

# Q1 2023

Jon Erik Engeset, CEO  
David Bandele, CFO

11 May 2023



## Disclaimer and important notice

This company presentation (the "Presentation") has been prepared by Hexagon Composites ASA ("Hexagon" or the "Company"). The Presentation has not been reviewed or registered with, or approved by, any public authority, stock exchange or regulated market place. The Company makes no representation or warranty (whether express or implied) as to the correctness or completeness of the information contained herein, and neither the Company nor any of its subsidiaries, directors, employees or advisors assume any liability connected to the Presentation and/or the statements set out herein. This presentation is not and does not purport to be complete in any way. The information included in this Presentation may contain certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements contained in this Presentation, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development. None of the Company or its advisors or any of their parent or subsidiary undertakings or any such person's affiliates, officers or employees provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this Presentation or the actual occurrence of the forecasted developments. The Company and its advisors assume no obligation to update any forward-looking statements or to conform these forward-looking statements to the Company's actual results. Investors are advised, however, to inform themselves about any further public disclosures made by the Company, such as filings made with the Oslo Stock Exchange or press releases. This Presentation has been prepared for information purposes only. This Presentation does not constitute any solicitation for any offer to purchase or subscribe any securities and is not an offer or invitation to sell or issue securities for sale in any jurisdiction, including the United States. Distribution of the Presentation in or into any jurisdiction where such distribution may be unlawful, is prohibited. This Presentation speaks as of 10 May 2023, and there may have been changes in matters which affect the Company subsequent to the date of this Presentation. Neither the issue nor delivery of this Presentation shall under any circumstance create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that the affairs of the Company have not since changed, and the Company does not intend, and does not assume any obligation, to update or correct any information included in this Presentation. This Presentation is subject to Norwegian law, and any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of Norwegian courts with Oslo City Court as exclusive venue. By receiving this Presentation, you accept to be bound by the terms above.

# Driving Energy Transformation

In 2022, Hexagon's solutions avoided

**1 350 690**

metric tons of CO2 equivalent emissions



Our own carbon footprint:

**320 669**

metric tons of CO2 equivalent



Committed to reach net-zero by

**2050**

Avoided **4x** more GHG emissions than generated in our operations

# Q1 2023 Key financials

## Hexagon excl. Hexagon Purus

### Revenue

NOK 1,130 million  
*(NOK 913 million)*

### EBITDA

NOK 83 million  
*(NOK 84 million)*

## Hexagon Purus

### Revenue

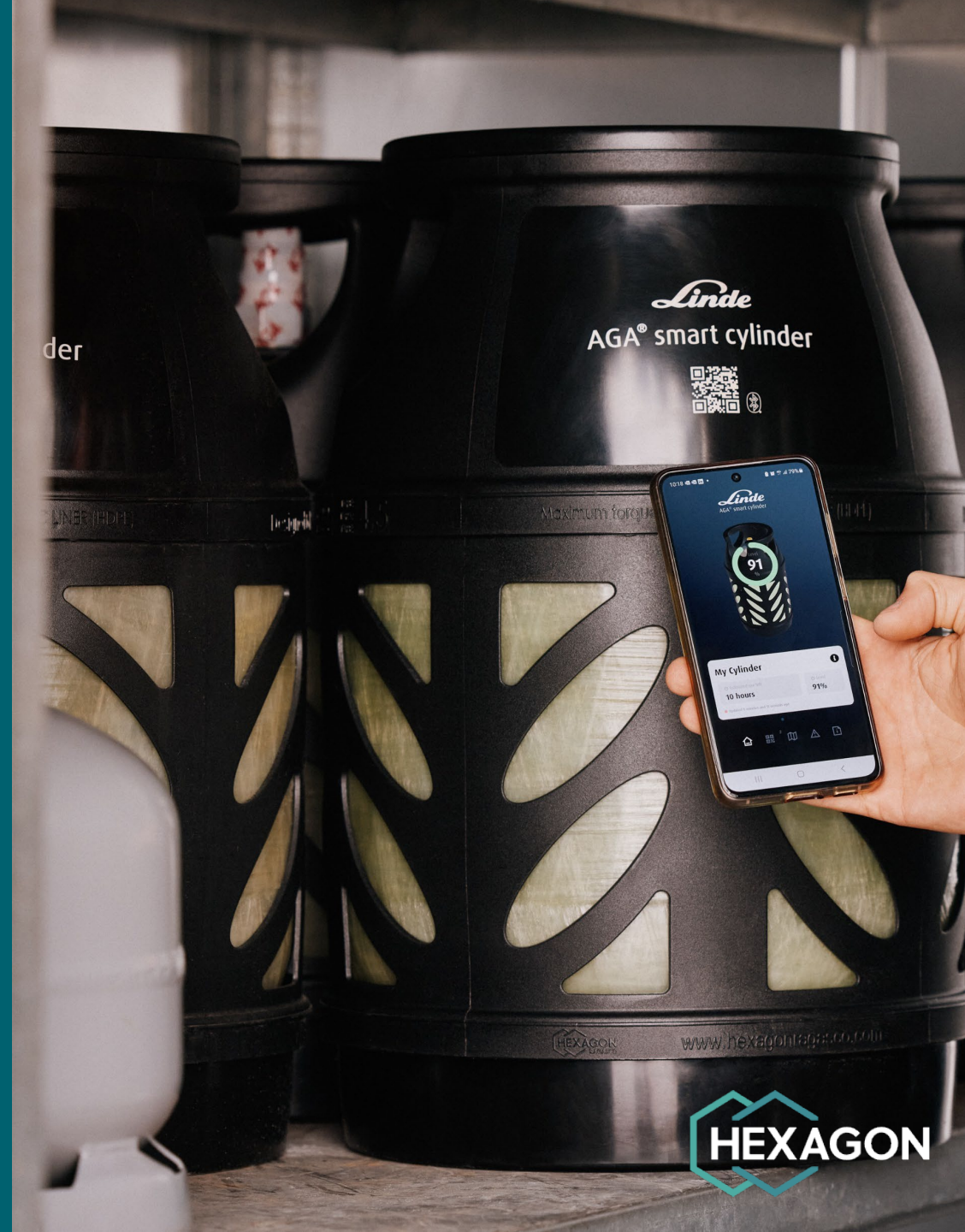
NOK 244 million  
*(NOK 159 million)*

### EBITDA

NOK - 112 million  
*(NOK -93 million)*

# Key highlights

- Solid top line despite softer Heavy-Duty Truck segment
- Margins not yet recovered to satisfactory level in Hexagon Agility
- Order books look healthy across the board and contribution margins expected to improve
  - Mobile Pipeline has full order book well into 2024
- Hexagon Ragasco's smart cylinder pilot released with AGA / Linde
- Hexagon Purus funded with NOK 1.3 bn with Mitsui & Co as anchor investor and up-listed to Oslo Stock Exchange main market



# Hexagon Purus

Transferring from Euronext Growth to Oslo Børs main market



## Hexagon Purus

TICKER

HPUR

LAST TRADE

-

TURNOVER

-

MARKET VALUE (MNOK)

