

SUOMINEN Q3/2022 INTERIM REPORT

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October 26, 2022



Q3/2022 in brief

- Net sales increased 34% and reached record quarterly level of EUR 131.9 million (98.7)
- Comparable EBITDA improved to EUR 5.1 million (4.2)
- Cash flow from operations was EUR -10.8 million (-8.9)

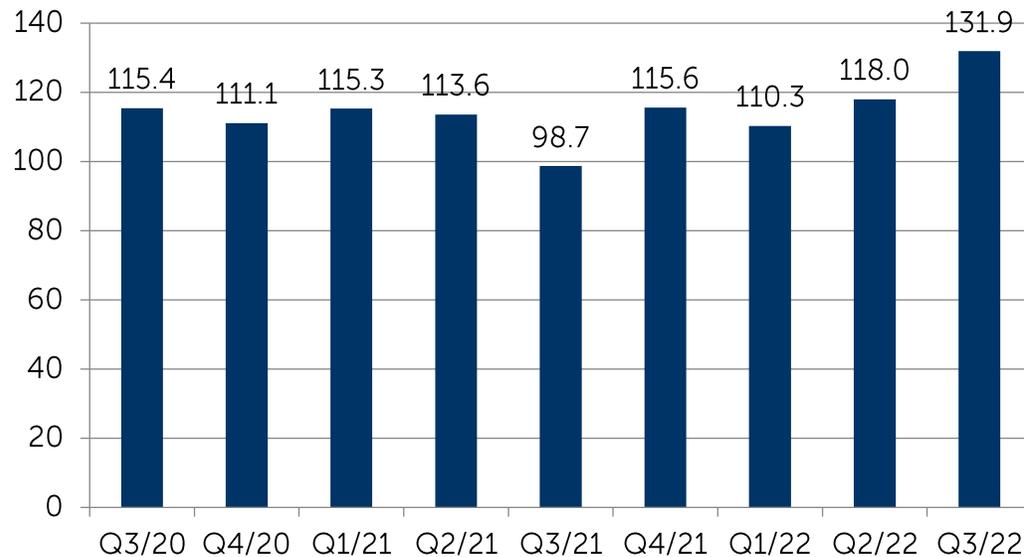
October 26, 2022



