe by 2 percent, both compared with the corresponding quarter previous year.

Earnings

EBITA amounted to 834 MSEK (964), which meant a corresponding EBITA margin of 16.8 percent (17.7).

EBIT decreased by 14 percent to 800 MSEK (930) compared to the corresponding quarter previous year. Negative currency effects are included by 23 MSEK. The corresponding operating margin amounted to 16.1 percent (17.0).

The Group's net financial items amounted to an expense of 51 MSEK (expense 39). Profit before tax amounted to 749 MSEK (891), profit after tax amounted to 559 MSEK (670) and earnings per share 1.62 SEK (1.95).

Sales
4,977 MSEK

EBIT
800 MSEK

EBIT-margin
16.1%

January – September 2024

Sales

During the period, the HEXPOL Group's sales amounted to 15,743 MSEK (17,178), including negative currency effects of 124 MSEK. In addition to currency effects, the sales were positively affected by acquisitions (Star Thermoplastics) with 1 percent.

The HEXPOL Compounding business area's sales amounted to 14,613 MSEK (16,070) and decreased by 9 percent compared to the corresponding period 2023. The sales were negatively affected by currency effects of 112 MSEK. Adjusted for these, the sales amounted to 14,725 MSEK. In addition to currency effects, the sales were positively affected by acquisitions with 1 percent.

Sales to automotive-related customers fell compared to the corresponding period 2023 affected by lower production rate within automotive industry in the markets where we are active. During the end of the period we saw increased sales to customers within building and construction.

In relation to the corresponding period 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 increased during the period and amounted to 1,130 MSEK (1,108). The operations in all regions developed positively during the period.

From a geographical perspective the group sales increased in Asia by 8 percent compared to the corresponding period previous year. In America, the sales decreased by 11 percent, and in Europe by 6 percent, both compared with the corresponding period previous year.

Earnings

EBITA amounted to 2,717 MSEK (2,915), which meant a corresponding EBITA margin of 17.3 percent (17.0).

EBIT decreased by 7 percent to 2,616 MSEK (2,821) compared to the corresponding period previous year. Negative currency effects are included by 16 MSEK. The corresponding operating margin amounted to 16.6 percent (16.4). The higher EBIT margin is mainly driven by better product- and price mix.

The Group's net financial items amounted to an expense of 129 MSEK (expense 172). Profit before tax amounted to 2,487 MSEK (2,649), profit after tax amounted to 1,867 MSEK (2,017) and earnings per share 5.42 SEK (5.86).

Sales

15,743 MSEK

EBIT

2,616 MSEK

EBIT-margin

16.6%

Financial overview

Equity/assets ratio

The equity/assets ratio remains strong at 64 percent (63). The Group's total assets amounted to 22,664 MSEK (24,225). Net debt amounted to 2,457 MSEK (2,224) whereof 467 MSEK (465) relates to leasing liabilities according to IFRS 16, which gives a net debt/EBITDA of 0.62 (0.53).

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

- 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 2027
- 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 September 30 they amounted to 2,785 MSEK (2,255). 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 803 MSEK (963) in the quarter and cash flow from operating activities amounted to 634 MSEK (886). For the period January-September the operating cash flow for the Group amounted to 1,841 MSEK (2,604), while cashflow from operating activities amounted to 1,546 MSEK (2,252) for the same period.

Investments, depreciation and amortisation

The Group's investments amounted to 133 MSEK (200) for the quarter. At the same time, depreciation, amortization and impairment amounted to 147 MSEK (138) whereof 22 MSEK (21) refers to leased assets according to IFRS 16. For the period January-September the investments amounted to 427 MSEK (489). For the same period depreciation, amortization and impairment amounted to 438 MSEK (398) whereof 65 MSEK (59) refers to leased assets according to IFRS 16.

Tax expenses

The Group's tax expenses amounted to 190 MSEK (221) for the third quarter of 2024, which corresponds to a tax rate of 25.4 percent (24.8). For the period January-September the Group's tax expenses amounted to 620 MSEK (632), which corresponds to a tax rate of 24.9 percent (23.9). The increased tax rate in the quarter and for the period is driven by larger profits in countries with higher tax rates.

