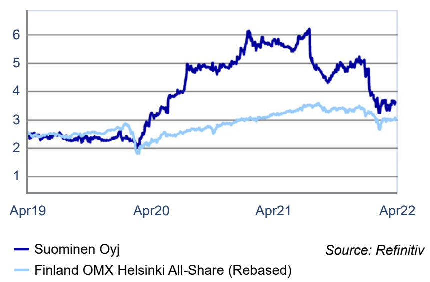
Suominen

Consumer Goods
Finland

KEY DATA

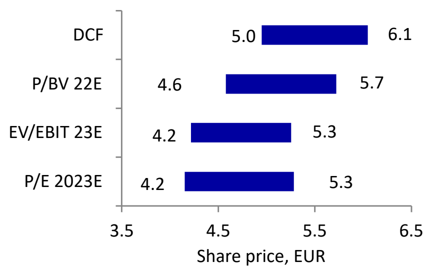
Stock country	Finland
Bloomberg	SUY1V FH
Reuters	SUY1V.HE
Share price (close)	EUR 3.62
Free Float	76%
Market cap. (bn)	EUR 0.21/EUR 0.21
Website	www.suominen.fi
Next report date	04 May 2022

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	0%	0%	0%
EBIT (adj)	-4%	-1%	-1%

Source: Nordea estimates

Nordea Markets - Analysts
Harri Taittonen
Director

Destocking and cost inflation likely to affect Q1

Q1 earnings will be affected by destocking and high costs. Following the squeeze, we anticipate a margin recovery in Q2 and H2 2022, owing to normalising demand and sales price improvement.

Suominen has guided for a challenging start to the year

Suominen guided for decreasing comparable EBITDA for 2022 compared to EUR 47m in 2021 at its 2021 results on 4 February. Management then noted that inventory levels are high for some customers, mainly in the US, and supply chain challenges will affect earnings in Q1 2022 in particular. However, management expected the demand for Suominen's products to stabilise from Q2 2022, and end-customer demand to remain above pre-pandemic levels.

Protection against cost escalation has improved

Since the guidance was issued, cost inflation has escalated, which may be putting increasing pressure on H1 margins. While cost increases are moderating after a steep inflationary period, sales prices are likely to rise with a lag of three to six months from changes in costs. Suominen has increased the share of cost-based formula pricing, which should give it slightly better protection from cost inflation, but formula-based pricing comes with a lag, and in the short term this will not protect against the margin squeeze. Among peers, Essity reported clearly better-than-expected earnings and organic growth for Q1.

Comparable EBITDA of EUR 6-7m expected for Q1

Vara Research consensus expects comparable EBITDA of EUR 6.5m on sales of EUR 113m, implying an EBITDA margin of 5.8% (7.8% in Q4 2021 and 4.3% in Q3 2021). We factor in EBITDA of EUR 4m.

Value likely to emerge after trough

Due to the destocking, we foresee growth (excluding FX) of -5%, following a decline of some 10% in H2 2021. For 2022, we foresee organic growth of 4% y/y, reflecting our assumption of demand normalising after the Q1 slowdown. We lower our 2022 EBITDA estimate by 2% and EBIT by 4% to allow for higher costs. We estimate a fair value range of EUR 4.2-5.7 for the share, based on a combination of four valuation approaches (DCF, 2022E P/BV, 2023E EV/EBIT and 2023E P/E).

