SUOMINEN

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Small signs of improvement

Suominen's Q2 result exceeded our expectations and outperformed the comparison period. The company reiterated its full-year guidance of increasing earnings. However, earnings remain weak in absolute terms, and the improvement in earnings driven by the efficiency program that we forecast will be negated by multiple digestion, which is why we consider the expected return to be weak. We reiterate our Reduce recommendation but raise our target price to EUR 0.63 (was EUR 0.60) due to increased estimates.

Result improved year-on-year and exceeded expectations

Suominen's revenue grew by 6% from the comparison period and also clearly from the Q1 level, although it fell short of our estimate. This was supported by growth in volume in particular. The company noted that it is already facing some capacity constraints in the US market because demand is strong and its factories' delivery reliability remains somewhat weak. Delivery reliability will be gradually improved in the coming years as part of the ongoing Full Potential program.

Suominen's adjusted EBITDA was 4.3 MEUR, exceeding the forecasted 3 MEUR as well as the comparison period. The result also turned slightly positive at the adjusted EBIT level, but after financial expenses, the company still incurred a clear loss. Reported figures were weighed down by non-recurring items related to efficiency improvements.

Earnings growth was supported by volume growth, fixed cost savings implemented previously, and the initial effects of the Full Potential program, which was launched in January. However, earnings were weighed down by the increase in raw material prices, which could not yet be fully passed on to customers during Q2. Earnings are also slightly negatively impacted by the new production line completed in Alicante that is not yet in commercial use and still incurs costs.

The company has guided for improved earnings for 2026

Suominen guides for an improvement in adjusted full-year EBITDA. Based on Q2 results that exceeded our expectations, we have raised our forecasts and now expect full-year adjusted EBITDA to come in at approximately 15 MEUR. Thus, the threat of a profit warning we saw earlier has eased thanks to positive developments. However, based on the company's comments as well, we still see a risk of major operational disruptions similar to last year's, which could hurt earnings.

We expect rising earnings in the coming years, but clearly below the company's target

We anticipate that Suominen will achieve a significant improvement in earnings in the coming years, bolstered by the efficiency program, though we doubt it will even come close to its 10% EBITDA margin target. Our adjusted EBITDA margin estimate for 2028-29 is 6-7%. This is because we believe the benefits of efficiency improvements will be passed at least partially on to customer prices, along with normal cost inflation. In the medium and long term, however, we still expect a higher margin level than in the next few years.

Share prices in a clear earnings improvement, the expected return is weak

The share price is so high relative to earnings that it requires several years of strong earnings growth before the valuation is at a justified level (EV/EBIT somewhat neutral at 10x only in the 2030s). On our estimates, the company's EPS will not turn positive until 2028. Due to limited competitive advantages, we do not believe that the company can achieve a return on capital that sustainably exceeds the required return in the long term. This limits the stock's upside, even in a positive scenario. The value of our DCF model is in line with the target price at EUR 0.63. The DCF model assumes a significantly better margin for the company in the long term than the current one.

Recommendation

Reduce

(was Reduce)

Target price:

EUR 0.60

(was EUR 0.60)

Share price:

EUR 0.70

Business risk

Valuation risk

	2025	2026e	2027e	2028e
Revenue	412	421	446	455
growth-%	-11%	2%	6%	2%
EBIT adj.	-4.1	-1.4	2.0	9.2
EBIT-% adj.	-1.0 %	-0.3 %	0.5 %	2.0 %
Net Income	-12.1	-13.0	-6.9	2.4
EPS (adj.)	-0.18	-0.04	-0.01	0.02

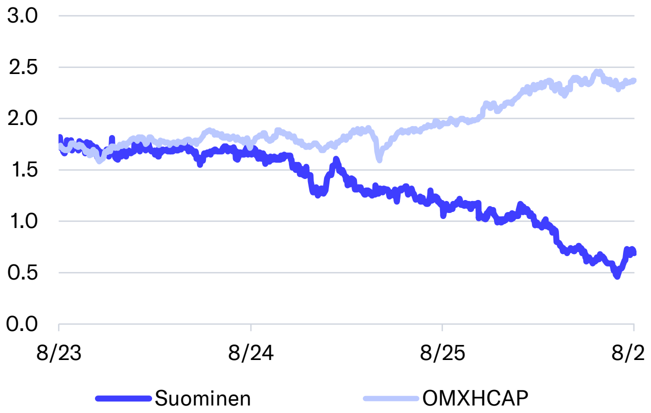
P/E (adj.)	neg.	neg.	neg.	39.7
P/B	1.0	0.9	0.9	0.9
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	neg.	79.9	17.1
EV/EBITDA	15.4	20.3	11.0	5.6
EV/S	0.4	0.4	0.4	0.3

Source: Inderes

Guidance (Unchanged)

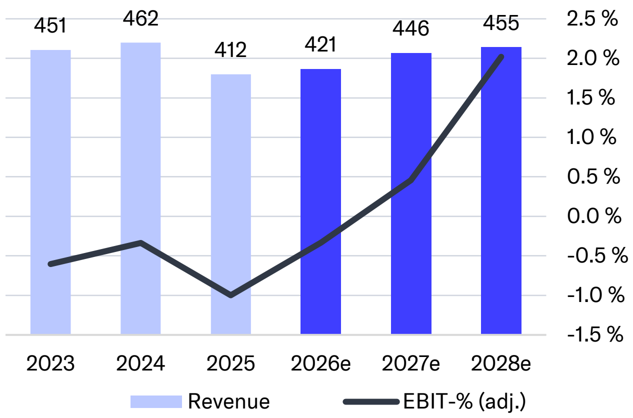
Suominen expects that its comparable EBITDA in 2026 will increase from 2025 (12.6 MEUR)..

