

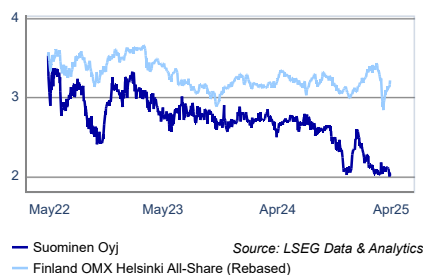
Suominen

Consumer Goods
Finland

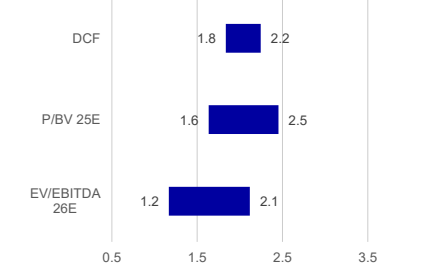
KEY DATA

Stock country	Finland
Bloomberg	SUY1V.FH
Reuters	SUY1V.HE
Share price (close)	EUR 2.01
Free float	76%
Market cap. (bn)	EUR 0.12/EUR 0.12
Website	www.suominen.fi
Next report date	07 May 2025

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2025E	2026E	2027E
Sales	-2%	-2%	-2%
EBIT (adj)	-59%	-11%	-8%

Source: Nordea estimates

Nordea IB & Equity - Analysts

Joni Sandvall
AnalystJukka-Pekka Pesonen
Analyst

Efficiency actions to counteract uncertainty

We expect modest Q1 sales growth of 1% for Suominen, driven mainly by price increases following higher pulp prices, and we expect a soft volume development. Weakened FX has likely burdened the Americas business in late Q1, while the overall tariff-induced uncertainties could affect the coming quarters. However, we expect self-help measures to mitigate some of the uncertainties in H2, and we expect a 0.6pp EBITDA margin improvement for 2025E, with 4% sales growth. We derive a fair value range of EUR 1.5-2.3 (1.6-2.4) per Suominen share.

Modest sales growth expected for Q1 driven by Europe

For Q1, we expect modest sales growth of 1% for Suominen on the group level, with an adjusted EBITDA margin of 3% (-0.9pp y/y). For the business units, we expect Europe to drive slight growth (2% organic) y/y, while we estimate flat sales for the Americas, affected by the weakened USD towards the end of Q1. We believe the tariff uncertainty could be visible in Suominen's orderbooks for late Q1, continuing into Q2, which is also primarily behind our estimate revisions.

Uncertainty and FX-related trims to estimates

We trim our 2025-27 top-line estimates by 2%, driven by the weaker USD and tariff-related uncertainties, which could be reflected in sales volumes. We cut 2025E EBIT by 10% (to EUR 21m from EUR 23m) and 2026E-27E estimates by 3%. We expect the uncertain trajectory of pulp pricing to be reflected in Suominen's ASP on an expedited pace due to the market overcapacity; especially in Europe. On the other hand, we expect self-help measures to contribute to a 0.6pp EBITDA margin improvement for 2025E, most of which could be visible in H2. We expect the company to give an update on its strategy, potentially in H2, as the current strategic period is drawing to a close by the end of 2025. The current EBITDA target is for 12% by 2025, while we currently forecast a 4.3% margin and Vara Research consensus (updated 6 March) expects 5.3%.

Fair value range of EUR 1.5-2.3 (1.6-2.4)

We calculate a fair value range of EUR 1.5-2.3 (1.6-2.4), based on a combination of DCF, 2025E P/BV and 2026E EV/EBITDA.

SUMMARY TABLE - KEY FIGURES

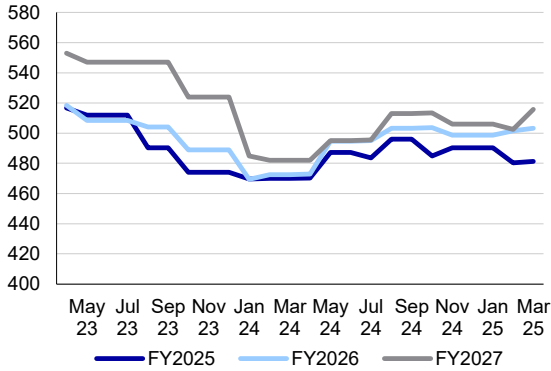
EURm	2021	2022	2023	2024	2025E	2026E	2027E
Total revenue	443	493	451	462	480	502	517
EBITDA (adj)	47	15	16	17	21	28	33
EBIT (adj)	27	-4	-3	-1	2	8	13
EBIT (adj) margin	6.1%	-0.8%	-0.6%	-0.3%	0.3%	1.5%	2.6%
EPS (adj, EUR)	0.36	-0.16	-0.14	-0.09	-0.03	0.06	0.14
EPS (adj) growth	-31.6%	-143.7%	11.5%	31.9%	65.8%	277.8%	142.4%
DPS (ord, EUR)	0.20	0.10	0.10	0.00	0.00	0.05	0.06
EV/Sales	0.8	0.5	0.5	0.4	0.4	0.4	0.3
EV/EBIT (adj)	13.0	n.m.	n.m.	n.m.	115.5	24.2	13.6
P/E (adj)	14.6	n.m.	n.m.	n.m.	n.m.	35.3	14.6
P/BV	1.8	1.2	1.3	1.1	1.0	1.0	0.9
Dividend yield (ord)	3.9%	3.3%	3.5%	0.0%	0.0%	2.5%	3.0%
FCF Yield bef A&D, lease	-2.2%	2.4%	12.0%	-7.8%	-7.1%	-1.2%	8.4%
Net debt	50	55	44	60	69	70	63
Net debt/EBITDA	1.1	3.8	3.9	3.5	3.4	2.5	1.9
ROIC after tax	9.7%	-1.5%	-1.1%	-0.6%	0.7%	3.1%	5.4%

