

Review by the President & CEO

19 March 2019

Petri Helsky, President & CEO



Corporate Executive Team



Petri Helsky
President & CEO



Ernesto S. Levy
Convenience



Linda A. Kelly
Care



Tapio Engström
CFO



Markku Koivisto
Technology



Larry L. Kinn
Operational
Excellence



Mimoun Saïm
Operations



Hannu Sivula
HR

Suominen in brief



Suominen

- Nonwovens as roll goods for wipes, hygiene products and medical applications.
- Global market leader in nonwovens for wipes.



Global presence

- 8 production plants in three continents
 - Finland
 - Italy (2)
 - Spain
 - USA (3)
 - Brazil
- Nearly 700 professionals



Business areas

- Convenience
 - baby care
 - personal care
 - home wipes
 - workplace wipes
- Care
 - hygiene & medical products



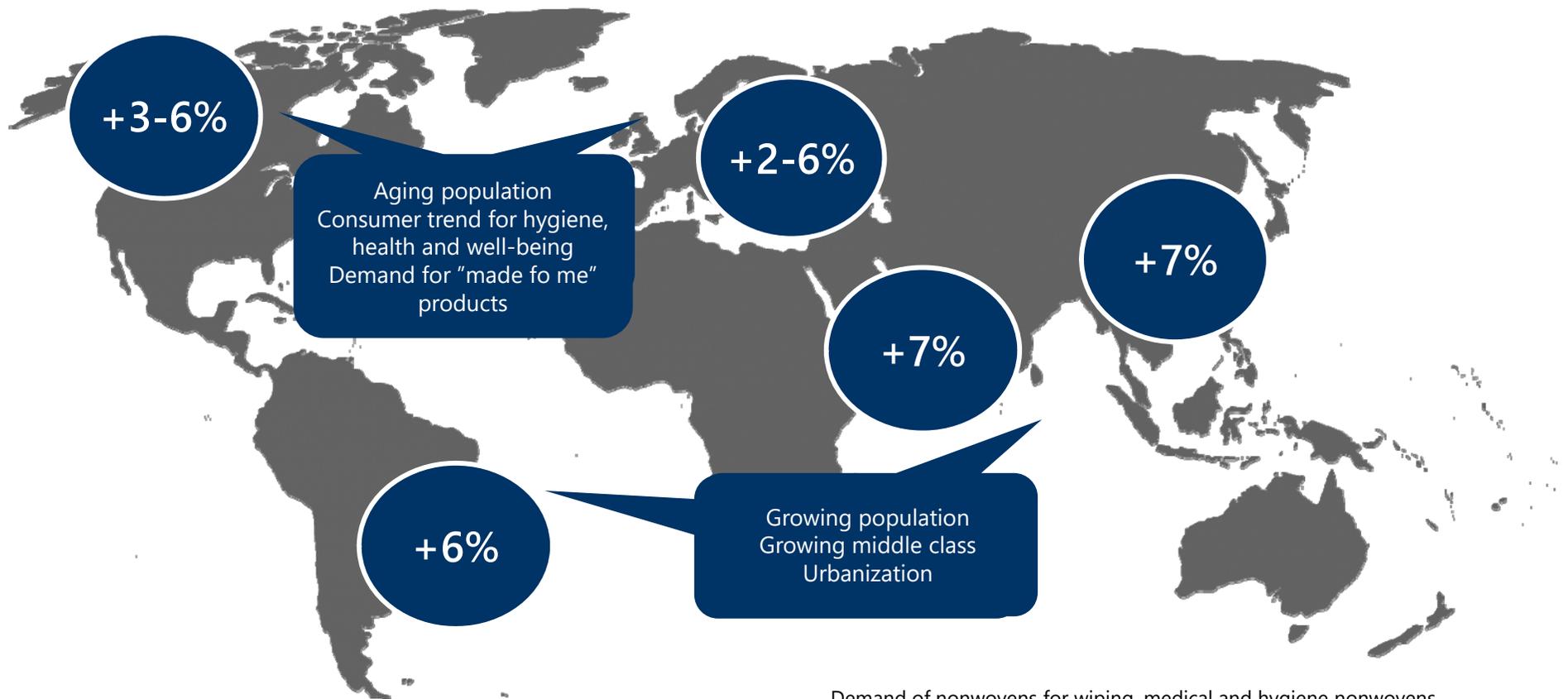
Typical customers



Strong R&D

- We create nonwovens that others cannot.
- In 2018 four new products or product concepts launched, including unique Intelligent Nonwovens™
- 20 R&D professionals.

