



Q3 2024

Knut Flakk, Chair of the Board
David Bandle, CFO

7 November 2024



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Our Vision
Clean Air Everywhere

Our Purpose
Driving Energy Transformation

Our Values
Integrity and Drive



Contributing to the green energy transition

The solutions we have supplied this year
have enabled the avoidance of

1 million

metric tons of CO₂ equivalents

*Equal to removing ~238,000
petroleum cars off the road for
one year*

Hexagon Composites delivered record high EBITDA in Q3 driven by strong revenues and high operational efficiency



Revenue

NOK **1,250** million



EBITDA

NOK **184** million



EBITDA margin

15%

Key highlights

Strong commercial momentum combined with solid operational performance



High activity in RNG fuel systems with a number of new adopters



Solid improvements in operational performance



Hexagon Purus fully funded

Hexagon Agility

High activity in RNG fuel systems, with a number of new adopters

- Significant order of USD 18 million for RNG fuel system from major US refuse collection company
- Recent wave of orders from over **30** different leading Class 8 fleets testing the X15N engine. **40%** are new adopters of RNG.



Solid improvements in operational performance

- **Fuel Systems**
Higher throughput and increased efficiency, resulting in stronger profitability
- **Mobile Pipeline**
New replacement cylinder winder installed in Lincoln, NE in September. Combined with World Class Manufacturing initiatives, the efficiency is up 50% year-over-year



Mobile Pipeline modules per month¹ with the same staff

Hexagon Purus

Successfully raised NOK 1 billion - fully funding the company

- Hexagon Purus is delivering remarkable growth, expects revenue growth of 50% year-over-year for 2024.
- The capital raise enables Hexagon Purus to execute on their growth plan past the point of cash flow break-even.

Q3 2024 Financials

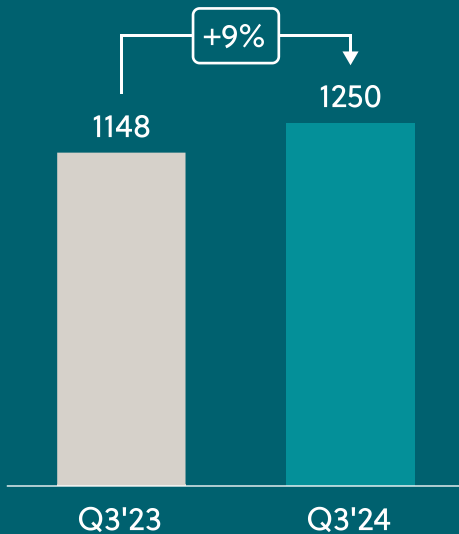
- Strong revenues and record EBITDA
- Delivered 15% EBITDA margin
- NOK 300 million capital raise



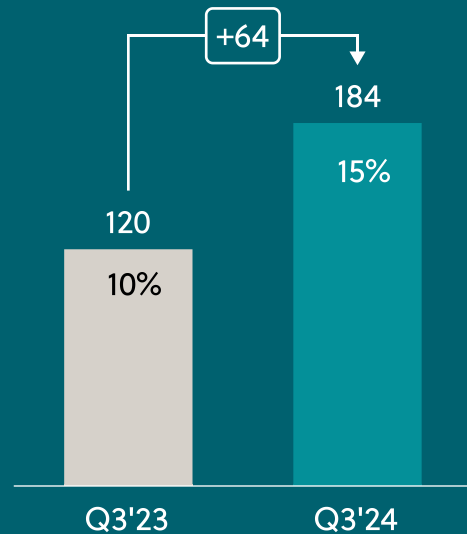
Q3 2024 Financial highlights

Record-high EBITDA from expected margin improvement

Revenue
NOKm



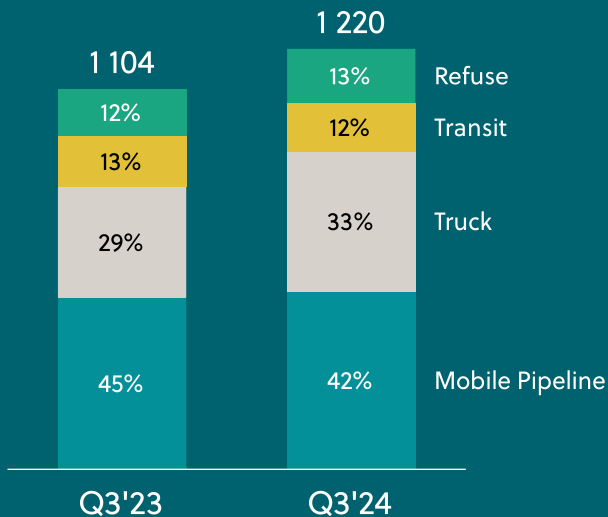
EBITDA
NOKm



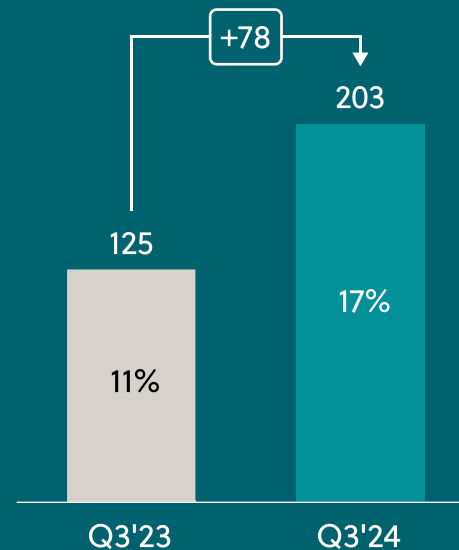
- **Strong** revenues of **NOK 1.25 billion** and **record EBITDA of NOK 184 million**
- **High activity** in Hexagon Agility's Truck and Mobile Pipeline businesses
- **Substantial margin increase** to 15%
- **Leverage at 1.1x**

