

HANZA AB

<http://www.hanza.com/>**Sector: Industrial Goods and Services****List: NASDAQ Stockholm Small Cap****Share price: SEK 43****Market Cap: SEK 1 474 million****Latest research update: [July 28, 2022](#) (Fair value per share: SEK 56)**

Good growth signals

HANZA reports that one of its new customers for this year, a global developer of digital solutions, will double its order value next year to about SEK 60m. HANZA cites manufacturing flexibility and ability to meet high security demands as factors behind the order increase.

HANZA has a diversified client base, and the order value represents a rather large customer for the company, we estimate. We are encouraged that HANZA is expanding with new customers in growth industries and believe the order supports the positive demand outlook communicated in the Q2, 2022 report. In this case, specifically for the Main markets segment.

Also, HANZA communicated the other day that new factory premises opened in September in Poland, the Czech Republic and China. This represents the finalization of an expansion program of around SEK 100m that was initiated in 2020 as Roadmap 2021. The fact that these units are now operational is a positive for improved efficiency and margins in the Other markets segment, in our opinion. As previously reported, margins in this segment significantly exceeded our expectations already in the Q2 report. The increased capacity also underpins growth ambitions in electronics, cable manufacturing and final assembly.

All in all, we interpret the news as supportive of our expectations for strong earnings growth in coming quarters. We will return with a preview ahead of the Q3 report on November 8. We reiterate our SEK 56 per share base case value.

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The analysts Niklas Elmhammer and Fredrik Nilsson do not own and are not allowed to own shares in the Company analyzed.