SUOMINEN

03/26/2026 7:30 EET

This is a translated version of the ”Kustannusten nousu kumuloi huolia” report, published on 03/26/2026

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Rising costs accumulate concerns

We believe that the rising price of oil-based raw materials will impact Suominen's earnings in the coming quarters and keep the earnings level weak. Given the already weak balance sheet and deteriorated estimates, we believe the company will raise equity-based financing this year. In this report, we added a hybrid loan to our estimates. With lower estimates, we cut our target price to EUR 1.1 (was. EUR 1.3), but due to the sharp decrease in the share price, we raise our recommendation to Reduce (was Sell).

We believe rising energy prices will impact earnings in the coming quarters

We estimate that the increase in the price of oil, gas, and their derivatives caused by the war in Iran will significantly increase Suominen's costs. Of the fibers that serve as Suominen's main raw material, 38% were oil-based last year, and their prices have risen by 20-30% during March. In addition, the company uses natural gas at its plants, although the impact of this is currently limited to Suominen's Italian plant (one of three European plants).

Suominen has mechanisms in its contracts, especially in its main market, the US, that automatically raise sales prices when raw material costs increase. Naturally, the company also implements price increases in its other contracts when the cost level rises significantly. However, we believe there is some delay in price increases, and, thus, the rise in raw material costs will negatively impact the company's earnings in Q2-Q3'26 before price increases take effect. Due to this, we have lowered our 2026 earnings estimates by around 3 MEUR. Our full-year adjusted EBITDA estimate is now 16 MEUR, which is still in line with the company's guidance.

We added a hybrid loan to our estimates due to the weak balance sheet situation

With our updated estimates, Suominen's 12-month rolling adj. EBITDA will remain approximately at last year's level until Q3'26. We estimate the company's cash flow to be negative this year. This is explained by the one-off costs and investments of the efficiency program, as well as the working capital increase due to rising raw material prices. The company's net debt/adj. EBITDA was already over 6x at the end of 2025, and the company said it was negotiating covenants with its financiers. In our estimates, indebtedness will not improve this year through operational development. Therefore, we have added to our estimates that the company will issue a 25 MEUR hybrid loan this year (this is recognized as equity in accounting). We believe that with this support, the company will also be able to refinance the 50 MEUR bond maturing next year, as the hybrid loan would strengthen the company's cash position and balance sheet indicators. Interest expenses on the hybrid loan lower our EPS estimates. We see a share issue as an alternative to the hybrid loan.

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. With the updated estimates, the company's EPS will not turn positive until 2029. Considering the limited competitive advantages, we do not believe that the company will be able to achieve a return on capital that is sustainably above the required return in the long term. The value of our DCF model, which assumes a clearly better long-term margin than the current one, is EUR 1.3.

Recommendation
Reduce
(was Sell)

Target price:
EUR 1.10
(was EUR 1.30)

Share price:
1.18 EUR

Business risk

●●●○○

Valuation risk

●●●●○

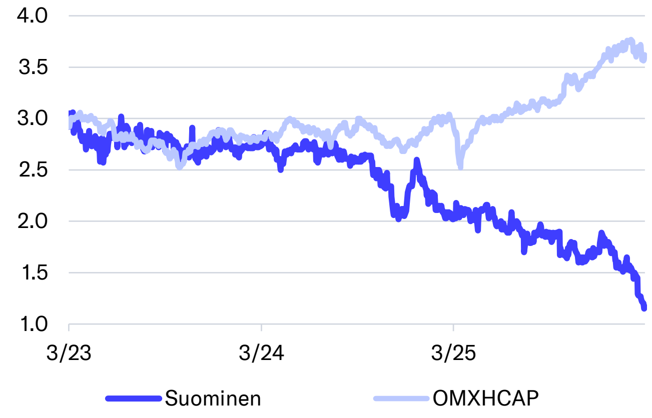
	2025	2026e	2027e	2028e
Revenue	412	421	451	460
growth-%	-11%	2%	7%	2%
EBIT adj.	-4.1	-2.8	6.4	9.1
EBIT-% adj.	-1.0 %	-0.7 %	1.4 %	2.0 %
Net Income	-12.1	-11.4	-3.1	2.8
EPS (adj.)	-0.18	-0.11	-0.02	0.00
P/E (adj.)	neg.	neg.	neg.	>100
P/B	1.0	0.8	0.9	0.9
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	neg.	24.5	16.9
EV/EBITDA	15.4	14.7	7.8	5.6
EV/S	0.4	0.4	0.3	0.3

Source: Inderes

Guidance (Unchanged)

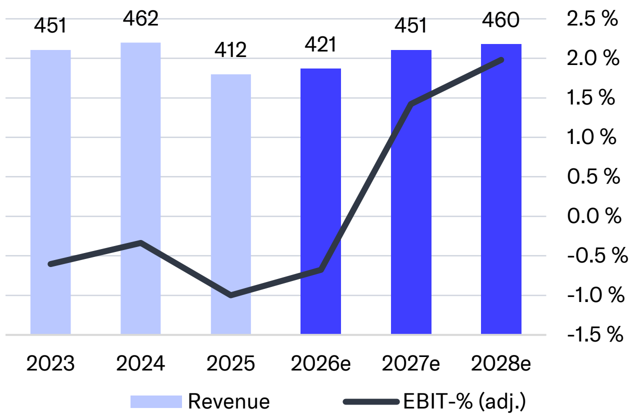
Suominen expects that its comparable EBITDA in 2026 will increase from 2025 (12.6 MEUR)..

