

INTERIM REPORT

1 JANUARY - 31 MARCH 2021

FIRST QUARTER

- Net sales increased by 10 per cent to 977.9 MEUR (889.9). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 11 per cent
- Adjusted operating earnings (EBIT1) increased by 34 per cent to 257.9 MEUR (192.4)
- Earnings before taxes, excluding adjustments, amounted to 250.3 MEUR (186.6)
- Net earnings, excluding adjustments, amounted to 205.2 MEUR (153.0)
- Earnings per share, excluding adjustments, amounted to 0.56 EUR (0.41)
- Operating cash flow increased to 211.9 MEUR (136.9)

MEUR	Q1 2021	Q1 2020	Δ%
Net sales	977.9	889.9	11 ¹⁾
Adjusted gross earnings ²⁾	629.6	571.6	10
Adjusted gross margin, % ²⁾	64.4	64.2	0.2
Adjusted operating earnings (EBITDA) ²⁾	366.7	287.2	28
Adjusted EBITDA margin, % ²⁾	37.5	32.3	5.2
Adjusted operating earnings (EBIT1) ²⁾	257.9	192.4	34
Adjusted operating margin, % ²⁾	26.4	21.6	4.8
Earnings before taxes, excluding adjustments	250.3	186.6	34
Adjustments (before taxes) ³⁾	-4.8	-	n.a.
Earnings before taxes	245.5	186.6	32
Net earnings	201.3	153.0	32
Net earnings, excl. adjustments	205.2	153.0	34
Earnings per share, EUR	0.54	0.41	32
Earnings per share, excl. adjustments, EUR	0.56	0.41	37

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

²⁾For definition, see page 16.

³⁾Adjustments in 2021 relate to a share programme (LTIP).

COMMENTS FROM THE CEO

"We had a strong start to the year, with 11 per cent organic growth, first-quarter earnings at an all-time high and continued solid cash conversion. We saw acceleration in Europe and China – with China recording an impressive 73 per cent organic growth, supported by increased customer activities across all industries.

Geosystems continued its positive momentum, recording 22 per cent organic growth, supported by robust global activity in construction and infrastructure markets and increased demand for new solutions. The Manufacturing Intelligence division continued to improve, recording 12 per cent organic growth, mainly driven by the acceleration in China, a recovery in the automotive sector and solid growth in the software portfolio. The Safety and Infrastructure division faced a tough comparison, recording -2 per cent organic growth. As expected, PPM continued to face a challenging oil and gas market, leading to an organic decline of -4 per cent. However, the strategic diversification of PPM's business is progressing, reflected in solid growth in the asset information management, cyber security and AEC portfolios.

Although some sectors continue to face uncertainty, we remain confident in our continued growth trajectory. We are in a strong position to expand our focus and benefit from the transformative forces surrounding autonomy, electrification, safety and decarbonisation."

– Ola Rollén, President and CEO, Hexagon AB

11%

ORGANIC
GROWTH

26%

ADJUSTED OPERATING
MARGIN

107%

CASH
CONVERSION

GROUP BUSINESS DEVELOPMENT Q1

NET SALES

Net sales increased by 10 per cent to 977.9 MEUR (889.9). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 11 per cent. Regionally, organic growth was 27 per cent in Asia, 10 per cent in EMEA and 0 per cent in Americas. In Asia, China recorded 73 per cent organic growth, mainly driven by a strong recovery in manufacturing, infrastructure and construction. South Korea, South-Eastern Asia and Australia recorded solid growth, but Japan and India declined due to weak demand in the manufacturing sector in Japan and the power and energy sector in India. In EMEA, Western Europe recorded 7 per cent organic growth, fuelled by strong demand in the surveying, infrastructure and construction segments. The manufacturing and power and energy segments sequentially improved and recorded a low single-digit decline. Russia and Eastern Europe recorded high double-digit organic growth. In Americas, North America recorded -1 per cent organic growth, mainly hampered by weakness in the aerospace and power and energy segments. The surveying and infrastructure and construction segments recorded solid growth in the region. South America recorded high single-digit growth supported by a solid development in the agriculture, power and energy and public safety segments.

