

Scanfil Oyj

Capital Goods
Finland

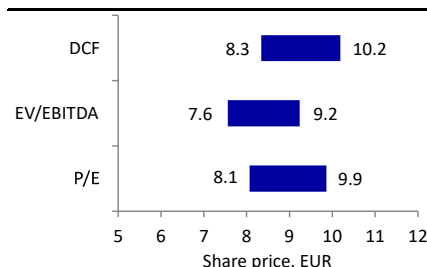
KEY DATA

Stock country	Finland
Bloomberg	SCANFL.FH
Reuters	SCANFL.HE
Share price (close)	EUR 7.71
Free float	25%
Market cap. (bn)	EUR 0.49/EUR 0.49
Website	www.scanfil.com/
Next report date	24 Apr 2024

PERFORMANCE



VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	-2%	-3%	-2%
EBIT (adj)	3%	3%	2%

Source: Nordea estimates

Nordea IB & Equity - Analysts

Pasi Väisänen
Director

Net sales guided to decline y/y in 2024

Scanfil's Q4 net sales were in line with LSEG Data & Analytics consensus but the midpoint of the company's full-year revenue guidance was 4.4% below consensus' expectations. Some of its customers are still destocking their inventories and declining spot component purchases should also negatively affect reported net sales. The midpoint of 2024E EBIT guidance indicates a 7% EBIT margin, hence the company's long-term financial target could be upgraded from 7% to 8% at the CMD in March 2024. The dividend proposal was EUR 0.23, in line with consensus' expectations. The company's valuation is 26% below the peer group median, but a small discount may be justified if Scanfil cannot improve 2024 net sales and EBIT y/y. Our fair value range remains at EUR 8.0-9.8, based on three equally weighted valuation approaches (DCF, EV/EBITDA and P/E).

Revenue and EBIT growth could be missing in 2024

Reported net sales were EUR 221m in Q4. Net sales averaged the same EUR 221m over the last seven quarters, but there has been variation between customer segments. Revenue growth in the Advanced Consumer Applications segment was better than we expected in Q4, but Automation & Safety segment reported weaker net sales than we forecasted. Overall, Q4 revenue growth was 5% y/y without component spot purchases. The Energy & Cleantec segment drove revenue growth in 2023 but the same pace may not be seen this year. The 2024 guidance midpoint indicates 5% lower net sales y/y at the group level, but net sales could grow y/y if the destocking effects seen in several sectors come to an end. We now expect negative y/y revenue growth for the Advanced Consumer Applications, Automation & Safety and Connectivity segments in 2024.

Valuation multiples for 2024E-25E are ~26% below peers

Based on our estimates, the company's 2024E EV/EBITDA multiple is ~25% below the peer group average, even though company-specific risks are not high. Net debt has fallen to EUR 52m due to strong cash flow. Net gearing is only 19%. The company is investing in organic growth and it does not seem to have an appetite for acquisitions at the moment. A new production line in Atlanta is ready and the EUR 20m expansion in Poland ongoing. Growth is not at its strongest but we do not expect utilisation ratios to come under pressure. One of the core strengths of the company is its proactive management of utilisation ratios.

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	595	696	844	902	891	938	982
EBITDA (adj)	55	56	63	80	80	85	88
EBIT (adj)	39	40	45	61	61	65	68
EBIT (adj) margin	6.6%	5.8%	5.4%	6.8%	6.8%	6.9%	6.9%
EPS (adj, EUR)	0.49	0.47	0.54	0.75	0.72	0.77	0.82
EPS (adj) growth	0.0%	-3.8%	14.8%	37.7%	-4.5%	8.2%	6.0%
DPS (ord, EUR)	0.17	0.19	0.21	0.23	0.25	0.27	0.29
EV/Sales	0.7	0.8	0.6	0.6	0.6	0.5	0.5
EV/EBIT (adj)	11.3	13.5	11.3	9.1	8.5	7.4	6.7
P/E (adj)	13.2	15.7	12.1	10.4	10.8	10.0	9.4
P/BV	2.3	2.3	1.9	1.9	1.7	1.5	1.4
Dividend yield (ord)	2.6%	2.5%	3.2%	2.9%	3.2%	3.5%	3.8%
FCF Yield bef A&D, lease	5.5%	-5.8%	-2.7%	8.7%	10.2%	9.9%	9.5%
Net debt	18	60	86	52	16	-18	-48
Net debt/EBITDA	0.3	1.1	1.4	0.6	0.2	-0.2	-0.5
ROIC after tax	13.9%	12.8%	11.8%	14.7%	14.4%	15.5%	16.1%

Source: Company data and Nordea estimates

Quarterly estimates by segment

P&L (EURm; EPS IN EUR)

