

**SCANFIL**

Scanfil plc  
January-June 2023  
Half-Year Report

4 AUGUST 2023



## Scanfil Group's Half-Year Report for January–June 2023

# Strong second quarter and first half of the year by all measures

### April–June

- Turnover totaled EUR 243.3 million (4-6 2022: 212.9), an increase of 14.3%
- Operating profit was EUR 17.5 (10.1) million, an increase of 72.7%
- Operating profit margin was at 7.2% (4.8%)
- Net profit was EUR 14.5 (7.1) million, an increase of 103.3%
- Earnings per share were EUR 0.22 (0.11)
- Dividend of EUR 0.21 (0.19) per share was paid on 9 May, an increase for 10<sup>th</sup> consecutive year

### January–June

- Turnover totaled EUR 468.0 million (1-6 2022: 409.5), an increase of 14.3%
- Operating profit was EUR 32.6 (20.5) million, an increase of 59.4%
- Operating profit margin was at 7.0% (5.0%)
- Net profit was EUR 26.3 (15.2) million, an increase of 73.5%
- Earnings per share were EUR 0.40 (0.23)

### Outlook for 2023

Scanfil revised its outlook for turnover and adjusted operating profit on 10 July.

Scanfil estimates its turnover for 2023 to be EUR 900–950 (previously issued 12 April: 880–940) million and adjusted operating profit to be EUR 61–68 (56–64) million.

	Q2 2023	Q2 2022	change,%	H1 2023	H1 2022	change,%	2022
Turnover, EUR million	243.3	212.9	14.3	468.0	409.5	14.3	843.8
Operating Profit, EUR million	17.5	10.1	72.7	32.6	20.5	59.4	45.4
Operating Profit, %	7.2	4.8		7.0	5.0		5.4
Net Profit, EUR million	14.5	7.1	103.3	26.3	15.2	73.5	35.0
Earnings per Share, EUR	0.22	0.11	100.0	0.40	0.23	73.9	0.54
Return on Equity, %				22.6	14.6		16.1
Equity Ratio, %				45.8	40.5		45.3
Net Gearing, %				36.5	45.4		37.8
Net Cash Flow from Operations, EUR million				24.3	-11.7		10.2
Employees, Average				3,647	3,339	9.2	3,403

**PETTERI JOKITALO, CEO:**

“Turnover for the second quarter of the year was at a record high level, EUR 243.4 million, with an increase of 14.3 percent compared to last year’s comparison period. Customer demand was especially high in Energy & Cleantech and Connectivity customer segments. The strongly developed customer demand, further improved electronics components availability and investments in production capacity have enabled higher production volumes and turnover.

I am especially satisfied with the strong development of operating profit. The operating profit for the second quarter was at an all-time high, EUR 17.5 million, and our operating profit margin, 7.2percent, is at our target level. The positive development of operating profit was affected by the high production volumes, high utilization rate of production capacity, increased operations efficiency, and successful management of the effects of cost inflation.

To respond to the increase in customer demand in North America, we are significantly investing in the electronics production capacity in our Atlanta factory. The equipment installations of the production line are currently ongoing, and according to the schedule, we will be able to manufacture the first production batches in the third quarter of the year. The customer interest and demand for the new capacity have been strong and have even exceeded our pre-expectations.

During the summer, we will also introduce new production capacity at the Sieradz factory. In addition, the Board of Directors made a decision on August 3, 2023 about a significant expansion of the factory building in Sieradz.

Working capital and inventory management has been a key focus area in previous years. The long-term work is now bearing fruit and I am satisfied with the positive development of the second quarter. Despite the increased turnover, inventory value decreased by EUR 7.5 million and net cash flow from operations was EUR

25.2 million. The equity ratio at the end of the quarter was 45.8 percent, and the net debt ratio was 36.5 percent. Scanfil’s balance sheet is strong and enables the necessary growth investments.

