

Review by the President and CEO

Hans Sohlström
March 25, 2020

Global leader in sustainable and innovative fiber-based solutions

- Fibers are at the core of what we do and the common denominator for our products and solutions
- Natural fibers represent 95% of our total fiber use
- We offer custom made specialized fiber based materials
- Our value proposition is based on innovation, quality and service
- Our offering contributes to a more sustainable everyday life

Key facts

- Global network of sales offices and 45 plants in 14 countries
- Approximately 8,000 employees, 48 nationalities
- More than 7,000 customers in over 100 countries
- Pro forma 2019 net sales of approximately EUR 3 billion
- Shares listed on Nasdaq Helsinki and Stockholm
- Head office in Helsinki

Key strengths

- Leading positions in chosen segments
- Operating on growing markets
- Balanced geographical exposure to a broad range of end-uses
- Designed sustainable and innovative customer solutions



1. Strategy

2. Execution

a) Portfolio

b) Platform

c) People

3. Profitability

4. Response to Covid-19

5. Summary



Strategy overview

MISSION
Sustainable and innovative fiber-based solutions

VISION
Global leader in chosen growth segments

CORNERSTONES

Local accountability Efficiency and agility Customer value Profitable growth



FINANCIAL TARGETS

- EBITDA > 14% over a business cycle
- Net gearing < 100%
- Dividend: stable and annually increasing, paid four times a year

VALUES Long-term commitment | Teamwork | Passion to innovate and improve



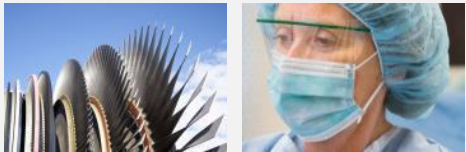
Sustainable everyday life

MISSION

Sustainable and innovative fiber-based solutions

BETTER PERFORMANCE

Filter materials to purify air and protect people from viruses and bacteria



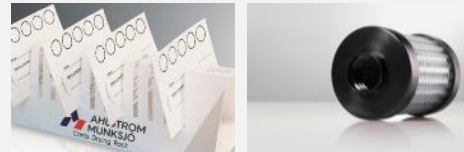
SAFER MATERIALS

Formaldehyde free abrasive backings and fluorfree food packaging materials



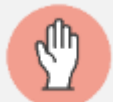
FEWER RESOURCES

Diagnose diseases and purify polluted drinking water



LOWER IMPACT

Plastic free and compostable tea and coffee materials



PEOPLE



Human rights



Community engagement



Employee well-being



PLANET



Supply chain



Energy, water and waste



Carbon dioxide



PROSPERITY



Profitability

EcoDesign Tool



Innovation



Business ethics



We stand out with smart solutions out of fibers

Sales from new products was 10% in 2019



Trinitex® Advance W3200 for gas turbine filtration products



Extia® 1000 for industrial filtration applications



TrustShield™, single-use fabrics for ultimate protection



ReliaMAX™ microfilters for sample preparation and particle removal



LamiBak™ - a release base paper certified for food contact



TEX-STYLE™ - an extra resistant composite abrasive backing



Optilam™ - a release material to optimize RFID inlay lamination



CelluStraw™ - a fiber-based solution for paper drinking straws



GenReleaz™ specimen collection card for cost-effective biosamples



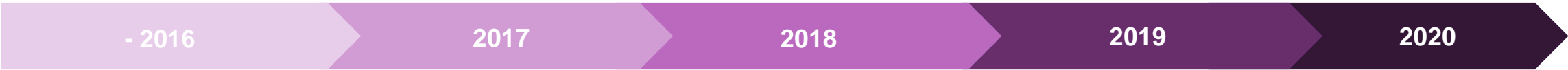
ParaFree™ - paraffin wax free food packaging papers to quick service restaurants



Strategic transformation continues

Strategic alternatives for Decor, plan to acquire Chinese decor paper producer Minglian
 Divestments of fine art paper and glass reinforcement businesses
 Acquisition of filter converting business

Expera and Caieiras acquisitions and integration



Ahlstrom and Munksjö separately focused on profitability improvement and deleveraging

Creating a growth platform through the merger of Ahlstrom & Munksjö

Strategic growth investments

Net sales Comparable EBITDA Employees	Munksjö 2015 EUR 1.1bn EUR 94m 2,900	Ahlstrom 2015 EUR 1.1bn EUR 105m 3,300	Expera 2017 EUR 616m EUR 61m 1,870	Caieiras 2017 EUR 76m EUR 12m 350	→	Ahlstrom-Munksjö 2019 EUR 2.9bn EUR 313m 8,100
	(Horizontal bars representing the data above are present in the original image)					



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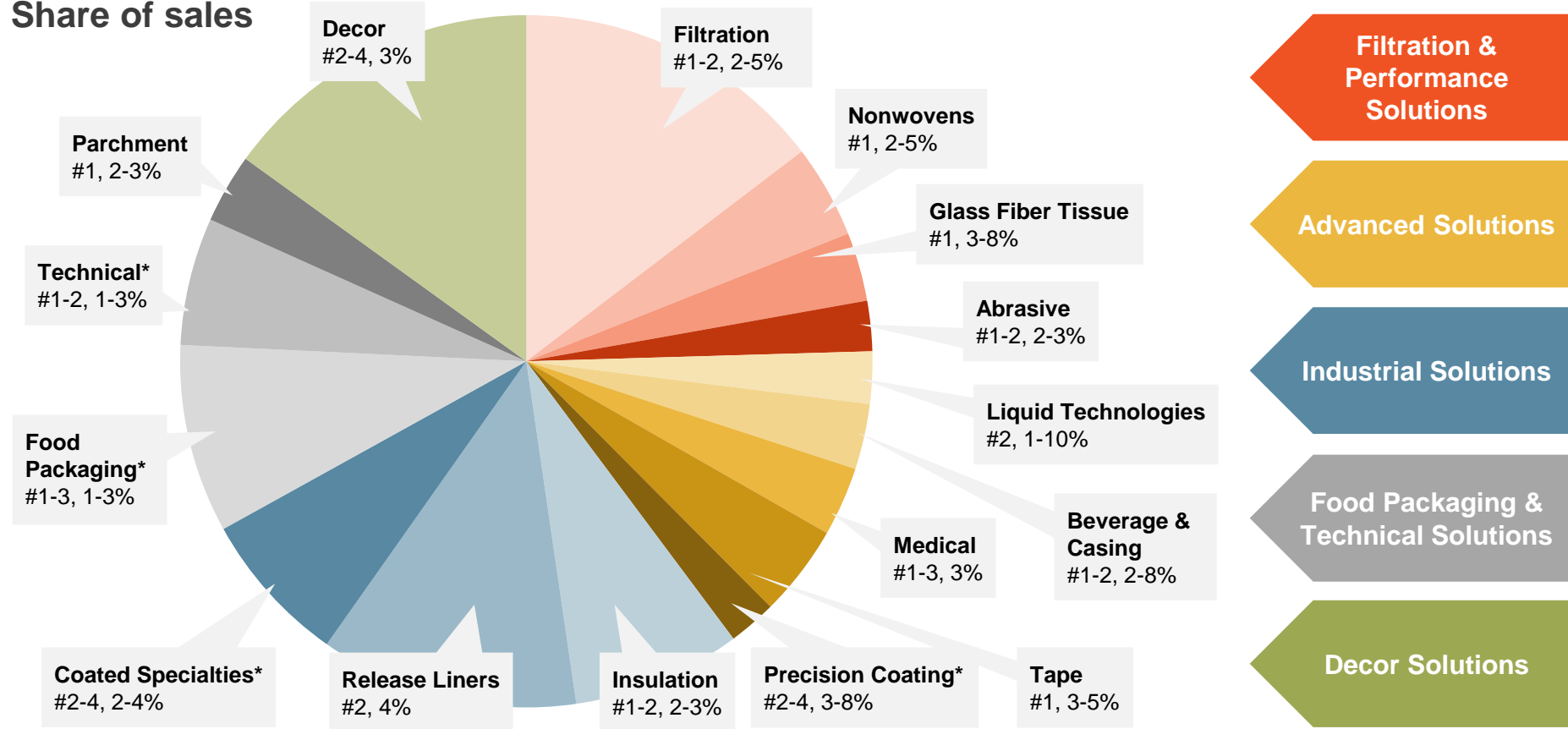
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Leading positions in chosen growth segments

