



SUOMINEN HALF-YEAR FINANCIAL REPORT 2022

Petri Helsky, President and CEO
Toni Tamminen, CFO

August 9, 2022

Q2/2022 and H1/2022 in brief

Q2/2022

- Net sales were EUR 118.0 million (113.6)
- Comparable EBITDA was EUR 1.9 million (15.3)
- Cash flow from operations was EUR 11.9 million (1.2)

H1/2022

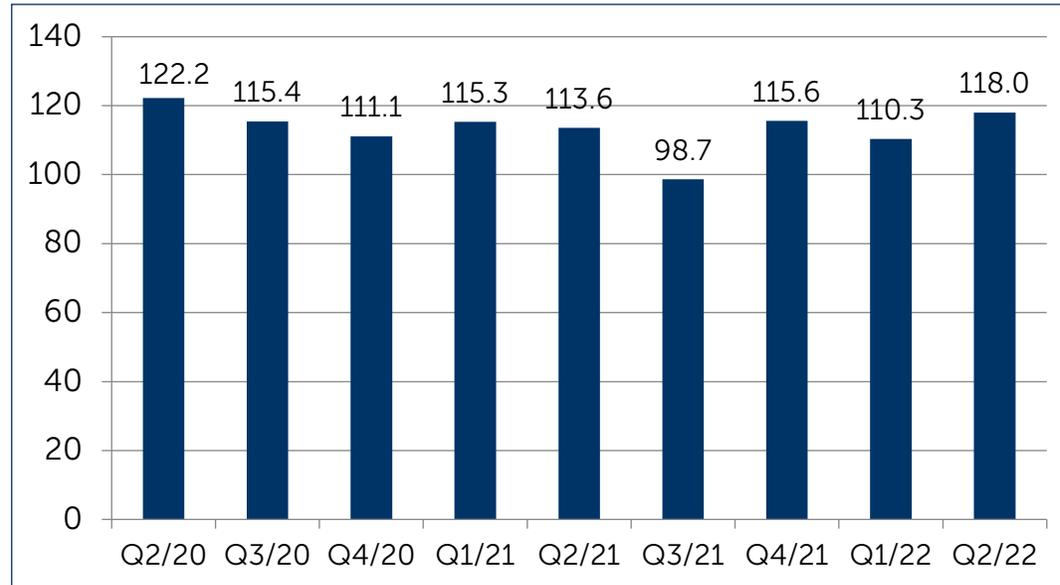
- Net sales were EUR 228.3 million (229.0)
- Comparable EBITDA was EUR 5.2 million (33.8)
- Cash flow from operations was EUR 9.2 million (17.1)



