

WE HAVE ONLY SEEN THE BEGINNING OF WHAT
FIBER-BASED MATERIALS AND SOLUTIONS
CAN BE USED FOR

Imagine fiber

INVESTOR PRESENTATION

February 2020



AHLSTRÖM
MUNKSJÖ

Ahlstrom-Munksjö – Global leader in fiber-based solutions

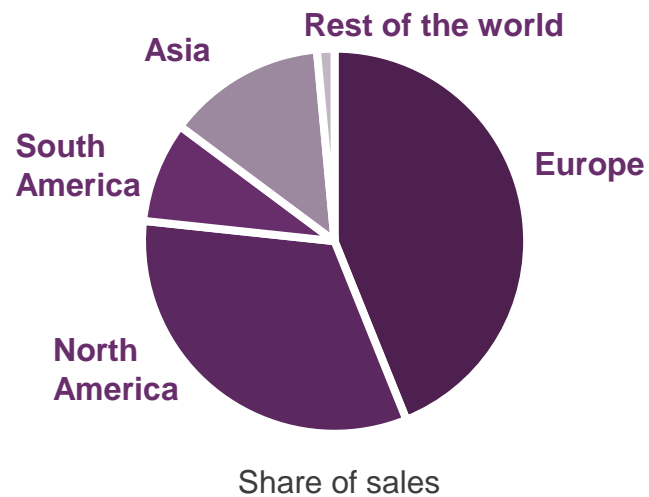
- Fibers are at the core of what we do and the common denominator for our products and solutions
- Natural fibers represent 94% of our total fiber use
- We offer custom made specialized fiber-based materials
- Our value proposition is based on innovation, quality and service
- Our offering contributes 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



Smart solutions out of fibers

Sales from new products* was 10% in 2019 – Long-term target is 15%**



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



HighFlow - a reinforcement fabric for wind and marine industry



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



World of Colors gives heavyweight papers a great design look

*Products launched in the past three years

** 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



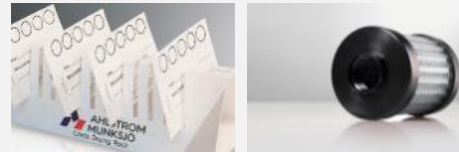
SAFER MATERIALS

Formaldehyde free abrasive backings and fluorfree food packaging materials



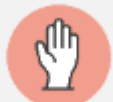
FEWER RESOURCES

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



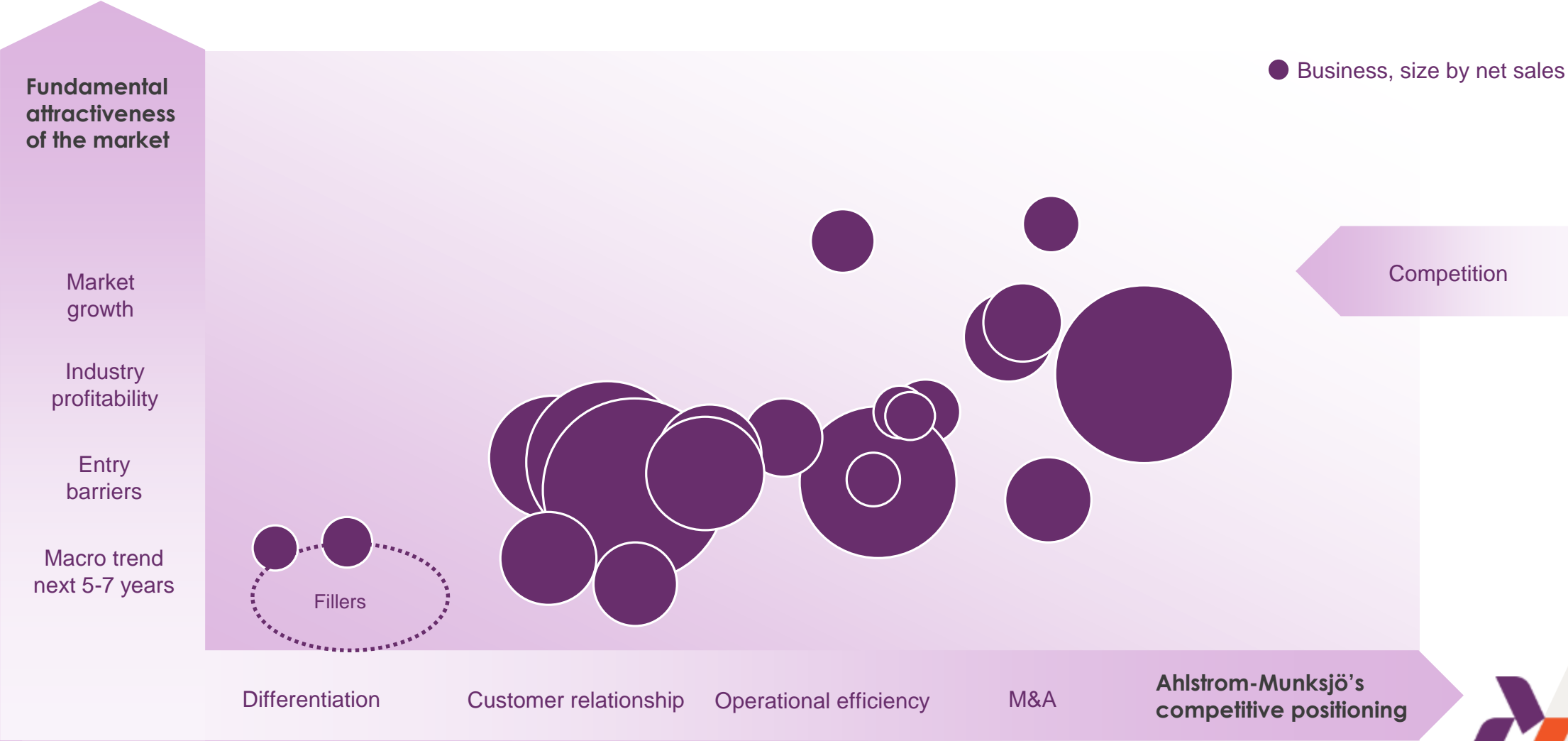
Innovation



Business ethics



Our portfolio of businesses



Portfolio management

Exploring strategic alternatives for Decor business

- Exploring potential acquisitions, mergers and joint-ventures with decor paper suppliers in China
- To speed up the development of the Decor business into a stand-alone leading global operation - Investigating the possibility to attract outside capital
- A non-binding agreement to acquire a state-of-the-art greenfield decor plant for EUR 60 million in China

Acquisitions

- Acquisition of two converting operations in China and the U.S. to create a growth platform for the Liquid Technologies business
- Preliminary debt free purchase price EUR 9.6 million
- Net sales about USD 7 million and comparable EBITDA USD 2 million

Divestments

Fine art papers

- Non-binding memorandum of understanding to divest finer art paper business
- Debt free purchase price EUR 44 million
- Net sales about EUR 13 million and comparable EBITDA EUR 4 million

Glass fiber fabrics

- Sale of glass fiber reinforcement business completed
- Net sales about EUR 30 million, no material impact on Group's comparable EBITDA



Cost savings program to maintain and improve competitiveness

- Market remains uncertain and does not promise much tailwind
- Measures to maintain and improve competitiveness
- Identified cost savings of at least EUR 50 million for the year 2020 compared to 2019 mainly relating to procurement and production
 - Change in recipes
 - Larger rebates
 - Centralizing indirect spend
 - Production optimization
 - Waste reduction
 - Streamlining



Promised cost synergy benefits exceeded

Synergy benefits:

Near-term cost synergies
EUR 12m NASS
EUR 10m Caieiras
by the end of 2019

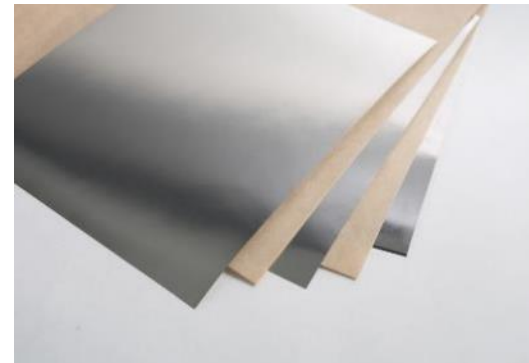
Business synergies
of at least **EUR 10m**
with a gradual impact
from 2020 onwards

