



SUOMINEN INVESTOR PRESENTATION

Suominen manufactures nonwovens as roll goods for wipes and other applications

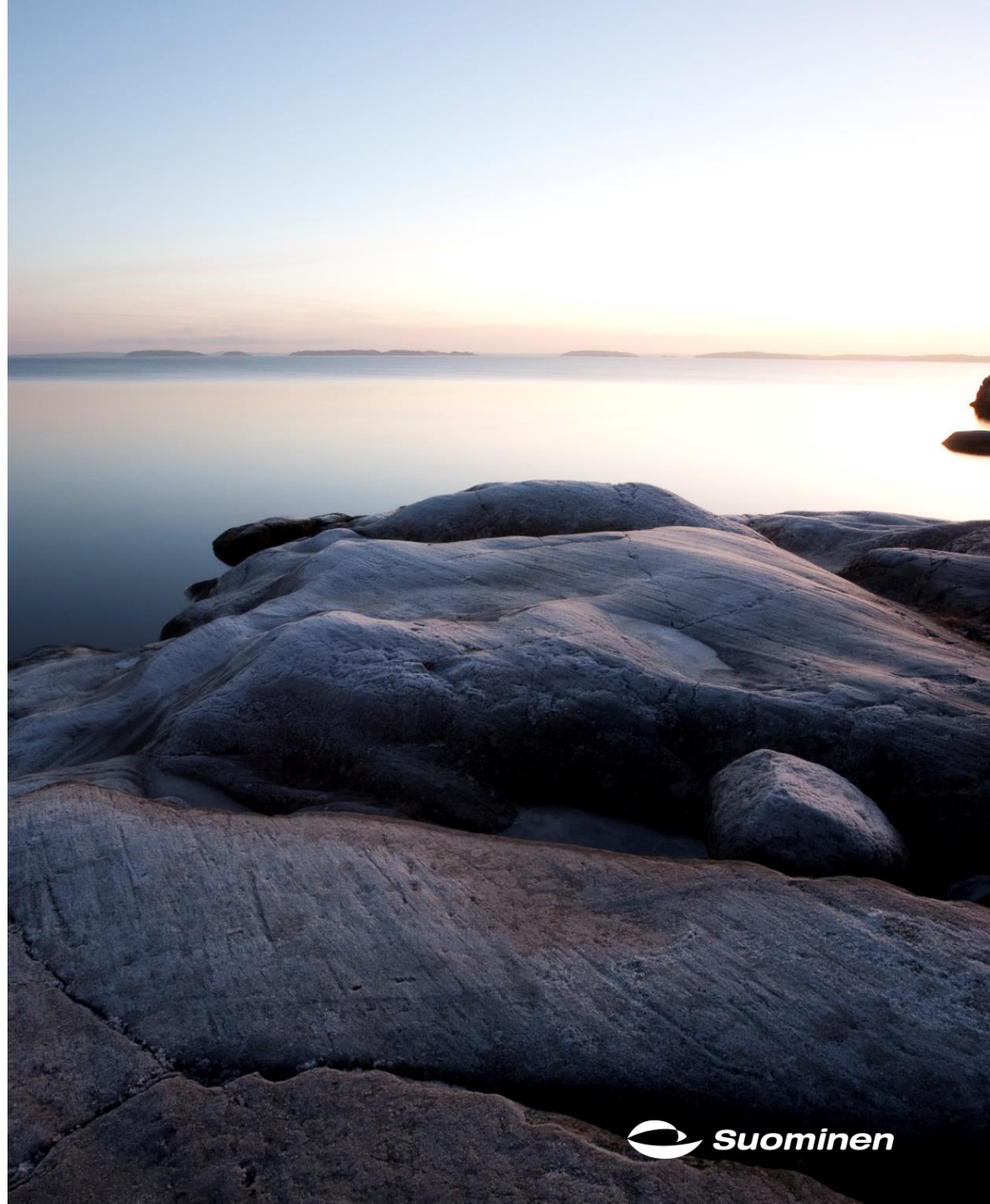
JANUARY 2022





Contents

- 1 Suominen in brief
- 2 Investment highlights
- 3 Financials Q3/2021





SUOMINEN IN BRIEF

Suominen in brief

- Nonwovens as roll goods for wipes and other applications
- The frontrunner in nonwovens innovations and sustainability
- Business areas Europe 37% and Americas 63% of net sales

