

SCANFIL

JANUARY–JUNE 2021

Scanfil plc

H1 2021

Half Year Report

AUGUST 6, 2021



Scanfil Group's Financial Report for Q2 and Half Year for 2021

Q2 2021: Demand continued to improve and operating profit increased

April–June

Turnover totalled EUR 172.9 million (Q2 2020: 155.6), an increase of 11.1%

Operating profit was EUR 10.6 (10.2) million, 6.1% (6.5%) of turnover, an increase of 4.1%

Net profit was EUR 8.6 (8.3) million

Earnings per share were EUR 0.13 (0.13)

On 11 June 2021 Scanfil revised upwards its turnover and adjusted operating profit outlook for 2021

January–June

Turnover totalled EUR 336.2 million (H1 2020: 299.6), increase of 12.2%

Operating profit was EUR 20.6 (18.8) million, 6.1% (6.3%) of turnover, an increase of 9.3%

Net profit was EUR 16.2 (15.8) million

Earnings per share were EUR 0.25 (0.24)

Future Outlook

Due to strong customer demand Scanfil revised its outlook for 2021 on 11 June. The new outlook is as follows:

Scanfil estimates that its turnover for 2021 will be EUR 630–680 (previous, issued 18 February 2021: 600–640) million and its adjusted operating profit will be EUR 41–46 (40–44) million.

The guidance for 2021 involves uncertainty arising from the potential negative impact of the availability of certain materials, especially semiconductors, and the COVID-19 pandemic on customer demand and the delivery capability of the component supply chain.

Long-Term Target

Scanfil's long-term target: in 2023, Scanfil is organically aiming for EUR 700 million turnover and 7% operating profit.

KEY FIGURES

	Q2 2021	Q2 2020	Change %	H1 2021	H1 2020	Change %	2020
Turnover, EUR million	172.9	155.6	11.1	336.2	299.6	12.2	595.3
Operating Profit, EUR million	10.6	10.2	4.1	20.6	18.8	9.3	44.4
Operating Profit, Adjusted, EUR million	10.6	10.2	4.1	20.6	18.8	9.3	39.1
Operating Profit, %	6.1	6.5		6.1	6.3		7.5
Operating Profit, Adjusted, %	6.1	6.5		6.1	6.3		6.6
Net Profit, EUR million	8.6	8.3	4.3	16.2	15.8	2.9	36.9
Net Profit, Adjusted, EUR million	8.6	8.3	4.3	16.2	15.8	2.9	32.5
Earnings per Share, EUR	0.13	0.13	3.8	0.25	0.24	2.4	0.57
Earnings per Share, Adjusted, EUR	0.13	0.13	3.8	0.25	0.24	2.4	0.50
Return on Equity, %				17.3	18.8		21.1
Return on Equity, Adjusted, %				17.3	18.8		18.4
Equity Ratio, %				50.2	47.5		54.3
Net Gearing, %				13.0	27.0		9.9
Net Cash Flow from Operations, EUR million				7.1	16.8	-57.8	35.2
Employees (Average)				3,255	3,535	-7.9	3,387

CEO PETTERI JOKITALO

The second quarter turnover was EUR 172.9 million, an increase of 11% compared to the previous year. Customer demand started to improve in the latter half of 2020 and this recovery strengthened further in the second quarter. Growth in demand was especially strong in the product groups concerning energy efficiency, indoor climate, automation, recycling and elevators.

Turnover growth was organic, including EUR 7.4 million of transitory separately agreed and low margin customer invoicing. This was related to the use of spot markets in materials and components, and special freights and intermediary trade. Turnover excluding these transitory invoiced items increased by EUR 10.0 million, 6.4% compared to the previous year. The additional invoicing related to the existing exceptional situation will decrease when the shortage of components eases. Intermediary trade related to the divestment of the Hangzhou factory ended in the second quarter.

The general price increase of materials and freights are compensated separately with each customer according to the valid contract terms and conditions and normal margin structure.

The results for the quarter were EUR 10.6 million, 6.1% of turnover and an increase of 4.0% compared to the previous year. Strong demand drove up the positive development of the profitability especially in Eastern Europe, China and the USA factories. In the contrast, the production transfer and the planned closure of the Hamburg factory at the end of September created additional costs and weighed down profitability.

Scanfil's balance sheet is strong and enables all necessary investments as well as the seizing of business opportunities. Strong turnover growth, challenges in the availability of certain materials, long delivery times as well as price increases enlarged our inventories and reduced our cash flow from operations. In the first half of 2021 the net cash flow from operations before investments and financial items was EUR 7.1 (16.8) million. The equity ratio was at 50.2% and net gearing at 13.0%.

