22 February 2022

Commissioned research: Scanfil's FY EBIT guidance in-line with consensus

Marketing material commissioned by Scanfil Oyj
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Scanfil reported better net sales and better clean EBIT than market consensus (Infront) expected in Q4, regardless the availability of components has remained a problem in Q4 taking down utilisation ratios. The availability of semiconductors will continue to be challenging at least in the first half of the year. High component prices have been passed on to end-product prices, but Scanfil has not received an ordinary margin for this excess revenue why EBIT margin was 5.3% in Q4 compared to long term target of 7%. The company's new long-term annual sales growth target is 5-7%. Long-term operating profit margin target remained unchanged at 7%. Dividend proposal EUR 0.19 (cons EUR 0.19).

Net sales was 4% above consensus meanwhile EBIT was 6% above consensus in Q4

- Revenue growth was 25% in Q4 y/y.
- Operating profit margin was 5.3% (consensus 5.2%).
- Advanced Consumer Applications segment reported weaker net sales than we expected in Q4.
- Net sales was above our expectations in Automation & Safety and in Energy & Cleantech segments in Q4.
- Reported EPS was EUR 0.13 (consensus EUR 0.11).
- Net cash flow from operations was EUR -13m in 2021 (2020: EUR 35m) due to a strong increase in inventories.

Full year 2022 guidance

- Revenue is guided to be EUR 710-760m.
- Consensus (Infront) for net sales in 2022 has been EUR 719m.
- Operating profit is guided to be EUR 43-48m.
- Consensus for 2022 EBIT has been EUR 46m (2021: clean EBIT EUR 40m).

SUMMARY TABLE - KEY FIGURES

EURm	2018	2019	2020	2021E	2022E	2023E
Total revenue	563	580	595	690	723	742
EBITDA (adj)	47	53	55	55	62	65
EBIT (adj)	38	39	39	40	47	50
EBIT (adj) margin	6.7%	6.7%	6.6%	5.8%	6.4%	6.7%
EPS (adj, EUR)	0.45	0.49	0.49	0.45	0.56	0.59
EPS (adj) growth	26.5%	8.4%	0.0%	-7.9%	22.2%	6.9%
DPS (ord, EUR)	0.13	0.15	0.17	0.19	0.21	0.23
EV/Sales	0.5	0.6	0.7	0.7	0.6	0.6
EV/EBIT (adj)	7.1	9.3	11.3	11.7	9.4	8.3
P/E (adj)	8.2	9.9	13.2	14.7	12.1	11.3
P/BV	1.7	1.9	2.3	2.2	1.9	1.7
Dividend yield (ord)	3.5%	3.1%	2.6%	2.8%	3.1%	3.4%
FCF Yield bef A&D, lease adj	8.1%	8.2%	5.5%	-1.1%	9.8%	9.3%
Net debt	30	46	18	34	4	-23
Net debt/EBITDA	0.6	0.9	0.3	0.6	0.1	-0.4
ROIC after tax	16.5%	14.9%	13.9%	13.6%	15.1%	16.4%

Source: Company data and Nordea estimates

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