Hexatronic Group AB (publ)

Interim report January – September 2024

Sequentially improved profitability and solid cash flow

Third quarter July 1 – September 30, 2024

- Net sales increased by 2 percent to MSEK 1,951 (1,917). Sales decreased organically by 2 percent.
- EBITA decreased by 22 percent to MSEK 230 (296), corresponding to an EBITA margin of 11.8 percent (15.4).
- Operating profit (EBIT) decreased by 25 percent to MSEK 200 (266), corresponding to an operating margin of 10.2 percent (13.9).
- Net result decreased by 38 percent to MSEK 107 (172).
- Earnings per share after dilution amounted to SEK 0.52 (0.85).
- Our new focus areas, Harsh Environment and Data Center, continued to develop positively in the third quarter.
- Leverage ratio (net debt/EBITDA (pro forma), R12) amounted to 2.3x compared to 1.7x as of December 31, 2023.
- Cash flow from operating activities amounted to MSEK 144 (107).

Significant events during the quarter

- President and CEO Henrik Larsson Lyon has informed the Board of Directors that he has decided to end his operational career and step down from the role of President and CEO after more than ten years in the position. The Board has initiated the recruitment of a new CEO. Henrik Larsson Lyon will remain in his role as President and CEO until a successor has been appointed.

Significant events since the end of the quarter

- No significant events occurred after the end of the quarter.

	Q3			Jan-Sep			R12	Full year
MSEK	**2024**	**2023**	**Δ %**	**2024**	**2023**	**Δ %**	**2023/24**	**2023**
Net sales	1,951	1,917	2%	5,757	6,289	-8%	7,617	8,150
EBITA	230	296	-22%	621	1,065	-42%	790	1,234
EBITA-margin	11.8%	15.4%		10.8%	16.9%		10.4%	15.1%
Operating result (EBIT)	200	266	-25%	529	983	-46%	668	1,122
Net results	107	172	-38%	257	655	-61%	449	846
Earnings per share after dilution, SEK	0.52	0.85	-38%	1.27	3.22	-61%	2.21	4.17
Cash from operating activities	144	107		635	483		1,097	944
Liquid assets	676	595	14%	676	595	14%	676	813

Hexatronic

COMMENTS FROM THE CEO

Sequentially improved profitability and solid cash flow

The third quarter saw sales growth for the Group of 2 percent compared with the previous year. This is primarily driven by higher sales in Fiber Solutions in North America and our new focus areas, Harsh Environment and Data Center. At the same time, the continued weak demand for Fiber Solutions in Europe, combined with prevailing price pressure, had a negative impact on sales during the quarter.

Compared to the previous quarter, sales decreased by just under 4 percent in the third quarter. At the same time, we improved profitability sequentially to an EBITA margin of 11.8 percent and continued to generate solid cash flow.

Sequentially improved profitability

Despite challenges with price pressure and a continued weak market in Fiber Solutions, it is gratifying to see that we have continued to improve profitability. The EBITA margin was 11.8 percent in the third quarter, up from 11.0 percent in the previous quarter, mainly driven by higher gross margin. Compared with the third quarter last year, when we reported an EBITA margin of 15.4 percent, it is primarily increased freight costs and higher depreciations that explains the difference between the years.

Fiber Solutions on par with the previous quarter

In North America, we continued to see a slight increase in demand during the quarter, especially in our fiber connections to the home (FTTH) business, which developed strong. We are seeing increased interest in our cost-effective and flexible FTTH system among US customers, which is pleasing. There is continued price pressure on duct sales, and we expect this to continue in the coming quarters. In early October, our new duct factory in Utah was completed. The factory will be our fourth duct factory in the US and complement our offering geographically through proximity to customers in the western United States. This means we are now well positioned as one of the few suppliers with a nationwide offering in the US. Production will start on a small scale and expand next year as demand increases. For the fourth quarter, we expect only marginal volumes from the new factory, while at the same time, it entails higher costs in the start-up phase, which will be charged to the fourth quarter of this year and the first quarter of 2025.

In Europe, demand remains weak, and prices are under pressure in most markets. In particular, the UK and German markets remain at low levels.

Sales in APAC declined during the quarter due to weaker market, primarily in Australia and New Zealand, and the fact that last year's third quarter included a delivery of submarine cables.

Overall, sales in Fiber Solutions decreased by just under 5 percent in the third quarter of this year compared with the corresponding quarter last year. Compared to the previous quarter, sales were approximately 2 percent lower.

Positive development for new focus areas

Our new focus areas, Harsh Environment and Data Center, continued to develop positively in the third quarter. Compared with the corresponding quarter last year, sales increased by 47 percent and 8 percent, respectively, mainly driven by acquisitions. The new focus areas account for 26 percent of the Group's sales in the third quarter.

Sales in Harsh Environment are slightly lower sequentially than in the second quarter. The changes between quarters are explained by the timing of deliveries of various projects.

In Data Centers, sales are sequentially slightly lower in the third quarter due to lower activity during the holiday season. During the quarter, one of our most important European customers approved us as a supplier for the US market. After the end of the quarter, we completed the acquisition of parts of Icelandic Endor. The acquisition means that we will further broaden our offering in the data center market, add new expertise and strengthen our customer base and presence in Iceland, Sweden, and Germany.

As previously communicated, our acquisition agenda primarily focuses on strengthening the offering and presence in Harsh Environment and Data Center. We currently have an interesting pipeline of potential acquisition candidates.

Reduced net debt and continued good financial flexibility

We continue to have good financial flexibility for long-term value creation. During the third quarter, our interest-bearing net debt (i.e., excluding IFRS 16) continued to decrease and amounted to SEK 1,922 million at the end of September, compared to SEK 1,996 million at the end of June. We continue to show solid operating cash flow during the quarter, with a cash conversion of 70 percent.

The interest-bearing net debt to EBITDA on a rolling twelve-month basis, reflecting our bank covenants, increased from 1.9 to 2.0 times during the quarter. Including IFRS 16, this corresponds to an increase from 2.2 to 2.3 times EBITDA during the quarter. This is explained by a lower EBITDA result for the last 12-month period compared to the previous quarter.

Outlook for the fourth quarter and beyond

We are now entering a seasonally weaker quarter, and we consequently believe that sales will be lower than the just-concluded third quarter. In Fiber Solutions we have seen a return to the seasonal variations that prevailed before the pandemic, i.e., lower activity in the fourth and first quarters due to winter conditions. Overall, we are cautiously positive for next year and see signs of improved markets in several countries, although macroeconomic factors make the situation difficult to assess in the short term.

In the long term, we see underlying solid structural trends that support the continued deployment of fiber optic systems globally. The positive driving forces expected to contribute gradually to a better market situation are lower interest rates and government initiatives. These include the government investment program in the US, BEAD, which we believe will be an important driver for primarily our duct business for many years to come. The program continues to progress, and so far, 55 out of 56 states/regions in the US have been approved for BEAD. The program is now expected to start reaching the market by mid-2025, which is later than previous estimates.

For our new focus areas, Harsh Environment and Data Center, we believe that the market will remain strong for a long time to come, mainly driven by investments in defense, energy, and AI. For Harsh Environment, a stable end to the year is expected, albeit lower than last year, when the fourth quarter was a record quarter positively impacted by a larger delivery to the defense industry.

