

**HANZA**

# ALL YOU NEED IS ONE™

**Interim report**

HANZA AB

January 1 – March 31, 2023



# INTERIM REPORT JANUARY-MARCH 2023

## Significant margin increase in yet another quarter where sales exceeded SEK 1 billion

### First quarter 2023

- Net sales increased by 29% to SEK 1,065 million (824). Adjusted for acquisitions and currency, growth amounted to 23%.
- Operating profit (EBITA) increased to SEK 88 million (41), corresponding to an operating margin of 8.3% (5.0). The margin was positively affected by received energy subsidy of SEK 6 million. Excluding this item, the operating profit amounted to SEK 82 million, corresponding to an operating margin of 7.7%.
- Profit after tax amounted to SEK 59 million (19), corresponding to SEK 1.49 (0.54) per share before dilution and SEK 1.47 (0.53) after dilution.
- Cash flow from operating activities amounted to SEK 89 million (13).

### Significant events during the period

- HANZA has expanded and deepened its collaboration with Thermia, a world-leading supplier of heat pumps for geothermal energy. The collaboration increases annual sales by approx. SEK 35 million and is expected to continue to increase.
- In March, HANZA presented a revised and expanded sustainability strategy. Combined with the strategy and the financial goals in "HANZA 2025", it aims to ensure long-term profitable and sustainable growth. In connection with the revision, our sustainability goals have been divided into three focus areas:
  - Environment and climate
  - Security and ethics
  - Employees

Progress on our sustainability work will be shared through interim reports and other company communications. HANZA also joins the UN Global Compact network, which means that the company commits to act according to ten universal principles for human rights, the environment, labor law and anti-corruption.

# CEO COMMENTS | Q1

As described in our year-end report, HANZA entered 2023 with a record-high order book, which is encouraging, but in some respects also challenging. Last year, we implemented a crucial and significant capacity increase, including new premises and large investments in machinery. But without all committed and competent colleagues in HANZA, we would not have been able to carry out the rapid production increase during the first quarter.

Thus, we had a flying start to both the year and the HANZA 2025 strategy. The first quarter shows sales of over 1 billion SEK, with a substantially increased operating margin.

In March, we presented a revised sustainability strategy, with new and raised targets, which are further described in this report. Sustainability has been a fundamental part of our strategy since HANZA was founded and is a path to success. Reduced CO2 emissions, minimized freight and less waste, leads to higher profitability. Colleagues who are satisfied and feel safe at work, perform better. A green profile and strong business ethics help us attract the right people.

On top of this, our business model provides a unique opportunity to reduce freight through regional manufacturing closer to the customers' market. In our future reports, we will communicate progress on our sustainability work under a separate heading.



Erik Stenfors, CEO HANZA

## Financial development

HANZA continues to show high organic growth, 23% during the quarter, which is evenly distributed among industries and customers. In terms of earnings, it is our strongest quarter to date with an operating margin of 7.7%, excluding the energy subsidy.

In the segment Main markets, the margin continues to improve, to 8.8% (7.7), excluding the energy subsidy. The margin improvement is supported by increasing profitability in our newest cluster, Germany. In the Other markets segment, the margin increased significantly, to 6.4% (1.5), which is partly explained by expansion and efficiency improvements, and that these parts of the Group are approaching our model size for a manufacturing cluster, which is an annual turnover of at least SEK 1 billion.

The development is also evident in earnings per share, which show the highest level to date, SEK 1.49 (0.54) for the quarter. This can be compared with SEK 3.35 for the fiscal year 2022.

Our work to improve working capital continues and we also see a strong cash flow from operating activities of SEK 89 million (13) this quarter. This enables us to keep reducing our net debt, despite the continued rapid growth.



## The future

There are solid reasons for HANZA's growth. Firstly, we have developed a diversified customer base, with skilled, stable customers who are thriving in growth sectors such as security, energy, agriculture and forestry, medical technology and more. Secondly, continuous and successful sales, confirm that HANZA's business model with regional and complete manufacturing is perfectly timed. Supply chains are the cause of debate in many boardrooms and management teams, and HANZA offers a new, better alternative to traditional contract manufacturing.

