

SCANFIL

JANUARY–MARCH 2021

Scanfil Plc
Q1 2021
Interim Report

APRIL 23, 2021



Scanfil Group's Interim Report for January–March 2021

Q1 2021: Brisk trend in demand continued from the end of 2020

January - March

Turnover totalled EUR 163.3 million (Q1 2020: 144.1), an increase of 13.4%

Operating profit EUR 10.0 (8.6) million, 6.1% (6.0%) of turnover, an increase of 15.5%

Net profit was EUR 7.6 (7.5) million

Earnings per share were EUR 0.12 (0.12)

Dividend of EUR 0.17 per share for year 2020 to be paid on May 3, an increase in dividend for 8th consecutive year

Future Outlook

Scanfil estimates that its turnover for 2021 will be EUR 600 – 640 million and its adjusted operating profit will be EUR 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

	Q1/2021	Q1/2020	Change%	2020
Turnover, EUR million	163.3	144.1	13.4 %	595.3
Operating Profit, EUR million	10.0	8.6	15.5 %	44.4
Operating Profit, Adjusted, EUR million	10.0	8.6	15.5 %	39.1
Operating Profit, %	6.1	6.0		7.5
Operating Profit, Adjusted, %	6.1	6.0		6.6
Net Profit, EUR million	7.6	7.5	1.3 %	36.9
Net Profit, Adjusted, EUR million	7.6	7.5	1.3 %	32.5
Earnings per Share, EUR	0.12	0.12	1.0 %	0.57
Earnings per Share, Adjusted, EUR	0.12	0.12	1.0 %	0.50
Return on Equity, %	16.3	17.9		21.1
Return on Equity, Adjusted, %	16.3	17.9		18.4
Equity Ratio, %	52.1	48.8		54.3
Net Gearing, %	5.9	25.0		9.9
Net Cash Flow from Operations, EUR million	7.7	5.9	30.5 %	35.2
Employees (Average)	3,225	3,522	-8.4 %	3,387

CEO PETTERI JOKITALO

The turnover for the first quarter was EUR 163.3 million, an increase of 13% year-on-year. The customer demand recovery that had already started in the latter part of 2020 continued positively during the quarter. Demand for products related to sustainable energy, indoor climate, automation, collection solutions and elevators developed especially strongly. The trading business, which is now expected to be completed, was still contributing about EUR 8.1 million to sales during the quarter.

COVID-19 is not over yet, and we successfully continued the fight against it; the performance of our personnel and factories has remained high this year.

Although the availability of certain materials was critical, we did not suffer from any major material restrictions during the quarter. Continuous attention was paid and lot of actions taken to mitigate the risks and ensure the materials for production.

Profitability developed as expected. The operating profit for the quarter was EUR 10.0 million, 6.1% of turnover and an increase of 16% on the previous year. A strong sales volume, especially in March, supported profitability, especially in factories in China, Poland and

Estonia. However, low profit trading sales and Hamburg production transfer with an ongoing factory ramp down required extra resources and costs, which negatively impacted the operating profit margin slightly.

Scanfil's financial position is strong, allowing the planned investments and enabling flexibility for opportunities. In the first quarter, the net cash flow from operations, before investments and financial items, was EUR 7.7 (5.6) million. The equity ratio was 52.1%, and net gearing 5.9%.

We continue the year with confidence. We have seen customers' forecasts gradually rising, bringing confidence in demand. Key risks are associated with the continuing coronavirus pandemic and the availability of certain materials. We have identified these risks and launched appropriate mitigation actions. We are keeping our guidance unchanged and expect our turnover for 2021 to be EUR 600 – 640 million and our operating profit to be EUR 40 – 44 million.

We've had a good start to the year! I want to thank our committed personnel for a job well done, and our customers for their support and trust.

MARKETS AND CUSTOMER SEGMENTS

Scanfil has been renewing its customer segments since the beginning of 2021 to better correspond to its current customer structure.

