

INTERIM REPORT

1 JANUARY - 30 SEPTEMBER 2024
THIRD QUARTER

Strong progress in recurring revenues and good margins in challenging markets

- -2 per cent organic revenue growth (using fixed exchange rates and a comparable group structure)
- Net sales decreased by -4 per cent to 1,299.8 MEUR (1,352.1)
- Net sales including the reduction of acquired deferred revenue amounted to 1,299.8 MEUR (1,349.8)
- Adjusted gross margin of 67.1 per cent (65.5)
- Adjusted operating earnings (EBIT1) decreased by -4 per cent to 376.6 MEUR (393.0)
- Adjusted operating margin amounted to 29.0 per cent (29.1)
- Earnings per share, excluding adjustments, amounted to 10.1 Euro cent (10.6)
- Earnings per share, including adjustments, amounted to 8.8 Euro cent (3.1)
- Operating cash flow before non-recurring items increased to 165.9 MEUR (146.5)
- Cash conversion amounted to 70 per cent (64)
- Recurring revenue increased by 7 per cent and amounted to 564.9 MEUR (530.2)

ADJUSTED KEY FIGURES²⁾

MEUR	Q3 2024	Q3 2023	Δ%	9M 2024	9M 2023	Δ%
Operating net sales	1,299.8	1,352.1	-2 ¹⁾	3,953.1	4,004.7	0 ¹⁾
Gross earnings	872.1	885.6	-2	2,647.6	2,637.8	0
Gross margin, %	67.1	65.5	1.6	67.0	65.9	1.1
Operating earnings (EBITDA)	489.5	491.5	0	1,481.0	1,443.0	3
EBITDA margin, %	37.7	36.4	1.3	37.5	36.0	1.5
Operating earnings (EBIT1)	376.6	393.0	-4	1,152.6	1,158.3	0
Operating margin, %	29.0	29.1	-0.1	29.2	28.9	0.3
Earnings before taxes	332.4	350.0	-5	1,023.6	1,052.3	-3
Earnings per share, Euro cent	10.1	10.6	-5	31.0	31.7	-2

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

²⁾ For definition, see page 25. For specification, see page 4

Paolo Guglielmini, President and CEO, Hexagon AB commented

"In the third quarter, market conditions in several of our geographies and verticals have remained challenging. Despite this negative backdrop, we have delivered a solid set of results through commercial execution and cost management and have continued to build a strong foundation for the future through innovation and product launches, as well as continued growth in recurring revenues. Cash generation improved on the prior year, and we remain confident in achieving our annual cash conversion target of 80-90%.

We expect similar market conditions during the final quarter of the year, but remain well positioned to deliver solid fundamentals and then leverage on our continued innovation and market reach for growth once the macro environment improves."

-2%

**ORGANIC
GROWTH**

29%

**ADJUSTED OPERATING
MARGIN**

70%

**CASH
CONVERSION**

COMMENTS FROM THE CEO

"We have recorded strong growth in recurring revenues and maintained EBIT1 margins, despite a continuation of the macroeconomic conditions noted throughout the first half of 2024 and an unfavourable currency environment.

Recurring revenues grew by 7% overall, in part reflecting our continued focus on unlocking the potential of the petabytes of data generated by our leading sensor and robotic solution portfolio.

The underlying margin development was positive in the quarter. Gross margins increased to 67.1 per cent (65.5) reflecting an increased contribution from software and the proactive steps taken to divest low margin activities in Manufacturing Intelligence (MI) and Safety, Infrastructure and Geospatial (SIG) during 2023.

During the quarter we concluded the rationalisation programme, reaching a run rate of 172 MEUR, which exceeded the top end of the target range of 160 – 170 MEUR. This reduced operating expenses in the quarter by 42 MEUR, allowing the preservation of EBIT1 margins at 29.0 per cent (29.1) despite unfavourable currency movements.

Cash conversion improved on the prior year but moderated from the strong levels seen in the first half of 2024. This reflected the usual seasonal build of working capital which is not expected to continue in the fourth quarter. We remain confident in achieving our annual cash conversion target of 80-90%.

We have continued to make great strides in innovation, with the launch of the ATS800 Absolute Tracker, the GS05 update to the GNSS Smart Antenna family and the debut of the iCON trades solution representing important additions to the sensor portfolio during the third quarter. It was also pleasing to see continued strong billings growth for the HxDR platform and strong early engagement around the HxGN SDx2 solution, which was launched during the quarter.

Market conditions remained challenging across a number of the Group's key industries during the third quarter.

MI recorded an organic decline of -2 per cent (8), with continued growth in aerospace being offset by a weaker market environment in China.

ALI (Asset Lifecycle Intelligence) grew 6 per cent organically (10), with strong growth in both SaaS and perpetual deals, partially offset by lower growth in services.

Geosystems declined organically by -5 per cent (3), with continued weakness in construction markets partially offset by good progress in software sales, which drove a 13 per cent increase in recurring revenues.

Autonomous Solutions saw an organic decline of -12 per cent (34), primarily reflecting strong comparatives in the prior period, alongside delays in the timing of some mining deals and the continued slowdown in agriculture markets.

SIG grew by 2 per cent organically (-5), with good growth in public safety and in the networks and utilities business partially offset by weakness in federal services activity.

We expect similar market conditions during the final quarter of the year, but remain well positioned to deliver solid fundamentals and then leverage on our continued innovation and market reach once the macro environment improves."

– Paolo Guglielmini, President and CEO, Hexagon AB

CONTACTS

Investor Relations

Tom Hull

ir@hexagon.com

Anton Heikenström

ir@hexagon.com

Media

Madlen Nicolaus

media@hexagon.com

CONFERENCE CALL

The Interim Report for the third quarter 2024 will be presented on 25 October at 10:00 CET at a telephone conference. Please view instructions at Hexagon's website on how to participate.

<https://investors.hexagon.com/en/upcoming-investor-events>

FINANCIAL CALENDAR

Hexagon gives financial information at the following occasions:

Year-End Report 2024

31 January 2025

Interim Report Q1 2025

30 April 2025

GROUP BUSINESS DEVELOPMENT Q3

NET SALES

Operating net sales decreased by -4 per cent to 1,299.8 MEUR (1,352.1). Using fixed exchange rates and a comparable group structure (organic growth), net sales decreased by -2 per cent. Structure added 0 per cent to growth, reflecting the net contribution of the acquisitions and disposals made in the last 12 months. More details on acquisitions are given in note 6.

Development by Geography

Regionally, organic growth was 0 per cent in EMEA, -3 per cent in the Americas and -5 per cent in Asia.

In EMEA, Western Europe recorded -1 per cent organic growth, with a decline in Manufacturing Intelligence largely driven by softness in the region's automotive and manufacturing industries which continued to face significant headwinds in the quarter. Geosystems declined due to continued weakness in construction end markets. However, the quarter saw very strong growth in Autonomous Solutions and growth in Asset Lifecycle Intelligence. EEMEA recorded 11 per cent organic growth.

In the Americas, North America recorded -3 per cent organic growth, with solid growth in Manufacturing Intelligence more than offset by continued declines in Geosystems, reflecting weakness in infrastructure and construction markets, as well as very difficult comparatives within defence markets for Autonomous Solutions. South America recorded 2 per cent organic growth, with growth in Geosystems offsetting weaker growth in mining and agriculture markets.

In Asia, China recorded -8 per cent organic growth, with growth in Manufacturing Intelligence turning negative and reflecting continued headwinds in Geosystems as a result of the weak Chinese construction market. The rest of Asia recorded -2 per cent organic growth, impacted by a decline in Mining markets in South-East Asia. India continued to grow strongly in Manufacturing Intelligence, but this was more than offset by declines in Geosystems, reflecting tough comparatives.

Development by Product Type

Software and services posted a 1 per cent increase (reported), despite very tough comparatives from the prior year prior due to a significant perpetual software license deal won in Autonomous Solutions. The rest of the division's software portfolios grew well, including strong momentum in HxDR sales in Geosystems. Non-recurring services declined, offset by growth in recurring services. Overall recurring revenues continued the growth trajectory noted in the first half of the year, at 7 per cent (reported), with a strong contribution from recurring software sales.

