

## Positive drivers are priced in

Suominen reports Q3 results on Oct 29. H1'25 saw an earnings recovery setback so that H2 must show meaningful gains if Suominen is to reach its FY'25 guidance. We believe this is possible since there are such drivers as recovering volumes, improving margins and cost cuts, however current valuation already very much demands higher earnings.

### H2'25 needs to be clearly better than H1

Suominen's Q2 proved another disappointment and was largely due to the US market where nonwovens customers stocked their inventories with Chinese supplies. This loss of volumes caused Suominen's revenue to fall 16% y/y. Some volume improvement was however already seen towards the end of Q2. We therefore expect more stable Q3 revenue at EUR 107m, or down 4% y/y. Suominen could still see its FY'25 EBITDA increase y/y, even though H1'25 was down by some EUR 2m y/y, as H2 should have certain earnings drivers (most importantly recovering volumes). We estimate Q3 EBITDA at EUR 5.6m, up by more than EUR 2m y/y.

### Volumes, margins and cost efficiency are all important

One positive aspect of the Q2 report was the relatively strong sales margin performance, which might well continue towards next year as raw materials prices have declined by a couple more percentage points over the last months. This trend, combined with recovering volumes, should finally drive more meaningful gross margin improvement. Suominen could then reach positive mid-single digit EBIT margins next year, assuming it achieves 10% gross margin. In our view Suominen has already done a lot in terms of finding cost savings, so the new CEO is likely to focus more on potential volume growth drivers. The nonwovens market however remains well-supplied and hence it's not clear which segments could drive more significant volume growth for Suominen, yet strategy updates are to be expected quite soon.

### Upside potential appears quite limited for now

Suominen is valued more than 9x EV/EBIT on our FY'26 estimates, which isn't yet a particularly low level considering how much uncertainty a more sustained and accelerated earnings recovery involves. There's still a risk of negative guidance revision, but even if that doesn't materialize positive development trends seem already largely priced in. We retain our EUR 1.8 TP and REDUCE rating.

Rating

 Reduce


Share price, EUR (Last trading day's closing price)	1.90
Target price, EUR	1.8
Latest change in recommendation	25-Feb-25
Latest report on company	08-Aug-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	110
Free float, %	62.7 %
Exchange rate	1.16
Reuters code	SUY1V.HE
Bloomberg code	SUY1V FH
Average daily volume, EURm	0.1
Next interim report	29-Oct-25
Web site	www.suominen.fi/en/investors/
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Telephone	+358 44 430 9071

 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	441.3	2.9	0.7%	-20.8	-0.11	-17.3	0.4	65.1	-18.9%	0.01
2026E	463.4	19.0	4.1%	10.2	0.18	10.8	0.4	9.4	9.2%	0.07
2027E	474.9	24.7	5.2%	19.5	0.28	6.7	0.3	6.6	17.7%	0.12
Market cap, EURm	110	Gearing 2025E, %		70.5 %		CAGR EPS 2024-27, %		0.0 %		
Net debt 2025E, EURm	78	Price/book 2025E		1.0		CAGR Sales 2024-27, %		0.9 %		
Enterprise value, EURm	189	Dividend yield 2025E, %		0.5 %		ROE 2025E, %		-5.6 %		
Total assets 2025E, EURm	308	Tax rate 2025E, %		-8.8 %		ROCE 2025E, %		1.3 %		
Goodwill 2025E, EURm	15	Equity ratio 2025E, %		36.2 %		PEG, P/E 25/CAGR		0.0		

