

INTERIM REPORT

1 JANUARY - 31 MARCH 2022
FIRST QUARTER

- Operating net sales increased by 19 per cent to 1,163.4 MEUR (977.9). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 10 per cent
- Adjusted operating earnings (EBIT1) increased by 24 per cent to 335.1 MEUR (271.3)
- Earnings before taxes, excluding adjustments, amounted to 329.3 MEUR (263.7)
- Net earnings, excluding adjustments, amounted to 270.0 MEUR (216.2)
- Earnings per share, excluding adjustments, amounted to 9.9 Euro cent (8.4)
- Operating cash flow decreased to 164.3 MEUR (211.9)

MEUR	Q1 2022	Q1 2021	Δ%
Operating net sales ²⁾	1,163.4	977.9	10 ¹⁾
Revenue adjustment ³⁾	-3.7	-	n.a.
Net sales	1,159.7	977.9	10 ¹⁾
Adjusted gross earnings ²⁾	757.5	629.6	20
Adjusted gross margin, % ²⁾	65.1	64.4	0.7
Adjusted operating earnings (EBITDA) ²⁾	416.2	366.7	13
Adjusted EBITDA margin, % ²⁾	35.8	37.5	-1.7
Adjusted operating earnings (EBIT1) ²⁾	335.1	271.3	24
Adjusted operating margin, %	28.8	27.7	1.1
Earnings before taxes, excluding adjustments	329.3	263.7	25
Adjustments (before taxes) ³⁾	-99.2	-18.2	n.a.
Earnings before taxes	230.1	245.5	-6
Net earnings	184.4	201.3	-8
Net earnings, excl. adjustments	270.0	216.2	25
Earnings per share, Euro cent	6.7	7.8	-14
Earnings per share, excl. adjustments, Euro cent	9.9	8.4	18

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

²⁾For definition, see page 18.

³⁾See more information on page 2.

COMMENTS FROM THE CEO

“Hexagon delivered yet another record quarter, recording 19 per cent sales growth of which 10 per cent was organic, a gross margin of 65 per cent and an operating margin of 29 per cent. All divisions improved their results. The supply situation for critical electronic components remained strained and had an adverse impact on organic sales growth of approximately -6 per cent in the quarter, which also impacted profitability and cash flow. Hexagon also decided to freeze its operations in Russia which reduced organic growth by approximately -1 per cent organic growth in the quarter. Russia previously represented around 2 per cent of Hexagons sales annually.

Cash flow before working capital changes was strong, but substantial working capital investments were needed to safeguard our delivery capacity.

Looking into the global macro environment, we are following the main themes closely: labor market, inflation, and overall demand. Despite political and Covid-19 related challenges across parts of the world our growth is a testament to the very strong demand situation that prevails in the global economy.”

– Ola Rollén, President and CEO, Hexagon AB

10%

**ORGANIC
GROWTH**

29%

**ADJUSTED OPERATING
MARGIN**

61%

**CASH
CONVERSION**

GROUP BUSINESS DEVELOPMENT Q1

NET SALES

Operating net sales increased by 19 per cent to 1,163.4 MEUR (977.9). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 10 per cent. Regionally, organic growth was 13 per cent in the Americas, 9 per cent in Asia and 8 per cent in EMEA. In the Americas, North America recorded 12 per cent organic growth, fuelled by a recovery in aerospace, automotive, general manufacturing and power and energy. Surveying, infrastructure, construction and reality-capture solutions maintained solid growth in the quarter. South America continued to record high double-digit growth driven by strong growth in mining, agriculture and power and energy. In Asia, China recorded 11 per cent organic growth, driven by strong growth in general manufacturing and aerospace, but hampered by availability issues in infrastructure and construction and challenging oil and gas markets. India recorded strong double-digit growth, Japan recorded high single-digit growth, whereas South Korea declined in the quarter. In EMEA, Western Europe recorded 10 per cent organic growth, mainly driven by recovery in aerospace, and continued strong demand for automotive, surveying, infrastructure, construction and reality-capture solutions. Russia declined by -32 per cent, reflecting the impact from the sanctions imposed by the European Union and the U.S. as well as actions taken to freeze the business operations in Russia in March. Africa and the Middle East recorded solid growth.