-



OSLO BØRS  
MAIN MARKET



# Hexagon Purus

## Other key highlights

Signed agreement worth up to NOK 20 billion with Hino Trucks



Signed multi-year supply agreement for battery cells with Panasonic



New tech center and battery systems facility opened in Kelowna, Canada



New hydrogen cylinder and systems facility opened in Westminster, USA



# New leadership at Hexagon Agility focused on restoring margins



**Hans Peter Havdal** appointed CEO of Hexagon Agility after joining the company as Group COO in March 2023



**Andrew Griffiths** continues as CFO and Executive Vice President



**Eric Bippus** appointed Executive Vice President Sales & Systems Development



# Regulatory update



## The EU Council adopted regulation on CO<sub>2</sub> emissions for new passenger cars and vans

- Requires a common EU methodology for assessing **full life cycle** of CO<sub>2</sub> emissions of light duty vehicles (cars and delivery vans) by 2025
- Expected to impact the rulemaking relating to the heavy-duty sector



## California passed the Advanced Clean Fleet regulation

- Places responsibility on fleet owners to reduce emissions
- Complements the Advanced Clean Truck regulation with corresponding requirements on the OEMs

# Hexagon showcased its broad range of clean fuel solutions at the Advanced Clean Transportation Expo in Anaheim, CA



1-4 May, North America's largest advanced transportation and clean fleet event

**12,000+**

Clean transportation stakeholders

**2,700 +**

Leading fleet operators

**275+**

Sponsors, exhibitors & industry partners

**200+**

Expert industry speakers

**185+**

Advanced vehicles on display

The Game Changer  
Cummins X15N engine  
to be launched in 2024

NATURAL GA

Destination **Zero**™



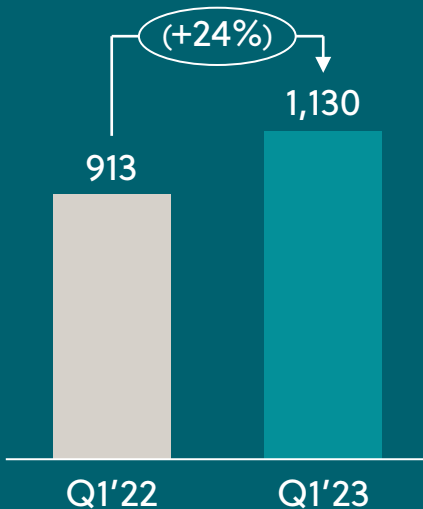
# Financials



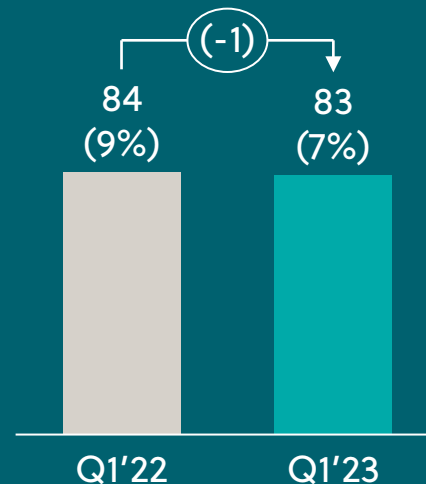
# Financial highlights | Q1 2023

## Hexagon (excl. Purus)

**Revenue**  
NOKm



**EBITDA**  
NOKm



- **24% revenue growth**

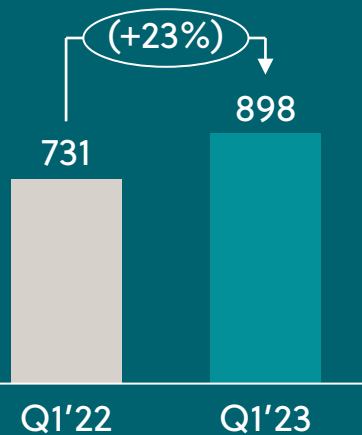
- 12% growth excluding FX effects
- Solid Mobile Pipeline & Hexagon Ragasco volumes
- Expected slower start in Heavy-Duty Truck

- **Margin development :**

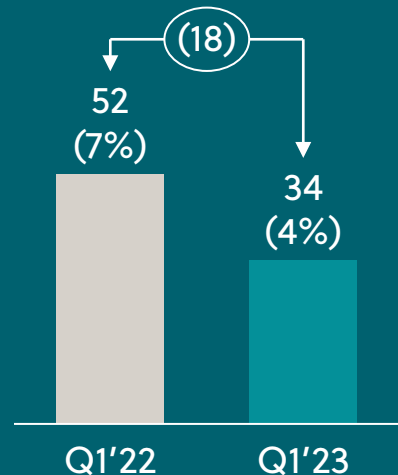
- Soft Heavy-Duty volumes despite improved pricing effects, weigh down on margin
- Improving margins within Mobile Pipeline
- Positive efficiencies and currency effects in Hexagon Ragasco
- Positive contribution from Hexagon Digital Wave

# Hexagon Agility | Q1 2023

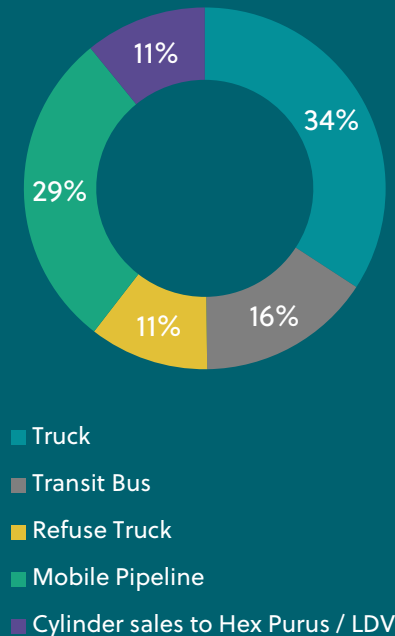
**Revenue**  
NOKm



**EBITDA**  
NOKm



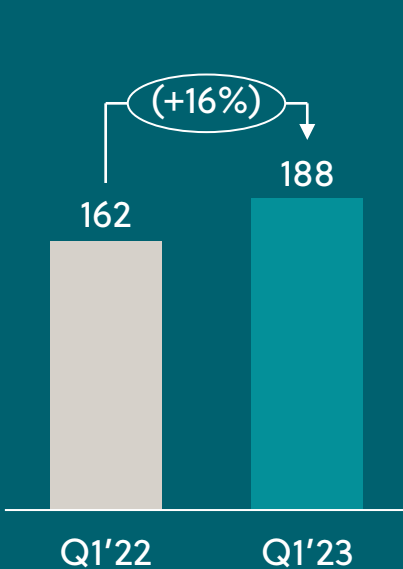
**Revenue split**



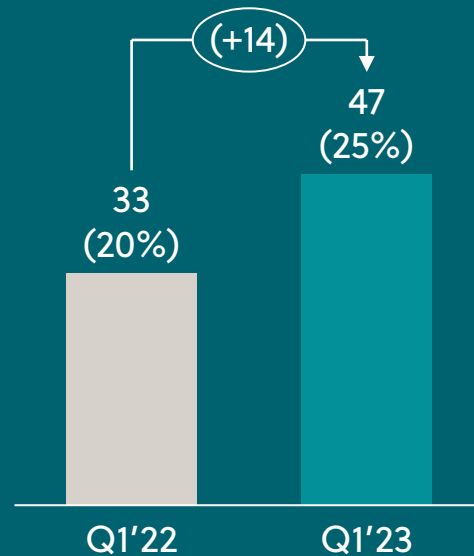
- **23% revenue growth**
  - Strong Mobile Pipeline
  - Strong Medium-Duty volumes
  - Lower long-haul Heavy-Duty Truck
- **Margin development:**
  - Elevated carbon fiber price
  - Component costs still high
  - Delayed effects of higher pricing from slower wind-out of backlog
  - Stronger margins in Mobile Pipeline and European operations
- **Diversified revenue streams supporting critical infrastructure and decarbonization targets**

