

**SCANFIL**

# Success in defending profit margin in challenging market Q3/2024

CHRISTOPHE SUT, CEO  
KAI VALO, CFO

25 OCTOBER 2024



# Key events in Q3/2024



## New Management Team members



**Anette Mullis**  
 Joining Date: Anette will join Scanfil by October 20, 2024.  
 Experience: Over 20 years in strategic HR management.  
 Previous Roles: Vice President of Human Resources and Sustainability at Arcton (2021-2024), Senior HR roles at Macrotec, Ericsson, CSL Behring, Wyeth Pharmaceuticals, and INEA.  
 Education: Bachelor's Degree in Science (Social Work).



**Steve Creutz**  
 Current Role: General Manager at Scanfil Avidaberg AB, Sweden (2016-Present).  
 Previous Roles: Various managerial and business development positions at Scanfil Avidaberg AB and Platner Tech Avidaberg AB.  
 Education: Courses in Management, Sales, and Finance.



**Christian Kesten**  
 Current Role: General Manager at Scanfil, Suzhou, China (2017-Present).  
 Previous Roles: Various senior engineering and management positions at Sony Mobile Communications, SMC SE Polvo, and Ericsson.  
 Education: M.Sc. in Electrical Engineering, Chalmers University of Technology, Gothenburg, Sweden.



### Customers

- Skytree, CO2 capture scale-up, signed an agreement with Scanfil
- Herma labelling solutions signed as a new customer
- MEUR 41.7 million new projects won in the quarter

### People and organization

- Change from functional to regional organization as of 1 Jan 2025
- New reporting segments: APAC, Americas, Central Europe and Northern Europe

### Sustainability

- SBTi approval for Greenhouse gas reduction targets
- Employee engagement survey shows strong Satisfaction & Motivation score of 70 points and Loyalty score of 77 points

### Performance

- Customer satisfaction increased to 4.07 and NPS to 37
- On-time delivery remained high at 97.9%

# SRX in nutshell



## Company

- Debt free price of EUR 23.3 million (USD 25.7 million)
- Turnover in 2024 fiscal year EUR 39 million
- Operating profit of EUR 2.7 million, margin 7.0%
- Customers: Industrial 57%, Medtech & Life Science 22% and Energy & Cleantech 21%
- 80% of the production is complex box build



## Johor Bahru, Malaysia

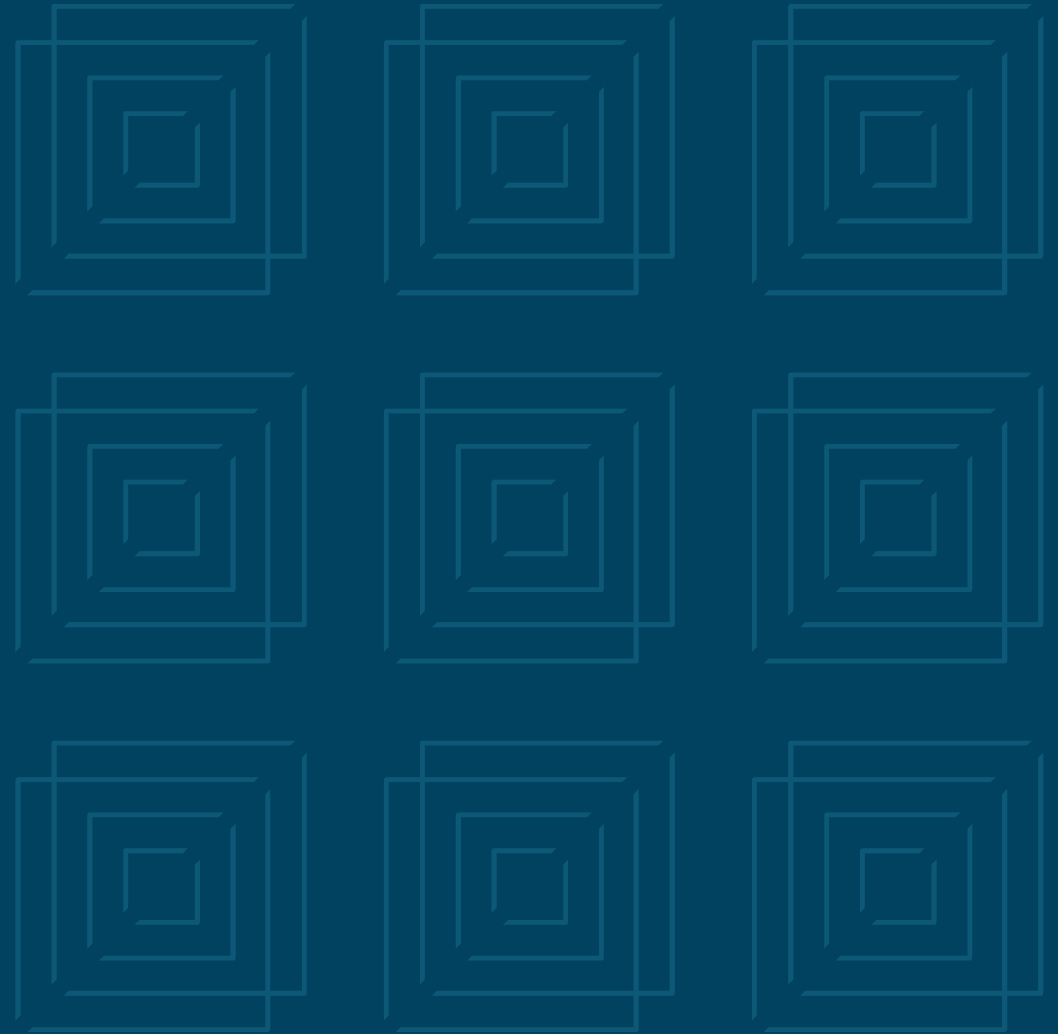
- Factory with space of 4,400 m<sup>2</sup>, opportunities to acquire more space
- Leased
- 60 minutes drive from central Singapore
- 4 SMT lines
- Staff of approximately 140
- Complex box build
- New business focus in the UK market



## Melbourne, Australia

- Factory with space of 7,500 m<sup>2</sup>
- Leased
- 4 SMT lines
- Staff of approximately 140
- Originally built as electronic manufacturing facility for Fujitsu
- Complex box build