We expect strong demand for the remainder of the year. Key risks are related to the availability of certain materials, such as semiconductors and steel, and the development of the COVID-19 situation. In particular, with regard to materials, circumstances are challenging and require constant attention and actions to secure customer deliveries. The situation with the pandemic has improved in our geographic areas of operations and we have gradually started to reduce our preventative actions in our factories. Nevertheless, the situation might change rapidly and we are conscious of the importance of active monitoring and fast response.

In June, we raised the outlook for 2021 and we expect our turnover to be EUR 630–680 million and operating profit EUR 41–46 million.

The year has been busy and eventful. Strong customer demand, challenges with material availability, the fight against COVID-19, and the Hamburg production transfer have required a lot from our staff. I want to thank our dedicated employees for a good job and our customers for their support and trust.

MARKETS AND CUSTOMER SEGMENTS

Scanfil renewed its customer segments at the beginning of 2021 to better correspond to the current customer structure.

Discontinued operations include intermediate sales from the Hangzhou factory, which was sold in the summer of 2020.

Scanfil offers products and solutions which are typically modules and integrated products. Typical products of the customer segments are as follows:

- **Advanced Consumer Applications:** End products and solutions are often used in public places. End products are e.g. self-service applications, handover automation (e.g. parcel lockers for logistic services) and elevators.
- **Automation & Safety:** End products in this segment are e.g. cameras for network video solutions, access control systems and automation systems.
- **Connectivity:** End products in this segment are e.g. wireless connectivity modules and radio systems.
- **Energy & Cleantech:** End products in this segment are e.g. reverse vending machines, air and water cleaners, indoor climate control systems, energy systems and automated collection and sorting solutions.
- **Medtech & Life Science:** End products for the segment are e.g. dental chairs, analysers, mass spectrometers and solutions for environmental measuring.

During the second quarter of 2021, the Group's turnover increased by EUR 17.3 million, or 11.1% compared to the corresponding period of the previous year. The growth was organic. EUR 5.4 million of the turnover was

transitory separately agreed low margin customer invoicing related to the use of spot markets of materials and components and special freight. In addition there were EUR 2.0 million of intermediary sales, which is also represented in the row "Discontinued." Excluding the transitory invoicing, the turnover increased by EUR 10.0 million, 6.4% compared to the previous year.

Advanced Consumer Applications: Turnover increased compared to the second quarter of 2020 by EUR 13.3 million (33.1%). The key drivers behind this strong growth were new customer ramp-ups, good demand in elevator products and hand-over solutions. Transitory invoicing was 0.7 million.

Automation & Safety: Turnover was stable and increased compared to the second quarter of 2020 by EUR 0.2 million (0.6%). Development of the segment has been steady and includes EUR 2.0 million of transitory invoicing.

Connectivity: Turnover decreased slightly compared to second quarter of 2020 by EUR 0.4 million (-5.2%).

Energy & Cleantech: Turnover increased compared to the second quarter of 2020 by EUR 11.0 million (32.7%). The key drivers behind this strong growth were good demand in reverse vending machines, energy systems and indoor climate control systems. Transitory invoicing was EUR 2.4 million.

Medtech & Life Science: Turnover increased compared to the second quarter of 2020 by EUR 3.1 million (12.3%). The turnover has developed steadily since the second quarter of 2020.

During the second quarter of 2021, the largest customer accounted for about 16% (15%) of turnover and the top ten customers accounted for about 55% (59%) of turnover.

EUR million	Q1 20	Q2 20	Q3 20	Q4 20	FY20	Q1 21	Q2 21	% of turnover
Advanced Consumer Applications	31.1	40.1	38.6	41.4	151.3	42.9	53.4	30.9
Automation & Safety	37.9	36.6	33.7	34.0	142.1	34.5	36.8	21.3
Connectivity	7.4	7.7	7.1	6.4	28.6	8.1	7.3	4.2
Energy & Cleantech	34.4	33.8	30.0	37.4	135.6	40.3	44.8	25.9
Medtech & Life Science	27.0	25.4	26.0	29.5	107.8	29.1	28.5	16.5
Discontinued	6.3	12.0	6.3	5.4	29.9	8.5	2.0	1.1
In total	144.1	155.6	141.6	154.1	595.3	163.3	172.9	100.0

Discontinued is an intermediary trading segment related to Hangzhou factory divestment executed in Q3 2020. Trading business ended in Q2.

TURNOVER

Turnover for **April–June** was 172.9 (155.6) EUR million, showing an increase of 11.1% from the corresponding period in 2020. This turnover includes EUR 5.4 million of transitory invoicing with low margin related to price increases of materials, components and freights, and the reliability of deliveries. In addition, EUR 2.0 million of turnover consisted of trading business with a low margin. Turnover for this period excluding the above mentioned low margin revenue was EUR 165.5 million, an increase of 6.4 %.

