

## Many earnings levers needed

**Suominen reports Q4 results on Jan 29. FY'26 should see better earnings, yet growth may still be hard to come by.**

### FY'25 earnings remained low due to a lack of volumes

Suominen's FY'25 continued on a subdued note as profitability still didn't recover. Q4 earnings could show incremental improvement y/y (we estimate Q4 EBITDA at EUR 4.6m) despite certain challenges, yet FY'25 EBITDA is likely to add up to no more than EUR 15m. The new CEO initially emphasized operational efficiency more than we would have expected as volume growth drivers remain elusive for now. Suominen should be able to achieve EBITDA well above EUR 20m this year considering there were also one-off issues at two of its US plants last year, and even if the environment remains challenging the figure should be headed towards EUR 30m.

### Many initiatives needed for a meaningful earnings recovery

Raw materials prices declined 5% more q/q in Q4; Suominen should remain in a good position from the perspective of sales margins, as nonwovens prices were still relatively high, which has been the case for a while now. If Suominen manages to improve efficiency further, which in our view shouldn't be very easy as the company has already undergone such reviews in the past years, there should eventually be multiple favorable levers for earnings growth. Even though Suominen doesn't have much pricing power the potential added cost efficiencies could still help its margins, but in the end volume growth is the most significant driver. Early FY'26 may still lack meaningful volume growth, yet Suominen is in our view set to guide at least some amount of improving EBITDA for the year while it remains again unclear how steeply the figure may gain. Suominen is likely to elaborate more on strategic updates at some point this year; the company already mentioned certain more attractive market niches like moist toilet tissue, as well as the fact that the US market has better demand outlook than Europe.

### Multiples imply expectations of improving earnings

Suominen is valued above 11x EV/EBIT on our FY'26 estimates, which we consider an elevated level in the light of major uncertainty around earnings recovery pace. The 7x multiple on our FY'27 estimates would already be attractive, but it implies earnings around historical average levels before the market turned much more challenging after the pandemic. We retain our EUR 1.6 TP and REDUCE rating.

**Rating**
■ Reduce


**Share price, EUR** (Last trading day's closing price) **1.74**  
**Target price, EUR** 1.6

Latest change in recommendation 25-Feb-25  
 Latest report on company 30-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 101  
 Free float, % 62.7 %  
 Exchange rate 1.17  
 Reuters code SUY1V.HE  
 Bloomberg code SUY1V FH  
 Average daily volume, EURm 0.1  
 Next interim report 29-Jan-26  
 Web site [www.suominen.fi/en/investors/](http://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	425.1	-1.9	-0.4%	-22.9	-0.17	-10.3	0.4	-97.6	-22.6%	
2026E	437.9	15.3	3.5%	6.1	0.13	13.7	0.4	11.4	6.0%	0.07
2027E	448.8	22.4	5.0%	15.1	0.25	7.0	0.4	7.3	14.9%	0.12
Market cap, EURm	101		Gearing 2025E, %		74.6 %		CAGR EPS 2024-27, %		0.0 %	
Net debt 2025E, EURm	80		Price/book 2025E		0.9		CAGR Sales 2024-27, %		-1.0 %	
Enterprise value, EURm	182		Dividend yield 2025E, %		0.0 %		ROE 2025E, %		-8.7 %	
Total assets 2025E, EURm	302		Tax rate 2025E, %		1.2 %		ROCE 2025E, %		-0.9 %	
Goodwill 2025E, EURm	15		Equity ratio 2025E, %		35.7 %		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	2025 Q3	2025 Q4E	2025E FY
Revenue	444	417	426	431	411	459	443	493	451	114	119	112	119	462	118	100	100	108	425
growth, %	11%	-6%	2%	1%	-5%	12%	-3%	11%	-9%	-3%	5%	5%	3%	3%	3%	-16%	-11%	-9%	-8%
<b>Geography</b>																			
EMEA	172	171	174	171	150	170	178	205	163	44	43	42	46	174	44	40	40	43	166
Americas	272	246	252	260	262	289	265	288	288	70	76	70	73	288	74	60	60	65	259
COGS	-386	-365	-384	-400	-377	-389	-392	-475	-428	-105	-110	-106	-111	-433	-109	-93	-94	-100	-396
Gross Profit	58	52	42	31	37	70	51	19	23	8.1	8.9	5.1	7.5	30	8.3	7.0	6.1	8.1	30
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%	6.1%	7.5%	7.0%
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	-7.3	-8.0	-33.7
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	0.5	0.0	1.6
EBIT ex IAC	31.2	25.6	15.0	4.6	8.1	39.5	26.9	-4.2	-2.8	-0.1	0.4	-1.5	-0.3	-1.4	-0.3	-1.0	-0.7	0.1	-2.0
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%	-0.7%	0.1%	-0.5%
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	-4.1	-4.5	-17.1
EBITDA ex IAC	48.9	44.2	34.3	25.6	33.6	60.9	47.0	15.3	15.8	4.5	5.0	3.3	4.2	17.0	4.1	3.2	3.4	4.6	15.2
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%	3.4%	4.3%	3.6%

