

An aerial photograph of a dense forest with a lake in the foreground. The forest is lush green, and the lake reflects the surrounding trees. In the distance, a misty or foggy horizon is visible under a clear sky.

INVESTOR PRESENTATION

Q3/2024

CONTENT

Suominen in brief

Financials

Strategy

Sustainability & R&D

Market highlights

Appendix

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
Interim EVP, Americas

Suominen has a strong global presence

- Production site
- Piloting facility
- Head office

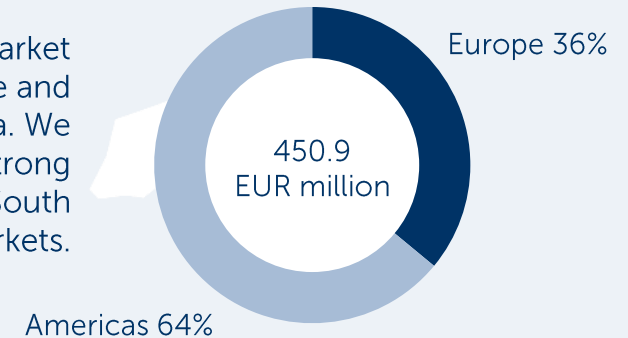


7
locations on
three continents

2
pilot lines

**Net sales by business area
2023**

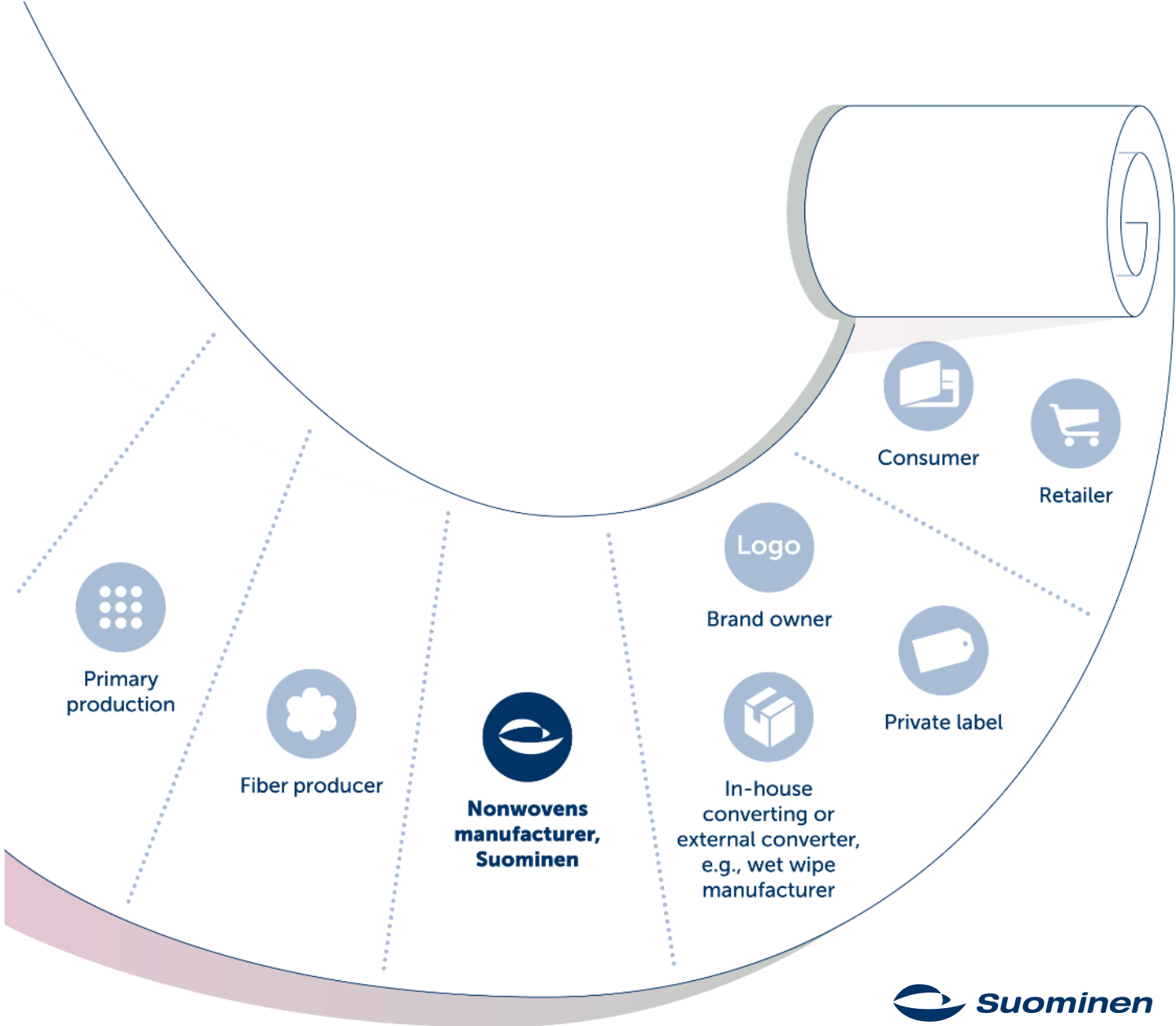
Our main market areas are Europe and North America. We also hold a strong position in the South American markets.



