5 November 2026

Commissioned research: Suominen Oyj – Slight EBITDA beat driven by higher production while cash flows were weak

Marketing material commissioned by Suominen Oyj

Suominen Q2 comparable EBITDA of EUR 5.1m came 8% above Vara Research consensus expectations. Net sales of EUR 101m were up 1% y/y and came 7% below consensus. FX had EUR 1.4m posigive impact on sales. EBITDA improvement was mainly related to higher volumes and lower fixed cost while mix had a negative impact. Net pricing contributed positively. Q3 operating cash flow of EUR -8.5m was weak and down from EUR 15.7m a year ago due to higher net working capital. The company aims to optimise its working capital which we believe could lead to weaker profitability if demand is not improving. The company continued to have operational challenges in two US production lines. Suominen reiterated its guidance for improving comparable EBITDA in 2026 from EUR 12.6m in 2025 while consensus is at EUR 15.6m. Initially, we expect consensus revisions to be muted.

Q3 comparable EBITDA slightly above expectations

- Suominen Q3 comparable EBITDA of EUR 5.1m was 8% above Vara Research consensus. There were EUR -1.6m of items affecting comparability in EBITDA (we expected EUR -1m), mainly related to restructuring programmes.
- Q3 sales of EUR 101m were up 1% y/y and came 7% below consensus expectations. Americas sales of EUR 64m came below our estimate of EUR 67m. EMEA sales of EUR 37m missed our estimate of EUR 42m. We view production reliability challenges in US as slightly negative for the company as it has been struggling since larger production challenges and related loss of clients.
- Q3 cash flow from operations was EUR -8.5m while we had anticipated EUR 5m operating cash flow. Main deviation stems from higher net working capital. The company notes higher production volumes which combined with soft top line could affect operating leverage in coming quarters, we believe. Net debt stands at EUR 74m (EUR 77.6m at the end 2025), corresponding to net gearing of 65% and leverage of 5.5x.

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 Q3, the company has seen emerging benefits from the programme. Alicante production line ramp-up has started and will continue in 2026-27.

Guidance intact

- Suominen expects comparable EBITDA to improve in 2026 from EUR 12.6m in 2025. Consensus models EUR 15.6m comparable EBITDA in 2026E.

Initially, we expect consensus revisions to remain muted while view weak cash flow and continued production issues in US as slightly negative.

SUOMINEN: Q3 DEVIATION TABLE

EURm	Actual Q3 26	NDA est. Q3 26E	Deviation vs. actual		Consensus Q3 26E	Deviation vs. actual		Actual Q2 26	q/q	Actual Q3 25	y/y
Sales	101.1	108.5	-7.4	-7%	108.8	-7.7	-7%	105.6	-4%	99.8	1%
Comparable EBITDA	5.1	4.8	0.3	6%	4.7	0.4	8%	4.3	16%	3.4	47%
EBITDA margin	5.0%	4.4%		0.6pp	4.3%		0.7pp	4.1%	0.9pp	3.4%	1.6pp
Comparable operating profit	1.0	0.2	0.8	455%	0.3	0.7	233%	0.2	302%	-0.7	-248%
Operating margin	1.0%	0.2%		0.8pp	0.3%		0.7pp	0.2%	0.8pp	-0.7%	1.7pp
EPS	-0.02	-0.01	-0.01	44%	-0.02	-0.01	33%	-0.05	-61%	-0.03	-41%

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	415.2	453.0	464.0
EBITDA (adj.)	15.3	15.8	17.0	13.0	16.1	26.5	35.2
EBIT (adj.)	-4.16	-2.75	-1.43	-4.18	-1.24	9.14	17.8
EBIT (adj.) margin	-0.84%	-0.61%	-0.31%	-1.01%	-0.30%	2.02%	3.84%
EPS (adj.)	-0.16	-0.14	-0.09	-0.18	-0.06	0.03	0.08
EPS (adj.) growth	-143.7%	11.5%	31.9%	-89.6%	66.8%	156.7%	138.9%
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	0.30	0.30	0.29
EV/EBIT (adj.)	n.m.	n.m.	n.m.	n.m.	n.m.	15.1	7.48
P/E (adj.)	n.m.	n.m.	n.m.	n.m.	n.m.	14.9	6.25
P/BV	1.20	1.33	1.13	0.93	0.52	0.52	0.48
Dividend yield	3.34%	3.51%	0.00%	0.00%	0.00%	0.00%	6.00%
FCF yield before AD, lease adj	2.44%	11.9%	-7.84%	-15.5%	-28.5%	-19.1%	6.60%
Net interest bearing debt	54.6	43.5	60.4	67.6	57.2	70.2	65.7
Net debt/EBITDA	3.81	3.90	3.52	5.98	5.98	3.12	1.87
ROCE	-1.48%	-1.15%	-0.64%	-1.93%	-0.56%	3.95%	7.52%

Source: Company data and Nordea estimates

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