

# INVESTOR PRESENTATION

Q1/2024



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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



**Thomas Olsen**  
EVP, Americas

# Suominen has a strong global presence

- Production site
- Piloting facility
- Head office

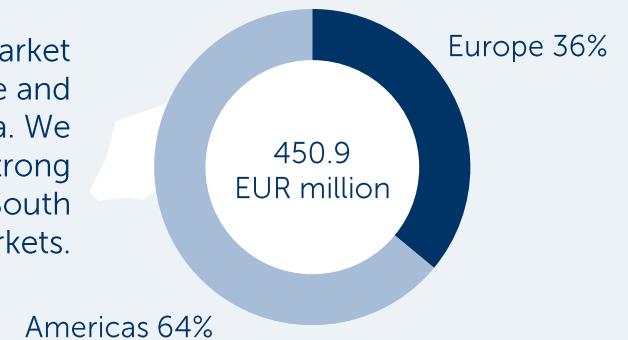


**7**  
locations on  
three continents

**2**  
pilot lines

Net sales by business area  
2023

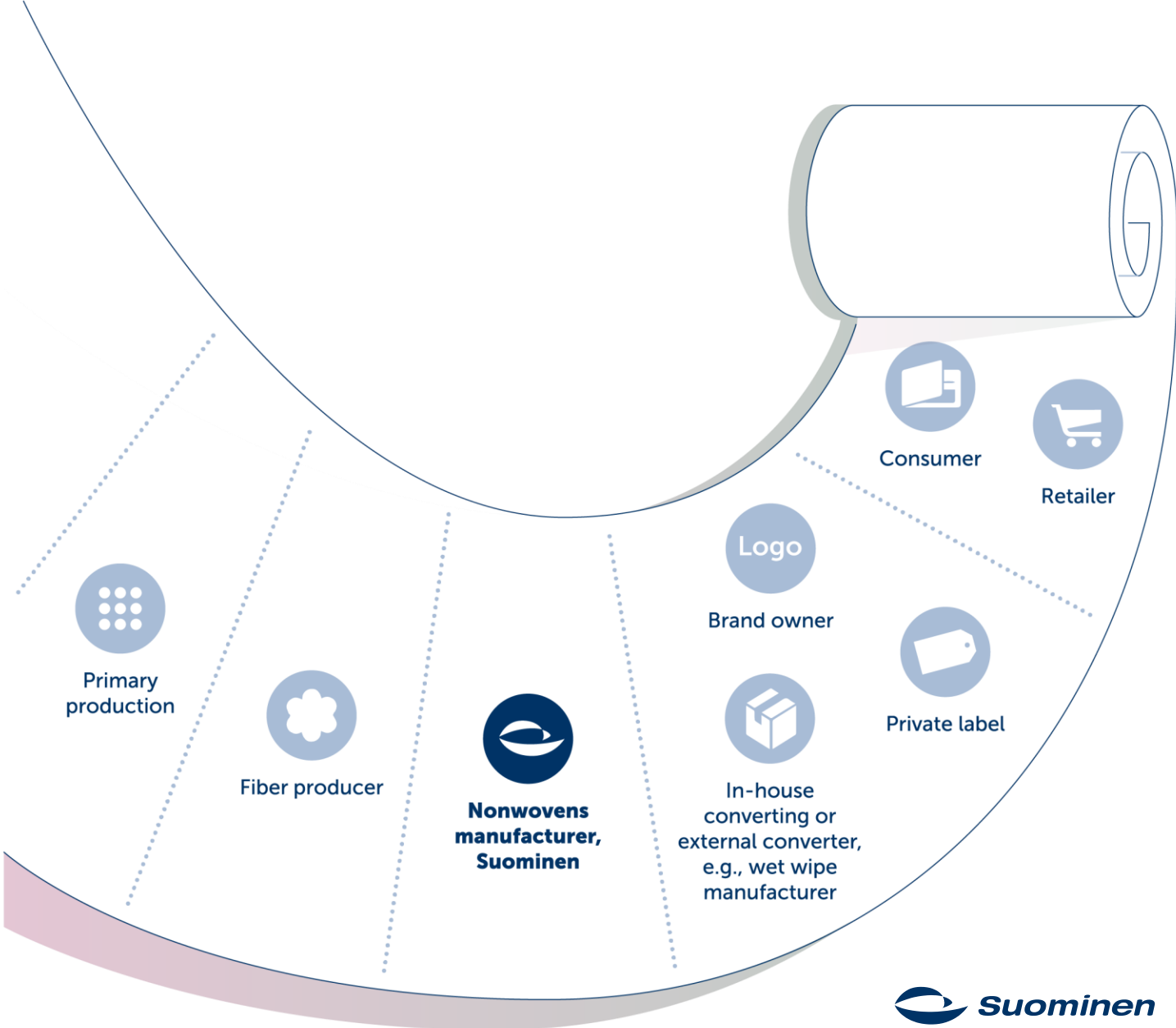
Our main market areas are Europe and North America. We also hold a strong position in the South American markets.



