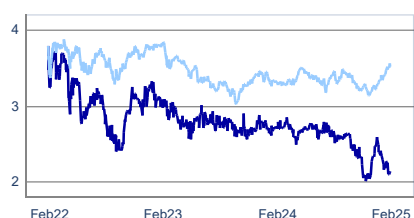


## KEY DATA

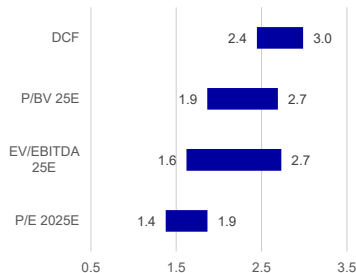
|                     |                   |
|---------------------|-------------------|
| Stock country       | Finland           |
| Bloomberg           | SUY1V.FH          |
| Reuters             | SUY1V.HE          |
| Share price (close) | EUR 2.15          |
| Free float          | 76%               |
| Market cap. (bn)    | EUR 0.13/EUR 0.13 |
| Website             | www.suominen.fi   |
| Next report date    | 05 Mar 2025       |

## PERFORMANCE



— Suominen Oyj Source: LSEG Data & Analytics  
— Finland OMX Helsinki All-Share (Rebased)

## VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

## ESTIMATE CHANGES

| Year       | 2024E | 2025E | 2026E |
|------------|-------|-------|-------|
| Sales      | 1%    | 2%    | 3%    |
| EBIT (adj) | 556%  | 6%    | 4%    |

Source: Nordea estimates

## Nordea IB &amp; Equity - Analysts

Joni Sandvall  
Analyst

Jukka-Pekka Pesonen  
Analyst

## All eyes on margin trajectory going into 2025

For Q4, we expect the gradual volume and price improvement to continue, while variable costs could decline with lower pulp prices. However, we note a recent uptick in pulp prices and clearly positive momentum with three consecutive market pulp price increases from multiple pulp majors. Hence, we expect Suominen to benefit from lower pulp prices in H1 2025 too, while expected raw material headwinds in H2 could be mitigated by self-help measures and new investments in Alicante and Bethune. Our DCF- and multiples-based fair value range is EUR 1.8-2.6 (1.7-2.4).

## We are slightly ahead of consensus for Q4E

For Q4, we model 3% y/y sales growth, supported by both pricing and volumes. We expect EUR 7m comparable EBITDA for Q4, 4% above post-Q3 Vara Research consensus. We forecast a Q4 adjusted EBITDA margin of 5.9%, up from 3.0% in Q3, when profitability was burdened by EUR ~3m due to operational issues related to new products. Q4 should benefit from lower pulp prices, while we note the recent uptick in market pulp prices and three consecutive price increase announcements from multiple pulp majors. Hence, we believe the company could gain support from lower pulp prices in H1, while H2 will rely more on new investments becoming operational and ongoing cost-efficiency measures. We believe the overcapacity, especially in the European market, will continue to cap the margin development in the medium term.

## Slightly positive revisions backed by FX

We lift our 2024-26 top-line estimates by 1-3% and adjusted EBITDA by 2-4%, backed by a stronger USD. In addition, we adjust for changes in the pulp market. Looking into 2025, we believe the highest uncertainty relates to raw material prices, while we expect gradually improving volumes and support from new investments and cost measures. We do not expect any dividend from 2024, as the company is likely to focus on investments and improving its balance sheet. We note that the current strategy period runs until 2025 and hence we believe the company could arrange a CMD event in H2. Its current EBITDA target calls for a 12% margin by 2025, while we forecast 6.5% for 2025 (in line with consensus) and 7.1% for 2026.

## Fair value range of EUR 1.8-2.6 (1.7-2.4) per share

We calculate a fair value range of EUR 1.8-2.6 (1.7-2.4), based on the combination of four valuation approaches (DCF, 2025E 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   | 462   | 500    | 522   |
| EBITDA (adj)             | 61        | 47     | 15      | 16    | 20    | 32     | 37    |
| EBIT (adj)               | 39        | 27     | -4      | -3    | 1     | 13     | 16    |
| EBIT (adj) margin        | 8.6%      | 6.1%   | -0.8%   | -0.6% | 0.2%  | 2.5%   | 3.1%  |
| EPS (adj, EUR)           | 0.52      | 0.36   | -0.16   | -0.14 | -0.07 | 0.12   | 0.18  |
| EPS (adj) growth         | 13,268.1% | -31.6% | -143.7% | 11.5% | 47.4% | 265.6% | 46.1% |
| 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.  | 185.7 | 15.3   | 11.7  |
| P/E (adj)                | 9.8       | 14.6   | n.m.    | n.m.  | n.m.  | 17.9   | 12.3  |
| P/BV                     | 2.0       | 1.8    | 1.2     | 1.3   | 1.1   | 1.0    | 1.0   |
| Dividend yield (ord)     | 3.9%      | 3.9%   | 3.3%    | 3.5%  | 0.0%  | 4.7%   | 5.1%  |
| FCF Yield bef A&D, lease | 15.6%     | -2.2%  | 2.4%    | 9.9%  | -7.9% | -6.4%  | 7.4%  |
| Net debt                 | 37        | 50     | 55      | 44    | 59    | 67     | 64    |
| Net debt/EBITDA          | 0.6       | 1.1    | 3.8     | 3.9   | 3.2   | 2.1    | 1.7   |
| ROIC after tax           | 14.5%     | 9.7%   | -1.5%   | -1.1% | 0.4%  | 5.2%   | 6.5%  |