EARNINGS

Adjusted operating earnings (EBIT1) increased by 24 per cent to 335.1 MEUR (271.3), which corresponds to an adjusted operating margin of 28.8 per cent (27.7). The adjusted operating margin (EBIT1) was positively impacted by volume growth and a richer product mix. Adjusted operating earnings (EBIT1) were positively impacted by currency translation effects of 12.6 MEUR and positively impacted by currency transaction effects of 2.0 MEUR. Earnings before taxes, excluding adjustments, amounted to 329.3 MEUR (263.7) and were positively impacted by currency translation effects of 11.3 MEUR.

ADJUSTMENTS

The adjustments for the quarter consist of share-based program expenses (LTIP) 9.3 MEUR (4.8), amortisation of surplus values (PPA) 22.5 MEUR (13.4), acquired deferred revenue 3.7 MEUR (-) and previously announced non-recurring items of 63.7 MEUR (-) related to freezing business operations in Russia following the invasion of Ukraine and transaction and integration costs associated with the acquisition of ETQ.

FINANCIAL SUMMARY - FIRST QUARTER

MEUR	Net sales			Earnings		
	Q1 2022	Q1 2021	Δ% ¹⁾	Q1 2022	Q1 2021	Δ%
Geospatial Enterprise Solutions	582.7	502.6	10	175.6	148.8	18
Industrial Enterprise Solutions	580.7	475.3	10	165.7	127.1	30
Operating net sales	1,163.4	977.9	10			
Revenue adjustment	-3.7	-	n.a.			
Net sales	1,159.7	977.9	10			
Group cost				-6.2	-4.6	-35
Adjusted operating earnings (EBIT1)				335.1	271.3	24
Adjusted operating margin, %				28.8	27.7	1.1
Interest income and expenses, net				-5.8	-7.6	24
Earnings before adjustments				329.3	263.7	25
Adjustments				-99.2	-18.2	n.a.
Earnings before taxes				230.1	245.5	-6
Taxes				-45.7	-44.2	-3
Net earnings				184.4	201.3	-8

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

CURRENCY TRANSLATION IMPACT COMPARED TO EUR - FIRST QUARTER

	Movement ¹⁾		Income less cost	Earnings impact
CHF	Strengthened	5%	Negative	Negative
USD	Strengthened	7%	Positive	Positive
CNY	Strengthened	10%	Positive	Positive
EBIT1, MEUR				12.6

¹⁾Compared to Q1 2021

SALES BRIDGE - FIRST QUARTER

	Operating net sales ¹⁾
2021, MEUR	977.9
Structure, %	5
Currency, %	4
Organic growth, %	10
Total, %	19
2022, MEUR	1,163.4

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	Q1 2022	
North America (33% of sales)	↗	
Western Europe (28% of sales)	↗	
China (15% of sales)	↗	
South America (4% of sales)	↗	>8% ↗
Asia excl. China (13% of sales)	→	0-8% →
EMEA excl. Western Europe (7% of sales)	→	Negative ↘
Total	↗	

GEOSPATIAL ENTERPRISE SOLUTIONS – Q1 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. This segment consists of Geosystems, Safety, Infrastructure & Geospatial and Autonomy & Positioning.

NET SALES

Geospatial Enterprise Solutions (GES) operating net sales amounted to 582.7 MEUR (502.6). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 10 per cent. Regionally, organic growth was 16 per cent in the Americas, 6 per cent in EMEA and 5 per cent in Asia. In the Americas, North America recorded 15 per cent organic growth, driven by strong growth in surveying, reality capture solutions, infrastructure and construction. South America recorded strong double-digit organic growth, positively impacted by growth in mining and agriculture. In EMEA, Western Europe recorded 7 per cent organic growth, fuelled by solid demand for surveying, infrastructure, construction and reality capture solutions. Russia declined substantially, reflecting the impact from the sanctions imposed by the European Union and the U.S. as well as actions taken to freeze the business operations in Russia in March. Africa recorded single-digit growth and the Middle East recorded high double-digit growth. In Asia, China recorded 2 per cent organic growth, reflecting continued component availability challenges and a very tough comparison from last year's strong recovery. The rest of Asia recorded high single-digit growth, with South Korea and India growing at double-digit rate.