Scanfil’s customers’ demand outlook for 2023 has strengthened over the course of the year and continues to be strong. In particular, the demand outlook for technologies that increase energy efficiency and drive the green transition is excellent, especially in Europe. The near-term risks of the business are mainly related to geopolitics and economic development in Europe and globally, and as well as their potential effects on our customers’ demand and business environment.

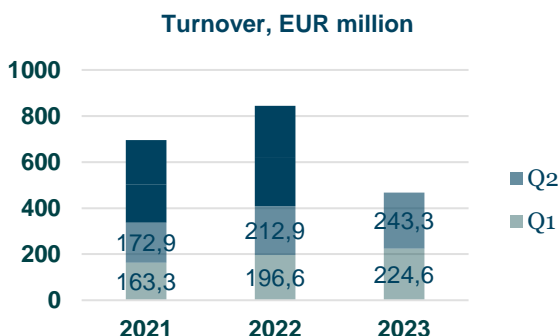
As we have previously announced, I will be stepping down as the CEO of Scanfil, and Christophe Sut will start as the new CEO at the beginning of September at the latest. The process to transfer CEO’s duties has already started, and I am convinced that Christophe fits well to Scanfil’s operating culture and is the right person to lead Scanfil’s growth and internationalization journey from now on. I will continue working for Scanfil, to support Christophe and as an advisor to the Board of Directors, until the end of this year.

For me, working 15 years at Scanfil, of which 10 years as the CEO, has been great time in every way. Scanfil has grown, internationalized, and electronics manufacturing has become the core of our business. We have reached the size category and level of operation that enables us to be a global production partner even for the most demanding customers. My deepest thanks to all who made this possible: customers, suppliers and above all, all Scanfilians.

I am very satisfied with our performance at the beginning of the year, and I am confident with the strong outlook for the rest of the year. I would like to thank our committed personnel for their excellent work and our customers for their support and trust”.

# Scanfil Group's Half-Year Report for 1 January–30 June 2023

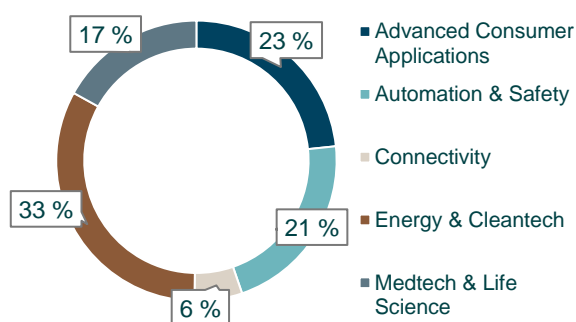
## TURNOVER



The turnover for **April–June** was EUR 243.3 (212.9) million, an increase of 14.3% compared to the previous year's comparison period. Turnover includes EUR 5.3 (29.7) million invoicing of spot-market purchases made due to component availability challenges, which were low or no margin to Scanfil. Turnover excluding the spot-market purchases increased by 30.0%.

The turnover for **January–June** was EUR 468.0 (409.5) million, an increase of 14.3% compared to the previous year's comparison period. Turnover includes EUR 13.2 (46.8) million invoicing of spot-market purchases. Turnover excluding the spot-market purchases increased by 25.3%.

## TURNOVER BY CUSTOMER SEGMENT



### Advanced Consumer Applications

Turnover in **April–June** was EUR 57.9 (68.7) million, a decrease of 15.7% compared to the same period in 2022. Turnover in **January–June** was EUR 109.2 (123.7) million, a decrease of 11.7% compared to same period in 2022. The change was driven by the decrease in spot-market purchases.

### Automation & Safety

Turnover in **April–June** was EUR 47.5 (45.6) million, an increase of 4.0%. Turnover in **January–June** was EUR 100.0 (88.2) million, an increase of 13.4% compared to same period in 2022. Demand for camera surveillance systems decreased from the previous year, otherwise demand remained good.

### Connectivity

Turnover in **April–June** was EUR 12.6 (9.1) million, an increase of 38.1%. Turnover in **January–June** was EUR 25.8 (19.9) million, an increase of 29.8%. Demand increased, especially for advanced hearing protection solutions.