	Q122	Q222	Q322	Q422	Q123	Q223	Q323	Q423	Q124E	Q224E	Q324E	Q424E
Advanced Consumer Applications												
Net sales (EURm)	55.0	68.7	67.8	56.3	51.3	57.9	49.8	52.5	50.3	51.5	50.3	57.3
Sales growth y/y (%)	28%	29%	22%	6%	-7%	-16%	-27%	-7%	-2%	-11%	1%	9%
Automation & Safety												
Net sales (EURm)	42.6	45.6	44.2	51.4	52.5	47.5	42.2	44.5	45.2	46.6	44.3	41.4
Sales growth y/y (%)	23%	24%	36%	25%	23%	4%	-5%	-13%	-14%	-2%	5%	-7%
Connectivity												
Net sales (EURm)	10.8	9.1	7.8	10.8	13.2	12.6	10.9	12.0	11.4	11.0	10.5	12.0
Sales growth y/y (%)	33%	25%	7%	4%	22%	38%	40%	11%	-14%	-13%	-4%	0%
Energy & Cleantech												
Net sales (EURm)	54.6	53.5	53.1	61.3	67.5	86.0	73.5	74.7	74.9	76.5	76.4	76.8
Sales growth y/y (%)	35%	19%	22%	15%	24%	61%	38%	22%	11%	-11%	4%	3%
Medtec & Life Science												
Net sales (EURm)	33.7	36.0	39.0	42.5	40.0	39.4	36.3	37.2	38.0	39.0	39.2	38.2
Sales growth y/y (%)	16%	26%	34%	25%	19%	9%	-7%	-12%	-5%	-1%	8%	3%
	Q122	Q222	Q322	Q422	Q123	Q223	Q323	Q423	Q124E	Q224E	Q324E	Q424E
Group sales	196.6	212.9	211.9	222.3	224.6	243.3	212.8	220.8	219.7	224.6	220.7	225.7
Sales growth %	20.3%	23.1%	26.3%	16.0%	14.2%	14.3%	0.4%	-0.7%	-2.2%	-7.7%	3.7%	2.2%
Other operating income	0.2	0.3	0.3	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation and amortisation	-4.0	-4.2	-4.5	-4.7	-4.7	-4.7	-4.8	-4.9	-4.9	-4.9	-4.9	-4.9
Reported EBIT	10.3	10.1	11.5	13.4	15.1	17.5	15.2	13.4	14.5	15.0	15.0	16.0
Reported EBIT margin	5.2%	4.7%	5.4%	6.0%	6.7%	7.2%	7.1%	6.1%	6.6%	6.7%	6.8%	7.1%
Group adj. EBIT	10.3	10.1	11.5	13.4	15.1	17.5	15.2	13.4	14.5	15.0	15.0	16.0
Adj. EBIT margin	5.2%	4.7%	5.4%	6.0%	6.7%	7.2%	7.1%	6.1%	6.6%	6.7%	6.8%	7.1%
Net financials	-1.0	-0.3	-1.7	-0.7	-0.6	0.9	-0.7	0.6	-0.4	-0.4	-0.4	-0.4
Pre-tax profit	9.3	9.8	9.8	12.7	14.5	18.4	14.5	14.0	14.1	14.7	14.6	15.6
Income tax	-1.3	-2.7	-0.4	-2.2	-2.8	-3.9	-3.5	-3.2	-3.1	-3.2	-3.2	-3.4
Tax rate %	14%	28%	4%	17%	19%	21%	24%	23%	22%	22%	22%	22%
Reported net profit for the period	8.0	7.1	9.4	10.5	11.7	14.5	11.0	10.8	11.0	11.4	11.4	12.2
Adj net profit for the period	8.0	7.1	9.4	10.5	11.7	14.5	11.0	10.8	11.0	11.4	11.4	12.2
Reported EPS	0.12	0.11	0.15	0.16	0.18	0.22	0.17	0.17	0.17	0.18	0.18	0.19
Adj. EPS	0.12	0.11	0.15	0.16	0.18	0.22	0.17	0.17	0.17	0.18	0.18	0.19

Source: Company data and Nordea estimates

Annual estimates by segment

P&L (EURm; EPS IN EUR)