Net debt/EBITDA
0.62

Operating cash flow
803 MSEK

Profitability

The return on average capital employed, R12, amounted to 18.4 percent (19.3).

The return on shareholders' equity, R12, amounted to 15.9 percent (18.1).

Parent Company

The Parent Company's profit after tax for the third quarter amounted to 428 MSEK (negative 28). Profit after tax for the period January-September amounted to 805 MSEK (141). Profit after tax in the Parent company is affected during 2024 by legal restructuring. Shareholders' equity amounted to 4,727 MSEK (4,511).

HEXPOL Compounding

July – September 2024

Sales decreased during the third quarter of 2024 by 10 percent, compared to the corresponding quarter previous year. The sales amounted to 4,612 MSEK (5,099), including negative currency effects of 162 MSEK. Adjusted for currency effects, the sales amounted to 4,774 MSEK. In addition to currency effects, the sales were positively affected by acquisitions (Star Thermoplastics) with 1 percent.

During the third quarter we saw overall somewhat lower demand and sales compared to the corresponding quarter of 2023. This was most evident for automotive-related customers. At the same time, we saw increased demand from customers within building and construction.

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

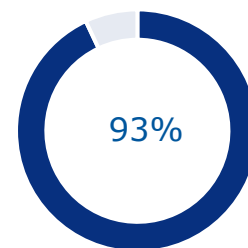
EBIT decreased during the quarter and amounted to 735 MSEK (862). The corresponding operating margin amounted to 15.9 percent (16.9).

January - September 2024

The sales for HEXPOL Compounding decreased during the period by 9 percent and amounted to 14,613 MSEK (16,070). Also, EBIT decreased during the period and amounted to 2,416 MSEK (2,618) at the same time as the corresponding operating margin increased to 16.5 percent (16.3). The higher EBIT margin is mainly driven by better product- and price mix.

Share of the Group's sales

January - September 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

MSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full Year 2023	Oct 23- Sep 24
Sales	4 612	5 099	14 613	16 070	20 581	19 124
EBIT, adjusted	735	862	2 416	2 618	3 401	3 199
EBIT-margin, adjusted, %	15,9	16,9	16,5	16,3	16,5	16,7
EBIT	735	862	2 416	2 618	3 318	3 116
EBIT-margin, %	15,9	16,9	16,5	16,3	16,1	16,3

HEXPOL Engineered Products

July – September 2024

The business area's sales increased compared to the same quarter previous year and amounted to 365 MSEK (362). The increase includes negative currency effects of 10 MSEK. Adjusted for these, the sales amounted to 375 MSEK.

EBIT decreased to 65 MSEK (68) which corresponds to an operating margin of 17.8 percent (18.8).

The sales within the respective product areas were on par with the same quarter previous year. The operations in Europe developed positively during the quarter.

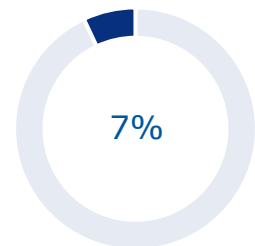
January – September 2024

The sales for HEXPOL Engineered products increased during the period by 2 percent to 1,130 MSEK (1,108).

EBIT is in line with the corresponding period previous year and amounted to 200 MSEK (203) and the corresponding operating margin amounted to 17.7 percent (18.3).

Share of the Group's sales

January - September 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	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full Year 2023	Oct 23- Sep 24
Sales	365	362	1 130	1 108	1 465	1 487
EBIT	65	68	200	203	258	255
EBIT-margin, %	17,8	18,8	17,7	18,3	17,6	17,1

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 Council for Sustainability and the 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 in 2024 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 5,008 (4,994).

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 September 30, 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 74 percent of the capital and 81 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 25, 2024, at 02:00 p.m. CET. The presentation, as well as information concerning participation, is available at www.hexpol.com.