Global megatrends, such as aging population and growing middle class, set a solid basis for the strategy execution

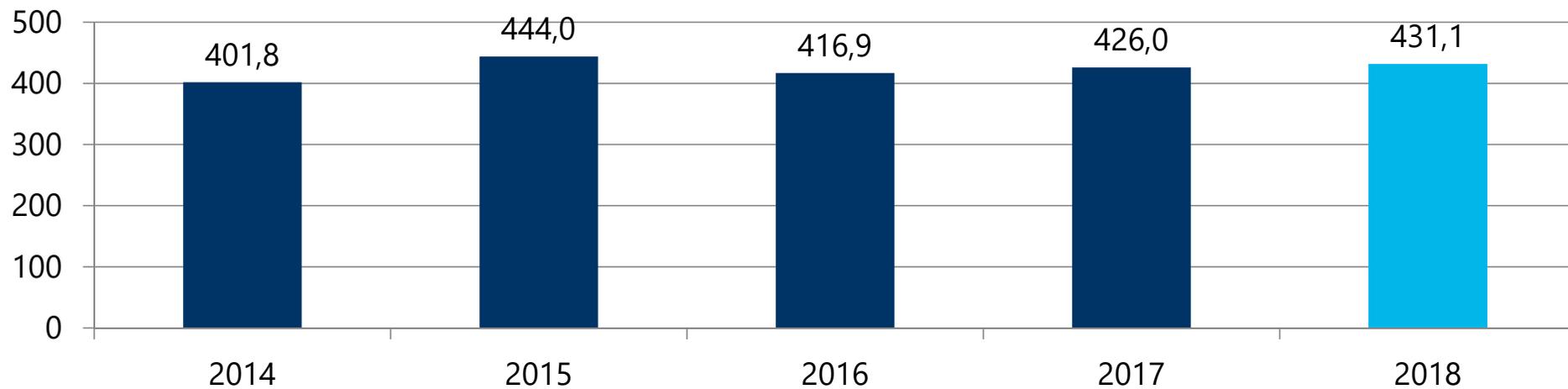


Demand of nonwovens for wiping, medical and hygiene nonwovens (several sources)

