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# Q3 2022 — Improved profit with strong sales

PETTERI JOKITALO, CEO

26 OCTOBER 2022



# Highlights for Q3 2022

## Q3 2022

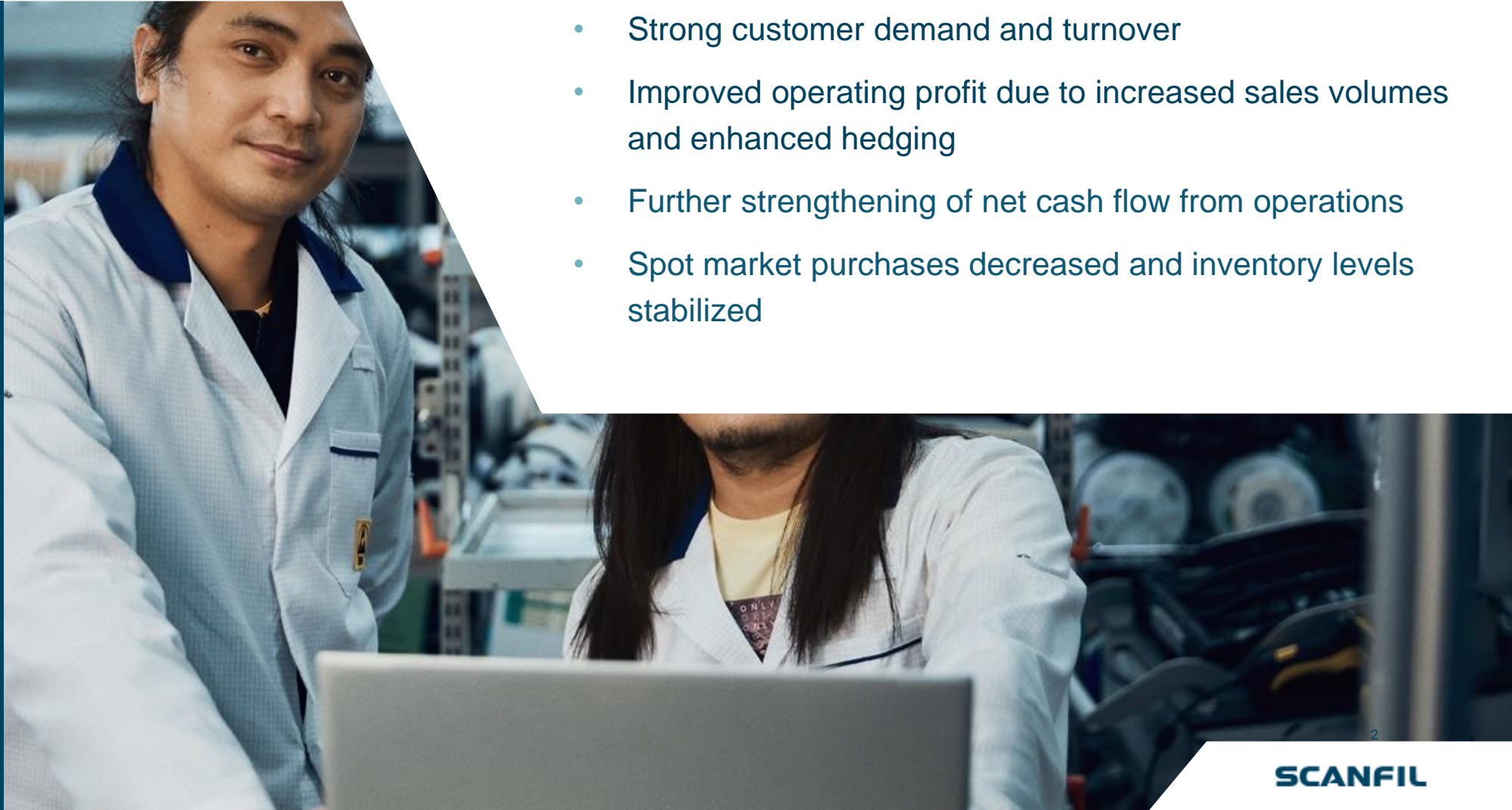
211.9 M€ / 26.3%  
Turnover / Change y/y

