

# SUOMINEN

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INDERES CORPORATE CUSTOMER  
**COMPANY REPORT**



# Tariffs indirectly hurt demand

*Suominen's Q2 figures were weak, as the indirect impact of tariffs hit demand in the US. Although the company reiterated its guidance for improved full-year results, we lowered our estimate below that guidance. We believe the company's situation remains challenging and the valuation of the share is high. We reiterate our Sell recommendation and lower our target price to EUR 1.7 (previously EUR 1.8) due to reduced estimates.*

## Q2 figures were weak

Suominen reported a 16% decline in Q2 revenue, a significant drop considering the industry's generally stable nature. This also came as a complete surprise in relation to expectations. The decline is mainly due to the company's largest market, the US, where customers purchased more goods from China prior to the tariff increase. This weakened demand for Suominen's products. The decline in revenue was therefore largely due to decreased volumes.

With significantly weaker revenue, the company's results once again fell short of both analysts' estimates and the company's own expectations. Adj. EBITDA was only 3.2 MEUR (Q2'24: 4.9 MEUR, Inderes: 4.1 MEUR).

## Clear risk of a profit warning in the guidance

Suominen reiterated its full-year guidance for a year-on-year improvement in adjusted EBITDA (17.0 MEUR). However, the company is 2 MEUR behind the comparison period for H1, so meeting the guidance would require better performance in H2 than in the comparison period. This is supported by the ongoing 10 MEUR savings program, the effects of which will begin to be seen in H2. Similarly, the comparison figures for H2 are slightly easier than those for H1. Conversely, the weak volume that weighed on Q2 may persist into Q3, weakening the result. In our estimates, H2's adjusted EBITDA will end up at a similar

level to the comparison period, and the full-year result will be around 15 MEUR, as it was in 2022-23. We therefore expect the company to have to lower its guidance at some point during the year.

## Weak balance sheet, but financing renewed in July

Due to the weak result, negative changes in working capital, and ongoing investments, Suominen's free cash flow was clearly negative in H1 (over -20 MEUR). The company's net debt/adj. EBITDA was over 5x at the end of Q2'25, which, in our view, is already worryingly high, especially as earnings development has also been negative in recent quarters. We estimate that this is close to the covenant levels of the loans. On the other hand, the company renewed its bank loan a month ago, extending its maturity to 2028. In addition, Suominen has a bond maturing in 2027. This means that refinancing will not be necessary for at least a year, which will ease the financing situation somewhat.

## The stock is pricing in a significant earnings improvement; we believe the expected return remains weak

The company's earnings multiples for the next few years are high and not in the range of our acceptable multiples only years from now, so we see many years of expected earnings growth going into the digestion of the multiples. Considering the limited competitive advantages, we do not believe that Suominen is able to achieve a return on capital that is sustainably above the required return in the long term. Assuming a much better margin in the longer term, our DCF model yields a value of EUR 1.7, in line with our target price. We believe that Charles Heaulme, who will take over as CEO on August 11, will launch further measures to improve profitability. Our estimates already anticipate a doubling of adj. EBITDA by 2028, which we believe will require new measures, as the result remains at the same level for the fourth consecutive year this year.

## Recommendation

**Sell**

(was Sell)

## Target price:

**EUR 1.70**

(was EUR 1.80)

## Share price:

EUR 1.88

## Business risk



## Valuation risk



	2024	2025e	2026e	2027e
Revenue	462	439	461	470
growth-%	3%	-5%	5%	2%
EBIT adj.	-1.6	-1.3	2.8	9.8
EBIT-% adj.	-0.3 %	-0.3 %	0.6 %	2.1 %
Net Income	-5.3	-11.2	-1.6	2.5
EPS (adj.)	-0.10	-0.11	-0.03	0.04
P/E (adj.)	neg.	neg.	neg.	42.7
P/B	1.1	1.0	1.0	1.0
Dividend yield-%	0.0 %	0.0 %	0.0 %	1.1 %
EV/EBIT (adj.)	neg.	neg.	69.5	18.8
EV/EBITDA	11.2	15.9	8.1	6.0
EV/S	0.4	0.4	0.4	0.4

