

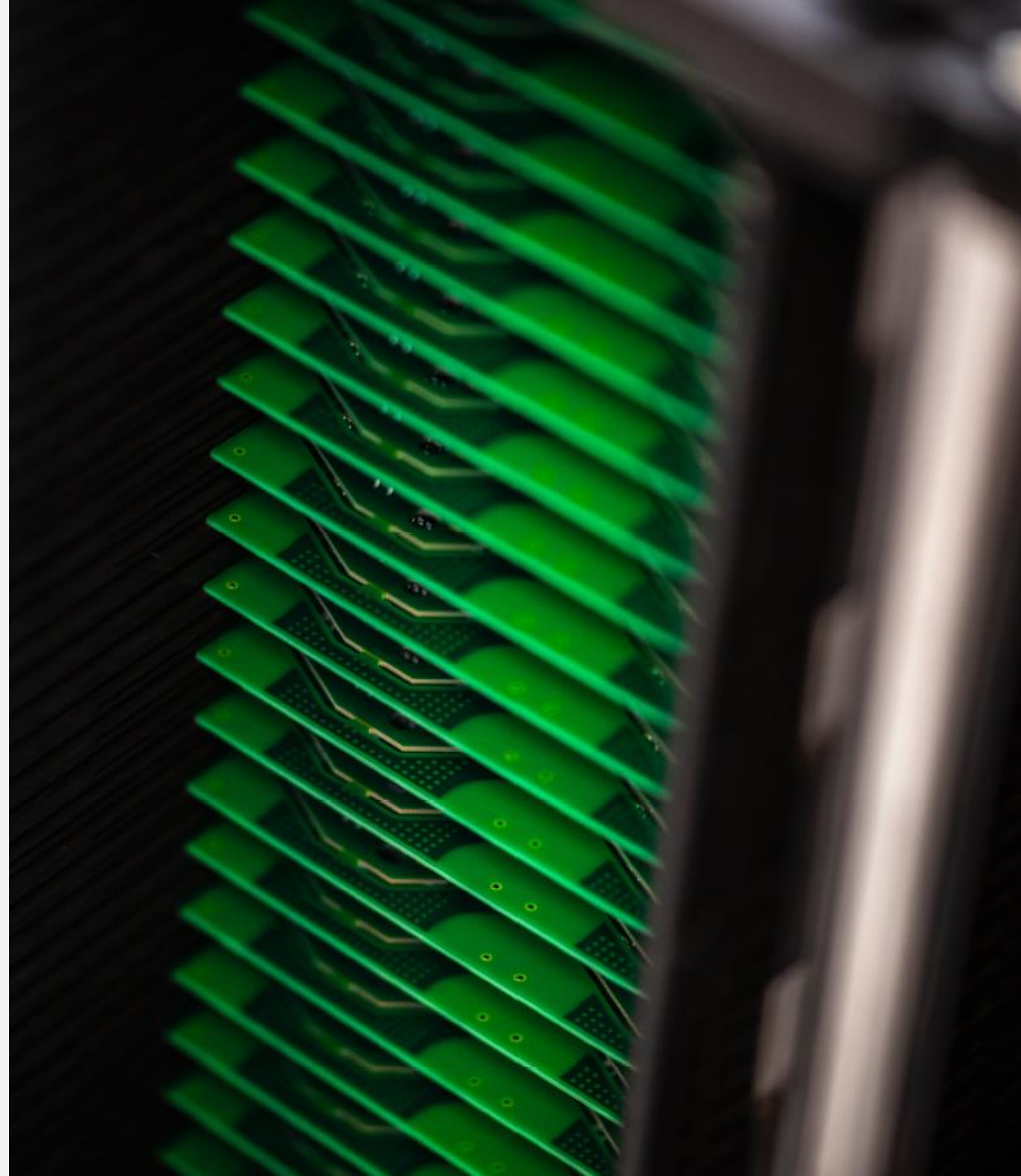
# Q3 2021

- **Sales and margin increase**
- **Key acquisition in Germany**
- **Positive outlook**

Audiocast, Nov 9<sup>th</sup>, 2021

Erik Stenfors, CEO

Lars Åkerblom, CFO





# AGENDA

- **Strategy recap**
- **Q3 Highlights**
- **Acquisition of Beyers**
- **Financials: Q3 and Beyers**
- **Outlook**
- **Q&A**



