

# APETIT

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This is a translated version of the "Orgaaninen suunta suotuisa, Foodhills nostaa riskitasoa" report, published on 10/27/2025



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## INDERES CORPORATE CUSTOMER COMPANY REPORT



# Favorable organic trend, Foodhills raises risk level

Q3 was broadly in line with our expectations. The favorable development of Oilseed Products led to small upward revisions in operational earnings estimates. We expect organic earnings development to be favorable in the near term, but the operational earnings impact of the Foodhills acquisition, which will take place in Q4, is difficult to predict and likely to be negative at least in the short term. We are not prepared to fully rely on a potential earnings turnaround until there is more concrete evidence of it. We reiterate our Reduce recommendation and EUR 14.0 target price.

## Big picture shows quarter in line with expectations

As a whole, the Q3 report was largely in line with expectations. Revenue grew as expected by 2%. Operational profitability was even stronger than estimated (9% above estimate), considering the 0.4 MEUR expert costs included in the EBIT in Food Solutions. The profitability of Food Solutions was negatively affected by a poor pea harvest, as Apetit pays pea farmers contract-based compensation for cultivation areas that are unsuitable for harvesting. The result of Oilseed Products improved by 0.2 MEUR y/y, supported by the decrease in raw material prices, and exceeded our forecast. Net income was weighed down by the negative earnings of the associate company Sucros, which pushed the reported EPS 22% below the estimate. However, without one-off expert fees, adjusted net income would have been only an estimated 11% below the forecast. Cash flow from operating activities has continued its good development, while organic investments have decreased slightly.

## The organic earnings outlook is moderately favorable

Apetit's earnings guidance for 2025 remained unchanged. The Group's operating profit, excluding the impact of the acquisition, is expected to decrease slightly from the comparison year (2024: 9.3 MEUR). Our 2025 EBIT estimate, excluding the impact of the

acquisition, is 8.4 MEUR, which increased by 9% due to the strong performance of Oilseed Products. As a whole, EBIT forecasts for 2025-27 increased moderately by 5-7%. For 2026, we estimate organic earnings growth of around 0.7 MEUR, driven by a good harvest in root vegetables and oilseeds, as well as new product launches. Apetit has continued to commercialize the BlackGrain ingredient by increasing the production capacity of the raw material required for the ingredient and by launching a burger patty utilizing the ingredient for professional kitchens in the fall. We estimate that new products will bring gradual revenue growth, with a moderate impact on earnings in the short term, but as volumes grow, profitability will improve in the medium term.

## Acquisition of loss-making Foodhills raised the risk level

Overall, we expect Apetit's EBIT to decrease during 2026, which is affected by the unprofitability of the Foodhills business to be acquired in Q4. Sweden's largest producer of frozen peas, Foodhills, has long been unprofitable, and we estimate it will still generate an operating loss of -2.4 MEUR in 2026. Our estimates include an earnings turnaround for Foodhills for 2027-28 (EBIT: 0.2-0.6 MEUR), but the visibility of success in this area is still low. Earnings-based valuation is elevated based on the next few years' (2025-26e) earnings (EV/EBIT: 11-13x) relative to our estimated fair value for Apetit (approximately 10x). The balance sheet-based valuation, in turn, is favorable (0.7x), which is influenced by the very low purchase price paid for Foodhills relative to its balance sheet value. If the earnings turnaround is successful, earnings-based multiples would again decrease to attractive levels, and the upside potential indicated by the balance sheet-based valuation could materialize. However, the international nature of the acquisition and the unprofitability of the target increase the riskiness of the investment case and the required return premium until more concrete evidence of a turnaround is available.

## Recommendation

**Reduce**

(was Reduce)

## Target price:

**EUR 14.00**

(was EUR 14.00)

## Share price:

EUR 14.00

## Business risk



## Valuation risk



	2024	2025e	2026e	2027e
Revenue	163	170	187	192
growth-%	-7%	4%	10%	2%
EBIT adj.	9.4	7.5	6.8	9.5
EBIT-% adj.	5.8%	4.4%	3.7%	4.9%
Net Income	8.5	4.6	6.2	8.4
EPS (adj.)	1.36	3.00	1.00	1.35
P/E (adj.)	10.2	4.7	14.0	10.3
P/B	0.8	0.7	0.7	0.7
Dividend yield-%	5.4%	5.0%	5.4%	5.4%
EV/EBIT (adj.)	8.2	11.0	12.6	8.8
EV/EBITDA	4.8	5.5	5.3	4.3
EV/S	0.5	0.5	0.5	0.4

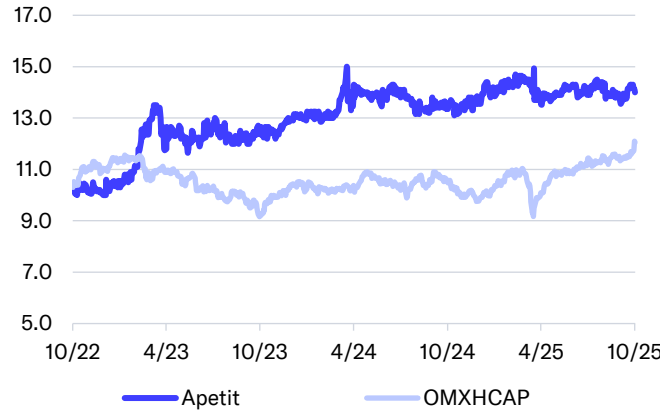
Source: Inderes

## Guidance

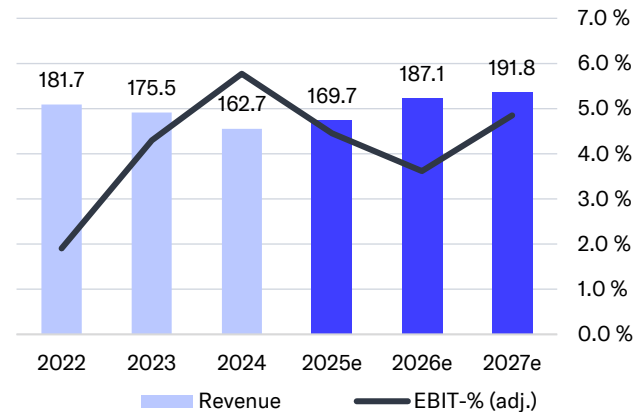
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The Group's operating profit, excluding the impact of the acquisition, is expected to decrease slightly from the comparison year (2024: 9.3 MEUR)

