

INTERIM REPORT

1 JANUARY - 30 JUNE 2022

SECOND QUARTER

- Operating net sales increased by 20 per cent to 1,288.7 MEUR (1,075.6). Net sales including the reduction of acquired deferred revenue amounted to 1,282.3 (1,075.6). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 6 per cent
- Adjusted operating earnings (EBIT1) increased by 20 per cent to 378.5 MEUR (314.6)
- Earnings before taxes, excluding adjustments, amounted to 372.9 MEUR (307.8)
- Net earnings, excluding adjustments, amounted to 305.8 MEUR (252.5)
- Earnings per share, excluding adjustments, amounted to 11.2 Euro cent (9.8)
- Operating cash flow decreased to 228.1 MEUR (275.4)

MEUR	Q2 2022	Q2 2021	Δ%	6M 2022	6M 2021	Δ%
Operating net sales ²⁾	1,288.7	1,075.6	6 ¹⁾	2,452.1	2,053.5	8 ¹⁾
Revenue adjustment ³⁾	-6.4	-	n.a.	-10.1	-	n.a.
Net sales	1,282.3	1,075.6	6 ¹⁾	2,442.0	2,053.5	8 ¹⁾
Adjusted gross earnings ²⁾	841.2	692.8	21	1,595.1	1,322.0	21
Adjusted gross margin, % ²⁾	65.3	64.4	0.9	65.1	64.4	0.7
Adjusted operating earnings (EBITDA) ²⁾	465.9	402.8	16	882.1	769.5	15
Adjusted EBITDA margin, % ²⁾	36.2	37.4	-1.2	36.0	37.5	-1.5
Adjusted operating earnings (EBIT1) ²⁾	378.5	314.6	20	713.6	585.9	22
Adjusted operating margin, %	29.4	29.2	0.2	29.1	28.5	0.6
Earnings before taxes, excluding adjustments	372.9	307.8	21	702.2	571.5	23
Adjustments (before taxes) ³⁾	-43.9	-18.4	n.a.	-143.1	-36.6	n.a.
Earnings before taxes	329.0	289.4	14	559.1	534.9	5
Net earnings	269.8	237.3	14	454.2	438.6	4
Net earnings, excl. adjustments	305.8	252.5	21	575.8	468.7	23
Earnings per share, Euro cent	9.9	9.2	8	16.6	16.9	-2
Earnings per share, excl. adjustments, Euro cent	11.2	9.8	14	21.2	18.1	17

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

²⁾For definition, see page 19.

³⁾See more information on page 2.

COMMENTS FROM THE CEO

“We continued to see strong customer demand for our solutions, resulting in 20 per cent sales growth of which 6 per cent was organic growth. The record gross margin, despite inflationary pressures, is a testament to the strength of our business model. The continued challenging supply chain situation impacted organic growth by approximately -6 per cent in the quarter. We are now starting to see improvements in the supply of certain components, and we expect a resolution by the end of the year.

After more than two years of restrictions related to the pandemic, we were finally able to host a very successful HxGN Live Conference, with three thousand participants in person and five thousand virtually. We introduced new and disruptive solutions to scale growth and further our vision.

During the quarter, we also announced several changes in the leadership of Hexagon, including my future successor, Paolo Guglielmini. I'm happy that we have found an internal successor, which will bring not only long-term stability and continuity but also well-needed rejuvenation in preparation for Hexagon's next big strategic leap.”

– Ola Rollén, President and CEO, Hexagon AB

6%

ORGANIC
GROWTH

29%

ADJUSTED
OPERATING MARGIN

88%

CASH
CONVERSION

GROUP BUSINESS DEVELOPMENT Q2

NET SALES

Operating net sales increased by 20 per cent to 1,288.7 MEUR (1,075.6). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 6 per cent. Regionally, organic growth was 10 per cent in the Americas, 5 per cent in Asia and 4 per cent in EMEA. In the Americas, North America recorded 7 per cent organic growth, driven by solid demand across most industries. South America continued to record high double-digit organic growth driven by strong growth in mining, agriculture and power and energy. In Asia, China recorded 1 per cent organic growth, driven by growth in aerospace and general manufacturing, but hampered by component availability issues in infrastructure and construction, as well as COVID-19 related lockdowns. The rest of Asia performed well, primarily driven by strong demand for surveying solutions in India, Japan and South Korea. In EMEA, Western Europe recorded 7 per cent organic growth, fuelled by strong demand for surveying solutions, reality-capture solutions and solid growth in the aerospace, power and energy segments. Russia declined significantly, reflecting the impact of the sanctions imposed by the European Union and the U.S., Eastern Europe and the Middle East recorded strong organic growth.

EARNINGS

Adjusted operating earnings (EBIT1) increased by 20 per cent to 378.5 MEUR (314.6), which corresponds to an adjusted operating margin of 29.4 per cent (29.2). The adjusted operating margin (EBIT1) was positively impacted by volume growth and currency movements. Adjusted operating earnings (EBIT1) were positively impacted by currency translation effects of 28.9 MEUR and positively impacted by currency transaction effects of 4.7 MEUR. Earnings before taxes, excluding adjustments, amounted to 372.9 MEUR (307.8) and were positively impacted by currency translation effects of 26.0 MEUR.

ADJUSTMENTS

The adjustments for the quarter consist of share-based program expenses (LTIP) 8.9 MEUR (4.9), amortisation of surplus values (PPA) 28.6 MEUR (13.5) and acquired deferred revenue 6.4 MEUR (-).

FINANCIAL SUMMARY - SECOND QUARTER

MEUR	Net sales			Earnings		
	Q2 2022	Q2 2021	Δ% ¹⁾	Q2 2022	Q2 2021	Δ%
Geospatial Enterprise Solutions	650.4	560.4	7	205.6	181.3	13
Industrial Enterprise Solutions	638.3	515.2	6	177.9	138.5	28
Operating net sales	1,288.7	1,075.6	6			
Revenue adjustment	-6.4	-	n.a.			
Net sales	1,282.3	1,075.6	6			
Group cost				-5.0	-5.2	4
Adjusted operating earnings (EBIT1)				378.5	314.6	20
Adjusted operating margin, %				29.4	29.2	0.2
Interest income and expenses, net				-5.6	-6.8	18
Earnings before adjustments				372.9	307.8	21
Adjustments				-43.9	-18.4	n.a.
Earnings before taxes				329.0	289.4	14
Taxes				-59.2	-52.1	-14
Net earnings				269.8	237.3	14

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

CURRENCY TRANSLATION IMPACT COMPARED TO EUR - SECOND QUARTER

	Movement ¹⁾		Income less cost	Earnings impact
CHF	Strengthened	7%	Negative	Negative
USD	Strengthened	13%	Positive	Positive
CNY	Strengthened	11%	Positive	Positive
EBIT1, MEUR				28.9