## Strategy recap

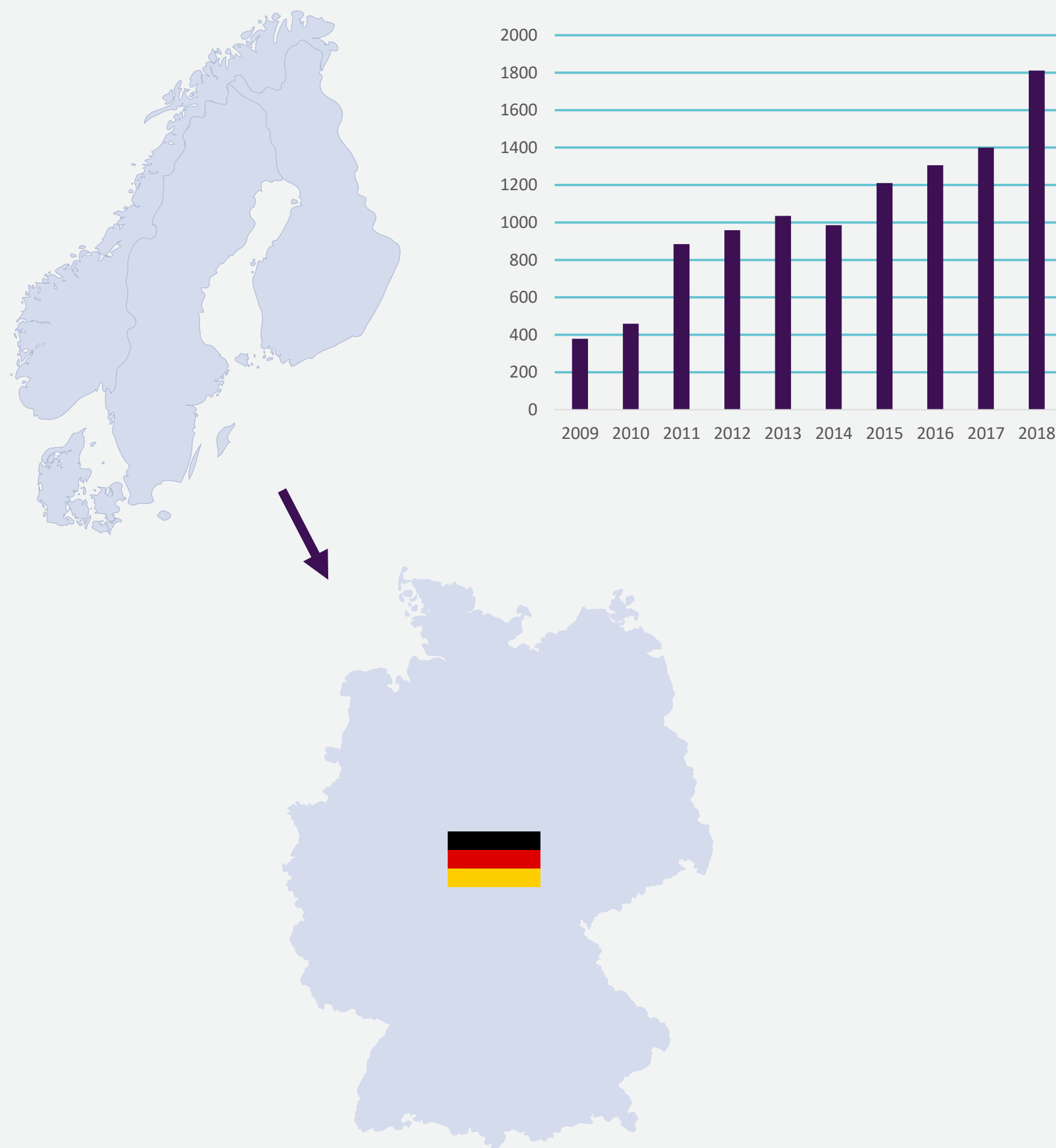
- Since the launch, Aug 2008, HANZA has grown rapidly towards sales of SEK 2 bn in the Nordic market.
- The next step, Aug 2019, was to establish HANZA in Europe's largest economy, Germany.
- The pandemic began in 2020, and HANZA's largest customer lost half of its volume.
- The market in Germany then suffered a severe shutdown.