The order book at the end of the third quarter corresponded to approximately 2.5 months of sales where we estimate a normalized order book is 2 to 3 months

Hexatronic is today well positioned for continued profitable growth. We have diversified the business well in recent years, with investments in Harsh Environment and Data Center being attractive growth areas. At the same time, we continue to develop and strengthen our offering in Fiber Solutions.

Welcome to join us on our growth journey.

Henrik Larsson Lyon

President and CEO Hexatronic Group AB (publ)

The Group

Third quarter July 1 – September 30, 2024

Net sales and growth

The Group's net sales during the third quarter increased by 2 percent to MSEK 1,951 (1,917). Sales in the quarter decreased organically by 2 percent and is primarily attributable to weaker sales for Fiber Solutions in Germany and the UK. Growth from acquisitions amounted to 6 percent and is attributable to Fibron Cable, USNet, ATG and MConnect. Currency effects in the quarter amounted to -3 percent, mainly attributed to a weaker USD.

In the quarter, net sales in Rest of Europe decreased by 3 percent compared to the corresponding period last year. Explained by weaker demand and price pressure in most markets, which was partly offset by strong sales in Finland and Austria. The acquisition of Fibron Cable continues to contribute positively and in line with our expectations. Net sales in North America increased by 13 percent in the quarter, primarily due to higher sales within our fiber connections to the home (FTTH) business. Additionally, Harsh Environment contributed positively to the development in North America. However, at the same time, we continue to see price pressure in duct sales in the US. In APAC, net sales declined by 7 percent, mainly due to a submarine cable project last year. Net sales in Sweden decreased by 11 percent, where we saw slightly lower activity in the FTTH market.

Net sales in Fiber Solutions decreased by 5 percent compared to the corresponding period last year. The decrease is mainly explained by a weaker market due to high financing costs and cost inflation. Net sales in Harsh Environment showed a growth of 47 percent compared to the corresponding quarter last year. The increase is driven by the acquisitions of Fibron Cable. Net sales in Data Center increased by 8 percent compared to the corresponding quarter last year, primarily driven by the acquisition of USNet.

Analysis of change in net sales (MSEK)	**Q3 2024**	**(%)**	**Q3 2023**	**(%)**
Previous year's quarter	1,917	-	1,729	-
Organic growth	-30	-2%	-221	-13%
Acquisitions and structural changes	116	6%	319	18%
Exchange-rate effects	-51	-3%	91	5%
Current quarter	**1,951**	**2%**	**1,917**	**11%**

Geographical net sales (MSEK)	**Q3 2024**	**Allocation (%)**	**Growth (%)**
Sweden	146	7%	-11%
Rest of Europe	870	45%	-3%
North America	761	39%	13%
APAC and Rest of the world	174	9%	-7%
Total	**1,951**	**100%**	**2%**

Net Sales focus areas (MSEK)	**Q3 2024**	**Allocation (%)**	**Growth (%)**
Fiber Solutions	1,446	74%	-5%
Harsh Environment	272	14%	47%
Data Center	233	12%	8%
Total	**1,951**	**100%**	**2%**

EBITA

EBITA decreased 22 percent to MSEK 230 (296) in the quarter, corresponding to an EBITA margin of 11.8 percent (15.4). The lower EBITA-margin is affected negatively by increased freight costs and higher depreciation.

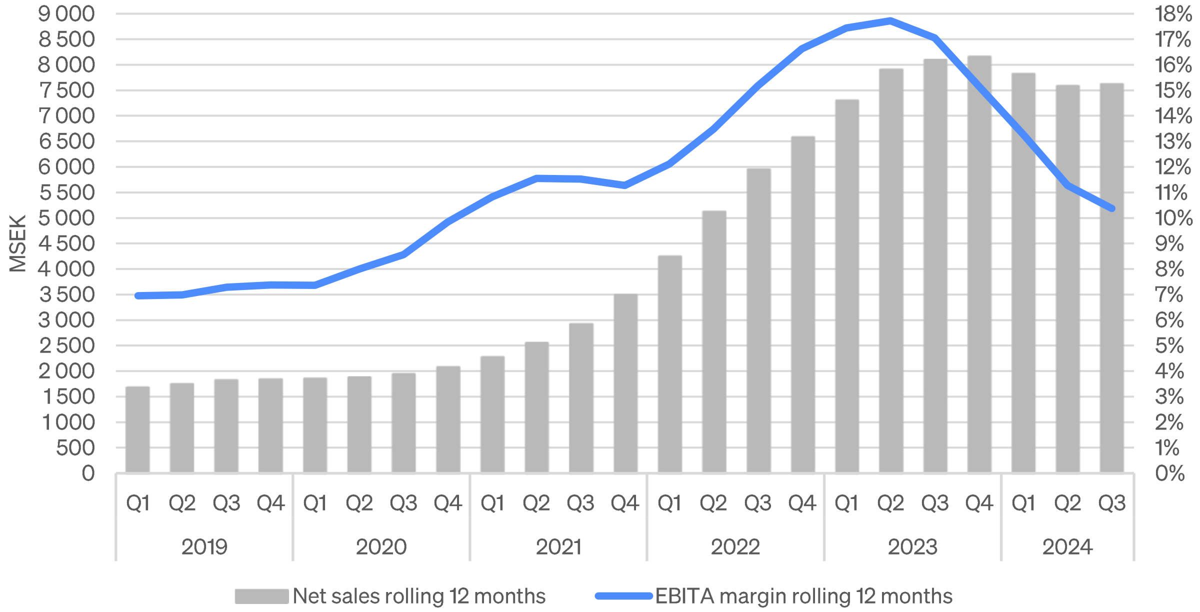
Financial items

Net financial items during the quarter amounted to MSEK -48 (-4), whereof net interest amounted to MSEK -45 (-31), realised and unrealised foreign exchange differences to MSEK -6 (-7), and other financial items to MSEK 4 (33). Other financial items include revaluation of the additional purchase price and acquisition option of MSEK 4 (36).

Result

Net results for the third quarter amounted to MSEK 107 (172) and earnings per share after dilution decreased by 38 percent to SEK 0.52 (0.85). Tax for the quarter was MSEK -45 (-90), and the average effective tax rate for the Group was 29.5 percent (34.4) for the quarter.

Net sales (MSEK) and EBITA-margin (%) since 2019, rolling 12 months



Cash flow and investments

Cash flow from operating activities during the quarter amounted to MSEK 144 (107), including a change in working capital of MSEK -62 (-113). Working capital is mainly affected by increased inventory, primarily due to raw materials associated with the opening of the duct factory in Utah. The increase was partly offset by decreased accounts receivable.

During the quarter, cash flow from the Group's investing activities amounted to MSEK -81 (-369). Investments in intangible and tangible fixed assets amounted to MSEK -77 (-126), mainly driven by capacity investments in the US primarily related to the opening of the duct factory in Utah. Cash flow effect related to business acquisitions after deduction of acquired cash and cash equivalents amounted to MSEK -5 (-244).

During the quarter, cash flow from the Group's financing activities amounted to MSEK -25 (189). The change is mainly explained by amortization of lease liabilities MSEK -33 (-25) and sale of shares linked to incentive programme MSEK 12 (0).

