

**HANZA**

# YEAR-END REPORT 2024

**Steady progress through an unsteady market**

Audiocast live from Töcksfors, Sweden  
February 11<sup>th</sup>, 2025

Erik Stenfors, CEO  
Lars Åkerblom, CFO



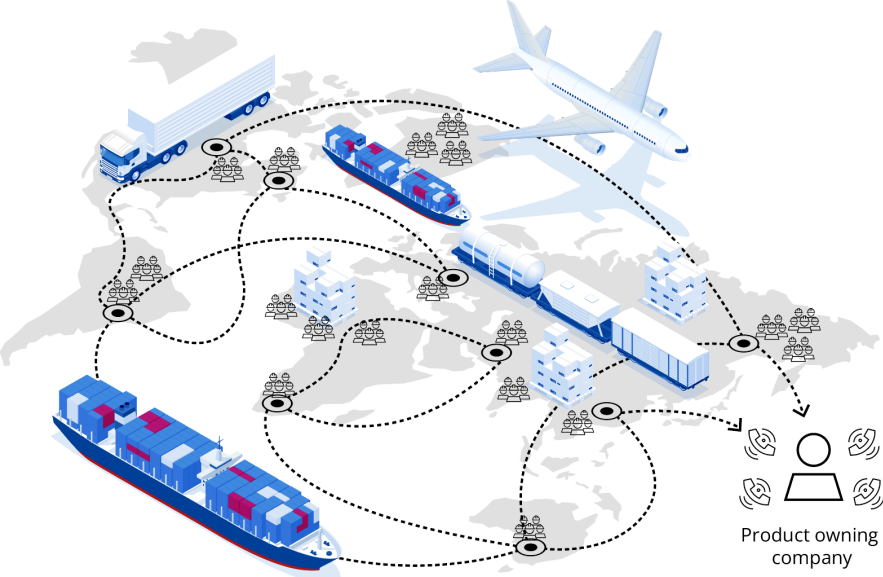
# AGENDA

- **Operational highlights**
- **Financial performance**
- **Conclusions and outlook**
- **Q&A**

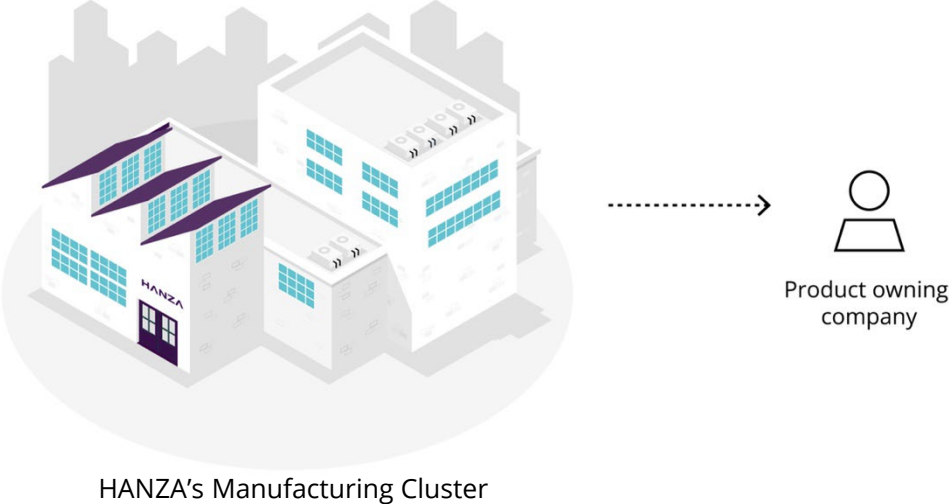


# MANUFACTURING MADE EASY

Traditional Supply Chain



Streamlined Supply Chain



MIG™ = Manufacturing solutions for Increased Growth & earnings  
Assistance in hands-on optimization of the customer's supply chain