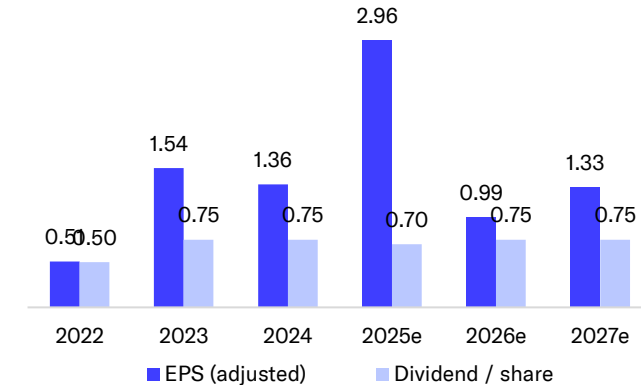
## Share price



## Revenue and EBIT-% (adj.)



## EPS and dividend



## 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 of the Swedish acquisition's earnings turnaround

Valuation	2025e	2026e	2027e
<b>Share price</b>	14.0	14.0	14.0
<b>Number of shares, millions</b>	6.21	6.21	6.21
<b>Market cap</b>	87	87	87
<b>EV</b>	85	87	85
<b>P/E (adj.)</b>	4.7	14.1	10.5
<b>P/E</b>	4.7	14.1	10.5
<b>P/B</b>	0.7	0.7	0.7
<b>P/S</b>	0.5	0.5	0.5
<b>EV/Sales</b>	0.5	0.5	0.4
<b>EV/EBITDA</b>	5.6	5.4	4.4
<b>EV/EBIT (adj.)</b>	11.2	12.9	9.1
<b>Payout ratio (%)</b>	23.6 %	75.4 %	56.2 %
<b>Dividend yield-%</b>	5.0 %	5.4 %	5.4 %

Source: Inderes

# Q3'25: In the big picture, development was in line with expectations

## Revenue growth in line with expectations

Apetit’s Q3 revenue was at the level we expected and grew by 2% y/y. Growth in Food Solutions was 3%, which continues the trend of recent years where the segment grows supported by sales volumes. In Oilseed Products, revenue grew by 2%, and growth thus slowed down from previous quarters, which we believe was due to the stabilization of sales prices in the market after the raw material price increase ended. Growth in both segments was close to our expectations.

## Comparable revenue at previous year's level

The EBIT and EBITDA reported by Apetit decreased from the comparison period by 0.3–0.5 MEUR. However, this was mainly explained by expert fees related to the Foodhills acquisition, of which 0.4 MEUR was included in the EBIT. The adjusted EBIT would have been 3.6 MEUR, or 9% above our forecast (Q3’24: 3.7 MEUR). Reported EBIT was 3.2 MEUR.

Food Solutions' result suffered from a challenging frozen pea harvest season, as the company had to pay compensation to farmers for fields that were unfit for harvesting, in accordance with cultivation agreements. In Oilseed Products, EBIT improved slightly by 0.1 MEUR, which we believe is related to lower raw material prices and a normalization of the margin level.

The Group’s EPS was EUR 0.35, falling well below the forecast (22%). In addition to the factors affecting EBIT, this was also impacted by the weak earnings of the associate company Sucros (-0.2 MEUR, our estimate 0.2 MEUR, Q3’24: 0.4 MEUR).

## Cash flows have developed favorably

Apetit’s investments have been lower this year than in the previous year (5 MEUR, January-September 2024: 7 MEUR). At the same time, cash flow from operating activities (8 MEUR) has improved compared to the weak comparison period (-1 MEUR). The comparison does not

consider the significant Foodhills acquisition carried out in October. The balance sheet is strong with a net indebtedness ratio of only 6%.

Estimates	Q3'24	Q3'25	Q3'25e	Difference (%)	2025e
MEUR / EUR	Comparison	Actualized	Inderes	Act. vs. inderes	Inderes
Revenue	40.5	41.4	41.6	0%	170
EBITDA	5.3	5.0	5.1	-3%	15.1
EBIT	3.7	3.2	3.3	-2%	7.5
EPS (reported)	0.53	0.35	0.45	-22%	3.00
Revenue growth-%	2.0 %	2.2 %	2.6 %	-0.4 pp	4.3 %
EBIT-% (adj.)	9.2 %	7.7 %	7.8 %	-0.1 pp	4.4 %

Source: Inderes



# Foodhills a negative earnings driver for next year

## 2025 guidance materilizing as expected

Apetit’s earnings guidance for 2025 remained unchanged. The Group's operating profit, excluding the impact of the acquisition, is expected to decrease slightly from the comparison year (2024: 9.3 MEUR) Our reported EBIT estimate for the full year is 7.5 MEUR, but this includes a realized 0.4 MEUR expense for expert fees in Q3 and an estimated 0.5 MEUR negative earnings impact in Q4, mainly due to the negative earnings of the acquired target at the end of the year. Without the impact of the acquisition, our EBIT estimate is 8.4 MEUR, which is up from our previous update (was 7.7 MEUR). We believe our estimate is in line with the guidance.

