

Waiting for steeper recovery

Suominen reports Q4 results on Mar 5. We believe the environment is slightly more favorable this year, while earnings clearly should continue to improve from the lows.

Comparison figures remained quite low

Suominen's earnings improved last year even if at a slower pace than might have been expected earlier. The softness was attributable to H2'24, when there's more volume potential due to seasonality. Earlier last year it seemed wipes demand would increase meaningfully over the year, however brands like P&G, Clorox and Kimberly–Clark didn't in the end see that significant volume growth. Suominen's H1'24 EBITDA improved by EUR 4m y/y, but we estimate H2'24 earnings to have remained flat due to Q3 as there were operational challenges which had an adverse impact of EUR 3m. We estimate Suominen Q4 revenue to have grown 6% y/y, driven by Americas as the area had relatively soft volume development earlier in the year. We expect Q4 EBITDA to have gained around EUR 2m y/y to EUR 7.5m.

Earnings recovery rate should gather pace this year

Raw materials prices declined by ca. 5% q/q in Q4; Suominen should have been positioned to see further gross margin recovery especially if volumes also continued to recover. The relevant segments of wiping brands saw somewhat mixed volume trends in Q4 as there were y/y gains of 4% but also marked declines. We expect Suominen to be cautiously positive in its comments on volume outlook for this year as the comparison figures are still not high. Sales margins could have more upside going forward if there's room to improve mix, but nonwovens prices may see headwinds from now on. We thus believe Suominen FY'25 revenue doesn't grow a lot, but earnings should continue to recover from the low comparison period.

Multiples reflect continued earnings recovery

We estimate Suominen to have hit EUR 20m EBITDA last year and expect the figure to gain another EUR 16m this year. Suominen is valued 10x EV/EBIT on that basis; earnings should have more potential next year too, when the multiple would be 7x. This level isn't very high, but in our view upside seems limited for now unless Q4 results already show steeper improvement pace. Our new TP is EUR 2.1 (2.2) as our new rating is REDUCE (SELL) according to the updated rating methodology (see p. 3).

Rating ■ Reduce



Share price, EUR (Last trading day's closing price)	2.11
Target price, EUR	2.1
Latest change in recommendation	25–Feb–25
Latest report on company	07–Nov–24
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	123
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	05–Mar–25
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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
2022	493.3	-4.2	-0.9%	9.4	-0.16	-19.8	0.5	-55.1	5.2%	0.10
2023	450.9	-2.8	-0.6%	25.5	-0.14	-20.4	0.5	-73.1	15.5%	0.10
2024E	465.8	1.8	0.4%	-10.4	-0.06	-33.9	0.4	99.8	-8.4%	0.05
2025E	475.1	18.1	3.8%	0.4	0.19	11.4	0.4	10.1	0.4%	0.10
2026E	508.4	25.4	5.0%	14.0	0.29	7.2	0.3	6.8	11.4%	0.12
Market cap, EURm	123	Gearing 2024E, %	49.1%	CAGR EPS 2023–26, %	0.0%					
Net debt 2024E, EURm	57	Price/book 2024E	1.1	CAGR Sales 2023–26, %	4.1%					
Enterprise value, EURm	180	Dividend yield 2024E, %	2.4%	ROE 2024E, %	-3.0%					
Total assets 2024E, EURm	301	Tax rate 2024E, %	-20.5%	ROCE 2024E, %	0.8%					
Goodwill 2024E, EURm	15	Equity ratio 2024E, %	38.3%	PEG, P/E 24/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 Q1	2023 Q2	2023 Q3	2023 Q4	2023 FY	2024 Q1	2024 Q2	2024 Q3	2024E Q4E	2024E FY
Revenue	444	417	426	431	411	459	443	493	117	113	106	115	451	114	119	112	122	466
growth, %	11%	-6%	2%	1%	-5%	12%	-3%	11%	6%	-4%	-19%	-14%	-9%	-3%	5%	5%	6%	3%
Geography																		
EMEA	172	171	174	171	150	170	178	205	42	43	36	43	163	44	43	42	43	172
Americas	272	246	252	260	262	289	265	288	75	70	71	72	288	70	76	70	79	294
COGS	-386	-365	-384	-400	-377	-389	-392	-475	-112	-110	-100	-106	-428	-105	-110	-106	-111	-433
Gross Profit	58	52	42	31	37	70	51	19	4.9	3.1	6.4	8.4	23	8.1	8.9	5.1	11.0	33
Gross-%	13.1%	12.5%	9.9%	7.3%	9.0%	15.2%	11.5%	3.8%	4.2%	2.7%	6.0%	7.3%	5.1%	7.2%	7.5%	4.6%	9.0%	7.1%
SGA & R&D	-28.0	-27.9	-28.9	-29.2	-30.6	-30.7	-28.9	-32.4	-8.2	-8.0	-7.9	-8.2	-32.3	-8.7	-10.2	-8.3	-8.0	-35.3
Other	1.8	1.3	1.7	2.5	1.8	0.4	5.0	4.9	1.3	-1.8	2.2	0.4	2.1	0.7	0.5	1.8	0.0	3.0
EBIT ex IAC	31.2	25.6	15.0	4.6	8.1	39.5	26.9	-4.2	-2.0	-2.1	0.7	0.7	-2.9	-0.1	0.4	-1.5	3.0	1.8
EBIT-% ex IAC	7.0%	6.1%	3.5%	1.1%	2.0%	8.6%	6.1%	-0.8%	-1.7%	-1.9%	0.6%	0.6%	-0.6%	-0.1%	0.3%	-1.3%	2.4%	0.4%
Depreciation	-17.7	-18.5	-19.4	-21.0	-25.5	-21.4	-20.1	-19.5	-4.7	-4.8	-4.5	-4.6	-18.7	-4.6	-4.6	-4.8	-4.5	-18.4
EBITDA ex IAC	48.9	44.2	34.3	25.6	33.6	60.9	47.0	15.3	2.6	2.7	5.2	5.3	15.8	4.5	5.0	3.3	7.5	20.2
EBITDA-% ex IAC	11.0%	10.6%	8.1%	5.9%	8.2%	13.3%	10.6%	3.1%	2.3%	2.4%	4.9%	4.6%	3.5%	3.9%	4.2%	3.0%	6.1%	4.3%

