

# HEXPOL Q2 2024 Presentation

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July 17, 2024

# ..... Q2 2024 Presentation

## Presented by



Klas Dahlberg  
CEO

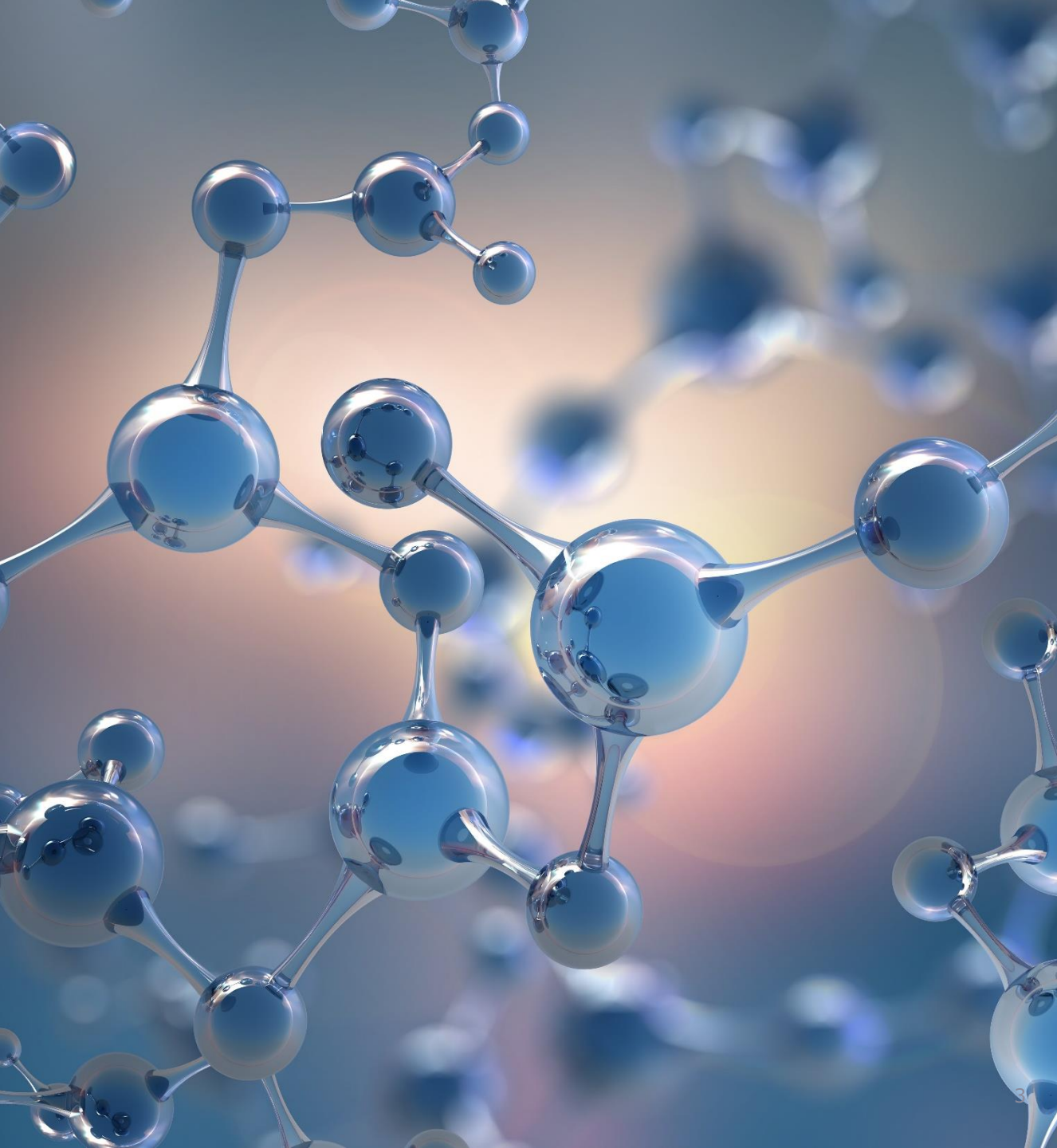


Peter Rosén  
CFO

## Agenda

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





# **Business Performance**

# ..... Stable Quarter With Strong Margins

- **Second quarter performance**

- Sales of 5 454 MSEK (5 727) – affected by somewhat lower demand and lower sales prices driven by lower raw material prices
- EBIT came in at 911 MSEK (945)
- Strong EBIT margin at 16,7% (16,5%)
- Strong cash flow of 926 MSEK and good cash conversion
- Continued execution of our business model where price management is crucial
- Good product and price mix

- **Demand and sales prices**

- Sequentially stable demand and sales prices
- Slightly lower demand across the end customer segments vs. Q2 2023
- Sales prices down some vs Q2 2023 affected by lower raw material prices

- **Sustainability focus**

- High interest in recycled products resulting in high number of projects, not least from automotive industry
- Investment in a devulcanization line in Europe is being implemented – will increase our recycling of rubber





