

7 May 2025

Commissioned research: Suominen Oyj – Q1 in line with consensus expectations - EUR 10m cost savings programme

Marketing material commissioned by Suominen Oyj

Suominen Q1 comparable EBITDA of EUR 4.1m came fairly in line with Vara Research consensus expectation of EUR 4.2m. Net sales of EUR 118m increased 3% y/y and came 2% above consensus expectations, supported by higher raw materials and improved mix while burdened by lower volumes y/y. The company notes volatile market sentiment with cautious customers while it has seen stable demand for its products during Q1. FX had a slightly positive impact on top line while EUR 0.5m negative impact on EBITDA. Americas sales were stronger than we had anticipated while EMEA came in line with our expectations. Stock levels of Asian imported goods are increasing in both business areas which could burden pricing, we believe. The company maintained its guidance for increasing comparable EBITDA in 2025 intact, while consensus has modelled EUR 24.5m in 2025E after EUR 17.0m in 2024. In addition, the company initiates EUR 10m costs savings programme, fully implemented within 24 months. Initially, we expect muted consensus revisions while cost savings programme could be viewed positively.

Q1 comparable EBITDA of EUR 4.1m came in line with expectations

- Suominen Q1 comparable EBITDA of EUR 4.1m came 2% below Vara Research consensus at EUR 4.2m. There were no items affecting comparability, while FX had negative EUR 0.5m impact on EBITDA.
- Q1 sales of EUR 118m came 2% above consensus expectations. According to Suominen, sales prices and mix improved y/y while volumes declined. Americas sales of EUR 74m came above our estimate of EUR 70m while EMEA sales of EUR 44m came in line with our estimate.
- Q1 cash flow from operations was EUR -0.4m driven by EUR 2.8m increase in net working capital. Net debt increased to EUR 67.4m (EUR 60.8m at the end 2024), corresponding to net gearing of 60.0% and leverage of 4.1x.

Guidance for 2025 intact - large cost savings programme

- Suominen expects comparable EBITDA to increase in 2025 from EUR 17.0m in 2024. Pre-Q1 Vara consensus expects EUR 24.5m comparable EBITDA in 2025E.
- The company initiates a large EUR 10m cost savings programme which is expected to be completed within next 24 months. The savings programme is expected to affect up to 60 positions globally. Consensus has modelled EUR 34m comparable EBITDA for 2026E (after EUR 24.5m in 2025E).

Initially, we expect consensus to make only minor estimate revisions while note the large cost savings programme which could be viewed positively. Uncertain and volatile market environment likely continues in near term which could affect pricing, we believe.

SUOMINEN: Q1 DEVIATION TABLE

EURm	Actual	NDA est.	Deviation		Consensus	Deviation		Actual		Actual	
	Q1 25	Q1 25E	vs. actual		Q1 25E	vs. actual		Q4 24	q/q	Q1 24	y/y
Sales	117.5	114.4	3.1	3%	115.3	2.2	2%	118.5	-1%	113.6	3%
Comparable EBITDA	4.1	3.5	0.6	18%	4.2	-0.1	-2%	4.2	-3%	4.5	-9%
EBITDA margin	3.5%	3.0%	0.5pp		3.6%	-0.2pp		3.6%	-0.1pp	3.9%	-0.5pp
Comparable operating profit	-0.3	-1.0	0.7	-71%	-0.3	0.0	0%	-0.3	13%	-0.1	241%
Operating margin	-0.3%	-0.9%	0.6pp		-0.3%	0.0pp		-0.2%	0.0pp	-0.1%	-0.2pp
EPS	-0.04	-0.03	-0.01	n.m.	-0.02	-0.02	100%	0.01	-376%	-0.02	132%

Source: Company data, Vara Research and Nordea estimates

SUMMARY TABLE - KEY FIGURES

EURm	2022	2023	2024	2025E	2026E	2027E
Total revenue	493.3	450.9	462.3	479.6	502.4	517.5
EBITDA (adj)	15.3	15.8	17.0	20.5	27.6	33.2
EBIT (adj)	-4.16	-2.75	-1.43	1.61	7.75	13.3
EBIT (adj) margin	-0.84%	-0.61%	-0.31%	0.34%	1.54%	2.57%
EPS (adj. EUR)	-0.16	-0.14	-0.09	-0.03	0.06	0.14
EPS (adj) growth	-143.7%	11.5%	31.9%	65.8%	277.8%	142.4%
DPS (ord. EUR)	0.10	0.10	0.00	0.00	0.05	0.06
EV/Sales	0.46	0.46	0.42	0.39	0.37	0.35
EV/EBIT (adj)	nm	nm	nm	115.5	24.2	13.6
P/E (adj)	nm	nm	nm	nm	35.3	14.6
P/BV	1.20	1.32	1.13	1.01	0.98	0.94
Divident yield (ord)	3.34%	3.55%	0.00%	0.00%	2.49%	2.99%
FCF Yield bef A&D, lease adj	2.44%	12.0%	-7.84%	-7.14%	-1.19%	8.38%
Net debt	54.6	43.5	60.4	68.8	70.2	63.3
Net debt/EBITDA	3.81	3.90	3.52	3.35	2.54	1.91
ROIC after tax	-1.47%	-1.09%	-0.61%	0.67%	3.14%	5.35%

Source: Company data and Nordea estimates

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