

A photograph of two men in a factory setting. They are both wearing light blue work coats with dark blue collars. The man on the left is smiling and looking towards the right. The man on the right is also smiling and looking towards the right, holding a red and white marker. The background shows industrial equipment and a sign that says "Direct Production".

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Q4 and January–December 2022

Year ended with record high sales and profit

PETTERI JOKITALO, CEO

21 FEBRUARY 2023

Highlights for Q4 2022

Q4 2022

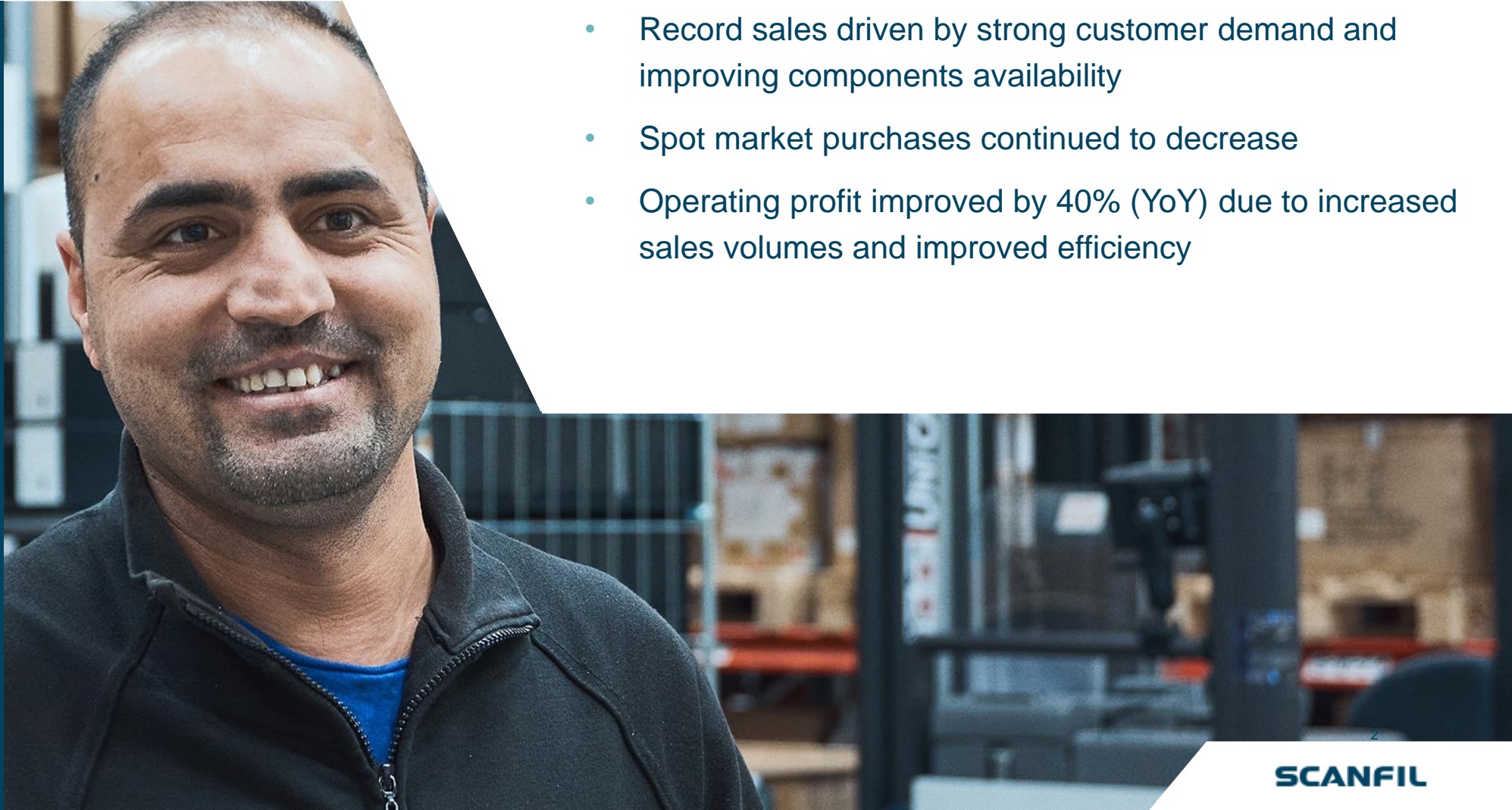
222.3 M€ / 15.9%
Turnover / YoY, %

13.4 M€ / 6.0% / 40.3%
Operating Profit / Margin / YoY, %

10.5 M€ / 24%
Net profit / YoY, %

0.16 € / 23.8%
EPS / YoY, %

- Record sales driven by strong customer demand and improving components availability
- Spot market purchases continued to decrease
- Operating profit improved by 40% (YoY) due to increased sales volumes and improved efficiency