# ..... Stable Quarter With Strong Margins

- **M&A**
  - High focus and strong financial position support further acquisitions
- **HEXPOL Compounding**
  - Demand and pricing in line with second half of '23 and Q1'24
  - Slightly lower demand across the end customer segments vs. Q2 2023
  - Stable supply chain
  - Most raw materials see lower prices year over year – sequentially stable
  - Good product and price mix
  - Strong EBIT and improved margin
- **HEXPOL Engineered Products**
  - Sales increased compared to LY, strong development in wheels
  - Operating Profit improved and higher Operating Margin



# ..... Strong Culture Delivering

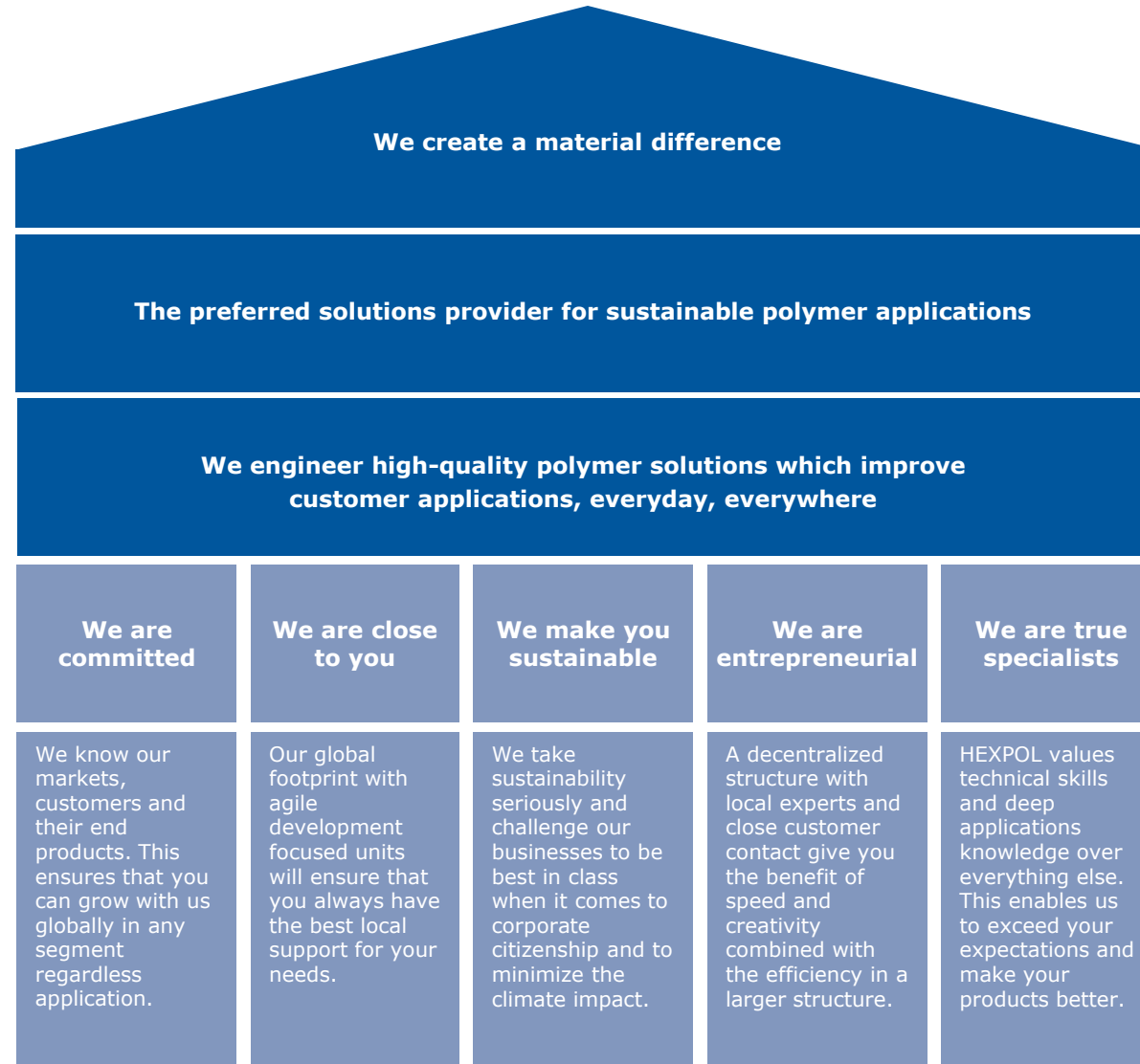
**Purpose**  
The positive impact of what we do

