

**SCANFIL**

# Scanfil plc January-March 2023 Interim Report

26 APRIL 2023



## Scanfil Group's Interim Report for January–March 2023

# Record sales and operating profit supported by increasing customer volumes and easing components availability

### January–March

- Turnover totaled EUR 224.6 million (1-3 2022: 196.6), an increase of 14.2%
- Operating profit was EUR 15.1 (10.3) million, an increase of 46.3%
- Operating profit margin was at 6.7% (5.3%)
- Net profit was EUR 11.8 (8.0) million, an increase of 46.9%
- Earnings per share were EUR 0.18 (0.12)
- Dividend proposal of EUR 0.21 (0.19) per share, an increase for 10<sup>th</sup> consecutive year

### Future Outlook for 2023

Scanfil revised its outlook for turnover and adjusted operating profit on 12 April.

Scanfil estimates its turnover for 2023 to be EUR 880–940 (previously issued 21 February: 820–890) million and adjusted operating profit to be EUR 56–64 (49–55) million.

Key Figures	1-3 2023	1-3 2022	Change,%	1-12 2022
Turnover, EUR million	224.6	196.6	14.2	843.8
Operating Profit, EUR million	15.1	10.3	46.3	45.4
Operating Profit, %	6.7	5.3		5.4
Net Profit, EUR million	11.8	8.0	46.9	35.0
Earnings per Share, EUR	0.18	0.12	46.6	0.54
Return on Equity, %	20.3	15.2		16.1
Equity Ratio, %	46.5	45.4		45.3
Net Gearing, %	38.7	36.9		37.8
Net Cash Flow from Operations, EUR million	-0.9	-13.6		10.2
Employees, Average	3,603	3,296	9.3	3,403

**CEO PETTERI JOKITALO:**

"The turnover for the first quarter was at a record high level reaching EUR 224.6 million with an increase of 14% compared to the previous year. The customer demand was strong in Energy & Cleantech, Medtech & Life Science, Connectivity, and Automation & Safety customer segments. In addition to a strong customer demand, the delivery volumes were supported by the rapidly improving availability of components, which was also reflected in reduced spot market purchases.

I am especially satisfied with the development of the operating profit. The operating profit for the first quarter (EUR 15.2 million) increased 47% compared to the year before. The reached operating margin of 6.7% was the highest quarterly margin in two years and it approaches the target level of 7%. The positive development of operating profit was influenced by the high utilization rate of production capacity, increased efficiency of operations resulting from the easing availability of components, and by successful management of the effects of cost inflation.

To meet the increasing customer demand and delivery volumes, we have invested in the capacity of our factories. In summer 2023, we will implement new electronics manufacturing lines for the Atlanta factory in the United States and the Sieradz factory in Poland. In addition, we plan to expand the Sieradz factory significantly with a new production building.

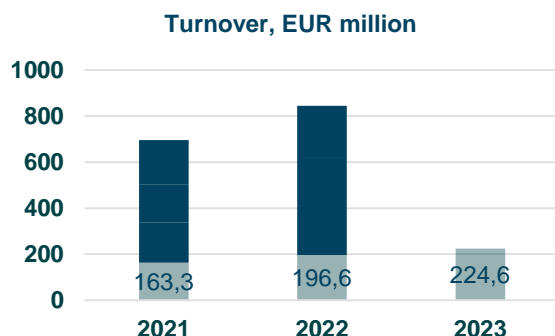
Scanfil's financial position is stable and enables all the necessary growth investments. At the end of the first quarter, equity ratio was at 46.5% and net gearing at 38.7%. The working capital and inventory management continue to be a central focus area.

Scanfil's customers' demand outlook for 2023 has become even stronger. Especially the demand outlook for technologies that enable increased energy efficiency and drive the green transition is excellent, especially in Europe. The near-term risks of the business are mainly related to the development of the economy and geopolitical situation both in Europe and globally, and their potential influence on the demand of our customers and their operating conditions.

I am satisfied with the strong start for the year and I am confident with the strong outlook for the rest of the year. I want to thank our committed personnel for their excellent work and our customers for their support and trust".