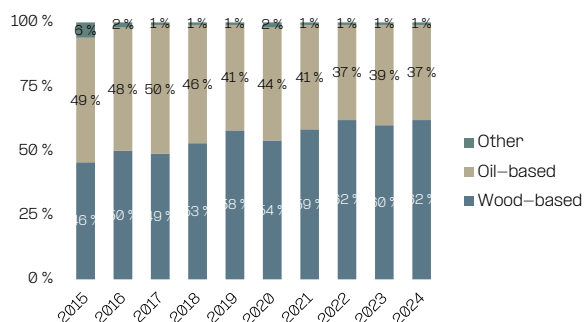
Source: Suominen, Evli Research

SUOMINEN PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		25	26	27	25	26	27	25	26	27
Arcor	3348	11.4x	8.8x	8.4x	14.8x	11.5x	10.8x	12.2%	13.0%	13.5%
Sealed Air	5253	8.9x	8.8x	8.5x	11.6x	11.5x	11.0x	16.4%	16.5%	16.9%
Kimberly-Clark	29324	11.4x	10.2x	10.1x	14.8x	12.9x	12.5x	16.6%	17.7%	18.6%
N.R. Spuntech Industries	63									
Mativ Holdings	588	7.5x	6.8x	6.4x	12.6x	11.0x	9.8x	6.6%	7.5%	8.1%
Magnera	421	6.2x	5.6x	5.5x	14.6x	12.3x	11.0x	4.8%	5.4%	5.9%
Peer Group Average	6500	9.1x	8.0x	7.8x	13.7x	11.8x	11.0x	11.3%	12.0%	12.6%
Peer Group Median	1968	8.9x	8.8x	8.4x	14.6x	11.5x	11.0x	12.2%	13.0%	13.5%
Suominen (Evli est.)	101	11.9x	5.0x	3.7x	-97.6x	11.4x	7.3x	-0.4%	3.5%	5.0%