Segments	2018	2019	2020	2021	2022	2023	2024E	2025E
Advanced Consumer Applications								
Net sales (EURm)			151.2	204.6	247.8	211.5	209.4	220.9
Sales growth y/y (%)				35%	21%	-15%	-1%	6%
Automation & Safety								
Net sales (EURm)			142.2	144.9	183.8	186.7	177.4	185.3
Sales growth y/y (%)				2%	27%	2%	-5%	5%
Connectivity								
Net sales (EURm)			28.7	33.1	38.5	48.7	44.8	47.3
Sales growth y/y (%)				15%	16%	26%	-8%	6%
Energy & Cleantech								
Net sales (EURm)			135.6	182.0	222.5	301.7	304.7	323.0
Sales growth y/y (%)				34%	22%	36%	1%	6%
Medtec & Life Science								
Net sales (EURm)			107.9	120.6	151.2	152.9	154.4	161.4
Sales growth y/y (%)				12%	25%	1%	1%	5%
Group								
Net sales	563.0	579.5	595.4	695.7	843.8	901.6	890.7	937.9
Sales growth %	6.3%	2.9%	2.7%	16.8%	21.3%	6.8%	-1.2%	5.3%
Other operating income	0.4	1.0	12.5	1.1	1.0	0.9	0.8	0.8
Depreciation and amortisation	-7.5	-15.7	-14.1	-12.6	-14.8	-16.8	-17.6	-18.4
Reported EBIT	37.8	35.3	44.3	39.6	45.4	61.3	60.6	64.7
Reported EBIT margin	6.7%	6.1%	7.4%	5.7%	5.4%	6.8%	6.8%	6.9%
Group adj. EBIT	37.8	38.9	39.1	40.3	45.4	61.3	60.6	64.7
Adj. EBIT margin	6.7%	6.7%	6.6%	5.8%	5.4%	6.8%	6.8%	6.9%
Net financials	-1.7	-1.3	-2.6	-1.9	-3.7	0.3	-1.6	-1.7
Pre-tax profit	36.1	34.0	41.7	37.7	41.7	61.6	59.0	63.0
Income tax	-7.1	-5.9	-4.8	-7.9	-6.7	-13.4	-13.0	-13.2
Tax rate %	20%	17%	12%	21%	16%	22%	22%	21%
Reported net profit for the period	29.0	28.1	36.9	29.8	35.0	48.2	46.0	49.8
Adj net profit for the period	29.0	31.7	31.7	30.5	35.0	48.2	46.0	49.8
Reported EPS	0.45	0.44	0.57	0.46	0.54	0.75	0.72	0.77
Adj. EPS	0.45	0.49	0.49	0.47	0.54	0.75	0.72	0.77

Source: Company data and Nordea estimates

Peer group

EMS PEER GROUP: FINANCIALS

	SALES (EURm)				GROWTH				EBIT MARGIN			
	2022	2023	2024E	2025E	2022	2023	2024E	2025E	2022	2023	2024E	2025E
Hon Hai Precision Industry Co Ltd	202 514	181 308	189 583	198 369	11%	-7%	5%	5%	3%	3%	3%	3%
Delta Electronics Inc	11 748	11 984	13 233	14 777	22%	7%	10%	12%	11%	10%	11%	12%
Pegatron Corp	40 264	37 629	40 055	41 419	4%	-5%	5%	3%	2%	1%	2%	2%
Venture Corporation Ltd	2 695	2 078	2 241	2 357	24%	-22%	5%	5%	12%	10%	10%	11%
Universal Scientific Industrial	9 282	7 783	8 797	9 488	24%	-13%	12%	8%	5%	4%	4%	4%
Jabil Inc	33 288	32 010	28 280	29 470	14%	4%	-12%	4%	5%	5%	5%	6%
Compal Electronics Inc	32 797	28 420	30 406	31 795	-13%	-12%	6%	5%	1%	1%	1%	1%
Foxconn Interconnect Technology	4 233	3 849	4 169	4 723	1%	-9%	8%	13%	4%	5%	5%	5%
Inventec Corp	16 555	15 225	17 030	19 018	4%	-6%	12%	12%	1%	1%	2%	2%
Micro-Star International Co Ltd	5 513	5 449	5 934	6 414	-11%	2%	9%	8%	7%	6%	7%	7%
Plexus Corp	3 890	3 983	3 752	4 253	13%	10%	-4%	13%	5%	5%	5%	5%
Note AB (publ)	331	382	n.a.	n.a.	39%	15%	n.a.	n.a.	11%	10%	n.a.	n.a.
Sanmina Corp	8 082	8 453	7 289	8 146	18%	13%	-13%	12%	5%	6%	6%	6%
Incap Oyj	264	219	227	266	55%	-18%	4%	17%	15%	13%	12%	12%
Celestica Inc	6 774	7 214	8 078	8 666	29%	10%	11%	7%	5%	5%	6%	6%
SIIX Corp	1 974	1 990	2 037	2 142	22%	12%	6%	5%	3%	n.a.	n.a.	n.a.
Fabrinet	2 143	2 425	2 644	2 970	20%	17%	8%	12%	10%	11%	10%	10%
Sercomm Corp	1 973	1 856	2 148	2 304	47%	-2%	16%	8%	4%	5%	5%	5%
TT Electronics	697	732	734	760	30%	5%	0%	4%	7%	8%	9%	9%
Alpha Networks Inc	1 028	825	894	1 073	21%	-15%	8%	20%	5%	4%	6%	7%
Ducommun Inc	666	686	742	784	10%	6%	5%	6%	7%	8%	9%	10%
Valuetronics Holdings Ltd	234	237	231	247	-11%	-1%	0%	7%	6%	5%	8%	8%
Kitron ASA	641	775	772	840	76%	21%	0%	9%	7%	9%	9%	9%
Lacroix Group SA	708	761	779	802	41%	8%	2%	3%	3%	3%	3%	4%
Hanza AB	319	373	491	538	41%	17%	32%	10%	6%	8%	8%	8%
Group median					20.7%	3.7%	5.5%	7.7%	5.2%	5.4%	5.6%	5.7%
Scanfil (Nordea)	844	902	891	938	21.3%	6.8%	-1.2%	5.3%	5.4%	6.8%	6.8%	6.9%
diff. from median (pp)					0.6	3.2	-6.7	-2.4	0.2	1.4	1.2	1.2

