HANZA

Q2 – 2024

Audiocast, July 23th, 2024

Erik Stenfors, CEO
Lars Åkerblom, CFO

AGENDA

- → **Market, trends and HANZA**
- → **Progress report Q2**
- → **Financial development**
- → **Short- and long-term outlook**
- → **Q&A**

Market and demand

Continued weak economy during Q2

- The first half of 2024 has been characterized by a traditional recession, i.e. lower demand resulting in lower revenue.
- In Q2 demand remained weak from several industries, such as mining, textiles and recycling.
- Some other sectors, such as energy, security and defense, continued to have a strong demand in Q2.

In total Q2 reached the same sales level as Q1, which is in line with our previous guidance.

Supply chain trend

Globalization is still under review

Focus on resilient supply chains
→ Disasters, accidents and conflicts cause constant disruption (examples, right).

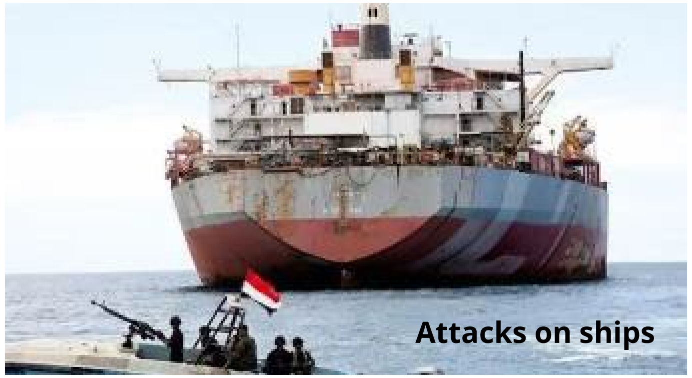
Focus on green supply chain
→ Reducing transport is an important aspect for the environment.

Focus on cost-efficient supply chains
→ Supply chain is central to cost improvements.

The recession and growing geopolitical concerns are increasing demand for supply chain optimization.


The Panama Canal


Ever Given incident


Attacks on ships


Port of Baltimore

The HANZA concept, a case study

Strategic sales: Restructuring a supply chain (MIG^{TM})

- Mitsubishi Logisnext is a leading provider of logistics solutions with self-designed forklifts.
- Over 40 suppliers plus Mitsubishi's own final assembly are replaced by HANZA Baltics.

Previous supply chain map

ALL YOU NEED IS ONE ^{TM}

New solution with HANZA

HANZA Baltics, June 2024
Volume manufacturing of forklift trucks

A forklift module.
This part alone would require several traditional contract manufacturers. Today the module is completely manufactured by HANZA Baltics.

