SUOMINEN

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Profitability improving slowly

Suominen's Q3 result was slightly better than we expected, but revenue fell clearly short of our forecast, and weak cash flow increased indebtedness. The earnings improvement we forecast from the efficiency program will go toward bringing the multiples down to acceptable levels, so we still see the expected return as weak. We reiterate our Reduce recommendation and lower our target price to EUR 0.52 (prev. EUR 0.60) due to a higher required return.

Profitability improved despite sluggish sales

Suominen's Q3 revenue grew by only 1% from a weak comparison period to 101 MEUR, ~8% below both our estimate and consensus. Sales were weighed down by disruptions on two US production lines and the suspension of deliveries to a customer experiencing payment difficulties. Adjusted EBITDA nevertheless rose to 5.1 MEUR (Q3'25: 3.4 MEUR), beating our 4.6 MEUR forecast, as higher production volumes, lower fixed costs, and the initial benefits of the efficiency program supported the margin. The comparison period's result had been weighed down by significant production disruptions. The company remained loss-making after financial expenses.

Operating cash flow was -8.5 MEUR, as raw material inventories and the US disruptions tied up working capital. Net debt rose to 74 MEUR, with net debt/adj. EBITDA at ~5.5x. After the period, the company negotiated additional headroom on its year-end 2026 leverage covenant, but the covenants will tighten in 2027. The 50 MEUR bond also needs to be refinanced before June 2027.

Slight upward revision to earnings forecasts

Suominen reiterated its guidance for improving adjusted EBITDA, and the guidance will be met with a Q4 result of just over 1 MEUR. We forecast an adjusted EBITDA of 15.7 MEUR for the full year, even though raw material prices that rose in September will weigh on Q4. We lowered our revenue forecasts by ~4% for 2026–28 due to lower volumes and product mix. Our earnings estimates increased especially for 2027, as we expect the benefits of the efficiency program to materialize faster than before. However, earnings will remain weak next year and will only rise more clearly in 2028–29. In addition, refinancing will significantly increase financing costs in the coming years.

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

We expect Suominen to show a clear earnings improvement in the coming years, supported by its efficiency program, although we do not believe the company will get very close to its target of a 10% adj. EBITDA margin. Our adj. EBITDA margin estimate for 2028-2029 is 6-7%. We believe that the benefits of efficiency measures will trickle down, at least in part, to customer prices and cover current normal cost inflation. In the medium and long term, however, we expect the margin to settle at a higher level than in the coming years.

Earnings multiples high for the next few years

The share's earnings-based valuation is high throughout the forecast period (2028e EV/EBIT 13x, P/E ~50x), and on our estimates, the multiples only fall to acceptable levels in the 2030s. The dividend does not support the expected return either, as we forecast no dividends in the coming years. Given its limited competitive advantages, we do not believe the company can sustainably earn returns above its required return, which limits the upside even in a positive scenario. Our DCF value falls to EUR 0.55 (prev. EUR 0.61) on a higher risk-free rate.

Recommendation
Reduce
(was Reduce)

Target price:
EUR 0.52
(was EUR 0.60)

Share price:
EUR 0.50

Business risk



Valuation risk



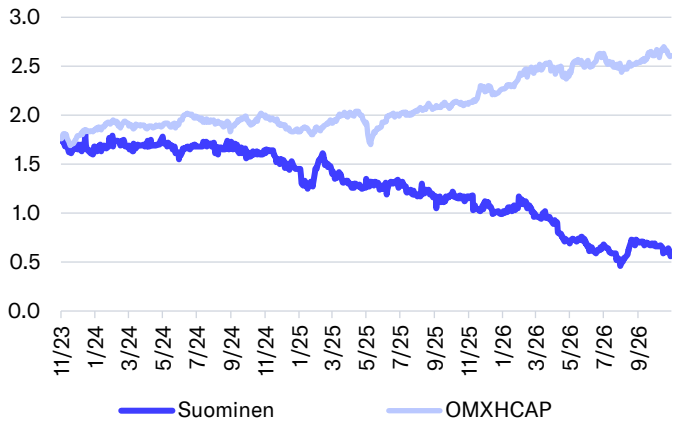
	2025	2026e	2027e	2028e
Revenue	412	408	451	460
growth-%	-11%	-1%	11%	2%
EBIT adj.	-4.1	-0.7	4.0	10.4
EBIT-% adj.	-1.0 %	-0.2 %	0.9 %	2.3 %
Net Income	-12.1	-13.5	-10.5	1.4
EPS (adj.)	-0.18	-0.05	-0.04	0.01
P/E (adj.)	neg.	neg.	neg.	46.7
P/B	1.0	0.6	0.7	0.7
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	neg.	36.2	13.4
EV/EBITDA	15.4	15.9	9.1	5.2
EV/S	0.4	0.3	0.3	0.3

Source: Inderes

Guidance (Unchanged)

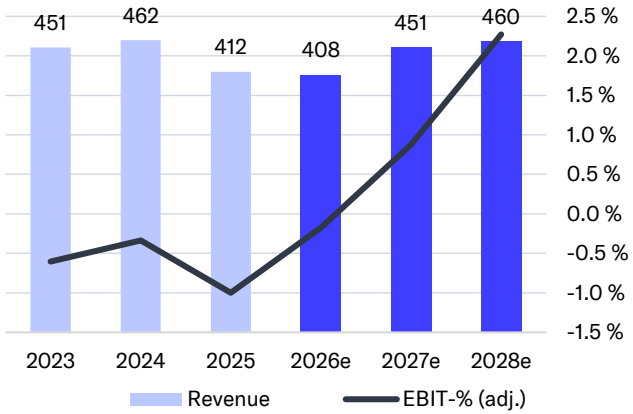
Suominen expects that its comparable EBITDA in 2026 will increase from 2025 (12.6 MEUR)..

