

YEAR-END REPORT

1 JANUARY – 31 DECEMBER 2017

FOURTH QUARTER 2017

- Operating net sales increased by 13 per cent to 959.3 MEUR (849.5). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 10 per cent
- Operating earnings (EBIT1) increased by 18 per cent to 247.1 MEUR (208.7)
- Earnings before taxes, excluding non-recurring items, amounted to 240.4 MEUR (202.6)
- Net earnings, excluding non-recurring items, amounted to 197.2 MEUR (164.1)
- Earnings per share, excluding non-recurring items, increased by 20 per cent to 0.54 EUR (0.45)
- Hexagon had a one-off positive tax income of 72.4 MEUR
- Operating cash flow decreased by -6 per cent to 179.7 MEUR (192.0)
- The Board of Directors proposes a dividend of 0.53 EUR (0.48) per share, an increase of 10 per cent

MEUR	Q4 2017	Q4 2016	Δ%	2017	2016	Δ%
Operating net sales	959.3	849.5	10 ¹⁾	3,470.8	3,149.2	5 ¹⁾
Revenue adjustment 2)	-6.3	-	n.a.	-22.4	-	n.a.
Net sales	953.0	849.5	10 ¹⁾	3,448.4	3,149.2	5 ¹⁾
Gross earnings	593.0	513.8	15	2,121.2	1,902.0	12
Gross margin, % 3)	61.8	60.5	1.3	61.1	60.4	0.7
Operating earnings (EBITDA) 4)	310.7	273.7	14	1,109.5	970.0	14
EBITDA margin, %	32.4	32.2	0.2	32.0	30.8	1.2
Operating earnings (EBIT1) 4)	247.1	208.7	18	835.3	736.1	13
Operating margin, %	25.8	24.6	1.2	24.1	23.4	0.7
Earnings before taxes, excluding non-recurring items	240.4	202.6	19	812.6	714.3	14
Non-recurring items (before taxes) 5)	-6.3	-	n.a.	-73.2	-	n.a.
Earnings before taxes	234.1	202.6	16	739.4	714.3	4
Net earnings 6)	263.3	164.1	60	673.8	578.6	16
Net earnings, excl. non-recurring items 7)	197.2	164.1	20	666.5	578.6	15
Earnings per share, EUR 6)	0.73	0.45	62	1.85	1.59	16
Earnings per share, excl. non-recurring items, EUR 7)	0.54	0.45	20	1.83	1.59	15

1) Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

2) Reduction of acquired deferred revenue (haircut) related to the acquisition of MSC Software.

3) Operating gross margin.

4) For definition, see page 18.

5) Reduction of acquired deferred revenue (haircut) related to the acquisition of MSC Software, costs related to the implementation of a cost savings programme and the acquisition of MSC Software.

6) Hexagon had a one-off positive tax income of 72.4 MEUR in the fourth quarter 2017.

7) Non-recurring items include a one-off positive tax income of 72.4 MEUR in the fourth quarter 2017.

Q4

13%

OPERATING SALES GROWTH

10%

ORGANIC GROWTH

26%

OPERATING MARGIN



COMMENTS FROM THE CEO

"Hexagon closes 2017 with an outstanding quarter, reporting 10 per cent organic growth with strong profitability and cash flow. This is our best quarter ever! The result shows that our strategy is paying off and we are on the right track towards our 2021 targets. The Geosystems division accelerated growth further, reporting 13 per cent organic growth, driven by new products and a pick-up in infrastructure and construction solutions. Our Manufacturing Intelligence division had a fantastic quarter, also reporting 13 per cent organic growth, fueled by continued strength from the electronics industry in China and an outstanding performance in its strategic software portfolio. We are also very pleased that the PPM division returned to growth, supported by positive momentum in the US and growth in project control solutions. Our strong financial position fuels confidence in our ability to successfully execute upon our strategic objective – to digitally transform the industries we serve with bold and disruptive technologies. We look forward to another successful year for Hexagon."

– Ola Rollén, President and CEO, Hexagon AB

GROUP BUSINESS DEVELOPMENT Q4

NET SALES

Operating net sales increased by 13 per cent to 959.3 MEUR (849.5). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 10 per cent. Regionally, organic growth was 14 per cent in Asia, 10 per cent in Americas and 8 per cent in EMEA. In Asia, China recorded 23 per cent organic growth with a strong development across all divisions. Japan recorded favourable growth but South Korea was hampered by weak demand. Sales in India declined in the quarter, mainly due to tough comparison numbers. In Americas, North America grew organically at high single digit rates driven by continued strong demand from the infrastructure and construction industry and new products gaining traction. South America continued to recover and recorded double digit organic growth. In EMEA, Western Europe recorded mid single digit organic growth driven by good demand in Germany, France and Italy. Spain and the UK, however, had a weaker quarter. Eastern Europe, Russia and the Middle East reported strong organic growth.

EARNINGS

Operating earnings (EBIT1) grew by 18 per cent to 247.1 MEUR (208.7), which corresponds to an operating margin of 25.8 per cent (24.6). The operating margin benefited from organic growth, product mix and improved cost structure. Operating earnings (EBIT1) were negatively impacted by currency translation effects of -12.5 MEUR. Earnings before taxes amounted to 234.1 MEUR (202.6). Earnings before taxes were negatively impacted by currency translation effects of -12.5 MEUR.

NON-RECURRING ITEMS

On 26 April 2017, Hexagon acquired MSC Software (MSC), a leading provider of CAE (simulation) software. During 2017, a revenue recognition adjustment of deferred revenue (haircut) of -22.4 MEUR has impacted the income statement. In the fourth quarter, the haircut amounted to -6.3 MEUR. There will be no further adjustments in the income statement related to the MSC acquisition going forward.

Hexagon had a one-off positive tax income of 72.4 MEUR in the fourth quarter 2017, due to the recent US tax legislation (Tax Cuts & Jobs Act), resulting in a revaluation of deferred tax liabilities on the balance sheet. The one-off positive tax effect did not impact the cash flow.

FINANCIAL SUMMARY – FOURTH QUARTER

MEUR	Net sales			Earnings		
	Q4 2017	Q4 2016	Δ% ¹⁾	Q4 2017	Q4 2016	Δ%
Geospatial Enterprise Solutions	455.6	420.1	10	116.9	101.5	15
Industrial Enterprise Solutions	503.7	429.4	10	133.3	110.2	21
Operating net sales	959.3	849.5	10			
Revenue adjustment 2)	-6.3	-	n.a.			
Net sales	953.0	849.5	10			
Group cost				-3.1	-3.0	-3
Operating earnings (EBIT1)				247.1	208.7	18
Operating margin, %				25.8	24.6	1.2
Interest income and expenses, net				-6.7	-6.1	-10
Earnings before non-recurring items				240.4	202.6	19
Non-recurring items 2)				-6.3	-	n.a.
Earnings before taxes				234.1	202.6	16
Taxes 3)				29.2	-38.5	n.a.
Net earnings				263.3	164.1	60

¹⁾ Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

²⁾ Non-recurring reduction of acquired deferred revenue (haircut) in Q4 2017 related to the acquisition of MSC Software.

