

## Recovery already largely priced in

Suominen's challenges continue at least in the short-term, but the company is now taking more significant measures.

### Many measures are needed to regain adequate profitability

Suominen's Q4 was still impacted by the incidents at its two US plants, which led certain customers to take their volumes elsewhere, while European volumes also remained soft. The EUR 95m Q4 revenue thus fell below the EUR 108m/108m Evli/cons. estimates and the EUR 1.9m comparable EBITDA was lower than the EUR 4.6m/3.9m Evli/cons. estimates. Q1'26 is yet unlikely to see any big volume recovery, but the outlook should improve by April and we expect growth from there onwards. We estimate FY'26 EBITDA at EUR 28m, which would already be a significant improvement on last year.

### Some wipes segments clearly more attractive than others

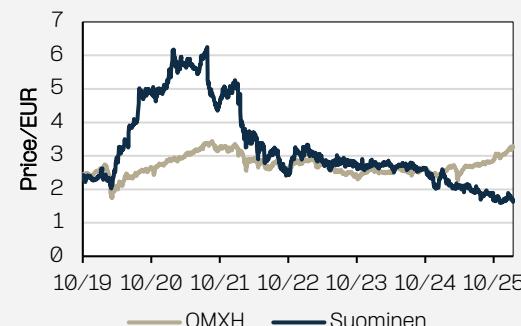
In our view Suominen's EBITDA margin could improve to at least around 5% this year, compared to the 3% levels seen in recent years. Higher single-digit margins should be possible towards next year if volumes begin to recover significantly, but this could take more time than that considering Suominen sees the need for more extensive operational updates. The measures taken in recent years don't seem to have been enough, and Suominen now needs to regain competitiveness in many ways. Suominen plans to use EUR 20m over the next few years to upgrade lines mostly in the US as the market remains more attractive than Europe considering the high single-digit demand growth seen for moist toilet tissue; European demand grows at a low single-digit rate, which doesn't yet make it very attractive in the light of recent capacity increases. We estimate mid single-digit top line growth for the next two years; Suominen could possibly see even higher growth over the period if it manages to regain customer wallet share, but before that it needs to pull off an operational turnaround.

### High single-digit EBITDA margin would justify valuation

We estimate meaningful improvement already for this year, but even on that basis Suominen's 15x EV/EBIT multiple is not yet very cheap. The 8% EBITDA margin we estimate for FY'27 implies EV/EBIT of about 10x, while on our 10% margin estimate for FY'28 the multiple would be 7x; this level would be attractive, but it's far away even if the roadmap there is realistic. Our new TP is EUR 1.5 (1.6); we retain REDUCE rating.

### Rating

■ Reduce



Share price, EUR (Last trading day's closing price)	1.63
Target price, EUR	1.5
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	95
Free float, %	62.7 %
Exchange rate	1.19
Reuters code	SUY1V.HE
Bloomberg code	SUY1V.FH
Average daily volume, EURm	0.1
Next interim report	07-May-26
Web site	<a href="http://www.suominen.fi/en/investors/">www.suominen.fi/en/investors/</a>
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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
2024	462.3	-1.4	-0.3%	-6.9	-0.09	-24.4	0.4	-136.0	-5.2%	
2025	412.4	-4.2	-1.0%	-12.0	-0.18	-10.1	0.4	-42.5	-11.5%	
2026E	434.0	11.9	2.7%	-10.3	0.08	20.2	0.4	15.1	-10.8%	
2027E	455.7	18.2	4.0%	2.7	0.17	9.8	0.4	9.7	2.8%	0.07
2028E	467.1	23.4	5.0%	18.1	0.26	6.4	0.3	7.0	19.1%	0.12
Market cap, EURm	95						83.9 %	CAGR EPS 2025-28, %	0.0 %	
Net debt 2026E, EURm	85						0.9	CAGR Sales 2025-28, %	4.2 %	
Enterprise value, EURm	180						0.0 %	ROE 2026E, %	4.8 %	
Total assets 2026E, EURm	297						20.3 %	ROCE 2026E, %	5.6 %	
Goodwill 2026E, EURm	15						33.9 %	PEG, P/E 26/CAGR	0.3	

