

INTERIM REPORT

1 JANUARY – 30 SEPTEMBER 2019

THIRD QUARTER

- Net sales increased by 1 per cent to 956.3 MEUR (946.1). Using fixed exchange rates and a comparable group structure (organic growth), net sales decreased by -3 per cent
- Operating earnings (EBIT1) increased by 2 per cent to 235.8 MEUR (231.8)
- Earnings before taxes, excluding non-recurring items, amounted to 229.3 MEUR (225.7)
- Net earnings, excluding non-recurring items, amounted to 188.0 MEUR (185.1)
- Earnings per share, excluding non-recurring items, amounted to 0.51 EUR (0.51)
- Operating cash flow, excluding non-recurring items, increased to 174.2 MEUR (17.2)

MEUR	Q3 2019	Q3 2018	Δ%	9M 2019	9M 2018	Δ%
Net sales	956.3	946.1	-3 ¹⁾	2,848.8	2,717.7	0 ¹⁾
Gross earnings	604.8	586.8	3	1,784.2	1,688.3	6
Gross margin, %	63.2	62.0	1.2	62.6	62.1	0.5
Operating earnings (EBITDA) ²⁾	326.3	296.3	10	964.7	849.0	14
EBITDA margin, %	34.1	31.3	2.8	33.9	31.2	2.7
Operating earnings (EBIT1) ²⁾	235.8	231.8	2	695.5	658.3	6
Operating margin, %	24.7	24.5	0.2	24.4	24.2	0.2
Earnings before taxes, excluding non-recurring items	229.3	225.7	2	674.5	640.8	5
Non-recurring items (before taxes) ³⁾	-	-3.9	n.a.	-54.1	-3.9	n.a.
Earnings before taxes	229.3	221.8	3	620.4	636.9	-3
Net earnings	188.0	180.1	4	508.6	520.5	-2
Net earnings, excl. non-recurring items	188.0	185.1	2	553.1	525.5	5
Earnings per share, EUR	0.51	0.49	4	1.38	1.43	-3
Earnings per share, excl. non-recurring items, EUR	0.51	0.51	0	1.50	1.44	4

¹⁾ Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

²⁾ For definition, see page 20.

³⁾ Non-recurring items 9M 2019 relates to the launch of a restructuring programme and the acquisition of Thermopylae.

Summary of IFRS 16 Leases impact for Q3 2019

- Income statement – EBITDA was improved by 19 MEUR and EBIT by 1 MEUR while Earnings before taxes was negatively impacted by - 2 MEUR
- Cash flow – Cash flow from operations was improved by 16 MEUR and the same amount negatively impacted cash flow from other financing activities
- Balance sheet – All lease contracts have been recognised initially as right-of-use asset of 238 MEUR with corresponding liabilities
- Numbers for 2018 have not been restated

COMMENTS FROM THE CEO

“Hexagon recorded strong profitability and cash flow in the quarter, despite the continued headwinds in China affecting sales growth. This demonstrates the resiliency of our business model and the effect of the restructuring actions we took in the second quarter. Recorded sales increased by 1 per cent, including -3 per cent organic growth, which was as expected hampered by the significant decline in the electronics business in China and tough comparisons from last year's new product contributions. The best performing division was PPM, recording 8 per cent organic growth, supported by strong demand for the design and construction software portfolios. The Safety & Infrastructure division developed according to plan, recording 1 per cent organic growth. Going forward we expect further improvement and see good opportunities for the recently launched OnCall platform. The Geosystems division recorded -3 per cent organic growth, negatively impacted by tough comparisons from last year's big product launch and large orders in mapping content. The recently announced BLK2G0 and BLK247 product launches are expected to positively impact growth as of the end of 2019. The previously communicated substantial year over year decline in the electronics business combined with the uncertain trading environment resulted in a recorded organic growth of -9 per cent for in the Manufacturing Intelligence division. However, the performance in the software portfolios remained stable.

While the near-term market uncertainties remain, we are confident in our ability to deliver on the long-term strategy towards our 2021 financial objectives.”

– Ola Rollén, President and CEO, Hexagon AB

1%
SALES
GROWTH

-3%
ORGANIC
GROWTH

25%
OPERATING
MARGIN

GROUP BUSINESS DEVELOPMENT Q3

NET SALES

Net sales increased by 1 per cent to 956.3 MEUR (946.1). Using fixed exchange rates and a comparable group structure (organic growth), net sales decreased by -3 per cent. Regionally, organic growth was 1 per cent in Americas, -2 per cent in EMEA and -11 per cent in Asia. In Americas, North America recorded 1 per cent organic growth with solid demand in power and energy, public safety and positioning solutions. However, weak demand in surveying and mapping content hampered growth in the region. South America recorded double-digit growth. In EMEA, Western Europe recorded -4 per cent organic growth primarily due to slower demand in the industrial segment in Germany and infrastructure and construction markets in the UK. Growth in Eastern Europe and Russia remained favorable in the quarter. In Asia, China recorded -23 per cent organic growth, largely impacted by the previously communicated decline in the electronics business. Infrastructure and construction and positioning solutions also declined somewhat in the region. Japan, Malaysia, India and South Korea continued to record solid growth.

EARNINGS

Operating earnings (EBIT1) grew by 2 per cent to 235.8 MEUR (231.8), which corresponds to an operating margin of 24.7 per cent (24.5). The operating margin (EBIT1) benefited from cost savings and a favorable product mix. Operating earnings (EBIT1) were positively impacted by currency translation effects of 5.7 MEUR. Earnings before taxes amounted to 229.3 MEUR (221.8) and were positively impacted by currency translation effects of 5.4 MEUR.

FINANCIAL SUMMARY - THIRD QUARTER

MEUR	Net sales			Earnings		
	Q3 2019	Q3 2018	Δ% ¹⁾	Q3 2019	Q3 2018	Δ%
Geospatial Enterprise Solutions	473.8	457.1	-2	118.4	114.6	3
Industrial Enterprise Solutions	482.5	489.0	-5	124.0	123.7	0
Net sales	956.3	946.1	-3			
Group cost				-6.6	-6.5	-2
Operating earnings (EBIT1)				235.8	231.8	2
Operating margin, %				24.7	24.5	0.2
Interest income and expenses, net				-6.5	-6.1	-7
Earnings before non-recurring items				229.3	225.7	2
Non-recurring items				-	-3.9	n.a.
Earnings before taxes				229.3	221.8	3
Taxes				-41.3	-41.7	1
Net earnings				188.0	180.1	4

¹⁾ Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

CURRENCY TRANSLATION IMPACT COMPARED TO EUR - THIRD QUARTER

	Movement ¹⁾	Income less cost	Earnings impact
CHF	Strengthened 4%	Negative	Negative
USD	Strengthened 5%	Positive	Positive
CNY	Strengthened 1%	Positive	Positive
EBIT1, MEUR			5.7

¹⁾ Compared to Q3 2018

SALES BRIDGE - THIRD QUARTER

	Net sales ¹⁾
2018, MEUR	946.1
Structure, %	2
Currency, %	2
Organic growth, %	-3
Total, %	1
2019, MEUR	956.3

¹⁾ Net sales from acquisitions and divestments during the last twelve months are reported as "Structure" in the table above. Percentages are rounded to the nearest whole per cent.

