

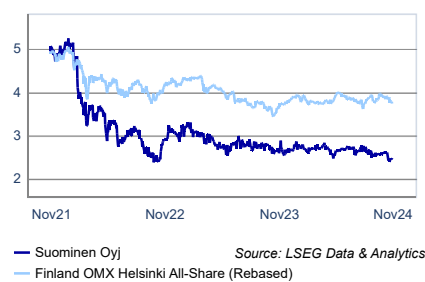
## Suominen

Consumer Goods  
Finland

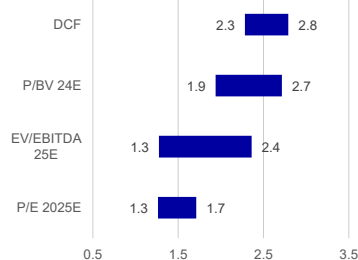
## KEY DATA

Stock country	Finland
Bloomberg	SUY1V.FH
Reuters	SUY1V.HE
Share price (close)	EUR 2.48
Free float	76%
Market cap. (bn)	EUR 0.14/EUR 0.14
Website	www.suominen.fi
Next report date	05 Mar 2025

## PERFORMANCE



## VALUATION APPROACH



Source: Nordea estimates

## ESTIMATE CHANGES

Year	2024E	2025E	2026E
Sales	0%	1%	1%
EBIT (adj)	-96%	-12%	-9%

Source: Nordea estimates

## Nordea IB &amp; Equity - Analysts

Joni Sandvall  
AnalystJukka-Pekka Pesonen  
Analyst

## A blip in the improving trend

Suominen's Q3 earnings fell significantly short of Vara Research consensus, mainly due to a EUR ~3m negative impact from operational issues during the quarter. The operational issues should not have a major impact on Q4 figures, as we understand it. The top line grew 5% y/y and was supported by improved volumes and sales prices. The market outlook remains stable and we expect a gradual volume recovery going forward, with self-help measures and new investments in Alicante and Bethune offering support for the bottom line in the latter part of 2025 and beyond. We expect falling pulp prices to support earnings, as sales prices tend to follow with a lag. Our DCF- and multiples-based fair value range is EUR 1.7-2.4 (1.8-2.5).

## Q3 adjusted EBITDA was impacted by operational issues

Suominen's Q3 sales were up 5% y/y, supported by improving volumes, prices and underlying sales margins. However, adjusted EBITDA of EUR 3.3m significantly missed consensus of EUR 7.1m and saw a negative impact of EUR ~3m from operational issues. The company did not go into the specifics of the issues, but noted that currently it has no problem serving customers and no major ripple effects should be visible in the Q4 numbers. Overall, the market outlook remains stable with gradually improving volumes and we believe Suominen could benefit from a decline in pulp prices in the near term, as sales prices tend to follow raw material prices with a lag. Looking into 2025, self-help measures, investments in Bethune and Alicante, together with improving underlying sales margins should support the bottom line in the latter part of 2025E and beyond. We now forecast a 6.4% adjusted EBITDA margin for 2025.

## We cut 2024E EBITDA due to the issues in Q3

We make only minor estimate revisions for 2025-26, as we anticipate a continued volume recovery in 2025. We cut 2024E EBITDA by 15% due to the Q3 operational issues. Suominen reiterated its guidance for adjusted EBITDA growth in 2024 (2023: EUR 15.8m) and we now forecast EUR 18.9m for 2024.

## Fair value range of EUR 1.7-2.4 (1.8-2.5) per share

We calculate a fair value range of EUR 1.7-2.4 (1.8-2.5), based on the combination of four valuation approaches (DCF, 2024E P/BV, 2025E EV/EBITDA and 2025E P/E).

## SUMMARY TABLE - KEY FIGURES

EURm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	459	443	493	451	460	490	506
EBITDA (adj)	61	47	15	16	19	32	36
EBIT (adj)	39	27	-4	-3	0	12	16
EBIT (adj) margin	8.6%	6.1%	-0.8%	-0.6%	0.0%	2.4%	3.1%
EPS (adj, EUR)	0.52	0.36	-0.16	-0.14	-0.08	0.11	0.17
EPS (adj) growth	13,268.1%	-31.6%	-143.7%	11.5%	39.3%	231.5%	51.3%
DPS (ord, EUR)	0.20	0.20	0.10	0.10	0.00	0.10	0.11
EV/Sales	0.7	0.8	0.5	0.5	0.4	0.4	0.4
EV/EBIT (adj)	8.4	13.0	n.m.	n.m.	1,348.1	18.0	13.4
P/E (adj)	9.8	14.6	n.m.	n.m.	n.m.	22.6	14.9
P/BV	2.0	1.8	1.2	1.3	1.3	1.2	1.2
Dividend yield (ord)	3.9%	3.9%	3.3%	3.5%	0.0%	4.0%	4.4%
FCF Yield bef A&D, lease	15.6%	-2.2%	2.4%	9.9%	-7.2%	-5.4%	6.4%
Net debt	37	50	55	44	60	68	64
Net debt/EBITDA	0.6	1.1	3.8	3.9	3.4	2.1	1.8
ROIC after tax	14.5%	9.7%	-1.5%	-1.1%	0.1%	4.9%	6.2%

