

Soft start for the year

Suominen's Q4 performance didn't meet estimates, at least in terms of profitability, and FY '22 guidance also disappointed as the issues which surfaced last summer continue to trouble in the short-term.

Certain customers still suffer from high inventories

Suominen's Q4 revenue grew by 4% y/y to EUR 115.6m, ahead of the EUR 113.0m/113.3m Evli/cons. estimates. Europe amounted close to what we expected, while Americas was ahead, but gross profit was only EUR 8.4m vs our EUR 14.4m estimate. Suominen's pricing improved but not to the extent we expected, and hence high variable costs ate margins. The pandemic also caused plant-level problems. The EUR 9.0m EBITDA benefited from cost cuts but didn't meet the EUR 12.1m/12.6m Evli/cons. estimates. Some customers' high demand resumed, but others continued to languish as inventories remained elevated. There's now a short-term see-saw pattern in demand which manifests itself in y/y lower Q1'22 top line. The demand issues are very customer-specific but happen to impact Americas for the most part. There seem to have been no major changes in this respect. Suominen expects end consumer demand to remain above pre-pandemic levels, and the picture should again improve in Q2.

We cut especially H1'22 estimates

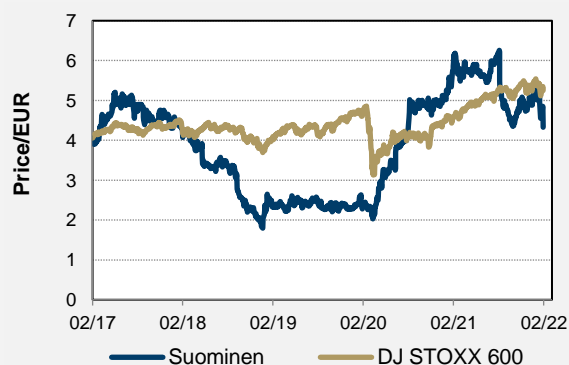
Raw materials prices have overall stabilized, but there's been mixed development as e.g. pulp has declined while viscose has advanced. Meanwhile US logistics issues persist, and transportation costs remain high. The completed investments, on the other hand, pose no major ramp-up costs. We cut our FY '22 revenue estimate to EUR 455m (prev. EUR 467m) and that for EBITDA to EUR 40.8m (prev. EUR 50.9m). We cut FY '23 profitability estimates by ca. EUR 2-3m. The estimate cuts concern particularly H1'22, from where we expect improvement.

Margins and multiples are low relative to peers

Suominen's multiples remained low before the report, but they still didn't sufficiently reflect the persistent current uncertainty. Suominen is valued around 5.0-6.5x EV/EBITDA and 8.0-12.5x EV/EBIT on our FY '22-23 estimates. The absolute multiples are not that low for this year, but we expect improvement over the year; Suominen remains valued below peers while margins are also low. Our new TP is EUR 5 (6); we retain our BUY rating.