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

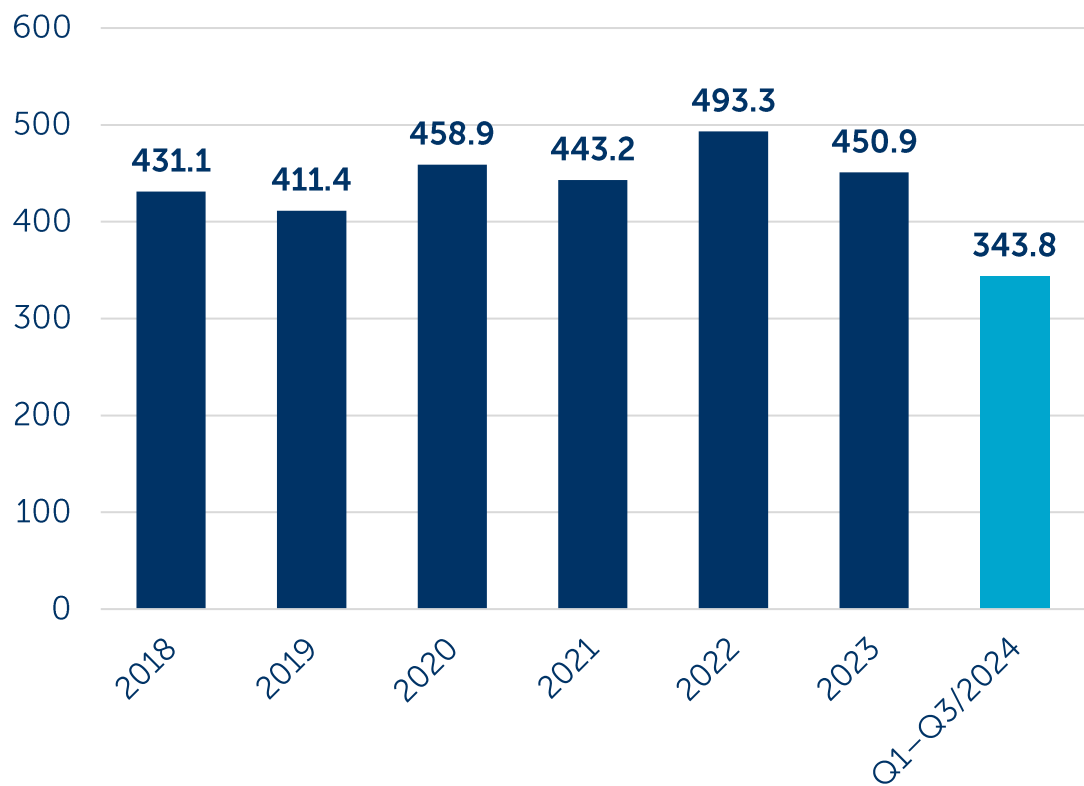


Our organization and strategy give us an excellent basis to continue to develop the company further

