SUOMINEN

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This is a translated version of ”Heikko Q1, volyymikasvua mutta kulupainetta Q2:lle” report, published on 5/7/2026

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Weak Q1, volume growth but cost pressure for Q2

Suominen's Q1 result was weak. The company reiterated its guidance for an improved full-year result, but our forecast declined to last year's level. We still expect the company to make an equity financing solution this year to support its weak balance sheet. Following lower estimates, we lower the target price to EUR 1.0 (was EUR 1.1) and reiterate our Reduce recommendation.

Q1 revenue and earnings declined more than expected

Q1 revenue was 96 MEUR, which was about 5% below our expectations and down as much as 19% year-on-year. The decline was due to the after-effects of production disruptions in the US, which led some customers to use other suppliers, capacity changes in Europe, and a negative currency exchange impact of ~5 percentage points. Comparable EBITDA remained at 2.2 MEUR, which was clearly below our expectations (3.1 MEUR) and the comparison period (4.1 MEUR). Reported EBITDA turned negative (-0.3 MEUR) due to 2.5 MEUR in non-recurring items related to the profitability program and savings program. EPS was EUR -0.10 versus our estimate of EUR -0.04, reflecting both weaker operating profit and non-recurring items.

Guidance was reiterated, our forecast fell to last year's level

The company reiterated its guidance for the full year. The Q2 outlook was mixed. On the other hand, Suominen believes it can regain half of the volumes lost in the US due to production disruptions as early as Q2. In addition, it stated that the order book is increasing overall, which may be due to customers increasing their inventories ahead of price increases and potential availability issues. Thus, volume development in Q2 should be good, especially compared to the last two quarters. On the other hand, the increase in the price of oil-based raw materials and energy will start to be reflected in the company's costs during Q2. The company announced it has switched to monthly pricing as costs rise sharply, which helps pass on increased costs to customers. However, given the steep increase, we believe that rising costs will create a headwind for Suominen's earnings during Q2 and Q3.

Following the weak Q1 result, we significantly lowered our forecasts for both this year and next. Our adjusted EBITDA forecast for this year is now practically at the comparison period's level (13 MEUR), and thus, in our opinion, there is a clear downside risk to the guidance. However, we expect the adjusted EBITDA development to be on an upward trend towards the end of the year.

In our view, the balance sheet requires a correction this year

The company's net debt/adj. EBITDA was already over 6x at the end of 2025, and the company has renegotiated its covenants. In our forecasts, indebtedness will not improve this year through operational development. For this reason, we expect the company to issue a 25 MEUR hybrid bond this year (which is recognized as equity in accounting). We believe that with this support, the company will also be able to arrange the refinancing of the 50 MEUR bond maturing next year, as the hybrid bond would strengthen the company's cash position and balance sheet ratios. The interest expenses of the hybrid bond will decrease our EPS estimates. As an alternative to a hybrid loan, we see a share issue.

Share prices in a clear earnings improvement, the expected return is weak

The share price is so high relative to earnings that it requires several years of strong earnings growth before the valuation is at a justified level. On our estimates, the company's EPS will not turn positive until 2029. Considering the limited competitive advantages, we do not believe that the company will be able to achieve a return on capital that is sustainably above the required return in the long term. The value of our DCF model, which assumes a clearly better long-term margin than the current one, is EUR 1.0.

Recommendation
Reduce
(was Reduce)

Target price:
EUR 1.00
(was EUR 1.10)

Share price:
EUR 1.08

Business risk

●●●○○

Valuation risk

●●●●○

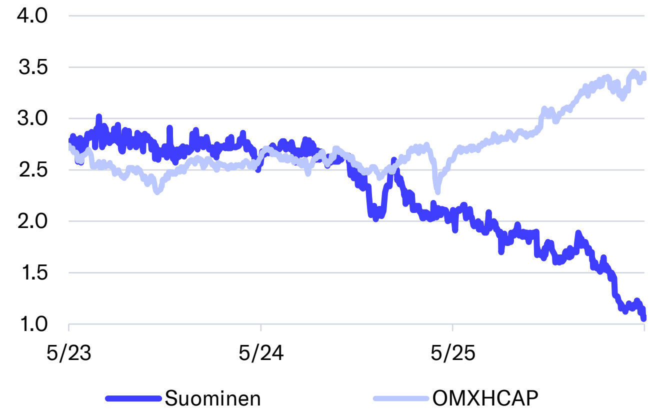
	2025	2026e	2027e	2028e
Revenue	412	423	453	462
growth-%	-11%	3%	7%	2%
EBIT adj.	-4.1	-4.5	1.3	8.5
EBIT-% adj.	-1.0 %	-1.1 %	0.3 %	1.8 %
Net Income	-12.1	-15.9	-7.2	2.0
EPS (adj.)	-0.18	-0.15	-0.09	-0.01
P/E (adj.)	neg.	neg.	neg.	neg.
P/B	1.0	0.8	0.9	0.9
Dividend yield-%	0.0 %	0.0 %	0.0 %	0.0 %
EV/EBIT (adj.)	neg.	neg.	>100	18.4
EV/EBITDA	15.4	29.5	10.5	5.8
EV/S	0.4	0.4	0.3	0.3

Source: Inderes

Guidance (Unchanged)

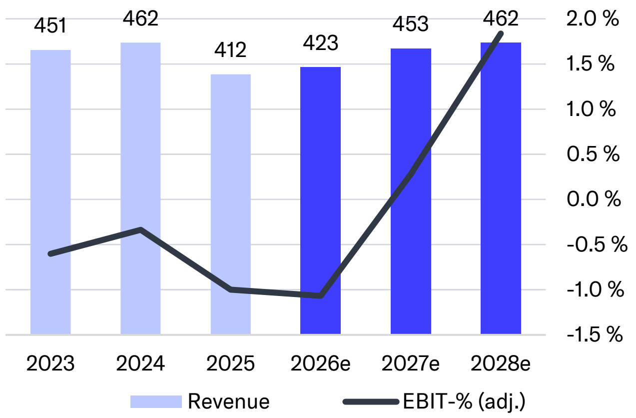
Suominen expects that its comparable EBITDA in 2026 will increase from 2025 (12.6 MEUR)..

