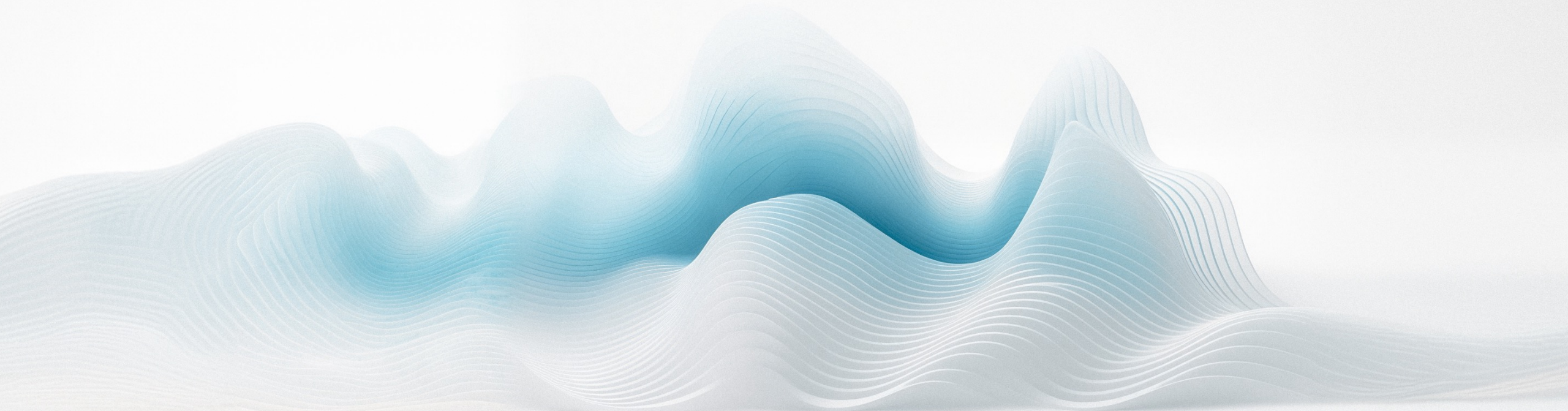




Capital Markets Day



Cautionary statement

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.

Agenda

12:30 – 1.00

MISSION AND AMBITION

Paolo Guglielmini,
President and CEO



1:00 – 1:15

GROWTH STRATEGY

Ben Maslen, CSO



13:15 – 13:45

FINANCIALS AND DISCLOSURE

David Mills, CFO



13:45 – 14:00

SUSTAINABILITY

Eva Carranza,
Head of Sustainability



14:00 – 14:30

FIRST Q&A

14:30 – 15:00

BREAK – 30 MINUTES

15:00 – 16:15

DIVISIONAL STRATEGIES

Divisional Presidents



Josh Weiss, President,
Manufacturing Intelligence



Mattias Stenberg, President,
Asset Lifecycle Intelligence



Thomas Harring,
President, Geosystems



Maria Luthström
President, Autonomy & Positioning
(representing the Autonomous
Solutions Division)



Steven Cost, President, Safety,
Infrastructure & Geospatial

16:15 – 16:45

PRODUCTS AND INNOVATION STRATEGY

Burkhard Böckem, CTO



16:45 – 17:00

BREAK – 15 MINUTES

17:00 – 17.30

CONCLUSION + Q&A

Paolo Guglielmini,
President and CEO



Instructions for submitting a question

Email your questions to ir@hexagon.com – we will not be able to take questions in the room

QA session one



Paolo Guglielmini
President and CEO



Ben Maslen
CSO



David Mills
CFO



Eva Carranza
Head of Sustainability

QA session two



Paolo Guglielmini
President and CEO



Josh Weiss
President, Manufacturing Intelligence



Mattias Stenberg
President, Asset Lifecycle Intelligence



Thomas Harring,
President, Geosystems



Maria Luthström
President, Autonomy & Positioning
(representing the Autonomous Solutions Division)



Steven Cost, President, Safety,
Infrastructure & Geospatial



Burkhard Böckem
CTO



Paolo Guglielmini

PRESIDENT AND CHIEF EXECUTIVE OFFICER | HEXAGON

Goals for the day



Reflect on Hexagon's **growth opportunity** and how we **plan to capitalise** on it

Provide an in-depth overview of the Groups' **divisional structure and activities**

Communicate how we plan to **broaden and improve our financial disclosures**

Reconfirm our **2026 financial targets** and the **strategic direction** for the Group



Hexagon today





Shaping reality.

We combine the physical world, digital intelligence and human potential
to shape the future of all industries.

**By transforming data into action, we enable our customers to create value,
responsibly.**

Hexagon's impact on the world



350,000

construction sites



80,000

types of mining equipment



3.5 million

agriculture vehicles



90%

of all airplanes



95%

of all commercial vehicles



75%

of all smartphones



Protects over

1B

people



Has captured a total of

52M_{km²}

of 2D aerial imagery and

800K_{km²}

of 3D mapping of the world

From microns to kilometers,
we make accurate information
about any physical reality
accessible at scale.



Helped support
the landing of the
Curiosity Rover



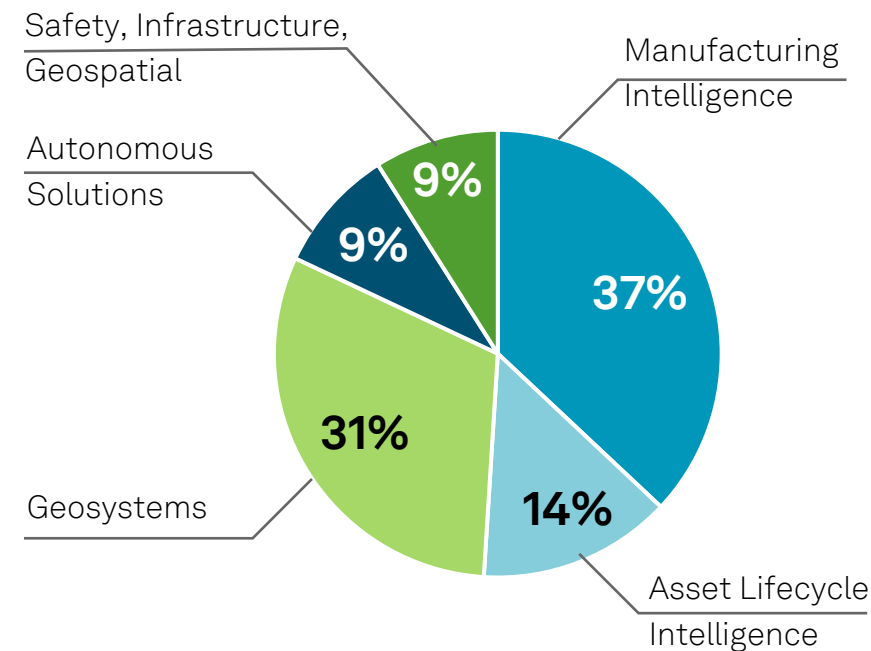
Helped construct
Burj Khalifa
the world's tallest building



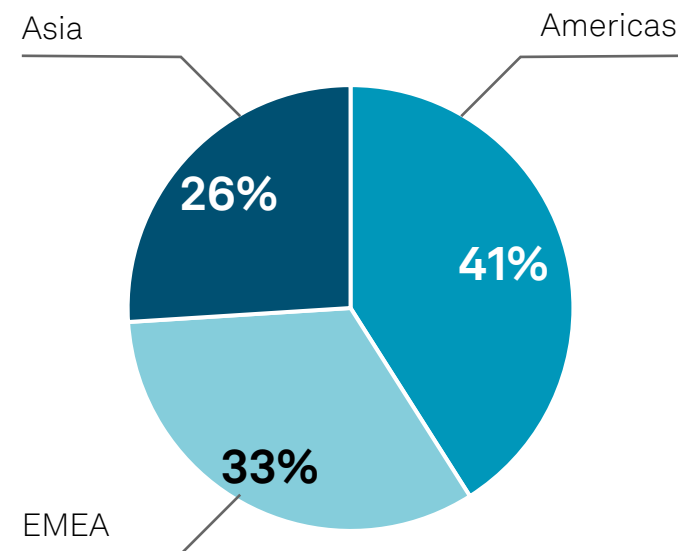
Driving efficiency
in the processing of over 50%
of oil, gas and chemicals

Global footprint in 100bn EUR total addressable market

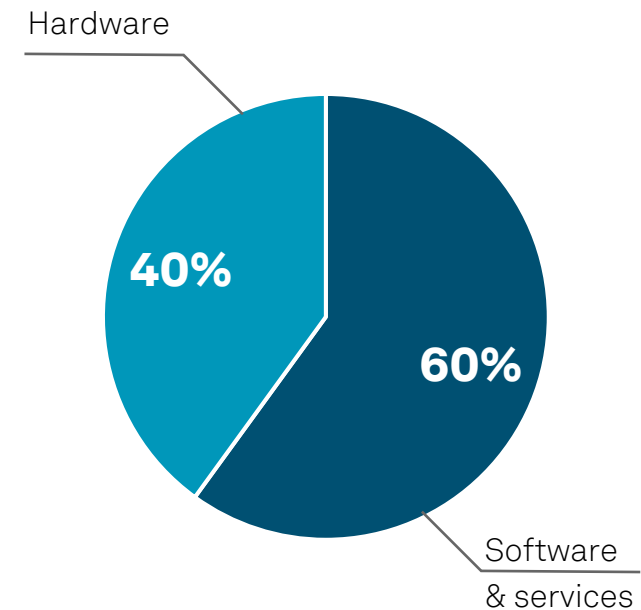
Revenue by division at 2022



Revenue by region at 2023 Q3



Revenue by type at 2023 YTD



Revenues and operations

5.2bn EUR

in sales at FY2022

~24,000

employees

Tech and R&D

5,528

Total patents

700 MEUR+

FY 2022 total gross R&D investment

Every relationship
is a growth
opportunity

150PB.

REALITY DATA

~800K

ORGANISATIONS
SERVED

~3M

ACTIVE DEVICES
IN MARKET

~2M

SOFTWARE
USERS

10K

HEXAGON EMPLOYEES
IN THE FIELD

Financial track record

8,000%

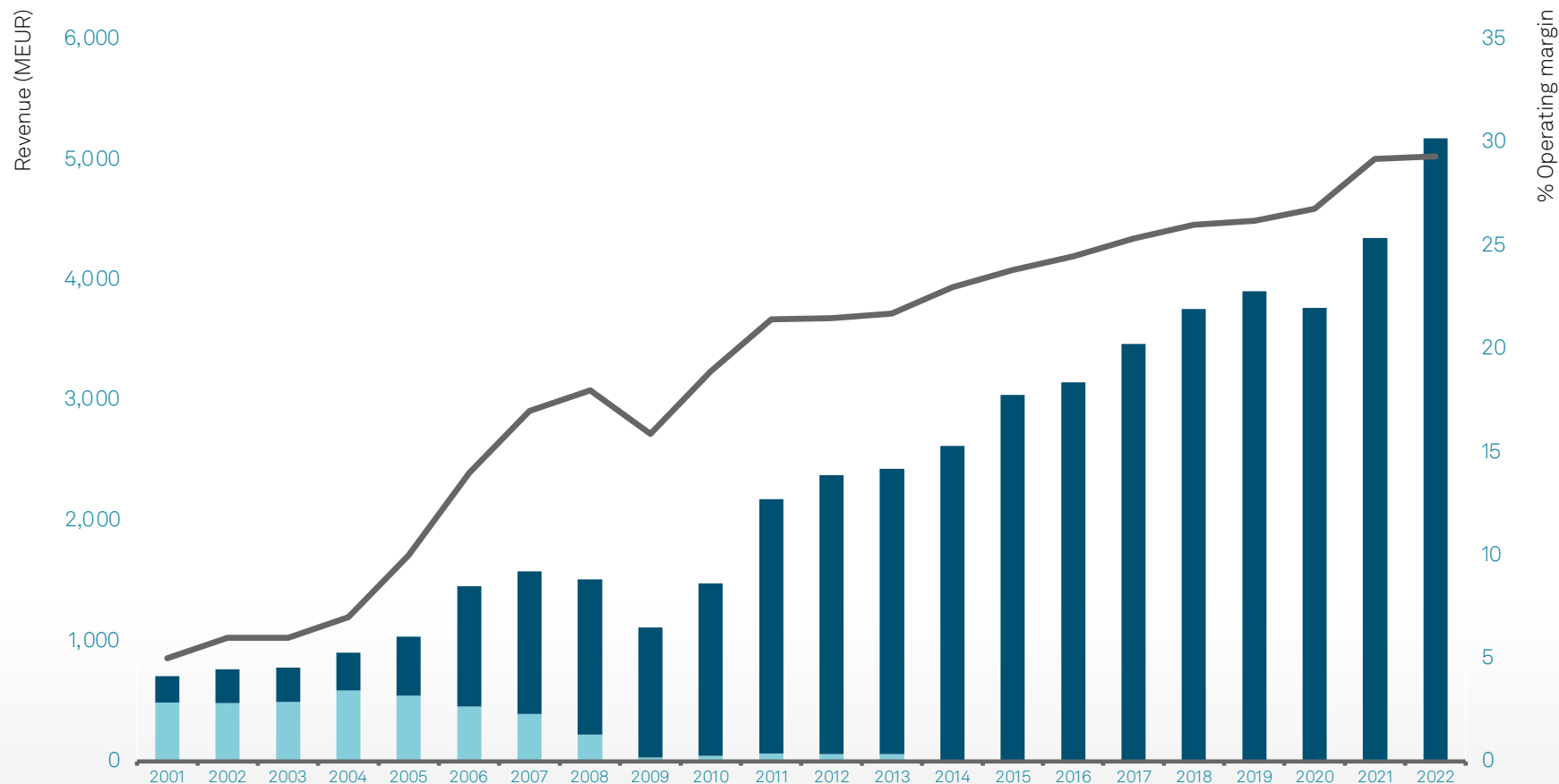
Share price appreciation since 2001

>30%

Dividend pay out ratio since 2013

11%

EPS CAGR since 2013



9%

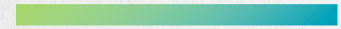
Revenue CAGR (since 2013)

1.8%

Per annum improvement in gross margins (since 2013)

83%

Avg cash conversion (since 2013)

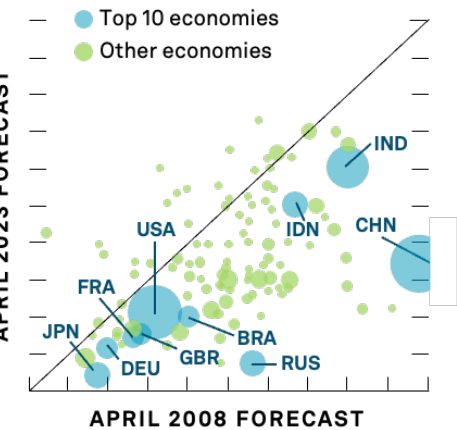


The growth opportunity



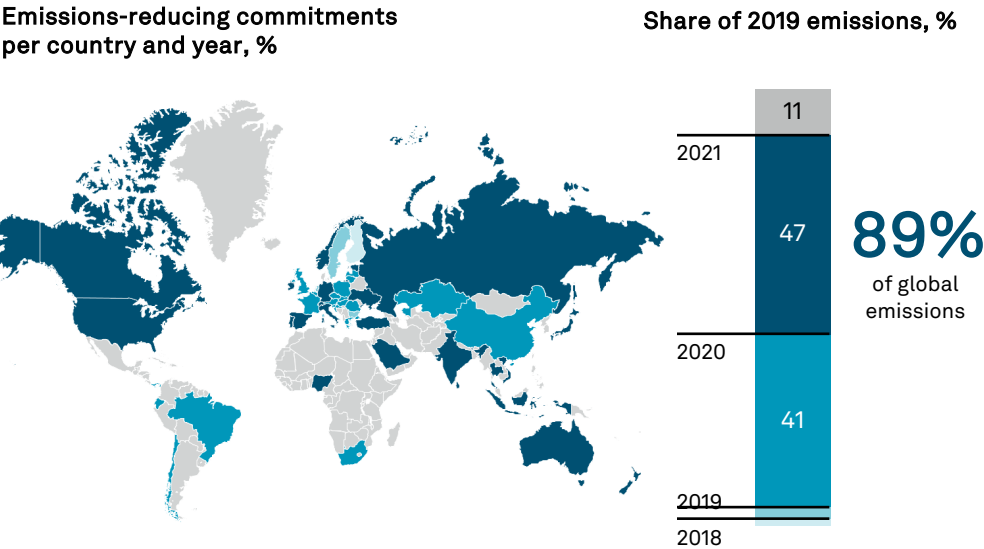
Macro will drive innovation and opportunity

Shift to developing economies



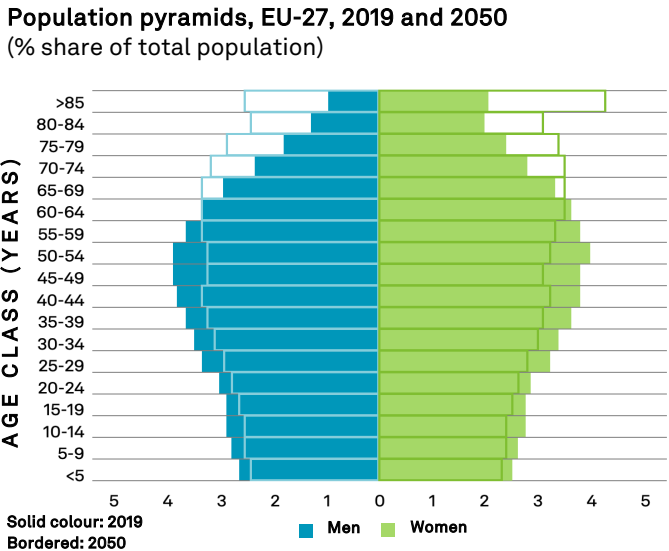
DRIVES
Shifts in demand
Need for productivity