As previously communicated, the main part of the Communication segment business was related to base station manufacturing at the Hangzhou factory, which was sold in the summer of 2020. Scanfil has since continued to trade (intermediate from supplier to customers) in such products. After it was decided not to continue the trade beyond the first quarter of 2021, the Communication segment has become largely redundant, and it has therefore been decided to discontinue it.

The industrial segment has included a large number of different customers and businesses with quite a few common denominators. Scanfil has therefore decided to divide the Industrial segment customers into other segments to better describe the nature of their business and megatrends impacting customers' business.

Scanfil offers products and solutions which are typically modules and integrated products. The new segments are:

- 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 environmental measurement.

During the first quarter, the Group's turnover increased by EUR 19.2 million, or 13.4%, compared to the corresponding period of the previous year. The growth was organic. Turnover development in the customer segments was as follows:

Advanced Consumer Applications: Turnover increased compared to the first quarter of 2020 by EUR 11.7 million (37.7%). The key drivers behind the strong growth were new customer ramp-ups, good demand in elevator products and hand-over solutions.

Automation & Safety: Turnover decreased compared to the first quarter of 2020 by EUR 3.4 million (-8.9%). However the turnover has been growing steadily since the third quarter of 2020. This increase came broadly from many customers.

Connectivity: Turnover increased compared to first quarter of 2020 by EUR 0.7 million (9.2%). The growth came from many customers.

Energy & Cleantech: Turnover increased compared to the first quarter of 2020 by EUR 5.9 million (17.1%). The key drivers behind the strong growth were good demand in reverse vending machines, energy systems and indoor climate control systems.

Medtech & Life Science: Turnover increased compared to first quarter of 2020 by EUR 2.1 million (7.8%). The turnover has developed steadily since the second quarter of 2020.

During the first quarter the largest customer accounted for about 14% (13%) of turnover and the top ten customers accounted for about 55% (58%) of turnover.

EUR million	Q1/2020	Q2/2020	Q3/2020	Q4/2020	FY2020	Q1/2021	Turnover,%
Advanced Consumer Applications	31.1	40.1	38.6	41.4	151.3	42.9	26.3 %
Automation & Safety	37.9	36.6	33.7	34.0	142.1	34.5	21.1 %
Connectivity	7.4	7.7	7.1	6.4	28.6	8.1	4.9 %
Energy & Cleantech	34.4	33.8	30.0	37.4	135.6	40.3	24.7 %
Medtech & Life Science	27.0	25.4	26.0	29.5	107.8	29.1	17.8 %
Discontinued	6.3	12.0	6.3	5.4	29.9	8.5	5.2 %
Total	144.1	155.6	141.6	154.1	595.3	163.3	100.0 %

Note: discontinued include: Hangzhou sales until Q3/2020, and the trading business during H2/2020 and Q1/2021

TURNOVER

The turnover for **January–March** was 163.3 (144.1) EUR million, showing an increase of 13.4% from the corresponding period last year. The key changes by customer segments compared to the previous year were as follows.

- The turnover of the Advanced Consumer Applications segment increased by EUR 11.7 million (37.7%).
- The turnover of the Energy & Cleantech segment increased by EUR 5.9 million (17.1%).
- The turnover of the Automation & Safety segment decreased by EUR 3.4 million (-8.9%).

Changes in turnover are described in more detail in the Markets and Customer Segments section

OPERATING PROFIT

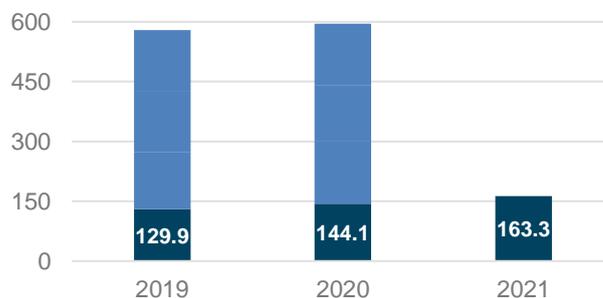
In **January–March**, the operating profit was EUR 10.0 (8.6) million. The profit margin was 6.1% (6.0%). The operating profit increased by 15.5% compared to the previous year.