¹⁾Compared to Q2 2021

SALES BRIDGE - SECOND QUARTER

	Operating net sales ¹⁾
2021, MEUR	1,075.6
Structure, %	6
Currency, %	8
Organic growth, %	6
Total, %	20
2022, MEUR	1,288.7

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

ORGANIC GROWTH PER REGION

Region	Q2 2022	
Asia excl. China (13% of sales)	↗	
South America (4% of sales)	↗	
North America (34% of sales)	→	
Western Europe (27% of sales)	→	>8% ↗
China (15% of sales)	→	0-8% →
EMEA excl. Western Europe (7% of sales)	↘	Negative ↘
Total	→	

GEOSPATIAL ENTERPRISE SOLUTIONS – Q2 2022

Geospatial Enterprise Solutions includes a world-leading portfolio of sensors for capturing data from land and air as well as sensors for positioning via satellites. The sensors are complemented by software (GIS) for the creation of 3D maps and models which are used for decision-making in a range of software applications, covering areas such as surveying, construction, public safety and agriculture. Divisions reported in this segment include: (1) Geosystems, (2) Safety, Infrastructure & Geospatial and (3) Autonomy & Positioning.

NET SALES

Geospatial Enterprise Solutions (GES) operating net sales amounted to 650.4 MEUR (560.4). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 7 per cent. Regionally, organic growth was 11 per cent in the Americas, 6 per cent in Asia and 3 per cent in EMEA. In the Americas, North America recorded 7 per cent organic growth, driven by strong growth in infrastructure, construction and surveying, with reality capture solutions being a solid growth contributor. South America continued to record high double-digit organic growth driven by solid growth in mining and agriculture. In Asia, China recorded -4 per cent organic growth due to continued component availability challenges. The rest of Asia recorded double-digit organic growth, driven by strong demand for surveying solutions in Japan and South Korea, and for mining solutions in Indonesia. In EMEA, Western Europe recorded 8 per cent organic growth, fuelled by continued solid demand for infrastructure, construction and surveying solutions, with strong demand for reality capture solutions. Russia declined significantly, reflecting the impact of the sanctions imposed by the European Union and the U.S., and the actions taken to freeze all business operations in Russia. Excluding Russia, the rest of EMEA recorded single-digit organic growth.

Geosystems recorded 8 per cent organic growth, driven by continued strong demand across all industries but hampered by component supply constraints. The Safety, Infrastructure & Geospatial division recorded 1 per cent organic growth, driven by growth in infrastructure but adversely impacted by tough comparisons in defence. The Autonomy & Positioning division recorded 6 per cent organic growth, fuelled by strong growth in agriculture and a recovery in marine.

EARNINGS

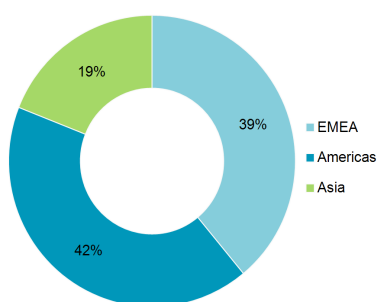
Adjusted operating earnings (EBIT1) increased by 13 per cent to 205.6 MEUR (181.3), which corresponds to an adjusted operating margin of 31.6 per cent (32.4). The adjusted operating margin (EBIT1) was positively impacted by volume growth and currency movements.

NET SALES, EARNINGS AND NUMBER OF EMPLOYEES

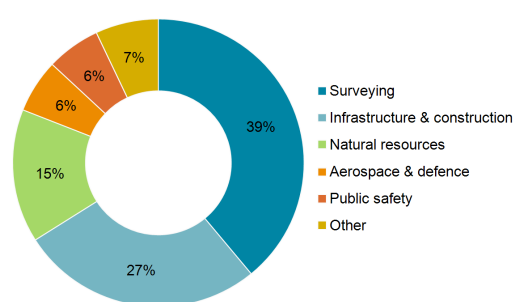
MEUR	Q2 2022	Q2 2021	Δ%	6M 2022	6M 2021	Δ%
Operating net sales	650.4	560.4	7 ¹⁾	1,233.1	1,063.0	8 ¹⁾
Adjusted operating earnings (EBIT1)	205.6	181.3	13	381.2	330.1	15
Adjusted operating margin, %	31.6	32.4	-0.8	30.9	31.1	-0.2
Avg. number of employees				9,897	9,154	8

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

NET SALES PER REGION – SECOND QUARTER



NET SALES PER CUSTOMER SEGMENT - SECOND QUARTER



INDUSTRIAL ENTERPRISE SOLUTIONS – Q2 2022

Industrial Enterprise Solutions includes metrology systems that incorporate the latest in sensor technology for fast and accurate measurements, as well as CAD (computer-aided design), CAM (computer-aided manufacturing) and CAE (computer-aided engineering) software. These solutions optimise design, processes and throughput in manufacturing facilities and create and leverage asset management information critical to the planning, construction and operation of plants and process facilities in a number of industries, such as automotive, aerospace and oil and gas. Divisions reported in this segment include: (1) Manufacturing Intelligence and (2) Asset Lifecycle Intelligence.

NET SALES

Industrial Enterprise Solutions (IES) operating net sales amounted to 638.3 MEUR (515.2). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 6 per cent. Regionally, organic growth was 9 per cent in the Americas, 6 per cent in EMEA and 4 per cent in Asia. In the Americas, North America recorded 8 per cent organic growth, driven by strong growth in aerospace and general manufacturing. South America recorded strong double-digit organic growth, driven by favorable demand in the power and energy segment. In EMEA, Western Europe recorded 6 per cent organic growth, driven by solid demand in aerospace, general manufacturing and power and energy. The rest of EMEA recorded single-digit organic growth, with the Middle East growing high double-digits and Russia declining substantially due to sanctions and the actions taken to freeze all business operations in the country. In Asia, China recorded 3 per cent organic growth, fuelled by strong growth in the manufacturing industry, but hampered by COVID-19 related lockdowns. The rest of Asia recorded solid growth due to strong demand for manufacturing solutions.

Manufacturing Intelligence recorded 6 per cent organic growth, driven by strong demand in the Americas with solid business momentum in aerospace and general manufacturing. The Asset Lifecycle Intelligence division (formerly known as the PPM division) recorded 5 per cent organic growth, fuelled by growth in design software, asset information management software and cyber security solutions, but hampered by COVID-19 related lockdowns in China.