Geosystems recorded 10 per cent organic growth, driven by continued strong, broad-based demand across all industries but hampered by supply constraints of components. The Safety, Infrastructure & Geospatial division recorded 4 per cent organic growth, fuelled by strong growth in infrastructure and construction markets, but hampered by delayed US defence orders. The Autonomy & Positioning division recorded 21 per cent organic growth, fuelled by strong growth in agriculture and a recovery in aerospace markets.

EARNINGS

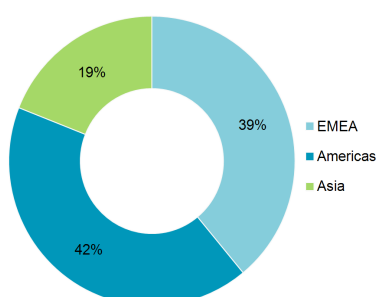
Adjusted operating earnings (EBIT1) increased by 18 per cent to 175.6 MEUR (148.8), which corresponds to an adjusted operating margin of 30.1 per cent (29.6). The adjusted operating margin (EBIT1) was positively impacted by volume growth but negatively impacted by product mix due to component shortages.

NET SALES, EARNINGS AND NUMBER OF EMPLOYEES

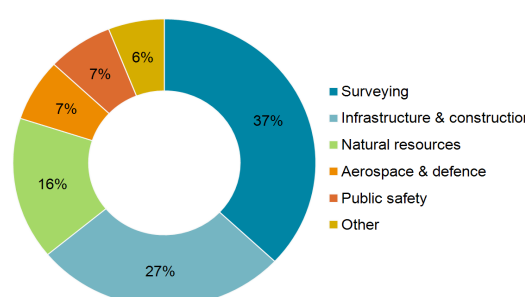
MEUR	Q1 2022	Q1 2021	Δ%
Operating net sales	582.7	502.6	10 ¹⁾
Adjusted operating earnings (EBIT1)	175.6	148.8	18
Adjusted operating margin, %	30.1	29.6	0.5
Avg. number of employees	9,805	9,166	7

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

NET SALES PER REGION – FIRST QUARTER



NET SALES PER CUSTOMER SEGMENT - FIRST QUARTER



INDUSTRIAL ENTERPRISE SOLUTIONS – Q1 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. Industrial Enterprise Solutions consists of Manufacturing Intelligence and PPM.

NET SALES

Industrial Enterprise Solutions (IES) operating net sales amounted to 580.7 MEUR (475.3). Using fixed exchange rates and a comparable group structure (organic growth), net sales increased by 10 per cent. Regionally, organic growth was 12 per cent in Asia, 10 per cent in EMEA and 9 per cent in the Americas. In Asia, China recorded 14 per cent organic growth, fuelled by strong growth in aerospace, automotive and in the software portfolios but hampered by a challenging oil and gas market. The rest of Asia recorded solid growth due to strong demand for design and production software. In EMEA, Western Europe recorded 13 per cent organic growth, driven by a recovery in aerospace and strong demand in automotive, manufacturing, power and energy. Russia declined substantially, reflecting the impact from the sanctions imposed by the European Union and the U.S. as well as actions taken to freeze the business operations in Russia in March. Africa and the Middle East recorded double-digit growth. In the Americas, North America recorded 8 per cent organic growth, driven by a recovery in aerospace and solid demand in general manufacturing, automotive, power and energy segments. South America recorded strong double-digit growth, driven by continued growth in the power and energy segment.

Manufacturing Intelligence recorded 13 per cent organic growth, driven by strong, broad-based demand across key industries, regions, and for software solutions. The PPM division recorded 2 per cent organic growth, fuelled by growth in design and asset information management software, leading to a continued recovery in EMEA and Americas. Both divisions were negatively impacted by Russia.

EARNINGS

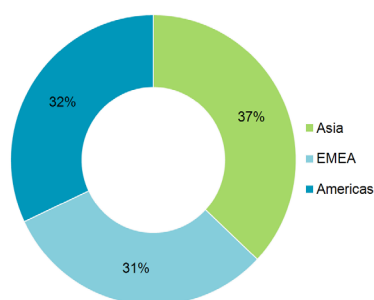
Adjusted operating earnings (EBIT1) increased by 30 per cent to 165.7 MEUR (127.1), which corresponds to an adjusted operating margin of 28.5 per cent (26.7). The adjusted operating margin (EBIT1) was positively impacted by volume growth and product mix.

