

# Q1 2024

Knut Flakk, Chair of the Board  
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Our Vision

**Clean Air Everywhere**

Our Purpose

**Driving Energy Transformation**

Our Values

**Integrity and Drive**

# Driving Energy Transformation

In 2023, Hexagon's solutions avoided

**1 506 030**

metric tons of CO2 equivalent emissions

Avoided

**6X**

more greenhouse gas emissions than  
generated in our operations

Our own carbon footprint:

**255 365**

metric tons of CO2 equivalent

# Key highlights Q1 2024



## Linktra® SmartCylinder

Nationwide launch in Norway by **Hexagon Ragasco** and **Linde**



## X15N Natural Gas Engine

Two leading Truck OEMs announced start of production from Q3'24



## Hexagon Agility Mobile Pipeline

Record deliveries and record results - solid order book



## Hexagon Purus

Very strong revenue growth - on track to positive EBITDA in 2025

Hexagon Ragasco

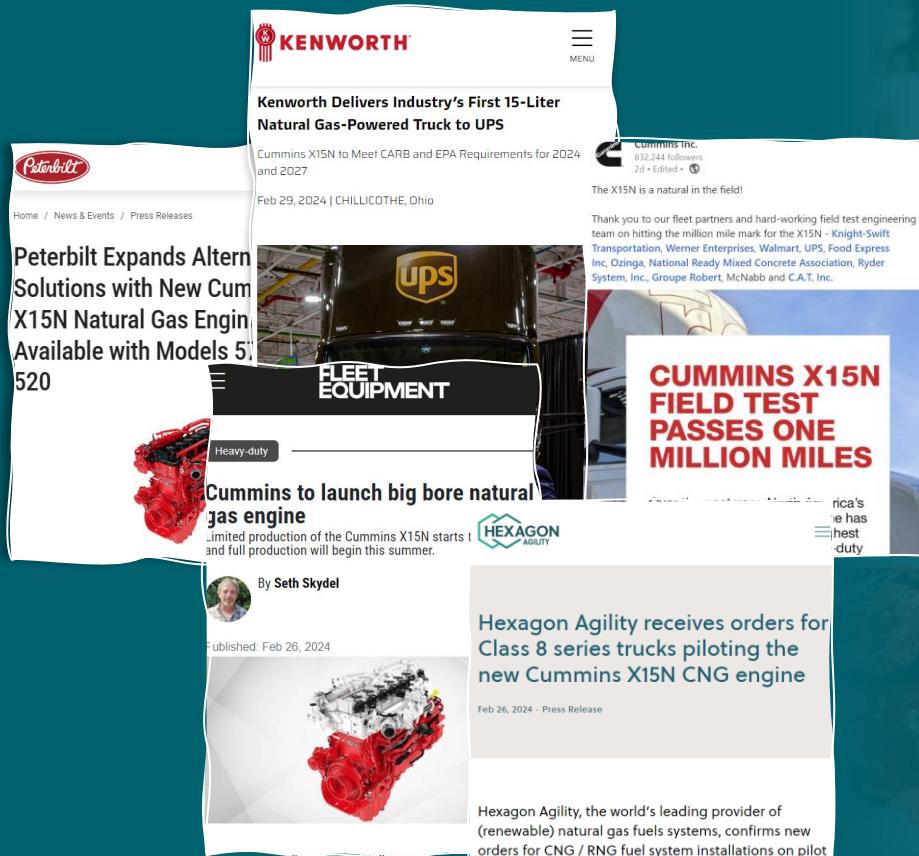
## Milestone event: First order of 20,000 Linktra® cylinders received

- Available nationwide in Norway
- Optimizes logistic operations for distributors and availability for customers
- Expected to drive the conversion from steel to composites in the LPG industry



## Hexagon Agility

# Two Truck OEMs starting serial production with the X15N engine in Q3



**KENWORTH**

**Kenworth Delivers Industry's First 15-Liter Natural Gas-Powered Truck to UPS**

Cummins X15N to Meet CARB and EPA Requirements for 2024 and 2027

Feb 29, 2024 | CHILLICOTHE, Ohio

**Peterbilt**

**Peterbilt Expands Alternative Fuel Solutions with New Cummins X15N Natural Gas Engine**

Available with Models 579 and 520

**CUMMINS X15N FIELD TEST PASSES ONE MILLION MILES**

Cummins to launch big bore natural gas engine

Heavy-duty

By Seth Skrydel

Published: Feb 26, 2024

**HEXAGON AGILITY**

**Hexagon Agility receives orders for Class 8 series trucks piloting the new Cummins X15N CNG engine**

Feb 26, 2024 - Press Release

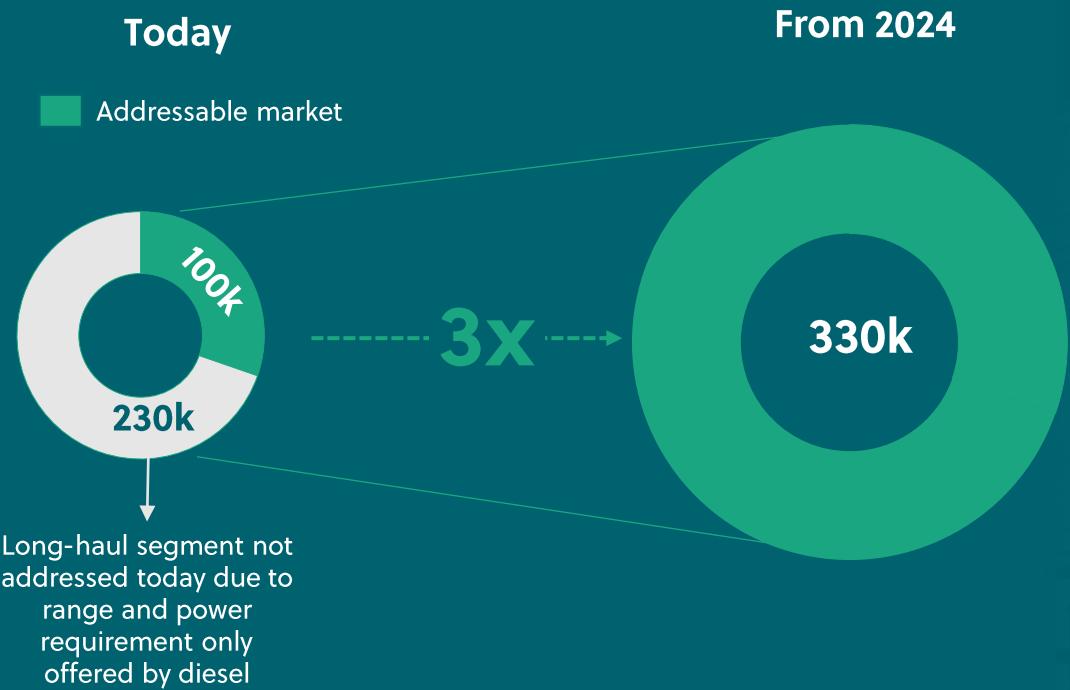
Hexagon Agility, the world's leading provider of (renewable) natural gas fuel systems, confirms new orders for CNG / RNG fuel system installations on pilot



# Hexagon Agility

## The X15N engine unlocks the long-haul segment

US heavy-duty truck addressable market for natural gas solutions  
(# trucks sold per year)

