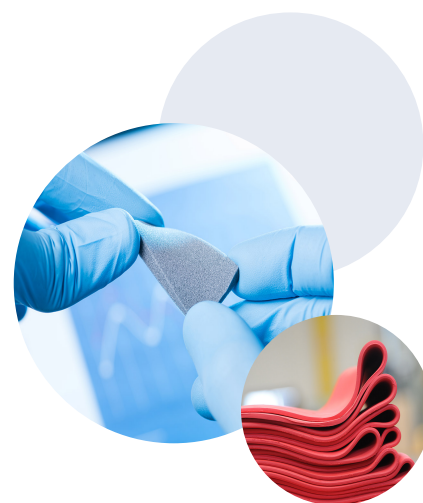


Published on July 17, 2020

Half-year report

January - June 2020



SECOND QUARTER 2020

- Sales decreased by 31 percent to 2,526 MSEK (3,685).
- Operating profit, excl. non-recurring items, amounted to 209 MSEK (551).
- Operating margin, excl. non-recurring items, amounted to 8.3 percent (15.0).
- Profit after tax amounted to 122 MSEK (413).
- Earnings per share, excl. non-recurring items, decreased by 66 percent to 0.41 SEK (1.20). Earnings per share including these items amounted to 0.35 SEK (1.20).
- Operating cash flow amounted to 225 MSEK (709).
- Non-recurring items, before tax, amounted to 26 MSEK (0).

FIRST HALF-YEAR 2020

- Sales decreased by 11 percent to 6,694 MSEK (7,490).
- Operating profit, excl. non-recurring items, amounted to 796 MSEK (1,137).
- Operating margin, excl. non-recurring items, amounted to 11.9 percent (15.2).
- Profit after tax amounted to 527 MSEK (851).
- Earnings per share, excl. non-recurring items, decreased by 31 percent to 1.70 SEK (2.47). Earnings per share including these items amounted to 1.53 SEK (2.47).
- Operating cash flow amounted to 752 MSEK (1,063).
- Non-recurring items, before tax, amounted to 76 MSEK (0).

” Despite a significant impact on sales and profit from Covid-19, we delivered an adjusted EBITA margin of 9.1% in the quarter”

Peter Rosén, Acting CEO and CFO

ABOUT HEXPOL

HEXPOL is a world-leading polymers group with strong global positions in advanced polymer compounds (Compounding), gaskets for plate heat exchangers (Gaskets and Seals), and wheels made of plastic and rubber materials for truck and tractor wheel applications (Wheels). Customers are primarily system suppliers to the global automotive and engineering industry, building and construction industry and within sectors as transportation, energy, oil/gas, consumer and cable industry and manufacturers of medical equipment, plate heat exchangers and forklifts. The Group is organized in two business areas, HEXPOL Compounding and HEXPOL Engineered Products. The HEXPOL Group's sales in 2019 amounted to 15,508 MSEK and the Group has approximately 4,800 employees in fourteen countries.

Comments from CEO

The second quarter showed sales of 2,526 MSEK, a decrease by 31 percent compared to the same quarter previous year. The lower sales were affected by Covid-19 and its impact on both the countries we are in and the customers we supply with our products. We reduced our costs considerably during the second quarter compared to the first quarter, but the lower sales still impacted and we saw an adjusted EBITA of 229 MSEK, which corresponds to a margin of 9.1 percent. At the same time, we further strengthened our equity-assets ratio compared to previous year to 63 percent.

The impact from the Covid-19 pandemic was significant during the second quarter with partially closed countries and low demand from most of the customers, not least from the automotive industries. Almost all automotive manufacturers in Europe and US closed their production for most of the quarter, which led to a sharp drop in the demand of our products. During the quarter, we mainly saw negative effects on demand in April and May, while June, albeit from low levels, showed increasing demand when several automotive customers started up again. At the same time, all our plants are open and we do not experience any significant problem with either raw material supply or delivery of goods to our customers.

To meet and try to compensate the lower demand, we have continued the intensive work that started in the beginning of the year, with lowering the costs. We have introduced among other things short term work at all our units. The way it is implemented varies between the different countries in line with the laws and regulations of each country. In addition, we have also implemented further significant cost savings through reduction of the number of employees, both in production and among white-collar workers.

HEXPOL's experienced and decentralized organization shows its strength in situations like this with major and varied challenges. Every unit acts fast and adapts to the conditions that apply locally, both to be able to support our customers but also to secure our financial position. At the same time, all necessary processes and resources are coordinated centrally to benefit in the best possible way of our global position.

When we look ahead it is obvious that the Covid-19 pandemic and the measures taken around the world has a substantial impact on all of us. Not least, there is a great uncertainty about what we can expect going forward.

It is our belief that HEXPOL's combination of financial strength and decentralized organization gives us good conditions to get us through this in a good way.