EARNINGS

Adjusted operating earnings (EBIT1) increased by 34 per cent to 257.9 MEUR (192.4), which corresponds to an adjusted operating margin of 26.4 per cent (21.6). The adjusted operating margin (EBIT1) was positively impacted by volume growth, cost savings measures and a richer product mix but adversely impacted by currency movements. Adjusted operating earnings (EBIT1) were negatively impacted by currency translation effects of -19.5 MEUR and positively impacted by currency transaction effects of 7.1 MEUR. Earnings before taxes, excluding adjustments, amounted to 250.3 MEUR (186.6) and were negatively impacted by currency translation effects of -19.5 MEUR.

FINANCIAL SUMMARY - FIRST QUARTER

MEUR	Net sales			Earnings		
	Q1 2021	Q1 2020	Δ% ¹⁾	Q1 2021	Q1 2020	Δ%
Geospatial Enterprise Solutions	502.6	453.8	13	143.8	102.4	40
Industrial Enterprise Solutions	475.3	436.1	8	118.7	92.8	28
Net sales	977.9	889.9	11			
Group cost				-4.6	-2.8	-64
Adjusted operating earnings (EBIT1)				257.9	192.4	34
Adjusted operating margin, %				26.4	21.6	4.8
Interest income and expenses, net				-7.6	-5.8	-31
Earnings before adjustments				250.3	186.6	34
Adjustments ²⁾				-4.8	-	n.a.
Earnings before taxes				245.5	186.6	32
Taxes				-44.2	-33.6	-32
Net earnings				201.3	153.0	32

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

²⁾Adjustments in 2021 relate to a share programme (LTIP).

CURRENCY TRANSLATION IMPACT COMPARED TO EUR - FIRST QUARTER

	Movement ¹⁾		Income less cost	Earnings impact
CHF	Weakened	-2%	Negative	Positive
USD	Weakened	-8%	Positive	Negative
CNY	Weakened	-1%	Positive	Negative
EBIT1, MEUR				-19.5

¹⁾Compared to Q1 2020

SALES BRIDGE - FIRST QUARTER

	Net sales ¹⁾
2020, MEUR	889.9
Structure, %	4
Currency, %	-5
Organic growth, %	11
Total, %	10
2021, MEUR	977.9

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 GROWTH¹⁾ PER REGION

Region	Q1 2021
China (15% of sales)	↗
EMEA excl. Western Europe (8% of sales)	↗
South America (3% of sales)	↗
Western Europe (30% of sales)	→
North America (30% of sales)	↘
Asia excl. China (14% of sales)	↘
Total	↗

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

>8% ↗
0-8% →
Negative ↘

GEOSPATIAL ENTERPRISE SOLUTIONS – Q1 2021

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 Autonomy & Positioning.

NET SALES

Geospatial Enterprise Solutions (GES) net sales amounted to 502.6 MEUR (453.8). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 13 per cent. Regionally, organic growth was 30 per cent in Asia, 17 per cent in EMEA and 3 per cent in Americas. In Asia, China recorded 79 per cent organic growth, mainly driven by strong growth in surveying, infrastructure and construction. South-Eastern Asia recorded solid organic growth, however, Japan and South Korea declined. In EMEA, Western Europe recorded 16 per cent organic growth, supported by solid demand in the surveying, infrastructure and construction segments. Russia, Eastern Europe and Africa recorded strong double-digit organic growth. In Americas, North America recorded 2 per cent organic growth, positively impacted by robust demand in surveying, infrastructure and construction but adversely impacted by weakness in defence. South America recorded high single-digit organic growth, supported by strong demand for agriculture and public safety solutions.

Geosystems recorded 22 per cent organic growth, supported by strong demand for surveying and construction solutions globally. The mining segment continued to grow. The Safety & Infrastructure division recorded -2 per cent organic growth, hampered by weakness in defence but offset by growth in public safety. The Autonomy & Positioning division recorded -2 per cent organic growth, negatively impacted by order delays in defence and a weak automotive market. The agriculture business continued to record strong growth.

