

Review by the President and CEO

Suominen Corporation's Annual General Meeting, March 19, 2020
Petri Helsky, President and CEO



EXECUTIVE TEAM



Petri Helsky
President and
CEO



Ernesto S. Levy
Americas



Lynda A. Kelly
Business
development



Toni Tamminen
CFO



Markku Koivisto
Technology &
Europe



Mimoun Saïm
Global Operations



Klaus Korhonen
HR and Legal
Affairs

SUOMINEN IN BRIEF



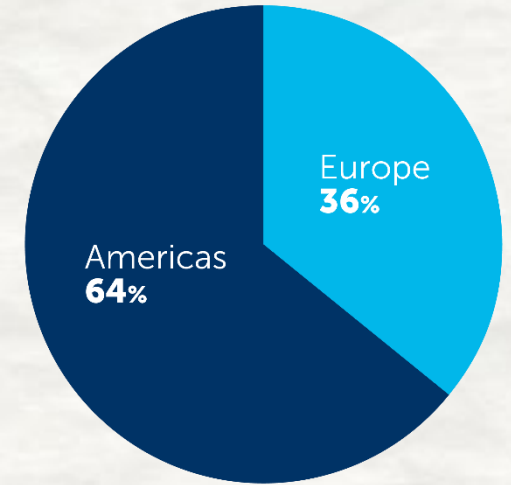
Net sales
EUR 411.4 million
in 2019

Suominen

- Nonwovens as roll goods for wipes and other applications
- Global market leader in nonwovens for wipes

Business areas

- Europe 36% of net sales
- Americas 64% of net sales



Global presence

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

Strong R&D

- The frontrunner in nonwovens innovations and sustainability
- Focusing on sustainability and customization
- 20 R&D professionals



THE DEMAND FOR NONWOVENS IS GROWING

We are the leaders in the spunlace nonwovens market with largest global asset base. The market is growing in all regions.

We invented the wetlaid spunlace category for flushable nonwovens and demand will grow in all regions.

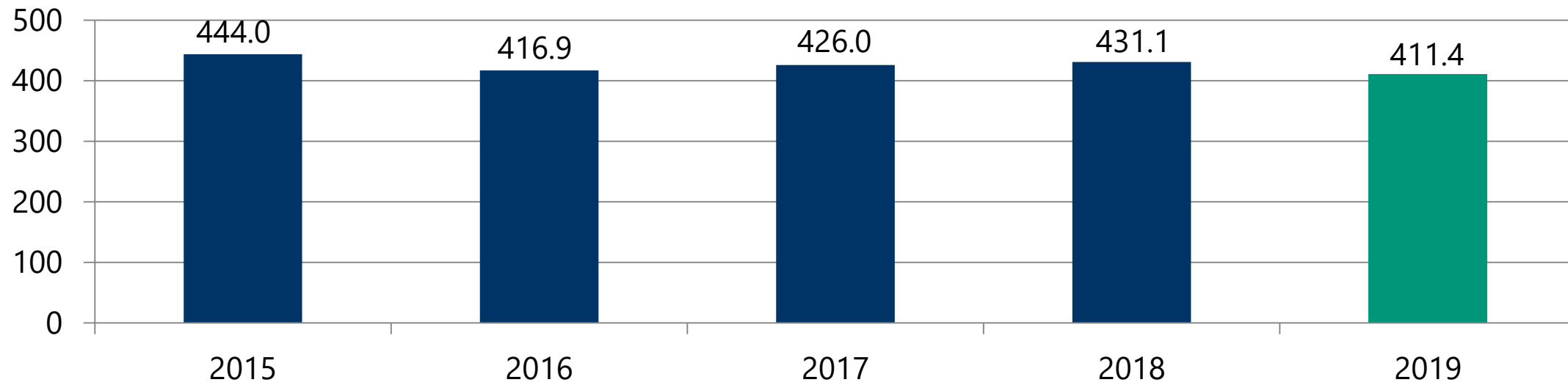
Legislation and consumer behavior are driving for more sustainable products and we have excellent opportunities to meet this growing demand.

