SUOMINEN

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

New profitability measures on the way

Suominen's Q3 report contained limited new information following the preliminary information and lowered guidance provided by the company a couple of weeks ago. The new CEO will launch some kind of profitability program. In our opinion, this is essential, considering the company's loss-making earnings level. However, we believe the company's valuation already prices in a higher earnings level than our forecasts, and thus the expected return remains weak. We reiterate our Reduce recommendation and EUR 1.6 target price.

Suominen already reported a weak result earlier

Suominen issued a profit warning a couple of weeks ago, in connection with which it already disclosed its Q3 revenue and adjusted EBITDA in advance. Thus, the report did not provide significantly new information. Suominen's adjusted EBITDA was 3.4 MEUR, which was also at the level of the weak comparison period and the previous quarter. According to the company, exceptional events (equipment failure and flood) weighed on the result by 2.8 MEUR, meaning that excluding these, the adjusted EBITDA would have been over 6 MEUR. However, Suominen has had problems at its plants in recent years, which in our view is due to historically insufficient investments in the maintenance and improvement of production capacity. Thus, we do not believe these problems can be considered entirely one-off, even if they do not occur every quarter.

The outlook for the rest of the year is also weak

The company's comments and guidance suggest that the Q4 adjusted EBITDA will not reach the 5-6 MEUR level described by the company as normal. Our forecast remained unchanged, meaning we expect an adjusted EBITDA of 4.5 MEUR for Q4 and thus an adjusted EBITDA of 15 MEUR for the full year. This is also in line with the guidance issued earlier in October.

The new CEO will likely announce his plans next year in two phases

Charles Heaulme started as Suominen's CEO in August. In our interview, he stated that he is currently evaluating the company and will communicate his plans for improving profitability once the work is complete. We estimate this will happen at the latest in connection with the Q4 report at the end of January 2026. The CEO already indicated that he estimates the profitability improvement measures will take 1.5-2 years, roughly 2026-27. We estimate that the measures will include further cost savings, and the company's production network may also need changes. The CEO clearly stated that Suominen's problems are largely internal, although the company also believes there is still overcapacity in the European markets, which is reflected in the competitive situation.

After the profitability program, the company plans to draw up a new strategy until 2030, which is scheduled for publication in summer 2026. In the medium term, Heaulme sees the industry consolidating and wants Suominen to grow into a larger size class. However, according to Heaulme, with the current profitability and balance sheet situation, the company does not have the resources for this, so profitability must be corrected first. In our forecasts, we expect adjusted EBITDA to double in two years. In our opinion, new measures are required to support this, as the result has been stagnating at roughly the same weak level for the fourth year in a row.

The share price reflects a clear earnings improvement, but the expected return remains weak

The share price is now so high relative to earnings that it requires several years of earnings growth before the valuation is at a justified level. 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 1.6, which is in line with our target price.

Recommendation
Reduce
(was Reduce)

Target price:
EUR 1.60
(was EUR 1.60)

Share price:
EUR 1.64

Business risk
●●●○○

Valuation risk
●●●●○

	2024	2025e	2026e	2027e
Revenue	462	424	445	454
growth-%	3%	-8%	5%	2%
EBIT adj.	-1.6	-1.9	3.5	10.3
EBIT-% adj.	-0.3 %	-0.4 %	0.8 %	2.3 %
Net income	-5.3	-10.7	-0.9	3.2
EPS (adj.)	-0.10	-0.14	-0.02	0.05

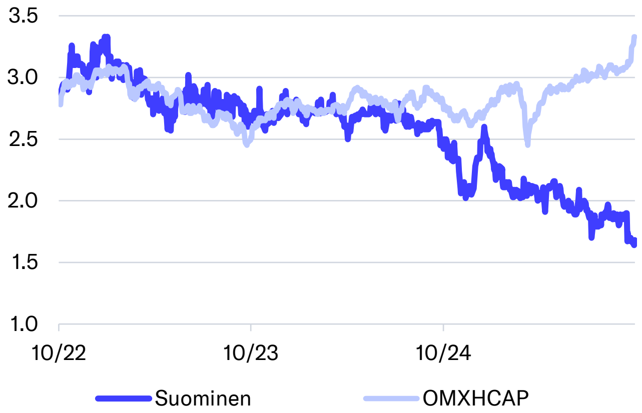
P/E (adj.)	neg.	neg.	neg.	30.7
P/B	1.1	0.9	0.9	0.9
Dividend yield-%	0.0 %	0.0 %	0.0 %	1.2 %
EV/EBIT (adj.)	neg.	neg.	50.4	16.3
EV/EBITDA	11.2	13.8	7.6	5.6
EV/S	0.4	0.4	0.4	0.4

Source: Inderes

Guidance (Unchanged)

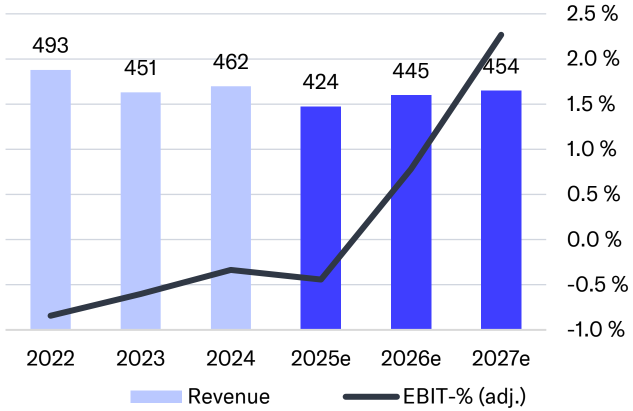
Suominen expects that its comparable EBITDA in 2025 will be below the 2024 level (17.0 MEUR).