Source: Suominen, Evli Research

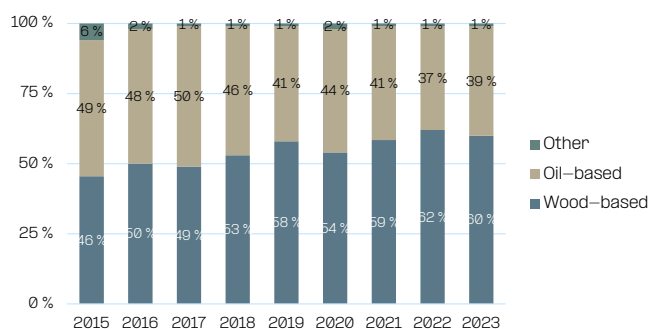
SUOMINEN PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		24	25	26	24	25	26	24	25	26
Berry Global Group	7928	7.7x	9.0x	8.7x	13.5x	14.7x	14.0x	9.6%	10.8%	11.2%
Kimberly-Clark	44431	12.7x	13.1x	12.5x	15.7x	16.2x	15.4x	16.1%	17.2%	17.7%
N.R. Spuntech Industries	75									
Mativ Holdings	356	7.5x	6.0x	5.5x	12.8x	10.2x	8.8x	6.5%	7.1%	8.0%
Magnera	725	6.9x	7.0x	6.4x	17.2x	15.4x	13.5x	4.2%	5.0%	5.5%
Peer Group Average	10703	8.7x	8.8x	8.3x	14.8x	14.1x	12.9x	9.1%	10.0%	10.6%
Peer Group Median	725	7.6x	8.0x	7.6x	14.6x	15.1x	13.8x	8.0%	8.9%	9.6%
Suominen (Evli est.)	123	8.9x	5.0x	3.8x	99.8x	10.1x	6.8x	0.4%	3.8%	5.0%

Suominen prem./disc. to peer median

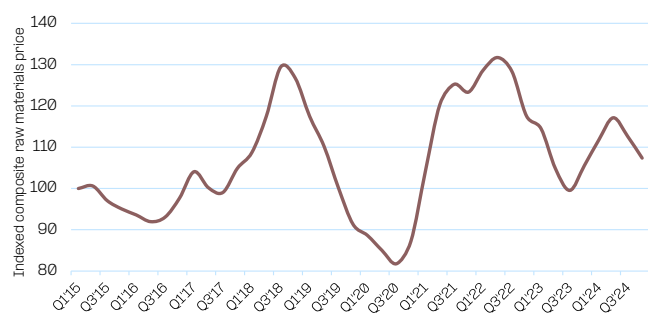
17% -37% -50% 582% -33% -50% -95% -58% -48%

Source FactSet, Evli Research

Suominen raw materials mix and composite price development



Source: Suominen



Source: Bloomberg, Evli Research

We have amended our rating methodology since the previous update of the stock. Please see the updated and previous methodologies below.

