

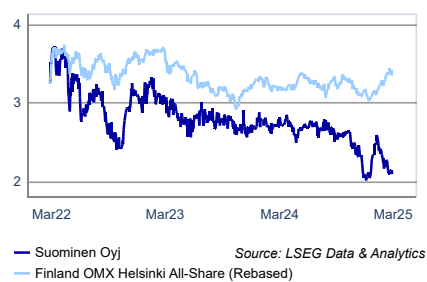
Suominen

Consumer Goods
Finland

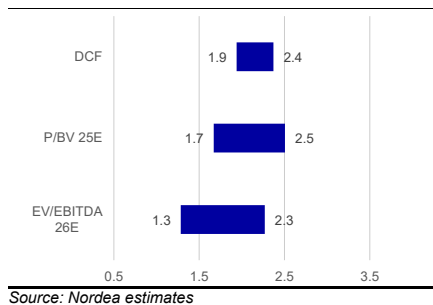
KEY DATA

Stock country	Finland
Bloomberg	SUY1V FH
Reuters	SUY1V.HE
Share price (close)	EUR 2.10
Free float	76%
Market cap. (bn)	EUR 0.12/EUR 0.12
Website	www.suominen.fi
Next report date	07 May 2025

PERFORMANCE



VALUATION APPROACH (EUR/SHARE)



ESTIMATE CHANGES

Year	2025E	2026E	2027E
Sales	-2%	-2%	-1%
EBIT (adj)	-69%	-46%	-27%

Source: Nordea estimates

Nordea IB & Equity - Analysts

Joni Sandvall
AnalystJukka-Pekka Pesonen
Analyst

Volatility in trade flows to remain an issue

Suominen's Q4 comparable EBITDA fell clearly short of Vara Research consensus, owing to volume pressure and higher raw material costs. The company expects solid end-market demand to continue, however increasing import volumes from low-cost countries and possible supply-chain issues linked to US tariffs could hamper margins in 2025. The company continues to improve its operational efficiency and new investments should start to support earnings from H2 onwards. We derive a lower DCF- and multiples-based fair value range of EUR 1.6-2.4 (1.8-2.6).

Competitive environment likely to remain challenging in 2025

Suominen's Q4 comparable EBITDA of EUR 4.2m fell 40% below consensus of EUR 7.0m. Net sales of EUR 118.5m were in line with consensus, but raw material expenses were higher than expected. We believe the company could benefit from lower pulp prices in H1 2025, but intensified competition from low-cost countries, especially in Europe, could burden volumes and margins, we argue. In the Americas, trade tensions could raise raw material costs, but Suominen can serve its clients from local manufacturing sites. Bethune and Alicante investments are proceeding according to the company's plan; we expect positive contribution from Bethune in H2 and from Alicante in 2026. Given the ongoing investment phase and leverage at ~3.5x, its board of directors does not propose any dividend for 2024.

Guidance for 2025 does not offer much visibility

Suominen expects its comparable EBITDA to improve in 2025 from EUR 17m in 2024. According to the company, underlying demand is good, but we note increasing pressure on conventional product volumes from low-cost country imports. The company continues to tune its operations and commercial excellence but does not expect any tailwinds from the market. We reset our expectations and slash 2025E comparable EBITDA by 29%, now modelling EUR 22.8m. Given elevated leverage and breakeven net income, we do not expect dividends from 2025.

Fair value range of EUR 1.6-2.4 (1.8-2.6) per share

We calculate a lower fair value range of EUR 1.6-2.4 (1.8-2.6), based on the combination of three valuation approaches (DCF, 2025E P/BV, 2026E EV/EBITDA). The company is currently updating its strategy and financial targets. We expect the company to trim its current 12% EBITDA margin target, while we believe other targets are likely to remain intact.

