

## Q1 2023

- **Strong organic growth, rapidly increasing earnings**
- **Revised and expanded sustainability goals**
- **Positive outlook**

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# AGENDA

- **Highlights of Q1**
- **Financial development**
- **Outlook**
- **Q&A**





## Highlights of Q1

### **Continued strong growth: Sales up by 29%, organic growth 23%**

- Strong, diversified customer portfolio in growth industries: Energy, agriculture, forestry, defense, mining, med-tech, etc.
- A modern business model that attracts new customers
- Also an important service part of HANZA supporting sales

### **Expanding capacity in line with growth**

- Committed and dedicated colleagues
- Continuous automation and efficiency increase
- Investment program and modular expansion of clusters
- Successful integration of acquisitions

### **Despite rapidly expanding operation:**

- Q1 net earnings 59 MSEK (19) and Q1 cash flow 89 MSEK (13)

Väderstad AB, one of our  
outstanding customers



# Highlights of Q1

## A revised and expanded sustainability strategy

- All corporations must respond to the climate change warnings
- The sustainability strategy addresses both the climate and the working environment.
- There is no conflict of objectives in this work, quite the contrary.

Together with our strategy "HANZA 2025", the sustainability strategy will ensure both sustainable growth and profitability.

- A better company to work in
  - An improved income statement
  - A more attractive company for recruitment, customers, suppliers, etc.
- The sustainability work to be followed up in interim reports



Solar panels on HANZA's new assembly hall in Estonia, providing ca 30% of the energy.



The graphs show outcome per quarter (bars, left scale) and rolling 12 months (line, right scale).

# Q1 Financials

## Continued development of HANZA

- The acquisition in Mönchengladbach and cluster (Germany) is now structured, which means that the cluster is moving from loss to profit.
- Several factories have been expanded, especially the new factory in Estonia, which increases profitability.

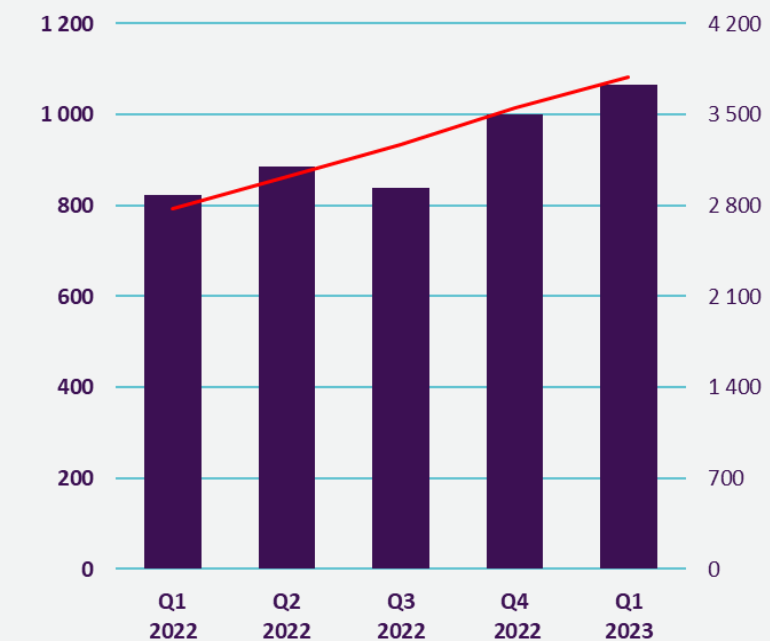
## Sales

- Sales grew with 29% of which 23% is organic
- Second quarter in a row exceeding SEK 1 billion, R12 amounts to 3 790 MSEK
- Even growth across sectors and customers.
- No impact of increased prices for energy and material

