

### **SCANFIL**

Electrical Equipment/Finland, October 26, 2021

News Flash

## Guidance implies strong Q4 EBIT

Scanfil's Q3 revenue landed close to expectations, but the EUR 9.5m EBIT fell a bit short of estimates. Scanfil's FY '21 guidance, however, implies Q4 EBIT will be considerably higher.

- Q3 revenue grew by 18.5% y/y to EUR 167.8m, compared to the EUR 165.5m/171.2m Evli/consensus estimates. EUR 11.7m of revenue amounted to transitory separately agreed low-margin customer invoicing due to component availability issues. Most of this transitory revenue was located within Advanced Consumer Applications. Revenue growth excluding the transitory items was 10.2% y/y.
- Advanced Consumer Applications' top line was EUR 55.4m, while we expected EUR 46.7m. Energy & Cleantech amounted to EUR 43.5m vs our EUR 41.7m estimate. Automation & Safety was EUR 32.5m, compared to our EUR 38.1m.
- Scanfil Q3 adjusted EBIT amounted to EUR 9.5m vs the EUR 10.8m/10.9m Evli/consensus estimates. EBIT margin was 5.7% vs our 6.5% estimate. According to Scanfil material constraints and the Hamburg factory closure caused about a EUR 2m negative EBIT impact for the quarter. Scanfil's guidance midpoint also suggests Q4 EBIT will be some EUR 3m higher q/q.
- Scanfil guides FY '21 revenue at EUR 670-710m and adjusted EBIT at EUR 41-44m (unchanged).
- Scanfil retains its long-term financial targets for now (EUR 700m revenue on an organic basis in FY '23 with a 7% EBIT margin).

Rating			<b>∄</b> BUY		
Q3'21	Actual	Evli	Year ago	Q2'21	
Revenue	167.8	165.5	141.6	172.9	
Adj. EBIT	9.5	10.8	9.9	10.6	
Adj. EPS	0.10	0.13	0.12	0.13	
Deviation	Actual	Evli	Year ago	Q2'21	
Revenue		1 %	19 %	-3 %	
Adj. EBIT		-12 %	-4 %	-10 %	
Adj. EPS		-23 %	-17 %	-23 %	
Share price, closing price)	EUR (Last trad		7.74		
Target price,	EUR	9.0			
Latest chang	ge in recomme	14-0ct-21			
Latest repor	t on company	14-0ct-21			
Research pa	id by issuer:	YES			
	s outstanding	63,895			
	s fully diluted	63,895			
		495			
Market cap,		46.6			
Free float, %			40.0		
Exchange rate			-		
Reuters code			SCANFL.HE		
Bloomberg code			SCANFL FH		
Average daily volume, EURm			0.1		
Next interim report			26-0ct-21		
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■ BUY ○ HOLD ■ SELL

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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
2019	579.4	39.4	6.8%	7.5	0.50	10.4	0.7	9.6	2.2	0.15
2020	595.3	39.1	6.6%	43.5	0.49	13.2	0.7	11.0	10.4	0.17
2021E	680.9	42.9	6.3%	27.7	0.52	14.9	0.7	11.5	5.6	0.18
2022E	728.5	48.1	6.6%	21.2	0.57	13.7	0.7	10.0	4.3	0.19
2023E	771.9	53.3	6.9%	33.5	0.63	12.3	0.6	8.7	6.8	0.20
Market cap, EURm 49		495 B	BV per share 2021E, EUR			-1.1 CAGR EPS 2020-23, %			8.3	
Net debt 20	021E, EURm		-2 P	rice/book 2021	ΙE		2.4 CAGR	sales 2020-	23, %	9.0
Enterprise	value, EURm		492 D	ividend yield 2	2021E, %		2.3 ROE 2	021E, %		17.1
Total assets	s 2021E, EURn	n	369 Ta	ax rate 2021E,	0/0		19.4 ROCE	2021E, %		18.6
Goodwill 2	021E, EURm		8 E	quity ratio 202	21E, %		55.6 PEG, F	P/E 21/CAGR		1.7

Telephone

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

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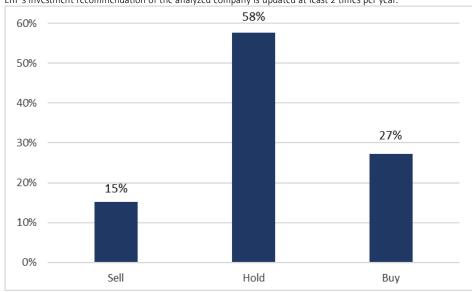
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Target price compared to share price Recommendation

< -10 % SELL -10 - (+10) % HOLD > 10 % BUY

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