SUMMARY TABLE - KEY FIGURES

EURm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	431	411	459	443	474	498	509
EBITDA (adj)	26	34	61	47	42	50	55
EBIT (adj)	5	8	39	27	22	30	35
EBIT (adj) margin	1.1%	2.0%	8.6%	6.1%	4.6%	6.1%	6.9%
EPS (adj, EUR)	-0.03	0.00	0.52	0.36	0.26	0.38	0.45
EPS (adj) growth	-111.8%	113.1%	3,268.1%	-31.6%	-26.9%	45.0%	19.5%
DPS (ord, EUR)	0.00	0.05	0.20	0.20	0.20	0.22	0.23
EV/Sales	0.4	0.5	0.7	0.8	0.5	0.5	0.4
EV/EBIT (adj)	41.2	24.8	8.4	13.0	11.6	7.8	6.1
P/E (adj)	n.m.	n.m.	9.8	14.6	13.9	9.6	8.0
P/BV	0.9	1.0	2.0	1.8	1.3	1.2	1.1
Dividend yield (ord)	0.0%	2.2%	3.9%	3.9%	5.5%	6.1%	6.4%
FCF Yield bef A&D, lease	14.7%	14.6%	15.6%	-2.2%	8.8%	13.4%	16.3%
Net debt	71	69	37	50	43	26	4
Net debt/EBITDA	2.8	2.0	0.6	1.1	1.0	0.5	0.1
ROIC after tax	1.6%	2.9%	14.5%	9.7%	7.6%	10.7%	12.9%

Source: Company data and Nordea estimates

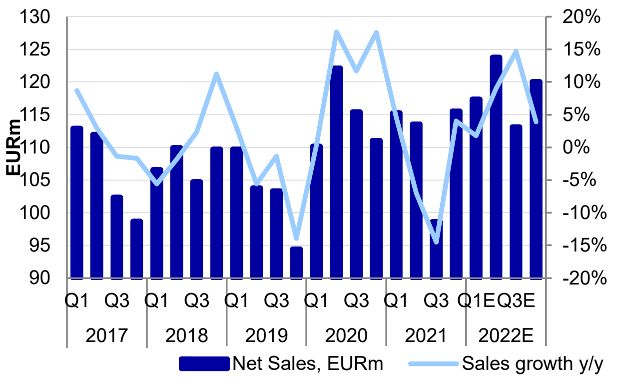
Q1 2022 and full-year estimates

OUR ESTIMATES AND VARA RESEARCH CONSENSUS (DPS AND EPS IN EUR)

	Nordea estimates				Consensus estimates				Difference %			
EURm	Q1 22E	2022E	2023E	2024E	Q1 22E	2022E	2023E	2024E	Q1 22E	2022E	2023E	2024E
Sales	117	474	498	509	113	467	484	n.a.	4%	2%	3%	n.a.
Comparable EBITDA	4.0	42	50	55	7	42	49	n.a.	-38%	0%	2%	n.a.
EBITDA margin	3%	9%	10%	11%	6%	9%	10%	n.a.	-2.4pp	-0.1pp	-0.1pp	n.a.
Comparable op profit	-1	22	30	35	1	21	28	n.a.	n.m.	4%	6%	n.a.
Operating margin	-0.9%	4.6%	6.1%	6.9%	1.1%	4.5%	5.9%	n.a.	-2.0pp	0.1pp	0.2pp	n.a.
EPS	-0.02	0.26	0.38	0.45	0.01	0.24	0.35	n.a.	n.m.	8%	8%	n.a.
DPS		0.20	0.22	0.23		0.20	0.21	n.a.		0%	6%	n.a.

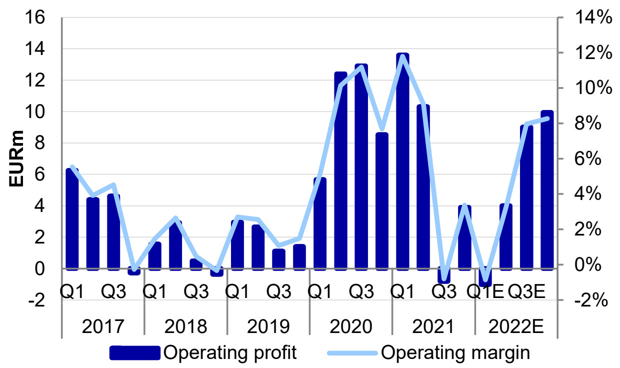
Source: Vara Research and Nordea estimates

QUARTERLY SALES (EURm) AND SALES GROWTH Y/Y (%)



Source: Company data and Nordea estimates

QUARTERLY EBIT (EURm) AND OPERATING MARGIN (%)