Share price



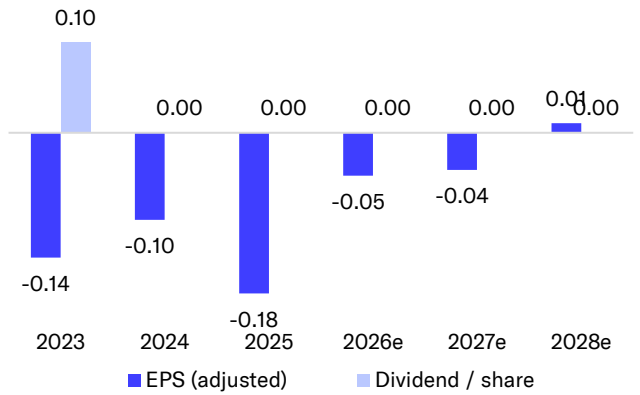
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and DPS



Source: Inderes

Value drivers

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

Risk factors

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

Valuation	2026e	2027e	2028e
Share price	0.50	0.50	0.50
Number of shares, millions	135.3	135.3	135.3
Market cap	68	68	68
EV	137	143	140
P/E (adj.)	neg.	neg.	46.7
P/E	neg.	neg.	46.7
P/B	0.6	0.7	0.7
P/S	0.2	0.1	0.1
EV/Sales	0.3	0.3	0.3
EV/EBITDA	15.9	9.1	5.2
EV/EBIT (adj.)	neg.	36.2	13.4
Payout ratio (%)	0%	0%	0%
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Earnings beat expectations, while revenue and cash flow fell short

Revenue was well below our forecast

Suominen's revenue grew by only 1% year-on-year in Q3 to 101 MEUR, whereas we expected the weak comparison period and price increases to lift growth to nearly 10%. The company's volumes did not grow, and the impact of price and product mix changes remained around zero, as the weaker product mix offset the price increases. Revenue was thus ~8% below both our forecast and the consensus.

According to the company, demand for nonwovens remained stable and developed in line with the early part of the year. However, sales were weighed down by disruptions on two US production lines, which impaired production capacity and delivery reliability. In addition, the company did not make deliveries to a customer experiencing payment difficulties, which decreased sales and increased inventories. Plant reliability problems thus continued, which the CEO has mentioned as a risk until the investments of the efficiency program have been made. As a positive milestone, commercial deliveries from the new Alicante line began in September, and the ramp-up will continue into 2027.

Profitability improved despite weaker sales

Adjusted EBITDA rose to 5.1 MEUR (Q3'25: 3.4 MEUR) and beat our estimate of 4.6 MEUR. The adjusted EBITDA margin improved to 5.0% (3.4%). The company attributed the improvement to higher production volumes (although sales volume did not grow, meaning the company produced goods into inventory) and lower fixed costs. According to management, the initial benefits of the Full Potential program began to materialize. Because our forecast relied on significantly higher revenue, the margin level relative to sales was better than we expected. Considering the production issues during the quarter, the margin development is positive.

The reported figures were burdened by 1.6 MEUR in one-off items related to the efficiency program, and after financial expenses, the company still posted a loss (EPS of EUR -0.02, in line with our expectations).

Cash flow weakened

Cash flow from operating activities in Q3 was -8.5 MEUR (Q3'25: 15.7 MEUR), as 8.8 MEUR was tied up in net working capital. According to the company, this was mainly due to raw material inventories accumulated because of an unstable supplier market and operational disruptions in the US. According to the company, the working capital situation is expected to normalize within 1–2 quarters, at which point working capital should be released.

Interest-bearing net debt increased to 74 MEUR due to weak cash flow. Net debt relative to the trailing 12-month adjusted EBITDA (13.5 MEUR) was ~5.5x, which remains high. Suominen met its covenant terms at the end of Q3, but after the reporting period, it negotiated additional flexibility for the leverage covenant at the end of 2026. The covenants tighten in 2027, and their compliance depends on the improvement of earnings and cash flow.