## Analysis 2020

The market will return and the need for HANZA's offer will increase.

- In the meantime, execute a major activity plan: "Roadmap 2021".

**HANZA annual sales 2009-2018 (MSEK)**





# Roadmap 2021



HANZA develops its operations in Sweden  
Jun. 9, 2021



HANZA expands in Finland with new acquisition  
Mar. 18, 2021



HANZA expands in Germany – acquires electronics manufacturer  
Oct. 26, 2021



HANZA builds new production facility in Estonia  
Dec. 18, 2020



HANZA develops its operations in China  
Sep. 9, 2021



# Q3 Highlights

## Continued work with Roadmap 2021

→ Our organization – a fundamental tool for the rapid development.

## Prioritized group areas

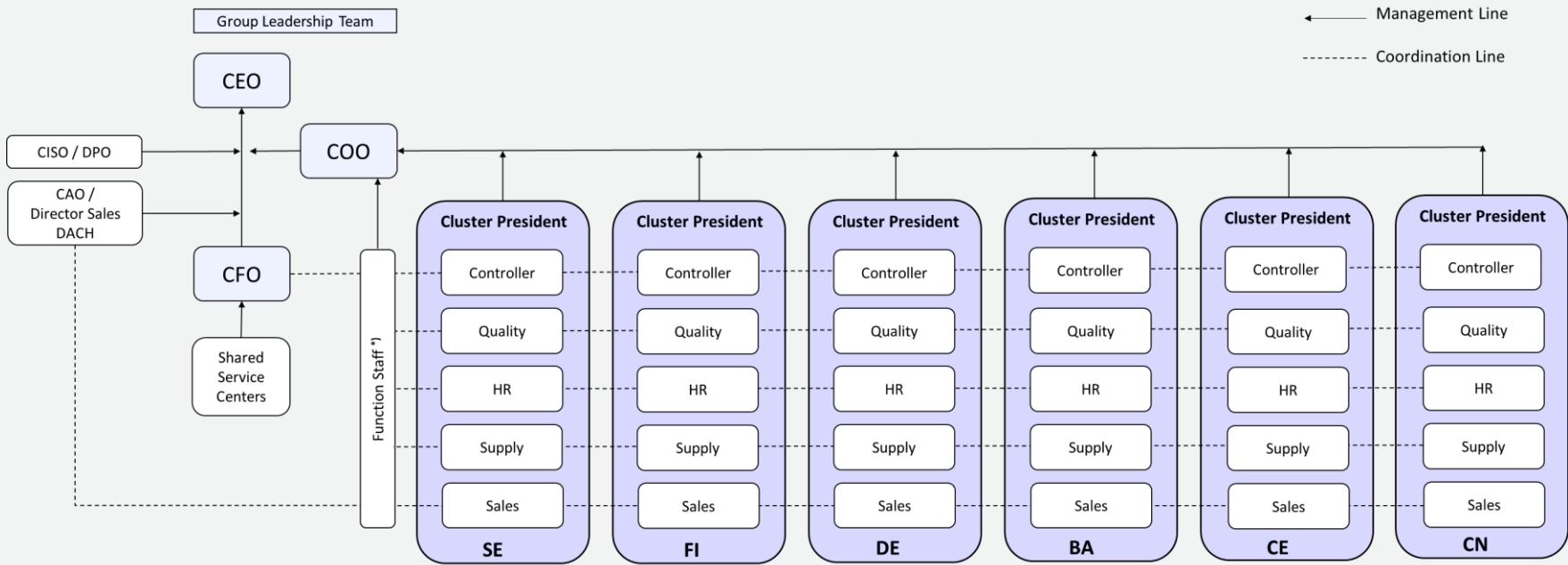
- Global HR – a permanent focus area.
- Sustainability analysis on supply-chains.
- Strengthening information security.