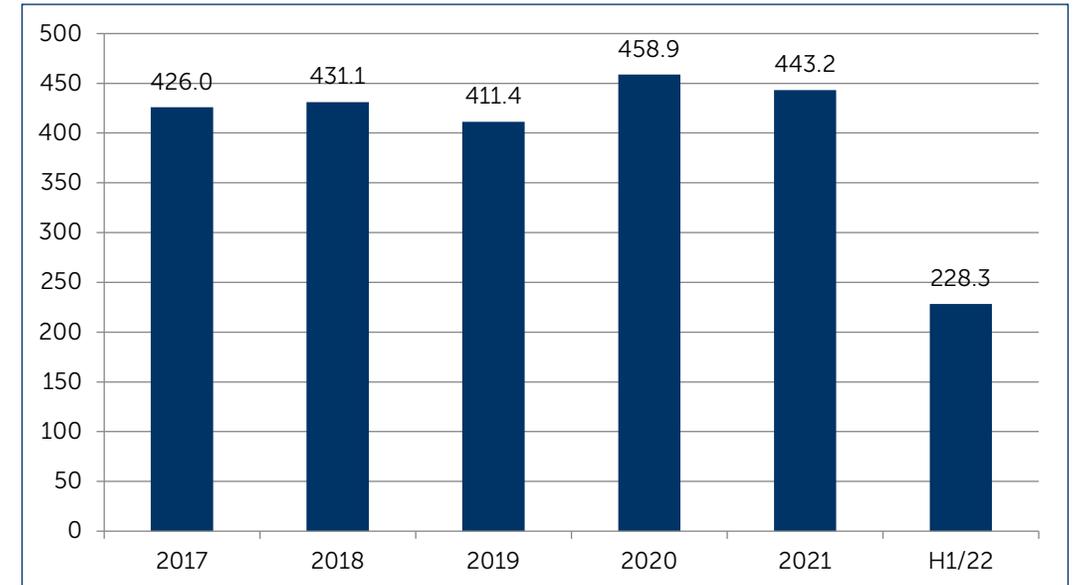
FINANCIAL REVIEW

Net sales

Net sales, EUR million



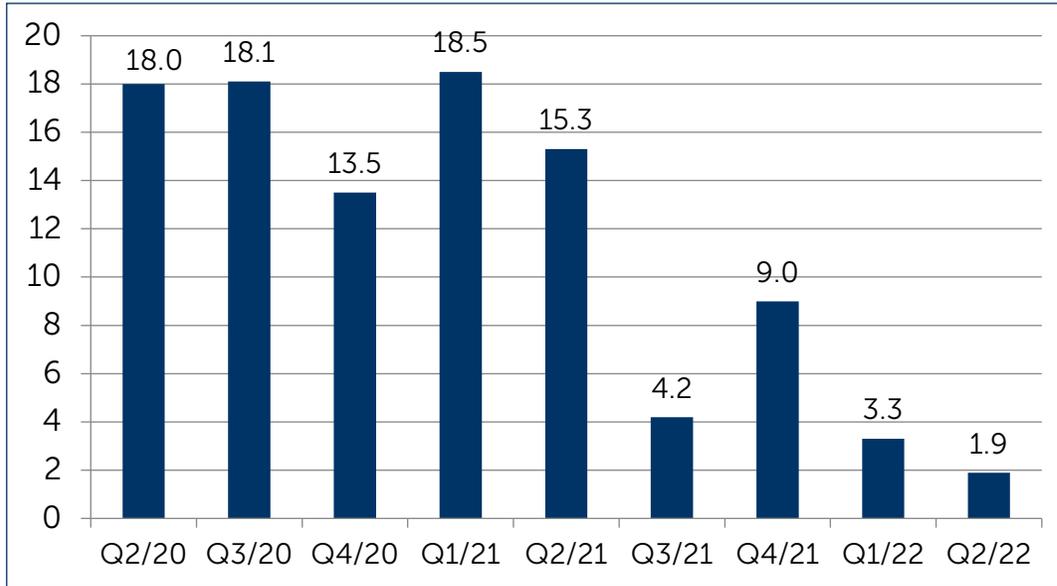
Net sales, EUR million



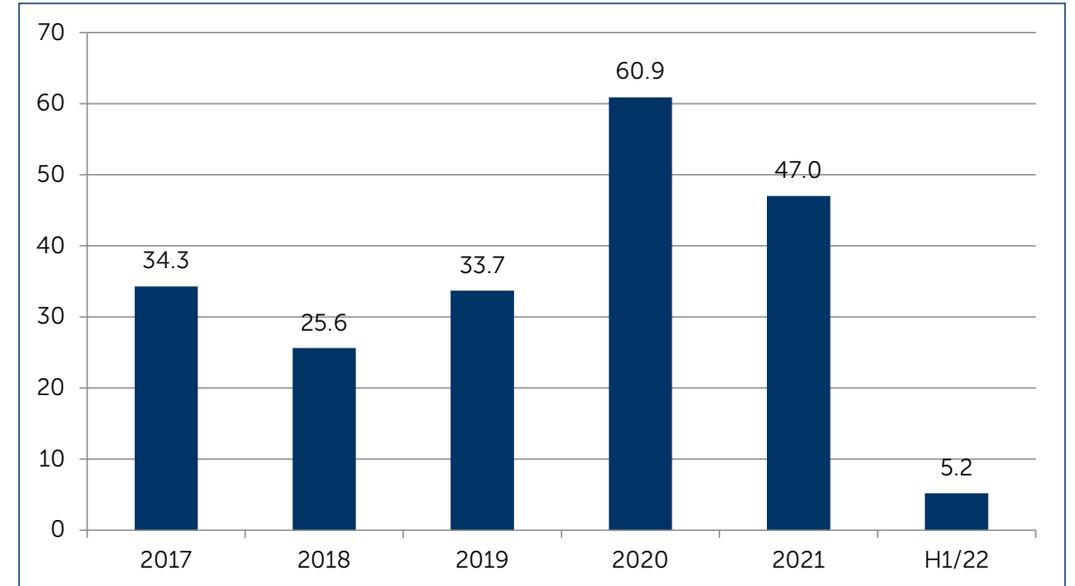
- In Q2/2022 sales volumes decreased from the very high level of Q2/2021 while sales prices increased following higher raw material prices. Currencies impacted net sales positively by EUR 8.0 million
- Share of new products continued above 25% of net sales

