

People, knowledge and goods networked worldwide – HANSA-FLEX is a global family business with 457 branches in 41 countries on five continents.

COVER PHOTO

Frank Pham, a service engineer, is installing mini measuring ports for accurate pressure monitoring on a rotary transfer table with a hydrostatic rotary axis. The high-precision, high-tech rotary tables from the prestigious German machine manufacturer contain up to 50 different HANSA-FLEX components.

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REPORT OF THE SUPERVISORY BOARD

**Dear Employees,
Dear Business Partners,**

This time last year, we reflected how challenging 2019 was in a difficult economic environment. Little did we know that 2020 was going to be even worse. Just about every business has faced even greater struggles and challenges, as has the entire world population.

This past year has seen the Covid-19 pandemic adversely affect almost every area of life, meaning everyone's life has been touched by it in some way. As a global company, we are more or less directly affected by our employees and business partners in almost all parts of the world. That we were 'only' affected by single-digit percentage declines in sales and were still able to close the Group's financial year with a more than satisfactory result is therefore all the more astonishing and remarkable.

One of the main reasons for this was the timely manner in which we adopted a raft of measures across practically every area of the company. This was only made possible by rapidly expanding digitalisation in the department and production areas, introducing short-time work which affected more than 50 per cent of employees in some cases, and by optimising all organisational and structural issues extensively.

Our heartfelt thanks to all those involved cannot be expressed enough at this point. We are acutely aware that such an outcome would not have been possible had it not been for the special efforts of each individual, and the willingness of all employees, both at home and abroad, to make sacrifices. At this point, we would like to say: 'Many thanks for everything we have achieved.' The HANSA-FLEX family – with all its associated companies – can be proud of the past year and should have the courage, drive and optimism to face the future. We will succeed in mastering the challenges still to come and in further strengthening and consolidating HANSA-FLEX AG's position as a leading global partner in hydraulic technology. The investments made so far will contribute positively towards this and most of them are expected to be successfully concluded by the end of the year.

Most of all, we wish you, your families and your entire circle of friends the very best of health at all times, and hope that you will be able to put as many of your dreams and goals successfully into practice in 2021 as possible.



Tim Hollweg
Chairman of the Supervisory Board and Managing Partner
of CCC Com Credit Contor Maklergesellschaft mbH & Co. KG

**»WE WILL SUCCEED IN MASTERING
THE CHALLENGES STILL TO COME AND
IN FURTHER STRENGTHENING AND
CONSOLIDATING HANSA-FLEX AG'S
POSITION AS A LEADING GLOBAL
PARTNER IN HYDRAULIC TECHNOLOGY.«**

TIM HOLLWEG



THE HANSA-FLEX AG MANAGEMENT BOARD



Armerding

THOMAS ARMERDING
CEO, CHAIRMAN OF
THE MANAGEMENT BOARD



Buschmann

UWE BUSCHMANN
CO-CEO, DEPUTY CHAIRMAN
OF THE MANAGEMENT BOARD



Bültemeier

CHRISTIAN-HANS BÜLTEMEIER
CFO,
MANAGEMENT BOARD MEMBER



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REPORT OF THE MANAGEMENT BOARD



THOMAS ARMERDING

**»ALL BUSINESS PLANS
SUDDENLY AND QUITE
UNEXPECTEDLY TOOK A
COMPLETE BACK SEAT
AT THE END OF THE FIRST
QUARTER OF 2020.«**

Dear Ladies and Gentleman,

The financial year 2020 turned out differently than planned. Completely differently. Similar to the first time in 2010, we were not able to generate positive growth last year. The reasons for this ten years ago were economic (global financial crisis), but 2020 will go down in the annals of history as the year of the pandemic. The ramifications have affected and continue to affect everyone around the world, and have led to restrictions on private, economic and social life that no one could have imagined just twelve months ago.

‘All business plans suddenly and quite unexpectedly took a complete back seat at the end of the first quarter of 2020.’ The global approach was to switch from achieving defined annual targets according to plan to ‘steering by hand while driving on sight’ and to react to situations rapidly and flexibly. At HANSA-FLEX and worldwide – there were no alternatives!

Now we can say – with success! Despite the massive health risks associated with close personal contact with customers in over 450 branches, using almost as many service vehicles, we got off lightly with a few dozen, mostly mild cases of illness among 4,124 employees worldwide. For the first time in Germany, we rolled out a four-month short-time work programme in many sectors across the country. Unfortunately, a total lockdown in some countries meant that we also had to make a few redundancies in a handful of international companies.

When we look back on the year as a whole, it is clear that the consistently outstanding commitment of all employees, the individual restrictions due to short-time, working from home and generally heavier workloads in times of considerable uncertainty have paid off. We did better last year than in 2010, with a moderate decline in revenue of 6.6%. The ‘bottom line’ is also positive – declining, of course, but to a relatively small extent, given the circumstances. What’s more, we were able to realise extensive IT projects and acquire new key accounts according to plan, in addition to our regular client business, which

remained almost the same size overall. Work on expanding the headquarters in Bremen also got off to a successful start, making it the largest construction project in the company's history.

At this point, we would like to thank – more expressly than usual this year – our employees who have shown themselves to be highly driven and very committed. They have succeeded in coping with a far above-average workload in the face of major uncertainty, an enormous additional personal workload and working short-time. It is only through this that we were able to further consolidate our market position, reliably supply long-standing customers as planned and create new business relationships.

Many thanks to you and your families and – stay healthy.

The Management Board



CHRISTIAN-HANS BÜLTEMEIER

»WE CAN BE VERY SATISFIED TO ONLY HAVE HAD A MODERATE MID-SINGLE DIGIT DECLINE IN REVENUE, GIVEN THE DIFFICULT GLOBAL SITUATION.«

UWE BUSCHMANN

»AT THIS POINT, WE WOULD LIKE TO THANK – MORE EXPRESSLY THAN USUAL THIS YEAR – OUR EMPLOYEES WHO HAVE SHOWN THEMSELVES TO BE HIGHLY DRIVEN AND VERY COMMITTED.«

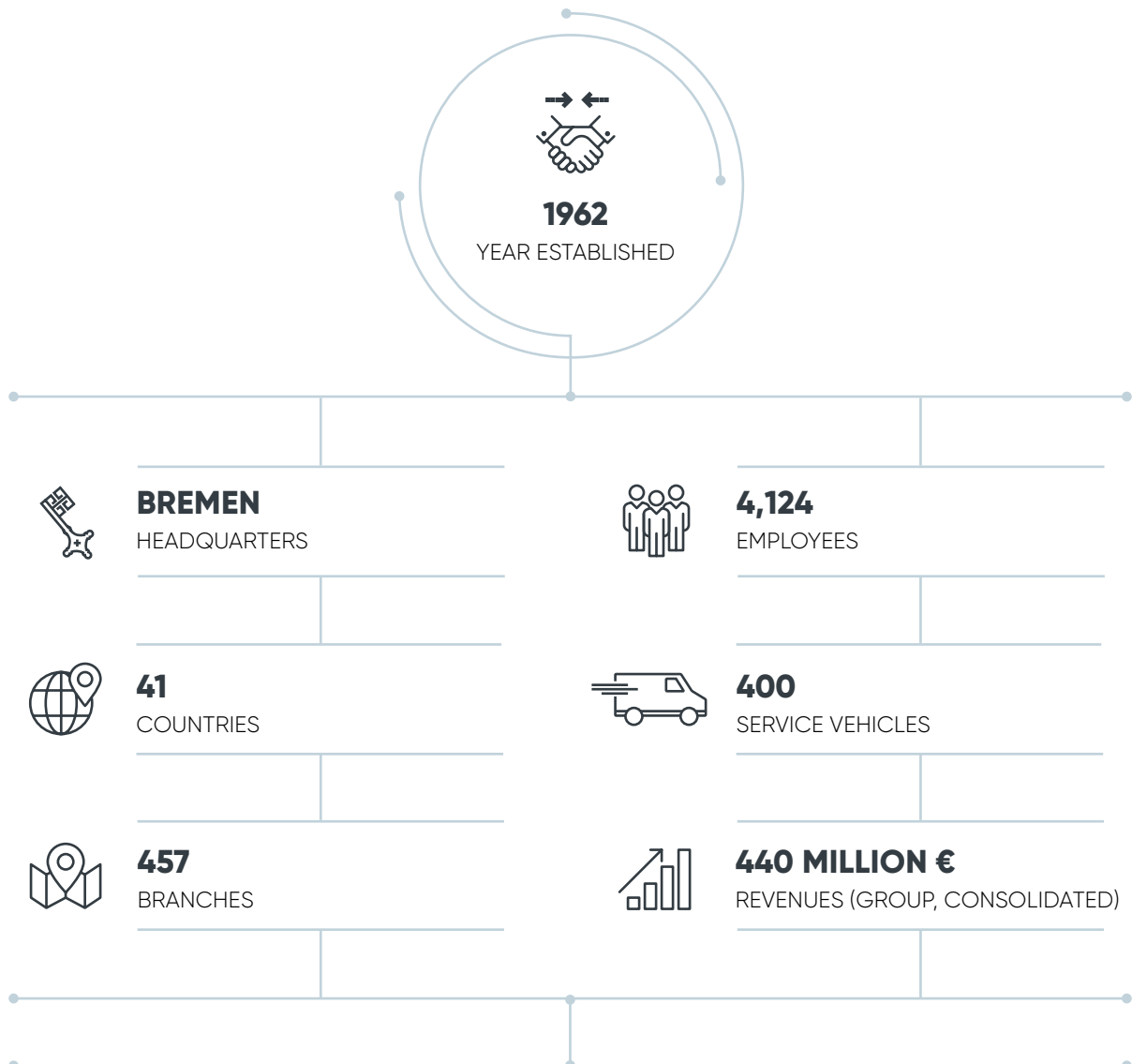




Work in the engine room of a north German inland waterway vessel:
Service engineer Timo Meyer carries out hydraulic maintenance work.