Total cash flow for the quarter amounted to MSEK 37 (-73).

The period January 1 – September 30, 2024

Net sales and growth

The Group's net sales during the period decreased by 8 percent to MSEK 5,757 (6,289). Sales in the period decreased organically by 16 percent and is primarily attributable to a weaker sales for Fiber Solutions in Germany, the UK and the US. Growth from acquisitions amounted to 8 percent and is attributable to Fibron Cable, Rochester Cable, USNet, ATG and MConnect. Currency effects during the period amounted to -1 percent.

During the period, net sales in Rest of Europe decreased by 14 percent compared to the corresponding period last year. Explained by the weaker development in Fiber Solutions, particularly in Germany and UK, which was partly offset by strong sales in Finland and Austria. The acquisition of Fibron Cable has contributed positively during the period and in line with our expectations. During the period, North America showed a negative sales development of 2 percent. A decrease in duct sales was partly offset by increased sales within our fiber connections to the home (FTTH) business in the US, as well as both organic and acquisition driven growth from our focus areas Harsh Environment and Data Center. In APAC and Rest of the world, net sales decreased by 7 percent. Mainly due to a submarine cable project last year, which was partly offset by a couple of larger projects delivered during the period. Net sales in Sweden decreased by 8 percent, where we saw slightly lower activity in the FTTH market.

Net sales in Fiber Solutions decreased by 21 percent compared to the corresponding period last year. The decrease is mainly explained by a weaker market due to high financing costs and cost inflation. Net sales in Harsh Environment showed a growth of 113 percent compared to the corresponding period last year. The increase is driven by the acquisitions of Rochester Cable and Fibron Cable. Net sales in Data Center increased by 26 percent compared to the corresponding period last year. Growth is driven by organic growth in the companies DCS and IDS, but also to some extent attributable to the acquisition of USNet.

Analysis of change in net sales (MSEK)	Jan-Sep 2024	(%)	Jan-Sep 2023	(%)
Previous year	6,289	-	4,779	-
Organic growth	-999	-16%	233	5%
Acquisitions and structural changes	505	8%	1,019	21%
Exchange-rate effects	-38	-1%	259	5%
Current period	**5,757**	**-8%**	**6,289**	**32%**

Geographical net sales (MSEK)	Jan-Sep 2024	Allocation (%)	Growth (%)
Sweden	476	8%	-8%
Rest of Europe	2,578	45%	-14%
North America	2,208	38%	-2%
Rest of the world	495	9%	-7%
Total	**5,757**	**100%**	**-8%**

Net Sales focus areas (MSEK)	Jan-Sep 2024	Allocation (%)	Growth (%)
Fiber Solutions	4,190	73%	-21%
Harsh Environment	828	14%	113%
Data Center	738	13%	26%
Total	**5,757**	**100%**	**-8%**

EBITA

EBITA decreased 42 percent to MSEK 621 (1,065) in the period, corresponding to an EBITA margin of 10.8 percent (16.9). The lower EBITA margin is affected by price pressure in several markets and lower capacity utilization in our factories, resulting in higher operating costs in relation to revenue.

Financial items

Net financial items in the period amounted to MSEK -154 (-82), whereof net interest amounted to MSEK -144 (-110), realised and unrealised foreign exchange differences to MSEK 1 (8) and other financial items to MSEK -10 (20). Other financial items include revaluation of the additional purchase price and acquisition option of MSEK -5 (27).

Result

Net results for the period amounted to MSEK 257 (655) and earnings per share after dilution decreased by 61 percent to SEK 1.27 (3.22). Tax for the period was MSEK -118 (-247), and the average effective tax rate for the Group was 31.5 percent (27.4) for the period. The effective tax rate during the period was affected negatively by non-deductible interest.

Cash flow and investments

Cash flow from operating activities during the period amounted to MSEK 635 (483), including a change in working capital of MSEK 118 (-415). Due to higher activity in our factories during the third quarter, accounts payable have increased compared to year-end 2023. At the same time, cash flow has been negatively affected by higher sales growth, which resulted in increased accounts receivable. In line with our plan, we have continued to work on optimizing our inventories and maintained the same level in number of days.

During the period, cash flow from the Group's investing activities amounted to MSEK -387 (-1,300). Investments in intangible and tangible fixed assets amounted to MSEK -240 (-450), mainly driven by capacity investments in the US. Cash flow effect related to business combinations after deduction of acquired cash and cash equivalents amounted to MSEK -136 (-850) and relates to payment of additional purchase price linked to the acquisition of Fibron Cable, USNet and the exercise of the acquisition option linked to Qubix. In addition, a minor add-on acquisition and a minor investment in a joint venture company affected cash flow during the period.

During the period, cash flow from the Group's financing activities amounted to MSEK -393 (846). The change is mainly explained by amortization of term loan and utilised RCF of an amount of MSEK -370 (-185), amortization of lease liabilities MSEK -98 (-67), sales of shares linked to incentive programme MSEK 12 (0) and subscription of shares related to employee stock option programme MSEK 63 (16).

Total cash flow in the period amounted to MSEK -145 (29).

Financial position

The Group's net debt amounted to MSEK 2,487 at the end of the reporting period, compared to a net debt of MSEK 2,678 as of December 31, 2023. The leverage ratio (net debt / EBITDA (pro forma), R12) as of September 30, 2024, amounted to 2.3x, compared to 1.7x as of December 31, 2023.

The Group's interest-bearing net debt, which corresponds to net debt excluding lease liabilities, amounted to MSEK 1,922 as of September 30, 2024, compared to MSEK 2,111 on December 31, 2023.

Available funds on September 30, 2024, including unutilized credit facilities, amounted to MSEK 1,852, compared to MSEK 1,732 as per December 31, 2023.

Equity

As of September 30, 2024, equity amounted to MSEK 3,487, corresponding to SEK 18.72 per outstanding share at the end of the reporting period before dilution, compared to equity of MSEK 3,438 as of December 31, 2023.

Employees

On September 30, 2024, the group had 1,957 employees in the Group on September 30, 2024, to be compared with 1,961 employees as of December 31, 2023.

Parent company

The Parent Company's main business consists of performing Group-wide services. Revenue for the period January to September amounted to MSEK 99 (93) and the result after financial items was MSEK -50 (-103). The change compared to the previous year is entirely explained by increased dividends from subsidiaries, partly offset by negative currency effects on the revaluation of receivables and liabilities in foreign currency and increased interest expenses. Short-term liabilities, primarily consisting of internal cash pool debts, are currently funded through the internal cash pool but will increasingly be funded through dividends and group contributions going forward.

The market

The buildout of fiber optic infrastructure is crucial to supporting modern life's digital demands, driving economic growth, and preparing for future technological advancements. As data volumes continue to rise, the need for fiber network investment has become increasingly apparent, and the major buildout of data centers is emerging as a key indicator of this trend.

