

Recovery continues in H2

Suominen's margins continued to improve in Q2, although there's still a lot to be done before profitability has been restored to an adequate level.

Recovery continued, but EBITDA should improve a lot more

Suominen Q2 revenue grew 5% y/y to EUR 119m, which was slightly above the EUR 117m/116m Evli/cons. estimates. Sales prices declined y/y due to lower raw material prices, but American volumes grew well as the increase in the US contributed some 2/3 of the volume growth. EMEA thus wasn't that bad either although the local market remains somewhat more challenging than the one over the Atlantic. Sales, marketing and administration expenses were rather high in Q2 due to certain project-related items and hence the EUR 5.0m comparable EBITDA remained soft relative to the EUR 6.1m/5.5m Evli/cons. estimates even if the EUR 8.9m gross profit was very close to our EUR 9.1m estimate.

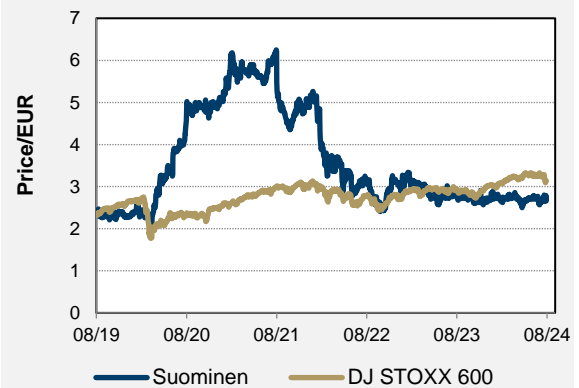
The market is stable enough for more sustainable capacity

Raw materials prices may now be stabilizing following their H1'24 rebound, after the deflationary stretch last year. Americas' H2 looks as expected as it's a seasonally stronger period than H1, and we estimate y/y revenue growth to accelerate to high single-digits or low double-digits then as the comparison period had still soft volumes as well as declining sales prices. We believe volume improvement will continue q/q and y/y at least over the next few quarters, in addition to which sales prices should see some gains. This would further support gross margins and we estimate Q3 EBITDA at EUR 7.7m. It would represent further earnings recovery but would still be quite low as in our view annual EBITDA should be headed well above EUR 40m (around 9% margin) in the medium term. The EUR 20m investment in Alicante is to be completed in H2'25 and will add sustainable capacity, which helps sales mix. The general market is still not very favorable in Europe, but biodegradable products remain a key niche for Suominen.

Valuation is not particularly high, yet recovery takes time

Suominen is valued a bit below 9x EV/EBIT on our FY '25 estimates; we estimate additional EUR 16m earnings gain for next year, on top of the EUR 10m improvement we expect for FY '24. In our view the multiples are acceptable since earnings should have further long-term upside. We retain our EUR 2.5 TP and BUY rating.

Rating 🟡 HOLD



Share price, EUR (Last trading day's closing price) 2.66
Target price, EUR 2.5

Latest change in	27-Jan-23
Latest report on company	30-Jul-24
Research paid by issuer:	YES
No. of shares outstanding,	58,259
No. of shares fully diluted,	58,259
Market cap, EURm	155
Free float, %	62.7
Exchange rate EUR/USD	1.09
Reuters code	SUY1V.HE
Bloomberg code	SUY1V.FH
Average daily volume,	0.1
Next interim report	06-Nov-24
Web site	www.suominen.fi/en/investors/

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🟢 BUY 🟡 HOLD 🔴 SELL

KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2022	493.3	-4.2	-0.9%	9.4	-0.16	-19.8	0.5	-55.1	5.2	0.10
2023	450.9	-2.8	-0.6%	25.5	-0.14	-20.4	0.5	-73.1	15.5	0.10
2024E	473.3	8.3	1.8%	-5.0	0.05	55.1	0.4	24.8	-3.2	0.10
2025E	489.9	24.0	4.9%	4.9	0.28	9.6	0.4	8.6	3.2	0.12
2026E	524.2	31.4	6.0%	13.4	0.38	7.0	0.4	6.4	8.7	0.13

