APETIT

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Earnings challenged on several fronts

The delay in Sweden's turnaround, as well as the earnings challenges that Oilseed Products is facing in the Finnish market, are pushing this year's earnings close to zero. We expect earnings to become profitable again in H2 and continue improving in the coming years. Although the company is taking the right steps to strengthen its Swedish operations, the turnaround is not entirely within the company's control, as evidenced by this summer's poor pea harvest. Even with gradual earnings turnaround estimates, earnings-based valuation multiples are expensive, which is why we are lowering our recommendation to Sell (was Reduce) and our target price to EUR 11 (was EUR 12.50).

Underperformance not only in Sweden, but also in Oilseed Products

The Q2 report was weaker than expected in terms of both revenue and earnings. Revenue declined by 3% (organically -7%), driven by a decrease in pea exports in the Food Solutions segment due to last summer's poor harvest whereas sales of food-grade vegetable oils were lower in the Oilseed Products segment. EBIT was pulled down by losses from the Swedish pea business (1.3 MEUR), costs related to the closure of the Pudasjärvi pizza factory (1.3 MEUR), and a weakened crushing margin in Oilseed Products. Reported EBIT fell short of our forecast by 1 MEUR. EBIT, adjusted for the costs of closing the pizza factory, was 2 MEUR below our estimate because we had budgeted for larger one-off items.

Good harvest expected, but guidance still comes with risk

On August 12, Apetit specified its guidance, which indicates that the reported EBIT for 2026 will be between -2 and +1 MEUR. While earnings will thus be weaker than last year's (5.9 MEUR, excl. the acquisition's impact), the company expects positive earnings in the seasonally stronger H2. If EBIT remains at -5.8 MEUR in H1, the company will need to achieve EBIT of 3.8-6.8 MEUR in H2 to meet the guidance. In our view, achieving the guidance is somewhat uncertain. It is crucial that the crop harvesting season for Food Solutions is more successful than in recent years and, conversely, that the result for Oilseed Products recovers after a difficult H1. The outlook for the Finnish harvest season is favorable for both peas and root vegetables, but weather conditions during the harvest will impact operational efficiency as well. Although the domestic rapeseed crop also looks good, geopolitical uncertainty has caused volatility and upward pressure on oilseed market prices.

Sweden's turnaround shifts further out in our forecasts

The pea harvest in Sweden is expected to be poor due to drought, which will likely hinder an increase in utilization rates at the Bjuv plant and make a turnaround in earnings difficult over the next 12 months. We adjusted our earnings turnaround assumptions so that the Swedish pea unit would break even at the EBITDA level in 2027 and turn a profit only in 2028 (around 1 MEUR). In our view, the company has implemented good measures in the pea business, both commercially and in terms of operational efficiency. However, current earnings turnaround estimates are still uncertain due to the history of heavy unprofitability.

Difficult to imagine a scenario in which valuation would be considered cheap

We do not expect any significantly positive news regarding a turnaround in Sweden's results over the next 12 months and, in addition, Apetit has recently faced challenges with the profitability of its Finnish operations as well. Earnings-based valuation multiples are high (EBIT/ EBIT 2027e: 18x), and even the modest earnings recovery projected for Sweden in the 2028 figures will not lower valuation multiples sufficiently to make them attractive (EV/EBIT 2028e: 12x, fair value about 10x). A successful H2 crop harvesting season could alleviate the situation by reducing uncertainty around the 2027 forecasts, but finding the upside would require significant, broad-based earnings growth, also in the Swedish pea business. We estimate that the company will maintain dividend payments even though the result for the current year is likely to be negative. However, we do not consider dividend payments financed by debt to be significantly attractive to investors.

Recommendation
Sell
(was Reduce)

Target price:
EUR 11.00
(was EUR 12.50)

Share price:
EUR 12.35

Business risk

Valuation risk

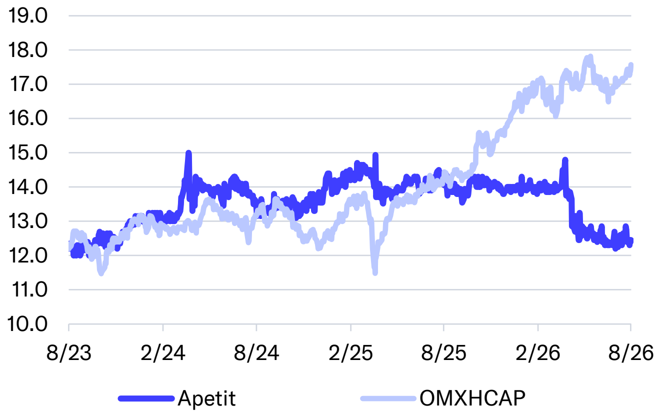
	2025	2026e	2027e	2028e
Revenue	168	178	184	188
growth-%	3%	6%	3%	2%
EBIT adj.	5.9	0.8	4.9	7.3
EBIT-% adj.	3.5 %	0.4 %	2.7 %	3.9 %
Net Income	9.0	-4.2	4.3	6.4
EPS (adj.)	0.21	-0.30	0.69	1.04
P/E (adj.)	66.4	neg.	17.9	11.9
P/B	0.8	0.7	0.7	0.7
Dividend yield-%	5.0 %	6.1 %	6.1 %	6.1 %
EV/EBIT (adj.)	15.4	>100	18.2	12.4
EV/EBITDA	4.3	8.4	7.1	5.9
EV/S	0.5	0.5	0.5	0.5

Source: Inderes

Guidance (Updated Aug 12)

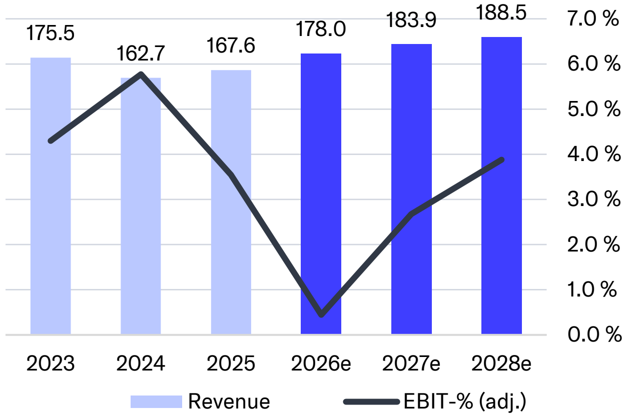
The group's operating result is estimated to be between -2.0 and +1.0 MEUR (in 2025: 5.9 MEUR, excluding the non-recurring impact of the Foodhills acquisition).