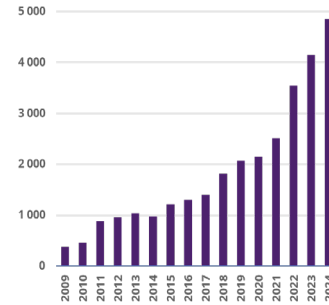




# MANUFACTURING MADE EASY

**HANZA expands and creates customer value – in economic upturns and downturns**

(Right: First 16 years' sales, MSEK)



- **Always in motion** – In close customer dialogues to identify needs and drive the right evolution.
- **Resilient demand** – By the constant need for supply chain optimization, spanning all economies.
- **Strategic expansions** – Growing clusters and acquiring companies to enhance customer value, not size.
- **Agile company structure** – Decentralized and modular to eliminate bottlenecks and accelerate growth.
- **Financial discipline** – Focus on cash flow to fuel continued progress



# Highlights H1 2024

- **Market:** A downturn/significant drop in volumes
- **Jan.** EGM approved a share issue to Färna Invest AB (owned by Gerald Engström). Brought 40 MSEK, which is a part of a funding decided in Dec-23 of 300 MSEK, aimed for further activities of the “HANZA 2025” strategy, such as acquisitions.
- **Jan.** Completed acquisition of Orbit One, a leading EMS-company with operations in Sweden and Poland.
- **Jan.** Decision to invest approx. 75 MSEK in an expansion of 8,800 sqm in cluster Sweden.
- **Feb.** The revised operational targets calls for an upward revision of the financial targets. Sales target raised to 6.5 bn SEK, operating margin is raised to apply to the full year 2025.



HANZA Electronics Ronneby (former Orbit One)

KPI	Previous target / policy	Updated target / policy	Change
<b>Growth</b>	Sales 5 bn SEK in 2025	Sales 6.5 bn SEK in 2025	Increased
<b>Profitability</b>	Operating margin at end of 2025: Minimum 8%	Operating margin 2025: Minimum 8%	Increased
<b>Capital structure</b>	Equity/Assets ratio: Minimum 30%	Equity/Assets ratio: Minimum 30%	Unchanged
<b>Debt ratio</b>	Net debt/EBITDA: Maximum 2.5 times	Net debt/EBITDA: Maximum 2.5 times	Unchanged
<b>Dividend</b>	30% of profit after tax, with consideration of the company's financial status.	30% of profit after tax, with consideration of the company's financial status.	Unchanged

HANZA's financial targets





Expansion in Tartu, Estonia

## Highlights H1 2024

- **Mar.** Program “ONYX” launched to meet new operational goals.
  - Q1: Efficiency and integration program
  - Q2: Customer volume and factory consolidations
  - Q3: A final program for the rest of the Group
- **Jun.** Inauguration of a new 3,700 sqm sheet metal factory in Estonia. Connection to HANZA's assembly hall by an automated transportation system, increasing efficiency and capacity.
- **Jun.** New customer Munters AB, a Swedish company specializing in air treatment and climate control. All-time-high order, 134 MSEK from a company in the defense industry.



# Highlights H2 2024

- **Market:** As expected, volumes stayed at the new low level
- **Aug.** MIG™ with new German customer; WISI GmbH. Creating an optimized supply chain, embracing components and manufacturing transfer from Germany to Cluster CE. Started in fall 2024, full volume approx. 10 EUR/annually.
- **Sep.** MIG™ with Canadian Mitel Corp. Manufacturing transfer from China to Europe. Estimated annual volume 60 MSEK, including manufacturing of complete products.
- **Nov.** Strengthening HANZA Leadership Team for the final phase of the HANZA 2025 and for the coming geographical expansion: Mattias Lindhe as Chief Strategy Officer (CSO) and Diana Thorin as Chief Human Resources Officer (CHRO) – both come from other senior positions in the Group.



Diana Thorin, CHRO



Mattias Lindhe, CSO





New state-of-the-art sheet metal factory in Oulainen.



