



Electrical Equipment/Finland, August 4, 2023 News Flash

Results stronger than estimated

Scanfil's Q2 results came in somewhat higher than estimated. Top line was a bit higher than we expected, driven by Energy & Cleantech, while EBIT topped our and consensus estimates by some EUR 1m.

- Scanfil Q2 revenue grew by 14.3% y/y to EUR 243.3m, compared to the EUR 239.9m/237.1m Evli/consensus estimates. Growth was largely driven by the Energy & Cleantech segment (recycling, green energy and energy efficiency solutions). Strong demand, better electronic components availability and investments in production capacity enabled higher production volumes.
- Advanced Consumer Applications amounted to EUR 57.9m vs our EUR 68.0m estimate, while Energy & Cleantech was EUR 86.0m vs our EUR 65.3m estimate. Automation & Safety was EUR 47.5m, compared to our EUR 55.6m estimate.
- EBIT came in at EUR 17.5m vs the EUR 16.2m/16.6m Evli/consensus estimates, meaning operating margin was 7.2%. High production volumes and capacity utilization rates, increased operational efficiency and successful cost inflation management supported profitability.
- Scanfil guides FY '23 revenue in the range of EUR 900-950m and adjusted EBIT of EUR 61-68m (updated on Iul 10)
- Scanfil has also decided to invest EUR 20m in a new factory building in Sieradz, Poland. The new building will increase its Sieradz plant factory floor area by over 70%. The project starts this month and the new building is estimated to be ready for production in Q2'25. Additional expansion investments will be done gradually in line with production volume growth.

Rating		HOLD			
Q2'23 Revenue EBIT EPS Deviation Revenue	Actual 243.3 17.5 0.22 Actual	Evli 239.9 16.2 0.18 Evli 1 %	Year ago 212.9 10.1 0.11 Year ago 14 %	01'23 224.6 15.1 0.18 01'23 8 %	
EBIT EPS Share price, closing price)	EUR (Last tradi	8 % 22 % ing day's	73 % 100 %	16 % 22 % 10.38	
Target price,			11.0 27-Apr-23		
Latest change in recommendation Latest report on company Research paid by issuer: No. of shares outstanding, '000's No. of shares fully diluted, '000's Market cap, EURm Free float, % Exchange rate Reuters code Bloomberg code Average daily volume, EURm Next interim report Web site			12-Jul-23 YES 63,895 63,895 663 46.6 - SCANFLHE SCANFL FH 0.1 04-Aug-23 www.scanfil.com/investors		
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■ BUY ○ HOLD ■ SELL

PRE-REPORT KEY FIGURES										
	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2021	695.7	40.3	5.8%	-31.7	0.48	15.6	0.8	13.2	-6.7	0.19
2022	843.8	45.4	5.4%	-7.2	0.55	12.0	0.6	11.0	-1.7	0.21
2023E	939.1	64.4	6.9%	80.2	0.75	13.9	0.7	10.5	12.1	0.23
2024E	976.7	66.4	6.8%	41.3	0.78	13.3	0.7	9.8	6.2	0.25
2025E	1,010.8	69.7	6.9%	44.2	0.82	12.7	0.6	8.9	6.7	0.27
Market cap, EURm		663 B	BV per share 2023E, EUR			5.5 CAGR EPS 2022-25, %				
Net debt 2	023E, EURm		14 P	rice/book 2023	3E		2.5 CAGR	sales 2022-	25, %	6.2
Enterprise value, EURm		678 D	Dividend yield 2023E, %			2.2 ROE 2023E, %			19.6	
Total assets 2023E, EURm		500 Ta	Tax rate 2023E, %			22.9 ROCE 2023E, %			19.8	
Goodwill 2	023E, EURm		8 E	quity ratio 202	23E, %		52.2 PEG, P	P/E 23/CAGR		3.4

All the important disclosures can be found on the last pages of this report.

Important Disclosures

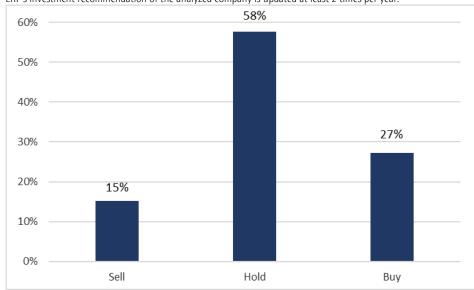
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Target price compared to share price Recommendation

< -10 % SELL -10 - (+10) % HOLD > 10 % BUY

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Name(s) of the analyst(s): Ilvonen

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