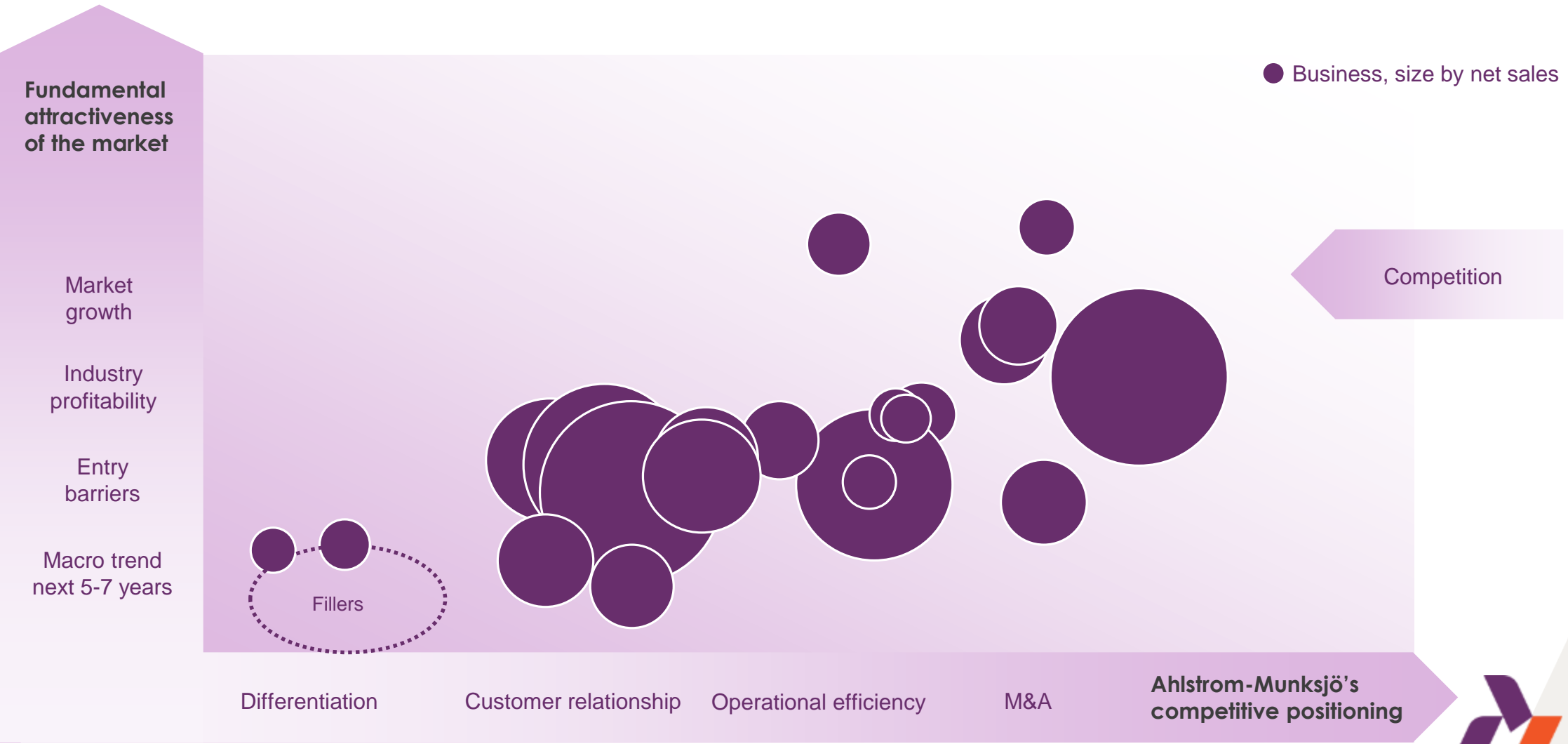
Share of sales



Market position in strategic segments
 % Market growth in percentage
 Figures are based on management estimates.



Our portfolio of businesses





Portfolio management

Developing Decor business into a stand-alone leading global operation

- Potential mergers, acquisitions and joint ventures with Chinese suppliers
- Investigating the possibility to attract outside capital
- Letter of intent to acquire a Chinese decor manufacturer with state-of-the-art assets for EUR 60m

Creating a growth platform for the profitable Liquid Technologies business

- Acquisition of converting operations in China and the U.S.
- Debt free purchase price USD 11m
- Net sales about USD 7m and comparable EBITDA USD 2m

Divestments

Sale of fine art paper business

- Debt free purchase price EUR 44m
- Net sales about EUR 13m and comparable EBITDA EUR 4m















Sale of glass fiber reinforcement business

- Debt free purchase price EUR 6.5m
- Net sales about EUR 30m, no material impact on Group comparable EBITDA



Completed investments driving strategic progress

Production ramp-up ongoing

		Efficiency and agility	Customer value	Profitable growth		
Abrasive backings, Arches Paper machine rebuild, Q1/18-	EUR 14m	✓	✓	✓		 Back of sandpaper
Filtration, Turin Capacity debottlenecking, H1/18-	EUR 3m			✓		 Filtration material
Filtration, Madisonville Product offering, H2/18-	EUR 23m	✓	✓	✓		 Filtration material
Foodpack, Saint Severin New line installation, Q3/18-	EUR 7m		✓	✓		 Baking paper
NASS Coater expansion, Q3/17-	EUR 13m		✓	✓		 Fiber composite release liners
Decor, Dettingen Production line upgrade, Q1/19	EUR 5m		✓	✓		 Pre-impregnated decor paper
Insulation, Aspa Bailing line modernization, Q2/19-	EUR 4m	✓	✓			 Specialty pulp



Completed and announced investments driving strategic progress

Production ramp-up ongoing

Coated Specialties, Jacarei Coating line upgrade, Q3/19-	EUR 21m
Insulation, Billingsfors Boiler and pulp line rebuild, Q3/19-	EUR 23m
Medical, Pont Audemer Converting line rebuild, Q4/19-	EUR 4m