SG&A

Sourcing

Cross-selling
Production optimization
Technology sharing

SG&A = Selling, General and Administrative expenses



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



FY 2019 & Q4/19 Financials

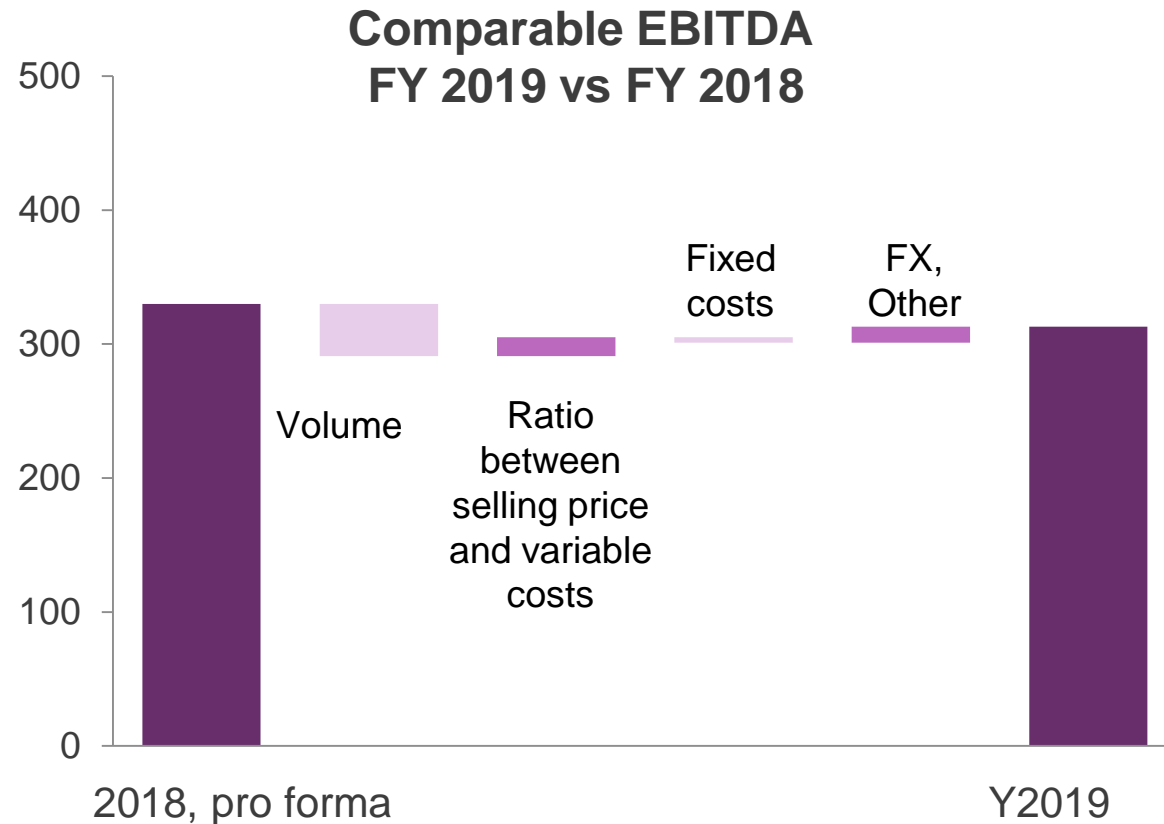


Execution of strategy with speed and determination in 2019

- Integrated acquired businesses
 - Exceeded targeted synergy benefits
 - New organizational structure
- Moved forward in strengthening our company culture
 - Identified culture cornerstones
 - Strengthen our leadership capabilities
- Profit improvement actions
 - Identified cost savings of at least EUR 50 million for 2020, mainly relating to variable costs
- Developed our business portfolio
 - Most value creating structure
 - Four strategic investments completed
 - Innovative products launched



Stronger than expected market headwind in 2019



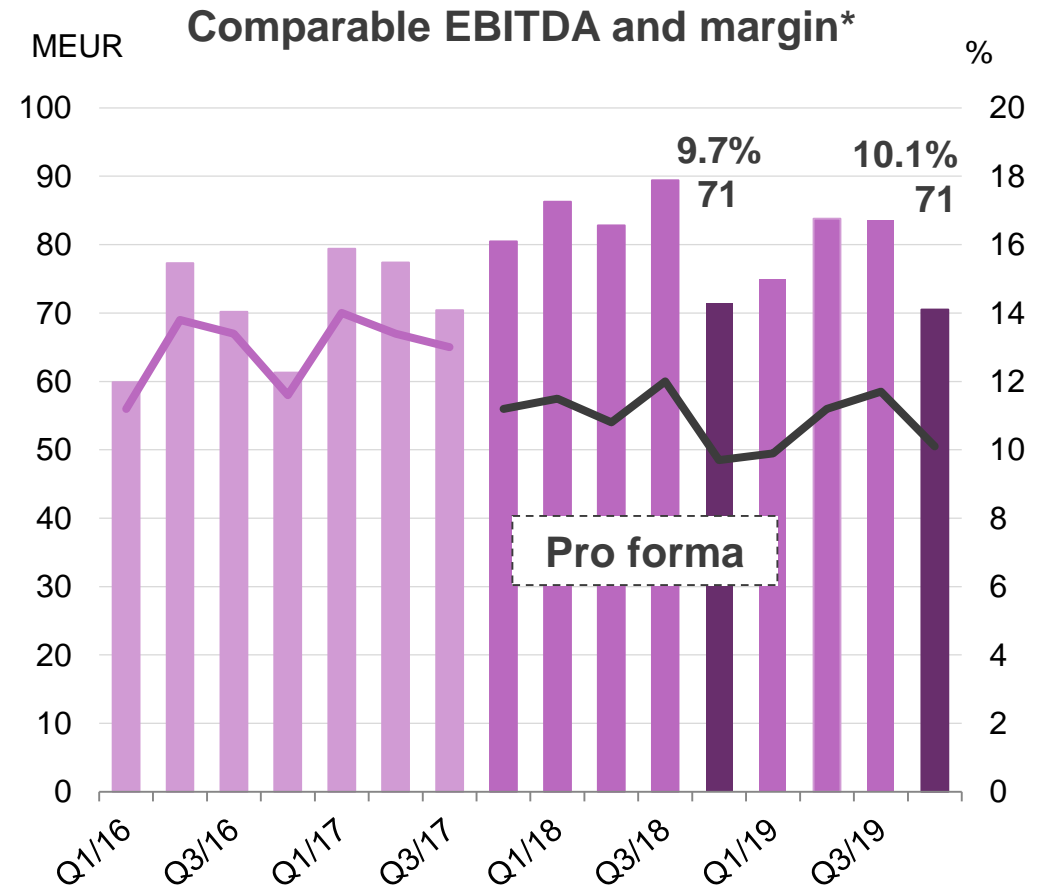
EBITDA impacted by:

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



Very strong cash flow Q4/2019

- Very strong operating cash flow
- Gross margin for products improved, profitability impacted by somewhat higher fixed costs and lower volumes
- Stable profitability
- Market environment remained uncertain
 - Volume decline levelled off
- Progress in building a truly global leader in decor papers
 - Letter of intent to acquire Minglian decor paper producer
- Acquisition of filter converting capacity to grow the attractive Liquid Technologies business
- Agreements to divest the fine art paper business and the glass fiber reinforcement business

