

Press release, Malmö, 12 December 2024

Changes in production capacity and product portfolio for HEXPOL Americas

HEXPOL Americas has announced changes within its product portfolio and production capacity. These changes are to optimize and create better efficiency in our operations.

The production site in Kennedale, Texas will be closed by the end of Q2, 2025 and all business from Kennedale will be relocated to other North American facilities. HEXPOL Americas will work closely with customers to make sure the transition is seamless. Costs associated with the closure of the production site will be accounted for in Q4 2024. The transaction will be reported separately in Q4 2024.

HEXPOL Americas has also divested the production site in Muscle Shoals, Alabama effective immediately, to the private investment firm Karo Ventures LLC. HEXPOL Americas will work closely with Karo Ventures to make sure the transition is seamless for associates, customers and suppliers. The production site manufactured products outside of HEXPOL's core business and had an annual turnover of some 7 MUSD with a profitability level below that of the HEXPOL Group. The transaction will be reported separately in Q4 2024, with minimal impact on the net result.

“Both decisions are certainly not a reflection of the skills or commitment of the Kennedale and Muscle Shoals workforces. We view these decisions necessary to maintain our competitiveness and to focus on our core business to improve our supply chain to support our customers most effectively.”

Gary Moore, President HEXPOL Compounding Americas

“These decisions are in line with our business model to focus on our core business, to optimize our efficiency and to support our customers most effectively.”

Klas Dahlberg, President and CEO, HEXPOL Group

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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. Further information is available at www.hexpol.com.

This is a non-official translation of the Swedish original wording. In case of discrepancies between the English translation and the Swedish original, the Swedish text shall prevail.