

Q2 - 2022

- All-time-high quarter
- Acquisition in Germany
- Strong outlook

Audiocast, July 26th, 2022

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AGENDA

- **HANZA in one minute**
- **Highlights**
- **Financial performance**
- **Outlook**
- **Q&A**



HANZA's mission: Increased value for product-owning companies

Concept: A wider offer than traditional contract manufacturing

Regional & Complete Manufacturing

Six Manufacturing Clusters offering parts manufacturing and parts assembly.



Advisory Services

Analysis and advice on how to streamline the customer supply chain.

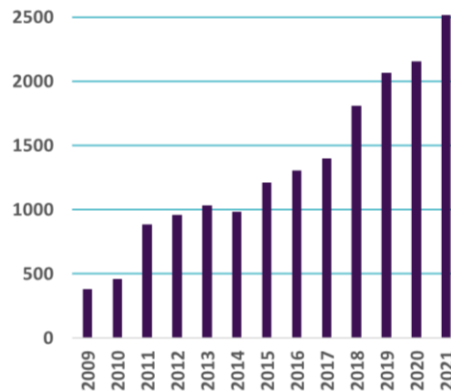


Product Development

HANZA's engineering department helps our customer to develop products.



Leading growth, 17% CAGR
(annual sales, MSEK)



A solid customer base
(examples below)



Recent highlights

Manufacturing: Finalizing ongoing programs

- Activities within the expansion program Roadmap 2021 in segment Other markets (Poland, Czech Republic and China).
- Completing the set-up in Germany.

Services: Acquisition of Budelmann Elektronik GmbH (right)

- A multidisciplinary team of 10, excellence in electronics, mechanics and software.
- Headed by technical doctor and professor Christoph Budelmann and Jeannine Budelmann, who holds an international education in economics and culture from universities in Germany, France and China.
- Complements HANZA's existing product development team in Remscheid (20 p) and together they form a central resource for all customers.

Others

- Continued strong order intake, however the global material shortage situation led to delayed production and thus lower sales and earnings.
- Company name changed to HANZA AB (from HANZA Holding AB).



Proximity

Budelmann is in Münster, close to HANZA's other operations in Germany

Deal done

Budelmann was acquired on July 4th.
From left: Willibald Berger, HANZA CAO,
Jeannine Budelmann, Owner/MD,
Christoph Budelmann, Owner/MD,
Lars Åkerblom, HANZA CFO



Q2 Financials

Sales

- Highest quarterly sales to date: Q2 up 40% to **886 MSEK** (634)
Growth adjusted for acquisitions and currency: 29%.
- 12 months sales **3.0 bn SEK** (2.5 bn SEK in FY 2021).

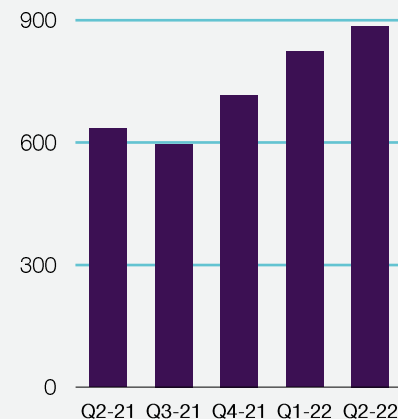
Earnings

- Highest quarterly operating profit to date: Q2 up 42% to **57.3 MSEK** (40.4)
corresponding to an operating margin of 6.5% (6.4).
- 12 months operating profit **179.0 MSEK** (143.4 MSEK in FY 2021)
corresponding to an operating margin of 6.0%.

