

HEXPOL Q2 2025 Presentation

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July 18, 2025

..... Q2 2025 Presentation

Presented by



Klas Dahlberg
CEO

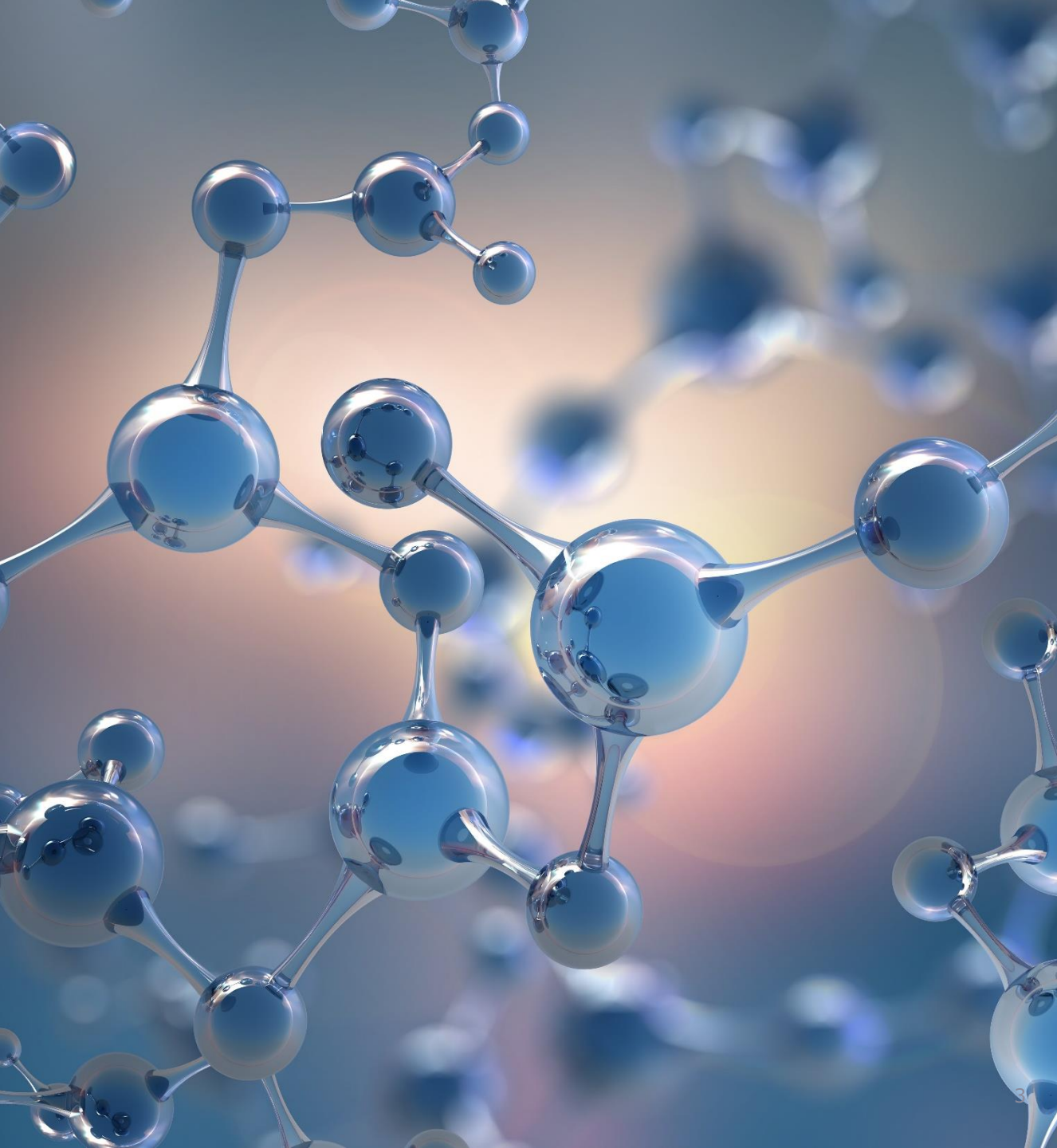


Peter Rosén
CFO

Agenda

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





Business Performance

..... Resilience In An Uncertain World

- **Q2 performance**

- Europe showed stable sales compared to LY, Engineered Products showed growth while we saw lower demand in North America affected by the high uncertainty related to US trade policy
- Q2 sales 4 997 MSEK (5 454) with negative FX effects of 367 MSEK
- EBIT came in at 756 MSEK (911) impacted by negative FX effects
- EBIT margin at 15,1% (16,7%)
- Good cash flow of 834 MSEK (926)

- **Demand and sales prices**

- Organic demand down some vs Q2'24 mainly affected by lower demand from Automotive, partly offset by growth in other areas
- Building and Construction, Medical and Wire & Cable showed increased demand
- Recently acquired Piedmont in the US and Kabkom in Turkey included
- Sales prices stable sequentially and vs last year
- High uncertainty continues going forward triggered by US tariffs and US trade policy