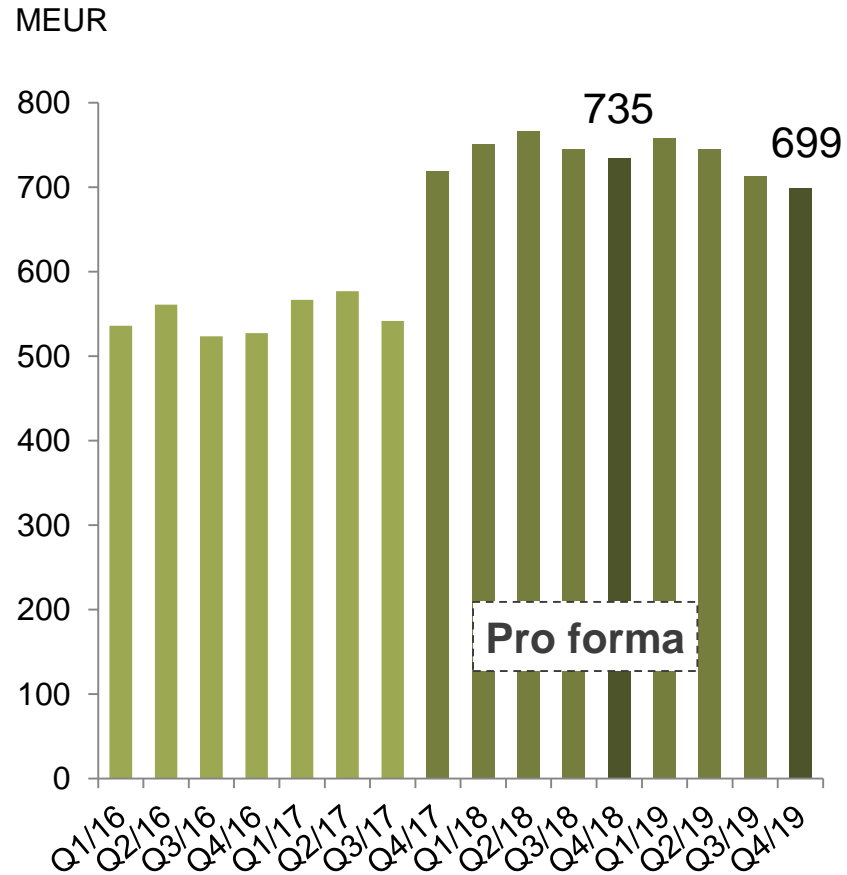


*Years 2016-Q3/2017 Ahlstrom-Munksjö excluding NASS and Caieiras

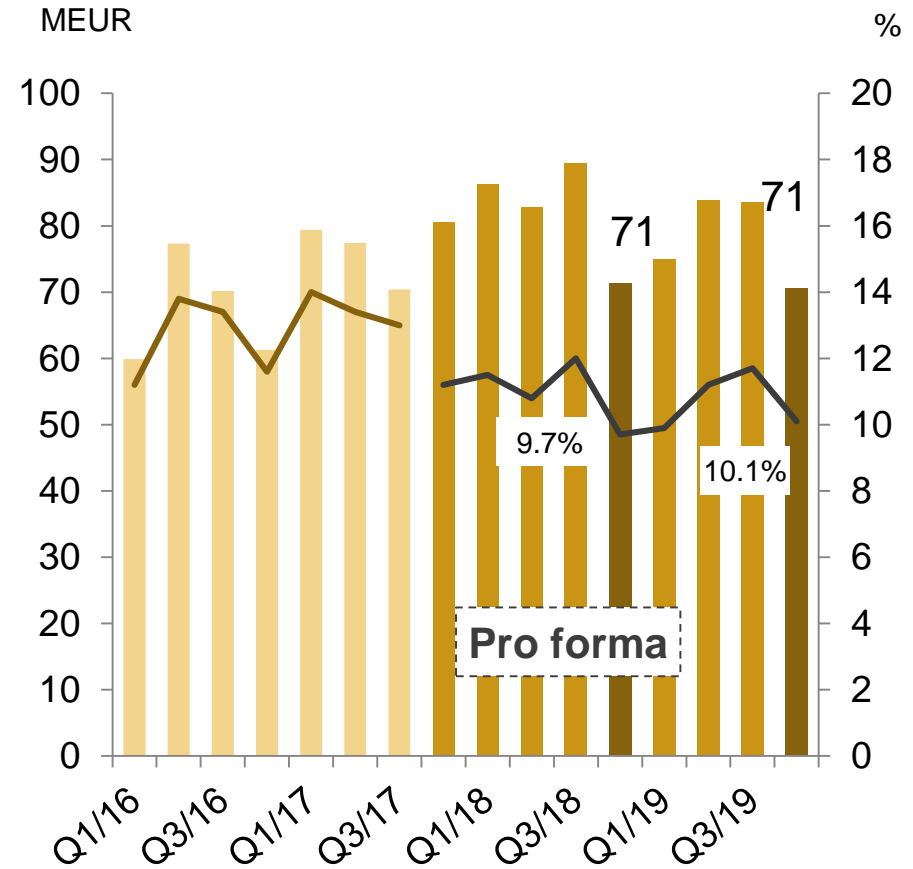


Lower net sales, stable profitability

Net sales*



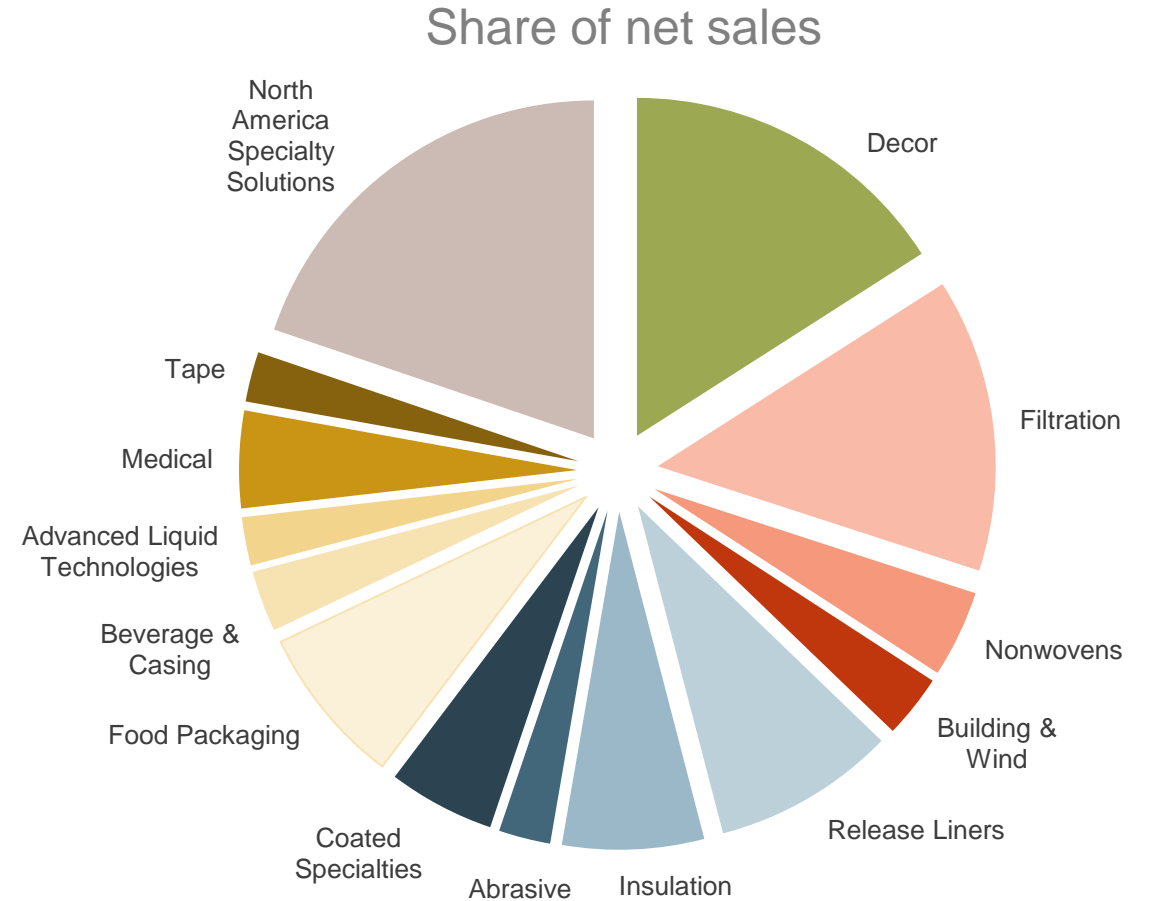
Comparable EBITDA and margin*



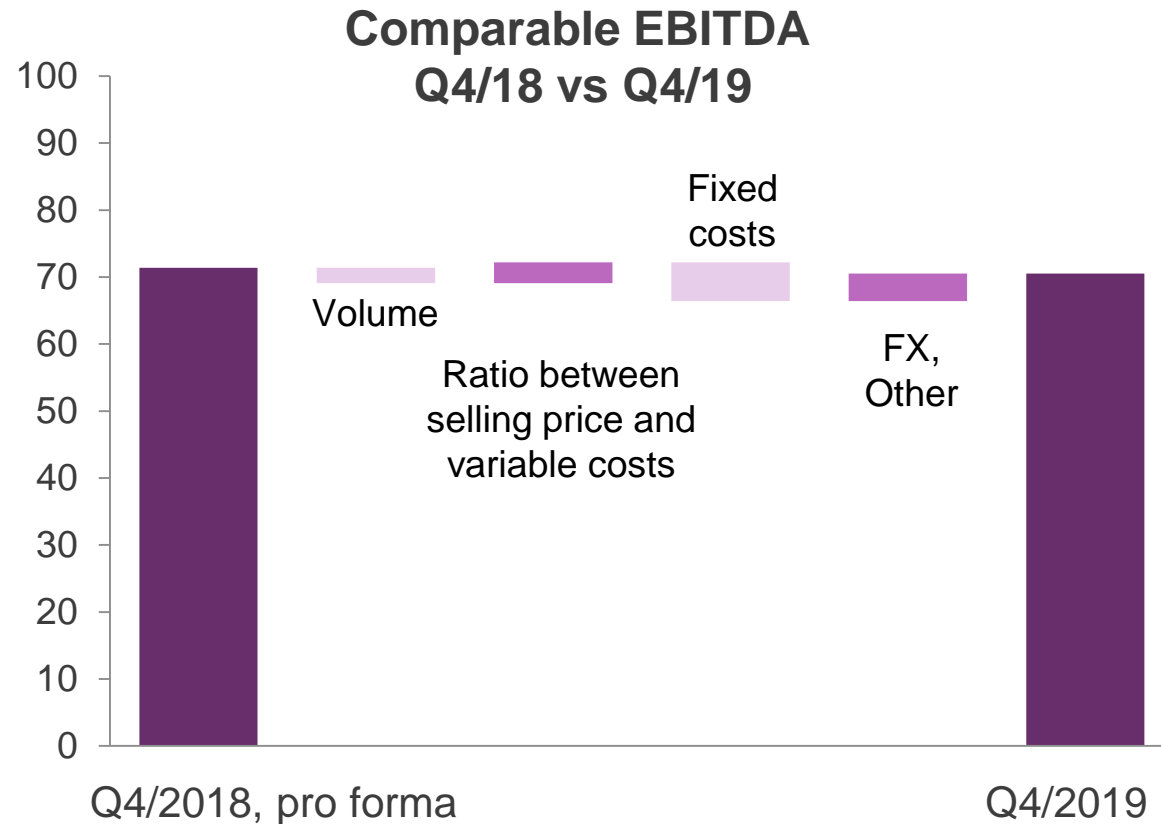
*Years 2016-Q3/2017 Ahlstrom-Munksjö excluding NASS and Caieiras



Decline in deliveries levelled-off, sings of improving demand



Support from lower variable costs, volume decline levelled off



EBITDA impacted by:

