

Press release, Malmö, Sweden, March 31, 2017

HEXPOL acquires Trelleborg's Rubber Compounding unit in Czech Republic

HEXPOL has today acquired 100% of Trelleborg Material & Mixing Lesina s.r.o from the Trelleborg Group.

"The acquisition is a very good complement to HEXPOL Compounding in Europe and broadens and strengthens our presence with Rubber Compounds in the central European market. Trelleborg's Rubber Compounding unit in Lesina, Czech Republic expands our capabilities and capacities to serve our customers in a more efficient way."

Ralph Wolkener/Carsten Rüter, President HEXPOL Compounding Europe

Trelleborg Material & Mixing Lesina s.r.o, with a manufacturing facility in Lesina, Czech Republic had a turnover of 40 MEUR in 2016 and has around 125 employees. The main end-user segments are within automotive industry, general industry, building and construction. The acquired business has an EBITDA margin below the HEXPOL Group and is expected to have a positive impact on earnings per share.

"This is a further step in expanding and strengthening the HEXPOL Group with a further acquisition within our core business. Trelleborg's rubber compounding unit in Czech Republic, with its competence and capabilities, will fit nicely into the HEXPOL Group and gives us a stronger presence in central Europe."

Georg Brunstam, CEO HEXPOL Group

The acquisition price is estimated to approximately 65 MEUR on a cash and debt free basis and has been funded by a combination of cash and existing bank facilities. The business will be consolidated from the acquisition date.

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HEXPOL is a world-leading polymers group with strong global market positions in advanced polymer compounds (Compounding), gaskets for plate heat exchangers (Gasket), and plastic and rubber materials for truck and castor wheel applications (Wheels). Customers are primarily system suppliers to the global automotive and engineering industry, the construction sector, the energy, oil, and gas sector, medical equipment manufacturers and OEM manufacturers of plate heat exchangers and forklifts. The Group is organised in two business areas, HEXPOL Compounding and HEXPOL Engineered Products. The HEXPOL Group's sales in 2016 amounted to 10,879 MSEK. The HEXPOL Group has approximately 4,100 employees in eleven countries. Further information is available at www.hexpol.com.