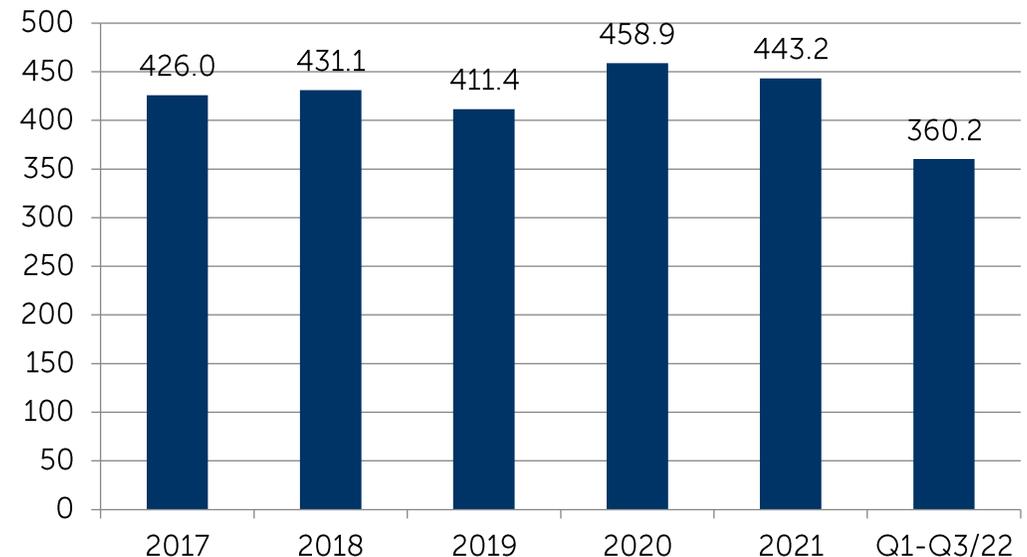
FINANCIAL REVIEW

Net sales

Net sales, EUR million



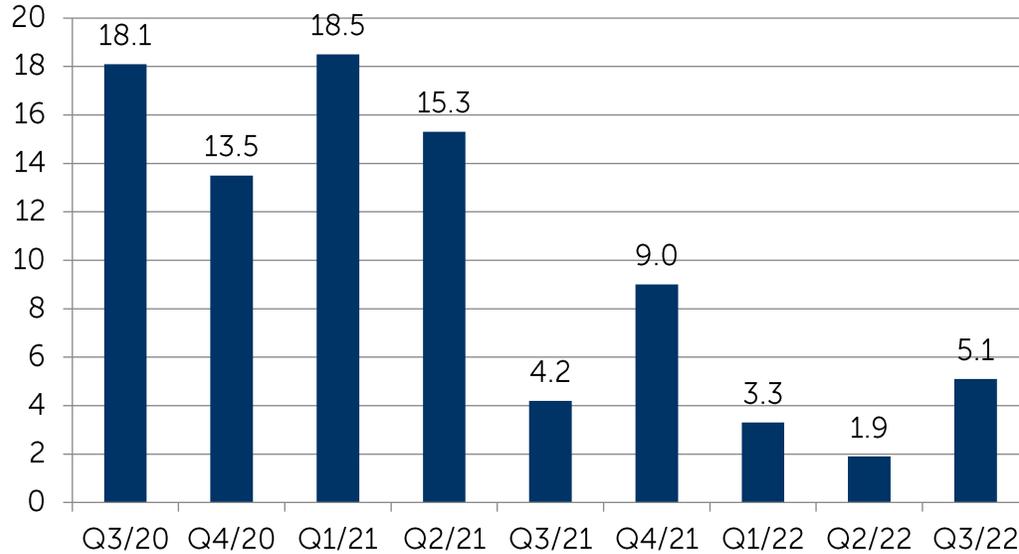
Net sales, EUR million



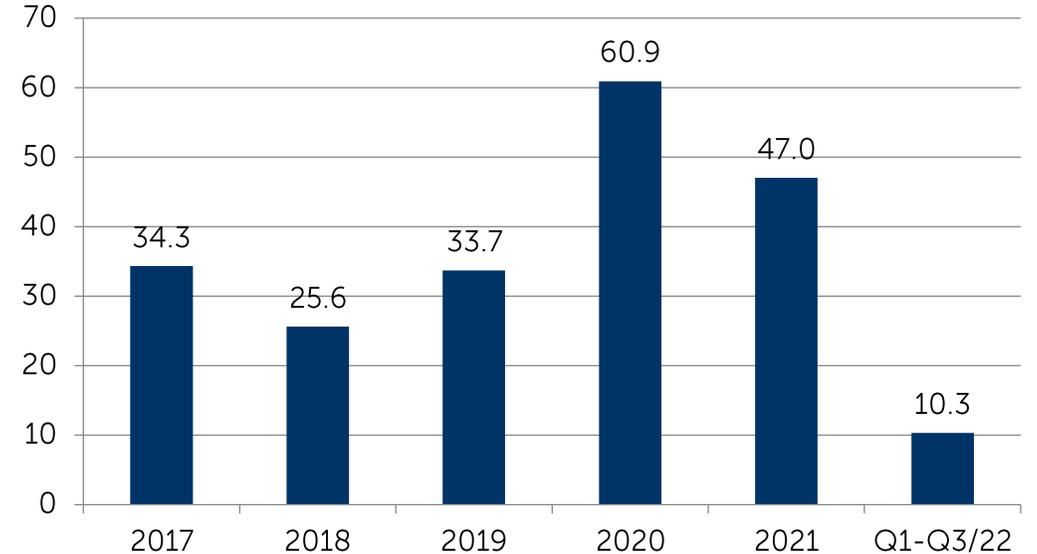
- Sales volumes increased as did sales prices following the higher raw material prices
- Currency impact was significantly positive at EUR +11.1 million
- Share of new products was clearly over 25% of net sales