NET SALES, EARNINGS AND NUMBER OF EMPLOYEES

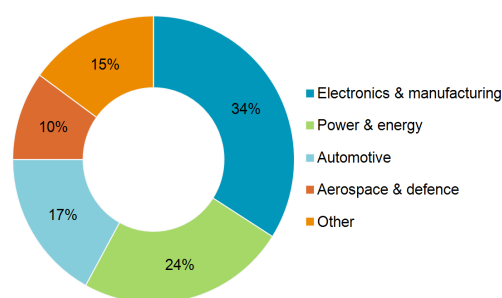
MEUR	Q1 2022	Q1 2021	Δ%
Operating net sales	580.7	475.3	10 ¹⁾
Adjusted operating earnings (EBIT1)	165.7	127.1	30
Adjusted operating margin, %	28.5	26.7	1.8
Avg. number of employees	12,325	11,642	6

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

NET SALES PER REGION – FIRST QUARTER



NET SALES PER CUSTOMER SEGMENT – FIRST QUARTER





Hexagon announced the acquisition of Minnovare, a leading provider of drilling technology that improves the speed, cost and accuracy of underground drilling. Minnovare specialises in eliminating the manual, labor intensive, and unproductive processes in underground mining that lead to blast-hole deviation, dilution and downtime. Its solution combines sensors, software and data analytics

GROUP SUMMARY

PROFITABILITY

Capital employed increased to 12,268.2 MEUR (9,030.6). Return on average capital employed for the last twelve months was 13.1 per cent (12.4). Return on average shareholders' equity for the last twelve months was 10.3 per cent (10.8). The capital turnover rate was 0.4 times (0.4).

FINANCIAL POSITION

Total shareholders' equity increased to 9,138.4 MEUR (6,410.6). The equity ratio was 62.2 per cent (57.8). Hexagon's total assets increased to 14,697.6 MEUR (11,091.3). The increase in total assets was driven primarily by acquisitions. Hexagon's main sources of financing consist of:

- 1) A multicurrency revolving credit facility (RCF) established 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 31 March 2022, cash and unutilised credit limits totalled 1,522.6 MEUR (1,961.6). Hexagon's net debt was 2,431.6 MEUR (2,175.6). The net indebtedness was 0.24 times (0.31). Interest coverage ratio was 33.9 times (30.6).

CASH FLOW

During the first quarter, cash flow from operations before changes in working capital amounted to 376.1 MEUR (298.7), corresponding to 14.0 Euro cent (11.6) per share. Cash flow from operations in the first quarter amounted to 291.8 MEUR (318.8), corresponding to 10.8 Euro cent (12.4) per share. Operating cash flow in the first quarter, including non-recurring items, amounted to 164.3 MEUR (211.9).

INVESTMENTS, DEPRECIATION, AMORTISATION AND IMPAIRMENT

Hexagon's net investments, excluding acquisitions and divestitures, amounted to -120.5 MEUR (-98.2) in the first quarter. Depreciation, amortisation and impairment amounted to -103.6 MEUR (-108.8) in the first quarter, whereof impairment charges amounted to 0.0 MEUR (-10.8).

TAX RATE

The Group's tax expense for the first quarter totalled -45.7 MEUR (-44.2). The reported tax rate was 19.9 per cent (18.0) for the quarter. The tax rate, excluding adjustments, was 18.0 per cent (18.0) for the quarter.

EMPLOYEES

The average number of employees during the first quarter was 22,250 (20,898). The number of employees at the end of the quarter was 22,572 (20,905).

SHARE DATA

Earnings per share, including adjustments, for the first quarter amounted to 6.7 Euro cent (7.8). Earnings per share, excluding adjustments, for the first quarter, amounted to 9.9 Euro cent (8.4).

On 31 March 2022, equity per share was 3.38 EUR (2.49) and the share price was 132.75 SEK (805.60).

