

Press Release

Stockholm, Sweden, 7 December 2023

Hexagon Capital Markets Day 2023

- Reaffirms its mid-term targets for 2022-2026
 - Average annual organic growth of 5-7%
 - Average annual structural (M&A) growth of 3-5%
 - EBIT1¹ operating margin (incl. PPA) of more than 30% by the end of 2026
- Reaffirm the 80-90% per annum cash conversion target rate
- Announces plans to reach 95% reduction of scope 1 and 2 emissions by 2030 and net-zero by 2050
- Increases financial disclosure on a quarterly basis
- Proposes to adjust management incentives to be aligned with the 2026 financial targets, including the cash conversion target rate

Hexagon AB is hosting its Capital Markets Day today at 12.30 GMT in London, UK. At the event, CEO Paolo Guglielmini, CFO David Mills, CSO Ben Maslen, CTO Burkhard Boeckem and Head of Sustainability Eva Carranza Alvarez will give an update on Hexagon's ambition, growth strategy and improvements to its financial and sustainability disclosure levels.

New divisional reporting and financial disclosures

From Q1 2024 Hexagon will commence to report the revenues and EBIT1 of its operating divisions on a quarterly basis. The divisions are:

- Manufacturing Intelligence
- Asset Lifecycle Intelligence
- Geosystems
- Autonomous Solutions
- Safety, Infrastructure & Geospatial

During the day senior leadership from each of these divisions will present additional context on these business units, including growth strategies.

CFO David Mills will provide a comprehensive review of value creation, capital allocation and disclosure at Hexagon, including the additional quarterly reporting of:

- New M&A revenue and EBIT1
- Software revenues
- Recurring revenues

¹ Operating earnings excluding capital gains on shares in group companies and adjustments. Adjustments are excluded to facilitate the understanding of the Group's operational development and to give comparable numbers between periods

- R&D capitalisation
- Cash impact of inventory, receivables and payables (working capital)

Committed to meeting the 2022-2026 mid-term financial targets and reaffirming the 80-90% per annum cash conversion target rate

Hexagon has reaffirmed its 2022-2026 mid-term financial targets:

- Average annual organic growth of 5-7%
- Average annual structural (M&A) growth of 3-5%
- EBIT1 operating margin (incl. PPA) of more than 30% by the end of 2026
- Reaffirm the 80-90% per annum cash conversion target rate

The Group's confidence in achieving these targets is based on both internal and external factors including structural demand trends for improvements in sustainability, productivity and solutions to labour market shortages, as well as proactive internal actions being taken to focus technology leadership, improve commercial execution and drive operational excellence.

Incentives

Executive incentives from 2024 will be suggested to be aligned with the 2026 financial targets, including the cash conversion target rate. The adjusted management incentives will be described in the remuneration guidelines to be approved by the AGM 2024.

New sustainability commitments

Head of Sustainability, Eva Carranza Alvarez, will talk to Hexagon's commitment to operating sustainably and consciously in its markets, and the role Hexagon plays as a driver of sustainability with its customers. Carranza Alvarez will highlight new commitments to:

- Reach 95% reduction of Scope 1 and 2 emissions by 2030
- Reach net zero by 2050

Webcast details

The CMD will start at 12.30pm GMT. Registration for the webcast can be found here:

<https://events.hexagon.com/webcastCMD2023>

For further information, please contact:

Tom Hull, Head of Investor Relations, Hexagon AB, +44 7442 678 437, ir@hexagon.com

Anton Heikenström, Investor Relations Manager, Hexagon AB, +46 8 601 26 26, ir@hexagon.com

Madlen Nicolaus, Chief Marketing Officer, Hexagon AB, +44 207 068 6575, media@hexagon.com

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).