EBITDA

EBITDA, EUR million



EBITDA, EUR million



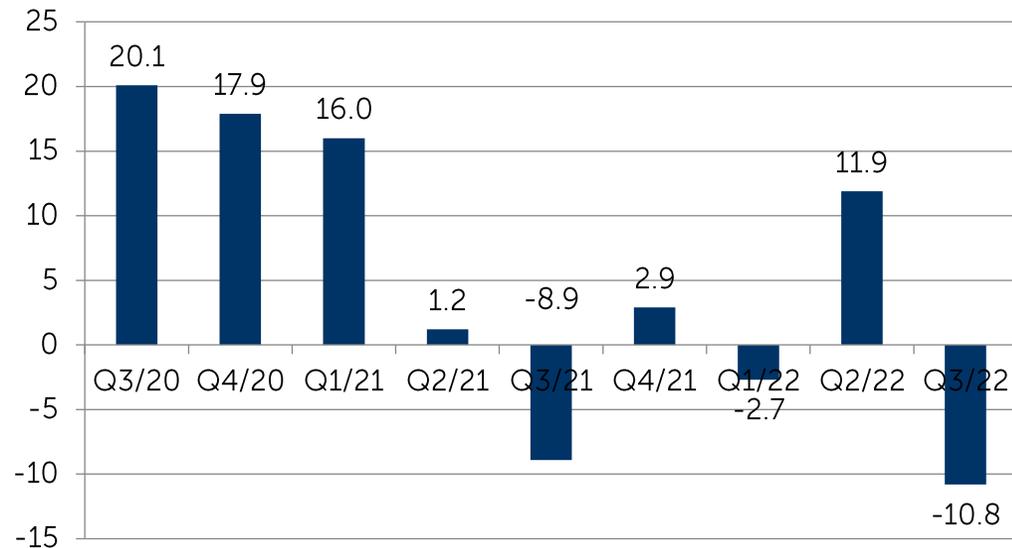
- The higher sales and production volumes impacted the result positively but our sales price increases could not fully compensate for the higher raw material and energy costs even despite the previously implemented energy surcharge in Europe
- Other operating income was impacted positively by one-time tax credits and incentives in Brazil and Italy

