

Comparison figures remain soft

Suominen's Q4 results remained below estimates as profitability decreased a bit y/y. The EUR 4.2m comparable EBITDA improved slightly q/q, and Suominen guides further improvement for FY'25, however comparison figures for the year still remain soft enough so that additional gains are no big news as long as volumes have more room to recover.

- Suominen Q4 revenue increased by 3% y/y to EUR 118.5m vs the EUR 122.0m/119.0m Evli/consensus. Americas amounted to EUR 72.7m, compared to our EUR 79.0m estimate, while EMEA came in at EUR 45.8m vs our EUR 43.0m estimate. Sales volumes decreased slightly y/y, however sales prices and product mix improved. Currencies had a negative top line impact of EUR 0.3m.
- Gross profit was EUR 7.5m vs our EUR 11.0m estimate. Gross margin amounted to 6.4%, compared to our 9.0% estimate. The operational issues seen in Q3 were fixed, but increased competition from low-cost countries, mainly in Europe, affected sales volumes negatively. The shifting export balance continues to cause uncertainty.
- Comparable EBITDA was EUR 4.2m vs the EUR 7.5m/7.0m Evli/consensus estimates, whereas comparable EBIT landed at EUR -0.3m vs the EUR 3.0m/2.4m Evli/consensus estimates. Higher raw material prices were not fully offset by higher sales prices.
- The BoD proposes no dividend to be distributed for FY'24, compared to the EUR 0.05/0.02 per share Evli/consensus estimates.
- Suominen guides FY'25 comparable EBITDA to improve from the comparison figure (EUR 17.0m).

Rating ■ Reduce

| Q4'24 | Actual | Evli | Year ago | Q3'24 |
|-------------------|--------|-------|----------|-------|
| Revenue | 118.5 | 122.0 | 114.9 | 111.6 |
| Gross profit | 7.5 | 11.0 | 8.4 | 5.1 |
| Comparable EBITDA | 4.2 | 7.5 | 5.3 | 3.3 |
| Comparable EBIT | -0.3 | 3.0 | 0.7 | -1.5 |

| Deviation | Actual | Evli | Year ago | Q3'24 |
|-------------------|--------|--------|----------|-------|
| Revenue | | -3 % | 3 % | 6 % |
| Gross profit | | -32 % | -11 % | 46 % |
| Comparable EBITDA | | -44 % | -21 % | 27 % |
| Comparable EBIT | | -110 % | -143 % | -80 % |

| | |
|--|--|
| Share price, EUR (Last trading day's closing price) | 2.15 |
| Target price, EUR | 2.1 |
| Latest change in recommendation | 25-Feb-25 |
| Latest report on company | 25-Feb-25 |
| 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 | 125 |
| Free float, % | 62.7 % |
| Exchange rate | 1.05 |
| Reuters code | SUY1V.HE |
| Bloomberg code | SUY1V FH |
| Average daily volume, EURm | 0.1 |
| Next interim report | 05-Mar-25 |
| Web site | www.suominen.fi/en/investors/ |
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+++ BUY + ACCUMULATE ■ REDUCE ■■■ 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 | 465.8 | 1.8 | 0.4% | -10.4 | -0.06 | -34.5 | 0.4 | 101.1 | -8.3% | 0.05 |
| 2025E | 475.1 | 18.1 | 3.8% | 0.4 | 0.19 | 11.6 | 0.4 | 10.2 | 0.4% | 0.10 |
| 2026E | 508.4 | 25.4 | 5.0% | 14.0 | 0.29 | 7.3 | 0.3 | 6.9 | 11.2% | 0.12 |

| | | | | | |
|--------------------------|-----|-------------------------|---------|-----------------------|--------|
| Market cap, EURm | 125 | Gearing 2024E, % | 49.1 % | CAGR EPS 2023-26, % | 0.0 % |
| Net debt 2024E, EURm | 57 | Price/book 2024E | 1.1 | CAGR Sales 2023-26, % | 4.1 % |
| Enterprise value, EURm | 182 | Dividend yield 2024E, % | 2.3 % | ROE 2024E, % | -3.0 % |
| Total assets 2024E, EURm | 301 | Tax rate 2024E, % | -20.5 % | ROCE 2024E, % | 0.8 % |
| Goodwill 2024E, EURm | 15 | Equity ratio 2024E, % | 38.3 % | PEG, P/E 24/CAGR | 0.0 |

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

Important Disclosures

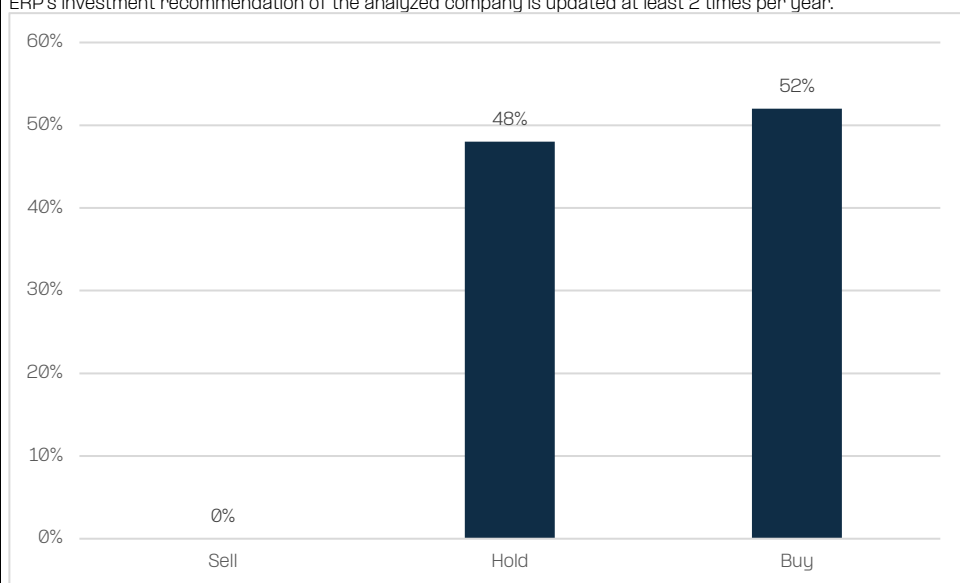
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| | |
|--------------------------------------|----------------|
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| -10 - 0 % | RECUDE |
| 0 - (+10) % | ACCUMULATE |
| > 10 % | BUY |

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