

Q1 2021

Acquisition and increasing margins

Audiocast, April 26th, 2021

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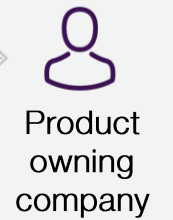


HANZA in one minute

Contract Manufacturers



Manufacturing Cluster



Lowered costs – Increased flexibility – Green supply chain

HANZA in one minute

Six Manufacturing Clusters

- Sweden
- Finland
- Germany
- Baltics
- Central Europe
- China

In total 1,800 people

Customer Examples



Q1 – 2021

Market

- Demand increased during the quarter
- Some segments still negatively affected by the pandemic. Demand also differs geographically
- Active new sales, fueled by the pandemic

Operations

- The pandemic negatively affected some factories, mainly in Central Europe
- Roadmap 2021, Strengthening clusters:
 - Investments and new building in Estonia
 - Strategic acquisitions

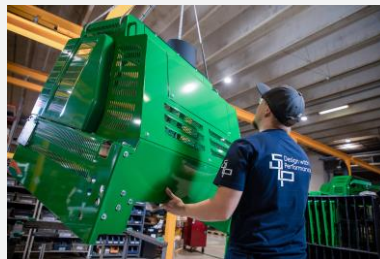


Q1 – 2021

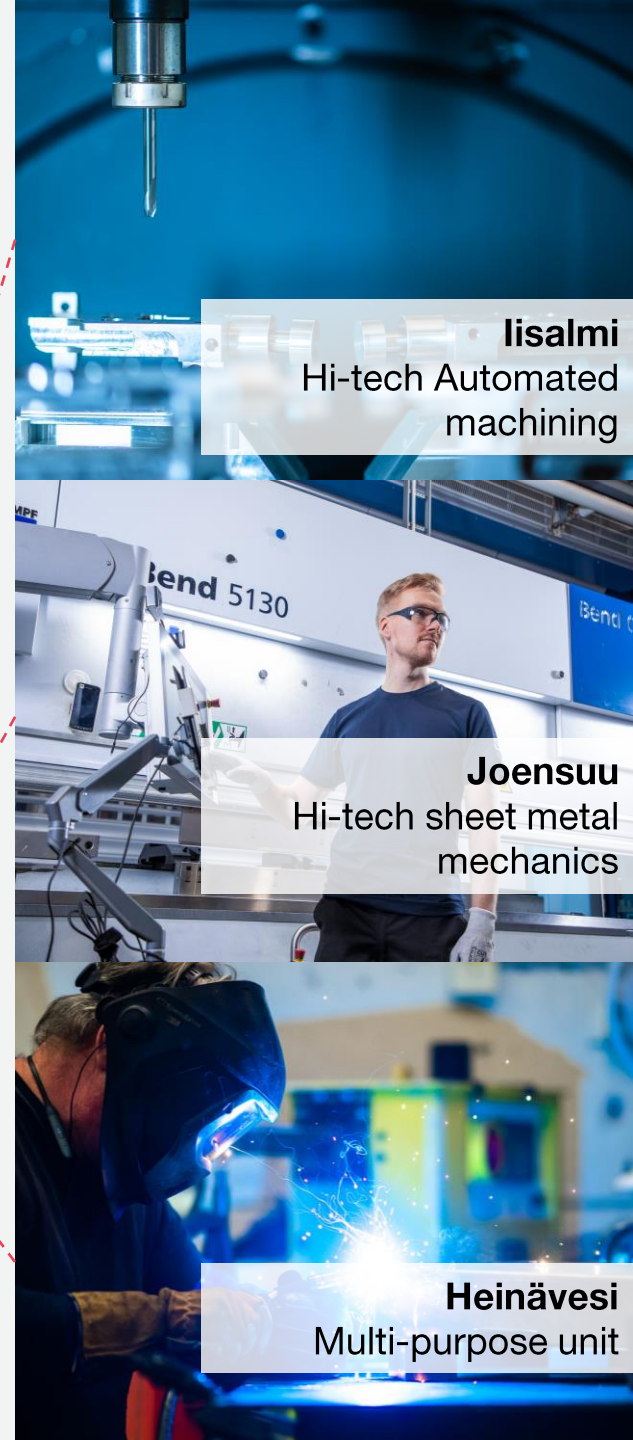
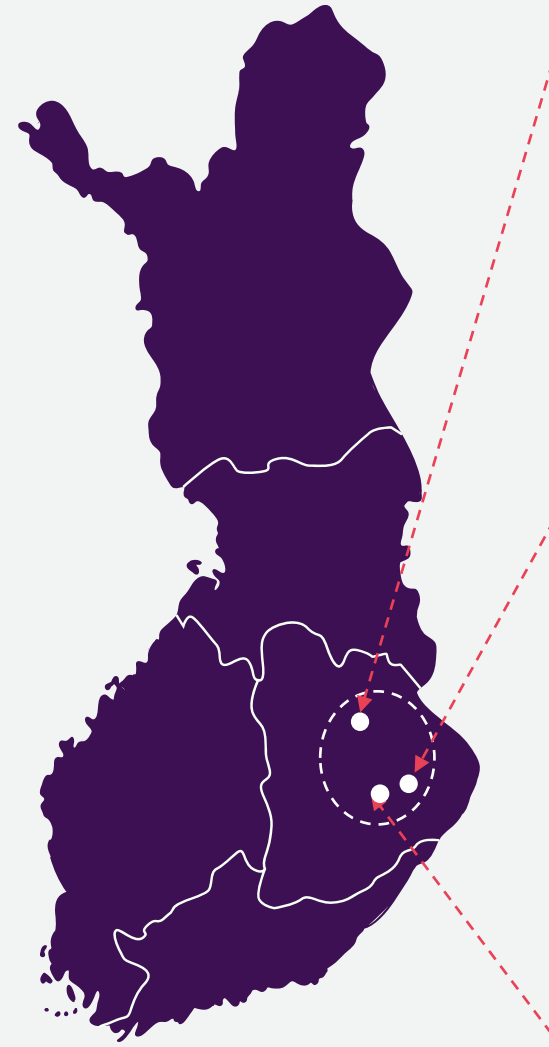
March 19, Acquisition of SUOMEN LEVYPROFIILI OY ("SLP")

