



**HANZA**

# ACQUISITION OF LEDEN GROUP OY

**A synergy-driven deal that creates significant value**

Audiocast, Dec 12, 2024

Erik Stenfors, CEO  
Lars Åkerblom, CFO





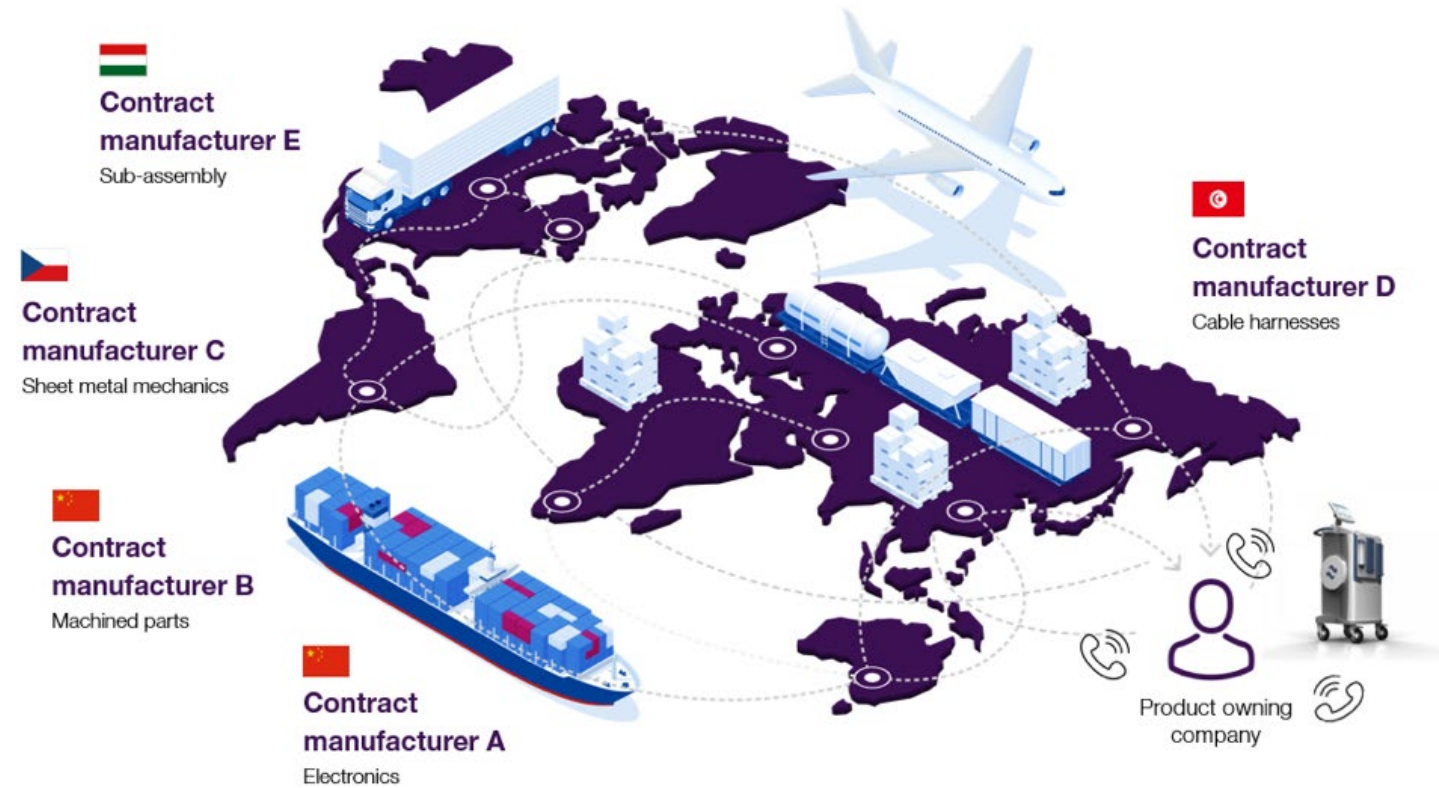
# ACQUISITION OF LEDEN

- **Strategy recap**
- **Leden and acquisition rational**
- **Transaction details**
- **Financial impact**
- **Outlook**
- **Q&A**



## Manufacturing chains are increasingly complex

As a result of specialization and globalization of contract manufacturing.