The Q4'25 EPS will be affected by a large one-off gain related to the Foodhills acquisition (purchase price below book value). This, however, does not affect the cash flow.

## Favorable organic outlook for 2026

We believe the earnings outlook for 2026 is organically positive, driven by good root vegetable and oilseed harvests. Food Solutions is expected to continue moderate volume growth (estimate for organic growth 2.6%) supported by new products and export growth. We estimate Food Solutions' EBIT to grow organically by 0.5 MEUR. In Oilseed Products, earnings are on an improving trend due to the more favorable raw material price, and we expect them to increase by 0.4 MEUR in 2026, weighted towards H1, where the comparable figures for 2025 are quite low.

## Assessing the earnings turnaround of the acquisition target is challenging

Assessing the earnings impact of the Foodhills acquisition, which is likely to be completed in Q4, is difficult. The acquired company has historically been [significantly](#)

[unprofitable](#) and it is still challenging to estimate how quickly the turnaround in the acquired company's profitability will materialize. We estimate the earnings impact at EBIT level to be -2.4 MEUR in 2026, but for 2027-28 we assume earnings to already turn slightly positive (0.2-0.6 MEUR).

## Small upward revisions to forecasts

Overall, our estimates changes are moderately positive for 2026-27 (EBIT rose by 5-7%). The revisions are particularly driven by an increase in the margin assumptions for Oilseed Products due to a better-than-expected Q3. The earnings estimate for associate company Sucros, on the other hand, decreased for 2025 due to a weak Q3 earnings report, but we expect earnings to normalize closer to the long-term level in 2026.

Estimate revisions	2025e	2025e	Change	2026e	2026e	Change	2027e	2027e	Change
MEUR / EUR	Old	New	%	Old	New	%	Old	New	%
Revenue	170	170	0%	189	187	-1%	193	192	-1%
EBITDA	14.8	15.1	2%	15.6	16.1	3%	18.8	19.2	2%
EBIT (exc. NRIs)	7.2	7.6	5%	6.3	6.8	7%	8.9	9.3	5%
EBIT	7.2	7.6	5%	6.3	6.8	7%	8.9	9.3	5%
PTP	6.3	5.9	-7%	7.0	7.5	7%	9.7	10.1	4%
EPS (excl. NRIs)	3.04	2.96	-3%	0.94	0.99	6%	1.28	1.33	4%
DPS	0.70	0.70	0%	0.75	0.75	0%	0.75	0.75	0%

Source: Inderes

# Acquisition has elevated the long-term estimate risk

## 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. In recent years, the company has succeeded in improving its efficiency and increasing sales in favorable product categories. 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 Foodhills, 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 Sucros holding are significant, so we believe that valuing the share also requires an opinion on the fair value of Sucros. When looking at enterprise value-based metrics, Sucros' fair value should be deducted from Apetit's enterprise value (EV), or otherwise, the valuation multiples will appear too high. 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 13 MEUR or EUR 2.1/share). This corresponds to multiples of P/B: 0.6x, P/E 2020-24: 10x and P/E 2025e: negative.

## Short-term earnings-based valuation multiples elevated due to Foodhills

From an earnings perspective, Apetit's valuation is currently higher than usual (EV/EBIT 2025e: 11x, 2026e: 13x), which is particularly affected by the Foodhills acquisition's short-term negative earnings impact. The company has been valued as low as EV/EBIT 8x in recent years, but we estimate the fair level to be around 10x. If Foodhills' profitability turnaround materializes, the multiples would again decrease to attractive levels. If the Swedish acquisition were to prove to be an enabler of organic growth in the long term, there could also be a small upside in the fair value multiple. However, we believe it is premature to validate this for the time being.

## Balance sheet-based valuation is low, but we do not dare to rely on it without evidence of Foodhills' turnaround

Apetit was able to acquire Foodhills very cheaply on a balance sheet basis, which led to the share's P/B-based valuation again decreasing to a low level of 0.7x. 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. If the acquired business continues its long-standing unprofitable earnings, it could significantly burden Apetit's earnings and, over time, also weaken the attractiveness of the balance sheet-based valuation.