# 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



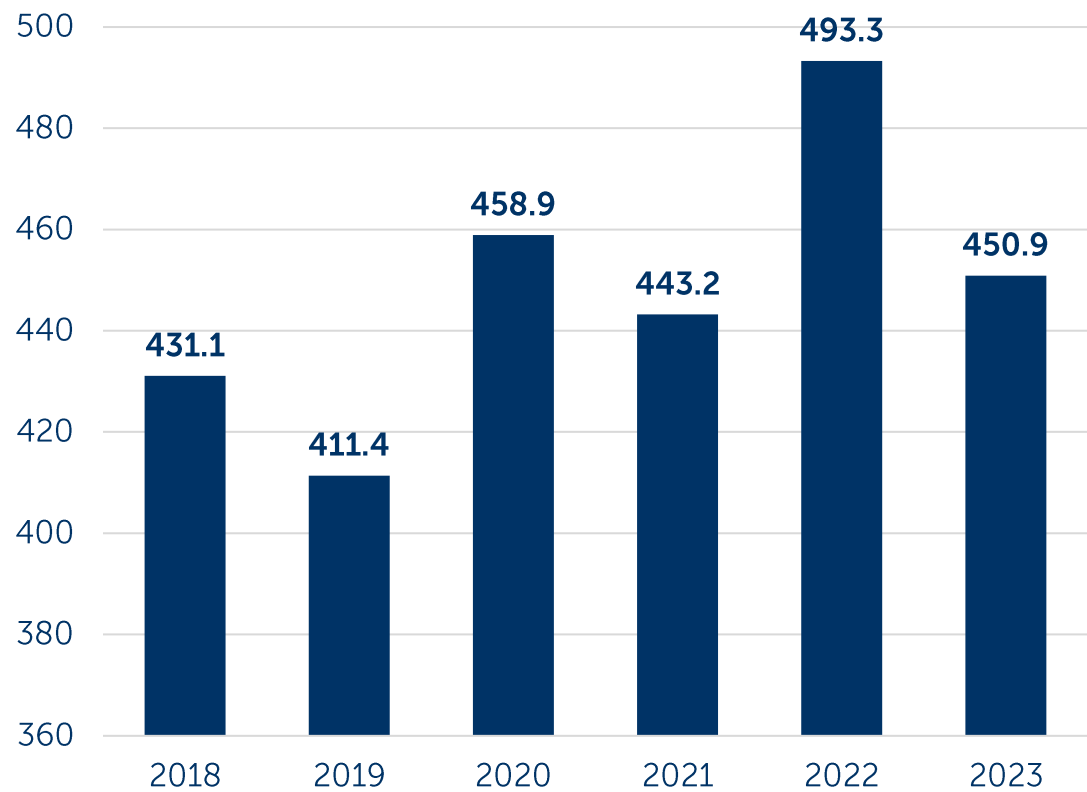
# FINANCIALS



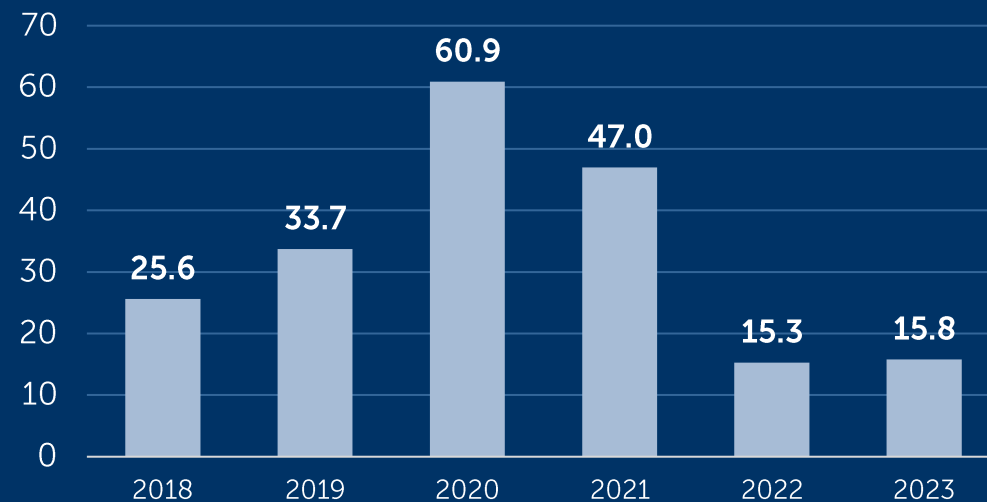