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	2025 Q1	2025 Q2	2025E Q3E	2025E Q4E	2025E FY
Revenue	444	417	426	431	411	459	443	493	451	114	119	112	119	462	118	100	107	117	441
growth, %	11 %	-6 %	2 %	1 %	-5 %	12 %	-3 %	11 %	-9 %	-3 %	5 %	5 %	3 %	3 %	3 %	-16 %	-4 %	-1 %	-5 %
<b>Geography</b>																			
EMEA	172	171	174	171	150	170	178	205	163	44	43	42	46	174	44	40	40	43	167
Americas	272	246	252	260	262	289	265	288	288	70	76	70	73	288	74	60	67	74	275
OOGS	-386	-365	-384	-400	-377	-389	-392	-475	-428	-105	-110	-106	-111	-433	-109	-93	-97	-106	-405
Gross Profit	58	52	42	31	37	70	51	19	23	8.1	8.9	5.1	7.5	30	8.3	7.0	9.6	11.1	36
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 %	7.1 %	7.0 %	9.0 %	9.5 %	8.2 %
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	-9.2	-9.2	-8.5	-8.0	-34.9
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	0.5	0.6	0.0	0.0	1.1
EBIT ex IAC	31.2	25.6	15.0	4.6	8.1	39.6	26.9	-4.2	-2.8	-0.1	0.4	-1.6	-0.3	-1.4	-0.3	-1.0	1.1	3.1	2.9
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 %	-0.3 %	-1.0 %	1.1 %	2.7 %	0.7 %
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	-4.4	-4.2	-4.5	-4.5	-17.5
EBITDA ex IAC	48.9	44.2	34.3	25.6	33.6	60.9	47.0	15.3	15.8	4.5	6.0	3.3	4.2	17.0	4.1	3.2	6.6	7.6	20.5
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 %	3.5 %	3.2 %	5.3 %	6.5 %	4.6 %

Source: Suominen, Evli Research

SUOMINEN PEER GROUP	MOAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		24	25	26	24	25	26	24	25	26
Amcor	15933	9.9x	9.0x	6.8x	12.5x	12.0x	9.4x	11.5 %	11.8 %	12.4 %
Sealed Air	4261	8.2x	8.0x	7.8x	10.6x	10.7x	10.2x	15.9 %	16.0 %	16.4 %
Kimberly-Clark	34228	12.7x	13.2x	12.8x	15.7x	17.2x	16.1x	16.1 %	16.5 %	17.0 %
N.R. Spuntech Industries	59									
Mativ Holdings	492	7.5x	7.2x	6.6x	12.8x	12.6x	10.6x	6.5 %	6.4 %	7.4 %
Magnera	314	6.8x	6.0x	5.7x	15.4x	16.0x	14.1x	4.7 %	4.2 %	4.5 %
Peer Group Average	9215	9.0x	8.7x	7.9x	13.4x	13.7x	12.1x	11.0 %	11.0 %	11.6 %
Peer Group Median	2377	8.2x	8.0x	6.8x	12.8x	12.6x	10.6x	11.5 %	11.8 %	12.4 %
Suominen (Evli est.)	110	11.2x	9.2x	4.4x	-136.0x	65.0x	9.4x	-0.3 %	0.7 %	4.1 %

Suominen prem./disc. to peer median

37 %

15 %

-36 %

-1161 %

416 %

-11 %

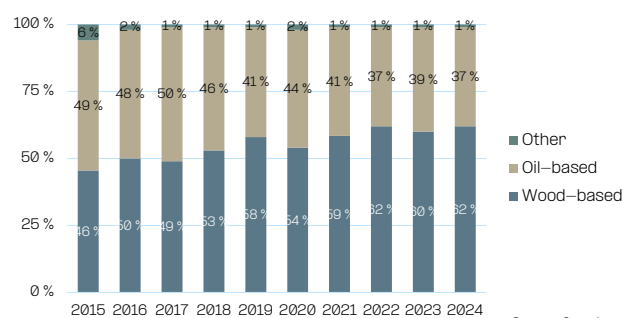
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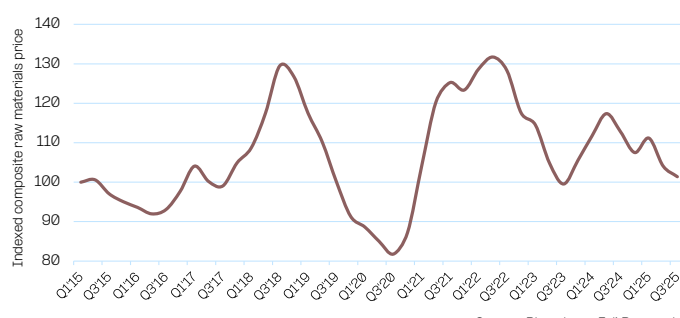
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Source FactSet, Evli Research

