



SCANFIL

January–September 2023

Good profitability driven
by improved efficiency

CHRISTOPHE SUT, CEO
KAI VALO, CFO

27 OCTOBER 2023

Key events during Q3

Suzhou factory automation and digitalization



Atlanta factory SMT and assembly line



Vaisala sustainability award



Highlights for Q3 2023

Q3 2023

209.7 M€ / 9%
Turnover ex. spot / YoY, %

212.8 M€ / 0.4%
Turnover / YoY, %

15.2 M€ / 32.2%
Operating Profit / YoY, %

7.2% / 5.4%
Q3 Operating Margin in 23 / 22

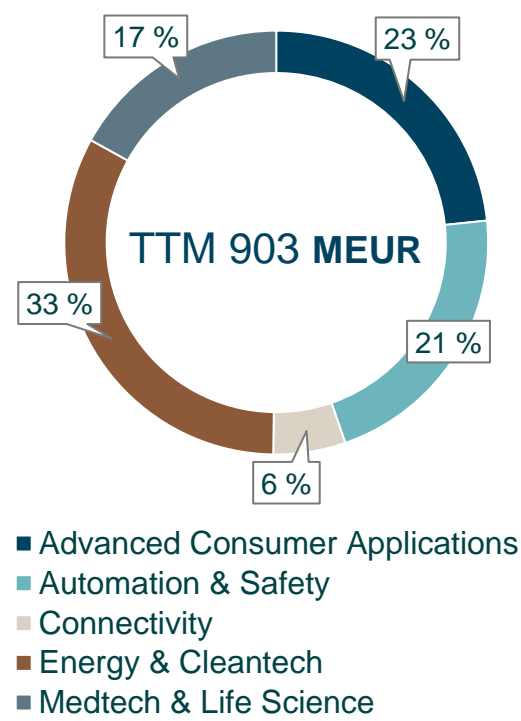
0.17 € / 16.6%
EPS / YoY, %

- The turnover growth excluding spot-market purchases was 9%
- The third quarter turnover was EUR 212.8 million compared to EUR 211.9 million last year
- Profitability was driven by the continuation of good customer demand and the easing of supply chain challenges
- Automation and digitalization helped us to improve operational efficiency

