Changemaker strategy and its financial implications

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10 May 2017
Recent history & current status
Determined progress towards growth

2012 – 2014
Putting the house in order

Cost cutting program
Restructuring
Reorganizing
Refinancing

In 2012:
Net sales 356.9 M€
Operating profit* 14.9 M€
Gearing 101.0%

2015 – 2017
Heading to organic growth

Investment program
Focus on products with higher value added
Stronger R&D

From 2012 to 2016:
Net sales +17%
Operating profit* +72%
Gearing to 39.6%
TSR 100%

2017 – 2021
Changemaker strategy

At the end of 2021:
Net sales >600 M€
Operating profit > 10% of net sales

Continuing operations.
*Operating profit:
Comparable / excl. Non-recurring items
Past financial performance

Net sales, MEUR

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>356.9</td>
<td>373.7</td>
<td>401.8</td>
<td>444.0</td>
<td>416.9</td>
</tr>
</tbody>
</table>

Operating profit, MEUR

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>14.9</td>
<td>19.4</td>
<td>26.9</td>
<td>31.2</td>
<td>25.6</td>
</tr>
</tbody>
</table>

Cash flow from operations, MEUR

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>24.9</td>
<td>21.3</td>
<td>37.1</td>
<td>27.3</td>
<td>28.5</td>
</tr>
</tbody>
</table>

2012-2014: Figures refer to continuing operations.
Operating profit is comparable/excl. non-recurring items
Development of the financial position

**Gearing, %**

- 2012: 101.0%
- 2013: 96.2%
- 2014: 34.7%
- 2015: 25.9%
- 2016: 39.6%

**Return on investment, %**

- 2012: 5.0%
- 2013: 12.4%
- 2014: 15.7%
- 2015: 11.6%
- 2016: 15.9%

**Capital expenditure, MEUR**

- 2012: 5.3
- 2013: 4.4
- 2014: 7.1
- 2015: 23.7
- 2016: 53.3

2012-2014: Figures refer to continuing operations.
Growth investment program targeted to attractive markets

<table>
<thead>
<tr>
<th>Location</th>
<th>Applications</th>
<th>Market growth*</th>
<th>Competitive situation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bethune, SC, USA</td>
<td>Home wiping</td>
<td>+7% (NA)</td>
<td>Balanced</td>
</tr>
<tr>
<td></td>
<td>Flushables</td>
<td>+9% (NA)</td>
<td>Tightening</td>
</tr>
<tr>
<td></td>
<td>Workplace wiping</td>
<td>+5-7%</td>
<td>Balanced</td>
</tr>
<tr>
<td>Paulínia, Brazil</td>
<td>Medical</td>
<td>+3-9%</td>
<td>Emerging market</td>
</tr>
<tr>
<td>Alicante, Spain</td>
<td>Workplace wiping</td>
<td>+5-7%</td>
<td>Balanced</td>
</tr>
</tbody>
</table>

*Estimates based on third party forecasts and management analysis, reflecting averages.
Financial impacts of the strategy for 2017-2021
How to exceed EUR 600 million in net sales?

Added and upgraded capacity
More tons for higher value add applications

Portfolio change
High value add applications allow higher pricing

Potential geographical expansion

Net sales growth at a rate that doubles the market average
Over EUR 600 million in 2021
About the importance of the portfolio transformation

<table>
<thead>
<tr>
<th>Growth estimates by application</th>
<th>Targeted net sales breakdown in 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baby wiping</td>
<td>2-7%</td>
</tr>
<tr>
<td>Personal care wiping</td>
<td>6-65%</td>
</tr>
<tr>
<td>Home wiping</td>
<td>2-7%</td>
</tr>
<tr>
<td>Workplace wiping</td>
<td>3-5%</td>
</tr>
<tr>
<td>Medical</td>
<td>3-9%</td>
</tr>
<tr>
<td>Hygiene</td>
<td>0-6%</td>
</tr>
</tbody>
</table>

Indicative.

5/10/2017  Our purpose is to make life better.
How to reach the desired level of profitability?

Components of the raising operating profit margin (indicative)

<table>
<thead>
<tr>
<th>Year</th>
<th>Component</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>6.1%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Higher value add</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Enhanced capacity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SGA costs / sales</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>over 10%</td>
<td></td>
</tr>
</tbody>
</table>
Annual investment level in 2017-2021 excluding potential inorganic growth

For maintenance

~1% of annual net sales

For competitive edge

Add-on investments

Capital expenditure

~12 M€ annually
Our purpose is to make life better.

Financial targets 2017-2021

During the five-year strategic period, Suominen aims at strong and profitable net sales growth and solid financial position.

Net sales, MEUR

Return on investment, %

Gearing, %

Target level marked with orange.
Updated dividend policy

- According to the updated policy, Suominen aims to distribute at least 30% of its profit for the period in annual dividends.
- Previously, the policy was to distribute approximately 30% of the profit for the period in annual dividends.
- In assessing its proposal for the payment of dividends, the Board will also consider Suominen’s future investment needs and the solidity of its financial position.
We change the way people think about nonwovens.

Thank you!
Appendix
Hybrid bond

- In February 2014, Suominen issued a convertible hybrid bond of EUR 17.5 million.
- The holders of the bond notes are entitled to convert the notes and the potential accrued capitalized interest related to the notes into Suominen shares. The conversion period started on 11 February 2014 and will end on 10 February 2018.
- In February 2017, in total EUR 0.3 million of accrued interests were capitalized.
- In March 2017, in total EUR 0.6 million of interests on hybrid bond were paid in connection with the payment of the dividend.
- The number of shares in Suominen may increase in total by maximum of 6,763,360 shares on the basis of the conversion of the remaining bond notes and the potential capitalized interest.