ORGANIC GROWTH ¹⁾ PER REGION

Region	Q3 2019
EMEA excl. Western Europe (8% of sales)	
South America (4% of sales)	
Asia excl. China (14% of sales)	
North America (33% of sales)	
Western Europe (28% of sales)	
China (13% of sales)	
Total	

¹⁾ Adjusted to fixed exchange rates and a comparable group structure (organic growth).

>8%

0-8%

Negative

GEOSPATIAL ENTERPRISE SOLUTIONS – Q3 2019

Geospatial Enterprise Solutions includes a world-leading portfolio of sensors for capturing data from land and air as well as sensors for positioning via satellites. The sensors are complemented by software (GIS) for the creation of 3D maps and models which are used for decision-making in a range of software applications, covering areas such as surveying, construction, public safety and agriculture. This segment consists of Geosystems, Safety & Infrastructure and Positioning Intelligence.

NET SALES

Geospatial Enterprise Solutions (GES) net sales amounted to 473.8 MEUR (457.1). Using fixed exchange rates and a comparable group structure (organic growth), net sales decreased by -2 per cent. Regionally, organic growth was -1 per cent in EMEA, -1 per cent in Americas and -6 per cent in Asia. In EMEA, Western Europe recorded a single digit organic decline, primarily driven by a slowdown in the infrastructure and construction markets in the Nordics and the UK. However, growth in infrastructure and construction and public safety solutions in Germany remained solid. Eastern Europe and Russia recorded double-digit organic growth, whereas the Middle East declined. In Americas, North America recorded a low-single digit decline, hampered by tough comparisons from last year's large order in mapping content and a weaker infrastructure and construction market. Mining, public safety and positioning solutions recorded solid growth in the quarter. South America continued to record double-digit growth, driven by solid demand across all business units. In Asia, China decreased, reflecting slower demand in the infrastructure and construction market and positioning solutions. Japan and South Korea recorded strong double-digit growth, while Australia declined.

Regarding the divisions within GES, Geosystems recorded -3 per cent organic growth, negatively impacted by tough comparisons from last year's big product launch and large orders in mapping content. The Safety & Infrastructure division developed according to plan, recording 1 per cent organic growth. Positioning Intelligence recorded 0 per cent organic growth, positively impacted by strong growth in aerospace and defense and a continued recovery in marine but offset by weaker demand in automotive.

EARNINGS

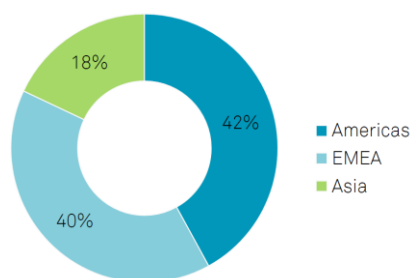
Operating earnings (EBIT1) increased by 3 per cent to 118.4 MEUR (114.6), which corresponds to an operating margin of 25.0 per cent (25.1). The operating margin (EBIT1) was positively impacted by cost savings but adversely impacted by the decline in organic growth.

NET SALES, OPERATING EARNINGS (EBIT1) AND NUMBER OF EMPLOYEES

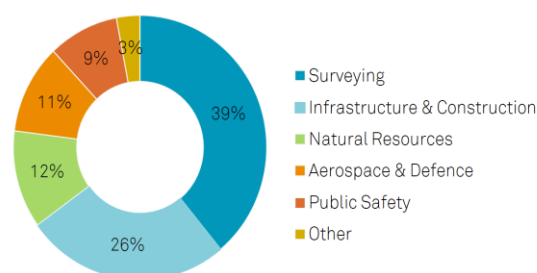
MEUR	Q3 2019	Q3 2018	Δ%	9M 2019	9M 2018	Δ%
Net sales	473.8	457.1	-2 ¹⁾	1,419.3	1,323.4	2 ¹⁾
Operating earnings (EBIT1)	118.4	114.6	3	357.7	329.7	8
Operating margin, %	25.0	25.1	-0.1	25.2	24.9	0.3
Avg. number of employees				8,918	8,305	7

¹⁾ Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

NET SALES PER REGION – THIRD QUARTER



NET SALES PER CUSTOMER SEGMENT - THIRD QUARTER



INDUSTRIAL ENTERPRISE SOLUTIONS – Q3 2019

Industrial Enterprise Solutions includes metrology systems that incorporate the latest in sensor technology for fast and accurate measurements, as well as CAD (computer-aided design), CAM (computer-aided manufacturing) and CAE (computer-aided engineering) software. These solutions optimise design, processes and throughput in manufacturing facilities and create and leverage asset management information critical to the planning, construction and operation of plants and process facilities in a number of industries, such as automotive, aerospace and oil and gas. Industrial Enterprise Solutions consists of Manufacturing Intelligence and PPM.

NET SALES

Industrial Enterprise Solutions (IES) net sales amounted to 482.5 MEUR (489.0). Using fixed exchange rates and a comparable group structure (organic growth), net sales decreased by -5 per cent. Regionally, organic growth was 5 per cent in Americas, -4 per cent in EMEA and -13 per cent in Asia. In Americas, North America recorded mid-single digit organic growth, mainly driven by strong growth in power and energy and aerospace. In EMEA, Western Europe slightly declined, hampered by a slowdown in Germany and the UK. However, the Nordics recorded double-digit organic growth. Eastern Europe and Russia declined in the quarter. In Asia, China recorded a -24 per cent organic revenue decline, largely driven by the expected significant decline in the electronics business. South Korea, India and Malaysia recorded double-digit organic growth.

Regarding the divisions within IES, Manufacturing Intelligence recorded -9 per cent organic growth, largely driven by the previously communicated significant decline in the electronics business in China and weak demand in automotive which offset continued good growth in aerospace. The performance in the software portfolios remained stable. PPM recorded 8 per cent organic growth, supported by strong demand in the design and construction software portfolios, especially in North America.