Hexagon's share capital amounts to 85,761,450 EUR, represented by 2,695,277,888 outstanding shares, of which 110,250,000 are of series A with ten votes each and 2,585,027,888 are of series B with one vote each. Hexagon holds 10,200,000 treasury shares.

PARENT COMPANY

The parent company's earnings before taxes in the first quarter amounted to 138.5 MEUR (2.0). The equity was 6,776.2 MEUR (5,195.1). The equity ratio of the parent company was 51 per cent (48). Liquid funds including unutilised credit limits were 1,072.7 MEUR (1,515.6).



Hexagon announced a strategic partnership agreement with The Hydrogen Utility Pty Ltd (H2U), a leading Australian hydrogen infrastructure developer, to deliver best-in-class digital asset management solutions in support of the global green hydrogen revolution. The partnership also provides a strategic collaboration opportunity for R-evolution which will help accelerate global proliferation of the full breadth of Hexagon's hydrogen offerings.

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

On 1 April, Hexagon completed the acquisition of ETQ.

On 4 April, Hexagon announced the acquisition of Innovatia Accelerator Inc.

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

Stockholm, Sweden, 29 April 2022
Hexagon AB (publ)

Gun Nilsson
Chairman of the Board

Ola Rollén
President and CEO
Board Member

John Brandon
Board Member

Ulrika Francke
Board Member

Henrik Henriksson
Board Member

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	Q1 2022	Q1 2021	2021
Net sales	1,159.7	977.9	4,341.1
Cost of goods sold	-415.4	-348.7	-1,544.0
Gross earnings	744.3	629.2	2,797.1
Sales expenses	-226.9	-181.7	-797.4
Administration expenses	-100.7	-82.4	-357.4
Research and development expenses	-141.7	-120.6	-510.8
Capital gain (+) / loss (-) from sale of shares in Group companies	-	-	0.3
Other income and expenses, net	-39.1	8.6	-122.0
Operating earnings ¹⁾	235.9	253.1	1,009.8
Financial income	1.2	0.7	5.1
Financial expenses	-7.0	-8.3	-31.3
Earnings before taxes	230.1	245.5	983.6
Taxes	-45.7	-44.2	-173.6
Net earnings	184.4	201.3	810.0
Attributable to:			
Parent company shareholders	181.8	199.7	801.6
Non-controlling interest	2.6	1.6	8.4
¹⁾ of which adjustments	-99.2	-18.2	-259.8
Earnings include depreciation, amortisation and impairments of	-103.6	-108.8	-578.9
- of which amortisation of surplus values	-22.5	-13.4	-62.2
Basic earnings per share, Euro cent	6.7	7.8	30.8
Earnings per share after dilution, Euro cent	6.7	7.8	30.8
Total shareholder's equity per share, EUR	3.38	2.49	3.24
Closing number of shares, thousands	2,695,278	2,566,907	2,696,128
Average number of shares, thousands	2,695,712	2,567,698	2,599,293
Average number of shares after dilution, thousands	2,705,912	2,573,039	2,606,291

CONDENSED COMPREHENSIVE INCOME

MEUR	Q1 2022	Q1 2021	2021
Net earnings	184.4	201.3	810.0
Other comprehensive income			
Items that will not be reclassified to income statement			
Remeasurement of pensions	-0.1	23.9	43.7
Taxes on items that will not be reclassified to income statement	0.0	-2.4	-5.3
Total items that will not be reclassified to income statement, net of taxes	-0.1	21.5	38.4
Items that may be reclassified subsequently to income statement			
Exchange rate differences	197.3	259.3	503.5
Taxes on items that may be reclassified subsequently to income statement	-5.9	-10.4	-14.1
Total items that may be reclassified subsequently to income statement, net of taxes	191.4	248.9	489.4
Other comprehensive income, net of taxes	191.3	270.4	527.8
Total comprehensive income for the period	375.7	471.7	1,337.8
Attributable to:			
Parent company shareholders	372.5	469.5	1,326.8
Non-controlling interest	3.2	2.2	11.0