Emission reduction



DRIVES
Decarbonisation across industry, governments & households

Labour shortages



DRIVES
Efficiency
Deskilling of specialisms via tech

Sources: International Monetary Fund World Economic Output Report 2023
<https://www.mckinsey.com/capabilities/mckinsey-digital/our-insights/the-top-trends-in-tech#tech-trends-2023>
https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Ageing_Europe_-_statistics_on_population_developments

Key trends in core industries



Energy

- Fossil fuels to renewable sources
- Electrification
- Policy and target compliance
- Impact on materials
- Mineral extraction for sustainable enablers
- Reskilling of labour



Construction

- Minimising waste
- Safety improvements
- Digitisation catch up
- Productivity maximisation
- Infrastructure build/renewal
- Minimising use of human capital



Transport

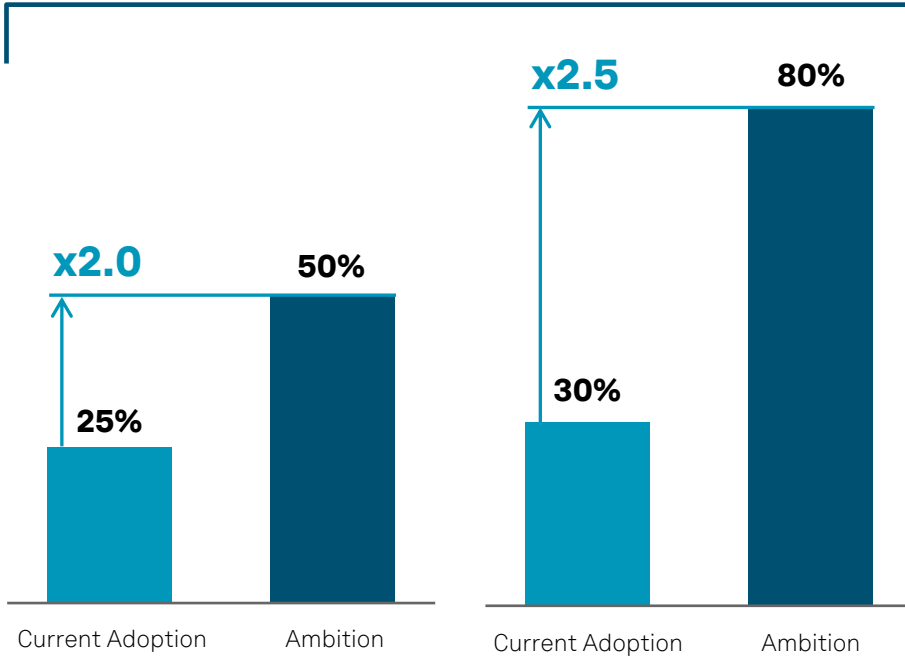
- Electrification
- Margin preservation of manufacturers
- Safety
- Alternatives to human labour
- Adoption of new technology
- Emission reduction



Shift to developing economies, emission reduction, labour shortages

Technology at the interface of physical and digital are critical

Physical-digital interfaces



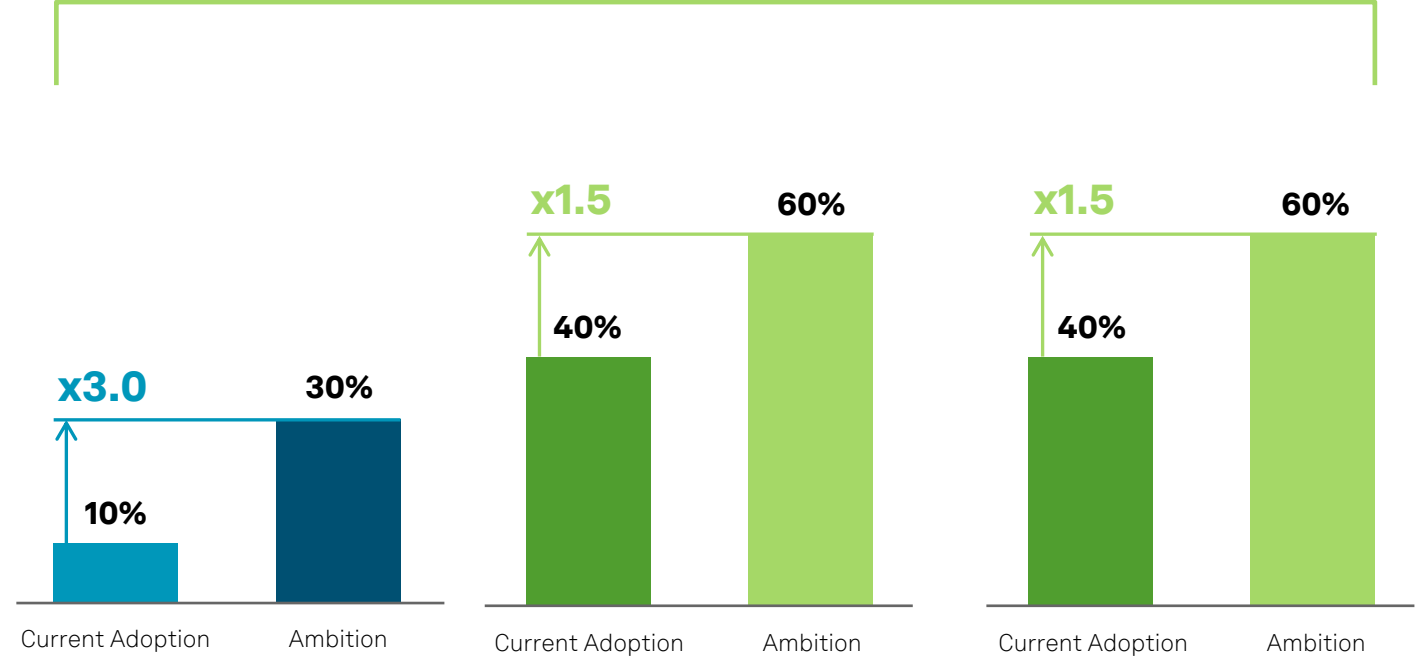
Internet of Things (IoT)

Respondents that have implemented vs those that are planning to implement IoT

Digital twins

Respondents that have implemented vs those that are planning to implement DTs

Pure-digital solutions



Artificial intelligence and machine learning

Company processes managed or assisted by AI/ML solutions

Big data and advanced analytics

Data generated gathered, processed, analysed and utilises for decision-making

Cloud-based software solutions

Company processes managed by collaborative solutions in the cloud

Source: B2B customer sentiment survey for Operations and Technology decision-makers (n=120)

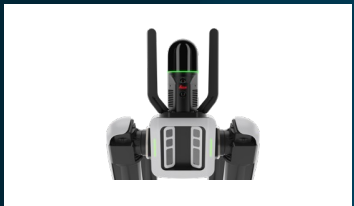
Shaping Reality...



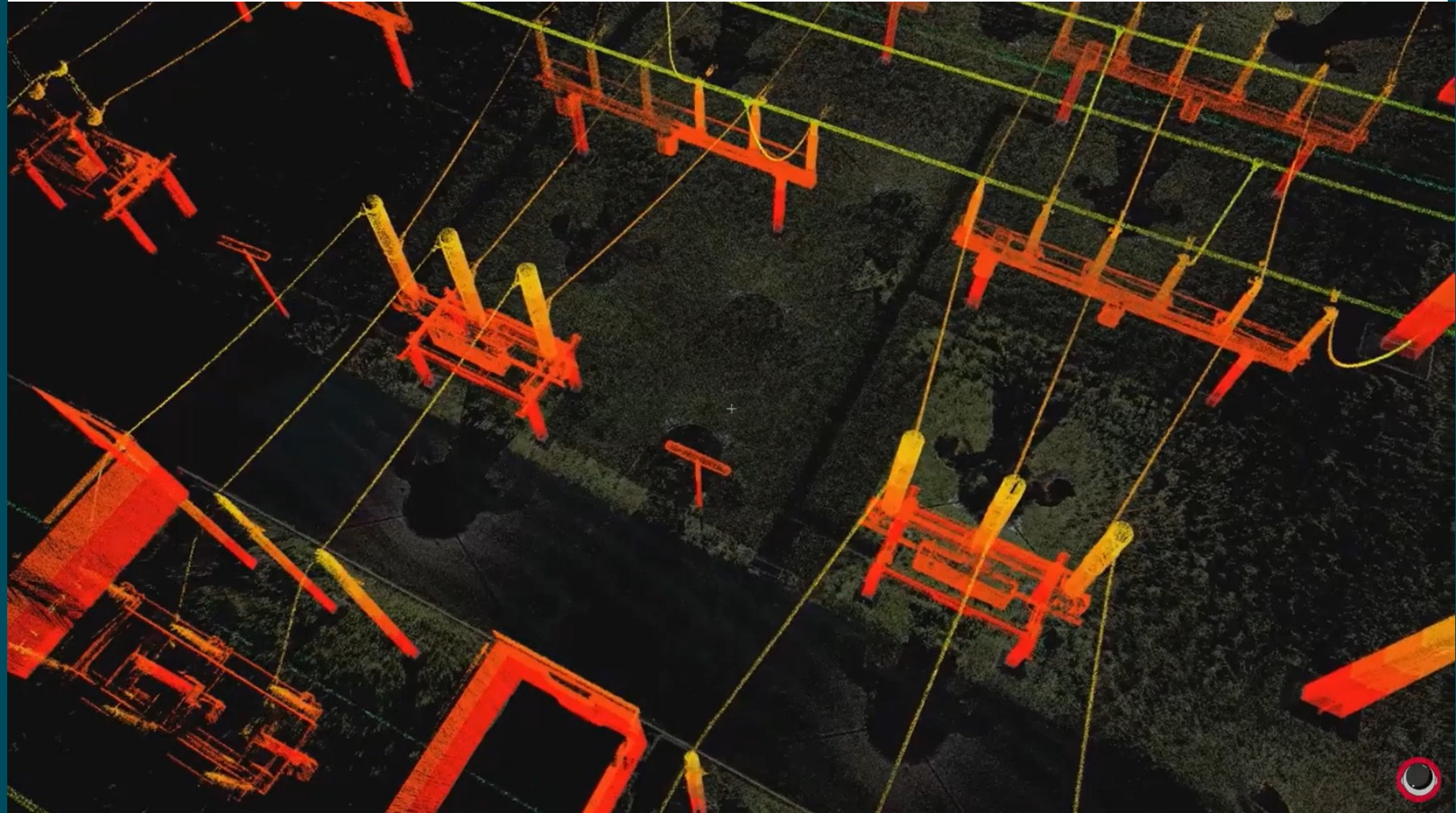
↑ Reality
Capture



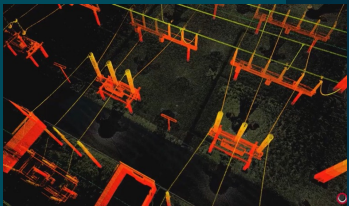
Reality Creation



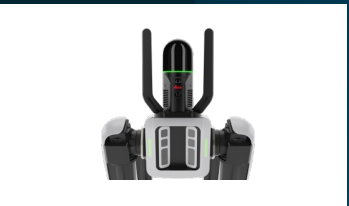
Capture



↑ Reality
Immersion



Creation



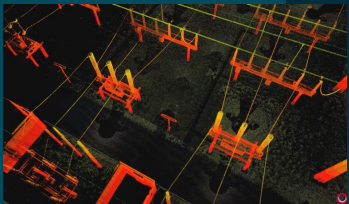
Capture



Reality Activation



Immersion



Creation



Capture

Assets

Facility Setup Call Center Work Materials Purchasing Budgets Administration

ITSGDNA001_DEM (DEMOCFSM) Org: USCLT Group / User: FMGR / DBROADWATER

WO Daily Scheduling

Parameters Equipment Preview x WO Activity Preview x Employee Preview x Daily Scheduling x Shift Scheduling x

Work Order Activities

All WO Activities Edit Work Order [R] Run

Work Order	Activity	Description	Activity Note	Trade	Hours Remaining to be Worked	Hours Remaining to be Scheduled	People Remaining
46202	10	Pest Control Service		VN	1		1
104023	10	A/C Fan Coil Units Quarterly PM		*	1		-3
51483	10	Vehicle Accident		VN	1		-4
51139	10	A/C Fan Coil Units Quarterly PM		ME	1		-4
43427	10	Room is to hot		*	1		-3
43985	10	Room is cold		*	1		-5
43437	10	Room is hot		*	1		-5

Records: 8 of 8 123

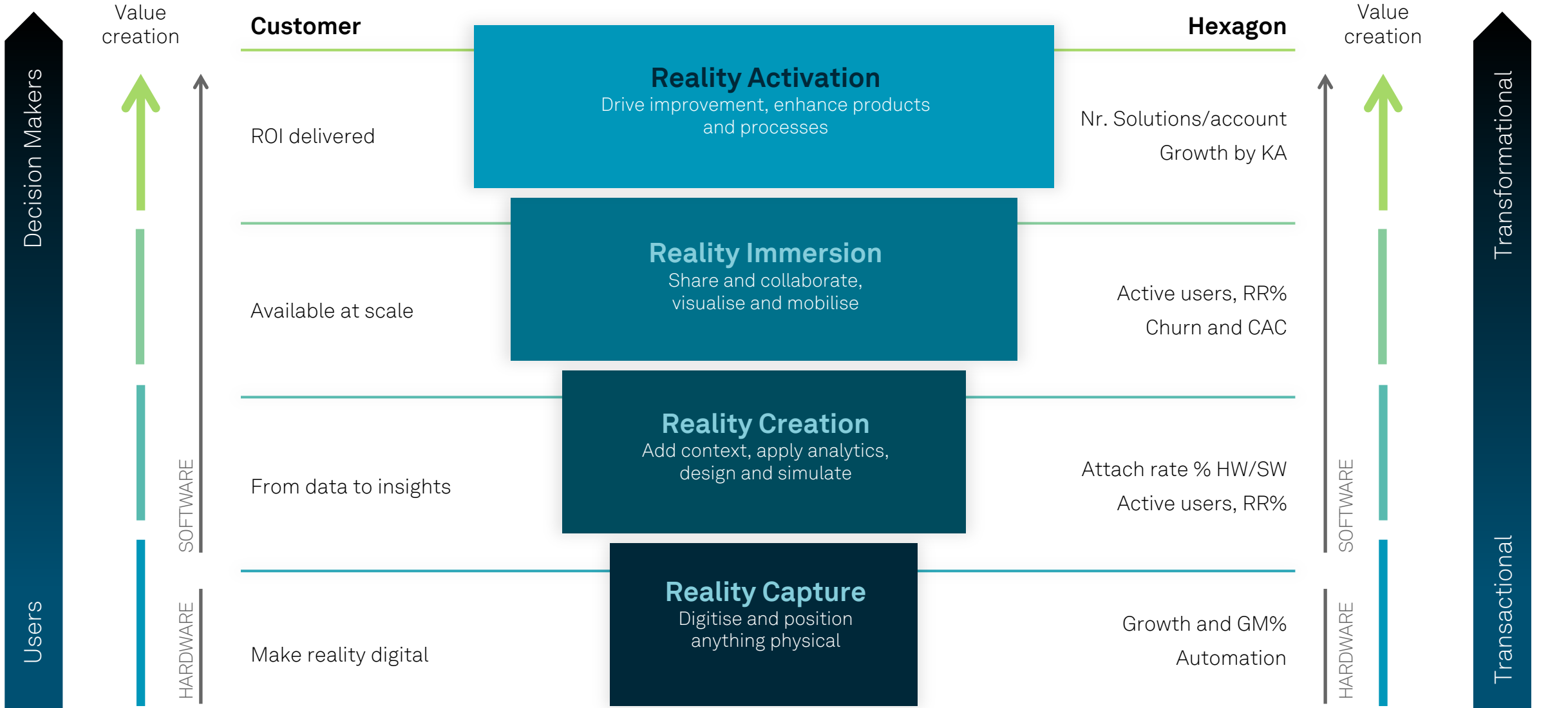
Show Filter Row: [X] [Y] [Z] [W] [V] [U] [T] [S] [R] [Q] [P] [O] [N] [M] [L] [K] [J] [I] [H] [G] [F] [E] [D] [C] [B] [A]

Employee Availability Employee: JDURDEN

Name	Trade	Department	12/09/2018	12/16/2018	12/23/2018	12/30/2018																
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S		
Edward Griffith	EN	CLT01	0	0	0	6	8	5	0	0	0	8	8	0	0	8	8	8	8	8	0	
Joseph Durden	EN	CLT01	0	0	0	4	8	8	0	0	0	8	6	8	5	8	0	0	8	8	8	0
Julius Jose	EN	CLT01	0	0	0	7	4	6	0	0	0	8	8	5	8	8	0	0	8	8	8	0
Nicole Aucoin	EN	CLT01	0	0	0	4	8	8	0	0	0	8	0	8	8	8	0	0	8	8	8	0

WO Daily Scheduling Air Handling Equipment Buildings Call Center Contractor Portal PM Schedules Parts Rooms Work Orders

Core competencies drive value creation



Our Divisional structure

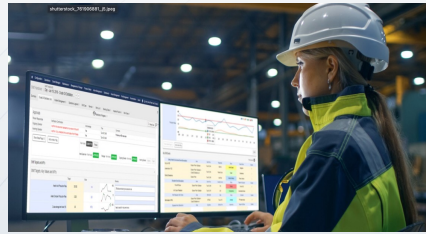
Manufacturing Intelligence

Automotive
Aerospace
Electronics
Medtech
Machining



Asset Lifecycle Intelligence

Energy and power
Petrochemical
Semi conductors
Pharmaceuticals
Logistics



Geosystems

Machine control
Surveying
Heavy construction
Buildings
Media & entertainment



Autonomous Solutions

Mining
Agriculture
Automotive
Defense
Marine positioning



Safety Infrastructure & Geospatial

Utilities
Communication
Public safety
Government
Mapping and geospatial





Our strategy



Technology leadership

Innovation to drive growth and customer expansion



CLOUD AND AUTOMATION

ADOPTION AND
RESOURCES

Commercial Execution

Align sales with strategy, optimise market reach



SALES STRATEGY

TOOLS AND PEOPLE

Operational Excellence

Transform growth in shareholders value



CAPITAL ALLOCATION

EFFICIENCY

Technology leadership

Cloud and automation

Next generation devices

Data rich, edge analytics, embedded SW.

