

HEXPOL Q4 2025 Presentation

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January 29, 2026

..... Q4 2025 Presentation

Presented by



Klas Dahlberg
CEO

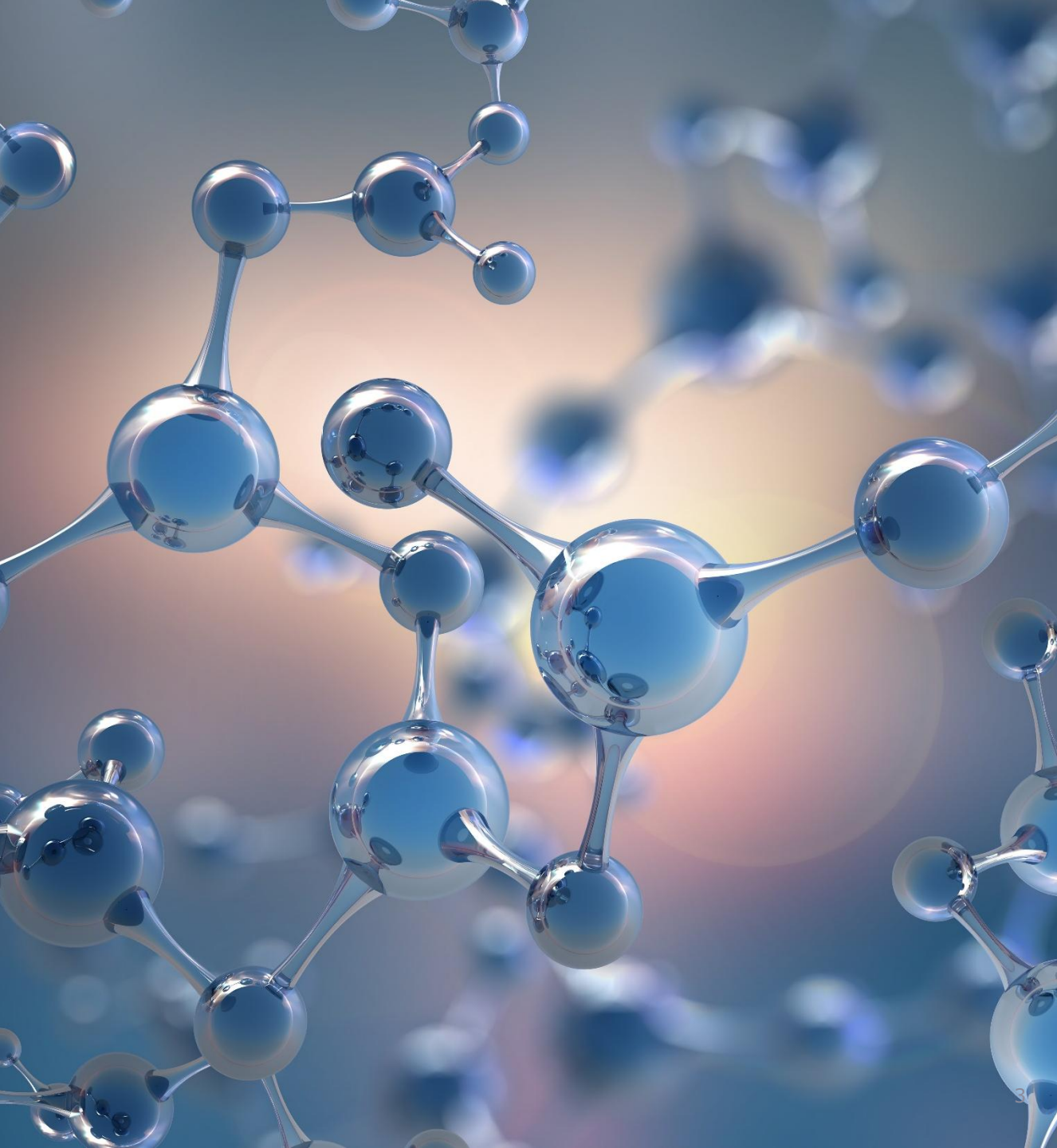


Peter Rosén
CFO

Agenda

- Business Performance
- Financial Overview
- Summary
- Q&A





Business Performance

..... Increased Volumes In A Continued Tough Market

- **Q4 Demand and sales**

- Total volumes increased in the quarter, defending our market position within Compounding.
- Building and Construction , Wire & Cable, Tire (tolling) showed increased demand. Automotive was on a relatively low level but stable versus last year, despite somewhat extended holiday close downs.
- There is negative price/mix effect in Compounding, both in Europe and America. This has a negative impact on the sales value and on the margin.
- Continued soft demand in the US, triggered by US tariffs and US trade policy. This impacts all our businesses in the US.
- European market relatively stable despite uncertainty.
- Competition to get volumes, but insourcing is stabilizing in the US and in Europe.