Source: Company data and Nordea estimates

QUARTERLY EARNINGS 2020-2022E

EURm	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22E	Q2 22E	Q3 22E	Q4 22E
Sales	110.2	122.2	115.4	111.1	115.3	113.6	98.7	115.6	117.4	123.8	113.1	120.1
growth y/y	0.4%	17.7%	11.7%	17.6%	4.7%	-7.0%	-14.5%	4.1%	1.8%	9.0%	14.7%	3.9%
- Americas	73.2	77.2	71.9	66.8	71.9	67.4	57.0	68.9	72.7	74.3	69.0	71.5
- Europe	37.1	45.0	43.5	44.3	43.4	46.3	41.6	46.7	44.7	49.5	44.1	48.6
- Other/eliminations	0.0	0.0	-0.1	0.0	0.0	-0.1	0.1	0.0	0.0	0.0	0.0	0.0
Comparable EBITDA	11.3	18.0	18.1	13.5	18.5	15.3	4.2	9.0	4.0	9.0	14.0	14.9
- margin	10.2%	14.7%	15.7%	12.2%	16.1%	13.5%	4.3%	7.8%	3.4%	7.3%	12.4%	12.4%

Source: Company data and Nordea estimates

OPERATING PROFIT BRIDGE (EURm), 2022E-24E

Bridge			
	2022E	2023E	2024E
EURm			
Previous EBIT	26.9	21.9	30.2
Volume	0.6	3.6	2.0
Price	17.7	12.4	5.0
Cost inflation	-24.6	-7.8	-2.0
Currency	0.7	0.0	0.0
Structural	0.0	0.0	0.0
Savings through efficiencies	0.5	0.0	0.0
Change in EBIT	-5.0	8.3	5.0
Current year EBIT	21.9	30.2	35.2
Change y/y		38%	17%

Source: Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT											
EURm	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022E**	**2023E**	**2024E**
Total revenue	**402**	**444**	**417**	**426**	**431**	**411**	**459**	**443**	**474**	**498**	**509**
Revenue growth	-9.4%	10.5%	-6.1%	2.2%	1.2%	-4.6%	11.5%	-3.4%	7.1%	5.0%	2.2%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%
EBITDA	41	49	44	34	26	34	61	47	42	50	55
Depreciation and impairments PPE	-16	-18	-18	-19	-21	-26	-21	-20	-20	-20	-20
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	26	32	26	15	5	8	39	27	22	30	35
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	26	32	26	15	5	8	39	27	22	30	35
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	-8	-5	-3	-3	-6	-6	-6	0	-3	-2	-2
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	**18**	**26**	**22**	**12**	**-1**	**2**	**34**	**27**	**19**	**28**	**34**
Reported taxes	-8	-9	-7	2	-1	-2	-4	-6	-4	-6	-7
Net profit from continued operations	10	17	15	14	-2	0	30	21	15	22	26
Discontinued operations	-5	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	5	17	15	14	-2	0	30	21	15	22	26
EPS, EUR	**0.10**	**0.34**	**0.30**	**0.25**	**-0.03**	**0.00**	**0.52**	**0.36**	**0.26**	**0.38**	**0.45**
DPS, EUR	0.01	0.02	0.11	0.11	0.00	0.05	0.20	0.20	0.20	0.22	0.23
of which ordinary	0.01	0.02	0.11	0.11	0.00	0.05	0.20	0.20	0.20	0.22	0.23
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	10.3%	11.1%	10.6%	8.1%	5.9%	8.2%	13.3%	10.6%	8.8%	10.1%	10.8%
EBITA	6.4%	7.1%	6.1%	3.5%	1.1%	2.0%	8.6%	6.1%	4.6%	6.1%	6.9%
EBIT	6.4%	7.1%	6.1%	3.5%	1.1%	2.0%	8.6%	6.1%	4.6%	6.1%	6.9%
Adjusted earnings											
EBITDA (adj)	41	49	44	34	26	34	61	47	42	50	55
EBITA (adj)	26	32	26	15	5	8	39	27	22	30	35
EBIT (adj)	26	32	26	15	5	8	39	27	22	30	35
EPS (adj, EUR)	0.10	0.34	0.30	0.25	-0.03	0.00	0.52	0.36	0.26	0.38	0.45
Adjusted profit margins in percent											
EBITDA (adj)	10.3%	11.1%	10.6%	8.1%	5.9%	8.2%	13.3%	10.6%	8.8%	10.1%	10.8%
EBITA (adj)	6.4%	7.1%	6.1%	3.5%	1.1%	2.0%	8.6%	6.1%	4.6%	6.1%	6.9%
EBIT (adj)	6.4%	7.1%	6.1%	3.5%	1.1%	2.0%	8.6%	6.1%	4.6%	6.1%	6.9%
Performance metrics											
CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	-1.3%	-0.6%	0.5%	0.7%	1.2%	2.2%	2.9%	4.4%
EBITDA	n.m.	n.m.	n.m.	3.8%	-5.4%	-4.1%	4.3%	1.3%	4.1%	14.4%	10.4%
EBIT	n.a.	n.a.	n.a.	6.3%	-23.3%	-20.7%	4.5%	1.0%	7.9%	45.7%	34.0%
EPS	n.a.	n.a.	n.a.	n.m.	n.m.	-47.9%	9.0%	3.5%	0.6%	n.m.	158.7%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	0.0%	14.9%	12.7%	12.7%	n.m.	35.7%
Average last 5 years											
Average EBIT margin	n.a.	n.a.	5.2%	5.4%	4.9%	4.0%	4.3%	4.3%	4.6%	5.5%	6.4%
Average EBITDA margin	n.a.	n.a.	9.1%	9.5%	9.2%	8.8%	9.3%	9.3%	9.4%	10.2%	10.7%