Financial year 2019



NET SALES

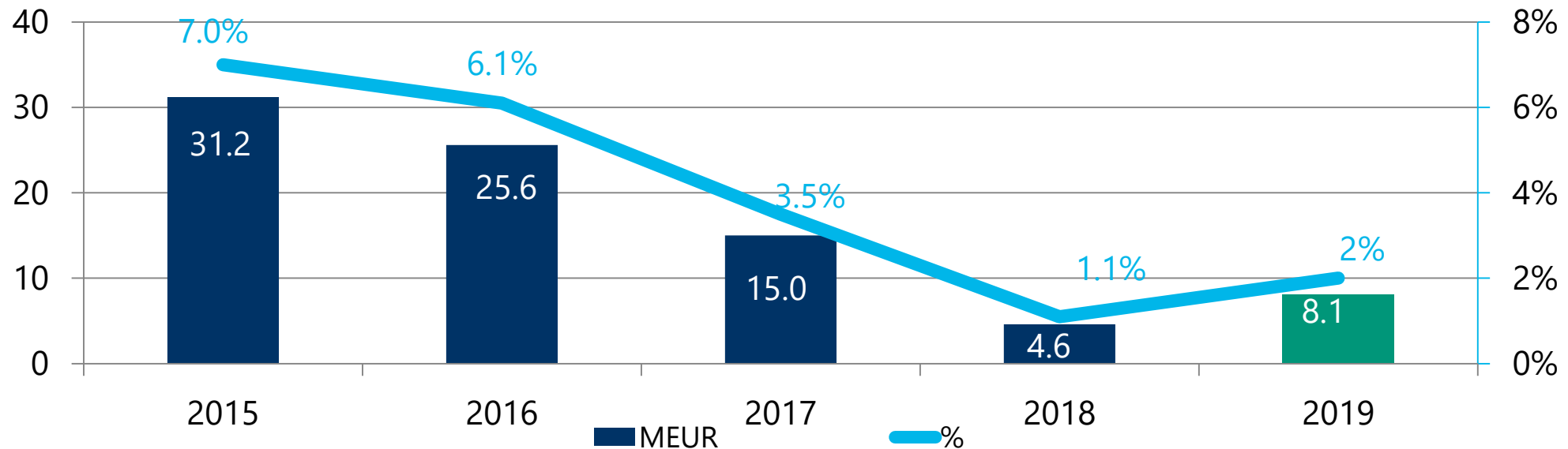
Net sales, EUR million



- In 2019, net sales were EUR 411 million. Our sales volumes decreased from the comparison period, whilst sales prices increased slightly
- Share of new products exceeded 20% of net sales
- In 2019, the strengthening of the USD compared to EUR increased the net sales by EUR 12.5 million

OPERATING PROFIT

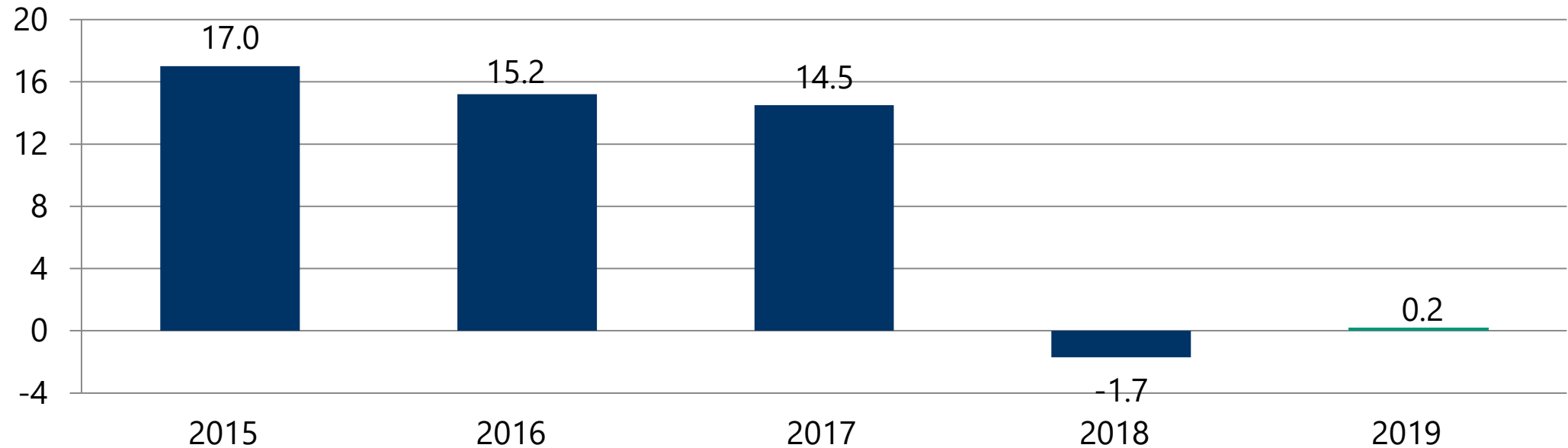
Comparable operating profit, EUR million and % of net sales



- In 2019, operating profit improved by 77% mainly due to improvement in gross profit, thanks to positive development in raw material prices, sales prices and raw material efficiency
- The negative impact of foreign exchange rates was approx. EUR 1.8 million

