

## Clearly topped expectations

Scanfil's Q2 clearly exceeded expectations. Revenue grew by 9% y/y and slightly more than a third of the increase was organic, the rest being attributable to the HASEC acquisition (mainly recognized in the Industrial segment).

- Scanfil Q2 revenue was EUR 155.6m compared to the EUR 145.4m/147.0m Evli/consensus estimates. Scanfil says organic demand growth was especially strong in Communication and Energy & Automation.
- Communication revenue amounted to EUR 28.9m vs our EUR 20.4m estimate.
- Consumer Applications top line was EUR 20.3m compared to our EUR 26.2m expectation. Scanfil comments the pandemic has had an adverse effect on the segment's demand.
- Energy & Automation revenue was EUR 32.6m while we expected EUR 29.1m.
- Industrial posted EUR 48.5m vs our EUR 43.2m estimate.
- Medtec & Life Science revenue was EUR 25.3m compared to EUR 26.5m estimate.
- Scanfil Q2 EBIT amounted to EUR 10.2m vs the EUR 8.7m/9.3m Evli/consensus estimates. Operating margin was therefore 6.5% while we had expected 6.0%.
- Scanfil guides FY '20 revenue in the EUR 580 – 620m range and sees adjusted EBIT at EUR 38 – 42m.

Rating <span style="float: right;">+ BUY</span>				
Q2'20	Actual	Evli	Year ago	Q1'20
Revenue	155.6	145.4	142.6	144.1
Adj. EBIT	10.2	8.7	10.3	8.6
Adj. EPS	0.13	0.10	0.14	0.12
Deviation	Actual	Evli	Year ago	Q1'20
Revenue		7 %	9 %	8 %
Adj. EBIT		17 %	-1 %	19 %
Adj. EPS		30 %	-7 %	8 %
Share price, EUR (Last trading day's closing price)	5.50			
Target price, EUR	5.25			
Latest change in recommendation	30-Oct-18			
Latest report on company	27-Apr-20			
Research paid by issuer:	YES			
No. of shares outstanding, '000's	63,895			
No. of shares fully diluted, '000's	63,895			
Market cap, EURm	351			
Free float, %	-			
Exchange rate	-			
Reuters code	SCANFLHE			
Bloomberg code	SCANFL FH			
Average daily volume, EURm	0.1			
Next interim report	07-Aug-20			
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+ BUY    + HOLD    - SELL

### PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2018	563.0	37.8	6.7%	18.9	0.44	10.1	0.6	8.5	6.7	0.13
2019	579.4	39.4	6.8%	7.5	0.50	10.4	0.7	9.6	2.2	0.15
2020E	604.2	39.0	6.5%	40.4	0.48	11.4	0.6	9.2	11.5	0.16
2021E	636.2	42.9	6.8%	24.5	0.52	10.5	0.5	8.1	7.0	0.17
2022E	668.0	46.8	7.0%	26.3	0.55	10.0	0.5	7.1	7.5	0.18
Market cap, EURm	351		BV per share 2020E, EUR		4.8		CAGR EPS 2019-22, %		3.0	
Net debt 2020E, EURm	9		Price/book 2020E		1.8		CAGR sales 2019-22, %		4.9	
Enterprise value, EURm	361		Dividend yield 2020E, %		2.9		ROE 2020E, %		17.2	
Total assets 2020E, EURm	350		Tax rate 2020E, %		19.0		ROCE 2020E, %		17.0	
Goodwill 2020E, EURm	8		Equity ratio 2020E, %		54.4		PEG, P/E 20/CAGR		1.9	

All the important disclosures can be found on the last pages of this report.

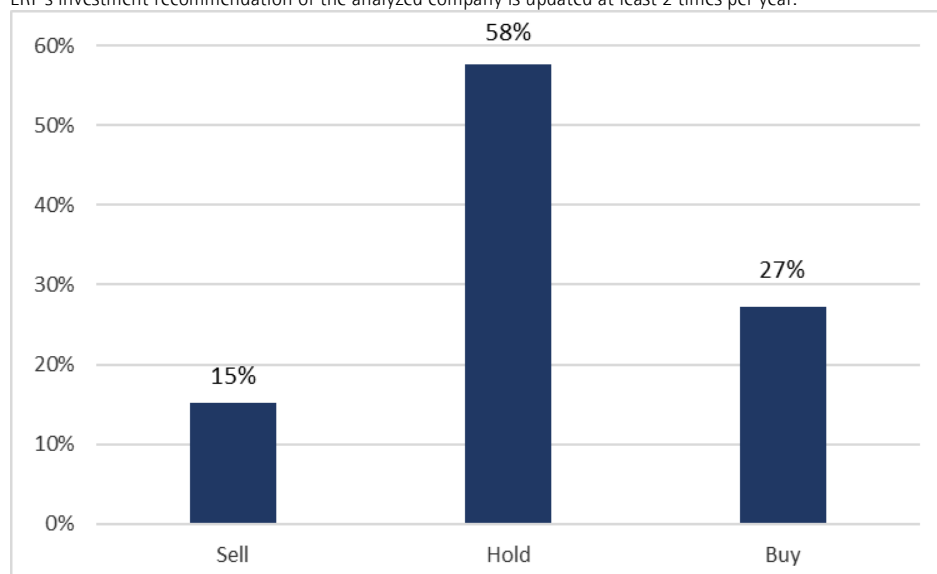
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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