## A strong market situation

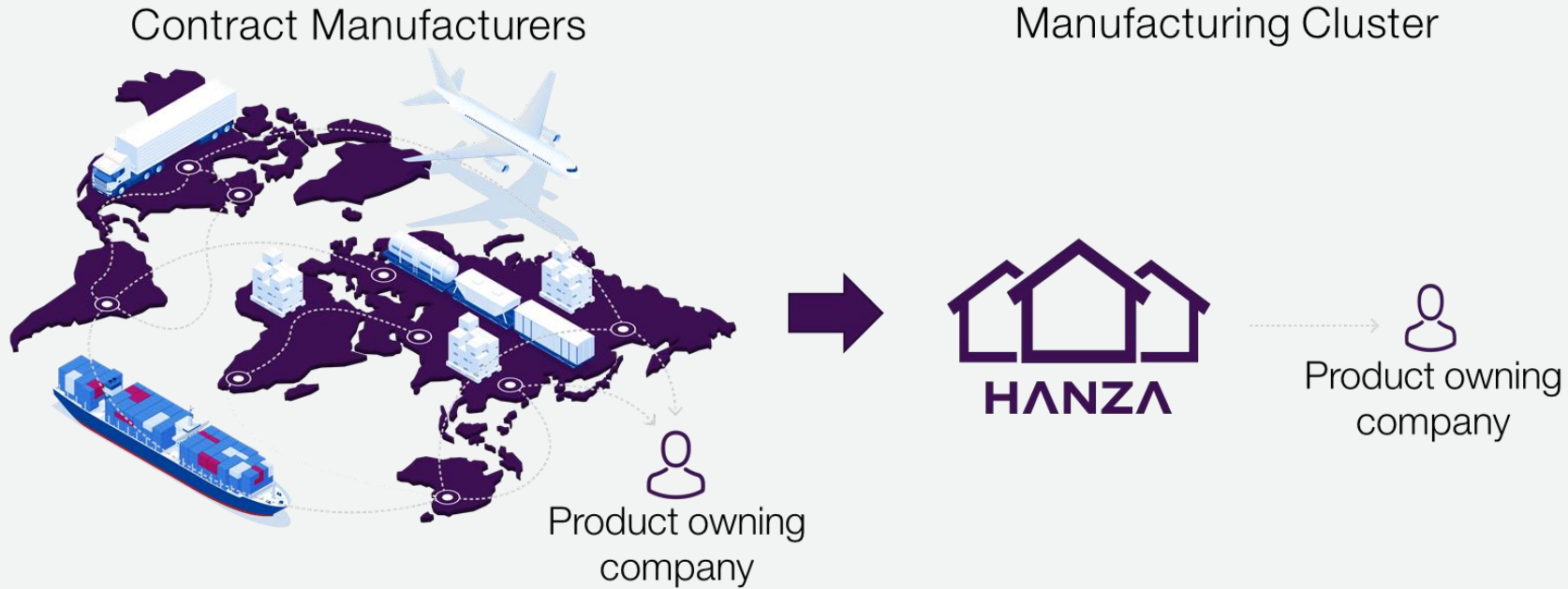
- Trend towards local complete manufacturing.
- Sales/order growth in the Nordic market.
- Order growth in Germany.

## A harsh material situation

- Material situation impacting sales and earnings.
- Navigating comparably well in the shortage situation.



**A decentralized, modular and scalable organization**



**A global, complex supply-chain vs. HANZA**





## Helmut Beyers GmbH (“Beyers”) A model acquisition on Oct. 25<sup>th</sup>, 2021

HANZA in Remscheid, east of Düsseldorf, offering product development, manufacturing of mechanics, electronics and final assembly.

Beyers in Mönchengladbach, west of Düsseldorf, offering EMS (electronics manufacturing services).

- A state-of-the-art manufacturer in a modern 6,000 sqm leased production plant (built in 2009).
- Family-owned company, founded in 1985, today 150 employees under a modern company culture
- A good customer portfolio although temporarily hit by the pandemic. Sales is expected at 18 MEUR in 2021.