Source: Company data and Nordea estimates

Expectations ahead of the Q1 report

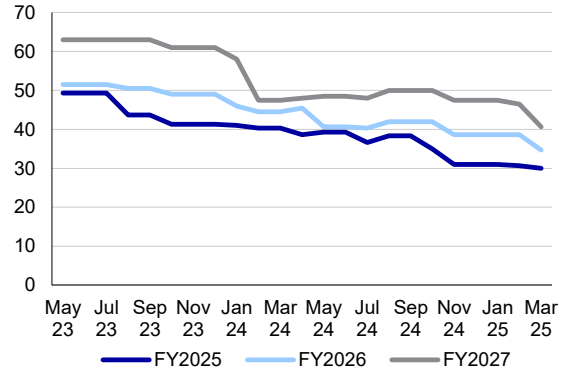
Consensus estimate revision trend

CONSENSUS SALES ESTIMATES (EURm)



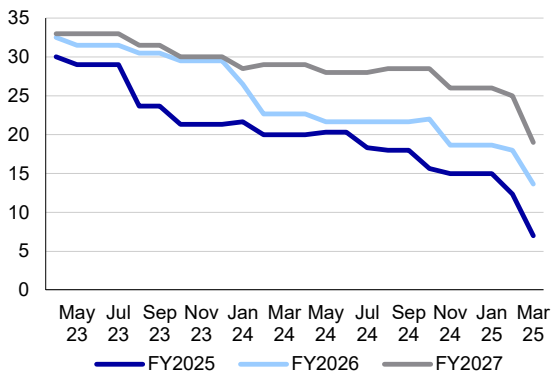
Source: LSEG Data & Analytics

CONSENSUS EBITDA ESTIMATES (EURm)



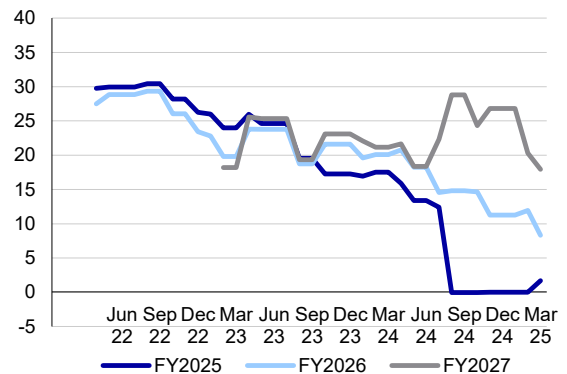
Source: LSEG Data & Analytics

CONSENSUS EBIT ESTIMATES (EURm)



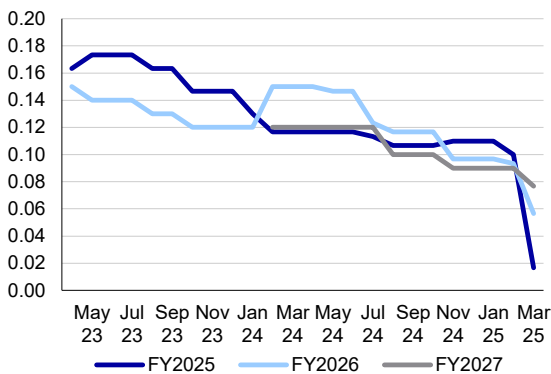
Source: LSEG Data & Analytics

CONSENSUS FCF ESTIMATES (EURm)



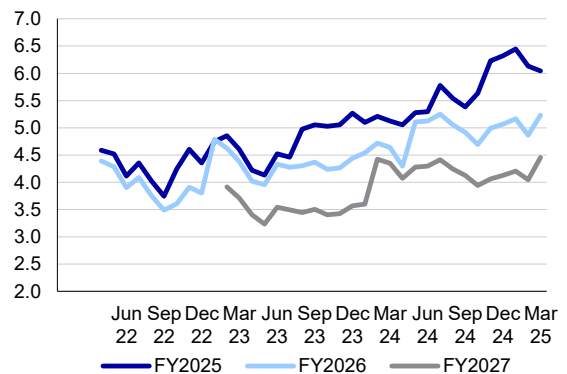
Source: LSEG Data & Analytics

CONSENSUS DPS ESTIMATES (EUR)



Source: LSEG Data & Analytics

CONSENSUS EV/EBITDA (x)



Source: LSEG Data & Analytics

We are below consensus

For OUR Q1 estimates are below Vara consensus, which was updated on 6 March 2025, before the escalated tariff situation. We believe the linked uncertainty is likely to bring down consensus estimates. For 2025E, we are also below consensus on EBITDA (-19%), although we are in line on sales.