The FTTH rollout continues steadily, and several government initiatives in Hexatronic's strategic growth markets are expected to support the continued expansion of fiber optic infrastructure in the coming years. FTTH Council FTTH/B Market Panorama and Global ranking data on penetration rate from September 2023 shows that the share of households subscribing to a service through FTTH/FTTB is still low in Germany (10 percent) the UK (17 percent) and the US (24 percent). At the same time, the total number of households in these countries is high, indicating significant potential. According to FTTH Council Europe and RVA's forecasts, 120 million households in Germany, the UK, and the US are predicted to have access to fiber-optic connectivity by 2028. In mature markets, like Sweden, which has a penetration rate of 70 percent, effort is put into maintaining and improving existing infrastructure and upgrading transport networks. The need for long-haul transport networks constantly increases worldwide as new networks are established and existing ones are enhanced. The Hexatronic offering brings cost-efficient end-to-end solutions to any fiber optic project, from backbone networks to drop connections, to support the market needs ahead.

Accelerated digitalization has led to a booming Data Center market. The rapid rise of AI, high-performance computing, and capacity demands from cloud service providers are key factors behind the quick growth. The market can be divided into the segments hyperscale, enterprise, and colocation. The demand for hyperscale data centers is growing fastest – the high-performance computing in these data centers can power AI and its applications. As an alternative to enterprise data centers, many companies now seek colocation facilities to reduce costs, while maintaining control and ownership of the physical servers. In the massive buildout of data centers worldwide, structured cabling and data center expertise on installation and relocation are sought after. Sustainable and innovative solutions will likely be essential to succeed in the energy-consuming data center market.

In Harsh Environment, the energy and defense markets increase rapidly. The energy sector drives a significant buildout of offshore infrastructure. Some of the world's largest countries turn to the ocean to increase energy generation from renewables. As the sector expands offshore, there is a massive demand for underwater robots or ROVs to manage the buildout and maintenance of the underwater infrastructure. The ROVs, in turn, depend entirely on dynamic cables bringing power, hydraulics, and fiber connections to get the job done. Given the renewed unrest in the world the defense market continues the expansion. Especially aviation and marine applications are demanding sophisticated optical sensing and communication systems. Furthermore, there is a rising acceptance of optical solutions for industrial applications, indicating potential ahead.

Seasonal variations

Hexatronic's sales of products and services in Fiber Solutions are affected by seasonal variations. This means that sales during the first and fourth quarters of the year are usually lower than during the summer months when weather conditions are more favorable for groundwork. Sales in Harsh Environment are unaffected by seasonal variations, while Data Center has slightly lower activity in the fourth quarter due to holidays.

Acquisitions

Acquisitions during the quarter

No acquisitions were made during the quarter.

Acquisitions during the year

Company	Country	Consolidated from	Acquired share, %	EBITDA[1)]	Number of employees
MConnect, Ltd	UK	2024-02-02	97%	Not significant	2
SH Connectivity	South Korea	2024-02-06	50%	N/A	-

[1)] *Last reported full year*

Acquisitions after the end of the quarter

Hexatronic has completed the asset acquisition of parts of Icelandic Endor, in accordance with the letter of intent signed in July. The acquisition brings Hexatronic leading data center expertise and a customer base in Iceland, Sweden and Germany. The acquisition will not have a material impact on Hexatronic's earnings.

Sustainability

Hexatronic aims to be at the forefront of creating sustainable solutions within fiber infrastructure for segments such as telecom, energy storage, and energy. Enabling non-stop connectivity helps accelerate digital transformation, which is key to solving many of today's challenges and builds the foundations for greener, smarter, and safer societies.

Our three sustainability focus areas are Planet, People, and Ethics. These areas form the basis of our 2030 Sustainability Roadmap. For us to succeed, we ensure that sustainability is an integrated part of our business and that our company culture leads the way. We engage and collaborate to find the best solutions and increase awareness through training, communication, and sharing best practices.

We are proud and active members of several national, European, and global sustainability organizations. As participants in the Global Compact, we commit to following the Ten Principles of the United Nations (UN) Global Compact and contributing to Agenda 2030. Each sustainability focus area with related goals and metrics is connected to the Sustainable Development Goals and the Ten Principles. We are committed to facilitating digitalization and driving sustainability in our field as a member of the FTTH Sustainability Committee, which compiles best practices in deploying fiber networks and drives climate action in the FTTH value chain.

Read about Hexatonic's targets, activities, and progress in our Annual and Sustainability Report 2023.

Other information

Nature of operations

Hexatronic Group AB (publ) is a technology group specializing in fiber infrastructure. The Group strongly focuses on complete solutions with associated support and training and operates in the business areas of Fiber Solutions, Harsh Environment, and Data Center.

The Group develops, designs, manufactures, and sells its products and system solutions combined with products from leading partners. Hexatronic is customer-centric and has a local presence worldwide, with the key strategic markets of North America, Germany and the UK. Guided by the 2030 Sustainability Roadmap, Hexatronic actively integrates the three prioritized sustainability areas, Planet, People, and Ethics, in the business.

All amounts are presented in million Swedish kronor (MSEK) unless otherwise stated. The figures in parentheses refer to the previous year. Totals are based on integer numbers (kronor).

Customers

The Group's customers are mainly wholesalers, telecom operators, network owners, telecom companies, installers, and system houses, defense companies and co-location operators for data center and hyperscale's.

Share structure

The company's share is listed in the Mid Cap segment on Nasdaq Stockholm. At the end of the period the share capital amounted to MSEK 2.

Class of shares	Number of shares	Number of votes	Percentage of capital	Percentage of votes
Ordinary share, 1 vote per share	205,472,710	205,472,710	98.6%	99.9%
Class C share, 1/10 vote per share	2,862,036	286,204	1.4%	0.1%
Total number of shares before repurchases	**208,334,746**	**205,758,914**	**100%**	**100%**
Repurchased class C shares	-2,862,036		1.4%	0.1%
Total number of shares after repurchases	**205,472,710**			

Employee stock option programmes active at the time of this publication are:

Outstanding warrant programme	Number of warranties	Corresponding Number of shares	Proportion of total Shares	Exercise price	Expiration period
Warrant programme 2022/2025	463,000	463,000	0.2%	96.96	15 May - 15 Jun -25
Warrant programme 2023/2026	377,500	377,500	0.2%	96.20	15 May - 15 Jun -26
Warrant programme 2024/2027	381,500	381,500	0.2%	55.30	13 May - 13 Jun -27
Total	**1,222,000**	**1,222,000**	**0.6%**		

In addition to above warrant programmes, there are three ongoing long-term, performance-based incentive plans (LTIP 2022, 2023 and 2024) for 47 senior executives and other key employees in the Group who are resident in Sweden. The participants have invested 234,220 savings shares in total.

Under the LTIP, for each acquired Hexatronic share (savings share), participants can receive 2–6 shares in Hexatronic (performance shares) free of charge, assuming achievement of certain performance targets. To qualify for performance shares, participants must acquire and retain a number of Hexatronic shares for the whole of the three-year vesting period and must, with some exceptions, remain in employment during the same period. In addition to the above conditions, performance shares also require certain performance targets to be met, linked to the development of the earnings per share after dilution, the Group's growth, EBITA margin and certain sustainability targets.

The targets relate to the 2022-2026 financial years. Hexatronic has judged that all the above conditions are non-market related conditions under IFRS 2.

The company's market value at the end of the period was MSEK 10,607. Based on data from Monitor of Modular Finance AB and subsequent known changes, the number of shareholders was 62,045 at period end. The shareholder structure of Hexatronic Group AB (publ) on September 30, 2024, is shown in the table below.

