

SCANFIL

Scanfil plc
January-September 2024
Interim report

25 OCTOBER 2024



Scanfil Group's interim report for January–September 2024

Scanfil continues to succeed in defending its profit margin in challenging market

July–September

- Turnover totaled EUR 173.3 million (212.8), a decrease of 18.6%
- Adjusted operating profit was EUR 12.4 (15.2) million, a decrease of 18.4%. Operating profit was EUR 12.1 (15.2) million, a decrease of 20.4%
- Adjusted operating profit margin was 7.2% (7.2%). Operating profit margin was 7.0% (7.2%)
- Earnings per share were EUR 0.13 (0.17)

January–September

- Turnover totaled EUR 567.7 million (680.7), a decrease of 16.6%
- Adjusted operating profit was EUR 39.1 (47.9) million, a decrease of 18.4%. Operating profit was EUR 38.8 (47.9) million, a decrease of 19.1%
- Adjusted operating profit margin was at 6.9% (7.0%). Operating profit margin was at 6.8% (7.0%)
- Earnings per share were EUR 0.45 (0.57)
- Net debt/EBITDA was 0.15 (1.01)

Outlook for 2024

Scanfil updated its outlook for 2024 on 10 June. Scanfil estimates its turnover to be EUR 780–840 (previous, issued on 23 February: 820–900) million, and an adjusted operating profit of EUR 54–61 (57–65) million.

	Q3 2024	Q3 2023	Change,%	1-9 2024	1-9 2023	Change,%	2023
Turnover, EUR million	173.3	212.8	-18.6	567.7	680.7	-16.6	901.6
Operating Profit, EUR million	12.1	15.2	-20.4	38.8	47.9	-19.1	61.3
Operating Profit, adjusted, EUR million	12.4	15.2	-18.4	39.1	47.9	-18.4	61.3
Operating Profit, %	7.0	7.2		6.8	7.0		6.8
Operating Profit, adjusted, %	7.2	7.2		6.9	7.0		6.8
Net Profit, EUR million	8.7	11.0	-20.7	29.4	37.3	-21.4	48.2
Net Profit, adjusted, EUR million	9.1	11.0	-17.9	29.7	37.3	-20.5	48.2
Earnings per Share, EUR	0.13	0.17	-20.8	0.45	0.57	-21.5	0.74
Earnings per Share, adjusted, EUR	0.14	0.17	-18.0	0.46	0.57	-20.7	0.74
Return on Equity, %				14.3	21.0	-31.9	19.6
Return on Equity, adjusted, %				14.5	21.0	-31.0	19.6
Equity Ratio, %				58.2	47.8	21.8	53.7
Net Gearing, %				4.0	32.6	-87.7	19.4
Net debt / EBITDA				0.15	1.01	-85.1	0.64
Net Cash Flow from Operations, EUR million	21.8	9.7	123.8	68.7	34.1	101.6	68.9
Employees, Average				3,535	3,716	-4.9	3,671

Adjusted items are non-recurring significant items that deviate from normal business operations, which affects the comparability between different periods. Adjusted items in January-September include costs related to the acquisition of SRXGlobal Pty Ltd. (EUR 0.3 million).

CHRISTOPHE SUT, CEO:

“The third quarter was solid for Scanfil and we continued to deliver the long-term operating margin target of 7%-8% despite a challenging market situation.

As market demand remained slow during the third quarter, the Scanfil team focused on operational efficiency. We secured a solid 7.2% operating margin and generated a net cash flow from operations EUR 21.8 million, resulting from continuous disciplined inventory management.

At the end of the third quarter our financial position was solid. Gearing was 4% (32.6%), and the equity ratio was 58.2% (47.8%). Inventory management improved and inventories were reduced by EUR 9 million in the third quarter. Compared to the end of September last year, inventories decreased by EUR 51.4 million. Our net debt level is down to 0.15 times EBITDA, well below our long-term target of 1.5. Our strong performance allows us to look at potential future investments to support the growth.

On the customer side, we were strong. On-time delivery remained at the high level of 97.9%. We continued to focus on winning new contracts and had another very active quarter in sales, winning new projects with an annualized value of EUR 41.7 million in the third quarter and EUR 126.1 million in January- September 2024.