# Hexagon Ragasco | Q1 2023

**Revenue**  
NOKm



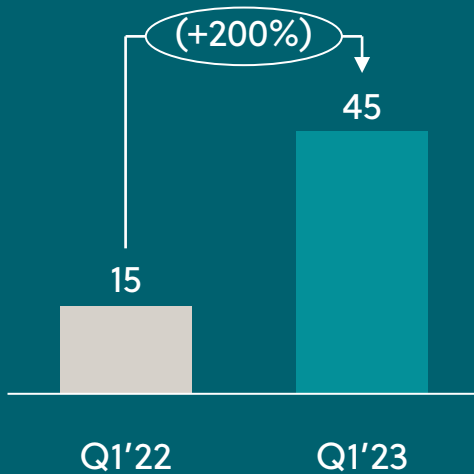
**EBITDA**  
NOKm



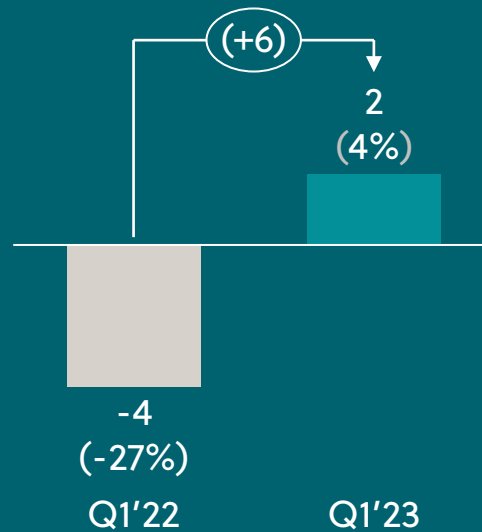
- **16% revenue growth**
  - Seasonally strong European sales
- **Healthy margins:**
  - Favorable currency effects
  - Pricing has caught up with inflation
  - Volume efficiency
- **Resilient business with continually growing global customer base**

# Hexagon Digital Wave | Q1 2023

**Revenue**  
NOKm



**EBITDA**  
NOKm



- Profitable revenue growth
- Healthy mix of product and services businesses
- Modal Acoustic Emission (MAE) capability is core to Hexagon's product differentiation strategies
- Requalification activities using MAE also central to our certified pre-owned programs

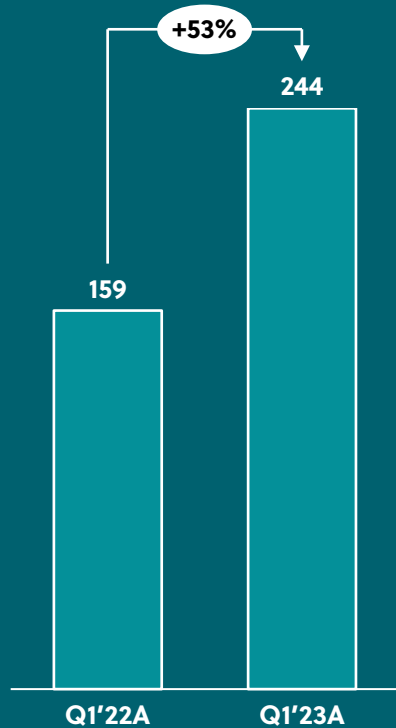


# Hexagon Purus | Q1 2023

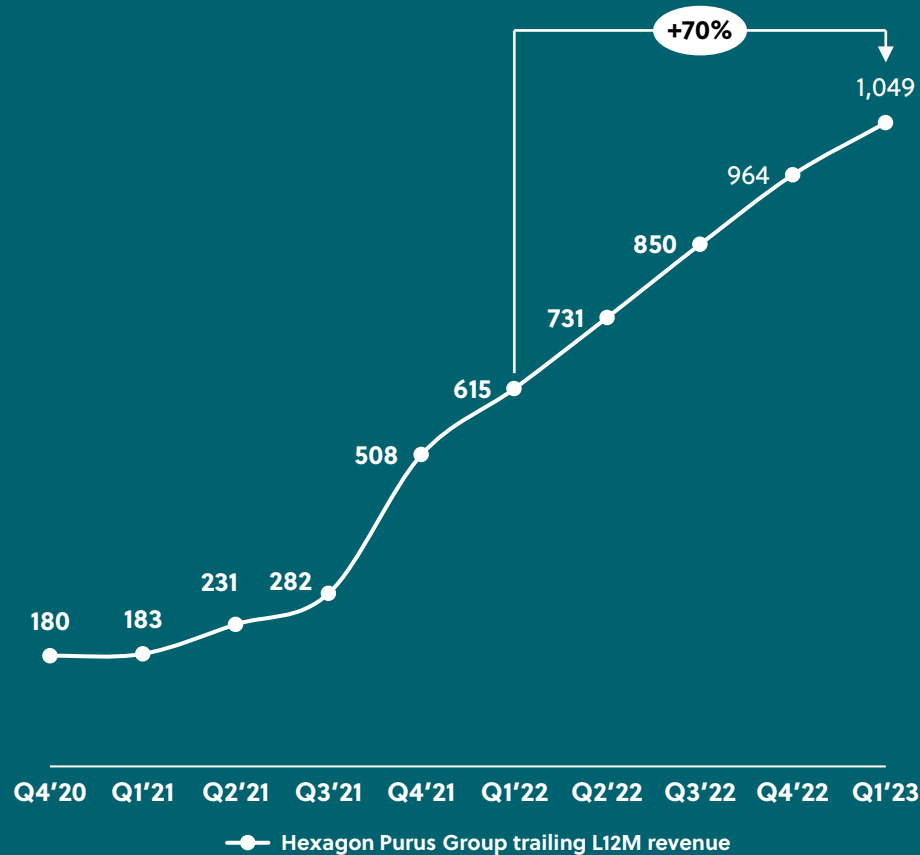
Delivering on revenue growth, supported by strong order book