Jukka Haapalainen  
CEO

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

General acquisitions parameters

**Production plants**

- Finland: Oulainen, Sievi, Nivala, Seinäjoki
- Estonia: Tallinn.
- Total of about 600 colleagues.

**Customer segments**

- Energy management
- Drives and automation
- Medical industry
- IT infrastructure
- Machine industry



# Highlights H2 2024

→ **Dec.** HANZA acquires Leden Group Oy, a leading Finnish contract manufacturer of advanced mechanics, with ~1.1 bn SEK in annual sales.

→ **Enhanced Presence**

Increased presence and scale, mainly in Finland, but also the Baltics, with increased competence and capacity in mechanics manufacturing

→ **Diversified Customer Base.**

Enters new market segments with no customer overlap, creating new cross-selling and growth opportunities.

→ **Seamless Integration expected.**

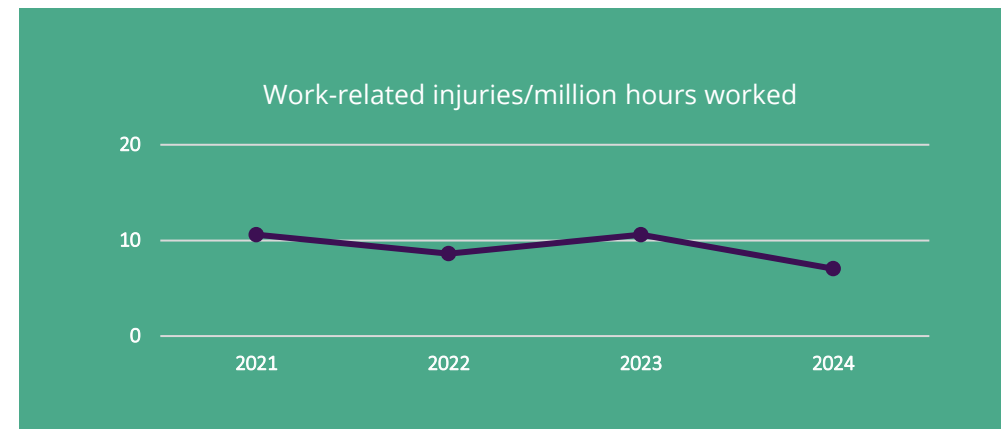
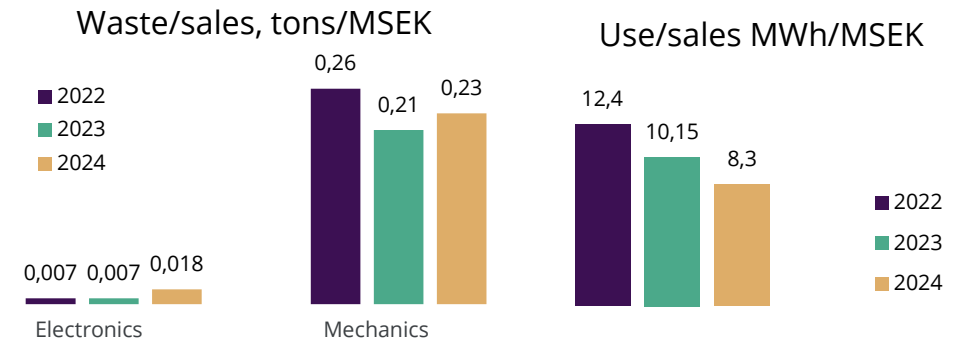
Strong cultural fit and experienced management enable smooth integration





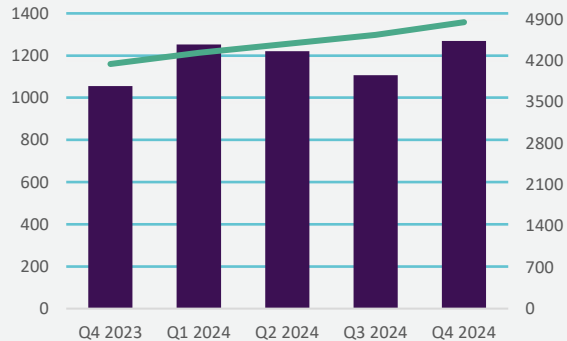
# Main sustainability activities in 2024