Share price



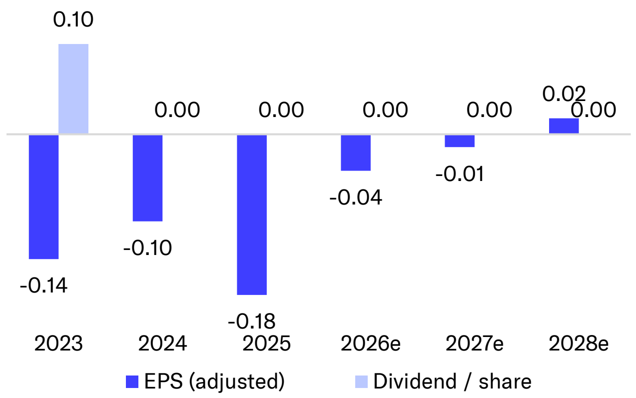
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Potential reduction in market overcapacity could support margins in the longer term
- Steady end demand for products
- Suominen's expertise and products in sustainable non-wovens
- Cost savings can support an earnings improvement

Risk factors

- Tight competition in the industry
- Low pricing power
- Changes in raw material prices cause earnings fluctuation

Valuation	2026e	2027e	2028e
Share price	0.70	0.70	0.70
Number of shares, millions	135.0	135.0	135.0
Market cap	94	94	94
EV	159	163	157
P/E (adj.)	neg.	neg.	39.7
P/E	neg.	neg.	39.7
P/B	0.9	0.9	0.9
P/S	0.2	0.2	0.2
EV/Sales	0.4	0.4	0.3
EV/EBITDA	20.3	11.0	5.6
EV/EBIT (adj.)	neg.	79.9	17.1
Payout ratio (%)	0%	0%	0%
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Earnings exceeded expectations but remain at a low level

Revenue grew but fell short of our expectation

Suominen's revenue grew by 6% from the comparison period and also clearly from the Q1 level, although it fell short of our estimate. This was supported by volume growth and, for example, by winning back customers in the US after last year's production disruption that the company had anticipated. The company estimated that this growth was not due to customers making advance purchases in preparation for price increases, but rather that the growth corresponds to real demand and is thus sustainable.

Despite price increases initiated during the quarter, the company's price/mix component negatively impacted EBIT. This is due to the loss of a high-margin customer last year, replaced by lower-margin business. The company noted that it is already facing some capacity constraints in the US market because its factories' delivery reliability remains somewhat weak. This will be gradually improved in the coming years as part of the ongoing Full Potential program.

Result improved year-on-year and exceeded estimates

Suominen's adjusted EBITDA was 4.3 MEUR, exceeding the forecasted 3 MEUR as well as the comparison period. The result also turned slightly positive at the adjusted EBIT level, but after financial expenses, the company still incurred a clear loss. Reported figures were weighed down by non-recurring items related to efficiency improvements.

Earnings growth was supported by volume growth, fixed cost savings implemented previously, and the initial effects of the Full Potential program, launched in January. However, earnings were weighed down by the increase in raw material prices, which could not yet be fully passed on to customers during Q2. Earnings are also slightly negatively impacted by the new production line completed in Alicante that is not yet in commercial use and still incurs costs. In our view, the Q2 performance validates the CEO's earlier comment that Suominen's "normal" earnings level would be around 5 MEUR per quarter before the Full Potential program.

Cash flow remained weak, offering improved the balance sheet

Suominen's cash flow from operations remained at zero in H1, despite being supported by the early-year sale of accounts receivable (amount undisclosed). Additionally, the company stated that, due to strong demand and operational challenges, its inventory is lower than desired. This means that more cash flow will be tied up in inventories, production permitting. Suominen's investments are also at a relatively high level as the company improves the efficiency and quality of its plants and invests in a new line in Alicante. As a result, free cash flow was negative at 12 MEUR in H1.

The 28 MEUR gross proceeds from the share issue will only be reflected in Q3 because the issue was completed in July. Had the stock offering included at the end of Q2, the company's net debt would have been 60 MEUR, and the net debt/adj. EBITDA would have remained high at 5x, reflecting weak earnings. Thus, we believe that stabilizing the balance sheet will require improving earnings going forward.

Estimates MEUR / EUR	Q2'25 Comparison	Q2'26 Actualized	Q2'26e Inderes	Q2'26e Consensus	Difference (%) Act. vs. inderes	2026e Inderes
Revenue	99.8	106	113	107	-7%	421
EBITDA (adj.)	2.9	4.3	3.0	3.0	46%	15.3
EBITDA	2.3	2.3	1.0	-	142%	7.7
EBIT (adj.)	-1.3	0.2	-1.2	-1.5	116%	-1.4
EPS (reported)	-0.07	-0.03	-0.04	-0.05	33%	-0.10
Revenue growth-%	-15.9 %	5.8 %	13.2 %	7.2 %	-7.4 pp	2.0 %
EBIT-% (adj.)	-1.3 %	0.2 %	-1.1 %	-1.4 %	1.3 pp	-0.3 %

Source: Inderes & Vara Research, 3 analysts (consensus)

Suominen Q2'26: Turnaround efforts continue

Minor upward adjustment to estimates for the first time in ages

Company reiterated its full-year guidance

As expected, Suominen reiterated its full-year guidance, anticipating an improvement in adjusted EBITDA from 2025 (12.6 MEUR). For H1, Suominen's adj. EBITDA was 6.5 MEUR, slightly behind the comparison period. Thus, performance is expected to improve in H2, both absolutely and relative to the comparison period. This is supported by the volume growth already seen in Q2, the progress of the efficiency program, and the full impact of price increases. On the other hand, the Q4 comparison figure from last year is very weak.