Peter Rosén
Acting CEO & CFO

Sales
-31%

EBITA margin *
9.1%
* Excl. non-recurring items

Equity/assets ratio
63%

Group Summary

Key figures	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full Year	Jul 19-
MSEK	2020	2019	2020	2019	2019	Jun 20
Sales	2 526	3 685	6 694	7 490	15 508	14 712
EBITA, excl. non-recurring items	229	566	836	1 173	2 320	1 983
EBITA margin, excl. non-recurring items, %	9,1	15,4	12,5	15,7	15,0	13,5
EBITA	203	566	760	1 173	2 121	1 708
EBITA margin, %	8,0	15,4	11,4	15,7	13,7	11,6
Operating profit, EBIT, excl. non-recurring items	209	551	796	1 137	2 242	1 901
Operating margin, EBIT, excl. non-recurring items, %	8,3	15,0	11,9	15,2	14,5	12,9
Operating profit, EBIT	183	551	720	1 137	2 043	1 626
Operating margin, EBIT %	7,2	15,0	10,8	15,2	13,2	11,1
Profit before tax	167	548	702	1 130	2 008	1 580
Profit after tax	122	413	527	851	1 542	1 218
Earnings per share, excl. non-recurring items, SEK	0,41	1,20	1,70	2,47	4,93	4,16
Earnings per share after dilution, SEK	0,35	1,20	1,53	2,47	4,48	3,54
Equity/assets ratio, %			-1	-1	-1	
Return on capital employed, % R12			11,5	19,1	15,2	
Operating cash flow	225	709	752	1 063	2 607	2 296



Group development

Second quarter 2020

Sales

The HEXPOL Group's sales amounted to 2,526 MSEK (3,685) during the quarter, a decrease by 31 percent. Acquisition (Preferred Compounding) increased sales by 8 percent, exchange rate fluctuations by 0 percent while the organic sales decreased by 39 percent.

The HEXPOL Compounding business area's sales decreased during the quarter by 33 percent to 2,290 MSEK (3,418) despite the acquisition of Preferred Compounding in 2019. The acquisition contributed with 8 percent, currency effects by 0 percent while the organic sales decreased by 41 percent. The sales became lower as a result of the Covid-19 pandemic impact on our customers. During the first two months in the quarter we saw, among other things that the automotive industry closed its production in Europe and US and then started up again in June, however still with historically low volumes. With a few exceptions, we also saw generally lower demand from the other customer segments affected by Covid-19.

The raw material prices on our main raw materials were slightly lower than the corresponding quarter previous year.

The HEXPOL Engineered Products were also affected by the pandemic and the sales decreased during the quarter compared with the corresponding quarter 2019 and amounted to 236 MSEK (267).

From a geographical perspective the sales in America decreased by 33 percent while the sales decreased in Europe and Asia by 32 respectively 11 percent compared to the corresponding quarter previous year.

Earnings

Operating profit before amortization of intangible assets and excluding non-recurring items, EBITA, amounted to 229 MSEK (566), which meant a corresponding EBITA margin of 9.1 percent (15.4). Exchange rate fluctuations affected the operating profit positively in the quarter by 8 MSEK.

Operating profit, excluding non-recurring items, decreased to 209 MSEK (551) while the operating margin amounted to 8.3 percent (15.0). The lower margin was mainly affected by the lower organic volume driven by Covid-19 but also by the slightly lower margin at the acquired Preferred Compounding. Operating profit amounted to 183 MSEK (551).

Non-recurring items, regarding restructuring costs, amounted to 26 MSEK (0). Specification can be found in note 2.

The Group's net financial items amounted to an expense of 16 MSEK (expense 3) and profit before tax 167 MSEK (548). Profit after tax amounted to 122 MSEK (413) and earnings per share 0.35 SEK (1.20). Earnings per share, adjusted for non-recurring items, amounted to 0.41 SEK (1.20).

Sales
2,526 MSEK

EBITA *
229 MSEK
* Excl. non-recurring items

First half-year 2020

Sales

The HEXPOL Group's sales decreased by 11 percent during the first half-year to 6,694 MSEK (7,490). Acquisition (Preferred Compounding) increased the sales by 11 percent, exchange rate fluctuations by 2 percent while the organic sales decreased by 24 percent.

The HEXPOL Compounding business area's sales decreased during the first half-year by 11 percent to 6,196 MSEK (6,957). After a first quarter with increased sales, the sales fell considerably during the second quarter driven by Covid-19. The acquisition of Preferred Compounding contributed with 12 percent, positive currency effects contributed with 2 percent while the organic sales decreased by 25 per cent. The lower sales comes as a result of the Covid-19 pandemic. During the first two months of the second quarter we saw, among other things that the automotive industry closed its production in Europe and US. The production started up again during June, however with historically low volumes. With a few exceptions, we also saw generally lower demand from the other customer segments affected by Covid-19.

The HEXPOL Engineered Products sales decreased slightly during the first half-year and amounted to 498 MSEK (533).

From a geographical perspective the sales in America decreased by 6 percent while the sales decreased in Europe and Asia by 17 respectively 6 percent compared to the corresponding quarter previous year.

Earnings

Operating profit before amortization of intangible assets and excluding non-recurring items, EBITA, amounted to 836 MSEK (1,173), which meant a corresponding EBITA margin of 12.5 percent (15.7). Exchange rate fluctuations affected the operating profit positively in the first half-year by 30 MSEK.

Operating profit, excluding non-recurring items, was stable by 796 MSEK (1,137) while the operating margin amounted to 11.9 percent (15.2). The lower margin was mainly affected by the lower organic volume driven by Covid-19 but also by the slightly lower margin at the acquired Preferred Compounding. Operating profit amounted to 720 MSEK (1,137).

Non-recurring items, regarding restructuring costs, amounted to 76 MSEK (0). Specification can be found in note 2.

The Group's net financial items amounted to an expense of 18 MSEK (expense 7) and profit before tax 702 MSEK (1,130). Profit after tax amounted to 527 MSEK (851) and earnings per share 1.53 SEK (2.47). Earnings per share, adjusted for non-recurring items, amounted to 1.70 SEK (2.47).