Net sales in 2020, EUR million

459

Professionals

689

EBITDA in 2020, EUR million

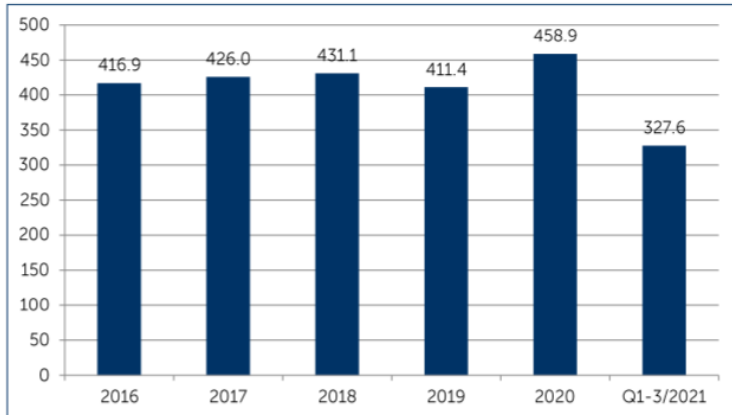
60.9

Sales of new products above, of net sales

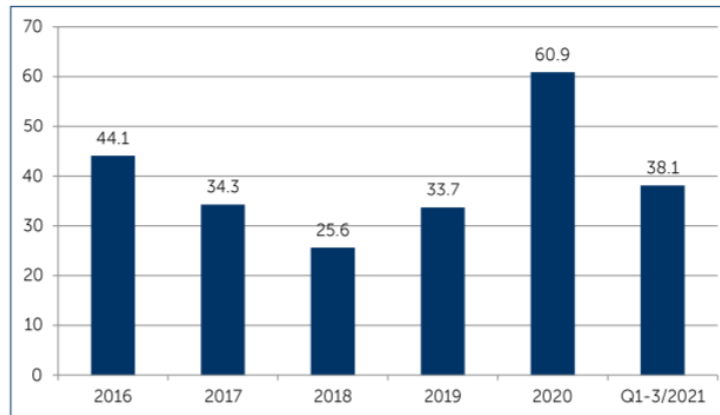
25 %

Suominen's financials since 2016

Net sales, EUR million

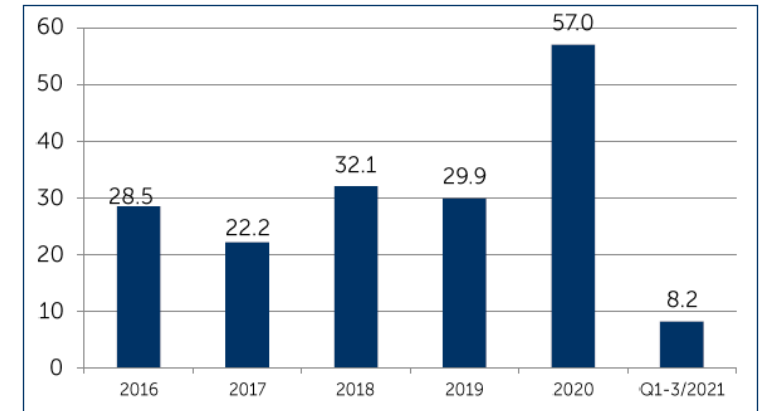


EBITDA, EUR million

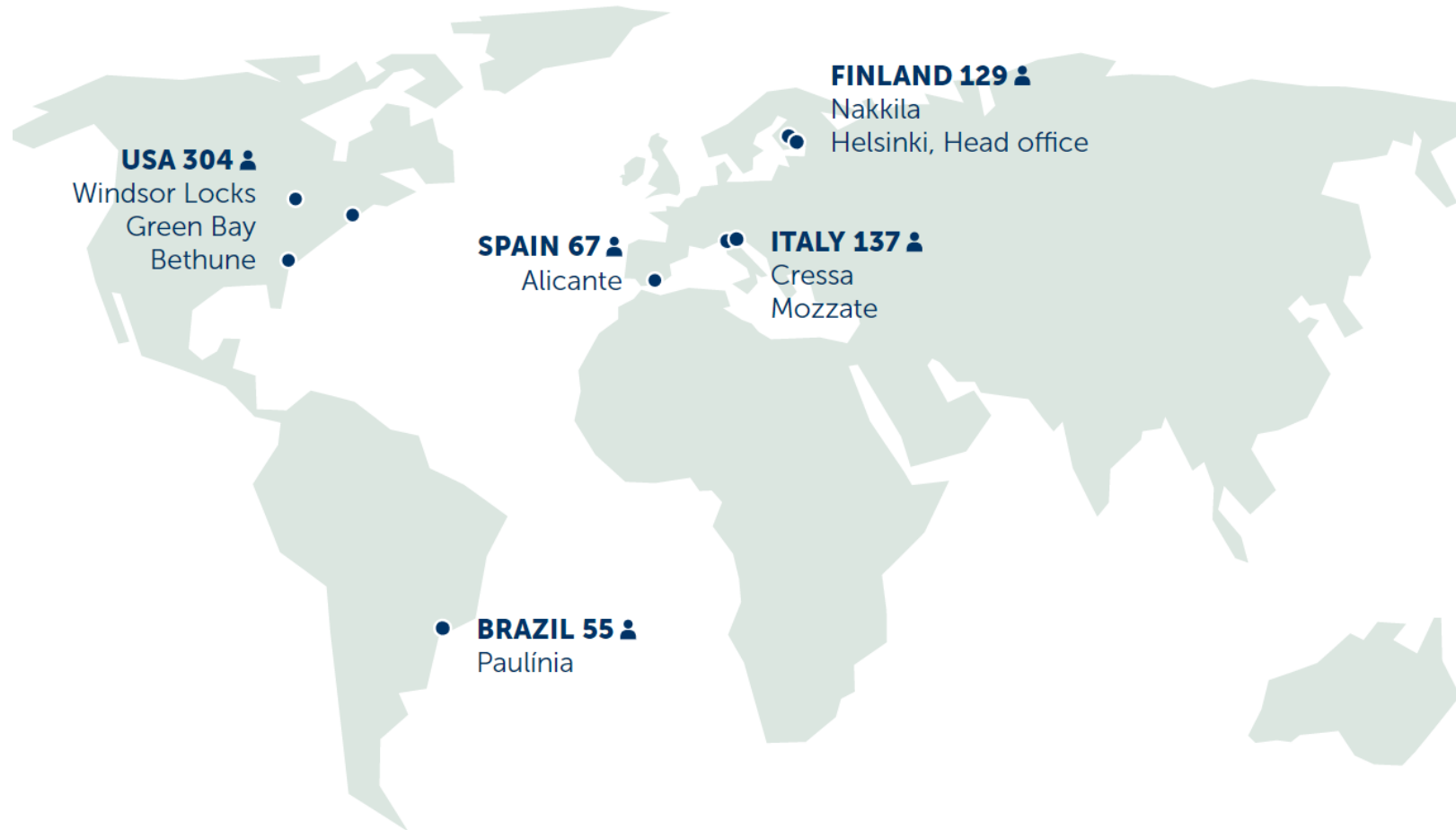


2016-2018 EBITDA before application of IFRS 16 Leases

Cash flow from operations, EUR million



Strong global presence



8
locations
on three continents

2
pilot lines

Our sustainability agenda 2020-2025



- Zero LTA (lost time accidents)
- Engagement index 73% by 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.

- Over 10 sustainable product launches per year