VALUATION RATIOS - ADJUSTED EARNINGS											
EURm	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022E**	**2023E**	**2024E**
P/E (adj)	40.1	18.4	13.8	17.5	n.m.	n.m.	9.8	14.6	13.9	9.6	8.0
EV/EBITDA (adj)	5.7	7.0	6.1	9.7	7.4	6.0	5.5	7.5	6.0	4.7	3.9
EV/EBITA (adj)	9.2	10.9	10.5	22.3	41.2	24.8	8.4	13.0	11.6	7.8	6.1
EV/EBIT (adj)	9.2	10.9	10.5	22.3	41.2	24.8	8.4	13.0	11.6	7.8	6.1

VALUATION RATIOS - REPORTED EARNINGS											
EURm	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022E**	**2023E**	**2024E**
P/E	40.1	18.4	13.8	17.5	n.m.	n.m.	9.8	14.6	13.9	9.6	8.0
EV/Sales	0.59	0.78	0.64	0.79	0.44	0.49	0.73	0.79	0.53	0.48	0.42
EV/EBITDA	5.7	7.0	6.1	9.7	7.4	6.0	5.5	7.5	6.0	4.7	3.9
EV/EBITA	9.2	10.9	10.5	22.3	41.2	24.8	8.4	13.0	11.6	7.8	6.1
EV/EBIT	9.2	10.9	10.5	22.3	41.2	24.8	8.4	13.0	11.6	7.8	6.1
Dividend yield (ord.)	1.2%	1.6%	2.7%	2.5%	0.0%	2.2%	3.9%	3.9%	5.5%	6.1%	6.4%
FCF yield	5.1%	1.6%	-10.0%	-4.6%	14.7%	14.6%	15.6%	-1.4%	8.8%	13.4%	16.3%
FCF Yield bef A&D, lease adj	14.7%	1.6%	-10.0%	-4.6%	14.7%	14.6%	15.6%	-2.2%	8.8%	13.4%	16.3%
Payout ratio	49.5%	29.6%	36.6%	43.6%	0.0%	1,284.7%	38.4%	56.2%	76.9%	58.3%	51.0%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Intangible assets	28	29	30	33	37	36	32	29	29	29	29
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	13	13	14	17	21	20	17	13	13	13	13
of which goodwill	16	16	16	16	16	15	15	15	15	15	15
Tangible assets	89	98	136	137	129	136	122	131	121	111	102
of which leased assets	0	0	0	0	0	14	18	16	16	16	16
Shares associates	0	0	0	0	0	0	0	0	0	0	0
Interest bearing assets	8	8	7	3	3	4	4	0	0	0	0
Deferred tax assets	6	4	3	5	3	2	4	2	2	2	2
Other non-IB non-current assets	1	1	1	1	1	1	1	0	0	0	0
Other non-current assets	3	2	3	2	1	0	0	0	0	0	0
Total non-current assets	134	142	179	180	174	178	164	162	152	142	132
Inventory	32	33	43	44	52	39	35	50	53	56	57
Accounts receivable	52	52	54	58	58	47	51	65	70	74	75
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	7	10	11	16	9	8	9	8	9	9	9
Cash and bank	38	56	30	27	28	38	58	101	93	95	102
Total current assets	130	150	137	145	147	132	154	225	225	233	243
Assets held for sale	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	**264**	**292**	**316**	**326**	**321**	**310**	**317**	**387**	**377**	**376**	**376**
Shareholders equity	109	126	143	136	131	132	146	163	167	177	191
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	109	126	143	136	131	132	146	163	167	177	191
Deferred tax	9	11	11	15	12	13	13	14	14	14	14
Long term interest bearing debt	82	94	87	95	81	82	83	49	34	19	4
Pension provisions	1	1	1	1	1	1	1	1	1	1	1
Other long-term provisions	0	0	0	0	0	0	2	2	0	0	0
Other long-term liabilities	0	0	0	0	0	2	0	0	0	0	0
Non-current lease debt	0	0	0	0	0	10	15	13	16	16	16
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	92	106	99	111	94	107	114	79	65	50	35
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	60	56	65	63	75	53	55	57	61	64	66
Current lease debt	0	0	0	0	0	3	3	3	0	0	0
Other current liabilities	0	0	0	0	0	0	0	0	0	0	0