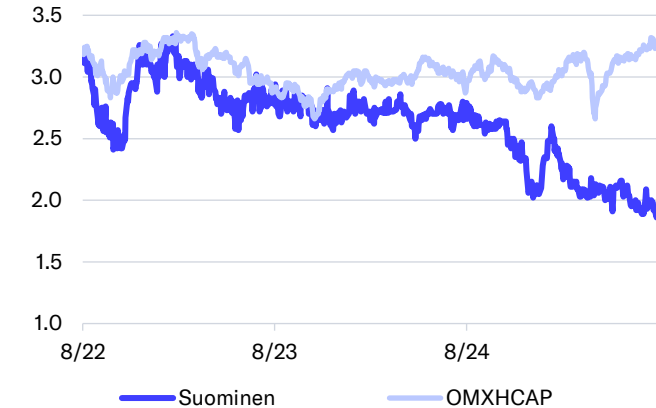
Source: Inderes

## Guidance

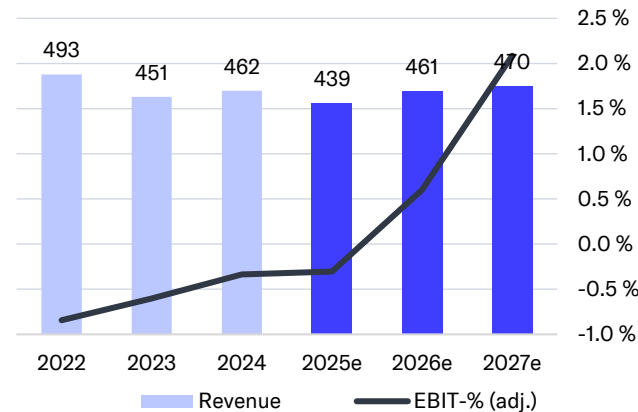
(Unchanged)

Suominen expects that its comparable EBITDA in 2025 will increase from 2024 (17.0 MEUR).

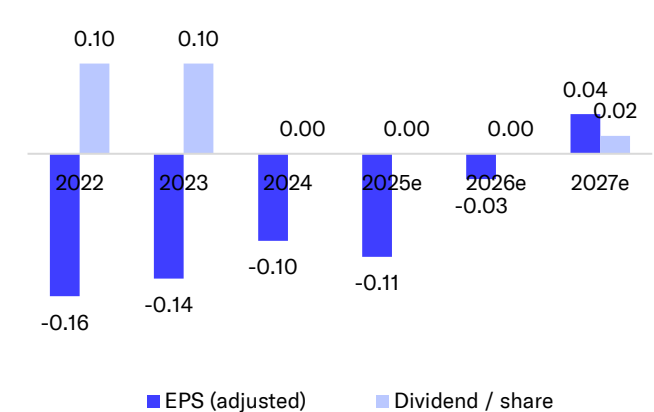
## Share price



## Revenue and EBIT-% (adj.)



## EPS and dividend



## 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

## Risk factors

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

Valuation	2025e	2026e	2027e
Share price	1.88	1.88	1.88
Number of shares, millions	57.7	57.7	57.7
Market cap	108	108	108
EV	190	192	184
P/E (adj.)	neg.	neg.	42.7
P/E	neg.	neg.	42.7
P/B	1.0	1.0	1.0
P/S	0.2	0.2	0.2
EV/Sales	0.4	0.4	0.4
EV/EBITDA	15.9	8.1	6.0
EV/EBIT (adj.)	neg.	69.5	18.8
Payout ratio (%)	0%	0%	45%
Dividend yield-%	0.0 %	0.0 %	1.1 %

Source: Inderes

# Demand fell sharply with tariffs, weakening result

## Revenue fell sharply and unexpectedly

Suominen reported a 16% decline in Q2 revenue, a significant drop considering the industry's generally stable nature. This also came as a complete surprise in relation to expectations. The decline is mainly due to the company's largest market, the US, where customers purchased more goods from China prior to the tariff increase. This weakened demand for Suominen's products. Although the situation itself is temporary, and the tariffs on China should actually reduce imports from there in the future, it creates the impression that some of Suominen's products are quite easily replaceable with cheaper imported alternatives. Suominen's revenue also declined in Europe, albeit significantly less than in the US.

The decline in revenue was therefore largely due to a drop in volumes, which, according to the company, was worst in April and eased during the quarter. The weakening of the USD also impacted revenue, but sales prices increased.

## Declining result

With significantly weaker revenue, the company's results once again fell short of both analysts' estimates and the company's own expectations. Adj. EBITDA was only 3.2 MEUR. Nevertheless, the gross margin was in line with our forecast at 7%. From the EBIT level downwards, however, this means losses for Suominen. Financial expenses were exceptionally high due to exchange rate losses, and as a result, the reported earnings per share were significantly more loss-making than we had expected.