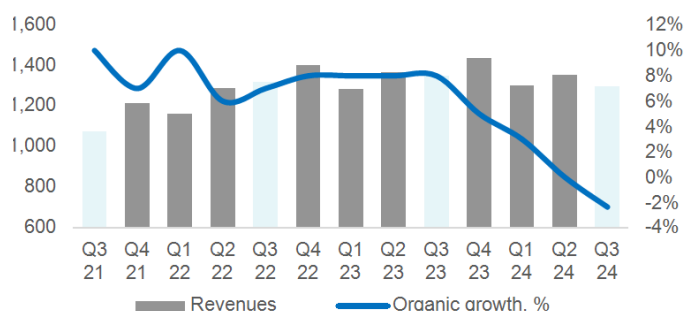
The sensors & robotic solutions portfolio delivered a -12 per cent (reported) decline during the third quarter, due to lower demand in manufacturing markets for metrology solutions, sluggish construction markets affecting demand for surveying tools in Geosystems, and tough comparatives for reality capture tools.

SALES BRIDGE - THIRD QUARTER

	Operating net sales ¹⁾
2023, MEUR	1,352.1
Structure, %	0
Currency, %	-1
Organic growth, %	-2
Total, %	-4
2024, MEUR	1,299.8

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.

GROWTH TREND



SALES BY PRODUCT TYPE - THIRD QUARTER

MEUR	Q3 2024	% of sales	Q3 2023	% of sales	Reported Δ%
Software & Services	817.5	62.9%	806.6	59.7%	1%
Sensors & Robotics Solutions	482.3	37.1%	545.5	40.3%	-12%
Total	1,299.8		1,352.1		-4%
Recurring revenue	564.9	43.5%	530.2	38.2%	7%

SALES BY GEOGRAPHY - THIRD QUARTER

MEUR	Q3 2024	% of sales	Q3 2023	% of sales	Organic Δ%
North America	461.9	36%	485.1	36%	-3%
South America	57.1	5%	61.7	5%	2%
Western Europe	345.3	26%	350.3	26%	-1%
EEMEA	103.1	7%	98.6	7%	6%
China	173.2	14%	190.7	14%	-8%
Asia, excl China	159.2	12%	165.7	12%	-2%
Total	1,299.8		1,352.1		-2%

EARNINGS Q3

Adjusted operating earnings (EBIT1) decreased by -4 per cent to 376.6 MEUR (393.0), which corresponded to an adjusted operating margin of 29.0 per cent (29.1). The adjusted operating margin (EBIT1) was broadly flat despite the negative growth environment as well as unfavourable currency impacts. EBIT1 was supported by cost saving benefits of 42 MEUR from the rationalisation programme. The adjusted operating margin including amortisation of surplus values (PPA) of -27.6 MEUR (-29.0) amounted to 26.9 per cent (26.9).

Adjusted operating earnings (EBIT1) were negatively impacted by currency transaction effects of -7.7 MEUR (2.9) and negatively impacted by currency translation effects of -5.5 MEUR. Earnings before taxes, excluding adjustments, amounted to 332.4 MEUR (350.0).

Total R&D spend (including capitalised amounts) was 213 MEUR, equivalent to 16 per cent of net sales, whereof 120 MEUR was capitalised. Amortisation of previously capitalised R&D amounted to 60 MEUR. The adjusted net R&D cost expensed to EBIT in the quarter was 154 MEUR.

Hexagon's net capital investments, excluding acquisitions and divestitures, amounted to -151.5 MEUR (-141.2) in the third quarter. Depreciation, amortisation and impairment amounted to -140.5 MEUR (-144.7) in the third quarter, whereof impairment charges amounted to -8.0 MEUR (-17.2).

The adjustments for the quarter consist of share-based program expenses (LTIP) of -14.6 MEUR (-16.3), amortisation of surplus values (PPA) of -27.6 MEUR (-29.0) and acquired deferred revenues of 0.0 MEUR (2.3). Prior Q3 was impacted by non-recurring items of 198.6 related to the rationalisation program.

TAX AND FINANCIAL NET EXPENSE

The Group's tax expense for the quarter totalled -52.2 MEUR (-16.6). 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. The financial net expenses amounted to -44.2 MEUR (-43.0).

SALES AND OPERATING PROFIT BRIDGE

MEUR	Q3 2023	Currency	Structure	Organic	Q3 2024
Operating net sales	1,352.1	-14	-6	-33	1,299.8
Adjusted operating earnings (EBIT1)	393.0	-16	0	0	376.6
Adjusted operating margin	29.1%	119%	1%	0%	29.0%
Accretion (dilution) on margin		-0.9%	0.1%	0.7%	

CURRENCY TRANSLATION IMPACT COMPARED TO EUR - THIRD QUARTER

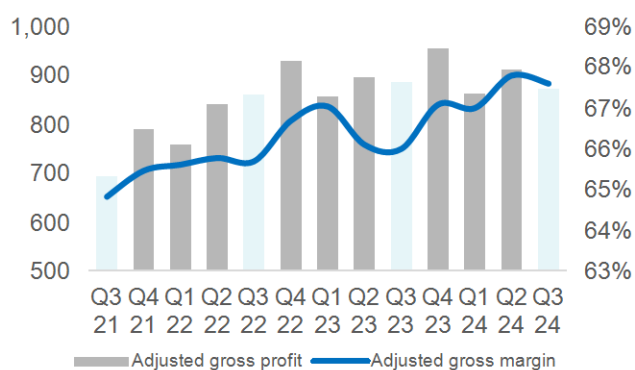
	Movement ¹⁾		Income less cost	Earnings impact
CHF	Strengthened	1%	Negative	Negative
USD	Weakened	-1%	Positive	Negative
CNY	Strengthened	0%	Positive	Positive
EBIT1, MEUR				-5.5

¹⁾Compared to Q3 2023

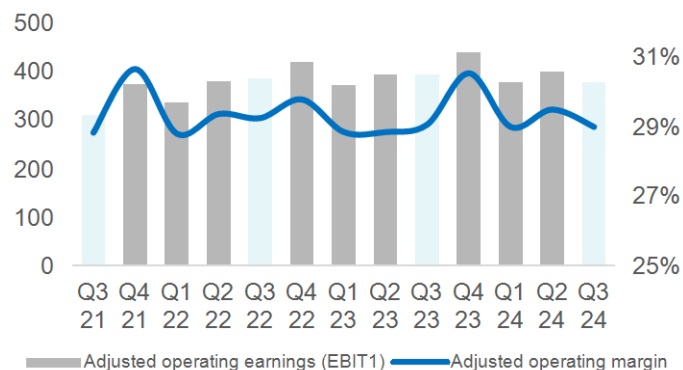
ADJUSTMENTS IN THE QUARTER

MEUR	Q3 2024	Adjustments		Total adjustments	Q3 2024
	Non-IFRS	PPA	LTIP		IFRS
Operating earnings (EBIT1/EBIT)	376.6	-27.6	-14.6	-42.2	334.4
Depreciation, amortisation and impairment	112.9	27.6		27.6	140.5
EBITDA	489.5				474.9
Share program expenses	0		13.6	13.6	13.6
Capital gain/loss and other non-cash items	-18.1		1.0	1.0	-17.1
Cash flow from operations before change in working capital excluding taxes and interest	471.4				471.4

