Nordea

Commissioned Equity Research

Flash comment

3 October 2024

Commissioned research: Scanfil – Acquisition will offer 5% annual revenue growth

Marketing material commissioned by Scanfil Oyj

Scanfil acquired two factories (SRXGlobal) for EUR 23m. Acquisition gives a 5% annual revenue growth for Scanfil but the acquisition does not affect Scanfil's financial outlook for 2024. Full year revenue guidance has been EUR 780-840m in 2024 meaning that EUR ~9m increase in net sales in Q4 2024 is still in the FY guidance range. We have expected EUR ~800m net sales in this year which is EUR 10m under the FY revenue guidance midpoint. Relative profitability of SRXGlobal has been the same (EBIT margin ~7%) as Scanfil. The transaction is valued with EV/EBIT of 8.6-12.5x (Scanfil 2024E: 8.6x). The company has been looking for an acquisition target why today's transaction is not totally unexpected. New factories also give valuable customer accounts which could be hard to get on organic basis. Scanfil will host an online presentation of the transaction at 2.00 p.m. EEST, 4 October 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	0.5	0.5
EV/EBIT (adj)	13.5	11.3	9.1	8.6	7.5	6.6
P/E (adj)	15.7	12.1	10.4	11.1	10.1	9.2
P/BV	2.3	1.9	1.9	1.6	1.5	1.3
Dividend yield (ord)	2.5%	3.2%	2.9%	3.4%	3.7%	4.0%
FCF Yield bef A&D, lease adj	-5.8%	-2.7%	8.7%	14.1%	8.9%	9.6%
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

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