# MANUFACTURING MADE EASY



# MANUFACTURING MADE EASY



## ALL YOU NEED IS ONE™

### Manufacturing clusters

Industrial park offering both parts production and final assembly.



## MIG™

### Relocation of manufacturing

How to transform the supply chain. Analysis, advice and implementation.

MIG™ = Manufacturing Solutions for Increased Growth and Earnings



## HANZA TECH SOLUTIONS™

### Product development

Supporting our customers' R&D departments



# The Business model leads to a solid Customer base, which in turns leads to Solid growth

## Manufacturing Made Easy



### Manufacturing Clusters

Industrial park offering both parts production and final assembly.



### Advisory Services (MIG™)

How to transform the supply chain. Analysis, advice and implementation.



### Product Development

Supporting our customers' R&D departments.

## From HANZA's customer base

3M

SAAB  
Defence and Security

SIEMENS

KHS  
Filling and Packaging – Worldwide

oerlikon

SANDVIK

Logisnext  
MITSUBISHI LOGISNEXT EUROPE

GETINGE

JOHN DEERE

Epiroc

WINDMOELLER & HOELSCHER  
PASSION FOR INNOVATION

TOMRA

VÄDERSTAD

GE

Thermia

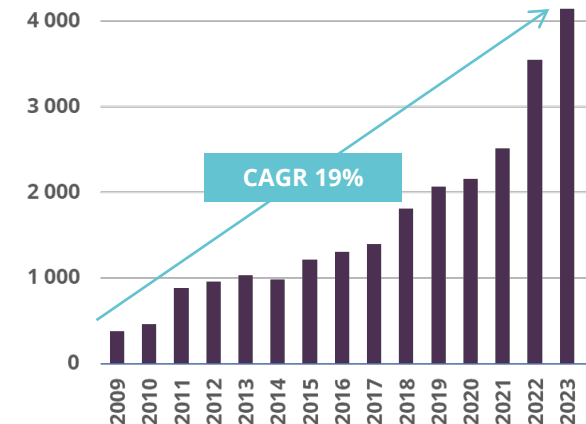
inmotion

DeLaval

ABB



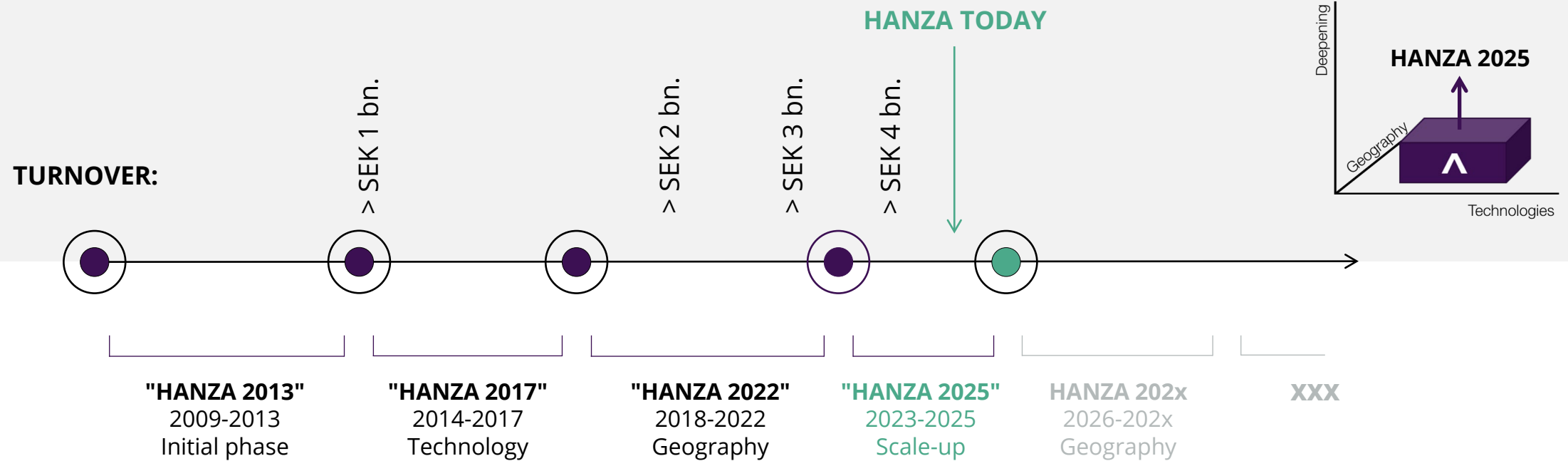
## Turnover the first 15 y (MSEK)