Shareholder	No. of ordinary shares	Votes %
Handelsbanken Funds	14,430,542	7.0%
AMF Pension & Funds	13,103,178	6.4%
Accendo Capital	12,207,134	6.0%
Jonas Nordlund, privately and corporately	11,052,162	5.4%
Chirp AB	8,929,360	4.4%
Third AP fund	6,836,450	3.3%
Vanguard	6,820,819	3.3%
Avanza Pension	4,564,852	2.2%
Henrik Larsson Lyon	4,139,592	2.0%
Futur Pension	3,363,789	1.6%
Other shareholders	120,024,832	58.2%
Total outstanding shares	**205,472,710**	**100.0%**

Transactions with related parties

The Group rents premises from Fastighets AB Balder, in which the Group's board member Erik Selin has a significant influence. The rental contract has been entered under normal commercial conditions. The rent for the premises amounts to approximately MSEK 7 annually.

Significant risks and uncertainties

Like all business activities, Hexatronic' s operation is associated with risks of various kinds. Continually identifying and assessing risks is a natural and integral part of the operation, enabling risks to be controlled, limited and managed proactively. The Group's ability to map and prevent risks minimises the likelihood of unpredictable events having an adverse impact on the business. The aim of risk management is not necessarily to eliminate the risk, but rather to safeguard set business goals with a balanced risk portfolio. Mapping, planning and management of identifiable risks supports the management in making strategic decisions. Risk assessment also aims to increase the entire organisation's risk awareness.

Several risk areas have been identified in Hexatronic' s risk management process. Hexatronic has divided identified risks into operational risks, market risks and financial risks. A more detailed description of the Group's risks and risk management is provided in the Hexatronic Group Annual Report for 2023 on page 70-75.

Fiber optic networks are a critical infrastructure and the degree of expansion is still low in many countries, such as the US, Germany and the UK. Therefore, we see strong underlying structural trends supporting global build out. Primarily privately financed projects but also projects financed by subsidies from several government investment programs such as the BEAD program in the US, Gigabit Strategy in Germany and Project Gigabit UK. Similar programs exist in most countries. Should the willingness to invest in fiber optic networks decrease, for example, as a result of increased costs and/or reduced government investment programs, this could affect Hexatronic's business and, thus, future revenues.

Accounting policies

The consolidated financial statements for Hexatronic Group ("Hexatronic") have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, RFR 1 Supplementary Accounting Rules for Groups and the Swedish Annual Accounts Act. This interim report has been prepared in accordance with IAS 34 Interim Reporting, the Swedish Annual Accounts Act and RFR 1 Supplementary Accounting Rules for Groups.

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The application of RFR 2 means that in its interim report for the legal entity, the Parent Company applies all IFRS and statements adopted by the EU as far as possible within the framework of the Swedish Annual Accounts Act and the Swedish Insurance Act and regarding the relationship between accounting and taxation.

For full accounting policies, see the Annual Report for 2023.

Review

This interim report has been reviewed by the company's auditor.

Gothenburg, 2024-10-25

Henrik Larsson Lyon
President and CEO Hexatronic Group AB (publ)

Presentation of the interim report

Hexatronic will present the interim report at a webcast conference call today, October 25, 2024, at 10:00 CEST. CEO Henrik Larsson Lyon, CFO Pernilla Lindén and Deputy CEO Martin Åberg will participate.

Link to the webcast:
https://ir.financialhearings.com/hexatronic-group-q3-report-2024

Please direct any questions to:

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https://www.hexatronic.com/en/investors

Annual General Meeting 2025

The Annual General Meeting 2025 in Hexatronic Group AB (publ) will be held on Monday, May 5, 2025, at CEST 15:00, at Gothia Towers, Mässans gata 24 in Gothenburg.

Shareholders wishing to have a matter considered at the Annual General Meeting must submit a written request to the Board of Directors by sending an e-mail to agm@hexatronic.com (with the subject line "To the Board of Directors"). Such requests must be received by the Board no later than March 18, 2025.

Calendar

February 7, 2025	Year-end report 2024
April 28, 2025	Interim report January – March 2025
May 5, 2025	Annual General Meeting 2025
July 14, 2025	Half year report 2025
October 24, 2025	Interim report January – September 2025
February 5, 2026	Year-end report 2025

This is a translation of the Swedish version of the interim report. When in doubt, the Swedish wording prevails

This is information that Hexatronic Group AB (publ) is obliged to make public pursuant to the Market Abuse Regulation. The information was submitted for publication through the agency of the contact person set out above on October 25, 2024 at 07.00 CEST.

Consolidated income statement

(MSEK)	2024 Q3	2023 Q3	2024 Jan-Sep	2023 Jan-Sep	2023 Full year
Revenue					
Net sales	1,951	1,917	5,757	6,289	8,150
Other operating income	16	24	51	69	90
Total	**1,967**	**1,940**	**5,808**	**6,359**	**8,240**
Operating expenses					
Raw materials and goods for resale	-1,110	-1,105	-3,344	-3,538	-4,646
Other external costs	-241	-197	-654	-703	-925
Personnel costs	-302	-270	-936	-854	-1,147
Other operating expenses	-11	-17	-32	-39	-60
Depreciation of tangible assets	-73	-56	-221	-159	-228
Earnings before amortisation of intangible assets (EBITA)	**230**	**296**	**621**	**1,065**	**1,234**
Amortisation of intangible assets	-31	-29	-91	-82	-113
Operating result (EBIT)	**200**	**266**	**529**	**983**	**1,122**
Result from financial items					
Financial items, net	-48	-4	-154	-82	-1
Result after financial items	**152**	**262**	**375**	**901**	**1,121**
Income taxes	-45	-90	-118	-247	-275
Net result for the period	**107**	**172**	**257**	**655**	**846**
Attributable to:					
Parent Company shareholders	108	173	259	656	848
Non-controlling interest	-1	-1	-2	-2	-2
Net result for the period	**107**	**172**	**257**	**655**	**846**
Earnings per share					
Earnings per share before dilution (SEK)	0.52	0.85	1.27	3.23	4.18
Earnings per share after dilution (SEK)	0.52	0.85	1.27	3.22	4.17

Consolidated statement of comprehensive income	2024 Q3	2023 Q3	2024 Jan-Sep	2023 Jan-Sep	2023 Full year
Result for the period	107	172	257	655	846
Items which can later be recovered in the income statement					
Translation differences	-116	-90	100	135	-196
Hedging of net investments	46	22	-42	-50	69
Tax attributable to items that can be returned to the income statement	-10	-5	9	10	-14
Other comprehensive income for the period	**-79**	**-73**	**67**	**95**	**-142**
Comprehensive income for the period	**28**	**99**	**324**	**749**	**704**
Attributable to:					
Parent Company shareholders	29	101	325	750	706
Non-controlling interest	-1	-2	-2	0	-2
Comprehensive income for the period	**28**	**99**	**324**	**749**	**704**

