



# HANZA: Interim report January-June 2018 and revised financial targets

The manufacturing strategist HANZA, listed on the Nasdaq First North Stockholm, is today presenting an interim report, with a sales exceeding half a billion SEK in a single quarter for the first time, while the profitability continues to improve. The Board has also established a strategy for the forthcoming expansion phase, according to which HANZA's financial targets and dividend policy will be revised.

HANZA Holding AB (publ) continues along its profitable growth trajectory. In the second quarter, the company reported an operating profit of SEK 21.7 million, a significant increase compared to the corresponding period last year (14.0). Cash flow is also strong, and the second quarter also saw a significant debt reduction in the amount of SEK 36 million.

## SECOND QUARTER (1 April – 30 June 2018)

- Net sales amounted to SEK 508.0 million (367.6).
- Operating profit from the operational segments amounted to SEK 23.7 million (14.4).  
The Group's operating profit amounted to SEK 21.7 million (14.0).
- Profit after tax amounted to SEK 11.0 million (8.0), which corresponds to SEK 0.38 SEK per share (0.33)
- Cash flow from operating activities amounted to SEK 50.5 million (2.0)

## FIRST SIX MONTHS (1 January – 30 June 2018)

- Net sales amounted to SEK 946.6 million (717.6).
- Operating profit from the operational segments amounted to SEK 44.9 million (23.6).  
The Group's operating profit amounted to SEK 40.1 million (22.4).
- Profit after tax amounted to SEK 19.8 million (11.3), which corresponds to SEK 0.74 SEK per share (0.48)
- Cash flow from operating activities amounted to SEK 59.6 million (35.1)

### CEO Erik Stenfors comments on the report:

*"During the quarter, HANZA net sales exceeded half a billion SEK for the first time, with profitability increased for the fourth consecutive year. These achievements are the result of HANZA's efforts during the development phase. Our segment Nordics reports an industry-leading operating margin of 7.5% for the quarter. With an offer that creates higher customer value than traditional contract manufacturing, it is possible to build up a profitable manufacturing industry even in the Nordic countries."*

*"As we announced at the beginning of the year, HANZA has now commenced an expansion phase. This means that the extensive projects from the ramping-up phase, such as relocating entire factories, are complete. We are now addressing new customer areas, and we continue the work to streamline our Manufacturing Clusters outside of the Nordic region in order to meet future sales volumes."*

*"For rapidly-growing companies with global ambitions, strengthening the balance sheet, primarily by lowering working capital and net debt, is just as important as strengthening the income statement. HANZA has achieved strong cash flows in the past, a trend we continued this quarter. Cash flow from operating activities amounted to approximately SEK 50 million during the quarter, while net debt decreased by SEK 36 million, which is close to 11 percent."*

The Board has today also established a strategy for the forthcoming expansion phase, which aims to profitable expansion by gain of new market shares and further development of the Group's Manufacturing Clusters. The target is to be a significant manufacturing player in Europe by year 2022. In connection to that the HANZA Group's financial targets have been adjusted by the board as follows:

- **Average net sales growth of at least 10% per annum over a business cycle** Target unchanged
- **Average operating margin (EBIT) of at least 6% over a business cycle**  
Previously: Average EBIT in excess of 5% over a business cycle.
- **The equity ratio shall amount to at least 30%**  
Target unchanged
- **Dividend of approximately 30% of profit after tax**  
Previous policy: 25% of profit after tax

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### About HANZA:

HANZA modernizes and streamlines the manufacturing industry. We create shorter lead time with more environmentally friendly processes and increase profitability for clients by bringing together different manufacturing technologies locally. Founded in 2008, HANZA today has an annual revenue of more than one billion SEK and operates in Sweden, Finland, Estonia, Poland, Czech Republic and China. Among HANZA's clients are leading companies like ABB, Perkin Elmer, Atlas Copco and Kone. For more information visit [www.hanza.com](http://www.hanza.com)

The shares in HANZA are listed on Nasdaq First North Premier and the companies Certified Adviser is Erik Penser Bank AB (publ), phone no +46 8 463 83 00