SUMMARY TABLE - KEY FIGURES

EURm	2021	2022	2023	2024	2025E	2026E	2027E
Total revenue	443	493	451	462	490	513	528
EBITDA (adj)	47	15	16	17	23	29	34
EBIT (adj)	27	-4	-3	-1	4	9	14
EBIT (adj) margin	6.1%	-0.8%	-0.6%	-0.3%	0.8%	1.7%	2.7%
EPS (adj, EUR)	0.36	-0.16	-0.14	-0.09	0.00	0.07	0.15
EPS (adj) growth	-31.6%	-143.7%	11.5%	31.9%	99.2%	9,804.2%	118.0%
DPS (ord, EUR)	0.20	0.10	0.10	0.00	0.00	0.05	0.06
EV/Sales	0.8	0.5	0.5	0.4	0.4	0.4	0.3
EV/EBIT (adj)	13.0	n.m.	n.m.	n.m.	48.1	21.8	12.7
P/E (adj)	14.6	n.m.	n.m.	n.m.	n.m.	30.0	13.8
P/BV	1.8	1.2	1.3	1.1	1.0	1.0	1.0
Dividend yield (ord)	3.9%	3.3%	3.5%	0.0%	0.0%	2.4%	2.9%
FCF Yield bef A&D, lease	-2.2%	2.4%	12.0%	-7.8%	-5.9%	-0.5%	8.7%
Net debt	50	55	44	60	68	68	60
Net debt/EBITDA	1.1	3.8	3.9	3.5	3.0	2.4	1.8
ROIC after tax	9.7%	-1.5%	-1.1%	-0.6%	1.6%	3.5%	5.8%

Source: Company data and Nordea estimates

Q4 result takeaways

Q4 comparable EBITDA of EUR 4.2m, 40% below consensus expectations

- Suominen's Q4 comparable EBITDA of EUR 4.2m came in 40% below Vara Research consensus of EUR 7.0m. The operational issues that the company faced in Q3 (EUR ~3m impact) were resolved, but increased competition from low-cost countries affected the result.
- Q4 sales of EUR 119m were in line with consensus. According to Suominen, sales volumes increased y/y, while prices declined. Americas sales of EUR 73m came in a tad short of our estimate of EUR 74m, while EMEA sales of EUR 46m were slightly above our EUR 44m estimate.
- Cash flow was weaker than we had anticipated. Q4 cash flow from operations was EUR 6.5m, compared to our estimate of EUR 11.8m, driven by lower release of working capital and adjustments. Net debt declined to EUR 60.8m (EUR 63.3m at the end of Q3 2024), corresponding to net gearing of 51.7% and leverage of 3.6x.
- No dividend was proposed (we expected none).

Q4 DEVIATION TABLE (EPS IN EUR)

EURm	Actual	NDA est.	Deviation		Consensus	Deviation		Actual		Actual	
	Q4 24	Q4 24E	vs. actual		Q4 24E	vs. actual		Q3 24	q/q	Q4 23	y/y
Sales	118.5	118.4	0.1	0%	119.0	-0.5	0%	111.6	6%	114.9	3%
Comparable EBITDA	4.2	7.0	-2.8	-40%	7.0	-2.8	-40%	3.3	27%	5.3	-20%
EBITDA margin	3.5%	5.9%	-2.3pp		5.9%	-2.3pp		3.0%	0.6pp	4.6%	-1.0pp
Comparable operating profit	-0.3	2.2	-2.5	-114%	2.4	-2.7	-113%	-1.5	-80%	0.7	-145%
Operating margin	-0.3%	1.8%	-2.1pp		2.0%	-2.3pp		-1.3%	1.1pp	0.6%	-0.8pp
EPS	0.01	0.01	0.00	n.m.	0.01	0.00	-25%	-0.05	-118%	-0.02	-141%

Source: Company data, Vara Research and Nordea estimates

Guidance for 2025 introduced – improving comparable EBITDA

- Suominen expects comparable EBITDA to increase in 2025, from EUR 17.0m in 2024. Pre-Q4 consensus was for EUR 30.7m of comparable EBITDA in 2025. We now forecast EUR 22.8m comparable EBITDA for 2025.

Estimate revisions

ESTIMATE REVISIONS (EPS AND DPS IN EUR)