Share price



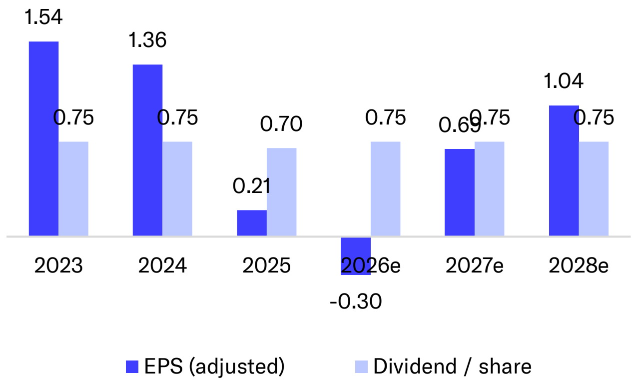
Source: Millistream Market Data AB

Revenue and EBIT % (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

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

Risk factors

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

Valuation	2026e	2027e	2028e
Share price	12.4	12.4	12.4
Number of shares, millions	6.21	6.21	6.21
Market cap	77	77	77
EV	87	89	90
P/E (adj.)	neg.	17.9	11.9
P/E	neg.	17.9	11.9
P/B	0.7	0.7	0.7
P/S	0.4	0.4	0.4
EV/Sales	0.5	0.5	0.5
EV/EBITDA	8.4	7.1	5.9
EV/EBIT (adj.)	>100	18.2	12.4
Payout ratio (%)	neg.	108.5 %	72.3 %
Dividend yield-%	6.1 %	6.1 %	6.1 %

Source: Inderes

Q2 earnings were weaker than expected

Revenue clearly missed expectations

Revenue declined slightly in Q2, even despite the pea business in Sweden, which the company acquired in late 2025, generating revenue of 2.3 MEUR. Revenue was clearly below our estimate in both reporting segments (a total of 12% below the estimate). Organic revenue development was at around -7%, according to our estimates.

In Food Solutions, revenue grew 9% with the help of an acquisition but decreased 5% organically due to lower frozen pea exports following last summer's poor pea harvest. However, the company reported that sales to the domestic foodservice channel developed favorably in Food Solutions and steadily in retail.

Revenue from Oilseed Products fell by 10%, partly due to a decline in sales of refined, food-grade oil. We interpreted the lower volume as mainly due to random variation.

Earnings from Oilseed Products declined, with losses in Sweden and the closure of the pizza factory further pressuring the result

EBIT decreased to -4.5 MEUR, which was impacted by the unprofitability of the Swedish pea business (-1.3 MEUR), non-recurring items related to the closure of the Pudasjärvi frozen pizza factory (-1.3 MEUR), and the weak result of Oilseed Products. EBIT was 1 MEUR below our estimate, and adjusted for items related to the pizza factory, it was 2 MEUR below our estimate (we had estimated a larger non-recurring item). The discrepancy with our estimates arose from a larger-than-expected loss in the Swedish pea operations and a significant earnings shortfall in the Oilseed Products business.

According to our calculations, Food Solutions' adjusted EBIT (-0.4 MEUR) excluding Sweden remained stable year-on-year. In Oilseed Products, EBIT (-0.9 MEUR, Q2'25: 0.2 MEUR) was weighed down by an unfavorable sales mix, weakened crushing margins, and BlackGrain ingredient development costs (0.4 MEUR).

The earnings contribution from the associate company Sucros was in line with estimates at -0.2 MEUR and improved from the comparison period (Q2'25: -0.5 MEUR). Net income was unprofitable at -4.5 MEUR.

Cash flow relatively good considering the result

Cash flow from operating activities developed relatively well despite the losses (11 MEUR, H1'25: 13 MEUR), supported by a more favorable change in working capital than in the comparison period. Conversely, investments increased year-on-year, which limited the growth in cash and cash equivalents. The company's net debt stood at 14.3 MEUR at the end of the period.

Estimates	Q2'25	Q2'26	Q2'26e	Difference (%)	2026e
MEUR / EUR	Comparison	Actualized	Inderes	Act. vs. inderes	Inderes
Revenue	39.2	38.7	43.5	-11%	178
EBITDA	1.0	-0.9	1.1	-182%	10.3
EBIT (adj.)	-0.8	-3.2	-1.2	-177%	0.8
EBIT	-0.8	-4.5	-3.5	-30%	-1.5
EPS (reported)	-0.84	-0.72	-0.49	-47%	-0.67
Revenue growth-%	5.9 %	-1.3 %	11.0 %	-12.2 pp	3.1 %
EBIT-% (adj.)	-2.1 %	-8.3 %	-2.7 %	-5.6 pp	0.4 %

Source: Inderes

Apetit, Webcast, Q2'26

We lowered our earnings turnaround assumptions

Outlook for H2 better than for H1, but risks to guidance remain

- On August 12, Apetit specified its guidance, which indicates that the reported EBIT for 2026 will be between -2 and +1 MEUR. While the earnings will thus be weaker than last year's (5.9 MEUR, excluding the acquisition's impact), the company expects positive earnings in the seasonally stronger H2. If EBIT remains at -5.8 MEUR in H1, the company will need to achieve EBIT of 3.8-6.8 MEUR in H2 to meet the guidance. In our view, there is some uncertainty regarding the realization of the guidance (we forecast an EBIT of -1.5 MEUR for 2026).
- For the result to reach the guidance, Food Solutions' seasonal production would need to be more successful than last year. The company stated that the outlook for the domestic harvest season in Finland is favorable for both peas and root vegetables, but weather conditions during the harvest will impact operational efficiency as well.
- We expect the result for Oilseed Products to stabilize on the positive side towards the end of the year. Although the domestic rapeseed crop looks good, geopolitical uncertainty has caused volatility and upward pressure on international oilseed market prices, which are also being felt in Finland and in the Baltic countries, the company's most important sourcing area.