## 53% REVENUE GROWTH YOY

NOKm

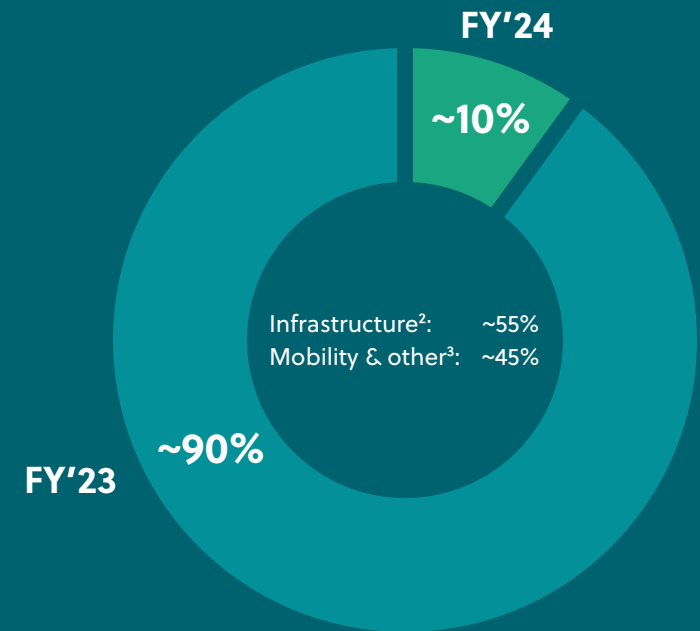


## LTM REVENUE IS UP 70% YOY



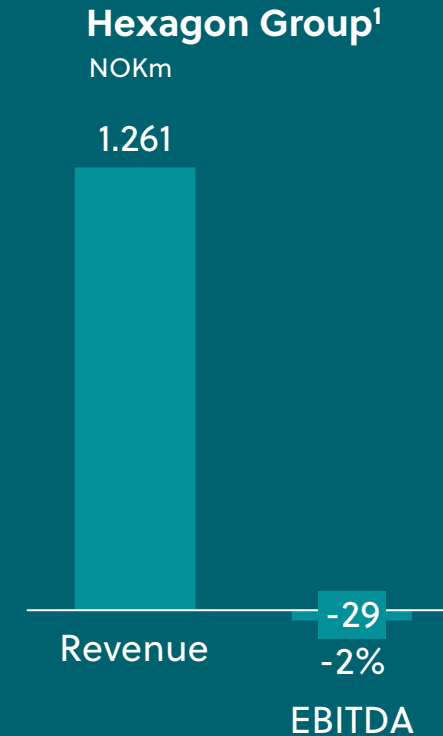
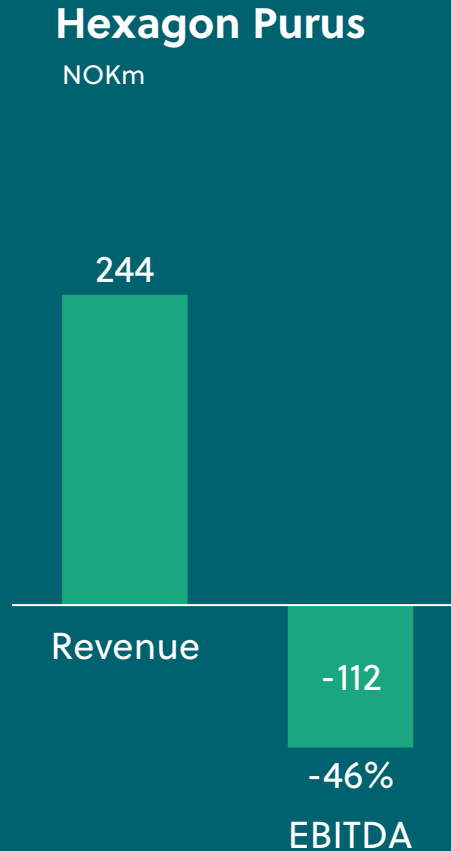
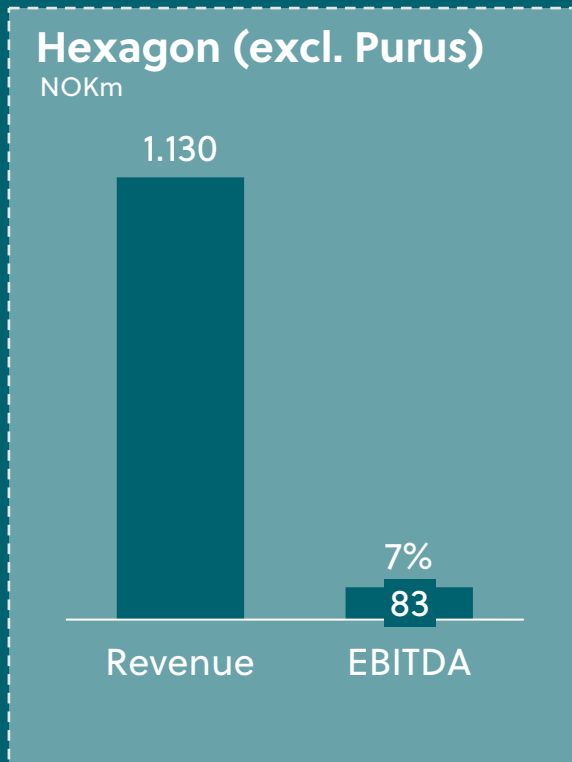
## STRONG ORDER BACKLOG<sup>1</sup>

**NOK ~1.2 BILLION**



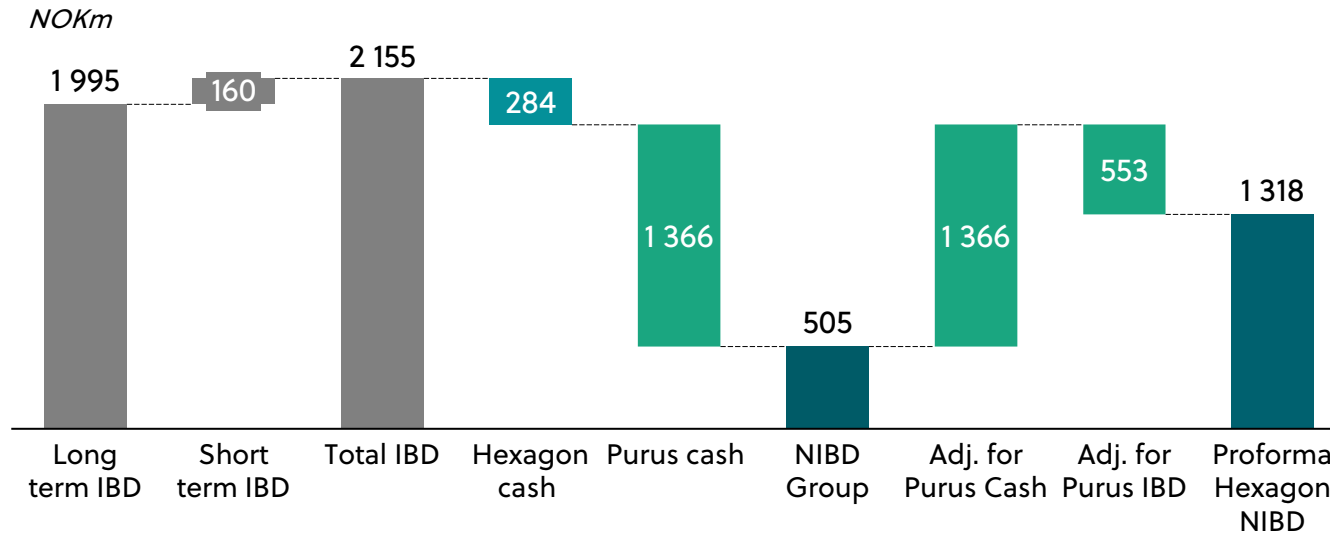
# Overall summary | Q1 2023

## Solid revenues for both companies



1) Post eliminations between Purus and Hexagon (excl. Purus) of NOK -113million in Revenue, please refer to Appendix for additional Group financial results.