EURm	New estimates				Old estimates				Difference %			
	Q1 25E	2025E	2026E	2027E	Q1 25E	2025E	2026E	2027E	Q1 25E	2025E	2026E	2027E
Sales	116	490	513	528	121	500	522	536	-4%	-2%	-2%	-1%
- growth	2%	6%	5%	3%	7%	8%	4%	3%	-4.2pp	-2.3pp	0.4pp	0.4pp
Comparable EBITDA	3.9	23	29	34	7.0	32	37	40	-45%	-29%	-23%	-15%
EBITDA margin	3.3%	4.7%	5.6%	6.5%	5.8%	6.5%	7.1%	7.6%	-2.5pp	-1.8pp	-1.5pp	-1.1pp
Comparable op profit	-0.6	4	9	14	2.2	13	16	20	-128%	-69%	-46%	-27%
Operating margin	-0.5%	0.8%	1.7%	2.7%	1.8%	2.5%	3.1%	3.7%	-2.4pp	-1.7pp	-1.4pp	-0.9pp
Pre-tax profit	-1.6	0	5	11	1.3	9	13	17	-222%	-101%	-60%	-33%
EPS	-0.02	0.00	0.07	0.15	0.02	0.12	0.18	0.23	-222%	-101%	-60%	-33%
DPS		0.00	0.05	0.06		0.10	0.11	0.12		n.m.	-55%	-50%
Volume growth (est)	-1.8%	1.2%	2.7%	2.0%	4.3%	4.0%	2.4%	1.6%	-6.1pp	-2.8pp	0.4pp	0.4pp
ASP change (est)	1.9%	2.7%	2.0%	1.0%	0.0%	2.2%	2.0%	1.0%	1.9pp	0.5pp	0.0pp	0.0pp
Organic growth	0.1%	3.9%	4.7%	3.0%	4.3%	6.2%	4.4%	2.6%	-4.2pp	-2.3pp	0.4pp	0.4pp
FX impact on topline	2.2%	2.0%	-0.1%	0.0%	2.2%	2.1%	-0.1%	0.0%	0.0pp	0.0pp	0.0pp	0.0pp
Raw material price inflation		4.2 %	2.0 %	0.5 %		0.9 %	2.5 %	1.0 %		3.3pp	-0.5pp	-0.5pp

Source: Nordea estimates

Detailed estimates

QUARTERLY ESTIMATES

EURm	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25E	Q2 25E	Q3 25E	Q4 25E
Net sales	117	113	106	115	114	119	112	119	116	123	123	128
growth y/y	6%	-5%	-19%	-14%	-3%	5%	5%	3%	2%	4%	10%	8%
on constant currencies	3%	-3%	-15%	-10%	-2%	5%	6%	3%	0%	2%	7%	7%
Gross profit	5	3	6	8	8	9	5	8	8	0	0	0
gross margin, %	4.2%	2.7%	6.0%	7.3%	7.2%	7.5%	4.6%	6.4%	6.8%	0.0%	0.0%	0.0%
EBITDA	3	-2	5	5	5	4	3	5	4	5	6	8
Adj. EBITDA	3	3	5	5	4	5	3	4	4	5	6	8
Adj. EBITDA margin, %	2.3%	2.4%	4.9%	4.6%	3.9%	4.2%	3.0%	3.6%	3.3%	4.2%	4.8%	6.2%
D&A	-4.7	-4.8	-4.5	-4.6	-4.6	-4.6	-4.8	-4.5	-4.5	-4.7	-4.8	-4.9
EBIT	-2.1	-6.7	0.6	0.7	0.1	-0.8	-1.4	0.9	-0.6	0.5	1.1	3.0
Adj. EBIT	-2.0	-2.1	0.7	0.7	-0.1	0.4	-1.5	-0.3	-0.6	0.5	1.1	3.0
Adj. EBIT margin, %	-1.7%	-1.9%	0.6%	0.6%	-0.1%	0.3%	-1.3%	-0.2%	-0.5%	0.4%	0.9%	2.3%
Net financials	-1.5	-1.3	-1.2	-2.0	-0.8	-1.1	-1.9	-0.3	-1.0	-1.0	-1.0	-1.0
PTP	-3.6	-8.0	-0.5	-1.3	-0.7	-1.9	-3.3	0.6	-1.6	-0.5	0.1	2.0
Income taxes	-0.3	-0.2	1.3	-0.1	-0.3	0.0	0.1	0.3	0.4	0.1	0.0	-0.4
Net profit	-3.9	-8.2	0.8	-1.4	-1.0	-1.9	-3.2	0.8	-1.3	-0.4	0.1	1.6
EPS, EUR	-0.07	-0.14	0.01	-0.02	-0.02	-0.03	-0.05	0.01	-0.02	-0.01	0.00	0.03
DPS, EUR												
Geographical split	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25E	Q2 25E	Q3 25E	Q4 25E
Net sales, EURm												
Americas	75.0	69.8	70.9	72.3	70.0	75.7	69.5	72.7	71.9	79.7	78.8	80.6
Europe	41.8	42.9	35.6	42.6	43.5	43.0	42.1	45.8	44.4	43.4	43.7	47.2
Sales growth, y/y												
Americas					-7%	8%	-2%	0%	3%	5%	13%	11%
Europe					4%	0%	18%	7%	2%	1%	4%	3%