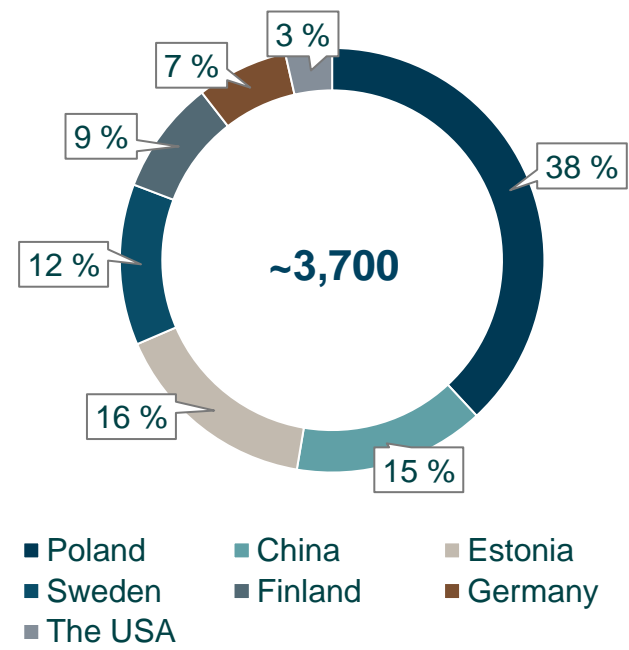


Scanfil's current status in brief

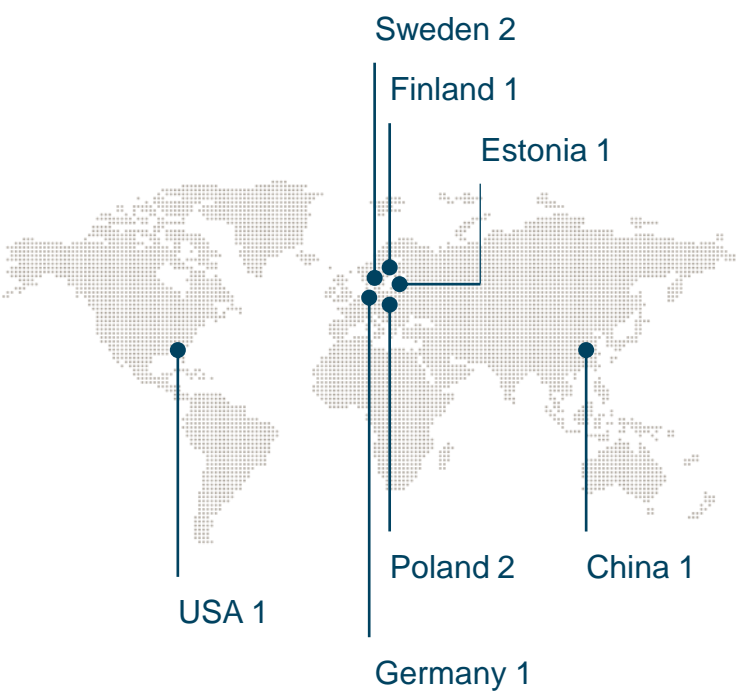
TURNOVER



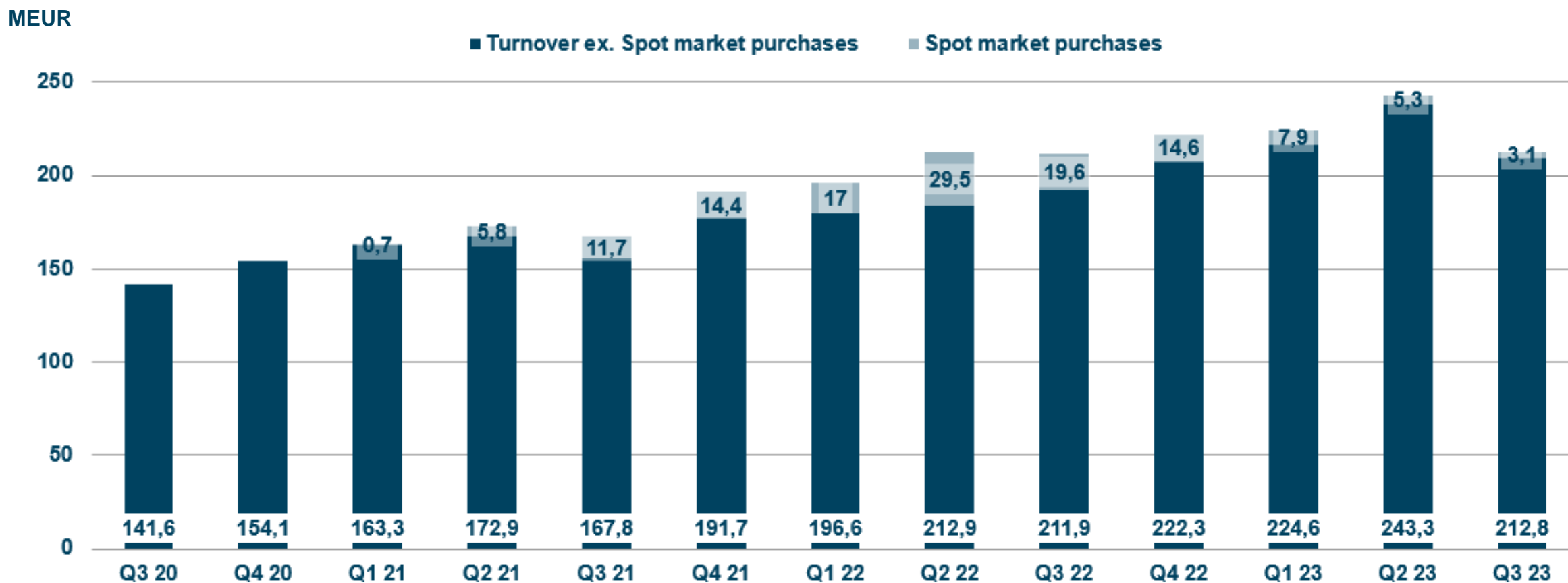
PERSONNEL



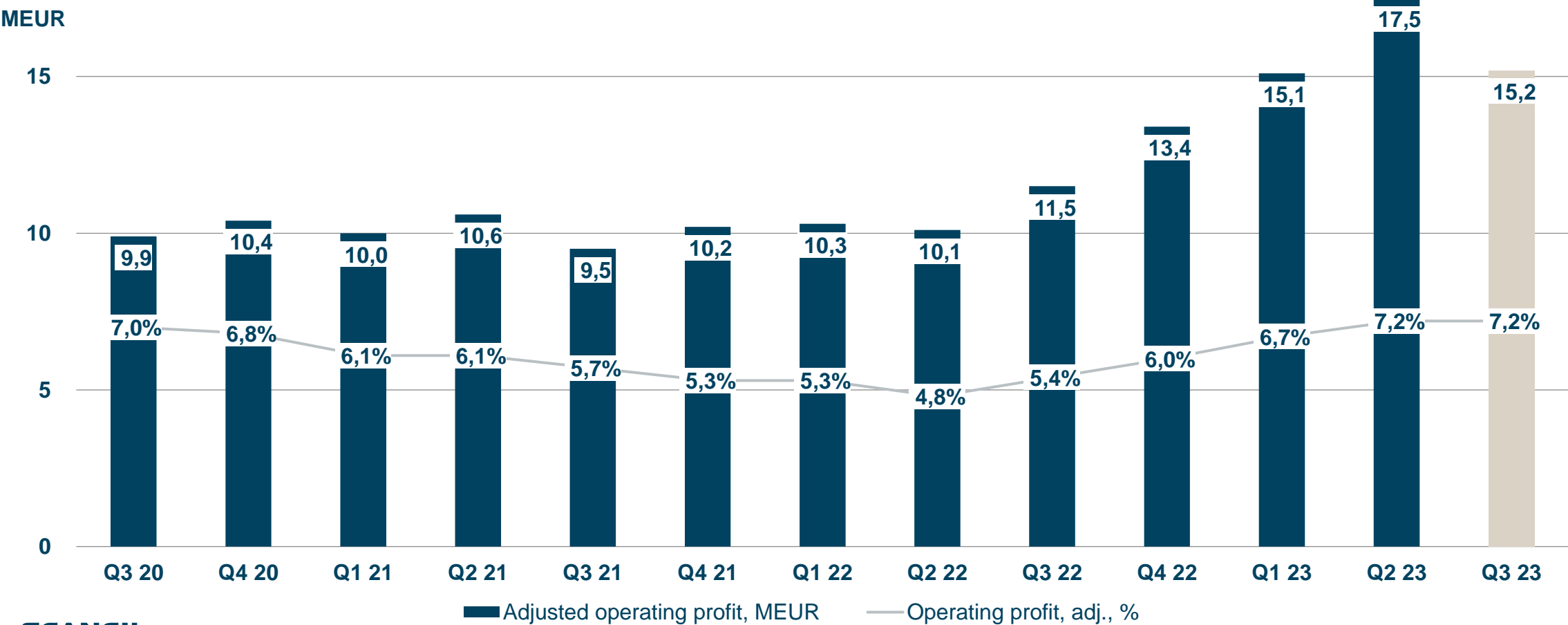
FACTORIES



Turnover Q3/2020–Q3/2023



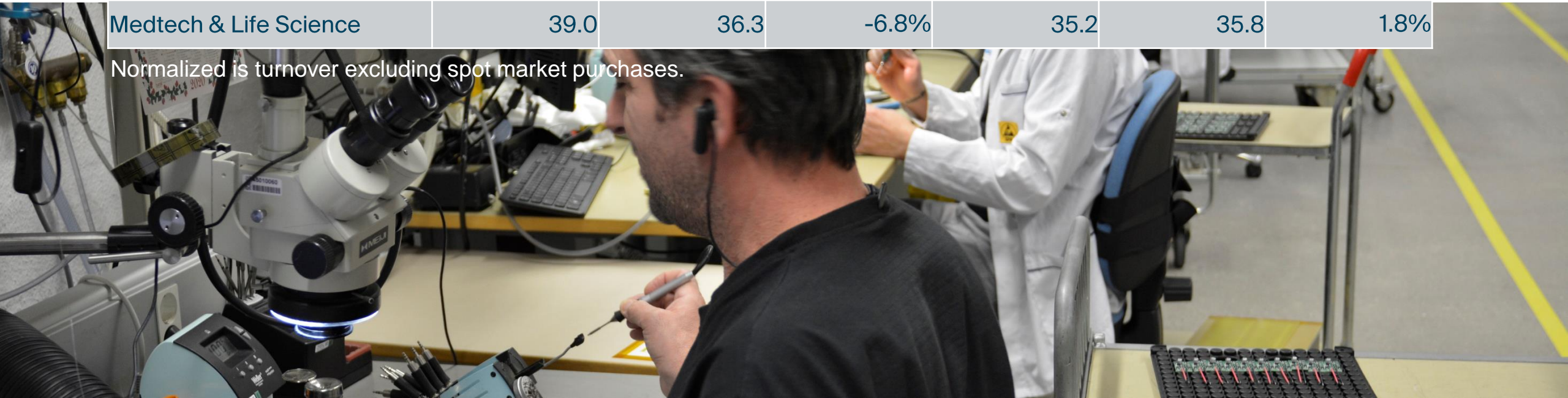
Operating Profit Q3/2020–Q3/2023



Customer segment development

	Q3/22	Q3/23	Change, %	Norm. Q3/22	Norm. Q3/23	Change, %
Advanced Consumer Applications	67.8	49.8	-26.5%	56.4	49.0	-13.0%
Automation & Safety	44.2	42.2	-4.6%	40.5	41.6	2.8%
Connectivity	7.8	10.9	40.2%	7.7	10.9	40.9%
Energy & Cleantech	53.1	73.5	38.5%	52.5	72.3	37.7%
Medtech & Life Science	39.0	36.3	-6.8%	35.2	35.8	1.8%

Normalized is turnover excluding spot market purchases.