The Industrial segment was negatively impacted by end-customer demand and customer destocking. We continue to work closely with our customers to adjust our operations and inventory to the market situation. We won new projects with an annualized value of EUR 17.5 million in the third quarter and EUR 51.6 million in January-September.

The continuation of destocking negatively affected the Energy & Cleantech segment. However, the segment’s long-term development remains positive, and we won projects in the third quarter with an annualized value of

EUR 16.1 million and EUR 53.8 million in January-September.

The Medtech & Life Science segment’s turnover was expected to be higher even though the drop was less than in other segments. However, we won new contracts with existing and new customers for an annualized value of EUR 8.1 million in the third quarter and EUR 20.6 million in January-September. We have increased our focus on this segment and brought new expertise in sales, quality and project management.

On the strategic front, we announced changes in our management team to secure scalability and realize our growth potential. The evolution was smooth. All newly appointed executives came inside the company with extensive experience and are strongly motivated to take Scanfil to the next level.

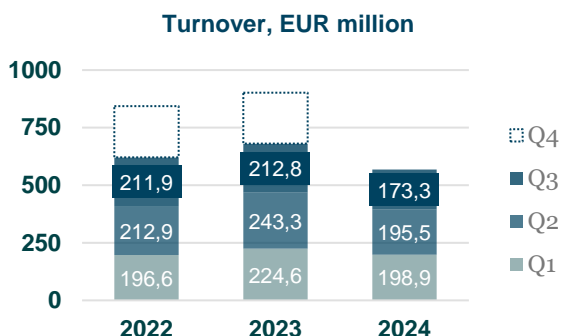
After the third quarter, we announced our first acquisition since 2019. SRXGlobal is a perfect match for Scanfil, offering a complementary footprint in the APAC region with excellent growth potential. We can further develop the Malaysian operations and benefit from a complementary customer portfolio. Since the acquisition on 3 October, our teams have engaged with customers to show the value SRX and Scanfil can bring in terms of complementary customer offerings. The acquisition was the first step to implementing our acquisition strategy, and our financial position will allow us to continue to look for new M&A opportunities.

We are gradually seeing customer demand stabilizing even if the rebound has proven to be slower than expected. We believe the fourth quarter will be the strongest quarter of the year-

Finally, our team has shown strong commitment to implementing the strategy and reaching our targets in a challenging market situation. We are building our strength through efficiency improvements, new customer contracts, and M&A.”

Scanfil Group's interim report for January-September 2024

TURNOVER

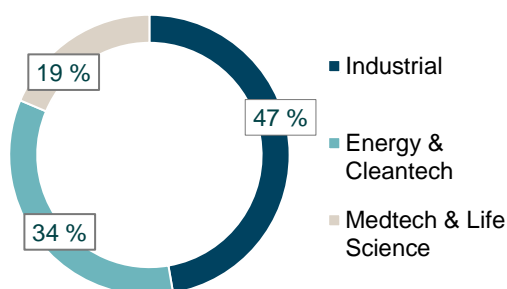


The turnover for **July–September** was EUR 173.3 (212.8) million, a decrease of 18.6% compared to the previous year's comparison period. The turnover decreased by EUR 39.5 million of which EUR 1.3 million were spot market purchases. Excluding spot market purchases, turnover decreased by 18.0%.

The turnover for **January–September** was EUR 567.7 (680.7) million, a decrease of 16.6% compared to the previous year's comparison period. The turnover decreased by EUR 113.1 million of which EUR 12.1 million were spot market purchases. Excluding spot market purchases, turnover decreased by 15.2%.

In **January–September**, the largest customer accounted for about 12% (13%) of turnover and the top ten customers accounted for about 55% (57%) of turnover.

TURNOVER BY CUSTOMER SEGMENT



Industrial

Turnover in **July–September** was EUR 83.9 (98.8) million, a decrease of 15.1% compared to the same period in 2023. Turnover in **January–September** was EUR 268.5 (322.5) million, a decrease of 16.7% compared to the same period in 2023. The general economic situation has negative impact on certain end-customers demand.