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

## Estimates and peer valuation

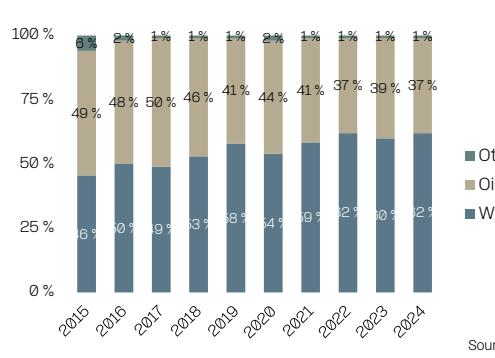
Suominen EURm	2015 FY	2016 FY	2017 FY	2018 FY	2019 FY	2020 FY	2021 FY	2022 FY	2023 FY	2024 FY	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2025 FY	2026E Q1E	2026E Q2E	2026E Q3E	2026E Q4E	2026E FY
<b>Revenue growth, %</b>	<b>444</b> 11 %	<b>417</b> -6 %	<b>426</b> 2 %	<b>431</b> 1 %	<b>411</b> -5 %	<b>459</b> 12 %	<b>443</b> -3 %	<b>493</b> 11 %	<b>451</b> -9 %	<b>462</b> 3 %	<b>118</b> 3 %	<b>100</b> -16 %	<b>100</b> -11 %	<b>95</b> -20 %	<b>412</b> -11 %	<b>103</b> -12 %	<b>109</b> 9 %	<b>110</b> 10 %	<b>112</b> 18 %	<b>434</b> 5 %
<b>Geography</b>																				
EMEA	172	171	174	171	150	170	178	205	163	174	44	40	40	37	160	41	44	44	45	174
Americas	272	246	252	260	262	289	265	288	288	288	74	60	60	59	253	62	65	66	67	260
COGS	-386	-365	-384	-400	-377	-389	-392	-475	-428	-433	-109	-93	-94	-90	-386	-96	-99	-98	-100	-393
Gross Profit	58	52	42	31	37	70	51	19	23	30	8	7	6	5	26	7	10	12	12	41
Gross-%	13.1 %	12.5 %	9.9 %	7.3 %	9.0 %	15.2 %	11.5 %	3.8 %	5.1 %	6.4 %	7.1 %	7.0 %	6.1 %	5.1 %	6.4 %	7.0 %	9.0 %	10.5 %	11.0 %	9.4 %
SGA & R&D	-28	-28	-29	-29	-31	-31	-29	-32	-32	-36	-9	-9	-7	-9	-34	-8	-7	-7	-7	-29
Other	2	1	2	3	2	0	5	5	2	5	1	1	0	1	2	0	0	0	0	0
<b>EBIT ex IAC</b>	<b>31.2</b> <b>7.0 %</b>	<b>25.6</b> <b>6.1 %</b>	<b>15.0</b> <b>3.5 %</b>	<b>4.6</b> <b>1.1 %</b>	<b>8.1</b> <b>2.0 %</b>	<b>39.5</b> <b>8.6 %</b>	<b>26.9</b> <b>6.1 %</b>	<b>-4.2</b> <b>-0.8 %</b>	<b>-2.8</b> <b>-0.6 %</b>	<b>-1.4</b> <b>-0.3 %</b>	<b>-0.3</b> <b>-0.3 %</b>	<b>-1.0</b> <b>-1.0 %</b>	<b>-0.7</b> <b>-0.7 %</b>	<b>-2.2</b> <b>-2.3 %</b>	<b>-4.2</b> <b>-1.0 %</b>	<b>-0.8</b> <b>-0.8 %</b>	<b>2.8</b> <b>2.6 %</b>	<b>4.6</b> <b>4.1 %</b>	<b>5.3</b> <b>4.8 %</b>	<b>11.9</b> <b>2.7 %</b>
<b>EBIT-% ex IAC</b>																				
Depreciation	-18	-19	-19	-21	-25	-21	-20	-19	-19	-18	-4	-4	-4	-5	-17	-4	-4	-4	-4	-16
<b>EBITDA ex IAC</b>	<b>48.9</b> <b>11.0 %</b>	<b>44.2</b> <b>10.6 %</b>	<b>34.3</b> <b>8.1 %</b>	<b>25.6</b> <b>5.9 %</b>	<b>33.6</b> <b>8.2 %</b>	<b>60.9</b> <b>13.3 %</b>	<b>47.0</b> <b>10.6 %</b>	<b>15.3</b> <b>3.1 %</b>	<b>15.8</b> <b>3.5 %</b>	<b>17.0</b> <b>3.7 %</b>	<b>4.1</b> <b>3.5 %</b>	<b>8.2</b> <b>3.2 %</b>	<b>3.4</b> <b>3.4 %</b>	<b>1.9</b> <b>2.0 %</b>	<b>12.6</b> <b>3.1 %</b>	<b>3.2</b> <b>3.1 %</b>	<b>6.8</b> <b>3.1 %</b>	<b>8.6</b> <b>3.1 %</b>	<b>9.3</b> <b>8.3 %</b>	<b>27.9</b> <b>6.4 %</b>
<b>EBITDA-% ex IAC</b>																				