EARNINGS

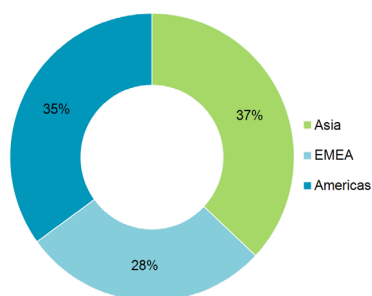
Adjusted operating earnings (EBIT1) increased by 28 per cent to 177.9 MEUR (138.5), which corresponds to an adjusted operating margin of 27.9 per cent (26.9). The adjusted operating margin (EBIT1) was positively impacted by volume growth and currency movements.

NET SALES, EARNINGS AND NUMBER OF EMPLOYEES

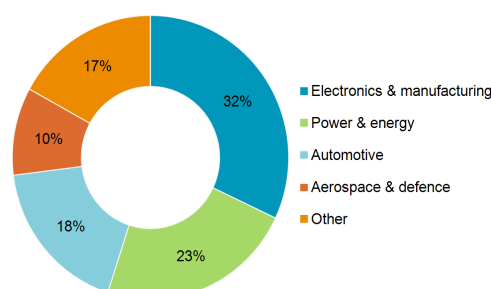
MEUR	Q2 2022	Q2 2021	Δ%	6M 2022	6M 2021	Δ%
Operating net sales	638.3	515.2	6 ¹⁾	1,219.0	990.5	8 ¹⁾
Adjusted operating earnings (EBIT1)	177.9	138.5	28	343.6	265.6	29
Adjusted operating margin, %	27.9	26.9	1.0	28.2	26.8	1.4
Avg. number of employees				12,653	11,659	9

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

NET SALES PER REGION – SECOND QUARTER



NET SALES PER CUSTOMER SEGMENT – SECOND QUARTER



FINANCIAL SUMMARY – 6M 2022

NET SALES

Operating net sales amounted to 2,452.1 MEUR (2,053.5) for the first six months of the year. Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 8 per cent.

EARNINGS

Adjusted operating earnings (EBIT1) amounted to 713.6 MEUR (585.9), which corresponds to an adjusted operating margin of 29.1 per cent (28.5). Adjusted operating earnings (EBIT1) were positively affected by currency translation effects of 41.5 MEUR and positively affected by currency transaction effects of 6.7 MEUR.

The financial net amounted to -11.4 MEUR (-14.4) for the first six months of the year.

Earnings before taxes, excluding adjustments, amounted to 702.2 MEUR (571.5). Earnings before taxes, including these items, amounted to 559.1 MEUR (534.9) and were positively impacted by currency translation effects of 37.3 MEUR.

Net earnings, excluding adjustments, amounted to 575.8 MEUR (468.7) or 21.2 Euro cent (18.1) per share. Net earnings, including these items, amounted to 454.2 MEUR (438.6) or 16.6 Euro cent (16.9) per share.

FINANCIAL SUMMARY - 6M 2022

MEUR	Net sales			Earnings		
	6M 2022	6M 2021	Δ% ¹⁾	6M 2022	6M 2021	Δ%
Geospatial Enterprise Solutions	1,233.1	1,063.0	8	381.2	330.1	15
Industrial Enterprise Solutions	1,219.0	990.5	8	343.6	265.6	29
Operating net sales	2,452.1	2,053.5	8			
Revenue adjustment ²⁾	-10.1	-	n.a.			
Net sales	2,442.0	2,053.5	8			
Group cost				-11.2	-9.8	-14
Adjusted operating earnings (EBIT1)				713.6	585.9	22
Adjusted operating margin, %				29.1	28.5	0.6
Interest income and expenses, net				-11.4	-14.4	21
Earnings before adjustments				702.2	571.5	23
Adjustments ³⁾				-143.1	-36.6	n.a.
Earnings before taxes				559.1	534.9	5
Taxes				-104.9	-96.3	-9
Net earnings				454.2	438.6	4

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

²⁾Reduction of acquired deferred revenue (haircut) related to acquisitions

³⁾Adjustments in 2022 relates to share programmes (LTIP), amortisation of surplus values and non-recurring items.

CURRENCY TRANSLATION IMPACT COMPARED TO EUR - 6M 2022

	Movement ¹⁾		Income less cost	Earnings impact
CHF	Strengthened	6%	Negative	Negative
USD	Strengthened	10%	Positive	Positive
CNY	Strengthened	10%	Positive	Positive
EBIT1, MEUR				41.5

¹⁾Compared to 6M 2021.



Hexagon acquired ETQ, a leading provider of SaaS-QMS (quality management system), EHS (environment, health and safety) and compliance management software. ETQ's advanced data management capabilities, driven by machine learning and artificial intelligence, make quality data fully actionable and available further upstream. Not only does this reduce defects, scrap, rework, and recalls, but it also enables an autonomous feedback loop, digital information trail and virtuous cycle of continuous improvement.

GROUP SUMMARY

PROFITABILITY

Capital employed increased to 13,784.6 MEUR (8,945.5). Return on average capital employed for the last twelve months was 12.5 per cent (13.1). Return on average shareholders' equity over the previous twelve months was 9.8 per cent (13.4). The capital turnover rate was 0.4 times (0.5).

FINANCIAL POSITION

Total shareholders' equity increased to 9,637.9 MEUR (6,379.6). The equity ratio was 58.6 per cent (57.7). Hexagon's total assets increased to 16,435.1 MEUR (11,051.5). The increase in total assets is driven primarily by acquisitions. Following a refinancing in 2021, 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 in 2014. The MTN programme amounts to 20,000 MSEK with tenor up to 6 years
- 3) A Swedish Commercial Paper Programme (CP) established in 2012. The CP programme amounts to 15,000 MSEK with tenor up to 12 months.

On 30 June 2022, cash and unutilised credit limits totalled 1,208.5 MEUR (1,753.3). Hexagon's net debt was 3,673.9 MEUR (2,153.2). The net indebtedness was 0.36 times (0.31). Interest coverage ratio was 40.2 times (35.9).

CASH FLOW

During the second quarter, cash flow from operations before changes in working capital amounted to 350.0 MEUR (338.9), corresponding to 13.0 Euro cent (13.2) per share. Cash flow from operations in the second quarter amounted to 358.5 MEUR (379.2), corresponding to 13.3 Euro cent (14.8) per share. Operating cash flow in the second quarter, including non-recurring items, amounted to 228.1 MEUR (275.4).

For the first six months of the year, cash flow from operations amounted to 650.3 MEUR (698.0) corresponding to 24.1 Euro cent (27.2) per share. The operating cash flow, including non-recurring items, amounted to 392.4 MEUR (487.3).