**Not only an acquisition. A restart of the expansion in Germany.**

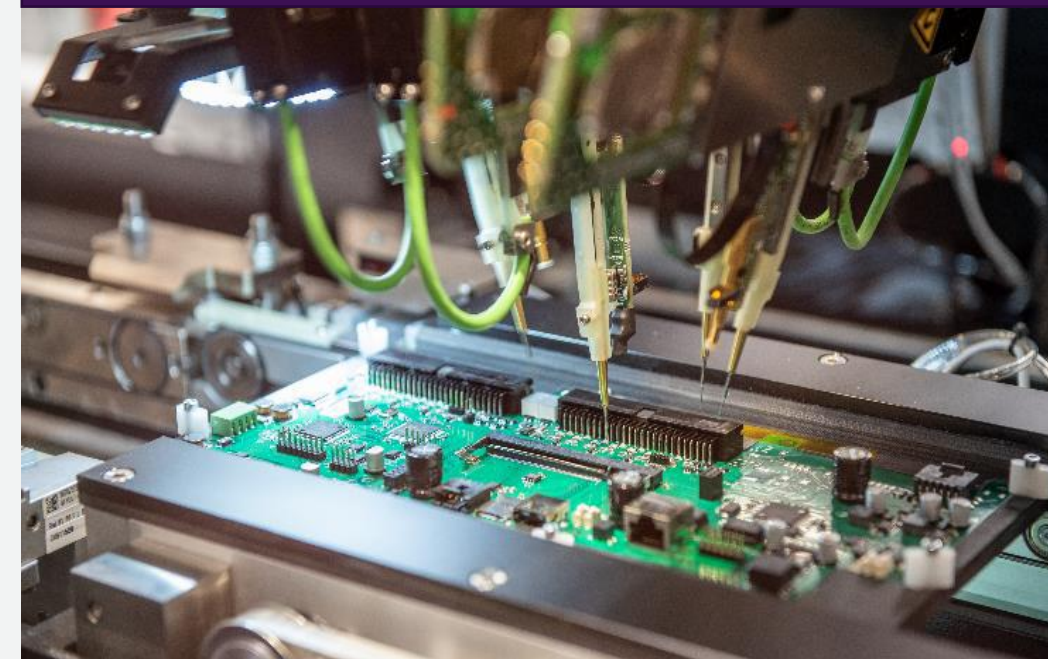


### General strategic acquisition parameters

- Geography
- Technology
- Management / culture
- Customer base



Distance, approx. 70 km





# P&L: Organic growth and margin increase

## General

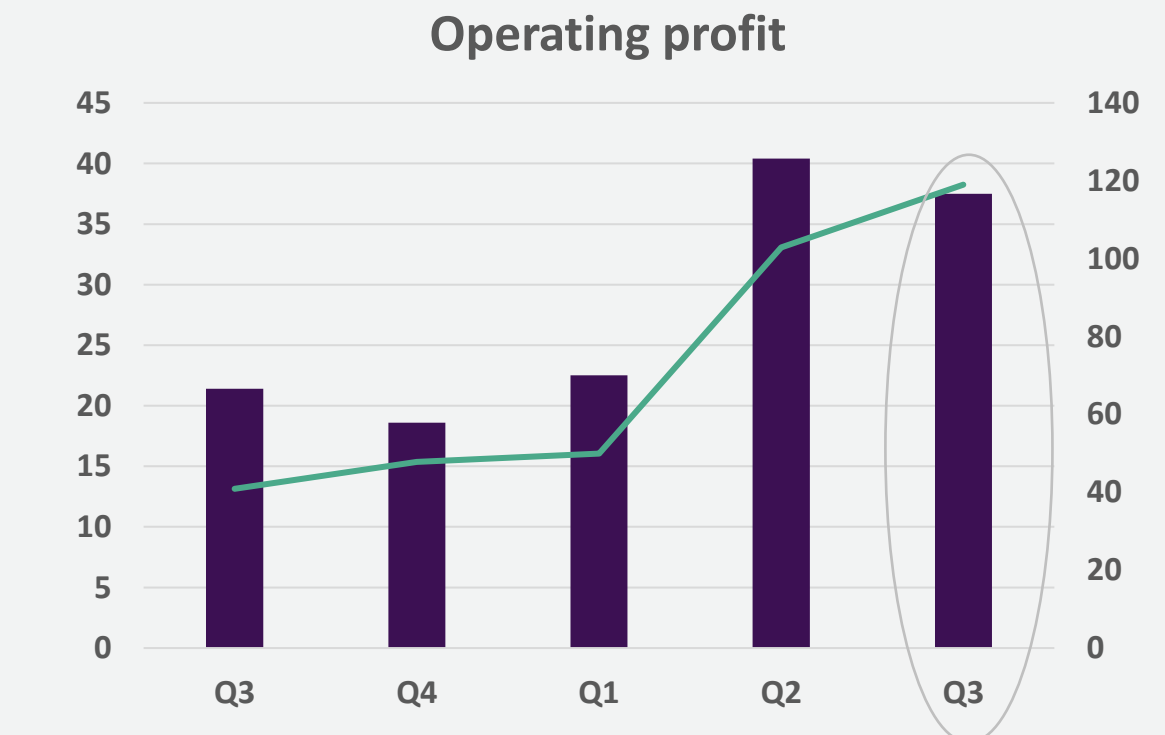
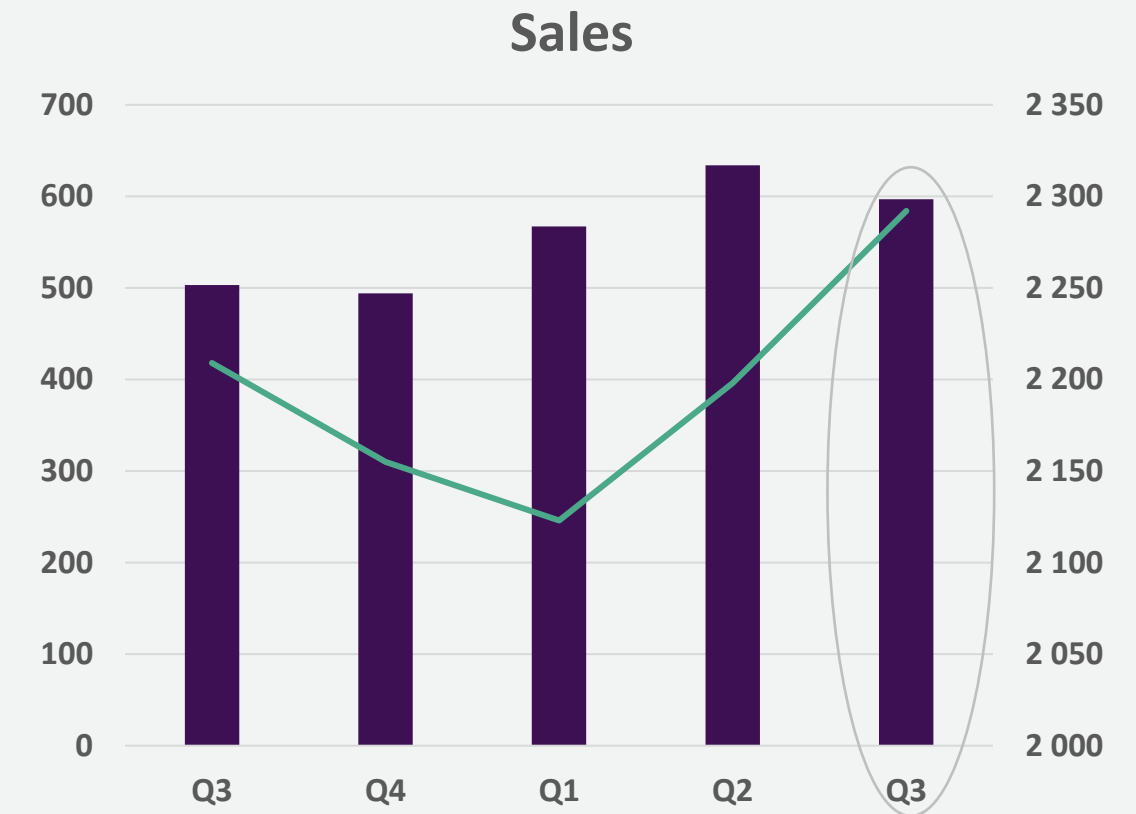
- The material shortage situation reduced sales and earnings in Q3.
- HANZA has a seasonal variation; Sales and earnings are lowered in the third quarter due to the holiday period.

## Sales

- Net sales y-y up 19% to 597 MSEK (503).
- Organic growth adjusted for acquisitions and exchange rate changes is approx. 12%. Certain customer areas still lowers this figure.
- Sales rolling 12-months: 2, 292 MSEK.

