

## No negative surprises

Scanfil capped 2020 strong and we didn't find notable negatives from the Q4 report. Scanfil enters this year with confidence and the guidance is in line with the long-term organic growth targets.

- Scanfil Q4 revenue amounted to EUR 154.1m, compared to the EUR 153.7m/152.1m Evli/consensus estimates. The y/y top line change was -0.4%.
- Communication top line amounted to EUR 19.5m vs our EUR 22.8m estimate.
- Consumer Applications was EUR 27.5m vs our EUR 22.6m expectation. The positive surprise is encouraging given that the segment has been a soft performer recently. Scanfil says a new customer also contributed to the result.
- Energy & Automation revenue stood at EUR 34.6m, compared to our EUR 30.3m estimate. According to Scanfil the 18% y/y growth stemmed broadly from the segment's customer base.
- Industrial was EUR 43.2m while we expected EUR 48.2m.
- Medtec & Life Science revenue was EUR 29.3m, compared to our EUR 29.7m estimate.
- Scanfil Q4 EBIT was EUR 10.4m vs the EUR 10.0m/9.9m Evli/consensus estimates.
- Scanfil guides FY '21 revenue to be EUR 600-640m, adjusted EBIT EUR 40-44m. The guidance is in line with our estimates and thus backs the long-term organic EUR 700m revenue and 7% operating margin targets for FY '23.
- The Board of Directors proposes EUR 0.17 per share dividend distribution, compared to our EUR 0.15 estimate.

Rating				🟡 HOLD
Q4'20	Actual	Evli	Year ago	Q3'20
Revenue	154.1	153.7	154.7	141.6
Adj. EBIT	10.4	10.0	10.0	9.9
Adj. EPS	0.14	0.12	0.15	0.12
Deviation	Actual	Evli	Year ago	Q3'20
Revenue		0 %	0 %	9 %
Adj. EBIT		4 %	4 %	5 %
Adj. EPS		17 %	-7 %	17 %
Share price, EUR (Last trading day's closing price)				7.00
Target price, EUR				6.5
Latest change in recommendation				08-Jan-21
Latest report on company				08-Jan-21
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				447
Free float, %				46.6
Exchange rate				-
Reuters code				SCANFLHE
Bloomberg code				SCANFL FH
Average daily volume, EURm				0.1
Next interim report				18-Feb-21
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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	595.0	38.7	6.5%	41.4	0.47	14.9	0.8	11.8	9.2	0.15
2021E	616.6	41.6	6.8%	25.6	0.50	14.0	0.7	10.6	5.7	0.17
2022E	642.9	45.0	7.0%	25.9	0.53	13.2	0.7	9.4	5.8	0.17
Market cap, EURm	447		BV per share 2020E, EUR		4.3		CAGR EPS 2019-22, %		1.7	
Net debt 2020E, EURm	8		Price/book 2020E		2.4		CAGR sales 2019-22, %		3.5	
Enterprise value, EURm	455		Dividend yield 2020E, %		2.2		ROE 2020E, %		16.8	
Total assets 2020E, EURm	346		Tax rate 2020E, %		18.9		ROCE 2020E, %		16.9	
Goodwill 2020E, EURm	8		Equity ratio 2020E, %		54.8		PEG, P/E 20/CAGR		2.7	

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

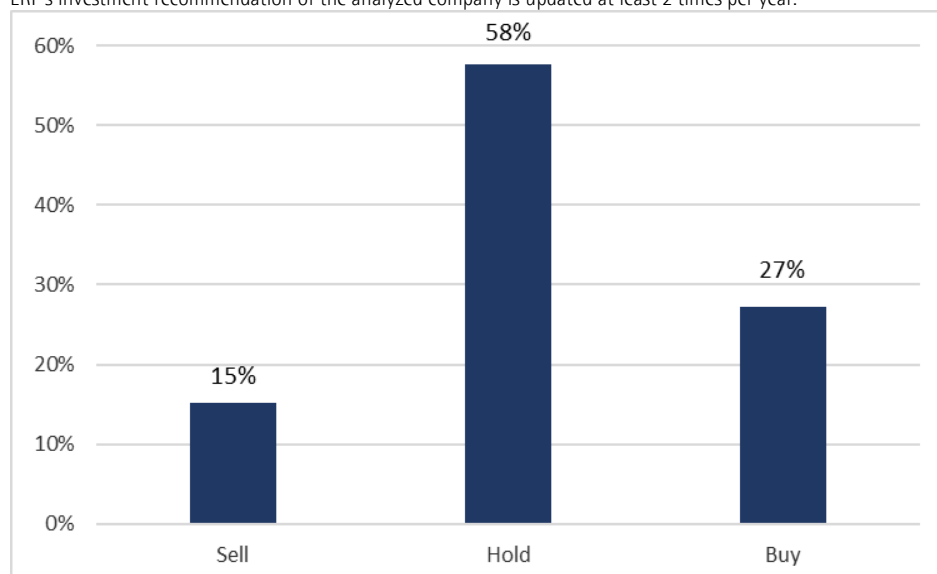
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Investment recommendations are defined as follows:

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

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