

Earnings need to gain quite a bit

Suominen is very likely to see additional earnings recovery from the low levels, yet valuation also clearly expects more.

More room to improve clearly exists

Suominen's EUR 119m Q4 revenue was soft vs the EUR 122m/119m Evli/cons. estimates, while the EUR 7.5m gross profit fell EUR 3.5m short of our estimate and thus the EUR 4.2m comparable EBITDA also came in below the EUR 7.5m/7.0m Evli/cons. estimates. There was marginal improvement in terms of sales prices and product mix, however volumes declined slightly and so earnings didn't continue to gain y/y despite the still undemanding comparison figures. FY'24 results weren't yet expected to be very high, and the softness in H2'24 means additional meaningful gains should be seen this year. We expect Americas to grow by 7% this year, while EMEA may stay rather flat as competition has intensified due to low-cost exports.

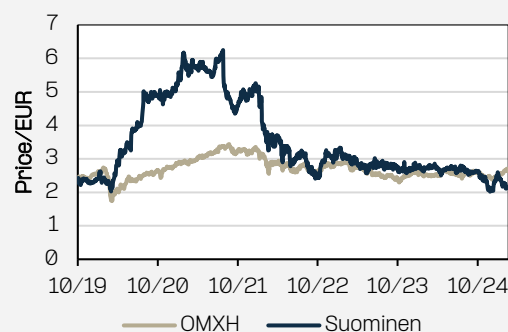
EBITDA should roughly double towards next year

We trim our FY'25 earnings estimates by more than EUR 4m as gross margin stayed at a level lower than we expected. We estimate the margin will continue to gain towards 10% and above over the course of the year so that Suominen would average 9.5% for FY'25, which would be in line with the historical rate over the past decade. According to our estimates the achievement of such a margin would translate to an earnings gain of some EUR 15m y/y, a steep rise relative to the low levels seen in recent years but should be achievable if product mix and sales margins as well as volumes all continue to develop favorably. In our view the EUR 30m announced investments in the US and Spain aren't too large to complicate operational performance this year.

Valuation demands significantly higher earnings levels

Suominen is valued just below 14x EV/EBIT on our FY'25 estimates, and in our view the multiples reflect expectations of EBITDA meaningfully above the EUR 15–17m levels seen in recent years. We believe there's a good chance Suominen will specify its FY'25 earnings guidance later this year for such an achievement, however even in that case there might not be any very large re-rating. In our view Suominen is very likely to see further EBITDA improvement this year, but a gain of less than EUR 10m y/y would still not be that much. Our new TP is EUR 2.0 (2.1) as we retain our REDUCE rating.

Rating ■ Reduce



Share price, EUR (Last trading day's closing price)	2.10
Target price, EUR	2.0
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	122
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	07-May-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
2023	450.9	-2.8	-0.6%	25.5	-0.14	-20.4	0.5	-73.1	15.5%	0.10
2024	462.3	-1.4	-0.3%	-6.9	-0.09	-24.4	0.4	-136.0	-5.2%	
2025E	478.0	13.5	2.8%	-5.9	0.13	16.4	0.4	13.8	-4.9%	0.05
2026E	511.5	23.0	4.5%	10.9	0.26	8.1	0.3	7.7	8.9%	0.10
2027E	524.2	31.5	6.0%	22.4	0.38	5.5	0.3	5.1	18.3%	0.12
Market cap, EURm		122	Gearing 2025E, %			50.8 %	CAGR EPS 2024-27, %			0.0 %
Net debt 2025E, EURm		63	Price/book 2025E			1.0	CAGR Sales 2024-27, %			4.3 %
Enterprise value, EURm		186	Dividend yield 2025E, %			2.4 %	ROE 2025E, %			6.2 %
Total assets 2025E, EURm		315	Tax rate 2025E, %			17.7 %	ROCE 2025E, %			6.1 %
Goodwill 2025E, EURm		15	Equity ratio 2025E, %			39.7 %	PEG, P/E 25/CAGR			0.3