# FINANCIALS

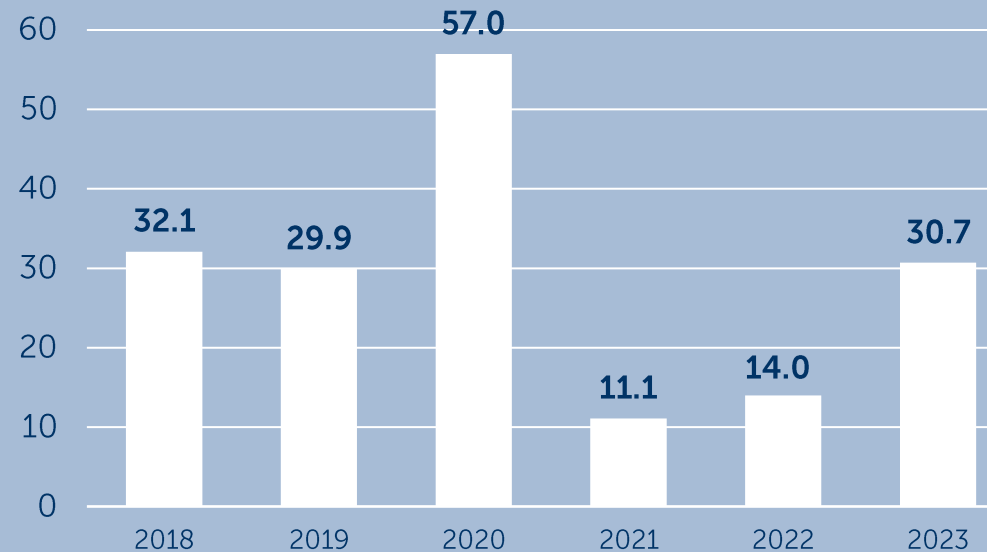
## Net sales, EUR million



## Comparable EBITDA, EUR million



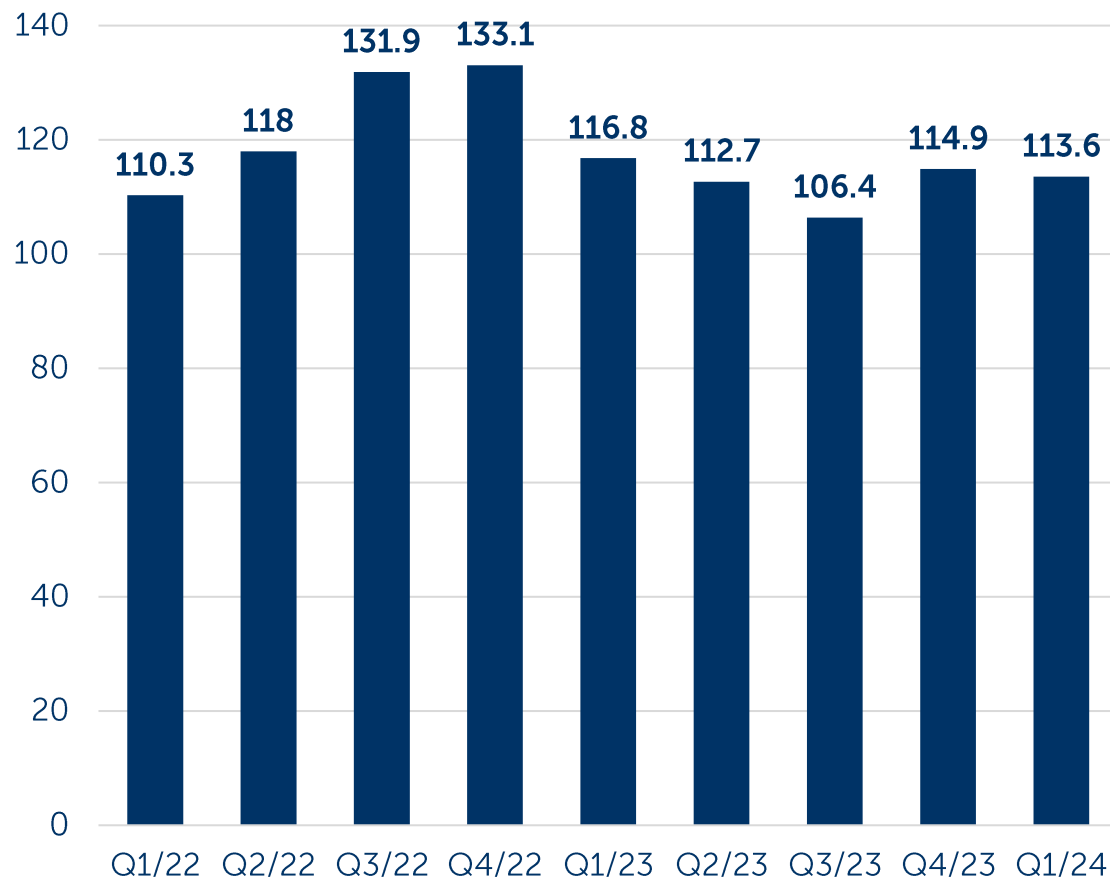
## Cash flow from operations, EUR million



