

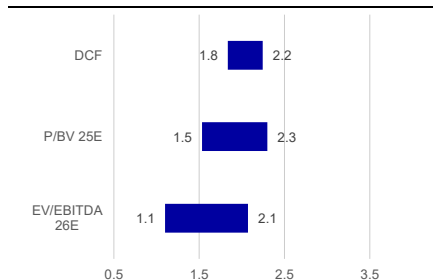
**KEY DATA**

Stock country	Finland
Bloomberg	SUY1V FH
Reuters	SUY1V.HE
Share price (close)	EUR 1.88
Free float	76%
Market cap. (bn)	EUR 0.11/EUR 0.11
Website	www.suominen.fi
Next report date	29 Oct 2025

**PERFORMANCE**



**VALUATION APPROACH (EUR/SHARE)**



**ESTIMATE CHANGES**

Year	2025E	2026E	2027E
Sales	-4%	-1%	-1%
EBIT (adj)	-68%	-4%	-3%

Source: Nordea estimates

**Nordea IB & Equity - Analysts**  
**Joni Sandvall**  
 Associate Director

**Tariff concerns materialised in Q2**

Suominen's Q2 report fell clearly short of Vara Research consensus expectations owing to very weak volume development in Americas. Customers stockpiled inventories ahead of tariff impacts, mainly from China, causing excess inventories and weakened demand in Q2. The situation normalised somewhat towards the end of the quarter but we believe that uncertain consumer sentiment could continue to weigh on volumes and mix. The company expects support from its EUR 10m cost-saving programme in H2 and reiterated its guidance for improving comparable EBITDA. We derive a slightly lower DCF- and multiples-based fair value range of EUR 1.5-2.2 (1.6-2.3) per Suominen share.

**Q2 weakness especially from the US**

Suominen's Q2 net sales declined 16% y/y and came in 16% below Vara Research consensus. Ahead of higher tariffs, nonwoven customers stocked their inventories, mainly from China, leading to excess inventories across the value chain, which impacted demand negatively. According to the company, the situation gradually normalised towards the end of Q2. Comparable EBITDA of EUR 3.2m fell 33% short of the consensus expectation of EUR 4.8m, partly burdened by the Bethune ramp-up and costs related to the change of CEO. The ramp-up of Bethune continues while the company expects more than EUR 2m in cost savings from personnel in H2. It expects the majority of the EUR 10m cost-saving actions to be completed by the end of 2026. In addition to weakness in Americas, EMEA fell short of our expectations.

**Guidance at risk – we trim 2025E comparable EBITDA by 10%**

Following the soft Q2, we trim 2025E comparable EBITDA by 10% and forecast EUR 18.6m against guidance for increasing comparable EBITDA from EUR 17.0m in 2024. We expect cost savings to start to materialise in H2 while inventory levels in the US and import pressure in Europe are causing uncertainty over volumes, prices and mix. We make only minor negative revisions for 2026E-27E top line and comparable EBITDA. Under the new CEO (from 11 August), we expect the company to refresh its strategy in order to support growth and to restore profitability.

**Fair value range of EUR 1.5-2.2 (1.6-2.3)**

We calculate a slightly lower fair value range of EUR 1.5-2.2 (1.6-2.3), 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	447	478	494
EBITDA (adj)	47	15	16	17	19	28	35
EBIT (adj)	27	-4	-3	-1	1	10	16
EBIT (adj) margin	6.1%	-0.8%	-0.6%	-0.3%	0.2%	2.0%	3.2%
EPS (adj, EUR)	0.36	-0.16	-0.14	-0.09	-0.08	0.06	0.15
EPS (adj) growth	-31.6%	-143.7%	11.5%	31.9%	15.6%	172.0%	163.1%
DPS (ord, EUR)	0.20	0.10	0.10	0.00	0.00	0.04	0.05
EV/Sales	0.8	0.5	0.5	0.4	0.4	0.4	0.4
EV/EBIT (adj)	13.0	n.m.	n.m.	n.m.	230.8	19.7	11.3
P/E (adj)	14.6	n.m.	n.m.	n.m.	n.m.	33.0	12.5
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%	2.1%	2.7%
FCF Yield bef A&D, lease	-2.2%	2.4%	12.0%	-7.8%	-13.3%	-2.5%	8.8%
Net debt	50	55	44	60	75	78	70
Net debt/EBITDA	1.1	3.8	3.9	3.5	5.4	2.7	2.0
ROIC after tax	9.7%	-1.5%	-1.1%	-0.6%	0.3%	3.9%	6.4%