January–June turnover was EUR 336.2 (299.6) million, increase of 12.2% compared to the previous year which includes EUR 16.7 million of the above mentioned revenue with a low margin. The turnover excluding the low margin invoicing was EUR 319.5 million, an increase of 6.6% compared to the previous year.

TURNOVER, EUR million



OPERATING PROFIT

In **April–June**, the operating profit was EUR 10.6 (10.2) million. The profit margin was 6.1% (6.5%). The operating profit increased by 4.1% compared to the previous year.

- Operating profit was positively affected by the growth in customer demand. In particular, operational efficiency and profitability improved at the Polish, Estonian and USA factories.
- Transitory low margin invoicing had a negative effect on the profit margin.
- The Hamburg production transfer with the ongoing factory ramp down required additional resources and costs, which lowered the profit margin.

In **January–June**, the operating profit was EUR 20.6 (18.8) million, an increase of 9.3%.

OPERATING PROFIT, ADJ. EUR million



NET CASH FLOW FROM OPERATIONS

The net cash flow from operations for **January–June** was EUR 7.1 (16.8) million, which decreased by EUR 9.7 million compared to the previous year.

- The net cash flow from the operations is lower due to the increase in the turnover which drove the working capital growth especially in Q2.
- In addition, challenges in the availability of certain materials, long delivery times and price increases caused an exceptional increase in inventories to some extent.

NET CASH FLOW FROM OPERATIONS, EUR million



Scanfil Group's Interim Report for 1 January – 30 June, 2021

FINANCIAL DEVELOPMENT

The Group's turnover for **January–June** was EUR 336.2 (299.6) million, an increase of 12.2% compared to the previous year. This turnover includes EUR 16.7 million of transitory low margin customer invoicing of which EUR 10.5 million was intermediary trading and the remaining EUR 6.1 million was low margin invoicing related to securing the availability of certain materials and deliveries. Turnover excluding transitory invoicing was EUR 319.5 million, an increase of 6.6% compared to the previous year.

Turnover by customer segment developed as follows:

Advanced Consumer Applications: Turnover increased compared to the first half of 2020 by EUR 25.0 million (35.1%). The key drivers behind this strong growth were new customer ramp-ups, and good demand in elevator products and hand-over solutions. Transitory invoicing was EUR 0.8 million.

Automation & Safety: Turnover decreased by EUR 3.2 million (-4.2%). Despite the slight negative change, the development of this segment has been steady. Transitory invoicing was EUR 2.5 million.

Connectivity: Turnover remained stable and increased compared to the first half of 2020 by EUR 0.3 million (1.8%).

Energy & Cleantech: Turnover increased compared to the first half of 2020 by EUR 16.9 million (24.8%). The key drivers behind this strong growth were good demand in reverse vending machines, energy systems and indoor climate control systems. Transitory invoicing was EUR 2.4 million.

Medtech & Life Science: Turnover increased compared to the first half of 2020 by EUR 5.2 million (10.0%). Transitory invoicing was EUR 0.2 million.

Turnover of "Discontinued" was EUR 10.5 million and consisted only low margin intermediary trading.

The Group's operating profit for January–June was EUR 20.6 (18.8) million, 6.1% (6.3%) of turnover. The operating profit was positively affected by the increase in customer demand, but received a negative impact from the Hamburg production transfer. In addition, the operating margin was lower due to a revenue of EUR 16.6 million in transitory low margin invoicing.

The net profit for the review period was EUR 16.2 (15.8) million. Earnings per share for the review period were EUR 0.25 (0.24). Return on investment was 18.1% (16.9%).

The Group's effective tax rate was 17.9% (14.0%).

The Group's turnover in **April–June** was EUR 172.9 (155.6) million and operating profit was EUR 10.6 (10.2) million, or 6.1% (6.5%) of turnover. Turnover increased, by 11.1% compared to the corresponding period of the previous year. This turnover includes EUR 5.4 million of transitory low margin invoicing related to price increases of materials, components and freights and securing deliveries. In addition, intermediary trade accounted for EUR 2.0 million. Turnover for the period excluding the above mentioned invoicing was EUR 165.5 million, an increase of 6.4%.

The operating profit was EUR 10.6 (10.2) million, 6.1% (6.5) of the turnover.

The Hamburg production transfer had a negative impact on the operating profit. In addition, the transitory invoicing of EUR 7.4 million affected the operating margin negatively.

The net profit in April–June was EUR 8.6 (8.3) million.