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

Estimates and peer valuation

Suominen EURm	2015 FY	2016 FY	2017 FY	2018 FY	2019 FY	2020 FY	2021 FY	2022 FY	2023 FY	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2024 FY	2025E Q1E	2025E Q2E	2025E Q3E	2025E Q4E	2025E FY
Revenue	444	417	426	431	411	459	443	493	451	114	119	112	119	462	118	120	119	121	478
growth, %	11%	-6%	2%	1%	-5%	12%	-3%	11%	-9%	-3%	5%	5%	3%	3%	4%	1%	7%	2%	3%
Geography																			
EMEA	172	171	174	171	150	170	178	205	163	44	43	42	46	174	42	43	43	43	171
Americas	272	246	252	260	262	289	265	288	288	70	76	70	73	288	76	77	76	78	307
COGS	-386	-365	-384	-400	-377	-389	-392	-475	-428	-105	-110	-106	-111	-433	-109	-109	-107	-108	-433
Gross Profit	58	52	42	31	37	70	51	19	23	8.1	8.9	5.1	7.5	30	9.4	10.8	11.9	13.3	45
Gross-%	13.1%	12.5%	9.9%	7.3%	9.0%	15.2%	11.5%	3.8%	5.1%	7.2%	7.5%	4.6%	6.4%	6.4%	8.0%	9.0%	10.0%	11.0%	9.5%
SGA & R&D	-28.0	-27.9	-28.9	-29.2	-30.6	-30.7	-28.9	-32.4	-32.3	-8.7	-10.2	-8.3	-8.8	-36.1	-8.0	-8.0	-8.0	-8.0	-32.0
Other	1.8	1.3	1.7	2.5	1.8	0.4	5.0	4.9	2.1	0.7	0.5	1.8	2.2	5.1	0.0	0.0	0.0	0.0	0.0
EBIT ex IAC	31.2	25.6	15.0	4.6	8.1	39.5	26.9	-4.2	-2.9	-0.1	0.4	-1.5	-0.3	-1.5	1.4	2.8	3.0	5.3	13.5
EBIT-% ex IAC	7.0%	6.1%	3.5%	1.1%	2.0%	8.6%	6.1%	-0.8%	-0.6%	-0.1%	0.3%	-1.3%	-0.3%	-0.3%	1.2%	2.3%	3.3%	4.4%	2.8%
Depreciation	-17.7	-18.5	-19.4	-21.0	-25.5	-21.4	-20.1	-19.5	-18.7	-4.6	-4.6	-4.8	-4.5	-18.4	-4.5	-4.5	-4.5	-4.5	-18.0
EBITDA ex IAC	48.9	44.2	34.3	25.6	33.6	60.9	47.0	15.3	15.8	4.5	5.0	3.3	4.2	16.9	5.9	7.3	8.4	9.8	31.5
EBITDA-% ex IAC	11.0%	10.6%	8.1%	5.9%	8.2%	13.3%	10.6%	3.1%	3.5%	3.9%	4.2%	3.0%	3.5%	3.7%	5.0%	6.1%	7.1%	8.1%	6.6%

Source: Suominen, Evli Research

SUOMINEN PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		24	25	26	24	25	26	24	25	26
Berry Global Group	7636	7.7x	8.9x	8.7x	13.6x	14.7x	14.1x	9.6%	10.8%	11.1%
Kimberly-Clark	43693	12.7x	13.1x	12.6x	15.7x	16.3x	15.4x	16.1%	17.2%	17.7%
N.R. Spuntech Industries	67									
Mativ Holdings	312	7.5x	5.9x	5.4x	12.8x	9.9x	8.5x	6.5%	7.1%	8.0%
Magnera	643	6.9x	6.8x	6.2x	17.2x	15.0x	13.1x	4.2%	5.0%	5.5%
Peer Group Average	10470	8.7x	8.7x	8.2x	14.8x	14.0x	12.8x	9.1%	10.0%	10.6%
Peer Group Median	643	7.6x	7.9x	7.4x	14.6x	14.9x	13.6x	8.0%	8.9%	9.6%
Suominen (Evli est.)	122	11.2x	5.9x	4.0x	-136.0x	13.8x	7.7x	-0.3%	2.8%	4.5%

