Half-year report January-June 2014

Published on 23 July 2014

Second quarter of 2014 – Another strong quarter

- Sales rose 4 per cent to 2,145 MSEK (2,060).
- Operating profit increased 15 per cent to 360 MSEK (312).
- Operating margin improved to 16.8 per cent (15.1).
- Profit after tax rose 13 per cent to 258 MSEK (228).
- Earnings per share increased 13 per cent to 7.50 SEK (6.62).
- Operating cash flow increased to 412 MSEK (385).
- An agreement was signed July 11 to acquire the business of Kardoes Rubber Co., a well-known Rubber Compounder in the US market.

First half of 2014 – Volume increases in all regions

- Sales rose 5 per cent to 4,276 MSEK (4,074).
- Operating profit increased 19 per cent to 724 MSEK (610).
- Operating margin improved to 16.9 per cent (15.0).
- Profit after tax rose 17 per cent to 520 MSEK (444).
- Earnings per share increased 17 per cent to 15.11 SEK (12.90).
- Operating cash flow rose to 699 MSEK (625).

President's comments

"Also the second quarter of 2014 was a strong quarter for the HEXPOL Group. Our volume development was positive and volumes improved in all geographic regions compared with the year-earlier period. Gratifying is that volumes in Europe continued to recover. Sales increased by 4 per cent, despite a negative impact from lower prices for our principal raw materials which, however, has stabilised during the last three quarters. Our earnings per share improved to 7.50 SEK (6.62), up 13 per cent. The operating margin improved to 16.8 per cent (15.1) and our operating profit rose 15 per cent to 360 MSEK (312). Operating cash flow was once again strong, increasing to 412 MSEK (385).

The first half of 2014 was a period with volume increases in all geographic regions and with strong earnings development. Our earnings per share rose 17 per cent to 15.11 SEK (12.90). Return on capital employed increased to 30.7 per cent (25.3). Our balance sheet is strong and, with a net debt of 175 MSEK (985), we are well equipped for continued expansion.

An agreement was signed July 11 to acquire the business of Kardoes Rubber in Alabama, US. The acquisition is a very good complement to HEXPOL Compounding in the US and broadens and strengthens our presence with Rubber Compounds into end user markets like industrial materials handling, agriculture equipment and off the road tires. "

Georg Brunstam, President and CEO

Group summary

Key Figures	Apr-Jun		Jan-Jun		Full Year	Jul 13-
MSEK	2014	2013	2014	2013	2013	Jun 14
Sales	2 145	2 060	4 276	4 074	8 036	8 238
Operating profit, EBIT	360	312	724	610	1 255	1 369
Operating margin, %	16,8	15,1	16,9	15,0	15,6	16,6
Profit before tax	354	309	712	598	1 236	1 350
Profit after tax	258	228	520	444	930	1 006
Earnings per share, SEK	7,50	6,62	15,11	12,90	27,02	29,23
Equity/assets ratio, %			62,7	50,8	61,5	
Return on capital employed, %			30,7	25,3	27,0	29,1
Operating cash flow	412	385	699	625	1 418	1 492

HEXPOL is a world-leading polymers group with strong global positions in advanced rubber compounds (Compounding), gaskets for plate heat exchangers (Gasket), and plastic and rubber materials for truck and castor wheel applications (Wheels). Customers are primarily OEM manufacturers of plate heat exchangers and trucks, global systems suppliers to the automotive and engineering industries, the energy sector and the medical equipment manufacturers. The Group is organised in two business areas, HEXPOL Compounding and HEXPOL Engineered Products. The HEXPOL Group's sales in 2013 amounted to 8,036 MSEK. The HEXPOL Group has approximately 3,500 employees in ten countries. Further information is available at www.hexpol.com.

Second quarter of 2014

The HEXPOL Group's sales rose 4 per cent to 2,145 MSEK (2,060) during the second quarter. Currency effects had a positive impact of 25 MSEK on sales, primarily due to a strengthening of the Euro.