**Vision**  
Our long-term objective

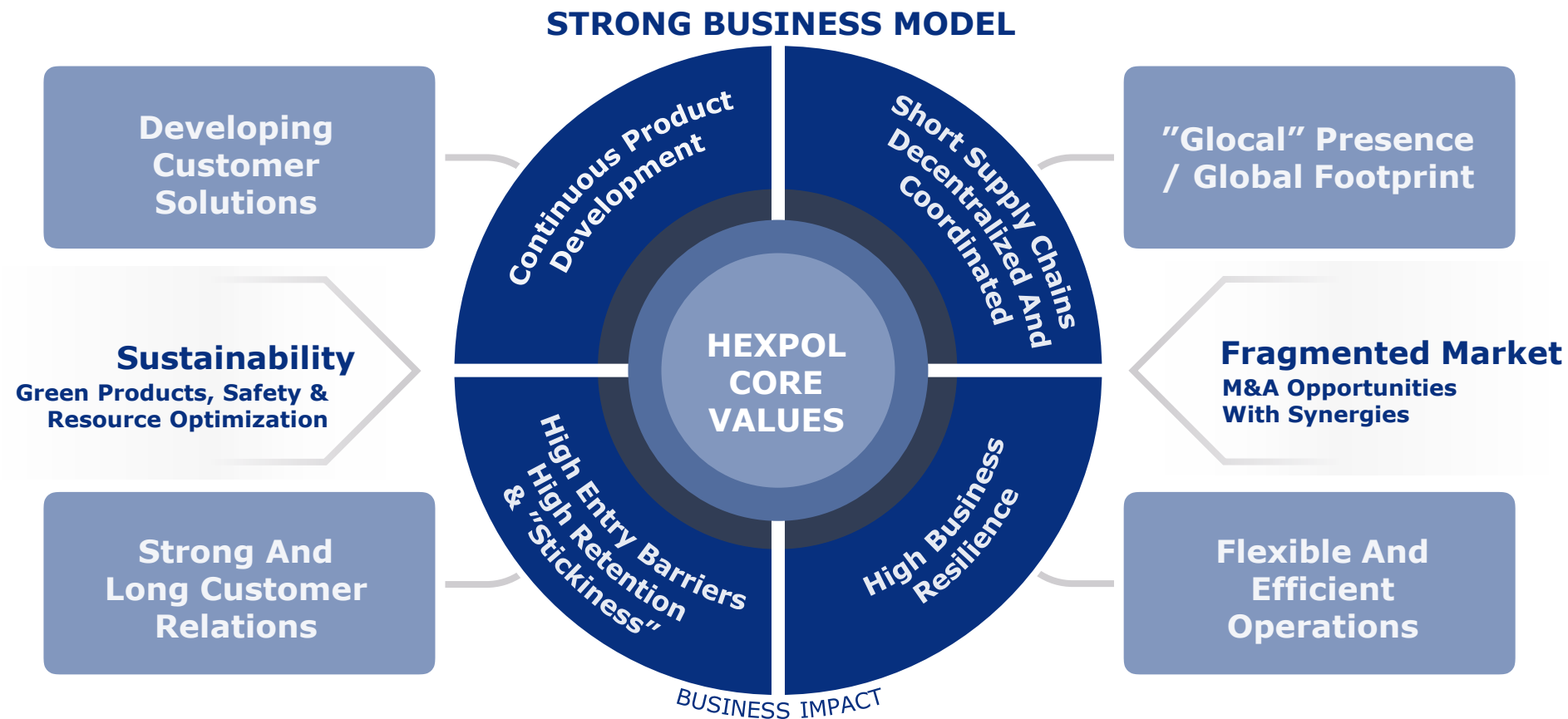
**Mission**  
What we do daily

**Core values**  
Our fundamental beliefs that dictate our behavior

**Rationale & evidence**  
Proof of what we say is true

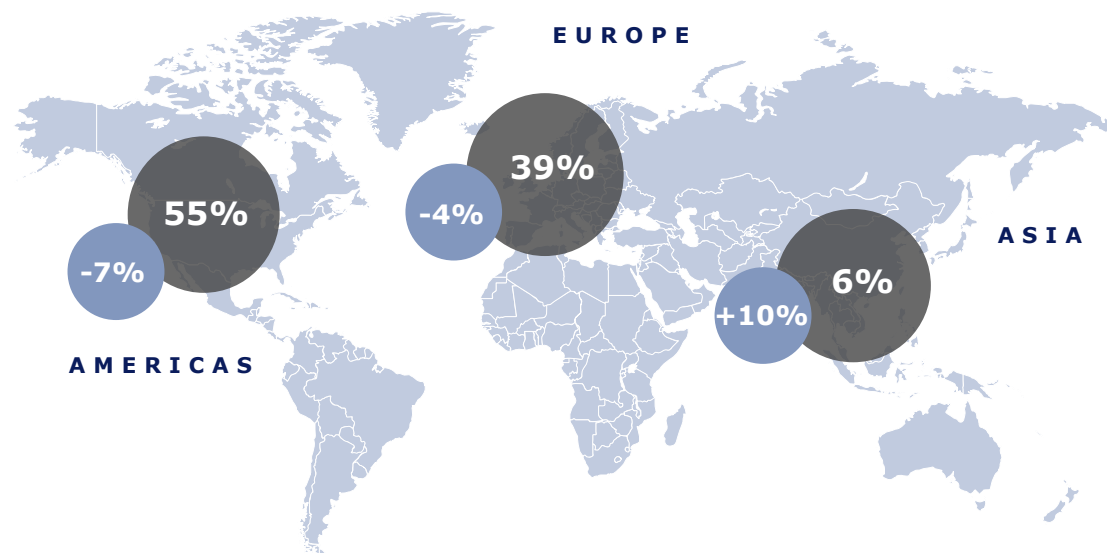


# ..... Strong Execution of Our Business Model

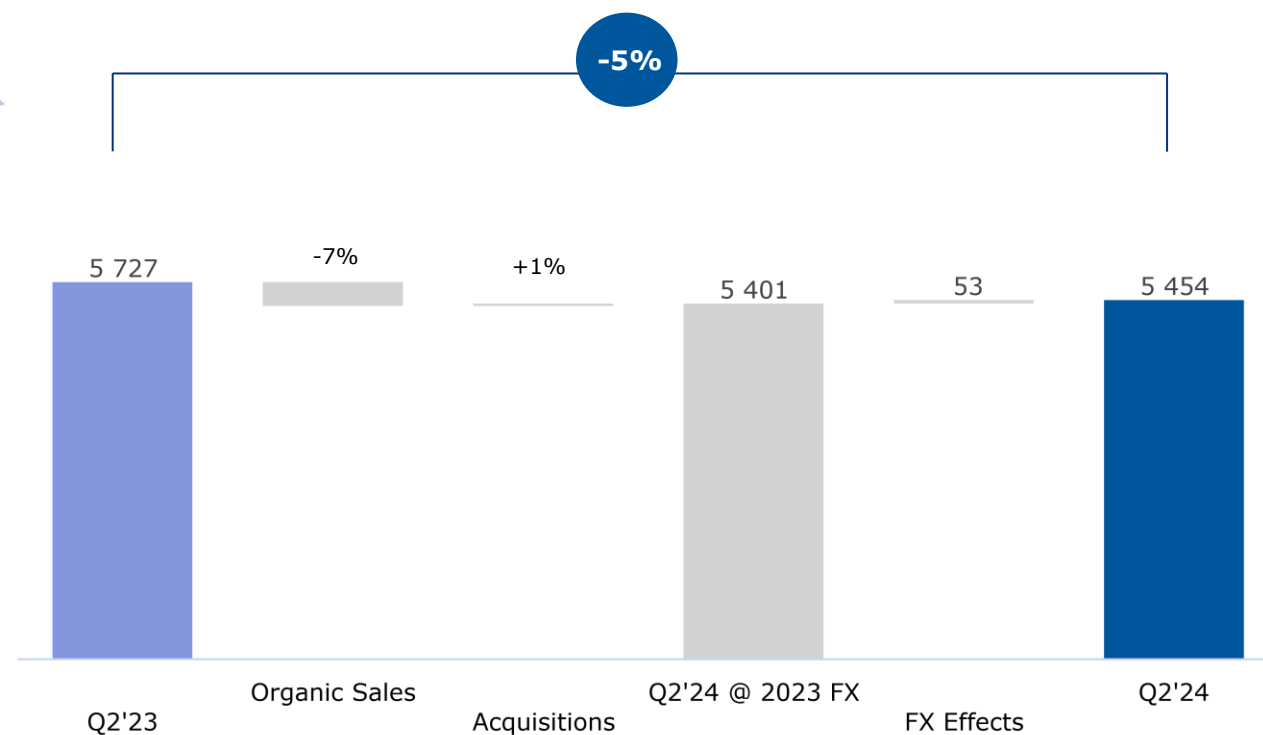


# ..... Q2 Sales Development

## Regional Development



## Sales development MSEK







# Financial Overview

# Q2 Financial Overview

Stable quarter with strong margins



