REFINITIV

DELTA REPORT

10-Q

HXL - HEXCEL CORP /DE/

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1088
CHANGES	197
DELETIONS	328
ADDITIONS	563

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended September 30, March 31, 2023 2024

or

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from to

Commission File Number 1-8472

Hexcel Corporation

(Exact name of registrant as specified in its charter)

Delaware	**94-1109521**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

Two Stamford Plaza

281 Tresser Boulevard

Stamford, Connecticut 06901-3238

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (203) 969-0666

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01	HXL	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☐

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

Class	Outstanding at October 20, 2023 April 19, 2024
COMMON STOCK	**84,111,294 83,114,360**

HEXCEL CORPORATION AND SUBSIDIARIES

INDEX

PART I. FINANCIAL INFORMATION

ITEM 1. Condensed Consolidated Financial Statements

Hexcel Corporation and Subsidiaries

Condensed Consolidated Balance Sheets

(In millions)	(Unaudited) September 30, 2023	(Unaudited) December 31, 2022	(Unaudited) March 31, 2024	(Unaudited) December 31, 2023
Assets				
Current assets:				
Cash and cash equivalents	**$ 97.7**	$ 112.0	**$ 85.9**	$ 227.0
Accounts receivable, net	**236.8**	222.7	**271.0**	234.7
Inventories, net	**350.8**	319.3	**353.8**	334.4
Contract assets	**31.4**	32.0	**31.2**	25.1

Prepaid expenses and other current assets	**48.7**	38.9	**47.8**	43.0
Assets held for sale	**-**	9.5		
Total current assets	**765.4**	734.4	**789.7**	864.2
Property, plant and equipment	**3,144.7**	3,087.9	**3,194.8**	3,195.5
Less accumulated depreciation	**(1,491.7)**	(1,430.1)	**(1,536.6)**	(1,516.8)
Net property, plant and equipment	**1,653.0**	1,657.8	**1,658.2**	1,678.7
Goodwill and other intangible assets, net	**250.6**	256.0	**248.7**	251.3
Investments in affiliated companies	**51.5**	47.6	**5.0**	5.0
Other assets	**125.8**	141.5	**119.6**	119.3
Total assets	**$ 2,846.3**	$ 2,837.3	**$ 2,821.2**	$ 2,918.5
Liabilities and Stockholders' Equity				
Current liabilities:				
Short-term borrowings	**$ 0.1**	$ 0.2	**$ 0.1**	$ 0.1
Accounts payable	**97.8**	155.5	**128.1**	159.1
Accrued compensation and benefits	**70.2**	69.6	**67.3**	75.7
Financial instruments	**14.0**	22.0	**4.5**	6.0
Accrued liabilities	**70.8**	82.5	**88.6**	75.0
Total current liabilities	**252.9**	329.8	**288.6**	315.9
Long-term debt	**754.1**	723.3	**714.6**	699.4
Retirement obligations	**44.9**	42.7	**44.3**	42.6

Deferred income taxes	**111.8**	126.4	**108.4**	110.6
Other non-current liabilities	**36.3**	60.9	**33.2**	33.5
Total liabilities	**1,200.0**	1,283.1	**1,189.1**	1,202.0
Stockholders' equity:				
Common stock, $0.01 par value, 200.0 shares authorized, 110.7 shares and 110.4 shares issued at September 30, 2023 and December 31, 2022, respectively	**1.1**	1.1		
Common stock, $0.01 par value, 200.0 shares authorized, 111.3 shares and 110.8 shares issued at March 31, 2024 and December 31, 2023, respectively			**1.1**	1.1
Additional paid-in capital	**931.5**	905.0	**954.6**	936.8
Retained earnings	**2,197.3**	2,104.9	**2,192.6**	2,168.7
Accumulated other comprehensive loss	**(167.7)**	(174.4)	**(89.0)**	(74.1)
	2,962.2	2,836.6	**3,059.3**	3,032.5
Less – Treasury stock, at cost, 26.6 shares at September 30, 2023 and 26.2 shares at December 31, 2022	**(1,315.9)**	(1,282.4)		
Less – Treasury stock, at cost, 28.2 shares at March 31, 2024 and 26.7 shares at December 31, 2023			**(1,427.2)**	(1,316.0)
Total stockholders' equity	**1,646.3**	1,554.2	**1,632.1**	1,716.5
Total liabilities and stockholders' equity	**$ 2,846.3**	$ 2,837.3	**$ 2,821.2**	$ 2,918.5

The accompanying notes are an integral part of these condensed consolidated financial statements.

Hexcel Corporation and Subsidiaries

Condensed Consolidated Statements of Operations

(In millions, except per share data)	(Unaudited) Quarter Ended March 31, 2024		2023	
Net sales	**$**	**472.3**	$	457.7
Cost of sales		**354.1**		330.0
Gross margin		**118.2**		127.7
Selling, general and administrative expenses		**49.0**		50.8
Research and technology expenses		**15.1**		13.9
Other operating expense		**1.2**		0.2
Operating income		**52.9**		62.8
Interest expense, net		**6.5**		9.4
Income before income taxes, and equity in earnings from affiliated companies		**46.4**		53.4
Income tax expense		**9.9**		11.7
Income before equity in earnings from affiliated companies		**36.5**		41.7
Equity in earnings from affiliated companies		**-**		1.0
Net income	**$**	**36.5**	$	42.7
Basic net income per common share	**$**	**0.44**	$	0.50
Diluted net income per common share	**$**	**0.43**	$	0.50
Weighted-average common shares:				
Basic		**83.9**		84.6
Diluted		**84.8**		85.5

Hexcel Corporation and Subsidiaries

Condensed Consolidated Statements of Operations

(In millions, except per share data)	(Unaudited) Quarter Ended September 30, 2023	2022	(Unaudited) Nine Months Ended September 30, 2023	2022

Net sales	**$ 419.5**	$ 364.7	**$ 1,331.5**	$ 1,148.3
Cost of sales	**327.9**	282.9	**1,001.4**	890.3
Gross margin	**91.6**	81.8	**330.1**	258.0
Selling, general and administrative expenses	**35.4**	29.0	**121.9**	107.2
Research and technology expenses	**13.4**	11.6	**40.6**	33.8
Other operating (income) expense	**(0.8)**	0.4	**(0.1)**	(17.7)
Operating income	**43.6**	40.8	**167.7**	134.7
Interest expense, net	**7.8**	9.0	**26.4**	27.0
Other income	**-**	-	**-**	(0.3)
Income before income taxes, and equity in earnings from affiliated companies	**35.8**	31.8	**141.3**	108.0
Income tax (benefit) expense	**(0.7)**	6.8	**22.5**	24.2
Income before equity in earnings from affiliated companies	**36.5**	25.0	**118.8**	83.8
Equity in earnings from affiliated companies	**2.2**	1.8	**5.1**	5.5
Net income	**$ 38.7**	$ 26.8	**$ 123.9**	$ 89.3
Basic net income per common share	**$ 0.46**	$ 0.32	**$ 1.46**	$ 1.06
Diluted net income per common share	**$ 0.45**	$ 0.31	**$ 1.45**	$ 1.05
Weighted-average common shares:				
Basic	**84.6**	84.4	**84.6**	84.4
Diluted	**85.6**	85.1	**85.5**	85.0

Hexcel Corporation and Subsidiaries

Condensed Consolidated Statements of Comprehensive Income (Loss)

Condensed Consolidated Statements of Comprehensive Income

	(Unaudited)	**(Unaudited)**	**(Unaudited)**
	Quarter Ended September 30,	**Nine Months Ended September 30,**	**Quarter Ended March 31,**

(In millions)	2023	2022	2023	2022	2024	2023
Net income	**38 $ .7**	26 $ .8	**12 $ 3.9**	89. $ 3	**$ 36.5**	$ 42.7
Currency translation adjustments	**(1 9. 5)**	(3 8. 2)	**(1. 4)**	(88. 7)	**(10.4)**	12.0
Net unrealized pension and other benefit actuarial gains and prior service credits (net of tax)	**3. 0**	4. 7	**2.0**	12. 4		
Net unrealized (losses) gains on financial instruments (net of tax)	**(6. 0)**	(2 4. 3)	**6.1**	(46. 3)		
Net unrealized pension and other benefit actuarial losses and prior service credits (net of tax)					**(0.1)**	-
Net unrealized (loss) gain on financial instruments (net of tax)					**(4.4)**	10.3
Total other comprehensive (loss) income	**(2 2. 5)**	(5 7. 8)	**6.7**	(12 2.6)	**(14.9)**	22.3
Comprehensive income (loss)	**16 $ .2**	(3 1. $ 0)	**13 $ 0.6**	(33. $ 3)		
Comprehensive income					**$ 21.6**	$ 65.0

The accompanying notes are an integral part of these condensed consolidated financial statements.

Hexcel Corporation and Subsidiaries

Condensed Consolidated Statements of Cash Flows

(In millions)	(Unaudited) Nine Months Ended September 30, 2023	(Unaudited) Nine Months Ended September 30, 2022	(Unaudited) Three Months Ended March 31, 2024	(Unaudited) Three Months Ended March 31, 2023
Cash flows from operating activities				
Net income	**$ 123.9**	$ 89.3	**$ 36.5**	$ 42.7
Reconciliation to net cash provided by operating activities:				
Reconciliation to net cash used for operating activities:				
Depreciation and amortization	**93.2**	94.9	**31.0**	30.7
Amortization related to financing	**0.5**	0.6	**0.1**	0.1
Deferred income taxes	**(12.3)**	(8.5)	**(0.7)**	(2.1)
Equity in earnings from affiliated companies	**(5.1)**	(5.5)	**-**	(1.0)
Stock-based compensation	**18.3**	15.2	**13.1**	12.9
Restructuring expenses, net of payments	**(4.1)**	(6.1)	**0.7**	(2.1)
Impairment of assets	**1.7**	-	**-**	1.7
Gain on sale of asset	**(0.8)**	(19.4)		
Gain on sale of investment	**-**	(0.3)		
Changes in assets and liabilities:				
Increase in accounts receivable	**(15.8)**	(53.1)	**(37.5)**	(40.5)
Increase in inventories	**(33.2)**	(82.0)	**(23.0)**	(32.6)
Increase in prepaid expenses and other current assets	**(9.4)**	(11.6)		
(Decrease) increase in accounts payable/accrued liabilities	**(53.7)**	31.7		
(Increase) decrease in prepaid expenses and other current assets			**(10.0)**	0.1
Decrease in accounts payable/accrued liabilities			**(14.0)**	(31.0)
Other – net	**(5.1)**	11.2	**(3.2)**	(2.3)
Net cash provided by operating activities	**98.1**	56.4		
Net cash used for operating activities			**(7.0)**	(23.4)
Cash flows from investing activities				

Capital expenditures	**(94.4)**	(58.3)	**(28.7)**	(18.1)
Proceeds from sale of asset	**10.3**	21.2		
Proceeds from sale of investments	**2.5**	0.5		
Net cash used for investing activities	**(81.6)**	(36.6)	**(28.7)**	(18.1)
Cash flows from financing activities				
Borrowing from senior unsecured credit facility - 2028	**98.0**	-		
Repayment of senior unsecured credit facility - 2028	**(43.0)**	-		
Borrowing from senior unsecured credit facility - 2024	**65.0**	35.0	**15.0**	65.0
Repayment of senior unsecured credit facility - 2024	**(90.0)**	(61.0)	**-**	(20.0)
Repurchases of common stock	**(30.1)**	-	**(100.7)**	-
Issuance costs related to senior unsecured credit facilities	**(2.5)**	-		
Repayment of finance lease obligation and other debt, net	**(0.1)**	(0.4)	**(0.1)**	(0.1)
Dividends paid	**(31.7)**	(25.3)	**(12.6)**	(10.5)
Activity under stock plans	**4.7**	3.1	**(5.9)**	0.4
Net cash used for financing activities	**(29.7)**	(48.6)		
Net cash (used for) provided by financing activities			**(104.3)**	34.8
Effect of exchange rate changes on cash and cash equivalents	**(1.1)**	(8.0)	**(1.1)**	0.4
Net decrease in cash and cash equivalents	**(14.3)**	(36.8)	**(141.1)**	(6.3)
Cash and cash equivalents at beginning of period	**112.0**	127.7	**227.0**	112.0
Cash and cash equivalents at end of period	**$ 97.7**	$ 90.9	**85.9**	105.7
Supplemental data:				
Accrual basis additions to plant, property and equipment	**$ 88.7**	$ 49.1	**$ 18.6**	$ 16.8

The accompanying notes are an integral part of these condensed consolidated financial statements.

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Hexcel Corporation and Subsidiaries

Condensed Consolidated Statements of Stockholders’ Equity (Unaudited)

For the Quarter and nine months Quarters ended September 30, 2023 March 31, 2024, and September 30, 2022 March 31, 2023

(In millions)	**Par**	**Additional Paid-In Capital**	**Retained Earnings**	**Accumulated Other Comprehensive Loss**	**Treasury Stock**	**Total Stockholders’ Equity**
Balance, December 31, 2021	$ 1.1	$ 878.6	$ 2,012.5	$ (126.5)	$ (1,280.2)	$ 1,485.5
Net income	—	—	17.8	—	—	17.8
Dividends on common stock ($0.10 per share)	—	—	(8.5)	—	—	(8.5)
Change in other comprehensive loss – net of tax	—	—	—	(17.6)	—	(17.6)

Stock-based activity	—	11.3	—	—	(1.4)	9.9
Balance, March 31, 2022	$1.1	$889.9	$2,021.8	$(144.1)	$(1,281.6)	$1,487.1
Net income	—	—	44.7	—	—	44.7
Dividends on common stock ($0.10 per share)	—	—	(8.5)	—	—	(8.5)
Change in other comprehensive loss – net of tax	—	—	—	(47.2)	—	(47.2)
Stock-based activity	—	4.2	—	—	—	4.2
Balance, June 30, 2022	$1.1	$894.1	$2,058.0	$(191.3)	$(1,281.6)	$1,480.3
Net income	—	—	26.8	—	—	26.8
Dividends on common stock ($0.10 per share)			(8.4)			(8.4)
Change in other comprehensive loss– net of tax	—	—	—	(57.8)	—	(57.8)
Stock-based activity	—	4.8	—	—	(0.7)	4.1

(In millions)	Par	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Stockholders' Equity
Balance, September 30, 2022	$ 1.1	$ 898.9	$ 2,076.4	$ (249.1)	$ (1,282.3)	$ 1,445.0
Balance, December 31, 2022	$ 1.1	$ 905.0	$ 2,104.9	$ (174.4)	$ (1,282.4)	$ 1,554.2
Net income	—	—	42.7	—	—	42.7
Dividends on common stock ($0.125 per share)	—	—	(10.4)	—	—	(10.4)
Change in other comprehensive income– net of tax	—	—	—	22.3	—	22.3
Change in other comprehensive income (loss)– net of tax	—	—	—	22.3	—	22.3

Stock-based activity	—	15.8	—	—	(2.4)	13.4	—	15.8	—	—	(2.4)	13.4
Balance, March 31, 2023	**$ 1.1**	**$ 920.8**	**$ 2,137.2**	**$ (152.1)**	**$ (1,284.8)**	**$ 1,622.2**	**$ 1.1**	**$ 920.8**	**$ 2,137.2**	**$ (152.1)**	**$ (1,284.8)**	**$ 1,622.2**

(In millions)							**Par**	**Additional Paid-In Capital**	**Retained Earnings**	**Accumulated Other Comprehensive Loss**	**Treasury Stock**	**Total Stockholders' Equity**
Balance, December 31, 2023							**$ 1.1**	**$ 936.8**	**$ 2,168.7**	**$ (74.1)**	**$ (1,316.0)**	**$ 1,716.5**
Net income	—	—	42.5	—	—	42.5	—	—	**36.5**	—	—	**36.5**
Dividends on common stock ($0.125 per share)	—	—	(10.5)	—	—	(10.5)						
Change in other comprehensive income– net of tax	—	—	—	6.9	—	6.9						
Dividends on common stock ($0.15 per share)							—	—	**(12.6)**	—	—	**(12.6)**
Repurchases of common stock							—	—	—	—	**(100.7)**	**(100.7)**
Change in other comprehensive (loss) income– net of tax							—	—	—	**(14.9)**	—	**(14.9)**

Stock-based activity	—	5.1	—	—	(0.1)	5.0	—	17.8	—	—	(10.5)	7.3
Balance, June 30, 2023	**$ 1.1**	**$ 925.9**	**$ 2,169.2**	**$ (145.2)**	**$ (1,284.9)**	**$ 1,666.1**						
Net income	—	—	38.7	—	—	38.7						
Dividends on common stock ($0.125 per share)	—	—	(10.6)	—	—	(10.6)						
Repurchases of common stock	—	—	—	—	(30.1)	(30.1)						
Change in other comprehensive income (loss)– net of tax	—	—	—	(22.5)	—	(22.5)						
Stock-based activity	—	5.6	—	—	(0.9)	4.7						
Balance, September 30, 2023	**$ 1.1**	**$ 931.5**	**$ 2,197.3**	**$ (167.7)**	**$ (1,315.9)**	**$ 1,646.3**						
Balance, March 31, 2024							**$ 1.1**	**$ 954.6**	**$ 2,192.6**	**$ (89.0)**	**$ (1,427.2)**	**$ 1,632.1**

The accompanying notes are an integral part of these condensed consolidated financial statements.

