

Ahlstrom-Munksjö

INVESTOR PRESENTATION

August 2020



Ahlstrom-Munksjö – Global leader in fiber-based solutions

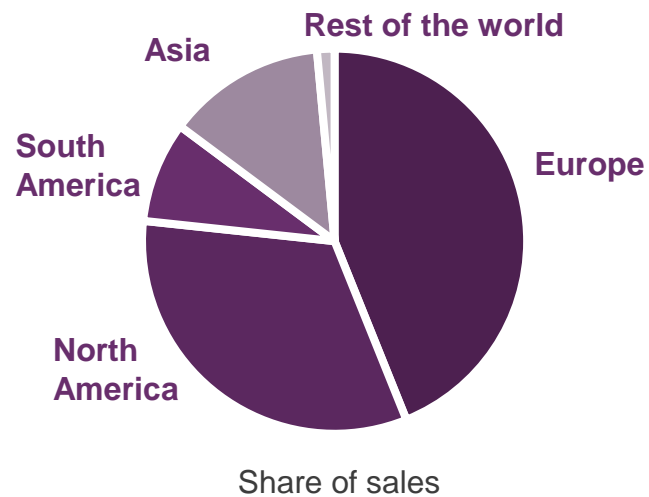
- Fibers are at the core of what we do and the common denominator for our products and solutions
- Natural fibers represent 94% of our total fiber use
- We offer custom made specialized fiber-based materials
- Our value proposition is based on innovation, quality and service
- Our offering contributes to a more sustainable everyday life by providing renewable materials that are alternatives to non-renewables, and solutions that make the end product more sustainable

Key facts

- Global network of sales offices and 45 plants and converting sites in 14 countries, approximately 8,000 employees
- More than 7,000 customers in over 100 countries
- Net sales of approximately EUR 3 billion
- Shares listed on Nasdaq Helsinki and Stockholm
- Head office in Helsinki



Balanced end-use and geographical exposure



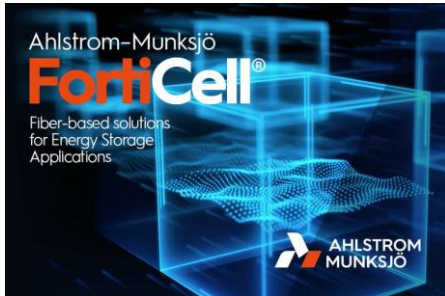
KEY STRENGTHS

- Leading position in chosen segments
- Operating in growing markets
- Balanced geographical exposure to a broad range of end-uses
- Designed sustainable and innovative solutions for customers



Designed sustainable and innovative solutions for customers

Sales from products launched in the past three years was 10% in 2019 – Long-term target is 15%*



FortiCell®, a new range of fiber-based solutions for energy storage applications



Extia® Protect, a comprehensive range of materials for face masks



Partnership with BUFF®, a producer of lifestyle accessories, to supply replaceable filter media for face masks



TrustShield™, single-use fabrics for ultimate protection



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

* By 2025

Strategy



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, over time 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



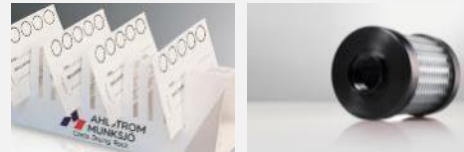
SAFER MATERIALS

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



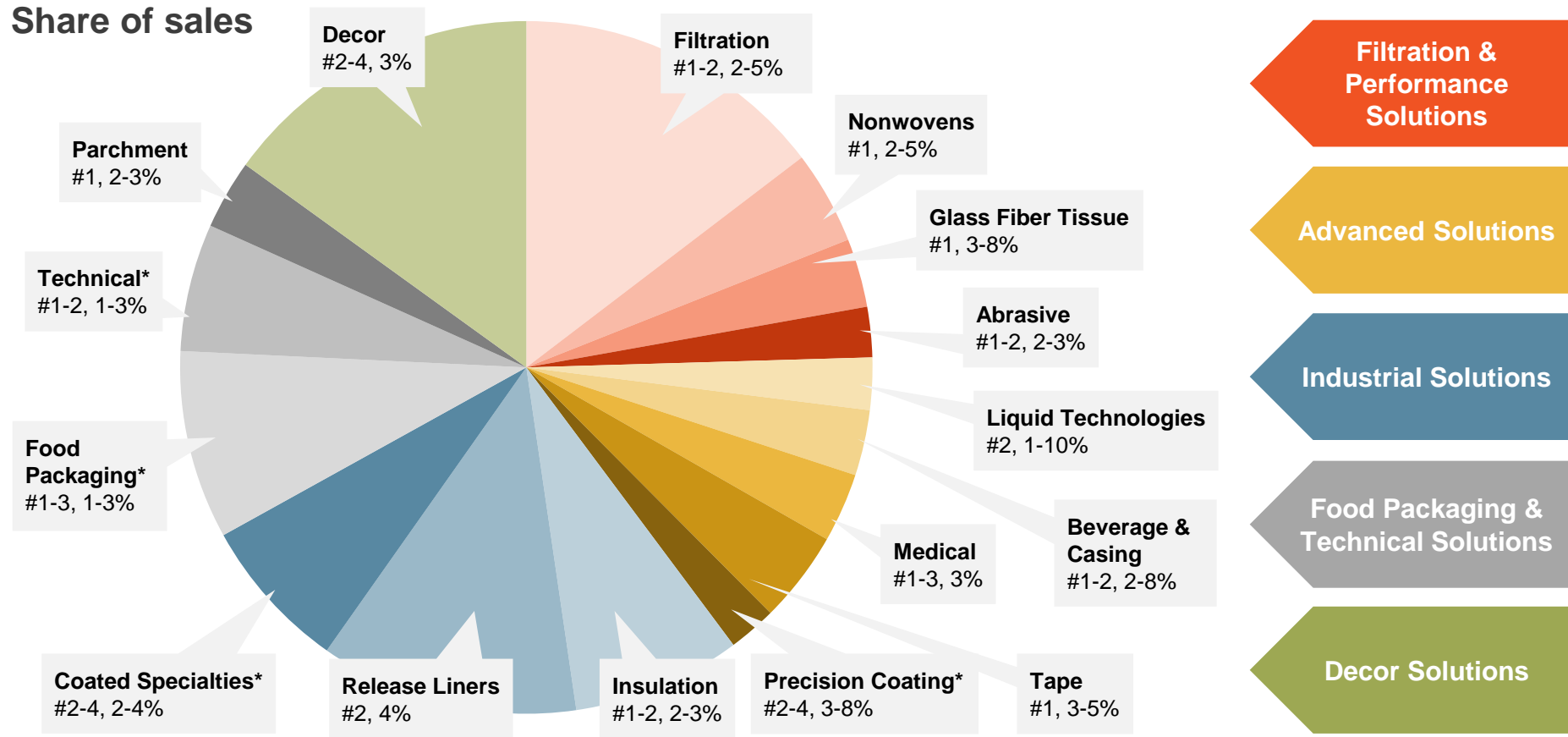
Innovation



Business ethics

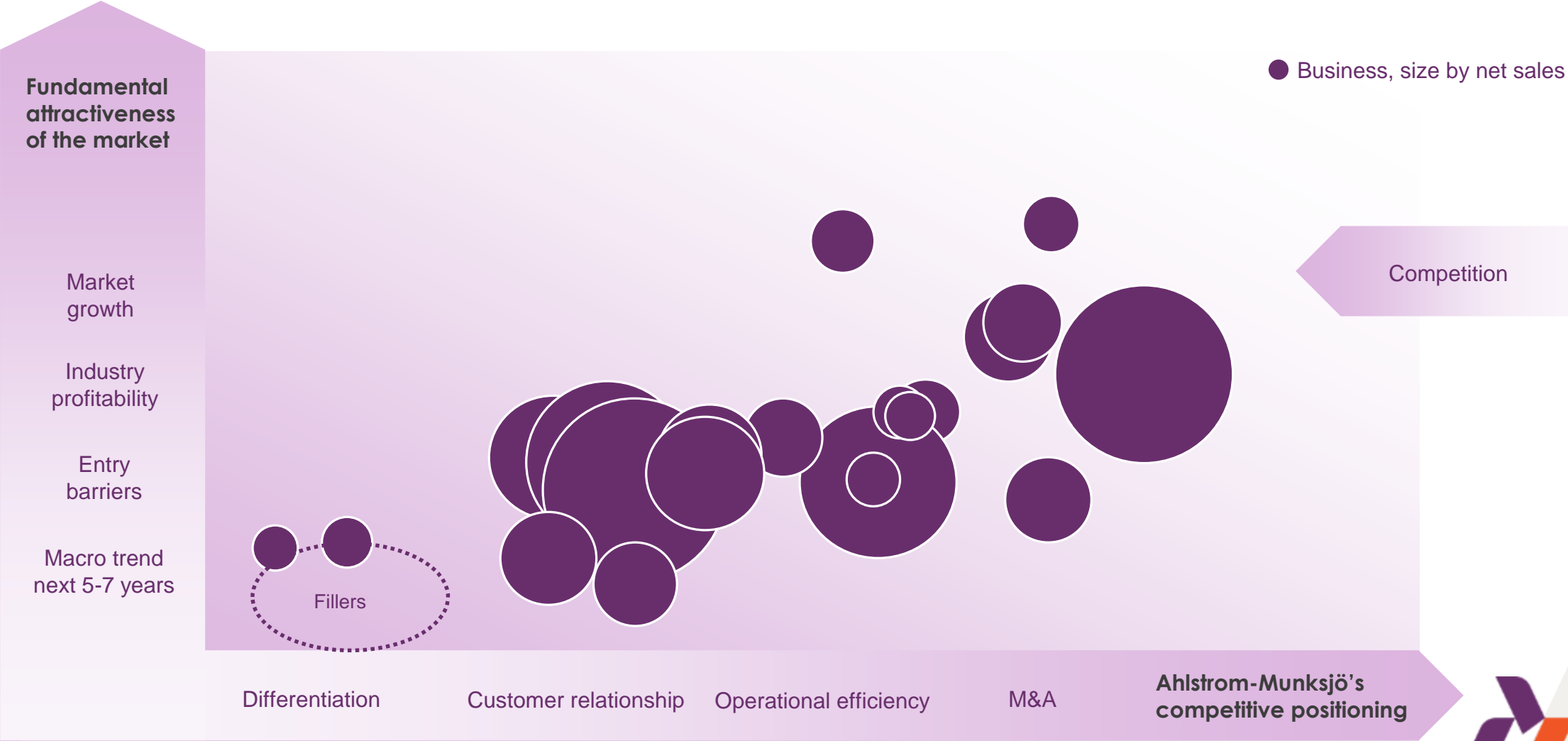


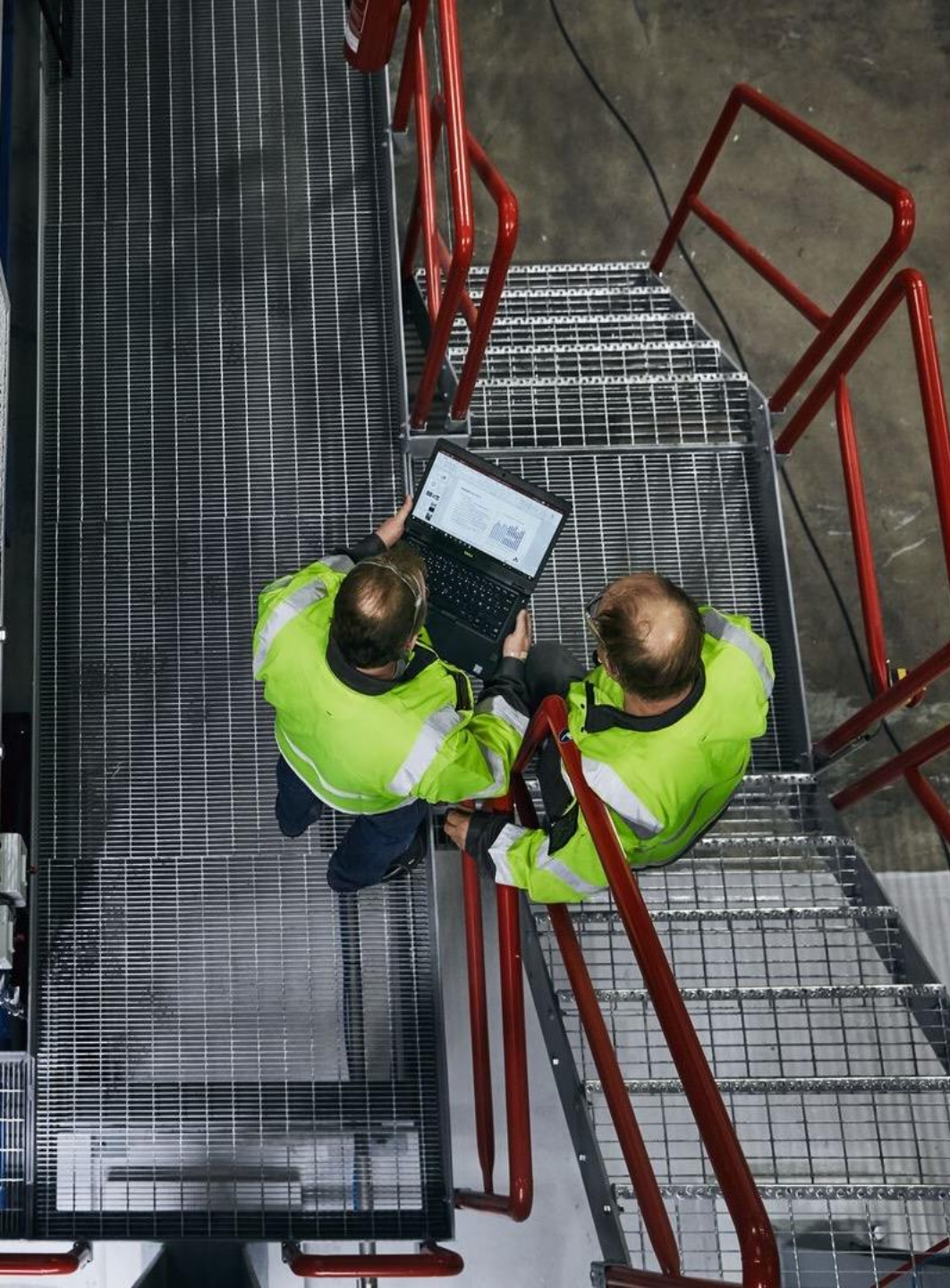
Leading positions in chosen growth segments



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 60 million

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 11 million (EUR 9.3 million)
- Net sales about USD 7 million and comparable EBITDA USD 2 million

Divestments

Sale of fine art paper business

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

Sale of glass fiber reinforcement business

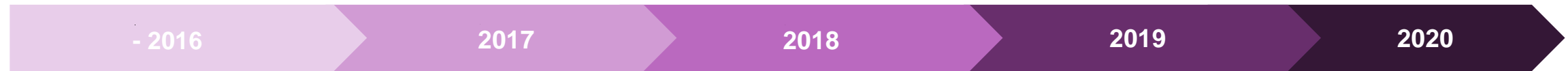
- Debt free purchase price EUR 6.5m
- Net sales about EUR 30 million, no material impact on Group comparable EBITDA



Our 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

	Munksjö 2015	Ahlstrom 2015	Expera 2017	Caieiras 2017	Ahlstrom-Munksjö 2019
Net sales	EUR 1.1bn	EUR 1.1bn	EUR 616m	EUR 76m	EUR 2.9bn
Comparable EBITDA	EUR 94m	EUR 105m	EUR 61m	EUR 12m	EUR 313m
Employees	2,900	3,300	1,870	350	8,100



Key takeaways

- Leading position in chosen growth segments
- Balanced geographical exposure to a broad range of end-uses
- Designed sustainable and innovative solutions for customers
- Actions ongoing to improve competitiveness and drive growth