11.5 M€ / 5.4%  
Operating Profit / Margin

9.4 M€ / 84.1%  
Net profit / Change y/y

0.15 € / 83.6%  
EPS / Change y/y

- Strong customer demand and turnover
- Improved operating profit due to increased sales volumes and enhanced hedging
- Further strengthening of net cash flow from operations
- Spot market purchases decreased and inventory levels stabilized



# Customer Segments

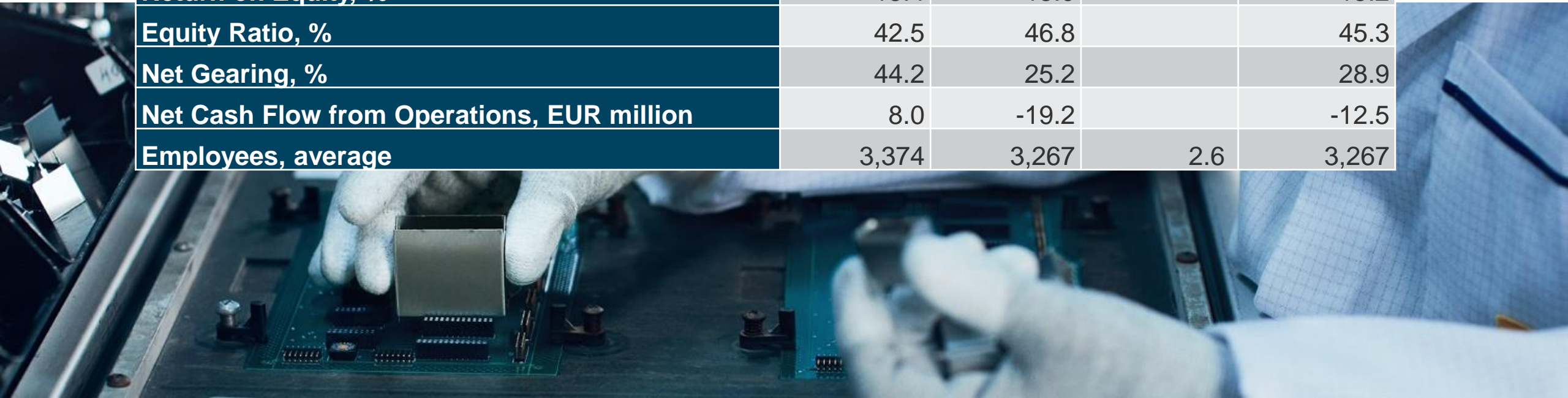
	Q3 2022 M€	Change, y/y, %	Growth drivers	Q3 2022, spot*, M€	Change, y/y, ex. spot*, %
<b>Advanced Consumer Applications</b>	67.8	22.6		11.4	21.7
<b>Automation &amp; Safety</b>	44.2	35.9	Process automation	3.8	24.8
<b>Connectivity</b>	7.8	6.9		0.1	5.9
<b>Energy &amp; Cleantech</b>	53.1	22.0	Energy-saving and recycling solutions	0.5	25.0
<b>Medtech &amp; Life Science</b>	39.0	33.8	Analyzers	3.8	25.7
<b>In total</b>	211.9	26.3		19.6	23.2

\*Spot buys are separately agreed-on purchases, which aim to secure the materials needed for production. Costs are usually related to spot market purchases or special freights. The spot invoicing has been no or low margin.