³⁾ Hexagon had a one-off positive tax income of 72.4 MEUR in the fourth quarter 2017.

CURRENCY TRANSLATION IMPACT COMPARED TO EUR – FOURTH QUARTER

	Movement ¹⁾	Income less cost	Earnings impact
CHF	Weakened -7%	Negative	Positive ↗
USD	Weakened -8%	Positive	Negative ↘
CNY	Weakened -5%	Positive	Negative ↘
EBIT1, MEUR			-12.5

¹⁾ Compared to Q4 2016.

SALES BRIDGE – FOURTH QUARTER

Operating net sales*	
2016, MEUR	849.5
Structure, %	8
Currency, %	-5
Organic growth, %	10
Total, %	13
2017, MEUR	959.3

*Operating net sales from acquisitions and divestments during the last twelve months are reported as "Structure" in the table above. Percentages are rounded to the nearest whole per cent.

ORGANIC GROWTH

Analysis of organic growth ¹⁾ per geographic region	
Q4 2016	849.5
China (15% of sales)	↗
North America (30% of sales)	↗
EMEA excl. Western Europe (8% of sales)	↗
South America (3% of sales)	↗ >8%
Western Europe (31% of sales)	→ 0-8%
Asia excl. China (13% of sales)	→ Negative
Q4 2017	959.3

¹⁾ Adjusted to fixed exchange rates and a comparable group structure (organic growth).



GEOSPATIAL ENTERPRISE SOLUTIONS – Q4 2017

Geospatial Enterprise Solutions includes a world-leading portfolio of sensors for capturing data from land and air as well as sensors for positioning via satellites. The sensors are complemented by software (GIS) for the creation of 3D maps and models which are used for decision-making in a range of software applications, covering areas such as surveying, construction, public safety and agriculture. This segment consists of Geosystems, Safety & Infrastructure and Positioning Intelligence.

NET SALES

Geospatial Enterprise Solutions (GES) sales amounted to 455.6 MEUR (420.1). Organic growth was 10 per cent. Regionally, organic growth was 13 per cent in Asia, 10 per cent in EMEA and 10 per cent in Americas.

GES benefited from solid growth in China, Australia and New Zealand. India, however, declined due to tough comparatives from last year's large order within public safety solutions. In EMEA, Western Europe recorded high single digit growth driven by strong demand in France and Germany. Russia and the Middle East recorded double digit organic growth. In Americas, North America continued to benefit from strong demand from the infrastructure and construction market and new products gaining traction. South America continued to recover, recording double digit organic growth in the quarter.

Regarding the divisions within GES, Geosystems recorded 13 per cent organic growth with a strong development in all regions. Growth benefited from a pick up in the infrastructure and construction industry and new products gaining traction. Safety & Infrastructure recorded 0 per cent organic growth hampered by tough comparatives from last year's large orders in India and the Middle East and continued weakness in defence solutions. However, the underlying public safety business recorded good growth and the positive momentum for smart city solutions continued. Positioning Intelligence recorded 18 per cent organic growth, positively impacted by continued robust growth in GNSS solutions within agriculture and defence.

EARNINGS

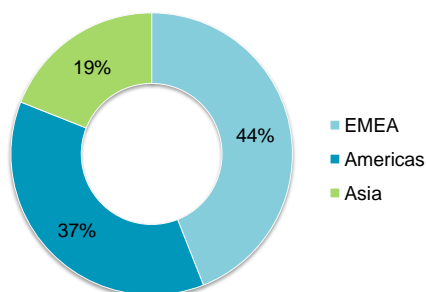
Operating earnings (EBIT1) increased by 15 per cent to 116.9 MEUR (101.5), which corresponds to an operating margin of 25.7 per cent (24.2). The operating margin was positively impacted by organic growth, improved cost structure and product mix.

NET SALES, OPERATING EARNINGS (EBIT1) AND NUMBER OF EMPLOYEES

MEUR	Q4 2017	Q4 2016	Δ%	2017	2016	Δ%
Operating net sales	455.6	420.1	10 ¹⁾	1,706.5	1,579.3	7 ¹⁾
Operating earnings (EBIT1)	116.9	101.5	15	412.2	354.8	16
Operating margin, %	25.7	24.2	1.5	24.2	22.5	1.7
Average number of employees				7,872	7,934	-1

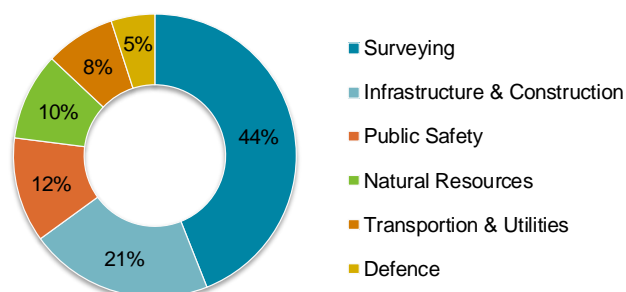
1) Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

GES – NET SALES PER REGION*



* Q4 2017 numbers

GES – NET SALES PER CUSTOMER SEGMENT**



** Full-year 2016 numbers



INDUSTRIAL ENTERPRISE SOLUTIONS – Q4 2017

Industrial Enterprise Solutions includes metrology systems that incorporate the latest in sensor technology for fast and accurate measurements, as well as CAD (computer-aided design), CAM (computer-aided manufacturing) and CAE (computer-aided engineering) software. These solutions optimise design, processes and throughput in manufacturing facilities and create and leverage asset management information critical to the planning, construction and operation of plants and process facilities in a number of industries, such as automotive, aerospace and oil and gas. Industrial Enterprise Solutions consists of Manufacturing Intelligence and PPM.

NET SALES

Industrial Enterprise Solutions (IES) sales amounted to 503.7 MEUR (429.4). Organic growth was 10 per cent. Regionally, organic growth was 14 per cent in Asia, 10 per cent in Americas and 5 per cent in EMEA.

IES benefited from strong organic growth in China, mainly driven by continued robust demand from the electronics industry. Japan recorded favourable growth and the offshore related business in South Korea started to recover. India however, continued to decline due to the challenging oil and gas market. In Americas, the US recorded high single digit organic growth mainly driven by a recovery in the power and energy business. South America continued to recover and recorded strong double-digit growth across all businesses. In EMEA, Western Europe recorded low single digit organic growth, positively impacted by solid growth in Germany and Italy but adversely impacted by declines in Spain and the UK. Eastern Europe, Middle East and Russia continued to record strong organic growth.