## 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	1.90 PV of Free Cash Flow	159 Long-term growth, %	2.0 % Risk-free interest rate, %
DCF share value	4.38 PV of Horizon value	153 WACC, %	7.9 % Market risk premium, %
Share price potential, %	131.1 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	4.8 Marketable securities	41 Minimum WACC, %	7.4 % Equity beta coefficient
Minimum value	4.0 Debt – dividend	–99 Maximum WACC, %	8.4 % Target debt ratio, %
Horizon value, %	49.1 % Value of stock	255 No. of shares, Mn	58.3 Effective tax rate, %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	462	441	463	475	484	494	504	514	524	535	546	556
Sales growth (%)	2.5%	–4.5%	5.0%	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Operating income (EBIT)	–1	3	19	25	31	37	38	39	39	40	41	42
Operating income margin %	–0.3%	0.7%	4.1%	5.2%	6.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
+ Depreciation+amort.	18	18	22	25	25	24	23	22	22	21	21	
EBITDA	17	20	41	49	56	61	61	61	61	62	62	
– Paid taxes	–2	0	–4	–5	–7	–8	–8	–8	–8	–8	–9	
– Change in NWC	–4	–6	–7	–1	1	4	–1	–1	–1	–1	–1	
NWC / Sales, %	6.8%	8.4%	9.4%	9.4%	8.9%	7.9%	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	–35	
opCAPEX / Sales, %	3.1%	6.0%	3.4%	4.3%	4.2%	4.1%	4.0%	3.9%	3.9%	3.8%	6.4%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	–3	–12	15	23	31	37	32	32	32	32	18	310
= Discounted FCFF		–12	14	19	24	27	22	20	19	17	9	153
= DFCF min WACC		–12	14	20	25	27	22	20	19	18	9	175
= DFCF max WACC		–12	14	19	24	26	21	19	18	17	9	136

## Sensitivity analysis, EUR

		Terminal WACC				
		5.92 %	6.92 %	7.92 %	8.92 %	9.92 %
Terminal EBIT–%	5.50 %	3.89	3.24	2.78	2.43	2.15
	6.50 %	5.32	4.29	3.58	3.06	2.65
	7.50 %	6.76	5.34	4.38	3.69	3.16
	8.50 %	8.19	6.39	5.18	4.31	3.66
	9.50 %	9.63	7.43	5.98	4.94	4.17