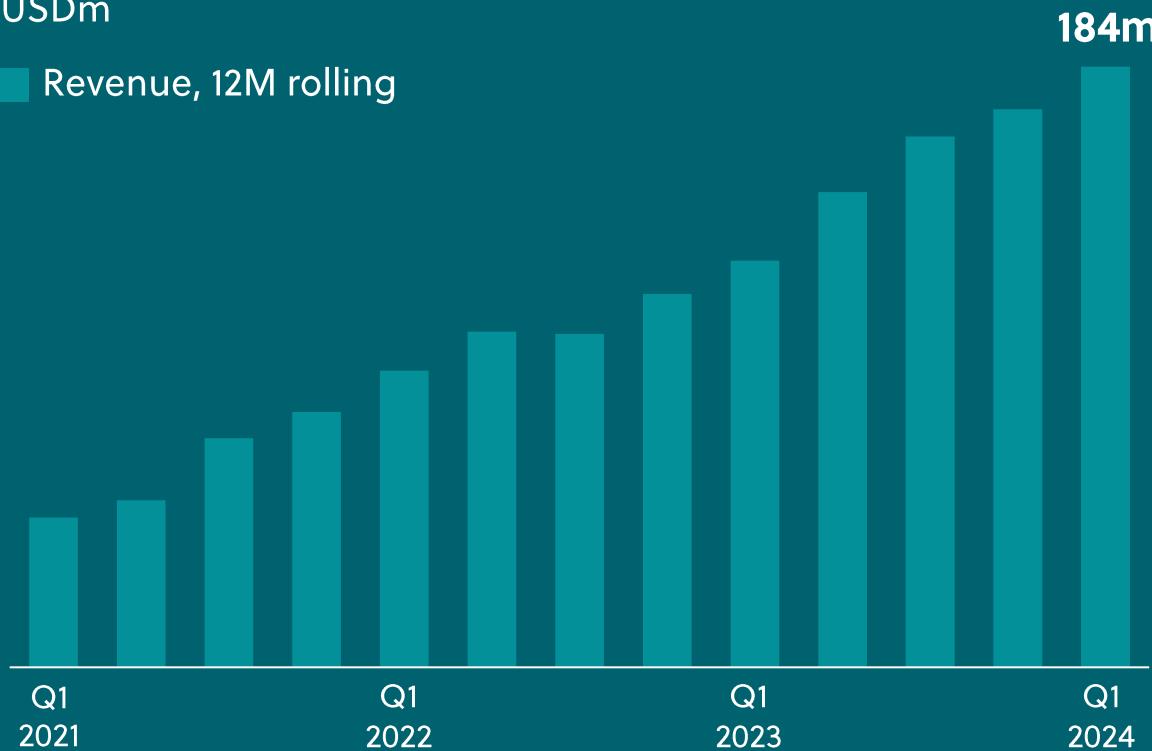


## Mobile Pipeline delivering record results for 8<sup>th</sup> consecutive quarter

### Mobile Pipeline<sup>1</sup> revenue development

USDm

Revenue, 12M rolling



### Inaugural PromiGas Peru delivery of Titan450 modules for natural gas transportation

- Deliveries started in Q1 2024
- Total value ~ **USD 9** million, largest single order in LATAM to date

**Hexagon Agility**

**Increased Mobile Pipeline capacity in North America coming on stream in September 2024**

Upgrading cylinder capacity in **Lincoln, NE, USA**



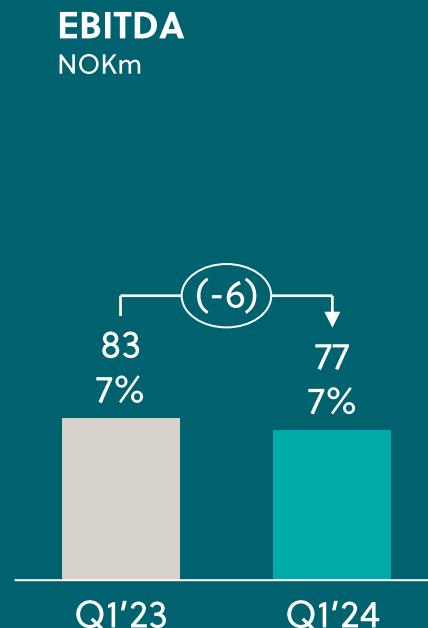
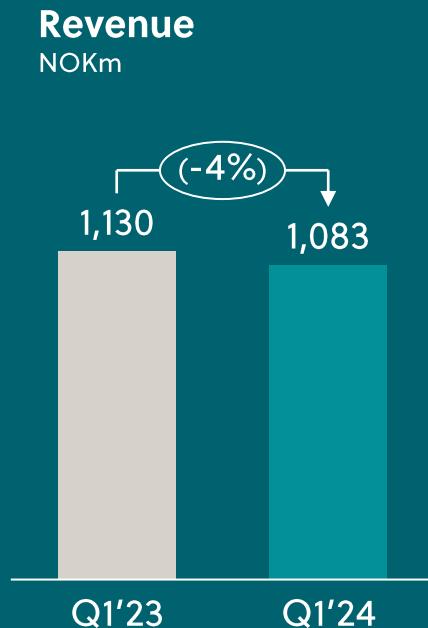
**USD ~3 million capacity investments**

**+ 40%<sup>1</sup>**  
**in Mobile Pipeline capacity**

# Financials

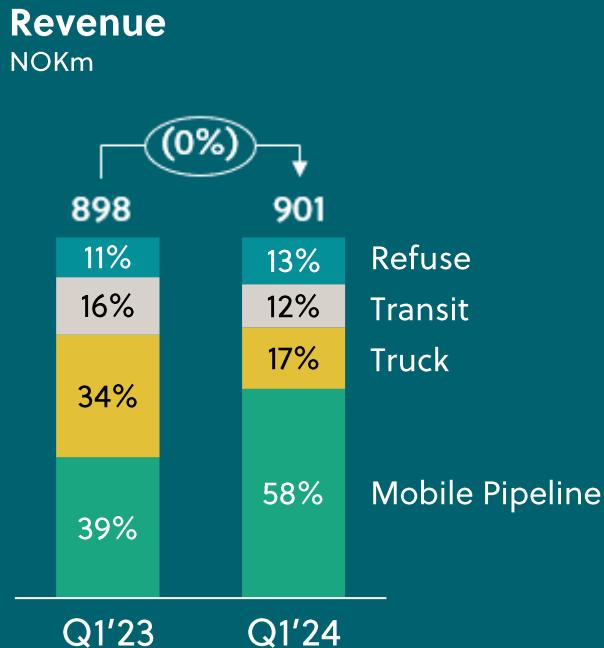
## Q1 2024 Financial Highlights

Record high-revenues in Hexagon Agility's Mobile Pipeline business, offset by seasonally slow development in the fuel system business



- Group revenues of **NOK ~1.1 billion**
- EBITDA of **NOK 77 million**, stable EBITDA margin at 7%
- Debt facilities renewed on 30 April with additional financial flexibility

## Strong Mobile Pipeline revenue drove performance in the quarter



- Record-high Mobile Pipeline revenue
- Seasonally slow Truck volumes
- EBITDA gains from **Mobile Pipeline** volumes **offsetting 50% lower y-o-y** Truck activity