EARNINGS

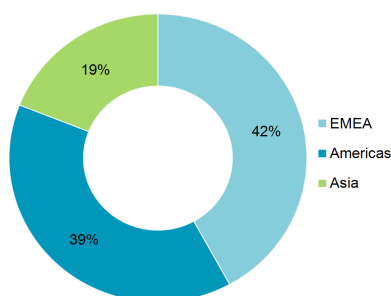
Adjusted operating earnings (EBIT1) increased by 40 per cent to 143.8 MEUR (102.4), which corresponds to an adjusted operating margin of 28.6 per cent (22.6). The adjusted operating margin (EBIT1) was positively impacted by volume growth, cost savings measures and a richer product mix but adversely impacted by currency movements.

NET SALES, EARNINGS AND NUMBER OF EMPLOYEES

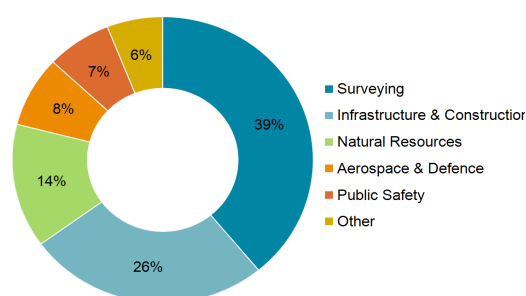
MEUR	Q1 2021	Q1 2020	Δ%
Net sales	502.6	453.8	13 ¹⁾
Adjusted operating earnings (EBIT1)	143.8	102.4	40
Adjusted operating margin, %	28.6	22.6	6.0
Avg. number of employees	9,166	9,068	1

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

NET SALES PER REGION – FIRST QUARTER



NET SALES PER CUSTOMER SEGMENT - FIRST QUARTER



INDUSTRIAL ENTERPRISE SOLUTIONS – Q1 2021

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 475.3 MEUR (436.1). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 8 per cent. Regionally, organic growth was 25 per cent in Asia, 1 per cent in EMEA and -4 per cent in Americas. In Asia, China recorded 70 per cent organic growth, mainly driven by broad-based strength in manufacturing. South Korea grew in the quarter, however, Japan and India declined. In EMEA, Western Europe recorded -3 per cent organic growth, due to weakness in the aerospace and power and energy segments. Russia and the Middle East recorded solid double-digit organic growth. In Americas, North America recorded -5 per cent organic growth, mainly driven by a weak development in aerospace and oil and gas markets. South America recorded double-digit growth.

Manufacturing Intelligence recorded 12 per cent organic growth, mainly driven by the acceleration in China and a recovery in the automotive sector. However, demand in the aerospace segment remained at low levels. The software portfolios continued to record favorable growth. The PPM division recorded -4 per cent organic growth, due to a challenging oil and gas market. The asset information management, cyber security and AEC (architecture, engineering and construction) design software portfolios recorded solid growth in the quarter.

EARNINGS

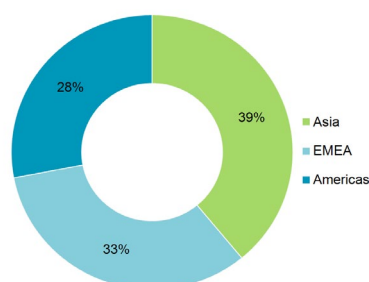
Adjusted operating earnings (EBIT1) increased by 28 per cent to 118.7 MEUR (92.8), which corresponds to an adjusted operating margin of 25.0 per cent (21.3). The adjusted operating margin (EBIT1) was positively impacted by volume growth and cost savings measures.