Source: Suominen, Evli Research

SUOMINEN PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		25	26	27	25	26	27	25	26	27
Amcor	17064	11.4x	9.1x	8.6x	14.8x	11.8x	11.1x	12.1 %	12.9 %	13.5 %
Sealed Air	5161	8.9x	8.8x	8.5x	11.6x	11.5x	11.0x	16.4 %	16.5 %	16.9 %
Kimberly-Clark	27630	11.4x	10.5x	9.8x	14.9x	13.5x	12.4x	16.5 %	17.6 %	18.6 %
N.R. Spuntech Industries	60	7.5x	6.8x	6.3x	12.6x	10.9x	9.7x	6.6 %	7.5 %	8.1 %
Mativ Holdings	563	6.2x	5.5x	5.5x	14.6x	12.2x	10.9x	4.8 %	5.4 %	5.9 %
Magnera	396	6.2x	5.5x	5.5x	14.6x	12.2x	10.9x	4.8 %	5.4 %	5.9 %
Peer Group Average	8479	9.1x	8.1x	7.7x	13.7x	12.0x	11.0x	11.3 %	12.0 %	12.6 %
Peer Group Median	2862	8.9x	8.8x	8.5x	14.6x	11.8x	11.0x	12.1 %	12.9 %	13.5 %
<b>Suominen (Evli est.)</b>	<b>95</b>	<b>14.2x</b>	<b>6.4x</b>	<b>4.6x</b>	<b>-42.5x</b>	<b>15.1x</b>	<b>9.7x</b>	<b>-1.0 %</b>	<b>2.7 %</b>	<b>4.0 %</b>

Suominen prem./disc. to peer median 59 % -27 % -46 % -392 % 28 % -12 % -108 % -79 % -70 %

Source FactSet, Evli Research



VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	1.63 PV of Free Cash Flow	145 Long-term growth, %	2.0 % Risk-free interest rate, %	2.25 %
DCF share value	3.47 PV of Horizon value	132 WACC, %	7.9 % Market risk premium, %	5.8 %
Share price potential, %	112.8 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %	2.8 %
Maximum value	3.9 Marketable securities	32 Minimum WACC, %	7.4 % Equity beta coefficient	1.00
Minimum value	3.1 Debt – dividend	–106 Maximum WACC, %	8.4 % Target debt ratio, %	20 %
Horizon value, %	47.7 % Value of stock	202 No. of shares, Mn	58.3 Effective tax rate, %	28 %

DCF valuation, EURm	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	TERMINAL
Net sales	412	434	456	467	476	486	496	506	516	526	537	547
<i>Sales growth (%)</i>	<i>–</i>	<i>5.2%</i>	<i>5.0%</i>	<i>2.5%</i>	<i>2.0%</i>							
Operating income (EBIT)	–4	12	18	23	29	34	37	38	39	39	40	41
<i>Operating income margin %</i>	<i>–1.0%</i>	<i>2.7%</i>	<i>4.0%</i>	<i>5.0%</i>	<i>6.0%</i>	<i>7.0%</i>	<i>7.5%</i>	<i>7.5%</i>	<i>7.5%</i>	<i>7.5%</i>	<i>7.5%</i>	<i>7.5%</i>
+ Depreciation+amort.	17	16	20	22	26	24	23	23	22	22	21	
EBITDA	13	28	38	46	54	58	61	61	61	61	62	
– Paid taxes	–5	–2	–4	–5	–6	–7	–8	–8	–8	–8	–8	
– Change in NWC	10	–13	–9	1	4	–1	–1	–1	–1	–1	–1	
<i>NWC / Sales, %</i>	<i>5.1%</i>	<i>8.0%</i>	<i>9.5%</i>	<i>9.0%</i>	<i>8.0%</i>	<i>8.1%</i>	<i>8.1%</i>	<i>8.1%</i>	<i>8.1%</i>	<i>8.1%</i>	<i>8.1%</i>	
+ Change in other liabs	0											
– Operative CAPEX	–26	–17	–18	–20	–20	–20	–20	–20	–20	–20	–20	–36
<i>opCAPEX / Sales, %</i>	<i>5.7%</i>	<i>4.0%</i>	<i>4.1%</i>	<i>4.3%</i>	<i>4.2%</i>	<i>4.2%</i>	<i>4.1%</i>	<i>4.0%</i>	<i>3.9%</i>	<i>3.8%</i>	<i>6.7%</i>	
– Acquisitions												
+ Divestments												
– Other items												
= FCOFF	–8	–5	8	22	32	30	32	32	32	32	16	281
= Discounted FCFF	–5	7	18	24	21	20	19	17	16	8	132	
= DFCF min WACC	–5	7	18	24	21	21	19	18	17	8	151	
= DFCF max WACC	–5	7	17	23	20	20	18	17	16	7	116	

