Our purpose is to make nonwovens continuously better for people.

Agenda

• Suominen today
• Review 2016
• Outlook for 2017
• Strategy and its execution in 2016
• New strategy period about to begin
• Summary
Our purpose is to make nonwovens continuously better for people.
Suominen today
Our purpose is to make nonwovens continuously better for people.
Two business areas – Convenience and Care

Convenience

- Main end use areas:
  - Baby wiping
  - Household wiping
  - Personal care wiping
  - Workplace wiping
- Net sales of the business area (2016): 385.5 M€

Care

- Main end use areas:
  - Hygiene products (femcare, incontinence, diapers)
  - Medical nonwovens (e.g. swabs, undercast pads, surgical drapes and masks)
- Net sales of the business area (2016): 31.3 M€

Eight nonwovens plants in three continents serving both business areas

92% of Suominen’s net sales
8% of Suominen’s net sales
Locations in three continents make an important competitive edge.

- Green Bay, WI, USA
- Windsor Locks, CT, US
- Bethune, SC, US
- Paulinia, Brazil
- Alicante, Spain
- Mozzate, Italy
- Cressa, Italy
- Nakkila, Finland
- Helsinki, Finland (Head office)
- Paulinia, Brazil

Sales representatives present in several locations in Asia Pacific.
We hold the leading market position in Convenience, still a challenger Care

- TOP10
  Ninth-largest of all nonwovens suppliers globally

- #1
  Global market leader in nonwovens for wipes (Convenience business area)

- Challenger
  in nonwovens for medical & hygiene products (Care business area)
Review 2016
Positives and negatives of 2016

- The development of net sales and operating profit did not live up to our expectations.
- Financial targets were not met in financial year 2016.

+ Cash flow from operations continued strong.
+ Portfolio transformation continued in the right direction.
+ The Bethune investment proceeded in schedule. Once completed, it will provide us new opportunities for future profitable growth.
+ Dividend proposal is EUR 0.11 per share.
The net sales fell short of the comparison year but reached the second-best level ever

- Due to the tightened competitive situation, it was harder than usual to predict the development of demand. In addition, there were pricing pressure at the markets, mainly in baby wipes in the North American and European markets and in flushable products in the European markets.
- Net sales were affected by both lower sales prices and volumes, approximately in equal proportions.
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The increase in the share of products with high added value* in our portfolio continued

*Nonwovens for personal care, household and workplace wipes as well as for hygiene and medical products typically carry high added value.
Lower sales volumes and pricing pressure caused by tightened competition had an impact on the operating profit.

The efforts to improve our strategic capabilities, for instance in R&D resources, in the Bethune production line investment, and in the ongoing ICT systems renewal, increased our costs.
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Profit for the period declined from last year

Profit for the period, EUR million

-2.8  5.7  10.2  17.0  15.2

Cash flow from operations continued strong

Cash flow from operations, EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash Flow (EUR million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>24.9</td>
</tr>
<tr>
<td>2013</td>
<td>21.3</td>
</tr>
<tr>
<td>2014</td>
<td>37.1</td>
</tr>
<tr>
<td>2015</td>
<td>27.3</td>
</tr>
<tr>
<td>2016</td>
<td>28.5</td>
</tr>
</tbody>
</table>

Our purpose is to make nonwovens continuously better for people.
Dividend proposal by the Board of Directors

• The Board of Directors proposes to the Annual General Meeting of Suominen that a dividend of EUR 0.11 per share will be paid from FY2016.
• The proposal is in line with Suominen’s dividend policy
• The total shareholder return (TSR) is 100% (2011/11/1 – 2016/12/31)

2016: Proposal for the AGM.
2014: Distribution of funds. EPS concerns the result of the continuing operations, not result for the financial year.
Outlook for 2017

- Suominen expects that for the full year 2017, its net sales will improve from year 2016.
- Also the comparable operating profit is estimated to improve from year 2016, provided that the new production line at the Bethune plant will be started up as planned.
- In 2016, Suominen’s net sales amounted to EUR 416.9 million and comparable operating profit to EUR 25.6 million.
Strategy and its execution in 2016
Also in the nonwovens industry, consumer is the king
Suominen’s strategy 2015–2017

Vision
Market Driven Product Leader

Strategy
1. Deliver superior value in thoughtfully selected market applications.
2. Drive proactive key account management.
3. Execute demand driven supply chain.
4. Evolve culture and capabilities to build strong product company.