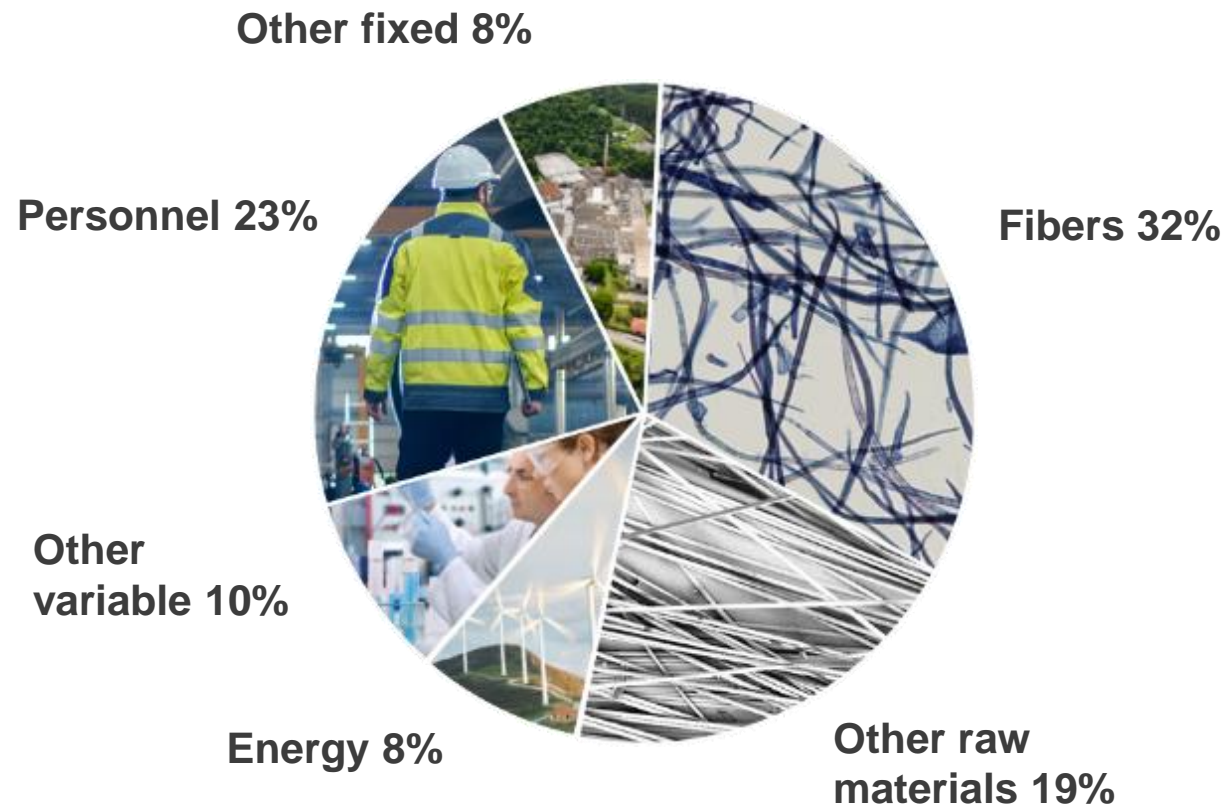
Volume decline stabilized

Lower selling prices were more than offset by lower variable costs

Somewhat higher fixed costs



Breakdown of operating costs



Pro forma breakdown of operating costs

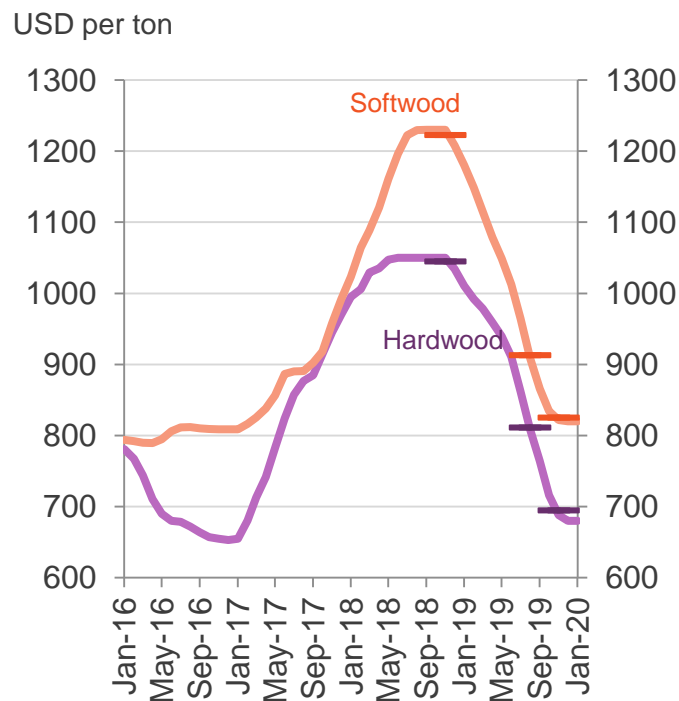
Approximate impact on EBITDA of a 10% increase in costs:

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



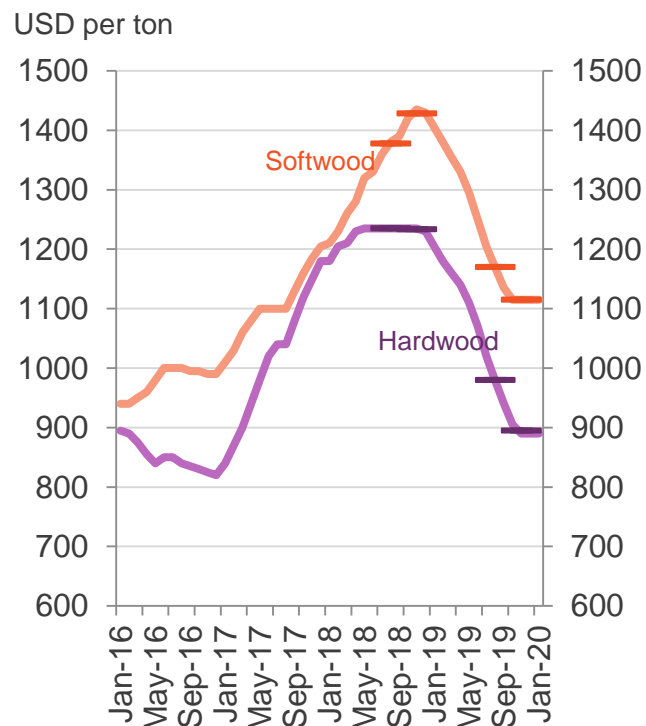
Pulp price development

Europe



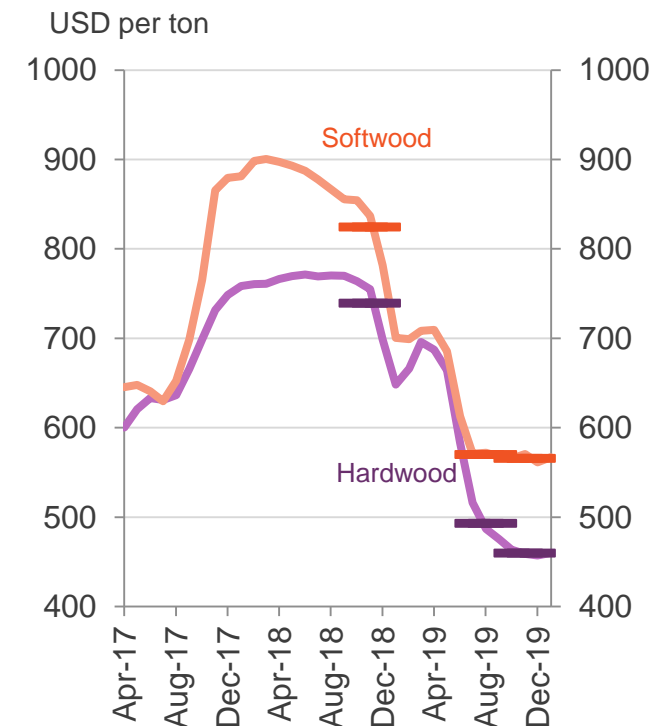
Europe		
Price change, %	Q4/Q4	Q4/Q3
Hardwood	-33	-22
Softwood	-33	-10

North America



North America		
Price change, %	Q4/Q4	Q4/Q3
Hardwood	-27	-11
Softwood	-22	-9

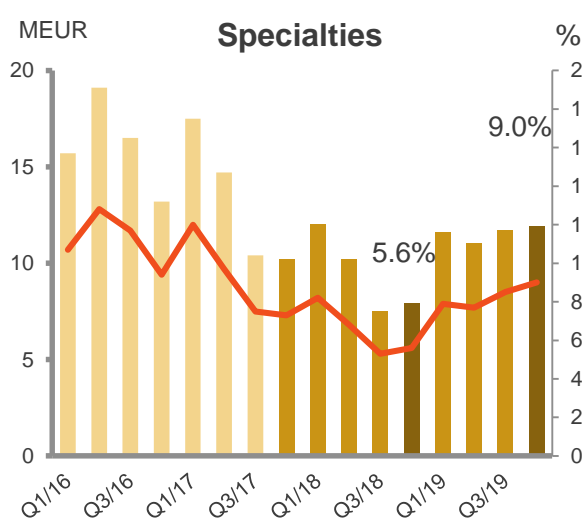
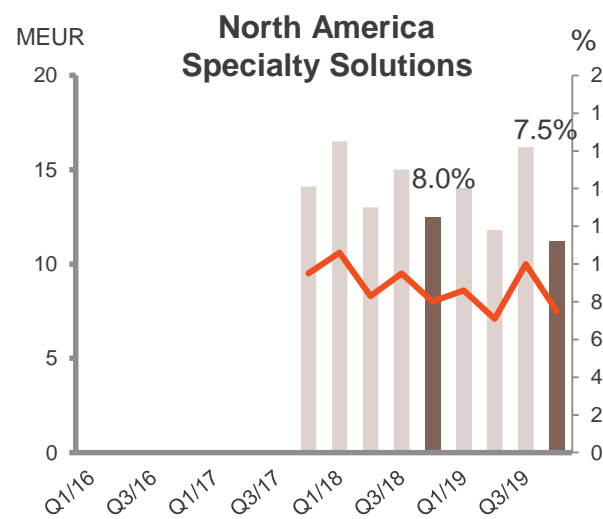
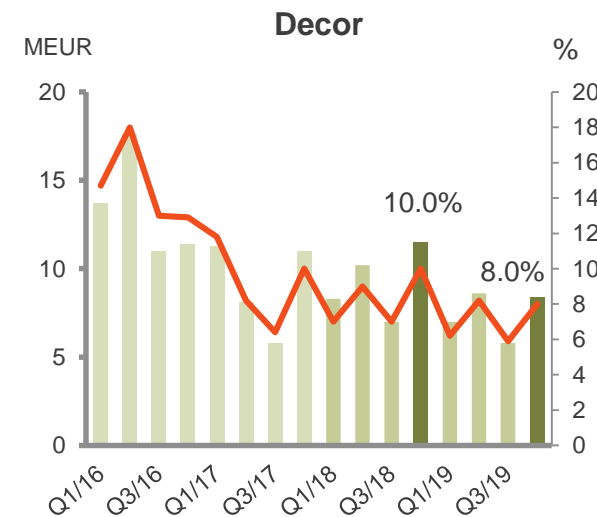
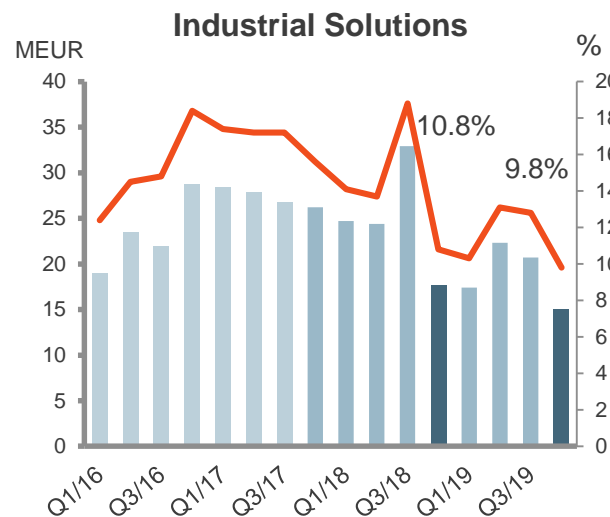
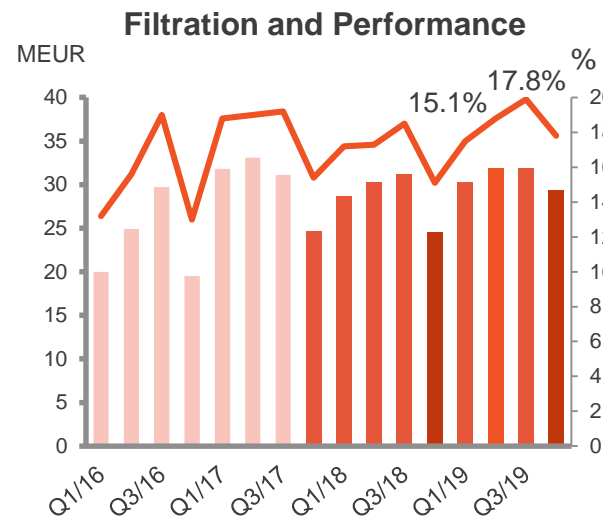
China



