

## Sales beat, EBIT subdued

Scanfil missed our Q1 EBIT estimate of EUR 8.0m, the figure coming in at EUR 6.8m. The company said earlier Q1 will be relatively slow, citing low demand among a few significant customers. Scanfil continues to expect customer demand to pick up during Q2, holding on to its earlier guidance for the year.

- Q1 revenue amounted to EUR 130m vs. our expectation of EUR 125m. Revenue declined by 7% y/y due to customer-specific considerations.
- The sales decrease was attributable to the Consumer Applications and Communication segments. Other customer segments' revenues were stable or developed positively.
- Q1 EBIT stood at EUR 6.8m (5.3% margin) vs. our estimate of EUR 8.0m (6.4% margin). The operating profit declined by a third on an annual basis due to lower turnover and unfavorable product mix.
- Scanfil retains 2019 guidance for EUR 560-610m in revenue and EUR 36-41m in EBIT. The company expects Q2 to be much stronger in terms of revenue and EBIT.

Rating				BUY
Q1'19	Actual	Evli	Year ago	Q4'18
Net sales	129.9	125.0	139.6	140.2
EBIT	6.8	8.0	10.3	7.5
EPS	0.08	0.09	0.12	0.07
Deviation	Actual	Evli	Year ago	Q4'18
Net sales		4 %	-7 %	-7 %
EBIT		-15 %	-34 %	-9 %
EPS		-11 %	-33 %	14 %
Share price, EUR (Last trading day's closing price)				4.32
Target price, EUR				4.75
Latest change in recommendation				29-Oct-18
Latest report on company				18-Feb-19
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				276
Free float, %				-
Exchange rate				-
Reuters code				SCANFLHE
Bloomberg code				SCANFL FH
Average daily volume, EURm				-
Next interim report				25-Apr-19
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BUY HOLD SELL

### PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	Ptx profit EURm	EPS EUR	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS EUR
2017	530	31	5.9%	33	0.40	10.5	0.6	12.8	10.0	0.11
2018	563	38	6.7%	35	0.42	10.5	0.5	8.4	8.1	0.13
2019E	584	38	6.5%	37	0.44	9.9	0.5	7.9	7.5	0.14
2020E	602	39	6.5%	38	0.46	9.4	0.4	7.5	6.9	0.15
2021E	617	40	6.5%	40	0.47	9.1	0.4	7.3	6.3	0.16
Market cap, EURm	276		BV per share 2019E, EUR		2.6		CAGR EPS 2018-21, %		4.0	
Net debt 2019E, EURm	9		Price/book 2019E		1.6		CAGR sales 2018-21, %		3.1	
Enterprise value, EURm	285		Dividend yield 2019E, %		3.3		ROE 2019E, %		17.7	
Total assets 2019E, EURm	316		Tax rate 2019E, %		24.3		ROCE 2019E, %		18.7	
Goodwill 2019E, EURm	10		Equity ratio 2019E, %		53.3		PEG, P/E 19/CAGR		2.7	

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

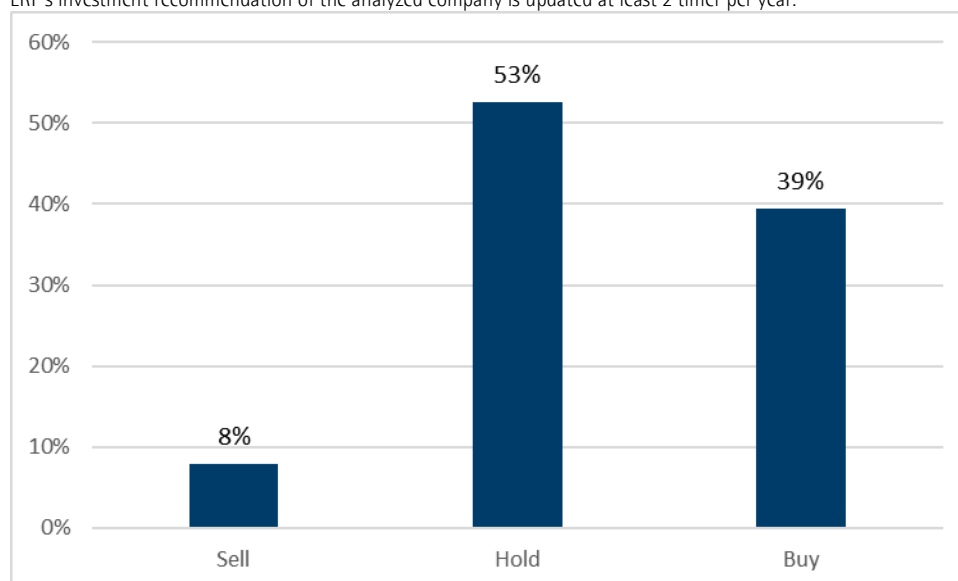
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Investment recommendations are defined as follows:

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

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



The graph above shows the distribution of ERP's recommendations of companies under coverage in 1st of February 2019. If recommendation is not given, it is not mentioned here.

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

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