



HANZA acquires a Finnish specialist company in machining

HANZA Holding AB (publ), listed on First North, has today acquired Toolfac Oy ("Toolfac"), a high-tech Finnish manufacturer focusing on machining. Toolfac has about 60 employees and an annual turnover of approx. SEK 80 million. The purchase price consists of a cash part, a share part and an additional purchase sum, and is estimated to amount to approx. SEK 34 million. Toolfac will be integrated into HANZA's manufacturing clusters in Finland.

Toolfac offers machining with a high degree of robotization and have a specialist expertise in hydraulic and pneumatic components and valve systems. Annual sales amounted to approx. SEK 80 million, with an operating profit of approx. SEK 9 million. The interest-bearing net debt in Toolfac amounts to approximately SEK 11 million. The purchase price consists of a cash part of EUR 1.5 million paid at the time of the acquisition, and 1,000,000 shares in HANZA. Furthermore, an additional purchase price may amount to a maximum of MEUR 0.4, based on Toolfac's result in 2019. Based on the current price of the HANZA share, and the estimated additional purchase price, the total purchase consideration is estimated to amount to approximately SEK 34 million, which corresponds to an enterprise value (EV) of SEK 45 million, when the net debt is included. The sellers have undertaken not to sell the shares (so-called lock-up) until February 1, 2020.

"Toolfac fits perfectly into our acquisition strategy - technologically, geographically and competence-wise," says Erik Stenfors, CEO of HANZA. "It is a well-managed company with excellent customer relations and the acquisition is an important step in HANZA's development."

"We are pleased to see HANZA as the new owner of Toolfac," says Pekka Koponen, CEO and co-owner of Toolfac. "HANZA's business model creates completely new opportunities for Toolfac, while also adding a new excellence to HANZA."

"Toolfac has done substantial investments in recent years to create growth and profitability," says Pekka Hietala, partner of Canelco Capital Oy, an investment company, which is co-owner of Toolfac. "By Toolfac, HANZA gets a modern company for their future plans."

HANZA's Board of Directors has today exercised the authorization received at the Annual General Meeting on May 21, 2018, and resolved to carry out a directed new issue of a total of 1,000,000 shares to the sellers of Toolfac, which constitutes the share part of the purchase price. The subscription price in the new share issue is SEK 14.32 per share, i.e. a total of approx. SEK 1.4 million. The price corresponds to the volume-weighted average price for the Company's share on Nasdaq First North Stockholm during the period 16 - 30 January 2019, which represents the market value as assessed by the Board of Directors. Payment for the shares is made by contribution of a promissory note issued to the sellers in connection with the acquisition of Toolfac. The share capital is thereby increased by SEK 100,000 and the number of shares in HANZA after the issue is 30,979,928. The new share issue involves an increase in the number of shares in approx. 3.23%.

Integration costs for the coordination of ERP systems in the Finland cluster etc. are estimated to amount to SEK 4.0 million. Taking into account integration and acquisition costs, Toolfac's contribution to HANZA's operating profit during the first year (in 2019) is therefore assessed to be limited. In terms of turnover, Toolfac is estimated to contribute approx. SEK 70 million for the period the acquisition is part of the HANZA Group in 2019.

Contacts:

Erik Stenfors, CEO HANZA, tel: +46 709 508070, email: erik.stenfors@hanza.com

Lars Åkerblom, CFO HANZA, +46 707 949878, email: lars.akerblom@hanza.com

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 02.20 pm (CET), January 31, 2019. Erik Penser Bankaktiebolag is the company's certified adviser.

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 million 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

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, Email: certifiedadviser@penser.se