

Hexatronic Group AB (publ)

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Withdrawal of dividend proposal in Hexatronic Group and preliminary sales in the first quarter

During the first quarter, Hexatronic had a minor negative impact as a result of Covid-19 and expects continued slightly lower activity in the coming quarter. Preliminary net sales for the first quarter amounted to 445 MSEK, which corresponds to 6 percent organic growth. A strong order intake during the quarter meant that the order backlog at the end of the quarter was 35 percent higher, organically, than at the same time last year. Based on the very uncertain situation in the world, the Board has decided to withdraw the previously announced dividend proposal of SEK 0.40 per share.

“During the first quarter, the assessment, with respect to the Covid-19 outbreak, is that we were mainly affected by delayed material deliveries from subcontractors with production in China. We believe these problems have resulted in reduced sales of about 5 percent in the quarter. Deliveries have begun to return to normal during the latter part of the quarter and we expect them to be back to normal again in May.

The impact of Covid-19 for the second quarter is very difficult to assess and is basically changing day by day. In general, it can be said that as a supplier to the telecom industry, our operations are considered critical in New Zealand, United Kingdom and the USA, and are therefore exempt from tougher restrictions so far. Although our business is classified as critical in these markets, we believe that we will be negatively affected depending on our customers' various behaviours. Some customers pause projects while others intend to continue at the same pace as before. In Sweden, with its softer restrictions, we currently assess a minor impact on our operations.

In summary, during the second quarter, most of our customers will continue to build fibre optic networks, albeit to a lesser extent. However, uncertainty is great, and conditions can change quickly. Eventually, we believe that the experience during Covid-19 will lead to increased investments in both fixed and mobile communication networks.

In all companies, we have introduced measures to minimize the risk of our staff being infected.

Hexatronic's financial position is strong and plans have been prepared to limit the impact on the Group in the event of a potentially greater decline in demand”, says Henrik Larsson Lyon, Hexatronic’s Chief Executive Officer.

Gothenburg, April 2, 2020

Henrik Larsson Lyon

CEO Hexatronic Group

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This is information that Hexatronic Group 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 19.00 CET on April 2, 2020.

Hexatronic Group AB (publ) is a group that develops, manufactures, markets and delivers products, components and system solutions with the main focus on the fiber optic market. Hexatronic offers a wide range of innovative system and product solutions mainly for passive fiber optic infrastructure with global trademarks like Ribbonet®, Micronet™, Drytech™, Lightmate®, FibreHub™, Matrix, Viper, Stringray, Raptor, InOne and Wistom®. The Group has its headquarters in Gothenburg, Sweden and has sales offices and/or subsidiaries in Sweden, Norway, Finland, United Kingdom, Germany, China, New Zealand and the US. The Group is listed on Nasdaq Stockholm under the ticker HTRO. For more information, visit www.hexatronicgroup.com.