Regarding the divisions within IES, Manufacturing Intelligence recorded 13 per cent organic growth with a good contribution from all regions. Growth was positively impacted by continued robust demand from the electronics industry and a favourable development for the software portfolio. PPM recorded 2 per cent organic growth fueled by positive momentum in the US and strong growth in project control solutions.

EARNINGS

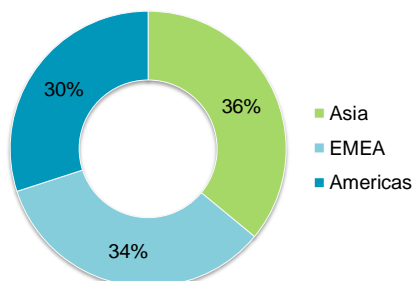
Operating earnings (EBIT1) increased by 21 per cent to 133.3 MEUR (110.2), which corresponds to an operating margin of 26.5 per cent (25.7). The operating margin (EBIT1) benefited from organic growth, increased software mix in Manufacturing Intelligence and improvements in PPM.

NET SALES, OPERATING EARNINGS (EBIT1) AND NUMBER OF EMPLOYEES

MEUR	Q4 2017	Q4 2016	Δ%	2017	2016	Δ%
Operating net sales	503.7	429.4	10 ¹⁾	1,764.3	1,569.9	4 ¹⁾
Operating earnings (EBIT1)	133.3	110.2	21	443.9	399.1	11
Operating margin, %	26.5	25.7	0.8	25.2	25.4	-0.2
Average number of employees				9,599	8,454	14

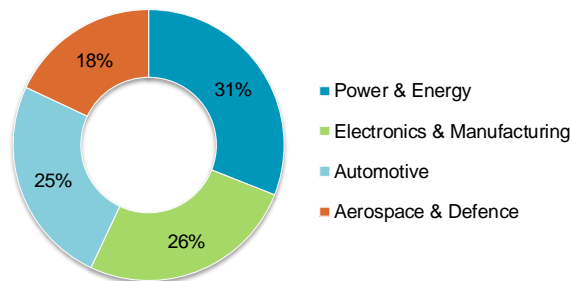
1) Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

IES – NET SALES PER REGION*



* Q4 2017 numbers

IES – NET SALES PER CUSTOMER SEGMENT**



** Full-year 2016 numbers

FINANCIAL SUMMARY – 2017

MEUR	Net sales			Earnings		
	2017	2016	Δ % ¹⁾	2017	2016	Δ%
Geospatial Enterprise Solutions	1,706.5	1,579.3	7	412.2	354.8	16
Industrial Enterprise Solutions	1,764.3	1,569.9	4	443.9	399.1	11
Operating net sales	3,470.8	3,149.2	5			
Revenue adjustment 2)	-22.4	-	n.a.			
Net sales	3,448.4	3,149.2	5			
Group cost				-20.8	-17.8	-17
Operating earnings (EBIT1)				835.3	736.1	13
Operating margin, %				24.1	23.4	0.7
Interest income and expenses, net				-22.7	-21.8	-4
Earnings before non-recurring items				812.6	714.3	14
Non-recurring items 3)				-73.2	-	n.a.
Earnings before taxes				739.4	714.3	4
Taxes 4)				-65.6	-135.7	52
Net earnings				673.8	578.6	16

1) Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

2) Non-recurring reduction of acquired deferred revenue (haircut) in 2017 related to the acquisition of MSC Software.

3) Non-recurring items related to the implementation of a cost savings programme and the acquisition of MSC Software.

4) Hexagon had a one-off positive tax income of 72.4 MEUR in the fourth quarter 2017.

2017 NET SALES AND EARNINGS

Operating net sales amounted to 3,470.8 MEUR (3,149.2) in 2017. Net sales, including revenue adjustment, amounted to 3,448.4 MEUR (3,149.2). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 5 per cent.

Operating earnings (EBIT1) amounted to 835.3 MEUR (736.1), which corresponds to an operating margin of 24.1 per cent (23.4). Operating earnings (EBIT1) were negatively affected by currency translation effects of -15.9 MEUR.

The financial net amounted to -22.7 MEUR (-21.8) in 2017.

Earnings before taxes, excluding non-recurring items, amounted to 812.6 MEUR (714.3). Earnings before taxes, including these items, amounted to 739.4 MEUR (714.3). Earnings before taxes were negatively affected by currency translation effects of -15.9 MEUR.

Net earnings, excluding non-recurring items, amounted to 666.5 MEUR (578.6) or 1.83 EUR (1.59) per share. Net earnings were positively impacted by non-recurring tax income of 72.4 MEUR in the fourth quarter. Net earnings, including these items, amounted to 673.8 MEUR (578.6) or 1.85 EUR (1.59) per share.

CURRENCY TRANSLATION IMPACT COMPARED TO EUR – 2017

	Movement ¹⁾	Income less cost	Earnings impact
CHF	Weakened -2%	Negative	Positive ↗
USD	Weakened -2%	Positive	Negative ↘
CNY	Weakened -4%	Positive	Negative ↘
EBIT1, MEUR			-15.9

1) Compared to 2016.



Hexagon acquired Luciad, a leading provider of solutions for 5D visualisation and analysis of real-time geospatial information. Luciad's visualisation technologies support live connections to dynamic sensor feeds in a 3D environment. The result is a 5D digital reality – real-time, rapid fusion of multi-source content and the ability to perform analytics on-the-fly.

GROUP SUMMARY

PROFITABILITY

Capital employed increased to 6,962.4 MEUR (6,489.1). Return on average capital employed for the last twelve months was 12.6 per cent (11.9). Return on average shareholders' equity for the last twelve months was 14.8 per cent (13.7). The capital turnover rate was 0.5 times (0.5).

FINANCIAL POSITION

Total shareholders' equity increased to 4,618.1 MEUR (4,590.8). The equity ratio was 54 per cent (58). Hexagon's total assets increased to 8,629.2 MEUR (7,914.1). The increase in total assets is driven primarily by acquisitions.

Hexagon's main sources of financing consist of:

- 1) A multicurrency revolving credit facility (RCF) established during 2014. The RCF amounts to 2,000 MEUR with maturity 2021
- 2) A Swedish Medium Term Note Programme (MTN) established during 2014. The MTN programme amounts to 15,000 MSEK with tenor up to 5 years
- 3) A Swedish Commercial Paper Programme (CP) established during 2012. The CP programme amounts to 15,000 MSEK with tenor up to 12 months

On 31 December 2017, cash and unutilised credit limits totalled 1,601.1 MEUR (1,595.3). Hexagon's net debt was 2,034.9 MEUR (1,564.8). The net indebtedness was 0.40 times (0.30). Interest coverage ratio was 27.1 times (27.9).