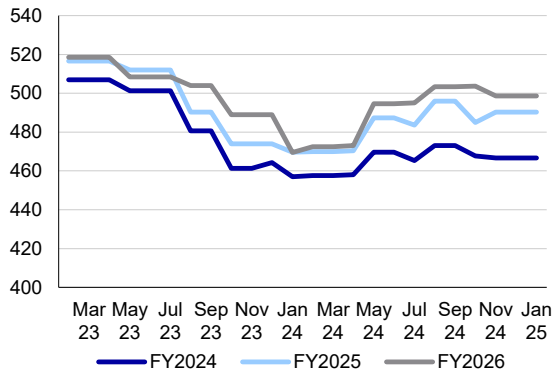
Source: Company data and Nordea estimates

# Expectations ahead of the Q4 report

Suominen plans to release its Q4 2024 report on 5 March. We adjust for changes related to the pulp market and FX. For Q4E, we are in line with post-Q3 Vara Research consensus on sales and 4% above on adjusted EBITDA. For 2024, we model EUR 19.7m in adjusted EBITDA, up from EUR 15.8m in 2023, against improving adjusted EBITDA guidance. We do not expect Suominen to distribute a dividend from 2024.

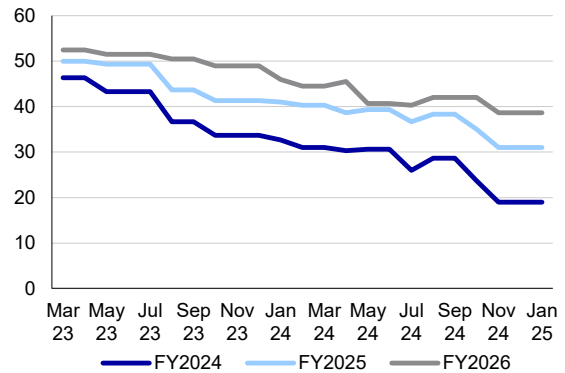
## Consensus estimate revision trend

CONSENSUS SALES ESTIMATES (EURm)



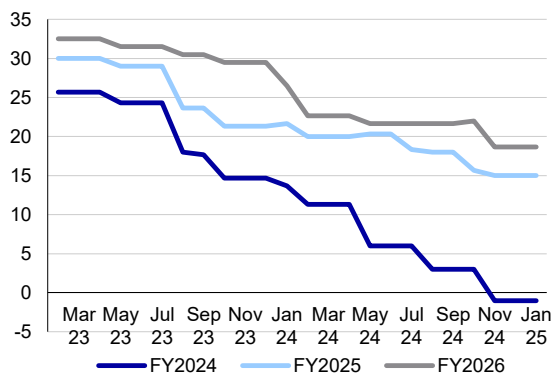
Source: LSEG Data & Analytics

CONSENSUS EBITDA ESTIMATES (EURm)



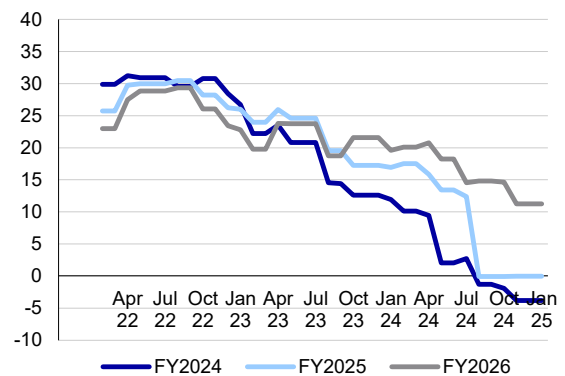
Source: LSEG Data & Analytics

CONSENSUS EBIT ESTIMATES (EURm)



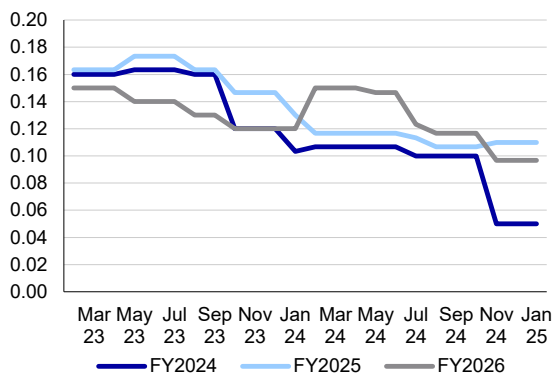
Source: LSEG Data & Analytics

CONSENSUS FCF ESTIMATES (EURm)