Based on Q2 results that exceeded our expectations, we have raised our forecasts and now expect full-year adjusted EBITDA to come in at approximately 15 MEUR. Thus, the threat of a profit warning we saw earlier has eased thanks to positive developments. However, based on the company's comments as well, we still see a risk of major operational disruptions similar to last year's, which could hurt earnings.

Forecasts for coming years already looking more promising

Overall, we made only minor adjustments to the forecasts for the coming years, even though the percentage changes are significant. We anticipate that Suominen will achieve a significant improvement in earnings in the coming years, bolstered by the efficiency program, though we doubt it will even come close to its 10% EBITDA margin target. Our adjusted EBITDA margin estimate for 2028-29 is 6-7%. This is because we believe the benefits of efficiency improvements will be passed at least partially on to customer prices, along with normal cost inflation.

In the medium and long term, we still expect a higher margin level than in the next few years. For this reason, we believe the key issue is the pace at which Suominen can raise its earnings towards a sustainable level. If the efficiency program is successful, earnings growth could therefore be even faster than we expect in the coming years. In recent years, however, Suominen has continued to post weak results despite implementing efficiency measures, and we believe this remains a risk going forward.

Estimate revisions MEUR / EUR	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	423	421	-1%	453	446	-2%	462	455	-2%
EBITDA	5.2	7.7	49%	15.0	14.8	-2%	26.9	28.1	4%
EBIT (exc. NRIs)	-4.5	-1.4	69%	1.3	2.0	62%	8.5	9.2	8%
EBIT	-12.0	-9.0	25%	-3.7	-3.0	21%	8.5	9.2	8%
PTP	-18.4	-13.6	26%	-10.2	-9.2	9%	2.3	3.2	40%
EPS (excl. NRIs)	-0.06	-0.04	37%	-0.02	-0.01	27%	0.01	0.02	40%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Suominen Oyj, Q2'26

Valuation is high

The price already reflects expectations of a significantly better performance

We value Suominen using earnings- and balance sheet-based multiples and the DCF model. The earnings improvement we forecast will be spent digesting multiples over the next few years, and even at a much better earnings level (2028), we think the valuation is high. With dividends at zero in the coming years, it also does not provide support for earnings expectations in the coming years. Thus, we see the expected return as weak.

Multiples remain high through the forecast years

Due to the poor result, valuation multiples for 2022-27 cannot be calculated or they are high, and we feel the earnings level does not depict the company's potential. We have considered an EBIT level of 15-20 MEUR to be a more normal and realistic level for the company. At the current revenue level, the company's targeted 10% adj. EBITDA margin would imply an adj. EBIT of around 23 MEUR. Considering the persistently unprofitable earnings in recent years, these levels appear optimistic for the coming years, and we do not estimate earnings of that level until the 2030s. For our estimate years 2026-28, earnings multiples are high, whether looking at P/E or EV/EBIT. We feel Suominen's acceptable valuation multiples are P/E around 10-12x and EV/EBIT 9-11x. The multiples fall within this range in our projections only in the 2030s and require a significant earnings improvement.

Our estimates indicate that Suominen's return on equity will even turn negative in the coming years, but in any case, it will be clearly below the required return. Therefore, the P/B ratio should be below 1x, as it is for the coming years. Even in a favorable scenario, we do not believe that Suominen can sustainably generate returns that exceed its cost of capital, meaning that its valuation should not exceed one on a P/B basis. Thus, we see limited upside, even in a positive scenario.

DCF model value EUR 0.63

Our DCF model now values the company at EUR 0.63, which is slightly higher than before due to minor estimate revisions. The model assumes a longer-term EBIT-% of around 3.5% and thus an EBIT of ~20 MEUR. This would require a gross margin of over 10%, a level that the company has occasionally achieved in the past. We note that the long-term margin assumption is well above the levels achieved in recent years and projected for the coming years. The estimates are based on assumptions of an improvement in Suominen's own competitiveness, i.e., cost-efficiency (which the program announced in January 2026 aims for), and a reduction in overcapacity in the European market. We use a WACC of 8.6% for Suominen, which is decreased by the rather high indebtedness, with our required return on equity being around 10%. The value of the company's share capital is just over 80 MEUR.

Longer-term potential is also moderate

In the longer term, we believe that Suominen's return on capital will be roughly at the level of the required return. We believe that the company will be able to achieve small earnings growth, but in the absence of clear competitive advantages, with strong competition in the sector and volatile raw material prices swaying profitability, we do not believe in significant and sustainable earnings growth nor return on capital that exceeds the required return in the long-term. In our view, return on capital remains below 10% in both the short and long term and therefore does not exceed our required return.

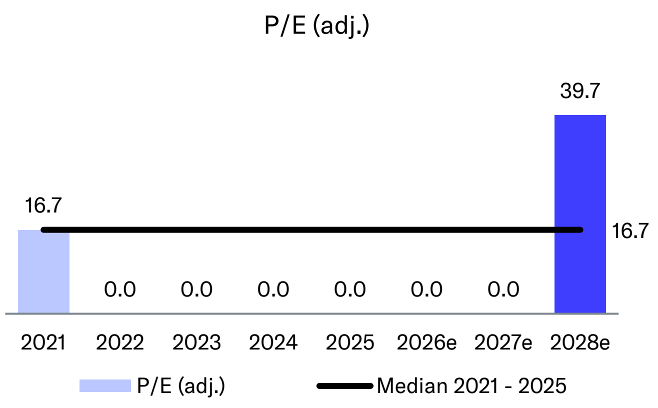
Valuation	2026e	2027e	2028e
Share price	0.70	0.70	0.70
Number of shares, millions	135.0	135.0	135.0
Market cap	94	94	94
EV	159	163	157
P/E (adj.)	neg.	neg.	39.7
P/E	neg.	neg.	39.7
P/B	0.9	0.9	0.9
P/S	0.2	0.2	0.2
EV/Sales	0.4	0.4	0.3
EV/EBITDA	20.3	11.0	5.6
EV/EBIT (adj.)	neg.	79.9	17.1
Payout ratio (%)	0%	0%	0%
Dividend yield-%	0.0 %	0.0 %	0.0 %

