

HEXPOL Q4 2025 Presentation

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January 29, 2026

..... Q4 2025 Presentation

Presented by



Klas Dahlberg
CEO

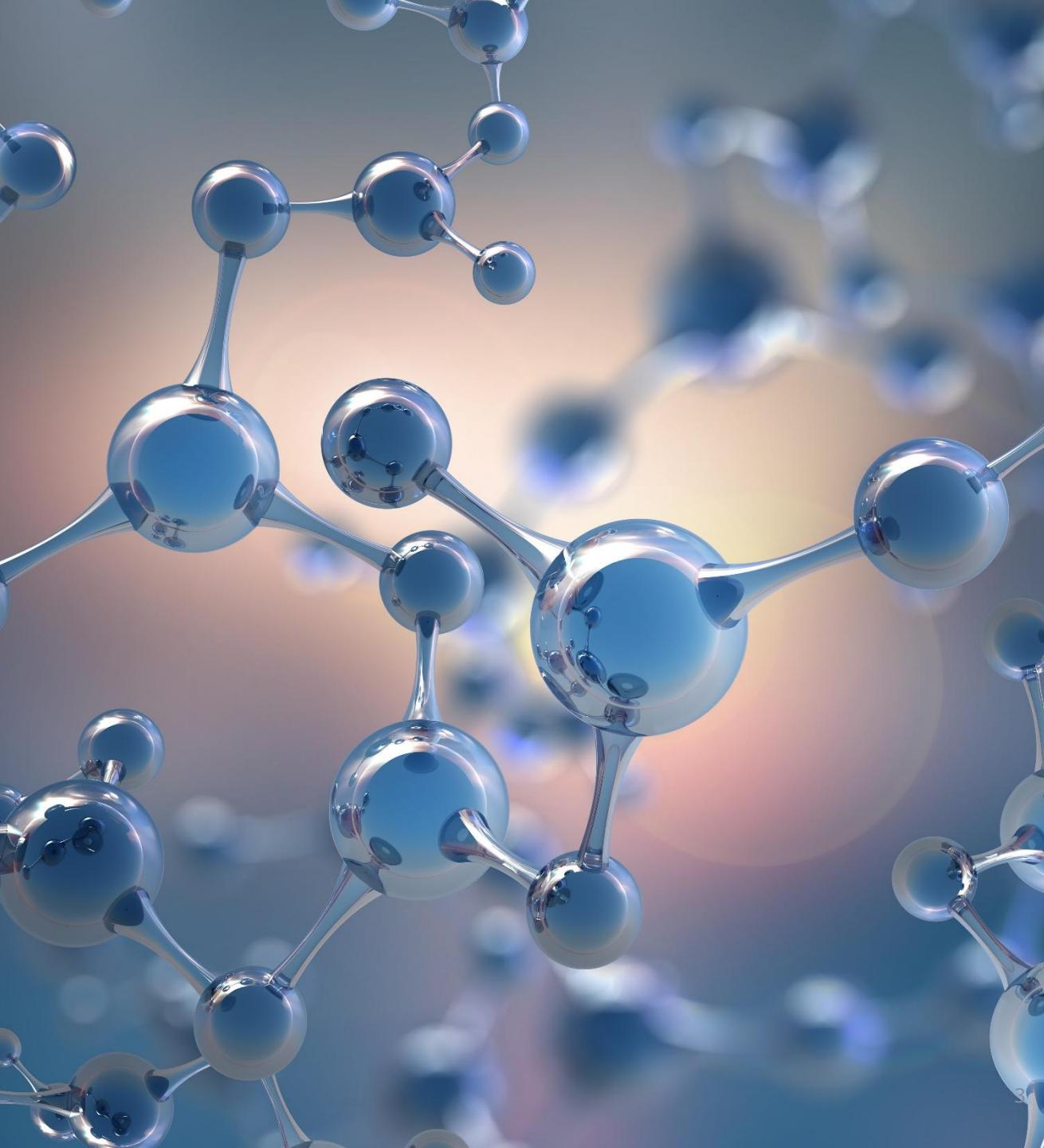


Peter Rosén
CFO

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.



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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.