### Energy & Cleantech

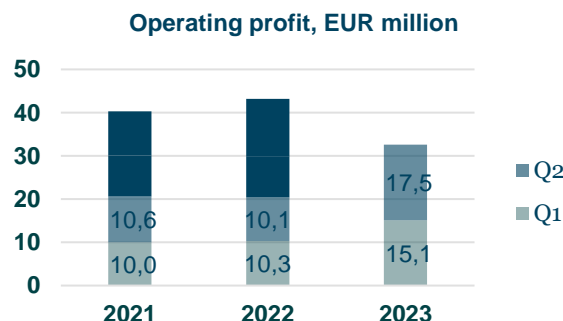
Turnover in **April–June** was EUR 86.0 (53.5) million, an increase of 60.9%. Turnover in **January–June** was EUR 153.5 (108.0) million, an increase of 42.1%. Demand was good for recycling, green energy, and energy efficiency solutions.

### Medtech & Life Science

Turnover in **April–June** was EUR 39.4 (36.0) million, an increase of 9.5%. Turnover in **January–June** was EUR 79.4 (69.7) million, an increase of 13.9%. Demand continued to grow steadily.

In the first half of 2023, the largest customer accounted for about 13.6% (19.1%) of turnover and the top ten customers accounted for about 56% (55%) of turnover.

## OPERATING PROFIT



The operating profit for **April–June** was EUR 17.5 (10.1) million, 7.2% (4.8%) 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 operational efficiency and successful management of the effects of cost inflation. The comparison figure for 2022 April–June was negatively affected by EUR 1.4 million of foreign exchange changes and April–May COVID-19 lockdowns in China.

The operating profit for **January–June** was EUR 32.6 (20.5) million, 7.0% (5.0%) of turnover. The operating profit was positively affected by good customer demand and improved component availability. The comparison figure for 2022 January–June was negatively affected by EUR 2.0 million of foreign exchange changes and April–May COVID-19 lockdowns in China.

### NET PROFIT AND EARNINGS

The net profit for **April–June** was EUR 14.5 (7.1) million, an increase of 103.3 % Earnings per share were EUR 0.22 (0.11). The net profit for **January–June** was EUR 26.3 (15.2) million, an increase of 73.5%. Earnings per share were EUR 0.40 (0.23). Return on investment was 20.6% (13.4%).

The effective tax rate in **January–June** was 20.2% (20.8%).

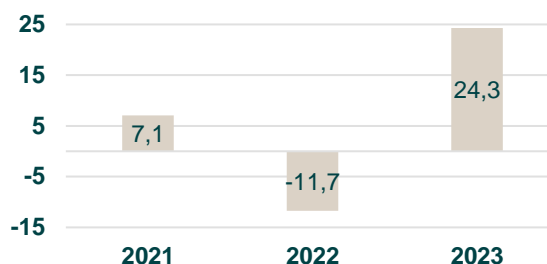
### FINANCING AND CAPITAL EXPENDITURE

Scanfil has a stable financing position. The consolidated balance sheet total was EUR 545.5 (535.5) million **at the end of the review period**. Cash and cash equivalents totaled EUR 14.9 (17.2) million. Liabilities amounted to EUR 305.9 (325.7) million, of which non-interest-bearing liabilities totaled EUR 203.6 (213.3) million and interest-bearing liabilities totaled EUR 102.3 (112.5) million. Interest-bearing liabilities consisted of EUR 80.6 (89.3) million in financial liabilities and EUR 21.7 (23.2) million in leasing liabilities. The increase in non-interest-bearing liabilities was caused by the increase in accounts payable. The Group has EUR 55.8 million in unused credit facilities.

The equity ratio **at the end of the period** was 45.8% (40.5%), and net gearing was 36.5% (45.4%). Equity per share was EUR 3.67 (3.23).

