SUOMINEN

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

The balance sheet may require adjustment this year

Suominen's Q4 figures were clearly weaker than our estimates. As we expected, the company announced a new multi-year and extensive efficiency program, which supports our estimated earnings growth for the coming years. However, we believe the share price already reflects a better earnings level than our estimates for the coming years. In addition, we estimate that the company may need equity financing to implement the efficiency program and support its balance sheet. We lower the target price to EUR 1.3 (from EUR 1.6) due to weakened estimates and update our recommendation to Sell (was Reduce).

The Q4 result was weak, as was the full year 2025

Suominen's Q4 revenue decreased by as much as 20% and was 11% below our estimate, as the decline in volumes was significantly greater than we expected. The company's revenue also decreased significantly in the EMEA region, which, in our view, indicates that Suominen lost volumes due to reasons other than the known production problems in the US. Adj. EBITDA in Q4 was just under 2 MEUR, whereas we had expected a result of around 4.5 MEUR. The figures for the full year 2025 were also weak. Revenue decreased by 11% as volumes clearly declined starting from Q2, and adj. EBITDA remained at 13 MEUR, which is the lowest level for the company in its current form.

New, extensive efficiency program launched

As per the CEO's previous indications, the company announced a comprehensive efficiency program in connection with its Q4 earnings release, aiming to raise the adj. EBITDA margin to 10% by 2028 (from 3-4% in recent years). In connection with this, the company is reviewing all cost items, but the focus is on improving production efficiency, utilization rates, and production reliability. In addition to improving cost efficiency, the company will invest 20 MEUR in the coming years to develop its plants, on top of normal maintenance investments. The program may also include capacity reduction if volumes do not increase from current levels.

The efficiency program was highly expected by us and the market, and the organizational revision made for it, which eliminates geographical segments, seems logical to us. The targeted adj. EBITDA margin is slightly lower than the company's official financial target (12%), but very ambitious compared to our estimates (2028: ~6.5%). 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. For this year, the company guided that adj. EBITDA would improve. Given the weak comparison period, we considered this expected. We lowered our estimate due to the weak Q1 outlook and now expect the 2026 adj. EBITDA to be 19 MEUR.

The balance sheet is tight and may require equity financing

Due to the weak earnings performance, the company's balance sheet position deteriorated further, with net debt/adj. EBITDA rising to well over 6x at year-end. The company stated that it is in negotiations with its financiers to avoid covenant breaches. The company has a bond maturing in June 2027, and we estimate that its refinancing will become relevant this year. In addition, the company's CEO stated in our interview that the implementation of the new efficiency program will likely require additional financing, and in our view, this could be equity-based (e.g. a hybrid loan or a share issue).

The share anticipates a clear earnings improvement, with a weak expected return

In our view, the share price is so high relative to earnings that it requires several years of earnings growth before the valuation is at a warranted level. Considering the limited competitive advantages, we do not believe that the company will be able to achieve a return on capital that is sustainably above the required return in the long term. Our DCF model's value is EUR 1.3, which is in line with our target price, even though the model assumes a significantly better long-term margin than the current one.

Recommendation
Sell
(was Reduce)

Target price:
1.30 EUR
(was EUR 1.60)

Share price:
1.63 EUR

Business risk

●●●○○

Valuation risk

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	2025	2026e	2027e	2028e
Revenue	412	415	423	432
growth-%	-11%	1%	2%	2%
EBIT adj.	-4.1	1.0	6.5	9.2
EBIT-% adj.	-1.0 %	0.2 %	1.5 %	2.1 %
Net income	-12.1	-7.6	-3.8	2.2
EPS (adj.)	-0.18	-0.05	0.02	0.04

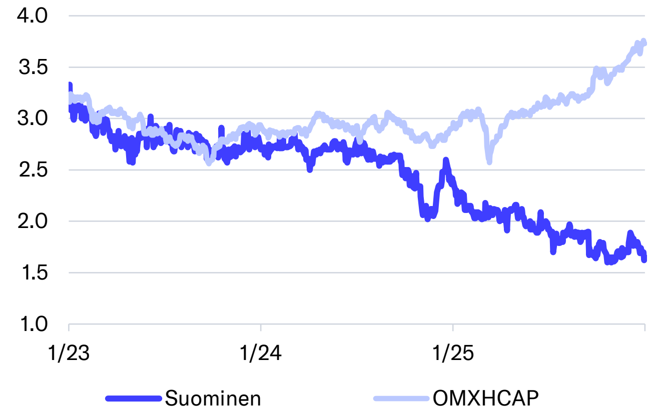
P/E (adj.)	neg.	neg.	80.2	43.5
P/B	1.0	1.1	1.1	1.1
Dividend yield-%	0.0 %	0.0 %	0.0 %	1.2 %
EV/EBIT (adj.)	neg.	>100	27.0	18.6
EV/EBITDA	15.4	12.1	8.7	6.2
EV/S	0.4	0.4	0.4	0.4

Source: Inderes

Guidance (New guidance)

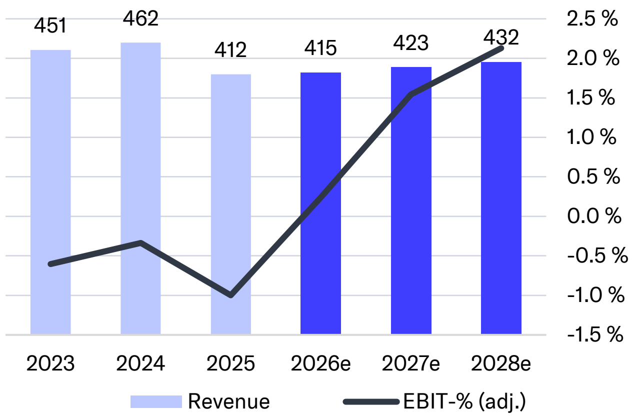
Suominen expects that its comparable EBITDA in 2026 will increase from 2025 (12.6 MEUR)..

