

# Scanfil

Post-results report Q2 2021



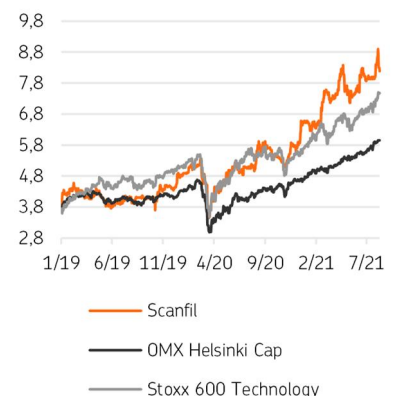
First disseminated  
9.8.2021 12:22

## Stable performance – focus next on the September CMD

- Scanfil's profitability fell short of expectations, which can be partially explained by low-margin sales resembling pass-through billing and costs relating to the production transfer of the factory in Hamburg. We consider the outlook for the rest of 2021 good as customer activity is at a good level and the efficiency of the factory network will improve during the rest of the year. We revise our target price to EUR 8.80 and reiterate our Accumulate recommendation.
- **Q2.** Scanfil's Q2 sales grew 11% YoY but included EUR 7.4m of temporary and low-margin billing related to materials and components, agreed on separately with customers. This additional billing will decrease in the future when the component shortage eases. EBIT was slightly weaker than predicted. The EBIT margin was 6.1% when the consensus forecast was 6.6% and our forecast was 6.8%. If the pass-through billing type of sales had been zero-profit, the margin would have been around 6.4%. The production transfer of the Hamburg factory strained profitability by a few hundreds of thousands of euros. Operations there will end in September. Among segments, the strongest growth was delivered by Advanced Consumer Applications thanks to healthy demand for elevator products and self-service and handover automation solutions.
- **Outlook:** As expected, the FY2021 guidance updated in June was repeated: sales are expected to be EUR 630–680m and adjusted EBIT is expected to be EUR 41–46m. According to Scanfil, the component situation has slightly improved in the short term but certainly constitutes a risk factor for performance during H2. Scanfil will arrange its first Capital Markets Day on 14 September. Its agenda may already include updating of long-term targets, especially regarding sales.
- **Target price.** We accept an EV/EBIT multiple 11.5x–12.0x for the company calculated on the 2021–22 earnings forecasts. Our DCF model indicates a value of EUR 9.10 per share. We assign a 50% weight to both valuation methods, which gives a target price of EUR 8.80 per share (prev. EUR 8.50 per share).

Recommendation	<b>ACCUMULATE</b>
	Unchanged
Target price (€)	<b>8,80</b> (prev. 8,50)
Price (€)*	8,18
High (12m)	9,02
Low (12m)	4,82
Market cap (M€)	531
Index weight	0,2 %
Beta	0,77
Ticker	SCANFL
Next report date	26.10.2021

Performance	1m	3m	12m
Price (€)	7,98	7,50	5,62
Change	2,5 %	9,1 %	45,6 %



Source: OP Markets, Bloomberg, \*) as of 9.8. 11:42

### Scanfil Oyj

EURm	2018	2019	2020	2021E	2022E	2023E
Sales	563	580	595	654	687	714
Sales Growth (%)	6.3 %	2.9 %	2.7 %	9.8 %	5.0 %	4.0 %
EBIT (adj.)	37.8	39.5	39.1	43.7	47.0	49.5
EBIT (%)	6.7 %	6.8 %	6.6 %	6.7 %	6.8 %	6.9 %
PTP	36.0	34.1	41.8	42.1	45.7	48.5
EPS (adj.)	0.45	0.50	0.50	0.53	0.56	0.60
DPS	0.13	0.15	0.17	0.18	0.19	0.20
Yield (%)	3.5 %	3.1 %	2.7 %	2.2 %	2.4 %	2.5 %
EV/Sales	0.5	0.6	0.7	0.8	0.7	0.7
EV/EBITDA	5.6	6.6	7.8	9.0	8.2	7.6
P/E	8.3	9.8	13.3	15.8	14.7	13.9
P/B	1.7	1.9	2.3	2.6	2.3	2.0
ROE	20 %	19 %	17 %	17 %	16 %	15 %
ROCE	17 %	16 %	17 %	16 %	17 %	17 %
Equity Ratio	48 %	49 %	54 %	57 %	62 %	67 %
Gearing	18 %	26 %	9 %	2 %	-6 %	-13 %