China		
Price change, %	Q4/Q4	Q4/Q3
Hardwood	-38	-9
Softwood	-31	-5



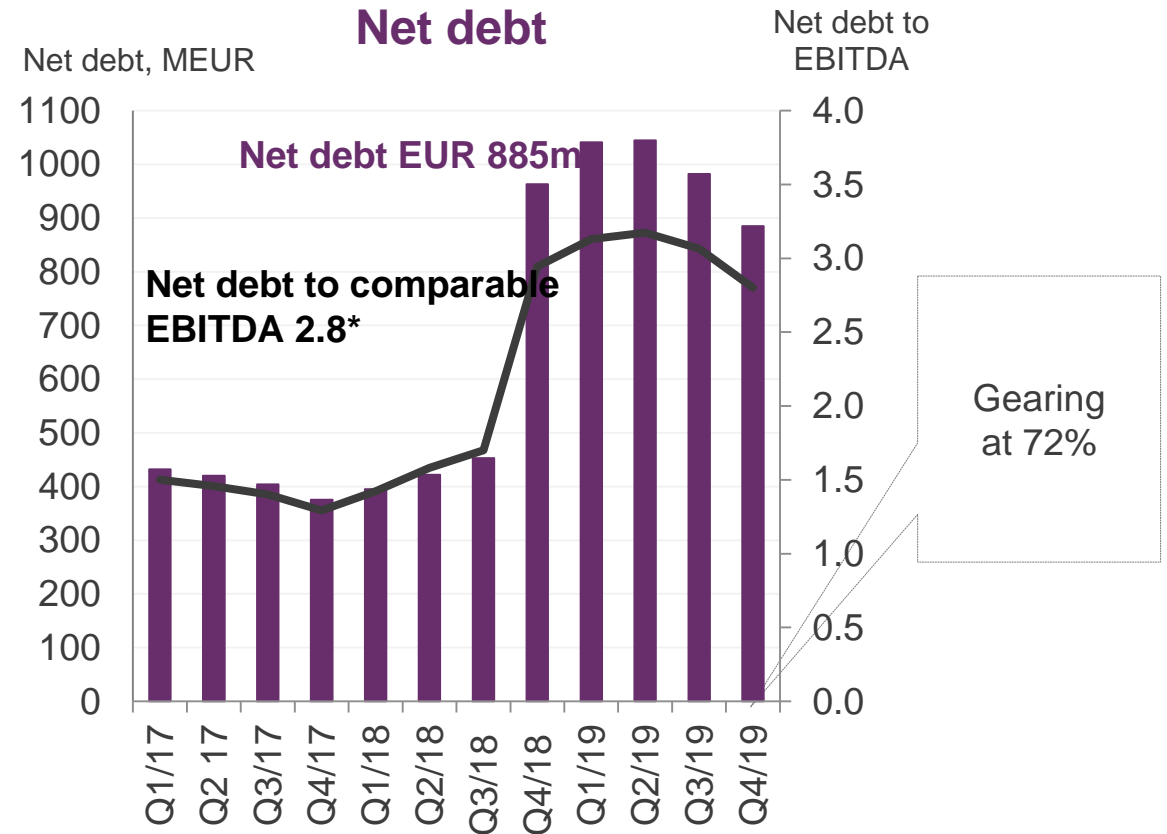
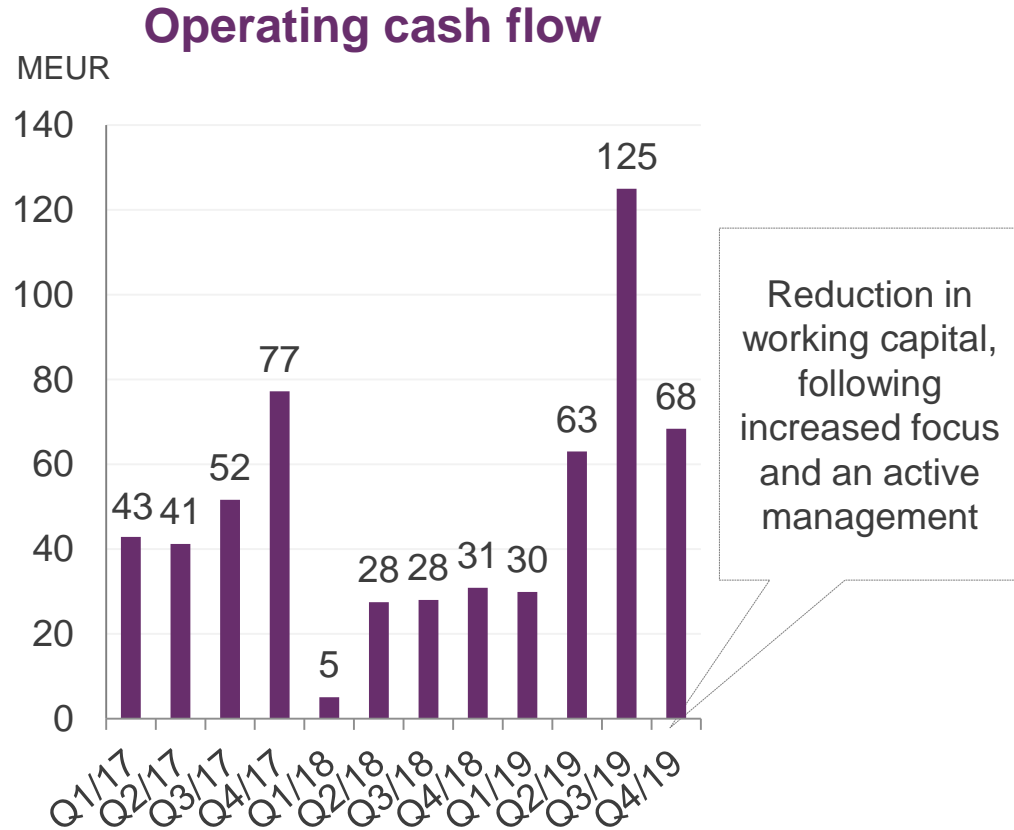
Comparable EBITDA and margin by business area*



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



Strong cash flow boosted by an improvement in working capital



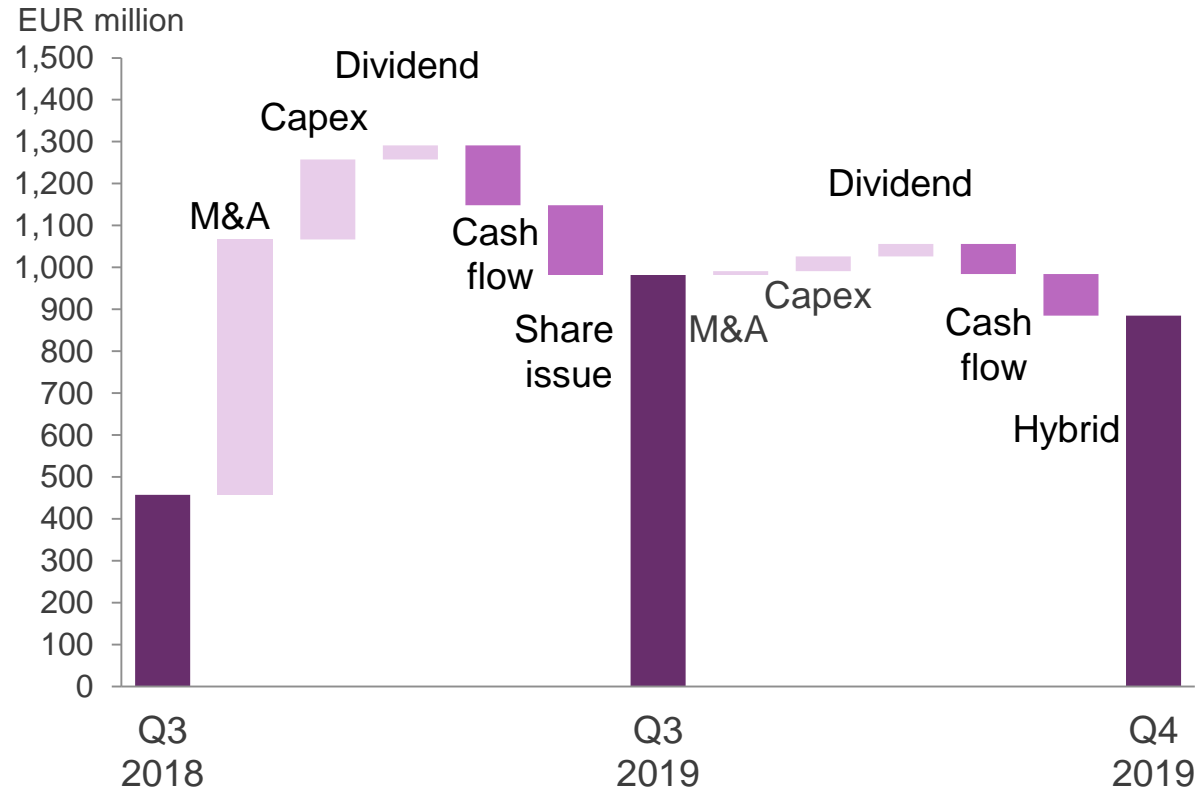
Classification of certain balance sheet items between interest-bearing and non-interest-bearing assets and liabilities were redefined. Comparison figures from Q3/2018 have been restated accordingly