..... Resilience In An Uncertain World

- **HEXPOL Compounding**

- Lower sales with negative FX impact of 340 MSEK
- Organic sales down vs Q2'24 in North America mainly affected by lower demand from automotive but partly offset by growth in other areas
- Building and Construction, Medical and Wire & Cable showed increased demand
- Raw materials stable sequentially and vs last year
- Lower Operating Margin driven by the product mix and OPEX in relation to lower sales

- **HEXPOL Engineered Products**

- 3% increase of sales compared to Q2'24, strong development in Gaskets
- Increase in both Operating Profit (+12%) and Operating Margin (+9%)

- **Sustainability focus**

- High interest in recycled products resulting in high number of projects, not least from the automotive industry where we are well positioned

- **M&A**

- Kabkom consolidated as of 1 May
- High focus and strong financial position supports further acquisitions

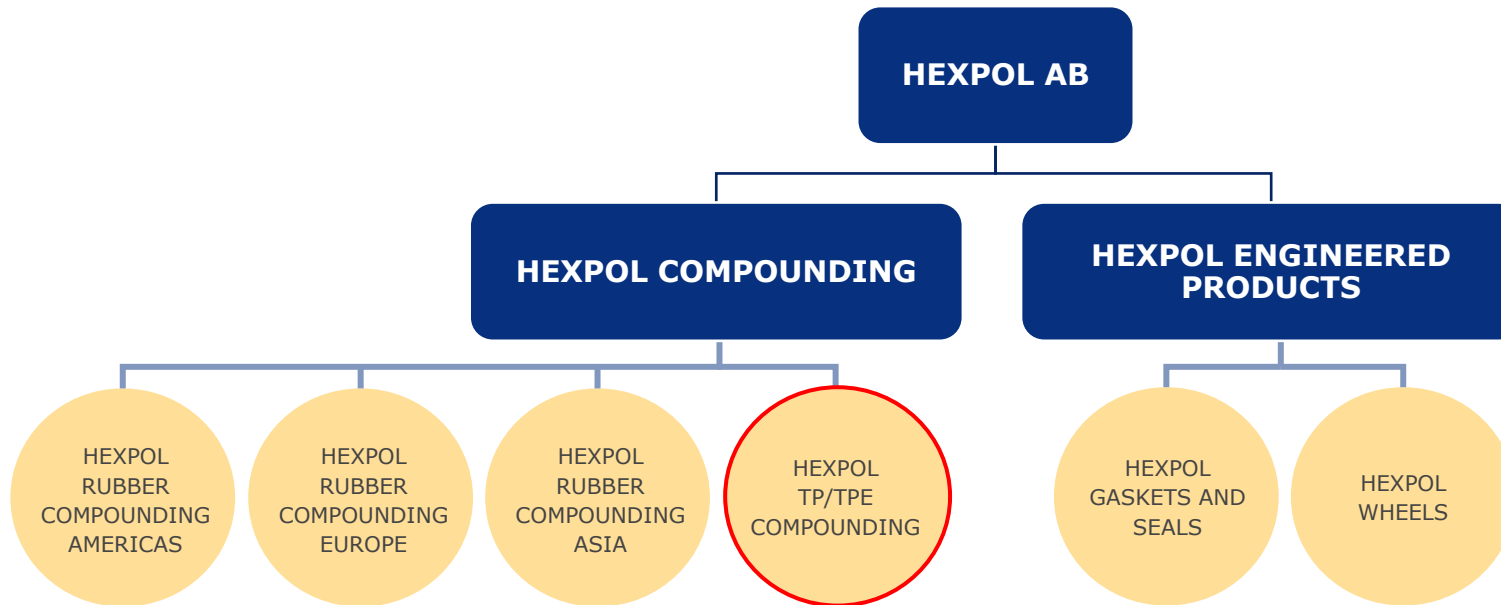


..... US Trade Policy And Impact On HEXPOL

- **Q2 2025**
 - We did not see any **direct impact** on HEXPOL in the quarter
 - **Indirect impact** in the quarter was seen with lower demand in North America, especially in Automotive
- **Going forward**
 - We expect to see minimal **direct impact** in Europe
 - We furthermore expect minimal **indirect impact** in Europe
 - We expect to see some **direct impact** on HEXPOL in the US, primarily related to prices on raw materials. We expect the net effect to be minimal as we work with finding alternative suppliers, negotiate purchase prices and execute needed price increases in line with our business model
 - We also expect to see continued **indirect impact** in North America as it is difficult to see how current US Trade policy will not have a negative impact on demand. It is however impossible to quantify, not least since the US Trade policy currently moves quickly over short time periods

