

More volumes and margins needed

Suominen reports Q3 results on Nov 6. The company has shown some early signs of recovery, but a lot more positive needs to be seen from the volume and margin side.

The wiping customer market should continue to stabilize

Suominen's EUR 5.0m Q2 EBITDA improved y/y but remained flat relative to the preceding quarters, and hence there should still be a lot of catch-up potential going forward. Volumes have already recovered a bit, but not nearly enough to reach desired capacity utilization rates. The wiping customer market has been challenging in the past couple of years from the perspective of volumes; the environment is normalizing and the market could return to sustained volume-growth soon (as opposed to the recent inflationary environment where volumes dropped), although the Q3 report of Kimberly-Clark showed some disappointing volume development after more encouraging results earlier this year. We however find Suominen's earnings recovery has lately lagged that of e.g. Fibertex Nonwovens and the Spunlace division of Glatfelter. In our view Suominen's earnings recovery should continue in H2 even if the overall market situation is yet not too favorable, albeit still improving.

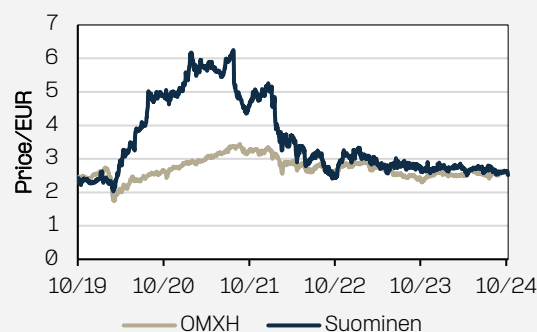
Volume recovery remains the most important theme

Suominen should have potential for further H2 margin recovery, even without large volume gains, as raw materials prices have again declined. We estimate key raw materials prices to have declined by 5% q/q in Q3, which favors H2 sales margins as nonwovens prices are yet to follow down after the raw materials price lift in H1. We estimate 12% y/y Q3 revenue growth, driven by volume and price gains. We expect Q3 gross margin to recover by 150-200bps q/q and EBITDA at EUR 7.9m, which would be a gain of ca. EUR 3m y/y and q/q. The level would still fall short of potential, as we believe an annual EBITDA of roughly EUR 40m should be possible in a more favorable market.

Earnings are expected to recover more towards next year

H1 figures remained soft, but we believe H2 shows more gains towards an annual run-rate of about EUR 40m EBITDA (or EUR 20m EBIT). On this basis Suominen is valued around 8x EV/EBIT on our FY'25 estimates, which isn't that low considering the uncertainty around margin recovery yet down from the 23x level for this year. We retain our EUR 2.5 TP and HOLD rating.

Rating Hold



Share price, EUR (Last trading day's closing price)	2.45
Target price, EUR	2.5
Latest change in recommendation	27-Jan-23
Latest report on company	12-Aug-24
Research paid by issuer:	YES
No. of shares outstanding, '000's	58 259
No. of shares fully diluted, '000's	58 259
Market cap, EURm	143
Free float, %	62.7 %
Exchange rate	1.08
Reuters code	SUY1V.HE
Bloomberg code	SUY1V FH
Average daily volume, EURm	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	474.3	8.5	1.8%	-4.9	0.05	48.0	0.4	22.8	-3.5%	0.10
2025E	490.9	24.1	4.9%	5.0	0.28	8.8	0.4	8.1	3.5%	0.12
2026E	525.3	31.5	6.0%	13.5	0.38	6.5	0.4	6.0	9.4%	0.13
Market cap, EURm	143			Gearing 2024E, %	42.0 %			CAGR EPS 2023-26, %	0.0 %	
Net debt 2024E, EURm	51			Price/book 2024E	1.2			CAGR Sales 2023-26, %	5.2 %	
Enterprise value, EURm	194			Dividend yield 2024E, %	4.1 %			ROE 2024E, %	2.4 %	
Total assets 2024E, EURm	304			Tax rate 2024E, %	35.6 %			ROCE 2024E, %	3.9 %	
Goodwill 2024E, EURm	15			Equity ratio 2024E, %	40.1 %			PEG, P/E 24/CAGR	0.4	

All the important disclosures can be found on the last pages of this report.