NET SALES, EARNINGS AND NUMBER OF EMPLOYEES

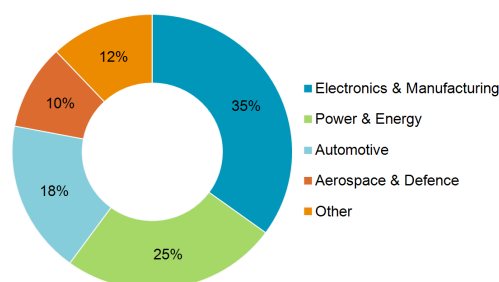
MEUR	Q1 2021	Q1 2020	Δ%
Net sales	475.3	436.1	8 ¹⁾
Adjusted operating earnings (EBIT1)	118.7	92.8	28
Adjusted operating margin, %	25.0	21.3	3.7
Avg. number of employees	11,642	11,374	2

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

NET SALES PER REGION – FIRST QUARTER



NET SALES PER CUSTOMER SEGMENT – FIRST QUARTER



A graphic at the top of the page features a stylized 'R' logo in white, set against a background of a blue and green geometric design. The 'R' is positioned over a dark blue area that resembles a view of Earth from space, with a bright horizon line and a starry background.

Hexagon launched R-evolution, a new business venture focused on reinventing how industry addresses complex environmental challenges. Its purpose is to accelerate the transition to a sustainable economy, running profit-driven investments in green-tech projects where Hexagon's technology can be applied.

GROUP SUMMARY

PROFITABILITY

Capital employed increased to 9,030.6 MEUR (8,795.3). Return on average capital employed for the last twelve months was 11.8 per cent (11.2). Return on average shareholders' equity for the last twelve months was 10.8 per cent (11.8). The capital turnover rate was 0.4 times (0.4).

FINANCIAL POSITION

Total shareholders' equity increased to 6,410.6 MEUR (6,196.1). The equity ratio was 57.8 per cent (57.7). Hexagon's total assets increased to 11,091.3 MEUR (10,735.7). The increase in total assets was 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 20,000 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 31 March 2021, cash and unutilised credit limits totalled 1,961.6 MEUR (1,821.1). Hexagon's net debt was 2,175.6 MEUR (2,195.6). The net indebtedness was 0.31 times (0.32). Interest coverage ratio was 30.6 times (23.5).

CASH FLOW

During the first quarter, cash flow from operations before changes in working capital amounted to 298.7 MEUR (222.2), corresponding to 0.81 EUR (0.60) per share. Cash flow from operations in the first quarter amounted to 318.8 MEUR (248.6), corresponding to 0.87 EUR (0.68) per share. Operating cash flow in the first quarter, including non-recurring items, amounted to 211.9 MEUR (136.9).

INVESTMENTS, DEPRECIATION, AMORTISATION AND IMPAIRMENT

Hexagon's net investments, excluding acquisitions and divestitures, amounted to -98.2 MEUR (-102.5) in the first quarter. Depreciation, amortisation and impairment amounted to -108.8 MEUR (-94.8) in the first quarter, whereof impairment charges amounted to -10.8 MEUR (-) in the first quarter.

TAX RATE

The Group's tax expense for the first quarter totalled -44.2 MEUR (-33.6). The reported tax rate was 18.0 per cent (18.0) for the quarter. The tax rate, excluding adjustments, was 18.0 per cent (18.0) for the quarter.

EMPLOYEES

The average number of employees during the first quarter was 20,898 (20,515). The number of employees at the end of the quarter was 20,905 (20,624).

SHARE DATA

Earnings per share, including adjustments, for the first quarter amounted to 0.54 EUR (0.41). Earnings per share, excluding adjustments, for the first quarter, amounted to 0.56 EUR (0.41).

On 31 March 2021, equity per share was 17.44 EUR (16.82) and the share price was 805.60 SEK (424.00).

Hexagon's share capital amounts to 81,557,432 EUR, represented by 366,700,802 outstanding shares, of which 15,750,000 are of series A with ten votes each and 350,950,802 are of series B with one vote each. Hexagon holds 850,000 treasury shares.

PARENT COMPANY

The parent company's earnings before taxes in the first quarter amounted to 2.0 MEUR (6.6). The equity was 5,195.1 MEUR (5,130.6). The equity ratio of the parent company was 48 per cent (55). Liquid funds including unutilised credit limits were 1,515.6 MEUR (1,379.9).