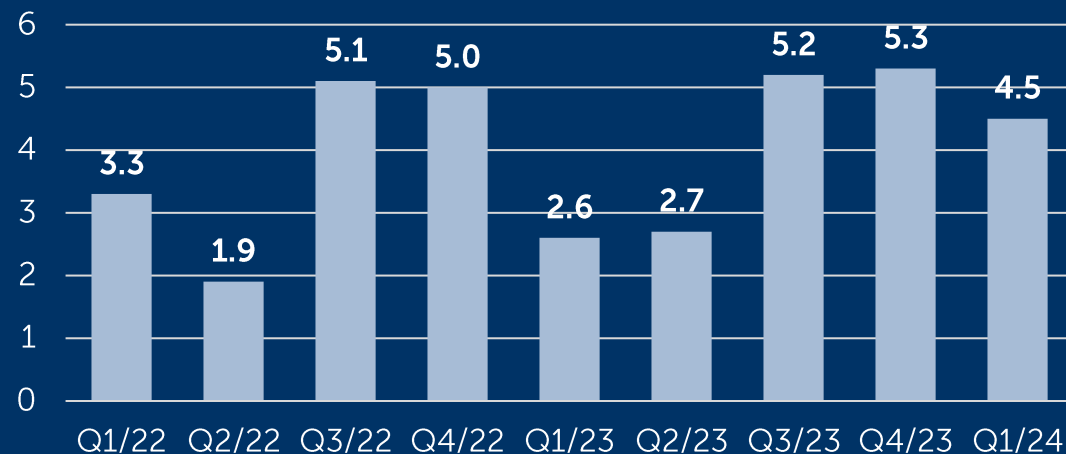


# Quarterly financials

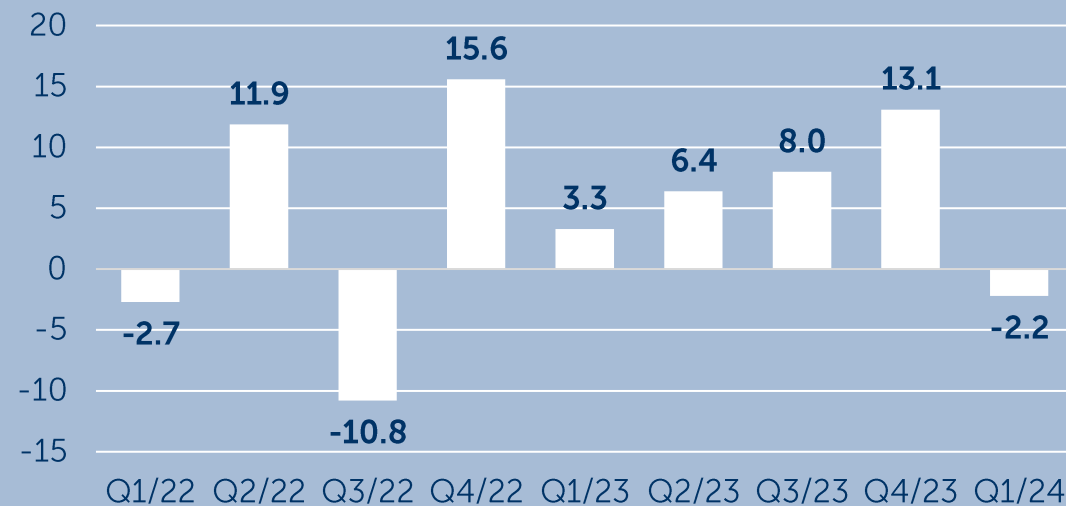
## Net sales, EUR million



## Comparable EBITDA, EUR million



## Cash flow from operations, EUR million



# President & CEO's review – Q1/2024

The year 2024 has started with positive signs of demand recovery. Although the business environment has remained challenging, we were able to improve our quarterly comparable EBITDA to EUR 4.5 million (2.6), supported by increased sales volumes, especially in EMEA, and better sales margins.

We have been able to improve our profitability by systematically focusing on our commercial and operational excellence, and we are expecting gradual improvements, especially in production performance and line efficiencies going forward.

Our net sales were EUR 113.6 million (116.8) in the first quarter. Sales prices decreased, and sales volumes increased from comparison period.

Our ability to innovate and meet market needs is reflected in the share of net sales from new products launched in the last three years, which continued on a very good level and exceeded 35% in the first quarter.