Sales

6,694 MSEK

EBITA *

836 MSEK

* Excl. non-recurring items

Financial overview

Equity/assets ratio

The equity/assets ratio was strong and increased to 63 percent (58). The Group's total assets increased to 16,131 MSEK (15,720). Net debt increased to 1,778 MSEK (1,425) whereof 425 MSEK (347) relates to financial leasing liabilities according to IFRS 16, which gives a net debt/EBITDA of 0.85 (0.57). The Group's total assets and net debt increased mainly due to the acquisition of Preferred Compounding in July 2019.

The Group had the following major credit agreements with Nordic banks as per June 30:

- A credit agreement with a limit of 125 MUSD due in February 2021
- A credit agreement with a limit of 1,500 MSEK due in August 2021
- A credit agreement with a limit of 2,000 MSEK due in July 2022
- A credit agreement with a limit of 1,500 MSEK due in September 2022

Cash flow

The operating cash flow for the Group decreased in the second quarter to 225 MSEK (709), a decrease by 68 percent compared to the corresponding period previous year. The decrease is driven by the lower result. Cash flow from operating activities amounted to 226 MSEK (564). Operating cash flow for the first half-year was 752 MSEK (1,063) while cash flow from operating activities was 754 MSEK (881).

Investments, depreciation and amortisation

The Group's investments amounted to 64 MSEK (57) for the quarter and refers mainly to regular maintenance investments. At the same time, depreciation, amortisation and impairment amounted to 93 MSEK (100) whereof 23 MSEK (18) relates to leased assets according to IFRS 16. The investments amounted to 135 MSEK (103) during the first half-year, while depreciation and amortization amounted to 228 MSEK (204). Of these refers 46 MSEK (37) to leased assets, according to IFRS 16.

Tax expenses

The Group's tax expenses amounted to 45 MSEK (135) during the second quarter, which corresponds to a tax rate of 26.9 percent (24.6). Tax expenses during the first half-year amounted to 175 MSEK (279), which corresponds to a tax rate of 24.9 percent (24.7).

Profitability

The return on average capital employed, R12, amounted to 11.5 percent (19.1). The return on shareholders' equity, R12, amounted to 12.0 percent (18.9).

Parent Company

The Parent Company's profit after tax for the second quarter amounted to 179 MSEK (174). Profit after tax amounted to 142 MSEK (168) for the first half-year. Shareholders' equity increased to 5,049 MSEK (3,814).

Net debt/EBITDA
0.85

HEXPOL Compounding

Second quarter 2020

The sales decreased by 33 percent to 2,290 MSEK (3,418) affected by Covid-19. The acquisition of Preferred Compounding contributed with 8 percent, currency effects contributed with 0 percent while the organic sales decreased by 41 percent. The pandemic affected most all customers negatively but the automotive industry appears among the hardest hit. During the first two months of the quarter, the production was basically at a stand still in both Europe and US. The production started again during June, but at a slow pace with historically low volumes.

The raw material prices on our main raw materials were slightly lower than the corresponding quarter previous year.

Operating profit, excluding non-recurring items, amounted to 178 MSEK (516) and the corresponding operating margin amounted to 7.8 percent (15.1). The lower margin was negatively affected mainly by lower organic volume but also by the slightly lower margin at the acquired Preferred Compounding.

HEXPOL Compounding Americas sales decreased during the quarter despite the acquisition of Preferred Compounding. The business area saw sales decreases to a majority of the customer segments where mainly the automotive industry, but also general industry were negatively affected. Excluding the acquisition, we saw the same development with lower organic sales and also then mainly to automotive and to general industry.

The sales for HEXPOL Compounding Europe, decreased during the quarter mainly to customers within automotive and general industry.

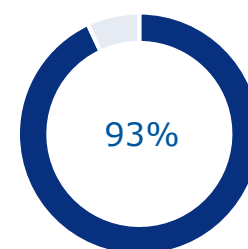
HEXPOL Compounding Asia's sales decreased slightly compared with the corresponding quarter previous year, affected by lower sales to automotive.

HEXPOL Thermoplastic Compounding showed lower sales affected by closed plants at automotive customers.

The sales for HEXPOL TPE Compounding also showed a slightly lower sales compared to the same quarter previous year. At the same time, we saw growth at some customers within for example the medical segment.

Share of the Group's sales

January-June 2020



About HEXPOL Compounding

The business area is one of the world's leading suppliers in development and manufacturing of advanced, high-quality polymer compounds for demanding applications and demanding end users. Customers are manufacturers of polymer products and components who impose rigorous demands on performance and global delivery capacity. The market is global and the largest end-customer segments are the automotive and engineering industries, followed by the building and construction sector. Other key segments are transportation sector, energy, oil and gas sector, consumer sector, cable industries and manufacturers of medical equipment.

First half-year 2020

The sales for HEXPOL Compounding decreased by 11 percent to 6,196 MSEK (6,957) affected by Covid-19. At the same time, operating profit, excluding non-recurring items, amounted to 732 MSEK (1,069), which corresponds to an operating margin of 11.8 percent (15.4).

HEXPOL Compounding

MSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019	Jul 19- Jun 20
Sales	2 290	3 418	6 196	6 957	14 465	13 704
Operating profit, excl. non-recurring items	178	516	732	1 069	2 109	1 772
Operating margin, excl. non-recurring items, %	7,8	15,1	11,8	15,4	14,6	12,9
Operating profit, EBIT	159	516	663	1 069	1 910	1 504

HEXPOL Engineered Products

Second quarter 2020

The sales decreased by 12 percent compared to the corresponding period previous year and amounted to 236 MSEK (267). The sales were negatively affected by the Covid-19, although to a lesser extent compared with HEXPOL Compounding. Operating profit amounted to 31 MSEK (35) and the corresponding operating margin was stable at 13.1 percent (13.1).