We lowered our earnings turnaround assumptions for Sweden for coming years

- We forecast Sweden's EBIT to be -3.0 MEUR this year, rising to -1.6 MEUR next year, and reaching -0.7 MEUR in 2028. The 2027 estimate corresponds to neutral EBITDA, and the 2028 estimate corresponds to profit at the EBITDA level. Apetit has developed its operations in Sweden by, for example, tendering for freezer storage services and introducing peas under its own brand to local retail stores. However, we expect the increase in utilization rates to be delayed due to Sweden's poor pea harvest in 2026.
- We also refined Finland's earnings forecasts. Overall, we decreased our EBIT estimates by 29% for 2027 and by 7% for 2028.

Estimate revisions	2026e	2026e	Change	2027e	2027e	Change	2028e	2028e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	183	178	-3%	189	184	-3%	193	188	-3%
EBITDA	8.6	10.3	21%	15.8	12.7	-20%	16.9	15.4	-9%
EBIT (exc. NRIs)	1.6	0.8	-52%	6.9	4.9	-29%	7.8	7.3	-7%
EBIT	-0.7	-1.5	-126%	6.9	4.9	-29%	7.8	7.3	-7%
PTP	-1.4	-3.9	-177%	7.7	5.1	-34%	8.7	7.8	-11%
EPS (excl. NRIs)	0.08	-0.30	-463%	1.03	0.69	-33%	1.16	1.04	-10%
DPS	0.75	0.75	0%	0.75	0.75	0%	0.75	0.75	0%

Source: Inderes

Valuation does not reflect a realistic earnings level for the coming years

Valuation summary: Defensive, but low-margin business

Apetit is a defensive stock in terms of its investment profile, as its business is not particularly dependent on economic cycles, but on the other hand, the market's growth prospects are rather moderate. The company operates in an established and competitive market where achieving high returns is challenging. As a processor, the company is dependent on the crop development of domestic agriculture and the global price level of vegetable oil raw materials, which can occasionally cause earnings volatility. The company's old businesses are quite predictable and have moderately stable profitability, but the pea business, acquired from Sweden, would need a profitability turnaround, the success of which is uncertain in the coming years.

Associated company Sucros to be considered in valuation

Apetit's valuation is complicated by the company's 20% ownership in the sugar company Sucros. The value and earnings impact of Apetit’s holding are significant, so we believe that valuing the share also requires an opinion on the fair value of Sucros. When using enterprise value-based metrics, we deduct the imputed value of Sucros from Apetit's enterprise value. This allows the multiples to better reflect the value of Apetit’s business operations and prevents the value tied up in the associated company from misleadingly distorting the multiples upward. We have valued Sucros as a separate entity in EV-based valuation methods and DCF, based on its balance sheet value and historical earnings (fair value 11 MEUR or EUR 1.7/share). This corresponds to multiples of P/B: 0.6x, P/E 2020–2024: 10x, P/E 2025-26e: negative and P/E 2027e: 11x.

Earnings turnaround already priced into the share

The earnings-based valuation is currently higher than usual (EV/EBIT 2026e: > 100x, 2027e: 18x), driven in particular by losses in the Swedish pea business. Oilseed Products' earnings have also been weaker than usual recently, though we expect them to normalize slightly towards the end of the year. We estimate the fair valuation level for the share to be around 10x. Even if the Swedish pea business were to become profitable at the EBITDA level and Oilseed Products' earnings were to rise to a normalized level, the valuation would still be slightly above fair value (2028e: 12x). Thus, even a successful earnings turnaround would not make the share neutrally valued at the current price. In our view, the stock price already reflects at least the earnings improvement we forecast, which is why the expected return in our analysis remains negative.

Balance sheet valuation partly misleading

Apetit was able to acquire Foodhills very cheaply on a balance sheet basis, which resulted in a significant positive revaluation of the balance sheet. For this reason, the share's P/B ratio appears attractive (P/B: 0.7x). The write-up does not reflect the earnings capacity of the acquired business, so we believe that the balance sheet value does not currently give a completely accurate picture of the fair value of the company's assets. If the company could turn around the earnings of the acquired business and achieve a moderate return on capital employed, as in its legacy businesses (2024 ROI: 10%), there would be significant upside potential for the share, even from a balance sheet perspective. The same applies to this line of thinking as to earnings-based valuation – the uncertainty regarding Foodhills' earnings turnaround is difficult to assess. With our current estimates, the ROI for the next few years remains rather muted (2027–2028e: 5–6%).

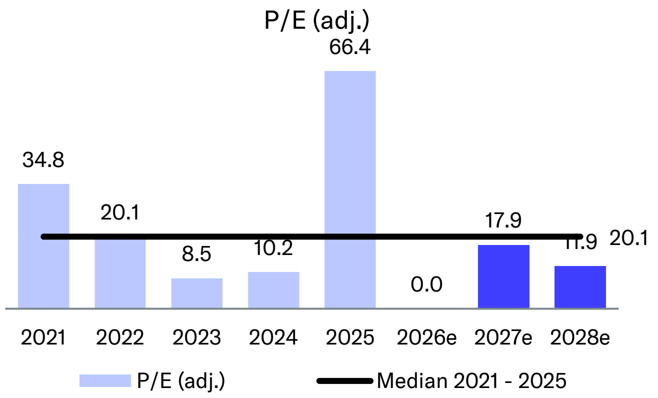
Valuation	2026e	2027e	2028e
Share price	12.4	12.4	12.4
Number of shares, millions	6.21	6.21	6.21
Market cap	77	77	77
EV	87	89	90
P/E (adj.)	neg.	17.9	11.9
P/E	neg.	17.9	11.9
P/B	0.7	0.7	0.7
P/S	0.4	0.4	0.4
EV/Sales	0.5	0.5	0.5
EV/EBITDA	8.4	7.1	5.9
EV/EBIT (adj.)	>100	18.2	12.4
Payout ratio (%)	neg.	108.5 %	72.3 %
Dividend yield-%	6.1 %	6.1 %	6.1 %