Source: OP Markets



Senior Strategist

Kim Gorschnik

+358 10 252 4351

kim.gorschnik@op.fi

# Investment case

- **Stable performer.** Scanfil has been able to increase its sales, earnings and dividend for several years, and ROE has been clearly positive. As a result of active customer acquisition and a wide plant network, dependence on individual customers has steadily decreased in recent years, reducing earnings volatility.
- **Selected strategy successful.** Scanfil focuses on industrial products, which typically offer smaller economies of scale than in traditional electronics contract manufacturing. The company can manufacture diverse product series profitably and in relatively low volumes. Scanfil's plants are mainly located close to its customers' target markets or R&D centres, and its service offering covers several parts of the value chain, if needed (from design to production).
- **Relatively flexible cost structure.** Although Scanfil is directly dependent on customer demand, which can change rapidly, its cost structure is relatively flexible. Scanfil can adjust its cost structure according to customer demand.

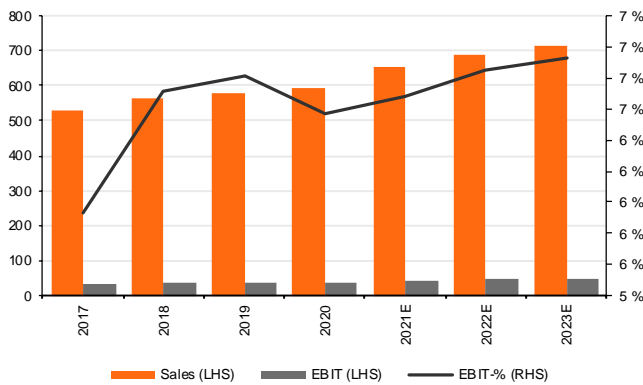
## Drivers

- **Growing market.** The EMS market has grown 6–8% per year, and we expect the pace of growth to continue unless global economic growth decelerates significantly.
- **New technological innovations.** The digitalisation of society also has a positive impact on contract manufacturing, and new technological innovations increase demand in the sector.
- **Value creating acquisitions.** Scanfil has been able to make value creating acquisitions, and there are still plenty of players in the sector which can help Scanfil to expand to new markets.

## Risks

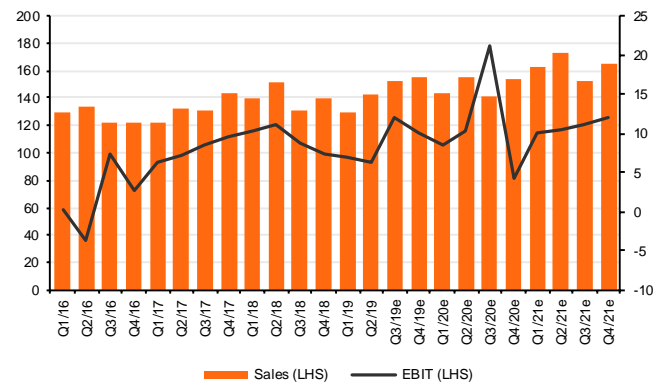
- **Fluctuating demand.** Customer demand may change rapidly, which will be reflected in Scanfil's demand.
- **Price competition.** Price competition is intense, and Scanfil only has a limited chance to affect the end price.
- **Low valuation.** The sector's valuation multiples are rather low, and it is difficult to see rapid appreciation in the share. Scanfil's profitability (EBIT margin around 7%) is already relatively good, and a major profitability improvement is not a likely scenario.