Share price



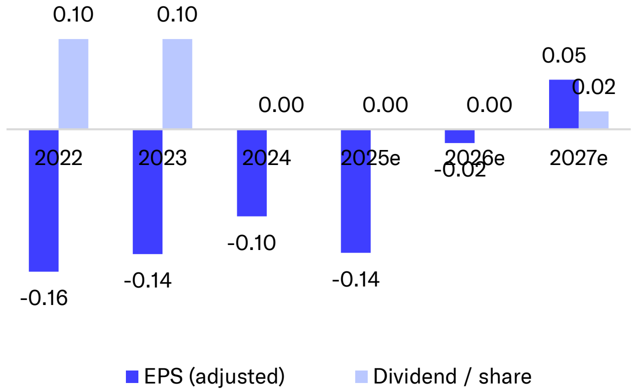
Source: Millistream Market Data AB

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	2025e	2026e	2027e
Share price	1.68	1.68	1.68
Number of shares, millions	57.8	57.8	57.8
Market cap	97	97	97
EV	173	175	168
P/E (adj.)	neg.	neg.	30.7
P/E	neg.	neg.	30.7
P/B	0.9	0.9	0.9
P/S	0.2	0.2	0.2
EV/Sales	0.4	0.4	0.4
EV/EBITDA	13.8	7.6	5.6
EV/EBIT (adj.)	neg.	50.4	16.3
Payout ratio (%)	0%	0%	37%
Dividend yield-%	0.0 %	0.0 %	1.2 %

Source: Inderes

The main Q3 figures had already been reported in advance

Revenue and EBITDA were announced earlier

Suominen issued a profit warning a couple of weeks ago, in connection with which it already disclosed its Q3 revenue and adjusted EBITDA in advance. Thus, the actual report did not provide significantly new information. The consensus estimates shown in the table had not been updated, at least not entirely, after the profit warning.

Revenue declined significantly

Suominen's revenue declined by over 10% in Q3, of which currency changes (mainly the weakening of the USD) accounted for one third. Most of the decline came from weakening volumes, which was mainly due to two exceptional events: equipment failure and flood damage at the company's US plants. However, volumes were also down excluding these, even though the company reports that markets were flat in Europe and growing in the US. Thus, the company lost market shares.

The result remained at a weak level

Suominen's adjusted EBITDA was 3.4 MEUR, which was also at the level of the weak comparison period and the previous quarter. According to the company, the aforementioned exceptional events, however, weighed on the result by 2.8 MEUR, meaning that excluding them, the adjusted EBITDA would have been over 6 MEUR. However, Suominen has had problems at its mills in recent years, which in our view is due to historically insufficient investments in the maintenance and improvement of production capacity. Thus, in our view, these problems cannot be considered entirely one-off, even though they do not occur every quarter.

The company's non-recurring items were close to zero in Q3, while we expected 2 MEUR in non-recurring expenses, which resulted in the reported profit being slightly better than our expectations. On the other hand, the positive tax entry was significantly lower than our expectations, which weakened the result.

Cash flow improved, balance sheet still tight

Suominen's operating cash flow was a good 15 MEUR positive in Q3, which also turned the cumulative operating cash flow for 2025 into positive territory. This was mainly supported by a sharp reduction in trade receivables, which was influenced not only by normal operations but also by some special arrangements, the scale and content of which the company did not disclose. The company's free cash flow remains negative in our forecasts this year.

Due to weak cash flow and earnings development, the company's indebtedness remained alarmingly high. Net debt was 76 MEUR, which is 5x compared to an adjusted EBITDA of approximately 15 MEUR. However, the company's next debt maturity is not until summer 2027 (bond), so it does not have immediate refinancing difficulties. However, we believe that the debt level is already close to the covenants, which may explain the special arrangements made to free up accounts receivable. A weak balance sheet may also limit the company's ability to invest in its production network, which we see as essential for improving competitiveness.

Estimates MEUR / EUR	Q3'24 Comparison	Q3'25 Actualized	Q3'25e Inderes	Q3'25e Consensus	Consensus Low	 High	Difference (%) Act. vs. inderes	2025e Inderes
Revenue	112	100	100	118			0%	424
EBITDA (adj.)	3.3	3.4	3.4	4.8			0%	15.3
EBIT (adj.)	-1.5	-0.7	-0.8	-0.5			13%	-1.9
EBIT	-1.4	-0.8	-2.8	-			71%	-4.7
EPS (reported)	-0.06	-0.03	-0.05	-0.02			44%	-0.19
Revenue growth-%	4.8 %	-10.5 %	-10.5 %	5.8 %			0 pp	-8.3 %
EBIT-% (adj.)	-1.3 %	-0.8 %	-0.8 %	-0.4 %			0 pp	-0.4 %

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

Suominen Q3'25: Scaling company to the next level

No major forecast changes in absolute terms

The guidance updated a couple of weeks ago was reiterated

A couple of weeks ago, the company lowered its guidance and expects 2025 adjusted EBITDA to decrease from the comparison period (17 MEUR). The company made a cumulative profit of 10.7 MEUR during the 9-month period. The company's CEO stated in the webcast that the company's current earnings capacity is 5-6 MEUR adjusted EBITDA per quarter. Q4, however, will fall short of this, as the equipment failure in Q3 still has a partial negative impact. Our Q4 forecast is 4.5 MEUR and thus just over 15 MEUR for the full year. This is practically unchanged. Due to smaller one-off items than we expected, reported earnings forecasts rose slightly for this year.