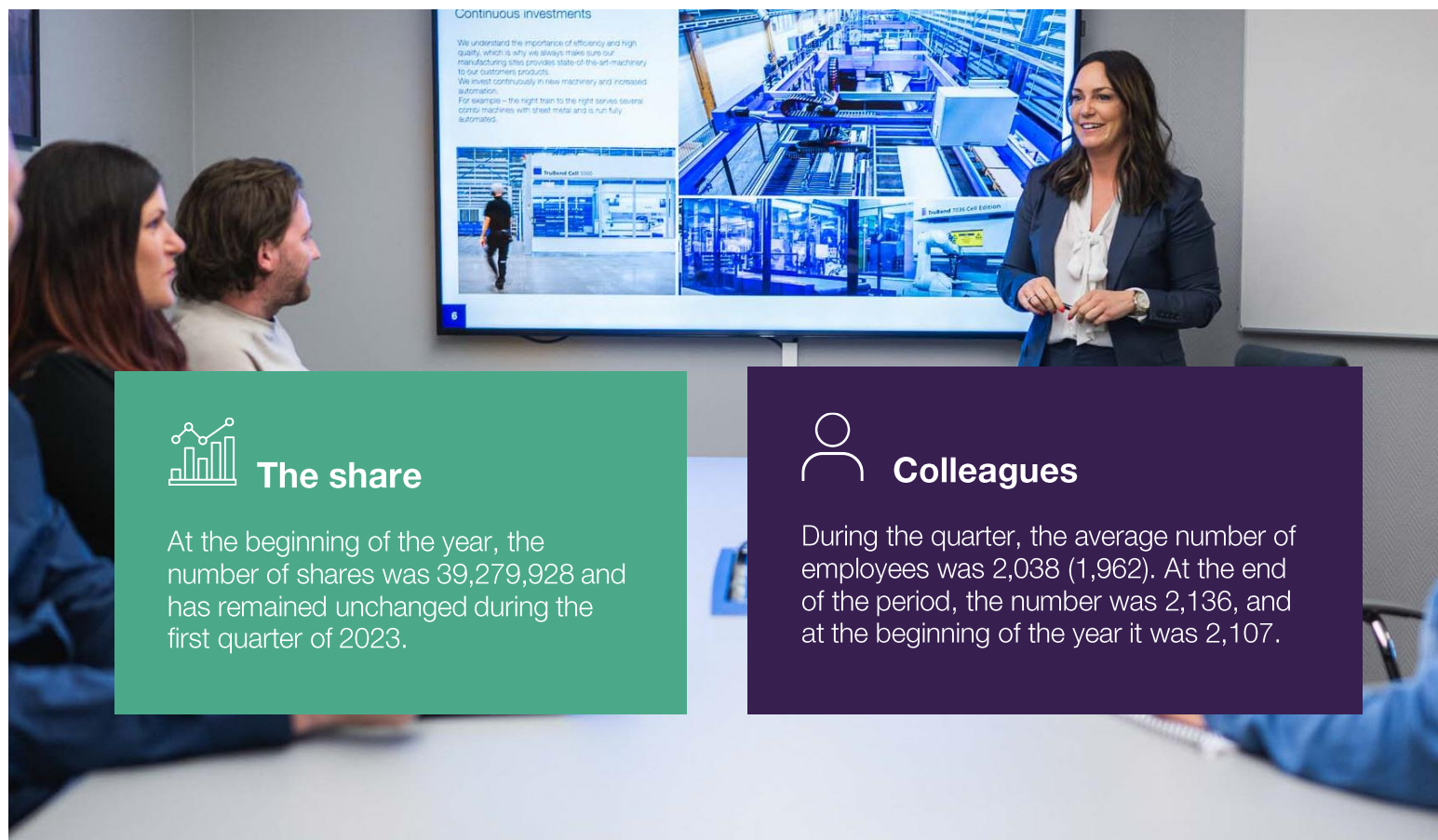
HANZA is more than just manufacturing. We also offer our customers product development within HANZA Tech Solutions, and advisory services through a special concept called MIG™. This service was created by HANZA to support the customer in the implementation of a new and better supply chain. It means added value for our customers!

Our first report of the year shows that we have had a great start and are progressing rapidly towards our new financial targets for 2025. We still have a record-high order backlog and see great potential in our various customer markets. Therefore, we are continuing our work of recruiting new, talented colleagues and increasing the capacity in our existing manufacturing clusters, as well as continuing to develop our service offer. The strategy also includes possible additional acquisitions, and we are conducting various acquisition discussions that can support our expansion in terms of capacity.

The best is yet to come!

Kista, May 3, 2023

Erik Stenfors  
CEO



### The share

At the beginning of the year, the number of shares was 39,279,928 and has remained unchanged during the first quarter of 2023.



### Colleagues

During the quarter, the average number of employees was 2,038 (1,962). At the end of the period, the number was 2,136, and at the beginning of the year it was 2,107.