HEXCEL CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 — Significant Accounting Policies

In these notes, the terms "Hexcel," "the Company," "we," "us," or "our" mean Hexcel Corporation and subsidiary companies. The accompanying condensed consolidated financial statements are those of Hexcel Corporation. Refer to Note 1 to the consolidated financial statements included in the Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 for a discussion of our significant accounting policies.

Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared from the unaudited accounting records of Hexcel pursuant to rules and regulations of the Securities and Exchange Commission ("SEC") and in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information. Certain information and footnote disclosures normally included in financial statements have been omitted pursuant to rules and regulations of the SEC. In the opinion of management, the condensed consolidated financial statements include all normal recurring adjustments as well as any non-recurring adjustments necessary to present fairly the statement of financial position, results of operations, cash flows and statement of stockholders' equity for the interim periods presented. The Condensed Consolidated Balance Sheet as of December 31, 2022 December 31, 2023 was derived from the audited 2022 2023 consolidated balance sheet. Interim results are not necessarily indicative of results expected for any other interim period or for the full year. These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our 2022 2023 Annual Report on Form 10-K.

Investments in Affiliated Companies

We have a Results for the three months ended March 31, 2023 included our 50% equity ownership investment in Aerospace Composites the joint venture in Malaysia Sdn. Bhd. This investment is which was accounted for using the equity method of accounting. We sold our interest in the joint venture in December 2023.

Assets Held for Sale

In November 2020, we closed our wind energy prepreg production facility in Windsor, Colorado. The plant assets to be sold were recorded in “Assets held for sale” in the Consolidated Balance Sheets at December 31, 2022.

On July 10, 2023, we finalized the sale of the Windsor facility and received approximately $10.3 million in net proceeds from the sale of the property and recorded a gain of approximately $0.8 million which is included in "Other operating (income) expense" in the Condensed Consolidated Statement of Operations.

Note 2 — Net Income Per Common Share

	Quarter Ended September 30,		Nine Months Ended September 30,		Quarter Ended March 31,	
(In millions, except per share data)	**2023**	**2022**	**2023**	**2022**	**2024**	**2023**
Basic net income per common share:						
Net income	**$ 38.7**	$ 26.8	**$ 123.9**	$ 89.3	**$ 36.5**	$ 42.7
Weighted average common shares outstanding	**84.6**	84.4	**84.6**	84.4	**83.9**	84.6
Basic net income per common share	**$ 0.46**	$ 0.32	**$ 1.46**	$ 1.06	**$ 0.44**	$ 0.50
Diluted net income per common share:						
Net income	**$ 38.7**	$ 26.8	**123.9**	89.3	**$ 36.5**	$ 42.7
Weighted average common shares outstanding — Basic	**84.6**	84.4	**84.6**	84.4	**83.9**	84.6
Plus incremental shares from assumed conversions:						
Restricted stock units	**0.6**	0.4	**0.5**	0.4	**0.5**	0.5
Stock options	**0.4**	0.3	**0.4**	0.2	**0.4**	0.4

Weighted average common shares outstanding — Dilutive	**85.6**	85.1	**85.5**	85.0	**84.8**	85.5
Diluted net income per common share	**$ 0.45**	$ 0.31	**$ 1.45**	$ 1.05	**$ 0.43**	$ 0.50

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Total common stock equivalents of 0.2 0.4 million and 0.6 0.5 million were excluded from the computation of diluted net income per share for the quarters ended September 30, 2023 and 2022, respectively, because to do so would have been anti-dilutive. Total common stock equivalents of 0.3 million and 0.7 million were excluded from the computation of diluted net income per share for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively, because to do so would have been anti-dilutive.

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Note 3 — Inventories

(In millions)	**September 30, 2023**	**December 31, 2022**
Raw materials	**$ 146.4**	$ 153.3
Work in progress	**$ 52.2**	42.8
Finished goods	**$ 152.2**	123.2
Total Inventory	**$ 350.8**	$ 319.3

(In millions)	**March 31, 2024**	**December 31, 2023**
Raw materials	**$ 155.5**	$ 131.4
Work in progress	**40.5**	46.0
Finished goods	**157.8**	157.0

Total Inventory	**$ 353.8**	$ 334.4

Note 4 — Retirement and Other Postretirement Benefit Plans

We maintain qualified and nonqualified defined benefit retirement plans covering certain current and former U.S. and European employees, retirement savings plans covering eligible U.S. and U.K. employees and certain postretirement health care and life insurance benefit plans covering eligible U.S. retirees. We also participate in a union sponsored multi-employer pension plan covering certain U.S. employees with union affiliations.

Defined Benefit Retirement Plans

Net Periodic Benefit Costs

Net periodic benefit costs of our defined benefit retirement plans for the quarters and nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 were as follows:

	Quarter Ended September 30,		Nine Months Ended September 30,		Quarter Ended March 31,	
(In millions)	**2023**	**2022**	**2023**	**2022**	**2024**	**2023**
U.S. Nonqualified Defined Benefit Retirement Plans						
Service cost	**$ 0.4**	$ 0.3	**$ 1.0**	$ 0.9	**$ -**	$ 0.3
Interest cost	**0.1**	0.1	**0.3**	0.3	**0.2**	0.1
Net amortization	**0.2**	0.3	**0.6**	0.7	**(0.1)**	0.2
Net periodic benefit cost	**$ 0.7**	$ 0.7	**$ 1.9**	$ 1.9	**$ 0.1**	$ 0.6

(In millions)	**September 30, 2023**	**December 31, 2022**	**March 31, 2024**	**December 31, 2023**
Amounts recognized on the balance sheet for U.S. nonqualified defined benefit retirement plans:				
Accrued liabilities	**$ 0.4**	$ 1.4	**$ 1.2**	$ 1.3
Other non-current liabilities	**19.6**	18.5	**16.8**	16.8
Total accrued benefit	**$ 20.0**	$ 19.9	**$ 18.0**	$ 18.1

	Quarter Ended September 30,	Nine Months Ended September 30,

(In millions)	2023	2022	2023	2022
European Defined Benefit Retirement Plans				
Service cost	**$ 0.1**	$ 0.1	**$ 0.4**	$ 0.5
Interest cost	**1.2**	0.6	**3.7**	1.7
Expected return on plan assets	**(1.1)**	(0.6)	**(3.5)**	(1.7)
Net amortization and deferral	**0.6**	0.6	**1.8**	1.8
Net periodic benefit cost	**$ 0.8**	$ 0.7	**$ 2.4**	$ 2.3

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	Quarter Ended March 31,	
(In millions)	2024	2023
European Defined Benefit Retirement Plans		
Service cost	**$ 0.2**	$ 0.2
Interest cost	**0.1**	1.2
Expected return on plan assets	**-**	(1.2)
Net amortization and deferral	-	0.6
Net periodic benefit cost	**$ 0.3**	$ 0.8

(In millions)	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Amounts recognized on the balance sheet for European defined benefit retirement plans:				
Other assets	**$ 6.1**	$ 5.6		
Accrued liabilities	**1.0**	0.1	**$ 1.1**	$ 0.8
Other non-current liabilities	**12.8**	12.1	**12.8**	12.3
Total accrued benefit	**$ 13.8**	$ 12.2	**$ 13.9**	$ 13.1

All costs related to our pensions are included as a component of operating income in our Condensed Consolidated Statements of Operations. For both the quarters three months ended September 30, 2023 March 31, 2024 and 2022, 2023, amounts unrelated to service costs were a charge of $1.0 million. For the nine months ended September 30, 2023 and 2022, amounts unrelated to service costs were a charge of $3.0 0.2 million and $2.9 0.9 million, respectively.

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Contributions

We generally fund our U.S. non-qualified defined benefit retirement plans when benefit payments are incurred. We contributed approximately $0.6 0.2 million in to our U.S. non-qualified defined benefit retirement plans during the first nine three months of 2023 to cover unfunded benefits. We ended March 31, 2024 and expect to contribute a total of $0.8 0.7 million in 2023 2024 to cover unfunded benefits.

Contributions to our European defined benefit retirement plans during the nine three months ended September 30, 2023 March 31, 2024 were approximately $0.4 million. not material. We plan to contribute approximately $0.7 1.1 million during 2023 2024 to our European plans.

Postretirement Health Care and Life Insurance Benefit Plans

We recorded $0.3 million of net amortization gain deferral for both the quarters ended September 30, 2023 and 2022, respectively and $0.8 million of net amortization gain deferral for both the nine three months ended September 30, 2023 and 2022, respectively. March 31, 2023. Amounts for the three months ended March 31, 2024 were not material. Net periodic benefit costs of our postretirement health care and life insurance benefit plans for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 were immaterial.

(In millions)	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Amounts recognized on the balance sheet:				
Accrued liabilities	**$ 0.2**	$ 0.2	**$ 0.2**	$ 0.2
Other non-current liabilities	**1.0**	1.0	**0.9**	0.9
Total accrued benefit	**$ 1.2**	$ 1.2	**$ 1.1**	$ 1.1

Amounts contributed in connection with our postretirement plans were immaterial for both the nine three months ended September 30, 2023 March 31, 2024 and 2022. 2023. We periodically fund our postretirement plans to pay covered expenses as they are incurred. We expect to contribute less than approximately $0.2 million in 2023 2024 to cover unfunded benefits.

Note 5 –– Debt

(In millions)	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Current portion of finance lease	**$ 0.1**	$ 0.2	**$ 0.1**	$ 0.1
Current portion of debt	**0.1**	0.2	**0.1**	0.1
Senior unsecured credit facility	**55.0**	25.0	**15.0**	-
4.7% senior notes --- due 2025	**300.0**	300.0		
3.95% senior notes --- due 2027	**400.0**	400.0		
4.7% senior notes --- due 2025			**300.0**	300.0
3.95% senior notes --- due 2027			**400.0**	400.0
Senior notes --- original issue discount	**(0.7)**	(0.9)	**(0.6)**	(0.7)
Senior notes --- deferred financing costs	**(1.7)**	(2.2)	**(1.4)**	(1.6)
Non-current portion of finance lease and other debt	**1.5**	1.4	**1.6**	1.7
Long-term debt	**754.1**	723.3	**714.6**	699.4
Total debt	**$ 754.2**	$ 723.5	**$ 714.7**	$ 699.5

On April 25, 2023, the Company entered into a new credit agreement (the “Credit Agreement”) to refinance its senior unsecured revolving credit facility agreement (the “Facility”). Under the terms of the Credit Agreement the borrowing capacity is remained at $750 million. The Facility

matures in April 2028. In connection with the refinancing, the Company incurred approximately $2.5 million in financing costs which were deferred and are amortized over the life of the Facility.

Borrowings under the Facility bear interest at the Company’s option, for Secured Overnight Financing Rate ("SOFR") borrowings at (i) an Adjusted Term SOFR rate (subject to a 0.00% floor), where such “Adjusted Term SOFR” rate is equal to the Term SOFR rate for the applicable interest period plus 0.10%, plus the Applicable Margin or (ii) for base rate borrowings, the greatest of (a) the prime rate, (b) the federal funds rate plus 0.50% and (c) the Adjusted Term SOFR rate (subject to a 0.00% floor) for a one-month interest period plus 1.00%, in each case plus the Applicable Margin. The “Applicable Margin” initially was 1.125% for SOFR rate borrowings and 0.125% for base rate borrowings, and after September 30, 2023, can fluctuate, determined by reference to the more favorable to the Company of its (i) public debt rating and (ii) consolidated leverage ratio, as specified in the Credit Agreement. Up to $50 million of the Facility may be used for letters of credit. The Credit Agreement enables the Company, from time to time, to add term loans or to increase the revolving credit commitment in an aggregate amount not to exceed $500 million million..

The Credit Agreement contains customary covenants that place restrictions on, among other things, the incurrence of debt by any subsidiaries of the Company, granting of liens and sale of all or substantially all of the assets of the Company and its subsidiaries taken as a whole. The Credit Agreement also contains financial covenants that require the Company to maintain a minimum interest coverage ratio and a maximum consolidated net leverage ratio. As of September 30, 2023, the Company was in compliance with all debt covenants.

As of September 30, 2023 March 31, 2024, total borrowings under the Facility were $55 15.0 million, which approximated approximates fair value. Outstanding letters of credit reduce the amount available for borrowing under the Facility. As of September 30, 2023 March 31, 2024, there were no issued letters of credit under the Facility, resulting in undrawn availability under the Facility of $695 735.0 million. The weighted average interest rate for the

Facility was6.19 8.6% for the nine three months ended September 30, 2023 March 31, 2024. The Company was in compliance with all debt covenants as of March 31, 2024.

In 2017, the Company issued $400 million in aggregate principal amount of 3.95% Senior Unsecured Notes due in 2027. The interest rate on these senior notes may be increased by 0.25% each time a credit rating applicable to the notes is downgraded. Conversely, such increases would be reversed should the credit rating be subsequently upgraded. The maximum rate is 5.95%. The effective interest rate for the nine three months ended September 30, 2023 March 31, 2024 was 4.0% inclusive of an approximately 0.25% benefit of treasury locks. Based on quoted prices, the fair value of the senior unsecured notes Senior Unsecured Notes due in 2027 was $371.2 381.3 million at September 30, 2023 March 31, 2024.

In 2015, the Company issued $300 million in aggregate principal amount of 4.7% Senior Unsecured Notes due in 2025. The interest rate on these senior notes may be increased by 0.25% each time a credit rating applicable to the notes is downgraded. Conversely, such increases would be reversed should the credit rating be subsequently upgraded. The maximum rate is 6.7%. The effective interest rate for the nine three months ended September 30, 2023 March 31, 2024 was 4.9%. Based on quoted prices, the fair value of the senior unsecured notes Senior Unsecured Notes due in 2025 was $292.5 297.0 million at September 30, 2023 March 31, 2024.

Note 6 — Derivative Financial Instruments

Interest Rate Swap and Interest Lock Agreements

At September 30, 2023 and December 31, 2022, we had no interest rate swap agreements outstanding.

The Company had treasury lock agreements designated as cash flow hedges, to protect against unfavorable movements in the benchmark treasury rate related to the issuance of our senior unsecured notes. These hedges were designated as cash flow hedges, thus any change in fair value was recorded as a component of other comprehensive income (loss). As part of the issuance of our senior notes, we net settled these derivatives for $10 million in cash and the deferred gains recorded in other comprehensive income (loss) will be released to interest expense over the life of the senior notes. The effect of these settled treasury locks reduces the effective interest rate on the senior notes by approximately 0.25%.

Cross Currency and Interest Rate Swap Agreements

In November 2020, we entered into a cross currency and interest rate swap, which is was designated as a cash flow hedge of a €270 million, 5-year amortizing, intercompany loan between one of our European subsidiaries and the U.S. parent company. Changes in the spot exchange rates are recorded to the general ledger and offset the fair value re-measurement of the hedged item. The net difference in the interest rates coupons is recorded as a credit to interest expense. The derivative swaps €270 million bearing interest at a fixed rate of 0.30% for $319.9 million at a fixed rate interest of 1.115%. The interest coupons settle semi-annually. The principal will amortize each year on November 15, as follows: for years 1 through 4, beginning November 15, 2021, €50 million versus $59.2 million, and a final settlement on November 15, 2025 of €70 million versus $82.9 million.

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Foreign Currency Forward Exchange Contracts

A number of our European subsidiaries are exposed to the impact of exchange rate volatility between the U.S. dollar and the subsidiaries' functional currencies, being either the Euro or the British pound sterling. We have entered into contracts to exchange U.S. dollars for Euros and British pound sterling through January September 2026. The aggregate notional amount of these contracts was $406.1 371.7 million and $503.3 393.3 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. The purpose of these contracts is to hedge a portion of the forecasted transactions of our European subsidiaries under long-term sales contracts with certain customers. These contracts are expected to provide us with a more balanced matching of future cash receipts and expenditures by currency, thereby reducing our exposure to fluctuations in currency exchange rates. The effective portion of the hedges, losses of $12.8 million and $4.5 7.1 million were recorded in other comprehensive (loss) income (loss) for the quarter and nine three months ended September 30, 2023 March 31, 2024, respectively, and losses gains of $31.9 million and $60.3 4.0 million were recorded for the quarter and nine three months ended September 30, 2022, respectively. March 31, 2023. We recognized losses of $1.5 0.7 million and losses of $7.8 3.7 million in gross margin during the quarter and nine three months ended September 30, 2023, respectively, March 31, 2024 and losses of $6.2 million and $10.5 million for the quarter and nine months ended September 30, 2022, 2023, respectively.

In addition, we enter into foreign exchange forward contracts which are not designated as hedges. These are used to provide an offset to transactional gains or losses arising from the remeasurement of non-functional monetary assets and liabilities such as accounts receivable. The change in the fair value of the derivatives is recorded in the statement Statement of operations. Operations. There are no credit contingency features in these derivatives. During the quarter quarters ended March 31, 2024 and nine months ended September 30, 2023, 2023, we recognized net foreign exchange lossesgains of $1.6 million and losses of $1.4 0.4 million, respectively, in the Condensed Consolidated Statements of Operations. During the quarter and nine months ended September 30, 2022, we recognized net foreign exchange lossesof $1.0 million and $2.0 million, respectively. The net foreign exchange impact recognized from these hedges offset the translation exposure of these transactions.