The new CEO will likely announce his plans next year in two phases

Charles Heaulme started as Suominen's CEO in August. In our interview, he stated that he is currently evaluating the company and will communicate his plans for improving profitability once the work is complete. We estimate this will happen at the latest in connection with the Q4 report at the end of January 2026. The CEO already indicated that he estimates the profitability improvement measures will take 1.5-2 years, roughly 2026-27. We estimate that the measures will include further cost savings, but in addition, the company could partly shift its capacity to countries with lower cost levels to remain competitive. This would mainly involve reducing current capacity in Europe and opening new capacity in lower-cost countries in Europe or its neighboring regions. Reducing capacity may also involve discontinuing some of the least profitable products.

The CEO clearly stated that Suominen's problems are largely internal, although the company also believes there is still overcapacity in the European markets, which is reflected in the competitive situation. After the profitability program, the company plans to draw up a new strategy until 2030, which is scheduled for publication in summer 2026. In the medium term, Heaulme sees the industry consolidating and wants Suominen to grow into a larger size class. However, according to Heaulme, with the current profitability and balance sheet situation, the company does not have the resources for this, so profitability must be corrected first. We fully agree with this.

2026-27 forecasts unchanged

We made no significant changes to our estimates for the next few years. They expect a clear improvement in results, and for example, the adjusted EBITDA forecast for 2026 is in line with the company's estimated 5-6 MEUR per quarter level. We note that the new CEO has their own incentive scheme for next year's result, with a lower limit of 20 MEUR and the maximum bonus awarded at an adjusted EBITDA of 30 MEUR. Compared to this range, our forecasts for the coming years also appear logical, meaning that if successful, the company would achieve the 30 MEUR level we forecast for 2027.

Estimate revisions MEUR / EUR	2025e Old	2025e New	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
Revenue	427	424	-1%	449	445	-1%	458	454	-1%
EBITDA	11.5	12.5	9%	24.3	23.0	-6%	31.1	29.9	-4%
EBIT (exc. NRIs)	-1.8	-1.9	-6%	3.5	3.5	-1%	10.4	10.3	-1%
EBIT	-6.4	-4.7	27%	3.5	3.5	-1%	10.4	10.3	-1%
PTP	-14.2	-12.3	13%	-1.3	-1.2	13%	4.1	4.2	3%
EPS (excl. NRIs)	-0.12	-0.14	-14%	-0.02	-0.02	13%	0.05	0.05	3%
DPS	0.00	0.00		0.00	0.00		0.02	0.02	0%

Source: Inderes

Suominen, Q3'25

Valuation is high

Better expectations already priced in

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 (2027), 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 2022-25 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. Considering the persistently negative results of recent years, this assumption seems optimistic for the coming years, and we predict that such results will not be achieved until the 2030s. For our forecast years 2025-27, earnings multiples are high, whether we look at earnings-based P/E, EV/EBIT, or balance sheet-based P/B. In the coming years, we expect Suominen's return on equity to remain negative, or in any case, well below the required return, and thus the P/B ratio to be below 1x. 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.

In the CEO's incentive program related to next year's results, the highest target level is an adjusted EBITDA of 30 MEUR. With this result, EV/EBITDA would be just under 6x. That in itself does not sound high, but the net income would still remain low (our 2027 forecasts correspond to this earnings level). If the result remains at the lowest threshold level of the incentive program (20 MEUR), the EV/EBITDA would be 8.7x, which we consider very high for Suominen.

DCF model value EUR 1.6

The value of the DCF model is around EUR 1.6, which is in line with our target price. 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 forecasts are based on assumptions of an improvement in Suominen's own competitiveness, i.e., cost-efficiency, 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 95 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.

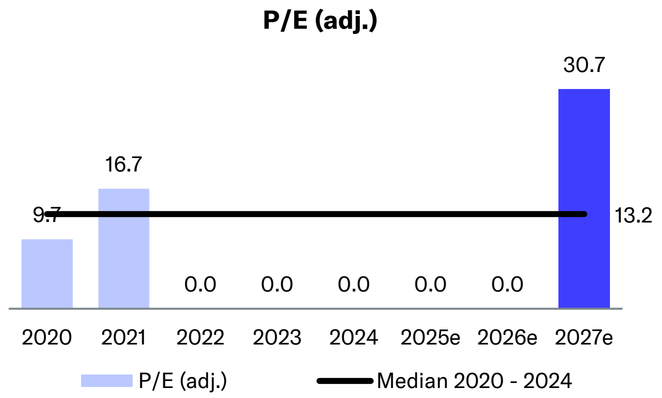
Valuation	2025e	2026e	2027e
Share price	1.68	1.68	1.68
Number of shares, millions	57.8	57.8	57.8
Market cap	97	97	97
EV	173	175	168
P/E (adj.)	neg.	neg.	30.7
P/E	neg.	neg.	30.7
P/B	0.9	0.9	0.9
P/S	0.2	0.2	0.2
EV/Sales	0.4	0.4	0.4
EV/EBITDA	13.8	7.6	5.6
EV/EBIT (adj.)	neg.	50.4	16.3
Payout ratio (%)	0%	0%	37%
Dividend yield-%	0.0 %	0.0 %	1.2 %

