Suominen – aiming for profitable growth

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Suominen in brief

Nonwovens as roll goods for wiping, hygiene and medical products

444.0 net sales in 2015

EUR million

Global market leader in nonwovens for wipes

over 600 employees
Our purpose is to make nonwovens continuously better for people.

Our customers convert nonwovens into products for consumers and professionals.

Suominen → Potential customers → End use applications

Potential customers:
- ROCKLINE INDUSTRIES
- P&G
- Mölnlycke Health Care
- Reckitt Benckiser
- Unilever

End use applications:
- Personal care
- Medical
- Industrial
- Cleanroom
- Baby care
Two business areas

Convenience

- Main end use areas:
  - **Wiping** (baby, household, personal care, industrial wipes)
  - **Travel & catering** applications
- Net sales of the business area (2015): 411.5 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 (2015): 32.4 M€

Eight nonwovens plants in three continents serving both business areas

93% of Suominen’s net sales

7% of Suominen’s net sales
Nonwovens markets
Historically, growth in demand for nonwovens has exceeded the growth of the GDP.

In Europe, GDP growth is for euro area.
Suominen has chosen three market segments

- **Wiping market totals approx. EUR 2.1 billion**
  - **Suominen ~20%**
  - Key competitors ~30%
    - Kimberly-Clark
    - Jacom Holm / Sontara
    - Sandler
    - Berry Plastics (ex-PGI)
  - Others ~50%
    - Half of the market fragmented to smaller players

- **Global nonwovens market totals approx. EUR 26 billion**
  - Hygiene 25%
    - Key competitors
      - Kimberly-Clark
      - Berry Plastics (ex-PGI)
      - Fiberweb
      - First Quality Nonwovens
      - Pegas Nonwovens
  - Medical 3%
    - Key competitors
      - Kimberly-Clark
      - Ahlstrom
      - Freudenberg
      - DuPont
      - First Quality Nonwovens

- Building/roofing 7%
- Filtration 9%
- Floor coverings 6%
- Automotive 5%
- Upholstery 10%
- Other 27%
There’s demand for Suominen’s products in both developing and developed markets.

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

GDP per capita
Five reasons to invest in Suominen
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1. Locations on three continents, close to customers
2. Suominen operates in growing markets
3. Our customer relationships are often global and long-term
4. A clear vision, an ambitious strategy and promising track record
5. Ability to pay dividend restored
1. Locations on three continents, close to customers

Sales representatives present in several locations in Asia Pacific.
2. Suominen operates in growing markets

+2% +2-6% +7% +8%

Suominen's market areas
3. Our customer relationships are often global and long-term

- Our customers include
  - global consumer brands
  - manufacturers of private labels
  - regional nonwoven converters
  - manufacturers of medical and hygiene products
- More than 25% of Suominen’s net sales comes from Fortune 500 companies
- Our customer relationships are typically very long, on average more than ten years
4.
We have a clear vision, an ambitious strategy and promising track record
Ambitious strategy for 2015-2017

Vision – where?
Market Driven Product Leader

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%

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 a strong product company

Purpose – why?
Our purpose is to make nonwovens continuously better for people
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Understanding the end user needs is at the heart of our strategy.
We aim at substantial growth and major shift towards products with higher value added.

- **2015 (EUR 444.0 million)**
  - Baby wipes: 40%
  - Household wipes: 22%
  - Workplace wipes: 11%
  - Personal care wipes: 7%
  - Hygiene and medical products: 17%

- **2017 (approx. EUR 500 million)**
  - Personal care wipes: 40%
  - Household wipes: 20%
  - Workplace wipes: 11%
  - Baby wipes: 7%
  - Hygiene and medical products: 22%
EUR ~60 million growth investment program – a key action in executing Suominen’s strategy

• Helps in product portfolio transformation
• Covers currently four plants on three continents
• A new wetlaid production line, worth of approx. EUR 50 million, is being built in Bethune, SC, USA
• In addition, smaller investments in machinery improvements in Europe and South America
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Promising track record

Net sales, EUR million

Continuing operations

Operating profit excl. NRI, EUR million and %

Continuing operations
5. Ability to pay dividend restored

- Dividend form an important element in the creation of shareholder value
- 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 Board of Directors will also consider Suominen’s future investment needs and the solidity of its financial position
Summary: Five reasons to invest in Suominen

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Thank you!