FINANCING AND CAPITAL EXPENDITURE

The Group has a stable financing position. The consolidated balance sheet total was EUR 385.0 (356.5) million at the end of the review period. Cash and cash equivalents totalled EUR 16.9 (19.0) million. Liabilities amounted to EUR 193.3 (187.2) million, of which non-interest-bearing liabilities totalled EUR 151.5 (122.5) million and interest-bearing liabilities totalled EUR 41.9 (64.7) million. Interest-bearing liabilities consisted of EUR 23.9 (44.1) million of financial liabilities and EUR 18.0 (20.6) million of leasing liabilities. The equity ratio was 50.2% (47.5%), and net gearing was 13.0% (27.0%). Equity per share was EUR 2.95 (2.61).

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.

The net cash flow from operating activities for the review period **January–June** was EUR 7.1 (16.8) million. The change in net working capital during the period

amounted to EUR -16.4 (-5.2) million. The change in working capital consists of the following items: short-term non-interest-bearing receivables increased by EUR 19.4 (11.9) million; inventories increased by EUR 34.9 (10.1) million; and short-term non-interest-bearing liabilities increased by EUR 37.8 (16.8) million.

The net cash flow from investing activities was EUR -4.0 (-6.2) million. The cash flow from financing activities was EUR -12.2 (-11.8) million including a EUR 11.0 (9.6) million dividend payment and 3.0 (3.4) million in repayments of long-term loans.

Gross investments in January–June totalled EUR 4.0 (6.3) million, which was 1.2% (2.1%) of the turnover. The investments mainly include the acquisition of machinery and equipment. Depreciation including impairments totalled EUR 7.6 (7.6) million.

THE IMPACT OF COVID-19 DURING THE REVIEW PERIOD

The COVID-19 pandemic had only a small negative impact on the Group's productivity and operating profit. The impacts mainly rose from costs related to preventive actions at the factories. Actions are explained in more detail below. However, the Group received some government subsidies to compensate for the extra cost. The value of compensations was negligible.

COVID-19 did not have any significant negative impact on the Group's cash flow during January–June nor on the Group's financial structure or costs. Special attention is continuously paid to the collection of trade receivables, and customer risks are monitored regularly. The total overdue trade receivables are at the same level as before the pandemic. COVID-19 has affected the solvency of some smaller customers, but the related risks are moderate and well under control. The pandemic had no impact on balance sheet valuations, such as inventories, fixed assets or goodwill.

The company has unified guidelines for all factories to prevent the spread of COVID-19. These measures include e.g. shift changes being undertaken so that employees working different shifts do not meet one another during shift changes; the enhanced cleaning of work facilities; the restriction of travel and visits, remote work as much as possible; the use of protective equipment and safety distances; and hygiene guidelines for employees.

The situation with the pandemic has improved in the geographic areas of Scanfil's operations and the company has gradually started to reduce preventative actions at the factories. Nevertheless, the situation might

change rapidly and the company management is conscious of the importance of active monitoring and quick response.

The revised guidance issued on 11 June 2021 by the company is based on customer forecasts and Scanfil's normal forecast process. However, it should be noted that the guidance is still subject to exceptional uncertainty due to the potential negative effects of the coronavirus pandemic on customer demand and supply chain capacity.

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

Scanfil plc's Annual General Meeting was held on April 22, 2021 at the premises of Borenium 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 issues through one or more issues.

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.

OWN SHARES

On June 30, 2021 the company owned 198,738 of its own shares, representing 0.3% of all shares.

SHARE TRADING AND SHARE PERFORMANCE

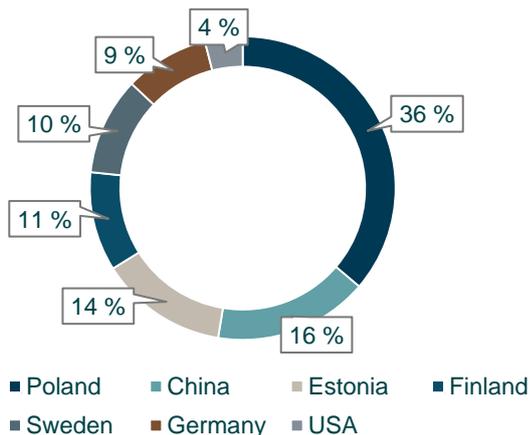
During January–June, a total of 290,000 treasury shares were subscribed under Scanfil Plc's stock options 2016B (160,000 shares with EUR 571,200) and 2016C (130,000 shares with EUR 582,400). The whole subscription price of EUR 1,153,600 for subscriptions made with the stock options was recognized in the company's reserve for invested unrestricted equity. As a result of the subscriptions, the number of Scanfil shares was 64,959,993 in total as of 30 June 2021.