Hexagon has partnered with Boston Dynamics Spot to develop an autonomous reality capture solution for the mobile robot Spot. The solution can help reduce time, cost and increase safety when working in potentially dangerous structures or hazardous areas within infrastructure, industrial facilities, public safety and more.

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 2020, see note 1 for further information.

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 2020.

SHARE PROGRAMME

A Share Programme has been implemented for key employees in the company. Participants in the share programme are offered to be granted, free of charge, performance awards which may entitle to shares of Class B if performance conditions are met during the measurement period.

The performance condition is related to the development of Hexagon's earnings per share compared with the target level set by the Board during the measurement period 1 January 2020 to 31 December 2023, where the last financial year during the measurement period is compared with the financial year preceding the measurement period. The purpose of the incentive programme is to strengthen Hexagon's ability to retain and recruit competent employees, provide competitive remuneration and to align the interest of the shareholders with the interest of the employees concerned.

The share programme is accounted for according to IFRS 2 and is classified as an equity-settled share-based payment transaction, which means the programme is reported within equity. Social fees are reported as a liability in the balance sheet. The total cost of the share-based incentive programme is estimated at 60 MEUR and is recognised as a personnel expense in profit or loss during the vesting period.

RELATED PARTY TRANSACTIONS

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

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, 29 April 2021
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

Patrick Söderlund
Board Member

This Interim Report has not been reviewed by the Company's auditors.

CONDENSED INCOME STATEMENT

MEUR	Q1 2021	Q1 2020	2020
Net sales	977.9	889.9	3,764.4
Cost of goods sold	-348.7	-318.3	-1,390.1
Gross earnings	629.2	571.6	2,374.3
Sales expenses	-181.7	-181.4	-687.3
Administration expenses	-82.4	-78.1	-328.2
Research and development expenses	-120.6	-116.6	-462.7
Other income and expenses, net	8.6	-3.1	-109.1
Operating earnings ¹⁾	253.1	192.4	787.0
Financial income	0.7	2.5	6.3
Financial expenses	-8.3	-8.3	-33.7
Earnings before taxes	245.5	186.6	759.6
Taxes	-44.2	-33.6	-134.9
Net earnings	201.3	153.0	624.7
Attributable to:			
Parent company shareholders	199.7	152.3	618.1
Non-controlling interest	1.6	0.7	6.6
¹⁾ of which adjustments	-4.8	-	-169.2
Earnings include depreciation, amortisation and impairments of	-108.8	-94.8	-534.2
- of which amortisation of surplus values	-13.4	-14.2	-53.3
Basic earnings per share, EUR	0.54	0.41	1.68
Earnings per share after dilution, EUR	0.54	0.41	1.68
Total shareholder's equity per share, EUR	17.44	16.82	16.18
Closing number of shares, thousands	366,701	367,551	366,905
Average number of shares, thousands	366,814	367,544	367,540
Average number of shares after dilution, thousands	367,577	367,544	367,702

CONDENSED COMPREHENSIVE INCOME

MEUR	Q1 2021	Q1 2020	2020
Net earnings	201.3	153.0	624.7
Other comprehensive income			
Items that will not be reclassified to income statement			
Remeasurement of pensions	23.9	-44.7	-29.4
Taxes on items that will not be reclassified to income statement	-2.4	4.5	3.6
Total items that will not be reclassified to income statement, net of taxes	21.5	-40.2	-25.8
Items that may be reclassified subsequently to income statement			
Exchange rate differences	259.3	0.4	-468.5
Taxes on items that may be reclassified subsequently to income statement	-10.4	6.0	23.3
Total items that may be reclassified subsequently to income statement, net of taxes	248.9	6.4	-445.2
Other comprehensive income, net of taxes	270.4	-33.8	-471.0
Total comprehensive income for the period	471.7	119.2	153.7
Attributable to:			
Parent company shareholders	469.5	118.5	147.5
Non-controlling interest	2.2	0.7	6.2

