

HANZA acquires BMK in Germany - becomes Europe's largest listed contract manufacturer

HANZA AB has today signed an agreement to acquire the German contract manufacturer BMK Group GmbH ("BMK"), with approximately 1,500 employees and estimated sales of approximately SEK 3.3 billion for 2025. The deal concludes HANZA's strategic plan HANZA 2025 and establishes Europe's largest publicly listed contract manufacturer.

The deal in brief

- The deal is done through a share exchange based on a relative valuation, where BMK is valued at 27% of the merged company.
- The acquisition marks the completion of HANZA's strategy "HANZA 2025", launched in 2022, aimed at creating five balanced manufacturing clusters in Europe. The acquisition also means that HANZA becomes Europe's largest listed contract manufacturer.
- The transaction requires approval at an extraordinary general meeting, scheduled for November 2025, when the board intends to request authorization for a directed new issue of approximately 17 million shares to the sellers of BMK.
- The transaction is also subject to customary regulatory approvals, which are expected to be obtained before the end of the year.
- In connection with completion, HANZA will present a strategy for the coming years, "HANZA 2028", with updated operational and financial targets.

"Step by step, we have built our model for efficient and regional contract manufacturing in Europe. At a time when industry - not least the defense sector - needs shorter lead times and reliable deliveries, speed and proximity are crucial. With BMK, we combine Europe's most advanced electronics manufacturing with HANZA's model for complete and regional manufacturing. The result is a stronger competitive edge for our customers" says Erik Stenfors, CEO, HANZA.

"We fully share HANZA's view on how the future of contract manufacturing should develop, and see how we create value by combining our electronics expertise with HANZA's cluster model. Together, we can grow faster, and develop a significant presence in Europe's largest market, Germany. For our employees, the deal creates both increased security and new opportunities in a larger context" says Dieter Müller, BMK partner.

Description of BMK

- Founded in 1994 by three entrepreneurs who are now selling their shares to HANZA.
- A leading European provider of electronics manufacturing and complex assembly, with the capacity to handle both small series and high-volume production under very strict quality requirements – with a margin of error of only five PPM (defective parts per million units).
- Based in Augsburg, Germany, with approximately 1,200 employees, a subsidiary in the Czech Republic, a strategic sourcing unit in China, and a partnership in a company in Israel. A total of approximately 1,500 employees.

- BMK has built up a very well-balanced customer base with leading companies from various industries, primarily in Germany. No customer alone reaches 10% of annual sales.
- BMK is estimated to have a turnover of approx. SEK 3.3 billion during 2025, with an operating margin (EBIT) of approx. 7.3%.

Background and industrial logic

HANZA has achieved an industry-leading position by offering customers a simplified manufacturing chain based on a manufacturing concept that combines mechanics, electronics, and assembly in manufacturing clusters.

The strategy "HANZA 2025" was aimed at expanding and creating five well-balanced manufacturing clusters in Sweden, Finland, the Baltics, Central Europe, and Germany, both by opening new factories and through acquisitions. The acquisition of BMK concludes this strategy and brings expertise, capacity, and leadership that strengthens HANZA both operationally and strategically.

Furthermore, new capacity is created for the ongoing program LYNX, which is aimed at the defense industry. The integration of BMK is expected to lead to an improved operating margin, driven by cluster structure and previous experience of acquisitions.

The next strategic period, HANZA 2028, is intended to be presented at a capital markets day shortly after the transaction is completed and will include new operational and financial targets.

The transaction – structure and valuation

The transaction is carried out as a share exchange based on a relative valuation of the companies. BMK has a turnover corresponding to approximately half of HANZA's, with comparable profitability and debt. However, the company is unlisted and has a narrower focus as a contract manufacturer of electronics (EMS company). The parties have therefore agreed that a reasonable valuation corresponds to a 27% stake in the merged company.

The purchase price for 100 percent of the shares in BMK therefore consists of approximately 17 million of newly issued shares in HANZA AB. These shares will be distributed equally among the three sellers.

Upon completion, BMK's net debt may not exceed 50 MEUR, which gives a debt ratio in line with HANZA's and means that the group combined is below the target level of 2.5x net debt/EBITDA.

The transaction is conditional upon an extraordinary general meeting approving an authorization for the board to decide on the issue of approximately 17 million shares to the sellers. The meeting is planned for November 2025. The transaction also includes other customary conditions, such as regulatory approvals, which are expected to be obtained before the end of the calendar year. The transaction is therefore expected to be completed at the turn of the year.