PROFILE
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FIGURES



Certifications

Quality management • ISO 9001:2015 / Environmental management • ISO 14001:2015 / Occupational safety management • ISO 45001:2018 • OHSAS 18001:2007 / Water conservation (WHG)

Classification organisations, approvals (extract)

DB – Deutsche Bahn, DNV GL • ClassNK • MED – Marine Equipment Directive • API – American Petroleum Institute • BGHM – BG Wood and Metal • DVGW – Deutscher Verein des Gas- und Wasserfaches • LR – Lloyd’s Register • RINA

Management Board

Thomas Armerding, Uwe Buschmann, Christian-Hans Bülteemeier

Supervisory Board

Tim Hollweg, Gisbert Loosen, Jörg Buschmann, Günter Buschmann (Honorary Member)

HYDRAULICS WITHOUT LIMITS

THE WORLD'S LEADING SYSTEM PARTNER FOR FLUID TECHNOLOGY

HANSA-FLEX offers a 360° full service for the planning, operation and optimisation of mobile and stationary hydraulic systems. Fast, reliable and personal for companies in all sectors – from one of the world's leading system partners for fluid technology.



HYDRAULICS CAN BE FOUND ALMOST EVERYWHERE SO CAN WE

HANSA-FLEX products and services are required wherever oil-hydraulic systems generate particularly strong forces and transfer energy. Whether in traditional mechanical engineering, in agriculture and forestry or in wind power – the fields of application for hydraulics are just as numerous and varied as HANSA-FLEX's customers.

In addition to its core business in hydraulics, HANSA-FLEX has for many years offered all-round pneumatic solutions together with a wide range of industrial hose assemblies and associated services. A growing number of customers in particularly sensitive sectors such as the food and the chemical industries, as well as comprehensive national and international certifications, confirm the high quality and reliability of our products, services and processes.



ENERGY



CONSTRUCTION



WASTE DISPOSAL AND RECYCLING



**CHEMICALS, FOOD
AND PHARMACEUTICALS**



TRANSPORT AND LOGISTICS



AGRICULTURE AND FORESTRY



**MINING AND TUNNEL
CONSTRUCTION**



**PLANT AND MECHANICAL
ENGINEERING**



**SHIPPING
INDUSTRY**



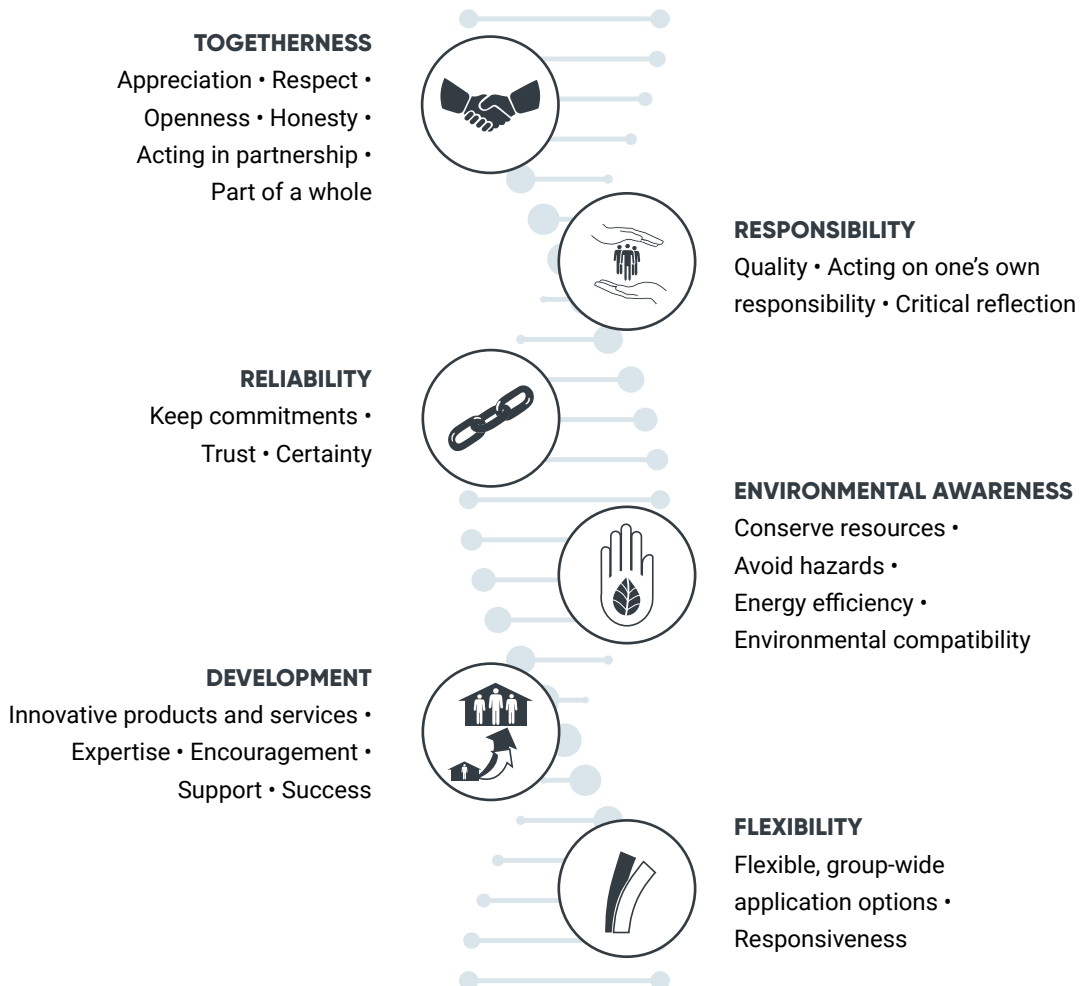
RAIL TRANSPORT



**METAL, PLASTIC,
GLASS AND PAPER**

OUR DRIVE, OUR DNA

THE HANSA FLEX MISSION STATEMENT



OUR RULES OF FAIR PLAY

THE HANSA FLEX CODE OF CONDUCT (EXCERPT)

As a company, we are committed to clear principles that form the framework for all our business and social activities. We expect our partners to implement the corresponding principles.

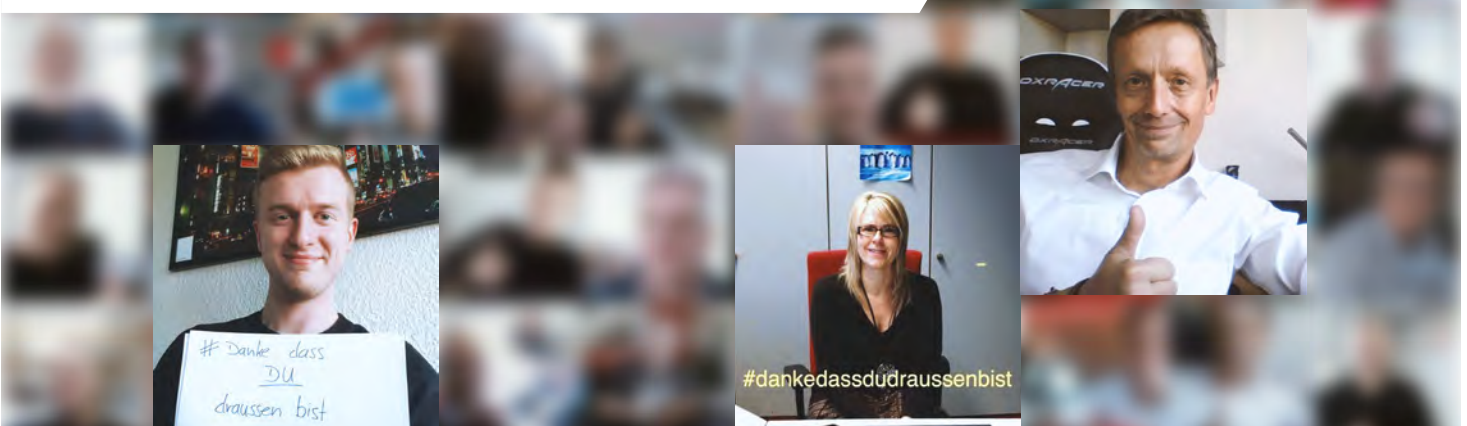
- 1 We comply with the laws and regulations of all countries.
- 2 For us, responsible action is an essential part of avoiding hazards to people and the environment.
- 3 We commit ourselves and our employees to protect natural resources in the long term by acting in an environmentally conscious manner.
- 4 We support and respect international human rights.
- 5 We do not discriminate against anyone.
- 6 We do not tolerate corruption.
- 7 We maintain political neutrality in our business activities.