### Sensitivity analysis, EUR

Terminal WACC					
	5.92 %	6.92 %	7.92 %	8.92 %	9.92 %
Terminal EBIT-%	5.50 %	2.91	2.37	1.98	1.68
	6.50 %	4.26	3.35	2.72	2.26
	7.50 %	5.61	4.33	3.47	2.84
	8.50 %	6.97	5.32	4.21	3.42
	9.50 %	8.32	6.30	4.96	4.00
					3.29

**INTERIM FIGURES**

<b>EVLI ESTIMATES, EURm</b>	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Net sales	117.5	99.8	99.8	95.3	412.4	103.0	109.0	110.0	112.0	434.0	455.7	467.1
EBITDA	4.1	3.2	3.4	1.9	12.6	3.2	6.8	8.6	9.3	27.9	38.4	45.6
<i>EBITDA margin (%)</i>	<i>3.5%</i>	<i>3.2%</i>	<i>3.5%</i>	<i>2.0%</i>	<i>3.1%</i>	<i>3.1%</i>	<i>6.2%</i>	<i>7.8%</i>	<i>8.3%</i>	<i>6.4%</i>	<i>8.4%</i>	<i>9.8%</i>
EBIT	-0.3	-1.0	-0.7	-2.2	-4.2	-0.8	2.8	4.6	5.3	11.9	18.2	23.4
<i>EBIT margin (%)</i>	<i>-0.3%</i>	<i>-1.0%</i>	<i>-0.7%</i>	<i>-2.4%</i>	<i>-1.0%</i>	<i>-0.8%</i>	<i>2.6%</i>	<i>4.2%</i>	<i>4.7%</i>	<i>2.7%</i>	<i>4.0%</i>	<i>5.0%</i>
Net financial items	-1.9	-2.9	-1.3	-1.4	-7.5	-1.5	-1.5	-1.5	-1.5	-6.0	-6.0	-4.5
Pre-tax profit	-2.2	-3.9	-2.0	-3.6	-11.7	-2.3	1.3	3.1	3.8	5.9	12.2	18.9
Tax	0.0	0.5	0.1	0.7	1.3	-0.3	-0.3	-0.3	-0.3	-1.2	-2.6	-4.0
<i>Tax rate (%)</i>	<i>-0.3%</i>	<i>12.7%</i>	<i>6.6%</i>	<i>19.0%</i>	<i>11.1%</i>	<i>-13.0%</i>	<i>23.1%</i>	<i>9.7%</i>	<i>7.9%</i>	<i>20.3%</i>	<i>21.0%</i>	<i>21.0%</i>
Net profit	-2.2	-3.4	-1.9	-2.9	-10.4	-2.6	1.0	2.8	3.5	4.7	9.7	14.9
EPS	-0.04	-0.06	-0.03	-0.05	-0.18	-0.04	0.02	0.05	0.06	0.08	0.17	0.26
EPS adj. (diluted)	-0.04	-0.06	-0.03	-0.05	-0.18	-0.04	0.02	0.05	0.06	0.08	0.17	0.26
Dividend per share										0.07	0.12	
<b>SALES, EURm</b>	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Group	117.5	99.8	99.8	95.3	412.4	103.0	109.0	110.0	112.0	434.0	455.7	467.1
Total	117.5	99.8	99.8	95.3	412.4	103.0	109.0	110.0	112.0	434.0	455.7	467.1
<b>SALES GROWTH, Y/Y %</b>	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Group	3.4%	-15.9%	-10.5%	-19.6%	-10.8%	-12.3%	9.2%	10.2%	17.5%	5.2%	5.0%	2.5%
Total	3.4%	-15.9%	-10.5%	-19.6%	-10.8%	-12.3%	9.2%	10.2%	17.5%	5.2%	5.0%	2.5%
<b>EBIT, EURm</b>	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Group	-0.3	-1.0	-0.7	-2.2	-4.2	-0.8	2.8	4.6	5.3	11.9	18.2	23.4
Total	-0.3	-1.0	-0.7	-2.2	-4.2	-0.8	2.8	4.6	5.3	11.9	18.2	23.4
<b>EBIT margin %</b>	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Group	-0.3%	-1.0%	-0.7%	-2.4%	-1.0%	-0.8%	2.6%	4.2%	4.7%	2.7%	4.0%	5.0%
Total	-0.3%	-1.0%	-0.7%	-2.4%	-1.0%	-0.8%	2.6%	4.2%	4.7%	2.7%	4.0%	5.0%