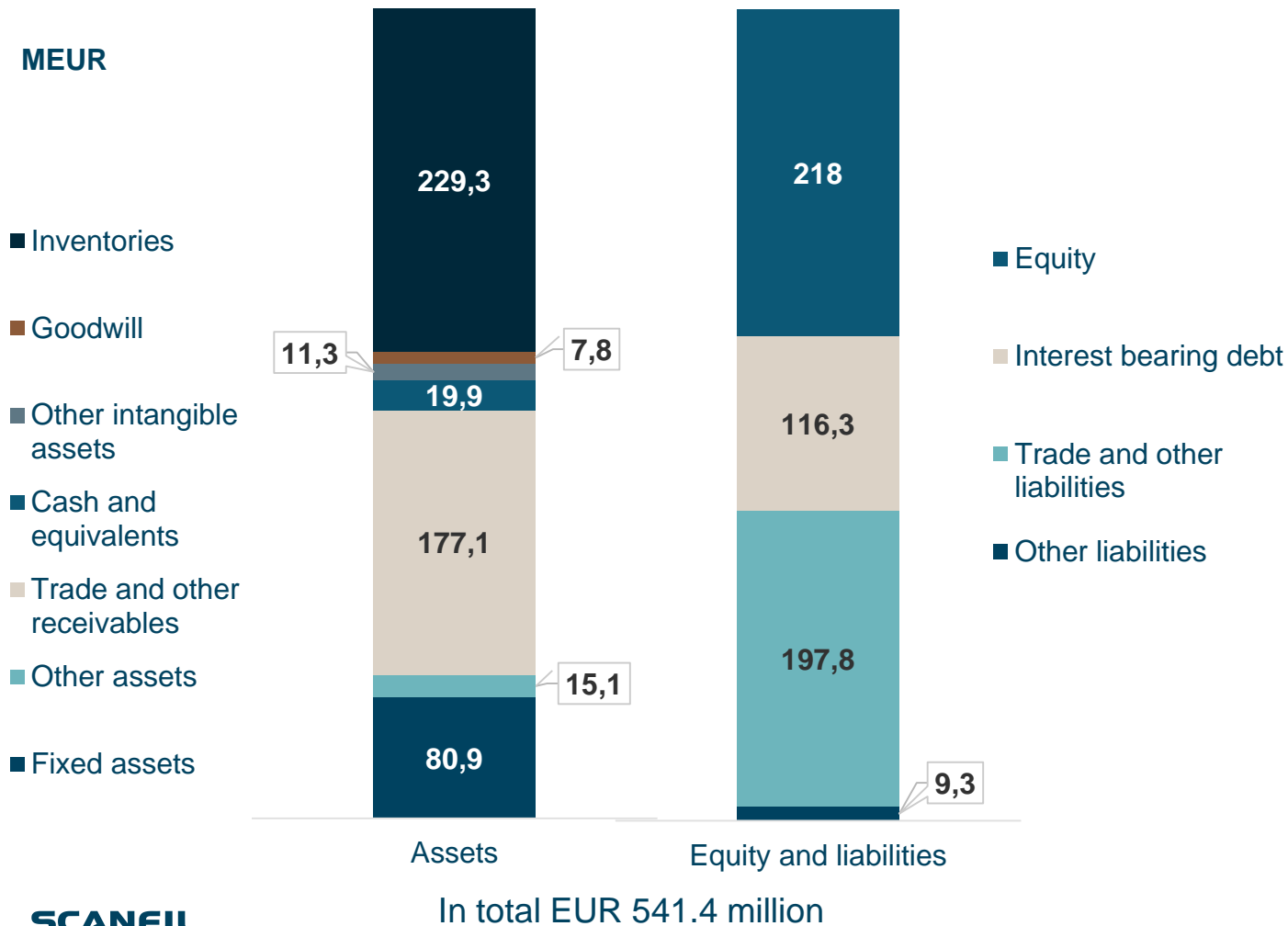


# Key Figures

	7-9 2022	7-9 2021	Change,%	2021
Turnover, EUR million	211.9	167.8	26.3	695.7
Operating Profit, EUR million	11.5	9.5	21.4	39.6
Operating Profit, %	5.4	5.7		5.7
Earnings per Share, EUR	0.15	0.08		0.46
Return on Equity, %	15.4	15.0		15.2
Equity Ratio, %	42.5	46.8		45.3
Net Gearing, %	44.2	25.2		28.9
Net Cash Flow from Operations, EUR million	8.0	-19.2		-12.5
Employees, average	3,374	3,267	2.6	3,267