Estimates	Q3'25	Q3'26	Q3'26e	Q3'26e	Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Act. vs. inderes	Inderes
Revenue	99.8	101	109	109	-8%	408
EBITDA (adj.)	3.4	5.1	4.6	4.7	12%	15.6
EBITDA	3.3	3.5	2.6	-	37%	8.5
EBIT (adj.)	-0.7	1.0	0.4	0.3	175%	-0.7
EPS (reported)	-0.03	-0.02	-0.02	-0.02	-6%	-0.10
Revenue growth-%	-10.5 %	1.3 %	9.7 %	9.2 %	-8.4 pp	-1.1 %
EBIT-% (adj.)	-0.7 %	1.0 %	0.3 %	0.3 %	0.7 pp	-0.2 %

Source: Inderes & Vara Research, 2 analysts (consensus)

Suominen Q3'26 preview: Revenue lags, margin better than expected



Revenue forecasts lowered, big picture unchanged

Full-year guidance was reiterated as expected

Suominen reiterated its guidance that comparable EBITDA will improve from the 2025 level (12.6 MEUR). The comparable EBITDA for January–September was 11.6 MEUR, meaning the guidance is met with a Q4 EBITDA of just over 1 MEUR. Q4 is facing cost pressure from raw material prices that increased in September. In an interview, the company's CEO commented that the company expects Q4 earnings to rise from the weak comparison period (1.9 MEUR), but not necessarily significantly, and noted that Q4 earnings will likely remain lower than Q3. The risks of production line malfunctions also remain elevated in the near-term quarters, as, according to the CEO, the investment program will only have progressed far enough by the middle of next year for production reliability to be at a better level.

This is in line with our previous forecasts. We expect the Q4 adj. EBITDA to be 4.1 MEUR and the full-year adj. EBITDA to thus be 15.7 MEUR. Although this is better than last year, it is roughly at the same level that Suominen achieved in 2022–2025. This also means that adjusted EBIT will remain slightly negative this year.

Positive development in the coming years remains unchanged

Driven by lower-than-expected volumes and product mix, as well as revised price change forecasts, our revenue estimates decreased throughout the forecast period. On the earnings lines, our forecasts increased particularly for 2027, as we believe the benefits of the efficiency program will materialize slightly faster than we previously estimated. However, next year's earnings will still remain at a weak level and will rise more clearly in our forecasts only in 2028–29, when all the benefits of the efficiency program are visible.

Bond refinancing likely imminent

Suominen has a 50 MEUR bond maturing in June 2027. The loan carries a very low interest rate of 1.5%, as it was issued during the period of zero interest rates in the spring of 2021 when Suominen delivered its all-time best earnings. We believe the company will seek to secure the refinancing of the loan later this year or, at the latest, immediately after the Q4 report early next year.

We estimate that the company's primary goal will be to replace the bond with a new secured bond (the current one is unsecured). However, even after the share issue, the company's net debt/adj. EBITDA is quite high (over 5x), and we expect it to remain at the 4-5x level in the coming quarters. We consider it possible that the company will arrange the refinancing in some other way as well, e.g., as a combination of a small hybrid loan and bank financing. Regardless of the form of financing, it is clear that the company's financing costs will increase significantly as a result of the refinancing, which has been factored into our estimates.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	426	408	-4%	469	451	-4%	478	460	-4%
EBITDA	7.6	8.5	12%	14.7	15.8	7%	28.5	27.2	-5%
EBIT (exc. NRIs)	-1.6	-0.7	56%	2.0	4.0	99%	9.6	10.4	9%
EBIT	-9.2	-7.8	15%	-3.0	-1.0	65%	9.6	10.4	9%
PTP	-13.7	-12.4	9%	-11.5	-9.5	17%	1.6	2.4	52%
EPS (excl. NRIs)	-0.04	-0.05	-14%	-0.03	-0.04	-52%	0.01	0.01	19%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Suominen Oyj, Q3'26



Earnings-based valuation remains 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 forecast to be zero in the coming years, the dividend also does not support the expected return. Thus, we see Suominen's expected return as weak.

Multiples remain high through the forecast years

Due to the poor result, valuation multiples for 2022-27 cannot be calculated or they are high, and we feel the earnings level does not depict the company's potential. We have considered an EBIT level of 15-20 MEUR to be a more normal and realistic level for the company. At the current revenue level, the company's targeted 10% adj. EBITDA margin would imply an adj. EBIT of around 24 MEUR. Considering the persistently negative results of recent years, these levels look optimistic for the coming years in our view, and we do not forecast earnings at the level of over 15 MEUR until the 2030s. For our estimate years 2026-28, earnings multiples are high, whether looking at P/E or EV/EBIT. We consider acceptable valuation multiples for Suominen to be a P/E of around 10–12x and an EV/EBIT of 9–11x. The multiples fall within this range in our projections only in the 2030s and require a significant earnings improvement.

Our estimates indicate that Suominen's return on equity will even turn negative in the coming years, but in any case, it will be clearly below the required return. Therefore, the P/B ratio should be below 1x, as it is for the coming years. Even in the best case, we do not believe that Suominen is able to sustainably generate a return exceeding the cost of capital, which means the P/B ratio should not rise above 1x. Thus, we see limited upside, even in a positive scenario.