Annual sales and EBIT



Source: OP Markets

Quarterly sales and EBIT



Source: OP Markets

## Q2 results

Q2 reported sales grew 11%. The company engaged in temporary and low-margin intermediate sales relating to materials and components due to the difficult material and component situation. There was no billing of this kind in Q1, and it will decrease when the component shortage eases. The EBIT margin was 6.1%, and profitability was burdened by the low-margin sales described above as well as the production transfer of the Hamburg factory.

Scanfil Oyj							
EURm	Q2a	vs. Cons.	Q2/2021e			Q2/20a	Growth
			OP	Cons.	Diff.		
Sales	172.9	3 %	171.2	168.6	2 %	155.6	11 %
Sales growth (YoY)	11.1 %		10.0 %	8.4 %			
Adjusted EBIT	10.6	-5 %	11.6	11.1	5 %	10.3	3 %
Total EBIT margin	6.1 %		6.8 %	6.6 %		6.6 %	
EPS, adjusted	0.13	-7 %	0.14	0.14	0 %	0.13	0 %

Source: OP Markets and FactSet

Forecast revisions were minor. The company expects the positive impacts of the production transfer of the Hamburg factory to become visible from Q4 onwards. In our opinion, Scanfil is approaching its long-term EBIT margin target of 7% at a brisk pace.

## Forecast revisions

Forecast revisions									
EURm	2021E			2022E			2023E		
	New	Old	Diff.	New	Old	Diff.	New	Old	Diff.
Sales	654	655	0 %	687	688	0 %	714	716	0 %
EBIT, adjusted	43.7	44.7	-2 %	47.0	47.0	0 %	49.5	49.5	0 %
Margin	6.7 %	7.2 %		6.8 %	6.8 %	0 %	6.9 %	6.9 %	0 %
PTP	42.1	42.8	-2 %	45.7	45.7	0 %	48.5	48.5	0 %
EPS, adjusted	0.52	0.53	-1 %	0.56	0.56	0 %	0.60	0.60	0 %
DPS	0.18	0.18	0 %	0.19	0.19	0 %	0.20	0.00	0 %

Source: OP Markets

## Valuation

We determine our target price with the EV/EBIT multiple and have also included our DCF model in determining our target price. The target price is set at EUR 8.80 as shown in the table below.

Scanfil target price			
	EV/EBIT (2021e)	EV/EBIT (2022e)	Target price
EBIT	44	47	
EV/EBITx	12.0	11.5	
Net debt	5	-15	
Equity value	520	555	
Value/share - valuation multiples	8.0	8.5	8.4
Value/share - DCF			9.1
Value/share (50%/50%)			8.8

Source: OP Markets

## Financial performance and forecasts – by quarter

### Scanfil - Forecasts by quarter

EURm	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21e	4Q21e
<b>Sales</b>	<b>144</b>	<b>156</b>	<b>142</b>	<b>154</b>	<b>163</b>	<b>173</b>	<b>153</b>	<b>165</b>
Growth (YoY)	10,9 %	9,1 %	-7,0 %	-0,4 %	13,3 %	11,1 %	8,0 %	7,0 %
<b>EBIT - reported</b>	<b>8,6</b>	<b>10,2</b>	<b>21,2</b>	<b>4,3</b>	<b>10,0</b>	<b>10,6</b>	<b>11,1</b>	<b>12,0</b>
<b>EBIT - excl. NRI</b>	<b>8,6</b>	<b>10,3</b>	<b>9,9</b>	<b>10,4</b>	<b>10,0</b>	<b>10,6</b>	<b>11,1</b>	<b>12,0</b>
<b>Margin</b>								
EBIT - reported	6,0 %	6,6 %	15,0 %	2,8 %	6,1 %	6,1 %	7,3 %	7,3 %
EBIT - excl. NRI	6,0 %	6,6 %	7,0 %	6,7 %	6,1 %	6,1 %	7,3 %	7,3 %
<b>PTP</b>	<b>8,7</b>	<b>9,6</b>	<b>20,5</b>	<b>3,0</b>	<b>9,3</b>	<b>10,5</b>	<b>10,7</b>	<b>11,6</b>
<b>Net profit</b>	<b>7,5</b>	<b>8,3</b>	<b>18,0</b>	<b>3,1</b>	<b>7,6</b>	<b>8,7</b>	<b>8,6</b>	<b>9,3</b>
<b>EPS</b>	<b>0,12</b>	<b>0,13</b>	<b>0,12</b>	<b>0,14</b>	<b>0,12</b>	<b>0,13</b>	<b>0,13</b>	<b>0,14</b>