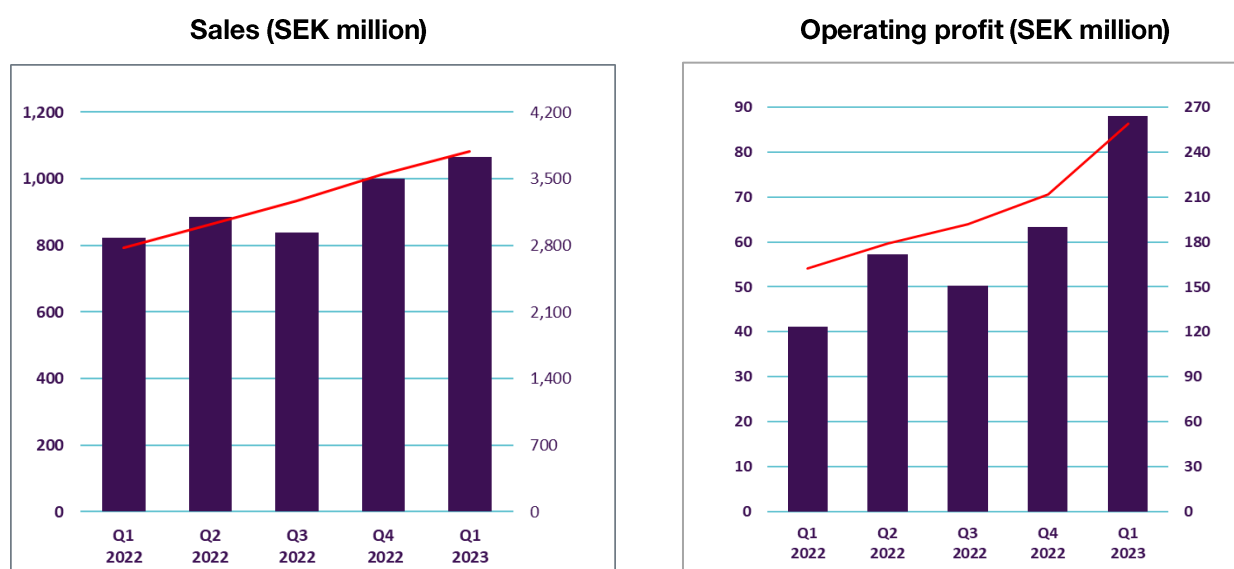
# BUSINESS DEVELOPMENT

## Market

HANZA has an evenly distributed customer base where no customer accounts for more than 10% of the annual sales, and the 10 largest customers combined, account for less than 50%. Our customers operate in various industries such as the mining industry, the defense industry, energy sector, agricultural and forestry products and recycling companies. HANZA's markets are mainly the Nordic countries and Germany, but customers are also located in the rest of Europe, Asia and the USA. The order intake remains very good in more or less all industries and geographies.

HANZA sees structural opportunities to gain further market shares as the trend towards complete manufacturing close to the end market strengthens. This is a trend that has so far been driven by trade barriers, transport costs, delivery times, environmental aspects and the pandemic, among other factors. The invasion of Ukraine has now also created a political dimension, where companies with production in countries with political risks are reviewing their supply chain and planning to relocate their production for that reason.

HANZA's sales and profit development has been limited by the availability of raw materials and components, a situation that has improved during the start of 2023 and is expected to keep improving going forward.



The graphs show turnover and operating profit, EBITA, per quarter (bars, scale on the left) and rolling 12 months (line, scale on the right) for the last five quarters.

# FINANCIAL DEVELOPMENT

## First quarter

Net sales amounted to SEK 1,065 million (824), an increase of 29%. Sales have increased through new sales, increased volumes to existing customers. Changes in currency exchange rates affected the Group's sales positively by SEK 44 million and acquisitions have had a positive effect on sales of SEK 3 million. Excluding currency and acquisitions, the organic growth amounted to 23%.

The gross margin for the quarter amounted to 43% (44). EBITDA for the quarter amounted to SEK 117 million (66), which corresponds to an EBITDA margin of 11.0% (8.0). The Group's operating profit before amortizations of intangible fixed assets (EBITA) amounted to SEK 88 million (41), which corresponds to an operating margin of 8.3% (5.0). Excluding the allocated energy subsidy of SEK 6 million, the operating margin amounted to 7.7%.

Profit before tax amounted to SEK 70 million (25) and profit after tax amounted to SEK 59 million (19). Income tax corresponded to a tax rate of 15.8% (24.1). The lower tax rate is due to the fact that a larger proportion of the profit comes from entities with a lower tax rate. Profit per share for the quarter amounted to SEK 1.49 (0.54) before dilution and to SEK 1.47 (0.53) after dilution.

## Cash flow and investments

Cash flow from operating activities for the first quarter amounted to SEK 89 million (13). The increase is caused by improved profits and that the change in working capital during the quarter amounted to SEK 4 million (-38).