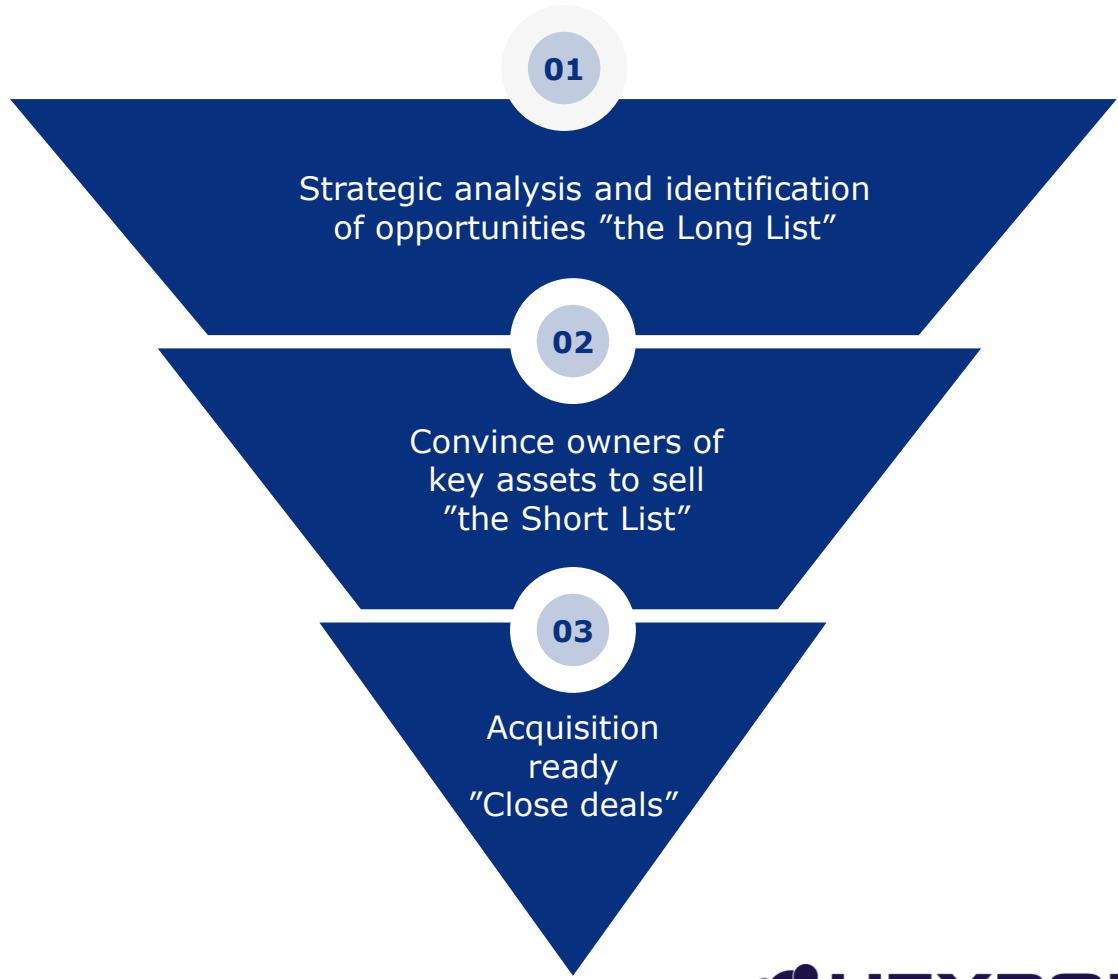
- **HEXPOL Engineered Products**

- 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

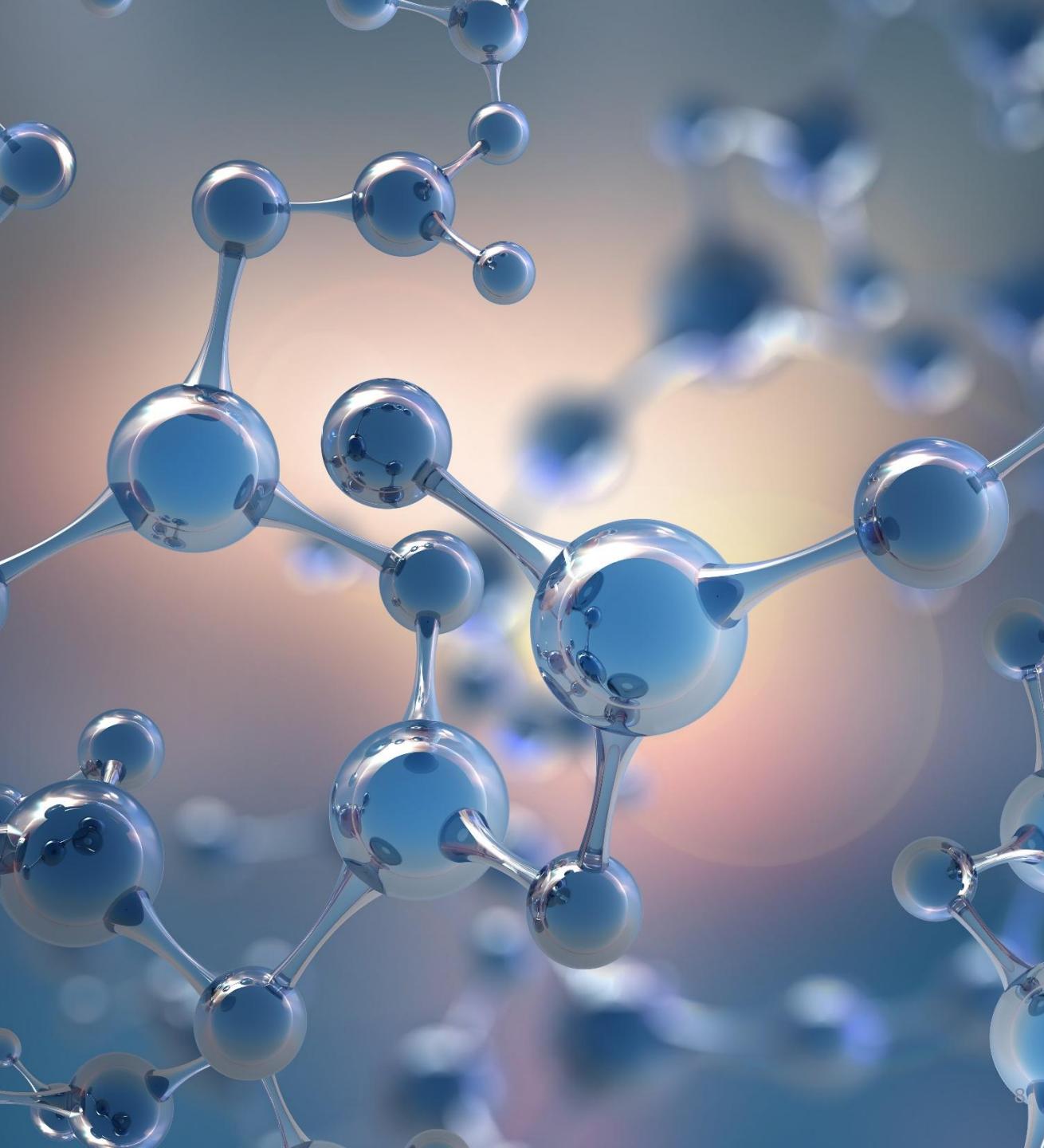
- **Rubber Compounding** - Protect and strengthen market leader positions in Europe & Americas (selective)
- **Thermoplastics** - Build a broader product portfolio and expand geographically (High growth)
