

No major surprises, strong report

Scanfil's Q4 unfolded without any big surprises. The key figures developed well and were all somewhat better than estimated. Continued high demand and improved component availability supported profitability. Guidance suggests strong performance is set to continue this year as well.

- Scanfil Q4 revenue increased by 15.9% y/y to EUR 222.3m, compared to the EUR 215.6m/218.3m Evli/consensus estimates. The figure includes EUR 14.6m in invoicing of spot market purchases.
- Advanced Consumer Applications amounted to EUR 56.3m vs our EUR 59.8m estimate, while Energy & Cleantech was EUR 61.3m, compared to our EUR 60.3m estimate. Automation & Safety was EUR 51.4m vs our EUR 46.0m estimate.
- EBIT landed at EUR 13.4m vs the EUR 12.8m/12.5m Evli/consensus estimates and hence EBIT margin amounted to 6%. FX rate changes had a positive impact of EUR 0.3m. Continued good customer demand and improved manufacturing performance (due to better component availability) supported profitability to a high absolute level, whereas spot market purchases with negligible margin limited operating margin.
- The BoD proposes EUR 0.21 per share dividend to be distributed for the year, compared to the EUR 0.20/0.20 Evli/consensus estimates.
- Scanfil guides FY '23 revenue to be in the range of EUR 820-890m and EBIT of EUR 49-55m. The number of spot market purchases is likely to decrease significantly compared to previous year.

Rating				+ BUY
Q4'22	Actual	Evli	Year ago	Q3'22
Revenue	222.3	215.6	191.7	211.9
EBIT	13.4	12.8	9.5	11.5
EPS	0.16	0.15	0.13	0.15
Deviation	Actual	Evli	Year ago	Q3'22
Revenue		3 %	16 %	5 %
EBIT		5 %	41 %	17 %
EPS		7 %	23 %	7 %
Share price, EUR (Last trading day's closing price)				7.66
Target price, EUR				7.0
Latest change in recommendation				14-Oct-21
Latest report on company				27-Oct-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				489
Free float, %				46.6
Exchange rate				-
Reuters code				SCANFLHE
Bloomberg code				SCANFL FH
Average daily volume, EURm				0.1
Next interim report				21-Feb-23
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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	837.0	44.8	5.4%	49.0	0.54	14.3	0.6	11.4	10.0	0.20
2023E	819.4	50.8	6.2%	46.8	0.59	12.9	0.6	9.4	9.6	0.21
2024E	860.4	55.9	6.5%	35.8	0.66	11.6	0.5	8.1	7.3	0.22
Market cap, EURm	489		BV per share 2022E, EUR		8.6		CAGR EPS 2021-24, %		11.3	
Net debt 2022E, EURm	20		Price/book 2022E		2.1		CAGR sales 2021-24, %		7.3	
Enterprise value, EURm	509		Dividend yield 2022E, %		2.6		ROE 2022E, %		15.7	
Total assets 2022E, EURm	450		Tax rate 2022E, %		17.8		ROCE 2022E, %		15.4	
Goodwill 2022E, EURm	8		Equity ratio 2022E, %		51.0		PEG, P/E 22/CAGR		1.3	

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

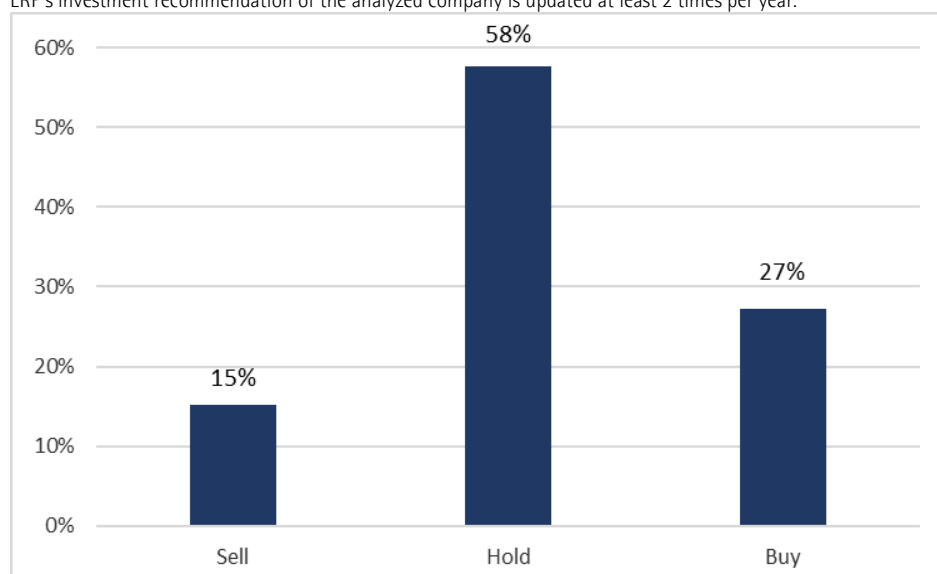
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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