

Hexatronic Group AB (publ)

Interim report January – March 2022

Key ratio

	2022	2021	
MSEK	Q1	Q1	Δ %
Net sales	1 388.5	634.8	119%
EBITA	184.3	63.8	189%
EBITA-margin	13.3%	10.1%	
Operating result (EBIT)	170.9	56.9	200%
Net earnings	120.6	39.0	209%
Earnings per share after dilution, SEK	2.98	1.03	189%
Cash flow from operating activities	-53.2	-15.5	244%
Liquid assets	257.7	191.5	35%

Events during the quarter

- The profitability target was adjusted to at least 12 percent EBITA-margin over a business cycle. The previously set profitability target was at least 10 percent EBITA-margin on a rolling 12-month basis.
- The growth target was adjusted to annual growth rate of at least 20%, over a business cycle. The previously set growth target was to grow more than its market organically and with an annual growth rate of at least 20 percent.
- The board of Directors will propose a dividend of SEK 0.50 (0.50) per share for the financial year 2021 to the Annual General Meeting.

Events since the end of the quarter

- No significant events after the end of the quarter

COMMENTS FROM THE CEO

A very strong start to the year!

The year got off to a very strong start with sales growth of 119 percent compared with the same quarter last year, of which 73 percent was organic growth. Profitability (EBITA) increased 189 percent, equating to a margin of 13,3 percent, which exceeds our adjusted target of 12 percent by a good margin. The increase in profitability is primarily a result of strong development in the USA and the UK, as well as scale effects with most of our factories operating at high capacity.

The cost of raw materials and transport continues to increase, not least due to the unjust war in Ukraine. Work to pass on increased costs of raw materials to the customer is ongoing and the gross margin is still adversely affected by 1-2 percentage points in the quarter. We believe the negative effect will at least continue for the second quarter. We do not have any customers or suppliers in Russia or Ukraine.

Sales in Europe excluding Sweden continue to develop strongly, primarily driven by strong development in the UK and Germany. Sales in the region increased by 127 percent compared with the corresponding quarter last year. During the quarter we signed a new three-year agreement with CityFibre, whereby we will continue to be their biggest supplier. In Germany, the acquisition of REHAU's telecom business contributed strongly to the increase in sales.

Sales in our largest market, the USA, grew by 184 percent during the quarter, mainly within ducts and fiber optic systems. We do not expect the major federal funding of investment in both telecom infrastructure (USD 65 billion) and general infrastructure (USD 100 billion) to begin being distributed until the end of this year or early 2023.

The start-up of our factory in South Carolina is proceeding to plan, but with a two-month delay. The factory is expected to make a positive contribution from the fourth quarter of this year. Since the high demand in the American market is expected to remain, we will invest an additional MSEK 150 in more lines in the factory in South Carolina.

Sales in Sweden were strong and increased by 22 percent compared with the corresponding quarter last year. The FTTH and transport network markets both developed positively during the quarter.

The order book has continued to develop very positively. We ended the quarter with an order book that was 173 percent higher organically than at the same time in the previous year. The high order intake is well distributed across most of our companies, with those in the USA accounting for the largest increase.

With the strong order book and a continued highly positive view of the market's development, we will continue to invest in increased production capacity and market presence.

Welcome to join us on our growth journey.

Henrik Larsson Lyon
President and CEO
Hexatronic Group AB (publ)



Net sales and earnings

The Group's net sales for the first quarter increased 119 percent to MSEK 1,388.5 (634.8), as a result of organic and acquisition driven growth. The increase was 113 percent cleared for exchange-rate effects.

Analysis of change in net sales (MSEK)	Q1		Q1	
	2022	(%)	2021	(%)
Year-earlier quarter	634.8	-	437.3	-
Organic growth	466.1	73%	130.3	30%
Acquisitions and structural changes	250.6	39%	90.3	21%
Exchange-rate effects	36.9	6%	-23.1	-5%
Current quarter	1,388.5	119%	634.8	45%

The Group's net sales on its strategic growth markets of the UK, Germany and North America continued to grow during the quarter.

Geographical net sales (MSEK)	Q1 2022	Fördelning (%)	Tillväxt (%)
Sweden	155.2	11%	22%
Rest of Europe	642.5	46%	127%
North America	435.3	31%	184%
Rest of the world	155.5	11%	117%
Total	1,388.5	100%	119%

EBITA increased 189 percent to MSEK 184.3 (63.8) in the quarter. The EBITA margin amounted to 13.3 percent (10.1). During the quarter, the revaluation of the share-based incentive program in accordance with IFRS 2 did not have any significant impact on earnings.