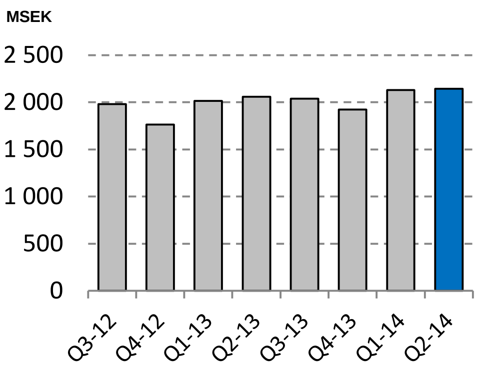
Sales growth (adjusted for currency effects) amounted to 3 per cent, including the effects of lower prices for our principal raw materials which, however, has stabilised during the last three quarters.

The volume development was positive in all geographic regions, compared with the year-earlier period. Sales in NAFTA were higher year-on-year and sales remained strong primarily to automotive-related customers. Sales in Mexico remained strong in all segments. Sales in Europe were higher year-on-year, primarily thanks to improved sales to automotive-related customers.

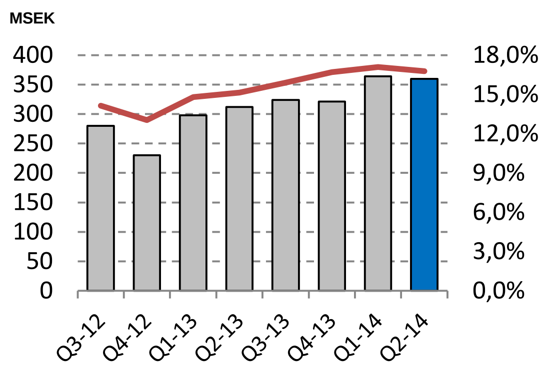
Operating profit rose 15 per cent to 360 MSEK (312), resulting in the operating margin improving to 16.8 per cent (15.1). The operating profit improved thanks to increased volumes and continued efficiency enhancements in the operations. Exchange-rate fluctuations had a positive impact of 6 MSEK on operating profit for the quarter.

An agreement was signed July 11 2014 to acquire the business of Kardoes Rubber Co., a well-known Rubber Compounder in the US market. Kardoes Rubber, with a manufacturing facility in LaFayette, Alabama, US, had a turnover of 43 MUSD in 2013 and has around 90 employees. The acquisition price amounts to 31.8 MUSD on a cash and debt free basis. The acquisition price will be paid upon completion of the acquisition which is estimated to take place at the end of July. The business is expected to be consolidated from August 2014. The transaction costs are estimated to 2 MSEK, which has been reported during the second quarter.

Sales



Operating profit & operating margin



The HEXPOL Compounding business area's sales during the quarter rose to 1,971 MSEK (1,889). Year-on-year increases in volume were noted in all geographical regions and sales in all regions were once again impacted by lower prices for our principal raw materials. Sales in NAFTA increased compared with the year-earlier period and sales remained strong primarily to the automotive-related customers. Sales in Europe also increased year-on-year, mostly thanks to improved sales to automotive-related customers. The HEXPOL TPE Compounding product area continued its positive development. Operating profit for the HEXPOL Compounding business area increased 14 per cent to 338 MSEK (296). The operating margin improved to 17.1 per cent (15.7), thanks to increased volumes and continued higher operational efficiency.

The HEXPOL Engineered Products business area's sales for the quarter totalled 174 MSEK (171). Operating profit in the HEXPOL Engineered Products business area increased to 22 MSEK (16), improving the operating margin to 12.6 per cent (9.4).

The HEXPOL Group's sales in NAFTA increased compared with the year-earlier period. Sales remained strong to automotive-related customers. Sales continued to be strong in all segments in Mexico.

The HEXPOL Group's sales in Europe increased year-on-year, mostly thanks to better sales to automotive-related customers.

In Asia, the HEXPOL Group's sales were considerably higher, especially to automotive-related customers, than in the year-earlier period.

Raw-material prices for the Group's principal raw materials declined during the three first quarters of 2013, but stabilised during the fourth quarter and been continued stabile during the first two quarters of the year, which entailed lower selling prices compared with the year-earlier period.

The Group's operating cash flow rose to 412 MSEK (385). The Group's net financial items amounted to an expense of 6 MSEK (expense: 3).

