

Hanza Q2: Strong New Sales in Softer Quarter

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Redeye sees a mixed quarter from Hanza. While sales and adjusted EBITA were somewhat below our expectations, the strong new sales is encouraging. Hanza expects a market rebound in late 2024, a slightly softer outlook than the autumn 2024 mentioned in Q1.



Fredrik Nilsson



Fredrik Reuterhäll

- Sales was 5% below our expectations and grew by 14% y/y. The organic growth was -8%. The softer macroeconomic environment has led to reduced volumes from several customers.
- Hanza has not lost any customers, and management expects volumes to start to rebound in late 2024 – a slightly softer outlook than in Q1, where a rebound was expected in the autumn of 2024.
- Hanza sees strong new sales from a broad range of sectors, following a greater need for cost-efficient manufacturing in the softer economic environment.
- EBITA, adjusted for SEK20m in restructuring costs, was SEK70m, corresponding to an EBITA margin of 5.7% (8.2). Our forecast was SEK80m and 6.2%. While declining y/y due to softer macro and the consolidation of Orbit One (excluding acquisitions, the EBITA margin was 6.6%), the EBITA margin improved somewhat q/q from 5.3% in Q1.
- Main Markets had somewhat lower sales and margins compared to our expectations. Other Markets roughly matched our sales expectations, while the margin was somewhat softer.
- The impact from softer macroeconomics seems somewhat higher than we expected, which, along with the slightly softer outlook (rebound in late 2024 instead of autumn 2024), will likely lead to a slight cut in our short-term forecasts. On the other hand, the strong new sales imply solid prospects for 2025 and beyond. Overall, we will probably leave our Base Case largely unchanged.

Estimates vs. Actuals					
	Q2E 2024	Q2A 2024	Diff	Q2A 2023	Q1A 2024
Sales					
Net sales	1286	1221	-5%	1068	1253
Y/Y Growth (%)	20%	14%		21%	18%
Main Markets					
Net sales	788	723	-8%	605	770
Y/Y Growth (%)	2%	20%		25%	30%
EBITA (MM)	59	52	-12%	67	39
EBITA margin	7.5%	7.2%		11%	5%
Other Markets					
Net sales	498	495	-1%	458	480
Y/Y Growth (%)	4%	8%		14%	3%
EBITA (OM)	22	20	-11%	28	12
EBITA margin	4.5%	4.0%		6%	3%
Earning					
EBITA	80	70	-13%	92	67
EBITA Margin (%)	6.2%	5.7%		8.6%	5.3%
EBIT	73	63	-14%	88	61
EBIT Margin (%)	5.7%	5.2%		8.2%	4.9%
Diluted EPS	0.60	0.16	-73%	1.50	0.78

Source: Hanza & Redeye Research | EBIT/EBITA concern adjusted numbers

REDEYE QUALITY RATING

4

3

3

People Business Financials

FAIR VALUE RANGE

Price 61.6

Bear 23.0
Bull 99.0

Base 73.0

TIMELINESS

5

KEY STATS

Market Cap	2.6 BSEK
Entprs. Value (EV)	3.1 BSEK
Net Debt (2024e)	419.0 MSEK
30 Day Avg Vol	80 K
Shares Outstanding	43.7M
Price / Earnings	19.0x
PEG	N/A
Dividend Yield	1.3%

Data from 2024-07-23 08:08

IMPORTANT INFORMATION

All information regarding limitation of liability and potential conflicts of interest can be found at the end of the report.

Redeye, Mäster Samuelsgatan 42, 10tr, Box 7141, 103 87 Stockholm. Tel. +46 8-545 013 30
E-post: info@redeye.se

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Fredrik Nilsson owns shares in the company : No.

Fredrik Reuterhäll owns shares in the company : No.

Redeye performs/has performed services for Hanza and receives/has received compensation from these Companies in connection with this.