## Group Summary

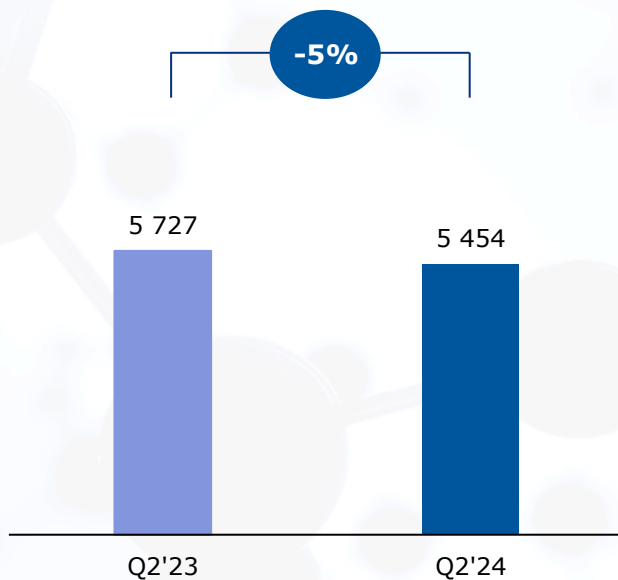
Key figures MSEK	Q2'24	Q2'23	YTD Q2'24	YTD Q2'23
Sales	5 454	5 727	10 766	11 717
EBITA	944	976	1 883	1 951
EBITA-Margin, %	17,3	17,0	17,5	16,7
Operating Profit	911	945	1 816	1 891
Operating Margin, %	16,7	16,5	16,9	16,1
Profit after tax	654	679	1 308	1 347
Earnings per share, SEK	1,90	1,97	3,80	3,91
Equity/assets ratio, %			61	60
Return on capital employed, % R12			18,9	18,9
Operating cash flow	926	1 048	1 038	1 641