Consolidated balance sheet

(MSEK)	Note	2024-09-30	2023-09-30	2023-12-31
Assets				
Non-current assets				
Intangible assets		2,987	3,089	2,978
Tangible assets		2,383	2,393	2,279
Financial assets		18	6	5
Total non-current assets		**5,388**	**5,488**	**5,263**
Current assets				
Inventories		1,431	1,727	1,393
Account receivables		1,243	1,472	1,124
Other receivables		21	22	25
Prepaid expenses and accrued income		167	145	116
Liquid assets		676	595	813
Total current assets		**3,539**	**3,960**	**3,470**
TOTAL ASSETS		**8,927**	**9,449**	**8,733**
Equity		**3,847**	**3,483**	**3,438**
Non-current liabilities				
Liabilities to credit institutions	4	2,451	2,964	2,774
Deferred tax		237	238	248
Non-current lease liabilities		436	510	476
Other non-current liabilities	5	343	438	304
Total non-current liabilities		**3,467**	**4,150**	**3,803**
Current liabilities				
Liabilities to credit institutions	4	148	126	150
Current lease liabilities		129	89	91
Accounts payable		750	747	510
Provisions		51	41	59
Current tax liabilities		39	97	88
Other liabilities	5	124	298	249
Accrued expenses and deferred income		371	417	347
Total current liabilities		**1,612**	**1,816**	**1,493**
TOTAL EQUITY, PROVISION AND LIABILITIES		**8,927**	**9,449**	**8,733**

Consolidated statement of changes in equity

(MSEK)	Share Capital	Other capital contri-butions	Reserves	Hedging reserve	Result brought forward, including result for the period	Total	Non-controlling interests	Total equity
Balance brough forward as of 1 January 2023	**2**	**938**	**325**	**0**	**1,503**	**2,768**	**37**	**2,805**
Result for the period	-	-	-	-	848	848	-2	846
Other comprehensive income	-	-	-196	54	-	-142	0	-142
Total comprehensive income	**0**	**0**	**-196**	**54**	**848**	**706**	**-2**	**704**
New shares related to employee stock option programme	-	16	-	-	-	16	-	16
Employee stock option programme	-	5	-	-	-	5	-	5
Share-based remuneration	0	-	-	-	8	8	-	8
Repurchase of shares	-	-	-	-	-81	-81	-	-81
Dividend paid	-	-	-	-	-20	-20	-	-20
Non-controlling interest on acquisition of subsidiary	-	-	-	-	0	0	0	0
Total transactions with shareholders, reported directly in equity	**0**	**21**	**0**	**0**	**-93**	**-72**	**0**	**-72**
Balance carried forward as of 31 December 2023	**2**	**959**	**129**	**54**	**2,258**	**3,402**	**35**	**3,438**
Balance brought forward as of 1 January 2024	**2**	**959**	**129**	**54**	**2,258**	**3,402**	**35**	**3,438**
Result for the period	-	-	-	-	259	259	-2	257
Other comprehensive income	-	-	99	-34	-	66	1	67
Total comprehensive income	**0**	**0**	**99**	**-34**	**259**	**325**	**-2**	**324**
New shares related to employee stock option programme	0	63	-	-	-	63	-	63
Employee stock option programme	-	3	-	-	-	3	-	3
Share-based remuneration	0	-	-	-	8	8	-	8
Sale of shares linked to incentive programme	-	-	-	-	12	12	-	12
Total transactions with shareholders, reported directly in equity	**0**	**67**	**0**	**0**	**19**	**86**	**0**	**86**
Balance carried forward as of 30 September 2024	**2**	**1,026**	**228**	**21**	**2,537**	**3,813**	**34**	**3,847**

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Consolidated statement of cash flow

(MSEK)	Note	2024 Q3	2023 Q3	2024 Jan-Sep	2023 Jan-Sep	2023 Full year
Operating result		200	266	529	983	1,122
Items not affecting cash flow	3	103	111	306	277	409
Interest received		3	3	7	6	8
Interest paid		-42	-46	-135	-111	-156
Income tax paid		-58	-116	-190	-258	-282
Cash flow from operating activities before changes in working capital		**206**	**220**	**517**	**898**	**1,100**
Increase (-)/decrease (+) in inventories		-105	21	-53	71	329
Increase (-)/decrease (+) in accounts receivable		60	34	-84	-265	26
Increase (-)/decrease (+) in operating receivables		9	-6	-12	-26	-4
Increase (+)/decrease (-) in accounts payable		-36	-78	256	-169	-391
Increase (+)/decrease (-) in operating liabilities		10	-84	11	-26	-116
Cash flow from changes in working capital		**-62**	**-113**	**118**	**-415**	**-156**
Cash flow from operating activities		**144**	**107**	**635**	**483**	**944**
Investing activities						
Acquisition of tangible and intangible assets		-77	-126	-240	-450	-518
Acquisition of subsidiaries after deduction of acquired liquid assets		-5	-244	-136	-850	-907
Change in financial assets		-	-	-12	-	-
Cash flow from investing activities		**-81**	**-369**	**-387**	**-1,300**	**-1,426**
Financing activities						
Borrowings		-	348	-	1,183	1,635
Amortisation of loans		-4	-134	-370	-185	-688
Amortisation of lease liabilities		-33	-25	-98	-67	-92
Sale of shares		12	-	12	-	-
Repurchase of shares		-	-	-	-81	-81
New shares related to employee stock option programme		-	-	63	16	16
Dividend paid		-	-	-	-20	-20
Cash flow from financing activities		**-25**	**189**	**-393**	**846**	**769**
Cash flow for the period		**37**	**-73**	**-145**	**29**	**288**
Liquid assets at the start of the period		650	677	813	552	552
Exchange rate difference in liquid assets		-11	-9	9	15	-28
Liquid assets at the end of the period		**676**	**595**	**676**	**595**	**813**

Key metric for the Group

	2024 Q3	2023 Q3	2024 Jan-Sep	2023 Jan-Sep	2024 Q3, R12	2023 Full year
Growth in net sales	2%	11%	-8%	32%	-6%	24%
EBITA margin	11.8%	15.4%	10.8%	16.9%	10.4%	15.1%
EBITA margin, 12 months rolling	10.4%	17.0%	10.4%	17.0%	10.4%	15.1%
Operating margin	10.2%	13.9%	9.2%	15.6%	8.8%	13.8%
Equity asset ratio	43.1%	36.9%	43.1%	36.9%	43.1%	39.4%
Earnings per share before dilution (SEK)	0.52	0.85	1.27	3.23	2.21	4.18
Earnings per share after dilution (SEK)	0.52	0.85	1.27	3.22	2.21	4.17
Net sales per employee (SEK thousand)	984	959	2,927	3,288	3,855	4,211
Result per employee (SEK thousand)	54	87	132	343	228	438
Quick asset ratio	131%	123%	131%	123%	131%	139%
Cash flows from operating activities	144	107	635	483	1,097	944
Average number of employees	1,983	1,998	1,967	1,913	1,976	1,935
Number of shares at period end before dilution	205,472,710	203,026,610	205,472,710	203,026,610	205,472,710	203,026,610
Average number of shares before dilution	205,472,710	203,026,610	203,841,975	203,026,610	203,638,135	203,026,610
Average number of shares after dilution	205,472,710	203,294,865	204,114,020	203,864,730	203,944,185	203,454,005

For definition of key metric, see the section Definition alternative key metrics.