- **Q4 performance**

- Q4 sales 4 254 MSEK (4 694) a decrease in sales of 9% driven mainly by negative FX effects of 9%. Acquired Piedmont. and Kabkom added some 3% in sales, offset by lower organic sales of some 3%.
- EBIT margin at 12,0% (13,4%) and EBIT 508 MSEK (631) where negative FX of 61 MSEK and negative mix affects the margin.
- Strong cash flow of 1 037 MSEK (1 171).
- Ordinary dividend proposed unchanged at 4,20 SEK/share (4,20)

- **Sustainability focus**

- We are proud to announce that we have reached 80% CO2 reduction by the end of 2025 (target was 75%).
- The work with our updated sustainability strategy and our new sustainability targets is ongoing and will be completed during Q1 2026.



..... Increased Volumes In A Continued Tough Market

- **HEXPOL Compounding**

- Increase in volumes in both Europe and North America.
- Sales of 3 911 MSEK (4 308) impacted by negative FX of 9% and mix.
- Building and Construction, Wire & Cable and some smaller segments showed increased demand.
- Automotive end customer segment in line with last year.
- Raw material prices relatively stable.
- Lower Operating Margin affected by unfavorable mix and OPEX in relation to sales.

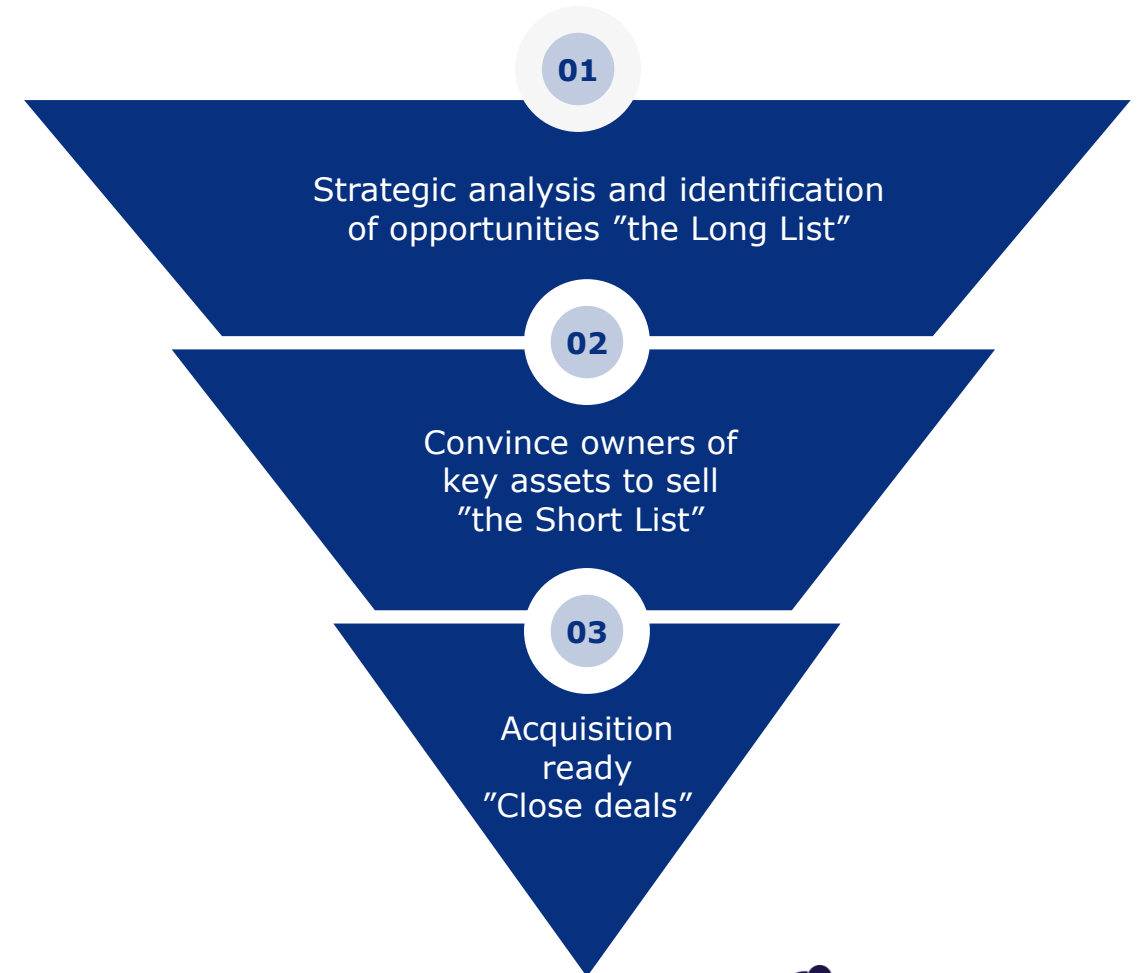
- **HEXPOL Engineered Products**

- Sales of 343 MSEK (386) negative FX impact of 8%, sales in line with last year.
- Increased operating Profit and Operating Margin on good level.



