

Results were somewhat soft

Scanfil's Q1 results were expected to be soft relative to the comparison period but still came in somewhat lower than estimated. Scanfil retains its outlook according to which market demand picks up again in H2. Meanwhile the company has focused on some efficiency measures.

- Scanfil's Q1 revenue declined by 11.5% y/y to EUR 198.9m vs the EUR 212.5m/210.2m Evli/consensus estimates. Top line decreased by 8.6% when excluding spot market purchases. Energy & Cleantech decreased 3.3% y/y but was up 11.3% excluding energy saving solutions. Industrial as well as Medtech & Life Science fell by similar 15% y/y rates due to destocking and demand changes. Market demand was lower relative to the comparison period and Scanfil focused on improving operational efficiency and inventories were reduced by EUR 10m.
- EBIT landed at EUR 12.7m, compared to the EUR 13.9m/14.0m Evli/consensus estimates. Operating margin was 6.4% (6.8% excluding layoff costs and FX changes).
- Scanfil guides FY '24 revenue in the range of EUR 820-900m and adjusted EBIT of EUR 57-65m (unchanged). H1 market outlook remains sluggish, however activity is expected to pick up again in H2.

Rating + BUY				
Q1'24	Actual	Evli	Year ago	Q4'23
Revenue	198.9	212.5	224.6	220.8
EBIT	12.7	13.9	15.1	13.4
EPS	0.15	0.16	0.18	0.17
Deviation	Actual	Evli	Year ago	Q4'23
Revenue		-6 %	-11 %	-10 %
EBIT		-9 %	-16 %	-5 %
EPS		-6 %	-17 %	-12 %
Share price, EUR (Last trading day's closing price)				7.95
Target price, EUR				9.0
Latest change in				12-Oct-23
Latest report on company				06-Mar-24
Research paid by issuer:				YES
No. of shares outstanding, '000's				63,895
No. of shares fully diluted, '000's				63,895
Market cap, EURm				508
Free float, %				46.6
Exchange rate				-
Reuters code				SCANFLHE
Bloomberg code				SCANFL FH
Average daily volume, EURm				0.1
Next interim report				24-Apr-24
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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
2022	843.8	45.4	5.4%	-7.2	0.55	12.0	0.6	11.0	-1.7	0.21
2023	901.6	61.3	6.8%	45.4	0.75	10.4	0.6	8.9	9.1	0.23
2024E	882.8	61.5	7.0%	44.3	0.73	10.9	0.6	8.6	8.7	0.25
2025E	909.3	64.6	7.1%	49.1	0.76	10.5	0.5	7.6	9.7	0.26
2026E	941.1	64.9	6.9%	45.4	0.77	10.4	0.5	7.1	8.9	0.27
Market cap, EURm	508		BV per share 2024E, EUR		6.1		CAGR EPS 2023-26, %		0.5	
Net debt 2024E, EURm	18		Price/book 2024E		1.7		CAGR sales 2023-26, %		1.4	
Enterprise value, EURm	526		Dividend yield 2024E, %		3.1		ROE 2024E, %		16.6	
Total assets 2024E, EURm	531		Tax rate 2024E, %		23.1		ROCE 2024E, %		17.7	
Goodwill 2024E, EURm	8		Equity ratio 2024E, %		56.1		PEG, P/E 24/CAGR		3.5	

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

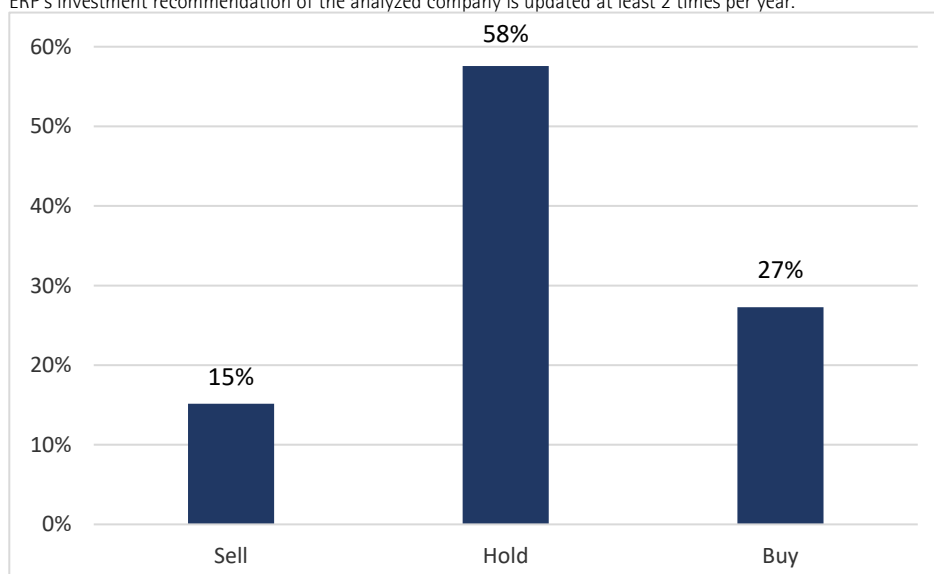
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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April 24, 2024

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