Source: OP Markets

## Financial performance and forecasts – by year

### Income Statement

EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
<b>Sales</b>	<b>508</b>	<b>530</b>	<b>563</b>	<b>580</b>	<b>595</b>	<b>654</b>	<b>687</b>	<b>714</b>
Total expenses	490	490	516	526	540	595	624	649
<b>EBITDA</b>	<b>18</b>	<b>40</b>	<b>47</b>	<b>54</b>	<b>55</b>	<b>59</b>	<b>63</b>	<b>65</b>
Depreciation	11	9	10	14	16	15	16	16
<b>EBIT excl. NRI</b>	<b>7</b>	<b>31</b>	<b>38</b>	<b>40</b>	<b>39</b>	<b>44</b>	<b>47</b>	<b>50</b>
Associated companies	0	0	0	0	0	0	0	0
Financials	-1	1	-2	-1	-3	-2	-1	-1
<b>PTP</b>	<b>6</b>	<b>33</b>	<b>36</b>	<b>34</b>	<b>42</b>	<b>42</b>	<b>46</b>	<b>49</b>
Taxes	6	7	7	6	5	8	9	10
Minority interest	0	0	0	0	0	0	0	0
<b>Net profit</b>	<b>0</b>	<b>26</b>	<b>29</b>	<b>28</b>	<b>37</b>	<b>34</b>	<b>37</b>	<b>39</b>
<b>EPS</b>	<b>0.00</b>	<b>0.41</b>	<b>0.45</b>	<b>0.44</b>	<b>0.57</b>	<b>0.52</b>	<b>0.56</b>	<b>0.60</b>
<b>DPS</b>	<b>0.09</b>	<b>0.11</b>	<b>0.13</b>	<b>0.15</b>	<b>0.17</b>	<b>0.18</b>	<b>0.19</b>	<b>0.20</b>

Source: OP Markets

### Balance Sheet

EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
<b>Assets:</b>								
Goodwill	11	10	10	8	8	8	8	8
Other intangibles	16	15	12	17	14	14	14	14
Tangible assets	41	48	49	72	65	62	60	58
Investments	2	4	5	6	7	7	7	7
Inventory	85	101	99	102	103	109	118	124
Receivables	92	108	108	112	113	124	125	130
Short-term investments	0	0	0	0	0	0	0	0
Cash and bank	20	21	21	23	28	36	38	47
<b>Total assets</b>	<b>267</b>	<b>307</b>	<b>304</b>	<b>340</b>	<b>339</b>	<b>361</b>	<b>371</b>	<b>388</b>
<b>Liabilities:</b>								
Share capital	2	2	2	2	2	2	2	2
Other restricted share capital	45	41	0	0	0	0	0	1
Retained earnings	61	81	143	165	181	204	229	255
Minority interest	0	0	0	0	0	0	0	0
<b>Shareholders equity total</b>	<b>108</b>	<b>125</b>	<b>145</b>	<b>167</b>	<b>183</b>	<b>206</b>	<b>231</b>	<b>258</b>
Provisions	6	1	0	0	1	1	1	1
LT interest bearing debt	38	27	17	44	34	30	19	7
LT non-interest bearing debt	3	5	6	0	6	6	6	6
Other long-term debt	0	0	0	0	0	0	0	0
ST interest bearing debt	22	34	31	23	10	10	5	5
ST non-interest bearing debt	90	115	105	106	106	108	110	111
<b>Total liabilities</b>	<b>267</b>	<b>307</b>	<b>304</b>	<b>340</b>	<b>339</b>	<b>361</b>	<b>371</b>	<b>388</b>