## Earnings

- Operating profit (EBITA) 37.5 MSEK (21.4), margin 6.3% (4.3).
- Operating profit rolling 12-months: 119 MSEK, margin 5.2%



Purple = Quarterly figure

Green = Rolling 12 months



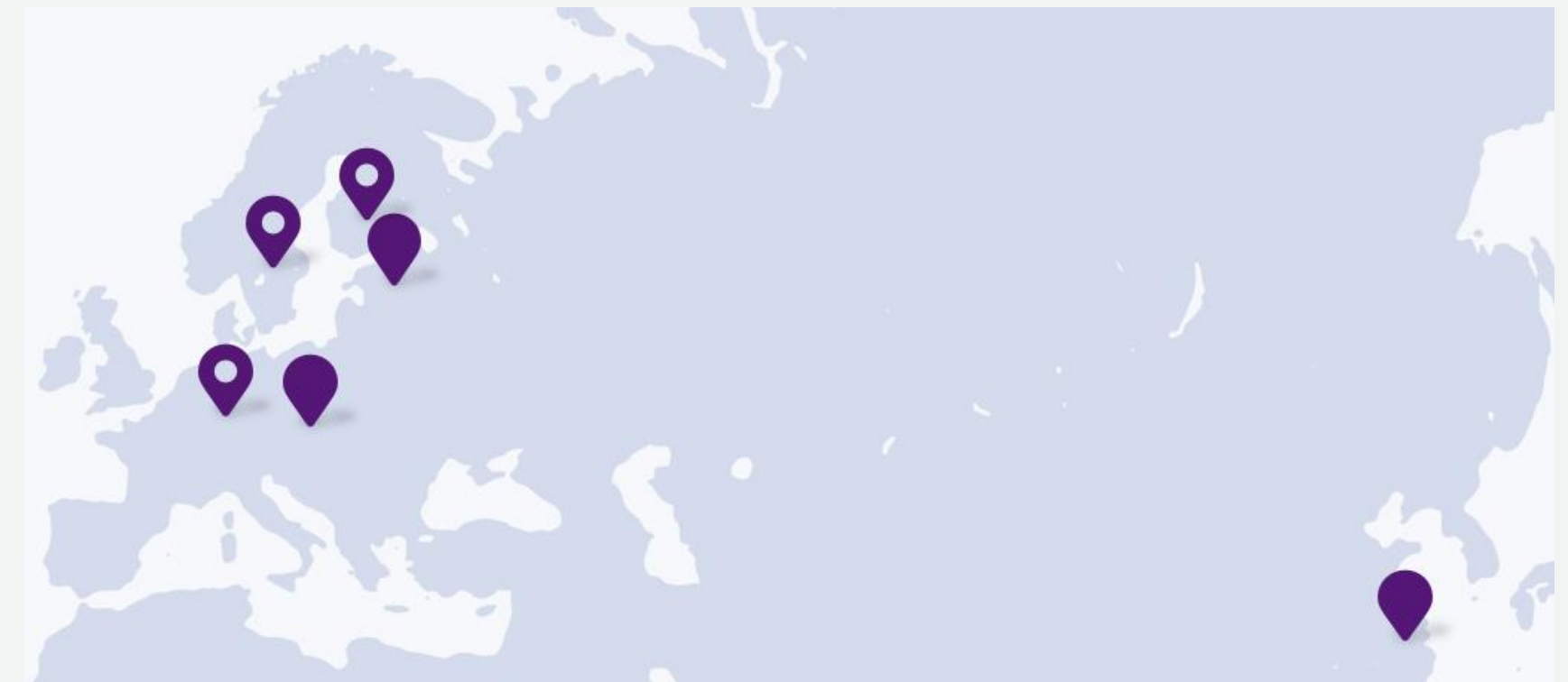
## Segments: **Temporary imbalance due to material challenges**

### **Segment Main markets**

- Net sales up 19% to 315 MSEK (266). 6% organic growth excl. acquisitions and exchange rate changes.
- Operating profit 29.8 MSEK (11.4), margin 9.5% (4.3%)

### **Segment Other markets**

- Net sales up 19 % to 282 MSEK (237) 20 % organic growth excl. acquisitions and exchange rate changes.
- Operating profit 9.5 MSEK (10.2), margin 3.4% (4.3%)



 Main Markets

 Other Markets

The sales in Main markets were still affected negatively in Q3 by covid-19 in Germany. Orderbook in Germany is increasing: The growth difference between the segments is expected to decrease.