Smart solutions out of fibers

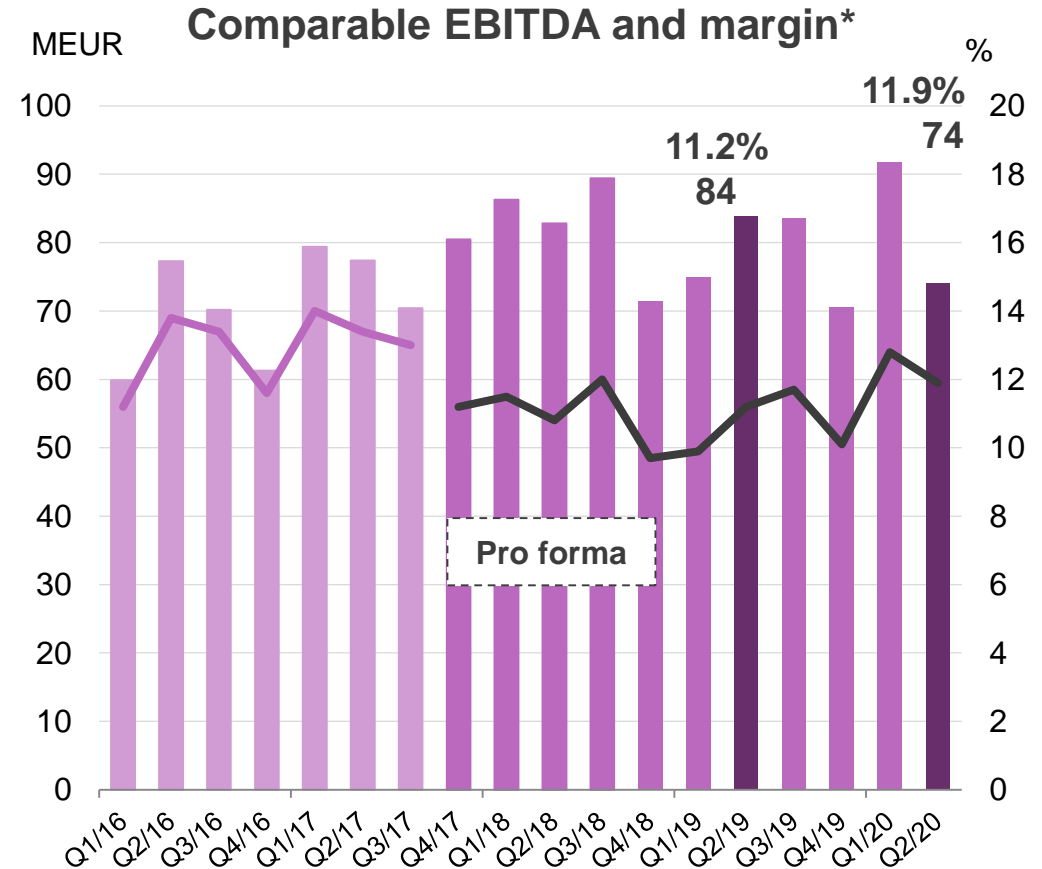


Q2/2020 Business and financial review



Solid result under exceptional circumstances

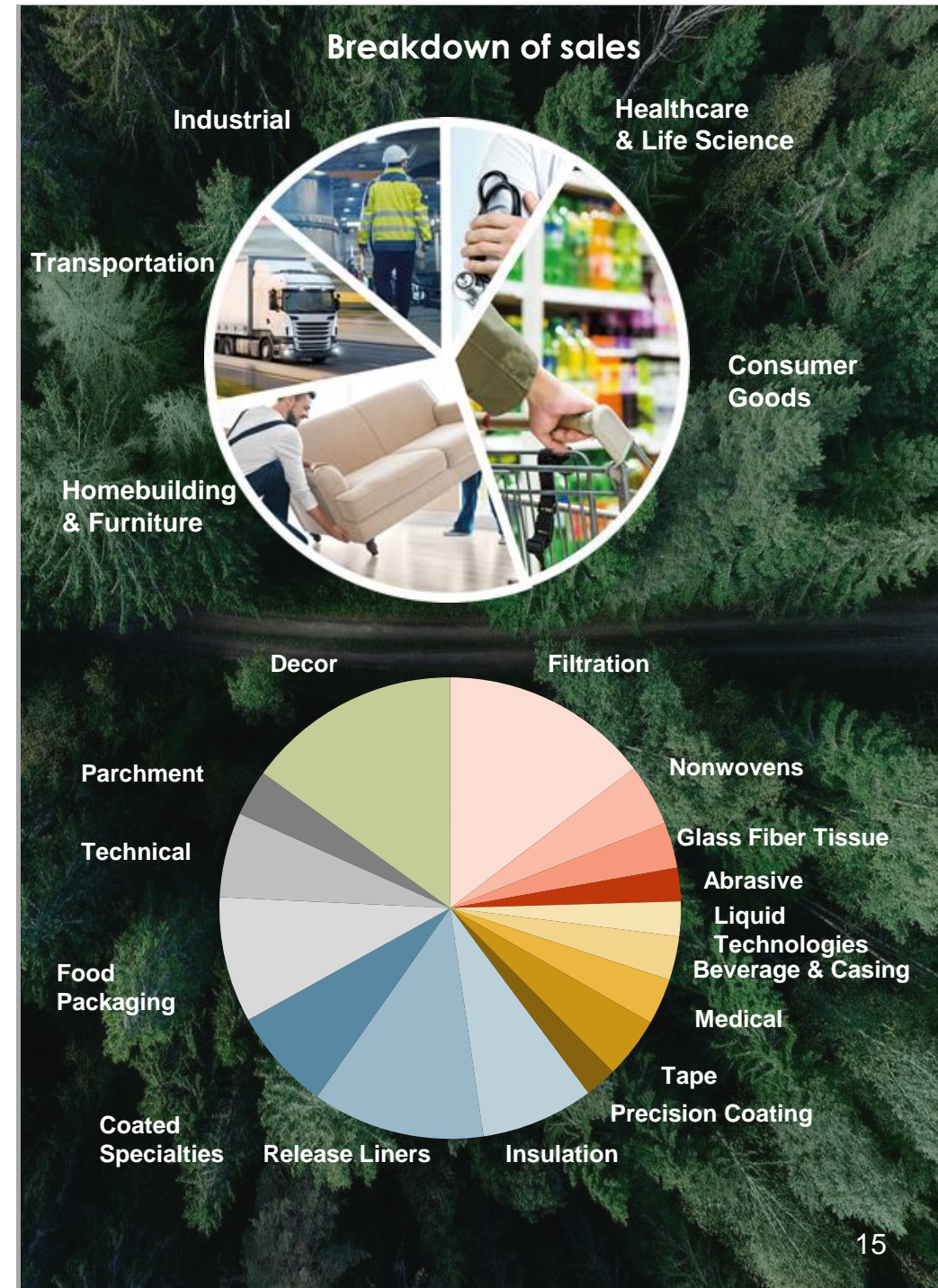
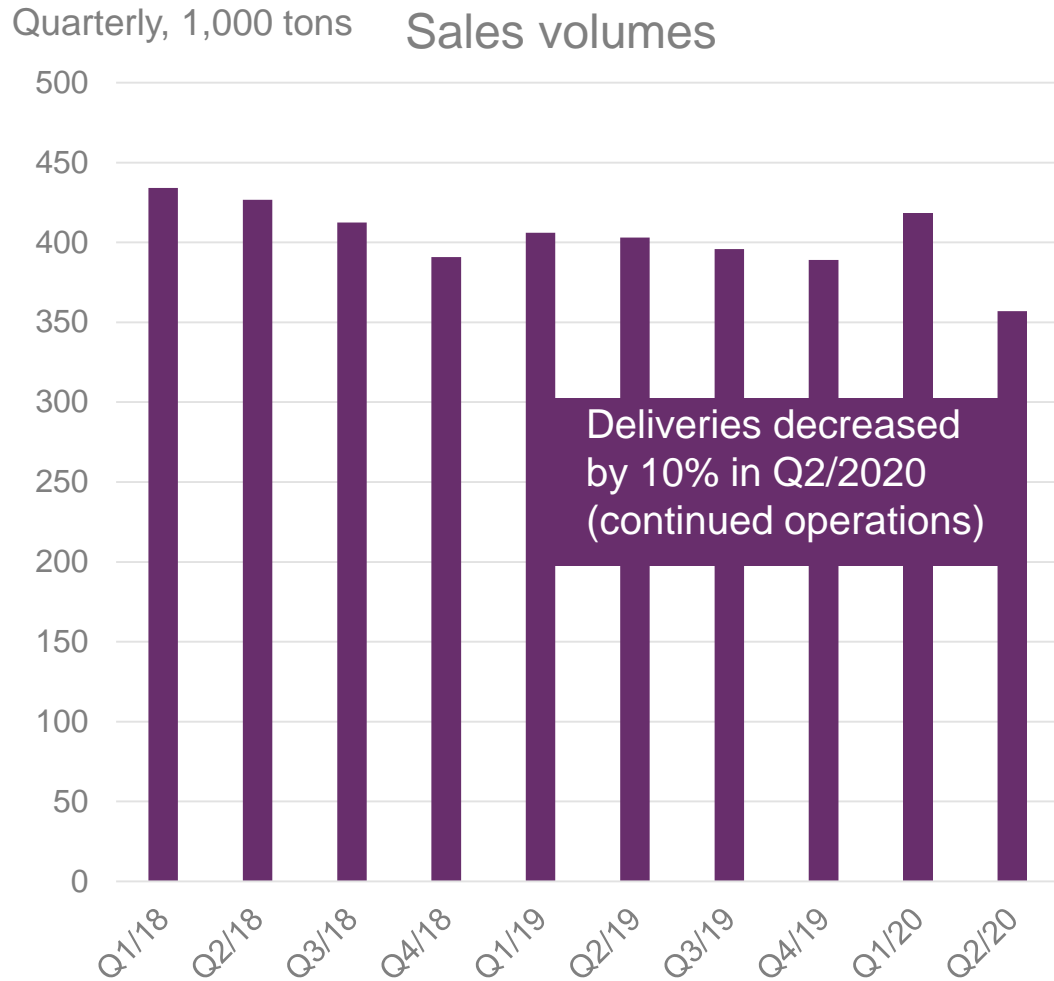
- Solid comparable EBITDA and increased margin despite the decline in delivery volumes
- Swift response and cost reduction actions cushioned the impact
- Customer activity varied within Ahlstrom-Munksjö's broad geographical reach and product range as a result of the pandemic
- Ramp-up of global face mask materials manufacturing production capabilities
- Entering the electric vehicle battery market with a range of fiber-based solutions
- Improved financial flexibility and good liquidity with no major refinancing needs
- Sustainability work awarded with fourth consecutive EcoVadis Gold rating



*Years 2016-Q3/2017 Ahlstrom-Munksjö excluding NASS and Caieiras

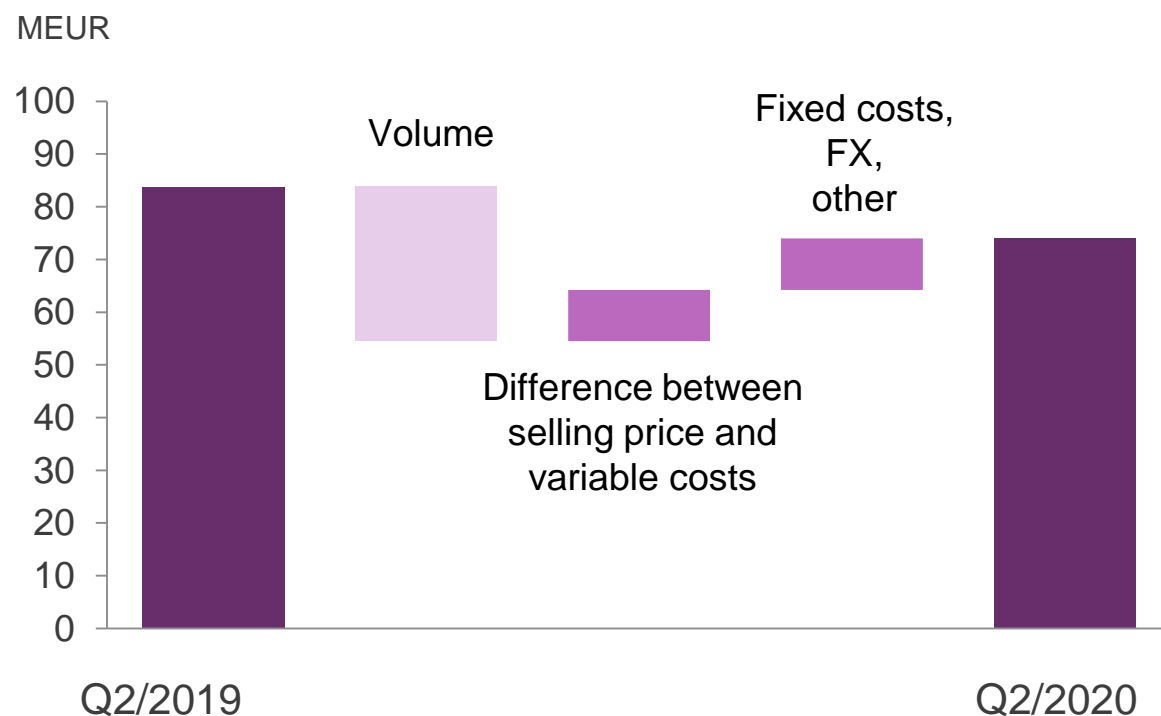


Volumes decreased in Q2/2020



Cost reduction measures mitigated the financial impact

Comparable EBITDA
Q2/2020 vs Q2/2019



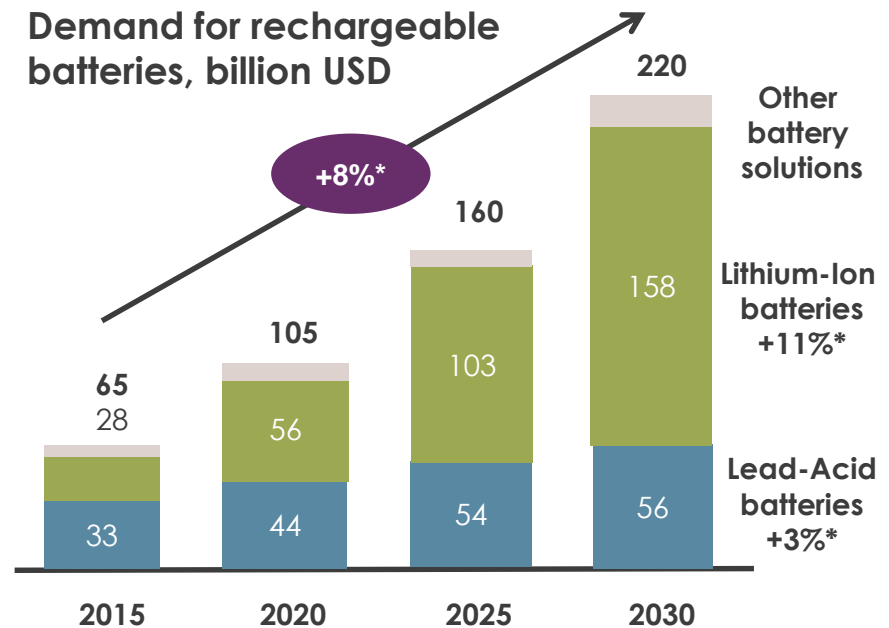
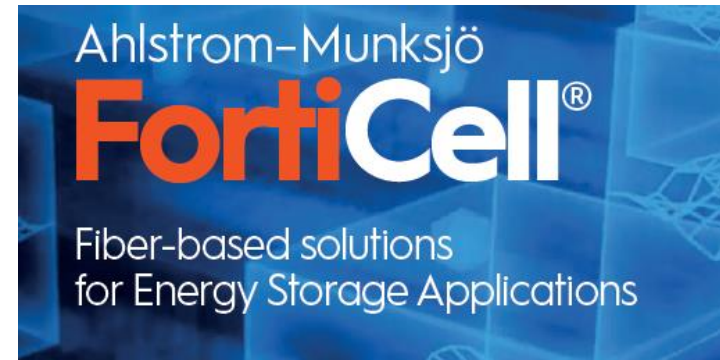
EBITDA impacted by:

- Decrease in delivery volumes
- Lower variable costs
 - Lower raw material prices
 - Costs savings measures
- Lower selling prices
- Fixed costs reduction measures

















Entering the energy storage market

- Fiber-based materials play an essential role in the performance and development of advanced energy storage technologies. Materials are mainly used as separators in energy storage applications such as batteries.
- Electricity is the fastest growing source of energy and demand for energy storage is expected to grow significantly, driven by:
 - vehicle electrification
 - shift towards renewable energy
 - increasing demand of stationary applications
 - effective electricity supply chain management
- Demand for rechargeable batteries is estimated to double in the next 10 years
- Ahlstrom-Munksjö offers extensive expertise in cellulose, microglass and specialty nonwoven materials
- Launch of Ahlstrom-Munksjö FortiCell® – a platform of fiber-based energy storage solutions
 - Product launches will start in Q3/2020



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

		Efficiency and agility	Customer value	Profitable growth		
Coated Specialties, Jacarei Coating line upgrade, Q3/19-	EUR 21m	✓	✓	✓	▶	 Coated specialty paper
Insulation, Billingsfors Boiler and pulp line rebuild, Q3/19-	EUR 23m	✓		✓	▶	 Electrotechnical paper
Medical, Pont Audemer Converting line rebuild, Q4/19-	EUR 4m	✓	✓		▶	 Sterilization wrap

Announced investment decisions

Filtration, Release Liner New co-generation in Turin plant, H2/20-	EUR 15m	✓			▶	 Turin plant
Filtration, Turin, Malmedy, Stålldalen Capacity expansion, H2/21-	EUR 28m	✓		✓	▶	 Industrial filter material
Beverage & Casing, Chirside New production line, Q1/21	EUR 28m	✓	✓	✓	▶	 Coffee, tea, and casing material

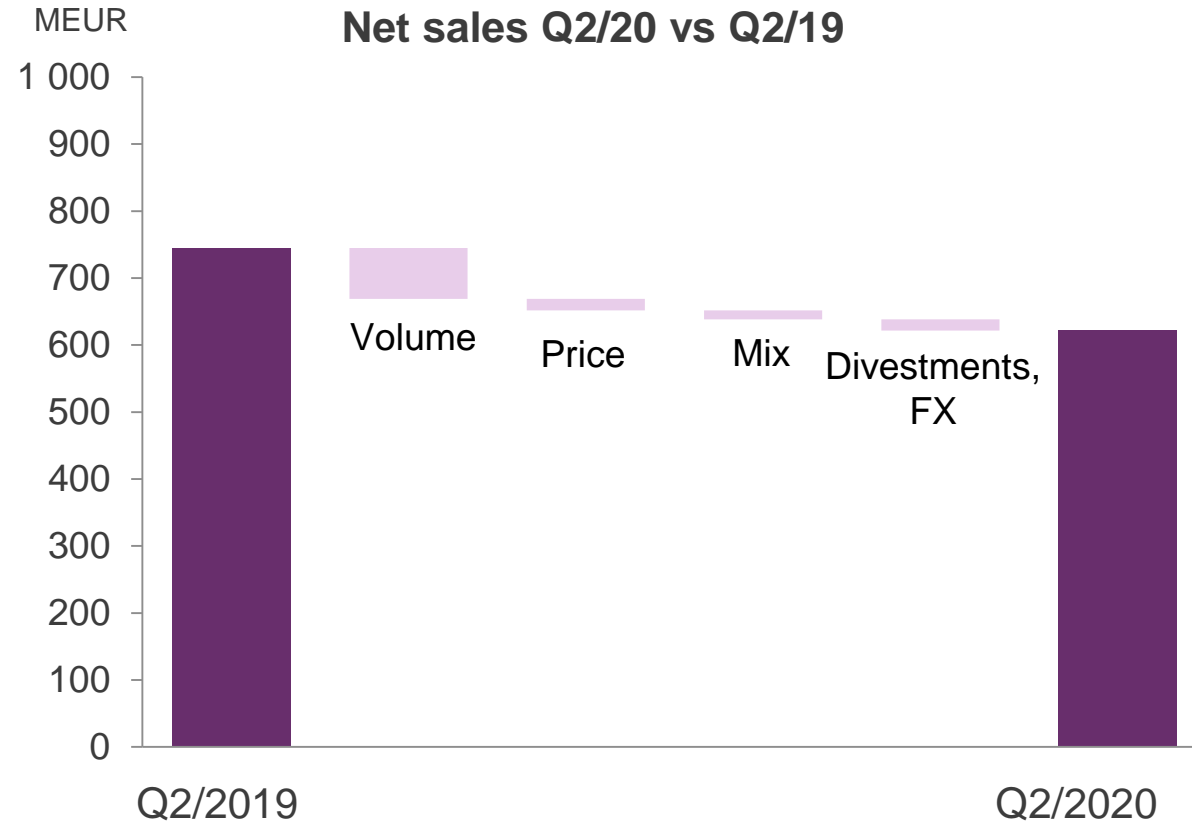


Expansion of industrial filtration and energy storage applications

- EUR 28 million investment to strengthen manufacturing platform of materials for high performance filtration and energy storage applications
- Includes three steps:
 - Micro-glass based filter media production capacity expansion at the Fabriano plant, Italy. Ramp-up at the beginning of 2021.
 - Industrial filtration production capacity expansion at the Malmedy plant, Belgium. Completion at mid-2021.
 - New line in Turin, Italy, designed for micro-glass based media for industrial and automotive filtration as well as energy storage applications, such as absorbed glass matt for battery separators. The installation to be completed by the end of 2021.



