The first leg of our path to become a Market Driven Product Leader

Capital Markets Day, 11 November 2015
Nina Kopola, President & CEO
Our purpose is to make nonwovens continuously better for people.
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Raw materials
Viscose, pulp, polypropene, polyester
All purchased from the market
Approximately 50% pulp-based

Production
Eight plants on three continents serve both business areas and create competitive edge

Customers
Global consumer brands
Private label suppliers
Healthcare product suppliers
Regional converters
Retailers

End use applications
Convenience
Wipes for baby & personal care, household and workplace use; travel & catering

Care
Medical products, like swabs; hygiene products, like femcare & adult incontinence
Fast transformation into a nonwovens company with operations on three continents

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Details</th>
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</thead>
<tbody>
<tr>
<td>11/1/2011</td>
<td>Ahlstrom Home and Personal acquisition</td>
<td>Three lines of business: Nonwovens, Flexibles, Codi Wipes</td>
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<tr>
<td>7/15/2013</td>
<td>Divestment of Codi Wipes</td>
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<tr>
<td>2/10/2014</td>
<td>Acquisition of Brazilian unit</td>
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<tr>
<td>7/14/2014</td>
<td>Divestment of Flexibles business area</td>
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Net sales by line of business and geographical coverage from 2011 to date.
Leading market position in Convenience, opportunities for growth in Care

#9 of all nonwovens suppliers globally

#1 in nonwovens for wipes (Convenience business area)

Challenger in nonwovens for medical & hygiene products (Care business area)
In medical and hygiene, Suominen’s target market is over 2 billion euros

Global nonwovens market totaling ~26 billion euros

- Medical: 3%
- Hygiene: 25%
- Wiping: 8%
- Automotive: 5%
- Floor coverings: 6%
- Building/roofing: 7%
- Filtration: 9%
- Upholstery: 10%
- Other: 27%
Our purpose is to make nonwovens continuously better for people.

Core of Suominen’s strategy 2015–2017

Market Driven Product Leader

Vision

Business 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

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Suominen’s purpose:

- 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
  - Supplier Code of Conduct

Sustainability agenda 2015–2017
In this strategy period, we aim at growth and shift in product portfolio.
First leg – 2015
Positive trend in market indicators

GDP in US Q4/14–Q3/15

GDP in Euro area Q4/14–Q3/15

Consumer Confidence Indicator in US Q4/14–Q1/15

Consumer Confidence Indicator in Euro area Q4/14–Q3/15
Our purpose is to make nonwovens continuously better for people.

Portfolio transformation in progress

Q1–Q3 2012: 273.0 M€

- Baby wiping: 6%
- Personal care wiping: 19%
- Household wiping: 17%
- Workplace wiping: 17%
- Medical & hygiene products: 10%

Q1–Q3 2014: 297.0 M€

- Baby wiping: 8%
- Personal care wiping: 12%
- Household wiping: 17%
- Workplace wiping: 22%
- Medical & hygiene products: 17%

Q1–Q3 2015: 339.8 M€

- Baby wiping: 7%
- Personal care wiping: 12%
- Household wiping: 17%
- Workplace wiping: 24%
- Medical & hygiene products: 40%

11/11/2015
Solid financial development
Progress on mid-term financial targets

- Net sales growth compared with previous year or the Q3 of previous year.
- Target level marked with dashed line.
- Figures are of continuing operations.
- In Q1–Q3, 35.3% of the average number of shares were traded in Nasdaq Helsinki.
- Market capitalization at the end of Q3 was EUR 274.1 million.
Strategy implementation
Suominen’s strategy 2015–2017

Vision

Market Driven Product Leader

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Key activities by focus area

1. Deliver superior value in selected market applications
   - ~60 M€ growth investment program, initiatives on three continents
   - Product development process enhanced
   - Six new products launched
State-of-the-art production line at Bethune plant

• The total value of the project will be close to EUR 50 million.
• Andritz was selected as the main supplier and integrator of the project.
• The investment will take the wetlaid technology to a totally new level in the industry.