Efficiency
and agility

Customer
value

Profitable
growth



Coated
specialty
paper



Electrotechnical
paper



Sterilization
wrap

Announced investment decisions

Filtration, Release Liner New co-generation in Turin plant, H1/20-	EUR 15m
Filtration, Turin, Malmedy, Stålldalen Capacity expansion, H2/21-	EUR 28m
Beverage & Casing, Chirside New production line, H2/20	EUR 28m



Turin plant



Industrial filter
material



Coffee, tea, and
casing material



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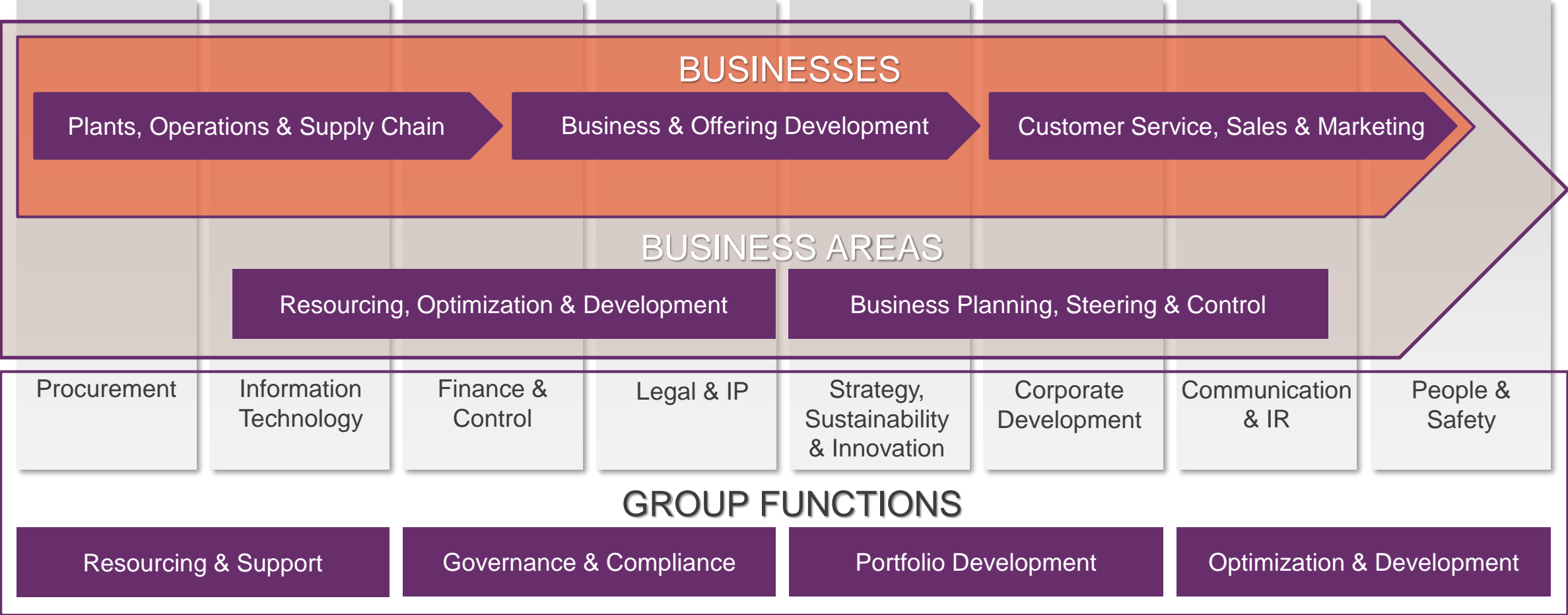
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Operating model



Structure based on core capabilities and business characteristics

“Product excellence”
*New product development and technologies
 Mainly global customers and business*

“Performance excellence”
*Product quality development, efficiency and continuous improvement
 Mainly regional customers and business with regional PM optimization*

Filtration & Performance Solutions
 EVP Daniele Borlatto

Advanced Solutions
 EVP Markus Westerkamp

Industrial Solutions
 EVP Dan Adrianzon

Food Packaging & Technical Solutions
 EVP Robyn Buss

Decor Solutions
 EVP Tomas Wulkan

Businesses
 Filtration
 Nonwovens
 Glass Fiber Tissue
 Abrasive

Businesses
 Liquid Technologies
 Medical
 Beverage & Casing
 Tape
 Precision Coating

Businesses
 Release Liners
 Coated Specialties
 Insulation

Businesses
 Food Packaging
 Parchment
 Technical

Business
 Decor



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Achieving Zero accidents through preventative actions



Substantially increase in reporting Hazards & Near Misses

34% improvement YOY



Safety Training increased with five hours per employee

33% improvement YOY



Total Recordable Incident Rate (TRIR) decreased

6% improvement YOY



Proactive risk management

Identifying & controlling hazards will reduce risks and lead to less total recordable incidents.

Embracing unique culture and creating leadership model

Culture cornerstones guide our way of working

1. We build on sustainability, including safety, in everything we do
2. We are innovative leader in fiber-based solutions
3. We are customer centric and we have a result-oriented way of working
4. We are one-team, one family with roots
5. We operate with trust
6. We are a truly global and diverse company