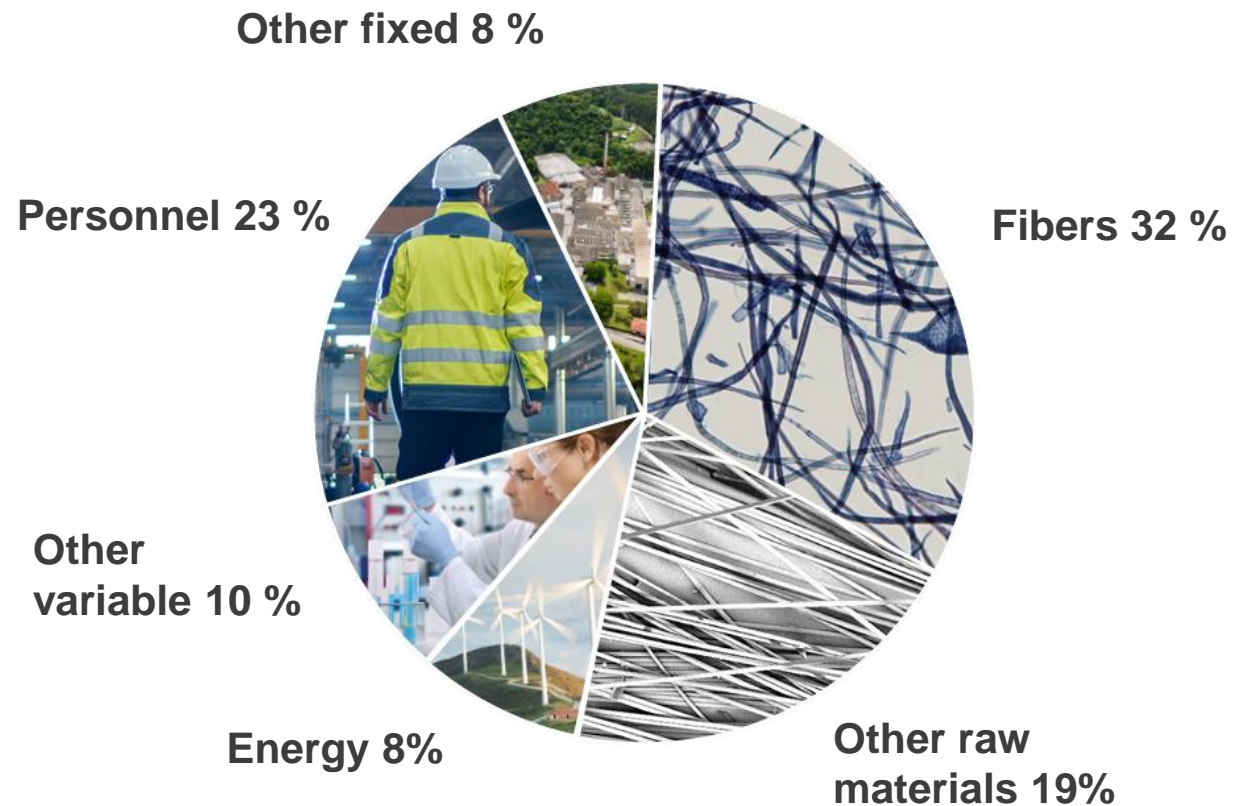
Net sales mainly impacted by lower delivery volumes



Net sales impacted by:

- Deliveries (cont. ops.) -10%
- Selling prices - 2%
- Product mix - 2%
- Divestments, FX - 2%

Lower costs mitigated negative impact of lower deliveries in Q2/2020

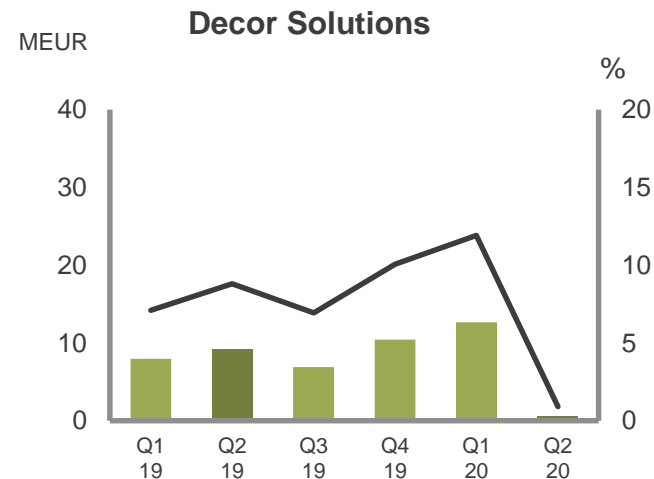
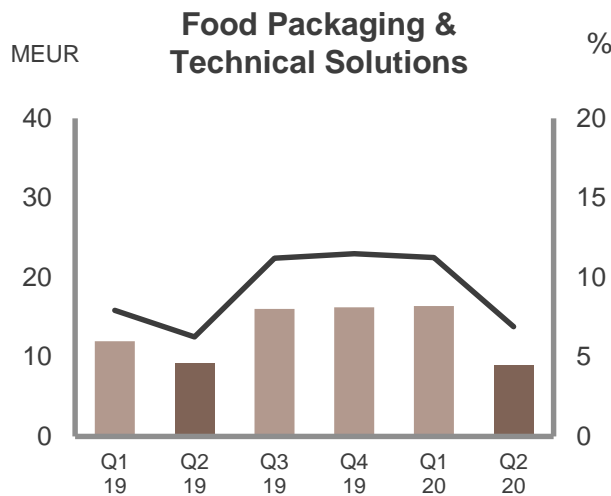
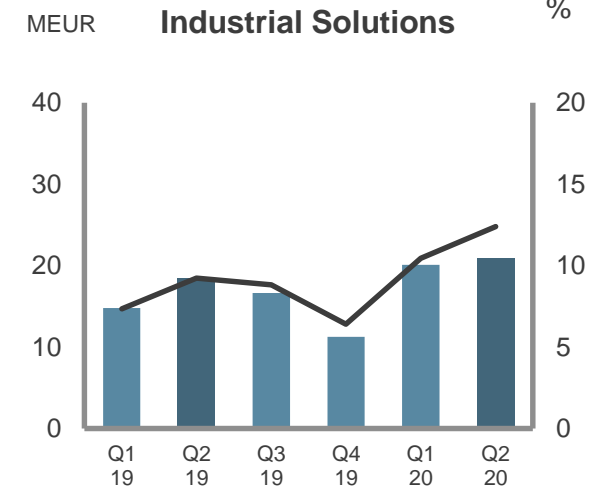
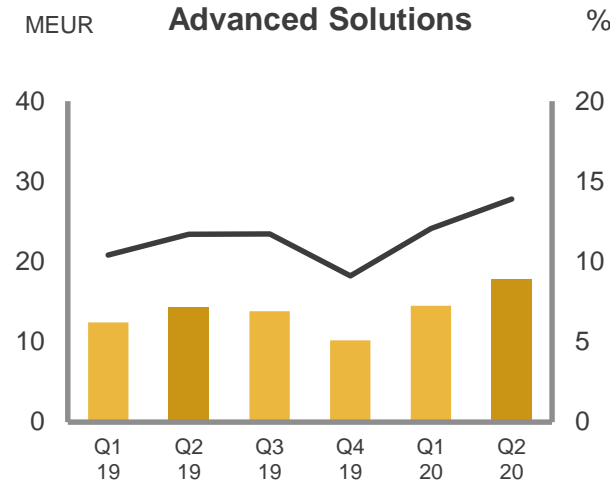
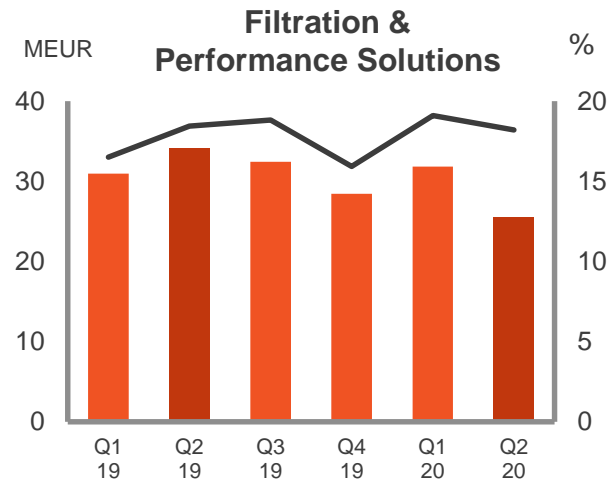


Lower costs in Q2/20 compared to Q2/19

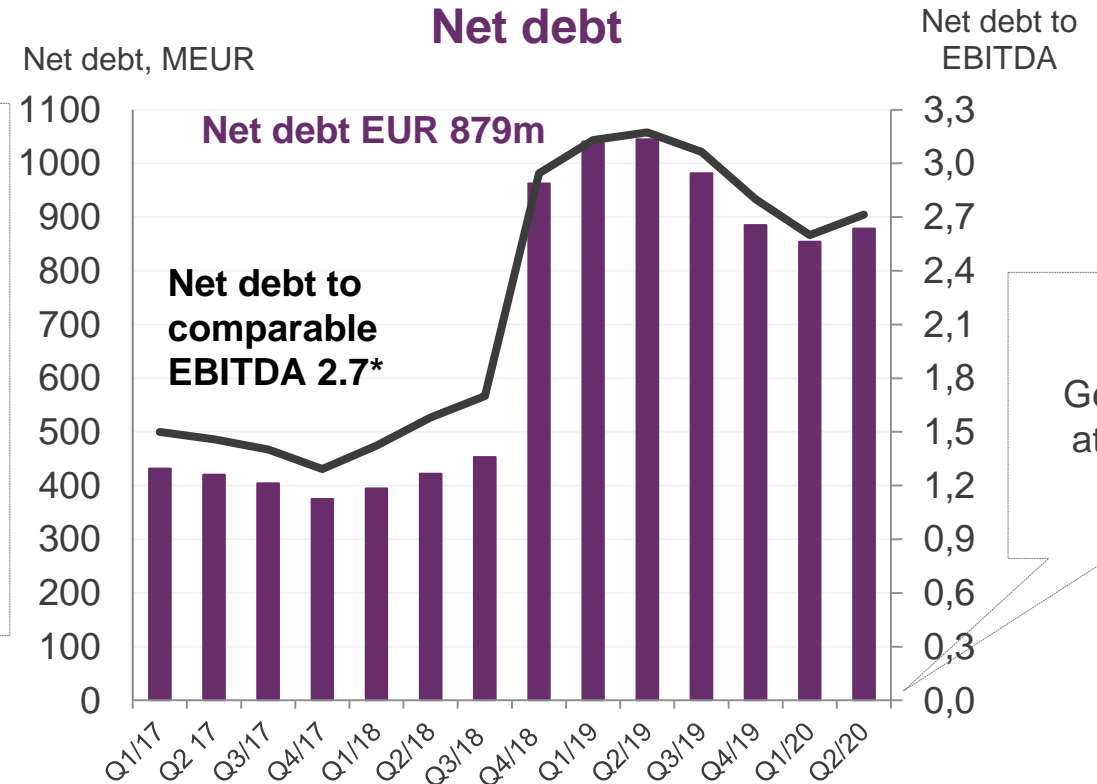
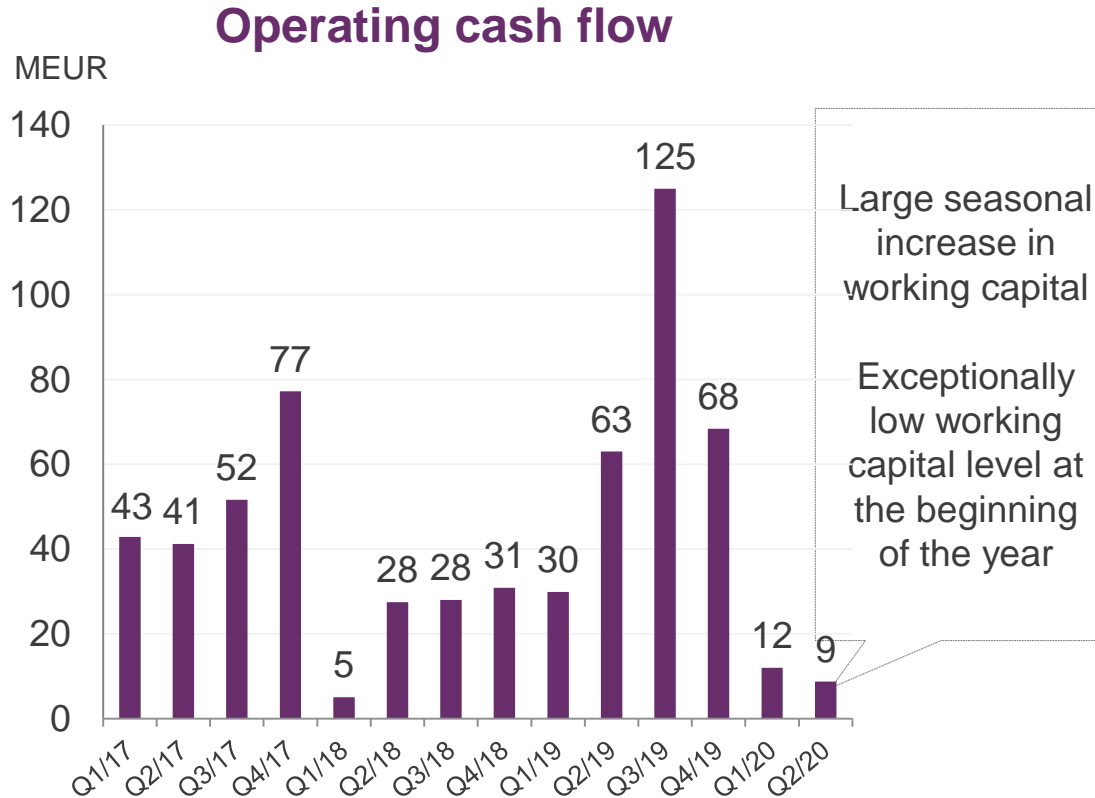
- Lower raw material prices
- Lower energy prices
- Variable cost savings in procurement and from continuous improvement actions
- Successful reduction of fixed costs in Q2



Comparable EBITDA margin improved or remained stable in four business areas



Larger seasonal increase in working capital, stable net debt



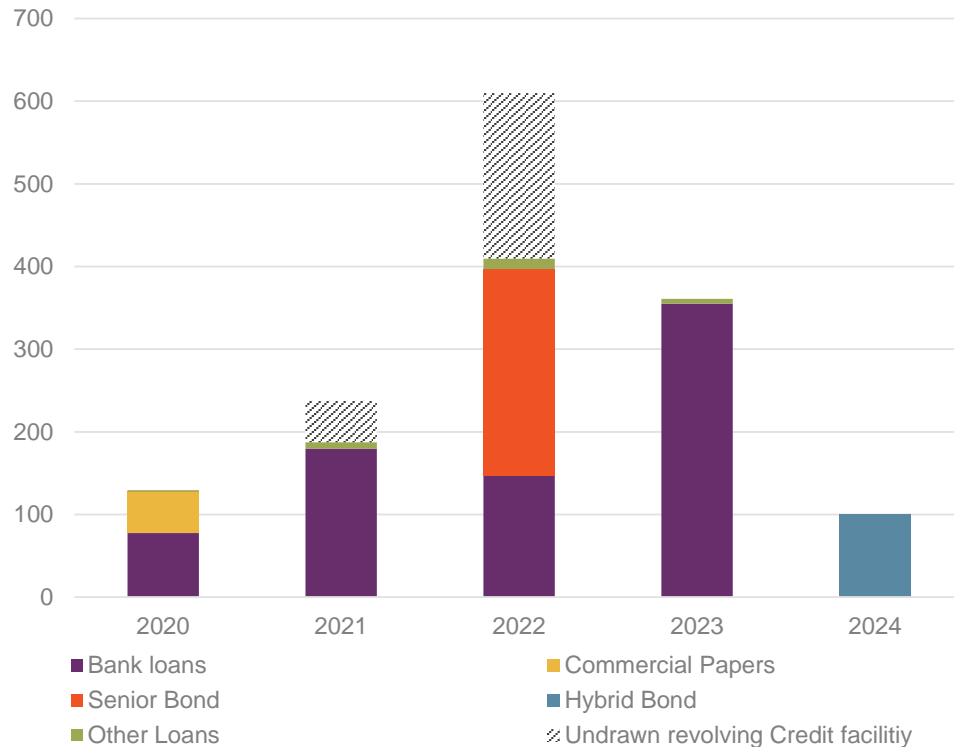
Classification of certain balance sheet items between interest-bearing and non-interest-bearing assets and liabilities were redefined in Q3/2019. Comparison figures from Q3/2018 have been restated accordingly

* The implementation of the IFRS 16 standard is excluded from debt covenant calculations



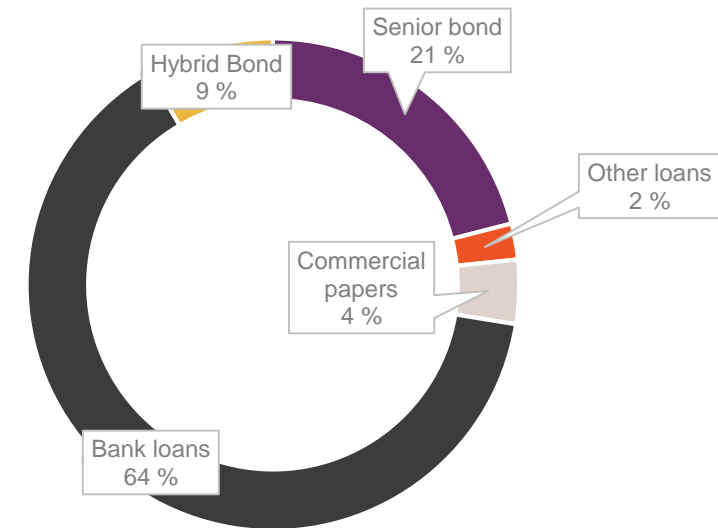
Strong liquidity - Maturity profile and debt structure

Maturity profile as of June 30, 2020



- Cash position EUR 260 million
- Available undrawn committed facilities EUR 261 million

Interest-bearing liabilities as of June 30, 2020



- Senior bond
- Other loans
- Commercial papers
- Bank loans
- Hybrid Bond

- Weighted average interest rate 2.9% (excl. hybrid bond and lease liabilities)
- Net interest expense EUR 48 million in 2019, EUR 20 million in 1H/2020



Income Statement

EUR million	Q2/2020	Q2/2019
Net sales	621.5	745.1
Cost of goods sold	-536.0	-644.9
Gross profit	85.5	100.2
Sales, administrative and research & development expenses (SG&A)	-53.8	-55.8
Other income and expenses	-5.9	-9.4
Operating result	25.8	35.0
Comparable operating result	31.8	40.7
Net financial items	-14.2	-11.7
Result before taxes	11.6	23.3
Income taxes	-2.6	-8.6
Net result	9.0	14.8
Earnings per share (basic)	0.07	0.13
Comparable earnings per share (basic)	0.10	0.16

Lower sales volumes reflected in gross profit. Partially offset by lower variable and manufacturing fixed costs. Gross profit margin 13.8% (13.4%)

SGA&A savings in travel, reduction on external personnel and services, salaries and vacation pay.

Items affecting comparability EUR -5.9 million (EUR -5.7 million)

Net financials higher due to FX and other expenses. Net interest expense EUR 9.6 million (EUR 11.9 million)

Tax rate 22% (37%) and positively impacted by the sale of the Fine Arts business.



Balance sheet

EUR million	June 30, 2020	Dec 31, 2019
Total non-current assets	2,249.4	2,360.8
Inventories	408.6	387.6
Trade and other receivables	300.2	278.9
Income tax receivables	9.2	7.7
Cash and cash equivalents	259.6	166.1
Total assets	3,227.0	3,201.2
Total equity	1,182.8	1,232.0
Gross borrowings, lease and other liabilities	1,142.0	1,052.5
Employee benefit obligations	100.9	97.2
Trade and other payables	606.6	621.7
Deferred and income tax liabilities	158.5	160.7
Provisions	36.1	37.1
Total equity and liabilities	3,227.0	3,201.2

Seasonal build-up in inventories, exceptionally low working capital at the end of 2019 reflected in receivables and payables.

- Equity impacted by EUR 60 million dividend
- Negative translation effect of EUR 32 million
- Equity includes EUR 100 million hybrid bond



Cash flow generation

EUR million	Q2/2020	Q2/2019
EBITDA	69.1	78.1
Changes in net working capital	-34.7	8.1
Change in provisions	-0.9	-1.0
Financial items	-16.5	-16.1
Income taxes paid	-6.6	-4.9
Adjustments	-1.9	-1.1
Net cash from operating activities	8.5	63.1
Payment for acquisition of businesses and subsidiaries, net of cash	-	0.2
Purchases of intangible and tangible assets	-24.4	-38.7
Proceeds from disposal of shares in Group companies and businesses and associated companies	1.1	-
Other investing activities	-0.6	-0.3
Free cash flow	-15.4	24.2
Dividends paid and other	-15.0	-29.9
Rights issue	-	0.2
Changes in loans and other financing activities	41.8	-21.0
Net change in cash and cash equivalents	11.5	-26.9
Cash and cash equivalents at the beginning of the period	247.3	218.8
Cash and cash equivalents at the end of the period	259.6	191.3

Higher than usual seasonal increase in working capital, which was at an exceptionally low level at the end of 2019.

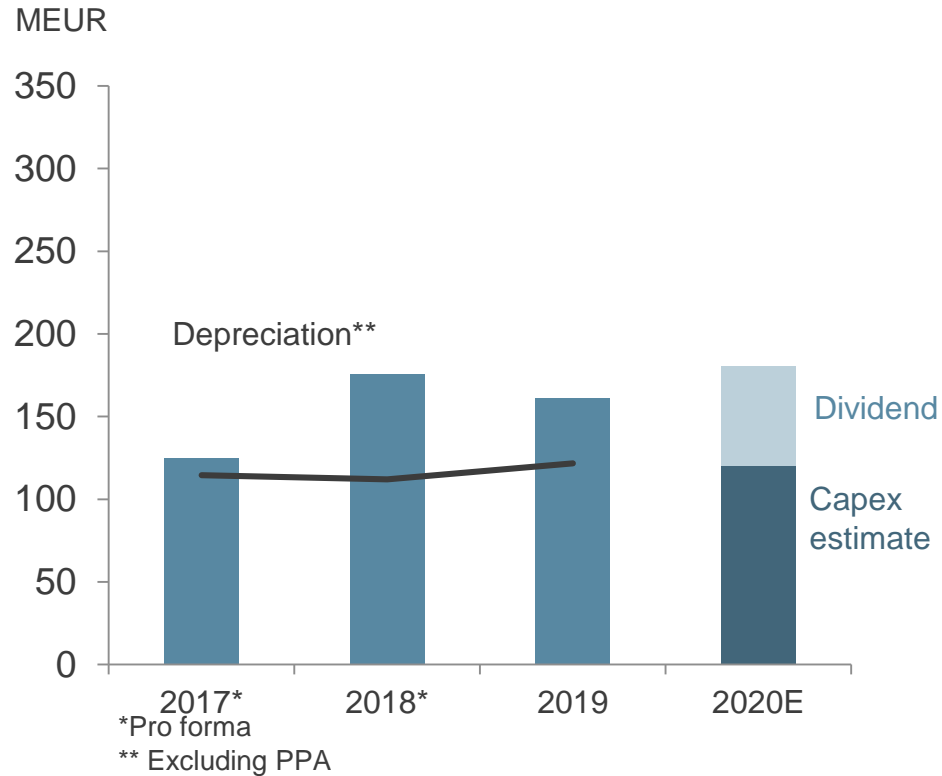
Lower capex as most strategic growth investments are complete.

