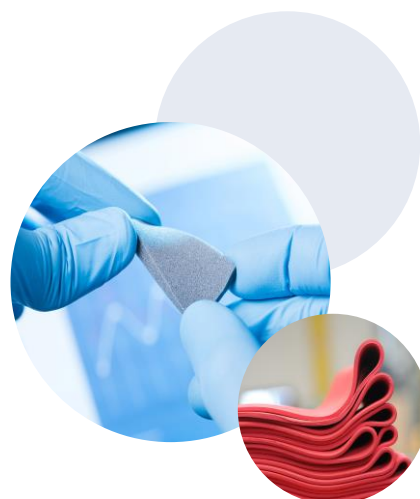


Published on April 28, 2022

# Interim report

## January – March 2022



### JANUARY – MARCH 2022

- Sales increased by 36 percent and amounted to 5,173 MSEK (3,810).
- EBIT increased by 10 percent to 775 MSEK (704).
- EBIT-margin amounted to 15.0 percent (18.5).
- Profit after tax increased by 12 percent to 600 MSEK (534).
- Earnings per share increased by 12 percent to 1.74 SEK (1.55).
- Operating cash flow amounted to 103 MSEK (433).

### Group Summary

Key figures MSEK	Jan-Mar	Jan-Mar	Full Year	Apr 21-
	2022	2021	2021	Mar 22
Sales	5 173	3 810	16 005	17 368
EBITA, adjusted	797	721	2 812	2 888
EBITA-margin, adjusted, %	15,4	18,9	17,6	16,6
EBITA	797	721	3 149	3 225
EBITA-margin, %	15,4	18,9	19,7	18,6
EBIT, adjusted	775	704	2 737	2 808
EBIT-margin, adjusted, %	15,0	18,5	17,1	16,2
EBIT	775	704	3 074	3 145
EBIT-margin, %	15,0	18,5	19,2	18,1
Profit before tax	781	702	3 031	3 110
Profit after tax	600	534	2 358	2 424
Earnings per share, adjusted, SEK	1,74	1,55	6,09	6,28
Earnings per share after dilution, SEK	1,74	1,55	6,85	7,04
Equity/assets ratio, %	62	62	65	
Return on capital employed, % R12	22,4	16,2	22,8	
Operating cash flow	103	433	2 731	2 401

”Strong result in a continued challenging environment”

*Georg Brunstam, President and CEO*

#### ABOUT HEXPOL

HEXPOL is a world-leading polymers group with strong global positions in advanced polymer compounds (Compounding), gaskets for plate heat exchangers (Gaskets and Seals), and wheels made of polymer materials for truck and castor wheel applications (Wheels). Customers are primarily system suppliers to the global automotive and engineering industry, building and construction industry and within sectors as transportation, energy, oil/gas, consumer and cable industry and manufacturers of medical equipment, plate heat exchangers and forklifts. The Group is organized in two business areas, HEXPOL Compounding and HEXPOL Engineered Products. The HEXPOL Group’s sales in 2021 amounted to 16,005 MSEK and the Group has approximately 4,800 employees in fourteen countries.

## Strong result in a continued challenging environment

Despite major challenges in the supply chain with raw material shortages, transport problems, and increased prices on both raw materials and energy costs, we delivered a strong quarter. EBIT increased by 23 percent compared with the previous quarter and by 10 percent compared with the corresponding quarter previous year. We had a strong sales growth of 36 percent compared with the corresponding quarter last year, with good sales in all markets and all product areas. Americas showed particularly strong development. Included in the positive sales development are effects from acquisitions, positive currency effects and increased sales prices.

The disruptions in the quarter were many and strong in terms of demand from customers and deliveries. The vehicle manufacturers' frequent stop and start of production due to component shortages had a clear negative impact on those of our customers who deliver to the automotive industry. We ourselves also experienced disruptions in the supply chain related to raw material where both the transport problems and raw material shortages had a negative impact. In addition to the challenges of uneven demand and supply issues, we have seen continued price increases for raw materials and increased energy costs. The need to constantly adapt production to rapidly changing demand from customers in combination with non-optimized recipes due to raw material shortages and price increases for raw materials and energy has affected our gross margin negatively during the quarter.

Strong implementation of the business model with strong customer focus combined with our ability to offer fast and stable deliveries to our customers is fundamental in the great uncertainty that prevails right now. This together with our large geographical coverage with manufacturing close to our customers increases our ability to serve our customers.

During the quarter, we communicated the acquisition of almaak international GmbH, based in Germany. The company is a specialist in high quality recycled engineered polymer compounds and is active in the product segment thermoplastic compounding. With its expertise in recycled compounds they fit very well into our sustainability development.

We continue our work on sustainability, not least with reducing our carbon footprint in order to achieve our goal of a reduction by 75 percent to 2025. During 2021 we reduced our carbon footprint by 20 percent so we are well on our way to achieving our goal. We are also launching new compounds with bio based and recycled materials and are actively working to ensure that acquired companies have the same high sustainability focus like the other companies within HEXPOL.

The tragic war in Ukraine and the horrible situation it poses to so many people also creates further uncertainty in the world, not least major disturbances in the supply chains. However, we believe that our strong customer focus in combination with our geographical closeness to our customers give us opportunities to deal with the disruptions and further build our market position. We are flexible and ready to meet the expected increase in vehicle production. The strong business model in combination with a clear M&A agenda and strong financial position give us good conditions for continued growth and acquisitions.