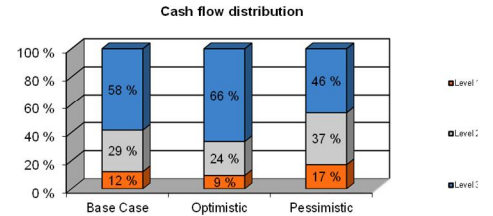
Source: OP Markets

# DCF analysis

## CASH FLOW PROJECTIONS

EURm	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Revenues	654	687	714	743	772	803	835	869	904	940	977
Revenue growth	9.8 %	5.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %
EBIT	44	47	50	48	50	52	50	52	54	56	59
EBIT margin	6.7 %	6.8 %	6.9 %	6.5 %	6.5 %	6.5 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %
Gross Investments	13	13	14	15	16	17	18	19	20	21	22
Gross inv./depreciation	0.9	0.8	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0
Free cash flow	23	32	32	36	38	39	37	38	40	42	43

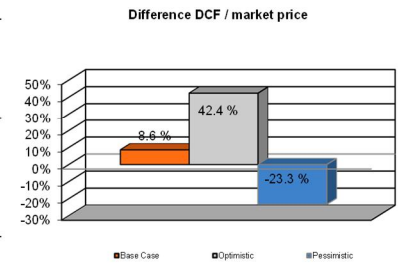
FCF	Base Case		Optimistic		Pessimistic	
	growth	% pv*	growth	% pv	growth	% pv
<b>Level 1</b>						
2021						
:	34.2 %	12 %	34.2 %	9 %	34.2 %	17 %
2023						
<b>Level 2</b>						
2024						
:	3.9 %	29 %	5.9 %	24 %	1.9 %	37 %
2031						
<b>Level 3</b>						
2032						
	2.5 %	58 %	3.5 %	66 %	0.0 %	46 %
PV total	617	100 %	793	100 %	439	100 %



\* Level share of present value cash flows

## IMPLIED SHARE PRICE vs CURRENT SHARE PRICE

Scanfil Oyj	Base Case	Optimistic	Pessimistic
Present value FCF	617	793	439
- debt (int.-bearing)	42	42	42
- minority interest	0	0	0
+ fin. investments	0	0	0
+ cash and bank	17	17	17
PV shareholder equity	592	768	414
No. of shares (million)	65.0	65.0	65.0
<b>Implied share price</b>	<b>9.0</b>	<b>11.8</b>	<b>6.4</b>
<b>Current share price</b>	<b>8.3</b>	<b>8.3</b>	<b>8.3</b>
<b>Difference (EUR)</b>	<b>0.7</b>	<b>3.5</b>	<b>-1.9</b>
<b>Difference %</b>	<b>8.6 %</b>	<b>42.4 %</b>	<b>-23.3 %</b>



## SENSITIVITY ANALYSIS

Interest rate sensitivity		Implied share price		
		Base Case	Optimistic	Pessimistic
risk-free rate	1.50 %	10.1	13.4	6.8
	2.00 %	<b>9.1</b>	11.8	6.4
	2.50 %	8.3	10.5	6.0

## WACC vs risk-free rate

Risk-fr. r.	1.50 %	2.00 %	2.50 %
CAPM	6.45 %	6.95 %	7.45 %
WACC	7.15 %	<b>7.61 %</b>	8.07 %
	WACC <sub>2</sub>	WACC <sub>1</sub>	WACC <sub>3</sub>

Growth sensitivity		Implied share price					WACC
		Base Case	6.61 %	7.11 %	7.61 %	8.11 %	
	1.50 %	9.9	9.0	8.2	7.5	6.9	
	2.00 %	10.6	9.5	8.6	7.8	7.2	
cash flow	<b>2.50 %</b>	11.5	10.2	<b>9.1</b>	8.2	7.5	
growth	3.00 %	12.6	11.0	9.7	8.7	7.9	
	3.50 %	14.1	12.1	10.5	9.3	8.4	