Share price



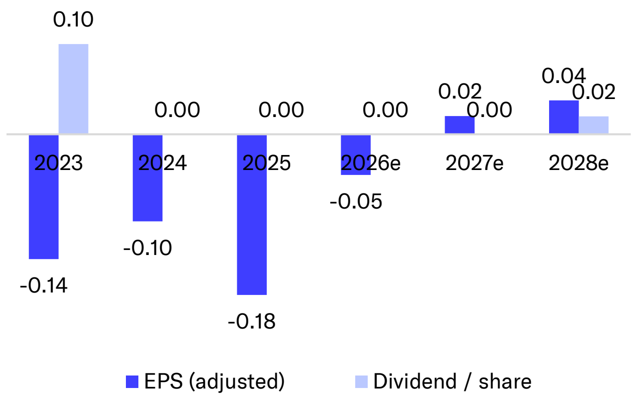
Source: Millistream Market Data AB

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	1.63	1.63	1.63
Number of shares, millions	57.8	57.8	57.8
Market cap	94	94	94
EV	175	176	171
P/E (adj.)	neg.	80.2	43.5
P/E	neg.	neg.	43.5
P/B	1.1	1.1	1.1
P/S	0.2	0.2	0.2
EV/Sales	0.4	0.4	0.4
EV/EBITDA	12.1	8.7	6.2
EV/EBIT (adj.)	>100	27.0	18.6
Payout ratio (%)	0%	0%	53%
Dividend yield-%	0.0 %	0.0 %	1.2 %

Source: Inderes

Q4 was very weak

Q4 revenue and earnings were well below expectations and the comparison period

Suominen's Q4 revenue decreased by as much as 20% and was 11% below our estimate. As expected, the production problems that emerged in Q3 also disrupted deliveries in Q4, but the volume decrease was significantly larger than we expected. The majority of the decrease came from volumes, with the price/mix effect being slightly positive and the weakening of the US dollar being negative. The company's revenue also decreased significantly in the EMEA region, indicating that Suominen lost volumes due to reasons other than the issues in the US. We believe this is mainly due to fierce competition and overcapacity in the European markets, which Suominen cannot fully address.

Adj. EBITDA for Q4 was just under 2 MEUR, while we had expected a result of around 4.5 MEUR. The significant decrease in volumes naturally also affected earnings development. The company stated that the 10 MEUR savings program launched last year had progressed well, but its positive effects were overshadowed by the negative impacts of declining volumes.

Dividend still at zero, balance sheet tight

With the clearly unprofitable result, Suominen kept its dividend at zero, as expected. Due to the weakening earnings, the company's balance sheet position deteriorated further, and net debt/adj. EBITDA was already well over 6x at the end of the year. The company stated that it is in negotiations with its financiers to avoid covenant breaches. In practice, covenants will therefore likely be 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 stated in our interview (link below) 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. Thus, we believe strengthening the balance sheet with either a hybrid loan or a share issue is likely. Based on our estimates, the company's net debt/adj. EBITDA at the end of 2026 would be over 4x, which we believe would better enable refinancing. However, financing decisions will likely have to be made earlier this year.

Estimates	Q4'24	Q4'25	Q4'25e	Q4'25e	Consensus		Difference (%)	2025
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Tot.
Revenue	119	95	107	108			-11%	412
EBITDA (adj.)	4.2	1.9	4.5	4.7			-58%	12.6
EBIT (adj.)	-0.3	-2.2	0.0	0.2			-8550%	-4.2
EBIT	0.9	-3.2	-2.0	-			-62%	-5.9
EPS (reported)	0.01	-0.07	-0.04	-0.03			-62%	-0.21
DPS	0.00	0.00	0.00	0.00				0.00
Revenue growth-%	3.1 %	-19.6 %	-9.7 %	-8.9 %			-9.9 pp	-10.8 %
EBIT-% (adj.)	-0.3 %	-3.4 %	0.0 %	0.2 %			-3.4 pp	-1.0 %

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

Suominen Q4'25: Profitability improvement program

Estimates decreased, the company is launching a major improvement program

2026 guidance expects improvement as anticipated

Suominen's 2026 guidance, as usual, indicates an improvement in adjusted EBITDA. Last year's level (13 MEUR) was weak, and the consensus estimate, for example, expected more than double the earnings for 2026 before the Q4 report.