EBITDA

EBITDA, EUR million



EBITDA, EUR million



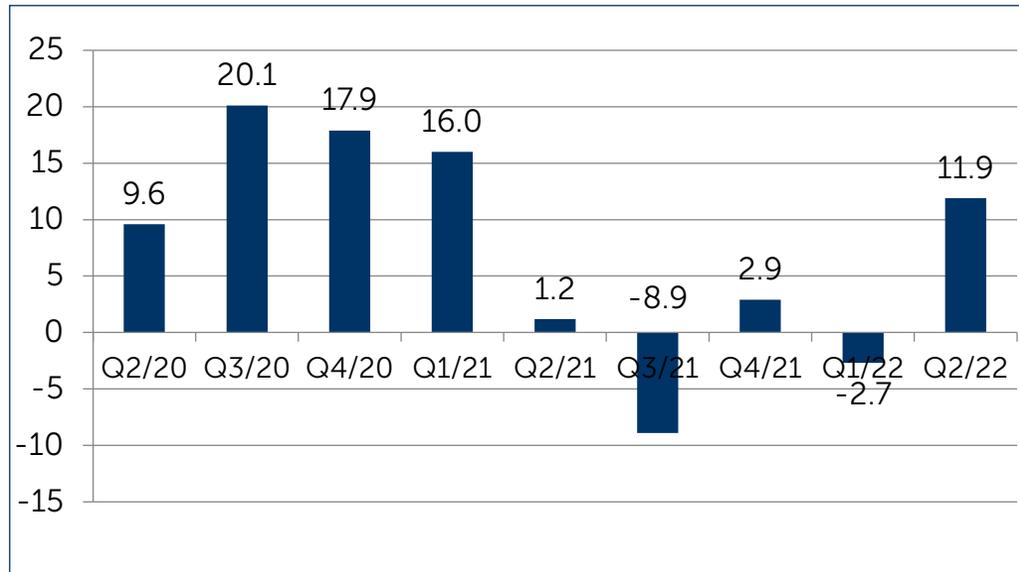
- Q2 EBITDA was EUR 1.9 million (15.3). Currency impact was EUR -0.6 million in the quarter
- The decrease was driven by lower sales and production volumes as well as higher raw material, energy and logistics costs even though these were partially compensated by higher sales prices