Dividend paid out four times a year.

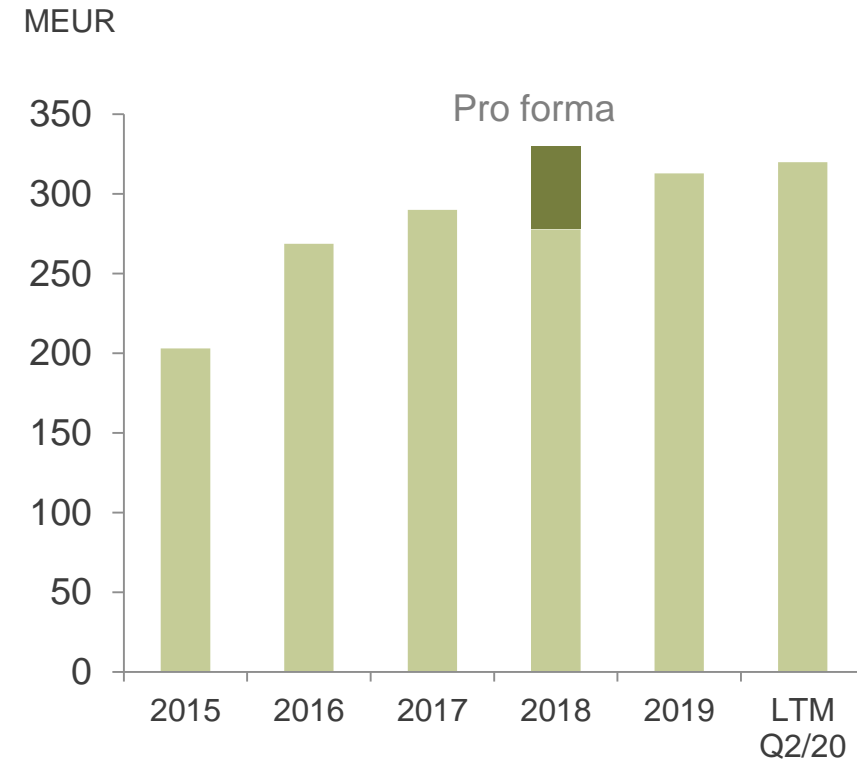


Capital generation and allocation

Capital allocation



Comparable EBITDA**



**Years 2015-2017 Ahlstrom-Munksjö excluding NASS and Caieiras



Outlook for Q3/2020

The overall market environment remains uncertain, albeit with signs of a gradual normalization of customer activity in certain end-use segments.

Good demand is expected to continue in the healthcare and life science end-use segments. Demand for consumer goods related products is expected to remain relatively stable, while continuing at a weak level in home building and industrial related products. Demand for furniture and transportation related products is expected to recover.

Ahlstrom-Munksjö's delivery volumes in the third quarter of 2020 are expected to be lower than in the third quarter of 2019.

In the third quarter of 2020, scheduled maintenance shutdown at the Aspa pulp mill is expected to be carried out, with a negative profit impact of approximately EUR 4 million. Ahlstrom-Munksjö's comparable EBITDA in the third quarter of 2020 is expected to be lower than in the third quarter of 2019.



Manufacturing sites

Industrial

Healthcare
& Life Science

Transportation

Homebuilding
& Furniture

Consumer
Goods

MADE IN BARCELONA
FABRIQUÉ À BARCELONE




MASQUE

FILTRANT

FILTER INFORMATION INFORMATIONS DU FILTRE

98% BACTERIAL FILTRATION EFFICIENCY (BFE) 98% D'EFFICACITÉ DE FILTRATION BACTÉRIENNE (BFE)	>280 L/M ² /S AIR PERMEABILITY PERMEABILITÉ À L'AIR DE >280 L/M ² /S
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MEETS BFE AND BREATHABILITY
STANDARD TYPE I & II - EN 14683:2019
MADE IN GERMANY BY
RÉPOND AUX NORMES BFE ET DE
RESPIRABILITÉ DE TYPES I ET II - EN 14683:2019
FABRIQUÉ EN ALLEMAGNE PAR



NON REUSABLE FILTER - UP TO ONE DAY OF USE
FILTRE NON RÉUTILISABLE - JUSQU'À UN JOUR D'UTILISATION

PRODUCT INFORMATION INFORMATIONS DU PRODUIT

SEAMLESS ARTICULATED DESIGN CONSTRUCTION MODÈLE ARTICULÉ SANS COUTURES	ANTI-BACTERIAL TREATMENT TRAITEMENT ANTIBACTÉRIEN
LIGHTWEIGHT MASK MASQUE LÉGER	ADJUSTABLE LOWER NECK STRAP FOR PERSONALIZED FIT SANGLE DE COU AJUSTABLE POUR UN AJUSTEMENT PERSONNALISÉ
COVERS MOUTH AND NOSE COUVRE LA BOUCHE ET LE NEZ	COOLNET UV+* MASK FABRIC (95% RECYCLED) MASQUE DE TISSU COOLNET UV+* (95% DE MATÉRIEL RECYCLÉS)



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Summary

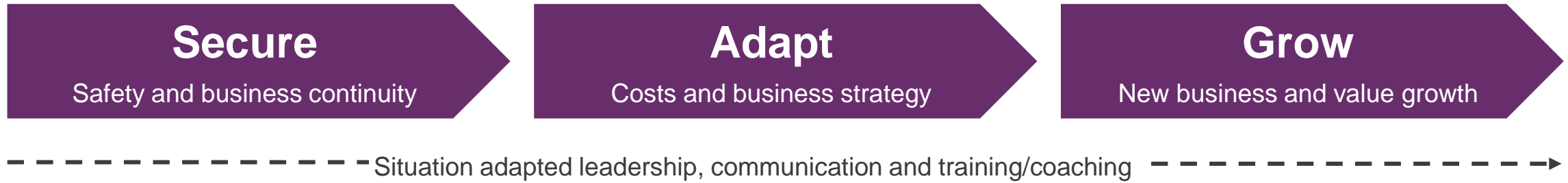
- Rapid response to COVID-19
- Solid second quarter result in exceptional circumstances
- Signs of a gradual normalization of customer activity in certain end-use segments
- Good liquidity with no major refinancing needs, improved financial flexibility
- Strategic transformation continues to improve competitiveness and margins



Response to Covid-19

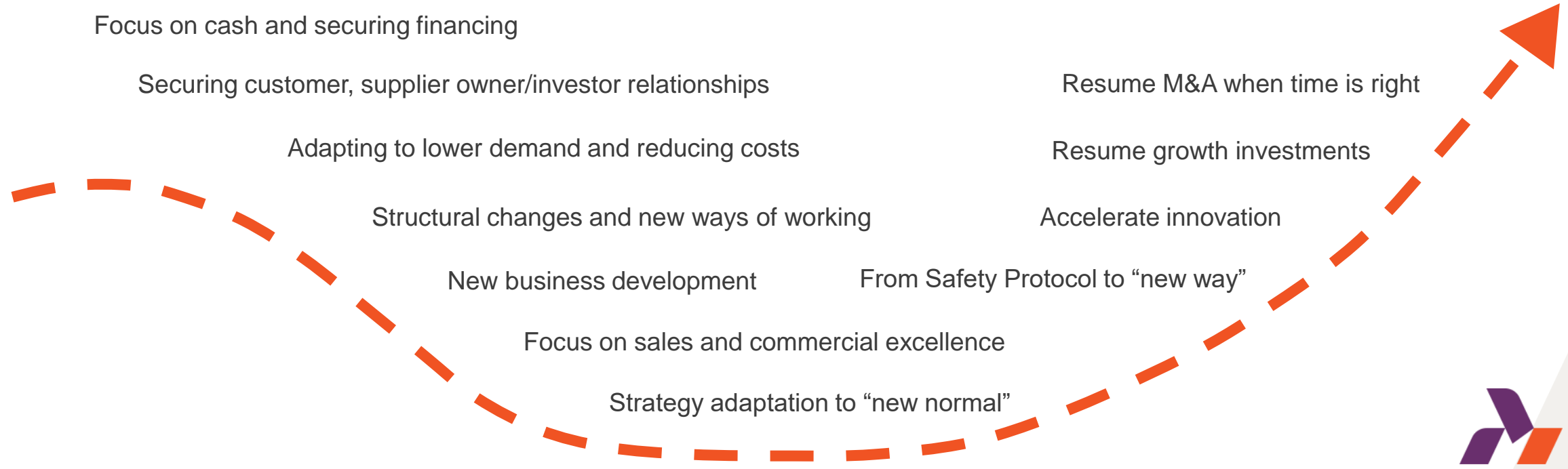


Our rapid response to COVID-19



Ahlstrom-Munksjö Global Crisis Response Team 23.1.2020

Ahlstrom-Munksjö COVID-19 Safety Protocol: Securing safety of employees and business continuity



Broad offering in face masks to support different purposes



Civil Face Mask Material

- Civil face masks to protect people in the street, shops and on transportation against projections of saliva
- Higher protection compared to use of textile
- Our solutions for civil face mask include filtration layers, face mask laces and coverstock material
- On-going process to establish a European wide standard for civil masks



Surgical Face Mask Material

- Surgical face masks to protect health care workers and patients during surgery and nursing
- Protection against fluids and infectious droplets transmission
- Our solutions for surgical face mask include filtration layers and coverstock material
- Compliant with international standards

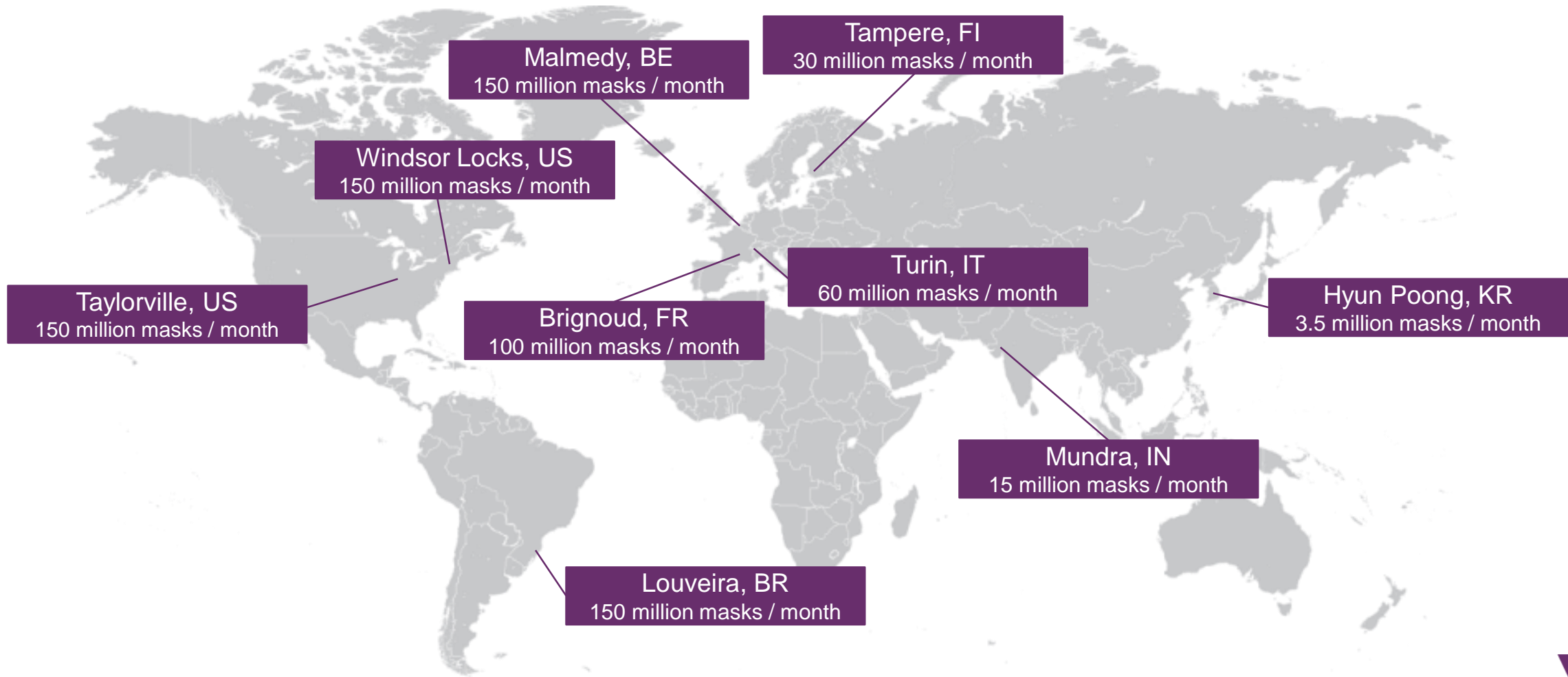


Respiratory Face Mask Material

- Respiratory mask offers the highest protection for the wearer in the workplace
- Protection against airborne infectious agents, dust, smoke and mist as well as vapors or gases that are health hazards
- Our solutions for respiratory masks include filtration layer, reinforcement layer and coverstock
- Compliant with international standards



Expanded manufacturing capability of face masks materials to support the healthcare industry globally



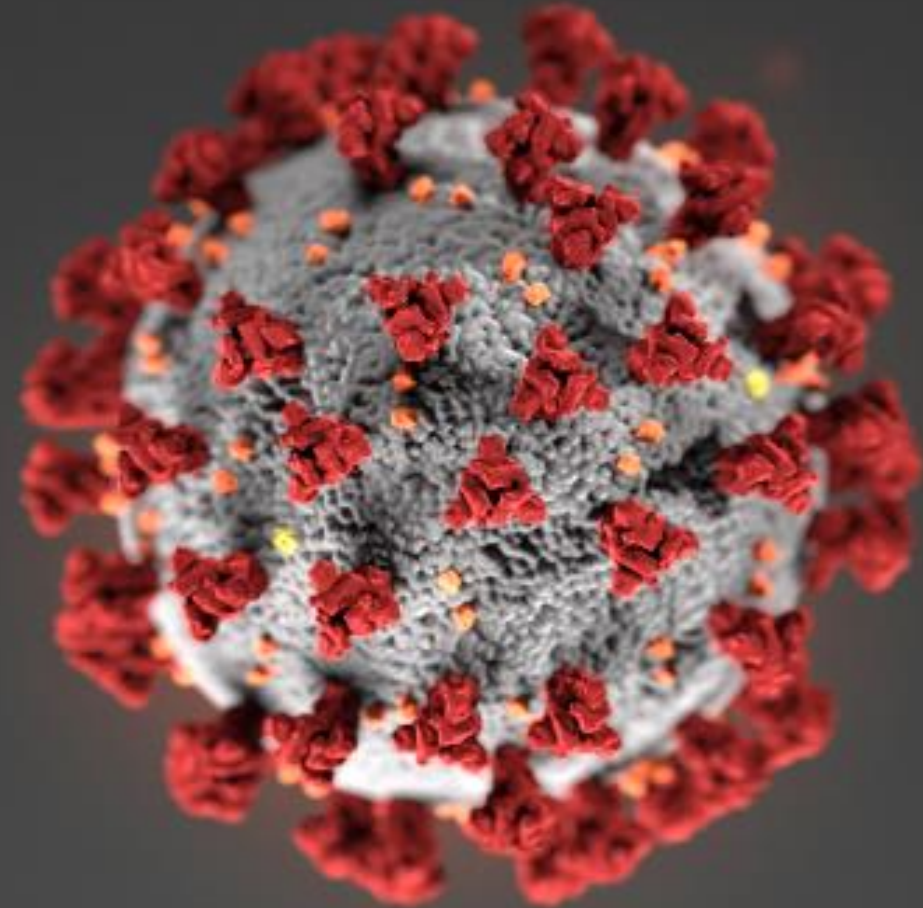
Rapid and coordinated responses to coronavirus

- Health and safety of all our employees is of utmost importance
- 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 and raw material supply
- No material delays in customer deliveries
- Very strong demand for protective medical products and healthcare equipment
- Capacity reallocation to increase protective medical fabrics and life science product portfolio to support the healthcare industry



Immediate actions by Ahlstrom-Munksjö

- Immediate response by Ahlstrom-Munksjö to mitigate the financial impact in Q2/2020
- Actions implemented
 - Temporary layoffs
 - Reduction in working hours
 - Minimizing the use of external personnel and services
 - Reduction in spending
 - Postponement of projects
 - Members of the Executive Management Team and the CEO took a 50% and 100% reduction, respectively, on one month's salary during the second quarter
- Savings were approximately EUR 12 million in Q2/2020, exceeding the initial target of EUR 9 million
- The company will continue with short-term actions and expects savings of about EUR 6 million in Q3/2020.



We fight the pandemic with high-quality filters and life science diagnostics materials



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

We fight the pandemic with barrier protection materials

Surgical drapes, gowns and apparel

- Innovative single-use medical fabrics used in drapes, gowns 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