Profit before tax rose to 354 MSEK (309) and profit after tax increased to 258 MSEK (228). Earnings per share increased 13 per cent to 7.50 SEK (6.62).

January-June 2014

The HEXPOL Group's sales for the first half-year increased 5 per cent to 4,276 MSEK (4,074). Currency effects had a positive impact of 59 MSEK on sales, primarily due to a strengthening of the Euro.

Sales growth (adjusted for currency effects) amounted to 4 per cent, including the effects of lower prices for our principal raw materials which, however, has stabilised during the last three quarters.

Operating profit rose 19 per cent to 724 MSEK (610), which improved the operating margin to 16.9 per cent (15.0). Exchange-rate fluctuations, primarily strengthening of the Euro, had a positive impact of 15 MSEK on operating profit.

The HEXPOL Compounding business area's sales increased to 3,925 MSEK (3,720). Operating profit rose 17 per cent to 675 MSEK (578) and the operating margin improved to 17.2 per cent (15.5). Sales in NAFTA were strong primarily to automotive-related customers. Sales in Europe improved, also here to automotive-related customers. The HEXPOL TPE Compounding business area had a favourable development.

The HEXPOL Engineered Products business area's sales amounted to 351 MSEK (354). Operating profit increased to 49 MSEK (32), entailing an operating margin of 14.0 per cent (9.0). Insurance compensation for rebuilding the fire-damaged production line at HEXPOL Wheel's facility in Sweden, had a positive impact of 6 MSEK on operating profit, reported during the first quarter.

The Group's operating cash flow increased to 699 MSEK (625). The Group's net financial items amounted to an expense of 12 MSEK (expense: 12).

Profit before tax increased to 712 MSEK (598) and profit after tax rose to 520 MSEK (444). Earnings per share increased 17 per cent to 15.11 SEK (12.90).

Profitability

The return on average capital employed increased to 30.7 per cent (25.3). The return on shareholders' equity amounted to 27.4 per cent (29.0).

Financial position and liquidity

The equity/assets ratio increased to 62.7 per cent (50.8). The Group's total assets amounted to 6,322 MSEK (6,323). Net debt was reduced to 175 MSEK (985). The dividend of 310 MSEK (207) resolved at the Annual General Meeting was paid by HEXPOL in May.

The Group has the following three credit agreements with Nordic banks:

- A five-year credit agreement with a limit of 100 MUSD that will fall due in October 2015.
- A five-year credit agreement with a limit of 125 MUSD that will fall due in February 2018.
- A three-year credit agreement with a limit of 750 MSEK that will fall due in February 2016.

Cash flow

Operating cash flow rose to 699 MSEK (625). Cash flow from operating activities increased to 539 MSEK (519).

Investments, depreciation and amortisation

The Group's investments amounted to 54 MSEK (65). Investments are attributable to maintenance investments (primarily in USA), capacity investments (Mexico and HEXPOL TPE Compounding) and the reconstruction of the fire-damaged production line in HEXPOL Wheels facility in Sweden. Depreciation, amortisation and impairment amounted to 76 MSEK (78).

Tax expenses

The Group's tax expenses amounted to 192 MSEK (154), corresponding to a tax rate of 27.0 per cent (25.8).

Personnel

The number of employees at the end of the first half of the year was 3,504 (3,357). The increase of the number of employees during the second quarter is mainly attributable to the operations in Sri Lanka.

Business area HEXPOL Compounding

The HEXPOL Compounding business area is one of the world's leading suppliers in the development and manufacturing of high-quality advanced polymer compounds (Compounding) for demanding applications. 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. Other key segments are the construction and infrastructure industry, energy, oil and gas sector, cabling and water treatment industry, as well as medical technology.

	Apr-Jun		Jan-Jun		Full Year	Jul 13-
MSEK	2014	2013	2014	2013	2013	Jun 14
Sales	1 971	1 889	3 925	3 720	7 345	7 550
Operating profit	338	296	675	578	1 177	1 274
Operating margin, %	17,1	15,7	17,2	15,5	16,0	16,9

HEXPOL Compounding's sales during the second quarter increased 4 per cent to 1,971 MSEK (1,889). Raw-material prices for the Business area's principal raw materials declined during the three first quarters of 2013, but stabilised during the fourth quarter and were continued stable during the first two quarters of the year, which entailed lower selling prices compared with the year-earlier period.The volume development was positive in all geographic regions, compared with the year-earlier period. Operating profit rose 14 per cent to 338 MSEK (296). The operating margin improved to 17.1 per cent (15.7), thanks to increased volumes and continued efficiency enhancements in the operation.