The operating margin is significantly affected by the current material challenges, mainly in Other markets. Challenges will be more even between the clusters: The margin difference between the segments is expected to decrease.





## Financial KPIs: **Stock increase, solid financial situation**

### Cash-flow

The unique shortage situation calls for additional stock, which causes a negative cash-flow for Q3. Activities are made to return to the normal positive, strong cash-flow.

### Net debt

A moderate y-y operational net debt increase (48 MSEK) given all cluster activities, one acquisition and a full investment program. The financial situation in HANZA stays solid and made it possible to pay the last acquisition in cash.

### EPS

Earnings per share continues to improve significantly. EPS for the period Q1-Q3 amount to SEK 1.56 (-0.19).

(MSEK)	2021.09.30	2020.09.30
Equity	559	490
Equity/Asset ratio	32%	32%
Cash-flow operations (Q3)	-19	26
Cash	49	110
Operating net debt	373	325
EBITDA (Q3)	59	38
EPS (Q3, SEK)	0.56	0.20





## Helmut Beyers GmbH

### Transaction details and financial impact

- Purchase price set to the equity of Beyers, approx. 2.7 MEUR. Paid in cash.
- Additional purchase price as part of the increased sales in FY 2022 and 2023. Maximum 2.5 MEUR.
- Transaction & integration estimated to approx. 1 MEUR, mainly charged to the fourth quarter of 2021.
- Beyers sales 2021 estimated to 18 MEUR, 10% down from 2020 due to the pandemic. Beyers' result also negatively affected, currently running at zero margin.
- Net debt (prior to IFRS adjustments) in Beyers is approx. 4.5 MEUR.

Beyers is expected to have a positive financial effect on HANZA's growth and profitability already in 2022.

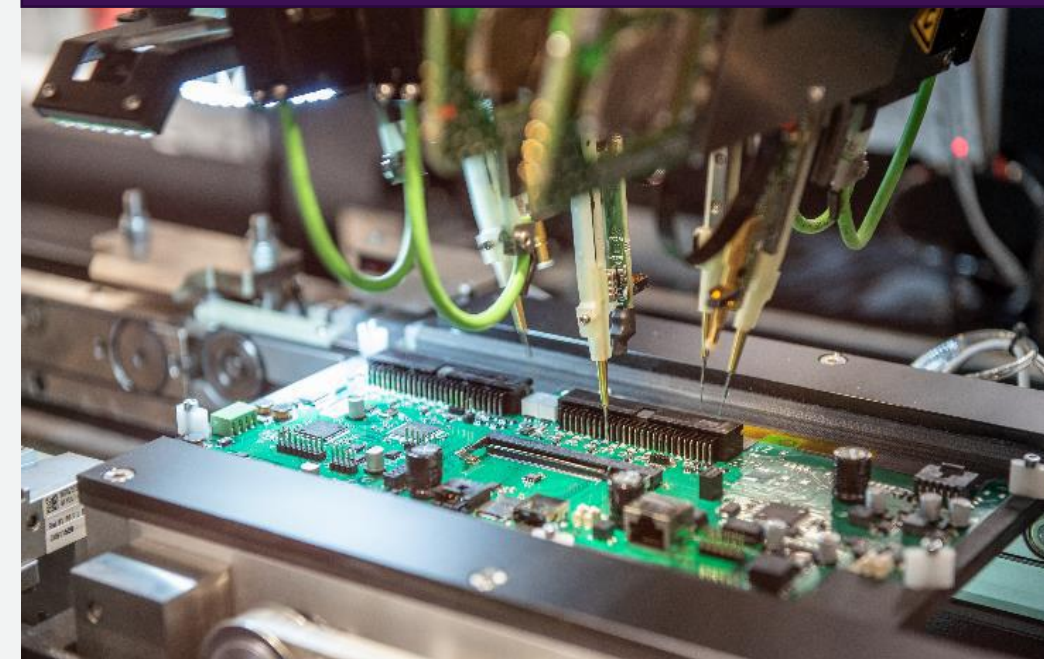


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# Summary and Outlook

- **Successful quarter**  
Substantial sales and margin increase, despite challenging material shortages.
- **Important strategic acquisition**  
Restart of the German expansion.
- **Positive outlook**  
A strong market position, and Roadmap 2021 has created good conditions for further profitable growth.





# Q & A







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