- Sustainable products: 50% increase of sales by 2025 (base year 2019)



Reduction targets are set per ton of product



- 20% reduction of energy consumption
- 20% reduction of process waste to landfill
- 20% reduction of water intake
- 20% reduction of emitted greenhouse gas emissions (base year 2019)



Low impact manufacturing

We continuously strive to decrease environmental impacts of our operations



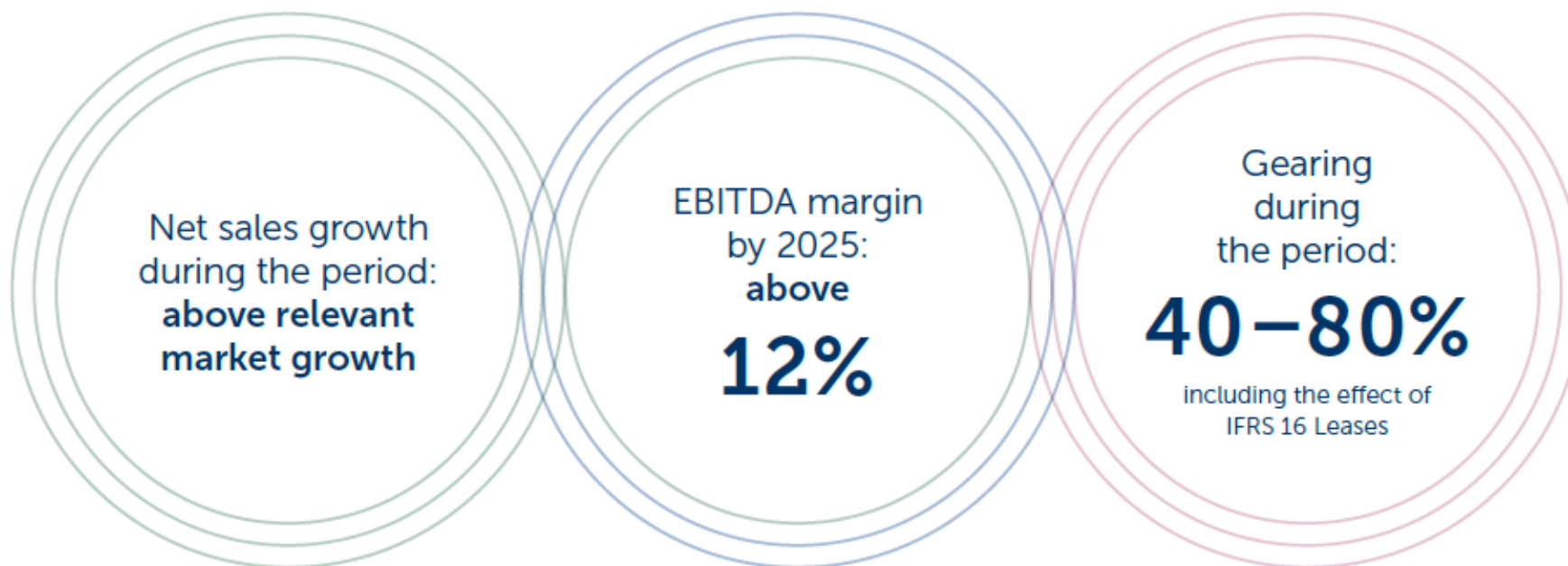
Corporate citizenship

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

- Renewed Code of Conduct coverage: 100% of existing employees and new hires
- Raw material suppliers audited against supplier code (based on risk assessment)



Financial targets 2020–2025



How to get there?