# Q3/2024 key financials and customer segments



# Success in defending profit margin in challenging market

Q3/2024

173.3 M€ / -18.6%  
Turnover / YoY, %

12.4 M€ / -18.4%  
Adj. operating profit / YoY, %

7.2% / 7.2%  
Adj. operating margin YoY

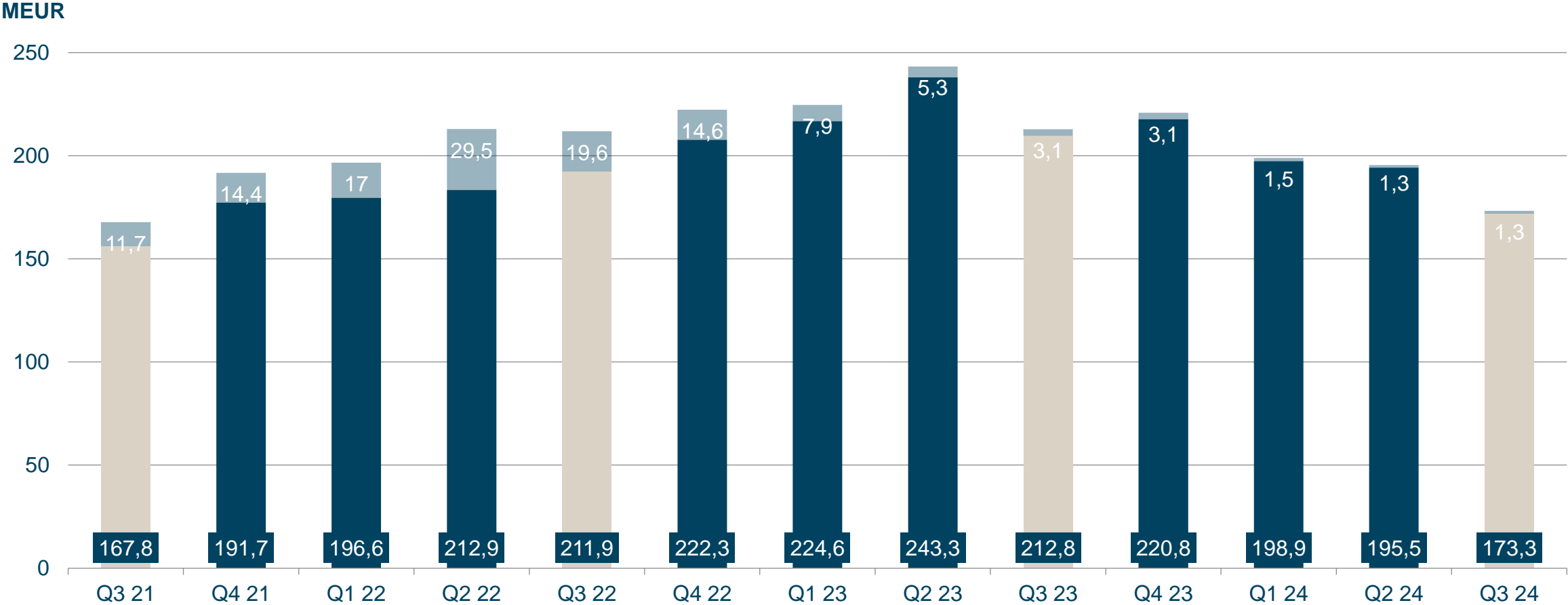
0.17 € / -22.7%  
EPS / YoY, %

0.15 / 1.1  
Net debt / EBITDA / YoY

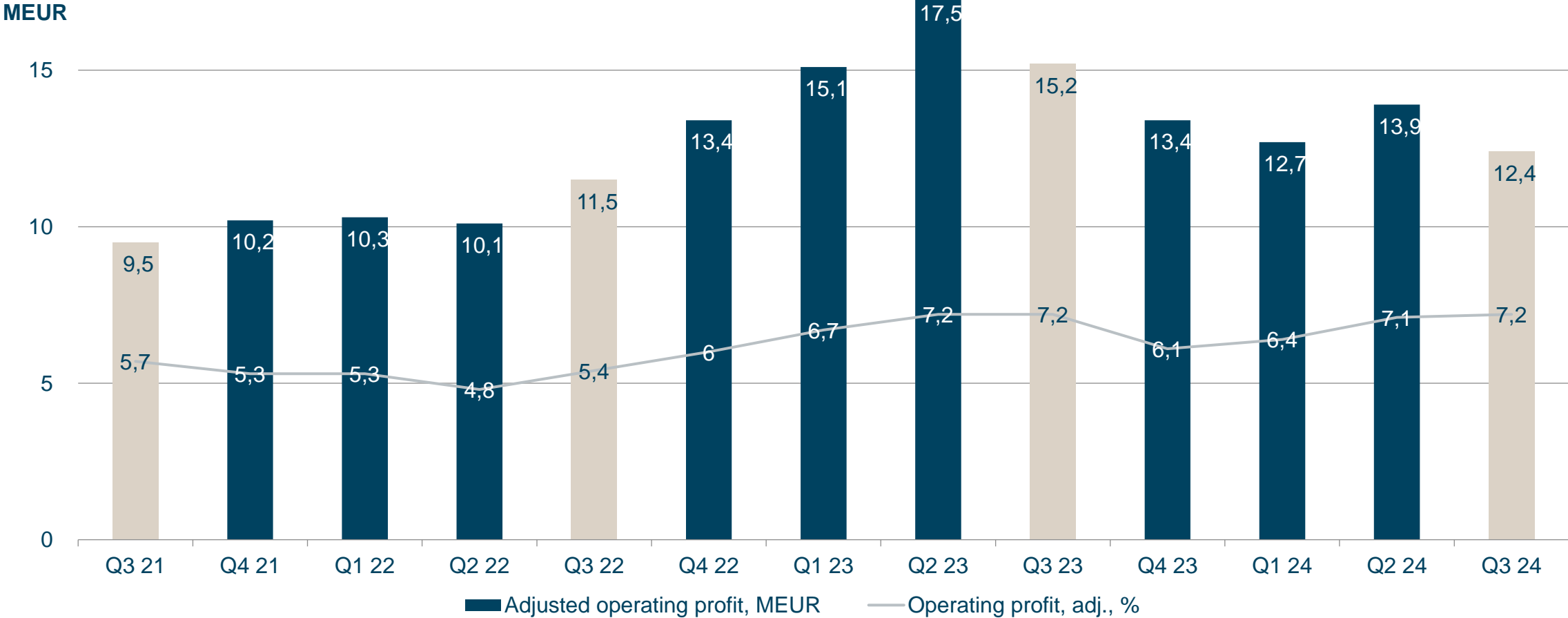


- Profit margin remain stable at 7.2% in a challenging market
- New won deals EUR 41.7 million in the quarter and EUR 126.1 million in Jan-Sept, which bring us confidence
- Balance sheet is very strong, net debt / EBITDA 0.15
- Building strength through efficiency, new customers and M&A
- Strong cash flow of EUR 103 million (TTM)

