



Press release, Malmö, Sweden, Sep 28, 2018

HEXPOL acquires 80 percent of the shares in MESGO Group, a notable Italian high performance elastomers compounder

HEXPOL has signed an agreement to acquire 80 percent of the shares in MESGO Group from the existing main owner Mr. Francesco Caldara and co-owners. MESGO Group is an industry leader in high performance elastomers as fluorocarbons and silicone. In addition, MESGO also specializes in conventional rubber compounds and thermoplastics. The major customer segments MESGO focuses on are industry, consumer products, transportation and automotive. MESGO Group has an annual sale of around 100 MEUR with around 180 employees in six facilities.

With this acquisition HEXPOL takes a strategic move in to high performance elastomers, where MESGO has cutting-edge knowhow. MESGO has state of the art facilities in Carobbio and Gorlago in Italy and in Poland and Turkey. MESGO has also facilities specializing in thermoplastics and masterbatches in Garlasco and Grigno in Italy.

The acquired business has an EBITDA margin in line with the HEXPOL Group.

Francesco Caldara, MESGO's CEO remarks; *"I'm enthusiastic about this industrial partnership with HEXPOL. I'm convinced that this opportunity will strengthen our Group, give continuity to its growth and accelerate its international expansion. With its sizeable installed base of customers, HEXPOL is uniquely positioned across the growing compounding industry and will allow us to reach new markets and qualified customers. With this new project, together with the management's continued commitment, we will make the best use of our technology and further excel our production efficiency"*.

Francesco Caldara, CEO MESGO Group

"The acquisition of MESGO is adding new capabilities, application knowhow and a new customer base to HEXPOL Compounding Europe as well as broadens and strengthens our presence in the European market."

Ralph Wolkener/Carsten Rüter, President HEXPOL Compounding Europe

"MESGO is a leading compounder in high performance elastomers, and with this acquisition HEXPOL thereby adds a new important platform of high value added solutions. With MESGO's excellent material and application knowhow, very strong position in Italy, and local manufacturing in Poland and Turkey, we are adding new significant competences and geographical markets to the HEXPOL Group. This, combined with HEXPOL's global reach, will allow us to leverage into further markets. I also appreciate the Caldara family's decision and commitment to remain as minority owner, and look forward to a successful cooperation."

Mikael Fryklund CEO HEXPOL Group

The acquisition price amounts to approximately 168 MEUR on a cash and debt free basis and is funded by a combination of bank facilities and cash. The closing is planned to take place on October 1, 2018. Pursuant to the agreement, HEXPOL has an option to acquire remaining shares, and the Caldara family has an option to sell their remaining shares to HEXPOL.

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HEXPOL is a world-leading polymers group with strong global market positions in advanced polymer compounds (Compounding), gaskets for plate heat exchangers (Gasket), and plastic and rubber materials for truck and castor wheel applications (Wheels). Customers are primarily system suppliers to the global automotive and engineering industry, the construction sector, the energy, oil, and gas sector, medical equipment manufacturers and OEM manufacturers of plate heat exchangers and forklifts. The Group is organised in two business areas, HEXPOL Compounding and HEXPOL Engineered Products. The HEXPOL Group's sales in 2017 amounted to 12,230 MSEK. The HEXPOL Group has approximately 4,400 employees in eleven countries. Further information is available at www.hexpol.com.

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