The HEXPOL M&A Process

- Deep knowledge of our current markets and continuous analysis of adjacent markets.
- Long-term relations with many Financial Sponsors, PE-funds and Industrial owners.
- Proactive M&A search in key areas together with Industry experts.
- Continuous collaboration with Investment Banks active in the chemicals mid-market sector.
- Reinforce our reputation as a fair, professional, agile and flexible acquirer.



Strategic Priorities until 2030

Increase activities to grow organically

Priorities

- Target profitable segments with structural growth – fill portfolio gaps
- Increase sales capacity to broaden the customer base
- R&D focus to enhance product innovation and Sustainability leadership
- Captive conversion

Raised M&A agenda, especially within Thermoplastics

Priorities

- Focused and well-defined M&A strategy
- **Rubber Compounding** - Protect and strengthen market leader positions in Europe & Americas (selective)
 - **Thermoplastics** - Build a broader product portfolio and expand geographically (High growth)
 - **Engineered Products** - Attractive segments and geographies. Focus on Wheels (Opportunistic)
- Exploring options to expand in India, China and Southeast Asia

Continued focus on Operational Excellence

Priorities

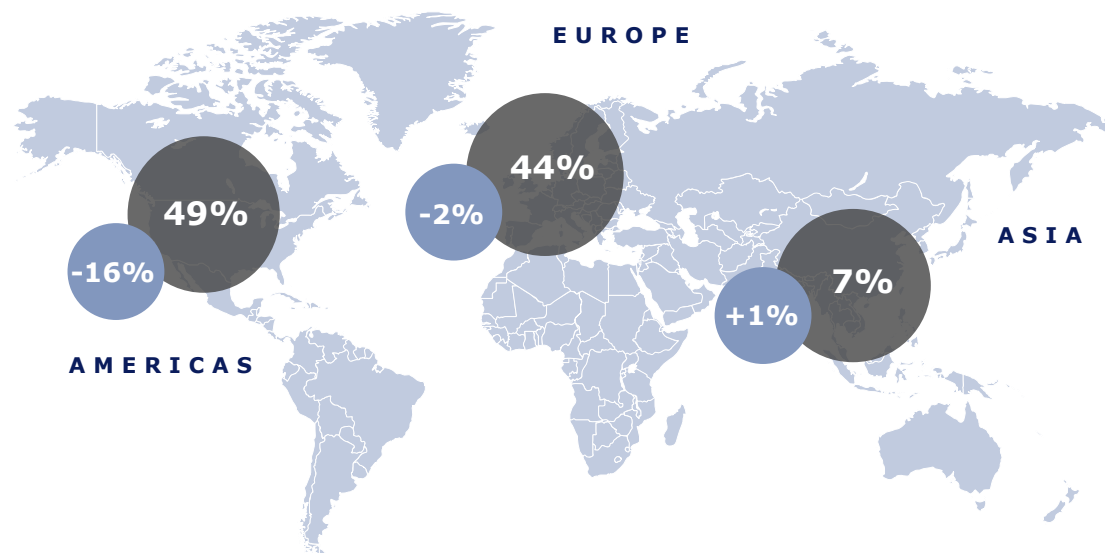
- Continue reviewing the manufacturing footprint
- Production technology, AI and automation
- Move product portfolio to more profitable segments