The strong expansion has also increased the need for investments. Total investments in tangible fixed assets amounted to SEK -69 million (-38) in the quarter and consisted mainly of investments in machinery and other fixed assets. Cash flow from investment activities during the fourth quarter amounted to SEK -68 million (-33). The difference against cash flow from investments is due to the fact that certain investments do not affect the cash flow as they are made through leasing or are an accounts-payable at the end of the period.

## Financial position

As a result of the growth, the balance sheet total has increased too, both compared to December 31 and to March 31, 2022, and amounted to 2,638 (2,038) at the end of the quarter. However, in relation to turnover, rolling 12 months, the balance sheet total has decreased. Shareholders' equity at the end of the year amounted to SEK 966 million (618), which gives a significantly increased equity/assets ratio of 37% (30).

## The parent company

The parent company's net sales consist exclusively of income from Group companies. There have been no investments in the parent company during the year.

## Dividend

The Board of Directors have proposed to the Annual General Meeting on May 8, a dividend of 0.75 SEK per share (0.50), corresponding to an amount of SEK 29.5 million (17.9) for the fiscal year 2022.

## Material risks and uncertainties

The risk factors that generally carry the greatest significance for HANZA are unpredicted global incidents, financial risks, and changes in demand. For more information on risks and uncertainties, see Note 3 in the company's annual report for 2022. No significant changes in the risks have occurred since the annual report for 2022 was submitted.

## Related party transactions

During the quarter, there have been no related party transactions other than those described in Note 34 in the company's annual report for 2022.

## Audit review

As in previous years, this report has not been subject to review by the company's auditor.



**Production facility on the left:** A year ago, in March 2022, HANZA opened a newly built 12,000 sqm factory for complex assembly in Tartu, Estonia, which is supporting HANZA's growth and profitability increase.

**Production facility on the right:** This year, HANZA is expanding the sheet metal factory in Tartu, Estonia, by about 3,700 sqm, to meet continued growth. The proximity between sheet metal mechanics and assembly is an important part of the company's cluster strategy.

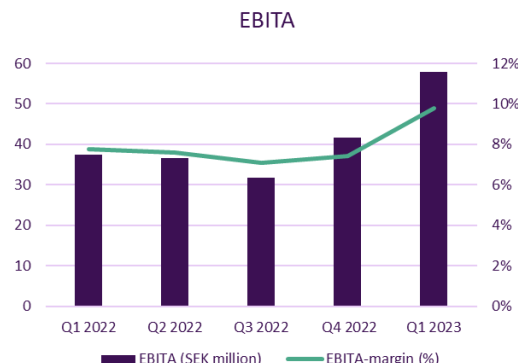
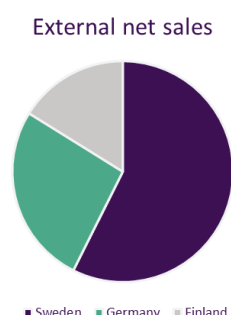
# SEGMENT OVERVIEW

## Description of segment reporting

HANZA divides its operations into so called manufacturing clusters and applies a financial segmentation based on primary customer markets. There are also operations within business development and service. This is reported in a separate segment.

## Main markets segment

SEK million	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>External net sales</b>	<b>594</b>	<b>482</b>	<b>1,976</b>
<b>Operating profit (EBITA)</b>	<b>58</b>	<b>37</b>	<b>148</b>
EBITA-margin (%)	9.8	7.7	7.5



The Main markets segment is characterized by manufacturing clusters located in or near HANZA's primary geographical customer markets, which currently consist of Sweden, Finland, Norway and Germany. These clusters currently comprise Sweden, Finland and Germany. The operations in these areas are characterized by closeness to the customers' factories and close collaboration with customer development departments.

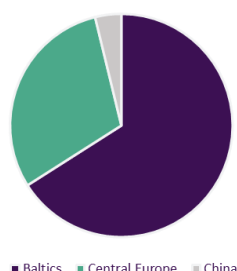
Net sales from external customers in the first quarter increased by 23% compared to the same period last year. Organic growth in the quarter amounted to 19%. EBITA has increased significantly, and the segment reached, excluding energy subsidy in Sweden of SEK 6 million, a margin of 8.8 % (7.7). The improvement is due to continued efficiency improvements and the fact that the manufacturing cluster in Germany has increased its margin after a coordination project implemented in 2022 following the acquisition of electronics manufacturer Helmut Beyers GmbH at the end of 2021.