## Highlights

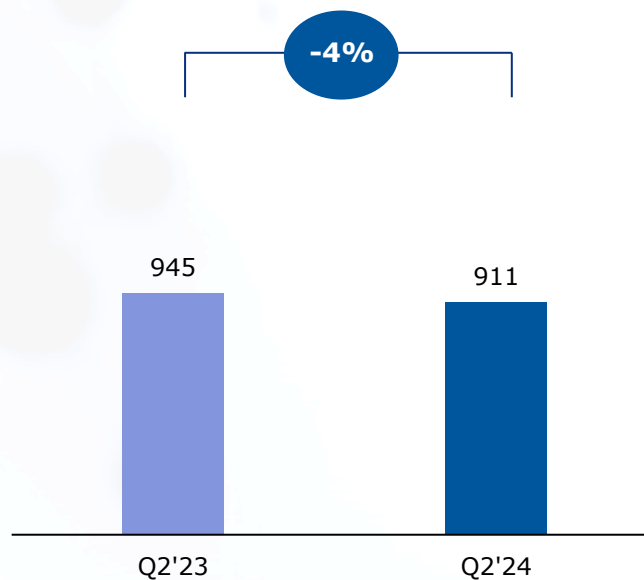
- Sales of 5 454 MSEK
- Operating Profit of 911 MSEK
- Increased Operating Margin of 16,7%
- Strong Equity/Asset ratio of 61%
- High return on capital employed at 18,9%
- Strong cash flow