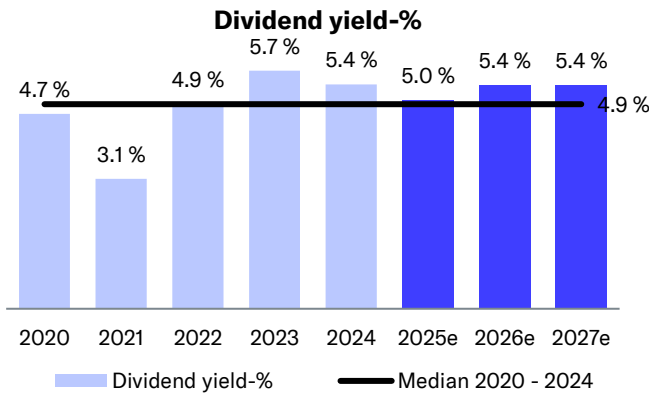
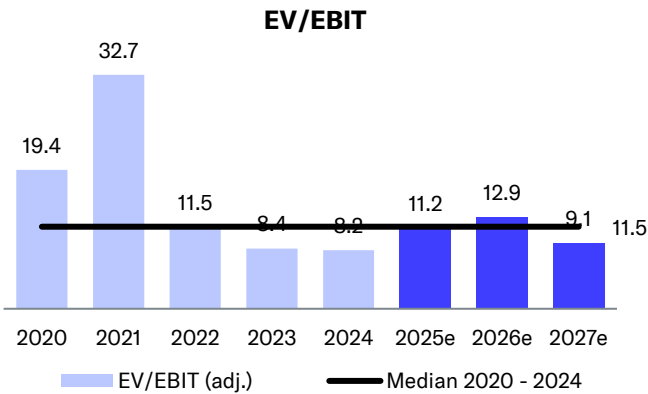
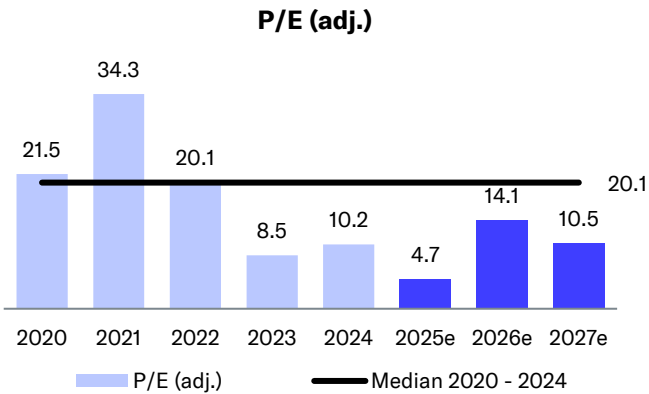
Valuation	2025e	2026e	2027e
Share price	14.0	14.0	14.0
Number of shares, millions	6.21	6.21	6.21
Market cap	87	87	87
EV	85	87	85
P/E (adj.)	4.7	14.1	10.5
P/E	4.7	14.1	10.5
P/B	0.7	0.7	0.7
P/S	0.5	0.5	0.5
EV/Sales	0.5	0.5	0.4
EV/EBITDA	5.6	5.4	4.4
EV/EBIT (adj.)	11.2	12.9	9.1
Payout ratio (%)	23.6 %	75.4 %	56.2 %
Dividend yield-%	5.0 %	5.4 %	5.4 %

Source: Inderes

# Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	10.7	12.9	10.2	13.2	14.0	14.0	14.0	14.0	14.0
Number of shares, millions	6.21	6.21	6.32	6.32	6.21	6.21	6.21	6.21	6.21
Market cap	66	80	64	83	87	87	87	87	87
EV	75	93	40	63	77	85	87	85	82
P/E (adj.)	21.5	34.3	20.1	8.5	10.2	4.7	14.1	10.5	9.8
P/E	21.5	34.3	20.1	8.5	10.2	4.7	14.1	10.5	9.8
P/B	0.7	0.9	0.7	0.8	0.80	0.72	0.7	0.7	0.7
P/S	0.2	0.3	0.4	0.5	0.5	0.5	0.5	0.5	0.4
EV/Sales	0.3	0.3	0.2	0.4	0.5	0.5	0.5	0.4	0.4
EV/EBITDA	7.5	10.2	4.2	4.8	4.8	5.6	5.4	4.4	4.1
EV/EBIT (adj.)	19.4	32.7	11.5	8.4	8.2	11.2	12.9	9.1	8.2
Payout ratio (%)	100.6 %	106.6 %	98.7 %	48.6 %	55.1 %	23.6 %	75.4 %	56.2 %	52.5 %
Dividend yield-%	4.7 %	3.1 %	4.9 %	5.7 %	5.4 %	5.0 %	5.4 %	5.4 %	5.4 %

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		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
			2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e	2026e	2025e
Atria	394	660	9.8	9.3	5.1	4.9	0.4	0.4	9.3	8.5	5.2	5.6	0.9
Raisio	405	339	11.8	11.0	8.8	8.2	1.5	1.4	15.9	15.9	5.1	5.5	1.5
HKFoods	145	355	10.8	9.9	5.7	5.4	0.4	0.3	23.0	10.1	4.4	6.2	0.9
Fodelia	43	47	18.4	12.7	10.2	7.9	0.9	0.8	22.2	14.8	2.1	2.4	3.2
Nomad Foods	1537	3397	7.9	7.8	6.4	6.3	1.1	1.1	6.2	5.8	6.3	6.8	0.6
Savencia	859	1700	8.1	7.4	4.0	3.8	0.2	0.2	6.9	6.2	2.9	3.3	0.5
Agrana Beteiligungs	753	1248	21.0	19.9	7.0	7.0	0.4	0.4	100.4	75.3	6.0	5.8	0.7
Bonduelle	295	1042	12.8	11.8	6.3	6.0	0.5	0.5	12.4	7.1	2.8	3.5	0.5
Austevoll Seafood	1733	3767	11.5	7.8	7.3	5.5	1.2	1.1	12.1	8.1	5.8	6.8	1.1
Origin Enterprises	406	543	6.4	6.2	4.9	4.6	0.3	0.3	7.4	7.2	4.5	4.8	
Cranswick	3194	3392	14.8	13.3	10.4	9.3	1.1	1.0	19.4	17.9	1.9	2.0	2.7
<b>Apetit (Inderes)</b>	<b>87</b>	<b>85</b>	<b>11.2</b>	<b>12.9</b>	<b>5.6</b>	<b>5.4</b>	<b>0.5</b>	<b>0.5</b>	<b>4.7</b>	<b>14.1</b>	<b>5.0</b>	<b>5.4</b>	<b>0.7</b>
<b>Average</b>			<b>12.1</b>	<b>10.5</b>	<b>7.1</b>	<b>6.4</b>	<b>0.7</b>	<b>0.7</b>	<b>21.2</b>	<b>16.3</b>	<b>4.3</b>	<b>4.8</b>	<b>1.3</b>
<b>Median</b>			<b>11.6</b>	<b>9.6</b>	<b>6.7</b>	<b>6.2</b>	<b>0.5</b>	<b>0.5</b>	<b>14.1</b>	<b>9.3</b>	<b>4.5</b>	<b>5.5</b>	<b>0.9</b>
<b>Diff-% to median</b>			<b>-3%</b>	<b>34%</b>	<b>-16%</b>	<b>-12%</b>	<b>2%</b>	<b>-1%</b>	<b>-67%</b>	<b>52%</b>	<b>11%</b>	<b>-3%</b>	<b>-23%</b>