## Strained balance sheet, but financing renewed in July

Due to the weak result, negative changes in working capital, and ongoing investments, Suominen's free cash flow was clearly negative in H1 (over -20 MEUR), as it was for the entire year of 2024. The company's net debt/adj. EBITDA was over 5x at the end of Q2'25, which, in our view, is already worryingly high, especially as earnings

development has also been negative in recent quarters. This is underscored by the fact that the company has major investments underway, which we believe will keep cash flow negative this year. In our view, the weak balance sheet may cause pressure to reduce working capital, for example, at the expense of margin. The company said it expects to initiate measures to reduce working capital and thus debt levels already in Q3.

We estimate that this is close to the covenant levels of the loans. On the other hand, the company renewed its bank loan a month ago, extending its maturity to 2028. In addition, Suominen has a bond maturing in 2027. This means that refinancing will not be necessary for at least a year, which will ease the financing situation somewhat.

Estimates	Q2'24	Q2'25	Q2'25e	Q2'25e	Consensus	Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low    High	Act. vs. inderes	Inderes
Revenue	119	100	120	118		-17%	439
EBITDA (adj.)	4.9	3.2	4.1	4.8		-23%	16.5
EBIT (adj.)	0.4	-1.0	-0.4	0.5		-174%	-1.3
EBIT	-0.8	-1.6	-0.4	-		-338%	-5.9
EPS (reported)	-0.03	-0.07	-0.02	-0.03		-237%	-0.19
Revenue growth-%	5.3 %	-15.9 %	0.9 %	-0.6 %		-16.8 pp	-5.0 %
EBIT-% (adj.)	0.3 %	-1.6 %	-0.3 %	0.4 %		-1.3 pp	-0.3 %

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



# Forecasts continue to slide

## Full-year guidance remains unchanged

Suominen reiterated its full-year guidance for a year-on-year improvement in adjusted EBITDA (17.0 MEUR). However, the company is 2 MEUR behind the comparison period for H1, so meeting the guidance would require better performance than in the comparison period. This is supported by the ongoing 10 MEUR savings program, the effects of which will begin to be seen in H2. Similarly, the comparison figures for H2 are slightly easier than those for H1. Conversely, the weak volume that weighed on Q2 may persist into Q3, weakening the result.

In our estimates, H2's adjusted EBITDA will end up at a similar level to the comparison period, and the full-year result will be around 15 MEUR, as it was in 2022-23. We therefore expect the company to have to lower its guidance at some point.

## Estimates lowered further

The long negative trend in forecasts continued, and we lowered our estimates throughout the forecast years. For this year, the adjusted EBITDA estimate decreased by approximately 4 MEUR; for future years by a smaller amount. However, given the small base figures, the percentage changes are significant. Due to the lower forecast figures, we also expect 2026 to remain in the red in terms of the net result.

## Efficiency program progressing well, but further action needed

In May, Suominen announced a 10 MEUR cost-saving program, the effects of which should be visible within 24 months. In connection with its Q2 report, the company stated that the measures have progressed well, with a significant portion to be implemented by the end of the year. Therefore, we expect that a large part of the effects

should already be visible next year, thereby supporting improved results. However, our forecasts already show an improvement in earnings of nearly 10 MEUR, so, in addition to savings, other measures and improvements are needed for the company to reach even our forecasts. The interim CEO and CFO also stated in an interview that savings alone will not be enough to achieve a satisfactory result. We believe that Charles Heaulme, who will take over as head of the company on August 11, will launch his own initiatives to improve profitability before the end of the year.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	467	439	-6%	476	461	-3%	486	470	-3%
EBITDA	14.7	11.9	-19%	26.6	23.6	-12%	31.5	30.5	-3%
EBIT (exc. NRIs)	0.1	-1.3	-2119%	6.0	2.8	-54%	10.9	9.8	-10%
EBIT	-3.9	-5.9	-51%	6.0	2.8	-54%	10.9	9.8	-10%
PTP	-9.7	-13.7	-41%	1.1	-2.2	-290%	4.7	3.4	-28%
EPS (excl. NRIs)	-0.06	-0.11	-81%	0.01	-0.03	-290%	0.06	0.04	-28%
DPS	0.00	0.00		0.00	0.00		0.02	0.02	0%

Source: Inderes

Suominen, Audiocast, Q2'25



# Valuation

## 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 well 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.

## DCF model value EUR 1.7

The value of the DCF model is around EUR 1.7, 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. We use a required return (WACC) of 8.6% for Suominen. The value of the company's share capital will be approximately 100 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.