INVESTMENTS, DEPRECIATION, AMORTISATION AND IMPAIRMENT

Hexagon's net investments, excluding acquisitions and divestitures, amounted to -125.9 MEUR (-99.2) in the second quarter and -246.4 MEUR (-197.4) in the first six months of the year. Depreciation, amortisation and impairment amounted to -116.0 MEUR (-101.7) in the second quarter and -219.6 MEUR (-210.5) during the first six months of the year, whereof impairment charges amounted to 0.0 MEUR (-) in the second quarter and 0.0 MEUR (-10.8) during the first six months of the year.

TAX RATE

The tax expense for the first six months of the year amounted to -104.9 MEUR (-96.3). The reported tax rate was 18.0 per cent (18.0) for the quarter and 18.8 per cent (18.0) for the first six months of the year. The tax rate, excluding non-recurring items, was 18.0 per cent (18.0) for the quarter and 18.0 per cent (18.0) for the first six months of the year.

EMPLOYEES

The average number of employees during the second quarter was 22,672 (20,907). The number of employees at the end of the quarter was 23,245 (21,078).

SHARE DATA

Earnings per share, including adjustments, for the second quarter amounted to 9.9 Euro cent (9.2). Earnings per share, excluding adjustments, for the second quarter amounted to 11.2 Euro cent (9.8).

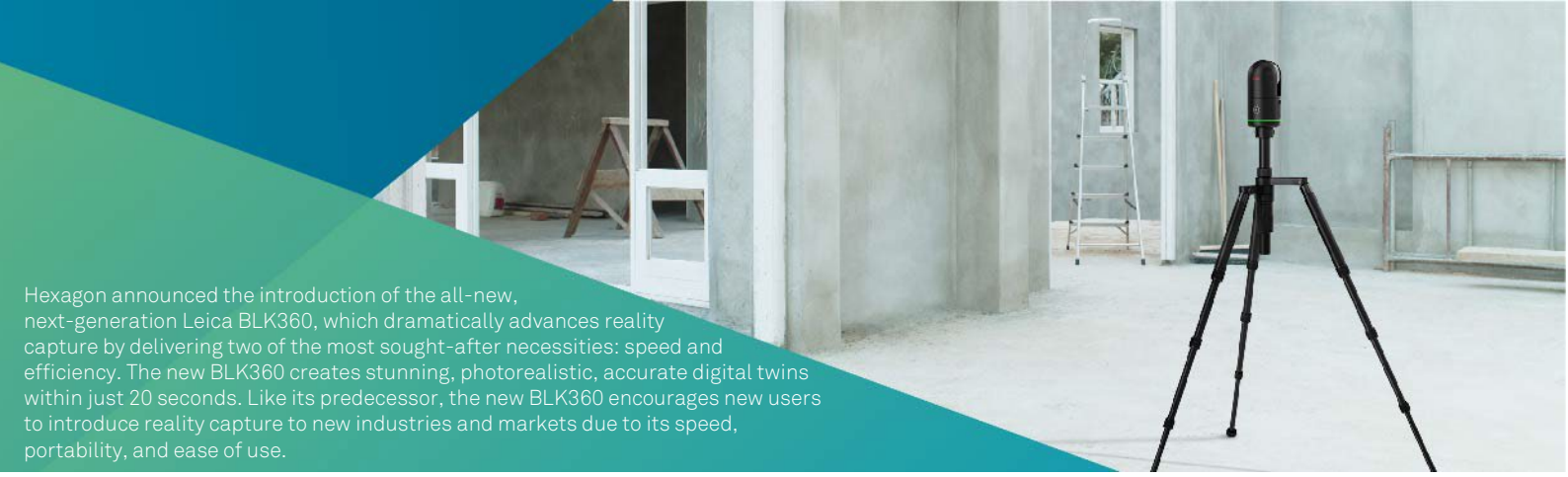
Earnings per share, including adjustments, for the first six months of the year amounted to 16.6 Euro cent (16.9). Earnings per share, excluding adjustments, for first six months of the year amounted to 21.2 Euro cent (18.1).

On 30 June 2022, equity per share was 3.56 EUR (2.48) and the share price was 106.25 SEK (126.80).

Hexagon's share capital amounts to 85,761,450 EUR, represented by 2,692,927,888 shares, of which 110,250,000 are of series A with ten votes each and 2,582,677,888 are of series B with one vote each. Hexagon holds 12,550,000 treasury shares.

PARENT COMPANY

The parent company's earnings before taxes in the second quarter amounted to 138.7 MEUR (-6.5) and 277.2 MEUR (-4.5) for the first six months of the year. The equity was 6,577.4 MEUR (4,951.6). The equity ratio of the parent company was 47 per cent (46). Liquid funds including unutilised credit limits were 711.2 MEUR (1,344.1).



Hexagon announced the introduction of the all-new, next-generation Leica BLK360, which dramatically advances reality capture by delivering two of the most sought-after necessities: speed and efficiency. The new BLK360 creates stunning, photorealistic, accurate digital twins within just 20 seconds. Like its predecessor, the new BLK360 encourages new users to introduce reality capture to new industries and markets due to its speed, portability, and ease of use.

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 2021, see note 1 for further information.

RISKS AND UNCERTAINTY FACTORS

As an international group, Hexagon is exposed to a number of business and financial risks. The business risks can be divided into strategic, operational and legal risks. The financial risks are related to such factors as exchange rates, interest rates, liquidity and the ability to raise funds. Risk management in Hexagon aims to identify, control and reduce risks. This work

begins with an assessment of the probability of risks occurring and their potential effect on the Group. There has been no change in the risks facing the Group compared to what was reported in the Annual Report 2021.

RELATED PARTY TRANSACTIONS

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

SUBSEQUENT EVENTS

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

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

Stockholm, Sweden, 27 July 2022
Hexagon AB (publ)

