

**SCANFIL**

# Scanfil plc Half-Year Report January-June 2022

5 AUGUST 2022



## Scanfil Group's Half-Year Report January–June 2022

# Record high turnover in January–June

### April–June

- Turnover totaled EUR 212.9 million (4-6 2021: 172.9), an increase of 23.2%.
- Operating profit was EUR 10.1 (10.6) million, a decrease of 4.1%
- Operating margin was 4.8% (6.1%) of turnover
- Net profit was EUR 7.1 (8.6) million, a decrease of 17.0%
- Earnings per share were EUR 0.11 (0.13)
- EUR 0.19 dividend per share was paid on 2 May 2022, an increase for the 9<sup>th</sup> consecutive year

### January–June

- Turnover totaled EUR 409.5 million (1-6 2021: 336.2), an increase of 21.8%.
- Operating profit was EUR 20.5 (20.6) million, a decrease of 0.4%
- Operating margin was 5.0% (6.1%) of turnover
- Net profit was EUR 15.2 (16.2) million, a decrease of 6.4%
- Earnings per share were EUR 0.23 (0.25)

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### Future Outlook for 2022

The outlook was revised by the company on 13 July 2022 and it is as follows:

Scanfil estimates that its turnover for 2022 will be EUR 800–880 million (previous, issued on 14 April 2022: EUR 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.

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### Long-term targets

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

## Key Figures

	Q2 2022	Q2 2021	Change,%	H1 2022	H1 2021	Change,%	2021
Turnover, EUR million	212.9	172.9	23.2	409.5	336.2	21.8	695.7
Operating Profit, EUR million	10.1	10.6	-4.1	20.5	20.6	-0.4	39.6
Operating Profit, %	4.8	6.1		5.0	6.1		5.7
Net Profit, EUR million	7.1	8.6	-17.0	15.2	16.2	-6.4	29.8
Earnings per Share, EUR	0.11	0.13	-17.2	0.23	0.25	-6.7	0.46
Return on Equity, %				14.6	17.3		15.2
Equity Ratio, %				40.5	50.2		45.3
Net Gearing, %				45.4	13.0		28.9
Net Cash Flow from Operations, EUR million				-11.7	7.1	-265.1	-12.5
Employees (Average)				3,339	3,255	2.6	3,267

**CEO PETTERI JOKITALO:**

“The turnover for the second quarter of the year was at a record high level, EUR 212.9 million, with an increase of 23 percent compared to last year. Customer demand was generally strong in all customer segments. Individual customer products with a strong demand were, e.g., process automation systems, analyzers, frequency converters, reverse vending machine and indoor air products.

China's corona measures in April-May and the poor availability of electronic components caused challenges during the quarter. In order to meet customer demand, we had to buy, especially semiconductor, components at a significantly higher price than the normal price on the spot market. We invoiced our customers for the additional costs that arose from this, but in general without a material margin. This kind of transitory invoicing affected the turnover of the second quarter by EUR 29.5 million. Without this transitory invoicing, the turnover for the second quarter was EUR 183.4 million.

Operating profit in the second quarter was EUR 10.1 million. The operating profit was negatively affected by the exchange rate loss of EUR-1.4 million, mainly due to the strengthening of the US dollar. China's corona lockdown measures affected the profitability of the Suzhou factory, especially in April, after which we have recovered to a normal level of operation and profitability in May-June. We expect the operating profit to develop positively in the second half of the year.

The net cash flow from operations turned positive in the second quarter and was around EUR 2 million. Strengthening net cash flow and the related halting of inventory growth will remain a key focus area in the second half of the year.

Scanfil's financial position is stable, which enables planned investments to be implemented. The equity ratio at the end of the quarter was 40.5 percent, and the net debt ratio was 45.4 percent.

Our customers indicate further strengthening demand for the latter half of the year. The key near-term business risks are related to the availability of materials, especially semiconductors, the development of the corona pandemic, especially in China, and the effects of the war in Ukraine. Towards the end of the year, the first signals were received about the ease of availability of semiconductors.

We changed the turnover outlook due to increased customer demand and higher than expected spot market purchases and customer transitory invoicing. We expect spot market purchases to be at a high level at least in the third quarter of the year, but the use of the spot market and the resulting transitory invoicing will decrease rapidly as the availability of components improves. We now estimate Scanfil's 2022 turnover to be EUR 800–880 million. Regarding the adjusted operating profit, we stick to the previous outlook of EUR 43–48 million.