The highest trading price during January–June was EUR 8.42 and the lowest was EUR 6.32, with the closing price for the period standing at EUR 7.86. A total of 1,870,425 shares were traded during the period, corresponding to 2.9% of the total number of shares. As of 30 June 2021, the market value of the shares was EUR 510.6 million.

PERSONNEL

At the end of the period under review, the Group employed 3,332 (3,574) people, of whom 2,980 (3,188) worked outside Finland and 352 (386) in Finland. The average number of Group employees during the review period was 3,255 (3,535) people. The majority of the change is attributable to the sale of the Hangzhou factory.

PERSONNEL BY COUNTRY



CHANGES IN GROUP STRUCTURE

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

FUTURE OUTLOOK

Scanfil estimates (revised 11 June 2021) that its turnover for 2021 will be EUR 630–680 (previous 600–640) million and its adjusted operating profit will be EUR 41–46 (previous 40–44) million.

The guidance for 2021 involves uncertainty arising from the potential negative impact of the availability of certain

materials, especially semiconductors, and the COVID-19 pandemic on customer demand and the delivery capability of the component supply chain.

LONG-TERM TARGET

In 2023, Scanfil is organically aiming for EUR 700 million turnover and 7% operating profit level. In addition, Scanfil is actively exploring acquisitions, especially in the Nordic countries and Central Europe.

OPERATIONAL RISKS AND UNCERTAINTIES

At present, uncertainty in the current year is still caused by the yet unknown negative effects of the spread of the COVID-19 pandemic. In addition, there are risks associated with the availability of certain materials, especially semiconductors.

A weakening of the global economy and a decrease in the international demand for capital goods could have a negative effect on the development of the business operations of Scanfil’s customers and could subsequently reduce demand in the contract manufacturing market. In particular, changes in international trade agreements and an increase in international trade restrictions could increase uncertainty in the development of the world economy. In addition, Scanfil’s business involves operational risks as well as exchange rate, interest rate 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.

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

EUR million

	4 - 6 2021	4 - 6 2020	1 - 6 2021	1 - 6 2020	1 - 12 2020
Operating profit	10.6	10.2	20.6	18.8	44.4
Operating profit, % of turnover	6.1%	6.5%	6.1%	6.3%	7.5%
Adjustment items:					
<i>Other operating income</i>					-11.5
<i>Expenses</i>					5.2
<i>Depreciation and amortization</i>					1.0
Total adjustment items					-5.3
Adjusted operating profit	10.6	10.2	20.6	18.8	39.1
Adjusted operating profit, % of turnover	6.1%	6.5%	6.1%	6.3%	6.6%
Financial income and expenses	-0.1	-0.6	-0.8	-0.5	-2.6
Profit before taxes	10.4	9.6	19.7	18.3	41.8
Income taxes	-1.8	-1.3	-3.5	-2.6	-4.9
Adjustment items:					
<i>Income taxes</i>					0.9
Total adjustment items					0.9
Net profit for the period	8.6	8.3	16.2	15.8	36.9
Earnings per share, EUR	0.13	0.13	0.25	0.24	0.57
Adjusted net profit for the period	8.6	8.3	16.2	15.8	32.5
Adjusted earnings per share, EUR	0.13	0.13	0.25	0.24	0.50
Equity			191.7	169.3	182.9
Return on equity, %			17.3%	18.8%	21.1%
Adjustment items:					
<i>Net profit for the period</i>					7.2
<i>Impact of the sale of the subsidiary on net asset</i>					-3.7
Adjusted equity					186.4
Adjusted return on equity, %					18.4%

During the first half of the year there were no adjustment items.

In the year 2020 the adjustment for other operating income consists of Scanfil (Hangzhou) Co. Ltd capital gain of EUR 11.5 million, which includes translation differences in equity of EUR 7.9 million. The Expenses adjustment item includes expenses incurred from the sale of the Hangzhou subsidiary EUR 0.2 million and closure of Scanfil GmbH factory EUR 5.1 million. Depreciations and decreases in value of fixed assets EUR 1.0 million are related to the closure of Scanfil GmbH factory. The Income taxes adjustment item includes taxes amounting EUR 0.9 million incurred on the sale of Hangzhou subsidiary.

The result for the financial year presented in equity adjustments includes the costs and income taxes incurred on the sale of the Chinese Hangzhou subsidiary and costs incurring from closure of Scanfil GmbH in 2020.