Market cap, EURm	155	Gearing 2024E, %	42.1	CAGR EPS 2023-26, %	0.0
Net debt 2024E, EURm	51	Price/book 2024E	1.3	CAGR sales 2023-26, %	5.1
Enterprise value, EURm	206	Dividend yield 2024E, %	3.8	ROE 2024E, %	2.3
Total assets 2024E, EURm	304	Tax rate 2024E, %	36.3	ROCE 2024E, %	3.8
Goodwill 2024E, EURm	15	Equity ratio 2024E, %	40.1	PEG, P/E 24/CAGR	0.5

Estimates and valuation

Suominen EURm	2015 FY	2016 FY	2017 FY	2018 FY	2019 FY	2020 FY	2021 FY	2022 FY	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2023 FY	2024 Q1	2024 Q2	2024E Q3E	2024E Q4E	2024E FY
Revenue	444	417	426	431	411	459	443	493	117	113	106	115	451	114	119	118	123	473
growth, %	11 %	-6 %	2 %	1 %	-5 %	12 %	-3 %	11 %	6 %	-4 %	-19 %	-14 %	-9 %	-3 %	5 %	11 %	7 %	5 %
Geography																		
EMEA	172	171	174	171	150	170	178	205	42	43	36	43	163	44	43	41	43	171
Americas	272	246	252	260	262	289	265	288	75	70	71	72	288	70	76	77	80	303
COGS	-386	-365	-384	-400	-377	-389	-392	-475	-112	-110	-100	-106	-428	-105	-110	-107	-111	-433
Gross Profit	58	52	42	31	37	70	51	19	4.9	3.1	6.4	8.4	23	8.1	8.9	10.7	12.3	40
Gross-%	13.1 %	12.5 %	9.9 %	7.3 %	9.0 %	15.2 %	11.5 %	3.8 %	4.2 %	2.7 %	6.0 %	7.3 %	5.1 %	7.2 %	7.5 %	9.0 %	10.0 %	8.5 %
SGA & R&D	-28.0	-27.9	-28.9	-29.2	-30.6	-30.7	-28.9	-32.4	-8.2	-8.0	-7.9	-8.2	-32.3	-8.7	-10.2	-7.5	-7.5	-34.0
Other	1.8	1.3	1.7	2.5	1.8	0.4	5.0	4.9	1.3	-1.8	2.2	0.4	2.1	0.7	0.5	0.0	0.0	1.2
EBIT ex IAC	31.2	25.6	15.0	4.6	8.1	39.5	26.9	-4.2	-2.0	-2.1	0.7	0.7	-2.9	-0.1	0.4	3.2	4.8	8.3
EBIT-% ex IAC	7.0 %	6.1 %	3.5 %	1.1 %	2.0 %	8.6 %	6.1 %	-0.8 %	-1.7 %	-1.9 %	0.6 %	0.6 %	-0.6 %	-0.1 %	0.3 %	2.7 %	3.9 %	1.7 %
Depreciation	-17.7	-18.5	-19.4	-21.0	-25.5	-21.4	-20.1	-19.5	-4.7	-4.8	-4.5	-4.6	-18.7	-4.6	-4.6	-4.5	-4.5	-18.1
EBITDA ex IAC	48.9	44.2	34.3	25.6	33.6	60.9	47.0	15.3	2.6	2.7	5.2	5.3	15.8	4.5	5.0	7.7	9.3	26.4
EBITDA-% ex IAC	11.0 %	10.6 %	8.1 %	5.9 %	8.2 %	13.3 %	10.6 %	3.1 %	2.3 %	2.4 %	4.9 %	4.6 %	3.5 %	3.9 %	4.2 %	6.5 %	7.6 %	5.6 %