Net financial items during the quarter amounted to MSEK -9.2 (-3.1), whereof net interest amounted to MSEK -6.2 (-2.7), unrealised foreign exchange differences to MSEK 0.4 (-0.1) and other financial items to MSEK -3.4 (-0.3).

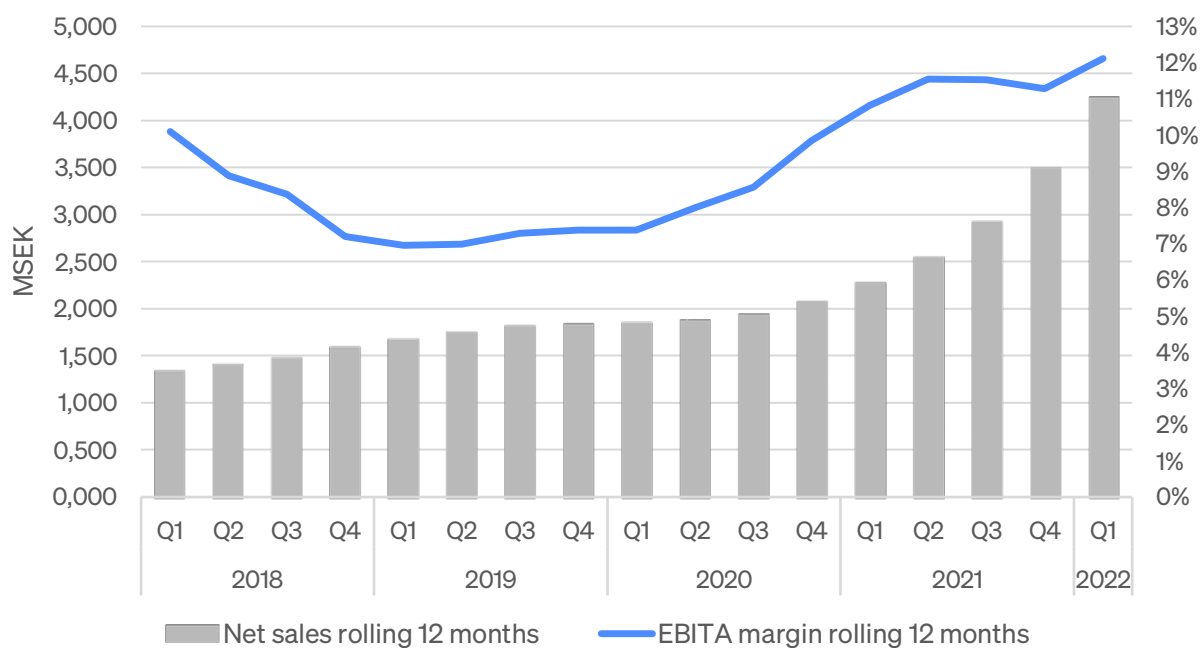
Net earnings for the quarter amounted to MSEK 120.6 (39.0) and earnings per share after dilution, increased by 189 percent and amounted to SEK 2.98 (1.03). Tax for the quarter was MSEK -41.1 (-14.9) which means the average effective tax rate for the Group was 25.4 percent (27.7) for the quarter.

Cash flow and investments

Cash flow from operating activities during the quarter amounted to MSEK -53.2 (-15.5), including a change in working capital of MSEK -235.0 (-112.6). Changes in working capital are mainly explained by increased capital tied up in inventories and accounts receivable, offset by increased in accounts payable and other current liabilities.

Investments during the quarter amounted to MSEK 45.9 (15.1). Investments of intangible and tangible assets amounted to MSEK 45.9 (14.5) and is mainly related to new production lines in our facilities in the US and Sweden.

Net sales (MSEK) and EBITA margin (%) rolling 12 months



Liquidity and financial position

The Group's net debt

Net debt totalled MSEK 964,5 at the end of the reporting period compared to MSEK 857,9 as per 31 December 2021.

Available funds

Available funds on 31 March 2022, including unutilized credit facilities, amounted to MSEK 765,7 (887,7).

Equity

Equity amounted to MSEK 1,821.4 on 31 March 2022 (1,647.5), which equated to SEK 45.57 per outstanding share before dilution at the end of the reporting period.

The Group's financial targets

EBITA margin

Earnings before amortisation of intangible assets (EBITA) should be at least 12 percent over a business cycle. The EBITA margin for the quarter amounted to 13.3 percent (10.1)

The EBITA margin on a rolling 12-month basis on 31 March 2022 was 12.1 percent (10.8).

Annual growth

The Group shall have an annual growth rate of at least 20 percent over a business cycle. Growth during the quarter year was 119 percent (45).