Consolidated statement of profit or loss

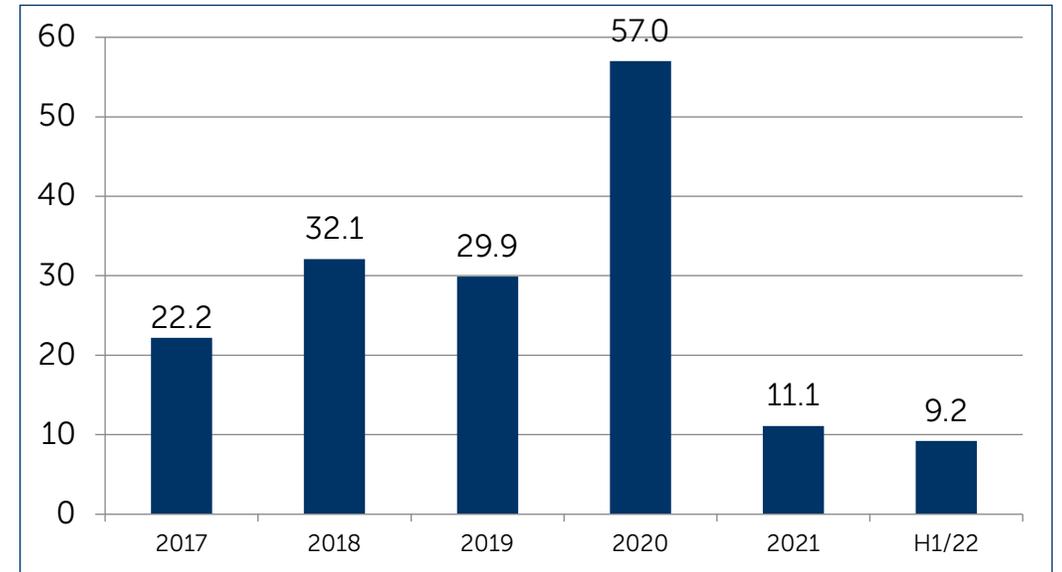
| EUR thousand | 4-6/2022 | 4-6/2021 | 1-6/2022 | 1-6/2021 | 1-12/2021 |
|--|----------|----------|----------|----------|-----------|
| Net sales | 118,019 | 113,647 | 228,288 | 228,980 | 443,219 |
| Cost of goods sold | -113,036 | -96,913 | -216,722 | -192,038 | -392,390 |
| Gross profit | 4,984 | 16,733 | 11,566 | 36,941 | 50,828 |
| Other operating income | 781 | 863 | 1,096 | 1,707 | 4,434 |
| Sales, marketing and administration expenses | -7,543 | -6,905 | -14,797 | -13,527 | -26,238 |
| Research and development expenses | -852 | -594 | -1,647 | -1,194 | -2,678 |
| Other operating expenses | -273 | 220 | -389 | -19 | 595 |
| Operating profit | -2,903 | 10,317 | -4,171 | 23,909 | 26,941 |
| Net financial expenses | 723 | -1,613 | -206 | 1,653 | -390 |
| Profit before income taxes | -2,180 | 8,704 | -4,377 | 25,562 | 26,551 |
| Income taxes | -140 | -2,581 | -278 | -5,666 | -5,816 |
| Profit for the period | -2,320 | 6,123 | -4,655 | 19,896 | 20,734 |
| Earnings per share, EUR | | | | | |
| Basic | -0.04 | 0.11 | -0.08 | 0.35 | 0.36 |
| Diluted | -0.04 | 0.11 | -0.08 | 0.34 | 0.36 |

Cash flow from operations

Cash flow from operations, EUR million



Cash flow from operations, EUR million



- Q2 cash flow from operations was EUR 11.9 million (1.2)
- Q2 cash flow was positively impacted by EUR 10.9 million improvement in net working capital

PROGRESS IN STRATEGY



Mission

Enabling our customers to win
by creating quality nonwovens

Vision

Frontrunner for nonwovens
innovation and sustainability

Strategy: Growth and profitability through sustainability, customer focus and efficiency

We will grow by creating innovative and more sustainable nonwovens for our customers and improve our profitability through more efficient operations and a high performance culture. Our main focus is on wipes. We will strengthen our capabilities in Europe and Americas, and evaluate opportunities in Asia.

Strategic focus areas

Operational
excellence

Sustainability
leadership

Differentiate
with innovation
and commercial
excellence

Great place to
work

Dual operating
model

Values

Ownership

Teamwork

Performance

Integrity

Examples of strategy implementation

Safety

0 LTAs (lost-time accident) in H1/2022

Paulinia site in Brazil achieved 10 years without LTAs



Investing in capabilities

Investment to upgrade one of our lines in Nakkila, Finland.