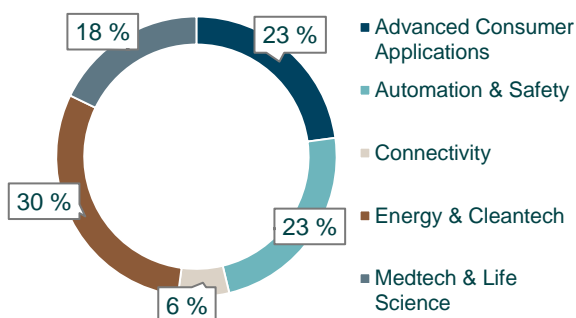
## Scanfil Group's Interim Report for 1 January–31 March, 2023

### TURNOVER



The Group's turnover for **January–March** was EUR 224.6 (196.6) million, an increase of 14.2% compared to the previous year. Turnover includes EUR 7.9 (17.0) million invoicing of spot-market purchases. This revenue is low or no margin to Scanfil. Turnover excluding the spot-market purchases increased by 20.7%.

### TURNOVER BY CUSTOMER SEGMENT



**Advanced Consumer Applications:** Turnover was EUR 51.3 (55.0) million, a decrease of 6.7% compared to January–March in 2022.

**Automation & Safety:** Turnover was EUR 52.5 (42.6) million, an increase of 23.4%. Demand was good throughout all customers in the segment.

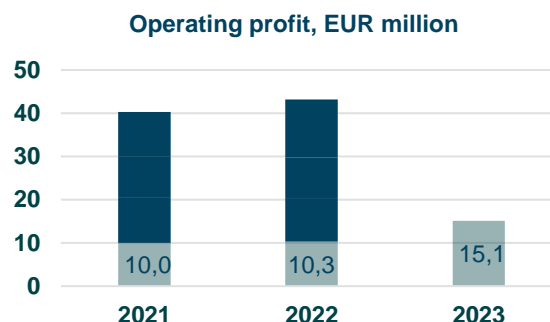
**Connectivity:** Turnover was EUR 13.2 (10.8) million, an increase of 22.8%. Demand increased in advanced hearing protection solutions.

**Energy & Cleantech:** Turnover was EUR 67.5 (54.6) million, an increase of 23.8%. Demand was good in recycling, green energy and energy efficiency solutions.

**Medtech & Life Science:** Turnover was EUR 40.0 (33.7) million, an increase of 18.7%. Steadily growing demand continued.

In the first quarter of 2023, the largest customer accounted for about 13% (17%) of turnover and the top ten customers accounted for about 55% (55%) of turnover.

### OPERATING PROFIT



The Group's operating profit for January–March was EUR 15.1 (10.3) million, 6.7% (5.3%) of turnover. The operating profit was positively affected by the continuation of good customer demand and improved component availability which also had a positive impact on the operational efficiency.

### NET PROFIT AND EARNINGS

The net profit for the review period was EUR 11.8 (8.0) million. Earnings per share were EUR 0.18 (0.12). Return on investment was 18.7% (14.0%).

The Group's effective tax rate was 18.9% (14.1%). The tax rate was positively impacted by EUR 0.3 million tax refund resulting from the mutual agreement process related to the tax year 2014 in Poland. Comparison year was affected by a EUR 0.4 million deferred tax asset due to the positive decision of Advance Pricing Agreement (APA) by the Ministry of Finance in Poland. In addition, the comparison year was affected by EUR 0.2 million tax relief related to investments in the Polish Special Economic Zone.

### FINANCING AND CAPITAL EXPENDITURE

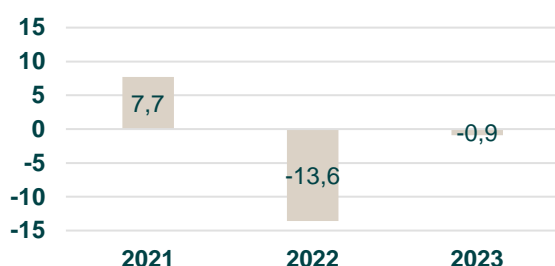
The Group has a stable financing position. The consolidated balance sheet total was EUR 533.4 (485.7) million at the end of the review period. Cash and cash equivalents totaled EUR 8.7 (8.0) million. Liabilities amounted to EUR 296.1 (271.8) million, of which non-interest-bearing liabilities totaled EUR 195.5 (184.9) million and interest-bearing liabilities totaled EUR 100.6 (86.9) million. Interest-bearing liabilities consisted of EUR 77.1 (63.1) million of financial liabilities and EUR

23.5 (23.8) million of leasing liabilities. The increase in non-interest-bearing liabilities was caused by the increase in accounts payables. The Group has EUR 60.3 million of unused credit facilities.

