Nordea

Commissioned Equity Research

Flash comment

10 September 2024

# Commissioned research: Scanfil – A new reporting structure

*Marketing material commissioned by Scanfil Oyj*

Scanfil changes reporting segments to geographical units in 2025. The company's new segments are Central Europe, Northern Europe, APAC and the Americas. Individual factories (areas) will get more responsibility regarding financial targets, customer relationships and M&A activity. New management team will also include respective area heads. Each factory can concentrate to most profitable customers. Moreover, local management could have a better information about small customers which could offer a great growth potential in the future. Scanfil's revenue growth has been missing due to weak demand in H1 2024 but profitability has remained at good level. We believe that EBIT margin could also remain at a decent level for H2, but the short-term narrative related to weak demand and declining revenue will likely linger for Q3 we believe. Full year revenue guidance has been EUR 780-840m (LSEG consensus EUR 798m). We currently forecast 11% lower sales y/y for 2024.

**SUMMARY TABLE - KEY FIGURES**

| EURm | 2021 | 2022 | 2023 | 2024E | 2025E | 2026E |
|---|---|---|---|---|---|---|
| Total revenue | 696 | 844 | 902 | 800 | 867 | 921 |
| EBITDA (adj) | 56 | 63 | 80 | 75 | 80 | 85 |
| EBIT (adj) | 40 | 45 | 61 | 54 | 59 | 64 |
| EBIT (adj) margin | 5.8% | 5.4% | 6.8% | 6.8% | 6.8% | 6.9% |
| EPS (adj, EUR) | 0.47 | 0.54 | 0.75 | 0.65 | 0.72 | 0.79 |
| EPS (adj) growth | -3.8% | 14.8% | 37.7% | -12.8% | 10.5% | 9.1% |
| 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 | 0.6 | 0.5 |
| EV/EBIT (adj) | 13.5 | 11.3 | 9.1 | 9.6 | 8.4 | 7.4 |
| P/E (adj) | 15.7 | 12.1 | 10.4 | 12.3 | 11.1 | 10.2 |
| P/BV | 2.3 | 1.9 | 1.9 | 1.8 | 1.6 | 1.5 |
| Dividend yield (ord) | 2.5% | 3.2% | 2.9% | 3.1% | 3.4% | 3.6% |
| FCF Yield bef A&D, lease adj | -5.8% | -2.7% | 8.7% | 12.7% | 8.0% | 8.6% |
| Net debt | 60 | 86 | 52 | 1 | -25 | -52 |
| Net debt/EBITDA | 1.1 | 1.4 | 0.6 | 0.0 | -0.3 | -0.6 |
| ROIC after tax | 12.8% | 11.8% | 14.7% | 13.4% | 15.0% | 15.8% |

*Source: Company data and Nordea estimates*

**Completion date: 10/09/2024 12:44:11 CET**

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