Drive our m/s and GM%, attach rate HW/SW.

Automation ready

Customer ROI and TCO, lower cost to capture.

Growth, optimize COGS through remote diagnostics and lower services attach rate.

Cloud platforms

Data continuity, insights from data.

Capture m/s, grow users count, accelerate recurring revenue, grow HW value.

Adoption and resources

Partnerships

Proximity to innovation, expand capabilities.

Channel and scale, growth and speed.

UX

Ease access to technology through design and interfaces.

Differentiate and support growth.

Skills and organisation

Speed of execution, limit technology debt, coordinate areas of competence.

Innovate to drive growth and customer expansion

Commercial execution

Sales strategy

Customer success

Optimise CAC and help convey cross-selling opportunities.

Dormant accounts, services and recurrent revenue.

Emerging markets

Proven track record, pursue growth areas.

Localise portfolio and targeted investments.

Key accounts and exec relationships

Enable solutions selling, pursue more strategic engagements, minimise churn.

People and tools

Talent and organisation

Enable productivity and align with direction.

Combine application and technology depth. Drive growth.

Partnerships

Grow third party revenue, leverage enterprise solutions.

Strengthen link with SIs and cloud vendors.

Data and digital engagement

Portals and tools to improve experience and optimise CAC, minimise churn.

Align sales with strategy, optimise market reach

Operational excellence

Capital allocation

M&A and integration

Disciplined acquisitions, pipeline.
Express synergistic potential in the portfolio.

Manage investment levels

Tangible and intangible assets.
Drive reduction in %R&D over the period, leverage current investments.

Portfolio optimisation

Address pockets of underperformance and review activities in light of 2026/2030 direction.

Drive performance

Align incentives

Incentives to support organic growth, margin and conversion.
Drive towards new accounts and new bookings.

OPEX efficiency

Synergies across divisions, facilities rationalisation and vendors management.
Reap full benefit from rationalization program.

Cash conversion

Working capital management, improvement in tools and T&Cs, inventory.

Transform growth in shareholders value

Our key targets

Conviction in our existing 2022-2026 targets

Organic growth

Average annual **growth of 5-7%**

Growth via M&A

Average annual **growth of 3-5%**

Operating margin (EBIT1 incl. PPA)

More than 30% by the end of 2026

Additional targets

Cash conversion

Annual target **range of 80-90%**

ESG

95% reduction of Scope 1 and 2 by 2030
Net zero by 2050

POSITIONED FOR LONG-TERM SUCCESS:

Unlocking the full potential of the opportunity ahead





Ben Maslen

CHIEF STRATEGY OFFICER



Market opportunity and our way forward

2 Focus areas

1

TAM expansion

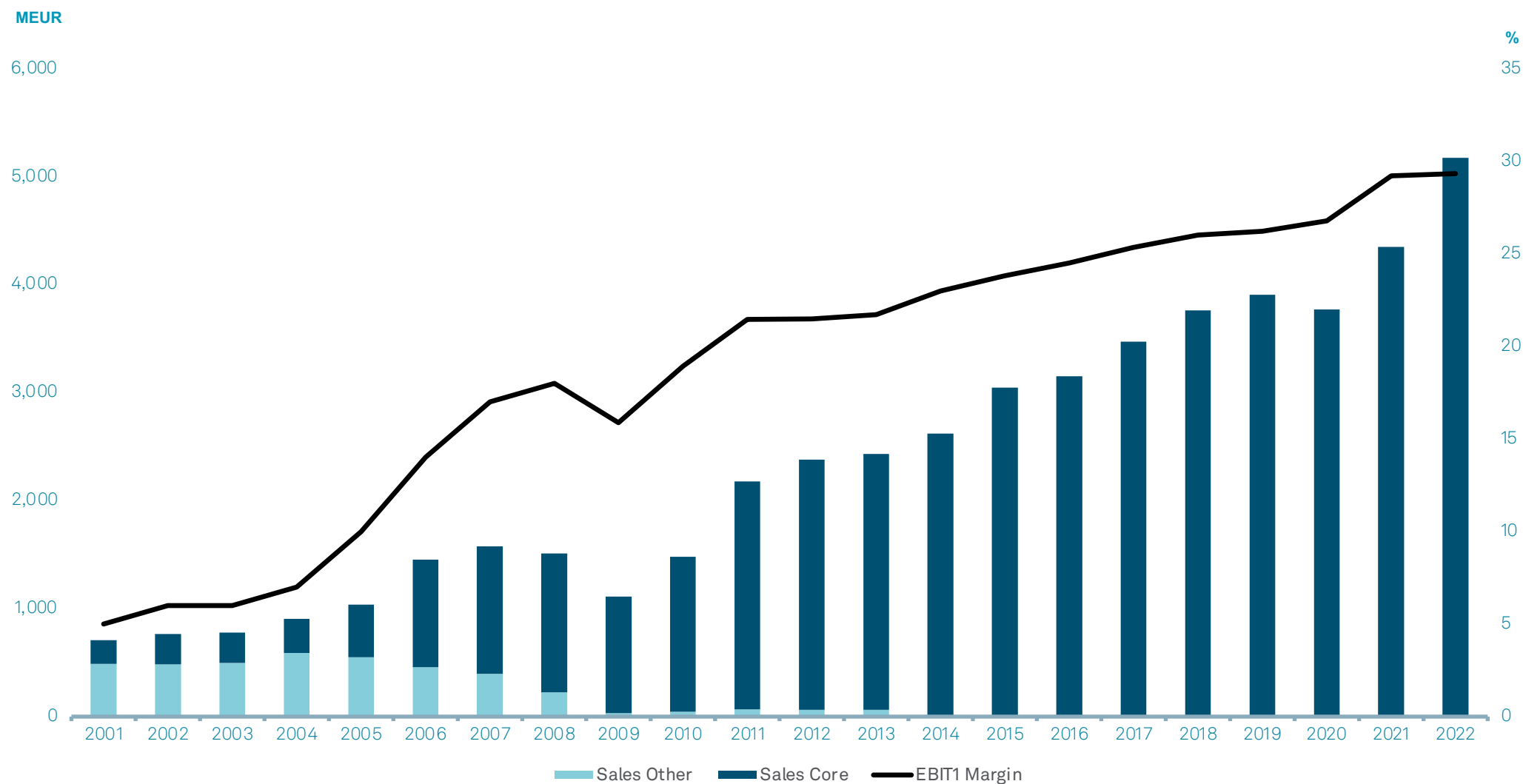
Building a platform
Addressable markets
Growth accelerators

2

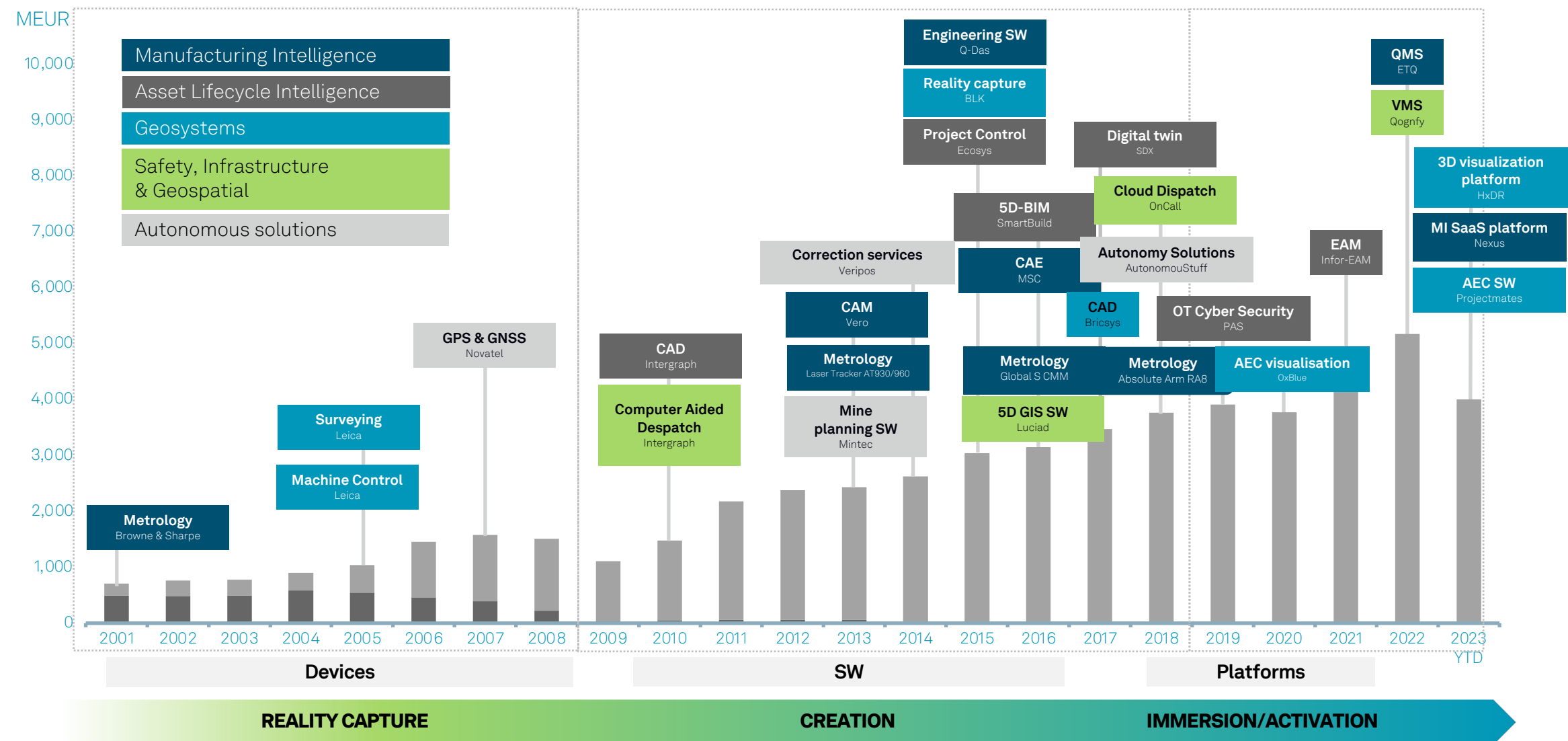
M&A

M&A Strategy Update
EAM & ETQ
Outlook

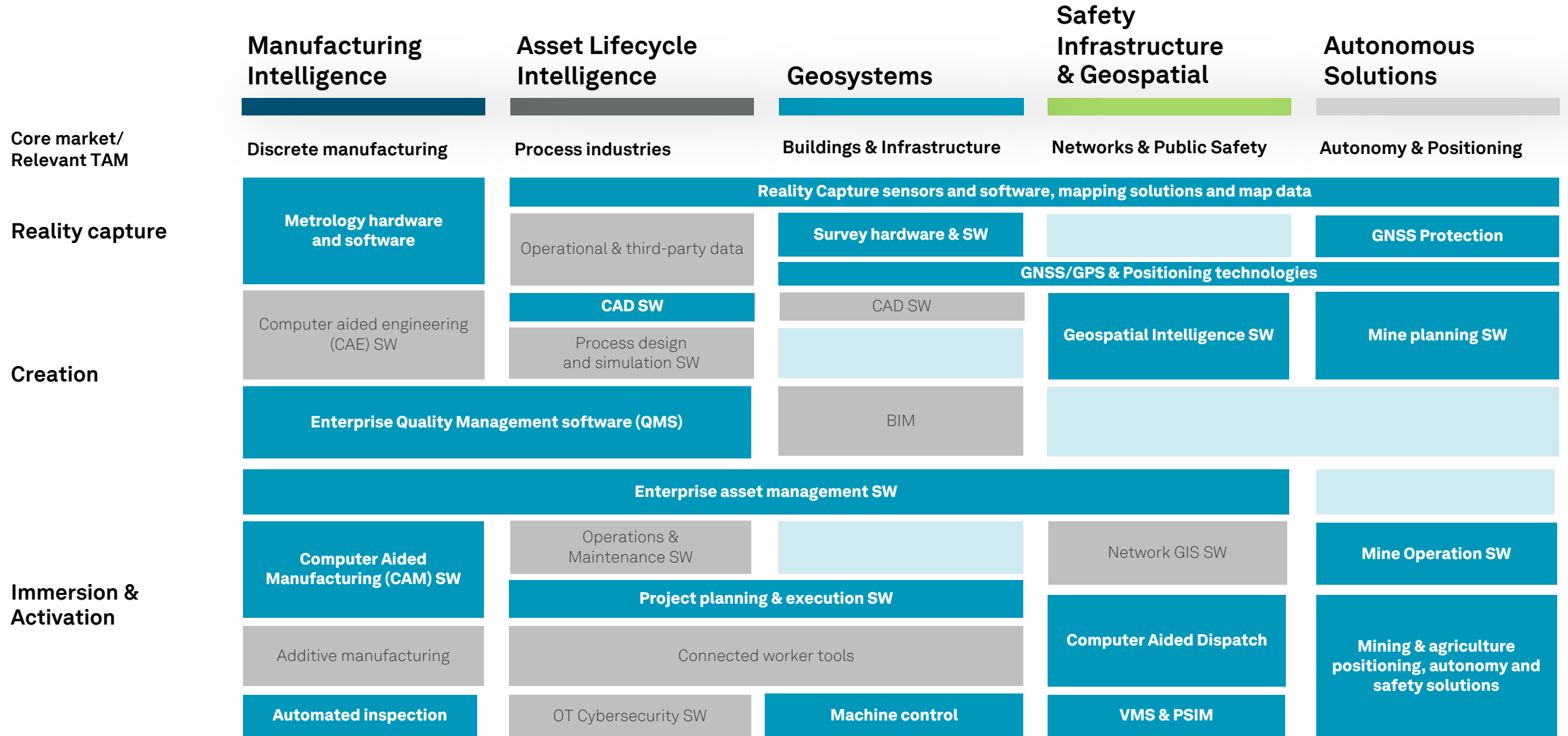
A strong growth track record, driven by both R&D and M&A



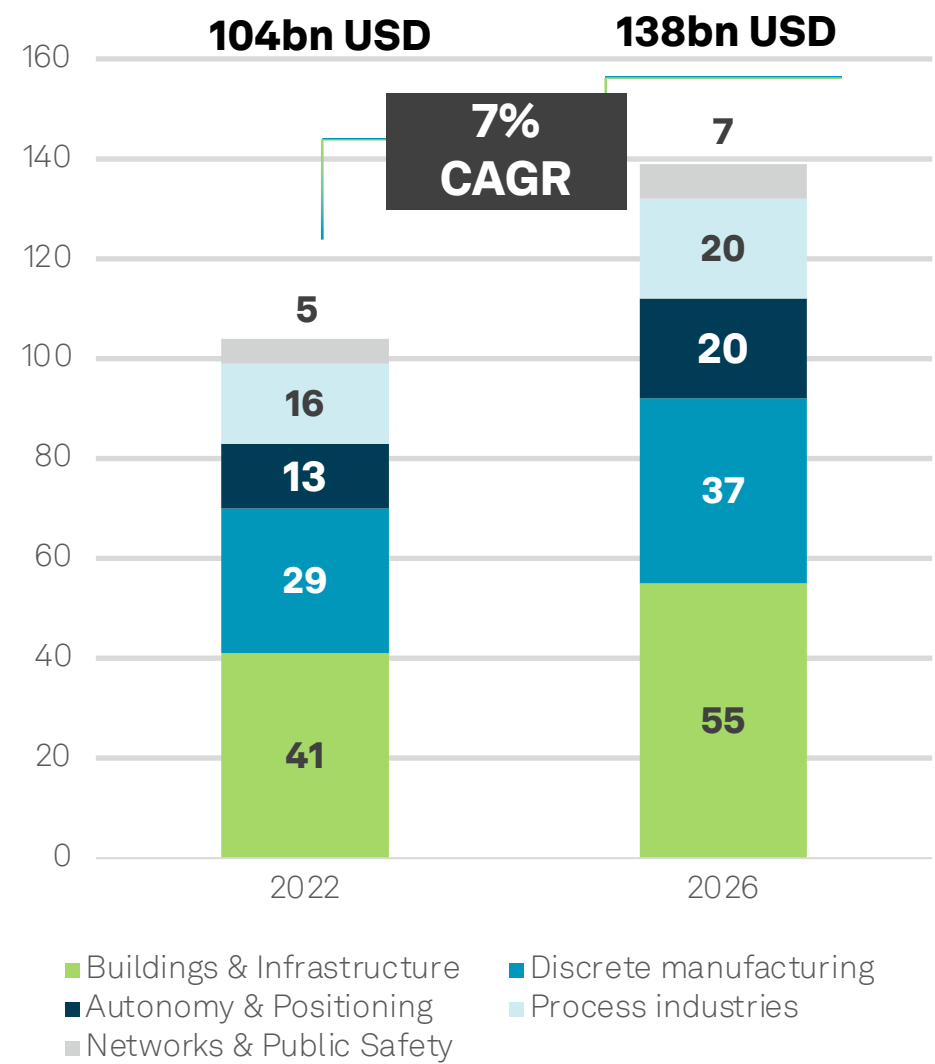
Key milestones in building the platform



A market leading product suite, underpinning the TAM opportunity



Total addressable market



MARKET SEGMENT	22-26 CAGR	KEY DRIVERS
Networks & Public Safety	8%	Pressures for real-time decision making and collaboration Growing pressure on emergency services and first responders
Process industries	7%	Adoption of digital tools to extend design information into asset life Safety and sustainability mandates demand higher process digitisation Optimisation of asset management
Autonomy & Positioning	11%	Greater real time tracking of assets Demanding safety & environmental standards
Discrete manufacturing	7%	Increasing quality, complexity and sustainability demands Labour shortages and reshoring Use of real-world data in design
Buildings & Infrastructure	8%	Digital transformation to link field & office Automation of the job site Safety & environmental regulations Reality capture link back to design

