

APETIT

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INDERES CORPORATE CUSTOMER

COMPANY REPORT



Headwinds in the operating environment are easing

The soft earnings performance in Q2 was mainly due to temporary factors. We expect the earnings level to develop more steadily towards the end of the year, thanks to, e.g., volume growth in Food Solutions and improved raw material availability for Oilseed Products. In our view, the company is well-positioned to continue its moderate growth, supported by the increasing domestic consumption of frozen vegetables and exports. The valuation is close to a fair level based on this year's abnormally weak result, but we expect earnings to turn to growth next year, at which point the expected return with the dividend will become sufficiently attractive. We reiterate our Accumulate recommendation and a target price of EUR 15.0.

Temporary factors burdened Q2 earnings performance

Revenue grew by 6% year-on-year in Q2 and was distributed fairly evenly across both segments (almost in line with our estimates). The 5% volume-driven growth in Food Solutions was a qualitatively good performance, also considering the industrial action around the beginning of Q2 that hampered production and delivery reliability. EBIT for the seasonally weak quarter was -0.8 MEUR, down from the comparison period (-0.1 MEUR), while we expected flat earnings development. Profitability was mainly affected by temporary factors, such as the impact of industrial action on production in both segments and the increased price of raw materials in Oilseed Products. The result of the volatile associate company Sucros was clearly weaker than in the comparison period, as a result of which the net result remained at -1.4 MEUR (we estimated 0.1 MEUR). Operating cash flow improved significantly, supported by the release of working capital.

H2 outlook is more stable, next year trending upwards

Apetit reiterated its guidance for 2025, according to which the Group's operating profit is expected to decrease slightly from

the comparison year (2024: 9.3 MEUR). The company expects the availability of oilseed raw material to improve with the 2025 harvest, and rapeseed prices have also fallen in commodity exchanges, which signals an upturn in the profitability of Oilseed Products. Food Solutions, in turn, continues its volume growth, influenced by a moderate tailwind from consumption habits, export efforts, and new higher value-added products that Apetit occasionally brings to market. The company is making a 2 MEUR investment this year in the production of the Black Grain ingredient at its Kantvik plant, which will accelerate the commercialization of the ingredient. However, we have not yet factored in the revenue potential of the ingredient in our forecasts for the coming years.

If earnings development turns around, the expected return would again become attractive

Apetit is a defensive and capital-intensive company in terms of its investment profile, and its profitability fluctuates occasionally with harvest seasons and changes in the cost environment. The company is capable of growing its earnings in the long term, but due to its capital-intensive nature, we estimate that value creation will be moderate. The stock is currently valued at an EV/EBIT multiple of 10x on 2025 earnings, which we estimate will be slightly weaker than usual due to early-year strikes and raw material challenges. We are already partly looking ahead to next year (EV/EBIT 9x), when we expect earnings to strengthen, for example, through the removal of raw material-related headwinds and consistent volume growth in Food Solutions. While the current year's earnings do not offer further upside, we believe the 12-month expected return is sufficiently good, including approximately 10% earnings growth in 2026e and a 5% dividend yield. From a balance sheet perspective, P/B 0.8x is relatively inexpensive compared to our forecast normalized ROI level (2026e: ~8%).

Recommendation

Accumulate

(was Accumulate)

Target price:

EUR 15.00

(was EUR 15.00)

Share price:

EUR 14.05

Business risk



Valuation risk



	2024	2025e	2026e	2027e
Revenue	163	169	175	179
growth-%	-7%	4%	4%	2%
EBIT adj.	9.4	7.7	8.6	8.8
EBIT-% adj.	5.8 %	4.5 %	4.9 %	4.9 %
Net Income	8.5	5.3	7.6	7.9
EPS (adj.)	1.36	0.85	1.22	1.27
P/E (adj.)	10.2	16.5	11.5	11.1
P/B	0.8	0.8	0.8	0.8
Dividend yield-%	5.4 %	5.0 %	5.3 %	5.3 %
EV/EBIT (adj.)	8.2	10.0	8.9	8.5
EV/EBITDA	4.8	5.1	4.8	4.6
EV/S	0.5	0.5	0.4	0.4

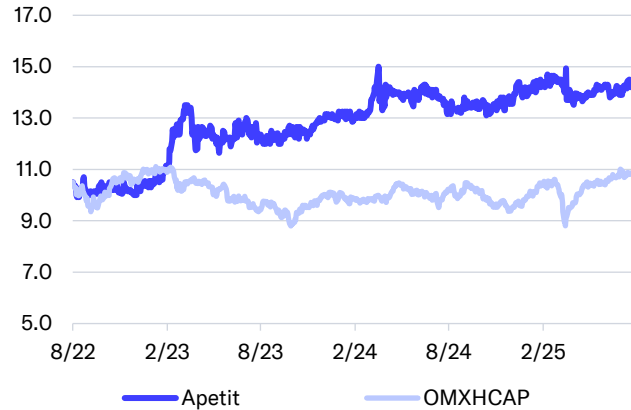
Source: Inderes

Guidance

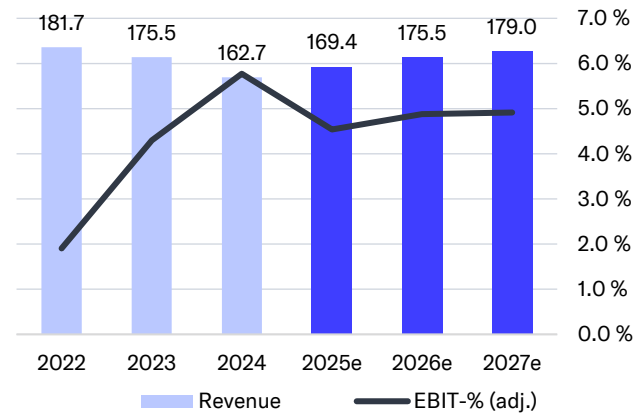
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Group's operating result is estimated to slightly decrease from the comparison year (9.3 MEUR in 2024).