**Georg Brunstam**  
President and CEO

Sales  
**5,173 MSEK (3,810)**

**+36%**

EBIT  
**775 MSEK (704)**

**+10%**

# Group development

## January - March 2022

### Sales

Our sales increased strongly during the first quarter 2022 compared to both the previous quarter and compared to the corresponding quarter previous year. The HEXPOL Group's sales amounted to 5,173 MSEK (3,810) during the quarter, including positive currency effects of 363 MSEK. Adjusted for these, the sales amounted to 4,810 MSEK. Apart from the positive currency effects, the sales were positively affected by organic growth of 20 percent and acquisitions (VICOM and Unica) with 6 percent.

The HEXPOL Compounding business area's sales increased by 36 percent during the quarter, compared to the corresponding quarter 2021. The sales amounted to 4,841 MSEK (3,548) including positive currency effects of 342 MSEK. Adjusted for these, the sales amounted to 4,499 MSEK. Apart from the positive currency effects, the sales were positively affected by organic growth of 20 percent and acquisitions with 7 percent. We saw continued good underlying demand during the quarter, however, the outcome was negatively affected by the global disturbances regarding component- and raw material shortages as well as transport problems and frequent production stoppage mainly at automotive customers.

During the quarter, we saw continued price increases for raw materials and also continued high energy costs.

The HEXPOL Engineered Products sales also increased during the quarter, and amounted to 332 MSEK (262), an increase by 27 percent.

From a geographical perspective the sales increased in Europe by 43 percent compared to the corresponding quarter previous year. The sales in America increased at the same time by 31 percent and in Asia by 27 percent compared with the corresponding quarter previous year.

### Earnings

EBITA increased to 797 MSEK (721), which meant a corresponding EBITA margin of 15.4 percent (18.9).

EBIT increased by 10 percent to 775 MSEK (704) including positive currency effects of 44 MSEK. The corresponding operating margin amounted to 15.0 percent (18.5). The need to constant adapt production to rapidly changing demand from customers in combination with non-optimized recipes due to raw material shortages and price increases for raw materials and energy has affected our gross margin negatively during the quarter. In addition, as previously communicated, the acquired VICOM and Unica both have a lower margin than other HEXPOL-companies.

The Group's net financial items amounted to 6 MSEK (expense 2). Profit before tax increased to 781 MSEK (702), profit after tax increased to 600 MSEK (534) and earnings per share 1.74 SEK (1.55).

Sales  
**5,173 MSEK**

EBIT  
**775 MSEK**

## Financial overview

### Equity/assets ratio

The equity/assets ratio continued strong 62 percent (62). The Group's total assets amounted to 19,941 MSEK (16,524). Net debt amounted to 865 MSEK (1,496) whereof 384 MSEK (422) relates to financial leasing liabilities according to IFRS 16, which gives a net debt/EBITDA of 0.24 (0.58).

The Group had the following major credit agreements with Nordic banks as per March 31:

- A credit agreement with a limit of 2,000 MSEK due in July 2022
- A credit agreement with a limit of 1,500 MSEK due in September 2023
- A credit agreement with a limit of 1,500 MSEK due in June 2024
- A credit agreement with a limit of 1 100 MSEK due in February 2025

The Group use commercial papers as part of the company's financing and as of March 31 they amounted to 1 790 MSEK. In accordance with IAS1, outstanding volumes are reported in the balance sheet as current liabilities, but since HEXPOL's bilateral credit agreements also function as back-up facilities for outstanding commercial papers, they are of a non-current nature.

### Cash flow

The operating cash flow for the Group amounted to 103 MSEK (433) in the quarter, while cash flow from operating activities amounted to 122 MSEK (416).

### Investments, depreciation and amortisation

The Group's investments amounted to 92 MSEK (52) for the quarter and refers to increased capacity in the TPE compounding facility in Åmål to meet increased demand in medical equipment and regular maintenance investments. At the same time, depreciation, amortisation and impairment amounted to 106 MSEK (164) whereof 21 MSEK (20) refers to leased assets according to IFRS 16.

### Tax expenses

The Group's tax expenses amounted to 181 MSEK (168) during the first quarter, which corresponds to a tax rate of 23.2 percent (23.9).

### Profitability

The return on average capital employed, R12, amounted to 22.4 percent (16.2). The return on shareholders' equity, R12, amounted to 21.6 percent (15.4).

### Parent Company

The Parent Company's profit after tax for the first quarter amounted to an expense of 9 MSEK (1). Shareholders' equity amounted to 6,237 MSEK (5,673).

Net debt/EBITDA  
**0.24**

## HEXPOL Compounding

### January - March 2022

The sales increased strongly during the first quarter, compared to the corresponding quarter previous year. The sales amounted to 4,841 MSEK (3,548) including positive currency effects of 342 MSEK. Adjusted for these, the sales amounted to 4,499 MSEK. Apart from positive currency effects, the sales were positively affected by organic growth of 20 percent and acquisitions with 7 percent. We saw continued good underlying demand during the quarter, however, the outcome was negatively affected by the global disturbances in component- and raw material shortages as well as transport problems and frequent production stoppage mainly at automotive customers.

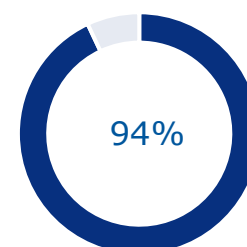
All regions and product areas showed sales increases compared to the corresponding quarter previous year although Americas and HP Compounding in particular showed strong development.