* 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



Lower debt from stronger cash flow and hybrid bond

Net debt*



Net debt to EBITDA 2.8*
 Net debt EUR 885 million
 Gearing 72%

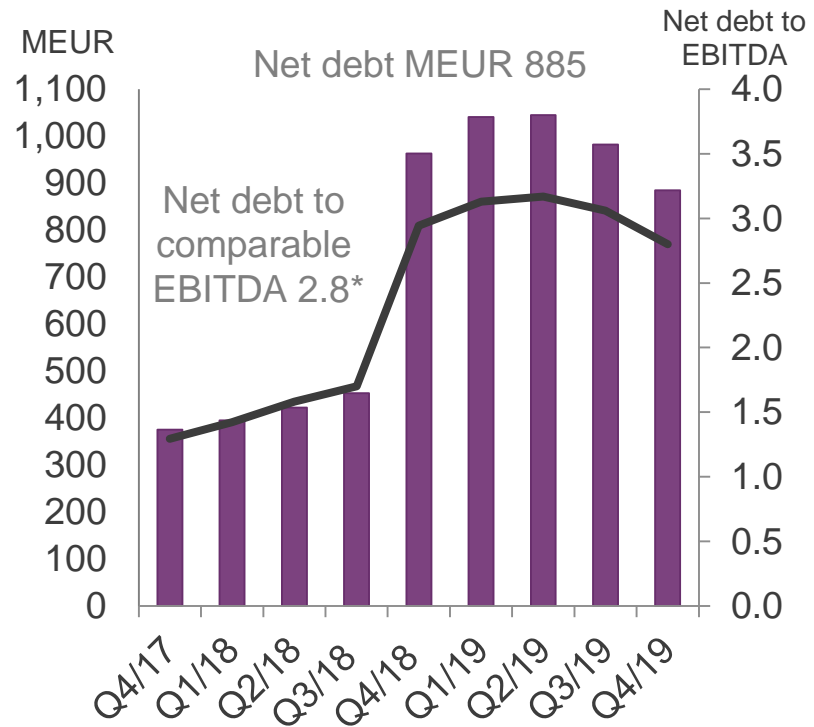
* The implementation of the new IFRS 16 standard, which is excluded from debt covenant calculations, increased net debt by EUR 54 million and EBITDA by EUR 16 million in 2019

* Illustrative

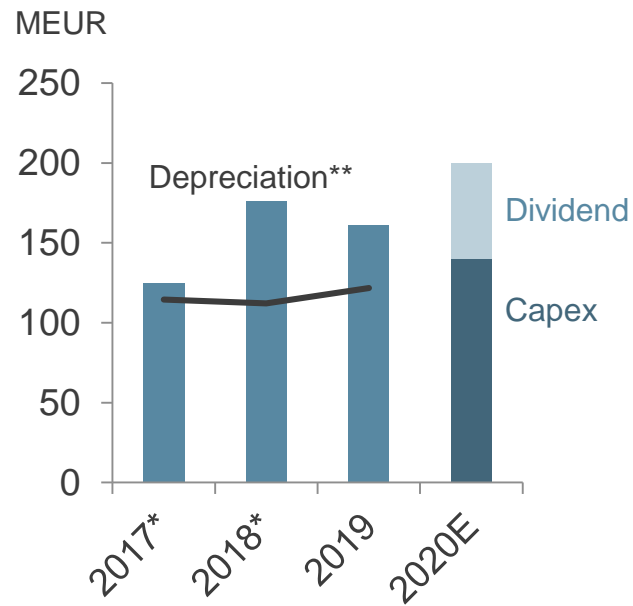


Capital generation and allocation

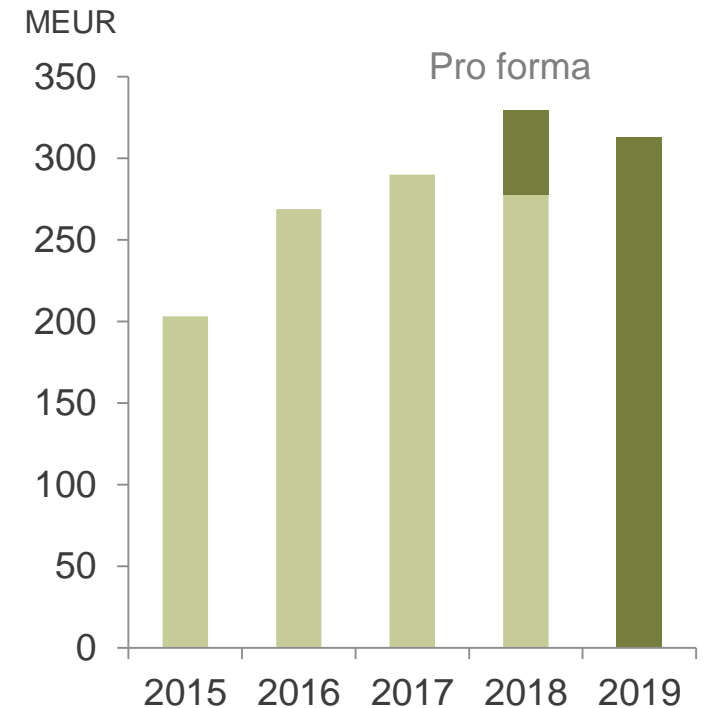
Net debt



Capital allocation



Comparable EBITDA**



* 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








*Pro forma
** Excluding PPA

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



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	✓	✓	✓		<i>Back of sandpaper</i>
Filtration, Turin Capacity debottlenecking, H1/18-	EUR 3m			✓		<i>Filtration material</i>
Filtration, Madisonville Product offering, H2/18-	EUR 23m	✓	✓	✓		<i>Filtration material</i>
Foodpack, Saint Severin New line installation, Q3/18-	EUR 7m		✓	✓		<i>Baking paper</i>
NASS Coater expansion, Q3/17-	EUR 13m		✓	✓		<i>Fiber composite release liners</i>
Decor, Dettingen Production line upgrade, Q1/19	EUR 5m		✓	✓		<i>Pre-impregnated decor paper</i>
Insulation, Aspa Bailing line modernization, Q2/19-	EUR 4m	✓	✓			<i>Specialty pulp</i>



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

Announced investment decisions

Medical, Pont Audemer
Converting line rebuild, Q4/19-
EUR 4m

Filtration, Release Liner
New co-generation in Turin plant, H1/20-
EUR 15m

Filtration, Turin
Capacity expansion, H2/20-
EUR 28m

Beverage & Casing, Chirside
New production line, H2/20
EUR 28m

Efficiency
and agility

Customer
value

Profitable
growth



Coated
specialty
paper



Electrotechnical
paper



Sterilization
wrap



Turin plant



Industrial filter
material

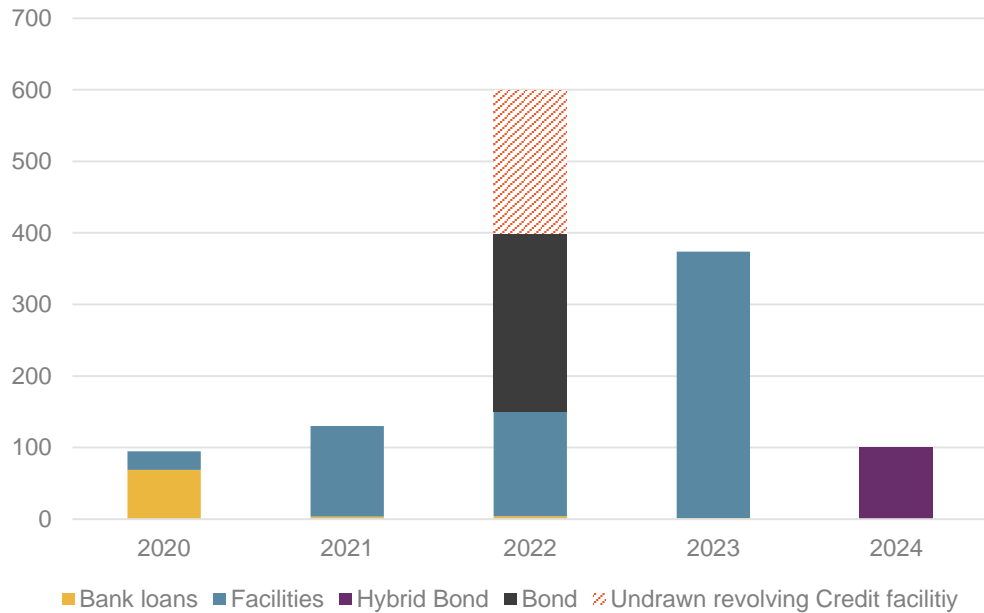


Coffee, tea, and
casing material

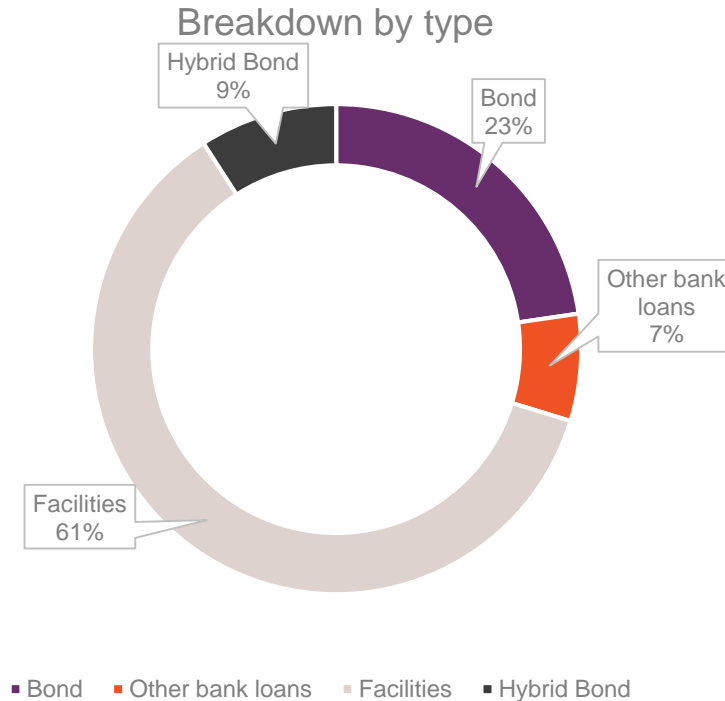


Maturity profile and debt structure

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



Outlook for 2020

Ahlstrom-Munksjö's comparable EBITDA reached EUR 313 million in 2019. The decline in volumes, which had a negative impact on the result in 2019, levelled off towards the end of the year. In the beginning of 2020, there are some early signs of improvement in demand. Raw material and energy prices had a negative impact for the full year 2019, while they started to have a positive impact in the second half. The ratio between average selling price and variable costs was at a good level at the start of 2020.