CONDENSED BALANCE SHEET

MEUR	31/3 2021	31/3 2020	31/12 2020
Intangible fixed assets	8,206.2	7,868.8	7,941.8
Tangible fixed assets	503.7	485.8	480.1
Right-of-use assets	196.9	218.0	205.1
Financial fixed assets	76.0	67.3	80.4
Deferred tax assets	106.2	84.3	102.1
Total fixed assets	9,089.0	8,724.2	8,809.5
Inventories	395.8	432.2	371.1
Accounts receivables	912.4	931.2	884.7
Other receivables	109.6	97.2	113.3
Prepaid expenses and accrued income	140.1	147.3	127.6
Total current receivables	1,162.1	1,175.7	1,125.6
Cash and cash equivalents	444.4	403.6	397.4
Total current assets	2,002.3	2,011.5	1,894.1
Total assets	11,091.3	10,735.7	10,703.6
Equity attributable to parent company shareholders	6,393.7	6,182.3	5,934.8
Equity attributable to non-controlling interest	16.9	13.8	14.4
Total shareholders' equity	6,410.6	6,196.1	5,949.2
Interest bearing liabilities	1,742.3	1,791.9	1,995.4
Lease liabilities	145.1	163.8	153.5
Other liabilities	68.1	187.7	85.5
Pension liabilities	103.1	141.8	125.4
Deferred tax liabilities	482.5	446.1	460.2
Other provisions	16.1	9.7	14.7
Total long-term liabilities	2,557.2	2,741.0	2,834.7
Interest bearing liabilities	568.5	440.1	437.4
Lease liabilities	61.0	61.6	61.6
Accounts payable	214.0	211.4	207.4
Other liabilities	324.5	290.3	326.7
Other provisions	38.4	26.1	48.3
Deferred income	591.5	504.9	520.9
Accrued expenses	325.6	264.2	317.4
Total short-term liabilities	2,123.5	1,798.6	1,919.7
Total equity and liabilities	11,091.3	10,735.7	10,703.6

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	Q1 2021	Q1 2020	2020
Opening shareholders' equity	5,949.2	6,076.9	6,076.9
Total comprehensive income for the period¹⁾	471.7	119.2	153.7
Acquisition of treasury shares	-14.8	-	-47.3
Dividend	-	-	-234.1
Share based programme (LTIP)	4.5	-	-
Closing shareholders' equity²⁾	6,410.6	6,196.1	5,949.2
1) Of which: Parent company shareholders	469.5	118.5	147.5
Non-controlling interest	2.2	0.7	6.2
2) Of which: Parent company shareholders	6,393.7	6,182.3	5,934.8
Non-controlling interest	16.9	13.8	14.4

NUMBER OF SHARES

	series A	series B	Total
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	-	4,614,610	4,614,610
2019-12-31 Total issued and outstanding	15,750,000	351,789,302	367,539,302
New issue, warrants exercised	-	11,500	11,500
Repurchase of treasury shares	-	-646,000	-646,000
2020-12-31 Total outstanding	15,750,000	351,154,802	366,904,802
Repurchase of treasury shares	-	-204,000	-204,000
2021-03-31 Total outstanding	15,750,000	350,950,802	366,700,802
Total amount of treasury shares		850,000	850,000
2021-03-31 Total issued	15,750,000	351,800,802	367,550,802

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

CONDENSED CASH FLOW STATEMENT

MEUR	Q1 2021	Q1 2020	2020
Cash flow from operations before change in working capital excluding taxes and interest	354.9	282.7	1,340.9
Taxes paid	-50.8	-56.1	-163.2
Interest received and paid, net	-5.4	-4.4	-24.5
Cash flow from operations before change in working capital	298.7	222.2	1,153.2
Cash flow from change in working capital	20.1	26.4	221.3
Cash flow from operations	318.8	248.6	1,374.5
Investments tangible assets, net	-26.8	-27.4	-96.7
Investments intangible assets	-71.4	-75.1	-286.6
Operating cash flow before non-recurring items	220.6	146.1	991.2
Non-recurring cash flow ¹⁾	-8.7	-9.2	-70.5
Operating cash flow	211.9	136.9	920.7
Cash flow from acquisitions and divestments	-24.6	-145.6	-760.5
Cash flow from other investing activities	5.0	-11.9	-34.5
Cash flow after other investing activities	192.3	-20.6	125.7
Dividends paid	-	-	-234.1
Repurchase of treasury shares	-14.8	-	-47.3
Cash flow from other financing activities	-142.2	-45.2	92.7
Cash flow for the period	35.3	-65.8	-63.0
Cash and cash equivalents, beginning of period	397.4	468.3	468.3
Effect of translation differences on cash and cash equivalents	11.7	1.1	-7.9
Cash flow for the period	35.3	-65.8	-63.0
Cash and cash equivalents, end of period	444.4	403.6	397.4

