Scanfil Oyj

Capital Goods
Finland

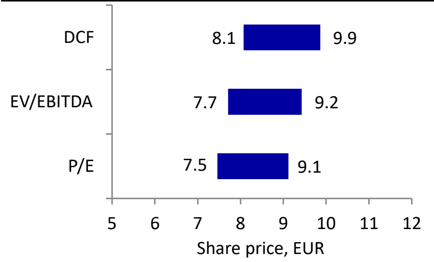
KEY DATA

Stock country	Finland
Bloomberg	SCANFL FH
Reuters	SCANFL.HE
Share price (close)	EUR 7.48
Free float	25%
Market cap. (bn)	EUR 0.48/EUR 0.48
Website	www.scanfil.com/
Next report date	06 Aug 2024

PERFORMANCE

Source: LSEG Data & Analytics

VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	-6%	-4%	-3%
EBIT (adj)	-5%	-4%	-3%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Pasi Väisänen
Director

Demand will likely remain weak in Q2-Q3 2024E

Scanfil downgraded its full-year guidance on 10 June due to overall demand weakness. The company's expectations regarding order intake growth have been postponed to Q4 2024. The new guidance midpoint indicates a 10% y/y revenue decline this year, with a 7.1% EBIT margin. It stated that softness is coming from several customer segments and many countries. Pricing has held up well but delivery volumes have been weak, we believe. In this context, we cut 2024E EBIT by 5%. Our new fair value range is EUR 7.7-9.5 (8.0-9.8), based on three equally weighted valuation approaches (DCF, EV/EBITDA and P/E).

Order intake will not speed up as expected in Q3 2024E

The company's new 2024 revenue guidance midpoint of EUR 810m is 7% below the market (LSEG) consensus in 2024. Destocking and overall economic uncertainty are the main reasons for the guidance downgrade. Yet in our opinion the main drivers of volume weakness may come from Kone and Nibe. In any case, the weakness seen in Q1 could continue in Q2-Q3 2024. Scanfil still expects a strong Q4 but we believe that the risks have increased. We think that relative profitability will remain solid this year, thanks to tight cost discipline and proactive management of utilisation ratios. The company's EBIT margin guidance midpoint is 7.1% for 2024; we forecast 6.8%.

Our new y/y revenue growth forecast is -17% for Q2

The company's P/E for this year is 11.4x, according to our estimates. Overall, Scanfil's valuation is 23% below the peer group median in 2024E-25E and it could remain that way until positive momentum in revenue growth has been attained. Relative profitability will most likely not improve this year, underpinning our estimate that EPS will fall by 12% y/y. The company expects the EMS sector to post a 5-6% revenue CAGR for 2023-28E. We expect Scanfil's revenue growth to be 8% in 2025, amid a weak comparison base and a bounce back in order intake. Visibility seems limited, however, increasing the risks relating to earnings estimates. But demand in the EMS sector can be volatile in both directions.

SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	595	696	844	902	817	885	940
EBITDA (adj)	55	56	63	80	76	81	86
EBIT (adj)	39	40	45	61	56	60	65
EBIT (adj) margin	6.6%	5.8%	5.4%	6.8%	6.8%	6.8%	6.9%
EPS (adj, EUR)	0.49	0.47	0.54	0.75	0.66	0.73	0.79
EPS (adj) growth	0.0%	-3.8%	14.8%	37.7%	-12.2%	10.5%	9.2%
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	8.8	7.7	6.7
P/E (adj)	13.2	15.7	12.1	10.4	11.4	10.3	9.4
P/BV	2.3	2.3	1.9	1.9	1.6	1.5	1.4
Dividend yield (ord)	2.6%	2.5%	3.2%	2.9%	3.3%	3.6%	3.9%
FCF Yield bef A&D, lease	5.5%	-5.8%	-2.7%	8.7%	12.8%	8.5%	9.2%
Net debt	18	60	86	52	5	-21	-47
Net debt/EBITDA	0.3	1.1	1.4	0.6	0.1	-0.3	-0.6
ROIC after tax	13.9%	12.8%	11.8%	14.7%	13.6%	15.0%	15.9%

Source: Company data and Nordea estimates

Quarterly estimates by segment

P&L (EURm; EPS IN EUR)

