

INVESTOR PRESENTATION

Q4 and full year 2023

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Suominen in brief

Financials

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We create innovative
and sustainable
nonwovens for our
customers





SUOMINEN IN BRIEF



SUOMINEN IN BRIEF

- Nonwovens as roll goods for wipes and other applications
- The frontrunner in nonwovens innovation and sustainability
- Business areas: Europe 36% and Americas 64% of net sales

**Net sales in 2023,
EUR million**

450.9

**Comparable EBITDA in 2023,
EUR million**

15.8

**In 2023, sales of sustainable
products increased***

79%

**In 2023, sales of new products
of net sales exceeded**

35%

*compared to base year 2019

EXECUTIVE TEAM



Tommi Björnman
President & CEO



Janne Silonsaari
CFO



Jonni Friman
EVP, Transformation
Management Office



Markku Koivisto
EVP, EMEA & CTO

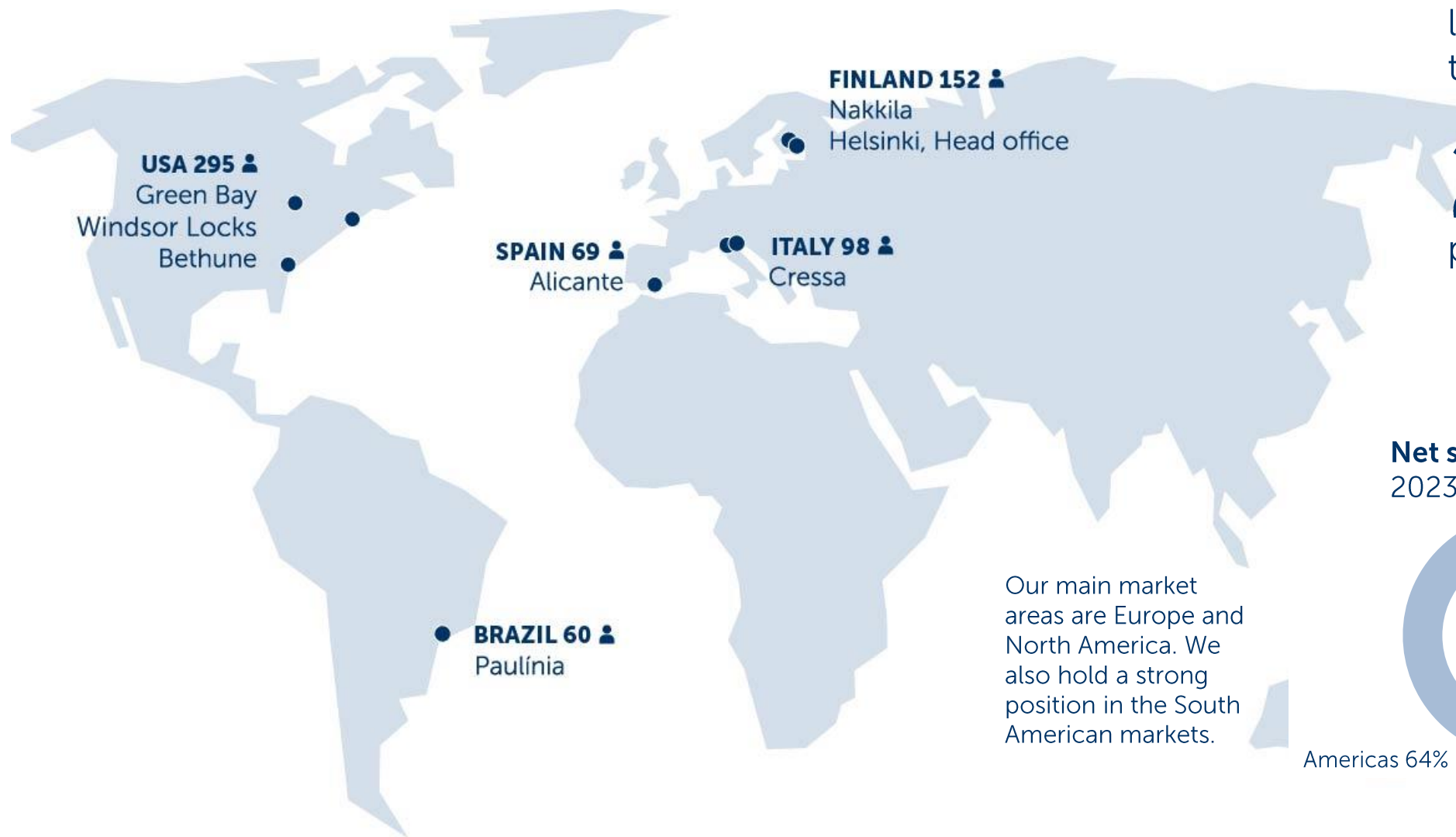


Klaus Korhonen
EVP, HR & Legal



Thomas Olsen
EVP, Americas

Suominen has a strong global presence

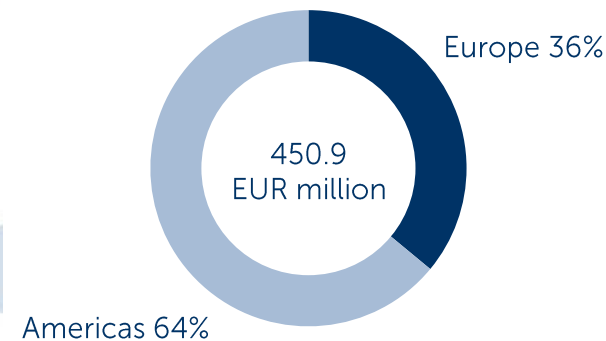


7
locations on
three continents

2
pilot lines

Our main market areas are Europe and North America. We also hold a strong position in the South American markets.