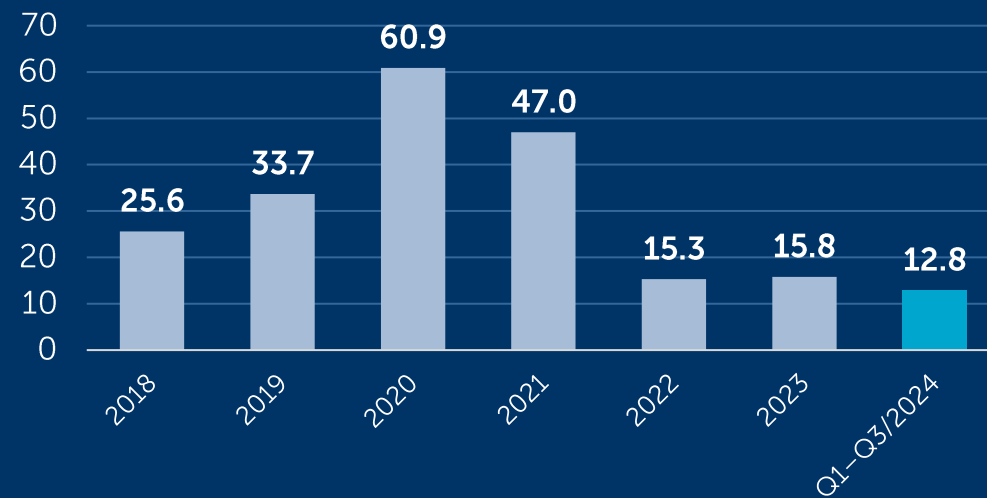
FINANCIALS

FINANCIALS

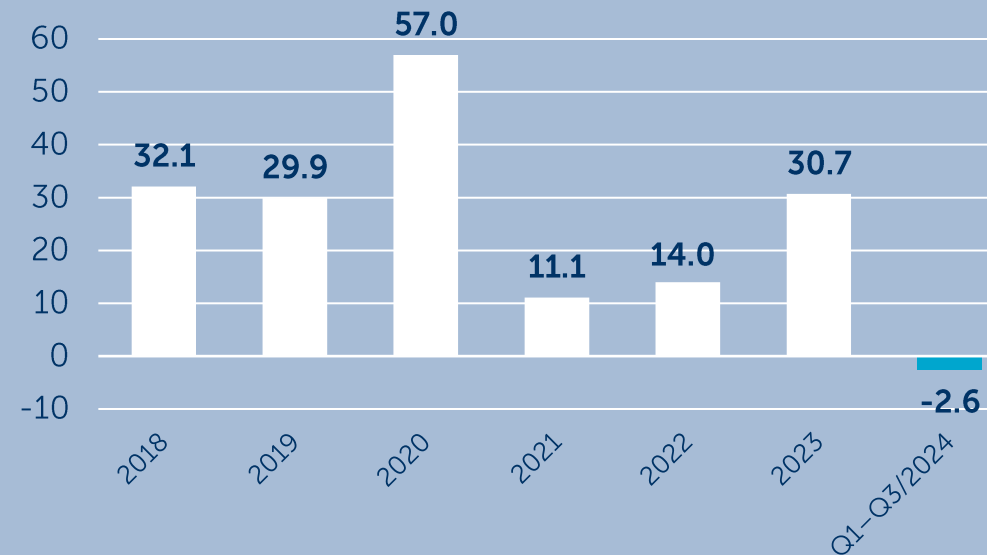
Net sales, EUR million



Comparable EBITDA, EUR million

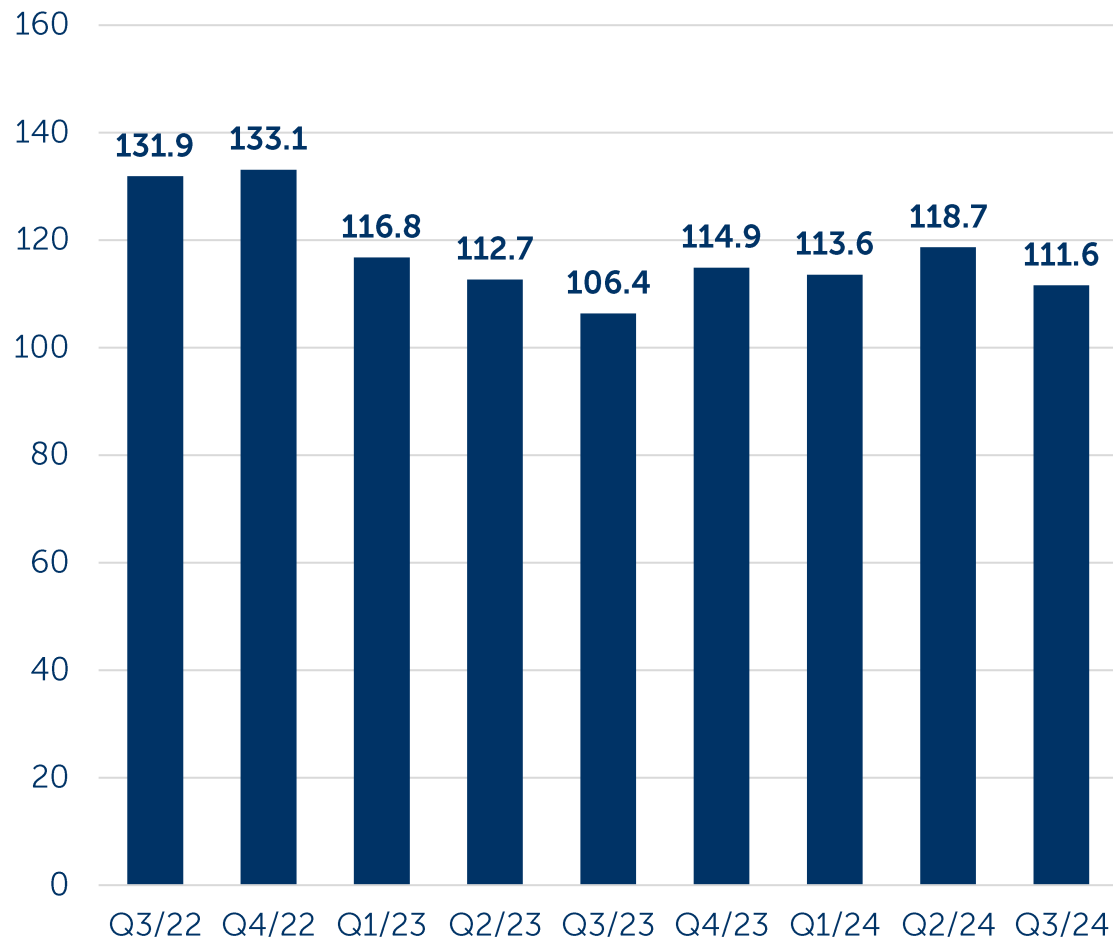


Cash flow from operations, EUR million

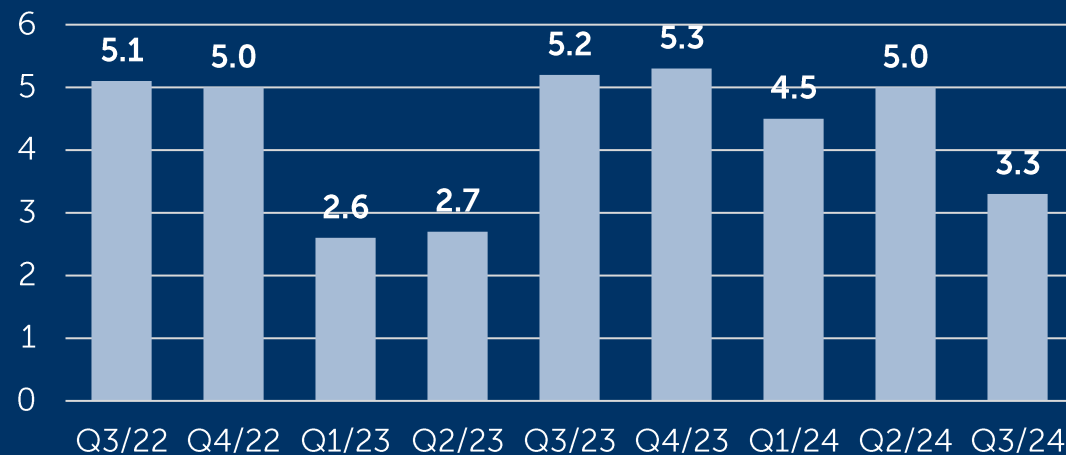


Quarterly financials

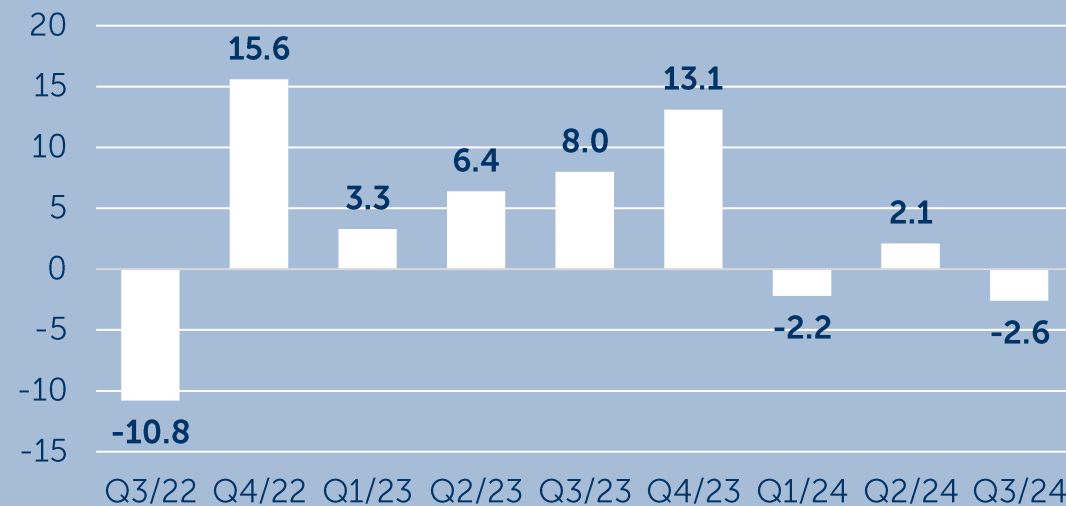
Net sales, EUR million



Comparable EBITDA, EUR million



Cash flow from operations, EUR million



President & CEO's review – Q3/2024

During the third quarter our net sales increased by 5% and were EUR 111.6 million (106.4). Our sales volumes, sales prices as well as sales margins increased from Q3/2023. Currencies impacted the net sales negatively by EUR 1.4 million.

Our quarterly comparable EBITDA decreased to EUR 3.3 million (5.2). In Q3, we had major operational issues, which led into unplanned production downtime