

HANSAMATRIX



Innovator and Manufacturing Solution High-Tech Group

Q1 results of 2021 – Nasdaq webinar

Presenters: Ilmars Osmanis, CEO and Maris Macijevskis, CFO

May 18, 2021



Executive summary



Business trends

- Due to increased growth in remote data connectivity for business, work studies, etc., the demand in data networks products is strong.
- COVID-19 vaccination program rollout expected to diminish operational challenges and improve demand for manufacturing services in the coming 12 months, as the virus is gradually contained.
- In short term safety issues and supply chain disruptions are still the factors that can influence the business performance of the Company in 2021.
- Global component shortage continues.



2021 Q1 summary

- YOY sales growth 12%.
- Very good Q1 EBITDA level – 1.241 million EUR, 21.3% EBITDA margin.
- Q1 net profit decreased by 0.2 million by provisions for EIB warrant liabilities due to increased HansaMatrix share price.

Results summary, MEUR	2020 Q1	2021 Q1	y-o-y	TTM 2021 Q1
Revenue	5.184	5.828	+12%	23.233
EBITDA	0.441	1.241	+181%	3.881
EBITDA margin	8.5%	21.3%		16.2%
Net profit	-0.435	0.045		-0.071
Net profit margin	-8.4%	0.8%		-0.31%
P/E				n/a



Comparison with peers

- HansaMatrix EBITDA margin – the highest compared to industry peers
- Peer EV (Enterprise value) range 7.2x up to 13.4x EBITDA (HansaMatrix 7.2x)

TTM figures – EUR million	(EV) Enterprise value	TTM Revenue	TTM EBITDA	TTM Net Profit	EBITDA margin	Net profit margin
HansaMatrix	28	23	3.9	-0.07	16.2%	-0.3%
Incap Oyj	224	106	16.7	9.22	15.7%	8.6%
Note AB	243	184	20.0	12.08	10.9%	6.6%
Kitron ASA	430	377	39.6	20.3	10.5%	5.4%
Inission AB	56	101	6.3	2.6	6.2%	2.6%
HANZA Holding	104	205	12.7	0.1	6.2%	0.1%