Source: Company data and Nordea estimates

ANNUAL ESTIMATES

EURm	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Net sales	431	411	459	443	493	451	462	490	513	528
growth y/y	1%	-5%	12%	-3%	11%	-9%	3%	6%	5%	3%
on constant currencies	4%	-7%	14%	-1%	4%	-7%	3%	4%	5%	3%
Gross profit	31	34	70	51	19	23	30	38	46	53
gross margin, %	7.3%	8.3%	15.2%	11.5%	3.8%	5.0%	6.4%	7.8%	9.0%	10.0%
EBITDA	26	34	61	47	14	11	17	23	29	34
Adj. EBITDA	26	34	61	47	15	16	17	23	29	34
Adj. EBITDA margin, %	5.9%	8.2%	13.3%	10.6%	3.1%	3.5%	3.7%	4.7%	5.6%	6.5%
D&A	-21	-26	-21	-20	-23	-19	-18	-19	-20	-20
EBIT	5	8	39	27	-9	-8	-1	4	9	14
Adj. EBIT	5	8	39	27	-4	-3	-1	4	9	14
Adj. EBIT margin, %	1.1%	2.0%	8.6%	6.1%	-0.8%	-0.6%	-0.3%	0.8%	1.7%	2.7%
Net financials	-6	-6	-6	0	-3	-6	-4	-4	-4	-3
PTP	-1	2	34	27	-12	-14	-5	0	5	11
Income taxes	-1	-2	-4	-6	-2	1	0	0	-1	-3
Net profit	-2	0	30	21	-14	-13	-5	0	4	9
EPS, EUR	-0.03	0.00	0.52	0.36	-0.24	-0.22	-0.09	0.00	0.07	0.15
DPS, EUR	0.00	0.05	0.20	0.20	0.10	0.10	0.00	0.00	0.05	0.06
Geographical split	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Net sales, EURm										
Americas		262	289	265	288	288	288	311	323	333
Europe		150	170	178	206	163	174	179	190	195
Sales growth, y/y										
Americas			10%	-8%	9%	0%	0%	8%	4%	3%
Europe			13%	5%	15%	-21%	7%	2%	6%	3%

Source: Company data and Nordea estimates

Valuation

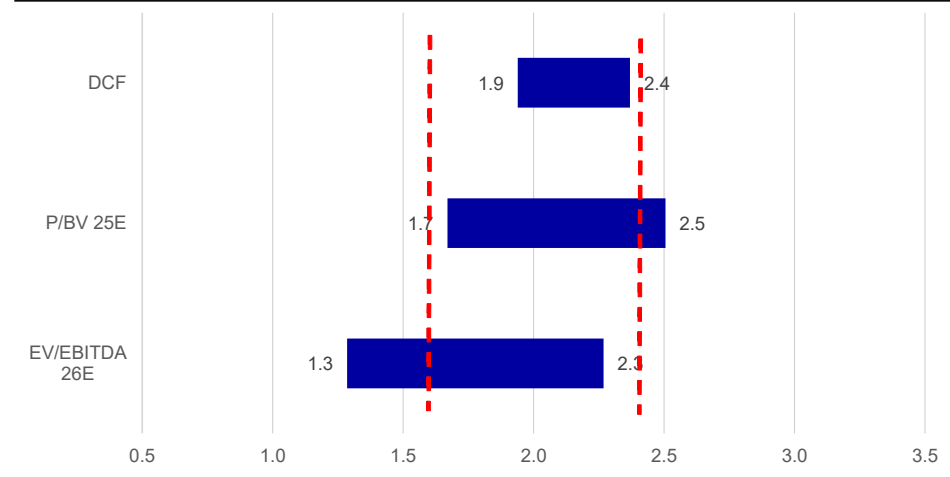
We estimate a fair value range of EUR 1.6-2.4 (1.8-2.6), based on a combination of three valuation approaches (DCF, 2025E P/BV and 2026E EV/EBITDA).