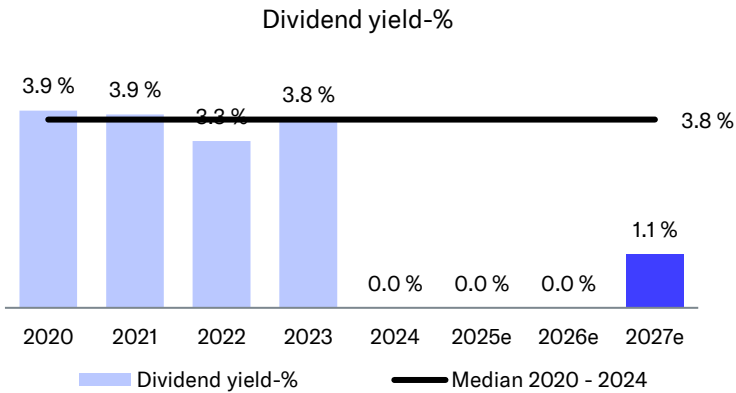
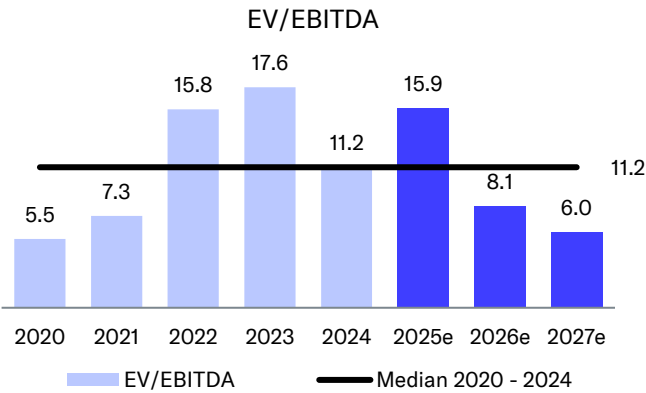
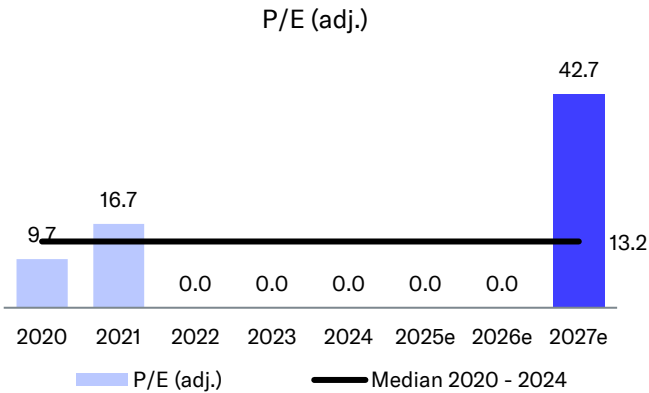
Valuation	2025e	2026e	2027e
Share price	1.88	1.88	1.88
Number of shares, millions	57.7	57.7	57.7
Market cap	108	108	108
EV	190	192	184
P/E (adj.)	neg.	neg.	42.7
P/E	neg.	neg.	42.7
P/B	1.0	1.0	1.0
P/S	0.2	0.2	0.2
EV/Sales	0.4	0.4	0.4
EV/EBITDA	15.9	8.1	6.0
EV/EBIT (adj.)	neg.	69.5	18.8
Payout ratio (%)	0%	0%	45%
Dividend yield-%	0.0 %	0.0 %	1.1 %

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	1.88	1.88	1.88	1.88
Number of shares, millions	57.5	57.5	57.5	57.7	57.7	57.7	57.7	57.7	57.7
Market cap	292	298	172	153	132	108	108	108	108
EV	334	345	226	197	192	190	192	184	178
P/E (adj.)	9.7	16.7	neg.	neg.	neg.	neg.	neg.	42.7	29.7
P/E	9.7	14.4	neg.	neg.	neg.	neg.	neg.	42.7	29.7
P/B	2.0	1.8	1.2	1.2	1.1	1.0	1.0	1.0	1.0
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	0.4
EV/EBITDA	5.5	7.3	15.8	17.6	11.2	15.9	8.1	6.0	5.9
EV/EBIT (adj.)	8.5	12.8	neg.	neg.	neg.	neg.	69.5	18.8	17.0
Payout ratio (%)	38.2 %	55.4 %	neg.	neg.	0.0 %	0.0 %	0.0 %	45.4 %	78.9 %
Dividend yield-%	3.9 %	3.9 %	3.3 %	3.8 %	0.0 %	0.0 %	0.0 %	1.1 %	2.7 %