Source: Bloomberg, May 17, 2021

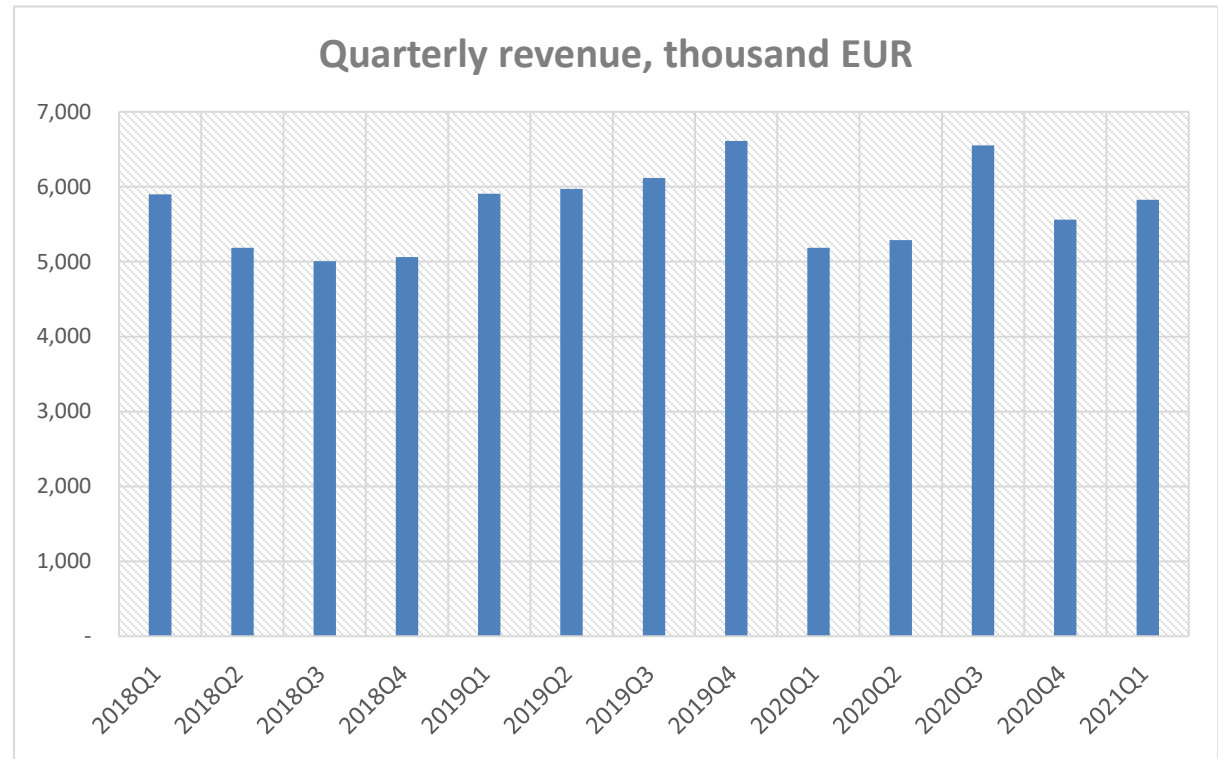


Q1 results of 2021 in detail



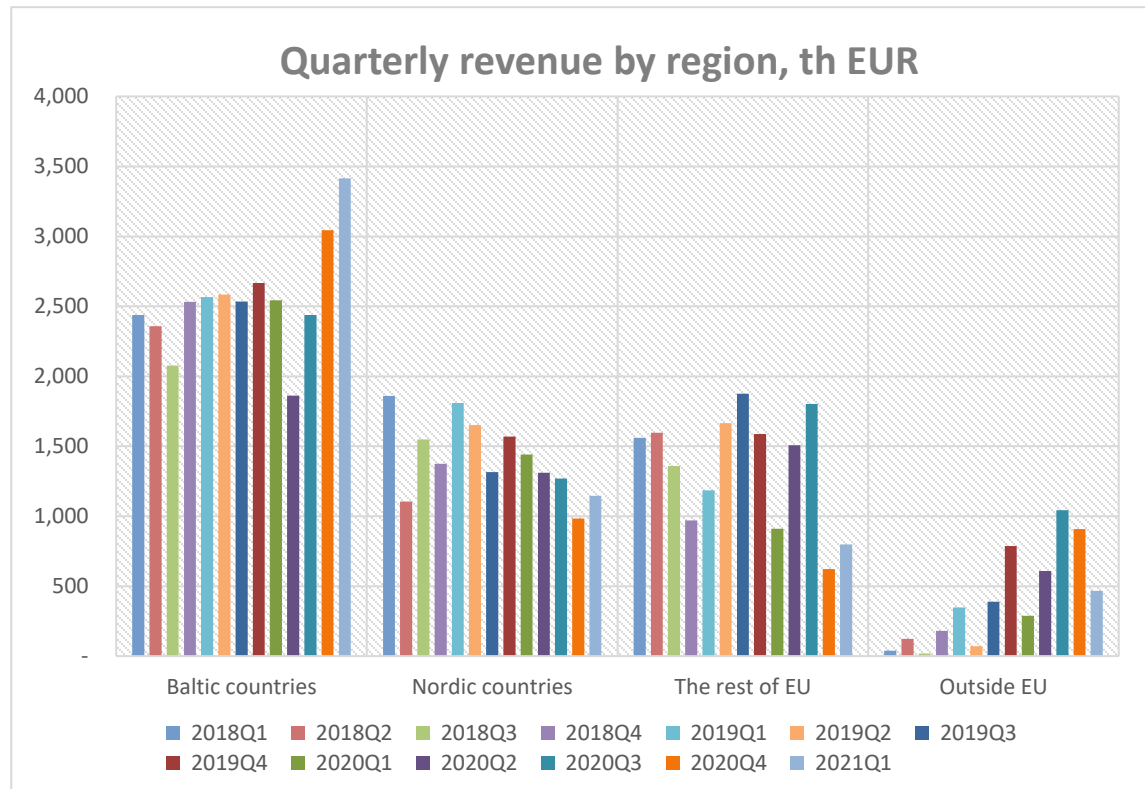
2021 Q1 revenue

- Quarterly revenue reached 5.83 MEUR
- Increase by 12% in comparison to 2020 Q1
- Increase by 5% in comparison to 2020 Q4