DCF model value EUR 0.55

Our DCF model indicates a value of EUR 0.55 (prev. EUR 0.61). The value decreased as the risk-free rate was raised from 2.5% to 3%, which increased the required return. The model assumes a longer-term EBIT-% of around 3.5% and thus an EBIT of ~20 MEUR. This would require a gross margin of over 10%, a level that the company has occasionally achieved in the past. We note that the long-term margin assumption is well above the levels achieved in recent years and projected for the coming years. The estimates are based on assumptions of an improvement in Suominen's own competitiveness, i.e., cost-efficiency (which the program announced in January 2026 aims for), and a reduction in overcapacity in the European market. We use a WACC of 9.3% for Suominen, which is decreased by the rather high indebtedness, with our required return on equity being above 10%. The equity value lands at 75 MEUR.

Longer-term potential is also moderate

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

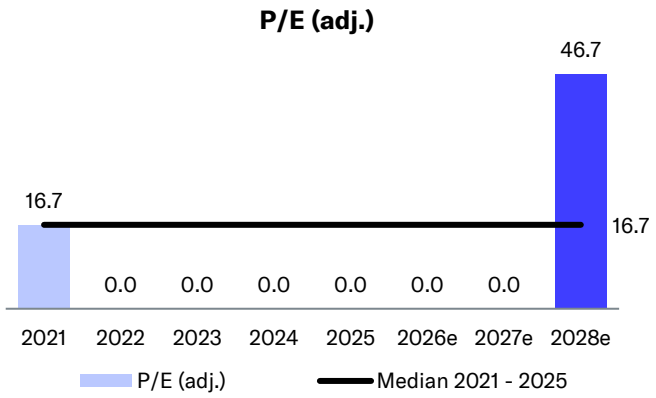
Valuation	2026e	2027e	2028e
Share price	0.50	0.50	0.50
Number of shares, millions	135.3	135.3	135.3
Market cap	68	68	68
EV	137	143	140
P/E (adj.)	neg.	neg.	46.7
P/E	neg.	neg.	46.7
P/B	0.6	0.7	0.7
P/S	0.2	0.1	0.1
EV/Sales	0.3	0.3	0.3
EV/EBITDA	15.9	9.1	5.2
EV/EBIT (adj.)	neg.	36.2	13.4
Payout ratio (%)	0%	0%	0%
Dividend yield-%	0.0 %	0.0 %	0.0 %

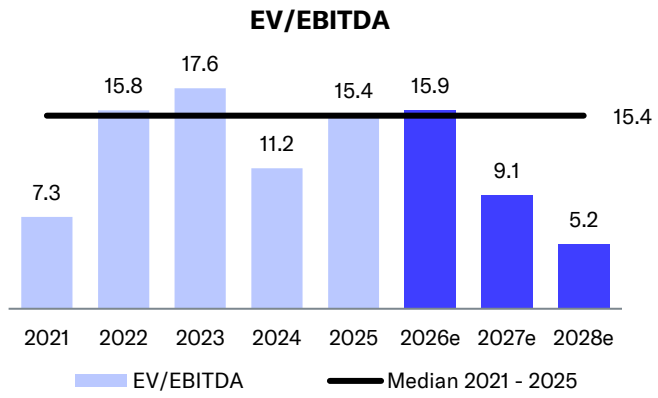
Source: Inderes

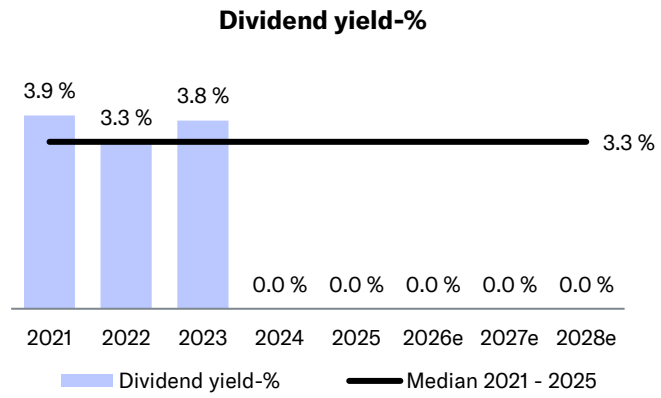
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	5.18	3.00	2.66	2.28	1.68	**0.50**	**0.50**	**0.50**	**0.50**
Number of shares, millions	57.5	57.5	57.7	57.7	57.8	**135.3**	**135.3**	**135.3**	**135.3**
Market cap	298	172	153	132	97	**68**	**68**	**68**	**68**
EV	345	226	197	192	174	**137**	**143**	**140**	**135**
P/E (adj.)	16.7	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**46.7**	**18.8**
P/E	14.4	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**46.7**	**18.8**
P/B	1.8	1.2	1.2	1.1	1.0	**0.6**	**0.7**	**0.7**	**0.6**
P/S	0.7	0.3	0.3	0.3	0.2	**0.2**	**0.1**	**0.1**	**0.1**
EV/Sales	0.8	0.5	0.4	0.4	0.4	**0.3**	**0.3**	**0.3**	**0.3**
EV/EBITDA	7.3	15.8	17.6	11.2	15.4	**15.9**	**9.1**	**5.2**	**4.5**
EV/EBIT (adj.)	12.8	neg.	neg.	neg.	neg.	**neg.**	**36.2**	**13.4**	**10.7**
Payout ratio (%)	55.4 %	neg.	neg.	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	**50.0 %**
Dividend yield-%	3.9 %	3.3 %	3.8 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	**2.7 %**