GROSS PROFIT AND GROSS MARGIN



EBIT1 AND EBIT1 MARGIN



REPORTING SEGMENTS

MEUR	Q3 2024	Q3 2023	Reported Δ%	Organic Δ%	9M 2024	9M 2023	Reported Δ%	Organic Δ%
Operating net sales								
Manufacturing Intelligence	463.8	487.1	-5%	-2%	1,425.7	1,461.5	-2%	1%
Asset Lifecycle Intelligence	207.6	197.6	5%	6%	602.9	574.4	5%	6%
Geosystems	373.0	389.0	-4%	-5%	1,155.3	1,203.6	-4%	-4%
Autonomous Solutions	134.8	157.1	-14%	-12%	411.5	421.1	-2%	-3%
Safety, Infrastructure & Geospatial	119.6	120.0	0%	2%	356.3	337.8	5%	5%
Other operations & Group costs	1.0	1.3	-23%	n.a.	1.4	6.3	-78%	n.a.
Total operating net sales	1,299.8	1,352.1	-4%	-2%	3,953.1	4,004.7	-1%	0%
Adjusted operating earnings (EBIT1)								
Manufacturing Intelligence	118.3	123.5	-4%		372.2	371.9	0%	
Asset Lifecycle Intelligence	72.5	73.5	-1%		209.5	203.9	3%	
Geosystems	121.5	122.7	-1%		370.0	389.2	-5%	
Autonomous Solutions	45.8	54.0	-15%		146.0	143.4	2%	
Safety, Infrastructure & Geospatial	24.6	26.6	-8%		72.8	66.7	9%	
Other operations & Group costs	-6.1	-7.3	16%		-17.9	-16.8	-7%	
Total adjusted EBIT	376.6	393.0	-4%		1,152.6	1,158.3	0%	
Adjusted operating margin, %								
Manufacturing Intelligence	25.5%	25.4%	0.2%		26.1%	25.4%	0.7%	
Asset Lifecycle Intelligence	34.9%	37.2%	-2.3%		34.7%	35.5%	-0.7%	
Geosystems	32.6%	31.5%	1.0%		32.0%	32.3%	-0.3%	
Autonomous Solutions	34.0%	34.4%	-0.4%		35.5%	34.1%	1.4%	
Safety, Infrastructure & Geospatial	20.6%	22.2%	-1.6%		20.4%	19.7%	0.7%	
Other operations and Group costs	n.a.	n.a.	n.a.		n.a.	n.a.	n.a.	
Total adjusted EBIT margin %	29.0%	29.1%	-0.1%		29.2%	28.9%	0.2%	

CASH FLOW AND BALANCE SHEET

Operating cash flow before tax, interest and non-recurring items amounted to 263.7 MEUR (250.4), corresponding to a growth of 5 per cent compared to the prior year. The cash conversion ratio amounted to 70% (64%) during the quarter. Working capital saw an outflow of -56.2 MEUR (-98.0 MEUR).

Net interest payments amounted to -40.8 MEUR (-42.4) during the quarter, largely reflecting higher interest rates. Taxes paid amounted to -57.0 MEUR (-61.5).

Operating cash flow before non-recurring items amounted to 165.9 MEUR (146.5), corresponding to a growth of 13 per cent compared to the prior year.

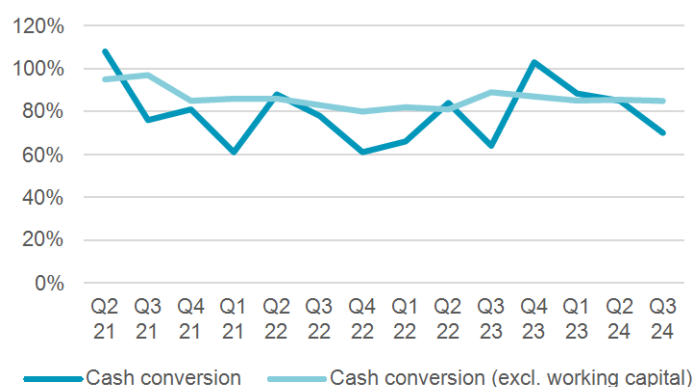
CASH FLOW STATEMENT

MEUR	Q3 2024	Q3 2023	Δ%	9M 2024	9M 2023	Δ%
Adjusted operating earnings (EBIT1)	376.6	393.0	-4	1,152.6	1,158.3	0
D&A (excl adjustments)	112.9	98.5	15	328.4	284.7	15
Adjusted EBITDA	489.5	491.5	0	1,481.0	1,443.0	3
Non-cash items	-18.1	-1.9	n.a.	-45.7	-29.6	n.a.
Capital expenditures	-151.5	-141.2	7	-453.6	-441.1	3
Cash flow post investment	319.9	348.5	-8	981.7	972.3	1
Working capital	-56.2	-98.0	n.a.	-46.6	-147.2	n.a.
Operating cash flow before tax and interest	263.7	250.5	5	935.1	825.1	13
Cash conversion	70%	64%	6	81%	71%	10
Taxes paid	-57.0	-61.5	-7	-178.9	-225.1	-21
Interest received and paid, net	-40.8	-42.4	-4	-122.4	-99.6	23
Operating cash flow before non-recurring items	165.9	146.6	13	633.8	500.4	27

NET DEBT BRIDGE

MEUR	Q3 2024
Net debt opening balance	-3,691.3
Operating cash flow	143.2
Investments in subsidiaries	-1.6
Investments/divestments in financial fixed assets	-1.8
Dividend	-1.6
New/changed lease contracts	-9.5
Currency	-0.3
Other	-2.5
Net debt closing balance	-3,565.4
Net debt to EBITDA	1.7

CASH CONVERSION



CAPITAL EFFICIENCY

Capital employed decreased to 14,392.5 MEUR (14,475.6), due to currency movements. Return on average capital employed for the last twelve months was 11.1 per cent (11.2). Return on average shareholders' equity for the last twelve months was 9.8 per cent (8.7). The capital turnover rate was 0.4 times (0.4).

FINANCIAL POSITION

Total shareholders' equity increased to 10,237.1 MEUR (10,151.2). The equity ratio was 60.3 per cent (58.7). Hexagon's total assets decreased to 16,980.5 MEUR (17,284.5), primarily driven by currency movements.

Hexagon's main sources of financing consist of:

- 1) A multicurrency revolving credit facility (RCF) established in 2021. The RCF amounts to 1,500 MEUR with a tenor of 5+1+1 years.
- 2) A Swedish Medium Term Note Programme (MTN) established during 2014. The MTN programme amounts to 20,000 MSEK with tenor up to 6 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 2024, cash and unutilised credit limits totalled 1,471.7 MEUR (1,222.8). Hexagon's net debt was 3,565.4 MEUR (3,861.0). The net indebtedness was 0.32 times (0.36). Interest coverage ratio was 7.2 times (3.2).

MANUFACTURING INTELLIGENCE – Q3 2024

Hexagon's Manufacturing Intelligence division provides customers hardware and software solutions to allow improved design, process, quality and efficiency. Key solution areas include design and engineering (conceptual design and detailed engineering tools), production (CAD & CAM software) and metrology (stationary & portable metrology, automated inspection), quality management systems (ETQ) and the manufacturing cloud platform (Nexus). By geography Manufacturing Intelligence revenues in 2023 were split 30% Americas, 30% EMEA and 40% APAC.

NET SALES AND EARNINGS

MEUR	Q3 2024	Q3 2023	Δ%	9M 2024	9M 2023	Δ%
Operating net sales	463.8	487.1	-2% ¹⁾	1,425.7	1,461.5	1% ¹⁾
Adjusted operating earnings (EBIT1)	118.3	123.5	-4%	372.2	371.9	0%
Adjusted operating margin, %	25.5%	25.4%	0.1%	26.1%	25.4%	0.7%

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

NET SALES

Manufacturing Intelligence (MI) operating net sales amounted to 463.8 MEUR (487.1). Using fixed exchange rates and a comparable group structure (organic growth), net sales decreased by -2 per cent. Aerospace grew strongly during the quarter and there was stable progress in general manufacturing. Automotive markets remained challenging.

By geography, Manufacturing Intelligence slowed in the Americas but continued to record growth. Asia declined, with China recording negative growth, as expected. Offsetting some of this decline was India, which recorded strong double-digit growth. EMEA remained soft, reflecting a challenging economic environment in Western Europe.

By solution area, there was good growth in demand for portable metrology solutions. Design & Engineering and Quality Management Software also grew well during the quarter, offset by weakness in stationary devices.

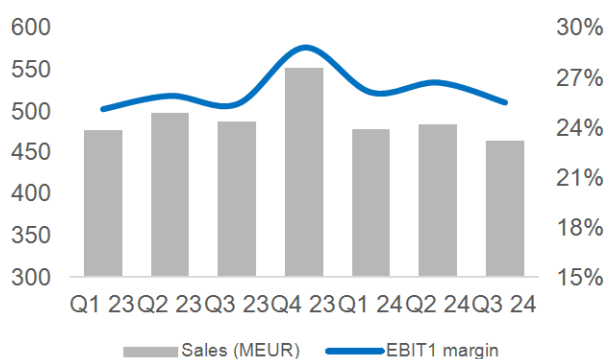
EARNINGS

Margins were maintained at the prior year level despite a decline in revenues and an unfavourable currency environment. This was primarily due to the disposal of TESA PMI at the start of the year, cost saving initiatives and a favourable product mix during the quarter.