To respond to the increase in customer demand, we acquired new production space at the beginning of the year at the Atlanta and Wutha factories. During the spring, we have also increased production space at Suzhou and Malmö factories. In total, we have increased production space by 11,000 m<sup>2</sup> in 2022.

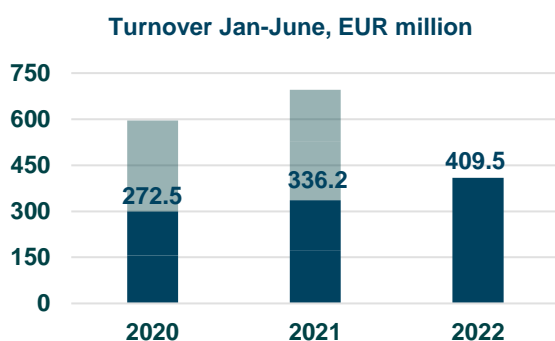
I thank our committed personnel for their excellent work in challenging conditions and our customers for their support and trust”.

## Scanfil Group's Half-Year Report January–June 2022

### TURNOVER

The Group's turnover for **April–June** was EUR 212.9 (172.9) million, an increase of 23.2% compared to the previous year. Turnover includes EUR 29.7 (5.4) million invoicing of spot-market purchases and some other costs related to securing customer deliveries. Invoicing of these costs are separately agreed with customers. This revenue is low or no margin to Scanfil.

Turnover in **January–June** was EUR 409.5 (336.2) million, an increase of 21.8% compared to the previous year. Turnover includes EUR 46.8 (16.7) million of spot-market purchases and some other costs related to securing customer deliveries.



### TURNOVER BY CUSTOMER SEGMENT

#### Advanced Consumer Applications

Turnover in **April–June** was EUR 68.7 (53.4) million, an increase of 28.6% compared to April–June in 2021. Separately agreed customer invoicing for the segment was EUR 15.2 (0.7) million.

Turnover in **January–June** was EUR 123.7 (96.3) million, an increase of 28.5% compared to January–June in 2021. Separately agreed customer invoicing was EUR 20.6 (0.8) million. The key driver was good demand for elevator products and hand-over solutions.

#### Automation & Safety

Turnover in **April–June** was EUR 45.6 (36.8) million, an increase of 24.0%. Separately agreed customer invoicing for the segment was EUR 2.5 (2.0) million.

Turnover in **January–June** was EUR 88.2 (71.3) million, an increase of 23.7% compared to January–June in 2021. Separately agreed customer invoicing was EUR 4.7 (2.5) million. The key driver was good demand in process automation and safety solutions.

### Connectivity

Turnover in **April–June** was EUR 9.1 (7.3) million, an increase of 24.0%. Separately agreed customer invoicing for the segment was EUR 0.5 (-) million.

Turnover in **January–June** was EUR 19.9 (15.4) million, an increase of 29.1% compared to January–June in 2021. Separately agreed customer invoicing for the segment was EUR 0.7 (-) million. Demand was good throughout the customer base.

### Energy & Cleantech

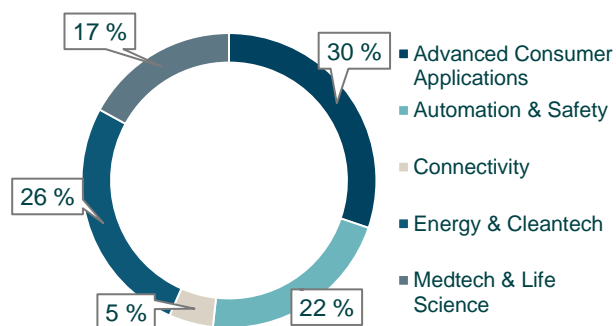
Turnover in **April–June** was EUR 53.5 (44.8) million, an increase of 19.2%. Separately agreed customer invoicing for the segment was EUR 7.3 (2.4) million.

Turnover in **January–June** was EUR 108.0 (85.1) million, an increase of 26.9% compared to January–June in 2021. Separately agreed customer invoicing was EUR 14.7 (2.4) million. The key driver behind the strong growth was good demand for recycling and energy-saving solutions.

### Medtech & Life Science

Turnover in **April–June** was EUR 36.0 (28.5) million, an increase of 26.4%. Separately agreed customer invoicing for the segment was EUR 4.1 (-) million.

Turnover in **January–June** was EUR 69.7 (57.5) million, an increase of 21.1% compared to January–June in 2021. Separately agreed customer invoicing was EUR 5.9 (0.2) million.