# Hexagon Agility

## OEM's adopting the X15N natural gas engine



**Kenworth**

Testing and validation



Pilots



*Start of serial production*



**Peterbilt**

Testing and validation



Pilots

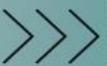


*Start of serial production*



**Daimler**

Testing and validation



Pilots



*Start of serial production*

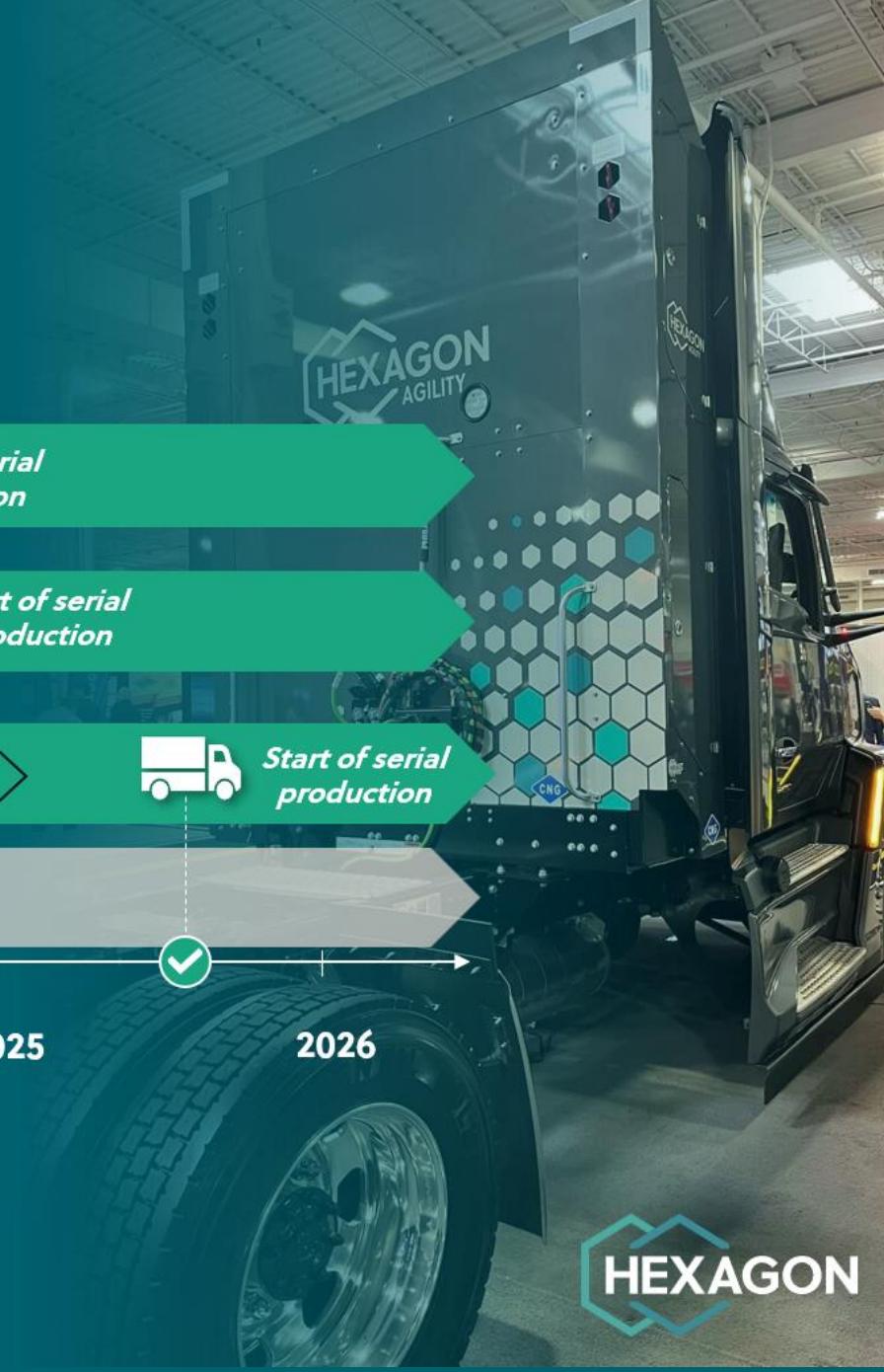
**Other OEMs**

2023

2024

2025

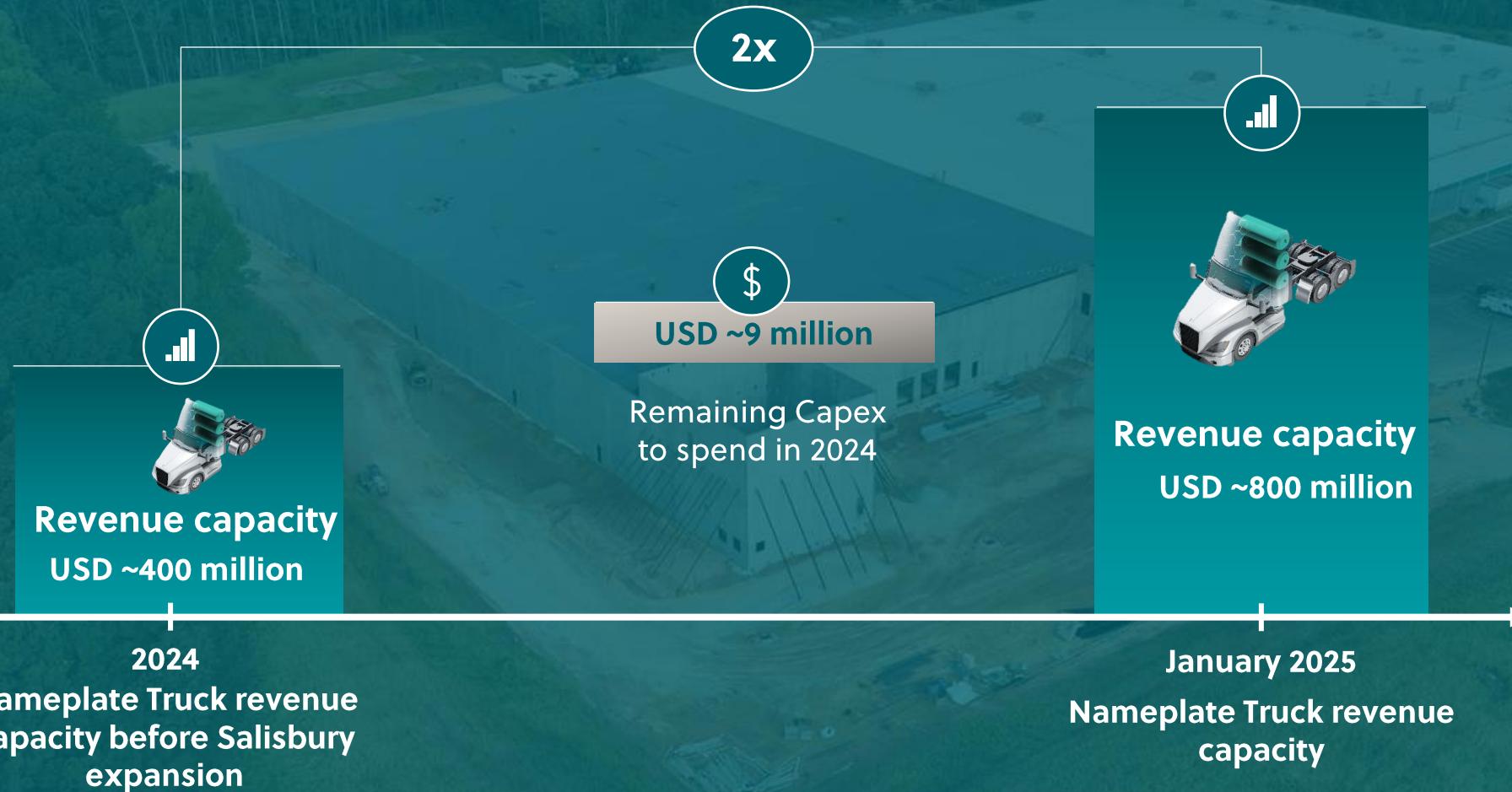
2026



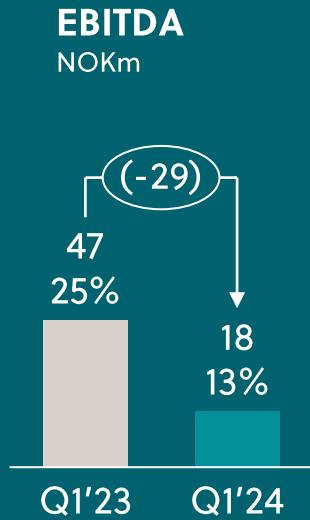
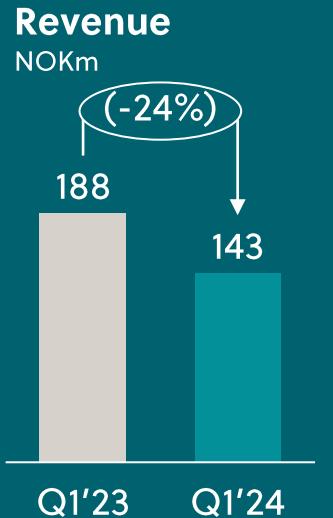
**HEXAGON**

## Hexagon Agility

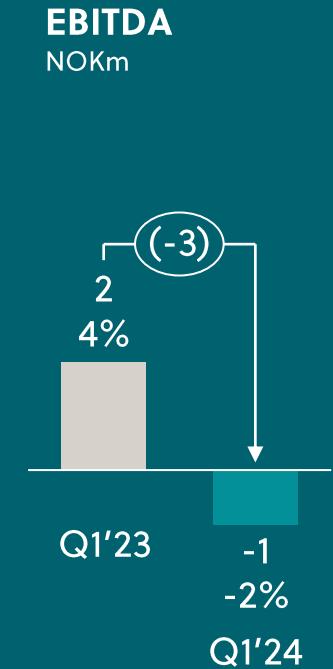
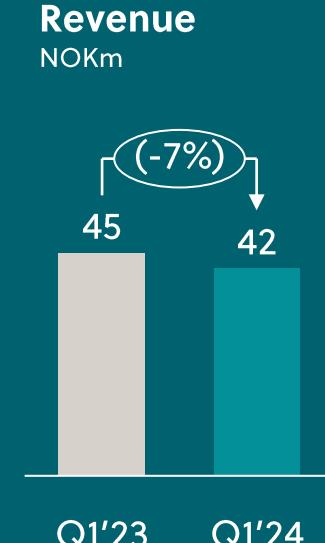
Further moderate investment **doubles** revenue capacity\* for Truck



## Hexagon Ragasco | Q1 2024



## Hexagon Digital Wave | Q1 2024



- European market de-stocking effects continue from prior quarter
- Lower efficiency from lower volumes

- Expected soft UE volumes following record prior quarter
- Strong momentum within MAE
- Continued growth opex y-o-y

# Hexagon Group 2024 financial outlook

## Truck sales expected to increase significantly in second half of year



### Mobile Pipeline

Strong growth with almost full backlog for 2024;  
Includes sales to Hexagon Purus

### Transit & Refuse truck

Lumpy Transit, steady Refuse truck

### Truck

Increased order activity in Q2 over Q1 nearing the new X15N engine launch in Q3; market up-tick generally in second half 2024

### LPG cylinders

Slow Q1 in Europe followed by strong Q2 with larger orders from Middle-east & Africa throughout rest of year.