Sales in NAFTA increased compared with the year-earlier period and sales remained strong to automotive-related customers. Sales remained strong in all segments in Mexico. Investment in an additional production line in Mexico commenced and is planned to be operational by the end of the year.

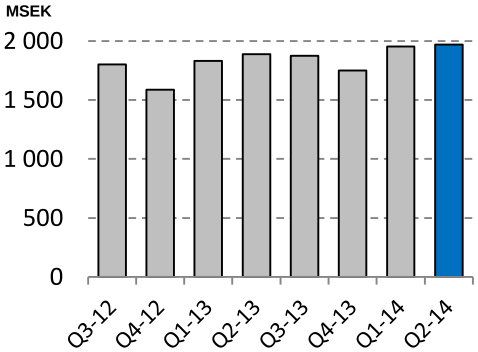
Sales in Europe increased compared with the year-earlier period, mostly thanks to better sales to automotive-related customers.

Sales in Asia increased compared with the year-earlier period, primarily to automotive-related customers in China were the customer project portfolio is strong.

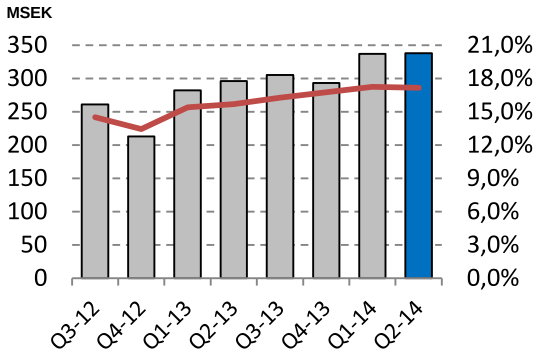
The HEXPOL TPE Compounding product area continued its positive development.

An agreement was signed July 11 to acquire the business of Kardoes Rubber Co. from the founder Mr. Frank Kardoes and his family. Frank Kardoes started Kardoes Rubber in 1988 and Kardoes is today a well-known Rubber Compounder in the US market. Kardoes Rubber, with a manufacturing facility in LaFayette, Alabama, US, had a turnover of 43 MUSD in 2013 and has around 90 employees. The acquisition is a good complement to HEXPOL Compounding in the US and broadens and strengthens the presence with Rubber Compounds into end user markets like industrial materials handling, agriculture equipment and off the road tires. The acquisition price amounts to 31.8 MUSD on a cash and debt free basis and is funded by a combination of cash and existing bank facilities. The acquisition price will be paid upon completion of the acquisition which is estimated to take place at the end of July. The business is expected to be consolidated from August 2014. The transaction costs are estimated to 2 MSEK, which is reported during the second quarter.

Sales



Operating profit & operating margin



Business area HEXPOL Engineered Products

The HEXPOL Engineered Products business area is one of the world's leading manufacturers of advanced products, such as gaskets for plate heat exchangers (Gaskets) and wheels for truck and castor applications (Wheels). The market for gaskets and wheels is global. Gasket customers include manufacturers of plate heat exchangers and wheel customers are manufacturers of trucks and castors.

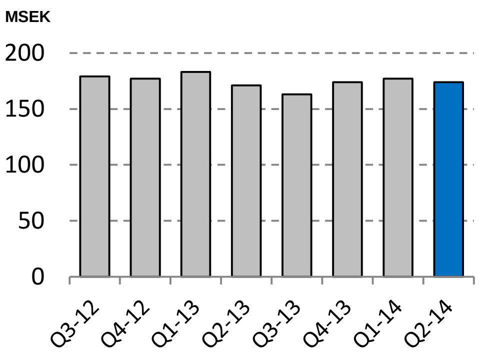
	Apr-Jun		Jan-Jun		Full Year	Jul 13-
MSEK	**2014**	**2013**	**2014**	**2013**	**2013**	**Jun 14**
Sales	174	171	351	354	691	688
Operating profit	22	16	49	32	78	95
Operating margin, %	12,6	9,4	14,0	9,0	11,3	13,8

The HEXPOL Engineered Products business area's second-quarter sales increased to 174 MSEK (171). Operating profit increased to 22 MSEK (16), corresponding to an improved operating margin of 12.6 per cent (9.4).

