

A bit above the estimates

Scanfil's Q4 top line grew by 24.5% y/y and was well above the estimates. We find the beat stemmed from many customer segments. The EUR 10.2m adjusted EBIT also topped estimates, while the guidance for this year should not prompt any major estimate changes. In our view the 5–7% organic CAGR target is also in line with expectations.

- Scanfil Q4 revenue grew by 24.5% y/y to EUR 191.7m, compared to the EUR 182.5m/184.8m Evli/consensus estimates.
- Advanced Consumer Applications was EUR 52.9m vs our EUR 54.6m estimate, while Energy & Cleantech amounted to EUR 53.4m vs our EUR 47.1m estimate. Automation & Safety landed at EUR 41.1m, compared to our EUR 39.4m estimate.
- Adjusted EBIT landed at EUR 10.2m vs the EUR 9.7m/9.6m Evli/consensus estimates. Adjusted EBIT margin was 5.3% vs our 5.3% estimate.
- Scanfil guides FY '22 revenue to be EUR 710–760m and adjusted EBIT of EUR 43–48m. The respective consensus estimates for the year stand at EUR 718.6m and EUR 45.3m. Semiconductor availability, pricing, and supply chain functioning, as well as the pandemic, continue to pose uncertainty.
- Scanfil's (updated) long-term target is to grow at a 5–7% organic CAGR and to reach 7% EBIT margin, in addition to paying a growing amount of dividend to the tune of a third of EPS.
- The BoD proposes EUR 0.19 per share dividend to be distributed, compared to the EUR 0.18/0.19 Evli/consensus estimates.

| Rating | | | | BUY |
|---|--------|-------|----------|---------------------------|
| Q4'21 | Actual | Evli | Year ago | Q3'21 |
| Revenue | 191.7 | 182.5 | 154.1 | 167.8 |
| Adj. EBIT | 10.2 | 9.7 | 10.4 | 9.5 |
| Adj. EPS | 0.14 | 0.11 | 0.14 | 0.10 |
| Deviation | Actual | Evli | Year ago | Q3'21 |
| Revenue | | 5 % | 24 % | 14 % |
| Adj. EBIT | | 5 % | -2 % | 7 % |
| Adj. EPS | | 27 % | 0 % | 40 % |
| Share price, EUR (Last trading day's closing price) | | | | 6.70 |
| Target price, EUR | | | | 9.0 |
| Latest change in recommendation | | | | 14-Oct-21 |
| Latest report on company | | | | 13-Dec-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 | | | | 428 |
| Free float, % | | | | 46.6 |
| Exchange rate | | | | - |
| Reuters code | | | | SCANFLHE |
| Bloomberg code | | | | SCANFL FH |
| Average daily volume, EURm | | | | 0.1 |
| Next interim report | | | | 22-Feb-22 |
| Web site | | | | www.scanfil.com/investors |
| Analyst | | | | Joonas Ilvonen |
| E-mail | | | | joonas.ilvonen@evli.com |
| Telephone | | | | +358 44 430 9071 |

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 |
|--------------------------|---------------|--------------|-------------------------|-------------|------------|------------|-----------------------|----------------|----------------|------------|
| 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 | 686.5 | 39.7 | 5.8% | 21.5 | 0.45 | 14.9 | 0.6 | 10.9 | 5.0 | 0.18 |
| 2022E | 735.2 | 46.3 | 6.3% | 19.4 | 0.54 | 12.4 | 0.6 | 9.2 | 4.5 | 0.19 |
| 2023E | 779.2 | 53.0 | 6.8% | 33.0 | 0.62 | 10.7 | 0.5 | 7.6 | 7.7 | 0.20 |
| Market cap, EURm | 428 | | BV per share 2021E, EUR | | 1.9 | | CAGR EPS 2020–23, % | | 8.0 | |
| Net debt 2021E, EURm | 4 | | Price/book 2021E | | 2.1 | | CAGR sales 2020–23, % | | 9.4 | |
| Enterprise value, EURm | 432 | | Dividend yield 2021E, % | | 2.7 | | ROE 2021E, % | | 14.9 | |
| Total assets 2021E, EURm | 372 | | Tax rate 2021E, % | | 23.8 | | ROCE 2021E, % | | 17.2 | |
| Goodwill 2021E, EURm | 8 | | Equity ratio 2021E, % | | 53.9 | | PEG, P/E 21/CAGR | | 1.0 | |

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

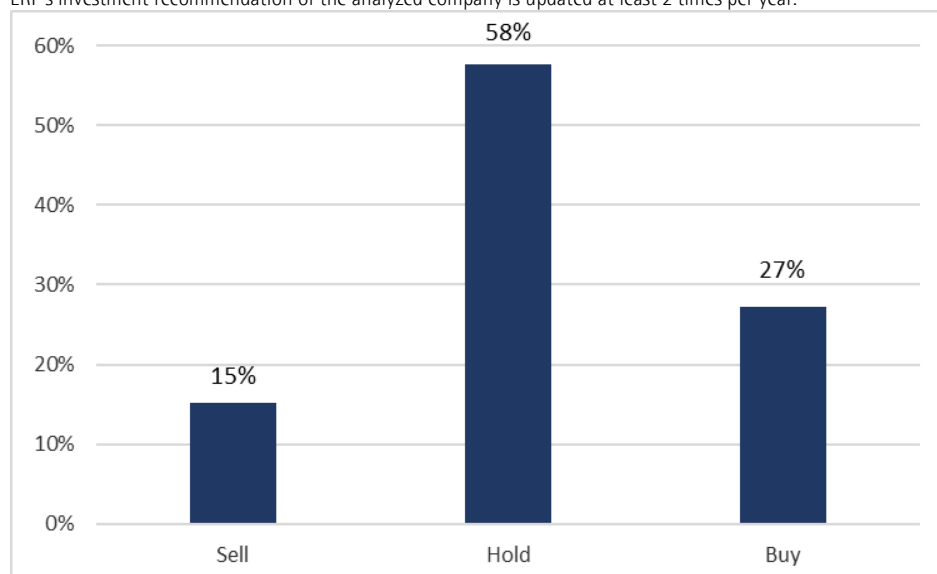
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| Target price compared to share price | Recommendation |
|--------------------------------------|----------------|
| < -10 % | SELL |
| -10 – (+10) % | HOLD |
| > 10 % | BUY |

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Name(s) of the analyst(s): Ilvonen

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Contact information

SALES, TRADING AND RESEARCH

Equity, ETF and Derivatives Sales

Joachim Dannberg +358 9 4766 9123
Ari Laine +358 9 4766 9115
Kimmo Lilja +358 9 4766 9130

Trading

Lauri Vehkaluoto (Head) +358 9 4766 9120
Pasi Väisänen +358 9 4766 9120
Antti Kässi +358 9 4766 9120
Miika Ronkanen +358 9 4766 9120

Structured Investments

Heikki Savijoki +358 9 4766 9726
Aki Lakkisto +358 9 4766 9123

Equity Research

Jonas Forslund +358 9 4766 9314
Joonas Ilvonen +358 44 430 9071
Jerker Salokivi +358 9 4766 9149
Teemu Reiman +358 40 352 6175

Evli Investment Solutions

Johannes Asuja +358 9 4766 9205



EVLI BANK PLC
Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Fax +358 9 634 382
Internet www.evli.com
E-mail firstname.lastname@evli.com

**EVLI BANK PLC,
STOCKHOLMSFILIAL**
Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000
Fax +46 (0)8 407 8001