- Carried out a DMA (double materiality analysis). A view of all the impacts we have on the environment and people, and potentially on our own financial value. The analysis provided valuable insights, and highlighted areas that we will continue to work on.
- A complete GHG calculation for scope 1, 2 and 3 was carried out for all HANZA factories.
- In June, we launched our new intranet, HANZA Hub, which was created to include all our employees.
- During the year, we have invested in several new energy-efficient machines and our new sheet metal factory extension in Tartu, Estonia 3,700 sqm of production space includes smart ESG investments such as a solar park on the roof,
- In the fall of 2024, a leadership program for managers at executive and cluster level was initiated, with a focus on communicative leadership.

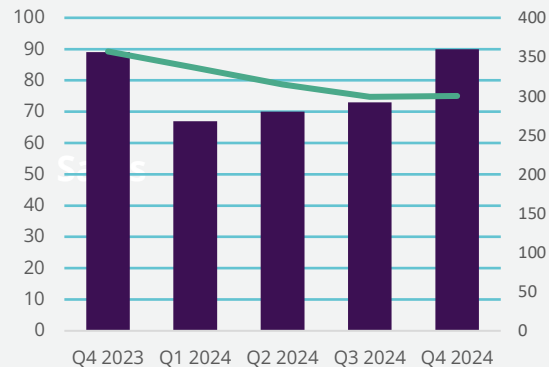


# Q4 Financials

Sales (MSEK)



Operating profit (MSEK)



## Sales and Earnings trend

Sales and operating profit (excl OTC) per quarter (bars, top scale) and rolling 12 months (line, bottom scale).

## Sales Q4 & 2024

- Net sales grew by 20% to 1,270 MSEK (1,056).
- Sales adjusted for acquisitions and currency was down 3% compared to Q4 -23.
- Net sales 2024 amounted to 4.9 bn SEK (4.1). An increase of 17%. Organic growth -5%

## Earnings Q4

- Excluding OTC, the operating margin amounted to 7.1% (8.4). The margin has seen a sequential increase in 2024; from 5.3% in Q1, 5.7% in Q2 and 6.7% in Q3.
- Adjusted for OTC and acquisitions, the operating margin for comparable units were 7.7% (8.4).
- Finance net amounted to -26 MSEK (-24).
- Earnings per share amounts to SEK 0.71 (1.15).

## Earnings 2024

- Excluding OTC, the operating margin amounted to 6.2% (8.6). Adjusted for OTC and acquisitions, the operating margin for comparable units were 7.0% (8.6).
- Earnings per share amounts to SEK 2.54 (5.31).



# Q4 Financials

## Segment Main markets

- Net sales up 24% to 745 MSEK (605)  
Sales down 4% adjusted for acquisitions and currency.
- Operating profit, excluding OTC, totaled 60 MSEK (63), corresponding to an operating margin of 8.1% (10.4) and for comparable units were 9.0%.
- Volume drop in Germany affects both sales and margin negatively.

