



NEWS FLASH

Technology Hardware & Equipment

Fair value: EUR7.7–11.2

Share price: EUR8.8

Scanfil

Go west – acquisition of ADCO Circuits announced

Research analysts:

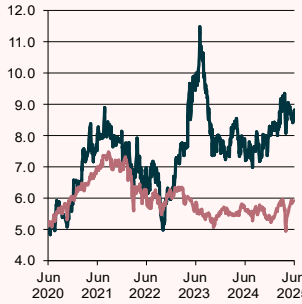
Jakob Söderblom
DNB Carnegie Investment Bank AB Johan
Wettergren

Scanfil has announced its intention to acquire US-based ADCO Circuits, significantly bulking up its presence in the Americas region. We believe the deal makes sense strategically, and is in line with what we have come to expect from Scanfil following its comments on reinited M&A.

Expanding presence within Defense & Aerospace (D&A). ADCO's customer portfolio is primarily made-up of D&A customers, comprising 37% of the company's 2024 revenue. Next to D&A, the unit serves industrial customers within industrial controls, medical devices and transportation, which we believe makes sense given Scanfil's current exposure towards industrial customers in similar market niches. While we consider D&A an attractive market, we would expect the majority of customers to be domestic, thereby offering limited exposure to the current supercycle within European defense. Similar to Scanfil, ADCO is positioned within the high mix/low-to-medium volume segment of the EMS market. Closing is subject to regulatory approval in the US, which the company expects to be granted in Q3 2025.

Mid-single-digit positive implication to our 2025e adj. EBIT. In 2024, ADCO reported sales of EUR30.4m, EBIT of EUR3.5m and an EBIT margin of 11.4%. We note the production facility is not part of the transaction, with IFRS-16-related depreciations lowering EBIT by EUR0.3m–0.4m p.a. Scanfil will acquire 80% of the shares in ADCO, at a consideration of EUR13.6m – ultimately valuing the EV of the full company at EUR21.7m. Scanfil is enjoying good momentum in the US, with sales growth of 36% Y/Y in Q1 2025, where it for some time has highlighted strong interest in its electronic capabilities in Atlanta. All-in-all, we consider it encouraging to see the company once again utilising acquisitions a tool of growth.

Upcoming events		Key figures (EUR)				
Q2 Report	17 Jul 2025	Sales (m)	780	839	891	945
Q3 Report	24 Oct 2025	EBITDA (m)	74	81	90	96
		EBIT (m)	53	57	61	66
		EPS	0.59	0.66	0.72	0.77
		EPS adj.	0.60	0.66	0.72	0.77
		DPS	0.24	0.22	0.24	0.26
		Sales growth Y/Y	-13%	8%	6%	6%
		EPS adj. growth Y/Y	-19%	9%	9%	8%
		EBIT margin	6.7%	6.8%	6.9%	7.0%
		P/E adj.	14.7	13.5	12.3	11.4
		EV/EBIT	10.6	10.1	9.3	8.5
		EV/EBITA	10.2	9.7	8.8	8.1
		EV/EBITDA	7.6	7.1	6.3	5.9
		P/BV	2.0	1.8	1.7	1.5
		Dividend yield	2.7%	2.5%	2.7%	2.9%
		FCF yield	13.3%	7.4%	6.9%	5.3%
		Equity/Total Assets	53.9%	55.1%	56.0%	57.1%
		ROCE	14.2%	14.2%	14.5%	14.4%
		ROE adj.	15.0%	14.9%	15.1%	14.8%
		Net IB debt/EBITDA	0.3	0.0	-0.1	-0.1
Key facts						
No. shares (m)	65.2					
Market cap. (USDm)	657					
Market cap. (EURm)	575					
Net IB Debt. (EURm)	1					
Adjustments (EURm)	0					
EV (2025e) (EURm)	576					
Free float	36.0%					
Avg. daily vol. ('000)	7					
BBG	SCANFL FH					
Fiscal year end	December					
Share price as of (CET)	11 Jun 2025 09:42					



— Scanfil
— OMX Helsinki_PI (Rebased)

High/Low (12M)		EUR9.4/7		
Perf.	3M	6M	12M	YTD
Abs.	0.57	8.89	19.35	6.91
Rel.	-0.54	-0.71	14.44	-4.87

Source: DNB Carnegie (estimates), FactSet, Infront & company data

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**DNB Bank ASA
DNB Carnegie**

Dronning Eufemias gate 30
0191 Oslo | Norway
Telephone: +47 915 04800

www.dnb.no

DNB Carnegie Investment Bank AB

Regeringsgatan 56
103 38 Stockholm | Sweden
Telephone: +46 8 676 88 00

www.dnbcarnegie.se

**DNB Carnegie Investment Bank,
Denmark Branch**

Overgaden neden Vandet 9B PO Box 1935
1414 Copenhagen K | Denmark
Telephone: +45 32 88 02 00

**DNB Bank ASA, Singapore Branch
DNB Carnegie**

1 Wallich Street Downtown Core 06
#30-01, Guoco Tower, Singapore 078881
Telephone: +65 6260 0111

**DNB Carnegie Investment Bank AB,
Finland Branch**

Eteläesplanadi 2 PO Box 36
FI-00131 Helsinki | Finland
Telephone: +358 9 618 71 230

**DNB Bank ASA, London Branch
DNB Carnegie**

The Walbrook Building, 25 Walbrook
London EC4N 8AF | England
Telephone: +44 20 7216 4000

**DNB Carnegie Investment Bank AB,
UK Branch**

Finwell House, 26 Finsbury Square
London EC2A 1DS | England
Telephone: +44 20 7216 4000

DNB Markets, Inc.

30 Hudson Yards
New York, NY 10001 USA
Telephone: +1 212 551 9800

Carnegie, Inc.

20 West 55th St.
New York N.Y. 10019
Telephone: +1 212 262 5800