Number of
employees
5,008



Financial calendar

HEXPOL AB publish financial information on the following dates:

- | | |
|---|------------------|
| - Year-end report 2024 | January 28, 2025 |
| - Interim report January-March 2025 | April 25, 2025 |
| - Annual General Meeting 2025 | April 25, 2025 |
| - Half-year report 2025 | July 18, 2025 |
| - Interim report January-September 2025 | October 23, 2025 |

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

The interim report January-September has been subject to a general review by HEXPOL AB's auditors.

Malmö, Sweden October 25, 2024

HEXPOL AB (publ.)

Klas Dahlberg

President and CEO

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Website: www.hexpol.com

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 01:00 p.m. CET on October 25, 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.

THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

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, 2024 and for the nine months period then ended, that is found on pages 14 to 23 in this document and includes balance sheet, income statement, statement of changes in shareholders' equity, cash-flow statement, notes to the financial report and other information for the interim period according to the Swedish Annual Accounts act on page 10 to 11. 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, October 25, 2024

Joakim Falck
Authorized Public Accountant

Karoline Tedevall
Authorized Public Accountant

Summary financial information

Condensed consolidated income statement

MSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full Year 2023	Oct 23- Sep 24
Sales	4 977	5 461	15 743	17 178	22 046	20 611
Cost of goods sold	-3 897	-4 220	-12 269	-13 429	-17 186	-16 026
Gross profit	1 080	1 241	3 474	3 749	4 860	4 585
Selling and administrative cost, etc.	-280	-311	-858	-928	-1 284	-1 214
Operating profit	800	930	2 616	2 821	3 576	3 371
Financial income and expenses	-51	-39	-129	-172	-230	-187
Profit before tax	749	891	2 487	2 649	3 346	3 184
Tax	-190	-221	-620	-632	-822	-810
Profit after tax	559	670	1 867	2 017	2 524	2 374
- of which, attributable to Parent Company shareholders	559	670	1 867	2 017	2 524	2 374
Earnings per share, SEK	1,62	1,95	5,42	5,86	7,33	6,89
Shareholders' equity per share, SEK			42,20	44,18	42,32	
Average number of shares, 000s	344 437	344 437	344 437	344 437	344 437	344 437
Depreciation, amortisation and impairment	-147	-138	-438	-398	-544	-584

Condensed statement of comprehensive income

MSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full Year 2023	Oct 23- Sep 24
Profit after tax	559	670	1 867	2 017	2 524	2 374
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	-578	-297	162	677	-473	-988
Comprehensive income	-19	373	2 029	2 694	2 054	1 389
- of which, attributable to Parent Company's shareholders	-19	373	2 029	2 694	2 054	1 389

Condensed consolidated balance sheet

MSEK	Sep 30 2024	Sep 30 2023	Dec 31 2023
Intangible fixed assets	12 520	13 189	12 501
Tangible fixed assets	3 612	3 510	3 500
Financial fixed assets	5	7	5
Deferred tax asset	100	107	97
Total fixed assets	16 237	16 813	16 103
Inventories	2 226	2 326	2 092
Accounts receivable	3 001	3 278	2 575
Other receivables	345	402	552
Prepaid expenses and accrued income	65	116	82
Cash and cash equivalents	790	1 290	1 103
Total current assets	6 427	7 412	6 404
Total assets	22 664	24 225	22 507
Equity attributable to Parent Company's shareholders	14 536	15 217	14 577
Total shareholders' equity	14 536	15 217	14 577
Interest-bearing liabilities	337	1 149	685
Other liabilities	451	455	422
Provision for deferred tax	829	853	832
Provision for pensions	73	73	69
Total non-current liabilities	1 690	2 530	2 008
Interest-bearing liabilities	2 915	2 372	1 998
Accounts payable	2 433	2 925	2 737
Other liabilities	291	405	438
Accrued expenses, prepaid income, provisions	799	776	749
Total current liabilities	6 438	6 478	5 922
Total shareholders' equity and liabilities	22 664	24 225	22 507