Customer Segments and Megatrends



Advanced Consumer Applications

- Urbanization
- Growing middle class
- Modernization of households

9M/22-9M/23
-17.0%



Automation & Safety

- Industrial automation
- Robotics
- Sustainability

9M/22-9M/23
7.4%



Connectivity

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

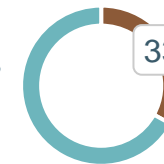
9M/22-9M/23
18.2%



Energy & Cleantech

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

9M/22-9M/23
40.9%



Medtech & Life Science

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

9M/22-9M/23
6.5%



Green transition drives Energy & Cleantech



Recycling

- Circular economy
- 1.4 trillion beverage containers used p.a.
- Only 9% of plastic is recycled
- 90% of aluminium is recycled



Energy saving

- “The greenest energy is the energy we don’t use”
- Heat pumps, smart control etc.



Electrification

- Moving away from fossil fuels by using electricity
- Emission free at the site of usages
- Investments in new grids



Renewable energy

- Increasing demand for renewable energy
- H2, solar, wind, nuclear, biogas etc.
- Investments in new power plants



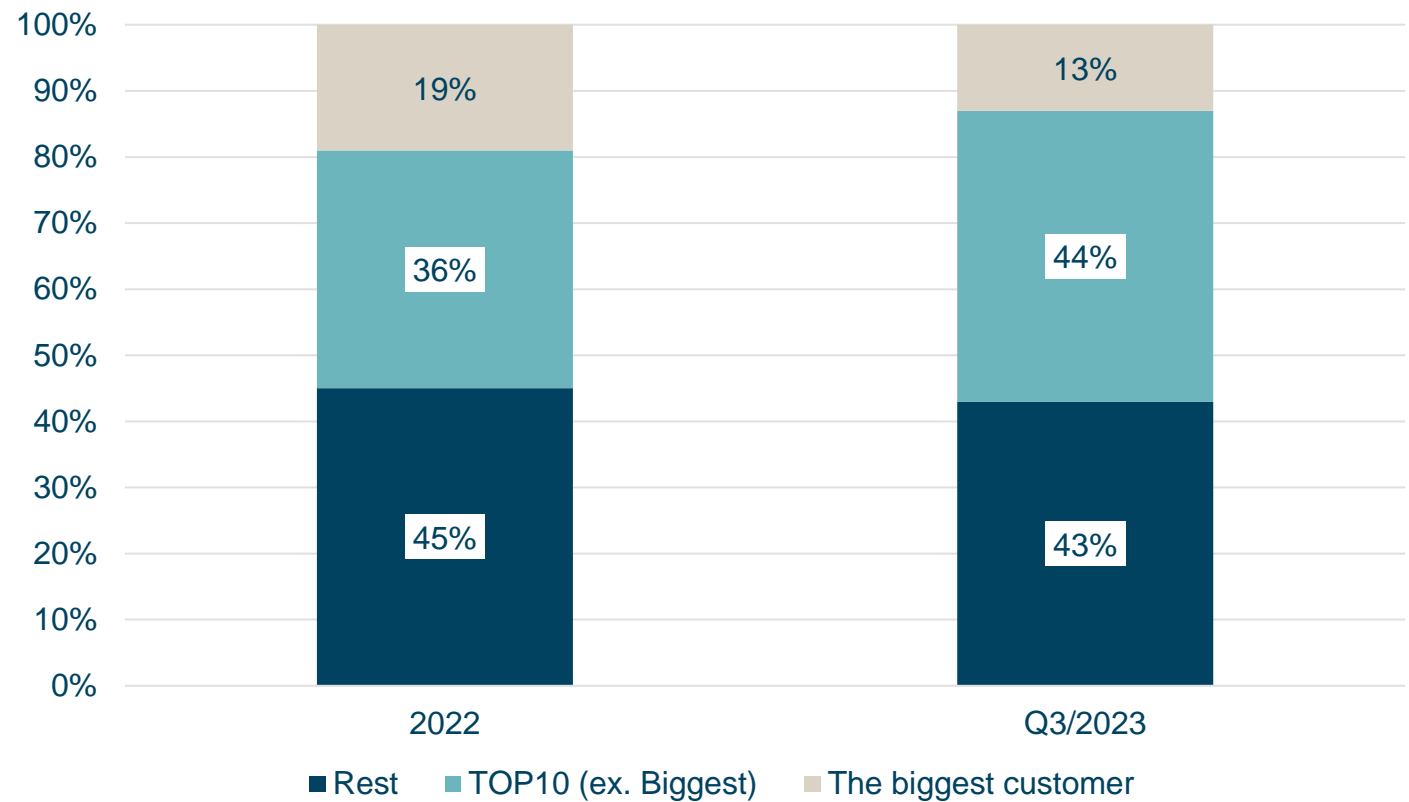
Energy storage

- Enabler of the decentralized and renewable energy production
- Investments in adjustment of power

Balanced customer-risk



SMT line in Pärnu, Estonia.



Investments 2022–2023

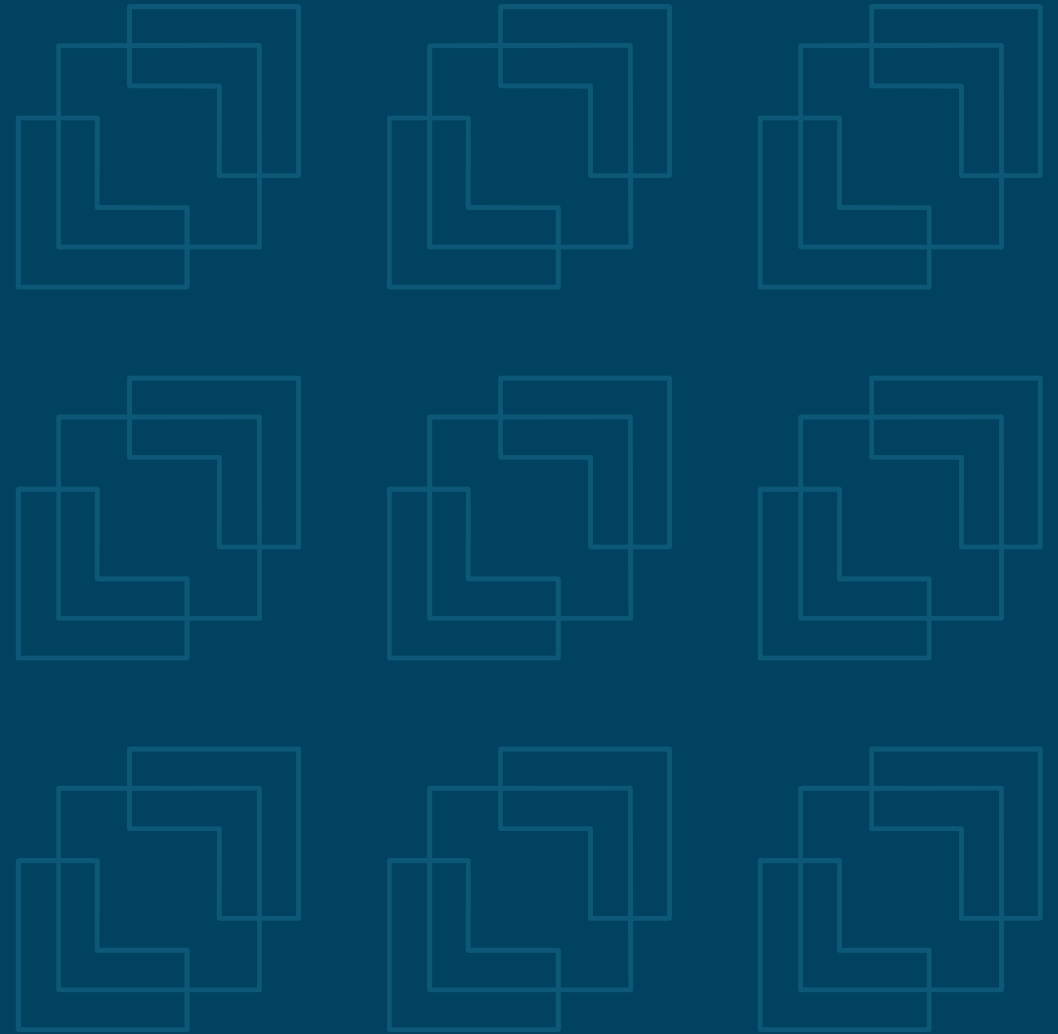
Factory	m²	More information
2022		
Atlanta, USA	6,000	New space for electronics manufacturing and system integration
Wutha, Germany	1,800	New space and infrastructure
Malmö, Sweden	1,500	New space for system integration and warehouse automation
Suzhou, China	1,400	Space transformed into production space, warehouse automation and SMT lines
2023		
Atlanta, USA	-	SMT line in use in Q3/2023
Sieradz, Poland	-	SMT line in use in Q2/2023
Sieradz, Poland	14,000	New building and infrastructure in Q2/2025