Gun Nilsson
Chair of the Board

Ola Rollén
President and CEO
Board Member

John Brandon
Board Member

Ulrika Francke
Board Member

Henrik Henriksson
Board Member

Erik Huggers
Board Member

Märta Schörling Andreen
Board Member

Sofia Schörling Högberg
Board Member

Patrick Söderlund
Board Member

Brett Watson
Board Member

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

CONDENSED INCOME STATEMENT

MEUR	Q2 2022	Q2 2021	6M 2022	6M 2021	2021
Net sales	1,282.3	1,075.6	2,442.0	2,053.5	4,341.1
Cost of goods sold	-448.1	-382.8	-863.5	-731.5	-1,544.0
Gross earnings	834.2	692.8	1,578.5	1,322.0	2,797.1
Sales expenses	-250.0	-190.0	-476.9	-371.7	-797.4
Administration expenses	-99.8	-83.4	-200.5	-165.8	-357.4
Research and development expenses	-153.0	-123.1	-294.7	-243.7	-510.8
Capital gain (+) / loss (-) from sale of shares in Group companies	-	0.3	-	0.3	0.3
Other income and expenses, net	3.2	-0.4	-35.9	8.2	-122.0
Operating earnings ¹⁾	334.6	296.2	570.5	549.3	1,009.8
Financial income	2.8	1.5	4.0	2.2	5.1
Financial expenses	-8.4	-8.3	-15.4	-16.6	-31.3
Earnings before taxes	329.0	289.4	559.1	534.9	983.6
Taxes	-59.2	-52.1	-104.9	-96.3	-173.6
Net earnings	269.8	237.3	454.2	438.6	810.0
Attributable to:					
Parent company shareholders	266.7	235.2	448.5	434.9	801.6
Non-controlling interest	3.1	2.1	5.7	3.7	8.4
¹⁾ of which adjustments	-43.9	-18.4	-143.1	-36.6	-259.8
Earnings include depreciation, amortisation and impairments of	-116.0	-101.7	-219.6	-210.5	-578.9
- of which amortisation of surplus values (included in adjustments)	-28.6	-13.5	-51.1	-26.9	-62.2
Basic earnings per share, Euro cent	9.9	9.2	16.6	16.9	30.8
Earnings per share after dilution, Euro cent	9.9	9.1	16.6	16.9	30.8
Total shareholder's equity per share, EUR	3.56	2.48	3.56	2.48	3.24
Closing number of shares, thousands	2,692,928	2,566,906	2,692,928	2,566,906	2,696,128
Average number of shares, thousands	2,694,555	2,566,906	2,695,133	2,567,302	2,599,293
Average number of shares after dilution, thousands	2,707,105	2,572,856	2,706,509	2,572,948	2,606,291

CONDENSED COMPREHENSIVE INCOME

MEUR	Q2 2022	Q2 2021	6M 2022	6M 2021	2021
Net earnings	269.8	237.3	454.2	438.6	810.0
Other comprehensive income					
Items that will not be reclassified to income statement					
Remeasurement of pensions	-0.3	20.7	-0.4	44.6	43.7
Taxes on items that will not be reclassified to income statement	0.1	-2.1	0.1	-4.5	-5.3
Total items that will not be reclassified to income statement, net of taxes	-0.2	18.6	-0.3	40.1	38.4
Items that may be reclassified subsequently to income statement					
Exchange rate differences	574.0	-51.0	771.3	208.3	503.5
Taxes on items that may be reclassified subsequently to income statement	-30.7	4.8	-36.6	-5.6	-14.1
Total items that may be reclassified subsequently to income statement, net of taxes	543.3	-46.2	734.7	202.7	489.4
Other comprehensive income, net of taxes	543.1	-27.6	734.4	242.8	527.8
Total comprehensive income for the period	812.9	209.7	1,188.6	681.4	1,337.8
Attributable to:					
Parent company shareholders	809.4	207.6	1,181.9	677.1	1,326.8
Non-controlling interest	3.5	2.1	6.7	4.3	11.0

CONDENSED BALANCE SHEET

MEUR	30/6 2022	30/6 2021	31/12 2021
Intangible fixed assets	12,984.9	8,173.0	10,909.4
Tangible fixed assets	579.7	504.7	536.7
Right-of-use assets	213.7	209.9	201.7
Financial fixed assets	67.8	66.2	69.6
Deferred tax assets	114.6	95.4	105.9
Total fixed assets	13,960.7	9,049.2	11,823.3
Inventories	543.0	408.1	443.5
Accounts receivables	1,178.2	896.1	1,090.8
Other receivables	99.1	143.6	114.8
Prepaid expenses and accrued income	181.3	141.8	150.5
Total current receivables	1,458.6	1,181.5	1,356.1
Cash and cash equivalents	472.8	412.7	472.1
Total current assets	2,474.4	2,002.3	2,271.7
Total assets	16,435.1	11,051.5	14,095.0
Equity attributable to parent company shareholders	9,599.2	6,365.5	8,732.1
Equity attributable to non-controlling interest	38.7	14.1	32.6
Total shareholders' equity	9,637.9	6,379.6	8,764.7
Interest bearing liabilities	3,501.9	1,750.0	2,143.0
Lease liabilities	158.8	156.8	149.9
Other liabilities	114.2	50.5	116.0
Pension liabilities	76.0	72.3	75.0
Deferred tax liabilities	585.3	469.2	478.0
Other provisions	18.6	15.4	13.9
Total long-term liabilities	4,454.8	2,514.2	2,975.8
Interest bearing liabilities	343.3	523.8	582.3
Lease liabilities	66.7	63.0	62.7
Accounts payable	292.3	231.9	263.2
Other liabilities	340.8	367.9	307.1
Other provisions	105.8	33.3	54.8
Deferred income	771.4	568.9	655.1
Accrued expenses	422.1	368.9	429.3
Total short-term liabilities	2,342.4	2,157.7	2,354.5
Total equity and liabilities	16,435.1	11,051.5	14,095.0

FINANCIAL INSTRUMENTS

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

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

CONDENSED STATEMENT OF CHANGES IN EQUITY

MEUR	Q2 2022	Q2 2021	2021
Opening shareholders' equity	8,764.7	5,949.2	5,949.2
Total comprehensive income for the period¹⁾	1,188.6	681.4	1,337.8
Issue in kind	-	-	1,751.4
Acquisition of treasury shares	-35.9	-14.8	-62.2
Dividend	-295.8	-243.3	-244.2
Acquisition of non-controlling interest	-	-	12.7
Share based programme (LTIP)	16.3	7.1	20.0
Closing shareholders' equity²⁾	9,637.9	6,379.6	8,764.7
1) Of which: Parent company shareholders	1,181.9	677.1	1,326.8
Non-controlling interest	6.7	4.3	11.0
2) Of which: Parent company shareholders	9,599.2	6,365.5	8,732.1
Non-controlling interest	38.7	14.1	32.6

NUMBER OF SHARES

	series A	series B	Total
2014-12-31 Total issued and outstanding	15,750,000	341,639,213	357,389,213
New issue, warrants exercised	-	2,947,929	2,947,929
2015-12-31 Total issued and outstanding	15,750,000	344,587,142	360,337,142
New issue, warrants exercised	-	106,000	106,000
2016-12-31 Total issued and outstanding	15,750,000	344,693,142	360,443,142
New issue, warrants exercised	-	-	-
2017-12-31 Total issued and outstanding	15,750,000	344,693,142	360,443,142
New issue, warrants exercised	-	2,481,550	2,481,550
2018-12-31 Total issued and outstanding	15,750,000	347,174,692	362,924,692
New issue, warrants exercised	-	4,614,610	4,614,610
2019-12-31 Total issued and outstanding	15,750,000	351,789,302	367,539,302
New issue, warrants exercised	-	11,500	11,500
Repurchase of treasury shares	-	-646,000	-646,000
2020-12-31 Total outstanding	15,750,000	351,154,802	366,904,802
Repurchase of treasury shares	-	-204,000	-204,000
2021-03-31 Total outstanding	15,750,000	350,950,802	366,700,802
Split 7:1 outstanding shares	94,500,000	2,105,704,812	2,200,204,812
2021-06-30 Total outstanding	110,250,000	2,456,655,614	2,566,905,614
Repurchase of treasury shares	-	-1,400,000	-1,400,000
2021-09-30 Total outstanding	110,250,000	2,455,255,614	2,565,505,614
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
Total amount of treasury shares	-	12,550,000	12,550,000
2022-06-30 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.