Share price



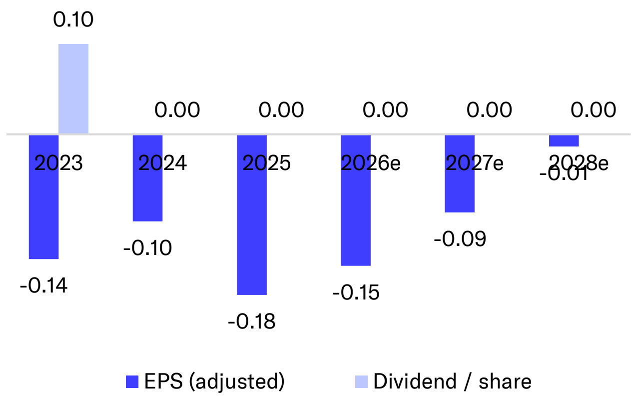
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

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

Risk factors

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

Valuation	2026e	2027e	2028e
Share price	1.08	1.08	1.08
Number of shares, millions	57.8	57.8	57.8
Market cap	62	62	62
EV	153	159	156
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	0.8	0.9	0.9
P/S	0.1	0.1	0.1
EV/Sales	0.4	0.3	0.3
EV/EBITDA	29.5	10.5	5.8
EV/EBIT (adj.)	neg.	>100	18.4
Payout ratio (%)	0%	0%	0%
Dividend yield-%	0.0 %	0.0 %	0.0 %

Source: Inderes

Revenue and earnings fell more than expected from the comparison period

Revenue was clearly below expectations

Q1 revenue was 96 MEUR, which was ~5% below our expectations (101 MEUR) and as much as 19% below the comparison period. The decline was due to the after-effects of production disruptions in the US, which led some customers to continue using other suppliers, capacity changes in Europe, and a negative currency effect of approximately 5 percentage points. The weakening product mix also weighed on revenue development. Revenue in the Americas region decreased from 74 MEUR to 56 MEUR, and in the EMEA region from 44 MEUR to 40.0 MEUR.

Earnings fell short of expectations and landed clearly below the comparison period

Comparable EBITDA remained at 2.2 MEUR, which was clearly below our expectations (3.1 MEUR) and the comparison period (4.1 MEUR). The adjusted operating loss deepened to -1.9 MEUR (our estimate -1.3 MEUR, Q1'25: -0.3 MEUR). Reported EBITDA turned negative (-0.3 MEUR) due to 2.5 MEUR in comparability items related to the profitability program and savings program. EPS was EUR -0.10 versus our estimate of EUR -0.04, reflecting both weaker operating profit and non-recurring items.

Cash flow was a small bright spot

Cash flow from operating activities was +4.5 MEUR (Q1'25: -0.4 MEUR), which was a positive surprise given the weak result. 6 MEUR of working capital was released as accounts receivable and inventories decreased. This was supported by the company's increased sales of trade receivables. With declining volumes, working capital is also naturally released, which we do not believe is sustainable. With the increase in prices for oil-based raw materials that began in March, we believe the value of the company's inventories will turn to growth in the future.

Balance sheet requires action, we expect a hybrid bond

The company's balance sheet position remained weak, with net debt/adj. EBITDA exceeding 5x. The company has renegotiated its covenants to avoid breaching them. In practice, we believe covenants have been temporarily raised, which is expected to result in higher financing costs for Suominen.

The company has a bond maturing in June 2027, which is due for refinancing this year. In addition, the company's CEO has stated that the implementation of the new efficiency program will likely require additional financing, and in our view, this could be equity.

With the current figures, we believe it is difficult to obtain new debt financing, and merely refinancing the bond could be challenging or at least very expensive. Our forecasts assume that the company will issue a 25 MEUR hybrid bond this year, with an interest rate exceeding 10% per annum. In our view, this would also enable the bond refinancing, which, without equity financing, would be challenging or at least lead to a very high interest rate.

Estimates MEUR / EUR	Q1'25 Comparison	Q1'26 Actualized	Q1'26e Inderes	Q1'26e Consensus	Difference (%) Act. vs. inderes	2026e Inderes
Revenue	118	96	101	103	-5%	423
EBITDA (adj.)	4.0	2.2	3.1	3.3	-30%	12.7
EBITDA	4.0	-0.3	3.1	-	-110%	5.2
EBIT (adj.)	-0.3	-1.9	-1.3	-0.8	-51%	-4.5
EPS (reported)	-0.04	-0.10	-0.04	-0.04	-156%	-0.28
Revenue growth-%	3.4 %	-18.6 %	-14.3 %	-12.3 %	-4.3 pp	2.7 %
EBIT-% (adj.)	-0.3 %		-1.2 %	-0.8 %	1.2 pp	-1.1 %

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

Suominen Q1'26: Production disturbances weighed on volumes

Forecasts continue to decline

Full-year guidance was repeated

The company reiterated its guidance and expects comparable EBITDA to improve from 2025 (12.6 MEUR). The Q2 outlook was mixed. On the other hand, Suominen believes it can regain half of the volumes lost in the US due to production disruptions as early as Q2. In addition, the company stated that the order book is increasing overall, which may be due to customers placing orders ahead of price increases and potential availability issues. Thus, volume development in Q2 should be good, especially compared to the last two quarters.