## Earnings

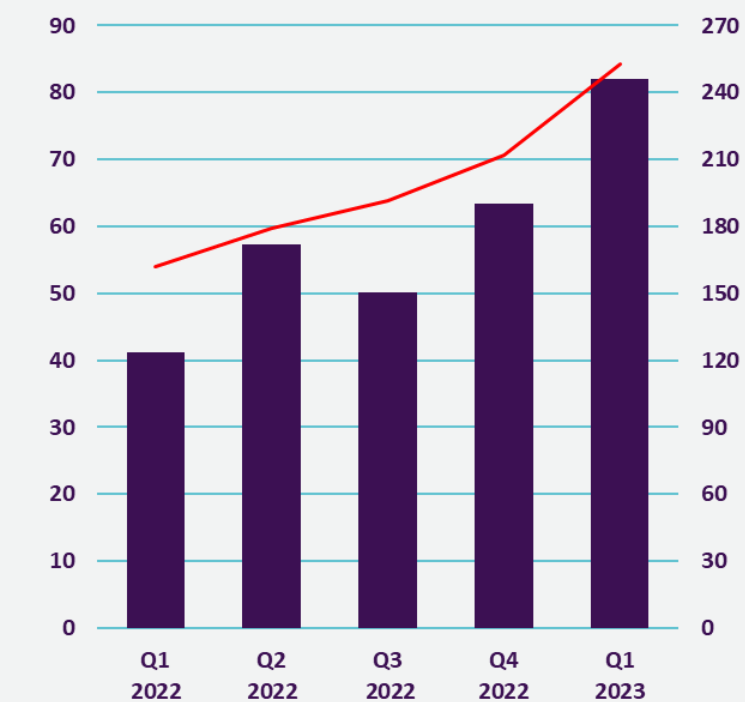
- Operating profit (EBITA) grew by 100%, excluding electricity subsidy, to 82 MSEK (41). Rolling 12-months amounts to 259 MSEK with a margin of 6,8%

### Sales (MSEK)



### Operating profit (MSEK)

Excluding the electricity subsidy in Q1 2023.



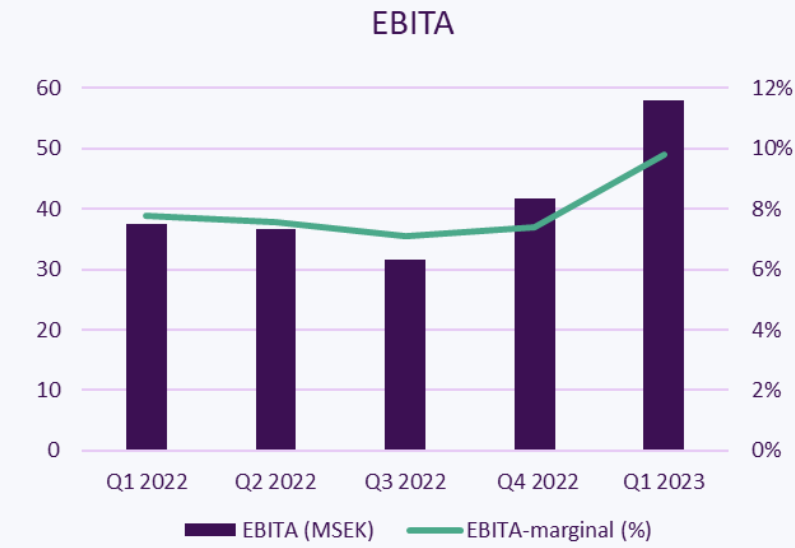
# Q1 Financials

## Segment Main markets

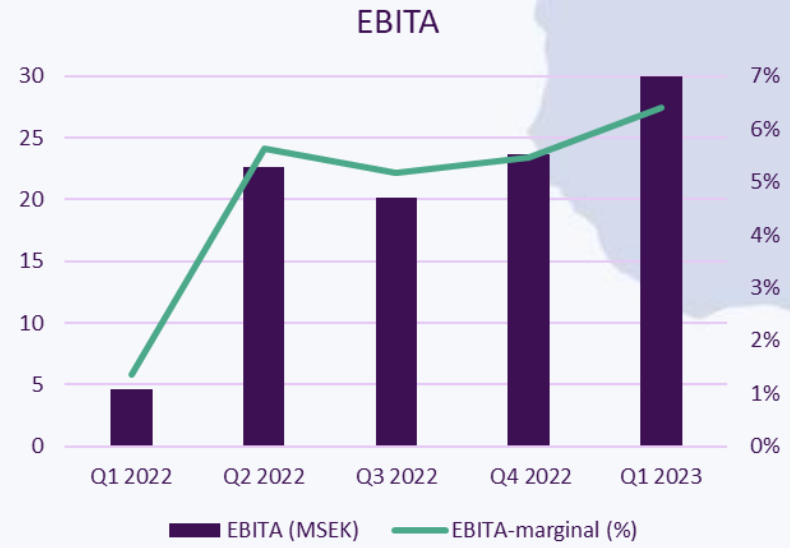
- Sales increased by 23% to 594 MSEK (482)
- Organic growth in amounted to 19%.
- EBITA has increased significantly and excluding energy subsidy in Sweden of SEK 6 million, the operating margin is 8.8% (7.7).