	Q122	Q222	Q322	Q422	Q123	Q223	Q323	Q423	Q124	Q224E	Q324E	Q424E
Industrial												
Net sales (EURm)	101.1	115.0	111.1	111.3	111.2	112.4	98.8	105.2	94.2	92.2	94.8	95.1
Sales growth y/y (%)	n.a.	n.a.	n.a.	n.a.	10%	-2%	-11%	-5%	-15%	-18%	-4%	-10%
Energy & Cleantech												
Net sales (EURm)	61.9	62.0	61.9	68.4	72.8	91.3	77.6	78.5	70.4	73.0	75.3	79.1
Sales growth y/y (%)	n.a.	n.a.	n.a.	n.a.	18%	47%	25%	15%	-3%	-20%	-3%	1%
Medtec & Life Science												
Net sales (EURm)	33.6	35.9	38.9	42.6	40.6	39.6	36.4	37.1	34.4	35.6	35.7	37.2
Sales growth y/y (%)	n.a.	n.a.	n.a.	n.a.	21%	10%	-6%	-13%	-15%	-10%	-2%	0%

	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**	**198.9**	**200.8**	**205.8**	**211.4**
Sales growth %	20.3%	23.1%	26.3%	16.0%	14.2%	14.3%	0.4%	-0.7%	-11.4%	-17.4%	-3.3%	-4.3%
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	-5.0	-5.0	-5.0	-5.0
Reported EBIT	10.3	10.1	11.5	13.4	15.1	17.5	15.2	13.4	12.7	13.9	14.2	14.8
Reported EBIT margin	5.2%	4.7%	5.4%	6.0%	6.7%	7.2%	7.1%	6.1%	6.4%	6.9%	6.9%	7.0%
Group adj. EBIT	**10.3**	**10.1**	**11.5**	**13.4**	**15.1**	**17.5**	**15.2**	**13.4**	**12.7**	**13.9**	**14.2**	**14.8**
Adj. EBIT margin	5.2%	4.7%	5.4%	6.0%	6.7%	7.2%	7.1%	6.1%	6.4%	6.9%	6.9%	7.0%
Net financials	-1.0	-0.3	-1.7	-0.7	-0.6	0.9	-0.7	0.6	0.2	-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	12.9	13.5	13.8	14.4
Income tax	-1.3	-2.7	-0.4	-2.2	-2.8	-3.9	-3.5	-3.2	-3.1	-3.0	-3.0	-3.2
Tax rate %	14%	28%	4%	17%	19%	21%	24%	23%	24%	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	9.8	10.5	10.8	11.2
Adj net profit for the period	8.0	7.1	9.4	10.5	11.7	14.5	11.0	10.8	9.8	10.5	10.8	11.2
Reported EPS	0.12	0.11	0.15	0.16	0.18	0.22	0.17	0.17	0.15	0.16	0.17	0.17
Adj. EPS	**0.12**	**0.11**	**0.15**	**0.16**	**0.18**	**0.22**	**0.17**	**0.17**	**0.15**	**0.16**	**0.17**	**0.17**

Source: Company data and Nordea estimates

Annual estimates by segment

P&L (EURm; EPS IN EUR)	2018	2019	2020	2021	2022	2023	2024E	2025E
Industrial								
Net sales (EURm)					438.5	427.6	376.3	406.4
Sales growth y/y (%)					n.a.	-2%	-12%	8%
Energy & Cleantech								
Net sales (EURm)			135.6	182.0	254.2	320.2	297.8	324.6
Sales growth y/y (%)				34%	40%	26%	-7%	9%
Medtec & Life Science								
Net sales (EURm)			107.9	120.6	151.0	153.7	142.9	154.4
Sales growth y/y (%)				12%	25%	2%	-7%	8%
Group	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**
Net sales	**563.0**	**579.5**	**595.4**	**695.7**	**843.7**	**901.6**	**817.0**	**885.4**
Sales growth %	6.3%	2.9%	2.7%	16.8%	21.3%	6.9%	-9.4%	8.4%
Other operating income	0.4	1.0	12.5	1.1	1.0	0.9	0.4	0.4
Depreciation and amortisation	-7.5	-15.7	-14.1	-12.6	-14.8	-16.8	-18.0	-18.8
Reported EBIT	37.8	35.3	44.3	39.6	45.4	61.3	55.6	60.2
Reported EBIT margin	6.7%	6.1%	7.4%	5.7%	5.4%	6.8%	6.8%	6.8%
Group adj. EBIT	**37.8**	**38.9**	**39.1**	**40.3**	**45.4**	**61.3**	**55.6**	**60.2**
Adj. EBIT margin	6.7%	6.7%	6.6%	5.8%	5.4%	6.8%	6.8%	6.8%
Net financials	-1.7	-1.3	-2.6	-1.9	-3.7	0.3	-1.0	-1.0
Pre-tax profit	36.1	34.0	41.7	37.7	41.7	61.6	54.6	59.2
Income tax	-7.1	-5.9	-4.8	-7.9	-6.7	-13.4	-12.3	-12.4
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	42.3	46.7
Adj net profit for the period	29.0	31.7	31.7	30.5	35.0	48.2	42.3	46.7
Reported EPS	0.45	0.44	0.57	0.46	0.54	0.75	0.66	0.73
Adj. EPS	**0.45**	**0.49**	**0.49**	**0.47**	**0.54**	**0.75**	**0.66**	**0.73**