On the other hand, the increase in the price of oil-based raw materials and energy will start to be reflected in the company's costs during Q2. The company announced it has switched to monthly pricing as costs rise sharply, which helps pass on increased costs to customers. However, given the steep increase, we believe that rising costs will create a headwind for Suominen's earnings during Q2 and Q3.

The company continues to implement both the earlier program aimed at saving 10 MEUR in fixed costs and the more comprehensive efficiency program launched earlier this year, which extends until 2028. These programs will yield benefits gradually, but so far, the efficiency gains of recent years have not been reflected in Suominen's results.

Estimates down

Following the weak Q1 result, we lowered our forecasts for both this year and next. Our adjusted EBITDA forecast for this year is now practically at the comparison period's level (13 MEUR), and thus, in our opinion, there is a clear downside risk to the guidance. However, we expect the adjusted EBITDA development to be on an upward trend towards the end of the year.

Efficiency program targets a 10% adj. EBITDA margin by 2028

Suominen announced a comprehensive efficiency program in connection with its Q4 earnings release. The program aims to turn the company's profitability to an adjusted EBITDA margin level of 10% in 2028, compared to 3-4% in recent years. In connection with this, all expense items will be reviewed, but the focus is on improving production efficiency, utilization rates, and production reliability. Further, in addition to cost efficiency, 20 MEUR will be invested in improving the plants in the coming years, in addition to normal maintenance investments. The program may also include capacity reduction if volumes do not increase from current levels.

The targeted adj. EBITDA margin is slightly lower than the company's official financial target (12%), but very ambitious compared to our estimates (2028: ~6%). We do not believe the company will fully capture all the efficiency benefits, as some will be used to manage cost inflation and be passed on to customer prices.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	421	423	1%	451	453	1%	460	462	1%
EBITDA	10.6	5.2	-51%	20.0	15.0	-25%	27.4	26.9	-2%
EBIT (exc. NRIs)	-2.8	-4.5	-59%	6.4	1.3	-80%	9.1	8.5	-7%
EBIT	-7.8	-12.0	-53%	1.4	-3.7	-365%	9.1	8.5	-7%
PTP	-12.6	-16.6	-31%	-4.2	-9.7	-132%	3.7	2.6	-29%
EPS (excl. NRIs)	-0.11	-0.15	-31%	-0.02	-0.09	-471%	0.00	-0.01	-1690%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

Source: Inderes

Suominen, Audiocast, Q1'26

Valuation is high

The price already reflects expectations of a significantly better performance

We value Suominen using earnings- and balance sheet-based multiples and the DCF model. The earnings improvement we forecast will be spent digesting multiples over the next few years, and even at a much better earnings level (2028), we think the valuation is high. With dividends at zero in the coming years, it also does not provide support for earnings expectations in the coming years. In addition, the company's share value is at risk due to additional funding needs, which may have to be partially financed with equity instruments, such as a hybrid loan or a share issue. Thus, we see our expected return as very weak.

Multiples remain high through the forecast years

Due to the poor result, valuation multiples for 2022-26 cannot be calculated or they are high, and we feel the earnings level does not depict the company's potential. We have previously considered an EBIT level of 15-20 MEUR to be a more normal and realistic level for the company. At the current revenue level, the company's targeted 10% adj. EBITDA margin would imply an adj. EBIT of around 23 MEUR. Considering the persistently unprofitable earnings in recent years, our assumption appears optimistic for the coming years, and we do not estimate earnings of that level until the 2030s. For our estimate years 2026-28, earnings multiples are high, whether looking at P/E or EV/EBIT. We feel Suominen's acceptable valuation multiples are P/E around 10-12x and EV/EBIT 9-11x. The multiples fall within this range in our projections only in the 2030s and require a significant earnings improvement.

Our estimates indicate that Suominen's return on equity will even turn negative in the coming years, but in any case, it will be clearly below the required return. Therefore, the P/B ratio should be below 1x, while it is currently exactly 1x.

DCF model value EUR 1.0

The value of the DCF model is around EUR 1.0, which is in line with our target price. This decreased from the previous EUR 1.3 mainly due to weaker earnings in the coming years and a decrease in the longer-term margin assumption. The model assumes a longer-term EBIT margin of ~3.5% (was 4.0%) and thus an EBIT of ~20 MEUR. This would require a gross margin of over 10%, a level that the company has occasionally achieved in the past. We note that the long-term margin assumption is well above the levels achieved in recent years and projected for the coming years. The estimates are based on assumptions of an improvement in Suominen's own competitiveness, i.e., cost-efficiency (which the program announced in connection with Q4 aims for), and a reduction in overcapacity in the European market. We use a WACC of 8.6% for Suominen, which is decreased by the rather high indebtedness, with our required return on equity being around 10%. The value of the company's share capital is ~60 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.