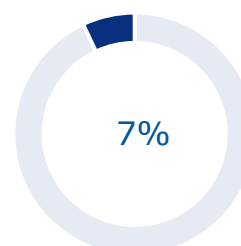
All three product area's, Gaskets, Profiles and Wheels showed a slightly lower sales compared to the corresponding period previous year.

First half-year 2020

The sales decreased for the first half-year by 7 percent to 498 MSEK (533) affected by Covid-19. Operating profit, excluding non-recurring items, amounted to 64 MSEK (68) with an increased operating margin of 12.9 percent (12.8).

Share of the Group's sales

January-June 2020



About HEXPOL Engineered Products

The business area has operations in a number of niche areas with strong global positions in gaskets for plate heat exchangers (Gaskets and Seals) and polyurethane, rubber and plastic wheels for forklifts and material handling (Wheels). The market for gaskets and wheels is global. Gaskets customers include manufacturers of plate heat exchangers and wheel customers are manufacturers of forklifts and castor wheels.

HEXPOL Engineered Products

MSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019	Jul 19- Jun 20
Sales	236	267	498	533	1 043	1 008
Operating profit, excl. non-recurring items	31	35	64	68	133	129
Operating margin, excl. non-recurring items, %	13,1	13,1	12,9	12,8	12,8	12,8
Operating profit, EBIT	24	35	57	68	133	122

After the end of the period

The Covid-19 pandemic continue to create high uncertainty as regards demand on the company's products.

Other information

Risk factors

The Group's and Parent Company's business risks, risk management and management of financial risks are described in detail in the 2019 Annual Report. The Covid-19 pandemic outbreaks have a major impact on the world and HEXPOL. At present, it is very difficult to estimate or quantify the risks related to this, but the negative effect is likely to be significant, both in terms of sales and earnings. The Board and management follows the development closely.

Accounting policies

This half-year report has been prepared in accordance with IAS 34, Interim Financial Reporting. The Parent Company's financial statements have been prepared in compliance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Reporting for Legal Entities. The accounting and measurement policies as well as the assessment bases, applied in the 2019 Annual Report have also been applied in this half-year report. No new or revised IFRS that came into force 2020 have had any significant impact on the Group's financial reports.

Alternative Performance Measures (APMs)

ESMA (European Securities and Markets Authority) guidelines on alternative performance measures are effective from 2016. HEXPOL presents financial definitions and reconciliations of alternative performance measures in this report. HEXPOL presents alternative performance measures as these provide valuable additional information to investors and the company's management as they allow evaluation of the company's performance.

Personnel

The number of employees at the end of the period was 4,781 (4,629). The increase compared to the corresponding period previous year is explained by the acquisition of Preferred Compounding that was acquired in July 2019.

Number of
employees
4,781

Ownership structure

HEXPOL AB (publ.) with Corporate Registration Number 556108-9631 is the Parent Company of the HEXPOL Group. HEXPOL's Class B shares are listed on Nasdaq Stockholm, Large Cap. HEXPOL AB had 12,000 shareholders on June 30, 2020. The largest shareholder is Melker Schörling AB with 25 percent of the capital and 46 percent of the voting rights. The twenty largest shareholders own 68 percent of the capital and 77 percent of the voting rights.

Status of recruitment of President and CEO

The management and governance of the Group works well with the combination of acting CEO Peter Rosén and daily support by the Chairman of the Board Georg Brunstam. The Covid-19 situation places demands on stable and experienced management at the same time as it complicates an optimal CEO recruitment. The Board's assessment is therefore that the current well functioning constellation will continue during the first part of 2021.

Invitation to presentation of the report

A presentation of this report will be held through a webcasted conference call on July 17 at 12:00 a.m. CET. The presentation, as well as information concerning participations, is available at www.hexpol.com.



Financial calender

HEXPOL AB publish financial information on the following dates:

- Interim report January-September 2020 October 23, 2020

Financial information is also available in Swedish and English on HEXPOL AB's website – www.hexpol.com.

The half-year report January-June 2020 has not been audited by HEXPOL AB's auditors.

Board Assurance

The half-year report provides a fair view of the Parent Company's and the Group's operations, financial position and results. It also describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Malmö, Sweden July 17, 2020

HEXPOL AB (publ.)

Peter Rosén
Acting CEO and CFO

Georg Brunstam
Chairman of the Board

Alf Göransson

Malin Persson

Jan-Anders E. Månsson

Kerstin Lindell

Märtha Schörling Andreen

Gun Nilsson

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This report may contain forward-looking statements. When used in this report, words such as “anticipate”, “believe”, “estimate”, “expect”, “plan” and “project” are intended to identify forward-looking statements. Such statements could encompass risks and uncertainties pertaining to product demand, market acceptance, effects of economic conditions, impact of competitive products and pricing, foreign currency exchange rates and other risks. These forward-looking statements reflect the views of HEXPOL’s management as of the date made with respect to future events but are subject to risks and uncertainties. While all of these forward-looking statements are based on estimates and assumptions made by HEXPOL’s management and are believed to be reasonable, they are inherently uncertain and difficult to predict. Actual results and experience could differ materially from the forward-looking statements. HEXPOL disclaims any intention or obligation to update these forward-looking statements.

This information is information that HEXPOL AB (publ.) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act . The information was submitted for publication, through the agency of the contact person set out above, at 11:00 a.m. CET on July 17, 2020. This report has been prepared both in Swedish and English. In case of any divergence in the content of the two versions, the Swedish version shall have precedence.

