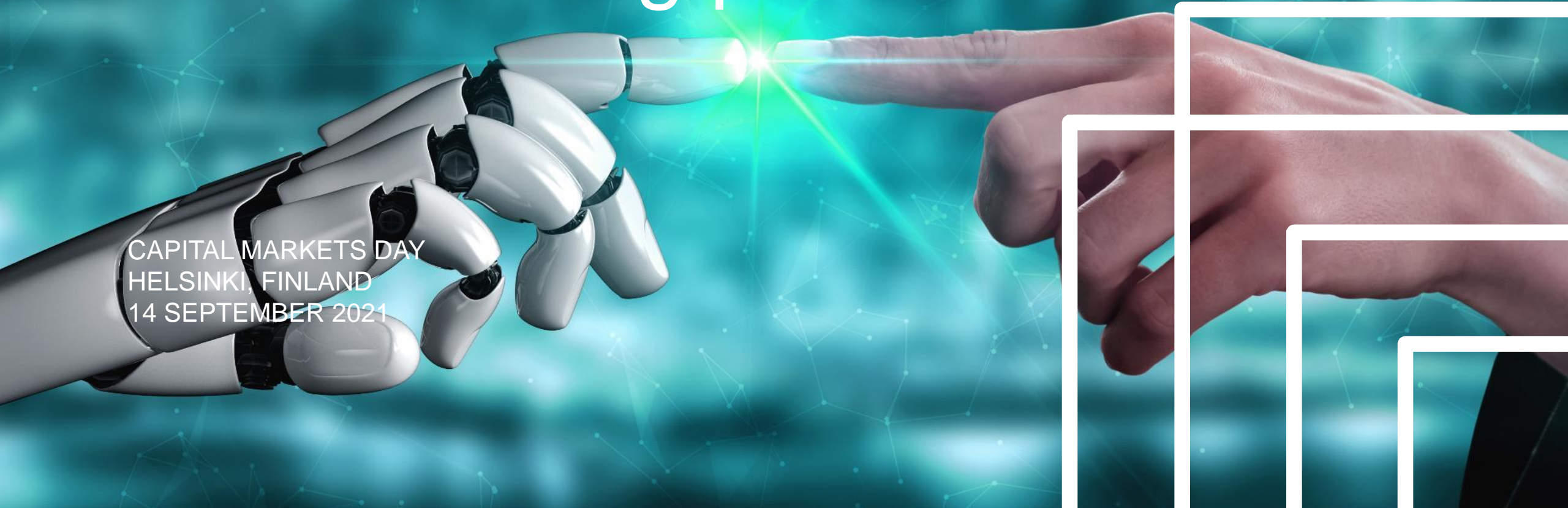


Scanfil – trusted manufacturing partner

CAPITAL MARKETS DAY
HELSINKI, FINLAND
14 SEPTEMBER 2021



Agenda

- | | |
|-------------|---|
| 9.30-9.55 | Enrolling at the venue |
| 10.00-10.05 | Opening |
| 10.05-10.35 | Strategy and sustainability, CEO Petteri Jokitalo |
| 10.30-11.00 | Sales, VP Sales Timo Sonninen |
| 11.00-11.30 | Operations, COO Riku Hynninen |
| 11.30-12.00 | Lunch break |
| 12.00-12.30 | Scanfil SMART, CTO Markku Kosunen |
| 12.30-13.00 | Financials , CFO Kai Valo |
| 13.00-13.20 | Virtual factory tour, Suzhou, China |
| 13.20-13.30 | Closing remarks, CEO Petteri Jokitalo |

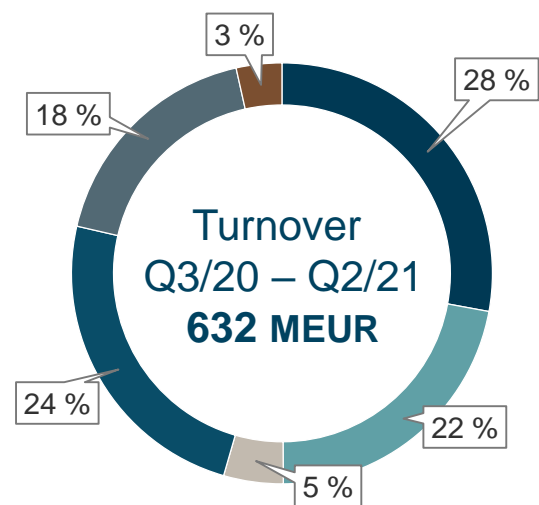


Contents

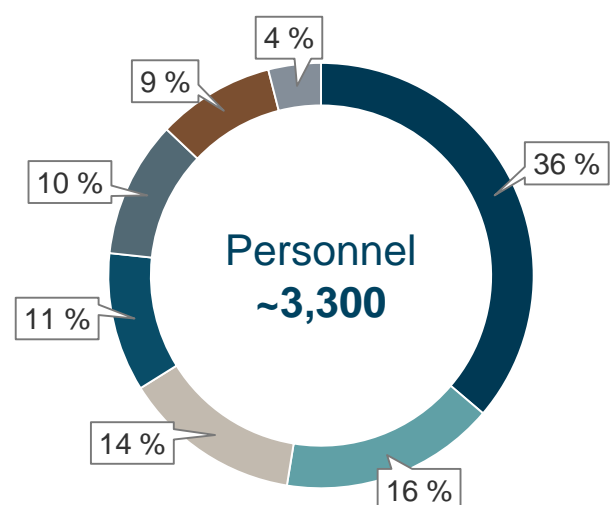
1. Scanfil in brief
2. Strategy and business drivers
3. Outlook for 2021 and long-term targets
4. Sustainability
5. Customers' and employees' voice
6. Q&A



Scanfil in brief

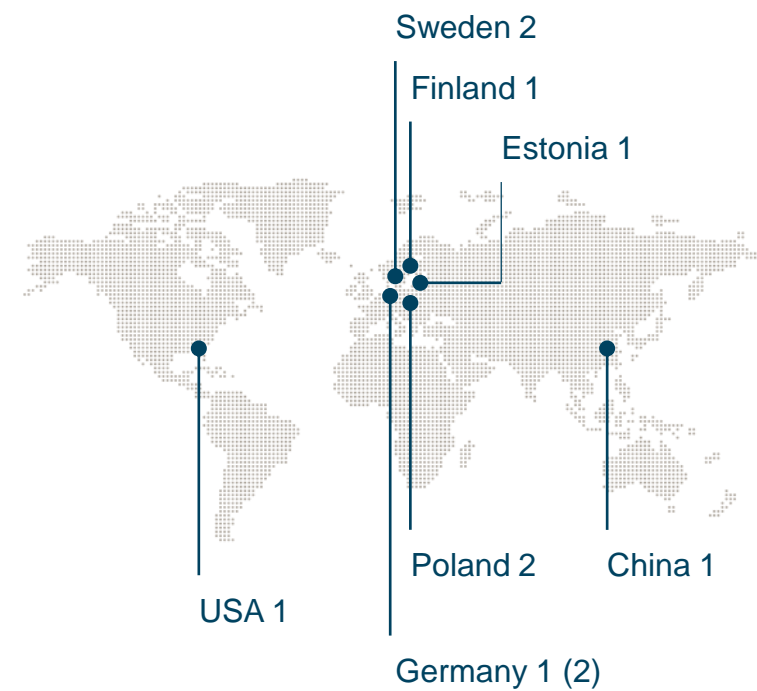


- Advanced Consumer Applications
- Automation & Safety
- Connectivity
- Energy & Cleantech
- Medtec & Life Science
- Other



- Poland
- China
- Estonia
- Finland
- Sweden
- Germany
- USA

FACTORIES



Trusted manufacturing partner: added value from an idea into production



SCANFIL

Strategy and business drivers



Strategy and competitive advantages

- Products with electronics
- Specified in high mix - low volume products and short production series
- Industrial and MedTech-customers
- Clear factory strategy; close to customer R&D or customer's markets
- Global factory network

NOKIA
AIRBUS
TELESTE



AXIS
COMMUNICATIONS
INVISIO®

TOMIRA
plejd



GUNNEBO®
Photo-Me

ABB
metso



Danfoss
NIBE

Valmet

BOBST

KONE



TOYOTA
MATERIAL HANDLING
ASSA ABLOY
The World's Leading Lock Group

ThermoFisher
SCIENTIFIC
PLANMECA
GETINGE

Biotage
VAISALA
Jolife AB



Core Strategy

**Local Customers /
New customer
acquisition**
Factories close to
customer R&D

Leader in the Nordics
Strong in Central Europe
Enhanced sales globally

SCALE UP

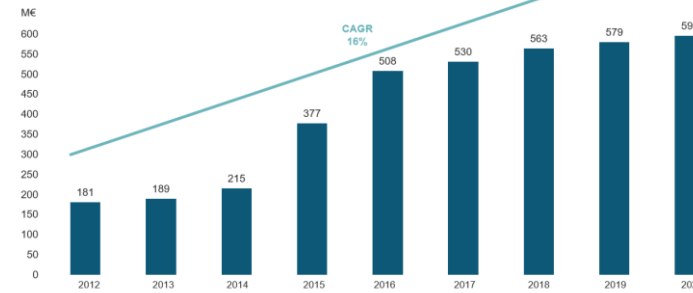
Best-In-Class Performance
Screening the market and
acquisition opportunities

**Global
Customers**
Factories close
to customer market

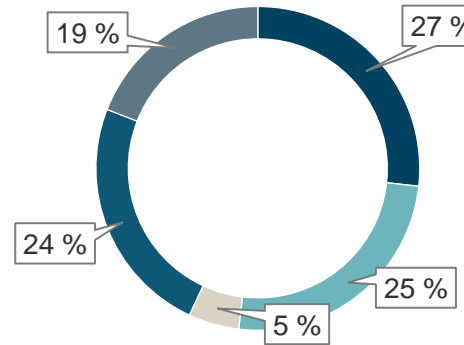
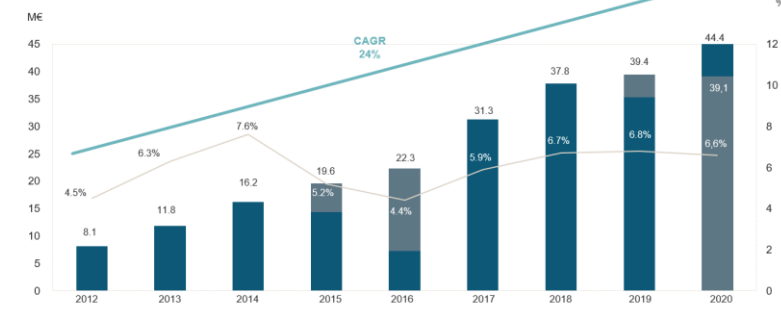
Stable predictability

- Turnover growth 16%, (CAGR, 2012–2020)
- Operating profit growth 24%, (CAGR 2012–2020)
- Broad customer base reduces cyclicalty of operations
- Dependency on a single customer has reduced significantly
- Industrial customers have long-term relationships with their manufacturing partners

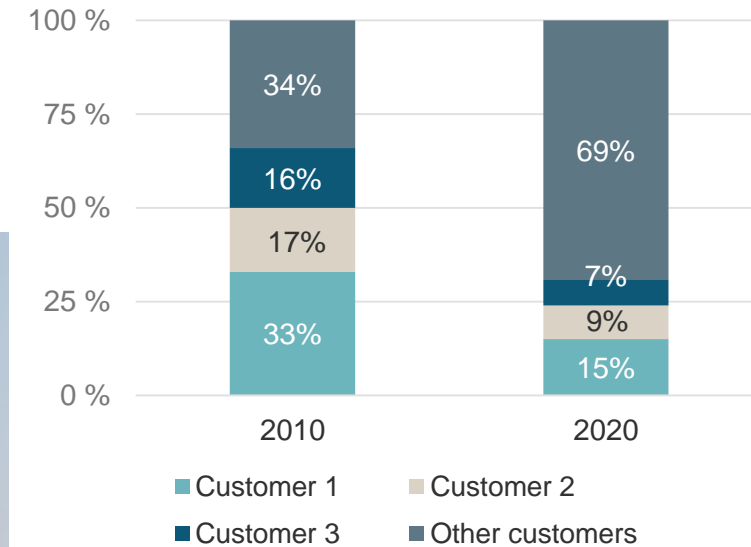
Turnover



Operating Profit



- Advanced Consumer Applications
- Automation & Safety
- Connectivity
- Energy & Cleantech
- Medtec & Life Science