CASH FLOW

During the fourth quarter, cash flow from operations before changes in working capital amounted to 259.0 MEUR (233.5), corresponding to 0.72 EUR (0.65) per share. Cash flow from operations in the fourth quarter amounted to 264.2 MEUR (261.6), corresponding to 0.73 EUR (0.73) per share. Operating cash flow in the fourth quarter, including non-recurring items, amounted to 179.7 MEUR (192.0).

For the full year, cash flow from operations amounted to 907.2 MEUR (782.1), corresponding to 2.52 EUR (2.17) per share. The operating cash flow, including non-recurring items, amounted to 603.0 MEUR (516.6).

INVESTMENTS, DEPRECIATION, AMORTISATION AND IMPAIRMENT

Hexagon's net investments, excluding acquisitions and divestitures, amounted to -76.4 MEUR (-68.3) in the fourth quarter and -275.6 MEUR (-257.6) for the full year.

Depreciation, amortisation and impairment amounted to -63.6 MEUR (-65.0) in the fourth quarter and -284.7 MEUR (-233.9) during the full year. There were no impairment charges in the fourth quarter (-4.5) and -39.2 MEUR (-4.5) during the full year.

TAX RATE

The Group's tax expense for 2017 totalled -65.6 MEUR (-135.7).

The reported tax rate was -12.5 per cent (19.0) for the quarter and 8.9 per cent (19.0) for the full year. Hexagon had a one-off positive tax income of 72.4 MEUR in the fourth quarter 2017 due to the recent US tax legislation (Tax Cuts & Jobs Act), resulting in a revaluation of deferred tax liabilities on the balance sheet.

The tax rate, excluding non-recurring items, was 18.0 (19.0) per cent for the quarter and 18.0 (19.0) for the full year.

EMPLOYEES

The average number of employees during the full year was 17,543 (16,460). The number of employees at the end of the quarter was 18,315 (16,592). The increase was primarily driven by acquisitions.

SHARE DATA

Earnings per share, excluding non-recurring items, for the fourth quarter amounted to 0.54 EUR (0.45). Earnings per share, including non-

recurring items, for the fourth quarter amounted to 0.73 EUR (0.45). Earnings per share, excluding non-recurring items, for the full year amounted to 1.83 EUR (1.59). Earnings per share, including non-recurring items, for the full year amounted to 1.85 EUR (1.59).

On 31 December 2017, equity per share was 12.78 EUR (12.70) and the share price was 410.90 SEK (325.50).

Hexagon's share capital amounts to 79,980,283 EUR, represented by 360,443,142 shares, of which 15,750,000 are of series A with ten votes each and 344,693,142 are of series B with one vote each.

In accordance with a decision by a Shareholders' General Meeting in May 2015, an incentive programme (2015/2019) was introduced, under which a maximum of 10,000,000 warrants can be issued. The dilutive effect at full utilization of the programme would be 2.8 per cent of the share capital and 2.0 per cent of the number of votes. The number of warrants that have been issued are 7,107,660 and may be exercised during 1 June 2018 - 31 December 2019.

ASSOCIATED COMPANIES

Associated companies affected Hexagon's earnings during the full year by -0.1 MEUR (0.4).

PARENT COMPANY

The parent company's earnings before taxes in the fourth quarter amounted to 1.1 MEUR (52.0) and to 31.7 MEUR (38.4) for the full year. The equity was 4,553.0 MEUR (4,688.7). The equity ratio of the parent company was 55 per cent (58). Liquid funds including unutilised credit limits were 1,272.8 MEUR (1,307.2).



Hexagon acquired Industrial Business Solutions, Inc. (IBS), a US-based owner and developer of a unique cloud software suite with focus on Completions & Commissioning that enables industrial enterprises to report and oversee multi-discipline tasks in real time. IBS completes the digital project ecosystem, creating a virtual representation of a project across its entire life cycle (i.e., a digital twin) using real-time data to optimize business performance.

ACCOUNTING PRINCIPLES

Hexagon applies International Financial Reporting Standards (IFRS) as adopted by the European Union. Hexagon's report for the Group is prepared in accordance with IAS 34, "Interim Financial Reporting" and the Annual Accounts Act. Parent company accounts are prepared in accordance with the Annual Accounts Act. Accounting principles and calculation methods are unchanged from those applied in the Annual Report for 2016. New and amended standards applicable from 2017 have not had any significant impact on the financial statements.

The group applies IFRS 15 Revenue From Contracts with Customers from 1 January 2018. The standard replaces all former published standards and interpretations about revenues with a comprehensive model of revenue recognition. The standard provides a five-step model for revenue recognition from contracts with customers. According to previous regulations, revenues are to be recognised when the essential risk and rewards associated with the goods or services are transferred to the buyer. The new model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is then recognised.

Hexagon applies IFRS 15 retrospectively. The practical expedients below have been applied at transition:

- No restatement has been done of contracts that are completed contracts at 1 January 2017.
- For completed contracts with variable consideration, Hexagon has chosen to use the transaction price at completion of contract rather than estimating variable consideration.
- Contract modifications before 1 January 2017 have not been recalculated.

- For reporting periods presented before the date of initial application, no disclosure will be presented about the amount of the transaction price allocated to remaining performance obligations.

In the financial reports for periods beginning after 1 January 2018, the comparative figures for 2017 will be restated. The transition to IFRS 15 implies that for certain contracts revenue cannot be recognised by applying the percentage of completion method and the revenue might be recognised at another point in time. The fact that the performance obligations of a contract must be identified and revenue for each performance obligation recognized when it is completed have affected the timing of the group's revenue recognition. Capitalization of sales commissions has also led to minor adjustments in the transition to IFRS 15. The impact on earnings for 2017 amounts to -2.6 MEUR. The total effect of the transition will be adjusted in opening equity for 2017 and amounts to -17.8 MEUR. Further information will be presented in the Annual Report 2017.

From 1 January 2018, IFRS 9 Financial Instruments is also applied. The standard replaces IAS 39 Financial Instruments: Recognition and Measurement and provides a model for classification and measurement of financial assets and liabilities, extended disclosure requirements for risk management and the effect of hedge accounting, and a new model for impairment of financial assets based on expected loss. Financial instruments that would affect the Hexagon financial statements if remeasured occur in limited extent and the result of the analysis performed, shows that the standard will not have any significant impact on measurement and thereby the financial statements. The analysis by IFRS 9 methodology and Hexagon's experience also shows that the standard will not have a significant impact on the group's reserve for

credit loss. As there is no significant impact on Hexagon's financial statements, there will be no adjustment of opening balances.