The change in fair value of our foreign currency forward exchange contracts under hedge designations recorded net of tax within accumulated other comprehensive income (loss) loss for the quarters ended March 31, 2024 and nine months ended September 30, 2023 and September 30, 2022 March 31, 2023 was as follows:

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(In millions)	Quarter Ended September 30, 2023		Quarter Ended September 30, 2022		Nine Months Ended September 30, 2023		Nine Months Ended September 30, 2022	
Unrealized gains (losses) at beginning of period, net of tax	**$**	**0.4**	$	(21.7)	**$**	**(10.5)**	$	(3.5)
Losses reclassified to net sales		**1.1**		4.8		**5.8**		7.9
Decrease in fair value		**(9.5)**		(24.7)		**(3.3)**		(46.0)
Unrealized losses at end of period, net of tax	**$**	**(8.0)**	$	(41.6)	**$**	**(8.0)**	$	(41.6)

(In millions)	Quarter Ended March 31, 2024		Quarter Ended March 31, 2023	
Unrealized gains (losses) at beginning of period, net of tax	**$**	**5.3**	$	(10.5)
Losses reclassified to net sales		**0.5**		2.7
(Decrease) increase in fair value		**(5.3)**		3.0
Unrealized gains (losses) at end of period, net of tax	**$**	**0.5**	$	(4.8)

Unrealized losses of $10.1 0.6 million recorded in accumulated other comprehensive loss, less taxes of $2.6 0.2 million, as of September 30, 2023 March 31, 2024, are expected to be reclassified into earnings over the next twelve months as the hedged sales are recorded.

Commodity Swap Agreements

On occasion we enter into We use commodity swap agreements to hedge against price fluctuations of raw materials, including propylene (the principal component of acrylonitrile). As of September 30, 2023 March 31, 2024, we had commodity swap agreements with a notional value of $21.4 19.4 million. The swaps mature monthly through September 2025. March 2026. The swaps are accounted for as a cash flow hedge of our forward raw material purchases. To ensure the swaps are highly effective, all of the critical terms of the swap matched the terms of the hedged items.

The fair values value of outstanding derivative financial instruments as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 were as follows:

	Prepaid and Other Current Assets		Other Assets		Current Liabilities		Non-Current Liabilities		Prepaid and Other Current Assets		Other Assets		Current Liabilities		Non-Current Liabilities	
(In millions)	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Derivative Products																

Foreign currency forward exchange contracts	$1.0 $1.9 $1.5 $3.4 $11.1 $14.1 $2.1 $5.3	$3.3	$4.8	$2.0	$5.5	$3.9	$3.2	$0.7	$-
Undesignated hedges	0.4 - 0.7 -	0.1	-	-	-	-	1.4	-	-
Commodity swaps	0.3 0.5 0.1 - 2.9 7.2 0.5 1.4	0.9	0.5	0.1	0.2	0.6	1.5	0.3	0.2
Cross currency and interest rate swap	7.6 6.2 11.9 10.1 -	5.8	4.3	5.6	3.7	-	-	-	-
Total Derivative Products	$9.3 $8.6 $13.5 $14.0 $22.0 $2.6 $6.7	$10.1	$9.6	$7.7	$9.4	$4.5	$6.1	$1.0	$0.2

Note 7 — Fair Value Measurements

The authoritative guidance for fair value measurements establishes a hierarchy for observable and unobservable inputs used to measure fair value, into three broad levels, which are described below:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2: Observable prices that are based on inputs not quoted on active markets but corroborated by market data.
- Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, we utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as consider our own and counterparty credit risk in our assessment of fair value.

We have no assets or liabilities that utilize Level 1 or Level 3 inputs. However, we have derivative instruments classified as liabilities and assets which utilize Level 2 inputs, and one liability that utilizes Level 3 inputs.

For derivative assets and liabilities that utilize Level 2 inputs, we prepare estimates of future cash flows of our derivatives, which are discounted to a net present value. The estimated cash flows and the discount factors used in the valuation model are based on observable inputs, and incorporate non-performance risk (the credit standing of the counterparty when the derivative is in a net asset position, and the credit standing of Hexcel when the derivative is in a net liability position). For further information on the fair value of our derivative financial instruments see Note 6, Derivative Financial Instruments. In addition, the fair value of these derivative contracts, which are subject to a master netting arrangement under certain circumstances, is presented on a gross basis in the Condensed Consolidated Balance Sheets.

Below is a summary of valuation techniques for all Level 2 financial assets and liabilities:

- Cross Currency and Interest Rate Swap Agreements — valued using the USD Secured Overnight Financing Rate curves and quoted forward foreign exchange prices at the reporting date.
- Foreign exchange derivative assets and liabilities — valued using quoted forward foreign exchange prices at the reporting date.
- Commodity swap agreements — valued using quoted forward commodity prices at the reporting date.

Counterparties to the above contracts are highly rated financial institutions, none of which experienced any significant downgrades in the quarter three months ended September 30, 2023 March 31, 2024 that would reduce the receivable amount owed, if any, to the Company.

Note 8 — Revenue

Our revenue is primarily derived from the sale of inventory under long-term contracts with our customers. We have determined that individual purchase orders (“PO”), the terms and conditions of which are taken with a master agreement, create the ASC 606 contracts, which are generally short-term in nature. For those sales that are not tied to a long-term agreement, we generate a PO that is subject to our standard terms and conditions. In instances where our customers acquire our goods related to government contracts, the contracts are typically subject to terms similar, or equal to, the Federal Acquisition Regulation Part 52.249-2. This regulation contains a termination for convenience clause (“T for C”), which requires that the customer pay for the cost of both the finished and unfinished goods at the time of cancellation plus a reasonable profit.

We recognize revenue over time for those agreements that have T for C, and where the products being produced have no alternative use. As our production cycle is typically nine months or less, it is expected that goods related to the revenue recognized over time will be shipped and billed within the next twelve months. Less than half of our agreements contain provisions which would require revenue to be recognized over time. All other revenue is recognized at a point in time.

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We disaggregate our revenue based on market for analytical purposes. The following table details our revenue by market for the quarters and nine three months ended September 30, 2023 March 31, 2024 and 2022: 2023:

(In millions)	Quarter Ended September 30, 2023	Quarter Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Quarter Ended March 31, 2024	Quarter Ended March 31, 2023
Consolidated Net Sales	**$ 419.5**	$ 364.7	**$ 1,331.5**	$ 1,148.3	**$ 472.3**	$ 457.7
Commercial Aerospace	**251.9**	209.1	**800.7**	655.6	**299.3**	284.5
Space & Defense	**128.8**	108.6	**392.5**	338.7	**139.1**	126.2
Industrial	**38.8**	47.0	**138.3**	154.0	**33.9**	47.0

Revenue recognized over time gives rise to contract assets, which represent revenue recognized but unbilled. Contract assets are included in our Condensed Consolidated Balance Sheets as a component of current assets. The activity related to contract assets for the nine three months ended September 30, 2023 March 31, 2024 was as follows:

(In millions)	Composite Material	Engineered Products	Total	Composite Material	Engineered Products	Total
Balance at December 31, 2022	$ 9.1	$ 22.9	$ 32.0			
Balance at December 31, 2023				$ 8.3	$ 16.8	$ 25.1
Net revenue billed	(2.5)	(0.9)	(3.4)	1.6	4.4	6.0
Balance at March 31, 2023	$ 6.6	$ 22.0	$ 28.6			
Net revenue billed	0.4	(1.8)	(1.4)			
Balance at June 30, 2023	$ 7.0	$ 20.2	$ 27.2			
Net revenue billed	$ 4.5	$ (0.3)	4.2			
Balance at September 30, 2023	**$ 11.5**	**$ 19.9**	**$ 31.4**			
Balance at March 31, 2024				**$ 9.9**	**$ 21.2**	**$ 31.1**

Accounts receivable, net, includes amounts billed to customers where the right to payment is unconditional.

Note 9 — Segment Information

The financial results for our operating segments are prepared using a management approach, which is consistent with the basis and manner in which we internally segregate financial information for the purpose of assisting in making internal operating decisions. We evaluate the performance of our operating segments based on operating income, and generally account for intersegment sales based on arm’s length prices. Corporate and certain other expenses are not allocated to the operating segments, except to the extent that the expense can be directly attributable to the business segment.

Financial information for our operating segments for the quarters and six three months ended September, March 31, 2024 and 2023 and 2022 were was as follows:

(In millions)	(Unaudited)				(Unaudited)			
	Composite Materials	Engineered Products	Corporate & Other (a)	Total	Composite Materials	Engineered Products	Corporate & Other (a)	Total
Quarter Ended September 30, 2023								
Net sales to external customers	**$ 340.5**	**$ 79.0**	**$ —**	**$ 419.5**				
Intersegment sales	**16.2**	**0.2**	**(16.4)**	**—**				
Total sales	**$ 356.7**	**$ 79.2**	**$ (16.4)**	**$ 419.5**				
Other operating income	**(0.8)**	**—**	**—**	**(0.8)**				
Operating income (loss)	**43.7**	**6.2**	**(6.3)**	**43.6**				
Depreciation and amortization	**27.8**	**3.7**	**—**	**31.5**				
Stock-based compensation	**1.0**	**0.3**	**1.3**	**2.6**				
Accrual basis additions to capital expenditures	**15.6**	**2.6**	—	**18.2**				
Quarter Ended September 30, 2022								
Quarter Ended March 31, 2024								
Net sales to external customers	$ 293.5	$ 71.2	$ —	$ 364.7	**$ 379.5**	**$ 92.8**	**$ —**	**$ 472.3**
Intersegment sales	15.4	0.7	(16.1)	—	**23.3**	**0.3**	**(23.6)**	**—**
Total sales	$ 308.9	$ 71.9	$ (16.1)	$ 364.7	**$ 402.8**	**$ 93.1**	**$ (23.6)**	**$ 472.3**

Other operating expense	0.4	—	—	0.4	0.8	0.4	—	1.2
Operating income (loss)	41.4	6.0	(6.6)	40.8	63.7	12.9	(23.7)	52.9
Depreciation and amortization	27.5	3.5	—	31.0	27.2	3.8	—	31.0
Stock-based compensation	1.0	0.3	1.1	2.4	3.1	0.8	9.2	13.1
Accrual basis additions to capital expenditures	17.9	2.8	0.1	20.8	16.7	1.9	-	18.6
Nine Months Ended September 30, 2023								
Quarter Ended March 31, 2023								
Net sales to external customers	$ 1,097.2	$ 234.3	$ —	$ 1,331.5	$ 378.2	$ 79.5	$ —	$ 457.7
Intersegment sales	54.0	1.7	(55.7)	—	19.3	1.0	(20.3)	—
Total sales	$ 1,151.2	$ 236.0	$ (55.7)	$ 1,331.5	$ 397.5	$ 80.5	$ (20.3)	$ 457.7
Other operating (income) expense	(0.3)	0.2	—	(0.1)				
Other operating expense					0.2	-	-	0.2
Operating income (loss)	181.1	25.0	(38.4)	167.7	73.2	12.0	(22.4)	62.8
Depreciation and amortization	82.5	10.7	—	93.2	27.2	3.5	—	30.7
Stock-based compensation	5.2	1.4	11.7	18.3	3.1	0.8	9.0	12.9
Accrual basis additions to capital expenditures	41.6	47.1	—	88.7	13.1	3.7	—	16.8
Nine Months Ended September 30, 2022								
Net sales to external customers	$ 925.4	$ 222.9	$ —	$ 1,148.3				
Intersegment sales	50.4	2.0	(52.4)	—				
Total sales	$ 975.8	$ 224.9	$ (52.4)	$ 1,148.3				

Other operating expense (income)	1.6	0.1	(19.4)	(17.7)
Operating income (loss)	131.2	25.7	(22.2)	134.7
Depreciation and amortization	84.2	10.6	0.1	94.9
Stock-based compensation	4.5	1.3	9.4	15.2
Accrual basis additions to capital expenditures	42.5	6.5	0.1	49.1

(a) We do not allocate corporate expenses to the operating segments.

Goodwill and Intangible Assets **(In millions)**	**Composite Materials**	**Engineered Products**	**Total**	**Composite Materials**	**Engineered Products**	**Total**
Balance at December 31, 2022	$ 86.9	$ 169.1	$ 256.0			
Balance at December 31, 2023				$ 87.2	$ 164.1	$ 251.3
Amortization expense	(0.5)	(1.3)	(1.8)	(0.4)	(1.2)	(1.6)
Currency translation adjustments	(1.1)	(2.5)	(3.6)	(1.0)	—	(1.0)
Balance at September 30, 2023	**$ 85.3**	**$ 165.3**	**$ 250.6**			
Balance at March 31, 2024				**$ 85.8**	**$ 162.9**	**$ 248.7**

At September 30, 2023 March 31, 2024, the balance of goodwill and intangible assets was $186.7 187.8 million and $63.9 60.9 million, respectively.

Note 10 — Accumulated Other Comprehensive Loss

Comprehensive loss represents net loss and other gains and losses affecting stockholders' equity that are not reflected in the Condensed Consolidated Statements of Operations. The components of accumulated other comprehensive loss as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 were as follows:

(In millions)	Unrecognized Net Defined Benefit and Postretirement Plan Costs	Change in Fair Value of Derivatives Products (1)	Foreign Currency Translation	Total
Balance at December 31, 2022	**$ (49.1)**	**$ (15.4)**	**$ (109.9)**	**$ (174.4)**
Other comprehensive income (loss) before reclassifications	**0.8**	**0.2**	**(1.4)**	**(0.4)**
Amounts reclassified from accumulated other comprehensive loss	**1.2**	**5.9**	**—**	**7.1**
Other comprehensive income (loss) before reclassifications	**2.0**	**6.1**	**(1.4)**	**6.7**
Balance at September 30, 2023	**$ (47.1)**	**$ (9.3)**	**$ (111.3)**	**$ (167.7)**

(In millions)	Unrecognized Net Defined Benefit and Postretirement Plan Costs	Change in Fair Value of Derivatives Products (1)	Foreign Currency Translation	Total
Balance at December 31, 2023	**$ 1.0**	**$ 5.7**	**$ (80.8)**	**$ (74.1)**
Other comprehensive loss before reclassifications	**-**	**(1.8)**	**(10.4)**	**(12.2)**
Amounts reclassified from accumulated other comprehensive loss	**(0.1)**	**(2.6)**	**—**	**(2.7)**
Other comprehensive loss	**(0.1)**	**(4.4)**	**(10.4)**	**(14.9)**
Balance at March 31, 2024	**$ 0.9**	**$ 1.3**	**$ (91.2)**	**$ (89.0)**

(1) Includes forward foreign exchange contracts, interest rate derivatives and commodity swaps.

The amount amounts of net (gains) losses reclassified to earnings from the unrecognized net defined benefit and postretirement plan costs and derivative products components of accumulated other comprehensive loss for the quarters and nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 were as follows:

(In millions)	Quarter Ended September 30, 2023 Pre-tax (gain) loss	Quarter Ended September 30, 2023 Net of tax (gain) loss	Quarter Ended September 30, 2022 Pre-tax (gain) loss	Quarter Ended September 30, 2022 Net of tax (gain) loss	Nine Months Ended September 30, 2023 Pre-tax loss (gain)	Nine Months Ended September 30, 2023 Net of tax loss (gain)	Nine Months Ended September 30, 2022 Pre-tax (gain) loss	Nine Months Ended September 30, 2022 Net of tax (gain) loss
Defined Benefit and Postretirement Plan Costs	$ 0.6	$ 0.4	$ 0.6	$ 0.5	$ 1.6	$ 1.2	$ 1.7	$ 1.3
Derivative Products								
Foreign currency forward exchange contracts	1.5	1.1	6.2	4.8	7.8	5.7	10.5	7.9
Commodity swaps	1.9	1.4	0.9	0.7	4.6	3.5	(0.2)	(0.1)
Interest rate swaps	(1.1)	(0.9)	(31.9)	(24.6)	(4.3)	(3.3)	(36.9)	(28.5)
Total Derivative Products	$ 2.3	$ 1.6	$ (24.8)	$ (19.1)	$ 8.1	$ 5.9	$ (26.6)	$ (20.7)

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(In millions)	Quarter Ended March 31, 2024 Pre-tax (gain) loss	Quarter Ended March 31, 2024 Net of tax (gain) loss	Quarter Ended March 31, 2023 Pre-tax loss (gain)	Quarter Ended March 31, 2023 Net of tax loss (gain)
Defined Benefit and Postretirement Plan Costs	$ (0.1)	$ (0.1)	$ 0.5	$ 0.4
Derivative Products				
Foreign currency forward exchange contracts	0.7	0.4	3.7	2.7
Commodity swaps	(0.3)	(0.3)	0.9	0.7
Interest rate swaps	(3.6)	(2.7)	(2.1)	(1.6)
Total Derivative Products	$ (3.2)	$ (2.6)	$ 2.5	$ 1.8

Note 11 — Commitments and Contingencies

We are involved in litigation, investigations and claims arising out of the normal conduct of our business, including those relating to commercial transactions, environmental, employment and health and safety matters. While it is impossible to predict the ultimate resolution of litigation, investigations and claims asserted against us, we believe, based upon our examination of currently available information, our experience to date, and advice from legal counsel, that, after taking into account our existing insurance coverage and amounts already provided for, the currently pending legal proceedings against us will not have a material adverse impact on our consolidated results of operations, financial position or cash flows.