Source: Company data and Nordea estimates

# Q2 result takeaways

## Q2 comparable EBITDA of EUR 3.2m, clearly below consensus

- Suominen's Q2 comparable EBITDA of EUR 3.2m came in 33% below Vara Research consensus of EUR 4.8m.
- Q2 sales of EUR 100m declined 16% y/y and were 16% below consensus estimates. According to Suominen, US nonwoven customers stocked their inventories with supply from China in a clamour to avoid tariffs, increasing inventories in the supply chain and negatively affecting demand in early Q2, with a gradual recovery in demand towards the end of the quarter. Americas sales of EUR 60m came in clearly below our estimate of EUR 72m, while EMEA sales of EUR 40m were also below our estimate of EUR 43m.
- Net debt increased to EUR 86.8m (EUR 67.5m in Q1 2025).
- The equity ratio declined to 36.5% (37.2% in Q1 2025).
- Gearing rose to 85.5% (60.0% in Q1 2025).

### Q2 2025 DEVIATION TABLE (EPS IN EUR)

EURm	Actual	NDA est.	Deviation		Consensus	Deviation		Actual		Actual	
	Q2 25	Q2 25E	vs. actual	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: Vara Research, company data and Nordea estimates

Suominen expects improving comparable EBITDA from EUR 17m in 2024

## Guidance for 2025 reiterated – increased PW risk

- Suominen expects comparable EBITDA to increase in 2025, from EUR 17.0m in 2024. Pre-Q2 consensus expected 2025 comparable EBITDA of EUR 22.3m.
- Suominen is EUR 2.2m below last year's comparable EBITDA level 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.
- We note that the new CEO Charles Héaulmé is starting on 11 August, opening up for potential large changes to its strategy during H2 as its strategy period is ending in 2025.