RISKS AND UNCERTAINTY FACTORS

As an international group, Hexagon is exposed to a number of business and financial risks. The business risks can be divided into strategic, operational and legal risks. The financial risks are related to such factors as exchange rates, interest rates, liquidity and the ability to raise funds. Risk management in Hexagon aims to identify, control and reduce risks. This work begins with an assessment of the probability of risks occurring and their potential effect on the Group. There has been no change in the risks facing the Group compared to what was reported in the Annual Report 2016.

RELATED PARTY TRANSACTIONS

No significant related party transactions have been incurred during the quarter.

ANNUAL GENERAL MEETING 2018

The AGM will be held on 4 May 2018 at 17:00 CET at City Conference Center Stockholm (Norra Latin), Drottninggatan 71 B. The composition of the Hexagon Nomination Committee for the Annual General Meeting 2018 is: Mikael Ekdahl (Chairman), Anders Oscarsson, AMF and AMF Fonder, Jan Andersson, Swedbank Robur fonder and Ossian Ekdahl, Första AP-fonden.

PROPOSED DIVIDEND

The Hexagon Board of Directors proposes a dividend of 0.53 EUR per share (0.48). The proposed record date will be 8 May and expected date for settlement is 16 May.

SUBSEQUENT EVENTS

No significant events affecting the financial reporting have occurred during the period between quarter-end and date of issuance of this report.

The Board of Directors and the President and CEO declare that this year-end report provides a true and fair overview of the Company's and the Group's operations, their financial position and performance, and describes material risks and uncertainties facing the Company and companies within the Group.

Stockholm, Sweden, 7 February 2018
Hexagon AB (publ)

Gun Nilsson
Chairman of the Board

Ola Rollén
President and CEO
Board Member

John Brandon
Board Member

Ulrika Francke
Board Member

Henrik Henriksson
Board Member

Märta Schörling Andreen
Board Member

Sofia Schörling Högberg
Board Member

Hans Vestberg
Board Member

This Year-End Report has not been reviewed by the Company's auditors.

Condensed Income Statement

MEUR	Q4 2017	Q4 2016	2017	2016
Net sales	953.0	849.5	3,448.4	3,149.2
Cost of goods sold	-360.0	-335.7	-1,327.2	-1,247.2
Gross earnings	593.0	513.8	2,121.2	1,902.0
Sales expenses	-170.8	-149.4	-655.9	-573.3
Administration expenses	-85.4	-75.5	-303.5	-269.1
Research and development expenses	-96.2	-84.1	-390.2	-333.1
Earnings from shares in associated companies	-0.1	0.1	-0.1	0.4
Capital loss from sale of shares in Group companies	-	0.7	-	0.7
Other income and expenses, net	0.3	3.1	-9.4	8.5
Operating earnings 1)	240.8	208.7	762.1	736.1
Financial income	1.3	1.1	5.6	4.8
Financial expenses	-8.0	-7.2	-28.3	-26.6
Earnings before taxes	234.1	202.6	739.4	714.3
Taxes	29.2	-38.5	-65.6	-135.7
Net earnings	263.3	164.1	673.8	578.6
Attributable to:				
Parent company shareholders	261.5	163.1	666.7	573.3
Non-controlling interest	1.8	1.0	7.1	5.3
1) of which non-recurring items	-6.3	-	-73.2	-
Earnings include depreciation, amortisation and impairments of	-63.6	-65.0	-284.7	-233.9
- of which amortisation of surplus values	-12.1	-9.0	-44.9	-35.2
Basic earnings per share, EUR	0.73	0.45	1.85	1.59
Earnings per share after dilution, EUR	0.72	0.45	1.84	1.59
Total shareholder's equity per share, EUR	12.78	12.70	12.78	12.70
Closing number of shares, thousands	360,443	360,443	360,443	360,443
Average number of shares, thousands	360,443	360,443	360,443	360,433
Average number of shares after dilution, thousands	361,702	360,649	361,589	360,879

Condensed Comprehensive Income

MEUR	Q4 2017	Q4 2016	2017	2016
Net earnings	263.3	164.1	673.8	578.6
Other comprehensive income				
Items that will not be reclassified to income statement				
Remeasurement of pensions	17.5	25.4	47.4	-9.4
Taxes on items that will not be reclassified to income statement	-3.3	-1.8	-6.6	1.8
Total items that will not be reclassified to income statement, net of taxes	14.2	23.6	40.8	-7.6
Items that may be reclassified subsequently to income statement				
Exchange rate differences	-61.5	182.6	-530.3	69.8
Effect of hedging of net investments in foreign operations	-	0.1	-	-0.1
Taxes on items that may be reclassified subsequently to income statement	2.9	0.3	24.4	3.9
Total items that may be reclassified subsequently to income statement, net of taxes	-58.6	183.0	-505.9	73.6
Other comprehensive income, net of taxes	-44.4	206.6	-465.1	66.0
Total comprehensive income for the period	218.9	370.7	208.7	644.6
Attributable to:				
Parent company shareholders	216.8	369.4	202.4	639.5
Non-controlling interest	2.1	1.3	6.3	5.1

Condensed Balance Sheet

MEUR	31/12 2017	31/12 2016
Intangible fixed assets	6,408.3	5,870.8
Tangible fixed assets	281.2	294.8
Financial fixed assets	40.4	21.1
Deferred tax assets	83.9	55.0
Total fixed assets	6,813.8	6,241.7
Inventories	417.0	426.7
Accounts receivable	897.7	788.0
Other receivables	92.0	71.0
Prepaid expenses and accrued income	99.3	102.7
Total current receivables	1,089.0	961.7
Cash and cash equivalents	309.4	284.0
Total current assets	1,815.4	1,672.4
Total assets	8,629.2	7,914.1
Equity attributable to parent company shareholders	4,606.2	4,576.8
Equity attributable to non-controlling interest	11.9	14.0
Total shareholders' equity	4,618.1	4,590.8
Interest bearing liabilities	1,960.2	1,476.2
Other liabilities	48.6	77.9
Pension liabilities	82.3	132.0
Deferred tax liabilities	446.5	472.7
Other provisions	8.5	3.8
Total long-term liabilities	2,546.1	2,162.6
Interest bearing liabilities	301.8	240.6
Accounts payable	190.4	175.7
Other liabilities	255.9	184.3
Other provisions	28.1	20.8
Deferred income	351.2	254.3
Accrued expenses	337.6	285.0
Total short-term liabilities	1,465.0	1,160.7
Total equity and liabilities	8,629.2	7,914.1

Financial instruments

In Hexagon's balance sheet derivatives and other long-term securities holdings are carried at fair value. Derivatives are measured at fair value based on valuation techniques with observable market data as input (level 2 according to definition in IFRS 13). Other long-term securities holdings amount to insignificant numbers. Liabilities for contingent considerations are measured at fair value and based on management's best estimation of the most probable outcome (level 3 according to definition in IFRS 13). Other assets and liabilities are carried at accrued cost.