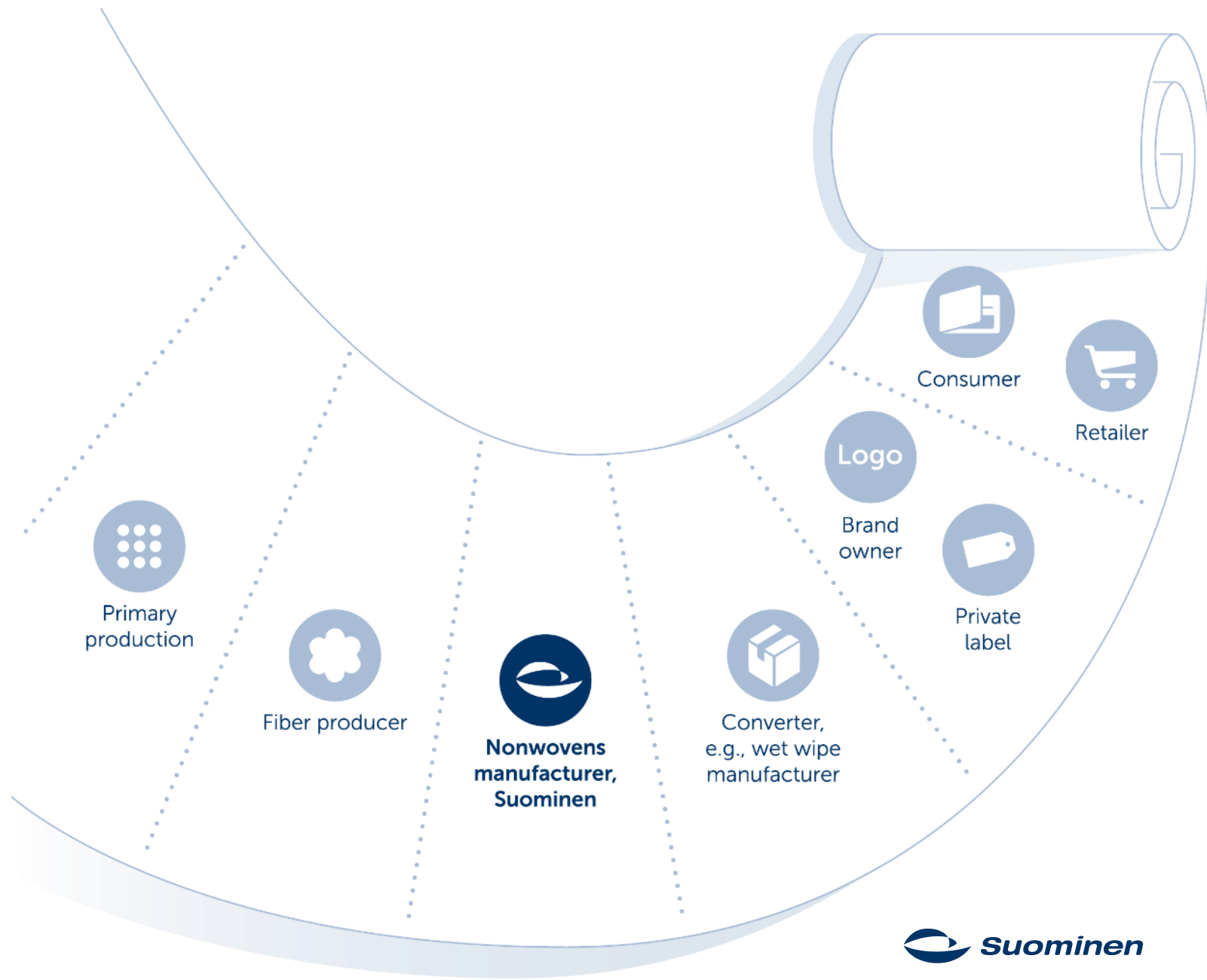
Net sales by business area 2023



Suominen's position in the nonwovens value chain

Suominen is the global market leader in nonwovens for wipes, and among the largest spunlace nonwovens producers in the world.

The global demand for nonwovens is growing continuously. The growth depends mainly on consumer demand, which is a combination of the general economic situation and consumers' confidence in the development of their personal finances.



INVESTMENT HIGHLIGHTS



Nonwovens markets are growing in all regions



Legislation and consumer behavior are driving the need for more sustainable products and we are very well placed to respond to this growing demand



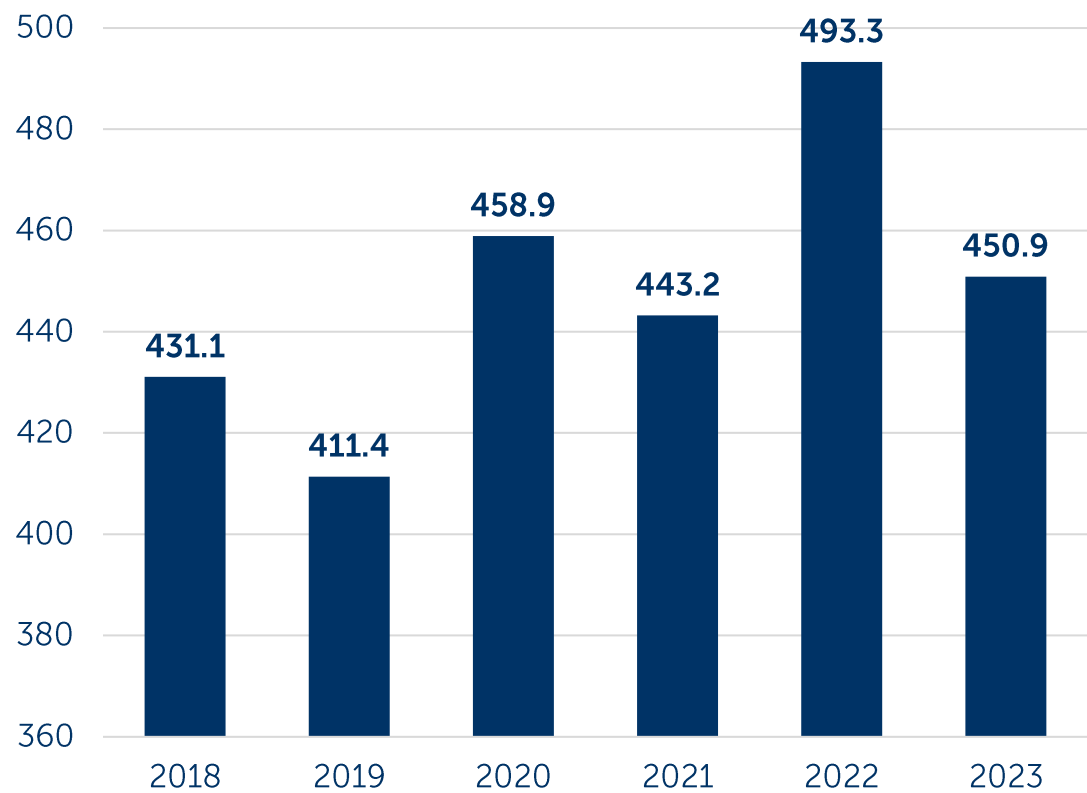
Our organization and strategy give us an excellent basis to continue to develop the company further