# Estimate revisions

## ESTIMATE REVISIONS (EPS AND DPS IN EUR)

EURm	New estimates				Old estimates				Difference %			
	Q3 25E	2025E	2026E	2027E	Q3 25E	2025E	2026E	2027E	Q3 25E	2025E	2026E	2027E
Sales	112	447	478	494	115	465	482	499	-3%	-4%	-1%	-1%
- growth	0%	-3%	7%	3%	3%	1%	4%	3%	-2.8pp	-3.9pp	3.2pp	0.0pp
Comparable EBITDA	4.9	19	28	35	5.8	21	29	36	-16%	-10%	-3%	-3%
EBITDA margin	4.4%	4.2%	5.9%	7.0%	5.0%	4.5%	6.0%	7.2%	-0.7pp	-0.3pp	-0.1pp	-0.1pp
Comparable op profit	0.3	1	10	16	1.1	3	10	16	-75%	-68%	-4%	-3%
Operating margin	0.2%	0.2%	2.0%	3.2%	0.9%	0.5%	2.1%	3.3%	-0.7pp	-0.4pp	-0.1pp	-0.1pp
Pre-tax profit	-2.7	-11	4	11	-1.9	-9	6	13	42%	n.m.	-30%	-15%
EPS	-0.04	-0.16	0.06	0.15	-0.03	-0.13	0.08	0.18	42%	n.m.	-30%	-15%
DPS		0.00	0.04	0.05		0.00	0.05	0.06		n.m.	-20%	-17%
Volume growth (est)	0.2%	-3.4%	5.8%	2.0%	2.7%	-0.1%	2.8%	2.0%	-2.5pp	-3.4pp	3.1pp	0.0pp
ASP change (est)	2.7%	2.3%	2.3%	1.4%	2.7%	2.9%	2.3%	1.4%	0.0pp	-0.5pp	0.0pp	0.0pp
Organic growth	2.9%	-1.1%	8.2%	3.4%	5.4%	2.8%	5.1%	3.4%	-2.5pp	-3.9pp	3.1pp	0.0pp
FX impact on topline	-2.8%	-2.2%	-1.2%	0.0%	-2.5%	-2.2%	-1.3%	0.0%	-0.3pp	0.0pp	0.1pp	0.0pp
Raw material price inflation		4.0 %	2.8 %	0.5 %		4.0 %	2.0 %	0.5 %		0.0pp	0.8pp	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 25	Q2 25	Q3 25E	Q4 25E
<b>Net sales</b>	<b>117</b>	<b>113</b>	<b>106</b>	<b>115</b>	<b>114</b>	<b>119</b>	<b>112</b>	<b>119</b>	<b>118</b>	<b>100</b>	<b>112</b>	<b>118</b>
growth y/y	6%	-5%	-19%	-14%	-3%	5%	5%	3%	3%	-16%	0%	-1%
on constant currencies	3%	-3%	-15%	-10%	-2%	5%	6%	3%	3%	-13%	3%	4%
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%	7.1%	0.0%	0.0%	0.0%
EBITDA	3	-2	5	5	5	4	3	5	4	3	3	4
<b>Adj. EBITDA</b>	<b>3</b>	<b>3</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>5</b>	<b>6</b>
Adj. EBITDA margin, %	2.3%	2.4%	4.9%	4.6%	3.9%	4.2%	3.0%	3.6%	3.5%	3.2%	4.4%	5.5%
D&A	-4.7	-4.8	-4.5	-4.6	-4.6	-4.6	-4.8	-4.5	-4.4	-4.2	-4.6	-4.7
EBIT	-2.1	-6.7	0.6	0.7	0.1	-0.8	-1.4	0.9	-0.3	-1.6	-1.7	-0.2
<b>Adj. EBIT</b>	<b>-2.0</b>	<b>-2.1</b>	<b>0.7</b>	<b>0.7</b>	<b>-0.1</b>	<b>0.4</b>	<b>-1.5</b>	<b>-0.3</b>	<b>-0.3</b>	<b>-1.0</b>	<b>0.3</b>	<b>1.8</b>
Adj. EBIT margin, %	-1.7%	-1.9%	0.6%	0.6%	-0.1%	0.3%	-1.3%	-0.2%	-0.2%	-1.0%	0.2%	1.5%
Net financials	-1.5	-1.3	-1.2	-2.0	-0.8	-1.1	-1.9	-0.3	-1.9	-2.9	-1.0	-1.0
PTP	-3.6	-8.0	-0.5	-1.3	-0.7	-1.9	-3.3	0.6	-2.2	-4.5	-2.7	-1.2
Income taxes	-0.3	-0.2	1.3	-0.1	-0.3	0.0	0.1	0.3	0.0	0.5	0.6	0.3
Net profit	-3.9	-8.2	0.8	-1.4	-1.0	-1.9	-3.2	0.8	-2.2	-4.0	-2.1	-0.9
<b>EPS, EUR</b>	<b>-0.07</b>	<b>-0.14</b>	<b>0.01</b>	<b>-0.02</b>	<b>-0.02</b>	<b>-0.03</b>	<b>-0.05</b>	<b>0.01</b>	<b>-0.04</b>	<b>-0.07</b>	<b>-0.04</b>	<b>-0.02</b>
DPS, EUR												
<b>Geographical split</b>	<b>Q1 23</b>	<b>Q2 23</b>	<b>Q3 23</b>	<b>Q4 23</b>	<b>Q1 24</b>	<b>Q2 24</b>	<b>Q3 24</b>	<b>Q4 24</b>	<b>Q1 25</b>	<b>Q2 25</b>	<b>Q3 25E</b>	<b>Q4 25E</b>
<b>Net sales, EURm</b>												
Americas	75.0	69.8	70.9	72.3	70.0	75.7	69.5	72.7	73.6	59.9	69.2	72.0
Europe	41.8	42.9	35.6	42.6	43.5	43.0	42.1	45.8	43.9	40.0	42.5	45.8
<b>Sales growth, y/y</b>												
Americas	22%	9%	-12%	-12%	-7%	8%	-2%	0%	5%	-21%	0%	-1%
Europe	-14%	-20%	-31%	-17%	4%	0%	18%	7%	1%	-7%	1%	0%