#DANKEDASSDUDRAUSSENBIST

APPRECIATION AND TOGETHERNESS IN THE COVID-19 YEAR 2020

The #Dankedassdudraussenbist initiative on the Intranet is a token of appreciation for our service technicians and all other colleagues in the warehouses, branches and production facilities who were not able to switch to working from home. Their courage and huge commitment have been instrumental in keeping the business running so that our orders could be completed as planned and ordered.



A heart-warming community in the HANSA-FLEX Intranet: Personal photos and greetings to the service technicians symbolise the strong team spirit within the company.



Service engineer Frank Wagner working on the oil change for the hydraulic system of a self-unloading goods train. The HANSA-FLEX Fluidservice team in action right on the track with its analysis vehicle equipped with a full workshop and own flushing unit.



PROFILE
JOURNAL
FIGURES

HIGHLIGHTS OF THE YEAR

WHAT MOVED US IN 2020



DELEGATION TRIP TO SOUTH AFRICA

As a member of a high-ranking business delegation, Thomas Armerding, Chairman of the HANSA-FLEX AG Management Board, travelled to South Africa in February 2020 together with German Chancellor Angela Merkel. He met with the Presidents of South Africa and Angola, as well as numerous business representatives, according to a tight schedule. HANSA-FLEX has had a presence in South Africa since 2001. It has a foreign subsidiary and currently employs around 90 people.

MIGRATION OF THE SAP SYSTEMS

At the beginning of the year, HANSA-FLEX AG transferred its SAP systems from the company's own data centres to an external data centre. The migration of the approximately ten terabyte database and the parallel upgrade of the database to SAP S/4 HANA took place at record speed and with minimal downtime. The SAP systems are now available to all users worldwide in the Microsoft Azure Cloud. The migration improves security, speed, flexibility and efficiency of the IT systems. It is one of the largest IT projects within the PHOENIX project and forms an important milestone in the course of the global digital transformation of the corporate group.



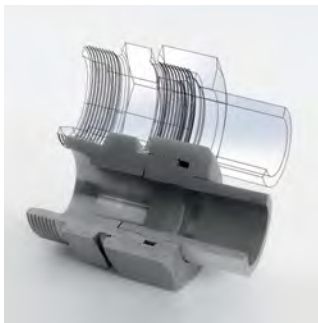
PHOENIX

KICK-OFF FOR THE PHOENIX PROJECT

More than 80 national and international specialists and managers, as well as the entire Management Board of HANSA-FLEX AG, met in Bremen on 25 February for the kick-off meeting for the PHOENIX project. As the centrepiece of the company-wide digitalisation strategy, the project includes both a host of major IT projects such as the global upgrade to SAP S/4 HANA and the systematic optimisation of all company processes.

TUBE FORMING SYSTEM

HANSA-FLEX AG presents the HF-Form tube forming system. This in-house development is used to connect tubes securely and permanently and sets a new benchmark in terms of tightness, cleanliness, flow characteristics and reliability. The easy-to-assemble HF form can be used without special parts or special components, making procurement and stock-keeping easier for users.



INVESTMENTS IN GOODS LOGISTICS

HANSA-FLEX AG is continuing to invest in logistics and has put automated packing lines into operation in both of its German central warehouses. The fully automated parcel distribution system in central warehouse 1 in Bremen handles a daily throughput of up to 5,000 parcels. The new pallet distribution system with strapping machine in central warehouse 2 in Geisenfeld can process up to 60 pallets per hour. These investments are an important factor in ensuring our branches and direct customers all over the world receive fast and reliable deliveries for many years to come and also guarantee that our goods are readily available at every location.

MISSION STATEMENT CAMPAIGN FOR BIODIVERSITY

The 2020 mission statement campaign focuses on the protection of the environment. At the beginning of the year, every employee in the EU was given a jar of beekeeper's honey and a packet of seeds to create their own meadow for bees. This sensitises them to the dangers insects face and lets them make their own small contribution to the preservation of the species. The honey comes from private beekeepers within the HANSA-FLEX family. Some foreign subsidiaries, such as Chile and Bosnia and Herzegovina, are launching regional initiatives with locally produced honey as honey is not allowed to be shipped from Germany to countries outside the EU.





CERTIFICATE FOR OUTSTANDING CREDITWORTHINESS

HANSA-FLEX AG has again been awarded the CrefoZert creditworthiness certificate by Creditreform for being a reliable business partner in 2020. This prestigious certificate confirms the company's high financial stability and outstanding solvency and creditworthiness. For years, HANSA-FLEX AG has been one of a small group of especially trustworthy companies in Germany with regard to the creditworthiness index, the balance sheet rating and the extremely low probability of default on receivables by suppliers.



SAVING CO₂ SUSTAINABLY

To accelerate progress towards its environmental goals, HANSA-FLEX AG is participating in a successful network format for sustainable energy saving in Bremen. Ten well-known companies headquartered in the Hanseatic City of Bremen have pledged to achieve a joint CO₂ savings target by the winter of 2022 as part of the 'energiekonsens Klassik' Efficiency Table. The Efficiency Table is organised by the local climate protection agency Energiekonsens as part of the project 'Bremen businesses save CO₂' and is funded by the EU.

INTERNATIONAL DEVELOPMENTS

Numerous HANSA-FLEX foreign subsidiaries are making preparations for the future and further growth at a time when the global Covid-19 crisis is still in full swing. Our USA, Switzerland, Austria, Poland and the United Arab Emirates companies have secured major long-term contracts to grow their business activities. In Poland, Austria and the Czech Republic, land purchases, new construction projects and specialised production facilities have been underway to pave the way for future expansion. The foreign subsidiaries in Estonia and Italy are growing by expanding their branch network and mobile service fleet. A strategic partnership with a strong local supplier has been agreed in Saudi Arabia.



EXPANSION OF THE PRODUCTION PLANTS

Several sites are introducing ground-breaking schemes to further increase the attractiveness and competitiveness of specialist operations in the production sector. Investments are being made in new production technologies, special machines and general modernisation of the machinery in the plants for tubes, special fittings and power unit production. As part of the corporate-wide PHOENIX project, all processes within the production plants are also being reviewed, improved and successively standardised.



MAJOR CONSTRUCTION SITE OPENED

The symbolic ground-breaking ceremony by the developers, Management Board, architects and construction company on 22 October marked the official start of construction work at Von-Thünen-Strasse 14 in Bremen. The new logistics, production and administration complex will form HANSA-FLEX AG's global corporate headquarters in future, together with the HQ at Panrepel 44. The largest construction project in the company's history by far represents an investment volume of more than 22 million euros.



SUSTAINABLE COMMITMENT

For the third time since 2018, HANSA-FLEX AG is donating to three aid organisations to support innovative and sustainable water and sanitation projects in the global south. Employees and clients had previously voted on how the donations should be distributed as part of the Christmas campaign 'Donations instead of gifts'. The highest sum of 30,000 euros will be awarded to BORDA e.V. for the project 'Regeneration of four lakes in India'. Donations of 15,000 and 10,000 euros respectively will go to Ingenieure ohne Grenzen e.V. for the renovation of a health centre in Uganda and Viva con Agua e.V. for a multi-stage WASH project in Mozambique.

NAVIGATING THE CRISIS SAFELY WITH CLEAR MESSAGES

THE WORK OF THE CORONA TASK FORCE

HANSA-FLEX AG was already well prepared and ready for immediate action when the coronavirus crisis reached its first peak in the spring of 2020. The Corona Task Force provides reliable information and quick decisions in the face of an unclear risk situation.

Crisis management in the pandemic was organised centrally at HANSA-FLEX from day one. The Corona Task Force in Bremen is run by Nina Orywal, Head of HR, and Christian Herm, Head of Organisation. They were joined by the entire Management Board, Jörg Buschmann and Christian Post for the regions and production plants, respectively, and Florian Wiedemeyer and Jürgen Kaemena for Controlling and IT, to form a crisis team specifically created for this purpose. By the end of 2020, the Task Force had

conducted more than 40 video conferences in order to adapt the company's processes and policymaking strategies to the pandemic. Top priority was – and still is – to protect everybody's health at all times. Employees with pre-existing conditions or higher risks have been specially protected. The Task Force's second major task is to ensure that work processes function properly so that the company can get through the pandemic as safely and as effectively as possible.