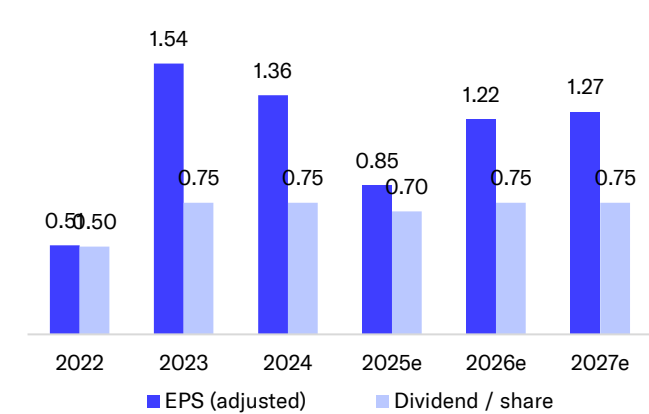
Share price



Revenue and EBIT-% (adj.)



EPS and dividend



Value drivers

- Significant market position as the only major Finnish producer of frozen vegetables and presser of vegetable oils
- Well-known Apetit brand
- The future outlook is supported by the vegetable trend, R&D investments, and capital expenditure
- Internationalization offers revenue potential

Risk factors

- Concentration and price competition in the retail sector
- Reliance on successful harvest seasons
- Potential acquisitions or investments in new product areas may fail
- Fluctuation in refining margins for sugar and vegetable oils in line with the market

Valuation	2025e	2026e	2027e
Share price	14.1	14.1	14.1
Number of shares, millions	6.21	6.21	6.21
Market cap	87	87	87
EV	77	76	75
P/E (adj.)	16.5	11.5	11.1
P/E	16.5	11.5	11.1
P/B	0.8	0.8	0.8
P/S	0.5	0.5	0.5
EV/Sales	0.5	0.4	0.4
EV/EBITDA	5.1	4.8	4.6
EV/EBIT (adj.)	10.0	8.9	8.5
Payout ratio (%)	82.2 %	61.2 %	59.1 %
Dividend yield-%	5.0 %	5.3 %	5.3 %

Source: Inderes

Q2 earnings performance was soft due to temporary reasons

Revenue grew in both segments

Apetit reported 6% revenue growth in Q2, which was fairly evenly distributed between the two segments. Revenue was broadly at the forecast level.

Food solutions grew by 5%, supported by growth in sales volumes (we forecast 3.5%). Demand in retail has developed well and the company estimates it will benefit from the effects of national dietary recommendations on consumer behavior. The delivery reliability of Food Solutions suffered from industrial action in the early part of the quarter but normalized towards the end of the quarter.

In Oilseed Products, revenue grew by 7% (we estimated 9%), driven by sales prices, which we believe is a result of elevated raw material prices since H2 2024. However, prices have already started to decline during 2025, which had not yet affected Apetit's Q2 figures. Delivery volumes remained at the comparison period's level. The sales mix

suffered from the impact of industrial action, as production challenges limited deliveries of refined vegetable oil (suitable for food use) in Q2.

Profitability was slightly below expectations

Q2 EBIT was -0.8 MEUR, which was slightly weaker than our estimate (-0.1 MEUR). The net result of -1.4 MEUR was even more clearly below our estimate (0.1 MEUR), which was impacted by the negative result of the volatile associate company Sucros.

For both of the Group's two segments, results fell 0.3-0.4 MEUR below our estimates and also somewhat declined year-on-year. Both suffered from the adverse effects on production of industrial action, such as overtime and shift bans (in both) and strike days (in Food Solutions). Oilseed Products also suffered from increased raw material prices and a weakened sales mix.

Working capital release supported cash flow

Cash flow from operating activities in H1 was at a very strong level of 13.1 MEUR (H1'24: 6.8 MEUR). This was particularly influenced by the change in working capital, which had a positive impact of 8 MEUR on cash flow. In Q2, working capital is typically released before raw material purchases for the next harvest season, and this time the release was higher than usual. Investments in H1 were 3 MEUR, slightly higher than in the comparison period, but mostly in line with our expectations. Net cash was 1.2 MEUR at the end of H1 (H1'24: 6.3 MEUR).