Source: Company data and Nordea estimates

**ANNUAL ESTIMATES**

EURm	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
<b>Net sales</b>	<b>431</b>	<b>411</b>	<b>459</b>	<b>443</b>	<b>493</b>	<b>451</b>	<b>462</b>	<b>447</b>	<b>478</b>	<b>494</b>
growth y/y	1%	-5%	12%	-3%	11%	-9%	3%	-3%	7%	3%
on constant currencies	4%	-7%	14%	-1%	4%	-7%	3%	-1%	8%	3%
Gross profit	31	34	70	51	19	23	30	36	43	49
gross margin, %	7.3%	8.3%	15.2%	11.5%	3.8%	5.0%	6.4%	8.0%	9.0%	10.0%
EBITDA	26	34	61	47	14	11	17	14	28	35
<b>Adj. EBITDA</b>	<b>26</b>	<b>34</b>	<b>61</b>	<b>47</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>19</b>	<b>28</b>	<b>35</b>
Adj. EBITDA margin, %	5.9%	8.2%	13.3%	10.6%	3.1%	3.5%	3.7%	4.2%	5.9%	7.0%
D&A	-21	-26	-21	-20	-23	-19	-18	-18	-19	-19
EBIT	5	8	39	27	-9	-8	-1	-4	10	16
<b>Adj. EBIT</b>	<b>5</b>	<b>8</b>	<b>39</b>	<b>27</b>	<b>-4</b>	<b>-3</b>	<b>-1</b>	<b>1</b>	<b>10</b>	<b>16</b>
Adj. EBIT margin, %	1.1%	2.0%	8.6%	6.1%	-0.8%	-0.6%	-0.3%	0.2%	2.0%	3.2%
Net financials	-6	-6	-6	0	-3	-6	-4	-7	-5	-5
PTP	-1	2	34	27	-12	-14	-5	-11	4	11
Income taxes	-1	-2	-4	-6	-2	1	0	1	-1	-2
Net profit	-2	0	30	21	-14	-13	-5	-9	3	9
<b>EPS, EUR</b>	<b>-0.03</b>	<b>0.00</b>	<b>0.52</b>	<b>0.36</b>	<b>-0.24</b>	<b>-0.22</b>	<b>-0.09</b>	<b>-0.16</b>	<b>0.06</b>	<b>0.15</b>
DPS, EUR	0.00	0.05	0.20	0.20	0.10	0.10	0.00	0.00	0.04	0.05
<b>Geographical split</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>Net sales, EURm</b>										
Americas		262	289	265	288	288	288	275	295	304
Europe		150	170	178	206	163	174	172	183	190
<b>Sales growth, y/y</b>										
Americas			10%	-8%	9%	0%	0%	-5%	8%	3%
Europe			13%	5%	15%	-21%	7%	-1%	6%	4%