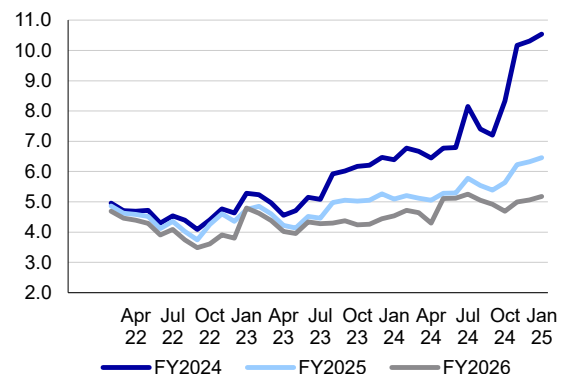
Source: LSEG Data & Analytics

CONSENSUS DPS ESTIMATES (EUR)



Source: LSEG Data & Analytics

CONSENSUS EV/EBITDA (x)



Source: LSEG Data & Analytics

### We are slightly ahead of consensus for 2025E

For Q4E, we are in line with post-Q3 Vara Research consensus on sales and 4% above on adjusted EBITDA. For 2025E, we are 4% above consensus on adjusted EBITDA and 5% above on sales, likely driven by strengthening of the USD and our expectation of higher pulp prices. We do not expect any dividend payment from 2024.

#### OUR ESTIMATES VERSUS CONSENSUS (EPS AND DPS IN EUR)

| EURm                 | Nordea estimates |       |       |       | Consensus estimates |       |       |       | Difference % |       |        |       |
|----------------------|------------------|-------|-------|-------|---------------------|-------|-------|-------|--------------|-------|--------|-------|
|                      | Q4 24E           | 2024E | 2025E | 2026E | Q4 24E              | 2024E | 2025E | 2026E | Q4 24E       | 2024E | 2025E  | 2026E |
| Sales                | 118              | 462   | 500   | 522   | 118                 | 462   | 478   | n.a.  | 0%           | 0%    | 5%     | n.a.  |
| Comparable EBITDA    | 7.0              | 19.7  | 32.3  | 37.0  | 6.7                 | 19.6  | 31.0  | n.a.  | 4%           | 1%    | 4%     | n.a.  |
| EBITDA margin        | 6%               | 4%    | 6.5%  | 7.1%  | 6%                  | 4%    | 6.5%  | n.a.  | 0.2pp        | 0.0pp | -0.8pp | n.a.  |
| Comparable op profit | 2.2              | 1.0   | 12.5  | 16.2  | 2.2                 | 1.0   | 12.3  | n.a.  | -2%          | -1%   | 2%     | n.a.  |
| Operating margin     | 1.8%             | 0.2%  | 2.5%  | 3.1%  | 1.9%                | 0.2%  | 2.6%  | n.a.  | 0.0pp        | 0.0pp | -0.1pp | n.a.  |
| EPS                  | 0.01             | -0.09 | 0.12  | 0.18  | 0.01                | -0.09 | 0.11  | n.a.  | n.m.         | 4%    | 9%     | n.a.  |
| DPS                  |                  | 0.00  | 0.10  | 0.11  |                     | 0.03  | 0.08  | n.a.  |              | -100% | 25%    | n.a.  |