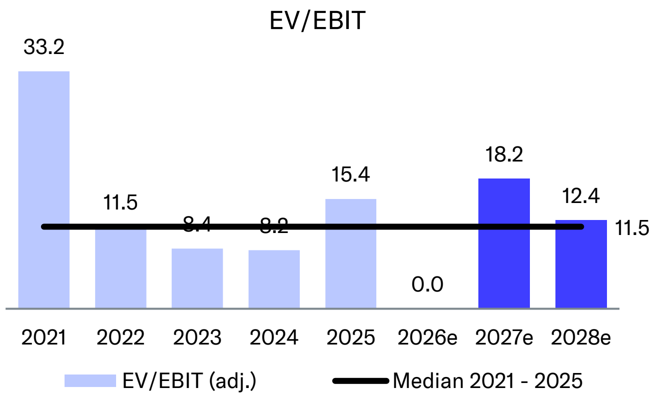
Source: Inderes

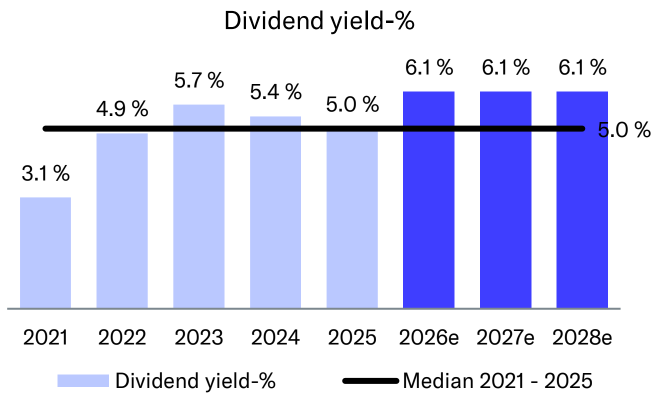
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	12.9	10.2	13.2	14.0	13.9	12.4	12.4	12.4	12.4
Number of shares, millions	6.32	6.32	6.32	6.21	6.21	6.21	6.21	6.21	6.21
Market cap	81	64	83	87	86	77	77	77	77
EV	94	40	63	77	91	87	89	90	89
P/E (adj.)	34.8	20.1	8.5	10.2	66.4	neg.	17.9	11.9	9.2
P/E	34.8	20.1	8.5	10.2	9.6	neg.	17.9	11.9	9.2
P/B	0.9	0.7	0.8	0.8	0.77	0.7	0.7	0.7	0.7
P/S	0.3	0.4	0.5	0.5	0.5	0.4	0.4	0.4	0.4
EV/Sales	0.3	0.2	0.4	0.5	0.5	0.5	0.5	0.5	0.5
EV/EBITDA	10.3	4.2	4.8	4.8	4.3	8.4	7.1	5.9	5.0
EV/EBIT (adj.)	33.2	11.5	8.4	8.2	15.4	>100	18.2	12.4	9.5
Payout ratio (%)	108.5 %	98.7 %	48.6 %	55.1 %	48.3 %	neg.	108.5 %	72.3 %	56.1 %
Dividend yield-%	3.1 %	4.9 %	5.7 %	5.4 %	5.0 %	6.1 %	6.1 %	6.1 %	6.1 %

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
Atria	449	752	10.1	9.9	5.4	5.2	0.4	0.4	9.0	8.8	5.2	5.6	1.0
Raisio	394	335	12.2	10.5	8.9	7.8	1.5	1.4	16.2	15.2	6.3	6.7	1.5
HKFoods	142	351	10.0	9.6	5.4	5.2	0.3	0.3	10.6	8.3	7.6	7.9	0.9
Fodelia	37	41	12.4	10.3	8.0	6.6	0.7	0.6	15.1	11.6	2.2	3.1	2.9
Nomad Foods	1389	3376	9.3	8.8	7.1	6.9	1.2	1.1	7.0	6.7	6.8	7.0	0.5
Savencia	904	1709	7.6	6.6	3.5	3.2	0.2	0.2	6.1	5.1	2.6	3.2	0.5
Agrana Beteiligungs	712	1247	18.1	14.4	6.8	6.3	0.4	0.4		17.1	6.1	5.1	0.6
Bonduelle	285	1051	14.3	13.3	6.5	6.3	0.5	0.5	8.4	6.7	3.1	3.4	0.4
Austevoll Seafood	1557	3530	9.3	7.9	6.1	5.3	1.0	0.9	9.1	7.7	8.0	8.2	0.9
Origin Enterprises	485	833	9.4	9.1	6.9	6.7	0.4	0.4	8.4	8.2	4.0	4.3	1.1
Cranswick	3390	3673	13.6	12.6	9.6	8.8	1.1	1.0	18.2	16.9	2.0	2.2	2.6
Apetit (Inderes)	77	87	109.6	18.2	8.4	7.1	0.5	0.5	-40.7	17.9	6.1	6.1	0.7
Average			11.4	10.2	6.9	6.3	0.7	0.7	11.6	11.0	4.9	5.2	1.2
Median			10.3	9.8	6.9	6.4	0.6	0.5	9.1	8.6	5.2	5.1	0.9
Diff-% to median			968%	86%	22%	10%	-13%	-8%	-546%	109%	16%	19%	-21%