Condensed consolidated changes in shareholders' equity

MSEK	Sep 30, 2024		Sep 30, 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	2 029	2 029	2 694	2 694	2 054	2 054
Dividend	-2 070	-2 070	-1 244	-1 244	-1 244	-1 244
Closing equity	14 536	14 536	15 217	15 217	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	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full Year 2023	Oct 23- Sep 24
Cash flow from operating activities before changes in working capital	645	791	2 332	2 378	2 967	2 921
Changes in working capital	-11	95	-786	-126	558	-102
Cash flow from operating activities	634	886	1 546	2 252	3 525	2 819
Acquisitions	-	-	4	5	-211	-212
Cash flow from other investing activities	-133	-200	-427	-489	-684	-622
Cash flow from investing activities	-133	-200	-423	-484	-895	-834
Dividend	-	-4	-2 070	-1 244	-1 244	-2 070
Cash flow from other financing activities	-668	-615	569	-873	-1 703	-261
Cash flow from financing activities	-668	-619	-1 501	-2 117	-2 947	-2 331
Change in cash and cash equivalents	-167	67	-378	-349	-317	-346
Cash and cash equivalents at January 1	997	1 274	1 103	1 541	1 541	1 290
Exchange-rate differences in cash and cash equivalents	-40	-51	65	98	-121	-154
Cash and cash equivalents at the end of the period	790	1 290	790	1 290	1 103	790

Operating cash flow, Group

MSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full Year 2023	Oct 23- Sep 24
Operating profit	800	930	2 616	2 821	3 576	3 371
Depreciation/amortisation/impairment	147	138	438	398	544	584
Change in working capital	-11	95	-786	-126	558	-102
Sale of fixed assets	0	0	0	0	0	0
Investments	-133	-200	-427	-489	-684	-622
Operating Cash flow	803	963	1 841	2 604	3 994	3 231

Other key figures, Group

	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full Year 2023	Oct 23- Sep 24
Profit margin before tax, %	15,0	16,3	15,8	15,4	15,2	15,4
Return on shareholders' equity, % R12			15,9	18,1	17,1	
Interest-coverage ratio, multiple			15	16	15	14
Net debt, MSEK			-2 457	-2 224	-1 575	
Sales growth adjusted for currency effects, %	-6	-12	-8	-4	-6	
Sales growth adjusted for currency effects and acquisitions, %	-6	-14	-8	-7	-9	
Cash flow per share, SEK	1,84	2,57	4,49	6,54	10,23	8,18
Cash flow per share before change in working capital, SEK	1,87	2,30	6,77	6,90	8,61	8,48

Condensed income statement, Parent Company

MSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full Year 2023	Oct 23- Sep 24
Sales	22	23	63	66	68	65
Administrative costs, etc.	-31	-31	-68	-89	-93	-72
Operating loss	-9	-8	-5	-23	-25	-7
Financial income and expenses*	428	-33	794	139	1 697	2 352
Profit after financial items	419	-41	789	116	1 672	2 345
Profit before tax	419	-41	789	116	1 672	2 345
Tax	9	13	16	25	-54	-63
Profit after tax	428	-28	805	141	1 618	2 282

Condensed balance sheet, Parent company

MSEK	Sep 30 2024	Sep 30 2023	Dec 31 2023
Fixed assets	13 150	13 409	13 246
Current assets	163	502	636
Total assets	13 313	13 911	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	3 234	3 682	3 682
Profit after tax	805	141	1 618
Total non-restricted shareholders' equity	4 658	4 442	5 919
Total shareholders' equity	4 727	4 511	5 988
Non-current liabilities	2 712	3 637	2 996
Current liabilities	5 874	5 763	4 898
Total shareholders' equity and liabilities	13 313	13 911	13 882

*Financial income and expenses in the Parent company is affected during 2024 by legal restructuring.