EARNINGS

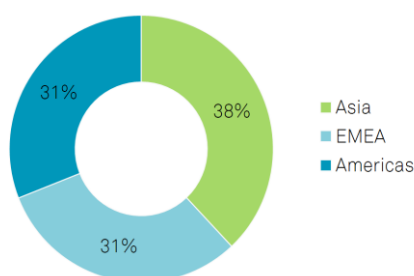
Operating earnings (EBIT1) increased by 0 per cent to 124.0 MEUR (123.7), which corresponds to an operating margin of 25.7 per cent (25.3). The operating margin (EBIT1) benefited from an increased software mix and cost savings but was hampered by the organic revenue decline.

NET SALES, OPERATING EARNINGS (EBIT1) AND NUMBER OF EMPLOYEES

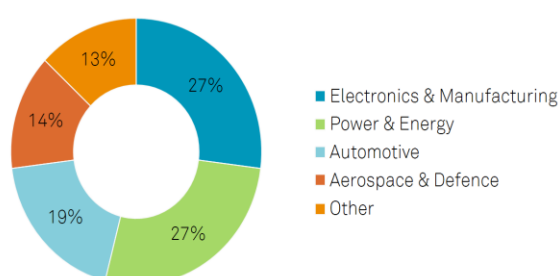
MEUR	Q3 2019	Q3 2018	Δ%	9M 2019	9M 2018	Δ%
Net sales	482.5	489.0	-5 ¹⁾	1,429.5	1,394.3	-2 ¹⁾
Operating earnings (EBIT1)	124.0	123.7	0	357.4	347.2	3
Operating margin, %	25.7	25.3	0.4	25.0	24.9	0.1
Avg. number of employees				11,268	10,554	7

¹⁾ Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

NET SALES PER REGION – THIRD QUARTER



NET SALES PER CUSTOMER SEGMENT – THIRD QUARTER



FINANCIAL SUMMARY – 9M 2019

NET SALES

Net sales amounted to 2,848.8 MEUR (2,717.7) in the first nine months of the year. Using fixed exchange rates and a comparable group structure (organic growth) sales was flat.

EARNINGS

Operating earnings (EBIT1) amounted to 695.5 MEUR (658.3), which corresponds to an operating margin of 24.4 per cent (24.2). Operating earnings (EBIT1) were positively affected by currency translation effects of 21.8 MEUR.

The financial net amounted to -21.0 MEUR (-17.5) in the first nine months of the year.

Earnings before taxes, excluding non-recurring items, amounted to 674.5 MEUR (640.8). Earnings before taxes, including these items, amounted to 620.4 MEUR (636.9) and were positively impacted by currency translation effects of 19.7 MEUR.

Net earnings, excluding non-recurring items, amounted to 553.1 MEUR (525.5) or 1.50 EUR (1.44) per share. Net earnings, including these items, amounted to 508.6 MEUR (520.5) or 1.38 EUR (1.43) per share.

FINANCIAL SUMMARY - 9M 2019

MEUR	Net sales			Earnings		
	9M 2019	9M 2018	Δ% ¹⁾	9M 2019	9M 2018	Δ%
Geospatial Enterprise Solutions	1,419.3	1,323.4	2	357.7	329.7	8
Industrial Enterprise Solutions	1,429.5	1,394.3	-2	357.4	347.2	3
Net sales	2,848.8	2,717.7	0			
Group cost				-19.6	-18.6	-5
Operating earnings (EBIT1)				695.5	658.3	6
Operating margin, %				24.4	24.2	0.2
Interest income and expenses, net				-21.0	-17.5	-20
Earnings before non-recurring items				674.5	640.8	5
Non-recurring items ²⁾				-54.1	-3.9	n.a.
Earnings before taxes				620.4	636.9	-3
Taxes				-111.8	-116.4	4
Net earnings				508.6	520.5	-2

¹⁾ Adjusted to fixed exchange rates and a comparable group structure, i.e. organic growth.

²⁾ Non-recurring items 9M 2019 relates to the launch of a restructuring programme and the acquisition of Thermopylae.

CURRENCY TRANSLATION IMPACT COMPARED TO EUR - 9M 2019

	Movement ¹⁾		Income less cost	Earnings impact
CHF	Strengthened	4%	Negative	Negative
USD	Strengthened	6%	Positive	Positive
CNY	Strengthened	1%	Positive	Positive
EBIT1, MEUR				21.8

¹⁾ Compared to 9M 2018.



In an effort to model and design their multiple mine pits more effectively, Bayer signed a five-year HxGN MinePlan software and services deal. The MinePlan portfolio comprises geology, engineering and production suites for exploration, modeling, design, scheduling, and operation.

GROUP SUMMARY

PROFITABILITY

Capital employed increased to 8,522.8 MEUR (7,763.8). Return on average capital employed for the last twelve months was 12.0 per cent (12.6). Return on average shareholders' equity for the last twelve months was 13.1 per cent (16.5). The capital turnover rate was 0.5 times (0.5).

FINANCIAL POSITION

Total shareholders' equity increased to 5,936.8 MEUR (5,106.5). The equity ratio was 57.1 per cent (53.4). Hexagon's total assets increased to 10,397.6 MEUR (9,571.3). The increase in total assets is driven primarily by acquisitions. Hexagon's main sources of financing consist of:

1) A multicurrency revolving credit facility (RCF) established during 2014. The RCF amounts to 2,000 MEUR with maturity 2021

2) A Swedish Medium Term Note Programme (MTN) established during 2014. The MTN programme amounts to 15,000 MSEK with tenor up to 5 years

3) A Swedish Commercial Paper Programme (CP) established during 2012. The CP programme amounts to 15,000 MSEK with tenor up to 12 months.

On 30 September 2019, cash and unutilised credit limits totalled 1,812.0 MEUR (1,238.9). Hexagon's net debt was 2,187.2 MEUR (2,199.9). The net indebtedness was 0.33 times (0.39). Interest coverage ratio was 30.4 times (30.6).

CASH FLOW

During the third quarter, cash flow from operations before changes in working capital amounted to 270.2 MEUR (252.9), corresponding to 0.74 EUR (0.70) per share. Cash flow from operations in the third quarter amounted to 274.4 MEUR (162.1), corresponding to 0.75 EUR (0.45) per share. Operating cash flow in the third quarter, including non-recurring items, amounted to 167.5 MEUR (40.2).

For the first nine months, cash flow from operations amounted to 769.5 MEUR (583.6) corresponding to 2.11 EUR (1.62) per share. The operating cash flow, including non-recurring items, amounted to 442.1 MEUR (300.3).