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**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**	**2027e**	**2026e**
Huhtamäki	2884	4165	11.3	10.4	7.1	6.8	1.1	1.0	11.0	10.9	4.4	4.4	1.4
Duni	292	601	17.2	11.0	9.1	7.0	0.9	0.8	20.7	9.9	8.1	8.4	1.0
Riverstone	760	633	10.6	9.6	8.4	7.7	2.8	2.6	16.0	14.4	6.9	8.0	2.4
Magnera	403	1846	11.8	10.7	5.5	5.3	0.6	0.6	8.2	6.2			
Suominen (Inderes)	**68**	**137**	**-194.3**	**36.2**	**15.9**	**9.1**	**0.3**	**0.3**	**-10.5**	**-12.2**	**0.0**	**0.0**	**0.6**
Average			**12.7**	**10.4**	**7.5**	**6.7**	**1.3**	**1.3**	**14.0**	**10.3**	**6.4**	**6.9**	**1.6**
Median			**11.6**	**10.6**	**7.7**	**6.9**	**1.0**	**0.9**	**13.5**	**10.4**	**6.9**	**8.0**	**1.4**
Diff-% to median			**-1778%**	**243%**	**105%**	**32%**	**-65%**	**-66%**	**-178%**	**-218%**	**-100%**	**-100%**	**-58%**

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**462**	**118**	**99.8**	**99.8**	**95.3**	**412**	**95.6**	**106**	**101**	**105**	**408**	**451**	**460**	**469**
EBITDA	**17.1**	**4.0**	**2.3**	**3.6**	**1.3**	**11.3**	**-0.4**	**2.3**	**3.6**	**3.1**	**8.5**	**15.8**	**27.2**	**29.8**
Depreciation	-18.4	-4.4	-4.2	-4.1	-4.6	-17.2	-4.0	-4.1	-4.0	-4.2	-16.3	-16.9	-16.8	-17.2
EBIT (excl. NRI)	**-1.6**	**-0.3**	**-1.3**	**-0.3**	**-2.2**	**-4.1**	**-1.9**	**0.2**	**1.1**	**-0.1**	**-0.7**	**4.0**	**10.4**	**12.6**
EBIT	**-1.3**	**-0.3**	**-1.9**	**-0.5**	**-3.2**	**-5.9**	**-4.4**	**-1.8**	**-0.5**	**-1.1**	**-7.8**	**-1.0**	**10.4**	**12.6**
Net financial items	-4.1	-1.9	-2.9	-1.3	-1.4	-7.5	-1.0	-1.2	-1.2	-1.2	-4.6	-8.5	-8.0	-8.0
PTP	**-5.3**	**-2.2**	**-4.8**	**-1.8**	**-4.6**	**-13.4**	**-5.4**	**-3.0**	**-1.7**	**-2.3**	**-12.4**	**-9.5**	**2.4**	**4.6**
Taxes	0.1	0.0	0.5	0.1	0.7	1.3	-0.3	0.0	-1.3	0.5	-1.1	-1.0	-1.0	-1.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings	**-5.3**	**-2.2**	**-4.3**	**-1.7**	**-3.9**	**-12.1**	**-5.7**	**-3.0**	**-3.0**	**-1.8**	**-13.6**	**-10.5**	**1.4**	**3.6**
EPS (adj.)	**-0.10**	**-0.04**	**-0.06**	**-0.03**	**-0.05**	**-0.18**	**-0.03**	**-0.01**	**-0.01**	**-0.01**	**-0.05**	**-0.04**	**0.01**	**0.03**
EPS (rep.)	**-0.09**	**-0.04**	**-0.07**	**-0.03**	**-0.07**	**-0.21**	**-0.06**	**-0.02**	**-0.02**	**-0.01**	**-0.10**	**-0.08**	**0.01**	**0.03**

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	2.6 %	3.4 %	-15.9 %	-10.5 %	-19.6 %	-10.8 %	-18.6 %	5.8 %	1.3 %	10.6 %	-1.1 %	10.6 %	2.0 %	2.0 %
Adjusted EBIT growth-%	42.6 %	-209.0 %	-422.7 %	80.0 %	-516.7 %	-164.1 %	-515%	118%	457%	95%	83%	661%	164.4 %	20.6 %
EBITDA-%	3.7 %	3.4 %	2.3 %	3.6 %	1.4 %	2.7 %	-0.4 %	2.1 %	3.5 %	2.9 %	2.1 %	3.5 %	5.9 %	6.4 %
Adjusted EBIT-%	-0.3 %	-0.3 %	-1.3 %	-0.3 %	-2.3 %	-1.0 %	-2.0 %	0.2 %	1.1 %	-0.1 %	-0.2 %	0.9 %	2.3 %	2.7 %
Net earnings-%	-1.1 %	-1.9 %	-4.3 %	-1.7 %	-4.1 %	-2.9 %	-6.0 %	-2.9 %	-3.0 %	-1.7 %	-3.3 %	-2.3 %	0.3 %	0.8 %