Source: Company data and Nordea estimates

# Q3 result takeaways

## Q3 comparable EBITDA of EUR 3.3m, 54% below consensus expectations

- Suominen's Q3 comparable EBITDA of EUR 3.3m came in 54% below Vara Research consensus of EUR 7.1m. EBITDA saw a negative impact of EUR ~3m from operational issues in Q3, but no major ripple effects are expected for Q4.
- Q3 sales of EUR 112m came in 4% below consensus. According to Suominen, sales volumes, prices and underlying margins increased y/y. Americas sales of EUR 70m came in short of our estimate of EUR 74m, while EMEA sales of EUR 42m were above our EUR 37m estimate.
- Cash flow was weaker than we had anticipated, due to a negative change in working capital. Q3 cash flow from operations was EUR -2.6m compared to our estimate of EUR 5.4m, burdened by a EUR -2.7m change in working capital; we anticipated a EUR 1.0m positive impact. Net debt increased to EUR 63.3m (EUR 56.6m at the end of Q2 2024), corresponding to net gearing of 57.1%.

## Q3 DEVIATION TABLE (EPS IN EUR)

EURm	Actual	NDA est.	Deviation		Consensus	Deviation		Actual		Actual	
	Q3 24	Q3 24E	vs. actual		Q3 24E	vs. actual		Q2 24	q/q	Q3 23	y/y
Sales	111.6	111.0	0.6	1%	115.7	-4.1	-4%	118.7	-6%	106.4	5%
Comparable EBITDA	3.3	6.1	-2.8	-46%	7.1	-3.8	-54%	5.0	-34%	5.2	-37%
EBITDA margin	3.0%	5.5%	-2.5pp		6.1%	-3.2pp		4.2%	-1.2pp	4.9%	-1.9pp
Comparable operating profit	-1.5	1.5	-3.0	-201%	2.6	-4.1	-158%	0.4	-468%	0.7	-325%
Operating margin	-1.3%	1.3%	-2.7pp		2.2%	-3.6pp		0.3%	-1.7pp	0.6%	-2.0pp
EPS	-0.06	0.01	-0.07	n.m.	0.02	-0.08	-400%	-0.03	80%	0.01	-550%

Source: Company data, Vara Research and Nordea estimates

## Guidance for 2024 intact – requires operational issues to be resolved

- Suominen expects comparable EBITDA to increase in 2024, from EUR 15.8m in 2023. Pre-Q3 consensus was for EUR 24.4m of comparable EBITDA in 2024. We now forecast EUR 18.9m adjusted EBITDA for 2024.
- Suominen expects the target market to remain stable with some uncertainty related to global economic sentiment.

# Estimate revisions

## ESTIMATE REVISIONS

EURm	New estimates				Old estimates				Difference %			
	Q4 24E	2024E	2025E	2026E	Q4 24E	2024E	2025E	2026E	Q4 24E	2024E	2025E	2026E
Sales	116	460	490	506	115	458	485	502	1%	0%	1%	1%
- growth	1%	2%	6%	3%	0%	2%	6%	3%	1.0pp	0.4pp	0.5pp	0.0pp
Comparable EBITDA	6.1	19	32	36	6.6	22	33	37	-8%	-15%	-4%	-3%
EBITDA margin	5.3%	4.1%	6.4%	7.2%	5.8%	4.8%	6.8%	7.5%	-0.5pp	-0.7pp	-0.3pp	-0.3pp
Comparable op profit	1.3	0	12	16	2.0	4	13	17	-36%	-96%	-12%	-9%
Operating margin	1.1%	0.0%	2.4%	3.1%	1.8%	0.8%	2.8%	3.4%	-0.6pp	-0.8pp	-0.4pp	-0.3pp
Pre-tax profit	0.1	-6	8	12	1.2	-1	10	15	-95%	649%	-21%	-15%
EPS	0.00	-0.10	0.11	0.17	0.02	-0.03	0.14	0.20	-95%	299%	-21%	-15%
DPS		0.00	0.10	0.11		0.00	0.10	0.11		n.m.	0%	0%
Volume growth (est)	2.7%	3.2%	4.3%	2.4%	3.6%	4.2%	3.7%	2.4%	-0.9pp	-0.9pp	0.6pp	0.0pp
ASP change (est)	-1.1%	-1.0%	2.3%	1.0%	-3.1%	-2.3%	2.3%	1.0%	2.0pp	1.3pp	0.0pp	0.0pp
Organic growth	1.6%	2.3%	6.6%	3.4%	0.5%	1.9%	6.0%	3.4%	1.1pp	0.4pp	0.6pp	0.0pp
FX impact on topline	-0.7%	-0.3%	-0.1%	0.0%	-0.6%	-0.3%	0.0%	0.0%	-0.1pp	0.0pp	-0.1pp	0.0pp
Raw material price inflation		-0.5 %	1.0 %	1.0 %		-0.6 %	1.5 %	1.0 %		0.0pp	-0.5pp	0.0pp

