EVLI

SUOMINEN

Paper & Forest Products/ Finland, January 29, 2026
News flash

Still very challenging

Suominen's Q4 results were lower than estimated as excess nonwovens capacity still hurt volumes, leading comparable EBITDA some EUR 2m below estimates. FY'26 will be another year with low comparison figures, so improving by at least some amount should not be too hard, but Suominen also introduces a new program to target 10% EBITDA margin by 2028.

- Suominen Q4 revenue decreased by 19.6% y/y to EUR 95.3m, compared to the EUR 108.0m/108.3m Evli/consensus estimates. Americas was EUR 58.8m vs our EUR 65.0m estimate while EMEA amounted to EUR 36.5m, compared to our EUR 43.0m estimate. Sales volumes decreased y/y, and sales prices also followed raw material prices down. Currencies had a negative impact of EUR 4.8m.
- Gross profit came in at EUR 4.9m vs our EUR 8.1m estimate, meaning gross margin was 5.1% vs our 7.5% estimate.
- Comparable EBITDA was EUR 1.9m, compared to the EUR 4.6m/3.9m Evli/consensus estimates, while comparable EBIT landed at EUR -2.2m vs the EUR 0.1m/-0.5m Evli/consensus estimates. Profitability was negatively impacted by lower sales volumes and prices, although lower raw materials prices compensated to some extent.
- Suominen launches a three-year program to target 10% EBITDA margin and a 2-3x leverage ratio by 2028. The program involves an estimated investment of some EUR 30m over the three years, of which transformation costs are estimated at EUR 10m and capital expenditures around EUR 20m to upgrade manufacturing capabilities. No capacity expansion is planned.
- The BoD proposes no dividend to be distributed for FY'25, as expected.
- Suominen guides FY'26 comparable EBITDA to improve relative to the EUR 12.6m comparison figure.

Rating: Reduce

Q4'25	Actual	Evli	Year ago	Q3'25
Revenue	95.3	108.0	118.5	99.8
Gross profit	4.9	8.1	7.5	6.1
Comparable EBITDA	1.9	4.6	4.2	3.4
Comparable EBIT	-2.2	0.1	-0.3	-0.7

Share price, EUR (Last trading day's closing price)	**1.62**
Target price, EUR	1.6
Latest change in recommendation	25-Feb-25
Latest report on company	23-Jan-26
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	94
Free float, %	62.7 %
Exchange rate	1.20
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/

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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	-9.6	0.4	-94.0	-24.2%	
2026E	437.9	15.3	3.5%	6.1	0.13	12.8	0.4	11.0	6.4%	0.07
2027E	448.8	22.4	5.0%	15.1	0.25	6.5	0.4	7.0	16.0%	0.12

Market cap, EURm	94	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	175	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.

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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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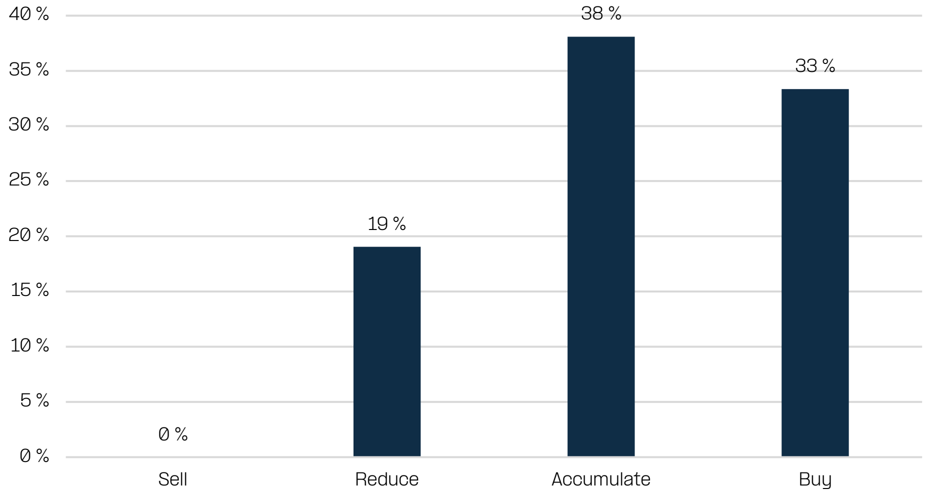

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Name(s) of the analyst(s): Joonas Ilvonen

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