FINANCIALS

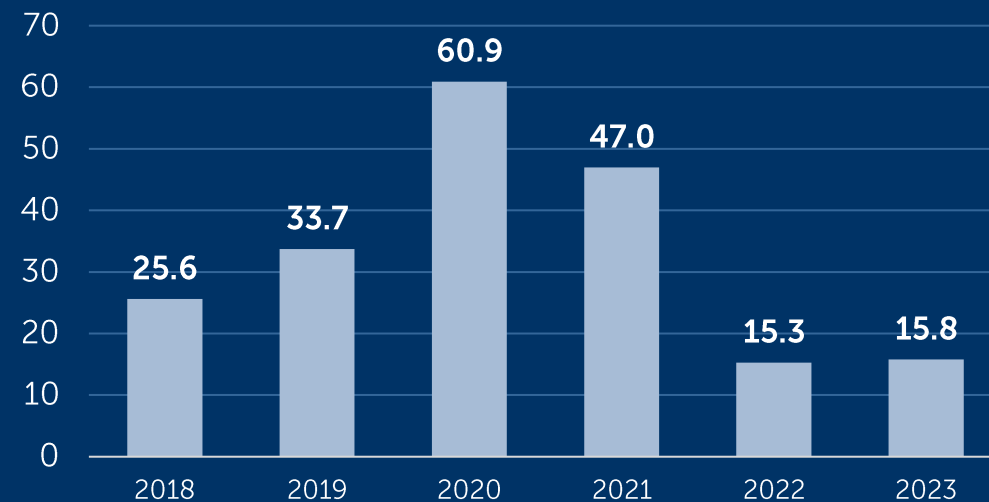


FINANCIALS

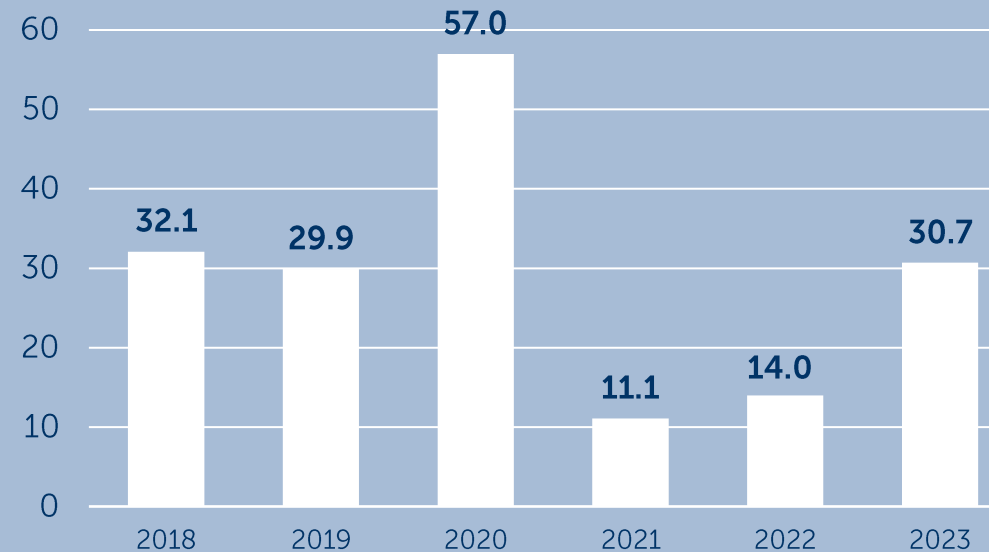
Net sales, EUR million



Comparable EBITDA, EUR million

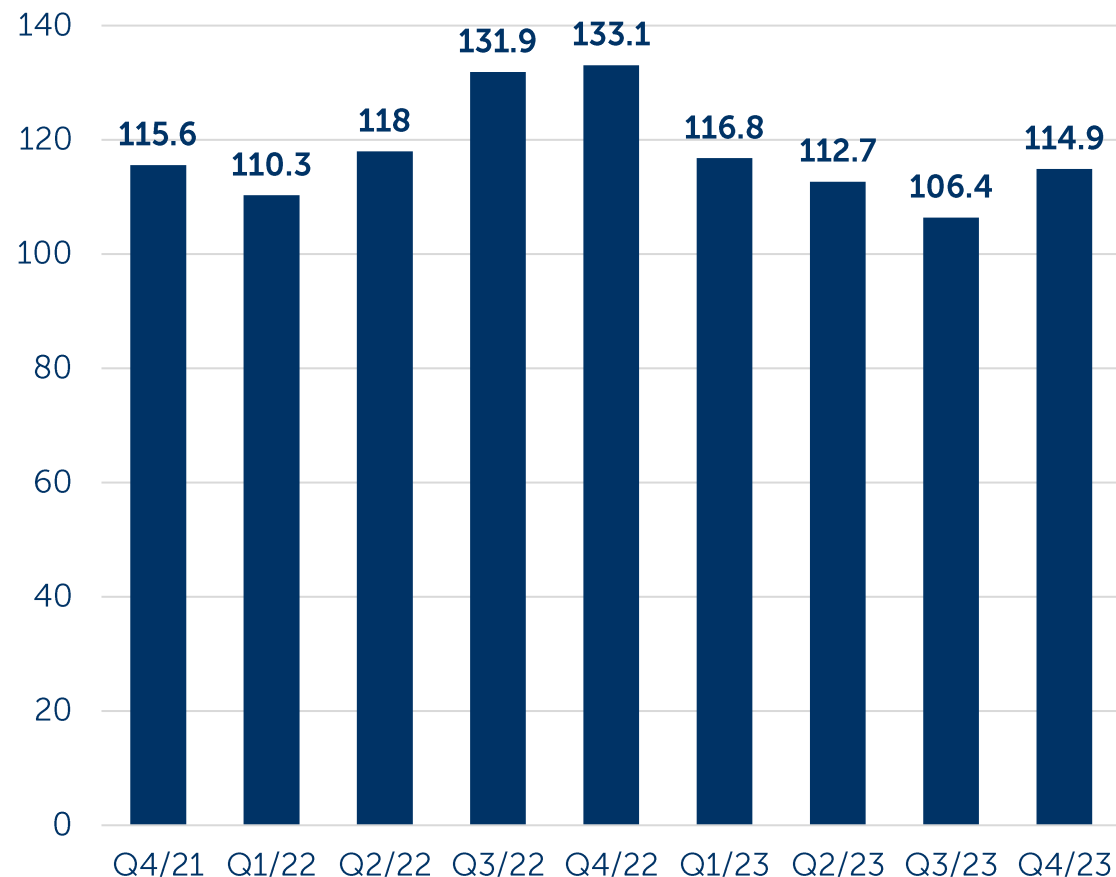


Cash flow from operations, EUR million

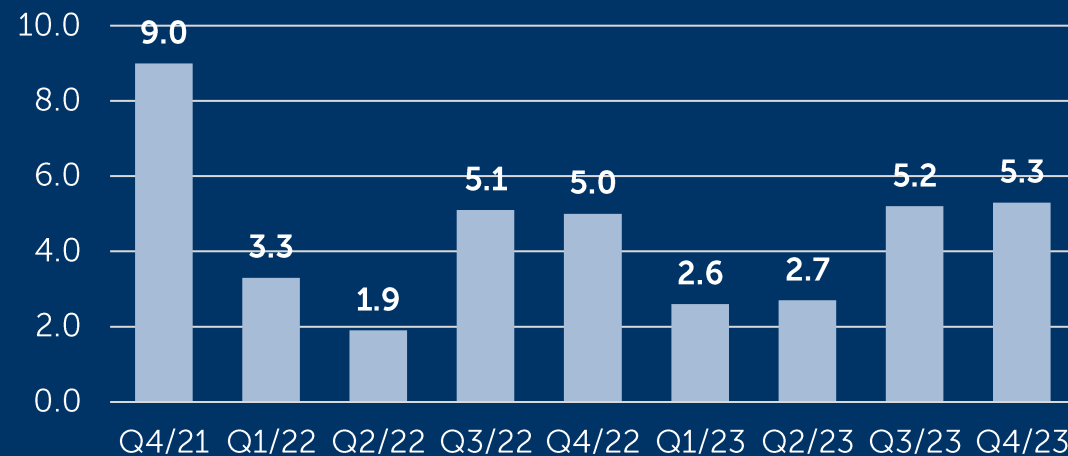


Quarterly financials

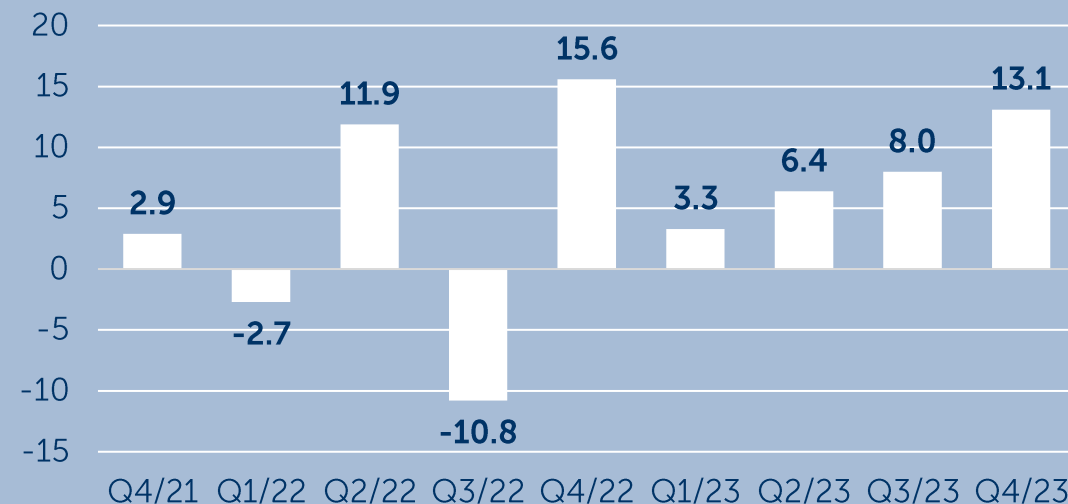
Net sales, EUR million



Comparable EBITDA, EUR million



Cash flow from operations, EUR million



President & CEO's review – full year 2023

Year 2023 was still challenging in terms of the profitability but in the second half our improvement actions started gradually to contribute to the result.

Our comparable EBITDA increased slightly from the previous year and was EUR 15.8 million (15.3). After the first half of the year our commercial and operational excellence improvements started to contribute and we were able to improve our sales margins which translated into better EBITDA. We will systematically continue these efforts to improve our financial and operational performance going forward.

Our net sales in 2023 were EUR 450.9 million (493.3). The decline from the previous year came mainly from lower sales prices driven by lower raw material prices and minor decline in volumes for the most part due to the closure of Mozzate plant.

During the first half of the year, we closed our production in Mozzate, Italy. This decision was made to improve the competitiveness of our European business. We continue our actions to improve operational efficiency in our other plants.