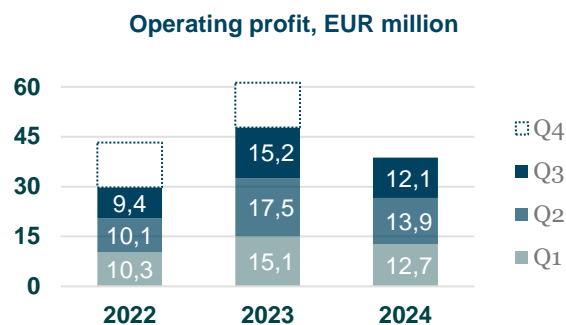
Energy & Cleantech

Turnover in **July–September** was EUR 55.6 (77.6) million, a decrease of 28.4% compared to the same period in 2023. Turnover in **January–September** was EUR 193.4 (241.7) million, a decrease of 20.0% compared to the same period in 2023. Improved semiconductor availability in the second half of 2023 boosted the demand and drove to overstocking, which is still impacting on the turnover of the period.

Medtech & Life Science

Turnover in **July–September** was EUR 33.8 (36.4) million, a decrease of 6.9% compared to the same period in 2023. Turnover in **January–September** was EUR 105.8 (116.6) million, a decrease of 10.7% compared to the same period in 2023. The drop was mainly caused by a strong comparison period in 2023.

OPERATING PROFIT



The adjusted operating profit for **July–September** was EUR 12.4 (15.2) million. The operating profit was impacted by lower turnover. The company continued to keep a high focus on its operational costs and adapted them to demand. As a result of those actions the adjusted operating margin was at the target level 7.2% (7.2%) of turnover. Operating profit was adjusted with EUR 0.3 million acquisition costs related to SRX transaction which realized in the fourth quarter. The operating profit for **July–September** was EUR 12.1 (15.2) million, 7.0% (7.2%) of turnover.

The adjusted operating profit for **January–September** was EUR 39.1 (47.9) million, 6.9% (7.0%) of turnover. The adjusted operating profit was negatively impacted by EUR 0.6 million foreign exchange rate change and lay off costs EUR 0.5 million which impacted the adjusted operating margin by 0.2%. The company has adapted its operational costs to reflect the changes in

demand and adjusted operating profit margin without impact of lay-off costs and foreign exchange rate change exceeded the previous year's level. Operating profit was adjusted for EUR 0,3 million acquisition costs related to SRX transaction, which realized in the fourth quarter. The operating profit for **January–September** was EUR 38.8 (47.9) million, 6.8% (7.0%) of turnover.

NET PROFIT AND EARNINGS

The net profit for **July–September** was EUR 8.7 (11.0) million, a decrease of 20.7%. Earnings per share were EUR 0.13 (0.17). The net profit for **January–September** was EUR 29.4 (37.3) million, a decrease of 21.4%. Earnings per share were EUR 0.45 (0.57). Return on investment was 15.9% (19.9%).

The effective tax rate in **January–September** was 24.2% (21.4%). The difference in the rates consist of the negative adjustment of the taxes of Poland Special Economic Zone and tax refund resulting of mutual agreement process in 2023 regarding the tax year 2014 in Poland. Total impact of these were 2,0% in the tax rate. Otherwise, the tax rate represents the weighted average tax rates including the withholding taxes for the dividends.

FINANCING AND CAPITAL EXPENDITURE

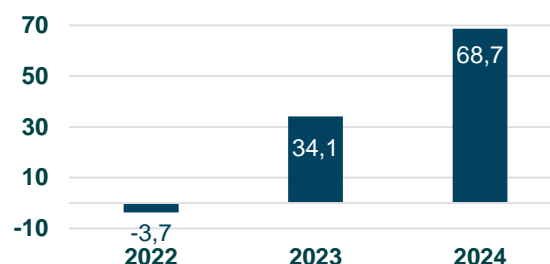
Scanfil has a strong financial position. The consolidated balance sheet total was EUR 498.3 (541.8) million at the end of the review period. Cash and cash equivalents totaled EUR 51.8 (13.6) million. Liabilities amounted to EUR 217.8 (294.2) million, of which non-interest-bearing liabilities totaled EUR 154.9 (199.9) million and interest-bearing liabilities totaled EUR 62.9 (94.4) million. Interest-bearing liabilities consisted of EUR 41.9 (73.1) million in liabilities from financial institutions and EUR 21.0 (21.2) million in leasing liabilities. The Group has a strong liquidity position with EUR 91.1 million in unused credit facilities.

