

# HANZA interim report January - March 2020: Organizational development and a challenging end to the period

Manufacturing strategist HANZA Holding AB (publ), listed on NASDAQ Stockholm, today publishes its interim report for the first quarter, 2020. The company describes how the covid-19 outbreak has negatively affected operations in the period and further expects that both the economy and the demand will continue to weaken during 2020. Hence, in April HANZA initiated an action program which among other things include redundancies in Sweden and Estonia for approximately 90 people. At the same time HANZA notes that the pandemic creates an increased need for revised supply chains which is in line with HANZA's offer of complete and regional manufacturing close to the customer.

## FIRST QUARTER (1 January – 31 March 2020)

- Net sales amounted to SEK 599.1 million (497.7)
- Operating profit before amortizations of intangible fixed assets (EBITA) amounted to SEK 20.4 million (19.5). EBIT amounted to SEK 16.8 million (17.3).
- Profit after tax amounted to SEK 6.4 million (9.1), which corresponds to SEK 0.19 per share (0.30).
- Cash flow from operating activities amounted to SEK 67.6 million (36.6).

## CEO Erik Stenfors comments on the report

*"During the quarter, covid-19 has negatively impacted HANZA in waves. First through the closure of our factory in China and some component shortages in Europe. Then, by the extensive spread of infection in the rest of the world, which resulted in a rapid slowdown of the economy and reduced demand in certain customer segments."*

*"We expect there will be further volume reductions in quarter two. Hence, we launched an action program in April, aimed at reducing our fixed costs without having to limit our unique offering with complete manufacturing. Among other things, we are streamlining HANZA's production facilities to embrace only specific technologies within the respective production clusters, which regrettably results in redundancies in Sweden and Estonia of approx. 90 people."*

*"One effect of the pandemic is that weaknesses and risks in global supply chains have become apparent, and thereby increased the need to streamline the manufacturing industry. That is, an increased need that is in line with HANZA's offering of complete regional manufacturing close to the customer. Therefore, the pandemic creates new opportunities for HANZA in the long term."*

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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), April 27, 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 is a knowledge-based global manufacturer that modernizes and streamlines the manufacturing industry. Through supply-chain advisory services and our own factories grouped into regional manufacturing clusters, we offer secure deliveries, increased profitability and sustainable manufacturing solutions for our customers.

HANZA was founded in 2008 and in 2019 had sales exceeding SEK 2 billion. The company has production units in seven countries; Sweden, Finland, Germany, Estonia, Poland, the Czech Republic and China. Among our clients are leading product companies such as ABB, Epiroc, GE, Getinge, Oerlikon, Saab and Siemens.

HANZA is listed on Nasdaq Stockholm's main list (ticker: HANZA).

For more information please go to: [www.hanza.com](http://www.hanza.com)