### Cylinder testing and inspection technologies

Stronger Q2 and continued profitable growth thereafter

### Revenue

- Back-end loaded truck revenues
- Revenue opportunity from increased Mobile Pipeline capacity within Q3
- Growth on track for 2025 target of NOK >6bn

### EBITDA

- Margin appreciation in second-half of year, in line with increased truck volumes
- Profitability on track for 2025 target of ~15%

2024  
NOK  
~5.5 bn\*

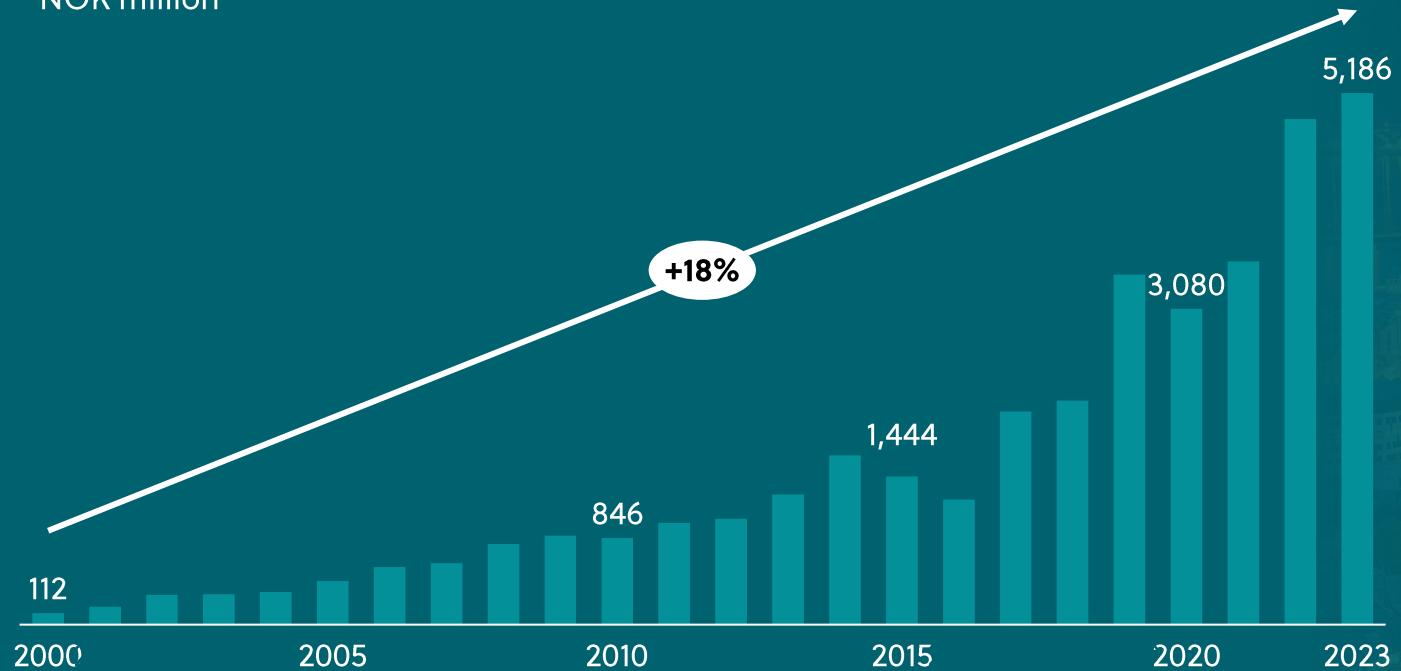
2024  
NOK  
~600m\*

# Outlook

# Hexagon Group

## From local player to global leader

Revenue development  
NOK million



Note: 2017 and 2018 include 50% of revenues from Agility Fuel Systems.

## Our core competitive advantages



Substantial track record in technology development dating all the way back to NASA space programs in the 1960s



**Decades of automated serial production experience securing efficient operations and high, consistent quality**

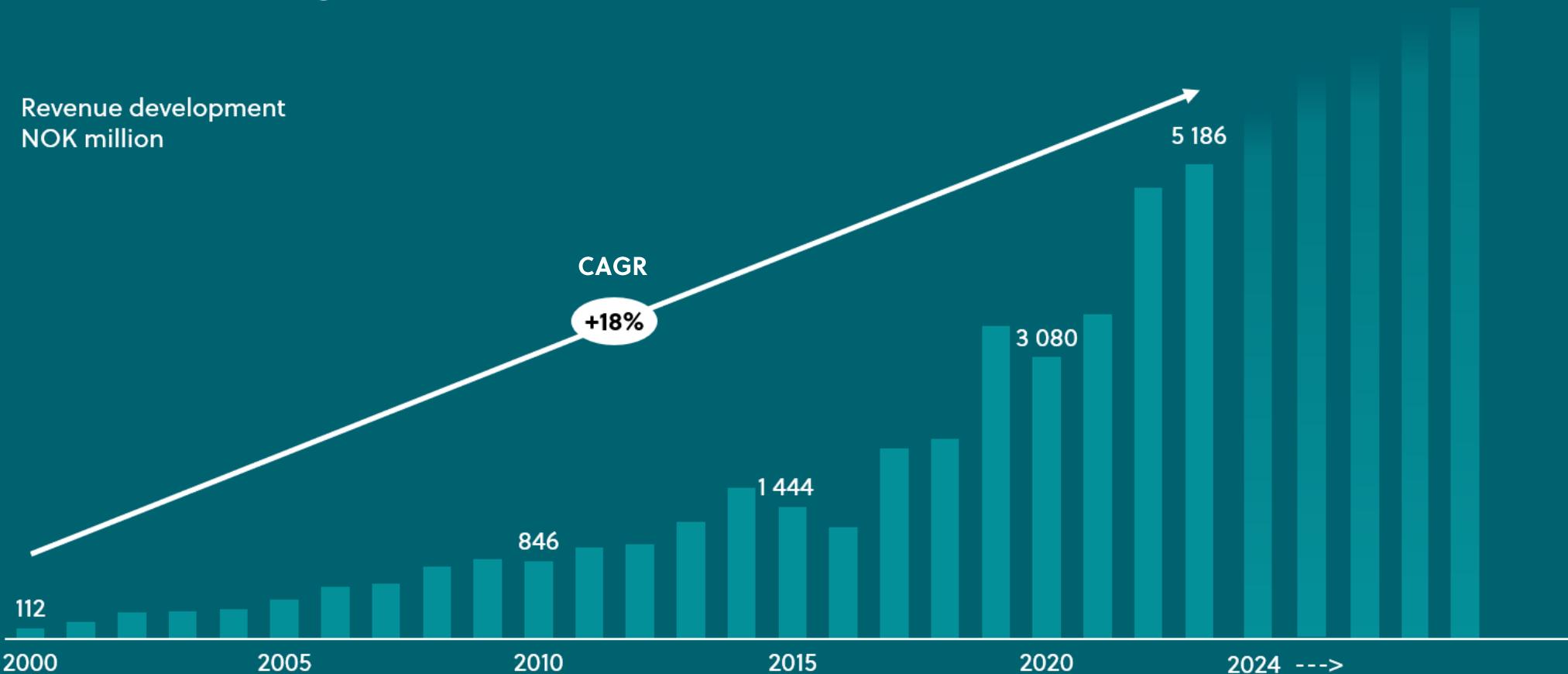


World's **largest producer** of composite cylinders



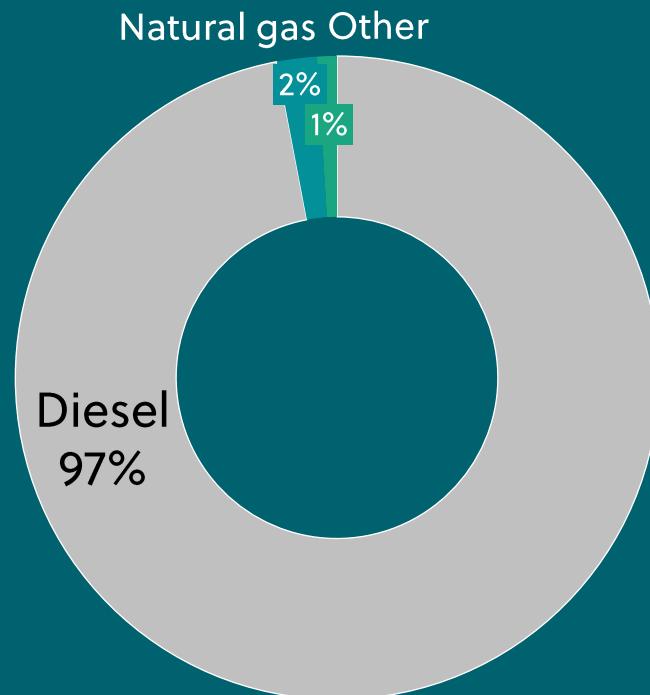
# Hexagon Group

## The market growth ahead



*Note: 2017 and 2018 include 50% of revenues from Agility Fuel Systems.*

### Truck sales by drivetrain



Heavy-duty trucks represent  
**~25%**  
of global  
road emissions

Hexagon Agility

Undisputed market leader in fuel systems for natural gas vehicles  
in North America