Source: Refinitiv / Inderes



# Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue	176	42.2	37.0	40.5	43.0	163	43.8	39.2	41.4	45.3	170	187	192	197
Food Solutions	73.7	20.5	16.5	18.4	20.4	75.8	20.4	17.3	19.0	22.5	79.2	96.0	98.4	101
Oilseed Products	102	21.8	20.7	22.2	22.7	87.4	23.6	22.1	22.5	22.9	91.1	91.7	94.0	96.4
Eliminations	-0.5	-0.1	-0.1	-0.1	-0.1	-0.4	-0.2	-0.2	-0.1	-0.1	-0.6	-0.6	-0.6	-0.6
EBITDA	13.2	5.0	1.5	5.3	4.2	16.1	4.1	1.0	5.0	5.0	15.1	16.1	19.2	20.0
Depreciation	-5.7	-1.6	-1.6	-1.6	-1.9	-6.7	-1.8	-1.8	-1.8	-2.0	-7.5	-9.4	-9.9	-10.1
EBIT (excl. NRI)	7.5	3.4	-0.1	3.7	2.4	9.4	2.3	-0.8	3.2	2.9	7.6	6.8	9.3	9.9
EBIT	7.5	3.4	-0.1	3.7	2.4	9.4	2.3	-0.8	3.2	2.9	7.6	6.8	9.3	9.9
Food Solutions	5.8	1.9	-0.1	3.2	3.1	8.2	2.4	-0.4	2.7	2.6	7.4	6.5	9.6	10.2
Oilseed Products	4.6	2.1	0.7	1.1	0.3	4.2	0.4	0.2	1.2	1.3	3.2	3.6	3.2	3.3
Group functions	-2.9	-0.6	-0.7	-0.6	-1.0	-2.9	-0.6	-0.7	-0.7	-1.0	-3.0	-3.3	-3.4	-3.5
Share of profit from associated companies	4.0	-0.6	0.3	0.4	1.5	1.5	-1.5	-0.5	-0.2	1.2	-1.0	1.0	1.0	1.0
Net financial items	-0.3	-0.1	-0.2	-0.1	-0.3	-0.6	-0.1	-0.2	-0.2	-0.2	-0.7	-0.3	-0.2	-0.1
PTP	11.2	2.7	0.0	4.1	3.5	10.3	0.7	-1.5	2.8	3.9	5.9	7.5	10.1	10.8
Taxes	-1.5	-0.8	0.0	-0.7	-0.4	-1.9	-0.3	0.1	-0.6	-0.7	-1.5	-1.3	-1.8	-2.0
Net earnings	9.8	1.9	0.1	3.3	3.2	8.5	0.4	-1.4	2.2	3.3	4.4	6.2	8.3	8.9
EPS (adj.)	1.54	0.31	0.01	0.54	0.51	1.36	0.06	-0.23	0.35	2.78	2.96	0.99	1.33	1.43
EPS (rep.)	1.54	0.31	0.01	0.54	0.51	1.36	0.06	-0.23	0.35	2.78	2.96	0.99	1.33	1.43

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	-3.4 %	-12.5 %	-17.8 %	2.0 %	0.9 %	-7.3 %	3.8 %	5.9 %	2.2 %	5.4 %	4.3 %	10.3 %	2.5 %	2.5 %
Adjusted EBIT growth-%	118%	73%	-115%	37%	8%	25%	-33%	740%	-14%	24%	-20%	-10%	38%	7%
EBITDA-%	7.5 %	11.8 %	4.1 %	13.1 %	9.8 %	9.9 %	9.4 %	2.6 %	12.1 %	10.9 %	8.9 %	8.6 %	10.0 %	10.2 %
Adjusted EBIT-%	4.3 %	8.1 %	-0.3 %	9.2 %	5.5 %	5.8 %	5.2 %	-2.1 %	7.7 %	6.5 %	4.5 %	3.6 %	4.9 %	5.1 %
Net earnings-%	5.6 %	4.5 %	0.1 %	8.2 %	7.4 %	5.2 %	0.8 %	-3.7 %	5.3 %	38.1 %	10.8 %	3.3 %	4.3 %	4.5 %

Source: Inderes

Full-year earnings per share are calculated using the number of shares at year-end.

