Review by the President & CEO

15 March 2018
Nina Kopola, President & CEO
Suominen’s Corporate Executive Team attends the Annual General Meeting; also as shareholders of the company

Nina Kopola  
President & CEO

Ernesto S. Levy  
Convenience

Linda A. Kelly  
Care

Tapio Engström  
CFO

Markku Koivisto  
Technology

Larry L. Kinn  
Operational Excellence

Mimoun Saim  
Operations

Hannu Sivula  
HR
Suominen’s business in brief

Suominen

Indicative customers

End use applications

Our purpose is to make life better.
The demand for nonwovens continues to grow in all market regions, offering a solid basis for the strategy execution.

Demand of nonwovens for wiping, medical and hygiene nonwovens (million kg)

Average growth estimate for Suominen main markets, Americas and Europe, is 3%.

- Aging population
- Consumer trend for hygiene, health and well-being
- Demand for “made for me” products
- Growing population
- Growing middle class

+2%
+2-6%
+6%
+7%
+7%
Suominen has two business areas: Convenience and Care

Convenience – nonwovens for a wide range of wiping applications

- 41% of net sales
  - For baby wipes
- 21% of net sales
  - For personal care wipes

- 19% of net sales
  - For home wipes
- 9% of net sales
  - For workplace wipes

Care – nonwovens for hygiene products and medical applications

- 9% of net sales
  - For hygiene & medical products

Our purpose is to make life better.

3/15/2018
We operate in three continents, close to our customers.
Recent history: Determined progress towards growth

1 Nov 2011
Acquisition of Ahlstrom’s Home & Personal division

7 new plants
Added net sales ~300M€
Added EBIT M€ 6.1
480 new employees
The value of the deal ~M€ 170

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

TSR 2012–2017: 118%
Net sales 426.0 M€
Operating profit 15.0 M€
Gearing 59.8%

2017 – 2021
Changemaker strategy

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

All figures refer to continuing operations.
*Operating profit: Comparable / excl. non-recurring items
Financial year 2017
Suominen in 2017

Markets
- Fierce competition continued, particularly in nonwovens for baby wipes and flushable products.
+ Strong demand in South America despite the general economical conditions.

Strategy
+ Net sales of nonwovens for home care increased by +8%
+ The ramp-up of the new production line in Bethune, SC, USA continued.
+ Suominen launch five new branded products to the markets.

Financials
+ Sales volumes (in tons) +4%
+ Cash from from operations remained solid
+ The tax reform in the USA had a very positive impact on the profit for the financial year.
- EUR/USD exchange rate fluctuations decreased net sales.
- Costs related to growth investments decreased operating profit.
The weakening of the USD compared to euro decreased the net sales of 2017 by approximately EUR 4.8 million.
The share of nonwovens for home wipes grew, the total share of high value add products* declined

*Nonwovens for personal care products, home wipes, workplace wipes and for hygiene and medical products are typically high added value products.

For 2016, figures have been restated due to a reclassification of a customer.
The costs of the growth investments as well as unfavorable development of product mix and gross profit decreased profitability.

- The total impact of the costs related to growth investments, mainly to the new manufacturing line in Bethune, were nearly EUR 5 million in 2017.
Profit for the period impacted significantly by the tax reform in the US

The total impact of the changes in US taxation in 2017 was EUR +8.3 million.
The US tax reform will have a beneficial effect on Suominen’s profit also in the future.

• The federal corporate income tax rate decreased from 35% to 21% in the USA.
  - Suominen’s net deferred tax liabilities were revaluated with the lower tax rate in the financial statements of 2017.

• Moreover, Suominen was able to benefit from the opportunity to utilize accelerated tax depreciations of the new investments in the USA.
  - This postpones the payment of income taxes to subsequent years.

• The decrease of the federal corporate income tax rate will have a beneficial effect on Suominen’s profit also in the future.
Cash flow from operations remained healthy despite the decline in operating profit

Cash flow from operations, EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>EUR million</th>
</tr>
</thead>
<tbody>
<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>
<tr>
<td>2017</td>
<td>22.2</td>
</tr>
</tbody>
</table>
Refinancing secures the financial latitude for the execution of the strategy; the hybrid bond has been fully converted

- Suominen has a strong financial latitude to execute the strategy.
- We do not focus only on organic growth.
- The number of shares in Suominen will no longer increase due to the conversion of hybrid bond notes.