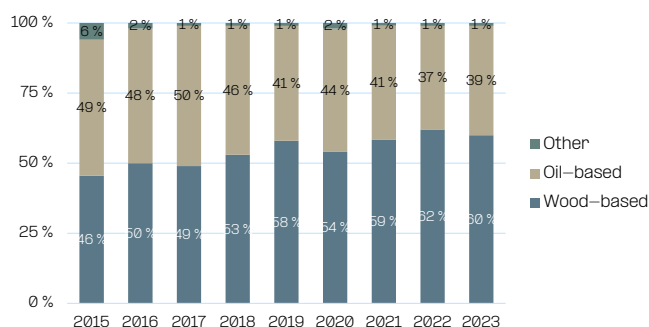
Suominen prem./disc. to peer median

47% -25% -47% -1028% -7% -43%

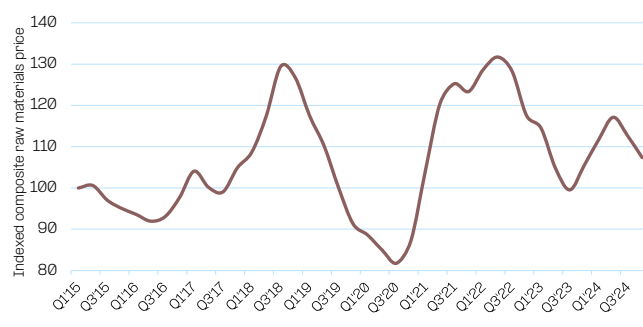
-104% -68% -53%

Source FactSet, Evli Research

Suominen raw materials mix and composite price development



Source: Suominen



Source: Bloomberg, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	2.10 PV of Free Cash Flow	178 Long-term growth, %	2.0 % Risk-free interest rate, % 2.25 %
DCF share value	4.80 PV of Horizon value	159 WACC, %	7.9 % Market risk premium, % 5.8 %
Share price potential, %	128.8 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium % 2.8 %
Maximum value	5.3 Marketable securities	41 Minimum WACC, %	7.4 % Equity beta coefficient 1.00
Minimum value	4.4 Debt – dividend	–99 Maximum WACC, %	8.4 % Target debt ratio, % 20 %
Horizon value, %	47.1 % Value of stock	280 No. of shares, Mn	58.3 Effective tax rate, % 28 %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	462	478	511	524	535	545	556	567	579	590	602	614
Sales growth (%)	2.5%	3.4%	7.0%	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Operating income (EBIT)	–1	13	23	31	40	41	42	43	43	44	45	46
Operating income margin %	–0.3%	2.8%	4.5%	6.0%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
+ Depreciation+amort.	18	18	22	24	25	24	23	22	22	21	21	
EBITDA	17	31	45	56	65	65	65	65	65	66	66	
– Paid taxes	–2	–2	–5	–7	–8	–9	–9	–9	–9	–9	–9	
– Change in NWC	–4	–4	–10	–4	7	–1	–1	–1	–1	–1	–1	
NWC / Sales, %	6.8%	7.4%	9.0%	9.5%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	
+ Change in other liabs	0											
– Operative CAPEX	–14	–27	–15	–20	–20	–20	–20	–20	–20	–20	–36	
opCAPEX / Sales, %	3.1%	5.7%	3.1%	3.9%	3.8%	3.7%	3.6%	3.6%	3.5%	3.4%	6.1%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	–3	–2	15	25	43	35	35	35	35	35	20	336
= Discounted FCF		–2	13	21	32	24	22	21	19	18	9	159
= DFCF min WACC		–2	13	21	33	25	23	21	20	19	10	182
= DFCF max WACC		–2	13	20	32	24	22	20	19	17	9	140

Sensitivity analysis, EUR

		Terminal WACC				
		5.92 %	6.92 %	7.92 %	8.92 %	9.92 %
Terminal EBIT–%	5.50 %	4.31	3.62	3.12	2.74	2.43
	6.50 %	5.84	4.73	3.96	3.40	2.96
	7.50 %	7.37	5.84	4.80	4.05	3.48
	8.50 %	8.90	6.95	5.65	4.71	4.01
	9.50 %	10.43	8.06	6.49	5.37	4.53