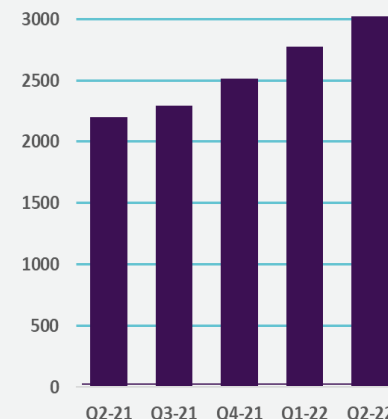
The acquisition of Budelmann

- Debt-free with an annual turnover of approximately 15 MSEK.
- Purchase price for the shares is approx. 8 MSEK,
with a further approx. 2 MSEK in the form of an additional purchase price.
- Will be consolidated from Q3. The acquisition will only have a minor direct
impact on HANZA's income statement and balance sheet.

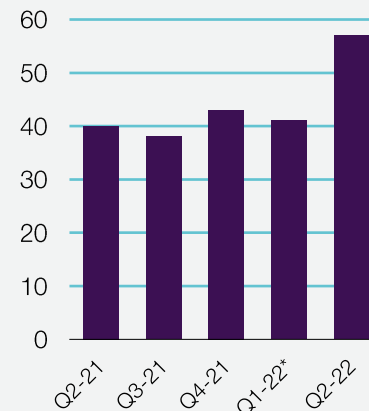
Sales approaching 0.9 bn/Q
(sales per Q, MSEK)



12-months sales 3 bn
(rolling 12-months, MSEK)



Earnings increase due to Other markets
(operating profit per Q, MSEK)



Q2 Financials

Segment Main markets

- Net sales Q2 up to **485 MSEK** (339)
Growth adjusted for acquisitions and currency: 26%.
- Operating profit up to **36.7 MSEK** (26.8),
corresponding to an operating margin of **7.6%** (7.9%).

This segment contains a sales volume from the strategic acquisition in October 2021 that delivers a zero margin during the second quarter.

For comparable units (excluding this volume), the margin during Q2 in segment was **8.5%** (7.9).

Segment Other markets

- Net sales Q2 up to **401 MSEK** (295)
Growth adjusted for acquisitions and currency: 36%.
- Operating profit up to **22.6 MSEK** (14.7),
corresponding to an operating margin of **5.6%** (5.0%).

Margin increased from a temporarily lower margin in Q1 (1.3%), caused by costs related to the expansion program, notably a new plant in Estonia.

The segment continues to carry costs connected to the expansion of production areas in Poland, the Czech Republic and China.

📍 Main Markets 📍 Other Markets



Q2 Financials

Cash flow

→ Cash flow from operating 30 MSEK (19)

Positive cash flow remains despite quick growth and material shortage situation

Net debt

→ Net interest-bearing debt 645 MSEK (425)

→ Net debt / EBITDA = 2.6 (2.6)

Net debt increase due to expansion program, one acquisition and the material shortage situation.

EPS

→ Earnings per share up to 1.01 SEK (0.73)

→ 12 months earnings per share 2.82 SEK

Dividend

A dividend of 0.50 SEK per share (0.25) was paid during Q2/2022, corresponding to the amount of SEK 17.9 million (8.5).

Development in 2022, Q2 vs Q1

(MSEK)	Q2 2022	Q1 2022
Equity	665	618
Equity/Asset ratio	30%	30%
Cash-flow operations (3 m.)	30	13
Cash	46	17
Net debt	645	615
EBITDA (3 m.)	82	66
EPS (SEK)	1.01	0.54



A large, white industrial robotic arm with black joints is shown in a factory setting. The arm is positioned diagonally across the frame, with its end effector (a grinding wheel) visible at the bottom. The background is a bright, slightly blurred industrial environment.

Outlook



Sales

- Strong order intake drives continued high sales
- Successful expansion program with perfect timing
- Still limitation due to material shortages



Earnings

- Larger proportion mature clusters increase Group margin
- "Other markets" stabilize margins with ongoing expansion
- Germany setting-up project finalized during 2022



Long term

Achieving current targets (Phase 3) signals that HANZA is ready for the next step: Further expansion to meet the global needs of HANZA's business model.



Q & A

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