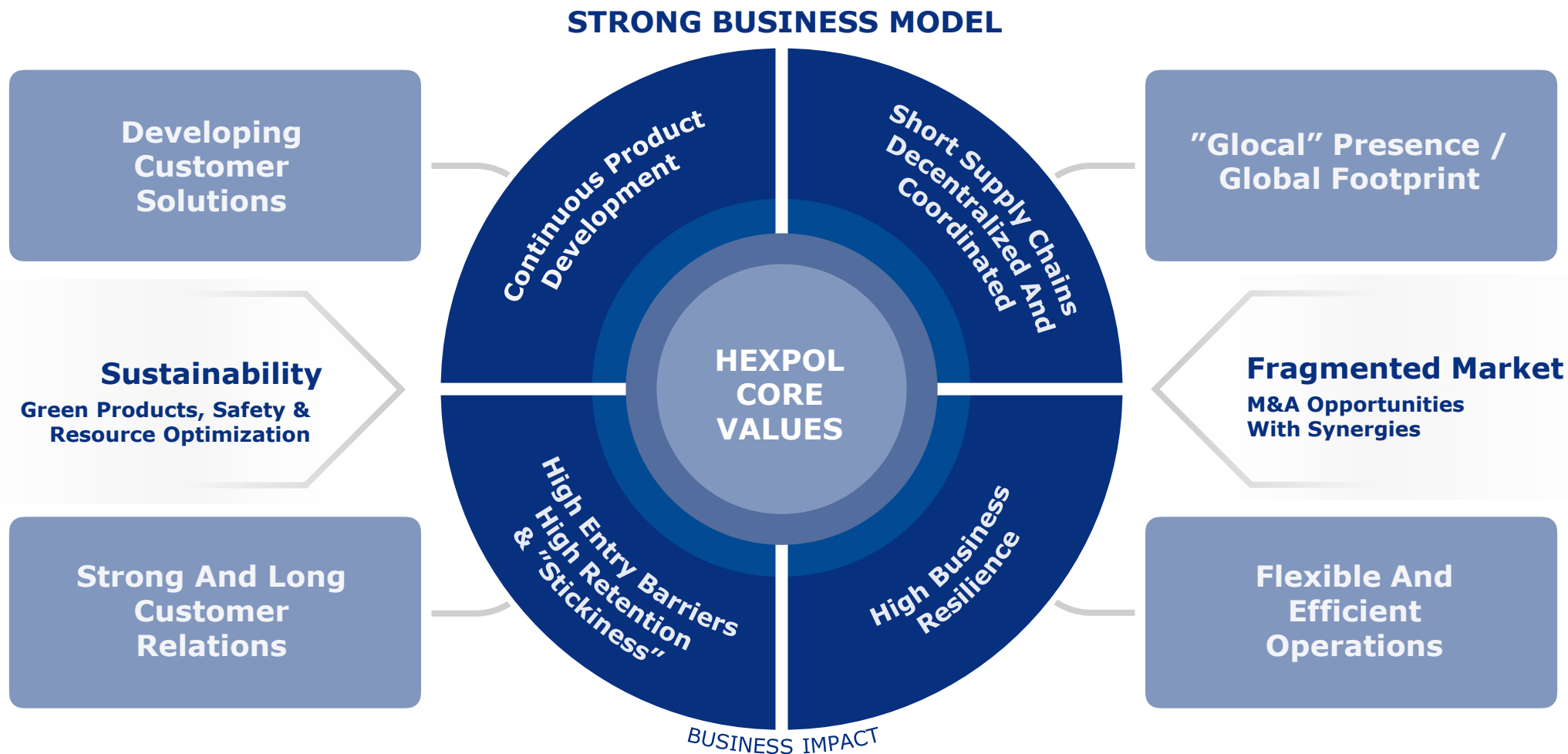


..... Organization To Drive Profitable Growth



Strong Execution Of Our Business Model

Well-positioned with demanding customers in growth markets

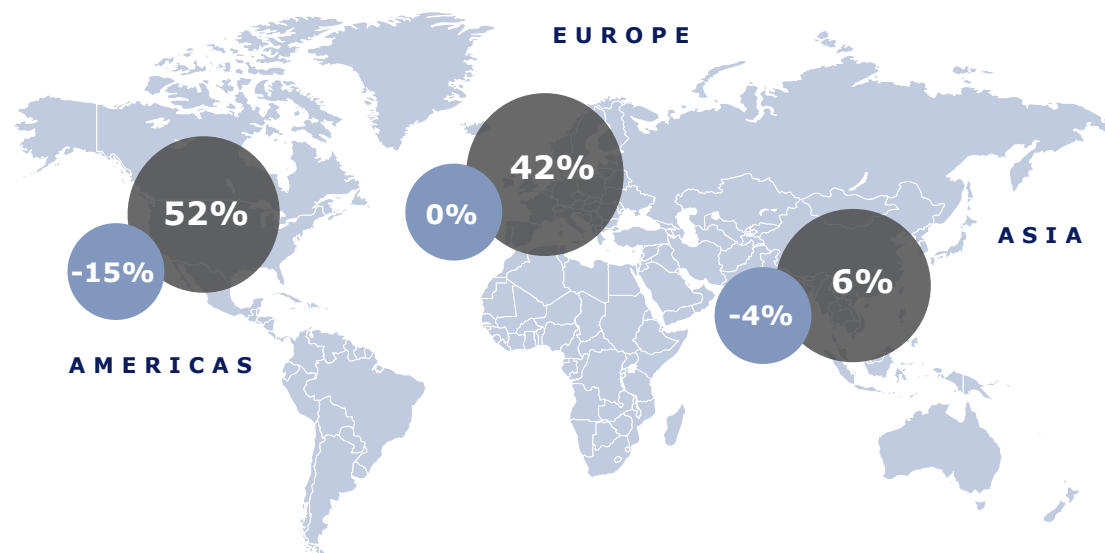




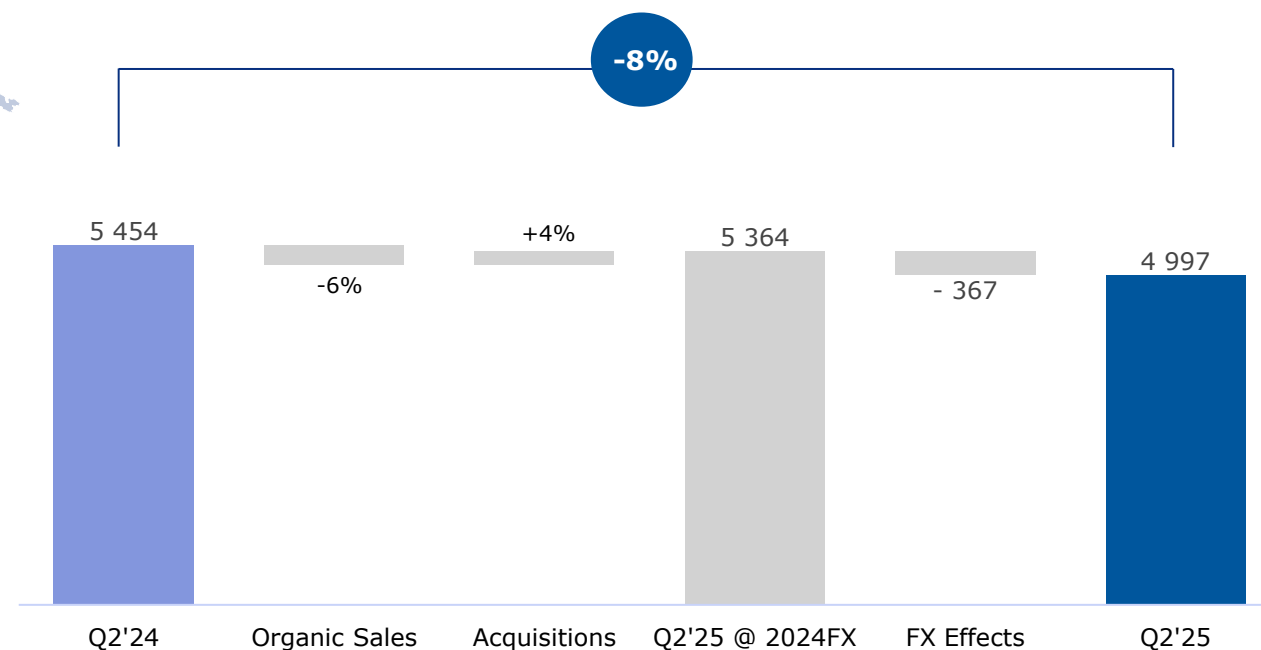
Financial Overview

..... Q2 Sales Development

Regional Development



Sales development MSEK



Q2 Financial Overview

Resilience in an uncertain world



Group Summary

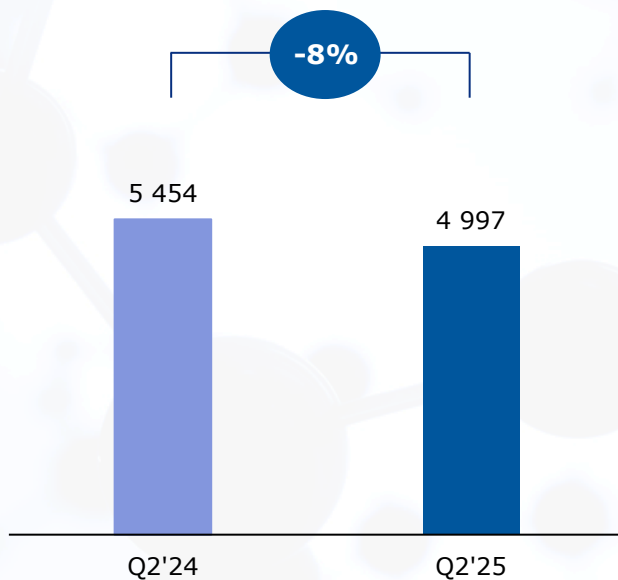
| Key figures MSEK | Q2'25 | Q2'24 | jan-jun 2025 | jan-jun 2024 |
|-----------------------------------|-------|-------|-----------------|-----------------|
| Sales | 4 997 | 5 454 | 10 378 | 10 766 |
| EBITA | 788 | 944 | 1 661 | 1 883 |
| EBITA-Margin, % | 15,8 | 17,3 | 16,0 | 17,5 |
| Operating Profit | 756 | 911 | 1 595 | 1 816 |
| Operating Margin, % | 15,1 | 16,7 | 15,4 | 16,9 |
| Profit after tax | 537 | 654 | 1 139 | 1 308 |
| Earnings per share, SEK | 1,56 | 1,90 | 3,31 | 3,80 |
| Equity/assets ratio, % | | | 57 | 61 |
| Return on capital employed, % R12 | | | 15,6 | 18,9 |
| Operating cash flow | 834 | 926 | 1 022 | 1 038 |

