

HANZA year-end report: A strong base for the future

Manufacturing strategist HANZA Holding AB (publ), listed on NASDAQ Stockholm, today presents its year-end report for 2019. In the previous year, HANZA carried out extensive development of the Group, including two acquisitions and listing on NASDAQ's main list. HANZA sees good opportunities to continue to gain new market shares through the company's manufacturing concept, the German market and from the recently gained expertise in product development.

FOURTH QUARTER (1 October – 31 December 2019)

- Net sales amounted to SEK 547.9 million (432.8)
- Operating profit before amortizations of intangible fixed assets (EBITA) amounted to SEK 11.7 million (-1.1). The profit is impacted by direct costs of approx. SEK -4.8 million (-14.0) attributable to the closing of a unit in China, acquisitions, integration and reversal of surplus values in the balance sheet at the RITTER acquisition. Adjusted for these non-recurring items, EBITA amounted to SEK 16.5 million (12.9). EBIT amounted to SEK 8.1 million (-3.1).
- Profit after tax amounted to SEK 5.5 million (-9.7), which corresponds to SEK 0.16 per share (-0.33).
- Cash flow from operating activities amounted to SEK 8.9 million (39.8).

FULL YEAR (1 January – 31 December 2019)

- Net sales amounted to SEK 2,067.7 million (1,810.6).
- Operating profit before amortizations of intangible fixed assets (EBITA) amounted to SEK 67.9 million (61.3). Profit is impacted by direct costs of SEK 18.2 million (17.3) attributable to listing on NASDAQ's main list, the closing of a unit in China, acquisitions, integration and reversal of surplus values in the balance sheet at the RITTER acquisition. Adjusted for these non-recurring items, EBITA amounted to SEK 86.1 million (78.6). EBIT amounted to SEK 56.8 million (54.1).
- Profit after tax amounted to SEK 23.6 million (20.8), which corresponds to SEK 0.73 per share (0.74).
- Cash flow from operating activities amounted to SEK 122.0 million (113.5).

CEO Erik Stenfors comments on the report

"Launching HANZA's business model in Germany is important, as the German manufacturing industry is mainly focused on large volumes divided between traditional contract manufacturers. Our concept with complete manufacturing in medium sized volumes is less exposed to competition, and our initial market response has been good."

"In 2019, HANZA reached sales exceeding SEK 2 billion for the first time, which in itself is a milestone. But of course, profitability is of higher importance, where higher customer value yields higher margins than in traditional contract manufacturing. However, in 2019, a number of development projects were ongoing, which can make it difficult to keep track of the profitability of the underlying business. Therefore, in September last year, we conducted, a financial assessment of profit after non-recurring costs for the second half on 2019. We note that the outcome in this report is in line with our guidance."

"We announced the activities completed in 2019 in previous interim reports. In the same way, we now announce that our focus in 2020 will be on organic growth. This means that we will work on new customer contracts, streamline our operations and last, but not least, develop our organization following our most recent acquisitions."

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The information in this press release is such that HANZA must disclose it in accordance with the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 08.45 am (CET), February 18, 2020.

Important information This press release may contain certain forward-looking statements that reflect HANZA's current views of future events and financial and operational performance. Words such as "intends", "anticipates", "expects", "may", "plan", "anticipate" or similar expressions regarding indications or predictions of future developments or trends, and are not based on historical facts, constitute forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties because it is dependent on future events and circumstances. Forward-looking statements are not guarantees regarding future results or developments and actual results may differ materially from those set forth in forward-looking information.

About HANZA:

HANZA modernizes and streamlines the manufacturing industry. By gathering different manufacturing technologies locally, the company offers shorter lead times, more environmentally friendly processes and increased profitability to product owning

companies. HANZA was founded in 2008, and in 2019 reached sales exceeding SEK 2 billion. HANZA has production facilities in seven countries; Sweden, Finland, Germany, Estonia, Poland, Czech Republic and China. Among HANZA's customers are leading companies such as ABB, Epiroc, Getinge, Oerlikon, Saab and Siemens. For more information visit www.hanza.com

The shares in HANZA are listed on Nasdaq Stockholm.