Rating

BUY



Share price, EUR (Last trading day's closing price) 4.33

Target price, EUR 5.0

Latest change in 25-Jun-20

Latest report on company 01-Feb-22

Research paid by issuer: YES

No. of shares outstanding, 58,259

No. of shares fully diluted, 58,259

Market cap, EURm 252

Free float, % 62.7

Exchange rate EUR/USD 1.11

Reuters code SUY1V.HE

Bloomberg code SUY1V FH

Average daily volume, EURm 0.2

Next interim report 04-May-22

Web site www.suominen.fi/en/investors/

Analyst Joonas Ilvonen

E-mail joonas.ilvonen@evli.com

Telephone +358 44 430 9071

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
2020	458.9	39.5	8.6%	38.3	0.52	9.8	0.7	8.5	12.9	0.20
2021	443.2	26.9	6.1%	3.5	0.36	14.6	0.8	12.9	1.2	0.20
2022E	455.0	20.8	4.6%	46.7	0.26	16.5	0.6	12.6	18.5	0.20
2023E	468.7	30.5	6.5%	27.2	0.39	11.1	0.5	8.1	10.8	0.20
2024E	480.4	33.6	7.0%	29.9	0.44	9.8	0.5	6.8	11.9	0.20
Market cap, EURm	252			Gearing 2022E, %	6.0			CAGR EPS 2021-24, %	7.6	
Net debt 2022E, EURm	10			Price/book 2022E	1.5			CAGR sales 2021-24, %	2.7	
Enterprise value, EURm	262			Dividend yield 2022E, %	4.6			ROE 2022E, %	9.3	
Total assets 2022E, EURm	306			Tax rate 2022E, %	21.0			ROCE 2022E, %	8.0	
Goodwill 2022E, EURm	15			Equity ratio 2022E, %	54.5			PEG, P/E 22/CAGR	0.7	

Estimates and peer group valuation

Suominen EURm	2013 FY	2014 FY	2015 FY	2016 FY	2017 FY	2018 FY	2019 FY	2020 FY	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2021E FY	2022E Q1E	2022E Q2E	2022E Q3E	2022E Q4E	2022E FY
Revenue	374	402	444	417	426	431	411	459	115	114	99	116	443	107	117	113	118	455
growth, %		8 %	11 %	-6 %	2 %	1 %	-5 %	12 %	5 %	-7 %	-14 %	4 %	-3 %	-7 %	3 %	14 %	2 %	3 %
Geography																		
Europe	150	153	172	171	174	171	150	170	43	46	42	47	178	45	48	47	48	188
Americas	224	249	272	246	252	260	262	289	72	67	57	69	265	62	69	66	70	267
COGS	-334	-352	-386	-365	-384	-400	-377	-389	-95	-97	-93	-107	-392	-99	-104	-99	-103	-405
Gross Profit	40	50	58	52	42	31	37	70	202	167	55	84	51	80	129	136	153	50
Gross-%	10.7 %	12.4 %	13.1 %	12.5 %	9.9 %	7.3 %	9.0 %	15.2 %	17.5 %	14.7 %	5.5 %	7.3 %	11.5 %	7.5 %	11.0 %	12.0 %	13.0 %	10.9 %
SGA & R&D	-22.4	-24.6	-28.0	-27.9	-28.9	-29.2	-30.6	-30.7	-7.2	-7.5	-6.7	-7.5	-28.9	-7.3	-7.3	-7.3	-7.3	-29.0
Other	1.7	0.8	1.8	1.3	1.7	2.5	1.8	0.4	0.6	1.1	0.4	2.9	5.0	0.0	0.0	0.0	0.0	0.0
EBIT	18.9	25.9	31.8	25.6	15.0	4.6	8.1	39.5	13.6	10.3	-0.8	3.9	26.9	0.8	5.6	6.3	8.1	20.8
IAC	-0.5	-1.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT ex IAC	19.4	26.9	31.2	25.6	15.0	4.6	8.1	39.5	13.6	10.3	-0.8	3.9	26.9	0.8	5.6	6.3	8.1	20.8
EBIT-% ex IAC	5.2 %	6.7 %	7.0 %	6.1 %	3.5 %	1.1 %	2.0 %	8.6 %	11.8 %	9.1 %	-0.9 %	3.4 %	6.1 %	0.7 %	4.8 %	5.6 %	6.9 %	4.6 %
Depreciation	-13.9	-15.6	-17.7	-18.5	-19.4	-21.0	-25.5	-21.4	-4.9	-5.0	-5.1	-5.1	-20.1	-5.0	-5.0	-5.0	-5.0	-20.0
EBITDA ex IAC	33.3	42.5	48.9	44.2	34.3	25.6	33.6	60.9	18.5	15.3	4.2	9.0	47.0	5.8	10.6	11.3	13.1	40.8
EBITDA-% ex IAC	8.9 %	10.6 %	11.0 %	10.6 %	8.1 %	5.9 %	8.2 %	13.3 %	16.1 %	13.5 %	4.3 %	7.8 %	10.6 %	5.4 %	9.1 %	10.0 %	11.1 %	9.0 %