Purpose
Our purpose is to make nonwovens continuously better for people.
Key activities in delivering superior value

1. Deliver superior value in selected market applications
   - +60 M€ growth investment program reaching its final leg
   - Product development process and capacity enhanced
   - New products launched
The growth investment program covers three continents

- Supports the transformation of the product portfolio towards the larger share of high value-added products.
- Initiatives in four plants on three continents.
- A new wetlaid manufacturing line to Bethune, SC; USA (over EUR 50 million).
- Retrofit investments made in Europe and in South America.
Investment program targeted to growing markets and products with high added value

<table>
<thead>
<tr>
<th>Location</th>
<th>Value</th>
<th>Segments</th>
<th>Market growth*</th>
<th>Competitive situation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bethune, SC, US</td>
<td>&gt;50 M€</td>
<td>Flushables</td>
<td>+9 %(NA)</td>
<td>Tightening</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Household wiping</td>
<td>+7 %(NA)</td>
<td>Balanced</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Workplace wiping</td>
<td>+5-7%</td>
<td>Balanced</td>
</tr>
<tr>
<td>Paulínia, BR</td>
<td>4 M€</td>
<td>Medical</td>
<td>+3-5 %</td>
<td>Emerging market</td>
</tr>
<tr>
<td>Alicante, SP</td>
<td></td>
<td>Workplace wiping</td>
<td>+5-7%</td>
<td>Balanced</td>
</tr>
<tr>
<td>Nakkila, FI</td>
<td></td>
<td>Several segments</td>
<td>+2 %</td>
<td>Mixed</td>
</tr>
</tbody>
</table>

*Estimates based on third party forecasts and management analysis, reflecting averages.
The new manufacturing line in Bethune is currently in the start-up phase

• The entire capacity of the new line will be allocated for products with high value-added.
• Since the line is tailor-made based on Suominen’s own expertise, we can supply products our competitors cannot.
• Customer deliveries are scheduled to start in the coming days.
Thanks to the investments, we have been able to launch new products to the market

- AIRLACE™ for Workplace was launched in January 2017.
- The retrofit investment made at Alicante plant enables Suominen to manufacture the new product.
- FIBRELLA® Perf for medical applications was launched in 2015. The product is available also for South American customers thanks to the retrofit investment made at Paulínia plant.
- More new products to be launched during spring 2017.
New competencies in the Corporate Executive Team

- Markku Koivisto has been appointed Senior Vice President, Chief Technology Officer and a member of the Corporate Executive Team as of 27 March 2017.
- Mr. Koivisto joins Suominen from UPM Raflatac, where he lead the Global Business Development organization.
- His industrial and technological experience combined with his proven track record in commercializing innovations will bring new competencies in Suominen.
- Technological competence will play an important part in the execution of Suominen’s current and future strategies.
Key activities in creating mutual value

2

Drive proactive key account management for mutual value creation

Customer satisfaction and the perception on the added value generated by Suominen clearly improved (7,32 → 7,61).

The customer interface of Suominen was strengthened in 2016 through several important recruitments.
Recruitments made will support Suominen on its path towards product leadership

- In 2016, the focus of the recruitments was on the customer interface as well as in the functions enabling reaching product leadership.
- Several important appointments were made especially in R&D, Product management and Sales.
Key activities in executing a demand driven supply chain

3

Execute demand driven supply chain

Comprehensive ICT systems renewal progressed as planned

Also the organizational changes support the supply chain management
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Group-wide initiative to renew the ICT systems progressed as planned

• ICT systems renewal progresses in stages and according to the plan.
• The project enables Suominen to fully deploy global processes defined earlier. Moreover, it enhances our ability to forecast demand and manage our order-supply chain.
Key activities in evolving culture and capabilities

4

Evolve culture and capabilities to build strong product company

Pivotal recruitments building new and enhanced capabilities in several areas

Strategic sustainability initiatives in progress, e.g., blind recruiting
Sustainability is on the rise also on customers’ agenda

Reaching product leadership
Sustainable product portfolio: Suominen joins the sustainability network of a global consumer goods company

Operating sustainably across the company
Non-Discrimination Program: Blind hiring as a default recruitment process
Improved safety indicators
Cooperation with Women’s Bank to start

Fostering responsibility through the value chain
Supplier Code of Conduct implemented
Mid-term financial targets and their realization in the financial year 2016

- Organic growth of net sales, excluding currency effect, compared to previous year. Indicator is reviewed annually.
- Target level marked with dashed line.
- Figures from 2012 to 2014 concern only Suominen’s continuing operations.
New strategic period about to begin
New strategy period (2017–2021) about to begin

The investments and other capability development projects have created improved conditions for the further portfolio transformation, enabling Suominen to growth and improve its profitability.

Success in the execution of the upcoming strategy will bring our net sales above 600 M€ in 2021.

Regarding the operating profit, we target to reach a clearly higher level, over 10%.

More information on our strategy for 2017–2021 will be disclosed on 26 April.
## Financial year 2016: Summary

<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>-6%</td>
<td>The development of net sales and operating profit did not live up to our expectations.</td>
</tr>
<tr>
<td>62%</td>
<td>However, our product portfolio improved and the share of products with higher added value grew.</td>
</tr>
<tr>
<td>28.5 M€</td>
<td>Cash flow from operation continued strong.</td>
</tr>
<tr>
<td>&gt;60 M€</td>
<td>Equipment installations were completed in Bethune. The growth investment program is nearly completed.</td>
</tr>
<tr>
<td>&gt;600 M€</td>
<td>Suominen discloses its strategy for 2017–2021 in April.</td>
</tr>
</tbody>
</table>
Thank you!