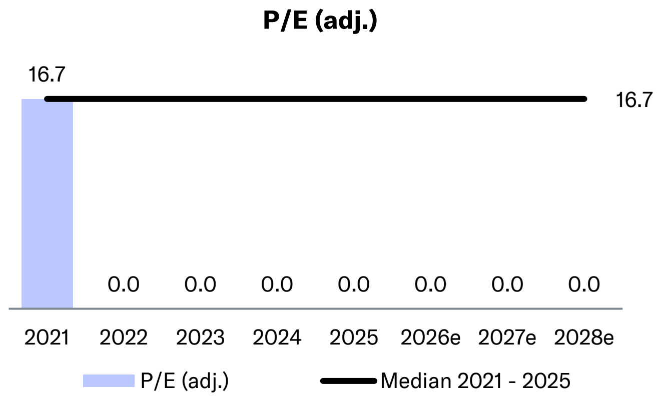
Valuation	2026e	2027e	2028e
Share price	1.08	1.08	1.08
Number of shares, millions	57.8	57.8	57.8
Market cap	62	62	62
EV	153	159	156
P/E (adj.)	neg.	neg.	neg.
P/E	neg.	neg.	neg.
P/B	0.8	0.9	0.9
P/S	0.1	0.1	0.1
EV/Sales	0.4	0.3	0.3
EV/EBITDA	29.5	10.5	5.8
EV/EBIT (adj.)	neg.	>100	18.4
Payout ratio (%)	0%	0%	0%
Dividend yield-%	0.0 %	0.0 %	0.0 %

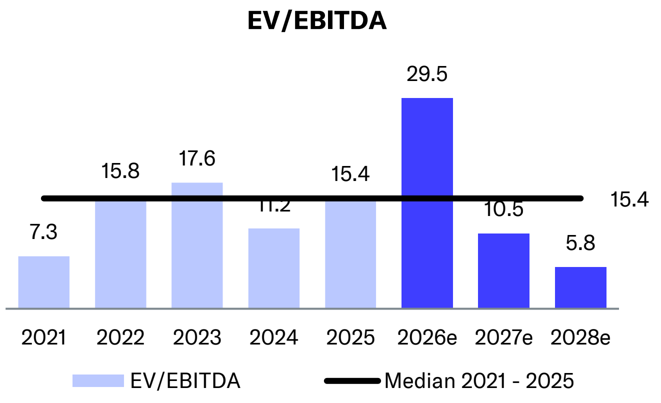
Source: Inderes

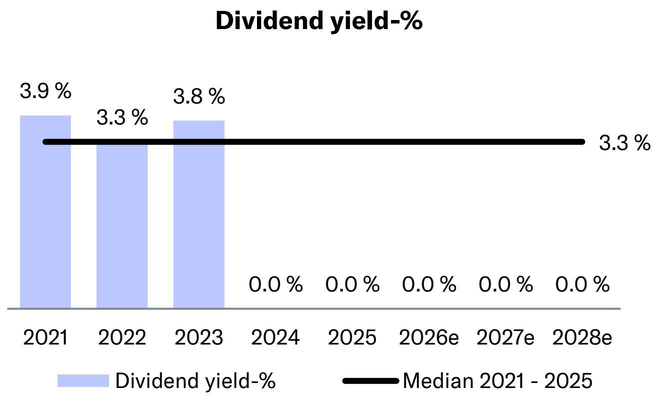
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	5.18	3.00	2.66	2.28	1.68	**1.08**	**1.08**	**1.08**	**1.08**
Number of shares, millions	57.5	57.5	57.7	57.7	57.8	**57.8**	**57.8**	**57.8**	**57.8**
Market cap	298	172	153	132	97	**62**	**62**	**62**	**62**
EV	345	226	197	192	174	**153**	**159**	**156**	**150**
P/E (adj.)	16.7	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**neg.**	**24.1**
P/E	14.4	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**neg.**	**24.1**
P/B	1.8	1.2	1.2	1.1	1.0	**0.8**	**0.9**	**0.9**	**0.9**
P/S	0.7	0.3	0.3	0.3	0.2	**0.1**	**0.1**	**0.1**	**0.1**
EV/Sales	0.8	0.5	0.4	0.4	0.4	**0.4**	**0.3**	**0.3**	**0.3**
EV/EBITDA	7.3	15.8	17.6	11.2	15.4	**29.5**	**10.5**	**5.8**	**4.8**
EV/EBIT (adj.)	12.8	neg.	neg.	neg.	neg.	**neg.**	**>100**	**18.4**	**11.6**
Payout ratio (%)	55.4 %	neg.	neg.	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	**50.0 %**
Dividend yield-%	3.9 %	3.3 %	3.8 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**0.0 %**	**4.3 %**

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	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	2996	4283	10.5	9.9	6.8	6.5	1.1	1.0	11.0	10.3	4.2	4.4	1.4
Duni	414	608	11.3	9.6	7.3	6.5	0.8	0.8	12.3	10.3	5.9	6.3	1.3
Sealed Air	5339	8505	11.0	10.3	8.5	8.1	1.8	1.8	12.2	11.1	1.9	2.0	4.3
Riverstone	681	546	9.7	8.5	7.6	6.8	2.4	2.2	15.0	13.1	5.5	7.0	2.0
Magnera	280	1720	11.3	10.1	5.2	5.0	0.6	0.6	602.7	8.8			
Suominen (Inderes)	**62**	**153**	**-33.8**	**125.9**	**29.5**	**10.5**	**0.4**	**0.3**	**-7.4**	**-12.5**	**0.0**	**0.0**	**0.8**
Average			**10.8**	**9.7**	**7.1**	**6.6**	**1.3**	**1.3**	**130.6**	**10.7**	**4.4**	**4.9**	**2.3**
Median			**11.0**	**9.9**	**7.3**	**6.5**	**1.1**	**1.0**	**12.3**	**10.3**	**4.9**	**5.3**	**1.7**
Diff-% to median			**-408%**	**1172%**	**302%**	**61%**	**-66%**	**-66%**	**-160%**	**-221%**	**-100%**	**-100%**	**-55%**