Short term interest bearing debt	3	3	8	15	21	14	0	84	84	84	84
Total current liabilities	64	60	74	78	96	70	58	145	146	149	151
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**265**	**292**	**316**	**326**	**321**	**310**	**317**	**387**	**377**	**376**	**376**
Balance sheet and debt metrics											
Net debt	38	34	58	81	71	69	37	50	43	26	4
of which lease debt	0	0	0	0	0	13	17	16	16	16	16
Working capital	31	37	42	55	43	41	41	66	70	74	75
Invested capital	165	180	220	235	217	219	204	228	222	216	208
Capital employed	194	223	237	247	232	242	246	312	301	296	295
ROE	5.3%	14.5%	11.4%	10.4%	-1.3%	0.2%	21.6%	13.4%	9.2%	12.8%	14.3%
ROIC	12.3%	14.4%	10.0%	5.1%	1.6%	2.9%	14.5%	9.7%	7.6%	10.7%	12.9%
ROCE	14.1%	15.2%	11.1%	6.2%	1.9%	3.4%	16.2%	9.6%	7.2%	10.1%	11.9%
Net debt/EBITDA	0.9	0.7	1.3	2.4	2.8	2.0	0.6	1.1	1.0	0.5	0.1
Interest coverage	n.m.	n.m.	n.m.	n.m.	0.8	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	41.1%	43.1%	45.3%	41.8%	40.7%	42.7%	46.0%	42.2%	44.2%	47.1%	50.7%
Net gearing	35.3%	26.6%	40.7%	59.6%	54.7%	51.9%	25.4%	30.4%	25.6%	14.7%	2.3%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT											
EURm	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022E**	**2023E**	**2024E**
EBITDA (adj) for associates	**41**	**49**	**44**	**34**	**26**	**34**	**61**	**47**	**42**	**50**	**55**
Paid taxes	-8	-9	-7	2	6	-1	-2	-7	-4	-6	-7
Net financials	-8	-5	-3	-3	-5	-5	-4	-5	-3	-2	-2
Change in provisions	1	0	0	0	0	0	2	0	-2	0	0
Change in other LT non-IB	-2	1	1	-1	3	3	-4	3	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	6	-1	0	-3	-3	-2	5	-1	0	0	0
Funds from operations (FFO)	**31**	**35**	**35**	**30**	**27**	**28**	**58**	**36**	**33**	**42**	**46**
Change in NWC	6	-8	-6	-8	6	2	-1	-25	-5	-4	-2
Cash flow from operations (CFO)	**37**	**27**	**29**	**22**	**32**	**30**	**57**	**11**	**29**	**38**	**45**
Capital expenditure	-8	-22	-50	-34	-15	-11	-11	-18	-10	-10	-10
Free cash flow before A&D	**29**	**5**	**-21**	**-12**	**17**	**19**	**46**	**-7**	**19**	**28**	**34**
Proceeds from sale of assets	0	0	0	0	0	0	0	2	0	0	0
Acquisitions	-19	0	0	0	0	0	0	0	0	0	0
Free cash flow	10	5	-21	-12	17	19	46	-4	19	28	34
Free cash flow bef A&D, lease adj	29	5	-21	-12	17	19	46	-7	19	28	34
Dividends paid	0	-3	-5	-6	-6	0	-3	-12	-12	-12	-13
Equity issues / buybacks	0	0	0	0	0	0	0	0	0	0	0
Net change in debt	0	0	0	0	-8	-10	-17	57	-15	-15	-15
Other financing adjustments	0	0	0	0	0	0	0	0	0	0	0
Other non-cash adjustments	10	15	0	15	-3	0	-6	3	0	0	0
Change in cash	20	17	-26	-2	1	10	20	43	-8	2	7
Cash flow metrics											
Capex/D&A	49.7%	n.m.	n.m.	n.m.	70.6%	41.2%	50.8%	87.9%	50.0%	51.0%	51.0%
Capex/Sales	1.9%	5.0%	11.9%	7.9%	3.4%	2.6%	2.4%	4.0%	2.1%	2.0%	2.0%
Key information											
Share price year end (/current)	4	6	4	4	2	2	5	5	4	4	4
Market cap.	199	312	210	254	118	133	296	302	211	211	211
Enterprise value	238	345	268	335	189	202	333	351	254	237	215
Diluted no. of shares, year-end (m)	49.2	50.3	50.8	57.4	57.5	57.5	58.3	58.3	58.3	58.3	58.3