The growth on a rolling 12-month basis was 86 percent (23).

Customers

The Group's customers are mainly wholesalers, telecom operators, network owners, telecom companies, installers, and system houses.

Employees

There were 1,331 (855) employees in the Group on 31 March 2022. The increase is mainly related to production personnel in Sweden, the UK and North America and the acquisitions of Mpirical, Weterings, FOS and OSA, REHAU Telecom, and Data Center Systems. Number of employees in acquired companies amounted to 323 people.

Parent company

The Parent Company's main business consists of performing Group-wide services. Revenue for the period January to March amounted to MSEK 13.7 (4.2) and the result after financial items was MSEK 11.1 (-10.1).

Ownership structure

The company's share is listed in the Large Cap segment on Nasdaq Stockholm. At the end of the period the share capital amounted to MSEK 2.0.

Class of shares	Number of Shares	Number of votes	Percentage of capital	Percentage of votes
Ordinary share, 1 vote per share	39,965,330	39,965,330	98.4%	99.8%
Class C share, 1/10 vote per share	660,000	66,000	1.6%	0.2%
Total number of shares before repurchases	40,625,330	40,031,330	100%	100%
Repurchased class C shares	-660,000		1.6%	0.2%
Total number of shares after repurchases	39,965,330			

Employee stock option programmes active at the time of this report's publication are:

Outstanding warrant programme	Number of Warrants	Corresponding	Proportion	Exercise Price	Expiration period
		Number of shares	of total Shares		
Warrant programme 2019/2022	299,500	299,500	0.7%	66.73	15 maj - 15 jun -22
Warrant programme 2020/2023	267,500	267,500	0.7%	63.00	15 maj - 15 jun -23
Warrant programme 2021/2024	393,500	393,500	1.0%	189.66	15 maj - 15 jun -24
Total	960,500	960,500			

In addition to above warrant programmes, a decision was made in 2019 and 2021 to introduce two long-term, performance-based incentive plan (LTIP 2019 and 2021) for 17 senior executives and other key employees in the Group who are resident in Sweden. The participants have invested 64,276 savings shares in total.

Under the LTIP, for each acquired Hexatronic share (savings share), participants can receive 4–6 shares in Hexatronic (performance shares) free of charge, assuming achievement of certain performance targets. To qualify for performance shares, participants must acquire and retain a number of Hexatronic shares for the whole of the three-year vesting period and must, with some exceptions, remain in employment during the same period. In addition to the above conditions, performance shares also require certain performance targets to be met, linked to the development of the per-share earnings, the Group's growth and the growth in EBITA during the vesting period.

The targets relate to the 2019-2023 financial years. Hexatronic has judged that all the above conditions are non-market related conditions under IFRS 2.

The company's market value at the end of the period was MSEK 15,107. Based on data from Euroclear and subsequent known changes the number of shareholders at period end, 40,743. The shareholder structure of Hexatronic Group AB (publ) on 31 March 2022 is shown in the table below.

Shareholder	No of ordinary shares	Votes %
Handelsbanken Funds	3,205,381	8.0%
AMF Insurance & Funds	3,029,261	7.6%
Jonas Nordlund, privately and corporately	2,803,000	7.0%
Accendo Capital	2,552,336	6.4%
Swedbank Robur, West Fund	2,345,802	5.9%
Martin Åberg and Erik Selin via Chirp AB	1,785,872	4.5%
Avanza Pension – Insurance Company	974,014	2.4%
Henrik Larsson Lyon	846,666	2.1%
Länsförsäkringar Funds	717,641	1.8%
Göran Nordlund, privately and corporately	608,827	1.5%
Other shareholders	21,096,530	52.8%
Total outstanding shares	39,965,330	100.0%

Sustainability

As a global player in fiber expansion, we play an important part in realising Agenda 2030 and the UN Global Compact's ten principles for sustainable enterprise.

Working with our employees, customers and suppliers, we want to contribute to a more sustainable society. How we run our Group makes a difference. Within Hexatronic Group we have opted to focus on managing, developing and improving the following six areas of sustainability: Strong business ethics, Sustainable supply chain, Low climate impact, Diversity and gender equality, Social involvement, and Good health, safety and working environment. During 2021, a roadmap for the Group's sustainability work was launched with objectives for the short term (2–5 years) and long term (10 years) for each area of sustainability, including key activities to focus on.

For further information on what Hexatronic has done and what sustainability work is planned by the Group, see Hexatronic's Annual and Sustainability Report 2021, pages 38–53, and our website.