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**462**	**118**	**99.8**	**99.8**	**95.3**	**412**	**95.6**	**113**	**110**	**105**	**423**	**453**	**462**	**471**
EBITDA	**17.1**	**4.0**	**2.3**	**3.6**	**1.3**	**11.3**	**-0.4**	**1.0**	**1.8**	**2.8**	**5.2**	**15.0**	**26.9**	**31.5**
Depreciation	-18.4	-4.4	-4.2	-4.1	-4.6	-17.2	-4.0	-4.2	-4.5	-4.5	-17.2	-18.8	-18.4	-18.6
EBIT (excl. NRI)	**-1.6**	**-0.3**	**-1.3**	**-0.3**	**-2.2**	**-4.1**	**-1.9**	**-1.2**	**-0.7**	**-0.7**	**-4.5**	**1.3**	**8.5**	**13.0**
EBIT	**-1.3**	**-0.3**	**-1.9**	**-0.5**	**-3.2**	**-5.9**	**-4.4**	**-3.2**	**-2.7**	**-1.7**	**-12.0**	**-3.7**	**8.5**	**13.0**
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	-5.9	-5.8	-5.9
PTP	**-5.3**	**-2.2**	**-4.8**	**-1.8**	**-4.6**	**-13.4**	**-5.4**	**-4.4**	**-3.9**	**-2.9**	**-16.6**	**-9.7**	**2.6**	**7.1**
Taxes	0.1	0.0	0.5	0.1	0.7	1.3	-0.3	0.2	0.3	0.5	0.7	2.4	-0.7	-1.8
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**	**-4.2**	**-3.6**	**-2.4**	**-15.9**	**-7.2**	**2.0**	**5.3**
EPS (adj.)	**-0.10**	**-0.04**	**-0.06**	**-0.03**	**-0.05**	**-0.18**	**-0.06**	**-0.04**	**-0.03**	**-0.02**	**-0.15**	**-0.09**	**-0.01**	**0.04**
EPS (rep.)	**-0.09**	**-0.04**	**-0.07**	**-0.03**	**-0.07**	**-0.21**	**-0.10**	**-0.07**	**-0.06**	**-0.04**	**-0.28**	**-0.17**	**-0.01**	**0.04**

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	2.6 %	3.4 %	-15.9 %	-10.5 %	-19.6 %	-10.8 %	-18.6 %	13.2 %	10.1 %	10.1 %	2.7 %	7.0 %	2.0 %	2.0 %
Adjusted EBIT growth-%	42.6 %	-209.0 %	-422.7 %	80.0 %	-516.7 %	-164.1 %	-515%	3%	-136%	70%	-10%	128%	574.3 %	52.9 %
EBITDA-%	3.7 %	3.4 %	2.3 %	3.6 %	1.4 %	2.7 %	-0.4 %	0.8 %	1.6 %	2.7 %	1.2 %	3.3 %	5.8 %	6.7 %
Adjusted EBIT-%	-0.3 %	-0.3 %	-1.3 %	-0.3 %	-2.3 %	-1.0 %	-2.0 %	-1.1 %	-0.6 %	-0.6 %	-1.1 %	0.3 %	1.8 %	2.8 %
Net earnings-%	-1.1 %	-1.9 %	-4.3 %	-1.7 %	-4.1 %	-2.9 %	-6.0 %	-3.8 %	-3.3 %	-2.3 %	-3.8 %	-1.6 %	0.4 %	1.1 %

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**	**155**	**153**	**149**
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	134	131	128
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.6	0.6	0.6	0.6	0.6
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	2.3	3.6	3.6	3.6	3.6
Current assets	**158**	**118**	**122**	**118**	**121**
Inventories	47.5	40.4	42.3	43.0	43.9
Other current assets	6.6	7.5	7.5	7.5	7.5
Receivables	62.5	38.1	38.1	40.8	41.6
Cash and equivalents	41.3	32.1	33.9	27.2	27.7
Balance sheet total	**310**	**272**	**277**	**271**	**270**

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**118**	**96.1**	**105**	**95.2**	**94.4**
Share capital	11.9	11.9	11.9	11.9	11.9
Retained earnings	1.6	-9.9	-25.8	-35.8	-36.6
Hybrid bonds	0.0	0.0	25.0	25.0	25.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	104	94.2	94.2	94.2	94.2
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**67.9**	**111**	**90.3**	**89.7**	**88.3**
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	85.3	84.7	83.3
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**	**81.6**	**86.1**	**87.2**
Interest bearing debt	42.9	2.8	13.8	13.7	13.3
Payables	81.8	62.0	67.7	72.5	73.9
Other current liabilities	0.4	0.0	0.0	0.0	0.0
Balance sheet total	**311**	**272**	**277**	**271**	**270**