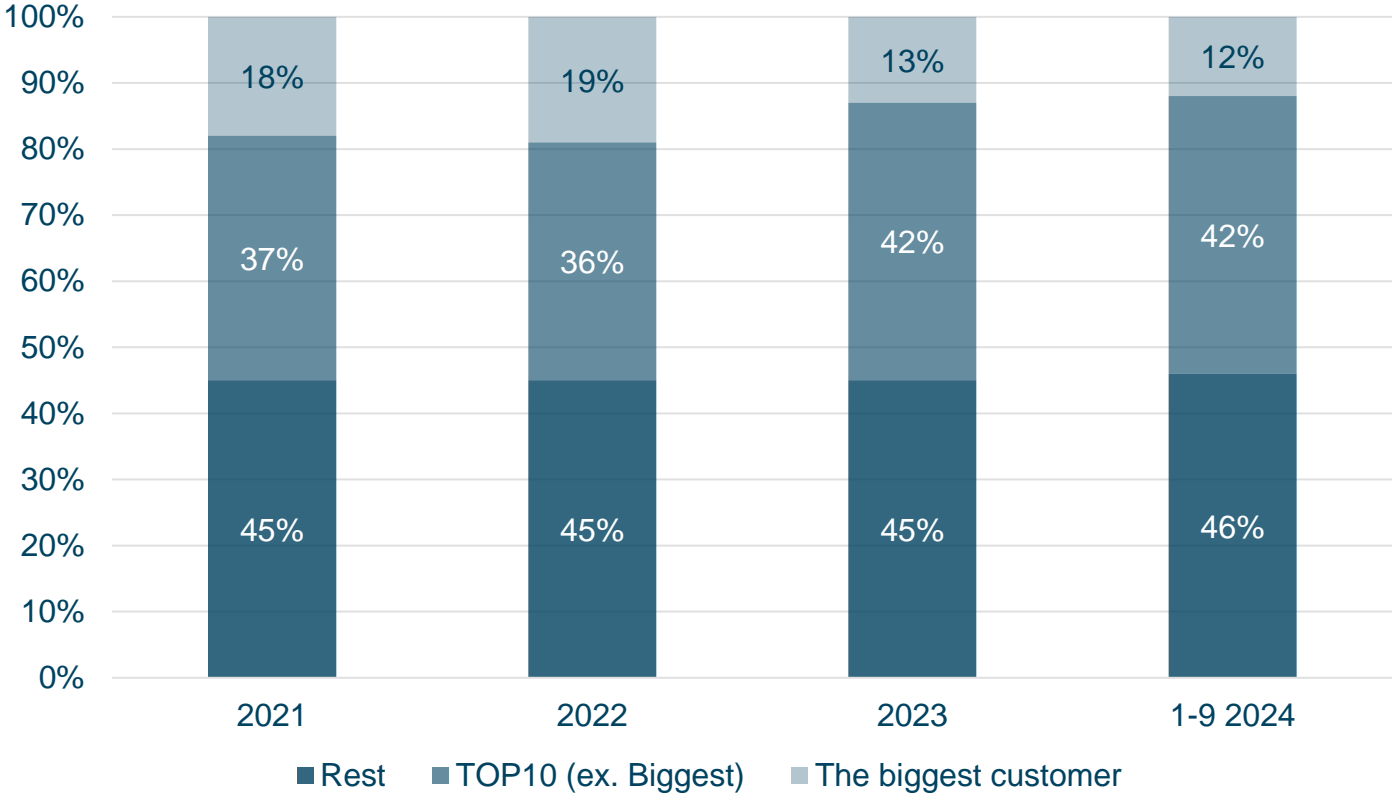
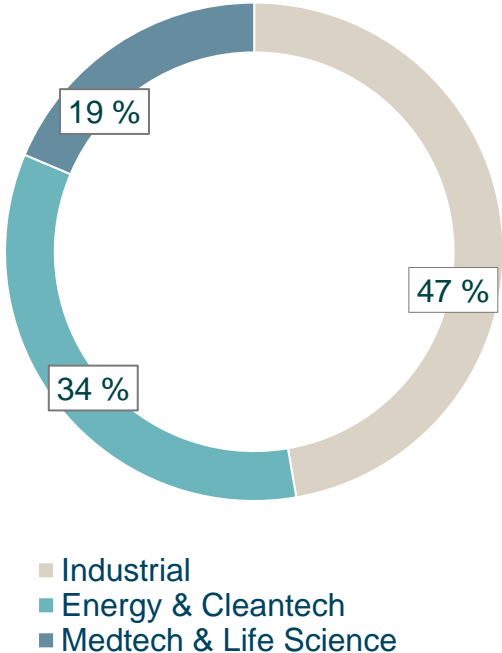
# Turnover Q3/2021–Q3/2024