Source: Suominen, Evli Research

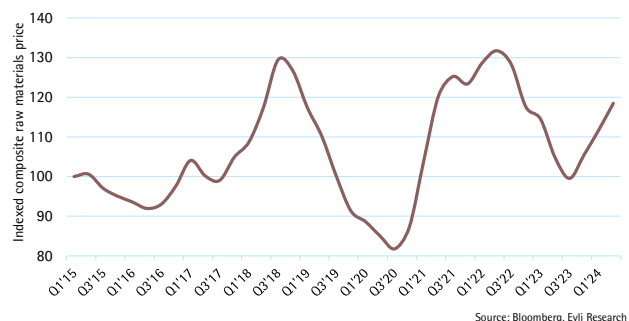
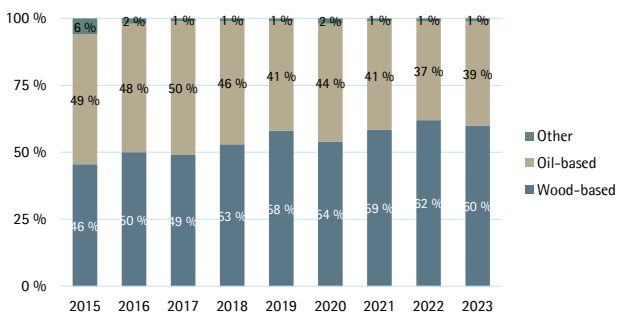
SUOMINEN PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		23	24	25	23	24	25	23	24	25
Berry Global Group	6666	8.3x	7.8x	7.5x	14.0x	13.5x	12.4x	9.7 %	9.8 %	10.5 %
Kimberly-Clark	43615	13.3x	13.6x	13.3x	16.5x	17.0x	16.4x	14.5 %	15.9 %	16.4 %
N.R. Spuntech Industries	78									
Mativ Holdings	920	8.0x	8.6x	7.2x	15.3x	15.1x	10.6x	6.1 %	6.5 %	8.6 %
Glatfelter	70	9.7x								
Peer Group Average	10270	9.8x	10.0x	9.3x	15.3x	15.2x	13.1x	10.1 %	10.7 %	11.8 %
Peer Group Median	920	9.0x	8.6x	7.5x	15.3x	15.1x	12.4x	9.7 %	9.8 %	10.5 %
Suominen (Evli est.)	155	12.9x	7.8x	4.9x	-73.1x	24.8x	8.6x	-0.6 %	1.8 %	4.9 %

Suominen prem./disc. to peer median

4.3 % -9 % -35 % -578 % 65 % -31 % -106 % -82 % -53 %

Source FactSet, Evli Research

Suominen raw materials mix and composite price development



VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	2.66 PV of Free Cash Flow	173 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	5.58 PV of Horizon value	193 WACC, %	7.9 Market risk premium, %	5.8
Share price potential, %	109.8 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	6.1 Marketable securities	59 Minimum WACC, %	7.4 Equity beta coefficient	1.00
Minimum value	5.1 Debt - dividend	-99 Maximum WACC, %	8.4 Target debt ratio, %	20
Horizon value, %	52.8 Value of stock	325 Nr of shares, Mn	58.3 Effective tax rate, %	28

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Horizon
Net sales	451	473	490	524	537	548	559	570	582	593	605	617
<i>Sales growth, %</i>	-8.6	5.0	3.5	7.0	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Operating income (EBIT)	-3	8	24	31	38	41	42	43	44	44	45	46
<i>Operating income margin, %</i>	-0.6	1.8	4.9	6.0	7.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5
+ Depreciation+amort.	19	18	18	21	23	24	23	22	22	21	21	
EBITDA	16	26	42	52	61	65	65	65	65	66	67	
- Paid taxes	-3	-3	-5	-7	-8	-9	-9	-9	-9	-9	-10	
- Change in NWC	29	-5	-4	-13	9	-1	-1	-1	-1	-1	-1	
<i>NWC / Sales, %</i>	6.1	6.9	7.5	9.5	7.6	7.6	7.6	7.6	7.6	7.7	7.7	
+ Change in other liabs	-2	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-11	-20	-25	-15	-20	-20	-20	-20	-20	-20	-33	
<i>opCAPEX / Sales, %</i>	2.3	4.3	5.2	3.0	3.8	3.7	3.6	3.6	3.5	3.4	5.5	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= FCFF	29	-2	8	17	42	35	35	35	35	36	23	395
= Discounted FCFF		-2	7	14	33	25	23	22	20	19	11	193
= DFCF min WACC		-2	7	14	33	26	24	22	21	20	12	220
= DFCF max WACC		-2	7	14	32	25	23	21	19	18	11	170

INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3E	2024Q4E	2024E	2025E	2026E
Net sales	116.8	112.7	106.4	115.0	450.9	113.6	118.7	118.0	123.0	473.3	489.9	524.2
EBITDA	2.7	2.7	5.2	5.2	15.9	4.5	5.0	7.7	9.3	26.4	42.0	52.1
<i>EBITDA margin (%)</i>	<i>2.3</i>	<i>2.4</i>	<i>4.9</i>	<i>4.5</i>	<i>3.5</i>	<i>3.9</i>	<i>4.2</i>	<i>6.5</i>	<i>7.6</i>	<i>5.6</i>	<i>8.6</i>	<i>9.9</i>
EBIT	-2.0	-2.1	0.7	0.6	-2.8	-0.1	0.4	3.2	4.8	8.3	24.0	31.4
<i>EBIT margin (%)</i>	<i>-1.7</i>	<i>-1.9</i>	<i>0.7</i>	<i>0.5</i>	<i>-0.6</i>	<i>-0.1</i>	<i>0.3</i>	<i>2.7</i>	<i>3.9</i>	<i>1.8</i>	<i>4.9</i>	<i>6.0</i>
Net financial items	-1.5	-1.3	-1.2	-2.0	-6.0	-0.8	-1.1	-1.0	-1.0	-3.9	-3.6	-3.6
Pre-tax profit	-3.5	-3.4	-0.5	-1.4	-8.8	-0.9	-0.7	2.2	3.8	4.4	20.4	27.9
Tax	-0.3	-0.2	1.3	-0.1	0.7	-0.3	0.0	-0.5	-0.8	-1.6	-4.3	-5.9
<i>Tax rate (%)</i>	<i>-9.0</i>	<i>-5.0</i>	<i>284.7</i>	<i>-5.6</i>	<i>8.2</i>	<i>-35.2</i>	<i>-4.0</i>	<i>21.0</i>	<i>21.0</i>	<i>36.3</i>	<i>21.0</i>	<i>21.0</i>
Net profit	-3.9	-3.6	0.8	-1.5	-8.1	-1.2	-0.7	1.7	3.0	2.8	16.1	22.0
EPS	-0.07	-0.06	0.01	-0.03	-0.14	-0.02	-0.01	0.03	0.05	0.05	0.28	0.38
EPS adjusted (diluted no. of shares)	-0.07	-0.06	0.01	-0.03	-0.14	-0.02	-0.01	0.03	0.05	0.05	0.28	0.38
Dividend per share	0.00	0.00	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.10	0.12	0.13
SALES, EURm												
Group	116.8	112.7	106.4	115.0	450.9	113.6	118.7	118.0	123.0	473.3	489.9	524.2
Total	116.8	112.7	106.4	115.0	450.9	113.6	118.7	118.0	123.0	473.3	489.9	524.2
SALES GROWTH, Y/Y %												
Group	5.9	-4.5	-19.3	-13.6	-8.6	-2.7	5.3	10.9	7.0	5.0	3.5	7.0
Total	5.9	-4.5	-19.3	-13.6	-8.6	-2.7	5.3	10.9	7.0	5.0	3.5	7.0
EBIT, EURm												
Group	-2.0	-2.1	0.7	0.6	-2.8	-0.1	0.4	3.2	4.8	8.3	24.0	31.4
Total	-2.0	-2.1	0.7	0.6	-2.8	-0.1	0.4	3.2	4.8	8.3	24.0	31.4
EBIT margin, %												
Group	-1.7	-1.9	0.7	0.5	-0.6	-0.1	0.3	2.7	3.9	1.8	4.9	6.0
Total	-1.7	-1.9	0.7	0.5	-0.6	-0.1	0.3	2.7	3.9	1.8	4.9	6.0