During the quarter, we saw continued price increases for raw materials and also continued high energy costs.

EBIT increased to 721 MSEK (658) and the corresponding operating margin amounted to 14.9 percent (18.5). The need to constant adapt production to rapidly changing demand from customers in combination with non-optimized recipes due to raw material shortages and price increases for raw materials and energy has affected our gross margin negatively during the quarter. In addition, as previously communicated, the acquired VICOM and Unica both have a lower margin than other HEXPOL-companies.

### Share of the Group's sales

January - March 2022



### About HEXPOL Compounding

The business area is one of the world's leading suppliers in development and manufacturing of advanced, high-quality polymer compounds for demanding applications and demanding end users. Customers are manufacturers of polymer products and components who impose rigorous demands on performance and global delivery capacity. The market is global and the largest end-customer segments are the automotive and engineering industries, followed by the building and construction sector. Other key segments are transportation sector, energy, oil and gas sector, consumer sector, cable industries and manufacturers of medical equipment.

### HEXPOL Compounding

	Jan-Mar 2022	Jan-Mar 2021	Full Year 2021	Apr 21-Mar 22
<b>MSEK</b>				
Sales	4 841	3 548	14 888	16 181
EBIT, adjusted	721	658	2 541	2 604
EBIT-margin, adjusted, %	14,9	18,5	17,1	16,1
EBIT	721	658	2 878	2 941

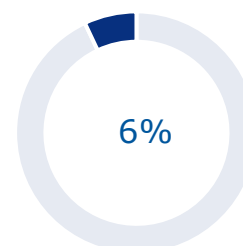
## HEXPOL Engineered Products January – March 2022

The sales increased by 27 percent compared with the same quarter previous year and amounted to 332 MSEK (262). The increase include positive currency effects of 21 MSEK. Adjusted for these the sales amounted to 311 MSEK. EBIT amounted to 54 MSEK (46) and the corresponding operating margin amounted to 16.3 percent (17.6).

All product areas increased their sales compared to the corresponding quarter previous year but where especially Wheels showed a strong development.

### Share of the Group's sales

January - March 2022



### About HEXPOL Engineered Products

The business area has operations in a number of niche areas with strong global positions in gaskets for plate heat exchangers (Gaskets and Seals) and wheels of polymer materials for forklifts and material handling (Wheels). The market for gaskets and wheels is global. Gaskets customers include manufacturers of plate heat exchangers and wheel customers are manufacturers of forklifts and castor wheels.

### HEXPOL Engineered Products

MSEK	Jan-Mar 2022	Jan-Mar 2021	Full Year 2021	Apr 21- Mar 22
Sales	332	262	1 117	1 187
EBIT	54	46	196	204
EBIT-margin, %	16,3	17,6	17,5	17,2

## After the end of the period

### Acquisition

HEXPOL has on April 4 completed the acquisition of 70 percent of the shares in almaak international GmbH, a specialist in high quality recycled engineered compounds. almaaks turnover in 2021 amounted to 75 MEUR with a profitability level just below the HEXPOL Group. almaak operates two sites in Germany with some 190 employees. The main end user segment is the European automotive industry where the interest for recycled compounds is high. The acquisition price amounts to approximately 70 MEUR on a cash and debt free basis and is funded by a combination of cash and existing bank facilities. Pursuant to the agreement, HEXPOL has an option to acquire the remaining shares, and the sellers have the option to sell their remaining shares to HEXPOL. The business has been consolidated from April 1. Since the acquisition was completed April 4 and some information is outstanding, there is no purchase price allocation available.

## Other information

### Risk factors

The Group's and Parent Company's business risks, risk management and management of financial risks are described in detail in the 2021 Annual Report. The Covid-19 pandemic outbreaks continue to have a major impact on the world and HEXPOL. In addition to this, the war in Ukraine causes further great influence and insecurity for large parts of the world. At present, it is very difficult to estimate or quantify the risks related to this, but it is likely that the negative effect will continue to affect, both sales and earnings. The Board and management follows the development closely.

### Accounting policies

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The Parent Company's financial statements have been prepared in compliance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Reporting for Legal Entities. The accounting and measurement policies as well as the assessment bases, applied in the 2021 Annual Report have also been applied in this interim report. No new or revised IFRS that came into force 2022 have had any significant impact on the Group's financial reports.

### Alternative Performance Measures (APMs)

ESMA (European Securities and Markets Authority) guidelines on alternative performance measures are effective from 2016. HEXPOL presents financial definitions and reconciliations of alternative performance measures in this report. HEXPOL presents alternative performance measures as these provide valuable additional information to investors and the company's management as they allow evaluation of the company's performance.

## Personnel

The number of employees at the end of the period was 4,813 (4,580). The increase, compared to the corresponding period previous year, is explained by the acquisition of Unica, acquired in July 2021.

Number of  
employees  
**4,813**

## Ownership structure

HEXPOL AB (publ.) with Corporate Registration Number 556108-9631 is the Parent Company of the HEXPOL Group. HEXPOL's Class B shares are listed on Nasdaq Stockholm, Large Cap. HEXPOL AB had approximately 11,700 shareholders on March 31, 2022. The largest shareholder is Melker Schörling AB with 25 percent of the capital and 46 percent of the voting rights. The twenty largest shareholders own 73 percent of the capital and 80 percent of the voting rights.