OUR ESTIMATES VERSUS CONSENSUS (EPS AND DPS IN EUR)

EURm	Nordea estimates				Consensus estimates				Difference %			
	Q1 25E	2025E	2026E	2027E	Q1 25E	2025E	2026E	2027E	Q1 25E	2025E	2026E	2027E
Sales	114	480	502	517	116	481	503	n.a.	-2%	0%	0%	n.a.
Comparable EBITDA	3.5	20.5	27.6	33.2	4.6	25.4	34.6	n.a.	-25%	-19%	-20%	n.a.
EBITDA margin	3.0%	4.3%	5.5%	6.4%	4.0%	5.3%	6.9%	n.a.	-0.9pp	-1.0pp	-2.9pp	n.a.
Comparable op profit	-1.0	1.6	7.7	13.3	0.0	6.8	13.7	n.a.	n.m.	-76%	-43%	n.a.
Operating margin	-0.9%	0.3%	1.5%	2.6%	0.0%	1.4%	2.7%	n.a.	-0.9pp	-1.1pp	-1.2pp	n.a.
EPS	-0.03	-0.03	0.06	0.14	-0.01	0.04	0.13	n.a.	n.m.	-180%	-56%	n.a.
DPS		0.00	0.05	0.06		0.02	0.06	n.a.		-100%	-17%	n.a.

Source: Vara Research and Nordea estimates

Estimate revisions

ESTIMATE REVISIONS (EPS AND DPS IN EUR)

EURm	New estimates				Old estimates				Difference %			
	Q1 25E	2025E	2026E	2027E	Q1 25E	2025E	2026E	2027E	Q1 25E	2025E	2026E	2027E
Sales	114	480	502	517	116	490	513	528	-2%	-2%	-2%	-2%
- growth	1%	4%	5%	3%	2%	6%	5%	3%	-1.7pp	-2.2pp	0.1pp	0.0pp
Comparable EBITDA	3.5	21	28	33	3.9	23	29	34	-11%	-10%	-3%	-3%
EBITDA margin	3.0%	4.3%	5.5%	6.4%	3.3%	4.7%	5.6%	6.5%	-0.3pp	-0.4pp	-0.1pp	-0.1pp
Comparable op profit	-1.0	2	8	13	-0.6	4	9	14	68%	-59%	-11%	-8%
Operating margin	-0.9%	0.3%	1.5%	2.6%	-0.5%	0.8%	1.7%	2.7%	-0.4pp	-0.5pp	-0.2pp	-0.2pp
Pre-tax profit	-2.0	-2	4	10	-1.6	0	5	11	26%	n.m.	-19%	-10%
EPS	-0.03	-0.03	0.06	0.14	-0.02	0.00	0.07	0.15	26%	n.m.	-19%	-10%
DPS		0.00	0.05	0.06		0.00	0.05	0.06		n.m.	0%	0%
Volume growth (est)	-3.0%	0.4%	2.7%	2.0%	-1.8%	1.2%	2.7%	2.0%	-1.2pp	-0.8pp	0.0pp	0.0pp
ASP change (est)	1.9%	2.4%	2.3%	1.0%	1.9%	2.7%	2.0%	1.0%	0.0pp	-0.3pp	0.3pp	0.0pp
Organic growth	-1.1%	2.8%	5.1%	3.0%	0.1%	3.9%	4.7%	3.0%	-1.2pp	-1.0pp	0.3pp	0.0pp
FX impact on topline	1.8%	0.9%	-0.3%	0.0%	2.2%	2.0%	-0.1%	0.0%	-0.5pp	-1.2pp	-0.2pp	0.0pp
Raw material price inflation		4.0 %	2.0 %	0.5 %		4.2 %	2.0 %	0.5 %		-0.2pp	0.0pp	0.0pp