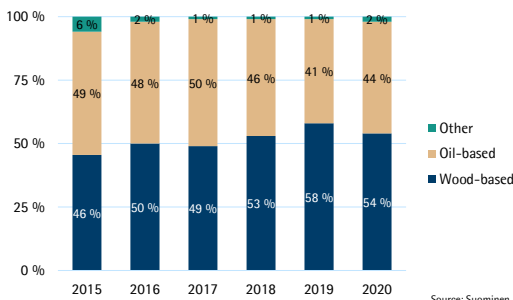
Source: Suominen, Evli Research

SUOMINEN PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		21	22	23	21	22	23	21	22	23
Ahlstrom-Munksjo										
Berry Global Group	7513	8.5x	7.6x	7.4x	13.4x	11.2x	10.6x	10.1 %	10.8 %	11.3 %
Kimberly-Clark	40260	15.8x	15.0x	13.4x	20.1x	19.6x	16.8x	14.6 %	14.1 %	16.0 %
N.R. Spuntech Industries	127									
Neenah	687	10.2x	8.3x	7.2x	138.3x	12.3x	10.1x	0.9 %	9.3 %	10.6 %
Glatfelter	684	8.9x	6.3x	5.6x	17.7x	11.8x	9.6x	5.8 %	6.3 %	7.6 %
PFNonwovens										
Peer Group Average	9854	10.8x	9.3x	8.4x	47.4x	13.7x	11.8x	7.8 %	10.1 %	11.4 %
Peer Group Median	687	9.5x	8.0x	7.3x	18.9x	12.1x	10.4x	8.0 %	10.1 %	11.0 %
Suominen (Evli est.)	252	7.4x	6.4x	4.9x	12.9x	12.6x	8.1x	6.1 %	4.6 %	6.5 %

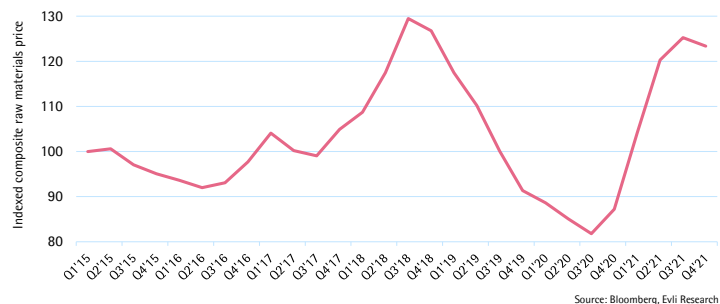
Suominen prem./disc. to peer median

-23 % -19 % -33 % -32 % 5 % -22 % -24 % -55 % -41 %

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	4.33 PV of Free Cash Flow	219 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	6.79 PV of Horizon value	222 WACC, %	7.9 Market risk premium, %	5.8
Share price potential, %	56.7 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	7.4 Marketable securities	101 Minimum WACC, %	7.4 Equity beta coefficient	1.00
Minimum value	6.3 Debt - dividend	-146 Maximum WACC, %	8.4 Target debt ratio, %	20
Horizon value, %	50.3 Value of stock	395 Nr of shares, Mn	58.3 Effective tax rate, %	28

DCF valuation, EURm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Horizon
Net sales	443	455	469	480	490	500	510	520	530	541	552	563
<i>Sales growth, %</i>	-3.4	2.7	3.0	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Operating income (EBIT)	27	21	30	34	37	37	38	39	40	41	41	42
<i>Operating income margin, %</i>	6.1	4.6	6.5	7.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
+ Depreciation+amort.	20	20	20	22	20	20	20	20	20	20	20	20
EBITDA	47	41	50	55	57	57	58	59	60	61	61	
- Paid taxes	-3	-4	-6	-7	-8	-8	-8	-8	-8	-9	-9	
- Change in NWC	-25	25	-1	-1	-1	-1	-1	-1	-1	-1	-1	
<i>NWC / Sales, %</i>	14.1	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-18	-13	-14	-16	-18	-20	-20	-20	-20	-20	-24	
<i>opCAPEX / Sales, %</i>	3.6	2.9	3.1	3.4	3.7	4.1	4.0	3.9	3.8	3.8	4.5	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= FCFF	2	48	29	31	31	29	29	30	30	31	27	471
= Discounted FCFF		45	25	25	23	20	19	18	17	16	13	222
= DFCF min WACC		45	25	25	23	20	19	18	17	16	13	253
= DFCF max WACC		45	25	25	22	19	18	17	16	15	12	195

INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1E	2022Q2E	2022Q3E	2022Q4E	2022E	2023E	2024E
Net sales	115.3	113.7	98.6	115.6	443.2	107.0	117.0	113.0	118.0	455.0	468.7	480.4
EBITDA	18.5	15.3	4.3	8.9	47.0	5.8	10.6	11.3	13.1	40.8	50.5	55.1
<i>EBITDA margin (%)</i>	<i>16.1</i>	<i>13.4</i>	<i>4.4</i>	<i>7.7</i>	<i>10.6</i>	<i>5.4</i>	<i>9.1</i>	<i>10.0</i>	<i>11.1</i>	<i>9.0</i>	<i>10.8</i>	<i>11.5</i>
EBIT	13.6	10.3	-0.8	3.8	26.9	0.8	5.6	6.3	8.1	20.8	30.5	33.6
<i>EBIT margin (%)</i>	<i>11.8</i>	<i>9.1</i>	<i>-0.8</i>	<i>3.3</i>	<i>6.1</i>	<i>0.7</i>	<i>4.8</i>	<i>5.6</i>	<i>6.9</i>	<i>4.6</i>	<i>6.5</i>	<i>7.0</i>
Net financial items	3.3	-1.6	-1.0	-1.1	-0.4	-0.4	-0.4	-0.4	-0.4	-1.5	-1.6	-1.0
Pre-tax profit	16.9	8.7	-1.8	2.7	26.5	0.4	5.2	5.9	7.7	19.3	28.9	32.6
Tax	-3.1	-2.6	0.1	-0.2	-5.8	-0.1	-1.1	-1.2	-1.6	-4.1	-6.1	-6.9
<i>Tax rate (%)</i>	<i>18.3</i>	<i>29.7</i>	<i>6.6</i>	<i>9.2</i>	<i>21.9</i>	<i>21.0</i>	<i>21.0</i>	<i>21.0</i>	<i>21.0</i>	<i>21.0</i>	<i>21.0</i>	<i>21.0</i>
Net profit	13.8	6.1	-1.6	2.5	20.7	0.3	4.1	4.7	6.1	15.3	22.8	25.8
EPS	0.24	0.10	-0.03	0.04	0.36	0.01	0.07	0.08	0.10	0.26	0.39	0.44
EPS adjusted (diluted no. of shares)	0.24	0.10	-0.03	0.04	0.36	0.01	0.07	0.08	0.10	0.26	0.39	0.44
Dividend per share	0.00	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.20	0.20	0.20
SALES, EURm												
Group	115.3	113.7	98.6	115.6	443.2	107.0	117.0	113.0	118.0	455.0	468.7	480.4
Total	115.3	113.7	98.6	115.6	443.2	107.0	117.0	113.0	118.0	455.0	468.7	480.4
SALES GROWTH, Y/Y %												
Group	4.6	-7.0	-14.6	4.1	-3.4	-7.2	2.9	14.6	2.1	2.7	3.0	2.5
Total	4.6	-7.0	-14.6	4.1	-3.4	-7.2	2.9	14.6	2.1	2.7	3.0	2.5
EBIT, EURm												
Group	13.6	10.3	-0.8	3.8	26.9	0.8	5.6	6.3	8.1	20.8	30.5	33.6
Total	13.6	10.3	-0.8	3.8	26.9	0.8	5.6	6.3	8.1	20.8	30.5	33.6
EBIT margin, %												
Group	11.8	9.1	-0.8	3.3	6.1	0.7	4.8	5.6	6.9	4.6	6.5	7.0
Total	11.8	9.1	-0.8	3.3	6.1	0.7	4.8	5.6	6.9	4.6	6.5	7.0