The company stated in the Q4 earnings call that the difficulties in the US will still be reflected in Q1 as a decline in volumes. It is also worth noting that in Q1, the comparison figures for volumes are still moderately good, whereas in Q2-Q4'25, Suominen's volumes clearly decreased, resulting in weaker comparables. We expect Suominen to partially regain volumes lost last year due to temporary factors, but some of the volume losses will be more permanent. Due to this and the weakening US dollar, we lowered our revenue estimate for this year.

Our adjusted EBITDA estimate for this year decreased to 19 MEUR (was 23 MEUR). The company stated in connection with Q3 that its current "normal" earnings level is 5-6 MEUR. Considering the Q1 volume decline mentioned above, we believe that Q1 adjusted EBITDA will remain below this, but Suominen will achieve over 5 MEUR in adjusted EBITDA in Q2-Q4'26. We note that the new CEO has their own incentive scheme for next year's earnings, with a lower limit of 20 MEUR and a maximum bonus at 30 MEUR adjusted EBITDA. This provides an idea of the company's perceived improvement potential and targets for this year. We also added 10 MEUR in one-off costs related to the new efficiency program to our forecasts, which will weigh on the reported result in 2026-27.

The new efficiency program targets a 10% adj. EBITDA margin by 2028

In line with the CEO's previous references, the company 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 efficiency program was well expected, and the organizational revision made for it, which removes geographical segments, seems logical to us. The targeted adj. EBITDA margin is slightly lower than the company's official financial target (12%), but very ambitious compared to our estimates (2028: ~6.5%). 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 MEUR / EUR	2025 Old	2025e Actualized	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
Revenue	424	412	-3%	445	415	-7%	454	423	-7%
EBITDA	12.5	11.3	-10%	23.0	14.4	-37%	29.9	20.2	-33%
EBIT (exc. NRIs)	-1.9	-4.1	-120%	3.5	1.0	-71%	10.3	6.5	-37%
EBIT	-4.7	-5.9	-27%	3.5	-4.0	-215%	10.3	1.5	-85%
PTP	-12.3	-13.4	-9%	-1.2	-8.8	-654%	4.2	-5.1	-221%
EPS (excl. NRIs)	-0.14	-0.18	-30%	-0.02	-0.05	-197%	0.05	0.02	-63%
DPS	0.00	0.00		0.00	0.00		0.02	0.00	-100%

Source: Inderes

Suominen, Audiocast, Q4'25

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 1.3

The value of the DCF model is around EUR 1.3, which is in line with our target price. This decreased from the previous 1.6 euros mainly due to weaker earnings in the coming years and a lower revenue level throughout the estimate years. The model assumes a longer-term EBIT-% of 4.0% and thus an EBIT of ~20 MEUR. This would require a gross margin of over 10%, a level that the company has occasionally achieved in the past. We note that the long-term margin assumption is well above the levels achieved in recent years and projected for the coming years. The 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 75 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.

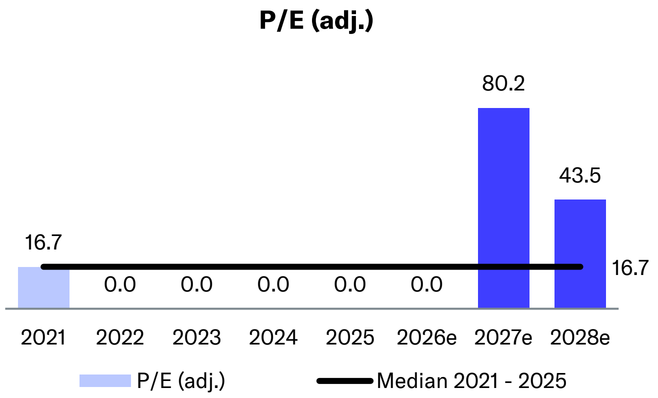
Valuation	2026e	2027e	2028e
Share price	1.63	1.63	1.63
Number of shares, millions	57.8	57.8	57.8
Market cap	94	94	94
EV	175	176	171
P/E (adj.)	neg.	80.2	43.5
P/E	neg.	neg.	43.5
P/B	1.1	1.1	1.1
P/S	0.2	0.2	0.2
EV/Sales	0.4	0.4	0.4
EV/EBITDA	12.1	8.7	6.2
EV/EBIT (adj.)	>100	27.0	18.6
Payout ratio (%)	0%	0%	53%
Dividend yield-%	0.0 %	0.0 %	1.2 %