Notes to the financial reports

Note 1 Financial instrument per category and measurement level

Sep 30, 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	3 001	-		3 001
Cash and cash equivalents	790	-		790
Total	3 796	-		3 796
Liabilities in the balance sheet				
Interest-bearing non-current liabilities	0	-		0
Interest-bearing non-current lease liabilities	337	-		337
Liabilities to minority shareholders*		396	3	396
Interest-bearing current liabilities	2 785	-		2 785
Interest-bearing current lease liabilities	130	-		130
Accounts payable	2 433	-		2 433
Other liabilities	291	-		291
Accrued expenses, prepaid income, provisions	799	-		799
Total	6 775	396		7 171

Sep 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	3 278	-		3 278
Cash and cash equivalents	1 290	-		1 290
Total	4 575	-		4 575
Liabilities in the balance sheet				
Interest-bearing non-current liabilities	800	-		800
Interest-bearing non-current lease liabilities	349	-		349
Liabilities to minority shareholders*		417	3	417
Interest-bearing current liabilities	2 256	-		2 256
Interest-bearing current lease liabilities	116	-		116
Accounts payable	2 925	-		2 925
Other liabilities	405	-		405
Accrued expenses, prepaid income, provisions	776	-		776
Total	7 627	417		8 044

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

Note 2 Non-recurring items in the income statement

	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full
MSEK	2024	2023	2024	2023	Year
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 amounted to 26,5 MUSD on a cash and debt free basis and was funded by a combination of cash on hand and existing bank facilities. As of December 31, 2023 the acquisition analysis was preliminary as valuation of intangible assets was ongoing with respect to intangible assets in the form of customer relationships, trademarks, technology and goodwill may change after the valuation of the subsidiary would be completed. The acquisition analysis is now final. The changes that have taken place compared to December 31, 2023 amount to: developed technology and customer relations have increased by 25 MSEK, deferred tax has increased by 5 MSEK and goodwill have thus decreased by 20 MSEK. There have also been minor adjustments to the balance sheet as shown in the table below.

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

MSEK	
Purchase considerations	221
Fair value of acquired net assets	97
Goodwill	124

Good will 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 is in line with HEXPOL's growth strategy and allows HEXPOL to enter the US TPE market through a well-established company with a strong product portfolio. The fair value of the acquired net assets includes the estimated value of 26 MSEK in intangible assets, of which 25 MSEK was identifiable assets in the form of developed technology and customer relationships.

The following assets and liabilities were included in the acquisition:

MSEK	Balance sheet at the time of acquisition	Adjustment balance sheet	Adjustment to fair value	Fair value
Cash and cash equivalents	2	-	-	2
Accounts receivable	16	-	-	16
Current assets	28	2	-	30
Tangible assets	106	3	-	109
Intangible assets	1	-	25	26
Deferred tax liabilities	-	-	-5	-5
Non-current liabilities	-57	-2	-	-59
Accounts payables	-13	-	-	-13
Current liabilities	-8	-1	-	-9
Acquired net assets	75	2	20	97
Purchase considerations				221
Cash and cash equivalents in acquired operations				2
Change in Group's cash and cash equivalents				219

Transaction costs for the above acquisition amounted to 6 MSEK and has during 2023 been reported in the operating profit under administrative expenses.

Note 4 Segment reporting and distribution of revenues

Sales per business area

MSEK	2024			2023				Full Year	Oct 23-Sep 24	2022				Full Year
	Q1	Q2	Q3	Q1	Q2	Q3	Q4			Q1	Q2	Q3	Q4	
HEXPOL Compounding	4 939	5 062	4 612	5 617	5 354	5 099	4 511	20 581	19 124	4 841	5 291	5 554	5 148	20 834
HEXPOL Engineered Products	373	392	365	373	373	362	357	1 465	1 487	332	363	367	347	1 409
Group total	5 312	5 454	4 977	5 990	5 727	5 461	4 868	22 046	20 611	5 173	5 654	5 921	5 495	22 243

Sales per geographic region

MSEK	2024			2023				Full Year	Oct 23-Sep 24	2022				Full Year
	Q1	Q2	Q3	Q1	Q2	Q3	Q4			Q1	Q2	Q3	Q4	
Europe	2 133	2 117	1 924	2 407	2 208	1 972	1 903	8 490	8 077	2 118	2 341	2 281	2 109	8 849
Americas	2 882	3 009	2 725	3 300	3 221	3 186	2 663	12 370	11 279	2 815	3 059	3 354	3 061	12 289
Asia	297	328	328	283	298	303	302	1 186	1 255	240	254	286	325	1 105
Group total	5 312	5 454	4 977	5 990	5 727	5 461	4 868	22 046	20 611	5 173	5 654	5 921	5 495	22 243