CONDENSED CASH FLOW STATEMENT

MEUR	Q2 2022	Q2 2021	6M 2022	6M 2021	2021
Cash flow from operations before change in working capital excluding taxes and interest	450.4	398.7	859.7	753.6	1,590.9
Taxes paid	-94.0	-52.1	-122.5	-102.9	-189.4
Interest received and paid, net	-6.4	-7.7	-11.1	-13.1	-28.7
Cash flow from operations before change in working capital	350.0	338.9	726.1	637.6	1,372.8
Cash flow from change in working capital	8.5	40.3	-75.8	60.4	-21.4
Cash flow from operations	358.5	379.2	650.3	698.0	1,351.4
Investments tangible assets, net	-28.9	-21.6	-60.3	-48.4	-107.2
Investments intangible assets	-97.0	-77.6	-186.1	-149.0	-312.2
Operating cash flow before non-recurring items	232.6	280.0	403.9	500.6	932.0
Non-recurring cash flow ¹⁾	-4.5	-4.6	-11.5	-13.3	-27.8
Operating cash flow	228.1	275.4	392.4	487.3	904.2
Cash flow from acquisitions and divestments	-1,124.3	-9.6	-1,152.6	-34.2	-748.1
Cash flow from other investing activities	1.6	-0.4	2.0	4.6	1.4
Cash flow after other investing activities	-894.6	265.4	-758.2	457.7	157.5
Dividends paid	-295.8	-243.3	-295.8	-243.3	-244.2
Repurchase of Treasury shares	-25.7	-	-35.9	-14.8	-62.2
Cash flow from other financing activities	991.4	-56.9	1,082.4	-199.1	219.9
Cash flow for the period	-224.7	-34.8	-7.5	0.5	71.0
Cash and cash equivalents, beginning of period	698.2	444.4	472.1	397.4	397.4
Effect of translation differences on cash and cash equivalents	-0.7	3.1	8.2	14.8	3.7
Cash flow for the period	-224.7	-34.8	-7.5	0.5	71.0
Cash and cash equivalents, end of period	472.8	412.7	472.8	412.7	472.1

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

KEY RATIOS

MEUR	Q2 2022	Q2 2021	6M 2022	6M 2021	2021
Adjusted operating margin, % ²⁾	29.4	29.2	29.1	28.5	29.2
Profit margin before taxes, %	25.7	26.9	22.9	26.0	22.7
Return on shareholders' equity, 12-month average, %	9.8	13.4	9.8	13.4	11.6
Return on capital employed, 12-month average, % ²⁾	12.5	13.1	12.5	13.1	13.5
Equity ratio, %	58.6	57.7	58.6	57.7	62.2
Net indebtedness	0.36	0.31	0.36	0.31	0.27
Interest coverage ratio	40.2	35.9	37.3	33.2	32.4
Average number of shares, thousands ¹⁾	2,694,555	2,566,906	2,695,133	2,567,302	2,599,293
Basic earnings per share excl. adjustments, Euro cent ¹⁾²⁾	11.2	9.8	21.2	18.1	38.8
Basic earnings per share, Euro cent ¹⁾	9.9	9.2	16.6	16.9	30.8
Cash flow per share, Euro cent ¹⁾	13.3	14.8	24.1	27.2	52.0
Cash flow per share before change in working cap, Euro cent ¹⁾	13.0	13.2	26.9	24.8	52.8
Share price, SEK	106.25	126.80	106.25	126.80	143.65
Share price, translated to EUR	9.90	12.54	9.90	12.54	14.02

¹⁾All comparatives to per share data have been adjusted to reflect the split 7:1 during Q2 2021.

²⁾Historical numbers have been restated with the new definition of adjustments.

SUPPLEMENTARY INFORMATION

NET SALES PER SEGMENT

MEUR	Q2 2022*	Q1 2022*	2022*	Q4 2021*	Q3 2021	Q2 2021	Q1 2021	2021*
Geospatial Enterprise Solutions	650.4	582.7	1,233.1	586.5	551.9	560.4	502.6	2,201.4
Industrial Enterprise Solutions	638.3	580.7	1,219.0	630.2	525.3	515.2	475.3	2,146.0
Group	1,288.7	1,163.4	2,452.1	1,216.7	1,077.2	1,075.6	977.9	4,347.4

ADJUSTED OPERATING EARNINGS (EBIT1) PER SEGMENT

MEUR	Q2 2022	Q1 2022	2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	2021
Geospatial Enterprise Solutions	205.6	175.6	381.2	182.0	172.6	181.3	148.8	684.7
Industrial Enterprise Solutions	177.9	165.7	343.6	200.9	142.6	138.5	127.1	609.1
Group costs	-5.0	-6.2	-11.2	-9.8	-4.6	-5.2	-4.6	-24.2
Group	378.5	335.1	713.6	373.1	310.6	314.6	271.3	1,269.6
Adjusted operating margin, %	29.4	28.8	29.1	30.7	28.8	29.2	27.7	29.2

AMORTISATION SURPLUS VALUES (PPA) PER SEGMENT

MEUR	Q2 2022	Q1 2022	2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	2021
Geospatial Enterprise Solutions	-5.5	-5.4	-10.9	-5.0	-5.1	-4.9	-5.0	-20.0
Industrial Enterprise Solutions	-23.1	-17.1	-40.2	-16.4	-8.7	-8.6	-8.4	-42.1
Group costs	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	-0.1
Group	-28.6	-22.5	-51.1	-21.5	-13.8	-13.5	-13.4	-62.2

NET SALES BY REGION

MEUR	Q2 2022*	Q1 2022*	2022*	Q4 2021*	Q3 2021	Q2 2021	Q1 2021	2021*
EMEA	433.2	409.7	842.9	448.0	383.7	399.6	370.9	1,602.2
Americas	494.8	427.0	921.8	440.3	379.2	360.7	327.2	1,507.4
Asia	360.7	326.7	687.4	328.4	314.3	315.3	279.8	1,237.8
Group	1,288.7	1,163.4	2,452.1	1,216.7	1,077.2	1,075.6	977.9	4,347.4