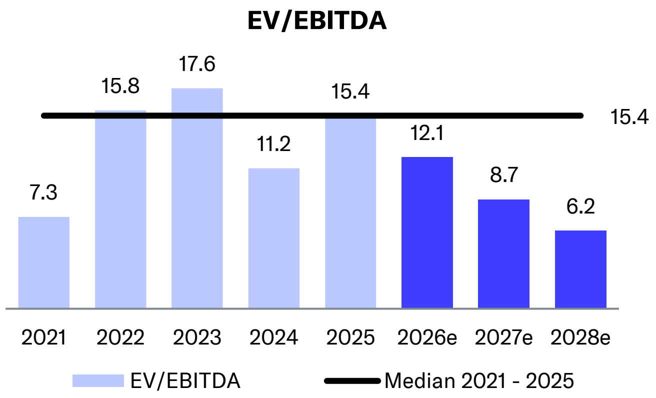
Source: Inderes

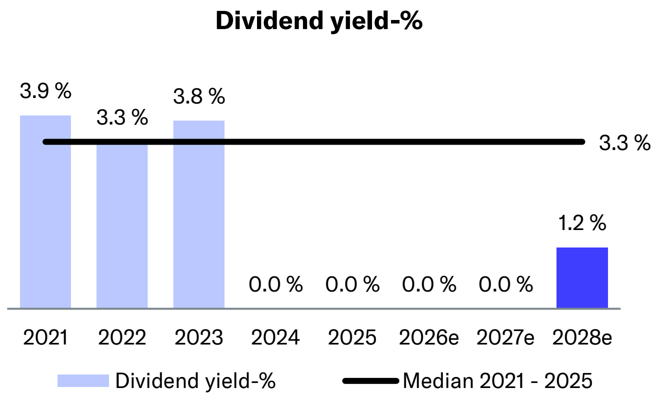
Valuation table

Valuation	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Share price	5.18	3.00	2.66	2.28	1.68	**1.63**	**1.63**	**1.63**	**1.63**
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	**94**	**94**	**94**	**94**
EV	345	226	197	192	174	**175**	**176**	**171**	**164**
P/E (adj.)	16.7	neg.	neg.	neg.	neg.	**neg.**	**80.2**	**43.5**	**20.0**
P/E	14.4	neg.	neg.	neg.	neg.	**neg.**	**neg.**	**43.5**	**20.0**
P/B	1.8	1.2	1.2	1.1	1.0	**1.1**	**1.1**	**1.1**	**1.0**
P/S	0.7	0.3	0.3	0.3	0.2	**0.2**	**0.2**	**0.2**	**0.2**
EV/Sales	0.8	0.5	0.4	0.4	0.4	**0.4**	**0.4**	**0.4**	**0.4**
EV/EBITDA	7.3	15.8	17.6	11.2	15.4	**12.1**	**8.7**	**6.2**	**5.4**
EV/EBIT (adj.)	12.8	neg.	neg.	neg.	neg.	**>100**	**27.0**	**18.6**	**14.0**
Payout ratio (%)	55.4 %	neg.	neg.	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**53.4 %**	**50.0 %**
Dividend yield-%	3.9 %	3.3 %	3.8 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**	**1.2 %**	**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.

Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT 2026e	 2027e	EV/EBITDA 2026e	 2027e	EV/S 2026e	 2027e	P/E 2026e	 2027e	Dividend yield-% 2026e	 2027e	P/B 2026e
Huhtamäki	3265	4510	11.1	10.4	7.1	6.8	1.1	1.1	11.9	11.0	3.9	4.1	1.4
Duni	471	598	10.2	8.6	6.8	6.0	0.8	0.8	13.1	10.5	5.3	5.7	1.4
Sealed Air	5166	8424	11.4	10.8	8.7	8.4	1.9	1.8	12.4	11.4	1.9	2.1	4.5
Riverstone	841	707	11.1	9.9	9.2	8.3	3.0	2.7	16.5	14.7	5.6	5.9	2.5
Magnera	397	1775	12.2	10.8	5.5	5.3	0.6	0.6	13.1	8.6			
Suominen (Inderes)	**94**	**175**	**174.5**	**27.0**	**12.1**	**8.7**	**0.4**	**0.4**	**-36.2**	**80.2**	**0.0**	**0.0**	**1.1**
Average			**11.2**	**10.1**	**7.5**	**6.9**	**1.5**	**1.4**	**13.4**	**11.2**	**4.2**	**4.4**	**2.5**
Median			**11.1**	**10.4**	**7.1**	**6.8**	**1.1**	**1.1**	**13.1**	**11.0**	**4.6**	**4.9**	**1.9**
Diff-% to median			**1471%**	**158%**	**70%**	**28%**	**-62%**	**-61%**	**-376%**	**627%**	**-100%**	**-100%**	**-45%**

Source: Refinitiv / Inderes

Income statement

Income statement	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	**462**	**118**	**99.8**	**99.8**	**95.3**	**412**	**101**	**109**	**105**	**101**	**415**	**423**	**432**	**441**
EBITDA	**17.1**	**4.0**	**2.3**	**3.6**	**1.3**	**11.3**	**3.1**	**3.3**	**3.8**	**4.2**	**14.4**	**20.2**	**27.4**	**30.2**
Depreciation	-18.4	-4.4	-4.2	-4.1	-4.6	-17.2	-4.4	-4.4	-4.7	-4.9	-18.4	-18.6	-18.3	-18.4
EBIT (excl. NRI)	**-1.6**	**-0.3**	**-1.3**	**-0.3**	**-2.2**	**-4.1**	**-1.3**	**0.9**	**1.1**	**0.3**	**1.0**	**6.5**	**9.2**	**11.8**
EBIT	**-1.3**	**-0.3**	**-1.9**	**-0.5**	**-3.2**	**-5.9**	**-1.3**	**-1.1**	**-0.9**	**-0.7**	**-4.0**	**1.5**	**9.2**	**11.8**
Net financial items	-4.1	-1.9	-2.9	-1.3	-1.4	-7.5	-1.2	-1.2	-1.2	-1.2	-4.8	-6.6	-6.3	-5.5
PTP	**-5.3**	**-2.2**	**-4.8**	**-1.8**	**-4.6**	**-13.4**	**-2.5**	**-2.3**	**-2.1**	**-1.9**	**-8.8**	**-5.1**	**2.9**	**6.3**
Taxes	0.1	0.0	0.5	0.1	0.7	1.3	0.3	0.3	0.3	0.3	1.2	1.3	-0.7	-1.6
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**	**-2.2**	**-2.0**	**-1.8**	**-1.6**	**-7.6**	**-3.8**	**2.2**	**4.7**
EPS (adj.)	**-0.10**	**-0.04**	**-0.06**	**-0.03**	**-0.05**	**-0.18**	**-0.04**	**0.00**	**0.00**	**-0.01**	**-0.05**	**0.02**	**0.04**	**0.08**
EPS (rep.)	**-0.09**	**-0.04**	**-0.07**	**-0.03**	**-0.07**	**-0.21**	**-0.04**	**-0.03**	**-0.03**	**-0.03**	**-0.13**	**-0.07**	**0.04**	**0.08**