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**	**160**	**159**	**158**
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	140	140	138
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	2.4	2.4	2.4
Current assets	**158**	**118**	**126**	**122**	**124**
Inventories	47.5	40.4	45.7	45.1	46.0
Other current assets	6.6	7.5	9.0	9.0	9.0
Receivables	62.5	38.1	38.7	40.6	41.4
Cash and equivalents	41.3	32.1	32.6	27.1	27.6
Balance sheet total	**310**	**272**	**286**	**281**	**282**

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**118**	**96.1**	**112**	**102**	**103**
Share capital	11.9	11.9	11.9	11.9	11.9
Retained earnings	1.6	-9.9	-19.9	-30.5	-29.0
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	104	94.2	120	120	120
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**67.9**	**111**	**56.5**	**93.0**	**91.2**
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	51.5	88.0	86.2
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**	**118**	**86.7**	**87.7**
Interest bearing debt	42.9	2.8	50.4	14.5	14.1
Payables	81.8	62.0	67.3	72.2	73.6
Other current liabilities	0.4	0.0	0.0	0.0	0.0
Balance sheet total	**311**	**272**	**286**	**281**	**282**

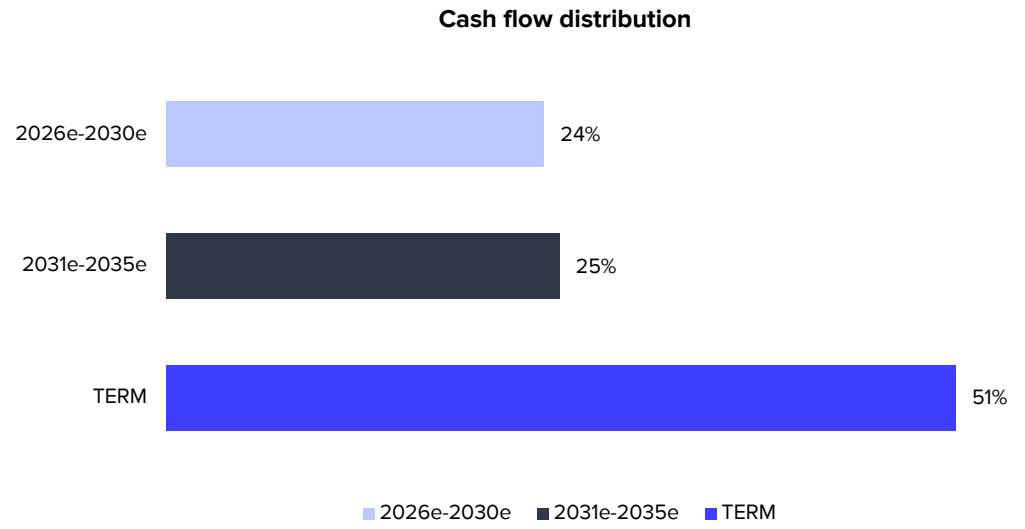
DCF calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-10.8 %	-1.1 %	10.6 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	-1.4 %	-1.9 %	-0.2 %	2.3 %	2.7 %	3.0 %	3.5 %	3.5 %	3.5 %	3.7 %	3.7 %	3.7 %
EBIT (operating profit)	**-5.9**	**-7.8**	**-1.0**	**10.4**	**12.6**	**14.4**	**17.1**	**17.4**	**17.8**	**19.2**	**19.6**	
+ Depreciation	17.2	16.4	16.9	16.8	17.2	17.0	16.7	16.6	16.5	16.5	16.5	
- Paid taxes	-3.7	0.1	-1.0	-1.0	-1.0	-0.9	-2.4	-2.7	-2.9	-3.3	-3.4	
- Tax, financial expenses	-0.7	0.4	0.9	-2.0	-1.7	-0.8	-1.1	-1.1	-1.0	-0.9	-0.9	
+ 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	-2.1	3.6	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	2.3	-0.3	
Operating cash flow	**17.2**	**7.0**	**19.3**	**23.9**	**26.8**	**29.3**	**30.1**	**29.9**	**30.1**	**33.7**	**31.5**	
+ 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	-23.6	-16.1	-15.1	-15.1	-17.1	-15.7	-16.0	-16.3	-16.6	-19.3	
Free operating cash flow	**-0.8**	**-16.6**	**3.2**	**8.8**	**11.7**	**12.3**	**14.5**	**13.9**	**13.8**	**17.1**	**12.2**	
+/- Other	0.0	26.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-0.8	9.4	3.2	8.8	11.7	12.3	14.5	13.9	13.8	17.1	12.2	173
Discounted FCFF		**9.3**	**2.9**	**7.3**	**8.9**	**8.5**	**9.2**	**8.1**	**7.3**	**8.3**	**5.4**	**77**
Sum of FCFF present value		152	143	140	133	124	115	106	98.0	90.7	82.3	77

Enterprise value DCF	**152**
- Interest bearing debt	-109
+ Cash and cash equivalents	32
+ Associated companies	0
-Minorities	0
-Dividend/capital return	0
Equity value DCF	**75**
Equity value DCF per share	**0.55**