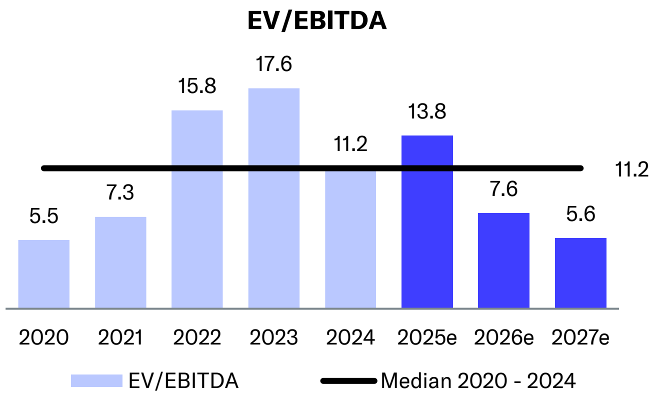
Source: Inderes

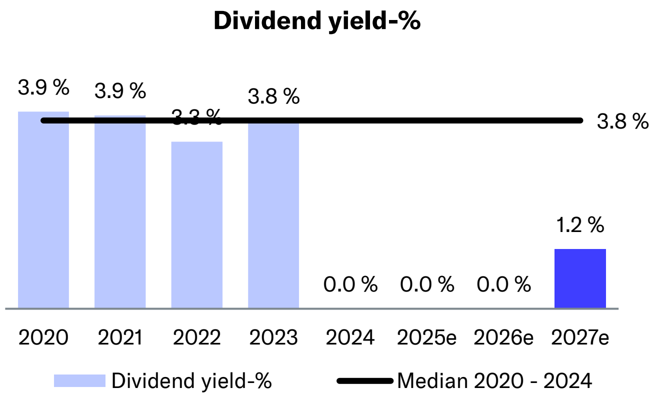
Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	5.08	5.18	3.00	2.66	2.28	**1.68**	**1.68**	**1.68**	**1.68**
Number of shares, millions	57.5	57.5	57.5	57.7	57.7	**57.8**	**57.8**	**57.8**	**57.8**
Market cap	292	298	172	153	132	**97**	**97**	**97**	**97**
EV	334	345	226	197	192	**173**	**175**	**168**	**162**
P/E (adj.)	9.7	16.7	neg.	neg.	neg.	**neg.**	**neg.**	**30.7**	**22.9**
P/E	9.7	14.4	neg.	neg.	neg.	**neg.**	**neg.**	**30.7**	**22.9**
P/B	2.0	1.8	1.2	1.2	1.1	**0.9**	**0.9**	**0.9**	**0.9**
P/S	0.6	0.7	0.3	0.3	0.3	**0.2**	**0.2**	**0.2**	**0.2**
EV/Sales	0.7	0.8	0.5	0.4	0.4	**0.4**	**0.4**	**0.4**	**0.3**
EV/EBITDA	5.5	7.3	15.8	17.6	11.2	**13.8**	**7.6**	**5.6**	**5.4**
EV/EBIT (adj.)	8.5	12.8	neg.	neg.	neg.	**neg.**	**50.4**	**16.3**	**14.8**
Payout ratio (%)	38.2 %	55.4 %	neg.	neg.	0.0 %	**0.0 %**	**0.0 %**	**36.5 %**	**68.1 %**
Dividend yield-%	3.9 %	3.9 %	3.3 %	3.8 %	0.0 %	**0.0 %**	**0.0 %**	**1.2 %**	**3.0 %**

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**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**
Huhtamäki	3185	4517	12.0	10.9	7.3	7.1	1.1	1.1	12.1	11.5	3.8	4.0	1.5
Duni	468	651	14.1	11.3	8.8	7.6	0.9	0.9	15.6	13.3	4.8	5.2	1.5
Sealed Air	4249	7668	10.6	10.1	8.0	7.7	1.7	1.7	10.6	10.1	2.4	2.4	4.9
Riverstone	866	746	12.4	10.9	10.3	9.2	3.3	3.0	17.8	15.9	5.3	5.9	2.7
Magnera	262	1740	15.9	13.8	5.9	5.5	0.6	0.6		12.4			
Suominen (Inderes)	**97**	**173**	**-92.1**	**50.4**	**13.8**	**7.6**	**0.4**	**0.4**	**-12.3**	**-110.8**	**0.0**	**0.0**	**0.9**
Average			**13.0**	**11.4**	**8.1**	**7.4**	**1.5**	**1.5**	**14.0**	**12.6**	**4.1**	**4.4**	**2.6**
Median			**12.4**	**10.9**	**8.0**	**7.6**	**1.1**	**1.1**	**13.8**	**12.4**	**4.3**	**4.6**	**2.1**
Diff-% to median			**-841%**	**362%**	**73%**	**1%**	**-64%**	**-64%**	**-189%**	**-996%**	**-100%**	**-100%**	**-57%**

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue	**451**	**114**	**119**	**112**	**119**	**462**	**118**	**99.8**	**99.8**	**107**	**424**	**445**	**454**	**463**
EBITDA	**11.2**	**4.7**	**3.7**	**3.4**	**5.3**	**17.1**	**4.0**	**2.3**	**3.6**	**2.5**	**12.5**	**23.0**	**29.9**	**29.8**
Depreciation	-18.7	-4.6	-4.5	-4.8	-4.5	-18.4	-4.4	-4.2	-4.1	-4.5	-17.2	-19.5	-19.6	-18.9
EBIT (excl. NRI)	**-2.7**	**-0.1**	**0.4**	**-1.5**	**-0.4**	**-1.6**	**-0.3**	**-1.3**	**-0.3**	**0.0**	**-1.9**	**3.5**	**10.3**	**10.9**
EBIT	**-7.5**	**0.1**	**-0.8**	**-1.4**	**0.8**	**-1.3**	**-0.3**	**-1.9**	**-0.5**	**-2.0**	**-4.7**	**3.5**	**10.3**	**10.9**
Net financial items	-6.0	-0.8	-1.1	-1.9	-0.3	-4.1	-1.9	-2.9	-1.3	-1.5	-7.6	-4.6	-6.1	-5.3
PTP	**-13.5**	**-0.7**	**-1.9**	**-3.3**	**0.6**	**-5.3**	**-2.2**	**-4.8**	**-1.8**	**-3.5**	**-12.3**	**-1.2**	**4.2**	**5.7**
Taxes	0.7	-0.3	0.0	0.1	0.3	0.1	0.0	0.5	0.1	1.0	1.6	0.3	-1.1	-1.4
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	**-12.8**	**-1.0**	**-1.9**	**-3.2**	**0.8**	**-5.3**	**-2.2**	**-4.3**	**-1.7**	**-2.5**	**-10.7**	**-0.9**	**3.2**	**4.2**
EPS (adj.)	**-0.14**	**-0.02**	**-0.01**	**-0.06**	**-0.01**	**-0.10**	**-0.04**	**-0.06**	**-0.03**	**-0.01**	**-0.14**	**-0.02**	**0.05**	**0.07**
EPS (rep.)	**-0.22**	**-0.02**	**-0.03**	**-0.06**	**0.01**	**-0.09**	**-0.04**	**-0.07**	**-0.03**	**-0.04**	**-0.19**	**-0.02**	**0.05**	**0.07**