The equity ratio **at the end of the period** was 58.2% (47.8%), and net gearing was 4.0% (32.6%). Net debt to EBITDA was 0.15 (1.01). Equity per share was EUR 4.30 (3.79).

The Group's financial arrangement includes discharge covenants related to equity ratio and interest-bearing net debt/EBITDA ratio. Compliance with the terms of the covenants is reviewed quarterly. At the end of the period

under review, the terms have been complied with.

NET CASH FLOW FROM OPERATIONS, EUR million in January–September



The net cash flow from operating activities for **January–September** was EUR 68.7 (34.1) million. The positive change resulted from the EUR 35.4 million impact of the reduction in the inventory values.

The net cash flow from investing activities in **January–September** was EUR -11.6 (-17.8) million. Scanfil invested in the Dream Factory manufacturing efficiency program and necessary capacity replacement. Sieradz factory expansion has been postponed corresponding to the prevailing demand environment.

Free cash flow was EUR 57.1 (16.0) million.

The cash flow from financing activities was EUR -26.6 (-23.0) million, including a EUR -15.0 (-13.6) million dividend payment, EUR -6.0 (-6.0) million in repayments of long-term loans, changes in the leasing liabilities of EUR -3.0 (-3.1) million and change in overdraft facility EUR -2.5 (-1.5) million.

Gross investments in **January–September** totaled EUR 11.9 (18.1) million, which was 2.1% (2.7%) of the turnover. Depreciations, including impairments, totaled EUR 15.2 (14.2) million.

DECISIONS FROM THE ANNUAL GENERAL MEETING AND BOARD OF DIRECTORS' AUTHORIZATION

The Annual General Meeting held on 25 April 2024 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 issuing special rights entitling to shares.

The Board of Directors' proposals for the General Meetings and the minutes are available on the company's website at www.scanfil.com/aggm.

OWN SHARES

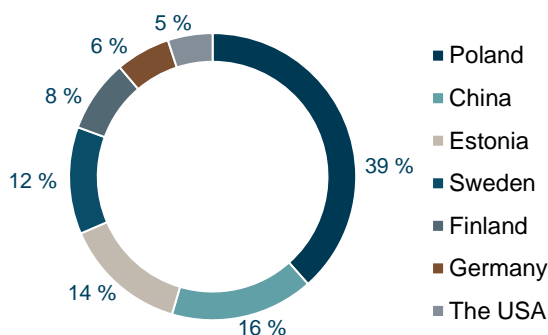
On 30 September 2024, the company owned 78,738 of its own shares, representing 0.1% of all shares.

SHARE TRADING AND SHARE PERFORMANCE

The number of Scanfil shares was 65,269,993 in total as of 30 September 2024 with the market value of EUR 473.2 million.

The highest trading price during **January–September** was EUR 8.7 and the lowest was EUR 6.72, with the closing price for the period standing at EUR 7.25 and the volume weighted average price at EUR 7.71.

PERSONNEL



At the end of the period the Group employed 3,461 (3 679). The average number of Group employees during the review period was 3,535 (3 716) people. The change was driven by the shift in turnover.

CHANGES IN GROUP STRUCTURE

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

FUTURE OUTLOOK

On 10 June Scanfil updated its outlook for 2024. Scanfil estimates its turnover to be EUR 780–840 (previous, issued on 23 February: 820–900) million, and an adjusted operating profit of EUR 54–61 (57–65) million.

The outlook is based on customer forecasts and Scanfil’s normal forecasting process. The outlook is associated with uncertainty related to global economic development.

LONG-TERM TARGETS

Scanfil is aiming for 10% annual turnover growth and 7%-8% operating profit level while keeping its net

debt/EBITDA ≤1.5. Scanfil aims to pay an increasing dividend of approximately 1/3 of the earnings per share.

OPERATIONAL RISKS AND UNCERTAINTIES

Current recognized risks are 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 inflation, materials prices and availability, exchange rates and cyber security. Scanfil may also be exposed to legal disputes in the jurisdictions in which it operates.