Leadership development portfolio



JUMP

Young professionals

PIONEER

New managers

LAUNCH

Plant managers

LEAD

Top leaders

Leadership principles



Executive Management Team



Hans Sohlström
President and CEO



Sakari Ahdekivi
Deputy CEO and CFO



Anna Bergquist
Executive Vice President
Strategy, Sustainability and
Innovation



Andreas Elving
Executive Vice President
Legal and General Counsel



Tarja Takko
Executive Vice
President, People and
Safety



Daniele Borlatto
Executive Vice President,
Filtration & Performance
Solutions



Markus Westerkamp
Executive Vice President,
Advanced Solutions



Dan Adrianzon
Executive Vice President,
Industrial Solutions



Robyn Buss
Executive Vice President,
Food Packaging & Technical
Solutions



Tomas Wulkan
Executive Vice President,
Decor Solutions



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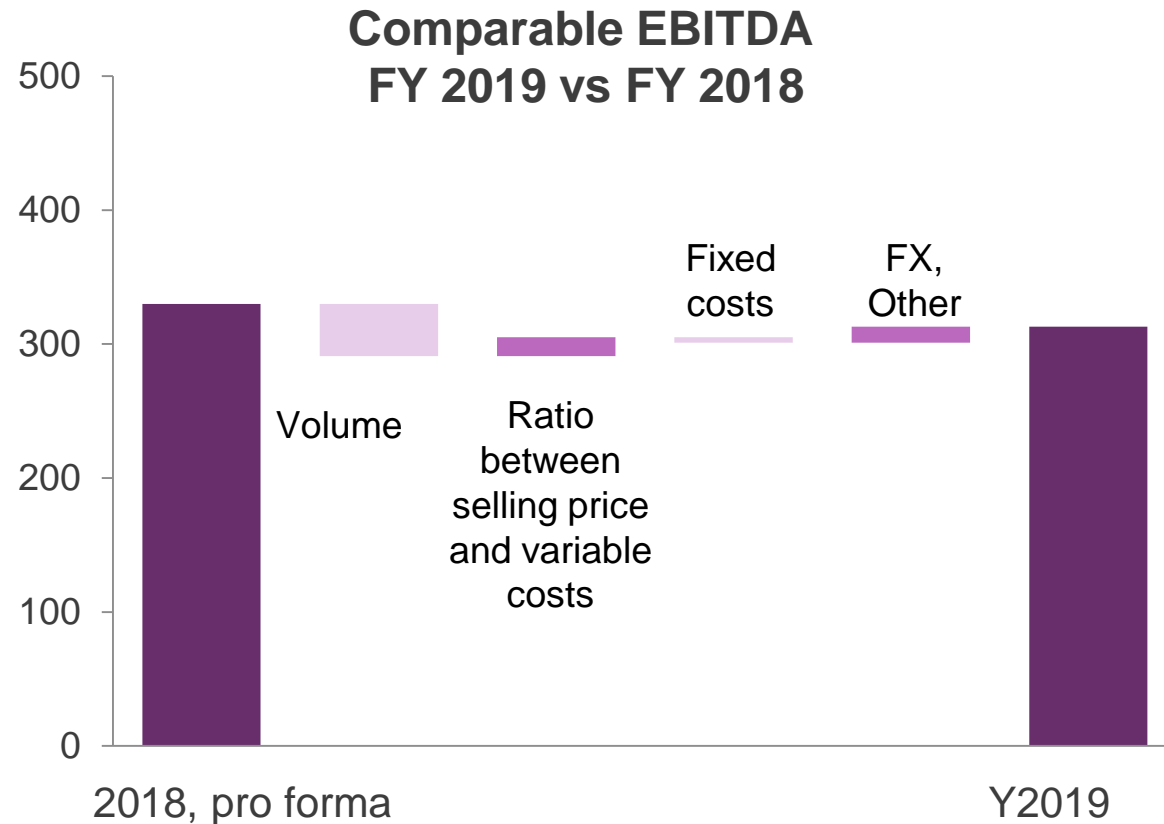
Key figures

	2019	2018	2018, pro forma
Net sales, EURm	2,916	2,438	2,997
Comparable EBITDA, EURm	313	278	330
Comparable EBITDA margin %	10.7	11.4	11.0
Earnings per share (EPS), EUR	0.27	0.43	0.54
EPS Comparable EPS*, EUR	0.84	1.18	1.15
Operating cash flow, EURm	287	92	—
Net debt, EURm	885	963	—
Gearing, %	72	89	—
Dividend per share, EUR	0.52	0.52	—

* Excl. depreciation and amortization arising from PPA



Stronger than expected market headwind in 2019

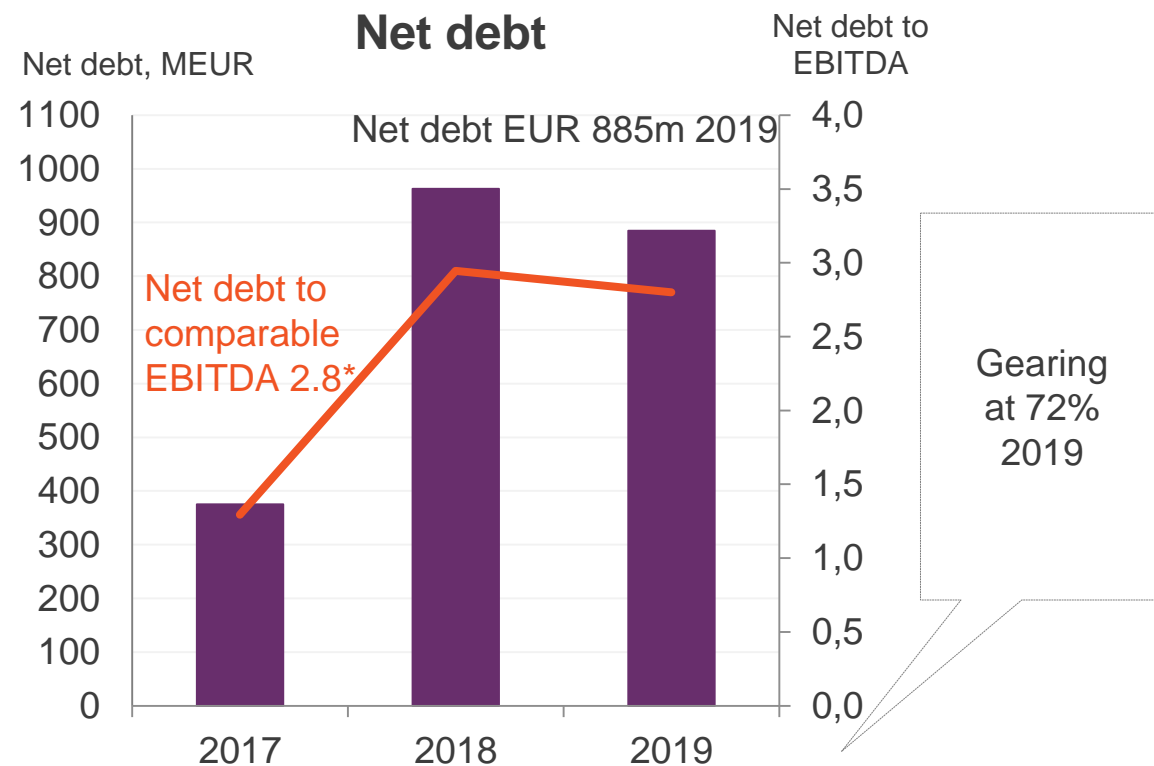
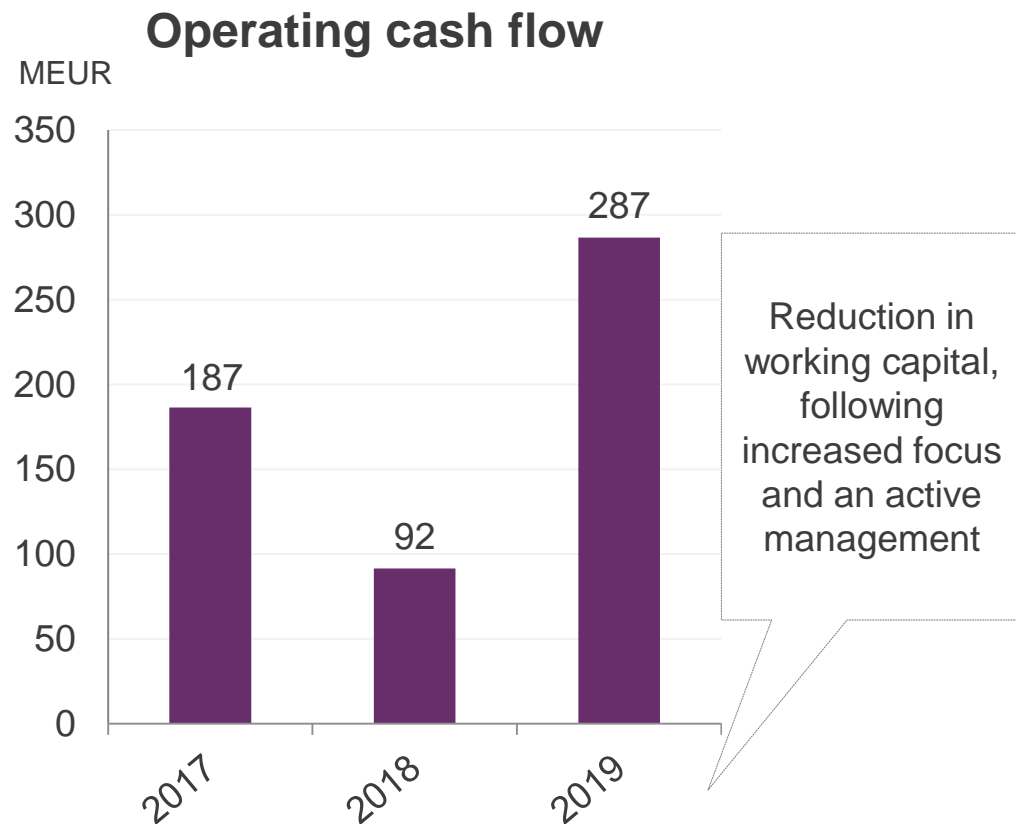