- Operating profit was positively affected by the growth in customer demand. In particular, operational efficiency and profitability improved at the Polish and Estonian factories. Profitability also improved at the Suzhou factory, which was temporarily shut down in the first quarter of 2020 due to COVID-19.
- The Hamburg production transfer with ongoing factory ramp down required additional resources and costs which had a negative impact on the profit margin. The low margin trading business agreed after the sale of the Hangzhou factory also on the profit margin negatively.

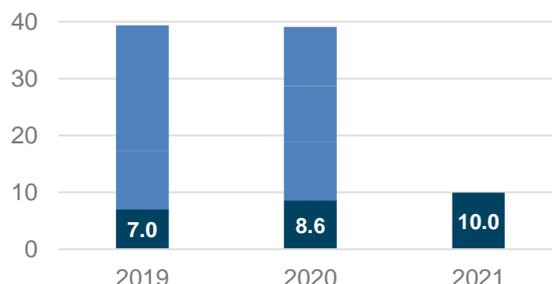
NET CASH FLOW FROM OPERATIONS

The net cash flow from operations for **January–March** was EUR 7.7 (5.9) million, EUR 1.8 million better than the previous year. The improvement in the net cash flow from operations was mainly driven by improved profitability.

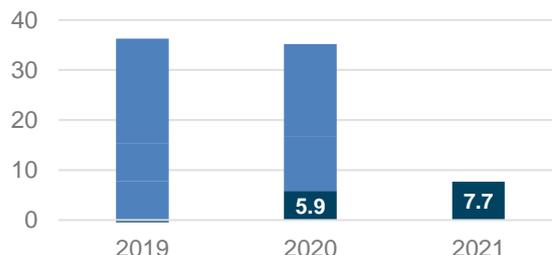
TURNOVER, EUR million



OPERATING PROFIT, ADJ. EUR million



NET CASH FLOW FROM OPERATIONS, EUR million



Scanfil Group's Interim Report for January 1 – March 31, 2021

FINANCIAL DEVELOPMENT

The Group's turnover for January – March was EUR 163.3 (144.1) million, an increase of 13.4% compared to the previous year. Turnover by customer segment developed as follows:

Advanced Consumer Applications segments turnover increased compared to the previous year by EUR 11.7 million (37.7%). The key drivers behind the strong growth were new customers' ramp-ups, good demand in elevator products and hand-over solutions.

Automation & Safety segments turnover decreased compared to the previous year by EUR 3.4 million (-8.9 %). However the turnover has been growing steadily since the third quarter of 2020. This increase came broadly from the segment's customers.

Connectivity segments turnover increased compared to the previous year by EUR 0.7 million (9.2%). This sale growth came broadly from the segment's customers.

Energy & Cleantech segments turnover increased compared to the previous year by EUR 5.9 million (17.1%). The key drivers behind the strong growth were good demand in reverse vending machines, energy systems and indoor climate control systems.

Medtech & Life Science segments turnover increased compared to the previous year by EUR 2.1 million (7.8%). The turnover has developed steadily since the second quarter of 2020.

The Group's operating profit for January – March was EUR 10.0 (8.6) million, 6.1% (6.0%) of turnover. The increase in operating profit is mainly due to higher net sales. The net profit for the review period was EUR 7.6 (7.5) million. Earnings per share for the review period were EUR 0.12 (0.12). Return on investment was 17.5% (17.8%).

The Group's effective tax rate was 18.2% (14.1%).