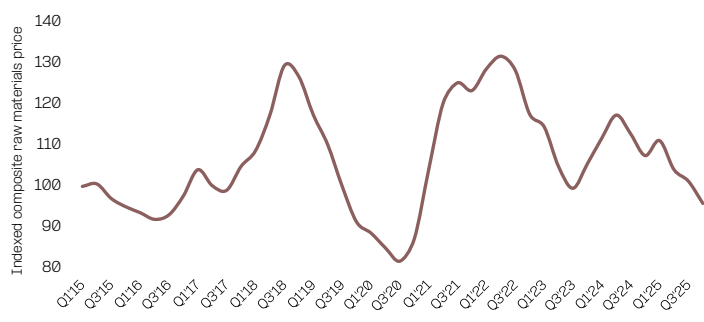
Suominen prem./disc. to peer median

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	1.74 PV of Free Cash Flow	147 Long-term growth, %	2.0 % Risk-free interest rate, %	2.25 %
DCF share value	4.15 PV of Horizon value	153 WACC, %	7.9 % Market risk premium, %	5.8 %
Share price potential, %	139.1 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %	2.8 %
Maximum value	4.6 Marketable securities	41 Minimum WACC, %	7.4 % Equity beta coefficient	1.00
Minimum value	3.8 Debt – dividend	–99 Maximum WACC, %	8.4 % Target debt ratio, %	20 %
Horizon value, %	51.0 % Value of stock	242 No. of shares, Mn	58.3 Effective tax rate, %	28 %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	462	425	438	449	458	467	476	486	496	505	516	526
Sales growth (%)	2.5%	–8.1%	3.0%	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Operating income (EBIT)	–1	–2	15	22	30	35	36	36	37	38	39	39
Operating income margin %	–0.3%	–0.4%	3.5%	5.0%	6.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
+ Depreciation+amort.	18	17	20	22	25	25	24	23	22	22	22	
EBITDA	17	15	35	44	54	60	60	60	60	60	60	
– Paid taxes	–2	0	–3	–5	–6	–7	–8	–8	–8	–8	–8	
– Change in NWC	–4	–4	–6	–1	1	4	–1	–1	–1	–1	–1	
NWC / Sales, %	6.8%	8.4%	9.4%	9.4%	8.9%	7.9%	7.9%	7.9%	7.9%	8.0%	8.0%	
+ Change in other liabs	0											
– Operative CAPEX	–14	–27	–15	–20	–20	–20	–20	–20	–20	–20	–34	
opCAPEX / Sales, %	3.1%	6.1%	3.5%	4.5%	4.4%	4.3%	4.3%	4.2%	4.1%	4.0%	6.6%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	–3	–16	11	19	30	36	31	31	31	31	18	302
= Discounted FCFF		–16	10	16	24	27	22	20	18	17	9	153
= DFCF min WACC		–16	10	16	24	27	22	20	19	18	9	174
= DFCF max WACC		–16	10	16	23	27	21	19	18	16	8	135

## Sensitivity analysis, EUR

		Terminal WACC				
		5.92 %	6.92 %	7.92 %	8.92 %	9.92 %
Terminal EBIT–%	5.50 %	3.72	3.07	2.61	2.26	1.98
	6.50 %	5.09	4.07	3.38	2.86	2.47
	7.50 %	6.47	5.08	4.15	3.47	2.96
	8.50 %	7.85	6.09	4.92	4.08	3.45
	9.50 %	9.22	7.10	5.69	4.69	3.94