Sales per geographic region HEXPOL Compounding

MSEK	2024			2023				Full Year	Oct 23-Sep 24	2022				Full Year
	Q1	Q2	Q3	Q1	Q2	Q3	Q4			Q1	Q2	Q3	Q4	
Europe	1 977	1 951	1 763	2 231	2 050	1 837	1 756	7 874	7 447	1 963	2 168	2 123	1 958	8 212
Americas	2 755	2 888	2 614	3 189	3 104	3 058	2 533	11 884	10 790	2 715	2 950	3 237	2 958	11 860
Asia	207	223	235	197	200	204	222	823	887	163	173	194	232	762
Group total	4 939	5 062	4 612	5 617	5 354	5 099	4 511	20 581	19 124	4 841	5 291	5 554	5 148	20 834

Sales per geographic region HEXPOL Engineered Products

MSEK	2024			2023				Full Year	Oct 23-Sep 24	2022				Full Year
	Q1	Q2	Q3	Q1	Q2	Q3	Q4			Q1	Q2	Q3	Q4	
Europe	156	166	161	176	158	135	147	616	630	155	173	158	151	637
Americas	127	121	111	111	117	128	130	486	489	100	109	117	103	429
Asia	90	105	93	86	98	99	80	363	368	77	81	92	93	343
Group total	373	392	365	373	373	362	357	1 465	1 487	332	363	367	347	1 409

EBIT per business area

MSEK	2024			2023				Full Year	Oct 23-Sep 24	2022				Full Year
	Q1	Q2	Q3	Q1	Q2	Q3	Q4*			Q1	Q2	Q3	Q4*	
HEXPOL Compounding	837	844	735	873	883	862	783	3 401	3 199	721	759	765	737	2 982
HEXPOL Engineered Products	68	67	65	73	62	68	55	258	255	54	77	73	74	278
Group total	905	911	800	946	945	930	838	3 659	3 454	775	836	838	811	3 260

EBIT-margin per business area

%	2024			2023				Full Year	Oct 23-Sep 24	2022				Full Year
	Q1	Q2	Q3	Q1	Q2	Q3	Q4*			Q1	Q2	Q3	Q4*	
HEXPOL Compounding	16,9	16,7	15,9	15,5	16,5	16,9	17,4	16,5	16,7	14,9	14,3	13,8	14,3	14,3
HEXPOL Engineered Products	18,2	17,1	17,8	19,6	16,6	18,8	15,4	17,6	17,1	16,3	21,2	19,9	21,3	19,7
Group total	17,0	16,7	16,1	15,8	16,5	17,0	17,2	16,6	16,8	15,0	14,8	14,2	14,8	14,7

*Adjusted EBIT for HEXPOL Compounding

Note 5 Additional information

In connection with a review, it has emerged that there is a need for clarification regarding notice periods from the company's side for other senior executives within HEXPOL. It has become clear that two valid employment contracts from 2011 have a longer notice period. For these agreements, an agreed notice period of 24 months applies, which in addition increases by one month for each year of employment from 2011 and thus not 12 months for these senior executives as previously communicated.

Reconciliation alternative performance measures

Sales

MSEK	2024			2023			Full		2022			Full	
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Sales	5 312	5 454	4 977	5 990	5 727	5 461	4 868	22 046	5 173	5 654	5 921	5 495	22 243
Currency effects	-5	53	-172	463	383	247	31	1 124	363	516	709	681	2 269
Sales excluding currency effects	5 317	5 401	5 149	5 527	5 344	5 214	4 837	20 922	4 810	5 138	5 212	4 814	19 974
Acquisitions	36	39	31	338	128	124	100	690	242	400	249	308	1 199
Sales excluding currency effects and acquisitions	5 281	5 362	5 118	5 189	5 216	5 090	4 737	20 232	4 568	4 738	4 963	4 506	18 775