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	113.6	118.7	111.5	118.5	462.3	117.5	99.8	107.0	117.0	441.3	463.4	474.9
EBITDA	4.5	5.0	3.3	4.3	17.0	4.1	3.2	5.6	7.6	20.4	41.1	49.2
EBITDA margin (%)	3.9%	4.2%	2.9%	3.6%	3.7%	3.5%	3.2%	5.2%	6.5%	4.6%	8.9%	10.4%
EBIT	-0.1	0.4	-1.5	-0.2	-1.4	-0.3	-1.0	1.1	3.1	2.9	19.0	24.7
EBIT margin (%)	-0.1%	0.3%	-1.4%	-0.2%	-0.3%	-0.3%	-1.0%	1.0%	2.7%	0.7%	4.1%	5.2%
Net financial items	-0.8	-1.1	-1.9	-0.3	-4.1	-1.9	-2.9	-2.0	-2.0	-8.8	-6.0	-3.9
Pre-tax profit	-0.9	-0.7	-3.4	-0.5	-5.5	-2.2	-3.9	-0.9	1.1	-5.9	13.0	20.8
Tax	-0.3	0.0	0.1	0.3	0.1	0.0	0.5	-0.5	-0.5	-0.5	-2.7	-4.4
Tax rate (%)	-35.2%	-4.0%	4.2%	52.8%	1.0%	-0.3%	12.7%	-55.6%	45.5%	-8.8%	21.0%	21.0%
Net profit	-1.2	-0.7	-3.3	-0.2	-5.4	-2.2	-3.4	-1.4	0.6	-6.4	10.3	16.4
EPS	-0.02	-0.01	-0.06	0.00	-0.09	-0.04	-0.06	-0.02	0.01	-0.11	0.18	0.28
EPS adj. (diluted)	-0.02	-0.01	-0.06	0.00	-0.09	-0.04	-0.06	-0.02	0.01	-0.11	0.18	0.28
Dividend per share										0.01	0.07	0.12
<b>SALES, EURm</b>	<b>2024Q1</b>	<b>2024Q2</b>	<b>2024Q3</b>	<b>2024Q4</b>	<b>2024</b>	<b>2025Q1</b>	<b>2025Q2</b>	<b>2025Q3E</b>	<b>2025Q4E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
Group	113.6	118.7	111.5	118.5	462.3	117.5	99.8	107.0	117.0	441.3	463.4	474.9
Total	113.6	118.7	111.5	118.5	462.3	117.5	99.8	107.0	117.0	441.3	463.4	474.9
<b>SALES GROWTH, Y/Y%</b>	<b>2024Q1</b>	<b>2024Q2</b>	<b>2024Q3</b>	<b>2024Q4</b>	<b>2024</b>	<b>2025Q1</b>	<b>2025Q2</b>	<b>2025Q3E</b>	<b>2025Q4E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
Group	-2.7%	5.3%	4.8%	3.0%	2.5%	3.4%	-15.9%	-4.0%	-1.3%	-4.5%	5.0%	2.5%
Total	-2.7%	5.3%	4.8%	3.0%	2.5%	3.4%	-15.9%	-4.0%	-1.3%	-4.5%	5.0%	2.5%
<b>EBIT, EURm</b>	<b>2024Q1</b>	<b>2024Q2</b>	<b>2024Q3</b>	<b>2024Q4</b>	<b>2024</b>	<b>2025Q1</b>	<b>2025Q2</b>	<b>2025Q3E</b>	<b>2025Q4E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
Group	-0.1	0.4	-1.5	-0.2	-1.4	-0.3	-1.0	1.1	3.1	2.9	19.0	24.7
Total	-0.1	0.4	-1.5	-0.2	-1.4	-0.3	-1.0	1.1	3.1	2.9	19.0	24.7
<b>EBIT margin %</b>	<b>2024Q1</b>	<b>2024Q2</b>	<b>2024Q3</b>	<b>2024Q4</b>	<b>2024</b>	<b>2025Q1</b>	<b>2025Q2</b>	<b>2025Q3E</b>	<b>2025Q4E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
Group	-0.1%	0.3%	-1.4%	-0.2%	-0.3%	-0.3%	-1.0%	1.0%	2.7%	0.7%	4.1%	5.2%
Total	-0.1%	0.3%	-1.4%	-0.2%	-0.3%	-0.3%	-1.0%	1.0%	2.7%	0.7%	4.1%	5.2%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	458.9	443.2	493.3	450.9	462.3	441.3	463.4	474.9
<i>Sales growth (%)</i>	11.5%	-3.4%	11.3%	-8.6%	2.5%	-4.5%	5.0%	2.5%
EBITDA	60.9	47.0	15.2	15.9	17.0	20.4	41.1	49.2
<i>EBITDA margin (%)</i>	13.3%	10.6%	3.1%	3.5%	3.7%	4.6%	8.9%	10.4%
Depreciation	-21.4	-20.1	-23.2	-18.7	-18.4	-17.5	-22.1	-24.6
EBITA	39.5	26.9	-8.0	-2.8	-1.4	2.9	19.0	24.7
Goodwill amortization / writedown			3.8					
EBIT	39.5	26.9	-4.2	-2.8	-1.4	2.9	19.0	24.7
<i>EBIT margin (%)</i>	8.6%	6.1%	-0.9%	-0.6%	-0.3%	0.7%	4.1%	5.2%
Reported EBIT	39.5	26.9	-4.2	-2.8	-1.4	2.9	19.0	24.7
<i>EBIT margin (reported) (%)</i>	8.6%	6.1%	-0.9%	-0.6%	-0.3%	0.7%	4.1%	5.2%
Net financials	-5.6	-0.4	-2.9	-6.0	-4.1	-8.8	-6.0	-3.9
Pre-tax profit	33.9	26.5	-7.1	-8.8	-5.5	-5.9	13.0	20.8
Taxes	-3.8	-5.8	-2.0	0.7	0.1	-0.5	-2.7	-4.4
Minority shares								
Net profit	30.1	20.7	-9.1	-8.1	-5.4	-6.4	10.3	16.4
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	126	129	126	119	124	133	126	122
Goodwill	15	15	15	15	15	15	15	15
Right of use assets	18	16	12	11	11	11	11	11
Inventory	35	50	63	38	47	53	58	59
Receivables	61	73	76	72	69	58	63	65
Liquid funds	58	101	50	59	41	35	37	38
Total assets	317	387	343	316	310	308	313	313
Liabilities								
Shareholders' equity	146	163	146	125	118	111	121	133
Minority interest								
Convertibles								
Lease liabilities	15	13	11	10	9	11	11	11
Deferred taxes	13	14	12	9	8	8	8	8
Interest bearing debt	83	133	89	89	90	103	95	80
Non-interest bearing current liabilities	55	57	80	75	82	71	74	76
Other interest-free debt	3	3	3	7	3	3	3	3
Total liabilities	317	387	343	316	310	308	313	313
CASH FLOW, EURm								
+ EBITDA	61	47	15	16	17	20	41	49
- Net financial items	-6	0	-3	-6	-4	-9	-6	-4
- Taxes	-4	-3	-3	-3	-2	-1	-3	-4
- Increase in Net Working Capital	-1	-25	6	29	-4	-6	-7	-1
+/- Other								
= Cash flow from operations	50	19	15	36	7	6	26	40
- Capex	-12	-16	-6	-10	-14	-27	-16	-20
- Acquisitions								
+ Divestments								
= Free cash flow	38	4	9	26	-7	-21	10	20
+/- New issues/buybacks	-12	8	3	-7	4			
- Paid dividend	12	12	6	6		1	4	7
+/- Other	2	43	-53	-3	-9	15	-8	-15
Change in cash	25	43	-52	9	-17	-6	2	1