The wipes nonwovens market is rapidly transitioning towards more sustainable solutions. In line with our strategy, we have set targets to increase the sales of sustainable products and to continuously innovate new environmentally friendly nonwovens. In 2023 we increased the sales of sustainable products by 79% exceeding our target of 50% increase compared to our base year 2019. We also completed an investment project in Nakkila, Finland, to further strengthen our capabilities in sustainable nonwovens.

Our strong ability to innovate and to meet market needs is reflected in the share of new products of our net sales, which exceeded 35%. By new products, we mean products launched less than three years ago.

In 2023 we completed the EcoVadis sustainability assessment for the second time and received a silver level rating. We improved our rating by five points and this result places us in the top 5% of companies in the manufacture of other textiles industry rated by EcoVadis.

In the end of the year, we announced our new organizational model. The new model strengthens collaboration between our commercial teams and production. Business areas are now responsible for both Sales and Production and that enables us to be more efficient, focused and agile when striving to improve our profitability and serve our customers even better.

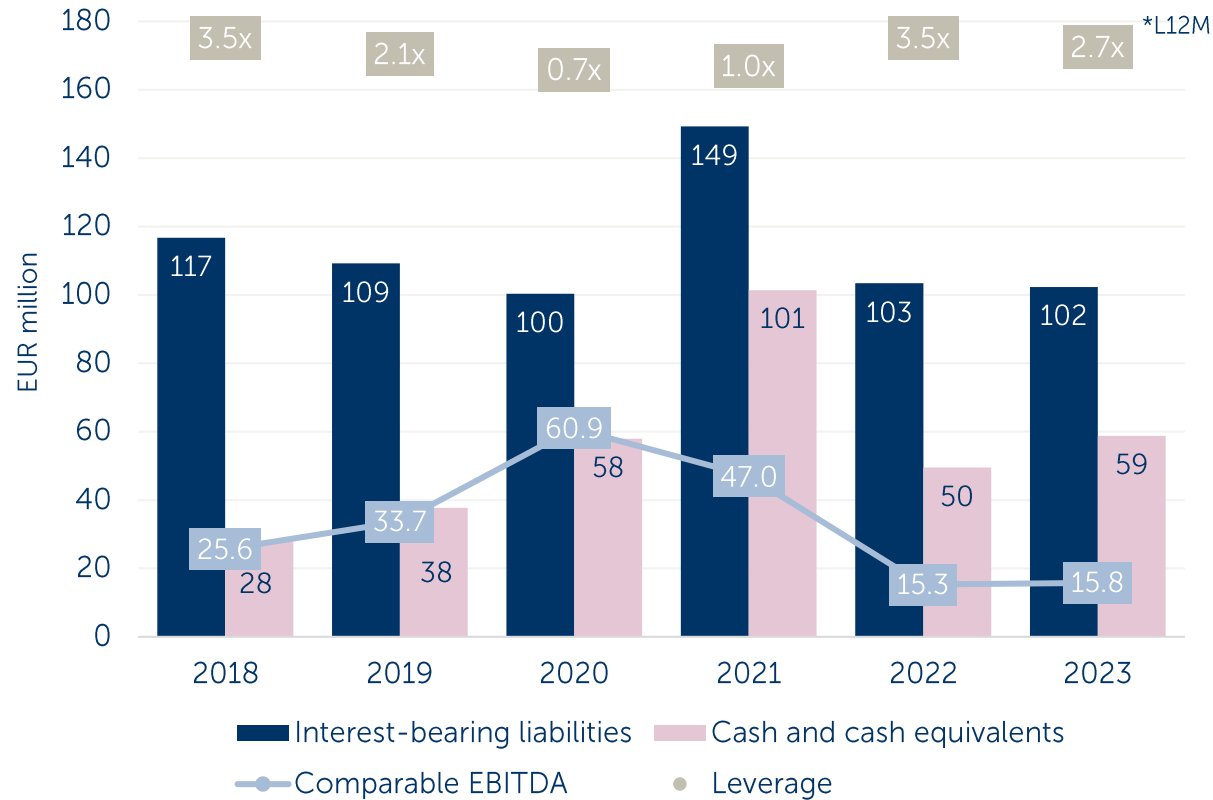
Looking at the year ahead we see some positive signals from the market and customers. I am confident that ongoing improvement actions and changes will help us in our journey towards profitable growth.