## Invitation to presentation of the report

A presentation of this report will be held through a webcasted conference call on April 28, 2022 at 01:00 p.m. CET. The presentation, as well as information concerning participations, is available at [www.hexpol.com](http://www.hexpol.com).







## Summary financial information

### Condensed consolidated income statement

<b>MSEK</b>	<b>Jan-Mar 2022</b>	<b>Jan-Mar 2021</b>	<b>Full Year 2021</b>	<b>Apr 21-Mar 22</b>
Sales	5 173	3 810	16 005	17 368
Cost of goods sold	-4 168	-2 901	-12 532	-13 799
<b>Gross profit</b>	<b>1 005</b>	<b>909</b>	<b>3 473</b>	<b>3 569</b>
Selling and administrative cost, etc.	-230	-205	-797	-822
Other income/insurance compensation and related costs Note 2	-	-	398	398
<b>Operating profit</b>	<b>775</b>	<b>704</b>	<b>3 074</b>	<b>3 145</b>
Financial income and expenses	6	-2	-43	-35
<b>Profit before tax</b>	<b>781</b>	<b>702</b>	<b>3 031</b>	<b>3 110</b>
Tax	-181	-168	-673	-686
<b>Profit after tax</b>	<b>600</b>	<b>534</b>	<b>2 358</b>	<b>2 424</b>
- of which, attributable to Parent Company shareholders	600	534	2 358	2 424
Earnings per share before dilution, SEK	1,74	1,55	6,85	7,04
Earnings per share after dilution, SEK	1,74	1,55	6,85	7,04
Shareholders' equity per share, SEK	36,14	29,70	33,82	
Average number of shares, 000s	344 437	344 437	344 437	344 437
Depreciation, amortisation and impairment	-106	-164	-471	-413

### Condensed statement of comprehensive income

<b>MSEK</b>	<b>Jan-Mar 2022</b>	<b>Jan-Mar 2021</b>	<b>Full Year 2021</b>	<b>Apr 21-Mar 22</b>
Profit after tax	600	534	2 358	2 424
<b>Items that will not be reclassified to the income statement</b>				
Remeasurements of defined benefit pension plans	-	-	1	1
<b>Items that may be reclassified to the income statement</b>				
Translation differences	199	563	950	586
<b>Comprehensive income</b>	<b>799</b>	<b>1 097</b>	<b>3 309</b>	<b>3 011</b>
- of which, attributable to Parent Company's shareholders	799	1 097	3 309	3 011

## Condensed consolidated balance sheet

MSEK	Mar 31	Mar 31	Dec 31
	2022	2021	2021
Intangible fixed assets	9 897	9 086	9 724
Tangible fixed assets	2 461	2 370	2 430
Financial fixed assets	3	3	3
Deferred tax asset	93	56	79
<b>Total fixed assets</b>	<b>12 454</b>	<b>11 515</b>	<b>12 236</b>
Inventories	2 061	1 280	1 739
Accounts receivable	3 329	2 396	2 401
Other receivables	233	189	212
Prepaid expenses and accrued income	67	59	55
Cash and cash equivalents	1 797	1 085	1 320
<b>Total current assets</b>	<b>7 487</b>	<b>5 009</b>	<b>5 727</b>
<b>Total assets</b>	<b>19 941</b>	<b>16 524</b>	<b>17 963</b>
Equity attributable to Parent Company's shareholders	12 449	10 230	11 650
<b>Total shareholders' equity</b>	<b>12 449</b>	<b>10 230</b>	<b>11 650</b>
Interest-bearing liabilities	777	2 080	301
Other liabilities	75	89	58
Provision for deferred tax	612	544	602
Provision for pensions	64	66	66
<b>Total non-current liabilities</b>	<b>1 528</b>	<b>2 779</b>	<b>1 027</b>
Interest-bearing liabilities	1 888	504	1 921
Accounts payable	3 073	2 201	2 431
Other liabilities	457	316	334
Accrued expenses, prepaid income, provisions	546	494	600
<b>Total current liabilities</b>	<b>5 964</b>	<b>3 515</b>	<b>5 286</b>
<b>Total shareholders' equity and liabilities</b>	<b>19 941</b>	<b>16 524</b>	<b>17 963</b>

## Condensed consolidated changes in shareholders' equity

MSEK	Mar 31, 2022		Mar 31, 2021		Dec 31, 2021	
	Attributable to Parent Company shareholders	Total equity	Attributable to Parent Company shareholders	Total equity	Attributable to Parent Company shareholders	Total equity
<b>Opening equity</b>	<b>11 650</b>	<b>11 650</b>	<b>9 133</b>	<b>9 133</b>	<b>9 133</b>	<b>9 133</b>
Comprehensive income	799	799	1 097	1 097	3 309	3 309
Dividend	-	-	-	-	-792	-792
<b>Closing equity</b>	<b>12 449</b>	<b>12 449</b>	<b>10 230</b>	<b>10 230</b>	<b>11 650</b>	<b>11 650</b>

## Changes in number of shares

	Total number of Class A shares	Total number of Class B shares	Total number of shares
Number of shares at January 1	14 765 620	329 671 226	344 436 846
<b>Number of shares at the end of the period</b>	<b>14 765 620</b>	<b>329 671 226</b>	<b>344 436 846</b>