Consolidated statement of profit or loss

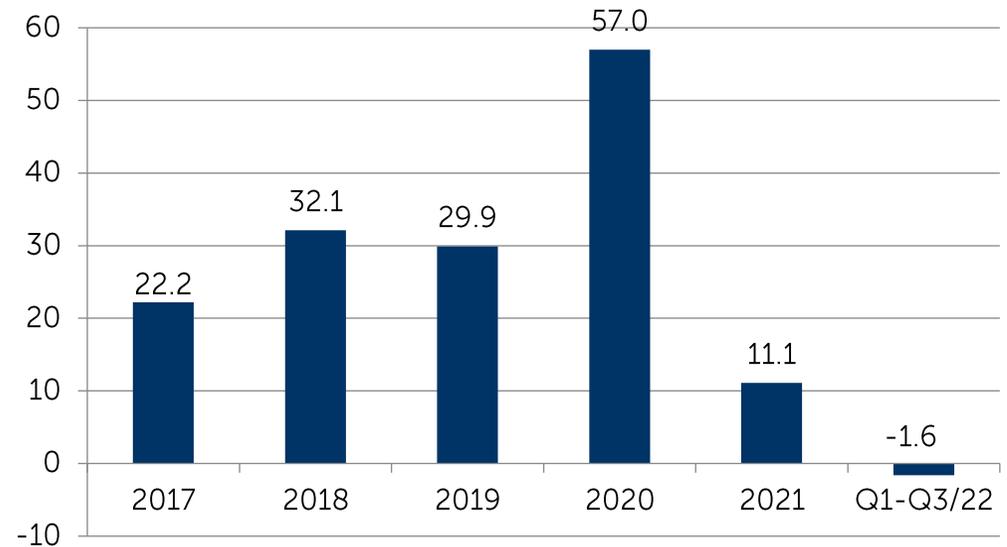
| EUR thousand | 7-9/2022 | 7-9/2021 | 1-9/2022 | 1-9/2021 | 1-12/2021 |
|--|----------|----------|----------|----------|-----------|
| Net sales | 131,937 | 98,654 | 360,225 | 327,634 | 443,219 |
| Cost of goods sold | -126,723 | -93,182 | -343,446 | -285,220 | -392,390 |
| Gross profit | 5,214 | 5,472 | 16,780 | 42,414 | 50,828 |
| Other operating income | 3,007 | 696 | 4,103 | 2,404 | 4,434 |
| Sales, marketing and administration expenses | -6,754 | -6,034 | -21,551 | -19,562 | -26,238 |
| Research and development expenses | -925 | -678 | -2,571 | -1,872 | -2,678 |
| Other operating expenses | -340 | -298 | -729 | -317 | 595 |
| Operating profit | 202 | -842 | -3,969 | 23,067 | 26,941 |
| Net financial expenses | -78 | -969 | -284 | 684 | -390 |
| Profit before income taxes | 125 | -1,811 | -4,253 | 23,751 | 26,551 |
| Income taxes | -523 | 112 | -801 | -5,554 | -5,816 |
| Profit for the period | -398 | -1,699 | -5,054 | 18,197 | 20,734 |
| | | | | | |
| Earnings per share, EUR | | | | | |
| Basic | -0.01 | -0.03 | -0.09 | 0.32 | 0.36 |
| Diluted | -0.01 | -0.03 | -0.09 | 0.31 | 0.36 |

Cash flow from operations

Cash flow from operations, EUR million

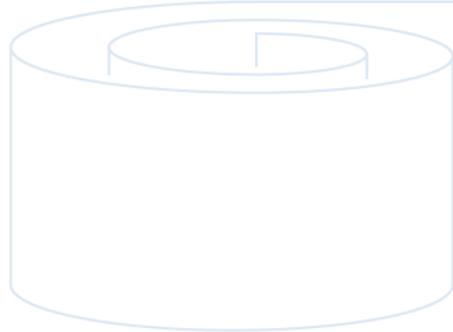


Cash flow from operations, EUR million



- Cash flow from operations in July–September was EUR -10.8 million (-8.9) and in January–September EUR -1.6 million (8.2)
- Cash flow was negatively impacted by increase in receivables and inventories mainly due to higher sales and raw material inventory build for higher production

PROGRESS IN STRATEGY



Mission

Enabling our customers to win by creating quality nonwovens

Vision

Frontrunner for nonwovens innovation and sustainability

Strategy: Growth and profitability through sustainability, customer focus and efficiency

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

Examples of strategy implementation



Sustainability assessment

Silver level rating from first ever EcoVadis sustainability assessment



Low impact manufacturing

Start-up of solar panels at Alicante plant in August



Safety

By the end of September we have not had any LTA's at Suominen sites

OUTLOOK



Outlook 2022

Suominen expects that its comparable EBITDA (earnings before interest, taxes, depreciation and amortization) in 2022 will decrease clearly from 2021. The war in Ukraine has increased the already significant cost inflation in raw materials, energy and transportation. Also, while there has been progress in the normalization of the customer inventory levels in the US, it has been somewhat slower than expected. These factors will impact the full year result negatively even though we expect that the demand for our products will improve in the second half of the year.

In 2021, Suominen's comparable EBITDA was EUR 47.0 million.



Q&A





Q4 and
full year 2022
result publication
on February 3,
2023



PURE NORDIC QUALITY