Customer Segments

	Q4 2022 M€	Change, y/y, %	Growth drivers	Q4 2022, spot*, M€	Change, y/y, ex. spot*, %
Advanced Consumer Applications	53.6	6.2		4.1	8.2
Automation & Safety	51.4	25.1	Process automation	3.6	23.3
Connectivity	10.8	4.5		0.4	1.3
Energy & Cleantech	61.3	14.8	Energy-saving and recycling solutions	3.2	20.2
Medtech & Life Science	42.5	25.3	Life science, analyzers	3.4	23.5
In total	222.3	15.9		14.6	17.1

*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.



Highlights 2022

2022

843.8 M€ / 21.3%

Turnover / YoY, %

45.4 M€ / 5.4% / 14.6%

Operating Profit / margin / YoY, %

35.0 M€ / 17.8%

Net profit / YoY, %

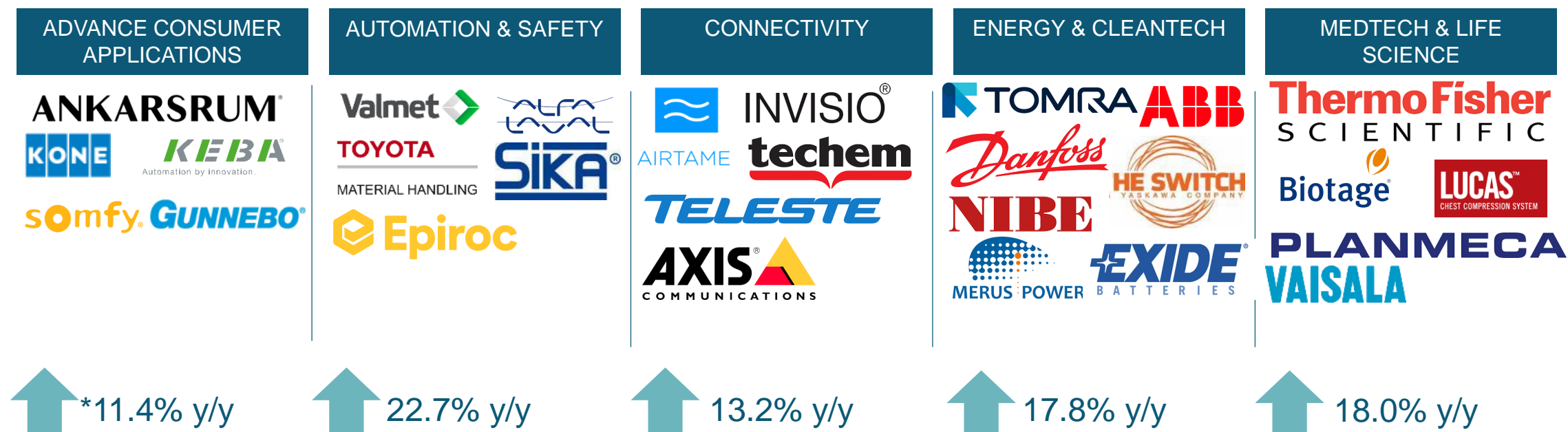
0.54 / 17.5%

EPS / YoY, %

- Record sales and operating profit supported by strong customer demand and improved efficiency during the year
 - Component availability impacted negatively but the situation started to improve during the second half of the year
 - Cash flow from operations: EUR +21.9 million during H2/22
 - Major investments in production space and equipment in Atlanta, Wutha, Malmö and Suzhou
- Dividend proposal of EUR 0.21 (0.19) per share for year 2022



Record-high customer demand and sales in 2022



* Growth in 2022 compared to 2021, ex. spot purchases.