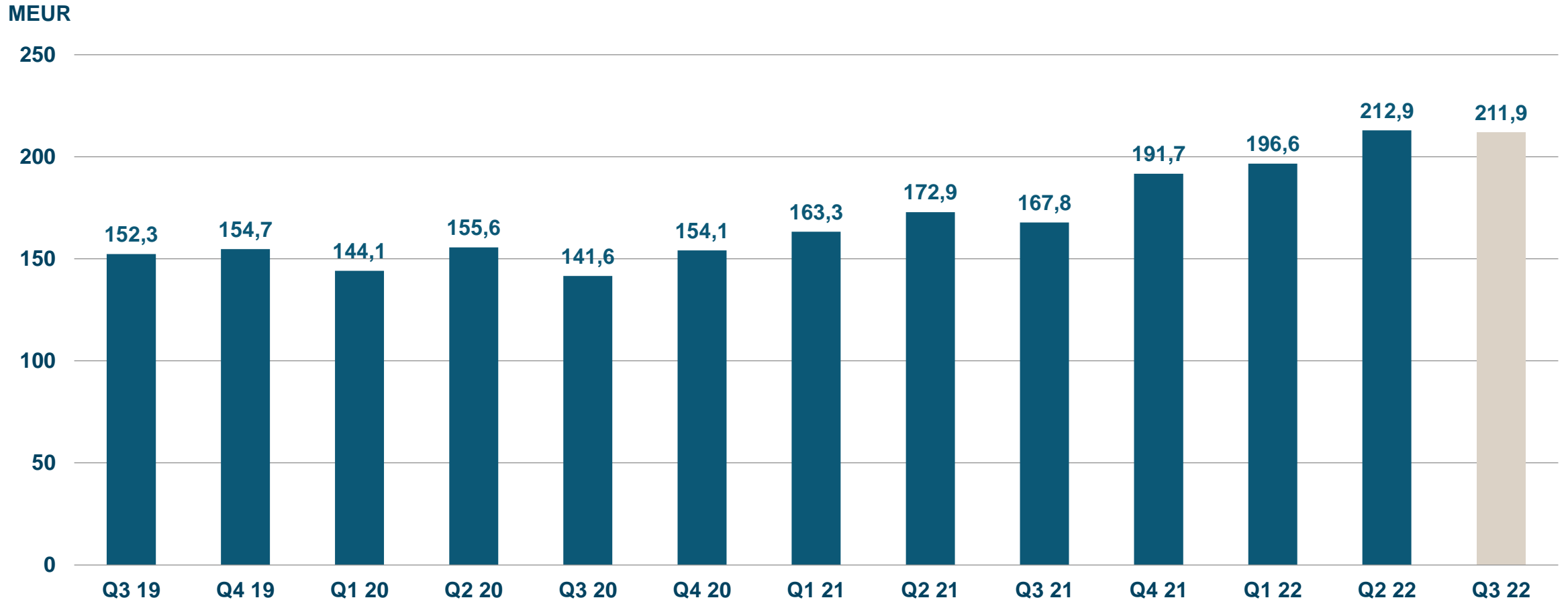


# Balance sheet: Stable financial position



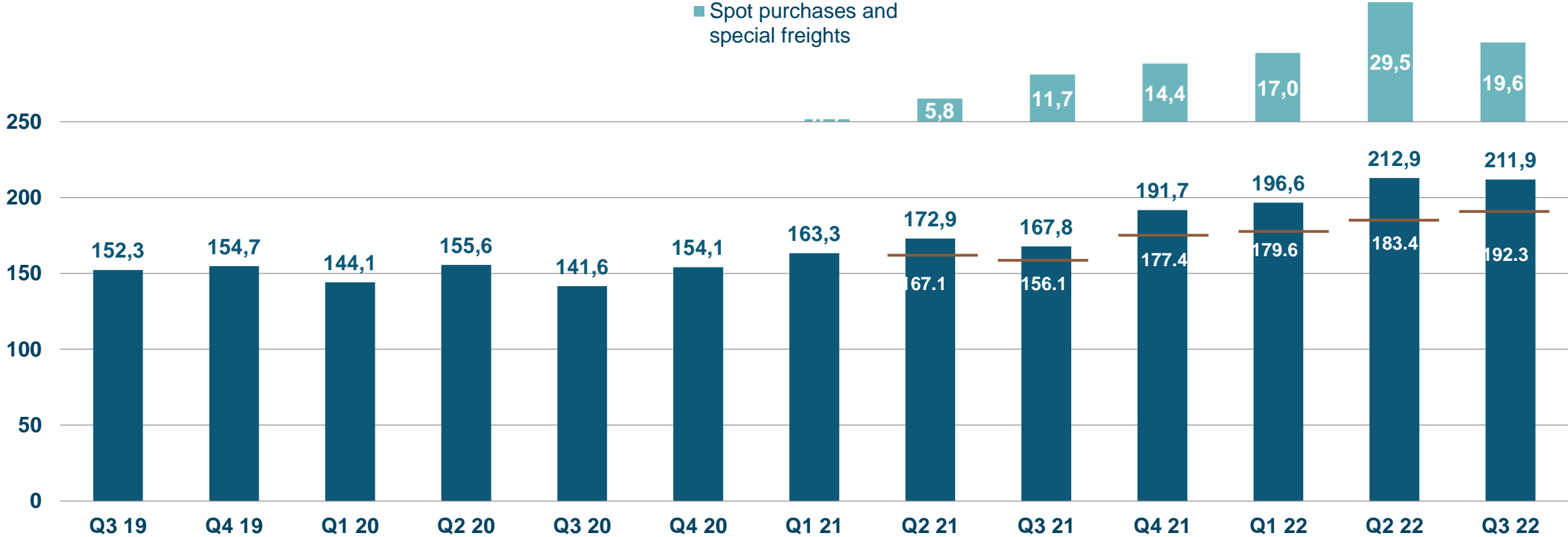
- Cash and cash equivalents totaled EUR 19.9 (7.5) million
- Equity ratio 42.5% (46.8%) and net gearing 44.2% (25.2%)
- Inventories EUR 229.3 (172.8) million, up by EUR 56.5 million mainly due to strong order intake, good outlook, material availability challenges and increased costs
- Interest-bearing liabilities totaled EUR 116.3 (57.2) million. Interest bearing bank loans EUR 90.2 (40.0) million and leases EUR 26.2 (17.1) million