Summary financial information

Condensed consolidated income statement

MSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019	Jul 19- Jun 20
Sales	2 526	3 685	6 694	7 490	15 508	14 712
Cost of goods sold	-2 110	-2 919	-5 388	-5 909	-12 430	-11 909
Gross profit	416	766	1 306	1 581	3 078	2 803
Selling and administrative cost, etc.	-233	-215	-586	-444	-1 035	-1 177
Operating profit	183	551	720	1 137	2 043	1 626
Financial income and expenses	-16	-3	-18	-7	-35	-46
Profit before tax	167	548	702	1 130	2 008	1 580
Tax	-45	-135	-175	-279	-466	-362
Profit after tax	122	413	527	851	1 542	1 218
- of which, attributable to Parent Company shareholders	122	413	527	851	1 542	1 218
Earnings per share before dilution, SEK	0,35	1,20	1,53	2,47	4,48	3,54
Earnings per share after dilution, SEK	0,35	1,20	1,53	2,47	4,48	3,54
Earnings per share, excl non recurring items, SEK	0,41	1,20	1,70	2,47	4,93	4,16
Shareholders' equity per share, SEK			29,52	26,35	28,34	
Average number of shares, 000s	344 201	344 201	344 201	344 201	344 201	344 201
Depreciation, amortisation and impairment	-93	-100	-228	-204	-447	-471

Condensed statement of comprehensive income

MSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019	Jul 19- Jun 20
Profit after tax	122	413	527	851	1 542	1 218
Items that will not be reclassified to the income statement						
Remeasurements of defined benefit pension plans	-	0	-	0	-2	-2
Income tax relating to items that will not be reclassified to the income statement	-	0	-	0	0	0
Items that may be reclassified to the income statement						
Cash-flow hedges	-	0	-	0	0	0
Hedge of net investment	-	0	-	-1	7	8
Income tax relating to items that may be reclassified to the income statement	-	0	-	0	-2	-2
Translation differences	-884	44	-121	408	399	-130
Comprehensive income	-762	457	406	1 258	1 944	1 092
- of which, attributable to Parent Company's shareholders	-762	457	406	1 258	1 944	1 092

Condensed consolidated balance sheet

	Jun 30	Jun 30	Dec 31
MSEK	2020	2019	2019
Intangible fixed assets	9 354	7 739	9 429
Tangible fixed assets	2 543	2 362	2 632
Financial fixed assets	3	3	3
Deferred tax asset	42	38	52
Total fixed assets	11 942	10 142	12 116
Inventories	1 313	1 353	1 391
Accounts receivable	1 516	2 225	1 983
Other receivables	179	205	261
Prepaid expenses and accrued income	47	57	50
Cash and cash equivalents	1 134	1 738	1 624
Total current assets	4 189	5 578	5 309
Total assets	16 131	15 720	17 425
Equity attributable to Parent Company's shareholders	10 162	9 068	9 756
Total shareholders' equity	10 162	9 068	9 756
Interest-bearing liabilities	1 905	2 264	2 754
Other liabilities	39	442	41
Provision for deferred tax	543	499	580
Provision for pensions	69	44	55
Total non-current liabilities	2 556	3 249	3 430
Interest-bearing liabilities	1 010	902	1 249
Accounts payable	1 257	1 908	1 953
Other liabilities	604	254	598
Accrued expenses, prepaid income, provisions	542	339	439
Total current liabilities	3 413	3 403	4 239
Total shareholders' equity and liabilities	16 131	15 720	17 425

Consolidated changes in shareholders' equity

	Jun 30, 2020		Jun 30, 2019		Dec 31, 2019	
MSEK	Attributable to Parent Company shareholders	Total equity	Attributable to Parent Company shareholders	Total equity	Attributable to Parent Company shareholders	Total equity
Opening equity	9 756	9 756	8 586	8 586	8 586	8 586
Comprehensive income	406	406	1 256	1 256	1 944	1 944
Dividend	-	-	-774	-774	-774	-774
Closing equity	10 162	10 162	9 068	9 068	9 756	9 756

Changes in number of shares

	Total number of Class A shares	Total number of Class B shares	Total number of shares
Number of shares at January 1	14 765 620	329 435 660	344 201 280
Number of shares at the end of the period	14 765 620	329 435 660	344 201 280

The Annual General Meeting in April 2016, resolved to implement an incentive program (2016/2020) for the senior executives and key employees through a directed issue of maximum 2,100,000 subscription warrants. During 2016, 1,408,000 subscription warrants were subscribed for by 39 senior executives and key employees. The issue rate was SEK 9 per subscription warrant and every warrant gives the right to subscribe for 1.01 new shares at subscription rate SEK 88.70, adjusted for special dividend in May 2017 according to the warrant terms. During 2017, 225,000 subscription warrants was subscribed for by 1 senior executive, where the issue rate was SEK 9 per subscription warrant and every warrant gives the right to subscribe for 1.00 new share at subscription rate SEK 88.70. The warrants gives the right to subscribe for shares during the period Jun 1, 2019 – December 31, 2020.