In the beginning of April, we announced an investment project to further improve our capabilities in sustainable products by enhancing and upgrading one of our production lines in Bethune, South Carolina, USA. With this investment we

strengthen our position as the leader in sustainable nonwovens in Americas market. The investment is made in line with our strategy, and it supports our vision to be the frontrunner in nonwovens innovation and sustainability.

Building on our strong sustainability expertise, we arranged a Sustainability & Innovative Fibers Seminar in Windsor Locks at the end of February 2024. In that occasion, we offered our customers interesting presentations from the top experts, and a possibility to exchange ideas with around fifty nonwovens professionals. The seminar received very positive feedback.

Generally, Suominen's market is showing resilience in uncertain global economic environment with some local market variance. In short term we do not see any major changes.

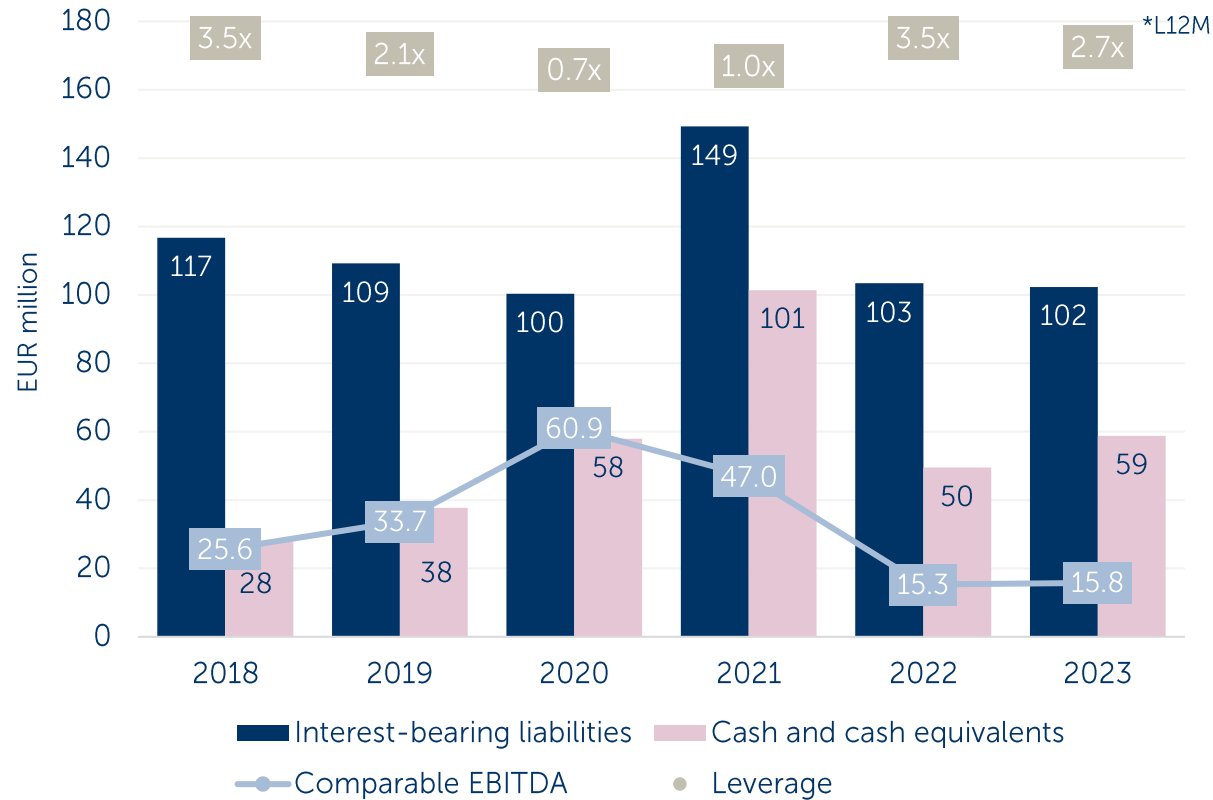


**Tommi Björnman**  
President & CEO

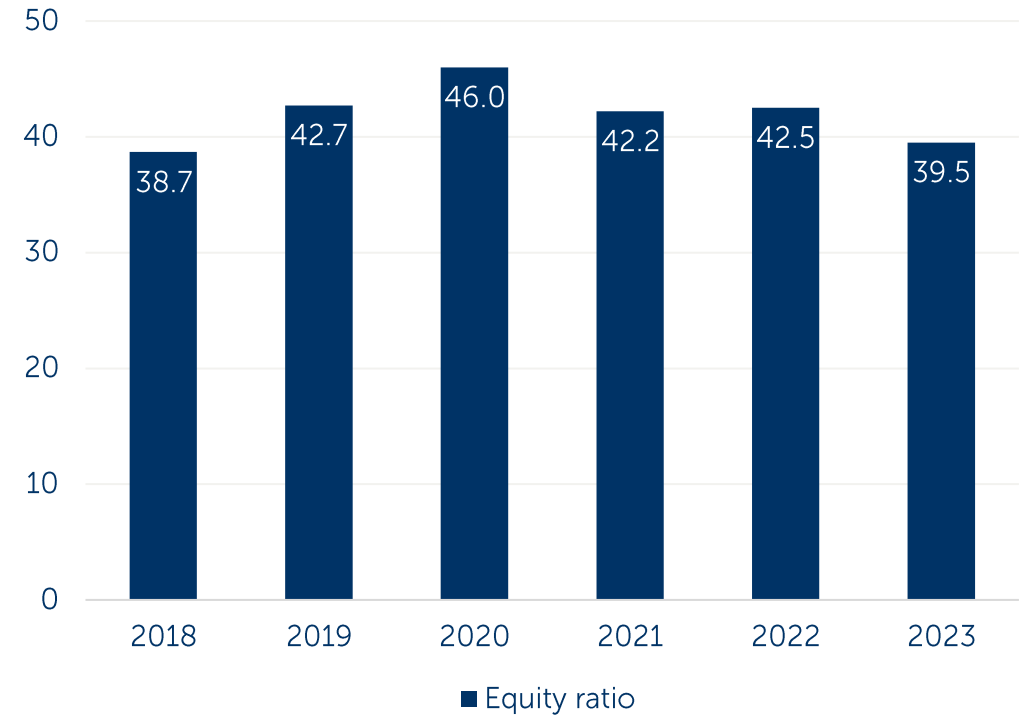


# Equity ratio stable

## 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 2026 and EUR 50m of bond outstanding that matures in June 2027

# OUTLOOK

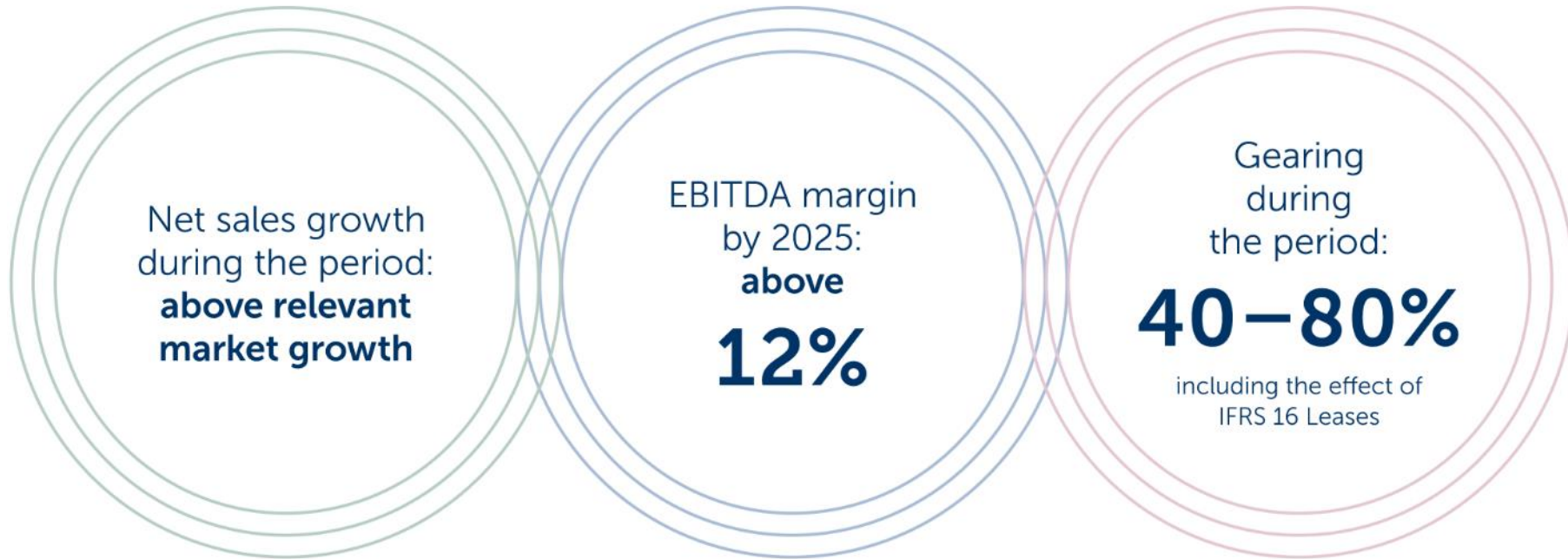
MAY 7, 2024

Suominen expects that its comparable EBITDA (earnings before interest, taxes, depreciation and amortization) in 2024 will increase 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