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	181,989	189,201	207,316	11%	-7%	7%	10%	3%	3%	3%	3%
Delta Electronics Inc	11,748	11,849	12,671	14,229	22%	4%	7%	13%	11%	10%	11%	11%
Pegatron Corp	40,289	37,117	37,308	39,689	5%	-5%	0%	6%	2%	1%	2%	2%
Venture Corporation Ltd	2,695	2,078	2,220	2,336	24%	-22%	4%	5%	12%	10%	11%	11%
Universal Scientific Industrial	9,282	7,761	8,650	9,215	24%	-11%	11%	7%	5%	4%	4%	4%
Jabil Inc	33,288	32,010	26,249	27,389	14%	4%	-18%	4%	5%	5%	6%	6%
Compal Electronics Inc	32,797	27,959	28,792	30,547	-13%	-12%	3%	6%	1%	1%	1%	2%
Foxconn Interconnect Technology	4,233	3,802	4,320	5,233	1%	-7%	11%	21%	4%	6%	9%	10%
Inventec Corp	16,555	15,202	16,369	18,371	4%	-5%	10%	12%	1%	1%	2%	2%
Micro-Star International Co Ltd	5,513	5,404	5,900	6,403	-11%	1%	10%	9%	7%	6%	6%	7%
Plexus Corp	3,890	3,983	3,714	4,216	13%	10%	-3%	14%	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	7,276	8,094	18%	13%	-13%	12%	5%	6%	5%	6%
Incap Oyj	264	222	214	257	55%	-16%	-2%	20%	15%	13%	11%	12%
Celestica Inc	6,774	7,214	8,151	8,744	29%	10%	11%	7%	5%	5%	6%	6%
SIIX Corp	1,974	1,990	2,055	2,160	22%	12%	9%	6%	3%	n.a.	n.a.	n.a.
Fabrinet	2,143	2,425	2,630	2,926	20%	17%	8%	11%	10%	11%	10%	10%
Sercomm Corp	1,973	1,848	2,054	2,299	47%	-3%	11%	12%	4%	5%	5%	6%
TT Electronics	697	708	661	667	30%	-1%	-10%	1%	7%	8%	10%	10%
Alpha Networks Inc	1,028	835	799	900	21%	-16%	-5%	13%	5%	4%	4%	7%
Ducommun Inc	666	686	742	784	10%	6%	5%	6%	7%	8%	8%	10%
Valuetronics Holdings Ltd	234	237	212	229	-11%	-1%	0%	8%	6%	5%	10%	10%
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	485	562	41%	17%	30%	16%	6%	8%	7%	8%
Group median					**20.7%**	**1.4%**	**4.8%**	**8.7%**	**5.2%**	**5.5%**	**5.6%**	**6.5%**
Scanfil (Nordea)	844	902	817	885	21.3%	6.9%	-9.4%	8.4%	5.4%	6.8%	6.8%	6.8%
diff. from median (pp)					**0.6**	**5.4**	**-14.2**	**-0.3**	**0.2**	**1.3**	**1.2**	**0.3**