<https://group.hexatronic.com/hubfs/sustainability/Hexatronic-Group-AB-Sustainability-Report-2021.pdf>

The market

The general transition to a more digital, sustainable society is continuing at an increasing rate, and this change is extensively dependent on a fast, reliable infrastructure for digital communication. There are many factors driving this transition and the greater need for connection, from altered behaviours such as working from home more, online shopping, digital banking services, online gaming, HD TV, streaming services and VR/MR, to a higher degree of connectivity in industry and driverless vehicles. The common denominator for it all is reliable internet connection with increasing demands on capacity and short response times.

The world's fiber network consists of powerful international transport networks that link together national and regional networks, backbone networks, and finally access networks (FTTH, fiber-to-the-home) which reach out to individual households. Millions of homes around the world need to be connected to high-performance communication networks, which means that the international market for FTTH is continuing to develop positively. The market for transport networks, both on land and marine cable, is also affected by the heightened need, as new networks are established and many existing ones need enhancing. The roll-out of 5G also drives investments in fiber networks as it is dependent on fiber connections. This development is creating a demand for efficient installation solutions, trained personnel and new applications for fiber optics.

Market Panorama, an annual report from FTTH Council Europe, shows that the growth in number of users between September 2019 and September 2020 in the EU, including the UK, was 22%, and that the penetration rate (number of FTTH users / number of households in the country) in Germany and the UK remains at low levels with 4.9% and 3.7% respectively, as compared to the EU average of 20.5% and Sweden with 62%.

Various reports and national forecasts indicate continued strong demand for FTTH on Hexatronic's strategic growth markets (the UK, North America and Germany) up to 2025–2030, and probably beyond as well.

Other disclosures

Nature of operations

Hexatronic Group AB (publ) is an engineering group specialising in fibre communications. The Group delivers products and solutions for optical fibre networks and supplies a complete range of passive infrastructure for telecom companies, including related training.

The Group develops, designs, manufactures, and sells its own products and system solutions in combination with products from leading partners around the world. The Group conducts its own business through established companies in Sweden, Norway, Denmark, the UK, Germany, Netherlands, Austria, Italy, Estonia, Latvia, Lithuania, China, New Zealand, Australia, USA and Canada.

All amounts are presented in million Swedish kronor (MSEK) unless otherwise stated. The figures in parentheses refer to the previous year.

Transactions with related parties

The Group rents premises from Fastighets AB Balder, in which the Group's board member Erik Selin has a significant influence. The rental contract has been entered under normal commercial conditions. The rent for the premises amounts to approximately MSEK 5.3 annually.

Dividend policy

Any dividend is decided by the Annual General Meeting, following a recommendation by the Board of Directors. The Group is currently in an expansive phase of development, and in the next few years the focus will be on re-investing profits back into the business. The board will propose a dividend of SEK 0.50 (0.50) per share for the financial year 2021 to the annual general meeting.

Significant risks and uncertainties

Like all business activities, Hexatronic's operation is associated with risks of various kinds. Continually identifying and assessing risks is a natural and integral part of the operation, enabling risks to be controlled, limited and managed proactively. The Group's ability to map and prevent risks minimises the likelihood of unpredictable events having an adverse impact on the business. The aim of risk management is not necessarily to eliminate the risk, but rather to safeguard set business goals with a balanced risk portfolio. Mapping, planning and management of identifiable risks supports the management in making strategic decisions. Risk assessment also aims to increase the entire organisation's risk awareness.

Several risk areas have been identified in Hexatronic's risk management process. Hexatronic has divided identified risks into operational and environmental risks, market risks and financial risks.

The Covid-19 pandemic will continue to affect us due to increased raw material prices and freight costs, as well as to certain extent lack of supply and transport. The Russian invasion of Ukraine has a very minor direct impact on Hexatronic, but it is expected to result in secondary effects similar to the Covid-19 pandemic. We are managing this through price increases to customers and by increasing our inventories to meet customers' needs. We believe these effects will continue to impact us during 2022.

A more detailed description of the Group's risks and risk management is provided in the Hexatronic Group Annual Report for 2021 on page 60-63.

Accounting policies

The consolidated financial statements for Hexatronic Group ("Hexatronic") have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, RFR 1 Supplementary Accounting Rules for Groups and the Swedish Annual Accounts Act. This interim report has been prepared in accordance with IAS 34 Interim Reporting, the Swedish Annual Accounts Act and RFR 1 Supplementary Accounting Rules for Groups.

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The application of RFR 2 means that in its interim report for the legal entity, the Parent Company applies all IFRS and statements adopted by the EU as far as possible within the framework of the Swedish

Annual Accounts Act and the Swedish Insurance Act and regarding the relationship between accounting and taxation.