INVESTMENTS, DEPRECIATION, AMORTISATION AND IMPAIRMENT

Hexagon's net investments, excluding acquisitions and divestitures, amounted to -100.2 MEUR (-144.9) in the third quarter and -299.4 MEUR (-296.2) in the first nine months.

Depreciation, amortisation and impairment amounted to -90.5 MEUR (-79.8) in the third quarter and -271.6 MEUR (-206.0) during the first nine months, whereof there was no (-15.3) impairment charges in the third quarter but amounted to -2.4 MEUR (-15.3) during the first nine months.

TAX RATE

The Group's tax expense for the first nine months totalled -111.8 MEUR (-116.4). The reported tax rate was 18.0 per cent (18.8) for the quarter and 18.0 per cent (18.3) for the first nine months. The tax rate, excluding non-recurring items, was 18.0 per cent (18.0) for the quarter and 18.0 per cent (18.0) for the first nine months.

EMPLOYEES

The average number of employees during third quarter was 20,266 (18,937). The number of employees at the end of the quarter was 20,496 (19,815).

SHARE DATA

Earnings per share, including non-recurring items, for the third quarter amounted to 0.51 EUR (0.49). Earnings per share, excluding non-recurring items, for third quarter amounted to 0.51 EUR (0.51).

Earnings per share, including non-recurring items, for the first nine months amounted to 1.38 EUR (1.43). Earnings per share, excluding non-recurring items, for first nine months amounted to 1.50 EUR (1.44).

On 30 September 2019, equity per share was 16.20 EUR (14.09) and the share price was 474.60 SEK (521.00).

Hexagon's share capital amounts to 81,180,574 EUR, represented by 365,852,432 shares, of which 15,750,000 are of series A with ten votes each and 350,102,432 are of series B with one vote each.

In accordance with a decision by a Shareholders' General Meeting in May 2015, an incentive programme (2015/2019) was introduced, under which a maximum of 10,000,000 warrants can be issued. The dilutive effect at full utilisation of the programme would be 2.8 per cent of the share capital and 2.0 per cent of the number of votes. The number of warrants that have been issued are 7,107,660 and may be exercised during 1 June 2018 - 31 December 2019. On 30 September 2019, 1,094,120 warrants were outstanding.

PARENT COMPANY

The parent company's earnings before taxes in the third quarter amounted to 448.8 MEUR (244.1) and 505.2 MEUR (303.0) for the first nine months. The equity was 5,117.7 MEUR (4,730.1). The equity ratio of the parent company was 55 per cent (53). Liquid funds including unutilised credit limits were 1,419.5 MEUR (874.3).



Hexagon acquired Prague-based Melown Technologies in the quarter, a developer of computer vision and advanced visualisation technology for creating 3D visualisations of urban and natural landscape models. The acquisition enables Hexagon to accelerate customer access to the 3D digital realities captured with its broad portfolio of aerial and terrestrial reality capture solutions.

ACCOUNTING PRINCIPLES

Hexagon applies International Financial Reporting Standards (IFRS) as adopted by the European Union. Hexagon's report for the Group is prepared in accordance with IAS 34, Interim Financial Reporting and the Annual Accounts Act. Parent company accounts are prepared in accordance with the Annual Accounts Act. Accounting principles and calculation methods are unchanged from those applied in the Annual Report for 2018, see note 1 for further information.

From January 1, 2019 Hexagon applies IFRS 16 Leases. The new standard replaces all former published standards and interpretations about lease contracts. The former IAS 17 Leases required the lessee to classify their lease contracts as either finance leases or operating leases, which were accounted for differently. The operating leases did not result in recognition of assets and liabilities in the balance sheet (off balance sheet leases).

The new standard does not require the lessees to distinguish between operating and finance lease contracts. The obligation to pay lease fees must be recognised as a lease liability in the balance sheet and the right to use the underlying asset during the lease term is recognised as an asset. Depreciation of the asset is recognised in the income statement as is an interest cost of the liability. Paid lease fees are recognised partly as a payment of the interest cost and partly as an amortisation of the liability. A change in the lease contract could lead to a remeasurement of the liability and an adjustment of the right-of-use asset. For complete accounting principles, see Hexagon's Annual Report 2018.

The transition to IFRS 16 has been implemented according to the simplified method, according to which an opening lease liability and an opening right-of-use asset have been recognised to the same amount on January 1, 2019. The practical expedients below have been applied:

- The new principles are applied on lease contracts that were identified as contracts containing a lease also under previous regulation.
- Non-lease components are not separated from lease components in the lease contracts but accounted for as one single lease component.

- Lease contracts with a lease period of less than 12 months and leases of low value assets are excluded from the accounting.

Reported assets in the balance sheet attributable to lease contracts amounted to 238 MEUR as of January 1, 2019. The obligation for operational and financial lease contract in the Annual Report for 2018 amounted to 269.1 MEUR. The difference between the obligation for future lease payments and the opening lease liability as per January 1, 2019 consists of discount effect, use of extension options, short-term lease contracts and lease contracts of low value assets.

RISKS AND UNCERTAINTY FACTORS

As an international group, Hexagon is exposed to a number of business and financial risks. The business risks can be divided into strategic, operational and legal risks. The financial risks are related to such factors as exchange rates, interest rates, liquidity and the ability to raise funds. Risk management in Hexagon aims to identify, control and reduce risks. This work begins with an assessment of the probability of risks occurring and their potential effect on the Group. There has been no change in the risks facing the Group compared to what was reported in the Annual Report 2018.

RELATED PARTY TRANSACTIONS

No significant related party transactions have been incurred during the quarter.

ANNUAL GENERAL MEETING AND NOMINATION COMMITTEE

The AGM will be held on 29 April 2020 at 17:00 CET at City Conference Center Stockholm (Norra Latin), Drottninggatan 71 B. The composition of the Hexagon Nomination Committee for the Annual General Meeting 2020 is: Mikael Ekdahl (Chairman), Melker Schörling AB, Jan Andersson, Swedbank Robur fonder, Ossian Ekdahl, Första AP-fonden and Johan Strandberg, SEB Investment Management.

SUBSEQUENT EVENTS

No significant events affecting the financial reporting have occurred during the period between quarter-end and date of issuance of this report.

The Board of Directors and the President and CEO declare that this interim report provides a true and fair overview of the Company's and the Group's operations, its financial position and performance, and describes material risks and uncertainties facing the Company and companies within the Group.