Higher Truck volumes and solid Mobile Pipeline drives profitability

Revenue
NOKm



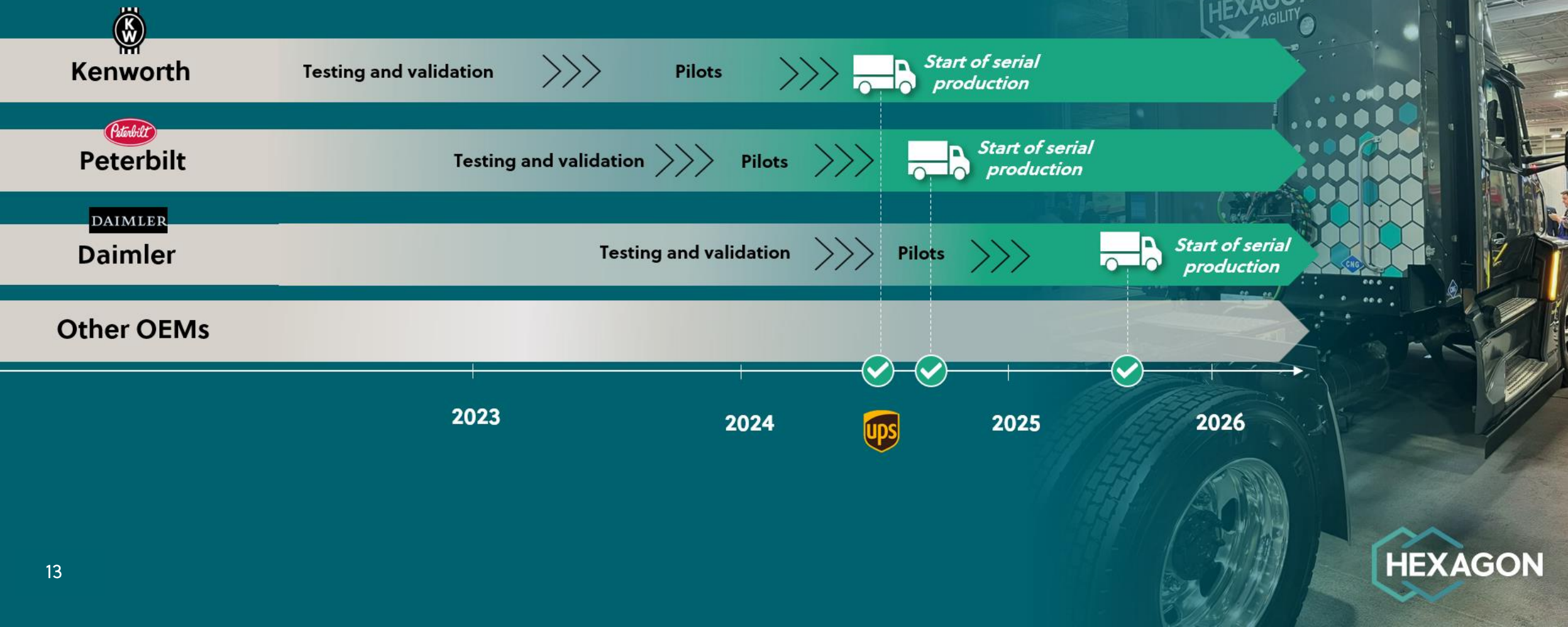
EBITDA
NOKm / % margin



- **37%** pick-up in heavy-duty Truck sales vs. Q2'24
- Continued **strong performance** in Mobile Pipeline

Hexagon Agility

Significant quoting activity with fleets for X15N natural gas engine



Hexagon Agility

Quoting and technical validation of X15N leading to orders as expected

Experienced CNG/RNG fleets

- ✓ ROI
- ✓ Fueling strategy
- ✓ Performance
- ✓ Driver acceptance
- ✓ Maintenance

Orders



New adopters

- ✓ ROI
- ? Fueling strategy
- ? Performance
- ? Driver acceptance
- ? Maintenance

Pilots



- ✓ ROI
- ✓ Fueling strategy
- ✓ Performance
- ✓ Driver acceptance
- ✓ Maintenance

Orders

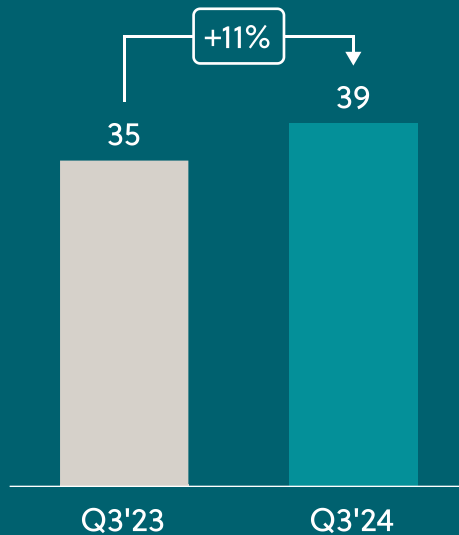


Hexagon Digital Wave

Continued high activity in MAE Mobile Pipeline trailer testing

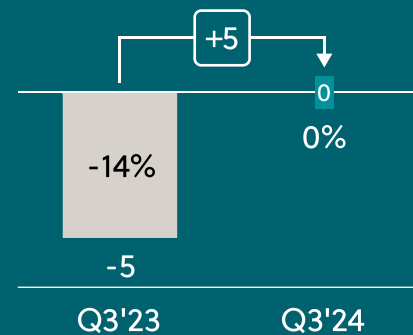
Revenue

NOKm



EBITDA

NOKm / % margin



- Increased revenues by 11%
- Break-even due to continued growth opex year-over-year

Hexagon Group 2024 Financial outlook

EBITDA guidance increased to over NOK 560 million



Mobile Pipeline

Stable at high volumes for rest of year

Transit & Refuse truck

Lumpy Transit, steady Refuse truck

Truck

Strong volumes expected for rest of year including demand for the new X15N engine



Cylinder testing and inspection technologies

Strong Q4 expected to improve profitability for the year

Revenue

- Truck sales increase significantly in second-half of 2024 boosted by UPS order

EBITDA

- Margin appreciation in second-half of year, in line with increased truck volumes

**2024
NOK
~4.8 bn¹**
(2023:NOK 4.5bn²)

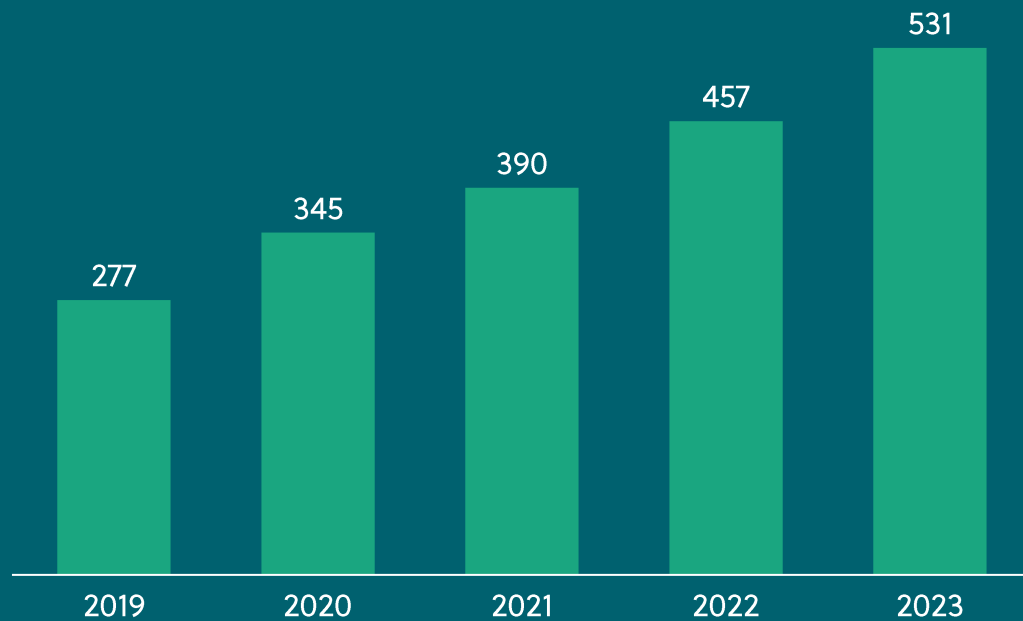
**2024
NOK
>560m¹**
(2023:NOK 366m²)

An aerial photograph of a multi-lane highway bridge crossing a river. The river is surrounded by dense, lush green forests. A small blue car is visible on the bridge. The word "Outlook" is overlaid in white text on the left side of the bridge.