# Turnover Q3 2019 – Q3 2022



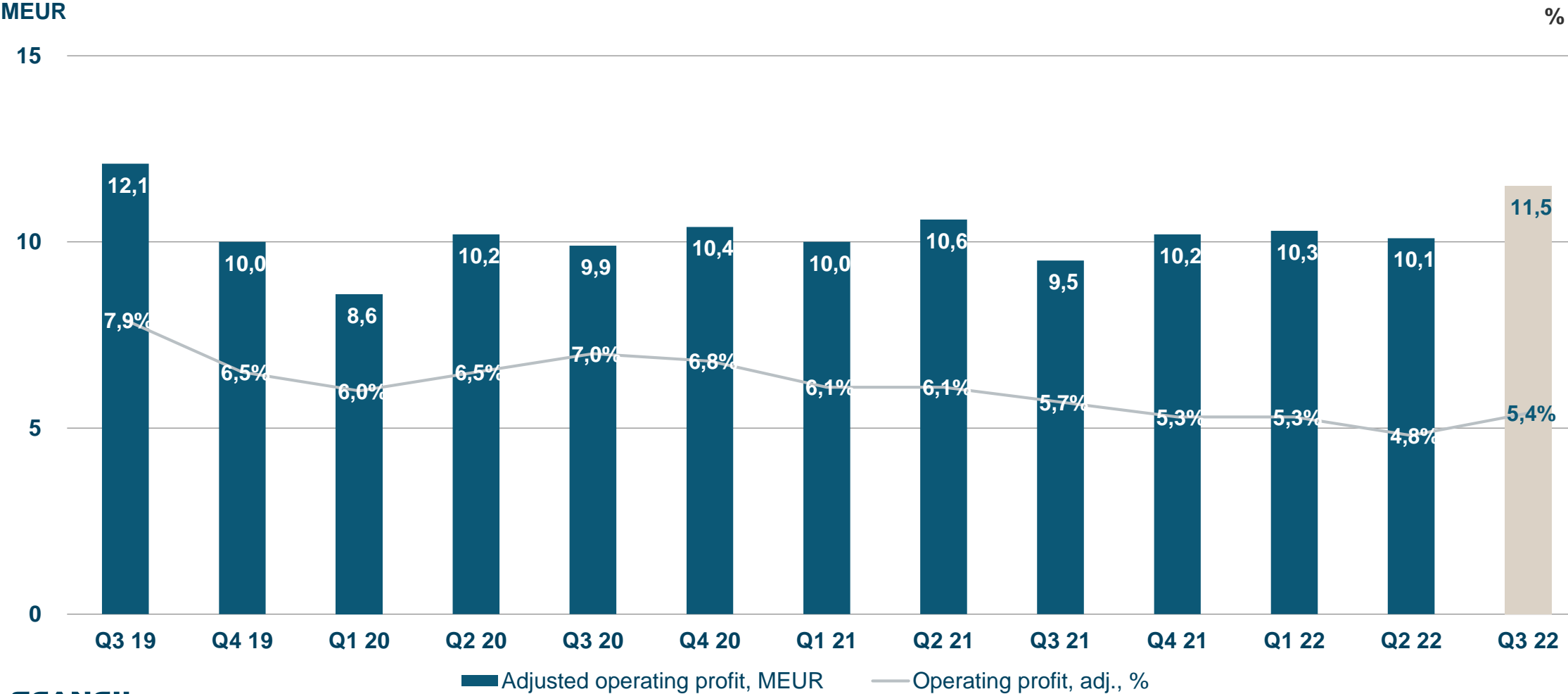
# Turnover Q3 2019 – Q3 2022

MEUR





# Operating Profit Q3 2019 – Q3 2022





# Major production investments in 2022



Atlanta factory expansion in The USA

Factory	Area, m <sup>2</sup>	Other
Atlanta, USA	6,000	New space, SMT lines
Wutha, GER	1,800	New space and infrastructure mainly to medical customers
Malmö, SWE	1,500	New space for assembly and warehouse automation
Suzhou, CN	1,400	Space changed into production space. Warehouse automation and SMT lines

# Outlook and focus in 2022

**Scanfil estimates that its turnover for 2022 will be EUR 800–880 (14 April: 750–820) million and its adjusted operating profit will be EUR 43–48 (unchanged) million.**

The outlook involves uncertainty especially arising from the availability and price level of semiconductors and the delivery capability of the supply chain. In addition, the war in Ukraine and COVID-19 might create risks and uncertainties.

## **Focus areas:**

- Driving organic growth and securing materials
- Profitability improvement
- Net working capital and inventory