Estimates MEUR / EUR	Q2'24 Comparison	Q2'25 Actualized	Q2'25e Inderes	Difference (%) Act. vs. inderes	2025e Inderes
Revenue	37.0	39.2	39.4	-1%	169
EBITDA	1.5	1.0	1.7	-43%	15.1
EBIT	-0.1	-0.8	-0.1	-837%	7.7
EPS (reported)	0.01	-0.23	0.01	-2405%	0.85
Revenue growth-%	-17.8 %	5.9 %	6.6 %	-0.6 pp	4.2 %
EBIT-% (adj.)	-0.3 %	-2.0 %	-0.2 %	-1.8 pp	4.5 %

Source: Inderes

Apetit, Webcast, Q2'25



We expect earnings development to stabilize in H2

No significant changes to our long-term forecasts

- Apetit reiterated its guidance for 2025, according to which the Group's operating profit is expected to decrease slightly from the comparison year (2024: 9.3 MEUR).
- The company described the 2025 crop prospects as moderate for Food Solutions. In Oilseed Products, the crop outlook is positive at least for the Baltics, and cultivation areas in Finland have also seen significant growth. We expect the profitability of Oilseed Products to normalize in H2, influenced by factors such as the recent decline in raw material prices and improved availability.
- Our H2 earnings forecast is roughly at the comparison period's level after a declining H1. The main reason for the stabilization of earnings is the dynamic described above in the price of Oilseed Products raw material. Food Solutions' result in H2 2024 was stronger than usual due to efficient seasonal production, so achieving earnings growth this year may be challenging due to high comparison figures. On the other hand, we anticipate volumes in Food Solutions to continue growing.
- Our estimates for 2026-27 remained largely unchanged. The most significant change was related to the lowering of Sucros' earnings estimates. Sucros' result fluctuates based on factors such as market prices for sugar and the domestic sugar beet harvest. Sucros' earnings contribution to Apetit in 2018-24 was on average 0.7 MEUR. Our 2025 forecast is -0.4 MEUR due to a loss-making H1, and 1 MEUR/year from 2026 onwards.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	171	169	-1%	177	175	-1%	180	179	-1%
EBITDA	15.5	15.1	-2%	15.9	15.9	0%	16.4	16.3	0%
EBIT excluding NRIs	8.1	7.7	-5%	8.5	8.6	0%	8.9	8.8	-1%
EBIT	8.1	7.7	-5%	8.5	8.6	0%	8.9	8.8	-1%
Profit before tax	8.4	6.8	-19%	9.4	9.3	-2%	9.9	9.6	-3%
EPS (excl. NRIs)	1.09	0.85	-22%	1.26	1.22	-2%	1.31	1.27	-3%
Dividend per share	0.70	0.70	0%	0.75	0.75	0%	0.75	0.75	0%

Source: Inderes

We accept a slight forward lean in the valuation

Valuation summary: Defensive, but low-margin business

Apetit is a defensive stock in terms of its investment profile, as its business is not particularly dependent on economic cycles, but on the other hand, the market's growth prospects are rather moderate. The company operates in an established and competitive market where achieving high returns is challenging. In recent years, the company has succeeded in improving its efficiency and increasing sales in favorable product categories. As a processor, the company is dependent on the crop development of domestic agriculture and the international price level of vegetable oil raw materials, which can occasionally cause earnings volatility. Our estimates for 2025 assume earnings will decline in line with the company's guidance, but we estimate the decline to be temporary and for earnings development to turn positive again in the medium term, supported by recent investments and growth initiatives.

Associated company Sucros to be considered in valuation

Apetit's valuation is complicated by the company's 20% ownership in the sugar company Sucros. The value and earnings impact of Apetit's Sucros holding are significant, so we believe that valuing the share also requires an opinion on the fair value of Sucros. When looking at enterprise value-based metrics, Sucros' fair value should be deducted from Apetit's enterprise value (EV), or otherwise, the valuation multiples will appear too high. We have valued Sucros as a separate entity in EV-based valuation methods and DCF, based on its balance sheet value and historical earnings (fair value 13 MEUR or EUR 2.1/share). This corresponds to multiples of P/B: 0.6x, P/E 2020-24:

10x and P/E 2025e: negative.

We are already partly relying on next year's estimates

We have prepared a sum-of-the-parts valuation method, as we believe it provides an illustrative tool for evaluating different elements. We assign a slightly higher valuation multiple to Food Solutions compared to Oilseed Products, as we see more growth and value creation potential in the former. With a weaker-than-normal result in 2025, the sum-of-the-parts would be EUR 14.4/share. With the sum-of-the-parts valuation for 2026, the upside would be to EUR 15.9, making the expected return quite attractive. As 2025 draws to a close, we are already looking ahead to next year, which we believe will better reflect Apetit's long-term normalized earnings level. We expect the earnings turnaround in H2 to act as a moderately positive driver for the share price performance. Leaning on the assumed earnings growth for 2026 somewhat increases the valuation risk, but on the other hand, we see Apetit having clearly become a more stable company in the 2020s than before, with earnings development that is moderately upward-trending in the big picture.

Valuation	2025e	2026e	2027e
Share price	14.1	14.1	14.1
Number of shares, millions	6.21	6.21	6.21
Market cap	87	87	87
EV	77	76	75
P/E (adj.)	16.5	11.5	11.1
P/E	16.5	11.5	11.1
P/B	0.8	0.8	0.8
P/S	0.5	0.5	0.5
EV/Sales	0.5	0.4	0.4
EV/EBITDA	5.1	4.8	4.6
EV/EBIT (adj.)	10.0	8.9	8.5
Payout ratio (%)	82.2 %	61.2 %	59.1 %
Dividend yield-%	5.0 %	5.3 %	5.3 %