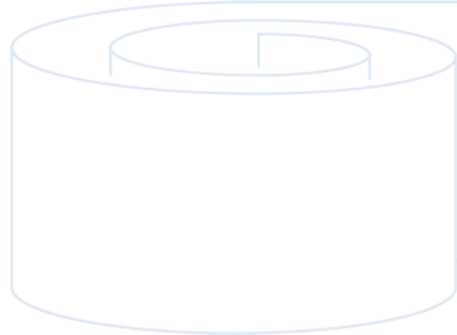
### Gearing

- 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

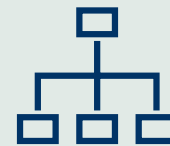


Closure of Mozzate plant in Italy to improve the competitiveness of European business

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



**People and safety**

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**Sustainable nonwovens**

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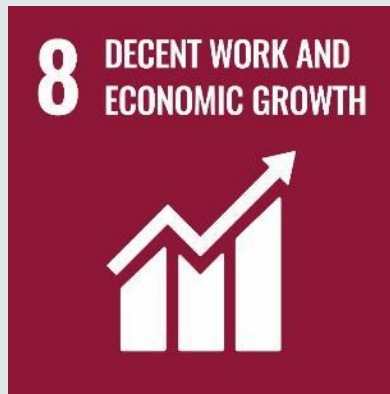
- 12 sustainable product launches
- Sustainable products: 79% increase of sales from base year 2019



- 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 2023 was assured by an independent assurance provider.

# 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).

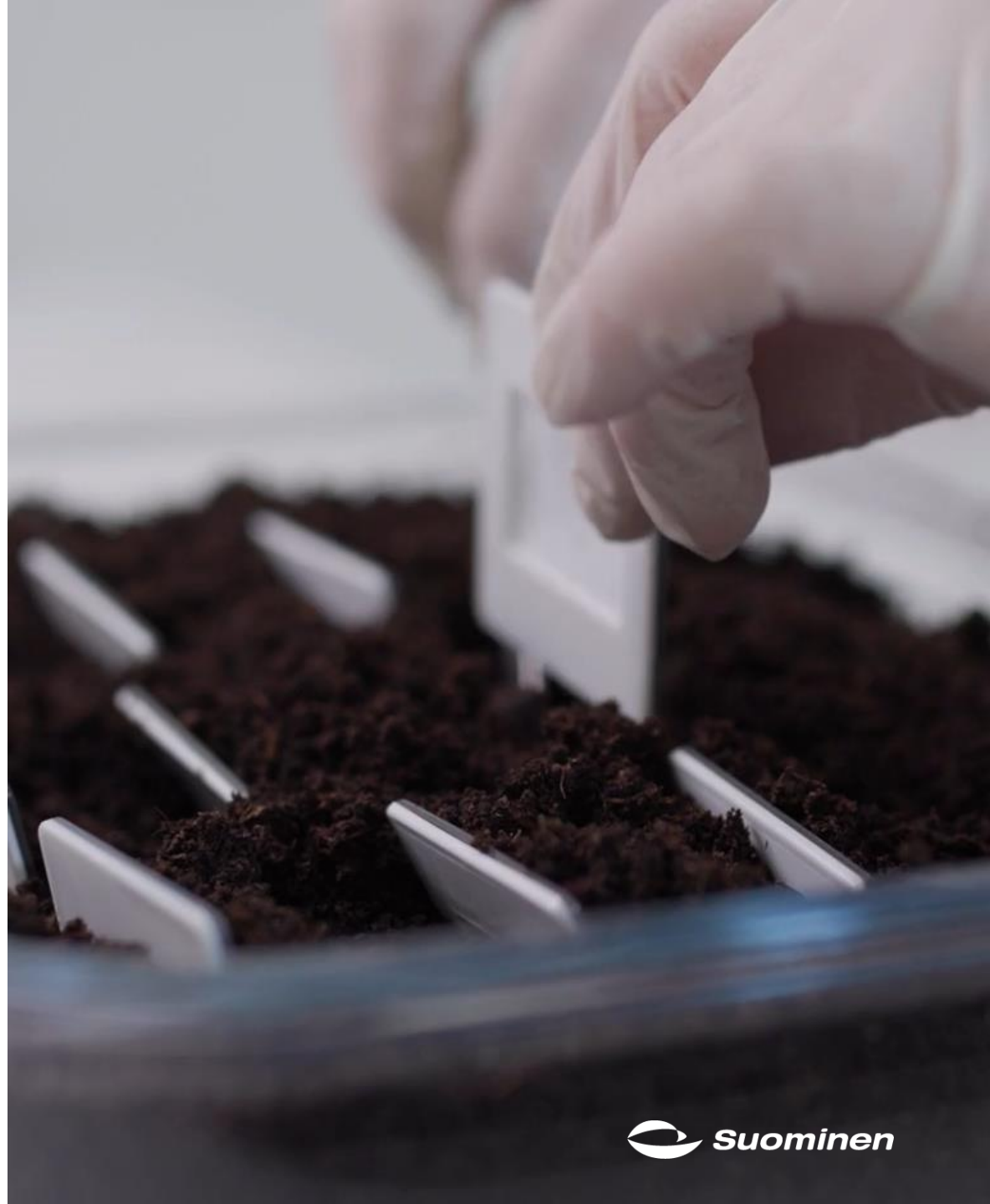




# R&D

**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



Press Release  
May 2, 2024

**Suominen invests in strengthening its capabilities in sustainable products in Bethune, USA**

[READ MORE →](#)