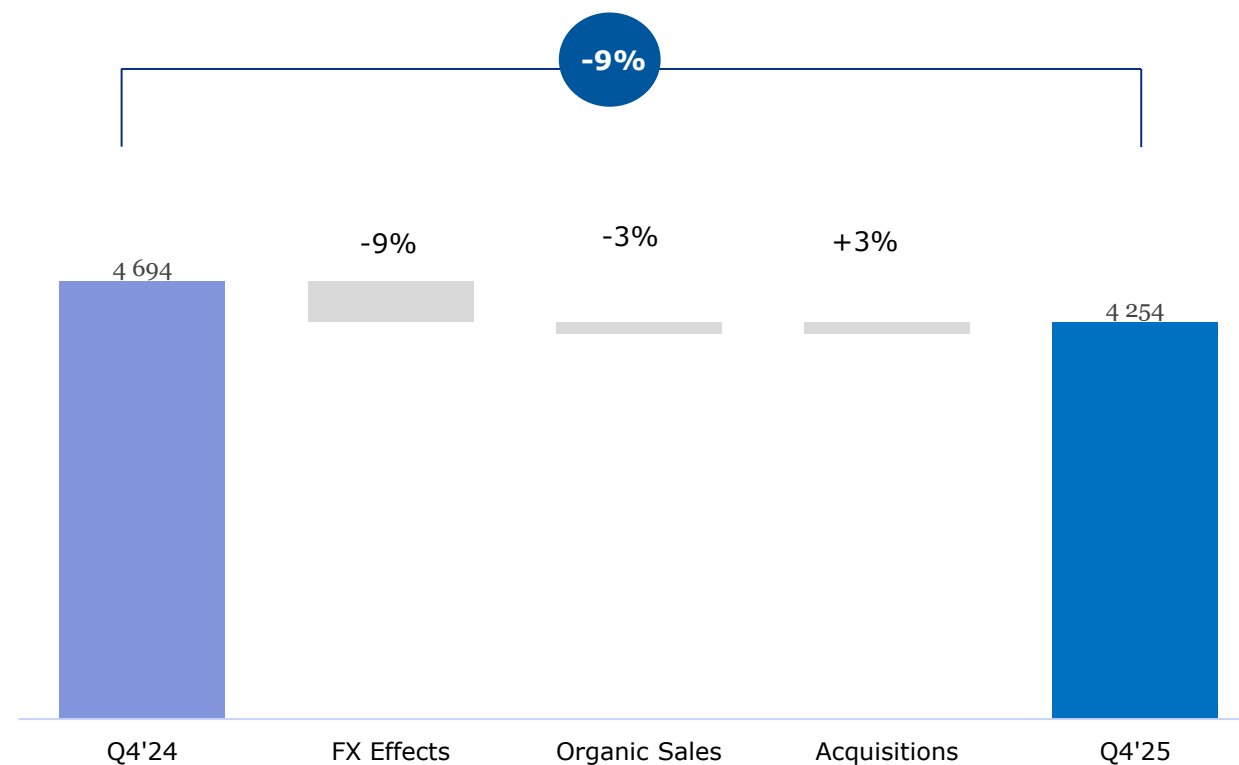
Financial Overview

..... Q4 Sales Development

Regional Development



Sales development MSEK



Q4 Financial Overview



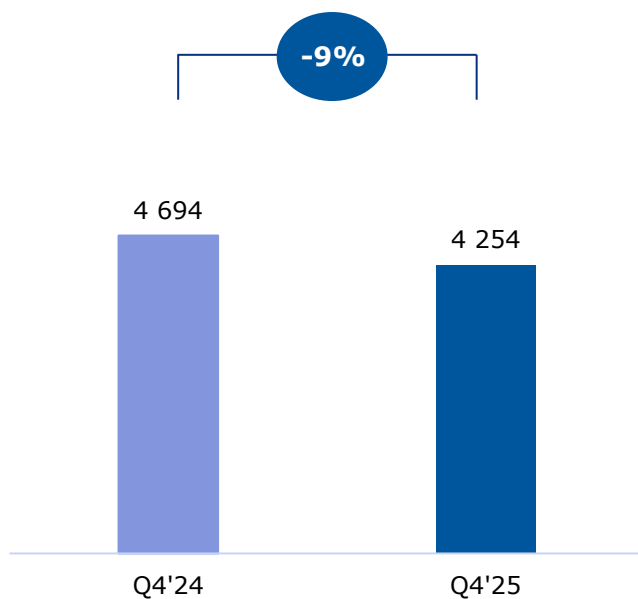
| Key figures MSEK | Q4'25 | Q4'24 | Jan-Dec 2025 | Jan-Dec 2024 |
|-----------------------------------|-------|-------|-----------------|-----------------|
| Sales | 4 254 | 4 694 | 19 324 | 20 437 |
| EBITA, Adjusted | 545 | 667 | 2 933 | 3 384 |
| EBITA-Margin, Adjusted, % | 12,8 | 14,2 | 15,2 | 16,6 |
| EBITA | 545 | 592 | 2 933 | 3 309 |
| EBITA margin, % | 12,8 | 12,6 | 15,2 | 16,2 |
| EBIT, Adjusted | 508 | 631 | 2 791 | 3 247 |
| EBIT Margin, Adjusted% | 12,0 | 13,4 | 14,4 | 15,9 |
| EBIT | 508 | 556 | 2 791 | 3 172 |
| EBIT Margin, % | 12,0 | 11,8 | 14,4 | 15,5 |
| Profit before tax | 487 | 514 | 2 653 | 3 001 |
| Profit after tax | 339 | 353 | 1 943 | 2 220 |
| Earnings per share. Adjusted, SEK | 0,98 | 1,28 | 5,64 | 6,70 |
| Earnings per share, SEK | 0,98 | 1,02 | 5,64 | 6,45 |
| Equity/assets ratio, % | | | 61 | 64 |
| Return on capital employed, % R12 | | | 14,7 | 16,9 |
| Operating cash flow | 1 037 | 1 171 | 2 799 | 3 012 |