Source: Nordea estimates

# Detailed estimates

## QUARTERLY ESTIMATES

EURm	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24E
<b>Net sales</b>	<b>110</b>	<b>118</b>	<b>132</b>	<b>133</b>	<b>117</b>	<b>113</b>	<b>106</b>	<b>115</b>	<b>114</b>	<b>119</b>	<b>112</b>	<b>116</b>
growth y/y	-4%	4%	34%	15%	6%	-5%	-19%	-14%	-3%	5%	5%	1%
on constant currencies	-8%	-3%	22%	7%	3%	-3%	-15%	-10%	-2%	5%	6%	2%
Gross profit	7	5	5	2	5	3	6	8	8	9	5	10
gross margin, %	6.0%	4.2%	4.0%	1.4%	4.2%	2.7%	6.0%	7.3%	7.2%	7.5%	4.6%	8.3%
EBITDA	3	2	5	0	3	-2	5	5	5	4	3	6
<b>Adj. EBITDA</b>	<b>3</b>	<b>2</b>	<b>5</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>3</b>	<b>6</b>
Adj. EBITDA margin, %	3.0%	1.6%	3.9%	0.1%	2.3%	2.4%	4.9%	4.6%	3.9%	4.2%	3.0%	5.3%
D&A	-4.6	-4.8	-4.9	-5.2	-4.7	-4.8	-4.5	-4.6	-4.6	-4.6	-4.8	-4.8
EBIT	-1.3	-2.9	0.2	-5.0	-2.1	-6.7	0.6	0.7	0.1	-0.8	-1.4	1.1
<b>Adj. EBIT</b>	<b>-1.3</b>	<b>-2.9</b>	<b>0.2</b>	<b>-5.0</b>	<b>-2.0</b>	<b>-2.1</b>	<b>0.7</b>	<b>0.7</b>	<b>-0.1</b>	<b>0.4</b>	<b>-1.5</b>	<b>1.3</b>
Adj. EBIT margin, %	-1.1%	-2.5%	0.2%	-3.7%	-1.7%	-1.9%	0.6%	0.6%	-0.1%	0.3%	-1.3%	1.1%
Net financials	-0.9	0.7	-0.1	-2.6	-1.5	-1.3	-1.2	-2.0	-0.8	-1.1	-1.9	-1.0
PTP	-2.2	-2.2	0.1	-7.6	-3.6	-8.0	-0.5	-1.3	-0.7	-1.9	-3.3	0.1
Income taxes	-0.1	-0.1	-0.5	-1.2	-0.3	-0.2	1.3	-0.1	-0.3	0.0	0.1	0.0
Net profit	-2.3	-2.3	-0.4	-8.8	-3.9	-8.2	0.8	-1.4	-1.0	-1.9	-3.2	0.0
<b>EPS, EUR</b>	<b>-0.04</b>	<b>-0.04</b>	<b>-0.01</b>	<b>-0.15</b>	<b>-0.07</b>	<b>-0.14</b>	<b>0.01</b>	<b>-0.02</b>	<b>-0.02</b>	<b>-0.03</b>	<b>-0.05</b>	<b>0.00</b>
DPS, EUR												
<b>Geographical split</b>	<b>Q1 22</b>	<b>Q2 22</b>	<b>Q3 22</b>	<b>Q4 22</b>	<b>Q1 23</b>	<b>Q2 23</b>	<b>Q3 23</b>	<b>Q4 23</b>	<b>Q1 24</b>	<b>Q2 24</b>	<b>Q3 24</b>	<b>Q4 24E</b>
<b>Net sales, EURm</b>												
Americas	61.7	64.2	80.3	81.8	75.0	69.8	70.9	72.3	70.0	75.7	69.5	72.2
Europe	48.5	53.8	51.7	51.5	41.8	42.9	35.6	42.6	43.5	43.0	42.1	43.7
<b>Sales growth, y/y</b>												
Americas	-14%	-5%	41%	19%	22%	9%	-12%	-12%	-7%	8%	-2%	0%
Europe	12%	16%	24%	10%	-14%	-20%	-31%	-17%	4%	0%	18%	2%