Source: Nordea estimates

Detailed estimates

QUARTERLY ESTIMATES

EURm	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25E	Q2 25E	Q3 25E	Q4 25E
Net sales	117	113	106	115	114	119	112	119	114	120	120	125
growth y/y	6%	-5%	-19%	-14%	-3%	5%	5%	3%	1%	1%	8%	5%
on constant currencies	3%	-3%	-15%	-10%	-2%	5%	6%	3%	-1%	1%	6%	5%
Gross profit	5	3	6	8	8	9	5	8	8	0	0	0
gross margin, %	4.2%	2.7%	6.0%	7.3%	7.2%	7.5%	4.6%	6.4%	6.8%	0.0%	0.0%	0.0%
EBITDA	3	-2	5	5	5	4	3	5	3	5	6	7
Adj. EBITDA	3	3	5	5	4	5	3	4	3	5	6	7
Adj. EBITDA margin, %	2.3%	2.4%	4.9%	4.6%	3.9%	4.2%	3.0%	3.6%	3.0%	3.8%	4.7%	5.5%
D&A	-4.7	-4.8	-4.5	-4.6	-4.6	-4.6	-4.8	-4.5	-4.5	-4.7	-4.8	-4.9
EBIT	-2.1	-6.7	0.6	0.7	0.1	-0.8	-1.4	0.9	-1.0	-0.2	0.9	1.9
Adj. EBIT	-2.0	-2.1	0.7	0.7	-0.1	0.4	-1.5	-0.3	-1.0	-0.2	0.9	1.9
Adj. EBIT margin, %	-1.7%	-1.9%	0.6%	0.6%	-0.1%	0.3%	-1.3%	-0.2%	-0.9%	-0.1%	0.7%	1.5%
Net financials	-1.5	-1.3	-1.2	-2.0	-0.8	-1.1	-1.9	-0.3	-1.0	-1.0	-1.0	-1.0
PTP	-3.6	-8.0	-0.5	-1.3	-0.7	-1.9	-3.3	0.6	-2.0	-1.2	-0.1	0.9
Income taxes	-0.3	-0.2	1.3	-0.1	-0.3	0.0	0.1	0.3	0.4	0.3	0.0	-0.2
Net profit	-3.9	-8.2	0.8	-1.4	-1.0	-1.9	-3.2	0.8	-1.6	-0.9	-0.1	0.7
EPS, EUR	-0.07	-0.14	0.01	-0.02	-0.02	-0.03	-0.05	0.01	-0.03	-0.02	0.00	0.01
DPS, EUR												
Geographical split	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25E	Q2 25E	Q3 25E	Q4 25E
Net sales, EURm												
Americas	75.0	69.8	70.9	72.3	70.0	75.7	69.5	72.7	69.9	77.3	76.6	77.9
Europe	41.8	42.9	35.6	42.6	43.5	43.0	42.1	45.8	44.4	43.0	43.7	46.7
Sales growth, y/y												
Americas	22%	9%	-12%	-12%	-7%	8%	-2%	0%	0%	2%	10%	7%
Europe	-14%	-20%	-31%	-17%	4%	0%	18%	7%	2%	0%	4%	2%

Source: Company data and Nordea estimates

ANNUAL ESTIMATES

EURm	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Net sales	431	411	459	443	493	451	462	480	502	517
growth y/y	1%	-5%	12%	-3%	11%	-9%	3%	4%	5%	3%
on constant currencies	4%	-7%	14%	-1%	4%	-7%	3%	3%	5%	3%
Gross profit	31	34	70	51	19	23	30	37	45	52
gross margin, %	7.3%	8.3%	15.2%	11.5%	3.8%	5.0%	6.4%	7.8%	9.0%	10.0%
EBITDA	26	34	61	47	14	11	17	21	28	33
Adj. EBITDA	26	34	61	47	15	16	17	21	28	33
Adj. EBITDA margin, %	5.9%	8.2%	13.3%	10.6%	3.1%	3.5%	3.7%	4.3%	5.5%	6.4%
D&A	-21	-26	-21	-20	-23	-19	-18	-19	-20	-20
EBIT	5	8	39	27	-9	-8	-1	2	8	13
Adj. EBIT	5	8	39	27	-4	-3	-1	2	8	13
Adj. EBIT margin, %	1.1%	2.0%	8.6%	6.1%	-0.8%	-0.6%	-0.3%	0.3%	1.5%	2.6%
Net financials	-6	-6	-6	0	-3	-6	-4	-4	-4	-3
PTP	-1	2	34	27	-12	-14	-5	-2	4	10
Income taxes	-1	-2	-4	-6	-2	1	0	1	-1	-2
Net profit	-2	0	30	21	-14	-13	-5	-2	3	8
EPS, EUR	-0.03	0.00	0.52	0.36	-0.24	-0.22	-0.09	-0.03	0.06	0.14
DPS, EUR	0.00	0.05	0.20	0.20	0.10	0.10	0.00	0.00	0.05	0.06
Geographical split	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Net sales, EURm										
Americas		262	289	265	288	288	288	302	314	323
Europe		150	170	178	206	163	174	178	189	194
Sales growth, y/y										
Americas			10%	-8%	9%	0%	0%	5%	4%	3%
Europe			13%	5%	15%	-21%	7%	2%	6%	3%