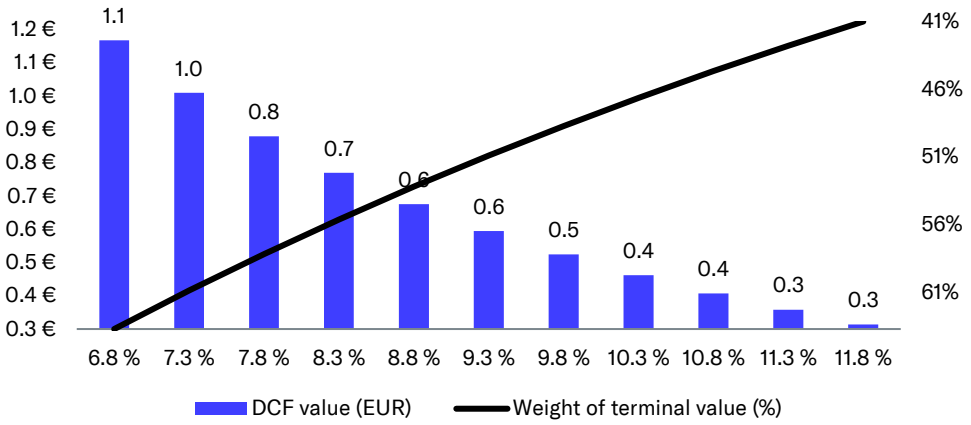
WACC	
Tax-% (WACC)	25.0 %
Target debt ratio (D/(D+E)	20.0 %
Cost of debt	6.0 %
Equity Beta	1.36
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	3.0 %
Cost of equity	**10.4 %**
Weighted average cost of capital (WACC)	**9.3 %**

Source: Inderes

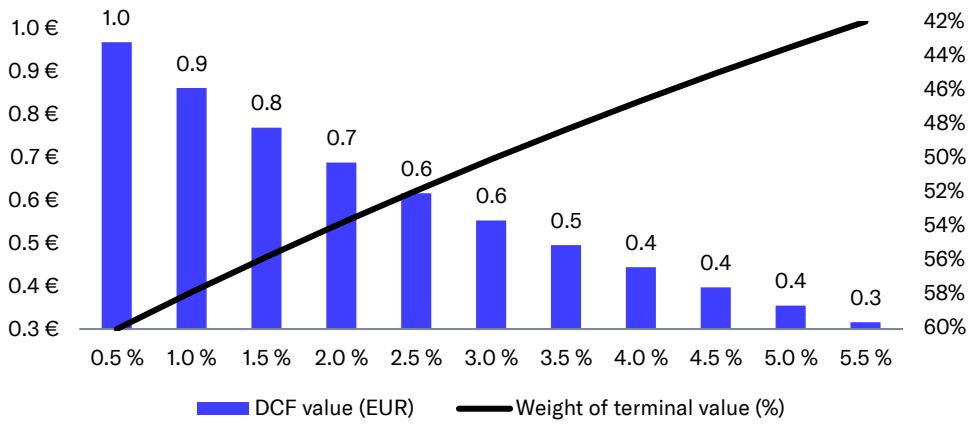


DCF sensitivity calculations and key assumptions in graphs

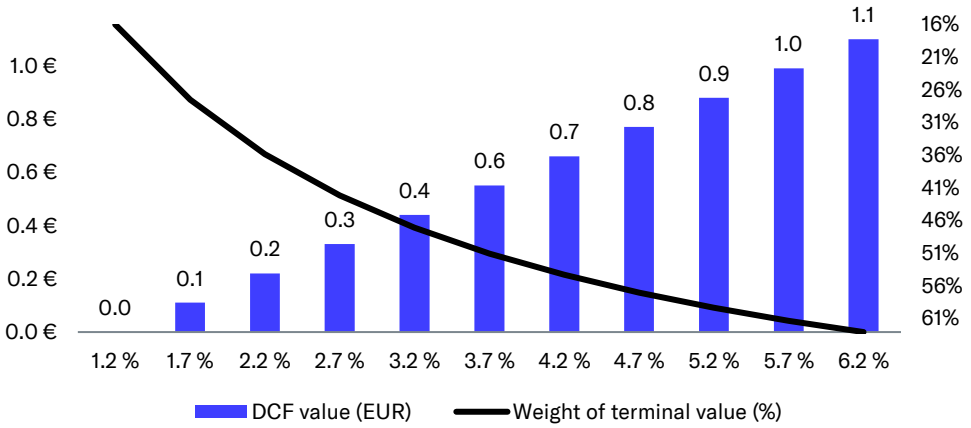
Sensitivity of DCF to changes in the WACC-%



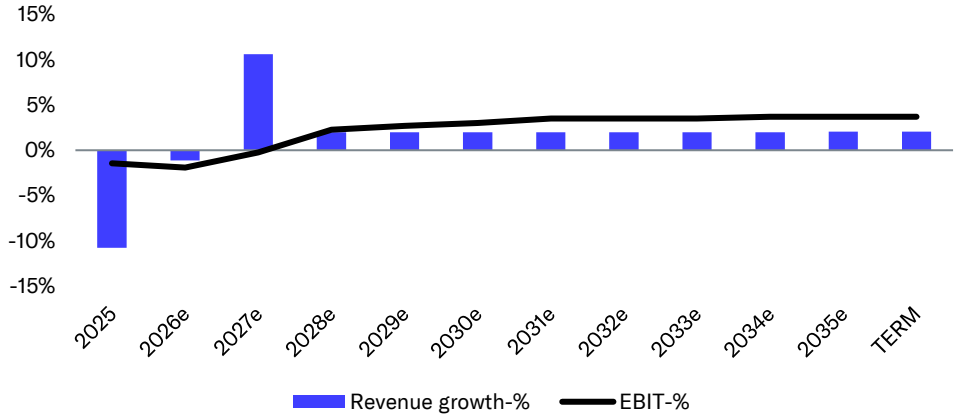
Sensitivity of DCF to changes in the risk-free rate



