



HANZA interim report January-June 2024

HANZA reports a second quarter 2024 that continues to be characterized by the recession. However, new sales are good, and the company has implemented a cost-saving program that starts to improve the earnings at the end of the period. Furthermore, HANZA has executed a number of activities in accordance with the strategy HANZA 2025 during the second quarter and the business is also supported by a continued strong cashflow. Overall, the company sees a positive development of both sales and margins going forward.

Second quarter 2024

- Net sales increased by 14% to SEK 1,221 million (1,068).
Adjusted for acquisitions and currency, net sales decreased by 8%.
- Operating profit (EBITA) amounted to SEK 50 million (92), which corresponds to an operating margin of 4.1% (8.6). A consolidation project where two minor units are integrated to the larger manufacturing clusters affected the result negatively by SEK 20 million, mainly costs for rent and lay-offs. Adjusted for this item, the operating profit amounted to SEK 70 million (92) which corresponds to an operating margin of 5.7% (8.6). The margin for comparable units amounted to 6.7%.
- Profit after tax amounted to SEK 6 million (60), which corresponds to SEK 0.16 (1.51) per share before dilution and SEK 0.16 (1.49) after dilution.
- Cash flow from operating activities amounted to SEK 135 million (86).

First half year 2024

- Net sales increased by 16% to SEK 2,474 million (2,132).
Adjusted for acquisitions and currency net sales decreased by 7%.
- Operating profit (EBITA) amounted to SEK 117 million (179), which corresponds to an operating margin of 4.7% (8.4). An integration and efficiency program and a consolidation project affected the result negatively by SEK 40 million. Revaluation of acquisition purchase price affected the result positively by SEK 20 million. Energy subsidy improved the result previous year by SEK 7 million. Adjusted for these items the operating profit amounted to SEK 137 million, which corresponds to an operating margin of 5.5% (8.1). The margin for comparable units amounted to 6.6%.
- Profit after tax amounted to SEK 40 million (118), which corresponds to SEK 0.93 (3.00) per share before dilution and SEK 0.92 (2.96) after dilution.
- Cash flow from operating activities amounted to SEK 166 million (175).

CEO Erik Stenfors comments on the report:

"The weak economy continued to dampen the volumes of several of our customers, which in turn impacted HANZA's sales. However, this was an expected development, and we have implemented several measures to ensure a positive future development.

June saw the completion of our integration and efficiency program launched in March. Through the rapid and successful integration of Orbit One and the alignment of administrative functions and manufacturing technologies, we have achieved further cost rationalization. A recovery in the operating margin started at the end of the quarter, and the full effect is expected by the end of the year.

We also see very good new sales, well distributed across different customer segments and geographic areas. One example of a new customer with great potential is Munters, and we have also won our largest single deal to date - an order of SEK 134 million from a leading global player in the defense industry. Furthermore, we estimate that we will be able to present new so-called MIG™ projects in the fall of 2024.

In parallel with managing the economic downturn, our long-term strategic work continues in line with "HANZA 2025". In June, a new factory was inaugurated in Estonia and another factory is being completed in Sweden. These are tailor-made factories that provide major operational benefits. In Q2, we also finalized a union negotiation to close a small production unit in Sweden, and a similar negotiation is ongoing in Finland."

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 23-07-2024 07:30 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