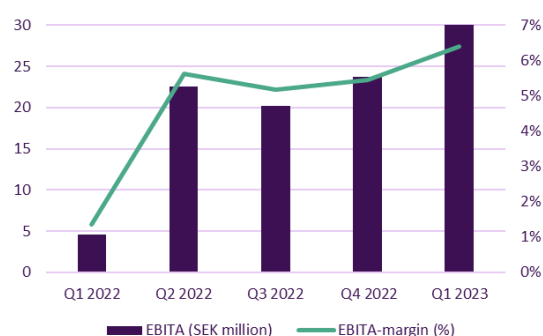
## Other markets segment

SEK million	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
External net sales	468	342	1,568
Operating profit (EBITA)	30	5	71
EBITA-margin (%)	6.4	1.5	4.5

External net sales



EBITA



Other markets segments are manufacturing clusters outside of HANZA's primary geographical customer areas. These clusters currently consist of the Baltics, Central Europe, and China. The operations are characterized by a high work content, extensive complex assembly, and proximity to important end-customer areas.

External net sales during the first quarter increased by 37% compared to the same period last year. Organic growth in the quarter amounted to 30%. EBITA and operating margin have increased significantly, which is mainly an effect of investments in capacity together with efficiency improvements, for instance the newly built assembly hall in Tartu that was completed at the end of Q1 2022, and the expansion projects that have been carried out in Poland, the Czech Republic and China during 2022. In 2023, further expansion of factory space in Estonia, Poland and the Czech Republic will be carried out, which will lead to increased capacity and opportunities for continued efficiency improvements.

## Business development and services segment

Revenues and costs from services provided by HANZA in advisory and development services and costs not allocated to the Manufacturing Clusters, which primarily consist of Group-wide functions within the parent company, as well as Group-wide adjustments not allocated to the other two segments.

External net sales amounted to SEK 3 million (-). Internal Group sales amounted to SEK 0 million (-). EBITA amounted to SEK 0 million (-1).

# FINANCIAL DEVELOPMENT

## Consolidated income statement

SEK million	Note	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>Net sales</b>	4	<b>1,065</b>	<b>824</b>	<b>3,549</b>
Change of inventories in production, finished goods and work in progress on behalf of others		18	41	152
Raw materials and consumables		-627	-505	-2,170
Other external costs		-125	-101	-453
Costs of personnel		-223	-196	-781
Depreciations, amortizations and write-downs of tangible fixed assets		-29	-25	-103
Other operating income and expenses		9	3	18
<b>Operating profit (EBITA)</b>	4	<b>88</b>	<b>41</b>	<b>212</b>
Depreciations, amortizations and write-downs of intangible fixed assets		-4	-4	-19
<b>Operating profit (EBIT)</b>	4	<b>84</b>	<b>37</b>	<b>193</b>
<b>Financial items - net</b>	5	<b>-14</b>	<b>-12</b>	<b>-50</b>
<b>Profit/loss before tax</b>	4	<b>70</b>	<b>25</b>	<b>143</b>
Income tax		-11	-6	-22
<b>Profit/loss for the period</b>		<b>59</b>	<b>19</b>	<b>121</b>

### Earnings per share

Earnings per share before dilution, SEK	1.49	0.54	3.35
Earnings per share after dilution, SEK	1.47	0.53	3.30

*Profit/loss for the period is in its entirety attributable to the parent company's shareholders*

## Consolidated comprehensive income statement

SEK million	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>Profit/loss for the period</b>	<b>59</b>	<b>19</b>	<b>121</b>
<b>Items that will not be reclassified to the income statement</b>			
Remeasurement of post-employment benefits	-	9	20
Tax on items that will not be reclassified to the income statement	-	-3	-6
<b>Total items that will not be reclassified to the income statement</b>	<b>-</b>	<b>6</b>	<b>14</b>
<b>Items that can subsequently be reversed in profit or loss</b>			
Exchange rate differences	9	6	50
Exchange rate difference on acquisition loan	-	1	-1
Tax on items that can subsequently be reversed in profit or loss	-	-	3
<b>Total items that may be reclassified to the income statement</b>	<b>9</b>	<b>7</b>	<b>52</b>
<b>Other comprehensive income for the period</b>	<b>9</b>	<b>13</b>	<b>66</b>
<b>Total comprehensive income for the period</b>	<b>68</b>	<b>32</b>	<b>187</b>

*Comprehensive income is in its entirety attributable to the parent company's shareholders*