Beyond 2026 – growth accelerators



Hexagon competences

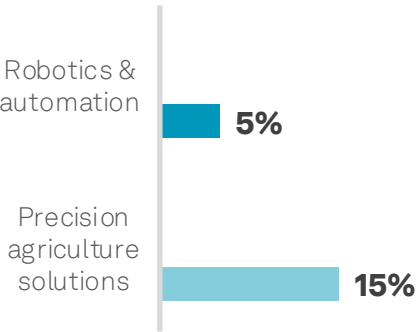
Spatial computing, SLAM, perception engines, actuators, computer vision collision avoidance, drive by wire, GNSS, inertial sensors

CAD, BIM, Reality capture, IIoT, predictive maintenance, APM, ARVR, 3D visualisation, spatial computing

Reality capture, 3D visualisation, spatial computing, ARVR, point cloud engines, AI

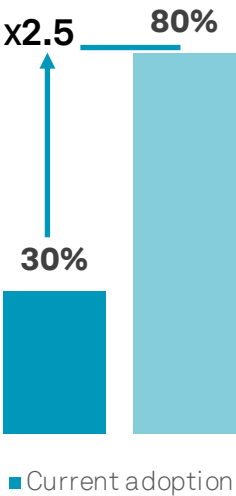
Solar and wind simulation, seagrass mapping, flood analytics, disaster recovery, natural hazard monitoring, geospatial modelling

Current market adoption rates



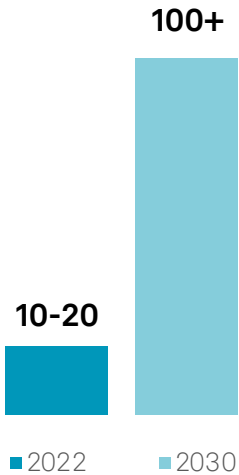
Source: McKinsey

Five-year adoption plan of digital twins



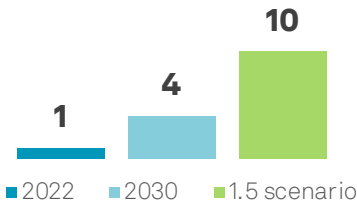
Source: Hexagon survey, medium term ambition vs current

Industrial metaverse estimated growth by 2030, bn USD

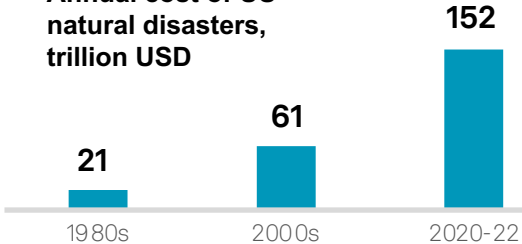


Source: Hexagon

TW renewables deployed



Annual cost of US natural disasters, trillion USD



Source: NCEI

2 Focus areas

1

TAM expansion

Building a platform
Addressable markets
Growth accelerators

2

M&A

M&A Strategy Update
EAM & ETQ
Outlook

A consistent M&A strategy



A consistent M&A strategy

Rolling strategic plan

- Driven by internal strategic review process
- A make or buy decision
- Focus on the most synergistic opportunities
- Occasionally acquire platforms for future growth
- Bolt-on to these platforms to strengthen market position



Key financial criteria

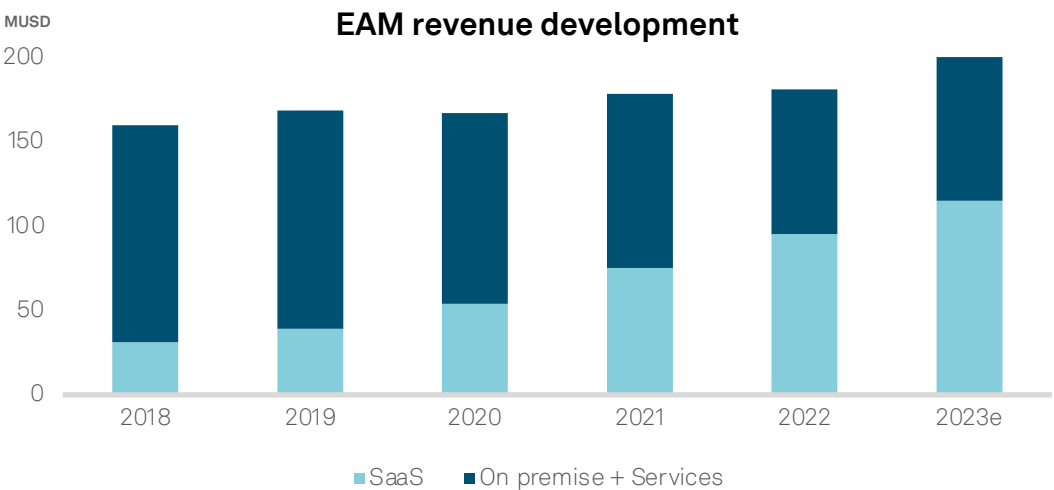
- Strong market position
- Margin to be accretive to Hexagon's own
- Focus on software and recurring revenue
- Disciplined valuation
 - Screen & reject many targets
 - Use of earnouts

Update on EAM and ETQ

Hexagon EAM

Market leading Enterprise Asset Management platform
Acquired in October 2021 for MUSD 2,750
Undergoing transition to SaaS (multi-tenant)
Synergy projects ramping up
➤ Geographic expansion, divisional cross-selling and integration with other Hexagon technologies

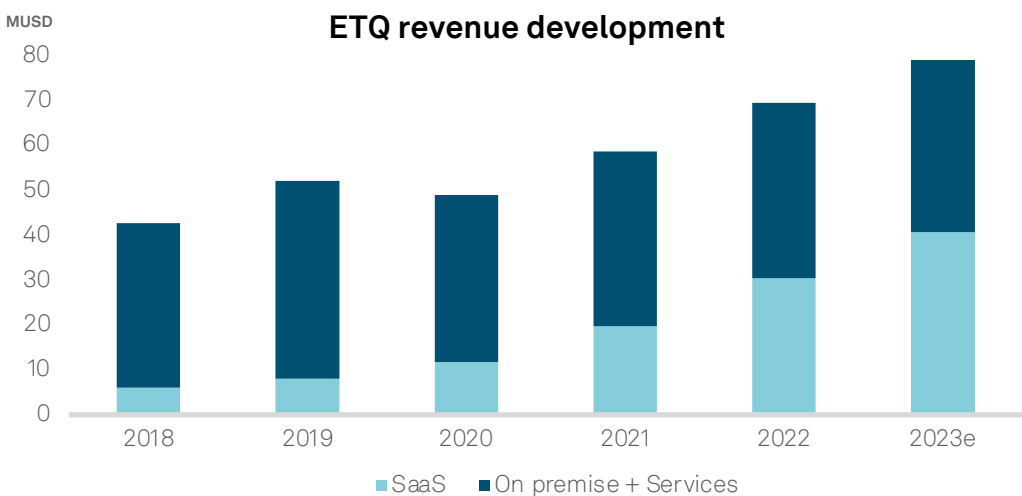
Positioned for consistent double-digit revenue growth



ETQ

Market leading Enterprise Quality Management Software platform
Acquired in March 2022 for MUSD 1,200
Undergoing transition to SaaS (multi-tenant)
Synergy projects ramping up
➤ Geographic expansion and integration of QMS with metrology systems and data

Positioned for consistent double-digit revenue growth



M&A Summary

M&A target

A consistent track record

Focus areas reflect divisional growth priorities

A quieter 2023, but pipeline continues to support target

On track for the 3-5% target by 2026

M&A is expected
to add **3-5%**
to growth per year

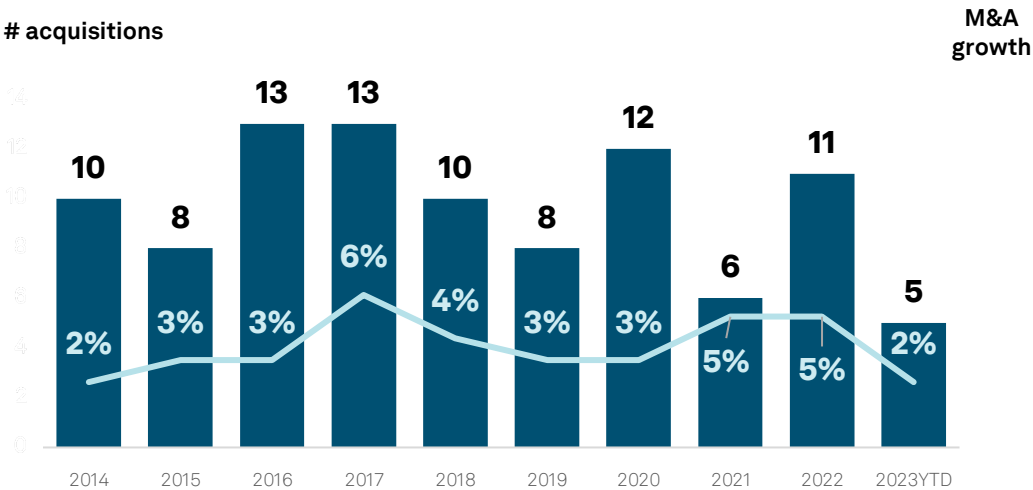
Disposals

Potential 100-200 MEUR of sales

Business dilutive to group in terms of organic growth and profitability

- SIG helpdesk services business exited in 3Q23 (12 MEUR revenues)

Greater disclosure of M&A contribution



Summary

Strong
footprint and
attractive
growth outlook

**Continuing
to invest** for
longer-term
opportunities

Consistent
M&A strategy
and execution



David Mills

CHIEF FINANCIAL OFFICER

**Financials
and disclosure**

What I've found at Hexagon

Where we are

Proven, robust divisional controlling structure.

Established and efficient group financial reporting.

High quality and long tenure corporate finance team.

Observations

Well defined business model for value creation.

Business is perceived as complex and challenging to follow.

Improved disclosure would ensure the strong performance is recognised.

Finance's mission

Review and tracking of financial measures to support capital allocation decisions.

To support profitable growth, and cash generation.

To help investors and analysts with their understanding of the dynamics of the group.

3 Focus areas

1

Value creation

Performance

Growth

Margin delivery

2

Capital allocation

Cash generation

Uses of cash

Indebtedness

3

Communication

Disclosure

Incentives



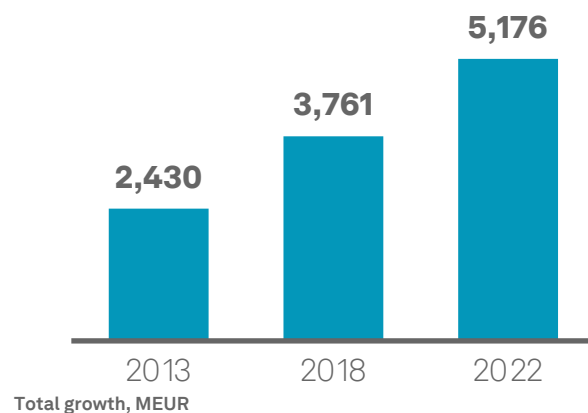
Value creation



Hexagon: A history of substantial revenue, profits and earnings growth

Revenue growth

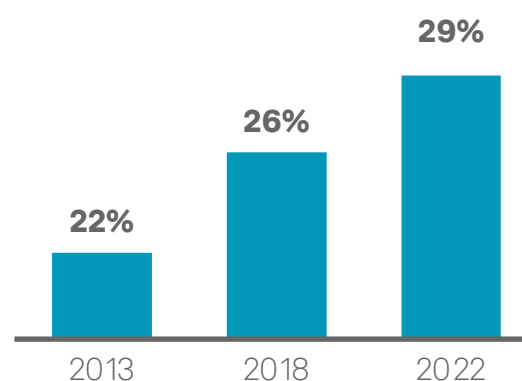
CAGR: 9%



Record of high single-digit growth, with a combination of innovation and market expansion driving organic revenue, supplemented by strategic M&A.

Adjusted operating margin

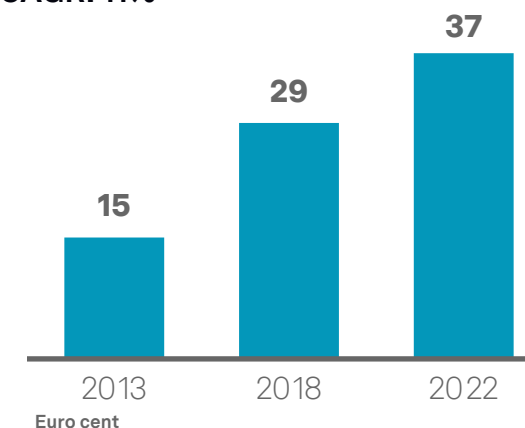
+80 bps / year



Strong margin expansion through product innovation and an increased share of software.

EPS

CAGR: 11%



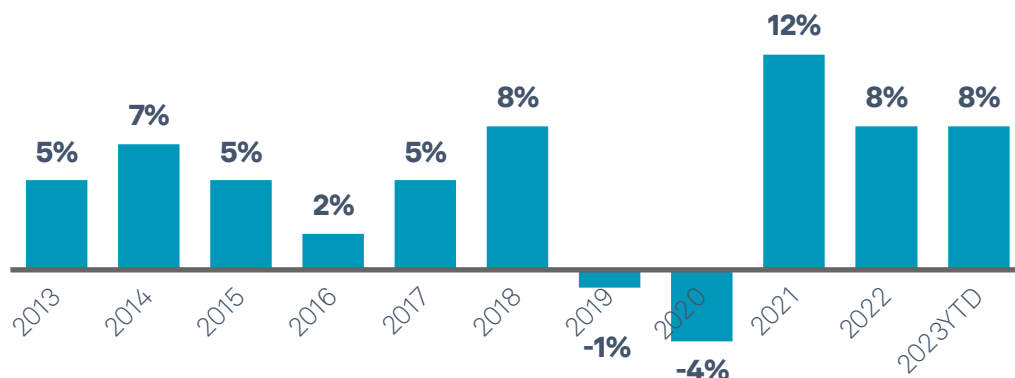
Resilient bottom-line delivery, enabling improved dividend payout and continued reinvestment into the business.

An established track record of delivering organic growth supplemented by strategic M&A

Organic

- **5% per annum** average revenue growth since 2013
- Driven by **product innovation**, entry into **new products and services markets** and **geographical expansion**
- With the development of new product platforms, the target is **5-7% CAGR to 2026**

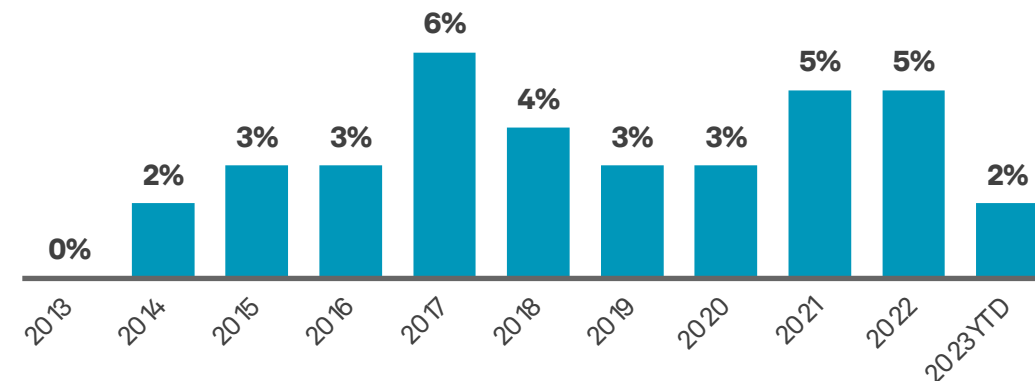
Organic revenue growth



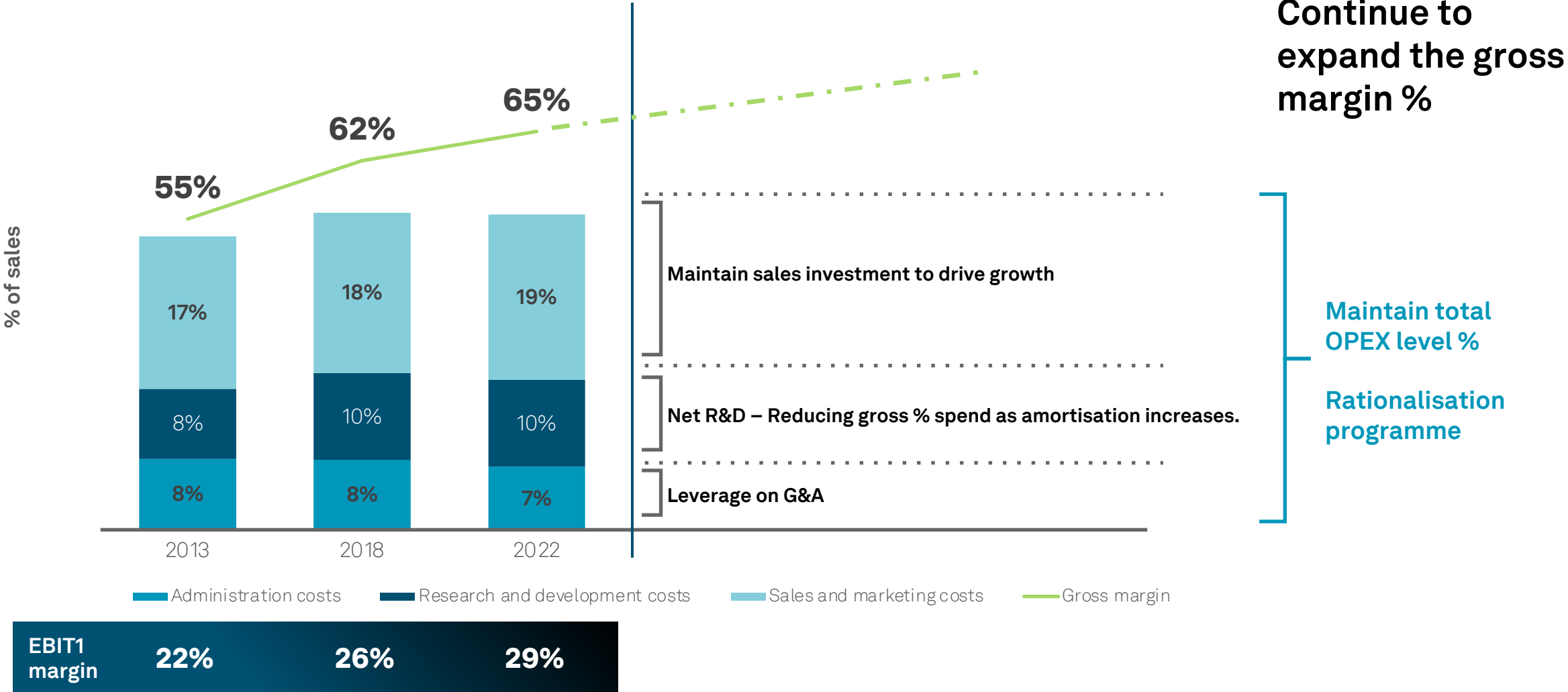
M&A

- **3% per annum average contribution** since 2013
- **Divisional led process with strategic review** from the centre
- Focused on **adjacencies and new product platforms**
- Target of **3-5% CAGR to 2026**