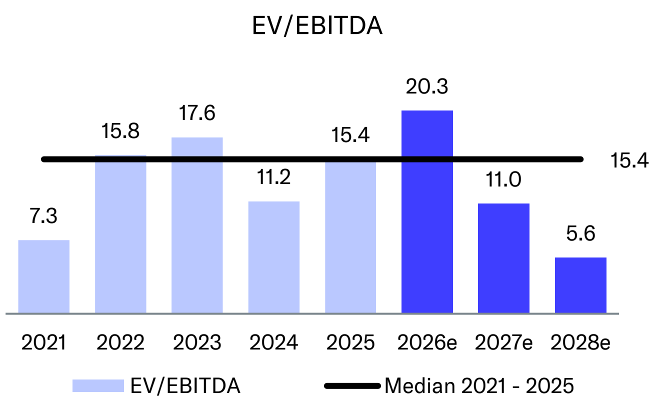
Source: Inderes

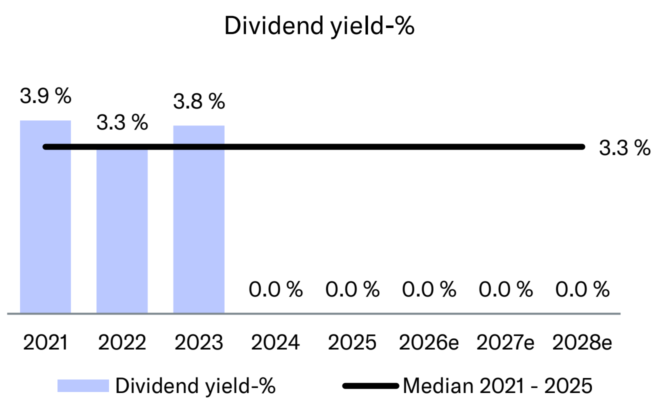
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	5.18	3.00	2.66	2.28	1.68	0.70	0.70	0.70	0.70
Number of shares, millions	57.5	57.5	57.7	57.7	57.8	135.0	135.0	135.0	135.0
Market cap	298	172	153	132	97	94	94	94	94
EV	345	226	197	192	174	159	163	157	149
P/E (adj.)	16.7	neg.	neg.	neg.	neg.	neg.	neg.	39.7	20.6
P/E	14.4	neg.	neg.	neg.	neg.	neg.	neg.	39.7	20.6
P/B	1.8	1.2	1.2	1.1	1.0	0.9	0.9	0.9	0.9
P/S	0.7	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2
EV/Sales	0.8	0.5	0.4	0.4	0.4	0.4	0.4	0.3	0.3
EV/EBITDA	7.3	15.8	17.6	11.2	15.4	20.3	11.0	5.6	4.9
EV/EBIT (adj.)	12.8	neg.	neg.	neg.	neg.	neg.	79.9	17.1	13.2
Payout ratio (%)	55.4 %	neg.	neg.	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	50.0 %
Dividend yield-%	3.9 %	3.3 %	3.8 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	2.4 %

Source: Inderes







The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation	Market cap	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	MEUR	MEUR	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e	2027e	2026e
Huhtamäki	3410	4715	12.0	11.0	7.9	7.3	1.2	1.1	12.8	11.8	3.7	3.8	1.6
Duni	339	621	17.6	11.6	9.7	7.0	0.9	0.9	18.2	10.4	7.0	7.3	1.1
Riverstone	853	718	13.0	11.2	10.1	8.9	3.1	2.8	19.0	16.3	6.2	7.1	2.8
Magnera	389	1772	10.8	9.7	5.2	5.0	0.6	0.6	28.5	8.6			
Suominen (Inderes)	94	159	-113.9	79.9	20.3	11.0	0.4	0.4	-17.3	-48.8	0.0	0.0	0.9
Average			13.3	10.8	8.2	7.1	1.4	1.3	19.6	11.8	5.6	6.1	1.8
Median			12.5	11.1	8.8	7.2	1.0	1.0	18.6	11.1	6.2	7.1	1.6
Diff-% to median			-1012%	622%	131%	54%	-64%	-63%	-193%	-539%	-100%	-100%	-47%

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	462	118	99.8	99.8	95.3	412	95.6	106	109	110	421	446	455	464
EBITDA	17.1	4.0	2.3	3.6	1.3	11.3	-0.4	2.3	2.6	3.3	7.7	14.8	28.1	30.3
Depreciation	-18.4	-4.4	-4.2	-4.1	-4.6	-17.2	-4.0	-4.1	-4.2	-4.4	-16.7	-17.8	-18.9	-19.0
EBIT (excl. NRI)	-1.6	-0.3	-1.3	-0.3	-2.2	-4.1	-1.9	0.2	0.4	-0.1	-1.4	2.0	9.2	11.3
EBIT	-1.3	-0.3	-1.9	-0.5	-3.2	-5.9	-4.4	-1.8	-1.6	-1.1	-9.0	-3.0	9.2	11.3
Net financial items	-4.1	-1.9	-2.9	-1.3	-1.4	-7.5	-1.0	-1.2	-1.2	-1.2	-4.6	-6.3	-6.0	-5.2
PTP	-5.3	-2.2	-4.8	-1.8	-4.6	-13.4	-5.4	-3.0	-2.8	-2.3	-13.6	-9.2	3.2	6.1
Taxes	0.1	0.0	0.5	0.1	0.7	1.3	-0.3	0.0	0.3	0.5	0.5	2.3	-0.8	-1.5
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	-5.3	-2.2	-4.3	-1.7	-3.9	-12.1	-5.7	-3.0	-2.5	-1.8	-13.1	-6.9	2.4	4.6
EPS (adj.)	-0.10	-0.04	-0.06	-0.03	-0.05	-0.18	-0.03	-0.01	0.00	-0.01	-0.04	-0.01	0.02	0.03
EPS (rep.)	-0.09	-0.04	-0.07	-0.03	-0.07	-0.21	-0.06	-0.02	-0.02	-0.01	-0.10	-0.05	0.02	0.03