Source: Company data and Nordea estimates

**ANNUAL ESTIMATES**

<b>EURm</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>Net sales</b>	<b>426</b>	<b>431</b>	<b>411</b>	<b>459</b>	<b>443</b>	<b>493</b>	<b>451</b>	<b>460</b>	<b>490</b>	<b>506</b>
growth y/y	2%	1%	-5%	12%	-3%	11%	-9%	2%	6%	3%
on constant currencies	3%	4%	-7%	14%	-1%	4%	-7%	2%	7%	3%
Gross profit	42	31	34	70	51	19	23	32	47	53
gross margin, %	9.9%	7.3%	8.3%	15.2%	11.5%	3.8%	5.0%	6.9%	9.5%	10.5%
EBITDA	34	26	34	61	47	14	11	18	32	36
<b>Adj. EBITDA</b>	<b>34</b>	<b>26</b>	<b>34</b>	<b>61</b>	<b>47</b>	<b>15</b>	<b>16</b>	<b>19</b>	<b>32</b>	<b>36</b>
Adj. EBITDA margin, %	8.1%	5.9%	8.2%	13.3%	10.6%	3.1%	3.5%	4.1%	6.4%	7.2%
D&A	-19	-21	-26	-21	-20	-23	-19	-19	-20	-21
EBIT	15	5	8	39	27	-9	-8	-1	12	16
<b>Adj. EBIT</b>	<b>15</b>	<b>5</b>	<b>8</b>	<b>39</b>	<b>27</b>	<b>-4</b>	<b>-3</b>	<b>0</b>	<b>12</b>	<b>16</b>
Adj. EBIT margin, %	3.5%	1.1%	2.0%	8.6%	6.1%	-0.8%	-0.6%	0.0%	2.4%	3.1%
Net financials	-3	-6	-6	-6	0	-3	-6	-5	-4	-3
PTP	12	-1	2	34	27	-12	-14	-6	8	12
Income taxes	2	-1	-2	-4	-6	-2	1	0	-2	-3
Net profit	14	-2	0	30	21	-14	-13	-6	6	10
<b>EPS, EUR</b>	<b>0.25</b>	<b>-0.03</b>	<b>0.00</b>	<b>0.52</b>	<b>0.36</b>	<b>-0.24</b>	<b>-0.22</b>	<b>-0.10</b>	<b>0.11</b>	<b>0.17</b>
DPS, EUR	0.11	0.00	0.05	0.20	0.20	0.10	0.10	0.00	0.10	0.11
<b>Geographical split</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>Net sales, EURm</b>										
Americas			262	289	265	288	288	287	307	316
Europe			150	170	178	206	163	172	183	190
<b>Sales growth, y/y</b>										
Americas				10%	-8%	9%	0%	0%	7%	3%
Europe				13%	5%	15%	-21%	6%	6%	4%

Source: Company data and Nordea estimates

# Valuation

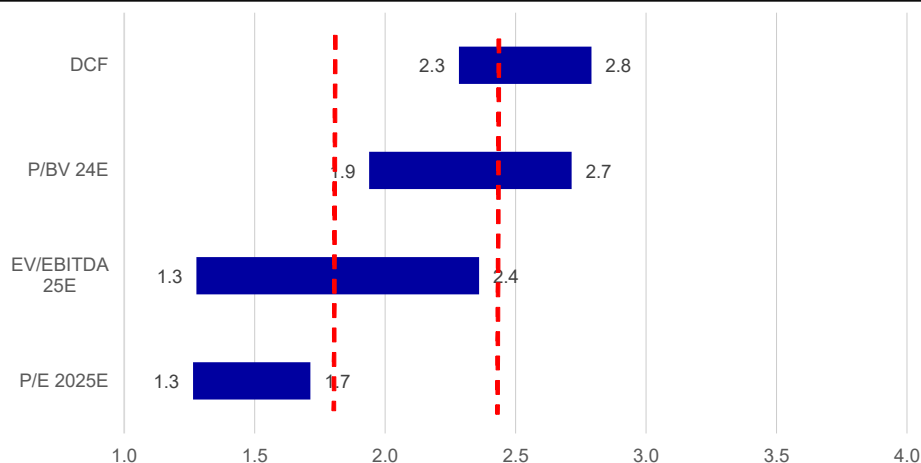
We estimate a fair value range of EUR 1.7-2.4, based on a combination of four valuation approaches (DCF, 2024E P/BV, 2025E EV/EBITDA and 2025E P/E).

## Fair value yields range of EUR 1.7-2.4

Our multiples-based valuation supports a valuation range of EUR 1.3-2.7, while our DCF-based valuation yields a range of EUR 2.3-2.8.

### VALUATION APPROACH (EUR/SHARE)

We derive a fair value range of EUR 1.7-2.4 per share



Source: Nordea estimates

## DCF yields a range of EUR 2.3-2.8 per share

The outcome of our DCF valuation is EUR 2.3-2.8. We use a WACC of 7.4-8.6%, assuming a terminal growth rate of 2.5% with an EBIT margin of 3.2%.