Source: Company data and Nordea estimates

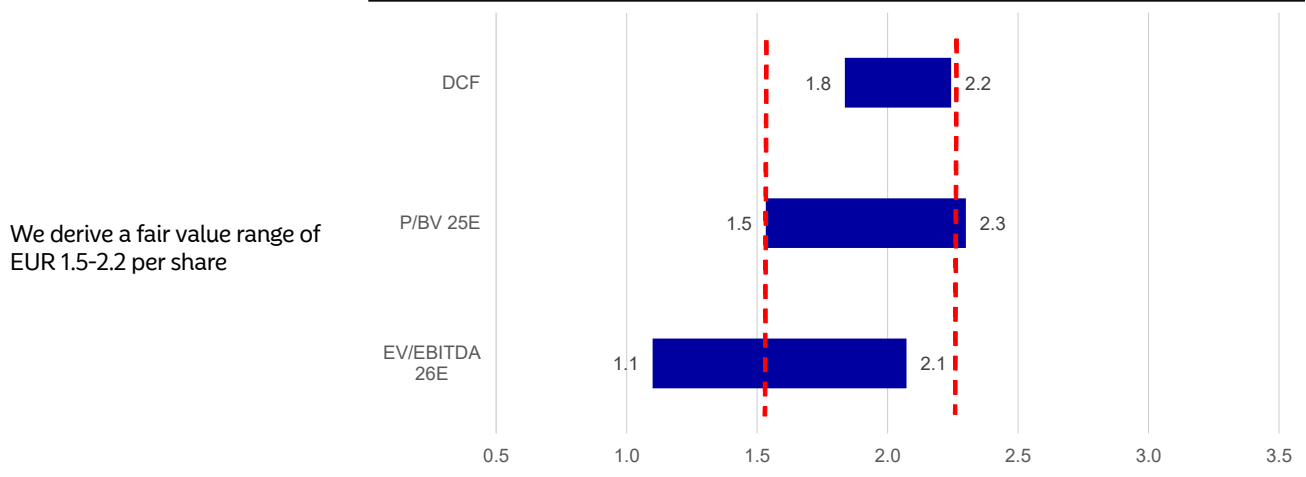
# Valuation

We estimate a fair value range of EUR 1.5-2.2 (1.6-2.3), based on a combination of three valuation approaches (DCF, 2025E P/BV and 2026E EV/EBITDA).

## Fair value range of EUR 1.6-2.3

Our multiples-based valuation supports a valuation range of EUR 1.3-2.2, while our DCF-based valuation yields a range of EUR 1.8-2.2.

### VALUATION APPROACH (EUR/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%
<b>WACC</b>	<b>7.4-8.6%</b>

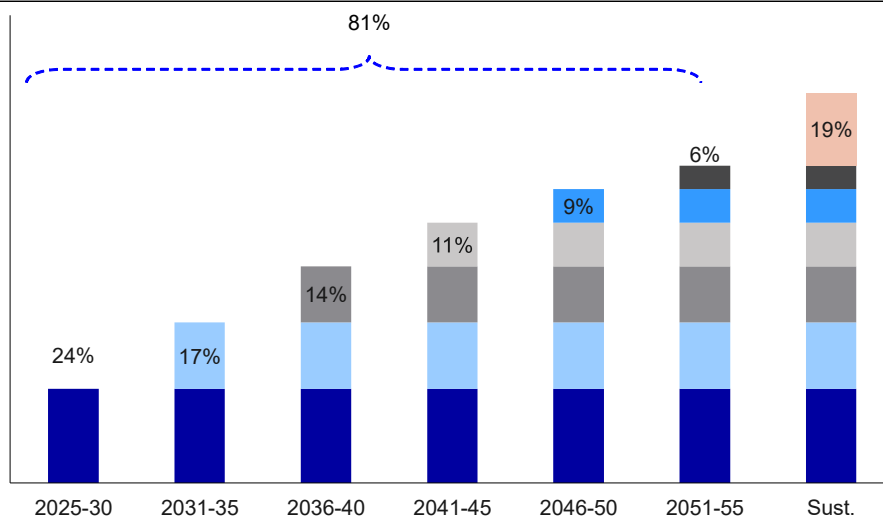
Source: Nordea estimates

### DCF VALUE (EURm AND EUR)

DCF value	Value	Per share
NPV FCFF	161-185	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	6	0.1
<b>DCF Value</b>	<b>107-131</b>	<b>1.8-2.2</b>