and additional expenses. These issues impacted EBITDA negatively by approximately EUR 3.0 million. We took immediate actions to address the issues. Operational excellence continues to be our focus and we are strengthening our capabilities and resources in continuous improvement.

Our ability to innovate and meet market needs is reflected in the share of new products of our net sales, which continued on a good level and exceeded 30% in the third quarter and 35% in January–September.

Sustainability is at the core of both our strategy and all daily operations. In 2024 we took part in the EcoVadis assessment for the third time and improved our score from a Silver Medal level to a Gold Medal level. This result places us in the top 1% of companies in the industry of manufacturing other textiles and in the top 5% of all companies in all industries rated by EcoVadis. Reaching a gold

level in this year's assessment is a result of the continuous improvement of our sustainability work.

In line with our strategy and vision to be the frontrunner in sustainability, we announced in August that we are strengthening our capabilities in sustainable products by investing in a new production line in our site in Alicante, Spain. With this investment we respond to the accelerating demand of sustainable nonwovens in Europe. The total value of the investment is approximately EUR 20 million and the investment project will be completed in the second half of 2025.

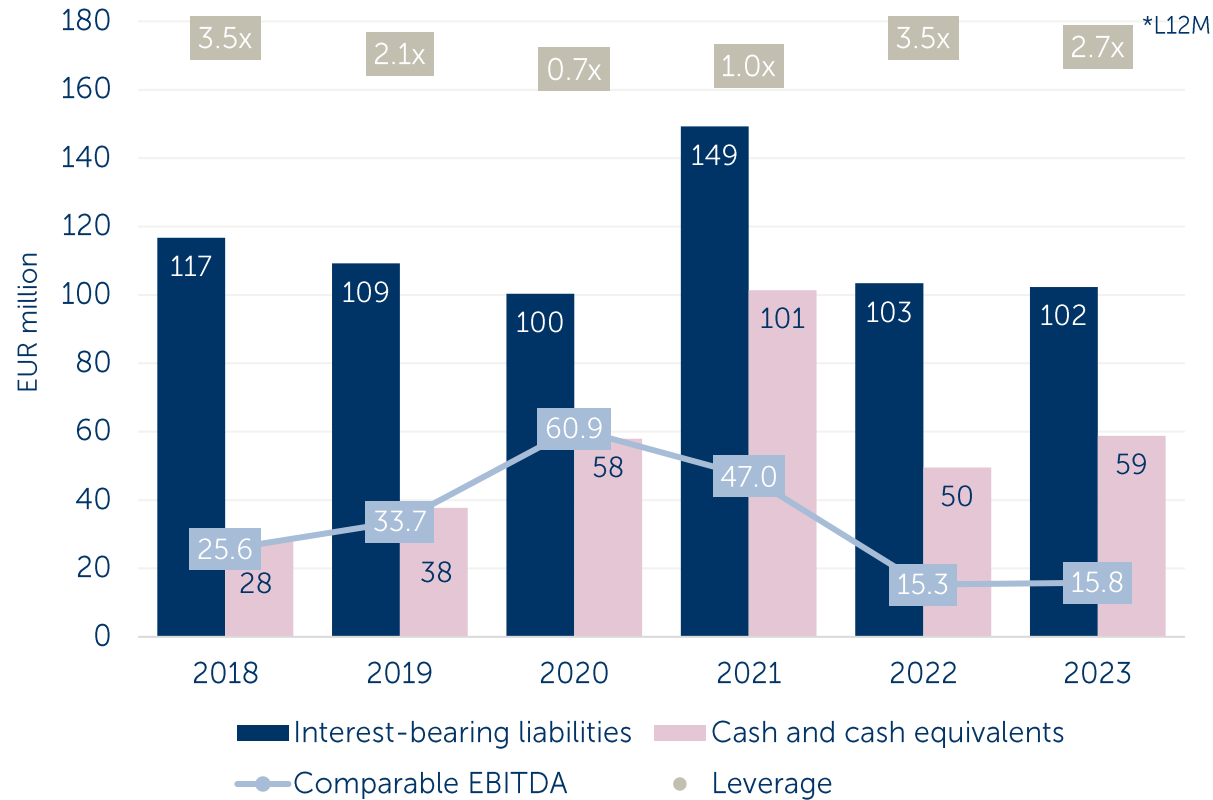
Generally, Suominen's target market is stable with some uncertainty related to the global economic sentiment. In the short term we do not see any major changes in the target market. Our full year guidance on comparable EBITDA remains unchanged.



