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# Commissioned research: Suominen Oyj – Strong Q2 driven by lower costs

*Marketing material commissioned by Suominen Oyj*

Suominen Q2 comparable EBITDA of EUR 4.3m came 45% above Vara Research consensus expectations. Net sales of EUR 106m were up 6% y/y and came 1% below consensus. FX had EUR 1.3m negative impact on sales. EBITDA improvement was mainly related to higher volumes and fixed cost reductions while mix and net pricing had negative impact. Q2 operating cash flow of EUR -4.5m was up from EUR -10.1m a year ago but slightly below our expectation due to higher net working capital. The company reiterated its guidance for improving comparable EBITDA in 2026 from EUR 12.6m in 2025 while consensus is at EUR 13.4m. Initially, we expect consensus to raise its 2026 estimates to the tune of 10-20% with slightly more muted revisions for 2027.

## Q2 comparable EBITDA clearly above expectations

- Suominen Q2 comparable EBITDA of EUR 4.3m was 45% above Vara Research consensus expectations. There were EUR -2m of items affecting comparability in EBITDA (we expected EUR -2m), mainly related to restructuring programmes.
- Q2 sales of EUR 106m were up 6% y/y and came 1% below consensus expectations. Americas sales of EUR 66m came above our estimate of EUR 61m while EMEA sales of EUR 40m missed our estimate of EUR 41m. We view Americas 10% y/y sales growth positively as it indicates that the company has recovered some of the lost volumes and clients after the incident in 2025.
- Q2 cash flow from operations was EUR -4.5m while we had anticipated EUR 0m operating cash flow. Main deviation stems from higher net working capital, likely driven by higher sales. Net debt stands at EUR 60m (EUR 77.6m at the end 2025), corresponding to net gearing of 52% and leverage of 5.1x, supported by the successful rights issue.

## Progress of the three-year profitability improvement programme

Following the ongoing EUR 10m profitability improvement programme, Suominen launched a new three-year profitability improvement programme in conjunction with Q4 report. The company targets 10% EBITDA margin by 2028 while aims to reach 2-3x leverage level. New strategy and financial targets will be communicated later this year. The new functional operating model has dedicated focus on customers and factories to strengthen expertise and effectiveness.

The new profitability improvement programme aims to reset profitability in the first phase by fostering a culture of accountability, driving transformative initiatives and renewing its operating model. The programme involve estimates EUR 30m investments of which transformative costs are estimated at EUR 10m and capex to upgrade manufacturing capabilities around EUR 20m (no capacity expansion).

The new production line in Alicante has faced some delay due to technical issues and the company started qualification at the end of Q2 while we had anticipated commercial production to start in Q2.

## Guidance intact

- Suominen expects comparable EBITDA to improve in 2026 from EUR 12.6m in 2025. Consensus models EUR 13.4m comparable EBITDA in 2026E.

Initially, we expect consensus to hike estimates to the tune of 10-20% for 2026 with slightly more muted revisions for 2027.

**SUOMINEN: Q2 DEVIATION TABLE**

| EURm | Actual Q2 26 | NDA est. Q2 26E | Deviation vs. actual | | Consensus Q2 26E | Deviation vs. actual | | Actual Q1 26 | q/q | Actual Q2 25 | y/y |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sales | 105.6 | 102.1 | 3.5 | 3% | 107.0 | -1.4 | -1% | 95.6 | 10% | 99.8 | 6% |
| Comparable EBITDA | 4.3 | 3.0 | 1.3 | 43% | 3.0 | 1.3 | 45% | 2.2 | 98% | 3.2 | 35% |
| EBITDA margin | 4.1% | 3.0% | | 1.1pp | 2.8% | | 1.3pp | 2.3% | 1.8pp | 3.2% | 0.9pp |
| Comparable operating profit | 0.2 | -1.5 | 1.7 | -117% | -1.5 | 1.7 | -117% | -1.9 | -113% | -1.0 | -126% |
| Operating margin | 0.2% | -1.4% | | 1.7pp | -1.4% | | 1.6pp | -2.0% | 2.2pp | -1.0% | 1.2pp |
| EPS | -0.03 | -0.07 | 0.04 | n.m. | -0.05 | 0.02 | -40% | -0.10 | -69% | -0.07 | -56% |

*Source: Company data, Vara Research and Nordea estimates*

**SUMMARY TABLE - KEY FIGURES**

| EURm | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|---|
| Total revenues | 493.3 | 450.9 | 462.3 | 412.4 | 412.7 | 449.1 | 459.6 |
| EBITDA (adj.) | 15.3 | 15.8 | 17.0 | 13.0 | 14.2 | 26.2 | 34.9 |
| EBIT (adj.) | -4.16 | -2.75 | -1.43 | -4.18 | -3.56 | 8.41 | 17.1 |
| EBIT (adj.) margin | -0.84% | -0.61% | -0.31% | -1.01% | -0.86% | 1.87% | 3.72% |
| EPS (adj.) | -0.16 | -0.14 | -0.09 | -0.18 | -0.08 | 0.03 | 0.07 |
| EPS (adj.) growth | -143.7% | 11.5% | 31.9% | -89.6% | 56.4% | 135.3% | 169.3% |
| DPS | 0.10 | 0.10 | 0.00 | 0.00 | 0.00 | 0.00 | 0.03 |
| EV/Sales | 0.46 | 0.46 | 0.42 | 0.42 | 0.37 | 0.37 | 0.35 |
| EV/EBIT (adj.) | n.m. | n.m. | n.m. | n.m. | n.m. | 19.8 | 9.50 |
| P/E (adj.) | n.m. | n.m. | n.m. | n.m. | n.m. | 25.6 | 9.50 |
| P/BV | 1.20 | 1.32 | 1.13 | 0.93 | 0.74 | 0.74 | 0.69 |
| Dividend yield | 3.34% | 3.55% | 0.00% | 0.00% | 0.00% | 0.00% | 4.29% |
| FCF yield before AD, lease adj | 2.44% | 12.0% | -7.84% | -15.5% | -21.6% | -14.0% | 4.28% |
| Net interest bearing debt | 54.6 | 43.5 | 60.4 | 67.6 | 58.4 | 71.6 | 67.6 |
| Net debt/EBITDA | 3.81 | 3.90 | 3.52 | 5.98 | 7.58 | 3.23 | 1.94 |
| ROCE | -1.48% | -1.15% | -0.64% | -1.93% | -1.61% | 3.67% | 7.29% |

*Source: Company data and Nordea estimates*


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