Source: Vara Research and Nordea estimates

# Estimate revisions

## ESTIMATE REVISIONS (EPS AND DPS IN EUR)

| EURm                         | New estimates |        |       |       | Old estimates |        |       |       | Difference % |        |        |        |
|------------------------------|---------------|--------|-------|-------|---------------|--------|-------|-------|--------------|--------|--------|--------|
|                              | Q4 24E        | 2024E  | 2025E | 2026E | Q4 24E        | 2024E  | 2025E | 2026E | Q4 24E       | 2024E  | 2025E  | 2026E  |
| Sales                        | 118           | 462    | 500   | 522   | 116           | 460    | 490   | 506   | 2%           | 1%     | 2%     | 3%     |
| - growth                     | 3%            | 3%     | 8%    | 4%    | 1%            | 2%     | 6%    | 3%    | 2.1pp        | 0.5pp  | 1.8pp  | 0.9pp  |
| Comparable EBITDA            | 7.0           | 20     | 32    | 37    | 6.1           | 19     | 32    | 36    | 14%          | 4%     | 3%     | 2%     |
| EBITDA margin                | 5.9%          | 4.3%   | 6.5%  | 7.1%  | 5.3%          | 4.1%   | 6.4%  | 7.2%  | 0.6pp        | 0.2pp  | 0.0pp  | -0.1pp |
| Comparable op profit         | 2.2           | 1      | 13    | 16    | 1.3           | 0      | 12    | 16    | 64%          | 556%   | 6%     | 4%     |
| Operating margin             | 1.8%          | 0.2%   | 2.5%  | 3.1%  | 1.1%          | 0.0%   | 2.4%  | 3.1%  | 0.7pp        | 0.2pp  | 0.1pp  | 0.0pp  |
| Pre-tax profit               | 0.9           | -5     | 9     | 13    | 0.1           | -6     | 8     | 12    | 1348%        | -14%   | 9%     | 5%     |
| EPS                          | 0.01          | -0.09  | 0.12  | 0.18  | 0.00          | -0.10  | 0.11  | 0.17  | 1348%        | -11%   | 9%     | 5%     |
| DPS                          |               | 0.00   | 0.10  | 0.11  |               | 0.00   | 0.10  | 0.11  |              | n.m.   | 0%     | 0%     |
| Volume growth (est)          | 1.4%          | 2.9%   | 4.0%  | 2.4%  | 2.7%          | 3.2%   | 4.3%  | 2.4%  | -1.4pp       | -0.3pp | -0.3pp | 0.0pp  |
| ASP change (est)             | 1.1%          | -0.4%  | 2.2%  | 2.0%  | -1.1%         | -1.0%  | 2.3%  | 1.0%  | 2.2pp        | 0.6pp  | -0.1pp | 1.0pp  |
| Organic growth               | 2.4%          | 2.5%   | 6.2%  | 4.4%  | 1.6%          | 2.3%   | 6.6%  | 3.4%  | 0.8pp        | 0.2pp  | -0.4pp | 1.0pp  |
| FX impact on topline         | 0.6%          | 0.0%   | 2.1%  | -0.1% | -0.7%         | -0.3%  | -0.1% | 0.0%  | 1.3pp        | 0.3pp  | 2.2pp  | -0.1pp |
| Raw material price inflation |               | -0.1 % | 0.9 % | 2.5 % |               | -0.5 % | 1.0 % | 1.0 % |              | 0.4pp  | -0.1pp | 1.5pp  |

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>118</b>    |
| growth y/y                | -4%          | 4%           | 34%          | 15%          | 6%           | -5%          | -19%         | -14%         | -3%          | 5%           | 5%           | 3%            |
| 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            | 11            |
| gross margin, %           | 6.0%         | 4.2%         | 4.0%         | 1.4%         | 4.2%         | 2.7%         | 6.0%         | 7.3%         | 7.2%         | 7.5%         | 4.6%         | 9.0%          |
| EBITDA                    | 3            | 2            | 5            | 0            | 3            | -2           | 5            | 5            | 5            | 4            | 3            | 7             |
| <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>7</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%         | 5.9%          |
| 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         | 1.9           |
| <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>2.2</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%        | 1.8%          |
| 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         | 0.9           |
| Income taxes              | -0.1         | -0.1         | -0.5         | -1.2         | -0.3         | -0.2         | 1.3          | -0.1         | -0.3         | 0.0          | 0.1          | -0.2          |
| Net profit                | -2.3         | -2.3         | -0.4         | -8.8         | -3.9         | -8.2         | 0.8          | -1.4         | -1.0         | -1.9         | -3.2         | 0.7           |
| <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>0.01</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         | 74.4          |
| Europe                    | 48.5         | 53.8         | 51.7         | 51.5         | 41.8         | 42.9         | 35.6         | 42.6         | 43.5         | 43.0         | 42.1         | 43.9          |
| <b>Sales growth, y/y</b>  |              |              |              |              |              |              |              |              |              |              |              |               |
| Americas                  | -14%         | -5%          | 41%          | 19%          | 22%          | 9%           | -12%         | -12%         | -7%          | 8%           | -2%          | 3%            |
| Europe                    | 12%          | 16%          | 24%          | 10%          | -14%         | -20%         | -31%         | -17%         | 4%           | 0%           | 18%          | 3%            |