## Segment Other markets

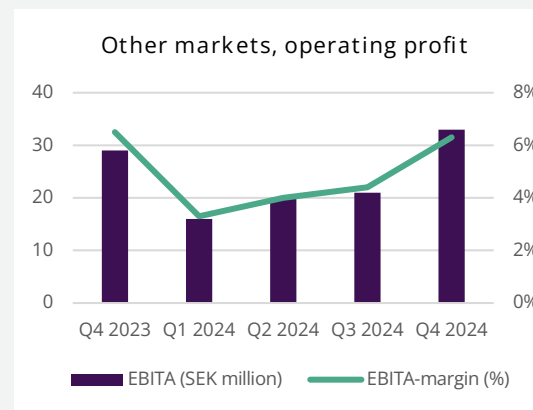
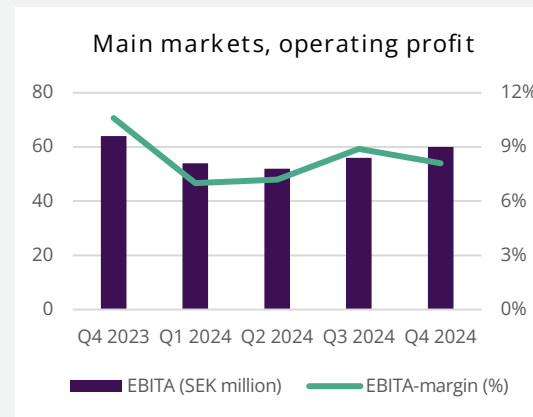
- Net sales up 17% to 520 MSEK (447).  
Sales down 1% adjusted for acquisitions and currency.
- Operating profit, excluding OTC, amounted to 33 MSEK (29), corresponding to an operating margin of 6.3 % (6.5 %) and for comparable units were 6.8 %.
- MIG projects contributes positively to sales and margin

## General

- The slightly decrease of the margin in Main markets in Q4 and opposite an increase in Other markets are related to normal calendar affects.



 = Main Markets  = Other Markets



# Q4 Financials

## Cashflow

→ All time high cashflow from operations, 289 MSEK (97).  
Mainly due to a decrease in working capital.

## Capex

→ Reduced in Q4 to 54 MSEK (68), of which 35 MSEK (33) is investments in buildings.

→ For 2024 reduced to 264 (306) of which 82 MSEK (107) is investments in buildings. Excluding buildings, capex 2024 corresponds to 3.8% (4.8)

→ The capex is expected to be on a lower level in 2025.

## Net debt

→ Interest bearing net debt amounts to 700 MSEK (363), a decrease in Q4 with 209 MSEK.

→ Net deb / EBITDA excluding non-recurring items amounts to 1.6 times, down from 2.1 in Q3.

## Financial position

→ Equity increased to 1,480 MSEK (1 345), corresponding to a net debt/Equity ratio of 0.5 (0,3) and Equity/Asset ratio of 41% (46).

→ The lower net debt / EBITDA ratio and a Equity/Asset ratio above 40% gives a strong position for the coming acquisition of Leden.

→ The B o D propose a dividend of 0.80 SEK (1.20)

(SEK million)	Q4 2024	Q4 2023	2024	2023
Equity	1,480	1 345	1,480	1 345
Equity/Asset ratio	41%	46%	41%	46%
Cash-flow operations	289	97	569	277
Cash	276	340	276	340
Net debt	700	363	700	363
EBITDA (3 m.)	121	108	442	464





### Ownership structure as of 31.12.2024 %

Färna Invest AB	22.86
Clearstream Bankings S.A	9.09
Francesco Franzé	5.48
Håkan Halén	5.40
Första AP-fonden	4.67
ODIN Fonder	4.23
Nordnet Pensionsförsäkring AB	3.66
Tredje AP-fonden	2.76
Inbox Capital AB	2.49
BNP Paribas SA Luxembourg, W8IMY	2.11
10 largest shareholders	62.74

### Some shareholding updates

- The First and Third AP Funds continues to increase their ownership and now together holds 7,4%
- CEO Erik Stenfors has increased the ownership in 2024 and now holds 630,000 shares, corresponding to 1.44%



# Leden acquisition - 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

- Due to the reduced net debt in Q4, the net debt/EBITDA ratio is expected to be within the financial target of 2.5 times. Previously it was indicated that it might temporarily exceed HANZA's 2.5 times.
- Equity to Asset ratio will be well above the financial target of 30%.