Source: Inderes

Valuation as the sum of the parts

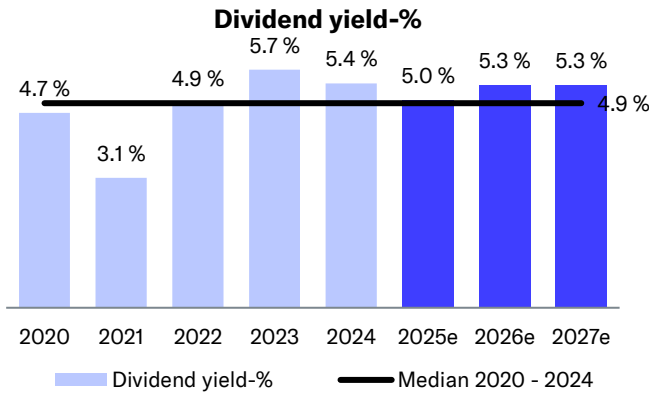
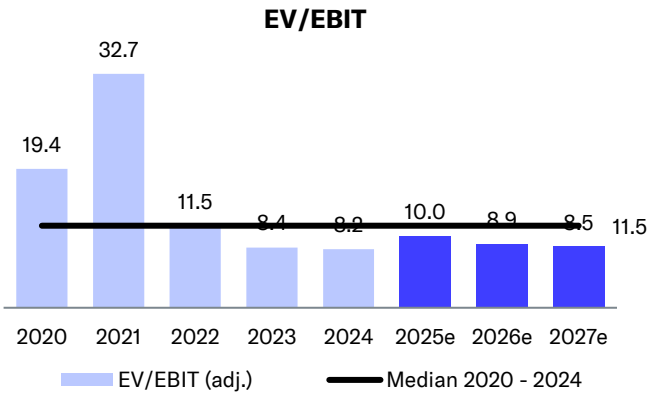
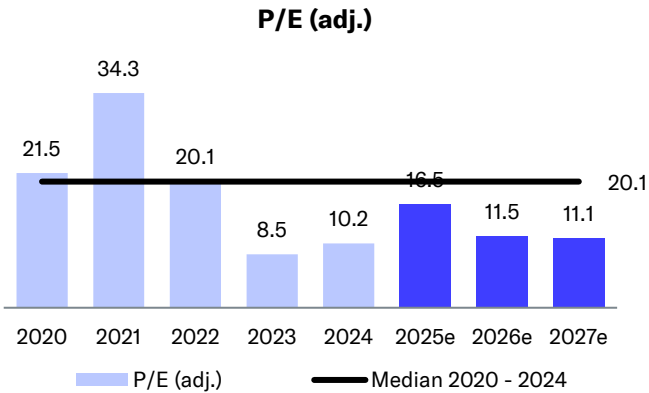
EUR	EV/EBIT multiple	Value per share 25e	Value per share 26e
Food Solutions	10.5	14.2	15.2
Oilseed Products	9.0	3.8	4.3
Group	10.1	-5.4	-5.5
Total for operations		12.6	13.9
Sucros (P/B 0.6x)		2.1	2.1
Operations and Sucros		14.7	16.0
Net cash and dividends		-0.3	-0.2
Value of the Apetit share		14.4	15.9
Expected return at current share price		2%	13%
Required return		8%	8%

Source: Inderes' estimate

Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	10.7	12.9	10.2	13.2	14.0	14.1	14.1	14.1	14.1
Number of shares, millions	6.21	6.21	6.32	6.32	6.21	6.21	6.21	6.21	6.21
Market cap	66	80	64	83	87	87	87	87	87
EV	75	93	40	63	77	77	76	75	73
P/E (adj.)	21.5	34.3	20.1	8.5	10.2	16.5	11.5	11.1	10.7
P/E	21.5	34.3	20.1	8.5	10.2	16.5	11.5	11.1	10.7
P/B	0.7	0.9	0.7	0.8	0.80	0.81	0.8	0.8	0.7
P/S	0.2	0.3	0.4	0.5	0.5	0.5	0.5	0.5	0.5
EV/Sales	0.3	0.3	0.2	0.4	0.5	0.5	0.4	0.4	0.4
EV/EBITDA	7.5	10.2	4.2	4.8	4.8	5.1	4.8	4.6	4.4
EV/EBIT (adj.)	19.4	32.7	11.5	8.4	8.2	10.0	8.9	8.5	8.1
Payout ratio (%)	100.6 %	106.6 %	98.7 %	48.6 %	55.1 %	82.2 %	61.2 %	59.1 %	57.0 %
Dividend yield-%	4.7 %	3.1 %	4.9 %	5.7 %	5.4 %	5.0 %	5.3 %	5.3 %	5.3 %