CONDENSED BALANCE SHEET

MEUR	31/3 2022	31/3 2021	31/12 2021
Intangible fixed assets	11,189.3	8,206.2	10,909.4
Tangible fixed assets	560.0	503.7	536.7
Right-of-use assets	198.7	196.9	201.7
Financial fixed assets	70.9	76.0	69.6
Deferred tax assets	112.6	106.2	105.9
Total fixed assets	12,131.5	9,089.0	11,823.3
Inventories	492.5	395.8	443.5
Accounts receivables	1,114.3	912.4	1,090.8
Other receivables	89.7	109.6	114.8
Prepaid expenses and accrued income	171.4	140.1	150.5
Total current receivables	1,375.4	1,162.1	1,356.1
Cash and cash equivalents	698.2	444.4	472.1
Total current assets	2,566.1	2,002.3	2,271.7
Total assets	14,697.6	11,091.3	14,095.0
Equity attributable to parent company shareholders	9,102.9	6,393.7	8,732.1
Equity attributable to non-controlling interest	35.5	16.9	32.6
Total shareholders' equity	9,138.4	6,410.6	8,764.7
Interest bearing liabilities	2,401.7	1,742.3	2,143.0
Lease liabilities	147.5	145.1	149.9
Other liabilities	123.6	68.1	116.0
Pension liabilities	75.8	103.1	75.0
Deferred tax liabilities	492.3	482.5	478.0
Other provisions	14.1	16.1	13.9
Total long-term liabilities	3,255.0	2,557.2	2,975.8
Interest bearing liabilities	442.1	568.5	582.3
Lease liabilities	62.7	61.0	62.7
Accounts payable	279.2	214.0	263.2
Other liabilities	323.3	324.5	307.1
Other provisions	110.0	38.4	54.8
Deferred income	729.1	591.5	655.1
Accrued expenses	357.8	325.6	429.3
Total short-term liabilities	2,304.2	2,123.5	2,354.5
Total equity and liabilities	14,697.6	11,091.3	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	Q1 2022	Q1 2021	2021
Opening shareholders' equity	8,764.7	5,949.2	5,949.2
Total comprehensive income for the period¹⁾	375.7	471.7	1,337.8
Issue in kind	-	-	1,751.4
Acquisition of treasury shares	-10.2	-14.8	-62.2
Dividend	-	-	-244.2
Acquisition of non-controlling interest	-	-	12.7
Share based programme (LTIP)	8.2	4.5	20.0
Closing shareholders' equity²⁾	9,138.4	6,410.6	8,764.7
1) Of which: Parent company shareholders	372.5	469.5	1,326.8
Non-controlling interest	3.2	2.2	11.0
2) Of which: Parent company shareholders	9,102.9	6,393.7	8,732.1
Non-controlling interest	35.5	16.9	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
Total amount of treasury shares	-	10,200,000	10,200,000
2022-03-31 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	Q1 2022	Q1 2021	2021
Cash flow from operations before change in working capital excluding taxes and interest	409.3	354.9	1,590.9
Taxes paid	-28.5	-50.8	-189.4
Interest received and paid, net	-4.7	-5.4	-28.7
Cash flow from operations before change in working capital	376.1	298.7	1,372.8
Cash flow from change in working capital	-84.3	20.1	-21.4
Cash flow from operations	291.8	318.8	1,351.4
Investments tangible assets, net	-31.4	-26.8	-107.2
Investments intangible assets	-89.1	-71.4	-312.2
Operating cash flow before non-recurring items	171.3	220.6	932.0
Non-recurring cash flow ¹⁾	-7.0	-8.7	-27.8
Operating cash flow	164.3	211.9	904.2
Cash flow from acquisitions and divestments	-28.3	-24.6	-748.1
Cash flow from other investing activities	0.4	5.0	1.4
Cash flow after other investing activities	136.4	192.3	157.5
Dividends paid	-	-	-244.2
Repurchase of Treasury shares	-10.2	-14.8	-62.2
Cash flow from other financing activities	91.0	-142.2	219.9
Cash flow for the period	217.2	35.3	71.0
Cash and cash equivalents, beginning of period	472.1	397.4	397.4
Effect of translation differences on cash and cash equivalents	8.9	11.7	3.7
Cash flow for the period	217.2	35.3	71.0
Cash and cash equivalents, end of period	698.2	444.4	472.1

