

7 August 2025

Commissioned research: Suominen Oyj – Weak Q2 led by tariff impacts in US - guidance intact

Marketing material commissioned by Suominen Oyj

Suominen Q2 comparable EBITDA of EUR 3.2m came clearly below Vara Research consensus expectation of EUR 4.8m. Net sales of EUR 100m declined 16% y/y and came 16% below consensus expectations, burdened tariff impacts in US. US nonwoven customers stocked their inventories with supply from China early Q2 with gradual recovery in demand towards end of Q2. FX had EUR 3.6m negative impact on sales and EUR 0.2m negative impact on EBITDA. Both Americas and EMEA sales came below our expectations. The company maintained its guidance for increasing comparable EBITDA in 2025 intact, while consensus has modelled EUR 22.3m in 2025E after EUR 17.0m in 2024. Suominen is EUR 2.2m below last year on comparable EBITDA after H1 and we believe there is increased risk on guidance despite ongoing EUR 10m cost savings programme. Initially, we expect consensus to cut 2025 estimates to the tune of 10% with slightly more muted revisions for 2026.

Q2 comparable EBITDA of EUR 3.2m came below expectations with weak top line

- Suominen Q2 comparable EBITDA of EUR 3.2m came 33% below Vara Research consensus at EUR 4.8m. There were EUR -0.6m of items affecting comparability, mainly related to restructuring programme. FX had negative EUR EUR 0.2m impact on EBITDA.
- Q2 sales of EUR 100m came 16% below consensus expectations. According to Suominen, US nonwoven customers stocked with Chinese supplies early Q2 while the situation has improved gradually towards end of Q2. Americas sales of EUR 60m came clearly below our estimate of EUR 72m while EMEA sales of EUR 40m came in below our estimate of EUR 43m.
- Q2 cash flow from operations was EUR -10m driven by EUR 13m increase in net working capital. Net debt increased to EUR 86.8m (EUR 60.8m at the end 2024), corresponding to net gearing of 86% and leverage of 5.9x.

Guidance for 2025 intact - new CEO to start 11 August

- Suominen expects comparable EBITDA to increase in 2025 from EUR 17.0m in 2024. Pre-Q2 Vara consensus expects EUR 22.3m comparable EBITDA in 2025E.
- Suominen is EUR 2.2m below the last year on comparable EBITDA after H1 and we believe there is increased profit warning risk for the remainder of the year despite the ongoing EUR 10m cost savings programme.
- The new CEO Charles Héaulmé is starting on 11 August.

Initially, we expect consensus to make cut 2025 estimates to the tune of 10% with slightly more muted revisions for 2026. Uncertain and volatile market environment likely continues in near term which could affect pricing, we believe. Lastly, given the upcoming new CEO, we note that larger changes to strategy are possible during H2 as the company's strategy period is ending in 2025.

SUOMINEN: Q2 DEVIATION TABLE

EURm	Actual	NDA est.	Deviation		Consensus	Deviation		Actual		Actual	
	Q2 25	Q2 25E	vs. actual		Q2 25E	vs. actual		Q1 25	q/q	Q2 24	y/y
Sales	99.8	115.6	-15.8	-14%	118.3	-18.5	-16%	117.5	-15%	118.7	-16%
Comparable EBITDA	3.2	4.5	-1.3	-29%	4.8	-1.6	-33%	4.1	-21%	5.0	-36%
EBITDA margin	3.2%	3.9%	-0.7pp		4.1%	-0.9pp		3.5%	-0.2pp	4.2%	-1.0pp
Comparable operating profit	-1.0	0.2	-1.2	-633%	0.4	-1.4	-350%	-0.3	242%	0.4	-345%
Operating margin	-1.0%	0.2%	-1.2pp		0.3%	-1.3pp		-0.2%	-0.8pp	0.3%	-1.3pp
EPS	-0.07	-0.04	-0.03	n.m.	-0.03	-0.04	133%	-0.04	88%	-0.03	110%

Source: Company data, Vara Research and Nordea estimates

SUMMARY TABLE - KEY FIGURES

EURm	2021	2022	2023	2024	2025E	2026E	2027E
Total revenue	443	493	451	462	465	482	499
EBITDA (adj.)	47.0	15.3	15.8	17.0	20.7	29.1	35.7
EBIT (adj.)	26.9	-4.16	-2.75	-1.43	2.51	9.92	16.5
EBIT (adj.) margin	6.08%	-0.84%	-0.61%	-0.31%	0.54%	2.06%	3.31%
EPS (adj. EUR)	0.36	-0.16	-0.14	-0.09	-0.02	0.08	0.18
EPS (adj.) growth	-31.6%	-144%	11.5%	31.9%	74.4%	438%	117%
DPS (ord. EUR)	0.20	0.10	0.10	0.00	0.00	0.05	0.06
EV/Sales	0.79	0.46	0.46	0.42	0.40	0.38	0.35
EV/EBIT (adj.)	13.0	n.m.	n.m.	n.m.	73.5	18.6	10.7
P/E (adj.)	14.6	n.m.	n.m.	n.m.	n.m.	23.5	10.8
P/BV	1.85	1.20	1.32	1.13	1.00	0.96	0.91
Dividend yield (ord.)	3.86%	3.34%	3.55%	0.00%	0.00%	2.63%	3.16%
FCF yield before A&D, lease-adj.	-2.17%	2.44%	12.0%	-7.84%	-12.2%	-0.14%	10.3%
Net debt	49.6	54.6	43.5	60.4	73.9	74.1	65.5
Net debt/EBITDA	1.05	3.81	3.90	3.52	5.02	2.54	1.84
ROIC	9.72%	-1.47%	-1.09%	-0.61%	1.04%	4.02%	6.62%

Source: Company data and Nordea estimates

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