<b>INCOME STATEMENT, EURm</b>	2021	2022	2023	2024	2025	2026E	2027E	2028E
Sales	443.2	493.3	450.9	462.3	412.4	434.0	455.7	467.1
<i>Sales growth (%)</i>	-3.4%	11.3%	-8.6%	2.5%	-10.8%	5.2%	5.0%	2.5%
EBITDA	47.0	15.2	15.9	17.0	12.6	27.9	38.4	45.6
<i>EBITDA margin (%)</i>	10.6%	3.1%	3.5%	3.7%	3.1%	6.4%	8.4%	9.8%
Depreciation	-20.1	-23.2	-18.7	-18.4	-16.8	-16.0	-20.1	-22.3
EBITA	26.9	-8.0	-2.8	-14	-4.2	11.9	18.2	23.4
Goodwill amortization / writedown		3.8						
EBIT	26.9	-4.2	-2.8	-14	-4.2	11.9	18.2	23.4
<i>EBIT margin (%)</i>	6.1%	-0.9%	-0.6%	-0.3%	-1.0%	2.7%	4.0%	5.0%
Reported EBIT	26.9	-4.2	-2.8	-14	-4.2	11.9	18.2	23.4
<i>EBIT margin (reported) (%)</i>	6.1%	-0.9%	-0.6%	-0.3%	-1.0%	2.7%	4.0%	5.0%
Net financials	-0.4	-2.9	-6.0	-4.1	-7.5	-6.0	-6.0	-4.5
Pre-tax profit	26.5	-7.1	-8.8	-5.5	-11.7	5.9	12.2	18.9
Taxes	-5.8	-2.0	0.7	0.1	1.3	-1.2	-2.6	-4.0
Minority shares								
Net profit	20.7	-9.1	-8.1	-5.4	-10.4	4.7	9.7	14.9
Cash NRIs								
Non-cash NRIs								
<b>BALANCE SHEET, EURm</b>								
Assets								
Fixed assets	129	126	119	124	127	128	125	123
Goodwill	15	15	15	15	15	15	15	15
Right of use assets	16	12	11	11	9	9	10	10
Inventory	50	63	38	47	40	52	57	56
Receivables	73	76	72	69	46	55	62	64
Liquid funds	101	50	59	41	32	35	36	37
Total assets	387	343	316	310	272	297	310	309
Liabilities								
Shareholders' equity	163	146	125	118	96	101	110	121
Minority interest								
Convertibles								
Lease liabilities	13	11	10	9	7	9	10	10
Deferred taxes	14	12	9	8	4	4	4	4
Interest bearing debt	133	89	89	90	100	110	109	95
Non-interest bearing current liabilities	57	80	75	82	62	69	73	75
Other interest-free debt	3	3	7	3	3	3	3	3
Total liabilities	387	343	316	310	272	297	310	309
<b>CASH FLOW, EURm</b>								
+ EBITDA	47	15	16	17	13	28	38	46
- Net financial items	0	-3	-6	-4	-7	-6	-6	-4
- Taxes	-3	-3	-3	-2	-4	-1	-3	-4
- Increase in Net Working Capital	-25	6	29	-4	10	-13	-9	1
+/- Other								
= Cash flow from operations	19	15	36	7	12	7	21	38
- Capex	-16	-6	-10	-14	-24	-17	-18	-20
- Acquisitions								
+ Divestments								
= Free cash flow	4	9	26	-7	-12	-10	3	18
+/- New issues/buybacks	8	3	-7	4	-11			
- Paid dividend	12	6	6				4	7
+/- Other	43	-53	-3	-9	14	13	-1	-13
Change in cash	43	-52	9	-17	-9	3	2	1