Finally, I want to thank all our employees for their commitment and contribution and our business partners for productive cooperation in 2023.

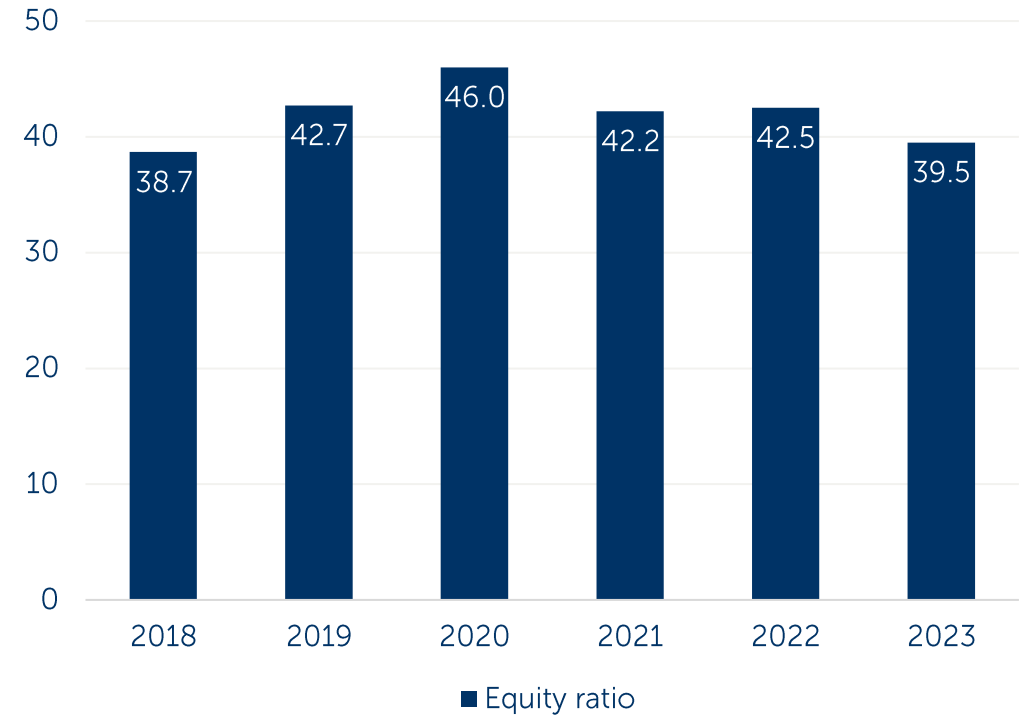
Tommi Björnman
President & CEO

Equity ratio stable

Leverage multiple & components



Equity ratio



- The leverage multiple has varied a lot driven mainly by change in EBITDA
- Suominen has a EUR 100m of revolving credit facility agreement that matures in Jul 2025 and EUR 50m of bond outstanding that matures in June 2027

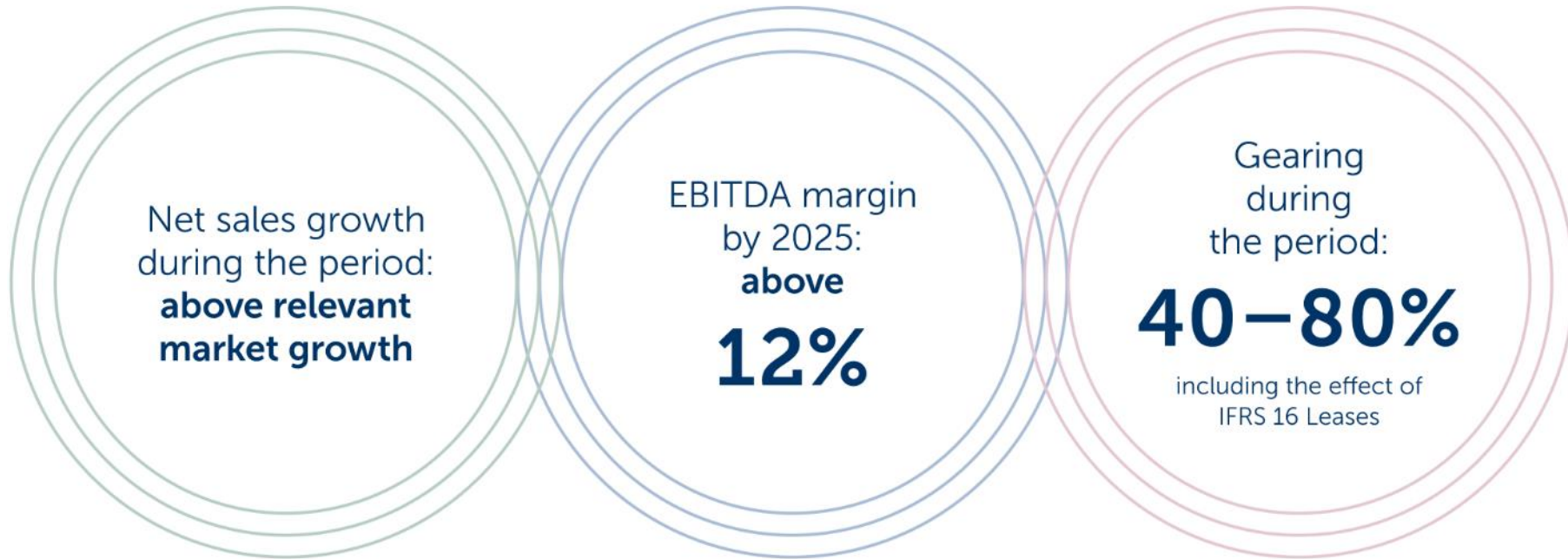
OUTLOOK

FEBRUARY 6, 2024

Suominen expects that its comparable EBITDA (earnings before interest, taxes, depreciation and amortization) in 2024 will improve from 2023. In 2023, Suominen's comparable EBITDA was EUR 15.8 million.