- **Engineered Products** - Attractive segments and geographies. Focus on Wheels (Opportunistic)

Exploring options to expand in India, China and Southeast Asia

Continued focus on Operational Excellence

Priorities

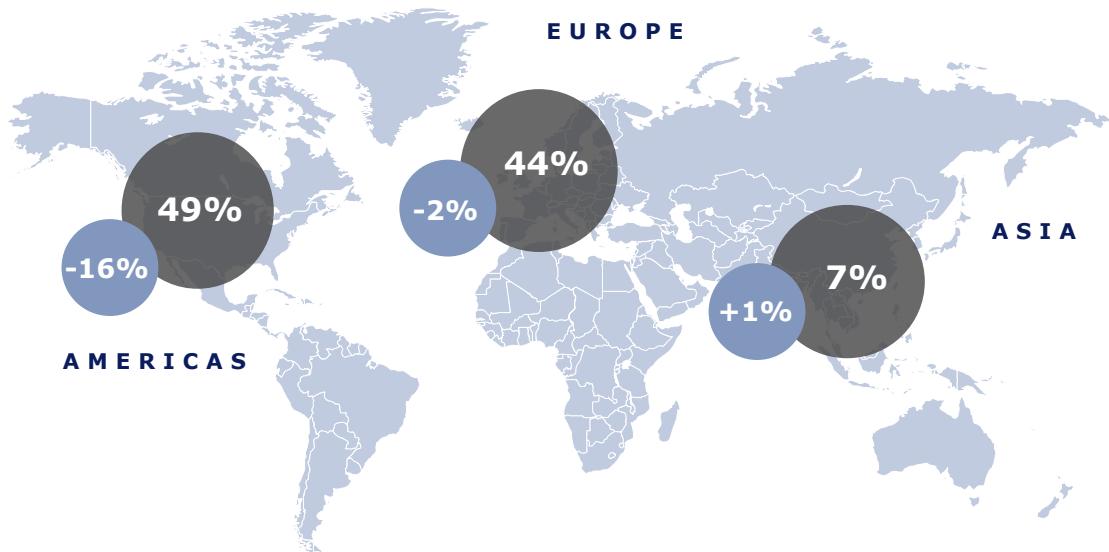
- Continue reviewing the manufacturing footprint
- Production technology, AI and automation
- Move product portfolio to more profitable segments