## WACC

### Cost of equity capital:

CAPM	
Risk-free rate	2.00 %
Market risk premium	5.50 %
Company beta	0.90
Cost of equity capital	6.95 %

### Cost of debt capital:

Risk-free rate	2.00 %
Risk premium	2.50 %
Tax rate	20.0 %
Tax shield on interest exp.	0.90 %
Cost of debt capital	3.60 %

### WACC:

Cost of equity capital	6.95 %
Cost of debt capital	3.60 %
Debt ratio (target)	40.0 %
Equity ratio (target)	60.0 %
Liquidity premium	2.00 %
<b>WACC</b>	<b>7.61 %</b>

**More information on OP Corporate Bank plc and the analyses produced by it:**

This research report has been prepared by OP Corporate Bank plc. OP Corporate Bank plc is an authorised commercial bank in accordance with the act on credit institutions and under the supervision of The European Central Bank and the Finnish Financial Supervisory Authority.

The date and time of first dissemination and authors of this research report are shown on the report's first page. The date and time of first dissemination mean the date and estimated time of the first dissemination of this research report. The completion date and time are the same as the date and time of first dissemination in this research report. The report is published without delay after the research has been completed.

The information concerning the analysis was not sent to the issuer of the security subject to analysis for approval before the analysis was released.

This material, produced by OP Corporate Bank plc, is objective and independent investment research. The material is intended solely for personal use, and it is not permitted to distribute it without a written consent from OP Corporate Bank plc. The information herein does not constitute investment advice or an offer to sell or the solicitation of any offer to buy any securities or any options, futures or other derivatives related to such securities. This publication or report has been prepared by OP Corporate Bank plc as general information for private use of investors to whom the publication or report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. In particular, the information herein does not constitute an offer to sell or the solicitation of any offer to buy any securities in the United States of America or for the benefit of United States persons (being resident in the USA or partnerships or corporations organised under the laws of the United States of America or any state, territory or possession thereof).

This report may be based on or contain information, such as opinions, recommendations, estimates, price targets and valuations emanating from publicly available information or other named sources which OP Corporate Bank plc considers reliable. However, this does not guarantee that the presented information is complete and faultless in all regards. OP Corporate Bank plc or any personnel working for it is not responsible for the financial result of the investment decisions made based on the information received from the reports or other information available, or of any other damage possibly caused by the use of information obtained from OP Corporate Bank plc. In no event will OP Corporate Bank plc be liable for direct, indirect or incidental, special or consequential damages resulting from the information in this publication or report. The client is always responsible for the financial result of the investment decisions.

OP Corporate Bank plc sets a target share price for companies under its coverage at any given time. OP Corporate Bank plc does not issue recommendations or target prices for bonds. The target share price is set at a level where the share price is forecast to be 12 months later. The target prices are company-specific, and the applicability of the different valuation methods used in determining the target price can differ considerably between companies.

OP Corporate Bank plc may set a target level for the underlying investments of asset classes (equity indices, interest rates, currency and commodities) subject to analysis any given time. The target level represents the analyst's view on how the analyst expects the value of the investment to change from the target level on a given horizon. The grounds for the target level are investment-based, and the basic principles are based on theories of economics and finance. Calculations and methods are based on standard econometric tools and methodology as well as publicly available information and statistics on the investment instruments concerned.

OP Corporate Bank plc mainly uses the following valuation methods when determining target prices on shares: DCF = Discounted Cash Flow, peer group valuation, analysis based on absolute valuation parameters, analysis based on historical valuation parameters, sum-of-parts, analysis based on market and company outlook, analysis based on news flow.

OP's Research team has abandoned the Neutral recommendation as of 1 October 2020 and started to use a new four-rank recommendation structure: Buy, Accumulate, Reduce and Sell. The recommendation is relative to the expected return of the share within the next 12 months. If the return of the share is expected to exceed 15% within the next 12 months, the recommendation is Buy. If the expected return is 5–15% within the next 12 months, the recommendation is Accumulate. If the expected return is (-5)–(5)% within the next 12 months, the recommendation is Reduce. If the expected return is below (-5%), the recommendation is Sell. Expected return is measured as upside potential of a stock calculated as a percentage difference between target price and current price. This includes dividends.