Key figures	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	2.6 %	3.4 %	-15.9 %	-10.5 %	-19.6 %	-10.8 %	-14.3 %	9.0 %	5.0 %	6.0 %	0.7 %	2.0 %	2.0 %	2.0 %
Adjusted EBIT growth-%	-42.6 %	209.0 %	-422.7 %	-80.0 %	516.7 %	164.1 %	307%	-170%	-460%	-113%	-124%	553%	40.8 %	27.8 %
EBITDA-%	3.7 %	3.4 %	2.3 %	3.6 %	1.4 %	2.7 %	3.1 %	3.0 %	3.6 %	4.1 %	3.5 %	4.8 %	6.4 %	6.9 %
Adjusted EBIT-%	-0.3 %	-0.3 %	-1.3 %	-0.3 %	-2.3 %	-1.0 %	-1.2 %	0.8 %	1.0 %	0.3 %	0.2 %	1.5 %	2.1 %	2.7 %
Net earnings-%	-1.1 %	-1.9 %	-4.3 %	-1.7 %	-4.1 %	-2.9 %	-2.1 %	-1.8 %	-1.7 %	-1.6 %	-1.8 %	-0.9 %	0.5 %	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**	**154**	**151**	**148**
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	133	130	127
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**	**120**	**113**	**115**
Inventories	47.5	40.4	39.4	40.2	41.0
Other current assets	6.6	7.5	7.5	7.5	7.5
Receivables	62.5	38.1	39.4	40.2	41.0
Cash and equivalents	41.3	32.1	33.2	25.4	25.9
Balance sheet total	**310**	**272**	**274**	**265**	**264**

Source: Inderes

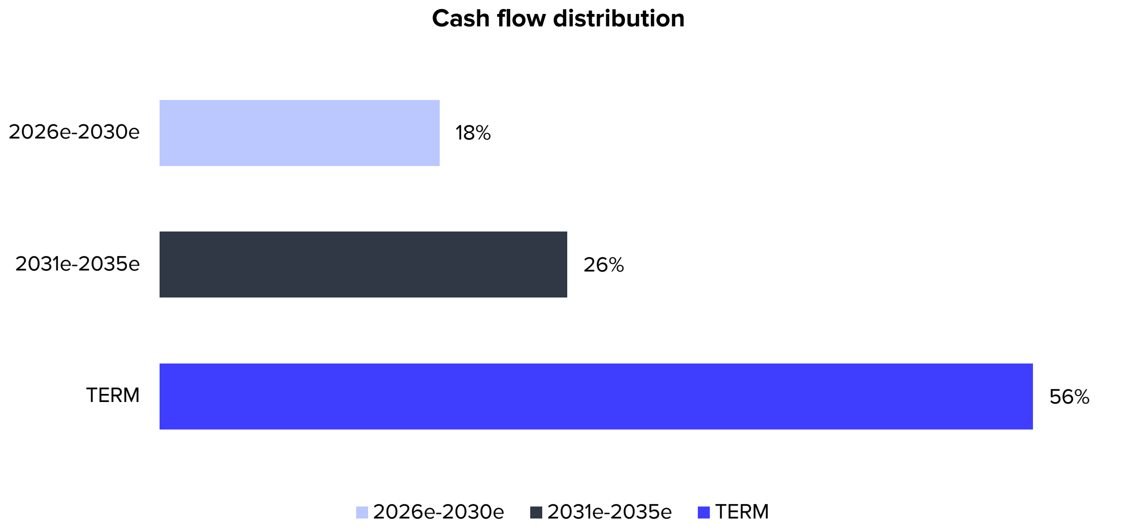
Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	**118**	**96.1**	**88.5**	**84.7**	**86.8**
Share capital	11.9	11.9	11.9	11.9	11.9
Retained earnings	1.6	-9.9	-17.5	-21.3	-19.2
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0
Other equity	104	94.2	94.2	94.2	94.2
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	**67.9**	**111**	**102**	**96.9**	**93.3**
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	96.9	91.9	88.3
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**	**83.2**	**83.2**	**83.7**
Interest bearing debt	42.9	2.8	16.7	15.5	14.6
Payables	81.8	62.0	66.4	67.7	69.1
Other current liabilities	0.4	0.0	0.0	0.0	0.0
Balance sheet total	**311**	**272**	**274**	**265**	**264**