Source: LSEG Data & Analytics and Nordea estimates

EMS PEER GROUP: VALUATION

	P/E				EV/EBITDA				P/B			
	2022	2023	2024E	2025E	2022	2023	2024E	2025E	2022	2023	2024E	2025E
Hon Hai Precision Industry Co Ltd	9.9	10.7	9.4	8.3	6.0	5.4	4.8	4.3	0.9	0.9	0.9	0.8
Delta Electronics Inc	22.9	22.7	19.7	17.0	12.7	12.5	10.9	9.5	4.2	3.8	3.4	3.2
Pegatron Corp	11.2	14.6	13.2	12.2	5.7	9.9	6.9	6.5	1.2	1.2	1.1	1.1
Venture Corporation Ltd	13.5	14.7	13.5	12.4	8.9	8.8	7.8	7.2	1.4	1.3	1.3	1.3
Universal Scientific Industrial	12.0	14.8	12.7	10.8	8.4	8.4	7.2	6.3	2.0	1.6	1.5	1.5
Jabil Inc	8.7	19.0	15.5	13.1	4.2	6.5	7.8	7.3	7.4	6.5	9.1	6.4
Compal Electronics Inc	13.9	18.8	15.2	13.7	8.8	10.5	9.4	8.8	1.4	1.3	1.3	1.2
Foxconn Interconnect Technology	11.0	6.3	6.4	4.6	4.1	2.4	2.3	2.2	0.4	0.4	0.3	n.a.
Inventec Corp	15.5	34.5	24.7	19.8	12.4	22.6	16.9	13.7	3.4	3.3	3.1	3.2
Micro-Star International Co Ltd	10.3	16.7	14.2	12.6	6.1	12.2	10.2	9.0	3.3	3.1	2.8	2.5
Plexus Corp	18.0	18.8	22.3	15.6	10.8	9.5	10.9	9.1	2.4	2.2	n.a.	n.a.
Note AB (publ)	20.4	13.5	n.a.	n.a.	11.4	9.0	n.a.	n.a.	4.7	3.1	n.a.	n.a.
Sanmina Corp	12.1	10.5	11.1	9.4	5.3	5.0	5.9	5.3	1.5	1.4	n.a.	n.a.
Incap Oyj	18.1	11.8	13.0	10.9	12.0	7.9	7.9	6.9	2.9	2.3	2.0	1.7
Celestica Inc	9.6	14.8	13.9	12.7	4.3	7.0	8.2	7.7	0.8	3.3	n.a.	n.a.
SIIX Corp	12.8	8.4	8.1	7.5	6.6	5.3	5.1	4.8	1.1	0.9	0.8	0.8
Fabrinet	15.5	19.3	23.9	21.2	10.6	13.8	18.6	16.8	5.7	4.9	4.2	3.7
Sercomm Corp	10.6	15.9	13.2	12.4	6.1	10.2	8.7	8.9	3.6	3.3	2.9	2.1
TT Electronics	9.3	7.9	7.0	6.3	6.8	5.8	5.2	5.0	0.8	0.8	0.8	0.7
Alpha Networks Inc	16.8	29.0	17.8	10.1	7.7	12.5	9.5	n.a.	2.0	2.1	2.0	n.a.
Ducommun Inc	21.5	45.7	16.7	13.3	9.7	19.0	8.2	7.2	1.2	1.1	1.1	1.0
Valuetronics Holdings Ltd	11.5	10.2	9.9	9.2	2.0	1.4	1.3	1.3	0.9	0.9	1.0	1.0
Kitron ASA	18.6	11.6	13.3	10.9	11.2	8.2	8.4	7.7	4.1	3.9	2.9	2.5
Lacroix Group SA	10.9	10.7	10.3	6.4	6.9	n.a.	n.a.	n.a.	0.7	n.a.	n.a.	n.a.
Hanza AB	n.a.	16.1	10.7	8.6	8.2	n.a.	n.a.	n.a.	3.3	2.4	1.9	1.6
Group average	13.9	16.7	14.0	11.6	7.9	9.3	8.3	7.4	2.4	2.3	2.2	2.0
Scanfil (Nordea)	12.1	10.4	10.8	10.0	8.1	6.9	6.2	5.3	1.9	1.9	1.6	1.4
diff. from average	-13%	-37%	-23%	-14%	3%	-25%	-25%	-29%	-23%	-18%	-27%	-30%