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	163	43.8	39.2	41.4	43.2	168	46.1	38.7	45.2	48.1	178	184	188	192
Food Solutions	75.8	20.4	17.3	19.0	21.0	77.7	24.6	18.8	22.4	23.5	89.3	92.0	94.3	96.2
Oilseed Products	87.4	23.6	22.1	22.5	22.2	90.4	21.6	20.0	23.0	24.7	89.2	92.3	94.7	96.5
Eliminations	-0.4	-0.2	-0.2	-0.1	0.0	-0.5	-0.1	-0.2	-0.2	-0.1	-0.5	-0.5	-0.5	-0.5
EBITDA	16.1	4.1	1.0	5.0	10.9	21.0	0.9	-0.9	5.0	5.2	10.3	12.7	15.4	17.8
Depreciation	-6.7	-1.8	-1.8	-1.8	-1.9	-7.4	-2.3	-3.7	-2.4	-3.5	-11.8	-7.8	-8.1	-8.4
EBIT (excl. NRI)	9.4	2.3	-0.8	3.7	0.8	5.9	-1.4	-3.2	2.6	2.8	0.8	4.9	7.3	9.4
EBIT	9.4	2.3	-0.8	3.2	9.0	13.6	-1.4	-4.5	2.6	1.8	-1.5	4.9	7.3	9.4
Food Solutions	8.2	2.4	-0.4	2.7	9.5	14.3	0.0	-3.0	2.6	1.6	1.2	5.3	7.3	4.7
Oilseed Products	4.2	0.4	0.2	1.2	0.4	2.2	-0.7	-0.9	0.7	1.1	0.2	2.7	3.1	4.7
Group Functions	-2.9	-0.6	-0.7	-0.7	-0.9	-2.9	-0.6	-0.7	-0.7	-0.9	-2.9	-3.1	-3.1	0.0
Share of profit of associated companies	1.5	-1.5	-0.5	-0.2	-0.6	-2.8	-1.1	-0.2	0.0	0.1	-1.2	1.0	1.0	1.0
Net financial items	-0.6	-0.1	-0.2	-0.2	-0.2	-0.7	-0.3	-0.4	-0.3	-0.3	-1.2	-0.8	-0.5	-0.3
PTP	10.3	0.7	-1.5	2.8	8.2	10.1	-2.8	-5.1	2.4	1.6	-3.9	5.1	7.8	10.1
Taxes	-1.9	-0.3	0.1	-0.6	-0.3	-1.1	-0.1	0.6	-0.5	-0.3	-0.3	-0.8	-1.4	-1.8
Net earnings	8.5	0.4	-1.4	2.2	7.9	9.0	-2.9	-4.5	1.9	1.3	-4.2	4.3	6.4	8.3
EPS (adj.)	1.36	0.06	-0.23	0.43	-0.05	0.21	-0.46	-0.51	0.31	0.37	-0.30	0.69	1.04	1.34
EPS (rep.)	1.36	0.06	-0.23	0.35	1.27	1.45	-0.46	-0.72	0.31	0.21	-0.67	0.69	1.04	1.34

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	-7.3 %	3.8 %	5.9 %	2.2 %	0.6 %	3.0 %	5.3 %	-1.4 %	9.2 %	11.2 %	6.2 %	3.3 %	2.5 %	2.0 %
Adjusted EBIT growth-%	25%	-33%	-740%	-1%	-66%	-37%	-161%	-282%	-29%	240%	-87%	521%	49%	29%
EBITDA-%	9.9 %	9.4 %	2.6 %	12.1 %	25.2 %	12.5 %	2.0 %	-2.2 %	11.2 %	10.9 %	5.8 %	6.9 %	8.2 %	9.3 %
Adjusted EBIT-%	5.8 %	5.2 %	-2.1 %	8.9 %	1.9 %	3.5 %	-3.0 %	-8.3 %	5.8 %	5.7 %	0.4 %	2.7 %	3.9 %	4.9 %
Net earnings-%	5.2 %	0.8 %	-3.7 %	5.3 %	18.2 %	5.4 %	-6.2 %	-11.6 %	4.2 %	2.7 %	-2.4 %	2.3 %	3.4 %	4.3 %

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	76.2	85.5	85.3	87.2	89.0
Goodwill	0.4	0.4	0.4	0.4	0.4
Intangible assets	5.2	6.3	6.3	6.3	6.3
Tangible assets	48.1	57.2	55.4	57.3	59.1
Associated companies	21.6	17.8	19.4	19.4	19.4
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.9	0.9	0.9	0.9	0.9
Deferred tax assets	0.0	2.9	2.9	2.9	2.9
Current assets	58.8	63.7	64.1	66.2	67.8
Inventories	46.6	49.5	49.0	50.6	51.9
Other current assets	0.0	0.2	0.2	0.2	0.2
Receivables	8.1	10.3	10.9	11.3	11.6
Cash and equivalents	4.1	3.7	3.9	4.1	4.2
Balance sheet total	135	149	149	153	157

Source: Inderes

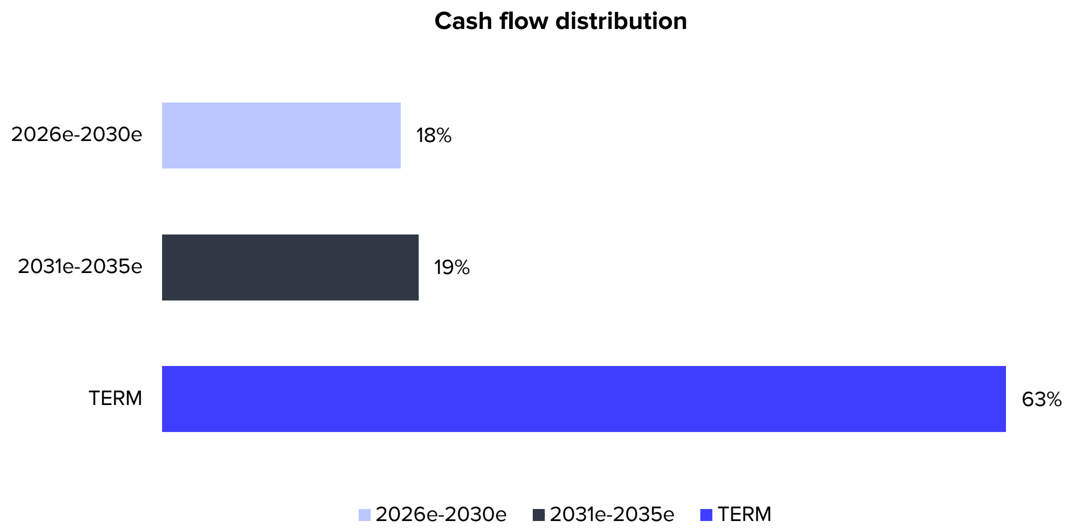
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	108	112	103	103	105
Share capital	12.6	12.3	12.3	12.3	12.3
Retained earnings	65.6	70.0	61.5	61.1	62.9
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	23.4	23.4	23.4	23.4	23.4
Other equity	6.0	6.0	6.0	6.0	6.0
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	6.4	12.8	9.2	10.3	10.7
Deferred tax liabilities	0.4	1.3	1.3	1.3	1.3
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	5.9	11.4	7.8	8.9	9.3
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.1	0.1	0.1	0.1	0.1
Current liabilities	20.9	24.8	37.0	40.3	41.6
Interest bearing debt	1.5	7.9	16.9	19.5	20.3
Payables	19.4	16.9	20.1	20.8	21.3
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	135	149	149	153	157

