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Commissioned research: Suominen Oyj – Soft sales development continued in Q1

Marketing material commissioned by Suominen Oyj

Suominen Q1 comparable EBITDA of EUR 2.2m came 33% below Vara Research consensus expectations. Net sales of EUR 96m were down 19% y/y and came 7% below consensus. FX had EUR 5.6m negative impact on sales and EUR 0.1m positive impact on EBITDA. The company continued to be burdened by incidents in its US facilities in 2025 and capacity adjustments in Europe mid-2025. Q1 operating cash flow of EUR 4.5m was up from EUR -0.4m a year ago, supported by working capital release. The company reiterated its guidance for improving comparable EBITDA in 2026 from EUR 12.6m in 2025 while consensus is at EUR 17.4m. Initially, we expect consensus estimates to come down to the tune of mid- to high-single-digits which likely raises questions over the guidance given mounting raw material headwinds.

Q1 comparable EBITDA fell short of expectations

- Suominen Q1 comparable EBITDA of EUR 2.2m came 33% below Vara Research consensus expectations. There were EUR -2.5m of items affecting comparability in EBITDA (we expected EUR -1.5m), related to restructuring programmes. Incidents in US during Q3 2025 continued to impact in Q1 as some US customers increased imports. FX had positive EUR EUR 0.1m impact on EBITDA.
- Q1 sales of EUR 96m were down 19% y/y and came 7% below consensus expectations. Americas sales of EUR 56m came below our estimate of EUR 63m similar to EMEA sales of EUR 40m, against our estimate of EUR 42m.
- Q1 cash flow from operations was EUR 4.5m while we had anticipated EUR 2.2m operating cash flow. Net debt stands at EUR 78m (EUR 77.6m at the end 2025), corresponding to net gearing of 84% and leverage of 7.3x.

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).

During Q1, the company has started to upgrade its manufacturing capabilities and established a stronger culture of accountability. Alicante production line is ready for commercial production within Q2.

Guidance intact

- Suominen expects comparable EBITDA to improve in 2026 from EUR 12.6m in 2025. Consensus models EUR 17.4m comparable EBITDA in 2026E.

Initially, we expect consensus to trim estimates to the tune of mid- to high-single-digits. Increasing gas costs

raise some questions how the company aims to reach its guidance, we believe. Furthermore, weak profitability and high leverage raises some question over upcoming refinancing of its 2027 bond.

SUOMINEN: Q1 DEVIATION TABLE

EURm	Actual	NDA est.	Deviation		Consensus	Deviation		Actual	Actual		
	Q1 26	Q1 26E	vs. actual		Q1 26E	vs. actual		Q4 25	q/q	Q1 25	y/y
Sales	95.6	104.7	-9.1	-9%	103.0	-7.4	-7%	95.3	0%	117.5	-19%
Comparable EBITDA	2.2	3.7	-1.5	-40%	3.3	-1.1	-33%	1.9	16%	4.1	-46%
EBITDA margin	2.3%	3.5%	-1.2pp		3.2%	-0.9pp		2.0%	0.3pp	3.5%	-1.2pp
Comparable operating profit	-1.9	-0.4	-1.5	348%	-0.8	-1.1	138%	-2.2	-16%	-0.3	551%
Operating margin	-2.0%	-0.4%	-1.6pp		-0.8%	-1.2pp		-2.4%	0.4pp	-0.2%	-1.7pp
EPS	-0.10	-0.05	-0.05	n.m.	-0.04	-0.06	150%	-0.07	49%	-0.04	168%

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	440.8	476.9	488.3
EBITDA (adj.)	15.3	15.8	17.0	13.0	14.6	27.0	36.3
EBIT (adj.)	-4.16	-2.75	-1.43	-4.18	-3.21	9.21	18.5
EBIT (adj.) margin	-0.84%	-0.61%	-0.31%	-1.01%	-0.73%	1.93%	3.80%
EPS (adj.)	-0.16	-0.14	-0.09	-0.18	-0.12	0.07	0.18
EPS (adj.) growth	-143.7%	11.5%	31.9%	-89.6%	34.5%	157.9%	172.9%
DPS	0.10	0.10	0.00	0.00	0.00	0.00	0.06
EV/Sales	0.46	0.46	0.42	0.42	0.35	0.35	0.33
EV/EBIT (adj.)	n.m.	n.m.	n.m.	n.m.	n.m.	18.0	8.68
P/E (adj.)	n.m.	n.m.	n.m.	n.m.	n.m.	15.6	5.71
P/BV	1.20	1.32	1.13	0.93	0.60	0.60	0.55
Dividend yield	3.34%	3.55%	0.00%	0.00%	0.00%	0.00%	5.71%
FCF yield before AD, lease adj	2.44%	12.0%	-7.84%	-15.5%	-38.9%	-21.7%	7.60%
Net interest bearing debt	54.6	43.5	60.4	67.6	91.1	104.4	99.7
Net debt/EBITDA	3.81	3.90	3.52	5.98	9.03	4.54	2.74
ROIC	-1.47%	-1.09%	-0.61%	-1.76%	-1.31%	3.52%	6.77%

Source: Company data and Nordea estimates

Joni Sandvall

Associate Director

Nordea | Investment Banking & Equities | Equity Research Finland

Tel: +358 953 005 484

E-mail: joni.sandvall@nordea.com

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Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland Tel: +358 9 1651 Fax: +358 9 165 59710	Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden Tel: +46 8 614 7000 Fax: +46 8 534 911 60	Visiting address: Grønjordsvej 10 DK-2300 Copenhagen S Denmark Tel: +45 3333 3333 Fax: +45 3333 1520	Visiting address: Essendropsgate 7 N-0107 Oslo Norway Tel: +47 2248 5000 Fax: +47 2256 8650