FINANCING AND CAPITAL EXPENDITURE

The Group has a stable financing position. The consolidated balance sheet total was EUR 369.9 (345.5) million at the end of the review period. Cash and cash equivalents totaled EUR 28.7 (20.7) million. Liabilities amounted to EUR 178.7 (177.4) million, of which non-interest-bearing liabilities totaled EUR 138.7 (114.7) million and interest-bearing liabilities totaled EUR 40.1

(62.7) million. Interest-bearing liabilities consisted of EUR 21.4 (41.4) million of financial liabilities and EUR 18.7 (21.3) million of leasing liabilities. The equity ratio was 52.1% (48.8%), and net gearing was 5.9% (25.0%). Equity per share was EUR 2.95 (2.60).

The Group's financial arrangement includes dismissal 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 operating activities for the review period January – March was EUR 7.7 (5.9) million. The change in net working capital during the period amounted to EUR -3.9 (-4.3) million. The change in working capital consists of the following items: short-term non-interest-bearing receivables increased by EUR 14.3 million, inventories increased by EUR 14.5 million and short-term non-interest-bearing liabilities increased by EUR 24.9 million.

Net cash flow from investing activities was EUR -1.5 (-1.5) million. Cash flow from financing activities was EUR -3.4 (-4.1) million including EUR 3.0 million in repayments of long-term loans.

Gross investments in January – March totaled EUR 1.6 (1.6) million, which was 1.0% (1.1%) of the turnover. The investments include mainly acquisition of machinery and equipment. Depreciation totaled EUR 3.8 (3.8) 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. Mainly the impacts are rising from the costs related to preventive actions at the factories. Actions are explained more in detail below. The Group has still received some government subsidies for compensate the extra cost of employees' working hours. The value of compensations was low.

COVID-19 did not have a significant negative impact on the Group's cash flow during January – March nor on 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 on 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 has so far had no impact on other 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 infections. These measures include e.g. shift changes being undertaken so that the employees working different shifts do not meet during the 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 guidance issued by the company is based on customer forecasts and Scanfil's normal forecast process, however, it should be noted that the 2021 guidance is still subject to exceptional uncertainty due to the potential negative effects of the coronavirus pandemic on customer demand and supply chain capacity. However, the accuracy of the forecasting process during Q1 2021 did not deviate from the usual.

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 Borenus Attorneys Ltd. Due to the COVID-19 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 are available on the company website at www.scanfil.com/agm.

The minutes of the Annual General Meeting will be available on the company's website, www.scanfil.com/agm, as of May 6, 2021.

OWN SHARES

On March 31, 2021 the company owned 198,738 of its own shares, representing 0.3% of all shares.

SHARE TRADING AND SHARE PERFORMANCE

During the period under review, a total of 160,000 treasury shares was subscribed under Scanfil Plc's stock options 2016(B). The whole subscription price of EUR 571,200 for subscriptions made with the stock options

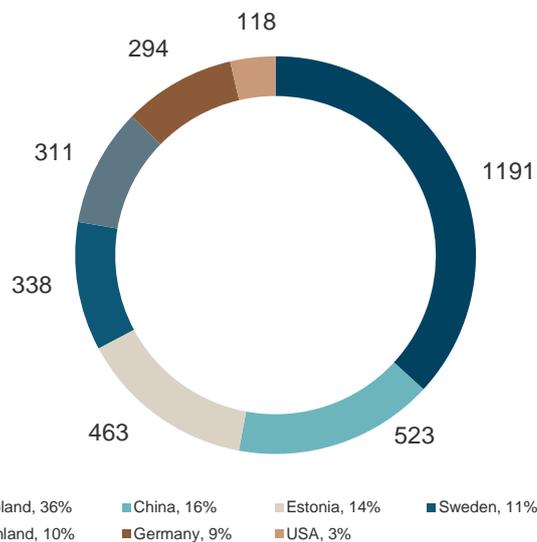
was recognized in the company's reserve for invested unrestricted equity.