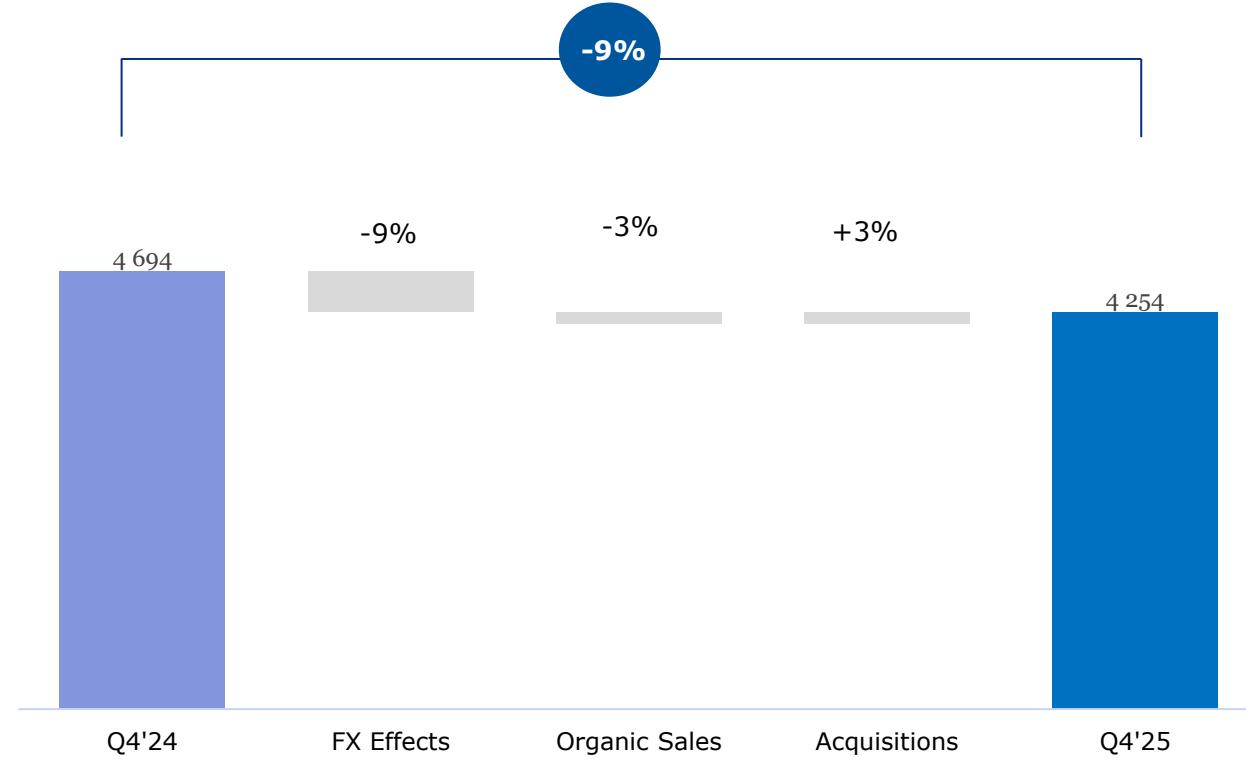
Financial Overview

..... Q4 Sales Development

Regional Development



Sales development MSEK



● Share of HEXPOL sales

● Sales development vs same period LY

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..... Q4 Financial Overview



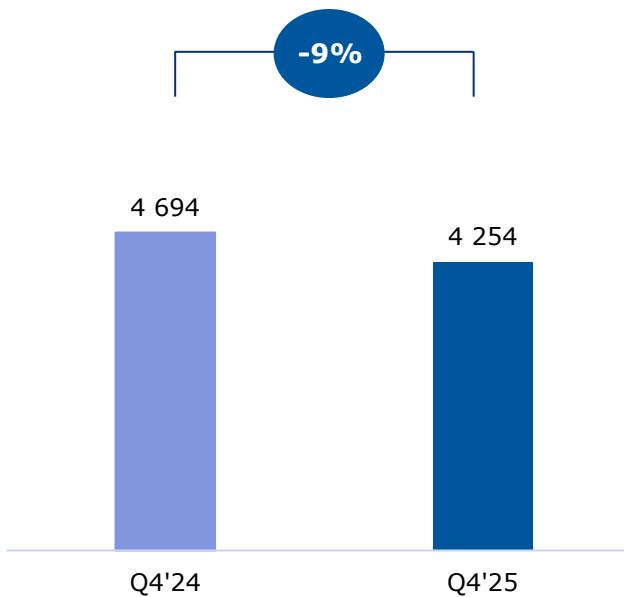
Key figures MSEK	Q4'25	Q4'24	Jan-Dec 2025	Jan-Dec 2024
Sales	4 254	4 694	19 324	20 437
EBITA, Adjusted	545	667	2 933	3 384
EBITA-Margin, Adjusted, %	12,8	14,2	15,2	16,6
EBITA	545	592	2 933	3 309
EBITA margin, %	12,8	12,6	15,2	16,2
EBIT, Adjusted	508	631	2 791	3 247
EBIT Margin, Adjusted%	12,0	13,4	14,4	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