Sensitivity of DCF to changes in the terminal EBIT margin



Growth and profitability assumptions in the DCF calculation



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

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	450.8	462.3	412.4	**407.7**	**451.0**
EBITDA	11.2	17.1	11.3	**8.6**	**15.8**
EBIT	-7.5	-1.3	-5.9	**-7.8**	**-1.0**
PTP	-13.5	-5.3	-13.4	**-12.4**	**-9.5**
Net Income	-12.8	-5.3	-12.1	**-13.5**	**-10.5**
Extraordinary items	-4.8	0.3	-1.8	**-7.1**	**-5.0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	316.4	310.4	272.4	**286.3**	**281.3**
Equity capital	124.9	117.6	96.1	**112.1**	**101.5**
Goodwill	15.5	15.5	15.5	**15.5**	**15.5**
Net debt	43.5	60.5	77.1	**69.3**	**75.5**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	11.2	17.1	11.3	**8.6**	**15.8**
Change in working capital	28.9	-3.8	10.3	**-2.1**	**3.6**
Operating cash flow	36.8	11.7	17.2	**7.0**	**19.3**
CAPEX	-10.8	-22.7	-17.7	**-23.6**	**-16.1**
Free cash flow	24.4	-10.8	-0.8	**9.4**	**3.2**

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	-0.22	-0.09	-0.21	**-0.10**	**-0.08**
EPS (adj.)	-0.14	-0.10	-0.18	**-0.05**	**-0.04**
OCF / share	0.64	0.20	0.30	**0.05**	**0.14**
OFCF / share	0.42	-0.19	-0.01	**0.07**	**0.02**
Book value / share	2.17	2.04	1.66	**0.83**	**0.75**
Dividend / share	0.10	0.00	0.00	**0.00**	**0.00**

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	-9%	3%	-11%	**-1%**	**11%**
EBITDA growth-%	-22%	53%	-34%	**-24%**	**83%**
EBIT (adj.) growth-%	35%	43%	-164%	**83%**	**661%**
EPS (adj.) growth-%	12%	30%	-84%	**73%**	**14%**
EBITDA-%	2.5 %	3.7 %	2.7 %	**2.1 %**	**3.5 %**
EBIT (adj.)-%	-0.6 %	-0.3 %	-1.0 %	**-0.2 %**	**0.9 %**
EBIT-%	-1.7 %	-0.3 %	-1.4 %	**-1.9 %**	**-0.2 %**
ROE-%	-9.4 %	-4.3 %	-11.3 %	**-13.0 %**	**-9.9 %**
ROI-%	-3.2 %	-0.6 %	-2.8 %	**-3.7 %**	**-0.5 %**
Equity ratio	39.5 %	37.9 %	35.3 %	**39.2 %**	**36.1 %**
Gearing	34.8 %	51.5 %	80.2 %	**61.8 %**	**74.4 %**
Net debt/EBITDA	3.9	3.5	6.8	**8.0**	**4.8**
EBITDA/net financials	1.9	4.2	1.5	**1.9**	**1.9**

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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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
10/27/2022	Accumulate	3.00 €	2.48 €
12/14/2022	Reduce	3.00 €	3.10 €
1/11/2023	Reduce	3.00 €	3.00 €
2/6/2023	Reduce	3.00 €	3.08 €
5/5/2023	Reduce	2.80 €	2.88 €
8/10/2023	Sell	2.60 €	2.94 €
9/20/2023	Sell	2.60 €	2.84 €
10/30/2023	Reduce	2.60 €	2.66 €
2/7/2024	Reduce	2.50 €	2.66 €
5/8/2024	Reduce	2.50 €	2.56 €
8/12/2024	Reduce	2.45 €	2.68 €
11/7/2024	Sell	2.00 €	2.48 €
3/6/2025	Sell	1.90 €	2.10 €
5/8/2025	Sell	1.80 €	2.01 €
8/8/2025	Sell	1.70 €	1.88 €
10/16/2025	Reduce	1.60 €	1.67 €
10/30/2025	Reduce	1.60 €	1.68 €
1/30/2026	Sell	1.30 €	1.63 €
3/26/2026	Reduce	1.10 €	1.18 €
5/8/2026	Reduce	1.00 €	1.08 €
	Rights issue		
6/11/2026	Reduce	0.60 €	0.64 €
8/10/2026	Reduce	0.63 €	0.70 €
10/12/2026	Reduce	0.60 €	0.57 €
11/6/2026	Reduce	0.52 €	0.50 €



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