Highlights

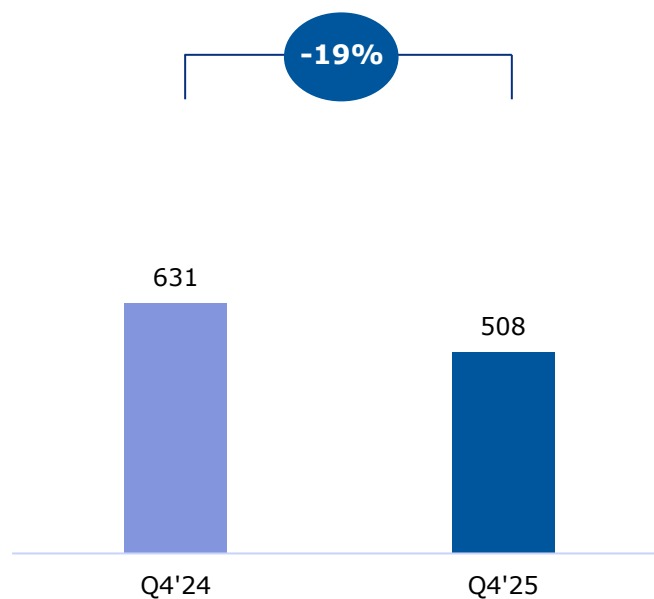
- Sales of 4 254 MSEK
- EBIT of 508 MSEK
- EBIT Margin of 12,0%
- Strong Equity/Asset ratio of 61%
- Strong cash flow

..... Q4 Financial Highlights

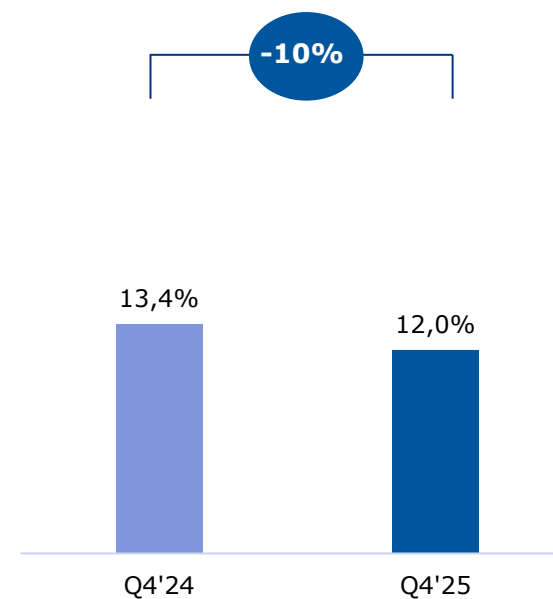
Sales
MSEK



Adjusted EBIT
MSEK

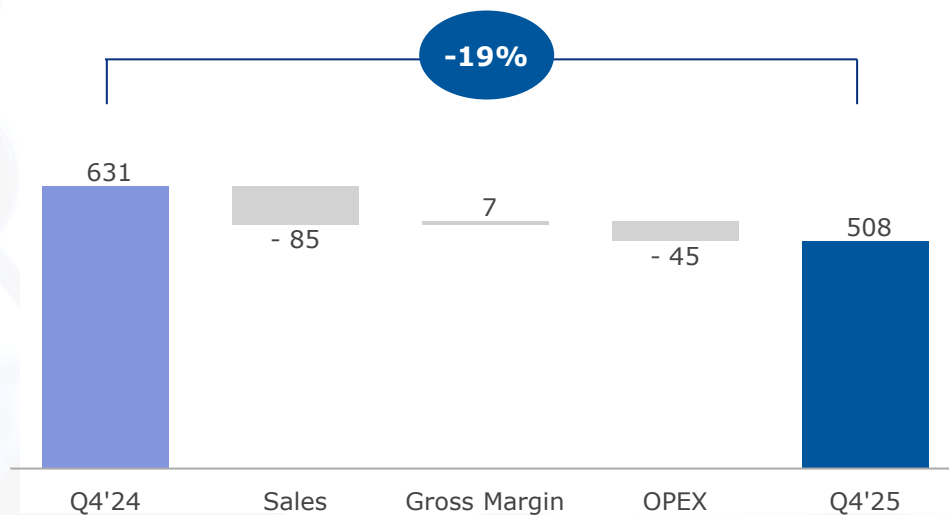


Adjusted EBIT Margin
%



Q4 EBIT Drivers

Adjusted EBIT MSEK



Highlights

- Of the 123 MSEK lower EBIT, 61 MSEK is driven by negative FX effects
- The main underlying driver of the lower EBIT is lower sales
- The gross margin in percentage is on same level as last year
- OPEX increases driven by acquired companies and eg increased IT costs