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	2.45 PV of Free Cash Flow	176 Long-term growth, %	2.0 % Risk-free interest rate, %
DCF share value	5.69 PV of Horizon value	196 WACC, %	7.9 % Market risk premium, %
Share price potential, %	132.4 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	6.2 Marketable securities	59 Minimum WACC, %	7.4 % Equity beta coefficient
Minimum value	5.2 Debt – dividend	–99 Maximum WACC, %	8.4 % Target debt ratio, %
Horizon value, %	52.8 % Value of stock	332 No. of shares, Mn	58.3 Effective tax rate, %

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	TERMINAL
Net sales	451	474	491	525	538	549	560	571	583	594	606	618
Sales growth (%)	–8.6%	5.2%	3.5%	7.0%	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Operating income (EBIT)	–3	9	24	32	38	41	42	43	44	45	45	46
Operating income margin %	–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	27	42	52	61	65	65	65	66	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	
NWC / Sales, %	6.1%	6.9%	7.5%	9.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.7%	7.7%	
+ Change in other liabs	–2											
– Operative CAPEX	–11	–20	–25	–15	–20	–20	–20	–20	–20	–20	–33	
opCAPEX / Sales, %	2.3%	4.3%	5.2%	3.0%	3.8%	3.7%	3.6%	3.6%	3.5%	3.4%	5.5%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	29	–2	8	17	42	35	35	35	35	36	23	395
= Discounted FCF		–2	8	15	33	26	24	22	20	19	11	196
= DFCF min WACC		–2	8	15	34	26	24	23	21	20	12	224
= DFCF max WACC		–2	7	14	33	25	23	21	20	18	11	174

Sensitivity analysis, EUR

		Terminal WACC				
		5.92 %	6.92 %	7.92 %	8.92 %	9.92 %
Terminal EBIT–%	5.50 %	5.49	4.56	3.91	3.43	3.05
	6.50 %	7.08	5.73	4.80	4.13	3.62
	7.50 %	8.68	6.89	5.69	4.83	4.18
	8.50 %	10.28	8.06	6.59	5.53	4.74
	9.50 %	11.88	9.23	7.48	6.23	5.30

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	119	123	474
growth, %	11 %	-6 %	2 %	1 %	-5 %	12 %	-3 %	11 %	6 %	-4 %	-19 %	-14 %	-9 %	-3 %	5 %	12 %	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	78	80	304
COGS	-386	-365	-384	-400	-377	-389	-392	-475	-112	-110	-100	-106	-428	-105	-110	-108	-111	-434
Gross Profit	58	52	42	31	37	70	51	19	4.9	3.1	6.4	8.4	23	8.1	8.9	10.9	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 %	9.2 %	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	3.4	4.8	8.5
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 %	2.9 %	3.9 %	1.8 %
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	7.9	9.3	26.7
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 %	6.7 %	7.6 %	5.6 %