Fair value range of EUR 1.6-2.4

Our multiples-based valuation supports a valuation range of EUR 1.5-2.4, while our DCF-based valuation yields a range of EUR 1.9-2.4.

VALUATION APPROACH (EUR/SHARE)

We derive a fair value range of EUR 1.6-2.4 per share



Source: Nordea estimates

DCF yields a range of EUR 1.9-2.4 per share

The outcome of our DCF valuation is EUR 1.9-2.4. We use a WACC of 7.4-8.6%, assuming a terminal growth rate of 2.5% with an EBIT margin of 3.1%.

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%
WACC	7.4-8.6%

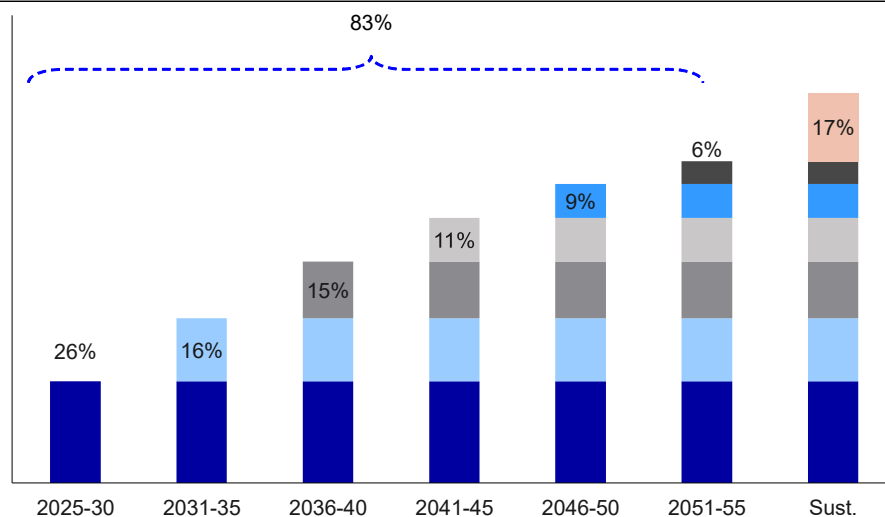
Source: Nordea estimates

DCF VALUE (EURm AND EUR)

DCF value	Value	Per share
NPV FCFF	172-197	2.9-3.4
(Net debt)	-60	-1.0
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	2	0.0
DCF Value	113-138	1.9-2.4

Source: Nordea estimates

DCF VALUATION COMPOSITION



Source: Nordea estimates

DCF ASSUMPTIONS

Averages and assumptions	2025-30	2031-35	2036-40	2041-45	2046-50	2051-55	Sust.
Sales growth, CAGR	3.11%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
EBIT-margin, excluding associate:	2.9%	3.1%	3.1%	3.1%	3.1%	2.5%	2.5%
Capex/depreciation, x	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Capex/sales	3.8%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
NWC/sales	6.2%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%
FCFF, CAGR	-239.5%		2.5%	2.5%	2.5%	-3.1%	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 ± 1 pp for WACC, ± 1 pp for sales growth and ± 1 pp for the EBIT margin, our DCF model yields a value range of EUR 1.0-4.0 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	7.1	5.2	3.9	3.1	2.4
	1.0pp	5.5	4.0	3.0	2.4	1.9
	0.0pp	3.9	2.8	2.2	1.7	1.3
	-1.0pp	2.3	1.7	1.3	1.0	0.7
	-2.0pp	0.7	0.5	0.4	0.3	0.2

- A +/-1pp sales growth change translates to a change of +11%/-9% 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	5.1	3.6	2.7	2.0	1.6
	1.0pp	4.4	3.2	2.4	1.8	1.4
	0.0pp	3.9	2.8	2.2	1.7	1.3
	-1.0pp	3.5	2.6	2.0	1.5	1.2
	-2.0pp	3.1	2.3	1.8	1.4	1.1

- A +/-1pp EBIT margin change translates to a +/-41% 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	3.2	3.5	3.9	4.4	5.0
	1.0pp	2.5	2.7	3.0	3.4	3.8
	0.0pp	1.8	2.0	2.2	2.4	2.7
	-1.0pp	1.1	1.2	1.3	1.4	1.5
	-2.0pp	0.4	0.4	0.4	0.4	0.3