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	2.6 %	3.4 %	-15.9 %	-10.5 %	-19.6 %	-10.8 %	-18.6 %	5.8 %	9.7 %	15.6 %	2.0 %	6.0 %	2.0 %	2.0 %
Adjusted EBIT growth-%	42.6 %	-209.0 %	-422.7 %	80.0 %	-516.7 %	-164.1 %	-515%	118%	221%	96%	66%	246%	350.5 %	22.8 %
EBITDA-%	3.7 %	3.4 %	2.3 %	3.6 %	1.4 %	2.7 %	-0.4 %	2.1 %	2.3 %	3.0 %	1.8 %	3.3 %	6.2 %	6.5 %
Adjusted EBIT-%	-0.3 %	-0.3 %	-1.3 %	-0.3 %	-2.3 %	-1.0 %	-2.0 %	0.2 %	0.3 %	-0.1 %	-0.3 %	0.5 %	2.0 %	2.4 %
Net earnings-%	-1.1 %	-1.9 %	-4.3 %	-1.7 %	-4.1 %	-2.9 %	-6.0 %	-2.9 %	-2.3 %	-1.6 %	-3.1 %	-1.6 %	0.5 %	1.0 %

Source: Inderes

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	152	154	158	156	152
Goodwill	15.5	15.5	15.5	15.5	15.5
Intangible assets	2.8	1.2	1.3	1.4	1.5
Tangible assets	131	133	137	135	131
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.6	0.6	0.6	0.6	0.6
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	2.3	3.6	3.6	3.6	3.6
Current assets	158	118	121	117	119
Inventories	47.5	40.4	42.1	42.4	43.2
Other current assets	6.6	7.5	7.5	7.5	7.5
Receivables	62.5	38.1	37.9	40.1	40.9
Cash and equivalents	41.3	32.1	33.7	26.8	27.3
Balance sheet total	310	272	279	273	271

Source: Inderes

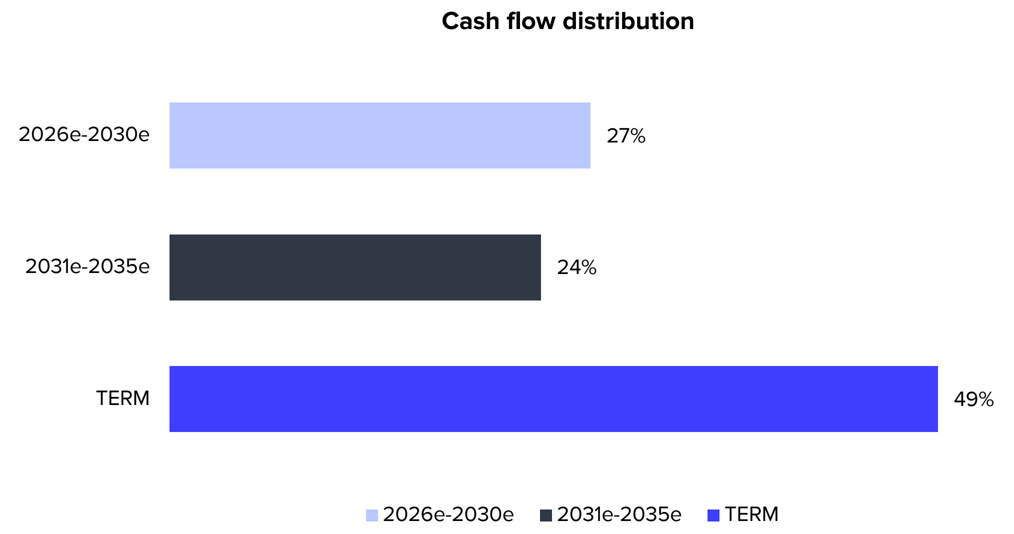
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	118	96.1	108	101	104
Share capital	11.9	11.9	11.9	11.9	11.9
Retained earnings	1.6	-9.9	-22.9	-29.9	-27.5
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	104	94.2	119	119	119
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	67.9	111	89.6	87.2	82.8
Deferred tax liabilities	8.0	4.3	4.3	4.3	4.3
Provisions	0.8	0.7	0.7	0.7	0.7
Interest bearing debt	58.9	106	84.6	82.2	77.8
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.2	0.0	0.0	0.0	0.0
Current liabilities	125	64.8	81.0	84.4	84.8
Interest bearing debt	42.9	2.8	13.7	13.0	12.0
Payables	81.8	62.0	67.3	71.4	72.8
Other current liabilities	0.4	0.0	0.0	0.0	0.0
Balance sheet total	311	272	279	273	271