# Structured expansion

Growing in "three dimensions"



## Leden is a trusted leader in metal manufacturing

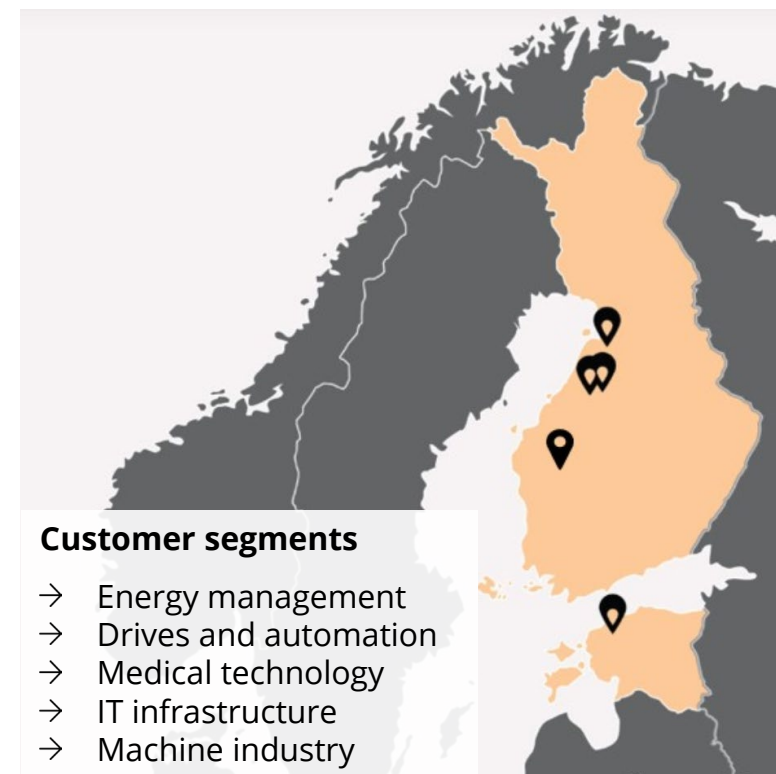
- Leden Group Oy is a Finnish contract manufacturer in sheet metal mechanics, machining and complex assembly. The business also includes the import, processing and sale of sheet metal and the manufacture of its own steel profiles.
- Annual sales approx. SEK 1,1 bn, operating margin ca 7 %.
- Four production plants in Finland; Oulainen, Sievi, Nivala, Seinäjoki and one in Estonia; Tallinn. Total of about 600 colleagues.
- The company has a strong market position with a diversified and solid customer base with a long order horizon. Customers are in industries such as energy management, medical technology, IT infrastructure and industrial automation.
- Each manufacturing unit is run independently, with support and cooperation from Group management and other functions.
- The units will be divided according to HANZA's cluster concept: Finnish units to Cluster Finland, Estonian unit to Cluster Baltics.



Newly opened state-of-the-art sheet metal factory in Oulainen.



Jukka Haapalainen,  
CEO





## Leden adds expertise and capacity in advanced mechanical manufacturing and strategically broadens the customer base

- Strengthens HANZA's market position in Finland, achieving critical mass for full utilization of HANZA's business model: Enhances operational resilience against volume fluctuations while maintaining margins.
- Increases competence and capacity in advanced mechanics manufacturing, positioning HANZA for larger, more complex contracts. Modern production facilities, including a state-of-the-art factory in Oulainen, boosts competitiveness and efficiency.
- Highly competent management and a corporate culture similar to HANZA's. Integration to occur swiftly and effectively, building on HANZA's proven acquisition track record.
- Broaden HANZA's customer base with entry into new future-oriented market segments. No customer overlap, providing opportunities for cross-selling and accelerated profitable growth.