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	3265	4678	12.1	10.9	7.5	7.2	1.2	1.1	12.2	11.5	3.7	3.9	1.5
Duni	380	582	13.5	10.2	8.2	6.8	0.8	0.8	14.3	11.2	5.8	6.2	1.2
Sealed Air	3704	7134	9.8	9.4	7.4	7.2	1.6	1.5	9.3	8.8	2.8	2.8	4.2
Riverstone	705	551	7.7	7.2	6.6	6.2	2.3	2.1	12.6	11.8	7.9	8.3	0.5
Magnera	352	1828	15.4	13.4	6.1	5.6	0.7	0.6		11.9			
Suominen (Inderes)	108	190	-142.5	69.5	15.9	8.1	0.4	0.4	-16.5	-67.1	0.0	0.0	1.0
Average			11.7	10.2	7.2	6.6	1.3	1.2	12.1	11.0	5.0	5.3	1.9
Median			12.1	10.2	7.4	6.8	1.2	1.1	12.4	11.5	4.8	5.1	1.4
Diff-% to median			-1282%	582%	114%	19%	-62%	-63%	-233%	-684%	-100%	-100%	-26%

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	451	114	119	112	119	462	118	99.8	106	116	439	461	470	480
EBITDA	11.2	4.7	3.7	3.4	5.3	17.1	4.0	2.9	1.7	3.3	11.9	23.6	30.5	30.3
Depreciation	-18.7	-4.6	-4.5	-4.8	-4.5	-18.4	-4.4	-4.2	-4.5	-4.8	-17.9	-20.8	-20.7	-19.9
EBIT (excl. NRI)	-2.7	-0.1	0.4	-1.5	-0.4	-1.6	-0.3	-0.7	-0.8	0.5	-1.3	2.8	9.8	10.4
EBIT	-7.5	0.1	-0.8	-1.4	0.8	-1.3	-0.3	-1.3	-2.8	-1.5	-5.9	2.8	9.8	10.4
Net financial items	-6.0	-0.8	-1.1	-1.9	-0.3	-4.1	-1.9	-2.9	-1.5	-1.5	-7.8	-4.9	-6.4	-5.6
PTP	-13.5	-0.7	-1.9	-3.3	0.6	-5.3	-2.2	-4.2	-4.3	-3.0	-13.7	-2.2	3.4	4.9
Taxes	0.7	-0.3	0.0	0.1	0.3	0.1	0.0	0.5	1.2	0.9	2.6	0.5	-0.8	-1.2
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	-3.7	-3.1	-2.2	-11.2	-1.6	2.5	3.7
EPS (adj.)	-0.14	-0.02	-0.01	-0.06	-0.01	-0.10	-0.04	-0.05	-0.02	0.00	-0.11	-0.03	0.04	0.06
EPS (rep.)	-0.22	-0.02	-0.03	-0.06	0.01	-0.09	-0.04	-0.06	-0.05	-0.04	-0.19	-0.03	0.04	0.06

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-%	-8.6 %	-2.7 %	5.3 %	4.8 %	3.1 %	2.6 %	3.4 %	-15.9 %	-5.0 %	-2.0 %	-5.0 %	5.0 %	2.0 %	2.0 %
Adjusted EBIT growth-%	-34.6 %	-95.0 %	-119.0 %	-314.3 %	-152.9 %	-42.6 %	209%	-273%	-47%	-227%	-15%	-307%	255.3 %	6.3 %
EBITDA-%	2.5 %	4.1 %	3.1 %	3.0 %	4.5 %	3.7 %	3.4 %	2.9 %	1.6 %	2.8 %	2.7 %	5.1%	6.5 %	6.3 %
Adjusted EBIT-%	-0.6 %	-0.1 %	0.3 %	-1.3 %	-0.3 %	-0.3 %	-0.3 %	-0.7 %	-0.7 %	0.4 %	-0.3 %	0.6 %	2.1 %	2.2 %
Net earnings-%	-2.8 %	-0.9 %	-1.6 %	-2.9 %	0.7 %	-1.1 %	-1.9 %	-3.7 %	-2.9 %	-1.9 %	-2.5 %	-0.4 %	0.5 %	0.8 %

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	164	163	158
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	144	143	137
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	141	157	141
Inventories	37.9	47.5	41.7	43.8	44.7
Other current assets	9.4	6.6	6.6	6.6	6.6
Receivables	62.3	62.5	57.1	60.0	61.2
Cash and equivalents	58.8	41.3	35.1	46.1	28.2
Balance sheet total	316	310	305	320	298

