



HANZA revises financial targets for 2025

HANZA AB revises the financial targets for 2025. The sales target is raised to SEK 6.5 billion and the 8% operating margin target is increased to apply to the full year 2025. The reason for the revision is significant organic growth, increased profitability and a completed major acquisition. Other financial targets and the dividend policy are left unchanged.

In the fall of 2022, HANZA AB prepared a strategy for the next three years called "HANZA 2025".

In brief, it is based on developing capacity and expertise in existing manufacturing clusters and services. Acquisitions that support this direction are also part of the strategy. The strategy has proven to work well and is left unchanged. However, the financial targets are adjusted as follows.

Background

A significant increase in earnings means that the group already in 2023 exceeds its previous target of "8% by the end of the financial year 2025". Furthermore, the acquisition of Orbit One has resulted in HANZA reaching pro forma sales of SEK 5.2 billion, which exceeds the previous sales target of "SEK 5 billion for the financial year 2025".

Orbit One has a lower operating margin than HANZA, which will lower the HANZA Group's margin in 2024. Furthermore, an ongoing economic slowdown affects the margin negatively. However, HANZA has good experience of integrations and already in 2024, synergies from the merger with Orbit One are expected to lead to an increased margin. Historically, HANZA's business model has proven to generate new market shares even during weaker economic periods, which is why HANZA believes that long-term organic growth will continue. Further complementary acquisitions may also be included in HANZA 2025.

Based on this, the Board of Directors has decided to raise the sales target by 30% to SEK 6.5 billion for year 2025. Additionally, the operating profit target of 8% is increased to apply to the full year 2025 for the group.

HANZA's financial targets

- **Growth:** Sales of at least SEK 6.5 billion year 2025.
Previously: At least SEK 5 billion year 2025.
- **Profitability:** Operating margin (EBITA) shall reach at least 8% for the financial year 2025.
Previously: Reach at least 8% by the end of year 2025.
- **Capital structure:** The equity/assets ratio shall be at least 30%.
Unchanged target.

- **Debt:** Net interest-bearing debt/adjusted EBITDA shall not exceed 2.5. Unchanged target.

HANZA's dividend policy is left unchanged and reads:

Dividend policy: The annual dividend shall correspond to 30% of the profit after tax, taking into account the company's financial position.

This disclosure contains information that HANZA AB is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 13-02-2024 07:15 CET.

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Important information

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About HANZA

HANZA is a global knowledge-based manufacturing company that modernizes and streamlines the manufacturing industry. Through supply-chain advisory services and with production facilities grouped into regional manufacturing clusters, we create stable deliveries, increased profitability and an environmentally friendly manufacturing process for our customers. HANZA was founded in 2008 and today has a pro forma annual turnover of over SEK 5 billion. The company has six manufacturing clusters: Sweden, Finland, Germany, Baltics, Central Europe and China. Among HANZA's clients are leading companies such as 3M, ABB, Epiroc, GE, Getinge, John Deere, Mitsubishi, SAAB, Sandvik, Siemens and Tomra. HANZA is listed on Nasdaq Stockholm's main list.

For more information please visit: www.hanza.com