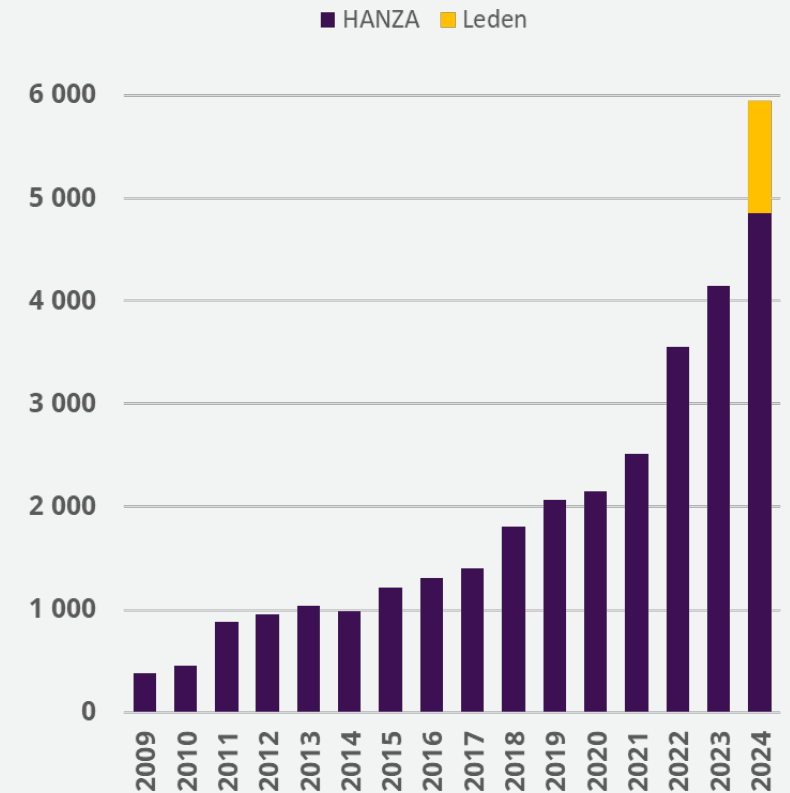
## Cash-flow

- 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)



# Conclusions and Outlook

## Market Analysis

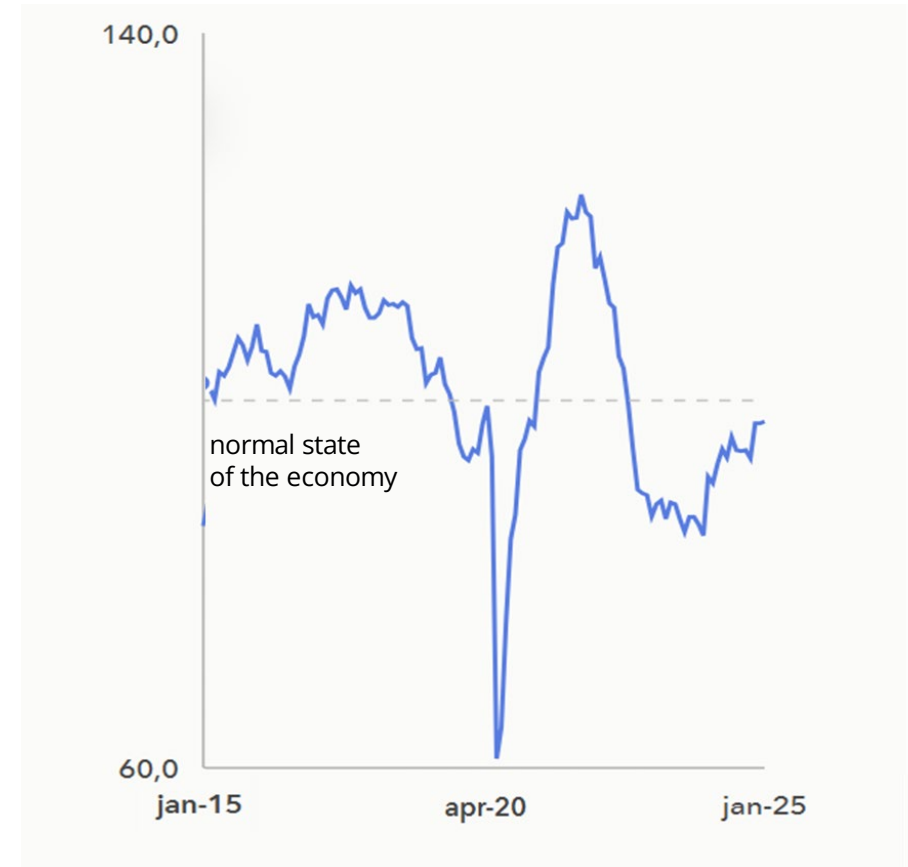
- A sensational deceleration at covid in 2020
- A sensational rebound – hunting for components and “overbuying”
- Another dramatic decline, from a high level.
- After these fluctuations, market is starting to return to normal