<b>KEY FIGURES</b>	2022	2023	2024	2025	2026E	2027E	2028E
M-cap	181	164	133	104	95	95	95
Net debt (excl. convertibles)	51	40	58	74	85	82	68
Enterprise value	232	205	190	179	180	177	163
Sales	493	451	462	412	434	456	467
EBITDA	15	16	17	13	28	38	46
EBIT	-4	-3	-1	-4	12	18	23
Pre-tax	-7	-9	-5	-12	6	12	19
Earnings	-9	-8	-5	-10	5	10	15
Equity book value (excl. minorities)	146	125	118	96	101	110	121
<b>Valuation multiple</b>	2022	2023	2024	2025	2026E	2027E	2028E
EV/Sales	0.5	0.5	0.4	0.4	0.4	0.4	0.3
EV/EBITDA	15.2	12.9	11.2	14.2	6.4	4.6	3.6
EV/EBITA	-29.0	-73.1	-136.0	-42.5	15.1	9.7	7.0
EV/EBIT	-55.1	-73.1	-136.0	-42.5	15.1	9.7	7.0
EV/OCF	15.2	5.7	25.7	15.3	24.9	8.4	4.2
EV/FCF	26.3	7.2	-65.1	-23.1	-35.8	22.5	7.4
P/FCF	19.2	6.4	-19.3	-8.7	-9.3	35.7	5.2
P/E	-19.8	-20.4	-24.4	-10.1	20.2	9.8	6.4
P/BV	1.2	1.3	11	11	0.9	0.9	0.8
Target EV/EBITDA					6.2	4.4	3.4
Target EV/EBIT					14.5	9.3	6.6
Target EV/FOCF					-16.8	63.6	8.6
Target P/BV					0.9	0.8	0.7
Target P/E, diluted	-77880.4	-314	-33.7	-9.5	18.6	9.0	5.9
<b>Per share measures</b>	2022	2023	2024	2025	2026E	2027E	2028E
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	-0.16	-0.14	-0.09	-0.18	0.08	0.17	0.26
Operating cash flow per share	0.26	0.62	0.13	0.20	0.12	0.36	0.66
Free cash flow per share	0.16	0.44	-0.12	-0.21	-0.18	0.05	0.31
Book value per share	2.50	2.14	2.02	1.65	1.73	1.90	2.08
Dividend per share	0.10	0.10				0.07	0.12
Dividend payout ratio, %	-64.0%	-72.2%				42.2%	46.9%
Dividend yield, %	3.2%	3.6%				4.3%	7.4%
FCF yield, %	5.2%	15.5%	-5.2%	-11.5%	-10.8%	2.8%	19.1%
<b>Efficiency measures</b>	2022	2023	2024	2025	2026E	2027E	2028E
ROE	-5.9%	-6.0%	-4.5%	-9.7%	4.8%	9.1%	12.9%
ROCE	-1.5%	-1.2%	-0.6%	-2.0%	5.6%	8.1%	10.3%
<b>Financial ratios</b>	2022	2023	2024	2025	2026E	2027E	2028E
Inventories as % of sales	12.8%	8.4%	10.3%	9.8%	12.0%	12.5%	12.0%
Receivables as % of sales	15.4%	15.0%	15.0%	11.1%	12.7%	13.6%	13.6%
Non-int. bearing liabilities as % of sales	16.2%	16.7%	17.7%	15.0%	16.0%	16.0%	16.0%
NWC/sales, %	11.5%	6.1%	6.8%	5.1%	8.0%	9.5%	9.0%
Operative CAPEX/Sales, %	1.2%	2.3%	3.1%	5.7%	4.0%	4.1%	4.3%
CAPEX/sales (incl. acquisitions), %	1.2%	2.3%	3.1%	5.7%	4.0%	4.1%	4.3%
FCFF/EBITDA	0.6	1.8	-0.2	-0.6	-0.2	0.2	0.5
Net Debt/EBITDA, book-weighted	3.3	2.5	3.4	5.9	3.0	2.1	1.5
Debt/equity, market-weighted	0.5	0.5	0.7	1.0	1.2	1.1	1.0
Equity ratio, book-weighted	0.4	0.4	0.4	0.4	0.3	0.4	0.4
Gearing, %	35.0%	32.4%	48.9%	77.4%	83.9%	74.2%	55.9%