Source: Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

EURm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Total revenue	426	431	411	459	443	493	451	462	490	513	528
Revenue growth	2.2%	1.2%	-4.6%	11.5%	-3.4%	11.3%	-8.6%	2.5%	5.9%	4.7%	3.0%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	3.9%	-7.2%	2.5%	3.9%	4.7%	3.0%
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	7.4%	-1.4%	0.0%	2.0%	-0.1%	0.0%
EBITDA	34	26	34	61	47	14	11	17	23	29	34
Depreciation and impairments PPE	-19	-21	-26	-21	-20	-23	-19	-18	-19	-20	-20
of which leased assets	0	0	0	0	0	0	-4	-3	-3	-3	-3
EBITA	15	5	8	39	27	-9	-8	-1	4	9	14
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	15	5	8	39	27	-9	-8	-1	4	9	14
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	-6	-6	-6	0	-3	-6	-4	-4	-4	-3
of which lease interest	0	0	0	0	0	0	-1	-1	-1	-1	-1
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	12	-1	2	34	27	-12	-14	-5	0	5	11
Reported taxes	2	-1	-2	-4	-6	-2	1	0	0	-1	-3
Net profit from continued operations	14	-2	0	30	21	-14	-13	-5	0	4	9
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	14	-2	0	30	21	-14	-13	-5	0	4	9
EPS, EUR	0.25	-0.03	0.00	0.52	0.36	-0.24	-0.22	-0.09	0.00	0.07	0.15
DPS, EUR	0.11	0.00	0.05	0.20	0.20	0.10	0.10	0.00	0.00	0.05	0.06
of which ordinary	0.11	0.00	0.05	0.20	0.20	0.10	0.10	0.00	0.00	0.05	0.06
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	8.1%	5.9%	8.2%	13.3%	10.6%	2.9%	2.5%	3.7%	4.7%	5.6%	6.5%
EBITA	3.5%	1.1%	2.0%	8.6%	6.1%	-1.8%	-1.7%	-0.3%	0.8%	1.7%	2.7%
EBIT	3.5%	1.1%	2.0%	8.6%	6.1%	-1.8%	-1.7%	-0.3%	0.8%	1.7%	2.7%

Adjusted earnings

EBITDA (adj)	34	26	34	61	47	15	16	17	23	29	34
EBITA (adj)	15	5	8	39	27	-4	-3	-1	4	9	14
EBIT (adj)	15	5	8	39	27	-4	-3	-1	4	9	14
EPS (adj, EUR)	0.25	-0.03	0.00	0.52	0.36	-0.16	-0.14	-0.09	0.00	0.07	0.15

Adjusted profit margins in percent

EBITDA (adj)	8.1%	5.9%	8.2%	13.3%	10.6%	3.1%	3.5%	3.7%	4.7%	5.6%	6.5%
EBITA (adj)	3.5%	1.1%	2.0%	8.6%	6.1%	-0.8%	-0.6%	-0.3%	0.8%	1.7%	2.7%
EBIT (adj)	3.5%	1.1%	2.0%	8.6%	6.1%	-0.8%	-0.6%	-0.3%	0.8%	1.7%	2.7%

Performance metrics

CAGR last 5 years											
Net revenue	-1.3%	-0.6%	0.5%	0.7%	1.2%	3.0%	0.9%	2.4%	1.3%	3.0%	1.4%
EBITDA	3.8%	-5.4%	-4.1%	4.3%	1.3%	-16.0%	-15.3%	-12.6%	-17.8%	-9.4%	19.0%
EBIT	6.3%	-23.3%	-20.7%	4.5%	1.0%	n.m.	n.m.	n.m.	-36.9%	-20.2%	n.m.
EPS	n.m.	n.m.	-47.9%	9.0%	3.5%	n.m.	n.m.	n.m.	n.m.	-27.8%	n.m.
DPS	n.m.	n.m.	0.0%	14.9%	12.7%	-1.9%	n.m.	n.m.	n.m.	-24.2%	-9.7%
Average last 5 years											
Average EBIT margin	5.4%	4.9%	4.0%	4.3%	4.3%	3.1%	2.6%	2.1%	0.6%	-0.2%	0.7%
Average EBITDA margin	9.5%	9.2%	8.8%	9.3%	9.3%	8.1%	7.4%	6.5%	4.8%	3.9%	4.7%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
P/E (adj)	17.5	n.m.	n.m.	9.8	14.6	n.m.	n.m.	n.m.	n.m.	30.0	13.8
EV/EBITDA (adj)	9.7	7.4	6.0	5.5	7.5	14.9	13.1	11.4	8.3	6.7	5.3
EV/EBITA (adj)	22.3	41.2	24.8	8.4	13.0	n.m.	n.m.	n.m.	48.1	21.8	12.7
EV/EBIT (adj)	22.3	41.2	24.8	8.4	13.0	n.m.	n.m.	n.m.	48.1	21.8	12.7

