

## Press Release

Stockholm, Sweden, 26 April 2017

### **Completion of Hexagon's acquisition of MSC Software**

Hexagon AB, a leading global provider of information technologies that drive productivity and quality across geospatial and industrial enterprise applications, today announced the completion of the previously announced acquisition of MSC Software ("MSC"), a US-based leading provider of computer-aided engineering (CAE) solutions, including simulation software for virtual product and manufacturing process development. Completion of the transaction was subject to regulatory approvals and other customary conditions, which have now been obtained.

The acquisition strengthens Hexagon's ability to connect the traditionally separate stages of design and production – integrating real-world data generated on the production floor with simulation data to further improve a customer's ability to reveal and correct design limitations and production problems prior to manufacturing.

MSC has over 1,200 highly-skilled professionals in 20 countries. Its strong brand and reputation in industries such as automotive, aerospace and electronics spans more than 50 years.

MSC will be a fully owned subsidiary of Hexagon and operate under the division Manufacturing Intelligence.

#### **Key Facts**

- Purchase price of 834 MUSD on a cash and debt free basis (Enterprise Value)
- In 2016 MSC generated proforma sales of 230 MUSD, with strong profitability and a high percentage of recurring revenue
- The acquisition will further strengthen Hexagon's smart connected factory strategy to deliver enterprise solutions within manufacturing verticals
- The transaction is fully financed via bank facilities and Hexagon's net debt to EBITDA target of 2.5 will not be exceeded
- Non-cash PPA adjustments (Purchase Price Allocations) of approximately 10 MEUR related to impairment of overlapping technologies will impact the income statement during the first quarter 2017 and
- approximately 20-30 MEUR related to a revenue recognition adjustment of deferred revenue (haircut) will impact the income statement during 2017
- Cash transaction costs of approximately 2 MEUR will impact the income statement during the first quarter 2017
- Excluding haircut, MSC is accretive to Hexagon's earnings as of closing

For further information, please contact:

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This information 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 April 2017.

*Hexagon is a leading global provider of information technologies that drive productivity and quality across geospatial and industrial enterprise applications.*

*Hexagon's solutions integrate sensors, software, domain knowledge, and customer workflows into intelligent information ecosystems that deliver actionable information. They are used in a broad range of vital industries.*

*Hexagon (Nasdaq Stockholm: HEXA B) has approximately 17,000 employees in 50 countries and net sales of approximately 3.1bn EUR. Learn more at [hexagon.com](https://www.hexagon.com) and follow us @HexagonAB.*