# Operating profit Q3/2021–Q3/2024



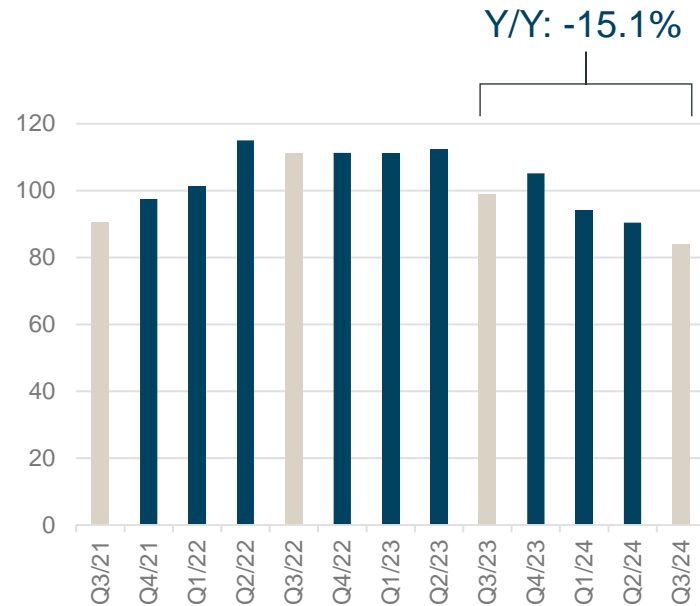
# Customer diversification



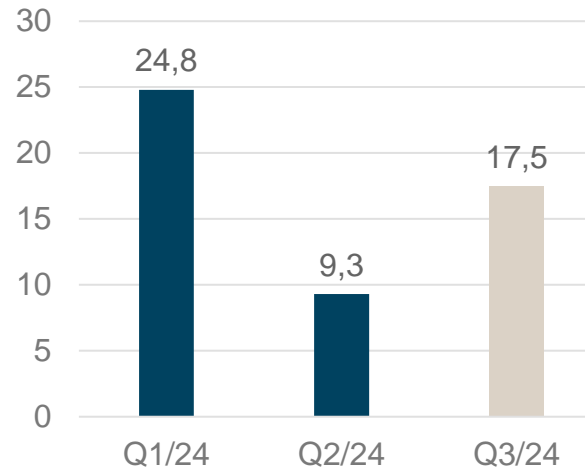


# Segment development in Industrial

Turnover



Won deals in 1-9/2024

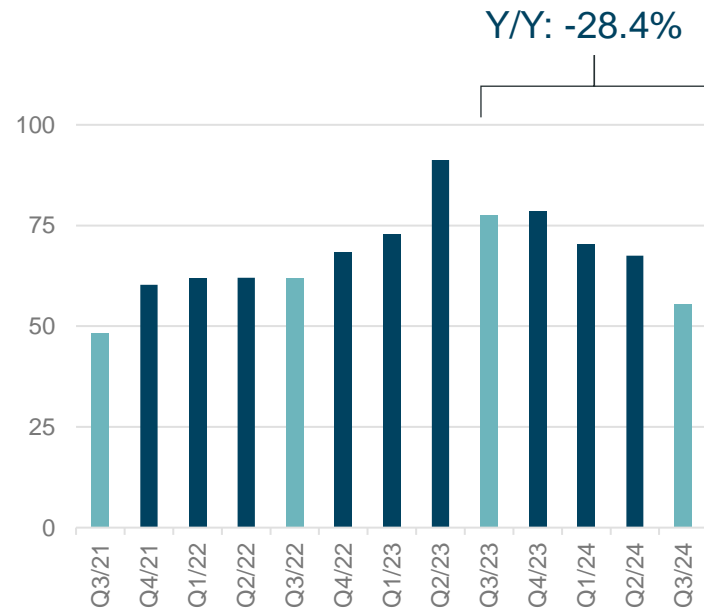


Biggest won deals in Q3/2024

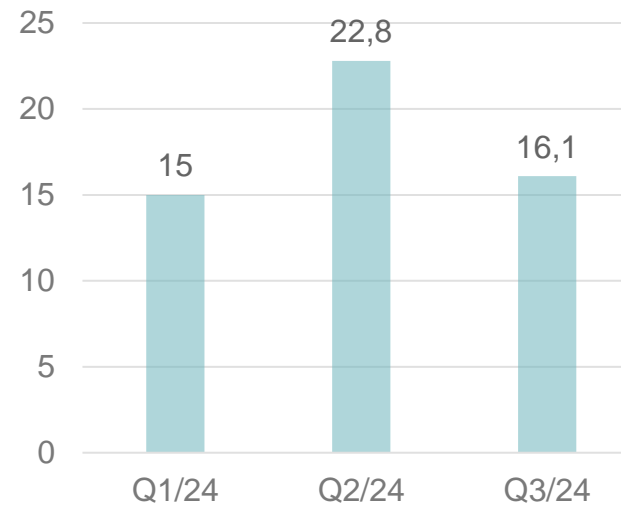
3.5 MEUR	Construction and living
2.5 MEUR	Process industry
2.4 MEUR	Process industry
...	...
<b>17.5 MEUR</b>	<b>In total</b>

# Segment development in Energy & Cleantech

Turnover



Won deals in 1-9/2024

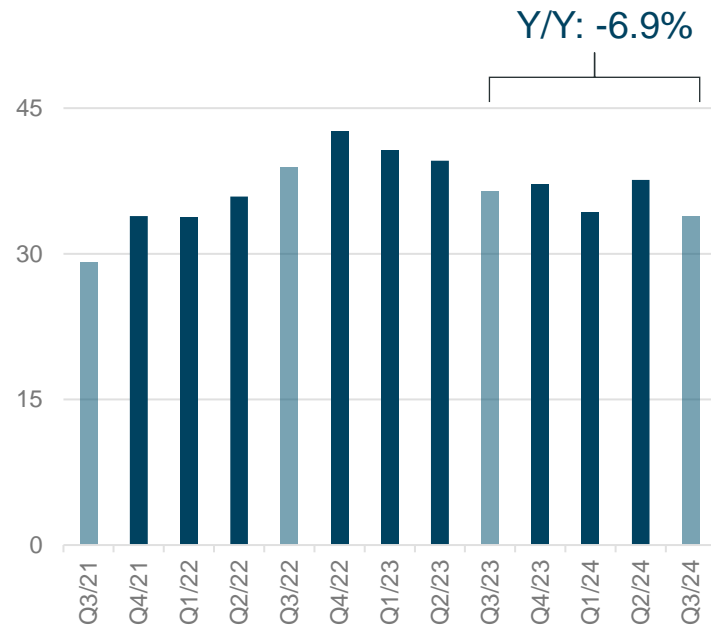


Biggest won deals in Q3/2024

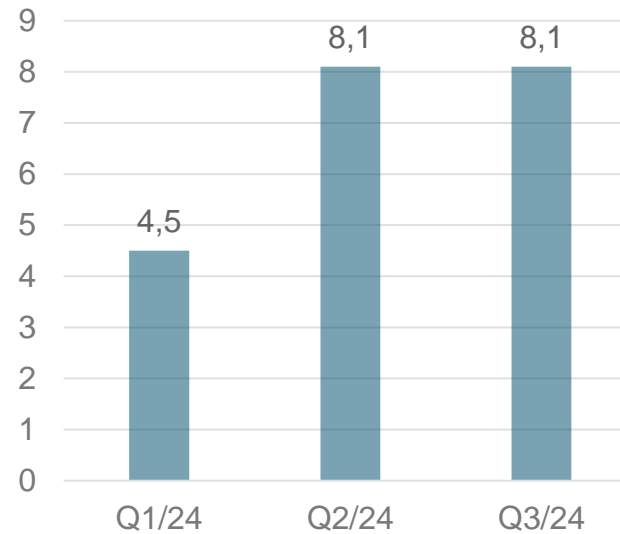
4.6 MEUR	General
4.0 MEUR	Energy efficiency
2.0 MEUR	Energy infrastructure
...	...
<b>16.1 MEUR</b>	<b>In total</b>