Structure growth

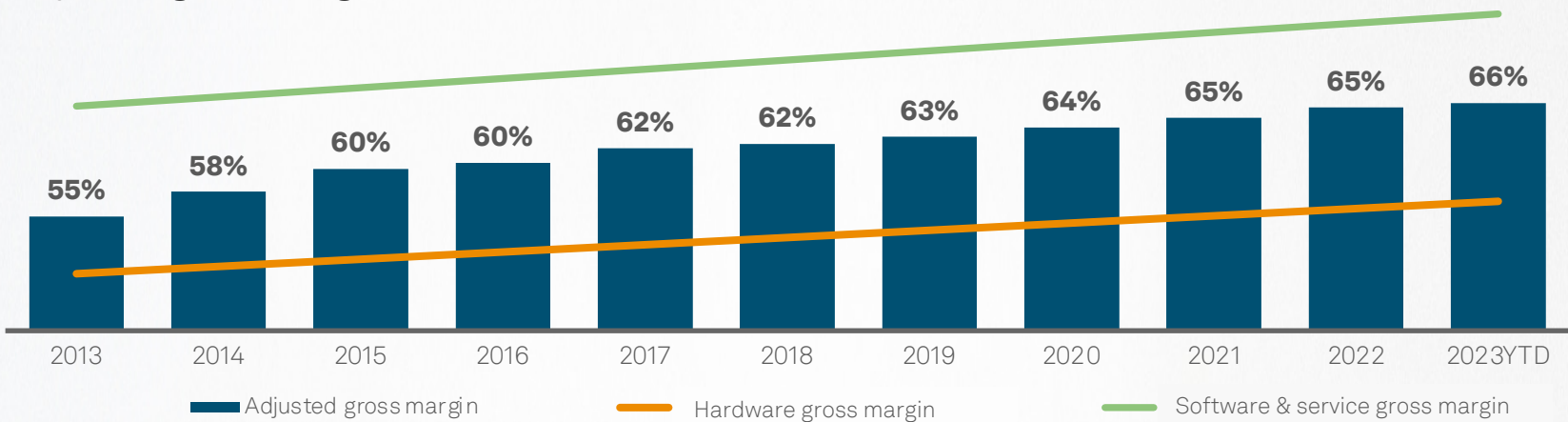


Our business model – drive gross margin to drive growth

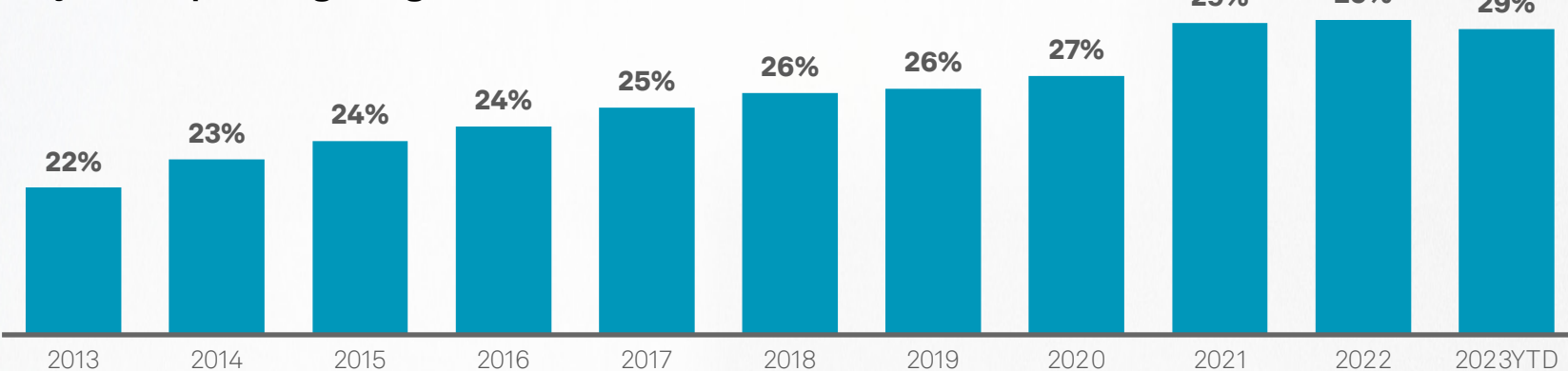


Gross margin expansion correlated with operating margin improvement.

Adjusted gross margin



Adjusted operating margin (EBIT1)



Technology development

New products and next generation products with incrementally higher margins.

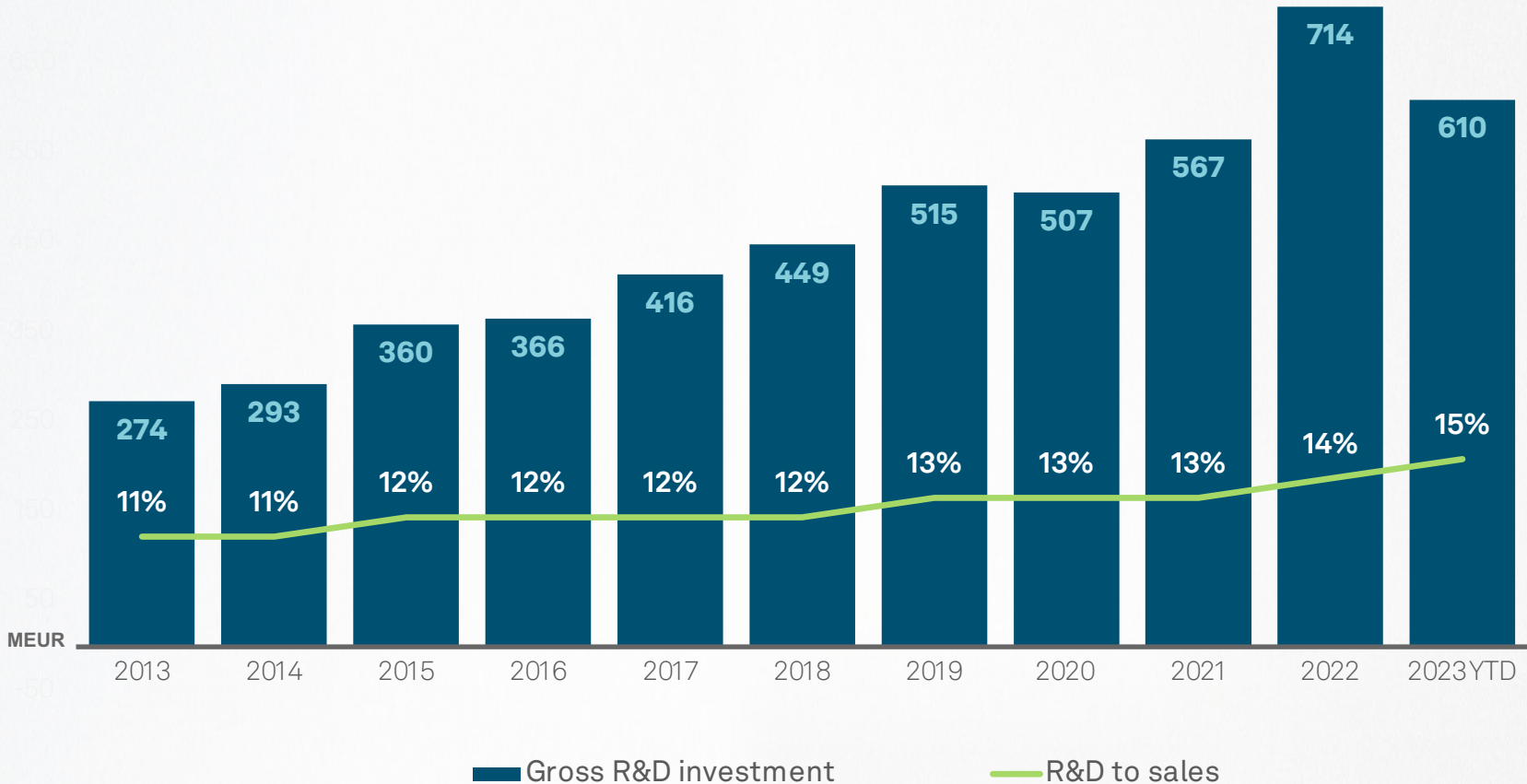
Software transition

Increased software as % of sales.

Operational efficiency

Utilisation of the same cost base over a broader portfolio.

R&D powering organic growth



Innovation is a key driver in Hexagon’s organic revenue growth and margin development.

The step up in investment in the last two years reflects a key stage in the group’s innovation cycle.

Several key platform innovations coming to fruition:

- Nexus
- HxDR
- Autonomous platforms
- Multi-tenant SaaS transition
- Next-gen sensors

The importance of technology – Encoder

5 MEUR

Investment

5 MEUR

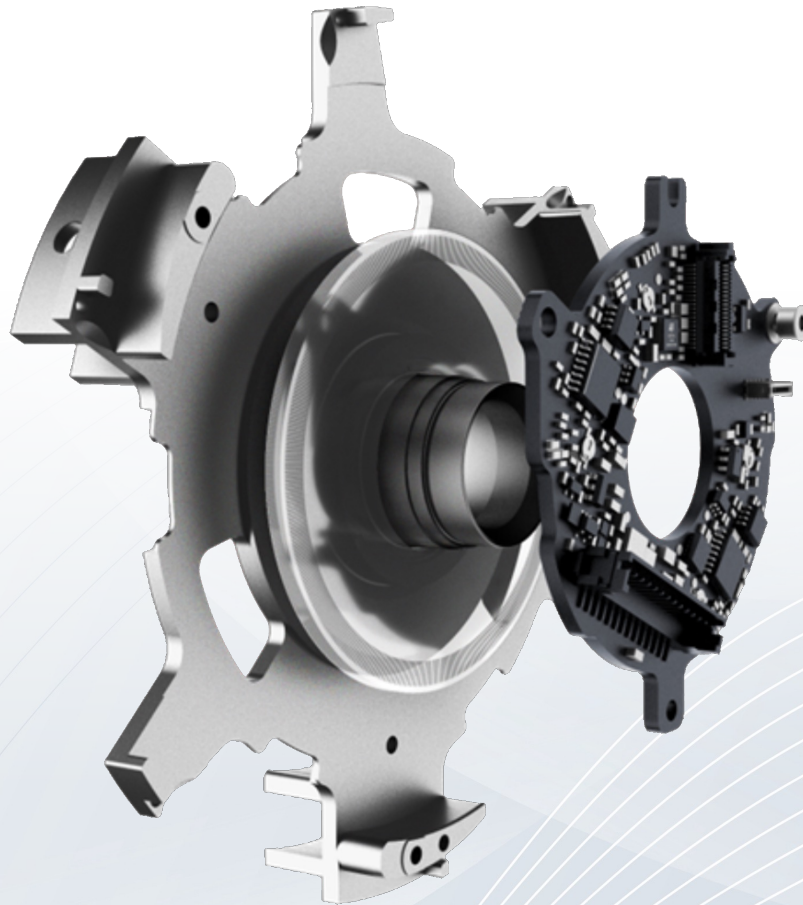
Savings per year

**= 1 year
payback**

After internal
development

Proprietary
technology

Fully
integrated



**Total
Stations**



3D Disto



**Laser
Scanners**



**Portable
Arms**



**BLK
Family**



**Laser Tracker
Systems**

The importance of technology – 3D Reshaper

<5 MEUR

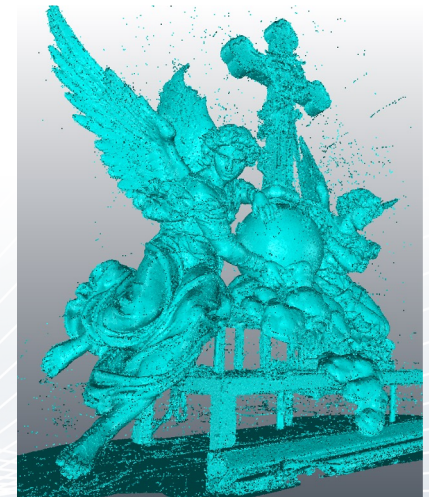
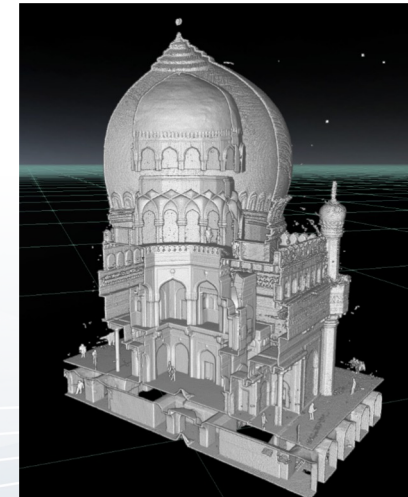
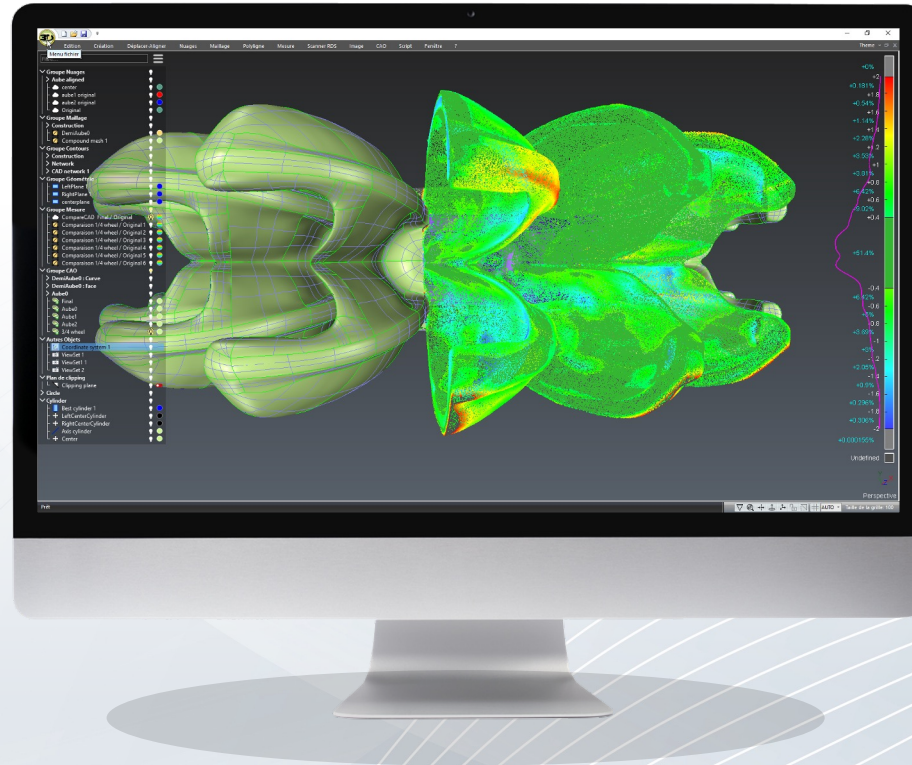
Investment in M&A