The negative development of the global economy may have an impact on Scanfil’s revenue and profitability in the short to midterm. It may also have an impact on companies’ financing and therefore increase the risk of credit losses.

If conflicts in Ukraine and the Middle East continue and escalate further, it might impact Scanfil and the business environment of its customers. Furthermore, other political and trade tension as well as related actions might impact Scanfil’s business environment.

Overall inflation also influences the company’s cost structure.

Materials availability in the market has normalized. However, any disruption in the external material supply chain could impact on the company’s revenue and profitability.

The changes in foreign exchange rates are a risk to profitability. Scanfil mitigates the risk by using foreign exchange forward contracts.

Mergers and acquisitions have risks e.g. related to acquisition price, integration and future profitability of the acquired company.

Cyber security is recognized as an increasing risk. Scanfil is continuously monitoring and developing its ICT environment and systems to mitigate the risk.

The risk of energy availability and potential increases in energy costs are not expected to have a significant impact on short-term revenue or profitability.

The company’s risks and risk management are described on the company’s website under Corporate Governance and in the Sustainability report 2023 and notes to the consolidated financial statement for 2023.

KEY INDICATORS

	1 - 9 2024	1 - 9 2023	1 - 12 2023
Operating Profit, EUR million	38.8	47.9	61.3
Operating Profit, adjusted, EUR million	39.1	47.9	61.3
Return on equity, %	14.3	21.0	19.6
Return on investment, %	15.9	19.9	19.4
Interest-bearing liabilities, EUR million	62.9	94.4	73.0
Net gearing, %	4.0	32.6	19.4
Equity ratio, %	58.2	47.8	53.7
Gross investments, EUR million	11.9	18.1	22.2
% of net turnover	2.1	2.7	2.5
Personnel, average	3,535	3,716	3,671
Earnings per share, EUR	0.45	0.57	0.74
Shareholders' equity per share, EUR	4.30	3.79	4.08
Number of shares at the end of period, 000's			
- not counting own shares	65,191	65,171	65,191
- weighted average	65,191	65,095	64,864

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

	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	Q4/22	Q3/22
Turnover, MEUR	173.3	195.5	198.9	220.8	212.8	243.3	224.6	222.3	211.9
Operating profit, MEUR	12.1	13.9	12.7	13.4	15.2	17.5	15.1	13.4	11.5
Operating profit, %	7.0	7.1	6.4	6.1	7.2	7.2	6.7	6.0	5.4
Net income, MEUR	8.7	10.8	9.8	10.9	11.0	14.5	11.8	10.5	9.4

CALCULATION OF KEY INDICATORS

Return on equity, %	$\frac{\text{Net profit for the period}^* \times 100}{\text{Shareholders' equity (average)}}$
Adjusted return on equity %	$\frac{\text{Adjusted net profit for the period}^* \times 100}{\text{Adjusted shareholders' equity (average)}}$
Return on investment, %	$\frac{(\text{Profit before taxes} + \text{interest and other financial expenses})^* \times 100}{\text{Balance sheet total} - \text{non-interest-bearing liabilities (average)}}$
Net gearing (%)	$\frac{(\text{Interest-bearing liabilities} - \text{cash and other liquid financial assets}) \times 100}{\text{Shareholders' equity}}$
Equity ratio (%)	$\frac{\text{Shareholders' equity} \times 100}{\text{Balance sheet total} - \text{advance payments received}}$
Net debt	Interest-bearing liabilities + lease liabilities - cash and cash equivalents
EBITDA	Operating Profit + Depreciations and amortizations
Earnings per share	$\frac{\text{Net profit for the period}}{\text{Average adjusted number of shares during the year}}$
Shareholders' equity per share	$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares at the end of the financial period}}$
Dividend per share	$\frac{\text{Dividend to be distributed for the period (Board's proposal)}}{\text{Number of shares at the end of year}}$
Dividend per earnings (%)	$\frac{\text{Dividend per share} \times 100}{\text{Earnings per share}}$
Effective dividend yield (%)	$\frac{\text{Dividend per share} \times 100}{\text{Share price at the end of year}}$
Price-to-earnings ratio (P/E)	$\frac{\text{Share price at the end of year}}{\text{Earnings per share}}$
Average share price	$\frac{\text{Total share turnover}}{\text{Number of shares traded}}$
Market capitalisation	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