Share price



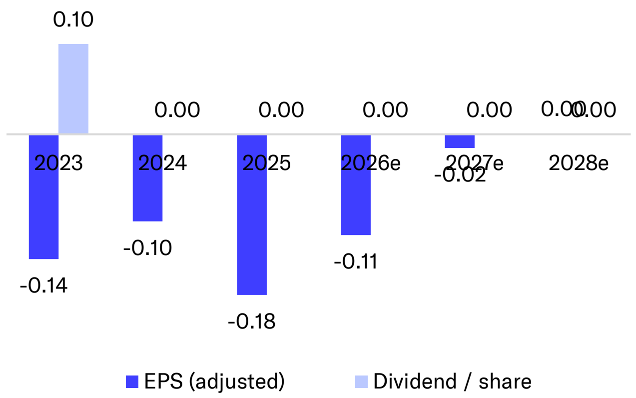
Source: Millistream Market Data AB

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	1.18	1.18	1.18
Number of shares, millions	57.8	57.8	57.8
Market cap	68	68	68
EV	155	157	154
P/E (adj.)	neg.	neg.	>100
P/E	neg.	neg.	>100
P/B	0.8	0.9	0.9
P/S	0.2	0.2	0.1
EV/Sales	0.4	0.3	0.3
EV/EBITDA	14.7	7.8	5.6
EV/EBIT (adj.)	neg.	24.5	16.9
Payout ratio (%)	0%	0%	0%
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Estimates cut

The price rise in oil-based fibers hits earnings

We estimate that the increase in the price of oil, gas, and their derivatives caused by the war in Iran will significantly increase Suominen's costs. Last year, 38% of the fibers, which are Suominen's main raw material, were oil-based, such as polyester and polypropylene. Prices of these have risen by about 20-30% in a month. In addition, the company uses natural gas at its plants, although the impact in this regard is currently limited to Suominen's Italian plant (one of three European plants), as the price of gas has not risen significantly in the US.

Suominen has mechanisms in its contracts, especially in its main market, the US, that automatically raise sales prices when raw material costs increase. In Europe, there are fewer direct mechanisms, but naturally, the company also implements price increases in its other contracts when cost levels rise significantly. However, we believe there is some delay in price increases, and thus the rise in raw material costs will negatively impact the company's earnings in Q2-Q3'26 before price increases take effect. This effect was clearly visible in 2022, when the start of the war in Ukraine accelerated the price increase of, e.g., oil-based raw materials. At that time, Suominen's Q2'22 earnings were at their weakest level in years (adj. EBITDA 1.9 MEUR), although volumes also sharply declined from strong COVID-era levels.

Due to this, we have lowered our 2026 earnings estimates by around 3 MEUR, with the decrease specifically impacting the Q2-Q3 quarters. Our full-year adjusted EBITDA estimate is now 16 MEUR, which is still in line with the company's guidance.

However, the increase in raw material costs will lead to higher sales prices with a delay, which is why our revenue estimates for 2027-28, in particular, have risen somewhat. We believe these correspond to an increase in costs, meaning that the earnings estimates for these years are practically unchanged at the EBIT level. The decrease in financial expense estimates is mainly cosmetic, as net debt decreased due to the hybrid loan we expect. Hybrid loan interest is only reflected in the EPS.

Adding a hybrid loan to the estimates weighs on EPS

In this report, we also added a 3-year, 25 MEUR hybrid loan to our estimates, as we believe the company will need equity-based financing this year. We estimate its interest rate to be slightly over 10%, so the annual interest expense would be in the range of 2.5-3 MEUR. This is a significant amount relative to Suominen's earnings figures and weighs on the 2027 EPS, pushing it into red, and to zero in 2028. In the same context, we lowered the 2028 dividend estimate to zero, as we believe dividend payments will not resume until 2029 due to a weak balance sheet and earnings.