# Q2 Financial Highlights

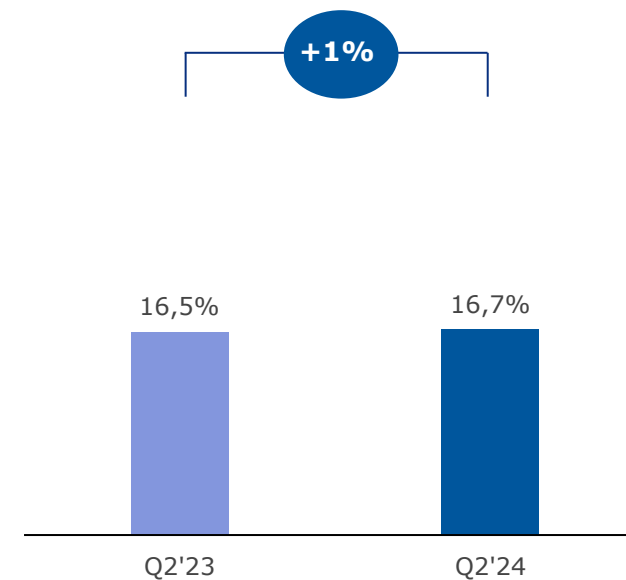
**Sales**  
MSEK



**Operating Profit**  
MSEK

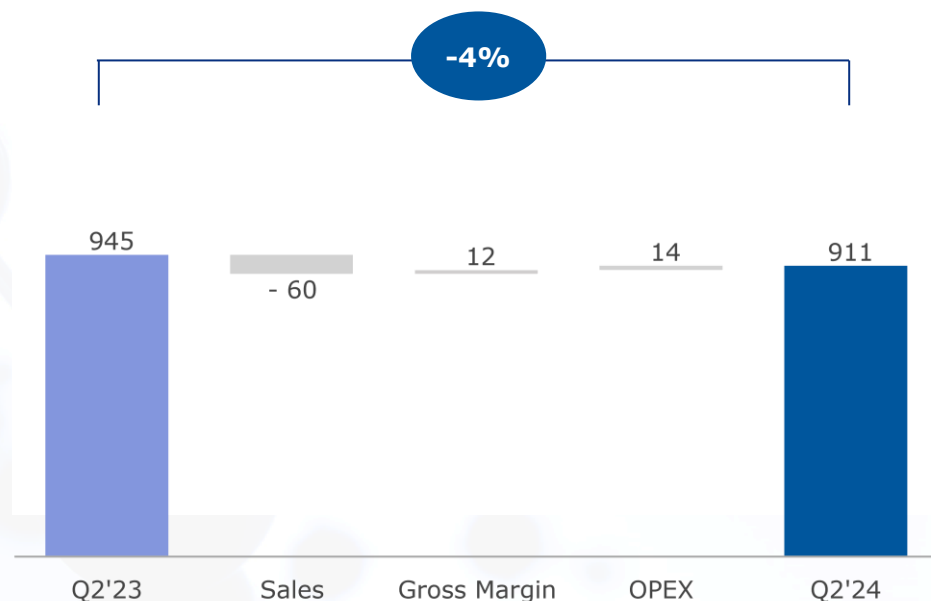


**Operating Margin**  
%



# ..... Q2 Operating Profit

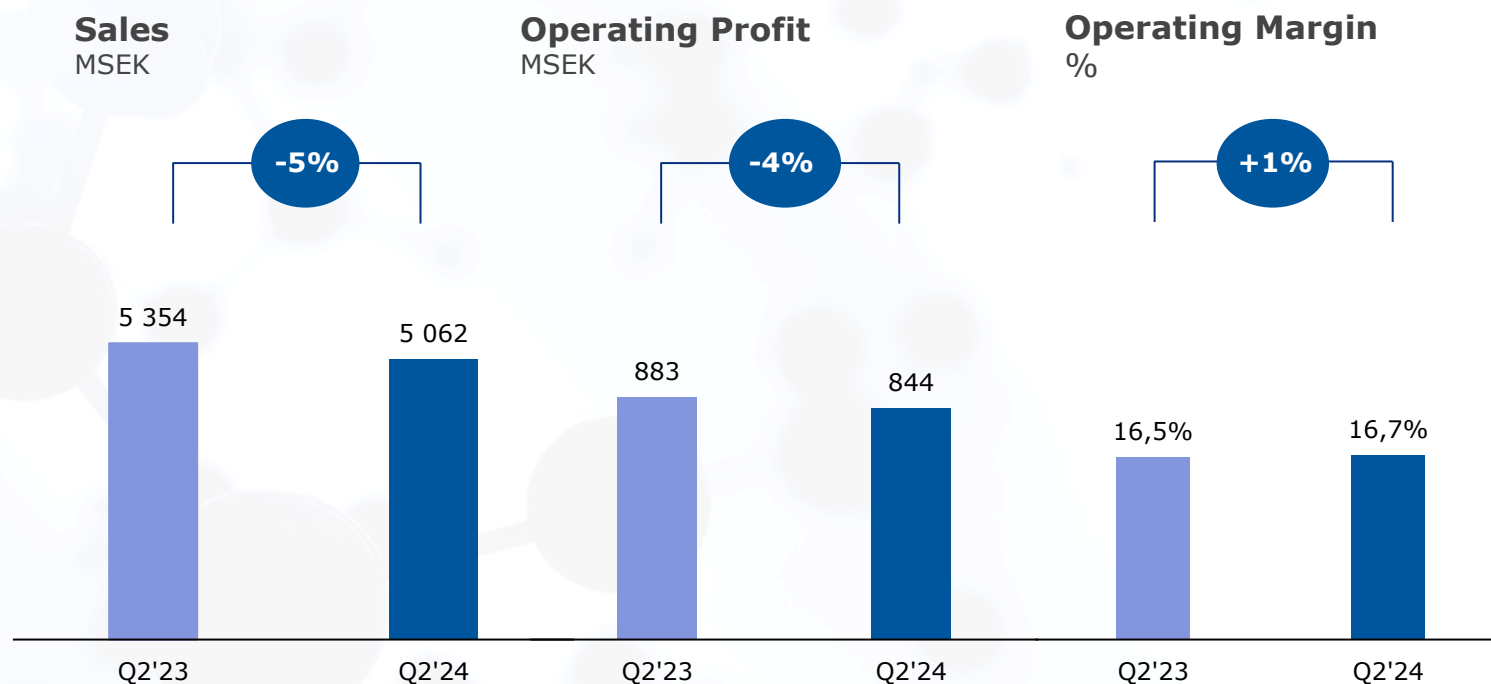
## Operating Profit MSEK



## Highlights

- Lower sales are mainly offset by stronger gross margin and lower OPEX
- Strong gross margin due to good product and price mix
- OPEX decrease driven by general cost control

# Q2 HEXPOL Compounding



## Highlights

- Slightly lower demand across the end customer segments vs. Q2 2023
- Lower sales prices driven by lower prices on main raw materials
- Operating Profit decreased some compared to LY
- Higher Operating Margin mainly driven by positive product and price mix