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-June



The net cash flow from operating activities for **January–June** was EUR 24.3 (-11.7) million. Positive cash flow was driven by good profitability and control of the working capital. Inventory value was lower than at year-end and the inventory turnover improved significantly.

The net cash flow from investing activities in **January–June** was EUR -15.7 (-9.7) million. The increase was driven by the new capacity investments in electronics manufacturing in Poland and USA.

The cash flow from financing activities was EUR -14.2 (12.8) million, including a EUR -13.6 (-12.3) million dividend payment, EUR -3.0 (-3.0) million repayments of long-term loans and change in overdraft facility EUR 3.3 (29.8) million.

Gross investments in **January–June** totaled EUR 16.0 (9.9) million, which was 3.4% (2.4%) of the turnover. Investments mainly consist of Poland and USA electronics production line capacity investments as well as other new and replacement manufacturing capacity investments. Depreciations, including impairments, totaled EUR 9.4 (8.2) million.

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

The Annual General Meeting held on April 27, 2023 authorized the Board of Directors to decide on the acquisition of the company's own shares and to decide on share issue, 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/aggm](http://www.scanfil.com/aggm).

### OWN SHARES

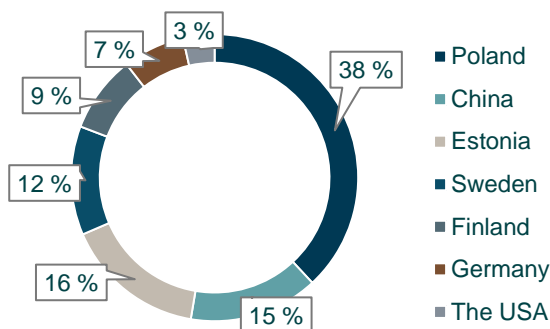
On June 30, 2023, the company owned 98,738 of its own shares, representing 0.2% of all shares.

**SHARE TRADING AND SHARE PERFORMANCE**

The number of Scanfil shares was 65,269,993 in total as of June 30, 2023.

The highest trading price during January–June was EUR 10.30 and the lowest was EUR 6.40, with the closing price for the period standing at EUR 10.10. A total of 3,232,491 shares were traded during the period, corresponding to 5% of the total number of shares. As of June 30, 2023, the market value of the shares was EUR 659.2 million.

**PERSONNEL**



At the end of the period under review, the Group employed 3,718 (3,400) people, 3,395 (3,060) of whom worked outside Finland and 323 (340) in Finland. The average number of Group employees during the review period was 3,647 (3,339) 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 10 July. Scanfil estimates that its turnover for 2023 will be EUR 900–950 (previously issued 12 April 2023: 880–940) million, and an adjusted operating profit of EUR 61–68 (56–64) 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.

The war in Ukraine continues and further escalations may have an impact on Scanfil business environment. 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 mitigate 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. The situation started to improve at the end of 2022, but it has not returned to the pre-2021 levels. 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 to 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 the 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.

## KEY INDICATORS

	1 - 6 2023	1 - 6 2022	1 -12 2022
Return on equity, %	22.6	14.6	16.1
Return on investment, %	20.6	13.4	14.6
Interest-bearing liabilities, EUR million	102.3	112.5	106.3
Gearing, %	36.5	45.4	37.8
Equity ratio, %	45.8	40.5	45.3
Gross investments, EUR million	16.0	9.9	19.0
% of net turnover	3.4	2.4	2.3
Personnel, average	3 647	3 339	3 403
Earnings per share, EUR	0.40	0.23	0.54
Shareholders' equity per share, EUR	3.67	3.23	3.49
Number of shares at the end of period, 000's			
- not counting own shares	65 171	65 099	64 861
- weighted average	65 005	64 820	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

	Q2/23	Q1/23	Q4/22	Q3/22	Q2/22	Q1/22	Q4/21	Q3/21	Q2/21
Turnover, MEUR	243.3	224.6	222.3	211.9	212.9	196.6	191.7	167.8	172.9
Operating profit, MEUR	17.5	15.1	13.4	11.5	10.1	10.3	9.5	9.5	10.6
Operating profit, %	7.2	6.7	6.0	5.4	4.8	5.3	5.0	5.7	6.1
Net income, MEUR	14.5	11.8	10.5	9.4	7.1	8.0	8.4	5.1	8.6