Source: Suominen, Evli Research

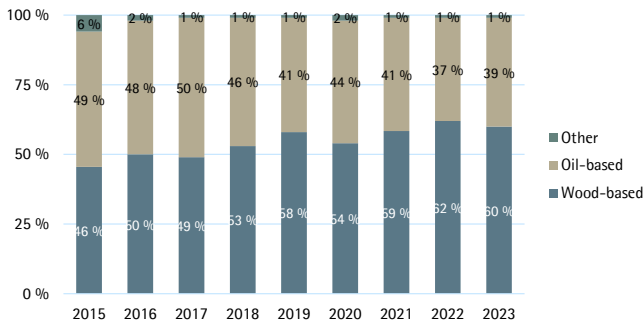
SUOMINEN PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		23	24	25	23	24	25	23	24	25
Berry Global Group	7269	8.3x	8.1x	7.8x	14.1x	14.1x	13.0x	9.6 %	9.7 %	10.4 %
Kimberly-Clark	42316	13.3x	13.2x	12.9x	16.5x	16.2x	15.8x	14.5 %	16.3 %	16.8 %
N.R. Spuntech Industries	70									
Mativ Holdings	793	8.0x	8.1x	6.9x	15.3x	14.3x	10.7x	6.1 %	6.6 %	8.4 %
Glatfelter	75	9.7x								
Peer Group Average	10105	9.8x	9.8x	9.2x	15.3x	14.9x	13.1x	10.1 %	10.9 %	11.9 %
Peer Group Median	793	9.0x	8.1x	7.8x	15.3x	14.3x	13.0x	9.6 %	9.7 %	10.4 %
Suominen (Evli est.)	143	12.9x	7.3x	4.6x	-73.1x	22.8x	8.1x	-0.6 %	1.8 %	4.9 %

Suominen prem./disc. to peer median

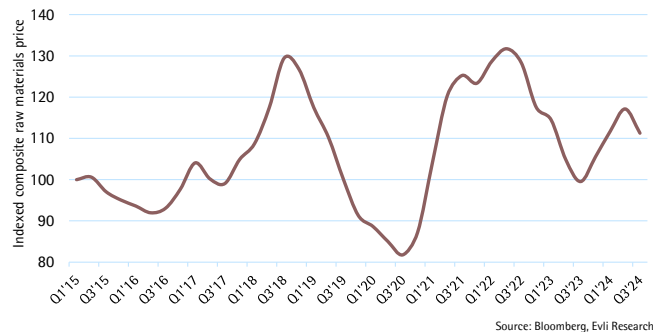
43 % -11 % -41 % -578 % 60 % -37 % -106 % -82 % -53 %