Environmental Matters

We have been named as a potentially responsible party ("PRP") with respect to the below and other hazardous waste disposal sites that we do not own or possess, which are included on, or proposed to be included on, the Superfund National Priority List of the U.S. Environmental Protection Agency ("EPA") or on equivalent lists of various state governments. Because the Federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA" or "Superfund") allows for joint and several liability in certain circumstances, we could be responsible for all remediation costs at such sites, even if we are one of many PRPs. We believe, based on the amount and nature of the hazardous waste at issue, and the number of other financially viable PRPs at each site, that our liability in connection with such environmental matters will not be material.

Lower Passaic River Study Area

Hexcel, together with approximately 48 other PRPs that comprise the Lower Passaic Cooperating Parties Group (the "CPG"), are subject to a May 2007 Administrative Order on Consent ("AOC") with the EPA requiring the CPG to perform a Remedial Investigation/Feasibility Study of environmental conditions of a 17-mile stretch of the Passaic River in New Jersey (the "Lower Passaic River"). We were included in the CPG based on our operations at our former manufacturing site in Lodi, New Jersey.

In March 2016, the EPA issued a Record of Decision ("ROD") setting forth the EPA's selected remedy for the lower eight miles of the Lower Passaic River at an expected cost ranging from $0.97 billion to $2.07 billion. In August 2017, the EPA appointed an independent third-party allocation expert to make recommendations on the relative liability of approximately 120 identified non-government PRPs for the lower eight miles of the Lower Passaic River. In December 2020, the allocator issued its non-binding report on PRP liability (including Hexcel's) to the EPA. In October 2021, the EPA released a ROD selecting an interim remedy for the upper nine miles of the Lower Passaic River at an expected additional cost ranging from $308.7 million to $661.5 million.

In October 2016, pursuant to a settlement agreement with the EPA, Occidental Chemical Corporation ("OCC"), one of the PRPs, commenced performance of the remedial design required by the ROD for the lower eight miles of the Lower Passaic River, reserving its right of cost contribution from all other PRPs. In June 2018, OCC filed suit against approximately 120 parties, including Hexcel, in the U.S. District Court of the District of New Jersey seeking cost recovery and contribution under CERCLA related to the Lower Passaic River. In July 2019, the court granted in part and denied in part the defendants' motion to dismiss. In August 2020, the court granted defendants' motion for summary judgement for certain claims. Discovery for the remaining claims has been stayed indefinitely based on agreement of the parties. On February 24, 2021, Hexcel and certain other defendants filed a third-party complaint against the Passaic Valley Sewerage Commission and certain New Jersey municipalities seeking recovery of Passaic-related cleanup costs incurred by defendants, as well as contribution for any cleanup costs incurred by OCC for which the court deems the defendants liable. In March 2023, the EPA issued a Unilateral Administrative Order ("UAO") to OCC ordering OCC to commence remedial design work for the interim remedy for the cleanup of the upper nine miles of the Lower Passaic River. On March 24, 2023, OCC filed suit against Hexcel and approximately 38 other parties claiming cost recovery under CERCLA for future costs related to its compliance with the UAO. On January 5, 2024, the U.S. District Court stayed the foregoing claim initiated by OCC until the completion of the Passaic-related Consent Decree process.

On December 16, 2022, the EPA lodged a Consent Decree with the U.S. District Court for the District of New Jersey requesting court approval of a $150 million settlement of the EPA's CERCLA claims against Hexcel and 83 other PRPs for costs related to alleged contamination of the upper and lower portions of the Lower Passaic River. The 84 PRPs have collectively placed $150 million in escrow, pending District Court approval of the Consent Decree. A public comment period which allowed interested parties to provide additional evidence and make arguments in support or opposition to the Consent Decree has concluded. Hexcel is unable to estimate when or if the District Court will approve the Consent Decree.

Summary of Environmental Reserves

Our estimate of liability as a PRP and our remaining costs associated with our responsibility to remediate the Lower Passaic River and other sites are accrued in the Consolidated Balance Sheets. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, our aggregate environmental related accruals were $0.7 0.6 million and $0.8 0.7 million, respectively. These amounts were included in non-current liabilities. liabilities.

These accruals can change significantly from period to period due to such factors as additional information on the nature or extent of contamination, the methods of remediation required, changes in the apportionment of costs among responsible parties and other actions by governmental agencies or private parties, or the impact, if any, of being named in a new matter.

Product Warranty

We provide standard assurance-type warranties for our products, which cannot be purchased separately and do not meet the criteria to be considered a performance obligation. Warranty expense for the nine three months ended September 30, 2023 March 31, 2024, and accrued warranty cost, included in "accrued liabilities" in the Condensed Consolidated Balance Sheets at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, were as follows:

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(In millions)	Product Warranties
Balance as of December 31, 2023	**$ 2.8**
Warranty expense	**0.8**
Deductions and other	**(0.3)**
Balance as of March 31, 2024	**$ 3.3**

(In millions)	Product Warranties
Balance as of December 31, 2022	**$ 3.1**
Warranty expense	**1.6**
Deductions and other	**(1.2)**
Balance as of March 31, 2023	**$ 3.5**
Warranty expense	**2.2**
Deductions and other	**(0.9)**
Balance as of June 30, 2023	**$ 4.8**
Warranty expense	**(0.5)**
Deductions and other	**(0.6)**
Balance as of September 30, 2023	**$ 3.7**

Note 12 — Restructuring

There were no We recognized restructuring charges of $1.2 million for the quarter ended September 30, 2023 and $0.7 million of restructuring charges for the nine months ended September 30, 2023 which were March 31, 2024 primarily related to severance. Anticipated future cash payments as of September, 2023 March 31, 2024 were $1.0 1.9 million.

	Activity for the Quarter Ended September 30, 2023						Activity for the Quarter Ended March 31, 2024					
(In Millions)	**June 30, 2023**	**Restructuring Charge**	**FX Impact**	**Cash Paid**	**Non-Cash**	**September 30, 2023**	**December 31, 2023**	**Restructuring Charge**	**FX Impact**	**Cash Paid**	**Non-Cash**	**March 31, 2024**
Employee termination	$ 1.5	$ —	$ —	$ (0.5)	$ —	$ 1.0	$ 1.2	$ 1.2	$ (0.1)	$ (0.4)	$ —	$ 1.9
Impairment and other	—	—	—	—	—	—						
Total	**$ 1.5**	**$ —**	**$ —**	**$ (0.5)**	**$ —**	**$ 1.0**	**$ 1.2**	**$ 1.2**	**$ (0.1)**	**$ (0.4)**	**$ —**	**$ 1.9**

Activity for the Nine Months Ended September 30, 2023

(In Millions)	December 31, 2022	Restructuring Charge	FX Impact	Cash Paid	Non-Cash	September 30, 2023
Employee termination	$ 5.4	$ 0.4	$ —	$ (4.8)	$ —	$ 1.0
Impairment and other	—	0.3	—	—	(0.3)	—
Total	**$ 5.4**	**$ 0.7**	**$ —**	**$ (4.8)**	**$ (0.3)**	**$ 1.0**

Note 13 — Capital Stock

Under the share repurchase program plan adopted by the Board of Directors of the Company (the "Board") in May 2018 ("the 2018 (the “2018 Repurchase Plan"), our the Board authorized the repurchase of $500 million for the repurchase of the Company's stock. common stock of which $86.4 million remained as of March 31, 2024. On February 19, 2024, the Board approved a $300 million share repurchase plan (the “2024 Share Repurchase Plan”) which is in addition to the amount that remained available for repurchases under the 2018 Repurchase Plan. The repurchase of the Company’s common stock under the 2018 Repurchase Plan and the 2024 Share Repurchase Plan (together the "Share Repurchase Program") are anticipated to be made in open market transactions, block transactions, privately negotiated purchase transactions or other purchase techniques at the discretion of management based upon consideration of market, business, legal, accounting, and other factors.

During the nine three months ended September 30, 2023 March 31, 2024, we the Company repurchased 423,292 1,397,755 shares of common stock on the open market under the 2018 Share Repurchase Plan Program at an average price of $71.17 71.54 per share and at a cost of $30.1 100.7 million, including sales commissions and excise tax, leaving approximately $187.0 386.4 million available for additional repurchases under the 2018 Share Repurchase Plan. Program. The acquisition of these shares was accounted for under the treasury method.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Business Overview

We develop, manufacture, and market lightweight, high-performance structural materials, including carbon fiber, specialty reinforcements, prepregs and other fiber-reinforced matrix materials, honeycomb, resins, engineered core and composite structures, for use in Commercial Aerospace, Space & Defense, and Industrial markets. We propel the future of flight, energy generation, transportation, and recreation through excellence in providing innovative high-performance material solutions that are lighter, stronger and tougher, helping to create a better world for us all.

We serve international markets through manufacturing facilities, sales offices and representatives located in the Americas, Europe, Asia Pacific, India, and Africa. We also have a presence in Malaysia where we are a partner in a joint venture which manufactures composite structures for Commercial Aerospace applications.

We are a manufacturer of products within a single industry: Advanced Composites. We have two reportable segments: Composite Materials and Engineered Products. The Composite Materials segment is comprised of our carbon fiber, specialty reinforcements, resin systems, prepregs and other fiber-reinforced matrix materials, and honeycomb core product lines and pultruded profiles. The Engineered Products segment is comprised of lightweight high strength composite structures, radio frequency/electromagnetic interference ("RF/EMI") and microwave absorbing materials, engineered core and specialty machined honeycomb products with added functionality and thermoplastic additive manufacturing.

The Commercial Aerospace market and our business began to see signs of recovery from has recovered strongly following the severe negative economic impacts of on this industry resulting from the COVID-19 pandemic that began in the second half of 2021, which has continued through 2023, with further 2020. Our business is continuing to recover driven by growth in air travel and an increase in aircraft build rates. Despite this The recovery has created many challenges across the markets Hexcel operates in, related to global logistics, supply chains, inflationary pressures and has also been impacted by the effects of geopolitical issues still remain a challenge. and conflicts. These challenges have had and may continue to have further negative impacts on our operations, supply chain, transportation networks and customers, all of which have and may continue to compress our financial results.

We also continue to monitor developments in ongoing geopolitical issues and conflicts. Although we are not experiencing direct material adverse effects upon our business, the implications of global conflicts which include increased inflation, elevated energy costs, constrained raw material availability and transportation, and thus increasing costs continue to impact the world's economy and the aerospace industry in particular.

Financial Overview

Results of Operations

(In millions, except per share data)	**Quarter Ended September 30,**			**Nine Months Ended September 30,**			**Quarter Ended March 31,**		
	2023	**2022**	**% Change**	**2023**	**2022**	**% Change**	**2024**	**2023**	**% Change**
Net sales	**$ 419.5**	$ 364.7	15.0 %	**$ 1,331.5**	$ 1,148.3	16.0 %	**$ 472.3**	$ 457.7	3.2 %
Net sales change in constant currency			13.2 %			15.3 %			3.1 %
Operating income	**$ 43.6**	$ 40.8	6.9 %	**$ 167.7**	$ 134.7	24.5 %	**$ 52.9**	$ 62.8	(15.8)%
As a percentage of net sales	***10.4 %***	*11.2 %*		***12.6 %***	*11.7 %*		***11.2 %***	*13.7 %*	
Net income	**$ 38.7**	$ 26.8	44.4 %	**$ 123.9**	$ 89.3	38.7 %	**$ 36.5**	$ 42.7	(14.5)%
Diluted net income per common share	**$ 0.45**	$ 0.31	45.2 %	**$ 1.45**	$ 1.05	38.0 %	**$ 0.43**	$ 0.50	(14.0)%

Net Sales

The following table summarizes net sales to third-party customers by segment and end market for the quarters ended March 31, 2024 and nine months ended September 30, 2023 and 2022: 2023:

(In millions)	Quarter Ended September 30, 2023	Quarter Ended September 30, 2022	% Change	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	% Change	Quarter Ended March 31, 2024	Quarter Ended March 31, 2023	% Change
Consolidated Net Sales	**$ 419.5**	**$ 364.7**	**15.0 %**	**$ 1,331.5**	**$ 1,148.3**	**16.0 %**	**$ 472.3**	**$ 457.7**	**3.2 %**
Commercial Aerospace	251.9	209.1	20.5 %	800.7	655.6	22.1 %	299.3	284.5	5.2 %
Space & Defense	128.8	108.6	18.6 %	392.5	338.7	15.9 %	139.1	126.2	10.2 %

Industrial	38.8	47.0	(17.4)%	138.3	154.0	(10.2)%	33.9	47.0	(27.9)%
Composite Materials	**$ 340.5**	**$ 293.5**	**16.0%**	**$ 1,097.2**	**$ 925.4**	**18.6%**	**$ 379.5**	**$ 378.2**	**0.3 %**
Commercial Aerospace	212.7	177.2	20.0%	684.8	554.0	23.6%	251.5	243.2	3.4 %
Space & Defense	90.0	70.2	28.2%	276.7	220.7	25.4%	94.7	88.8	6.6 %
Industrial	37.8	46.1	(18.0)%	135.7	150.7	(10.0)%	33.3	46.2	(27.9)%
Engineered Products	**$ 79.0**	**$ 71.2**	**11.0%**	**$ 234.3**	**$ 222.9**	**5.1%**	**$ 92.8**	**$ 79.5**	**16.7 %**
Commercial Aerospace	39.2	31.9	22.9%	115.9	101.6	14.1%	47.8	41.3	15.7 %
Space & Defense	38.8	38.4	1.0%	115.8	118.0	(1.9)%	44.4	37.4	18.7 %
Industrial	1.0	0.9	11.1%	2.6	3.3	(21.2)%	0.6	0.8	(25.0)%

Sales by Segment

Composite Materials: Net sales of $340.5 million $379.5 million in the third first quarter of 2023 2024 increased by $47.0 million $1.3 million or 16.0% 0.3% from the prior year quarter. Commercial Aerospace sales increased $35.5 million $8.3 million or 20.0% 3.4% in the third first quarter of 2023 2024 and Space & Defense sales increased $5.9 million or 6.6% as compared to the prior year quarter primarily due to growth quarter. These increases were partially offset by a decrease in the Airbus A350 and Boeing 787 programs as well as business jet growth. Space & Defense sales increased $19.8 million or 28.2% led by growth in military aircraft. Net Industrial sales of $1,097.2 million for the first nine months of 2023 increased18.6% $12.9 million or 27.9% compared to the same period last prior year driven by strong sales in the Commercial Aerospace and Space & Defense markets. quarter.

Engineered Products: For the third first quarter of 2023, 2024, net sales of $79.0 million $92.8 million increased $7.8 million $13.3 million or 11.0% 16.7% as compared to the prior year quarter. The increase was driven by higher Commercial Aerospace sales. Net sales, of $234.3 million for which were up $6.5 million or 15.7% in the first nine months quarter of 2023 increased 5.1% 2024 as compared to the same period last year. in 2023, as well as higher Space & Defense sales of $7.0 million, or 18.7%.

Sales by Market

For the third quarter of 2023, Commercial Aerospace sales of $251.9 million $299.3 million increased 20.5% (19.2% in constant currency) compared to the third quarter of 2022. Sales growth was driven by the Airbus A350 and Boeing 787 programs while quarterly narrowbody sales in aggregate were unchanged from the comparable prior year period. Other Commercial Aerospace sales for the third quarter of 2023 increased 20% compared to the third quarter of 2022 with growth led by business jets. Sales of $800.7 million increased 22.1% (21.5% 5.2% (5.2% in constant currency) for the first nine months quarter of 2023 2024 compared to the first nine months quarter of 2022, with growth 2023 driven by the Airbus A350 and A320neo programs and the strong Boeing 787 program. sales. Other Commercial Aerospace increased 18.9% sales of $55.1 million decreased 6.3% for the first nine months quarter of 2023 2024 compared to the same period in 2022, led by growth in first quarter of 2023 due to softer business jets. jet sales.

Space & Defense sales of $128.8 million $139.1 million increased 18.6% (17.1% 10.2% (10.0% in constant currency) for the third quarter of 2023 as compared to the third quarter of 2022. The sales growth continued to be across a broad number of U.S. and international programs. For the first nine months of 2023, Space & Defense sales of $392.5 million increased 15.9% (15.5% in constant currency) as compared to the first nine months quarter of 2022. Broad-based growth drove 2023 with strong fixed wing aircraft programs, including the sales increase including U.S. Lockheed F-35 and international military helicopters and international fixed-wing aircraft. Airbus A400M, as well as classified programs.

Total Industrial sales of $38.8 million in the third quarter of 2023 decreased 17.4% (21.3% in constant currency) as compared to the third quarter of 2022. While automotive sales continued to be strong, wind energy declined further, reflecting the challenges facing the global wind industry. Total Industrial sales of $138.3 million $33.9 million in the first nine months quarter of 2023 2024 decreased 10.2% (10.9% 27.9% (28.5% in constant currency) as compared to the first nine months quarter of 2022 as 2023, due to lower wind energy sales were only partially offset by growth in automotive sales.

across all industrial sub-markets.

Gross Margin

(In millions)	Quarter Ended September 30, 2023	Quarter Ended September 30, 2022	% Change	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	% Change	Quarter Ended March 31, 2024	Quarter Ended March 31, 2023	% Change
Gross margin	**$ 91.6**	$ 81.8	12.0 %	**$ 330.1**	$ 258.0	27.9 %	**$ 118.2**	$ 127.7	(7.4)%
Percentage of sales	**21.8 %**	22.4 %		**24.8 %**	22.5 %		**25.0 %**	27.9 %	

Gross margin for the third quarter first quarters of 2024 and 2023 was 21.8% 25.0% and 27.9%, respectively. The higher prior year gross margin benefited from favorable sales mix and absorption.