Source: LSEG Data & Analytics and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	508	530	563	580	595	696	844	902	891	938	982
Revenue growth	34.6%	4.3%	6.3%	2.9%	2.7%	16.8%	21.3%	6.8%	-1.2%	5.3%	4.7%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	18	40	47	53	60	55	63	80	80	85	88
Depreciation and impairments PPE	-9	-7	-8	-16	-14	-13	-15	-17	-18	-18	-19
of which leased assets	0	0	0	-3	-3	-3	-3	-3	-3	-3	-3
EBITA	9	33	40	37	46	42	48	64	63	66	69
Amortisation and impairments	-2	-2	-2	-2	-2	-3	-3	-2	-2	-2	-1
EBIT	7	31	38	35	44	40	45	61	61	65	68
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	-1	1	-2	-1	-3	-2	-4	0	-2	-2	-2
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	6	33	36	34	42	38	42	62	59	63	66
Reported taxes	-6	-7	-7	-6	-5	-8	-7	-13	-13	-13	-13
Net profit from continued operations	0	26	29	28	37	30	35	48	46	50	53
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Net profit to equity	0	26	29	28	37	30	35	48	46	50	53
EPS, EUR	0.00	0.40	0.45	0.44	0.57	0.46	0.54	0.75	0.72	0.77	0.82
DPS, EUR	0.09	0.11	0.13	0.15	0.17	0.19	0.21	0.23	0.25	0.27	0.29
of which ordinary	0.09	0.11	0.13	0.15	0.17	0.19	0.21	0.23	0.25	0.27	0.29
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Profit margin in percent

EBITDA	3.6%	7.6%	8.4%	9.1%	10.1%	7.9%	7.4%	8.9%	9.0%	9.0%	9.0%
EBITA	1.8%	6.3%	7.1%	6.4%	7.8%	6.1%	5.7%	7.1%	7.0%	7.1%	7.0%
EBIT	1.4%	5.9%	6.7%	6.1%	7.4%	5.7%	5.4%	6.8%	6.8%	6.9%	6.9%

Adjusted earnings

EBITDA (adj)	33	40	47	53	55	56	63	80	80	85	88
EBITA (adj)	24	33	40	37	41	43	48	64	63	66	69
EBIT (adj)	22	31	38	39	39	40	45	61	61	65	68
EPS (adj, EUR)	0.24	0.36	0.45	0.49	0.49	0.47	0.54	0.75	0.72	0.77	0.82

Adjusted profit margins in percent

EBITDA (adj)	6.6%	7.6%	8.4%	9.1%	9.3%	8.0%	7.4%	8.9%	9.0%	9.0%	9.0%
EBITA (adj)	4.8%	6.3%	7.1%	6.4%	6.9%	6.2%	5.7%	7.1%	7.0%	7.1%	7.0%
EBIT (adj)	4.4%	5.9%	6.7%	6.7%	6.6%	5.8%	5.4%	6.8%	6.8%	6.9%	6.9%

Performance metrics

CAGR last 5 years											
Net revenue	19.2%	24.0%	24.5%	22.0%	9.6%	6.5%	9.8%	9.9%	9.0%	9.5%	7.1%
EBITDA	-4.8%	14.2%	16.3%	16.4%	17.3%	24.8%	9.4%	11.2%	8.6%	7.0%	9.9%
EBIT	-4.5%	31.0%	26.1%	16.8%	25.2%	40.5%	7.7%	10.2%	11.4%	7.9%	11.3%
EPS	-58.0%	32.7%	26.1%	15.5%	31.7%	217.8%	6.1%	10.5%	10.4%	6.2%	12.1%
DPS	8.4%	22.4%	21.1%	16.5%	16.3%	16.1%	13.8%	12.1%	10.8%	9.7%	8.8%
Average last 5 years											
Average EBIT margin	3.9%	4.5%	4.9%	4.9%	5.6%	6.4%	6.2%	6.2%	6.4%	6.4%	6.6%
Average EBITDA margin	7.7%	7.3%	7.2%	7.3%	7.9%	8.6%	8.5%	8.6%	8.6%	8.5%	8.7%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E (adj)	14.6	11.8	8.2	9.9	13.2	15.7	12.1	10.4	10.8	10.0	9.4
EV/EBITDA (adj)	7.9	7.8	5.7	6.8	8.0	9.7	8.1	6.9	6.4	5.7	5.1
EV/EBITA (adj)	10.7	9.4	6.8	9.7	10.7	12.6	10.7	8.8	8.2	7.2	6.5
EV/EBIT (adj)	11.7	10.0	7.1	9.3	11.3	13.5	11.3	9.1	8.5	7.4	6.7