The highest trading price during the review period was EUR 7.72 and the lowest was EUR 6.24, with the closing price for the period standing at EUR 7.46. A total of 1,081,480 shares was traded during the period, corresponding to 1.7% of the total number of shares. The market value of the shares on March 31, 2021 was EUR 483.6 million.

PERSONNEL

At the end of the period under review, the Group employed 3,238 (3,501) people, of whom 2,927 (3,172) worked outside Finland and 311 (329) in Finland. The average number of Group employees during the review period was 3,225 (3,522) people.

Personnel by country



CHANGES IN GROUP STRUCTURE

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

FUTURE OUTLOOK

Scanfil estimates that its turnover for 2021 will be EUR 600 – 640 million and its adjusted operating profit will be EUR 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

	1 - 3 2021	1 - 3 2020	1 - 12 2020
Operating profit	10.0	8.6	44.4
Operating profit, % of turnover	6.1 %	6.0 %	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	10.0	8.6	39.1
Adjusted operating profit, % of turnover	6.1 %	6.0 %	6.6 %
Financial income and expenses	-0.7	0.1	-2.6
Profit before taxes	9.3	8.7	41.8
Income taxes	-1.7	-1.2	-4.9
Adjustment items:			
<i>Income taxes</i>			0.9
Total adjustment items			0.9
Net profit for the period	7.6	7.5	36.9
Earnings per share, EUR	0.12	0.12	0.57
Adjusted net profit for the period	7.6	7.5	32.5
Adjusted earnings per share, EUR			0.50
Equity	191.2	168.1	182.9
Return on equity, %	16.3 %	17.9 %	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 quarter 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 11.4 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 - 3 2021	1 - 3 2020	1 - 12 2020
Return on equity, %	16.3	17.9	21.1
Return on investment, %	17.5	17.8	19.5
Interest-bearing liabilities, EUR million	40.1	62.7	44.0
Gearing, %	5.9	25.0	9.9
Equity ratio, %	52.1	48.8	54.3
Gross investments, EUR million	1.6	1.6	9.4
% of net turnover	1.0	1.1	1.6
Personnel, average	3,225	3,522	3,387
Earnings per share, EUR	0.12	0.12	0.57
Shareholders' equity per share, EUR	2.95	2.60	2.82
Number of shares at the end of period, 000's			
- not counting own shares	64,830	64,311	64,830
- weighted average	64,387	64,389	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

	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20	Q4/19	Q3/19	Q2/19	Q1/19
Turnover, MEUR	163.3	154.1	141.6	155.6	144.1	154.7	152.3	142.6	129.9
Operating profit, MEUR	10.0	4.3	21.2	10.2	8.6	10.0	12.1	6.4	6.8
Operating profit, %	6.1	6.0	15.0	6.5	6.0	6.5	7.9	4.5	5.3
Net income, MEUR	7.6	3.1	18.0	8.3	7.5	9.8	8.8	4.6	4.8

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

	1 - 3 2021	1 - 3 2020	1 - 12 2020
Turnover	163.3	144,1	595,3
Other operating income	0.3	0.2	12.4
Changes in inventories of finished goods and work in progress	0.8	2.1	2.4
Manufacturing for own use	0		0.0
Expenses	-150.7	-134.0	-549.7
Depreciation and amortization	-3.8	-3.8	-16.1
Operating profit	10.0	8.6	44.4
Financial income and expenses	-0.7	0.1	-2.6
Profit before taxes	9.3	8.7	41.8
Income taxes	-1.7	-1.2	-4.9
Net profit for the period	7.6	7.5	36.9
Attributable to:			
Equity holders of the parent	7.6	7.5	36.9
Earnings per share for profit attributable to shareholders of the parent:			
undiluted (EUR)	0.12	0.12	0.57
diluted (EUR)	0.12	0.12	0.57