## 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

		4 - 6 2023	4 - 6 2022	1 - 6 2023	1 - 6 2022	1 - 12 2022
EUR million	Note					
<b>Turnover</b>	1	<b>243.3</b>	<b>212.9</b>	<b>468.0</b>	<b>409.5</b>	<b>843.8</b>
Other operating income		0.2	0.3	0.3	0.4	0.9
Changes in inventories of finished goods and work in progress		-0.1	0.5	1.5	-0.4	0.3
Manufacturing for own use						
Expenses		-221.2	-199.3	-427.7	-380.9	-782.0
Depreciation and amortization		-4.7	-4.2	-9.4	-8.2	-17.5
<b>Operating profit</b>		<b>17.5</b>	<b>10.1</b>	<b>32.6</b>	<b>20.5</b>	<b>45.4</b>
Financial income and expenses		0.9	-0.3	0.3	-1.3	-3.7
<b>Profit before taxes</b>		<b>18.4</b>	<b>9.8</b>	<b>33.0</b>	<b>19.2</b>	<b>41.7</b>
Income taxes		-3.9	-2.7	-6.7	-4.0	-6.7
<b>Net profit for the period</b>		<b>14.5</b>	<b>7.1</b>	<b>26.3</b>	<b>15.2</b>	<b>35.0</b>
Attributable to:						
Equity holders of the parent		14.5	7.1	26.3	15.2	35.0
Earnings per share for profit attributable to shareholders of the parent:						
undiluted (EUR)		0.22	0.11	0.40	0.23	0.54
diluted (EUR)		0.22	0.11	0.40	0.23	0.53

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		4 - 6 2023	4 - 6 2022	1 - 6 2023	1 - 6 2022	1 - 12 2022
EUR million						
<b>Net profit for the period</b>		<b>14.5</b>	<b>7.1</b>	<b>26.3</b>	<b>15.2</b>	<b>35.0</b>
Items that may later be recognized in profit or loss						
Translation differences		-0.5	1.0	-1.9	-0.6	-5.2
Cash flow hedges		0.5	-0.1	0.5	-0.2	1.0
Other comprehensive income, net of tax		0.1	0.9	-1.4	-0.8	-4.2
<b>Total Comprehensive Income</b>		<b>14.6</b>	<b>8.0</b>	<b>24.9</b>	<b>14.4</b>	<b>30.9</b>
Attributable to:						
Equity holders of the parent		14.6	8.0	24.9	14.4	30.9