MITSUBISHI FORKLIFT TRUCKS

Progress report Q2

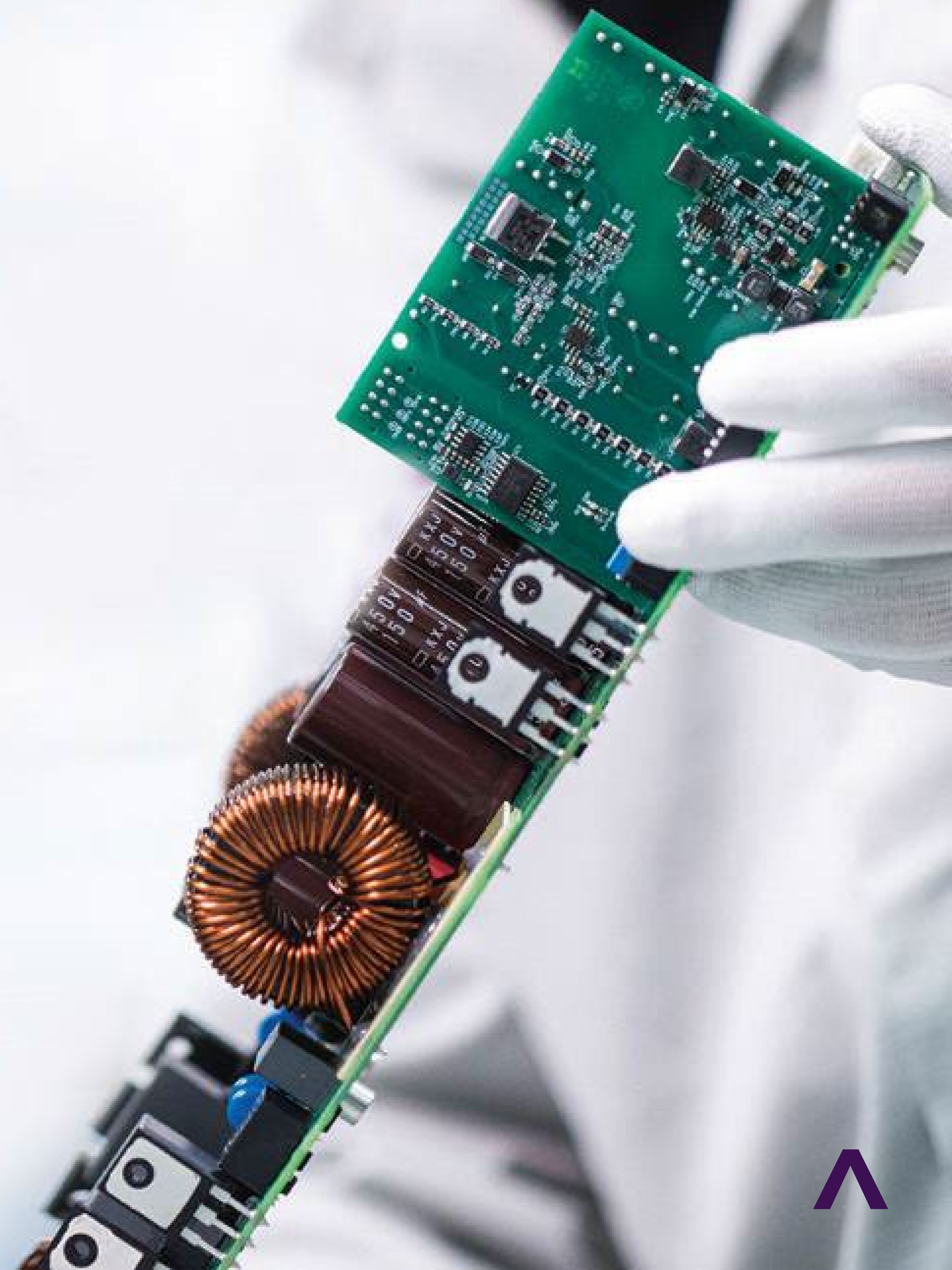
New sales

→ In Q2 we saw strong new sales, well distributed across different customer segments and geographies. Examples:

- Single largest order to date, 134 MSEK from a global leader in the defense industry. Delivery start Jan 2025.
- One of the new interesting customers is Munters, a Swedish company specializing in air treatment and climate solutions.
- HANZA is in discussions on new possible MIG™ projects, expected closure and launch in H2/2024.

Integration- and efficiency program completed ahead of schedule.

→ HANZA's largest acquisition to date, Orbit One, has now been integrated into the group. In parallel, the efficiency program has been completed, creating better profitability in steps, starting at the end of Q2. Full effect by the end of 2024.



Progress report Q2

Continued long-term strategic work

Strategy 2025.
→ Execution of a plan to expand and develop HANZA's manufacturing clusters.

Tailor-made factories bring new operational benefits.
→ In June, a new factory was inaugurated in Estonia and a factory is under construction in Sweden, expected ready by the end of 2024.

Consolidating customer volumes and technologies.
→ A specific part is to evaluate the possibility of merging two smaller units with larger manufacturing clusters. Union negotiations concluded in Sweden; similar negotiations ongoing in Finland.

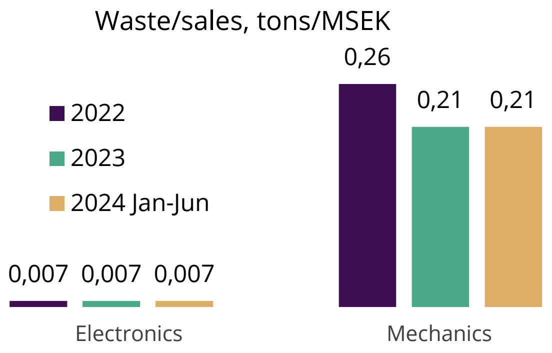
Top picture: HANZA's production facility in Tartu, Estonia.

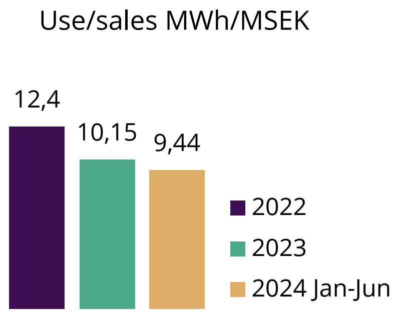
Bottom left: Opening ceremony of the sheet metal expansion. HANZA's management and the Estonian Minister of Economy Tiit Riisalo and the Mayor of Tartu Jarno Laur.