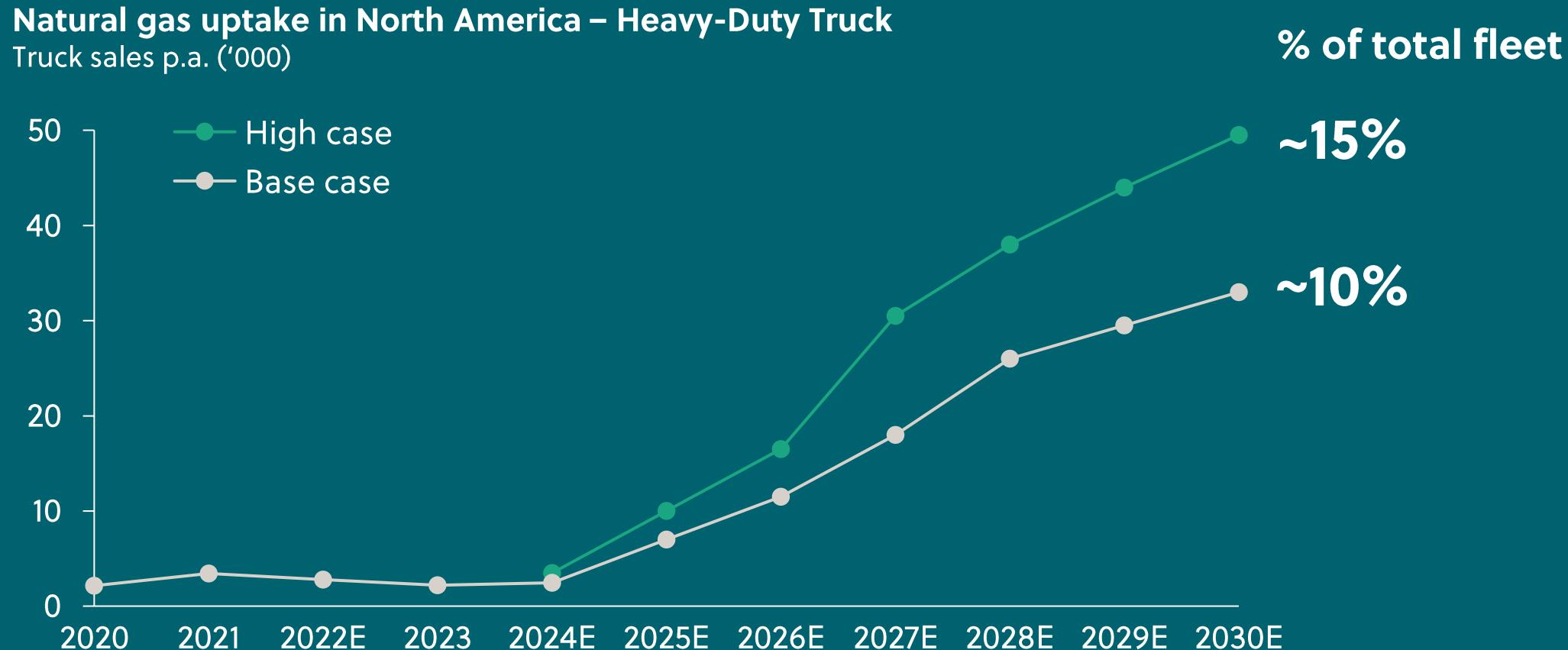
100,000+  
vehicles on the road

~70%  
market share



Hexagon Agility

# Natural gas-powered heavy-duty truck sales expected to grow substantially



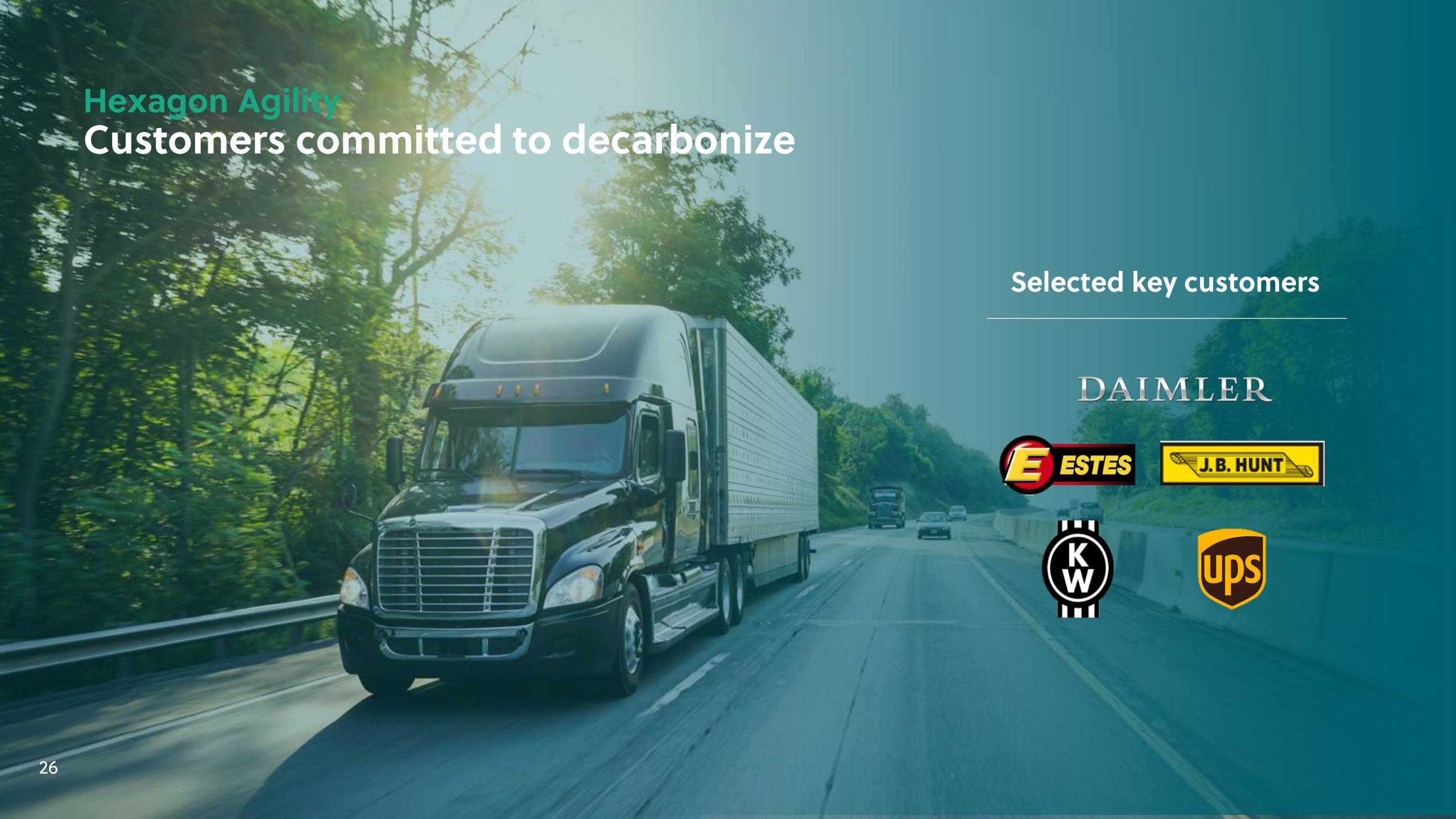
Hexagon Agility

# The adoption of natural gas solutions is set to accelerate

Market drivers  
are getting  
stronger

...while barriers  
are  
being removed





# Hexagon Agility

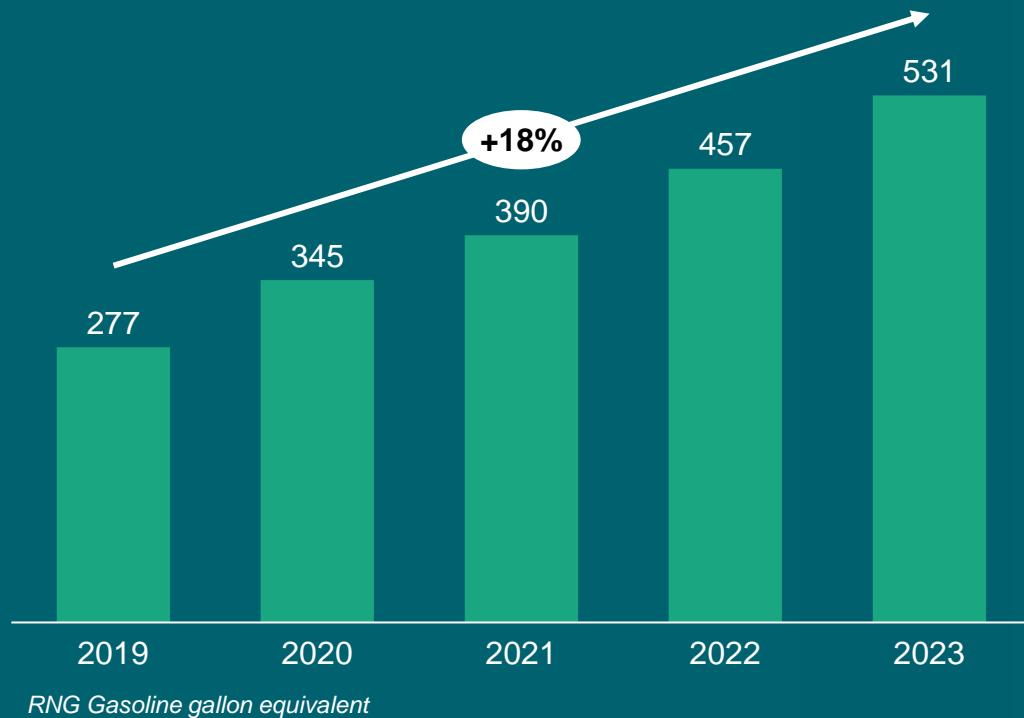
## Customers committed to decarbonize

Selected key customers

DAIMLER



## Strong growth in renewable natural gas availability



### The use of RNG in transport

In 2023, **79%** of on-road fuel used in natural gas vehicles was RNG

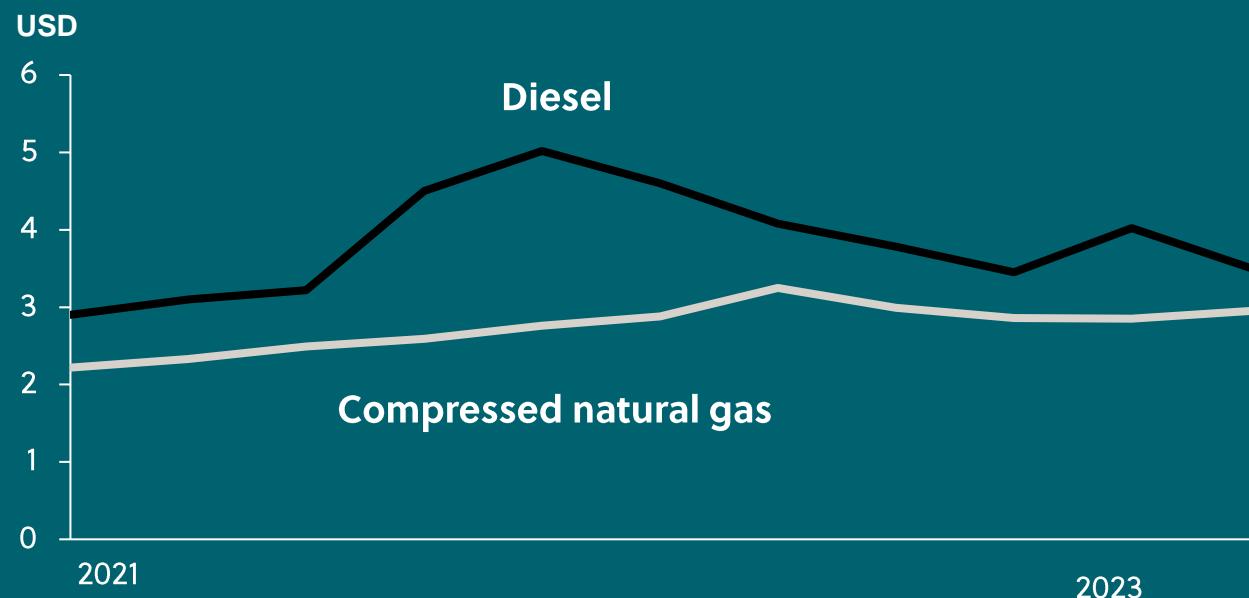
RNG has the **lowest carbon intensity** of any clean fuel.

**450+** new RNG facilities are under construction or in development

Hexagon Agility

Natural gas has lower and more stable fuel cost

Price development 2021-2023



Hexagon Agility

The infrastructure for natural gas vehicles is well established



**~1500 CNG/RNG**  
filling stations accessible  
along major transportation  
corridors in the US

Hexagon Agility

The X15N engine enables natural gas to go head-to-head with diesel

- ✓ Matches diesel on power and range
- ✓ 10% fuel economy improvement
- ✓ Compliant to CARB and EPA
- ✓ On the market in Asia for more than two years



CARB: California Air Resources Board

EPA: US Environmental Protection Agency

# Key takeaways

The background image is an aerial photograph of a winding road through a dense forest. A red truck is driving away from the viewer on the road. The forest is a mix of green and yellowish-green trees, suggesting autumn. In the distance, a large body of water and a bridge are visible under a clear sky.

Established market leader serving a broad blue-chip customer base

Well positioned to capture significant growth from the renewable natural gas sector