Growth drivers

- Historical market growth of global EMS 3–6% p.a.
- Increasing demand for electronics due to digitalisation and new technological innovations
- Customer base benefits from global megatrends: global leaders in their own segments and early-stage growth companies
- M&A

Customer Segments and Megatrends



ADVANCED CONSUMER APPLICATIONS

- Urbanization
- Growing middle class
- Modernization of households



AUTOMATION & SAFETY

- Industrial automation
- Robotics
- Sustainability



CONNECTIVITY

- Digitalization
- Increasing significance and use of information in society
- 5G
- Wireless solutions
- Industrial internet



ENERGY & CLEANTECH

- Energy efficiency & renewable energy production
- Urbanization particularly in emerging markets
- Monitoring, controlling and cleaning of water and air quality



MEDTECH & LIFE SCIENCE

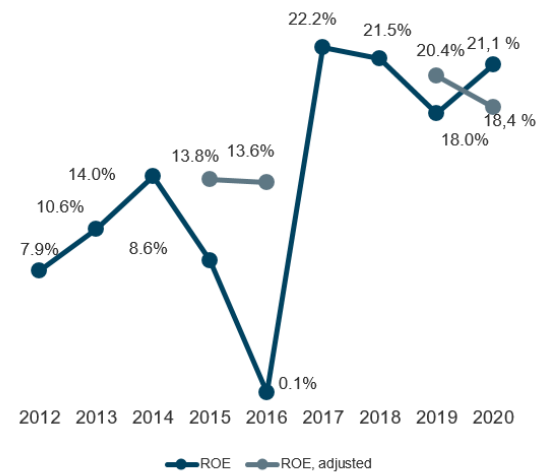
- Ageing population
- The increasing needs for healthcare and technology in emerging markets
- Need to predict weather phenomena



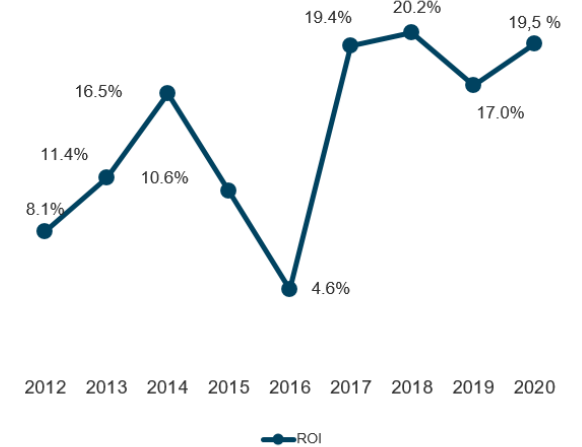
Profitability drivers

- Flexible cost-base and low fixed costs
- Clear factory strategy and operational model
- Business model enables moderate investment levels and depreciations
- Business culture. Fast decision-making process and efficient execution
- Efficient use of assets

ROE



ROI



Outlook for 2021

Long-term targets



Outlook for 2021

Scanfil estimates that its turnover for 2021 will be EUR 630–680 million (previous: EUR 600–640 million) and its adjusted operating profit will be EUR 41–46 million (previous: EUR 40–44 million).

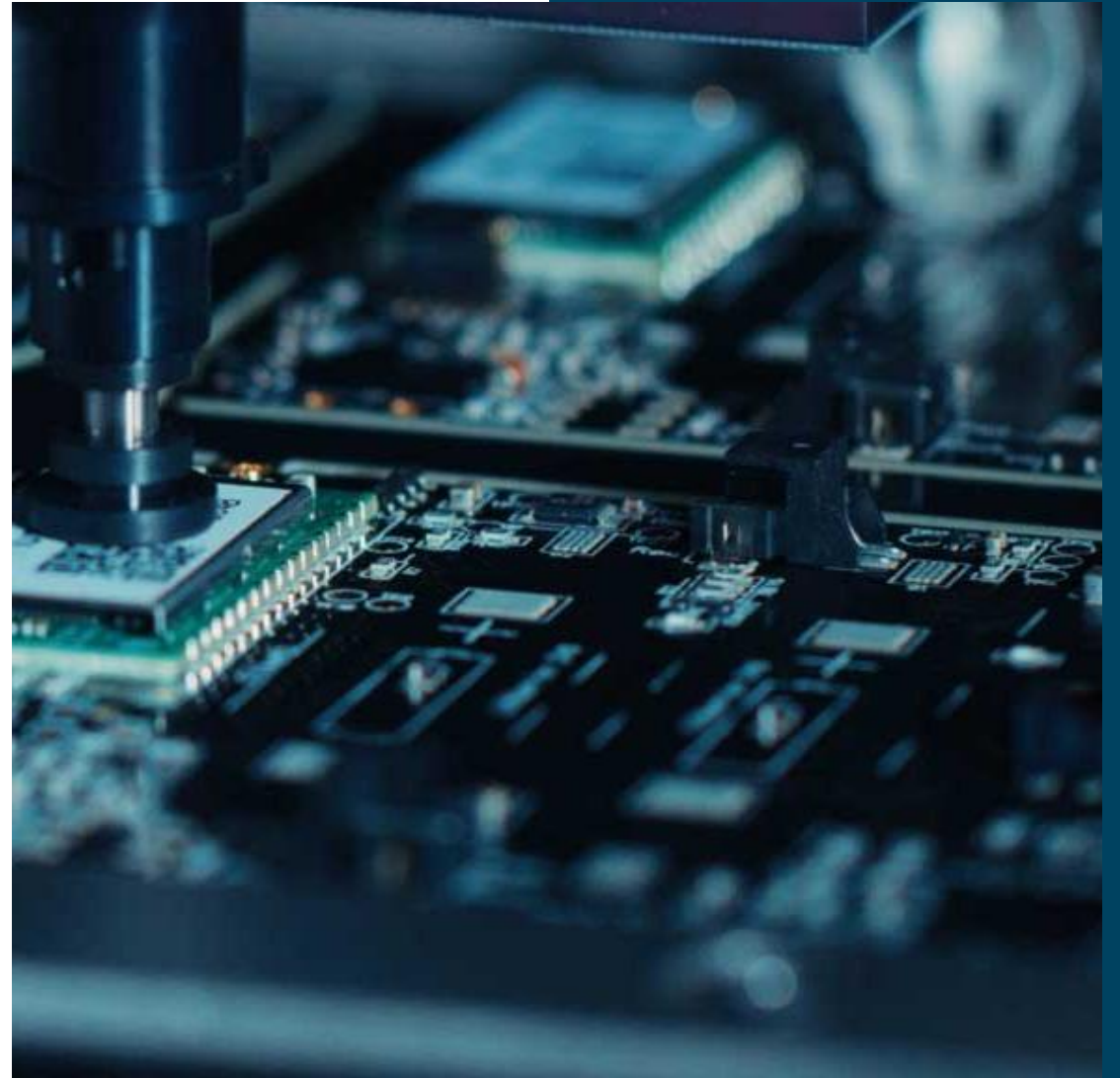
The guidance for 2021 involves uncertainty arising from the potential negative impact of the availability of certain materials, especially semiconductors, and COVID-19 pandemic on customer demand and the delivery capability of the component supply chain.

Outlooks was revised 11 June 2021.



Long-term targets

Scanfil's long term target: In 2023, Scanfil is organically aiming for EUR 700 million turnover and 7% operating profit.



An aerial photograph of a dense evergreen forest. A dark, winding road with white lane markings curves through the trees from the bottom left towards the top right. In the bottom right corner, there is a white graphic consisting of several nested, stepped rectangular lines, resembling a staircase or a modern architectural element.

SCANFIL

Sustainability at Scanfil

Sustainability approach

Key themes of our responsibility are



United Nations
Global Compact



Environment

The focus areas of environmental responsibility in improving productivity and efficiency are the efficient use of raw materials, control of energy and water consumption, as well as the management and reduction of waste, and the reduction of the carbon footprint. All the company's plants are ISO 14001-certified.



Responsible Offering

In the responsible offering, attention is paid to the development of customer satisfaction, product quality, delivery reliability, and continuous development. Observance of laws and ethical principles throughout the supply chain, prevention of corruption and bribery are fundamental to our responsibility. We continuously invest in new technology to develop our offering in all areas. All the company's plants operate a quality control system observing the ISO 9001 criteria.



People

Social responsibility focuses on competence development, occupational safety and health, and the development of the personnel's motivation and work satisfaction. All our plants observe the ISO 45001 standard for the management of occupational health and safety, and the plan is to adopt this at other plants as well in 2021. Company follows the ILO core labour standards. Scanfil respect the United Nations Guiding Principles on Business and Human Rights. Company is committed to advancing equality between women and men as well as promoting diversity .



Partners & the community

Responsibility toward partners and the community emphasizes the added value produced, profitability, and the transparency and ethics of operations. In the same way that Scanfil strictly follows laws and agreements, we demand the same accuracy from our partners. By taking responsibility for our part in the value chain, we provide added value in the partnership. Scanfil's target is to be an excellent corporate citizen.

Sustainability areas 2021

Environment



Responsible Consumption

- Reduce carbon footprint 4,2 % yearly
- Fossil free energy consumption 50% 2030
- Reduce energy consumption - 3%/VA
- Reduce water consumption -3%/VA
- Reduce waste created -3%/VA



35 % CO₂ reduction 2030



50 % fossil free energy consumption 2030



People



Employee Satisfaction

- Excellent place to work (KPI)
- Development of personnel's motivation
- Development of personnel's work satisfaction
- Competence development
- Occupational safety and health

Reduced Inequalities

- Respect for different cultures
- Ethical principles
- Gender equality
- Honesty and fair methods of operation
- Human rights and equal treatment
- Commitment to anti-bribery
- Compliant with laws



Participation in UN Global Compact

Strengthened Code of Conduct

Commitment to ILO core labour standards

Commitment of Women's Empowerment Principles

Enhanced Whistleblowing process

Responsible Offering



Trusted Partner

Smart Operations

State of the art Technology

Customer Focused

- Customer satisfaction (KPI)
- Product quality (KPI)
- Delivery reliability (KPI)
- Continuous development of operations (KPI)

Technologies

- Investments and new technology
- Digitalized services
- Full traceability
- Information security

Partners & the community



Responsibility to partners and society

- All partners operate in accordance with Scanfil's Code of Conduct
- Scanfil requires all partners to comply with laws and agreements
- Supplier audits performed systematically
- Supplier quality and delivery performance monitored continuously
- Common group level Supplier Code of Conduct