## Conclusions

The early 2020s were exceptional, we are now slowly moving back to normal, i.e. pre covid, with significantly lower volumes than at the peak.

Even with the economic upturn, volumes are unlikely to increase significantly, organic growth will have to be generated by new sales.

National Institute of Economic Research's Economic Tendency Survey

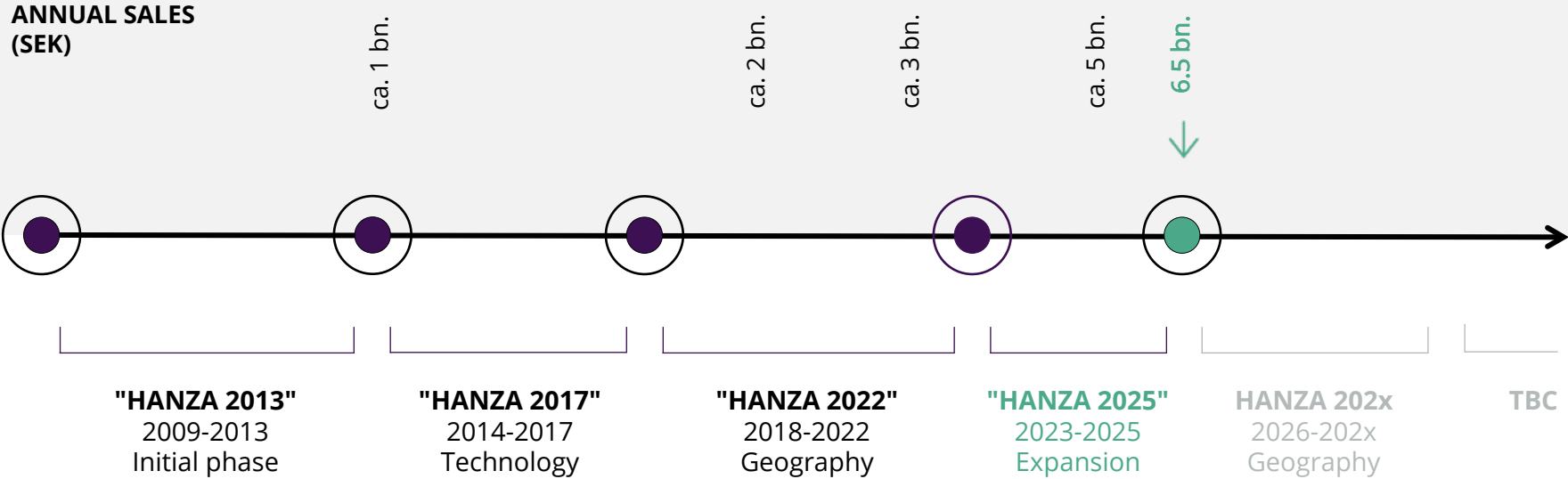


Source: National Institute of Economic Research via Macrobond

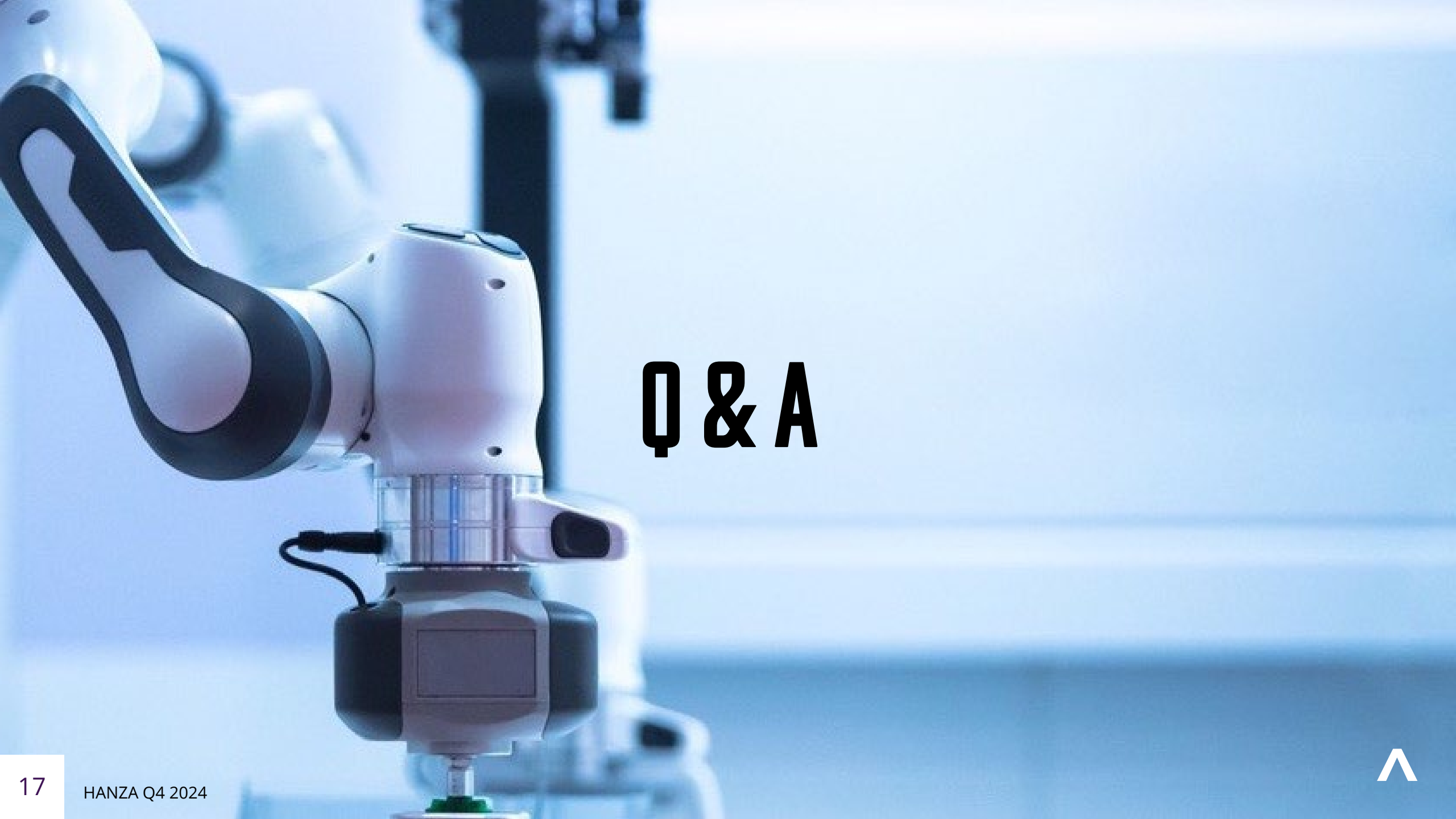


# Conclusions and Outlook

**A long-term view and a structured growth model.**  
Expanding in defined steps, with clear milestones







# Q & A



# ALL YOU NEED IS ONE™

[www.hanza.com](http://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.