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million

	1 - 3 2021	1 - 3 2020	1 - 12 2020
Net profit for the period	7,6	7.5	36.9
Items that may later be recognized in profit or loss			
Translation differences	0.0	-5.2	-2.8
Cash flow hedges	0.0	-0.6	-0.7
Other comprehensive income, net of tax	0.1	-5.8	-3.5
Total Comprehensive Income	7.7	1.7	33.4
Attributable to:			
Equity holders of the parent	7.7	1.7	33.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million

Assets	31.3.2021	31.3.2020	31.12.2020
Non-current assets			
Property, plant and equipment	45.7	48.3	46.4
Right-of-use asset	17.2	19.9	18.1
Goodwill	8.2	7.7	8.3
Other intangible assets	13.7	16.0	14.3
Available-for-sale investments	0.5	0.5	0.5
Deferred tax assets	6.8	5.7	6.9
Total non-current assets	92.1	98.2	94.5
Current assets			
Inventories	117.9	107.8	103.3
Trade and other receivables	128.5	115.7	113.3
Advance payments	0.4	0.6	0.6
Current tax	2.4	2.5	1.8
Cash and cash equivalents	28.7	20.7	25.8
Total current assets	277.9	247.4	244.7
Total assets	369.9	345.5	339.2
Shareholder's equity and liabilities	31.3.2021	31.3.2020	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	32.4	31.0	31.8
Fair value reserve	-0.5	-0.5	-0.6
Other reserves	2.6	6.9	2.6
Translation differences	-6.0	-0.6	-6.1
Retained earnings	160.7	129.3	153.0
Total equity	191.2	168.1	182.9
Non-current liabilities			
Deferred tax liabilities	5.6	6.6	5.7
Provisions	0.6	0.5	0.6
Interest bearing liabilities	15.2	21.6	18.2
Lease liability	15.1	17.5	15.9
Total non-current liabilities	36.5	46.1	40.4
Current liabilities			
Trade and other liabilities	127.0	104.2	100.1
Current tax	1.4	3.2	1.8
Provisions	4.1	0.2	4.2
Interest bearing liabilities	6.2	19.8	6.2
Lease liability	3.5	3.8	3.7
Total current liabilities	142.2	131.2	115.9
Total liabilities	178.7	177.4	156.3
Total shareholder's equity and liabilities	369.9	345.5	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			0.0		0.1	7.6	7.7
Option Scheme						0.1	0.1
Share options exercised		0.6					0.6
Equity 31.3.2021	2.0	32.4	-0.5	2.6	-6.0	160.7	191.2

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			-0.6		-5.2	7.5	1.7
Option Scheme						0.1	0.1
Purchase of own shares						-0.3	-0.3
Equity 31.3.2020	2.0	31.0	-0.5	6.9	-0.6	129.3	168.1

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR million

	1.1.-31.3.2021	1.1.-31.3.2020	1.1.-31.12.2020
Cash flow from operating activities			
Net profit	7.6	7.5	36.9
Adjustments for the net profit	6.8	4.6	15.2
Change in net working capital	-3.9	-4.3	-8.0
Paid interests and other financial expenses	-0.3	-0.7	-1.7
Interest received	0.0	0.1	0.2
Taxes paid	-2.5	-1.3	-7.3
Net cash from operating activities	7.7	5.9	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	-1.6	-1.9	-9.4
Sale of tangible and intangible assets	0.0	0.3	0.3
Dividends received		0.1	0.1
Net cash from investing activities	-1.5	-1.5	4.1
Cash flow from financing activities			
Related-party investment company shares	0.6		0.9
Purchase of own shares		-0.3	-0.8
Repayment of long-term loans	-3.0	-3.2	-6.0
Proceeds from short term loans		0.4	1.2
Repayment of short-term loans	0.0		-15.1
Repayment of lease liabilities	-0.9	-0.9	-4.0
Dividends paid			-9.6
Net cash from financing activities	-3.4	-4.1	-33.3
Net increase/decrease in cash and cash equivalents	2.8	0.3	6.0
Cash and cash equivalents at beginning of period	25.8	20.5	20.4
Changes in exchange rates	0.1	0.0	-0.5
Cash and cash equivalents at end of period	28.7	20.7	25.8

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 accounting principles applied in this interim report correspond with those defined in the Group's 2020 Financial Statements.