For financial assets and liabilities that are carried at accrued cost, the fair value is deemed to be coincident with the carrying amount except for long-term liabilities to credit institutions. The difference between the fair value and the carrying amount for these long-term liabilities is deemed to be insignificant relative to the total balance sheet since the interest rate duration is short.

Condensed Statement of Changes in Equity

MEUR	2017	2016
Opening shareholders' equity	4,590.8	4,102.3
Total comprehensive income for the period 1)	208.7	644.6
Dividend	-181.4	-156.1
Closing shareholders' equity 2)	4,618.1	4,590.8
1) Of which: Parent company shareholders	202.4	639.5
Non-controlling interest	6.3	5.1
2) Of which: Parent company shareholders	4,606.2	4,576.8
Non-controlling interest	11.9	14.0

Number of Shares

	series A	series B	Total
2009-12-31 Total issued and outstanding	11,812,500	252,534,653	264,347,153
Sale of repurchased shares	-	20,070	20,070
Rights issue	3,937,500	83,845,572	87,783,072
2010-12-31 Total issued and outstanding	15,750,000	336,400,295	352,150,295
Rights issue	-	339,335	339,335
2011-12-31 Total issued and outstanding	15,750,000	336,739,630	352,489,630
Sale of repurchased shares	-	185,207	185,207
2012-12-31 Total issued and outstanding	15,750,000	336,924,837	352,674,837
Sale of repurchased shares	-	967,340	967,340
New issue, warrants exercised	-	1,354,800	1,354,800
2013-12-31 Total issued and outstanding	15,750,000	339,246,977	354,996,977
New issue, warrants exercised	-	2,392,236	2,392,236
2014-12-31 Total issued and outstanding	15,750,000	341,639,213	357,389,213
New issue, warrants exercised	-	2,947,929	2,947,929
2015-12-31 Total issued and outstanding	15,750,000	344,587,142	360,337,142
New issue, warrants exercised	-	106,000	106,000
2016-12-31 Total issued and outstanding	15,750,000	344,693,142	360,443,142
New issue, warrants exercised	-	-	-
2017-12-31 Total issued and outstanding 1)	15,750,000	344,693,142	360,443,142

¹⁾ As per 31 December 2017 there were in total 360,443,142 shares in the Company, of which 15,750,000 are of series A with ten votes each and 344,693,142 are of series B with one vote each.

Condensed Cash Flow Statement

MEUR	Q4 2017	Q4 2016	2017	2016
Cash flow from operations before change in working capital excluding taxes and interest	300.2	260.2	1,013.9	941.9
Taxes paid	-36.8	-21.5	-114.8	-92.1
Interest received and paid, net	-4.4	-5.2	-16.8	-17.7
Cash flow from operations before change in working capital	259.0	233.5	882.3	832.1
Cash flow from change in working capital	5.2	28.1	24.9	-50.0
Cash flow from operations	264.2	261.6	907.2	782.1
Investments tangible assets	-15.7	-13.1	-48.8	-50.9
Investments intangible assets	-60.7	-55.2	-226.8	-206.7
Operating cash flow before non-recurring items	187.8	193.3	631.6	524.5
Non-recurring cash flow 1)	-8.1	-1.3	-28.6	-7.9
Operating cash flow	179.7	192.0	603.0	516.6
Cash flow from other investing activities 2)	-85.2	-4.8	-928.9	-172.0
Cash flow after other investing activities	94.5	187.2	-325.9	344.6
Dividends paid	-8.1	-0.9	-181.4	-156.1
Cash flow from other financing activities	-107.4	-112.5	549.9	-130.5
Cash flow for the period	-21.0	73.8	42.6	58.0
Cash and cash equivalents, beginning of period	325.7	204.8	284.0	225.5
Effect of translation differences on cash and cash equivalents	4.7	5.4	-17.2	0.5
Cash flow for the period	-21.0	73.8	42.6	58.0
Cash and cash equivalents, end of period	309.4	284.0	309.4	284.0

¹⁾ Non-recurring cash flow consists of restructuring costs.

²⁾ Acquisitions and divestments in the full year 2017 totalled -915.3 MEUR (-170.6) and other was -13.6 MEUR (-1.4).

Key Ratios

	Q4 2017	Q4 2016	2017	2016
Operating margin, %	25.8	24.6	24.1	23.4
Profit margin before taxes, %	24.6	23.8	21.4	22.7
Return on shareholders' equity, 12 month average, %	14.8	13.7	14.8	13.7
Return on capital employed, 12 month average, %	12.6	11.9	12.6	11.9
Equity ratio, %	53.5	58.0	53.5	58.0
Net indebtedness	0.40	0.30	0.40	0.30
Interest coverage ratio	30.3	29.1	27.1	27.9
Average number of shares, thousands	360,443	360,443	360,443	360,433
Basic earnings per share excl. non-recurring items, EUR	0.54	0.45	1.83	1.59
Basic earnings per share, EUR	0.73	0.45	1.85	1.59
Cash flow per share, EUR	0.73	0.73	2.52	2.17
Cash flow per share before change in working cap, EUR	0.72	0.65	2.45	2.31
Share price, SEK	410.90	325.50	410.90	325.50
Share price, translated to EUR	41.74	34.07	41.74	34.07

Supplementary Information

NET SALES PER SEGMENT

MEUR	Q4 2017*	Q3 2017*	Q2 2017*	Q1 2017	2017*	Q4 2016	Q3 2016	Q2 2016	Q1 2016	2016
Geospatial Enterprise Solutions	455.6	418.1	429.8	403.0	1,706.5	420.1	390.6	399.2	369.4	1,579.3
Industrial Enterprise Solutions	503.7	441.6	443.9	375.1	1,764.3	429.4	389.1	396.6	354.8	1,569.9
Group	959.3	859.7	873.7	778.1	3,470.8	849.5	779.7	795.8	724.2	3,149.2