# Balance sheet

Assets	2023	2024	2025e	2026e	2027e
<b>Non-current assets</b>	<b>74.9</b>	<b>76.2</b>	<b>93.2</b>	<b>95.8</b>	<b>96.1</b>
Goodwill	0.4	0.4	0.4	0.4	0.4
Intangible assets	2.9	5.2	5.2	5.2	5.2
Tangible assets	46.8	48.1	67.6	68.2	68.5
Associated companies	22.8	21.6	19.1	21.1	21.1
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.5	0.9	0.9	0.9	0.9
Deferred tax assets	1.5	0.0	0.0	0.0	0.0
<b>Current assets</b>	<b>56.2</b>	<b>58.8</b>	<b>67.8</b>	<b>72.9</b>	<b>74.8</b>
Inventories	34.8	46.6	49.2	52.4	53.7
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	7.4	8.1	8.4	9.3	9.5
Cash and equivalents	14.0	4.1	10.2	11.2	11.5
<b>Balance sheet total</b>	<b>131</b>	<b>135</b>	<b>161</b>	<b>169</b>	<b>171</b>

Source: Inderes

Liabilities & equity	2023	2024	2025e	2026e	2027e
<b>Equity</b>	<b>103</b>	<b>108</b>	<b>121</b>	<b>123</b>	<b>127</b>
Share capital	12.6	12.6	12.6	12.6	12.6
Retained earnings	61.5	65.6	79.4	81.2	84.8
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
<b>Non-current liabilities</b>	<b>6.7</b>	<b>6.4</b>	<b>6.8</b>	<b>8.1</b>	<b>7.5</b>
Deferred tax liabilities	0.0	0.4	0.4	0.4	0.4
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	6.5	5.9	6.3	7.6	7.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.2	0.1	0.1	0.1	0.1
<b>Current liabilities</b>	<b>20.9</b>	<b>20.9</b>	<b>32.9</b>	<b>37.5</b>	<b>36.6</b>
Interest bearing debt	1.6	1.5	13.4	16.4	14.9
Payables	19.3	19.4	19.5	21.1	21.7
Other current liabilities	0.0	0.0	0.0	0.0	0.0
<b>Balance sheet total</b>	<b>131</b>	<b>135</b>	<b>161</b>	<b>169</b>	<b>171</b>

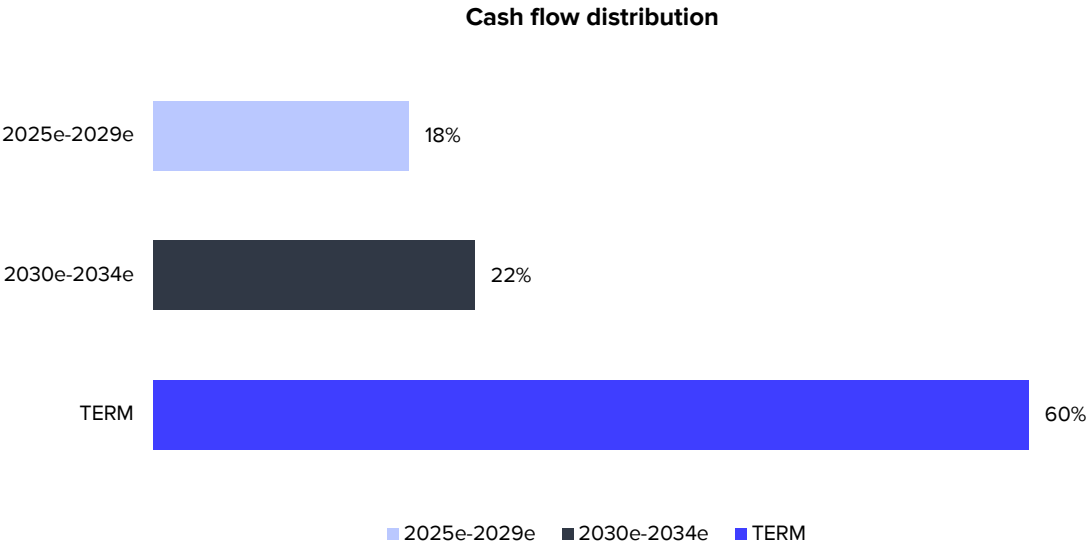
# DCF-calculation

DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-7.3 %	4.3 %	10.3 %	2.5 %	2.5 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT-%	5.8 %	4.5 %	3.6 %	4.9 %	5.1 %	4.9 %	4.9 %	4.9 %	4.9 %	4.5 %	4.5 %	4.5 %
<b>EBIT (operating profit)</b>	<b>9.4</b>	<b>7.6</b>	<b>6.8</b>	<b>9.3</b>	<b>9.9</b>	<b>9.8</b>	<b>10.0</b>	<b>10.2</b>	<b>10.4</b>	<b>9.8</b>	<b>10.0</b>	
+ Depreciation	6.7	7.5	9.4	9.9	10.1	10.3	10.4	10.4	10.5	10.6	10.8	
- Paid taxes	0.0	-1.5	-1.3	-1.8	-2.0	-2.0	-2.0	-2.0	-2.0	-1.9	-1.9	
- Tax, financial expenses	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-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	-12.4	-2.8	-2.4	-1.0	-1.0	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9	
<b>Operating cash flow</b>	<b>3.6</b>	<b>10.6</b>	<b>12.4</b>	<b>16.3</b>	<b>17.0</b>	<b>17.3</b>	<b>17.5</b>	<b>17.7</b>	<b>18.0</b>	<b>17.5</b>	<b>17.8</b>	
+ Change in other long-term liabilities	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-10.7	-27.0	-10.0	-10.2	-10.4	-10.6	-10.8	-11.0	-11.3	-11.5	-11.7	
<b>Free operating cash flow</b>	<b>-7.2</b>	<b>-16.4</b>	<b>2.4</b>	<b>6.1</b>	<b>6.6</b>	<b>6.7</b>	<b>6.7</b>	<b>6.7</b>	<b>6.7</b>	<b>6.1</b>	<b>6.1</b>	
+/- Other	0.0	14.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-7.2	-2.4	2.4	6.1	6.6	6.7	6.7	6.7	6.7	6.1	6.1	104
<b>Discounted FCFF</b>		<b>-2.4</b>	<b>2.2</b>	<b>5.2</b>	<b>5.2</b>	<b>4.8</b>	<b>4.5</b>	<b>4.2</b>	<b>3.9</b>	<b>3.2</b>	<b>3.0</b>	<b>51.1</b>
Sum of FCFF present value		84.8	87.2	85.0	79.8	74.7	69.9	65.4	61.2	57.3	54.1	51.1
<b>Enterprise value DCF</b>		<b>84.8</b>										
- Interest bearing debt		-7.4										
+ Cash and cash equivalents		4.1										
+ Osakkuusyhtiö Sucroksen arvioitu käypä arvo		13.0										
-Dividend/capital return		-4.7										
<b>Equity value DCF</b>		<b>88.3</b>										
<b>Equity value DCF per share</b>		<b>14.2</b>										

