

**HANZA AB**
<http://www.hanza.com/>
**Sector: Industrial Goods and Services**
**List: NASDAQ Stockholm Small Cap**
**Share price: SEK 39.6**
**Market Cap: SEK 1 415 million**
**Latest research update: [May 12, 2022](#) (Fair value per share: SEK 47.4)**

## Positive preannouncement for Q2,2022

HANZA says Q2, 2022 revenue will exceed SEK 850m (634), and group EBITA will increase to over SEK 50m (40). This implies higher margins and slightly better growth than we had previously anticipated. The preliminary figures are also higher than consensus estimates of SEK 788m and SEK 46m, respectively. The Company highlights a positive development for the Other markets segment, where the margin is again improving.

Given the positive profit warning, we conclude that HANZA expects to report EBITA at least nine per cent higher than our estimate.

### HANZA Q2, 2022 Preliminary Net sales and EBITA vs CSQ Forecast (SEKm)

	Q2 22E	Q2 21	Q2 22A	Deviation
Net Sales	846	634	>850	>1%
Growth, net sales	33%	13%	>34%	>1 p.p.
Main Markets, net sales	489	339	NA	NA
Main Markets, growth	44%	11%	NA	NA
Other Markets, net sales	356	295	NA	NA
Other Markets, Growth	21%	17%	NA	NA
EBITA	46	40	>50	>9 %
EBITA-margin	5.4%	6.4%	>5.9%	NA
Main Markets, EBITA-margin	8.0%	7.9%	NA	NA
Other Markets, EBITA-margin	2.5%	5.0%	>5.0%	>2.5 p.p.

Source: Company information and Carlsquare estimates

We believe the news is a positive signal for the Other markets segment, as it is evidence that the expansion program that has affected the margin negatively in recent quarters is completed. Thus, the company has resolved the cost headwinds sooner than we had assumed. For Main markets, HANZA expects a continued strong margin. While it appears that "old" HANZA units are performing well, we believe there is still some negative impact from the 2021 Beyers acquisition, as HANZA has previously referred to.

We will review our estimates more thoroughly following the Q2 report (July 26). However, we expect to increase our top-line forecast somewhat and our FY22 earnings estimates by some five per cent. We also see room for some positive adjustments to next year's estimates, although we acknowledge a general lack of visibility for industrial companies into 2023.

In sum, we will likely raise our DCF base case value to some SEK 49 per share (47.2). We expect strong earnings momentum combined with attractive valuation multiples to support the shares.

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