

05 August 2022

**Commissioned research: Scanfil – Q2 EBIT below consensus, guidance unchanged***Marketing material commissioned by Scanfil Oyj*

Net sales was in line with consensus (Refinitiv) in Q2. However, operating profit was 10% below consensus in Q2. EBIT margin was only 4.8% in Q2 compared to long term target of 7%. Reasons for a weak EBIT were related to China, FX and to poor availability of components but Scanfil expects the operating profit to develop positively in H2 2022. We see it realistic that EBIT in H2 2022 could be higher than year ago and also higher than in H1 2022. But we forecast lower net sales for next year y/y because improving component availability. Record-high component prices cannot last forever. Full year net sales and EBIT guidance were unchanged. We believe market consensus EBIT for 2022E could come down by 2-4%.

**Revenues were in-line with consensus meanwhile EBIT was 10% below consensus in Q2**

- Revenue growth was 23% in Q2 y/y.
- Operating profit margin was 4.8% (consensus 5.3%) in Q2.
- Advanced Consumer Application segment's net sales was clearly above our forecast in Q2.
- Energy & Cleantech segment's revenue were below our expectations in Q2.
- Automation & Safety segment as well as Medtec & Life Science reported net sales in-line with our expectations.
- Connectivity segment's net sales were under our expectations in Q2.
- Reported EPS was EUR 0.11 (Refinitiv consensus EUR 0.13).
- Net cash flow from operations was only EUR 2m in Q2 (Q1 2022: EUR -14m) due to an increase in receivables and inventories.

**Full year 2022 guidance**

- Revenue is guided to be EUR 800-880m (unchanged).
- Consensus (Refinitiv) for net sales in 2022 has been EUR 821m.
- Operating profit is guided to be EUR 43-48m (unchanged).
- Consensus for 2022 EBIT has been EUR 45m.

## SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022E	2023E	2024E
Total revenue	580	595	696	836	799	830
EBITDA (adj)	53	55	56	62	64	67
EBIT (adj)	39	39	40	46	49	51
EBIT (adj) margin	6.7%	6.6%	5.8%	5.5%	6.1%	6.2%
EPS (adj, EUR)	0.49	0.49	0.48	0.55	0.59	0.62
EPS (adj) growth	8.4%	0.0%	-3.5%	16.0%	6.2%	5.8%
DPS (ord, EUR)	0.15	0.17	0.19	0.21	0.23	0.24
EV/Sales	0.6	0.7	0.8	0.6	0.6	0.5
EV/EBIT (adj)	9.3	11.3	13.5	11.4	9.7	8.8
P/E (adj)	9.9	13.2	15.7	12.9	12.1	11.4
P/BV	1.9	2.3	2.3	2.0	1.8	1.6
Dividend yield (ord)	3.1%	2.6%	2.5%	3.0%	3.2%	3.4%
FCF Yield bef A&D, lease adj	8.2%	5.5%	-5.8%	1.8%	13.7%	7.8%
Net debt	46	18	60	65	15	-6
Net debt/EBITDA	0.9	0.3	1.1	1.1	0.2	-0.1
ROIC after tax	14.9%	13.9%	12.8%	12.3%	13.0%	14.2%

Source: Company data and Nordea estimates

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