NEW

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

OLD

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

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	2.11 PV of Free Cash Flow	163 Long-term growth, %	2.0 % Risk-free interest rate, %
DCF share value	5.48 PV of Horizon value	197 WACC, %	7.9 % Market risk premium, %
Share price potential, %	159.6 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	6.0 Marketable securities	59 Minimum WACC, %	7.4 % Equity beta coefficient
Minimum value	5.0 Debt – dividend	–99 Maximum WACC, %	8.4 % Target debt ratio, %
Horizon value, %	54.7 % Value of stock	319 No. of shares, Mn	58.3 Effective tax rate, %

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	TERMINAL
Net sales	451	466	475	508	521	532	542	553	564	575	587	599
Sales growth (%)	–8.6%	3.3%	2.0%	7.0%	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Operating income (EBIT)	–3	2	18	25	32	40	41	41	42	43	44	45
Operating income margin %	–0.6%	0.4%	3.8%	5.0%	6.2%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
+ Depreciation+amort.	19	18	18	21	23	24	23	22	22	21	21	
EBITDA	16	20	36	46	55	63	64	64	64	65	65	
– Paid taxes	–3	0	–4	–5	–7	–8	–9	–9	–9	–9	–9	
– Change in NWC	29	–5	–3	–8	4	–1	–1	–1	–1	–1	–1	
NWC / Sales, %	6.1%	6.9%	7.5%	8.5%	7.5%	7.6%	7.6%	7.6%	7.6%	7.6%	7.7%	
+ Change in other liabs	–2											
– Operative CAPEX	–11	–20	–25	–15	–20	–20	–20	–20	–20	–20	–33	
opCAPEX / Sales, %	2.3%	4.4%	5.3%	3.1%	3.9%	3.8%	3.7%	3.7%	3.6%	3.5%	5.6%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	29	–4	4	18	33	34	34	34	34	35	22	386
= Discounted FCF		–4	4	15	26	26	24	22	20	19	11	197
= DFCF min WACC		–4	4	16	27	26	24	22	21	20	12	224
= DFCF max WACC		–4	4	15	26	25	23	21	20	18	11	174

Sensitivity analysis, EUR

		Terminal WACC				
		5.92 %	6.92 %	7.92 %	8.92 %	9.92 %
Terminal EBIT–%	5.50 %	5.25	4.34	3.71	3.24	2.87
	6.50 %	6.82	5.49	4.59	3.94	3.44
	7.50 %	8.40	6.65	5.48	4.64	4.00
	8.50 %	9.98	7.80	6.36	5.33	4.56
	9.50 %	11.55	8.96	7.25	6.03	5.12

INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Net sales	116.8	112.7	106.4	115.0	450.9	113.6	118.7	111.5	122.0	465.8	475.1	508.4
EBITDA	2.7	2.7	5.2	5.2	15.9	4.5	5.0	3.3	7.5	20.2	36.1	46.0
<i>EBITDA margin (%)</i>	<i>2.4%</i>	<i>2.4%</i>	<i>4.9%</i>	<i>4.5%</i>	<i>3.5%</i>	<i>3.9%</i>	<i>4.2%</i>	<i>2.9%</i>	<i>6.2%</i>	<i>4.3%</i>	<i>7.6%</i>	<i>9.1%</i>
EBIT	-2.0	-2.1	0.7	0.6	-2.8	-0.1	0.4	-1.5	3.0	1.8	18.1	25.4
<i>EBIT margin (%)</i>	<i>-1.7%</i>	<i>-1.9%</i>	<i>0.7%</i>	<i>0.5%</i>	<i>-0.6%</i>	<i>-0.1%</i>	<i>0.3%</i>	<i>-1.4%</i>	<i>2.5%</i>	<i>0.4%</i>	<i>3.8%</i>	<i>5.0%</i>
Net financial items	-1.5	-1.3	-1.2	-2.0	-6.0	-0.8	-1.1	-1.9	-1.0	-4.8	-4.4	-3.8
Pre-tax profit	-3.5	-3.4	-0.5	-1.4	-8.8	-0.9	-0.7	-3.4	2.0	-3.0	13.7	21.6
Tax	-0.3	-0.2	1.3	-0.1	0.7	-0.3	0.0	0.1	-0.4	-0.6	-2.9	-4.5
<i>Tax rate (%)</i>	<i>-9.0%</i>	<i>-5.0%</i>	<i>284.7%</i>	<i>-5.6%</i>	<i>8.2%</i>	<i>-35.2%</i>	<i>-4.0%</i>	<i>4.2%</i>	<i>21.0%</i>	<i>-20.5%</i>	<i>21.0%</i>	<i>21.0%</i>
Net profit	-3.9	-3.6	0.8	-1.5	-8.1	-1.2	-0.7	-3.3	1.6	-3.6	10.8	17.1
EPS	-0.07	-0.06	0.01	-0.03	-0.14	-0.02	-0.01	-0.06	0.03	-0.06	0.19	0.29
EPS adj. (diluted)	-0.07	-0.06	0.01	-0.03	-0.14	-0.02	-0.01	-0.06	0.03	-0.06	0.19	0.29
Dividend per share					0.10					0.05	0.10	0.12
SALES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Group	116.8	112.7	106.4	115.0	450.9	113.6	118.7	111.5	122.0	465.8	475.1	508.4
Total	116.8	112.7	106.4	115.0	450.9	113.6	118.7	111.5	122.0	465.8	475.1	508.4
SALES GROWTH, Y/Y%	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Group	5.9%	-4.5%	-19.3%	-13.6%	-8.6%	-2.7%	5.3%	4.8%	6.1%	3.3%	2.0%	7.0%
Total	5.9%	-4.5%	-19.3%	-13.6%	-8.6%	-2.7%	5.3%	4.8%	6.1%	3.3%	2.0%	7.0%
EBIT, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Group	-2.0	-2.1	0.7	0.6	-2.8	-0.1	0.4	-1.5	3.0	1.8	18.1	25.4
Total	-2.0	-2.1	0.7	0.6	-2.8	-0.1	0.4	-1.5	3.0	1.8	18.1	25.4
EBIT margin %	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Group	-1.7%	-1.9%	0.7%	0.5%	-0.6%	-0.1%	0.3%	-1.4%	2.5%	0.4%	3.8%	5.0%
Total	-1.7%	-1.9%	0.7%	0.5%	-0.6%	-0.1%	0.3%	-1.4%	2.5%	0.4%	3.8%	5.0%

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	411.4	458.9	443.2	493.3	450.9	465.8	475.1	508.4
<i>Sales growth (%)</i>	-4.6%	11.5%	-3.4%	11.3%	-8.6%	3.3%	2.0%	7.0%
EBITDA	33.6	60.9	47.0	15.2	15.9	20.2	36.1	46.0
<i>EBITDA margin (%)</i>	8.2%	13.3%	10.6%	3.1%	3.5%	4.3%	7.6%	9.1%
Depreciation	-25.5	-21.4	-20.1	-23.2	-18.7	-18.4	-18.0	-20.6
EBITA	8.1	39.5	26.9	-8.0	-2.8	1.8	18.1	25.4
Goodwill amortization / writedown				3.8				
EBIT	8.1	39.5	26.9	-4.2	-2.8	1.8	18.1	25.4
<i>EBIT margin (%)</i>	2.0%	8.6%	6.1%	-0.9%	-0.6%	0.4%	3.8%	5.0%
Reported EBIT	8.1	39.5	26.9	-4.2	-2.8	1.8	18.1	25.4
<i>EBIT margin (reported) (%)</i>	2.0%	8.6%	6.1%	-0.9%	-0.6%	0.4%	3.8%	5.0%
Net financials	-6.0	-5.6	-0.4	-2.9	-6.0	-4.8	-4.4	-3.8
Pre-tax profit	2.1	33.9	26.5	-7.1	-8.8	-3.0	13.7	21.6
Taxes	-1.9	-3.8	-5.8	-2.0	0.7	-0.6	-2.9	-4.5
Minority shares								
Net profit	0.2	30.1	20.7	-9.1	-8.1	-3.6	10.8	17.1
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	143	126	129	126	119	121	128	122
Goodwill	15	15	15	15	15	15	15	15
Right of use assets	16	18	16	12	11	11	12	13
Inventory	45	35	50	63	38	49	52	61
Receivables	61	61	73	76	72	65	66	71
Liquid funds	33	58	101	50	59	37	38	41
Total assets	316	317	387	343	316	301	314	325
Liabilities								
Shareholders' equity	131	146	163	146	125	115	123	135
Minority interest								
Convertibles								
Lease liabilities	16	15	13	11	10	11	12	13
Deferred taxes	12	13	14	12	9	9	9	9
Interest bearing debt	86	83	133	89	89	82	85	79
Non-interest bearing current liabilities	66	55	57	80	75	75	76	81
Other interest-free debt	3	3	3	3	7	7	7	7
Total liabilities	316	317	387	343	316	301	314	325
CASH FLOW, EURm								
+ EBITDA	34	61	47	15	16	20	36	46
- Net financial items	-6	-6	0	-3	-6	-5	-4	-4
- Taxes	-2	-4	-3	-3	-3	-1	-3	-5
- Increase in Net Working Capital	-1	-1	-25	6	29	-5	-3	-8
+/- Other								
= Cash flow from operations	25	50	19	15	36	10	26	30
- Capex	-11	-12	-16	-6	-10	-20	-25	-16
- Acquisitions								
+ Divestments								
= Free cash flow	14	38	4	9	26	-10	0	14
+/- New issues/buybacks		-12	8	3	-7			
- Paid dividend	3	12	12	6	6	3	6	7
+/- Other	-13	2	43	-53	-3	-5	3	-6
Change in cash	1	25	43	-52	9	-21	1	3