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Net sales	113.6	118.7	111.5	118.5	462.3	117.5	99.8	99.8	108.0	425.1	437.9	448.8
EBITDA	4.5	5.0	3.3	4.3	17.0	4.1	3.2	3.4	4.6	15.3	34.9	44.4
EBITDA margin (%)	3.9%	4.2%	2.9%	3.6%	3.7%	3.5%	3.2%	3.5%	4.3%	3.6%	8.0%	9.9%
EBIT	-0.1	0.4	-1.5	-0.2	-1.4	-0.3	-1.0	-0.7	0.1	-1.9	15.3	22.4
EBIT margin (%)	-0.1%	0.3%	-1.4%	-0.2%	-0.3%	-0.3%	-1.0%	-0.7%	0.1%	-0.4%	3.5%	5.0%
Net financial items	-0.8	-1.1	-1.9	-0.3	-4.1	-1.9	-2.9	-1.3	-2.0	-8.1	-6.0	-4.2
Pre-tax profit	-0.9	-0.7	-3.4	-0.5	-5.5	-2.2	-3.9	-2.0	-1.9	-10.0	9.3	18.3
Tax	-0.3	0.0	0.1	0.3	0.1	0.0	0.5	0.1	-0.5	0.1	-2.0	-3.8
Tax rate (%)	-35.2%	-4.0%	4.2%	52.8%	1.0%	-0.3%	12.7%	6.6%	-26.3%	1.2%	21.0%	21.0%
Net profit	-1.2	-0.7	-3.3	-0.2	-5.4	-2.2	-3.4	-1.9	-2.4	-9.8	7.4	14.4
EPS	-0.02	-0.01	-0.06	0.00	-0.09	-0.04	-0.06	-0.03	-0.04	-0.17	0.13	0.25
EPS adj. (diluted)	-0.02	-0.01	-0.06	0.00	-0.09	-0.04	-0.06	-0.03	-0.04	-0.17	0.13	0.25
Dividend per share											0.07	0.12
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Group	113.6	118.7	111.5	118.5	462.3	117.5	99.8	99.8	108.0	425.1	437.9	448.8
Total	113.6	118.7	111.5	118.5	462.3	117.5	99.8	99.8	108.0	425.1	437.9	448.8
SALES GROWTH, Y/Y%	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Group	-2.7%	5.3%	4.8%	3.0%	2.5%	3.4%	-15.9%	-10.5%	-8.9%	-8.1%	3.0%	2.5%
Total	-2.7%	5.3%	4.8%	3.0%	2.5%	3.4%	-15.9%	-10.5%	-8.9%	-8.1%	3.0%	2.5%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Group	-0.1	0.4	-1.5	-0.2	-1.4	-0.3	-1.0	-0.7	0.1	-1.9	15.3	22.4
Total	-0.1	0.4	-1.5	-0.2	-1.4	-0.3	-1.0	-0.7	0.1	-1.9	15.3	22.4
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Group	-0.1%	0.3%	-1.4%	-0.2%	-0.3%	-0.3%	-1.0%	-0.7%	0.1%	-0.4%	3.5%	5.0%
Total	-0.1%	0.3%	-1.4%	-0.2%	-0.3%	-0.3%	-1.0%	-0.7%	0.1%	-0.4%	3.5%	5.0%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	458.9	443.2	493.3	450.9	462.3	425.1	437.9	448.8
<i>Sales growth (%)</i>	11.5%	-3.4%	11.3%	-8.6%	2.5%	-8.1%	3.0%	2.5%
EBITDA	60.9	47.0	15.2	15.9	17.0	15.3	34.9	44.4
<i>EBITDA margin (%)</i>	13.3%	10.6%	3.1%	3.5%	3.7%	3.6%	8.0%	9.9%
Depreciation	-21.4	-20.1	-23.2	-18.7	-18.4	-17.1	-19.5	-22.0
EBITA	39.5	26.9	-8.0	-2.8	-1.4	-1.9	15.3	22.4
Goodwill amortization / writedown			3.8					
EBIT	39.5	26.9	-4.2	-2.8	-1.4	-1.9	15.3	22.4
<i>EBIT margin (%)</i>	8.6%	6.1%	-0.9%	-0.6%	-0.3%	-0.4%	3.5%	5.0%
Reported EBIT	39.5	26.9	-4.2	-2.8	-1.4	-1.9	15.3	22.4
<i>EBIT margin (reported) (%)</i>	8.6%	6.1%	-0.9%	-0.6%	-0.3%	-0.4%	3.5%	5.0%
Net financials	-5.6	-0.4	-2.9	-6.0	-4.1	-8.1	-6.0	-4.2
Pre-tax profit	33.9	26.5	-7.1	-8.8	-5.5	-10.0	9.3	18.3
Taxes	-3.8	-5.8	-2.0	0.7	0.1	0.1	-2.0	-3.8
Minority shares								
Net profit	30.1	20.7	-9.1	-8.1	-5.4	-9.8	7.4	14.4
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	126	129	126	119	124	134	129	127
Goodwill	15	15	15	15	15	15	15	15
Right of use assets	18	16	12	11	11	10	10	11
Inventory	35	50	63	38	47	51	55	56
Receivables	61	73	76	72	69	56	60	61
Liquid funds	58	101	50	59	41	34	35	36
Total assets	317	387	343	316	310	302	307	309
Liabilities								
Shareholders' equity	146	163	146	125	118	108	115	125
Minority interest								
Convertibles								
Lease liabilities	15	13	11	10	9	10	10	11
Deferred taxes	13	14	12	9	8	8	8	8
Interest bearing debt	83	133	89	89	90	104	99	89
Non-interest bearing current liabilities	55	57	80	75	82	68	70	72
Other interest-free debt	3	3	3	7	3	3	3	3
Total liabilities	317	387	343	316	310	302	307	309
CASH FLOW, EURm								
+ EBITDA	61	47	15	16	17	15	35	44
- Net financial items	-6	0	-3	-6	-4	-8	-6	-4
- Taxes	-4	-3	-3	-3	-2	0	-2	-4
- Increase in Net Working Capital	-1	-25	6	29	-4	-4	-6	-1
+/- Other								
= Cash flow from operations	50	19	15	36	7	3	21	35
- Capex	-12	-16	-6	-10	-14	-26	-15	-20
- Acquisitions								
+ Divestments								
= Free cash flow	38	4	9	26	-7	-23	6	15
+/- New issues/buybacks	-12	8	3	-7	4			
- Paid dividend	12	12	6	6			4	7
+/- Other	2	43	-53	-3	-9	16	-5	-10
Change in cash	25	43	-52	9	-17	-7	1	1