VALUATION RATIOS - REPORTED EARNINGS

EURm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
P/E	17.5	n.m.	n.m.	9.8	14.6	n.m.	n.m.	n.m.	n.m.	30.0	13.8
EV/Sales	0.79	0.44	0.49	0.73	0.79	0.46	0.46	0.42	0.39	0.37	0.35
EV/EBITDA	9.7	7.4	6.0	5.5	7.5	16.0	18.6	11.3	8.3	6.7	5.3
EV/EBITA	22.3	41.2	24.8	8.4	13.0	n.m.	n.m.	n.m.	48.1	21.8	12.7
EV/EBIT	22.3	41.2	24.8	8.4	13.0	n.m.	n.m.	n.m.	48.1	21.8	12.7
Dividend yield (ord.)	2.5%	0.0%	2.2%	3.9%	3.9%	3.3%	3.5%	0.0%	0.0%	2.4%	2.9%
FCF yield	-4.6%	14.7%	14.6%	15.6%	-1.4%	2.4%	12.0%	-7.8%	-3.2%	2.1%	11.3%
FCF Yield bef A&D, lease adj	-4.6%	14.7%	14.6%	15.6%	-2.2%	2.4%	12.0%	-7.8%	-5.9%	-0.5%	8.7%
Payout ratio	43.6%	0.0%	1,284.7%	38.4%	56.2%	n.m.	n.m.	0.0%	0.0%	71.5%	39.3%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Intangible assets	33	37	36	32	29	25	22	18	18	18	18
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	17	21	20	17	13	10	6	3	3	3	3
of which goodwill	16	16	15	15	15	15	15	15	15	15	15
Tangible assets	137	129	136	122	131	128	124	131	139	143	140
of which leased assets	0	0	14	18	16	12	11	11	8	8	8
Shares associates	0	0	0	0	0	0	0	0	0	0	0
Interest bearing assets	3	3	4	4	0	0	0	0	0	0	0
Deferred tax assets	5	3	2	4	2	1	2	2	2	2	2
Other non-IB non-current assets	1	1	1	1	0	0	0	0	0	0	0
Other non-current assets	2	1	0	0	0	0	0	0	0	0	0
Total non-current assets	180	174	178	164	162	155	148	152	161	164	161
Inventory	44	52	39	35	50	63	38	47	44	46	48
Accounts receivable	58	58	47	51	65	67	62	62	66	69	71
Short-term leased assets	0	0	0	0	0	0	0	0	3	3	3
Other current assets	16	9	8	9	8	9	9	7	7	7	8
Cash and bank	27	28	38	58	101	50	59	41	34	34	41
Total current assets	145	147	132	154	225	188	168	158	155	160	171
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.
Total assets	326	321	310	317	387	343	316	310	315	323	332
Shareholders equity	136	131	132	146	163	146	125	118	118	122	128
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	136	131	132	146	163	146	125	118	118	122	128
Deferred tax	15	12	13	13	14	12	9	8	8	8	8
Long term interest bearing debt	95	81	82	83	49	49	49	50	50	50	50
Pension provisions	1	1	1	1	1	0	0	0	0	0	0
Other long-term provisions	0	0	0	2	2	2	1	1	1	1	1
Other long-term liabilities	0	0	2	0	0	0	0	0	0	0	0
Non-current lease debt	0	0	10	15	13	11	10	9	9	9	9
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	111	94	107	114	79	75	69	68	67	67	67
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	63	75	53	55	57	79	75	82	87	91	93
Current lease debt	0	0	3	3	3	3	3	3	3	3	3
Other current liabilities	0	0	0	0	0	0	4	0	0	0	0
Short term interest bearing debt	15	21	14	0	84	40	40	40	40	40	40
Total current liabilities	78	96	70	58	145	122	122	125	130	134	137