# Segment development in Medtech & Life Science

Turnover



Won deals in 1-9/2024

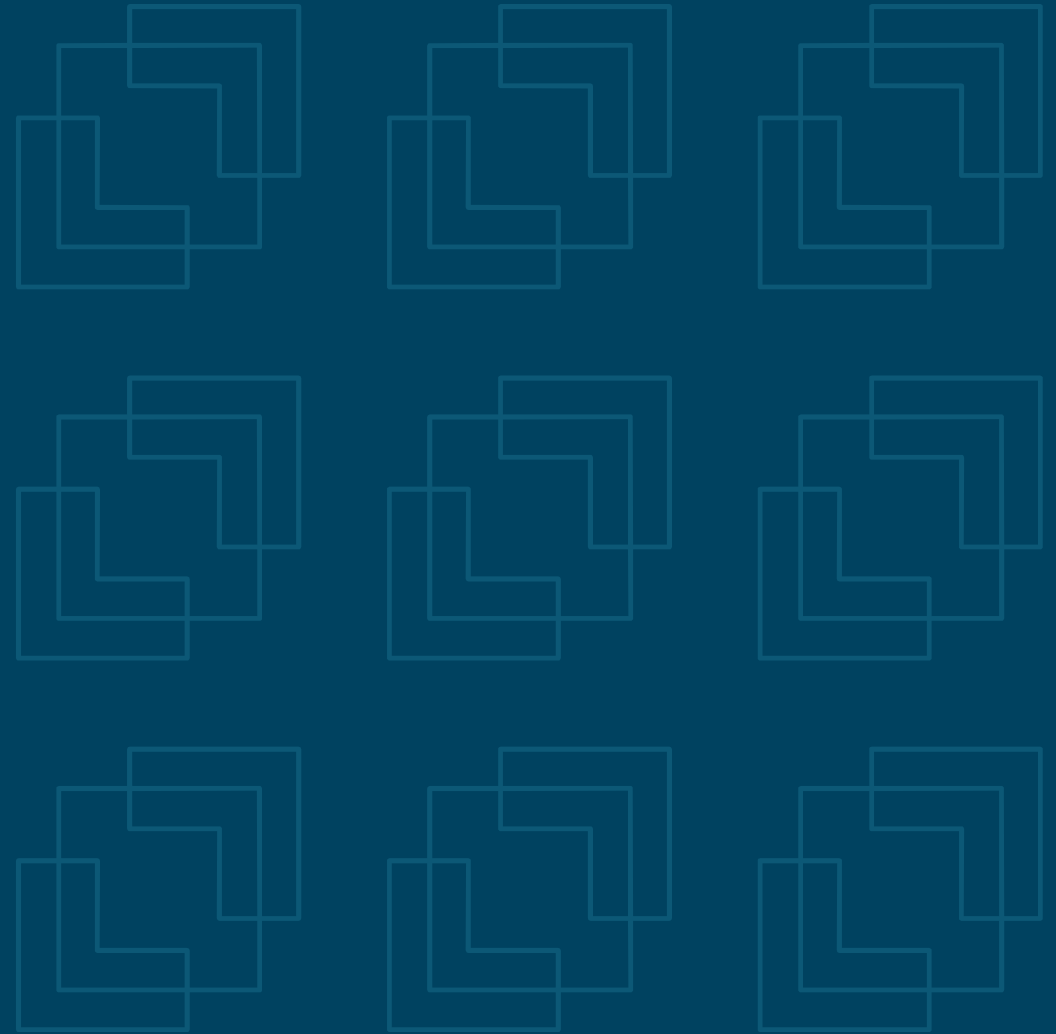


Biggest won deals in Q3/2024

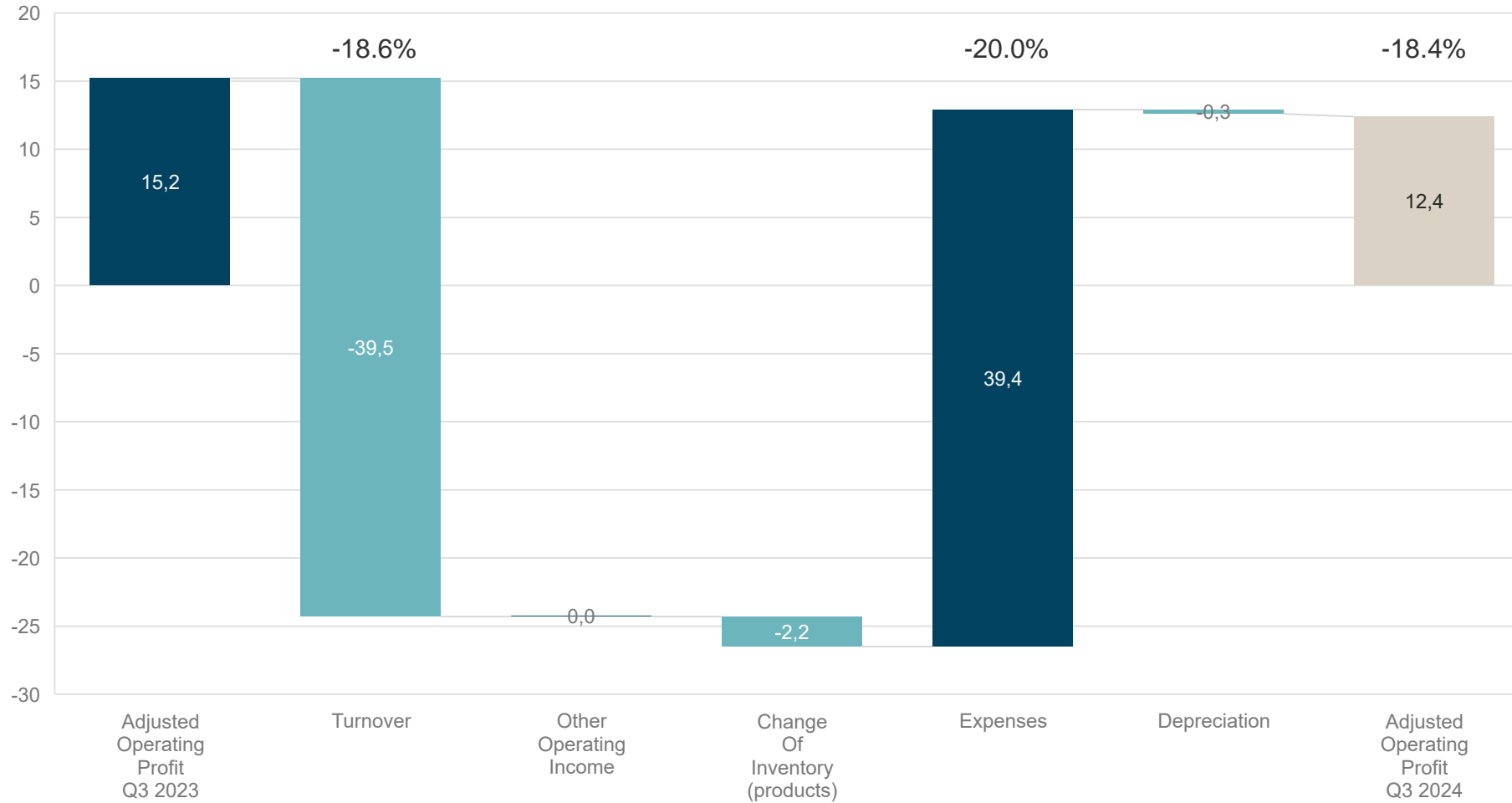
2.8 MEUR	Diagnostics and laboratory equipment
1.3 MEUR	Medtech
0.9 MEUR	Analytical instruments
...	...
<b>8.1 MEUR</b>	<b>In total</b>