EBITDA impacted by:

- Lower delivery and production volumes
- Higher selling prices more than offset higher variable costs
- Small increase in fixed costs



Strong cash flow boosted by an improvement in working capital



Classification of certain balance sheet items between interest-bearing and non-interest-bearing assets and liabilities were redefined. Comparison figures from Q3/2018 have been restated accordingly

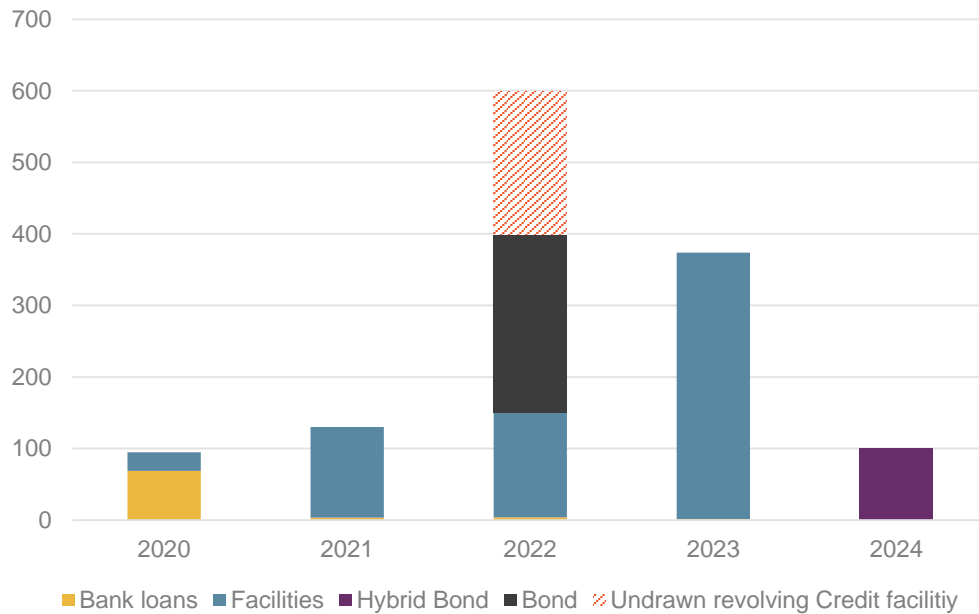
* The implementation of the new IFRS 16 standard, which is excluded from debt covenant calculations, increased net debt by EUR 54 million and EBITDA by EUR 16 million in 2019



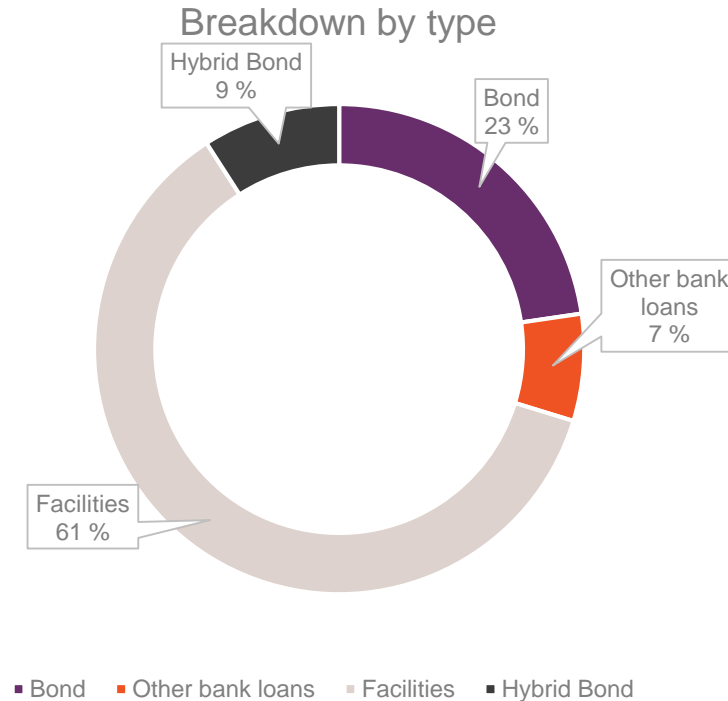
Maturity profile and debt structure

2019

Maturity profile as of Dec. 31, 2019



Interest-bearing liabilities as of Dec. 31, 2019



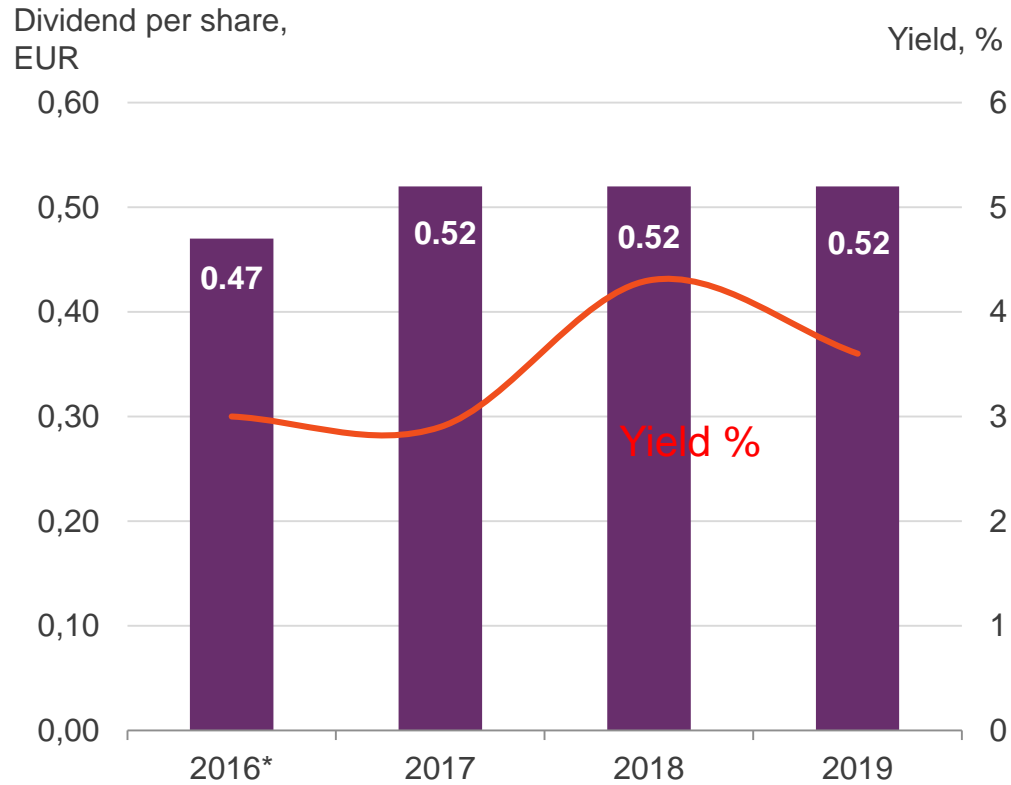
- Cash position EUR 166 million
- Available undrawn committed facilities EUR 214 million
- Available undrawn uncommitted facilities EUR 398 million