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

KEY RATIOS

MEUR	Q1 2022	Q1 2021	2021
Adjusted operating margin, % ³⁾	28.8	27.7	29.2
Profit margin before taxes, %	19.8	25.1	22.7
Return on shareholders' equity, 12-month average, %	10.3	10.8	11.6
Return on capital employed, 12-month average, % ³⁾	13.1	12.4	13.5
Equity ratio, %	62.2	57.8	62.2
Net indebtedness	0.24	0.31	0.27
Interest coverage ratio	33.9	30.6	32.4
Average number of shares, thousands ¹⁾	2,695,712	2,567,698	2,599,293
Basic earnings per share excl. adjustments, Euro cent ¹⁾³⁾	9.9	8.4	38.8
Basic earnings per share, Euro cent ¹⁾	6.7	7.8	30.8
Cash flow per share, Euro cent ¹⁾	10.8	12.4	52.0
Cash flow per share before change in working cap, Euro cent ¹⁾	14.0	11.6	52.8
Share price, SEK ²⁾	132.75	805.60	143.65
Share price, translated to EUR ²⁾	12.84	78.68	14.02

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

²⁾The share price for Q4 2021 reflects the adjustment of the split 7:1. Historic data has not been restated.

³⁾Historical numbers have been restated with the new definition of adjustments.

SUPPLEMENTARY INFORMATION

NET SALES PER SEGMENT

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

ADJUSTED OPERATING EARNINGS (EBIT1) PER SEGMENT

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

AMORTISATION SURPLUS VALUES (PPA) PER SEGMENT

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

NET SALES BY REGION

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

EXCHANGE RATES

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

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

ACQUISITIONS

MEUR	Q1 2022	Q1 2021
Fair value of acquired assets and assumed liabilities		
Intangible fixed assets	5.8	10.6
Other fixed assets	4.8	1.8
Total fixed assets	10.6	12.4
Total current assets	3.1	14.8
Total assets	13.7	27.2
Total long-term liabilities	-7.5	-5.1
Total current liabilities	-2.4	-3.6
Total liabilities	-9.9	-8.7
Fair value of acquired assets and assumed liabilities, net	3.8	18.5
Goodwill	66.8	12.1
Total purchase consideration transferred	70.6	30.6
Less cash and cash equivalents in acquired companies	-0.2	-3.3
Adjustment for non-paid consideration and considerations paid for prior years' acquisitions	-42.1	-2.7
Cash flow from acquisition of companies/businesses	28.3	24.6

During the first quarter 2022, Hexagon acquired the following companies:

- Minnovare, a leading provider of drilling technology
- PDSA Company LTD, a Hexagon Leica Geosystems distributor

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 180.2 MEUR (121.9) as of 31 March, whereof the fair value adjustment in 2022 amounted to 0.1 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.

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

MEUR	Q1 2022	Q1 2021	2021
Net sales	4.2	5.1	15.4
Administration expenses	-8.5	-5.6	-29.0
Operating earnings	-4.3	-0.5	-13.6
Earnings from shares in Group companies	140.8	-	0.6
Interest income and expenses, net	2.0	2.5	-8.7
Appropriations	-	-	7.3
Earnings before taxes	138.5	2.0	-14.4
Taxes	0.3	-0.3	2.9
Net earnings	138.8	1.7	-11.5

CONDENSED PARENT COMPANY BALANCE SHEET

MEUR	31/3 2022	31/3 2021	31/12 2021
Total fixed assets	11,490.7	9,348.5	11,252.5
Total current receivables	1,421.2	1,395.7	1,738.7
Cash and cash equivalents	285.8	32.9	93.0
Total current assets	1,707.0	1,428.6	1,831.7
Total assets	13,197.7	10,777.1	13,084.2
Total shareholders' equity	6,776.2	5,195.1	6,647.6
Untaxed reserves	-	7.4	-
Total long-term liabilities	2,252.8	1,742.9	1,993.9
Total short-term liabilities	4,168.7	3,831.7	4,442.7
Total equity and liabilities	13,197.7	10,777.1	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 Q2 2022	27 July 2022
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 first quarter 2022 will be presented on 29 April at 14:00 CET at a telephone conference.

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

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This is information that Hexagon AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 13:00 CET on 29 April 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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