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	10.4	13.8	11.9	6.0	5.0	6.9	6.0	1.4	1.4	1.3	1.2
Delta Electronics Inc	22.9	24.5	24.5	20.3	12.7	13.2	12.7	10.9	4.7	4.3	4.0	3.6
Pegatron Corp	11.3	14.9	15.9	14.2	5.8	8.3	8.0	7.0	1.4	1.4	1.3	1.3
Venture Corporation Ltd	13.5	14.7	14.4	13.3	8.9	8.8	8.5	7.8	1.5	1.4	1.4	1.4
Universal Scientific Industrial	12.0	17.4	13.8	12.0	8.4	8.9	7.1	6.3	2.0	1.6	1.6	1.5
Jabil Inc	8.7	19.0	16.6	13.2	4.2	6.5	7.7	7.1	7.3	6.4	8.0	6.1
Compal Electronics Inc	13.9	22.8	14.8	12.9	8.8	10.4	8.6	7.8	1.4	1.3	1.2	1.2
Foxconn Interconnect Technology	11.0	8.3	12.2	6.8	4.1	2.5	5.5	4.7	0.8	0.9	0.8	0.8
Inventec Corp	15.5	31.0	23.8	18.8	12.4	20.8	16.9	13.7	3.6	3.5	3.2	3.1
Micro-Star International Co Ltd	10.3	23.0	13.4	11.6	6.1	14.5	8.8	7.6	2.9	2.8	2.6	2.3
Plexus Corp	18.0	18.8	22.2	15.7	10.8	9.5	11.1	9.3	2.5	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	5.8	5.2	1.5	1.4	n.a.	n.a.
Incap Oyj	18.1	11.4	17.0	12.8	12.0	6.9	8.8	7.1	3.0	2.5	2.2	1.9
Celestica Inc	9.6	14.4	17.0	15.5	4.3	7.0	9.8	9.2	0.8	4.0	n.a.	n.a.
SIIX Corp	12.8	8.4	9.3	8.4	6.6	5.3	5.6	5.2	1.1	0.9	0.8	0.8
Fabrinet	15.5	19.3	22.7	20.3	10.6	13.8	17.5	15.7	5.4	4.6	4.0	3.5
Sercomm Corp	10.6	15.3	12.3	11.2	6.1	8.5	7.5	7.2	3.5	3.2	2.7	2.0
TT Electronics	9.8	8.4	7.8	7.2	6.8	6.0	5.5	5.3	0.8	0.9	1.0	0.9
Alpha Networks Inc	16.8	37.5	20.9	13.5	7.7	14.2	11.8	7.5	1.9	1.9	1.8	n.a.
Ducommun Inc	21.5	45.7	19.1	15.2	9.7	12.6	9.1	7.9	1.3	1.3	1.3	1.2
Valuetronics Holdings Ltd	11.5	10.2	8.7	8.2	2.0	1.4	0.9	0.9	0.9	0.9	n.a.	n.a.
Kitron ASA	18.6	11.6	11.6	10.0	11.2	8.2	7.8	7.1	3.7	3.6	2.6	2.2
Lacroix Group SA	10.9	8.0	8.9	5.5	6.9	n.a.	n.a.	n.a.	0.7	n.a.	n.a.	n.a.
Hanza AB	15.5	16.1	10.4	7.8	8.2	8.6	5.3	4.4	3.1	2.3	1.8	1.5
Group average	**14.0**	**17.4**	**15.1**	**12.3**	**7.9**	**8.9**	**8.6**	**7.4**	**2.5**	**2.4**	**2.3**	**2.0**
Scanfil (Nordea)	12.1	10.4	11.9	10.7	8.1	6.9	6.5	5.6	1.9	1.9	1.7	1.5
diff. from average	-14%	-40%	-21%	-13%	3%	-22%	-24%	-25%	-24%	-21%	-27%	-28%