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	302	181	164	133	101	101	101
Net debt (excl. convertibles)	45	51	40	58	80	74	63
Enterprise value	347	232	205	190	182	175	164
Sales	443	493	451	462	425	438	449
EBITDA	47	15	16	17	15	35	44
EBIT	27	-4	-3	-1	-2	15	22
Pre-tax	27	-7	-9	-5	-10	9	18
Earnings	21	-9	-8	-5	-10	7	14
Equity book value (excl. minorities)	163	146	125	118	108	115	125

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	0.8	0.5	0.5	0.4	0.4	0.4	0.4
EV/EBITDA	7.4	15.2	12.9	11.2	11.9	5.0	3.7
EV/EBITA	12.9	-29.0	-73.1	-136.0	-97.6	11.4	7.3
EV/EBIT	12.9	-55.1	-73.1	-136.0	-97.6	11.4	7.3
EV/OCF	18.0	15.2	5.7	25.7	55.8	8.2	4.7
EV/FCF	195.7	26.3	7.2	-65.1	-11.5	15.8	8.8
P/FCFR	86.1	19.2	6.4	-19.3	-4.4	16.7	6.7
P/E	14.6	-19.8	-20.4	-24.4	-10.3	13.7	7.0
P/BV	1.8	1.2	1.3	1.1	0.9	0.9	0.8
Target EV/EBITDA					11.4	4.8	3.5
Target EV/EBIT					-93.4	10.9	7.0
Target EV/FCFF					-7.6	27.6	10.4
Target P/BV					0.9	0.8	0.7
Target P/E, diluted	14.8	-77880.4	-31.4	-33.7	-9.5	12.7	6.5

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	-0.17	0.13	0.25
Operating cash flow per share	0.33	0.26	0.62	0.13	0.06	0.37	0.61
Free cash flow per share	0.06	0.16	0.44	-0.12	-0.39	0.10	0.26
Book value per share	2.80	2.50	2.14	2.02	1.85	1.98	2.15
Dividend per share	0.20	0.10	0.10			0.07	0.12
Dividend payout ratio, %	56.3%	-64.0%	-72.2%			55.4%	48.4%
Dividend yield, %	3.9%	3.2%	3.6%			4.0%	6.9%
FCF yield, %	1.2%	5.2%	15.5%	-5.2%	-22.6%	6.0%	14.9%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	13.4%	-5.9%	-6.0%	-4.5%	-8.7%	6.6%	12.0%
ROCE	9.7%	-1.5%	-1.2%	-0.6%	-0.9%	6.9%	10.0%