## Condensed consolidated cash-flow statement

MSEK	Jan-Mar 2022	Jan-Mar 2021	Full Year 2021	Apr 21- Mar 22
Cash flow from operating activities before changes in working capital	808	799	2 916	2 925
Changes in working capital	-686	-383	-510	-813
<b>Cash flow from operating activities</b>	<b>122</b>	<b>416</b>	<b>2 406</b>	<b>2 112</b>
Acquisitions	-	-260	-558	-298
Cash flow from other investing activities	-92	-52	-304	-344
<b>Cash flow from investing activities</b>	<b>-92</b>	<b>-312</b>	<b>-862</b>	<b>-642</b>
Dividend	-	-	-792	-792
Cash flow from other financing activities	443	-212	-574	81
<b>Cash flow from financing activities</b>	<b>443</b>	<b>-212</b>	<b>-1 366</b>	<b>-711</b>
<b>Change in cash and cash equivalents</b>	<b>473</b>	<b>-108</b>	<b>178</b>	<b>759</b>
Cash and cash equivalents at January 1	1 320	1 200	1 200	1 085
Exchange-rate differences in cash and cash equivalents	4	-7	-58	-47
<b>Cash and cash equivalents at the end of the period</b>	<b>1 797</b>	<b>1 085</b>	<b>1 320</b>	<b>1 797</b>

## Operating cash flow, Group

MSEK	Jan-Mar 2022	Jan-Mar 2021	Full Year 2021	Apr 21- Mar 22
Operating profit	775	704	3 074	3 145
Depreciation/amortisation/impairment	106	164	471	413
Change in working capital	-686	-383	-510	-813
Sale of fixed assets	0	0	0	0
Investments	-92	-52	-304	-344
<b>Operating Cash flow</b>	<b>103</b>	<b>433</b>	<b>2 731</b>	<b>2 401</b>

## Other key figures, Group

	Jan-Mar 2022	Jan-Mar 2021	Full Year 2021	Apr 21- Mar 22
Profit margin before tax, %	15,1	18,4	18,9	17,9
Return on shareholders' equity, % R12	21,6	15,4	22,2	
Interest-coverage ratio, multiple	88	65	71	77
Net debt, MSEK	-865	-1 496	-899	
Sales growth adjusted for currency effects, %	26	1	25	
Sales growth adjusted for currency effects and acquisitions, %	20	1	21	
Cash flow per share, SEK	0,35	1,21	6,99	6,13
Cash flow per share before change in working capital, SEK	2,35	2,32	8,47	8,50

## Condensed income statement, Parent Company

MSEK	Jan-Mar 2022	Jan-Mar 2021	Full Year 2021	Apr 21- Mar 22
Sales	16	12	58	62
Administrative costs, etc.	-25	-23	-95	-97
<b>Operating loss</b>	<b>-9</b>	<b>-11</b>	<b>-37</b>	<b>-35</b>
Financial income and expenses	-1	10	1 428	1 417
<b>Profit after financial items</b>	<b>-10</b>	<b>-1</b>	<b>1 391</b>	<b>1 382</b>
Untaxed reserves	-	0	-	0
<b>Profit before tax</b>	<b>-10</b>	<b>-1</b>	<b>1 391</b>	<b>1 382</b>
Tax	1	2	-25	-26
<b>Profit after tax</b>	<b>-9</b>	<b>1</b>	<b>1 366</b>	<b>1 356</b>

## Condensed balance sheet, Parent company

MSEK	Mar 31 2022	Mar 31 2021	Dec 31 2021
Fixed assets	10 023	9 547	10 000
Current assets	3 015	2 268	2 519
<b>Total assets</b>	<b>13 038</b>	<b>11 815</b>	<b>12 519</b>
<b>Restricted shareholders' equity</b>			
Share capital	69	69	69
<b>Total restricted shareholders' equity</b>	<b>69</b>	<b>69</b>	<b>69</b>
<b>Non-restricted shareholders' equity</b>			
Share premium reserve	619	619	619
Accumulated earnings	5 558	4 984	4 192
Profit after tax	-9	1	1 366
<b>Total non-restricted shareholders' equity</b>	<b>6 168</b>	<b>5 604</b>	<b>6 177</b>
<b>Total shareholders' equity</b>	<b>6 237</b>	<b>5 673</b>	<b>6 246</b>
Untaxed reserves	-	0	-
Non-current liabilities	490	1 760	-
Current liabilities	6 311	4 382	6 273
<b>Total shareholders' equity and liabilities</b>	<b>13 038</b>	<b>11 815</b>	<b>12 519</b>

## Notes to the financial reports

### Note 1 Financial instrument per category and measurement level

Mar 31, 2022		Financial assets/liabilities measured at:		
MSEK	Amortized costs	Fair value through profit or loss	Measur. level	Total
<b>Assets in the balance sheet</b>				
Non-current financial assets	3	-		3
Accounts receivable	3 329	-		3 329
Cash and cash equivalents	1 797	-		1 797
<b>Total</b>	<b>5 129</b>	<b>-</b>		<b>5 129</b>
<b>Liabilities in the balance sheet</b>				
Interest-bearing non-current liabilities	491	-		491
Interest-bearing non-current lease liabilities	286	-		286
Interest-bearing current liabilities	1 790	-		1 790
Interest-bearing current lease liabilities	98	-		98
Accounts payable	3 073	-		3 073
Other liabilities	457	-		457
Accrued expenses, prepaid income, provisions	546	-		546
<b>Total</b>	<b>6 741</b>	<b>-</b>		<b>6 741</b>