The equity ratio was 46.5% (45.4%), and net gearing was 38.7% (36.9%). Equity per share was EUR 3.65 (3.29).

The Group's financial arrangement includes discharge covenants related to equity ratio and interest-bearing net debt/EBITDA ratio. The terms of the covenants are reviewed quarterly. At the end of the period under review, the terms have been clearly complied with.

#### NET CASH FLOW FROM OPERATIONS, EUR million in January-March



The net cash flow from operating activities for January–March was EUR -0.9 (-13.6) million. Cash flow was slightly negative due to revenue growth which increased the working capital by EUR 19.8 (23.9). Especially, short-term non-interest-bearing receivables increased along with the revenue by EUR 15.3 (11.1) million. Inventory turnover was stable, but value increased by EUR 5.1 (16.8) million with higher revenue. Short-term non-interest-bearing liabilities increased by EUR 0.6 (4.0) million.

The net cash flow from investing activities was EUR -5.7 (-3.9) million. The cash flow from financing activities was EUR -5.3 (-0.0) million, including a EUR 3.0 (3.0) million in repayments of long-term loans and change in overdraft facility EUR -1.2 (3.7) million.

Gross investments in January–March totaled EUR 6.0 (5.6) million, which was 2.7% (2.8%) of the turnover. The investments mainly include the acquisition of machinery and equipment. Depreciation including impairments totaled EUR 4.7 (4.0) million.

#### DECISIONS BY THE EXTRAORDINARY AND ANNUAL GENERAL MEETING AND BOARD OF DIRECTORS' AUTHORIZATION

Scanfil plc's Extraordinary General Meeting was held on December 1, 2022. The Extraordinary General Meeting decided on the change in the Scanfil plc's Articles of

Association to enable remote participation to the General Meetings.

The Annual General Meeting held on April 21, 2022 authorized the Board of Directors to decide on the acquisition of the company's own shares and to decide on share issue and granting option rights, and granting shares and issue special rights entitling to shares.

The Board of Directors' proposals to the General Meetings and the minutes are available on the company website at [www.scanfil.com/agm](http://www.scanfil.com/agm).

#### OWN SHARES

On March 31, 2023, the company owned 98,738 of its own shares, representing 0.2% of all shares.

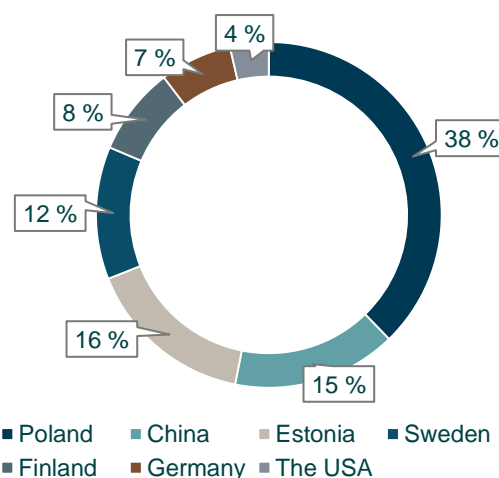
#### SHARE TRADING AND SHARE PERFORMANCE

The number of Scanfil shares was 64,959,993 in total as of March 31, 2023.

The highest trading price during January–March was EUR 7.94 and the lowest was EUR 6.40, with the closing price for the period standing at EUR 7.68. A total of 1,238,591 shares were traded during the period, corresponding to 1.9% of the total number of shares. As of March 31, 2023, the market value of the shares was EUR 498.9 million.

#### PERSONNEL

At the end of the period under review, the Group employed 3,642 (3,343) people, 3,342 (3,033) of whom worked outside Finland and 300 (310) in Finland. The average number of Group employees during the review period was 3,603 (3,296) people.