Source: Company data and Nordea estimates

Valuation

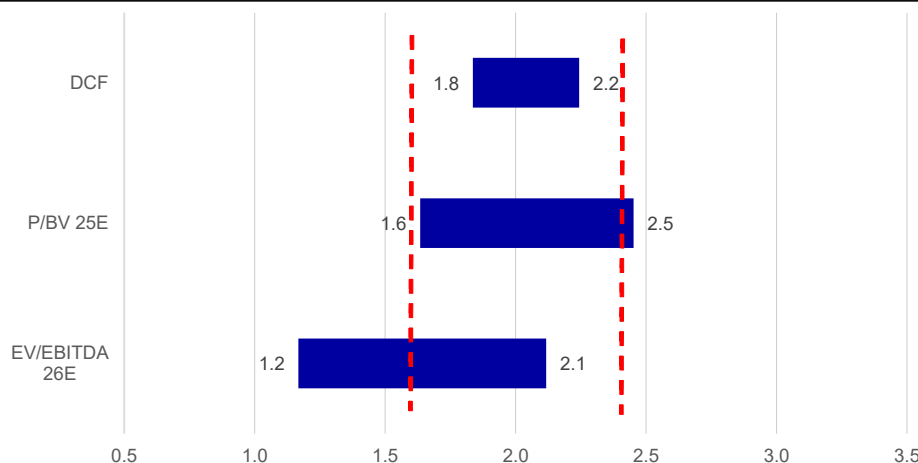
We estimate a fair value range of EUR 1.5-2.3 (1.6-2.4), based on a combination of three valuation approaches (DCF, 2025E P/BV and 2026E EV/EBITDA).

Fair value range of EUR 1.5-2.3

Our multiples-based valuation supports a valuation range of EUR 1.5-2.3, while our DCF-based valuation yields a range of EUR 1.8-2.2.

VALUATION APPROACH (EUR/SHARE)

We derive a fair value range of EUR 1.5-2.3 per share



Source: Nordea estimates

DCF yields a range of EUR 1.8-2.2 per share

The outcome of our DCF valuation is EUR 1.8-2.2. We use a WACC of 7.4-8.6%, assuming a terminal growth rate of 2.5% with an EBIT margin of 3.1%.

WACC COMPONENTS

WACC components	
Risk-free interest rate	4.0%
Market risk premium	3.0%
Equity beta	1.5-2
Cost of equity	8.5-10%
Cost of debt	4.0%
Tax-rate used in WACC	22%
Equity weight	80%
WACC	7.4-8.6%

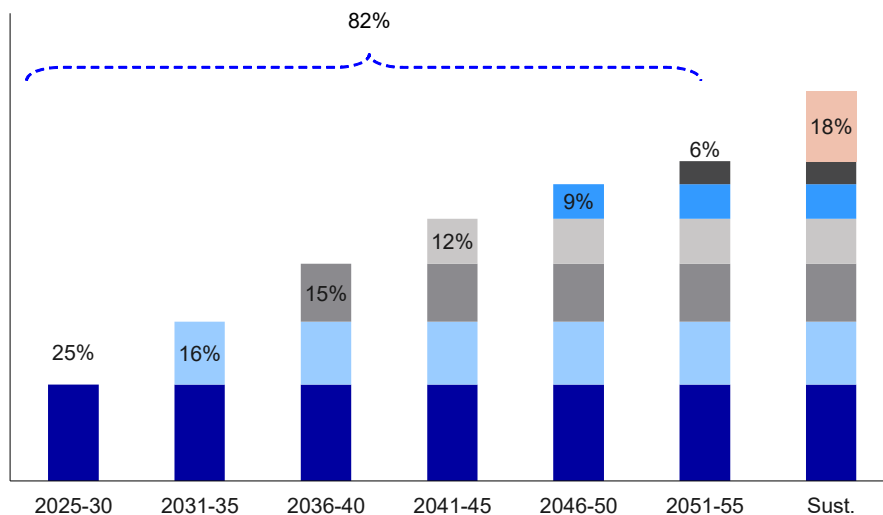
Source: Nordea estimates

DCF VALUE (EURm AND EUR)

DCF value	Value	Per share
NPV FCFF	164-188	2.8-3.2
(Net debt)	-60	-1.0
Market value of associate	0	0.0
(Market value of minoritie	0	0.0
Surplus values	0	0.0
(Mkt. value pref. shs)	0	0.0
Share based adjustments	0	0.0
Other adjustments	0	0.0
Time value	3	0.1
DCF Value	107-131	1.8-2.2

Source: Nordea estimates

DCF VALUATION COMPOSITION



Source: Nordea estimates

DCF ASSUMPTIONS

Averages and assumptions	2025-30	2031-35	2036-40	2041-45	2046-50	2051-55	Sust.
Sales growth, CAGR	3.13%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
EBIT-margin, excluding associate:	2.7%	3.1%	3.1%	3.1%	3.1%	2.5%	2.5%
Capex/depreciation, x	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Capex/sales	3.9%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
NWC/sales	6.2%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%
FCFF, CAGR	-231.2%		2.5%	2.5%	2.5%	-3.1%	2.5%

Source: Nordea estimates

DCF valuation sensitivity

To highlight the sensitivity of our DCF valuation, we provide sensitivity matrices that model variations in revenue growth, margin assumptions and cost of capital. The sensitivities in our WACC are outlined in the following table. Using changes of ± 1 pp for WACC, ± 1 pp for sales growth and ± 1 pp for the EBIT margin, our DCF model yields a value range of EUR 0.9-3.9 per share.