DCF-calculation

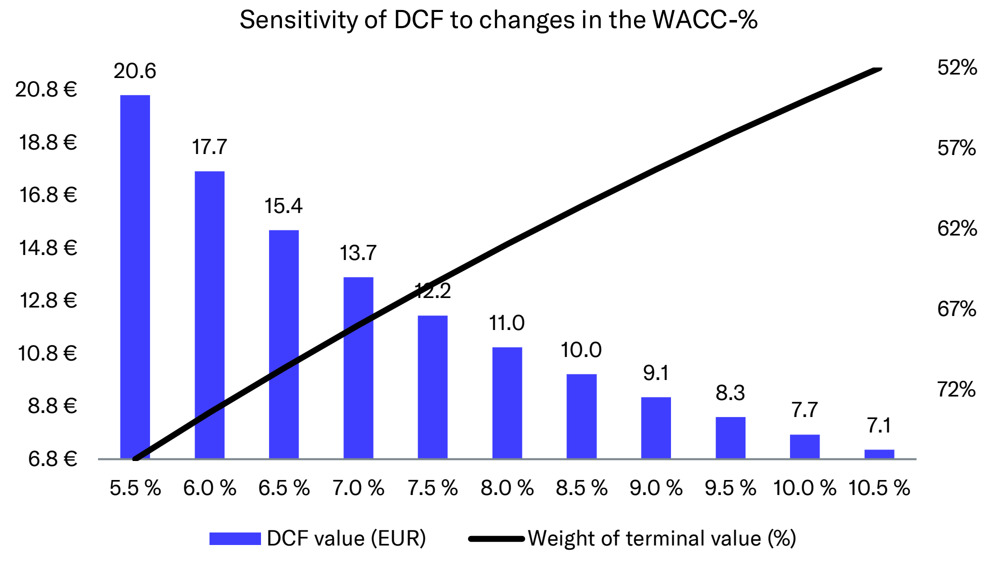
DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	3.0 %	6.2 %	3.3 %	2.5 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	8.1 %	-0.8 %	2.7 %	3.9 %	4.9 %	4.9 %	4.9 %	4.9 %	4.5 %	4.0 %	4.0 %	4.0 %
EBIT (operating profit)	13.6	-1.5	4.9	7.3	9.4	9.6	9.8	10.0	9.4	8.5	8.7	
+ Depreciation	7.4	11.8	7.8	8.1	8.4	9.1	9.4	9.6	9.9	10.1	10.3	
- Paid taxes	-3.1	-0.3	-0.8	-1.4	-1.8	-1.9	-1.9	-1.9	-1.8	-1.6	-1.6	
- Tax, financial expenses	-0.1	0.1	-0.2	-0.1	-0.1	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	
+ 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	-7.8	3.1	-1.3	-1.0	-0.8	-0.9	-0.9	-0.9	-0.9	-0.9	-1.0	
Operating cash flow	10.0	13.2	10.4	12.9	15.1	15.9	16.3	16.7	16.4	16.0	16.3	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-17.6	-10.0	-9.7	-9.9	-10.1	-10.8	-11.0	-11.2	-11.5	-11.7	-10.4	
Free operating cash flow	-7.6	3.2	0.7	3.0	5.0	5.2	5.3	5.5	5.0	4.3	5.9	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-7.6	3.2	0.7	3.0	5.0	5.2	5.3	5.5	5.0	4.3	5.9	100
Discounted FCFF		3.1	0.6	2.5	3.9	3.7	3.5	3.4	2.8	2.3	2.9	48.9
Sum of FCFF present value		77.5	74.4	73.8	71.3	67.4	63.7	60.2	56.8	54.0	51.7	48.9
Enterprise value DCF		77.5										
- Interest bearing debt		-19.3										
+ Cash and cash equivalents		3.7										
+ Associated companies		10.7										
+ Osakkuusyhtiö Sucroksen arvioitu käypä arvo		13.0										
-Dividend/capital return		-4.3										
Equity value DCF		68.3										
Equity value DCF per share		11.0										

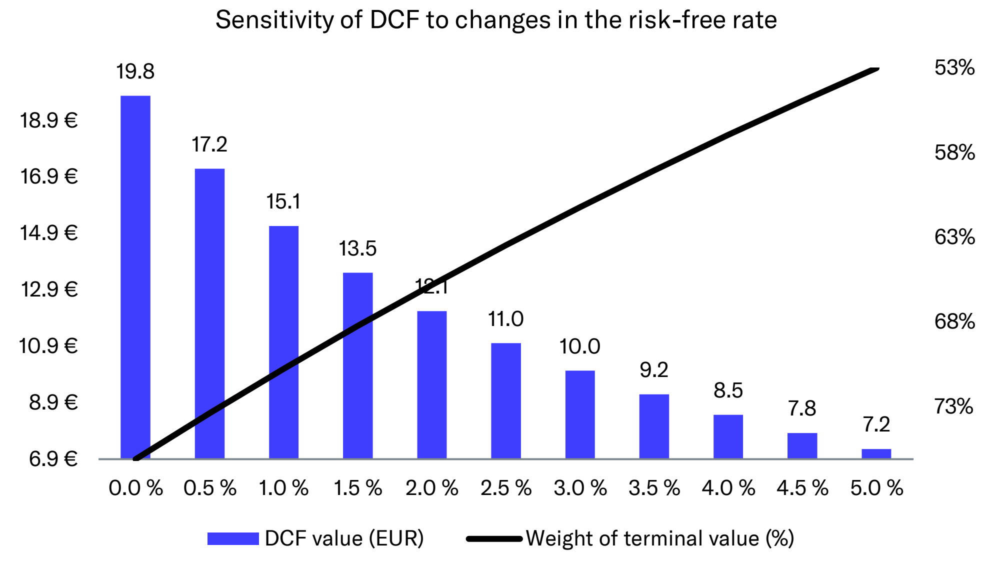
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	5.0 %
Cost of debt	3.0 %
Equity Beta	0.92
Market risk premium	4.75%
Liquidity premium	1.40%
Risk free interest rate	2.5 %
Cost of equity	8.3 %
Weighted average cost of capital (WACC)	8.0 %