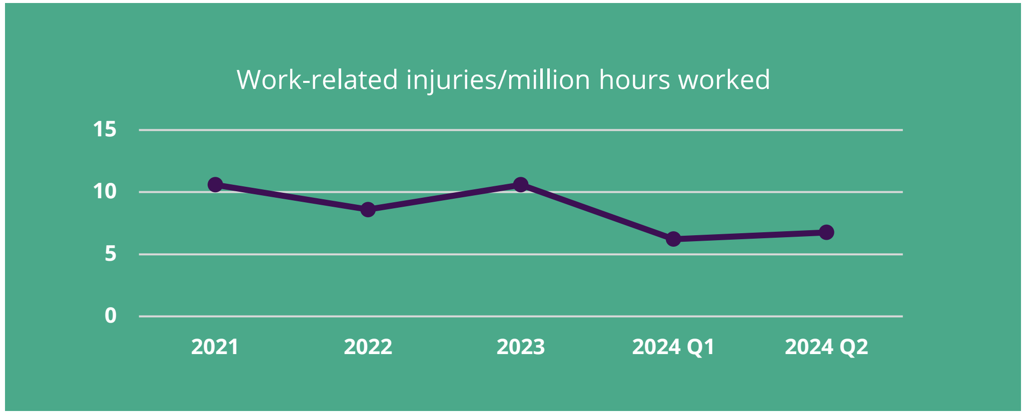
Bottom right: Tour of the facility with Estonian Prime Minister Kaja Kallas.

Sustainability main activities in Q2

- → Ongoing work connected with CSRD. Our dual materiality analysis and mapping of scope 3 emissions is almost complete, and the projection for emissions in 2023 has been presented. The results will now be analyzed and used as a basis for updated climate targets.
- → In June, our new intranet, HANZA Hub, was launched with the aim of including all our employees and developing communication within the group.
- → The new factory part with 3700 sqm in Estonia that we just opened includes smart ESG investments such as a solar park on the roof, an automated warehouse solutions and an automated transport system between the buildings.







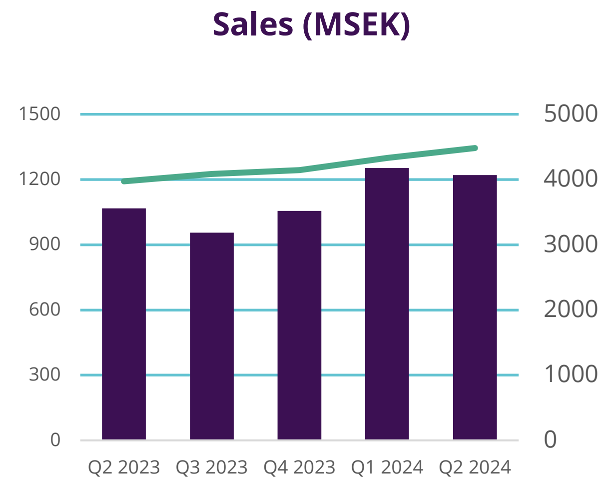
Q2 Financials

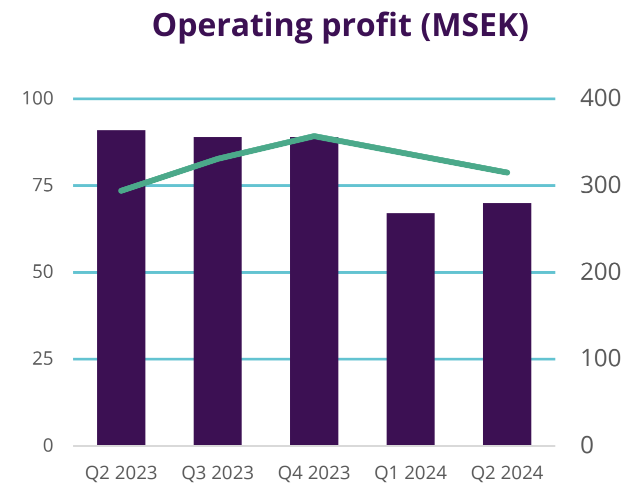
Sales

- Net sales grew by 14 % to 1,221 MSEK (1,068).
- Sales was flat from Q1-24, in line with previous estimates.
- Sales adjusted for acquisitions and currency was down 8% compared to Q2-23, due to macroeconomic factors. Strong comparative figures, as Q2-23 was a record high in sales.
- 12 months sales 4.5 bn SEK (4.1 bn in FY 2023).