Q4 HEXPOL Compounding

Sales
MSEK

-9%

4 308

Q4'24

3 911

Q4'25

Adjusted EBIT
MSEK

-22%

566

Q4'24

439

Q4'25

Adjusted EBIT Margin
%

-15%

13,1%

Q4'24

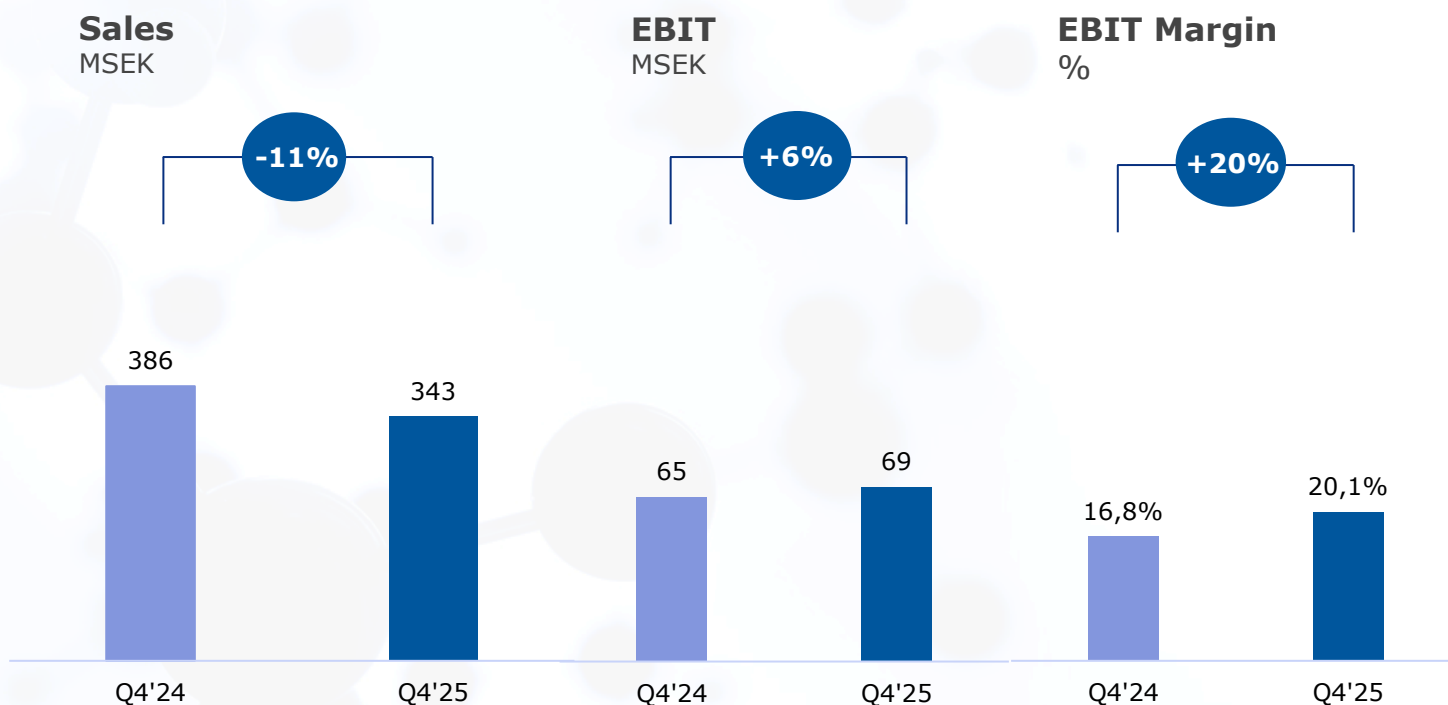
11,2%

Q4'25

Highlights

- The lower sales are negatively impacted by FX effects of 9%. Acquisitions add 3% in sales while organic sales are down 3%
- The lower organic sales are positively impacted by higher volume but offset by negative price/mix effects
- The higher volumes are seen with building & construction, wire & cable and medical while automotive volumes are on same level as last year
- EBIT decreases compared to LY following on the lower lower sales and OPEX in relation to lower sales

