



Scanfil plc: Record sales and operating profit supported by increasing customer volumes and easing components availability

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Scanfil plc: 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 10th 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".

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.

Publication of financial releases

This stock exchange release is a summary of the Scanfil Group's Interim Report for January-March 2023 and includes the most relevant information of the report. The complete report is attached to this release as a pdf file and is also available on the company's website at www.scanfil.com.

Teams conference

In conjunction with releasing results, Scanfil arranges a Teams meeting in English language for analysts, investors and media on the same day at 10:00–11:00 a.m. EEST. Results will be presented by CEO Petteri Jokitalo.

You can join the online conference [here](#). The audience can ask questions at the end of the conference.

An on-demand version of the webcast and the presentation material will be available on the company's website later on the same day.

Scanfil plc

Additional information:

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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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Attachments

- [Download announcement as PDF.pdf](#)
- [Scanfil's interim report for January-March 2023.pdf](#)