Stockholm, Sweden, 30 October 2019
Hexagon AB (publ)

Gun Nilsson
Chairman of the Board

Ola Rollén
President and CEO
Board Member

John Brandon
Board Member

Ulrika Francke
Board Member

Henrik Henriksson
Board Member

Märta Schörling Andreen
Board Member

Sofia Schörling Högberg
Board Member

AUDITORS' REVIEW REPORT

Introduction

We have reviewed the condensed interim report for Hexagon AB as at September 30, 2019 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report 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 Swedish Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements 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 in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 30 October 2019

Ernst & Young AB

Rickard Andersson
Authorised Public Accountant

CONDENSED INCOME STATEMENT

MEUR	Q3 2019	Q3 2018	9M 2019	9M 2018	2018
Net sales	956.3	946.1	2,848.8	2,717.7	3,760.7
Cost of goods sold	-351.5	-359.3	-1,064.6	-1,029.4	-1,423.8
Gross earnings	604.8	586.8	1,784.2	1,688.3	2,336.9
Sales expenses	-183.4	-177.8	-569.5	-514.7	-704.3
Administration expenses	-78.2	-76.9	-236.8	-221.0	-309.3
Research and development expenses	-111.8	-106.0	-334.4	-304.6	-406.5
Earnings from shares in associated companies	-	-	-	-	-0.1
Capital gain (+) / loss (-) from sale of shares in Group companies	-	-	-	0.7	0.7
Other income and expenses, net	4.4	1.8	-2.1	5.7	7.7
Operating earnings ¹⁾	235.8	227.9	641.4	654.4	925.1
Financial income	1.3	1.4	4.9	3.8	6.4
Financial expenses	-7.8	-7.5	-25.9	-21.3	-29.2
Earnings before taxes	229.3	221.8	620.4	636.9	902.3
Taxes	-41.3	-41.7	-111.8	-116.4	-164.2
Net earnings	188.0	180.1	508.6	520.5	738.1
Attributable to:					
Parent company shareholders	186.5	177.6	504.0	514.2	730.0
Non-controlling interest	1.5	2.5	4.6	6.3	8.1
¹⁾ of which non-recurring items	-	-3.9	-54.1	-3.9	-3.9
Earnings include depreciation, amortisation and impairments of	-90.5	-79.8	-271.6	-206.0	-284.0
- of which amortization of surplus values	-12.6	-12.8	-37.9	-36.2	-49.0
Basic earnings per share, EUR	0.51	0.49	1.38	1.43	2.02
Earnings per share after dilution, EUR	0.51	0.49	1.38	1.42	2.01
Total shareholder's equity per share, EUR	16.20	14.09	16.20	14.09	14.62
Closing number of shares, thousands	365,852	361,138	365,852	361,138	362,925
Average number of shares, thousands	365,852	360,851	364,468	360,579	360,942
Average number of shares after dilution, thousands	366,069	362,333	364,926	362,218	362,301

CONDENSED COMPREHENSIVE INCOME

MEUR	Q3 2019	Q3 2018	9M 2019	9M 2018	2018
Net earnings	188.0	180.1	508.6	520.5	738.1
Other comprehensive income					
Items that will not be reclassified to income statement					
Remeasurement of pensions	-16.0	7.3	-15.4	9.2	-25.3
Net profit/loss on equity instruments at fair value through other comprehensive income	-	-10.6	-	-	-
Taxes on items that will not be reclassified to income statement	1.7	1.3	1.6	-0.9	2.9
Total items that will not be reclassified to income statement, net of taxes	-14.3	-2.0	-13.8	8.3	-22.4
Items that may be reclassified subsequently to income statement					
Exchange rate differences	196.7	-4.7	240.1	86.9	117.5
Taxes on items that may be reclassified subsequently to income statement	-9.1	-1.7	-9.3	-4.3	-6.2
Total items that may be reclassified subsequently to income statement, net of taxes	187.6	-6.4	230.8	82.6	111.3
Other comprehensive income, net of taxes	173.3	-8.4	217.0	90.9	88.9
Total comprehensive income for the period	361.3	171.7	725.6	611.4	827.0
Attributable to:					
Parent company shareholders	359.6	169.8	720.8	605.5	819.0
Non-controlling interest	1.7	1.9	4.8	5.9	8.0

CONDENSED BALANCE SHEET

MEUR	30/9 2019	30/9 2018	31/12 2018
Intangible fixed assets	7,520.7	6,979.8	7,100.8
Tangible fixed assets	480.9	372.7	384.2
Right-of-use assets	215.3	-	-
Financial fixed assets	60.2	53.1	53.9
Deferred tax assets	84.6	90.7	83.6
Total fixed assets	8,361.7	7,496.3	7,622.5
Inventories	442.0	476.1	463.0
Accounts receivable	927.3	905.5	959.1
Other receivables	117.8	102.9	111.8
Prepaid expenses and accrued income	150.0	133.3	133.1
Total current receivables	1,195.1	1,141.7	1,204.0
Cash and cash equivalents	398.8	457.2	394.6
Total current assets	2,035.9	2,075.0	2,061.6
Total assets	10,397.6	9,571.3	9,684.1
Equity attributable to parent company shareholders	5,925.1	5,089.3	5,305.3
Equity attributable to non-controlling interest	11.7	17.2	13.9
Total shareholders' equity	5,936.8	5,106.5	5,319.2
Interest bearing liabilities	1,867.9	2,211.3	1,813.9
Lease liabilities	160.4	-	-
Other liabilities	146.5	157.3	154.3
Pension liabilities	124.9	74.4	108.2
Deferred tax liabilities	435.0	451.1	448.7
Other provisions	10.2	9.0	8.6
Total long-term liabilities	2,744.9	2,903.1	2,533.7
Interest bearing liabilities	372.6	371.4	541.8
Lease liabilities	60.2	-	-
Accounts payable	210.6	184.3	251.1
Other liabilities	295.0	278.1	279.7
Other provisions	45.4	24.7	21.5
Deferred income	422.7	367.4	405.0
Accrued expenses	309.4	335.8	332.1
Total short-term liabilities	1,715.9	1,561.7	1,831.2
Total equity and liabilities	10,397.6	9,571.3	9,684.1

FINANCIAL INSTRUMENTS

In Hexagon's balance sheet derivatives and other long-term securities holdings are carried at fair value. Derivatives are measured at fair value based on valuation techniques with observable market data as input (level 2 according to definition in IFRS 13). Other long-term securities holdings amount to insignificant numbers. Liabilities for contingent considerations are measured at fair value and based on management's best estimation of the most probable outcome (level 3 according to definition in IFRS 13). Other assets and liabilities are carried at accrued cost.

For financial assets and liabilities that are carried at accrued cost, the fair value is deemed to be coincident with the carrying amount except for long-term liabilities to credit institutions. The difference between the fair value and the carrying amount for these long-term liabilities is deemed to be insignificant relative to the total balance sheet since the interest rate duration is short.