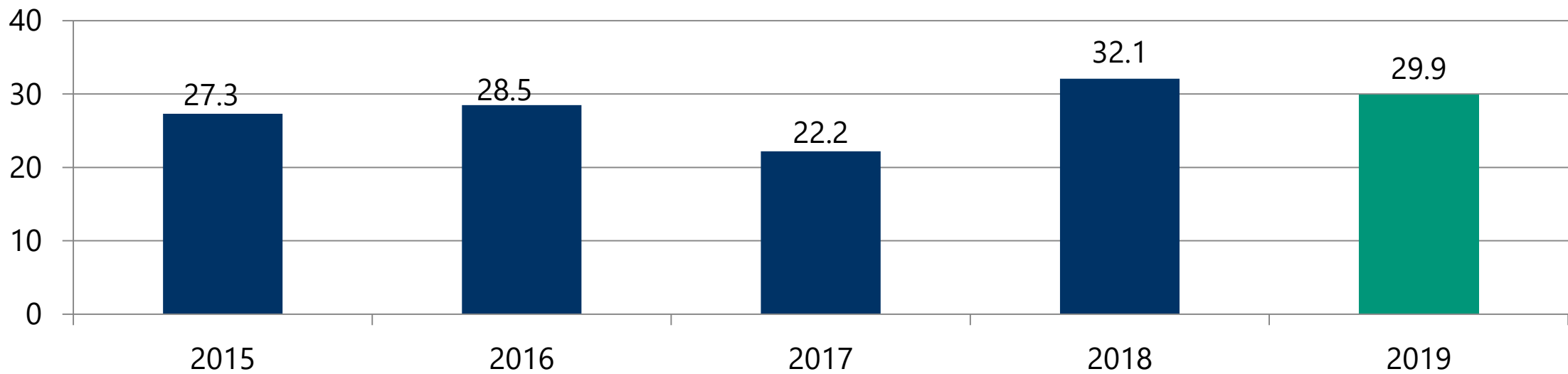
PROFIT FOR THE PERIOD

Profit for the period, EUR million



CASH FLOW FROM OPERATIONS

Cash flow from operations, EUR million



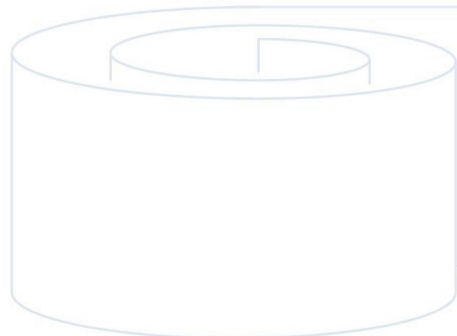
WE MADE GOOD PROGRESS IN MANY AREAS

- The Group-wide ICT systems renewal completed successfully
- Our systematic improvement actions in operations have led to improvement in operational performance
- We did also see good results from our variable cost optimization program
- The organizational changes made in July will support our new strategy



Strategy 2020-2025





Mission

Enabling our customers to win
by creating quality nonwovens

Vision

Frontrunner for nonwovens
innovation and sustainability

Strategy: Growth and profitability

We will grow by creating innovative and more sustainable nonwovens for our customers and improve our profitability through more efficient operations and a high performance culture. Our main focus is on wipes. We will strengthen our capabilities in Europe and Americas, and evaluate opportunities in Asia.

Strategic focus areas

Operational
excellence

Sustainability
leadership

Differentiate
with innovation
and commercial
excellence

Great place to
work

Dual operating
model

Values

Ownership

Teamwork

Performance

Integrity

Sustainability agenda 2020–2025



People and safety

We invest in increasing employee engagement.
We continue to build a high performance culture.
We continue to strengthen our safety culture.



Sustainable nonwovens

We are the frontrunner in sustainable nonwovens.



Low impact manufacturing

We continuously strive to decrease environmental impacts of our operations.



Corporate citizenship

We promote responsible business practices in our operations and supply chain.
We communicate openly and transparently about our operations.

WE HAVE A GOOD STARTING POINT FOR 2020

- Nonwovens markets are growing in all regions
- Legislation and consumer behavior are driving for more sustainable products and we have excellent opportunities to meet this growing demand
- Our new strategy, innovative and responsible way of thinking, customer oriented approach and committed personnel place us in a good position for 2020






Outlook for 2020



OUTLOOK FOR 2020

- Suominen gave its long term growth target for the strategy period 2020-2025 on January 8, 2020, which is that our net sales growth will be above relevant market growth. Suominen will no longer give short-term net sales guidance.
- Suominen expects that in 2020, its comparable operating profit will improve from 2019. In 2019, Suominen's operating profit amounted to EUR 8.1 million. In financial years 2019 and 2018 Suominen had no items affecting the comparability of the operating profit.

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