On track to deliver on 2025 targets  
Revenue: >NOK 6bn  
EBITDA margin: ~15%

# Q&A

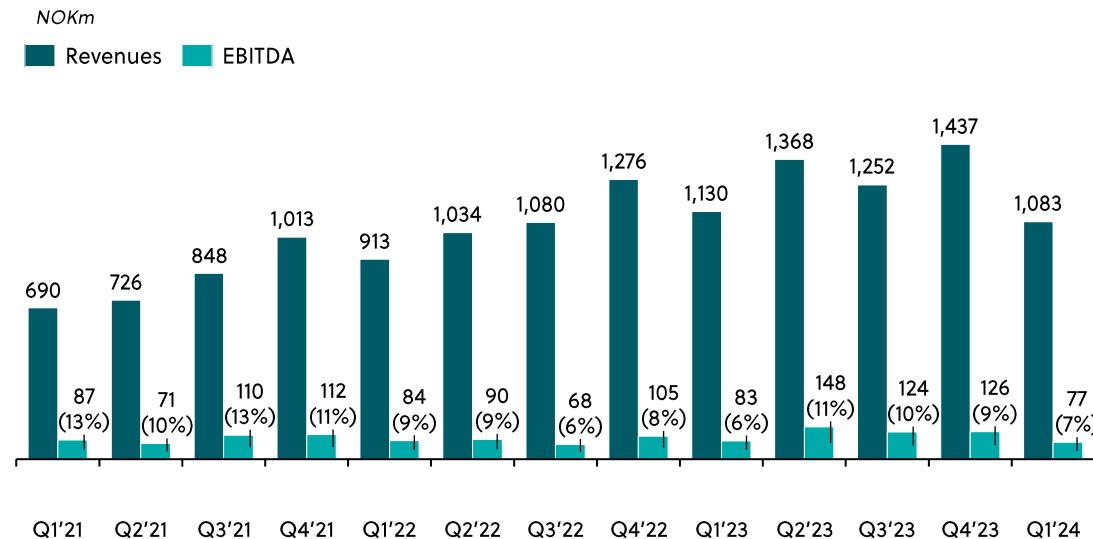
# Appendix

# Investor relations information

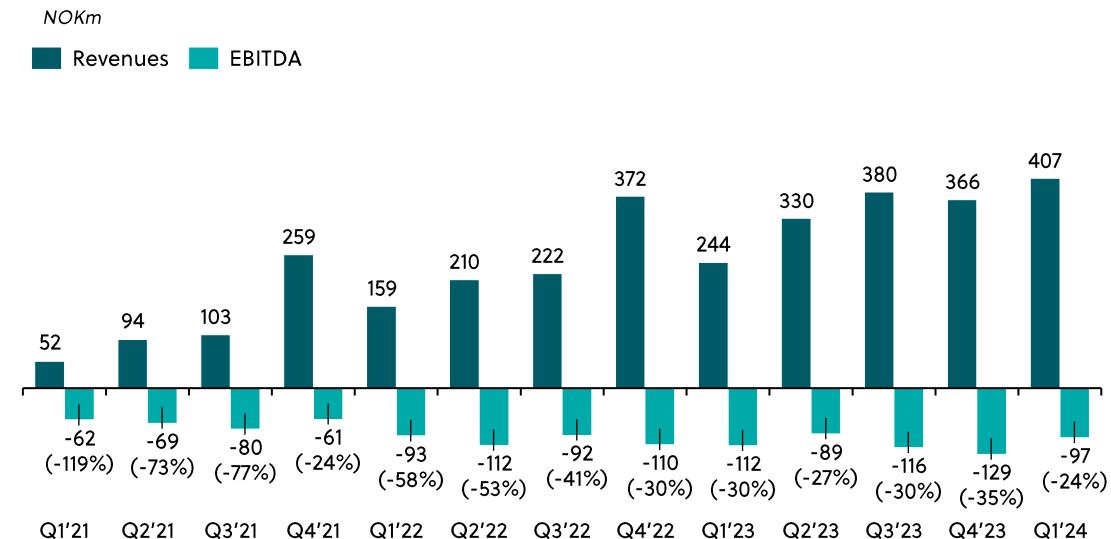


# Hexagon proforma financial highlights (1/3)

## Hexagon Group (continuing operations)



## Hexagon Purus (discontinued operations)<sup>1</sup>



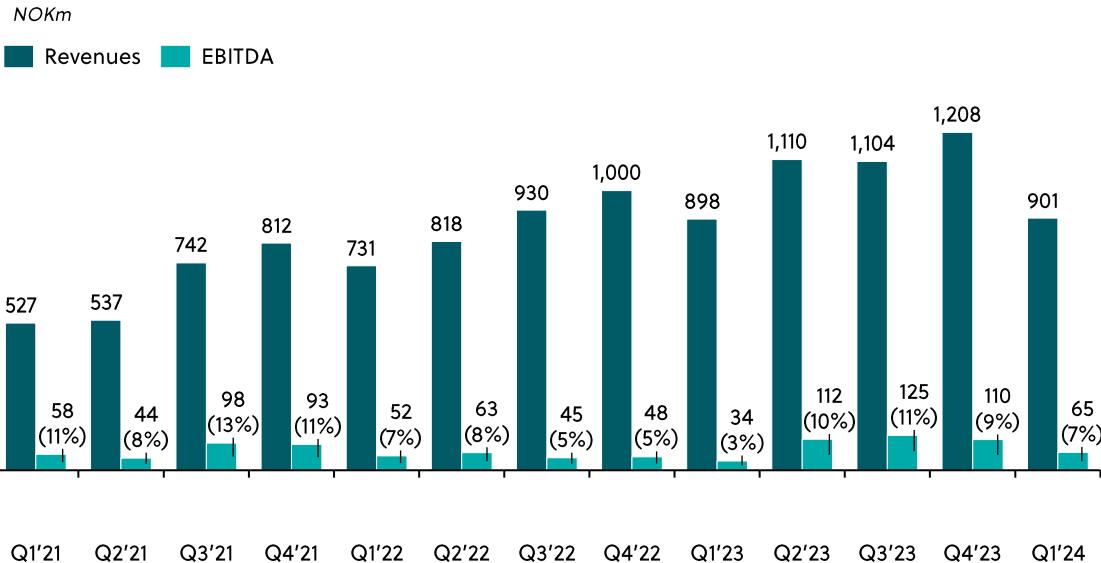
- Hexagon Group (continuing operations) provides clean solutions with strong ESG benefits
  - Hexagon Agility: (renewable) natural gas clean mobility solutions
  - Hexagon Ragasco: Portable LPG cylinders for household and leisure applications
  - Digital Wave: smart technology for monitoring and testing of cylinder systems and creating circular economy by extending life expectancy

- Hexagon Purus provides clean and sustainable fuel solutions for battery electric and hydrogen vehicles

<sup>1) Hexagon Purus was effectively deconsolidated as a subsidiary on 29 June 2023 and has since this date been accounted for as an associated company by use of the equity method. The figures in the graph shows Hexagon Purus' financials on a 100% basis.</sup>

# Segment proforma financial highlights (2/3)

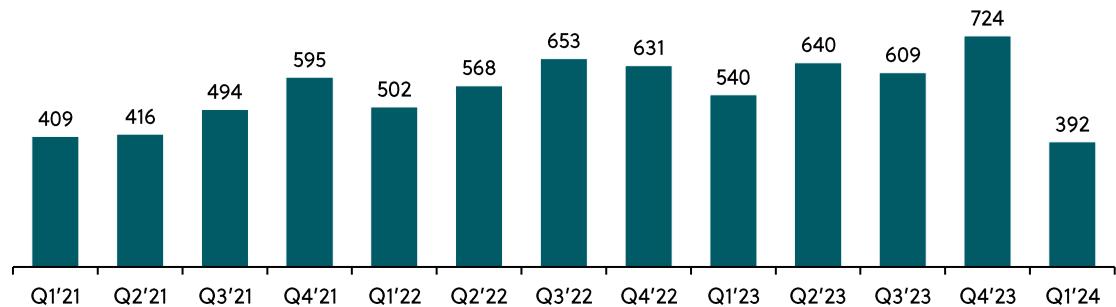
## Hexagon Agility



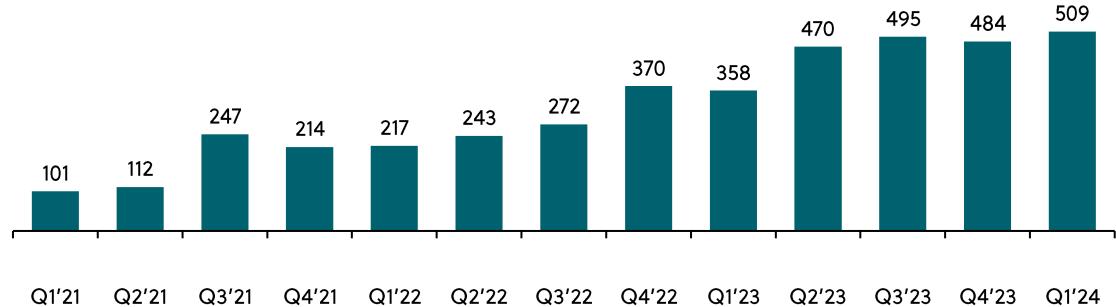
- Hexagon Agility provides (renewable) natural gas clean mobility solutions for Heavy and Medium Duty Vehicles, Mobile Pipeline, and Light-Duty Vehicles
- Global leading provider within markets including Heavy-Duty/ Medium-Duty Trucks, Refuse Truck, Transit Bus, Gas Transportation, Mobile Refueling units and Passenger cars