Major production investments in 2022



Atlanta factory expansion in The USA

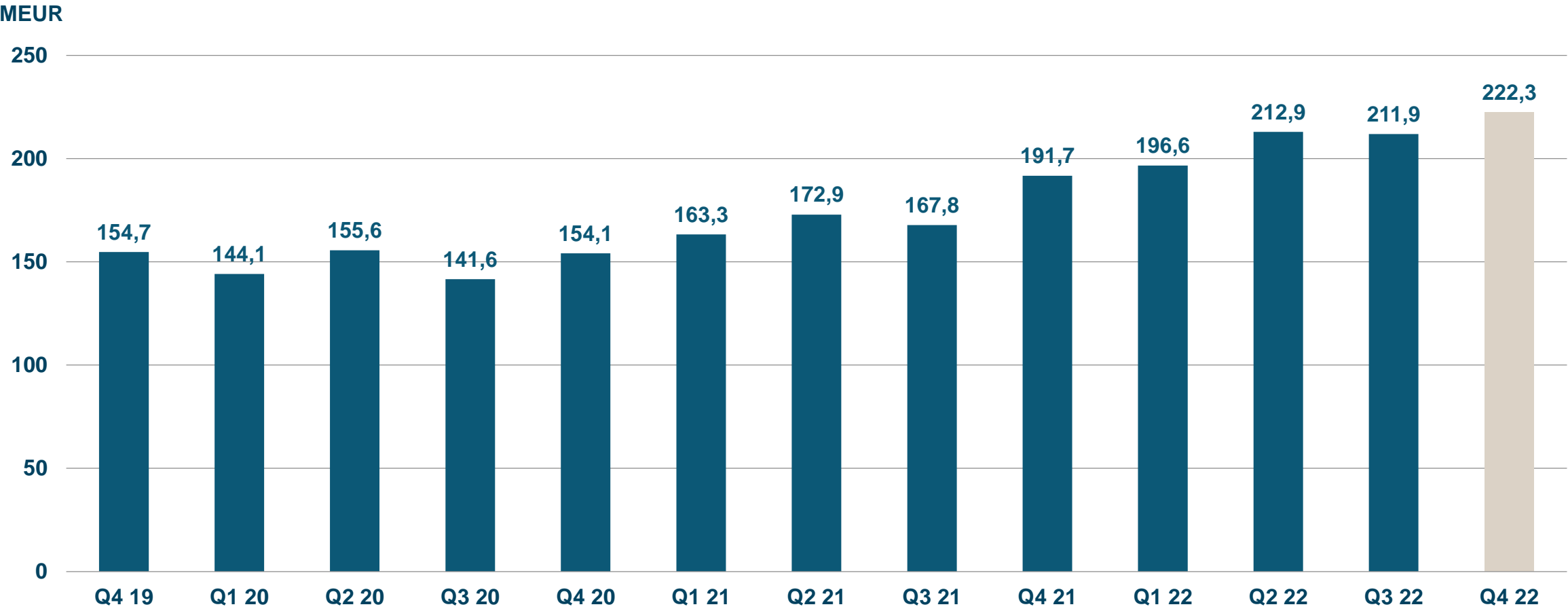
Factory	Area, m ²	Other
Atlanta, The USA	6,000	New space for electronics manufacturing and assembly
Wutha, Germany	1,800	New space and infrastructure mainly to medical customers
Malmö, Sweden	1,500	New space for assembly and warehouse automation
Suzhou, China	1,400	Space changed into production space. Warehouse automation and SMT lines