To achieve this, the Task Force members have been analysing and evaluating all relevant information about the coronavirus and measures to contain it right from the onset of the pandemic. They have been studying specialist articles and laws, collecting and sifting through the various ordinances of the individual federal states, and, in the process, defining a clear stance that offers everyone in the company guidance. Simultaneously, protective masks and disinfectants have been distributed, duty rosters adjusted, workstations set up for employees to work from home, face-to-face meetings replaced by video meetings, instructions on hygiene posted and protective systems installed for the colleagues in branch offices.



»WE NEED TO CONSTANTLY PROVIDE RELIABLE INFORMATION TO ADDRESS STAFF CONCERNS AND ANSWER ANY QUESTIONS ABOUT THE VIRUS.«

CHRISTIAN HERM, HEAD OF ORGANISATION

CLEAR ANNOUNCEMENTS LEAD TO SAFE PRACTICES

The Corona Task Force now coordinates and communicates all measures, and makes quick and clear decisions based on current political events. These decisions are communicated as action directives on the Intranet. The first of these appeared on 12 March 2020, roughly two weeks before the first lockdown was imposed by the federal government. It sets out hygiene instructions and clear rules of conduct in the event of symptoms or contact with infected persons, as well as clear decisions on issues such as business trips, staff training and client visits. 'This gave us a solid framework that we could quickly update time and again as the year progressed', says Christian Herm.

COMPLETELY RELIABLE INFORMATION ON THE INTRANET

The instructions were updated and published on the Intranet a total of 13 times by the end of 2020. Highlighted in a vibrant bright yellow, the coronavirus update on the home page is one of the most visited German-language HANSA-FLEX pages on the Intranet, attracting more than 160,000 views. The Task Force discusses the content and measures to be taken with a great deal of commitment and openness, the decisions are carefully weighed up and all participants act consistently in line with the overarching goals.

The results validate the work of the Task Force and give a strong picture of the sense of solidarity and commitment among the entire working community. Throughout the year, there were only a few isolated instances of infection or even illness among our work colleagues, and we were able to avoid almost all infections in the workplace. Meanwhile, virtually every location was able to continue its business operations without any major restrictions, customer orders were handled successfully and every major project for the future was brought to a successful conclusion. 'Despite being so far apart, we were able to communicate with each other more than usual and often felt a very strong bond', says Nina Orywal, summing up the situation. 'This is one positive effect that we can take away from this crisis.'



»EVERY INDIVIDUAL HELPED ACHIEVE THE GOOD RESULT OF VERY LOW INFECTION RATES AMONG COLLEAGUES THROUGH THEIR BEHAVIOUR.«

NINA ORYWAL, HEAD OF HR



SHORT DISTANCES FOR NEW GROWTH

INVESTMENTS IN SUSTAINABLE LOGISTICS

In the middle of a global economic crisis, HANSA-FLEX AG is investing more than 22 million euros in a new building to expand its headquarters in Bremen. The largest construction project in the company's history includes a new administration building, modern production and order-picking halls, and Europe's largest automated high-bay warehouse for hose products.

The second part of HANSA-FLEX AG's corporate headquarters has been under construction at Von-Thünen-Strasse 14 in Bremen since October 2020. A few minutes' walk from the headquarters at Panrepel 44, a state-of-the-art complex consisting of four intelligently interconnected buildings totalling around 15,000 square metres of usable space for administration, production and logistics will be built

here by the end of 2021. 'All logistical processes relating to our hose products and series production of hydraulic hose assemblies will be brought together in one place at this new site', says Edwin Maringka, Head of Materials Management at HANSA-FLEX AG. 'The short distances and intelligent control of the flow of goods mean that logistics can play a significant role in supporting production.'

SHORT DISTANCES AND STATE-OF-THE-ART TECHNOLOGY

Four truck docking bays for incoming goods will be used to transport the raw hose products for HANSA-FLEX AG's flagship product group directly to the automated high-bay warehouse. The warehouse will have a floor area of 2,800 square metres, a height of almost 28 metres and a capacity of more than 17,000 pallet spaces, making it the most modern and largest of its kind for hose products in the whole of Europe. As many as 136 pallets can be stored and retrieved fully automatically per hour.

A large order-picking hall of around 3,000 square metres is directly connected to the warehouse. Here, the hose products are prepared for dispatch to the more than 450 HANSA-FLEX branches in Germany and abroad. Equipped with the latest conveyor and control technology, the workstations are outfitted with ergonomic lifting support in the form of height-adjustable source pallets. While the construction work is underway, a new warehouse management system is being introduced in the materials management department. This will provide optimum support for all processes through state-of-the-art software solutions.

TRANSPARENT PRODUCTION WITH A DIRECT CONNECTION

The neighbouring administration building will have 600 square metres of floor space over six floors, and will accommodate roughly 200 employees. Cutting-edge training rooms, a generously sized Work Café and a roof terrace designed for flexible use are particular highlights. An open gallery on a mezzanine floor connects the administration offices directly with the hose assembly series production. 'Visitors can now get to see right inside our production hall and get a clear impression of what we do', explains Wolfgang Becker, Project Manager Construction at HANSA-FLEX AG.

Series production will receive its material directly from the automatic high-bay warehouse. Moving forward, there will be around 3,000 square metres of pure production space available for the hose assembly series production for OEM customers. Ready-to-install assembly sets (kits) are put together in the spacious kitting area for just-in-time delivery to the industry. The area has scope for expansion and can be extended to include additional workstations to cover additional demand whenever necessary. 'The new building in Von-Thünen-Strasse will optimise our core logistical processes and also create sufficient capacity for strong growth going forward', says Edwin Maringka, summarising the situation. "This will enable us to further expand and sustain our leading role in the production of high-quality hydraulic hose assemblies."



»THIS BOLD AND PROACTIVE INVESTMENT IS ALSO A POSITIVE SIGNAL IN DIFFICULT ECONOMIC TIMES.«

UWE BUSCHMANN,
DEPUTY CHAIRMAN OF THE MANAGEMENT BOARD

MORE THAN JUST A PROJECT

PHOENIX: THE HEART OF DIGITALISATION

The name PHOENIX symbolises a major organisational project that is of the utmost strategic importance for the future of HANSA-FLEX AG. At its heart lies the global upgrade of SAP systems to S/4 HANA and the ongoing process-oriented development of the entire Group.

‘The PHOENIX project is rigorously aligned with the growing demands of our customers for our digital service portfolio’, says Alexandra Geibel, Project Manager. ‘We are upgrading the performance and flexibility of our IT systems to a future-proof level and, simultaneously, putting all globally valid business processes to the test to identify workflows that can be improved or made more efficient by means of digitalisation. This will give us a solid foundation from which to successfully implement our overall digitalisation strategy.’



»THE PLAN IS TO MAKE CHANGES TO BUSINESS PROCESSES FOR AROUND 3,000 EMPLOYEES IN 28 COUNTRIES WITHOUT CAUSING ANY DISRUPTION TO WORKFLOWS.«

ALEXANDRA GEIBEL, PHOENIX PROJECT MANAGER

100 ACTIVE EMPLOYEES FROM ALL SECTORS

The project is highly complex, but the project manager has an experienced IT manager at her side. Working behind the scenes is Hans-Joachim Dietrich, a multi-project manager who has assumed responsibility for the overarching orchestration of all IT-related projects in HANSA-FLEX AG’s digitalisation programme. Various external partners and more than 100 national and international specialists and managers from HANSA-FLEX AG are also actively involved in the PHOENIX project. An internal change management team (KOMPASS), composed of experienced colleagues from different departments, is overseeing the change processes and liaising between the project management and the individual departments.

36 MAIN PROCESSES AND 186 SUB-PROCESSES PUT TO THE TEST

PHOENIX and its numerous preliminary and sub-projects are divided into four different time phases. The project initialisation and planning phase were completed in 2020. The organisational level of process analyses and improvements forms the basis and is the most important pillar of the PHOENIX project. By the end of 2022, a total of 36 main processes and 186 sub-processes in every sector of the company will have been revised and implemented and finally mapped in the new SAP systems on S/4 HANA.

‘Working closely with the responsible departments, we carried out an intensive analysis of the processes and defined the responsible process owners and process experts for each process’, says Alexandra Geibel. ‘We held workshops, identified pain points and focused on understanding problems and opportunities to improve current processes, set priorities and came up with possible solutions.’

»GOING LIVE IN GERMANY AND 27 FOREIGN SUBSIDIARIES AT THE SAME TIME WILL BE A TECHNICAL AND ORGANISATIONAL CHALLENGE.«

HANS-JOACHIM DIETRICH, IT MULTI-PROJECT MANAGER

All scheduled process workshops were held in 2020 and the entire process matrix – an overview of HANSA-FLEX AG’s key national and international business processes – was completely overhauled. This gives the departments, project management and the accompanying KOMPASS team about two years to implement the planned changes at an operational level.