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	426.0	431.1	411.4	458.9	443.2	455.0	468.7	480.4
<i>Sales growth (%)</i>	<i>2.2</i>	<i>1.2</i>	<i>-4.6</i>	<i>11.5</i>	<i>-3.4</i>	<i>2.7</i>	<i>3.0</i>	<i>2.5</i>
EBITDA	34.3	25.6	33.6	60.9	47.0	40.8	50.5	55.1
<i>EBITDA margin (%)</i>	<i>8.1</i>	<i>5.9</i>	<i>8.2</i>	<i>13.3</i>	<i>10.6</i>	<i>9.0</i>	<i>10.8</i>	<i>11.5</i>
Depreciation	-19.3	-21.0	-25.5	-21.4	-20.1	-20.0	-20.0	-21.5
EBITA	15.0	4.6	8.1	39.5	26.9	20.8	30.5	33.6
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	15.0	4.6	8.1	39.5	26.9	20.8	30.5	33.6
<i>EBIT margin (%)</i>	<i>3.5</i>	<i>1.1</i>	<i>2.0</i>	<i>8.6</i>	<i>6.1</i>	<i>4.6</i>	<i>6.5</i>	<i>7.0</i>
Reported EBIT	15.0	4.6	8.1	39.5	26.9	20.8	30.5	33.6
<i>EBIT margin (reported) (%)</i>	<i>3.5</i>	<i>1.1</i>	<i>2.0</i>	<i>8.6</i>	<i>6.1</i>	<i>4.6</i>	<i>6.5</i>	<i>7.0</i>
Net financials	-2.6	-5.6	-6.0	-5.6	-0.4	-1.5	-1.6	-1.0
Pre-tax profit	12.4	-1.0	2.1	33.9	26.5	19.3	28.9	32.6
Taxes	2.0	-0.8	-1.9	-3.8	-5.8	-4.1	-6.1	-6.9
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	14.5	-1.7	0.2	30.1	20.7	15.3	22.8	25.8
Cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BALANCE SHEET, EURm								
Assets								
Fixed assets	160	156	143	126	129	122	116	111
Goodwill	15	15	15	15	15	15	15	15
Right of use assets	0	17	16	18	16	16	17	17
Inventory	44	52	45	35	50	50	52	53
Receivables	66	63	61	61	73	64	66	67
Liquid funds	35	32	33	58	101	36	37	41
Total assets	326	338	316	317	387	306	305	306
Liabilities								
Shareholder's equity	136	131	131	146	163	167	178	192
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	13	16	15	13	16	17	17
Deferred taxes	15	12	12	13	14	14	14	14
Interest bearing debt	110	102	86	83	133	30	15	0
Non-interest bearing current liabilities	63	75	66	55	57	73	75	77
Other interest-free debt	1	3	3	3	3	3	3	3
Total liabilities	326	338	316	317	387	306	305	306
CASH FLOW, EURm								
+ EBITDA	34	26	34	61	47	41	50	55
- Net financial items	-3	-6	-6	-6	0	-1	-2	-1
- Taxes	0	6	-2	-4	-3	-4	-6	-7
- Increase in Net Working Capital	-8	6	-1	-1	-25	25	-1	-1
+/- Other	-5	-3	0	0	0	0	0	0
= Cash flow from operations	19	28	25	50	19	60	42	46
- Capex	-34	-15	-11	-12	-16	-13	-14	-16
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-14	13	14	38	4	47	27	30
+/- New issues/buybacks	1	3	0	-12	8	0	0	0
- Paid dividend	-6	-6	0	-3	-12	-12	-12	-12
+/- Other	16	-12	-13	2	43	-100	-14	-15
Change in cash	-3	-3	1	25	43	-65	1	3