DCF-calculation

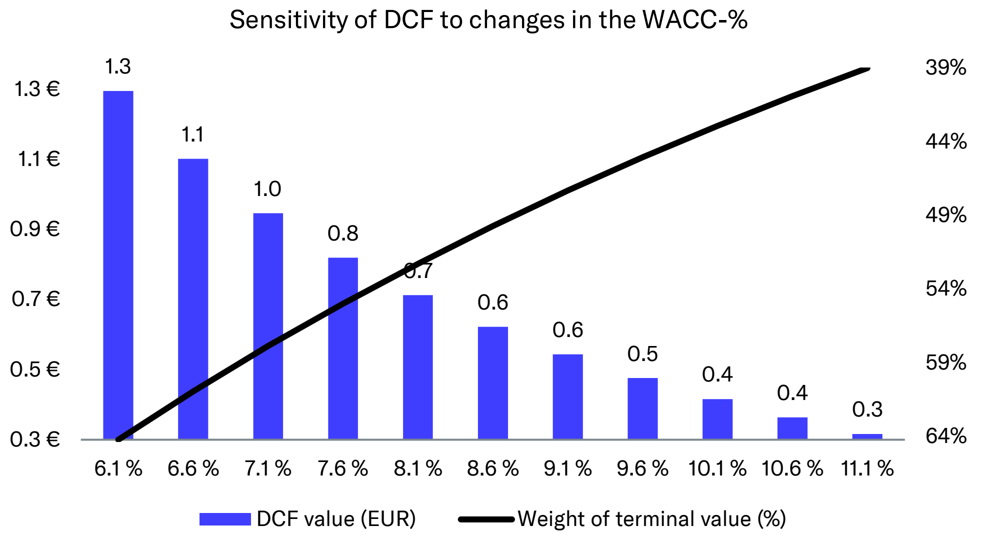
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-10.8 %	2.0 %	6.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	-1.4 %	-2.1 %	-0.7 %	2.0 %	2.4 %	3.0 %	3.5 %	3.5 %	3.5 %	3.5 %	3.5 %	3.5 %
EBIT (operating profit)	-5.9	-9.0	-3.0	9.2	11.3	14.2	16.9	17.2	17.6	17.9	18.3	
+ Depreciation	17.2	16.8	17.8	18.9	19.0	18.4	17.8	17.5	17.1	17.1	17.1	
- Paid taxes	-3.7	0.5	2.3	-0.8	-1.5	-2.4	-3.1	-3.3	-3.7	-3.8	-3.9	
- Tax, financial expenses	-0.7	-0.2	-1.6	-1.5	-1.3	-1.2	-1.1	-1.0	-0.7	-0.7	-0.7	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	10.3	3.9	1.5	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	2.3	-0.2	
Operating cash flow	17.2	12.0	17.0	25.5	27.2	28.8	30.3	30.2	30.1	32.9	30.6	
+ Change in other long-term liabilities	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-17.7	-20.1	-16.1	-15.1	-15.1	-16.2	-15.5	-15.1	-17.1	-17.0	-19.6	
Free operating cash flow	-0.8	-8.1	0.9	10.4	12.1	12.6	14.7	15.1	13.0	15.9	11.0	
+/- Other	0.0	25.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-0.8	16.9	0.9	10.4	12.1	12.6	14.7	15.1	13.0	15.9	11.0	173
Discounted FCFF		16.4	0.8	8.6	9.2	8.8	9.5	9.0	7.1	8.0	5.1	80
Sum of FCFF present value		162	146	145	136	127	119	109	100	93.0	85.0	80
Enterprise value DCF		162										
- Interest bearing debt		-109										
+ Cash and cash equivalents		32										
+ Associated companies		0										
-Minorities		0										
-Dividend/capital return		0										
Equity value DCF		85										
Equity value DCF per share		0.63										

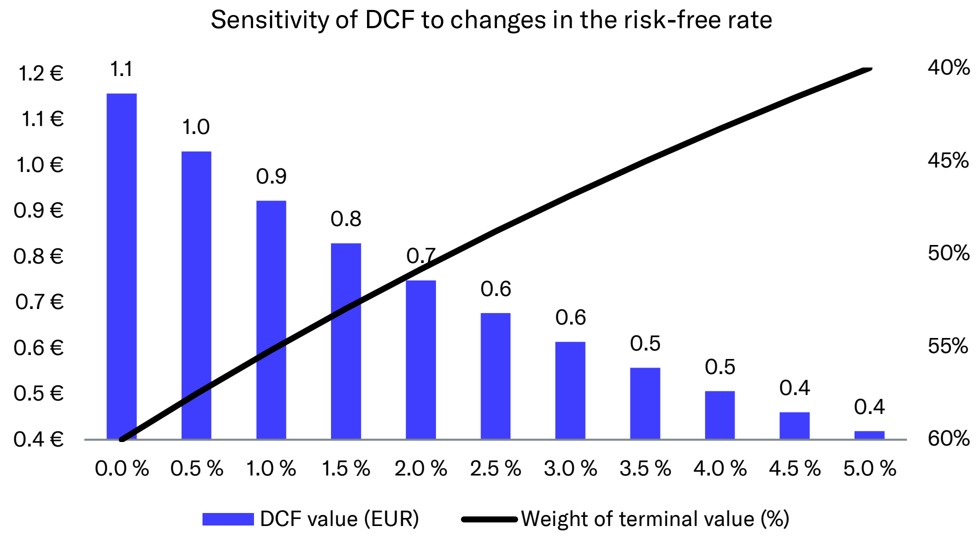
WACC	
Tax-% (WACC)	25.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	4.0 %
Equity Beta	1.36
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	9.9 %
Weighted average cost of capital (WACC)	8.6 %