SENSITIVITY OF OUR DCF MODEL (EUR)

		WACC				
		5.9%	6.9%	7.9%	8.9%	9.9%
EBIT marg. change	2.0pp	6.9	5.0	3.8	2.9	2.3
	1.0pp	5.4	3.9	2.9	2.2	1.8
	0.0pp	3.8	2.7	2.0	1.6	1.2
	-1.0pp	2.2	1.6	1.2	0.9	0.6
	-2.0pp	0.6	0.4	0.3	0.2	0.1

- A +/-1pp sales growth change translates to a change of +11%/-9% in the fair value

Sensitivity analysis: WACC vs Sales growth

		WACC				
		5.9%	6.9%	7.9%	8.9%	9.9%
Sales growth change	2.0pp	4.9	3.5	2.5	1.9	1.5
	1.0pp	4.3	3.1	2.3	1.7	1.3
	0.0pp	3.8	2.7	2.0	1.6	1.2
	-1.0pp	3.3	2.4	1.8	1.4	1.1
	-2.0pp	3.0	2.2	1.7	1.3	1.0

- A +/-1pp EBIT margin change translates to a +/-43% change in the fair value

Sensitivity analysis: Sales growth vs EBIT margin

		Sales growth change				
		-2.0pp	-1.0pp	0.0pp	1.0pp	2.0pp
EBIT margin change	2.0pp	3.0	3.4	3.8	4.3	4.8
	1.0pp	2.4	2.6	2.9	3.3	3.7
	0.0pp	1.7	1.8	2.0	2.3	2.5
	-1.0pp	1.0	1.1	1.2	1.3	1.4
	-2.0pp	0.3	0.3	0.3	0.3	0.2

Source: Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

EURm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Total revenue	426	431	411	459	443	493	451	462	480	502	517
Revenue growth	2.2%	1.2%	-4.6%	11.5%	-3.4%	11.3%	-8.6%	2.5%	3.7%	4.8%	3.0%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	3.9%	-7.2%	2.5%	2.8%	5.1%	3.0%
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	7.4%	-1.4%	0.0%	0.9%	-0.3%	0.0%
EBITDA	34	26	34	61	47	14	11	17	21	28	33
Depreciation and impairments PPE	-19	-21	-26	-21	-20	-23	-19	-18	-19	-20	-20
of which leased assets	0	0	0	0	0	0	-4	-3	-3	-3	-3
EBITA	15	5	8	39	27	-9	-8	-1	2	8	13
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	15	5	8	39	27	-9	-8	-1	2	8	13
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	-3	-6	-6	-6	0	-3	-6	-4	-4	-4	-3
of which lease interest	0	0	0	0	0	0	-1	-1	-1	-1	-1
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	12	-1	2	34	27	-12	-14	-5	-2	4	10
Reported taxes	2	-1	-2	-4	-6	-2	1	0	1	-1	-2
Net profit from continued operations	14	-2	0	30	21	-14	-13	-5	-2	3	8
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Net profit to equity	14	-2	0	30	21	-14	-13	-5	-2	3	8
EPS, EUR	0.25	-0.03	0.00	0.52	0.36	-0.24	-0.22	-0.09	-0.03	0.06	0.14
DPS, EUR	0.11	0.00	0.05	0.20	0.20	0.10	0.10	0.00	0.00	0.05	0.06
of which ordinary	0.11	0.00	0.05	0.20	0.20	0.10	0.10	0.00	0.00	0.05	0.06
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit margin in percent											
EBITDA	8.1%	5.9%	8.2%	13.3%	10.6%	2.9%	2.5%	3.7%	4.3%	5.5%	6.4%
EBITA	3.5%	1.1%	2.0%	8.6%	6.1%	-1.8%	-1.7%	-0.3%	0.3%	1.5%	2.6%
EBIT	3.5%	1.1%	2.0%	8.6%	6.1%	-1.8%	-1.7%	-0.3%	0.3%	1.5%	2.6%

Adjusted earnings

EBITDA (adj)	34	26	34	61	47	15	16	17	21	28	33
EBITA (adj)	15	5	8	39	27	-4	-3	-1	2	8	13
EBIT (adj)	15	5	8	39	27	-4	-3	-1	2	8	13
EPS (adj, EUR)	0.25	-0.03	0.00	0.52	0.36	-0.16	-0.14	-0.09	-0.03	0.06	0.14