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	3.63%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
EBIT-margin, excluding associate:	2.9%	3.1%	3.1%	3.1%	3.1%	2.6%	2.6%
Capex/depreciation, x	1.1	1.0	1.0	1.0	1.0	1.0	1.0
Capex/sales	4.1%	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	-217.5%		2.5%	2.5%	2.5%	-1.7%	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  $\pm 1$ pp for WACC,  $\pm 1$ pp for sales growth and  $\pm 1$ 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	3.7	2.9	2.3
	+1.0pp	5.4	3.9	2.9	2.2	1.7
		3.8	2.7	2.0	1.6	1.2
	-1.0pp	2.3	1.6	1.2	0.9	0.6
	-2.0pp	0.7	0.5	0.3	0.2	0.1
		WACC				
		5.9%	6.9%	7.9%	8.9%	9.9%
Sales gr. change	+2.0pp	5.0	3.5	2.6	1.9	1.4
	+1.0pp	4.4	3.1	2.3	1.7	1.3
		3.8	2.7	2.0	1.6	1.2
	-1.0pp	3.4	2.4	1.8	1.4	1.1
	-2.0pp	3.0	2.2	1.7	1.3	1.0
		Sales growth change				
		-2.0pp	-1.0pp	+1.0pp	+2.0pp	
EBIT margin change	+2.0pp	3.0	3.3	3.7	4.2	4.8
	+1.0pp	2.3	2.6	2.9	3.3	3.7
		1.7	1.8	2.0	2.3	2.6
	-1.0pp	1.0	1.1	1.2	1.3	1.4
	-2.0pp	0.4	0.3	0.3	0.3	0.3

Source: Nordea estimates

- A +/-1pp sales growth change translates to a change of +11%/-10% in the fair value
- A +/-1pp EBIT margin change translates to a +/-42% change in the fair value

# Reported numbers and forecasts

## INCOME STATEMENT

EURm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
<b>Total revenue</b>	<b>426</b>	<b>431</b>	<b>411</b>	<b>459</b>	<b>443</b>	<b>493</b>	<b>451</b>	<b>462</b>	<b>447</b>	<b>478</b>	<b>494</b>
Revenue growth	2.2%	1.2%	-4.6%	11.5%	-3.4%	11.3%	-8.6%	2.5%	-3.3%	7.0%	3.4%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	3.9%	-7.2%	2.5%	-1.1%	8.2%	3.4%
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	7.4%	-1.4%	0.0%	-2.2%	-1.2%	0.0%
EBITDA	34	26	34	61	47	14	11	17	14	28	35
Depreciation and impairments PPE	-19	-21	-26	-21	-20	-23	-19	-18	-18	-19	-19
of which leased assets	0	0	0	0	0	0	-4	-3	-3	-3	-3
EBITA	15	5	8	39	27	-9	-8	-1	-4	10	16
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	15	5	8	39	27	-9	-8	-1	-4	10	16
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	-7	-5	-5
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
<b>Pre-tax profit</b>	<b>12</b>	<b>-1</b>	<b>2</b>	<b>34</b>	<b>27</b>	<b>-12</b>	<b>-14</b>	<b>-5</b>	<b>-11</b>	<b>4</b>	<b>11</b>
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	-9	3	9
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	-9	3	9
<b>EPS, EUR</b>	<b>0.25</b>	<b>-0.03</b>	<b>0.00</b>	<b>0.52</b>	<b>0.36</b>	<b>-0.24</b>	<b>-0.22</b>	<b>-0.09</b>	<b>-0.16</b>	<b>0.06</b>	<b>0.15</b>
DPS, EUR	0.11	0.00	0.05	0.20	0.20	0.10	0.10	0.00	0.00	0.04	0.05
of which ordinary	0.11	0.00	0.05	0.20	0.20	0.10	0.10	0.00	0.00	0.04	0.05
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
<b>Profit margin in percent</b>											
EBITDA	8.1%	5.9%	8.2%	13.3%	10.6%	2.9%	2.5%	3.7%	3.1%	5.9%	7.0%
EBITA	3.5%	1.1%	2.0%	8.6%	6.1%	-1.8%	-1.7%	-0.3%	-0.9%	2.0%	3.2%
EBIT	3.5%	1.1%	2.0%	8.6%	6.1%	-1.8%	-1.7%	-0.3%	-0.9%	2.0%	3.2%

## Adjusted earnings

EBITDA (adj)	34	26	34	61	47	15	16	17	19	28	35
EBITA (adj)	15	5	8	39	27	-4	-3	-1	1	10	16
EBIT (adj)	15	5	8	39	27	-4	-3	-1	1	10	16
EPS (adj, EUR)	0.25	-0.03	0.00	0.52	0.36	-0.16	-0.14	-0.09	-0.08	0.06	0.15