Outlook

Strong growth in the availability of renewable natural gas

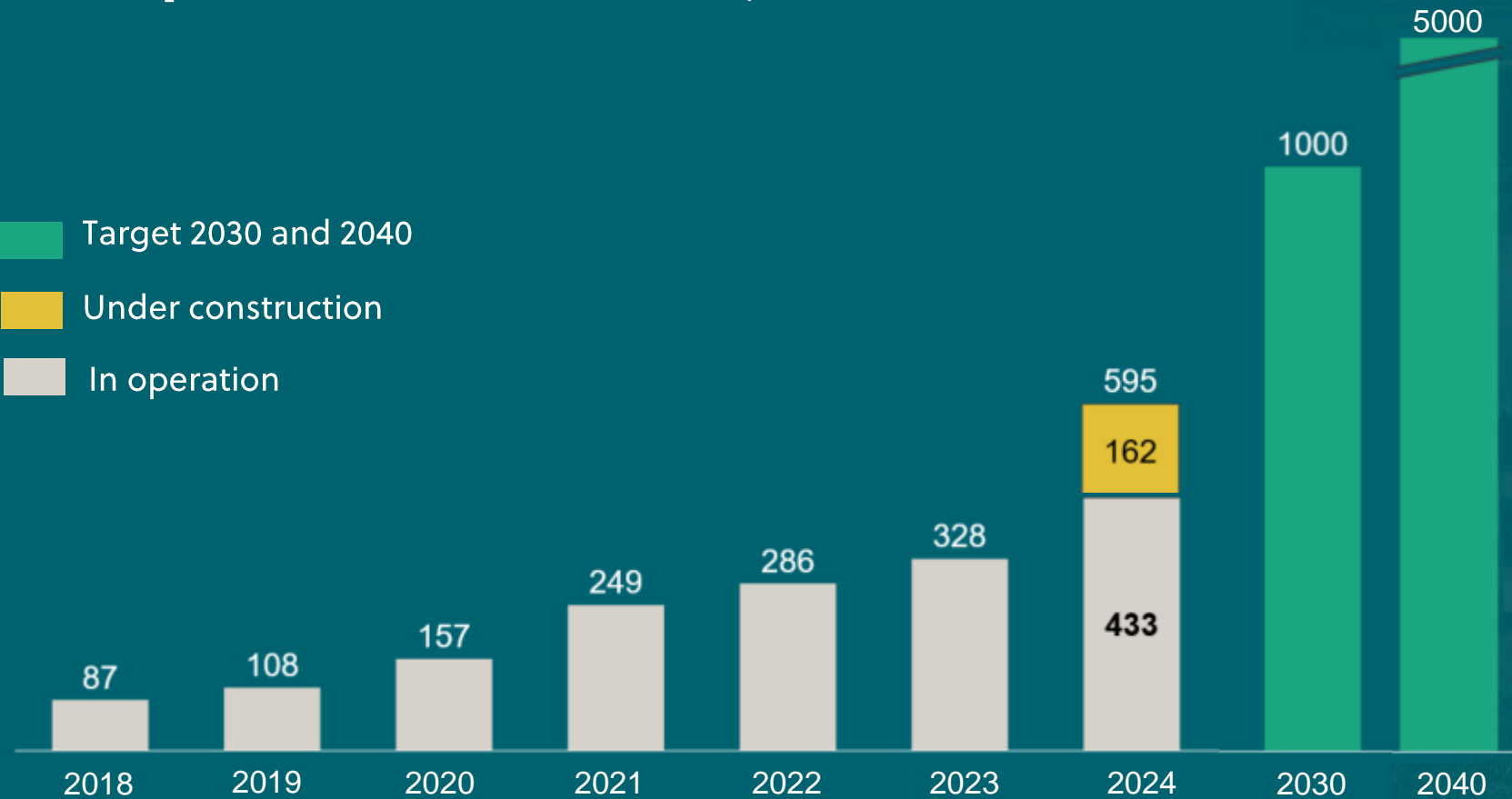
Renewable natural gas (RNG)
Million gasoline gallon equivalent



The use of RNG as a transportation fuel has increased by 92% over the last five years

Hexagon Agility

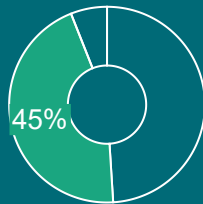
The number of RNG facilities in North America are expected to double by 2030



Hexagon Agility

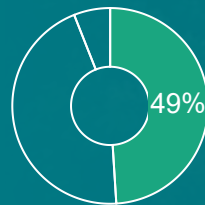
RNG is driving market growth across all business segments

Mobile Pipeline



% of LTM revenue

Fuel systems



% of LTM revenue

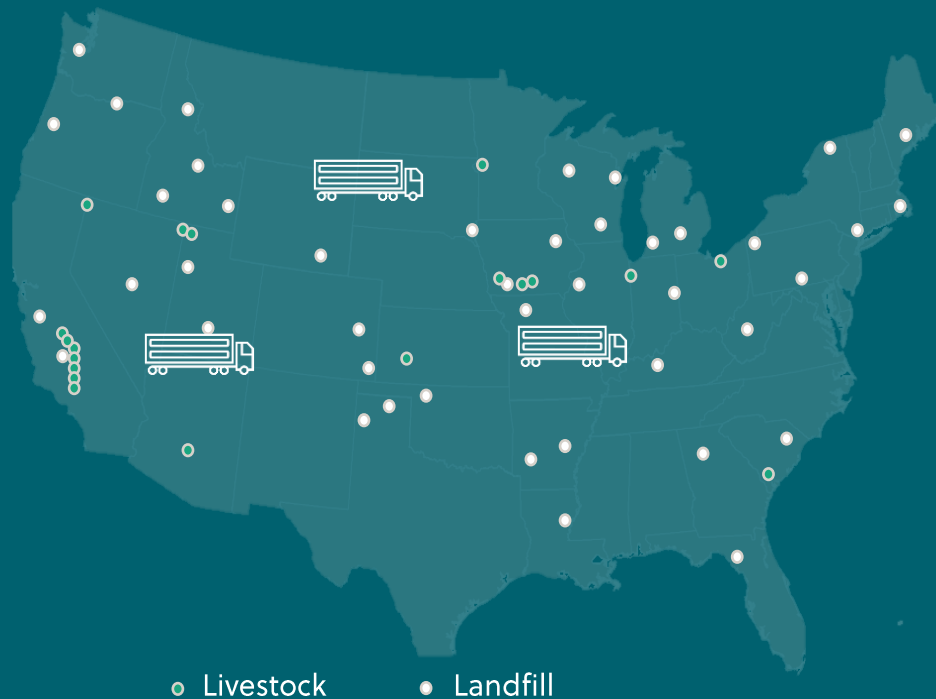
FleetCare



% of LTM revenue

Hexagon Agility

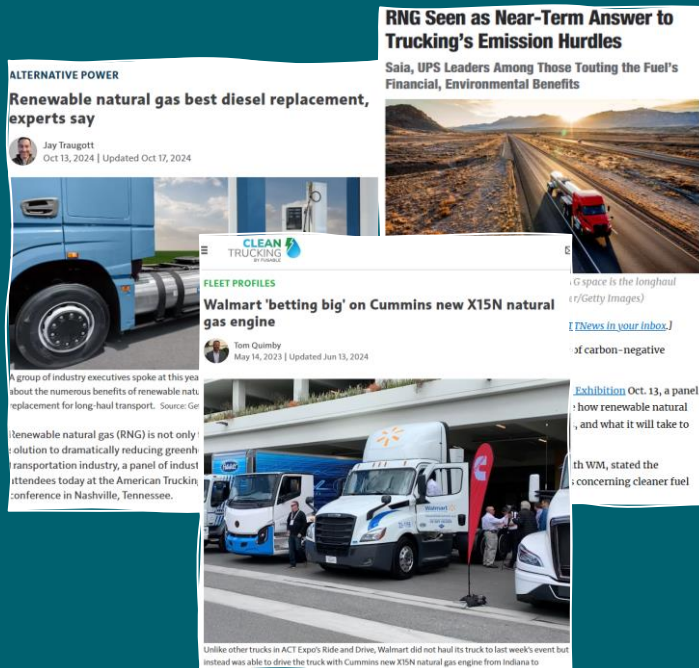
The remote locations of RNG facilities are driving demand for Mobile Pipeline solutions