New EUR 85 million bond

New syndicated EUR 100 million revolving credit facility (RCF)
- The new RCF replaces the earlier syndicated bank facility of EUR 55 million from 2014.

All notes of the EUR 17.5 million hybrid bond, issued in February 2014, have been converted into new Suominen Corporation’s shares.
Strategy for 2017-2021
Our Changemaker strategy in a nutshell

Vision

We change the way people think about nonwovens

Three cornerstones

Best in business
Creating nonwovens that others cannot
Community of changemakers

Purpose

We make life better

Suominen

3/15/2018  Our purpose is to make life better.
Vision: We change the way people think about nonwovens

From delivering white rolls... ...to offering engineered solutions
Best in business

We are the best in turning end-user needs into commercial success for our customers and ourselves.

- We have superior customer satisfaction and are perceived as the best value partner for our customers.
- We outgrow our competition with excellent profitability.
Our purpose is to make life better.

Sources of profitable growth

Balancing the portfolio

- Thanks to the investments made, we grow our market share in nonwovens for home and workplace wipes, personal care products and hygiene products.
- We maintain leadership in baby wipes and strengthen niche positions in medical applications.

Growth in new geographies

- We examine opportunities to expand business, especially into Asia.
- We capitalize on Latin America.

Growth through new technologies

- We look for adjacent technologies to support our existing business
Creating nonwovens that others cannot

We develop and produce unique nonwovens that other companies are not able to make.

We will be the first to market with unique benefits or superior performance.

We will be a recognized lead developer for our key customers.
Community of changemakers

We are a global community of people who are capable and passionate to change things.

- Energized and passionate employees
- Everyone feels like a valued member of a winning team
- High engagement leads to high performance
Actions taken to execute the strategy
The new production line in Bethune, SC, USA was started up in the Q2 of 2017.
  - We have encountered technical challenges in the ramp-up phase, and we are not yet able to supply the planned, wide-ranging product offering from the new line.
  - Market interest towards the new production line has been strong.
  - The new production line adds Suominen’s manufacturing capacity significantly and focuses solely on high value added products. It is expected that the new line improves both net sales and profitability of Suominen.

A new investment in Green Bay, WI, USA was initiated in Q1 2018. The approximate value of the project is EUR 6 million.

The Group-wide renewal of IT systems proceeds as planned, currently two plants out of eight is using the new systems without major problems.
Our purpose is to make life better.

Creating nonwovens that others cannot

- Five new high value added brand products or product concepts were launched in 2017.

FIBRELLA® Ultrasoft

FIBRELLA Wrap ®

Design Series

Medical

Home care wiping

Baby wiping

Workplace wiping

Airlace®

for Workplace

Genesis Pro®
Community of changemakers

- Suominen received the INDEX17 Award for its blind hiring process that promotes equal job opportunities.

- Organizational changes made to bring greater efficiencies and results:
  - Technology function established and reorganized
  - Operational Excellence function established
  - Two regional Operations functions merged into one global team.
Suominen sustainability agenda for 2018–2021 is clearly linked with business strategy

A caring company

Community of changemakers

Low-impact manufacturing

Best in business

The most sustainable nonwovens

Creating nonwovens that others cannot
New financial targets and revised dividend policy
We have set targets for profitable growth with solid financial position

- During the five-year strategic period ending in 2021, we aim at

  - Average ROI of 15%
  - Average annual net sales growth of 6%
  - Gearing between 40-80%

- Moreover, the target is to increase the operating profit above 10% of net sales.
Dividend policy was revised in spring 2017

- According to its dividend policy, Suominen aims to distribute at least 30% of its profit for the period in annual dividends.

- The Board of Directors proposes that a return of capital of EUR 0.11 shall be paid from financial year 2017.
Summary
Key take-aways

2017 was financially challenging year

Solid dividend despite the challenges

In Bethune, the deepest valley has been passed; IT systems renewal progressing as planned

Thanks to the investments made, we can now focus on creating growth
Thank you!

@SuominenCorp
@SuominenOyj
Suominen Corporation