# Q2 HEXPOL Engineered Products

**Sales**  
MSEK

+5%

373

Q2'23

392

Q2'24

**Operating Profit**  
MSEK

+8%

62

Q2'23

67

Q2'24

**Operating Margin**  
%

+3%

16,6%

Q2'23

17,1%

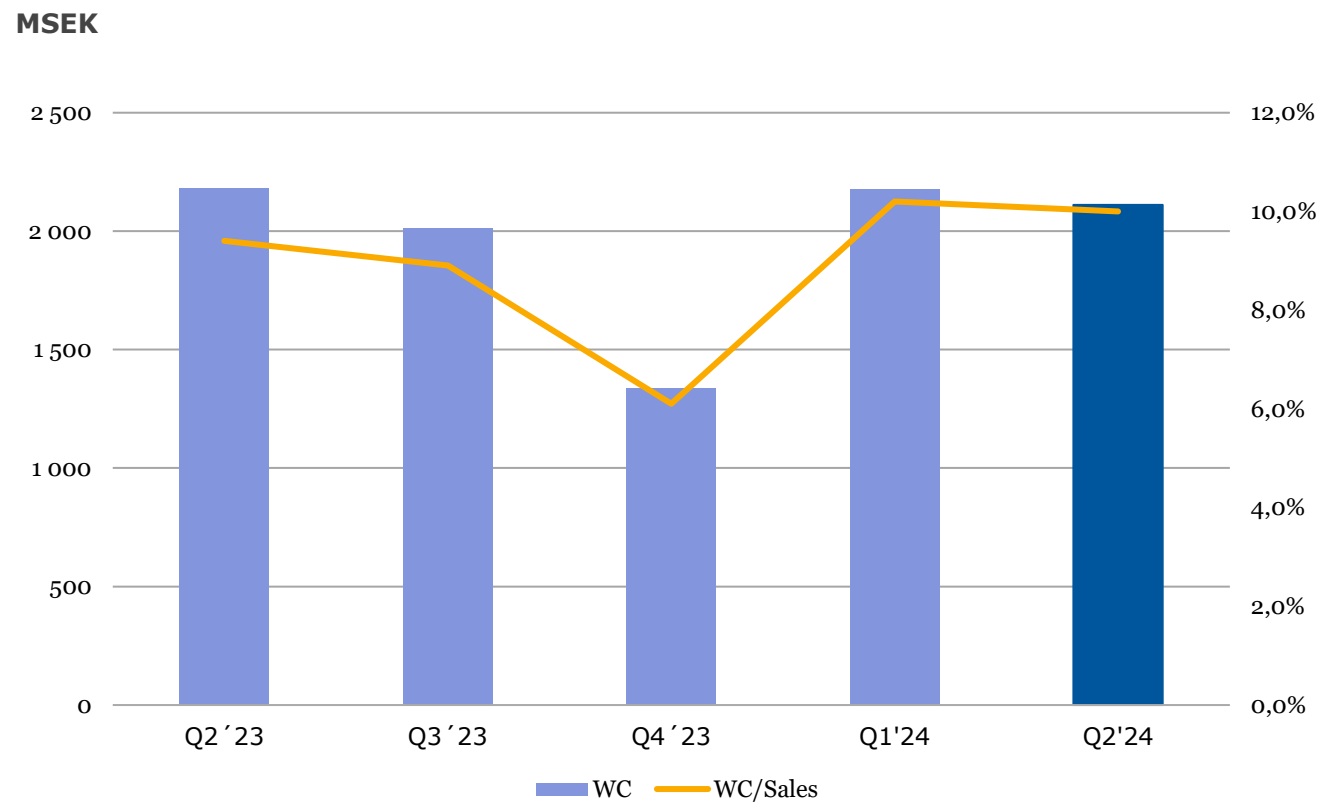
Q2'24

## Highlights

- Sales increased compared to LY, strong development in wheels
- Operating Profit above LY
- Higher Operating Margin