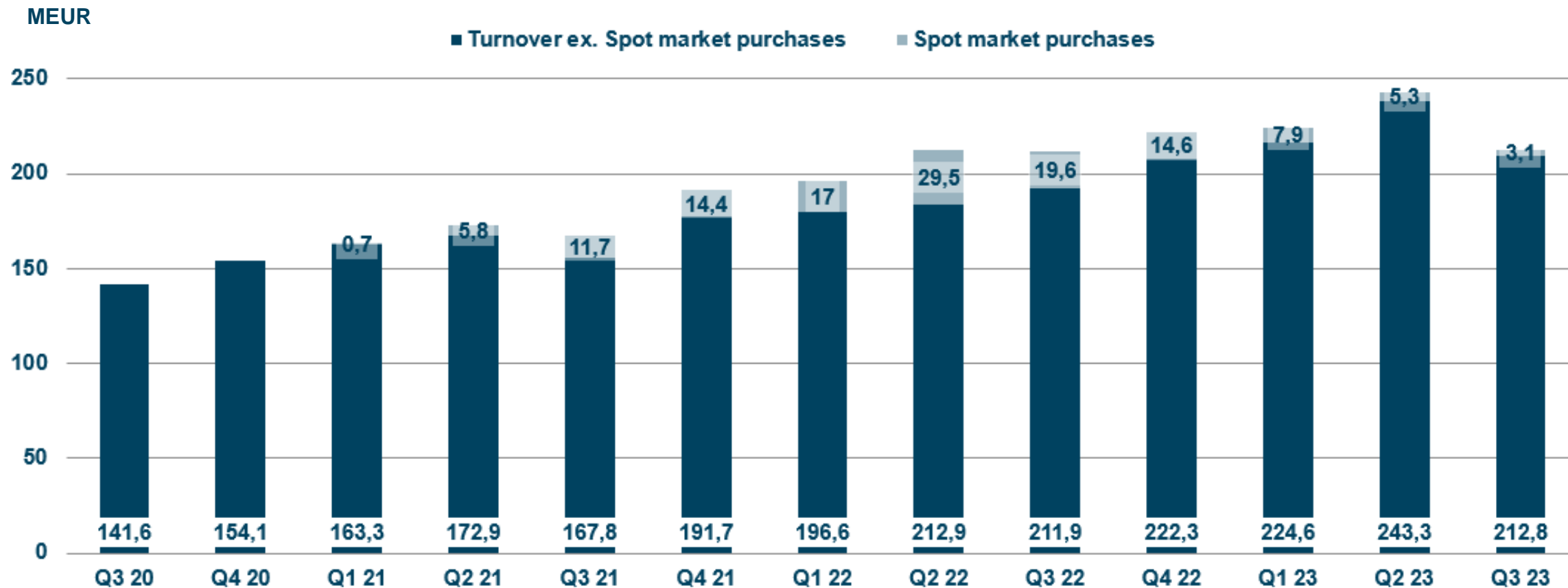
Atlanta factory expansion in the USA

Financials

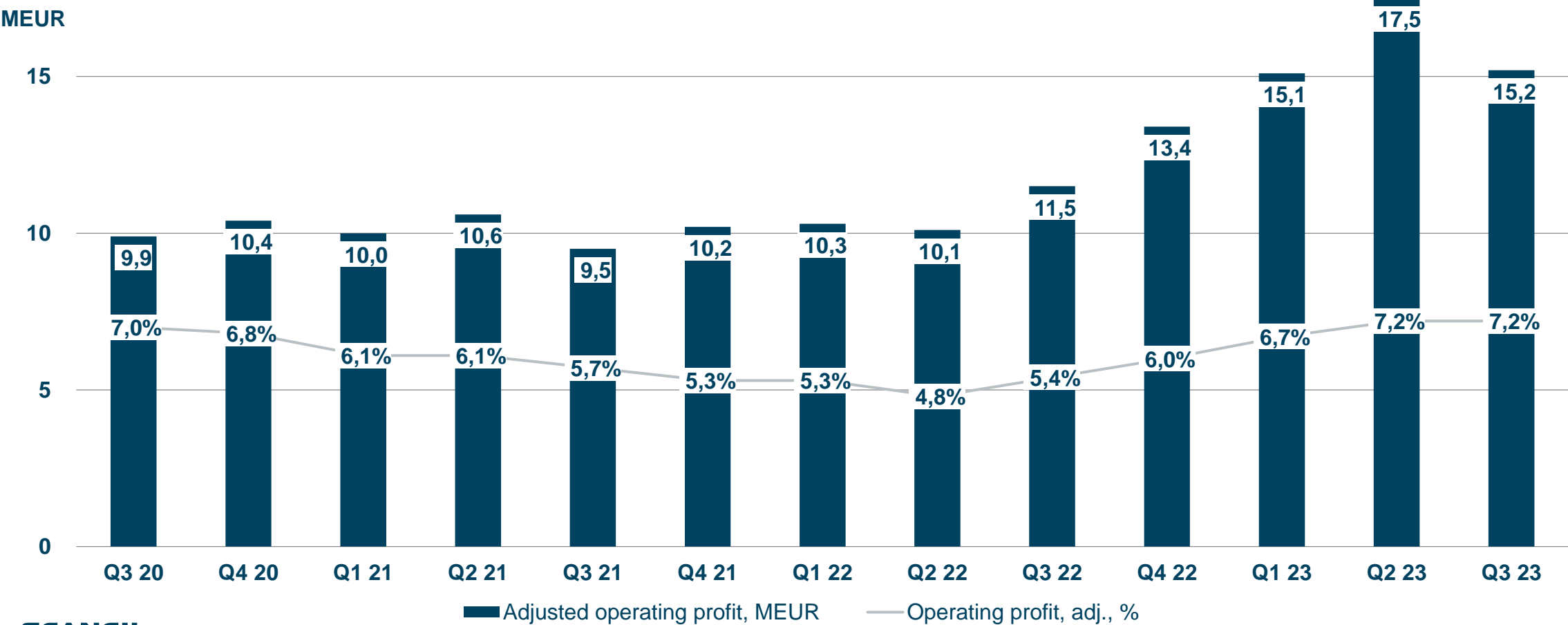
CFO Kai Valo