- Weighted average interest rate 3.4% (excl. hybrid bond and lease liabilities)
- Net interest expense EUR 48 million in 2019



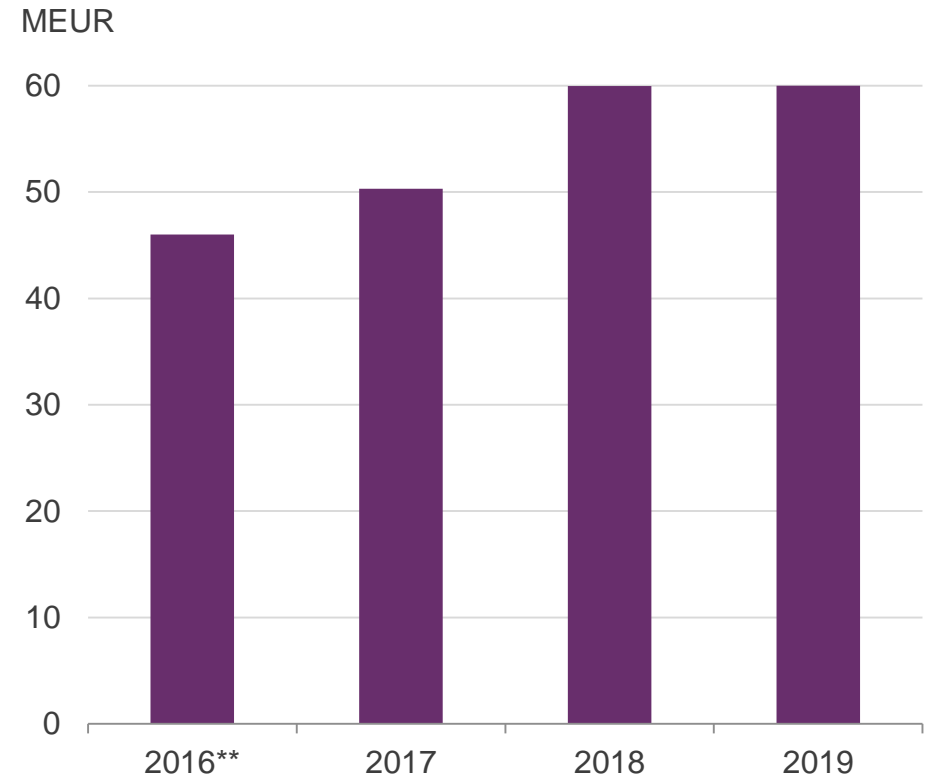
Dividend: EUR 0.52 per share for 2019, paid in four installments