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	411.4	458.9	443.2	493.3	450.9	473.3	489.9	524.2
<i>Sales growth (%)</i>	<i>-4.6</i>	<i>11.5</i>	<i>-3.4</i>	<i>11.3</i>	<i>-8.6</i>	<i>5.0</i>	<i>3.5</i>	<i>7.0</i>
EBITDA	33.6	60.9	47.0	15.2	15.9	26.4	42.0	52.1
<i>EBITDA margin (%)</i>	<i>8.2</i>	<i>13.3</i>	<i>10.6</i>	<i>3.1</i>	<i>3.5</i>	<i>5.6</i>	<i>8.6</i>	<i>9.9</i>
Depreciation	-25.5	-21.4	-20.1	-23.2	-18.7	-18.1	-18.0	-20.7
EBITA	8.1	39.5	26.9	-8.0	-2.8	8.3	24.0	31.4
Goodwill amortization / writedown	0.0	0.0	0.0	3.8	0.0	0.0	0.0	0.0
EBIT	8.1	39.5	26.9	-4.2	-2.8	8.3	24.0	31.4
<i>EBIT margin (%)</i>	<i>2.0</i>	<i>8.6</i>	<i>6.1</i>	<i>-0.9</i>	<i>-0.6</i>	<i>1.8</i>	<i>4.9</i>	<i>6.0</i>
Reported EBIT	8.1	39.5	26.9	-4.2	-2.8	8.3	24.0	31.4
<i>EBIT margin (reported) (%)</i>	<i>2.0</i>	<i>8.6</i>	<i>6.1</i>	<i>-0.9</i>	<i>-0.6</i>	<i>1.8</i>	<i>4.9</i>	<i>6.0</i>
Net financials	-6.0	-5.6	-0.4	-2.9	-6.0	-3.9	-3.6	-3.6
Pre-tax profit	2.1	33.9	26.5	-7.1	-8.8	4.4	20.4	27.9
Taxes	-1.9	-3.8	-5.8	-2.0	0.7	-1.6	-4.3	-5.9
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	0.2	30.1	20.7	-9.1	-8.1	2.8	16.1	22.0
Cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BALANCE SHEET, EURm								
Assets								
Fixed assets	143	126	129	126	119	121	128	122
Goodwill	15	15	15	15	15	15	15	15
Right of use assets	16	18	16	12	11	12	12	13
Inventory	45	35	50	63	38	50	54	68
Receivables	61	61	73	76	72	66	68	73
Liquid funds	33	58	101	50	59	38	39	42
Total assets	316	317	387	343	316	304	319	336
Liabilities								
Shareholder's equity	131	146	163	146	125	122	132	147
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	16	15	13	11	10	12	12	13
Deferred taxes	12	13	14	12	9	9	9	9
Interest bearing debt	86	83	133	89	89	77	79	75
Non-interest bearing current liabilities	66	55	57	80	75	76	78	84
Other interest-free debt	3	3	3	3	7	7	7	7
Total liabilities	316	317	387	343	316	304	319	336
CASH FLOW, EURm								
+ EBITDA	34	61	47	15	16	26	42	52
- Net financial items	-6	-6	0	-3	-6	-4	-4	-4
- Taxes	-2	-4	-3	-3	-3	-2	-4	-6
- Increase in Net Working Capital	-1	-1	-25	6	29	-5	-4	-13
+/- Other	0	0	0	0	0	0	0	0
= Cash flow from operations	25	50	19	15	36	16	30	29
- Capex	-11	-12	-16	-6	-10	-21	-25	-16
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	14	38	4	9	26	-5	5	13
+/- New issues/buybacks	0	-12	8	3	-7	0	0	0
- Paid dividend	0	-3	-12	-12	-6	-6	-6	-7
+/- Other	-13	2	43	-53	-3	-10	2	-4
Change in cash	1	25	43	-52	9	-21	1	3