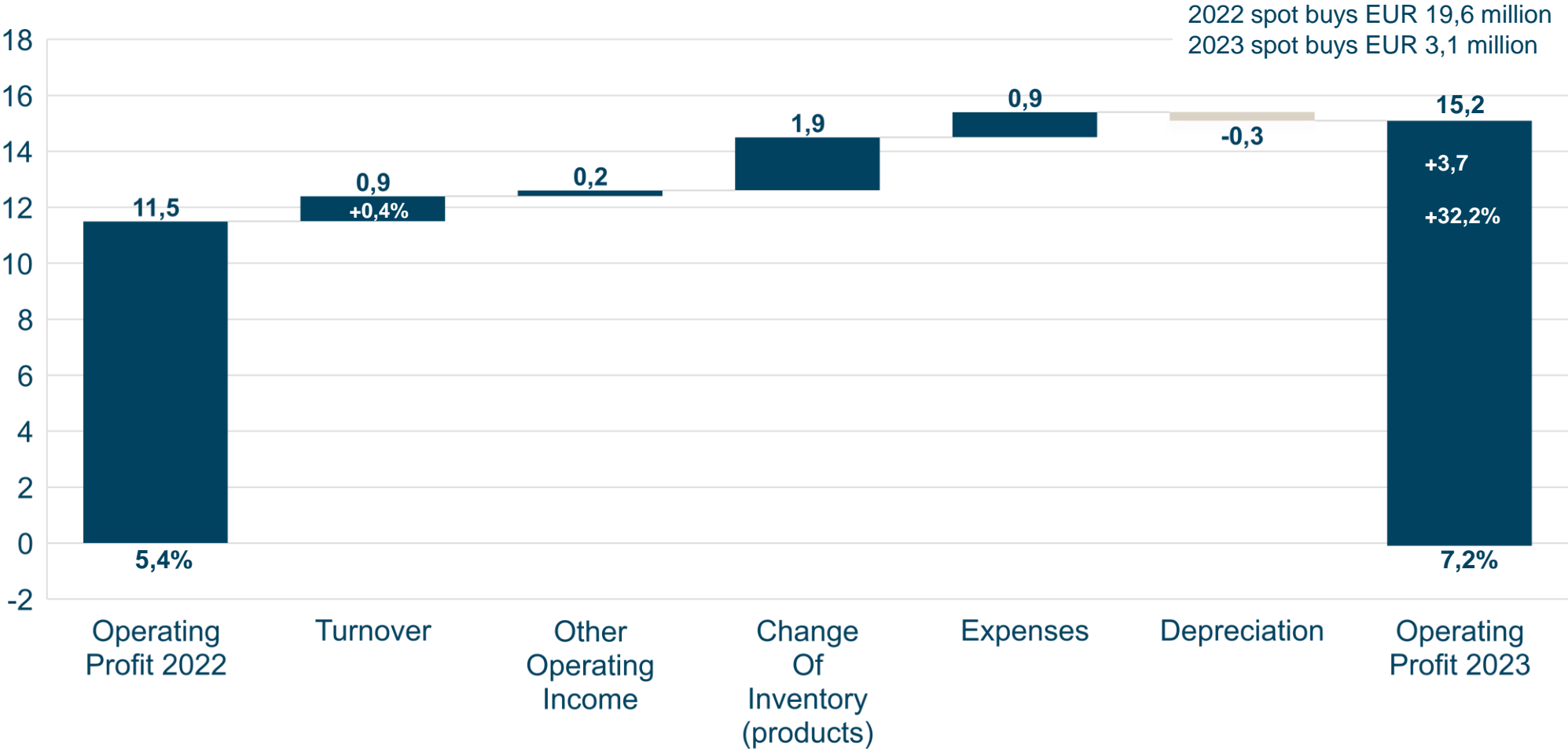
Turnover Q3/2020–Q3/2023



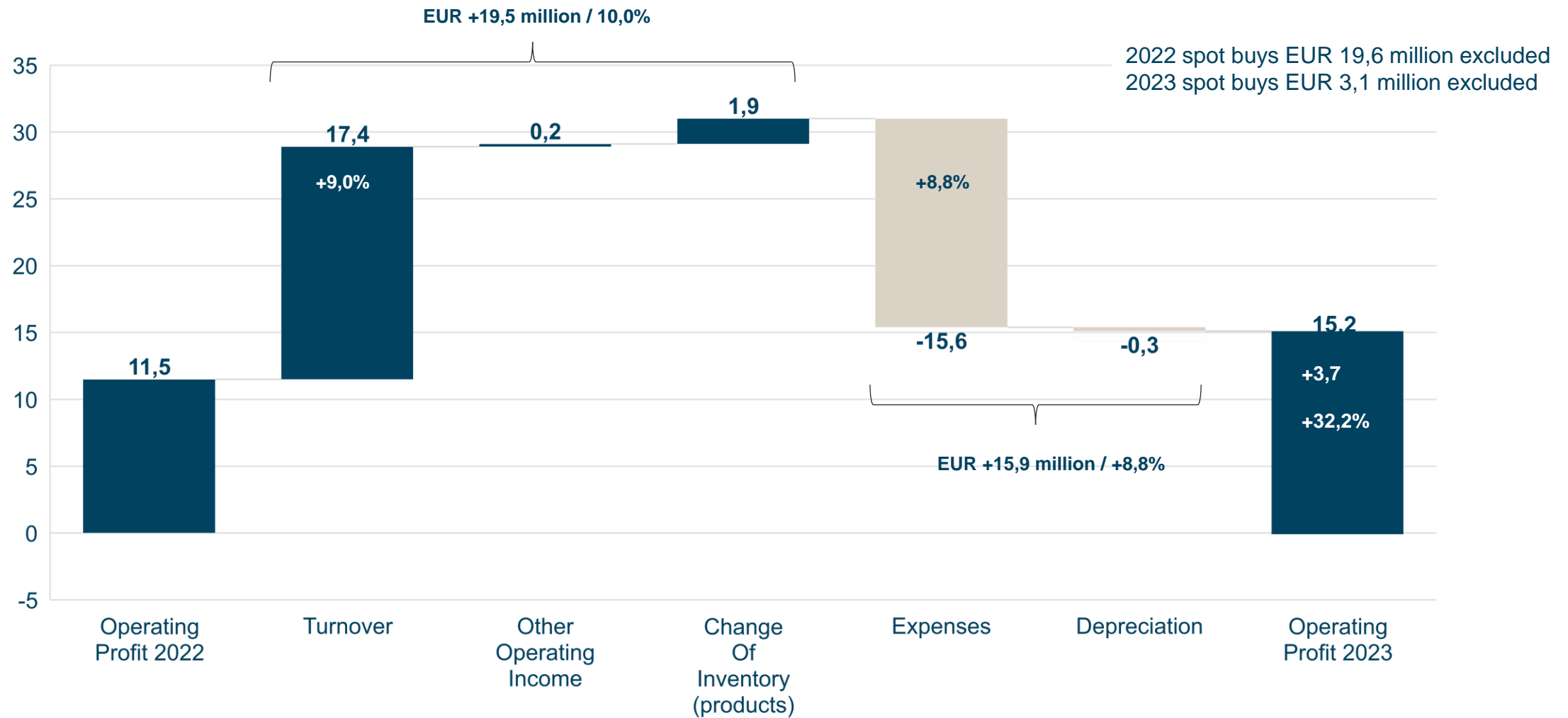
Operating Profit Q3/2020–Q3/2023



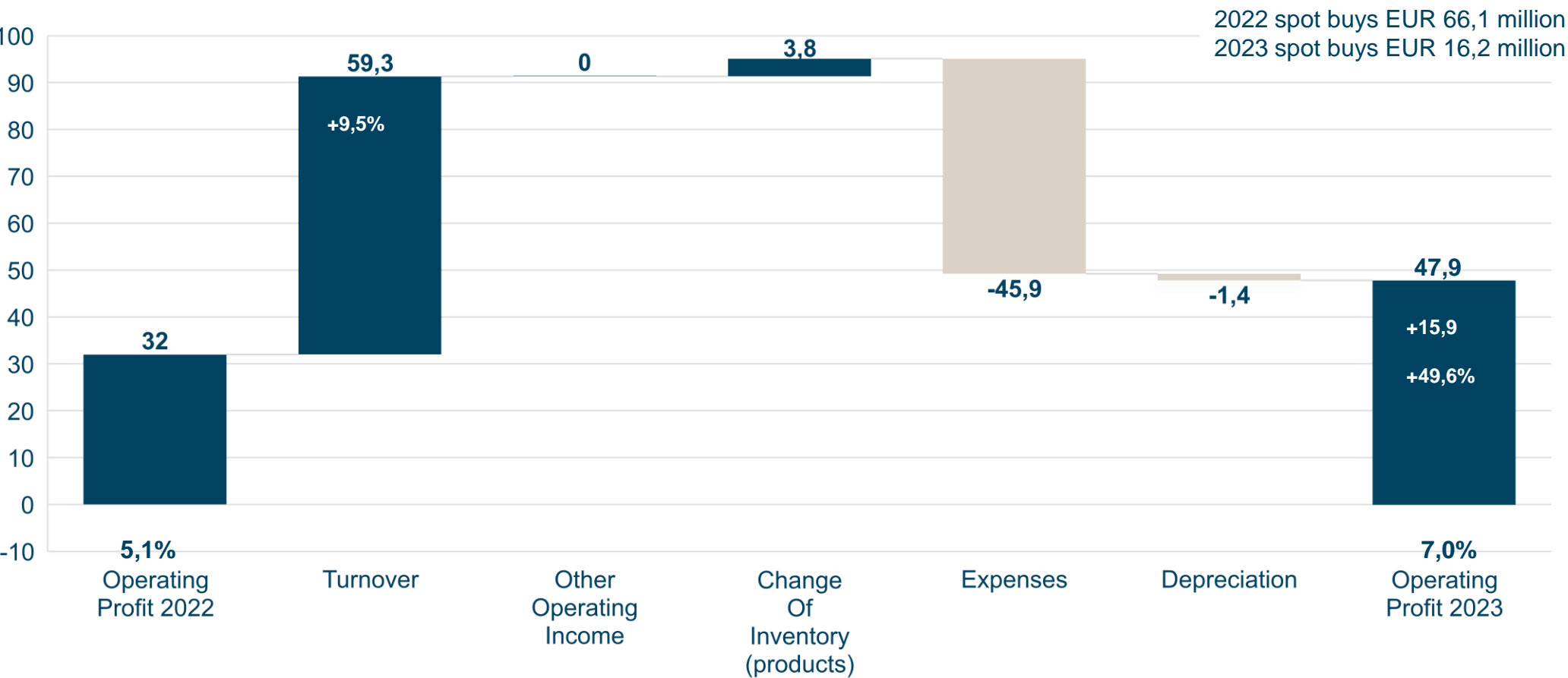