# Hexagon proforma leverage | Q1 2023



- As of Q1 2023, Hexagon excl. Purus has available liquidity of NOK 599m

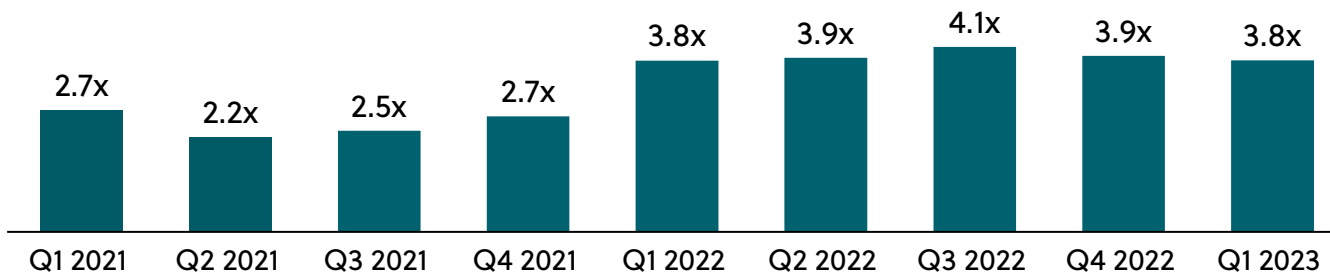
- NIBD of NOK 1,318m

- Hexagon Purus currently holds cash of NOK 1,366m and IBD of NOK 553m

- NOK 800m in convertible bond and NOK 500m in equity issue completed in March 2023

- Hexagon Purus is ring-fenced from financial covenants in Hexagon loan agreements

## Proforma NIBD/EBITDA



# Outlook

# 2023 outlook

Intermittent supply chain disruption experienced in Q2, expect easing through the year

## Demand outlook

### Mobile Pipeline

Strong RNG driven growth

### Transit & Refuse

Resilient volumes

### Heavy-Duty Truck

Some uncertainty, risk that some long-haul Heavy-Duty Truck volume is pushed into 2024

### LPG cylinders

Healthy outlook and strong sales pipeline

### MAE & UE

Strong UE sales growth expected and visible MAE trailer requalification volumes

## Revenue

Overall expecting healthy growth across most segments, however, uncertainty related to some Heavy-Duty Truck volume moving to 2024

## EBITDA

Gradual margin improvement expected in 2023. High commodity prices, unstable supply chains and potentially lower volume efficiency continue to weigh on profitability



# Key takeaways

**Solid top-line momentum**

**Gradual margin improvement in 2023**

**Hexagon Purus successfully funded and listed on main OSE stock exchange**

**2025 revenue targets:**

**Hexagon excl. Purus:  
NOK 6bn  
Hexagon Purus:  
NOK 4-5bn**



Clean air everywhere

# Appendix



# Investor relations information



## Exchange

Ticker symbol: HEX  
ISIN: NO0003067902  
Exchange: Oslo Børs



## Market cap

**NOK ~5.7 bn**  
Market capitalization



## Investor base

**~ 5,425**  
Shareholders



## Financial calendar 2023

Q1'23	11 May
Q2'23	17 August
Q3'23	9 November



## Equity analyst coverage

ABG  
Carnegie  
DNB  
Nordea  
SEB  
Sparebank 1

For details, please visit our [website](#)



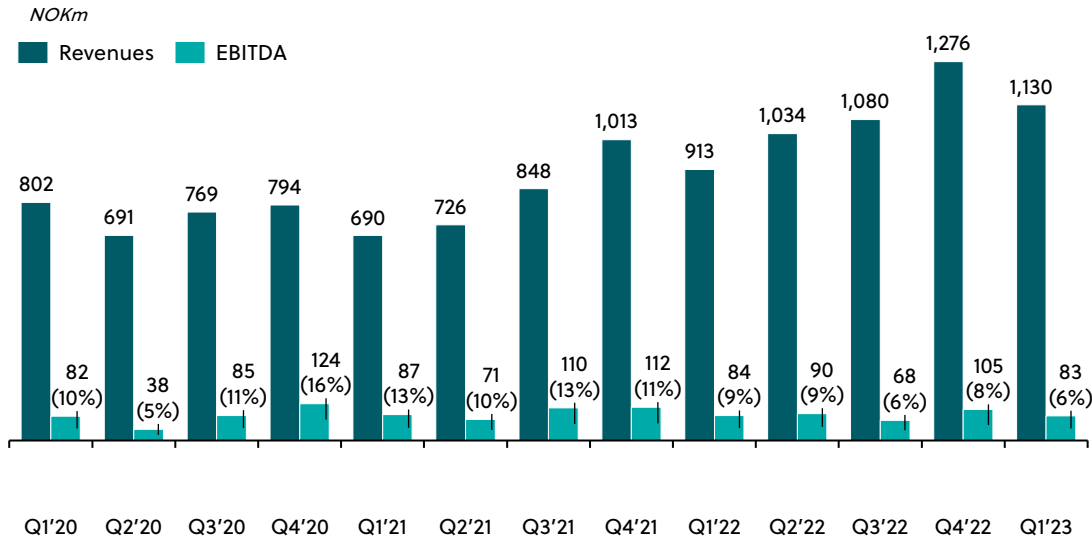
## Investor relations contacts

Ingrid Aarsnes  
Vice President, IR & ESG  
Email: [ingrid.aarsnes@hexagongroup.com](mailto:ingrid.aarsnes@hexagongroup.com)  
Direct: +47 950 38 364

David Bandele  
Chief Financial Officer  
Email: [david.bandele@hexagongroup.com](mailto:david.bandele@hexagongroup.com)  
Direct: +47 920 91 483

# Hexagon proforma financial highlights (1/3)

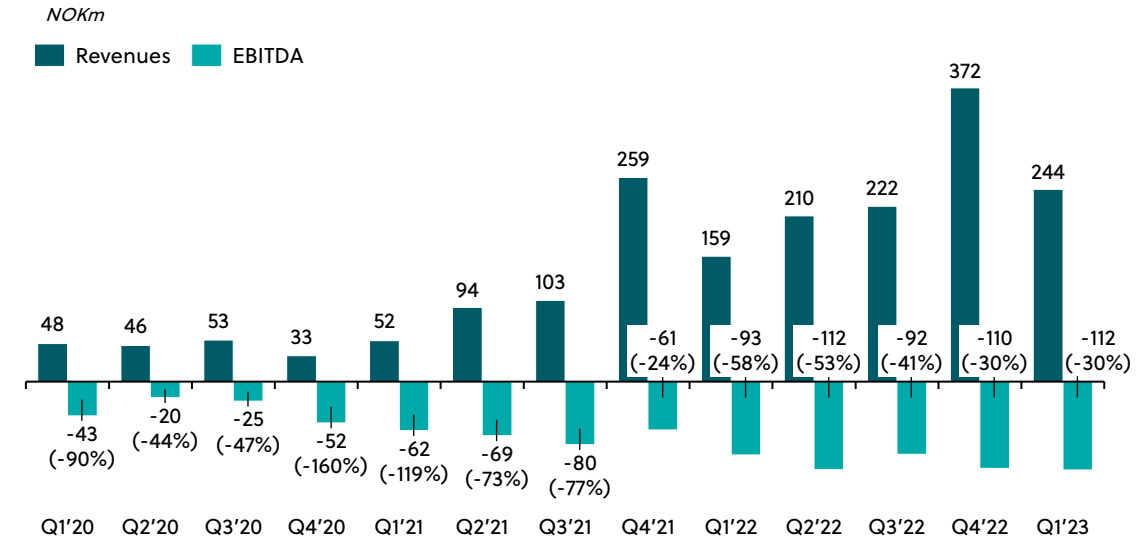
## Hexagon (excl. Hexagon Purus)\*



- **Hexagon (excl. Hexagon Purus) provides clean solutions with strong ESG benefits**