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	302	181	164	133	110	110	110
Net debt (excl. convertibles)	45	51	40	58	78	69	53
Enterprise value	347	232	205	190	189	179	164
Sales	443	493	451	462	441	463	475
EBITDA	47	15	16	17	20	41	49
EBIT	27	-4	-3	-1	3	19	25
Pre-tax	27	-7	-9	-5	-6	13	21
Earnings	21	-9	-8	-5	-6	10	16
Equity book value (excl. minorities)	163	146	125	118	111	121	133

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	0.8	0.5	0.5	0.4	0.4	0.4	0.3
EV/EBITDA	7.4	15.2	12.9	11.2	9.2	4.4	3.3
EV/EBITA	12.9	-29.0	-73.1	-136.0	65.1	9.4	6.6
EV/EBIT	12.9	-55.1	-73.1	-136.0	65.1	9.4	6.6
EV/OCF	18.0	15.2	5.7	25.7	33.4	7.0	4.1
EV/FCF	195.7	26.3	7.2	-65.1	-16.0	11.6	7.1
P/FCFR	86.1	19.2	6.4	-19.3	-5.3	10.8	5.7
P/E	14.6	-19.8	-20.4	-24.4	-17.3	10.8	6.7
P/BV	1.8	1.2	1.3	1.1	1.0	0.9	0.8
Target EV/EBITDA					9.0	4.2	3.2
Target EV/EBIT					63.2	9.1	6.4
Target EV/FCFF					-8.8	17.0	8.1
Target P/BV					0.9	0.9	0.8
Target P/E, diluted	14.8	-77880.4	-31.4	-33.7	-16.4	10.2	6.4

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	-0.11	0.18	0.28
Operating cash flow per share	0.33	0.26	0.62	0.13	0.10	0.44	0.68
Free cash flow per share	0.06	0.16	0.44	-0.12	-0.36	0.18	0.33
Book value per share	2.80	2.50	2.14	2.02	1.91	2.08	2.29
Dividend per share	0.20	0.10	0.10		0.01	0.07	0.12
Dividend payout ratio, %	56.3%	-64.0%	-72.2%		-9.1%	39.7%	42.6%
Dividend yield, %	3.9%	3.2%	3.6%		0.5%	3.7%	6.3%
FCF yield, %	1.2%	5.2%	15.5%	-5.2%	-18.9%	9.2%	17.7%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	13.4%	-5.9%	-6.0%	-4.5%	-5.6%	8.9%	12.9%
ROCE	9.7%	-1.5%	-1.2%	-0.6%	1.3%	8.4%	10.9%

Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales	11.2%	12.8%	8.4%	10.3%	12.0%	12.5%	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%	8.4%	9.4%	9.4%
Operative CAPEX/Sales, %	3.6%	1.2%	2.3%	3.1%	6.0%	3.4%	4.3%
CAPEX/sales (incl. acquisitions), %	3.6%	1.2%	2.3%	3.1%	6.0%	3.4%	4.3%
FCFF/EBITDA	0.0	0.6	1.8	-0.2	-0.6	0.4	0.5
Net Debt/EBITDA, book-weighted	1.0	3.3	2.5	3.4	3.8	1.7	1.1
Debt/equity, market-weighted	0.4	0.5	0.5	0.7	0.9	0.9	0.7
Equity ratio, book-weighted	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Gearing, %	27.6%	35.0%	32.4%	48.9%	70.5%	56.9%	40.1%

**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	26.745	24.2 %
Etola Group Oy	7 414 000	14.050	12.7 %
Oy Etra Invest Ab	7 000 000	13.265	12.0 %
OP Life Assurance Company Ltd	4 217 221	7.992	7.2 %
Nordea Nordic Small Cap Fund	3 435 147	6.510	5.9 %
Mandatum Life Insurance Company Limited	2 882 540	5.462	4.9 %
Ilmarinen Mutual Pension Insurance Company	1 912 000	3.623	3.3 %
Varma Mutual Pension Insurance Company	1 689 751	3.202	2.9 %
Nordea Life Assurance Finland Ltd.	1 462 000	2.770	2.5 %
Oy H. Kuningas & Co Ab	1 400 000	2.653	2.4 %
Ten largest	45 526 292	86.272	78.1 %
Residual	12 732 927	24.129	21.9 %
Total	58 259 219	110.401	100%

#### EARNINGS CALENDAR

October 29, 2025

Q3 report

#### OTHER EVENTS

#### COMPANY MISCELLANEOUS

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CFO: Janne Silonsaari  
IR: Minna Rouru

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## DEFINITIONS

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



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Target price compared to share price

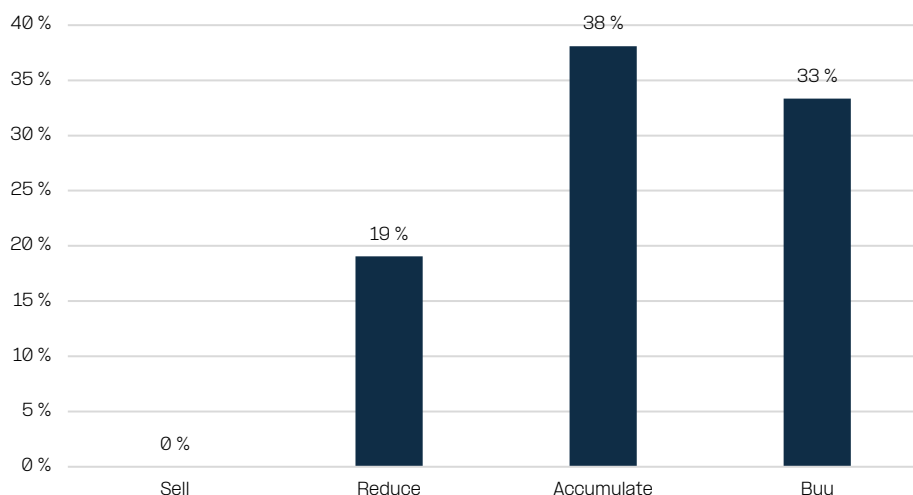
< -10 %  
-10 - 0 %  
0 - (+10) %  
> 10 %

Recommendation

SELL  
RECUDE  
ACCUMULATE  
BUY

ERP may temporarily suspend the rating and, if applicable, the target price to comply with regulations and/or firm policies, in which case a NOT RATED classification is used.

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

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