## CHANGES IN GROUP STRUCTURE

There have been no changes in the Group structure during the reporting period.

## FUTURE OUTLOOK

Scanfil revised its outlook for 2023 on 12 April. Scanfil estimates that its turnover for 2023 will be EUR 880–940 (previously issued 21 February 2023: 820–890) million, and an adjusted operating profit of EUR 56–64 (49–55) million.

The outlook is based on customer forecasts and Scanfil's normal forecasting process. The development of the general economic situation and the war in Ukraine are causing risks and uncertainty.

## LONG-TERM TARGET

Scanfil is organically aiming for 5%–7% annual turnover growth and 7% operating profit level. Scanfil aims to pay an increasing dividend of approximately 1/3 of the earnings per share.

## OPERATIONAL RISKS AND UNCERTAINTIES

Current recognized risks have strategic risks such as uncertainties in the global economy and risks in the political environment which might prevent the company from achieving its economic targets.

Other recognized risks are related to high inflation, materials prices and availability, exchange rates and cyber security.

The negative development of the global economy may have an impact on Scanfil revenue and profitability in midterm.

Ukraine war continues and further escalations may have an impact on Scanfil business environment. However, Scanfil doesn't have sales to Russia or material purchases from Russia and therefore the war doesn't have direct impact on Scanfil revenue or profitability. Overall political and trade political tense and related actions may impact on the Scanfil business environment. Scanfil actions to continuously develop the manufacturing footprint mitigates the risk.

The overall inflation influences the company's cost structure. Changes in the costs are reflected in the customer pricing.

Material availability, especially semiconductors, has been challenging since 2021. Situation started to improve at the end of 2022, but it has not returned to the pre-2021 levels. In order to solve these challenges, Scanfil used, among other actions, spot market purchases to secure materials for customer deliveries.

The changes in foreign exchange rates are a risk for the profitability. Scanfil mitigates the risk by using foreign exchange forward contracts.

Cyber security is recognized as an increasing risk. Scanfil is making continuous monitoring and development on the ICT environment and systems to mitigate the risk.

The risk of energy availability and cost increase is not expected to have significant impact on the short term revenue or profitability. However, in the long run risk might arise again.

The company's risks and risk management are described on the company's website under Corporate Governance and in the notes to the consolidated financial statements for 2022.

## ANNUAL GENERAL MEETING IN 2023 AND PROPOSALS BY THE BOARD OF DIRECTORS

Scanfil plc's Annual General Meeting will be held on April 27, 2023.

The parent company's distributable assets total EUR 63,779,792.03, including undistributed profits of EUR 30,011,400.49. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.21 (0.19) per share, totaling EUR 13,620,863.55 be paid for the financial year ending on December 31, 2022.

No significant changes have taken place in the company's financial position since the end of the financial year. In the view of the Board of Directors, the proposed dividend pay-out will not put the company's liquidity at risk.

The proposal of Scanfil plc's nomination committee to the General Meeting for the composition of Scanfil plc's Board of Directors has been published on 22 March 2023 in connection with the invitation to the General Meeting. Additional information: [www.scanfil.com/agm](http://www.scanfil.com/agm).

## KEY INDICATORS

	1 - 3 2023	1 - 3 2022	1 -12 2022
Return on equity, %	20,3	15,2	16,1
Return on investment, %	18,7	14,0	14,6
Interest-bearing liabilities, EUR million	100,6	86,9	106,3
Gearing, %	38,7	36,9	37,8
Equity ratio, %	46,5	45,4	45,3
Gross investments, EUR million	6,0	5,6	19,0
% of net turnover	2,7	2,8	2,3
Personnel, average	3 603	3 296	3 403
Earnings per share, EUR	0,18	0,12	0,54
Shareholders' equity per share, EUR	3,65	3,29	3,49
Number of shares at the end of period, 000's			
- not counting own shares	64 861	65 099	64 861
- weighted average	64 960	64 819	64 830

Owing to the nature of the sector, the company's order book covers only a short period of time and does not give an accurate picture of future development.