### WACC COMPONENTS

WACC components	
Risk-free interest rate	4.0%
Market risk premium	3.0%
Equity beta	1.5-2
Cost of equity	8.5-10%
Cost of debt	4.0%
Tax-rate used in WACC	22%
Equity weight	80%
<b>WACC</b>	<b>7.4-8.6%</b>

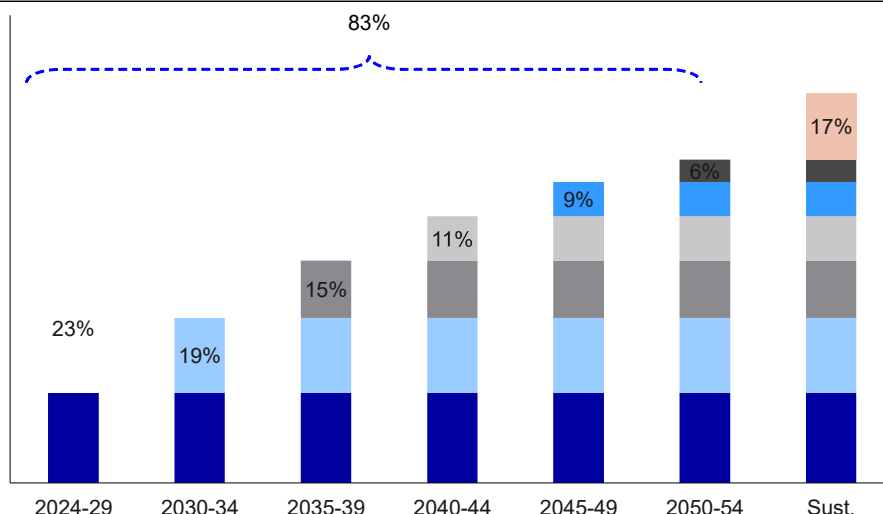
Source: Nordea estimates

### DCF VALUE (EURm AND EUR)

DCF value	Value	Per share
NPV FCFF	166-196	2.8-3.4
(Net debt)	-44	-0.7
Market value of associate	0	0.0
(Market value of minoritie)	0	0.0
Surplus values	0	0.0
(Mkt. value pref. shs)	0	0.0
Share based adjustments	0	0.0
Other adjustments	0	0.0
Time value	11	0.2
<b>DCF Value</b>	<b>133-163</b>	<b>2.3-2.8</b>

Source: Nordea estimates

## DCF VALUATION COMPOSITION



Source: Nordea estimates

## DCF ASSUMPTIONS

Averages and assumptions	2024-29	2030-34	2035-39	2040-44	2045-49	2050-54	Sust.
Sales growth, CAGR	3.54%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
EBIT-margin, excluding associate:	3.1%	3.2%	3.2%	3.2%	3.2%	2.5%	2.5%
Capex/depreciation, x	1.0	1.02	1.02	1.02	1.02	1.02	1.02
Capex/sales	4.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
NWC/sales	7.3%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%
FCFF, CAGR	-228.5%	24.8%	2.5%	2.5%	2.5%	-3.9%	2.5%

Source: Nordea estimates

## DCF valuation sensitivity

To highlight the sensitivity of our DCF valuation, we provide sensitivity matrices that model variations in revenue growth, margin assumptions and cost of capital. The sensitivities in our WACC are outlined in the following table. Using changes of  $\pm 1$ pp for WACC,  $\pm 1$ pp for sales growth and  $\pm 1$ pp for the EBIT margin, our DCF model yields a value range of EUR 1.3-4.4 per share.

## SENSITIVITY OF OUR DCF MODEL (EUR)

## Sensitivity analysis: WACC vs EBIT margin

		WACC				
		5.9%	6.9%	7.9%	8.9%	9.9%
EBIT marg. change	2.0pp	8.0	5.6	4.3	3.4	2.8
	1.0pp	6.0	4.4	3.4	2.7	2.2
	0.0pp	4.3	3.3	2.5	2.0	1.6
	-1.0pp	2.7	2.1	1.6	1.3	1.1
	-2.0pp	1.1	0.9	0.8	0.6	0.5

- A +/-1pp sales growth change translates to a change of +9%/-8% in the fair value

## Sensitivity analysis: WACC vs Sales growth

		WACC				
		5.9%	6.9%	7.9%	8.9%	9.9%
Sales growth change	2.0pp	5.6	4.0	3.1	2.4	1.9
	1.0pp	4.9	3.6	2.8	2.2	1.8
	0.0pp	4.3	3.3	2.5	2.0	1.6
	-1.0pp	3.9	3.0	2.3	1.9	1.5
	-2.0pp	3.5	2.7	2.2	1.8	1.5

- A +/-1pp EBIT margin change translates to a +/-35% change in the fair value

## Sensitivity analysis: Sales growth vs EBIT margin

		Sales growth change				
		-2.0pp	-1.0pp	0.0pp	1.0pp	2.0pp
EBIT margin change	2.0pp	3.5	3.9	4.3	4.8	5.4
	1.0pp	2.9	3.1	3.4	3.8	4.2
	0.0pp	2.2	2.3	2.5	2.8	3.1
	-1.0pp	1.5	1.6	1.6	1.8	1.9
	-2.0pp	0.8	0.8	0.8	0.7	0.7