Condensed consolidated cash-flow statement

MSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019	Jul 19- Jun 20
Cash flow from operating activities before changes in working capital	213	449	815	1 056	1 958	1 717
Changes in working capital	13	115	-61	-175	403	517
Cash flow from operating activities	226	564	754	881	2 361	2 234
Acquisitions	-	7	-	22	-2 204	-2 226
Cash flow from other investing activities	-64	-57	-135	-103	-286	-318
Cash flow from investing activities	-64	-50	-135	-81	-2 490	-2 544
Dividend	-	-774	-	-774	-774	0
Cash flow from other financing activities	-1 044	777	-1 089	484	1 201	-372
Cash flow from financing activities	-1 044	3	-1 089	-290	427	-372
Change in cash and cash equivalents	-882	517	-470	510	298	-682
Cash and cash equivalents at January 1	2 082	1 219	1 624	1 164	1 164	1 738
Exchange-rate differences in cash and cash equivalents	-66	2	-20	64	162	78
Cash and cash equivalents at the end of the period	1 134	1 738	1 134	1 738	1 624	1 134

Operating cash flow, Group

MSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019	Jul 19- Jun 20
Operating profit	183	551	720	1 137	2 043	1 626
Depreciation/amortisation/impairment	93	100	228	204	447	471
Change in working capital	13	115	-61	-175	403	517
Sale of fixed assets	0	0	0	0	0	0
Investments	-64	-57	-135	-103	-286	-318
Operating Cash flow	225	709	752	1 063	2 607	2 296

Other key figures, Group

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019	Jul 19- Jun 20
Profit margin before tax, %	6,6	14,9	10,5	15,1	12,9	10,7
Return on shareholders' equity, % R12			12,0	18,9	16,2	
Interest-coverage ratio, multiple			22	67	43	26
Net debt, MSEK			-1 778	-1 425	-2 376	
Sales growth adjusted for currency effects, %	-32	1	-13	3	7	
Sales growth adjusted for currency effects and acquisitions, %	-39	-10	-24	-8	-9	
Cash flow per share, SEK	0,66	1,64	2,19	2,56	6,86	6,49
Cash flow per share before change in working capital, SEK	0,62	1,30	2,37	3,07	5,69	4,99

Condensed income statement, Parent Company

MSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019	Jul 19- Jun 20
Sales	15	13	30	27	54	57
Administrative costs, etc.	-25	-13	-45	-31	-62	-76
Operating loss	-10	0	-15	-4	-8	-19
Financial income and expenses	181	172	148	169	1 295	1 274
Untaxed reserves	-	-	-	-	0	0
Profit before tax	171	172	133	165	1 287	1 255
Tax	8	2	9	3	-26	-20
Profit after tax	179	174	142	168	1 261	1 235

Condensed balance sheet, Parent company

MSEK	Jun 30 2020	Jun 30 2019	Full year 2019
Fixed assets	8 972	8 969	8 970
Current assets	2 404	2 081	3 008
Total assets	11 376	11 050	11 978
Total shareholders' equity	5 049	3 814	4 908
Untaxed reserves	0	-	0
Non-current liabilities	1 561	1 981	2 391
Current liabilities	4 766	5 255	4 679
Total shareholders' equity and liabilities	11 376	11 050	11 978

Notes to the financial reports

Note 1 Financial instrument per category and measurement level

Jun 30, 2020	Financial assets/liabilities measured at:			
MSEK	amortized costs	Carrying value	Measurem. level	Total
Assets in the balance sheet				
Non-current financial assets	3	-		3
Accounts receivable	1 516	-		1 516
Cash and cash equivalents	1 134	-		1 134
Total	2 653	-		2 653
Liabilities in the balance sheet				
Derivative financial instruments	-	0	2	0
Interest-bearing non-current liabilities	1 580	-		1 580
Interest-bearing non-current lease liabilities	325	-		325
Interest-bearing current liabilities	910	-		910
Interest-bearing current lease liabilities	100	-		100
Accounts payable	1 257	-		1 257
Other liabilities	213	-		213
Liabilities to minority shareholders	-	391	3	391
Accrued expenses, prepaid income, provisions	542	-		542
Total	4 927	391		5 318

Jun 30, 2019	Financial assets/liabilities measured at:			
MSEK	amortized costs	Carrying value	Measurem. level	Total
Assets in the balance sheet				
Non-current financial assets	3	-		3
Accounts receivable	2 225	-		2 225
Cash and cash equivalents	1 738	-		1 738
Total	3 966	0		3 966
Liabilities in the balance sheet				
Interest-bearing non-current liabilities	1 998	-		1 998
Interest-bearing non-current lease liabilities	266	-		266
Liabilities to minority shareholders	-	442	3	442
Interest-bearing current liabilities	821	-		821
Interest-bearing current lease liabilities	81	-		81
Accounts payable	1 908	-		1 908
Other liabilities	226	-		226
Supplementary purchase price	-	28	3	28
Accrued expenses, prepaid income, provisions	339	-		339
Total	5 639	470		6 109

Derivative consist of currency forward contracts and are used for hedging purposes and are measured at the level 2. Fair value are consistent in all material respects with the accounting value in the balance sheet.