# Q2 Working Capital

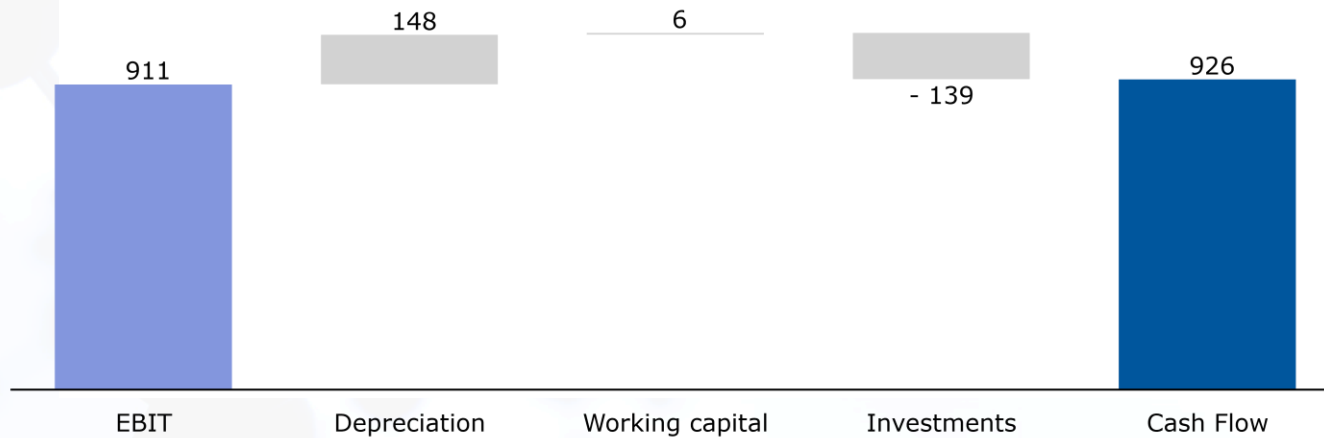


## Highlights

- Compared to last year, the acquisition of Star Thermoplastics added some 18 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 2024	30-jun 2023
Cash at hand	997	1 274
Used credit facilities	-3 915	-4 128
Net debt	-2 918	-2 854
Net debt/EBITDA*	0,72	0,70

\* EBITDA is R12 months

## Highlights

- Strong financial position



# ..... Stable Quarter With Strong Margins

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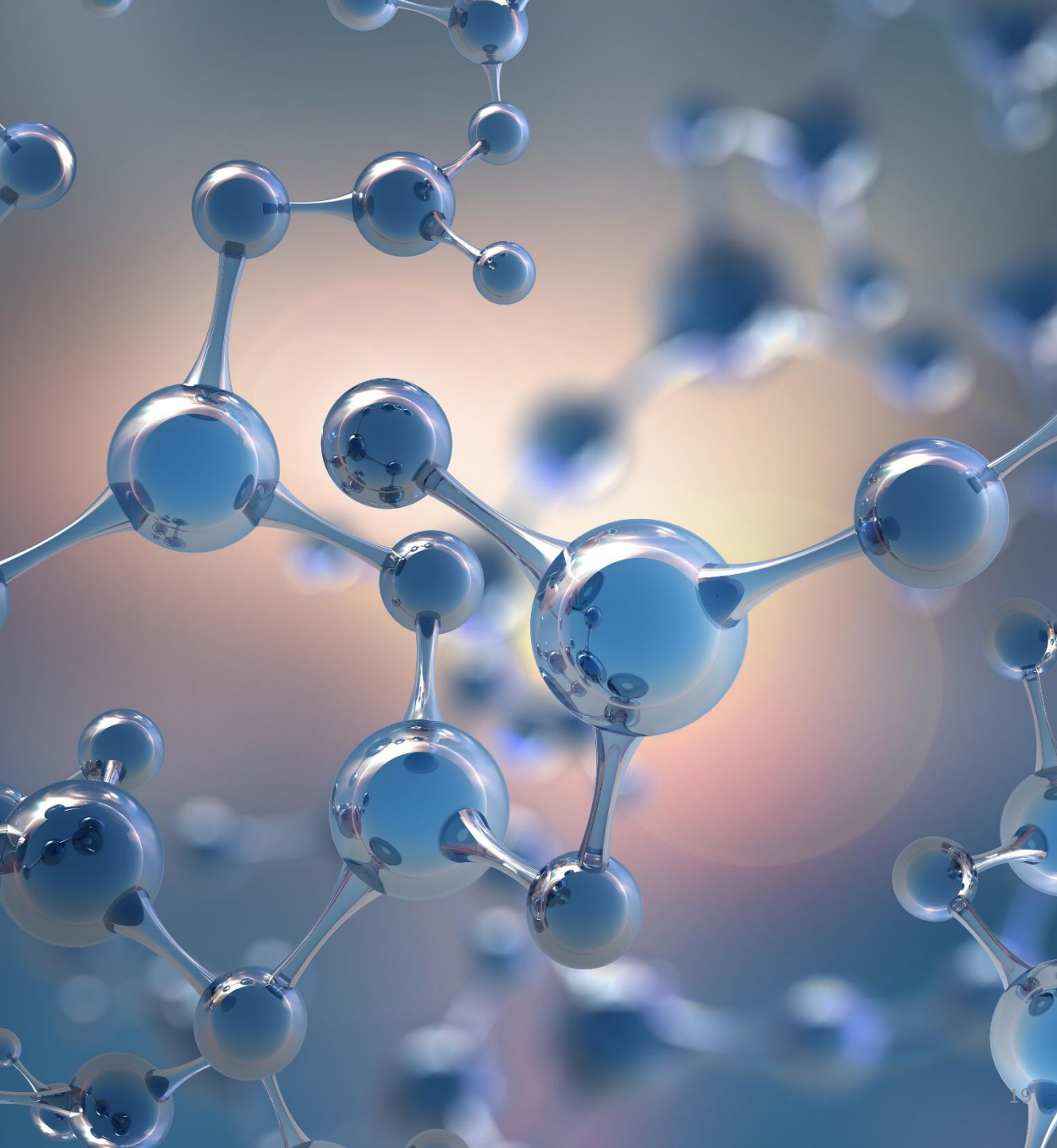
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# Q&A

# Thank You

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