THE TECHNICAL PLANNING PHASE WAS COMPLETED ON SCHEDULE

It was possible to complete comprehensive compatibility checks and data checks on the technical level, devise a strategy for migrating from SAP R/3 to S/4

and draw up concrete recommendations for further action. The first sub-project involved migrating the SAP system infrastructure to the Microsoft Azure Cloud and introducing the HANA database, as well as handing over basic support for the SAP systems to an external service provider.

Work on the actual migration of the SAP systems to SAP S/4 will begin in spring 2021. Technical migration is to be implemented simultaneously in Germany and in all 27 foreign subsidiaries connected to SAP by the end of 2021. Further process optimisations are to be implemented throughout the year from the beginning of 2022 once the planned go-live has been completed, so that the system can be continuously upgraded.

TIMETABLE

PROJECT PHOENIX



PROJECT INITIALISATION

08/2019–02/2020



PLANNING PHASE

06/2020–10/2020



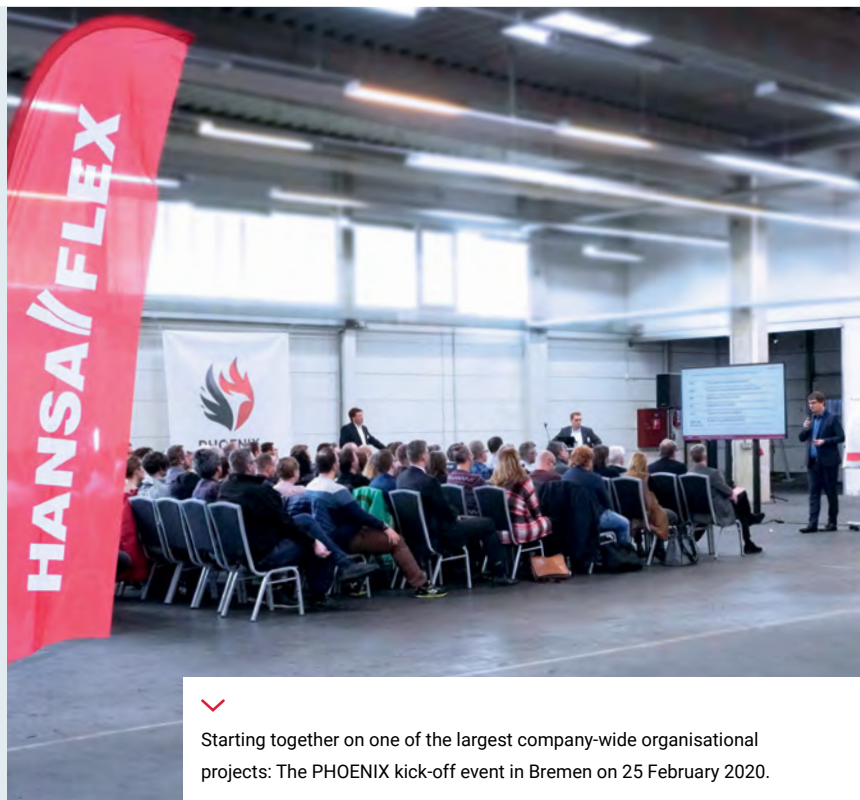
IMPLEMENTATION PHASE

03/2021–12/2021



CONSOLIDATION PHASE

from January 2022



Starting together on one of the largest company-wide organisational projects: The PHOENIX kick-off event in Bremen on 25 February 2020.

LEARNING NEVER STOPS

DIGITAL LEARNING DURING THE YEAR OF COVID-19

During the Covid-19 year 2020, a lot of training events had to be cancelled or replaced by alternatives that did not involve contact. Digital learning formats such as online seminars and video training successfully compensated for much of the shortfall.

HANSA-FLEX has always regarded continuous training and further education of its specialist staff and apprentices as a particularly valuable asset. To achieve this, HR Development offers more than 80 different technical and commercial training courses and seminars covering more than 20 subject areas. The content is taught in a number of different formats with a traditionally high proportion of face-to-face events.

DIGITAL TRAINING REPLACES FACE-TO-FACE SESSIONS

The first Covid-19 lockdown in March 2020 completely turned the yearly schedule of HR Development and its training partner, the International Hydraulics Academy (IHA), upside down. 'We had to reschedule, cancel and postpone a whole series of appointments and think about digital alternatives to tried and tested face-to-face events', says Laura Klinder, who is responsible for the area of digital learning in the HR Development Department. At the same time, hundreds of colleagues had to be trained to work at home – a process that was fortunately started by colleagues in the Digital Solutions Department before the pandemic began.

As a result, we were able to offer a multitude of live training sessions in digital form for the first time. 'We worked with our trainers and improvised a lot, trying out new things to see what could work well digitally', she says. 'We learned a lot about the laws of sharing knowledge digitally in the process.' For example, events such as train-the-trainer seminars, international training for SAP key users and the weekly in-company classes for trainees were run successfully using online training and video conferencing.

DIGITALISING THE WELCOME SEMINAR

To finish the year, a major HANSA-FLEX AG face-to-face event was also realised in digital form for the first time. Under normal circumstances, the 'Welcome to HANSA-FLEX' seminar takes place at the company's headquarters in Bremen. The new employees experience a full programme of tours, presentations and one-on-one interviews over one and a half days of seminars, during which they get to know the people and the company. The tours have been replaced in the digital version by videos shot by the departments themselves. Thanks to the use of videoconferencing, various departments and the Management Board can now tune-in in person, and presentations are made using Microsoft Teams.

USING A SMARTPHONE CAMERA AT THE HYDRAULIC TEST BENCH

On the technical side, too, those responsible have increasingly relied on digital live communication and video. For example, the IHA trainers took the attendees of their online seminars to the test stands using the camera on their smartphones. Specially produced training videos taught the basics for the production of hose assemblies and the assembly of tubes. They can be used globally throughout the Group thanks to subtitles in various languages.

HANSA-FLEX has a long tradition of using digital learning modules. For years, subjects such as various safety instructions or the basics of business administration have been successfully taught as e-learning modules. Blended learning, a mixture of e-learning and face-to-face online training, has become an established method in the area of language training.



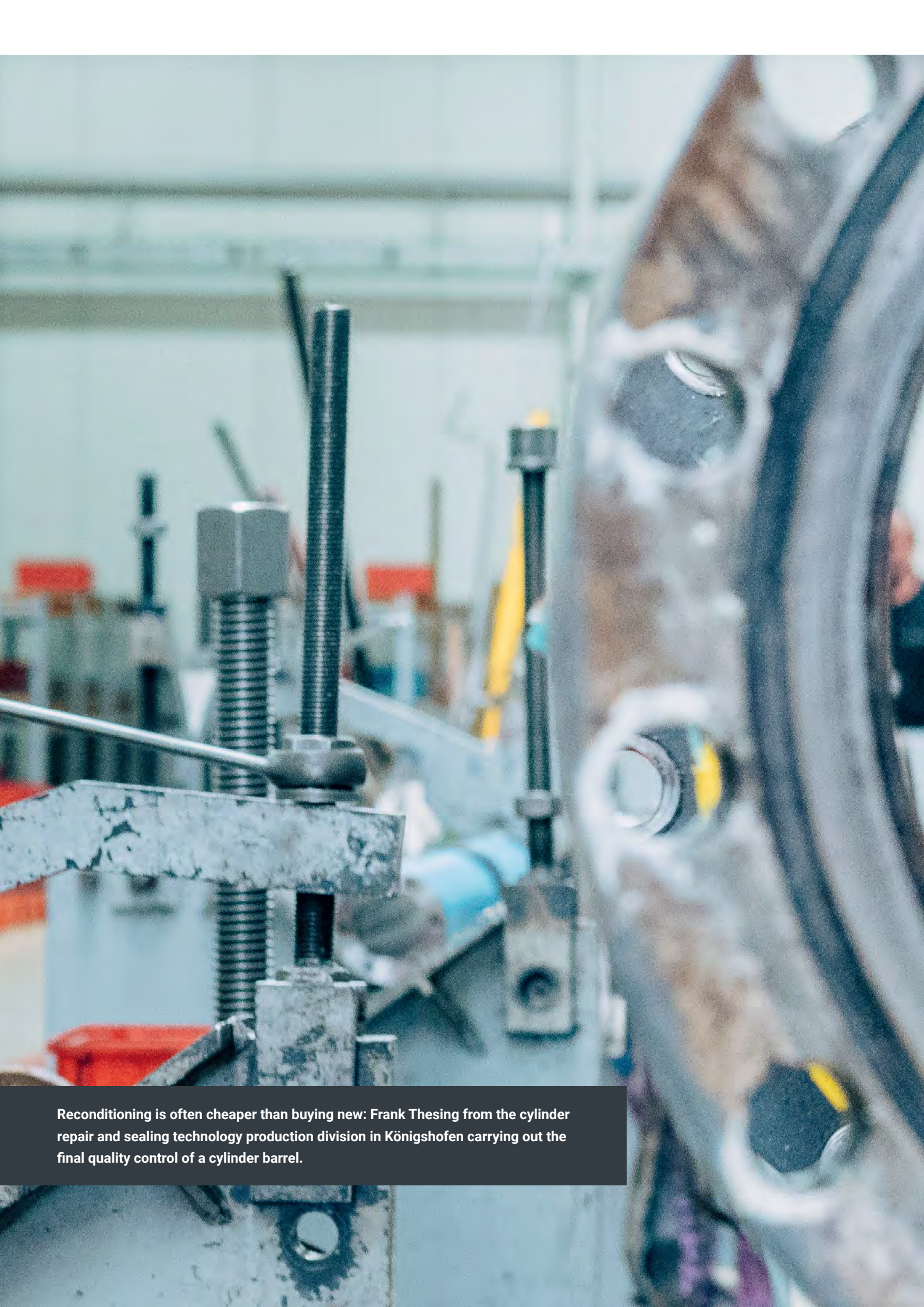
Laura Klinder is responsible for digital learning at HANSA-FLEX. In 2020, online seminars, e-learning and other digital training courses have proven themselves to be a particularly flexible and effective form of transferring knowledge.