Source: Company data and Nordea estimates

**ANNUAL ESTIMATES**

| EURm                      | 2017        | 2018         | 2019        | 2020        | 2021        | 2022         | 2023         | 2024E        | 2025E        | 2026E        |
|---------------------------|-------------|--------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|
| <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>462</b>   | <b>500</b>   | <b>522</b>   |
| growth y/y                | 2%          | 1%           | -5%         | 12%         | -3%         | 11%          | -9%          | 3%           | 8%           | 4%           |
| on constant currencies    | 3%          | 4%           | -7%         | 14%         | -1%         | 4%           | -7%          | 2%           | 6%           | 4%           |
| Gross profit              | 42          | 31           | 34          | 70          | 51          | 19           | 23           | 33           | 48           | 55           |
| gross margin, %           | 9.9%        | 7.3%         | 8.3%        | 15.2%       | 11.5%       | 3.8%         | 5.0%         | 7.1%         | 9.6%         | 10.5%        |
| EBITDA                    | 34          | 26           | 34          | 61          | 47          | 14           | 11           | 19           | 32           | 37           |
| <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>20</b>    | <b>32</b>    | <b>37</b>    |
| Adj. EBITDA margin, %     | 8.1%        | 5.9%         | 8.2%        | 13.3%       | 10.6%       | 3.1%         | 3.5%         | 4.3%         | 6.5%         | 7.1%         |
| D&A                       | -19         | -21          | -26         | -21         | -20         | -23          | -19          | -19          | -20          | -21          |
| EBIT                      | 15          | 5            | 8           | 39          | 27          | -9           | -8           | 0            | 13           | 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>1</b>     | <b>13</b>    | <b>16</b>    |
| Adj. EBIT margin, %       | 3.5%        | 1.1%         | 2.0%        | 8.6%        | 6.1%        | -0.8%        | -0.6%        | 0.2%         | 2.5%         | 3.1%         |
| Net financials            | -3          | -6           | -6          | -6          | 0           | -3           | -6           | -5           | -4           | -3           |
| PTP                       | 12          | -1           | 2           | 34          | 27          | -12          | -14          | -5           | 9            | 13           |
| Income taxes              | 2           | -1           | -2          | -4          | -6          | -2           | 1            | 0            | -2           | -3           |
| Net profit                | 14          | -2           | 0           | 30          | 21          | -14          | -13          | -5           | 7            | 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>-0.09</b> | <b>0.12</b>  | <b>0.18</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          | 290          | 317          | 330          |
| Europe                    |             |              | 150         | 170         | 178         | 206          | 163          | 173          | 183          | 192          |
| <b>Sales growth, y/y</b>  |             |              |             |             |             |              |              |              |              |              |
| Americas                  |             |              |             | 10%         | -8%         | 9%           | 0%           | 1%           | 10%          | 4%           |
| Europe                    |             |              |             | 13%         | 5%          | 15%          | -21%         | 6%           | 6%           | 5%           |

Source: Company data and Nordea estimates

# Valuation

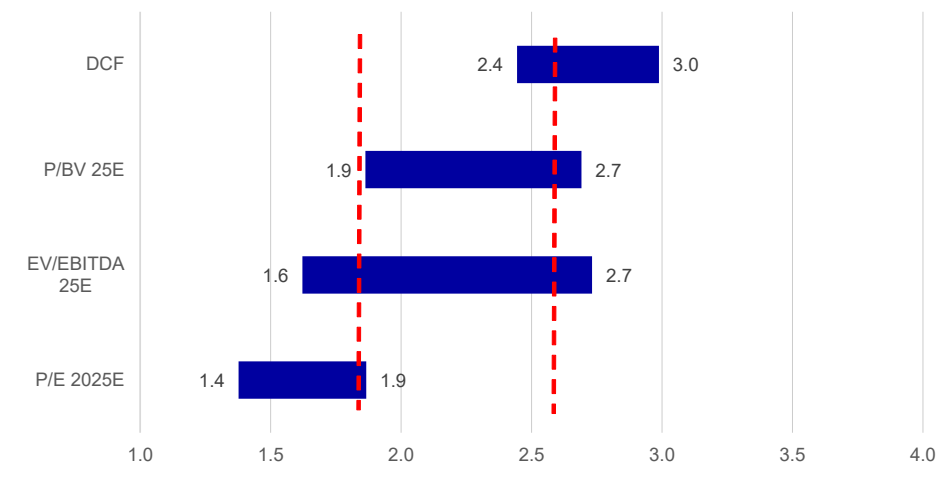
We estimate a fair value range of EUR 1.8-2.6 (1.7-2.4), based on a combination of four valuation approaches (DCF, 2025E P/BV, 2025E EV/EBITDA and 2025E P/E).

### Fair value range of EUR 1.8-2.6

Our multiples-based valuation supports a valuation range of EUR 1.6-2.4, while our DCF-based valuation yields a range of EUR 2.4-3.0.

#### VALUATION APPROACH (EUR/SHARE)

We derive a fair value range of EUR 1.8-2.6 per share



Source: Nordea estimates

### DCF yields a range of EUR 2.4-3.0 per share

The outcome of our DCF valuation is EUR 2.4-3.0. We use a WACC of 7.4-8.6%, assuming a terminal growth rate of 2.5% with an EBIT margin of 3.2%.