Operating profit Q3 – strong profitability



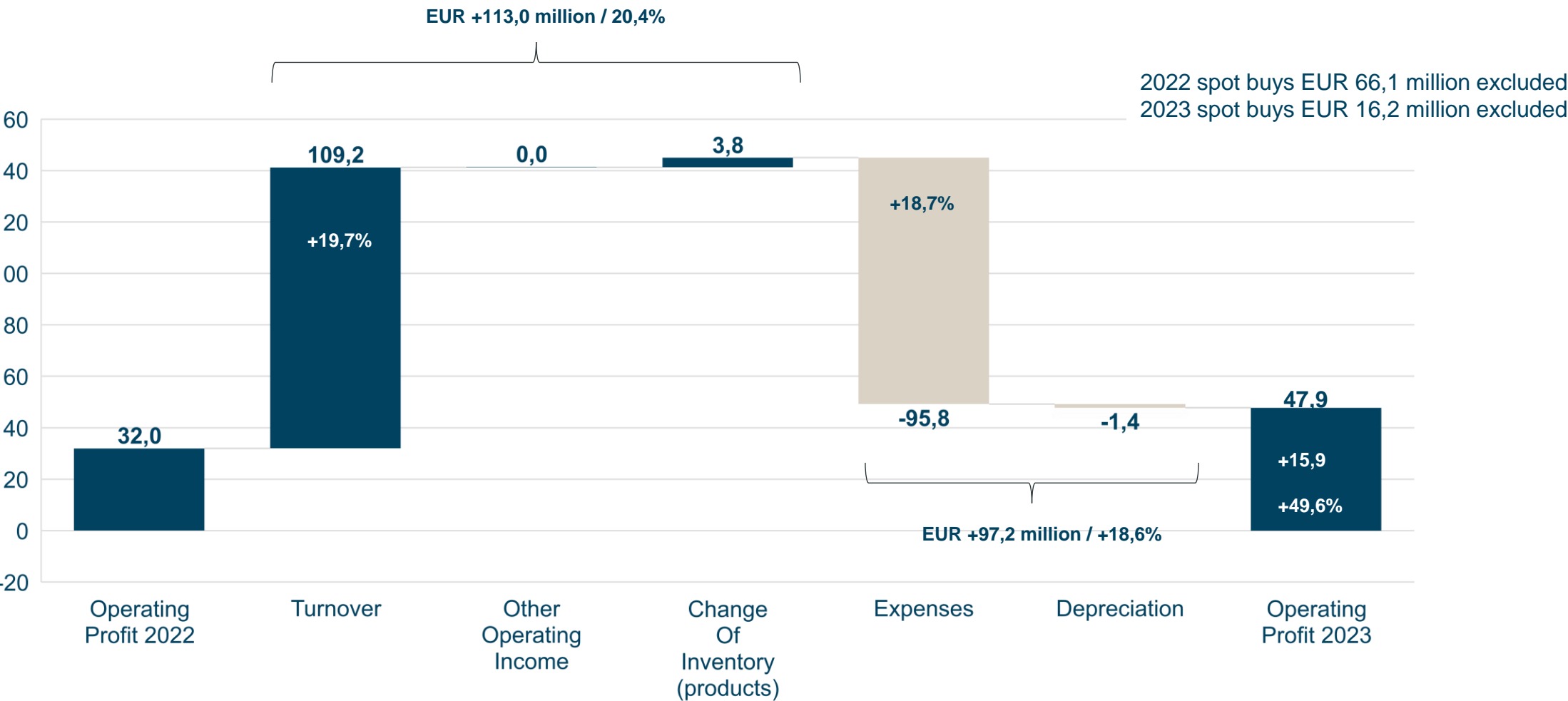
Operating profit Q3 – strong profitability (ex. spot)