Estimate revisions MEUR / EUR	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %	2028e Old	2028e New	Change %
Revenue	415	421	1 %	423	451	6 %	432	460	6 %
EBITDA	14.4	10.6	-27 %	20.2	20.0	-1 %	27.4	27.4	0 %
EBIT (exc. NRIs)	1.0	-2.8	-385 %	6.5	6.4	-2 %	9.2	9.1	-1 %
EBIT	-4.0	-7.8	-96 %	1.5	1.4	-8 %	9.2	9.1	-1 %
PTP	-8.8	-12.6	-44 %	-5.1	-4.2	18 %	2.9	3.7	29 %
EPS (excl. NRIs)	-0.05	-0.11	-148 %	0.02	-0.02	-175 %	0.04	0.00	-98 %
DPS	0.00	0.00		0.00	0.00		0.02	0.00	-100 %

Source: Inderes

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. In addition, the company's share value is at risk due to additional funding needs, which may have to be partially financed with equity instruments, such as a hybrid loan or a share issue. Thus, we see the expected return as weak.

Multiples remain high through the forecast years

Due to the poor result, valuation multiples for 2022-26 cannot be calculated or they are high, and we feel the earnings level does not depict the company's potential. We have previously 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, our assumption appears 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, and P/E ratios cannot even be calculated due to weak earnings. 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, where it currently is.

DCF model value EUR 1.3

The value of the DCF model is around EUR 1.3. The model assumes a longer-term EBIT-% of 4.0% 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 connection with Q4 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 75 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. In the short term, the company's balance sheet problems add to the risk.

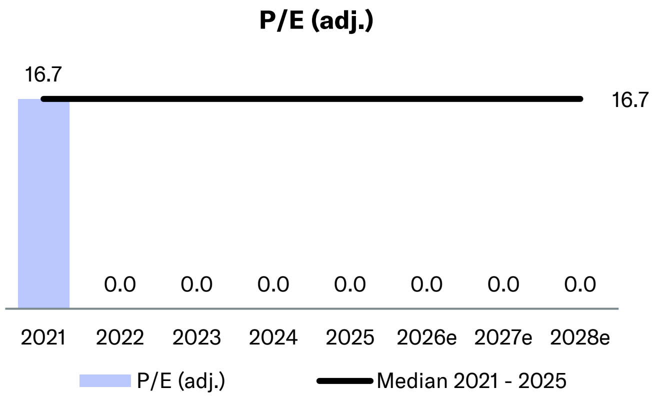
Valuation	2026e	2027e	2028e
Share price	1.18	1.18	1.18
Number of shares, millions	57.8	57.8	57.8
Market cap	68	68	68
EV	155	157	154
P/E (adj.)	neg.	neg.	>100
P/E	neg.	neg.	>100
P/B	0.8	0.9	0.9
P/S	0.2	0.2	0.1
EV/Sales	0.4	0.3	0.3
EV/EBITDA	14.7	7.8	5.6
EV/EBIT (adj.)	neg.	24.5	16.9
Payout ratio (%)	0%	0%	0%
Dividend yield-%	0.0 %	0.0 %	0.0 %

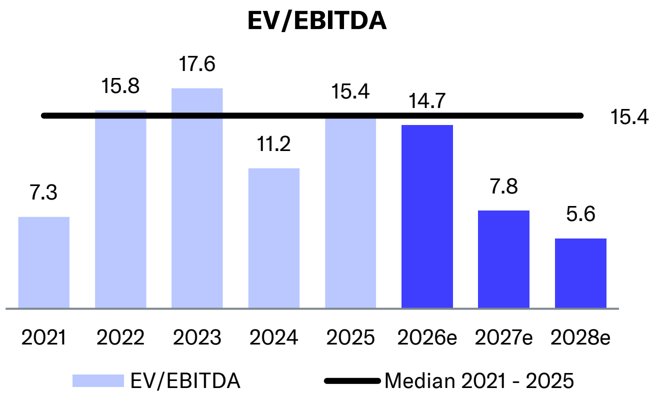
Source: Inderes

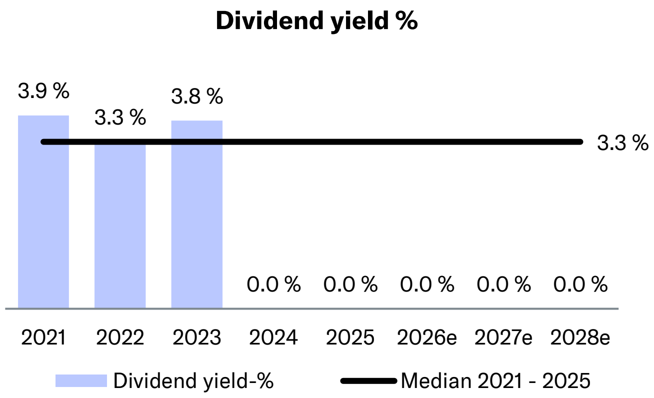
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	5.18	3.00	2.66	2.28	1.68	**1.18**	**1.18**	**1.18**	**1.18**
Number of shares, millions	57.5	57.5	57.7	57.7	57.8	**57.8**	**57.8**	**57.8**	**57.8**
Market cap	298	172	153	132	97	**68**	**68**	**68**	**68**
EV	345	226	197	192	174	**155**	**157**	**154**	**147**
P/E (adj.)	16.7	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**>100**	**20.0**
P/E	14.4	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**>100**	**20.0**
P/B	1.8	1.2	1.2	1.1	1.0	**0.8**	**0.9**	**0.9**	**0.8**
P/S	0.7	0.3	0.3	0.3	0.2	**0.2**	**0.2**	**0.1**	**0.1**
EV/Sales	0.8	0.5	0.4	0.4	0.4	**0.4**	**0.3**	**0.3**	**0.3**
EV/EBITDA	7.3	15.8	17.6	11.2	15.4	**14.7**	**7.8**	**5.6**	**4.6**
EV/EBIT (adj.)	12.8	neg.	neg.	neg.	neg.	**neg.**	**24.5**	**16.9**	**10.9**
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 %**	**4.5 %**