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

KEY RATIOS

MEUR	Q1 2021	Q1 2020	2020
Adjusted operating margin, %	26.4	21.6	25.4
Profit margin before taxes, %	25.1	21.0	20.2
Return on shareholders' equity, 12-month average, %	10.8	11.8	10.1
Return on capital employed, 12-month average, %	11.8	11.2	11.1
Equity ratio, %	57.8	57.7	55.6
Net indebtedness	0.31	0.32	0.37
Interest coverage ratio	30.6	23.5	23.5
Average number of shares, thousands	366,814	367,544	367,540
Basic earnings per share excl. adjustments, EUR	0.56	0.41	2.05
Basic earnings per share, EUR	0.54	0.41	1.68
Cash flow per share, EUR	0.87	0.68	3.74
Cash flow per share before change in working cap, EUR	0.81	0.60	3.14
Share price, SEK	805.60	424.00	749.80
Share price, translated to EUR	78.68	38.33	74.72

SUPPLEMENTARY INFORMATION

NET SALES PER SEGMENT

MEUR	Q1 2021	Q4 2020*	Q3 2020	Q2 2020	Q1 2020	2020*
Geospatial Enterprise Solutions	502.6	535.3	487.3	457.6	453.8	1,934.0
Industrial Enterprise Solutions	475.3	508.8	452.6	439.0	436.1	1,836.5
Group	977.9	1,044.1	939.9	896.6	889.9	3,770.5

ADJUSTED OPERATING EARNINGS (EBIT1) PER SEGMENT

MEUR	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2020
Geospatial Enterprise Solutions	143.8	156.3	138.5	118.9	102.4	516.1
Industrial Enterprise Solutions	118.7	137.5	114.8	110.9	92.8	456.0
Group costs	-4.6	-6.6	-3.2	-3.3	-2.8	-15.9
Group	257.9	287.2	250.1	226.5	192.4	956.2
Adjusted operating margin, %	26.4	27.5	26.6	25.3	21.6	25.4

NET SALES BY REGION

MEUR	Q1 2021	Q4 2020*	Q3 2020	Q2 2020	Q1 2020	2020*
EMEA	370.9	395.7	340.4	307.9	330.9	1,374.9
Americas	327.2	341.0	325.9	319.4	336.3	1,322.6
Asia	279.8	307.4	273.6	269.3	222.7	1,073.0
Group	977.9	1,044.1	939.9	896.6	889.9	3,770.5

EXCHANGE RATES

Average	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2020
SEK/EUR	0.0988	0.0973	0.0965	0.0938	0.0938	0.0954
USD/EUR	0.8302	0.8393	0.8556	0.9092	0.9067	0.8777
CNY/EUR	0.1281	0.1267	0.1237	0.1283	0.1299	0.1271
CHF/EUR	0.9165	0.9279	0.9298	0.9425	0.9373	0.9343
Closing	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2020
SEK/EUR	0.0977	0.0997	0.0946	0.0953	0.0904	0.0997
USD/EUR	0.8529	0.8149	0.8541	0.8930	0.9127	0.8149
CNY/EUR	0.1302	0.1246	0.1254	0.1262	0.1286	0.1246
CHF/EUR	0.9033	0.9258	0.9256	0.9389	0.9447	0.9258

*Operating net sales, i.e. excluding revenue adjustment (haircut)

