

Still very modest results

Suominen's Q4 results remained below estimates. Top line grew 15% y/y but was still soft relative to expectations, while cost inflation didn't yet ease that much to translate into significantly better margins. Profitability hence stayed at a very modest level.

- Suominen Q4 revenue grew by 15.1% y/y to EUR 133.1m vs the EUR 140.0m/140.4m Evli/consensus estimates. Americas came in at EUR 81.7m, compared to our EUR 84.0m estimate, while Europe amounted to EUR 51.4m vs our EUR 56.0m estimate. Currencies had a positive impact of EUR 9.3m on sales.
- Gross profit was EUR 1.8m, compared to our EUR 14.0m estimate, and gross margin was therefore 1.4% vs our 10.0% estimate.
- Adjusted EBITDA landed at EUR 5.0m in Q4, compared to the EUR 11.8m/9.8m Evli/consensus estimates. Meanwhile adjusted EBIT was EUR -0.2m vs our EUR 6.8m estimate.
- Suominen guides its comparable EBITDA to increase in 2023 (EUR 15.3m in 2022).
- The BoD proposes EUR 0.10 per share dividend to be paid for the year, compared to the EUR 0.15/0.08 Evli/consensus estimates.

Rating 🟡 HOLD

Q4'22	Actual	Evli	Year ago	Q3'22
Revenue	133.1	140.0	115.6	131.9
Gross profit	1.8	14.0	8.4	5.2
Adj. EBITDA	5.0	11.8	9.0	5.1
Adj. EBIT	-0.2	6.8	3.9	0.2

Deviation	Actual	Evli	Year ago	Q3'22
Revenue		-5 %	15 %	1 %
Gross profit		-87 %	-79 %	-65 %
Adj. EBITDA		-58 %	-44 %	-2 %
Adj. EBIT		-103 %	-105 %	-200 %

 Share price, EUR (Last trading day's closing price) 3.18

 Target price, EUR 3.5

Latest change in	27-Jan-23
Latest report on company	27-Jan-23
Research paid by issuer:	YES
No. of shares outstanding,	58,259
No. of shares fully diluted,	58,259
Market cap, EURm	185
Free float, %	62.7
Exchange rate EUR/USD	1.09
Reuters code	SUY1V.HE
Bloomberg code	SUY1V.FH
Average daily volume, EURm	0.1
Next interim report	03-Feb-23
Web site	www.suominen.fi/en/investors/

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+ BUY 🟡 HOLD - SELL

PRE-REPORT 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	500.2	2.8	0.6%	25.2	0.00	-70,759.9	0.4	77.4	13.6	0.15
2023E	525.2	26.3	5.0%	22.9	0.34	9.3	0.4	7.7	12.4	0.20
2024E	535.7	36.2	6.8%	31.8	0.47	6.8	0.3	5.0	17.2	0.20

Market cap, EURm	185	BV per share 2022E, EUR	20.8	CAGR EPS 2021-24, %	9.8
Net debt 2022E, EURm	31	Price/book 2022E	1.2	CAGR sales 2021-24, %	6.5
Enterprise value, EURm	217	Dividend yield 2022E, %	4.7	ROE 2022E, %	0.0
Total assets 2022E, EURm	323	Tax rate 2022E, %	100.1	ROCE 2022E, %	1.1
Goodwill 2022E, EURm	15	Equity ratio 2022E, %	46.9	PEG, P/E 22/CAGR	0.0

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

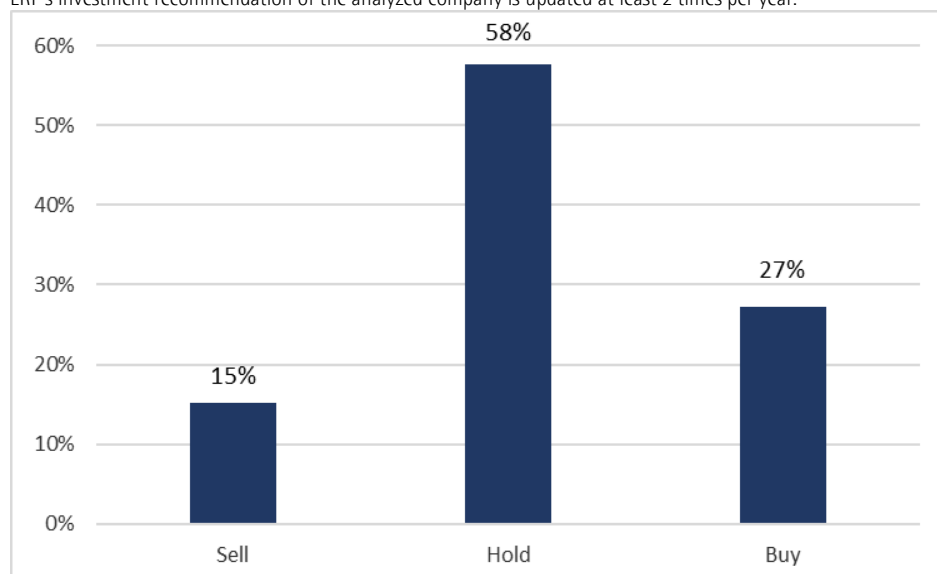
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Investment recommendations are defined as follows:

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

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

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