CONDENSED STATEMENT OF CHANGES IN EQUITY

MEUR	30/9 2019	30/9 2018	31/12 2018
Opening shareholders' equity	5,319.2	4,604.4	4,604.4
Total comprehensive income for the period ¹⁾	725.6	611.4	827.0
New share issues, warrants exercised - net of issuance costs	97.0	81.5	83.0
New share issue in progress	17.6	-	1.0
Dividend	-222.6	-191.1	-196.5
Effect of acquisitions of subsidiaries	-	0.3	0.3
Closing shareholders' equity ²⁾	5,936.8	5,106.5	5,319.2
1) Of which: Parent company shareholders	720.8	605.5	819.0
Non-controlling interest	4.8	5.9	8.0
2) Of which: Parent company shareholders	5,925.1	5,089.3	5,305.3
Non-controlling interest	11.7	17.2	13.9

NUMBER OF SHARES

	series A	series B	Total
2009-12-31 Total issued and outstanding	11,812,500	252,534,653	264,347,153
Sale of repurchased shares	-	20,070	20,070
Rights issue	3,937,500	83,845,572	87,783,072
2010-12-31 Total issued and outstanding	15,750,000	336,400,295	352,150,295
Rights issue	-	339,335	339,335
2011-12-31 Total issued and outstanding	15,750,000	336,739,630	352,489,630
Sale of repurchased shares	-	185,207	185,207
2012-12-31 Total issued and outstanding	15,750,000	336,924,837	352,674,837
Sale of repurchased shares	-	967,340	967,340
New issue, warrants exercised	-	1,354,800	1,354,800
2013-12-31 Total issued and outstanding	15,750,000	339,246,977	354,996,977
New issue, warrants exercised	-	2,392,236	2,392,236
2014-12-31 Total issued and outstanding	15,750,000	341,639,213	357,389,213
New issue, warrants exercised	-	2,947,929	2,947,929
2015-12-31 Total issued and outstanding	15,750,000	344,587,142	360,337,142
New issue, warrants exercised	-	106,000	106,000
2016-12-31 Total issued and outstanding	15,750,000	344,693,142	360,443,142
New issue, warrants exercised	-	-	-
2017-12-31 Total issued and outstanding	15,750,000	344,693,142	360,443,142
New issue, warrants exercised	-	2,481,550	2,481,550
2018-12-31 Total issued and outstanding	15,750,000	347,174,692	362,924,692
New issue, warrants exercised	-	35,300	35,300
2019-03-31 Total issued and outstanding	15,750,000	347,209,992	362,959,992
New issue, warrants exercised	-	2,892,440	2,892,440
2019-06-30 Total issued and outstanding	15,750,000	350,102,432	365,852,432
New issue, warrants exercised	-	-	-
2019-09-30 Total issued and outstanding	15,750,000	350,102,432	365,852,432

Each share of serie A carries entitlement to ten votes and each share of serie B carries entitlement to one vote.

CONDENSED CASH FLOW STATEMENT

MEUR	Q3 2019	Q3 2018	9M 2019	9M 2018	2018
Cash flow from operations before change in working capital excluding taxes and interest	324.3	292.7	960.7	841.4	1,180.2
Taxes paid	-50.1	-34.5	-137.9	-114.8	-153.3
Interest received and paid, net	-4.0	-5.3	-17.7	-16.8	-22.1
Cash flow from operations before change in working capital	270.2	252.9	805.1	709.8	1,004.8
Cash flow from change in working capital	4.2	-90.8	-35.6	-126.2	-60.7
Cash flow from operations	274.4	162.1	769.5	583.6	944.1
Investments tangible assets, net	-30.8	-86.4	-87.5	-127.2	-154.8
Investments intangible assets	-69.4	-58.5	-211.9	-169.0	-234.3
Operating cash flow before non-recurring items	174.2	17.2	470.1	287.4	555.0
Non-recurring cash flow ¹⁾	-6.7	23.0	-28.0	12.9	7.8
Operating cash flow	167.5	40.2	442.1	300.3	562.8
Cash flow from acquisitions and divestments	-2.0	-244.7	-152.2	-331.8	-422.6
Cash flow from other investing activities	-3.4	-5.8	-7.9	-15.3	-15.6
Cash flow after other investing activities	162.1	-210.3	282.0	-46.8	124.6
Dividends paid	-6.4	-0.1	-222.6	-191.1	-196.5
New share issues, warrants exercised - net of issuance costs	15.9	81.5	114.6	81.5	84.0
Cash flow from other financing activities	-169.7	224.3	-175.8	321.3	93.5
Cash flow for the period	1.9	95.4	-1.8	164.9	105.6
Cash and cash equivalents, beginning of period	403.5	391.1	394.6	309.4	309.4
Effect of translation differences on cash and cash equivalents	-6.6	-29.3	6.0	-17.1	-20.4
Cash flow for the period	1.9	95.4	-1.8	164.9	105.6
Cash and cash equivalents, end of period	398.8	457.2	398.8	457.2	394.6

¹⁾ Non-recurring cash flow consists of restructuring costs.

KEY RATIOS

MEUR	Q3 2019	Q3 2018	9M 2019	9M 2018	2018
Operating margin, %	24.7	24.5	24.4	24.2	24.7
Profit margin before taxes, %	24.0	23.4	21.8	23.4	24.0
Return on shareholders' equity, 12-month average, %	13.1	16.5	13.1	16.5	15.0
Return on capital employed, 12-month average, %	12.0	12.6	12.0	12.6	12.6
Equity ratio, %	57.1	53.4	57.1	53.4	54.9
Net indebtedness	0.33	0.39	0.33	0.39	0.35
Interest coverage ratio	30.4	30.6	25.0	30.9	31.9
Average number of shares, thousands	365,852	360,851	364,468	360,579	360,942
Basic earnings per share excl. non-recurring items, EUR	0.51	0.51	1.50	1.44	2.04
Basic earnings per share, EUR	0.51	0.49	1.38	1.43	2.02
Cash flow per share, EUR	0.75	0.45	2.11	1.62	2.62
Cash flow per share before change in working cap, EUR	0.74	0.70	2.21	1.97	2.78
Share price, SEK	474.60	521.00	474.60	521.00	408.00
Share price, translated to EUR	44.37	50.54	44.37	50.54	39.79

SUPPLEMENTARY INFORMATION

NET SALES PER SEGMENT

MEUR	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	2018
Geospatial Enterprise Solutions	473.8	496.8	448.7	496.8	457.1	454.8	411.5	1,820.2
Industrial Enterprise Solutions	482.5	479.2	467.8	546.2	489.0	482.1	423.2	1,940.5
Group	956.3	976.0	916.5	1,043.0	946.1	936.9	834.7	3,760.7