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%	6.1%	3.5%	4.5%
CAPEX/sales (incl. acquisitions), %	3.6%	1.2%	2.3%	3.1%	6.1%	3.5%	4.5%
FCFF/EBITDA	0.0	0.6	1.8	-0.2	-1.0	0.3	0.4
Net Debt/EBITDA, book-weighted	1.0	3.3	2.5	3.4	5.3	2.1	1.4
Debt/equity, market-weighted	0.4	0.5	0.5	0.7	1.0	1.0	0.9
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%	74.6%	64.6%	50.5%

**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	24.487	24.2 %
Etola Group Oy	7 414 000	12.863	12.7 %
Oy Etra Invest Ab	7 000 000	12.145	12.0 %
OP Life Assurance Company Ltd	4 217 221	7.317	7.2 %
Nordea Nordic Small Cap Fund	3 435 147	5.960	5.9 %
Mandatum Life Insurance Company Limited	2 882 540	5.001	4.9 %
Ilmarinen Mutual Pension Insurance Company	1 912 000	3.317	3.3 %
Varma Mutual Pension Insurance Company	1 689 751	2.932	2.9 %
Nordea Life Assurance Finland Ltd.	1 462 000	2.537	2.5 %
Oy H. Kuningas & Co Ab	1 400 000	2.429	2.4 %
Ten largest	45 526 292	78.988	78.1 %
Residual	12 732 927	22.092	21.9 %
Total	58 259 219	101.080	100%

#### EARNINGS CALENDAR

January 29, 2026	FY 2025 Results
May 07, 2026	Q1 report
August 07, 2026	Q2 report
November 05, 2026	Q3 report

#### OTHER EVENTS

#### COMPANY MISCELLANEOUS

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IR: Anu Ilvonen	

**DEFINITIONS**

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

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Investment recommendations are defined as follows:

Target price compared to share price

< -10 %

-10 - 0 %

0 - (+10) %

> 10 %

Recommendation

SELL

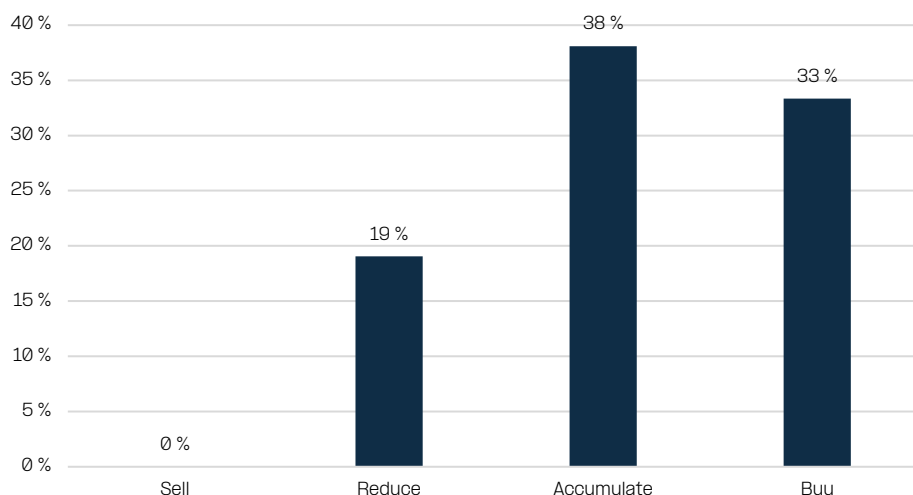
RECUDE

ACCUMULATE

BUY

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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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