Mar 31, 2021		Financial assets/liabilities measured at:		
MSEK	Amortized costs	Fair value through profit or loss	Measur. level	Total
<b>Assets in the balance sheet</b>				
Non-current financial assets	3	-		3
Accounts receivable	2 396	-		2 396
Cash and cash equivalents	1 085	-		1 085
<b>Total</b>	<b>3 484</b>	<b>-</b>		<b>3 484</b>
<b>Liabilities in the balance sheet</b>				
Interest-bearing non-current liabilities	1 761	-		1 761
Interest-bearing non-current lease liabilities	319	-		319
Interest-bearing current liabilities	401	-		401
Interest-bearing current lease liabilities	103	-		103
Accounts payable	2 201	-		2 201
Other liabilities	316	-		316
Accrued expenses, prepaid income, provisions	494	-		494
<b>Total</b>	<b>5 595</b>	<b>-</b>		<b>5 595</b>

## Note 2 Non-recurring items in the income statement

MSEK	Jan-Mar 2022	Jan-Mar 2021	Full Year 2021
Costs of goods sold	-	-	-31
Selling and administrative costs, etc.	-	-	-
Other operating income	-	84	628
Other operating expense	-	-84	-260
<b>Profit before tax</b>	<b>-</b>	<b>0</b>	<b>337</b>
Tax	-	-	-78
<b>Profit after tax</b>	<b>-</b>	<b>0</b>	<b>259</b>

The cost in the period Jan-Dec 2021, is mainly attributable to the fire that broke out January 7, 2021, in Jonesborough, TN, USA. The income in the same period is the insurance compensation for the fire, paid in October. In addition to the cost of the fire, there are for example, costs for planned restructuring of the English operations.



## Segment reporting and distribution of revenues

### Sales per business area

MSEK	2022	2021				Full Year	Apr 21- Mar 22	2020				Full Year
	Q1	Q1	Q2	Q3	Q4			Q1	Q2	Q3	Q4	
HEXPOL Compounding	4 841	3 548	3 723	3 826	3 791	14 888	16 181	3 906	2 290	3 091	3 159	12 446
HEXPOL Engineered Products	332	262	279	282	294	1 117	1 187	262	236	237	243	978
<b>Group total</b>	<b>5 173</b>	<b>3 810</b>	<b>4 002</b>	<b>4 108</b>	<b>4 085</b>	<b>16 005</b>	<b>17 368</b>	<b>4 168</b>	<b>2 526</b>	<b>3 328</b>	<b>3 402</b>	<b>13 424</b>

### Sales per geographic region

MSEK	2022	2021				Full Year	Apr 21- Mar 22	2020				Full Year
	Q1	Q1	Q2	Q3	Q4			Q1	Q2	Q3	Q4	
Europe	2 118	1 480	1 666	1 617	1 571	6 334	6 972	1 464	983	1 178	1 233	4 858
Americas	2 815	2 141	2 128	2 267	2 275	8 811	9 485	2 548	1 382	1 958	1 958	7 846
Asia	240	189	208	224	239	860	911	156	161	192	211	720
<b>Group total</b>	<b>5 173</b>	<b>3 810</b>	<b>4 002</b>	<b>4 108</b>	<b>4 085</b>	<b>16 005</b>	<b>17 368</b>	<b>4 168</b>	<b>2 526</b>	<b>3 328</b>	<b>3 402</b>	<b>13 424</b>

### Sales per geographic region HEXPOL Compounding

MSEK	2022	2021				Full Year	Apr 21- Mar 22	2020				Full Year
	Q1	Q1	Q2	Q3	Q4			Q1	Q2	Q3	Q4	
Europe	1 963	1 351	1 525	1 485	1 427	5 788	6 400	1 334	866	1 068	1 115	4 383
Americas	2 715	2 067	2 056	2 188	2 196	8 507	9 155	2 466	1 321	1 893	1 892	7 572
Asia	163	130	142	153	168	593	626	106	103	130	152	491
<b>Group total</b>	<b>4 841</b>	<b>3 548</b>	<b>3 723</b>	<b>3 826</b>	<b>3 791</b>	<b>14 888</b>	<b>16 181</b>	<b>3 906</b>	<b>2 290</b>	<b>3 091</b>	<b>3 159</b>	<b>12 446</b>

### Sales per geographic region HEXPOL Engineered Products

MSEK	2022	2021				Full Year	Apr 21- Mar 22	2020				Full Year
	Q1	Q1	Q2	Q3	Q4			Q1	Q2	Q3	Q4	
Europe	155	129	141	132	144	546	572	130	117	110	118	475
Americas	100	74	72	79	79	304	330	82	61	65	66	274
Asia	77	59	66	71	71	267	285	50	58	62	59	229
<b>Group total</b>	<b>332</b>	<b>262</b>	<b>279</b>	<b>282</b>	<b>294</b>	<b>1 117</b>	<b>1 187</b>	<b>262</b>	<b>236</b>	<b>237</b>	<b>243</b>	<b>978</b>