OPERATING EARNINGS (EBIT1) PER SEGMENT

MEUR	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	2018
Geospatial Enterprise Solutions	118.4	126.9	112.4	129.5	114.6	113.7	101.4	459.2
Industrial Enterprise Solutions	124.0	119.5	113.9	148.0	123.7	121.6	101.9	495.2
Group costs	-6.6	-7.2	-5.8	-6.8	-6.5	-7.1	-5.0	-25.4
Group	235.8	239.2	220.5	270.7	231.8	228.2	198.3	929.0
Margin, %	24.7	24.5	24.1	26.0	24.5	24.4	23.8	24.7

NET SALES BY REGION

MEUR	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	2018
EMEA	340.1	372.4	343.7	398.4	340.9	348.9	326.8	1,415.0
Americas	350.9	347.1	297.4	347.8	317.9	307.5	266.4	1,239.6
Asia	265.3	256.5	275.4	296.8	287.3	280.5	241.5	1,106.1
Group	956.3	976.0	916.5	1,043.0	946.1	936.9	834.7	3,760.7

EXCHANGE RATES

Average	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	2018
SEK/EUR	0.0938	0.0942	0.0960	0.0969	0.0961	0.0968	0.1004	0.0975
USD/EUR	0.8994	0.8897	0.8803	0.8762	0.8599	0.8389	0.8136	0.8475
CNY/EUR	0.1282	0.1304	0.1305	0.1267	0.1264	0.1315	0.1280	0.1281
CHF/EUR	0.9124	0.8879	0.8831	0.8801	0.8744	0.8516	0.8583	0.8661
Closing	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	2018
SEK/EUR	0.0935	0.0947	0.0962	0.0975	0.0970	0.0957	0.0972	0.0975
USD/EUR	0.9184	0.8787	0.8901	0.8734	0.8639	0.8578	0.8116	0.8734
CNY/EUR	0.1286	0.1279	0.1326	0.1270	0.1255	0.1296	0.1291	0.1270
CHF/EUR	0.9219	0.9005	0.8944	0.8874	0.8837	0.8644	0.8490	0.8874

ACQUISITIONS

MEUR	9M 2019	9M 2018
Fair value of acquired assets and assumed liabilities		
Intangible fixed assets	35.5	80.7
Other fixed assets	0.5	3.9
Total fixed assets	36.0	84.6
Total current assets	26.4	32.3
Total assets	62.4	116.9
Total long-term liabilities	-0.2	-10.3
Total current liabilities	-10.9	-17.4
Total liabilities	-11.1	-27.7
Fair value of acquired assets and assumed liabilities, net	51.3	89.2
Non-controlling interest in equity	-	-0.3
Goodwill	100.7	375.3
Total purchase consideration transferred	152.0	464.2
Less cash and cash equivalents in acquired companies	-11.9	-6.4
Adjustment for non-paid consideration and considerations paid for prior years' acquisitions	12.1	-122.0
Cash flow from acquisition of companies/businesses	152.2	335.8

During the first nine months 2019, Hexagon acquired the following companies:

- Etalon, a provider of equipment calibration solutions that ensure the dimensional accuracy of manufactured parts
- j5 International, a market-leading developer of operations management software for ensuring safe, efficient, and compliant operations of industrial sites
- Split Engineering, a leader in coarse rock fragmentation size measurement systems, software and services
- Aciel Geomatics, a Leica distributor in South Africa
- Thermopylae Sciences and Technology, a software provider that specialises in geospatial applications, mobile frameworks, and cloud computing for enhanced location intelligence
- Melown Technologies, a developer of advanced visualisation technologies for creating 3D models of urban and natural landscape environments

The acquisitions are individually assessed as immaterial from a group perspective which is why only aggregated information is presented. The analysis of the acquired net assets is preliminary and the fair value might be subject to change. Contingent considerations are recognised to fair value (level 3 according to definition in IFRS 13) each reporting period and based on the latest relevant forecast for the acquired company. The valuation method is unchanged compared to the previous period. The estimated liability for contingent considerations amounted to 157.6 MEUR (177.4) as of 30 September, whereof the fair value adjustment in 2019 amounted to 5.6 MEUR (6.1). In connection with the valuation of contingent considerations the assets acquired and liabilities assumed in the purchase price allocation are reviewed. Any indication of impairment due to the revaluation of contingent considerations is considered and adjustments are made to off-set the impact from revaluation.

ACQUISITION OF THERMOPYLAE SCIENCES AND TECHNOLOGY

In April 2019, Hexagon acquired Thermopylae Sciences and Technology, a software provider primarily focused on the U.S. government and defence market that specialises in geospatial applications, mobile frameworks, and cloud computing for enhanced location intelligence. In 2018 Thermopylae Sciences and Technology generated sales of 48 MUSD.

Background and reasons for the transaction

Thermopylae's software and domain expertise nicely augment Hexagon's ability to deliver the visual location intelligence necessary for enabling autonomous connected ecosystems. Ultimately, the addition of Thermopylae will enrich the 5D experience delivered through Hexagon Smart M.App and Luciad portfolios – both of which enable smart digital realities with 3D, 4D (real-time sensor feed integration) and 5D (dynamic analytics) capabilities. Not only does the acquisition provide an avenue for international market adoption of Thermopylae's technologies but also an additional avenue for Hexagon to accelerate adoption of 5D visualisation capabilities in U.S. government agencies.

From the date of acquisition, Thermopylae Sciences and Technology has contributed 21.0 MEUR of net sales in 2019. If the acquisition had taken place at the beginning of the year, the contribution to net sales would have been 27.5 MEUR. The contribution to the group operating margin has been accretive.