- Hexagon Agility\*\*: (renewable) natural gas clean mobility solutions
- Hexagon Ragasco: Portable LPG cylinders for household and leisure applications
- Digital Wave: smart technology for monitoring and testing of cylinder systems and creating circular economy by extending life expectancy

## Hexagon Purus\*



- **Hexagon Purus provides clean and sustainable fuel solutions for battery electric and hydrogen vehicles**

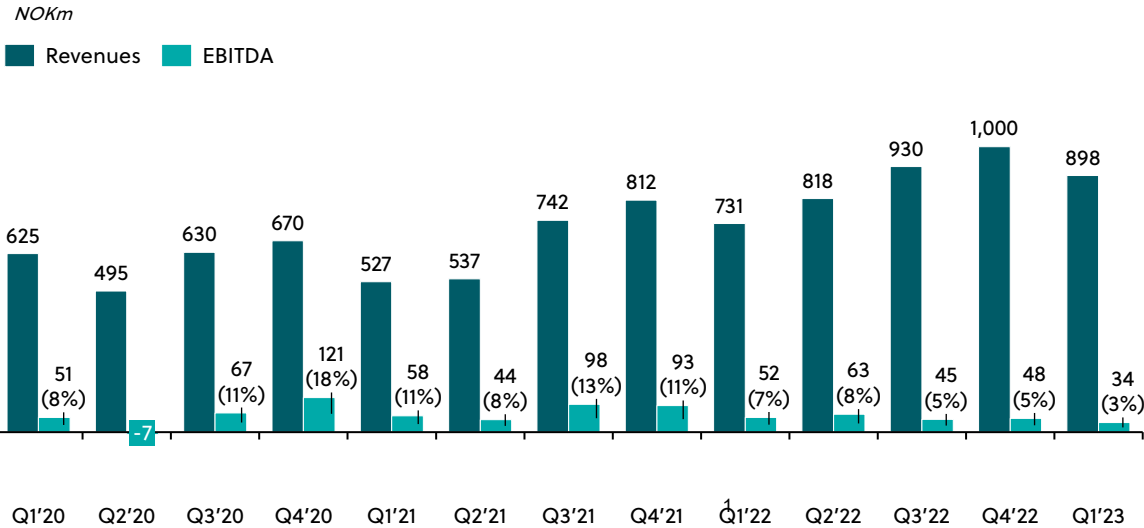
\*2020: preliminary unaudited pro-forma figures after adjusting for reorganizations; 2021 segment reported and is after central/corporate and eliminations within the segments

\*\* previously referred to as g-mobility and being rebranded to be consistent with other reported segments and ahead of transferring operational responsibility of CNG LDV business to Hexagon Agility by 1.1.22



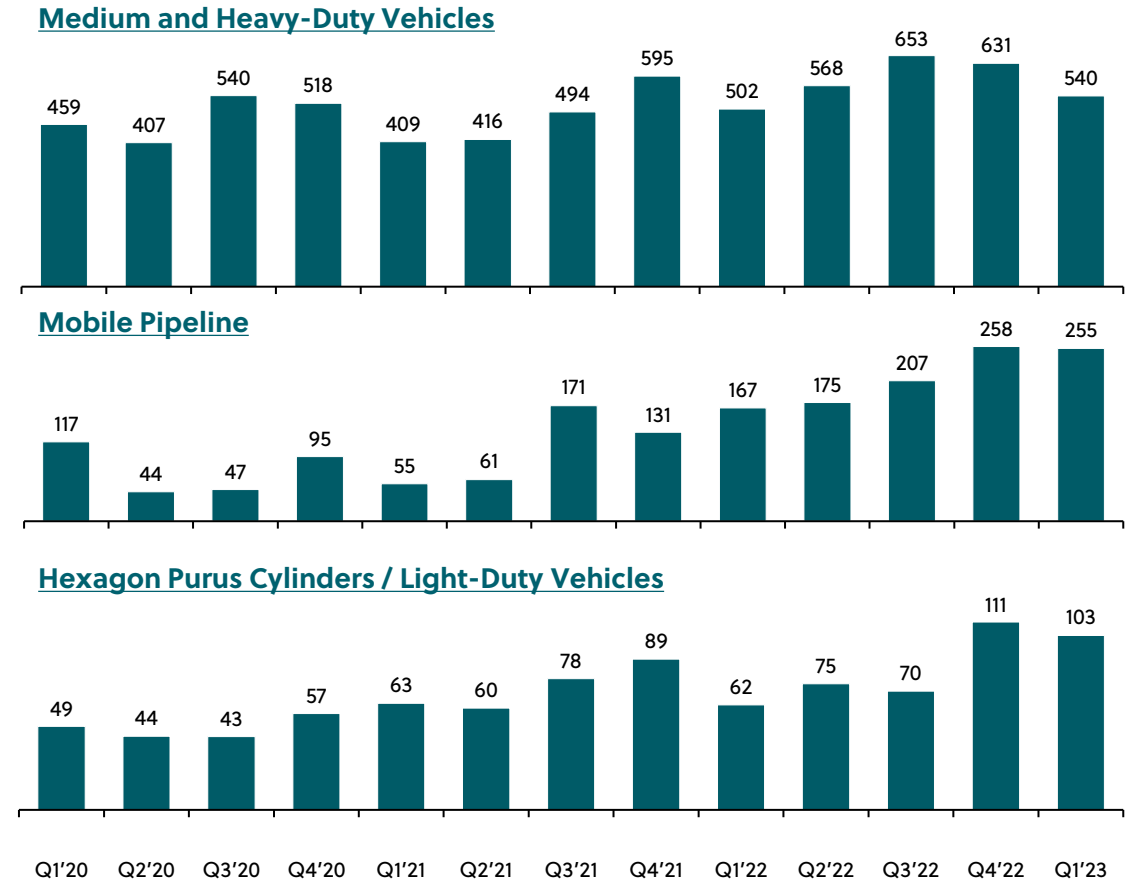
# Segment proforma financial highlights (2/3)

## Hexagon Agility\*



- Hexagon Agility provides (renewable) natural gas clean mobility solutions for Heavy and Medium Duty Vehicles, Mobile Pipeline, and Light-Duty Vehicles
- Global leading provider within markets including Heavy-Duty/ Medium-Duty Trucks, Refuse Truck, Transit Bus, Gas Transportation, Mobile Refueling units and Passenger cars

## Hexagon Agility split (after eliminations)\* NOKm



\*Previously referred to as g-mobility and being rebranded to be consistent with other reported segments and ahead of transferring operational responsibility of CNG LDV business to Hexagon Agility by 1.1.22;  
 2020: preliminary unaudited pro-forma figures after adjusting for reorganizations; 2021 segment reported  
 1) Correction due to reclassification