### General acquisitions parameters

- ☒ Geography
- ☒ Technology
- ☒ Management / Culture
- ☒ Customer base
- ☒ Financials



# The transaction

- Acquisition of 100% the shares in Leden Group Oy.
- The purchase price is based on a multiple of 7 for the EBITA outcome 2025 on a cash and debt free basis. The purchase price consists of a combination of cash and new shares in HANZA, which gives the sellers the opportunity to participate in HANZA's future value development.
- At closing, a purchase price is paid consisting of:
  - A cash portion of EUR 21 million.
  - 2,300,000 issued shares in HANZA, valued at EUR 14 million, approximately SEK 70 per share. This corresponds to a dilution of ca. 5%.
- The purchase price may increase by a maximum of EUR 15 million, dependent on Leden's earnings development during 2025. The share portion may also increase by 300,000 shares, dependent on HANZA's share price development in 2025.
- All issued shares in HANZA are subject to lock-up clauses.
- The cash portion of the purchase price is fully financed through credit facilities and existing cash.
- The maximum purchase price corresponds to an EV/EBITA multiple of 7 or less on a cash and debt-free basis.





# Financial impact

## P&L

- HANZA Group pro forma sales 2024 is approx. SEK 6 bn.
- Leden operating margin is approx. 7%
- The acquisition is expected to increase earnings per share.

## Balance sheet

- Depending on the timing of the takeover, the net debt/EBITDA ratio may temporarily exceed HANZA's financial target of 2.5 times. However, the debt ratio is expected to return well below the target within 2025.
- Equity to Asset ratio will be well above the financial target of 30%.

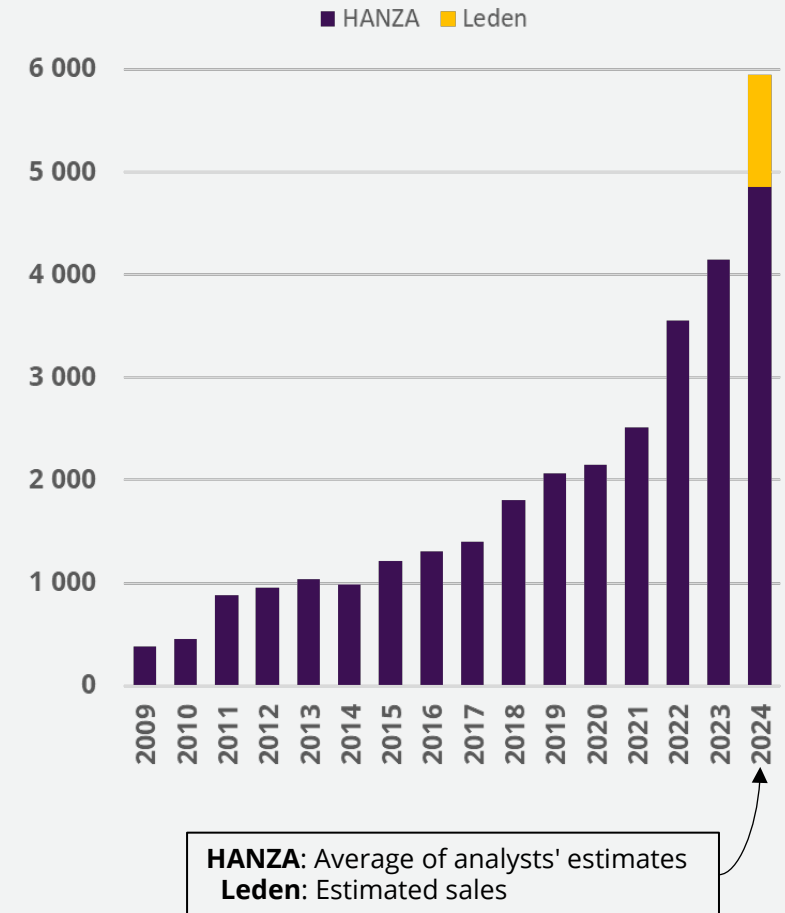
## Cash-flow

- The new group is expected to generate strong cash flows.

## Other

- The deal reduces needs for investments in 2025.
- Increasing the size of the Finland and Baltic cluster will have a positive impact on profitability and a higher resilience to sales fluctuations.
- After the integration period, Leden inside the HANZA cluster concept is expected to have a higher margin.

Sales development 2009-2024 (MSEK)





# Deal summary and Outlook

A perfect step on the journey towards HANZA 2025

## Key Take-Aways

- Acquisition fully aligns with HANZA's strategy, expanding presence in Finland and enhancing capacity in advanced mechanics manufacturing.
- Leden – a high-quality company with a strong track record, competent management, and a solid, complementary customer base.
- A value-creating acquisition at an attractive valuation EV/EBITA 7
- The integration will focus on unlocking sales synergies through cross-selling opportunities as well as cost synergies through HANZA's cluster concept.

