Annual General Meeting 2015
Review by the President & CEO

Nina Kopola
President & CEO
Suominen is a globally leading supplier of nonwovens for wiping, hygiene and medical applications.
Contents

• Suominen and year 2014 at a glance
• Market review
• Financial review and outlook for 2015
• Implementation of the strategy in 2012–2014
• Strategy period 2015–2017
• Summary 2014
Suominen and year 2014
Several successes in 2014

- New organization, two business areas.
- We expanded our business to South America.
- Divestment of the Flexibles business area – Suominen became a 100% nonwovens company.
- Expanded and diversified financing.
- Profitability improved considerably and financial position strengthened.
- Revised strategy aims at profitable growth.
- Investment program launched to execute growth strategy.
Two business areas - Convenience and Care

<table>
<thead>
<tr>
<th>Convenience</th>
<th>Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Main end use areas:</td>
<td>• Main end use areas:</td>
</tr>
<tr>
<td>- <strong>Wiping</strong> (baby, household, personal care, industrial wipes)</td>
<td>- <strong>Hygiene</strong> products (femcare, incontinence, diapers)</td>
</tr>
<tr>
<td>- <strong>Travel &amp; catering</strong> applications</td>
<td>- <strong>Medical</strong> nonwovens (e.g. swabs, undercast pads, surgical drapes and masks)</td>
</tr>
<tr>
<td>• Net sales (2014): 369.4 M€, 92% of Suominen’s net sales.</td>
<td>• Net sales (2014): 32.3 M€, 8% of Suominen’s net sales.</td>
</tr>
</tbody>
</table>
We are a global leader in nonwovens for wipes

Global nonwovens market totaling ~26 billion euros

- Hygiene 25%
  - Kimberly-Clark
  - Ahlstrom
  - Freudenberg
  - DuPont
  - First Quality

- Other 27%

- Medical 3%

- Building/roofing 7%

- Filtration 9%

- Floor coverings 6%

- Automotive 5%

- Upholstery 10%

- Wiping 8%

Suominen #1 Wiping ~2.1 billion euros

- Suominen 18%
- Kimberly-Clark 11%
- Jacob Holm 9%
- PGI 5%
- Sandler 8%
- Other 49%

3/19/2015 Suominen is a globally leading supplier of nonwovens for wiping, hygiene and medical applications.
Fast transformation into a nonwovens company with operations in three continents

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Three lines of business: Nonwovens, Flexibles, Codi Wipes</td>
</tr>
<tr>
<td>11/1/2011</td>
<td>Ahlstrom Home &amp; Personal acquisition</td>
</tr>
<tr>
<td>7/15/2013</td>
<td>Divestment of Codi Wipes</td>
</tr>
<tr>
<td>2/10/2014</td>
<td>Acquisition of Brazilian unit</td>
</tr>
<tr>
<td>7/14/2014</td>
<td>Divestment of Flexibles business area</td>
</tr>
</tbody>
</table>

Net sales by line of business and geographical coverage from 2011 to date.
Suominen is one of the largest nonwoven manufacturers globally
Suominen is a globally leading supplier of nonwovens for wiping, hygiene and medical applications.

- Strengthened balance sheet enabled refinancing.
- Target range for gearing between 40 and 80%.
Our purpose is to make nonwovens continuously better for people.
Market review
Historically, growth in the demand for nonwovens has exceeded the growth of the GDP.

2014–2016 GDPs are forecasted.

In Europe, GDP growth is for euro area.

For nonwovens demand, the graphs illustrate the change in the value (USD) of nonwoven demand; 2006–2010 actual, 2011–2015 forecasted.
Demand for Suominen nonwovens is expected to grow globally

Global growth rate ~5%
Growth rate for Suominen regions ~3%

Aging population
Everyday convenience
Health and well-being trends

Growing population and middle class

+2%
+7%
+2–6%
+7%
+8%
Demand for Suominen’s products is growing both in emerging and developed markets

- **USD 14 000+** Household wipes
- **USD 10 000+** Incontinence products
- **USD 7 000+** Baby wipes
- **USD 4 000+** Disposable diapers
- **USD 1 000+** Feminine care products

GDP per capita
Financial review 2014
Net sales grew markedly

Net sales, M€

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales, M€</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>55,7</td>
</tr>
<tr>
<td>2011</td>
<td>98,3</td>
</tr>
<tr>
<td>2012</td>
<td>356,9</td>
</tr>
<tr>
<td>2013</td>
<td>373,7</td>
</tr>
<tr>
<td>2014</td>
<td>401,8</td>
</tr>
</tbody>
</table>

FY2014: Net sales grew by 7.5% and organically by 3.5%.
Significant improvement in operating profit excl. non-recurring items

- The share of products with higher added value increased, which was reflected in gross profit and further in operating profit – both in the fourth quarter and FY 2014.
- During the strategy period of 2012–2014, Suominen reported improved operating profit on eleven quarters (out of twelve).
Profit for the period reached a new level

Profit for the period, M€

Continuing operations.

2010: -12.0
2011: -11.8
2012: -2.8
2013: 5.7
2014: 10.2

Suominen is a globally leading supplier of nonwovens for wiping, hygiene and medical applications.
Strong cash flow from operations

Cash flow from operations, M€

Continuing operations.