Source FactSet, Evli Research

Suominen raw materials mix and composite price development



Source: Suominen



Source: Bloomberg, Evli Research

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	119.0	123.0	474.3	490.9	525.3
EBITDA	2.7	2.7	5.2	5.2	15.9	4.5	5.0	7.9	9.3	26.6	42.1	52.2
<i>EBITDA margin (%)</i>	<i>2.4%</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>6.6%</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	3.4	4.8	8.5	24.1	31.5
<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>2.9%</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	2.4	3.8	4.6	20.5	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>35.6%</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	1.9	3.0	3.0	16.2	22.1
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 adj. (diluted)	-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					0.10					0.10	0.12	0.13
SALES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3E	2024Q4E	2024E	2025E	2026E
Group	116.8	112.7	106.4	115.0	450.9	113.6	118.7	119.0	123.0	474.3	490.9	525.3
Total	116.8	112.7	106.4	115.0	450.9	113.6	118.7	119.0	123.0	474.3	490.9	525.3
SALES GROWTH, Y/Y%	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3E	2024Q4E	2024E	2025E	2026E
Group	5.9%	-4.5%	-19.3%	-13.6%	-8.6%	-2.7%	5.3%	11.8%	7.0%	5.2%	3.5%	7.0%
Total	5.9%	-4.5%	-19.3%	-13.6%	-8.6%	-2.7%	5.3%	11.8%	7.0%	5.2%	3.5%	7.0%
EBIT, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3E	2024Q4E	2024E	2025E	2026E
Group	-2.0	-2.1	0.7	0.6	-2.8	-0.1	0.4	3.4	4.8	8.5	24.1	31.5
Total	-2.0	-2.1	0.7	0.6	-2.8	-0.1	0.4	3.4	4.8	8.5	24.1	31.5
EBIT margin %	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3E	2024Q4E	2024E	2025E	2026E
Group	-1.7%	-1.9%	0.7%	0.5%	-0.6%	-0.1%	0.3%	2.9%	3.9%	1.8%	4.9%	6.0%
Total	-1.7%	-1.9%	0.7%	0.5%	-0.6%	-0.1%	0.3%	2.9%	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	474.3	490.9	525.3
<i>Sales growth (%)</i>	-4.6%	11.5%	-3.4%	11.3%	-8.6%	5.2%	3.5%	7.0%
EBITDA	33.6	60.9	47.0	15.2	15.9	26.6	42.1	52.2
<i>EBITDA margin (%)</i>	8.2%	13.3%	10.6%	3.1%	3.5%	5.6%	8.6%	9.9%
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	8.5	24.1	31.5
Goodwill amortization / writedown				3.8				
EBIT	8.1	39.5	26.9	-4.2	-2.8	8.5	24.1	31.5
<i>EBIT margin (%)</i>	2.0%	8.6%	6.1%	-0.9%	-0.6%	1.8%	4.9%	6.0%
Reported EBIT	8.1	39.5	26.9	-4.2	-2.8	8.5	24.1	31.5
<i>EBIT margin (reported) (%)</i>	2.0%	8.6%	6.1%	-0.9%	-0.6%	1.8%	4.9%	6.0%
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	4.6	20.5	27.9
Taxes	-1.9	-3.8	-5.8	-2.0	0.7	-1.6	-4.3	-5.9
Minority shares								
Net profit	0.2	30.1	20.7	-9.1	-8.1	3.0	16.2	22.1
Cash NRIs								
Non-cash NRIs								
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								
Shareholders' equity	131	146	163	146	125	122	132	147
Minority interest								
Convertibles								
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	79	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	27	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								
= Cash flow from operations	25	50	19	15	36	16	30	29
- Capex	-11	-12	-16	-6	-10	-21	-25	-16
- Acquisitions								
+ Divestments								
= Free cash flow	14	38	4	9	26	-5	5	13
+/- New issues/buybacks		-12	8	3	-7			
- Paid dividend	3	12	12	6	6	6	7	8
+/- 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	143	143	143
Net debt (excl. convertibles)	40	45	51	40	51	52	46
Enterprise value	336	347	232	205	194	195	188
Sales	459	443	493	451	474	491	525
EBITDA	61	47	15	16	27	42	52
EBIT	40	27	-4	-3	9	24	32
Pre-tax	34	27	-7	-9	5	20	28
Earnings	30	21	-9	-8	3	16	22
Equity book value (excl. minorities)	146	163	146	125	122	132	147

Valuation multiple	2020	2021	2022	2023	2024E	2025E	2026E
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	7.3	4.6	3.6
EV/EBITA	8.5	12.9	-29.0	-73.1	22.8	8.1	6.0
EV/EBIT	8.5	12.9	-55.1	-73.1	22.8	8.1	6.0
EV/OCF	6.7	18.0	15.2	5.7	12.4	6.4	6.4
EV/FCF	7.4	195.7	26.3	7.2	-104.3	23.7	11.0
P/FCFR	7.7	86.1	19.2	6.4	-28.9	28.7	10.6
P/E	9.8	14.6	-19.8	-20.4	48.0	8.8	6.5
P/BV	2.0	1.8	1.2	1.3	1.2	1.1	1.0
Target EV/EBITDA					7.4	4.7	3.7
Target EV/EBIT					23.2	8.2	6.1
Target EV/FCFF					-39.9	39.8	14.2
Target P/BV					1.2	1.1	1.0
Target P/E, diluted	12.0	14.8	-77880.4	-31.4	49.0	9.0	6.6

Per share measures	2020	2021	2022	2023	2024E	2025E	2026E
Number of shares (million)	58.26	58.26	58.26	58.26	58.26	58.26	58.26
Number of shares (diluted, million)	58.26	58.26	58.26	58.26	58.26	58.26	58.26
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	-0.08	0.09	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%	196.0%	43.3%	34.3%
Dividend yield, %	3.9%	3.9%	3.2%	4.1%	4.1%	4.9%	5.3%
FCF yield, %	12.9%	1.2%	5.2%	15.5%	-3.5%	3.5%	9.4%