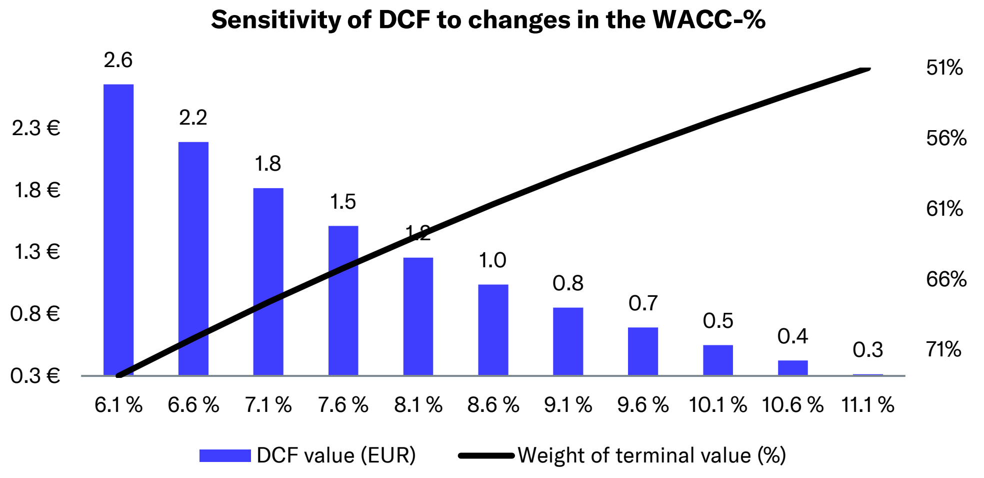
DCF calculation

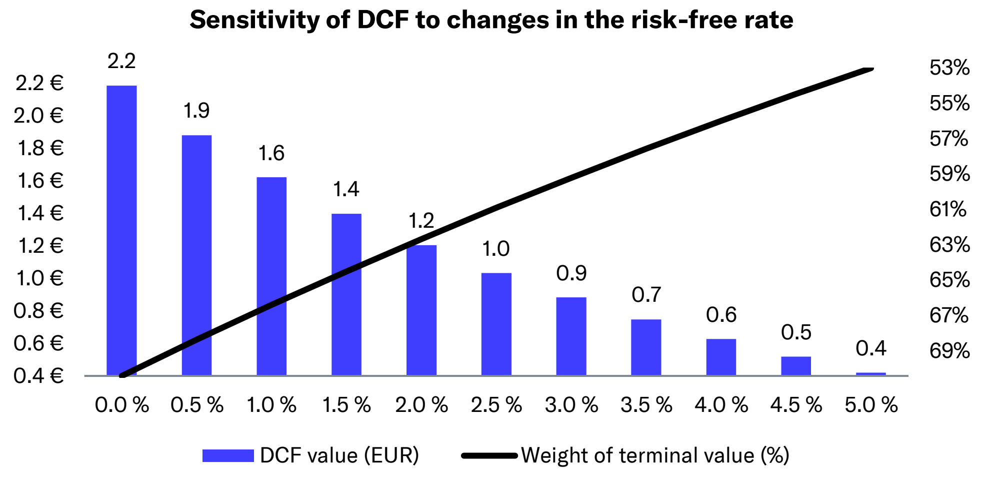
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-10.8 %	2.7 %	7.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	-1.4 %	-2.8 %	-0.8 %	1.8 %	2.8 %	3.0 %	3.5 %	3.5 %	3.5 %	3.6 %	3.6 %	3.6 %
EBIT (operating profit)	**-5.9**	**-12.0**	**-3.7**	**8.5**	**13.0**	**14.4**	**17.2**	**17.5**	**17.9**	**18.7**	**19.1**	
+ Depreciation	17.2	17.2	18.8	18.4	18.6	18.0	18.1	17.8	17.4	17.4	17.4	
- Paid taxes	-3.7	0.7	2.4	-0.7	-1.8	-2.0	-2.7	-2.9	-3.2	-3.5	-3.6	
- Tax, financial expenses	-0.7	-0.2	-1.5	-1.5	-1.5	-1.6	-1.5	-1.5	-1.3	-1.2	-1.2	
+ 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	3.8	1.4	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3	
Operating cash flow	**17.2**	**9.5**	**17.4**	**24.5**	**28.1**	**28.6**	**30.8**	**30.7**	**30.5**	**31.2**	**31.4**	
+ Change in other long-term liabilities	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-17.7	-18.1	-16.1	-15.1	-15.1	-20.4	-15.8	-15.3	-17.3	-17.3	-19.9	
Free operating cash flow	**-0.8**	**-8.6**	**1.3**	**9.4**	**13.0**	**8.3**	**15.0**	**15.4**	**13.2**	**13.9**	**11.6**	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-0.8	-8.6	1.3	9.4	13.0	8.3	15.0	15.4	13.2	13.9	11.6	181
Discounted FCFF		**-8.2**	**1.1**	**7.6**	**9.6**	**5.6**	**9.4**	**8.9**	**7.1**	**6.8**	**5.2**	**82**
Sum of FCFF present value		135	143	142	135	125	119	110	101	94.0	87.2	82
Enterprise value DCF		**135**										
- Interest bearing debt		-109										
+ Cash and cash equivalents		32										
+ Associated companies		0										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		**58**										
Equity value DCF per share		**1.00**										