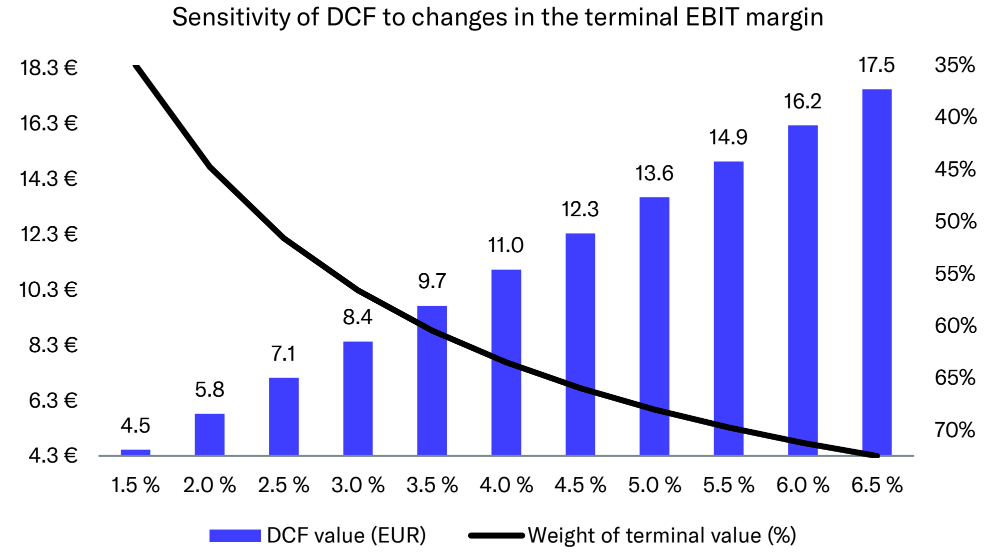
Source: Inderes

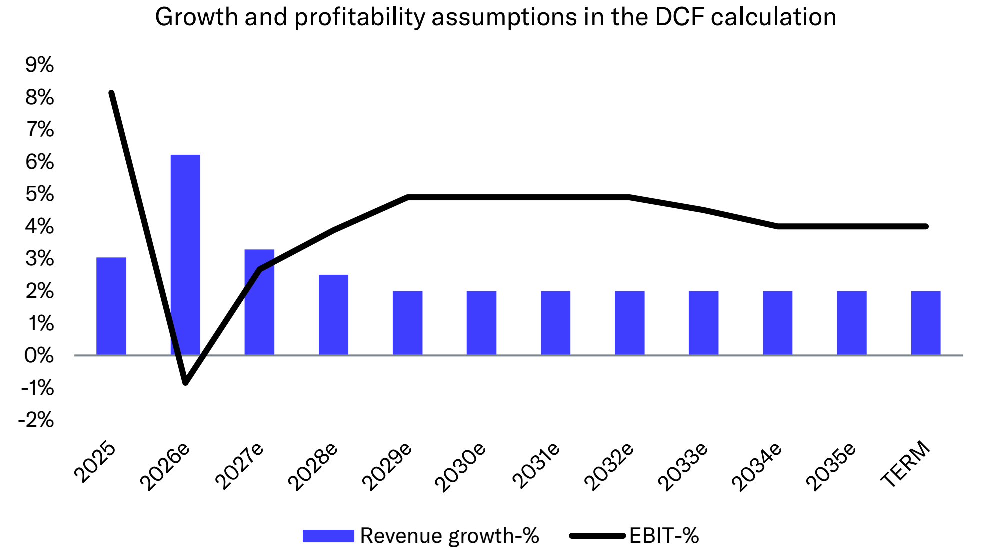


DCF sensitivity calculations and key assumptions in graphs









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	175.5	162.7	167.6	178.0	183.9
EBITDA	13.2	16.1	21.0	10.3	12.7
EBIT	7.5	9.4	13.6	-1.5	4.9
PTP	11.2	10.3	10.1	-3.9	5.1
Net Income	9.8	8.5	9.0	-4.2	4.3
Extraordinary items	0.0	0.0	7.7	-2.3	0.0

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	131.1	135.0	149.2	149.3	153.4
Equity capital	103.5	107.6	111.7	103.1	102.8
Goodwill	0.4	0.4	0.4	0.4	0.4
Net debt	-5.9	3.3	15.6	20.8	24.4

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	13.2	16.1	21.0	10.3	12.7
Change in working capital	-4.2	-12.4	-7.8	3.1	-1.3
Operating cash flow	9.1	3.6	10.0	13.2	10.4
CAPEX	-14.7	-10.7	-17.6	-10.0	-9.7
Free cash flow	-5.6	-7.2	-7.6	3.2	0.7

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	0.4	0.5	0.5	0.5	0.5
EV/EBITDA	4.8	4.8	4.3	8.4	7.1
EV/EBIT (adj.)	8.4	8.2	15.4	>100	18.2
P/E (adj.)	8.5	10.2	66.4	neg.	17.9
P/B	0.8	0.8	0.8	0.7	0.7
Dividend-%	5.7 %	5.4 %	5.0 %	6.1 %	6.1 %

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	1.54	1.36	1.45	-0.67	0.69
EPS (adj.)	1.54	1.36	0.21	-0.30	0.69
OCF / share	1.44	0.58	1.61	2.13	1.67
OFCF / share	-0.89	-1.16	-1.22	0.52	0.11
Book value / share	16.38	17.33	17.99	16.61	16.55
Dividend / share	0.75	0.75	0.70	0.75	0.75