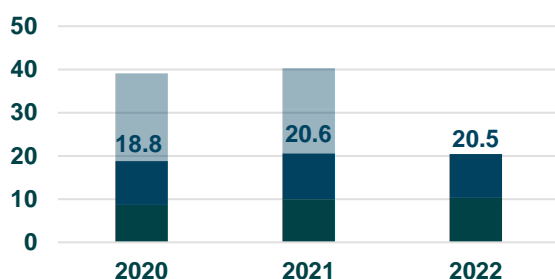
In January–June 2022, the largest customer accounted for 19.1% (16.1%) of turnover, and the top ten customers accounted for about 55.5% (54.9%) of turnover.

## OPERATING PROFIT

Operating profit for **April–June** was EUR 10.1 (10.6) million, 4.8% (6.1%) of turnover. The operating profit was positively affected by the continuation of good customer demand. Recently the currency exchange rates have fluctuated very rapidly. Although the company has taken strong measures in hedging of the key currencies, the rapid daily changes especially with the strengthening of USD and CNY result in a EUR 1.4 million negative impact on operating profit. Actions to further mitigation of the risk will continue in the third quarter. In addition, China COVID lockdowns had a negative impact on operating profit in April-May. In addition, material shortages caused lower productivity, especially in the biggest electronic factories. The operating margin was negatively impacted by the separately agreed customer invoicing with no margin.

Operating profit for **January–June** was EUR 20.5 (20.6) million, 5.0% (6.1%) of turnover. The operating profit was positively affected by good customer demand. The change in foreign exchange rates had a EUR 2.0 million negative impact on operating profit. In addition, China lockdown and material shortages impacted negatively on the profitability. The operating margin was negatively impacted by the separately agreed customer invoicing with no margin.

Operating profit Jan-June, EUR million



## NET PROFIT AND EARNINGS

The net profit for **April–June** was EUR 7.1 (8.6) million. Earnings per share were EUR 0.11 (0.13).

The net profit for **January–June** was EUR 15.2 (16.2) million. Earnings per share were EUR 0.23 (0.25). Return on investment was 13.4% (18.1%).

The effective tax rate in **January–June** was 20.8% (17.9%).

## FINANCING AND CAPITAL EXPENDITURE

The Group has a stable financing position. The consolidated balance sheet total was EUR 535.5 (385.0) million **at the end of the review period**. Cash and cash equivalents totaled EUR 17.2 (16.9) million. Liabilities amounted to EUR 325.7 (193.3) million, of which non-interest-bearing liabilities totaled EUR 213.3 (151.5) million and interest-bearing liabilities totaled EUR 112.5 (41.9) million. Interest-bearing liabilities consisted of EUR 89.3 (23.9) million of financial liabilities and EUR 23.2 (18.0) million of leasing liabilities. The increase in non-interest-bearing liabilities was caused by the increase in accounts payables. The interest-bearing liabilities were increased by the long-term debt of EUR 30.0 million, drawn in November 2021. Besides the new loan, company increased the use of available credit facilities by EUR 41.4 million. Loan payments were EUR 6.0 million. The Group has EUR 55.5 million of unused credit facilities.

The equity ratio was 40.5% (50.2%), and net gearing was 45.4% (13.0%). Equity per share was EUR 3.23 (2.95).

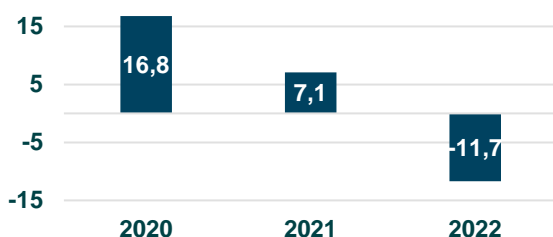
The Group's financial arrangement includes discharge covenants related to equity ratio and interest-bearing net debt/EBITDA ratio. The terms of the covenants are reviewed quarterly. At the end of the period under review, the terms have been clearly complied with.

## CASH FLOW

The net cash flow from operating activities for the review period **January–June** was EUR -11.7 (7.1) million. However, in period of **April–June**, the cash flow from the operating activities turned nearly EUR 2 million positive while in period **January–March**, it was still EUR -13.6 million negative. Working capital increased by EUR 35.4 (16.4) million due to the turnover growth, and challenges in material availability, and increase in material prices. Working capital consisted of the following items: short-term non-interest-bearing receivables increased by EUR 31.3 (19.4) million, inventories increased by EUR 36.8 (34.9) million, and short-term non-interest-bearing liabilities increased by EUR 32.6 (37.8) million.

