



HANZA launches efficiency program

HANZA AB today launches an efficiency program as an important step in the integration of the recently acquired company Orbit One, and to meet a slightly weaker market. The program is developed in line with the company's strategy HANZA 2025, including the financial targets.

Background

At the turn of the year, HANZA acquired Orbit One, one of Sweden's leading electronics manufacturers. The deal has, among other things, broadened the Group's expertise and customer base, which creates new opportunities for growth in the coming years. HANZA has previously described how the Group's margin is affected by the fact that Orbit One has a lower operating margin than HANZA. Furthermore, HANZA has informed that a general market change at the beginning of 2024 has had an impact on volumes in some parts of the group.

Efficiency program and staff reduction

The acquisition of Orbit One brought several coordination opportunities and HANZA is now launching an efficiency program that optimizes operations according to the company's business model with regional manufacturing clusters.

The program is aimed at creating synergies in sales, purchasing, IT and production. Another aim is to reallocate resources and optimize the workforce according to customer needs. In addition to improving profitability, these changes will make the acquired entities less sensitive to market fluctuations. The program includes that HANZA will notify the Swedish Public Employment Service that we will reduce the workforce by 50 people at the production unit in Ronneby. A smaller staff reduction is also being considered in Prabuty, Poland. Both units were added through the acquisition of Orbit One.

"These are tough but crucial measures to maintain our customers' competitiveness and thus ensure a continued positive development for HANZA", says Erik Stenfors, CEO HANZA. "We are optimizing the manufacturing in our production facilities and our shared service centers and therefore propose a reduction of the workforce - something we do with a deep sense of responsibility towards affected colleagues".

HANZA will enter into negotiations with union representatives to ensure a well-considered decision-making process that also safeguards the interests of employees. Those who may be affected by redundancy will receive support and assistance, including through transition insurance.

Time and cost

HANZA estimates that most of the program will be completed during the third quarter of 2024 and that the full financial effect of the program will be achieved by the end of 2024

The cost of the program is estimated to be a maximum of SEK 20 million and will be charged to the first quarter of 2024. In terms of cash flow, the program will mainly be charged to HANZA in 2024, starting in the second quarter.

The efficiency program is developed in line with the company's strategy, "HANZA 2025", which aims to lay the foundation for the next step in the Group's geographical expansion. The company's financial targets remain unchanged, which include achieving sales of at least SEK 6.5 billion and an operating margin of at least 8 percent in 2025.

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 13-03-2024 08:30 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