Highlights

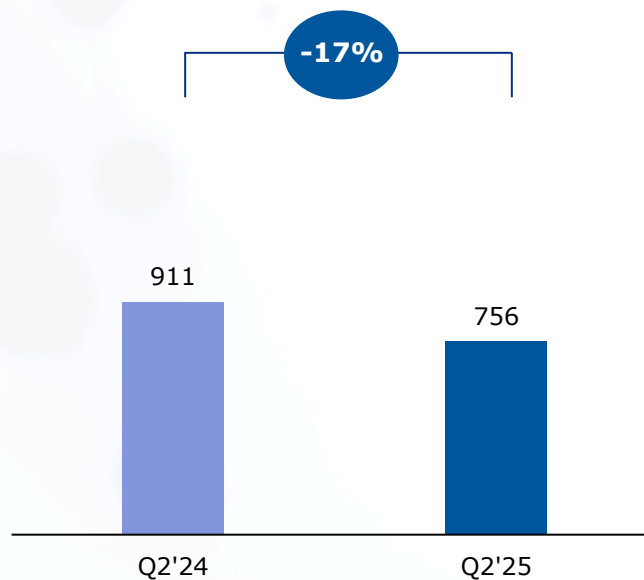
- Sales of 4 997MSEK
- Operating Profit of 756 MSEK
- Operating Margin of 15,1%
- Strong Equity/Asset ratio of 57%
- High return on capital employed at 15,6%
- Strong cash flow