The net cash flow in **January–June** from investing activities was EUR -10.0 (-4.0) million. The cash flow from financing activities was EUR +12.8 (-12.2) million, including a EUR -12.3 (-11.0) million dividend payment, EUR -3.0 (-3.0) million in repayments of long-term loans and change in overdraft facility EUR 29.8 (2.5) million.

Cash flow from operations Jan-June,  
EUR million



Gross investments in **January–June** totaled EUR 9.9 (4.0) million, which was 2.4% (1.2%) of the turnover. The increase in investments was mainly attributable to capacity adjustments. The Group acquired more machinery and equipment to respond to high demand. Depreciation totaled EUR 8.2 (7.6) million.

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

Scanfil plc's Annual General Meeting was held on April 21, 2022, at the premises of Borenus Attorneys Ltd. Due to the COVID-19 pandemic, shareholders and their proxies had to vote in advance and physical attendance at the Meeting was not possible.

The Meeting 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 Meeting and the minutes of the Annual General Meeting are available on the company website at [www.scanfil.com/agm](http://www.scanfil.com/agm).

#### OWN SHARES

On June 30, 2022, the company owned 138,738 of its own shares, representing 0.2% of all shares.

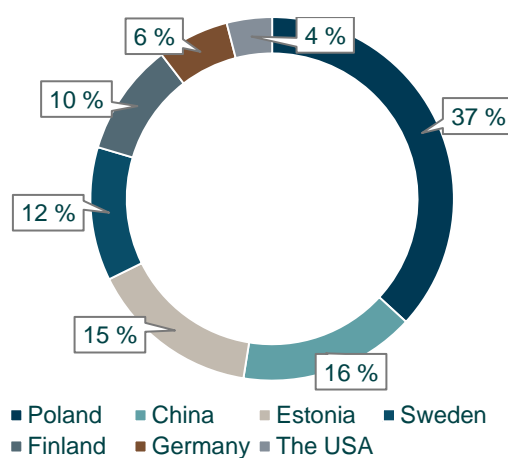
#### SHARE TRADING AND SHARE PERFORMANCE

During **January–June**, a total of 20,000 treasury shares were subscribed under Scanfil Plc's stock options 2016C with EUR 89,600. The whole subscription price for subscriptions made with the stock options was recognized in the company's reserve for invested unrestricted equity. The number of Scanfil shares was 64,959,993 in total as of June 30, 2022.

The highest trading price during January–June was EUR 8.06, and the lowest was EUR 6.00, with the closing price for the period standing at EUR 6.26. A total of 2,318,926 shares were traded during the period, corresponding to 3.6% of the total number of shares. As of June 30, 2022, the market value of the shares was EUR 406.6 million.

#### PERSONNEL

At the end of the period under review, the Group employed 3,400 (3,332) people, 3,060 (2,980) of whom worked outside Finland and 340 (352) in Finland. The average number of Group employees during the review period was 3,339 (3,255) people.



#### CHANGES IN GROUP STRUCTURE

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

#### FUTURE OUTLOOK (UNDER CONSIDERATION)

Scanfil estimates (revised on 13 July 2022) that its turnover for 2022 will be EUR 800–880 (previous: 750–820 million), and its adjusted operating profit will be EUR 43–48 (unchanged) million.

The guidance is based on customer forecasts and Scanfil's normal forecasting process. 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.

#### LONG-TERM TARGETS

Scanfil is organically aiming for 5%–7% annual turnover growth and a 7% operating profit level. Scanfil aims to

pay an increasing dividend of approximately 1/3 of the earnings per share.

## RISKS AND UNCERTAINTIES

Current recognized risks are related to uncertainties in the global economy, materials prices and availability, high inflation, exchange rates and COVID-19.

Before the beginning of the war in Ukraine, Scanfil had only a few suppliers and subcontractors in Russia and Ukraine. The company has replaced these with new vendors operating in other countries. Scanfil did not have customers in Russia and therefore economic sanctions set on Russia did not have direct sales impact. Energy availability and cost in Europe can cause increasing pricing pressure and risk on the profitability.

The overall inflation has an effect on the company's cost structure. Scanfil has and will increase customer prices in relation to increase in costs.

Material availability, especially semiconductors, has been challenging since 2021 and it might remain challenging in the near future. Scarcity has increased semiconductor prices and created challenges in getting orders on time and in full. In order to solve these challenges, Scanfil has used spot market purchases to secure materials for customer deliveries.