DCF calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	-10.8 %	0.7 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	-1.4 %	-1.0 %	0.4 %	2.1 %	2.7 %	3.0 %	3.5 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %
EBIT (operating profit)	**-5.9**	**-4.0**	**1.5**	**9.2**	**11.8**	**13.5**	**16.0**	**18.7**	**19.1**	**19.5**	**19.9**	
+ Depreciation	17.2	18.4	18.6	18.3	18.4	17.9	17.6	17.3	16.9	16.6	16.2	
- Paid taxes	-3.7	1.2	1.3	-0.7	-1.6	-2.1	-2.8	-3.5	-3.8	-4.0	-4.2	
- Tax, financial expenses	-0.7	-0.7	-1.7	-1.6	-1.4	-1.3	-1.2	-1.1	-0.9	-0.8	-0.8	
+ 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	4.0	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	
Operating cash flow	**17.2**	**19.0**	**19.5**	**24.9**	**27.0**	**27.8**	**29.4**	**31.0**	**31.0**	**30.9**	**30.8**	
+ 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	-17.1	-15.5	-15.1	-14.6	-14.1	-18.6	
Free operating cash flow	**-0.8**	**0.9**	**3.4**	**9.8**	**11.9**	**10.7**	**13.9**	**16.0**	**16.4**	**16.8**	**12.2**	
+/- 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	0.9	3.4	9.8	11.9	10.7	13.9	16.0	16.4	16.8	12.2	192
Discounted FCFF		**0.8**	**2.9**	**7.7**	**8.6**	**7.1**	**8.5**	**9.1**	**8.6**	**8.1**	**5.4**	**85**
Sum of FCFF present value		152	151	148	140	132	125	116	107	98.4	90.3	85
Enterprise value DCF		**152**										
- Interest bearing debt		-109										
+ Cash and cash equivalents		32										
-Minorities		0.0										
-Dividend/capital return		0.0										
Equity value DCF		**75**										
Equity value DCF per share		**1.29**										

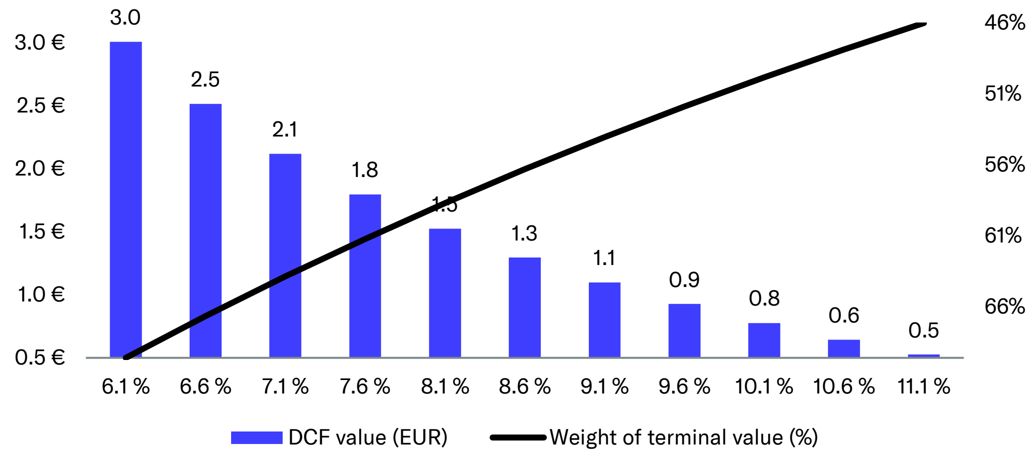
WACC	
Tax-% (WACC)	25.0 %
Target debt ratio (D/(D+E)	20.0 %
Cost of debt	4.0 %
Equity Beta	1.36
Market risk premium	4.75%
Liquidity premium	1.00%
Risk free interest rate	2.5 %
Cost of equity	**9.9 %**
Weighted average cost of capital (WACC)	**8.6 %**