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	113.6	118.7	111.5	118.5	462.3	118.0	120.0	119.0	121.0	478.0	511.5	524.2
EBITDA	4.5	5.0	3.3	4.3	17.0	5.9	7.3	8.4	9.8	31.5	45.0	55.9
<i>EBITDA margin (%)</i>	<i>3.9%</i>	<i>4.2%</i>	<i>2.9%</i>	<i>3.6%</i>	<i>3.7%</i>	<i>5.0%</i>	<i>6.1%</i>	<i>7.1%</i>	<i>8.1%</i>	<i>6.6%</i>	<i>8.8%</i>	<i>10.7%</i>
EBIT	-0.1	0.4	-1.5	-0.2	-1.4	1.4	2.8	3.9	5.3	13.5	23.0	31.5
<i>EBIT margin (%)</i>	<i>-0.1%</i>	<i>0.3%</i>	<i>-1.4%</i>	<i>-0.2%</i>	<i>-0.3%</i>	<i>1.2%</i>	<i>2.4%</i>	<i>3.3%</i>	<i>4.4%</i>	<i>2.8%</i>	<i>4.5%</i>	<i>6.0%</i>
Net financial items	-0.8	-1.1	-1.9	-0.3	-4.1	-1.1	-1.1	-1.1	-1.1	-4.4	-4.0	-3.5
Pre-tax profit	-0.9	-0.7	-3.4	-0.5	-5.5	0.3	1.7	2.8	4.2	9.1	19.0	27.9
Tax	-0.3	0.0	0.1	0.3	0.1	-0.1	-0.5	-0.5	-0.5	-1.6	-4.0	-5.9
<i>Tax rate (%)</i>	<i>-35.2%</i>	<i>-4.0%</i>	<i>4.2%</i>	<i>52.8%</i>	<i>1.0%</i>	<i>33.3%</i>	<i>28.9%</i>	<i>17.7%</i>	<i>11.9%</i>	<i>17.7%</i>	<i>21.0%</i>	<i>21.0%</i>
Net profit	-1.2	-0.7	-3.3	-0.2	-5.4	0.2	1.2	2.3	3.7	7.5	15.0	22.0
EPS	-0.02	-0.01	-0.06	0.00	-0.09	0.00	0.02	0.04	0.06	0.13	0.26	0.38
EPS adj. (diluted)	-0.02	-0.01	-0.06	0.00	-0.09	0.00	0.02	0.04	0.06	0.13	0.26	0.38
Dividend per share										0.05	0.10	0.12
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Group	113.6	118.7	111.5	118.5	462.3	118.0	120.0	119.0	121.0	478.0	511.5	524.2
Total	113.6	118.7	111.5	118.5	462.3	118.0	120.0	119.0	121.0	478.0	511.5	524.2
SALES GROWTH, Y/Y%	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Group	-2.7%	5.3%	4.8%	3.0%	2.5%	3.9%	1.1%	6.7%	2.1%	3.4%	7.0%	2.5%
Total	-2.7%	5.3%	4.8%	3.0%	2.5%	3.9%	1.1%	6.7%	2.1%	3.4%	7.0%	2.5%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Group	-0.1	0.4	-1.5	-0.2	-1.4	1.4	2.8	3.9	5.3	13.5	23.0	31.5
Total	-0.1	0.4	-1.5	-0.2	-1.4	1.4	2.8	3.9	5.3	13.5	23.0	31.5
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Group	-0.1%	0.3%	-1.4%	-0.2%	-0.3%	1.2%	2.4%	3.3%	4.4%	2.8%	4.5%	6.0%
Total	-0.1%	0.3%	-1.4%	-0.2%	-0.3%	1.2%	2.4%	3.3%	4.4%	2.8%	4.5%	6.0%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	458.9	443.2	493.3	450.9	462.3	478.0	511.5	524.2
<i>Sales growth (%)</i>	11.5%	-3.4%	11.3%	-8.6%	2.5%	3.4%	7.0%	2.5%
EBITDA	60.9	47.0	15.2	15.9	17.0	31.5	45.0	55.9
<i>EBITDA margin (%)</i>	13.3%	10.6%	3.1%	3.5%	3.7%	6.6%	8.8%	10.7%
Depreciation	-21.4	-20.1	-23.2	-18.7	-18.4	-18.0	-22.0	-24.5
EBITA	39.5	26.9	-8.0	-2.8	-1.4	13.5	23.0	31.5
Goodwill amortization / writedown			3.8					
EBIT	39.5	26.9	-4.2	-2.8	-1.4	13.5	23.0	31.5
<i>EBIT margin (%)</i>	8.6%	6.1%	-0.9%	-0.6%	-0.3%	2.8%	4.5%	6.0%
Reported EBIT	39.5	26.9	-4.2	-2.8	-1.4	13.5	23.0	31.5
<i>EBIT margin (reported) (%)</i>	8.6%	6.1%	-0.9%	-0.6%	-0.3%	2.8%	4.5%	6.0%
Net financials	-5.6	-0.4	-2.9	-6.0	-4.1	-4.4	-4.0	-3.5
Pre-tax profit	33.9	26.5	-7.1	-8.8	-5.5	9.1	19.0	27.9
Taxes	-3.8	-5.8	-2.0	0.7	0.1	-1.6	-4.0	-5.9
Minority shares								
Net profit	30.1	20.7	-9.1	-8.1	-5.4	7.5	15.0	22.0
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	126	129	126	119	124	133	126	121
Goodwill	15	15	15	15	15	15	15	15
Right of use assets	18	16	12	11	11	11	12	12
Inventory	35	50	63	38	47	53	61	66
Receivables	61	73	76	72	69	63	70	71
Liquid funds	58	101	50	59	41	38	41	42
Total assets	317	387	343	316	310	315	327	330
Liabilities								
Shareholders' equity	146	163	146	125	118	125	137	153
Minority interest								
Convertibles								
Lease liabilities	15	13	11	10	9	11	12	12
Deferred taxes	13	14	12	9	8	8	8	8
Interest bearing debt	83	133	89	89	90	90	84	68
Non-interest bearing current liabilities	55	57	80	75	82	76	82	84
Other interest-free debt	3	3	3	7	3	3	3	3
Total liabilities	317	387	343	316	310	315	327	330
CASH FLOW, EURm								
+ EBITDA	61	47	15	16	17	31	45	56
- Net financial items	-6	0	-3	-6	-4	-4	-4	-4
- Taxes	-4	-3	-3	-3	-2	-2	-4	-6
- Increase in Net Working Capital	-1	-25	6	29	-4	-4	-10	-4
+/- Other								
= Cash flow from operations	50	19	15	36	7	21	27	43
- Capex	-12	-16	-6	-10	-14	-27	-16	-20
- Acquisitions								
+ Divestments								
= Free cash flow	38	4	9	26	-7	-6	11	22
+/- New issues/buybacks	-12	8	3	-7	4			
- Paid dividend	12	12	6	6		3	6	7
+/- Other	2	43	-53	-3	-9	3	-5	-16
Change in cash	25	43	-52	9	-17	-3	3	1