VALUATION RATIOS - REPORTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E	n.m.	10.5	8.2	11.2	11.4	16.1	12.1	10.4	10.8	10.0	9.4
EV/Sales	0.52	0.59	0.48	0.63	0.74	0.78	0.61	0.62	0.58	0.51	0.46
EV/EBITDA	14.4	7.8	5.7	6.8	7.3	9.9	8.1	6.9	6.4	5.7	5.1
EV/EBITA	28.0	9.4	6.8	9.7	9.5	12.8	10.7	8.8	8.2	7.2	6.5
EV/EBIT	36.2	10.0	7.1	10.3	9.9	13.7	11.3	9.1	8.5	7.4	6.7
Dividend yield (ord.)	2.6%	2.6%	3.5%	3.1%	2.6%	2.5%	3.2%	2.9%	3.2%	3.5%	3.8%
FCF yield	5.8%	3.9%	8.1%	5.8%	9.3%	-5.2%	-2.1%	9.2%	10.8%	10.5%	10.1%
FCF Yield bef A&D, lease adj	5.8%	3.9%	8.1%	8.2%	5.5%	-5.8%	-2.7%	8.7%	10.2%	9.9%	9.5%
Payout ratio	37.7%	30.6%	28.6%	30.4%	34.5%	40.1%	38.6%	30.7%	34.9%	34.9%	35.3%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	27	25	22	25	23	21	19	18	16	14	13
of which R&D	n.a.	n.a.	0	0	0	0	0	0	0	0	0
of which other intangibles	16	15	12	17	14	13	11	10	8	7	5
of which goodwill	11	10	10	8	8	8	8	8	8	8	8
Tangible assets	41	48	49	72	65	72	80	85	94	101	105
of which leased assets	0	0	0	21	18	22	24	23	23	23	23
Shares associates	n.a.	n.a.	0	1	1	1	1	1	1	1	1
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	2	4	4	6	7	9	8	8	8	8	8
Other non-IB non-current assets	n.a.	0	0	0	0	0	0	0	0	0	0
Other non-current assets	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	70	77	76	103	95	102	107	112	118	124	127
Inventory	85	101	99	102	103	193	229	209	193	188	191
Accounts receivable	88	106	108	112	113	149	165	174	171	180	189
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	4	2	2	3	2	4	4	3	3	3	3
Cash and bank	20	21	19	20	26	25	21	21	57	90	120
Total current assets	197	230	228	237	245	372	419	406	424	461	503
Assets held for sale	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	267	307	304	340	339	474	526	518	543	585	630
Shareholders equity	108	125	145	167	183	207	227	266	297	331	366
Of which preferred stocks	n.a.	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	n.a.	0	0	0	0	0	0	0	0	0	0
Minority interest	n.a.	0	0	0	0	0	0	0	0	0	0
Total Equity	n.a.	125	145	167	183	207	227	266	297	331	366
Deferred tax	3	5	6	7	6	5	5	6	6	6	6
Long term interest bearing debt	38	27	17	25	18	42	36	0	10	20	24
Pension provisions	n.a.	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	1	1	1	1	1
Other long-term liabilities	0	0	0	0	0	0	0	0	0	0	0
Non-current lease debt	0	0	0	19	16	20	20	19	19	19	19
Convertible debt	n.a.	0	0	0	0	0	0	0	0	0	0
Shareholder debt	n.a.	0	0	0	0	0	0	0	0	0	0
Hybrid debt	n.a.	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	41	33	23	51	40	67	62	25	35	45	49
Short-term provisions	5	0	0	0	4	2	0	1	1	1	1
Accounts payable	90	113	104	96	100	172	184	167	160	169	178
Current lease debt	0	0	0	4	4	3	4	4	4	4	4
Other current liabilities	n.a.	n.a.	0	3	2	1	3	5	5	5	5
Short term interest bearing debt	22	36	33	20	6	20	46	50	40	30	26
Total current liabilities	117	149	136	122	116	199	237	227	210	209	214
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	267	307	304	340	339	473	526	518	543	585	630
Balance sheet and debt metrics											
Net debt	40	43	30	46	18	60	86	52	16	-18	-48
of which lease debt	0	0	0	22	20	23	25	23	23	23	23
Working capital	87	96	105	118	117	173	211	214	202	197	199
Invested capital	157	173	181	221	212	275	318	325	320	321	326
Capital employed	168	188	194	233	227	293	333	339	370	404	439
ROE	0.1%	22.2%	21.5%	18.0%	21.1%	15.3%	16.1%	19.6%	16.3%	15.9%	15.2%
ROIC	10.5%	14.6%	16.5%	14.9%	13.9%	12.8%	11.8%	14.7%	14.4%	15.5%	16.1%
ROCE	18.9%	23.1%	19.8%	18.3%	17.0%	15.6%	14.5%	18.3%	17.1%	16.8%	16.1%
Net debt/EBITDA	2.2	1.1	0.6	0.9	0.3	1.1	1.4	0.6	0.2	-0.2	-0.5
Interest coverage	1.5	4.8	21.1	25.3	16.5	19.9	12.0	n.m.	36.1	36.6	36.6
Equity ratio	40.6%	40.7%	47.6%	49.0%	53.9%	43.8%	43.1%	51.4%	54.8%	56.5%	58.1%
Net gearing	n.a.	34.4%	20.7%	27.7%	10.0%	28.9%	37.7%	19.4%	5.3%	-5.3%	-13.0%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
EBITDA (adj) for associates	18	40	47	53	60	55	63	80	80	85	88
Paid taxes	-5	-8	-7	-8	-7	-11	-4	-9	-13	-13	-13
Net financials	-2	-2	-2	-2	-2	-1	-2	-4	-2	-2	-2
Change in provisions	4	-5	0	0	4	-3	0	1	0	0	0
Change in other LT non-IB	1	-2	0	-1	-1	-2	1	0	0	0	0
Cash flow to/from associates	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	n.a.	n.a.	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	7	4	0	2	-11	2	-3	3	0	0	0
Funds from operations (FFO)	23	27	39	44	43	40	53	72	66	70	73
Change in NWC	-6	-6	-10	-8	-8	-53	-43	-3	11	5	-2
Cash flow from operations (CFO)	16	21	29	36	35	-13	10	69	77	75	71
Capital expenditure	-4	-11	-10	-7	-9	-13	-19	-22	-23	-23	-21
Free cash flow before A&D	13	11	19	29	26	-25	-9	47	54	52	50
Proceeds from sale of assets	n.a.	0	0	0	13	0	0	0	0	0	0
Acquisitions	n.a.	0	0	-10	0	0	0	0	0	0	0
Free cash flow	13	11	19	18	39	-25	-9	47	54	52	50
Free cash flow bef A&D, lease adj	13	11	19	26	23	-28	-12	44	51	50	47
Dividends paid	n.a.	-6	-7	-8	-10	-11	-12	-14	-15	-16	-17
Equity issues / buybacks	n.a.	0	0	0	0	0	0	0	0	0	0
Net change in debt	-26	-4	-14	-43	-21	39	20	-34	0	0	0
Other financing adjustments	n.a.	n.a.	0	0	0	0	0	0	-3	-3	-3
Other non-cash adjustments	-1	-1	0	34	-3	-4	-3	2	0	0	0
Change in cash	-2	0	-1	1	5	-1	-5	0	36	33	30
Cash flow metrics											
Capex/D&A	32.3%	n.m.	n.m.	41.2%	58.4%	83.8%	n.m.	n.m.	n.m.	n.m.	n.m.
Capex/Sales	0.7%	2.0%	1.7%	1.3%	1.6%	1.9%	2.3%	2.5%	2.6%	2.4%	2.1%
Key information											
Share price year end (/current)	3	4	4	5	7	7	7	8	8	8	8
Market cap.	222	271	239	316	422	483	426	505	499	499	499
Enterprise value	262	314	269	362	440	543	511	557	515	481	451
Diluted no. of shares, year-end (m)	63.7	63.8	63.8	64.7	64.7	64.7	64.7	64.7	64.7	64.7	64.7