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	-3%	-7%	3%	6%	3%
EBITDA growth-%	41%	21%	31%	-51%	23%
EBIT (adj.) growth-%	118%	25%	-37%	-87%	521%
EPS (adj.) growth-%	205%	-12%	-85%	-245%	328%
EBITDA-%	7.5 %	9.9 %	12.5 %	5.8 %	6.9 %
EBIT (adj.)-%	4.3 %	5.8 %	3.5 %	0.4 %	2.7 %
EBIT-%	4.3 %	5.8 %	8.1 %	-0.8 %	2.7 %
ROE-%	9.8 %	8.0 %	8.2 %	-3.9 %	4.2 %
ROI-%	11.0 %	9.6 %	8.8 %	-2.1 %	4.6 %
Equity ratio	78.9 %	79.7 %	74.8 %	69.1 %	67.0 %
Gearing	-5.7 %	3.1 %	14.0 %	20.1 %	23.7 %
Net debt/EBITDA	-0.4	0.2	0.7	2.0	1.9
EBITDA/net financials	44.1	26.8	30.0	8.8	15.8

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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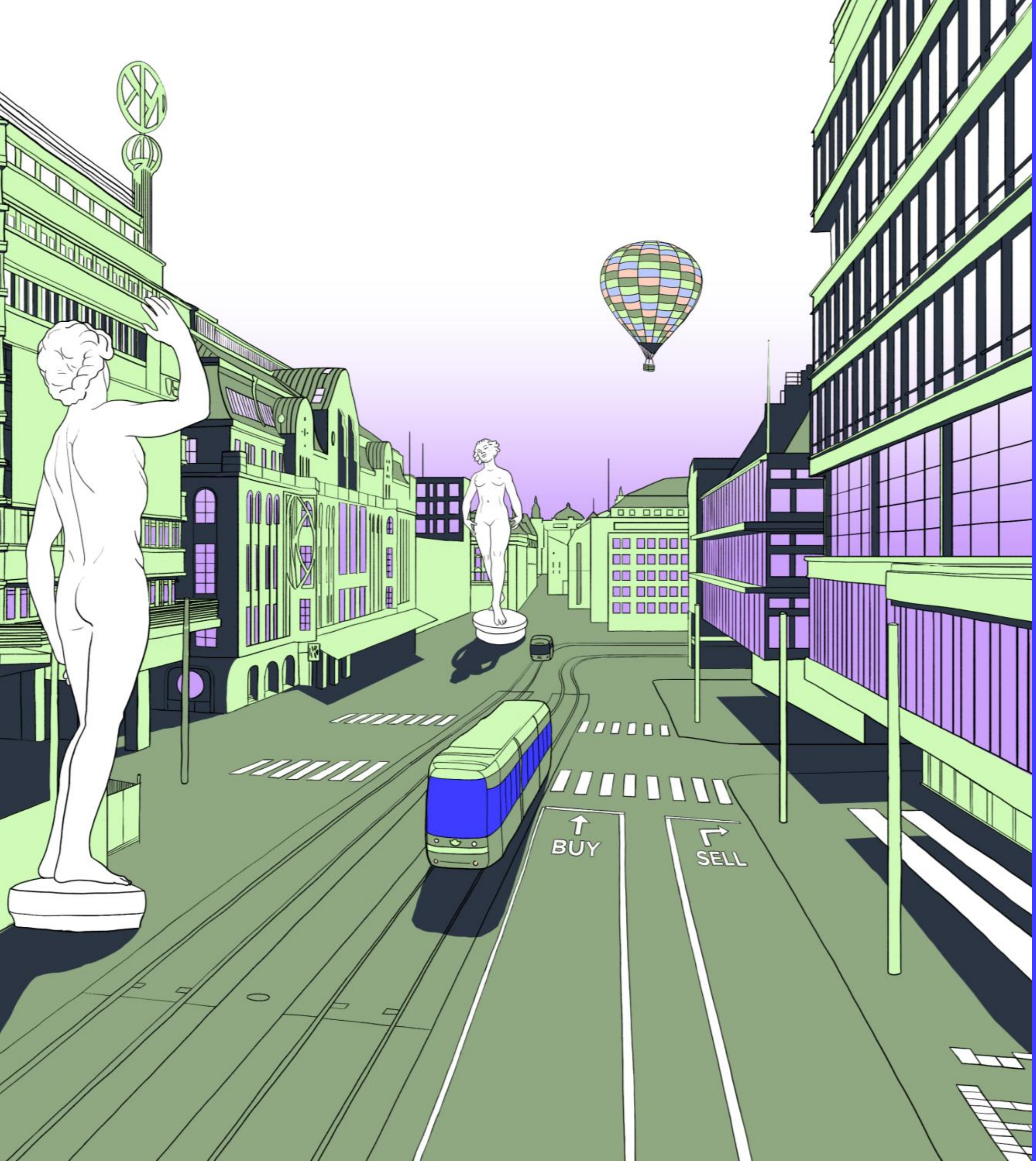
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2/13/2023	Reduce	10.00 €	10.90 €
2/17/2023	Accumulate	12.00 €	10.80 €
3/27/2023	Reduce	12.50 €	12.95 €
4/25/2023	Accumulate	13.50 €	12.65 €
8/17/2023	Accumulate	14.00 €	12.50 €
10/18/2023	Accumulate	14.00 €	12.60 €
10/26/2023	Accumulate	14.00 €	12.65 €
2/16/2024	Reduce	13.50 €	13.25 €
3/28/2024	Reduce	13.50 €	13.70 €
4/29/2024	Accumulate	15.50 €	14.25 €
8/15/2024	Reduce	14.00 €	13.50 €
10/28/2024	Reduce	14.00 €	13.50 €
2/14/2025	Reduce	14.00 €	14.20 €
3/27/2025	Reduce	14.50 €	14.40 €
4/26/2025	Accumulate	15.00 €	13.52 €
8/25/2025	Accumulate	15.00 €	14.05 €
10/10/2025	Reduce	14.00 €	14.00 €
10/27/2025	Reduce	14.00 €	14.00 €
12/12/2025	Reduce	13.50 €	13.90 €
2/16/2026	Reduce	13.00 €	13.95 €
4/17/2026	Reduce	13.00 €	13.95 €
4/27/2026	Sell	12.50 €	13.85 €
6/22/2026	Reduce	12.50 €	12.65 €
8/23/2026	Sell	11.00 €	12.35 €



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