The newly launched sales development programme is also a blended learning format with a mixture of different teaching and learning methods.

‘On balance, we picked up a great deal of practical knowledge about digital learning in 2020 and the software qualification among our employees improved significantly’, says Laura Klinder. ‘But it doesn’t matter how good the digital options are, they will always be second-best compared to face-to-face meetings and they will never be able to replace them completely.’

»THE FUTURE OF TRANSFERRING KNOWLEDGE IS HYBRID. WE WILL BE WORKING WITH A MIXTURE OF CLASSROOM TRAINING, ONLINE TRAINING AND E-LEARNING.«

LAURA KLINDER, HR DEVELOPER



Reconditioning is often cheaper than buying new: Frank Thesing from the cylinder repair and sealing technology production division in Königshofen carrying out the final quality control of a cylinder barrel.



PROFILE
JOURNAL
FIGURES



154,131

ACTIVE CUSTOMERS
(WITH SALES IN 2020)



93,593

MOBILE HYDRAULIC SERVICE OPERATIONS (IN 2020)



6,224,774

HOSE ASSEMBLIES
ASSEMBLED (IN 2020)



<25%

RISK RATIO
TOP 100 CUSTOMERS*



2,054,767

UNIQUE X-CODES
MARKED ON HOSE ASSEMBLIES (IN 2020)

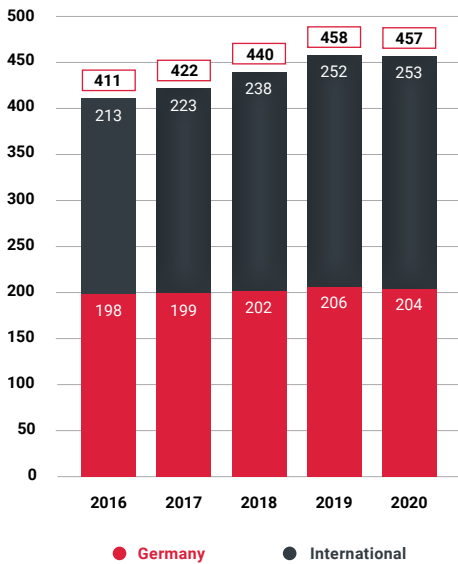


1,162,772

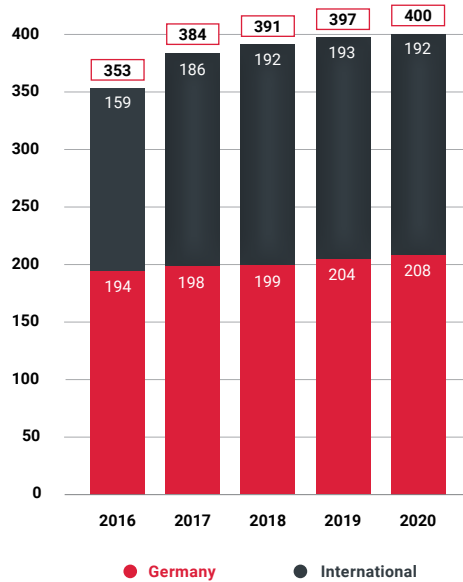
LISTED ARTICLES
(TRADE GOODS)

* This ratio provides us with a relatively robust, crisis-proof business thanks to a broad customer base – from small businesses to large corporations.

