

Q1 figures topped estimates

Scanfil's Q1 top line continued to grow at a 20% annual rate while operating margin remained decent at 5.3%. Relative profitability was therefore close to estimates while the high revenue figure helped deliver a small earnings beat.

- Scanfil Q1 revenue grew by 20.4% y/y and was EUR 196.6m vs the EUR 170.0m/179.4m Evli/consensus estimates. Transient spot market component purchases amounted to about EUR 17m and excluding them revenue would have been EUR 179m.
- Advanced Consumer Applications landed at EUR 55.0m, compared to our EUR 45.9m estimate, while Energy & Cleantech amounted to EUR 54.6m vs our EUR 45.5m estimate. Automation & Safety was EUR 42.6m vs our EUR 36.9m estimate.
- Adjusted EBIT was EUR 10.3m, compared to the EUR 9.2m/9.7m Evli/consensus estimates. Component availability issues limited Q1 profitability. Profitability should improve throughout the year while spot market component purchases are to remain high at least in Q2 and Q3.
- Scanfil guides FY '22 revenue to be EUR 750-820m and adjusted EBIT EUR 43-48m. The war hasn't had any significant financial impact on Scanfil, likewise with the Chinese virus situation so far.

Rating					+ BUY
Q1'22	Actual	Evli	Year ago	Q4'21	
Revenue	196.6	170.0	163.3	191.7	
Adj. EBIT	10.3	9.2	10.0	10.2	
Adj. EPS	0.12	0.11	0.12	0.14	
Deviation	Actual	Evli	Year ago	Q4'21	
Revenue		16 %	20 %	3 %	
Adj. EBIT		12 %	3 %	1 %	
Adj. EPS		9 %	0 %	-14 %	
Share price, EUR (Last trading day's closing price)					7.28
Target price, EUR					8.0
Latest change in recommendation					14-Oct-21
Latest report on company					23-Feb-22
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					465
Free float, %					46.6
Exchange rate					-
Reuters code					SCANFLHE
Bloomberg code					SCANFL FH
Average daily volume, EURm					0.1
Next interim report					22-Apr-22
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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
2020	595.3	39.1	6.6%	43.5	0.49	13.2	0.7	11.0	10.4	0.17
2021	695.7	40.3	5.8%	-31.7	0.48	15.6	0.8	13.2	-6.7	0.19
2022E	740.7	45.7	6.2%	68.3	0.54	13.6	0.6	10.2	14.7	0.20
2023E	784.8	53.0	6.8%	32.9	0.62	11.7	0.6	8.4	7.1	0.21
2024E	824.0	57.7	7.0%	36.5	0.68	10.7	0.5	7.3	7.8	0.22
Market cap, EURm	465		BV per share 2022E, EUR		0.1		CAGR EPS 2021-24, %		12.5	
Net debt 2022E, EURm	0		Price/book 2022E		2.0		CAGR sales 2021-24, %		5.8	
Enterprise value, EURm	465		Dividend yield 2022E, %		2.7		ROE 2022E, %		15.7	
Total assets 2022E, EURm	409		Tax rate 2022E, %		24.0		ROCE 2022E, %		16.4	
Goodwill 2022E, EURm	8		Equity ratio 2022E, %		56.2		PEG, P/E 22/CAGR		1.4	

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

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The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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