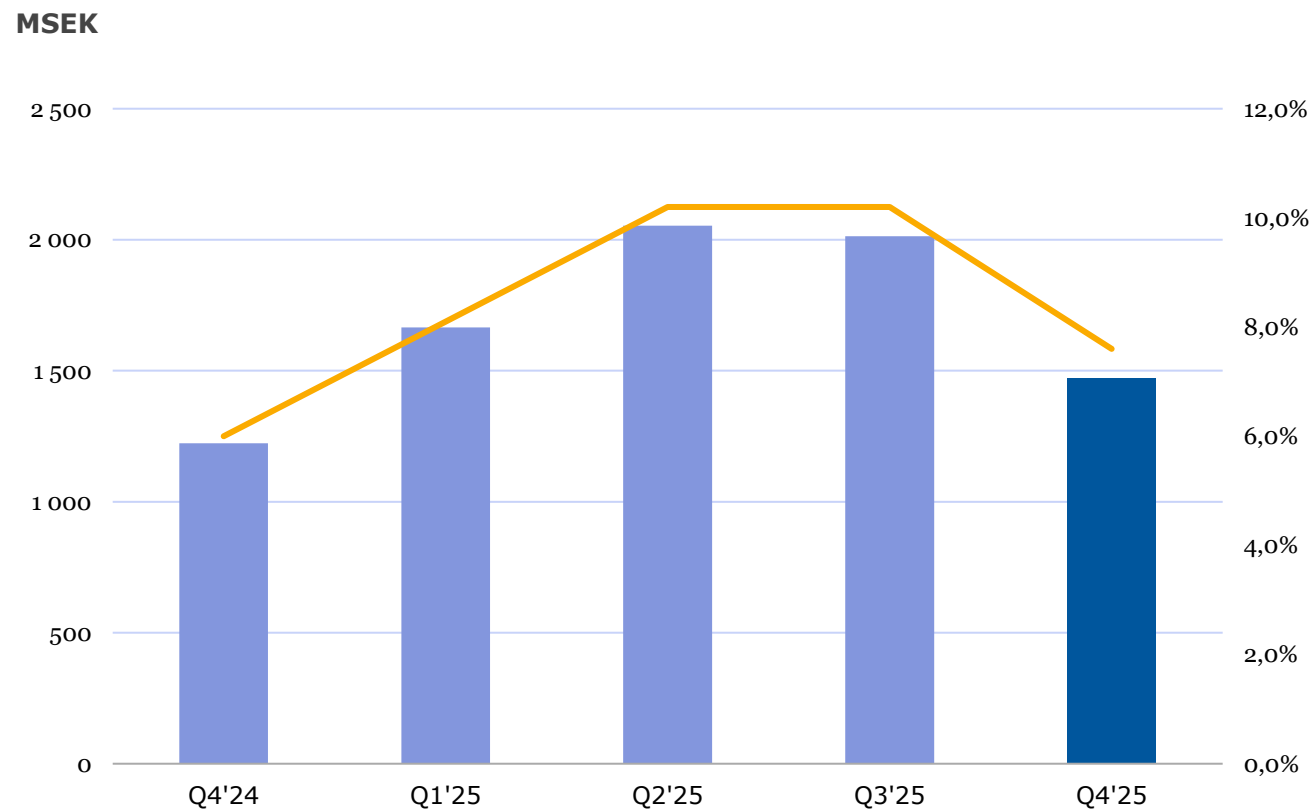
Q4 HEXPOL Engineered Products



Highlights

- The lower sales are negatively affected by FX effects of 8%
- EBIT increases with 6% while the EBIT margin increases with 20% following on higher efficiency and good mix

..... Q4 Working Capital

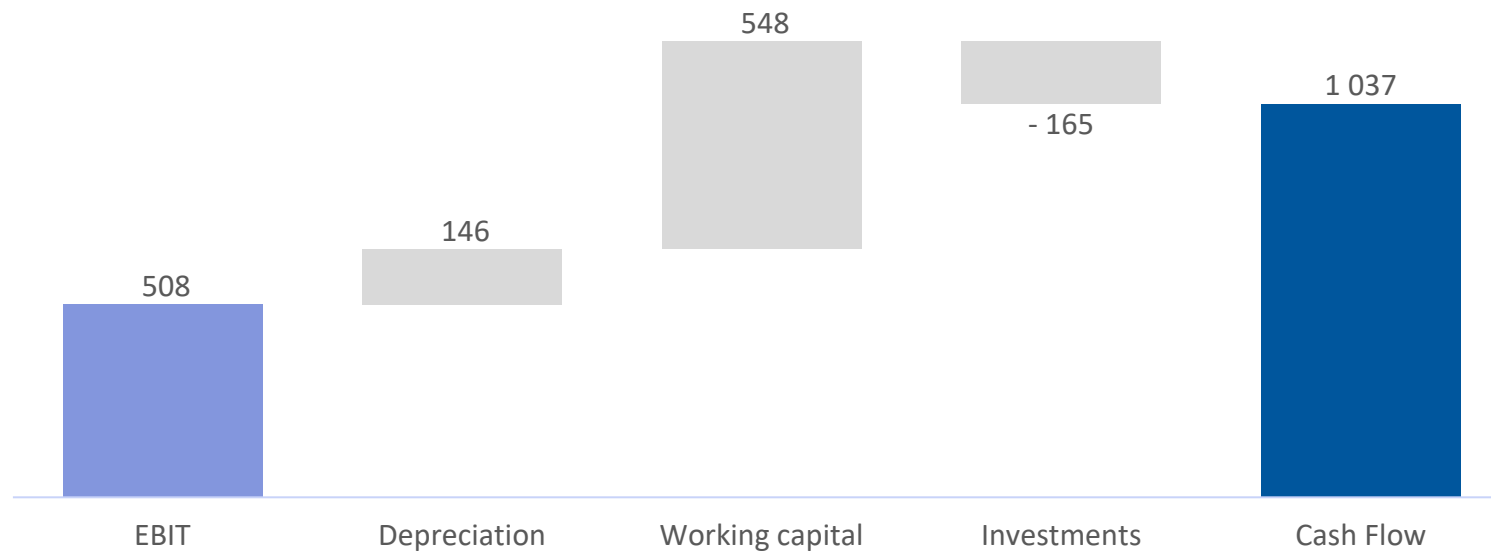


Highlights

- Compared to last year, the acquisition of Piedmont and Kabkom added some 50 MSEK in working capital