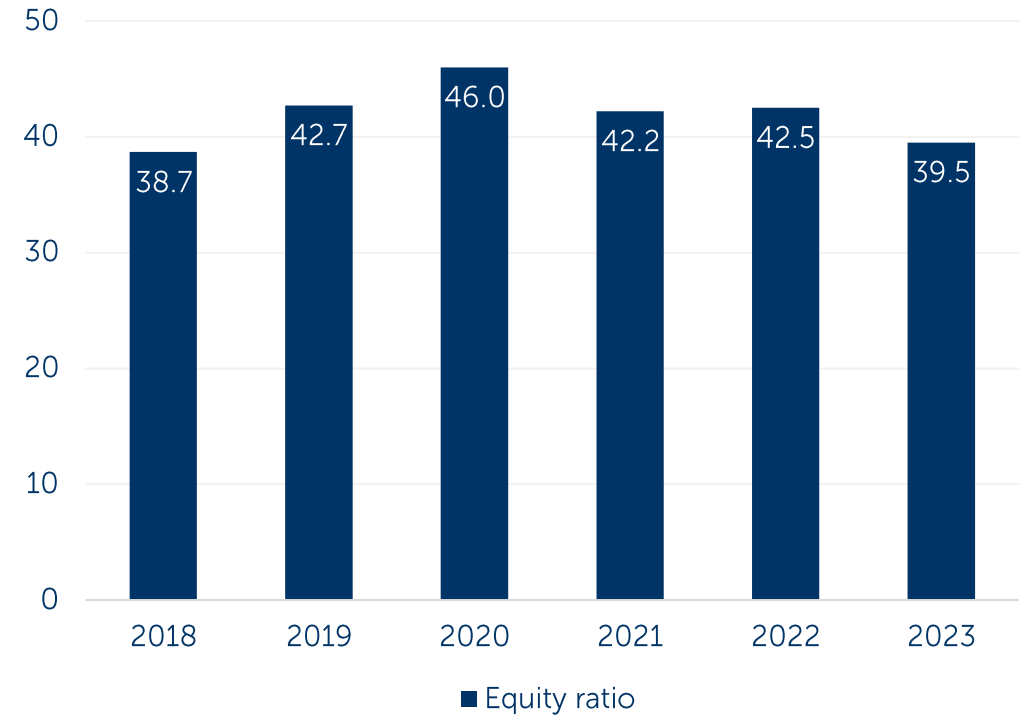
Tommi Björnman
President & CEO

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

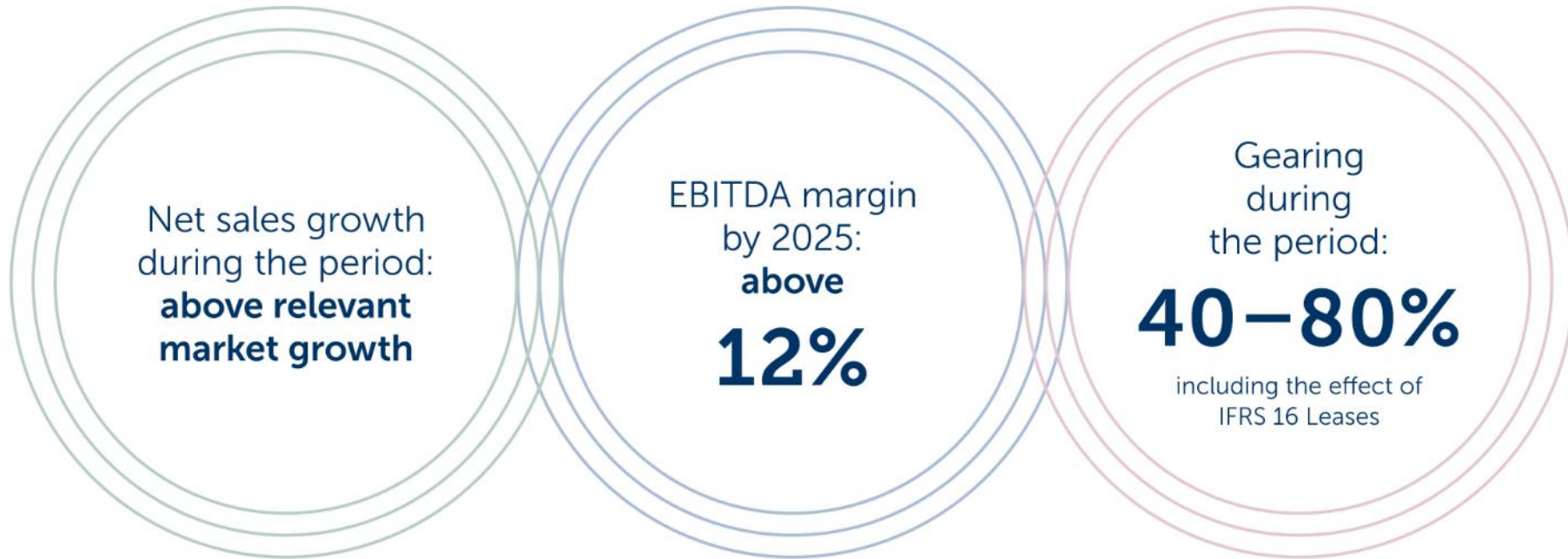
OUTLOOK

NOVEMBER 6, 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

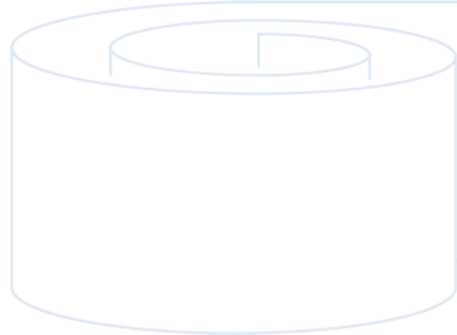
Profitability

- 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

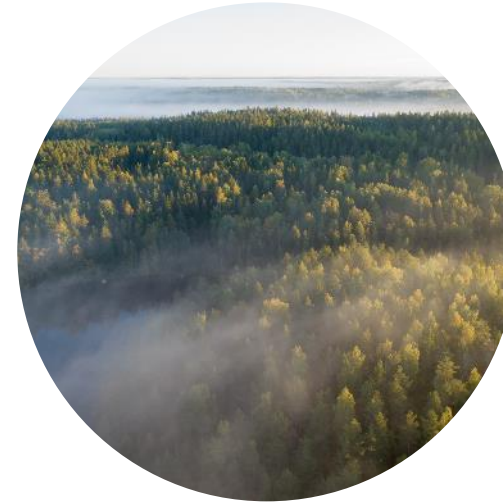
Integrity

Strategy highlights Q3/2024



Suominen awarded Gold Medal from its 2024 EcoVadis assessment

Suominen has taken part in the EcoVadis assessment in 2024 for the third time and improved its score from a Silver Medal level to a Gold Medal level. This result places Suominen in the top 1% of companies in the manufacture of other textiles industry and in the top 5% of all companies in all industries rated by EcoVadis.

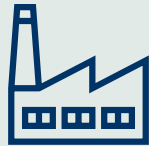


Suominen invests in increasing capacity in sustainable products by establishing a new production line at its Alicante site

With this investment we respond to the accelerating demand of sustainable nonwovens in Europe. The total value of the investment is approximately EUR 20 million and the investment project will be completed in the second half of 2025.

Strategy highlights in 2023

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

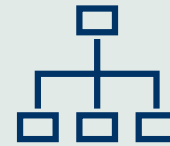


Closure of Mozzate plant in Italy to improve the competitiveness of European business

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



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)



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.

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.