Note 2 Non-recurring items in the income statement

MSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019
Costs of goods sold	-20	-	-22	-	-97
Selling and administrative costs, etc.	-6	-	-54	-	-102
Profit before tax	-26	-	-76	-	-199
Tax	6	-	17	-	43
Profit after tax	-20	-	-59	-	-156

Quarterly data – Group

Sales per business area

MSEK	2020		2019				Full Year	Jul 19- Jun 20	2018				Full Year
	Q1	Q2	Q1	Q2	Q3	Q4			Q1	Q2	Q3	Q4	
HEXPOL Compounding	3 906	2 290	3 539	3 418	3 984	3 524	14 465	13 704	3 057	3 207	3 180	3 301	12 745
HEXPOL Engineered Products	262	236	266	267	260	250	1 043	1 008	252	254	263	256	1 025
Group total	4 168	2 526	3 805	3 685	4 244	3 774	15 508	14 712	3 309	3 461	3 443	3 557	13 770

Sales per geographic region

MSEK	2020		2019				Full Year	Jul 19- Jun 20	2018				Full Year
	Q1	Q2	Q1	Q2	Q3	Q4			Q1	Q2	Q3	Q4	
Europe	1 464	983	1 519	1 439	1 360	1 301	5 619	5 108	1 162	1 181	1 114	1 317	4 774
Americas	2 548	1 382	2 127	2 066	2 697	2 293	9 183	8 920	1 967	2 105	2 126	2 056	8 254
Asia	156	161	159	180	187	180	706	684	180	175	203	184	742
Group total	4 168	2 526	3 805	3 685	4 244	3 774	15 508	14 712	3 309	3 461	3 443	3 557	13 770

Sales per geographic region HEXPOL Compounding

MSEK	2020		2019				Full Year	Jul 19- Jun 20	2018				Full Year
	Q1	Q2	Q1	Q2	Q3	Q4			Q1	Q2	Q3	Q4	
Europe	1 334	866	1 380	1 298	1 228	1 174	5 080	4 602	1 031	1 042	985	1 184	4 242
Americas	2 466	1 321	2 053	1 999	2 630	2 225	8 907	8 642	1 903	2 043	2 056	1 984	7 986
Asia	106	103	106	121	126	125	478	460	123	122	139	133	517
Group total	3 906	2 290	3 539	3 418	3 984	3 524	14 465	13 704	3 057	3 207	3 180	3 301	12 745

Sales per geographic region HEXPOL Engineered Products

MSEK	2020		2019				Full Year	Jul 19- Jun 20	2018				Full Year
	Q1	Q2	Q1	Q2	Q3	Q4			Q1	Q2	Q3	Q4	
Europe	130	117	139	141	132	127	539	506	131	139	129	133	532
Americas	82	61	74	67	67	68	276	278	64	62	70	72	268
Asia	50	58	53	59	61	55	228	224	57	53	64	51	225
Group total	262	236	266	267	260	250	1 043	1 008	252	254	263	256	1 025

Operating profit per business area

MSEK	2020		2019				Full Year	Jul 19- Jun 20**	2018				Full Year
	Q1*	Q2**	Q1	Q2	Q3*	Q4*			Q1	Q2	Q3	Q4	
HEXPOL Compounding	554	178	553	516	547	493	2 109	1 772	506	526	488	486	2 006
HEXPOL Engineered Products	33	31	33	35	36	29	133	129	34	35	39	36	144
Group total	587	209	586	551	583	522	2 242	1 901	540	561	527	522	2 150

Operating margin per business area

%	2020		2019				Full Year	Jul 19- Jun 20**	2018				Full Year
	Q1*	Q2**	Q1	Q2	Q3*	Q4*			Q1	Q2	Q3	Q4	
HEXPOL Compounding	14,2	7,8	15,6	15,1	13,7	14,0	14,6	12,9	16,6	16,4	15,3	14,7	15,7
HEXPOL Engineered Products	12,6	13,1	12,4	13,1	13,8	11,6	12,8	12,8	13,5	13,8	14,8	14,1	14,0
Group total	14,1	8,3	15,4	15,0	13,7	13,8	14,5	12,9	16,3	16,2	15,3	14,7	15,6

*Excl. Non-recurring items for HEXPOL Compounding

**Excl. Non-recurring items

Reconciliation alternative performance measures

Sales

MSEK	2020		2019		2018		2017		2016		2015	
	Q1	Q2	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Sales	4 168	2 526	3 805	3 685	4 244	3 774	15 508	3 309	3 461	3 443	3 557	13 770
Currency effects	138	12	298	198	163	152	811	-153	36	313	230	426
Sales excluding currency effects	4 030	2 514	3 507	3 487	4 081	3 622	14 697	3 462	3 425	3 130	3 327	13 344
Acquisitions	580	279	380	356	911	530	2 177	210	0	31	330	571
Sales excluding currency effects and acquisitions	3 450	2 235	3 127	3 131	3 170	3 092	12 520	3 252	3 425	3 099	2 997	12 773

Sales growth

%	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019
Sales growth excluding currency effects	-32	1	-13	3	7
Sales growth excluding currency effects and acquisitions	-39	-10	-24	-8	-9

EBITA, excl. non-recurring items, %

MSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019	Jul 19-Jun 20
Sales	2 526	3 685	6 694	7 490	15 508	14 712
Operating profit	183	551	720	1 137	2 043	1 626
Non-recurring items	26	-	76	-	199	275
Amortisation and impairment of intangible assets	20	15	40	36	78	82
Total EBITA	229	566	836	1 173	2 320	1 983
EBITA%	9,1	15,4	12,5	15,7	15,0	13,5

EBITA, %

MSEK	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019	Jul 19-Jun 20
Sales	2 526	3 685	6 694	7 490	15 508	14 712
Operating profit	183	551	720	1 137	2 043	1 626
Amortisation and impairment of intangible assets	20	15	40	36	78	82
Total EBITA	203	566	760	1 173	2 121	1 708
EBITA%	8,0	15,4	11,4	15,7	13,7	11,6

