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HEXPOL ACTING CEO PETER ROSÉN COMMENTS ON THIS YEAR'S SECOND QUARTER

During the second quarter we deliver increased sales and results driven by strong organic growth, not least in the new business area Thermoplastic Compounding. Focused efforts to maintain and in many cases increase our market shares in the various segments have yielded positive results. The quarter has also been characterized by challenges in terms of rapidly changing raw material prices which we have successfully handled.

Volume increases benefit both growth and profitability
Our focus on maintaining market share continues to generate positive results with a visible recovery in most of our end customer segments. We maintain and, in many cases, strengthen our positions in our main markets while also achieving a positive impact on our results through increased volumes in our well-invested and efficient production capacity.

Despite still relatively low historically comparable figures during the quarter, we still see increased volumes in especially the cable industry, building and construction and automotive sector.

We see increased turnover in our two largest business areas. The Group shows a strong organic growth of 8 percent during the second quarter.

Increased result despite continued negative currency effects
During the quarter, we achieved a turnover of 5 280 MSEK (4 997) and an adjusted EBIT of 772 MSEK (756), which means an adjusted margin of 14,6 percent (15,1). The strong Swedish krona continues to negatively impact the result, albeit to a lesser extent compared to previous quarters. The currency affected the sales negatively by 3 percent and EBIT negatively by 3 percent.

Successful work with volatile raw material prices
The situation in the Middle East remains turbulent. This means continued significant volatility in both the prices and availability of our oil-based raw materials. During the quarter, we have invested significant resources in monitoring the development and taking necessary measures to both ensure material supply and to implement the necessary price adjustments we constantly do because of raw material developments. We have successfully carried out this work during the quarter, both in terms of our price adjustments and customer relations.

Positive signs within our largest business areas
It is very pleasing to see positive demand development from end customers within the new business area Thermoplastic Compounding, during the quarter. Not least do we see increased activity linked to customers within the product area Wire & Cable that continues to grow as part of the Group’s product offering.

The business area Rubber Compounding will for the foreseeable future, however, continue to constitute the largest part of our business. During the quarter, we managed to gain market share and have also been successful in taking over parts of customers' own compounding business. There is an increased focus on organic growth where customer focus and the broadening of our customer base are important components.

Our ambition is also to continue to grow with acquisitions. We are actively working on several possibilities, but at the moment the processes are affected by the uncertain market situation.

Clear steps on a continued growth journey
HEXPOL's growth journey requires perseverance, clarity and rapid execution of both strategic and tactical choices. In the quarter we see confirmation that our fundamental strategic direction is the right one. Through increased focus and speed of implementation, despite continued market challenges, there are good conditions to deliver profitable growth.

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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 polymer materials for truck and castor 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, consumer and cable industry and manufacturers of medical equipment, plate heat exchangers and forklifts.
The Group is organized in three business areas - HEXPOL Compounding, HEXPOL Thermoplastic Compounding and HEXPOL Engineered Products.
The HEXPOL Group's sales in 2025 amounted to 19,324 MSEK and the Group has approximately 5,000 employees in fourteen countries.
Further information is available at www.hexpol.com.