## KEY INDICATORS QUARTERLY

	Q1/23	Q4/22	Q3/22	Q2/22	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21
Turnover, MEUR	224,6	222,3	211,9	212,9	196,6	191,7	167,8	172,9	163,3
Operating profit, MEUR	15,1	13,4	11,5	10,1	10,3	9,5	9,5	10,6	10,0
Operating profit, %	6,7	6,0	5,4	4,8	5,3	5,0	5,7	6,1	6,1
Net income, MEUR	11,8	10,5	9,4	7,1	8,0	8,4	5,1	8,6	7,6



## CALCULATION OF KEY INDICATORS

Return on equity, %	$\frac{\text{Net profit for the period} \times 100}{\text{Shareholders' equity (average)}}$
Return on investment, %	$\frac{(\text{Profit before taxes} + \text{interest and other financial expenses}) \times 100}{\text{Balance sheet total} - \text{non-interest-bearing liabilities (average)}}$
Gearing (%)	$\frac{(\text{Interest-bearing liabilities} - \text{cash and other liquid financial assets}) \times 100}{\text{Shareholders' equity}}$
Equity ratio (%)	$\frac{\text{Shareholders' equity} \times 100}{\text{Balance sheet total} - \text{advance payments received}}$
Earnings per share	$\frac{\text{Net profit for the period}}{\text{Average adjusted number of shares during the year}}$
Shareholders' equity per share	$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares at the end of the financial period}}$
Market capitalization	Number of shares x last trading price of the financial period
Adjusted item	A non-recurring significant item that deviates from normal business operations, which affects the comparability between different periods



## CONDENSED CONSOLIDATED INCOME STATEMENT

		1 - 3 2023	1 - 3 2022	1 - 12 2022
EUR million	Note			
<b>Turnover</b>	1	<b>224,6</b>	<b>196,6</b>	<b>843,8</b>
Other operating income		0,1	0,2	0,9
Changes in inventories of finished goods and work in progress		1,5	-0,9	0,3
Expenses		-206,5	-181,6	-782,0
Depreciation and amortization		-4,7	-4,0	-17,5
<b>Operating profit</b>		<b>15,1</b>	<b>10,3</b>	<b>45,4</b>
Financial income and expenses		-0,6	-1,0	-3,7
<b>Profit before taxes</b>		<b>14,5</b>	<b>9,3</b>	<b>41,7</b>
Income taxes		-2,8	-1,3	-6,7
<b>Net profit for the period</b>		<b>11,8</b>	<b>8,0</b>	<b>35,0</b>
Attributable to:				
Equity holders of the parent		11,8	8,0	35,0
Earnings per share for profit attributable to shareholders of the parent:				
undiluted (EUR)		0,18	0,12	0,54
diluted (EUR)		0,18	0,12	0,53

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1 - 3 2023	1 - 3 2022	1 - 12 2022
EUR million			
<b>Net profit for the period</b>	<b>11,8</b>	<b>8,0</b>	<b>35,0</b>
Items that may later be recognized in profit or loss			
Translation differences	-1,4	-1,7	-5,2
Cash flow hedges	-0,1	-0,1	1,0
Other comprehensive income, net of tax	-1,5	-1,7	-4,2
<b>Total Comprehensive Income</b>	<b>10,3</b>	<b>6,3</b>	<b>30,9</b>
Attributable to:			
Equity holders of the parent	10,3	6,3	30,9