ACQUISITIONS

MEUR	Q1 2021	Q1 2020
Fair value of acquired assets and assumed liabilities		
Intangible fixed assets	10.6	28.0
Other fixed assets	1.8	1.5
Total fixed assets	12.4	29.5
Total current assets	14.8	12.5
Total assets	27.2	42.0
Total long-term liabilities	-5.1	-7.6
Total current liabilities	-3.6	-5.9
Total liabilities	-8.7	-13.5
Fair value of acquired assets and assumed liabilities, net	18.5	28.5
Goodwill	12.1	164.2
Total purchase consideration transferred	30.6	192.7
Less cash and cash equivalents in acquired companies	-3.3	-6.3
Adjustment for non-paid consideration and considerations paid for prior years' acquisitions	-2.7	-40.8
Cash flow from acquisition of companies/businesses	24.6	145.6

During the first quarter 2021, Hexagon acquired the following company:

- Mecadat, a distributor of computer-aided design and computer-aided manufacturing software

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 121.9 MEUR (210.0) as of 31 March, whereof the fair value adjustment in 2021 amounted to 11.2 MEUR (2.2). 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.

CONDENSED PARENT COMPANY INCOME STATEMENT

MEUR	Q1 2021	Q1 2020	2020
Net sales	5.1	4.3	10.5
Administration expenses	-5.6	-3.4	-20.9
Operating earnings	-0.5	0.9	-10.4
Earnings from shares in Group companies	-	-	360.1
Interest income and expenses, net	2.5	5.7	-19.8
Appropriations	-	-	31.9
Earnings before taxes	2.0	6.6	361.8
Taxes	-0.3	0.7	-1.6
Net earnings	1.7	7.3	360.2

CONDENSED PARENT COMPANY BALANCE SHEET

MEUR	31/3 2021	31/3 2020	31/12 2020
Total fixed assets	9,348.5	7,614.2	9,275.6
Total current receivables	1,395.7	1,626.3	1,494.3
Cash and cash equivalents	32.9	10.5	2.6
Total current assets	1,428.6	1,636.8	1,496.9
Total assets	10,777.1	9,251.0	10,772.5
Total shareholders' equity	5,195.1	5,130.6	5,208.2
Untaxed reserves	7.4	38.7	7.5
Total long-term liabilities	1,742.9	1,786.4	1,995.5
Total short-term liabilities	3,831.7	2,295.3	3,561.3
Total equity and liabilities	10,777.1	9,251.0	10,772.5

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
Adjusted gross earnings	Operating net sales less cost of goods sold excluding adjustments related to cost of goods sold
Adjusted gross margin	Adjusted gross earnings divided by operating net sales
Adjusted operating earnings (EBIT1)	Operating earnings excluding capital gains on shares in group companies and adjustments. Adjustments are excluded to facilitate the understanding of the Group's operational development and to give comparable numbers between periods
Adjusted operating earnings (EBITDA)	Adjusted 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
Adjusted EBITDA margin	Adjusted operating earnings (EBITDA) as a percentage of operating net sales
Adjusted operating margin	Adjusted operating earnings (EBIT1) as a percentage of operating net sales
Adjustments	Adjustments consists of expenses related to the share programme (LTIP) and non-recurring items which refers to income and expenses that are not expected to appear on a regular basis and impact comparability between periods
Capital employed	Total assets less non-interest-bearing liabilities
Capital turnover rate	Net sales divided by average capital employed
Cash conversion	Operating cash flow excluding interest, tax payments and adjustments divided by operating earnings (EBIT1)
Cash flow per share	Cash flow from operations, after change in working capital, excluding non-recurring items divided by average number of shares
Equity ratio	Shareholders' equity including non-controlling interests as a percentage of total assets
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
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 adjustments, 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 21,000 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:

Interim Report Q2 2021	27 July 2021
Interim Report Q3 2021	28 October 2021
Year-End Report 2021	2 February 2022

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 first quarter 2021 will be presented on 29 April at 14:00 CET at a telephone conference.

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

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This 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 13:00 CET on 29 April 2021.

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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