EXCHANGE RATES

Average	Q2 2022	Q1 2022	2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	2021
SEK/EUR	0.0955	0.0954	0.0954	0.0988	0.0981	0.0986	0.0988	0.0986
USD/EUR	0.9389	0.8914	0.9148	0.8744	0.8483	0.8293	0.8302	0.8459
CNY/EUR	0.1421	0.1405	0.1412	0.1368	0.1311	0.1284	0.1281	0.1312
CHF/EUR	0.9732	0.9648	0.9688	0.9481	0.9238	0.9109	0.9165	0.9250
Closing	Q2 2022	Q1 2022	2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	2021
SEK/EUR	0.0932	0.0967	0.0932	0.0976	0.0983	0.0989	0.0977	0.0976
USD/EUR	0.9627	0.9008	0.9627	0.8829	0.8636	0.8415	0.8529	0.8829
CNY/EUR	0.1436	0.1420	0.1436	0.1390	0.1336	0.1303	0.1302	0.1390
CHF/EUR	1.0040	0.9740	1.0040	0.9680	0.9234	0.9107	0.9033	0.9680

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

ACQUISITIONS

MEUR	ETQ	Other	6M 2022	6M 2021
Fair value of acquired assets and assumed liabilities				
Intangible fixed assets	258.4	18.4	276.8	14.7
Other fixed assets	1.8	4.9	6.7	1.9
Total fixed assets	260.2	23.3	283.5	16.6
Total current assets	26.3	12.1	38.4	15.4
Total assets	286.5	35.4	321.9	32.0
Total long-term liabilities	-59.0	-9.6	-68.6	-5.6
Total current liabilities	-32.4	-12.1	-44.5	-4.2
Total liabilities	-91.4	-21.7	-113.1	-9.8
Fair value of acquired assets and assumed liabilities, net	195.1	13.7	208.8	22.2
Goodwill	889.3	118.8	1,008.1	15.5
Total purchase consideration transferred	1,084.4	132.5	1,216.9	37.7
Less cash and cash equivalents in acquired companies	-16.1	-3.4	-19.5	-3.5
Adjustment for non-paid consideration and considerations paid for prior years' acquisitions	-	-44.8	-44.8	0.3
Cash flow from acquisition of companies/businesses	1,068.3	84.3	1,152.6	34.5

During the first six months of the year 2022, Hexagon acquired the following companies:

- Minnovare, a leading provider of drilling technology
- PDSA Company LTD, a Hexagon Leica Geosystems distributor
- ETQ, a leading provider of SaaS-based quality management software
- Innovatia Accelerator Inc., a developer of SaaS-based digitalisation solutions in the Operations & Maintenance segment
- Vero Solutions, a distributor of Hexagon's VISI CAD CAM software
- TST Tooling Software Technology LL, a distributor of Hexagon's VISI CAD CAM software

Aside from ETQ, 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 181.9 MEUR (122.4) as of 30 June, whereof the fair value adjustment in 2022 amounted to 0.6 MEUR (11.2). In connection with the valuation of contingent considerations the assets acquired and liabilities assumed in the purchase price allocation are reviewed. Any indication of impairment due to the revaluation of contingent considerations is considered and adjustments are made to off-set the impact from revaluation.

ACQUISITION OF ETQ

In April 2022, Hexagon acquired ETQ, a leading provider of SaaS-based QMS (quality management system), EHS (environment, health and safety) and compliance management software.

Background and reasons for the transaction

ETQ's SaaS QMS solution provides the data backbone for automating the collection and delivery of manufacturing quality control data, non-conformance reports, customer feedback and more. It provides an enterprise view of quality management across the entire product lifecycle. ETQ's broad portfolio of best-in-class applications comes with out-of-the-box functionality and no-code configurability, enabling customers to tailor the solution to their unique needs and optimise critical business processes to achieve their quality, safety and environmental goals. Given the strong fit across Hexagon's manufacturing and process industries and the significant scope for geographical expansion, the transaction is expected to generate sales synergies of over 40 MUSD, with very strong incremental margins, by 2026.

From the date of acquisition, ETQ has contributed 15.7 MEUR of net sales in 2022. If the acquisition had taken place at the beginning of the year, the contribution to net sales would have been 30.3 MEUR. The contribution to the group operating margin has been accretive.

RESTATED OPERATING EARNINGS

MEUR	<i>Restated</i>	<i>As reported</i>	<i>Restated</i>	<i>As reported</i>	<i>Restated</i>	<i>As reported</i>	<i>Restated</i>	<i>As reported</i>
	Q3 2021	Q3 2021	Q2 2021	Q2 2021	Q1 2021	Q1 2021	Q1 2021	9M 2021
Net sales	1,077.2	1,077.2	1,075.6	1,075.6	977.9	977.9	3,130.7	3,130.7
Adjusted gross earnings	692.9	692.9	692.8	692.8	629.6	629.6	2,015.3	2,015.3
Adjusted gross margin, %	64.3	64.3	64.4	64.4	64.4	64.4	64.4	64.4
Adjusted operating earnings (EBITDA)	413.4	413.4	402.8	402.8	366.7	366.7	1,182.9	1,182.9
Adjusted EBITDA margin, %	38.4	38.4	37.4	37.4	37.5	37.5	37.8	37.8
Adjusted operating earnings (EBIT1)	310.6	296.8	314.6	301.1	271.3	257.9	896.5	855.8
Adjusted operating margin, %	28.8	27.6	29.2	28.0	27.7	26.4	28.6	27.3
Earnings before taxes, excluding adjustments	304.3	290.5	307.8	294.3	263.7	250.3	875.8	835.1
-Amortisation surplus values (PPA)	-13.8	-	-13.5	-	-13.4	-	-40.7	-
-Share programme (LTIP)	-9.4	-9.4	-4.9	-4.9	-4.8	-4.8	-19.1	-19.1
-Other non-recurring items	-	-	-	-	-	-	-	-
Total adjustments (before taxes)	-23.2	-9.4	-18.4	-4.9	-18.2	-4.8	-59.8	-19.1
Earnings before taxes	281.1	281.1	289.4	289.4	245.5	245.5	816.0	816.0
Net earnings	230.6	230.6	237.3	237.3	201.3	201.3	669.2	669.2
Net earnings, excl. adjustments	249.6	238.3	252.5	241.4	216.2	205.2	718.3	684.9
Earnings per share, Euro cent	8.9	8.9	9.2	9.2	7.8	7.8	25.9	25.9
Earnings per share, excl. adjustments, Euro cent	9.6	9.2	9.8	9.3	8.4	7.9	27.8	26.4