Adjusted profit margins in percent

EBITDA (adj)	8.1%	5.9%	8.2%	13.3%	10.6%	3.1%	3.5%	3.7%	4.3%	5.5%	6.4%
EBITA (adj)	3.5%	1.1%	2.0%	8.6%	6.1%	-0.8%	-0.6%	-0.3%	0.3%	1.5%	2.6%
EBIT (adj)	3.5%	1.1%	2.0%	8.6%	6.1%	-0.8%	-0.6%	-0.3%	0.3%	1.5%	2.6%

Performance metrics

CAGR last 5 years											
Net revenue	-1.3%	-0.6%	0.5%	0.7%	1.2%	3.0%	0.9%	2.4%	0.9%	2.5%	1.0%
EBITDA	3.8%	-5.4%	-4.1%	4.3%	1.3%	-16.0%	-15.3%	-12.6%	-19.6%	-10.1%	18.3%
EBIT	6.3%	-23.3%	-20.7%	4.5%	1.0%	n.m.	n.m.	n.m.	-47.3%	-22.1%	n.m.
EPS	n.m.	n.m.	-47.9%	9.0%	3.5%	n.m.	n.m.	n.m.	n.m.	-30.7%	n.m.
DPS	n.m.	n.m.	0.0%	14.9%	12.7%	-1.9%	n.m.	n.m.	n.m.	-24.2%	-9.7%
Average last 5 years											
Average EBIT margin	5.4%	4.9%	4.0%	4.3%	4.3%	3.1%	2.6%	2.1%	0.5%	-0.4%	0.6%
Average EBITDA margin	9.5%	9.2%	8.8%	9.3%	9.3%	8.1%	7.4%	6.5%	4.7%	3.8%	4.5%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
P/E (adj)	17.5	n.m.	n.m.	9.8	14.6	n.m.	n.m.	n.m.	n.m.	35.3	14.6
EV/EBITDA (adj)	9.7	7.4	6.0	5.5	7.5	14.9	13.1	11.4	9.1	6.8	5.4
EV/EBITA (adj)	22.3	41.2	24.8	8.4	13.0	n.m.	n.m.	n.m.	115.5	24.2	13.6
EV/EBIT (adj)	22.3	41.2	24.8	8.4	13.0	n.m.	n.m.	n.m.	115.5	24.2	13.6