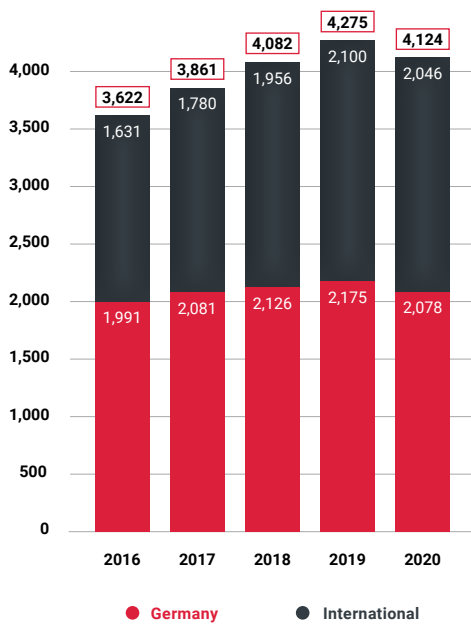
BRANCHES WORLDWIDE



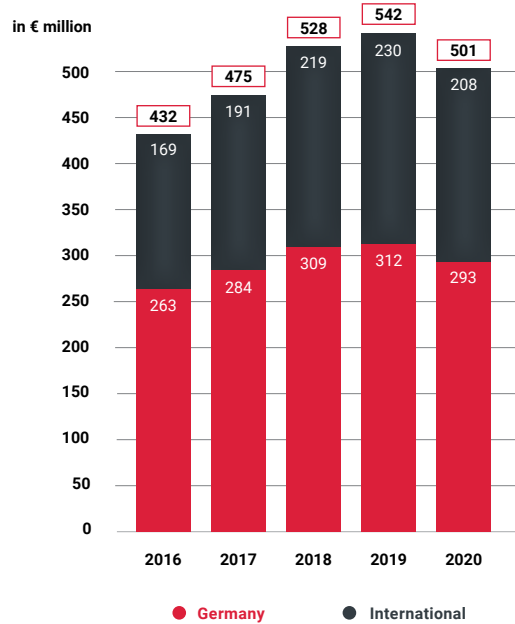
SERVICE VEHICLES WORLDWIDE



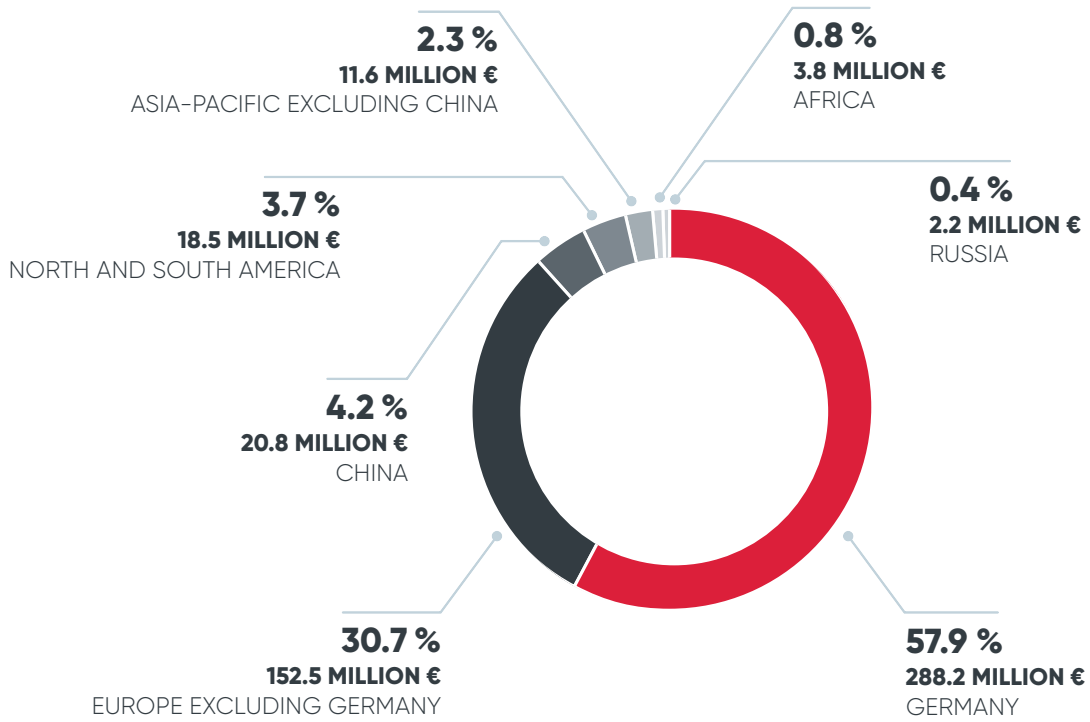
EMPLOYEES WORLDWIDE



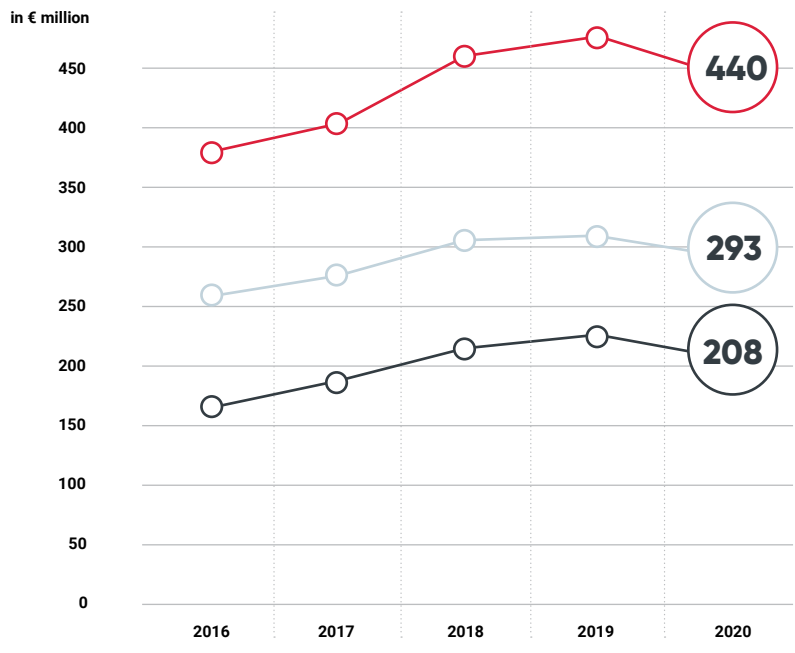
REVENUE DEVELOPMENT CORPORATE GROUP (NON-CONSOLIDATED)



GLOBAL REVENUE DISTRIBUTION (NON-CONSOLIDATED)

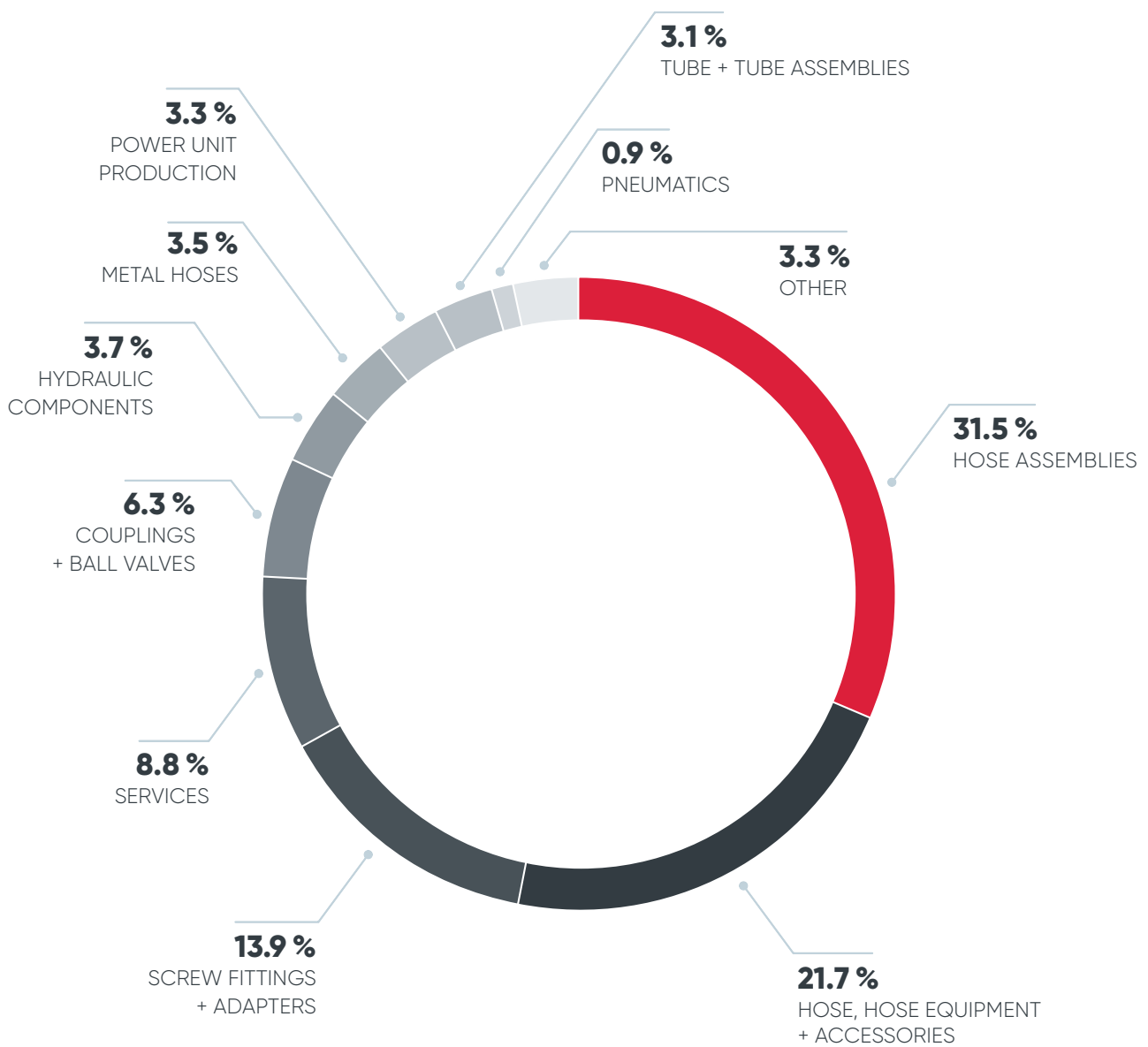


REVENUE DEVELOPMENT HANSA-FLEX GROUP



● Group (consolidated) ● HANSA-FLEX Germany (non-consolidated) ● International HANSA-FLEX affiliates (non-consolidated)

PROPORTION OF REVENUES BY PRODUCT GROUP



CONSOLIDATED PROFIT AND LOSS STATEMENT

Summarised statement in k€	2020	2019	2018
	Interim		
1. Sales revenues	439,982	471,535	456,631
2. Changes in inventories, own work capitalised and other income	8,196	7,655	5,862
Overall revenues	448,178	479,190	462,493
3. Cost of materials	(173,505)	(186,888)	(182,127)
4. Personnel costs	(148,487)	(158,619)	(151,122)
5. Depreciation of intangible and tangible assets and property, plant and equipment	(13,316)	(12,716)	(12,243)
6. Other operating expenses	(86,042)	(91,940)	(84,679)
7. Income from investments	0	17	0
8. Other interest and similar income	583	444	295
9. Depreciation on financial assets	0	0	0
10. Interest and other expenses	(3,019)	(3,666)	(3,673)
Profits on normal business activities	24,392	25,822	28,944

The HANSA-FLEX consolidated balance sheet and income statement include the consolidated individual financial statements of HANSA-FLEX AG and all its relevant direct and indirect majority shareholdings in Germany and abroad.

CONSOLIDATED BALANCE SHEET

Assets in k€	2020	2019	2018
A Fixed assets	Interim		
I Intangible assets	8,210	7,175	4,813
II Property, plant and equipment	75,718	73,832	71,014
III Financial assets	6,647	6,866	6,140
Total non-current assets	90,575	87,873	81,967
B Current assets			
I Stocks	125,657	136,399	126,708
II Receivables and other assets	56,943	57,977	60,550
III Liquid funds	29,139	19,514	15,360
Total current assets	211,739	213,890	202,618
C Accruals and deferrals	1,292	1,404	1,207
D Deferred tax assets	820	820	743
Total assets	304,426	303,987	286,535
Liabilities in k€	2020	2019	2018
A Equity	Interim		
B Reserves	137,003	125,727	113,238
C Liabilities	21,320	21,145	21,115
I Amounts owed to credit institutions	85,624	91,376	86,118
II Trade payables	15,901	17,152	20,579
III Other liabilities	44,048	47,671	44,964
Total liabilities	146,428	156,199	151,661
D Accruals and deferrals	530	916	521
E Deferred tax liabilities	0	0	0
Total liabilities	304,426	303,987	286,535

AT HOME ON ALL CONTINENTS THE HANSA-FLEX LOCATIONS

41

COUNTRIES


457

LOCATIONS

HQ


 **Germany**
HANSA-FLEX AG
28307 Bremen


SUBSIDIARY


 **Germany**
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49377 Vechta


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9031 Gent-Drongen


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88000 Mostar


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89066-010 Blumenau (Itoupavazinha)