Capital employed

MSEK	2020		2019				2018			
	Mar 31	Jun 30	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31
Total assets	19 088	16 131	15 422	15 720	18 579	17 425	11 301	11 760	12 664	14 456
Provision for deferred tax	-584	-543	-549	-499	-539	-580	-336	-352	-356	-539
Accounts payable	-2 300	-1 257	-1 990	-1 908	-2 238	-1 953	-1 879	-1 977	-1 848	-1 913
Other liabilities	-658	-604	-253	-254	-279	-598	-236	-216	-210	-216
Accrued expenses, prepaid income, provisions	-543	-542	-327	-339	-464	-439	-307	-345	-393	-346
Total Group	15 003	13 185	12 303	12 720	15 059	13 855	8 543	8 870	9 857	11 442

Return on capital employed, R12

MSEK	Jun 30 2020	Jun 30 2019	Full Year 2019
Average capital employed	14 276	11 581	13 484
Profit before tax	1 580	2 189	2 008
Interest expense	64	26	48
Total	1 644	2 215	2 056
Return on capital employed, %	11,5	19,1	15,2

Interest-coverage ratio, multiple

MSEK	Jan-Jun 2020	Jan-Jun 2019	Full Year 2019	Jul 19- Jun 20
Profit before tax	702	1 130	2 008	1 580
Interest expense	33	17	48	64
Total	735	1 147	2 056	1 644
Interest-coverage ratio, multiple	22	67	43	26

Shareholders' equity

MSEK	2020		2019				2018			
	Mar 31	Jun 30	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31
Shareholders' equity	10 924	10 162	9 387	9 068	9 926	9 756	7 682	7 882	8 151	8 592

Return on equity, R12

MSEK	Jun 30 2020	Jun 30 2019	Full Year 2019
Average shareholders' equity	10 192	8 800	9 534
Profit after tax	1 218	1 660	1 542
Return on equity, %	12,0	18,9	16,2

Net debt

MSEK	Jun 30 2020	Jun 30 2019	Full Year 2019
Financial assets	3	3	3
Cash and cash equivalents	1 134	1 738	1 624
Non-current interest-bearing liabilities	-1 905	-2 264	-2 754
Current interest-bearing liabilities	-1 010	-902	-1 249
Net debt	-1 778	-1 425	-2 376

Net debt/EBITDA

MSEK	Jun 30 2020	Jun 30 2019	Full Year 2019
Net debt	-1 778	-1 425	-2 376
EBITDA, R12	2 097	2 522	2 490
Net debt/EBITDA, multiple	-0,85	-0,57	-0,95

Equity/assets ratio

MSEK	Jun 30 2020	Jun 30 2019	Full Year 2019
Shareholders' equity	604	254	9 756
Total assets	2 556	3 249	17 425
Equity/assets ratio, %	24	8	56

Financial definitions

Average capital employed	Average of the last four quarters capital employed.
Average shareholders' equity	Average of the last four quarters shareholders' equity.
Capital employed	Total assets less deferred tax liabilities, accounts payable, other liabilities and accrued expenses, prepaid income and provisions.
Cash flow	Cash flow from operating activities.
Cash flow per share	Cash flow from operating activities in relation to the average number of shares outstanding.
Cash flow per share before changes in working capital	Cash flow from operating activities before changes in working capital in relation to the average number of shares outstanding.
Earnings per share	Profit after tax, in relation to the average number of shares outstanding.
Earnings per share after dilution	Profit after tax, in relation to the average number of shares outstanding adjusted for the dilution effect of warrants.
Earnings per share excl. non-recurring items	Profit after tax excluding non-recurring items, in relation to the average number of shares outstanding.
EBIT	Operating profit.
EBITA	Operating profit, excluding amortisation and impairment of intangible assets.
EBITA margin, %	Operating profit, excluding amortisation and impairment of intangible assets in relation to sales.
EBITA excl. non-recurring items	Operating profit excluding non-recurring items and amortisation and impairment of intangible assets.
EBITA margin excl. non-recurring items, %	Operating profit excluding non-recurring items and amortisation and impairment of intangible assets in relation to sales.
EBITDA	Operating profit excluding depreciation, amortisation and impairment of tangible and intangible assets.
Equity/assets ratio	Shareholders' equity in relation to total assets.
Interest-coverage ratio	Profit before tax plus interest expenses in relation to interest expenses.
Net debt/EBITDA	Non-current and current interest-bearing liabilities less cash and cash equivalents in relation to operating profit excluding depreciation, amortisation and impairment of tangible and intangible assets.
Net debt, net cash	Non-current and current interest-bearing liabilities less cash and cash equivalents.
Non-recurring items	Items affecting comparability.
Operating cash flow	Operating profit excluding depreciation, amortisation and impairment of tangible and intangible assets, less investments incl. new leasing agreements and plus sales of tangible and intangible assets, and after changes in working capital.
Operating margin, %	Operating profit in relation to the sales.
Operating margin, excl. non-recurring items, %	Operating profit excluding non-recurring items, in relation to the sales.
Other investing activities	Investments and sales of intangible and tangible assets.
Operating profit excl. non-recurring items	Operating profit excluding non-recurring items.
Profit margin before tax	Profit before tax in relation to the sales.
Return on capital employed, R12	Twelve months profit before tax plus twelve months interest expenses in relation to average capital employed.
Return on equity, R12	Twelve months profit after tax in relation to average shareholders' equity.
R12	Rolling twelve months average.
Sales growth excluding currency effects	Sales excluding currency effects compared to the sales for the corresponding year-earlier period.
Sales growth excluding currency effects and acquisitions	Sales excluding currency effects and acquisitions compared to the sales for the corresponding year-earlier period.
Shareholders' equity per share	Shareholders' equity in relation to the number of shares outstanding at the end of the period.