Key Figures

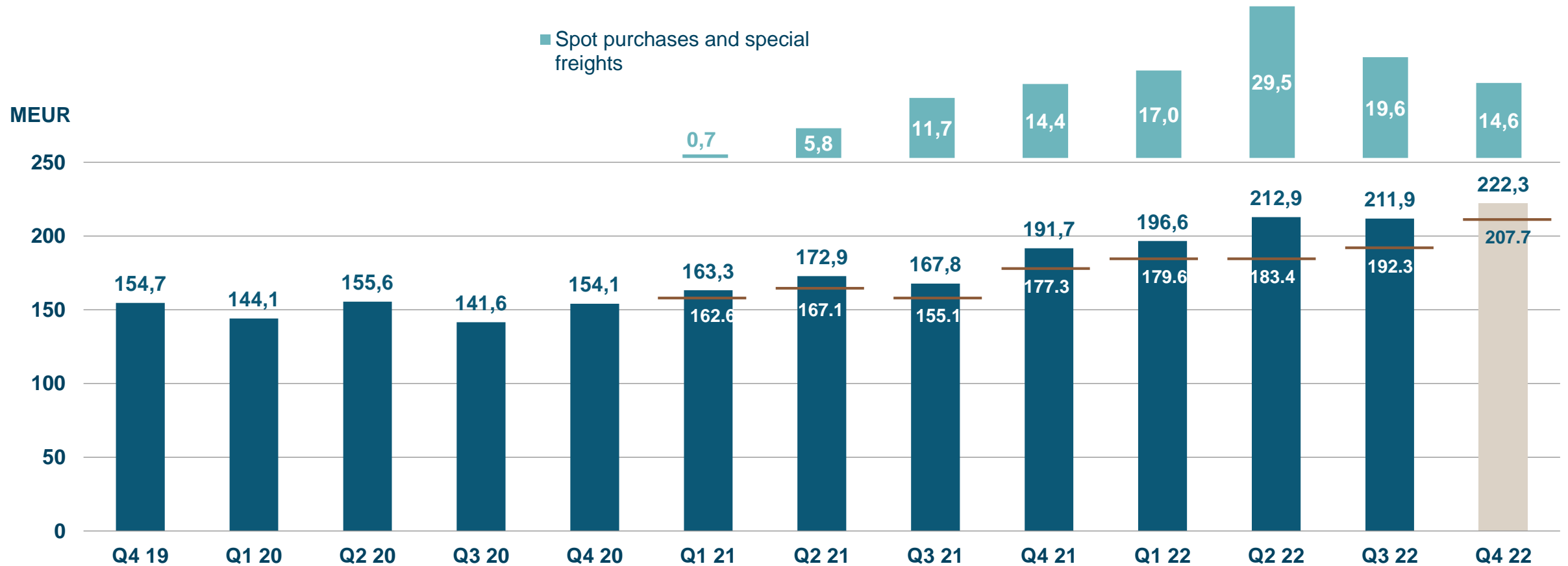
	1-12 2022	1-12 2021	Change
Turnover, EUR million	843.8	695.7	21.3%
Operating Profit, EUR million	45.4	39.6	14.6%
Operating Profit, %	5.4	5.7	
Earnings per Share, EUR	0.54	0.46	17.5%
Return on Equity, %	16.1	15.2	
Equity Ratio, %	45.3	45.3	
Net Gearing, %	37.8	28.9	
Net Cash Flow from Operations, EUR million	10.2*	-12.5	H2: 21.9 M€
Employees, average	3,403	3,267	4.2%

*Cash flow from operations turned positive in the second quarter of 2022.