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 Company	Market cap MEUR	EV MEUR	EV/EBIT 2026e	 2027e	EV/EBITDA 2026e	 2027e	EV/S 2026e	 2027e	P/E 2026e	 2027e	Dividend yield-% 2026e	 2027e	P/B 2026e
Huhtamäki	2996	4283	10.5	9.9	6.8	6.5	1.1	1.0	11.0	10.3	4.2	4.4	1.4
Duni	414	608	11.3	9.6	7.3	6.5	0.8	0.8	12.3	10.3	5.9	6.3	1.3
Sealed Air	5339	8505	11.0	10.3	8.5	8.1	1.8	1.8	12.2	11.1	1.9	2.0	4.3
Riverstone	681	546	9.7	8.5	7.6	6.8	2.4	2.2	15.0	13.1	5.5	7.0	2.0
Magnera	280	1720	11.3	10.1	5.2	5.0	0.6	0.6	602.7	8.8			
Suominen (Inderes)	**68**	**155**	**-54.3**	**24.5**	**14.7**	**7.8**	**0.4**	**0.3**	**-10.6**	**-77.8**	**0.0**	**0.0**	**0.8**
Average			**10.8**	**9.7**	**7.1**	**6.6**	**1.3**	**1.3**	**130.6**	**10.7**	**4.4**	**4.9**	**2.3**
Median			**11.0**	**9.9**	**7.3**	**6.5**	**1.1**	**1.0**	**12.3**	**10.3**	**4.9**	**5.3**	**1.7**
Diff-% to median			***-596%***	***147%***	***100%***	***20%***	***-66%***	***-66%***	***-186%***	***-854%***	***-100%***	***-100%***	***-53%***

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**462**	**118**	**99.8**	**99.8**	**95.3**	**412**	**101**	**109**	**108**	**104**	**421**	**451**	**460**	**469**
EBITDA	**17.1**	**4.0**	**2.3**	**3.6**	**1.3**	**11.3**	**3.1**	**1.1**	**1.9**	**4.4**	**10.6**	**20.0**	**27.4**	**32.0**
Depreciation	-18.4	-4.4	-4.2	-4.1	-4.6	-17.2	-4.4	-4.4	-4.7	-4.9	-18.4	-18.6	-18.3	-18.4
EBIT (excl. NRI)	**-1.6**	**-0.3**	**-1.3**	**-0.3**	**-2.2**	**-4.1**	**-1.3**	**-1.3**	**-0.8**	**0.5**	**-2.8**	**6.4**	**9.1**	**13.6**
EBIT	**-1.3**	**-0.3**	**-1.9**	**-0.5**	**-3.2**	**-5.9**	**-1.3**	**-3.3**	**-2.8**	**-0.5**	**-7.8**	**1.4**	**9.1**	**13.6**
Net financial items	-4.1	-1.9	-2.9	-1.3	-1.4	-7.5	-1.2	-1.2	-1.2	-1.2	-4.8	-5.6	-5.4	-5.4
PTP	**-5.3**	**-2.2**	**-4.8**	**-1.8**	**-4.6**	**-13.4**	**-2.5**	**-4.5**	**-4.0**	**-1.7**	**-12.6**	**-4.2**	**3.7**	**8.2**
Taxes	0.1	0.0	0.5	0.1	0.7	1.3	0.2	0.2	0.3	0.5	1.2	1.0	-0.9	-2.1
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**	**-2.3**	**-4.3**	**-3.7**	**-1.2**	**-11.4**	**-3.1**	**2.8**	**6.2**
EPS (adj.)	**-0.10**	**-0.04**	**-0.06**	**-0.03**	**-0.05**	**-0.18**	**-0.04**	**-0.04**	**-0.03**	**0.00**	**-0.11**	**-0.02**	**0.00**	**0.06**
EPS (rep.)	**-0.09**	**-0.04**	**-0.07**	**-0.03**	**-0.07**	**-0.21**	**-0.04**	**-0.07**	**-0.06**	**-0.02**	**-0.20**	**-0.10**	**0.00**	**0.06**