Sales growth

%	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full Year 2023
Sales growth excluding currency effects	-6	-12	-8	-4	-6
Sales growth excluding currency effects and acquisitions	-6	-14	-8	-7	-9

EBITA, adjusted, %

MSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full Year 2023	Oct 23-Sep 24
Sales	4 977	5 461	15 743	17 178	22 046	20 611
Operating profit	800	930	2 616	2 821	3 576	3 371
Non-recurring items	-	-	-	-	83	83
Amortisation and impairment of intangible assets	34	34	101	94	128	135
Total EBITA, adjusted	834	964	2 717	2 915	3 787	3 589
EBITA, adjusted, %	16,8	17,7	17,3	17,0	17,2	17,4

EBITA, %

MSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full Year 2023	Oct 23-Sep 24
Sales	4 977	5 461	15 743	17 178	22 046	20 611
Operating profit	800	930	2 616	2 821	3 576	3 371
Amortisation and impairment of intangible assets	34	34	101	94	128	135
Total EBITA	834	964	2 717	2 915	3 704	3 506
EBITA%	16,8	17,7	17,3	17,0	16,8	17,0

Capital employed

MSEK	2024			2023				2022			
	Mar 31	Jun 30	Sep 30	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	31 Dec
Total assets	24 340	23 789	22 664	24 075	24 806	24 225	22 507	19 941	22 400	23 783	23 553
Provision for deferred tax	-878	-855	-829	-795	-866	-853	-832	-612	-665	-705	-825
Accounts payable	-2 967	-2 936	-2 433	-3 316	-3 247	-2 925	-2 737	-3 073	-3 479	-3 450	-3 111
Other liabilities	-309	-300	-291	-375	-449	-405	-438	-457	-335	-354	-342
Accrued expenses, prepaid income, provisions	-604	-714	-799	-598	-718	-776	-749	-546	-651	-777	-699
Total Group	19 582	18 984	18 312	18 991	19 526	19 266	17 751	15 253	17 270	18 497	18 576

Return on capital employed, R12

MSEK	Sep 30 2024	Sep 30 2023	Full Year 2023
Average capital employed	18 657	19 090	18 884
Profit before tax	3 184	3 459	3 346
Interest expense	241	219	239
Total	3 425	3 678	3 585
Return on capital employed, %	18,4	19,3	19,0

Interest-coverage ratio, multiple

MSEK	Jan-Sep 2024	Jan-Sep 2023	Full Year 2023	Oct 23- Sep 24
Profit before tax	2 487	2 649	3 346	3 184
Interest expense	177	175	239	241
Total	2 664	2 824	3 585	3 425
Interest-coverage ratio, multiple	15	16	15	14

Shareholders' equity

MSEK	2024			2023				2022			
	Mar 31	Jun 30	Sep 30	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31
Shareholders' equity	16 142	14 558	14 536	14 547	14 848	15 217	14 577	12 449	12 069	13 684	13 767

Return on equity, R12

MSEK	Sep 30 2024	Sep 30 2023	Full Year 2023
Average shareholders' equity	14 953	14 595	14 797
Profit after tax	2 374	2 641	2 524
Return on equity, %	15,9	18,1	17,1

Net debt

MSEK	Sep 30 2024	Sep 30 2023	Full Year 2023
Financial assets	5	7	5
Cash and cash equivalents	790	1 290	1 103
Non-current interest-bearing liabilities	-337	-1 149	-685
Current interest-bearing liabilities	-2 915	-2 372	-1 998
Net debt	-2 457	-2 224	-1 575

Net debt/EBITDA

MSEK	Sep 30 2024	Sep 30 2023	Full Year 2023
Net debt	-2 457	-2 224	-1 575
EBITDA, R12	3 955	4 200	4 120
Net debt/EBITDA, multiple	-0,62	-0,53	-0,38

Equity/assets ratio

MSEK	Sep 30 2024	Sep 30 2023	Full Year 2023
Shareholders' equity	14 536	15 217	14 577
Total assets	22 664	24 225	22 507
Equity/assets ratio, %	64	63	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 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.