

## Soft Q2 performance as anticipated; guidance confirmed at lower bound of communicated range

Surteco's Q2 results were broadly in line with our subdued expectations. Amid a persistently weak consumer climate, revenue declined yoy across all segments except BU Profiles. On a more positive note, BU Profiles, North America, and Asia/Pacific showed sequential margin improvements versus Q1. Surteco reaffirmed its full-year guidance but indicated that results are likely to come in at the lower end of the communicated range—EUR 850–900m in revenue and EUR 85–105m in adjusted EBITDA—which is already reflected in our estimates. We maintain our Buy rating with a price target of EUR 25.

SURTECO GROUP (EURm)	Q2 2024	Actual		Estimates		Pareto (pre Q2)		Cons. (pre Q2)	
		Q2 2025	yoy (%)	Pareto	Dev (%)	2025e	2026e	2025e	2026e
<b>Revenues</b>	<b>225</b>	<b>214</b>	<b>-5</b>	<b>221</b>	<b>-3.2</b>	<b>878</b>	<b>931</b>	<b>875</b>	<b>903</b>
Surfaces	75	71	-5						
Edgebands	39	37	-4						
Profiles	33	34	3						
North America	71	67	-6						
Asia / Pacific	13	12	-13						
Reconciliation	-6	-6	11						
Cost of materials	-107	-104	-3	-107	-2.6	-430	-456		
Personnel expenses	-59	-60	2	-60	0.0	-241	-241		
Other	-31	-28	-10	-30	-6.8	-119	-126		
<b>Adjusted EBITDA</b>	<b>29</b>	<b>24</b>	<b>-18</b>	<b>24</b>	<b>-2.0</b>				
EBITDA Margin	13.0%	11.2%	-184 BP	11.0%	13 BP				
Surfaces	7.8	5.2	-33						
Edgebands	7.5	4.8	-36						
Profiles	4.3	4.6	8						
North America	10.3	9.2	-11						
Asia / Pacific	2.1	1.7	-16						
Reconciliation	-2.6	-1.6	-39						
<b>EBITDA</b>	<b>29</b>	<b>24</b>	<b>-17</b>	<b>24</b>	<b>-2.5</b>	<b>88</b>	<b>108</b>	<b>93</b>	<b>110</b>
EBITDA Margin	12.8%	11.1%	-163 BP	11.0%	8 BP	10.1%	11.6%	10.7%	12.1%
D&A	-15	-14	-4	-15	-4.0	-57	-56	-60	-61
<b>EBIT</b>	<b>14</b>	<b>9</b>	<b>-31</b>	<b>9</b>	<b>-0.2</b>	<b>31</b>	<b>52</b>	<b>33</b>	<b>49</b>
EBIT Margin	6.1%	4.4%	-168 BP	4.3%	13 BP	3.5%	5.6%	3.8%	5.4%

Source: Pareto, Company

### More first insights:

- Revenue in the BU Surface were impacted by the closure of the impregnates business, as anticipated.
- Personnel costs increased due to severance payments.
- Negative currency effects contributed to a net loss in both H1 and Q2.

Knud Hinkel

+49 69 58997 419, knud.hinkel@paretosec.com

Pareto Securities AS has been paid by the issuer to produce this research report. This material is considered by Pareto Securities to qualify as an acceptable minor non-monetary benefit according to the EU MIFID 2 directive.

For disclosures on relevant definitions, methods, risks, potential conflicts of interests etc. and disclaimers please see [www.paretosec.com](http://www.paretosec.com). Investment Recommendations should be reviewed in conjunction with the information therein. When distributed in the US: This document is intended for institutional investors and is not subject to all of the independence and disclosure standards applicable to equity/debt research reports prepared for retail investors. This material is considered by Pareto Securities to qualify as an acceptable minor non-monetary benefit according to Directive 2014/65/EU Article 24 (7)(8) and Commission Delegated Directive 2017/593.