Source: Company data and Nordea estimates

Disclaimer and legal disclosures

Origin of the report
This publication or report originates from: Nordea Bank Abp, including its branches Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nordea Bank Abp, filial i Norge and Nordea Bank Abp, filial i Sverige (together "Nordea") acting through their units Nordea Markets and Equity Sales & Research.

Nordea Bank Abp is supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the branches are supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the Financial Supervisory Authorities in their respective countries.

Content of report
This report has been prepared solely by Nordea Markets or Equity Sales & Research.

Opinions or suggestions from Nordea Markets credit and equity research may deviate from one another or from opinions presented by other departments in Nordea. This may typically be the result of differing time horizons, methodologies, contexts or other factors.

The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision

Opinions or ratings are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioural technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts or ratings in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the report, provided that the relevant company/issuer is treated anew in such later versions of the report.

Validity of the report
All opinions and estimates in this report are, regardless of source, given in good faith, and may only be valid as of the stated date of this report and are subject to change without notice.

No individual investment or tax advice
The report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This report has been prepared by Nordea Markets or Equity Sales & Research as general information for private use of investors to whom the report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this report, it is recommendable to consult (without being limited to) one's financial, legal, tax, accounting, or regulatory advisor in any relevant jurisdiction.

The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

Sources
This report may be based on or contain information, such as opinions, estimates and valuations which emanate from: Nordea Markets' or Equity Sales & Research analysts or representatives, publicly available information, information from other units of Nordea, or other named sources.

To the extent this publication or report is based on or contain information emanating from other sources ("Other Sources") than Nordea Markets or Equity Sales & Research ("External Information"), Nordea Markets or Equity Sales & Research has deemed the Other Sources to be reliable but neither Nordea, others associated or affiliated with Nordea nor any other person, do guarantee the accuracy, adequacy or completeness of the External Information.

Limitation of liability
Nordea or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this report. In no event will Nordea or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages (regardless of whether being considered as foreseeable or not) resulting from the information in this report.