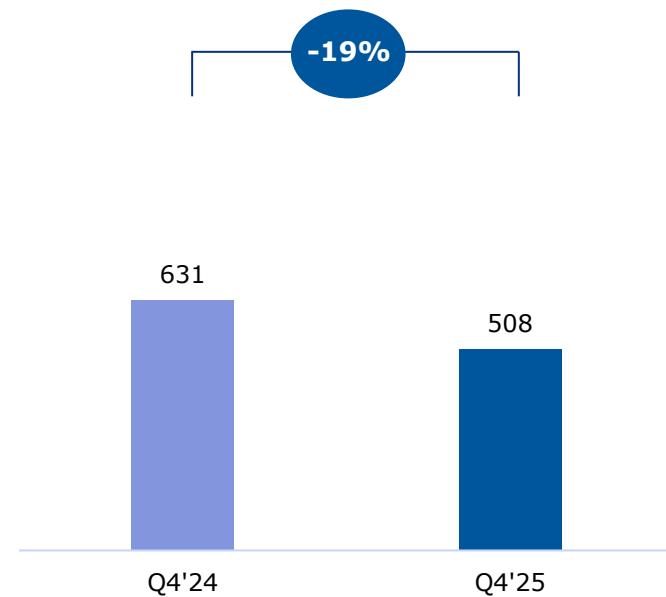
- Sales of 4 254 MSEK
- EBIT of 508 MSEK
- EBIT Margin of 12,0%
- Strong Equity/Asset ratio of 61%
- Strong cash flow