# Financials

CFO Kai Valo

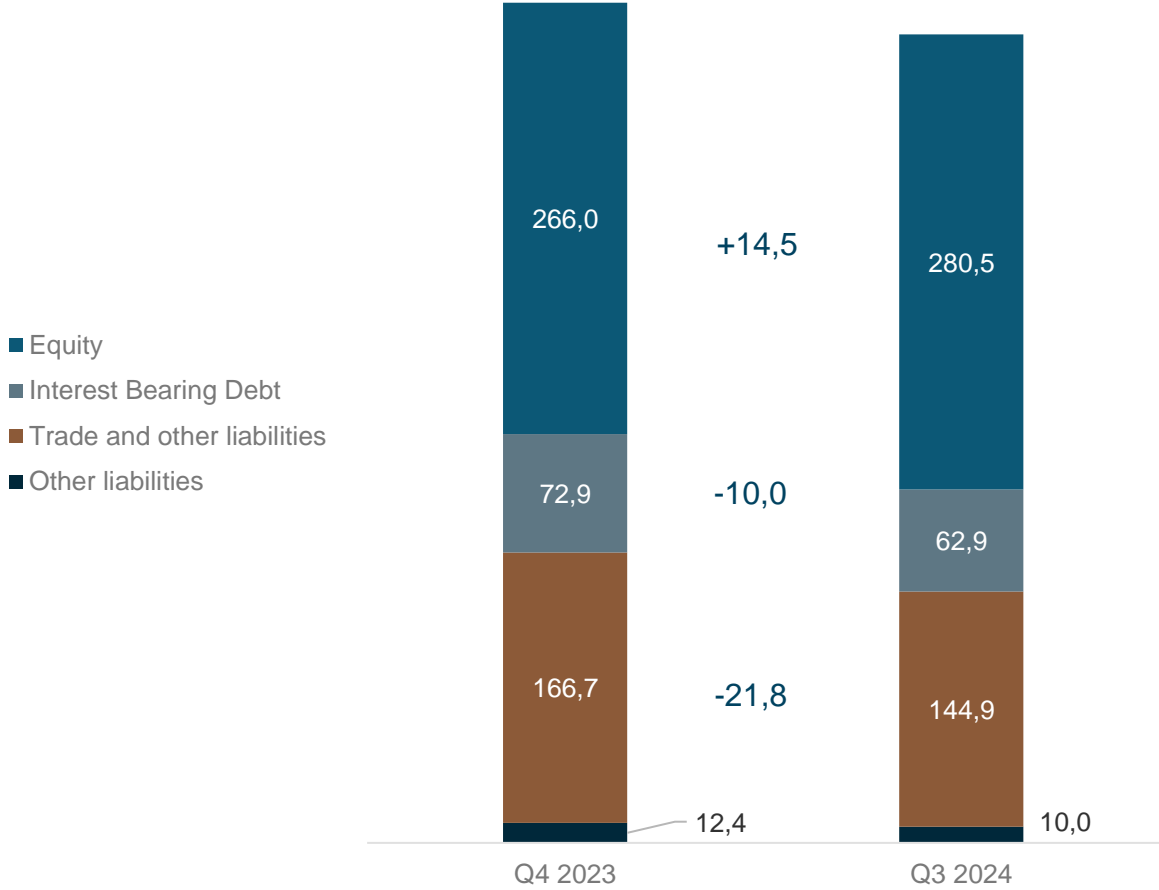
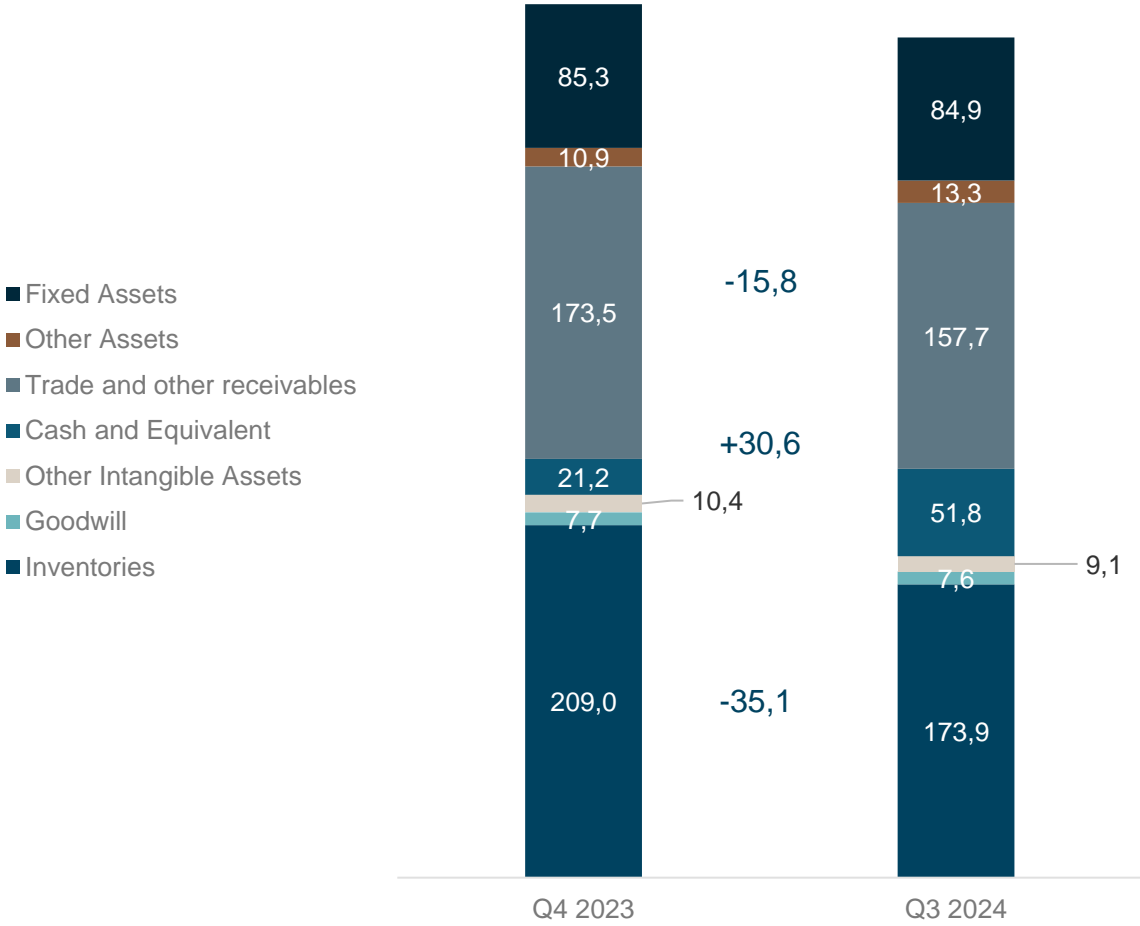