Earnings

- Finalized efficiency- and integration program have a positive impact on earnings at the end of Q2. Full effect expected at the end of 2024.
- Excluding acquisitions, the comparable operating margin in Q2 amounted to 6.7%, up from 6.4% in Q1. Also Orbit One shows a clear margin increase at the end of Q2. The margin for the total group, excluding OTC, increased to 5.7% in Q2 from 5.3% in Q1.
- Consolidation of sites incurred a negative one-time cost of 20 MSEK. Including this OTC, EBITA amounted to 50 MSEK (92), corresponding to an operating margin of 4.1 % (8.6).
- Finance net amounted to -35 MSEK (-16), including a currency effect of -6 MSEK (4). In Q1 2024 the currency effect was +6 MSEK.
- Earnings per share amounts to SEK 0.16 (1.51). Currency and OTC effects the EPS with approximately SEK -0.50.





Sales and operating profit per quarter (bars, left scale), and accumulated 12 months (line, right scale).

Q2 Financials

Segment Main markets

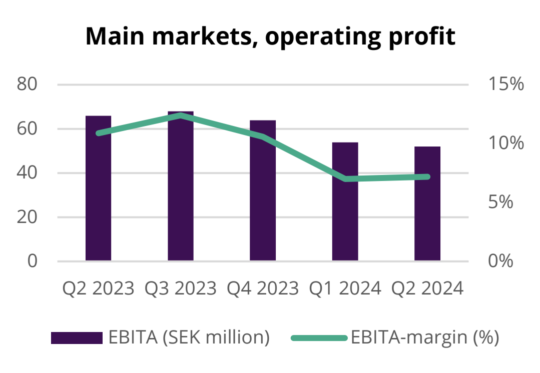
- Net sales up 20% to 723 MSEK (605)
  Sales down 9% adjusted for acquisitions and currency.
- Operating profit excluding OTC was 52 MSEK (67), corresponding to an operating margin of 7.2 % (11.1).
- Adjusted for OTC and acquisitions, the operating margin for comparable units were 8.2% (10.8).
- The margin, excl OTC, increased from 7.0 % Q1 2024.

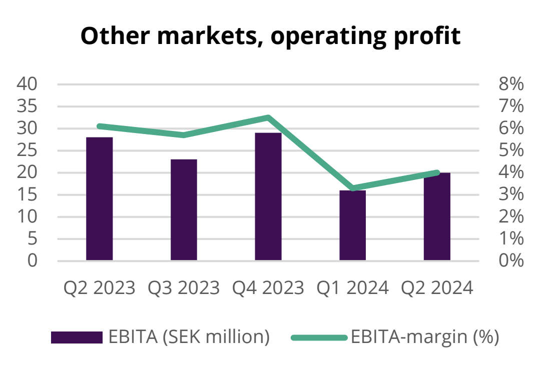
Segment Other markets

- Net sales up 8% to SEK 495 MSEK (458).
  Sales down 7% adjusted for acquisitions and currency.
- Operating profit excluding OTC amounted to 20 MSEK (28), corresponding to an operating margin of 4.0 % (6.1 %).
- Adjusted for OTC and acquisitions the operating margin for comparable units were 5.2 % (6.1).
- The margin, excl OTC, increased from 3.3 % Q1 2024.

= Main Markets

= Other Markets





Q2 Financials

Cashflow

- Strong cashflow from operations, 135 MSEK (86). Mainly due to a decrease of working capital.

Capex

- Amounted to 108 MSEK (92), of which 18 MSEK (49) related to buildings.

Net debt

- Interest bearing net debt increased to 978 MSEK (584), an increase from Q1 2024 of 48 MSEK mainly due to the dividend of 52 MSEK.
- Net deb / EBITDA R12 amounts to 2.4 times. Adjusted for items affecting comparability and Orbit One's EBITDA R12, the net debt/equity ratio amounts to 2.2 times.

Financial position

- Equity increased to 1,396 MSEK (1,048), corresponding to a net debt/Equity ratio of 0,7 (0,6) and Equity/Asset ration of 37% (38).
- A strong balance sheet gives possibilities for further acquisitions and MIG™ projects.

(MSEK)	Q2 2024	Q2 2023
Equity	1,396	1,048
Equity/Asset ratio	37%	38%
Cash-flow operations (3 m.)	135	86
Cash	187	131
Net debt	978	584
EBITDA (3 m.)	94	121

Short-term outlook.