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	-8.6 %	-2.7 %	5.3 %	4.8 %	3.1 %	2.6 %	3.4 %	-15.9 %	-10.5 %	-9.7 %	-8.3 %	5.0 %	2.0 %	2.0 %
Adjusted EBIT growth-%	-34.6 %	-95.0 %	-119.0 %	-314.3 %	-152.9 %	-42.6 %	209%	-423%	-80%	-107%	20%	-286%	196.2 %	5.9 %
EBITDA-%	2.5 %	4.1 %	3.1 %	3.0 %	4.5 %	3.7 %	3.4 %	2.3 %	3.6 %	2.4 %	2.9 %	5.2 %	6.6 %	6.4 %
Adjusted EBIT-%	-0.6 %	-0.1 %	0.3 %	-1.3 %	-0.3 %	-0.3 %	-0.3 %	-1.3 %	-0.3 %	0.0 %	-0.4 %	0.8 %	2.3 %	2.4 %
Net earnings-%	-2.8 %	-0.9 %	-1.6 %	-2.9 %	0.7 %	-1.1 %	-1.9 %	-4.3 %	-1.7 %	-2.3 %	-2.5 %	-0.2 %	0.7 %	0.9 %

Source: Inderes

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

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	**148**	**152**	**160**	**160**	**156**
Goodwill	15.5	15.5	15.5	15.5	15.5
Intangible assets	6.1	2.8	2.9	3.0	3.1
Tangible assets	124	131	139	140	135
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.5	0.6	0.5	0.5	0.5
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	2.0	2.3	1.7	1.7	1.7
Current assets	**168**	**158**	**136**	**151**	**136**
Inventories	37.9	47.5	40.3	42.3	43.2
Other current assets	9.4	6.6	6.6	6.6	6.6
Receivables	62.3	62.5	55.1	57.9	59.0
Cash and equivalents	58.8	41.3	33.9	44.5	27.3
Balance sheet total	**316**	**310**	**296**	**312**	**292**

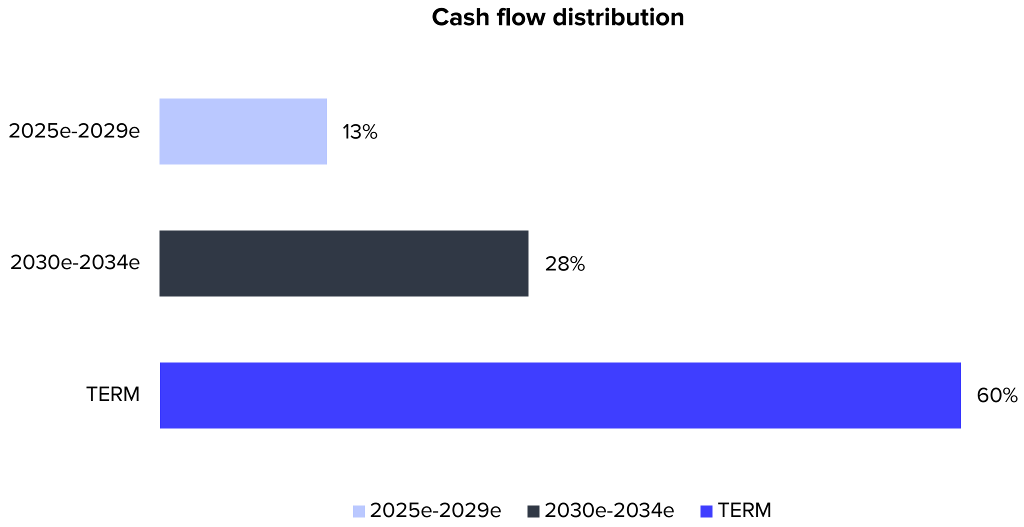
Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	**125**	**118**	**107**	**106**	**109**
Share capital	11.9	11.9	11.9	11.9	11.9
Retained earnings	12.3	1.6	-9.1	-10.0	-6.8
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	101	104	104	104	104
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**69.4**	**67.9**	**73.7**	**113**	**93.8**
Deferred tax liabilities	9.4	8.0	8.0	8.0	8.0
Provisions	0.6	0.8	0.8	0.8	0.8
Interest bearing debt	59.2	58.9	64.7	104	84.8
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.2	0.2	0.2	0.2	0.2
Current liabilities	**122**	**125**	**115**	**92.4**	**89.0**
Interest bearing debt	43.1	42.9	44.7	18.6	13.7
Payables	75.1	81.8	70.0	73.5	74.9
Other current liabilities	4.0	0.4	0.4	0.4	0.4
Balance sheet total	**317**	**311**	**296**	**312**	**292**