ARTICLE  
March 7, 2024

**Suominen Sustainability & Innovative Fibers Seminar in Windsor Locks was a great success**

[READ MORE →](#)



ARTICLE  
February 23, 2024

**Frontrunner for nonwovens innovation - Leveraging piloting possibilities and excellent know-how**

[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



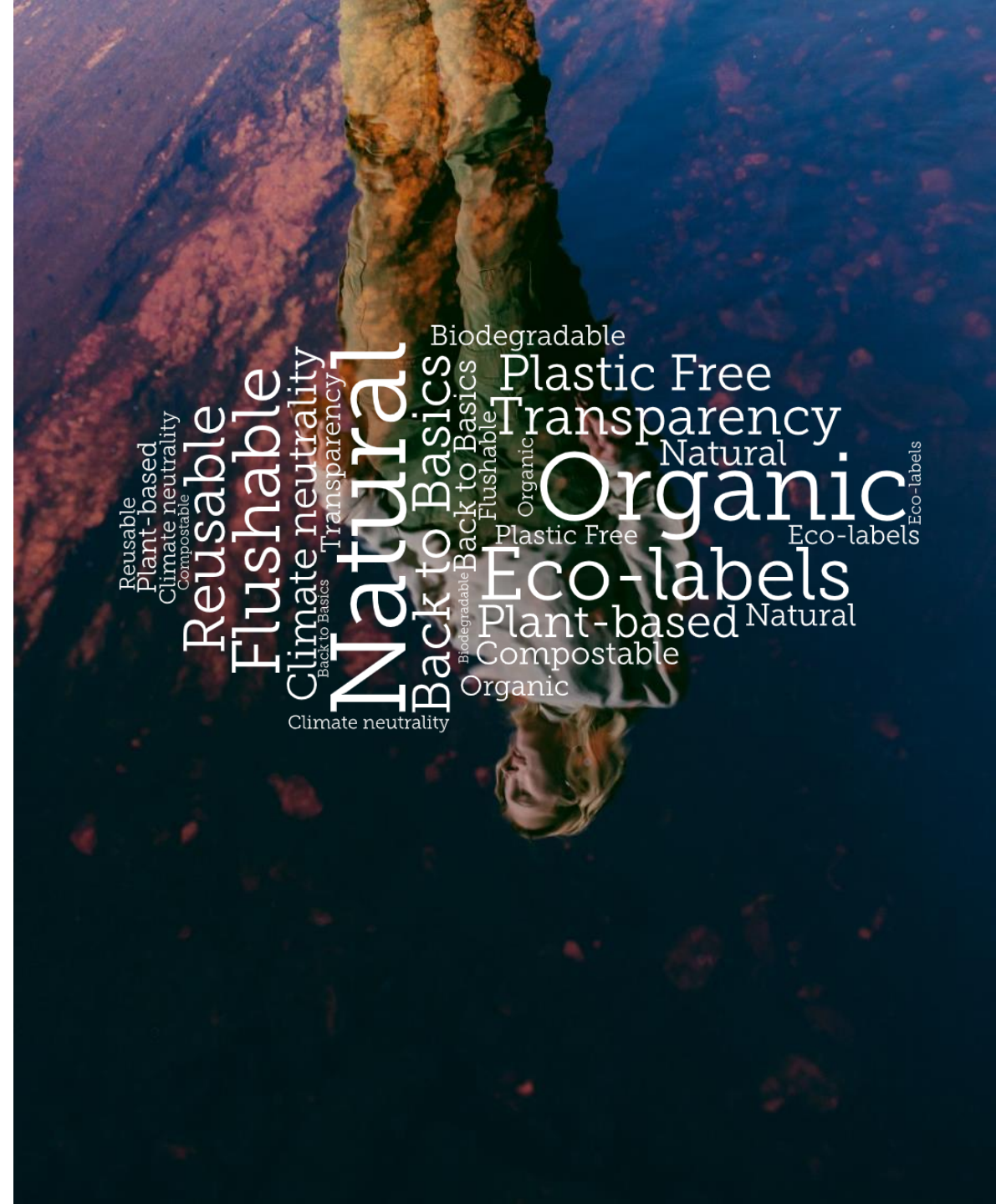
# Demand for sustainable alternatives is growing

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