Source: Company data and Nordea estimates

Disclaimer and legal disclosures

Origin of the report

This publication or report originates from: Nordea Bank Abp, including its branches Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nordea Bank Abp, filial i Norge and Nordea Bank Abp, filial i Sverige (together "Nordea") acting through their units Nordea Markets and Equity Sales & Research.

Nordea Bank Abp is supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the branches are supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the Financial Supervisory Authorities in their respective countries.

Content of report

This report has been prepared solely by Nordea Markets or Equity Sales & Research.

Opinions or suggestions from Nordea Markets credit and equity research may deviate from one another or from opinions presented by other departments in Nordea. This may typically be the result of differing time horizons, methodologies, contexts or other factors.

The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision.

Opinions or ratings are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioural technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts or ratings in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the report, provided that the relevant company/issuer is treated anew in such later versions of the report.

Validity of the report

All opinions and estimates in this report are, regardless of source, given in good faith, and may only be valid as of the stated date of this report and are subject to change without notice.

No individual investment or tax advice

The report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This report has been prepared by Nordea Markets or Equity Sales & Research as general information for private use of investors to whom the report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this report, it is recommendable to consult (without being limited to) one's financial, legal, tax, accounting, or regulatory advisor in any relevant jurisdiction.

The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

Sources

This report may be based on or contain information, such as opinions, estimates and valuations which emanate from: Nordea Markets' or Equity Sales & Research analysts or representatives, publicly available information, information from other units of Nordea, or other named sources.