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**	**817**	**885**	**940**
Revenue growth	34.6%	4.3%	6.3%	2.9%	2.7%	16.8%	21.3%	6.9%	-9.4%	8.4%	6.2%
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	76	81	86
Depreciation and impairments PPE	-9	-7	-8	-16	-14	-13	-15	-17	-18	-19	-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	58	62	66
Amortisation and impairments	-2	-2	-2	-2	-2	-3	-3	-2	-2	-2	-1
EBIT	7	31	38	35	44	40	45	61	56	60	65
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	-1	-1	-1
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**	**55**	**59**	**64**
Reported taxes	-6	-7	-7	-6	-5	-8	-7	-13	-12	-12	-13
Net profit from continued operations	0	26	29	28	37	30	35	48	42	47	51
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	42	47	51
EPS, EUR	**0.00**	**0.40**	**0.45**	**0.44**	**0.57**	**0.46**	**0.54**	**0.75**	**0.66**	**0.73**	**0.79**
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%	9.2%	9.1%	9.1%
EBITA	1.8%	6.3%	7.1%	6.4%	7.8%	6.1%	5.7%	7.1%	7.0%	7.0%	7.1%
EBIT	1.4%	5.9%	6.7%	6.1%	7.4%	5.7%	5.4%	6.8%	6.8%	6.8%	6.9%
Adjusted earnings											
EBITDA (adj)	33	40	47	53	55	56	63	80	76	81	86
EBITA (adj)	24	33	40	37	41	43	48	64	58	62	66
EBIT (adj)	22	31	38	39	39	40	45	61	56	60	65
EPS (adj, EUR)	0.24	0.36	0.45	0.49	0.49	0.47	0.54	0.75	0.66	0.73	0.79
Adjusted profit margins in percent											
EBITDA (adj)	6.6%	7.6%	8.4%	9.1%	9.3%	8.0%	7.4%	8.9%	9.2%	9.1%	9.1%
EBITA (adj)	4.8%	6.3%	7.1%	6.4%	6.9%	6.2%	5.7%	7.1%	7.0%	7.0%	7.1%
EBIT (adj)	4.4%	5.9%	6.7%	6.7%	6.6%	5.8%	5.4%	6.8%	6.8%	6.8%	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%	7.1%	8.3%	6.2%
EBITDA	-4.8%	14.2%	16.3%	16.4%	17.3%	24.8%	9.4%	11.2%	7.3%	6.0%	9.3%
EBIT	-4.5%	31.0%	26.1%	16.8%	25.2%	40.5%	7.7%	10.2%	9.5%	6.3%	10.4%
EPS	-58.0%	32.7%	26.1%	15.5%	31.7%	217.8%	6.1%	10.5%	8.5%	4.8%	11.4%
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%	6.3%	6.5%
Average EBITDA margin	7.7%	7.3%	7.2%	7.3%	7.9%	8.6%	8.5%	8.6%	8.7%	8.6%	8.8%

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	11.4	10.3	9.4
EV/EBITDA (adj)	7.9	7.8	5.7	6.8	8.0	9.7	8.1	6.9	6.5	5.7	5.1
EV/EBITA (adj)	10.7	9.4	6.8	9.7	10.7	12.6	10.7	8.8	8.5	7.5	6.6
EV/EBIT (adj)	11.7	10.0	7.1	9.3	11.3	13.5	11.3	9.1	8.8	7.7	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	11.4	10.3	9.4
EV/Sales	0.52	0.59	0.48	0.63	0.74	0.78	0.61	0.62	0.60	0.52	0.46
EV/EBITDA	14.4	7.8	5.7	6.8	7.3	9.9	8.1	6.9	6.5	5.7	5.1
EV/EBITA	28.0	9.4	6.8	9.7	9.5	12.8	10.7	8.8	8.5	7.5	6.6
EV/EBIT	36.2	10.0	7.1	10.3	9.9	13.7	11.3	9.1	8.8	7.7	6.7
Dividend yield (ord.)	2.6%	2.6%	3.5%	3.1%	2.6%	2.5%	3.2%	2.9%	3.3%	3.6%	3.9%
FCF yield	5.8%	3.9%	8.1%	5.8%	9.3%	-5.2%	-2.1%	9.2%	13.4%	9.1%	9.7%
FCF Yield bef A&D, lease adj	5.8%	3.9%	8.1%	8.2%	5.5%	-5.8%	-2.7%	8.7%	12.8%	8.5%	9.2%
Payout ratio	37.7%	30.6%	28.6%	30.4%	34.5%	40.1%	38.6%	30.7%	38.0%	37.1%	36.5%