• At first, the new production line will supply nonwovens for household and workplace wiping as well as for flushable applications.
• The new line will be tailor-made, based on our unique nonwovens technology expertise.
• The line is anticipated to be installed during the second half of 2016.
Our purpose is to make nonwovens continuously better for people.

Adding capabilities at Alicante, Paulínia and Nakkila plants

• At Alicante and Paulínia, investments expand the current product offering:
  - To nonwovens for workplace wipes and medical applications at Alicante
  - To nonwovens for medical applications at Paulínia.

• At Alicante and Paulínia, the investments will be completed during 2015.

• At Nakkila, a production line was re-opened in Q2/2015 to meet the improved demand in Europe.

• The total value of the three investments is approximately EUR 4 million.
Creating world class product development

Enhancing capabilities

- Building the innovation machine
  - Front End Innovation
  - Creating a prioritized project portfolio
  - Introduction of formal gate process for running projects

Enhancing capacity

- Creating critical mass
  - R&D expenditure to increase to above 1% of net sales (0.7% in 2014)
  - Four new people employed in 2015, two of them PhDs
  - Centralizing resources
Six new products launched
Five for Care, one for Convenience business

1. FIBRELLA™ Lite Spunlace
2. FIBRELLA™ Perf
3. FIBRELLA® Zorb+
4. FIBRELLA® Zorb
5. FIBRELLA® Move
6. HYDRASPUN® Dispersible Plus
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Key activities by focus area

2

Drive proactive key account management for mutual value creation

Listening to the customer

Creating value together with customer
2 Listening to the customer (Convenience)

- Customer perception study was conducted as base to understand the main development points as well as strengths.
- Will be utilized in developing account management model.

“Overall our relationship is solid. There is a good amount of cooperation back and forth. They are a valued and important supplier in our business and we see that for years to come.”

“... I would like to see added value around innovations, new product development, exclusive access and technology. Those are benefits that I know they give to other customers, but I haven’t seen in with Suominen.”
2 Creating value together with customers

Agenda excerpts

- Trends and drivers in wipes markets
- Peek to the world of social media – We Love Wipes in action
- News from Suominen product portfolios
- Brief Introduction to Suominen SPC™ technology
- HYDRASPUN® Dispersible Plus – Performance and pleasure
- Sustainability - What does it mean to you? How does pulp producer view sustainability.
  - Speech and facilitation by Päivi Makkonen, Director, Metsä Group
- Tour at Cressa plant
Key activities by focus area

3

Execute demand driven supply chain

Defining and implementing standardized global processes

Comprehensive ICT systems renewal
Standardized global processes at the core of way of working

- Market Driven Product Leader
  - Agile transformer
  - Global footprint
  - Innovative
  - Leadership for excellence

Process framework
- Strategic capabilities
- Core processes
  - Opportunity to product
  - Demand to capability
  - Order to cash

ICT system renewal
ICT systems renewal: drivers and targets

Key drivers

• Findings in process harmonization project
• Current systems not fully supporting new business requirements
• Ambitious strategic targets
  - Vision to become a market-driven product leader
  - Growth strategy

Targets

• Utilize industry best-practices & strengthen our lead in the strategic areas
• Globally harmonized processes, e.g. order and account management
• Efficient supply chain
• Smooth interplant cross-qualification
• Retain cost-conscious way of working
Key activities by focus area

4

Evolve culture and capabilities to build strong product company

Pivotal recruitments building new and enhanced capabilities in several areas

Non-discrimination & equal opportunities program launched
Next steps towards our vision to be a Market Driven Product Leader

- Drive through the initiated programs
- Capitalize on new investments to drive growth in chosen applications and markets
- Intensify product development activities with increased number of new product launches
- Account management and commercial excellence
- Enhanced focus on
- Further development of capabilities for product leadership
Thank you!
Execution proceeds as planned on all fronts

2015
Growth investment program in full speed
Focused actions in Business areas
Product development capability improvement

2016
Bethune investment completed
ICT systems renewal
Enhanced account management

2017
Net sales in the vicinity of 500 M€
Suominen vision is to become a **Market Driven Product Leader**