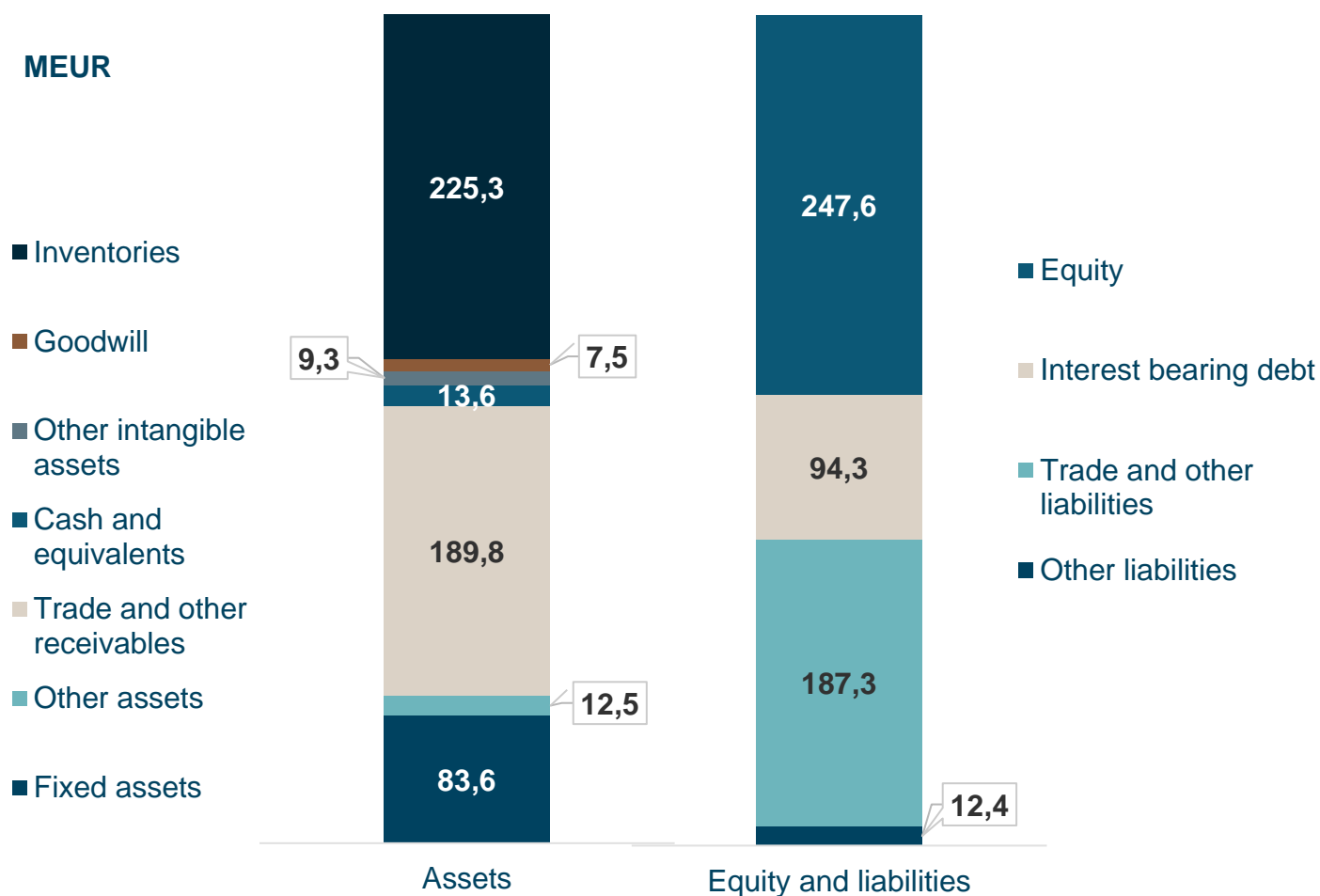
Operating profit YTD - strong profitability



Operating profit YTD - strong profitability (ex. spot)