* Year-to-date annualized

CONDENSED CONSOLIDATED INCOME STATEMENT

		7 - 9 2024	7 - 9 2023	1 - 9 2024	1 - 9 2023	1 - 12 2023
EUR million	Note					
Turnover	1	173.3	212.8	567.7	680.7	901.6
Other operating income		0.3	0.4	0.7	0.7	0.9
Changes in inventories of finished goods and work in progress		-0.1	2.1	-1.1	3.6	-0.3
Expenses		-156.2	-195.3	-513.4	-623.0	-821.7
Depreciation and amortization		-5.1	-4.8	-15.2	-14.2	-19.1
Operating profit		12.1	15.2	38.8	47.9	61.3
Financial income and expenses		-0.2	-0.7	0.0	-0.3	0.3
Profit before taxes		11.9	14.6	38.8	47.5	61.6
Income taxes		-3.1	-3.5	-9.4	-10.2	-13.4
Net profit for the period		8.7	11.0	29.4	37.3	48.2
Attributable to:						
Equity holders of the parent		8.7	11.0	29.4	37.3	48.2
Earnings per share for profit attributable to shareholders of the parent:						
undiluted (EUR)		0.13	0.17	0.45	0.57	0.74
diluted (EUR)		0.13	0.17	0.45	0.57	0.74

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	7 - 9 2024	7 - 9 2023	1 - 9 2024	1 - 9 2023	1 - 12 2023
EUR million					
Net profit for the period	8.7	11.0	29.4	37.3	48.2
Items that may later be recognized in profit or loss					
Translation differences	0.0	-1.8	0.5	-3.6	3.0
Cash flow hedges	-0.1	-1.3	-0.7	-0.8	0.0
Other comprehensive income, net of tax	-0.1	-3.1	-0.2	-4.5	2.9
Total Comprehensive Income	8.6	7.9	29.2	32.9	51.2
Attributable to:					
Equity holders of the parent	8.6	7.9	29.2	32.9	51.2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	30.9.2024	30.9.2023	31.12.2023
Assets				
Non-current assets				
Property, plant and equipment	2	64.1	62.4	62.7
Right-of-use asset	2	20.8	21.2	22.6
Goodwill	3	7.6	7.5	7.7
Other intangible assets		9.1	9.3	10.4
Available-for-sale investments		0.5	0.5	0.5
Deferred tax assets		7.1	8.0	7.7
Total non-current assets		109.3	109.0	111.6
Current assets				
Inventories		173.9	225.3	209.0
Trade and other receivables		157.7	190.1	173.5
Advance payments		2.0	1.6	0.9
Current tax		3.6	2.3	1.8
Cash and cash equivalents		51.8	13.6	21.2
Total current assets		388.9	432.9	406.4
Total assets		498.3	541.8	518.0
		30.9.2024	30.9.2023	31.12.2023
Shareholder's equity and liabilities				
Equity attributable to equity holders of the parent				
Share capital		2.0	2.0	2.0
Reserve for invested unrestricted equity fund		34.8	34.7	34.8
Fair value reserve		0.2	0.1	0.9
Other reserves		2.6	2.6	2.6
Translation differences		-4.1	-11.2	-4.6
Retained earnings		244.9	219.3	230.2
Total equity		280.5	247.6	266.0
Non-current liabilities				
Deferred tax liabilities		6.7	5.4	5.7
Provisions		1.1	1.0	1.1
Interest bearing liabilities			30.0	
Lease liability		16.5	19.3	18.6
Total non-current liabilities		24.3	55.7	25.4
Current liabilities				
Trade and other liabilities		144.9	187.5	166.7
Current tax		1.6	5.4	4.9
Provisions		0.7	0.5	0.6
Interest bearing liabilities		41.9	43.1	50.4
Lease liability		4.5	1.9	3.9
Total current liabilities		193.5	238.5	226.6
Total liabilities		217.8	294.2	252.0
Total shareholder's equity and liabilities		498.3	541.8	518.0