OPERATING EARNINGS (EBIT1) PER SEGMENT

MEUR	Q4 2017	Q3 2017	Q2 2017	Q1 2017	2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	2016
Geospatial Enterprise Solutions	116.9	100.5	103.9	91.0	412.2	101.5	88.7	88.9	75.7	354.8
Industrial Enterprise Solutions	133.3	110.8	110.5	89.2	443.9	110.2	96.3	103.0	89.6	399.1
Group costs	-3.1	-5.4	-6.6	-5.7	-20.8	-3.0	-5.2	-4.8	-4.8	-17.8
Group	247.1	205.9	207.8	174.5	835.3	208.7	179.8	187.1	160.5	736.1
Margin, %	25.8	24.0	23.8	22.4	24.1	24.6	23.1	23.5	22.2	23.4

NET SALES PER REGION

MEUR	Q4 2017*	Q3 2017*	Q2 2017*	Q1 2017	2017*	Q4 2016	Q3 2016	Q2 2016	Q1 2016	2016
EMEA	374.0	311.5	321.8	296.0	1,303.4	326.5	292.2	304.5	270.5	1,193.7
Americas	317.2	289.8	293.4	265.9	1,166.3	294.9	264.1	270.0	247.5	1,076.5
Asia	268.1	258.4	258.5	216.2	1,001.1	228.1	223.4	221.3	206.2	879.0
Group	959.3	859.7	873.7	778.1	3,470.8	849.5	779.7	795.8	724.2	3,149.2

EXCHANGE RATES

Average	Q4 2017	Q3 2017	Q2 2017	Q1 2017	2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	2016
SEK/EUR	0.1021	0.1046	0.1033	0.1052	0.1038	0.1025	0.1051	0.1078	0.1072	0.1056
USD/EUR	0.8491	0.8517	0.9094	0.9386	0.8864	0.9267	0.8960	0.8855	0.9069	0.9040
CNY/EUR	0.1284	0.1277	0.1325	0.1363	0.1311	0.1356	0.1344	0.1355	0.1386	0.1360
CHF/EUR	0.8604	0.8848	0.9228	0.9347	0.9000	0.9260	0.9183	0.9123	0.9122	0.9174
Closing	Q4 2017	Q3 2017	Q2 2017	Q1 2017	2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	2016
SEK/EUR	0.1016	0.1036	0.1037	0.1049	0.1016	0.1047	0.1039	0.1061	0.1084	0.1047
USD/EUR	0.8338	0.8470	0.8763	0.9354	0.8338	0.9487	0.8960	0.9007	0.8783	0.9487
CNY/EUR	0.1281	0.1273	0.1292	0.1358	0.1281	0.1366	0.1343	0.1356	0.1360	0.1366
CHF/EUR	0.8546	0.8728	0.9149	0.9349	0.8546	0.9312	0.9195	0.9202	0.9148	0.9312

* Operating net sales, i.e. excluding revenue adjustment (haircut)

Acquisitions

MEUR	MSC	Other	Acquisitions	
			2017	2016
Fair value of acquired assets and assumed liabilities				
Intangible fixed assets	242.9	25.4	268.3	52.2
Other fixed assets	31.4	1.4	32.8	7.2
Total fixed assets	274.3	26.8	301.1	59.4
Total current assets	100.4	19.8	120.2	42.3
Total assets	374.7	46.6	421.3	101.7
Total long-term liabilities	100.7	23.8	124.5	13.6
Total current liabilities	115.3	19.4	134.7	27.1
Total liabilities	216.0	43.2	259.2	40.7
Fair value of acquired assets and assumed liabilities, net	158.7	3.4	162.1	61.0
Shares in associated companies	-	-	-	-1.9
Goodwill	654.5	137.4	791.9	149.1
Total purchase consideration transferred	813.2	140.8	954.0	208.2
Less cash and cash equivalents in acquired companies			-37.9	-8.9
Adjustment for non-paid consideration and considerations paid for prior years' acquisitions			-0.8	-15.8
Cash flow from acquisition of companies/businesses			915.3	183.5

During 2017, Hexagon acquired the following companies:

- MiPlan Ltd, a provider of mobile software applications to increase productivity in mines, based in Australia
- IDS Georadar Australia, a distributor of structural health monitoring solutions
- MSC Software, a US-based provider of computer-aided engineering (CAE) solutions
- Catavolt Inc, a US-based mobile app platform provider
- VIREG GmbH, a German-based provider of simulation software solutions
- DST Computer Services S.A., a developer of piping stress analysis solutions for the nuclear industry, based in Switzerland
- FASys GmbH, a German developer of machine tools management software
- IDS Georadar North America, a distributor of structural health monitoring solutions, based in the USA
- InfraMeasure Inc., a US-based provider of measurement solutions for railroad and tunnelling applications
- Acquired a software business from Kronion GmbH, a German-based provider of data management and analytics solutions for discrete manufacturing
- Luciad, a Belgium-based provider of 5D visualisation and analysis solutions
- Plant Design Solution, a US-based software and service distributor
- Industrial Business Solutions Inc., a US-based provider of completion and commissioning management systems

Further information related to the acquisitions of MSC Software and Luciad, is presented in the acquisition analysis on page 16. The other acquisitions are individually assessed as immaterial from a group perspective which why only aggregated information is presented. The analysis of the acquired net assets is preliminary and the fair value might be subject to change. Contingent considerations are recognised to fair value (level 3 according to definition in IFRS 13) each reporting period and based on the latest relevant forecast for the acquired company. The valuation method is unchanged compared to the previous period. The estimated liability for contingent considerations amounted to 59.4 MEUR as of 31 December (118.4), whereof the fair value adjustment amounts to 53.7 MEUR. The fair value adjustment is offset by impairment of fixed assets and other fair value adjustments of current assets, including the impact from a review of ongoing projects performed in the second quarter of 2017.

Acquisition analysis

ACQUISITION OF MSC SOFTWARE

As of 26 April 2017, after customary regulatory approvals were received, Hexagon acquired MSC Software, a US-based leading provider of computer-aided engineering (CAE) solutions, including simulation software for virtual product and manufacturing process development. 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. In 2016 MSC generated proforma sales of 230 MUSD, with strong profitability and a high percentage of recurring revenue.

Background and reasons for the transaction

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 is a fully owned subsidiary of Hexagon and operate under the division Manufacturing Intelligence.

Purchase price of MSC amounted to 834 MUSD on a cash and debt free basis (Enterprise Value). The goodwill comprises expected synergies arising from the acquisition and the assembled workforce, which is not separately recognized. Synergies have primarily been identified to arise by increasing Hexagon's total market in excess of MSCs own market and by combining Hexagon and MSC technologies to develop new customer solutions.

From the date of acquisition, MSC has contributed 148.0 MEUR of net sales in 2017. If the acquisition had taken place at the beginning of the year, the contribution to net sales would have been 208.5 MEUR.