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



- 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%

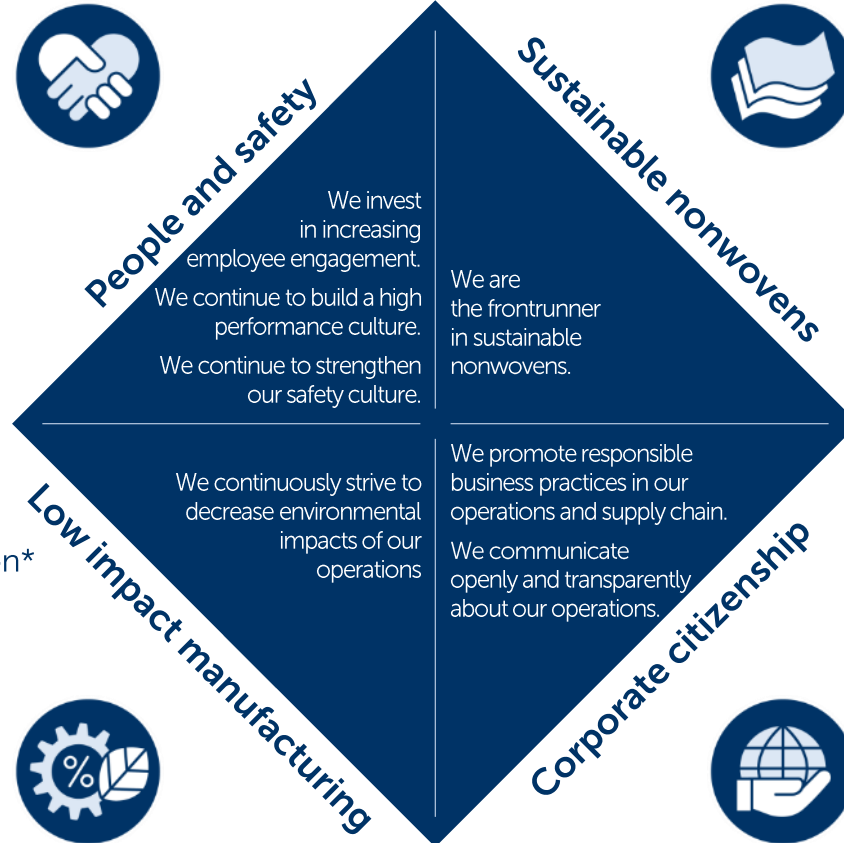


Reduction targets are set per ton of product. Results in 2023:



- 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



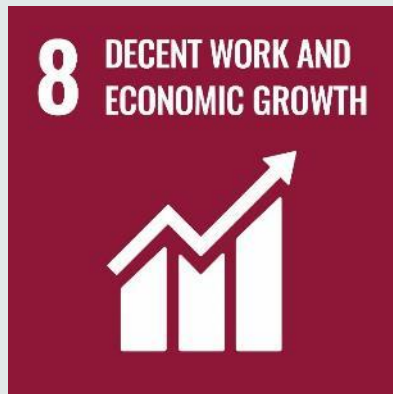
- 12 sustainable product launches
- Sustainable products: 79% increase of sales from base year 2019



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

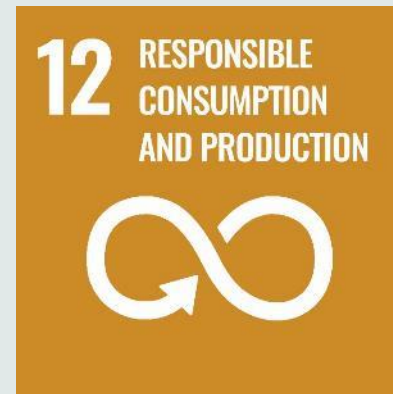
Sustainable Development Goals - Suominen

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 77/100 points in the assessment in 2024 and received a Gold level rating. The result places Suominen in the top 5% of all the companies rated by EcoVadis and top 1% of companies rated by EcoVadis in the Manufacture of other textiles industry.



ISS ESG: C rating

Suominen received C rating (medium) from Institutional Shareholder Services (ISS) in July 2024. Companies are rated, from D- to A+, on their sustainability performance.



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

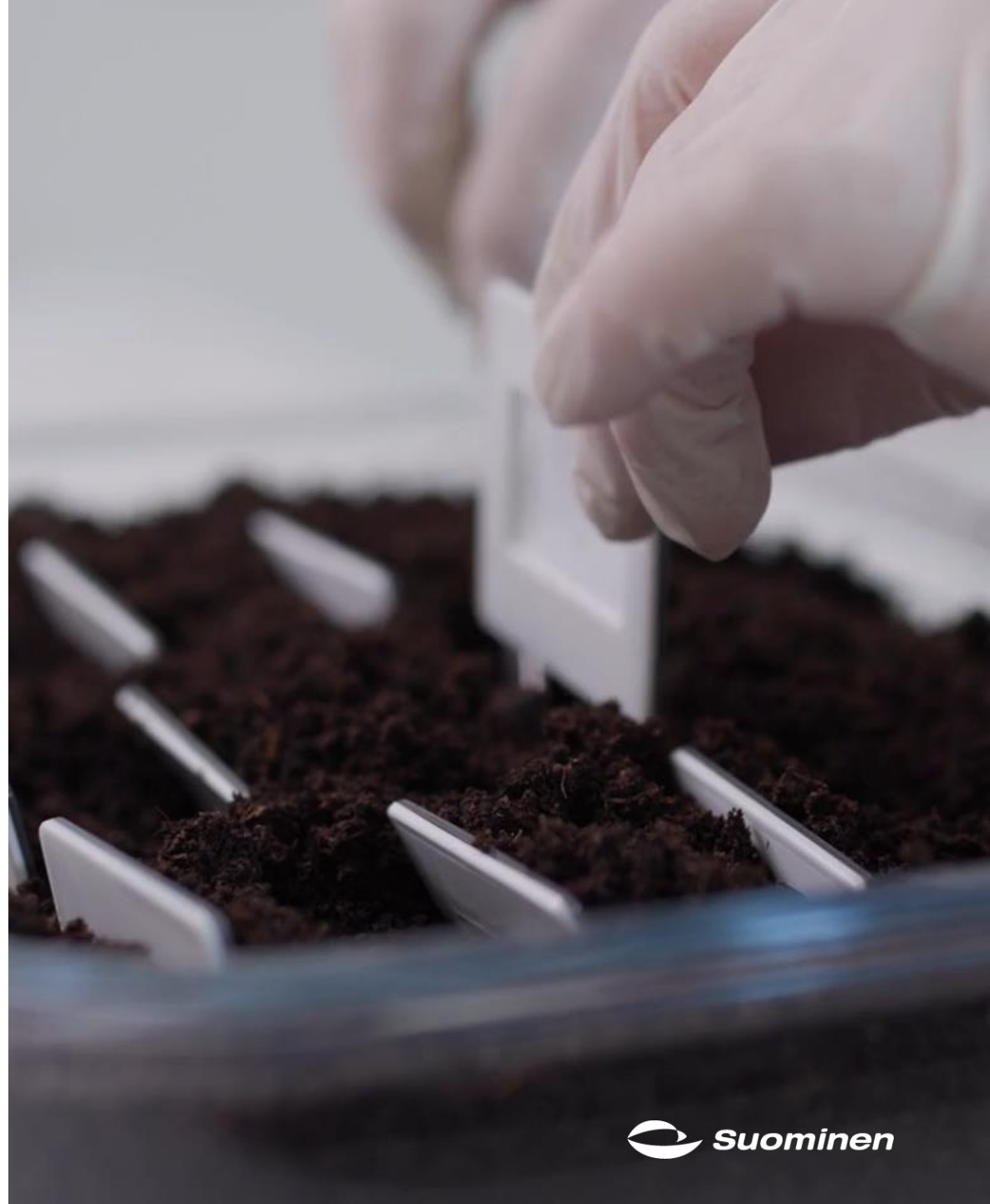
Nonwovens with at least 15% recycled fibers, including thermoplastic fibers like rPET from recycled origin or cotton in case recycled from post-industrial source (pre-consumer).