Growth

- Sustainable products growing above the market
- Innovation to capture the market growth
- Targeted investments to meet the growing demand

Profitability

- Effective utilization of production lines
- Margin improvement through new products as well as production and raw material efficiency
- Continued fixed cost control

Gearing

- Balanced investment plan
- Maintain healthy cash flow from operations

INVESTMENT HIGHLIGHTS

Investment highlights



Nonwovens markets are growing in all regions



Legislation and consumer behavior are driving the need for more sustainable products and we are very well placed to respond to this growing demand



The new organization and strategy give us an excellent basis to continue to develop the company further



Strong profitability, balance sheet and cash flow

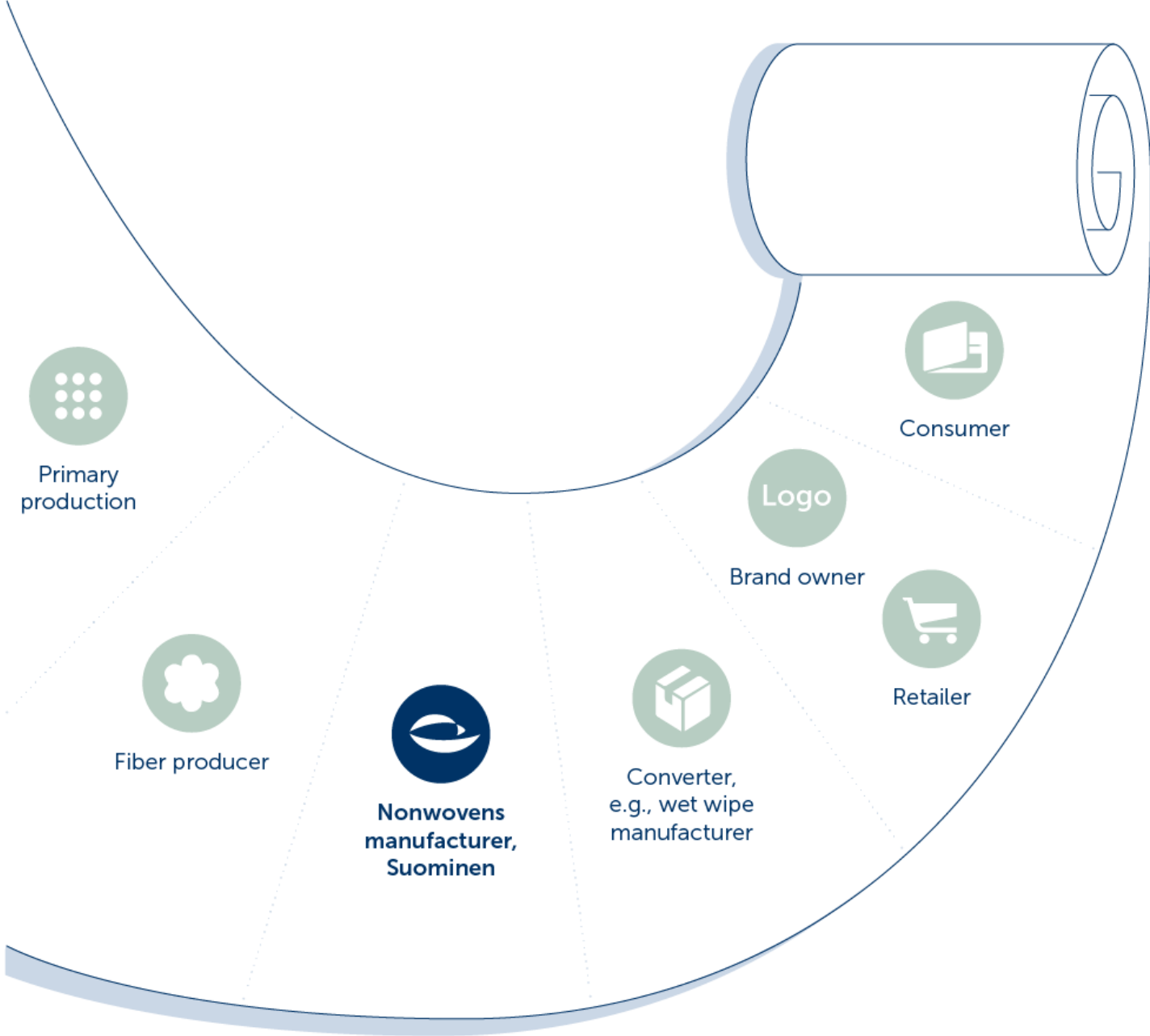
Nonwovens markets are growing in all regions

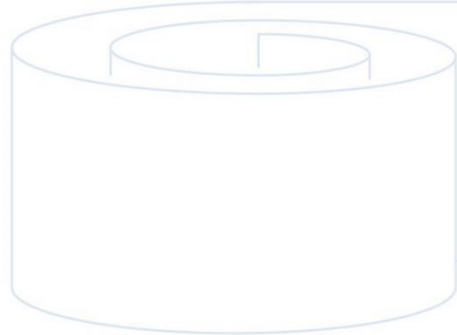
We are the leaders both in the spunlace and wipes nonwovens markets

The COVID-19 pandemic increased sales volumes in all our markets, and we expect that the demand for wipes will remain above pre-COVID-19 levels

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

Suominen's position in the nonwovens value chain





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

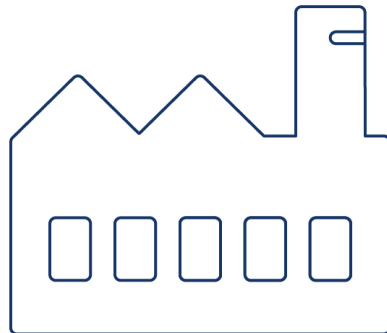
Teamwork

Performance

Integrity

Highlights of the progress in strategy implementation in 2020

- Investment project started in Italy to increase production capacity
- Investment project started in Italy to increase capabilities in sustainable nonwovens
- Investment project started in the USA to increase capabilities to offer new, innovative products



Demand for sustainable alternatives is growing

Legislation and consumer behavior are driving for more sustainable products

77% of consumers say that sustainability is important to them

72% of consumers are willing to pay a premium for brands that support recycling, practice sustainability, and/or are environmentally responsible

57% of consumers say they are willing to change buying habits to reduce environmental impact

Source: Meet the 2020 consumers driving change, IBM institute of business value.