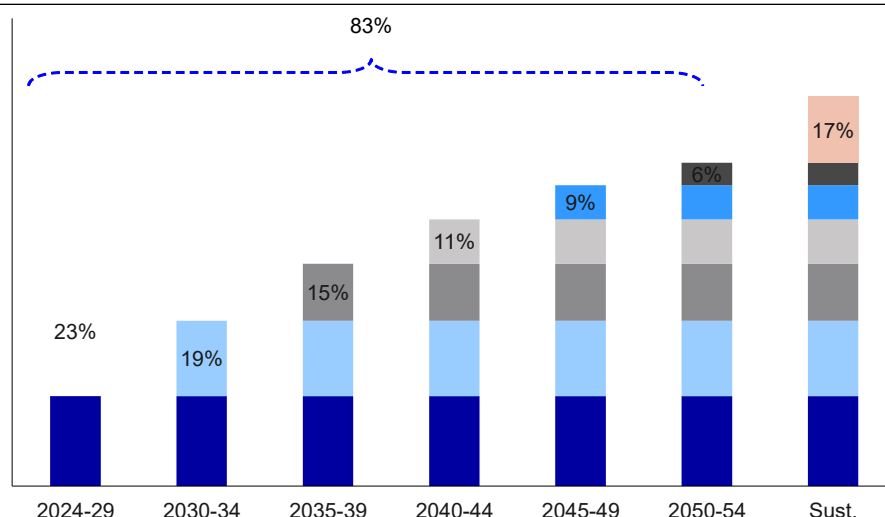
| WACC COMPONENTS         |                 |
|-------------------------|-----------------|
| <b>WACC components</b>  |                 |
| Risk-free interest rate | 4.0%            |
| Market risk premium     | 3.0%            |
| Equity beta             | 1.5-2           |
| Cost of equity          | 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                    | 171-202        | 2.9-3.5      |
| (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                  | 15             | 0.3          |
| <b>DCF Value</b>            | <b>142-174</b> | <b>2.4-3</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                | 4.07%   | 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     | 1.0     | 1.0     | 1.0     | 1.0     | 1.0     | 1.0   |
| 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                        | -231.0% | 24.4%   | 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 1.4-4.7 per share.

## SENSITIVITY OF OUR DCF MODEL (EUR)

|                   |        | WACC |      |      |      |      |
|-------------------|--------|------|------|------|------|------|
|                   |        | 5.9% | 6.9% | 7.9% | 8.9% | 9.9% |
| EBIT marg. change | 2.0pp  | 8.1  | 6.0  | 4.6  | 3.7  | 3.0  |
|                   | 1.0pp  | 6.4  | 4.7  | 3.7  | 2.9  | 2.4  |
|                   | 0.0pp  | 4.6  | 3.5  | 2.7  | 2.2  | 1.8  |
|                   | -1.0pp | 2.9  | 2.2  | 1.8  | 1.4  | 1.2  |
|                   | -2.0pp | 1.2  | 1.0  | 0.8  | 0.7  | 0.6  |

- 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  | 5.9  | 4.3  | 3.3  | 2.6  | 2.1  |
|                     | 1.0pp  | 5.2  | 3.8  | 3.0  | 2.4  | 1.9  |
|                     | 0.0pp  | 4.6  | 3.5  | 2.7  | 2.2  | 1.8  |
|                     | -1.0pp | 4.1  | 3.2  | 2.5  | 2.0  | 1.7  |
|                     | -2.0pp | 3.7  | 2.9  | 2.3  | 1.9  | 1.6  |

- 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  | 3.8                 | 4.2    | 4.6   | 5.1   | 5.8   |
|                    | 1.0pp  | 3.0                 | 3.3    | 3.7   | 4.1   | 4.5   |
|                    | 0.0pp  | 2.3                 | 2.5    | 2.7   | 3.0   | 3.3   |
|                    | -1.0pp | 1.6                 | 1.7    | 1.8   | 1.9   | 2.0   |
|                    | -2.0pp | 0.9                 | 0.8    | 0.8   | 0.8   | 0.8   |