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		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Atria	376	641	9.7	9.2	5.0	4.8	0.4	0.4	9.1	8.3	5.4	5.8	0.9
Raisio	407	341	11.9	11.2	8.9	8.4	1.5	1.4	17.1	16.0	5.3	5.6	1.6
HKFoods	135	346	10.6	10.0	5.4	5.2	0.3	0.3	16.7	10.0	1.7		0.9
Fodelia	44	47	13.8	10.0	8.5	6.7	0.8	0.7	17.5	12.1	2.3	2.7	3.2
Nomad Foods	1999	3678	8.4	8.3	6.9	6.7	1.2	1.2	7.8	7.3	4.9	5.2	0.8
Savencia	884	1582	7.2	6.7	3.4	3.2	0.2	0.2	6.7	6.1	3.0	3.3	0.5
Agrana Beteiligungs	737	1251	21.0	19.1	7.1	6.6	0.4	0.4	98.3	31.9	6.1	6.5	0.7
Bonduelle	271	1017	12.5	11.8	6.2	6.1	0.5	0.5	11.3	6.4	3.1	3.7	0.4
Austevoll Seafood	1626	3644	10.4	7.7	6.6	5.4	1.1	1.0	10.1	7.0	6.4	7.2	1.0
Origin Enterprises	400	734	8.6	8.2	6.5	6.2	0.3	0.3	7.3	7.1	4.6	4.9	
Cranswick	3326	3525	15.3	13.8	10.7	9.7	1.1	1.0	20.1	18.5	1.8	2.0	2.8
Apetit (Inderes)	87	77	10.0	8.9	5.1	4.8	0.5	0.4	16.5	11.5	5.0	5.3	0.8
Average			11.8	10.5	6.8	6.3	0.7	0.7	20.2	11.9	4.0	4.7	1.3
Median			10.6	10.0	6.6	6.2	0.5	0.5	11.3	8.3	4.6	5.0	0.9
Diff-% to median			-6%	-11%	-23%	-23%	-1%	-3%	46%	38%	7%	6%	-7%

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue	176	42.2	37.0	40.5	43.0	163	43.8	39.2	42.0	44.4	169	175	179	183
Food Solutions	73.7	20.5	16.5	18.4	20.4	75.8	20.4	17.3	18.8	21.2	77.7	80.1	81.7	83.3
Oilseed Products	102	21.8	20.7	22.2	22.7	87.4	23.6	22.1	23.3	23.3	92.3	96.0	97.9	99.9
Eliminations	-0.5	-0.1	-0.1	-0.1	-0.1	-0.4	-0.2	-0.2	-0.1	-0.1	-0.6	-0.6	-0.6	-0.6
EBITDA	13.2	5.0	1.5	5.3	4.2	16.1	4.1	1.0	5.2	4.9	15.1	15.9	16.3	16.8
Depreciation	-5.7	-1.6	-1.6	-1.6	-1.9	-6.7	-1.8	-1.8	-1.9	-1.9	-7.5	-7.4	-7.6	-7.7
EBIT (excl. NRI)	7.5	3.4	-0.1	3.7	2.4	9.4	2.3	-0.8	3.3	3.0	7.7	8.6	8.8	9.1
EBIT	7.5	3.4	-0.1	3.7	2.4	9.4	2.3	-0.8	3.3	3.0	7.7	8.6	8.8	9.1
Food Solutions	5.8	1.9	-0.1	3.2	3.1	8.2	2.4	-0.4	3.2	3.1	8.4	9.0	9.3	9.5
Oilseed Products	4.6	2.1	0.7	1.1	0.3	4.2	0.4	0.2	0.9	1.1	2.6	3.0	2.9	3.1
Group functions	-2.9	-0.6	-0.7	-0.6	-1.0	-2.9	-0.6	-0.7	-0.8	-1.2	-3.3	-3.4	-3.5	-3.5
Share in profit of associated companies	4.0	-0.6	0.3	0.4	1.5	1.5	-1.5	-0.5	0.2	1.4	-0.4	1.0	1.0	1.0
Net financial items	-0.3	-0.1	-0.2	-0.1	-0.3	-0.6	-0.1	-0.2	-0.1	-0.1	-0.5	-0.3	-0.2	-0.1
PTP	11.2	2.7	0.0	4.1	3.5	10.3	0.7	-1.5	3.4	4.3	6.8	9.3	9.6	10.0
Taxes	-1.5	-0.8	0.0	-0.7	-0.4	-1.9	-0.3	0.1	-0.6	-0.7	-1.5	-1.7	-1.7	-1.8
Net earnings	9.8	1.9	0.1	3.3	3.2	8.5	0.4	-1.4	2.8	3.5	5.3	7.6	7.9	8.2
EPS (adj.)	1.54	0.31	0.01	0.54	0.51	1.36	0.06	-0.23	0.45	0.57	0.85	1.22	1.27	1.32
EPS (rep.)	1.54	0.31	0.01	0.54	0.51	1.36	0.06	-0.23	0.45	0.57	0.85	1.22	1.27	1.32

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25e	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	-3.4 %	-12.5 %	-17.8 %	2.0 %	0.9 %	-7.3 %	3.8 %	5.9 %	3.7 %	3.4 %	4.2 %	3.5 %	2.0 %	2.0 %
Adjusted EBIT growth-%	118%	73%	-115%	37%	8%	25%	-33%	740%	-12%	25%	-18%	11%	3%	3%
EBITDA-%	7.5 %	11.8 %	4.1 %	13.1 %	9.8 %	9.9 %	9.4 %	2.6 %	12.3 %	11.0 %	8.9 %	9.1 %	9.1 %	9.2 %
Adjusted EBIT-%	4.3 %	8.1 %	-0.3 %	9.2 %	5.5 %	5.8 %	5.2 %	-2.1 %	7.8 %	6.7 %	4.5 %	4.9 %	4.9 %	5.0 %
Net earnings-%	5.6 %	4.5 %	0.1 %	8.2 %	7.4 %	5.2 %	0.8 %	-3.7 %	6.7 %	8.0 %	3.1 %	4.3 %	4.4 %	4.5 %