DCF calculation

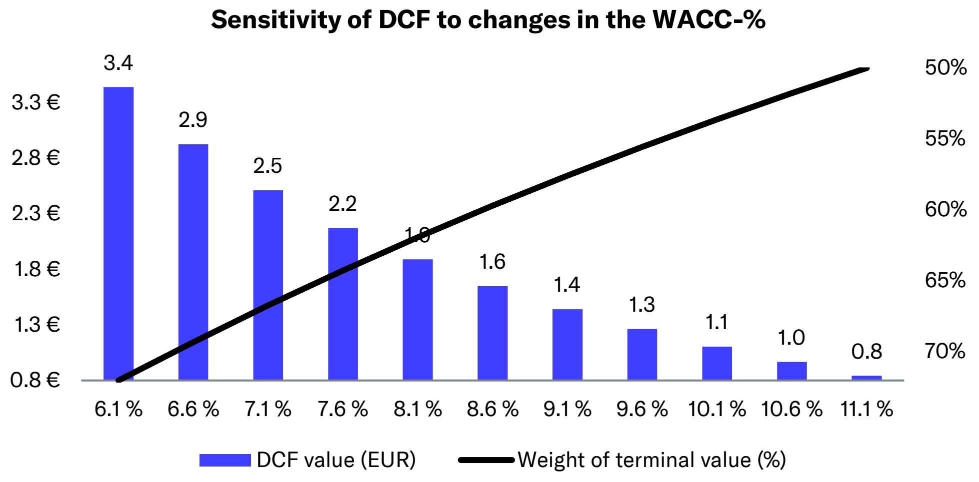
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	2.6 %	-8.3 %	5.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	-0.3 %	-1.1 %	0.8 %	2.3 %	2.4 %	2.5 %	3.0 %	3.5 %	4.0 %	4.0 %	4.0 %	4.0 %
EBIT (operating profit)	**-1.3**	**-4.7**	**3.5**	**10.3**	**10.9**	**11.8**	**14.5**	**17.2**	**20.1**	**20.5**	**20.9**	
+ Depreciation	18.4	17.2	19.5	19.6	18.9	19.0	18.4	17.5	17.1	17.1	16.7	
- Paid taxes	-1.6	2.2	0.3	-1.1	-1.4	-1.7	-2.5	-3.3	-4.1	-4.4	-4.5	
- Tax, financial expenses	0.0	-1.0	-1.2	-1.5	-1.3	-1.2	-1.1	-1.0	-0.9	-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	-3.8	2.7	-1.3	-0.5	-0.5	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	
Operating cash flow	**11.7**	**16.4**	**20.8**	**26.8**	**26.6**	**27.3**	**28.7**	**29.8**	**31.6**	**31.8**	**31.7**	
+ Change in other long-term liabilities	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-22.7	-25.0	-20.1	-15.1	-15.1	-15.1	-11.9	-15.0	-17.0	-14.4	-19.1	
Free operating cash flow	**-10.8**	**-8.6**	**0.7**	**11.7**	**11.5**	**12.2**	**16.8**	**14.8**	**14.5**	**17.4**	**12.6**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-10.8	-8.6	0.7	11.7	11.5	12.2	16.8	14.8	14.5	17.4	12.6	197
Discounted FCFF		**-8.5**	**0.7**	**9.7**	**8.8**	**8.7**	**11.0**	**8.9**	**8.1**	**8.9**	**5.9**	**93**
Sum of FCFF present value		155	164	163	153	145	136	125	116	108	99.0	93
Enterprise value DCF		**155**										
- Interest bearing debt		-102										
+ Cash and cash equivalents		41										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		**94.8**										
Equity value DCF per share		**1.6**										

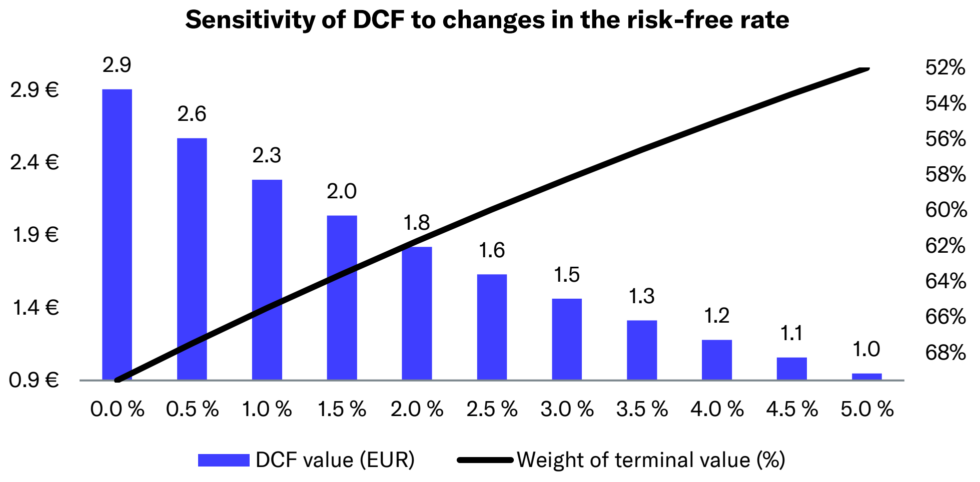
WACC	
Tax-% (WACC)	25.0 %
Target debt ratio (D/(D+E)	20.0 %
Cost of debt	4.0 %
Equity Beta	1.36
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	**9.9 %**
Weighted average cost of capital (WACC)	**8.6 %**