- Manufacturer of high-quality sheet metal structures, located in Joensuu, Eastern Finland
- 7,000 sqm, modern premises, 100 new colleagues to HANZA
- Strong customer base

Complements and strengthens in a perfect way



HANZA Joensuu



Ilisalmi

Hi-tech Automated
machining

Joensuu

Hi-tech sheet metal
mechanics

Heinävesi

Multi-purpose unit

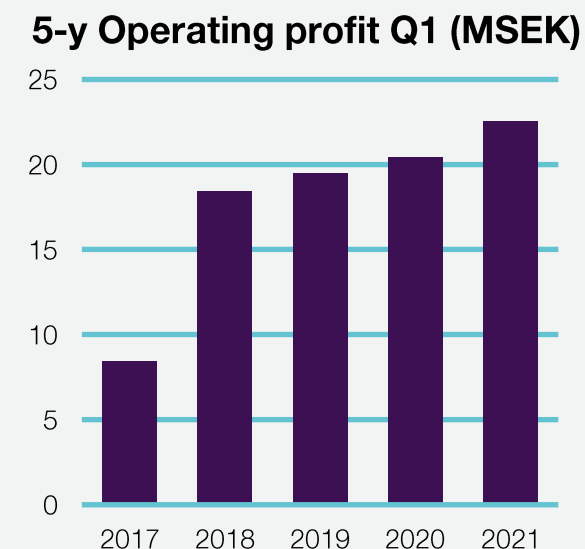
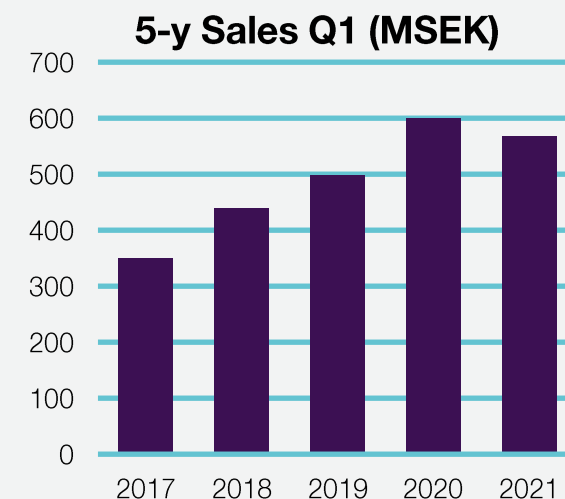
Q1 – Financials

