Nordea

Commissioned Equity Research

Flash comment

10 June 2024

Commissioned research: Scanfil – Full year 2024 sales guidance midpoint downgraded by 6%

Marketing material commissioned by Scanfil Oyj

Weakness seen in Q1 has continued in Q2 leading Scanfil to downgrade its full year net sales guidance midpoint by 6%. The company's EBIT margin guidance midpoint remains at 7.1% for 2024. Overall, economic uncertainty combined with high interest rate environment has postponed investments and Scanfil's customers are still destocking their inventories. End demand has been weak for several of the company's customer segments but we believe Nibe and Kone to drive the volume decline. Scanfil's customer base include companies like Kone, Valmet, Invisio, Keba, Danfoss, Nibe, Tomra, ABB, Exide and Thermo Fisher Scientific. Previously Scanfil expected recovery in order intake to happen in H2 2024. But expectations have now been postponed to Q4 2024 leading to lower net sales in 2024 than previously anticipated. The new guidance midpoint indicates 10% lower net sales y/y in 2024. Scanfil already used layoffs to secure high utilisation ratios and good efficiency in Q1. We believe that proactive management of utilization ratios will keep relative profitability close to 7% in 2024. However, we expect market consensus for clean EBIT in 2024 to come down by EUR 2.5m (4.2%).

SUMMARY TABLE - KEY FIGURES

EURm	2021	2022	2023	2024E	2025E	2026E
Total revenue	696	844	902	870	925	969
EBITDA (adj)	56	63	80	78	83	88
EBIT (adj)	40	45	61	58	63	67
EBIT (adj) margin	5.8%	5.4%	6.8%	6.7%	6.8%	6.9%
EPS (adj, EUR)	0.47	0.54	0.75	0.69	0.76	0.82
EPS (adj) growth	-3.8%	14.8%	37.7%	-7.8%	10.0%	7.7%
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	9.0	7.9	7.0
P/E (adj)	15.7	12.1	10.4	11.4	10.4	9.7
P/BV	2.3	1.9	1.9	1.7	1.6	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%	10.0%	9.1%	9.4%
Net debt	60	86	52	15	-15	-45
Net debt/EBITDA	1.1	1.4	0.6	0.2	-0.2	-0.5
ROIC after tax	12.8%	11.8%	14.7%	14.0%	15.2%	15.9%

Source: Company data and Nordea estimates

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