

## Strong H2 profitability in the cards

Scanfil's Q2 report didn't serve any major surprises. Top line was largely according to expectations, although Q2 profitability came in a little soft but only implies stronger EBIT in H2.

- Scanfil Q2 revenue grew by 23% y/y to EUR 212.9m, compared to the EUR 201.7m/212.5m Evli/consensus estimates. Transitory component invoicing amounted to EUR 29.5m during the quarter. Customer demand was generally strong in all customer segments, however poor availability of electronic components remained a challenge. Spot market component purchases will remain high at least in Q3.
- Advanced Consumer Applications amounted to EUR 68.7m vs our EUR 64.6m estimate, while Energy & Cleantech was EUR 53.5m vs our EUR 54.2m estimate. Automation & Safety landed at EUR 45.6m, compared to our EUR 41.6m estimate.
- Q2 adjusted EBIT came in at EUR 10.1m vs the EUR 11.3m/11.2m Evli/consensus estimates. There was an FX loss of EUR 1.4m, mainly due to the strengthening of the US dollar. China's lockdown measures affected the Suzhou factory's profitability especially in April, but the level returned to normal in May and June. Scanfil's guidance also implies strong H2 profitability.
- Scanfil guides EUR 800-880m in revenue and EUR 43-48m in adjusted EBIT for FY '22.

| Rating  |        |       |          | BUY                       |
|---|--------|-------|----------|---------------------------|
| Q2'22   | Actual | Evli  | Year ago | Q1'22                     |
| Revenue   | 212.9  | 201.7 | 172.9    | 196.6                     |
| Adj. EBIT   | 10.1   | 11.3  | 10.6     | 10.3                      |
| Adj. EPS  | 0.11   | 0.13  | 0.13     | 0.12                      |
| Deviation   | Actual | Evli  | Year ago | Q1'22                     |
| Revenue   |        | 6 %   | 23 %     | 8 %                       |
| Adj. EBIT   |        | -11 % | -5 %     | -2 %                      |
| Adj. EPS  |        | -15 % | -15 %    | -8 %                      |
| Share price, EUR (Last trading day's closing price) |        |       |          | 7.10                      |
| Target price, EUR                                   |        |       |          | 8.0                       |
| Latest change in recommendation                     |        |       |          | 14-Oct-21                 |
| Latest report on company                            |        |       |          | 25-Apr-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                                    |        |       |          | 454                       |
| Free float, %                                       |        |       |          | 46.6                      |
| Exchange rate                                       |        |       |          | -                         |
| Reuters code  |        |       |          | SCANFLHE                  |
| Bloomberg code                                      |        |       |          | SCANFL FH                 |
| Average daily volume, EURm                          |        |       |          | 0.1                       |
| Next interim report                                 |        |       |          | 05-Aug-22                 |
| Web site  |        |       |          | www.scanfil.com/investors |
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BUY HOLD SELL

### PRE-REPORT KEY FIGURES

|                          | Sales<br>EURm | EBIT<br>EURm | EBIT<br>%               | FCF<br>EURm | EPS<br>EUR | P/E<br>(x) | EV/Sales<br>(x)       | EV/EBIT<br>(x) | FCF yield<br>% | DPS<br>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                    | 796.8         | 46.5         | 5.8%                    | 57.1        | 0.55       | 12.9       | 0.6                   | 10.0           | 12.6           | 0.20       |
| 2023E                    | 840.4         | 53.8         | 6.4%                    | 33.9        | 0.63       | 11.3       | 0.5                   | 8.3            | 7.5            | 0.21       |
| 2024E                    | 882.4         | 60.9         | 6.9%                    | 38.5        | 0.72       | 9.9        | 0.5                   | 6.9            | 8.5            | 0.24       |
| Market cap, EURm         | 454           |              | BV per share 2022E, EUR |             | 5.0        |            | CAGR EPS 2021-24, %   |                | 14.5           |            |
| Net debt 2022E, EURm     | 12            |              | Price/book 2022E        |             | 2.0        |            | CAGR sales 2021-24, % |                | 8.2            |            |
| Enterprise value, EURm   | 465           |              | Dividend yield 2022E, % |             | 2.8        |            | ROE 2022E, %          |                | 16.0           |            |
| Total assets 2022E, EURm | 433           |              | Tax rate 2022E, %       |             | 21.9       |            | ROCE 2022E, %         |                | 16.3           |            |
| Goodwill 2022E, EURm     | 8             |              | Equity ratio 2022E, %   |             | 53.2       |            | PEG, P/E 22/CAGR      |                | 1.1            |            |

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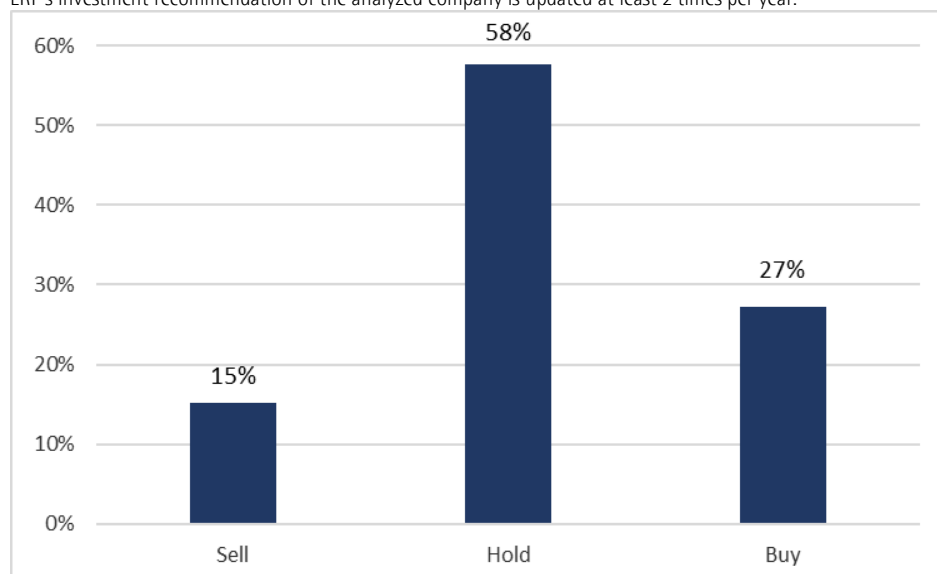
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| Target price compared to share price | Recommendation |
|--------------------------------------|----------------|
| < -10 %                              | SELL           |
| -10 – (+10) %                        | HOLD           |
| > 10 %       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

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