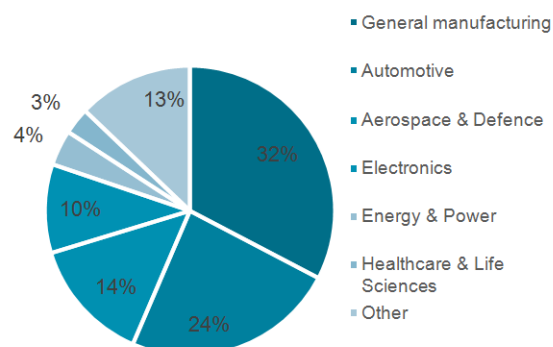
ACQUISITIONS AND NOTABLE PRODUCT LAUNCHES

On 9 September 2024 the new Absolute Tracker ATS800 was launched. It delivers accurate measurement of key features from a distance, using direct scanning to meet the demands of low-tolerance inspection and alignment in aerospace and other large-scale manufacturing sectors. This product will start to sell in 2025.

SALES AND EBIT TREND



NET SALES PER CUSTOMER SEGMENT (FY2023)



ASSET LIFECYCLE INTELLIGENCE – Q3 2024

Hexagon's Asset Lifecycle Intelligence division is a market leading software provider to Fortune 500 companies that helps clients design, construct, operate, maintain and secure more profitable, safe, and sustainable industrial facilities around the world. The division's core technologies help produce actionable insights that enable better decision-making and intelligence across the asset lifecycle of capital-intensive projects, leading to improvements in safety, quality, efficiency, and productivity, which contribute to economic and environmental sustainability. Key solution areas include design and engineering (conceptual design and detailed engineering tools), project planning & execution (construction, fabrication and supply chain management) and operations & maintenance (enterprise asset management, predictive maintenance and OT cyber security software). By geography Asset Lifecycle Intelligence revenues in 2023 were split 46% Americas, 30% EMEA and 24% APAC.

NET SALES AND EARNINGS

MEUR	Q3 2024	Q3 2023	Δ%	9M 2024	9M 2023	Δ%
Operating net sales	207.6	197.6	6% ¹⁾	602.9	574.4	6% ¹⁾
Adjusted operating earnings (EBIT1)	72.5	73.5	-1%	209.5	203.9	3%
Adjusted operating margin, %	34.9%	37.2%	-2.3%	34.7%	35.5%	-0.8%

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

NET SALES

Asset Lifecycle Intelligence (ALI) operating net sales amounted to 207.6 MEUR (197.6). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 6 per cent. Organic growth was driven by strong software sales, with good growth in both SaaS and perpetual deals, offset slightly by lower services revenue.

By geography, growth was stable in the Americas, EMEA saw double-digit growth and Asia recorded flat growth in the quarter, mainly due weaker perpetual sales in the region offset by an increase in recurring revenues.

By solution area, the standout growth areas were Design & Engineering and Project, Planning and Execution. EAM once again delivered double digit growth in SaaS revenues.

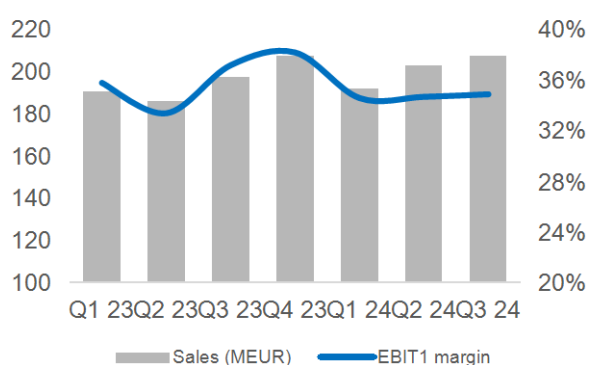
EARNINGS

EBIT1 declined compared to the prior year period, corresponding to an adjusted operating margin of 34.9% (37.2). Margins were negatively impacted by the product mix, tough comparatives from the prior year period and unfavourable currency movements.

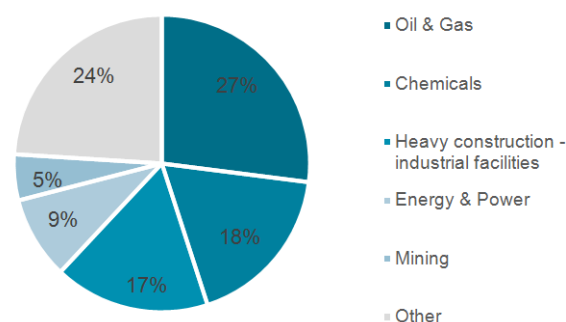
ACQUISITIONS AND NOTABLE PRODUCT LAUNCHES

On 17 September 2024 ALI announced a major product update, launching SDx2, a cloud-native, multi-tenant SaaS solution designed to deliver a connected, insightful digital backbone for industrial facilities. HxGN SDx2 combines operational data, work processes and information systems to deliver contextualised, role-based insights throughout the asset lifecycle – transforming industrial projects and facilities into resilient, efficient and safe operations.

SALES AND EBIT TREND



NET SALES PER CUSTOMER SEGMENT (FY2023)



GEOSYSTEMS – Q3 2024

Hexagon's Geosystems division provide a comprehensive portfolio of digital solutions that capture, measure, and visualise the physical world and enable data-driven transformation across industry ecosystems. Their reality-capture technologies create digital worlds from different views, whether a single dimension between two walls in a house, cadastral boundaries of properties or 3D shapes of cities, infrastructures, utilities, entire countries or even crime scenes. These digital worlds provide actionable information vital for understanding, planning and execution. Key solution areas include reality capture sensors and software, mapping solutions and map data, survey hardware and software and machine control. By geography Geosystems revenues in 2023 were split 32% Americas, 46% EMEA and 22% APAC.

NET SALES AND EARNINGS

MEUR	Q3 2024	Q3 2023	Δ%	9M 2024	9M 2023	Δ%
Operating net sales	373.0	389.0	-5% ¹⁾	1,155.3	1,203.6	-4% ¹⁾
Adjusted operating earnings (EBIT1)	121.5	122.7	-1%	370.0	389.2	-5%
Adjusted operating margin, %	32.6%	31.5%	1.1%	32.0%	32.3%	-0.3%

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

NET SALES

Geosystems operating net sales amounted to 373.0 MEUR (389.0). Using fixed exchange rates and a comparable group structure (organic growth), net sales declined by -5 per cent. Growth was negatively impacted by continued weaker construction markets.

Geographically, demand was muted across all regions. North America became more challenging during the quarter, with Asia and Europe reflecting similar trends to the first half of the year.

By solution area, there was continued good growth in software and services, including the HxDR platform which recorded strong billings and a growing pipeline. Strength in software and services drove a 13 per cent increase in recurring revenues. The sensor and robotic solutions portfolio declined, with macro related weakness slowing demand, particularly across surveying, reality capture and machine control.

EARNINGS

EBIT1 declined compared to the prior year, in part reflecting currency headwinds, however a stronger product mix, pricing and cost savings supported an increase in operating margin to 32.6% (31.5).

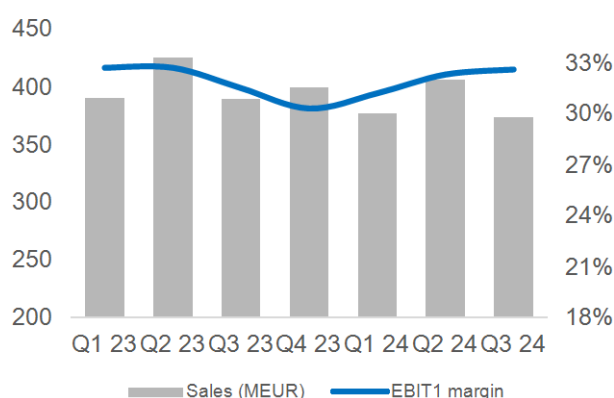
ACQUISITIONS AND NOTABLE PRODUCT LAUNCHES

On 26 September 2024 Geosystems announced the Leica GS05, a compact, lightweight GNSS Smart Antenna featuring calibration-free tilt compensation designed for surveyors who tackle challenging jobs and work long hours.

