



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

4.8.2023 08:00:00 EEST | Scanfil Oyj | Half Year financial report

Scanfil plc Half-year report 4 August 2023 at 8.00 a.m. EEST

### Scanfil plc: 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 10th 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)

#### Future 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.

Key figures	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

#### CEO PETERI JOKITALO:

“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".

## **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%).

## **Publication of financial releases**

This stock exchange release is a summary of the Scanfil Group's Half-Year Report for January-June 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](http://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:**

CEO Petteri Jokitalo  
Tel +358 8 4882 111

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.

Not to be published or distributed, directly or indirectly, in any country where its distribution or publication is unlawful.

Forward looking statements: certain statements in this stock exchange release may constitute "forward-looking" statements

which involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of Scanfil plc to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this stock exchange release, such statements use such words as "may," "will," "expect," "anticipate," "project," "believe," "plan" and other similar terminology. New risk factors may arise from time to time and it is not possible for management to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance and achievements of Scanfil plc to be materially different from those contained in forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. The forward-looking information contained in this stock exchange release is current only as of the date of this stock exchange release. There should not be an expectation that such information will in all circumstances be updated, supplemented or revised, except as provided by the law or obligatory regulations, whether as a result of new information, changing circumstances be updated, supplemented or revised, except as provided by the law or obligatory regulations, whether as a result of new information, changing circumstances, future events or otherwise.

## **Attachments**

- [Download announcement as PDF.pdf](#)
- [Scanfil Group half-year report 1.1.-30.6.2023.pdf](#)