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	2.6 %	3.4 %	-15.9 %	-10.5 %	-19.6 %	-10.8 %	-14.3 %	9.0 %	8.0 %	9.1 %	2.1 %	7.0 %	2.0 %	2.0 %
Adjusted EBIT growth-%	-42.6 %	209.0 %	-422.7 %	-80.0 %	516.7 %	164.1 %	307%	-1%	177%	-123%	-31%	-325%	42.0 %	49.2 %
EBITDA-%	3.7 %	3.4 %	2.3 %	3.6 %	1.4 %	2.7 %	3.1 %	1.0 %	1.7 %	4.2 %	2.5 %	4.4 %	6.0 %	6.8 %
Adjusted EBIT-%	-0.3 %	-0.3 %	-1.3 %	-0.3 %	-2.3 %	-1.0 %	-1.2 %	-1.2 %	-0.8 %	0.5 %	-0.7 %	1.4 %	2.0 %	2.9 %
Net earnings-%	-1.1 %	-1.9 %	-4.3 %	-1.7 %	-4.1 %	-2.9 %	-2.2 %	-3.9 %	-3.5 %	-1.1 %	-2.7 %	-0.7 %	0.6 %	1.3 %

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**	**154**	**151**	**148**
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	133	130	127
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**	**123**	**120**	**122**
Inventories	47.5	40.4	42.1	42.8	43.7
Other current assets	6.6	7.5	7.5	7.5	7.5
Receivables	62.5	38.1	40.0	42.8	43.7
Cash and equivalents	41.3	32.1	33.7	27.0	27.6
Balance sheet total	**310**	**272**	**277**	**272**	**271**

Source: Inderes

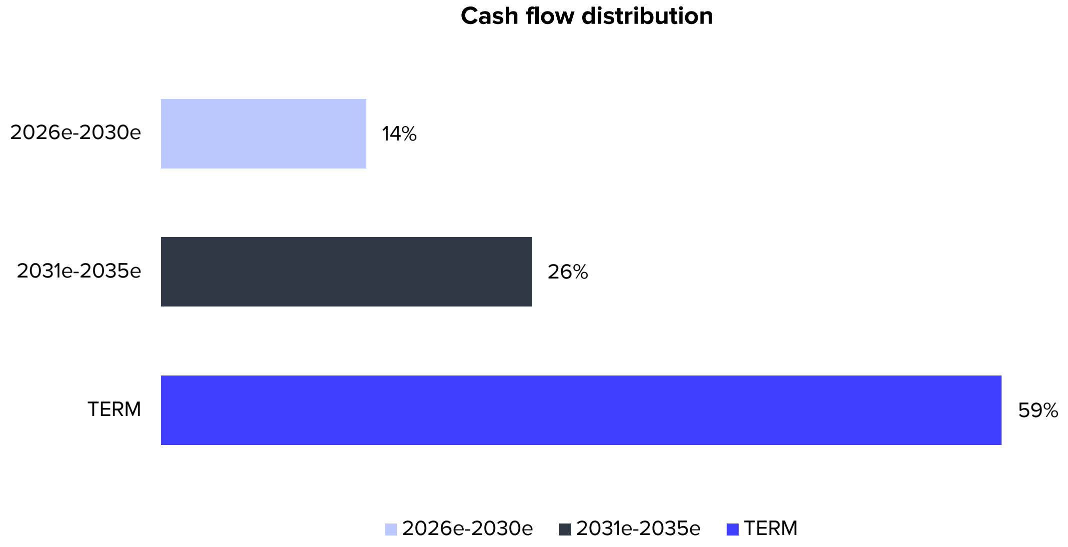
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**118**	**96.1**	**110**	**104**	**104**
Share capital	11.9	11.9	11.9	11.9	11.9
Retained earnings	1.6	-9.9	-21.3	-27.2	-27.2
Hybrid bonds	0.0	0.0	25.0	25.0	25.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	104	94.2	94.2	94.2	94.2
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**67.9**	**111**	**87.2**	**83.6**	**81.7**
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	82.2	78.6	76.7
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**	**80.4**	**84.3**	**85.2**
Interest bearing debt	42.9	2.8	13.1	12.1	11.7
Payables	81.8	62.0	67.4	72.1	73.5
Other current liabilities	0.4	0.0	0.0	0.0	0.0
Balance sheet total	**311**	**272**	**277**	**272**	**271**

DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-10.8 %	2.1 %	7.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	-1.4 %	-1.9 %	0.3 %	2.0 %	2.9 %	3.0 %	3.5 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %
EBIT (operating profit)	**-5.9**	**-7.8**	**1.4**	**9.1**	**13.6**	**14.3**	**17.1**	**19.9**	**20.3**	**20.7**	**21.1**	
+ Depreciation	17.2	18.4	18.6	18.3	18.4	17.9	18.0	17.7	17.3	17.3	17.3	
- Paid taxes	-3.7	1.2	1.0	-0.9	-2.1	-2.1	-2.8	-3.6	-4.0	-4.1	-4.3	
- Tax, financial expenses	-0.7	-0.5	-1.4	-1.3	-1.3	-1.5	-1.4	-1.3	-1.1	-1.0	-1.0	
+ 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	1.8	1.2	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	
Operating cash flow	**17.2**	**13.1**	**20.9**	**24.8**	**28.3**	**28.4**	**30.5**	**32.3**	**32.2**	**32.5**	**32.8**	
+ 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	-18.1	-16.1	-15.1	-15.1	-20.3	-15.7	-15.2	-17.2	-17.2	-19.8	
Free operating cash flow	**-0.8**	**-5.0**	**4.8**	**9.7**	**13.2**	**8.1**	**14.8**	**17.1**	**15.0**	**15.4**	**13.0**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-0.8	-5.0	4.8	9.7	13.2	8.1	14.8	17.1	15.0	15.4	13.0	204
Discounted FCFF		**-4.7**	**4.2**	**7.7**	**9.7**	**5.5**	**9.2**	**9.8**	**7.9**	**7.5**	**5.8**	**91**
Sum of FCFF present value		154	159	155	147	137	132	123	113	105	97.3	91
Enterprise value DCF		**154**										
- Interest bearing debt		-109										
+ Cash and cash equivalents		32										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		**77**										
Equity value DCF per share		**1.33**										

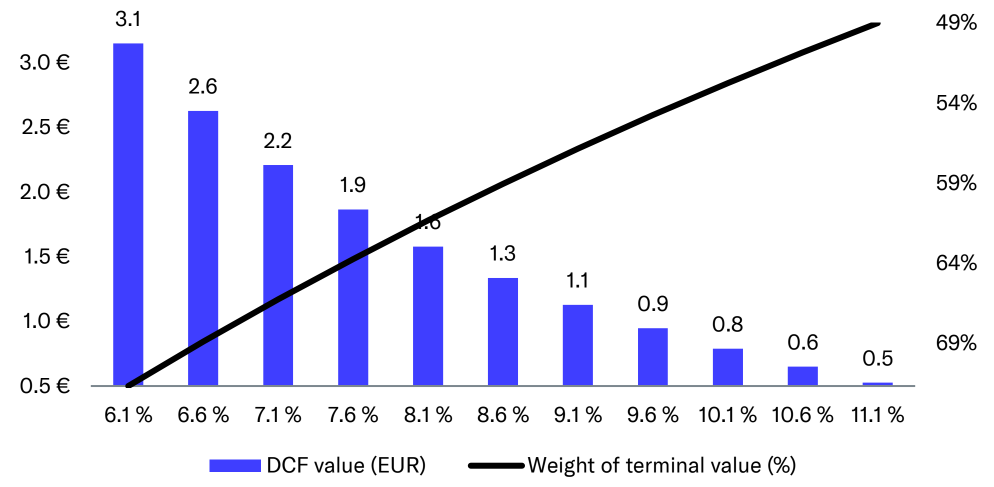
WACC	
Tax-% (WACC)	25.0 %
Target debt ratio (D/(D+E)	20.0 %
Cost of debt	4.0 %
Equity Beta	1.36
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	**9.9 %**
Weighted average cost of capital (WACC)	**8.6 %**