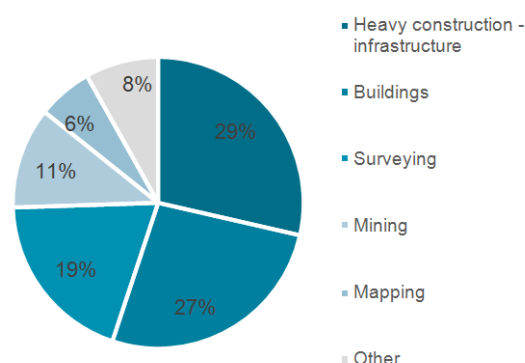
On 24 September 2024 Geosystems announced a new high-performance single photon LiDAR (SPL) technology that can be integrated into hybrid sensors to boost the efficiency of country-wide geospatial data collection.

On 11 September 2024 Geosystems announced the launch of the new Leica iCON trades solution, which includes the Leica iCON iCS20 and the Leica iCON iCS50 sensors paired with industry-tailored construction layout workflows.

SALES AND EBIT TREND



NET SALES PER CUSTOMER SEGMENT (FY2023)



AUTONOMOUS SOLUTIONS – Q3 2024

Hexagon's Autonomous Solutions brings together our Autonomy & Positioning (A&P) and mining capabilities. A&P pioneers end-to-end solutions for assured autonomy and positioning on land, sea and air by providing high precision positioning technology and, perception technologies to advance navigation and autonomy systems, delivering safety, security, reliability and availability for applications requiring assured autonomy and positioning. Key A&P solutions include assured positioning, autonomy, navigation and positioning and high performance antenna. Mining empowers mines to connect all parts of their business with technologies that make sense of data in real time, which integrating, automating and optimising critical workflows. Key solution areas include surveying, design, fleet management, production optimisation and collision avoidance in a single life-of-mine solution. By geography Autonomous Solutions revenues in 2023 were split 60% Americas, 24% EMEA and 16% APAC.

NET SALES AND EARNINGS

MEUR	Q3 2024	Q3 2023	Δ%	9M 2024	9M 2023	Δ%
Operating net sales	134.8	157.1	-12% ¹⁾	411.5	421.1	-3% ¹⁾
Adjusted operating earnings (EBIT1)	45.8	54.0	-15%	146.0	143.4	2%
Adjusted operating margin, %	34.0%	34.4%	-0.4%	35.5%	34.1%	1.4%

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

NET SALES

Autonomous Solutions operating net sales amounted to 134.8 MEUR (157.1). Using fixed exchange rates and a comparable group structure (organic growth), net sales decreased by -12 per cent. The Mining business declined, reflecting a more uncertain mining market, as well as delays which pushed some deliveries into the next quarter. A&P recorded negative growth, primarily due to a significant perpetual software license deal won in the prior year period which resulted in a very difficult comparative.

By geography, growth was highest in EMEA. The Americas declined, reflecting difficult market conditions in agriculture in South America, high prior year comparatives in aerospace and defence and a decline in mining. APAC also declined due to tough comparatives in mining.

By solution area there was strong demand for mining safety solutions and correction services in the marine segment, but weaker demand in agriculture. Excluding last year's one-off software deals in aerospace and defence, the underlying growth remained strong.

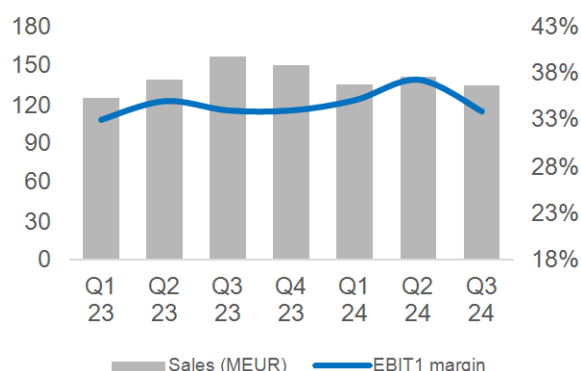
EARNINGS

EBIT1 declined compared to prior year, corresponding to an adjusted operating margin of 34.0% (34.4). Margins were negatively impacted by the decline in revenues and currency headwinds.

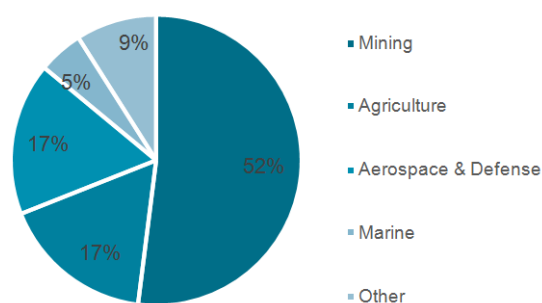
ACQUISITIONS AND NOTABLE PRODUCT LAUNCHES

There were no acquisitions during the quarter.

SALES AND EBIT TREND



NET SALES PER CUSTOMER SEGMENT (FY2023)



SAFETY, INFRASTRUCTURE & GEOSPATIAL – Q3 2024

Hexagon's Safety, Infrastructure and Geospatial (SIG) division makes the world's critical services and infrastructure more resilient and sustainable. Their technologies transform complex data about people, places and assets into meaningful information and capabilities for better, faster decision making in public safety, defence, transportation and government. SIG are the global leader in public safety solutions, protecting over 1 billion people worldwide. They also support government defence agencies with mapping and imagery intelligence and ensure safe and reliable transportation for travellers worldwide via mapping and monitoring traffic and services. Key solution areas include computer aided dispatch, GPS & positioning technologies and VMS & PSIM. By geography SIG revenues in 2023 were split 59% Americas, 33% EMEA and 8% APAC.

NET SALES AND EARNINGS

MEUR	Q3 2024	Q3 2023	Δ%	9M 2024	9M 2023	Δ%
Operating net sales	119.6	120.0	2% ¹⁾	356.3	337.8	5% ¹⁾
Adjusted operating earnings (EBIT1)	24.6	26.6	-8%	72.8	66.7	9%
Adjusted operating margin, %	20.6%	22.2%	-1.6%	20.4%	19.7%	0.7%

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

NET SALES

Safety, Infrastructure and Geospatial operating net sales amounted to 119.6 MEUR (120.0). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 2 per cent. Growth was strong across most solutions, but negatively impacted by large declines in the US federal services business.

By geography, growth was strongest in Asia, but weaker in EMEA and in the Americas.

By solution area the public safety platform, which includes the OnCall dispatch software platform, continued to demonstrate strong growth and bookings momentum. The networks and utilities business also delivered solid growth in the quarter.

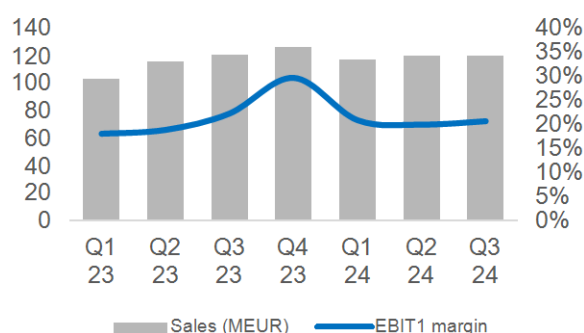
EARNINGS

EBIT1 declined compared to prior year, corresponding to an adjusted operating margin of 20.6% (22.2). The margin decline reflected the product mix and currency headwinds.

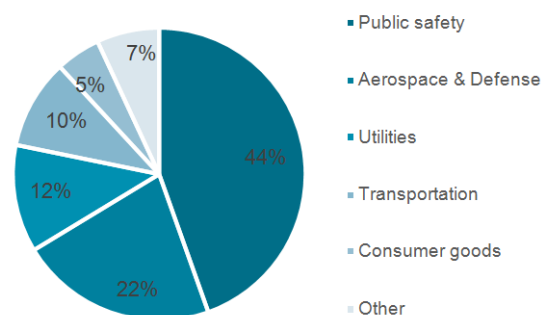
ACQUISITIONS AND NOTABLE PRODUCT LAUNCHES

On 31 August 2024 SIG acquired Schleupen, a reseller of Hexagon's geospatial and network asset management software solutions.