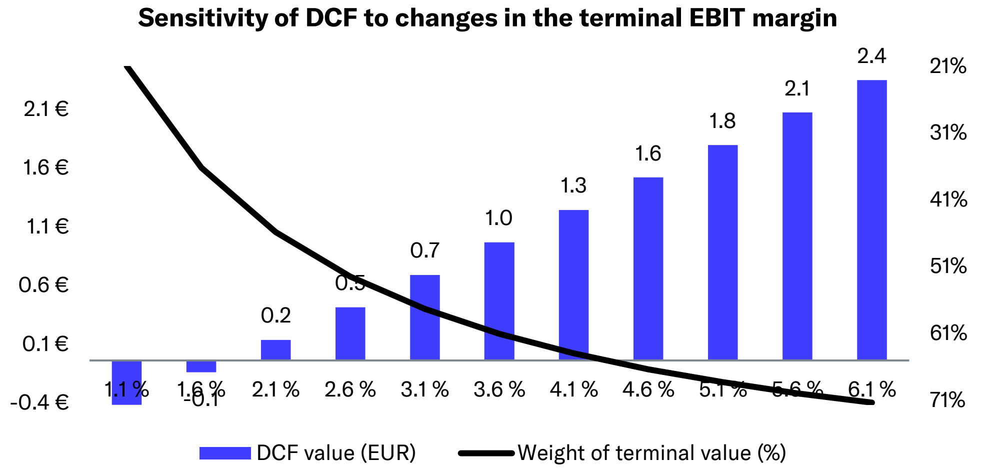
WACC	
Tax-% (WACC)	25.0 %
Target debt ratio (D/(D+E)	20.0 %
Cost of debt	4.0 %
Equity Beta	1.36
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	**9.9 %**
Weighted average cost of capital (WACC)	**8.6 %**

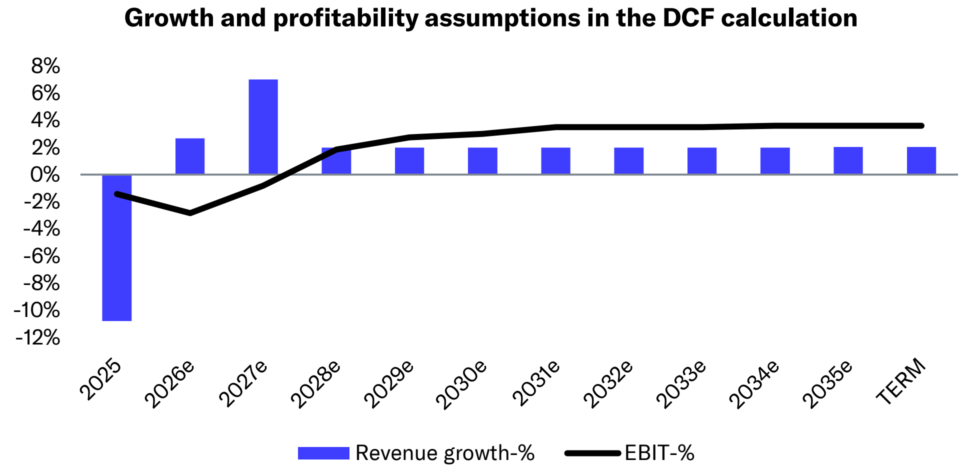
Source: Inderes

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	2023	2024	2025	2026e	2027e
Revenue	450.8	462.3	412.4	**423.4**	**453.0**
EBITDA	11.2	17.1	11.3	**5.2**	**15.0**
EBIT	-7.5	-1.3	-5.9	**-12.0**	**-3.7**
PTP	-13.5	-5.3	-13.4	**-16.6**	**-9.7**
Net Income	-12.8	-5.3	-12.1	**-15.9**	**-7.2**
Extraordinary items	-4.8	0.3	-1.8	**-7.5**	**-5.0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	316.4	310.4	272.4	**277.0**	**271.0**
Equity capital	124.9	117.6	96.1	**105.2**	**95.2**
Goodwill	15.5	15.5	15.5	**15.5**	**15.5**
Net debt	43.5	60.5	77.1	**65.2**	**71.1**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	11.2	17.1	11.3	**5.2**	**15.0**
Change in working capital	28.9	-3.8	10.3	**3.8**	**1.4**
Operating cash flow	36.8	11.7	17.2	**9.5**	**17.4**
CAPEX	-10.8	-22.7	-17.7	**-18.1**	**-16.1**
Free cash flow	24.4	-10.8	-0.8	**-8.6**	**1.3**

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	-0.22	-0.09	-0.21	**-0.28**	**-0.17**
EPS (adj.)	-0.14	-0.10	-0.18	**-0.15**	**-0.09**
OCF / share	0.64	0.20	0.30	**0.16**	**0.30**
OFCF / share	0.42	-0.19	-0.01	**-0.15**	**0.02**
Book value / share	2.17	2.04	1.66	**1.82**	**1.65**
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%	**3%**	**7%**
EBITDA growth-%	-22%	53%	-34%	**-54%**	**190%**
EBIT (adj.) growth-%	35%	43%	-164%	**-10%**	**128%**
EPS (adj.) growth-%	12%	30%	-84%	**18%**	**41%**
EBITDA-%	2.5 %	3.7 %	2.7 %	**1.2 %**	**3.3 %**
EBIT (adj.)-%	-0.6 %	-0.3 %	-1.0 %	**-1.1 %**	**0.3 %**
EBIT-%	-1.7 %	-0.3 %	-1.4 %	**-2.8 %**	**-0.8 %**
ROE-%	-9.4 %	-4.3 %	-11.3 %	**-15.8 %**	**-7.2 %**
ROI-%	-3.2 %	-0.6 %	-2.8 %	**-5.9 %**	**-1.9 %**
Equity ratio	39.5 %	37.9 %	35.3 %	**38.0 %**	**35.1 %**
Gearing	34.8 %	51.5 %	80.2 %	**62.0 %**	**74.7 %**
Net debt/EBITDA	3.9	3.5	6.8	**12.6**	**4.7**
EBITDA/net financials	1.9	4.2	1.5	**1.1**	**2.5**