Mesh 3D data

for the M&A division

Supports 24

Separate solutions
across Hexagon



The importance of technology – BLK – portfolio

~150 MEUR

Investment as of date

~285 MEUR

Revenue since
inception in 2017

~75%

Gross margin profile

17,000

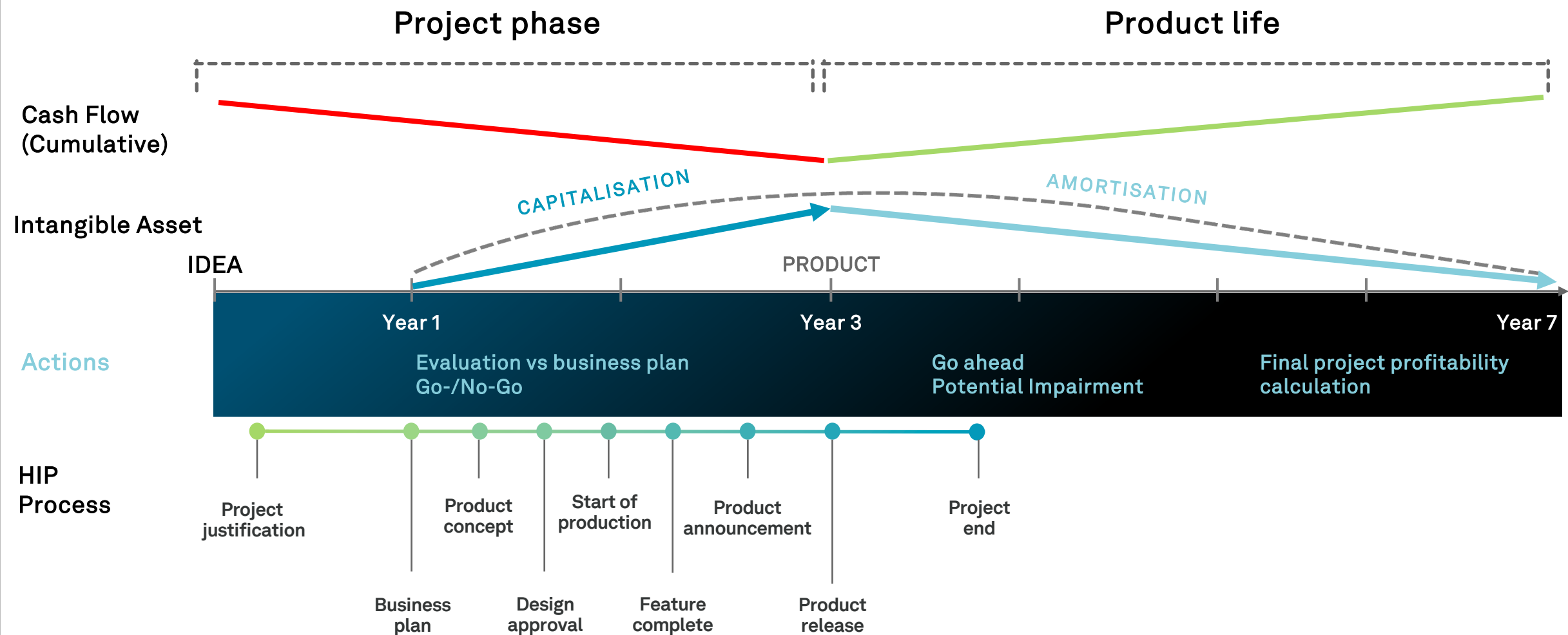
Devices in the market

New markets

Architecture,
Media & Entertainment

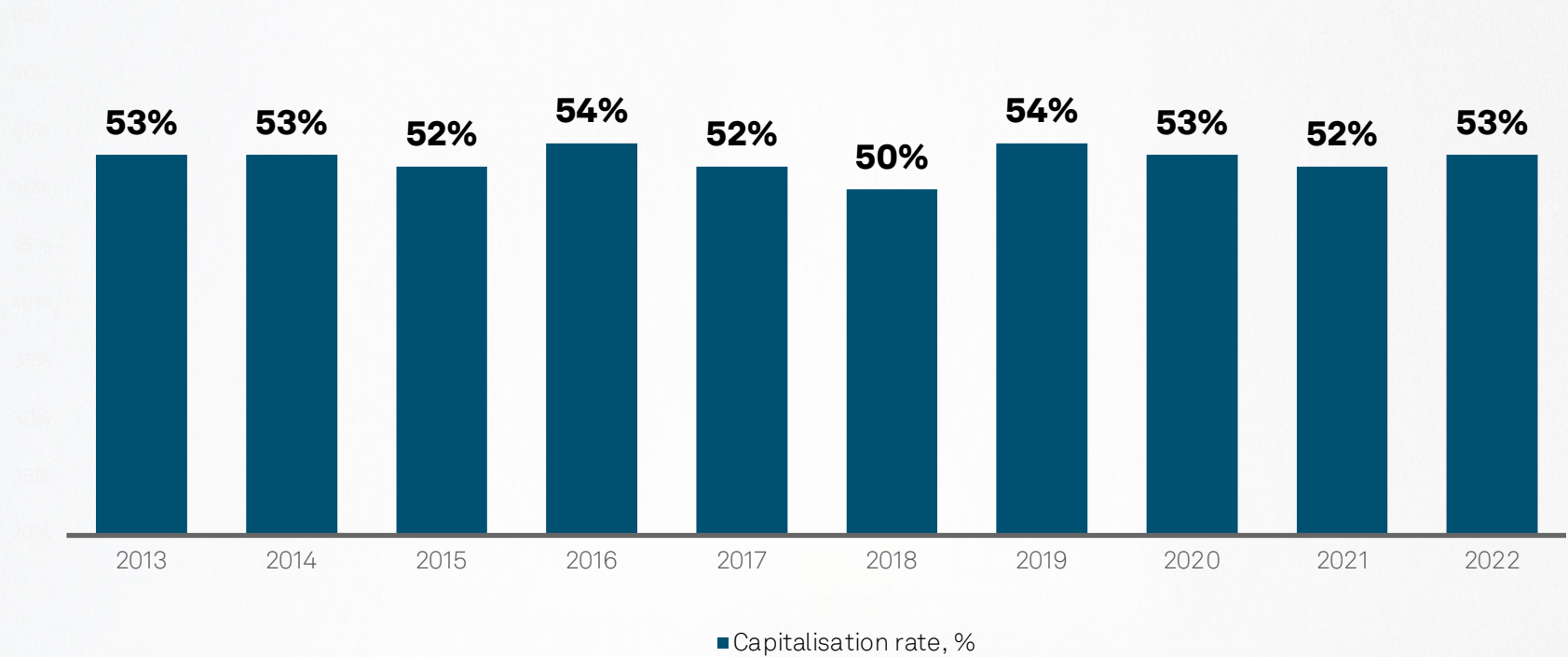


R&D process – CFO overview



R&D process – CFO overview

Capitalisation ratio to gross R&D investments



Proportion of capitalized investments
70% Software:
30% Hardware

Transformational investments in hardware and software platforms.

Capitalisation rate 53% +/- 3%

Investments reflecting our commitment to innovation and the anticipation of future economic benefits

Gross book value:
In Build phase 18%,
in Depreciation 32%,
Completely amortised 50%

Average life of <6.0 years for those in depreciation

Continuing evaluations ensure capitalised balance aligns with future revenue, including impairment assessments where necessary.

Rationalisation programme progress

Synergies

Shared service centres

Barcelona – Geosystems fully utilising,
Manufacturing Intelligence on-boarding

Americas – in progress

Underperformance

Divestment and cessation of underperforming business in the Safety, Infrastructure and Geospatial division

Helpdesk services business.
Government-related service contracts.

Footprint

Reduction of 30 facilities Adapt to hybrid work needs.

P&L investment



Full 198.6 MEUR charge taken

Numbers as of Q3 2023

Cash costs



16.2 MEUR cash impact

Annualised savings



45 MEUR current run rate
(6 MEUR realised in Q3)

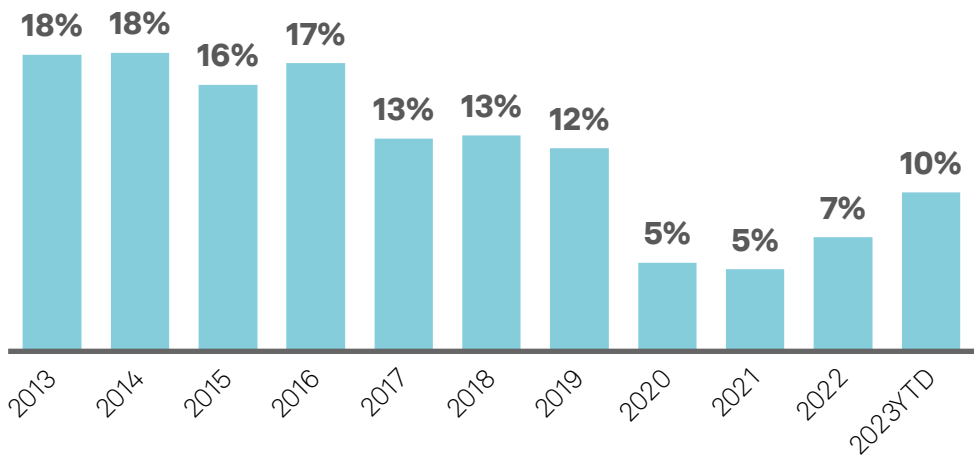


Capital allocation

Deep dive

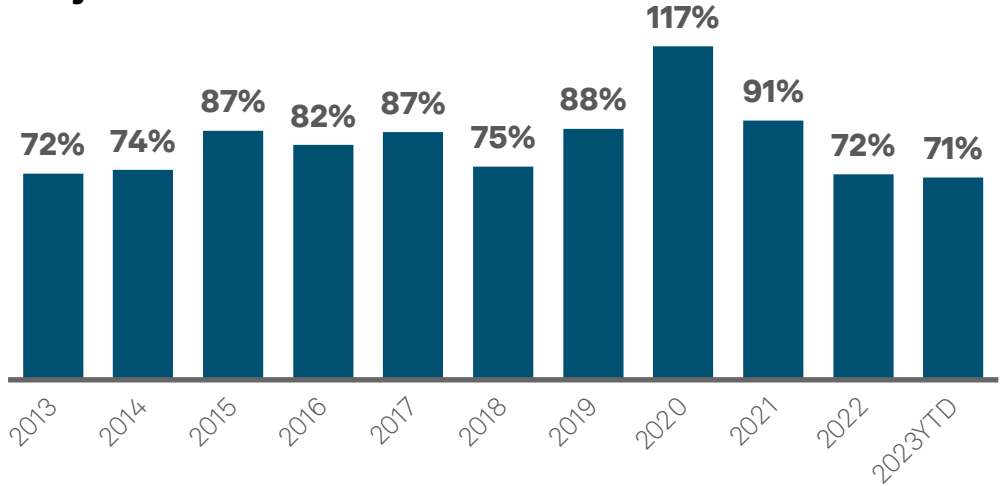
Working capital

WC/Sales

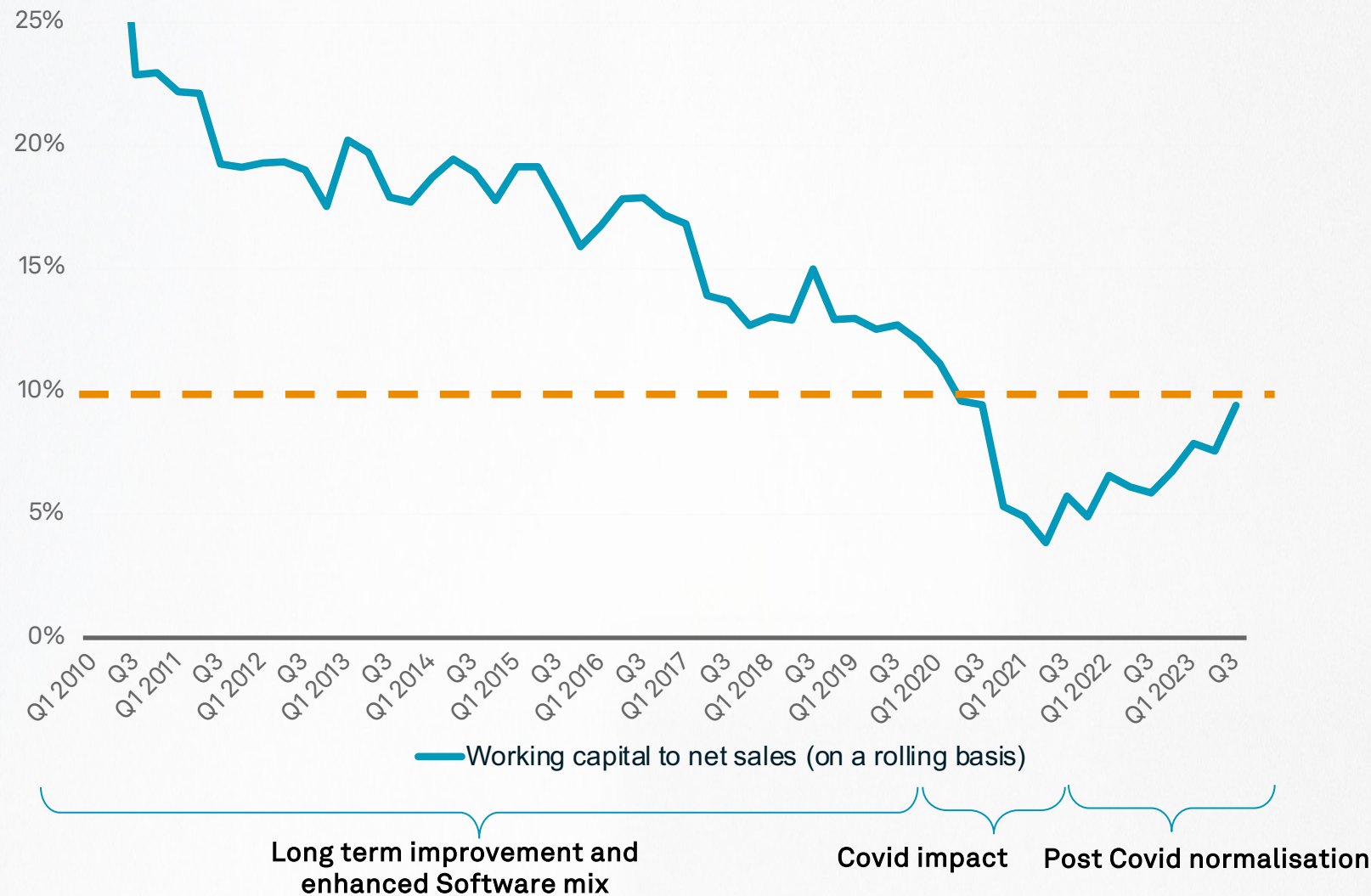


Cash generation

Adjusted cash flow conversion



Working capital



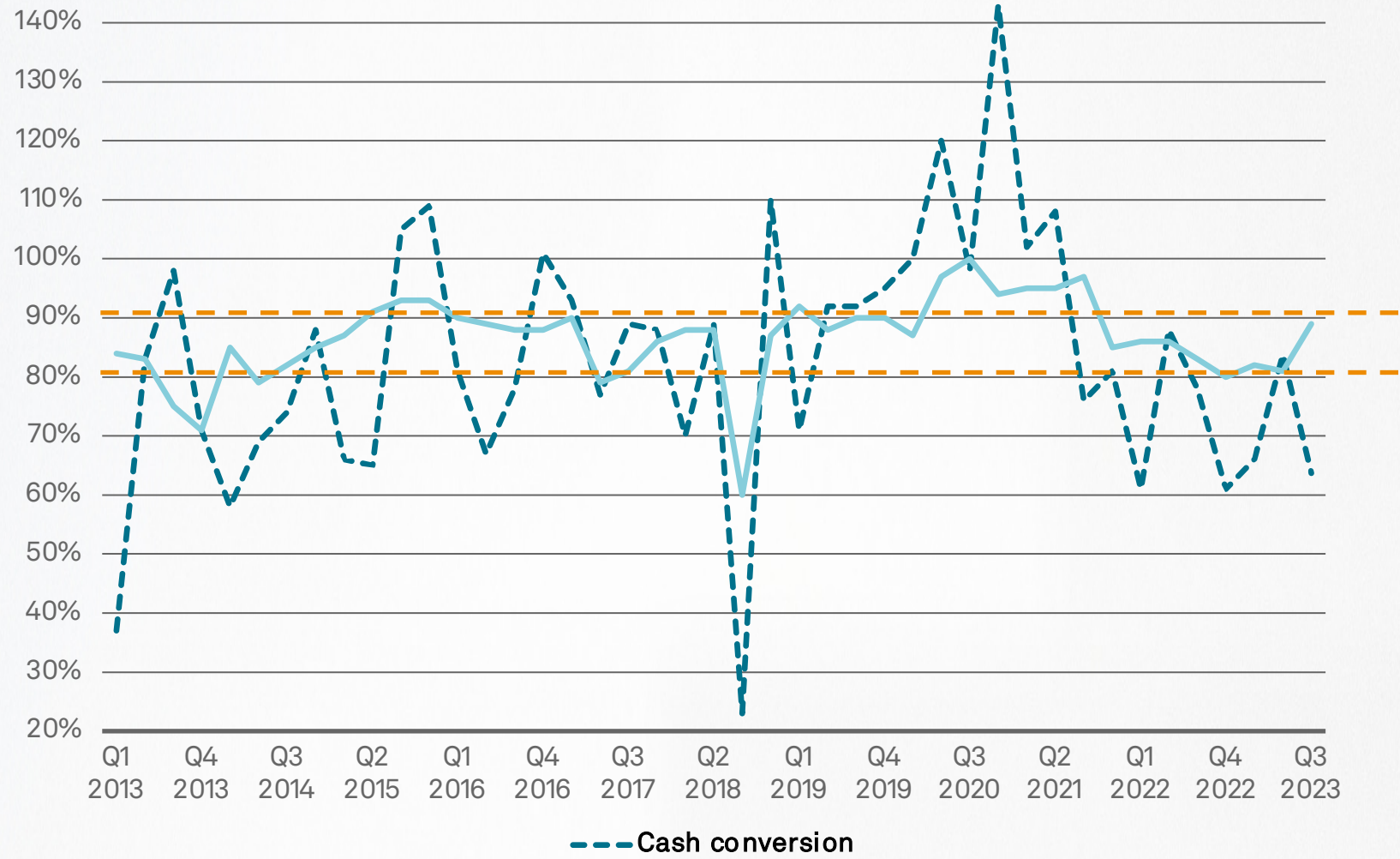
Sustainable working capital improvement

Stricter T&C's discipline to improve DSO.