## Long-term targets

- Annual organic growth of 5-7%
- Operating profit level at 7%
- Dividend approximately 1/3 of the annual earnings per share
  - Good growth prospects in Energy & Cleantech together with Medtech & Life Science
  - Central Europe also very attractive growth driver for Scanfil
  - In the long run, we see North America and Asian markets as interesting expansion areas

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**Q&A**

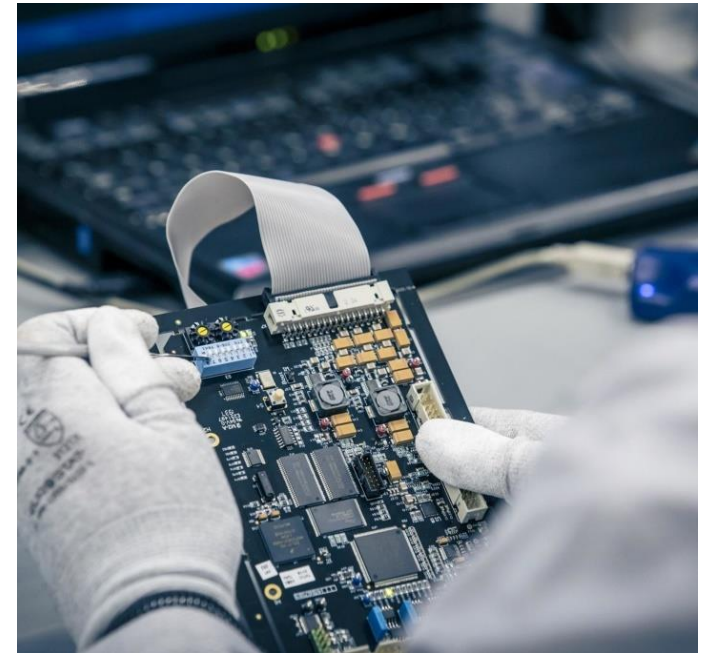
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# Key takeaways

- Strong customer demand and sales in Q3
- Profit improved in Q3 as expected
- Further improved net cash flow from operations driven by improved profitability and halted inventory growth
- Investments done in 2022 and planned for 2023 will ensure expected sales growth
- Turnover growth expected to be strong in the remainder of the year



Well thought investments in electronics manufacturing and new production space.

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<https://www.scanfil.com/investors/>

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