Dividend per share and yield %



* Converted by using the same number of shares as in 2017

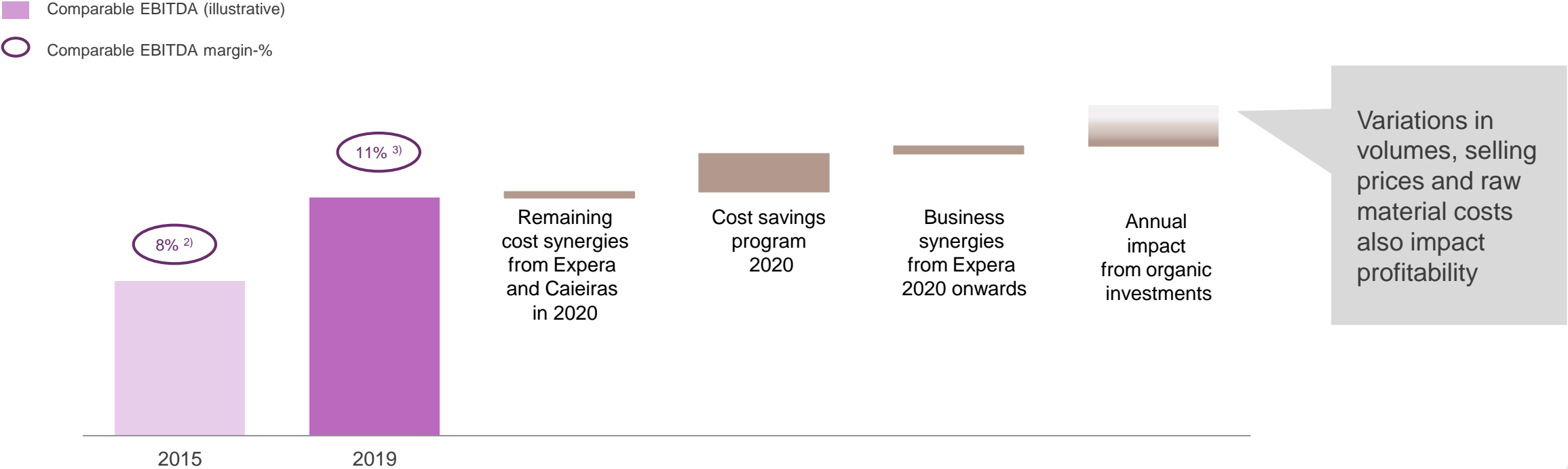
Dividend



** Total dividend of Ahlstrom and Munksjö



Measures to maintain and improve competitiveness¹⁾



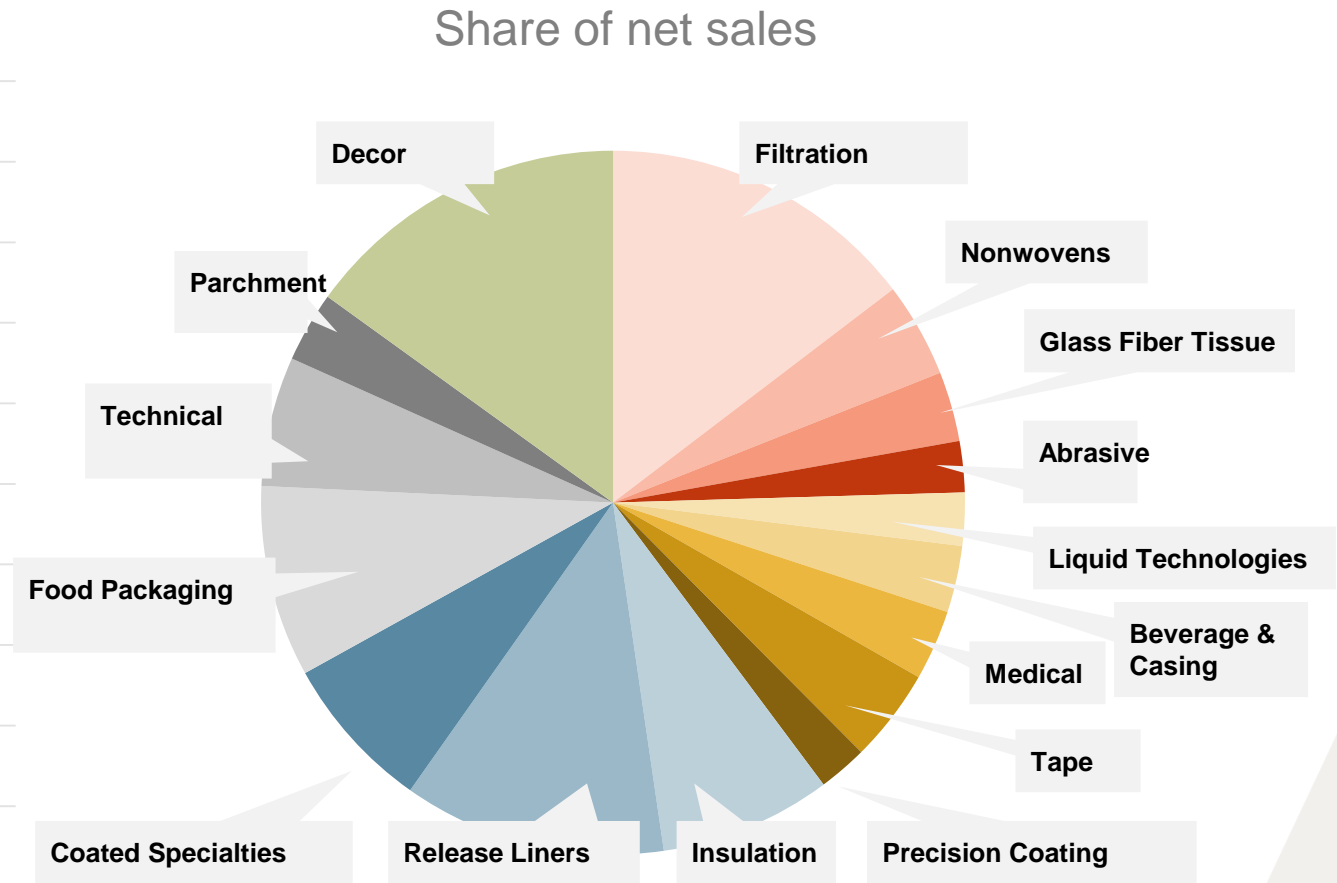
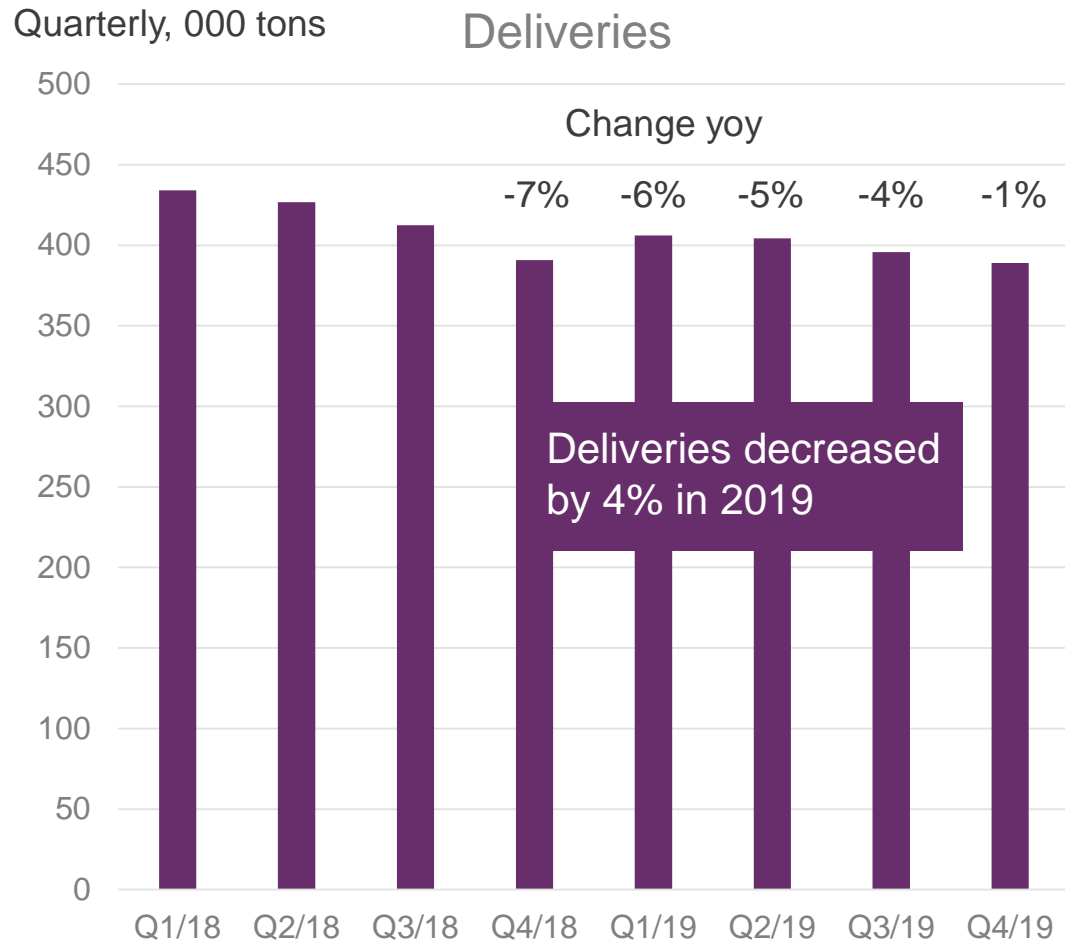
1) Illustrative (not necessarily in scale), not to be considered as guidance

2) Munksjö's reported adjusted EBITDA margin for 2015

3) Comparable EBITDA margin in 2019



Decline in deliveries levelled-off towards year end 2019, deliveries expected to increase in Q1/20 vs Q1/19





Business environment and guidance

- Customer activity has remained on a good level, Q1/20 deliveries expected to be higher than in Q1/19
- Coordinated responds to the epidemic with a broad health care and life science offering
- Increasing production of face mask materials with unique technology
- Thanks to great team work Ahlstrom-Munksjö has managed the exceptional circumstances well
- Due to current market circumstances Ahlstrom-Munksjö moves to a quarterly guidance
- Comparable EBITDA in Q1/2020 is expected to be higher than in Q1/2019
 - The previous annual guidance stated that comparable EBITDA in 2020 was expected to be higher than in 2019



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Leveraging our unique filtration capability in response to Covid-19

- Ahlstrom-Munksjö fights the COVID-19 epidemic by starting to produce face mask materials with a machine usually used for industrial filtration materials
- Supplements Ahlstrom-Munksjö's current product offering in the Medical business and brings strongly needed additional production capacity to the market
- Unique fiber technology used in the production, which generates mechanical protection and is better than what is currently available on the market
- First orders received, and collaboration started with different stakeholders to produce and test the new face masks
- One-of-a-kind collaboration started with the universities of Turin, Milan and Bologna to offer Ahlstrom-Munksjö's materials and testing capability in Italy to support all the requests the local authorities are asking to assure good quality of masks