Source: Inderes

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	74.9	76.2	73.8	76.3	77.5
Goodwill	0.4	0.4	0.4	0.4	0.4
Intangible assets	2.9	5.2	5.2	5.2	5.2
Tangible assets	46.8	48.1	47.7	48.8	49.9
Associated companies	22.8	21.6	19.7	21.1	21.1
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.5	0.9	0.9	0.9	0.9
Deferred tax assets	1.5	0.0	0.0	0.0	0.0
Current assets	56.2	58.8	67.1	67.8	69.1
Inventories	34.8	46.6	48.5	48.5	49.5
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	7.4	8.1	8.4	8.7	8.9
Cash and equivalents	14.0	4.1	10.2	10.5	10.7
Balance sheet total	131	135	141	144	147

Source: Inderes

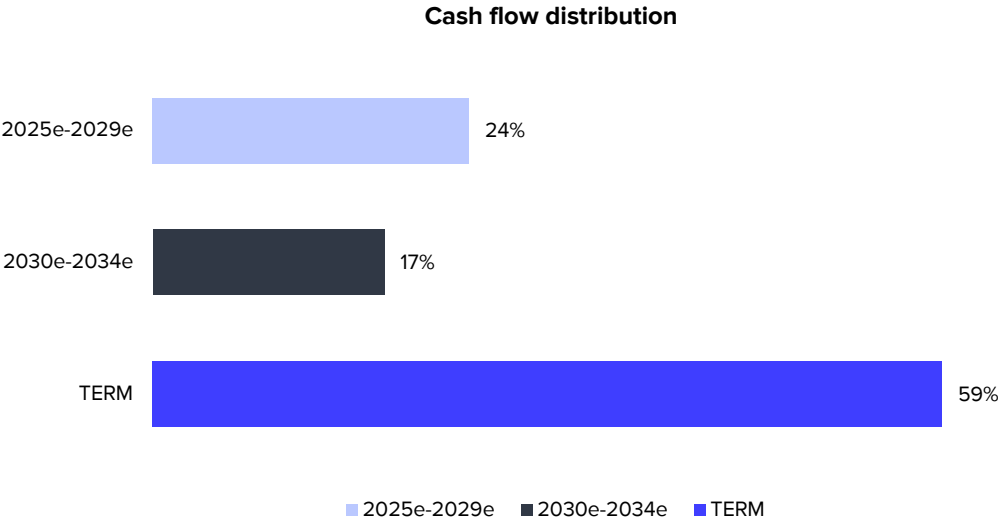
Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	103	108	108	111	115
Share capital	12.6	12.6	12.6	12.6	12.6
Retained earnings	61.5	65.6	66.3	69.5	72.7
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	23.4	23.4	23.4	23.4	23.4
Other equity	6.0	6.0	6.0	6.0	6.0
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	6.7	6.4	4.4	4.6	4.3
Deferred tax liabilities	0.0	0.4	0.4	0.4	0.4
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	6.5	5.9	3.9	4.1	3.8
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.2	0.1	0.1	0.1	0.1
Current liabilities	20.9	20.9	28.3	28.0	27.6
Interest bearing debt	1.6	1.5	7.8	8.2	7.4
Payables	19.3	19.4	20.5	19.8	20.2
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	131	135	141	144	147