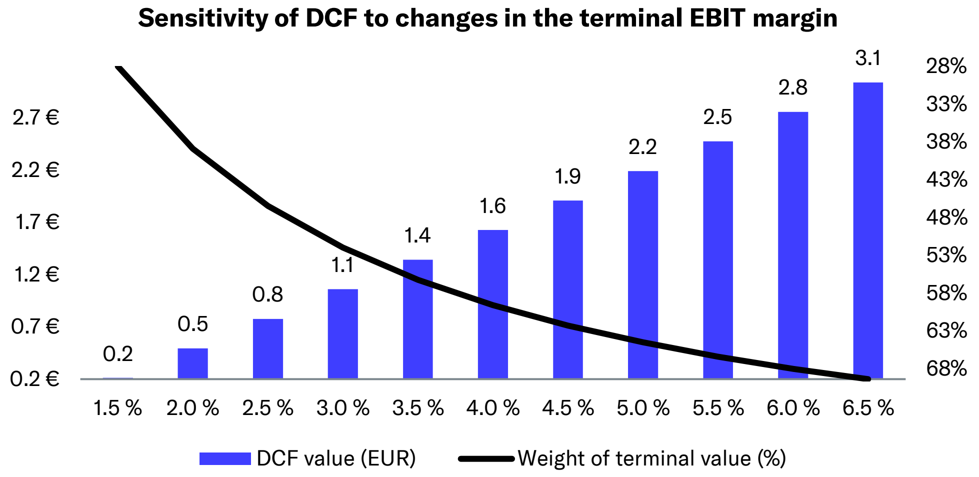


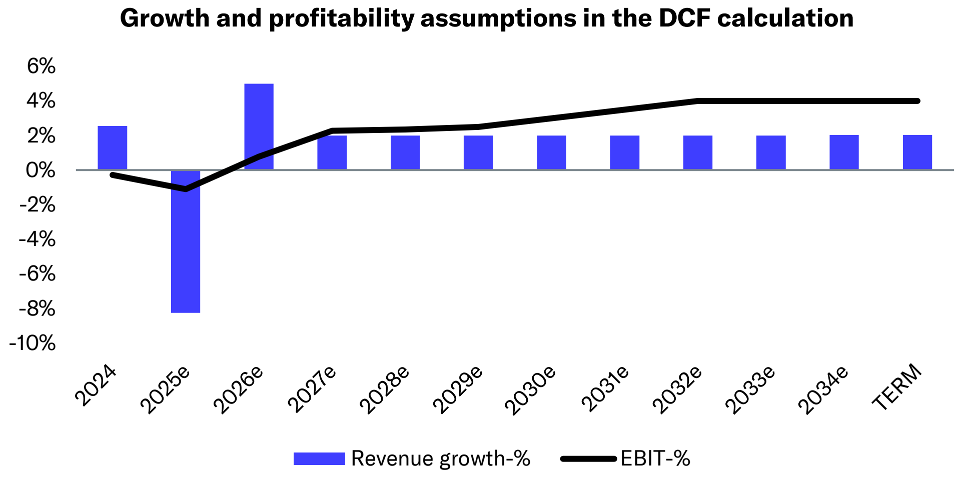
Source: Inderes

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	2022	2023	2024	2025e	2026e
Revenue	493.3	450.8	462.3	**424.1**	**445.3**
EBITDA	14.3	11.2	17.1	**12.5**	**23.0**
EBIT	-9.0	-7.5	-1.3	**-4.7**	**3.5**
PTP	-11.9	-13.5	-5.3	**-12.3**	**-1.2**
Net Income	-13.9	-12.8	-5.3	**-10.7**	**-0.9**
Extraordinary items	-4.8	-4.8	0.3	**-2.8**	**0.0**

Balance sheet	2022	2023	2024	2025e	2026e
Balance sheet total	343.5	316.4	310.4	**295.7**	**311.7**
Equity capital	146.0	124.9	117.6	**106.9**	**106.0**
Goodwill	15.5	15.5	15.5	**15.5**	**15.5**
Net debt	53.9	43.5	60.5	**75.5**	**78.3**

Cash flow	2022	2023	2024	2025e	2026e
EBITDA	14.3	11.2	17.1	**12.5**	**23.0**
Change in working capital	6.0	28.9	-3.8	**2.7**	**-1.3**
Operating cash flow	17.7	36.8	11.7	**16.4**	**20.8**
CAPEX	-9.8	-10.8	-22.7	**-25.0**	**-20.1**
Free cash flow	7.7	24.4	-10.8	**-8.6**	**0.7**

Per share data	2022	2023	2024	2025e	2026e
EPS (reported)	-0.24	-0.22	-0.09	**-0.19**	**-0.02**
EPS (adj.)	-0.16	-0.14	-0.10	**-0.14**	**-0.02**
OCF / share	0.31	0.64	0.20	**0.28**	**0.36**
OFCF / share	0.13	0.42	-0.19	**-0.15**	**0.01**
Book value / share	2.54	2.17	2.04	**1.85**	**1.84**
Dividend / share	0.10	0.10	0.00	**0.00**	**0.00**