COVID-19 situation has improved, but it could still have an effect on Scanfil's operations directly or indirectly through the supply and subcontractor chain. In addition, Scanfil's business involves operational risks, exchange and interest rate risk and credit risks.

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 2021.



**RECONCILIATION OF ADJUSTED OPERATING PROFIT, NET PROFIT FOR THE PERIOD AND SHAREHOLDERS' EQUITY**

	4 - 6 2022	4 - 6 2021	1 - 6 2022	1 - 6 2021	1 - 12 2021
EUR million					
<b>Operating profit</b>	10.1	10.6	20.5	20.6	39.6
Operating profit, % of turnover	4.8 %	6.1 %	5.0 %	6.1 %	5.7 %
Adjustment items:					
<i>Other operating income</i>					
<i>Expenses</i>					0.7
<i>Depreciation and amortization</i>					
Total adjustment items					
<b>Adjusted operating profit</b>	<b>10.1</b>	<b>10.6</b>	<b>20.5</b>	<b>20.6</b>	<b>40.3</b>
<b>Adjusted operating profit, % of turnover</b>	<b>4.8 %</b>	<b>6.1 %</b>	<b>5.0 %</b>	<b>6.1 %</b>	<b>5.8 %</b>
Financial income and expenses	-0.3	-0.1	-1.3	-0.8	-1.9
Profit before taxes	9.8	10.4	19.2	19.7	37.7
Income taxes	-2.7	-1.8	-4.0	-3.5	-7.9
Adjustment items:					
<i>Income taxes</i>					1.6
Total adjustment items					1.6
<b>Net profit for the period</b>	<b>7.1</b>	<b>8.6</b>	<b>15.2</b>	<b>16.2</b>	<b>29.8</b>
Earnings per share, EUR	0.11	0.13	0.23	0.25	0.46
<b>Adjusted net profit for the period</b>	<b>7.1</b>	<b>8.6</b>	<b>15.2</b>	<b>16.2</b>	<b>32.0</b>
Adjusted earnings per share, EUR	0.11	0.13	0.23	0.25	0.50
<b>Equity</b>			<b>209.7</b>	<b>191.7</b>	<b>207.4</b>
<b>Return on equity, %</b>			<b>14.6 %</b>	<b>17.3 %</b>	<b>15.2 %</b>
Adjustment items:					
<i>Net profit for the period</i>					2.3
<i>Impact of the sale of the subsidiary on net asset</i>					
<b>Adjusted equity</b>			<b>209.7</b>	<b>191.7</b>	<b>209.7</b>
<b>Adjusted return on equity, %</b>			<b>14.6 %</b>	<b>17.3 %</b>	<b>16.3 %</b>

In 2022, there were no adjustment items.

In 2021, an adjustment of EUR 0.7 million was recognized related to the costs of closure of Hamburg subsidiary and a tax adjustment of EUR 1.6 million related to confirmed losses of EUR 8.1 million of Hungarian subsidiary, which was merged into the parent company in 2018. Based on the losses, the parent company made cross-border tax deductions in 2018 and 2019. Finnish tax authorities resolved this matter against Scanfil's interest in September, 2021. The company has appealed on Assessment Adjustment Board's decision to Northern Finland's administrative court in January 2022.

## KEY INDICATORS

	1 - 6 2022	1 - 6 2021	1 - 12 2021
Return on equity, %	14.6	17.3	15.2
Return on investment, %	13.4	18.1	15.3
Interest-bearing liabilities, EUR million	112.5	41.9	85.2
Gearing, %	45.4	13.0	28.9
Equity ratio, %	40.5	50.2	45.3
Gross investments, EUR million	9.9	4.0	15.5
% of net turnover	2.4	1.2	2.2
Personnel, average	3 339	3 255	3 267
Earnings per share, EUR	0.23	0.25	0.46
Shareholders' equity per share, EUR	3.23	2.95	3.19
Number of shares at the end of period, 000's			
- not counting own shares	65 099	64 631	64 671
- weighted average	64 820	64 631	64 701

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

	Q2/22	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20	Q3/20	Q2/20
Turnover, MEUR	212.9	196.6	191.7	167.8	172.9	163.3	154.1	141.6	155.6
Operating profit, MEUR	10.1	10.3	9.5	9.5	10.6	10.0	4.3	21.2	10.2
Operating profit, %	4.8	5.3	5.0	5.7	6.1	6.1	6.0	15.0	6.5
Net income, MEUR	7.1	8.0	8.4	5.1	8.6	7.6	3.1	18.0	8.3