Source: Inderes

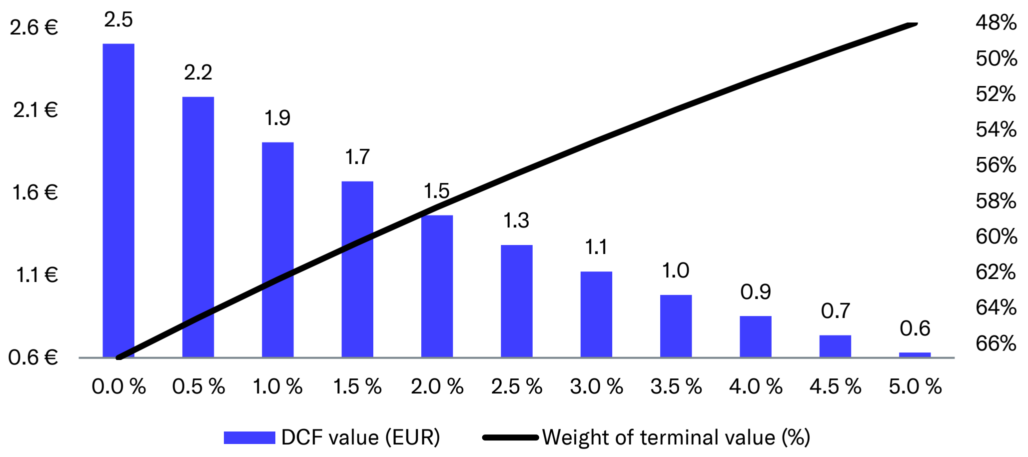


DCF sensitivity calculations and key assumptions in graphs

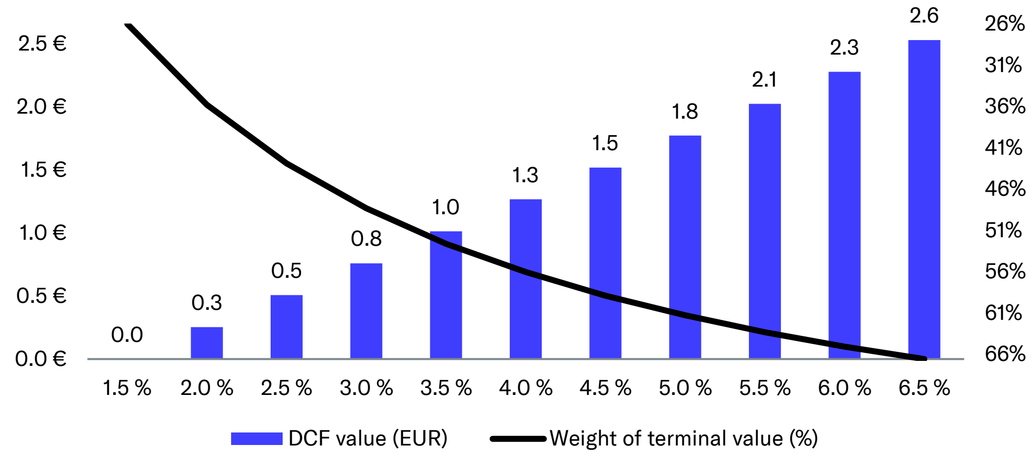
Sensitivity of DCF to changes in the WACC-%



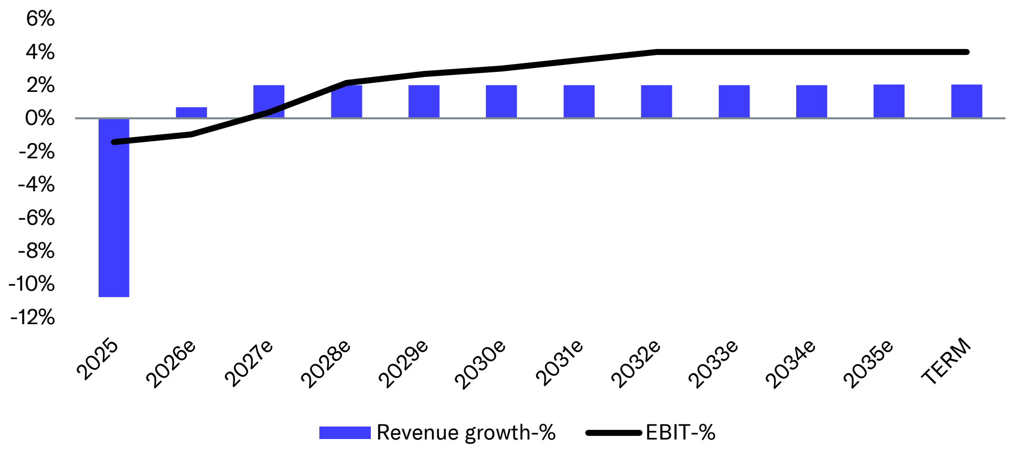
Sensitivity of DCF to changes in the risk-free rate



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	**415.1**	**423.4**
EBITDA	11.2	17.1	11.3	**14.4**	**20.2**
EBIT	-7.5	-1.3	-5.9	**-4.0**	**1.5**
PTP	-13.5	-5.3	-13.4	**-8.8**	**-5.1**
Net Income	-12.8	-5.3	-12.1	**-7.6**	**-3.8**
Extraordinary items	-4.8	0.3	-1.8	**-5.0**	**-5.0**

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	316.4	310.4	272.4	**273.6**	**264.8**
Equity capital	124.9	117.6	96.1	**88.5**	**84.7**
Goodwill	15.5	15.5	15.5	**15.5**	**15.5**
Net debt	43.5	60.5	77.1	**80.4**	**82.0**

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	11.2	17.1	11.3	**14.4**	**20.2**
Change in working capital	28.9	-3.8	10.3	**4.0**	**-0.2**
Operating cash flow	36.8	11.7	17.2	**19.0**	**19.5**
CAPEX	-10.8	-22.7	-17.7	**-18.1**	**-16.1**
Free cash flow	24.4	-10.8	-0.8	**0.9**	**3.4**