Rapid and coordinated responses to coronavirus

- Extraordinary engagement, commitment, skills and responsibility from the organization
- Measures in place to protect the wellbeing of our employees, operate our plants and serve our customers simultaneously.
- All Ahlstrom-Munksjö's 45 manufacturing facilities worldwide are operational
 - Minor issues with logistics, shipping raw material supply
 - Managed on a case-by-case basis
 - A few employees with suspected infections in quarantine
- No material delays in customer deliveries, mainly relating to boarder controls
- Health and safety of all our employees is of utmost importance



Medical

Demand drivers

- High-risk surgeries increasing
- Liabilities around infections and contamination
- Rigorous regulatory requirements
- Increasing use of single-use protection

Strengths

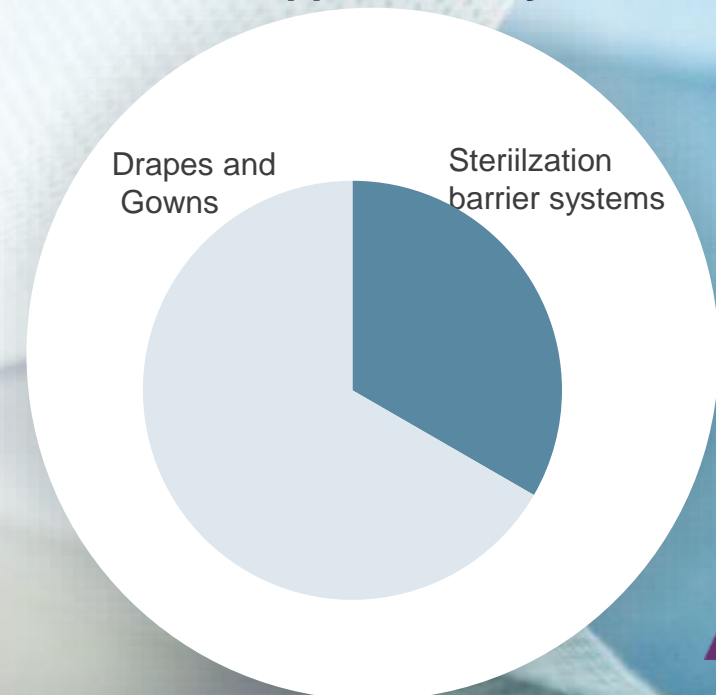
- Leading in high protective fabrics for high risk surgeries
- Leading position in sterilization wrap market in Europe
- Experienced team and strong product development capabilities
- Multi-technology platform approach

Going forward

- Continue to expand with personal protective apparel fabrics as well as increasing market share in surgical drapes and gowns.
- Strengthen leading position in Europe in sterile wraps and grow as a solutions provider through an enhanced service offering
- Grow in Asia through improved customer service and local converting footprint

The **Medical** business makes medical fabrics used in sterile barrier systems, drapes, gowns, facemasks and sterilization wraps, all used primarily in surgery but also in cleanrooms and laboratories. Ahlstrom-Munksjö targets global markets.

- **Market position #1-3**
- **Average market growth 3% p.a.**
- **Sales approximately EUR 90 million**



Expert in barrier protection

Surgical drapes, gowns and apparel

- Innovative single-use medical fabrics used in drapes, gowns, facemasks and apparel protecting workers in the operating room
- Providing clinical and cleanroom environments a wide range of products for all levels of protection, keeping health care workers and patients safe and comfortable

Sterile Barrier Systems – wrap with confidence

- Range of rolled and sheeted fabrics that can be used for sterilization wraps, packaging systems and absorbent tray liners



Liquid Technologies

Demand drivers

- Increase in testing for environmental and health monitoring.
- Patient-friendly procedures, performed at home
- Quick, cost-effective solutions for healthcare
- Safer drinking water, rising quality standards for food and liquids

Strengths

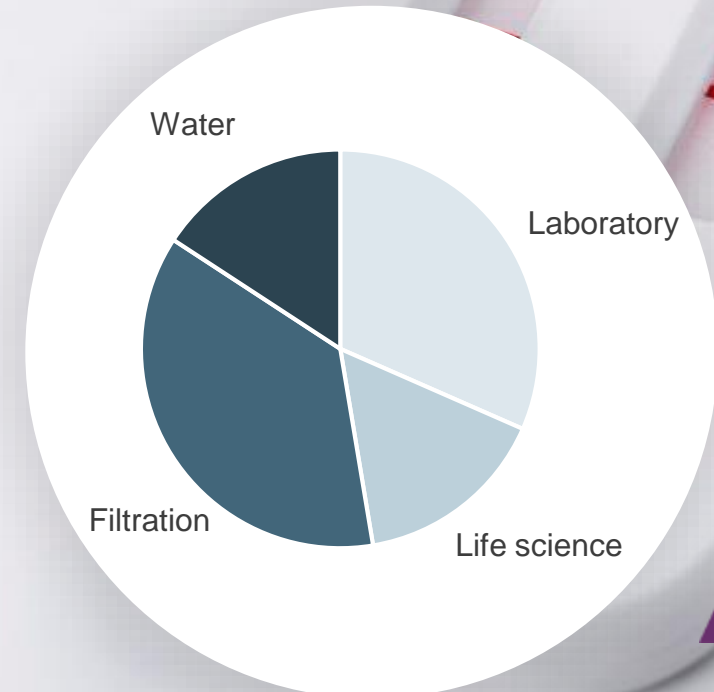
- Disruptor proprietary technology in water purification
- Alternative solution to liquid sampling by avoiding cold chain and special transport of specimen to be used for i.e. diagnosis of genetic diseases and DNA screening. New components for rapid test kits that extend this technology into pregnancy tests, infectious diseases and drug monitoring.
- Full range service for laboratory filters; cost-effective solution to increase hot cooking oil quality

Going forward

- Market position in life science and laboratory segment will be strengthened through further product development and partnerships with e.g. kit assemblers. In liquid purification, the business will continue to penetrate the water purification market through more end-use applications.

The **Liquid Technologies** business produces high-quality filters for laboratory sample preparation and life science diagnostics materials, used by laboratories and manufacturers of rapid test kits, in addition to high-performance media for water purification devices.

- **Market position #2**
- **Average market growth 1-10% p.a.**
- **Net sales approximately EUR 70m**



Fighting the pandemic with high-quality filters and life science diagnostics materials, as well as high-performance media for water purification devices



Components used in rapid test kits for fast detection of medical conditions



Efficient and convenient screening of infectious diseases, human identification and genetic mapping



Filter media for artificial respiratory devices



Virus and contaminants removal for safe drinking water





Summary

- **Integrated acquired businesses**
 - Exceeded targeted synergy benefits
 - New organizational structure
- **Developed our business portfolio**
 - Most value creating structure
 - Four strategic investments completed
- **Strengthen our company culture**
 - Identified culture cornerstones
 - Created leadership model
- **Financial performance**
 - Stronger than expected market headwind
 - Profit improvement actions
- **Rapid and coordinated response to Covid-19**
 - Broad health care and life science offering
 - Increasing production of face mask materials





Thank you!
Smart solutions out of fibers