To the extent this publication or report is based on or contain information emanating from other sources ("Other Sources") than Nordea Markets or Equity Sales & Research ("External Information"), Nordea Markets or Equity Sales & Research has deemed the Other Sources to be reliable but neither Nordea, others associated or affiliated with Nordea nor any other person, do guarantee the accuracy, adequacy or completeness of the External Information.

Limitation of liability

Nordea or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this report. In no event will Nordea or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages (regardless of whether being considered as foreseeable or not) resulting from the information in this report.

Risk information

The risk of investing in certain financial instruments, including those mentioned in this report, is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

Conflicts of interest

Readers of this document should note that Nordea Markets or Equity Sales & Research has received remuneration from the company mentioned in this document for the production of the report. The remuneration is not dependent on the content of the report. Nordea, affiliates or staff in Nordea, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the report.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Nordea Markets and Equity Sales & Research are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of Nordea and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Nordea that no link exists between revenues from capital markets activities and individual analyst remuneration. Nordea and the branches are members of national stockbrokers' associations in each of the countries in which Nordea has head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Nordea Conflict of Interest Policy, which may be viewed at www.nordea.com/mifid.

Please find a list of all recommendations disseminated by Nordea Equities during the preceding 12-month period here: <https://research.nordea.com/compliance>

Distribution restrictions

The securities referred to in this report may not be eligible for sale in some jurisdictions. This report is not intended for, and must not be distributed to private customers in the UK or the US or to customers in any other jurisdiction where restrictions may apply.

This research report has not been prepared for distribution outside the EU, the UK or the US. The content of this research report is not a product disclosure statement or other regulated document for the purposes of the Australian Corporations Act 2001 (CTH). The distribution of this research report in Australia has not been authorised by any regulatory authority in Australia, and Nordea bank Abp is not licensed by the Australian Securities and Investment Commission to provide financial services in Australia.

This publication or report may be distributed in the UK to institutional investors by Nordea Bank Abp London Branch of 6th Floor, 5 Aldermanbury Square, London, EC2V 7AZ, which is under supervision of the European Central Bank, Finanssivalvonta (Financial Supervisory Authority) in Finland and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available upon request.

Nordea Bank Abp ("Nordea") research is not "globally branded" research. Nordea research reports are intended for distribution in the United States solely to "major U.S. institutional investors," as defined in Rule 15a-6 under the Securities Exchange Act of 1934. Any transactions in securities discussed within the research reports will be chaperoned by Nordea Securities LLC ("Nordea Securities"), an affiliate of Nordea and a SEC registered broker dealer and member of FINRA. Nordea Securities does not employ research analysts and has no contractual relationship with Nordea that is reasonably likely to inform the content of Nordea research reports. Nordea makes all research content determinations without any input from Nordea Securities.

The research analyst(s) named on this report are not registered/qualified as research analysts with FINRA. Such research analyst(s) are also not registered with Nordea Securities and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

This report may not be mechanically duplicated, photocopied or otherwise reproduced, in full or in part, under applicable copyright laws.

Analyst Shareholding

Nordea analysts do not hold shares in the companies that they cover. No holdings or other affiliations by analysts or associates.

Fair value and sensitivity

We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. Our fair values are sensitive to changes in valuation assumptions, of which growth, margins, tax rates, working capital ratios, investment-to-sales ratios and cost of capital are typically the most sensitive. It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

Marketing Material

This research report should be considered marketing material, as it has been commissioned and paid for by the subject company, and has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report. However, Nordea Markets analysts are according to internal policies not allowed to hold shares in the companies/sectors that they cover.

Market-making obligations and other significant financial interest

Nordea has no market-making obligations in Scanfil Oyj shares.

As of 24/02/2024, Nordea Abp holds no positions of 0.5% or more of shares issued by Scanfil Oyj.

As of the publication of this report, the issuer does not hold a position exceeding 5% of the total shares issued in Nordea Abp.

Investment banking transactions and/or services

In view of Nordea's position in its markets, readers should assume that the bank may currently or may in the coming three months and beyond be providing or seeking to provide confidential investment banking and/or ancillary services to the company/ companies.

Issuer Review

This report has not been reviewed by the Issuer prior to publication.

Completion Date

25 Feb 2024, 22:45 CET

Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
Nordea IB & Equity Division, Equity Research Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland	Nordea IB & Equity Division, Equity Research Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden	Nordea IB & Equity Division, Equity Research Visiting address: Grønlandsvej 10 DK-2300 Copenhagen S Denmark	Nordea IB & Equity Division, Equity Research Visiting address: Essendropsgate 7 N-0107 Oslo Norway
Tel: +358 9 1651 Fax: +358 9 165 59710	Tel: +46 8 614 7000 Fax: +46 8 534 911 60	Tel: +45 3333 3333 Fax: +45 3333 1520	Tel: +47 2248 5000 Fax: +47 2256 8650
Reg.no. 2858394-9 Satamaradankatu 5 Helsinki			