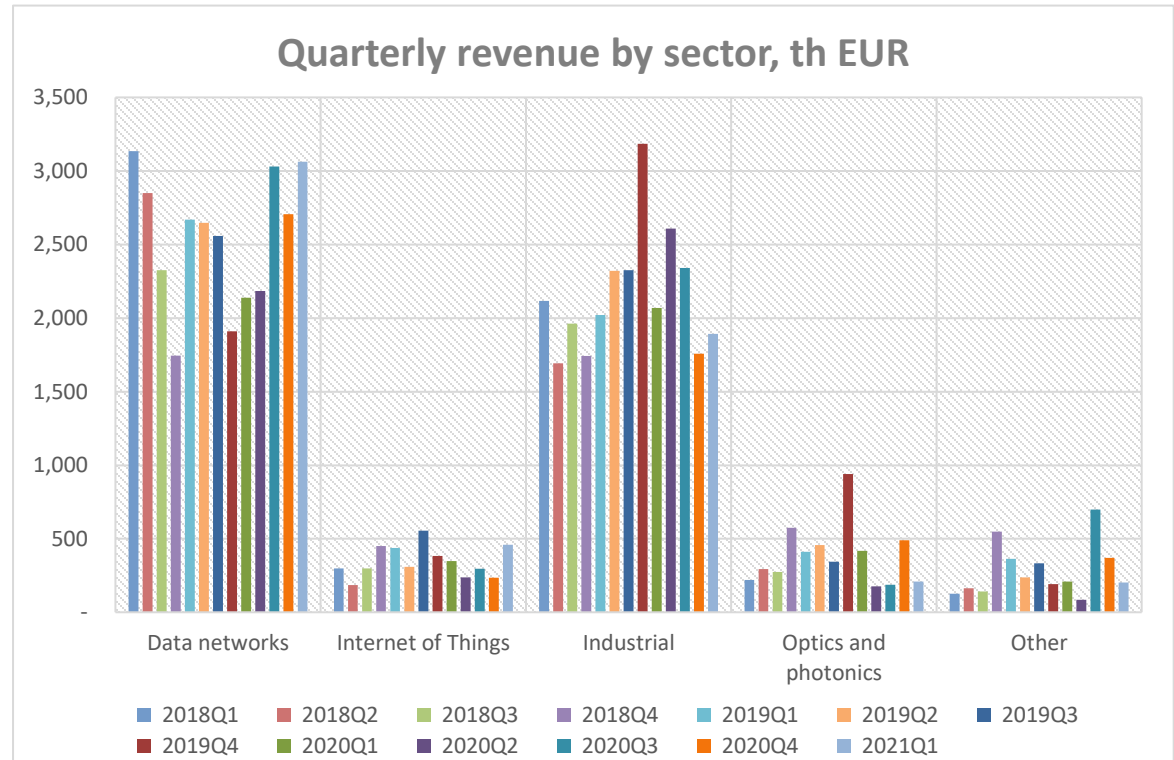
2021 Q1 revenue by region

- Baltic sales – 59%
 - ✓ 34% up from 2020Q1
- Nordic sales – 20%
 - ✓ 20% down from 2020Q1
- The rest of EU sales – 14%
 - ✓ 12% down from 2020Q1
- Outside EU – 8%
 - ✓ 62% up from 2020Q1