For full accounting policies, see the Annual Report for 2021.

Review

This interim report has not been reviewed by the company's auditor.

Other information

Publication

This information comprises disclosures that Hexatronic Group AB (publ) must publish according to the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, under responsibility of the contact persons named below, on 29 April 2022 at 07:00 CET.

Financial calendar

Interim Report April-June 2022: 11 August 2022

Interim Report July-September 2022: 28 October 2022

Year-End Report 2022: 9 February 2023

Annual General Meeting

The AGM for financial year 2021 will be held on 5 May 2022.

Please direct any questions to:

- Henrik Larsson Lyon, President and CEO, + 46 (0)70-650 34 00
- Pernilla Lindén, CFO, + 46 (0)70-877 58 32

The Board of Directors and President hereby confirm that this interim report provides a true and fair overview of the business, financial position and results of the Parent Company and the Group and describes significant risks and uncertainty factors with which the Parent Company and the companies forming the Group are faced.

Gothenburg, 29 April 2022

Anders Persson
Chairman

Erik Selin
Board member

Frida Westerberg
Board member

Helena Holmgren
Board member

Jaakko Kivinen
Board member

Per Wassén
Board member

Henrik Larsson Lyon
President and CEO

Consolidated income statement

(MSEK)	2022 Q1	2021 Q1	2021 Full year
Revenue			
Net sales	1,388.5	634.8	3,491.6
Other operating income	11.7	4.4	33.2
Total	1,400.1	639.2	3,524.8
Operating expenses			
Raw materials and goods for resale	-810.3	-342.5	-1,957.6
Other external costs	-156.3	-82.0	-413.6
Personnel costs	-216.3	-131.2	-661.3
Other operating expenses	-	-	-2.9
Depreciation of tangible assets	-33.1	-19.7	-95.6
Earnings before amortisation of intangible assets (EBITA)	184.3	63.8	393.8
Amortisation of intangible assets	-13.4	-6.9	-38.7
Operating result (EBIT)	170.9	56.9	355.1
Result from financial items			
Financial income	0.0	0.0	0.1
Financial expenses	-9.2	-3.1	-23.1
Result after financial items	161.7	53.9	332.1
Income taxes	-41.1	-14.9	-79.7
Net result for the period	120.6	39.0	252.4
Attributable to:			
Parent Company shareholders	120.9	39.3	253.1
Non-controlling interest	-0.3	-0.3	-0.7
Net result for the period	120.6	39.0	252.4
Earnings per share			
Earnings per share before dilution (SEK)	3.03	1.04	6.60
Earnings per share after dilution (SEK)	2.98	1.03	6.47
	2022	2021	2021
Consolidated statement of comprehensive income	Q1	Q1	Full year
Result for the period	120.6	39.0	252.4
Items which can later be recovered in the income statement			
Translation differences	53.2	47.1	97.5
Other comprehensive income for the period	53.2	47.1	97.5
Comprehensive income for the period	173.8	86.1	349.9
Attributable to:			
Parent Company shareholders	174.2	86.4	350.6
Non-controlling interest	-0.4	-0.3	-0.7
Comprehensive income for the period	173.8	86.1	349.9

Consolidated balance sheet

(MSEK)	2022-03-31	2021-03-31	2021-12-31
Assets			
Non-current assets			
Intangible assets	1,403.9	576.8	1,385.2
Tangible assets	1,155.1	459.4	1,071.9
Financial assets	1.9	1.8	1.8
Total non-current assets	2,561.0	1,038.0	2,458.9
Current assets			
Inventories	1,097.8	467.2	928.8
Account receivables	866.9	412.9	597.3
Other receivables	13.1	5.6	19.0
Prepaid expenses and accrued income	54.7	31.5	36.1
Liquid assets	257.7	191.5	675.1
Total current assets	2,290.1	1,108.7	2,256.3
TOTAL ASSETS	4,851.1	2,146.7	4,715.2
Equity	1,821.4	752.3	1,647.5
Non-current liabilities			
Liabilities to credit institutions	1,106.6	431.8	1,258.7
Deferred tax	108.0	75.2	104.8
Non-current lease liabilities	375.2	167.1	332.4
Other non-current liabilities	165.5	-	162.0
Total non-current liabilities	1,755.3	674.1	1,858.0
Current liabilities			
Liabilities to credit institutions	100.0	83.3	274.3
Current lease liabilities	65.9	43.9	61.4
Overdraft facilities	15.6	41.1	-
Accounts payable	601.7	294.4	505.1
Provisions	4.4	3.0	4.1
Current tax liabilities	45.2	24.6	29.7
Other liabilities	174.0	108.7	119.2
Accrued expenses and deferred income	267.6	121.2	215.9
Total current liabilities	1,274.4	720.3	1,209.7
TOTAL EQUITY, PROVISION AND LIABILITIES	4,851.1	2,146.7	4,715.2