Operating Expenses

(In millions)	Quarter Ended March 31, 2024	Quarter Ended March 31, 2023	% Change
SG&A expense	**$ 49.0**	$ 50.8	(3.5)%
Percentage of sales	**10.4 %**	11.1 %	
R&T expense	**$ 15.1**	$ 13.9	8.6 %
Percentage of sales	**3.2 %**	3.0 %	

Selling, general and administrative expenses were lower for the three months ended March 31, 2024 compared to 22.4% the same period in 2023 due to lower employee-related expenses. Research and technology expenses for the third quarter of 2022 ended March 31, 2024 were higher than the prior year period primarily due to increases in materials, depreciation and 24.8% and 22.5% employee-related expenses.

Operating Income

(In millions)	Quarter Ended March 31, 2024	2023	% Change
Consolidated operating income	**$ 52.9**	$ 62.8	(15.8)%
Operating margin	***11.2 %***	*13.7 %*	
Composite Materials	**63.7**	73.2	(13.0)%
Operating margin	***15.8 %***	*18.4 %*	
Engineered Products	**12.9**	12.0	7.5 %
Operating margin	***13.9 %***	*14.9 %*	
Corporate & Other	**(23.7)**	(22.4)	(5.8)%

Operating income for the first nine months quarter of 2024 and 2023 was $52.9 million and 2022, $62.8 million, respectively. The decline decrease in the gross margin for the third quarter of 2023 compared to the third quarter of 2022 was primarily due to lower absorption of infrastructure costs that will support higher future aircraft production rates. The improvement in the gross margin operating income for the first nine months quarter of 2023 2024 compared to the same period last year was primarily due to higher sales and favorable product mix.

Operating Expenses

(In millions)	Quarter Ended September 30, 2023	2022	% Change	Nine Months Ended September 30, 2023	2022	% Change
SG&A expense	**$ 35.4**	$ 29.0	22.1 %	**$ 121.9**	$ 107.2	13.7 %
Percentage of sales	**8.4 %**	8.0 %		**9.2 %**	9.3 %	
R&T expense	**$ 13.4**	$ 11.6	15.5 %	**$ 40.6**	$ 33.8	20.1 %
Percentage of sales	**3.2 %**	3.2 %		**3.0 %**	2.9 %	

Selling, general and administrative expenses were higher for the third quarter of 2023, although relatively flat as a percentage of sales, as compared to the same period in 2022. The increase in selling, general and administrative expenses for the third quarter of 2023 was primarily driven by higher employee-related expenses. Research and technology expenses for the third quarter of 2023 increased $1.8 million over the same period last year due primarily to higher employee-related and materials and supplies expense. Selling, general and administrative expenses were higher for the first nine months of 2023 compared to the same period in 2022 due to higher employee-related expenses. Research and technology expenses for the first nine months of 2023 were higher compared to the prior year period due to higher employee-related and materials and supplies expenses resulting from an increase in the number of development projects.

Operating Income

(In millions)	Quarter Ended September 30, 2023	2022	% Change	Nine Months Ended September 30, 2023	2022	% Change

Consolidated operating income	**$ 43.6**	$ 40.8	6.9 %	**$ 167.7**	$ 134.7	24.5 %
Operating margin	***10.4 %***	*11.2 %*		***12.6 %***	*11.7 %*	
Composite Materials	**43.7**	41.4	5.6 %	**181.1**	131.2	38.0 %
Operating margin	***12.3 %***	*13.4 %*		***15.7 %***	*13.4 %*	
Engineered Products	**6.2**	6.0	3.3 %	**25.0**	25.7	(2.7)%
Operating margin	***7.8 %***	*8.3 %*		***10.6 %***	*11.4 %*	
Corporate & Other	**(6.3)**	(6.6)	4.5 %	**(38.4)**	(22.2)	(73.0)%

Operating income for the third quarters of 2023 and 2022 was $43.6 million and $40.8 million, respectively. Operating income for the first nine months of 2023 was $167.7 million compared to $134.7 million for the same period last year. The nine months of 2022 included the gain on the sale of the Dublin, California facility of $19.4 million. Overall, operating income for both the third quarter and nine months of 2023 benefited from higher sales, as compared to the prior year periods. lower gross margin.

Interest Expense, Net

(In millions)	**Quarter Ended September 30,**			**Nine Months Ended September 30,**			**Quarter Ended March 31,**		
	2023	**2022**	**% Change**	**2023**	**2022**	**% Change**	**2024**	**2023**	**% Change**
Interest expense, net	**$ 7.8**	$ 9.0	(13.3)%	**$ 26.4**	$ 27.0	(2.2)%	**$ 6.5**	$ 9.4	(30.9)%

Interest Net interest expense for both the first quarter and nine months ended September 30, 2023 March 31, 2024 was lower compared to the prior year periods first quarter of 2023 due to lower average debt levels, partially offset by borrowings and higher average interest rates. income.

Provision for Income Taxes

(In millions)	**Quarter Ended September 30,**		**Nine Months Ended September 30,**		**Quarter Ended March 31,**	
	2023	**2022**	**2023**	**2022**	**2024**	**2023**

Income tax (benefit) expense	**$ (0.7)**	$ 6.8	**$ 22.5**	$ 24.2		
Income tax expense					**$ 9.9**	$ 11.7
Effective tax rate	**(2.0)%**	21.4 %	**15.9 %**	**22.4 %**	**21.3 %**	21.9 %

Tax benefit The tax expense for the quarter ended September 30, 2023 March 31, 2024 was $0.7 million as $9.9 million compared to income a tax expense of $6.8 million $11.7 million for the quarter ended September 30, 2022 March 31, 2023. Tax expense for the nine months ended September 30, 2023 was $22.5 million compared to $24.2 million for the comparative period in 2022. The quarter and nine months ended September 30, 2023 included a discrete tax benefit of $5.6 million, primarily related to adjustments to our provision based on the finalization of prior year tax returns. The quarter and nine months ended September 30, 2022 included a discrete tax charge of $1.3 million resulting from the true up of a deferred tax item.

Financial Condition

Liquidity: Cash on hand at September 30, 2023 March 31, 2024 was $97.7 million $85.9 million as compared to $112.0 million $227.0 million at December 31, 2022 December 31, 2023. As of September 30, 2023 March 31, 2024, total debt was $754.2 million $714.7 million as compared to $723.5 million $699.5 million at December 31, 2022 December 31, 2023.

On April 25, 2023, we entered into a new credit agreement (the “Credit Agreement”) to refinance our Under the senior unsecured revolving credit facility (the “Facility” "Facility"). Under the terms of the Credit Agreement the borrowing capacity is $750 million. The Facility matures in April 2028. For further discussion, see Note 5,Debt, to the accompanying condensed consolidated financial statements.

As of September 30, 2023, total borrowings under the Facility at March 31, 2024 were $55 million $15.0 million, which approximated fair value. The Credit Agreement Facility agreement permits us to issue letters of credit up to an aggregate amount of $50 million $50.0 million. As of September 30, 2023 March 31, 2024, there were no issued letters of credit under the Facility, resulting in undrawn availability under the Facility of $695 million $735.0 million. The weighted average interest rate for the Facility was 6.2% 8.6% for the nine three months ended September 30, 2023 March 31, 2024. For further information regarding our Facility, see Note 5, Debt, to the accompanying condensed consolidated financial statements of this Form 10-Q.

We expect to meet our short-term liquidity requirements (including capital expenditures) through net cash from operating activities, cash on hand and the Facility. As of September 30, 2023 March 31, 2024, long-term liquidity requirements consist consisted primarily of obligations under our long-term debt obligations. We do not have any significant required debt repayments until August 2025 when our 4.7% Senior Unsecured Notes are due.

The remaining authorization under the share repurchase program Share Repurchase Program at September, 2023 March 31, 2024 was $187 million $386.4 million.

On October 23, 2023 April 22, 2024, our Board of Directors declared a quarterly dividend of $0.125 $0.15 per share payable to stockholders of record as of November 3, 2023 May 3, 2024, with a payment date of November 13, 2023 May 10, 2024.

Operating Activities: Net cash provided by used for operating activities for the first nine three months of 2023 2024 was $98.1 million $7.0 million compared to $56.4 million $23.4 million for the same period last year. Working capital was a cash use of $112.1 million $84.5 million for the first nine three months of 2023 as 2024 compared to a use of $115.0 million $104.0 million in the same period in 2022. 2023. The difference improvement in the current year was primarily driven by the higher net income lower payments of payables and lower increases in the current year period. inventory levels.

Investing Activities: Net cash used for investing activities was $81.6 million $28.7 million and $36.6 million $18.1 million in the first nine three months of 2024 and 2023, and 2022, respectively. Capital expenditures for the first nine months of 2023 were $94.4 million and included $38.0 million for the acquisition of the land and building at our Amesbury, Massachusetts facility to support future growth. Capital expenditures for the first nine months of 2022 were $58.3 million. The first nine months of 2023 included net proceeds of $10.3 million from the sale of the Windsor facility and the first nine months of 2022 included net proceeds of $21.2 million from the sale of the Dublin, California facility. respectively, reflecting an increase in capital expenditures.

Financing Activities: Net cash used for financing activities was $29.7 million $104.3 million for first nine three months of 2023 2024 compared to a net cash use provided of $48.6 million $34.8 million in the same period in 2022. 2023. Borrowings under the credit facilities Facility during the first nine months quarter of 2023 was $163.0 million 2024 were $15.0 million compared to $35.0 million $65.0 million in borrowings and repayments of $20.0 million for the same period in the prior year period. Repayments were $133.0 million during the first nine months of 2023 compared to $61.0 million in the prior year period. year. Quarterly dividend payments to shareholders were $31.7 million $12.6 million during the first nine months quarter of 2023 2024 compared to $25.3 million $10.5 million in the prior year period. first quarter of 2023. During the nine three months ended September 30, 2023 March 31, 2024, repurchases of common stock totaled $30.1 million $100.7 million.

Financial Obligations and Commitments: The next significant scheduled debt maturity will not occur until 2025, when our the 4.7% Senior Unsecured Notes are due. mature. Certain sales and administrative offices, data processing equipment, vehicles and manufacturing equipment, and facilities are leased under operating leases.

Critical Accounting Estimates

Our Condensed Consolidated Financial Statements are prepared in accordance with U.S. GAAP. In connection with the preparation of our financial statements, we are required to make assumptions and estimates about future events, and apply judgments that affect reported amounts of assets, liabilities, revenues, expenses and related disclosures. We base our assumptions, estimates and judgments on historical experience, current trends and other factors management believes to be relevant at the time our Condensed Consolidated Financial Statements are prepared. On a regular basis, management reviews accounting policies, assumptions, estimates and judgments to ensure our financial statements are presented fairly and in accordance with U.S. GAAP. However, because future events and their effects cannot be determined with certainty, actual results may differ from our assumptions and estimates, and such differences could be material.

We describe our significant accounting policies and critical accounting estimates in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023.

Commitments and Contingencies

We are involved in litigation, investigations and claims arising out of the normal conduct of our business, including those relating to commercial transactions, environmental, employment and health and safety matters. We estimate and accrue our liabilities resulting from such matters based upon a variety of factors, including the stage of the proceeding; potential settlement value; assessments by internal and external counsel; and assessments by environmental engineers and consultants of potential environmental liabilities and remediation costs. We believe we have adequately accrued for these potential liabilities; however, facts and circumstances may change, such as new developments, or a change in approach, including a change in settlement strategy or in an environmental remediation plan, or in our existing insurance coverage, that could cause the actual liability to exceed the estimates, or may require adjustments to the recorded liability balances in the future. For further discussion, see Note 11, Commitments and Contingencies, to the accompanying Condensed Consolidated Financial Statements of this Form 10-Q.

Non-GAAP Financial Measures

The Company uses non-GAAP financial measures, including sales and expenses measured in constant dollars (prior year sales and expenses measured at current year exchange rates); operating income, net income and diluted earnings per share adjusted for items included in operating expense and non-operating expenses; and free cash flow. Management believes these non-GAAP measures are meaningful to investors because they provide a view of Hexcel with respect to ongoing operating results and comparisons to prior periods. These adjustments can represent significant charges or credits that we believe are important to an understanding of Hexcel's overall operating results in the periods presented. Such non-GAAP measures are not determined in accordance with generally accepted accounting principles and should not be viewed in isolation or as an alternative to or substitutes for GAAP measures of performance. Our calculation of these measures may not be comparable to similarly titled measures used by other companies, and the measures exclude financial information that some may consider important in evaluating our performance. Reconciliations to adjusted operating income, adjusted net income, adjusted diluted net income per share and free cash flow are provided below.

	Operating Income				Operating Income	
	Quarter Ended September 30,		Nine Months Ended September 30,		Quarter Ended March 31,	
(In millions)	**2023**	**2022**	**2023**	**2022**	**2024**	**2023**
GAAP operating income	**$ 43.6**	$ 40.8	**$ 167.7**	$ 134.7	**$ 52.9**	$ 62.8
Other operating (income) expense (a)	**(0.8)**	0.4	**(0.1)**	(17.7)		
Other operating expense (a)					**1.2**	0.2
Adjusted operating income (non-GAAP)	**$ 42.8**	$ 41.2	**$ 167.6**	$ 117.0	**$ 54.1**	$ 63.0

	Quarter Ended September 30,				Nine Months Ended September 30,			
	2023		2022		2023		2022	
(In millions, except per diluted share data)	**Net Income**	**Diluted Net Income Per Share**	**Net income**	**Diluted Net Income Per Share**	**Net Income**	**Diluted Net Income Per Share**	**Net income**	**Diluted Net Income Per Share**
GAAP net income	**$ 38.7**	**$ 0.45**	$ 26.8	$ 0.31	**$ 123.9**	**$ 1.45**	$ 89.3	$ 1.05
Other operating (income) expense, net of tax (a)	**(0.6)**	**(0.01)**	0.3	-	**(0.1)**	**-**	(15.2)	(0.19)
Other income	**-**		-	-	**-**	**-**	(0.3)	-
Tax (benefit) charge (b)	**(5.6)**	**(0.06)**	1.3	0.02	**(5.6)**	**(0.07)**	1.3	0.02
Adjusted net income (non-GAAP)	**$ 32.5**	**$ 0.38**	$ 28.4	$ 0.33	**$ 118.2**	**$ 1.38**	$ 75.1	$ 0.88

	Quarter Ended March 31,

(In millions, except per diluted share data)	2024 Net Income		2024 Diluted Net Income Per Share		2023 Net Income		2023 Diluted Net Income Per Share	
GAAP net income	$	**36.5**	$	**0.43**	$	42.7	$	0.50
Other operating expense, net of tax (a)		**0.9**		**0.01**		0.2		-
Adjusted net income (non-GAAP)	$	**37.4**	$	**0.44**	$	42.9	$	0.50

(a) The quarter quarters ended March 31, 2024 and nine months ended September 30, 2023 included the net gain of $0. million from the sale of the Windsor facility and restructuring costs and the nine months ended September 30, 2022 included the net gain of $19.4 million from the sale of the Dublin, California facility. Both the quarter and nine months ended September 30, 2022 2023 included restructuring costs.

(b) The quarter and nine months ended September 30, 2023 included a discrete tax benefit of $5.6 million, costs primaril related to adjustments to our provision based on the finalization of prior year tax returns. The quarter and nine month ended September 30, 2022 included a discrete tax charge of $1.3 million resulting from the true up of a deferred tax item. severance.

(In millions)	Nine Months Ended September 30, 2023		2022	
Net cash provided by operating activities	**$**	**98.1**	**$**	**56.4**
Less: Capital expenditures		**(94.4)**		**(58.3)**
Free cash flow (non-GAAP)	**$**	**3.7**	**$**	**(1.9)**

(In millions)	Quarter Ended March 31, 2024		2023	
Net cash used for operating activities	**$**	**(7.0)**	**$**	**(23.4)**
Less: Capital expenditures		**(28.7)**		**(18.1)**
Free cash flow (non-GAAP)	**$**	**(35.7)**	**$**	**(41.5)**

Forward-Looking Statements

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to future prospects, developments and business strategies. These forward-looking statements are identified by their use of terms and phrases such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should," "seek,"” “seek,” “target,” “would,” “will” and similar terms and phrases, including references to assumptions. Such statements are based on current expectations, are inherently uncertain and are subject to changing assumptions.