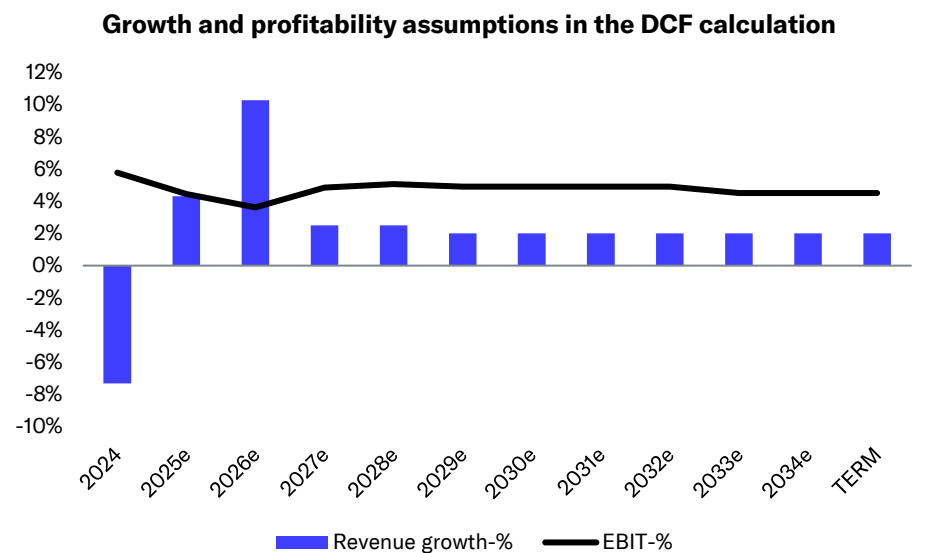
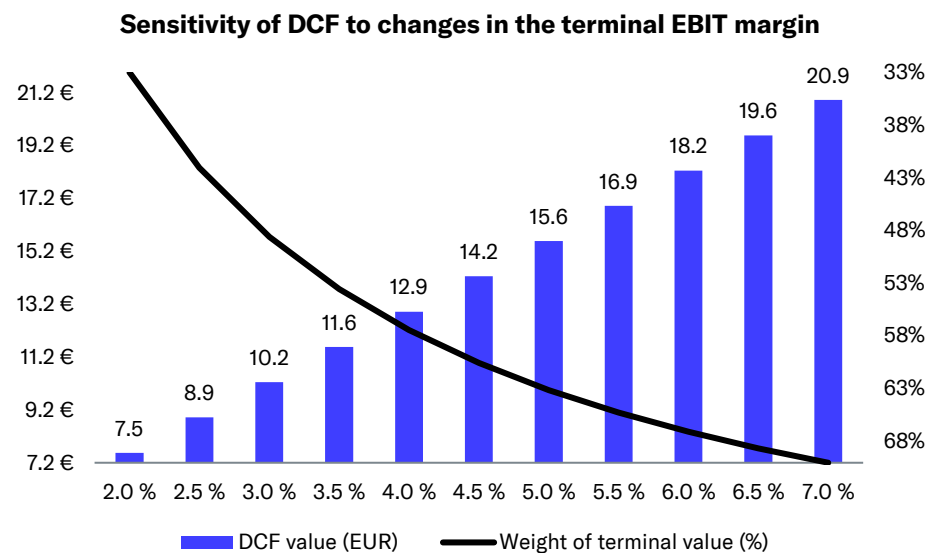
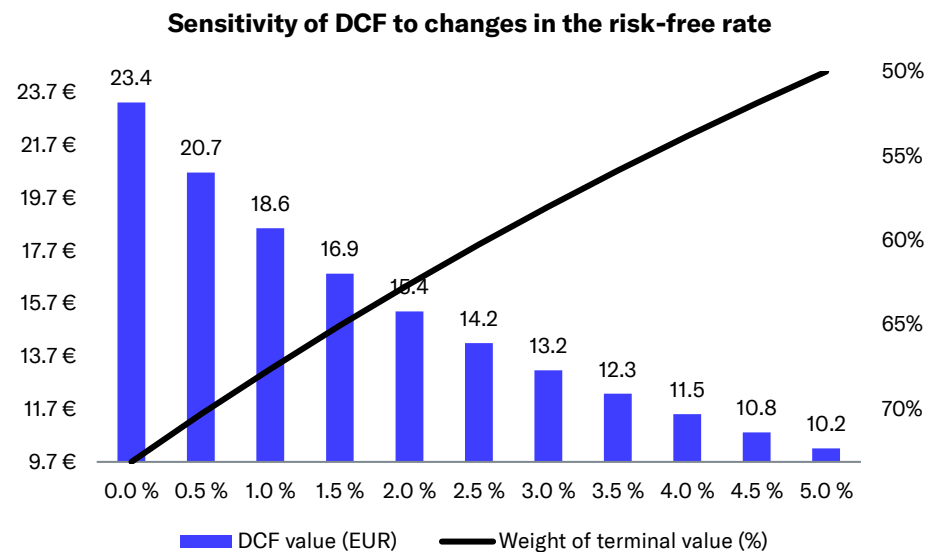
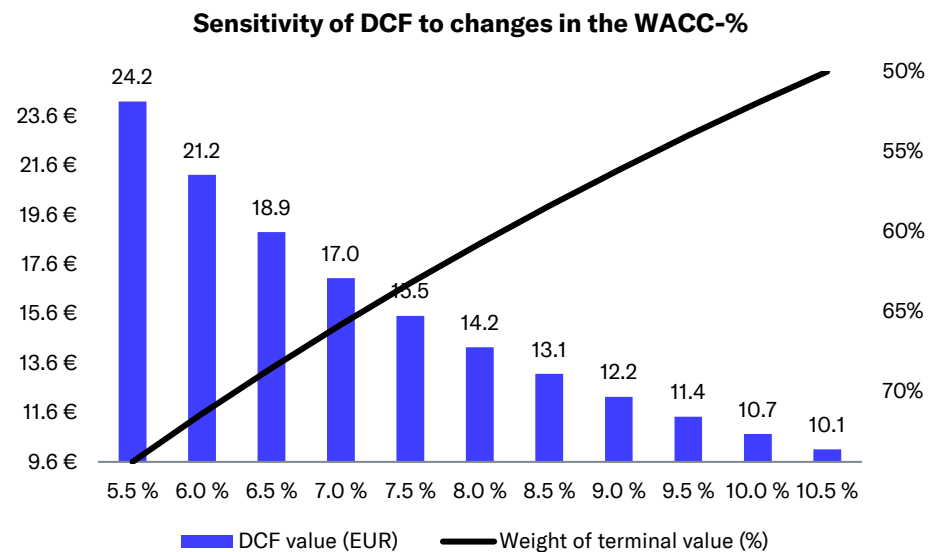
## WACC

Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E))	5.0 %
Cost of debt	3.0 %
Equity Beta	0.93
Market risk premium	4.75%
Liquidity premium	1.40%
Risk free interest rate	2.5 %
<b>Cost of equity</b>	<b>8.3 %</b>
<b>Weighted average cost of capital (WACC)</b>	<b>8.0 %</b>

Source: Inderes



# DCF sensitivity calculations and key assumptions in graphs



Source: Inderes. NB! The terminal value weight (%) is presented on a reverse scale for clarity.

# Summary

Income statement	2022	2023	2024	2025e	2026e	Per share data	2022	2023	2024	2025e	2026e
Revenue	181.7	175.5	162.7	169.7	187.1	EPS (reported)	0.51	1.54	1.36	2.96	0.99
EBITDA	9.4	13.2	16.1	15.1	16.1	EPS (adj.)	0.51	1.54	1.36	2.96	0.99
EBIT	3.5	7.5	9.4	7.6	6.8	OCF / share	6.60	1.44	0.58	1.71	1.99
PTP	3.7	11.2	10.3	5.9	7.5	FCF / share	6.23	-0.89	-1.16	-0.39	0.38
Net Income	4.8	9.8	8.5	18.4	6.2	Book value / share	15.20	16.38	17.33	19.54	19.84
Extraordinary items	0.0	0.0	0.0	0.0	0.0	Dividend / share	0.50	0.75	0.75	0.70	0.75
Balance sheet	2022	2023	2024	2025e	2026e	Growth and profitability	2022	2023	2024	2025e	2026e
Balance sheet total	117.3	131.1	135.0	161.0	168.8	Revenue growth-%	-36%	-3%	-7%	4%	10%
Equity capital	96.0	103.5	107.6	121.3	123.2	EBITDA growth-%	3%	41%	21%	-6%	7%
Goodwill	0.4	0.4	0.4	0.4	0.4	EBIT (adj.) growth-%	22%	118%	25%	-20%	-10%
Net debt	-12.7	-5.9	3.3	9.5	12.7	EPS (adj.) growth-%	35%	205%	-12%	117%	-66%
Cash flow	2022	2023	2024	2025e	2026e	EBITDA-%	5.2 %	7.5 %	9.9 %	8.9 %	8.6 %
EBITDA	9.4	13.2	16.1	15.1	16.1	EBIT (adj.)-%	1.9 %	4.3 %	5.8 %	4.5 %	3.6 %
Change in working capital	31.9	-4.2	-12.4	-2.8	-2.4	EBIT-%	1.9 %	4.3 %	5.8 %	4.5 %	3.6 %
Operating cash flow	41.7	9.1	3.6	10.6	12.4	ROE-%	3.4 %	9.8 %	8.0 %	16.1 %	5.0 %
CAPEX	-3.8	-14.7	-10.7	-27.0	-10.0	ROI-%	3.5 %	11.0 %	9.6 %	5.1 %	5.4 %
Free cash flow	39.4	-5.6	-7.2	-2.4	2.4	Equity ratio	81.8 %	78.9 %	79.7 %	75.4 %	73.0 %
Valuation multiples	2022	2023	2024	2025e	2026e	Gearing	-13.2 %	-5.7 %	3.1 %	7.8 %	10.3 %
EV/S	0.2	0.4	0.5	0.5	0.5						
EV/EBITDA	4.2	4.8	4.8	5.6	5.4						
EV/EBIT (adj.)	11.5	8.4	8.2	11.2	12.9						
P/E (adj.)	20.1	8.5	10.2	4.7	14.1						
P/B	0.7	0.8	0.8	0.7	0.7						
Dividend-%	4.9 %	5.7 %	5.4 %	5.0 %	5.4 %						

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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Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
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 €



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