Source: Nordea estimates

# Reported numbers and forecasts

## INCOME STATEMENT

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>Total revenue</b>	<b>417</b>	<b>426</b>	<b>431</b>	<b>411</b>	<b>459</b>	<b>443</b>	<b>493</b>	<b>451</b>	<b>460</b>	<b>490</b>	<b>506</b>
Revenue growth	-6.1%	2.2%	1.2%	-4.6%	11.5%	-3.4%	11.3%	-8.6%	2.0%	6.5%	3.4%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3.9%	-7.2%	2.3%	6.6%	3.4%
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7.4%	-1.4%	-0.3%	-0.1%	0.0%
EBITDA	44	34	26	34	61	47	14	11	18	32	36
Depreciation and impairments PPE	-18	-19	-21	-26	-21	-20	-23	-19	-19	-20	-21
of which leased assets	0	0	0	0	0	0	0	-4	-3	-3	-3
EBITA	26	15	5	8	39	27	-9	-8	-1	12	16
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	26	15	5	8	39	27	-9	-8	-1	12	16
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	-3	-3	-6	-6	-6	0	-3	-6	-5	-4	-3
of which lease interest	0	0	0	0	0	0	0	-1	-1	-1	-1
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
<b>Pre-tax profit</b>	<b>22</b>	<b>12</b>	<b>-1</b>	<b>2</b>	<b>34</b>	<b>27</b>	<b>-12</b>	<b>-14</b>	<b>-6</b>	<b>8</b>	<b>12</b>
Reported taxes	-7	2	-1	-2	-4	-6	-2	1	0	-2	-3
Net profit from continued operations	15	14	-2	0	30	21	-14	-13	-6	6	10
Discontinued operations	0	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	15	14	-2	0	30	21	-14	-13	-6	6	10
<b>EPS, EUR</b>	<b>0.30</b>	<b>0.25</b>	<b>-0.03</b>	<b>0.00</b>	<b>0.52</b>	<b>0.36</b>	<b>-0.24</b>	<b>-0.22</b>	<b>-0.10</b>	<b>0.11</b>	<b>0.17</b>
DPS, EUR	0.11	0.11	0.00	0.05	0.20	0.20	0.10	0.10	0.00	0.10	0.11
of which ordinary	0.11	0.11	0.00	0.05	0.20	0.20	0.10	0.10	0.00	0.10	0.11
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	10.6%	8.1%	5.9%	8.2%	13.3%	10.6%	2.9%	2.5%	3.8%	6.4%	7.2%
EBITA	6.1%	3.5%	1.1%	2.0%	8.6%	6.1%	-1.8%	-1.7%	-0.2%	2.4%	3.1%
EBIT	6.1%	3.5%	1.1%	2.0%	8.6%	6.1%	-1.8%	-1.7%	-0.2%	2.4%	3.1%

## Adjusted earnings

EBITDA (adj)	44	34	26	34	61	47	15	16	19	32	36
EBITA (adj)	26	15	5	8	39	27	-4	-3	0	12	16
EBIT (adj)	26	15	5	8	39	27	-4	-3	0	12	16
EPS (adj, EUR)	0.30	0.25	-0.03	0.00	0.52	0.36	-0.16	-0.14	-0.08	0.11	0.17

## Adjusted profit margins in percent

EBITDA (adj)	10.6%	8.1%	5.9%	8.2%	13.3%	10.6%	3.1%	3.5%	4.1%	6.4%	7.2%
EBITA (adj)	6.1%	3.5%	1.1%	2.0%	8.6%	6.1%	-0.8%	-0.6%	0.0%	2.4%	3.1%
EBIT (adj)	6.1%	3.5%	1.1%	2.0%	8.6%	6.1%	-0.8%	-0.6%	0.0%	2.4%	3.1%

## Performance metrics

CAGR last 5 years											
Net revenue	n.a.	-1.3%	-0.6%	0.5%	0.7%	1.2%	3.0%	0.9%	2.2%	1.3%	2.7%
EBITDA	n.m.	3.8%	-5.4%	-4.1%	4.3%	1.3%	-16.0%	-15.3%	-12.1%	-12.3%	-5.1%
EBIT	n.a.	6.3%	-23.3%	-20.7%	4.5%	1.0%	n.m.	n.m.	n.m.	-21.4%	-10.4%
EPS	n.a.	n.m.	n.m.	-47.9%	9.0%	3.5%	n.m.	n.m.	n.m.	-26.7%	-14.1%
DPS	n.m.	n.m.	n.m.	0.0%	14.9%	12.7%	-1.9%	n.m.	n.m.	-12.9%	-11.3%
Average last 5 years											
Average EBIT margin	5.2%	5.4%	4.9%	4.0%	4.3%	4.3%	3.1%	2.6%	2.1%	0.9%	0.4%
Average EBITDA margin	9.1%	9.5%	9.2%	8.8%	9.3%	9.3%	8.1%	7.4%	6.6%	5.2%	4.6%

## VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E (adj)	13.8	17.5	n.m.	n.m.	9.8	14.6	n.m.	n.m.	n.m.	22.6	14.9
EV/EBITDA (adj)	6.1	9.7	7.4	6.0	5.5	7.5	14.9	13.1	10.8	6.7	5.8
EV/EBITA (adj)	10.5	22.3	41.2	24.8	8.4	13.0	n.m.	n.m.	1,348.1	18.0	13.4
EV/EBIT (adj)	10.5	22.3	41.2	24.8	8.4	13.0	n.m.	n.m.	1,348.1	18.0	13.4

## VALUATION RATIOS - REPORTED EARNINGS

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E	13.8	17.5	n.m.	n.m.	9.8	14.6	n.m.	n.m.	n.m.	22.6	14.9
EV/Sales	0.64	0.79	0.44	0.49	0.73	0.79	0.46	0.46	0.44	0.43	0.41
EV/EBITDA	6.1	9.7	7.4	6.0	5.5	7.5	16.0	18.6	11.6	6.7	5.8
EV/EBITA	10.5	22.3	41.2	24.8	8.4	13.0	n.m.	n.m.	n.m.	18.0	13.4
EV/EBIT	10.5	22.3	41.2	24.8	8.4	13.0	n.m.	n.m.	n.m.	18.0	13.4
Dividend yield (ord.)	2.7%	2.5%	0.0%	2.2%	3.9%	3.9%	3.3%	3.5%	0.0%	4.0%	4.4%
FCF yield	-10.0%	-4.6%	14.7%	14.6%	15.6%	-1.4%	2.4%	12.0%	-5.1%	-3.4%	8.5%
FCF Yield bef A&D, lease adj	-10.0%	-4.6%	14.7%	14.6%	15.6%	-2.2%	2.4%	9.9%	-7.2%	-5.4%	6.4%
Payout ratio	36.6%	43.6%	0.0%	1,284.7%	38.4%	56.2%	n.m.	n.m.	0.0%	91.0%	66.1%

Source: Company data and Nordea estimates

**BALANCE SHEET**

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	30	33	37	36	32	29	25	22	22	22	22
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	14	17	21	20	17	13	10	6	6	6	6
of which goodwill	16	16	16	15	15	15	15	15	15	15	15
Tangible assets	136	137	129	136	122	131	128	124	121	134	134
of which leased assets	0	0	0	14	18	16	12	11	8	8	8
Shares associates	0	0	0	0	0	0	0	0	0	0	0
Interest bearing assets	7	3	3	4	4	0	0	0	0	0	0
Deferred tax assets	3	5	3	2	4	2	1	2	2	2	2
Other non-IB non-current assets	1	1	1	1	1	0	0	0	0	0	0
Other non-current assets	3	2	1	0	0	0	0	0	0	0	0
Total non-current assets	179	180	174	178	164	162	155	148	145	158	158
Inventory	43	44	52	39	35	50	63	38	43	44	46
Accounts receivable	54	58	58	47	51	65	67	62	61	65	67
Short-term leased assets	0	0	0	0	0	0	0	0	3	3	3
Other current assets	11	16	9	8	9	8	9	9	9	10	10
Cash and bank	30	27	28	38	58	101	50	59	28	20	23
Total current assets	137	145	147	132	154	225	188	168	144	142	149
Assets held for sale	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total assets</b>	<b>316</b>	<b>326</b>	<b>321</b>	<b>310</b>	<b>317</b>	<b>387</b>	<b>343</b>	<b>316</b>	<b>289</b>	<b>300</b>	<b>307</b>
Shareholders equity	143	136	131	132	146	163	146	125	113	119	123
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	143	136	131	132	146	163	146	125	113	119	123
Deferred tax	11	15	12	13	13	14	12	9	9	9	9
Long term interest bearing debt	87	95	81	82	83	49	49	49	34	34	34
Pension provisions	1	1	1	1	1	1	0	0	0	0	0
Other long-term provisions	0	0	0	0	2	2	2	1	1	1	1
Other long-term liabilities	0	0	0	2	0	0	0	0	0	0	0
Non-current lease debt	0	0	0	10	15	13	11	10	10	10	10
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	99	111	94	107	114	79	75	69	54	54	54
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	65	63	75	53	55	57	79	75	74	79	82
Current lease debt	0	0	0	3	3	3	3	3	3	3	3
Other current liabilities	0	0	0	0	0	0	0	4	4	4	5
Short term interest bearing debt	8	15	21	14	0	84	40	40	40	40	40
Total current liabilities	74	78	96	70	58	145	122	122	121	126	129
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>316</b>	<b>326</b>	<b>321</b>	<b>310</b>	<b>317</b>	<b>387</b>	<b>343</b>	<b>316</b>	<b>289</b>	<b>300</b>	<b>307</b>
<b>Balance sheet and debt metrics</b>											
Net debt	58	81	71	69	37	50	55	44	60	68	64
of which lease debt	0	0	0	13	17	16	14	13	13	13	13
Working capital	42	55	43	41	41	66	59	31	35	36	37
Invested capital	220	235	217	219	204	228	214	179	180	194	195
Capital employed	237	247	232	242	246	312	249	227	200	207	211
ROE	11.4%	10.4%	-1.3%	0.2%	21.6%	13.4%	-9.0%	-9.4%	-5.1%	5.5%	8.0%
ROIC	10.0%	5.1%	1.6%	2.9%	14.5%	9.7%	-1.5%	-1.1%	0.1%	4.9%	6.2%
ROCE	11.1%	6.2%	1.9%	3.4%	16.2%	9.6%	-1.5%	-1.2%	0.1%	5.8%	7.4%
Net debt/EBITDA	1.3	2.4	2.8	2.0	0.6	1.1	3.8	3.9	3.4	2.1	1.8
Interest coverage	8.1	5.8	0.8	1.4	7.1	69.1	-3.1	-1.5	-0.3	4.5	7.4
Equity ratio	45.3%	41.8%	40.7%	42.7%	46.0%	42.2%	42.6%	39.5%	39.1%	39.8%	40.2%
Net gearing	40.7%	59.6%	54.7%	51.9%	25.4%	30.4%	37.4%	34.8%	52.8%	56.6%	52.0%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