DCF calculation

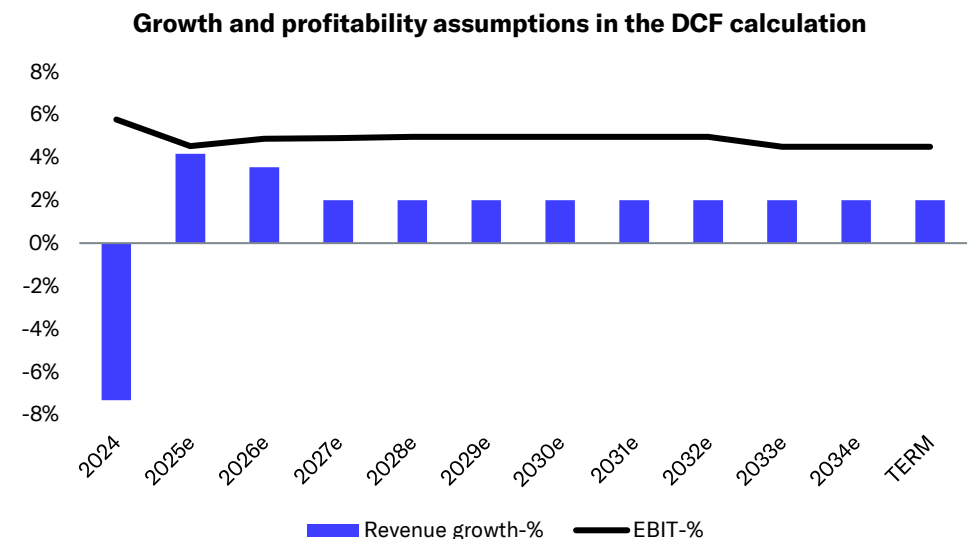
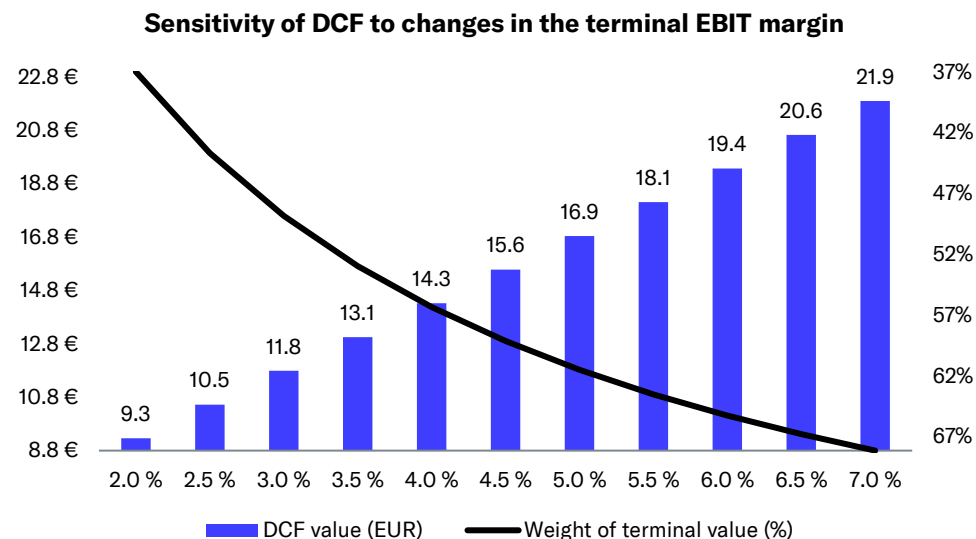
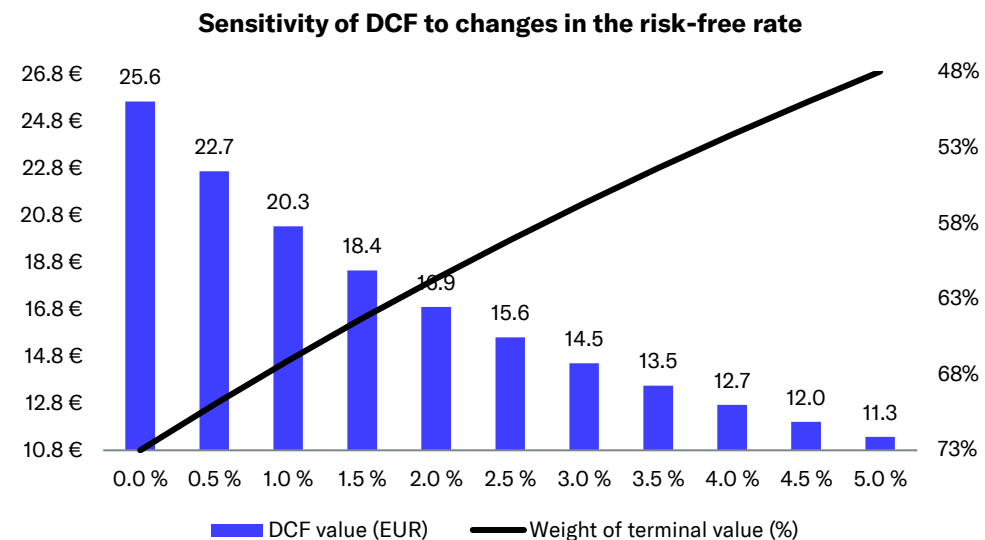
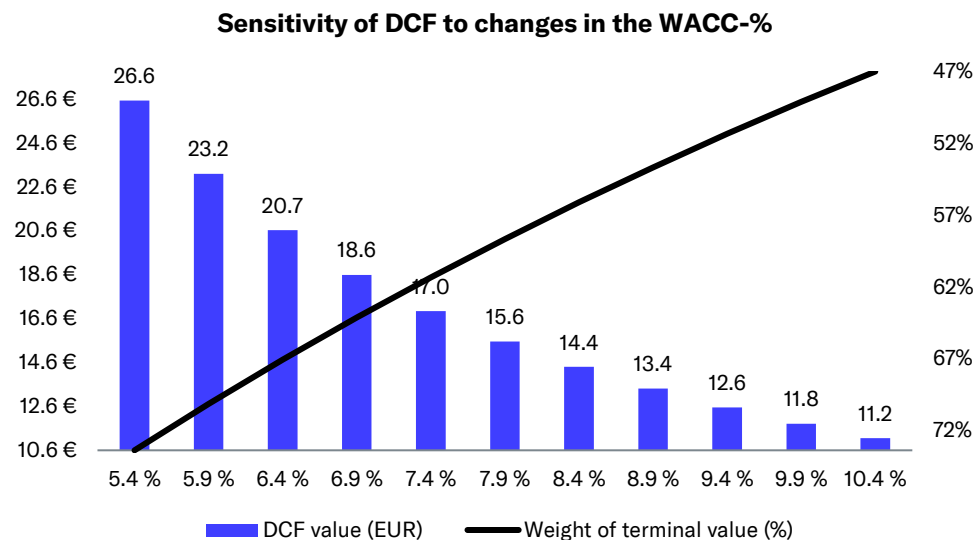
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-7.3 %	4.2 %	3.5 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	5.8 %	4.5 %	4.9 %	4.9 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	4.5 %	4.5 %	4.5 %
EBIT (operating profit)	9.4	7.7	8.6	8.8	9.1	9.2	9.4	9.6	9.8	9.1	9.3	
+ Depreciation	6.7	7.5	7.4	7.6	7.7	7.9	7.8	8.0	8.2	8.4	8.6	
- Paid taxes	0.0	-1.5	-1.7	-1.7	-1.8	-1.8	-1.9	-1.9	-1.9	-1.8	-1.8	
- Tax, financial expenses	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ 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	-12.4	-1.2	-0.9	-0.7	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.9	
Operating cash flow	3.6	12.4	13.3	13.8	14.2	14.5	14.6	14.9	15.3	14.8	15.2	
+ Change in other long-term liabilities	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-10.7	-7.0	-8.5	-8.7	-8.8	-9.0	-9.2	-9.4	-9.6	-9.8	-8.7	
Free operating cash flow	-7.2	5.4	4.8	5.2	5.4	5.5	5.4	5.5	5.7	5.1	6.4	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-7.2	5.4	4.8	5.2	5.4	5.5	5.4	5.5	5.7	5.1	6.4	112
Discounted FCFF		5.2	4.3	4.3	4.2	4.0	3.6	3.4	3.3	2.7	3.2	54.9
Sum of FCFF present value		92.9	87.7	83.4	79.1	74.9	71.0	67.4	64.0	60.7	58.0	54.9
Enterprise value DCF		92.9										
- Interest bearing debt		-7.4										
+ Cash and cash equivalents		4.1										
+ Osakkuusyhtiö Sucroksen arvioitu käypä arvo		13.0										
-Dividend/capital return		-4.7										
Equity value DCF		96.8										
Equity value DCF per share		15.6										

WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	5.0 %
Cost of debt	3.0 %
Equity Beta	0.90
Market risk premium	4.75%
Liquidity premium	1.40%
Risk free interest rate	2.5 %
Cost of equity	8.2 %
Weighted average cost of capital (WACC)	7.9 %

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	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	181.7	175.5	162.7	169.4	175.5	EPS (reported)	0.51	1.54	1.36	0.85	1.22
EBITDA	9.4	13.2	16.1	15.1	15.9	EPS (adj.)	0.51	1.54	1.36	0.85	1.22
EBIT	3.5	7.5	9.4	7.7	8.6	OCF / share	6.60	1.44	0.58	1.99	2.14
PTP	3.7	11.2	10.3	6.8	9.3	OFCF / share	6.23	-0.89	-1.16	0.86	0.77
Net Income	4.8	9.8	8.5	5.3	7.6	Book value / share	15.20	16.38	17.33	17.43	17.96
Extraordinary items	0.0	0.0	0.0	0.0	0.0	Dividend / share	0.50	0.75	0.75	0.70	0.75
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	117.3	131.1	135.0	141.0	144.1	Revenue growth-%	-36%	-3%	-7%	4%	4%
Equity capital	96.0	103.5	107.6	108.2	111.5	EBITDA growth-%	3%	41%	21%	-6%	5%
Goodwill	0.4	0.4	0.4	0.4	0.4	EBIT (adj.) growth-%	22%	118%	25%	-18%	11%
Net debt	-12.7	-5.9	3.3	1.6	1.8	EPS (adj.) growth-%	35%	205%	-12%	-37%	44%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	5.2 %	7.5 %	9.9 %	8.9 %	9.1 %
EBITDA	9.4	13.2	16.1	15.1	15.9	EBIT (adj.)-%	1.9 %	4.3 %	5.8 %	4.5 %	4.9 %
Change in working capital	31.9	-4.2	-12.4	-1.2	-0.9	EBIT-%	1.9 %	4.3 %	5.8 %	4.5 %	4.9 %
Operating cash flow	41.7	9.1	3.6	12.4	13.3	ROE-%	3.4 %	9.8 %	8.0 %	4.9 %	6.9 %
CAPEX	-3.8	-14.7	-10.7	-7.0	-8.5	ROI-%	3.5 %	11.0 %	9.6 %	6.2 %	7.8 %
Free cash flow	39.4	-5.6	-7.2	5.4	4.8	Equity ratio	81.8 %	78.9 %	79.7 %	76.8 %	77.4 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	-13.2 %	-5.7 %	3.1 %	1.5 %	1.6 %
EV/S	0.2	0.4	0.5	0.5	0.4						
EV/EBITDA	4.2	4.8	4.8	5.1	4.8						
EV/EBIT (adj.)	11.5	8.4	8.2	10.0	8.9						
P/E (adj.)	20.1	8.5	10.2	16.5	11.5						
P/B	0.7	0.8	0.8	0.8	0.8						
Dividend-%	4.9 %	5.7 %	5.4 %	5.0 %	5.3 %						

Source: Inderes

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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
2/13/2023	Reduce	10.00 €	10.90 €
2/17/2023	Accumulate	12.00 €	10.80 €
3/27/2023	Reduce	12.50 €	12.95 €
4/25/2023	Accumulate	13.50 €	12.65 €
8/17/2023	Accumulate	14.00 €	12.50 €
10/18/2023	Accumulate	14.00 €	12.60 €
10/26/2023	Accumulate	14.00 €	12.65 €
2/16/2024	Reduce	13.50 €	13.25 €
3/28/2024	Reduce	13.50 €	13.70 €
4/29/2024	Accumulate	15.50 €	14.25 €
8/15/2024	Reduce	14.00 €	13.50 €
10/28/2024	Reduce	14.00 €	13.50 €
2/14/2025	Reduce	14.00 €	14.20 €
3/27/2025	Reduce	14.50 €	14.40 €
4/26/2025	Accumulate	15.00 €	13.52 €
8/25/2025	Accumulate	15.00 €	14.05 €



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