

HANZA interim report 1 January – 30 September 2019: HANZA Group expands through acquisition in Germany

Please note that this English translation is for information purposes only. In case of any discrepancies between this version and the Swedish version of the interim report, the Swedish version shall prevail.

Manufacturing strategist HANZA Holding AB (publ), listed on Nasdaq Stockholm Small Cap, presents its interim report for the period 1 January to 30 September 2019. HANZA has recently completed a strategic acquisition of a German manufacturing group and continues towards the target of being a leading European manufacturing partner by 2022. HANZA has a positive view on the future, profitability is expected to increase, and the company sees good opportunities for new market shares.

THIRD QUARTER (1 July – 30 September 2019)

- Net sales amounted to SEK 515.5 million (431.2).
- EBITA amounted to SEK 17.4 million (19.1). The result was negatively affected by direct costs of approx. SEK 6.7 million (2.5) attributable to acquisitions, integration and reversals of surplus values in the balance sheet at the acquisition of RITTER. Adjusted for these non-recurring items, EBITA amounts to SEK 24.1 million (21.6). EBIT was SEK 14.3 million (17.1).
- Profit after tax amounted to SEK 0.9 million (10.7), which corresponds to SEK 0.03 per share (0.37).
- Cash flow from operating activities amounted to SEK 29.1 million (14.1).

FIRST NINE MONTHS (1 January – 30 September 2019)

- Net sales amounted to SEK 1,519.8 million (1,377.8).
- EBITA amounted to SEK 56.2 million (62.4). The result was negatively affected by direct costs of approx. SEK 13.4 million (3.3) attributable to costs for listing on the Nasdaq Stockholm's main market, acquisitions, integration and reversals of surplus values in the balance sheet at the acquisition of RITTER. Adjusted for these non-recurring items, EBITA amounts to SEK 69.6 million (65.7). EBIT was SEK 48.7 million (57.2).
- Profit after tax amounted to SEK 18.1 million (30.5), which corresponds to SEK 0.58 per share (01.11).
- Cash flow from operating activities amounted to SEK 113.1 million (73.7).

CEO Erik Stenfors comments on the report

"During the quarter, we took an important and exciting step in the Group's development as we established HANZA in the German market through the acquisition of RITTER. This gives us access to a whole new customer market that fits HANZA's manufacturing concept."

"The acquisition of RITTER is part of our "Strategy 2022" which is our business plan for the period 2018-2022. Several important parts of this strategy have already been implemented during the year; in addition to RITTER, the acquisition of Toolfac in January and the listing on NASDAQ's main market in March. HANZA is continuing its rapid development towards the target of being a leading European manufacturing partner within a few years."

"The Nordic segment continues to show an industry-leading operating margin of 8.1% while the Rest of the World segment has a continued low operating margin, 2.4%, as a consequence of ongoing efficiency improvement programs. Since the major projects in Strategy 2022 are already in their final phase, profitability for the HANZA Group is expected to increase by the beginning of 2020."

"The need for a new strategy for the manufacturing industry is growing and it is further accelerated by the increasing environmental awareness of many product companies. HANZA has during a short period of time, established a new global manufacturing solution that meets this demand. Thus, there is great potential, especially in view of our launch in Germany."

For further information please contact:

Erik Stenfors, CEO, Tel: +46 70 950 80 70, email: erik.stenfors@hanza.com
Lars Åkerblom, CFO, Tel: +46 70 794 98 78, email: lars.akerblom@hanza.com

About HANZA:

HANZA modernises and streamlines the manufacturing industry. By gathering different manufacturing technologies locally, we create shorter lead times, more environmentally friendly processes and increased profitability for our customers. HANZA was founded in 2008

and today has an annual revenue of SEK 2.3 billion with operations in Sweden, Finland, Germany, Estonia, Poland, Czech Republic and China. Among HANZA's customers are leading companies such as ABB, Epiroc, GE, Getinge, Oerlikon, SAAB Defence and Siemens.

Read more on www.hanza.com

The shares in HANZA are listed on Nasdaq Stockholm.