KEY INDICATORS

	1 - 6 2021	1 - 6 2020	1 - 12 2020
Return on equity, %	17.3	18.8	21.1
Return on investment, %	18.1	16.9	19.5
Interest-bearing liabilities, EUR million	41.9	64.7	44.0
Gearing, %	13.0	27.0	9.9
Equity ratio, %	50.2	47.5	54.3
Gross investments, EUR million	4.0	6.3	9.4
% of net turnover	1.2	2.1	1.6
Personnel, average	3,255	3,535	3,387
Earnings per share, EUR	0.25	0.24	0.57
Shareholders' equity per share, EUR	2.95	2.61	2.82
Number of shares at the end of period, 000's			
- not counting own shares	64,631	64,361	64,830
- weighted average	64,631	64,351	64,387

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

EUR million

	Q2/21	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20	Q4/19	Q3/19	Q2/19
Turnover, MEUR	172.9	163.3	154.1	141.6	155.6	144.1	154.7	152.3	142.6
Operating profit, MEUR	10.6	10.0	4.3	21.2	10.2	8.6	10.0	12.1	6.4
Operating profit, %	6.1	6.1	2.8	15.0	6.5	6.0	6.5	7.9	4.5
Net income, MEUR	8.6	7.6	3.1	18.0	8.3	7.5	9.8	8.8	4.6

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	$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares at the end of the financial period}}$
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

CONDENSED CONSOLIDATED INCOME STATEMENT

EUR million

	4 - 6 2021	4 - 6 2020	1 - 6 2021	1 - 6 2020	1 - 12 2020
Turnover	172.9	155.6	336.2	299.6	595.3
Other operating income	0.1	0.2	0.4	0.4	12.4
Changes in inventories of finished goods and work in progress	1.9	-2.3	2.8	-0.2	2.4
Manufacturing for own use		0.0		0.0	0.0
Expenses	-160.5	-139.4	-311.2	-273.4	-549.7
Depreciation and amortization	-3.8	-3.8	-7.6	-7.6	-16.1
Operating profit	10.6	10.2	20.6	18.8	44.4
Financial income and expenses	-0.1	-0.6	-0.8	-0.5	-2.6
Profit before taxes	10.4	9.6	19.7	18.3	41.8
Income taxes	-1.8	-1.3	-3.5	-2.6	-4.9
Net profit for the period	8.6	8.3	16.2	15.8	36.9
Attributable to:					
Equity holders of the parent	8.6	8.3	16.2	15.8	36.9
Earnings per share for profit attributable to shareholders of the parent:					
undiluted (EUR)	0.13	0.13	0.25	0.24	0.57
diluted (EUR)	0.13	0.13	0.25	0.24	0.57

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million

Net profit for the period	8.6	8.3	16.2	15.8	36.9
Items that may later be recognized in profit or loss					
Translation differences	1.8	2.2	1.8	-3.1	-2.8
Cash flow hedges	0.5	0.2	0.5	-0.4	-0.7
Other comprehensive income, net of tax	2.2	2.4	2.3	-3.4	-3.5
Total Comprehensive Income	10.8	10.7	18.5	12.3	33.4
Attributable to:					
Equity holders of the parent	10.8	10.7	18.5	12.3	33.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million

Assets	30.6.2021	30.6.2020	31.12.2020
Non-current assets			
Property, plant and equipment	45.9	51.0	46.4
Right-of-use asset	16.7	19.2	18.1
Goodwill	8.3	8.0	8.3
Other intangible assets	13.6	15.8	14.3
Available-for-sale investments	0.5	0.5	0.5
Deferred tax assets	6.8	6.9	6.9
Total non-current assets	91.8	101.4	94.5
Current assets			
Inventories	139.2	110.5	103.3
Trade and other receivables	132.8	122.4	113.3
Advance payments	1.2	0.8	0.6
Current tax	3.1	2.4	1.8
Cash and cash equivalents	16.9	19.0	25.8
Total current assets	293.2	255.1	244.7
Total assets	385.0	356.5	339.2
Shareholder's equity and liabilities	30.6.2021	30.6.2020	31.12.2020
Equity attributable to equity holders of the parent			
Share capital	2.0	2.0	2.0
Reserve for invested unrestricted equity fund	33.0	31.6	31.8
Fair value reserve	-0.1	-0.2	-0.6
Other reserves	2.6	6.9	2.6
Translation differences	-4.3	1.5	-6.1
Retained earnings	158.4	127.5	153.0
Total equity	191.7	169.3	182.9
Non-current liabilities			
Deferred tax liabilities	5.5	6.6	5.7
Provisions	0.7	0.5	0.6
Interest bearing liabilities	15.1	21.5	18.2
Lease liability	14.5	17.2	15.9
Total non-current liabilities	35.8	45.8	40.4
Current liabilities			
Trade and other liabilities	139.7	112.0	100.1
Current tax	1.4	3.1	1.8
Provisions	4.3	0.2	4.2
Interest bearing liabilities	8.8	22.5	6.2
Lease liability	3.4	3.4	3.7
Total current liabilities	157.5	141.4	115.9
Total liabilities	193.3	187.2	156.3
Total shareholder's equity and liabilities	385.0	356.5	339.2