Source: Inderes

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

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

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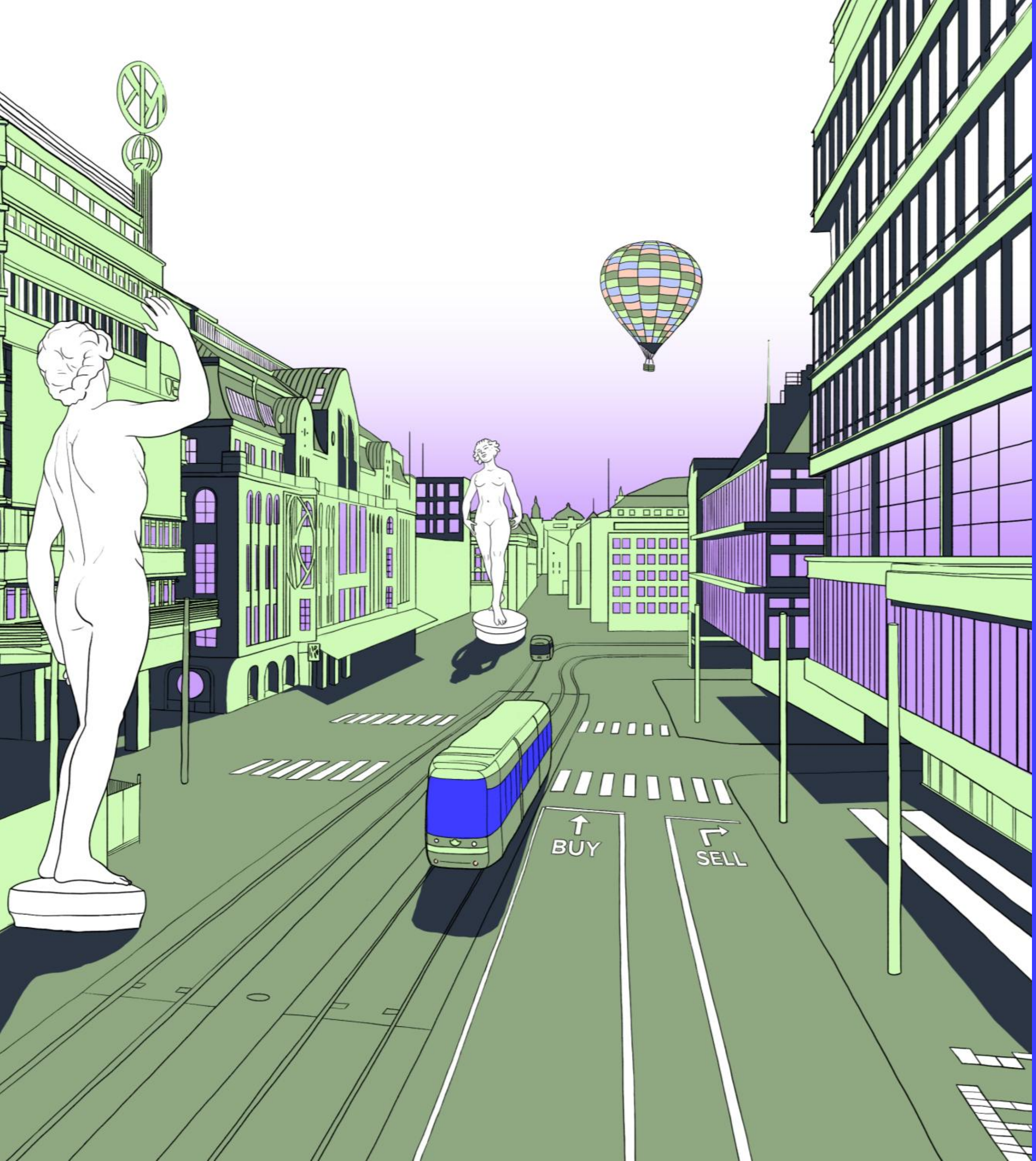
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
	Analyst changed		
10/27/2022	Accumulate	3.00 €	2.48 €
12/14/2022	Reduce	3.00 €	3.10 €
1/11/2023	Reduce	3.00 €	3.00 €
2/6/2023	Reduce	3.00 €	3.08 €
5/5/2023	Reduce	2.80 €	2.88 €
8/10/2023	Sell	2.60 €	2.94 €
9/20/2023	Sell	2.60 €	2.84 €
10/30/2023	Reduce	2.60 €	2.66 €
2/7/2024	Reduce	2.50 €	2.66 €
5/8/2024	Reduce	2.50 €	2.56 €
8/12/2024	Reduce	2.45 €	2.68 €
11/7/2024	Sell	2.00 €	2.48 €
3/6/2025	Sell	1.90 €	2.10 €
5/8/2025	Sell	1.80 €	2.01 €
8/8/2025	Sell	1.70 €	1.88 €
10/16/2025	Reduce	1.60 €	1.67 €
10/30/2025	Reduce	1.60 €	1.68 €
1/30/2026	Sell	1.30 €	1.63 €
3/26/2026	Reduce	1.10 €	1.18 €
5/8/2026	Reduce	1.00 €	1.08 €



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