Nordea

Commissioned Equity Research

Flash comment

22 April 2022

Commissioned research: Scanfil – Relatively good Q1, guidance unchanged

Marketing material commissioned by Scanfil Oyj

Scanfil reported better net sales and better EBIT than market consensus (Refinitiv) expected in Q1. End demand has been good in all customer segments. Scanfil has also been able to keep its factories running without breaks in China. High component prices have supported net sales but also creating a headwind for relative profitability. EBIT margin was 5.3% in Q1 compared to long term target of 7%. The company expects operating profit to develop positively towards the end of the year. We also believe clean EBIT could improve in all quarters (Q2-Q4) in q/q basis. Full year net sales and EBIT guidance were unchanged. We believe market consensus EBIT for 2022E could come up by 2-3% today.

Net sales was 8% above consensus meanwhile EBIT was 6% above consensus in Q1

- Revenue growth was 20% in Q1 y/y.
- Operating profit margin was 5.3% (Nordea 5.5%) in Q1.
- Automation & Safety segment reported better net sales than we expected in Q1.
- Connectivity and Medtec & Life Science segment's net sales were slightly under our expectations in Q1.
- Overall, group level net sales was close to our expectation in Q1.
- Reported EPS was EUR 0.12 (Refinitiv consensus EUR 0.12).
- Net cash flow from operations was EUR -14m in Q1 (Q1 2021: EUR 8m) due to an increase in receivables and inventories.

Full year 2022 guidance

- Revenue is guided to be EUR 750-820m (unchanged).
- Consensus (Refinitiv) for net sales in 2022 has been EUR 760m (Nordea EUR 792m).
- Operating profit is guided to be EUR 43-48m (unchanged).
- Consensus for 2022 EBIT has been EUR 45m (Nordea EUR 46m).

SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022E	2023E	2024E
Total revenue	580	595	696	792	773	803
EBITDA (adj)	53	55	56	61	64	67
EBIT (adj)	39	39	40	46	49	51
EBIT (adj) margin	6.7%	6.6%	5.8%	5.8%	6.3%	6.4%
EPS (adj, EUR)	0.49	0.49	0.48	0.55	0.59	0.62
EPS (adj) growth	8.4%	0.0%	-3.5%	15.8%	6.3%	5.7%
DPS (ord, EUR)	0.15	0.17	0.19	0.21	0.23	0.24
EV/Sales	0.6	0.7	0.8	0.7	0.6	0.6
EV/EBIT (adj)	9.3	11.3	13.5	11.3	9.8	8.9
P/E (adj)	9.9	13.2	15.7	13.2	12.4	11.8
P/BV	1.9	2.3	2.3	2.0	1.8	1.7
Dividend yield (ord)	3.1%	2.6%	2.5%	2.9%	3.2%	3.3%
FCF Yield bef A&D, lease adj	8.2%	5.5%	-5.8%	4.9%	11.6%	7.7%
Net debt	46	18	60	49	8	-13
Net debt/EBITDA	0.9	0.3	1.1	0.8	0.1	-0.2
ROIC after tax	14.9%	13.9%	12.8%	12.6%	13.4%	14.5%

Source: Company data and Nordea estimates

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