Financial targets

2020–2025



How to get there?

Growth

- Focus on fast-growing sustainable products
- Innovation and launching new products to capture market share
- Targeted investments to improve capabilities and increase capacity

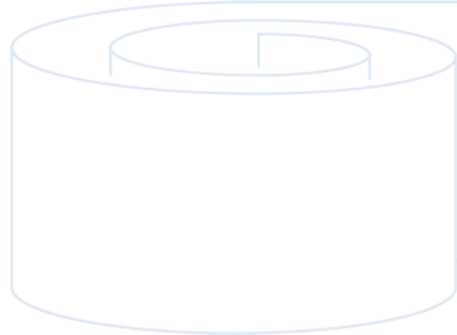
Profitability

- Effective utilization of production lines
- Margin improvement through new products as well as production and raw material efficiency
- Continued fixed cost control

Gearing

- Balanced investment plan
- Healthy cash flow from operations

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

Strategy highlights in 2023

Investment project to further strengthen our capabilities in sustainable nonwovens in Nakkila, Finland

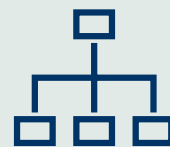


Closure of Mozzate plant in Italy to improve the competitiveness of European business

Share of new products exceeded **35%** of net sales



New organization model to support our profitable growth journey



Sales of sustainable products increased by **79%***

12 sustainable product launches



Silver rating in our second EcoVadis sustainability assessment

* Compared to base year 2019



SUSTAINABILITY AND R&D

SUSTAINABILITY

Sustainability is at the core of our strategy and business. Our vision is to be the frontrunner in nonwovens innovation and sustainability. Sustainability is an integral part of all our operations.

Sustainability Agenda 2020–2025

Suominen's sustainability agenda crystallizes the sustainability themes and targets for the strategy period 2020–2025. The agenda focuses on four themes, People and safety, Sustainable nonwovens, Low impact manufacturing and Corporate citizenship. The progress in different areas is regularly monitored.



Our sustainability agenda 2020–2025 and KPI's



- Zero LTA (lost time accidents)
- Engagement index 73% by 2025



People and safety

We invest in increasing employee engagement.
We continue to build a high performance culture.
We continue to strengthen our safety culture.



Sustainable nonwovens

We are the frontrunner in sustainable nonwovens.

- Over 10 sustainable product launches per year
- Sustainable products: 50% increase of sales by 2025 (base year 2019)



Reduction targets are set per ton of product



- 20% reduction of energy consumption
- 20% reduction of process waste to landfill
- 20% reduction of water intake
- 20% reduction of emitted greenhouse gas emissions (base year 2019)



Low impact manufacturing

We continuously strive to decrease environmental impacts of our operations



Corporate citizenship

We promote responsible business practices in our operations and supply chain.
We communicate openly and transparently about our operations.

- Renewed Code of Conduct coverage: 100% of existing employees and new hires
- Raw material suppliers assessed against supplier code (based on risk assessment)



Progress in sustainability targets in 2023



- 6 lost-time accidents (LTA)
- Engagement index 66%

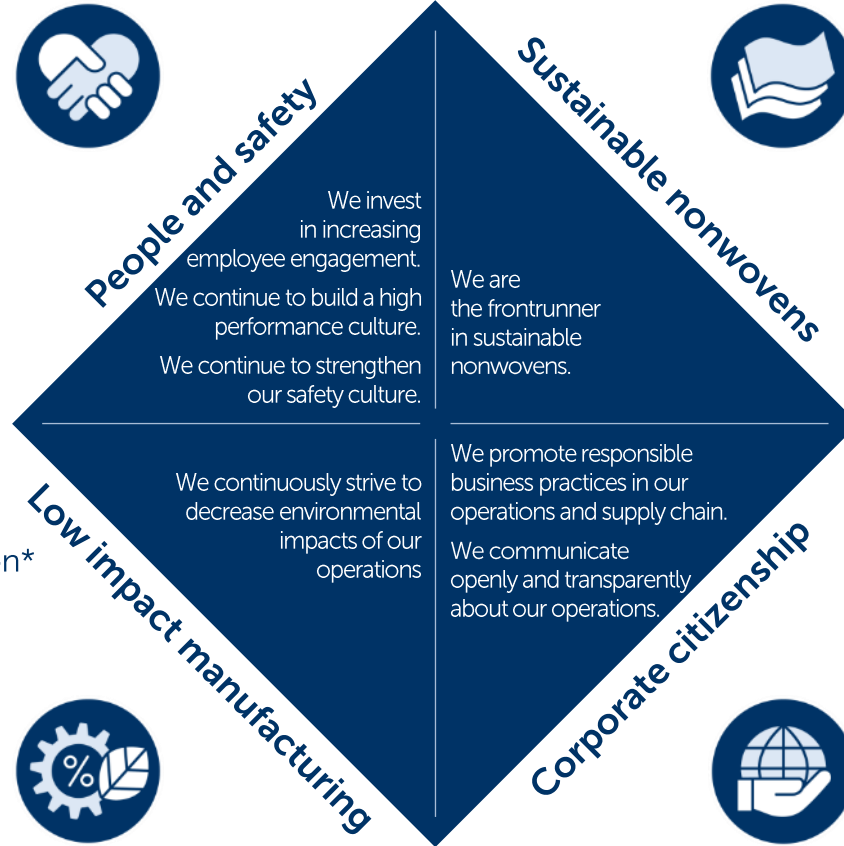


Reduction targets are set per ton of product. Results in 2023:



- 0.7% reduction in water consumption*
- 14.9% reduction in greenhouse gas emissions*
- No progress made in energy consumption and process waste to landfill reduction targets

*compared to base year 2019



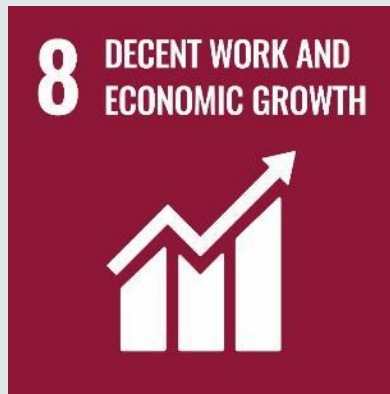
- 12 sustainable product launches
- Sustainable products: 79% increase of sales from base year 2019



- Renewed Code of Conduct coverage: 94% of all employees trained by the end of 2023
- Supplier assessment process established

Sustainable Development Goals - Suominen

The Sustainable Development Goals (SDG) adopted by the United Nations in 2015 define international sustainable development focus areas and goals. We have identified three SDG's which cover the areas where we can make the biggest contribution and our sustainability agenda guides our work towards these goals.