## 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

		4 - 6 2022	4 - 6 2021	1 - 6 2022	1 - 6 2021	1 - 12 2021
EUR million	Note					
Turnover	1	212.9	172.9	409.5	336.2	695.7
Other operating income		0.3	0.1	0.4	0.4	1.2
Changes in inventories of finished goods and work in progress		0.5	1.9	-0.4	2.8	3.0
Manufacturing for own use						
Expenses		-199.3	-160.5	-380.9	-311.2	-644.9
Depreciation and amortization		-4.2	-3.8	-8.2	-7.6	-15.4
Operating profit		10.1	10.6	20.5	20.6	39.6
Financial income and expenses		-0.3	-0.1	-1.3	-0.8	-1.9
Profit before taxes		9.8	10.4	19.2	19.7	37.7
Income taxes		-2.7	-1.8	-4.0	-3.5	-7.9
<b>Net profit for the period</b>		<b>7.1</b>	<b>8.6</b>	<b>15.2</b>	<b>16.2</b>	<b>29.8</b>
Attributable to:						
Equity holders of the parent		7.1	8.6	15.2	16.2	29.8
Earnings per share for profit attributable to shareholders of the parent:						
undiluted (EUR)		0.11	0.13	0.23	0.25	0.46
diluted (EUR)		0.11	0.13	0.23	0.25	0.46

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	4 - 6 2022	4 - 6 2021	1 - 6 2022	1 - 6 2021	1 - 12 2021
EUR million					
<b>Net profit for the period</b>	<b>7.1</b>	<b>8.6</b>	<b>15.2</b>	<b>16.2</b>	<b>29.8</b>
Items that may later be recognized in profit or loss					
Translation differences	1.0	1.8	-0.6	1.8	3.7
Cash flow hedges	-0.1	0.5	-0.2	0.5	0.5
Other comprehensive income, net of tax	0.9	2.2	-0.8	2.3	4.2
<b>Total Comprehensive Income</b>	<b>8.0</b>	<b>10.8</b>	<b>14.4</b>	<b>18.5</b>	<b>33.9</b>
Attributable to:					
Equity holders of the parent	8.0	10.8	14.4	18.5	33.9