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	30.6.2023	30.6.2022	31.12.2022
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	64.4	53.6	55.6
Right-of-use asset	2	21.4	22.1	24.1
Goodwill	3	7.3	7.9	7.7
Other intangible assets		9.6	11.9	10.8
Available-for-sale investments		0.5	0.5	0.5
Deferred tax assets		8.2	8.3	7.8
<b>Total non-current assets</b>		<b>111.4</b>	<b>104.3</b>	<b>106.5</b>
<b>Current assets</b>				
Inventories		225.8	229.5	229.3
Trade and other receivables		189.9	180.1	164.8
Advance payments		1.7	2.9	2.3
Current tax		1.7	1.5	1.8
Cash and cash equivalents		14.9	17.2	20.8
<b>Total current assets</b>		<b>434.1</b>	<b>431.2</b>	<b>419.0</b>
<b>Total assets</b>		<b>545.5</b>	<b>535.5</b>	<b>525.5</b>
		<b>30.6.2023</b>	<b>30.6.2022</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		34.7	33.3	33.4
Fair value reserve		1.4	-0.3	1.0
Other reserves		2.6	2.6	2.6
Translation differences		-9.4	-3.0	-7.6
Retained earnings		208.2	175.1	195.1
<b>Total equity</b>		<b>239.6</b>	<b>209.7</b>	<b>226.6</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities		5.2	5.7	4.6
Provisions		1.1	0.8	0.8
Interest bearing liabilities		33.0	39.0	36.0
Lease liability		19.2	19.8	20.4
<b>Total non-current liabilities</b>		<b>58.5</b>	<b>65.3</b>	<b>61.9</b>
<b>Current liabilities</b>				
Trade and other liabilities		192.4	205.2	183.7
Current tax		4.5	1.2	3.1
Provisions		0.4	0.4	0.4
Interest bearing liabilities		47.6	50.3	45.5
Lease liability		2.5	3.4	4.4
<b>Total current liabilities</b>		<b>247.4</b>	<b>260.4</b>	<b>237.0</b>
<b>Total liabilities</b>		<b>305.9</b>	<b>325.7</b>	<b>298.9</b>
<b>Total shareholder's equity and liabilities</b>		<b>545.5</b>	<b>535.5</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			0.5		-1.9	26.3	24.9
Option scheme						0.4	0.4
Share options exercised		1.3					1.3
Paid dividend						-13.6	-13.6
<b>Equity 30.6.2023</b>	<b>2.0</b>	<b>34.7</b>	<b>1.4</b>	<b>2.6</b>	<b>-9.4</b>	<b>208.2</b>	<b>239.6</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			-0.2		-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 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>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR million	1.1.-30.6.2023	1.1.-30.6.2022	1.1.-31.12.2022
<b>Cash flow from operating activities</b>			
Net profit	26.3	15.2	35.0
Adjustments for the net profit	17.6	12.4	24.6
Change in net working capital	-13.7	-35.4	-43.1
Paid interests and other financial expenses	-1.9	-0.8	-2.3
Interest received	0.3	0.1	0.4
Taxes paid	-4.4	-3.2	-4.4
<b>Net cash from operating activities</b>	<b>24.3</b>	<b>-11.7</b>	<b>10.2</b>
<b>Cash flow from investing activities</b>			
Investments in tangible and intangible assets	-16.0	-10.0	-19.0
Sale of tangible and intangible assets	0.3	0.3	0.5
<b>Net cash from investing activities</b>	<b>-15.7</b>	<b>-9.7</b>	<b>-18.5</b>
<b>Cash flow from financing activities</b>			
Related-party investment company shares	1.3	0.1	0.3
Repayment of long-term loans	-3.0	-3.0	-6.0
Proceeds from short term loans	3.3	29.8	25.9
Repayment of short-term loans	0.0	-0.1	-0.2
Repayment of lease liabilities	-2.1	-1.6	-3.7
Dividends paid	-13.6	-12.3	-12.3
<b>Net cash from financing activities</b>	<b>-14.2</b>	<b>12.8</b>	<b>3.9</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-5.6</b>	<b>-8.5</b>	<b>-4.4</b>
Cash and cash equivalents at beginning of period	20.8	25.3	25.3
Changes in exchange rates	-0.3	0.4	-0.2
<b>Cash and cash equivalents at end of period</b>	<b>14.9</b>	<b>17.2</b>	<b>20.8</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 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 half-year report release is unaudited.

In its meeting held on August 3, 2023, the Board of Directors of Scanfil plc approved this half-year report for publication.

#### 1. DISAGGREGATION OF REVENUES

	4 - 6 2023			4 - 6 2022		
	Goods	Services	Total	Goods	Services	Total
<b>Customer Segments</b>						
Advanced Consumer Applications	56.6	1.3	57.9	67.1	1.7	68.7
Automation & Safety	39.8	7.7	47.5	39.2	6.5	45.6
Connectivity	12.3	0.3	12.6	8.4	0.7	9.1
Energy & Cleantech	84.9	1.1	86.0	52.8	0.6	53.5
Medtec & Life Science	37.4	2.0	39.4	34.0	2.0	36.0
<b>Total</b>	<b>231.0</b>	<b>12.4</b>	<b>243.3</b>	<b>201.4</b>	<b>11.5</b>	<b>212.9</b>
<b>Timing of revenue recognition</b>						
Goods and services transferred at a point of time	231.0	11.5	242.5	201.4	10.9	212.2
Services transferred over time		0.9	0.9		0.6	0.6
<b>Total</b>	<b>231.0</b>	<b>12.4</b>	<b>243.3</b>	<b>201.4</b>	<b>11.5</b>	<b>212.9</b>