## Segment Other markets

- Sales increased by 37% to 468 MSEK (342)
- Organic growth amounted to 30%
- The operating margin increased significantly to 6.4% (1.5)  
In Q1 last year, the transfer to new premises in Estonia was executed, which reduced profitability.



Main Markets



Other Markets

📍 = Main Markets

📍 = Other Markets



# Q1 Financials

## Cash-flow

- Strong cash flow from operations despite continues growth.
- R12 the cash-flow from operations is 221 MSEK, despite growth of 1 bn SEK (R12, sales grew from 2.8 bn SEK to 3.8 bn SEK)

## Net debt

- The net debt/EBITDA ratio fell significantly to 1.6 (2.7).
- The equity ratio increased to 37% (30)

## EPS

- Earnings per share show the highest level to date, SEK 1.49 (0.54). This can be compared with SEK 3.35 for the fiscal year 2022.

## Dividend

- The Board proposed to the AGM a dividend of 0,75 SEK per share

| (MSEK)                      | Q1 2023 | Q1 2022 |
|-----------------------------|---------|---------|
| Equity                      | 966     | 618     |
| Equity/Asset ratio          | 37%     | 30%     |
| Cash-flow operations (3 m.) | 89      | 13      |
| Cash                        | 135     | 17      |
| Net debt                    | 539     | 617     |
| EBITDA (3 m.)               | 117     | 66      |
| EPS (SEK)                   | 1.49    | 0.54    |



# Our sustainability goals



## Focus Area: Environment & climate

| Goal  | Goal completion   |
|---|---|
| <b>Significantly reduced carbon dioxide emissions</b> | <ul style="list-style-type: none"> <li>→ Annually increase the proportion of energy use from fossil-free energy sources in own operations.</li> <li>→ Annually reduce emissions of CO2 from energy use in own operations in relation to sales.</li> </ul> |
| <b>Reduce use of natural resources and energy</b>     | <ul style="list-style-type: none"> <li>→ Annually reduce energy use in own operations in relation to sales (MWh/SEK million).</li> <li>→ Annually reduce water consumption in own production in relation to sales (m³/MSEK).</li> </ul>                   |
| <b>Reduce other emissions</b>                         | <ul style="list-style-type: none"> <li>→ Annually reduce waste and hazardous waste in relation to sales for electronics and mechanics respectively (tons of waste/MSEK and tons of hazardous waste/MSEK).</li> </ul>                                      |



## Focus Area: Safety & ethics

| Goal  | Goal completion  |
|---|--|
| <b>Offer data security of a high international standard</b> | <ul style="list-style-type: none"> <li>→ Zero damage from data breaches.</li> </ul>  |
| <b>Maintain high business ethics among employees</b>        | <ul style="list-style-type: none"> <li>→ Zero incidents of corruption.</li> <li>→ All employees must be informed about HANZA's code of conduct for employees.</li> </ul>   |
| <b>Maintain high business ethics among suppliers</b>        | <ul style="list-style-type: none"> <li>→ All significant suppliers to HANZAs must confirm HANZAs code of conduct for suppliers.</li> <li>→ Annual audits of significant suppliers to ensure compliance with HANZA's Supplier Code of Conduct.</li> </ul> |



## Focus Area: Employees

| Goal  | Goal completion   |
|---|---|
| <b>Offer a safe and secure workplace, free from occupational injuries, victimization and discrimination</b> | <ul style="list-style-type: none"> <li>→ HANZA's long-term goal is zero work-related injuries. Annually reduce the number of incidents resulting in absence from work (LTIFR).</li> <li>→ All employees must be informed about HANZA's anonymous whistleblowing function.</li> <li>→ Zero cases of determined discrimination.</li> <li>→ Annual employee survey that results in a concrete activity program.</li> </ul> |
| <b>Promote equality and strive for diversity</b>  | <ul style="list-style-type: none"> <li>→ Annually increase the proportion of women in managerial roles.</li> <li>→ All employees with a managerial role must be trained in HANZA's Diversity policy.</li> </ul>   |