Risk information
The risk of investing in certain financial instruments, including those mentioned in this report, is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

Conflicts of interest
Readers of this document should note that Nordea Markets or Equity Sales & Research has received remuneration from the company mentioned in this document for the production of the report. The remuneration is not dependent on the content of the report.

Nordea, affiliates or staff in Nordea, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the report.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Nordea Markets and Equity Sales & Research are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of Nordea and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Nordea that no link exists between revenues from capital markets activities and individual analyst remuneration. Nordea and the branches are members of national stockbrokers' associations in each of the countries in which Nordea has head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Nordea Conflict of Interest Policy, which may be viewed at www.nordea.com/mifid.
Please find a list of all recommendations disseminated by Nordea Equities during the preceding 12-month period here: https://research.nordea.com/compliance

Distribution restrictions
The securities referred to in this report may not be eligible for sale in some jurisdictions. This report is not intended for, and must not be distributed to private customers in the UK or the US or to customers in any other jurisdiction where restrictions may apply.

This publication or report may be distributed in the UK to institutional investors by Nordea Bank Abp London Branch of 6th Floor, 5 Aldermanbury Square, London, EC2V 7AZ, which is under supervision of the European Central Bank, Finanssivalvonta (Financial Supervisory Authority) in Finland and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request.

Nordea Bank Abp (“Nordea”) research is not “globally branded” research. Nordea research reports are intended for distribution in the United States solely to “major U.S. institutional investors,” as defined in Rule 15a-6 under the Securities Exchange Act of 1934. Any transactions in securities discussed within the research reports will be chaperoned by Nordea Securities LLC (“Nordea Securities”), an affiliate of Nordea and a SEC registered broker dealer and member of FINRA. Nordea Securities does not employ research analysts and has no contractual relationship with Nordea that is reasonably likely to inform the content of Nordea research reports. Nordea makes all research content determinations without any input from Nordea Securities.

The research analyst(s) named on this report are not registered/qualified as research analysts with FINRA. Such research analyst(s) are also not registered with Nordea Securities and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Analyst Shareholding

Nordea analysts do not hold shares in the companies that they cover.
No holdings or other affiliations by analysts or associates.

Fair value and sensitivity

We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. Our fair values are sensitive to changes in valuation assumptions, of which growth, margins, tax rates, working capital ratios, investment-to-sales ratios and cost of capital are typically the most sensitive.
It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

Marketing Material

This research report should be considered marketing material, as it has been commissioned and paid for by the subject company, and has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report. However, Nordea Markets analysts are according to internal policies not allowed to hold shares in the companies/sectors that they cover.

Market-making obligations and other significant financial interest

Nordea has no market-making obligations in Suominen Oyj shares.

As of 25/04/2022, Nordea Abp holds no positions of 0.5% or more of shares issued by Suominen Oyj.

As of the publication of this report, the issuer does not hold a position exceeding 5% of the total shares issued in Nordea Abp.

Investment banking transactions

In view of Nordea’s position in its markets readers should assume that the bank may currently or may in the coming three months and beyond be providing or seeking to provide confidential investment banking services to the company/companies

Issuer Review

This report has not been reviewed by the Issuer prior to publication.

Completion Date

26 Apr 2022, 00:36 CET

Nordea Bank Abp

Nordea Markets Division, Research
Visiting address:
Aleksis Kiven katu 7, Helsinki
FI-00020 Nordea
Finland

Tel: +358 9 1651
Fax: +358 9 165 59710

Reg.no. 2858394-9
Satamaradankatu 5
Helsinki

Nordea Bank Abp, filial i Sverige

Nordea Markets Division, Research
Visiting address:
Smålandsgatan 17
SE-105 71 Stockholm
Sweden

Tel: +46 8 614 7000
Fax: +46 8 534 911 60

Nordea Danmark, Filial af Nordea Bank Abp, Finland

Nordea Markets Division, Research
Visiting address:
Grønjordsvej 10
DK-2300 Copenhagen S
Denmark

Tel: +45 3333 3333
Fax: +45 3333 1520

Nordea Bank Abp, filial i Norge

Nordea Markets Division, Research
Visiting address:
Essendropsgate 7
N-0107 Oslo
Norway

Tel: +47 2248 5000
Fax: +47 2256 8650