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	302	181	164	133	122	122	122
Net debt (excl. convertibles)	45	51	40	58	63	56	39
Enterprise value	347	232	205	190	186	178	161
Sales	443	493	451	462	478	511	524
EBITDA	47	15	16	17	31	45	56
EBIT	27	-4	-3	-1	13	23	31
Pre-tax	27	-7	-9	-5	9	19	28
Earnings	21	-9	-8	-5	7	15	22
Equity book value (excl. minorities)	163	146	125	118	125	137	153
Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	0.8	0.5	0.5	0.4	0.4	0.3	0.3
EV/EBITDA	7.4	15.2	12.9	11.2	5.9	4.0	2.9
EV/EBITA	12.9	-29.0	-73.1	-136.0	13.8	7.7	5.1
EV/EBIT	12.9	-55.1	-73.1	-136.0	13.8	7.7	5.1
EV/OCF	18.0	15.2	5.7	25.7	8.7	6.7	3.8
EV/FCF	195.7	26.3	7.2	-65.1	-95.8	12.0	6.3
P/FCFR	86.1	19.2	6.4	-19.3	-20.6	11.3	5.5
P/E	14.6	-19.8	-20.4	-24.4	16.4	8.1	5.5
P/BV	1.8	1.2	1.3	1.1	1.0	0.9	0.8
Target EV/EBITDA					5.7	3.8	2.8
Target EV/EBIT					13.4	7.5	4.9
Target EV/FCFF					-30.3	15.8	6.9
Target P/BV					0.9	0.8	0.8
Target P/E, diluted	14.8	-77880.4	-31.4	-33.7	15.6	7.8	5.3
Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
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	0.36	-0.16	-0.14	-0.09	0.13	0.26	0.38
Operating cash flow per share	0.33	0.26	0.62	0.13	0.37	0.46	0.73
Free cash flow per share	0.06	0.16	0.44	-0.12	-0.10	0.19	0.38
Book value per share	2.80	2.50	2.14	2.02	2.15	2.35	2.63
Dividend per share	0.20	0.10	0.10		0.05	0.10	0.12
Dividend payout ratio, %	56.3%	-64.0%	-72.2%		39.1%	38.8%	31.7%
Dividend yield, %	3.9%	3.2%	3.6%		2.4%	4.8%	5.7%
FCF yield, %	1.2%	5.2%	15.5%	-5.2%	-4.9%	8.9%	18.3%
Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	13.4%	-5.9%	-6.0%	-4.5%	6.2%	11.5%	15.2%
ROCE	9.7%	-1.5%	-1.2%	-0.6%	6.1%	10.0%	13.4%
Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales	11.2%	12.8%	8.4%	10.3%	11.0%	12.0%	12.5%
Receivables as % of sales	16.6%	15.4%	15.9%	15.0%	13.1%	13.6%	13.6%
Non-int. bearing liabilities as % of sales	12.9%	16.2%	16.7%	17.7%	16.0%	16.0%	16.0%
NWC/sales, %	14.1%	11.5%	6.1%	6.8%	7.4%	9.0%	9.5%
Operative CAPEX/Sales, %	3.6%	1.2%	2.3%	3.1%	5.7%	3.1%	3.9%
CAPEX/sales (incl. acquisitions), %	3.6%	1.2%	2.3%	3.1%	5.7%	3.1%	3.9%
FCFF/EBITDA	0.0	0.6	1.8	-0.2	-0.1	0.3	0.5
Net Debt/EBITDA, book-weighted	1.0	3.3	2.5	3.4	2.0	1.2	0.7
Debt/equity, market-weighted	0.4	0.5	0.5	0.7	0.7	0.7	0.6
Equity ratio, book-weighted	0.4	0.4	0.4	0.4	0.4	0.4	0.5
Gearing, %	27.6%	35.0%	32.4%	48.9%	50.8%	40.5%	25.4%