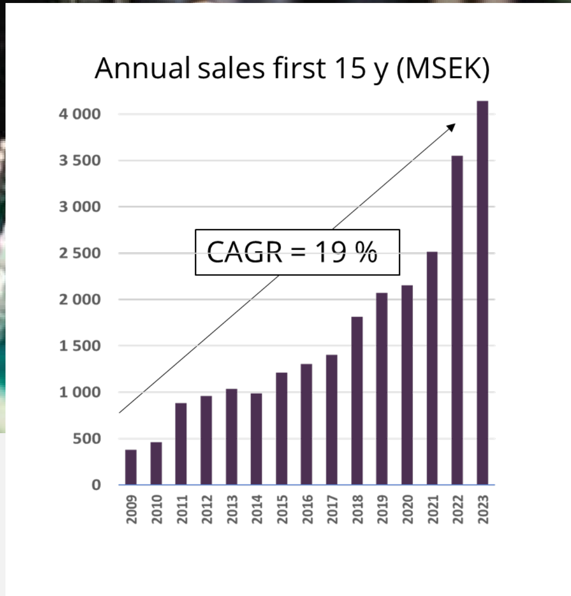
Positive sales development
Demand has stabilized. HANZA's assessment remains;
Economy, and thus demand, will strengthen towards the end of 2024.
In addition, the new sales will have a positive impact on revenue.

Positive earnings development
The large acquisition (Orbit One) has already been integrated and the efficiency program is starting to contribute from the end of Q2 with full effect in Q4. The strategy program "HANZA 2025" continues and contributes to the earnings outlook for 2025.

Further acquisitions possible
Orbit One has been successfully integrated in a very short time and supports HANZA 2025 in a good way. Many potential acquisition targets are available, but the selection will be done carefully.

Long-term outlook.
HANZA's growth journey

A structured expansion model



ANNUAL SALES (SEK)

ca. 1 bn.

ca. 2 bn.

ca. 3 bn.

ca. 5 bn.

"HANZA 2013"
2009-2013
Initial phase

"HANZA 2017"
2014-2017
Technology

"HANZA 2022"
2018-2022
Geography

"HANZA 2025"
2023-2025
Expansion

HANZA 202x
2026-202x
Geography

TBC

Q & A

ALL YOU NEED IS ONE™

www.hanza.com

Disclaimer

This presentation and the information contained herein are being presented by HANZA Holding AB (publ) (the “Company”). By attending a meeting where this presentation is presented, or by reading this presentation, you agree to be bound by the following limitations and notifications. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities and does not constitute any form of commitment or recommendation on the part of the Company. This presentation does not purport to be all-inclusive or to contain all the information that prospective investors may desire in analyzing and deciding whether or not to hold or transact in any of the Company’s securities. Furthermore, recipients of this presentation should not treat the contents of this presentation as advice relating to legal, taxation, financial or other matters and are advised to consult their own professional advisors concerning the acquisition, holding or disposal of any of the Company’s securities. Certain information contained in this presentation has been obtained from published sources prepared by other parties that the Company has deemed to be relevant.

Neither the Company nor any other person assumes any responsibility whatsoever and makes no representation or warranty, express or implied, for the contents of this presentation, including its accuracy, completeness or verification for any other statement made or purported to be made by any of them, or on their behalf. Nothing in this presentation is, or shall be relied upon as, a representation or promise made, whether as to the past, present or future. Accordingly, no responsibility is accepted by the Company, its subsidiaries or associates or any of their directors, officers, employees or agents, in respect thereof.

This presentation contains forward-looking statements that reflect the Company’s current views with respect to certain future events and potential financial performance. While the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will materialize. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors. To the extent that this presentation contains opinions, estimates, forecasts or other forward-looking statements, no guarantees or undertakings that these are correct or complete are given by the Company or any of its members, advisors, officers or employees or any other person. Forecasts and assumptions which are subject to economic and competitive uncertainty are outside such person’s control and no guarantee can be given that projected results will be achieved or that outcomes will correspond with forecasts.

Information in this presentation may be changed, added to or corrected without advance notification. The Company does not undertake any obligation to publicly update or revise any information contained herein. This presentation as well as any other information provided by or on behalf of the Company shall be governed by Swedish law. The courts of Sweden, with the District Court of Stockholm as the first instance, shall have exclusive jurisdiction to settle any conflict or dispute arising out of or in connection with this presentation or related matters.