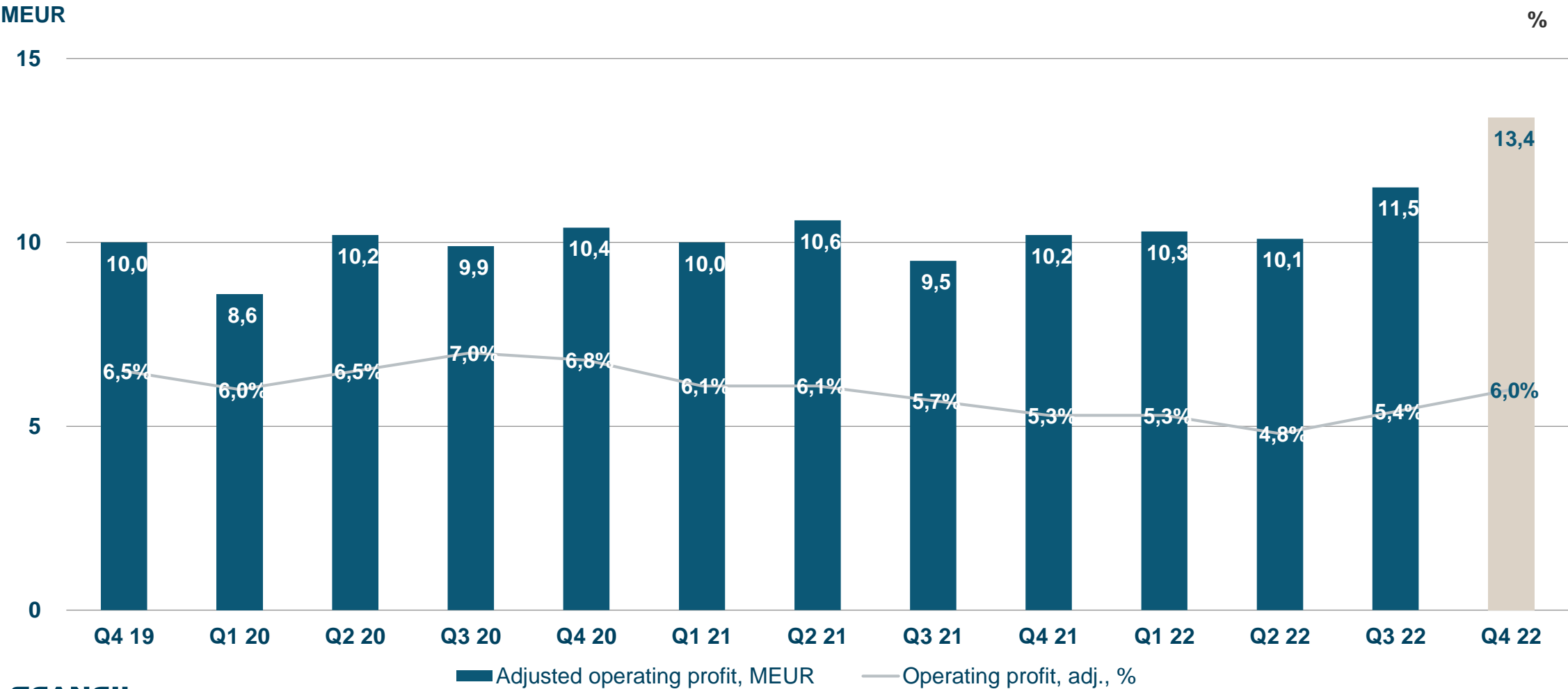
Turnover Q4 2019 – Q4 2022



Turnover Q4 2019 – Q4 2022

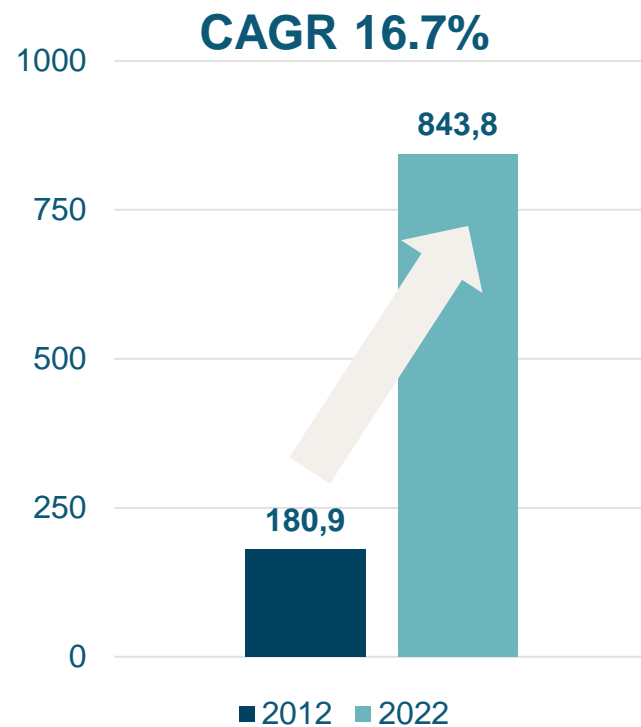


Operating Profit Q4 2019 – Q4 2022

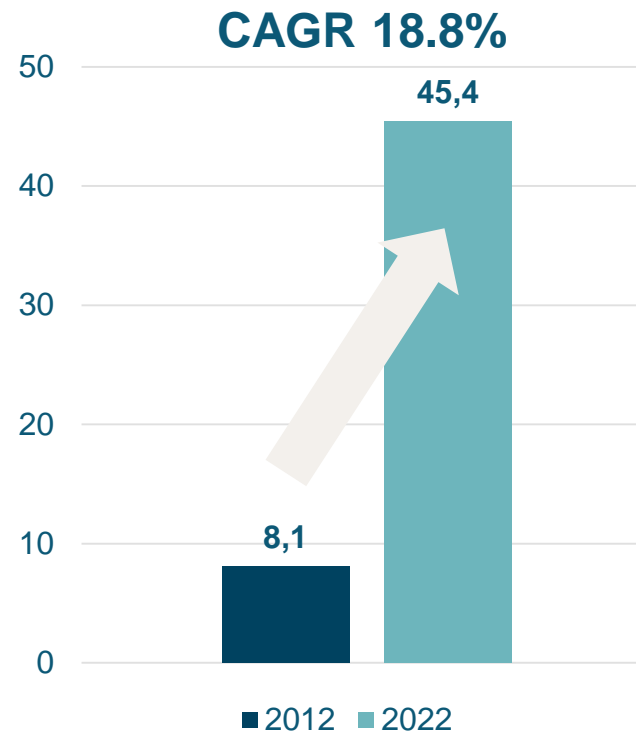


Great track-record for the past 10 years

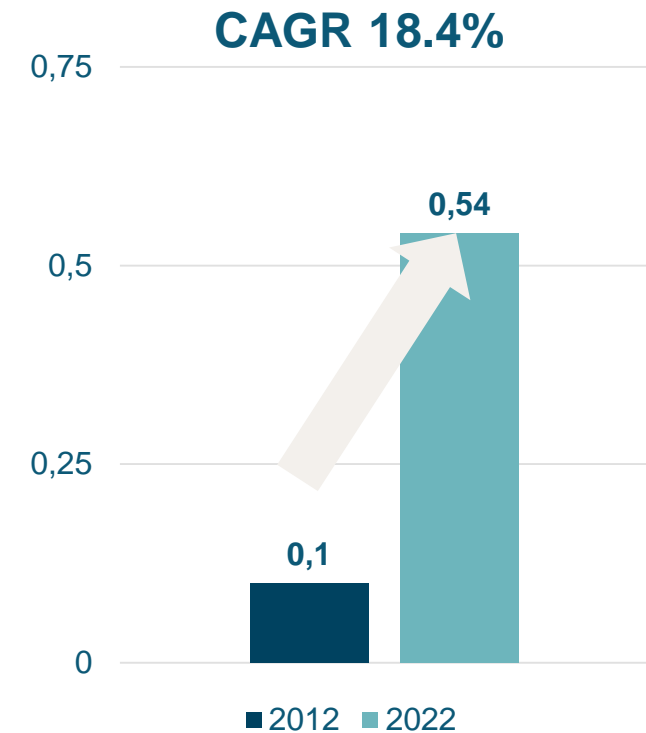
Turnover, MEUR



Operating profit, MEUR

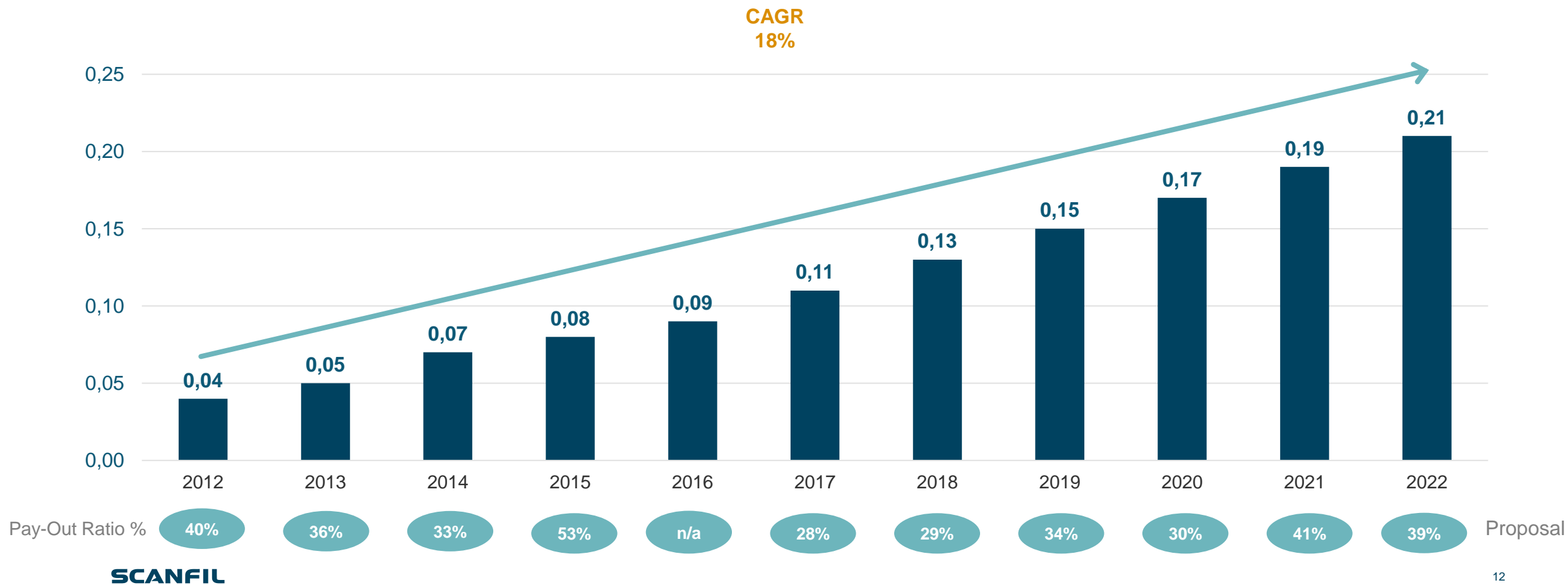


EPS, EUR