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

EUR million

Equity attributable to equity holders of the parent company

Equity	Share capital	Reserve for invested unrestricted equity fund	Fair value reserve	Reserve fund	Translation differences	Retained earnings	Equity total
1.1.2021	2.0	31.8	-0.6	2.6	-6.1	153.0	182.9
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 dividends						-11.0	-11.0
Equity 30.6.2021	2.0	33.0	-0.1	2.6	-4.3	158.4	191.7

Equity attributable to equity holders of the parent company

Equity	Share capital	Reserve for invested unrestricted equity fund	Fair value reserve	Reserve fund	Translation differences	Retained earnings	Equity total
1.1.2020	2.0	31.0	0.2	6.9	4.6	122.0	166.7
Total comprehensive income			-0.4		-3.1	15.8	12.3
Share issue		0.4					0.4
Share options exercised		0.2					0.2
Option Scheme						0.1	0.1
Purchase of own shares						-0.8	-0.8
Paid dividends						-9.6	-9.6
Equity 30.6.2020	2.0	31.6	-0.2	6.9	1.5	127.5	169.3

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR million

	1.1.-30.6.2021	1.1.-30.6.2020	1.1.-31.12.2020
Cash flow from operating activities			
Net profit	16.2	15.8	36.9
Adjustments for the net profit	12.6	10.6	15.2
Change in net working capital	-16.4	-5.2	-8.0
Paid interests and other financial expenses	-0.6	-1.0	-1.7
Interest received	0.0	0.1	0.2
Taxes paid	-4.8	-3.5	-7.3
Net cash from operating activities	7.1	16.8	35.2
Cash flow from investing activities			
Sale of a subsidiary less cash and cash equivalents at the time of disposal			13.1
Investments in tangible and intangible assets	-4.0	-6.4	-9.4
Sale of tangible and intangible assets	0.0	0.1	0.3
Dividends received		0.1	0.1
Net cash from investing activities	-4.0	-6.2	4.1
Cash flow from financing activities			
Related-party investment company shares	1.2	0.6	0.9
Purchase of own shares		-0.8	-0.8
Repayment of long-term loans	-3.0	-3.4	-6.0
Proceeds from short term loans	2.5	3.2	1.2
Repayment of short-term loans	-0.1		-15.1
Repayment of lease liabilities	-1.9	-1.8	-4.0
Dividends paid	-11.0	-9.6	-9.6
Net cash from financing activities	-12.2	-11.8	-33.3
Net increase/decrease in cash and cash equivalents	-9.1	-1.2	6.0
Cash and cash equivalents at beginning of period	25.8	20.4	20.4
Changes in exchange rates	0.1	-0.2	-0.5
Cash and cash equivalents at end of period	16.9	19.0	25.8

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 half year report correspond with those defined in the Group's 2020 Financial Statements.

In April 2021, the IFRS IC finalised its agenda decision Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets). As the Group has cloud computing arrangements in place, it has started to analyse, if this agenda decision has an impact on the accounting policies applied to implementation costs in cloud computing arrangements. The Group will undertake this analysis during the fall of 2021, and the possible impacts will be implemented retrospectively in the financial statements of 2021 at the latest.

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 is unaudited.

In its meeting held on 5 August 2021, the Board of Directors of Scanfil plc approved this Half Year Report release for publication.

DISAGGREGATION OF REVENUES

EUR million

	4 - 6 2021			4 - 6 2020		
	Goods	Services	Total	Goods	Services	Total
Customer Segments						
Advanced Consumer Applications	51.2	2.2	53.4	38.9	1.2	40.1
Automation & Safety	31.9	4.9	36.8	31.2	5.4	36.6
Connectivity	9.0	0.3	9.3	7.6	0.1	7.7
Energy & Cleantech	43.1	1.8	44.8	33.3	0.5	33.8
Medtec & Life Science	26.8	1.6	28.5	23.5	1.9	25.4
Discontinued	0.0	0.0	0.0	11.9	0.1	12.0
Total	162.1	10.8	172.9	146.4	9.2	155.6
Timing of revenue recognition						
Goods and services transferred at a point of time	162.1	10.2	172.3	146.4	8.8	155.2
Services transferred over time		0.6	0.6		0.4	0.4
Total	162.1	10.8	172.9	146.4	9.2	155.6