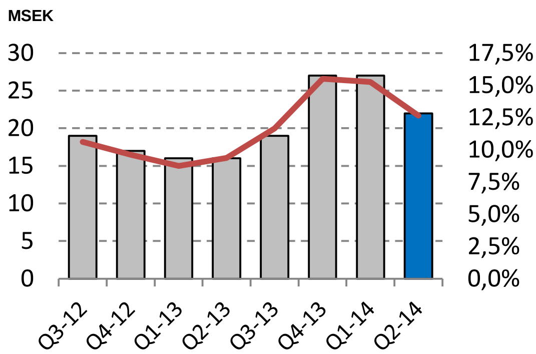
The sales development for the HEXPOL Gasket product area was good during the second quarter on all geographical regions, but sales remained weak to project-related operations. As before, the markets were characterised by general price pressure.

Sales in the HEXPOL Wheels product area improved somewhat compared to the year-earlier period. The, in April 2013, fire-damaged production line has been restored and the production has gradually been started during the second quarter.

Sales



Operating profit & operating margin



Parent Company

The Parent Company's profit after tax was 83 MSEK (113), which includes dividends from subsidiaries. Shareholders' equity amounted to 3,012 MSEK (2,988).

Risk factors

The Group's and Parent Company's business risks, risk management and management of financial risks are described in detail in the 2013 Annual Report. No significant events occurred during the year that affected or changed these descriptions of the Group's or the Parent Company's risks and their management.

Accounting policies

The consolidated financial statements in this half-year report have been prepared in compliance with International Financial Reporting Standards (IFRS), as adopted by the EU. 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. This half-year report has been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting and measurement policies, as well as the assessment bases, applied in the 2013 Annual Report have also been applied in this half-year report. No new or revised IFRSs that entered into force in 2014 have had any significant impact on the Group.

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 the Stockholm Large Cap segment of the NASDAQ OMX Nordic exchange. HEXPOL had 8,109 shareholders on 30 June 2014. The largest shareholder is Melker Schörling AB with 26 per cent of the capital and 47 per cent of the voting rights. The 20 largest shareholders own 62 per cent of the capital and 73 per cent of the voting rights.

Invitation to the presentation of the report

This report will be presented through a telephone conference on 23 July at 1:00 p.m CET. The presentation, as well as information concerning participation, is available at www.hexpol.com.

Events after the reporting period

An agreement was signed July 11 to acquire the business of Kardoes Rubber Co. from the founder Mr. Frank Kardoes and his family. Frank Kardoes started Kardoes Rubber in 1988 and Kardoes is today a well-known Rubber Compounder in the US market. Kardoes Rubber, with a manufacturing facility in LaFayette, Alabama, US, had a turnover of 43 MUSD in 2013 and has around 90 employees. The acquisition price amounts to 31.8 MUSD on a cash and debt free basis and is funded by a combination of cash and existing bank facilities. The acquisition price will be paid upon completion of the acquisition which is estimated to take place at the end of July. The business is expected to be consolidated from August 2014.

Calendar for financial information

HEXPOL AB will publish financial information on the following dates:

- Interim report January-September 2014 — 24 October 2014
- Year-end report 2014 — 6 February 2015
- Interim report January-March 2015 — 4 May 2015

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

Board assurance

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

This half-year report has not been subject to any particular review by the company's auditors.