## Outlook

- Closing is expected to take place in the first quarter of 2025, subject to customary regulatory approvals.
- This acquisition is an integral part of the operational strategy and HANZA reiterates the 2025 financial targets.

### Financial Targets 2025



- Sales: min. SEK 6.5 bn
- Operating margin: min. 8%
- Equity/Assets ratio: min. 30%
- Net debt/EBITDA: max. 2.5





# Q & A



## Disclaimer (I/II)

THIS PRESENTATION AND ITS CONTENTS ARE CONFIDENTIAL AND ARE NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY.

This presentation has been prepared and issued by and is the sole responsibility of HANZA AB (publ), reg. no 556748-8399 (the “Company”) and is being furnished to each recipient solely for its own information and in connection with the preliminary discussions in relation to the Company. For the purposes of this disclaimer, “presentation” means these slides, their contents or any part of them, any oral presentation, any question or answer session and any written or oral materials discussed or distributed during a presentation meeting.

This presentation may only be copied, passed on, reproduced or redistributed, directly or indirectly, in whole or in part, or disclosed by any recipient, to a person within the targeted organization with an apparent need for the information in order to evaluate the Company. It is expressly forbidden to disclose the information in this presentation to any other person.

This presentation reflects the situation/information as of the date hereof and has not been independently verified and no representation or warranty, express or implied, is given by or on behalf of the Company or their advisors. No reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation and no responsibility or liability is assumed for such information or opinions or for any errors, omissions or misstatements contained herein.

This presentation contains summary information only and does not purport to be comprehensive and is not intended to be (and should not be used as) the sole basis of any analysis or other evaluation. The information set out in this presentation may be subject to updates, revisions, verifications and amendments without notice and the information may thus change materially. The Company is under no obligation to update or keep current the information contained in this presentation or to provide the recipient with access to any additional information that may arise in connection with it, and any opinions expressed in this presentation are subject to change without notice. The Company will not have any liability whatsoever (in negligence or otherwise) for any loss whatsoever arising from any use of this presentation or otherwise arising in connection with this presentation.

This presentation does not constitute or form part of, and should not be construed as, any offer, invitation, solicitation or recommendation to purchase, sell or subscribe for any securities in any jurisdiction and neither the issue of the information nor anything contained herein shall form the basis of or be relied upon in connection with, or act as an inducement to enter into, any investment activity.





## Disclaimer (II/II)

To the extent available and unless otherwise explicitly stated, the industry and market data contained in this presentation has come from official or third party sources. Third party industry publications, studies and surveys generally state that the data contained therein has been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. While the Company believes that each of these publications, studies and surveys has been prepared by a reputable source, the Company has not independently verified the data contained therein. In addition, certain of the industry and market data contained in this presentation originates from the Company's own internal research and estimates based on the knowledge and experience of the Company's management in the market in which the Company operates. While the Company believes that such research and estimates are reasonable and reliable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Accordingly, undue reliance should not be placed on any of the industry or market data contained in this presentation.

Certain statements in this presentation may constitute forward-looking statements, beliefs or opinions, including statements with respect to the Company's business, financial condition and results of operations. These statements reflect the Company's beliefs and current expectations and involve risk and uncertainty because they relate to events and depend on circumstances that will occur or may change in the future are based on numerous assumptions regarding the Company's present and future business strategies and the environment the Company will operate in and are subject to risks and uncertainties that may cause actual results to differ materially. Forward-looking statements involve inherent known and unknown risks, uncertainties and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements of the Company to be materially different from those expressed or implied by such forward looking statements. Many of these risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of regulators and other factors such as the Company's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions. As a result, you are cautioned not to place undue reliance on such forward-looking statements. Past performance should not be taken as an indication or guarantee of future results, and no representation or warranty, express or implied, is made regarding future performance. Some of the information is still in draft form and will only be finalised, if legally verifiable, at a later date. Forward-looking statements speak only as of their date and the Company expressly disclaim any obligation or undertaking to supplement, amend, update or revise any of the forward-looking statements made herein, except where it would be required to do so under applicable law.





**ALL YOU NEED  
IS ONE™**