### EBIT per business area

MSEK	2022	2021				Full Year	Apr 21- Mar 22	2020				Full Year
	Q1	Q1	Q2	Q3*	Q4*			Year *	Q1*	Q2**	Q3**	
HEXPOL Compounding	721	658	679	618	586	2 541	2 604	554	178	552	580	1 864
HEXPOL Engineered Products	54	46	49	59	42	196	204	33	31	41	42	147
<b>Group total</b>	<b>775</b>	<b>704</b>	<b>728</b>	<b>677</b>	<b>628</b>	<b>2 737</b>	<b>2 808</b>	<b>587</b>	<b>209</b>	<b>593</b>	<b>622</b>	<b>2 011</b>

### EBIT-margin per business area

%	2022	2021				Full Year	Apr 21- Mar 22	2020				Full Year
	Q1	Q1	Q2	Q3*	Q4*			Year *	Q1*	Q2**	Q3**	
HEXPOL Compounding	14,9	18,5	18,2	16,2	15,5	17,1	16,1	14,2	7,8	17,9	18,4	15,0
HEXPOL Engineered Products	16,3	17,6	17,6	20,9	14,3	17,5	17,2	12,6	13,1	17,3	17,3	15,0
<b>Group total</b>	<b>15,0</b>	<b>18,5</b>	<b>18,2</b>	<b>16,5</b>	<b>15,4</b>	<b>17,1</b>	<b>16,2</b>	<b>14,1</b>	<b>8,3</b>	<b>17,8</b>	<b>18,3</b>	<b>15,0</b>

\*Adjusted EBIT for HEXPOL Compounding

\*\*Adjusted EBIT

## Reconciliation alternative performance measures

### Sales

MSEK	2022		2021				Full Year	2020				Full Year
	Q1	Q1	Q2	Q3	Q4	Q1		Q2	Q3	Q4		
Sales	5 173	3 810	4 002	4 108	4 085	16 005	4 168	2 526	3 328	3 402	13 424	
Currency effects	363	-412	-405	-55	58	-814	138	12	-202	-276	-328	
<b>Sales excluding currency effects</b>	<b>4 810</b>	<b>4 222</b>	<b>4 407</b>	<b>4 163</b>	<b>4 027</b>	<b>16 819</b>	<b>4 030</b>	<b>2 514</b>	<b>3 530</b>	<b>3 678</b>	<b>13 752</b>	
Acquisitions	242	33	109	210	217	569	580	279	-	-	859	
<b>Sales excluding currency effects and acquisitions</b>	<b>4 568</b>	<b>4 189</b>	<b>4 298</b>	<b>3 953</b>	<b>3 810</b>	<b>16 250</b>	<b>3 450</b>	<b>2 235</b>	<b>3 530</b>	<b>3 678</b>	<b>12 893</b>	

### Sales growth

%	Jan-Mar 2022	Jan-Mar 2021	Full Year 2021
Sales growth excluding currency effects	26	1	25
Sales growth excluding currency effects and acquisitions	20	1	21

### EBITA, adjusted, %

MSEK	Jan-Mar 2022	Jan-Mar 2021	Full Year 2021	Apr 21-Mar 22
	Sales	5 173	3 810	16 005
Operating profit	775	704	3 074	3 145
Non-recurring items	-	0	-337	-337
Amortisation and impairment of intangible assets	22	17	75	80
<b>Total EBITA, adjusted</b>	<b>797</b>	<b>721</b>	<b>2 812</b>	<b>2 888</b>
<b>EBITA, adjusted, %</b>	<b>15,4</b>	<b>18,9</b>	<b>17,6</b>	<b>16,6</b>

### EBITA, %

MSEK	Jan-Mar 2022	Jan-Mar 2021	Full Year 2021	Apr 21-Mar 22
	Sales	5 173	3 810	16 005
Operating profit	775	704	3 074	3 145
Amortisation and impairment of intangible assets	22	17	75	80
<b>Total EBITA</b>	<b>797</b>	<b>721</b>	<b>3 149</b>	<b>3 225</b>
<b>EBITA%</b>	<b>15,4</b>	<b>18,9</b>	<b>19,7</b>	<b>18,6</b>

### Capital employed

MSEK	2022		2021			2020			
	Mar 31	Mar 31	Jun 30	Sep 30	31 Dec	Mar 31	Jun 30	Sep 30	Dec 31
Total assets	19 941	16 524	16 381	18 200	17 963	19 088	16 131	16 185	15 073
Provision for deferred tax	-612	-544	-531	-662	-602	-584	-543	-518	-521
Accounts payable	-3 073	-2 201	-2 320	-2 432	-2 431	-2 300	-1 257	-1 689	-1 796
Other liabilities	-457	-316	-293	-302	-334	-658	-604	-284	-221
Accrued expenses, prepaid income, provisions	-546	-494	-474	-570	-600	-543	-542	-586	-504
<b>Total Group</b>	<b>15 253</b>	<b>12 969</b>	<b>12 763</b>	<b>14 234</b>	<b>13 996</b>	<b>15 003</b>	<b>13 185</b>	<b>13 108</b>	<b>12 031</b>

## Return on capital employed, R12

MSEK	Mar 31 2022	Mar 31 2021	Full Year 2021
Average capital employed	14 062	12 823	13 491
Profit before tax	3 110	2 022	3 031
Interest expense	41	49	43
<b>Total</b>	<b>3 151</b>	<b>2 071</b>	<b>3 074</b>
<b>Return on capital employed, %</b>	<b>22,4</b>	<b>16,2</b>	<b>22,8</b>