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	296	302	181	164	123	123	123
Net debt (excl. convertibles)	40	45	51	40	57	59	51
Enterprise value	336	347	232	205	180	182	174
Sales	459	443	493	451	466	475	508
EBITDA	61	47	15	16	20	36	46
EBIT	40	27	-4	-3	2	18	25
Pre-tax	34	27	-7	-9	-3	14	22
Earnings	30	21	-9	-8	-4	11	17
Equity book value (excl. minorities)	146	163	146	125	115	123	135

Valuation multiple	2020	2021	2022	2023	2024E	2025E	2026E
EV/Sales	0.7	0.8	0.5	0.5	0.4	0.4	0.3
EV/EBITDA	5.5	7.4	15.2	12.9	8.9	5.0	3.8
EV/EBITA	8.5	12.9	-29.0	-73.1	99.8	10.1	6.8
EV/EBIT	8.5	12.9	-55.1	-73.1	99.8	10.1	6.8
EV/OCF	6.7	18.0	15.2	5.7	18.0	7.1	5.8
EV/FCF	7.4	195.7	26.3	7.2	-42.8	44.0	9.8
P/FCFR	7.7	86.1	19.2	6.4	-11.9	281.6	8.8
P/E	9.8	14.6	-19.8	-20.4	-33.9	11.4	7.2
P/BV	2.0	1.8	1.2	1.3	1.1	1.0	0.9
Target EV/EBITDA					8.8	5.0	3.8
Target EV/EBIT					99.4	10.1	6.8
Target EV/FCFF					-17.3	415.6	12.4
Target P/BV					1.1	1.0	0.9
Target P/E, diluted	12.0	14.8	-77880.4	-31.4	-33.7	11.3	7.2

Per share measures	2020	2021	2022	2023	2024E	2025E	2026E
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	0.52	0.36	-0.16	-0.14	-0.06	0.19	0.29
Operating cash flow per share	0.86	0.33	0.26	0.62	0.17	0.44	0.51
Free cash flow per share	0.66	0.06	0.16	0.44	-0.18	0.01	0.24
Book value per share	2.50	2.80	2.50	2.14	1.98	2.12	2.31
Dividend per share	0.20	0.20	0.10	0.10	0.05	0.10	0.12
Dividend payout ratio, %	38.7%	56.3%	-64.0%	-72.2%	-80.3%	54.0%	40.9%
Dividend yield, %	3.9%	3.9%	3.2%	4.7%	2.4%	4.7%	5.7%
FCF yield, %	12.9%	1.2%	5.2%	15.5%	-8.4%	0.4%	11.4%

Efficiency measures	2020	2021	2022	2023	2024E	2025E	2026E
ROE	21.8%	13.4%	-5.9%	-6.0%	-3.0%	9.0%	13.3%
ROCE	16.6%	9.7%	-1.5%	-1.2%	0.8%	8.4%	11.4%

