Softness still persists

Suominen's Q1 figures were lower than estimated yet the company retains its guidance for improving FY'26 comparable EBITDA as in our view the bar has been set quite low especially in H2'26.

- Suominen Q1 revenue decreased by 18.6% y/y to EUR 95.6m vs the EUR 103.0m/102.9m Evli/consensus estimates. Americas amounted to EUR 55.6m, compared to our EUR 62.0m estimate, while EMEA was EUR 40.0m vs our EUR 41.0m estimate. Revenue declined due to lower volumes (as well as sales prices y/y following raw materials prices development) and unfavorable currency effects (negative EUR 5.6m). Sales continued to be affected by significant incidents at US facilities which happened last year.
- Gross profit was EUR 4.1m, compared to our EUR 7.2m estimate, and thus gross margin amounted to 4.3% vs our 7.0% estimate. Suominen has adopted an agile pricing approach to protect margins in the face of rising input costs and also actively manages raw material availability.
- Comparable EBITDA landed at EUR 2.2m vs the EUR 3.2m/3.4m Evli/consensus estimates, whereas comparable EBIT was EUR -1.9m vs the EUR -0.8m/-0.8m Evli/consensus estimates. Lower volumes and an unfavorable product mix impacted earnings, but cost savings partly helped. New production line in Alicante, Spain is ready for commercial production in Q2'26.
- Suominen guides FY'26 comparable EBITDA to improve relative to the comparison figure (EUR 12.6m).

Rating: Reduce

Q1'26	Actual	Evli	Year ago	Q4'25
Revenue	95.6	103.0	117.5	95.3
Gross profit	4.1	7.2	8.3	4.9
Comparable EBITDA	2.2	3.2	4.1	1.9
Comparable EBIT	-1.9	-0.8	-0.3	-2.2

Share price, EUR (Last trading day's closing price)	**1.05**
Target price, EUR	1.1
Latest change in recommendation	25-Feb-25
Latest report on company	30-Apr-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	61
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	07-May-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
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	436.0	6.0	1.4%	-12.9	0.00	1901.6	0.3	24.7	-21.2%	
2027E	457.8	13.7	3.0%	-0.8	0.11	9.9	0.3	10.9	-1.3%	0.07
2028E	469.2	23.5	5.0%	15.7	0.25	4.1	0.3	5.9	25.7%	0.12

Market cap, EURm	61	Gearing 2026E, %	90.8 %	CAGR EPS 2025-28, %	0.0 %
Net debt 2026E, EURm	87	Price/book 2026E	0.6	CAGR Sales 2025-28, %	4.4 %
Enterprise value, EURm	148	Dividend yield 2026E, %	0.0 %	ROE 2026E, %	0.0 %
Total assets 2026E, EURm	296	Tax rate 2026E, %	0.0 %	ROCE 2026E, %	2.9 %
Goodwill 2026E, EURm	15	Equity ratio 2026E, %	32.5 %	PEG, P/E 26/CAGR	2.6

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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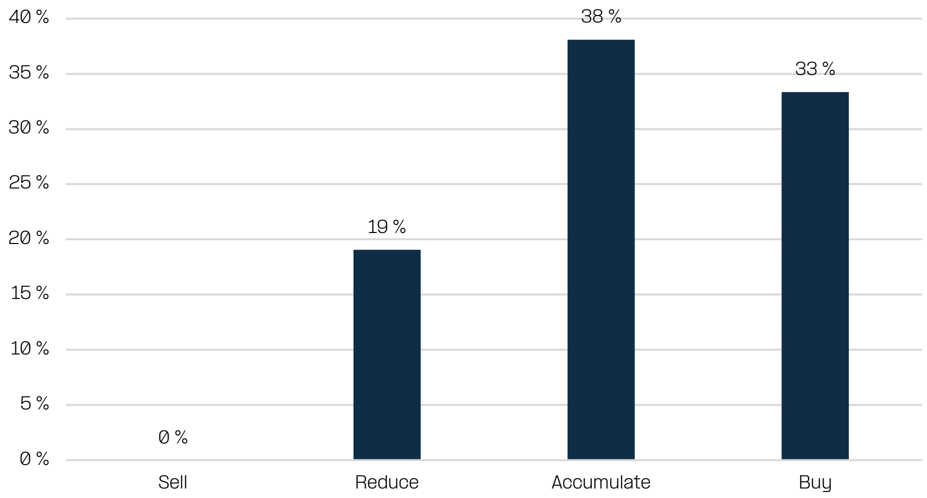

The graph above shows the distribution of ERP's recommendations of companies under coverage on the 16th of May, 2025. If recommendation is not given, it is not mentioned here.

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

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