The recommendations and target prices of OP Corporate Bank plc for shares are principally updated four times a year in connection with the quarterly earnings of the companies. It is always possible to change the recommendations and target prices also at other times, whenever motivated. The updating frequency of recommendations and target prices has not been restricted.

The recommendations or target prices given are based on assumptions that may not be realised and they do not guarantee that the price of the security will perform as estimated. Due to the nature of the securities market, even moderate changes in a company's operations or operating environment or general fluctuations in the securities market can result in considerable changes in value. The past performance of a security does not guarantee its future performance. A numeric sensitivity analysis for the earnings forecasts is provided in connection with the cash flow model. When investing in individual shares, the investor may lose all or part of the investments.

OP Corporate Bank plc's divisions within Banking and Investment Services engage in own-account trading and issuing of financial instruments, and also offer services related to share issues and investment advice regarding financial instruments and engage in selling, buying and brokerage of securities on behalf of clients. As stipulated by the OP Financial Group's conflict of interests' policy, Corporate Finance operations which relate to issuance of financial instruments on behalf of clients are separated from investment research and brokerage operations both physically and

operationally. In addition, it has been identified as a conflict of interests situation that the Chair of OP Corporate Bank plc's Board of Directors is a member of Kesko Corporation's Board of Directors. It is estimated that this conflict of interests situation does not compromise the objectivity and independence of the investment research on Kesko Corporation produced by OP Corporate Bank plc's Research Team.

The analysts of the Research Team and their related parties may own securities issued by the companies analysed by the Research Team. The analysts of OP Corporate Bank plc may receive a merit pay bonus that is subject to the total return of OP Corporate Bank plc or one of its divisions or business areas. The salaries of the analysts are not directly dependent on the execution of an individual investment banking assignment executed by OP Corporate Bank plc or another company pertaining to the same group.

The holdings of OP Corporate Bank plc and other companies pertaining to the same group exceed the 5% limit in Terveystalo Plc and SRV Group Plc through the shareholdings of Pohjola Insurance Ltd. OP Corporate Bank plc or other companies pertaining to the same group do not have holdings of more than 5% in other companies subject to analysis. The exception to OP Financial Group's obligation to disclose shareholdings is applied to this calculation of ownerships in companies subject to analysis. In accordance with the exception, the securities owned by funds managed by OP Fund Management Company Ltd in Finnish companies and the votes carried by such shares are excluded from the ownerships calculated here for the companies pertaining to the same group with OP Corporate Bank plc. The holdings of OP Bank Group Pension Fund and the votes carried by such holdings are also excluded from said ownership and voting rights figures.

OP Corporate Bank plc, or another company pertaining to the same group, does not act as a market maker or other liquidity provider for the stocks of issuers subject to analysis. OP Corporate Bank plc, or another company pertaining to the same group, may, however, act as a market maker or other liquidity provider for the debt instruments of issuers subject to analysis. OP Corporate Bank plc may hold a position in a financial instrument mentioned in this research report.

OP Corporate Bank plc's business functions strive to actively establish relations with different issuers for the provision of various services offered by OP Corporate Bank plc. Within the past 12 months, OP Corporate Bank plc, or another company pertaining to the same group, has acted as a lead manager or co-manager in the public issue or offering of securities by the following companies subject to analysis or has been party to an agreement with an issuer concerning the provision of investment banking services at the time the analysis was released or within the past 12 months\*: Ahlstrom-Munksjö, CapMan, Citycon, Elisa, Finnair, HKScan, Lehto Group, Metso Outotec, Normet, Puuilo, Sanoma, SATO, Stora Enso, Tornator, TVO and YIT.