January 2022



Pioneer in sustainable products



BIOLACE® sustainable product portfolio since 2007

We invented the wetlaid spunlace category for flushable dispersible nonwovens – HYDRASPUN® product family

Strong R&D



16 R&D professionals

Focus on sustainability and customization

Excellent know-how in sustainable fibers

New Fiber Center

Pilot lines to support R&D and fast go-to-markets

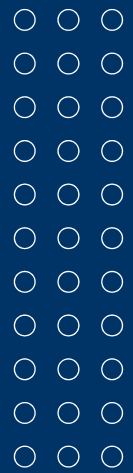
Technology fit to sustainable nonwovens



8 plants – all capable of using sustainable raw materials

6 of them with pulp capability

We are able to tailor-make our products according to customers' different definitions of sustainability

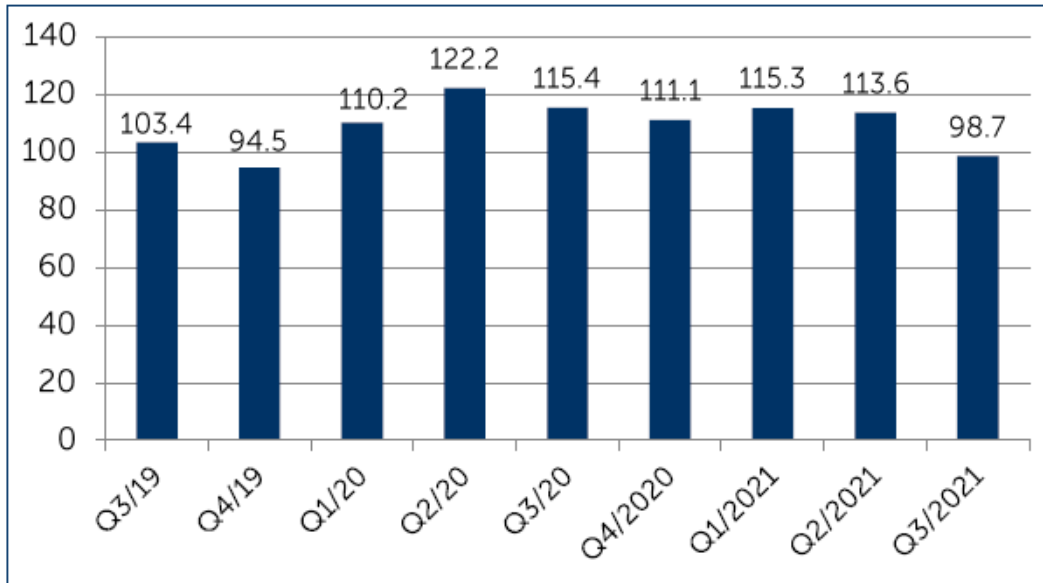


FINANCIALS Q3/2021

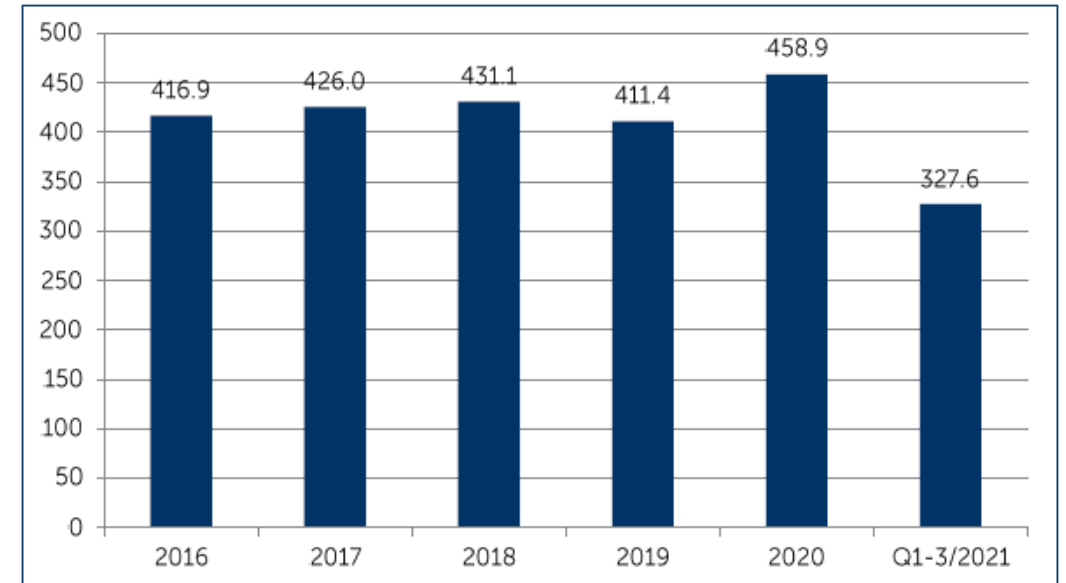


Net sales

Net sales, EUR million



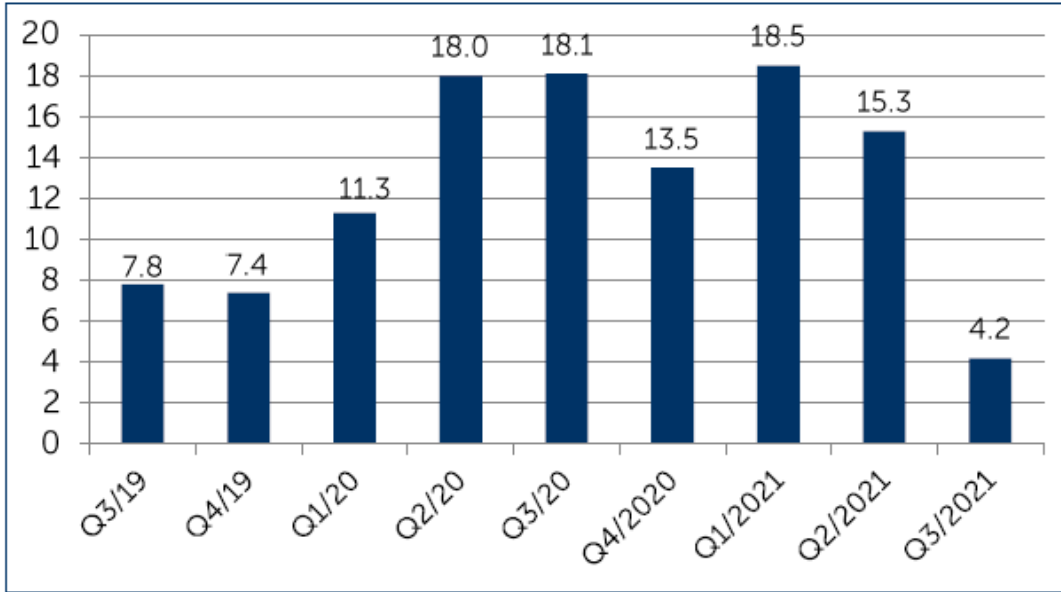
Net sales, EUR million



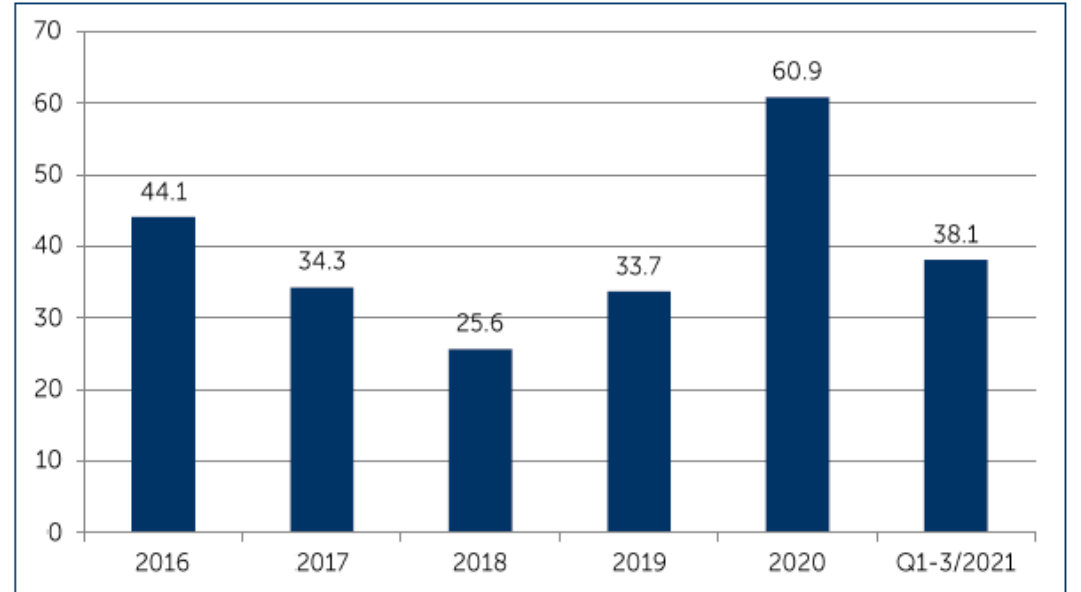
- Net sales decreased by 14.5% and were EUR 98.7 million (115.4). Currency impact was EUR +0.7 million
- Sales volumes decreased as expected. Sales prices increased following higher raw material costs
- Share of new products continued to be above 25% of net sales