Such forward-looking statements include, but are not limited to: (a) the estimates and expectations based on aircraft production rates provided by Airbus, Boeing and others; (b) others and the revenues we may generate from an aircraft model or program; (c) the impact of the push-out in deliveries of the Airbus and Boeing backlog and the impact of delays in the startup or ramp-up of new aircraft programs or the final Hexcel composite material content once the design and material selection have been completed; (d) (b) expectations with regard to the impact of regulatory activity related to or the build rate of, the Boeing 737 MAX or Boeing 787 and the related impact on our revenues; (e) (c) expectations with regard to raw material cost and availability; (f) (d) expectations of composite content on new commercial aircraft programs and our share of those requirements; (g) (e) expectations regarding revenues from space and defense applications, including whether certain programs might be curtailed or discontinued; (h) (f) expectations regarding sales for wind energy, recreation, automotive and other industrial applications; (i) (g) expectations regarding cash generation, working capital trends, and expenditures and inventory levels; (j) (h) expectations as to the level of capital expenditures, capacity, including the timing of completion of capacity expansions, and qualification of new products; (k) (i) expectations regarding our ability to improve or maintain margins; (l) (j) expectations regarding our ability to attract, motivate, and retain the workforce necessary to execute our business strategy; (m) (k) projections regarding our tax rate; (n) (l) expectations with regard to the continued impact of macroeconomic factors or geopolitical issues or conflicts; (o) (m) expectations regarding our strategic initiatives, and other goals, including but not limited to, our sustainability goals; (p) expectations regarding the sale of certain of our assets; (q) (n) expectations with regard to the effectiveness of cybersecurity measures taken to protect confidential and proprietary information; (r) measures; (o) expectations regarding the outcome of legal matters or the impact of changes in laws or regulations or government policies; regulations; and (s) the anticipated impact of the above factors and various market risks on (p) our expectations of financial results for 2023 2024 and beyond.

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Such forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, that may cause actual results to be materially different. Such factors include, but are not limited to, the following: the extent of the impact of macroeconomic factors or geopolitical issues or conflicts and the ongoing market recovery following the COVID-19 pandemic, including continued disruption in global financial markets and supply chains, and labor shortages; conflicts; reductions in sales to any significant customers, particularly Airbus or Boeing, including related to regulatory activity or public scrutiny impacting the Boeing 737 MAX or the Boeing 787; our ability to effectively adjust production and inventory levels to align with customer demand; our ability to effectively motivate, retain and hire the necessary workforce; the availability and cost of raw materials, including the impact of supply shortages disruptions and inflation; supply chain disruptions, which have been exacerbated by certain geopolitical conflicts; our ability to successfully implement or realize our business strategies, plans, goals and objectives of management, strategic initiatives, including our sustainability goals and any restructuring or alignment activities in which we may engage; changes in sales mix; changes in current pricing and due to cost levels, including cost inflation, which has been exacerbated by certain geopolitical conflicts; levels; changes in aerospace delivery rates; changes in government defense procurement budgets; changes in military aerospace program technology; timely new product development or introduction; industry capacity; increased competition; our ability to install, staff and qualify necessary capacity or complete capacity expansions to meet customer demand; cybersecurity-related risks, including the potential impact of breaches or intrusions; currency exchange rate fluctuations; changes in political, social and economic conditions, including but not limited to, the effect of change in global trade policies, such as sanctions imposed as a result of geopolitical issues or conflicts; sanctions; work stoppages or other labor disruptions; our ability to successfully complete any strategic acquisitions, investments or dispositions; compliance with environmental, health, safety and other related laws and regulations, including those related to climate change; the effects of natural disasters or other severe weather events, which may be worsened by the impact of climate change, and other severe catastrophic events, including any public health crisis; the potential impact of environmental, social and governance matters; and the unexpected outcome of legal matters or impact of changes in laws or regulations.

Although we believe that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect our actual results of operations and could cause actual results to differ materially from those expressed in the forward-looking statements. As a result, the foregoing factors should not be construed as exhaustive and should be read together with other cautionary statements included in this and other reports we file with the SEC. For additional information regarding certain factors that may cause our actual results to differ from those expected or anticipated, see the information under the caption “Risk Factors,” which is located in Item 1A of Part I of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022. December 31. 2023. We do not undertake any obligation to update our forward-looking statements or risk factors to reflect future events or circumstances, except as otherwise required by law.

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes in our market risk from the information provided in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

ITEM 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer have evaluated our disclosure controls and procedures as of September 30, 2023 March 31, 2024, and with the participation of the Company's management have concluded that these disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. These disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file or submit is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

Our Chief Executive Officer and Chief Financial Officer have concluded that there have not been any changes in our internal control over financial reporting during the quarter three months ended September 30, 2023 March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

The information required by Item 1 is contained within Note 11 on pages 15 14 through 16 15 of this Form 10-Q and is incorporated herein by reference.

ITEM 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, which could materially affect our business, financial condition or future results. There have been no material changes in the Company's risk factors from the aforementioned Form 10-K.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases

Under the share repurchase plan adopted by the Board of Equity Securities Directors of the Company (the "Board") in May 2018 (the “2018 Repurchase Plan"), the Board authorized $500 million for the repurchase of the Company's common stock of which $86.4 million remained as of March 31, 2024. On February 19, 2024, the Board approved a $300 million share repurchase plan (the “2024 Share Repurchase Plan”) which is in addition to the amount that remained available for repurchases under the 2018 Repurchase Plan. The repurchase of the Company’s common stock under the 2018 Repurchase Plan and the 2024 Share Repurchase Plan (together the "Share Repurchase Program") are anticipated to be made in open market transactions, block transactions, privately negotiated purchase transactions or other purchase techniques at the discretion of management based upon consideration of market, business, legal, accounting, and other factors.

Under the 2018 Repurchase Plan, our Board authorized the repurchase of $500 million of the Company’s stock. During the nine three months ended September 30, 2023 March 31, 2024, the Company we repurchased 423,292 1,397,755 shares of common stock on the open market under the Share Repurchase Plan Program at an average price of $71.17 $71.54 per share and at a cost of $30.1 million $100.7 million, including sales commissions and excise tax, leaving approximately $187 million $386.4 million available for additional repurchases under the Share Repurchase Plan. Program. The acquisition of these shares was accounted for under the treasury method.

The following is a summary of share repurchase activity during the fiscal quarter ended September 30, 2023 March 31, 2024:

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
August 1 — August 31, 2023	246,785	$ 70.54	246,785	$ 199,755,549
September 1 — September 30, 2023	176,507	$ 72.04	176,507	$ 187,039,104
Total	423,292	$ 71.17	423,292	$ 187,039,104

ITEM 5. Other Information

On September 12, 2023, the Board of Directors amended and restated the Company’s Amended and Restated Bylaws (the “A&R Bylaws”), effective immediately, primarily to: (i) update the advance notice provision for stockholder nominations and proposals to address the adoption by the SEC of “universal proxy” rules, (ii) update the deadline for stockholders to submit notice to the Company of nominations and proposals (other than a stockholder proposal submitted under Rule 14a-8 of the Securities Exchange Act of 1934, as amended) to be not less than 120 days nor more than 150 days prior to the anniversary date of the last annual meeting of stockholders, (iii) require any stockholder directly or indirectly soliciting proxies from other stockholders to use a proxy card color other than white, which shall be reserved for the exclusive use of the Board, and (iv) make other ministerial and conforming changes.

Pursuant to the A&R Bylaws, proposals of stockholders, other than proposals submitted for inclusion in our proxy statement and form of proxy, and nominations for the election of directors are required to be received by us not less than 120 days, or more than 150 days, prior to the anniversary date of the immediately preceding annual meeting. For the 2024 Annual Meeting of Stockholders, such proposal or nomination must be received by us no earlier than December 6, 2023 and no later than January 5, 2024.

Period	**(a) Total Number of Shares Purchased**	**(b) Average Price Paid per share**	**(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs**	**(d) Approximate Dollar Value (Millions) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs**
February 1 — February 29, 2024	1,233,912	$71.10	1,233,912	$398.6
March 1 — March 31, 2024	163,843	$74.86	163,843	$386.4
Total	1,397,755	$71.54	1,397,755	$386.4

ITEMS 3, 4 and 4 5 are not applicable, and therefore have been omitted.

ITEM 6. Exhibits

EXHIBIT INDEX

Exhibit No.	Description
3.1	Amended and Restated Bylaws of Hexcel Corporation (as of September 12, 2023) (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated September 15, 2023).
10.1*	Transition Letter Agreement, dated April 9, 2024, between Hexcel Corporation Nonqualified Deferred Compensation Plan, effective as of January 1, 2005, Amended and Restated as of January 1, 2023 (incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023). Nick L. Stanage.
10.2**	Credit Offer of Employment Letter Agreement, dated April 25, 2023 April 9, 2024, by and among between Hexcel Corporation as borrower, the lenders party thereto, Citizens Bank N.A. as agent for the lenders and the other institutions party thereto (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K Thomas C. Gentile III.
10.3*	Officer Severance Agreement, dated April 28, 2023). April 9, 2024, between Hexcel Corporation and Thomas C. Gentile III.
31.1	Certification of Chief Executive Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. 2002
31.2	Certification of Chief Financial Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive Income, (Loss), (iv) Condensed Consolidated Statements of Cash Flows, (v) Condensed Consolidated Statements of Stockholders' Equity, and (vi) Notes to Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File: the cover page XBRL tags are embedded within the Inline XBRL document and are contained within Exhibit 101.

* Indicates management contract or compensatory plan or arrangement

** Schedules and exhibits have been omitted pursuant to Regulation S-K, Item 601(a)(5). The Company will provide a copy of any omitted schedule or exhibit to the Securities and Exchange Commission or its staff upon request.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Hexcel Corporation

October 23, 2023 April 22, 2024	/s/ Amy S. Evans
(Date)	Amy S. Evans
	Senior Vice President,
	Chief Accounting Officer

Exhibit 10.1

April 9, 2024

Mr. Nick L. Stanage

c/o Hexcel Corporation

Two Stamford Plaza

281 Tresser Boulevard, 16th Floor

Stamford, Connecticut 06901

Re: Executive Chairman Transition

Dear Nick:

On behalf of Hexcel Corporation (the "Company") and its Board of Directors (the "Board"), I want to thank you for your many years of service to the Company, during which you have demonstrated remarkable leadership and have made immeasurable contributions to the Company. We appreciate your willingness to provide continued support and expertise to the Company as Executive Chairman of the Board ("Executive Chairman").

This letter agreement (this "Letter Agreement") sets forth the terms of your employment as Executive Chairman, effective as of May 1, 2024 (the "Effective Date"). Reference is made to (a) the Company's Executive Severance Policy, dated

August 1, 2013 (the "Executive Severance Policy"); (b) the Offer Letter between you and the Company, dated July 22, 2013, as amended June 1, 2018 (the "Offer Letter"); and (c) the Supplemental Executive Retirement Agreement between you and the Company, dated October 28, 2009, as amended December 31, 2020 and July 26, 2021 (the "Supplemental Executive Retirement Agreement"). Terms that are capitalized but not defined herein shall have the meanings set forth in the Executive Severance Policy.

1. **Position and Duties**. On the Effective Date, you will assume the position of Executive Chairman, reporting to the Board, and your service as President and Chief Executive Officer will cease. In the position of Executive Chairman, you will have such duties and responsibilities as may be reasonably and lawfully requested by the Board from time to time.

2. **Employment Period; Termination.** The term of your employment as Executive Chairman under this Letter Agreement will commence on the Effective Date and will continue until December 31, 2024 (the "Expiration Date") or an earlier date of termination (such period, the "Employment Period"). The termination of your employment upon the Expiration Date, or upon an earlier termination by the Company without Cause or voluntarily by you, will be treated as your retirement (as defined in applicable agreements) for all purposes, including for purposes of the treatment of your outstanding Company equity awards and the Supplemental Executive Retirement Agreement. Notwithstanding the foregoing, if your employment is terminated by the Company without Cause or by you for Good Reason, in each case prior to the Expiration Date and following a Change in Control, you will be eligible to receive severance payments and benefits in accordance with the terms of the Executive Severance Policy (except that the annual base salary used in calculating such payments and benefits will be based on the rate in effect on the date hereof). Except as expressly provided herein, the Executive Severance Policy will continue to apply to you during the Employment Period.

3. **Base Salary.** During the Employment Period, your base salary will be $500,000 on an annualized basis. The Company will pay your base salary in accordance with its normal payroll practices and procedures as in effect from time to time.

4. **2024 Annual Bonus**. During the Employment Period, you will be eligible for an annual bonus in respect of 2024 with a target opportunity equal to 110% of the base salary earned by you in respect of 2024. For the avoidance of doubt, the base salary earned by you in respect of 2024 shall be (a) at the rate in effect on the date hereof in respect of the period from January 1, 2024 through the date immediately preceding the Effective Date and (b) at an annualized rate of $500,000 in respect of the period from the Effective Date through December 31, 2024. The actual amount of the annual bonus payable in respect of 2024 will be determined in accordance with the Management Incentive Compensation Plan based on actual performance for the full year and paid at the time such bonus is paid to executives of the Company generally.

5. **Equity Awards.** You will not be eligible to be granted equity awards during the Employment Period. Equity awards held by you and outstanding at the time your employment with the Company terminates will be treated in accordance with their terms.

6. **Employee Benefits; Expense Reimbursement.** During the Employment Period, you will be entitled to participate in the Company's employee benefit plans and to receive expense reimbursement on the same basis that applies to you as of the date hereof.

7. **Resignation from Other Positions**. Upon the termination of your employment for any reason, you will be

deemed to have resigned, without any further action by you, from any and all officer and director positions that you, immediately prior to such termination, (i) held with the Company or any of its affiliates (including as a member of the Board) or (ii) held with

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any other entities at the direction of, or as a result of your affiliation with, the Company or any of its affiliates. If for any reason the foregoing is deemed to be insufficient to effectuate such resignations, then you will, upon the Company's request, execute any documents or instruments that the Company may deem necessary or desirable to effectuate such resignations.

8. **Continuing Obligations.** Except as expressly provided herein, this Letter Agreement will not limit your obligations to the Company under clauses (H) through (J) of the Offer Letter, which are incorporated herein by reference and shall apply as if fully set forth herein *mutatis mutandis*.

9. **Entire Agreement.** This Letter Agreement, together with the Executive Severance Policy, the Offer Letter, the Supplemental Executive Retirement Agreement and award agreements governing your outstanding Company equity awards, contains the entire agreement between you and the Company with respect to the subject matter hereof, and supersedes any and all prior understandings or agreements, whether written or oral, with respect to such subject matter. This Letter Agreement shall be governed by the laws of the State of Connecticut, without reference to the choice of law rules that would cause the application of the law of any other jurisdiction.

[Signature Page Follows]

To confirm the foregoing terms are acceptable to you, please execute and return the copy of this Letter Agreement, which is enclosed for your convenience.

Very truly yours,

Hexcel Corporation

By: /s/ Gina Fitzsimons

Name: Gina Fitzsimons

Title: Executive Vice President and

Chief Human Resources Officer

Acknowledged and agreed:

/s/ Nick L. Stanage

Nick L. Stanage

Exhibit 10.2

Thomas C. Gentile III

Via Email

Dear Tom:

I'm pleased to confirm our offer of employment to you as Chief Executive Officer and President, Hexcel Corporation (the "Company"), reporting to the Board of Directors of the Company (the "Board"), and commencing employment in that role no later than May 1, 2024.

You will join the Board as a regular member immediately following the Company's 2024 Annual Meeting of Stockholders scheduled for May 2, 2024, and it is currently expected that you will assume the role of Chairman of the Board within the following twelve months.

Subject to the relocation accommodations described below and customary business travel requirements, you will fulfill your responsibilities at the Company's Stamford, CT offices. For purposes of this offer letter, "Start Date" means the date, no later than May 1, 2024, that you commence employment with the Company as its Chief Executive Officer and President.

Subject to the satisfaction of the terms and conditions contained in this offer and your commencement of employment with the Company no later than May 1, 2024, this offer includes the following compensation:

- Annual base salary of $1,100,000 payable in equal bi-weekly installments. Your next opportunity for a salary incre review will occur on or about January 1, 2025.
- Eligibility to participate in Hexcel's Management Incentive Compensation Plan ("MICP") beginning with the 2 performance period with a cash target award opportunity of 110% of base salary. Your target award opportunity 2024 will not be pro-rated based on your Start Date. Payout under the MICP will be between 0 and 200% of tar with actual payment determined by the Board based on performance relative to applicable financial object established by the Board. Additional details regarding your participation in the MICP, including its terms conditions, will be communicated to you at a later date.
- Eligibility to participate in Hexcel's equity-based Long-Term Incentive Plan ("LTIP"), beginning in 2024, at a ta award opportunity of 440% of your base salary. The 2024 LTIP award will be delivered in a mix of non-qualified s options ("NSOs") (33.3%) and performance share awards ("PSAs") (66.7%). Performance shares vest based Board approved financial performance metrics over a three-year performance period. Stock options vest ratably three years with a ten-year life. Based on your anticipated Start Date, your 2024 grant will not be pro-rated and wi made in July 2024. Additional details regarding this equity award, including its terms and conditions, will communicated to you at the time of grant. As the Chief Executive Officer and President of Hexcel Corporation, will be subject to our stock ownership guidelines of 6 times your base salary, as described in our policy.
- As an additional inducement to join the Company, and assuming the satisfaction of all contingencies in this offer le you will receive the following sign-on awards:
    - Cash sign-on award of $250,000, less applicable withholdings, payable within 30 days of the Start Date. Sh you resign your employment without "Good Reason" and not due to your death or disability (each as define your Officer Severance Agreement) or should you be terminated by the Company for "Cause" on or prior to

first anniversary of the Start Date, you agree to repay this amount in full to the Company within 30 days of y exit or termination date.

