23 February 2024

Commissioned research: Scanfil Oyj – FY 2024 EBIT guidance is close to market consensus

Marketing material commissioned by Scanfil Oyj

Net sales, EPS and dividend proposal were in line with consensus (LSEG) in Q4 but EBIT margin was below consensus expectation in Q4. Also full year 2024 revenue growth guidance midpoint of -5% looked a bit weak. However, full year EBIT guidance midpoint indicates a 7% EBIT margin for this year which is above consensus and Nordea's forecasts. The strongest positive momentum in Q4 was in Energy & Cleantech segment where net sales was up by 22% y/y. Net cash flow from operations was even EUR 35m in Q4. Overall, the situation looks good and the company's long-term EBIT margin target could even be upgraded to 8% (7%) in its strategy update at the next CMD, i.e. as early as 5 March.

Net sales was close to market consensus (LSEG) in Q4

- Revenue growth was -1% in Q4 y/y.
- Operating profit margin was 6.1% (consensus 6.8%) in Q4.
- Advanced Consumer Application segment's net sales declined by 7% y/y in Q4 but was still better than we expected.
- Connectivity segment also reported better net sales than we forecasted in Q4.
- Medtec & Life Science and Energy & Cleantech segment's net sales were slightly below our forecast in Q4.
- Reported EPS was EUR 0.17 (consensus EUR 0.17).
- Dividend proposal was EUR 0.23.

Full year 2024 guidance

- Revenue is guided to be EUR 820-900m (new).
- Consensus for net sales in 2024 has been EUR 900m.
- Operating profit is guided to be EUR 57-65m (new).
- Consensus for 2024 EBIT has been EUR 61m.

SCANFIL: DEVIATION TABLE

EURm	Actual Q4 2023	NDA est. Q4 2023	Deviation vs. actual		Consensus Q4 2023	Deviation vs. actual		Actual Q3 2023	q/q	Actual Q4 2022	y/y
Sales	221	223	-2	-1%	220	1	0%	213	4%	222	-1%
Adj. EBIT	13.4	14.1	-0.7	-5%	15.0	-1.6	-11%	15.2	-12%	13.4	0%
Adj. EBIT margin	6.1%	6.3%		-0.3pp	6.8%		-0.7pp	7.1%	-1.1pp	6.0%	0.0pp
Adj. EPS	0.17	0.17	0.00	2%	0.17	0.00	0%	0.17	0%	0.16	5%

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023E	2024E	2025E
Total revenue	595	696	844	904	911	963
EBITDA (adj)	55	56	63	81	78	83
EBIT (adj)	39	40	45	62	59	63
EBIT (adj) margin	6.6%	5.8%	5.4%	6.9%	6.4%	6.5%
EPS (adj, EUR)	0.49	0.47	0.54	0.75	0.72	0.76
EPS (adj) growth	0.0%	-3.8%	14.8%	37.2%	-3.9%	6.6%
DPS (ord, EUR)	0.17	0.19	0.21	0.23	0.25	0.27
EV/Sales	0.7	0.8	0.6	0.6	0.6	0.5
EV/EBIT (adj)	11.3	13.5	11.3	9.0	9.0	8.2
P/E (adj)	13.2	15.7	12.1	10.3	10.7	10.0
P/BV	2.3	2.3	1.9	1.9	1.7	1.5
Dividend yield (ord)	2.6%	2.5%	3.2%	3.0%	3.3%	3.5%
FCF Yield bef A&D, lease adj	5.5%	-5.8%	-2.7%	7.9%	8.0%	7.0%
Net debt	18	60	86	60	36	17
Net debt/EBITDA	0.3	1.1	1.4	0.7	0.5	0.2
ROIC after tax	13.9%	12.8%	11.8%	14.8%	13.7%	14.1%

Source: Company data and Nordea estimates

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