- Increases our capabilities in sustainable products



Sustainable products

Compostability test center Green Lab established in Nakkila, Finland and the first tests have already started



OUTLOOK



Outlook 2022

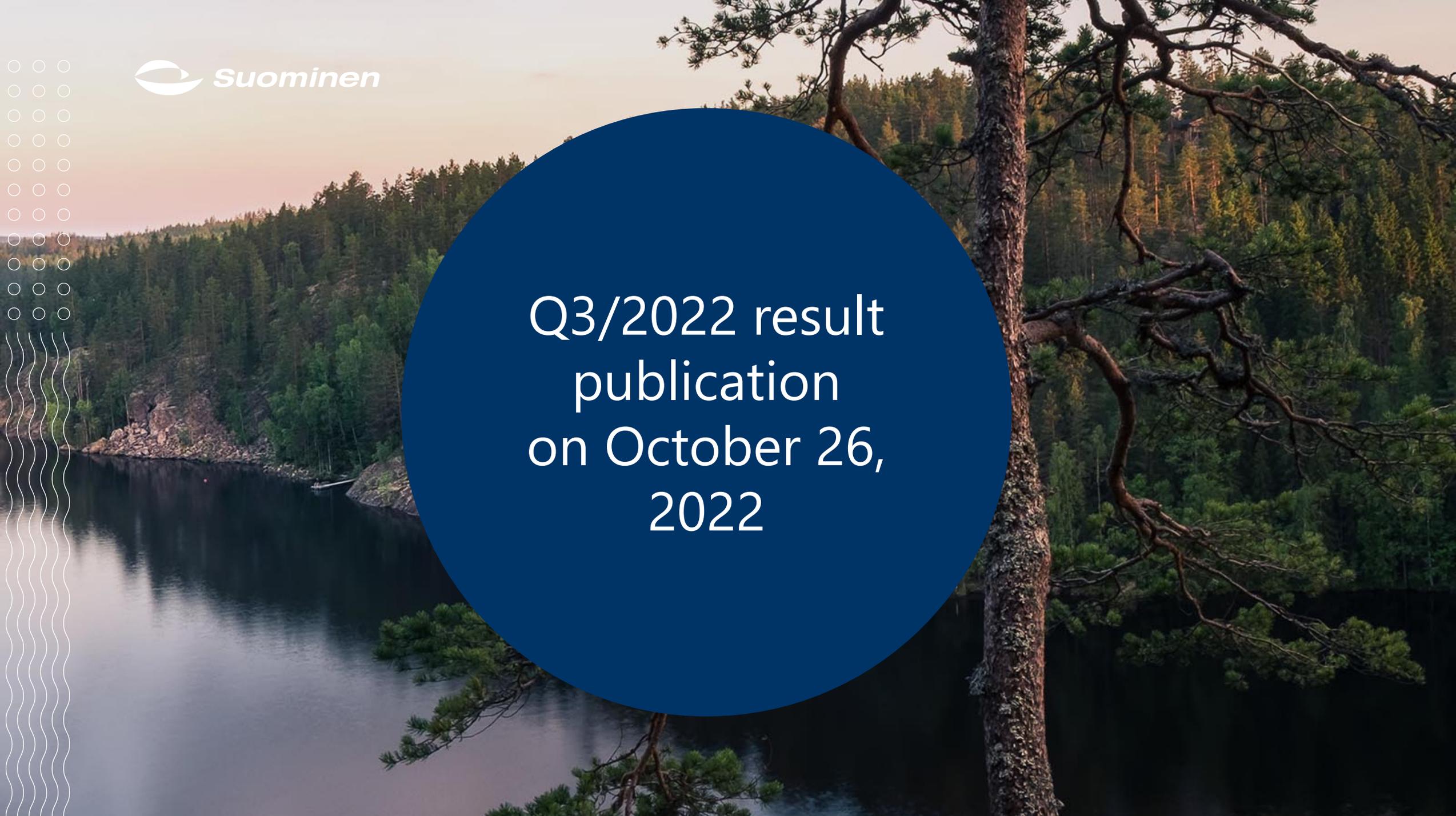
Suominen expects that its comparable EBITDA (earnings before interest, taxes, depreciation and amortization) in 2022 will decrease clearly from 2021. The war in Ukraine has increased the already significant cost inflation in raw materials, energy and transportation. Also, while there has been progress in the normalization of the customer inventory levels in the US, it has been somewhat slower than expected. These factors will impact the full year result negatively even though we expect that the demand for our products will improve in the second half of the year.

In 2021, Suominen's comparable EBITDA was EUR 47.0 million.



Q&A





Q3/2022 result
publication
on October 26,
2022



PURE NORDIC QUALITY