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	296	302	181	164	155	155	155
Net debt (excl. convertibles)	40	45	51	40	51	52	46
Enterprise value	336	347	232	205	206	207	201
Sales	459	443	493	451	473	490	524
EBITDA	61	47	15	16	26	42	52
EBIT	40	27	-4	-3	8	24	31
Pre-tax	34	27	-7	-9	4	20	28
Earnings	30	21	-9	-8	3	16	22
Equity book value (excl. minorities)	146	163	146	125	122	132	147
Valuation multiples							
EV/sales	0.7	0.8	0.5	0.5	0.4	0.4	0.4
EV/EBITDA	5.5	7.4	15.2	12.9	7.8	4.9	3.9
EV/EBITA	8.5	12.9	-29.0	-73.1	24.8	8.6	6.4
EV/EBIT	8.5	12.9	-55.1	-73.1	24.8	8.6	6.4
EV/OCF	6.7	18.0	15.2	5.7	13.3	6.8	6.9
EV/FCFF	7.4	195.7	26.3	7.2	-105.1	25.3	11.7
P/FCFE	7.7	86.1	19.2	6.4	-31.1	31.4	11.5
P/E	9.8	14.6	-19.8	-20.4	55.1	9.6	7.0
P/B	2.0	1.8	1.2	1.3	1.3	1.2	1.1
Target EV/EBITDA	0.0	0.0	0.0	0.0	7.4	4.7	3.7
Target EV/EBIT	0.0	0.0	0.0	0.0	23.7	8.2	6.1
Target EV/FCF	0.0	0.0	0.0	0.0	-39.5	40.1	14.2
Target P/B	0.0	0.0	0.0	0.0	1.2	1.1	1.0
Target P/E	0.0	0.0	0.0	0.0	51.8	9.0	6.6
Per share measures							
Number of shares	58,259	58,259	58,259	58,259	58,259	58,259	58,259
Number of shares (diluted)	58,259	58,259	58,259	58,259	58,259	58,259	58,259
EPS	0.52	0.36	-0.16	-0.14	0.05	0.28	0.38
Operating cash flow per share	0.86	0.33	0.26	0.62	0.27	0.52	0.50
Free cash flow per share	0.66	0.06	0.16	0.44	-0.09	0.08	0.23
Book value per share	2.50	2.80	2.50	2.14	2.09	2.27	2.53
Dividend per share	0.20	0.20	0.10	0.10	0.10	0.12	0.13
Dividend payout ratio, %	38.7	56.3	-64.0	-72.2	207.0	43.4	34.4
Dividend yield, %	3.9	3.9	3.2	3.8	3.8	4.5	4.9
FCF yield, %	12.9	1.2	5.2	15.5	-3.2	3.2	8.7
Efficiency measures							
ROE	21.8	13.4	-5.9	-6.0	2.3	12.7	15.8
ROCE	16.6	9.7	-1.5	-1.2	3.8	11.0	13.7
Financial ratios							
Inventories as % of sales	7.7	11.2	12.8	8.4	10.5	11.0	13.0
Receivables as % of sales	13.2	16.6	15.4	15.9	13.9	13.9	13.9
Non-interest bearing liabilities as % of sales	11.9	12.9	16.2	16.7	16.0	16.0	16.0
NWC/sales, %	8.3	14.1	11.5	6.1	6.9	7.5	9.5
Operative CAPEX/sales, %	2.6	3.6	1.2	2.3	4.3	5.2	3.0
CAPEX/sales (incl. acquisitions), %	2.6	3.6	1.2	2.3	4.3	5.2	3.0
FCFF/EBITDA	0.7	0.0	0.6	1.8	-0.1	0.2	0.3
Net debt/EBITDA, book-weighted	0.7	1.0	3.3	2.5	1.9	1.2	0.9
Debt/equity, market-weighted	0.3	0.4	0.5	0.5	0.5	0.5	0.5
Equity ratio, book-weighted	46.0	42.2	42.5	39.5	40.1	41.4	43.8
Gearing, %	27.3	27.6	35.0	32.4	42.1	39.5	31.1

COMPANY DESCRIPTION: Suominen manufactures nonwovens for global consumer brands on eight production plants located on three continents. The company sources the raw materials from fiber producers and sells the output as roll goods to global consumer brand manufacturers. Suominen's nonwovens are mainly used in wiping products such as wet wipes for baby care, personal hygiene, and household and workplace wiping. Other end-uses include hygiene and medical applications such as sanitary pads, diapers, and surgical drapes and swabs.