VALUATION RATIOS - REPORTED EARNINGS

EURm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
P/E	17.5	n.m.	n.m.	9.8	14.6	n.m.	n.m.	n.m.	n.m.	35.3	14.6
EV/Sales	0.79	0.44	0.49	0.73	0.79	0.46	0.46	0.42	0.39	0.37	0.35
EV/EBITDA	9.7	7.4	6.0	5.5	7.5	16.0	18.6	11.3	9.1	6.8	5.4
EV/EBITA	22.3	41.2	24.8	8.4	13.0	n.m.	n.m.	n.m.	115.5	24.2	13.6
EV/EBIT	22.3	41.2	24.8	8.4	13.0	n.m.	n.m.	n.m.	115.5	24.2	13.6
Dividend yield (ord.)	2.5%	0.0%	2.2%	3.9%	3.9%	3.3%	3.5%	0.0%	0.0%	2.5%	3.0%
FCF yield	-4.6%	14.7%	14.6%	15.6%	-1.4%	2.4%	12.0%	-7.8%	-4.4%	1.5%	11.1%
FCF Yield bef A&D, lease adj	-4.6%	14.7%	14.6%	15.6%	-2.2%	2.4%	12.0%	-7.8%	-7.1%	-1.2%	8.4%
Payout ratio	43.6%	0.0%	1,284.7%	38.4%	56.2%	n.m.	n.m.	0.0%	0.0%	87.9%	43.5%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Intangible assets	33	37	36	32	29	25	22	18	18	18	18
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	17	21	20	17	13	10	6	3	3	3	3
of which goodwill	16	16	15	15	15	15	15	15	15	15	15
Tangible assets	137	129	136	122	131	128	124	131	139	143	140
of which leased assets	0	0	14	18	16	12	11	11	8	8	8
Shares associates	0	0	0	0	0	0	0	0	0	0	0
Interest bearing assets	3	3	4	4	0	0	0	0	0	0	0
Deferred tax assets	5	3	2	4	2	1	2	2	2	2	2
Other non-IB non-current assets	1	1	1	1	0	0	0	0	0	0	0
Other non-current assets	2	1	0	0	0	0	0	0	0	0	0
Total non-current assets	180	174	178	164	162	155	148	152	161	164	161
Inventory	44	52	39	35	50	63	38	47	43	45	47
Accounts receivable	58	58	47	51	65	67	62	62	65	68	70
Short-term leased assets	0	0	0	0	0	0	0	0	3	3	3
Other current assets	16	9	8	9	8	9	9	7	7	7	7
Cash and bank	27	28	38	58	101	50	59	41	33	32	38
Total current assets	145	147	132	154	225	188	168	158	151	155	166
Assets held for sale	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	326	321	310	317	387	343	316	310	312	319	327
Shareholders equity	136	131	132	146	163	146	125	118	116	119	124
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Total Equity	136	131	132	146	163	146	125	118	116	119	124
Deferred tax	15	12	13	13	14	12	9	8	8	8	8
Long term interest bearing debt	95	81	82	83	49	49	49	50	50	50	50
Pension provisions	1	1	1	1	1	0	0	0	0	0	0
Other long-term provisions	0	0	0	2	2	2	1	1	1	1	1
Other long-term liabilities	0	0	2	0	0	0	0	0	0	0	0
Non-current lease debt	0	0	10	15	13	11	10	9	9	9	9
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	111	94	107	114	79	75	69	68	67	67	67
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	63	75	53	55	57	79	75	82	85	89	92
Current lease debt	0	0	3	3	3	3	3	3	3	3	3
Other current liabilities	0	0	0	0	0	0	4	0	0	0	0
Short term interest bearing debt	15	21	14	0	84	40	40	40	40	40	40
Total current liabilities	78	96	70	58	145	122	122	125	129	133	135
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	326	321	310	317	387	343	316	310	312	319	327
Balance sheet and debt metrics											
Net debt	81	71	69	37	50	55	44	60	69	70	63
of which lease debt	0	0	13	17	16	14	13	12	12	12	12
Working capital	55	43	41	41	66	59	31	34	30	31	32
Invested capital	235	217	219	204	228	214	179	187	190	195	193
Capital employed	247	232	242	246	312	249	227	219	218	221	226
ROE	10.4%	-1.3%	0.2%	21.6%	13.4%	-9.0%	-9.4%	-4.4%	-1.6%	2.8%	6.6%
ROIC	5.1%	1.6%	2.9%	14.5%	9.7%	-1.5%	-1.1%	-0.6%	0.7%	3.1%	5.4%
ROCE	6.2%	1.9%	3.4%	16.2%	9.6%	-1.5%	-1.2%	-0.6%	0.7%	3.5%	6.0%
Net debt/EBITDA	2.4	2.8	2.0	0.6	1.1	3.8	3.9	3.5	3.4	2.5	1.9
Interest coverage	5.8	0.8	1.4	7.1	69.1	-3.1	-1.5	-0.4	0.5	3.1	6.7
Equity ratio	41.8%	40.7%	42.7%	46.0%	42.2%	42.6%	39.5%	37.9%	37.1%	37.3%	38.0%
Net gearing	59.6%	54.7%	51.9%	25.4%	30.4%	37.4%	34.8%	51.4%	59.4%	58.9%	51.0%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
EBITDA (adj) for associates	34	26	34	61	47	14	11	17	21	28	33
Paid taxes	2	6	-1	-2	-7	-3	-4	-1	1	-1	-2
Net financials	-3	-5	-5	-4	-5	-5	-5	-5	-4	-4	-3
Change in provisions	0	0	0	2	0	0	-2	0	0	0	0
Change in other LT non-IB	-1	3	3	-4	3	1	-1	0	0	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	-3	-3	-2	5	-1	-1	6	-1	0	0	0
Funds from operations (FFO)	30	27	28	58	36	6	5	10	17	23	28
Change in NWC	-8	6	2	-1	-25	8	26	-6	5	-1	-1
Cash flow from operations (CFO)	22	32	30	57	11	14	31	4	22	22	27
Capital expenditure	-34	-15	-11	-11	-18	-10	-11	-14	-27	-20	-14
Free cash flow before A&D	-12	17	19	46	-7	4	20	-10	-5	2	13
Proceeds from sale of assets	0	0	0	0	2	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0	0	0	0	0	0
Free cash flow	-12	17	19	46	-4	4	20	-10	-5	2	13
Free cash flow bef A&D, lease adj	-12	17	19	46	-7	4	20	-10	-8	-1	10
Dividends paid	-6	-6	0	-3	-12	-11	-6	-6	0	0	-3
Equity issues / buybacks	0	0	0	0	0	0	0	0	0	0	0
Net change in debt	0	-8	-10	-17	57	-48	-3	-3	0	0	0
Other financing adjustments	0	0	0	0	0	0	0	0	-3	-3	-3
Other non-cash adjustments	15	-3	0	-6	3	3	-1	2	0	0	0
Change in cash	-2	1	10	20	43	-52	9	-17	-8	-1	7
Cash flow metrics											
Capex/D&A	n.m.	70.6%	41.2%	50.8%	87.9%	41.9%	59.0%	77.5%	n.m.	n.m.	70.4%
Capex/Sales	7.9%	3.4%	2.6%	2.4%	4.0%	2.0%	2.4%	3.1%	5.6%	4.0%	2.7%
Key information											
Share price year end (/current)	4	2	2	5	5	3	3	2	2	2	2
Market cap.	254	118	133	296	302	174	164	133	117	117	117
Enterprise value	335	189	202	333	351	229	208	193	186	187	180
Diluted no. of shares, year-end (m)	57.4	57.5	57.5	58.3	58.3	58.3	58.3	58.3	58.3	58.3	58.3

Source: Company data and Nordea estimates

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