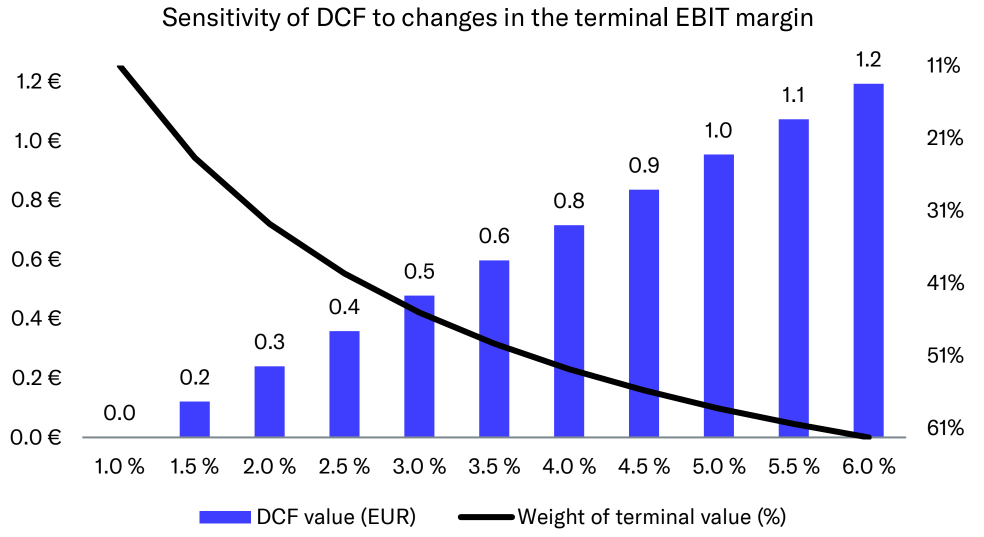
Source: Inderes

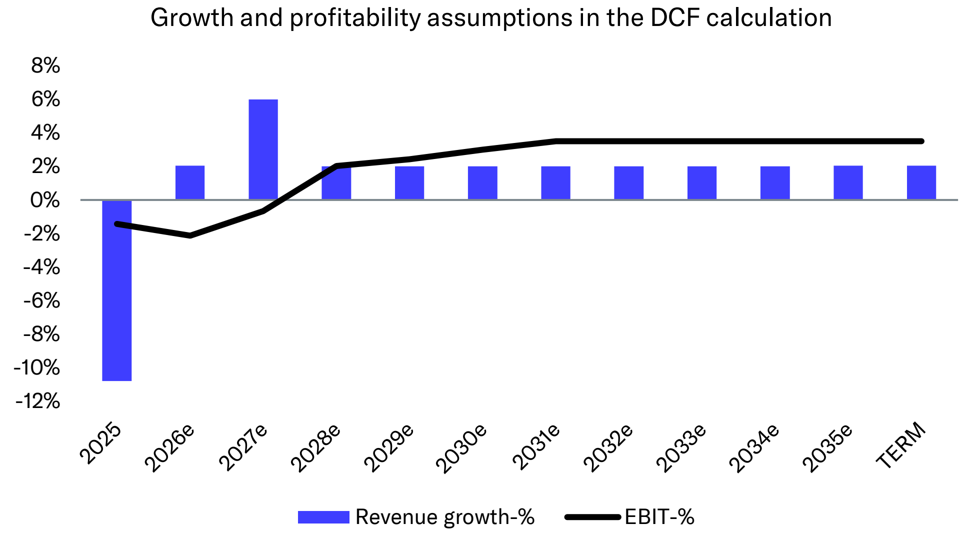


DCF sensitivity calculations and key assumptions in graphs









Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	450.8	462.3	412.4	420.8	446.1
EBITDA	11.2	17.1	11.3	7.8	14.8
EBIT	-7.5	-1.3	-5.9	-9.0	-3.0
PTP	-13.5	-5.3	-13.4	-13.5	-9.2
Net Income	-12.8	-5.3	-12.1	-13.0	-6.9
Extraordinary items	-4.8	0.3	-1.8	-7.6	-5.0

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	316.4	310.4	272.4	278.7	272.7
Equity capital	124.9	117.6	96.1	108.1	101.2
Goodwill	15.5	15.5	15.5	15.5	15.5
Net debt	43.5	60.5	77.1	64.6	68.4

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	11.2	17.1	11.3	7.8	14.8
Change in working capital	28.9	-3.8	10.3	3.9	1.5
Operating cash flow	36.8	11.7	17.2	12.0	17.0
CAPEX	-10.8	-22.7	-17.7	-20.1	-16.1
Free cash flow	24.4	-10.8	-0.8	16.9	0.9

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	-0.22	-0.09	-0.21	-0.10	-0.05
EPS (adj.)	-0.14	-0.10	-0.18	-0.04	-0.01
OCF / share	0.64	0.20	0.30	0.09	0.13
OFCF / share	0.42	-0.19	-0.01	0.13	0.01
Book value / share	2.17	2.04	1.66	0.80	0.75
Dividend / share	0.10	0.00	0.00	0.00	0.00

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	-9%	3%	-11%	2%	6%
EBITDA growth-%	-22%	53%	-34%	-31%	89%
EBIT (adj.) growth-%	35%	43%	-164%	66%	246%
EPS (adj.) growth-%	12%	30%	-84%	77%	65%
EBITDA-%	2.5 %	3.7 %	2.7 %	1.9 %	3.3 %
EBIT (adj.)-%	-0.6 %	-0.3 %	-1.0 %	-0.3 %	0.5 %
EBIT-%	-1.7 %	-0.3 %	-1.4 %	-2.1 %	-0.7 %
ROE-%	-9.4 %	-4.3 %	-11.3 %	-12.7 %	-6.6 %
ROI-%	-3.2 %	-0.6 %	-2.8 %	-4.4 %	-1.5 %
Equity ratio	39.5 %	37.9 %	35.3 %	38.8 %	37.1 %
Gearing	34.8 %	51.5 %	80.2 %	59.8 %	67.7 %
Net debt/EBITDA	3.9	3.5	6.8	8.2	4.6
EBITDA/net financials	1.9	4.2	1.5	1.7	2.4

