Volume recovery further delayed

Suominen's Q3 results were known beforehand since the company released preliminary information about them together with the negative profit warning. Suominen now specified that the EUR 3.4m comparable EBITDA would have been EUR 2.8m higher without the two incidents at its US plants. One positive was that sales margins continued to improve, however Suominen still lacks sufficient volumes for adequate levels of EBITDA.

- Suominen Q3 revenue declined by 10.5% y/y to EUR 99.8m, as disclosed earlier. Americas came in at EUR 60.3m, while EMEA was EUR 39.5m. Sales volumes decreased as volume recovery progressed slower than previously anticipated, but sales margins increased relative to the comparison period. Currencies had a negative impact of EUR 3.7m.
- Gross profit amounted to EUR 6.1m and gross margin was therefore 6.1%.
- Comparable EBITDA was EUR 3.4m, while comparable EBIT landed at EUR –0.7m. The negative effect of lower sales volumes on comparable EBITDA was offset by lower raw materials prices. Two major incidents affected Suominen's US plants; the equipment failure and flooding had a total negative impact of EUR 2.8m on comparable EBITDA. Their impact on sales was EUR 5.4m.
- Suominen guides FY'25 comparable EBITDA to be lower compared to FY'24 (EUR 17.0m), as the company issued new guidance on Oct 15.

Rating	Reduce
Share price, EUR (Last trading day's closing price)	**1.64**
Target price, EUR	1.8
Latest change in recommendation	25–Feb–25
Latest report on company	15–Oct–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	96
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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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	–15.0	0.4	60.0	–21.8%	0.01
2026E	463.4	19.0	4.1%	10.2	0.18	9.3	0.4	8.6	10.7%	0.07
2027E	474.9	24.7	5.2%	19.5	0.28	5.8	0.3	6.0	20.4%	0.12

Market cap, EURm	96	Gearing 2025E, %	70.5 %	CAGR EPS 2024–27, %	0.0 %
Net debt 2025E, EURm	78	Price/book 2025E	0.9	CAGR Sales 2024–27, %	0.9 %
Enterprise value, EURm	174	Dividend yield 2025E, %	0.6 %	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.

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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

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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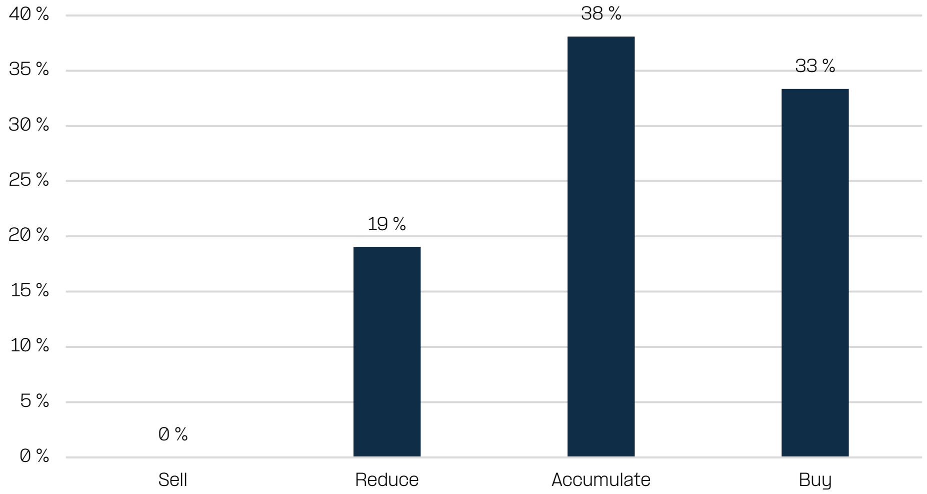

The graph above shows the distribution of ERP's recommendations of companies under coverage on the 16th of May, 2025. If recommendation is not given, it is not mentioned here.

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

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