Material Compliance

- Reach
- RoHS
- Conflict Mineral
- Provide Full Material Declarations



Strengthened Supplier Code of Conduct

Conflict Mineral Policy

Commitment to ILO core labour standards

SCANFIL

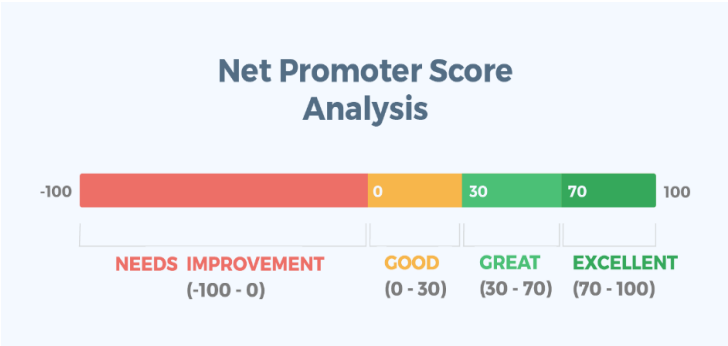
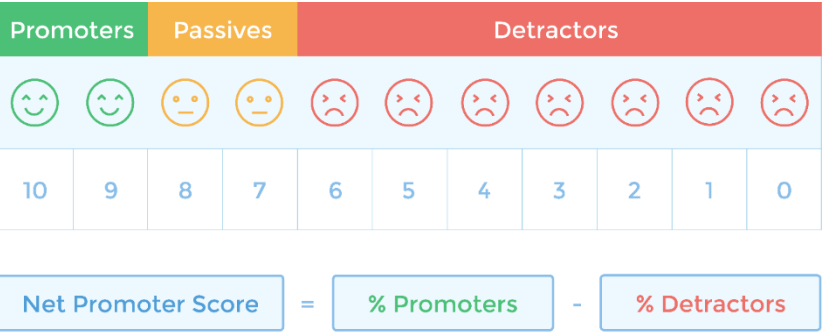
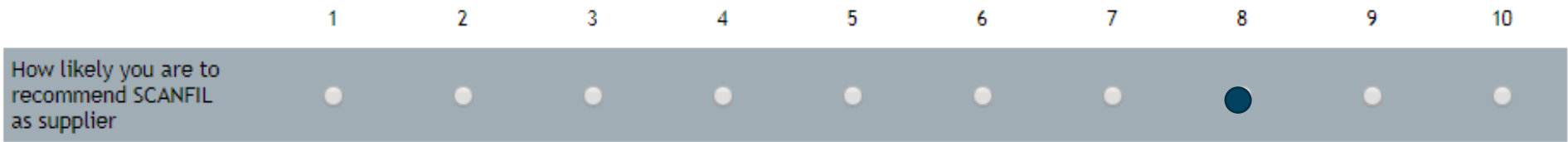
Customers' and employees' voice



Customer satisfaction – Net Promoter Score (NPS)

General evaluation

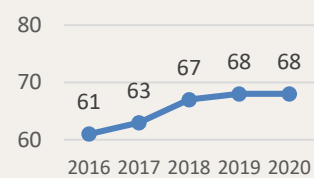
Please rate SCANFIL between 1-10 where 1 is "Not likely at all" and 10 is "Very likely"



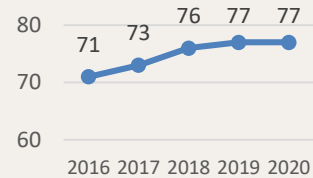
Scanfil NPS = 25

Employee engagement

SATISFACTION & MOTIVATION



LOYALTY



- High score (75-100)
- Medium score (60-74)
- Low score (0-59)

SCANFIL

Q&A



A photograph of two men in a meeting. The man in the foreground, Timo Sonninen, is a man with a beard and dark hair, wearing a grey sweater, looking towards the camera with a slight smile and gesturing with his right hand. The man in the background is partially visible, looking down. The background is blurred, showing an indoor setting with plants and a laptop on a table.

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Scanfil – trusted manufacturing partner

TIMO SONNINEN, VP SALES
CAPITAL MARKETS DAY
HELSINKI, FINLAND
14 SEPTEMBER 2021

Contents

1. Sales excellence
2. Customer segments
3. Service portfolio
4. Why our customers choose us?
5. Q&A



Sales Excellence

Processes

- New customer acquisition
- RFQs
- Sales forecast processes

Digital tools

- Upsales CRM
- Customer portal (upcoming)

Customer survey

- Twice a year
- Quality and performance is measured

Sales professionals

- Approximately 30 professionals
- Across the globe

Target oriented

- Target setting and follow-up
- Rewards and bonuses

Customer plans

- Customers have dedicated sales manager
- All global accounts have a service plan
- Targets in maintaining and growing

Network

- Professional support in all areas
- Close collaboration with factories
- Marketing and communications to support



Customer Segments



ADVANCED CONSUMER APPLICATIONS

- Urbanisation
- Growing middle class
- Modernization of households



AUTOMATION & SAFETY

- Industrial automation
- Robotics
- Sustainability



CONNECTIVITY

- Digitalisation
- Increasing significance and use of information in society
- 5G
- Wireless solutions
- Industrial internet



ENERGY & CLEANTECH

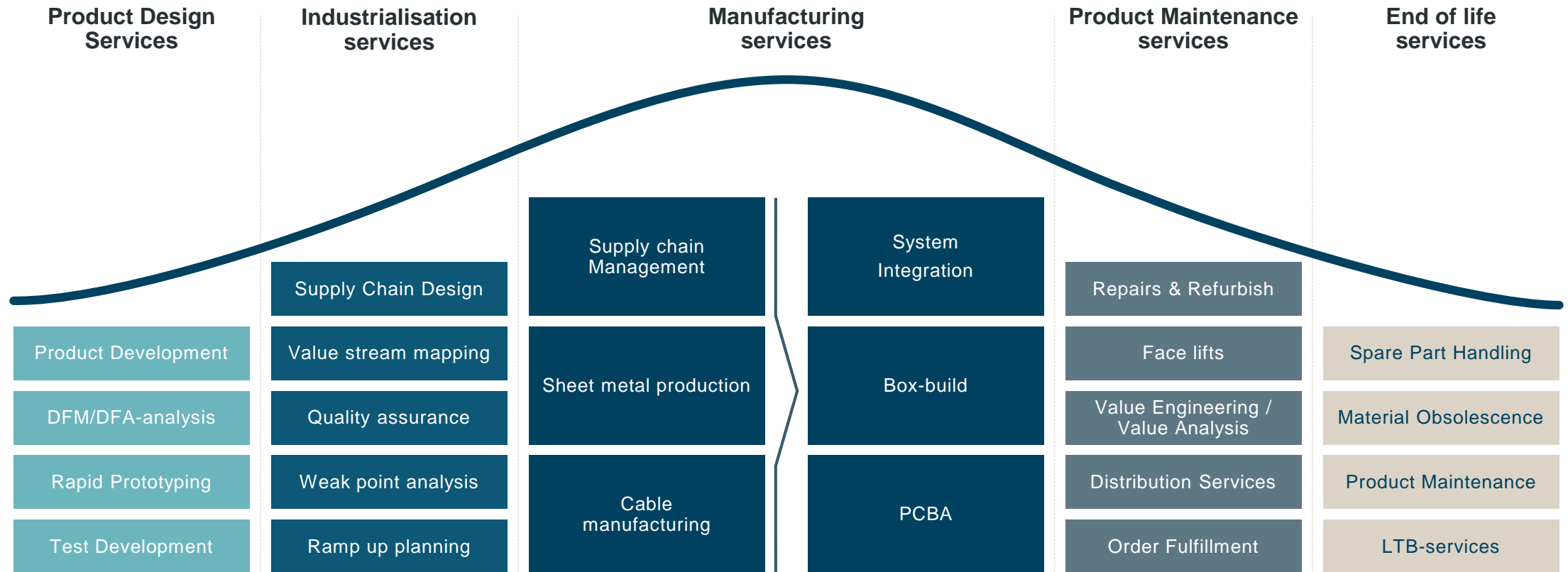
- Energy efficiency, renewable energy production and solutions for circular economy
- Urbanisation particularly in emerging markets
- Monitoring, controlling and cleaning of water and air quality



MEDTECH & LIFE SCIENCE

- Ageing population
- The increasing needs for healthcare and technology in emerging markets
- Need to predict weather phenomena

Our offer throughout your products life cycle



Our Core - Manufacturing Services



Electronics Manufacturing

Full range of services, starting from prototyping to manufacturing and ending with a complete, fully tested and packaged end product

Services include e.g.

- Material handling
- PCBA assembly
- PCBA testing
- Module assembly
- Material and process traceability



Mechanics Assembly

Flexible manufacturing methods and expert sheet metal fabrication from sub-assemblies to ready-made integrated units.

We can do everything from

- simple mechanical assemblies of fabricated sheet metal parts to
- complex electro-mechanical assemblies



System Integration

In our System Integration offer, we include all our core manufacturing capabilities and our strong supply chain services together with support services that fit all your needs.

We manufacture, assemble, test, pack, and distribute your products, direct to your end customer, on time, every time.



Production Outsourcing

Alongside outsourcing of the production, we can, more or less, support all other services connected to your products and supply chain as well.

It's more up to how you want to design your own business to gain the most out of the cooperation and where your focus needs to be.

To-Life and To-Market



Product Development

A wide range of design and development services for your products, from the first idea through innovation, prototyping, verification, test design, and industrialisation for serial production

Experience from developing hundreds of different products in a broad spectrum of technologies and market areas over the years.



Design for Excellence

Our goal with Design for Excellence is to support making viable design enabling customer products to be assembled quickly, in a cost-effective way, with increased quality.



Rapid Prototyping

Time-optimised prototyping is a vital part of cutting the time to market.

We have perfected the prototyping process over the years and focuses on creating the fastest and the most effective prototypes.



Test Development

Our test offer covers a wide range of customer needs from Flying Probe testing in low volume and prototype production to In-Circuit Testing in higher volumes, from affordable Functional Test solutions based on Scanfil's own generic platforms to completely tailor made solutions.

The Scanfil ODIN family of test solutions is our standardized offer for functional testing of PCBA's and integrated products.

Product Maintenance



Distribution

Traditional turnkey manufacturing and assembly services connected with our ability to also warehouse, cross dock, break bulk and merge orders in transit (consolidation) fulfilling our customers' end user demands



Repair and Refurbish

In and out of warranty repair services for products made by Scanfil and other contract manufactures.

Refurbishment services in addition to returning the product to a working condition for customers who require a Like New product internally and cosmetically.



Cost Improvements

Vast variety of cost improvement services that will fit your products in different periods of your product's life cycle.

In our different types of cost improvement, we analyse what cost improvements can be made, both without changing the product's functionality and when we also can do a full value analysis.



Supply Chain

Scanfil's service concept covers the reliable management of the entire product supply chain.

On behalf of our customers, we lead and steer the material supplier network, the structure of which is as cost-efficient as possible for our each customer.

Services to different types of customer



Start-ups

To-life and to-market services.

Small more risky customers with huge growth potential. Approximately 15% of our customers belong to this category, but we actively look for good growth companies.



Established

Manufacturing, to-life, to-market and maintenance services.

Our bread and butter customer niche. Approximately 85% of our customers belong to this category.

Why our customers choose us?



Service portfolio

Scanfil's offering includes extensive services from an idea into production and end-of-life.



Industry knowledge

Scanfil has deep and long industry knowledge that benefits its customers.



Global reach

Scanfil has factories in seven countries and serves customers worldwide. Close to customer R&D and near customer market.



Quality

Sophisticated measurement systems and standardized processes to maintain and improve quality.

Constant review of customer feedback and quick response to all quality related matters.