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	119	153	296	302	252	252	252
Net debt (excl. convertibles)	83	70	40	45	10	-6	-24
Enterprise value	203	223	336	347	262	247	228
Sales	431	411	459	443	455	469	480
EBITDA	26	34	61	47	41	50	55
EBIT	5	8	40	27	21	30	34
Pre-tax	-1	2	34	27	19	29	33
Earnings	-2	0	30	21	15	23	26
Equity book value (excl. minorities)	131	131	146	163	167	178	192
Valuation multiples							
EV/sales	0.5	0.5	0.7	0.8	0.6	0.5	0.5
EV/EBITDA	7.9	6.6	5.5	7.4	6.4	4.9	4.1
EV/EBITA	44.1	27.5	8.5	12.9	12.6	8.1	6.8
EV/EBIT	44.1	27.5	8.5	12.9	12.6	8.1	6.8
EV/OCF	7.2	8.9	6.7	18.0	4.4	5.9	4.9
EV/FCFF	11.7	12.3	7.4	195.7	5.4	8.5	7.3
P/FCFE	9.0	10.8	7.7	86.1	5.4	9.3	8.4
P/E	-69.4	766.1	9.8	14.6	16.5	11.1	9.8
P/B	0.9	1.2	2.0	1.8	1.5	1.4	1.3
Target EV/EBITDA	0.0	0.0	0.0	0.0	7.4	5.7	4.9
Target EV/EBIT	0.0	0.0	0.0	0.0	14.5	9.4	8.0
Target EV/FCF	0.0	0.0	0.0	0.0	6.5	10.5	8.9
Target P/B	0.0	0.0	0.0	0.0	1.7	1.6	1.5
Target P/E	0.0	0.0	0.0	0.0	19.1	12.8	11.3
Per share measures							
Number of shares	58,259	58,259	58,259	58,259	58,259	58,259	58,259
Number of shares (diluted)	58,259	58,259	58,259	58,259	58,259	58,259	58,259
EPS	-0.03	0.00	0.52	0.36	0.26	0.39	0.44
Operating cash flow per share	0.48	0.43	0.86	0.33	1.03	0.72	0.79
Free cash flow per share	0.23	0.24	0.66	0.06	0.80	0.47	0.51
Book value per share	2.24	2.24	2.50	2.80	2.86	3.06	3.30
Dividend per share	0.00	0.05	0.20	0.20	0.20	0.20	0.20
Dividend payout ratio, %	0.0	1,456.5	38.7	56.3	76.3	51.0	45.2
Dividend yield, %	0.0	1.9	3.9	4.6	4.6	4.6	4.6
FCF yield, %	11.1	9.2	12.9	1.2	18.5	10.8	11.9
Efficiency measures							
ROE	-1.3	0.2	21.8	13.4	9.3	13.2	13.9
ROCE	1.9	3.4	16.6	9.7	8.0	14.4	16.0
Financial ratios							
Inventories as % of sales	12.0	11.0	7.7	11.2	11.0	11.0	11.0
Receivables as % of sales	14.7	14.7	13.2	16.6	14.1	14.0	14.0
Non-interest bearing liabilities as % of sales	17.5	16.0	11.9	12.9	16.0	16.0	16.0
NWC/sales, %	8.5	9.0	8.3	14.1	8.3	8.3	8.3
Operative CAPEX/sales, %	3.5	2.6	2.6	3.6	2.9	3.1	3.4
CAPEX/sales (incl. acquisitions), %	3.5	2.6	2.6	3.6	2.9	3.1	3.4
FCFF/EBITDA	0.7	0.5	0.7	0.0	1.2	0.6	0.6
Net debt/EBITDA, book-weighted	3.2	2.1	0.7	1.0	0.2	-0.1	-0.4
Debt/equity, market-weighted	0.9	0.6	0.3	0.4	0.1	0.1	0.0
Equity ratio, book-weighted	38.7	41.4	46.0	42.2	54.5	58.4	62.8
Gearing, %	63.7	53.3	27.3	27.6	6.0	-3.1	-12.4