## Condensed consolidated balance sheet

SEK million	Note	31.03.2023	31.03.2022	31.12.2022
<b>ASSETS</b>				
<b>Fixed assets</b>				
Goodwill		390	364	388
Other intangible assets		87	99	90
Tangible fixed assets		595	432	551
Right-of-use assets		186	183	180
Deferred tax assets		7	14	17
<b>Total fixed assets</b>		<b>1,265</b>	<b>1,092</b>	<b>1,226</b>
<b>Current assets</b>				
Inventories		958	732	937
Accounts receivable		165	132	151
Other receivables		115	64	90
Cash and cash equivalents		135	17	137
<b>Total current assets</b>		<b>1,373</b>	<b>945</b>	<b>1,315</b>
<b>TOTAL ASSETS</b>		<b>2,638</b>	<b>2,037</b>	<b>2,541</b>
<b>SHAREHOLDERS' EQUITY</b>				
Shareholders' equity attributable to the parent company's shareholders		<b>966</b>	<b>618</b>	<b>898</b>
<b>LIABILITIES</b>				
<b>Long-term liabilities</b>				
Post-employment benefits		105	103	102
Deferred tax liabilities		48	44	49
Liabilities to credit institutions	3	228	204	223
Lease liabilities		132	132	125
<b>Total long-term liabilities</b>		<b>513</b>	<b>483</b>	<b>499</b>
<b>Current liabilities</b>				
Overdraft facility	3	28	81	55
Liabilities to credit institutions	3	172	130	177
Lease liabilities		48	42	41
Other interest-bearing liabilities	3	71	63	75
Accounts payable		512	403	487
Other liabilities		328	217	309
<b>Total current liabilities</b>		<b>1,159</b>	<b>936</b>	<b>1,144</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>2,638</b>	<b>2,037</b>	<b>2,541</b>



## Condensed consolidated report of changes in shareholders' equity

SEK million	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>Opening balance</b>	<b>898</b>	<b>586</b>	<b>586</b>
Profit/loss for the period	59	19	121
Other comprehensive income	9	13	66
<b>Total comprehensive income</b>	<b>68</b>	<b>32</b>	<b>187</b>
<b>Transactions with shareholders</b>			
New share issue	-	-	147
Issue costs	-	-	-4
Dividend	-	-	-18
<b>Total contributions from and distributions to shareholders, recognized directly in equity</b>	<b>-</b>	<b>-</b>	<b>125</b>
<b>Closing balance</b>	<b>966</b>	<b>618</b>	<b>898</b>

## Condensed consolidated statement of cash flows

SEK million	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>Cash flows from operating activities</b>			
Profit/loss after financial items	70	25	143
Depreciations, amortizations and write-downs	33	29	122
Other non-cash items	-1	3	-9
Paid income tax	-17	-6	-22
<b>Cash flows from operating activities prior to the change in working capital</b>	<b>85</b>	<b>51</b>	<b>234</b>
<b>Total change in working capital</b>	<b>4</b>	<b>-38</b>	<b>-89</b>
<b>Cash flows from operating activities</b>	<b>89</b>	<b>13</b>	<b>145</b>
<b>Cash flows from investing activities</b>			
Acquisition in subsidiaries	-	-	-8
Investments in fixed assets	-68	-34	-180
Disposals of tangible fixed assets	-	1	4
<b>Cash flows from investing activities</b>	<b>-68</b>	<b>-33</b>	<b>-184</b>
<b>Cash flows from financing activities</b>			
New share issue	-	-	143
New loans	68	54	263
Repayment of borrowings	-92	-64	-268
Dividends paid	-	-	-18
<b>Cash flows from financing activities</b>	<b>-24</b>	<b>-10</b>	<b>120</b>
<b>Increase/reduction in cash and cash equivalents</b>	<b>-3</b>	<b>-30</b>	<b>81</b>
Cash and cash equivalents at the beginning of the period	137	46	46
Exchange rate differences in cash and cash equivalents	1	1	10
<b>Cash and cash equivalents at the end of the period</b>	<b>135</b>	<b>17</b>	<b>137</b>

## Condensed parent company income statement

SEK million	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Operating income	6	5	24
Operating expenses	-6	-6	-24
<b>Operating profit</b>	<b>0</b>	<b>-1</b>	<b>0</b>
<b>Financial items - net</b>	<b>-1</b>	<b>-2</b>	<b>16</b>
<b>Profit/loss after net financial items</b>	<b>-1</b>	<b>-3</b>	<b>16</b>
Appropriations	-	-	34
<b>Profit/loss before tax</b>	<b>-1</b>	<b>-3</b>	<b>50</b>
Tax on profit for the period	0	1	-4
<b>Profit/loss for the period</b>	<b>-1</b>	<b>-2</b>	<b>46</b>

*There are no parent company items that are recognized in comprehensive income, for which reason total comprehensive income is consistent with the profit/loss for the period.*

## Condensed parent company balance sheet

SEK million	31.03.2023	31.03.2022	31.12.2022
<b>ASSETS</b>			
Financial fixed assets	523	393	504
Current receivables	3	5	2
Cash and cash equivalents	1	1	30
<b>TOTAL ASSETS</b>	<b>527</b>	<b>399</b>	<b>536</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>	<b>436</b>	<b>263</b>	<b>437</b>
Untaxed reserves	2	2	2
Long-term liabilities	53	102	58
Current liabilities	36	32	39
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>527</b>	<b>399</b>	<b>536</b>

# NOTES

## **Note 1      General information**

All amounts are reported in millions of SEK (SEK million) and refers to The Group unless otherwise stated. Information in brackets refers to the corresponding period of the preceding year. The interim information on pages 6 to 9 forms an integral part of this financial report.