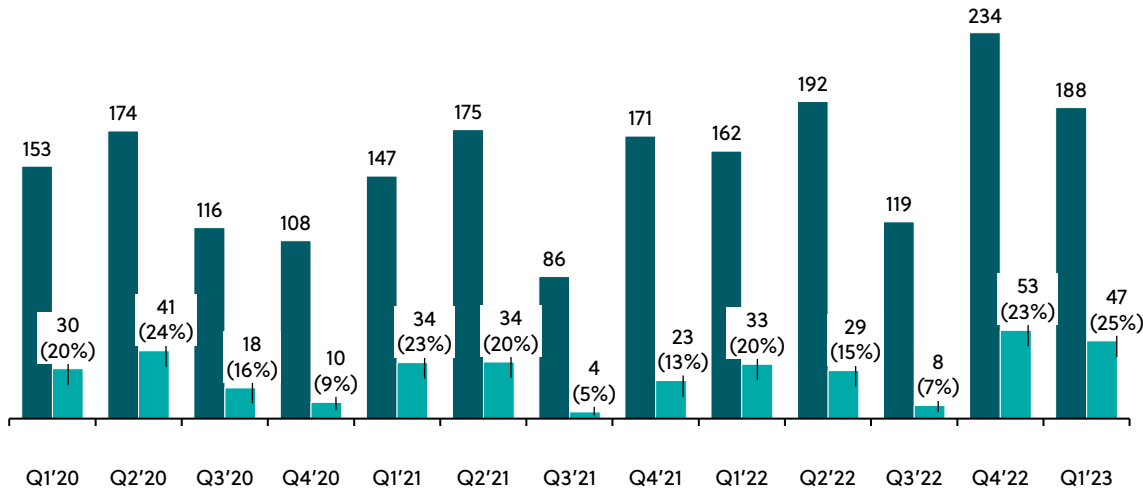


# Segment proforma financial highlights (3/3)

## Hexagon Ragasco

NOKm

Revenues EBITDA

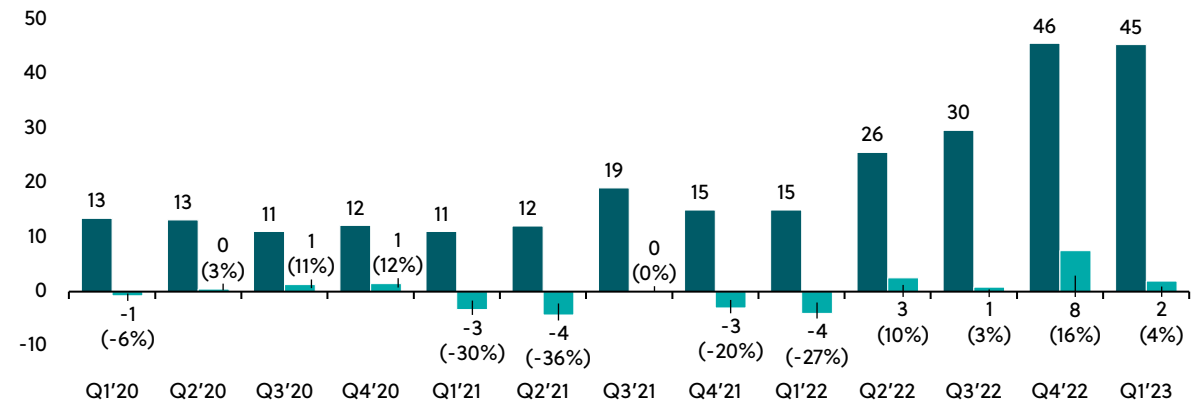


- World leading provider of LPG composite cylinders
- Delivered over 20 million cylinders worldwide
- Strategic agenda include IoT and digitalization providing connectivity and driving value chain transformation

## Hexagon Digital Wave

NOKm

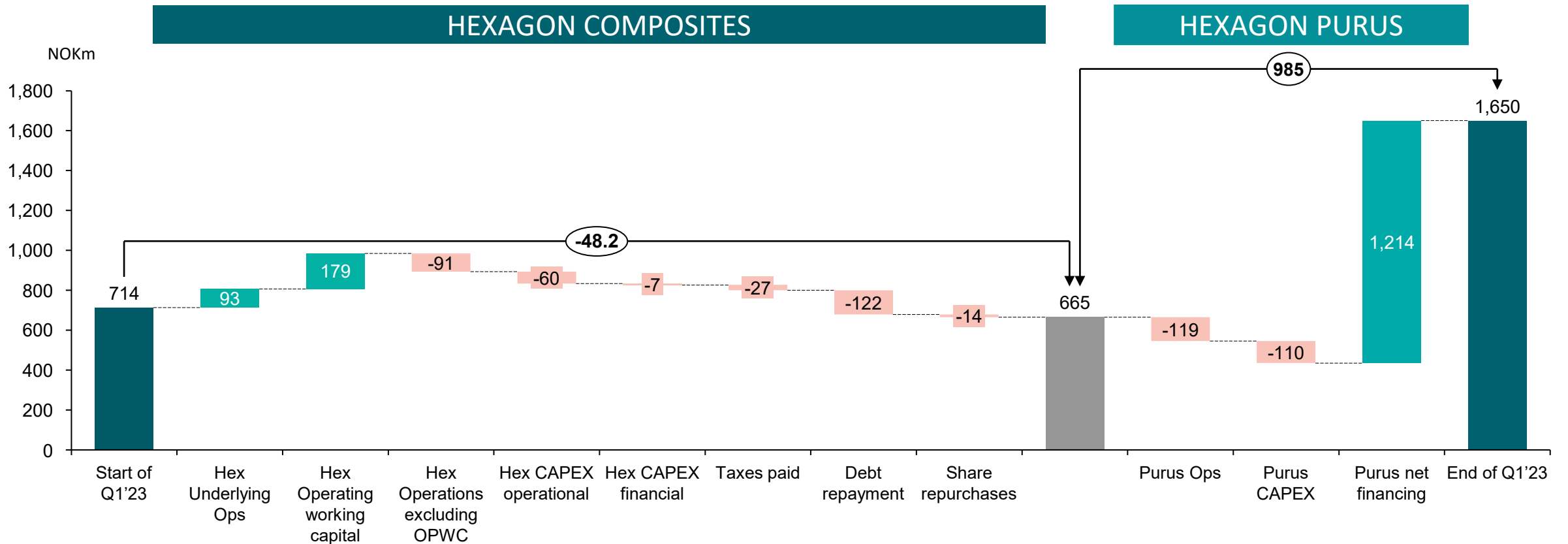
Revenues EBITDA



- Proprietary safety technology – Modal Acoustic Emission (MAE) technology for testing and certifying cylinders
- Strategic agenda include cylinder digitalization with real-timing monitoring, testing and certification, creating a circular economy through enabling life extension



# Group cash Q1 2023



**Hexagon (excl. Purus) cash down NOK 48m to NOK 284m due to NOK 107m repayment of debt related to proceeds from sale & leaseback in Q4.**

**Hexagon Purus cash up by NOK 985m to NOK 1 366m due to equity raise and convertible bond issue of a total of NOK 1 300 in March**