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	326	321	310	317	387	343	316	310	315	323	332
Balance sheet and debt metrics											
Net debt	81	71	69	37	50	55	44	60	68	68	60
of which lease debt	0	0	13	17	16	14	13	12	12	12	12
Working capital	55	43	41	41	66	59	31	34	30	32	33
Invested capital	235	217	219	204	228	214	179	187	191	195	194
Capital employed	247	232	242	246	312	249	227	219	219	223	229
ROE	10.4%	-1.3%	0.2%	21.6%	13.4%	-9.0%	-9.4%	-4.4%	0.0%	3.4%	7.1%
ROIC	5.1%	1.6%	2.9%	14.5%	9.7%	-1.5%	-1.1%	-0.6%	1.6%	3.5%	5.8%
ROCE	6.2%	1.9%	3.4%	16.2%	9.6%	-1.5%	-1.2%	-0.6%	1.8%	3.9%	6.4%
Net debt/EBITDA	2.4	2.8	2.0	0.6	1.1	3.8	3.9	3.5	3.0	2.4	1.8
Interest coverage	5.8	0.8	1.4	7.1	69.1	-3.1	-1.5	-0.4	1.3	3.5	7.2
Equity ratio	41.8%	40.7%	42.7%	46.0%	42.2%	42.6%	39.5%	37.9%	37.3%	37.6%	38.4%
Net gearing	59.6%	54.7%	51.9%	25.4%	30.4%	37.4%	34.8%	51.4%	57.5%	56.1%	47.4%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
EBITDA (adj) for associates	34	26	34	61	47	14	11	17	23	29	34
Paid taxes	2	6	-1	-2	-7	-3	-4	-1	0	-1	-3
Net financials	-3	-5	-5	-4	-5	-5	-5	-5	-4	-4	-3
Change in provisions	0	0	0	2	0	0	-2	0	0	0	0
Change in other LT non-IB	-1	3	3	-4	3	1	-1	0	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	-3	-3	-2	5	-1	-1	6	-1	0	0	0
Funds from operations (FFO)	30	27	28	58	36	6	5	10	19	24	29
Change in NWC	-8	6	2	-1	-25	8	26	-6	4	-1	-1
Cash flow from operations (CFO)	22	32	30	57	11	14	31	4	23	23	28
Capital expenditure	-34	-15	-11	-11	-18	-10	-11	-14	-27	-20	-14
Free cash flow before A&D	-12	17	19	46	-7	4	20	-10	-4	3	14
Proceeds from sale of assets	0	0	0	0	2	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0	0	0	0	0	0
Free cash flow	-12	17	19	46	-4	4	20	-10	-4	3	14
Free cash flow bef A&D, lease adj	-12	17	19	46	-7	4	20	-10	-7	-1	11
Dividends paid	-6	-6	0	-3	-12	-11	-6	-6	0	0	-3
Equity issues / buybacks	0	0	0	0	0	0	0	0	0	0	0
Net change in debt	0	-8	-10	-17	57	-48	-3	-3	0	0	0
Other financing adjustments	0	0	0	0	0	0	0	0	-3	-3	-3
Other non-cash adjustments	15	-3	0	-6	3	3	-1	2	0	0	0
Change in cash	-2	1	10	20	43	-52	9	-17	-7	-1	8
Cash flow metrics											
Capex/D&A	n.m.	70.6%	41.2%	50.8%	87.9%	41.9%	59.0%	77.5%	n.m.	n.m.	70.4%
Capex/Sales	7.9%	3.4%	2.6%	2.4%	4.0%	2.0%	2.4%	3.1%	5.5%	3.9%	2.7%
Key information											
Share price year end (/current)	4	2	2	5	5	3	3	2	2	2	2
Market cap.	254	118	133	296	302	174	164	133	122	122	122
Enterprise value	335	189	202	333	351	229	208	193	190	191	183
Diluted no. of shares, year-end (m)	57.4	57.5	57.5	58.3	58.3	58.3	58.3	58.3	58.3	58.3	58.3

Source: Company data and Nordea estimates

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