Q2 Financial Highlights

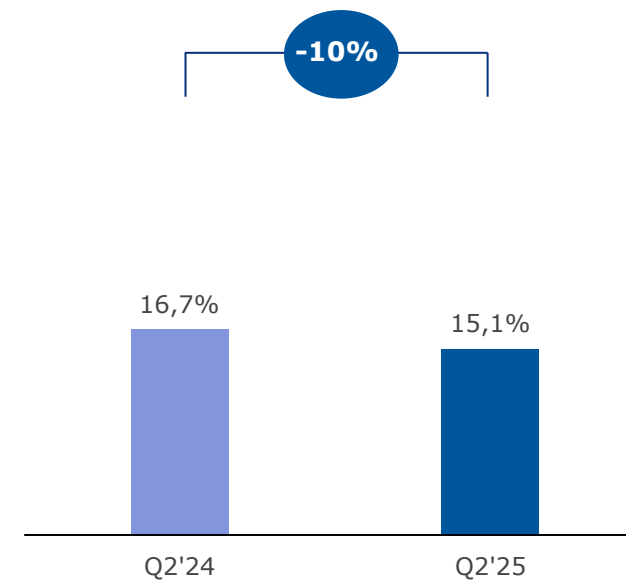
Sales
MSEK



Operating Profit
MSEK

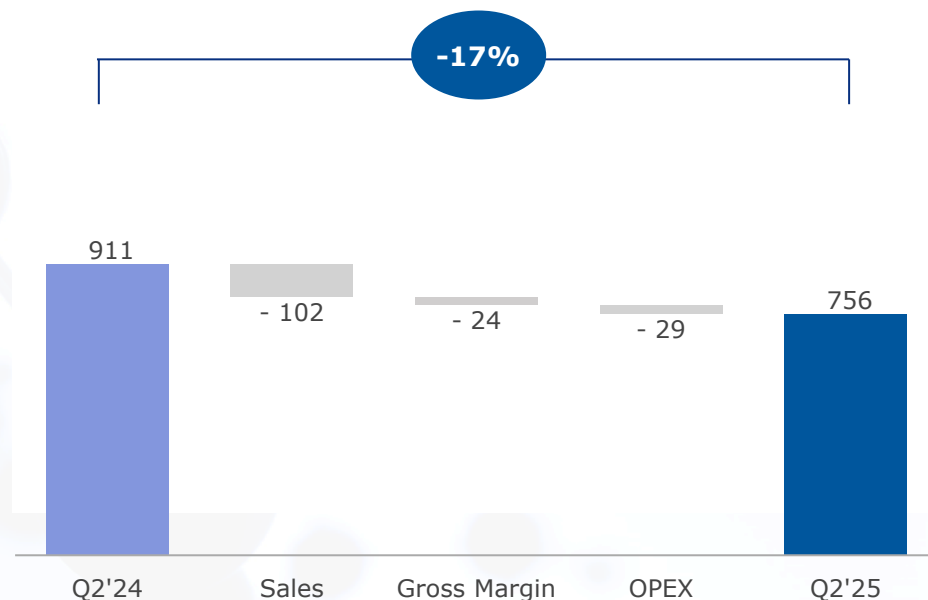


Operating Margin
%



..... Q2 Operating Profit

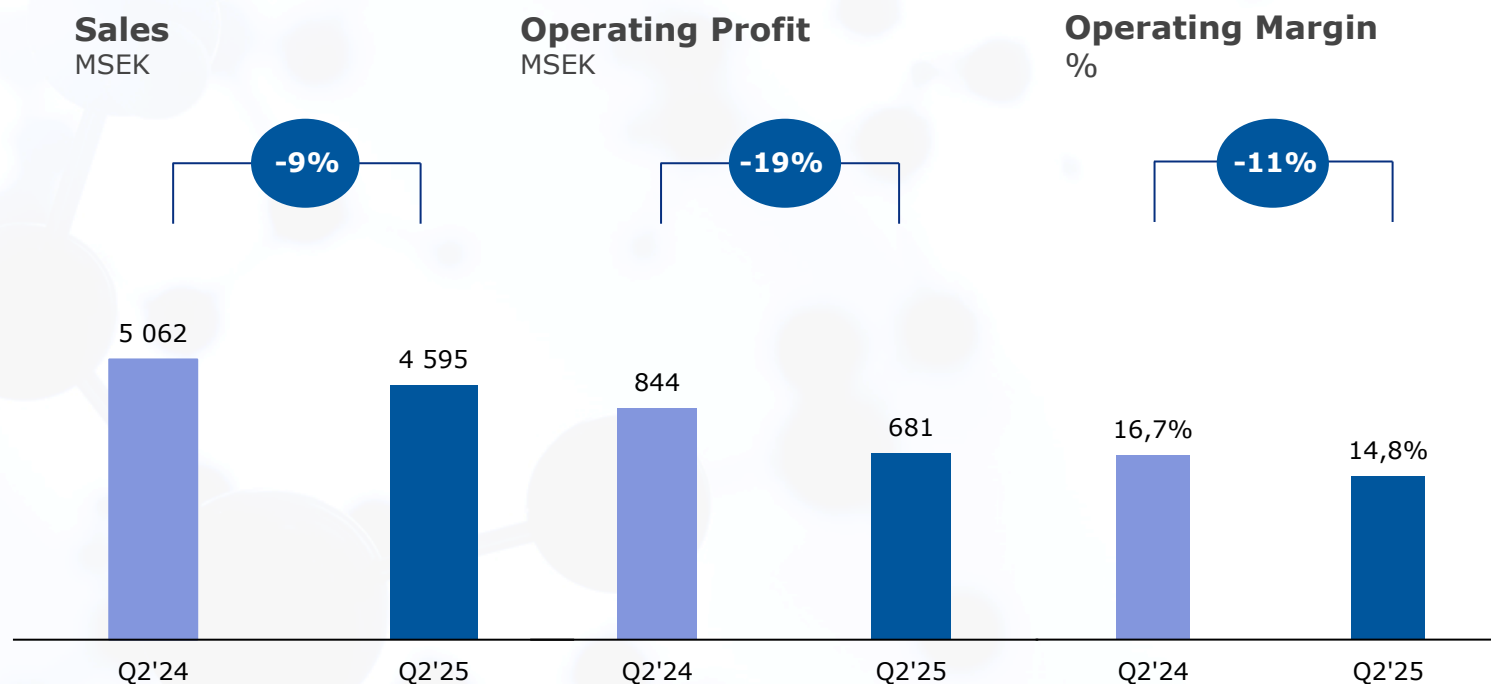
Operating Profit MSEK



Highlights

- The lower Operating Profit is mainly driven by lower sales
- The somewhat lower gross margin compared to LY is affected by the product mix. At the same time, the margin is sequentially stronger
- The OPEX include one time costs related to acquisitions as well as the acquisitions themselves

Q2 HEXPOL Compounding



Highlights

- Lower sales with negative FX impact of 340 MSEK
- Lower demand compared to Q2'24. Lower demand seen with the Automotive end customers but partly offset with growth in other areas
- Operating Profit decreased compared to LY following on the lower gross margin and OPEX in relation to lower sales