..... Q4 Financial Highlights

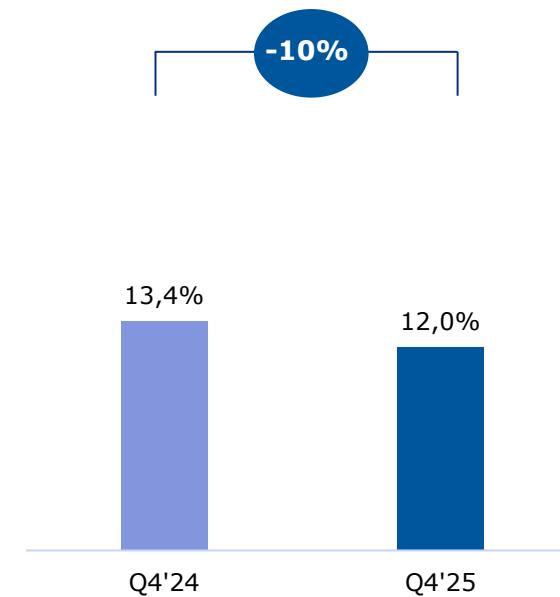
Sales
MSEK



Adjusted EBIT
MSEK



Adjusted EBIT Margin
%



Q4 EBIT Drivers

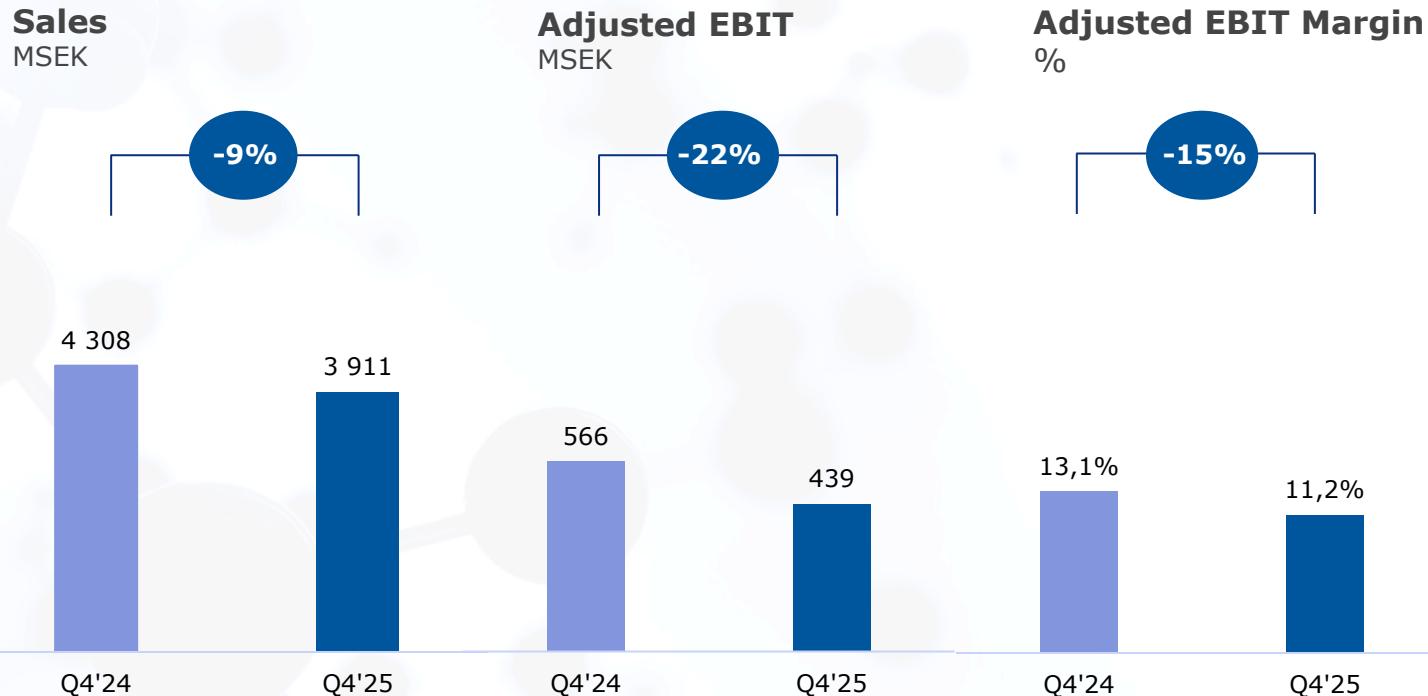
Adjusted EBIT
MSEK



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

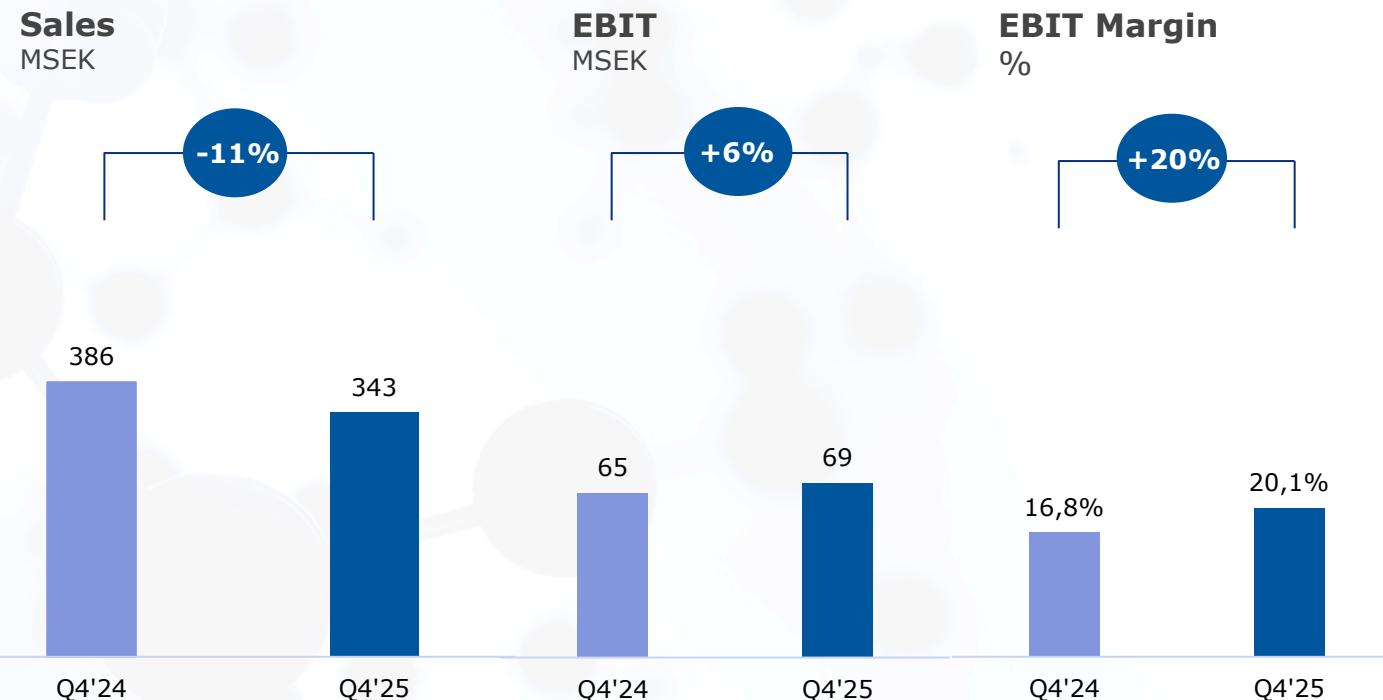
Q4 HEXPOL Compounding