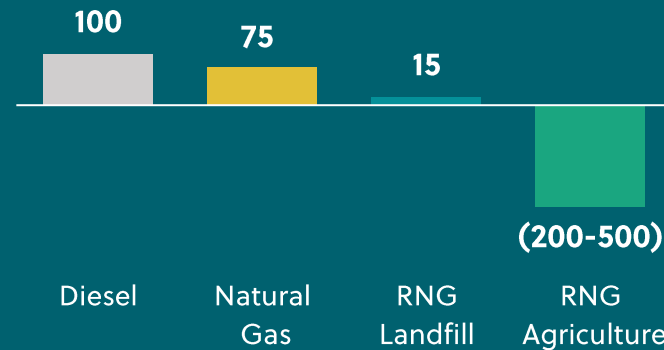
~35% of facilities are in rural areas without pipeline access

RNG recognized as the fast-track to decarbonization

RNG to displace diesel

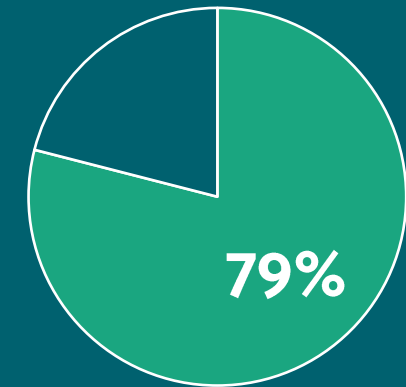


The lowest carbon intensity of any clean fuel



Average Carbon Intensity Score
CO2 Equivalent

RNG is available today



79% of on-road fuel used in US natural gas vehicles was RNG (2023)

Hexagon Agility

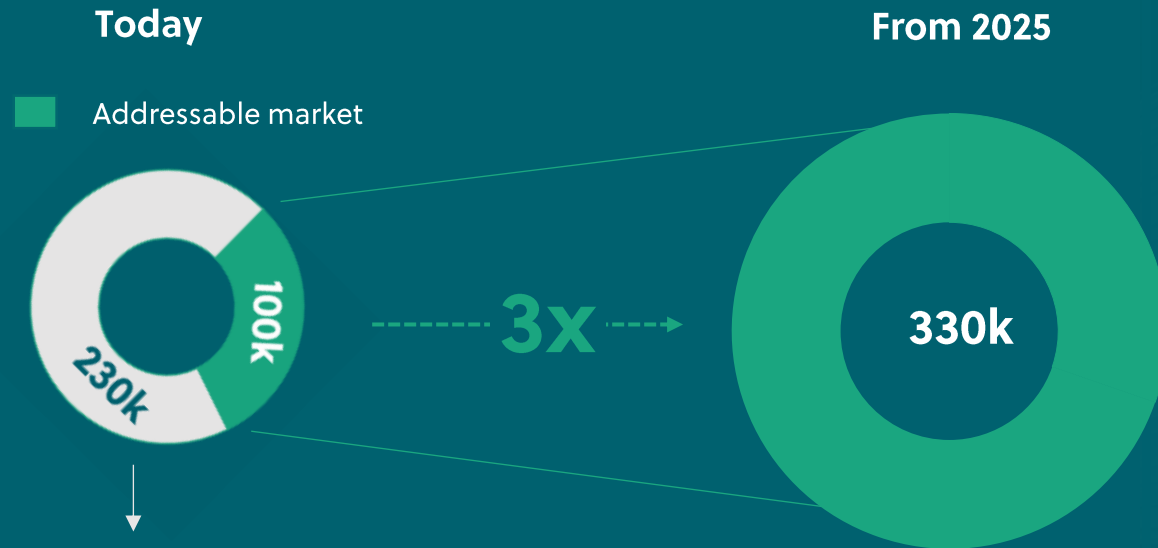
The X15N engine enables natural gas to go head-to-head with diesel

- ✓ Matches diesel on power and range
- ✓ 10% fuel economy improvement
- ✓ Compliant to CARB and EPA
- ✓ On the market in Asia for more than two years



Our addressable market for fuel systems is tripling

US heavy-duty truck addressable market for natural gas solutions
(# trucks sold per year)



Long-haul and heavy-duty segment
not addressed in the past due to
range and power requirement

Significant growth in heavy-duty natural gas trucks

Market drivers are getting stronger



- ✓ Fleets committed to decarbonize
- ✓ Strong growth in RNG availability
- ✓ Favorable total cost of ownership
- ✓ Supportive regulations

Market barriers are easing



- ✓ X15N matches diesel power and range
- ✓ Technology ready-to-deploy at scale
- ✓ Increased operational experience
- ✓ Well established infrastructure

Accelerated growth of natural gas trucks



>10x

by 2030

Key takeaways

**High demand for our
Truck and Mobile
Pipeline applications**

**Strong profitability
from higher volumes
and improved
operational
performance**

**In pole position to
capture significant
growth from the
renewable natural gas
market**

A woman with a ponytail is walking away from the camera on a city street during sunset. The scene is overlaid with a white hexagonal pattern. The text "Clean air everywhere" is centered in white.