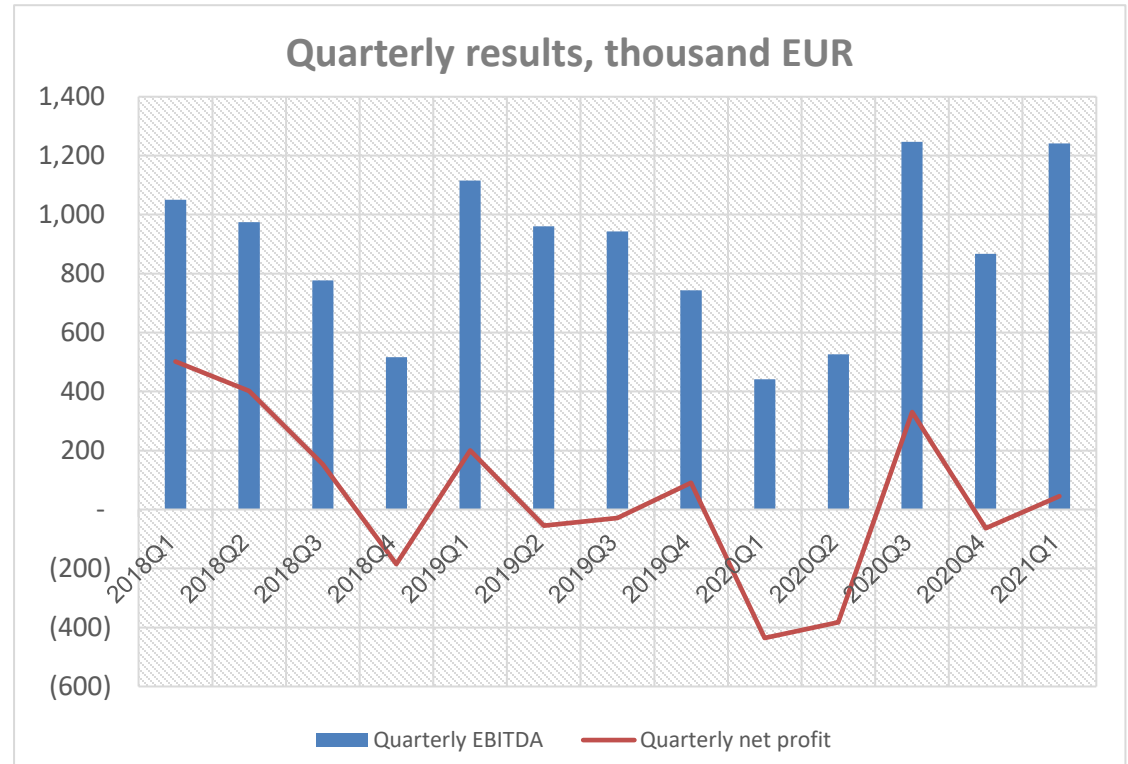
2021 Q1 revenue by market sector

- Data network products - 53%
 - ✓ 43% up from 2020Q1
- Industrial segment – 32%
 - ✓ 8% down from 2020Q1
- Internet-of-things - 8%
 - ✓ 32% up from 2020Q1
- Optics and photonics - 4%
 - ✓ 50% down from 2020Q1
- Other – 3%
 - ✓ 3% down from 2020Q1



2021 Q1 profitability results

- 2021 Q1 EBITDA – 1.241 MEUR
 - ✓ 181% up from 2020 Q1
- Net profit positive 0.045 MEUR vs negative 0.435 MEUR in 2020 Q1
- Q1 EBITDA margin – 21.29%, net profit margin – 0.77%