SALES AND EBIT TREND



NET SALES PER CUSTOMER SEGMENT (FY2023)



FINANCIAL SUMMARY – 9M 2024

NET SALES

Operating net sales amounted to 3,953.1 MEUR (4,004.7) for the first nine months of the year. Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 0 per cent.

EARNINGS

Adjusted operating earnings (EBIT1) amounted to 1,152.6 MEUR (1,158.3), which corresponds to an adjusted operating margin of 29.2 per cent (28.9). Adjusted operating earnings (EBIT1) were negatively affected by currency translation effects of -21.5 MEUR and negatively affected by currency transaction effects of -11.4 MEUR.

The financial net amounted to -129.0 MEUR (-106.0) for the first nine months of the year.

Earnings before taxes, excluding adjustments, amounted to 1,023.6 MEUR (1,052.3). Earnings before taxes, including these items, amounted to 901.8 MEUR (719.4).

Net earnings, excluding adjustments, amounted to 839.4 MEUR (862.9) or 31.0 Euro cent (31.7) per share. Net earnings, including these items, amounted to 739.5 MEUR (591.9) or 27.2 Euro cent (21.6) per share.

CURRENCY TRANSLATION IMPACT COMPARED TO EUR - 9M 2024

	Movement ¹⁾		Income less cost	Earnings impact
CHF	Strengthened	2%	Negative	Negative
USD	Weakened	0%	Positive	Negative
CNY	Weakened	-3%	Positive	Negative
EBIT1, MEUR				-21.5

¹⁾Compared to 9M 2023.

SUBSEQUENT EVENTS

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

ANNUAL GENERAL MEETING AND NOMINATION COMMITTEE

The AGM will be held on 5 May 2025 at 17:00 CET at IVA Konferenscenter, Grev Turegatan 16, Stockholm. The composition of the Hexagon Nomination Committee for the AGM 2025 is: Chairman Mikael Ekdahl (Melker Schörling AB), Jan Dworsky (Swedbank Robur fonder) Brett Watson (Infor) and Daniel Kristiansson (Alecta).

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, 25 October 2024
Hexagon AB (publ)

Ola Rollén
Chair of the Board

Paolo Guglielmini
President and CEO

John Brandon
Board Member

Annika Falkengren
Board Member

Ralph Haupter
Board Member

Erik Huggers
Board Member

Gun Nilsson
Board Member

Märta Schörling Andreen
Board Member

Sofia Schörling Högberg
Board Member

Brett Watson
Board Member

AUDITORS' REVIEW REPORT

Introduction

We have reviewed the condensed interim financial information (interim report) of Hexagon AB (556190-4771) as at September 30, 2024 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, 25 October 2024

PricewaterhouseCoopers AB

Bo Karlsson
Authorised Public Accountant
Partner in charge

Helena Kaiser de Carolis
Authorised Public Accountant

CONDENSED INCOME STATEMENT

MEUR	Q3 2024	Q3 2023	9M 2024	9M 2023	2023
Net sales	1,299.8	1,349.8	3,953.1	3,999.9	5,435.2
Cost of goods sold	-428.9	-507.7	-1,308.7	-1,410.8	-1,892.0
Gross earnings	870.9	842.1	2,644.4	2,589.1	3,543.2
Sales expenses	-262.4	-333.3	-800.4	-869.7	-1,159.3
Administration expenses	-103.3	-153.2	-312.5	-371.8	-481.2
Research and development expenses	-171.0	-198.1	-507.9	-511.3	-674.5
Other income and expenses, net	0.2	-10.7	7.2	-10.9	-12.2
Operating earnings ¹⁾	334.4	146.8	1,030.8	825.4	1,216.0
Financial income	2.7	3.6	10.0	9.3	13.1
Financial expenses	-46.9	-46.6	-139.0	-115.3	-168.4
Earnings before taxes	290.2	103.8	901.8	719.4	1,060.7
Taxes	-52.2	-16.6	-162.3	-127.5	-188.9
Net earnings	238.0	87.2	739.5	591.9	871.8
Attributable to:					
Parent company shareholders	235.2	83.6	731.0	581.7	858.9
Non-controlling interest	2.8	3.6	8.5	10.2	12.9
¹⁾ of which adjustments	-42.2	-246.2	-121.8	-332.9	-380.7
Earnings include depreciation, amortisation and impairments of	-140.5	-144.7	-411.9	-388.3	-563.0
- of which amortisation of surplus values (included in adjustments)	-27.6	-29.0	-83.5	-86.4	-115.9
Basic earnings per share, Euro cent	8.8	3.1	27.2	21.6	32.0
Earnings per share after dilution, Euro cent	8.7	3.1	27.0	21.5	31.7
Total shareholder's equity per share, EUR	3.80	3.77	3.80	3.77	3.73
Closing number of shares, thousands	2,684,378	2,684,378	2,684,378	2,684,378	2,684,378
Average number of shares, thousands	2,684,378	2,687,028	2,684,378	2,688,795	2,687,690
Average number of shares after dilution, thousands	2,705,478	2,708,128	2,705,478	2,706,361	2,706,141

CONDENSED COMPREHENSIVE INCOME STATEMENT

MEUR	Q3 2024	Q3 2023	9M 2024	9M 2023	2023
Net earnings	238.0	87.2	739.5	591.9	871.8
Other comprehensive income					
Items that will not be reclassified to income statement					
Remeasurement of pensions	-1.6	-1.0	0.2	-0.2	-10.4
Taxes on items that will not be reclassified to income statement	0.0	0.1	0.0	0.0	1.5
Total items that will not be reclassified to income statement, net of taxes	-1.6	-0.9	0.2	-0.2	-8.9
Items that may be reclassified subsequently to income statement					
Exchange rate differences	-421.3	236.9	-141.4	41.2	-366.1
Taxes on items that may be reclassified subsequently to income statement	14.3	-6.0	1.8	-6.7	11.3
Total items that may be reclassified subsequently to income statement, net of taxes	-407.0	230.9	-139.6	34.5	-354.8
Other comprehensive income, net of taxes	-408.6	230.0	-139.4	34.3	-363.7
Total comprehensive income for the period	-170.6	317.2	600.1	626.2	508.1
Attributable to:					
Parent company shareholders	-173.1	312.7	591.6	617.7	497.3
Non-controlling interest	2.5	4.5	8.5	8.5	10.8

CONDENSED BALANCE SHEET

MEUR	30/9 2024	30/9 2023	31/12 2023
Intangible fixed assets	13,050.7	13,413.4	12,993.7
Tangible fixed assets	594.6	609.9	600.2
Right-of-use assets	188.3	197.5	200.4
Financial fixed assets	155.9	161.7	158.1
Deferred tax assets	178.4	186.2	179.3
Total fixed assets	14,167.9	14,568.7	14,131.7
Inventories	584.2	617.3	584.7
Accounts receivables	1,207.4	1,255.6	1,303.1
Other receivables	223.3	159.6	117.2
Prepaid expenses and accrued income	207.7	219.9	200.0
Total current receivables	1,638.4	1,635.1	1,620.3
Cash and cash equivalents	590.0	463.4	547.1
Total current assets	2,812.6	2,715.8	2,752.1
Total assets	16,980.5	17,284.5	16,883.8
Equity attributable to parent company shareholders	10,205.5	10,118.3	10,013.9
Equity attributable to non-controlling interest	31.6	32.9	32.2
Total shareholders' equity	10,237.1	10,151.2	10,046.1
Interest bearing liabilities	2,843.3	2,989.1	2,831.7
Lease liabilities	138.1	148.6	152.0
Other liabilities	131.1	150.9	124.4
Pension liabilities	52.6	48.5	56.9
Deferred tax liabilities	576.6	660.8	580.0
Other provisions	6.9	8.1	8.1
Total long-term liabilities	3,748.6	4,006.0	3,753.1
Interest bearing liabilities	1,060.0	1,078.7	1,040.2
Lease liabilities	61.4	59.5	59.5
Accounts payable	263.6	270.7	288.5
Other liabilities	319.0	312.8	280.4
Other provisions	91.8	198.9	159.4
Deferred income	782.0	750.4	790.4
Accrued expenses	417.0	456.3	466.2
Total short-term liabilities	2,994.8	3,127.3	3,084.6
Total equity and liabilities	16,980.5	17,284.5	16,883.8