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



ARTICLE
October 29, 2024

Suominen's BIOLACE® product family – Pioneering biodegradable and compostable nonwovens

[READ MORE →](#)



Stock Exchange Release
August 9, 2024

Suominen invests in increasing capacity in sustainable products by establishing a new production line at its Alicante site

[READ MORE →](#)



ARTICLE
March 7, 2024

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

[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

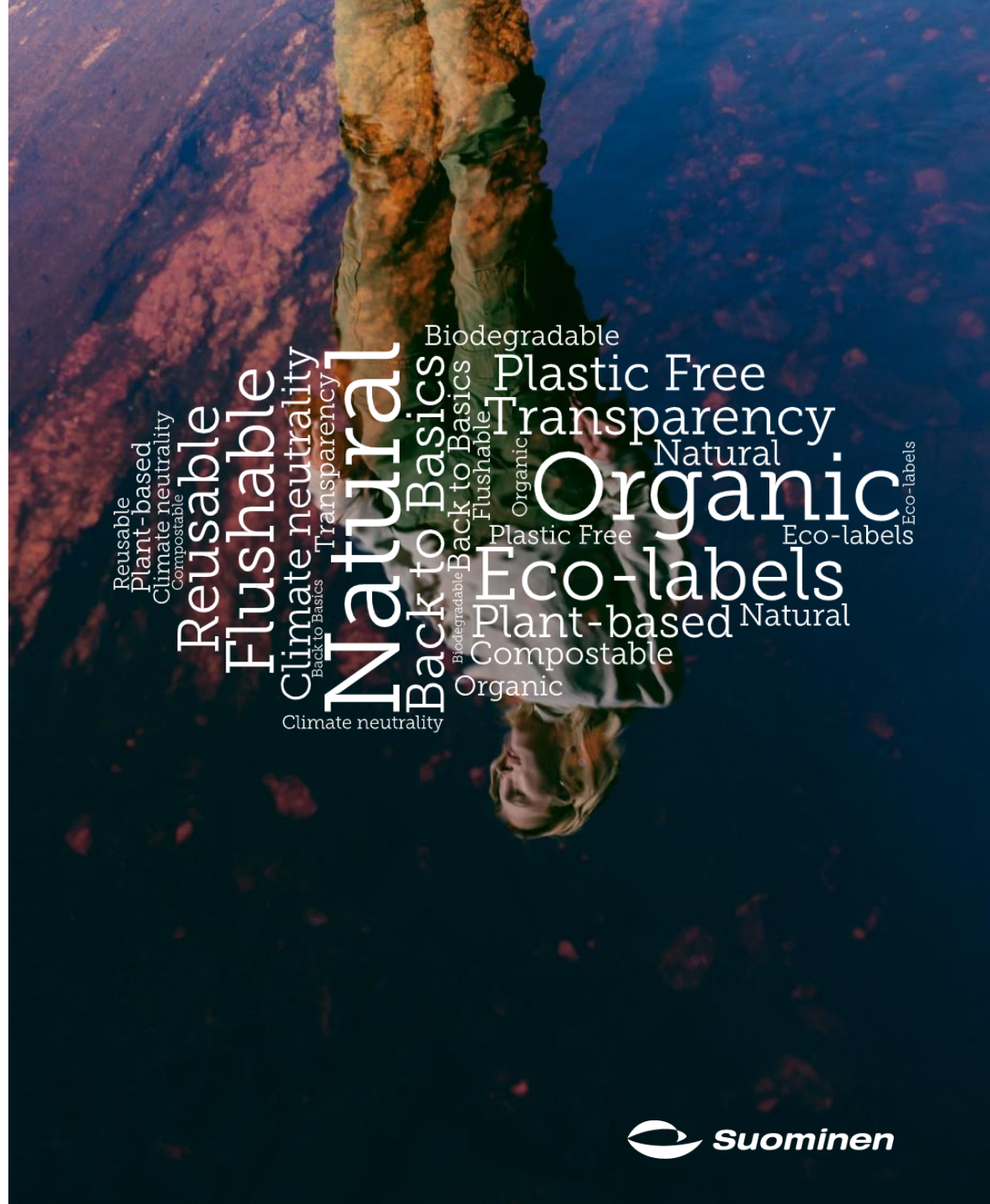
Legislation and consumer behavior are driving for more sustainable products

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.

Source: Meet the 2022 consumers driving change, IBM institute of business value.





PURE NORDIC QUALITY

APPENDIX

Suominen