## Hexagon Agility revenue split (after eliminations) NOKm

### Fuel systems commercial vehicles (medium and heavy-duty vehicles)



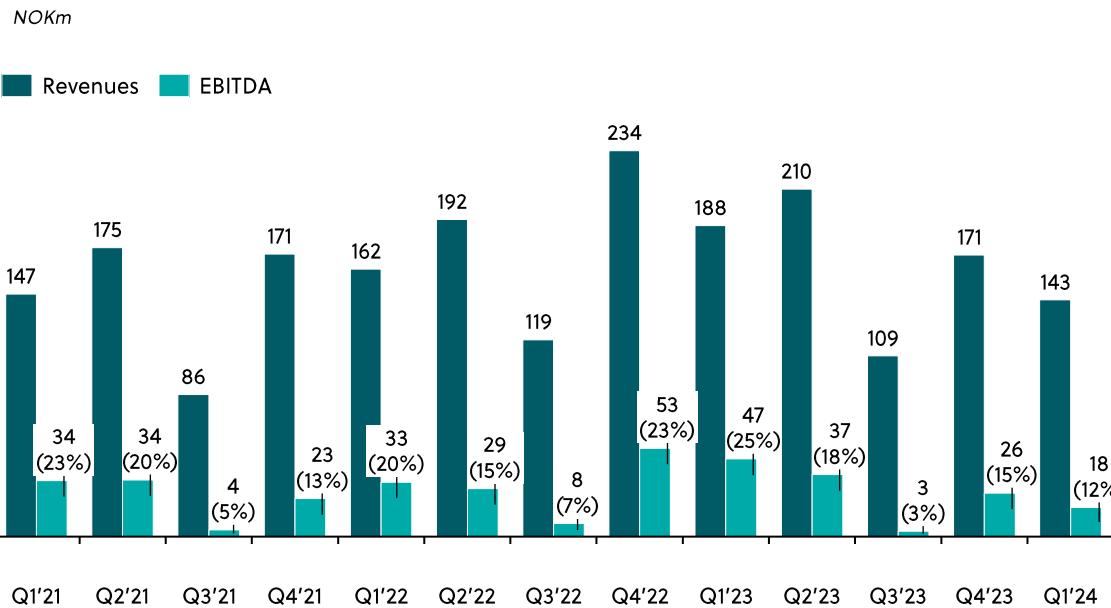
### Mobile Pipeline<sup>1</sup>



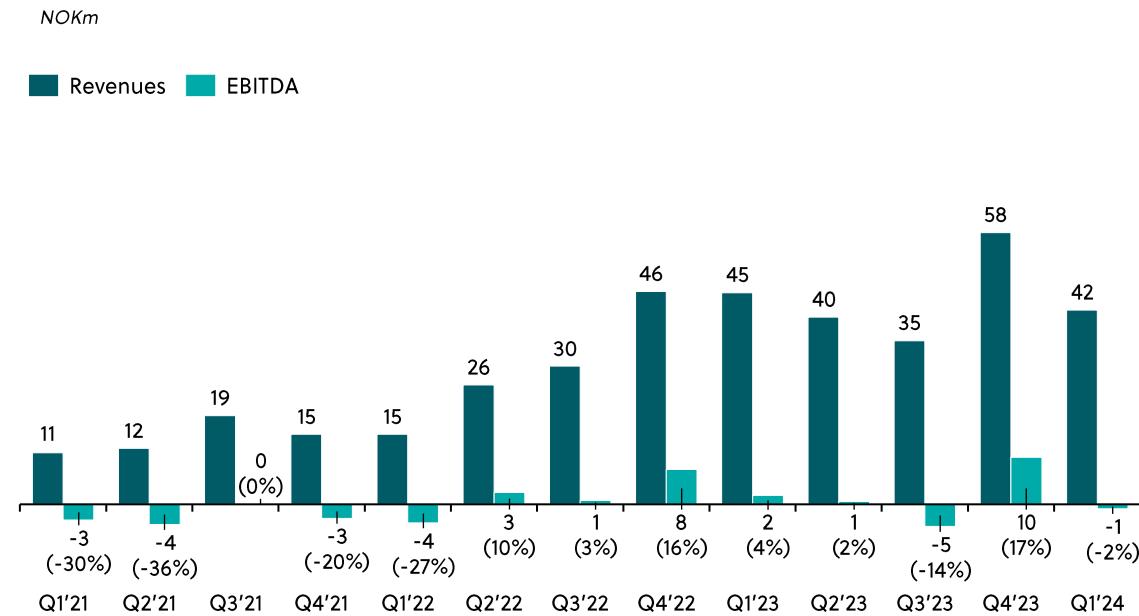
<sup>1) Including revenues previously referred to as Cylinders/Other. Historical figures re-presented for comparability purposes.</sup>

# Segment proforma financial highlights (3/3)

## Hexagon Ragasco



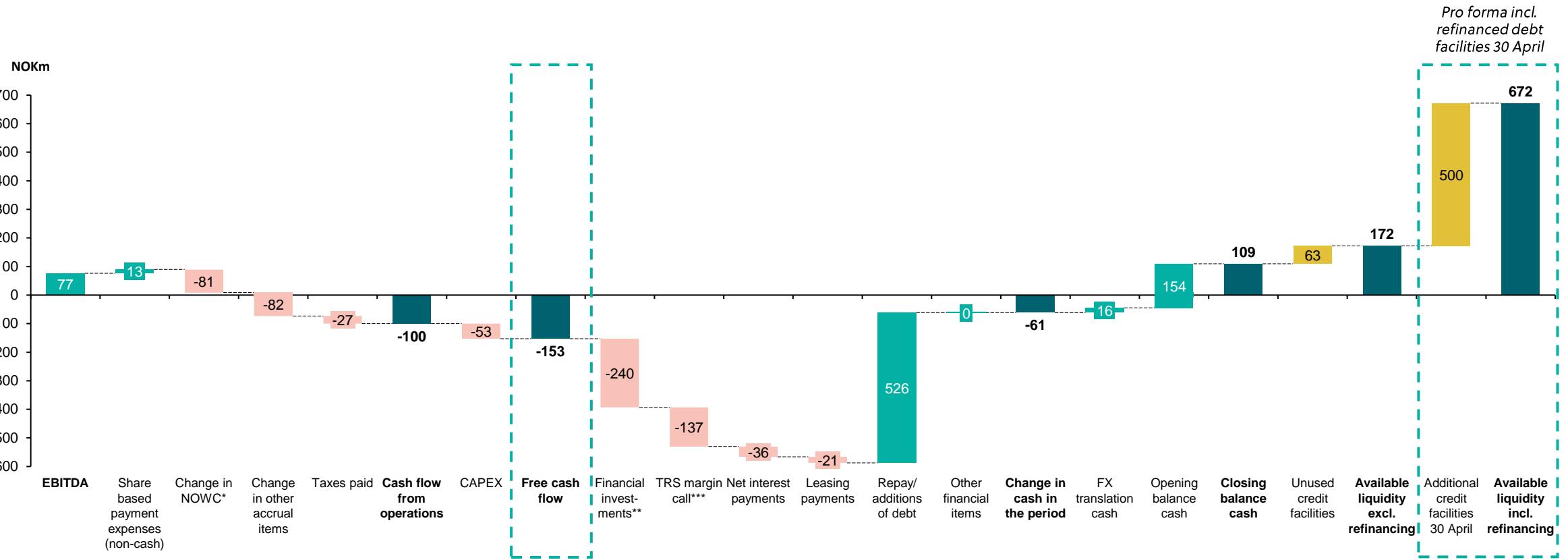
## Hexagon Digital Wave



- World leading provider of LPG composite cylinders
- Delivered over 20 million cylinders worldwide
- Strategic agenda include IoT and digitalization providing connectivity and driving value chain transformation

- Proprietary safety technology – Modal Acoustic Emission (MAE) technology for testing and certifying cylinders
- Strategic agenda include cylinder digitalization with real-timing monitoring, testing and certification, creating a circular economy through enabling life extension

# Cash flow Q1 2024



**Non-operational events - 200m investment in Hexagon Purus' convertible bond investment and margin calls on Hexagon Purus TRS of NOK 137m - impact liquidity in Q1. Renewed debt facilities on 30 April with an additional NOK 500m in capacity**

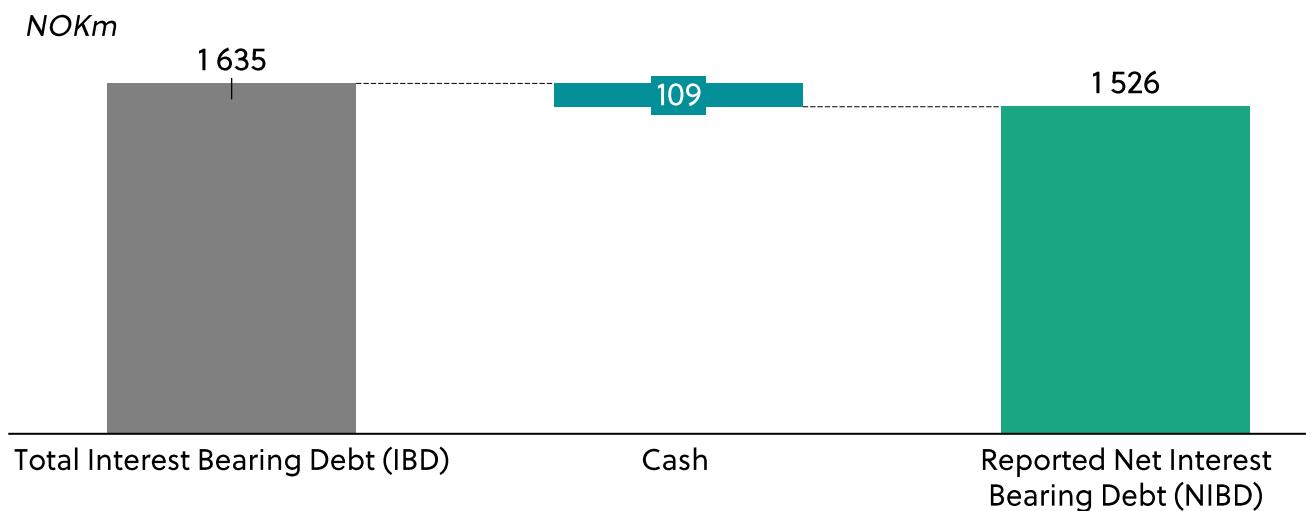
\* NOWC = net operating working capital = inventory + trade receivables – trade payables – contract liabilities (prepayments)

\*\* Financial investments relate convertible debt investment in Hexagon Purus of NOK 200m on 1 February, and loans to Cryoshelter

\*\*\* TRS margin call refers to collateral cash payments on Purus TRS instrument due to share price in Purus falling below margin thresholds



# Hexagon Group leverage



- After Refinancing on April 30th, Hexagon Group has **NOK 672 million** in available liquidity

NIBD/EBITDA LTM

