

Press Release

Stockholm, Sweden, 26 July 2023

Hexagon launches an operational efficiency programme targeting annualised savings of 160-170 MEUR from 2025

Hexagon continues to build on its reality capture, measurement and positioning foundation, to deliver more software-centric, business critical and high value solutions for customers. Their demand for more productive, sustainable, high-quality products and operations is accelerating, positioning Hexagon ideally for continued profitable growth.

To leverage these opportunities and build a strong financial profile for shareholders, we constantly look for efficiencies and investment opportunities to strengthen our skills and focus on growth areas.

Therefore, Hexagon will take a one-off charge of approximately 200 MEUR in Q3 2023, with a similar cash impact. The program will be implemented over the next 6 quarters and is expected to generate annualised cost savings of 160-170 MEUR, reaching the full run-rate impact in early 2025.

The programme is focused on a number of areas, including:

- Reduction of Hexagon's office and facilities footprint by approximately 25%
- Extraction of cross-divisional efficiencies to reduce overall overhead costs
- Optimisation of development, manufacturing and digital processes through automation
- Rationalisation of non-core business areas and activities

The annualised savings generated will be used to underpin Hexagon's operating margin target¹ while countering inflationary pressures and allowing continued investments in organic growth.

"Hexagon has a significant market opportunity, driven by long-term and cross-industry megatrends. Over the last few quarters we have assessed our operations through the lens of this potential and this efficiency program will provide a solid foundation for delivery," said Paolo Guglielmini, President and CEO, Hexagon.

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This is information that Hexagon AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CET on 26 July 2023.

¹ Hexagon's target is to reach an operating margin of more than 30 per cent by the end of 2026.

Hexagon is the global leader in digital reality solutions, combining sensor, software and autonomous technologies. We are putting data to work to boost efficiency, productivity, quality and safety across industrial, manufacturing, infrastructure, public sector, and mobility applications.

Our technologies are shaping production and people related ecosystems to become increasingly connected and autonomous – ensuring a scalable, sustainable future.

Hexagon (Nasdaq Stockholm: HEXA B) has approximately 24,000 employees in 50 countries and net sales of approximately 5.2bn EUR. Learn more at [hexagon.com](https://www.hexagon.com) and follow us [@HexagonAB](https://twitter.com/HexagonAB).