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	30.6.2022	30.6.2021	31.12.2021
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	53.6	45.9	49.8
Right-of-use asset	2	22.1	16.7	22.2
Goodwill	3	7.9	8.3	8.2
Other intangible assets		11.9	13.6	12.9
Available-for-sale investments		0.5	0.5	0.5
Deferred tax assets		8.3	6.8	8.5
Total non-current assets		104.3	91.8	102.1
<b>Current assets</b>				
Inventories		229.5	139.2	193.4
Trade and other receivables		180.1	132.8	149.0
Advance payments		2.9	1.2	1.3
Current tax		1.5	3.1	2.6
Cash and cash equivalents		17.2	16.9	25.3
Total current assets		431.2	293.2	371.7
<b>Total assets</b>		<b>535.5</b>	<b>385.0</b>	<b>473.8</b>
		<b>30.6.2022</b>	<b>30.6.2021</b>	<b>31.12.2021</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		33.3	33.0	33.2
Fair value reserve		-0.3	-0.1	-0.1
Other reserves		2.6	2.6	2.6
Translation differences		-3.0	-4.3	-2.4
Retained earnings		175.1	158.4	172.0
<b>Total equity</b>		<b>209.7</b>	<b>191.7</b>	<b>207.4</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities		5.7	5.5	5.3
Provisions	6	0.8	0.7	0.7
Interest bearing liabilities		39.0	15.1	42.1
Lease liability		19.8	14.5	19.9
<b>Total non-current liabilities</b>		<b>65.3</b>	<b>35.8</b>	<b>67.9</b>
<b>Current liabilities</b>				
Trade and other liabilities		205.2	139.7	172.3
Current tax		1.2	1.4	1.4
Provisions	6	0.4	4.3	1.6
Interest bearing liabilities		50.3	8.8	20.0
Lease liability		3.4	3.4	3.2
<b>Total current liabilities</b>		<b>260.4</b>	<b>157.5</b>	<b>198.4</b>
<b>Total liabilities</b>		<b>325.7</b>	<b>193.3</b>	<b>266.4</b>
<b>Total shareholder's equity and liabilities</b>		<b>535.5</b>	<b>385.0</b>	<b>473.8</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</b>							
<b>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			-0.2		-0.6	15.2	14.4
Option scheme						0.2	0.2
Share options exercised		0.1					0.1
Paid dividend						-12.3	-12.3
<b>Equity</b>							
<b>30.6.2022</b>	<b>2.0</b>	<b>33.3</b>	<b>-0.3</b>	<b>2.6</b>	<b>-3.0</b>	<b>175.1</b>	<b>209.7</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</b>							
<b>1.1.2021</b>	<b>2.0</b>	<b>31.8</b>	<b>-0.6</b>	<b>2.6</b>	<b>-6.1</b>	<b>153.0</b>	<b>182.9</b>
Total comprehensive income			0.5		1.8	16.2	18.5
Option scheme						0.1	0.1
Share options exercised		1.2					1.2
Paid dividend						-11.0	-11.0
<b>Equity</b>							
<b>30.6.2021</b>	<b>2.0</b>	<b>33.0</b>	<b>-0.1</b>	<b>2.6</b>	<b>-4.3</b>	<b>158.4</b>	<b>191.7</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	1.1.-30.6.2022	1.1.-30.6.2021	1.1.-31.12.2021
EUR million			
<b>Cash flow from operating activities</b>			
Net profit	15.2	16.2	29.8
Adjustments for the net profit	12.4	12.6	22.7
Change in net working capital	-35.4	-16.4	-52.7
Paid interests and other financial expenses	-0.8	-0.6	-1.0
Interest received	0.1	0.0	0.0
Taxes paid	-3.2	-4.8	-11.3
<b>Net cash from operating activities</b>	<b>-11.7</b>	<b>7.1</b>	<b>-12.5</b>
<b>Cash flow from investing activities</b>			
Investments in tangible and intangible assets	-10.0	-4.0	-12.9
Sale of tangible and intangible assets	0.3	0.0	0.4
<b>Net cash from investing activities</b>	<b>-9.7</b>	<b>-4.0</b>	<b>-12.5</b>
<b>Cash flow from financing activities</b>			
Related-party investment company shares	0.1	1.2	1.3
Proceeds from long term loans			30.0
Repayment of long-term loans	-3.0	-3.0	-6.0
Proceeds from short term loans	29.8	2.5	13.9
Repayment of short-term loans	-0.1	-0.1	-0.2
Repayment of lease liabilities	-1.6	-1.9	-3.7
Dividends paid	-12.3	-11.0	-11.0
<b>Net cash from financing activities</b>	<b>12.8</b>	<b>-12.2</b>	<b>24.3</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-8.5</b>	<b>-9.1</b>	<b>-0.8</b>
Cash and cash equivalents at beginning of period	25.3	25.8	25.8
Changes in exchange rates	0.4	0.1	0.3
<b>Cash and cash equivalents at end of period</b>	<b>17.2</b>	<b>16.9</b>	<b>25.3</b>

## Notes to the half-year report

### ACCOUNTING PRINCIPLES

The Group's half-year 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 2021 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 half-year report release is unaudited.

In its meeting held on August 4, 2022, the Board of Directors of Scanfil plc approved this half-year report release for publication.

### 1. DISAGGREGATION OF REVENUES

EUR million	4 - 6 2022			4 - 6 2021		
	Goods	Services	Total	Goods	Services	Total
<b>Customer Segments</b>						
Advanced Consumer Applications	67.1	1.7	68.7	51.2	2.2	53.4
Automation & Safety	39.2	6.5	45.6	31.9	4.9	36.8
Connectivity	8.4	0.7	9.1	7.1	0.3	7.3
Energy & Cleantech	52.8	0.6	53.5	43.1	1.8	44.8
Medtec & Life Science	34.0	2.0	36.0	26.8	1.6	28.5
Discontinued	0.0	0.0	0.0	2.0	0.0	2.0
<b>Total</b>	<b>201.4</b>	<b>11.5</b>	<b>212.9</b>	<b>162.1</b>	<b>10.8</b>	<b>172.9</b>
<b>Timing of revenue recognition</b>						
Goods and services transferred at a point of time	201.4	10.9	212.2	162.1	10.2	172.3
Services transferred over time		0.6	0.6		0.6	0.6
<b>Total</b>	<b>201.4</b>	<b>11.5</b>	<b>212.9</b>	<b>162.1</b>	<b>10.8</b>	<b>172.9</b>