Financial year 2018

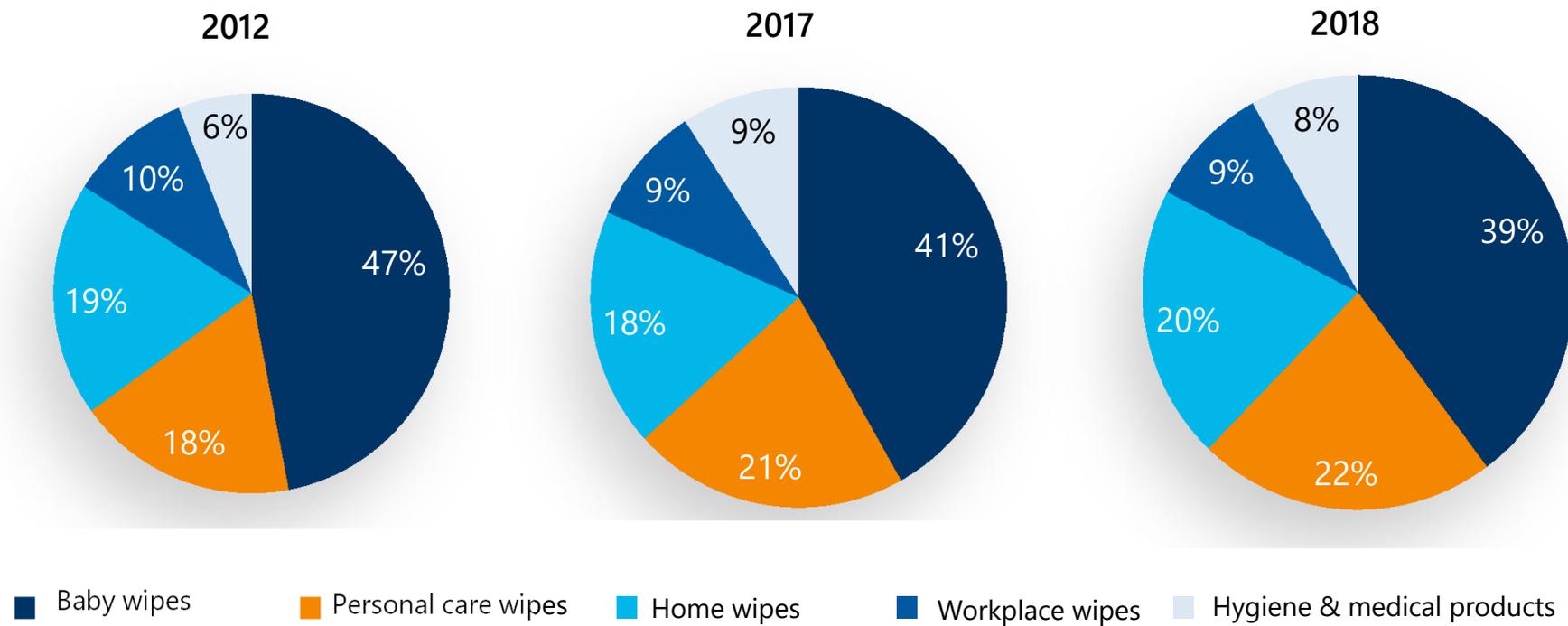
Net sales grew from the previous year

Net sales, EUR million



- The weakening of the USD decreased the net sales of 2018 by approximately EUR 10.9 million.

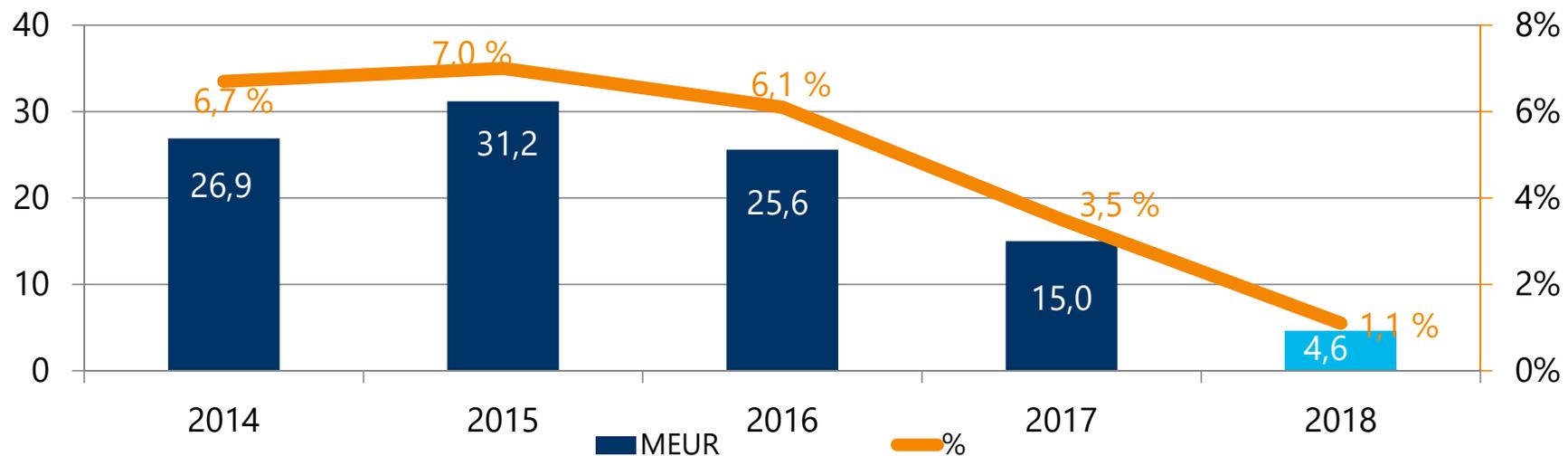
Product mix developed to right direction, share of products with relatively higher added value* grew