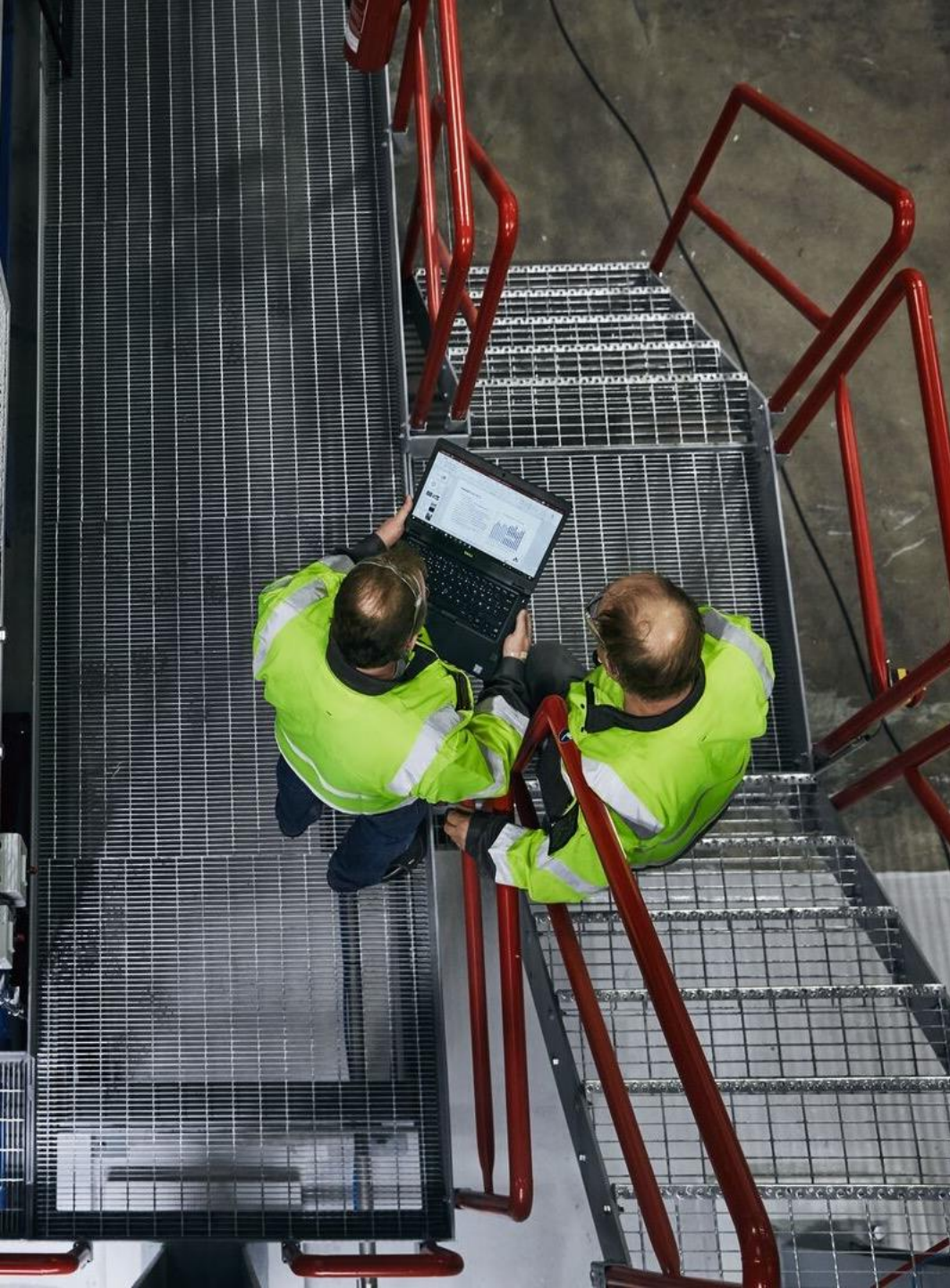
Sterile barrier systems

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



Costs analysis and raw material price development



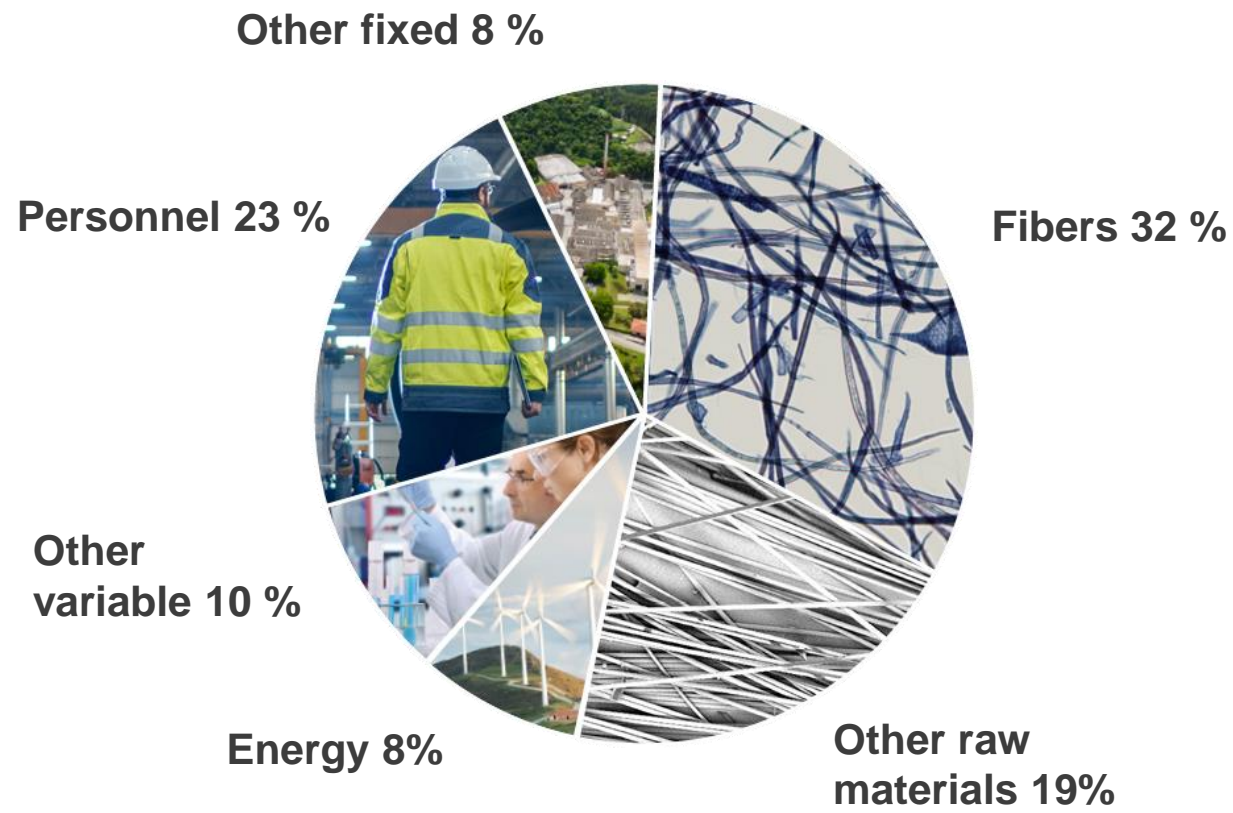


Streamlining of manufacturing fixed costs – EUR 20 profit improvement program

- Expansion through a merger and acquisitions
 - Exceeded the promised synergy benefits
- EUR 50 million cost savings program completed ahead of schedule
- The market environment has been challenging, impacted by volatile raw material prices, lower demand and intensified competition
- Benchmarking of the plants shows improvement potential in fixed cost efficiency of manufacturing
- A longer-term profit improvement program
 - Annualized target in the range of EUR 20 million with gradual impact from end of 2020 onwards



Breakdown of operating costs in 2019



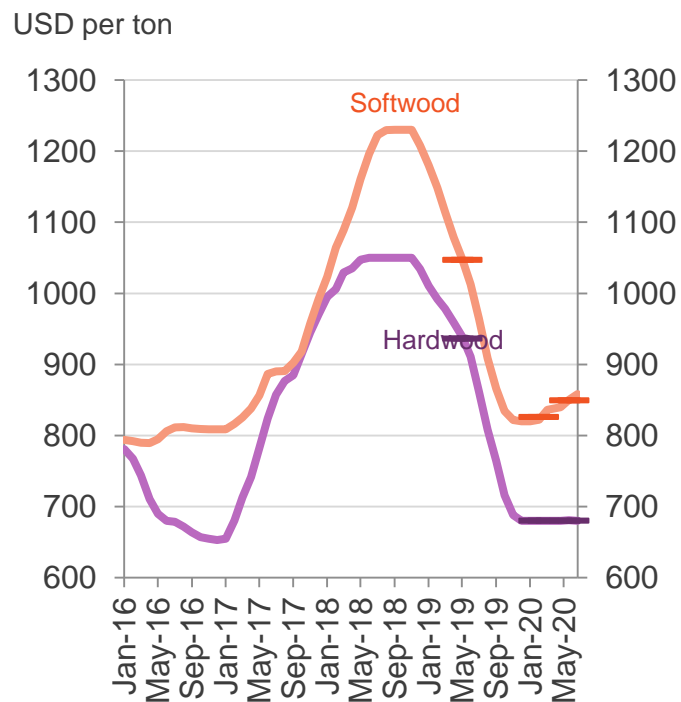
Approximate impact on EBITDA in million euros of a 10% increase in costs, indicative:

Hardwood pulp	-25
Softwood pulp	-6
Tio2	-11
Chemicals	-7
Energy	-20



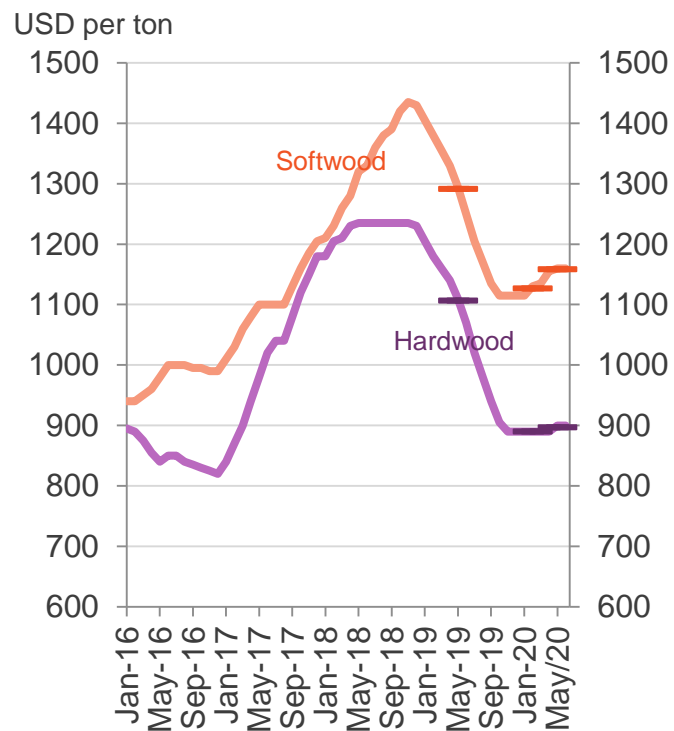
Pulp price development

Europe



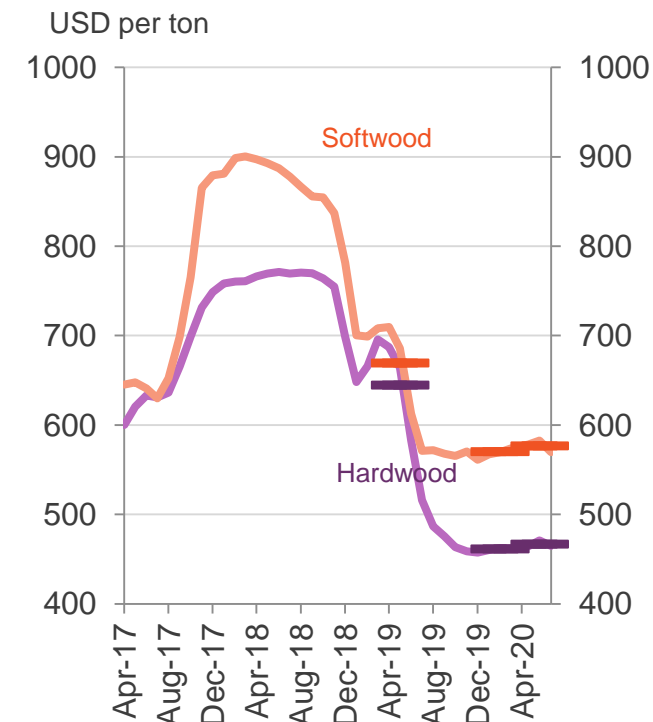
Europe		
Price change, %	Q2/Q2	Q2/Q1
Hardwood	-27	+0
Softwood	-19	+3

North America



North America		
Price change, %	Q2/Q2	Q2/Q1
Hardwood	-19	+1
Softwood	-10	+3

China

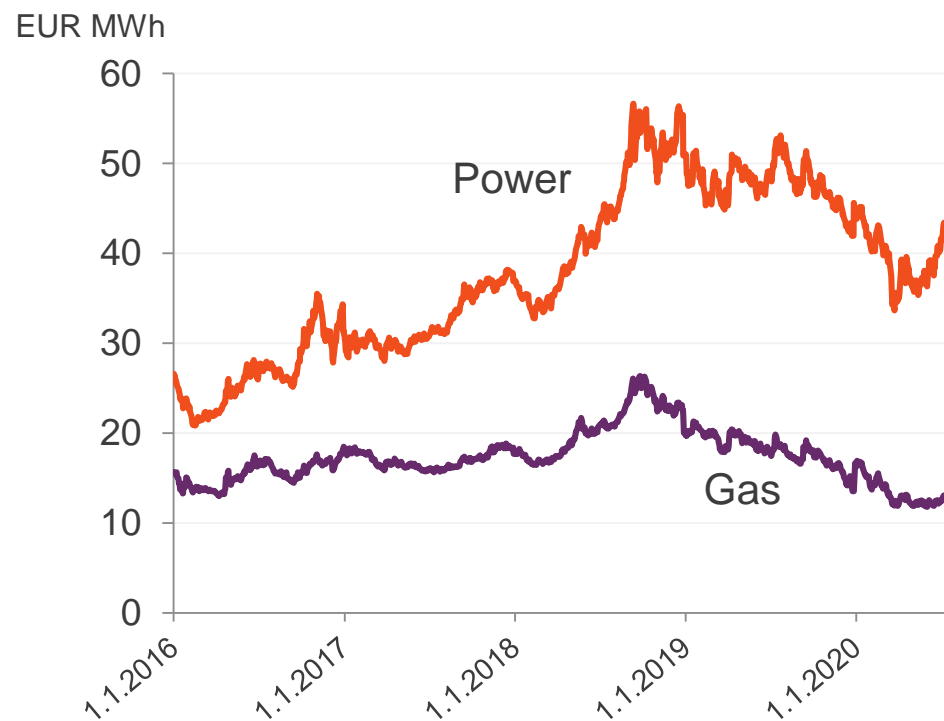


China		
Price change, %	Q2/Q2	Q2/Q1
Hardwood	-28	+1
Softwood	-14	+1



Energy and titanium dioxide

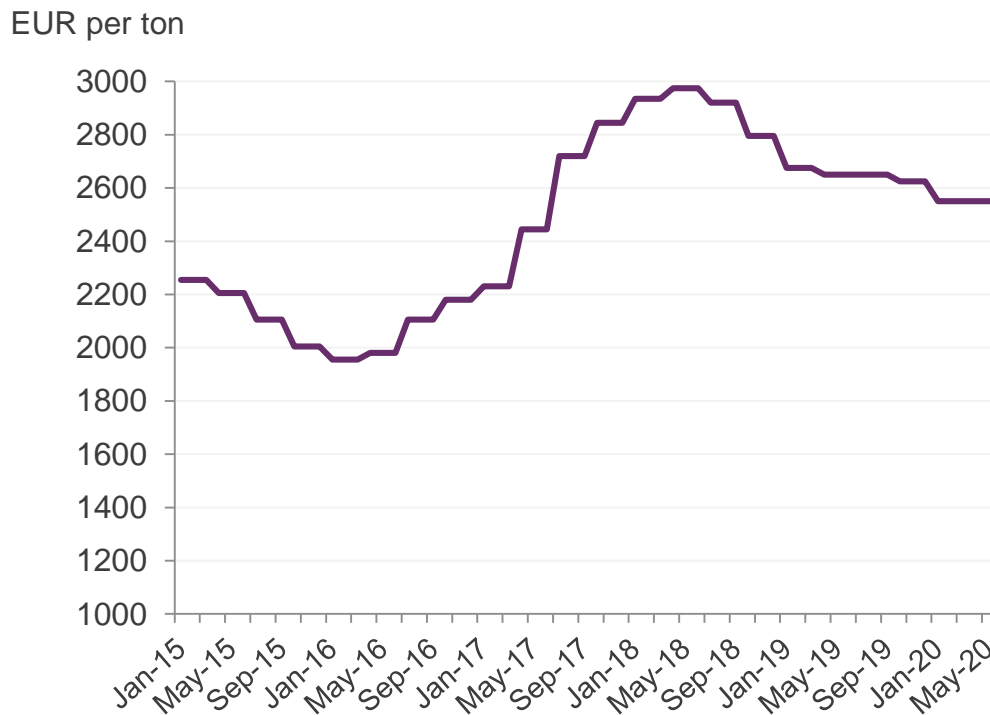
European forward power and gas prices



Change %	Q2/Q2	Q2/Q1
Power	-22	-7
Gas	-35	-14

Source: E&C consultants

Titanium dioxide



Change %	Q2/Q2	Q2/Q1
Tio2	-4	0

Source: ICIS Europe FD

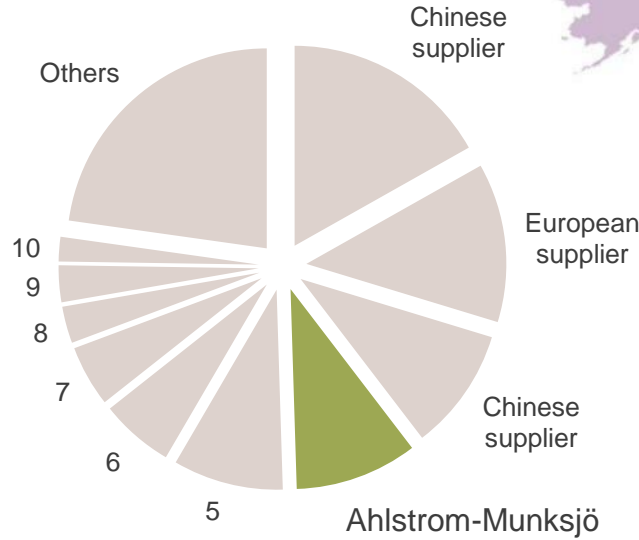


Exploring strategic alternatives for Decor business

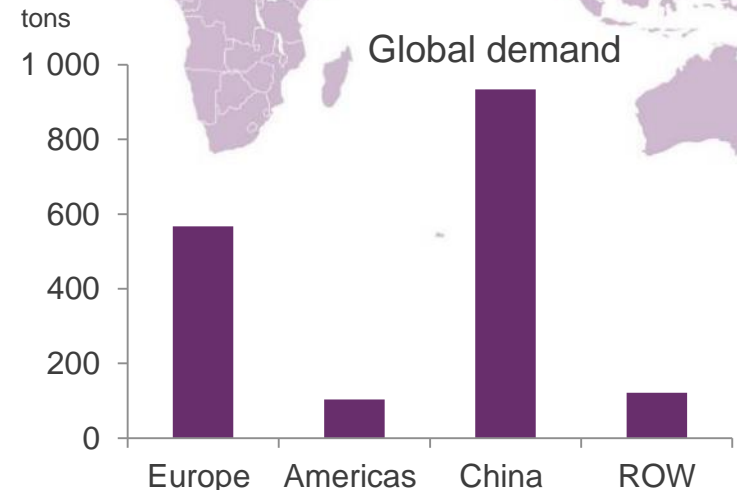
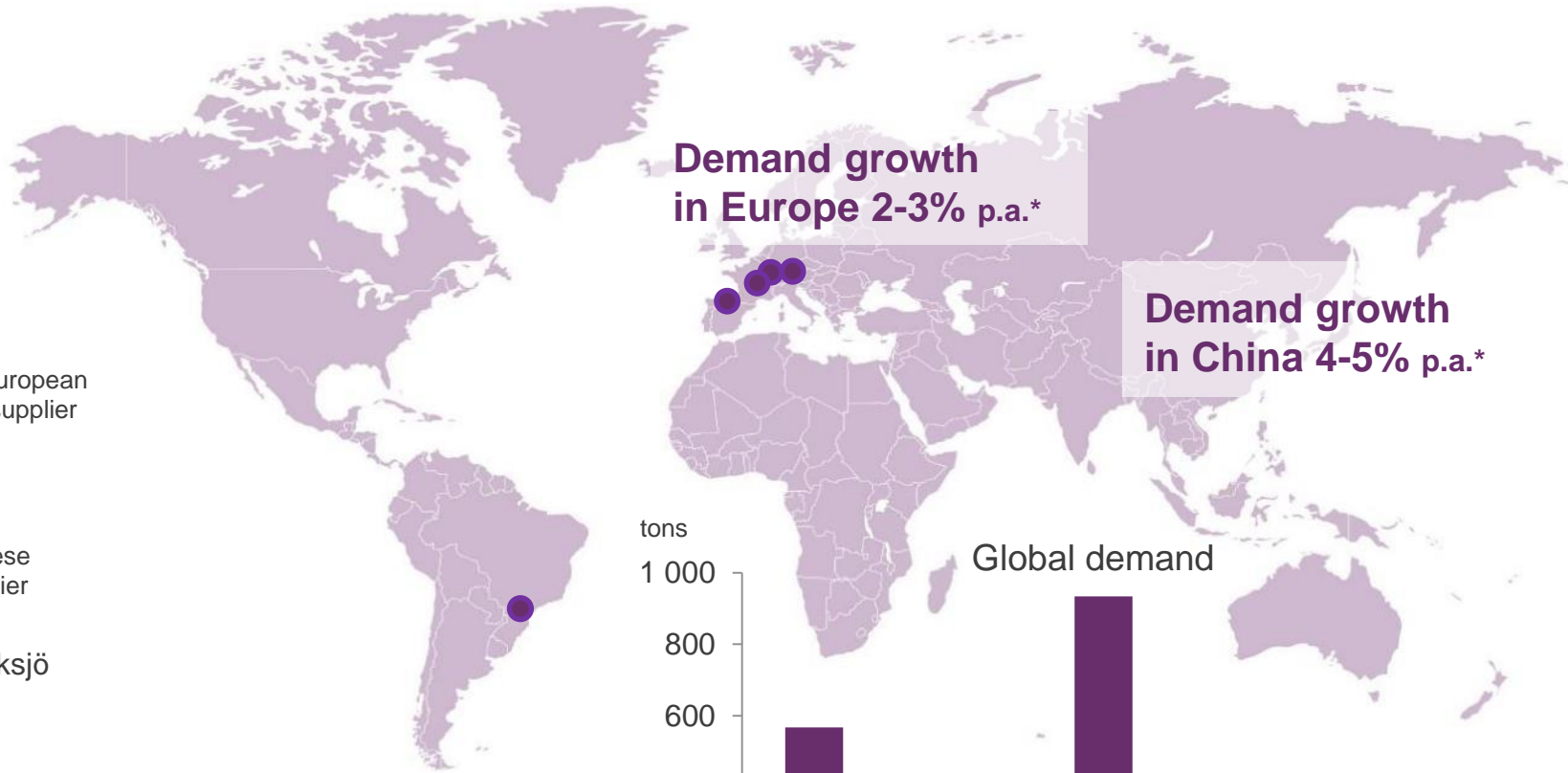