## **Note 2      Basis for the preparation of reports and accounting principles**

HANZA AB applies IFRS (International Financial Reporting Standards), as adopted by the European Union. This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The interim report for the parent company has been prepared in accordance with chapter 9 of the Swedish Annual Reports Act, and with RFR 2, Accounting for legal entities.

The accounting principles are in accordance with the principles that were applied in the previous fiscal year. For more information on these, please refer to Note 2 of HANZA AB's 2022 annual report.

## **Note 3      Financial instruments – Fair value of financial liabilities valued at amortized cost.**

The Group's borrowing consists of a large number of notes taken out at separate times and with different maturities. Substantially all the loans carry a floating rate of interest. Against this background, the reported values can be deemed to provide a good approximation of fair values as the discount effect is not material.

## **Note 4      Revenue and segment information**

### **Description of revenue from contracts with customers**

HANZA's revenue is attributable primarily to the production of components, subsystems and assembled products according to the customer specifications, but where HANZA has been involved in customizing the manufacturing process. HANZA's performance obligations are deemed to have been met when the component or assembled product is delivered to the customer. Exceptions are cases where there is an agreement with the customer regarding a buffer stock of finished components or products. In these cases, the performance obligation is deemed to have been met at the time the component or product is placed in buffer stock, meaning that it is available to the customer.

The breakdown of external revenue by segment, which is in line with the Group's cluster-based organization, is set out in the segment information section below. In addition, the recognition of external revenue is divided into the manufacturing technologies 'Mechanics' and 'Electronics' in the end of this note.



## Profit by segment

Segment results are reconciled to profit/loss before tax as follows:

SEK million	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>Operating profit (EBITA)</b>			
Main markets	58	37	148
Other markets	30	5	71
Business development and services	0	-1	-7
<b>Total EBITA</b>	<b>88</b>	<b>41</b>	<b>212</b>
Amortization of intangible assets	-4	-4	-19
<b>Operating profit (EBIT)</b>	<b>84</b>	<b>37</b>	<b>193</b>
Financial items – net	-14	-12	-50
<b>Profit/loss before tax</b>	<b>70</b>	<b>25</b>	<b>143</b>
<b>Items affecting comparability</b>			
Revaluation of acquisition purchase price	-	-	10
Transaction costs	-	-	-1
Integration costs	-	-	-11
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-2</b>
<b>EBITA per segment excluding items affecting comparability</b>			
Main markets	58	37	149
Other markets	30	5	71
<b>Total</b>	<b>88</b>	<b>42</b>	<b>220</b>
Business development and services	0	-1	-6
<b>Total</b>	<b>88</b>	<b>41</b>	<b>214</b>
Items affecting comparability	-	-	-2
<b>EBITA</b>	<b>88</b>	<b>41</b>	<b>212</b>
<b>Revenue from external customers by manufacturing technology</b>			
Mechanics	611	493	2,111
Electronics	451	331	1,433
Business development and services	3	-	5
<b>Total</b>	<b>1,065</b>	<b>824</b>	<b>3,549</b>

**Note 5****Financial items - net**

<b>SEK million</b>	<b>Jan-Mar 2023</b>	<b>Jan-Mar 2022</b>	<b>Jan-Dec 2022</b>
<b>Financial expenses</b>			
Interest expenses	-12	-6	-32
Other financial expenses	-4	-2	-9
<b>Total financial expenses</b>	<b>-16</b>	<b>-8</b>	<b>-41</b>
Net exchange gains and losses	2	-4	-9
<b>Total financial items - net</b>	<b>-14</b>	<b>-12</b>	<b>-50</b>