Clean air everywhere

Appendix

Investor relations information



Exchange

Ticker symbol: HEX
ISIN: NO0003067902
Exchange: Oslo Børs



Market cap

NOK ~8.7 bn¹
Market capitalization



Investor base



Financial calendar 2024

Q4'24 13 February



Equity analyst coverage

ABG
Carnegie
Danske Bank
DNB
Nordea
SEB
Sparebank 1

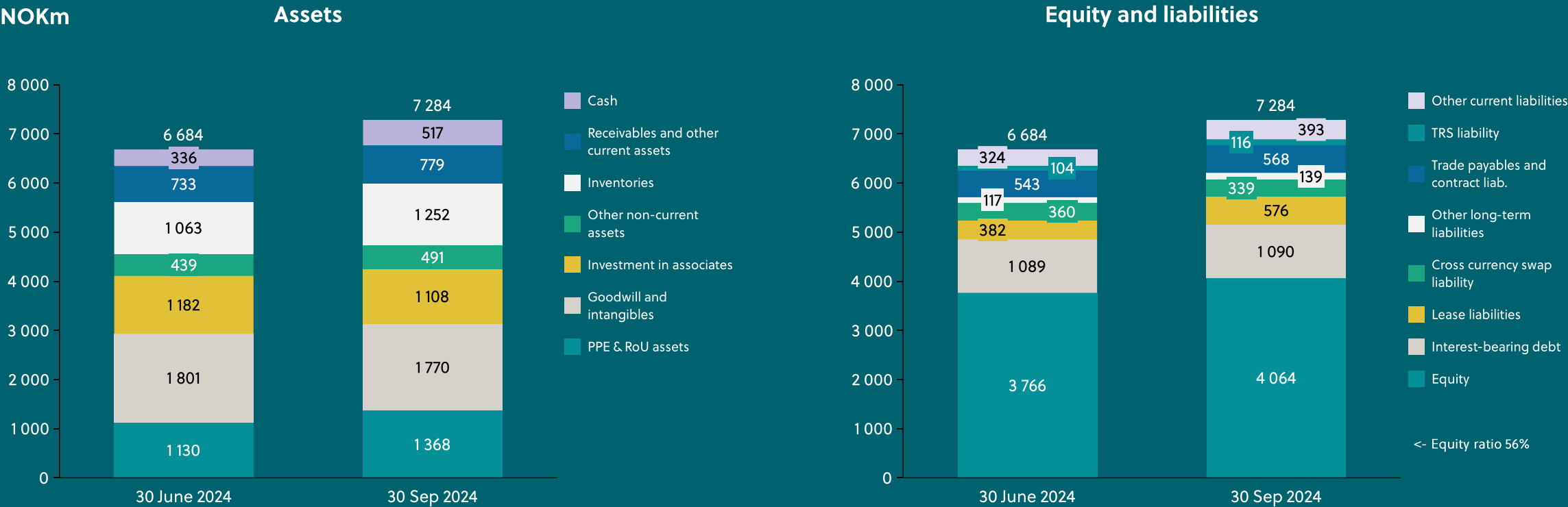
For details, please visit our [website](#)



Investor relations contact

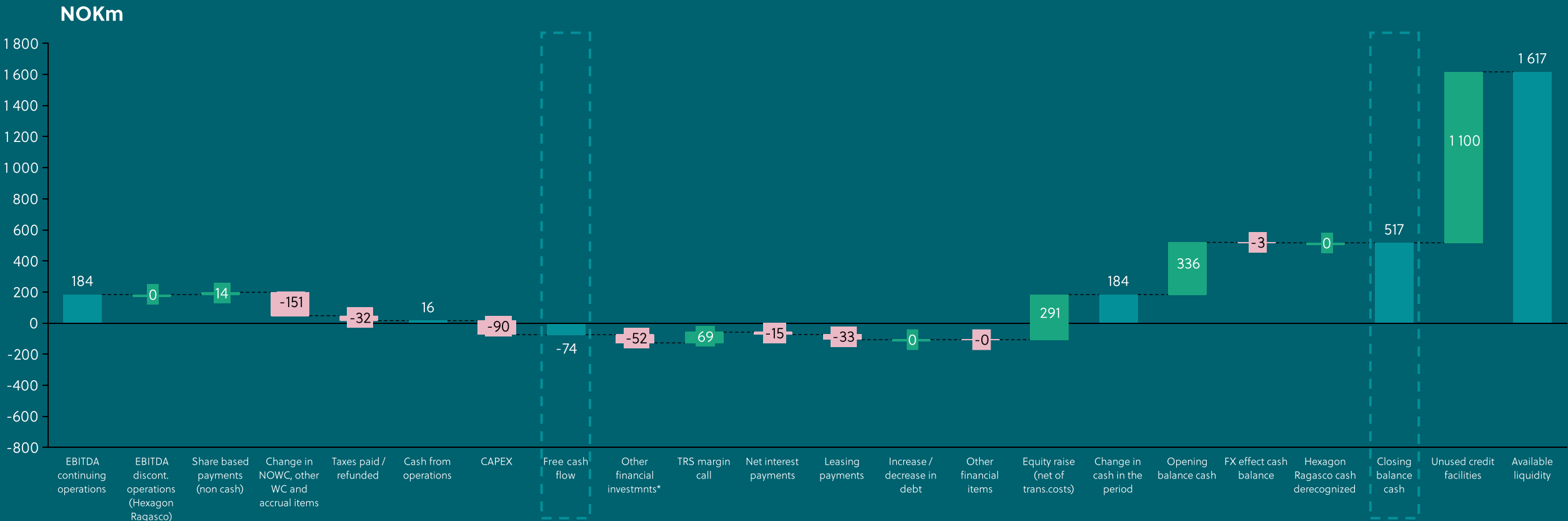
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Hexagon Group | Balance sheet



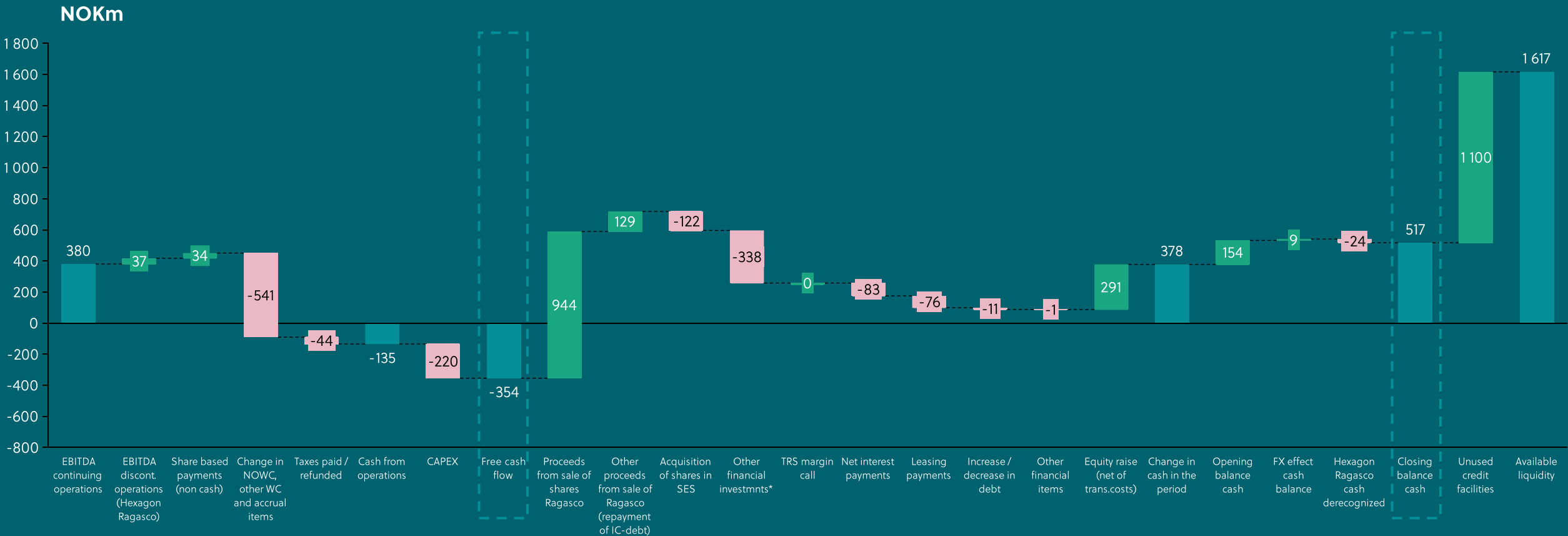
Compared to end of last quarter, total balance sheet has increased primarily due to equity raise of NOK 300m in August and recognition new lease agreements in Agility (Salisbury expansion building of NOK ~120m and transfer & expansion in European assembly capacity from Norway to Kassel of NOK ~90m). Equity ratio remained at 56%.