The shareholders Färna Invest AB (principal owner of HANZA), Francesco Franzé (chairman of the board of HANZA) and Erik Stenfors (CEO of HANZA), who together represent approximately 28 percent of the capital and votes in HANZA, have undertaken to vote in favor of the authorization, and thus the transaction, at the meeting.

Lock-up terms: Of the approximately 17 million shares that BMK's current owners will receive, 2.55 million shares (850,000 per seller) are not subject to lock-up. The remaining 14.45 million shares are subject to lock-up restrictions for up to three years from the date of acquisition, with customary exceptions. The number of shares subject to lock-up is gradually reduced after 12 and 24 months from the date of acquisition. Shares subject to the lock-up may not be sold without HANZA's written consent. Any sales of shares shall be made as block transactions to ensure an orderly market.

Financial information and revised financial targets

Sales

- HANZAs existing customers have raised their forecasts for the end of 2025, as previously communicated. The company is therefore expected to see good organic growth from Q4 2025 onwards.
- HANZA is estimated to, including organic growth and previous acquisitions, reach pro forma sales of approximately SEK 6.7 billion for the financial year 2025.
- BMK is expected to generate sales of approximately SEK 3.3 billion for the full year 2025.

Pro forma, the combined entity's sales, i.e. including BMK, are estimated to amount to approximately SEK 10 billion in 2025.

Operating margin

- The company Leden, which was acquired in March 2025, has, in line with previous communications, faced capacity challenges as a result of rapidly growing demand during the spring, which is temporarily having a negative impact on the operating margin. For Q2 /25, the operating margin was approximately 3%, and the margin is expected to remain at a similar level for the remainder of 2025. The capacity project that began in Q2/25 is expected to be completed by the end of 2025/2026, at which point Leden is expected to reach the Group's margin target of 8%. As a consequence of the temporarily lower operating margin, HANZA intends to release an additional purchase price of approximately EUR 5 million during the third quarter of 2025, which will be reported as a one-time income.
- Excluding Leden, HANZA is estimated to reach an adjusted operating margin of 8% for the full year 2025
- BMK is expected to achieve an operating margin of approximately 7.3% for the 2025 financial year, as described above.

HANZA's estimates above regarding sales and operating margin are based on the following main assumptions:

- that demand continues to develop in line with customer forecasts;
- that no unforeseen major disruptions to manufacturing capacity occur;

- that no major unforeseen changes in underlying market and macroeconomic conditions occur that affect demand and/or costs;
- that no significant negative exchange rate fluctuations occur; and
- that no regulatory or political factors change in a way that significantly impedes HANZA's ability to conduct its business.

Advisors

Pareto Securities AB acted as financial advisor and Advokatfirman Lindahl acted as legal advisor in connection with the transaction.

Online presentation of the transaction

HANZA will host an online presentation of the acquisition at 08:00 CEST tomorrow, October 16. If you wish to participate via webcast, please use the link below.

<https://live.events.inderes.com/press-conference-october-2025>

If you wish to participate via teleconference, please register on the link below. After registration you will be provided phone numbers and a conference ID to access the conference. You can ask questions verbally via the teleconference.

<https://events.inderes.com/live/press-conference-october-2025/dial-in>

Important information

This press release may contain certain forward-looking statements that reflect HANZA's current views on future events and financial and operational developments. Words such as "intends," "believes," "expects," "may," "plans," "estimates," and other expressions that imply indications or predictions regarding future developments or trends, and that are not based on historical facts, constitute forward-looking information. Forward-looking information is by its nature subject to both known and unknown risks and uncertainties, as it is dependent on future events and circumstances. Forward-looking information does not constitute a guarantee of future results or performance, and actual results may differ materially from those expressed in forward-looking information.

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About Us

HANZA offers contract manufacturing through regional manufacturing clusters - geographically concentrated production units with various manufacturing technologies. By combining multiple technologies such as mechanics, electronics, cable harnesses, and final assembly, complexity and costs are reduced while quality and delivery reliability are improved. The Group has approximately 3,500 employees and annual revenues of around SEK 6.5 billion. HANZA is listed on Nasdaq Stockholm and operates in 8 countries.

For more information please visit: www.hanza.com

This information is information that HANZA is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2025-10-15 17:35 CEST.

Image Attachments

[HANZA & BMK](#)