SCANFIL

Q&A





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Operations

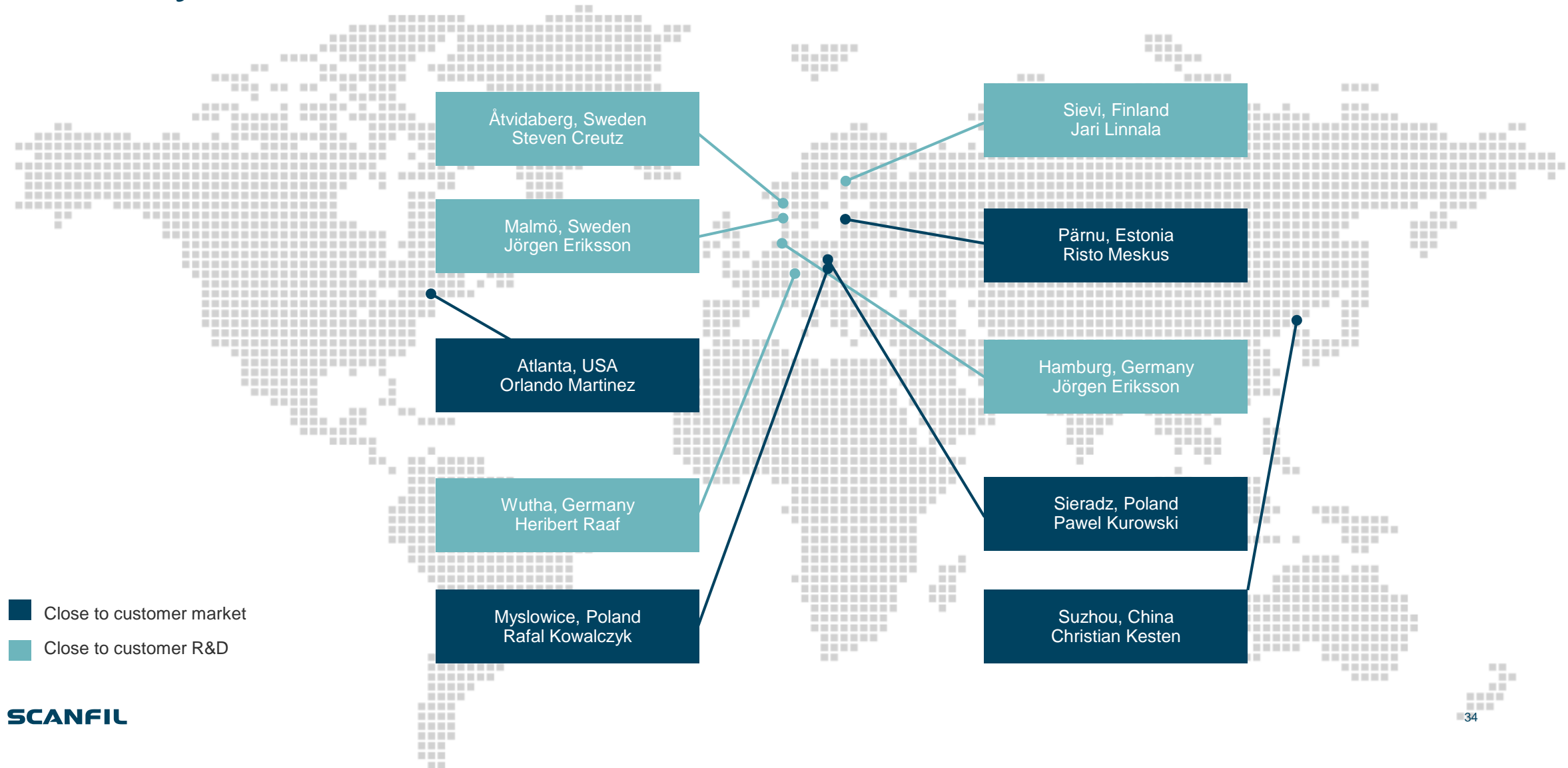
RIKU HYNNINEN, COO
CAPITAL MARKETS DAY
HELSINKI, FINLAND
14 SEPTEMBER 2021

Contents

1. Factory network
2. Global and local sourcing
3. Markets: components and materials
4. Flexibility of operations
5. Continuous performance improvement of quality, cost and delivery (QCD)
6. Q&A



Factory network



Global and local sourcing



Global

- Global category managers
- Category strategies
- Global supplier relationship, cost and performance
- Scale advantages in prices and terms



Local

- Each factory has dedicated professionals in sourcing
- Aligned with global sourcing strategy
- Local supplier relationships, cost and performance

Markets: components and materials

Markets

- Global supply shortage in specific metals and semiconductors
- COVID-19 related sudden lockdowns
- Semiconductor prices up by 10-40% year-on-year
- Metals up by 20-100% year-on-year
- Transportation bottle-necks

Effect on Scanfil

- Increase in prices and lead-times
- Material shortages
- Persistent daily effort to mitigate impacts to supply chain

Flexibility of operations



Employees

- Internal employees ca. 3,300*
- Ca. 1,300 external and temporary employees*
- Good channels for hiring skilled employees
- In all operating countries local laws and agreements are respected

* At the end of June 2021



Equipment and tools

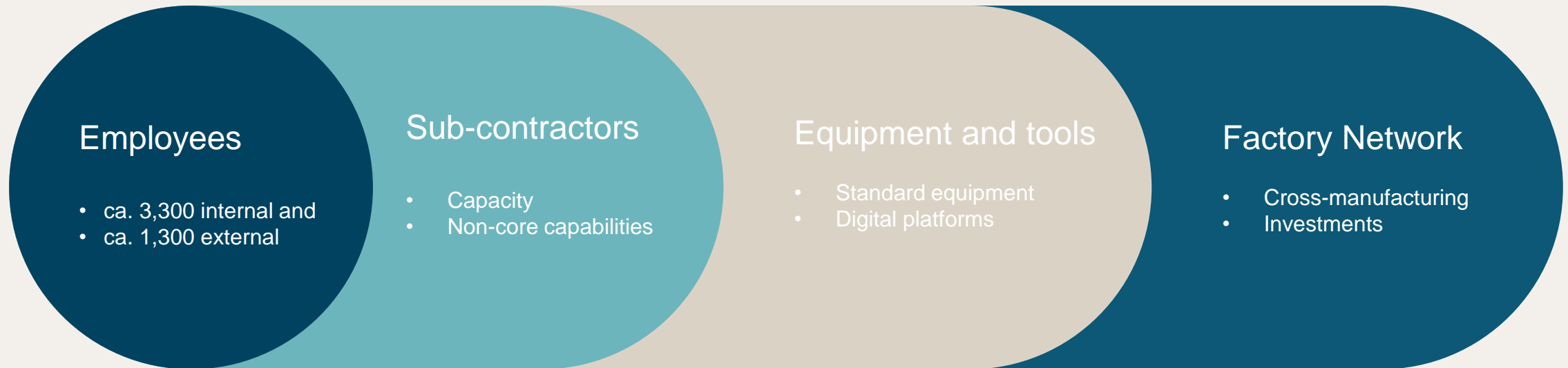
- **Unified machinery** across different factories (e.g. SMT, mechanics, AIV, cobots)
- Common **digital** platforms (e.g. ERP, MES, digital working instructions)



Sub-contractors

- Used if we don't have available capacity or capability
- Usually local companies close to our factories

Flexibility in operations

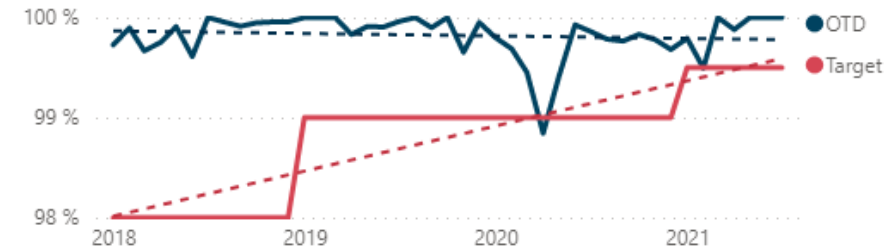


Continuous performance improvement of quality, cost and delivery (QCD)



Continuous improvement example: Factory A

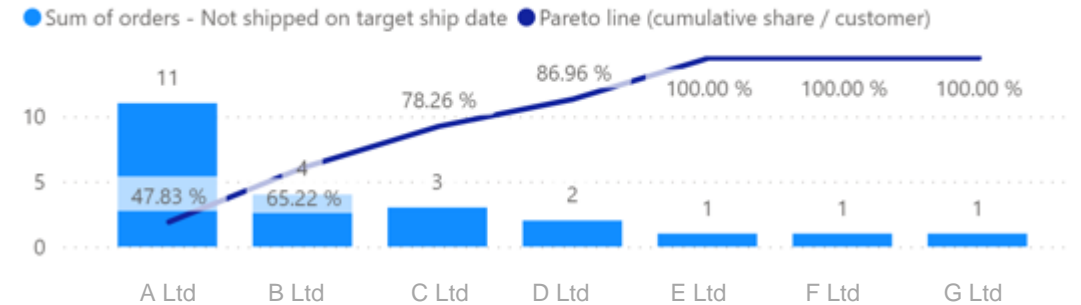
KPI	TARGET	ACTUAL	Progress update / Main contributors
OTD	99.5%	99.8%	<ul style="list-style-type: none"> OTD performance on target



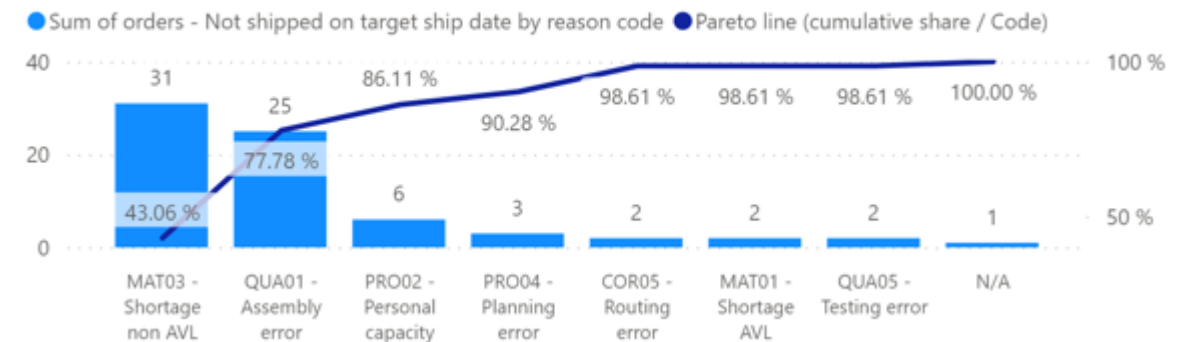
Performance Improvement action follow up (TOP 3 to 5 actions)

Project type	Focus area	Main action	Due date	Owner	Status
Delivery Performance	Demand planning	Improve forecast analysis and order confirmation process	28.09	Jane Doe	40%
Delivery Performance	Subcontracting	Additional capacity from subcontractors for a demand peak	28.09	John Doe	85%
Delivery Performance	Capacity planning	Improve capacity planning process and tools	31.10	Jane Doe	25%