..... Q4 Cash Flow

Cash Flow
MSEK



Highlights

- Strong cash flow in the quarter driven by efficient management of working capital

Q4 Net Debt

Strong financial position



| MSEK | 31-dec 2025 | 31-dec 2024 |
|------------------------|----------------|----------------|
| Cash at hand | 1 145 | 1 233 |
| Used credit facilities | -4 329 | -3 468 |
| Net debt | -3 184 | -2 235 |
| Net debt/EBITDA* | 0,95 | 0,59 |

* EBITDA is R12 months

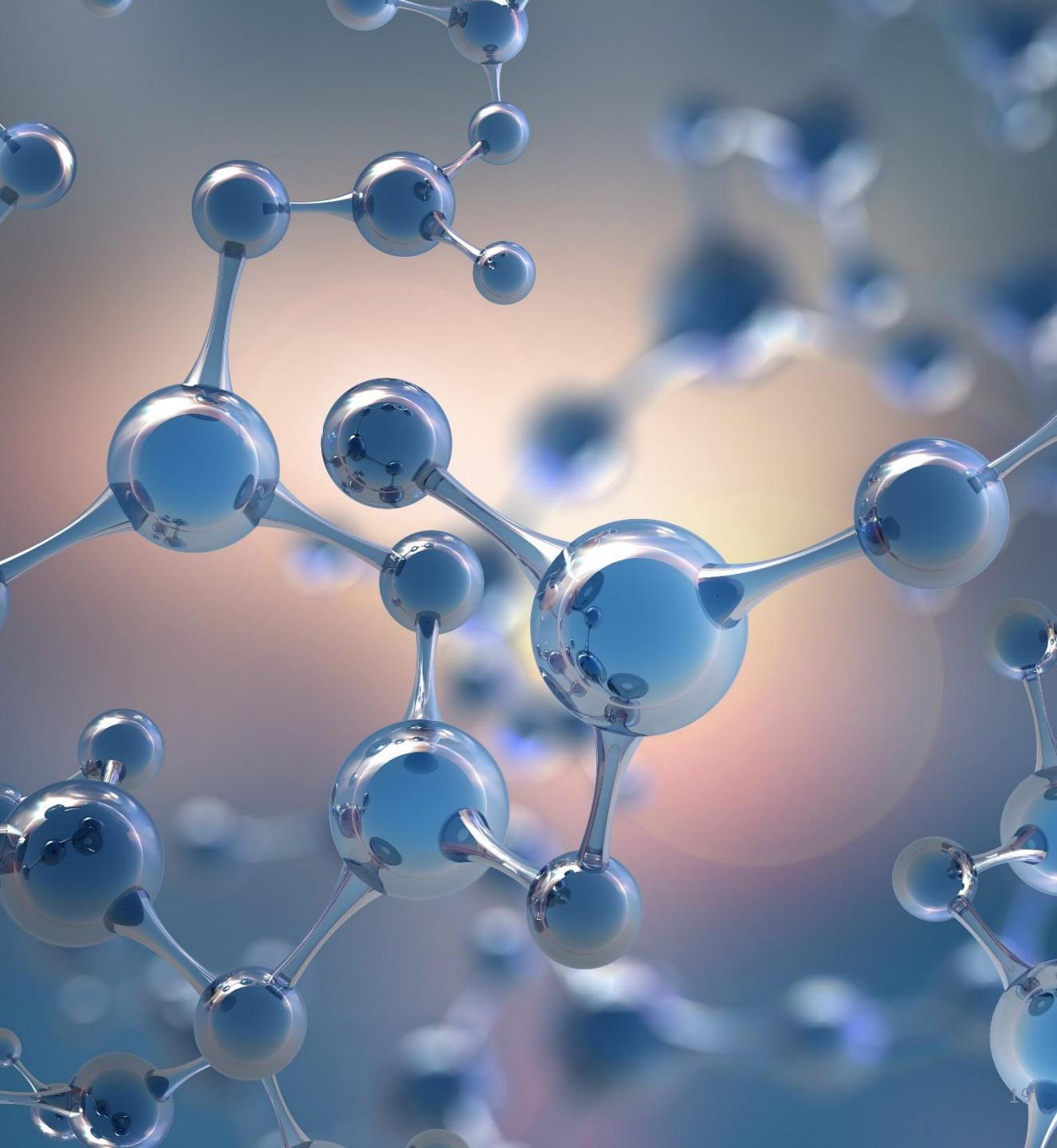
Highlights

- Strong financial position
- Net debt affected by dividend payments, acquisition of the minority share of almaak and the acquisition of Kabkom during 2025

..... Summarizing Q4

- Volumes increased in the quarter
- Europe showed stable sales compared to LY
- Lower demand in North America affected by the high uncertainty related to US trade policy
- Engineered Products stable with good profitability
- We reached our carbon footprint target for 2025
- We continue to focus on our strategic agenda for 2030





Q&A

Thank You

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