EURm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>EBITDA (adj) for associates</b>	<b>44</b>	<b>34</b>	<b>26</b>	<b>34</b>	<b>61</b>	<b>47</b>	<b>14</b>	<b>11</b>	<b>18</b>	<b>32</b>	<b>36</b>
Paid taxes	-7	2	6	-1	-2	-7	-3	-4	0	-2	-3
Net financials	-3	-3	-5	-5	-4	-5	-5	-5	-5	-4	-3
Change in provisions	0	0	0	0	2	0	0	-2	0	0	0
Change in other LT non-IB	1	-1	3	3	-4	3	1	-1	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	0	-3	-3	-2	5	-1	-1	6	0	0	0
<b>Funds from operations (FFO)</b>	<b>35</b>	<b>30</b>	<b>27</b>	<b>28</b>	<b>58</b>	<b>36</b>	<b>6</b>	<b>5</b>	<b>13</b>	<b>26</b>	<b>30</b>
Change in NWC	-6	-8	6	2	-1	-25	8	26	-4	-1	-1
<b>Cash flow from operations (CFO)</b>	<b>29</b>	<b>22</b>	<b>32</b>	<b>30</b>	<b>57</b>	<b>11</b>	<b>14</b>	<b>31</b>	<b>9</b>	<b>25</b>	<b>29</b>
Capital expenditure	-50	-34	-15	-11	-11	-18	-10	-11	-16	-30	-17
<b>Free cash flow before A&amp;D</b>	<b>-21</b>	<b>-12</b>	<b>17</b>	<b>19</b>	<b>46</b>	<b>-7</b>	<b>4</b>	<b>20</b>	<b>-7</b>	<b>-5</b>	<b>12</b>
Proceeds from sale of assets	0	0	0	0	0	2	0	0	0	0	0
Acquisitions	0	0	0	0	0	0	0	0	0	0	0
Free cash flow	-21	-12	17	19	46	-4	4	20	-7	-5	12
Free cash flow bef A&D, lease adj	-21	-12	17	19	46	-7	4	16	-10	-8	9
Dividends paid	-5	-6	-6	0	-3	-12	-11	-6	-6	0	-6
Equity issues / buybacks	0	0	0	0	0	0	0	0	0	0	0
Net change in debt	0	0	-8	-10	-17	57	-48	-3	-15	0	0
Other financing adjustments	0	0	0	0	0	0	0	0	-3	-3	-3
Other non-cash adjustments	0	15	-3	0	-6	3	3	-1	0	0	0
Change in cash	-26	-2	1	10	20	43	-52	9	-31	-8	3
<b>Cash flow metrics</b>											
Capex/D&A	n.m.	n.m.	70.6%	41.2%	50.8%	87.9%	41.9%	59.0%	85.4%	n.m.	82.0%
Capex/Sales	11.9%	7.9%	3.4%	2.6%	2.4%	4.0%	2.0%	2.4%	3.5%	6.1%	3.4%
<b>Key information</b>											
Share price year end (/current)	4	4	2	2	5	5	3	3	2	2	2
Market cap.	210	254	118	133	296	302	174	164	144	144	144
Enterprise value	268	335	189	202	333	351	229	208	204	212	209
Diluted no. of shares, year-end (m)	50.8	57.4	57.5	57.5	58.3	58.3	58.3	58.3	58.3	58.3	58.3

Source: Company data and Nordea estimates

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