Source: Inderes

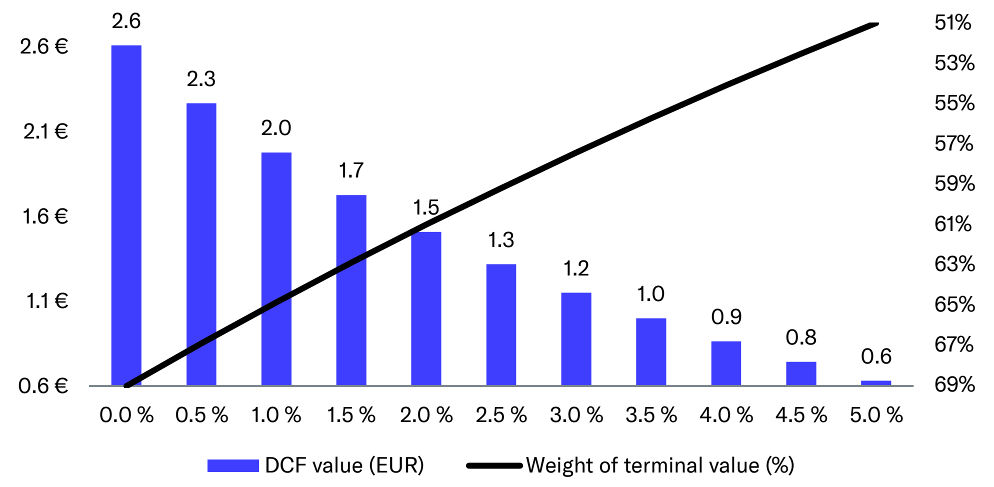


DCF sensitivity calculations and key assumptions in graphs

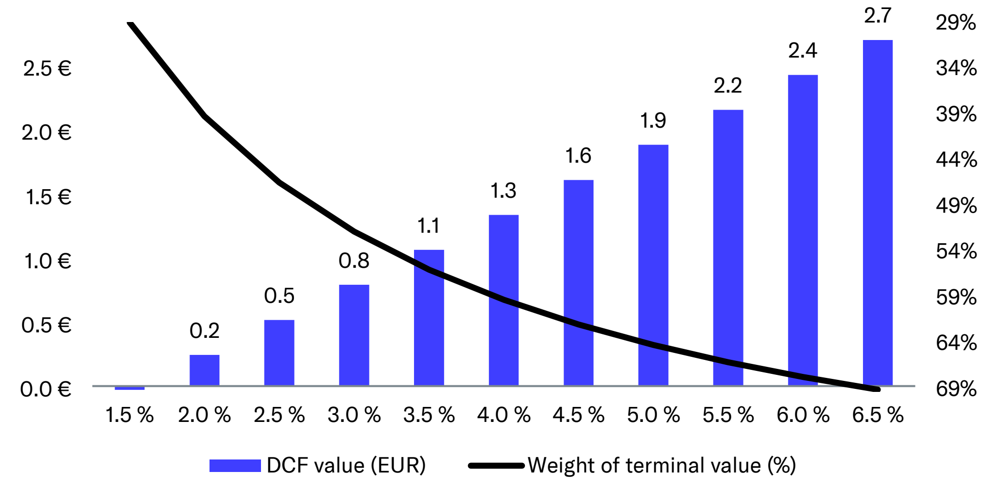
Sensitivity of DCF to changes in the WACC-%



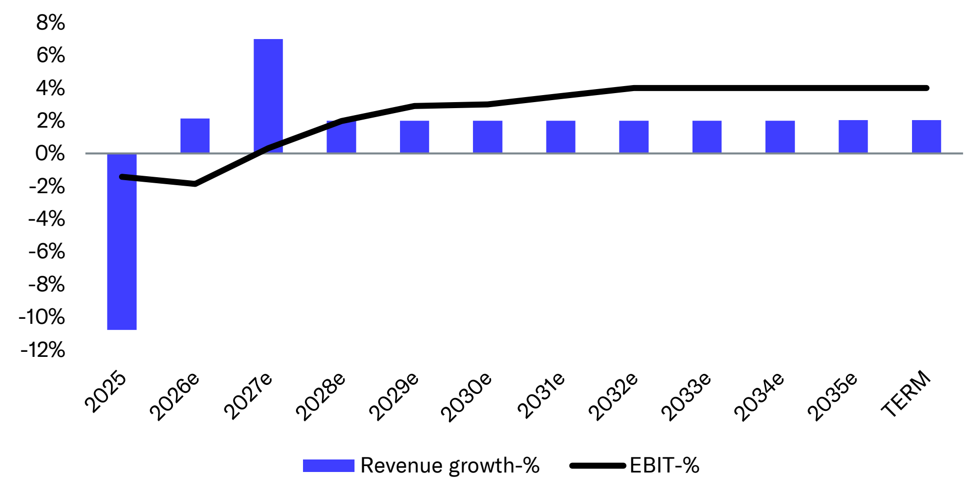
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



Source: Inderes. NB! The terminal value weight (%) is presented on a reverse scale for clarity.

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	450.8	462.3	412.4	**421.2**	**450.7**
EBITDA	11.2	17.1	11.3	**10.6**	**20.0**
EBIT	-7.5	-1.3	-5.9	**-7.8**	**1.4**
PTP	-13.5	-5.3	-13.4	**-12.6**	**-4.2**
Net Income	-12.8	-5.3	-12.1	**-11.4**	**-3.1**
Extraordinary items	-4.8	0.3	-1.8	**-5.0**	**-5.0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	316.4	310.4	272.4	**277.3**	**271.6**
Equity capital	124.9	117.6	96.1	**109.7**	**103.8**
Goodwill	15.5	15.5	15.5	**15.5**	**15.5**
Net debt	43.5	60.5	77.1	**61.6**	**63.7**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	11.2	17.1	11.3	**10.6**	**20.0**
Change in working capital	28.9	-3.8	10.3	**1.8**	**1.2**
Operating cash flow	36.8	11.7	17.2	**13.1**	**20.9**
CAPEX	-10.8	-22.7	-17.7	**-18.1**	**-16.1**
Free cash flow	24.4	-10.8	-0.8	**-5.0**	**4.8**