Suominen is a globally leading supplier of nonwovens for wiping, hygiene and medical applications.
Outlook for 2015

• Suominen expects that for the full year 2015, its net sales and operating profit excluding non-recurring items will improve from year 2014.

• In 2014, Suominen’s net sales amounted to EUR 401.8 million and operating profit excluding non-recurring items to EUR 26.9 million.
Implementation of the strategy in 2012–2014
We have systematically implemented our strategy

Suominen Way

Step Change in Profitability

In the Lead

How we work

How we operate

How we win
We have taken several measures to advance each cornerstone

Suominen Way

- Compensation & Benefits scheme
- The Behavior Matrix
- New organization
- Refreshed visual identity
- “Behavior Based Safety” program
- Defining sustainability strategy

Step Change in Profitability

- Structural cost savings
- Enhanced supply chain and increased flexibility
- Cost-conscious way of working

In the Lead

- Renewed corporate structure
- Expansion to South America
- Investments in capacity in higher-value-added nonwovens in the U.S.
- Developed and expanded product portfolio
- “We Love Wipes” dialogue
Targeted development of product portfolio continued*

2013: 373.7 M€

- Baby: 41%
- Household: 22%
- Industrial: 18%
- Personal care: 12%
- Medical & hygiene: 7%

2014: 401.8 M€

- Baby: 41%
- Household: 21%
- Industrial: 11%
- Personal care: 17%
- Medical & hygiene: 8%
- Other: 2%

Convenience 92%, Care 8%

Typically products high value-adding products

* The share of baby care wiping grew due to acquisition of Paulínia plant.
Financial targets were met

- Clearly improve relative profitability. The target level of the company’s return on investment (ROI) is to be above 12%. (FY/2014, continuing operations: 15.7%).

- Have a solid capital structure with a gearing ratio principally between 40% and 80%. (FY/2014: 34.7%).

- Increase net sales organically at a rate that exceeds the average growth rate of the industry. (In 2013, Suominen’s net sales from nonwovens business grew 3.5%).
Strategy period 2015–2017
In this strategy period, emphasis is on In the Lead cornerstone – we aim to grow and win the game.
Suominen’s vision is to be a Market Driven Product Leader
Understanding the end user remains in the heart of our strategy.
We aim at major shift in product portfolio

Suominen’s nonwovens sales by major end use applications

2014 (401.8 M€)

- Baby: 41%
- Household: 21%
- Industrial: 11%
- Personal care: 17%
- Medical & hygiene: 8%

2017 (~500 M€) Illustrative

- Baby: 41%
- Household: 21%
- Industrial: 11%
- Personal care: 17%
- Medical & hygiene: 8%
- Other: 2%

Suominen is a globally leading supplier of nonwovens for wiping, hygiene and medical applications.
Each selected application has a role to play in the strategy

<table>
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<tr>
<th>Application</th>
<th>Relative growth potential</th>
<th>Attractiveness</th>
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<tbody>
<tr>
<td>Flushables</td>
<td>LOW MEDIUM HIGH</td>
<td>LOW MEDIUM HIGH</td>
</tr>
<tr>
<td>Household</td>
<td>LOW MEDIUM HIGH</td>
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</tr>
<tr>
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Growth potential in relevant market regions for Suominen.

Suominen is a globally leading supplier of nonwovens for wiping, hygiene and medical applications.
We will achieve our vision to be a Market Driven Product Leader if we...

1. Evolve culture and capabilities to build strong product company
2. Execute demand driven supply chain
3. Drive proactive key account management for mutual value creation
4. Deliver superior value in thoughtfully selected market applications
Our growth investment program supports the execution of the strategy

- Sustain & improve
- “Retrofit”
- Expand
- Extend geographical reach
- Acquisitions

Projected growth investments 30–50 M€ until 2017
Not in focus in the strategy period 2015–2017
Growth investment program launched swiftly
Suominen’s purpose and vision

Sustainability agenda 2015–2017

Achieving product leadership

Innovation
Development of sustainable products

Operating sustainably throughout the organization

Competence development
Non-discrimination
Material & resource efficiency

Fostering responsibility throughout the value chain

Long-term relations with customers & suppliers

Suominen is a globally leading supplier of nonwovens for wiping, hygiene and medical applications.

3/19/2015
Together with the strategy update, the Board of Directors approved Suominen’s dividend policy

- Suominen’s policy is to distribute approximately 30% of its profit for the period in annual dividends.

- In assessing its proposal for the payment of dividends, the company’s Board of Directors will also consider Suominen’s future investment needs and the solidity of its financial position.

- The Board of Directors proposes to the Annual General Meeting a EUR 0.01 per share distribution of funds.
Suominen’s strategy 2015–2017

**Market Driven Product Leader**

**Vision – where?**

**Strategy – how?**

- Deliver superior value in thoughtfully selected market applications.
- Drive proactive key account management for mutual value creation.
- Execute demand driven supply chain.
- Evolve culture and capabilities to build strong product company.

**Financial targets**

- Organic net sales growth at a rate that exceeds the industry average (approx. 3%)
- A return on investment of more than 12%
- A gearing ratio between 40% and 80%

**Purpose – why?**

Our purpose is to make nonwovens continuously better for people.
Summary 2014

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- We expanded our business to South America.
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Thank you!