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	125	118	106	105	107
Share capital	11.9	11.9	11.9	11.9	11.9
Retained earnings	12.3	1.6	-9.6	-11.2	-8.7
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	77.2	119	98.3
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	68.2	110	89.3
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	121	96.4	92.8
Interest bearing debt	43.1	42.9	48.2	19.9	14.8
Payables	75.1	81.8	72.5	76.1	77.6
Other current liabilities	4.0	0.4	0.4	0.4	0.4
Balance sheet total	317	311	305	320	298

# DCF-calculation

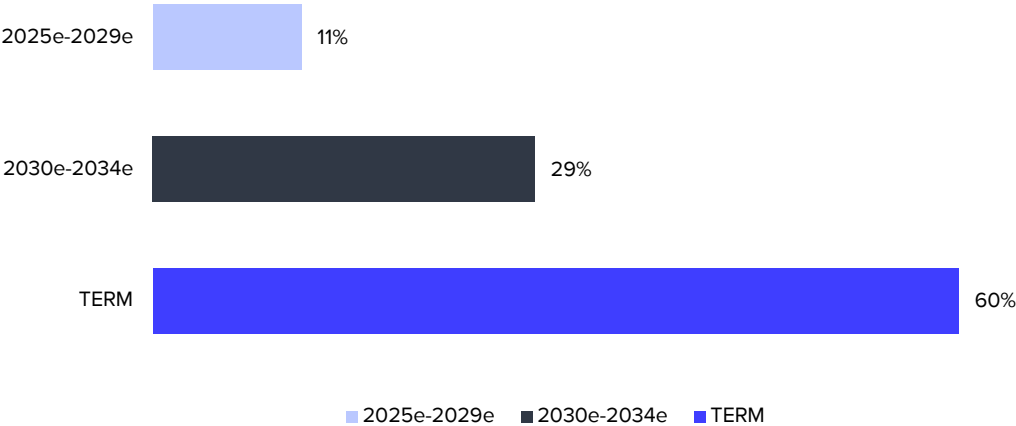
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	2.6 %	-5.0 %	5.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	-0.3 %	-1.4 %	0.6 %	2.1 %	2.2 %	3.2 %	3.5 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %
EBIT (operating profit)	-1.3	-5.9	2.8	9.8	10.4	15.7	17.5	20.4	20.8	21.2	21.6	
+ Depreciation	18.4	17.9	20.8	20.7	19.9	19.8	19.1	18.0	17.6	17.5	17.5	
- Paid taxes	-1.6	3.2	0.5	-0.8	-1.2	-2.6	-3.2	-4.1	-4.3	-4.5	-4.7	
- Tax, financial expenses	0.0	-1.5	-1.2	-1.6	-1.4	-1.3	-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	1.8	-1.3	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	
Operating cash flow	11.7	15.4	21.6	27.5	27.1	31.0	31.6	32.7	32.5	32.8	33.1	
+ 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	-30.0	-20.1	-15.1	-15.1	-15.1	-11.8	-15.3	-17.4	-17.3	-19.9	
Free operating cash flow	-10.8	-14.6	1.5	12.4	12.0	15.9	19.8	17.3	15.2	15.5	13.1	
+/- 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	-14.6	1.5	12.4	12.0	15.9	19.8	17.3	15.2	15.5	13.1	205
Discounted FCFF		-14.1	1.3	10.2	9.1	11.1	12.7	10.2	8.3	7.8	6.1	95
Sum of FCFF present value		157	172	170	160	151	140	127	117	109	101	95
Enterprise value DCF		157										
- Interest bearing debt		-102										
+ Cash and cash equivalents		41										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		97.0										
Equity value DCF per share		1.7										