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	31.3.2023	31.3.2022	31.12.2022
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	57,9	50,7	55,6
Right-of-use asset	2	23,2	22,8	24,1
Goodwill	3	7,6	8,1	7,7
Other intangible assets		10,1	12,5	10,8
Available-for-sale investments		0,5	0,5	0,5
Deferred tax assets		8,3	8,3	7,8
<b>Total non-current assets</b>		<b>107,6</b>	<b>102,9</b>	<b>106,5</b>
<b>Current assets</b>				
Inventories		233,3	210,0	229,3
Trade and other receivables		179,1	160,5	164,8
Advance payments		2,2	1,7	2,3
Current tax		2,5	2,5	1,8
Cash and cash equivalents		8,7	8,0	20,8
<b>Total current assets</b>		<b>425,8</b>	<b>382,8</b>	<b>419,0</b>
<b>Total assets</b>		<b>533,4</b>	<b>485,7</b>	<b>525,5</b>
		<b>31.3.2023</b>	<b>31.3.2022</b>	<b>31.12.2022</b>
<b>Shareholder's equity and liabilities</b>				
<b>Equity attributable to equity holders of the parent</b>				
Share capital		2,0	2,0	2,0
Reserve for invested unrestricted equity fund		33,4	33,3	33,4
Fair value reserve		0,9	-0,1	1,0
Other reserves		2,6	2,6	2,6
Translation differences		-9,0	-4,0	-7,6
Retained earnings		207,3	180,2	195,1
<b>Total equity</b>		<b>237,3</b>	<b>213,9</b>	<b>226,6</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities		4,7	5,6	4,6
Provisions		0,9	0,7	0,8
Interest bearing liabilities		33,1	39,0	36,0
Lease liability		20,6	20,6	20,4
<b>Total non-current liabilities</b>		<b>59,3</b>	<b>65,9</b>	<b>61,9</b>
<b>Current liabilities</b>				
Trade and other liabilities		184,4	175,5	183,7
Current tax		5,0	2,4	3,1
Provisions		0,4	0,6	0,4
Interest bearing liabilities		44,0	24,1	45,5
Lease liability		3,0	3,2	4,4
<b>Total current liabilities</b>		<b>236,8</b>	<b>205,9</b>	<b>237,0</b>
<b>Total liabilities</b>		<b>296,1</b>	<b>271,8</b>	<b>298,9</b>
<b>Total shareholder's equity and liabilities</b>		<b>533,4</b>	<b>485,7</b>	<b>525,5</b>

## STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

## Equity attributable to equity holders of the parent company

EUR million							
	Share capital	Reserve for invested unrestricted equity fund	Fair value reserve	Reserve fund	Translation differences	Retained earnings	Equity total
<b>Equity 1.1.2023</b>	<b>2,0</b>	<b>33,4</b>	<b>1,0</b>	<b>2,6</b>	<b>-7,6</b>	<b>195,1</b>	<b>226,6</b>
Total comprehensive income			-0,1		-1,4	11,8	10,3
Option scheme						0,4	0,4
<b>Equity 31.3.2023</b>	<b>2,0</b>	<b>33,4</b>	<b>0,9</b>	<b>2,6</b>	<b>-9,0</b>	<b>207,3</b>	<b>237,3</b>

## Equity attributable to equity holders of the parent company

EUR million							
	Share capital	Reserve for invested unrestricted equity fund	Fair value reserve	Reserve fund	Translation differences	Retained earnings	Equity total
<b>Equity 1.1.2022</b>	<b>2,0</b>	<b>33,2</b>	<b>-0,1</b>	<b>2,6</b>	<b>-2,4</b>	<b>172,0</b>	<b>207,4</b>
Total comprehensive income			-0,1		-1,7	8,0	6,3
Option scheme						0,1	0,1
Share options exercised		0,1					0,1
<b>Equity 31.3.2022</b>	<b>2,0</b>	<b>33,3</b>	<b>-0,1</b>	<b>2,6</b>	<b>-4,0</b>	<b>180,2</b>	<b>213,9</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	1.1.-31.3.2023	1.1.-31.3.2022	1.1.-31.12.2022
EUR million			
<b>Cash flow from operating activities</b>			
Net profit	11,8	8,0	35,0
Adjustments for the net profit	9,5	5,0	24,6
Change in net working capital	-19,8	-23,9	-43,1
Paid interests and other financial expenses	-0,9	-0,4	-2,3
Interest received	0,1	0,0	0,4
Taxes paid	-1,6	-2,4	-4,4
<b>Net cash from operating activities</b>	<b>-0,9</b>	<b>-13,6</b>	<b>10,2</b>
<b>Cash flow from investing activities</b>			
Investments in tangible and intangible assets	-6,0	-4,0	-19,0
Sale of tangible and intangible assets	0,3	0,1	0,5
<b>Net cash from investing activities</b>	<b>-5,7</b>	<b>-3,9</b>	<b>-18,5</b>
<b>Cash flow from financing activities</b>			
Related-party investment company shares		0,1	0,3
Repayment of long-term loans	-3,0	-3,0	-6,0
Proceeds from short term loans		6,8	25,9
Repayment of short-term loans	-1,2	-3,2	-0,2
Repayment of lease liabilities	-1,1	-0,8	-3,7
Dividends paid			-12,3
<b>Net cash from financing activities</b>	<b>-5,3</b>	<b>0,0</b>	<b>3,9</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-11,9</b>	<b>-17,6</b>	<b>-4,4</b>
Cash and cash equivalents at beginning of period	20,8	25,3	25,3
Changes in exchange rates	-0,2	0,2	-0,2
<b>Cash and cash equivalents at end of period</b>	<b>8,7</b>	<b>8,0</b>	<b>20,8</b>