# Focus on operational costs

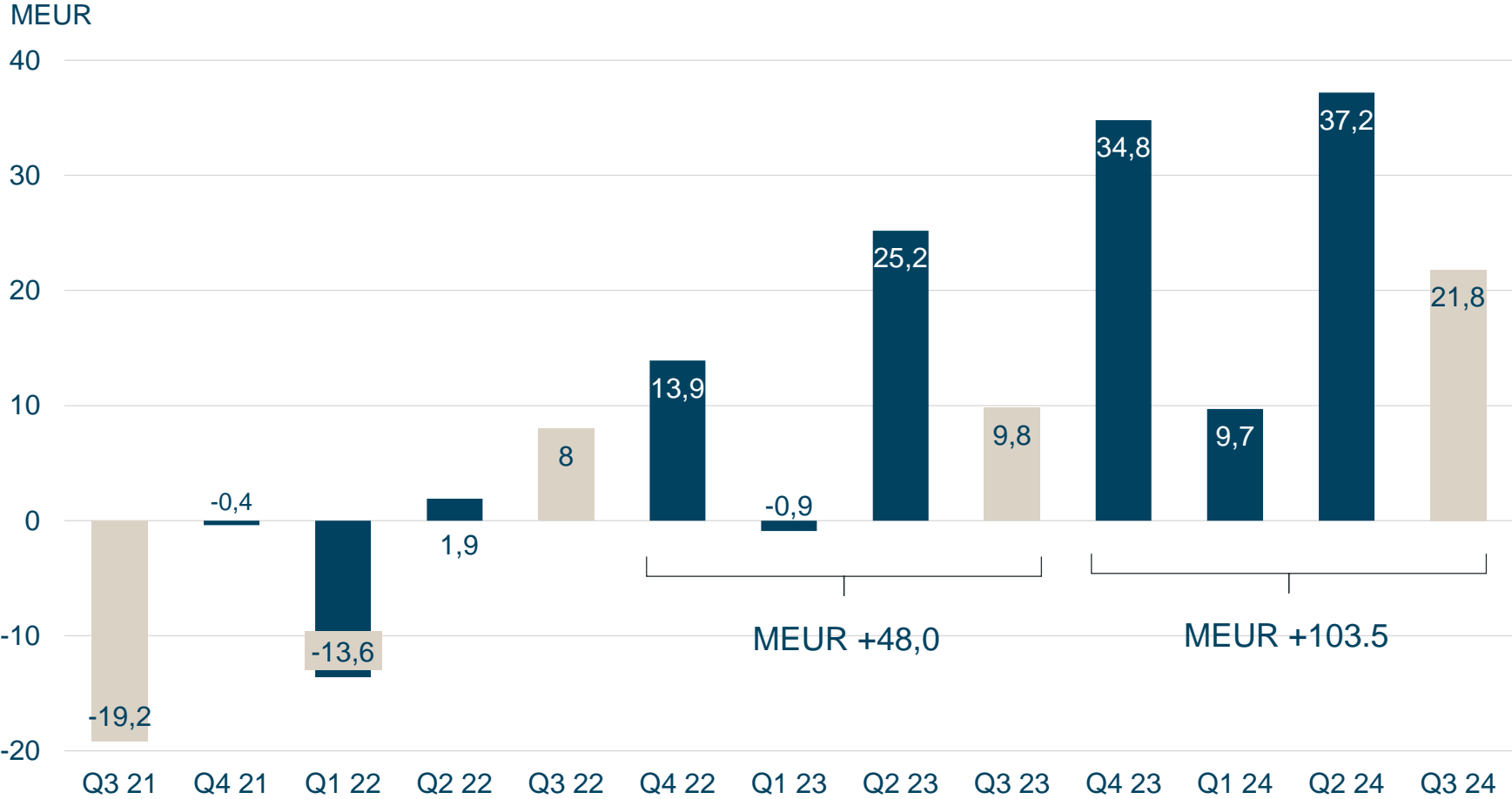


- The turnover for the Q3 was EUR 173.3 million, EUR -39,5/ -18.6% y/y
- High focus on operational costs was driving the expenses lower by EUR -39,4 million / -20%.
- Adjusted operating margin was at the target level 7.2% (7.2%) and the same as Q3 last year.
- The adjusted operating profit for Q3 was EUR 12.4 million.

# Balance sheet strengthen even further



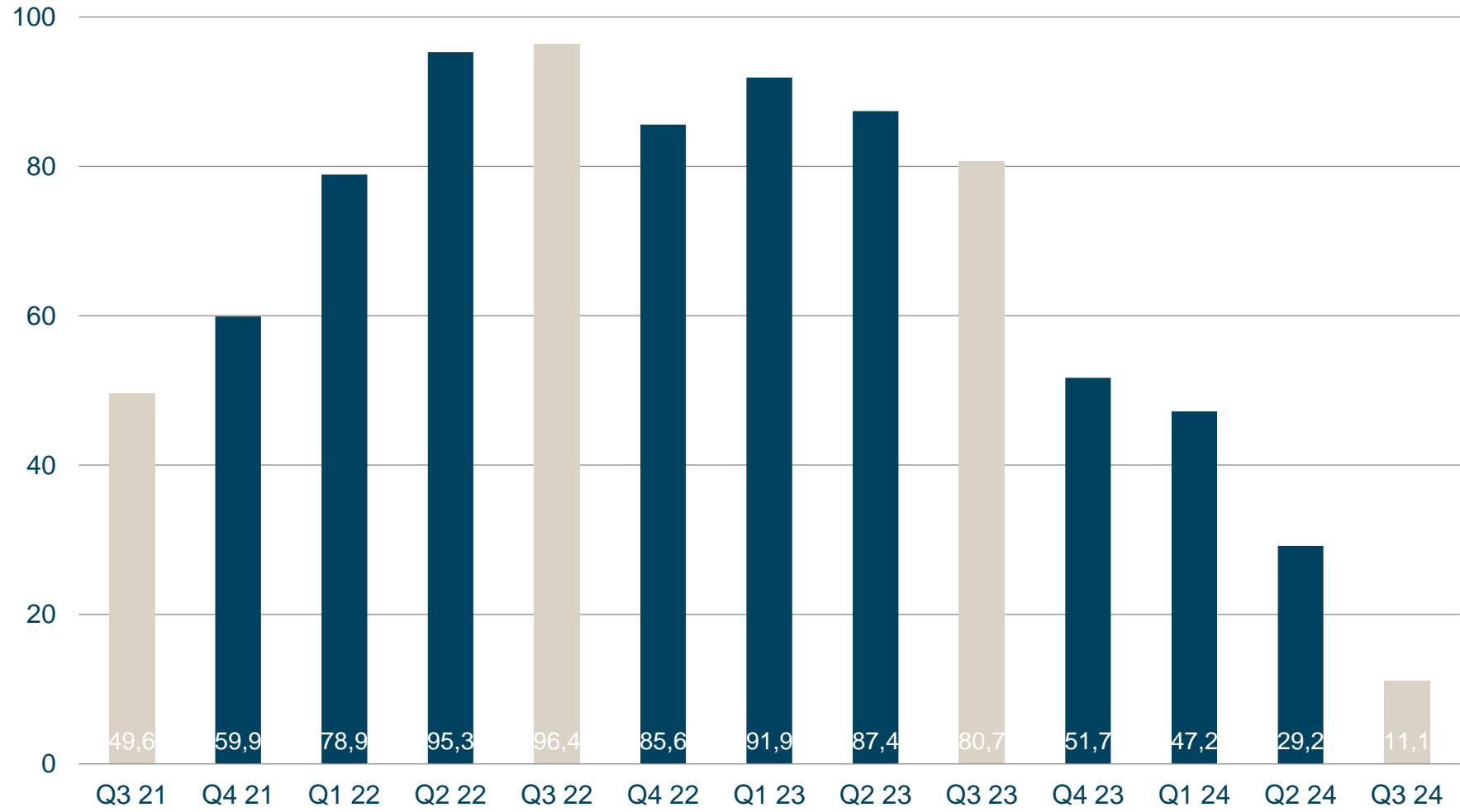
# Net cash from operating activities Q3/2021–Q3/2024



- First 9 months net cash flow from operating activities was EUR 68.7 (34.1) million
- The positive change resulted from the EUR 35.1 million impact of the reduction in the inventories.
- Rolling 12 months cash flow was EUR 103.5 million positive.
- Positive cash flow rolling 12 months was supported by EUR 51.4 million reduction of the inventories.