	1 - 6 2023			1 - 6 2022		
	Goods	Services	Total	Goods	Services	Total
<b>Customer Segments</b>						
Advanced Consumer Applications	106.5	2.8	109.2	120.7	3.0	123.7
Automation & Safety	85.6	14.4	100.0	76.4	11.8	88.2
Connectivity	25.0	0.8	25.8	18.1	1.7	19.9
Energy & Cleantech	151.4	2.2	153.5	104.9	3.1	108.0
Medtec & Life Science	75.3	4.1	79.4	65.5	4.2	69.7
<b>Total</b>	<b>443.7</b>	<b>24.2</b>	<b>468.0</b>	<b>385.7</b>	<b>23.9</b>	<b>409.5</b>

<b>Timing of revenue recognition</b>						
Goods and services transferred at a point of time	443.7	22.8	466.5	385.7	21.2	406.9
Services transferred over time		1.4	1.4		2.7	2.7
<b>Total</b>	<b>443.7</b>	<b>24.2</b>	<b>468.0</b>	<b>385.7</b>	<b>23.9</b>	<b>409.5</b>

## 2. CHANGES IN TANGIBLE NON-CURRENT ASSETS

	1 - 6 2023	1 - 6 2022	1 - 12 2022
EUR million			
Book value at the beginning of the period	79.7	72.0	72.0
Additions	14.1	10.9	24.1
Deductions	-0.2	-0.2	-0.3
Depreciations and decreases in value	-8.1	-6.9	-14.9
Exchange rate differences	0.2	-0.1	-1.2
<b>Book value at the end of the period</b>	<b>85.8</b>	<b>75.7</b>	<b>79.7</b>

## 3. CHANGES IN GOODWILL

	1 - 6 2023	1 - 6 2022	1 - 12 2022
EUR million			
Book value at the beginning of the period	7.7	8.2	8.2
Exchange rate differences	-0.3	-0.3	-0.5
<b>Book value at the end of the period</b>	<b>7.3</b>	<b>7.9</b>	<b>7.7</b>

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

	30.6.2023 Book values of balance sheet values	30.6.2023 Fair values of balance sheet values
EUR million		
<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	171.6	171.6
Derivatives	2.4	2.4
Cash and cash equivalents	14.9	14.9
<b>Current assets total</b>	<b>188.8</b>	<b>188.8</b>

<b>Total financial assets</b>	<b>189.4</b>	<b>189.4</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	41.5	41.5
Trade payables	136.7	136.7
Derivatives	0.0	0.0
<b>Current financial liabilities total</b>	<b>184.4</b>	<b>184.4</b>
<b>Total financial liabilities</b>	<b>217.4</b>	<b>217.4</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.

#### OPEN DERIVATIVE CONTRACTS

	30.6.2023	Fair net value	Nominal value
EUR million			
Interest rate swaps		0.2	9.0
Forward exchange contracts		1.5	30.8
Forward exchange contracts. outside hedge accounting		0.6	135.4

#### 5. CONTINGENT LIABILITIES

	30.6.2023	30.6.2022	31.12.2022
EUR million			
Pledged guarantees	0.8	1.9	1.6

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 10 July 2023 Scanfil revised its outlook for turnover and adjusted operating profit for 2023. Scanfil estimates its turnover for 2023 to be EUR 900–950 (previously issued 12 April: 880–940) million and adjusted operating profit to be EUR 61–68 (56–64) million.

On August 3, 2023, Scanfil informed about the significant expansion investment in the factory building in Sieradz, Poland.

### 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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