Hexagon Group | Cash flow Q3



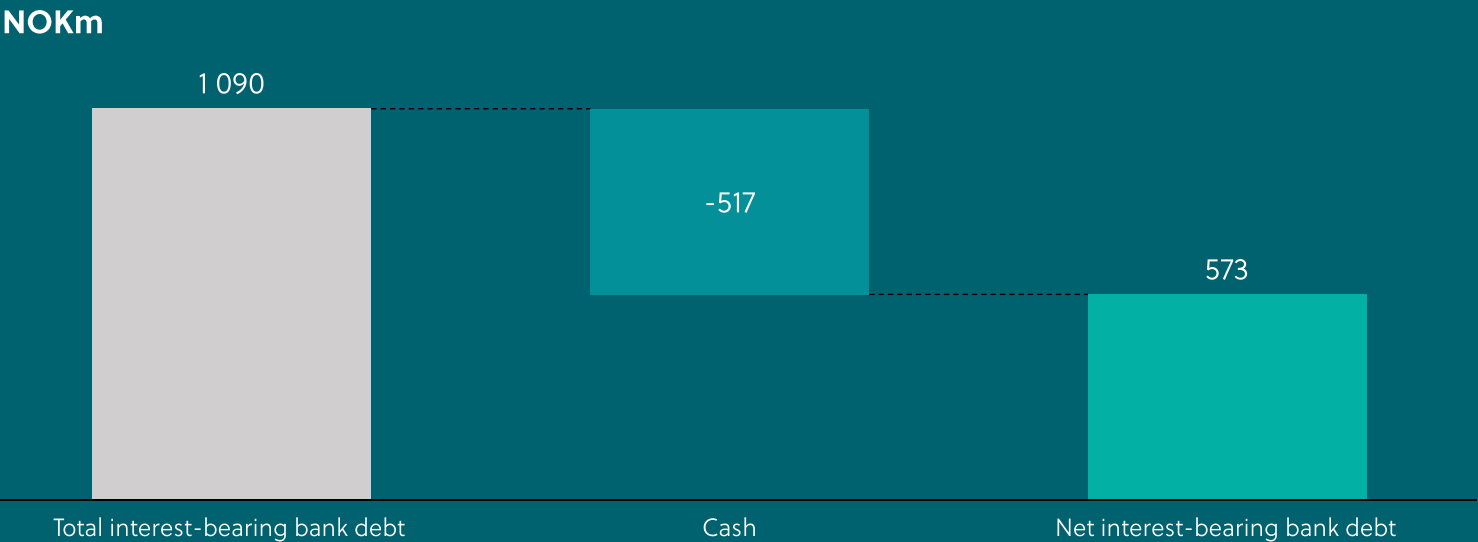
Solid profitability with increased working capital levels. Equity raise of NOK 300m in August, boosts available liquidity to NOK 1 617m as of period end.

Hexagon Group | Cash flow YTD per September

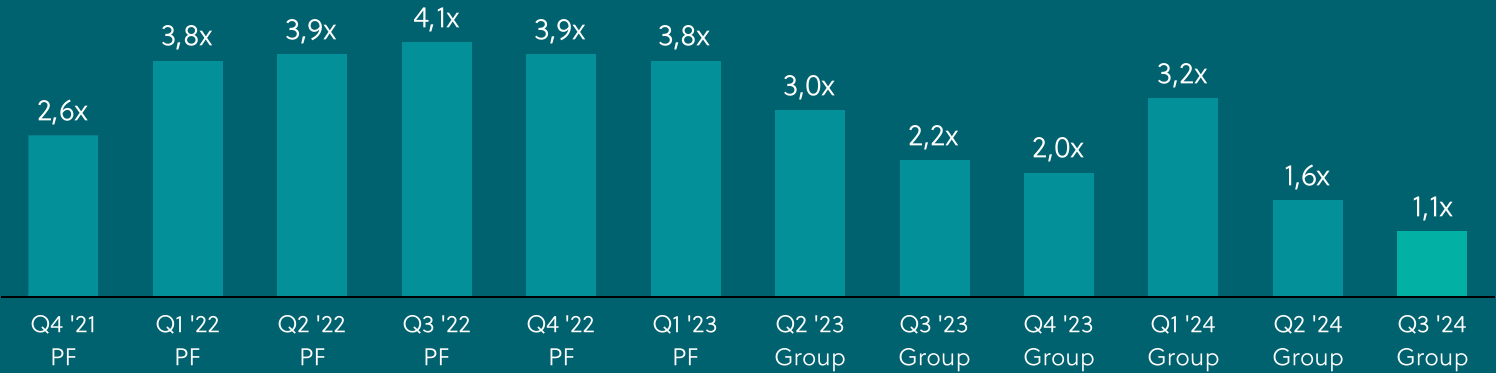


Solid profitability with increased working capital levels. NOK 200m participation in Hexagon Purus convertible bond offset by sale of Hexagon Ragasco and equity raise of NOK 300m in year.