Malmö, 23 July 2014
HEXPOL AB (publ)

Melker Schörling,
Chairman of the Board

Ulrik Svensson

Alf Göransson

Malin Persson

Jan-Anders Månson

Georg Brunstam,
President and CEO

Märta Schörling

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Condensed consolidated income statement

	Apr-Jun		Jan-Jun		Full Year	Jul 13-
MSEK	**2014**	**2013**	**2014**	**2013**	**2013**	**Jun 14**
Sales	2 145	2 060	4 276	4 074	8 036	8 238
Cost of goods sold	-1 675	-1 644	-3 340	-3 250	-6 370	-6 460
Gross profit	**470**	**416**	**936**	**824**	**1 666**	**1 778**
Selling and administrative cost, etc.	-110	-104	-212	-214	-411	-409
Operating profit	**360**	**312**	**724**	**610**	**1 255**	**1 369**
Financial income and expenses	-6	-3	-12	-12	-19	-19
Profit before tax	**354**	**309**	**712**	**598**	**1 236**	**1 350**
Tax	-96	-81	-192	-154	-306	-344
Profit after tax	**258**	**228**	**520**	**444**	**930**	**1 006**
- of which, attributable to Parent Company shareholders	258	228	520	444	930	1 006
Earnings per share, SEK	7,50	6,62	15,11	12,90	27,02	29,23
Shareholders' equity per share, SEK			115,14	93,29	105,08	
Average number of shares, 000s	34 420	34 420	34 420	34 420	34 420	34 420
Depreciation, amortisation and impairment	-41	-40	-76	-78	-156	-154

Condensed statement of comprehensive income

	Apr-Jun		Jan-Jun		Full Year	Jul 13-
MSEK	**2014**	**2013**	**2014**	**2013**	**2013**	**Jun 14**
Profit after tax	258	228	520	444	930	1 006
Items that will not be reclassified to the income statement						
Remeasurements of defined benefit pension plans	0	0	0	-3	-3	0
Income tax relating to items that will not be reclassified to the income statement	0	0	0	1	1	0
Items that may be reclassified to the income statement						
Cash-flow hedges	0	0	0	0	0	0
Income tax relating to cash-flow hedges	0	0	0	0	0	0
Translation differences	138	104	136	67	-13	56
Comprehensive income	**396**	**332**	**656**	**509**	**915**	**1 062**
- of which, attributable to Parent Company's shareholders	396	332	656	509	915	1 062

Condensed consolidated balance sheet

	Jun 30		Dec 31
MSEK	**2014**	**2013**	**2013**
Intangible fixed assets	2 817	2 763	2 730
Tangible fixed assets	1 194	1 250	1 186
Financial fixed assets	0	1	0
Deferred tax asset	34	20	30
Total fixed assets	**4 045**	**4 034**	**3 946**
Inventories	503	471	488
Accounts receivable	940	943	725
Other receivables	133	201	100
Prepaid expenses and accrued income	49	38	22
Cash and cash equivalents	652	636	597
Total current assets	**2 277**	**2 289**	**1 932**
Total assets	**6 322**	**6 323**	**5 878**
Equity attributable to Parent Company's shareholders	3 963	3 211	3 617
Total shareholders' equity	**3 963**	**3 211**	**3 617**
Interest-bearing liabilities	793	1 617	928
Provision for deferred tax	190	170	191
Provision for pensions	17	16	17
Total non-current liabilities	**1 000**	**1 803**	**1 136**
Interest-bearing liabilities	34	38	34
Accounts payable	923	814	775
Other liabilities	122	187	67
Accrued expenses, prepaid income, provisions	280	270	249
Total current liabilities	**1 359**	**1 309**	**1 125**
Total shareholders' equity and liabilities	**6 322**	**6 323**	**5 878**

Consolidated changes in shareholders' equity

	Jun 30, 2014		Jun 30, 2013		Dec 31, 2013	
MSEK	**Attributable to Parent Company shareholders**	**Total equity**	**Attributable to Parent Company shareholders**	**Total equity**	**Attributable to Parent Company shareholders**	**Total equity**
Opening equity	**3 617**	**3 617**	**2 909**	**2 909**	**2 909**	**2 909**
Comprehensive income	656	656	509	509	915	915
Dividend	-310	-310	-207	-207	-207	-207
Closing Equity	**3 963**	**3 963**	**3 211**	**3 211**	**3 617**	**3 617**

Changes in number of shares

	Total number of Class A shares	**Total number of Class B share**	**Total number of shares**
Number of shares at January 1	1 476 562	32 943 566	34 420 128
Number of shares at the end of the period	**1 476 562**	**32 943 566**	**34 420 128**