Consolidated statement of changes in equity

(MSEK)	Share Capital	Other capital contributions	Reserves	Result brought forward, including result for the period	Total	Non-controlling interests	Total equity
Balance brought forward as of 1 January 2021	1.9	249.0	-64.2	462.8	649.5	0.0	649.5
Result for the period	-	-	-	253.1	253.1	-0.7	252.4
Other comprehensive income	-	-	97.5	-	97.5	-	97.5
Total comprehensive income	0.0	0.0	97.5	253.1	350.6	-0.7	349.9
New shares related to employee stock option programme	0.0	46.3	-	-	46.3	-	46.3
Employee stock option programme	-	3.1	-	-	3.1	-	3.1
Share-based remuneration	0.0	-	-	5.3	5.3	-	5.3
New shares issue related to business acquisitions	0.0	66.4	-	-	66.4	-	66.4
New share issue	0.1	539.7	-	-	539.8	-	539.8
Dividend paid	-	-	-	-18.9	-18.9	-	-18.9
Non-controlling interest on acquisition of subsidiary	-	-	-	-	0.0	6.1	6.1
Total transactions with shareholders, reported directly in equity	0.1	655.4	0.0	-13.6	642.0	6.1	648.1
Balance carried forward as of 31 December 2021	2.0	904.5	33.3	702.3	1,642.1	5.4	1,647.5
Balance brought forward as of 1 January 2022	2.0	904.5	33.3	702.3	1,642.1	5.4	1,647.5
Result for the period	-	-	-	120.9	120.9	-0.3	120.6
Other comprehensive income	-	-	53.3	-	53.3	-0.1	53.2
Total comprehensive income	0.0	0.0	53.3	120.9	174.2	-0.4	173.8
Employee stock option programme	-	0.0	-	-	0.0	-	0.0
Share-based remuneration	-	-	-	0.0	0.0	-	0.0
Total transactions with shareholders, reported directly in equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance carried forward as of 31 March 2022	2.0	904.5	86.6	823.1	1,816.4	5.0	1,821.4

Consolidated statement of cash flow

(MSEK)	2022 Q1	2021 Q1	2021 Full year
Operating result	170.9	56.9	355.1
Items not affecting cash flow	45.5	49.2	201.2
Interest received	0.0	0.0	0.1
Interest paid	-6.3	-2.9	-22.9
Income tax paid	-28.4	-6.1	-70.0
Cash flow from operating activities before changes in working capital	181.8	97.1	463.4
Increase (-)/decrease (+) in inventories	-156.1	-56.9	-372.6
Increase (-)/decrease (+) in accounts receivable	-263.6	-103.0	-169.9
Increase (-)/decrease (+) in operating receivables	-12.0	-5.8	-18.1
Increase (+)/decrease (-) in accounts payable	89.1	41.9	189.7
Increase (+)/decrease (-) in operating liabilities	107.6	11.2	12.3
Cash flow from changes in working capital	-235.0	-112.6	-358.6
Cash flow from operating activities	-53.2	-15.5	104.7
Investing activities			
Acquisition of tangible and intangible assets	-45.9	-14.5	-202.3
Acquisition of subsidiaries after deduction of acquired liquid assets	-	-0.8	-952.2
Change in financial assets	0.0	0.2	0.2
Cash flow from investing activities	-45.9	-15.1	-1,154.3
Financing activities			
Borrowings	-	-	1,080.0
Amortisation of loans	-326.5	-20.5	-83.3
Amortisation of lease liabilities	-17.0	-11.5	-53.3
Changes in overdraft facilities	15.6	41.1	-
New share issues for the period	-	-	586.5
Dividend paid	-	-	-18.9
Cash flow from financing activities	-327.8	9.1	1,511.0
Cash flow for the period	-427.0	-21.5	461.4
Liquid assets at the start of the period	675.1	212.3	212.3
Exchange rate difference in liquid assets	9.6	0.7	1.3
Liquid assets at the end of the period	257.7	191.5	675.1

Key metric for the Group

	2022 Q1	2021 Q1	2021 Helår
Growth in net sales	119%	45%	68%
EBITA margin	13.3%	10.1%	11.3%
EBITA margin, 12 months rolling	12.1%	10.8%	11.3%
Operating margin	12.3%	9.0%	10.2%
Equity asset ratio	37.5%	35.0%	34.9%
Earnings per share before dilution (SEK)	3.03	1.04	6.60
Earnings per share after dilution (SEK)	2.98	1.03	6.47
Net sales per employee (SEK thousand)	1,054	770	3,467
Result per employee (SEK thousand)	92	48	251
Quick asset ratio	94%	89%	97%
Average number of employees	1,317	825	1,007
Number of shares at period end before dilution	39,965,330	37,751,787	39,965,330
Average number of shares before dilution	39,965,330	37,691,549	38,349,928
Average number of shares after dilution	40,622,703	38,097,467	39,098,226

For definition of key metric, see the section Definition alternative key metrics.