Hexagon Group leverage



NIBD / EBITDA LTM

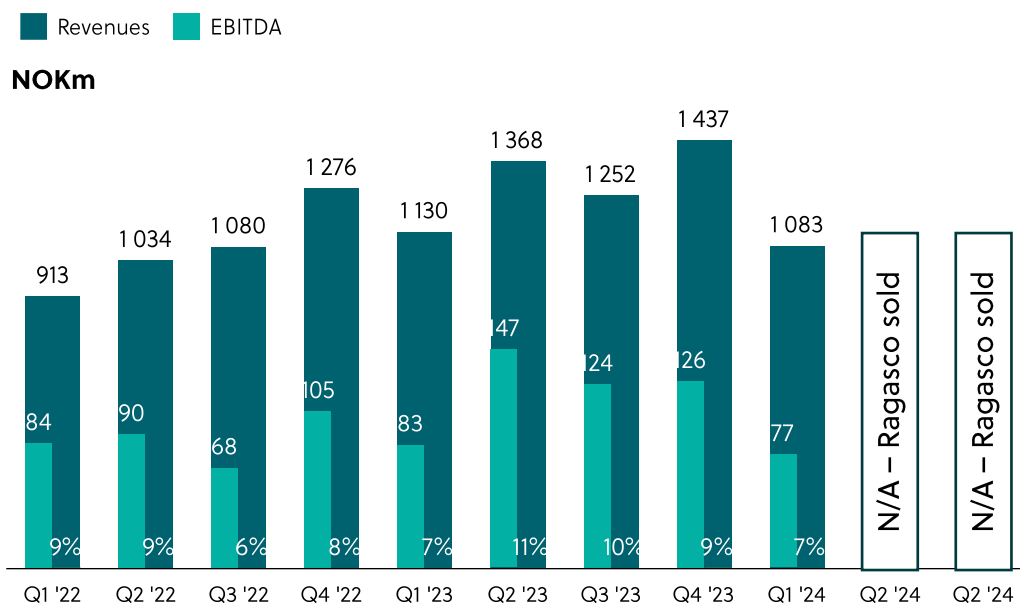


Comments

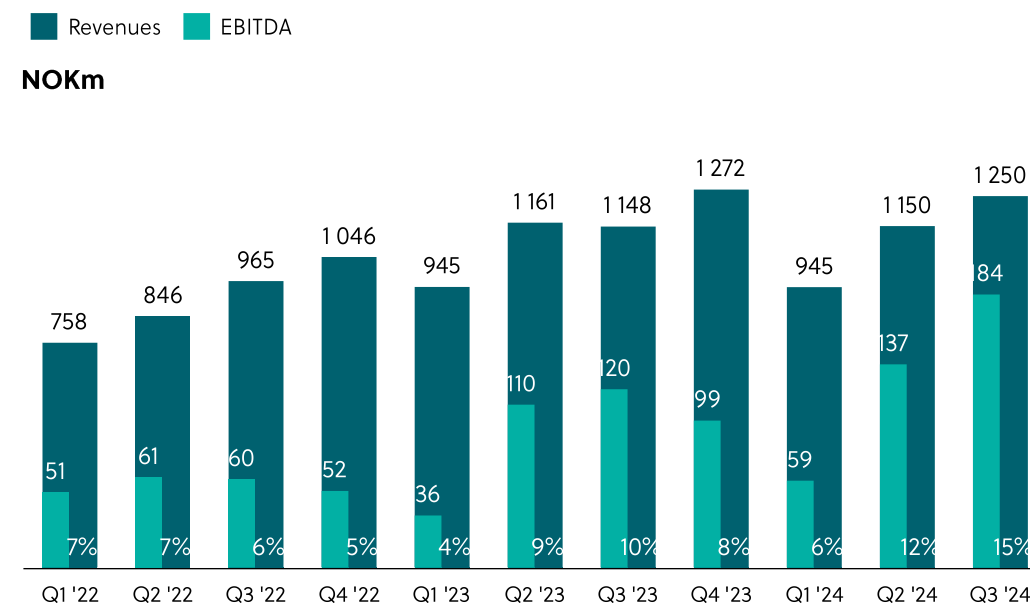
- Following the raise of NOK 300m in August, net-interest bearing bank debt is reduced to NOK 573 million as of Q3, compared to NOK 753 million end of Q2.
- NIBD reduced to 1.1x during the quarter.
- Available liquidity of NOK ~1.6 billion as at end of quarter.

Hexagon proforma financial highlights (1/4)

Hexagon Group as reported (incl. Ragasco)



Hexagon Group continuing operations (excl. Ragasco)¹

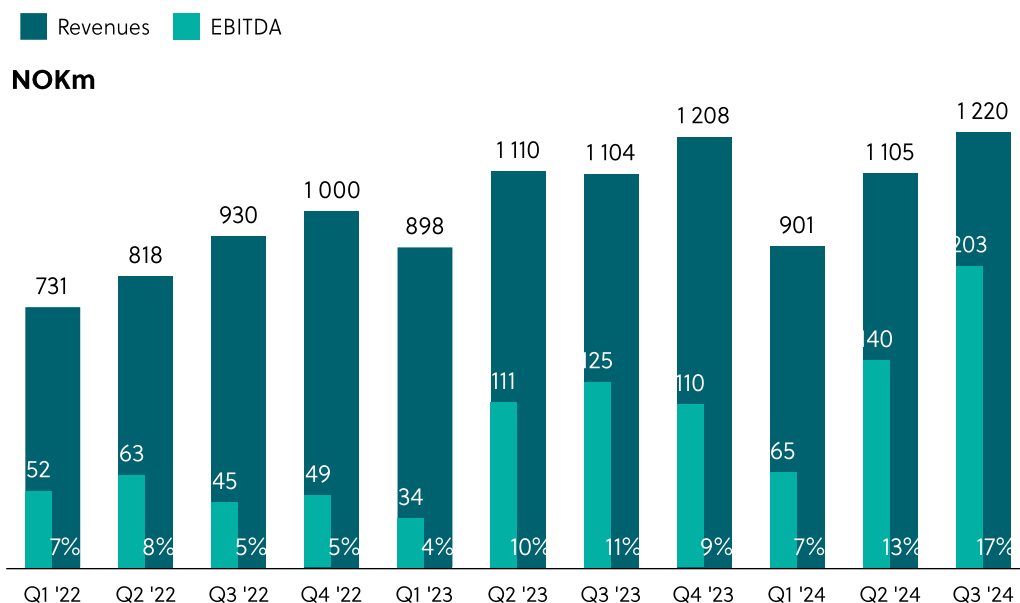


- **Hexagon Group (continuing operations) provides clean solutions with strong ESG benefits**
 - Hexagon Agility: (renewable) natural gas fuel systems for commercial vehicles and gas distribution solutions
 - Digital Wave: smart technology for monitoring and testing of cylinder systems and creating circular economy by extending life expectancy

¹) Hexagon Ragasco was sold to Worthington Enterprises on 3 June 2024 and has for accounting and comparability purposes been presented as discontinued operations. Historical financials for the Group have been re-presented to show continuing operations only. Continuing operations refer to the operating segments Hexagon Agility and Hexagon Digital Wave in addition to Corporate overhead functions.

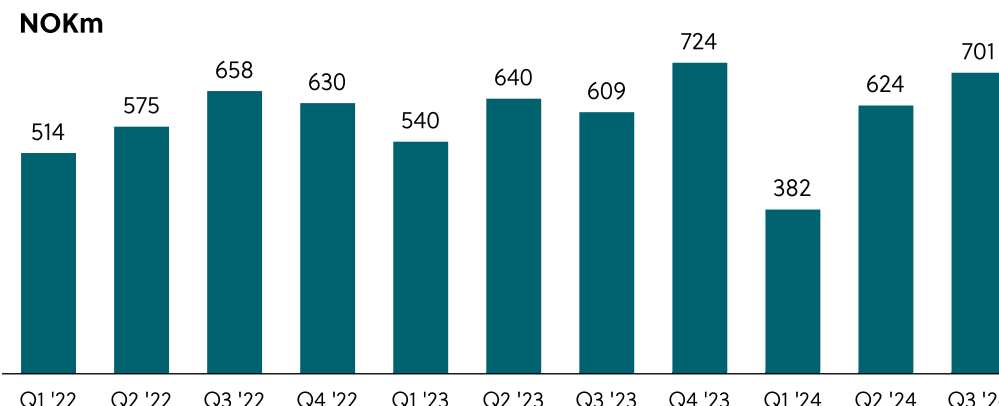
Hexagon proforma financial highlights (2/4)

Hexagon Agility)

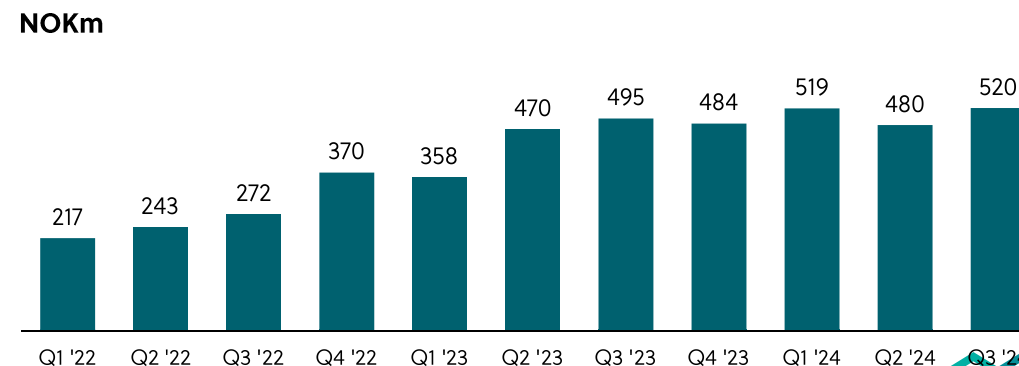


Hexagon revenue split (after eliminations)

