

HANZA initiates action program due to covid-19

HANZA Holding AB (publ) takes actions to face uncertain demand within some customer segments. The actions involve initiating trade union negotiations regarding moving the company's electronics production in Åtvidaberg and consolidate it with HANZA's electronics factory in Årjäng. Additionally, employees in Estonia are given notice due to technologies being relocated and merged.

Demand from some customer segments has decreased as an effect of the coronavirus and HANZA has therefore decided to initiate an action program which will affect up to 90 people out of the Group's total of approximately 1,800 employees.

HANZA has two electronics factories in its manufacturing cluster in Sweden, a smaller unit in Åtvidaberg and a larger unit in Årjäng. As covid-19 has decreased and delayed some volumes and demand is expected to be lower going forward, the company today initiates union negotiations to relocate the company's operations in Åtvidaberg to Årjäng. The negotiations concern approx. 30 employees.

In HANZA's manufacturing cluster in Estonia the company has a total of four factories. Here too, demand from certain customer groups have been negatively affected by covid-19 and is expected to remain low going forward. HANZA therefore streamlines the technologies sheet metal mechanics, heavy mechanics and machining to specific production plants and as a consequence gives notice of redundancy affecting approximately 60 employees.

The action program may result in the sale of some redundant machinery. Stock provisions and adjustments of asset values may be needed. Expenses for redundancies and adjusted values in the balance sheet are estimated to amount to a maximum of SEK 25 million. The majority of these costs do not affect cash flow.

"This is an extremely unfortunate development that we have not been able to influence", says Erik Stenfors, CEO, HANZA. "The order volume from some segments is lower than previous forecasts and future developments are uncertain, which is why we must take action. We do, however, have a good financial position and good local management that will implement the necessary measures in the best possible way."

For further information please contact:

Erik Stenfors, CEO, Tel.no: +46 709 50 80 70, email: erik.stenfors@hanza.com

Lars Åkerblom, CFO, Tel.no: +46-707 94 98 78, email: lars.akerblom@hanza.com