## WACC

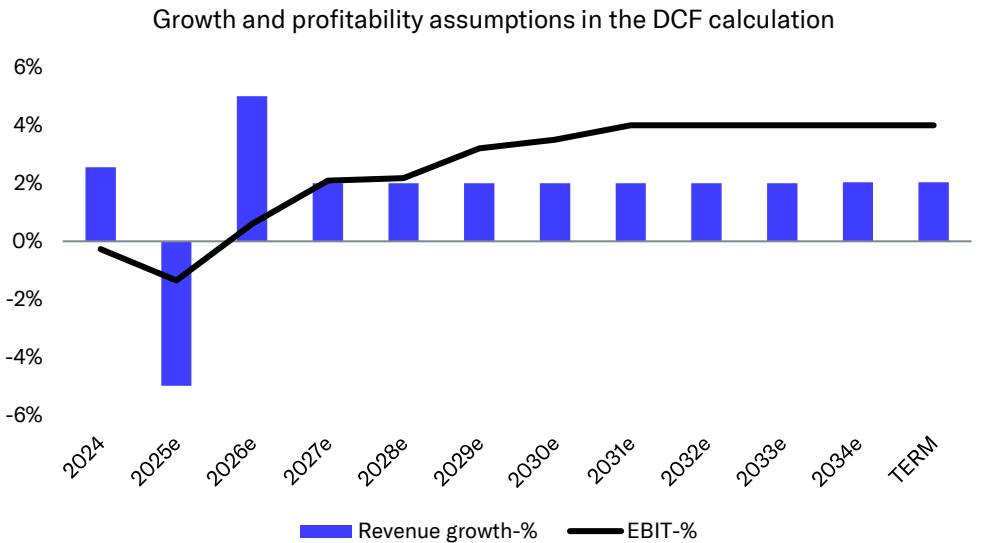
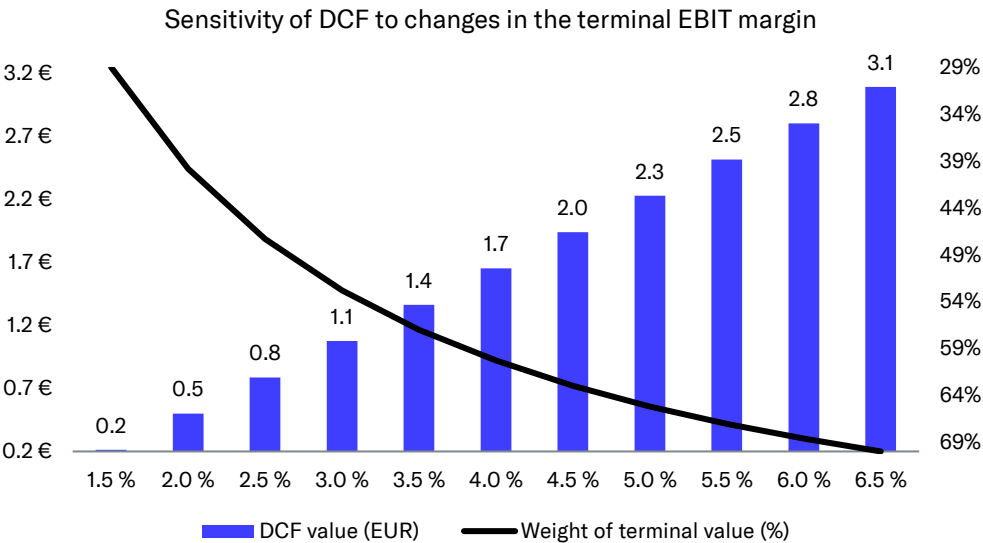
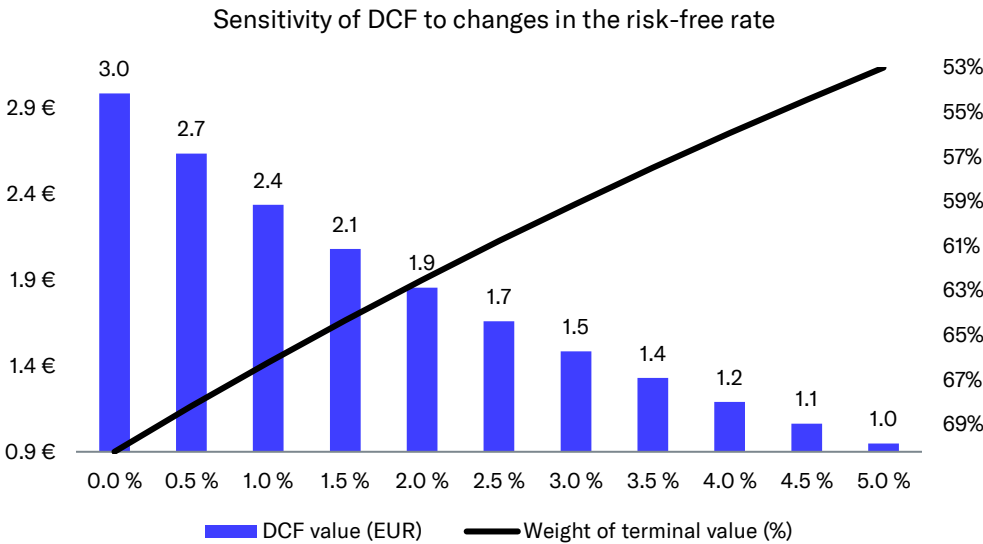
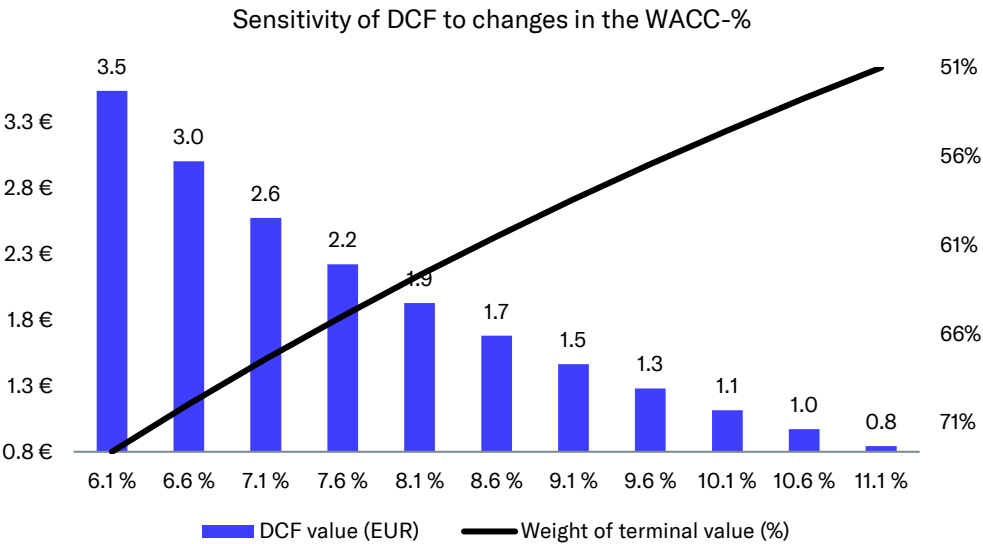
Tax-% (WACC)	25.0 %
Target debt ratio (D/(D+E))	20.0 %
Cost of debt	4.0 %
Equity Beta	1.36
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	9.9 %
Weighted average cost of capital (WACC)	8.6 %