Growth and profitability	2022	2023	2024	2025e	2026e
Revenue growth-%	11%	-9%	3%	**-8%**	**5%**
EBITDA growth-%	-70%	-22%	53%	**-27%**	**84%**
EBIT (adj.) growth-%	-115%	-35%	-43%	**20%**	**-286%**
EPS (adj.) growth-%	-151%	-12%	-30%	**42%**	**-89%**
EBITDA-%	2.9 %	2.5 %	3.7 %	**2.9 %**	**5.2 %**
EBIT (adj.)-%	-0.8 %	-0.6 %	-0.3 %	**-0.4 %**	**0.8 %**
EBIT-%	-1.8 %	-1.7 %	-0.3 %	**-1.1 %**	**0.8 %**
ROE-%	-9.0 %	-9.4 %	-4.3 %	**-9.5 %**	**-0.8 %**
ROI-%	-3.2 %	-3.2 %	-0.6 %	**-2.1 %**	**1.6 %**
Equity ratio	42.5 %	39.5 %	37.9 %	**36.1 %**	**34.0 %**
Gearing	36.9 %	34.8 %	51.5 %	**70.7 %**	**73.9 %**

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

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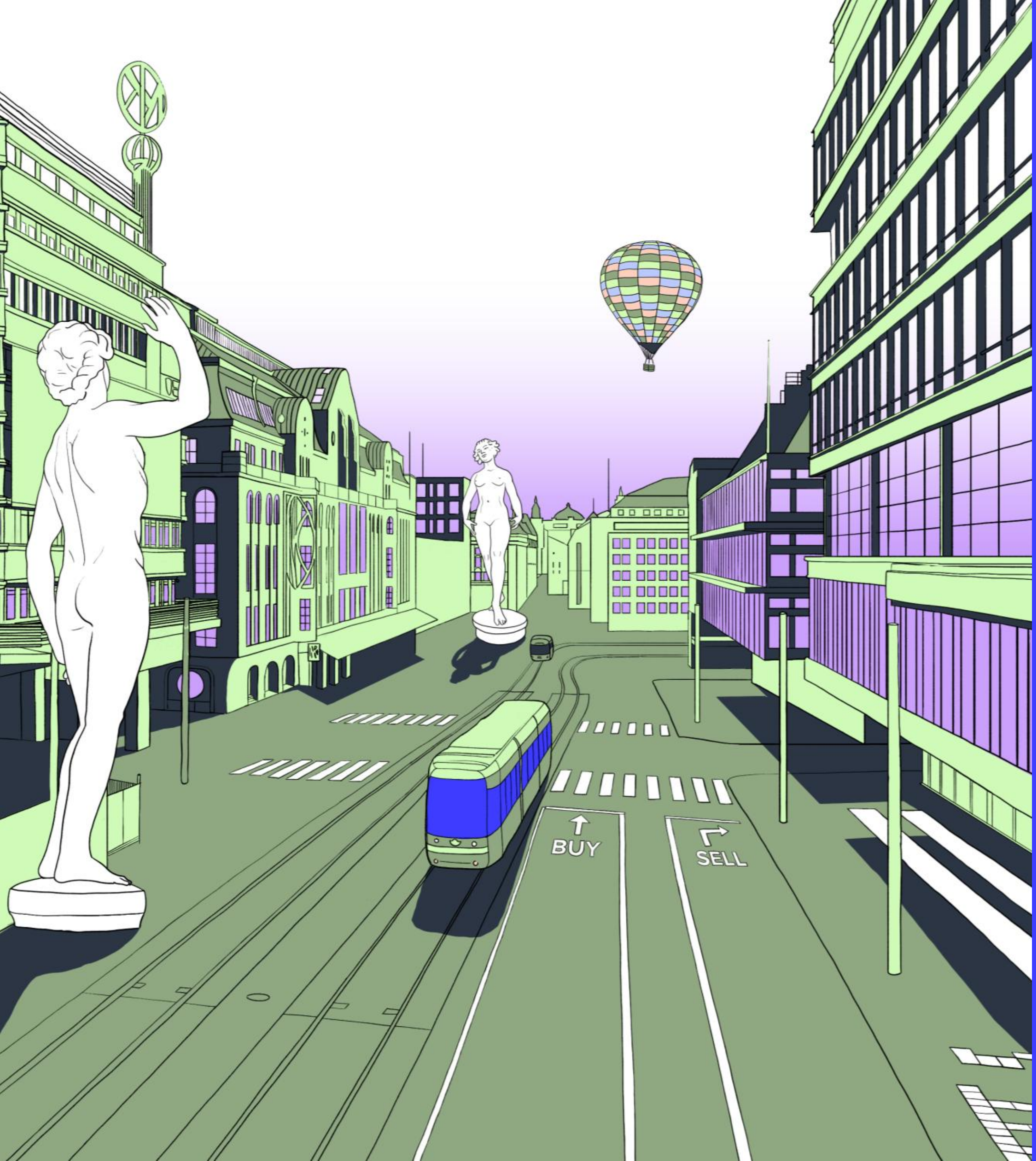
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
8/8/2019	Reduce	2.40 €	2.48 €
10/23/2019	Reduce	2.25 €	2.33 €
1/30/2020	Reduce	2.35 €	2.48 €
4/24/2020	Accumulate	3.25 €	3.02 €
5/13/2020	Accumulate	3.40 €	3.17 €
6/18/2020	Accumulate	4.00 €	3.69 €
8/13/2020	Accumulate	5.40 €	5.00 €
10/28/2020	Accumulate	5.40 €	5.06 €
2/5/2021	Accumulate	6.00 €	5.74 €
4/29/2021	Accumulate	6.25 €	5.87 €
6/24/2021	Accumulate	6.25 €	5.45 €
8/16/2021	Accumulate	5.60 €	5.27 €
10/29/2021	Accumulate	5.25 €	4.72 €
2/4/2022	Reduce	4.50 €	4.33 €
5/5/2022	Reduce	3.30 €	3.12 €
7/15/2022	Reduce	3.30 €	3.12 €
8/10/2022	Reduce	3.30 €	3.18 €
	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 €



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