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>462</b>   | <b>500</b>  | <b>522</b>  |
| Revenue growth                              | -6.1%       | 2.2%        | 1.2%         | -4.6%       | 11.5%       | -3.4%       | 11.3%        | -8.6%        | 2.5%         | 8.3%        | 4.3%        |
| of which organic                            | n.a.        | n.a.        | n.a.         | n.a.        | n.a.        | n.a.        | 3.9%         | -7.2%        | 2.5%         | 6.2%        | 4.4%        |
| of which FX                                 | n.a.        | n.a.        | n.a.         | n.a.        | n.a.        | n.a.        | 7.4%         | -1.4%        | 0.0%         | 2.1%        | -0.1%       |
| EBITDA                                      | 44          | 34          | 26           | 34          | 61          | 47          | 14           | 11           | 19           | 32          | 37          |
| 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           | 0            | 13          | 16          |
| Amortisation and impairments                | 0           | 0           | 0            | 0           | 0           | 0           | 0            | 0            | 0            | 0           | 0           |
| EBIT  | 26          | 15          | 5            | 8           | 39          | 27          | -9           | -8           | 0            | 13          | 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>-5</b>    | <b>9</b>    | <b>13</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          | -5           | 7           | 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          | -5           | 7           | 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>-0.09</b> | <b>0.12</b> | <b>0.18</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        |
| <b>Profit margin in percent</b>             |             |             |              |             |             |             |              |              |              |             |             |
| EBITDA                                      | 10.6%       | 8.1%        | 5.9%         | 8.2%        | 13.3%       | 10.6%       | 2.9%         | 2.5%         | 4.0%         | 6.5%        | 7.1%        |
| EBITA                                       | 6.1%        | 3.5%        | 1.1%         | 2.0%        | 8.6%        | 6.1%        | -1.8%        | -1.7%        | 0.0%         | 2.5%        | 3.1%        |
| EBIT  | 6.1%        | 3.5%        | 1.1%         | 2.0%        | 8.6%        | 6.1%        | -1.8%        | -1.7%        | 0.0%         | 2.5%        | 3.1%        |
| <b>Adjusted earnings</b>                    |             |             |              |             |             |             |              |              |              |             |             |
| EBITDA (adj)                                | 44          | 34          | 26           | 34          | 61          | 47          | 15           | 16           | 20           | 32          | 37          |
| EBITA (adj)                                 | 26          | 15          | 5            | 8           | 39          | 27          | -4           | -3           | 1            | 13          | 16          |
| EBIT (adj)                                  | 26          | 15          | 5            | 8           | 39          | 27          | -4           | -3           | 1            | 13          | 16          |
| EPS (adj, EUR)                              | 0.30        | 0.25        | -0.03        | 0.00        | 0.52        | 0.36        | -0.16        | -0.14        | -0.07        | 0.12        | 0.18        |
| <b>Adjusted profit margins in percent</b>   |             |             |              |             |             |             |              |              |              |             |             |
| EBITDA (adj)                                | 10.6%       | 8.1%        | 5.9%         | 8.2%        | 13.3%       | 10.6%       | 3.1%         | 3.5%         | 4.3%         | 6.5%        | 7.1%        |
| EBITA (adj)                                 | 6.1%        | 3.5%        | 1.1%         | 2.0%        | 8.6%        | 6.1%        | -0.8%        | -0.6%        | 0.2%         | 2.5%        | 3.1%        |
| EBIT (adj)                                  | 6.1%        | 3.5%        | 1.1%         | 2.0%        | 8.6%        | 6.1%        | -0.8%        | -0.6%        | 0.2%         | 2.5%        | 3.1%        |
| <b>Performance metrics</b>                  |             |             |              |             |             |             |              |              |              |             |             |
| CAGR last 5 years                           |             |             |              |             |             |             |              |              |              |             |             |
| Net revenue                                 | n.a.        | -1.3%       | -0.6%        | 0.5%        | 0.7%        | 1.2%        | 3.0%         | 0.9%         | 2.4%         | 1.7%        | 3.3%        |
| EBITDA                                      | n.m.        | 3.8%        | -5.4%        | -4.1%       | 4.3%        | 1.3%        | -16.0%       | -15.3%       | -11.3%       | -11.9%      | -4.7%       |
| EBIT  | n.a.        | 6.3%        | -23.3%       | -20.7%      | 4.5%        | 1.0%        | n.m.         | n.m.         | n.m.         | -20.5%      | -9.7%       |
| EPS   | n.a.        | n.m.        | n.m.         | -47.9%      | 9.0%        | 3.5%        | n.m.         | n.m.         | n.m.         | -25.5%      | -13.2%      |
| 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%         | 2.2%         | 1.0%        | 0.5%        |
| Average EBITDA margin                       | 9.1%        | 9.5%        | 9.2%         | 8.8%        | 9.3%        | 9.3%        | 8.1%         | 7.4%         | 6.6%         | 5.3%        | 4.7%        |
| <b>VALUATION RATIOS - ADJUSTED EARNINGS</b> |             |             |              |             |             |             |              |              |              |             |             |
| 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.         | 17.9        | 12.3        |
| EV/EBITDA (adj)                             | 6.1         | 9.7         | 7.4          | 6.0         | 5.5         | 7.5         | 14.9         | 13.1         | 9.4          | 6.0         | 5.1         |
| EV/EBITA (adj)                              | 10.5        | 22.3        | 41.2         | 24.8        | 8.4         | 13.0        | n.m.         | n.m.         | 185.7        | 15.3        | 11.7        |
| EV/EBIT (adj)                               | 10.5        | 22.3        | 41.2         | 24.8        | 8.4         | 13.0        | n.m.         | n.m.         | 185.7        | 15.3        | 11.7        |
| <b>VALUATION RATIOS - REPORTED EARNINGS</b> |             |             |              |             |             |             |              |              |              |             |             |
| 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.         | 17.9        | 12.3        |
| EV/Sales                                    | 0.64        | 0.79        | 0.44         | 0.49        | 0.73        | 0.79        | 0.46         | 0.46         | 0.40         | 0.38        | 0.36        |
| EV/EBITDA                                   | 6.1         | 9.7         | 7.4          | 6.0         | 5.5         | 7.5         | 16.0         | 18.6         | 10.0         | 6.0         | 5.1         |
| EV/EBITA                                    | 10.5        | 22.3        | 41.2         | 24.8        | 8.4         | 13.0        | n.m.         | n.m.         | n.m.         | 15.3        | 11.7        |
| EV/EBIT                                     | 10.5        | 22.3        | 41.2         | 24.8        | 8.4         | 13.0        | n.m.         | n.m.         | n.m.         | 15.3        | 11.7        |
| Dividend yield (ord.)                       | 2.7%        | 2.5%        | 0.0%         | 2.2%        | 3.9%        | 3.9%        | 3.3%         | 3.5%         | 0.0%         | 4.7%        | 5.1%        |
| FCF yield                                   | -10.0%      | -4.6%       | 14.7%        | 14.6%       | 15.6%       | -1.4%       | 2.4%         | 12.0%        | -5.5%        | -3.9%       | 9.9%        |
| FCF Yield bef A&D, lease adj                | -10.0%      | -4.6%       | 14.7%        | 14.6%       | 15.6%       | -2.2%       | 2.4%         | 9.9%         | -7.9%        | -6.4%       | 7.4%        |
| Payout ratio                                | 36.6%       | 43.6%       | 0.0%         | 1,284.7%    | 38.4%       | 56.2%       | n.m.         | n.m.         | 0.0%         | 83.5%       | 62.8%       |