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	-0.22	-0.09	-0.21	**-0.13**	**-0.07**
EPS (adj.)	-0.14	-0.10	-0.18	**-0.05**	**0.02**
OCF / share	0.64	0.20	0.30	**0.33**	**0.34**
OFCF / share	0.42	-0.19	-0.01	**0.02**	**0.06**
Book value / share	2.17	2.04	1.66	**1.53**	**1.47**
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%**	**2%**
EBITDA growth-%	-22%	53%	-34%	**28%**	**40%**
EBIT (adj.) growth-%	-35%	-43%	164%	**-124%**	**553%**
EPS (adj.) growth-%	-12%	-30%	84%	**-75%**	**-145%**
EBITDA-%	2.5 %	3.7 %	2.7 %	**3.5 %**	**4.8 %**
EBIT (adj.)-%	-0.6 %	-0.3 %	-1.0 %	**0.2 %**	**1.5 %**
EBIT-%	-1.7 %	-0.3 %	-1.4 %	**-1.0 %**	**0.4 %**
ROE-%	-9.4 %	-4.3 %	-11.3 %	**-8.2 %**	**-4.4 %**
ROI-%	-3.2 %	-0.6 %	-2.8 %	**-2.0 %**	**0.8 %**
Equity ratio	39.5 %	37.9 %	35.3 %	**32.4 %**	**32.0 %**
Gearing	34.8 %	51.5 %	80.2 %	**90.9 %**	**96.8 %**

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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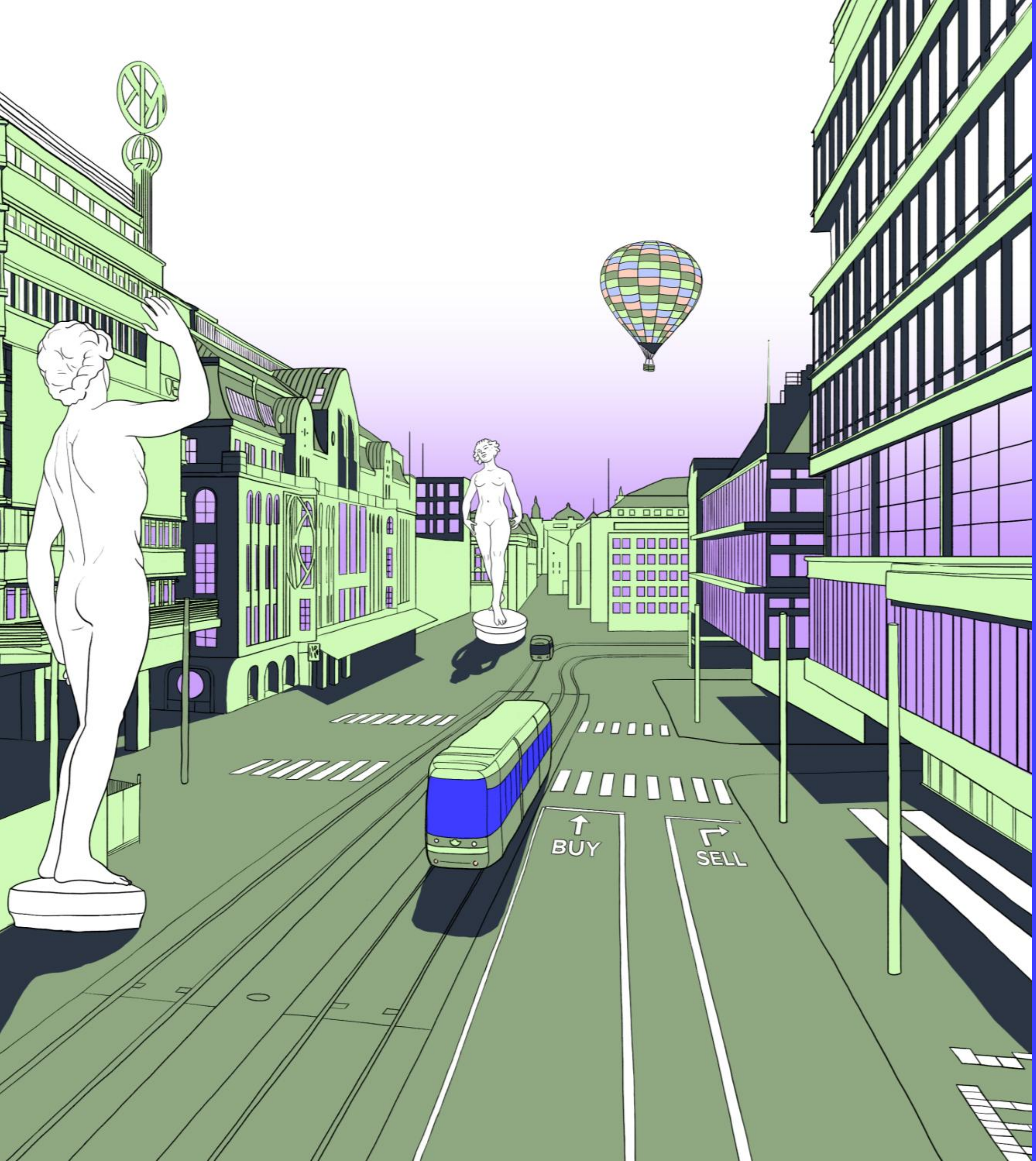
Recommendation history (>12 mo)

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 €



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