Ahlstrom-Munksjö will continue its efforts to improve performance and competitiveness. Identified cost savings, mainly related to variable costs, are estimated to have an overall impact of at least EUR 50 million for 2020. Ahlstrom-Munksjö's comparable EBITDA in 2020 is expected to be higher than in 2019.

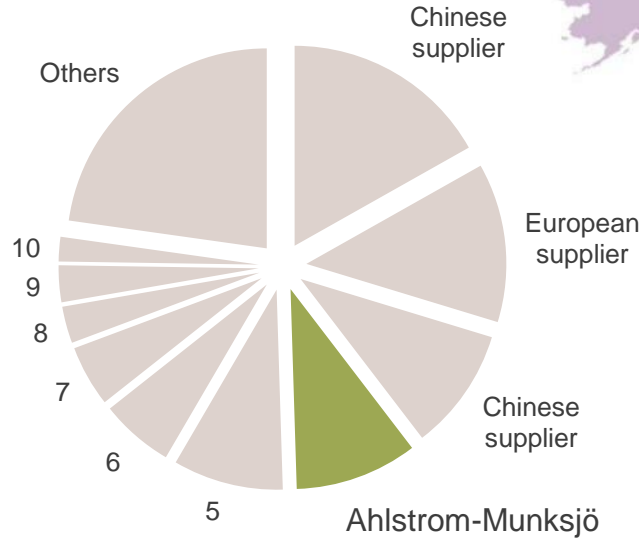


Exploring strategic alternatives for Decor business

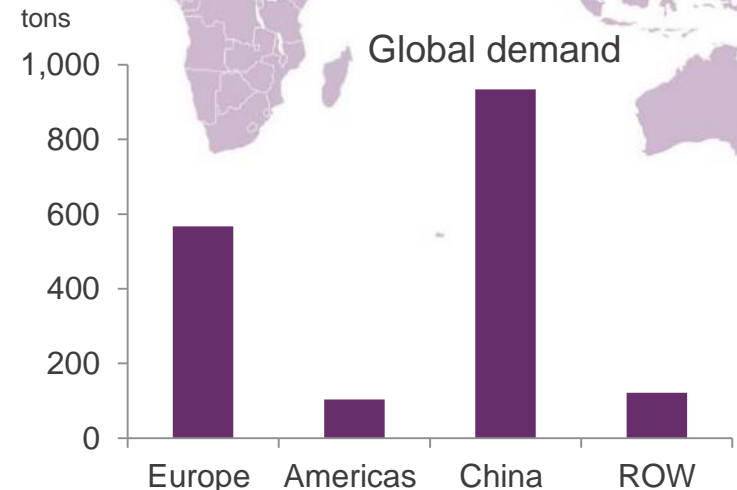
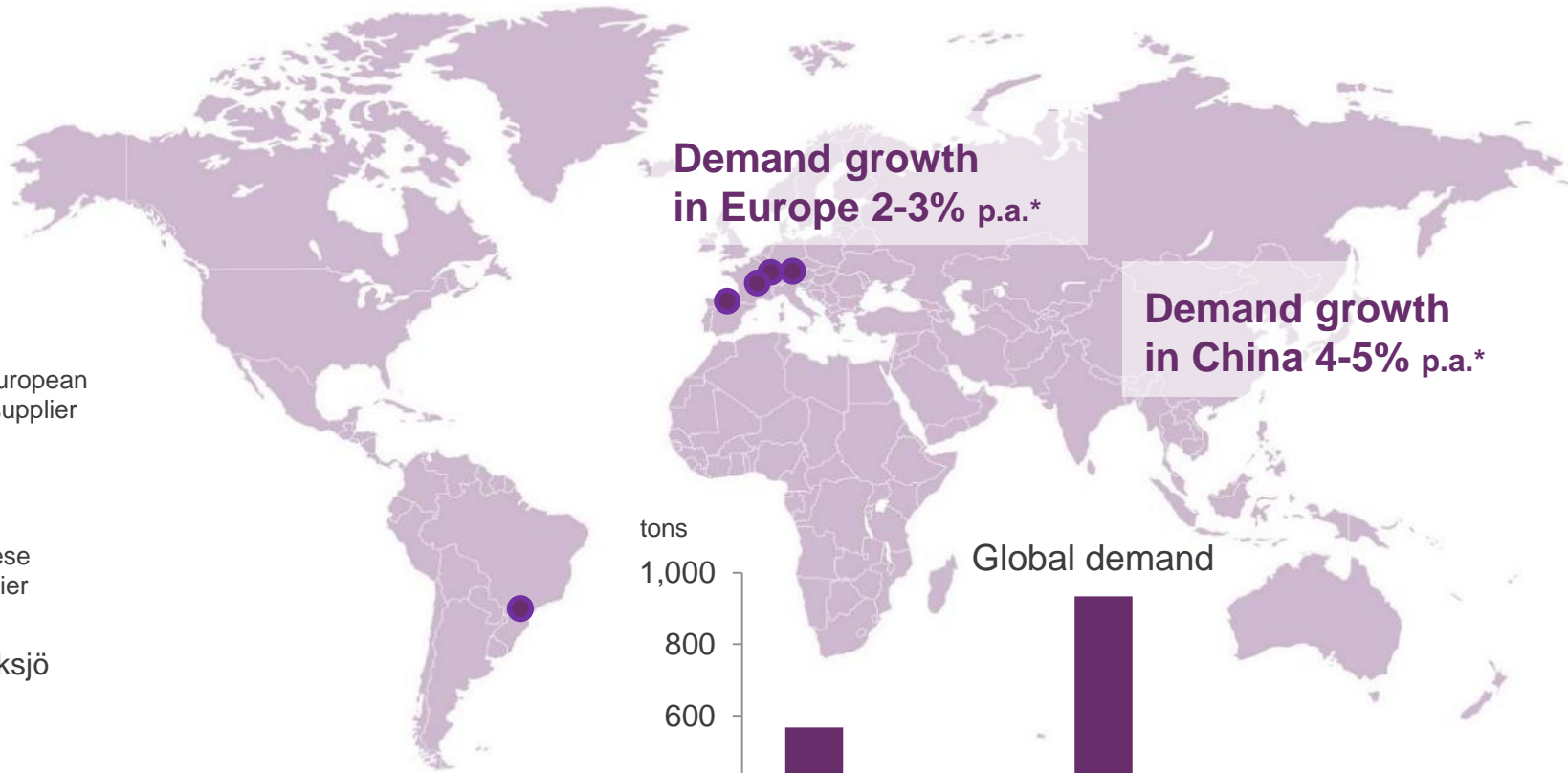


Strong in Europe and Americas, leading brand globally

Share of global capacity

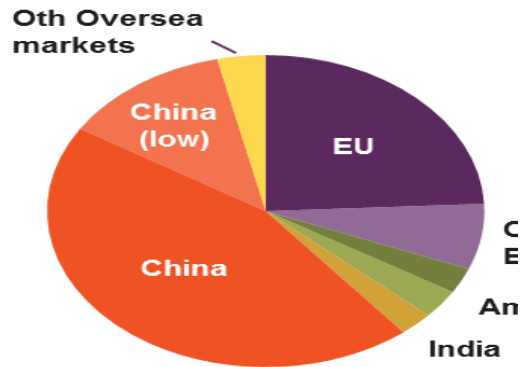


● Ahlstrom-Munksjö's manufacturing site
 * Estimated market growth



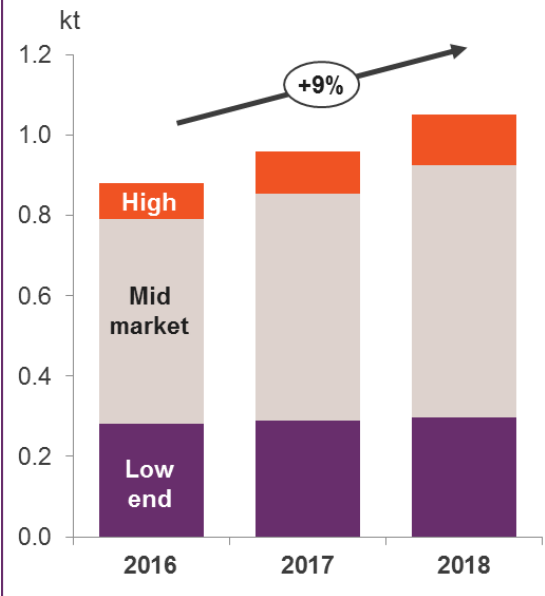
Chinese decor paper market – the growth engine of the global decor paper market