COMPANY DESCRIPTION: Suominen manufactures nonwovens for global consumer brands on eight 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	13,953,357	60.418	24.0%
Oy Etra Invest Ab	8,700,000	37.671	14.9%
Nordea Nordic Small Cap Fund	3,435,147	14.874	5.9%
Ilmarinen Mutual Pension Insurance Company	3,046,892	13.193	5.2%
Etola Group Oy	2,900,000	12.557	5.0%
Nordea Life Assurance Finland Ltd.	2,882,300	12.480	4.9%
Mandatum Life Insurance Company Limited	2,881,547	12.477	4.9%
Elo Mutual Pension Insurance Company	1,944,651	8.420	3.3%
Varma Mutual Pension Insurance Company	1,689,751	7.317	2.9%
OP Life Assurance Company Ltd	1,688,830	7.313	2.9%
Ten largest	43,122,475	186.720	74%
Residual	15,136,744	65.542	26%
Total	58,259,219	252.262	100%

EARNINGS CALENDAR

May 04, 2022	Q1 report
August 09, 2022	Q2 report
October 26, 2022	Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

CEO: Petri Helsky	Karvaamokuja 2 B, FI-00380 Helsinki
CFO: Toni Tamminen	Tel: +358 (0)10 214 300
IR: Emilia Peltola	

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

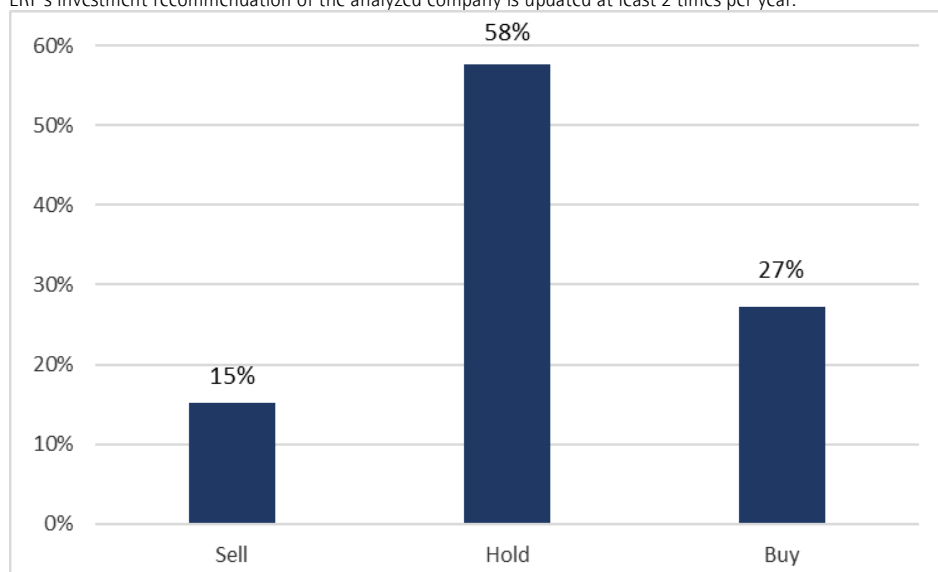
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

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Contact information**SALES, TRADING AND RESEARCH****Equity, ETF and Derivatives Sales**

Joachim Dannberg	+358 9 4766 9123
Ari Laine	+358 9 4766 9115
Kimmo Lilja	+358 9 4766 9130

Trading

Lauri Vehkaluoto (Head)	+358 9 4766 9120
Pasi Väisänen	+358 9 4766 9120
Antti Kässi	+358 9 4766 9120
Miika Ronkanen	+358 9 4766 9120

Structured Investments

Heikki Savijoki	+358 9 4766 9726
Aki Lakkisto	+358 9 4766 9123

Equity Research

Jonas Forslund	+358 9 4766 9314
Joonas Ilvonen	+358 44 430 9071
Jerker Salokivi	+358 9 4766 9149
Teemu Reiman	+358 40 352 6175

Evli Investment Solutions

Johannes Asuja	+358 9 4766 9205
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EVLI BANK PLC
Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Fax +358 9 634 382
Internet www.evli.com
E-mail firstname.lastname@evli.com

**EVLI BANK PLC,
STOCKHOLMSFILIAL**
Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000
Fax +46 (0)8 407 8001