EBITDA

EBITDA, EUR million



EBITDA, EUR million

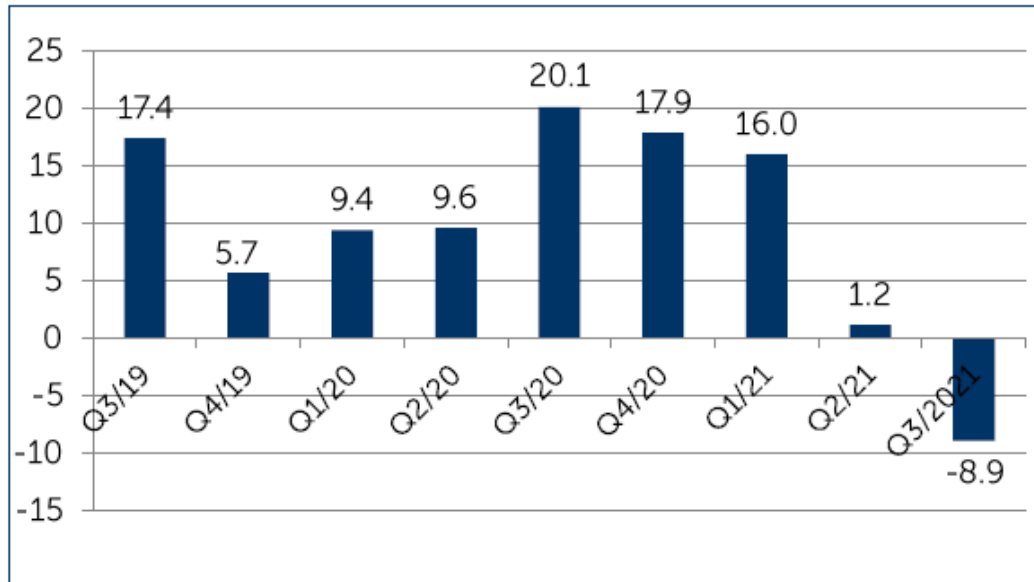


2016-2018 EBITDA before application of IFRS 16 Leases

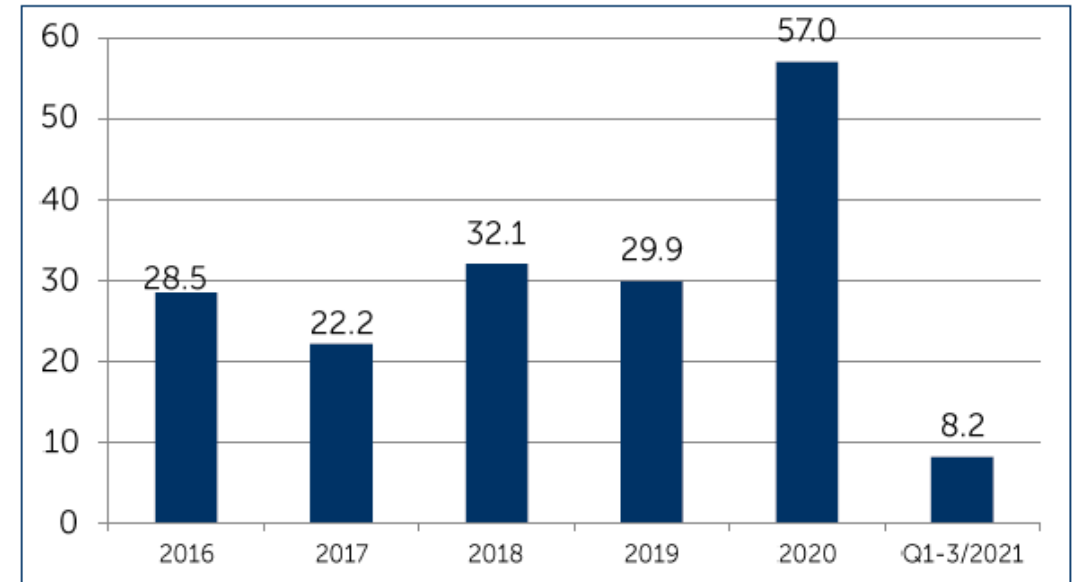
- EBITDA decreased to EUR 4.2 million (18.1). Currency impact was EUR -0.2 million
- The result was impacted especially by the lower sales and production volumes but also by higher raw material costs for which the higher sales prices could compensate only partially
- Cost savings actions supported the result to some extent

Cash flow from operations

Cash flow from operations, EUR million



Cash flow from operations, EUR million



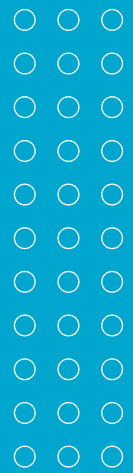
- Cash flow from operations was EUR -8.9 million (20.1)
- The decline in cash flow in Q3 was driven especially by lower payables as well as the weaker result



Outlook 2021

Suominen repeats its outlook for 2021 but in light of the volatility of the markets and Suominen's results, gives further detail on the outlook.

Suominen expects that its comparable EBITDA (earnings before interest, taxes, depreciation and amortization) in 2021 will decrease from 2020 due to the slowdown in the demand for nonwovens in the second half of 2021 as well as some continuing volatility in the raw material and transportation markets and will amount to EUR 47–53 million. In 2020, Suominen's comparable EBITDA was EUR 60.9 million.



SUMMARY



Summary

- Suominen manufactures nonwovens as roll goods for wipes and other applications
- Eight locations on three continents
- Net sales EUR 458.9 million in 2020
- Over 700 professionals
- Our vision is to be the frontrunner for nonwovens innovation and sustainability





Investment highlights



Nonwovens markets are growing in all regions



Legislation and consumer behavior are driving the need for more sustainable products and we are very well placed to respond to this growing demand



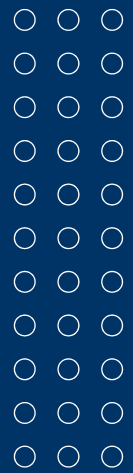
The new organization and strategy give us an excellent basis to continue to develop the company further