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 CASH FLOW STATEMENT

MEUR	Q3 2024	Q3 2023	9M 2024	9M 2023	2023
Operating earnings	334.4	146.8	1,030.8	825.4	1,216.0
Depreciation, amortisation and impairment	140.5	144.7	411.9	388.3	563.0
Share program expenses	13.6	20.9	36.9	40.3	56.3
Capital gain/loss and other non-cash items	-17.1	177.2	-44.3	159.5	117.5
Taxes paid	-57.0	-61.5	-178.9	-225.1	-276.2
Interest received and paid, net	-40.8	-42.4	-122.4	-99.6	-146.5
Cash flow from operations before change in working capital	373.6	385.7	1,134.0	1,088.8	1,530.1
Change in inventories	-12.8	5.0	-33.3	-41.7	-23.2
Change in current receivables	-8.6	-35.2	50.9	-24.3	-57.5
Change in current liabilities	-34.8	-67.8	-64.2	-81.2	2.5
Cash flow from operations	317.4	287.7	1,087.4	941.6	1,451.9
Investments tangible assets, net	-24.2	-19.1	-75.4	-80.9	-108.3
Investments intangible assets	-127.3	-122.1	-378.2	-360.2	-490.0
Operating cash flow before non-recurring items	165.9	146.5	633.8	500.5	853.6
Non-recurring cash flow ¹⁾	-22.7	-16.2	-71.0	-49.4	-81.5
Operating cash flow	143.2	130.3	562.8	451.1	772.1
Cash flow from acquisitions and divestments	-1.6	-58.5	-40.8	-375.8	-375.8
Cash flow from other investing activities	-1.8	-3.3	-3.7	-52.5	-56.4
Cash flow after other investing activities	139.8	68.5	518.3	22.8	339.9
Dividends paid	-1.6	-6.9	-357.2	-332.8	-335.8
Share programme	-	-47.1	-88.8	-47.1	-47.1
Cash flow from other financing activities	-55.1	-63.7	-25.2	344.7	133.6
Cash flow for the period	83.1	-49.2	47.1	-12.4	90.6
Cash and cash equivalents, beginning of period	511.4	505.1	547.1	486.3	486.3
Effect of translation differences on cash and cash equivalents	-4.5	7.5	-4.2	-10.5	-29.8
Cash flow for the period	83.1	-49.2	47.1	-12.4	90.6
Cash and cash equivalents, end of period	590.0	463.4	590.0	463.4	547.1
¹⁾ Non-recurring cash flow consists of restructuring costs.					
Operating cash flow before interest, tax and non-recurring cash flow	263.7	250.4	935.1	825.2	1,276.3
Cash conversion	70%	64%	81%	71%	80%
Cash flow per share, Euro cent	11.8	10.7	40.5	35.0	54.0
Cash flow per share before change in working capital, Euro cent	13.9	14.4	42.2	40.5	56.9

CONDENSED STATEMENT OF CHANGES IN EQUITY

MEUR	Q3 2024	Q3 2023	2023
Opening shareholders' equity	10,046.1	9,864.6	9,864.6
Total comprehensive income for the period¹⁾	600.1	626.2	508.1
Share programme	-88.8	-47.1	-47.1
Dividend	-357.2	-332.8	-335.8
Share based programme (LTIP)	36.9	40.3	56.3
Closing shareholders' equity²⁾	10,237.1	10,151.2	10,046.1
1) Of which: Parent company shareholders	591.6	617.7	497.3
Non-controlling interest	8.5	8.5	10.8
2) Of which: Parent company shareholders	10,205.5	10,118.3	10,013.9
Non-controlling interest	31.6	32.9	32.2

KEY RATIOS

MEUR	Q3 2024	Q3 2023	9M 2024	9M 2023	2023
Adjusted operating margin, %	29.0	29.1	29.2	28.9	29.4
Profit margin before taxes, %	22.3	7.7	22.8	18.0	19.5
Return on shareholders' equity, 12-month average, %	9.8	8.7	9.8	8.7	8.6
Return on capital employed, 12-month average, %	11.1	11.2	11.1	11.2	11.4
Equity ratio, %	60.3	58.7	60.3	58.7	59.5
Net indebtedness	0.32	0.36	0.32	0.36	0.33
Interest coverage ratio	7.2	3.2	7.5	7.2	7.3
Average number of shares, thousands	2,684,378	2,687,028	2,684,378	2,688,795	2,687,690
Basic earnings per share excl. adjustments, Euro cent	10.1	10.6	31.0	31.7	43.5
Basic earnings per share, Euro cent	8.8	3.1	27.2	21.6	32.0
Cash flow per share, Euro cent	11.8	10.7	40.5	35.0	54.0
Cash flow per share before change in working cap, Euro cent	13.9	14.4	42.2	40.5	56.9
Share price, SEK	109.20	93.38	109.20	93.38	121.00
Share price, translated to EUR	9.66	8.10	9.66	8.10	10.90

CONDENSED PARENT COMPANY INCOME STATEMENT

MEUR	Q3 2024	Q3 2023	9M 2024	9M 2023	2023
Net sales	7.6	5.4	22.7	16.0	26.3
Administration expenses	-10.7	-10.0	-30.8	-28.6	-41.4
Operating earnings	-3.1	-4.6	-8.1	-12.6	-15.1
Earnings from shares in Group companies	0.0	1,801.1	212.4	1,801.1	1,807.8
Interest income and expenses, net	-78.6	-34.3	-97.1	-58.4	-156.1
Appropriations	-	-	-	-	22.2
Earnings before taxes	-81.7	1,762.2	107.2	1,730.1	1,658.8
Taxes	16.0	8.2	48.2	15.3	3.7
Net earnings	-65.7	1,770.4	155.4	1,745.4	1,662.5

CONDENSED PARENT COMPANY BALANCE SHEET

MEUR	30/9 2024	30/9 2023	31/12 2023
Total fixed assets	14,388.8	14,981.0	14,919.3
Total current receivables	2,061.3	1,763.9	1,533.7
Cash and cash equivalents	80.4	10.2	60.2
Total current assets	2,141.7	1,774.1	1,593.9
Total assets	16,530.5	16,755.1	16,513.2
Total shareholders' equity	6,087.7	6,417.1	6,333.3
Untaxed reserves	-	13.2	-
Total long-term liabilities	2,842.6	2,990.3	2,835.6
Total short-term liabilities	7,600.2	7,334.5	7,344.3
Total equity and liabilities	16,530.5	16,755.1	16,513.2

NOTE 1 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 2023, see note 1 for further information.

NOTE 2 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 2023.

NOTE 3 RELATED PARTY TRANSACTIONS

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

NOTE 4 EMPLOYEES

The average number of employees during the third quarter was 24,625 (24,368). The number of employees at the end of the quarter was 24,667 (24,919).

NOTE 5 SHARE DATA

Earnings per share, including adjustments, for the third quarter amounted to 8.8 Euro cent (3.1). Earnings per share, excluding adjustments, for the third quarter, amounted to 10.1 Euro cent (10.6).

On 30 September 2024, equity per share was 3.80 EUR (3.77) and the share price was 109.20 SEK (93.38).

Hexagon's share capital amounts to 85,761,451 EUR, represented by 2,684,377,888 outstanding shares, of which 110,250,000 are of series A with ten votes each and 2,574,127,888 are of series B with one vote each. Hexagon holds 21,100,000 treasury shares.