	1 - 6 2021			1 - 6 2020		
	Goods	Services	Total	Goods	Services	Total
Customer Segments						
Advanced Consumer Applications	92.0	4.3	96.3	69.5	1.8	71.3
Automation & Safety	61.2	10.1	71.3	63.2	11.2	74.5
Connectivity	17.0	0.4	17.4	14.9	0.2	15.1
Energy & Cleantech	82.7	2.5	85.1	67.0	1.2	68.2
Medtec & Life Science	53.9	3.7	57.5	49.0	3.3	52.3
Discontinued	8.5	0.0	8.5	18.1	0.1	18.2
Total	315.3	20.9	336.2	281.7	17.9	299.6
Timing of revenue recognition						
Goods and services transferred at a point of time	315.3	19.9	335.1	281.7	16.8	298.5
Services transferred over time		1.0	1.0		1.1	1.1
Total	315.3	20.9	336.2	281.7	17.9	299.6

CHANGES IN GOODWILL

EUR million	1 - 6 2021	1 - 6 2020	1 - 12 2020
Book value at the beginning of the period	8.3	8.0	8.0
Exchange rate differences	-0.0	-0.0	0.3
Book value at the end of the period	8.3	8.0	8.3

CHANGES IN TANGIBLE NON-CURRENT ASSETS

EUR million	1 - 6 2021	1 - 6 2020	1 - 12 2020
Book value at the beginning of the period	64.5	71.6	71.6
Additions	3.7	6.2	11.4
Deductions		-0.2	-1.6
Selling of subsidiary			-2.0
Depreciations and decreases in value	-6.2	-6.3	-13.4
Exchange rate differences	0.6	-1.2	-1.6
Book value at the end of the period	62.6	70.2	64.5

In the financial year of 2020 Scanfil plc's subsidiary Scanfil EMS Oy sold the entire share capital of Scanfil (Hangzhou) Co., Ltd, a subsidiary located in China, for sale price of EUR 18.4 million. The decrease in tangible non-current assets presented in the line 'Selling of subsidiary' is related to the transaction in question. Depreciations and decreases in value of fixed assets EUR 1.0 million are related to the closure of Scanfil GmbH factory.

FINANCIAL ASSETS AND LIABILITIES, CARRYING AMOUNT AND FAIR VALUE

EUR million

	30.6.2021 Book values of balance sheet values	30.6.2021 Fair values of balance sheet values
Non-current assets		
Investments	0.5	0.5
Non-current assets total	0.5	0.5
Current assets		
Trade receivables	121.7	121.7
Cash and cash equivalents	16.9	16.9
Current assets total	138.6	138.6
Total financial assets	139.1	139.1
Non-current financial liabilities		
Interest bearing liabilities from financial institutions	15.1	15.1
Non-current financial liabilities total	15.1	15.1
Current financial liabilities		
Interest bearing liabilities from financial institutions	6.2	6.2
Loans withdrawn from the credit limit	2.5	2.5
Trade payables	107.5	107.5
Derivatives	0.1	0.1
Current financial liabilities total	116.3	116.3
Total financial liabilities	131.4	131.4

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

EUR million

	30.6.2021	Positive	Negative	Net	Nominal value
Interest rate swaps, protective			-0.0	-0.0	21.0
Forward exchange contracts, hedge accounting		0.1	-0.2	0.0	25.9

PROVISIONS

EUR million

	Reclamation and quantee	Pension	Other	Restructuring provisions	Total
1.1.2021	0.2	0.1	0.4	4.0	4.7
Exchange rate differences	0.0	0.0	0.0		0.0
Additions	0.3	0.0	0.1		0.4
Used provisions				-0.2	-0.0
30.6.2021	0.5	0.1	0.5	3.9	4.9

Long term provisions are EUR 0.7 million and short term provisions EUR 4.3 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 Scanfil GmbH's Hamburg factory and is mainly personnel costs.

CONTINGENT LIABILITIES

EUR million

	30.6.2021	30.6.2020	31.12.2020
Pledged guarantees	0.8	8.3	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 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 100 million between subsidiary Scanfil (Suzhou) Co., Ltd. and 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.

EVENTS AFTER THE REVIEW PERIOD

No material events to be reported have occurred after the reporting period.

SCANFIL PLC

Petteri Jokitalo
CEO

Additional information:

CEO Petteri Jokitalo

Tel +358 8 4882 111

Scanfil is an international manufacturing partner and system supplier for the electronics industry with 40 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 shorting systems, analysers and environmental measurement solutions. Scanfil services are used by numerous international automation, safety, energy, cleantech, connectivity and health service providers, as well as companies operating in the field of urbanisation. Scanfil's network of factories consists of 10 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, future events or otherwise.