Strong profitability, balance sheet and cash flow



PURE NORDIC QUALITY



APPENDIX



Executive team



Petri Helsky
President and CEO



Lynda A. Kelly
Business Development & Americas



Toni Tamminen
CFO



Markku Koivisto
R&D & Europe

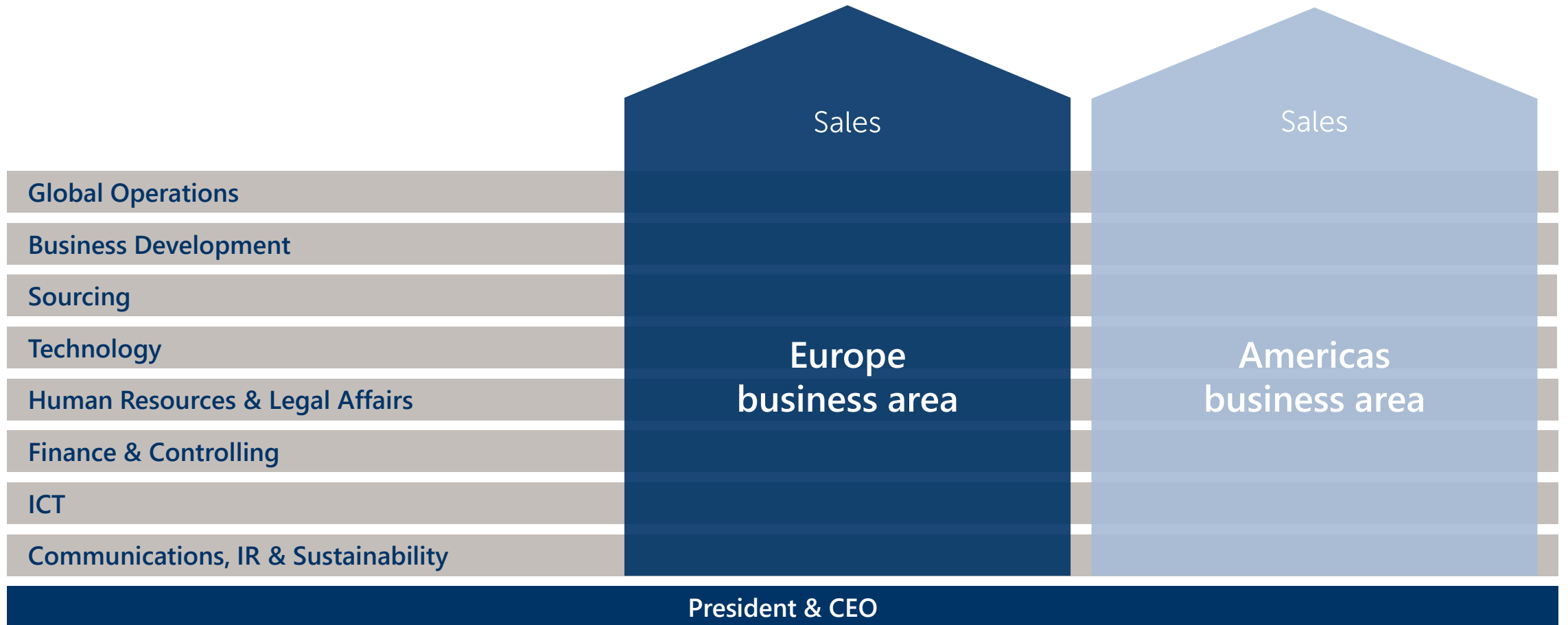


Mimoun Saïm
Operations



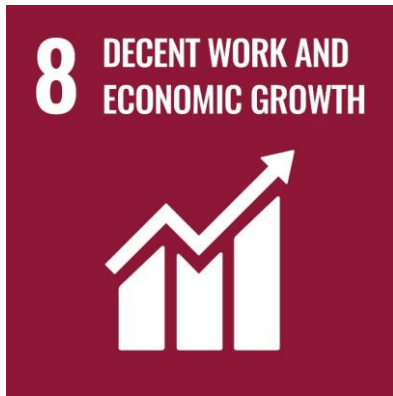
Klaus Korhonen
HR & Legal

Our organization



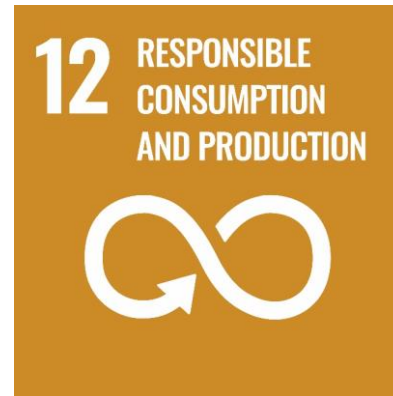
Sustainable Development Goals - Suominen

The Sustainable Development Goals (SDG) adopted by the United Nations in 2015 define international sustainable development focus areas and goals. We have identified three SDG's which cover the areas where we can make the biggest contribution and our sustainability agenda guides our work towards these goals.



We promote responsible business practices throughout the value chain and we do not tolerate any kind of slavery, forced or child labor or human trafficking in our own or our suppliers' operations

We promote equal opportunities for all. Our principle is "equal pay for equal contribution". A safe workplace is one of our top priority and we are continuously striving to improve our safety culture to achieve an accident free workplace.



Our goal is to use natural resources as efficiently as possible and strive for minimization of waste in our production and finding alternative outlets for non-recyclable waste.

With our product offering we contribute to this goal by taking into account the whole value chain in our product design in order to decrease any negative impacts on the environment. We report our activities and progress towards our sustainability goals publicly.



We are committed to reduce greenhouse gases from our operations by improving our energy efficiency and finding alternative low-carbon energy sources.

With our product offering we are contributing to this goal by calculating carbon footprint of our products including the whole value chain and developing solutions with smaller impact on climate.