**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	23.005	24.2 %
Etola Group Oy	7 414 000	12.085	12.7 %
Oy Etra Invest Ab	7 000 000	11.410	12.0 %
OP Life Assurance Company Ltd	4 217 221	6.874	7.2 %
Nordea Nordic Small Cap Fund	3 435 147	5.599	5.9 %
Mandatum Life Insurance Company Limited	2 882 540	4.699	4.9 %
Ilmarinen Mutual Pension Insurance Company	1 912 000	3.117	3.3 %
Varma Mutual Pension Insurance Company	1 689 751	2.754	2.9 %
Nordea Life Assurance Finland Ltd.	1 462 000	2.383	2.5 %
Oy H. Kuningas & Co Ab	1 400 000	2.282	2.4 %
Ten largest	45 526 292	74.208	78.1 %
Residual	12 732 927	20.755	21.9 %
<b>Total</b>	<b>58 259 219</b>	<b>94.963</b>	<b>100%</b>

**EARNINGS CALENDAR**

May 07, 2026	Q1 report
August 07, 2026	Q2 report
November 05, 2026	Q3 report

**OTHER EVENTS**

COMPANY MISCELLANEOUS	
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CFO: Janne Silonsaari	Tel: +358 (0)10 214 300
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>  $\text{Price per share} * \text{Number of shares}$	<b>OCF (Operating cash flow)</b>  $\text{EBITDA} - \text{Net financial items} - \text{Taxes} - \text{Increase in working capital} - \text{Cash NRIs} \pm \text{Other adjustments}$
<b>EV (Enterprise value)</b>  $\text{Market cap} + \text{net debt} + \text{minority interest at market value} - \text{share of associated companies at market value}$	<b>FCF (Free cash flow)</b>  $\text{Operating cash flow} - \text{Operative CAPEX} - \text{acquisitions} + \text{divestments}$
<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>  $\text{Current assets} - \text{current liabilities}$
<b>Net debt</b>  $\text{Interest bearing debt} - \text{financial assets}$	<b>Capital employed / Share</b>  $\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
<b>Total assets</b>  $\text{Balance sheet total}$	<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>  $\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt} \text{ (average)}}$	<b>CAGR, %</b>  Cumulative annual growth rate = Average growth rate per year
<b>ROE, %</b>  $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions} \text{ (average)}}$	

**Important Disclosures**

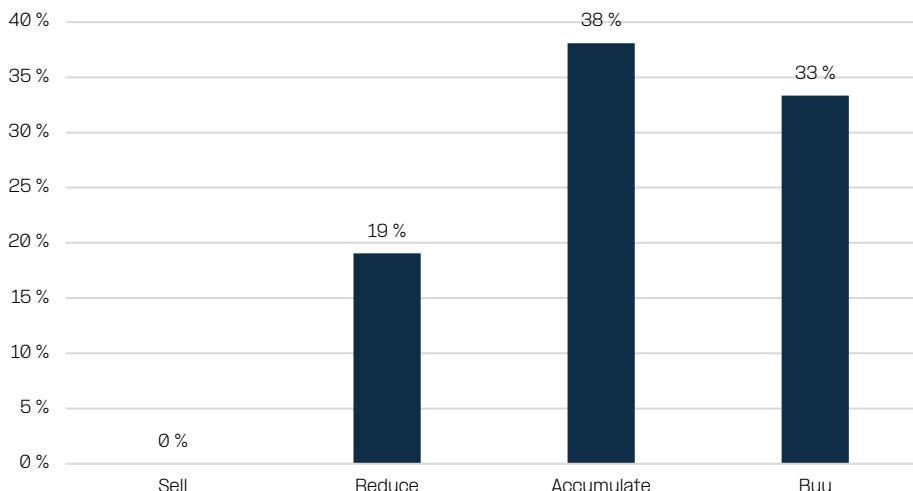
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – 0 %	REDUCE
0 – (+10) %	ACCUMULATE
> 10 %	BUY

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

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