## Notes to the interim report

### ACCOUNTING PRINCIPLES

The Group's interim report has been prepared in compliance with the IAS 34 Interim Financial Reporting standard.

The accounting principles applied in this report correspond with those defined in the Group's 2022 Financial Statement.

All individual figures and totals presented in tables have been rounded, due to which the total sum of individual figures may differ from the sum presented. The key figures have been calculated using precise values.

This interim report release is unaudited.

In its meeting held on April 25, 2023, the Board of Directors of Scanfil plc approved this interim report release for publication.

### 1. DISAGGREGATION OF REVENUES

EUR million	1 - 3 2023			1 - 3 2022			1 - 12 2022		
	Goods	Services	Total	Goods	Services	Total	Goods	Services	Total
<b>Customer Segments</b>									
Advanced Consumer Applications	49,9	1,4	51,3	53,7	1,3	55,0	241,7	6,1	247,8
Automation & Safety	45,8	6,7	52,5	37,2	5,4	42,6	157,4	26,4	183,8
Connectivity	12,7	0,5	13,2	9,8	1,0	10,8	35,0	3,5	38,5
Energy & Cleantech	66,5	1,1	67,5	52,1	2,5	54,6	218,3	4,2	222,4
Medtec & Life Science	37,9	2,1	40,0	31,5	2,2	33,7	142,3	8,9	151,2
<b>Total</b>	<b>212,8</b>	<b>11,8</b>	<b>224,6</b>	<b>184,3</b>	<b>12,4</b>	<b>196,6</b>	<b>794,7</b>	<b>49,1</b>	<b>843,8</b>

#### Timing of revenue recognition

Goods and services transferred at a point of time	212,8	11,3	224,1	184,3	10,3	194,6	794,7	44,9	839,5
Services transferred over time		0,5	0,5		2,0	2,0		4,2	4,2
<b>Total</b>	<b>212,8</b>	<b>11,8</b>	<b>224,6</b>	<b>184,3</b>	<b>12,4</b>	<b>196,6</b>	<b>794,7</b>	<b>49,1</b>	<b>843,8</b>

### 2. CHANGES IN TANGIBLE NON-CURRENT ASSETS

EUR million	1 - 3 2023	1 - 3 2022	1 - 12 2022
Book value at the beginning of the period	79,7	72,0	72,0
Additions	5,9	5,5	24,1
Deductions	-0,2	0,0	-0,3
Depreciations and decreases in value	-4,0	-3,4	-14,9
Exchange rate differences	-0,4	-0,6	-1,2
<b>Book value at the end of the period</b>	<b>81,1</b>	<b>73,6</b>	<b>79,7</b>

### 3. CHANGES IN GOODWILL

EUR million	1 - 3 2023	1 - 3 2022	1 - 12 2022
Book value at the beginning of the period	7,7	8,2	8,2
Exchange rate differences	-0,1	-0,1	-0,5
<b>Book value at the end of the period</b>	<b>7,6</b>	<b>8,1</b>	<b>7,7</b>