Not shipped on target ship date by Customer - Last month actual



Reasons for late orders - Last month actual



SCANFIL

Q&A



Lunch break – start at 12 pm Finnish time

SCANFIL

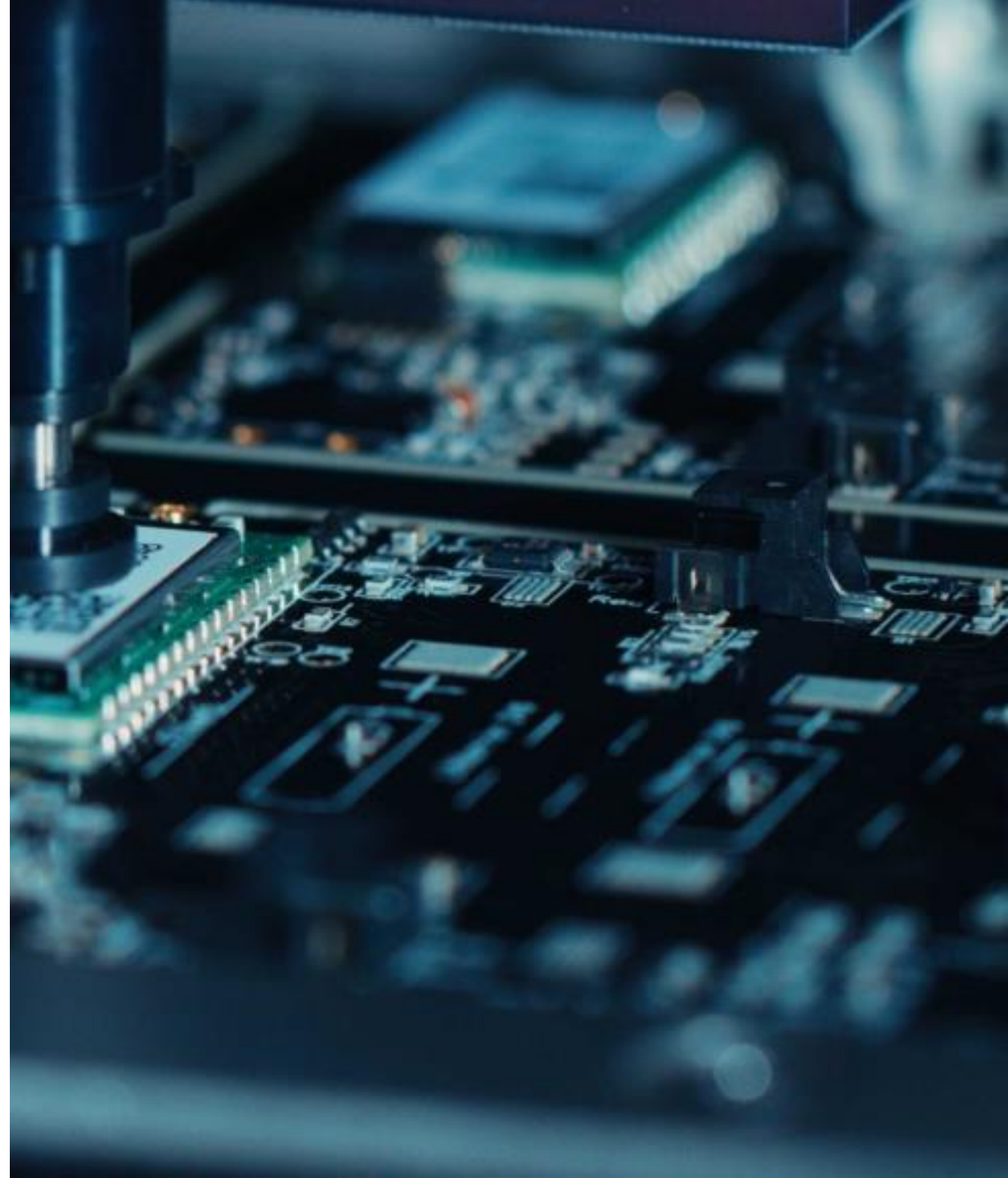
Scanfil SMART:

MARKKU KOSUNEN, CTO
CAPITAL MARKETS DAY
14 SEPTEMBER 2021



Contents

1. Vision and mission
2. Future Scanfil
3. Main projects in 2021
4. Benefits from SMART
5. Technology roadmap
6. Investment into the future
7. Q&A



Scanfil SMART vision and mission

VISION: Future factory:

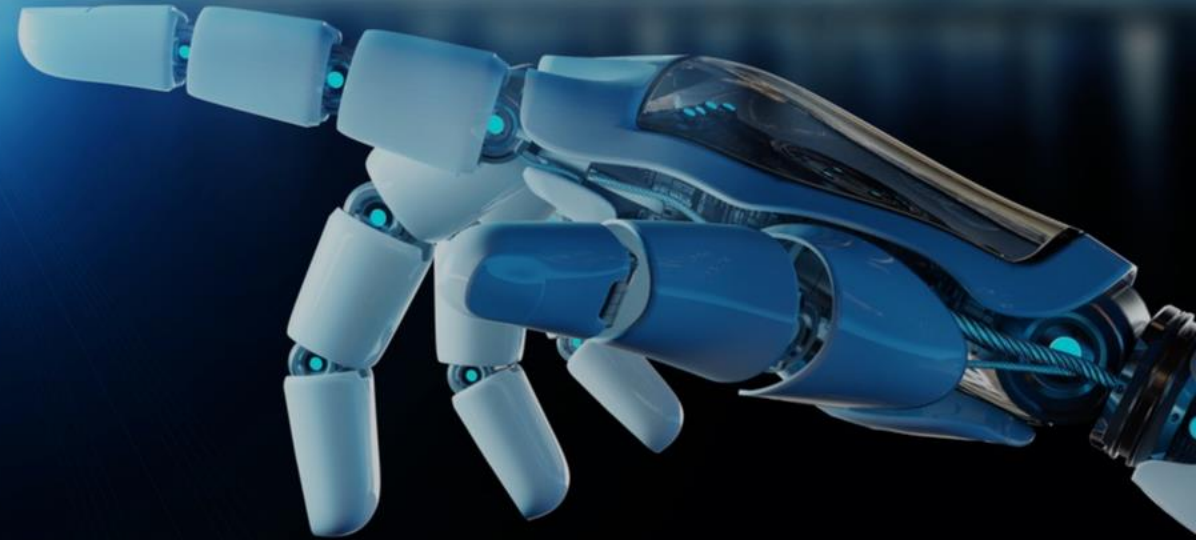
- Connected, transparent, proactive and optimised E2E supply chain and operations

MISSION: Technology driven transformation in

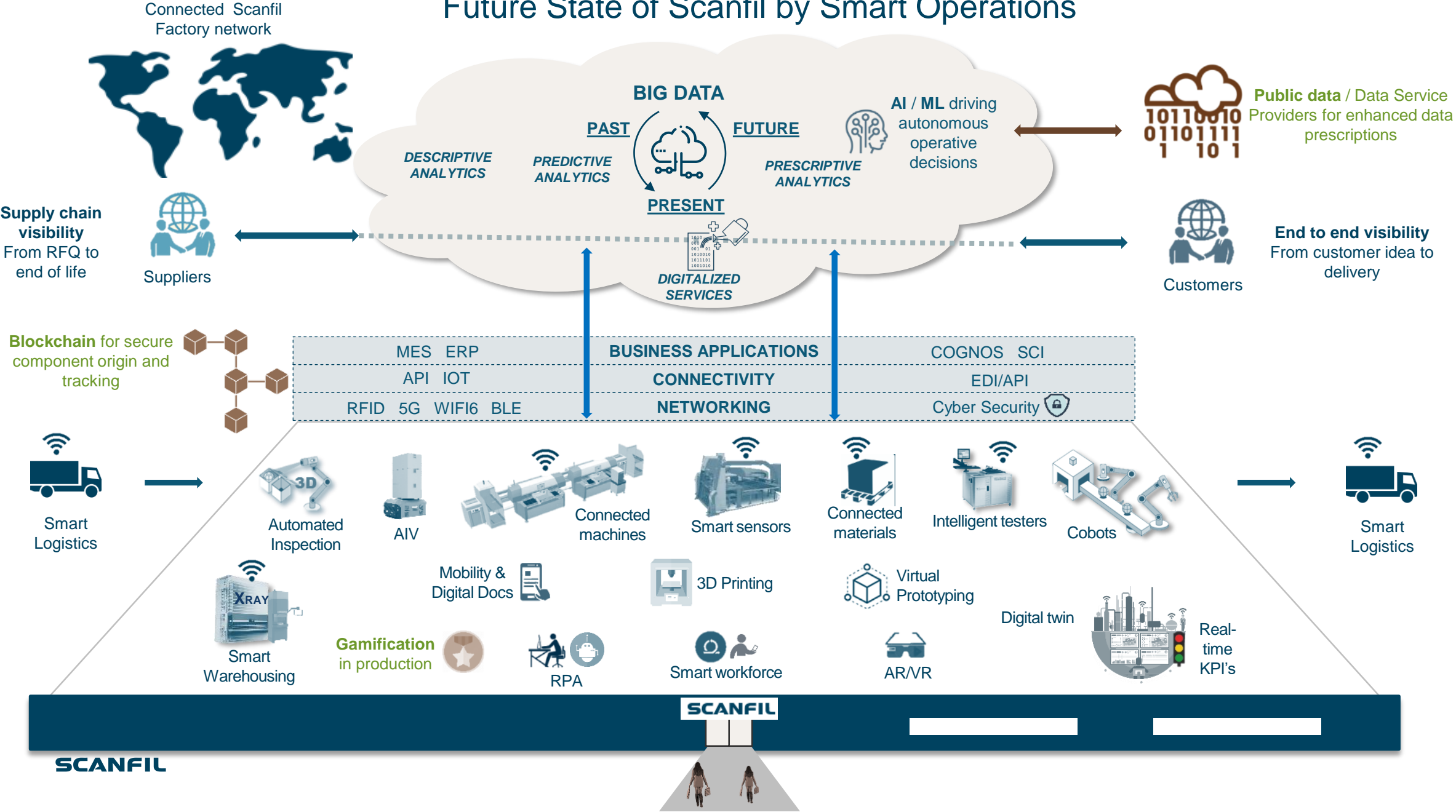
- Customer experience
- Employees experience and company reputation
- Performance and competitiveness development
- Multiyear program: 2019–2023

Modern technology such as

- Connectivity / Mobility (IoT)
- Manufacturing Execution Systems (MES)
- Flexible automation
- Robotic Process Automation (RPA)
- Cloud services / Computing
- BI-analytics / Artificial Intelligence



Future State of Scanfil by Smart Operations

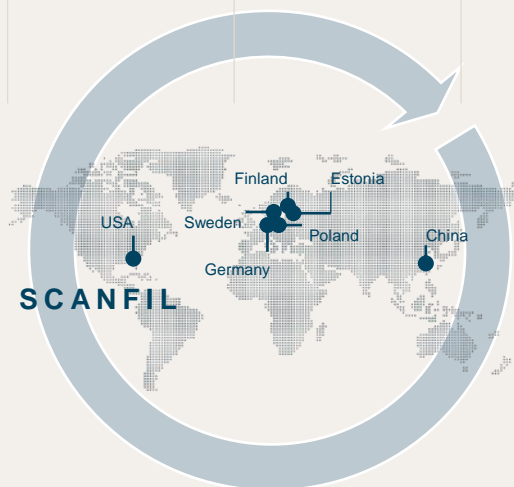


Global SMART Main Projects 2021

Roll outs

New

Material handling automation	AIV –Autonomous intelligent vehicles	Cobots	RPA – Robotic Process Automation	MES + Machine IOT	Digital working Instructions	eDHR – Digitalized medical documentation	Intelligent testers	Smart Sensors – Mech performance	Digitalized services
Pärnu	Åtvidaberg	Sieradz	Sievi	Sieradz	Sieradz	Sievi	Åtvidaberg	Pärnu	Corporate KPI dashboard
Åtvidaberg	Sieradz	Suzhou	Sieradz	Pärnu	Mysłowice		Suzhou	Mysłowice	Customer portal
Atlanta	Suzhou	Sievi	Suzhou	Wutha	Wutha		Sieradz		Operators' flow
	Atlanta	Malmö	Åtvidaberg	Malmö			Pärnu		HR MobileApp
	Mysłowice	Wutha	Pärnu				Malmö		
	Pärnu	Åtvidaberg	Mysłowice				Wutha		
	Sievi	Pärnu	Wutha						
		Atlanta	Malmö						
			Atlanta						



Benefits from SMART

Smart operations provide foundation for long term customer partnership

Customer

- Customer portal - Digitalised services
- Professional service for DFx (Design For Manufacturing)
- Comprehensive traceability

People

- Enhanced learning with XR (Extended Reality Glasses)
- Digitalised work instructions
- Mobile internal communication platform
- Virtual visits for all factories
- KPI dashboards

Performance

- Productivity
- Process Automation
- OEE improvement (Equipment Efficiency)
- Robotic Process Automation – software robotics
- Improved quality yields
- Strict process control to avoid manual mistakes
- Improved flexibility

Technology Roadmap

RPA	Big Data + BI analytics	Advanced analytics	Predictive analytics	AI/prescriptive analytics
Cobots	Incoming automation	Smart wearables	Digital twin	Full virtual prototyping
AIV	THT automation	Smart sensors	Laser de-paneling	3D/4D printing
RFID	eDHR	AR/VR	Connected materials	Smart Inspection
Digital Working Instructions	ATC bending	MobileApp	SIEM for cyber security	
MES + Machine IoT	3D printing NPI	Intelligent testers		
Material Handling Automation	Cable automation			
2019	2020	2021	2022	2023



Investments into the future

- Long-term investment plans, 2-3% of turnover
- Generic, optimal production equipment for high mix low volume
- Globally harmonised machines and processes
- Smart, flexible manufacturing automation
- Digitalised and connected factories

SCANFIL

Q&A



A middle-aged man with a grey beard and mustache, wearing a light beige suit jacket, a light blue shirt, and a dark blue tie with white polka dots. He is smiling and looking to his right while holding a silver mobile phone to his ear with his right hand. His left hand is partially visible, resting near his chest. The background is a blurred office interior with large windows. On the right side of the image, there is a faint, semi-transparent version of the same man talking on a phone, and a white geometric line graphic consisting of several nested L-shaped lines.

