

Press Release

Stockholm, Sweden, 5 July 2019

Hexagon announces the impact of a slowdown in China and related restructuring program

Having experienced favorable growth in China over recent quarters, Hexagon has seen a much weaker than expected development in June. The main reason for the slowdown has been the impact of increased geopolitical uncertainties on global trade, especially within the electronics business of the Manufacturing Intelligence division in China. Demand in the other markets and divisions has remained broadly in line with what has been previously communicated.

Preliminary reporting indicates revenue of approximately 975 MEUR in Q2 2019, corresponding to organic growth of -1 per cent for the group (FX 2 per cent, structure 3 per cent and recorded 4 per cent) and with organic growth of 3 per cent for GES and -5 per cent for IES. EBIT1 (operating earnings excluding non-recurring items) for the group is expected to be approximately 237 MEUR (Q2 2018: 228 MEUR).

Hexagon has taken proactive restructuring actions to ensure the company remains on track to meet its 2021 financial targets. Overall, Hexagon has taken a one-off charge of 44 MEUR during Q2 2019 to reduce its global workforce by approximately 700 employees, which is expected to result in annualised cost savings of 51 MEUR by the end of 2020.

Hexagon will release its Interim Report for the second quarter 2019 on Friday 26 July at 08:00 CET. As always, a combined telephone conference and live webcast (in English) concerning the report will be presented by President and CEO Ola Rollén on the same day at 10:00 CET.

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Hexagon is a global leader in sensor, software and autonomous technologies. We are putting data to work to boost efficiency, productivity, and quality across industrial, manufacturing, infrastructure, safety, and mobility applications.

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

Hexagon (Nasdaq Stockholm: HEXA B) has approximately 20,000 employees in 50 countries and net sales of approximately 3.8bn EUR. Learn more at hexagon.com and follow us [@HexagonAB](https://twitter.com/HexagonAB).