Fuel systems commercial vehicles (medium and heavy-duty vehicles)



Mobile Pipeline¹⁾



- **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

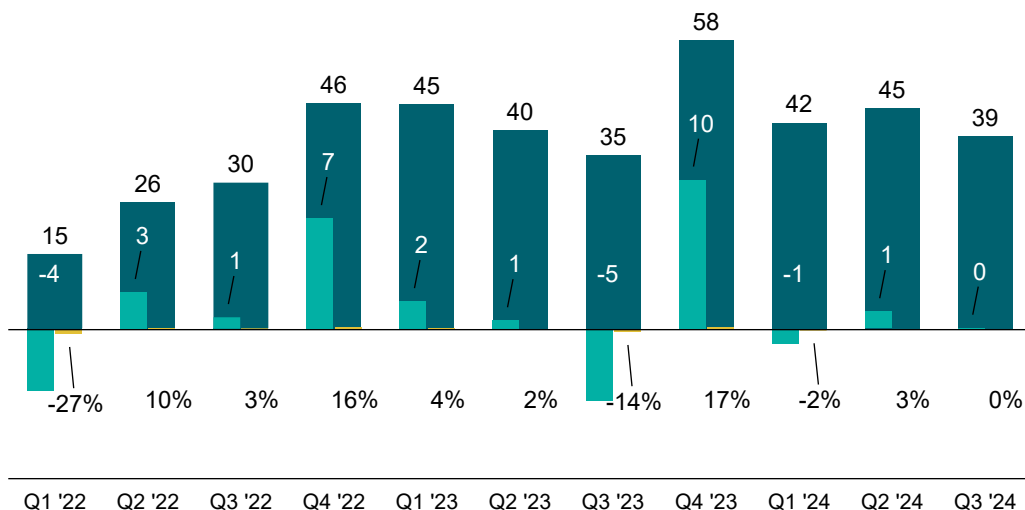
1) Including revenues previously referred to as Cylinders/Other. Historical figures re-presented for comparability purposes.

Hexagon proforma financial highlights (3/4)

Hexagon Digital Wave

Revenues EBITDA

NOKm

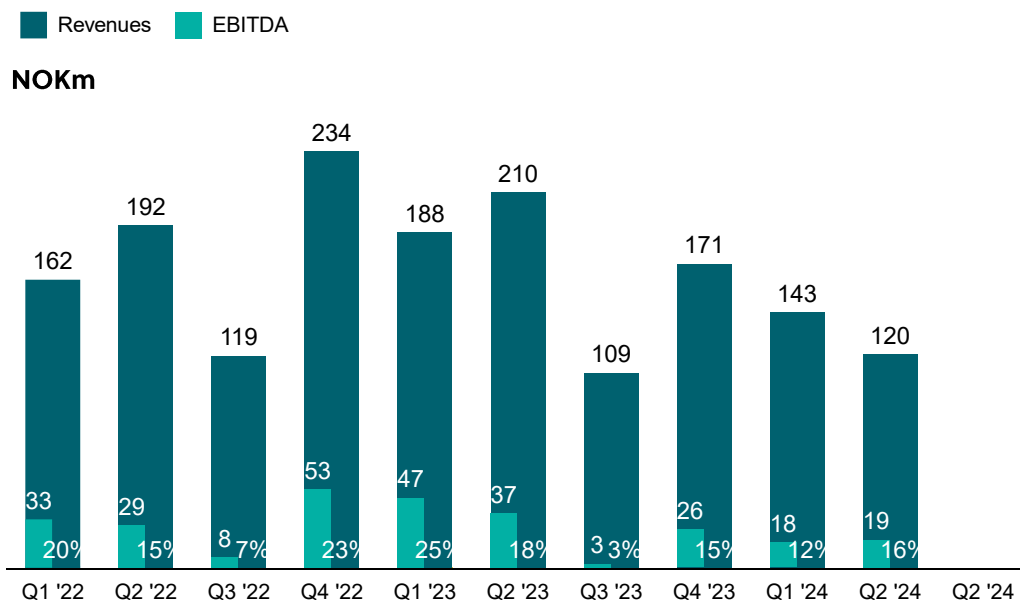


- Proprietary safety technology – Modal Acoustic Emission (MAE) technology for testing and certifying cylinders
- Strategic agenda include cylinder digitalization with real-time monitoring, testing and certification, creating a circular economy through enabling life extension

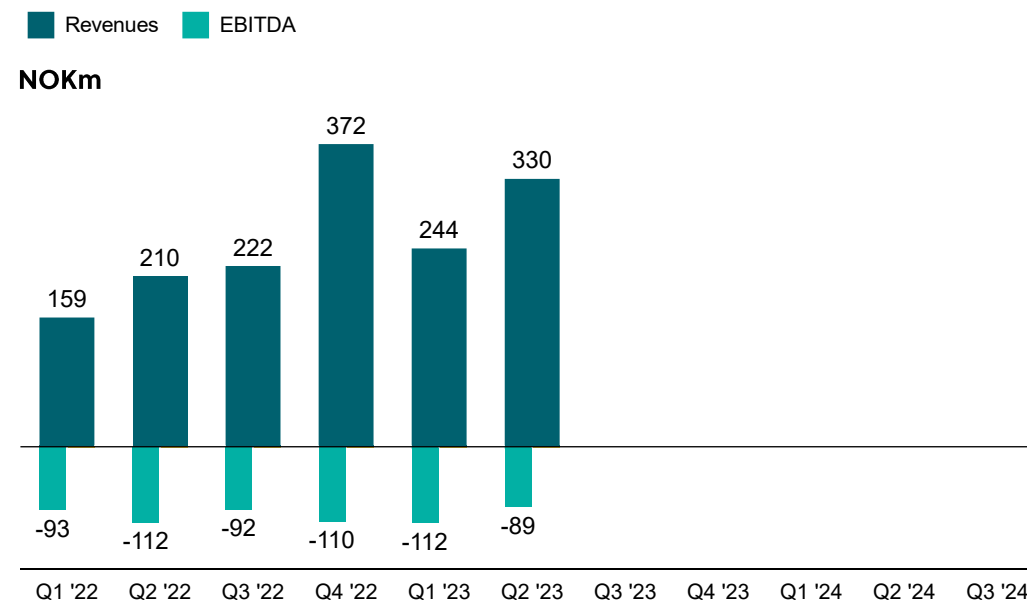


Hexagon proforma financial highlights (4/4)

Hexagon Ragasco (discontinued since 3 June 2024)¹



Hexagon Purus (discontinued since 29 June 2023)²



- 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
- Sold to Worthington Enterprises on 3 June 2024 and presented as discontinued operations since.