# A flying start to HANZA 2025

## ■ Strategy HANZA 2025

- Grow and develop our manufacturing clusters
- More than manufacturing: Developing the service part
- Complementary acquisitions in existing markets

## ■ Sustainability work

- Minimal environmental impact
- Reduce shipping through our concept
- Working towards the best workplace

## ■ Long term: Aiming for the world

- HANZA 2025: Sales 5 bn SEK, operating margin 8%
- Establish next manufacturing cluster, using HANZA's expandable concept



# Q&A



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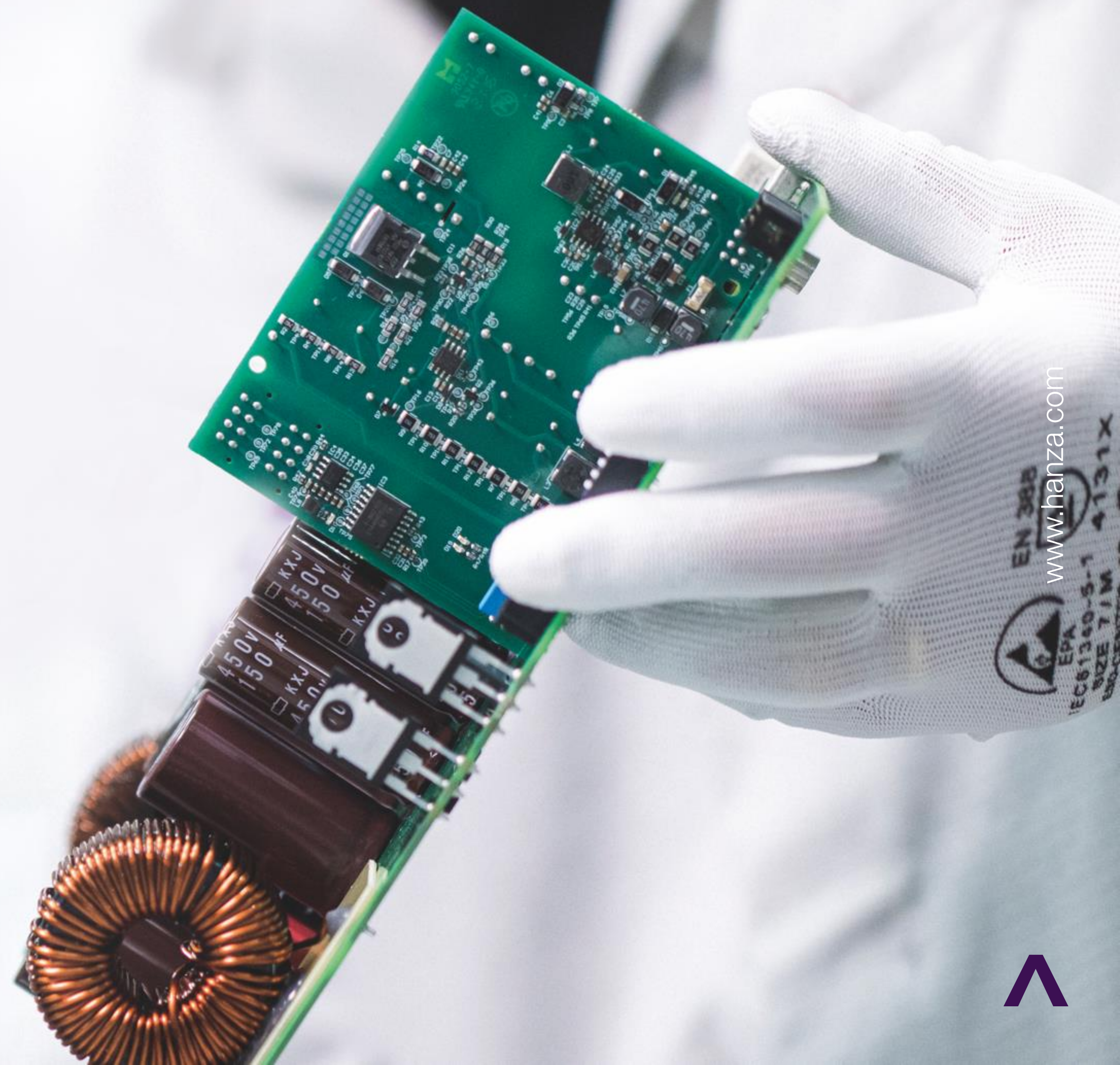
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