Sales

- Net sales 567 MSEK (599)
- Items affecting comparability, total of approx. -70 MSEK
 - Currency -25 MSEK
 - German customer -40 MSEK
 - Action program in 2020 -10 MSEK
 - Acquisition of SLP +5 MSEK
- Adjusted net sales shows a growth of 7%

Earnings

- EBITA 22.5 MSEK (20.4) corresponding to 4.0% (3.4)
- OTC -6 MSEK (-) connected to the acquisition of SLP
- Adjusted EBITA margin is 5,0% (3.4)



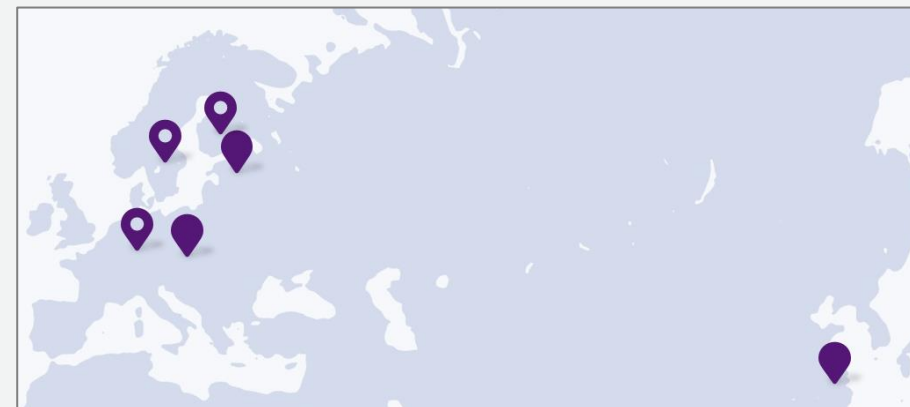
Q1 – Financials

Main markets

- Net sales 301 MSEK (338)
- Items affecting comparability, total of approx. -56 MSEK
- Adjusted net sales shows a growth of 6%
- EBITA 15.3 MSEK (19.0). Margin 5.1% (5,6%)
- EBITA adjusted for OTC 19.0 MSEK (19.0)
Margin 6.3% (5.6)

Other Markets

- Net sales 267 MSEK (261)
- Items affecting comparability total to approx. -11 MSEK
- Adjusted net sales shows an organic growth of 7%
- EBITA 10.4 MSEK (2.2). Margin 3.9% (0,8%)



Main Markets

Sales affected by items related to Covid and currency. Strong margin

Other Markets

Sales affected by items related to Covid and currency. Improved margin. Narva is developing according to plan, but still affecting margins.

Q1 – Financials

→ **Equity**

Share issue of 1.8 M shares for SLP acquisition increased equity with 28 MSEK. Currency affects equity and total assets negative compared with March 2020.

→ **Cashflow**

Strong cashflow from operation mainly due to reduction of working capital. Investments (excl SLP) is 31 MSEK (21)

→ **Net debt**

Operating net debt is lower despite the acquisition that added 41 MSEK. Operating net debt Dec 31st 2020 was 271 MSEK

(MSEK)	Q1 2021	Q1 2020
Equity	521	524
Equity/Asset ratio	31%	32%
Cash-flow operations (3 m.)	66	68
Cash	139	97
Operating net debt	275	317
EBITDA (3 m.)	43	42
EPS (SEK)	0.27	0.19



Outlook

Market

- Market expected to further strengthen and remaining customer areas to bounce back
- Sales activities: Both cluster sales and streamlining of the supply-chain

Operations

- A limiting factor for the entire manufacturing industry may be raw materials and components
- Further work according to Roadmap 2021, investments and possible strategic acquisitions





Q & A

A close-up photograph of a dandelion seed head in a field. The sun is low on the horizon, creating a warm, golden glow that illuminates the scene. The dandelion seed head is in sharp focus, with its seeds clearly visible. The background is a soft, out-of-focus field of grass and other plants, also bathed in the warm light of the sunset.

**ALL YOU NEED
IS ONE™**

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