We promote responsible business practices throughout the value chain and we do not tolerate any kind of slavery, forced or child labor or human trafficking in our own or our suppliers' operations

We promote equal opportunities for all. Our principle is "equal pay for equal contribution". A safe workplace is one of our top priority and we are continuously striving to improve our safety culture to achieve an accident free workplace.



Our goal is to use natural resources as efficiently as possible and strive for minimization of waste in our production and finding alternative outlets for non-recyclable waste.

With our product offering we contribute to this goal by taking into account the whole value chain in our product design in order to decrease any negative impacts on the environment. We report our activities and progress towards our sustainability goals publicly.



We are committed to reduce greenhouse gases from our operations by improving our energy efficiency and finding alternative low-carbon energy sources.

With our product offering we are contributing to this goal by calculating carbon footprint of our products including the whole value chain and developing solutions with smaller impact on climate.

Sustainability ratings and initiatives



EcoVadis

Suominen scored 68/100 points in the assessment in 2023 and received a Silver level rating (silver level: 59–69 points) The result places Suominen in the top 5% of companies in the manufacture of other textiles industry rated by EcoVadis.



ISS ESG: C- rating

Suominen received C-rating (medium) from Institutional Shareholder Services (ISS) in 2022. Scoring goes from D- to A+.



CDP: C rating

Suominen has C rating from Carbon Disclosure Project (CDP). Scoring goes from D- to A. Suominen's score was C in 2023. Suominen was invited to do the survey by a partner.

WE SUPPORT



UN Global Compact

Suominen is committed to the UN Global Compact corporate responsibility initiative.



Global Reporting Initiative

Suominen reports according to the Global Reporting Initiative (GRI) standards. Suominen's sustainability information for 2022 was assured by an independent assurance provider, PWC.

Sustainability defined by Suominen



COMPOSTABLE

Nonwovens are compostable according to the international compostability standards and are made of only fibers from renewable resources.



RENEWABLE

Nonwovens made of variety of renewable materials from biobased plastics to natural fibers.



MOIST TOILET TISSUE

Nonwovens are biodegradable and dispersible in water. Products comply or exceed the latest industry flushability standards.



PLASTIC FREE

Nonwovens made of biodegradable fibers of natural origin, such as lyocell, pulp and cotton.



RECYCLED CONTENT

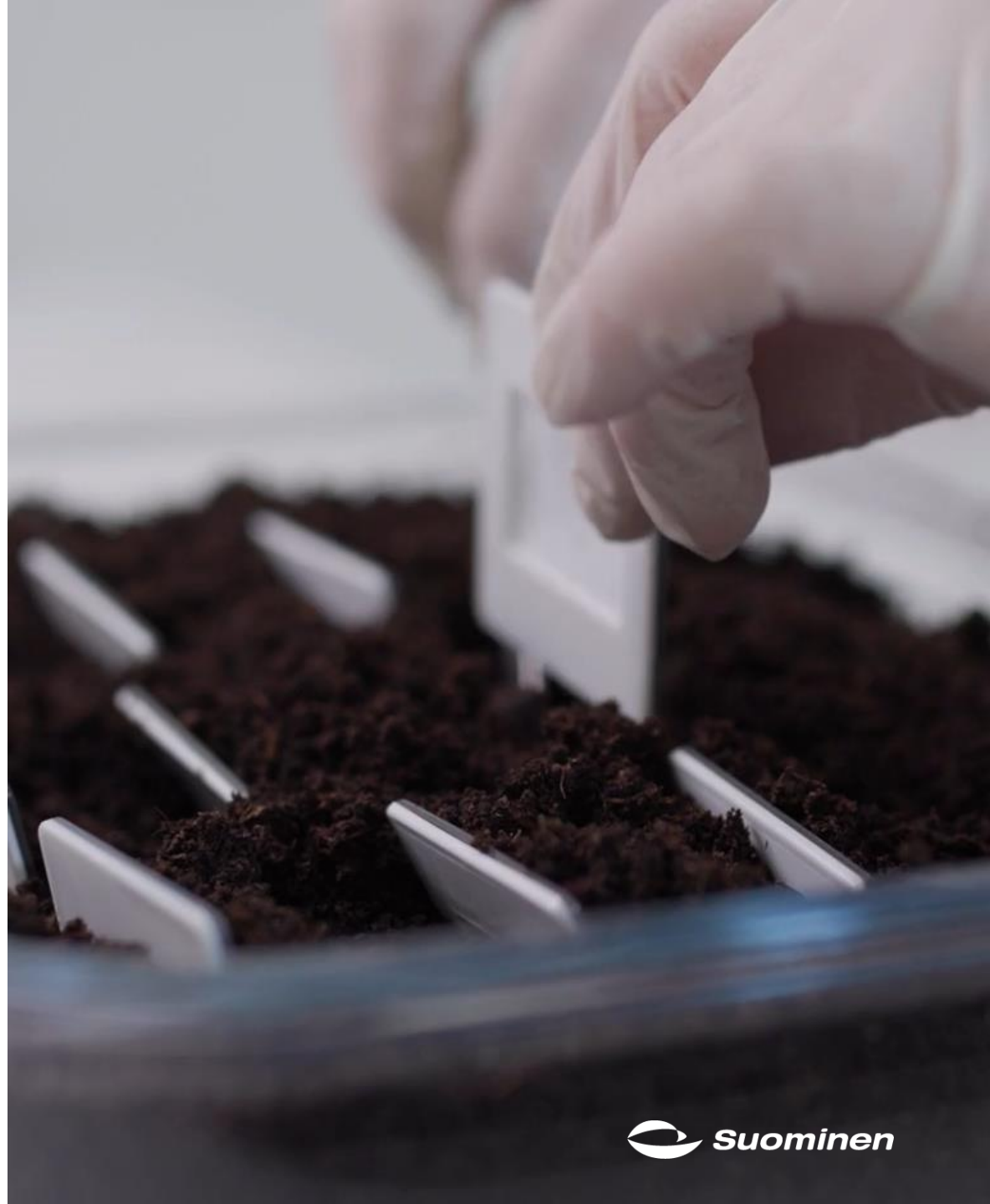
Nonwovens with at least 15% recycled fibers, including thermoplastic fibers like rPET from recycled origin or cotton in case recycled from post-industrial source (pre-consumer).