Source: Inderes

Cash flow distribution



# 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	493.3	450.8	462.3	439.3	461.2	EPS (reported)	-0.24	-0.22	-0.09	-0.19	-0.03
EBITDA	14.3	11.2	17.1	11.9	23.6	EPS (adj.)	-0.16	-0.14	-0.10	-0.11	-0.03
EBIT	-9.0	-7.5	-1.3	-5.9	2.8	OCF / share	0.31	0.64	0.20	0.27	0.37
PTP	-11.9	-13.5	-5.3	-13.7	-2.2	OFCF / share	0.13	0.42	-0.19	-0.25	0.03
Net Income	-13.9	-12.8	-5.3	-11.2	-1.6	Book value / share	2.54	2.17	2.04	1.84	1.82
Extraordinary items	-4.8	-4.8	0.3	-4.6	0.0	Dividend / share	0.10	0.10	0.00	0.00	0.00
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	343.5	316.4	310.4	304.6	319.8	Revenue growth-%	11%	-9%	3%	-5%	5%
Equity capital	146.0	124.9	117.6	106.4	104.8	EBITDA growth-%	-70%	-22%	53%	-30%	98%
Goodwill	15.5	15.5	15.5	15.5	15.5	EBIT (adj.) growth-%	-115%	-35%	-43%	-15%	-307%
Net debt	53.9	43.5	60.5	81.2	83.4	EPS (adj.) growth-%	-151%	-12%	-30%	18%	-75%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	2.9 %	2.5 %	3.7 %	2.7 %	5.1 %
EBITDA	14.3	11.2	17.1	11.9	23.6	EBIT (adj.)-%	-0.8 %	-0.6 %	-0.3 %	-0.3 %	0.6 %
Change in working capital	6.0	28.9	-3.8	1.8	-1.3	EBIT-%	-1.8 %	-1.7 %	-0.3 %	-1.4 %	0.6 %
Operating cash flow	17.7	36.8	11.7	15.4	21.6	ROE-%	-9.0 %	-9.4 %	-4.3 %	-10.0 %	-1.5 %
CAPEX	-9.8	-10.8	-22.7	-30.0	-20.1	ROI-%	-3.2 %	-3.2 %	-0.6 %	-2.7 %	1.2 %
Free cash flow	7.7	24.4	-10.8	-14.6	1.5	Equity ratio	42.5 %	39.5 %	37.9 %	34.9 %	32.8 %
						Gearing	36.9 %	34.8 %	51.5 %	76.3 %	79.6 %

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
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 €





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