OP Corporate Bank plc conducts commission-based equity research for certain companies under coverage where the research has been provided against payment under an agreement concluded with the company under coverage. The payment charged on this kind of research is not significant from OP Corporate Bank plc's perspective, and OP Corporate Bank plc estimates that it does not compromise the independence of OP Research. At the time of dissemination of this report, OP Corporate Bank plc had an agreement on commission-based research with the following companies: Exel Composites, Rapala, Scanfil and Talenom.

Recommendations and target price history			Scanfil	
Recommendation	Target price (€)	Price (€)	Date	
ACCUMULATE	8.80	8.30	9.8.2021	Target price change
ACCUMULATE	8.50	8.06	14.6.2021	Recommendation and target price change
REDUCE	8.40	8.08	26.4.2021	Recommendation and target price change
ACCUMULATE	7.70	6.90	19.2.2021	Recommendation and target price change
BUY	6.10	5.16	20.10.2020	Recommendation and target price change
ACCUMULATE	6.30	5.62	10.8.2020	Recommendation and target price change
BUY	6.20	5.02	3.8.2020	Target price change
BUY	5.70	4.55	6.5.2020	Target price change
BUY	5.20	4.05	28.8.2019	Target price change
BUY	5.50	4.47	26.10.2018	Recommendation change
ACCUMULATE	5.50	4.98	23.4.2018	Recommendation and target price change
BUY	5.10	4.33	18.10.2017	Target price change
BUY	4.90	3.45	9.8.2016	Target price change
BUY	4.70	3.32	26.7.2016	Target price change
BUY	4.00	3.12	28.10.2015	Recommendation and target price change
NEUTRAL	2.70	2.68	6.8.2015	Recommendation and target price change
REDUCE	2.40	2.46	22.1.2015	Target price change

The recommendation breakdown of OP Corporate Bank plc for all companies under its coverage and for the aforementioned\* companies OP Corporate Bank plc or another company pertaining to the same group has been party to an agreement with concerning the provision of investment banking services:

**Share recommendation breakdown (as of 5 August 2021)**

Recommendation	All Companies		Inv. Banking Relationships*	
	Count	%	Count	%
BUY	16	21	4	36
ACCUMULATE	33	43	2	18
REDUCE	22	29	3	27
SELL	5	7	2	18
	76	100	11	100

**Contact info****Research**

Antti Saari	Head of Research, Strategy, Financials	358 10 252 4359
Kim Gorschnik	Senior Strategist, Small Cap	358 10 252 4351
Ilkka Saksä	Senior Strategist, Fixed Income, Currencies	358 10 252 4457
Jari Hännikäinen	Senior Market Economist	358 10 252 2792
Henri Parkkinen	Senior Analyst, Forestry, Energy, Chemicals	358 10 252 4409
Kimmo Stenvall	Senior Analyst, Telecom, Technology, Media	358 10 252 4561
Joonas Häyhä	Retail, Consumer Goods, Transportation	358 10 252 4504
Markku Moilanen	Basic Resources, Construction, Real Estate	358 10 252 4408
Anssi Raussi	Capital Goods, Healthcare	358 10 252 4392
Jussi Mikkonen	Food & Beverage, Corporate credit	358 10 252 8780
Hawa Grundman	Assistant	358 10 252 4311

**OP Corporate Bank plc**

Gebhardinukio 1, P.O. Box 308  
00013 OP  
+358 10 252 011  
firstname.lastname@op.fi

**Institutional Sales**

Tero Rautasuo Head of Institutional Sales 358 10 252 2552

**Institutional Investment and Hedging Solutions**

Tomi Kallio +358 10 252 2993  
Tuomas Antila +358 10 252 4479  
Henrik Helppi +358 10 252 3252  
Patrik Jernmark +358 10 252 4289  
Ari Triumph +358 10 252 4349

**Cross Asset Investor Solutions**

Tuomas Kaasalainen +358 10 252 2534  
Mikko Aalto +358 10 252 4436  
Ahti Mikkonen +358 10 252 4677  
Lauri Mäkelä +358 10 252 8072  
Terhi Ollikainen +358 10 252 3148  
Joakim Paul +358 10 252 8336