Q2 HEXPOL Engineered Products

Sales
MSEK

+3%

392

402

Q2'24

Q2'25

Operating Profit
MSEK

+12%

67

75

Q2'24

Q2'25

Operating Margin
%

+9%

17,1%

18,7%

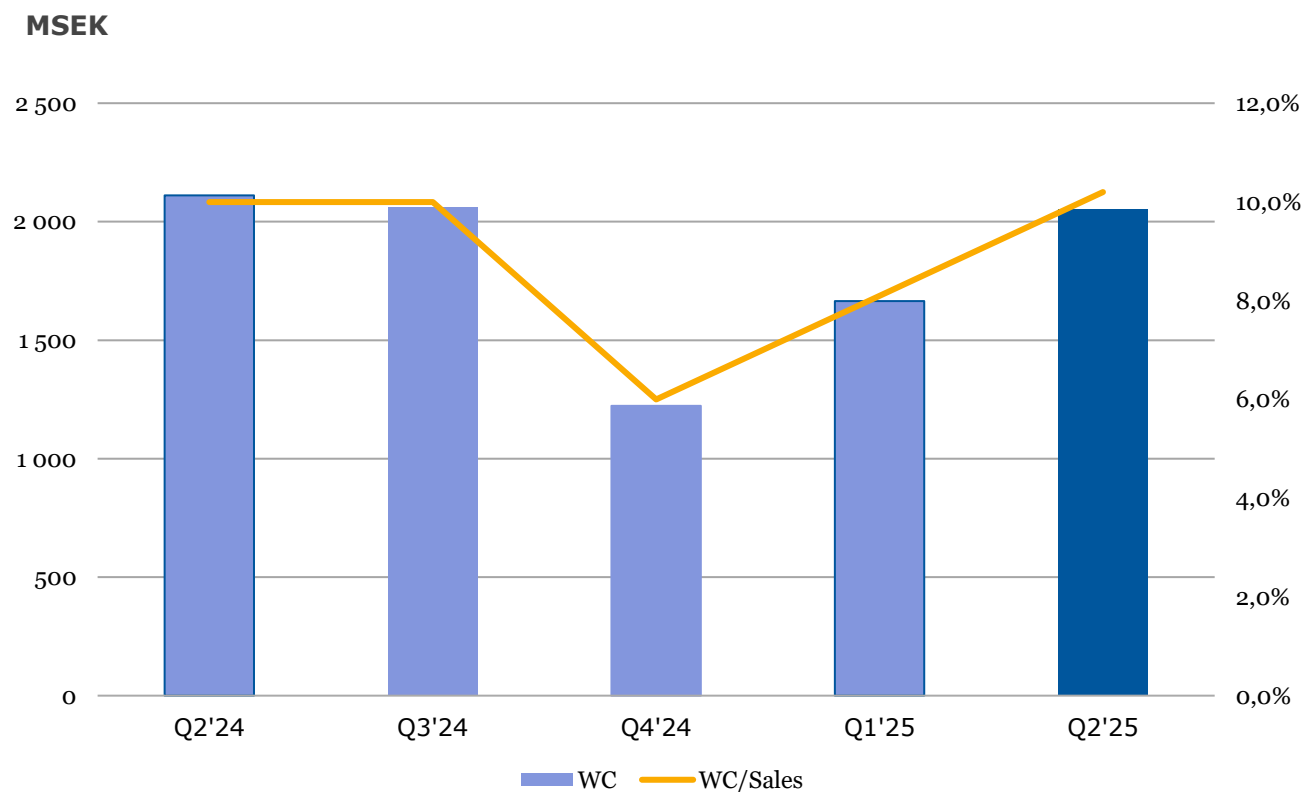
Q2'24

Q2'25

Highlights

- Improvement in sales with strong development in Gaskets despite negative FX effects of 27 MSEK
- Operating Profit shows strong improvement compared to last year

Q2 Working Capital

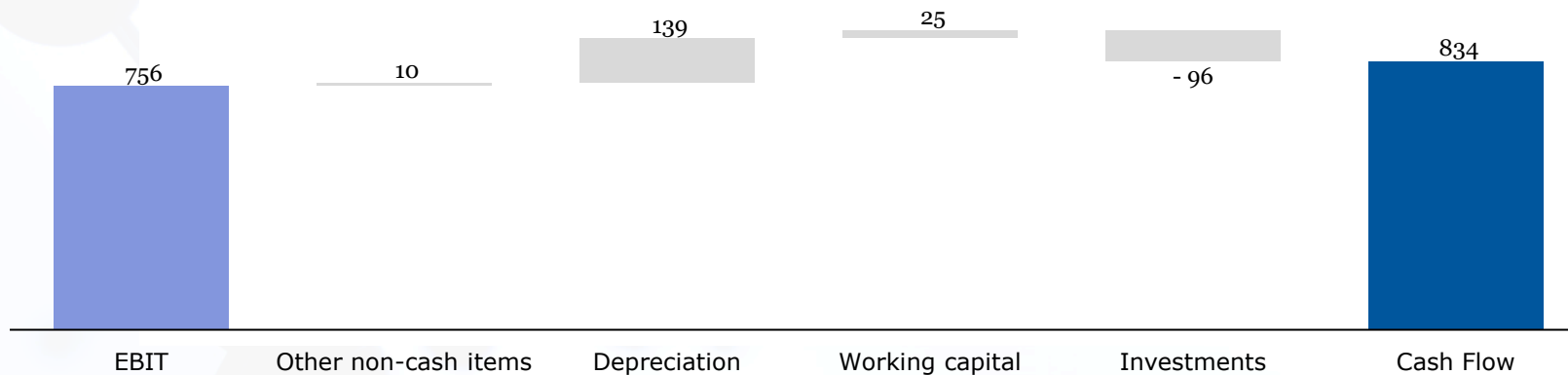


Highlights

- Compared to last year, the acquisition of Piedmont and Kabkom added some 114 MSEK in working capital
- Working capital in line with Q2 last year, both in absolute terms and in relation to sales