Strong in Europe and Americas, leading brand globally

Share of global capacity

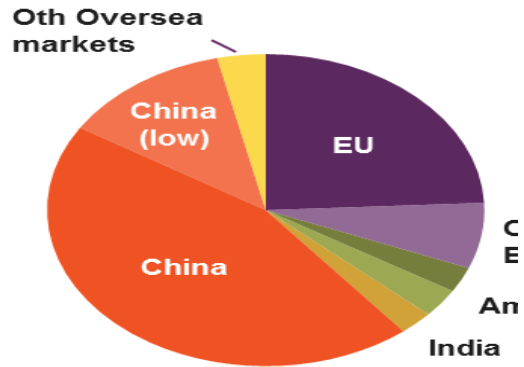


● Ahlstrom-Munksjö's manufacturing site
 * Estimated market growth



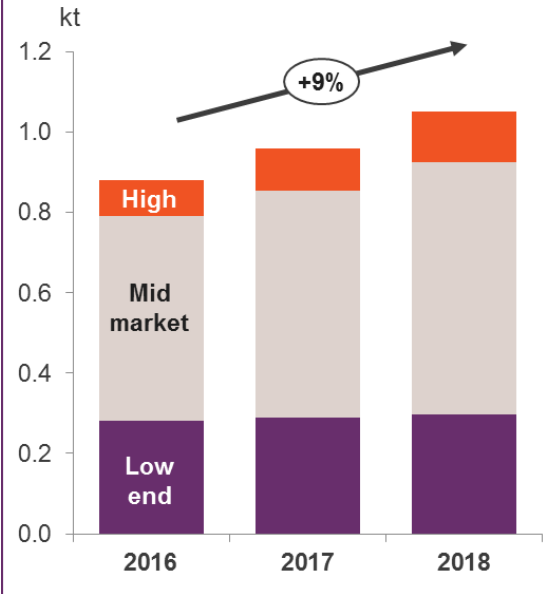
Chinese decor paper market – the growth engine of the global decor paper market

Global Decor paper market
- By Region -



Demand (2018): ~1,8 million

China Decor paper market
- Growth by quality segment -



- After two decades of remarkable growth, China is today the worlds largest Decor paper market
- CAGR 2008-18: 21%!
- Demand surpassed 1 million ton 2018
- Around 2/3 of the projected future global growth (5 yrs) will come from China (+250 kt)
- **The high-quality segment is growing significantly faster than the overall market (>15%)**
- Limited growth in low-end (1-2%)

Exploring strategic opportunities for Decor business

- Partnering with a Chinese supplier would be based on strong strategic and financial rational
 - Create a stand-alone global leader with strong presence in the world's two largest markets
 - Leverage Ahlstrom-Munksjö's leading brand and capabilities to build a leading position in the fast-growing Chinese high-end market
 - Strengthen the business and abilities to serve our customers in the short- and long-term
- Investigating the possibility to attract outside capital into the Decor business
 - Speed up the execution of strategy
 - Outside capital will enable investments to grow and develop Decor business and strengthen our operations into a stand-alone global operation
- Enable us to remain an attractive employer



Non-binding letter of intent to acquire Chinese decor paper producer Minglian

Minglian New Materials – a state-of-the-art greenfield decor paper plant

- Debt free price approximately EUR 60 million
- Non-binding letter of intent, subject to further due diligence
- Transaction completion expected in H1 2020

Combining Minglian with existing Decor business

- Strong presence in the world's two largest decor paper markets
- Improve cost competitiveness.
- Leverage Ahlstrom-Munksjö's leading brand and capabilities in the large and rapidly growing Chinese market
- Strengthen Ahlstrom-Munksjö's ability to serve international customers both in the short- and long term
- Provide technical and operational expertise to Minglian
- Strengthen Minglian's commercial opportunities in the domestic high quality segment and adjacent export markets



Appendix



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

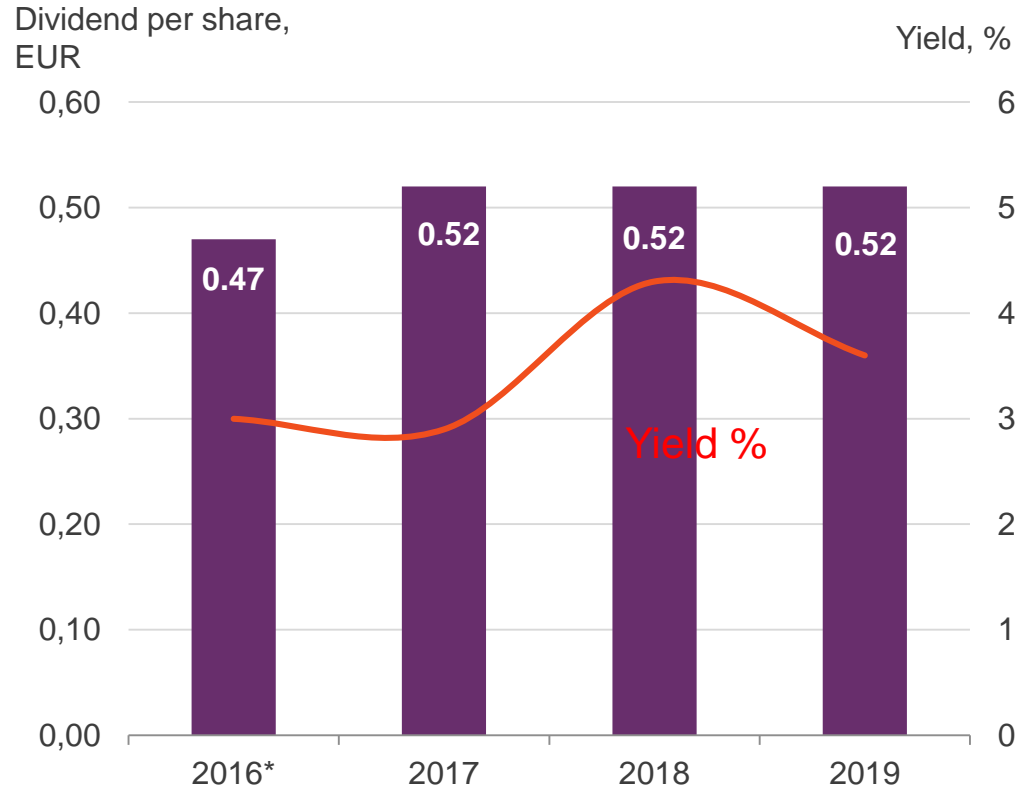


Tomas Wulkan
Executive Vice President,
Decor Solutions



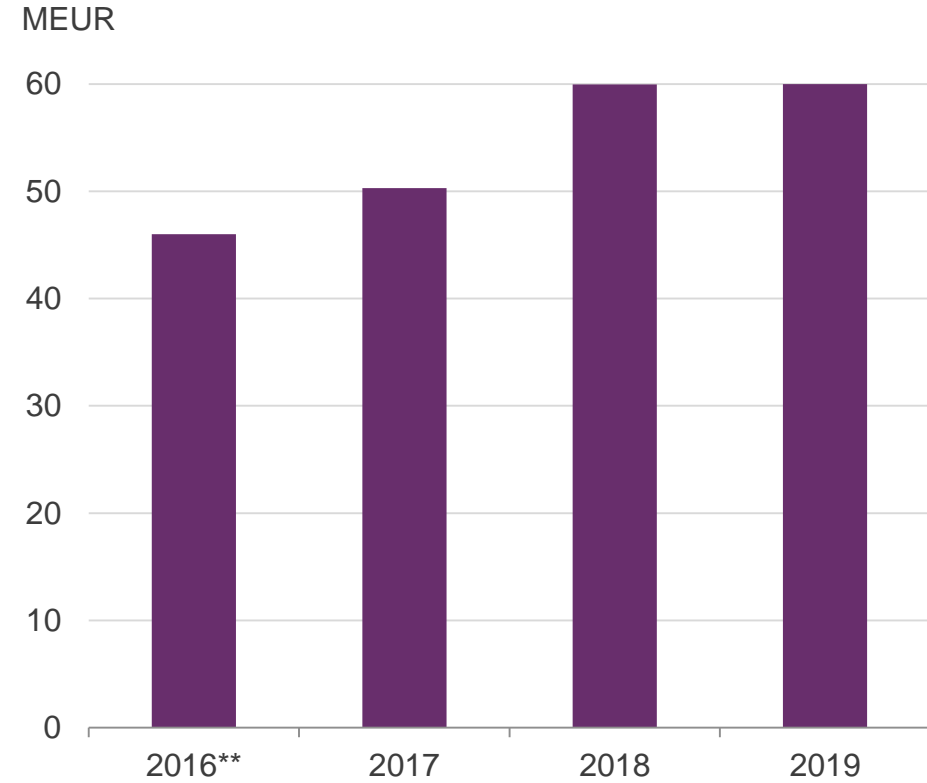
Dividend: EUR 0.52 per share for 2019, paid in four installments

Dividend per share and yield %



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

Dividend



** Total dividend of Ahlstrom and Munksjö

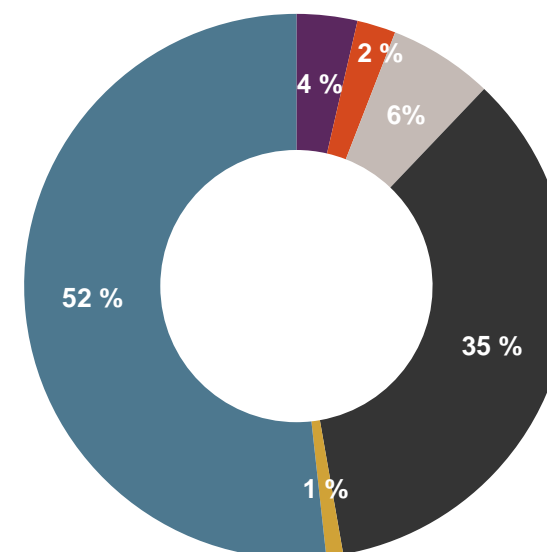


We have about 22,000 shareholders

Shareholders	Shares	% of shares
1 Ahlström Capital Oy	21,618,957	18.69
AC Invest Five B.V.	21,618,957	18.69
2 Viknum AB	14,048,006	12.15
3 Ilmarinen Mutual Pension Insurance Company	3,146,781	2.72
4 Odin funds*	2,581,264	2.23
5 Huber Mona Lilly	2,294,006	1.98
6 Varma Mutual Pension Insurance Company	1,659,532	1.43
7 Tracewski Jacqueline	1,512,926	1.31
8 Elo Mutual Pension Insurance Company	1,405,303	1.22
9 Studer Anneli	1,235,653	1.07
10 Seligson Peter	1,215,973	1.05
Seligson Peter	1,000,000	0.86
Baltiska Handels A.B.	215,973	0.19
11 Gullichsen Johan Erik	1,171,068	1.01
12 Huber Karin	1,170,553	1.01
13 Sumelius John Michael	1,154,388	1
14 Emmett Linda-Maria	1,137,627	0.98
15 Kylmälä Kim	1,128,888	0.98
16 Huber Samuel	1,041,307	0.9
17 Nahi Kai Anders Bertel	1,036,539	0.9
18 Lund Niklas Roland	1,019,920	0.88
19 Koivulehto Monica	981,690	0.85
20 Säästöpankki Funds	923,665	0.8
20 largest shareholders total	59,781,792	51.69
Nominee registered	15,650,463	13.53
Other shares	40,221,060	34.78
Total	115,653,315	100

* Euroclear Sweden, included in nominee register
The table is compiled by Ahlstrom-Munksjö by using the Information based on Euroclear Finland and Euroclear Sweden.
Ownership as of June 30, 2020.

Shareholders by sector*



- Private companies
- Fin. and ins. Institutions
- Public sector (incl. mutual pensions)
- Households in Finland
- Non-profit org.
- Foreigners (outside Finland and nominee registered)

*According to Euroclear Finland



Peer group valuation

Company	P/E			EV/EBITDA			P/B	ROE, %
	Current	2020E	2021E	Current	2020E	2021E	Current	Current
AHLSTROM-MUNKSJÖ	24.1	16.9	11.7	7.9	7.8	6.9	1.4	6.8%
UPM-KYMMENE	15.9	18.5	15.4	8.8	10	8.6	1.4	8.5%
STORA ENSO	9.9	23.2	14.8	6.4	9.6	8.1	1.2	12.7%
METSA BOARD	21	20.6	14.6	11.5	10.2	8.6	1.7	8.3%
GLATFELTER	20.7	22.1	18	8.4	8.4	7.9	1.4	-3.6%
NEENAH PAPER	12.2	27.7	17.3	8.1	11.6	9.3	1.9	14.9%
OWENS CORNING	13.6	21.7	15.5	27.6	9.8	8.4	2	-14.4%
LYDALL	--	--	16.1--		9.9	6.1	1.2	-41.7%
SUOMINEN	80	15.7	13.8	8.3	6.4	6.3	1.7	2.0%
BILLERUDKORSNAS	39.7	44.9	18.7	13	12.3	8.7	1.6	39.7%
ESSITY	19.1	17.3	16.4	10.3	10.1	9.8	3.6	20.3%
Median	19.9	21.1	15.5	8.6	9.9	8.4	1.6	8.3%

Source: Bloomberg July 28, 2020

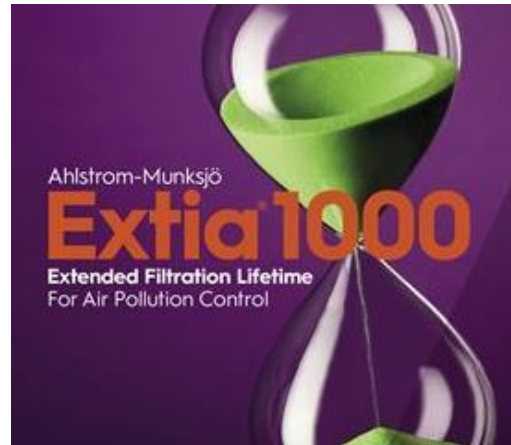


Better performance

Functioning better than alternative solutions



Trinitex® Advance W3200 is a unique gas turbine filtration product specifically designed for pulse jet gas turbine applications.



Extia® 1000 is the first product on the Extia® platform, a range of highly durable filtration media, specifically designed for industrial filtration applications. Extends filtration lifetime by over 40%.



ViroSël™ Breathable Viral Barrier fabric is constructed for the most critical areas of a surgical gown designed to keep medical professionals protected and comfortable.



Optilam™ is an antistatic release material used during the lamination process of RFID prelamated inlays, improving the final quality of the inlay. It is a sustainable alternative to plastic release films.



Safer materials

Comprising safer materials than alternative solutions



Grease-Gard® FluoroFree® papers are designed to deliver outstanding grease resistance without the use of fluorochemicals (PFAS).



TEX-STYLE – the first product in the RE-VOLUTION range, a new category abrasive backings of paper substituting cloth backings.



Pre-impregnated, formaldehyde-free foil base papers are suitable for furniture, doors, separation walls, ceilings and wall paneling.



ParaFree™ Wax Alternative Papers are paraffin wax free, reducing the dependency on petroleum-based ingredients.



Fewer resources

Consuming fewer resources than alternative solutions



Specimen collection cards provide an alternative solution to liquid sampling. By removing the need for cold chain and special transport, they can be used for DNA screening, the diagnosis of genetic diseases, and others.



Acti-V® supercalendered release papers for silicone coating play an active role in the silicone curing and anchorage process. Curing is faster and requires less catalyst. Anchorage is stronger and more stable.



HighFlow Wind Energy is a platform of reinforcement fabrics for lightweight composite materials, allowing a reduction of about 15% in total cost ownership in wind mill blade manufacturing.



Disruptor® – product line of electroadsorptive filter media that improves water quality through a natural positive charge.

Lower impact

Lower impact than alternative solutions



Fiber+ a plastic free, compostable tea bag materials product range, a solution for every application and covers all manufacturing platforms.



GreenPod™ - compostable plastic free coffee pod material for espresso.



CelluStraw™ U is a new fiber-based solution for U-shaped paper drinking straws, enabling the food industry to provide consumers an alternative to single-use plastic straws.



Coralpack compostable, grease resistant wrapping papers reduce the environmental impact of packaging waste.

Businesses



Filtration & Performance Solutions

Filtration

Demand drivers

- Mileage driven, growing truck and passenger car fleets
- Transportation: more stringent emission regulation, new filter applications in electrical mobility
- Industrial: higher air quality standards

Strengths

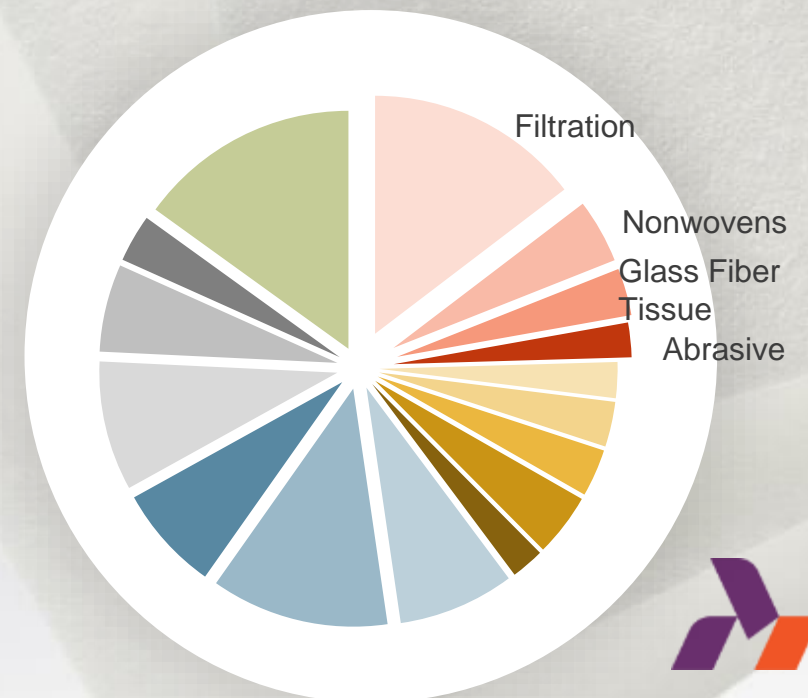
- Global leadership engine filtration
- Growing position in industrial air filtration
- Unique know-how enabling tailor-made developments for engine filtration customers
- Wide and unique technology platform and strong R&D capabilities in industrial filtration

Going forward

- Filtration seeks to further reinforce its global leadership in engine filtration and grow in China and elsewhere
- The industrial filtration will be expanded, and new filtration applications developed to capitalize from the electrification of mobility

The **Filtration business** develops and produces high-performance filtration materials for engine oils, fuels and air, as well as industrial air, used in vehicles or for industrial purposes. The Filtration business also has applications and is further developing filtration solutions for hybrid and fully electric vehicles. In transportation applications, sales come primarily from the aftermarket. The business operates globally.