R&D

Suominen's vision is to be the leader in nonwovens innovation and sustainability. Sustainability is also one of the key themes in our R&D.

Suominen is a pioneer in producing sustainable nonwovens, and our versatile R&D team has excellent know-how in sustainable fibers. Our pilot lines at Nakkila and Windsor Locks sites support our innovation work by, for example, enabling testing of prototypes.



Pioneer in sustainable products



BIOLACE® sustainable product portfolio since 2007

We invented the wetlaid spunlace category for dispersible moist toilet tissue – HYDRASPUN® product family

Strong R&D



15 R&D professionals

Focus on sustainability and customization

Excellent know-how in sustainable fibers

New Fiber Center and Green Lab

Pilot lines to support R&D and fast go-to-markets

Technology fit to sustainable nonwovens



7 plants – all capable of using sustainable raw materials

Pulp capability

We are able to tailor-make our products according to customers' different definitions of sustainability

R&D highlights



ARTICLE
February 7, 2024

Suominen to host a new edition of Sustainability & Innovative Fibers Seminar in the US

[READ MORE →](#)



ARTICLE
April 18, 2023

HYDRASPUN® Circula wins EDANA's INDEX™23 Award at INDEX™23 exhibition

[READ MORE →](#)



ARTICLE
February 22, 2023

Introducing Suominen's pilot lines and testing facilities

[READ MORE →](#)

New Fiber Center

Target is to collaborate and onboard novel sustainable fibers at Suominen

- Pilot and testing facilities in Finland and US
 - Carding and wetlaid
 - Bonding: spunlaced, thermal bonding, composites
 - In future adding pulp capabilities for spunlace
- Prototyping
- Partnerships

Examples of fibers in the pipeline:

- Bast fibers (hemp, flax, nettle)
- Regenerated cellulose fiber
- Native cellulose man-made fiber
- Recycled pulp



MARKET HIGHLIGHTS

Nonwovens markets are growing in all regions



We are the leaders both in the spunlace and wipes nonwovens markets

The demand for wipes is expected to remain above pre-COVID-19 levels

Legislation and consumer behavior are driving for more sustainable products and we have excellent opportunities to meet this growing demand

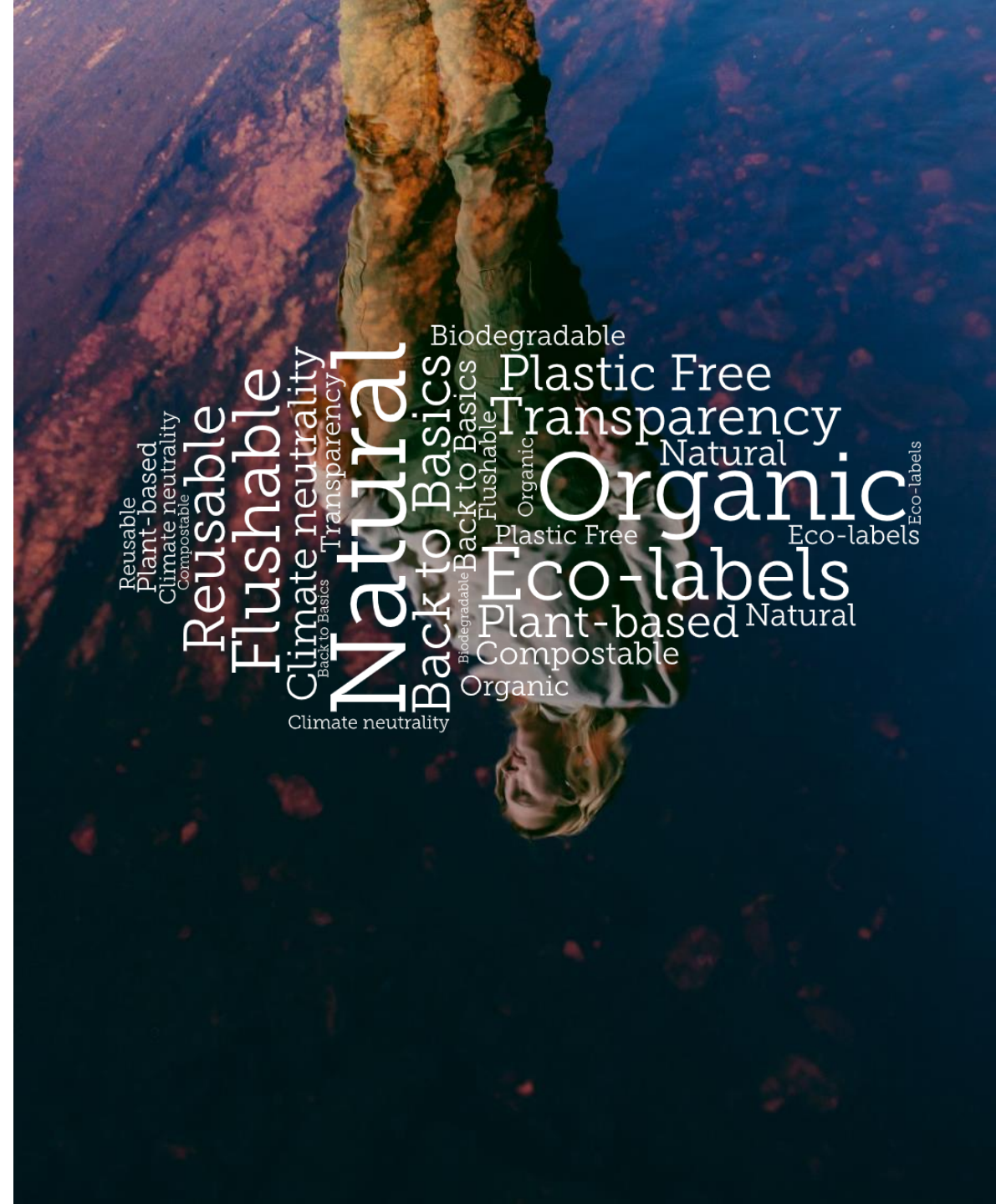
Demand for sustainable alternatives is growing

Legislation and consumer behavior are driving for more sustainable products

77% of consumers say that sustainability is important to them

Over 50% of consumers believe they can make a difference through their everyday choices and actions in 2022

Trust matters, consumers are looking for trustful brands and turns digital media into source information. Therefore, it's important to maintain brand credibility.





PURE NORDIC QUALITY

APPENDIX

Suominen celebrates its 125-year anniversary in 2023