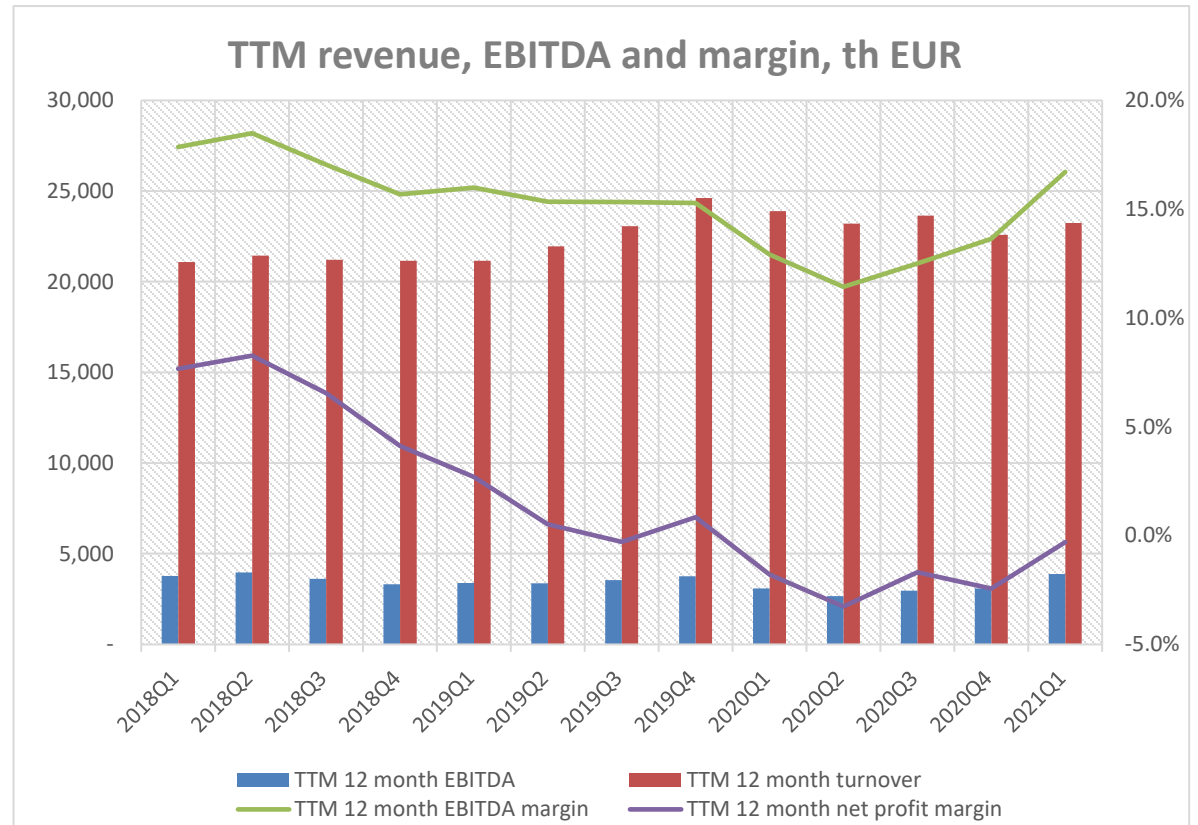


Trailing 12 months (TTM) results in detail



TTM sales and results

- TTM (trailing twelve months) period ending 2021Q1 indicator dynamics compared to TTM period ending 2020Q1:
- TTM revenue 23.23 M EUR – 3% down
- TTM EBITDA 3.88 M EUR – 26% up
- TTM net loss 0.07 M EUR
- TTM EBITDA margin reported as 16.7%



Update on other activities



R&D

- Starting with Q1 2021 the Group stops separately reporting the R&D revenue.
- R&D services will be provided complimentary to the core business of EMS and are not expected to constitute substantial part of the total Group revenue.



Investments during 2021 Q1

- The Company reporting 140 thousand EUR investments in 2021 Q1
- Due to COVID-19 situation the investments are mostly carried out to maintain the manufacturing equipment and other assets



Investments in associated companies and subsidiaries in Q1 2021

LightSpace Technologies:

- There were no investments made in Q1 into LightSpace Technologies from HansaMatrix.
- As of end of Q1 2021 investment in LightSpace Technologies amounted to 8.67 MEUR (4.96 MEUR convertible loan and 3.71 MEUR equity).

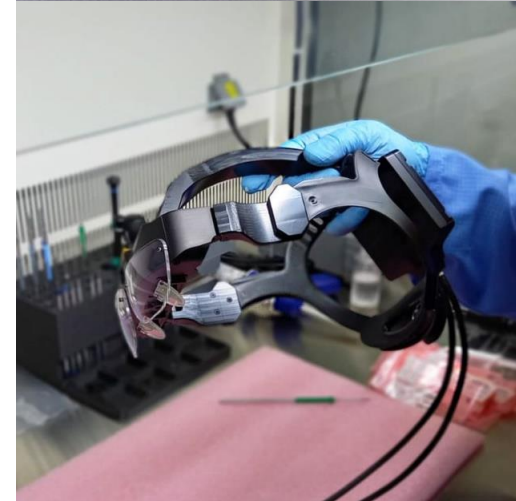
Zinātnes parks:

- 68 thousand EUR investments in Q1 in form of convertible loan in Zinātnes parks for industrial real estate project maintenance at Riga airport.
- As of end of Q1 2021 investment in Zinātnes parks in total amounted to 2.34 MEUR (2.04 MEUR capitalized fixed asset creation cost and 0.36 MEUR Zinātnes parks share acquisition goodwill).



Business development of LightSpace Technologies

- In Q1 2021 continued market communication and added two more partnerships in medical surgery and robotics sector.
- Continued product development work to design new concept, best of class headset iG2000 for industry use.
- LightSpace has set iG2000 on the commercialization path and planning to complete the product design by end of 2021 and start industrialization and manufacturing later in the year 2022.
- Further up to 1.7 Million EUR equity investment by EIC Fund is expected to be signed and received by LightSpace Technologies as blended financing contribution.



Significant events in 2021 Q1

- Opening of a new manufacturing plant in Ventspils campus:
 - 10 year lease agreement with Freeport of Ventspils authority.
 - Total area of 4600 square meters.
 - Doubles existing Ventspils manufacturing campus box build capacity.
- CEO transition announced:
 - Jānis Sams, COO to become CEO in Q2 2021.
 - Jānis Sams has extensive experience in managerial roles in electronics industry, including Schneider Electric.
 - Ilmārs Osmanis to continue to develop LightSpace Technologies as its founder and current CEO



Significant events after the reporting period

- Annual general meeting planned on May 26, 2021 on the following key items:
 - Approval of 2020 financial reports.
 - Dividend payout 0.03 EUR per share or 54.8 thousand EUR.
 - Appointing auditor.
 - Changes in supervisory board.
 - And other items



Q&A Session

We welcome your questions during webinar !

Please use investor contact for any other enquiries:

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Alternative performance measures

The definitions of alternative performance indicators (APIs) used in the webinar presentation can be found on page 31 of the HansaMatrix Unaudited Interim Condensed Consolidated Financial Statements for the 3 month period ended March 31, 2021:

https://nasdaqbaltic.com/market/upload/reports/hmx/2021_q1_en_eur_con_ias.pdf





Thank you!