EUR million	1 - 6 2022			1 - 6 2021		
	Goods	Services	Total	Goods	Services	Total
<b>Customer Segments</b>						
Advanced Consumer Applications	120.7	3.0	123.7	92.0	4.3	96.3
Automation & Safety	76.4	11.8	88.2	61.2	10.1	71.3
Connectivity	18.1	1.7	19.9	15.0	0.4	15.4
Energy & Cleantech	104.9	3.1	108.0	82.7	2.5	85.1
Medtec & Life Science	65.5	4.2	69.7	53.9	3.7	57.5
Discontinued	0.0	0.0	0.0	10.5	0.0	10.5
<b>Total</b>	<b>385.7</b>	<b>23.9</b>	<b>409.5</b>	<b>315.3</b>	<b>20.9</b>	<b>336.2</b>
<b>Timing of revenue recognition</b>						
Goods and services transferred at a point of time	385.7	21.2	406.9	315.3	19.9	335.1
Services transferred over time		2.7	2.7		1.0	1.0
<b>Total</b>	<b>385.7</b>	<b>23.9</b>	<b>409.5</b>	<b>315.3</b>	<b>20.9</b>	<b>336.2</b>

## 2. CHANGES IN TANGIBLE NON-CURRENT ASSETS

EUR million	1 - 6 2022	1 - 6 2021	1 - 12 2021
Book value at the beginning of the period	72.0	64.5	64.5
Additions	10.9	3.7	23.6
Deductions	-0.2		-4.4
Depreciations and decreases in value	-6.9	-6.2	-12.6
Exchange rate differences	-0.1	0.6	0.9
<b>Book value at the end of the period</b>	<b>75.7</b>	<b>62.6</b>	<b>72.0</b>

## 3. CHANGES IN GOODWILL

EUR million	1 - 6 2022	1 - 6 2021	1 - 12 2021
Book value at the beginning of the period	8.2	8.3	8.3
Exchange rate differences	-0.3	-0.0	-0.1
<b>Book value at the end of the period</b>	<b>7.9</b>	<b>8.3</b>	<b>8.2</b>

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

EUR million	30.6.2022 Book values of balance sheet values	30.6.2022 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	156.5	156.5
Derivatives	0.5	0.5
Cash and cash equivalents	17.2	17.2
<b>Current assets total</b>	<b>174.2</b>	<b>174.2</b>
<b>Total financial assets</b>	<b>174.8</b>	<b>174.8</b>
<b>Non-current financial liabilities</b>		
Interest bearing liabilities from financial institutions	39.0	39.0
<b>Non-current financial liabilities total</b>	<b>39.0</b>	<b>39.0</b>
<b>Current financial liabilities</b>		
Interest bearing liabilities from financial institutions	6.1	6.1
Loans withdrawn from the credit limit	44.2	44.2
Trade payables	154.0	154.0
Derivatives	0.2	0.2
<b>Current financial liabilities total</b>	<b>204.5</b>	<b>204.5</b>
<b>Total financial liabilities</b>	<b>243.5</b>	<b>243.5</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 REGARDING CASH FLOW HEDGING**

	30.6.2022	Fair net value	Nominal value
EUR million			
Interest rate swaps		0.2	15.0
Forward exchange contracts		-0.1	26.7
Forward exchange contracts, outside hedge accounting		0.3	58.2

**6. PROVISIONS**

	Reclamation and quarantee	Pension	Other	Restructuring provisions	Total
EUR million					
1.1.2022	0.1	0.1	0.5	1.4	2.2
Exchange rate differences	0.0	0.0	0.0		0.0
Additions	0.0	0.0	0.1		0.2
Used provisions				-1.2	-1.2
<b>30.6.2022</b>	<b>0.2</b>	<b>0.1</b>	<b>0.6</b>	<b>0.2</b>	<b>1.2</b>

Long term provisions are EUR 0.8 million and short term provisions are EUR 0.4 million.

The reclamation and warranty provision includes the estimated cost of repairing defective products that is related to customer complaints and warranty obligations, and any fees resulting from delayed deliveries. Other provisions are related to a bonus agreed upon locally in Poland to be paid on the basis of service years. It applies to employees who have worked in the company for several years. The restructuring provision includes the costs related to the closure of the Scanfil GmbH's Hamburg factory and includes mainly personnel costs.

**7. CONTINGENT LIABILITIES**

	1 - 6 2022	1 - 6 2021	1 - 12 2021
EUR million			
Pledged guarantees	1.9	0.8	2.3

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 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 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 Vellinge AB 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 13 July 2022 Scanfil revised its outlook for 2022.

## SCANFIL PLC

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CEO

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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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