Growing Dividend and Pay-Out Ratio

- Dividend increased for the 10th consecutive year
- Dividend policy aims to distribute approximately 1/3 of the earnings per share as dividend





Long-term targets

- Annual organic growth of 5-7%
- Operating profit level at 7%
- Dividend approximately 1/3 of the annual earnings per share
- Long term growth drivers
 - Central Europe
 - In the long run, North America and Asian markets

We serve very strong customer portfolio and attractive end markets

ADVANCE CONSUMER APPLICATIONS	AUTOMATION & SAFETY	CONNECTIVITY	ENERGY & CLEANTECH	MEDTECH & LIFE SCIENCE
				

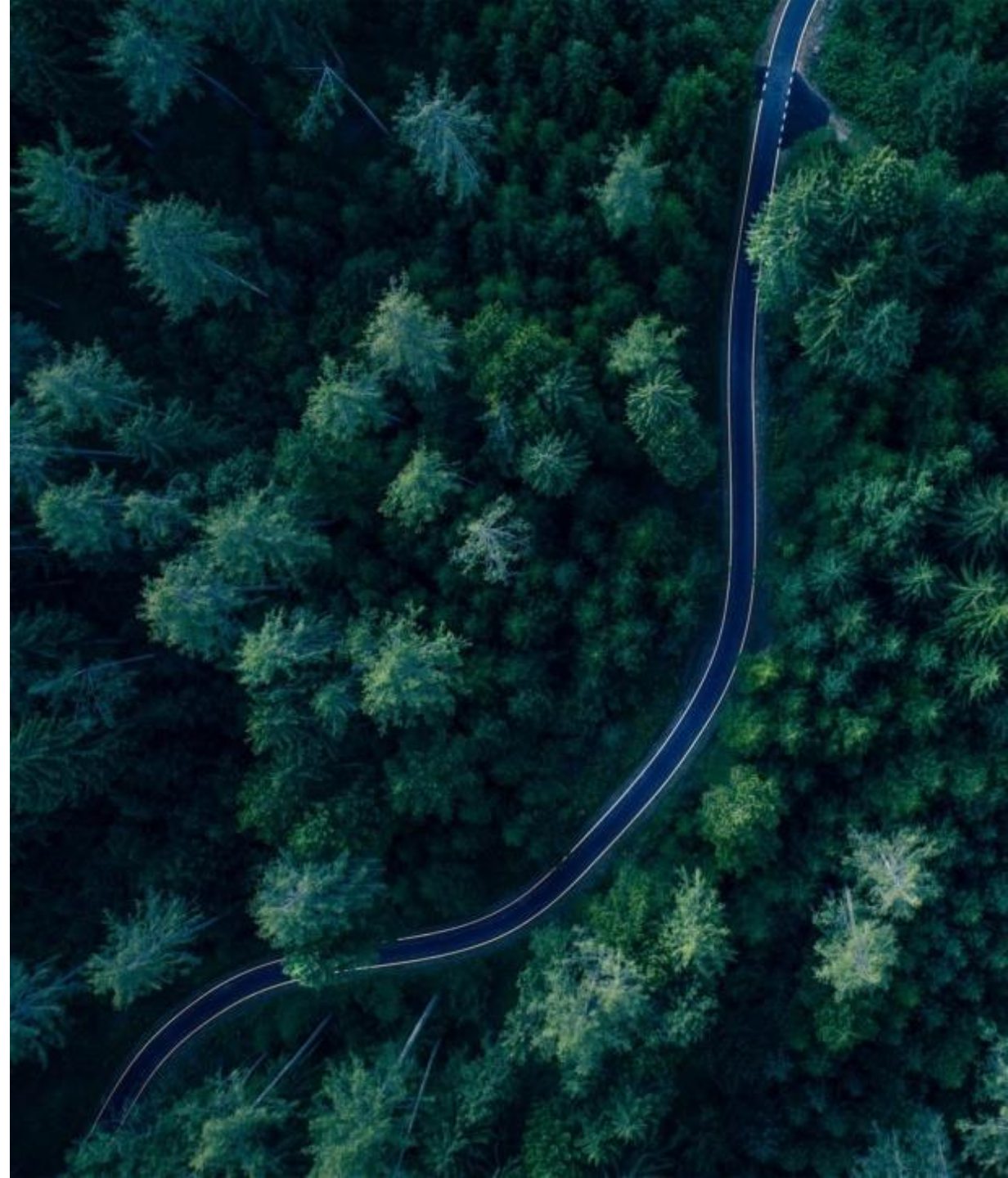
Green energy transition supports our long-term organic growth in Energy & Cleantech, Connectivity, Automation & Safety and Medtech & Life Science