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	-0.22	-0.09	-0.21	**-0.20**	**-0.10**
EPS (adj.)	-0.14	-0.10	-0.18	**-0.11**	**-0.02**
OCF / share	0.64	0.20	0.30	**0.23**	**0.36**
FCF / share	0.42	-0.19	-0.01	**-0.09**	**0.08**
Book value / share	2.17	2.04	1.66	**1.90**	**1.80**
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%**	**7%**
EBITDA growth-%	-22%	53%	-34%	**-7%**	**90%**
EBIT (adj.) growth-%	-35%	-43%	164%	**-31%**	**-325%**
EPS (adj.) growth-%	-12%	-30%	84%	**-37%**	**-86%**
EBITDA-%	2.5 %	3.7 %	2.7 %	**2.5 %**	**4.4 %**
EBIT (adj.)-%	-0.6 %	-0.3 %	-1.0 %	**-0.7 %**	**1.4 %**
EBIT-%	-1.7 %	-0.3 %	-1.4 %	**-1.9 %**	**0.3 %**
ROE-%	-9.4 %	-4.3 %	-11.3 %	**-11.1 %**	**-2.9 %**
ROI-%	-3.2 %	-0.6 %	-2.8 %	**-3.8 %**	**0.7 %**
Equity ratio	39.5 %	37.9 %	35.3 %	**39.5 %**	**38.2 %**
Gearing	34.8 %	51.5 %	80.2 %	**56.1 %**	**61.4 %**

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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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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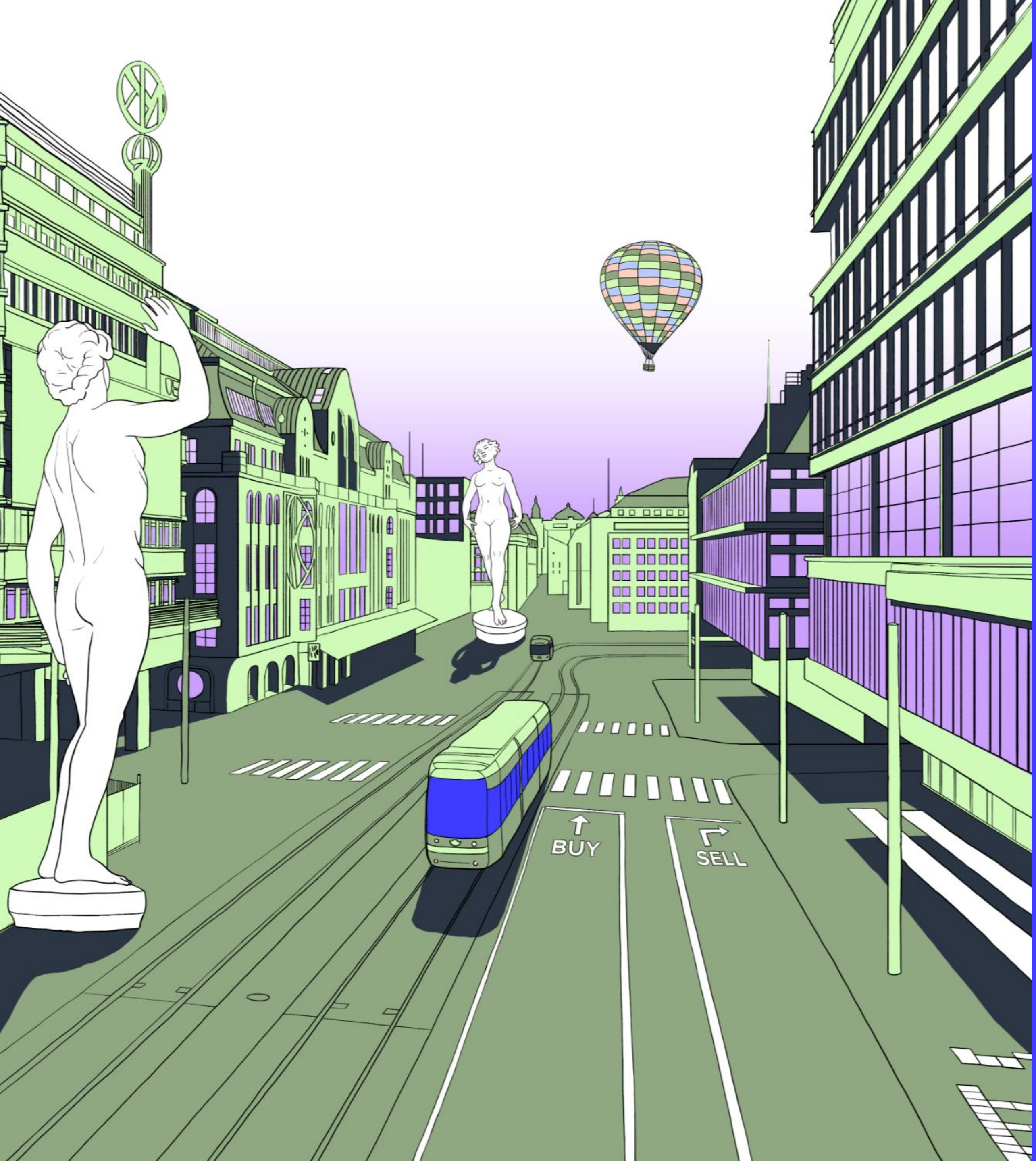
Recommendation history (>12 mo)

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 €



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