Efficiency measures	2020	2021	2022	2023	2024E	2025E	2026E
ROE	21.8%	13.4%	-5.9%	-6.0%	2.4%	12.7%	15.8%
ROCE	16.6%	9.7%	-1.5%	-1.2%	3.9%	11.1%	13.7%

Financial ratios	2020	2021	2022	2023	2024E	2025E	2026E
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%	14.0%	13.9%	13.9%
Non-int. 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%	9.6%
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	0.8	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	0.6	0.5
Equity ratio, book-weighted	0.5	0.4	0.4	0.4	0.4	0.4	0.4
Gearing, %	27.3%	27.6%	35.0%	32.4%	42.0%	39.4%	30.9%

COMPANY DESCRIPTION: Suominen manufactures nonwovens for global consumer brands on seven 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	34.578	24.2 %
Etola Group Oy	7 414 000	18.164	12.7 %
Oy Etra Invest Ab	7 000 000	17.150	12.0 %
OP Life Assurance Company Ltd	4 217 221	10.332	7.2 %
Nordea Nordic Small Cap Fund	3 435 147	8.416	5.9 %
Mandatum Life Insurance Company Limited	2 882 540	7.062	4.9 %
Ilmarinen Mutual Pension Insurance Company	1 912 000	4.684	3.3 %
Varma Mutual Pension Insurance Company	1 689 751	4.140	2.9 %
Nordea Life Assurance Finland Ltd.	1 462 000	3.582	2.5 %
Oy H. Kuningas & Co Ab	1 400 000	3.430	2.4 %
Ten largest	45 526 292	111.539	78.1 %
Residual	12 732 927	31.196	21.9 %
Total	58 259 219	142.735	100%

EARNINGS CALENDAR

November 06, 2024

Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

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CFO: Janne Silonsaari
IR:

Keilaranta 13 A, FI-02150 Espoo
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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 $\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$	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 rate per year
ROE, % $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

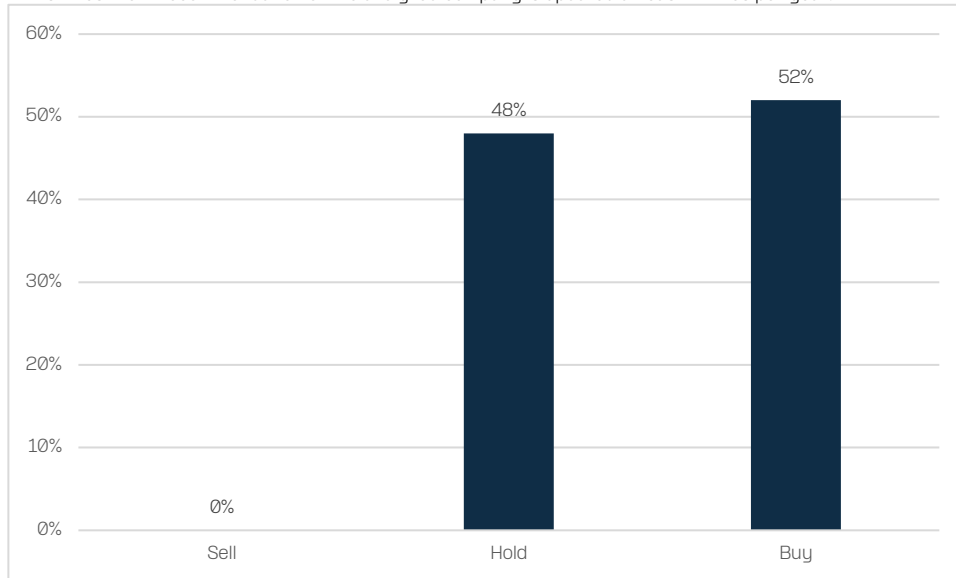
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Target price compared to share price < -10 % -10 – (+10) % > 10 %	Recommendation SELL HOLD BUY
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Name(s) of the analyst(s): Joonas Iivonen

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