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

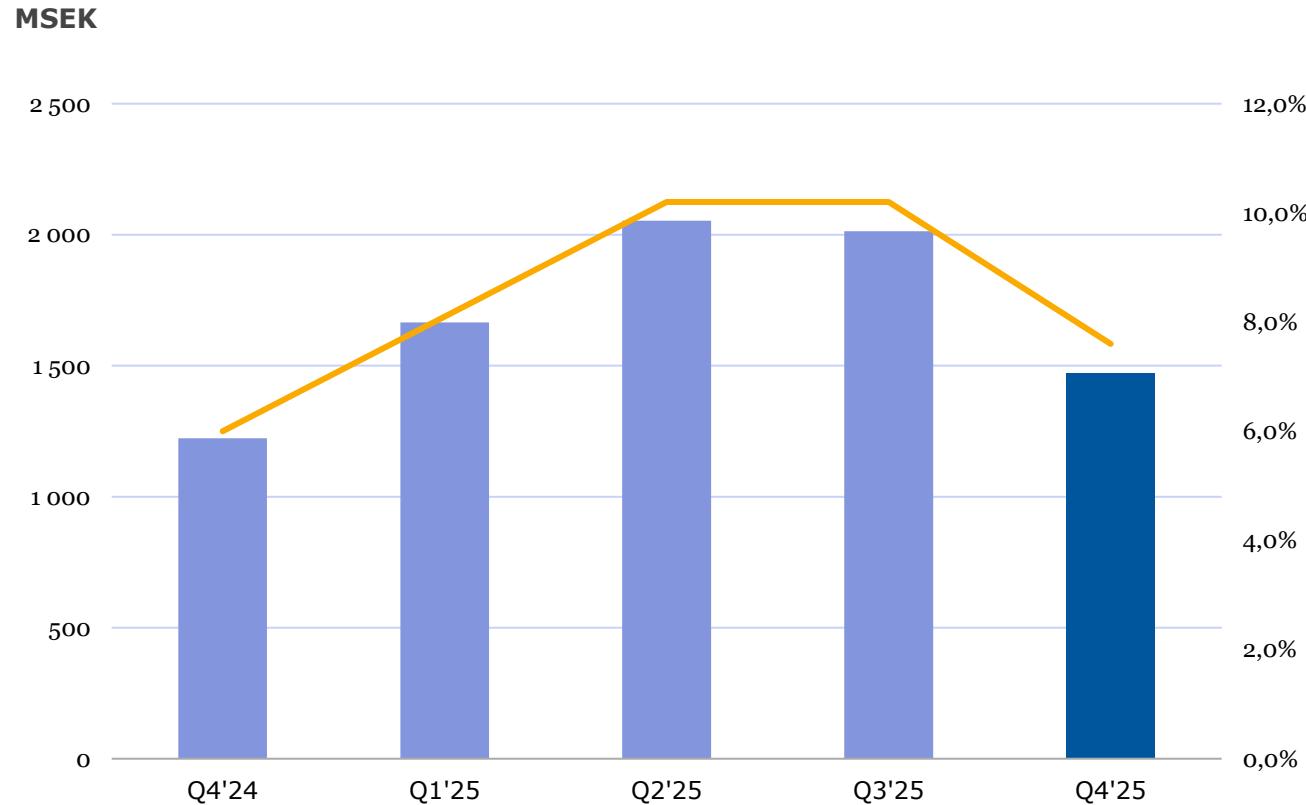
Q4 HEXPOL Engineered Products



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

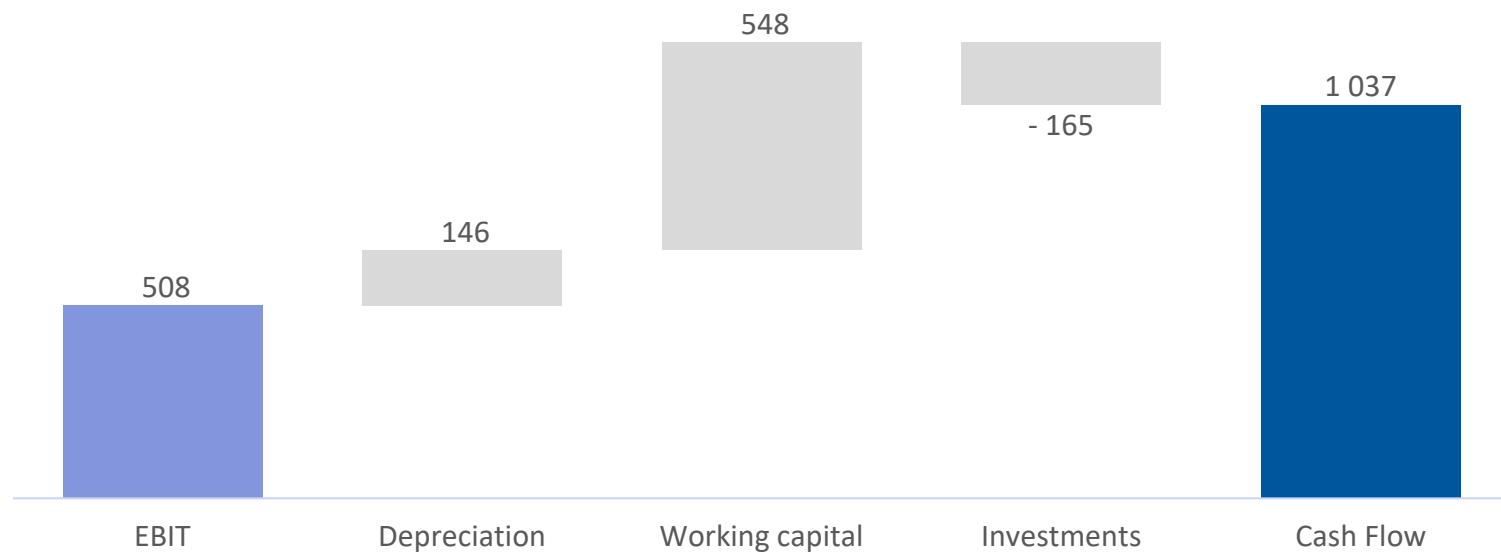


Highlights

- 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

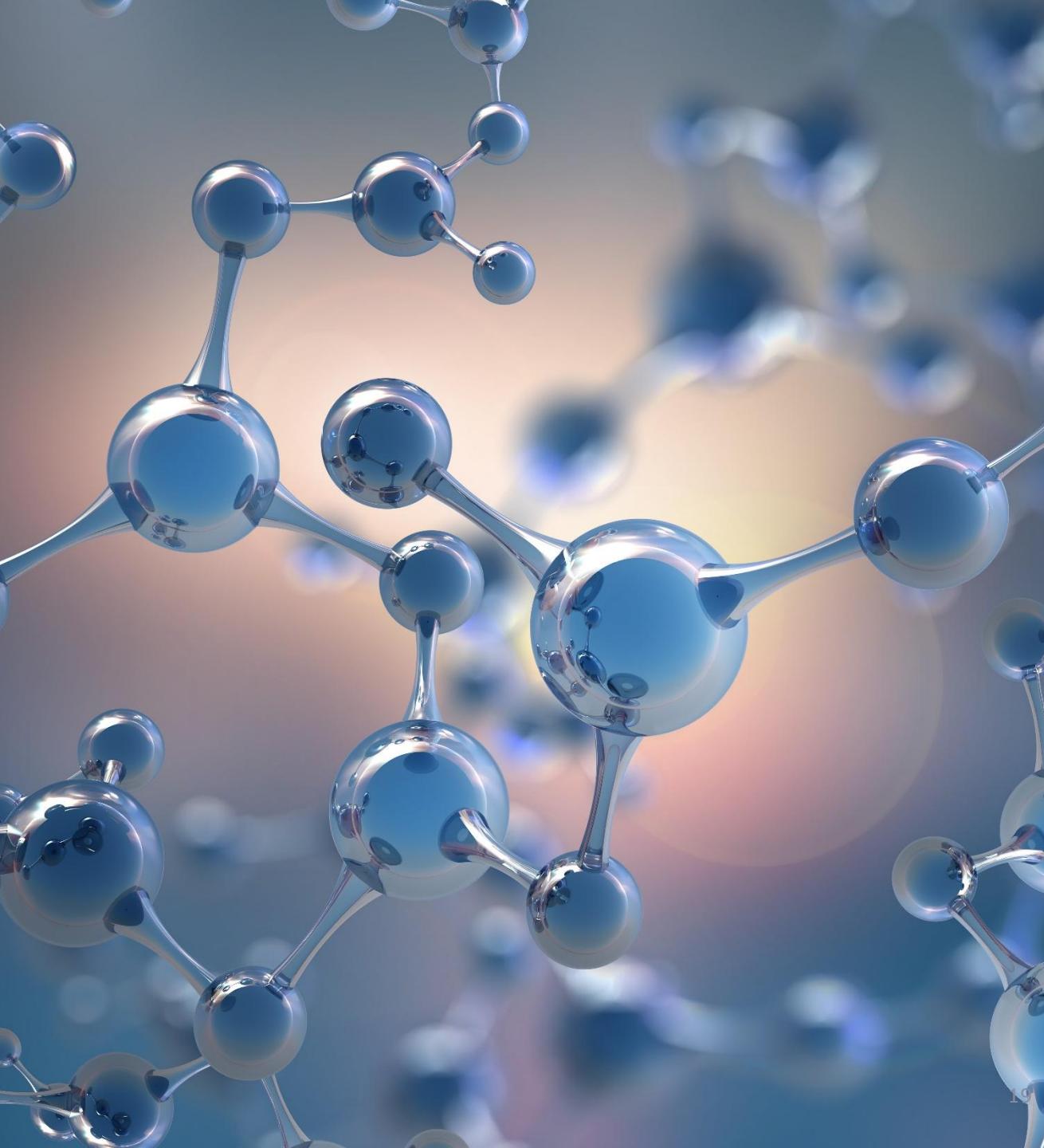
- Strong financial position
- Net debt affected by dividend payments, acquisition of the minority share of almaak and the acquisition of Kabkom during 2025

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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

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Thank You

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