- o A one-time, sign-on RSU award with a grant date value of $1,000,000, calculated per Hexcel's stand practice. One third of this award will vest on each of the first three anniversaries of Start Date, subject to y continuous employment through each vesting date. Based on your anticipated Start Date, your sign-on R grant will be made in July of this year. Other terms and conditions of the award will be governed by an aw agreement substantially in the form filed as Exhibit 10.8 to the Company's Annual Report on Form 10-K filed February 7, 2024.
- o A one-time, sign-on non-qualified stock option with a grant date value of $1,000,000, calculated per Hexc standard practice, and a ten year term. One third of this award will vest on each of the first three anniversa of the Start Date, subject to your continuous employment through each vesting date. Based on your anticipa Start Date, your sign-on option grant will be made in July of this year. Other terms and conditions of the aw will be governed by an award agreement substantially in the form filed as Exhibit 10.18 to the Compa Annual Report on Form 10-K filed on February 7, 2024.

- For the purposes of this offer letter, the term "Cause" and the term "Good Reason" shall have the same meaning those set forth in your Executive Severance Arrangement, dated as of the date hereof.
- You are required to relocate to the Stamford area within 9 months of your Start Date. You will receive comprehen coverage under Hexcel's relocation policy for new hire employees to support your permanent move. Our reloca services provider will contact you and provide a relocation services and repayment agreement for your signature.
- As part of your relocation support, your temporary living expenses will be covered for a period not to exceed months and weekly first-class airfare as needed between Wichita, Kansas and Stamford, Connecticut (or o destinations as required by business travel) for a period not to exceed nine months. Temporary living and commu support will cease should you secure a permanent residence prior to the end of the covered time frames noted abo
- Eligibility to participate in Hexcel's comprehensive benefit plans available to other Company executives upon mee customary requirements for eligibility and making employee contributions thereunder, which currently include qualified 401(k) plan and non-qualified deferred compensation program, medical, dental, vision, disability, insurance and an initial annual vacation allowance of six weeks.
- Reimbursement of reasonable, documented legal fees up to $30,000 incurred in connection with the preparation negotiation of this offer letter, the Officer Severance Agreement, and all other ancillary agreements.

The final step in our employment process is a pre-placement physical examination which can be obtained at any Concentra Medical Center. As part of the pre-placement physical, Hexcel conducts a urine drug test. This offer is contingent upon the successful completion of the pre-placement physical and urine drug test. Failure of the drug test will result in a one-year period of employment ineligibility with Hexcel Corporation.

Your employment is contingent upon meeting Hexcel's selection standards, which include, but may not be limited to, the following: verification of information you provided to us, a criminal record check and verification of prior employment and education.

We fully expect that our employment relationship will be mutually satisfactory, however your employment with Hexcel is at will. This means that your employment is for no specific period of time for you or the Company. Accordingly, either you or the Company can terminate the employment relationship at any time, for any reason or no reason. Contemporaneous with your execution of this offer letter, you will execute the Officer Severance Agreement attached as Exhibit A hereto, and this offer letter will, together with the Officer Severance Agreement, govern the terms and conditions of your employment and the severance and other benefits in the event of a qualifying termination.

You represent that the execution and delivery of this offer letter and the commencement of your employment with the Company will not conflict with, result in the breach of any provisions of, or constitute a default under, any agreement to which you are a party or by which you may be bound. You and the Company both acknowledge that this offer letter is an expression of mutual intention, entered into in good faith, for the purpose of establishing an employment relationship on the terms stated herein, and neither you nor the Company shall have any liability should the final terms of employment and commencement of employment fail to materialize.

Enclosed is information describing the scope and procedure of the Hexcel pre-placement physical as well as information concerning compliance with Export Control Regulations. Please note the documentation you will need to provide.

We are looking forward to you joining us and to a mutually rewarding association with Hexcel. In the meantime, should you have any questions please feel free to call me on _______.

Sincerely, Accepted / Date (no later than April 9, 2024)

/s/ Gina Fitzsimons

Gina Fitzsimons /s/ Thomas C. Gentile III

EVP, Chief Human Resources Officer Thomas C. Gentile III

Exhibit 10.3

OFFICER SEVERANCE AGREEMENT

This OFFICER SEVERANCE AGREEMENT (this “Severance Agreement”) between HEXCEL CORPORATION, a Delaware corporation with offices in Stamford, Connecticut (the “Company”), and Thomas C. Gentile III (the “Officer”), dated April 9, 2024, shall become effective on May 1, 2024 (the “Effective Date”) (except that Section 7 shall become effective on the date hereof). This Severance Agreement, together with the Offer Letter between the Company and the Officer, dated April 9, 2024, shall constitute the “Agreement.”

WHEREAS, the Company is engaged in the business of developing, manufacturing and marketing carbon fibers, structural reinforcements, honeycomb structures, resins, and a variety of high-performance composite materials and parts therefrom for the commercial aerospace, space and defense, recreation and industrial markets throughout the world, and hereafter may engage in other areas of business (collectively, the “Business”);

WHEREAS, the Officer, as a result of training, expertise and personal application over the years, has acquired and will continue to acquire considerable and unique expertise and knowledge which are of substantial value to the Company in the conduct, management and operation of the Business;

WHEREAS, the Company is willing to provide the Officer with certain benefits in the event of the termination of the Officer's employment with the Company, including in the event of a Change in Control (as hereinafter defined); and

WHEREAS, the Officer, in consideration of receiving such benefits from the Company, is willing to afford certain protection to the Company in regard to the confidentiality of its information, ownership of inventions and competitive activities.

NOW, THEREFORE, in consideration of the mutual covenants of the Officer and the Company and of the Officer's continued employment with the Company, the parties agree as follows:

1. Position; Duties; Compensation and Benefits.

   a. The Officer shall serve as Chief Executive Officer and President of the Company and shall have such duties, responsibilities and authority consistent with such position as may, from time to time, be assigned to the Officer by the Board of Directors of the Company (the "Board"). The Officer shall devote substantially all his working time and effort to the business and affairs of the Company. Notwithstanding the foregoing, nothing herein shall preclude the Officer from (i) serving as a member of the boards of directors or advisory boards (or their equivalents in the case of a non-corporate entity) of charitable organizations, (ii) engaging in charitable activities and community affairs, (iii) managing the Officer's personal investments and affairs; and (iv) serving as a member of the board of directors of a non-competing business, subject to the consent of the Board, which shall not be unreasonably withheld, *provided*, *however*, that the activities set out in clauses (i), (ii), (iii) and (iv) shall be in accordance with applicable Company policies and limited by the Officer so as not to unreasonably interfere with the performance of the Officer's duties and responsibilities to the Company.

   b. During the Officer's employment, the Company shall pay or provide the Officer the amounts and benefits forth in the Offer Letter, subject to the terms and conditions contained therein.

2. Termination. The Officer's employment may be terminated under the following circumstances:

   a. At Will. The Officer is employed "at will," meaning that the Company may terminate the Officer's employment at any time for any reason or for no reason on written notice of termination to the Officer, and the Officer may terminate his employment with the Company at any time for any reason or for no reason on written notice of termination to the Company.

   b. Good Reason. The Officer may terminate his employment for "Good Reason," which shall mean a termination by the Officer after the occurrence of any of the following events without the Officer's written consent:

      i. A diminution in the Officer's position (including the removal of the Officer from the position of C Executive Officer and President) or a material diminution in the Officer's duties, responsibilities authority;

      ii. The failure of the Company to maintain the Officer's position as the sole Chief Executive Officer and r senior executive officer and employee of the Company and its affiliates (other than Nick Stanage du the period he serves as Executive Chairman);

iii. Failure to nominate or renominate the Officer for election to the Board or removal from the Offic position on the Board (except in connection with the termination of the Officer's employment);

iv. The Officer no longer reports to the Board;

v. A reduction in the Officer's annual rate of base salary as in effect on the date of this Agreement or as same may be increased from time to time (except for across-the-board reductions of not more than 10 base salary similarly affecting all senior executives of the Company);

vi. The relocation of Officer's principal place of employment to a location other than Stamford, Connecticu

vii. A material breach by the Company of this Agreement.

The Officer shall be deemed to have waived any assertion of Good Reason unless the Officer shall have delivered a notice of termination to the Company, as provided in Section 2.d hereof, specifying the reasons therefor, within 20 days after the effective date of such event. The Company shall have 30 days from the receipt of such notice to cure, rescind or reverse the effect of such event and, upon doing so, both the grounds for Good Reason and the Officer's notice of termination automatically shall be deemed void with retroactive effect; provided that if the Company does not cure such event within such 30 day period, the Officer shall be able to terminate on account of Good Reason by providing written notice to the Company that the Officer is resigning on account of Good Reason within 30 days following the expiration of such cure period and if no notice is provided by the Officer within such 30 day period, Officer shall be deemed to have waived his right to resign on account of Good Reason.

c. Cause. The Company may terminate the Officer's employment hereunder for Cause. The following shall constitute Cause:

i. the willful and continued failure by the Officer to substantially perform his duties or discharge responsibilities to the Company, or to follow the reasonable requests of the Board to undertake act falling within the scope of such duties and responsibilities; or

ii. any fraudulent or intentional misconduct by the Officer that causes or might reasonably be expecte cause material reputational, financial or other harm to the Company, or any improper or grossly negli failure by the Officer, including in a supervisory capacity, to identify, escalate, monitor or manage, timely manner and as reasonably expected, risks that cause or might reasonably be expected to ca material reputational, financial or other harm to the Company; or

iii. any conduct that violates the covenants set forth in Sections 5, 6 and 7 hereof, or violates requirement the Company embodied in its written employee policies adopted from time to time including, but not lim to, policies directed to ethical business conduct, insider trading, anti-corruption, harassment, and o policies proscribing or prohibiting conduct as an employee of the Company; or

iv. the Officer is suspended or debarred from participation in the discussion, negotiation and entering int contracts with respect to United States government procurement as a result of any violations of any Ur States Government procurement laws or regulations, or is for any other reason ineligible to participat the discussion, negotiation and entering into of contracts with respect to United States governn procurement, or fails to obtain or maintain any professional license reasonably required for the Of lawfully to perform his duties and responsibilities.

No act, or failure to act, on the Officer's part shall be considered "willful" (1) unless done, or omitted to be done, not in good faith and without reasonable belief that the action or omission was in the best interest of the Company, or (2) if done, or omitted to be done, based on good faith reliance upon the advice of the Company's legal counsel. The Officer shall not be deemed to have been terminated for Cause without delivery to the Officer of a written notice of termination from the Board specifying the grounds for Cause.

d. Date of Termination. The "Date of Termination" shall mean the date the Officer's employment is terminated, provided that such date shall not be more than 30 days from the date such notice is given under Section 2.a and shall not be less than fifteen nor more than 30 days from the date notice of termination is given under Section 2.b and 2.c, respectively.

3. Compensation Upon Termination. If the Officer's employment is terminated by the Company other than for Cause (and other than for death or "disability" (as defined under the Company's then-existing disability compensation program)), or is terminated by the Officer for Good Reason, then

a. in addition to the amounts and benefits as may be provided pursuant to the remainder of this Section 3, Company shall pay to or provide on behalf of the Officer (i) any business expense reimbursements prop submitted and unpaid, which reimbursements will be paid to the Officer within 30 days following terminatio employment, and (ii) any benefits to which the Officer is entitled under the terms of the Company's benefit pl programs and arrangements after termination of employment, which benefits will be paid to the Officer at s times as provided under such benefit plans, programs and arrangements;

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b. in addition to the amounts and benefits as may be provided pursuant to the remainder of this Section 3, Company shall at the time such payments are due pay the Officer his base salary through the Dat Termination;

c. Subject to Section 4, and conditioned on the Officer executing, and not revoking, a release, in the form anne hereto as Annex A, releasing it from any and all claims arising out of or in connection with the terminatio employment, and in lieu of any claim to further compensation for periods subsequent to the Date of Termina whether under any severance policy applicable to employees or pursuant to any prior understanding betw the Company and the Officer,

i. if the Date of Termination is within two years after the occurrence of a Change in Control, the Comp shall pay the Officer a cash lump sum equal to the product of (A) the sum of (1) the Officer's annual b salary in effect at the time the notice of termination is given and (2) the Officer's Average Annual Bo (as defined below) and (B) the number 2.5;

ii. if the Date of Termination is not governed by clause 3.c.i immediately above, the Company shall pay Officer a cash lump sum equal to the product of (A) the sum of (1) the Officer's annual base salary in e at the time the notice of termination is given (disregarding any reduction in salary rate which woul could constitute Good Reason) and (2) the Officer's Average Annual Bonus (as defined below) and (B) number 1.5;

The term “Average Annual Bonus” shall mean the average of the last three annual bonus amounts earned by the Officer under the Company’s Management Incentive Compensation Plan (as may be amended hereafter, the “MICP”) for the last three plan years completed prior to the Date of Termination or, if the Officer has not participated in the MICP for three completed annual award periods, the average of the annual amounts earned for the completed annual award period(s); provided that if the Date of Termination is prior to the completion of the first annual award period, “Average Annual Bonus” shall mean an amount equal to the Officer’s MICP cash target award opportunity; and provided further that any award for the plan year during which the Date of Termination occurs shall not be used in computing Average Annual Bonus.

The severance benefits that are payable pursuant to this Section 3.c shall be paid to the Officer within 60 days following the Officer’s Date of Termination, except as otherwise provided in Sections 3.d or 17 below.

d. Subject to Section 4, if the Officer’s employment with the Company is terminated by the Company other thar Cause (and other than for death or “disability” (as defined under the Company’s then-existing disak compensation program)), or is terminated by the Officer for Good Reason, during the period of a “Pote Change in Control” or at the request of a Person (as defined in Section 3.f.i below) who, directly or indire takes any action designed to cause a Change in Control (an “Anticipatory Termination”), then the Company s make payments and provide benefits to the Officer under Section 3.c.ii of this Agreement and if a Chang Control to which the Potential Change in Control relates occurs within six months following the Officer’s Dat Termination, then the Officer shall receive an additional payment within 60 days following the date of Change in Control, which additional payment shall be equal to the difference between the amount payable tc Officer pursuant to Sections 3.c.i and 3.e.ii of this Agreement and the amount payable to the Officer pursuar Sections 3.c.ii an 3.e.i of this Agreement, provided that if the Change in Control does not occur withir months following the Officer’s Date of Termination, the additional amount described in this Section 3.d shal be payable to the Officer. A “Potential Change in Control” shall exist during the period commencing at the t the Company enters into any agreement or arrangement which, if consummated, would result in a Chang Control and ending at the time such agreement or arrangement either (i) results in a Change in Control o terminates, expires or otherwise becomes of no further force or effect.

e. The Company shall offer the Officer and any eligible family members the opportunity to elect to continue mec and dental coverage pursuant to the requirements of the Consolidated Omnibus Budget Reconciliation Ac 1985, as amended (“COBRA”). The Company shall provide COBRA continuation coverage only if s coverage is timely elected by the Officer or other eligible family member, and the Officer shall be responsible paying the full amount of the required monthly premiums for that coverage. If the Officer is enrolled in Company’s medical or dental plans as of the Date of Termination, and subject to the Officer executing, and revoking, the release described in Section 3.c above, the Company shall pay to the Officer in a single lump cash payment an amount equal to the Company COBRA Premium (as defined below), multiplied by (i) eighte or (ii) thirty if the Date of Termination is within two years after the occurrence of a Change in Control, or Officer incurs an Anticipatory Termination and a Change in Control to which the Potential Change in Co relates occurs within six months following the Officer’s Date of Termination, in each case net of deductions tax withholdings, as applicable. The “Company COBRA Premium” shall be an amount equal to the exces any, of (i) the applicable monthly COBRA premium in effect on the Date of Termination for the medical dental plan options in which the Officer (along with eligible family members) is enrolled on such date, ove the monthly premium paid for those medical and dental plan options by the Officer as in effect on the immediately preceding the Date of Termination. The Company COBRA Premium shall be paid to the Of within 60 days following the Officer’s Date of Termination and shall be paid whether or not the Officer or eligible family member timely elects COBRA continuation coverage, the Officer or any eligible family member continues COBRA coverage for the applicable continuation period, or the Officer receives health insurance coverage from another employer following the Date of Termination.

f. For purposes of this Agreement, a “Change in Control” shall mean the first to occur of the following events:

i. any person (as defined in Section 3(a)(9) of the Securities Exchange Act of 1934, as amended "Exchange Act"), as modified and used in Sections 13(d) and 14(d) of the Exchange Act) (a "Person") i becomes the Beneficial Owner (within the meaning of Rule 13d-3 promulgated under the Exchange A directly or indirectly, of more than 50% of either (A) the combined fair market value of the then outstan stock of the Company (the “Total Fair Market Value”) or (B) the combined voting power of the t outstanding securities entitled to vote generally in the election of directors of the Company (the "T Voting Power"); excluding, however, the following: (I) any acquisition by the Company or any o affiliates, (II) any acquisition by any employee benefit plan (or related trust) sponsored or maintaine the Company or any of its affiliates, (III) any Person who becomes such a Beneficial Owner in connec with a transaction described in the exclusion within paragraph (4) below and (IV) any acquisitio additional stock or securities by a Person who owns more than 50% of the Total Fair Market Value or T Voting Power of the Company immediately prior to such acquisition; or

ii. any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company t together with any securities acquired directly or indirectly by such Person within the immediately prece twelve-consecutive month period, represent 40% or more of the Total Voting Power of the Comp excluding, however, any acquisition described in sub-clauses (I) through (IV) of subsection i above; or

iii. a change in the composition of the Board such that the individuals who, as of the original effective dat this Agreement, constitute the Board (such individuals shall be hereinafter referred to as the “Incumb Directors”) cease for any reason to constitute at least a majority of the Board; provided, however purposes of this definition, that any individual who becomes a director subsequent to such effective d whose election, or nomination for election by the Company’s stockholders, was made or approved b vote of at least a majority of the Incumbent Directors (or directors whose election or nomination for elec was previously so approved) shall be considered an Incumbent Director; but, provided, further, that such individual whose initial assumption of office occurs as a result of either an actual or threate election contest or other actual or threatened solicitation of proxies or consents by or on behalf of a pe or legal entity other than the Board shall not be considered an Incumbent Director; provided fin however, that, as of any time, any member of the Board who has been a director for at least tw consecutive months immediately prior to such time shall be considered an Incumbent Director purposes of this definition, other than for the purpose of the first proviso of this definition; or

iv. there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary o Company or a sale or other disposition of all or substantially all of the assets of the Company ("Corpo Transaction"); excluding, however, such a Corporate Transaction (A) pursuant to which all or substant all of the individuals and entities who are the Beneficial Owners, respectively, of the outstanding Com Stock of the Company and Total Voting Power immediately prior to such Corporate Transaction Beneficially Own, directly or indirectly, more than 50%, respectively, of the outstanding common stock the combined voting power of the then outstanding securities entitled to vote generally in the electio directors of the company resulting from such Corporate Transaction (including, without limitatio company which as a result of such transaction owns the Company or all or substantially all of Company's assets either directly or through one or more subsidiaries) in substantially the s proportions as their ownership immediately prior to such Corporate Transaction of the Outstan Common Stock and Total Voting Power, as the case may be, and (B) immediately following which individuals who comprise the Board immediately prior thereto constitute at least a majority of the boa directors of the company resulting from such Corporate Transaction (including, without limitatio company which as a result of such transaction owns the Company or all or substantially all of Company's assets either directly or through one or more subsidiaries); provided, however, notwithstanding anything to the contrary in subsectionsi through iv above, an event which does constitute a change in the ownership of the Company, a change in the effective control of the Compan a change in the ownership of a substantial portion of the assets of the Company, each as define Section 1.409A-3(i)(5) of the Treasury Regulations (or any successor provision), shall not be consider Change in Control for purposes of this Agreement.

g. If the Officer is terminated by the Company other than for Cause, the Officer's employment is terminated by Officer for Good Reason, or the Officer's employment terminates due to the Officer's death or "disability" defined under the Company's then-existing disability compensation program), in addition to the amounts benefits as may be provided pursuant to the remainder of this Section 3, the Officer shall be entitled to rec the benefits set forth on Annex B attached hereto.