### 4. FINANCIAL ASSETS AND LIABILITIES, CARRYING AMOUNT AND FAIR VALUE

EUR million	31.3.2023 Book values of balance sheet values	31.3.2023 Fair values of balance sheet values
<b>Non-current assets</b>		
Investments	0,5	0,5
<b>Non-current assets total</b>	<b>0,5</b>	<b>0,5</b>
<b>Current assets</b>		
Trade receivables	163,5	163,5
Derivatives	1,3	1,3
Cash and cash equivalents	8,7	8,7
<b>Current assets total</b>	<b>173,5</b>	<b>173,5</b>
<b>Total financial assets</b>	<b>174,0</b>	<b>174,0</b>
<b>Non-current financial liabilities</b>		
Interest bearing liabilities from financial institutions	33,0	33,0
<b>Non-current financial liabilities total</b>	<b>33,0</b>	<b>33,0</b>
<b>Current financial liabilities</b>		
Interest bearing liabilities from financial institutions	6,1	6,1
Loans withdrawn from the credit limit	38,0	38,0
Trade payables	129,7	129,7
Derivatives	0,7	0,7
<b>Current financial liabilities total</b>	<b>174,6</b>	<b>174,6</b>
<b>Total financial liabilities</b>	<b>207,6</b>	<b>207,6</b>

The valuation of derivatives is based on market data (level 2).

The valuation of investments is based on the acquisition cost (level 3) as the fair value of the shares cannot be determined reliably.

## 5. OPEN DERIVATIVE CONTRACTS

	31.3.2023	Fair net value	Nominal value
EUR million			
Interest rate swaps		0,3	9,0
Forward exchange contracts		0,8	30,8
Forward exchange contracts, outside hedge accounting		-0,6	161,4

## 6. CONTINGENT LIABILITIES

	31.3.2023	31.3.2022
EUR million		
Pledged guarantees	1,1	2,1

In addition to the above commitments, the following guarantees have been given:

Scanfil plc has given guarantees to Nordea Bank Abp as security for payment of the liabilities which Scanfil Sweden AB has created from time to time towards Nordea Bank Abp on the basis of derivative contracts concluded, as well as to Skandinaviska Enskilda Banken AB replacing the previous liabilities of Scanfil Sweden AB. The maximum liability to Skandinaviska Enskilda Banken AB is EUR 3.6 million. Scanfil plc has provided a guarantee to Nordea Bank Abp as security for the performance and payment of obligations under the derivative contracts concluded between Scanfil Electronics GmbH and Nordea Bank Abp. Scanfil plc has given a guarantee for the lease obligations of its subsidiary Scanfil Inc.

Scanfil EMS Oy has given a guarantee to Nordea Bank AB Shanghai Branch of any obligations arising from a loan facility of CNY 137 million between the subsidiary Scanfil (Suzhou) Co., Ltd. and the Nordea Bank AB Shanghai Branch. Scanfil EMS Oy has given a guarantee of any obligations arising from the subsidiary's delivery contracts with its customers. The guarantee is limited to a maximum of EUR 7.5 million and seven years after the expiry of the last product agreement.

Scanfil Sweden AB has given a guarantee to the lessor as security for the liabilities under the lease contract regarding the premises leased by the Polish subsidiary Scanfil Poland Sp. z o.o.

Scanfil EMS Oy and Scanfil Sweden AB have provided guarantees to Nordea Bank Abp and Nordea Bank AB Shanghai Branch as security for the performance and payment of the obligations under the derivative master agreements entered into between the Group companies Scanfil Oü, Scanfil Poland Sp. z o.o, Scanfil Åtvidaberg AB, Scanfil Malmö AB, Scanfil (Suzhou) Co., Ltd. and Nordea Bank Abp.

On behalf of the group companies may be given usual parent company guarantees from time to time as security for the fulfillment of their customer agreement obligations.

## EVENTS AFTER THE REVIEW PERIOD

On 12 April 2023 Scanfil revised its outlook for 2023.

## SCANFIL PLC

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Scanfil is an international manufacturing partner and system supplier for the electronics industry with over 45 years of experience in demanding manufacturing. Scanfil provides its customers with an extensive array of services, ranging from product design to product manufacturing, material procurement and logistics solutions. Vertically integrated production and a comprehensive supply chain are the foundation of Scanfil's competitive advantages: speed, flexibility and reliability.

Typical Scanfil products are modules or integrated products for e.g. self-service application, automation systems, wireless connectivity modules, climate control systems, collection and sorting systems, analyzers and environmental measurement solutions. Scanfil services are used by numerous international automation, safety, energy, cleantech and health service providers, as well as companies operating in the field of urbanization. Scanfil's network of factories consists of nine production units in Europe, Asia and North America.

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