Financial ratios	2020	2021	2022	2023	2024E	2025E	2026E
Inventories as % of sales	7.7%	11.2%	12.8%	8.4%	10.5%	11.0%	12.0%
Receivables as % of sales	13.2%	16.6%	15.4%	15.9%	14.0%	14.0%	13.9%
Non-int. bearing liabilities as % of sales	11.9%	12.9%	16.2%	16.7%	16.0%	16.0%	16.0%
NWC/sales, %	8.3%	14.1%	11.5%	6.1%	6.9%	7.5%	8.5%
Operative CAPEX/Sales, %	2.6%	3.6%	1.2%	2.3%	4.4%	5.3%	3.1%
CAPEX/sales (incl. acquisitions), %	2.6%	3.6%	1.2%	2.3%	4.4%	5.3%	3.1%
FCFF/EBITDA	0.8	0.0	0.6	1.8	-0.2	0.1	0.4
Net Debt/EBITDA, book-weighted	0.7	1.0	3.3	2.5	2.8	1.6	1.1
Debt/equity, market-weighted	0.3	0.4	0.5	0.5	0.7	0.7	0.6
Equity ratio, book-weighted	0.5	0.4	0.4	0.4	0.4	0.4	0.4
Gearing, %	27.3%	27.6%	35.0%	32.4%	49.1%	48.0%	37.9%

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	29.780	24.2 %
Etola Group Oy	7 414 000	15.644	12.7 %
Oy Etra Invest Ab	7 000 000	14.770	12.0 %
OP Life Assurance Company Ltd	4 217 221	8.898	7.2 %
Nordea Nordic Small Cap Fund	3 435 147	7.248	5.9 %
Mandatum Life Insurance Company Limited	2 882 540	6.082	4.9 %
Ilmarinen Mutual Pension Insurance Company	1 912 000	4.034	3.3 %
Varma Mutual Pension Insurance Company	1 689 751	3.565	2.9 %
Nordea Life Assurance Finland Ltd.	1 462 000	3.085	2.5 %
Oy H. Kuningas & Co Ab	1 400 000	2.954	2.4 %
Ten largest	45 526 292	96.060	78.1 %
Residual	12 732 927	26.866	21.9 %
Total	58 259 219	122.927	100%

EARNINGS CALENDAR

March 05, 2025	FY 2024 Results
May 07, 2025	Q1 report
August 07, 2025	Q2 report
October 29, 2025	Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

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IR: Minna Rouru	

DEFINITIONS

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

Important Disclosures

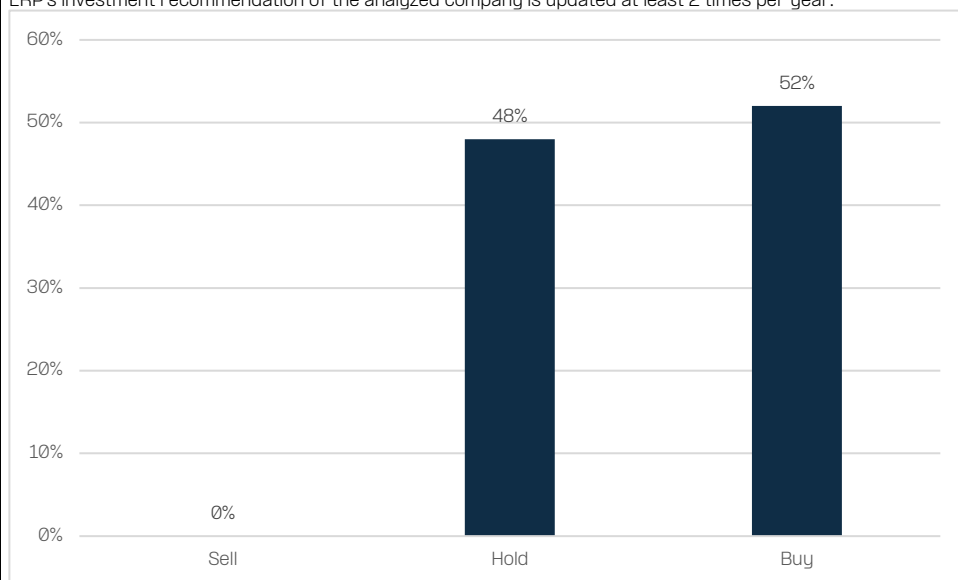
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Investment recommendations are defined as follows:

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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