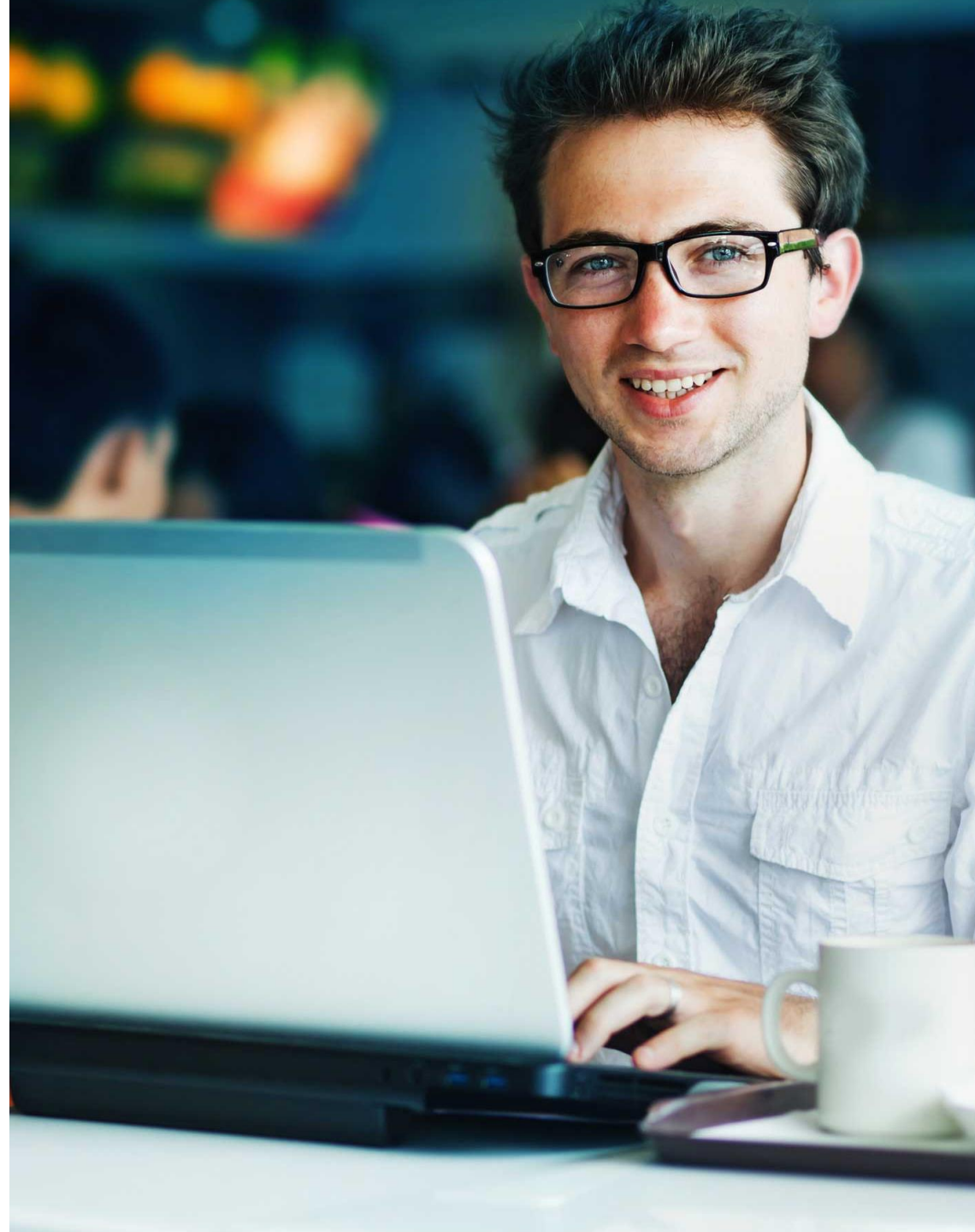
SCANFIL

Scanfil – creating value for investors

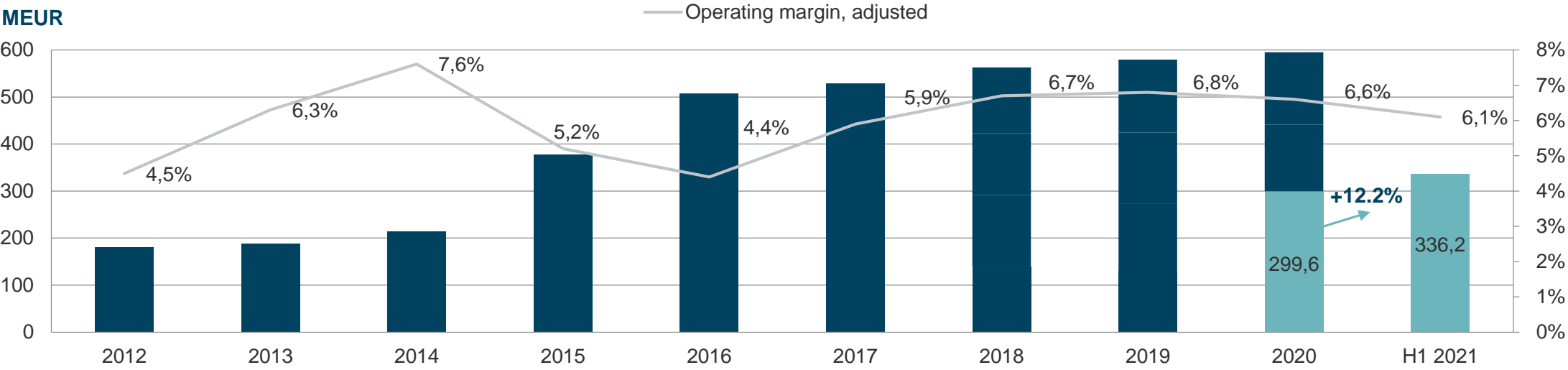
KAI VALO, CFO
CAPITAL MARKETS DAY
HELSINKI, FINLAND
14 SEPTEMBER 2021

Contents

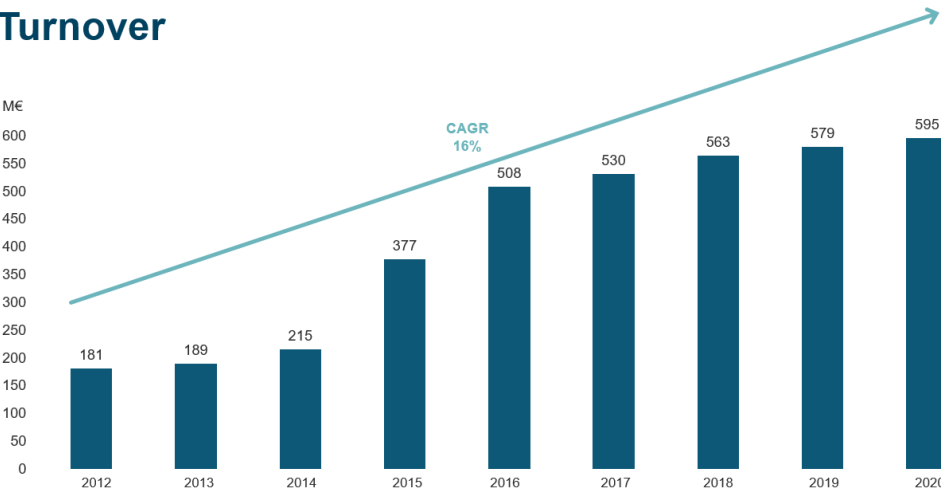
1. Long-term turnover and profitability
2. How to get to 7%?
3. Cost structure
4. Balance sheet and financial position
5. Cash flow and working capital
6. Dividend
7. Total shareholder return
8. Q&A