*Nonwovens for personal care products, home wipes, workplace wipes and for hygiene and medical products are typically high added value products.

Operating profit declined

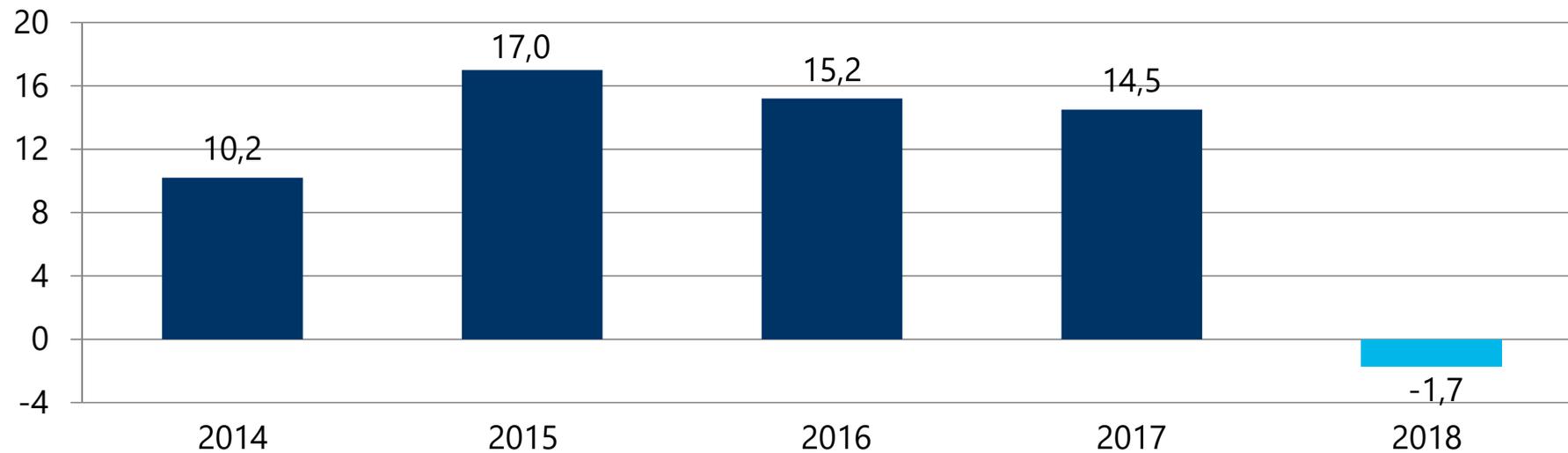
Comparable operating profit, EUR million and % of net sales



- Prices for several key resources, including raw materials and transportation, increased steeply.
- The impact of profitability improvement actions was slower than expected.