The key metrics presented are deemed essential to describing the Group's development as they both constitute the Group's financial objectives (growth in net sales and EBITA margin) and are the key metrics by which the Group is governed. Several key metrics are considered relevant to investors, such as earnings per share and the number of shares. Other key metrics are presented in order to provide different perspectives on how the Group is developing and are therefore deemed to be of benefit to the reader.

Parent Company income statement

(MSEK)	2024 Jan-Sep	2023 Jan-Sep
Revenue		
Net sales	99	93
	99	**93**
Operating expenses		
Other external costs	-76	-89
Personnel costs	-70	-51
Other operating expenses	-1	-
Depreciation of tangible assets	0	0
Earnings before amortisation of intangible assets (EBITA)	**-48**	**-47**
Amortisation of intangible assets	-2	-2
Operating result (EBIT)	**-50**	**-48**
Result from financial items		
Interest expenses	0	-55
Result after financial items	**-50**	**-103**
Appropriations	-	-
Result before tax	**-50**	**-103**
Income taxes	19	0
Net result for the period	**-31**	**-103**

Total comprehensive income is the same as net result for the period in the parent company since there is nothing accounted for as other comprehensive income.

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Parent Company balance sheet

(MSEK)	2024-09-30	2023-09-30	2023-12-31
Assets			
Intangible assets	7	5	6
Tangible assets	1	1	1
Financial assets	4,417	4,579	4,418
Total non-current assets	**4,425**	**4,585**	**4,425**
Current receivables			
Receivables from Group companies	189	576	450
Current tax receivables	2	5	1
Other receivables	0	0	2
Prepaid expenses and accrued income	9	7	8
Total current receivables	**201**	**588**	**462**
Cash and bank balances	**106**	**43**	**173**
Total current assets	**306**	**631**	**635**
TOTAL ASSETS	**4,731**	**5,216**	**5,060**
Equity	**1,039**	**939**	**983**
Untaxed reserves	**29**	**29**	**29**
Non-current liabilities			
Liabilities to credit institutions	2,439	2,953	2,760
Other non-current liabilities	296	423	282
Total non-current liabilities	**2,735**	**3,375**	**3,042**
Current liabilities			
Liabilities to credit institutions	148	126	150
Accounts payable	7	15	16
Provisions	2	-	5
Liabilities to Group companies	709	541	668
Other liabilities	30	160	146
Accrued expenses and deferred income	31	30	21
Total current liabilities	**928**	**873**	**1,006**
TOTAL EQUITY, PROVISIONS AND LIABILITIES	**4,731**	**5,216**	**5,060**

Notes

Note 1 Revenue

January-September 2024 Geographical markets	Sweden	Rest of Europe	North America	APAC/ Rest of the world	Total
Revenue from external customers	476	2,578	2,208	495	5,757
Category					
Goods	438	2,304	2,061	478	5,282
Services	38	273	147	17	475
Total	**476**	**2,578**	**2,208**	**495**	**5,757**
Time for revenue recognition					
At a given time	438	2,129	2,011	466	5,044
Over time	38	449	196	29	712
Total	**476**	**2,578**	**2,208**	**495**	**5,757**

January-September 2023 Geographical markets	Sweden	Rest of Europe	North America	Rest of the world	Total
Revenue from external customers	519	2,991	2,250	530	6,289
Category					
Goods	489	2,724	2,162	524	5,899
Services	29	267	88	6	390
Total	**519**	**2,991**	**2,250**	**530**	**6,289**
Time for revenue recognition					
At a given time	489	2,690	2,162	524	5,865
Over time	29	300	88	6	424
Total	**519**	**2,991**	**2,250**	**530**	**6,289**

Note 2 Business acquisitions

Acquisitions 2024

On February 2, 2024, the Group acquired 97 percent of the share capital of MConnect, Ltd (“MConnect”) for a fixed purchase consideration of MGBP 0,6 on a debt free basis. The acquisition of MConnect includes a put/call option to acquire the remaining 3 percent after 2027. Both parties have the right to exercise the option and it is considered likely that the option will be exercised, hence the acquisition is recognized at 100 percent with no non-controlling interest. The expected purchase price for the remaining 3 percent is recognized as a liability with any changes in value through the income statement.

The acquisition has not had any material impact on Hexatronic's balance sheet, net sales and earnings for the period.

Acquisitions 2023

On March 3, 2023, the Group completed the asset purchase agreement to acquire all business activity of Rochester Cable ("Rochester") for a fixed purchase consideration of MUSD 55 on a debt free basis (excluding ND/NWC adjustment of MUSD -4.5).

On August 18, 2023, the Group acquired 100 percent of the share capital of Fibron XB Ltd ("Fibron") for a fixed purchase consideration of MGBP 25 on a debt free basis (excluding ND/NWC adjustment of MGBP -5.5), and contingent purchase consideration calculated at net present value of maximum MGBP 7.

On September 1, 2023, the Group acquired 100 percent of the share capital of ATG Technology Group Limited ("ATG") for a purchase consideration of MNZD 0.9.

On October 1, 2023, the Group acquired 95 percent of the share capital of USNet for a fixed purchase consideration (excluding ND/NWC adjustment) of MUSD 5.5, and contingent purchase consideration calculated at net present value of maximum MUSD 0.9. The acquisition of USNet includes a put/call option to acquire the remaining 5 percent after 2027. Both parties have the right to exercise the option and it is considered likely that the option will be exercised, hence the acquisition is recognized at 100 percent with no non-controlling interest. The expected purchase price for the remaining 5 percent is recognized as a liability with any changes in value through the income statement.

The preliminary table below summarises the purchase price for the acquisitions and the fair value of the acquired assets and assumed liabilities recognized on the acquisition dates. The acquisitions are reported aggregated, as none of the acquisitions have been deemed individually significant.

Preliminary Purchase price (MSEK)	
Liquid assets	865
Contingent purchase consideration (not paid)	108
Holdback purchase consideration (not paid)	2
Option to acquire remaining 5 percent of USNet (not paid)	14
Total purchase price	**988**

Recognised amounts for identifiable acquired assets and taken-over liabilities	
Liquid assets	75
Tangible and intangible assets	225
Customer relations	168
Financial assets	-
Accounts receivable	173
Inventories	168
Other receivables	44
Financial liabilities	-132
Other liabilities	-251
Total identifiable net assets	**470**
Non-controlling interests	**-**
Goodwill	**518**

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Acquisition-related costs of MSEK 23 are included in other external costs in the consolidated statement of comprehensive income for the 2023 financial year. Total cash flow, excluding acquisition-related costs, attributable to the business combinations amounted to MSEK 790. Goodwill is attributable to the earning capacity that the companies are expected to bring.

Subject to the agreement of contingent purchase consideration, the Group will pay a maximum of MSEK 98 for Fibron based on EBITDA for the full year 2023 and MSEK 10 for USNet based on EBITDA for the full year 2023 and 2024.

The fair value of account receivables totals MSEK 173. Doubtful accounts receivables amount to MSEK 3 and are reserved.

The value of tax-deductible goodwill amounts to MSEK 158.

Since the acquisition date, net sales of MSEK 688 have been included in the consolidated income statement from the acquired companies during 2023. The acquired companies generated an EBITDA of MSEK 80 during the same period.