NOTE 6 ACQUISITIONS AND DIVESTMENTS

MEUR	9M 2024	9M 2023
Fair value of acquired assets and assumed liabilities		
Intangible fixed assets	16.0	95.5
Other fixed assets	0.4	3.1
Total fixed assets	16.4	98.6
Total current assets	10.0	24.6
Total assets	26.4	123.2
Total long-term liabilities	-4.5	-17.5
Total current liabilities	-6.2	-25.2
Total liabilities	-10.7	-42.7
Fair value of acquired assets and assumed liabilities, net	15.7	80.5
Goodwill	73.6	357.4
Total purchase consideration transferred	89.3	437.9
Less cash and cash equivalents in acquired companies	-4.7	-3.5
Adjustment for non-paid consideration and considerations paid for prior years' acquisitions	-16.0	-58.6
Cash flow from acquisition of companies/businesses	68.6	375.8

During the first nine months of the year 2024, Hexagon acquired the following companies:

- Edge tech, a reseller of Hexagon Production Software
- X Watch, a provider of machine control hardware and software technologies
- Itus Digital, a provider of asset performance management (APM) software
- Helmee, a provider of Metrology inspection solutions
- Voyansi, a provider of BIM (Building Information Modelling) and VDC (Virtual Design and Construction) solutions
- Schleupen, a reseller of Hexagon's geospatial and network asset management software solutions.

During the first nine months of the year 2024, Hexagon divested the following companies:

- Tesa PMI business, which generated revenues of 47.3 MEUR (50.2) in 2023. The disposal value amounted to 35.1 MEUR and the net book value of intangible assets, tangible asset and net working capital amounted to 33.4 MEUR, of which cash was 7.3 MEUR. The net loss on disposal after deduction of transaction costs is -0.7 MEUR and is reported in other income and expense.

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 150.9 (215.9) as of 30 September, whereof the fair value adjustment in 2024 amounted to 38.4 MEUR (5.8). 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.

NOTE 7 SEGMENT BREAKDOWN

NET SALES PER SEGMENT

MEUR	Q3 2024*	Q2 2024*	Q1 2024*	2024*	Q4 2023*	Q3 2023*	Q2 2023*	Q1 2023*	2023*
Manufacturing Intelligence	463.8	483.8	478.1	1,425.7	551.5	487.1	497.6	476.8	2,013.0
Asset Lifecycle Intelligence	207.6	203.1	192.2	602.9	207.6	197.6	186.2	190.6	782.0
Geosystems	373.0	405.5	376.8	1,155.3	399.4	389.0	424.8	389.8	1,603.0
Autonomous Solutions	134.8	141.2	135.5	411.5	150.0	157.1	139.3	124.7	571.1
Safety, Infrastructure & Geospatial	119.6	119.8	116.9	356.3	126.1	120.0	115.3	102.5	463.9
Other operations	1.0	0.0	0.4	1.4	0.7	1.3	2.8	2.2	7.0
Group	1,299.8	1,353.4	1,299.9	3,953.1	1,435.3	1,352.1	1,366.0	1,286.6	5,440.0

ADJUSTED OPERATING EARNINGS (EBIT1) PER SEGMENT

MEUR	Q3 2024	Q2 2024	Q1 2024	2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	2023
Manufacturing Intelligence	118.3	129.1	124.8	372.2	158.9	123.5	128.9	119.5	530.8
Asset Lifecycle Intelligence	72.5	70.5	66.5	209.5	79.3	73.5	62.1	68.3	283.2
Geosystems	121.5	131.0	117.5	370.0	121.1	122.7	139.0	127.5	510.3
Autonomous Solutions	45.7	52.6	47.7	146.0	50.2	54.0	48.1	41.3	193.6
Safety, Infrastructure & Geospatial	24.7	23.8	24.3	72.8	37.3	26.6	21.7	18.4	104.0
Other operations and Group costs	-6.1	-7.5	-4.3	-17.9	-8.4	-7.3	-5.7	-3.8	-25.2
Group	376.6	399.5	376.5	1,152.6	438.4	393.0	394.1	371.2	1,596.7
Adjusted operating margin, %	29.0	29.5	29.0	29.2	30.5	29.1	28.9	28.9	29.4

NET SALES BY REGION

MEUR	Q3 2024*	Q2 2024*	Q1 2024*	2024*	Q4 2023*	Q3 2023*	Q2 2023*	Q1 2023*	2023*
EMEA	448.3	477.1	449.7	1,375.1	521.7	448.9	459.6	448.2	1,878.4
Americas	519.1	519.7	498.2	1,537.0	553.6	546.9	520.9	475.8	2,097.2
Asia	332.4	356.6	352.0	1,041.0	360.0	356.3	385.5	362.6	1,464.4
Group	1,299.8	1,353.4	1,299.9	3,953.1	1,435.3	1,352.1	1,366.0	1,286.6	5,440.0

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

NOTE 8 EXCHANGE RATES

Average	Q3 2024	Q2 2024	Q1 2024	2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	2023
SEK/EUR	0.0873	0.0870	0.0887	0.0876	0.0872	0.0850	0.0873	0.0893	0.0871
USD/EUR	0.9103	0.9288	0.9210	0.9199	0.9299	0.9190	0.9176	0.9313	0.9248
CNY/EUR	0.1271	0.1283	0.1281	0.1278	0.1287	0.1268	0.1309	0.1361	0.1306
CHF/EUR	1.0513	1.0271	1.0537	1.0437	1.0481	1.0402	1.0219	1.0074	1.0289
Closing	Q3 2024	Q2 2024	Q1 2024	2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	2023
SEK/EUR	0.0885	0.0880	0.0868	0.0885	0.0901	0.0867	0.0847	0.0886	0.0901
USD/EUR	0.8932	0.9341	0.9250	0.8932	0.9050	0.9439	0.9203	0.9195	0.9050
CNY/EUR	0.1274	0.1286	0.1280	0.1274	0.1274	0.1293	0.1266	0.1338	0.1274
CHF/EUR	1.0594	1.0380	1.0240	1.0594	1.0799	1.0342	1.0217	1.0032	1.0799

NOTE 9 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
Split 7:1 outstanding shares	94,500,000	2,105,704,812	2,200,204,812
Repurchase of treasury shares	-	-1,400,000	-1,400,000
Issue in kind	-	132,622,274	132,622,274
Repurchase of treasury shares	-	-2,000,000	-2,000,000
2021-12-31 Total outstanding	110,250,000	2,585,877,888	2,696,127,888
Repurchase of treasury shares	-	-850,000	-850,000
2022-03-31 Total outstanding	110,250,000	2,585,027,888	2,695,277,888
Repurchase of treasury shares	-	-2,350,000	-2,350,000
2022-06-30 Total outstanding	110,250,000	2,582,677,888	2,692,927,888
Repurchase of treasury shares	-	-2,000,000	-2,000,000
2022-09-30 Total outstanding	110,250,000	2,580,677,888	2,690,927,888
Repurchase of treasury shares	-	-1,250,000	-1,250,000
2022-12-31 Total outstanding	110,250,000	2,579,427,888	2,689,677,888
Repurchase of treasury shares	-	-5,300,000	-5,300,000
2023-12-31 Total outstanding	110,250,000	2,574,127,888	2,684,377,888
2024-09-30 Total outstanding	110,250,000	2,574,127,888	2,684,377,888
Total amount of treasury shares	-	21,100,000	21,100,000
2024-09-30 Total issued	110,250,000	2,595,227,888	2,705,477,888

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

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, analyse 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.

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	Operational 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), amortisation of surplus values (PPA) 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 non-recurring items 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
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
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
Recurring revenues	Contractually recurring revenues from software (SaaS, subscription & maintenance), services and hardware subscriptions, plus recurring services and consumables.
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 the global leader in precision technologies at any scale. Our digital twins, robotics and AI solutions are transforming the industries that shape our reality.

Hexagon (Nasdaq Stockholm: HEXA B) has approximately 24,500 employees in 50 countries and net sales of approximately 5.4bn EUR. Learn more at [hexagon.com](https://www.hexagon.com) and follow us [@HexagonAB](https://twitter.com/HexagonAB).

BUSINESS DEFINITIONS

Americas	North, South and Central America
Asia	Asia, Australia and New Zealand
EMEA	Europe, Middle East and Africa

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

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 08:00 CET on 25 October 2024.

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.

Hexagon AB [publ] P.O. Box 3692 SE- 103 59 Stockholm
Fax: +46 8 601 26 21 Phone: +46 8 601 26 20
Registration number: 556190-4771
Registered Office: Stockholm Sweden
[hexagon.com](https://www.hexagon.com)