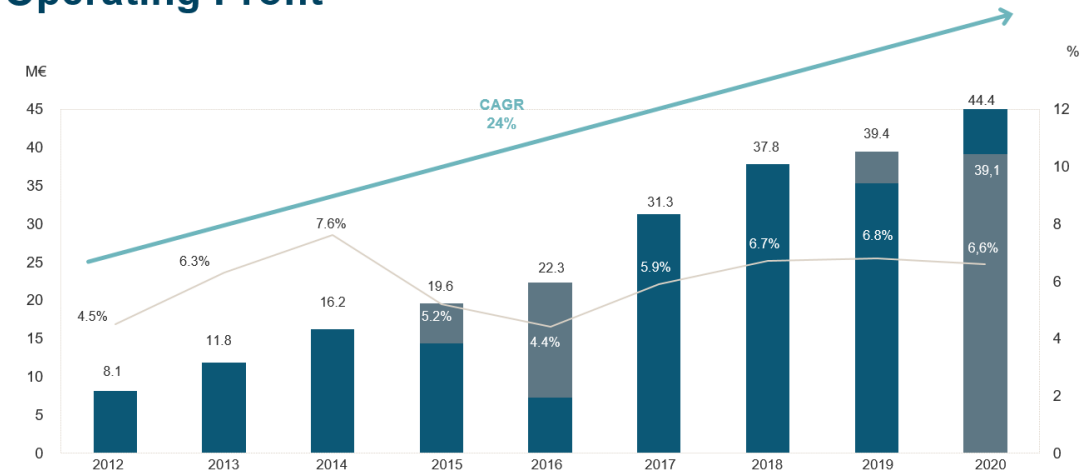
Long-term turnover and profitability



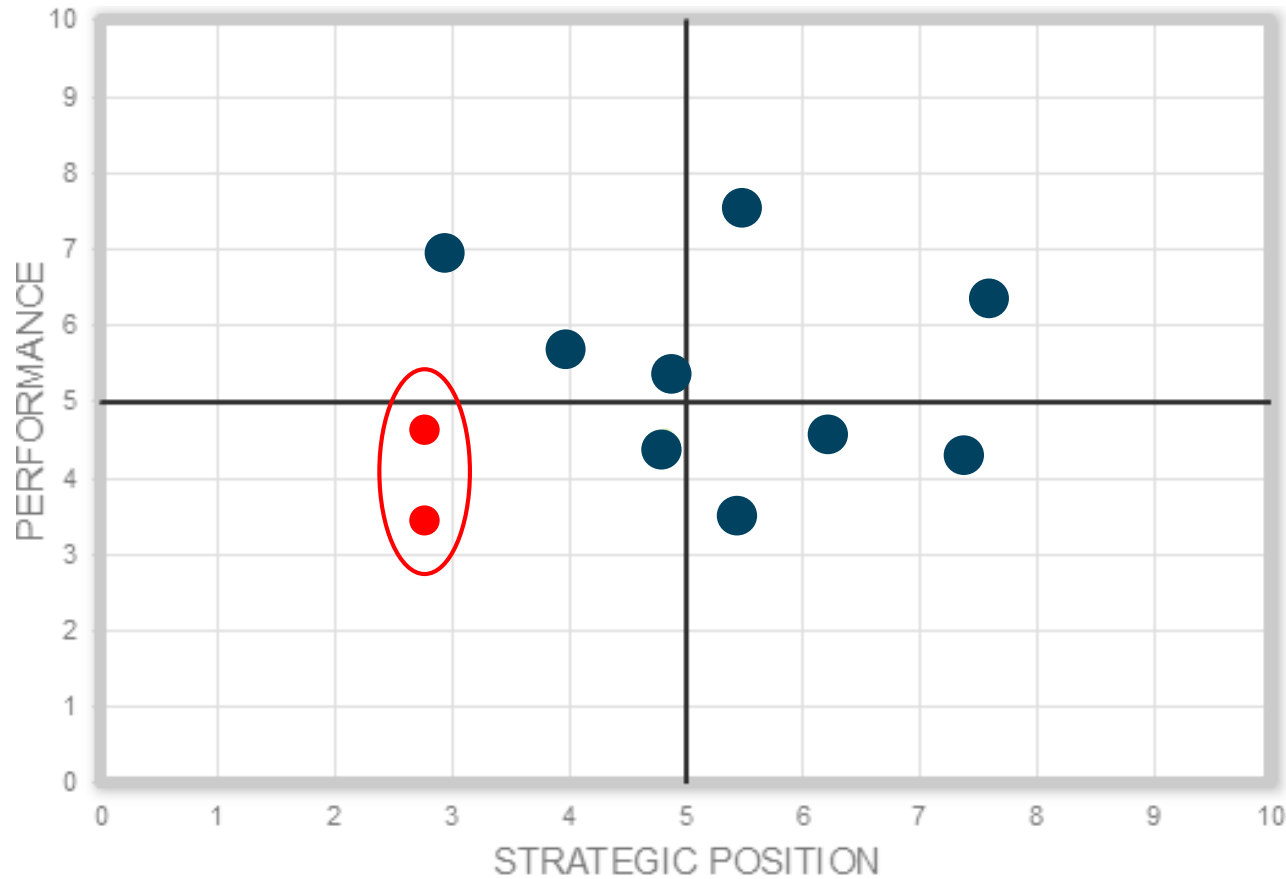
Turnover



Operating Profit

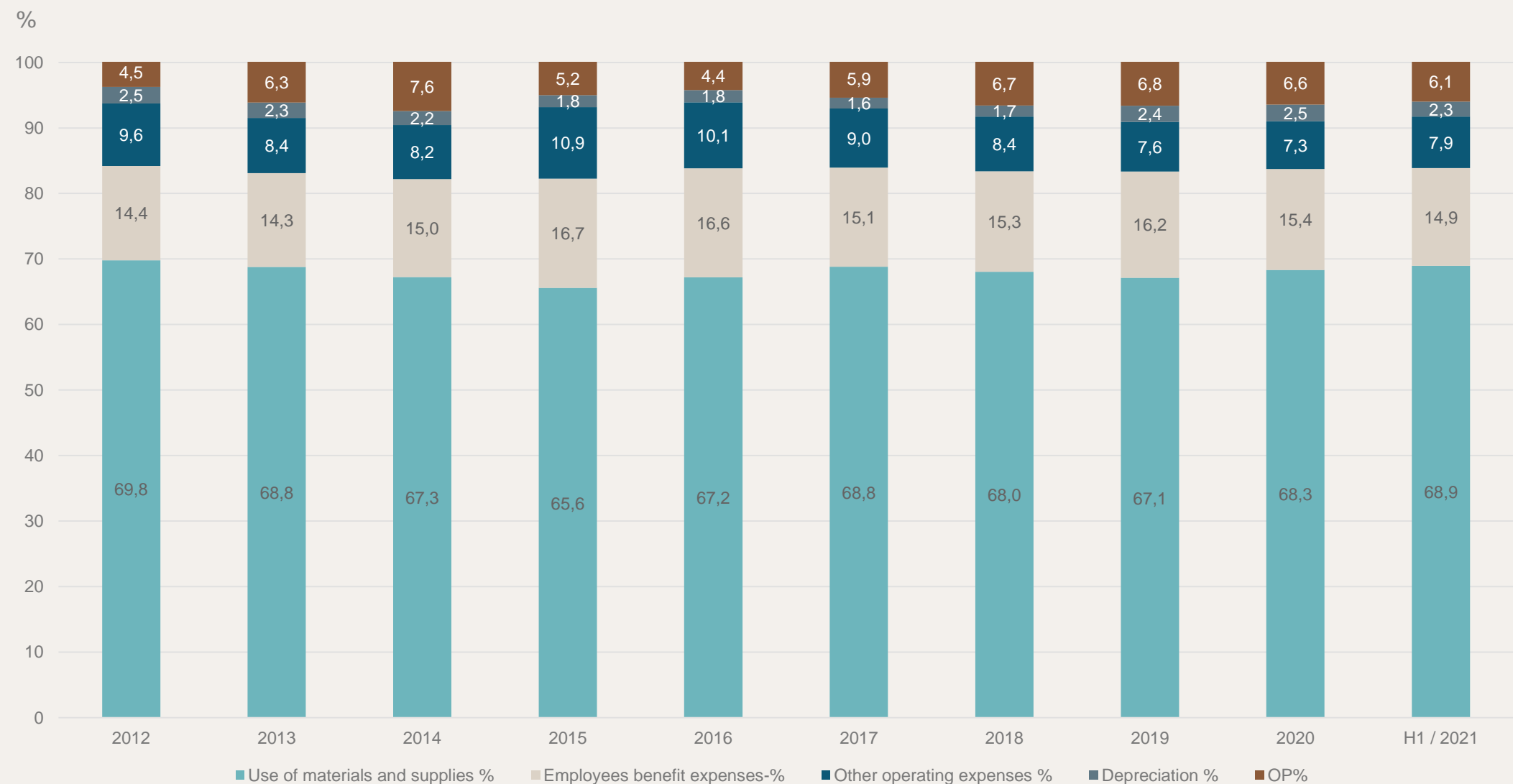


How to get to 7%



- Factories strategic positions, as well as, their performances are frequently evaluated
- Target in the long-term is to bring the factories strategic position stronger
- Short-term target is to improve the factories performance in given strategic position

Cost structure



Balance sheet: strong financial position H1 2021

MEUR

■ Inventories

■ Goodwill

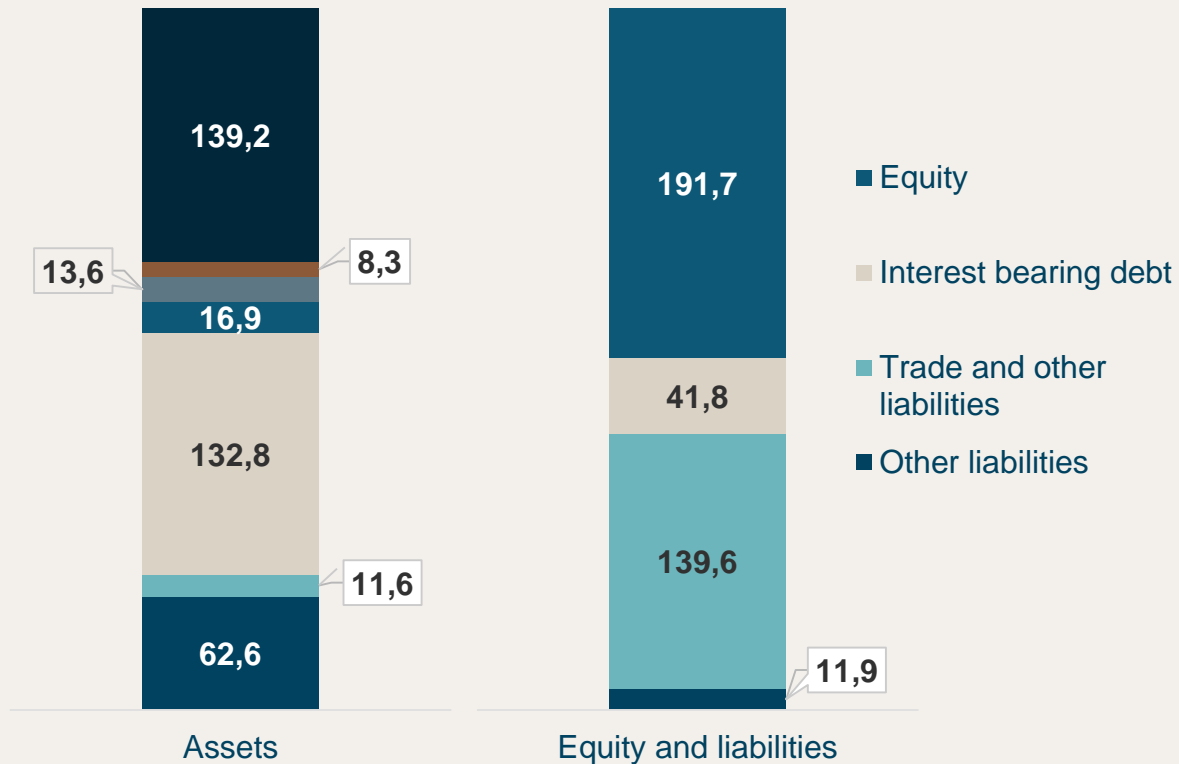
■ Other intangible assets

■ Cash and equivalents

■ Trade and other receivables

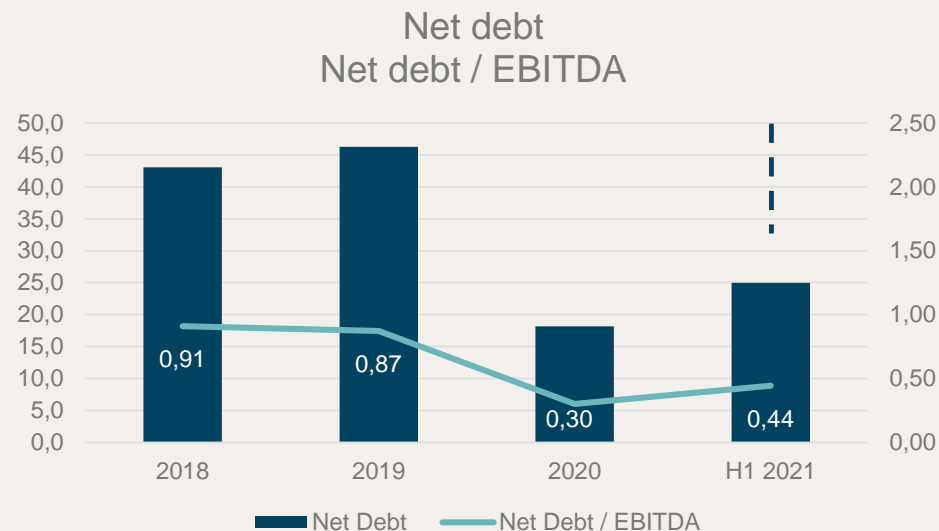
■ Other assets

■ Fixed assets



- Cash and cash equivalents totaled EUR 16.9 (25,8) million
- Equity ratio 50.2% (54,3%) and net gearing 13.0% (9.9%)
- Inventories EUR 139.2 (103.3) million, up by EUR 35,9 million mainly due to strong order intake, good outlook and material availability challenges
- Interest-bearing liabilities EUR 41.8 (44.0) million. Interest bearing loans EUR 23.9 (24,4) million and leases EUR 17.9 (19.6) million

Strong financial position

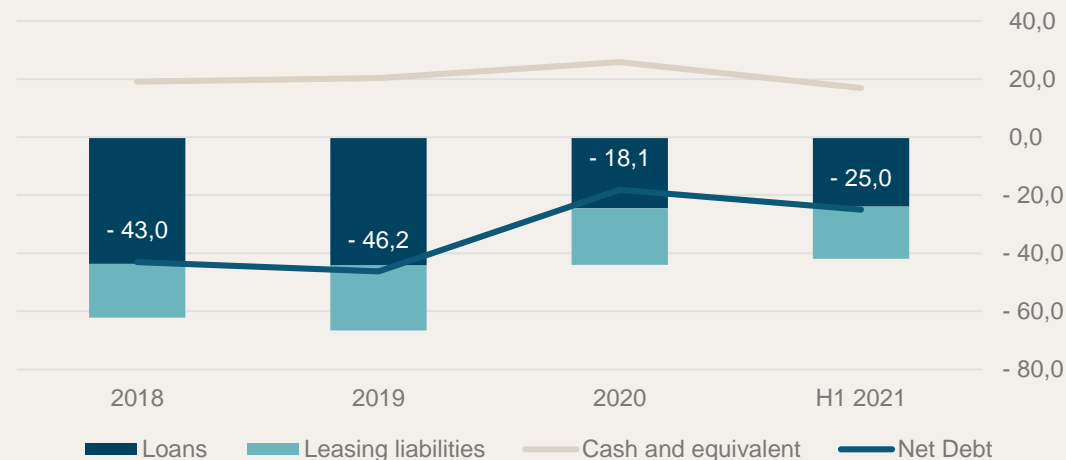


Net debt per EBITDA indicates company's debt deducted by cash in comparison to the company's capability to generate cash flow (operating profit + Depreciation)

Scanfil net debt dropped from 2019 EUR 46 million to H1 2021 EUR 25 million.