ACQUISITION OF LUCIAD

As of 4 October 2017, Hexagon acquired Luciad, a Belgian-based software company specialising in the visualisation and analysis of real-time geospatial information. In 2016 Luciad generated sales of 16 MEUR.

Background and reasons for the transaction

The acquisition strengthens Hexagon's ability to deliver smart digital realities, enhancing Hexagon's Smart M.App platform with 3D, 4D (real-time sensor feed integration) and 5D (dynamic analytics) capabilities. Luciad is a fully owned subsidiary of Hexagon and operates under the Geospatial business unit.

From the date of acquisition, Luciad has contributed 9.3 MEUR of net sales in 2017. If the acquisition had taken place at the beginning of the year, the contribution to net sales would have been 21.3 MEUR.

Condensed Parent Company Income Statement

MEUR	Q4 2017	Q4 2016	2017	2016
Net sales	2.7	11.9	18.5	20.2
Administration cost	-10.7	-14.1	-28.1	-26.9
Operating earnings	-8.0	-2.2	-9.6	-6.7
Earnings from shares in Group companies	-11.1	-	59.0	-
Interest income and expenses, net	-2.5	52.4	-40.4	43.3
Group contribution	22.7	1.8	22.7	1.8
Earnings before taxes	1.1	52.0	31.7	38.4
Taxes	5.8	-0.2	5.6	-0.2
Net earnings	6.9	51.8	37.3	38.2

Condensed Parent Company Balance Sheet

MEUR	31/12 2017	31/12 2016
Total fixed assets	7,375.6	7,203.6
Total current receivables	949.4	803.3
Cash and cash equivalents	0.7	15.6
Total current assets	950.1	818.9
Total assets	8,325.7	8,022.5
Total shareholders' equity	4,553.0	4,688.7
Total long-term liabilities	1,955.2	1,469.4
Total short-term liabilities	1,817.5	1,864.4
Total equity and liabilities	8,325.7	8,022.5

Definitions

In addition to the financial measures as required by the financial reporting framework based on IFRS, this report also includes other measures and indicators that are used to follow-up, analyze and manage the business. These measures also provide Hexagon stakeholders with useful financial information on the Group's financial position, performance and development in a consistent way. Below is a list of definitions of measures and indicators used in this report.

BUSINESS DEFINITIONS

Americas	North, South and Central America
Asia	Asia, Australia and New Zealand
EMEA	Europe, Middle East and Africa
GES	Geospatial Enterprise Solutions
IES	Industrial Enterprise Solutions

FINANCIAL DEFINITIONS

Amortization of surplus values	When a company is acquired, the purchase consideration is allocated to the identified assets and liabilities of the company. Intangible assets are most often allocated the substantial part of the purchase consideration. The amortization of surplus values is defined as the difference between the amortization of such identified intangible assets and what the amortization would have been in the acquired company had the acquisition not taken place at all
Capital employed	Total assets less non-interest bearing liabilities
Capital turnover rate	Net sales divided by average capital employed
Cash flow per share	Cash flow from operations, after change in working capital, excluding non-recurring items divided by average number of shares
Earnings per share	Net earnings excluding non-controlling interest divided by average number of shares
Equity ratio	Shareholders' equity including non-controlling interests as a percentage of total assets
Gross margin	Gross earnings divided by operating net sales
Interest coverage ratio	Earnings after financial items plus financial expenses divided by financial expenses
Investments	Purchases less sales of tangible and intangible fixed assets, excluding those included in acquisitions and divestitures of subsidiaries
Net debt	Interest-bearing liabilities including pension liabilities and interest-bearing provisions less cash and cash equivalents
Net indebtedness	Interest-bearing liabilities less interest-bearing current receivables and liquid assets divided by shareholders' equity excluding non-controlling interests
Non-recurring items	Income and expenses that are not expected to appear on a regular basis
Operating earnings (EBIT1)	Operating earnings excluding capital gains on shares in group companies and non-recurring items. Non-recurring items are excluded to facilitate the understanding of the Group's operational development and to give comparable numbers between periods
Operating earnings (EBITDA)	Operating earnings (EBIT 1) excluding amortisation, depreciation and impairment of fixed assets. The measure is presented to give depiction of the result generated by the operating activities
Operating margin	Operating earnings (EBIT1) as a percentage of operating net sales
Organic growth	Net sales compared to prior period excluding acquisitions and divestments and adjusted for currency exchange movements
Operating net sales	Net sales adjusted by the difference between fair value and book-value of deferred revenue regarding acquired businesses.
Profit margin before taxes	Earnings after financial items as a percentage of net sales
Return on capital employed (12 month average)	Twelve months to end of period earnings after financial items, excluding non-recurring items, plus financial expenses as a percentage of twelve months to end of period average capital employed. The twelve months average capital employed is based on average quarterly capital employed
Return on shareholders' equity (12 month average)	Twelve months to end of period net earnings excluding non-controlling interests as a percentage of twelve months to end of period average shareholders' equity excluding non-controlling interests last twelve months. The twelve months average shareholders equity is based on quarterly average shareholders equity
Shareholders' equity per share	Shareholders' equity excluding non-controlling interests divided by the number of shares at year-end
Share price	Last settled transaction on Nasdaq Stockholm on the last business day for the period



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 18,000 employees in 50 countries and net sales of approximately 3.5bn EUR. Learn more at hexagon.com.

FINANCIAL REPORT DATES

Hexagon gives financial information at the following occasions:

Interim report Q1 2018	4 May 2018
Interim report Q2 2018	31 July 2018
Interim report Q3 2018	1 November 2018
Year-End report 2018	6 February 2019

FINANCIAL INFORMATION

Financial information is available in Swedish and English at the Hexagon website and can also be ordered via phone +46 8 601 26 20 or e-mail ir@hexagon.com

TELEPHONE CONFERENCE

The Year-End Report 2017 will be presented on 7 February at 10:00 CET at a telephone conference. Please view instructions at Hexagon's website on how to participate.

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 7 February 2018.

This communication may contain forward-looking statements. When used in this communication, words such as "anticipate", "believe", "estimate", "expect", "intend", "plan" and "project" are intended to identify forward-looking statements. They may involve risks and uncertainties, including technological advances in the measurement field, product demand and market acceptance, the effect of economic conditions, the impact of competitive products and pricing, foreign currency exchange rates and other risks. These forward-looking statements reflect the views of Hexagon's management as of the date made with respect to future events and are subject to risks and uncertainties. All of these forward-looking statements are based on estimates and assumptions made by Hexagon's management and are believed to be reasonable, though are inherently uncertain and difficult to predict. Actual results or experience could differ materially from the forward-looking statements. Hexagon disclaims any intention or obligation to update these forward-looking statements.



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