The key metrics presented are deemed essential to describing the Group's development as they both constitute the Group's financial objectives (growth in net sales and EBITA margin) and are the key metrics by which the Group is governed. Several key metrics are considered relevant to investors, such as earnings per share and the number of shares. Other key metrics are presented in order to provide different perspectives on how the Group is developing and are therefore deemed to be of benefit to the reader.

Parent Company income statement

(MSEK)	2022	2021
	Q1	Q1
Revenue		
Net sales	13.7	4.2
Total	13.7	4.2
Operating expenses		
Other external costs	-14.5	-9.6
Personnel costs	-11.4	-7.4
Depreciation of tangible assets	-0.0	-0.1
Earnings before amortisation of intangible assets (EBITA)	-12.2	-12.9
Amortisation of intangible assets	-0.2	-0.1
Operating result (EBIT)	-12.4	-13.0
Result from financial items		
Interest income	28.2	4.8
Interest expenses	-4.7	-2.0
Result after financial items	11.1	-10.1
Appropriations	-	-
Result before tax	11.1	-10.1
Income taxes	-2.3	-0.2
Net result for the period	8.8	-10.4

Total comprehensive income is the same as net result for the period in the parent company since there is nothing accounted for as other comprehensive income.

Parent Company balance sheet

(MSEK)	2022-03-31	2021-03-31	2021-12-31
Assets			
Intangible assets	4.9	2.0	3.5
Tangible assets	0.3	0.5	0.4
Financial assets	1,540.6	957.0	1,536.5
Total non-current assets	1,545.8	959.5	1,540.4
Current receivables			
Receivables from Group companies	1,115.5	348.6	1,048.5
Other receivables	0.1	1.0	0.1
Prepaid expenses and accrued income	16.7	4.3	2.8
Total current receivables	1,132.4	354.0	1,051.4
Cash and bank balances	0.0	0.0	375.0
Total current assets	1,132.4	354.0	1,426.4
TOTAL ASSETS	2,678.2	1,313.5	2,966.8
Equity	946.9	249.9	938.1
Untaxed reserves	23.7	17.2	23.7
Non-current liabilities			
Liabilities to credit institutions	1,106.6	431.8	1,258.7
Deferred tax	-	0.4	-
Other non-current liabilities	117.9	-	117.5
Total non-current liabilities	1,224.5	432.2	1,376.3
Current liabilities			
Liabilities to credit institutions	100.0	83.3	274.3
Overdraft facilities	15.6	41.1	-
Accounts payable	10.1	3.5	11.8
Liabilities to Group companies	306.8	432.3	281.5
Current tax liabilities	5.5	-	3.7
Other liabilities	24.8	44.7	33.5
Accrued expenses and deferred income	20.3	9.3	24.0
Total current liabilities	483.2	614.1	628.8
TOTAL EQUITY, PROVISIONS AND LIABILITIES	2,678.2	1,313.5	2,966.8

Notes

Note 1 Revenue

January to March 2022					
Geographical markets	Sweden	Rest of Europe	North America	Rest of the world	Total
Revenue from external customers	155.2	642.5	435.3	155.5	1,388.5
Category					
Goods	142.3	620.6	426.2	155.0	1,344.1
Services	12.9	21.9	9.0	0.6	44.4
Total	155.2	642.5	435.3	155.5	1,388.5
Time for revenue recognition					
At a given time	142.3	620.6	426.2	155.0	1,344.1
Over time	12.9	21.9	9.0	0.6	44.4
Total	155.2	642.5	435.3	155.5	1,388.5
January to March 2021					
Geographical markets	Sweden	Rest of Europe	North America	Rest of the world	Total
Revenue from external customers	127.5	282.6	153.0	71.7	634.8
Category					
Goods	116.6	267.5	147.6	71.7	603.5
Services	10.9	15.0	5.4	-	31.3
Total	127.5	282.5	153.0	121.0	634.8
Time for revenue recognition					
At a given time	116.6	267.5	147.6	71.7	603.5
Over time	10.9	15.0	5.4	-	31.3
Total	127.5	282.5	153.0	121.0	634.8