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
Equity 1.1.2024	2.0	34.8	0.9	2.6	-4.6	230.2	266.0
Total comprehensive income			-0.7		0.5	29.4	29.2
Paid dividend						-15.0	-15.0
Option scheme						0.3	0.3
Equity 30.9.2024	2.0	34.8	0.2	2.6	-4.1	244.9	280.5

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
Equity 1.1.2023	2.0	33.4	1.0	2.6	-7.6	195.1	226.6
Total comprehensive income			-0.8		-3.6	37.3	32.9
Paid dividend						-13.6	-13.6
Option scheme						0.5	0.5
Share options exercised		1.3					1.3
Equity 30.9.2023	2.0	34.7	0.1	2.6	-11.2	219.3	247.6

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	1.1.-30.9.2024	1.1.-30.9.2023	1.1.-31.12.2023
EUR million			
Cash flow from operating activities			
Net profit	29.4	37.3	48.2
Adjustments for the net profit	26.2	28.1	35.7
Change in net working capital	27.3	-22.2	-2.6
Paid interests and other financial expenses	-1.7	-2.8	-3.6
Received interest and other financial income	0.6	0.4	0.5
Taxes paid	-13.1	-6.8	-9.2
Net cash from operating activities	68.7	34.1	68.9
Cash flow from investing activities			
Investments in tangible and intangible assets	-11.9	-18.1	-22.2
Sale of tangible and intangible assets	0.3	0.3	0.3
Net cash from investing activities	-11.6	-17.8	-21.9
Cash flow from financing activities			
Related-party investment company shares		1.3	1.4
Repayment of long-term loans	-6.0	-6.0	-6.0
Proceeds from short term loans	-2.5	-1.5	
Repayment of short-term loans		-0.1	-24.0
Repayment of lease liabilities	-3.0	-3.1	-4.2
Dividends paid	-15.0	-13.6	-13.6
Net cash from financing activities	-26.6	-23.0	-46.4
Net increase/decrease in cash and cash equivalents	30.5	-6.8	0.6
Cash and cash equivalents at beginning of period	21.2	20.8	20.8
Changes in exchange rates	0.0	-0.4	-0.2
Cash and cash equivalents at end of period	51.8	13.6	21.2

ADJUSTMENT CALCULATIONS TO OPERATING AND NET PROFIT, AND EQUITY

	7 - 9 2024	7 - 9 2023	1 - 9 2024	1 - 9 2023	1 - 12 2023
EUR million					
Operating profit	12.1	15.2	38.8	47.9	61.3
Operating profit, % of turnover	7.0 %	7.2 %	6.8 %	7.0 %	6.8 %
Adjustment items:					
<i>Expenses</i>	0.3		0.3		
Total adjustment items	0.3		0.3		
Adjusted operating profit	12.4	15.2	39.1	47.9	61.3
Adjusted operating profit, % of turnover	7.2 %	7.2 %	6.9 %	7.0 %	6.8 %
Financial income and expenses	-0.2	-0.7	0.0	-0.3	0.3
Profit before taxes	11.9	14.6	38.8	47.5	61.6
Income taxes	-3.1	-3.5	-9.4	-10.2	-13.4
Net profit for the period	8.7	11.0	29.4	37.3	48.2
Earnings per share, EUR	0.13	0.17	0.45	0.57	0.74
Adjusted net profit for the period	9.1	11.0	29.7	37.3	48.2
Adjusted earnings per share, EUR	0.14	0.17	0.46	0.57	0.74
Equity			280.5	247.6	266.0
Return on equity, %			14.3 %	21.0 %	19.6 %
Adjustment items:					
<i>Net profit for the period</i>			0.3		
Adjusted equity			280.8	247.6	266.0
Adjusted return on equity, %			14.5 %	21.0 %	19.6 %

Notes to the interim report

ACCOUNTING PRINCIPLES

The Group's interim report has been prepared in compliance with the IAS 34 Interim Financial Reporting standard. The report complies with the accounting principles as in the Financial Statement for 2023. 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 report is unaudited.

In its meeting held on October 24, 2024, the Board of Directors of Scanfil plc approved this interim report for publication.