## Interest-coverage ratio, multiple

MSEK	Jan-Mar 2022	Jan-Mar 2021	Full Year 2021	Apr 21- Mar 22
Profit before tax	781	702	3 031	3 110
Interest expense	9	11	43	41
<b>Total</b>	<b>790</b>	<b>713</b>	<b>3 074</b>	<b>3 151</b>
<b>Interest-coverage ratio, multiple</b>	<b>88</b>	<b>65</b>	<b>71</b>	<b>77</b>

## Shareholders' equity

MSEK	2022		2021			2020			
	Mar 31	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31
Shareholders' equity	12 449	10 230	9 782	10 905	11 650	10 924	10 162	10 319	9 133

## Return on equity, R12

MSEK	Mar 31 2022	Mar 31 2021	Full Year 2021
Average shareholders' equity	11 197	9 961	10 642
Profit after tax	2 424	1 538	2 358
<b>Return on equity, %</b>	<b>21,6</b>	<b>15,4</b>	<b>22,2</b>

## Net debt

MSEK	Mar 31 2022	Mar 31 2021	Full Year 2021
Financial assets	3	3	3
Cash and cash equivalents	1 797	1 085	1 320
Non-current interest-bearing liabilities	-777	-2 080	-301
Current interest-bearing liabilities	-1 888	-504	-1 921
<b>Net debt</b>	<b>-865</b>	<b>-1 496</b>	<b>-899</b>

## Net debt/EBITDA

MSEK	Mar 31 2022	Mar 31 2021	Full Year 2021
Net debt	-865	-1 496	-899
EBITDA, R12	3 558	2 571	3 545
<b>Net debt/EBITDA, multiple</b>	<b>-0,24</b>	<b>-0,58</b>	<b>-0,25</b>

## Equity/assets ratio

MSEK	Mar 31 2022	Mar 31 2021	Full Year 2021
Shareholders' equity	12 449	10 230	11 650
Total assets	19 941	16 524	17 963
<b>Equity/assets ratio, %</b>	<b>62</b>	<b>62</b>	<b>65</b>

## Financial definitions

<b>Average capital employed</b>	Average of the last four quarters capital employed.
<b>Average shareholders' equity</b>	Average of the last four quarters shareholders' equity.
<b>Capital employed</b>	Total assets less deferred tax liabilities, accounts payable, other liabilities and accrued expenses, prepaid income and provisions.
<b>Cash flow</b>	Cash flow from operating activities.
<b>Cash flow per share</b>	Cash flow from operating activities in relation to the average number of shares outstanding.
<b>Cash flow per share before changes in working capital</b>	Cash flow from operating activities before changes in working capital in relation to the average number of shares outstanding.
<b>Earnings per share</b>	Profit after tax, in relation to the average number of shares outstanding.
<b>Earnings per share after dilution</b>	Profit after tax, in relation to the average number of shares outstanding adjusted for the dilution effect of warrants.
<b>Earnings per share excl. adjusted</b>	Profit after tax excluding non-recurring items, in relation to the average number of shares outstanding.
<b>EBIT</b>	Operating profit.
<b>EBITA</b>	Operating profit, excluding amortisation and impairment of intangible assets.
<b>EBITA margin, %</b>	Operating profit, excluding amortisation and impairment of intangible assets in relation to sales.
<b>EBITA, adjusted</b>	Operating profit excluding non-recurring items and amortisation and impairment of intangible assets.
<b>EBITA margin, adjusted, %</b>	Operating profit excluding non-recurring items and amortisation and impairment of intangible assets in relation to sales.
<b>EBITDA</b>	Operating profit excluding depreciation, amortisation and impairment of tangible and intangible assets.
<b>Equity/assets ratio</b>	Shareholders' equity in relation to total assets.
<b>Interest-coverage ratio</b>	Profit before tax plus interest expenses in relation to interest expenses.
<b>Net debt/EBITDA</b>	Non-current and current interest-bearing liabilities less cash and cash equivalents in relation to operating profit excluding depreciation, amortisation and impairment of tangible and intangible assets.
<b>Net debt, net cash</b>	Non-current and current interest-bearing liabilities less cash and cash equivalents.
<b>Non-recurring items</b>	Refers to integration- and restructuring costs and other material non-recurring items.
<b>Operating cash flow</b>	Operating profit excluding depreciation, amortisation and impairment of tangible and intangible assets, less investments incl. new leasing agreements and plus sales of tangible and intangible assets, and after changes in working capital.
<b>Operating margin, %</b>	Operating profit in relation to the sales.
<b>Operating margin, adjusted, %</b>	Operating profit excluding non-recurring items, in relation to the sales.
<b>Other investing activities</b>	Investments and sales of intangible and tangible assets.
<b>Operating profit, adjusted</b>	Operating profit excluding non-recurring items.
<b>Profit margin before tax</b>	Profit before tax in relation to the sales.
<b>Return on capital employed, R12</b>	Twelve months profit before tax plus twelve months interest expenses in relation to average capital employed.
<b>Return on equity, R12</b>	Twelve months profit after tax in relation to average shareholders' equity.
<b>R12</b>	Rolling twelve months average.
<b>Sales growth excluding currency effects</b>	Sales excluding currency effects compared to the sales for the corresponding year-earlier period.
<b>Sales growth excluding currency effects and acquisitions</b>	Sales excluding currency effects and acquisitions compared to the sales for the corresponding year-earlier period.
<b>Shareholders' equity per share</b>	Shareholders' equity in relation to the number of shares outstanding at the end of the period.