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	100	103
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	119	123	124
Inventory	85	101	99	102	103	193	229	209	179	177	182
Accounts receivable	88	106	108	112	113	149	165	174	159	173	183
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	2	3	3
Cash and bank	20	21	19	20	26	25	21	21	63	88	115
Total current assets	197	230	228	237	245	372	419	406	404	441	484
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**	**523**	**563**	**608**
Shareholders equity	108	125	145	167	183	207	227	266	293	324	358
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	293	324	358
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	0	5	9
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	25	30	34
Short-term provisions	5	0	0	0	4	2	0	1	1	1	1
Accounts payable	90	113	104	96	100	172	184	167	150	159	170
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	4	5	5
Short term interest bearing debt	22	36	33	20	6	20	46	50	45	40	36
Total current liabilities	117	149	136	122	116	199	237	227	204	209	216
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**	**523**	**563**	**608**
Balance sheet and debt metrics											
Net debt	40	43	30	46	18	60	86	52	5	-21	-47
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	187	188	193
Invested capital	157	173	181	221	212	275	318	325	305	311	318
Capital employed	168	188	194	233	227	293	333	339	361	392	425
ROE	0.1%	22.2%	21.5%	18.0%	21.1%	15.3%	16.1%	19.6%	15.1%	15.1%	15.0%
ROIC	10.5%	14.6%	16.5%	14.9%	13.9%	12.8%	11.8%	14.7%	13.6%	15.0%	15.9%
ROCE	18.9%	23.1%	19.8%	18.3%	17.0%	15.6%	14.5%	18.3%	15.9%	16.0%	15.9%
Net debt/EBITDA	2.2	1.1	0.6	0.9	0.3	1.1	1.4	0.6	0.1	-0.3	-0.6
Interest coverage	1.5	4.8	21.1	25.3	16.5	19.9	12.0	n.m.	51.4	52.8	54.4
Equity ratio	40.6%	40.7%	47.6%	49.0%	53.9%	43.8%	43.1%	51.4%	56.1%	57.5%	58.8%
Net gearing	n.a.	34.4%	20.7%	27.7%	10.0%	28.9%	37.7%	19.4%	1.6%	-6.3%	-13.3%

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**	**76**	**81**	**86**
Paid taxes	-5	-8	-7	-8	-7	-11	-4	-9	-12	-12	-13
Net financials	-2	-2	-2	-2	-2	-1	-2	-4	-1	-1	-1
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**	**62**	**67**	**72**
Change in NWC	-6	-6	-10	-8	-8	-53	-43	-3	27	-1	-5
Cash flow from operations (CFO)	**16**	**21**	**29**	**36**	**35**	**-13**	**10**	**69**	**89**	**66**	**67**
Capital expenditure	-4	-11	-10	-7	-9	-13	-19	-22	-24	-22	-20
Free cash flow before A&D	**13**	**11**	**19**	**29**	**26**	**-25**	**-9**	**47**	**65**	**44**	**47**
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	65	44	47
Free cash flow bef A&D, lease adj	13	11	19	26	23	-28	-12	44	62	41	44
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	-5	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	42	25	27
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.	94.4%
Capex/Sales	0.7%	2.0%	1.7%	1.3%	1.6%	1.9%	2.3%	2.5%	3.0%	2.5%	2.1%
Key information											
Share price year end (/current)	3	4	4	5	7	7	7	8	7	7	7
Market cap.	222	271	239	316	422	483	426	505	484	484	484
Enterprise value	262	314	269	362	440	543	511	557	489	463	437
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.

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 10/06/2024, 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
11 Jun 2024, 06:08 CET

Nordea Bank Abp

Nordea IB & Equity Division, Equity Research
Visiting address:
Aleksis Kiven katu 7, Helsinki
FI-00020 Nordea
Finland

Tel: +358 9 1651
Fax: +358 9 165 59710

Reg.no. 2858394-9
Satamaradankatu 5
Helsinki

Nordea Bank Abp, filial i Sverige

Nordea IB & Equity Division, Equity Research
Visiting address:
Smålandsgatan 17
SE-105 71 Stockholm
Sweden

Tel: +46 8 614 7000
Fax: +46 8 534 911 60

Nordea Danmark, Filial af Nordea Bank Abp, Finland

Nordea IB & Equity Division, EquityResearch
Visiting address:
Grønjordsvej 10
DK-2300 Copenhagen S
Denmark

Tel: +45 3333 3333
Fax: +45 3333 1520

Nordea Bank Abp, filial i Norge

Nordea IB & Equity Division, Equity Research
Visiting address:
Essendropsgate 7
N-0107 Oslo
Norway

Tel: +47 2248 5000
Fax: +47 2256 8650