MEUR	<i>Restated</i>	<i>As reported</i>	<i>Restated</i>	<i>As reported</i>	<i>Restated</i>	<i>As reported</i>	<i>Restated</i>	<i>As reported</i>	<i>Restated</i>	<i>As reported</i>
	Q4 2020	Q4 2020	Q3 2020	Q3 2020	Q2 2020	Q2 2020	Q1 2020	Q1 2020	2020	2020
Operating net sales	1,044.1	1,044.1	939.9	939.9	896.6	896.6	889.9	889.9	3,770.5	3,770.5
Revenue adjustment	-6.1	-6.1	-	-	-	-	-	-	-6.1	-6.1
Net sales	1,038.0	1,038.0	939.9	939.9	896.6	896.6	889.9	889.9	3,764.4	3,764.4
Adjusted gross earnings	652.3	652.3	599.7	599.7	550.7	550.7	571.6	571.6	2,374.3	2,374.3
Adjusted gross margin, %	62.5	62.5	63.8	63.8	61.4	61.4	64.2	64.2	63.0	63.0
Adjusted operating earnings (EBITDA)	414.6	414.6	347.2	347.2	362.6	362.6	287.2	287.2	1,411.6	1,411.6
Adjusted EBITDA margin, %	39.7	39.7	36.9	36.9	40.4	40.4	32.3	32.3	37.4	37.4
Adjusted operating earnings (EBIT1)	299.7	287.2	263.2	250.1	240.0	226.5	206.6	192.4	1,009.5	956.2
Adjusted operating margin, %	28.7	27.5	28.0	26.6	26.8	25.3	23.2	21.6	26.8	25.4
Earnings before taxes, excluding adjustments	292.4	279.9	255.3	242.2	233.6	220.1	200.8	186.6	982.1	928.8
-Amortisation surplus values (PPA)	-12.5	-	-13.1	-	-13.5	-	-14.2	-	-53.3	-
-Other non-recurring items	-34.2	-34.2	-	-	-135.0	-135.0	-	-	-169.2	-169.2
Total adjustments (before taxes)	-46.7	-34.2	-13.1	-	-148.5	-135.0	-14.2	-	-222.5	-169.2
Earnings before taxes	245.7	245.7	242.2	242.2	85.1	85.1	186.6	186.6	759.6	759.6
Net earnings	202.5	202.5	198.6	198.6	70.6	70.6	153.0	153.0	624.7	624.7
Net earnings, excl. adjustments	239.8	229.5	209.3	198.6	191.6	180.5	164.6	153.0	805.3	761.6
Earnings per share, Euro cent	7.8	7.8	7.6	7.6	2.7	2.7	5.9	5.9	24.0	24.0
Earnings per share, excl. adjustments, Euro cent	9.2	8.8	8.1	7.6	7.4	6.9	6.4	5.9	31.1	29.3

CONDENSED PARENT COMPANY INCOME STATEMENT

MEUR	Q2 2022	Q2 2021	6M 2022	6M 2021	2021
Net sales	4.3	2.5	8.5	7.6	15.4
Administration expenses	-6.5	-5.7	-15.0	-11.3	-29.0
Operating earnings	-2.2	-3.2	-6.5	-3.7	-13.6
Earnings from shares in Group companies	61.7	0.6	202.5	0.6	0.6
Interest income and expenses, net	79.2	-3.9	81.2	-1.4	-8.7
Appropriations	-	-	-	-	7.3
Earnings before taxes	138.7	-6.5	277.2	-4.5	-14.4
Taxes	-16.0	1.3	-15.7	1.0	2.9
Net earnings	122.7	-5.2	261.5	-3.5	-11.5

CONDENSED PARENT COMPANY BALANCE SHEET

MEUR	30/6 2022	30/6 2021	31/12 2021
Total fixed assets	12,414.3	9,007.9	11,252.5
Total current receivables	1,485.6	1,792.3	1,738.7
Cash and cash equivalents	18.5	41.1	93.0
Total current assets	1,504.1	1,833.4	1,831.7
Total assets	13,918.4	10,841.3	13,084.2
Total shareholders' equity	6,577.4	4,951.6	6,647.6
Untaxed reserves	-	7.5	-
Total long-term liabilities	3,353.1	1,750.8	1,993.9
Total short-term liabilities	3,987.9	4,131.4	4,442.7
Total equity and liabilities	13,918.4	10,841.3	13,084.2

DEFINITIONS

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

BUSINESS DEFINITIONS

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

FINANCIAL DEFINITIONS

Amortisation of surplus values	When a company is acquired, the purchase consideration is allocated to the identified assets and liabilities of the company. Intangible assets are most often allocated the substantial part of the purchase consideration. The amortisation of surplus values is defined as the difference between the amortisation of such identified intangible assets and what the amortisation would have been in the acquired company had the acquisition not taken place at all
Adjusted gross earnings	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
Return on capital employed (12-month average)	Twelve months to end of period earnings after financial items, excluding adjustments, plus financial expenses as a percentage of twelve months to end of period average capital employed. The twelve months average capital employed is based on average quarterly capital employed
Return on shareholders' equity (12-month average)	Twelve months to end of period net earnings excluding non-controlling interests as a percentage of twelve months to end of period average shareholders' equity excluding non-controlling interests last twelve months. The twelve months average shareholders' equity is based on quarterly average shareholders' equity
Shareholders' equity per share	Shareholders' equity excluding non-controlling interests divided by the number of shares at year-end
Share price	Last settled transaction on Nasdaq Stockholm on the last business day for the period



Hexagon is a global leader in digital reality solutions, combining sensor, software and autonomous technologies. We are putting data to work to boost efficiency, productivity, quality and safety across industrial, manufacturing, infrastructure, public sector, and mobility applications. Our technologies are shaping urban and production ecosystems to become increasingly connected and autonomous – ensuring a scalable, sustainable future. Hexagon (Nasdaq Stockholm: HEXA B) has approximately 22,000 employees in 50 countries and net sales of approximately 4.3bn EUR. Learn more at [hexagon.com](https://www.hexagon.com) and follow us [@HexagonAB](https://twitter.com/HexagonAB).

FINANCIAL REPORT DATES

Hexagon gives financial information at the following occasions:

Interim Report Q3 2022	27 October 2022
Year-End Report 2022	1 February 2023

FINANCIAL INFORMATION

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

TELEPHONE CONFERENCE

The Interim Report for the second quarter 2022 will be presented on 27 July at 10:00 CET at a telephone conference.

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

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This is information that Hexagon AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CET on 27 July 2022.

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

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