## Adjusted profit margins in percent

EBITDA (adj)	8.1%	5.9%	8.2%	13.3%	10.6%	3.1%	3.5%	3.7%	4.2%	5.9%	7.0%
EBITA (adj)	3.5%	1.1%	2.0%	8.6%	6.1%	-0.8%	-0.6%	-0.3%	0.2%	2.0%	3.2%
EBIT (adj)	3.5%	1.1%	2.0%	8.6%	6.1%	-0.8%	-0.6%	-0.3%	0.2%	2.0%	3.2%

## Performance metrics

CAGR last 5 years											
Net revenue	-1.3%	-0.6%	0.5%	0.7%	1.2%	3.0%	0.9%	2.4%	-0.5%	1.5%	0.0%
EBITDA	3.8%	-5.4%	-4.1%	4.3%	1.3%	-16.0%	-15.3%	-12.6%	-25.5%	-9.6%	19.4%
EBIT	6.3%	-23.3%	-20.7%	4.5%	1.0%	n.m.	n.m.	n.m.	n.m.	-18.8%	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.	-27.5%	-12.9%
Average last 5 years											
Average EBIT margin	5.4%	4.9%	4.0%	4.3%	4.3%	3.1%	2.6%	2.1%	0.2%	-0.5%	0.6%
Average EBITDA margin	9.5%	9.2%	8.8%	9.3%	9.3%	8.1%	7.4%	6.5%	4.5%	3.6%	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.	33.0	12.5
EV/EBITDA (adj)	9.7	7.4	6.0	5.5	7.5	14.9	13.1	11.4	9.9	6.6	5.2
EV/EBITA (adj)	22.3	41.2	24.8	8.4	13.0	n.m.	n.m.	n.m.	230.8	19.7	11.3
EV/EBIT (adj)	22.3	41.2	24.8	8.4	13.0	n.m.	n.m.	n.m.	230.8	19.7	11.3

## 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.	33.0	12.5
EV/Sales	0.79	0.44	0.49	0.73	0.79	0.46	0.46	0.42	0.41	0.39	0.36
EV/EBITDA	9.7	7.4	6.0	5.5	7.5	16.0	18.6	11.3	13.2	6.6	5.2
EV/EBITA	22.3	41.2	24.8	8.4	13.0	n.m.	n.m.	n.m.	n.m.	19.7	11.3
EV/EBIT	22.3	41.2	24.8	8.4	13.0	n.m.	n.m.	n.m.	n.m.	19.7	11.3
Dividend yield (ord.)	2.5%	0.0%	2.2%	3.9%	3.9%	3.3%	3.5%	0.0%	0.0%	2.1%	2.7%
FCF yield	-4.6%	14.7%	14.6%	15.6%	-1.4%	2.4%	12.0%	-7.8%	-10.6%	0.2%	11.5%
FCF Yield bef A&D, lease adj	-4.6%	14.7%	14.6%	15.6%	-2.2%	2.4%	12.0%	-7.8%	-13.3%	-2.5%	8.8%
Payout ratio	43.6%	0.0%	1,284.7%	38.4%	56.2%	n.m.	n.m.	0.0%	0.0%	70.2%	33.4%