# KEY RATIOS, DEFINITIONS AND FINANCIAL CALENDER

	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
<b>Key ratios according to IFRS</b>			
Net sales, SEK million	1,065	824	3,549
Operating profit (EBIT), SEK million	84	37	193
Amortization of intangible assets, SEK million	-4	-4	-19
Earnings per share before dilution, SEK	1.49	0,54	3.35
Earnings per share after dilution, SEK	1.47	0,53	3.30
Cash flow from operating activities, MSEK	89	13	145
Average number of employees	2,038	1,962	1,936
<b>Alternative performance measurements</b>			
EBITDA, SEK million	117	66	316
EBITDA margin, %	11.0	8.0	8.9
Operational segments EBITA, SEK million	88	42	219
EBITA Business development and services, SEK million	0	-1	-7
Operational EBITA margin, %	8.3	5.0	6.2
Operating profit (EBITA), SEK million	88	41	212
EBITA margin, %	8.3	5.0	6.0
Operating capital, SEK million	1,615	1,356	1,559
Return on operating capital, %	5.5	3.1	14.8
Capital turnover on operating capital, times	0.7	0.6	2.5
Return on capital employed, %	4.9	2.7	12.7
Net interest-bearing debt, SEK million	539	617	556
Net debt/equity ratio, times	0.6	1.0	0.7
Net debt in relation to adjusted EBITDA, times	1.6	2.7	1.9
Equity ratio, %	36.6	30.3	35.3
Equity per share at end of period, SEK	24.59	17.27	22.85
Weighted average number of shares before dilution	39,279,928	35,779,928	36,258,695
Adjustment upon calculation of earnings per share after dilution: Warrants	600,482	479,425	475,009
Weighted average number of shares after dilution	39,880,410	36,259,353	36,733,704
Number of shares at the end of the period	39,279,928	35,779,928	39,279,928



## Financial Calendar

- Annual General Meeting: Monday May 8, 2023
- Interim report, Q2 2023: Tuesday July 25, 2023
- Interim report, Q3 2023: Tuesday November 7, 2023

## Key ratios

The alternative performance measurements above are considered relevant to give a picture of HANZA's operational profitability, the extent of external financing and the company's financial risk. Reconciliation tables for alternative performance measurements are published on the company's website.

Key ratios	Definitions
<b>Key ratios according to IFRS</b>	
EBIT	Earnings before interest and taxes is operating profit, i.e., profit before net financial items, provisions, and taxes.
<b>Alternative performance measurements</b>	
<i>The alternative performance measurements below are used in this report. Reconciliation tables for alternative performance measurements and motives for using each measurement are published on the company's web page.</i>	
Return on capital employed	EBIT before financial items divided by average capital employed.
Gross margin	Net sales less cost of raw materials and consumables and change in inventories in production, finished goods and work in progress on behalf of others, divided by net sales.
EBITDA	Earnings before interest, taxes, depreciation, and amortization of tangible and intangible items.
EBITDA-margin	EBITDA divided by net sales.
EBITA	Earnings before interest, taxes, and amortization of intangible items.
EBITA-marginal	EBITA divided by net sales.
Equity per share	Equity on the balance sheet date, adjusted for not registered equity, divided by the registered number of shares on the balance sheet date.
Adjusted EBITDA	EBITDA excluding amortization of lease liabilities related to buildings and premises in accordance with IFRS 16.
Items affecting comparability	Revenue and expense items in the operating profit which only by way of exception occurs in the operations. To items affecting comparability are referred revenues and expenses such as acquisition costs, revaluation of additional purchase prices, profit, or loss on disposal of buildings and land, debt concession. costs of larger restructurings such as moving of whole factories and larger write-downs.
Capital turnover on average operating capital	Net sales divided by average operating capital.
Operational segments EBITA	(Operativt EBITA). EBITA för segmenten Huvudmarknader och Övriga marknader.
Operational EBITA margin	Operational segments EBITA divided by operational segments net sales.
Operating capital	The balance sheet total less cash and cash equivalents, financial assets, and non-interest-bearing liabilities.
Net debt/equity ratio	Net interest-bearing debt divided by shareholders' equity.
Net debt in relation to adjusted EBITDA	Net interest-bearing debt at year end divided by adjusted EBITDA on a rolling 12-months basis.
Return on operating capital	Operating EBITA divided by average operating capital.
Net interest-bearing debt	Interest-bearing liabilities, including provisions for post-employment benefits, excluding lease liabilities related to the right-of-use assets for buildings and premises in accordance with IFRS 16 less cash in hand, cash equivalents and short-term investments.
Equity ratio	Shareholders' equity divided by the balance sheet total.
Capital employed	Balance sheet total minus non-interest-bearing provisions and liabilities.
<i>When earning measures are presented on a rolling 12-months basis they refer to the total for the last 12 months up to the presented period.</i>	



# 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 in local manufacturing clusters we create stable deliveries, increased profitability and an environmentally friendly manufacturing process for our customers.

The company was founded in 2008 and in 2022 had sales exceeding SEK 3.5 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, SAAB, Sandvik, Siemens and Tomra.

## More information

At [www.hanza.com](http://www.hanza.com) you find more information about HANZA Group, as well as financial reports, presentations, and press releases.

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