Condensed consolidated cash-flow statement

	Apr-Jun		Jan-Jun		Full Year	Jul 13-
MSEK	**2014**	**2013**	**2014**	**2013**	**2013**	**Jun 14**
Cash flow from operating activities before changes in working capital	244	228	589	517	1 080	1 152
Changes in working capital	33	77	-50	2	143	91
Cash flow from operating activities	**277**	**305**	**539**	**519**	**1 223**	**1 243**
Acquisitions	0	0	0	-3	-3	0
Cash flow from other investing activities	-22	-44	-51	-65	-136	-122
Dividend	-310	-207	-310	-207	-207	-310
Cash flow from other financing activities	-127	-156	-152	-184	-853	-821
Change in cash and cash equivalents	**-182**	**-102**	**26**	**60**	**24**	**-10**
Cash and cash equivalents at the beginning of the period	803	724	597	564	564	636
Exchange-rate differences in cash and cash equivalents	31	14	29	12	9	26
Cash and cash equivalents at the end of the period	**652**	**636**	**652**	**636**	**597**	**652**

Operating cash flow, Group

	Apr-Jun		Jan-Jun		Full Year	Jul 13-
MSEK	**2014**	**2013**	**2014**	**2013**	**2013**	**Jun 14**
Operating profit	360	312	724	610	1 255	1 369
Depreciation/amortisation/impairment	41	40	76	78	156	154
Change in working capital	33	77	-50	2	143	91
Sales of fixed assets	3	0	3	0	9	12
Investments	-25	-44	-54	-65	-145	-134
Operating Cash flow	**412**	**385**	**699**	**625**	**1 418**	**1 492**

Other key figures, Group

	Apr-Jun		Jan-Jun		Full Year	Jul 13-
	2014	**2013**	**2014**	**2013**	**2013**	**Jun 14**
Profit margin before tax, %	16,5	15,0	16,7	14,7	15,4	16,4
Return on shareholders' equity, %			27,4	29,0	28,5	28,0
Interest-coverage ratio, multiple			72,2	55,4	52,5	62,4
Net debt, MSEK			175	985	312	
Net debt ratio, multiple			0,0	0,3	0,1	
Cash flow per share, SEK	8,05	8,86	15,66	15,08	35,53	36,11
Cash flow per share before change in working capital, SEK	7,09	6,62	17,11	15,02	31,38	33,47

Financial instruments recognized at fair value in the Balance Sheet

	Jun 30		Dec 31
MSEK	**2013**	**2013**	**2013**
Other current receivables			
Currency derivates	64	62	84
Other current liabilities			
Currency derivates	109	130	134

Derivatives consist of currency forward contracts and are used primarily for hedging purposes and are measured at the level 2.

Quarterly data, Group

Sales per business area

	2014		2013				Full-	Jul 13-	2012				Full-
MSEK	Q1	Q2	Q1	Q2	Q3	Q4	Year	Jun 14	Q1	Q2	Q3	Q4	Year
HEXPOL Compounding	1 954	1 971	1 831	1 889	1 876	1 749	7 345	7 550	1 951	1 931	1 801	1 587	7 270
HEXPOL Engineered Products	177	174	183	171	163	174	691	688	191	190	179	177	737
Group total	**2 131**	**2 145**	**2 014**	**2 060**	**2 039**	**1 923**	**8 036**	**8 238**	**2 142**	**2 121**	**1 980**	**1 764**	**8 007**

Sales per geographic area

	2014		2013				Full-	Jul 13-	2012				Full-
MSEK	Q1	Q2	Q1	Q2	Q3	Q4	Year	Jun 14	Q1	Q2	Q3	Q4	Year
Europe	699	677	655	642	617	609	2 523	2 602	749	691	632	581	2 653
NAFTA	1 314	1 343	1 261	1 309	1 310	1 203	5 083	5 170	1 292	1 316	1 243	1 085	4 936
Asia	118	125	98	109	112	111	430	466	101	114	105	98	418
Group total	**2 131**	**2 145**	**2 014**	**2 060**	**2 039**	**1 923**	**8 036**	**8 238**	**2 142**	**2 121**	**1 980**	**1 764**	**8 007**