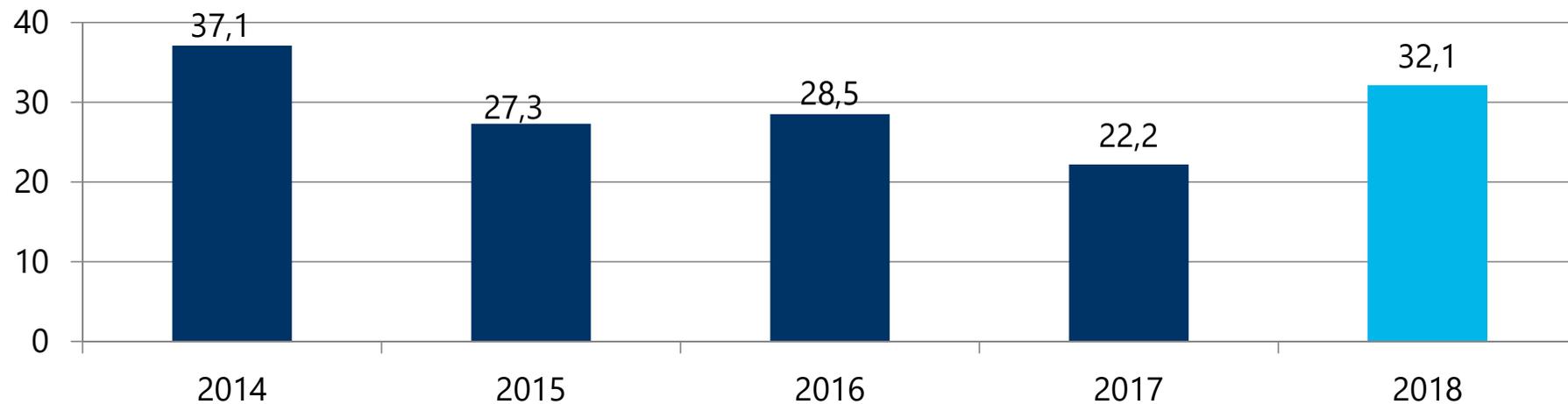
Profit for the period was negative

Profit for the period, EUR million



Cash flow from operations remained strong

Cash flow from operations, EUR million



- Cash flow from operations remained strong, thanks to the positive development in net working capital.

Strategy for 2017-2021





We change the way people think about nonwovens



Best in business Creating nonwovens that others cannot Community of changemakers

We make life better





Vision: We change the way people think about nonwovens

From delivering white rolls...



...to offering engineered solutions



Actions taken to implement the strategy

Progress in strategy implementation



New line in Bethunessa

- The reliability of the new manufacturing line improved during the year.
- Planned trials related with the expansion of the line's product offering were conducted successfully in the end of the year.



Growth investment in Green Bay

Project is proceeding as planned and we anticipate the new capabilities to be in full utilization by end of 2019.



ICT systems renewal

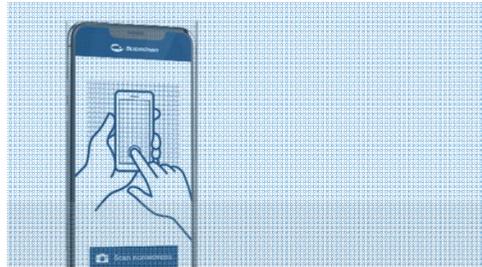
- Progressing as scheduled.
- At the end of 2018 six out of eight plants operated through the new system.
- The entire plant network have the new system in place in the first half of 2019.

Creating nonwovens that others cannot



Product launches

Four new products or product concepts with high added value launched in 2018



Intelligent Nonwovens™

We launched an unique concept that embeds digital features into nonwovens. The concept is unique in the world of nonwovens.



Renewable raw materials

We launched BIOLACE® Move, BIOLACE® Cozy products that are made of renewable raw materials. These products respond to the consumers' growing demand for more sustainable products.

We continue to implement the strategy

- Actions to improve profitability continue determinedly, we will focus on
 - developing product portfolio
 - developing pricing
 - improving production performance
 - developing commercial capabilities
 - completing ongoing projects (Bethune and Green Bay investments, ICT renewal)
 - enabling growth

Outlook for 2019



Outlook for 2019

- Suominen expects that in 2019, its net sales will be at the level of 2018 and comparable operating profit, excluding the positive effect of applying IFRS 16 Leases, will improve from 2018.
- In 2018, Suominen's net sales amounted to EUR 431.1 million and operating profit to EUR 4.6 million.



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