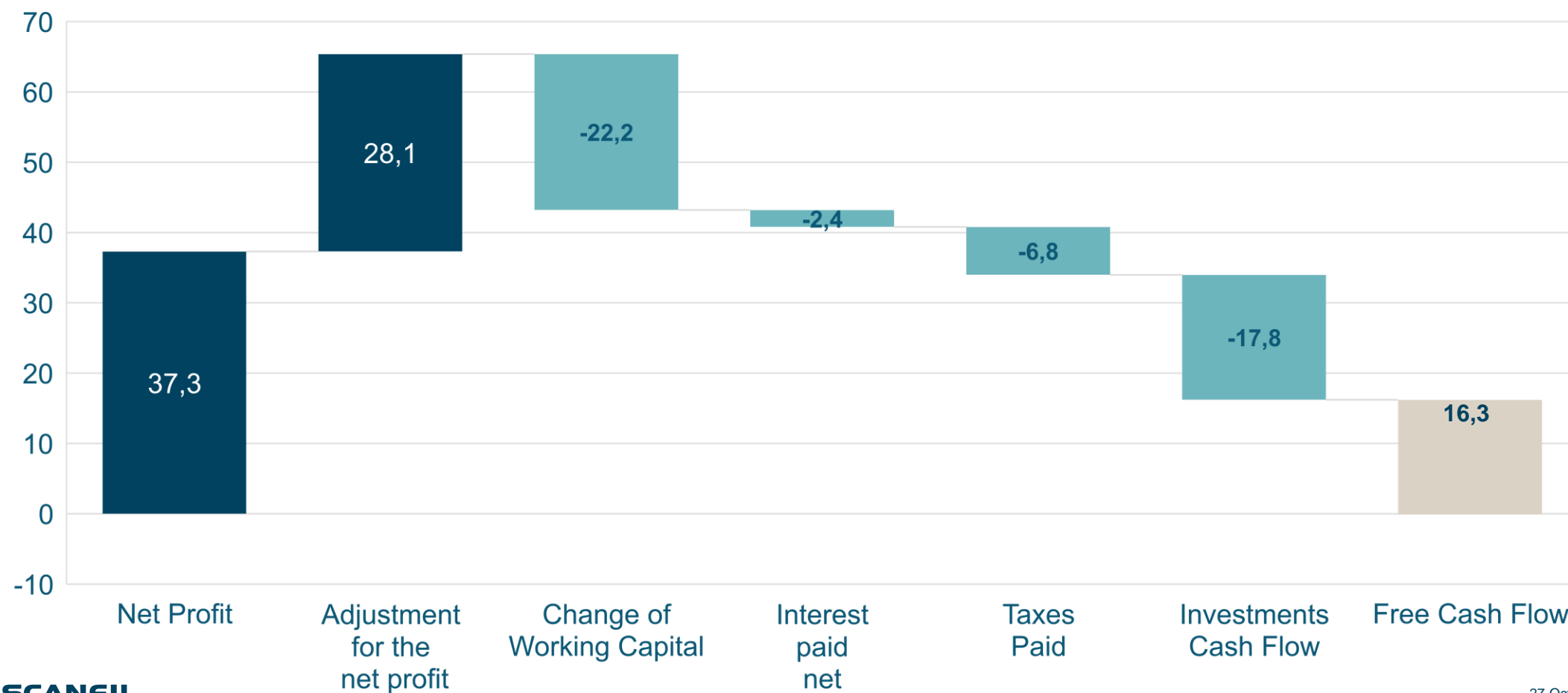


Balance sheet – stable financial position



- Cash and cash equivalents totaled EUR 13,6 (19,9) million
- Equity ratio 47,8% (42,5%) and net gearing 32,6% (44,2%)
- Inventories EUR 225,3 (229,3) million, lower by -4,0 million.
- Interest-bearing liabilities totaled EUR 94,3 (116,3) million. Interest bearing bank loans EUR 73,1 (90,2) million and leases EUR 21,2 (26,1) million

Cash flow YTD – positive change in net working capital



Key Figures

	Q3 2023	Q3 2022	Change	1-9 2023	1-9 2022	Change	2022
Turnover, EUR million	212.8	211.9	0.4%	680.7	621.4	9.5%	843.8
Operating Profit, EUR million	15.2	11.5	32.2%	47.9	32.0	49.6%	45.4
Operating Profit, %	7.2	5.4	1.8pp	7.0	5.1	1.9pp	5.4
Net Profit, EUR million	11.0	9.4	17.1%	37.3	24.6	51.9%	35.0
Earnings per Share, EUR	0.17	0.15	13.3%	0.57	0.38	50,0%	0.54
Return on Equity, %				21.0	15.4	5.6pp	16.1
Equity Ratio, %				47.8	42.5	5.3pp	45.3
Net Gearing, %				32.6	44.2	-11.6pp	37.8
Net Cash Flow from Operations, mEUR				34.1	-3.7	-	10.2
Employees, Average				3,716	3,374	10.1	3,403

Key takeaways and outlook



Key takeaways

- Good profitability driven by operational efficiency
- Operating margin for the first nine months was 7.0% and Q3 7.2%
- Supply chain issues have faded
- We see good growth opportunities long term especially in Energy & Cleantech and Medtech & Life Science
- Cash flow from operations clearly positive



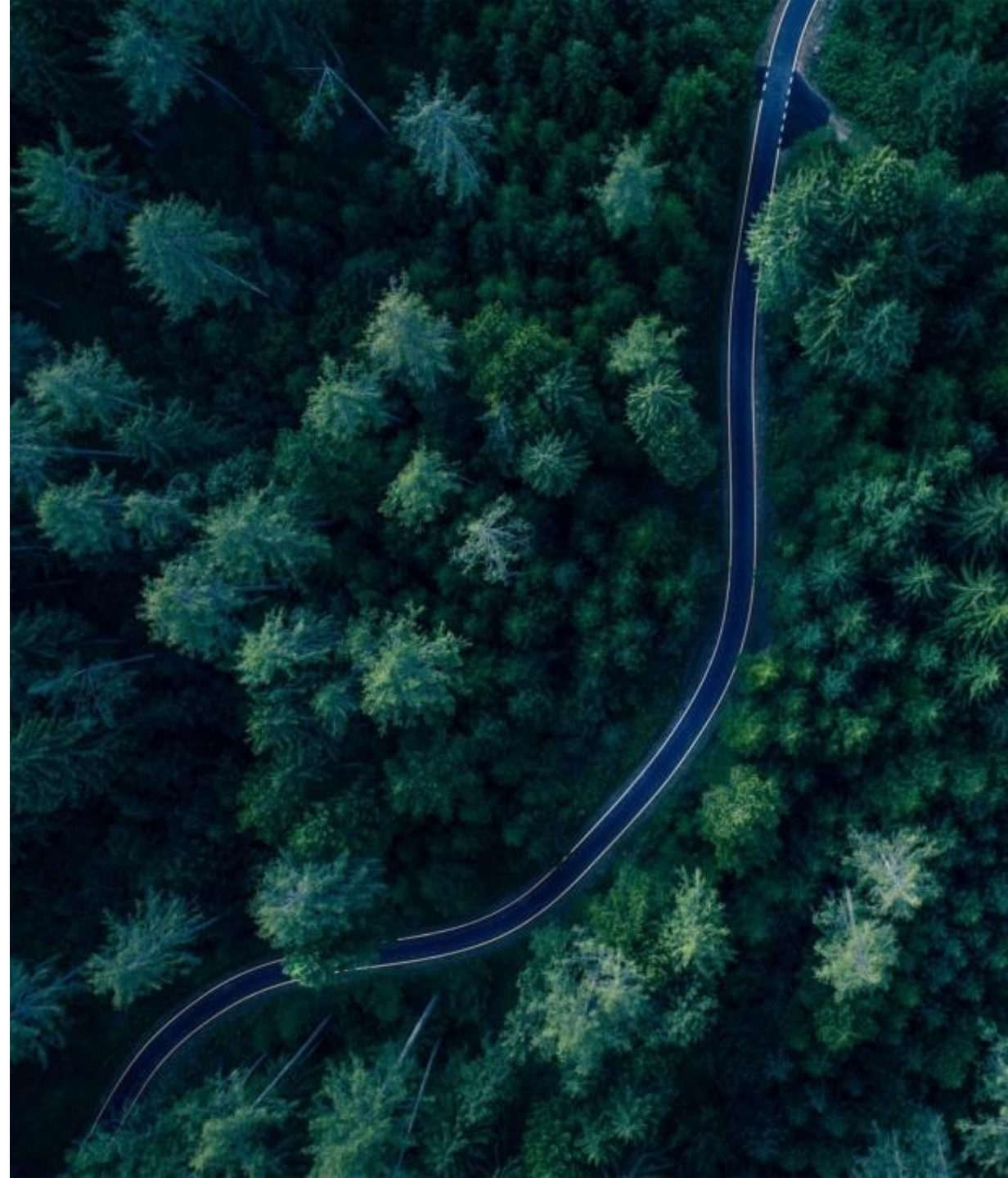
Well thought investments in electronics manufacturing and new production space.

Outlook and focus in 2023

Scanfil revised its outlook 10 October 2023. In revised outlook we expect our turnover to be EUR 880–920 (previously issued 10 July: 900–950) million and adjusted operating profit to be EUR 60–66 (61–68) million.

Focus areas:

- Driving organic growth through increased penetration of fast growing customer segments
- Efficiency of our factories through automation and digitalization
- Maintaining profitability within long term goal
- Net working capital and inventory reduction



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Q&A



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