- **Market position #1-2**
- **Average market growth 2-5% p.a.**



Nonwovens

Demand drivers

- Construction and need for energy efficient materials
- Shift from paper to nonwoven wallcoverings, increased use of personalized design in high-end wallcoverings
- Consumer spending

Strengths

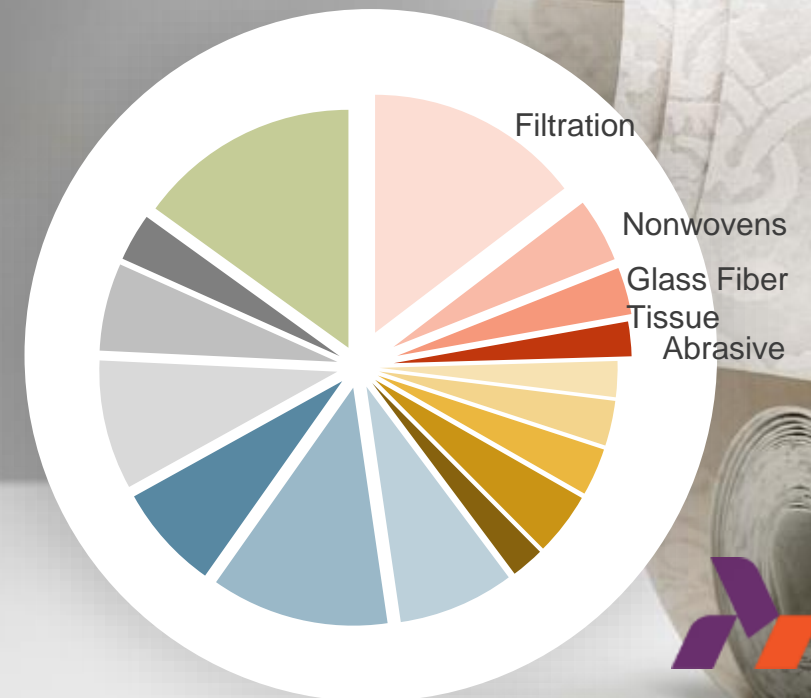
- Leading position in in the high-end wallcoverings market in Europe and Asia
- Differentiated offering for growing plasterboard applications
- Ability to tailor-make products to meet specific customer needs

Going forward

- Grow significantly in the plasterboard segment and explore new niches in for example furniture laminates
- To further strengthen the position in high-end and digital wallcoverings materials

The **Nonwoven** business produces a wide range of materials for various applications including high-end wallcoverings, automotive interiors, plasterboard and flushable wipes. Key markets are Europe and Asia.

- **Market position #1** in high-end wallcoverings
- **Average market growth 2-3% p.a.**



Filtration & Performance Solutions

Glass Fiber Tissue

Demand drivers

- Construction and renovation activity
- Growing popularity of luxury vinyl tile (LVT) flooring solutions, especially in North America
- Substitution from other flooring reinforcements such as mineral felt, especially in North America

Strengths

- Unique glass fiber tissue production technology
- Agile customer service and close customer relationships

Weak position in Fabrics

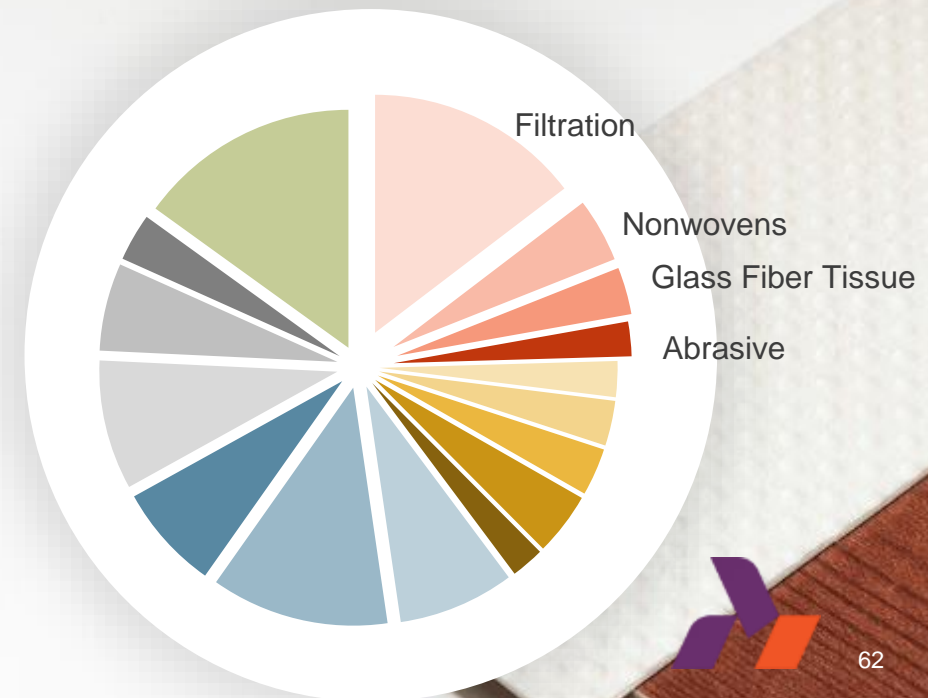
- Focus on quality and delivery flexibility

Going forward

- Defend global leadership in glass fiber tissue for flooring applications and expand portfolio of applications for glass fiber tissue. In fabrics, seek product differentiation, e.g. through new product launches and increased customization.

The **Glass Fiber Tissue** business produces glass fiber tissue, mainly for flooring applications, and a range of building and transportation related end-uses. In flooring applications Ahlstrom-Munksjö targets global markets.

- **Market position #1** in flooring
- **Average market growth 3-8% p.a.**



Abrasive

Demand drivers

- Demand is driven by automotive, wood, furniture and construction industries

Strengths

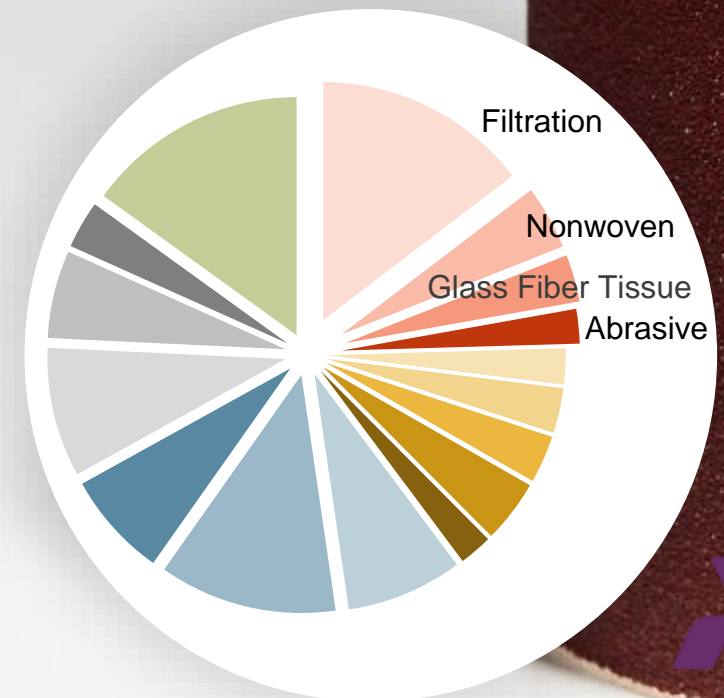
- Only supplier offering full range of paper and composite backings for the production of abrasive shapes in do-it-yourself or industrial channels
- 100% formaldehyde free offering
- Innovative paper backings in Light Weight latex paper segment and in Heavy Weight paper segment

Going forward

- Profitable growth through innovative product differentiation and mix improvement as well as continuous improvement in production and value based pricing

The **Abrasive** business produces specialty papers used as backings for abrasive products used in industrial and do-it-yourself sanding applications. In the Abrasive business Ahlstrom-Munksjö targets global markets. The Abrasive business also includes fine art papers under the brand name Arches™ and printed decor papers.

- **Market position #1-2**
- **Average market growth 2-3% p.a.**



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

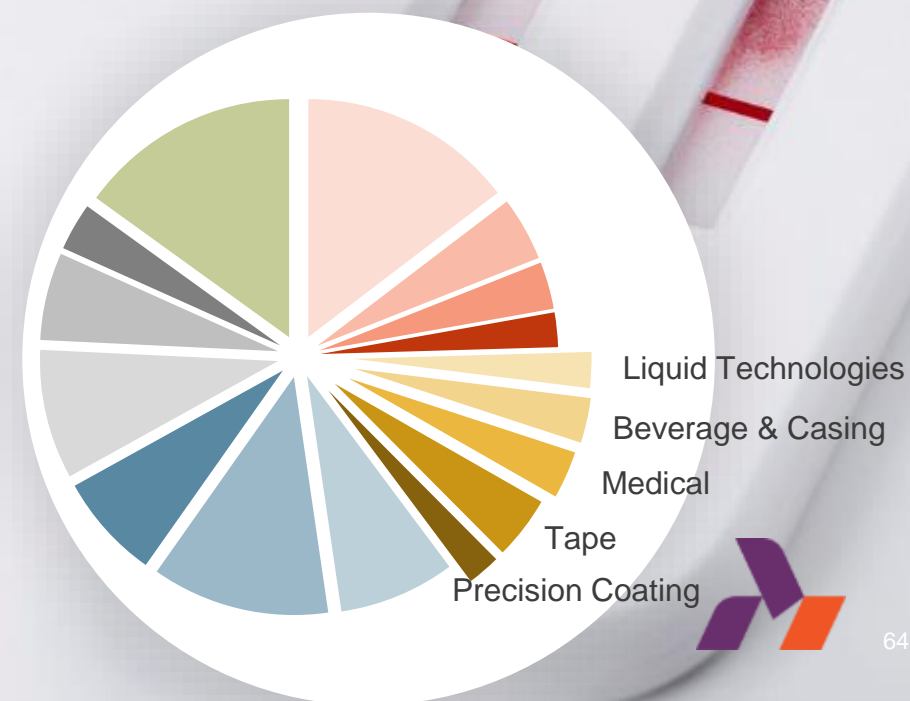
- Disruptor proprietary technology in water purification
- Alternative solution to liquid sampling by avoiding cold chain and special transport of specimen to be used for i.e. diagnosis of genetic diseases and DNA screening. New components for rapid test kits that extend this technology into pregnancy 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.**



Beverage & Casing

Demand drivers

- Consumers increasingly seek sustainable alternatives
- Stricter food safety and chemical regulations
- More demanding packaging functionality and barrier properties

Strengths

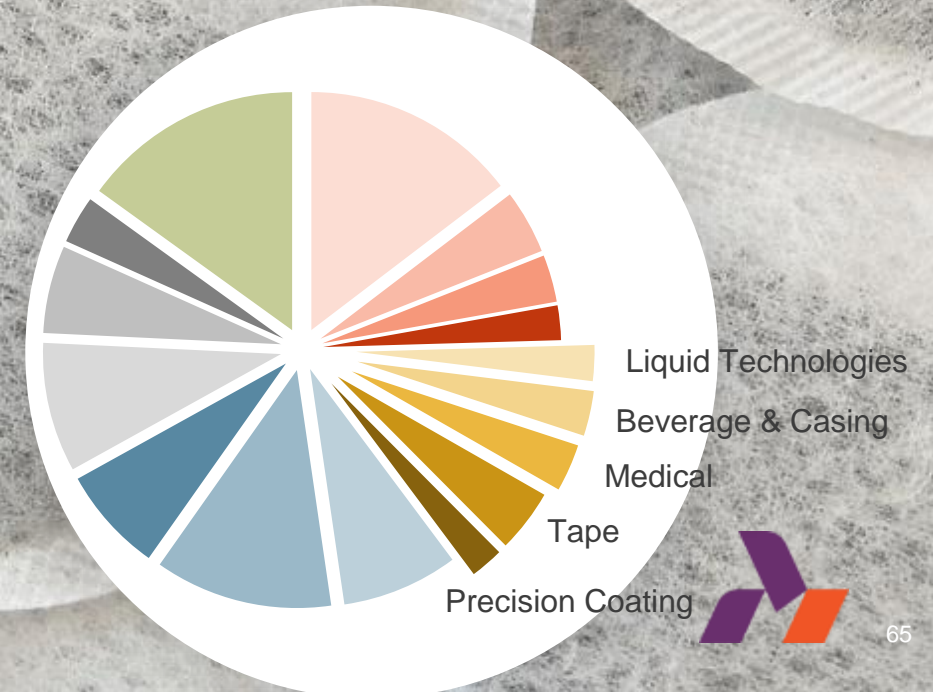
- Unique plastic-free biodegradable and compostable offering
- Forerunner in plastic-free coffee materials
- Unique viscose technology in casing materials

Going forward

- To continue to differentiate with an unique plastic-free, biodegradable and compostable tea bag materials and single-serve coffee solutions offering
- To further develop and grow in the fibrous casing material segment
- Invest to improve manufacturing capability and efficiency in tea and coffee filter materials as well as in increased capacity

The **Beverage & Casing** business makes material for tea bags and coffee pods and casings with a focus on sustainability. Key markets are in Europe and North America, while the business is global.

- **Market position #1-2**
- **Average market growth 2-8% p.a.**



Medical

Demand drivers

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

Strengths

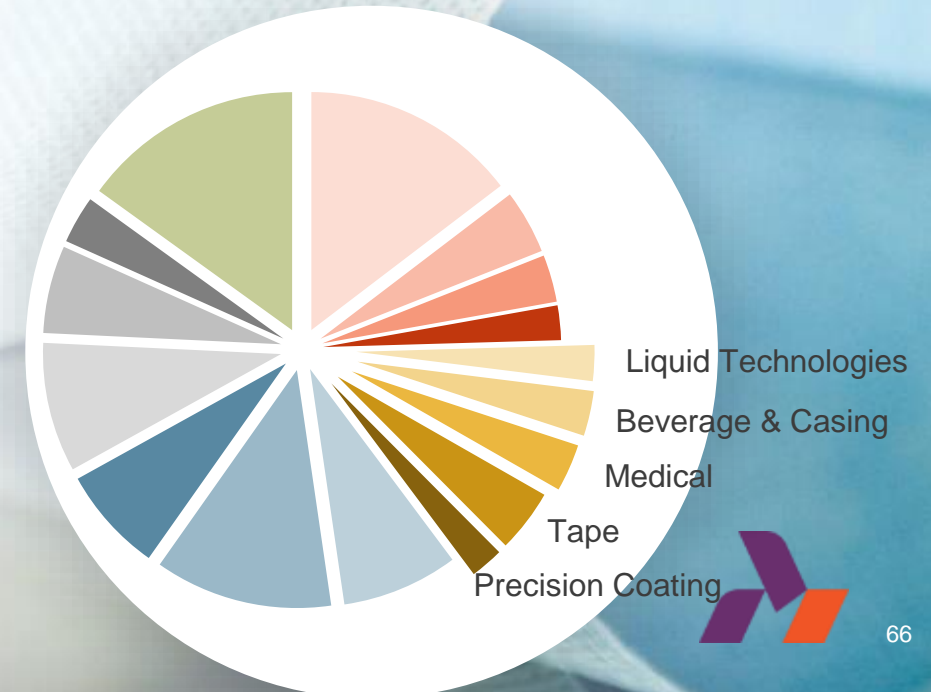
- Leading in high protective fabrics for high risk surgeries
- Leading position in sterilization wrap market in Europe
- Experienced team and strong product development capabilities
- Multi-technology platform approach

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.**



Tape

Demand drivers

- Home construction and renovation activity
- Growth in automotive and electronics industries
- Growth in e-commerce

Strengths

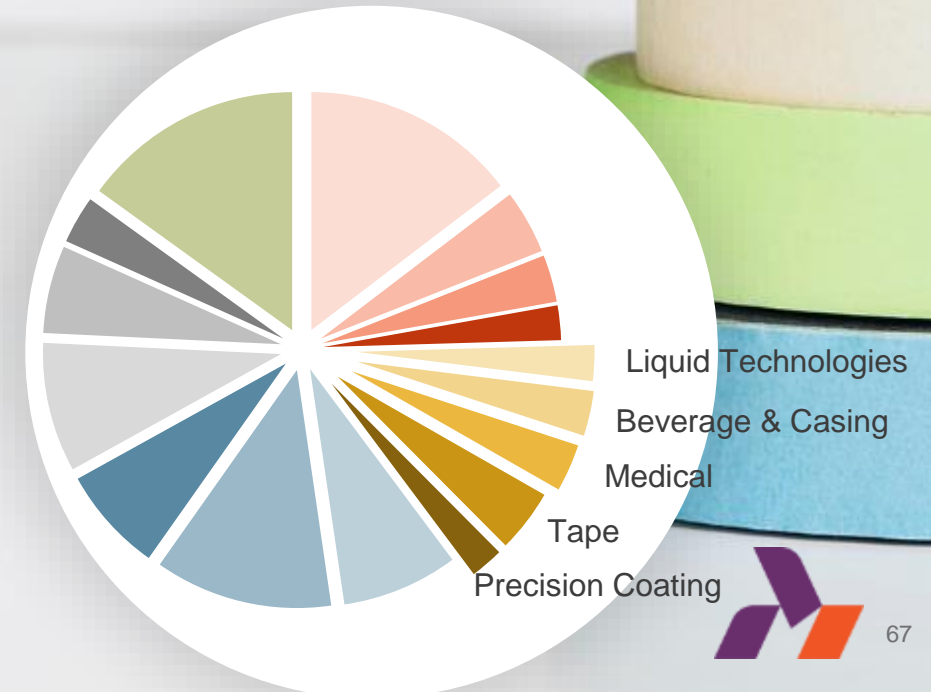
- Close customer relationships
- High and consistent quality in products and services
- Strong brand and comprehensive product range
- Cost competitive

Going forward

- Consolidate product portfolio and optimize expanded global manufacturing footprint after Expera and Caieiras integration
- Growth in packaging tape segment by developing sustainable alternatives to replace plastics
- Leverage the competitive manufacturing in China in general purpose masking tape segment in Asia
- Continue product mix improvement with existing customers through a comprehensive offering in both general purpose and specialty masking tape

The **Tape** business offers tape backings to masking and packaging tape manufacturers used in the construction and automotive industries, packaging applications for e-commerce and for specialty purposes. Ahlstrom-Munksjö targets global markets.

- **Market position #1**
- **Average market growth 3-5% p.a.**



Advanced Solutions

Precision Coating

Demand drivers

- Increasing use of composite materials in the aerospace industry
- Increased use of self-adhesive fasteners in industrial and home applications
- E-commerce drives demand for packaging tapes and labels

Strengths

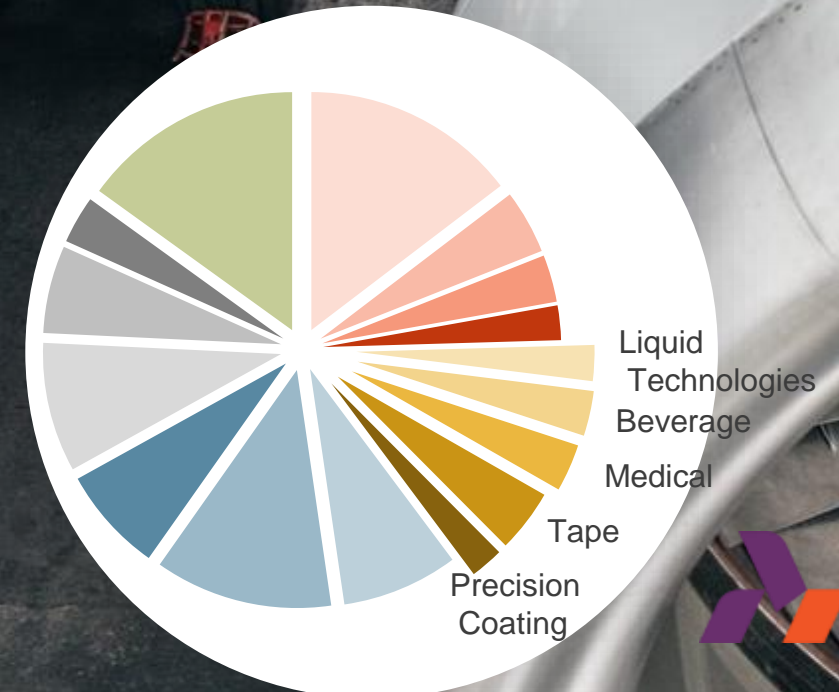
- Leading North American market position
- High degree of technical complexity and customization
- Strong innovation and product development capabilities

Going forward

- Work proactively with customers, focus on brand owner and end-user collaborative innovation

The **Precision Coating** business offers a variety of pressure-sensitive liners for fiber composites. The business especially targets highly technical products that require specialized coating machines and experts to meet qualification and certification needs. Key markets are in North America.