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4210 Stamboliiski


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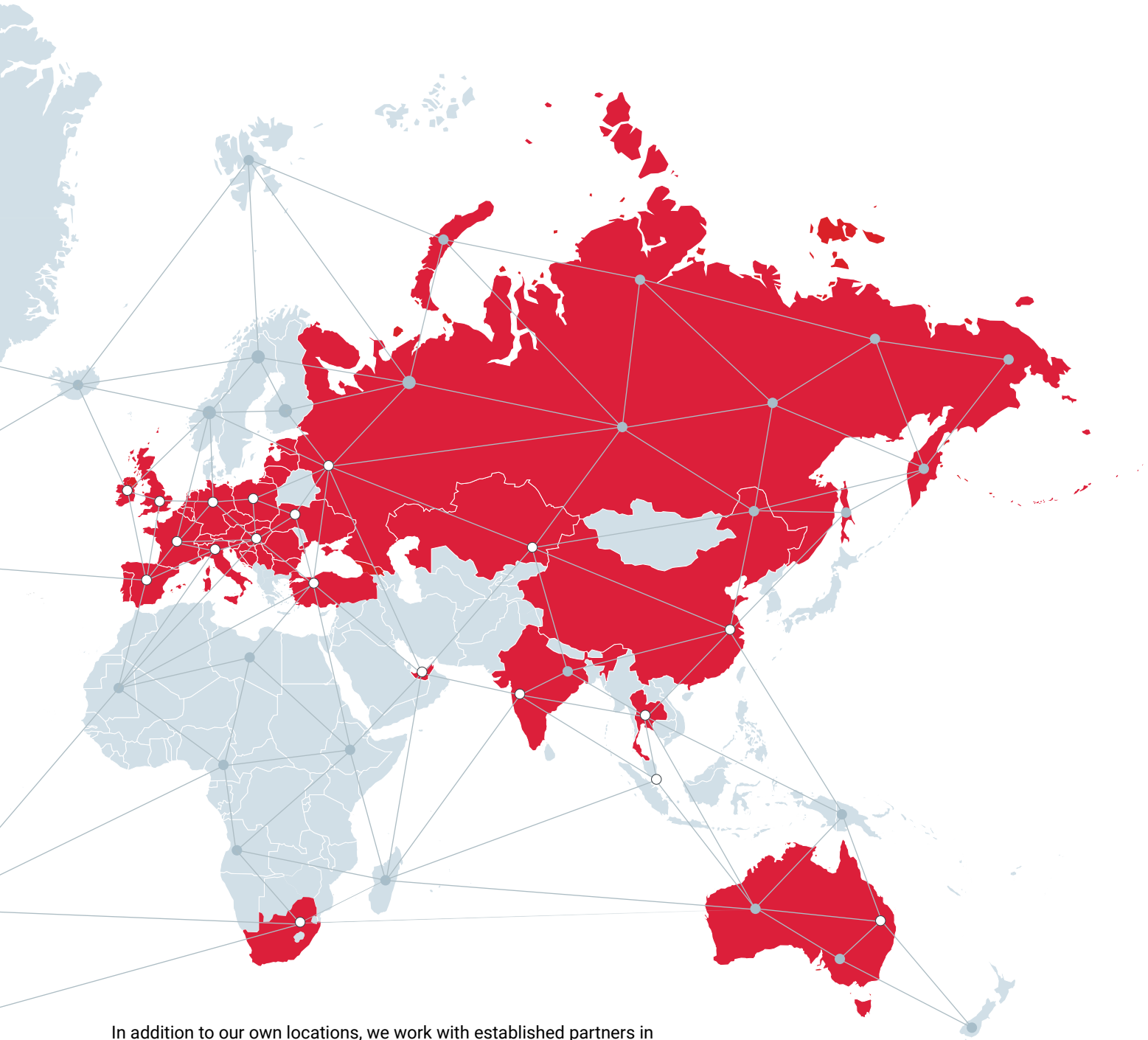
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4475-249 MAIA / Porto

 **Romania**
HANSA-FLEX Romania S.R.L.
077145 Pantelimon / Ilfov





In addition to our own locations, we work with established partners in many other countries and deliver our goods to almost any desired location.

hansa-flex.com/en/subsidiaries.html



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 HANSA-FLEX ZAO Hidraulika
 236028 Kaliningrad



Switzerland
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 3063 Ittigen



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 627546 Singapore



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 1238 Budapest XXIII



USA
 HANSA-FLEX USA
 Formerly Hatec International Inc.
 77041 Houston / Texas



United Arab Emirates
 HANSA-FLEX Hydraulics Middle East L.L.C.
 UAE Dubai

DID YOU KNOW ...?

1,700 SPARE-PARTS

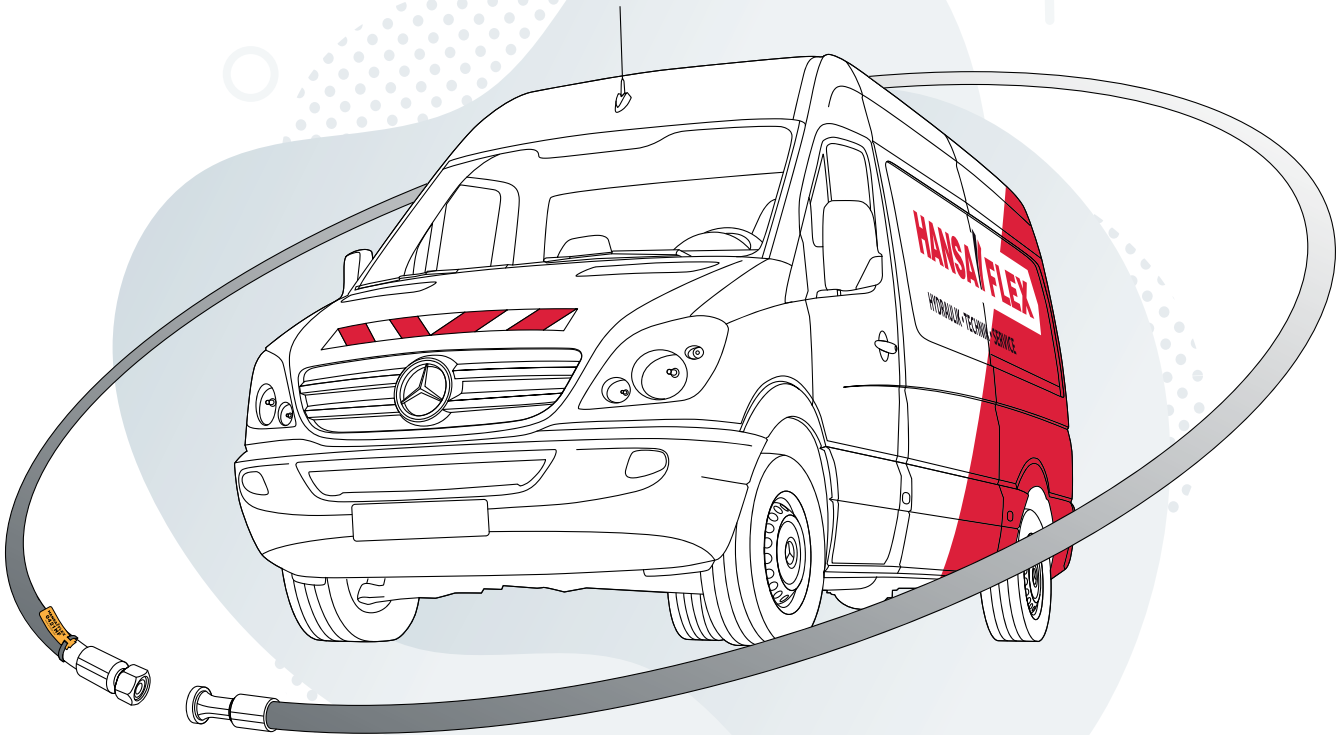
are standard on board an average service van. Part of the range is adapted for the regular customers in the area. Thanks to the dense network of branches with over 200 locations in Germany, rarer parts can be procured very quickly within a short distance.

140,447 HOSE ASSEMBLIES

were manufactured by the Mobile Hydraulic Service in Germany alone in 2020.

6 m²

is the mobile workshop space in the service vans, making them by far the smallest workshops at HANSA-FLEX.



1 MINUTE

is all a service engineer needs to see whether they have all the necessary parts on board. They can immediately check the order-relevant stock levels in every service vehicle and branch office

at any time using the X-CODE and the direct SAP connection to their service software.

6.4 YEARS

was the average length of service of our service engineers in 2020.

2,396 HOURS

was how long the Mobile Hydraulic Service engineers spent on training and further education in Germany alone in 2020, despite the Covid-19 restrictions.

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System partner for hydraulics