Operating profit per business area

	2014		2013				Full-	Jul 13-	2012				Full-
MSEK	Q1	Q2	Q1	Q2	Q3	Q4	Year	Jun 14	Q1	Q2	Q3	Q4	Year
HEXPOL Compounding	337	338	282	296	305	294	1 177	1 274	255	267	261	213	996
HEXPOL Engineered Products	27	22	16	16	19	27	78	95	17	20	19	17	73
Group total	**364**	**360**	**298**	**312**	**324**	**321**	**1 255**	**1 369**	**272**	**287**	**280**	**230**	**1 069**

Operating margin per business area

	2014		2013				Full-	Jul 13-	2012				Full-
%	Q1	Q2	Q1	Q2	Q3	Q4	Year	Jun 14	Q1	Q2	Q3	Q4	Year
HEXPOL Compounding	17,2	17,1	15,4	15,7	16,3	16,8	16,0	16,9	13,1	13,8	14,5	13,4	13,7
HEXPOL Engineered Products	15,3	12,6	8,7	9,4	11,7	15,5	11,3	13,8	8,9	10,5	10,6	9,6	9,9
Group total	**17,1**	**16,8**	**14,8**	**15,1**	**15,9**	**16,7**	**15,6**	**16,6**	**12,7**	**13,5**	**14,1**	**13,0**	**13,4**

Condensed income statement, Parent Company

	Apr-Jun		Jan-Jun		Full Year
MSEK	2014	2013	2014	2013	2013
Sales	8	9	17	17	32
Administrative costs, etc.	-16	-12	-31	-24	-47
Operating loss	**-8**	**-3**	**-14**	**-7**	**-15**
Financial income and expenses	76	121	94	117	372
Profit/loss after net financial items	**68**	**118**	**80**	**110**	**357**
Appropriations	-	-	-	-	8
Profit/loss before tax	**68**	**118**	**80**	**110**	**365**
Tax	2	1	3	3	0
Profit/loss after tax	**70**	**119**	**83**	**113**	**365**

Condensed balance sheet, Parent company

	Jun 30		Dec 31
MSEK	2014	2013	2013
Total fixed assets	**4 939**	**4 938**	**4 921**
Total current assets	**1 142**	**1 128**	**1 028**
Total assets	**6 081**	**6 066**	**5 949**
Total shareholders' equity	**3 012**	**2 988**	**3 239**
Total untaxed reserves	**-**	**8**	**-**
Total non-current liabilities	**790**	**1 617**	**940**
Total current liabilities	**2 279**	**1 453**	**1 770**
Total shareholders' equity and liabilities	**6 081**	**6 066**	**5 949**

Financial definitions

Capital employed	Total assets less non-interest-bearing liabilities.
Cash flow	Cash flow from operating activities after changes in working capital.
Cash flow per share	Cash flow from operating activities after changes in working capital divided by the average number of shares.
Earnings per share	Profit after tax, attributable to Parent Company shareholders, divided by the average number of shares.
EBIT	Operating profit after depreciation, amortisation and impairment.
EBITDA	Operating profit before depreciation, amortisation and impairment.
Equity/assets ratio	Shareholders' equity as a percentage of total assets.
Interest-coverage ratio	Profit before tax plus interest expenses divided by interest expenses.
Net investments	Purchases less sales of intangible and tangible fixed assets, excluding those included in acquisitions and divestments of subsidiaries.
Net debt/equity ratio	Interest-bearing liabilities less cash and cash equivalents divided by shareholders' equity.
Net debt	Interest-bearing liabilities less cash and cash equivalents.
Operating cash flow	Operating profit excluding items affecting comparability less depreciation/amortisation and net investments, and after changes in working capital.
Operating margin	Operating profit as a percentage of sales for the period.
Profit margin before tax	Profit before tax as a percentage of sales for the period.
Return on capital employed	Profit before tax plus interest expenses as a percentage of average capital employed.
Return on equity	Net profit attributable to Parent Company shareholders as a percentage of average shareholders' equity, excluding minority interests.
Shareholders' equity per share	Shareholders' equity attributable to Parent Company shareholders divided by the number of shares at the end of the period.