- **Market position #2-4**
- **Average market growth 3-8% p.a.**



Insulation

- Electrotechnical

Demand drivers

- Extension and upgrade of power distribution networks
- Decentralization of power generation and power grids
- Urbanization and construction activity drives power equipment investments

Strengths

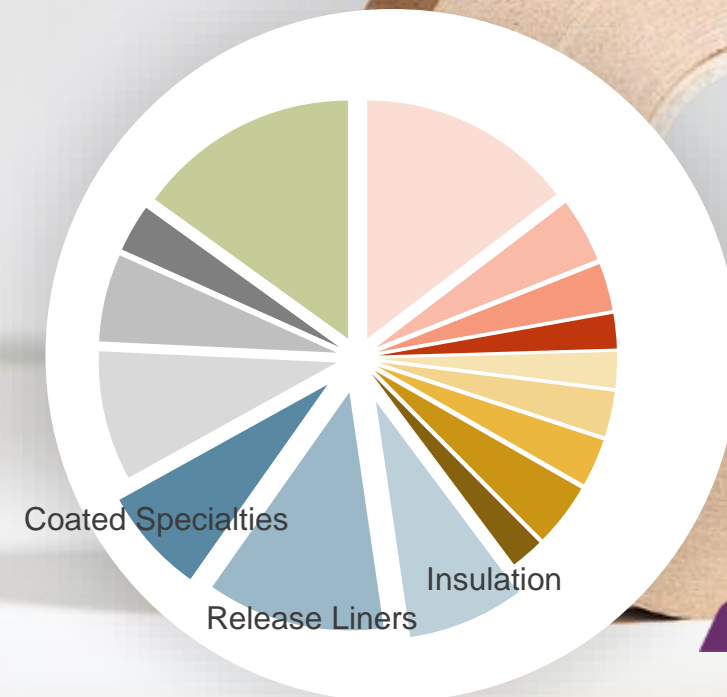
- Broad portfolio of electrotechnical papers
- Internally sourced high quality, pure and clean pulp
- Technical knowledge of power equipment end-uses

Going forward

- In electrotechnical insulation papers, converting capability and overall capacity will be expanded to drive profitable growth. In addition, continuous improvement for operational efficiency and value-based price management is pursued.

The **Insulation** business supplies electrotechnical insulation papers to manufacturers of transformers and high voltage cables globally. It also produces thin papers used as interleaves and specialty long fiber cellulose pulp.

- **Market position #1-2** in electrotechnical papers
- **Average market growth 2-3% p.a.**



Release Liners

Demand drivers

- Economic growth, growing middle class
- E-commerce drives logistics and need for labels in tracking and identification
- In industrial segments growth is driven by tapes, medical and composites

Strengths

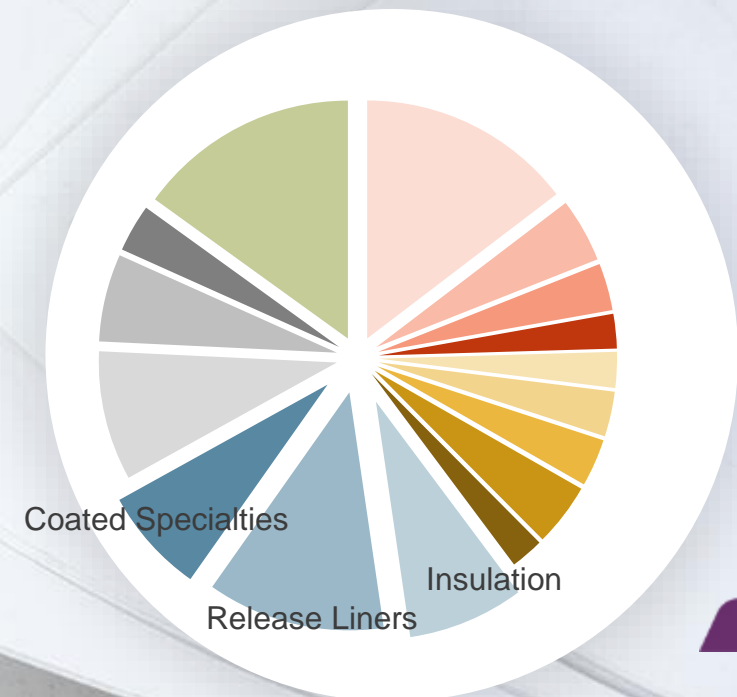
- Superior customer relationships
- Quality and service
- Sustainable products

Going forward

- Focus is on operational excellence and continuous improvement in performance
- Build on Ahlstrom-Munksjö's strong global platform, particularly in technical release liners for specialty industrial applications, to seize attractive opportunities
- Expand geographically outside of Europe

The **Release Liners** business produces papers that after coating can be used to carry self-adhesive labels or for manufacturing and assembling adhesive components in industrial processes. Key markets are Europe and selected export regions.

- **Market position #2**
- **Average market growth 4% p.a.**



Coated Specialties

Demand drivers

- Increasing need of packaging, tracking and identification in supply chains
- Packaging functionality
- Private consumption, sustainable alternatives replacing plastics
- Demographic and purchasing power development in Brazil and South America

Strengths

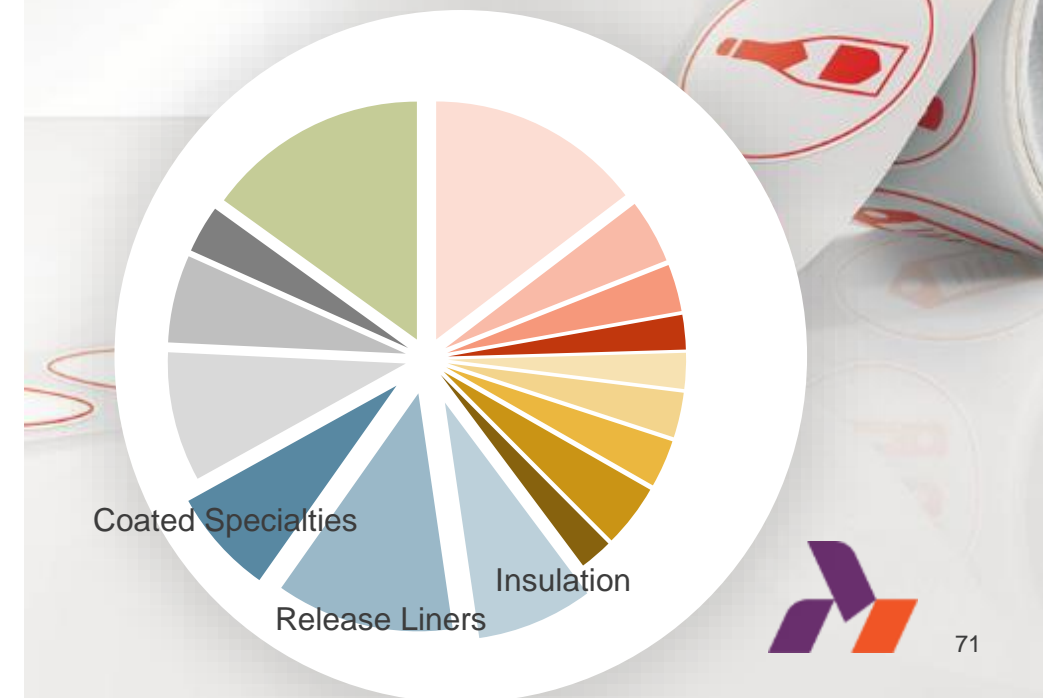
- Customer relations with both regional and global players
- Strong local platform in the South American market
- Product range and development

Going forward

- Further increase efficiency by continuous improvement and key investments supporting product mix strategy, capturing a larger part of the high-value coated specialties segment
- To secure benefits from Caieiras integration in terms of market, operations, and competence sharing

The **Coated Specialties** business manufactures coated label papers, flexible packaging papers for fast-moving consumables and processed foods, as well as office, printing and writing papers. Key markets are Europe, South America and Asia.

- **Market position** #2-4 in coated specialty papers
- **Average market growth** 2-4% p.a.



Food Packaging

Demand drivers

- Sustainability, recyclability, alternatives to plastics
- Stricter food safety and chemical regulations
- Packaging functionality
- Move toward unbleached papers

Strengths

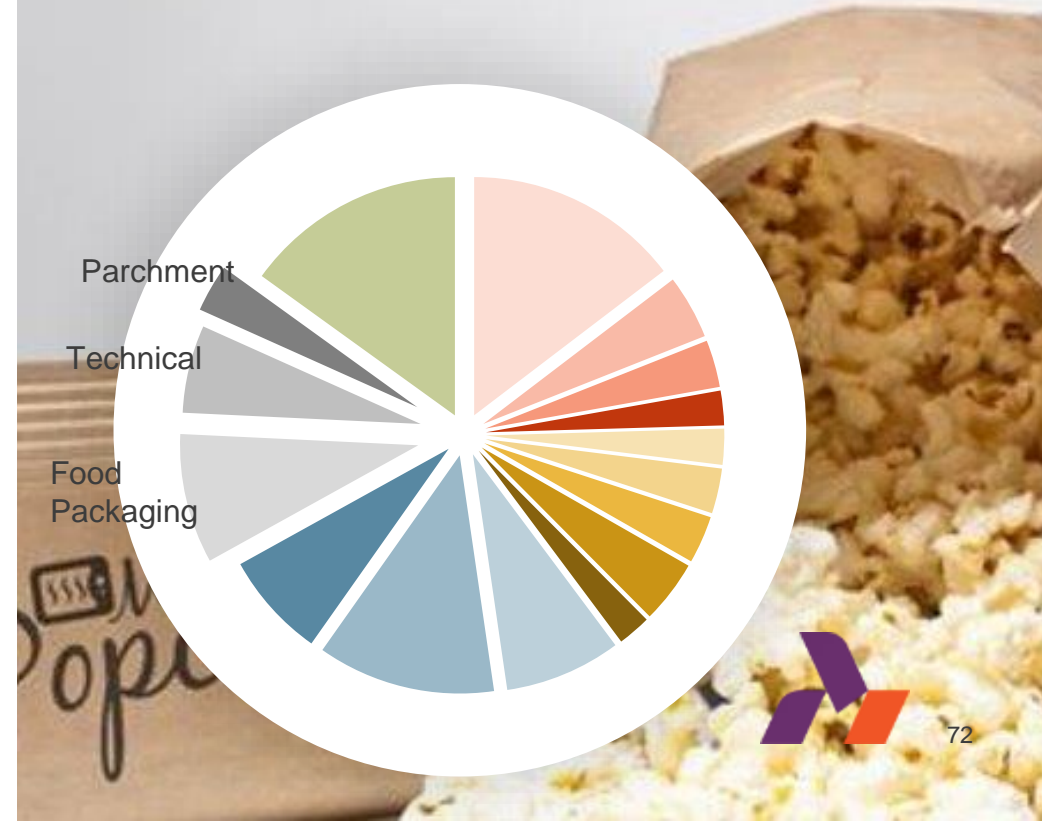
- Strong innovation and product development capabilities
- Broad range of products and capabilities
- Leading North American market position with integrated pulp production

Going forward

- Work proactively with customers, focus on brand owner and end-user collaborative innovation
- Utilize asset base optimization

The **Food Packaging** business offers a broad range of specialty papers and unique capabilities for quick service restaurant, food processing, cooking and baking, and flexible packaging markets. Key markets are in North America and Europe.

- **Market positions #1-3**
- **Average market growth 1-3% p.a.**



Technical

Demand drivers

- U.S. construction and infrastructure activity, particularly homebuilding
- Trends in residential and commercial building segments, and changing building codes
- Increased use of LCD/other displays and continuing need for higher quality materials
- Sustainability in packaging
- Trends and changes in textile production and printing

Strengths

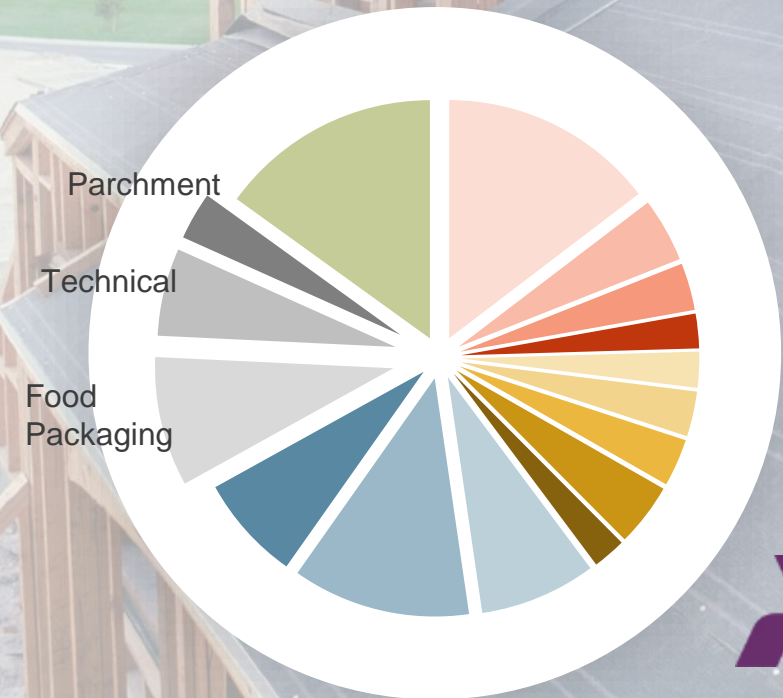
- Leading North American market position
- High degree of technical complexity and customization
- Strong innovation and product development capabilities

Going forward

- Leverage R&D, Product Development, and capability strengths to address changing needs
- Utilize asset base optimization

The **Technical** business produces specialty products used for a wide variety of industrial and construction applications. The product portfolio includes glass interleave papers, saturating bases, laminating bases, dye sublimation papers, and other industrial packaging fiber-based solutions. Key markets are in North America, in addition to selected export regions.

- **Market position #1-2**
- **Average market growth 1-3% p.a.**



Parchment

Demand drivers

- Private consumption, push towards sustainable alternatives
- Brand-owners seeking cellulosic solutions with intrinsic barrier properties to replace plastics
- Stricter food safety and chemical regulations

Strengths

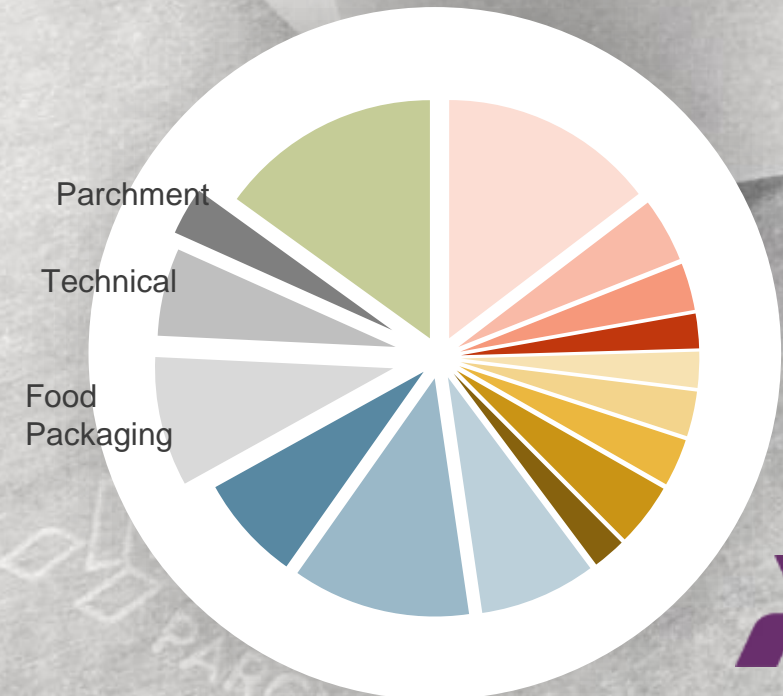
- Capabilities helping customers to differentiate
- Leading brand
- Unique technical characteristics of parchment paper

Going forward

- To leverage on the technical characteristics of parchment paper and consolidate and expand leadership in baking and cooking
- Expand the use of parchment paper to non-food adjacencies

The **Parchment** business produces a broad portfolio of sustainable vegetable parchment solutions for food and industrial applications. The product portfolio includes cooking and baking papers, pan liners, trays and molds. Key markets are in Europe and North America.

- **Market position #1** in baking and cooking
- **Average market growth 2-3% p.a.**



Decor

Demand drivers

- GDP growth, impacting residential home starts, commercial building projects and renovation
- Rapidly growing middle class in developing markets driving construction and furniture demand
- Interior design trends
- Substitution from solid wood, veneer and plastic foils

Strengths

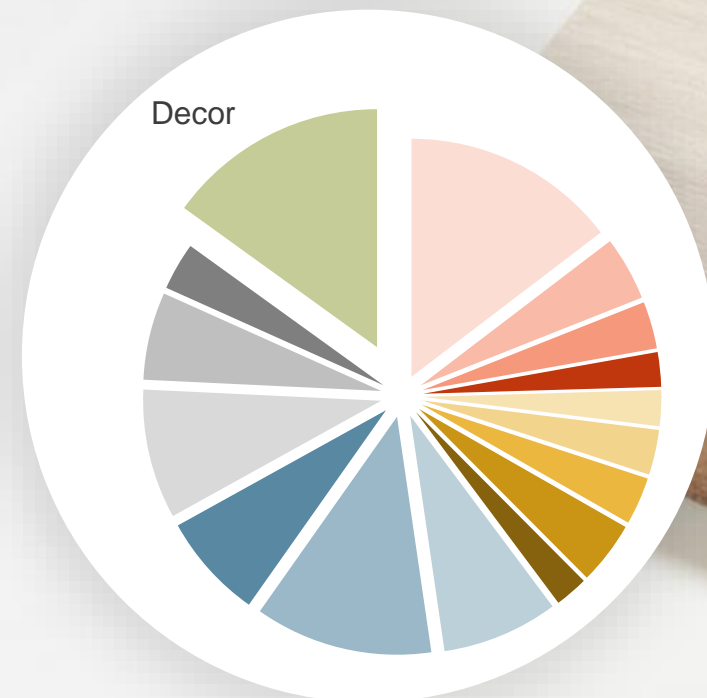
- Industry leading brand, based on capabilities, service and quality
- Strong positions in Europe, North and South America
- Diverse, high-quality product and service offering
- Global leader in solid colors and pre-impregnated papers

The way forward

- Grow and strengthen leading positions in Europe and North America
- Establish a strong growth platform in South America
- Enter China market

The **Decor** business produces paper in a wide range of colors, grades and grammages for decorative applications mainly used in laminated furniture, flooring and interior applications both for technical and esthetical purposes. Key market is Europe and selected export markets.

- **Market position #2-4**
- **Average market growth 3% p.a.**



History



History of Ahlstrom-Munksjö

Over 160 years of industrial leadership

1851

Antti Ahlström starts his business



1862

The first Munksjö paper mill is established in Jönköping by Johan Edvard Lundström och Lars Johan Hierta

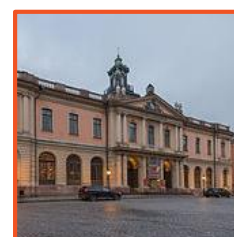
1896

After Antti's death, his wife Eva Ahlström becomes one of the first female industrialists in Finland



1908

A. Ahlström Osakeyhtiö is established



1919

The first listing of Munksjö AB shares on the Stockholm Stock Exchange

1960's

Ahlström's internationalization starts through acquisition in Turin, Italy



1987-2000

Ahlström focuses on specialty papers and fiber solutions by divesting fine paper and paper machinery businesses and acquiring e.g. Sibille-Dalle and Dexter businesses



History of Ahlstrom-Munksjö

Constantly re-imagining fiber

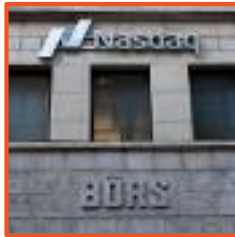
2006

Ahlstrom Corporation listed on Nasdaq Helsinki



2001

Ahlström demerges into Ahlstrom Corporation, Ahlström Capital Oy and A. Ahlström Osakeyhtiö



2011

Munksjö purchases ArjoWiggins' decor, thin print and fine art paper, and abrasive backings businesses in France and Germany



2013

Ahlstrom's label and processing business merges with Munksjö

2017

Ahlstrom and Munksjö merge into Ahlstrom-Munksjö



2019

Expera and Caieiras acquired to strengthen regional growth in North and South America

2019-

We continue to imagine fiber in a sustainable manner



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