Respectively the net debt per EBITDA dropped from 0,9 to 0,44 in H1 2021.

Loans, leasing liabilities and cash



The chart shows the content and the value of net debt elements.

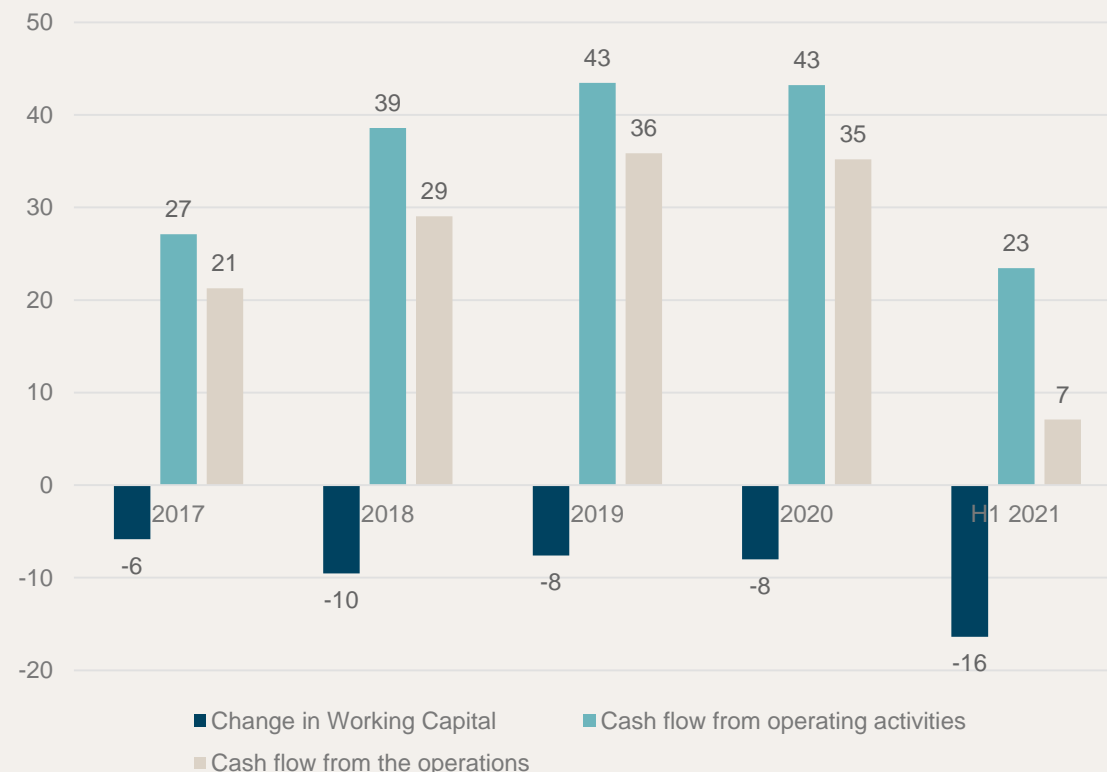
Net debt in H1 2021 was EUR 25.0 million.

The value of loans in H1 2021 was EUR 23.9 million while the value of leasing liabilities were EUR 17.9 million.

Cash and equivalent were EUR 16,9 million.

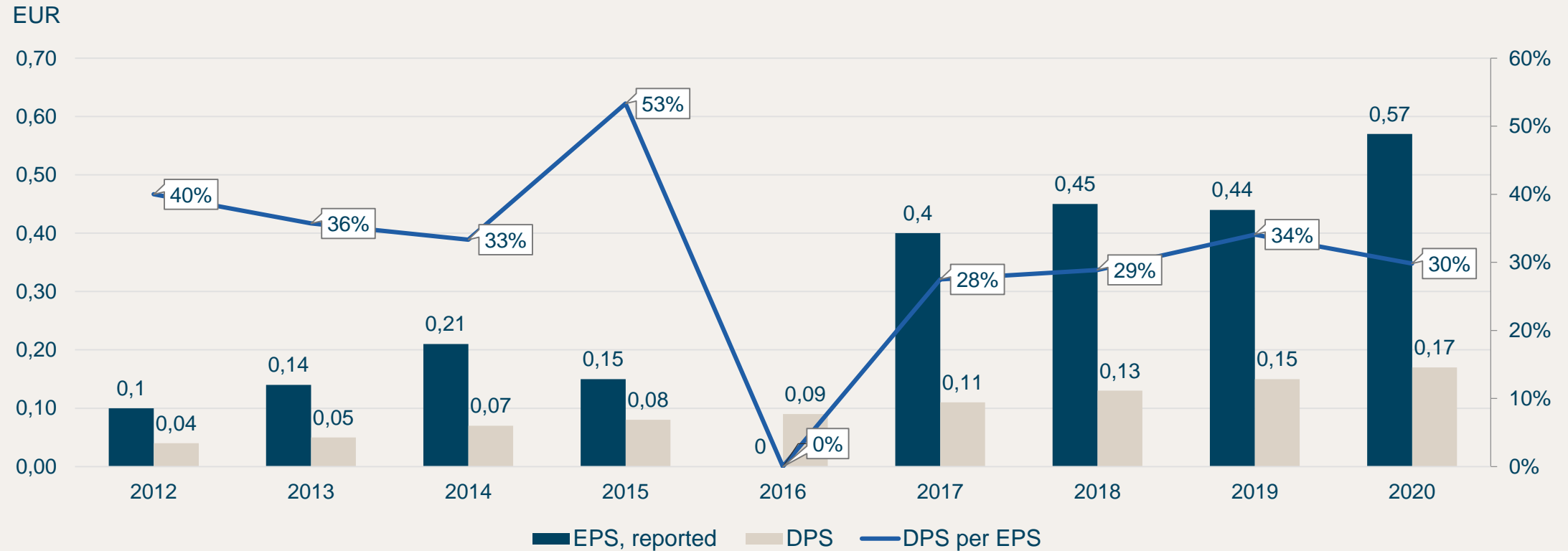
Cash flow from the operations - breakdown

EUR million



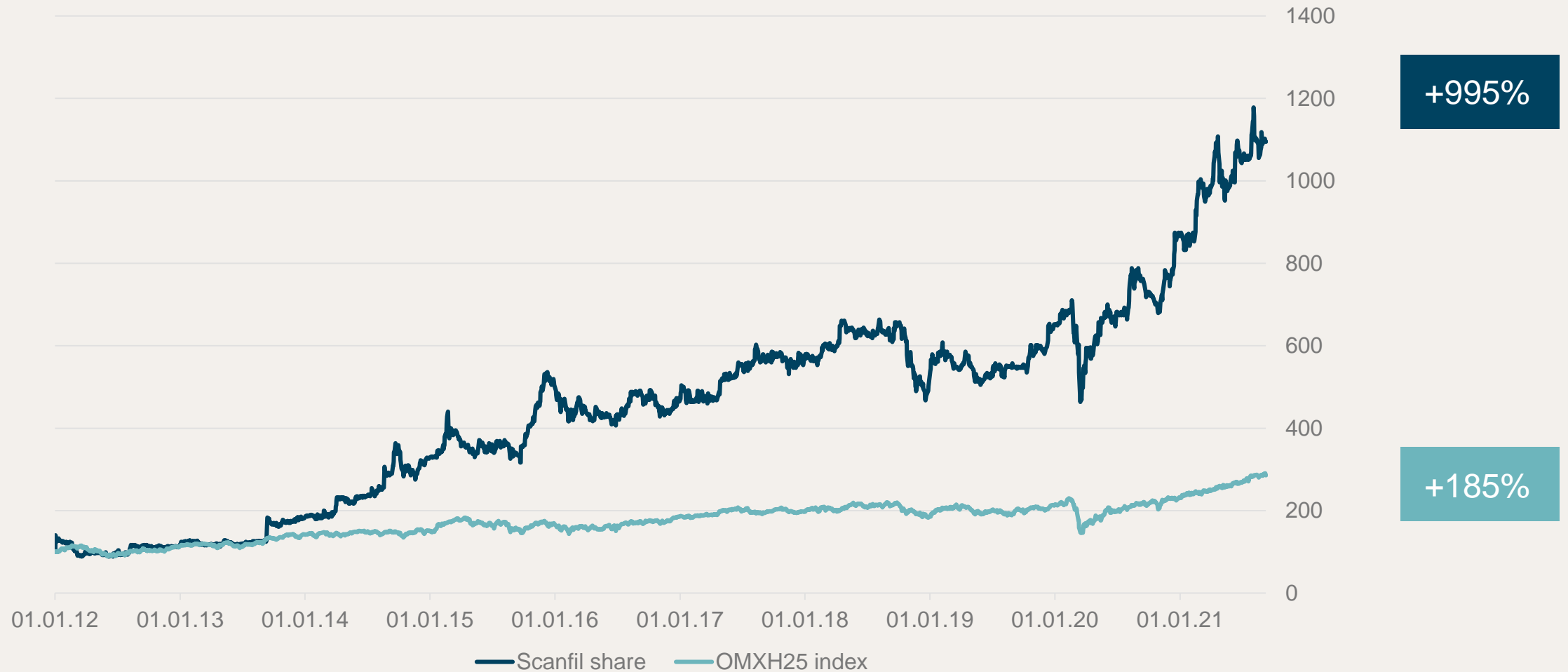
- Cash flow from the operating activities has developed well
- 2020 is at same level as the year before, which is a very good result for the year of COVID-19
- H1 2021 the cash flow from operating activities continued to develop well
- Working capital has increased due to two reasons:
 - Revenue growth of 12% YoY
 - Regarding the materials, circumstances are challenging and require constant attention and actions to secure customer deliveries which have impacted inventory values

Dividend



- Dividend increased for the 8th consecutive year
- Dividend policy aims to distribute 1/3 of the earnings per share as dividend

Total shareholder return vs. OMXH25



SCANFIL

Q&A



Suzhou virtual factory tour

An aerial photograph of a large industrial complex in Suzhou. The main building is a long, rectangular structure with a white roof and several skylights. To its left is a smaller building with a curved roof and a sign that reads "SCANFIL". A circular building is situated between the two main structures. The complex is surrounded by greenery, including trees and a small pond. In the background, there are more industrial buildings and a city skyline under a clear blue sky.

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HELSINKI, FINLAND
14 SEPTEMBER 2021

Closing remarks

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