# Consolidated financial statements | P&L

## Hexagon Composites ASA

INCOME STATEMENT (NOK 1 000)	Q1 2023	Q1 2022	31.12.2022	31.12.2021	31.12.2020	31.12.2019
Revenue from contracts with customers	1 258 330	1 013 505	4 913 016	3 534 016	3 070 865	3 404 209
Other operating income	1 184	506	14 361	4 845	0	0
Rental income	1 287	1 893	4 929	3 354	9 511	11 915
<b>Total revenue</b>	<b>1 260 801</b>	<b>1 015 904</b>	<b>4 932 306</b>	<b>3 542 890</b>	<b>3 080 375</b>	<b>3 416 124</b>
Cost of materials	640 918	476 108	2 656 515	1 695 497	1 502 305	1 673 120
Payroll and social security expenses	445 998	349 125	1 495 259	1 101 298	940 096	853 706
Other operating expenses	203 134	199 183	843 722	637 512	448 034	599 209
Gain / Fair value adjustment earn-out						-69 625
<b>Total operating expenses before depreciation</b>	<b>1 290 050</b>	<b>1 024 416</b>	<b>4 995 496</b>	<b>3 434 307</b>	<b>2 890 435</b>	<b>3 056 409</b>
<b>Operating profit before depreciation (EBITDA)</b>	<b>-29 249</b>	<b>-8 512</b>	<b>-63 190</b>	<b>108 584</b>	<b>189 940</b>	<b>359 715</b>
Depreciation and impairment	89 275	76 941	332 162	262 680	249 212	239 606
<b>Operating profit (EBIT)</b>	<b>-118 524</b>	<b>-85 453</b>	<b>-395 352</b>	<b>-154 096</b>	<b>-59 272</b>	<b>120 109</b>
Profit/loss from investments in associates and joint ventures	-5 396	-1 349	48 317	-2 957	-1 885	-749
Net financial items	-52 786	-14 471	-70 082	-144 691	5 018	-8 114
<b>Profit/loss before tax</b>	<b>-176 706</b>	<b>-101 273</b>	<b>-417 118</b>	<b>-301 744</b>	<b>-56 138</b>	<b>111 246</b>
Tax expense	-5 240	11 376	8 859	25 833	91 643	3 755
<b>Profit/loss after tax</b>	<b>-171 466</b>	<b>-112 649</b>	<b>-425 977</b>	<b>-327 577</b>	<b>-147 781</b>	<b>107 491</b>

# Consolidated financial statements | Balance sheet

## Hexagon Composites ASA

BALANCE SHEET (NOK 1 000)	31.03.2023	31.03.2022	31.12.2022
<b>ASSETS</b>			
Property, plant and equipment	1 528 415	1 091 946	1 366 307
Right-of-use assets	515 031	262 734	473 233
Intangible assets	2 725 488	2 344 870	2 570 853
Investment in associates and joint ventures	47 611	5 675	53 272
Other non-current financial assets	151 279	406	141 429
Other non-current assets	5 342	2 489	4 942
Deferred tax	0	13 678	0
<b>Total non-current assets</b>	<b>4 973 167</b>	<b>3 721 798</b>	<b>4 580 035</b>
Inventories	1 641 520	1 263 047	1 546 497
Trade receivables	920 615	779 248	865 403
Contract assets	10 622	5 163	9 488
Other current financial assets	0	1 166	0
Other current assets	248 758	174 614	188 772
Bank deposits, cash and similar	1 649 991	1 029 135	713 547
<b>Total current assets</b>	<b>4 471 505</b>	<b>3 252 373</b>	<b>3 323 707</b>
<b>Total assets</b>	<b>9 444 672</b>	<b>6 974 171</b>	<b>7 903 742</b>

BALANCE SHEET (NOK 1 000)	31.03.2023	31.03.2022	31.12.2022
<b>EQUITY AND LIABILITIES</b>			
Paid-in capital	2 238 364	2 201 723	2 228 442
Other equity	1 194 723	763 452	763 464
<b>Equity attributable to equity holders of the parent</b>	<b>3 433 087</b>	<b>2 965 175</b>	<b>2 991 905</b>
Non controlling interests	781 234	499 685	476 901
<b>Total equity</b>	<b>4 214 321</b>	<b>3 464 860</b>	<b>3 468 806</b>
Interest-bearing liabilities (non-current)	1 994 692	1 606 485	1 482 140
Lease liabilities (non-current)	509 764	215 830	481 018
Other financial liabilities (non-current)	301 765	103 446	256 675
Pension liabilities	2 180	4 496	2 321
Deferred tax liabilities	180 617	239 057	206 370
Provisions (non-current)	7 662	4 767	6 133
<b>Total non-current liabilities</b>	<b>2 996 679</b>	<b>2 174 081</b>	<b>2 434 656</b>
Interest-bearing liabilities (current)	159 738	3 553	234 674
Lease liabilities (current)	91 274	58 473	70 574
Trade payables	506 577	489 725	572 569
Contract liabilities	824 112	371 867	548 643
Other financial liabilities (current)	124 455	69 321	75 051
Income tax payable	79 095	20 694	53 057
Other current liabilities	334 622	252 084	343 154
Provisions (current)	113 799	69 515	102 557
<b>Total current liabilities</b>	<b>2 233 672</b>	<b>1 335 230</b>	<b>2 000 280</b>
<b>Total liabilities</b>	<b>5 230 351</b>	<b>3 509 311</b>	<b>4 434 935</b>
<b>Total equity and liabilities</b>	<b>9 444 672</b>	<b>6 974 171</b>	<b>7 903 742</b>

# Consolidated financial statements | Cash flow

## Hexagon Composites ASA

CONDENSED CASH FLOW (NOK 1 000)	31.03.2023	31.03.20233	31.12.2022
<b>Cash flow from operating activities</b>			
Profit before tax	-176 706	-101 273	-417 118
Depreciation, amortization and impairment	89 275	76 941	332 162
Net interest expense	49 332	11 097	91 117
Changes in net operating working capital <sup>(1)</sup>	58 110	175 294	60 984
Other adjustments to operating cash flow	12 735	-113 106	31 443
<b>Net cash flow from operating activities</b>	<b>32 747</b>	<b>48 953</b>	<b>98 588</b>
Purchase of property, plant & equipment, net of proceeds from sale	-147 386	-127 712	-346 207
Purchase and development of intangible assets	-17 699	-16 051	-75 729
Interest received	9 012	1 376	15 207
Investment in associated companies	-	-	-65 379
Other investments	-11 686	-27	-45 319
<b>Net cash flow from investing activities</b>	<b>-167 759</b>	<b>-142 413</b>	<b>-517 428</b>
Net repayment (-) / proceeds (+) from interest bearing loans	701 972	430 615	534 747
Interest payments on interest-bearing liabilities	-51 911	-9 179	-89 502
Repayment of lease liabilities (incl. Interests)	-28 590	-21 850	-83 485
Net proceeds from share capital increase (subsidiary)	484 519	154 108	189 043
Net proceeds from purchase (-) and sale (+) of own shares	-13 671	-30 495	-30 495
<b>Net cash flow from financing activities</b>	<b>1 092 319</b>	<b>523 199</b>	<b>520 309</b>
<b>Net change in cash and cash equivalents</b>	<b>957 307</b>	<b>429 739</b>	<b>101 469</b>
Net currency exchange differences	-20 862	-813	11 869
Cash and cash equivalents at start of period	713 547	600 209	600 209
<b>Cash and cash equivalents at end of period</b>	<b>1 649 991</b>	<b>1 029 135</b>	<b>713 547</b>

<sup>1)</sup> Net operating working capital: Inventories, trade receivables, contract assets, trade payables, and contract liabilities