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4. No Mitigation or Offset. The Officer shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise and the amount of any payment or benefit provided for in this Agreement shall not be reduced by any compensation earned by the Officer as the result of employment by another employer. The amount of any payment or benefit provided for in this Agreement shall not be reduced by retirement benefits or offset against any amount the Company claims to be owed by the Officer.

5. Non-Competition; Non-Solicitation; Non-Disparagement.

a. The Officer acknowledges that, as a senior management employee, the Officer will be involved, on a high le in the development, implementation and management of the Company's global business plans, including th which involve the Company's finances, research, marketing, planning, operations, and acquisition strategies virtue of the Officer's position and knowledge of the Company, the Officer acknowledges that his employmen a competitor of the Company represents a serious competitive danger to the Company, and that the use o Officer's experience and knowledge about the Company's business, strategies and plans by a competitor and would constitute a valuable competitive advantage over the Company. In view of the foregoing, an consideration of the payments made to the Officer under this Agreement, the Officer covenants and agrees if the Officer's employment is terminated and the Company has fulfilled its obligations under this Agreemen a period of one and one half years (or two and one half years if the Officer receives payments under Sec 3.c.i or 3.d hereof) after the Date of Termination the Officer will not (A) engage, in any capacity, directl indirectly, including but not limited as employee, agent, consultant, manager, officer, owner or stockh (except as a passive investor holding less than a 5% equity interest in any enterprise) in any business e engaged in competition with the Business conducted by the Company or its affiliates on the Date of Termina or (B) solicit a customer of the Business in violation of clause (A), provided, that the Officer may be employe a competitor of the Company so long as the Officer's duties and responsibilities do not relate directl indirectly to the business segment of the new employer which is actually or potentially competitive with Business, or (C) directly or indirectly solicit, induce or otherwise encourage any person to discontinue or re from entering into any employment relationship (contractual or otherwise) with the Company. Notwithstan the foregoing, the restrictions in Section 5.a(C) shall not apply with regard to general solicitations advertisements that are not specifically directed to employees or consultants of the Company.

b. The Officer agrees and covenants not to disparage the reputation or character of the Company or its offi and directors. The Company agrees and covenants to instruct its directors and executive officers no disparage the reputation or character of the Officer.

6. Assignment of Inventions. The Officer agrees that all processes, technologies, designs and inventions, including new contributions, improvements, ideas and discoveries, whether patentable or not (collectively "Inventions"), conceived, developed, invented or made by the Officer prior to the Date of Termination shall belong to the Company, provided that such Inventions grew out of the Officer's work with the Company or any of its subsidiaries or affiliates, are related in any manner to the business (commercial or experimental) of the Company or any of its subsidiaries or affiliates or are conceived or made on the Company's time or with the use of the Company's facilities or materials. At the request of the Company, the Officer shall (i) promptly disclose such Inventions to the Company, (ii) assign to the Company, without additional compensation, all patent and other rights to such Inventions for the United States and foreign countries, (iii) sign all papers necessary to carry out the foregoing, and (iv) give testimony or otherwise take action in support of the Officer's status as the inventor of such Inventions, in each case at the Company's expense.

7. Confidentiality.

a. In addition to any obligation regarding Inventions, the Officer acknowledges that the trade secrets confidential and proprietary information of the Company, its subsidiaries and affiliates, including with limitation: (i) trade secrets and confidential and proprietary information concerning (A) research activities plans, (B) marketing or sales plans, (C) pricing or pricing strategies, (D) operational techniques, and strategic plans; (ii) the Company's financial information, including information concerning revenues, profits profit margins; (iii) internal confidential manuals; and (iv) any "material inside information" as such phras used for purposes of the Securities Exchange Act of 1934, as amended; all constitute valuable, special unique information of the Company, its subsidiaries and affiliates. In recognition of this fact, the Officer ag that the Officer will not disclose any such trade secrets or confidential or proprietary information (except information which becomes publicly available without violation of this Agreement, (B) information of which Officer, prior to disclosure by the Officer, did not know and should not have known was disclosed to the Of by a third party in violation of any other person's confidentiality or fiduciary obligation, (C) disclosure require connection with any legal process (provided the Officer promptly gives the Company written notice of any l process seeking to compel such disclosure and reasonably cooperates in the Company's attempt to eliminat limit the scope of such disclosure) and (D) disclosure while employed by the Company which the Of reasonably and in good faith believes to be in or not opposed to the interests of the Company) to any per firm, corporation, association or other entity, for any reason or purpose whatsoever, nor shall the Officer m use of any such information for the benefit of any person, firm, corporation or other entity except on behalf of Company, its subsidiaries and affiliates.

b. i. Nothing in this Agreement shall prohibit or restrict the Officer from initiating communications directly w responding to any inquiries from, providing testimony before, providing confidential information to, repor possible violations of law or regulation to, or filing a claim or assisting with an investigation directly wi government agency or entity or a self-regulatory authority, or from making other disclosures that are prote under the whistleblower provisions of any applicable law or regulation. The Officer need not notify the Comp that the Officer is engaging in the activities described in the preceding sentence. However, if the Office required by law to disclose confidential information, other than to a government agency or entity or a regulatory authority, the Officer shall give prompt written notice to the General Counsel of the Company shall otherwise comply with the requirements of subsection (a)(iv)(C) above. Notwithstanding the forego under no circumstance will the Officer be authorized to disclose any information covered by attorney-c privilege or attorney work product of the Company or any of its subsidiaries without prior written consent of Company's General Counsel or other officer designated by the Board of Directors of the Company.

1. The Officer has been advised that the U.S. Defend Trade Secrets Act of 2016 provides criminal and civil immuni U.S. federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to t attorney, a court, or a government official in certain confidential circumstances that are set forth in 18 U.S.C 1833(b)(1) and 1833(b)(2) related to the reporting or investigation of a suspected violation of the law, or in connec with a lawsuit for retaliation for reporting a suspected violation of the law.

8. Binding Agreement. This Agreement and all rights of the Officer hereunder shall inure to the benefit of and be enforceable by the Officer's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Officer should die while any amounts would still be payable to him hereunder if he had continued to live, all such amounts, unless otherwise provided in this Agreement, shall be paid to the Officer's devisee, legatee, or other designee or, if there be no such designee, to the Officer's estate.

9. Notice. Notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered, if delivered personally, or mailed by United States certified or registered mail, return receipt requested, postage prepaid, and when received if delivered otherwise, addressed as follows:

If to the Officer:

At the address on file with the Company

If to the Company:

Hexcel Corporation

281 Tresser Blvd.

Stamford, CT 06901-3238

Attn: General Counsel

or to such other address as any party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

10. General Provisions. No provision of this Agreement may be modified, waived or discharged unless such waiver,

modification or discharge is agreed to in writing signed by the Officer (or, if applicable, his legal representative) and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Connecticut without regard to its conflicts of law principles.

11. Validity and Enforceability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect. It is the desire and intent of the parties that the provisions of Sections 5, 6 and 7 hereof shall be enforceable to the fullest extent permitted by applicable law or public policy. If any such provision or the application thereof to any person or circumstance shall, to any extent, be construed to be invalid or unenforceable in whole or in part, then such provision shall be construed in a manner so as to permit its enforceability to the fullest extent permitted by applicable law or public policy. In any case, the provisions or the application thereof to any person or circumstance other than those to which they have been held invalid or unenforceable shall remain in full force and effect. In the event any provision is unenforceable in the jurisdiction in which the Officer is employed on the date hereof, such provision nevertheless shall be enforceable to the fullest extent permitted by the laws of any other jurisdiction in which the Company shall have the ability to seek remedies against the Officer.

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12. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

13. Arbitration. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration, conducted before a panel of three arbitrators in the State of Connecticut, constituting an Employment Dispute Tribunal in accordance with the rules of the American Arbitration Association then in effect. The fees of the arbitrator and all other costs that are unique to arbitration shall be determined and allocated between the parties in accordance with the Employment/Workplace Fee Schedule Costs of Arbitration of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator’s award in any court having jurisdiction; provided, however, that the Company shall be entitled to seek a restraining order or injunction in any court of competent jurisdiction to prevent any continuation of any violation of the provisions of Sections 5, 6 or 7 hereof.

14. Entire Agreement. This Agreement is the entire agreement or understanding between the Company and the Officer regarding the subject matter hereof, and all prior or contemporaneous agreements or understandings including, without limitation, offers of employment, post-hiring agreements, or other oral or written understandings between the Company and the Officer, are expressly superseded by this Agreement, and are of

no further force or effect, except that any executory relocation benefit previously extended to the Officer will not be affected by this Agreement.

15. Remedies. The Officer agrees that in addition to any other remedy provided at law or in equity or in this Agreement, the Company shall be entitled to a temporary restraining order and both preliminary and permanent injunctions restraining Officer from violating any provision of Sections 5, 6 and 7 hereof. The Company shall pay to the Officer all legal fees and expenses incurred in contesting, arbitrating or disputing any action or failure to act by the Company or in seeking to obtain or enforce any right under this Agreement or the Offer Letter, provided that the Officer has obtained a final determination supporting at least part of his claim and there has been no determination that the balance of his claim was made in bad faith.

16. Consent to Jurisdiction and Forum. The Officer hereby expressly and irrevocably agrees that any action, whether at law or in equity, permitted to be brought by the Company under this Agreement may be brought in the State of Connecticut or in any federal court therein. The Officer hereby irrevocably consents to personal jurisdiction in such court and to accept service of process in accordance with the provisions of the laws of the State of Connecticut. In the event the Company commences any such action in the State of Connecticut or in any Federal court therein, the Company shall reimburse the Officer for the reasonable expenses incurred by the Officer in his appearance in such forum which are in addition to the expenses the Officer would have incurred by appearing in the forum of the Officer's residence at that time, including but not limited to additional legal fees.

17. Code Section 409A. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), or an exemption thereto, and payments may only be made under this Agreement upon an event and in a manner permitted by Section 409A, to the extent applicable. All payments to be made upon a termination of employment under this Agreement subject to Section 409A may only be made upon a "separation from service" under Section 409A. For purposes of Section 409A, each payment is a separate payment and the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments. In no event may the Officer, directly or indirectly, designate the calendar year of a payment. If any payment conditioned on the execution of the release constitutes deferred compensation subject to Section 409A, and the period for which such payment may commence spans two calendar years, the payment shall be paid in the second calendar year. Any reimbursement or payment for expenses that would constitute nonqualified deferred compensation subject to Section 409A shall be subject to the following additional rules: (i) no reimbursement or payment of any such expense shall affect the Officer's right to reimbursement of any such expense in any other taxable year; (ii) reimbursement or payment of the expense shall be made, if at all, promptly, but not later than the end of the calendar year following the calendar year in which the expense was incurred; and (iii) the right to reimbursement or payment shall not be subject to liquidation or exchange for any other benefit. Notwithstanding any provision to the contrary in this Agreement, in the event that at the time the Officer's employment terminates, the Company (or any service recipient required to be aggregated with Company under Section 409A) has equity that is publicly traded (as defined in Section 409A and the regulations and other guidance promulgated thereunder), then if on the date of the Officer's separation from service, the Officer is a "specified employee" (as such term is defined in Section 409A(a)(2)(B)(i) and its corresponding regulations) as determined in the sole discretion by the Company (or any successor) in accordance with the Company's (or any successor's) "specified employee" determination policy, then all severance benefits payable to the Officer under this Agreement that are deemed as deferred compensation subject to the requirements of Section 409A shall be postponed for a period of six months following the Officer's

separation from service with the Company (or any successor thereto). The postponed amounts shall be paid to the Officer (without interest) in a lump sum on the first business day after the date that is six (6) months following the Officer's separation from service with the Company (or any successor thereto). If the Officer dies during such six (6) month period and prior to payment of the postponed amounts hereunder, the amounts delayed on account of Section 409A shall be paid to the personal representative of the Officer's estate within sixty (60) days after the Officer's death. The Company makes no representations nor warranties the Officer as to whether any amounts payable under this Agreement are subject to Section 409A and in no event shall the Company have any liability relating to the failure of any payment or benefit under this Agreement to be exempt from the requirements of Section 409A. Further, in the event that the amounts payable under this Agreement are subject to any taxes, penalties or interest under Section 409A, the Officer shall be solely liable for the payment of any such taxes, penalties or interest.

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18. Indemnification. The Company shall indemnify and hold harmless the Officer to the full extent authorized or permitted by law with respect to any claim, liability, action, or proceeding instituted or threatened against or incurred by the Officer or his legal representatives and arising in connection with the Officer's conduct or position at any time as a director, officer, employee, or agent of the Company or any subsidiary thereof, in accordance with the Company's director and officer indemnification policy, as in effect from time to time. Without limiting the generality of the foregoing, the Company and the Officer agree that, contemporaneous with the Officer's execution of this Agreement, the Company and the Officer will enter into the Indemnification Agreement annexed hereto as Annex C.

IN WITNESS WHEREOF, the parties have executed this Severance Agreement as of the date and year first above written.

HEXCEL CORPORATION

/s/ Gina Fitzsimons

By: Gina Fitzsimons

Title: Executive Vice President, Chief Human Resources Officer

/s/ Thomas C. Gentile

Thomas C. Gentile

ANNEX A

Form of Release

ANNEX B

Additional Termination Benefits

i. The Company shall pay the Officer any unpaid annual bonus under the MICP in respect of any compl fiscal year that has ended prior to the Date of Termination, at the time bonuses are customarily pai senior level executives; and

ii. the Company shall pay the Officer a bonus for the fiscal year in which the Date of Termination oc equal to the Officer's bonus as determined under the MICP based on actual performance for such multiplied by a fraction, the numerator of which is the number of days during such year that the Officer employed by the Company and the denominator of which is 365, at the time bonuses are customarily to senior level executives.

ANNEX C

Indemnification Agreement

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Nick L. Stanage, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hexcel Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 23, 2023 April 22, 2024	/s/ Nick L. Stanage
(Date)	Nick L. Stanage Chairman of the Board of Directors, Chief Executive Officer and President

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Patrick Winterlich, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hexcel Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 23, 2023 April 22, 2024	/s/ Patrick Winterlich
(Date)	Patrick Winterlich
	Executive Vice President and
	Chief Financial Officer

Exhibit 32

CERTIFICATIONS OF
CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER

PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT

TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Hexcel Corporation (the “Company”) on Form 10-Q for the period ending September 30, 2023 ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Nick L. Stanage, Chairman of the Board of Directors, Chief Executive Officer and President of the Company, and Patrick Winterlich, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

October 23, 2023 April 22, 2024	/s/ Nick L. Stanage
(Date)	Nick L. Stanage Chairman of the Board of Directors, Chief Executive Officer and President
October 23, 2023 April 22, 2024	/s/ Patrick Winterlich
(Date)	Patrick Winterlich Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Hexcel Corporation and will be retained by Hexcel Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

DISCLAIMER

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