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 interim report is unaudited.

In its meeting held on 22 April 2021, the Board of Director of Scanfil plc approved this Interim Report release for publication.

DISAGGREGATION OF REVENUES

EUR million

	1 - 3 2021			1 - 3 2020			1 - 12 2020		
	Goods	Services	Total	Goods	Services	Total	Goods	Services	Total
Customer Segments									
Connectivity	7.9	0.1	8.1	7.3	0.1	7.4	28.1	0.5	28.6
Advanced Consumer Applications	40.8	2.1	42.9	30.6	0.6	31.1	146.5	4.7	151.3
Energy & Cleantech	39.6	0.7	40.3	33.8	0.7	34.4	132.8	2.8	135.6
Automation & Safety	29.3	5.2	34.5	32.1	5.8	37.9	120.6	21.5	142.1
Medtech & Life Science	27.0	2.0	29.1	25.5	1.4	27.0	101.3	6.6	107.8
Discontinued	8.5	0.0	8.5	6.2	0.1	6.3	29.7	0.2	29.9
Total	153.2	10.1	163.3	135.3	8.7	144.1	559.0	36.3	595.3
Timing of revenue recognition									
Goods and services transferred at a point of time	153.2	9.7	162.9	135.3	8.0	143.4	559.0	34.3	593.4
Services transferred over time		0.5	0.5		0.7	0.7		2.0	2.0
Total	153.2	10.1	163.3	135.3	8.7	144.1	559.0	36.3	595.3

CHANGES IN GOODWILL

EUR million

	1 - 3 2021	1 - 3 2020	1 - 12 2020
Book value at the beginning of the period	8.3	8.0	8.0
Exchange rate differences	-0.1	-0.3	0.3
Book value at the end of the period	8.2	7.7	8.3

CHANGES IN TANGIBLE NON-CURRENT ASSETS

EUR million

	1 - 3 2021	1 - 3 2020	1 - 12 2020
Book value at the beginning of the period	64.5	71.6	71.6
Additions	1.5	1.6	11.4
Deductions		-0.1	-1.6
Selling of subsidiary			-2.0
Depreciations and decreases in value	-3.1	-3.1	-13.4
Exchange rate differences	0.1	-1.8	-1.6
Book value at the end of the period	62.9	68.2	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

	31.3.2021	31.3.2021
	Book values of balance sheet values	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	119.1	119.1
Cash and cash equivalents	28.7	28.7
Current assets total	147.8	147.8
Total financial assets	148.4	148.4
Non-current financial liabilities		
Interest bearing liabilities from financial institutions	15.2	15.2
Non-current financial liabilities total	15.2	15.2
Current financial liabilities		
Interest bearing liabilities from financial institutions	6.2	6.2
Trade payables	100.5	100.5
Derivatives	0.7	0.7
Current financial liabilities total	107.4	107.4
Total financial liabilities	122.6	122.6

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

	31.3.2021	Positive	Negative	Net	Nominal value
Interest rate swaps, protective			-0.1	-0.1	21.0
Forward exchange contracts, hedge accounting		0.0	-0.6	-0.6	24.1

PROVISIONS

EUR million

	Reclamation and guarantee	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	0.1	0.0	0.0		0.1
Unused provision				-0.0	-0.0
31.3.2021	0.3	0.1	0.5	3.9	4.7

Long term provisions are EUR 0.6 million and short term provisions EUR 4.1 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

	31.3.2021	31.3.2020	31.12.2020
Pledged guarantees	0.8	8.4	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

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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.

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