1. DISAGGREGATION OF REVENUES

	7 - 9 2024			7 - 9 2023		
	Goods	Services	Total	Goods	Services	Total
Customer Segments						
Industrial	75.4	8.3	83.6	90.5	8.3	98.8
Energy & Cleantech	54.6	0.9	55.5	76.2	1.4	77.6
Medtec & Life Science	32.3	1.9	34.2	35.0	1.3	36.4
Total	162.3	11.0	173.3	201.8	11.0	212.8
Timing of revenue recognition						
Goods and services transferred at a point of time	162.3	10.8	173.0	201.8	10.4	212.2
Services transferred over time		0.2	0.2		0.6	0.6
Total	162.3	11.0	173.3	201.8	11.0	212.8

	1 - 9 2024			1 - 9 2023		
	Goods	Services	Total	Goods	Services	Total
Customer Segments						
Industrial	243.1	25.3	268.5	296.4	26.1	322.5
Energy & Cleantech	190.8	2.6	193.4	238.0	3.7	241.7
Medtec & Life Science	99.9	5.9	105.8	111.1	5.4	116.6
Total	533.9	33.8	567.7	645.5	35.3	680.7
Timing of revenue recognition						
Goods and services transferred at a point of time	533.9	32.7	566.5	645.5	33.2	678.7
Services transferred over time		1.1	1.1		2.0	2.0
Total	533.9	33.8	567.7	645.5	35.3	680.7

2. CHANGES IN TANGIBLE NON-CURRENT ASSETS

	1 - 9 2024	1 - 9 2023	1 - 12 2023
EUR million			
Book value at the beginning of the period	85.3	79.7	79.7
Additions	12.5	17.0	20.9
Deductions	-0.2	-0.2	-0.2
Depreciations and decreases in value	-13.2	-12.3	-16.5
Exchange rate differences	0.6	-0.6	1.4
Book value at the end of the period	85.0	83.7	85.3

3. CHANGES IN GOODWILL

	1 - 9 2024	1 - 9 2023	1 - 12 2023
EUR million			
Book value at the beginning of the period	7.7	7.7	7.7
Exchange rate differences	-0.1	-0.2	0.0
Book value at the end of the period	7.6	7.5	7.7

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

	30.9.2024 Book values of balance sheet values	30.9.2024 Fair values of balance sheet values
EUR million		
Non-current assets		
Investments	0.5	0.5
Non-current assets total	0.5	0.5
Current assets		
Trade receivables	145.4	145.4
Derivatives	0.3	0.3
Cash and cash equivalents	51.8	51.8
Current assets total	197.4	197.4
Total financial assets	197.9	197.9
Non-current financial liabilities		
Lease liability	16.5	16.5
Non-current financial liabilities total	16.5	16.5
Current financial liabilities		
Interest bearing liabilities from financial institutions	30.0	30.0

Loans withdrawn from the credit limit	11.9	11.9
Lease liability	4.5	4.5
Trade payables	97.7	97.7
Derivatives	0.4	0.4
Current financial liabilities total	144.4	144.4
Total financial liabilities	161.0	161.0

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

	30.9.2024		30.9.2023	
	Fair net value	Nominal value	Fair net value	Nominal value
EUR million				
Interest rate swaps	-	-	0.2	6.0
Forward exchange contracts	0.3	30.4	0.0	31.5
Forward exchange contracts, outside hedge accounting	-0.4	116.5	-0.3	204.9

6. CONTINGENT LIABILITIES

	30.9.2024	30.9.2023	31.12.2023
EUR million			
Pledged guarantees	1.0	0.8	0.8

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 180 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 October 3, 2024, Scanfil acquired SRXGlobal for EUR 23.3 million (USD 25.7 million) with liquid cash assets. In addition, the seller is entitled to a total earnout of maximum EUR 10.5 million. SRX has two well-situated factories in Melbourne, Australia and Johor Bahru, Malaysia. Its turnover 1 July 2023–30 June 2024 was EUR 39 million and operating profit EUR 2.7 million.

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 applications, automation systems, wireless connectivity modules, climate control systems, collection and sorting systems, analyzers and environmental measurement solutions. Scanfil services are used by numerous international automations, 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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