Q2 Cash Flow

Cash Flow
MSEK



Highlights

- Strong cash flow in the quarter

Q2 Net Debt

Strong financial position



| MSEK | 30-jun 2025 | 30-jun 2024 |
|------------------------|----------------|----------------|
| Cash at hand | 1 119 | 997 |
| Used credit facilities | -5 592 | -3 915 |
| Net debt | -4 473 | -2 918 |
| Net debt/EBITDA* | 1,27 | 0,72 |

* EBITDA is R12 months

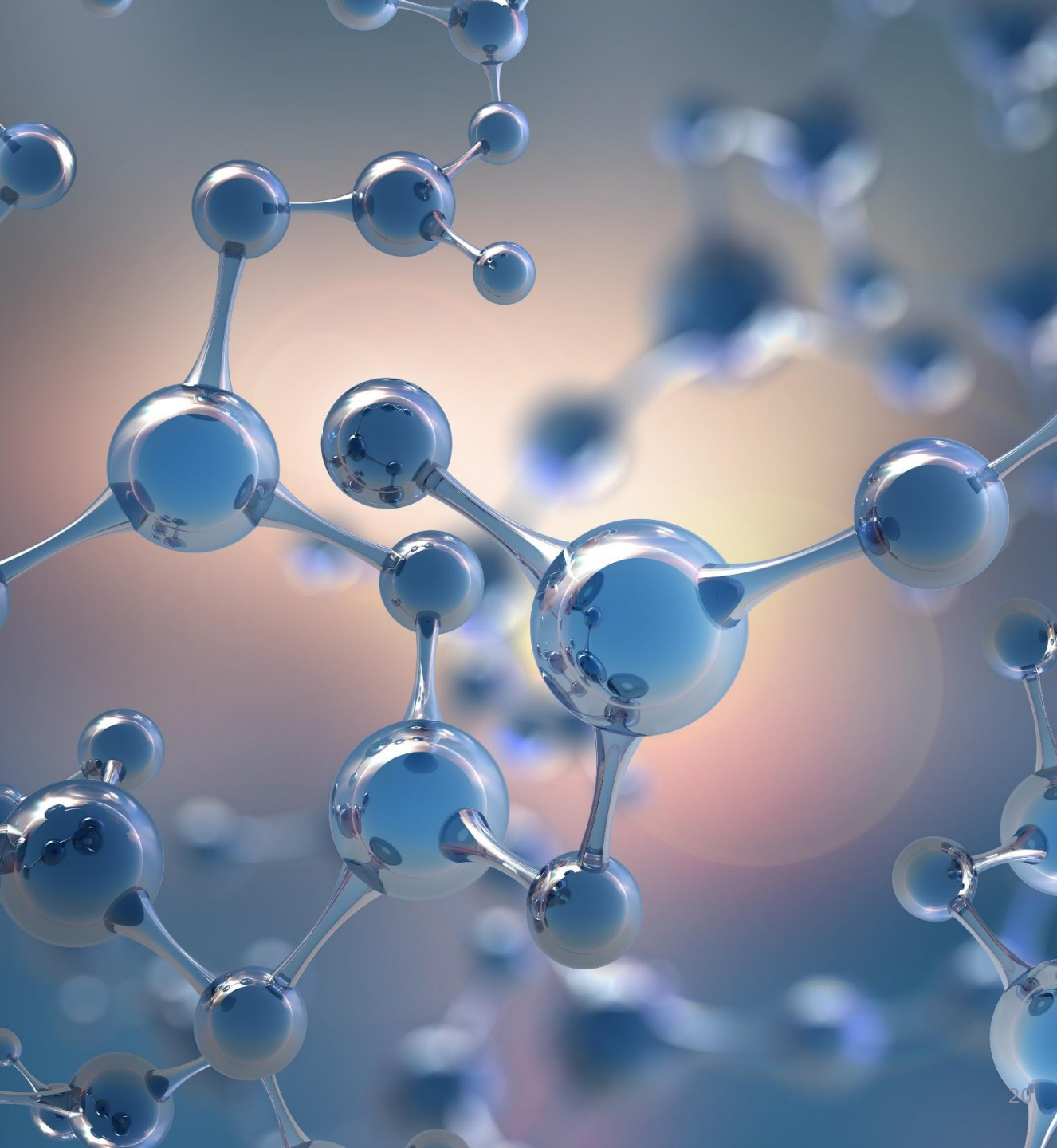
Highlights

- Strong financial position
- Net debt affected by the acquisition of the minority share of almaak and the acquisition of Kabkom

..... Summarizing Q2

- Europe showed stable sales compared to LY
- Engineered Products showed growth with good profitability
- Lower demand in North America affected by the high uncertainty related to US trade policy
- No impact from tariffs in Q2, we are geared to handle the direct impact of imported raw materials to the US
- Work is ongoing to build a strong organization to grow the TP/TPE compounding product area
- Kabkom consolidated as of 1 May, Wire & Cable is a growing segment
- We continue to focus on M&A, strong balance sheet allowing us to act
- We continue to focus on sustainability with good progress
- Save the date - CMD in Stockholm on November 4th





Q&A

Thank You

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