INVESTMENT CASE: Suominen's recent challenges with nonwovens' gross margins and delivery volumes are no longer present. In our view the demand outlook for household wiping products is especially strong. Suominen also seems to be making good progress with sustainable wiping products, meaning the company is increasingly able to replace synthetic raw materials with wood-based fibers. Although supply will no doubt grow in the long-term, the surge in wiping demand has nevertheless turned the current supply-demand balance much more favorable also from a nonwovens manufacturer's point of view. We view Suominen's long-term financial targets realistic.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Ahlstrom Capital Bv	14,113,633	37.542	24.2%
Etola Group Oy	7,414,000	19.721	12.7%
Oy Etra Invest Ab	7,000,000	18.620	12.0%
OP Life Assurance Company Ltd	4,217,221	11.218	7.2%
Nordea Nordic Small Cap Fund	3,435,147	9.137	5.9%
Mandatum Life Insurance Company Limited	2,882,540	7.668	4.9%
Ilmarinen Mutual Pension Insurance Company	1,912,000	5.086	3.3%
Varma Mutual Pension Insurance Company	1,689,751	4.495	2.9%
Nordea Life Assurance Finland Ltd.	1,462,000	3.889	2.5%
Oy H. Kuningas & Co Ab	1,400,000	3.724	2.4%
Ten largest	45,526,292	121.100	78%
Residual	12,732,927	33.870	22%
Total	58,259,219	154.970	100%

EARNINGS CALENDAR

November 06, 2024

Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

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Tel: +358 (0)10 214 300

IR:

DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	DPS	Dividend for the financial period per share
Market cap	Price per share * Number of shares	OCF (Operating cash flow)	EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	FCF (Free cash flow)	Operating cash flow – operative CAPEX – acquisitions + divestments
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	FCF yield, %	$\frac{\text{Free cash flow}}{\text{Market cap}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	Operative CAPEX/sales	$\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Net working capital	Current assets – current liabilities
Net debt	Interest bearing debt – financial assets	Capital employed/Share	$\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
Total assets	Balance sheet total	Gearing	$\frac{\text{Net debt}}{\text{Equity}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year

<p>ROE, %</p> $\frac{\text{Profit before extraordinary items and taxes - income taxes}}{\text{Shareholder's equity + minority interest + taxed provisions (average)}}$	
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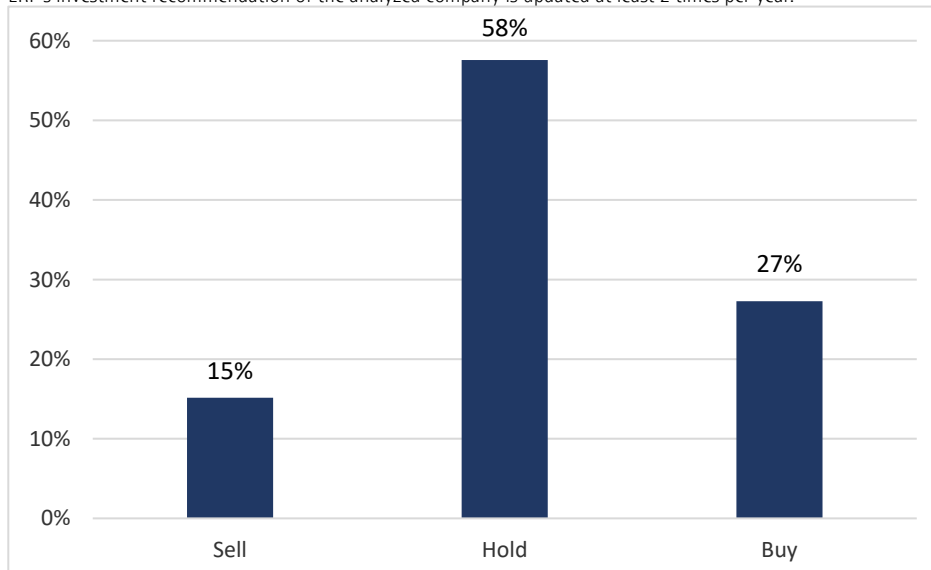
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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Name(s) of the analyst(s): Ilvonen

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