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	141	145	143
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	162	166	164
Inventory	44	52	39	35	50	63	38	47	40	43	44
Accounts receivable	58	58	47	51	65	67	62	62	60	65	67
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	6	7	7
Cash and bank	27	28	38	58	101	50	59	41	27	24	31
Total current assets	145	147	132	154	225	188	168	158	137	141	153
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.
<b>Total assets</b>	<b>326</b>	<b>321</b>	<b>310</b>	<b>317</b>	<b>387</b>	<b>343</b>	<b>316</b>	<b>310</b>	<b>298</b>	<b>307</b>	<b>317</b>
Shareholders equity	136	131	132	146	163	146	125	118	108	112	118
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	108	112	118
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	68	68	68
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	63	75	53	55	57	79	75	82	79	85	87
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	122	128	131
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>326</b>	<b>321</b>	<b>310</b>	<b>317</b>	<b>387</b>	<b>343</b>	<b>316</b>	<b>310</b>	<b>298</b>	<b>307</b>	<b>317</b>
<b>Balance sheet and debt metrics</b>											
Net debt	81	71	69	37	50	55	44	60	75	78	70
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	28	29	30
Invested capital	235	217	219	204	228	214	179	187	189	195	194
Capital employed	247	232	242	246	312	249	227	219	210	213	220
ROE	10.4%	-1.3%	0.2%	21.6%	13.4%	-9.0%	-9.4%	-4.4%	-8.2%	3.0%	7.6%
ROIC	5.1%	1.6%	2.9%	14.5%	9.7%	-1.5%	-1.1%	-0.6%	0.3%	3.9%	6.4%
ROCE	6.2%	1.9%	3.4%	16.2%	9.6%	-1.5%	-1.2%	-0.6%	0.4%	4.5%	7.4%
Net debt/EBITDA	2.4	2.8	2.0	0.6	1.1	3.8	3.9	3.5	5.4	2.7	2.0
Interest coverage	5.8	0.8	1.4	7.1	69.1	-3.1	-1.5	-0.4	-0.7	2.2	4.2
Equity ratio	41.8%	40.7%	42.7%	46.0%	42.2%	42.6%	39.5%	37.9%	36.3%	36.4%	37.3%
Net gearing	59.6%	54.7%	51.9%	25.4%	30.4%	37.4%	34.8%	51.4%	69.2%	69.6%	59.6%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

EURm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
<b>EBITDA (adj) for associates</b>	<b>34</b>	<b>26</b>	<b>34</b>	<b>61</b>	<b>47</b>	<b>14</b>	<b>11</b>	<b>17</b>	<b>14</b>	<b>28</b>	<b>35</b>
Paid taxes	2	6	-1	-2	-7	-3	-4	-1	1	-1	-2
Net financials	-3	-5	-5	-4	-5	-5	-5	-5	-7	-5	-5
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
<b>Funds from operations (FFO)</b>	<b>30</b>	<b>27</b>	<b>28</b>	<b>58</b>	<b>36</b>	<b>6</b>	<b>5</b>	<b>10</b>	<b>9</b>	<b>22</b>	<b>28</b>
Change in NWC	-8	6	2	-1	-25	8	26	-6	7	-2	-1
<b>Cash flow from operations (CFO)</b>	<b>22</b>	<b>32</b>	<b>30</b>	<b>57</b>	<b>11</b>	<b>14</b>	<b>31</b>	<b>4</b>	<b>15</b>	<b>20</b>	<b>27</b>
Capital expenditure	-34	-15	-11	-11	-18	-10	-11	-14	-27	-20	-14
<b>Free cash flow before A&amp;D</b>	<b>-12</b>	<b>17</b>	<b>19</b>	<b>46</b>	<b>-7</b>	<b>4</b>	<b>20</b>	<b>-10</b>	<b>-12</b>	<b>0</b>	<b>13</b>
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	-12	0	13
Free cash flow bef A&D, lease adj	-12	17	19	46	-7	4	20	-10	-15	-3	10
Dividends paid	-6	-6	0	-3	-12	-11	-6	-6	0	0	-2
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	-15	-3	7
<b>Cash flow metrics</b>											
Capex/D&A	n.m.	70.6%	41.2%	50.8%	87.9%	41.9%	59.0%	77.5%	n.m.	n.m.	74.3%
Capex/Sales	7.9%	3.4%	2.6%	2.4%	4.0%	2.0%	2.4%	3.1%	6.0%	4.2%	2.8%
<b>Key information</b>											
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	110	110	110
Enterprise value	335	189	202	333	351	229	208	193	184	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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Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland	<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden	<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Grønjordsevej 10 DK-2300 Copenhagen S Denmark	<b>Nordea IB &amp; Equity Division, Equity Research</b> Visiting address: Essendropsgate 7 N-0107 Oslo Norway
Tel: +358 9 1651 Fax: +358 9 165 59710	Tel: +46 8 614 7000 Fax: +46 8 534 911 60	Tel: +45 3333 3333 Fax: +45 3333 1520	Tel: +47 2248 5000 Fax: +47 2256 8650
Reg.no. 2858394-9 Satamaradankatu 5 Helsinki			