# Net debt Q3/2021–Q3/2024

MEUR

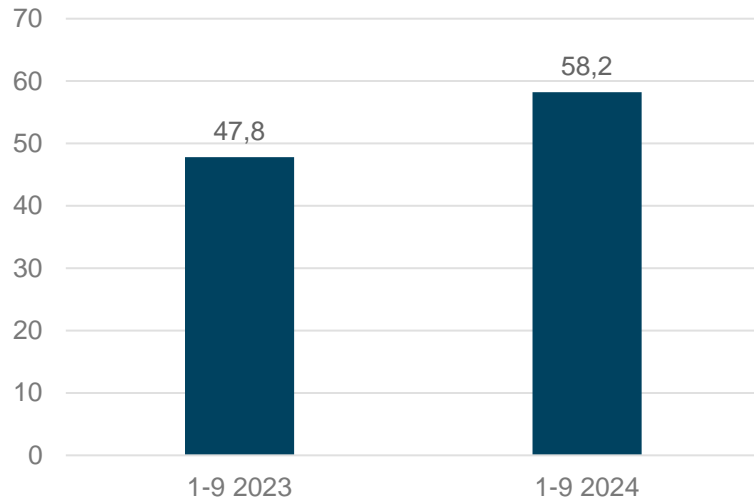


- Net Debt was EUR 11.1 (80,7) million
- Cash and cash equivalents totaled EUR 51.8 (13.6) million.
- Interest-bearing liabilities were EUR 62.9 (94.4)
- Total liquidity EUR 142.9 million.
- EUR 91.1 million of unused credit facilities and EUR 51,8 million of cash.
- Net debt / EBITDA 0.15 (1.01)

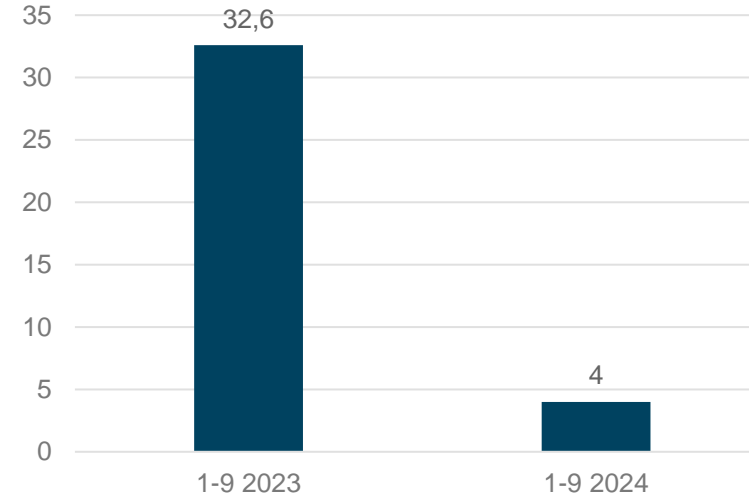


# Key figures

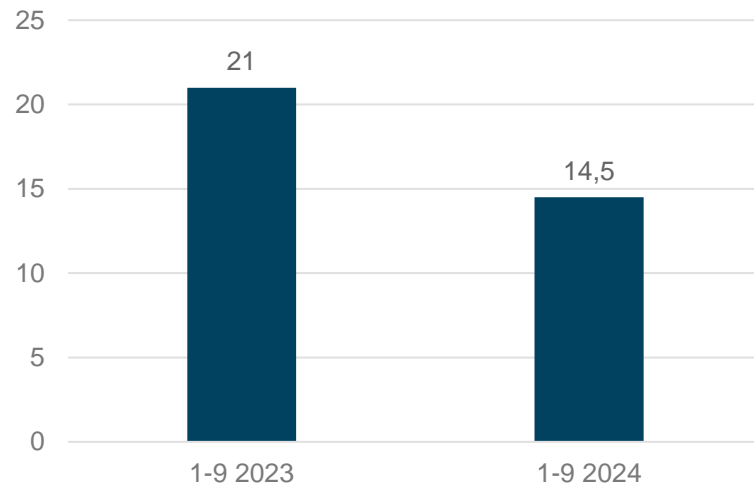
## Equity Ratio



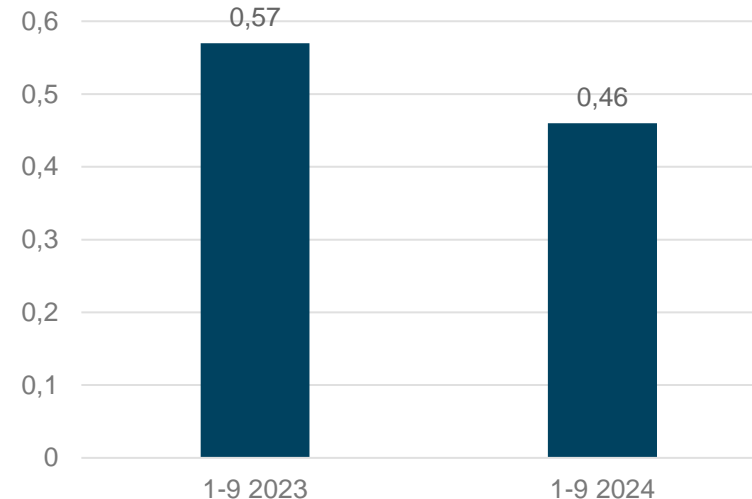
## Net Gearing



## ROE, adjusted



## Earnings per Share, adjusted



- Equity ratio 58,2% (47,8%)
- Equity increased by EUR 32.9 million
- Balance sheet was lower by EUR -43.5 million driven
- Net gearing 4.0 (32.6)
- Net debt was EUR 11,1 million and decreased by EUR -69,6 million
- Total equity EUR 280,5 million.
- ROE 14.5% (21.0).
- Net profit EUR -7.6 million
- Equity EUR +9.1 million
- Earning per share 0.46 (0.57)
- Net profit EUR 29,4 million (37,3).

# Outlook



# Outlook and focus in 2024

We expect our turnover to be EUR 780–840 (820–900) million and adjusted operating profit to be EUR 54–61 (57–65) million.

The fourth quarter is expected to be the strongest quarter of the year in turnover and operating profit.

## Focus areas:

- Build up sales pipeline with special focus on Energy & Cleantech and Medtech & Life Science
- Secure profitability with focus on cost base, automation and digitalization
- Gearing for growth – Building pipeline for M&A – Building accountability and making organization scalable



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Q&A

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# Key takeaways

- Q3/2024
  - Adjusted operating margin 7.2%, within long-term target of 7%-8%
  - EUR 41.7 million won deals, slight increase from the second quarter
  - Net cash flow from operations exceeded EUR 21.8 million
  - Net debt/EBITDA 0.15
- Gearing for growth
  - SRX acquisition on October 3rd
  - New region and customer segmentation enhances growth
  - Healthy and slightly increasing pipeline of new customer projects
  - Strong financial position enables organic and inorganic growth



SMT line in Suzhou factory.

# Contact information and analysts

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