If the acquired companies had been consolidated from January 1, 2023, the consolidated income statement for the period January to December would have increased with net sales of MSEK 1,178 and EBITDA of MSEK 158.

Note 3 Items not affecting cash flow

(MSEK)	2024 Q3	2023 Q3	2024 Jan-Sep	2023 Jan-Sep	2023 Full year
Depreciation/amortisation	104	85	313	241	340
Revaluation of incentive programmes	4	-3	22	-6	-12
Work in progress, accrued but not invoiced	-40	-	-49	-	-
Change obsolescence reserve inventory	23	3	31	17	26
Other provisions	8	25	-12	27	51
Exchange rate differences	3	1	2	0	0
Other	1	0	0	-2	4
Total	**103**	**111**	**306**	**277**	**409**

Note 4 Liabilities to credit institutions

		Cash-flow		Items not affecting cash flow				
(MSEK)	2023-12-31	Borrowings	Amortisation of loan	Acquisitions	Reclassification	Currency effects	Cost of financing	2024-09-30
Non-current liabilities to credit institutions	2,774	-	-	-	-370	44	2	2,451
Current liabilities to credit institutions	150	-	-370	-	370	-2	-	148
Total	**2,924**	**-**	**-370**	**-**	**-**	**42**	**2**	**2,599**

Note 5 Financial liabilities valued at fair value via the income statement

		Cash flow	Items not affecting cash flow				
(MSEK)	2023-12-31	Payments	Acquisitions during the year	Reclassification	Translation-difference	Revaluation over the income statement	2024-09-30
Additional purchase price / acquisition option	461	-129	17	20	0	5	375

Reconciliation between IFRS and key metrics used

In this interim report, Hexatronic presents certain financial parameters that are not defined in IFRS known as alternative key metrics. The Group believes that these parameters provide valuable supplementary information for investors as they facilitate an evaluation of the company's results and position. Since not all companies calculate financial parameters in the same way these metrics are not always comparable with those used by other companies. Investors should see the financial parameters as a complement to rather than a replacement for financial reporting in accordance with IFRS.

Organic growth, MSEK, %	**Q3 2024**	**Jan-Sep 2024**	**Full year 2023**
Net sales	1,951	5,757	8,150
Exchange-rate effects	51	38	-294
Acquisition driven	-116	-505	-1,454
Comparable net sales	**1,886**	**5,291**	**6,402**
Net sales corresponding period previous year	1,917	6,289	6,574
Organic growth	**-30**	**-999**	**-172**
Organic growth %	-2%	-16%	-3%

Annual growth, rolling 12 months, %	**Q3 2024**	**Q3 2023**	**Full year 2023**
Net sales rolling 12 months	*7,617*	*8,085*	*8,150*
Annual growth, rolling 12 months	**-6%**	**36%**	**24%**

Quick asset ratio, %	**2024-09-30**	**2023-09-30**	**2023-12-31**
Current assets	3,539	3,960	3,470
Inventories	-1,431	-1,727	-1,393
Current assets less inventories	*2,108*	*2,234*	*2,077*
Current liabilities	1,612	1,816	1,493
Quick asset ratio	**131%**	**123%**	**139%**

Core working capital, MSEK	**2024-09-30**	**2023-09-30**	**2023-12-31**
Inventories	1,431	1,727	1,393
Accounts receivable	1,243	1,472	1,124
Accounts payable	-750	-747	-510
Core working capital	**1,924**	**2,451**	**2,008**

Net debt, MSEK	2024-09-30	2023-09-30	2023-12-31
Non-current liabilities to credit institutions	2,451	2,964	2,774
Current liabilities to credit institutions	148	126	150
Overdraft facilities	-	-	-
Liquid assets	-676	-595	-813
Interest-bearing net debt	**1,922**	**2,495**	**2,111**
Non-current lease liabilities	436	510	476
Current lease liabilities	129	89	91
Net debt	**2,487**	**3,094**	**2,678**

EBITDA and EBITDA (proforma) R12, MSEK	Q3 2024	Q3 2023	Full year 2023
Operating result (EBIT), R12	**668**	**1,274**	**1,122**
Amortisation of intangible assets, R12	123	101	113
EBITA, R12	**790**	**1,375**	**1,234**
Depreciation of tangible assets, R12	290	200	228
EBITDA, R12	**1,080**	**1,576**	**1,462**
EBITDA (proforma), R12	**1,081**	**1,720**	**1,574**

Leverage ratio	Q3 2024	Q3 2023	Full year 2023
Net debt	2,487	3,094	2,678
EBITDA (proforma), R12	1,081	1,720	1,574
Net debt / EBITDA (proforma), R12	**2.3**	**1.8**	**1.7**

Definition alternative key metrics

Gross profit margin
Net sales minus raw materials and merchandise, as a percentage of net sales.

EBITDA (proforma), R12
Rolling 12 month reported EBITDA plus proforma acquired EBITDA, before entry.

EBITA
Earnings before amortisation of intangible assets.

EBITA margin
Earnings before amortisation of intangible assets as a percentage of net sales.

EBIT (operating result)
Earnings before interest and taxes.

Operating margin
Earnings before interest and taxes as a percentage of net sales.

Equity asset ratio
Total equity as a percentage of total assets.

Number of shares
Number of outstanding shares at the end of the period.

Organic growth
Changes in net sales excluding exchange-rate effects and acquisitions compared with the same period last year.

Acquisition-driven growth
Acquisition-driven growth is based on net sales from acquired operations during the following 12 months after the acquisition date.

Annual growth
Average annual growth is calculated as the Group´s total net sales during the period compared to the same period last year.

Quick asset ratio
Quick asset ratio is calculated as current assets minus inventories divided by current liabilities.

Core-working capital
Core working capital is defined as inventories plus accounts receivable minus accounts payable.

Net debt
Interest-bearing liabilities, including lease liabilities, less liquid assets.

Leverage ratio
Net debt through EBITDA (proforma), R12.

Average number of outstanding shares
Weighted average of the number of outstanding shares during the period.

Average number of outstanding shares after dilution
Number of outstanding shares at the end of the period plus the number of shares that would be added if all dilutive potential shares were converted.

Earnings per share before dilution
Earnings attributable to Parent Company shareholders as a percentage of average number of outstanding shares before dilution.

Earnings per share after dilution
Earnings attributable to Parent Company shareholders as a percentage of average number of outstanding shares after dilution.

Equity per share
Total equity divided by the number of shares at the end of the period.

Number of employees
Number of employees at the end of the period.

Auditor's report

Hexatronic Group AB (publ) – org.nr 556168-6360

Unofficial translation of the original auditor's report written in Swedish

Introduction

We have reviewed the condensed interim financial information (interim report) of Hexatronic Group AB as of 30 September 2024 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Gothenburg on the date of the electronic signature.

Öhrlings PricewaterhouseCoopers AB

Johan Malmqvist
Authorized Public Accountant

This is Hexatronic

Hexatronic Group AB (publ) enables non-stop connectivity for communities worldwide. We partner with customers across four continents – from telecom operators to network owners – offering leading-edge fiber technology and solutions for any and all conditions.

Hexatronic Group AB (publ) was founded in 1993 in Sweden and is listed on Nasdaq Stockholm. Our global product brands include Viper, Stingray, Raptor, InOne, and Wistom®.

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