

26 January 2026

## Commissioned research: Suominen Oyj – We are fairly in line for Q4E - focus in efficiency measures

Marketing material commissioned by Suominen Oyj

Ahead of Suominen's Q4 report, we maintain our estimates intact. Under the new CEO, the company has accelerated its cost-savings programme and aims to reach majority of targeted EUR 10m run-rate savings by the end of 2025. With the new COO on board, we expect further cost saving actions in 2026. In addition to tight scrutiny on cost base, we view operating rates as a key focus area for 2026. European market has been clearly oversupplied while the situation is to our understanding better in US. While end markets are growing, we expect continued weakness in consumer confidence and demand to maintain market conditions challenging, especially in Europe. We expect new financial targets and strategy to be released during H1 2026. We note the company is currently tracking well below 12% targeted EBITDA margin level and expect it to be lowered for the next strategy period.

### Q4 expectations

- We model Q4 net sales of EUR 110m, 1% above post-Q3 Vara Research consensus, down 7% y/y
- We expect comparable EBITDA of EUR 4.7m, 4% below consensus, up 11% y/y. The company reached EUR 2m cost savings in Q3 while it expected to reach majority of targeted EUR 10m run-rate cost savings in Q4
- We and consensus do not expect any dividend for 2025E. Net debt was EUR 76m in Q3 while leverage was 5.1x
- Although we expect a positive guidance from the company for 2026, we do not expect a numeric guidance. Hence, the value of the guidance is low, especially given the weak performance in 2025 (which was further suppressed by mechanical failures in Q3).

### OUR ESTIMATES VERSUS POST-Q3 CONSENSUS

EURm	Nordea estimates				Consensus estimates				Difference %			
	Q4 25E	2025E	2026E	2027E	Q4 25E	2025E	2026E	2027E	Q4 25E	2025E	2026E	2027E
Sales	110	427	460	481	109	426	449	n.a.	1%	0%	3%	n.a.
Comparable EBITDA	4.7	15.4	27.9	34.2	4.9	15.4	29.8	n.a.	-4%	0%	-6%	n.a.
EBITDA margin	4.3%	3.6%	6.1%	7.1%	4.5%	3.6%	6.6%	n.a.	-0.3pp	0.0pp	-2.1pp	n.a.
Comparable op profit	0.5	-1.4	10.1	16.4	0.4	-1.4	9.9	n.a.	21pp	3%	2%	n.a.
Operating margin	0.4%	-0.3%	2.2%	3.4%	0.4%	-0.3%	2.2%	n.a.	0.1pp	0.0pp	0.0pp	n.a.
EPS	-0.03	-0.17	0.06	0.15	-0.02	-0.16	0.06	n.a.	n.m.	9%	-1%	n.a.
DPS		0.00	0.00	0.05		0.00	0.03	n.a.			-100%	n.a.

Source: Vara Research and Nordea estimates

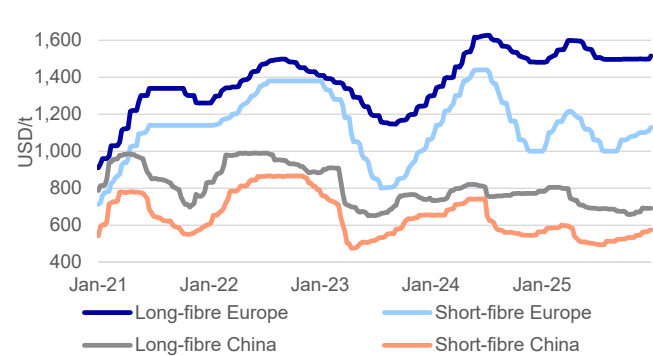
For 2026E, we are 3% ahead on top line and 6% below on adjusted EBITDA. We note the company pointed in Q3 earnings call to EUR 5-6m quarterly, over-the-cycle, comparable EBITDA in the current market environment. While we expect continued profitability improvement measures to be announced, full effect could become visible only in 2027.

### Pulp costs could turn to growth

Finally, we note recent developments in the pulp market. Following weakening pulp momentum since mid-2024, pulp prices have started to gain momentum after the summer. While we note pulp is mainly a pass through item for Suominen, steadily increasing raw material costs could have a slight burden on earnings,

especially in a over supplied market. We believe the lag effect to be around three months for Suominen. European list prices for BHK have increased 6% since end of July 2025 while Chinese prices are up 16% during the same period. NBSK price development has remained weak owing to ample supplies and weak end demand. We expect Chinese pulp prices to stabilise around the Lunar New Year after which to increase slightly in H2. However, with European net prices tracking slightly below Chinese prices, appreciation in Europe is likely to continue during Q1, in our view.

**PULP PRICES, JAN 2021-JAN 2026 (USD/t)**



Source: Fastmarkets RISI

**NBSK EUROPE POST ESTIMATED DISCOUNTS, USD/t**



Source: Fastmarkets RISI and Nordea estimates

**SUMMARY TABLE - KEY FIGURES**

EURm	2021	2022	2023	2024	2025E	2026E	2027E
Total revenues	443	493	451	462	427	460	481
EBITDA (adj.)	47.0	15.3	15.8	17.0	15.4	27.9	34.2
EBIT (adj.)	26.9	-4.16	-2.75	-1.43	-1.45	10.1	16.4
EBIT (adj.) margin	6.08%	-0.84%	-0.61%	-0.31%	-0.34%	2.19%	3.40%
EPS (adj.)	0.36	-0.16	-0.14	-0.09	-0.13	0.06	0.15
EPS (adj.) growth	-31.6%	-144%	11.5%	31.9%	-35.2%	147%	153%
DPS	0.20	0.10	0.10	0.00	0.00	0.00	0.05
EV/Sales	0.79	0.46	0.46	0.42	0.41	0.39	0.35
EV/EBIT (adj.)	13.0	n.m.	n.m.	n.m.	n.m.	17.8	10.4
P/E (adj.)	14.6	n.m.	n.m.	n.m.	n.m.	28.6	11.3
P/BV	1.85	1.20	1.32	1.13	0.92	0.90	0.83
Dividend yield	3.86%	3.34%	3.55%	0.00%	0.00%	0.00%	2.93%
FCF yield before AD, lease adj	-2.17%	2.44%	12.0%	-7.84%	-15.3%	-3.65%	8.46%
Net interest bearing debt	49.6	54.6	43.5	60.4	75.6	79.2	70.8
Net debt/EBITDA	1.05	3.81	3.90	3.52	5.98	2.84	2.07
ROIC	9.72%	-1.47%	-1.09%	-0.61%	-0.60%	4.07%	6.50%

Source: Company data and Nordea estimates

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