Nordea

Commissioned Equity Research

Flash comment

24 April 2024

Commissioned research: Scanfil Oyj - Weak Q1 but FY guidance unchanged

Marketing material commissioned by Scanfil Oyj

Net sales and EBIT were below consensus (LSEG) in Q1. All segments reported a negative y/y revenue growth in Q1. Net sales declined due to weak demand and inventory destocking effect but demand declined even in energy saving solutions. On a group level, reported revenue growth was -12% y/y but -9% by excluding spot market purchases. However, full-year guidance was intact and Scanfil expects an improvement in H2 2024. Net cash flow from operations was EUR 9.7m in Q1. We forecast market consensus EBIT for full-year 2024 to be downgraded by EUR 2-3m (3.2-4.9%) after Q1 earnings release.

Net sales was 5% below market consensus (LSEG) in Q1

- Revenue growth was -12% in Q1 y/y.
- Operating profit margin was 6.4% (consensus 6.8%) in Q1.
- Industrial segment's net sales declined by 15% y/y in Q1 and was below our expectations.
- Medtec & Life Science and Energy & Cleantech segment's net sales were EUR 4-5m below our forecasts is Q1.
- Reported EPS was EUR 0.15 (consensus EUR 0.16).

Full year 2024 guidance

- Revenue is guided to be EUR 820-900m (unchanged).
- Consensus for net sales in 2024 has been EUR 875m.
- Operating profit is guided to be EUR 57-65m (unchanged).
- Consensus for 2024 EBIT has been EUR 61m.

SCANFIL: DEVIATION TABLE

EURm	Actual Q1 2024	NDA est. Q1 2024	Deviation vs. actual		Consensus Q1 2024	Deviation vs. actual		Actual Q4 2023	q/q	Actual Q1 2023	y/y
Sales	199	218	-19	-9%	210	-11	-5%	221	-10%	225	-11%
EBIT	12.7	14.6	-1.9	-13%	14.3	-1.6	-11%	13.4	-5%	15.1	-16%
EBIT margin	6.4%	6.7%		-0.3pp	6.8%		-0.4pp	6.1%	0.3pp	6.7%	-0.3pp
EPS	0.15	0.17	-0.02	-13%	0.16	-0.01	-6%	0.17	-10%	0.18	-17%

Source: Company data, LSEG and Nordea estimates

SUMMARY TABLE - KEY FIGURES

EURm	2021	2022	2023	2024E	2025E	2026E
Total revenue	696	844	902	891	938	982
EBITDA (adj)	56	63	80	81	85	88
EBIT (adj)	40	45	61	61	65	68
EBIT (adj) margin	5.8%	5.4%	6.8%	6.9%	6.9%	6.9%
EPS (adj, EUR)	0.47	0.54	0.75	0.73	0.77	0.82
EPS (adj) growth	-3.8%	14.8%	37.7%	-3.1%	6.6%	6.0%
DPS (ord, EUR)	0.19	0.21	0.23	0.25	0.27	0.29
EV/Sales	0.8	0.6	0.6	0.6	0.5	0.5
EV/EBIT (adj)	13.5	11.3	9.1	8.5	7.6	6.8
P/E (adj)	15.7	12.1	10.4	10.8	10.1	9.6
P/BV	2.3	1.9	1.9	1.7	1.5	1.4
Dividend yield (ord)	2.5%	3.2%	2.9%	3.2%	3.4%	3.7%
FCF Yield bef A&D, lease adj	-5.8%	-2.7%	8.7%	10.1%	9.8%	9.3%
Net debt	60	86	52	15	-18	-48
Net debt/EBITDA	1.1	1.4	0.6	0.2	-0.2	-0.5
ROIC after tax	12.8%	11.8%	14.7%	14.7%	15.5%	16.1%

Source: Company data and Nordea estimates

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