Inventory management, resolution of component shortage and supply chain confidence normalising.

DPO management and improvement.

Cash conversion



Target: 80-90%

Working capital movements causing fluctuations

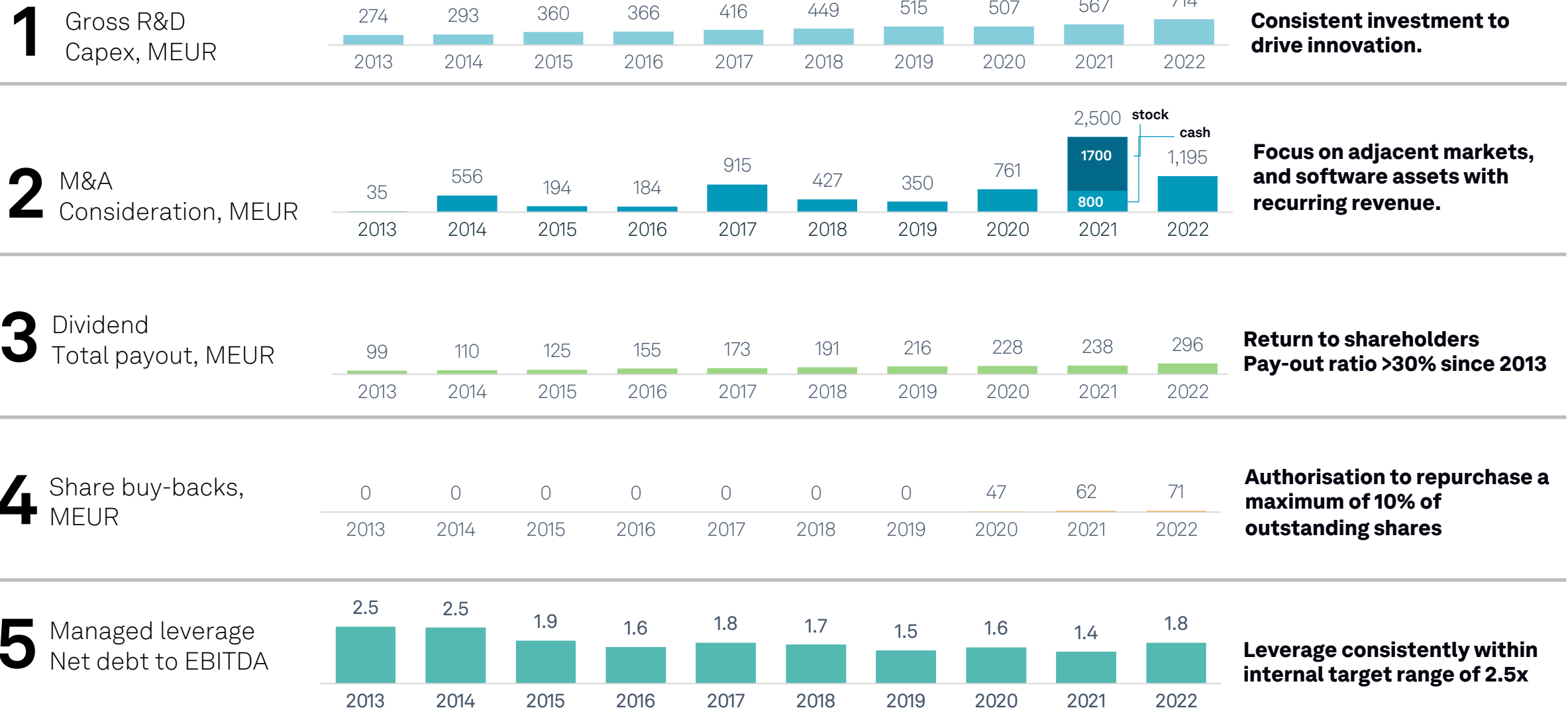
83% average conversion since 2013

86% average conversion excluding working capital since 2013

Investments

R&D to normalise
Manage tangible investments

Capital allocation



Robust financial position – Balance sheet & liquidity as of Q3 2023

NET DEBT / EBITDA

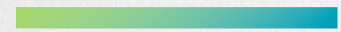
1.9x

NET DEBT, MEUR

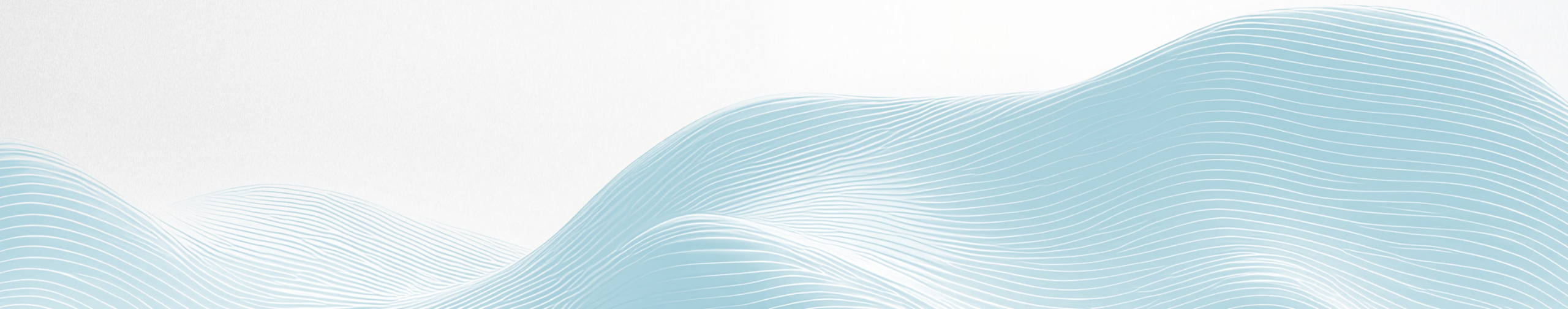
3.6bn EUR

INVESTMENT CAPACITY 2.5x, MEUR

1bn EUR



Communication



Disclosure improvement – The roadmap

Q3 2023	Q4 2023	Q1 2024	Q2 2024
<ul style="list-style-type: none">➤ Profitability bridge➤ Increased disclosure around working capital & cash➤ Improved M&A disclosure➤ Supporting comments on growth outlook by division and industry	<ul style="list-style-type: none">➤ Historic divisional splits to be provided	<p>New reporting structure</p> <ul style="list-style-type: none">➤ Divisional revenue➤ Divisional EBIT1➤ Group recurring revenue➤ Group revenue by hardware/software➤ Additional quarterly disclosure to align with annual reporting disclosure	<ul style="list-style-type: none">➤ Continually evaluate additional disclosure where accretive to understanding

M&A – Our commitments

	M&A	
Larger acquisitions	Acquisition price Revenues	Profitability Division
Smaller acquisitions	Scale of revenues (Prior year)	Impact on profit (accretive/neutral/dilutive) Division

Current quarterly reporting structure

	Industrial Enterprise Solutions	Geospatial Enterprise Solutions	Hexagon
FY 2022, MEUR			
Sales	2,639	2,537	5,176
EBIT1 *	755	787	1,518
Margin	29%	31%	29%
* Hexagon total includes group costs			

New reporting structure quarterly

FY 2022, MEUR	Manufacturing Intelligence	Asset Lifecycle Intelligence	Geosystems	Autonomous Solutions	Safety Infrastructure & Geospatial	Hexagon
Revenue	1,902	728	1,585	476	476	5,176
Gross margin	62%	80%	65%	68%	54%	65%
EBIT1	493	261	520	157	109	1,518
Operating Margin	26%	36%	33%	33%	23%	29%
Software & services	56%	100%	35%	44%	94%	58%
Recurring revenue	30%	74%	25%	30%	61%	38%

* Hexagon total includes revenue, gross earnings and EBIT1 from other operations (such as R-evolution and group costs)

Quarterly reporting

Adjustments bridge MEUR	2022	Adjustments	2022 adjusted	Adjusted income statement MEUR	2022 adjusted	Cash Flow Statement MEUR	2022
Net Sales	5,160.5	15.0	5,175.5	Operating net sales	5,175.5	Adjusted operating earnings (EBIT1)	1,517.8
Cogs	-1,799.5	8.7	-1,790.8	Gross earnings	3,384.7	D&A (Excl NRI/PPA)	359.3
Gross earnings	3,336.0	23.7	3,384.7	Gross margin, %	65.4	Adjusted EBITDA	1,877.1
Selling	-1,019.3	51.3	-968.0	R&D gross	-702.3	Non-cash items	-56.7
G&A	-416.7	21.2	-395.5	R&D capitalisation	377.8	Investments R&D	-377.8
R&D gross	-714.3	12.0	-702.3	R&D cap, %	52.9	Investments Other	-174.9
R&D capitalisation	377.8		377.8	R&D amortisation	-191.2	Cash flow post investment	1,267.7
R&D amortisation	-270.6	79.4	-191.2	Other opex	-1,351.2	Inventory	-131.5
Other	-31.2	43.5	12.3	EBIT1	1,517.8	Receivables	-196.2
EBIT – EBIT1	1,286.7	231.1	1,517.8	EBIT %	29.3	Liabilities	153.9
EPS	37.4		44.6	Earnings before taxes	1,479.1	Operating cash flow before tax and interest	1,093.9
Amortisation	-467.0	107.7	-359.3	Net earnings (Excl Adjust)	1,212.9	Cash Conversion	72%
whereof amortisation on surplus values	-107.7			EPS excl NRI	44.6	Taxes Paid	-235.9
EBITDA	1,753.7	123.4	1,877.1	NRI (before taxes)	-231.1	Interest Received and paid Net	-38.0
				Net earnings	1019.1	Cash flow before non-recurring items	820.0
				EPS	37.4		

Summary commitments

Legacy

1

Reporting

2 Segments, Sales and EBIT1

2

Organic and M&A impact

No absolute numbers, no mention of EBIT1 impact

3

Software revenue

No absolute numbers, no growth rate

4

Recurring revenue

No absolute numbers, no growth rate

5

R&D investments

No capitalisation number

6

Working capital

No split

Evolution

Reporting

5 Segments, Sales and EBIT1

Organic and M&A impact

Absolute numbers, EBIT1 impact

Software revenue

Absolute numbers, growth rate

Recurring revenue

Absolute numbers, growth rate

R&D investments

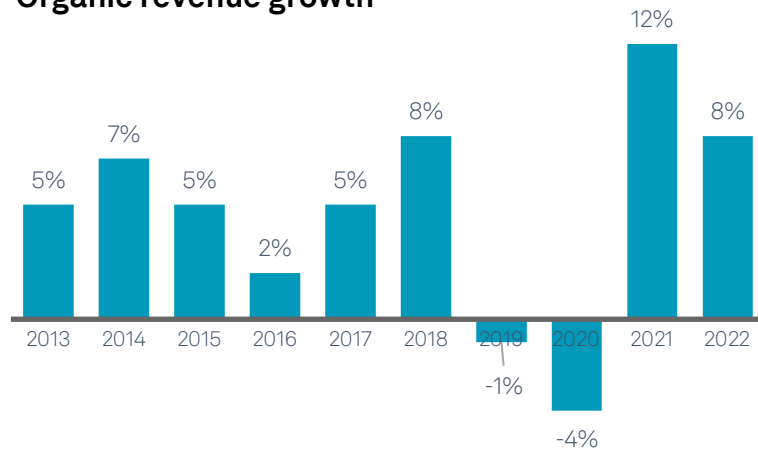
Capitalisation will be disclosed

Working capital

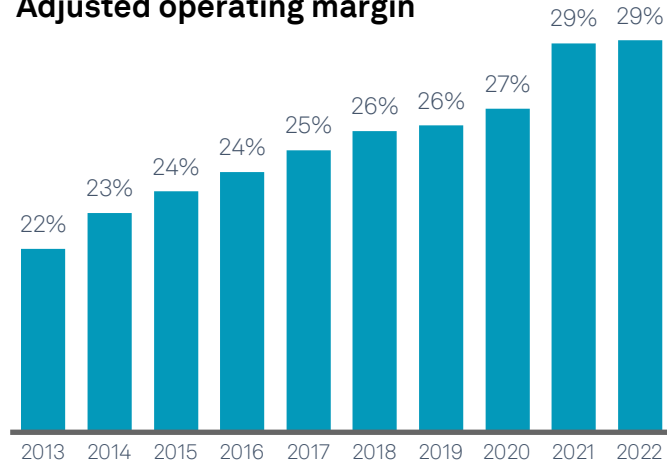
Cash impact of inventory, receivables and payables

Incentives – alignment with value drivers and 2026 targets

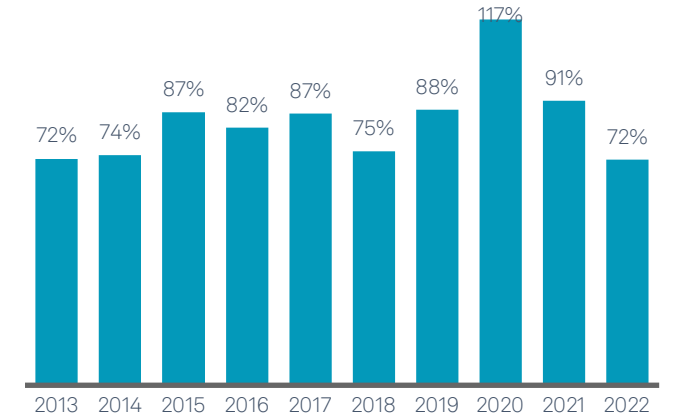
Organic revenue growth



Adjusted operating margin



Adjusted cash conversion



**Management remuneration
incentive on:**

Organic revenue growth.
Adjusted operating profit growth.
Adjusted cash flow conversion.