Note 2 Pledged assets

Pledged assets	Koncernen			Parent Company	
	2022-03-31	2021-03-31	2021-12-31	2022-03-31	2021-03-31
<i>Assets pledged for liabilities to credit institutions</i>					
Chattel mortgages	157.4	157.4	157.4	0.1	0.1
Shares in subsidiaries	391.2	338.6	358.1	85.6	84.2
Total	548.5	495.9	515.4	85.7	84.3

Reconciliation between IFRS and key metrics used

In this interim report, Hexatronic presents certain financial parameters that are not defined in IFRS, known as alternative key metrics. The Group believes that these parameters provide valuable supplementary information for investors, as they facilitate an evaluation of the company's results and position. Since not all companies calculate financial parameters in the same way, these metrics are not always comparable with those used by other companies. Investors should see the financial parameters as a complement to, rather than a replacement for, financial reporting in accordance with IFRS.

Organic growth, MSEK, %	Q1 2022		
Net sales 2022	1,388.5		
Exchange-rate effects	-36.9		
Aquisition driven	-250.6		
Comparable net sales	1,101.0		
Net sales 2021	634.8		
Net sales increase cleared of exchange-rate effects	716.8		
Net sales increase cleared of exchange-rate effects %	113%		
Organic growth	466.2		
Organic growth %	73%		
Annual growth, rolling 12 months, %	12 months		
Net sales January-March 2022	1,388.5		
Net sales April-December 2021	2,856.8		
<i>Net sales rolling 12 months</i>	<i>4,245.3</i>		
Net sales January-March 2021	634.8		
Net sales April-December 2020	1,643.5		
<i>Net sales rolling 12 months</i>	<i>2,278.3</i>		
Annual growth, rolling 12 months	86%		
Quick asset ratio, %	2022-03-31	2021-03-31	2021-12-31
Current assets	2,290.1	1,108.7	2,256.3
Inventories	-1,097.8	-467.2	-928.8
<i>Current assets - inventories</i>	<i>1,192.3</i>	<i>641.5</i>	<i>1,327.5</i>
Current liabilities	1,274.4	720.3	1,209.7
Quick asset ratio	94%	89%	110%
Core working capital, MSEK	2022-03-31	2021-03-31	2021-12-31
Inventories	1,097.8	467,2	928,8
Accounts receivable	866,9	412,9	597,3
Accounts payable	-601,7	-294,4	-505,1
Core working capital	1,363.0	585,7	1,021.0

Definition alternative key metrics

EBITA

Earnings before amortisation of intangible assets.

EBITA margin

Earnings before amortisation of intangible assets as a percentage of net sales.

EBIT (operating result)

Earnings before interest and taxes.

Operating margin

Earnings before interest and taxes as a percentage of net sales.

Equity asset ratio

Total equity as a percentage of total assets.

Number of shares

Number of outstanding shares at the end of the period.

Organic growth

Changes in net sales excluding exchange-rate effects and acquisitions compared with the same period last year.

Annual growth

Average annual growth is calculated as the Group's total net sales during the period compared to the same period the year before.

Quick asset ratio

Quick asset ratio is calculated as current assets minus inventories divided by current liabilities.

Core-working capital

Core working capital is defined as inventories plus accounts receivable minus accounts payable.

Average number of outstanding shares

Weighted average of the number of outstanding shares during the period.

Average number of outstanding shares after dilution

Number of outstanding shares at the end of the period plus the number of shares that would be added if all dilutive potential shares were converted.

Earnings per share before dilution

Earnings attributable to Parent Company shareholders as a percentage of average number of outstanding shares before dilution.

Earnings per share after dilution

Earnings attributable to Parent Company shareholders as a percentage of average number of outstanding shares after dilution.

Equity per share

Total equity divided by the number of shares at the end of the period.

Number of employees

Number of employees at the end of the period.



This is Hexatronic

Hexatronic Group AB (publ) enables non-stop connectivity for communities worldwide. We partner with customers across four continents – from telecom operators to network owners – offering leading-edge fiber technology and solutions for any and all conditions.

Hexatronic Group AB (publ) was founded in 1993 in Sweden, and is listed on Nasdaq OMX Stockholm. Our global product brands include Viper, Stingray, Raptor, InOne, and Wistom®.

Hexatronic Group AB (publ) Org nr 556168-6360

Hexatronic Group AB (publ)
Sofierogatan 3a, 412 51 Gothenburg, Sweden
www.hexatronicgroup.com