

## **SUOMINEN**

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News Flash

## **EBITDA** outlook lower than expected

Suominen's Q4 revenue topped expectations, but profitability didn't reach estimates. Suominen also guides decreasing EBITDA for FY '22, particularly due to challenging Q1, while we had expected flat development.

- Q4 revenue was EUR 115.6m vs the EUR 113.0m/113.3m Evli/consensus estimates. Top line grew by 4% y/y. Europe amounted to EUR 46.7m vs our EUR 47.0m estimate, while Americas was EUR 68.9m vs our EUR 66.0m estimate.
- Gross profit was EUR 8.4m, compared to our EUR 14.4m estimate. Gross margin was therefore 7.3% vs our 12.7% estimate.
- EBITDA amounted to EUR 9.0m vs the EUR 12.1m/12.6m Evli/consensus estimates. EBIT was EUR 3.9m vs the EUR 7.1m/7.1m Evli/consensus estimates. Nonwovens' sales prices were higher y/y, but sales volumes were lower and raw material, freight and energy prices also increased. Manufacturing and SG&A cost savings actions had a positive impact on the result. Other operating income and expenses were positively impacted by insurance compensations and adjustments to certain previous year accruals. Currencies impacted EBITDA negatively by EUR 0.5m.
- Suominen guides comparable EBITDA to decrease in FY '22 (EUR 47.0m in 2021). Inventory levels remain high at certain customers, and the entire supply chain still faces operational issues due to the pandemic. These factors continue to have a negative impact on the result especially in Q1. We had estimated EUR 50.9m EBITDA for FY '22.
- The BoD proposes EUR 0.20 per share dividend to be distributed.

Rating				<b>■</b> BUY		
Q4'21	Actual	Evli	Year ago	Q3'21		
Revenue	115.6	113.0	111.1	98.7		
Gross profit	8.4	14.4	17.3	5.5		
EBITDA	9.0	12.1	13.5	4.2		
EBIT	3.9	7.1	8.5	-0.8		
Deviation	Actual	Evli	Year ago	Q3'21		
Revenue		2 %	4 %	17 %		
Gross profit		-42 %	-51 %	53 %		
EBITDA		-26 %	-33 %	114 %		
EBIT		-45 %	-54 %	-588 %		
Share price, I day's closing price	EUR (Last trading e)	9		4.85		
Target price, E		6.0				
Latest change	: in		25-Jun-20			
Latest report	on company		01-Feb-22			
Research paid	l by issuer:		YES			
No. of shares	outstanding,		58,259			
No. of shares	3.		58,259			
Market cap, E	•		283			
Free float, %	Omm		62.7			
Exchange rate	S ELID/LICD		1.11			
3	LUNJUSD		SUY1V.HE			
Reuters code						
Bloomberg co			SUY1V FH			
Average daily	volume, EURn	n		0.2		
Next interim	report			03-Feb-22		
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■ BUY □ HOLD ■ SELL

PRE-REPORT KEY FIGURES												
	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR		
2019	411.4	8.1	2.0%	14.2	0.00	766.1	0.5	27.5	9.2	0.05		
2020	458.9	39.5	8.6%	38.3	0.52	9.8	0.7	8.5	12.9	0.10		
2021E	440.6	30.2	6.9%	35.0	0.41	12.0	0.7	9.7	12.4	0.11		
2022E	467.0	30.4	6.5%	26.8	0.39	12.5	0.6	9.0	9.5	0.12		
2023E	476.3	33.3	7.0%	29.4	0.44	11.0	0.5	7.5	10.4	0.13		
Market cap, EURm 283			283 E	BV per share 2021E, EUR			6.6 CAGR EPS 2020-23, %			-5.2		
Net debt 2021E, EURm 11			11 F	Price/book 2021E			1.7 CAGR sales 2020-23, %			1.3		
Enterprise value, EURm 293			293 [	Dividend yield 2021E, %			2.3 ROE 2021E, %			15.3		
Total assets 2021E, EURm 299			299 T	Tax rate 2021E, %			21.9 ROCE 2021E, %			13.3		
Goodwill 2021E, EURm 15			15 E	Equity ratio 2021E, %			54.7 PEG, P/E 21/CAGR			2.0		

All the important disclosures can be found on the last pages of this report.

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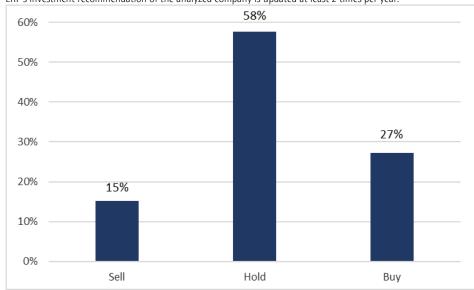
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Target price compared to share price Recommendation

< -10 % SELL -10 - (+10) % HOLD > 10 % BUY

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