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	29.639	24.2 %
Etola Group Oy	7 414 000	15.569	12.7 %
Oy Etra Invest Ab	7 000 000	14.700	12.0 %
OP Life Assurance Company Ltd	4 217 221	8.856	7.2 %
Nordea Nordic Small Cap Fund	3 435 147	7.214	5.9 %
Mandatum Life Insurance Company Limited	2 882 540	6.053	4.9 %
Ilmarinen Mutual Pension Insurance Company	1 912 000	4.015	3.3 %
Varma Mutual Pension Insurance Company	1 689 751	3.548	2.9 %
Nordea Life Assurance Finland Ltd.	1 462 000	3.070	2.5 %
Oy H. Kuningas & Co Ab	1 400 000	2.940	2.4 %
Ten largest	45 526 292	95.605	78.1 %
Residual	12 732 927	26.739	21.9 %
Total	58 259 219	122.344	100%

EARNINGS CALENDAR

May 07, 2025	Q1 report
August 07, 2025	Q2 report
October 29, 2025	Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

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CFO: Janne Silonsaari
IR: Minna Rouru

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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, % $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

Important Disclosures

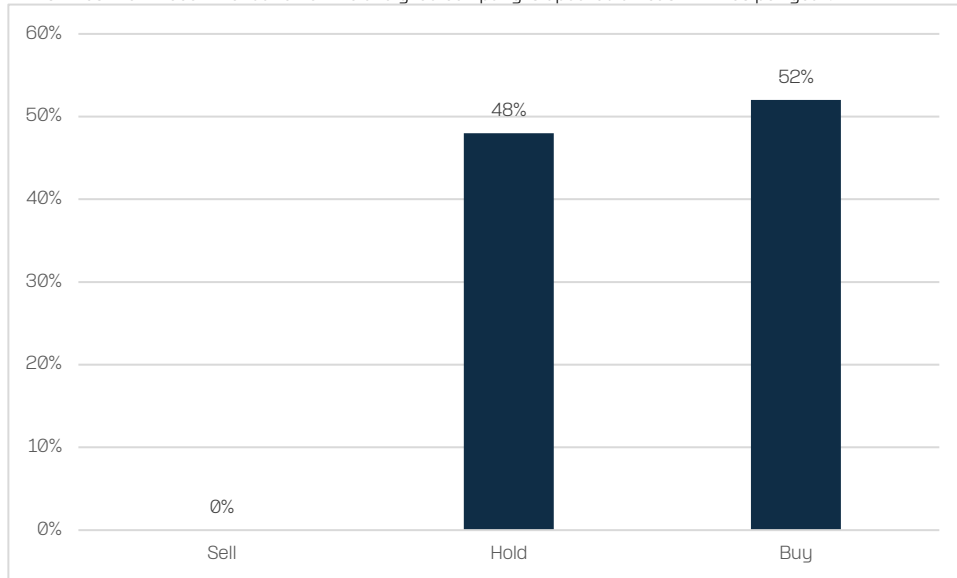
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	RECUDE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

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Name(s) of the analyst(s): Joonas Iivonen

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