DIVESTMENTS

MEUR	2019	2018
Carrying value of divested assets and liabilities, net		
Intangible fixed assets	-	3.4
Total fixed assets	-	3.4
Total current assets	-	0.1
Total assets	-	3.5
Total current liabilities	-	0.1
Total liabilities	-	0.1
Carrying value of divested assets and liabilities, net	-	3.4
Capital gain (+) / loss (-)	-	0.7
Total purchase consideration transferred	-	4.1
Less cash and cash equivalents in divested companies	-	-0.1
Cash flow from divestment of companies/businesses	-	4.0

CONDENSED PARENT COMPANY INCOME STATEMENT

MEUR	Q3 2019	Q3 2018	9M 2019	9M 2018	2018
Net sales	4.3	3.8	13.2	11.4	17.9
Administration cost	-4.9	-5.2	-16.1	-18.0	-24.9
Operating earnings	-0.6	-1.4	-2.9	-6.6	-7.0
Earnings from shares in Group companies	385.3	213.4	398.5	229.0	227.0
Interest income and expenses, net	64.1	32.1	109.6	80.6	111.5
Appropriations	-	-	-	-	-23.7
Earnings before taxes	448.8	244.1	505.2	303.0	307.8
Taxes	-13.4	-8.4	-22.2	-16.3	-18.2
Net earnings	435.4	235.7	483.0	286.7	289.6

CONDENSED PARENT COMPANY BALANCE SHEET

MEUR	30/9 2019	30/9 2018	31/12 2018
Total fixed assets	8,057.8	7,538.1	7,587.1
Total current receivables	1,252.5	1,257.4	1,091.7
Cash and cash equivalents	31.2	109.1	15.5
Total current assets	1,283.7	1,366.5	1,107.2
Total assets	9,341.5	8,904.6	8,694.3
Total shareholders' equity	5,117.7	4,730.1	4,735.6
Untaxed reserves	17.7	-	18.5
Total long-term liabilities	1,861.8	2,205.4	1,807.3
Total short-term liabilities	2,344.3	1,969.1	2,132.9
Total equity and liabilities	9,341.5	8,904.6	8,694.3

DEFINITIONS

In addition to the financial measures as required by the financial reporting framework based on IFRS, this report also includes other measures and indicators that are used to follow-up, analyze and manage the business. These measures also provide Hexagon stakeholders with useful financial information on the Group's financial position, performance and development in a consistent way. Below is a list of definitions of measures and indicators used in this report.

BUSINESS DEFINITIONS

Americas	North, South and Central America
Asia	Asia, Australia and New Zealand
EMEA	Europe, Middle East and Africa
GES	Geospatial Enterprise Solutions
IES	Industrial Enterprise Solutions

FINANCIAL DEFINITIONS

Amortisation of surplus values	When a company is acquired, the purchase consideration is allocated to the identified assets and liabilities of the company. Intangible assets are most often allocated the substantial part of the purchase consideration. The amortisation of surplus values is defined as the difference between the amortisation of such identified intangible assets and what the amortisation would have been in the acquired company had the acquisition not taken place at all
Capital employed	Total assets less non-interest bearing liabilities
Capital turnover rate	Net sales divided by average capital employed
Cash flow per share	Cash flow from operations, after change in working capital, excluding non-recurring items divided by average number of shares
Earnings per share	Net earnings excluding non-controlling interest divided by average number of shares
Equity ratio	Shareholders' equity including non-controlling interests as a percentage of total assets
Gross margin	Gross earnings divided by operating net sales
Interest coverage ratio	Earnings before taxes plus financial expenses divided by financial expenses
Investments	Purchases less sales of tangible and intangible fixed assets, excluding those included in acquisitions and divestitures of subsidiaries
Net debt	Interest-bearing liabilities including pension liabilities and interest-bearing provisions less cash and cash equivalents
Net indebtedness	Interest-bearing liabilities less interest-bearing current receivables and liquid assets divided by shareholders' equity excluding non-controlling interests
Non-recurring items	Income and expenses that are not expected to appear on a regular basis and impact comparability between periods
Operating earnings (EBIT1)	Operating earnings excluding capital gains on shares in group companies and non-recurring items. Non-recurring items are excluded to facilitate the understanding of the Group's operational development and to give comparable numbers between periods
Operating earnings (EBITDA)	Operating earnings (EBIT 1) excluding amortisation, depreciation and impairment of fixed assets. The measure is presented to give depiction of the result generated by the operating activities
Operating margin	Operating earnings (EBIT1) as a percentage of operating net sales
Organic growth	Net sales compared to prior period excluding acquisitions and divestments and adjusted for currency exchange movements
Operating net sales	Net sales adjusted by the difference between fair value and book-value of deferred revenue regarding acquired businesses.
Profit margin before taxes	Earnings before taxes as a percentage of net sales
Return on capital employed (12-month average)	Twelve months to end of period earnings after financial items, excluding non-recurring items, plus financial expenses as a percentage of twelve months to end of period average capital employed. The twelve months average capital employed is based on average quarterly capital employed
Return on shareholders' equity (12-month average)	Twelve months to end of period net earnings excluding non-controlling interests as a percentage of twelve months to end of period average shareholders' equity excluding non-controlling interests last twelve months. The twelve months average shareholders' equity is based on quarterly average shareholders' equity
Shareholders' equity per share	Shareholders' equity excluding non-controlling interests divided by the number of shares at year-end
Share price	Last settled transaction on Nasdaq Stockholm on the last business day for the period



Hexagon is a global leader in sensor, software and autonomous technologies. We are putting data to work to boost efficiency, productivity, and quality across industrial, manufacturing, infrastructure, safety, and mobility applications. Our technologies are shaping urban and production ecosystems to become increasingly connected and autonomous – ensuring a scalable, sustainable future. Hexagon (Nasdaq Stockholm: HEXA B) has approximately 20,000 employees in 50 countries and net sales of approximately 3.8bn EUR. Learn more at [hexagon.com](https://www.hexagon.com) and follow us [@HexagonAB](https://twitter.com/HexagonAB).

FINANCIAL REPORT DATES

Hexagon gives financial information at the following occasions:

Year-End report 2019	5 February 2020
Interim Report Q1 2020	29 April 2020
Interim Report Q2 2020	24 July 2020
Interim Report Q3 2020	28 October 2020

FINANCIAL INFORMATION

Financial information is available in Swedish and English at the Hexagon website and can also be ordered via phone +46 8 601 26 20 or e-mail ir@hexagon.com

TELEPHONE CONFERENCE

The Interim Report for the third quarter 2019 will be presented on 30 October at 13:00 CET at a telephone conference.

Please view instructions at Hexagon's website on how to participate.

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This information is information that Hexagon AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 12:00 CET on 30 October 2019.

This communication may contain forward-looking statements. When used in this communication, words such as "anticipate", "believe", "estimate", "expect", "intend", "plan" and "project" are intended to identify forward-looking statements. They may involve risks and uncertainties, including technological advances in the measurement field, product demand and market acceptance, the effect of economic conditions, the impact of competitive products and pricing, foreign currency exchange rates and other risks. These forward-looking statements reflect the views of Hexagon's management as of the date made with respect to future events and are subject to risks and uncertainties. All of these forward-looking statements are based on estimates and assumptions made by Hexagon's management and are believed to be reasonable, though are inherently uncertain and difficult to predict. Actual results or experience could differ materially from the forward-looking statements. Hexagon disclaims any intention or obligation to update these forward-looking statements.

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