Our commitment

Continue the development in **growth** and **earnings**

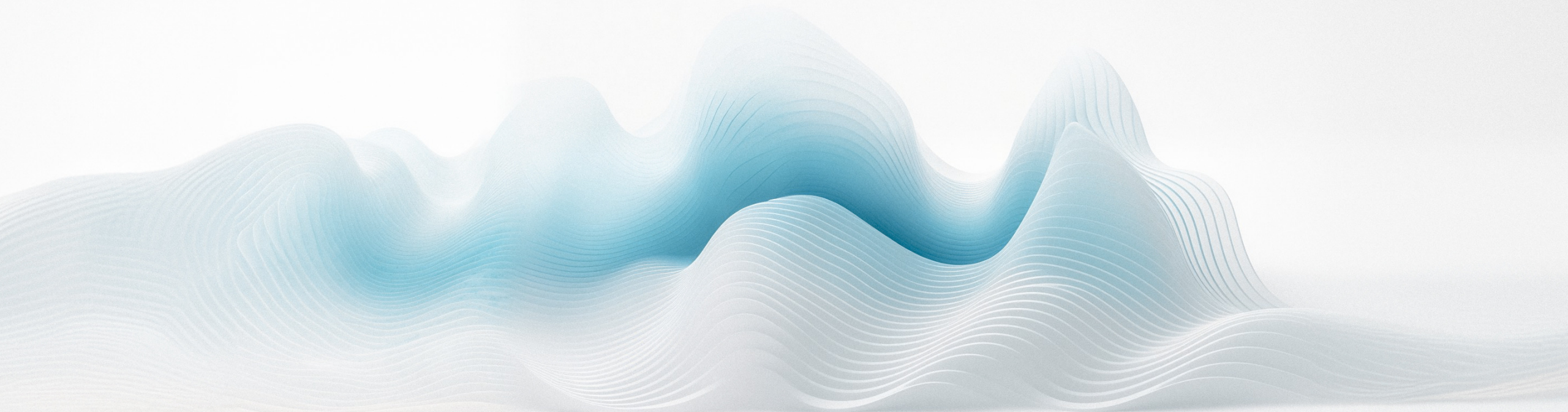
Disciplined **capital allocation**

Development in **clarity**, and **transparency of disclosure**

Continue to drive **accountability** through proposed **new incentives**



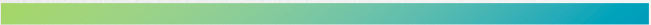
Capital Markets Day





Eva Carranza

HEAD OF SUSTAINABILITY



**Our
strategy**

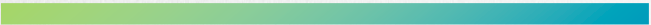


**Our
actions**



**Our
solutions**





**Our
strategy**



**Our
actions**



**Our
solutions**



Sustainability strategy

Change we empower



Enabling sustainability through our solutions



Empowering other stakeholders to accelerate change

Change we create



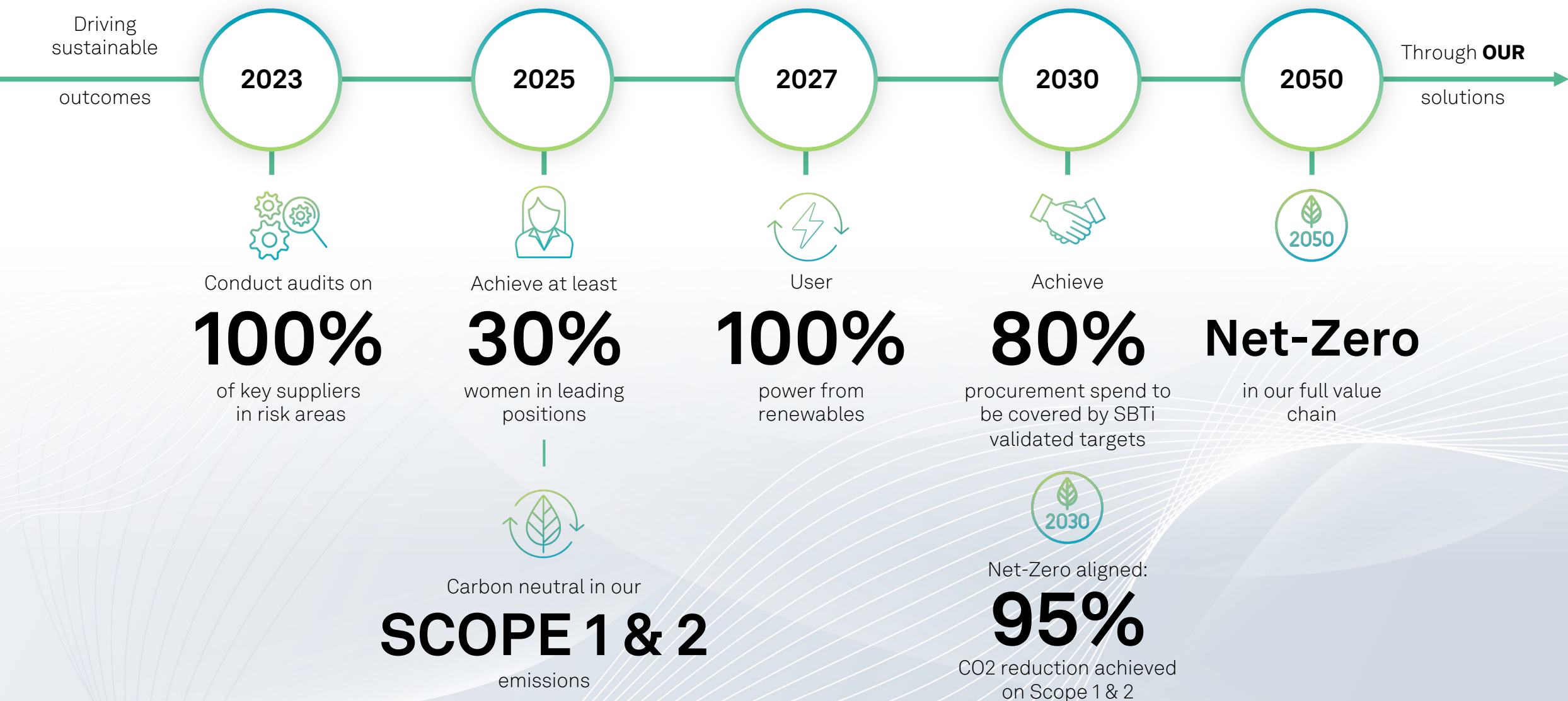
Improving sustainability across our value chain



Driving sustainability through our culture and our people



Sustainability targets



Scope 1 includes all the emissions that are released directly from our operations, such as company owned vehicles and the fuel use in our facilities.
Scope 2 includes indirect emissions from the generation of purchased electricity.

CO2 Reduction Roadmap

2023

Roadmap Definition

- Baseline definition
- CO2 improvements assessed across full value chain

2027

Avoidance Achieved

- 20% reduction in logistics emissions ♦
- CO2 avoidance through our products
- Credits enabled through R-evolution

2050

Net-zero

- Reduction following 1.5°scenario across our full value chain ♦
- Carbon sequestration of remaining emissions

2025

Carbon Neutral*

- 80% energy from renewables ♦
- Avoided Emissions Standard in place

2030

Aligned to Net-zero

- 95% reduction on Scope 1 & Scope 2 ♦
- 25% reduction in our full value chain
- >80% Procurement spend covered by SBTi validated targets

♦ Submitted to SBTi for validation

* Carbon neutral in scope 1 & Scope 2* considering high quality offsets: Offsets are only considered to be an option for companies wanting to finance additional emission reductions beyond their science-based target (SBT) or net-zero target. Avoided emissions are also not counted towards SBTs.

** Including purchased goods, logistics, business travel and employee commuting.

Our plan to improve disclosures



2022



2023



2024



2025



Avoided
Emissions

2026

**Our
strategy**

**Our
actions**

**Our
solutions**



Deploying a Sustainable
Procurement programme



Eco-design,
production and office
improvements



Actions being taken in our value chain

Ensuring an
inclusive and
performance
driven culture



Reducing logistics
CO₂ and improving
packaging



Expanding the circular
products portfolio



Addressing
customers' ESG
challenges



Ensuring a Sustainable Supply Chain

56 Key suppliers in high-risk countries¹

Our Actions



Ensure adherence to the Suppliers Code of Conduct.



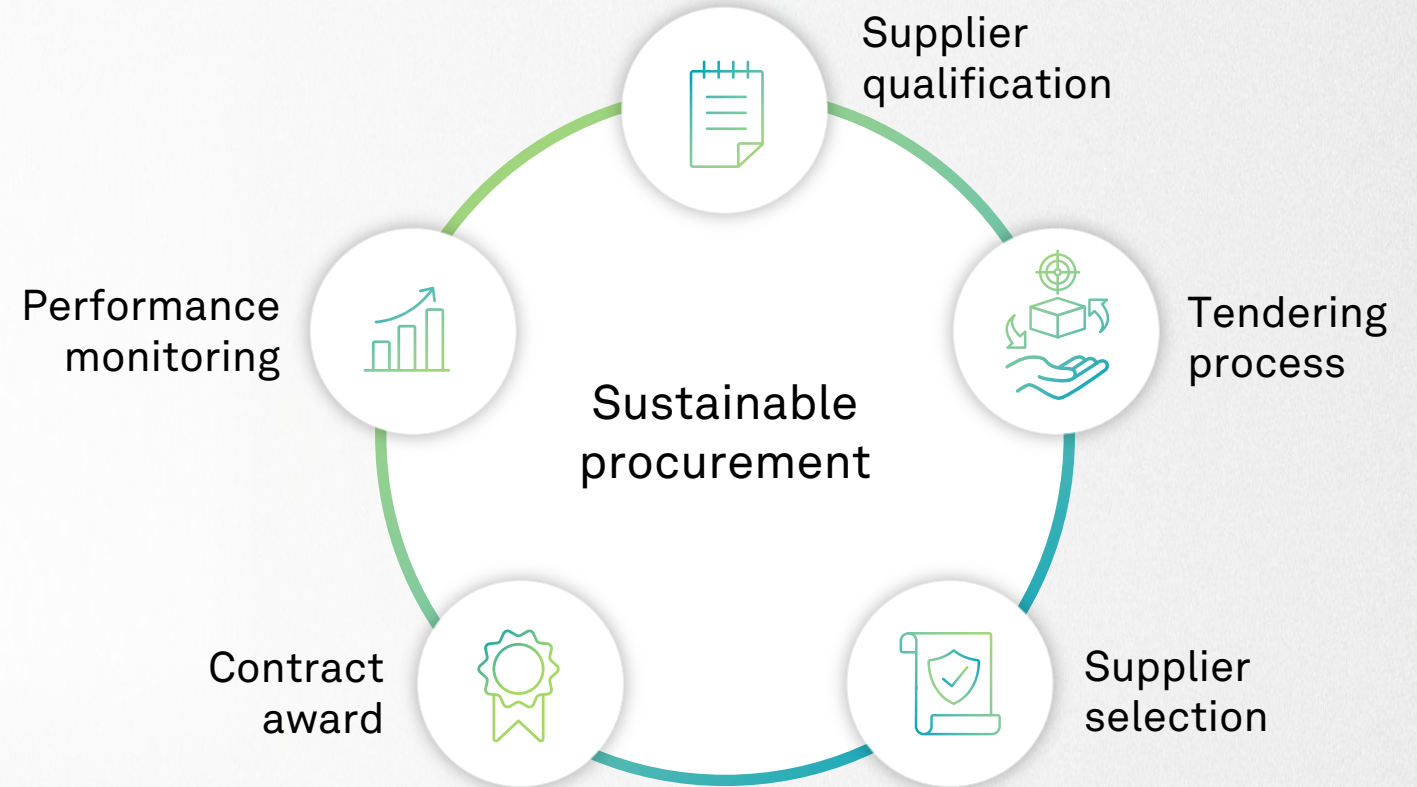
Conduct routine supplier risk assessments and sustainability supplier audits.



Assess Human Rights across our supply chain

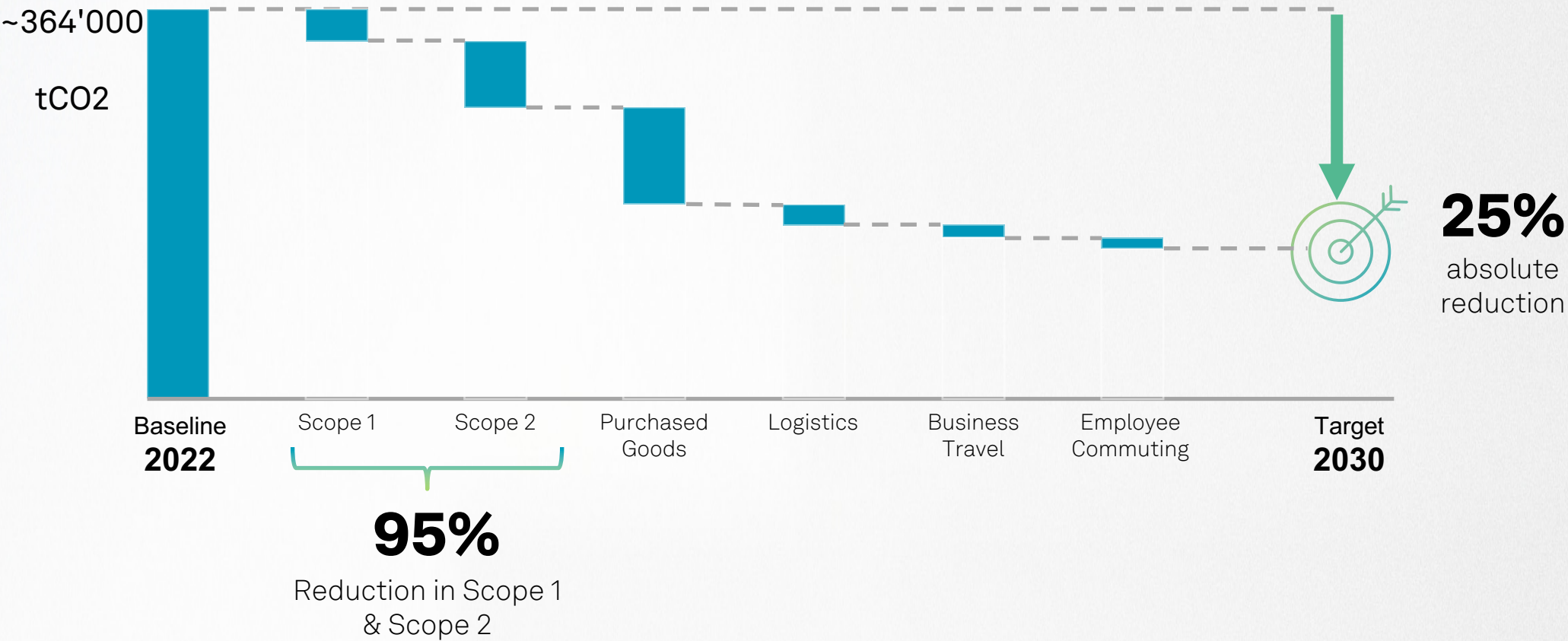


Advocate Environmental Stewardship within our supply chain



¹ Category A List according to the [UNEP Finance Initiative](#)

Our CO2 reduction levers



Sustainability in the way we innovate



Considering ESG criteria

across product development

1

Energy use

2

Material efficiency

- recycled content
- reusable > recyclable components

3

CO2 footprint



Quantifying environmental impacts

and supporting decision making through Life Cycle Assessment (LCA) of products

Our
strategy

Our
actions

Our
solutions



Enhancing

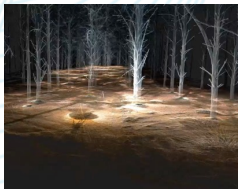
the power of nature



Managing carbon



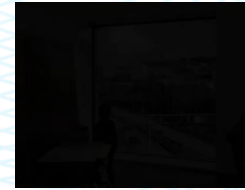
Accelerating the shift to
clean energy sources



Tracking Biodiversity

Enabling

Resilient cities



Designing better urban areas

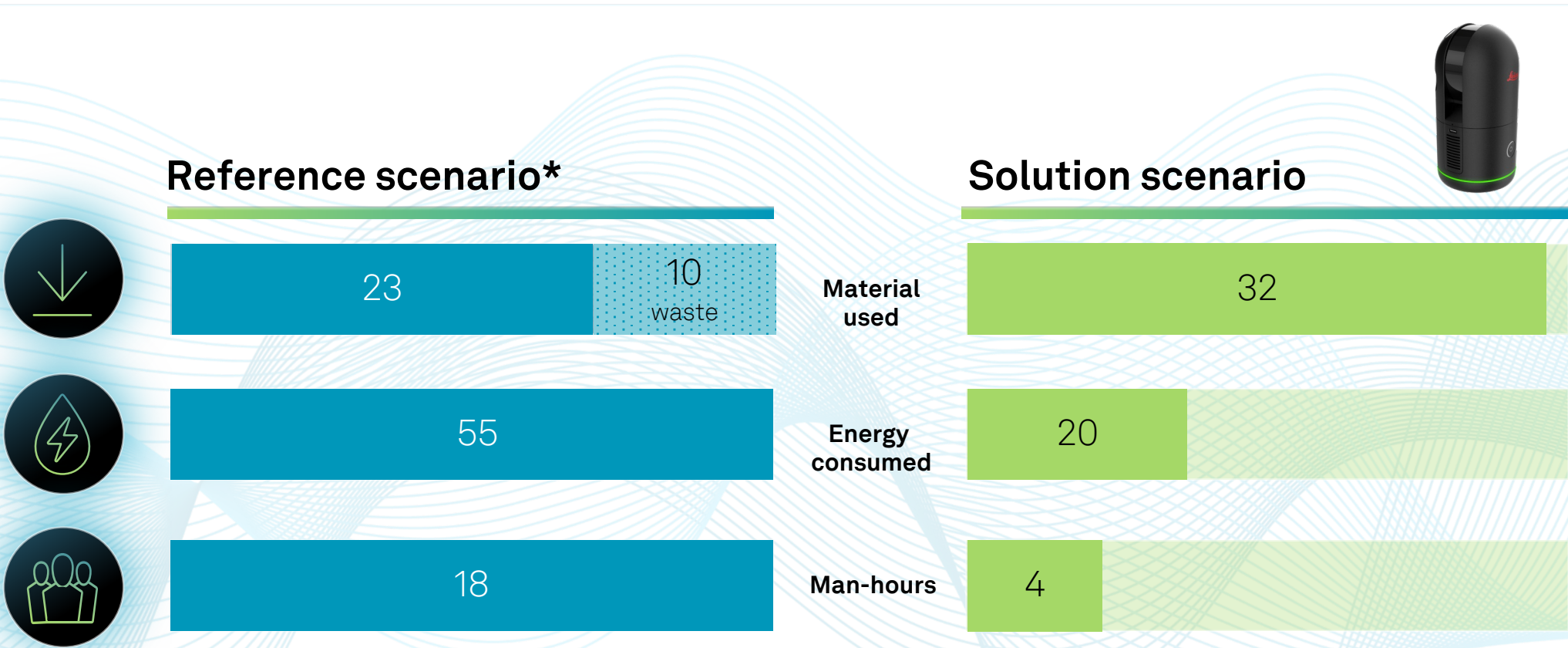


Implementing effective disaster
preparedness



Improving construction

Saving material, time and money in construction



820 kgCO2-eq savings for 1'479 m2, calculated according to the avoided emissions standard

* Performance normalised

Quantifying avoidance to shape our portfolio for enhanced impact



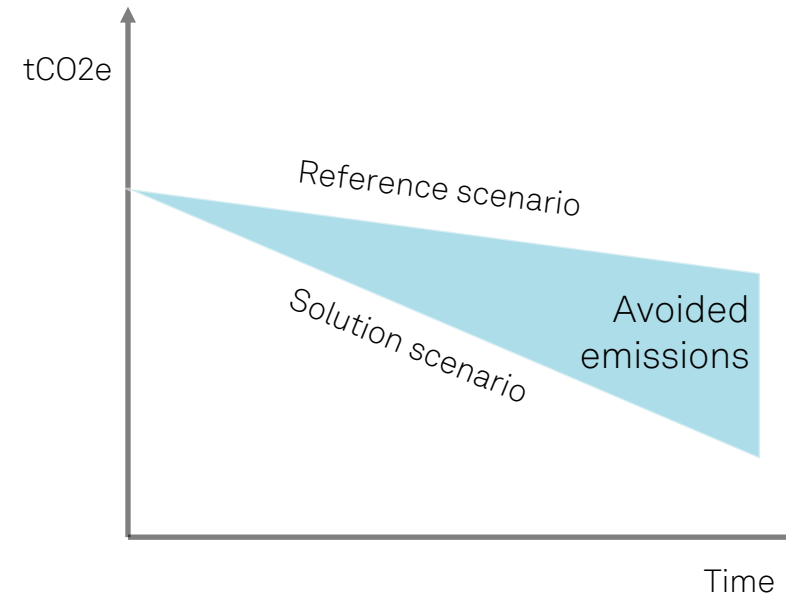
Material reduction



Utilities consumption



Labor productivity



Strategise



Measure "Avoided" CO2



Decarbonise

Our commitment

1



Accelerating ESG progress to while implementing international frameworks

2



Transforming our **impact into value** creation along our value chain

3



Leveraging **Sustainability as a growth driver** within many of the industries we serve



Capital Markets Day