Source: Inderes

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

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Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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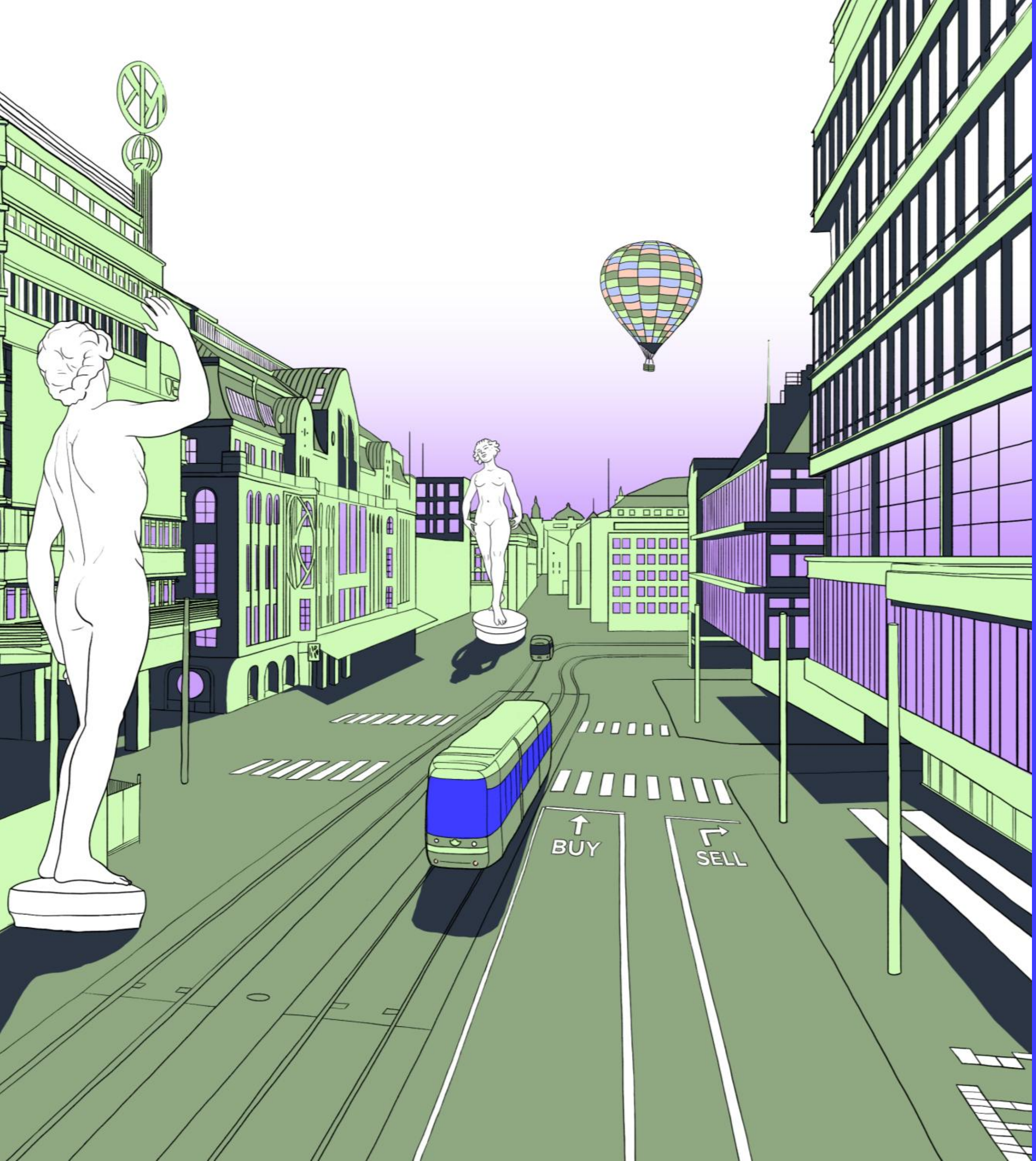
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
	Analyst changed		
10/27/2022	Accumulate	3.00 €	2.48 €
12/14/2022	Reduce	3.00 €	3.10 €
1/11/2023	Reduce	3.00 €	3.00 €
2/6/2023	Reduce	3.00 €	3.08 €
5/5/2023	Reduce	2.80 €	2.88 €
8/10/2023	Sell	2.60 €	2.94 €
9/20/2023	Sell	2.60 €	2.84 €
10/30/2023	Reduce	2.60 €	2.66 €
2/7/2024	Reduce	2.50 €	2.66 €
5/8/2024	Reduce	2.50 €	2.56 €
8/12/2024	Reduce	2.45 €	2.68 €
11/7/2024	Sell	2.00 €	2.48 €
3/6/2025	Sell	1.90 €	2.10 €
5/8/2025	Sell	1.80 €	2.01 €
8/8/2025	Sell	1.70 €	1.88 €
10/16/2025	Reduce	1.60 €	1.67 €
10/30/2025	Reduce	1.60 €	1.68 €
1/30/2026	Sell	1.30 €	1.63 €
3/26/2026	Reduce	1.10 €	1.18 €
5/8/2026	Reduce	1.00 €	1.08 €
	Rights issue		
6/11/2026	Reduce	0.60 €	0.64 €
8/10/2026	Reduce	0.63 €	0.70 €



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