Outlook and focus in 2023

Scanfil estimates that its turnover for 2023 will be EUR 820–890 million and adjusted operating profit will be EUR 49–55 million.

Focus areas:

- Securing and driving organic growth
 - Securing components and capacity
- Profitability improvement
- Net working capital and inventory



Major production investments in 2023



Sieradz factory in Poland

Factory	Other
Atlanta, USA	Electronics manufacturing line, in production Q3 2023
Sieradz, Poland	Electronics manufacturing line, in production Q3 2023
Sieradz, Poland	Preplanning for a new building of 8,000 m ² , decision later in 2023

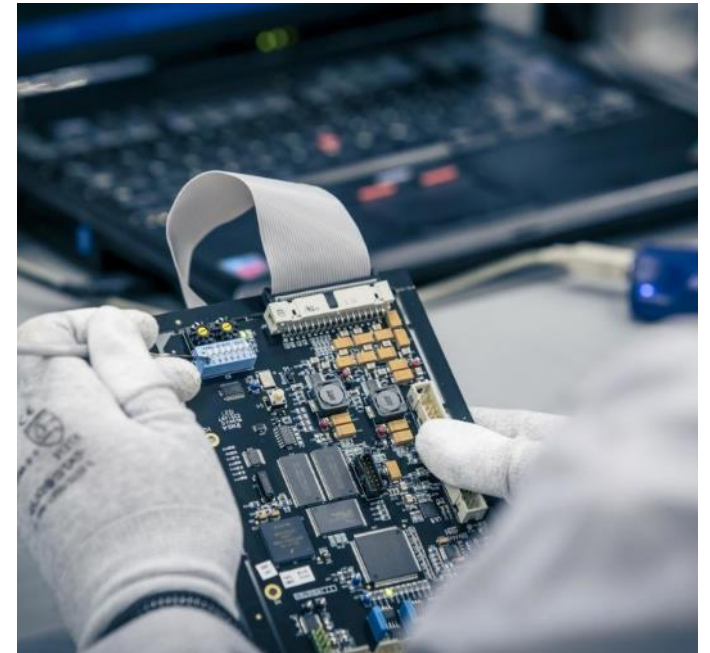
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Q&A



Key takeaways

- Record high customer demand and sales in 2022
- Profit improved as expected
- Spot market purchases are declining and expected to decline further in 2023
- Net cash flow from operations driven by improved profitability and halted inventory growth
- Investments in 2022 and 2023 to support sales growth and efficiency
- Strong customer outlook for 2023



Well thought investments in electronics manufacturing and new production space.

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

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Global contract manufacturer and systems supplier