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         | 45         | 47         |
| Accounts receivable                   | 54         | 58         | 58         | 47         | 51         | 65         | 67         | 62         | 62         | 67         | 70         |
| 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        | 145        | 145        | 154        |
| 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>290</b> | <b>303</b> | <b>311</b> |
| Shareholders equity                   | 143        | 136        | 131        | 132        | 146        | 163        | 146        | 125        | 114        | 121        | 125        |
| 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        | 114        | 121        | 125        |
| 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         | 75         | 81         | 84         |
| 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        | 122        | 129        | 132        |
| 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>290</b> | <b>303</b> | <b>311</b> |
| <b>Balance sheet and debt metrics</b> |            |            |            |            |            |            |            |            |            |            |            |
| Net debt                              | 58         | 81         | 71         | 69         | 37         | 50         | 55         | 44         | 59         | 67         | 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         | 38         |
| Invested capital                      | 220        | 235        | 217        | 219        | 204        | 228        | 214        | 179        | 180        | 195        | 196        |
| Capital employed                      | 237        | 247        | 232        | 242        | 246        | 312        | 249        | 227        | 201        | 208        | 212        |
| ROE                                   | 11.4%      | 10.4%      | -1.3%      | 0.2%       | 21.6%      | 13.4%      | -9.0%      | -9.4%      | -4.6%      | 6.0%       | 8.3%       |
| ROIC                                  | 10.0%      | 5.1%       | 1.6%       | 2.9%       | 14.5%      | 9.7%       | -1.5%      | -1.1%      | 0.4%       | 5.2%       | 6.5%       |
| ROCE                                  | 11.1%      | 6.2%       | 1.9%       | 3.4%       | 16.2%      | 9.6%       | -1.5%      | -1.2%      | 0.5%       | 6.1%       | 7.7%       |
| Net debt/EBITDA                       | 1.3        | 2.4        | 2.8        | 2.0        | 0.6        | 1.1        | 3.8        | 3.9        | 3.2        | 2.1        | 1.7        |
| Interest coverage                     | 8.1        | 5.8        | 0.8        | 1.4        | 7.1        | 69.1       | -3.1       | -1.5       | -0.1       | 4.8        | 7.7        |
| Equity ratio                          | 45.3%      | 41.8%      | 40.7%      | 42.7%      | 46.0%      | 42.2%      | 42.6%      | 39.5%      | 39.2%      | 39.8%      | 40.1%      |
| Net gearing                           | 40.7%      | 59.6%      | 54.7%      | 51.9%      | 25.4%      | 30.4%      | 37.4%      | 34.8%      | 52.1%      | 55.8%      | 51.1%      |

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>19</b> | <b>32</b> | <b>37</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>27</b> | <b>31</b> |
| Change in NWC                          | -6         | -8         | 6         | 2         | -1        | -25       | 8         | 26        | -4        | -2        | -2        |
| <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.      | 81.7%     |
| Capex/Sales                            | 11.9%      | 7.9%       | 3.4%      | 2.6%      | 2.4%      | 4.0%      | 2.0%      | 2.4%      | 3.5%      | 6.0%      | 3.3%      |
| <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       | 125       | 125       | 125       |
| Enterprise value                       | 268        | 335        | 189       | 202       | 333       | 351       | 229       | 208       | 184       | 193       | 189       |
| 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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