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



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

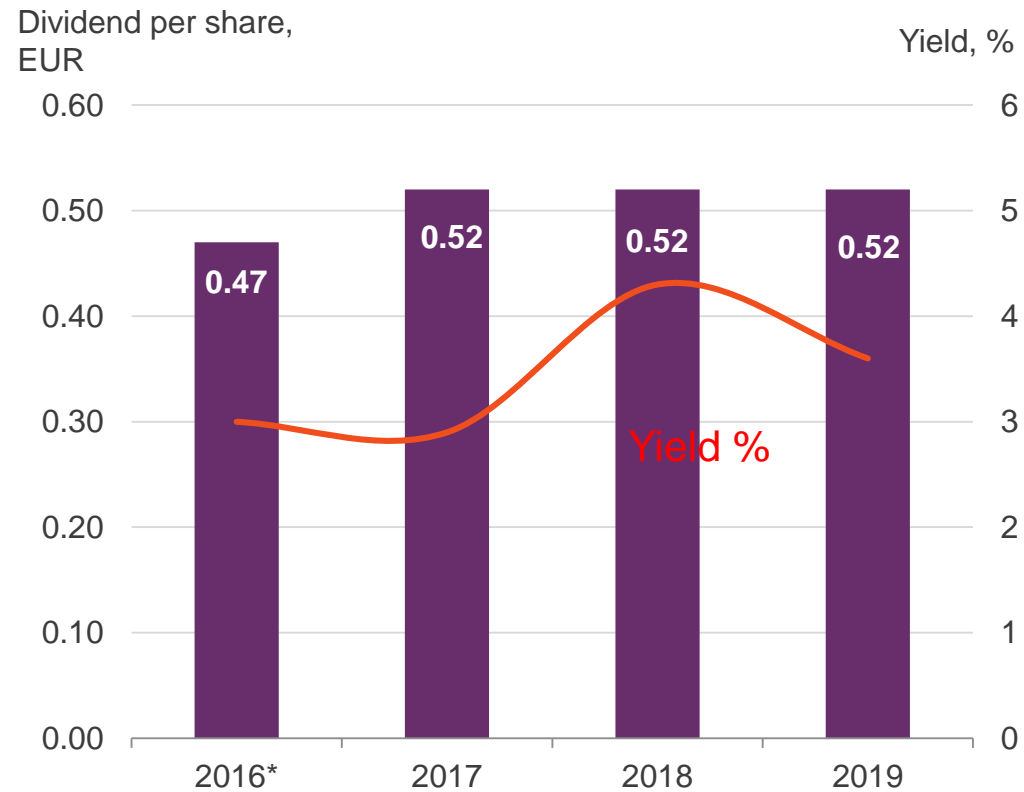


Tomas Wulkan
Executive Vice President,
Decor Solutions



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

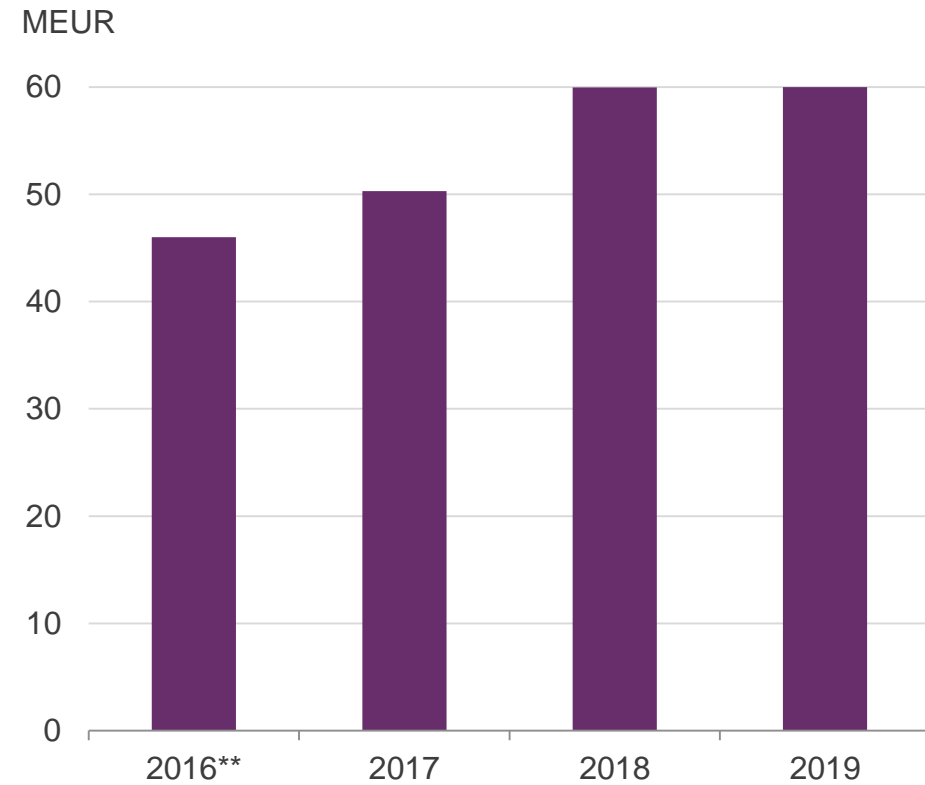
Dividend per share and yield %



* Proposal to the AGM

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

Dividend



** Total dividend of Ahlstrom and Munksjö



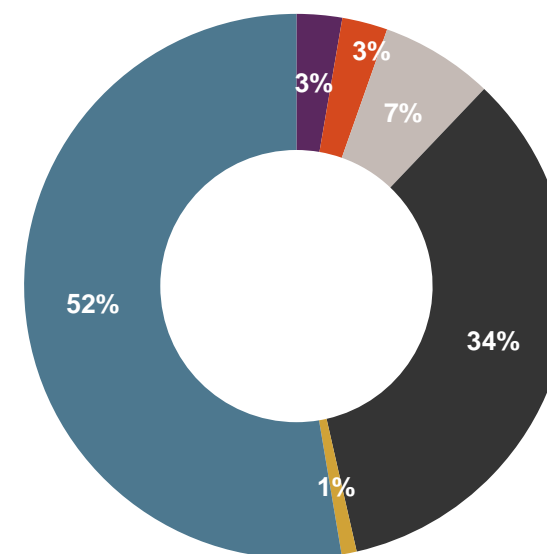
We have over 13,000 shareholders

Shareholders	Shares	% of shares
1 Ahlström Capital Oy	21,618,957	18,69
2 Viknum AB	14,048,006	12,15
3 Ilmarinen Mutual Pension Insurance Company	3,221,781	2,79
4 Odin funds*	2,581,264	2,23
5 Huber Mona Lilly	2,294,006	1,98
6 Varma Mutual Pension Insurance Company	2,089,532	1,81
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 Gullichsen Johan Erik	1,171,068	1,01
11 Huber Karin	1,170,553	1,01
12 Sumelius John Michael	1,154,388	1,0
13 Emmett Linda-Maria	1,137,627	0,98
14 Kymälä Kim	1,128,888	0,98
15 Seligson Peter	1,074,576	0,93
16 Huber Samuel	1,041,307	0,9
17 Nahi Kai Anders Bertel	1,036,539	0,9
18 Lund Niklas Roland	1,034,920	0,89
19 Koivulehto Monica	981,690	0,85
20 Coulet-Tracewski Eliane Tyra Helene	879,010	0,76
20 largest shareholders total	60,077,944	51,95
Nominee registered	16,767,294	14,50
Other shares	38,808,077	33,55
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 January 31, 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	P/E 2020	P/E 2021	EV/EBITDA	EV/EBITDA 2020	EV/EBITDA 2021	P/B	ROE
AHLSTROM-MUNKSJÖ	52.6	12.7	10.3	9.4	7.2	6.6	1.5	2.8%
UPM-KYMMENE	15.1	17.4	16.2	8.7	9.6	9.2	1.6	10.7%
STORA ENSO	11.0	17.8	14.0	7.3	9.3	8.2	1.3	12.5%
METSA BOARD	13.9	16.1	12.3	10.1	8.9	7.6	1.5	10.9%
GLATFELTER	24.0	19.7	16.3	9.3	8.0	7.6	1.3	-3.9%
NEENAH PAPER	22.1	20.3	18.3	11.8	11.2	10.2	2.9	13.1%
OWENS CORNING	12.2	13.9	12.2	7.6	8.1	7.6	1.5	11.6%
LYDALL	38.5	20.5	12.3	6.6	7.4	6.6	1.0	1.9%
SUOMINEN	239	23.9	13.3	7.0	5.5	5.1	1.0	0.2%
BILLERUDKORSNÄS	25.0	22.1	14.6	10.6	8.7	7.1	1.3	39.7%
ESSITY	24.0	18.6	17.7	12.4	11.0	10.7	4.1	18.2%
Median	24.0	18.6	14.0	9.3	8.7	7.6	1.5	10.9%

Source: Bloomberg February 18, 2020

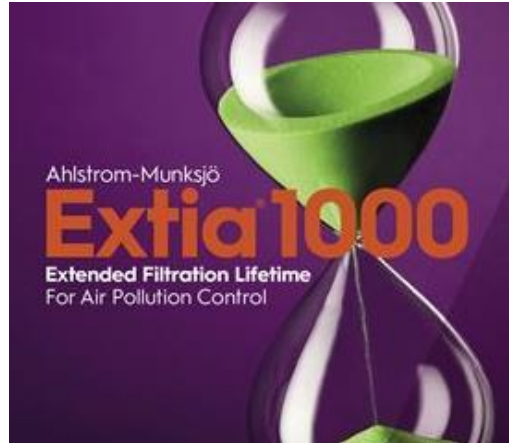


Better performance

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 pre-laminated 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.



Divestment of glass fiber fabrics business

- Agreement to sell glass fiber reinforcement business in Mikkeli to Vitruvan Group, part of the family-owned industrial holding ADCURAM of Germany
- Mikkeli plant produces glass and carbon based reinforcement fabrics, used to strengthen wind turbine blades, boat hulls, transportation equipment and industrial tanks and pipes
 - Limited synergies to Ahlstrom-Munksjö's portfolio
 - Different technology and customer base
 - Lower conversion margin
- Net sales of about EUR 30 million, no material impact on Group's comparable EBITDA
- Ahlstrom-Munksjö continues to produce glass fiber tissue at plants in Karhula, Finland and Tver, Russia
 - Defend and grow leading position in flooring applications and intends to expand its portfolio further



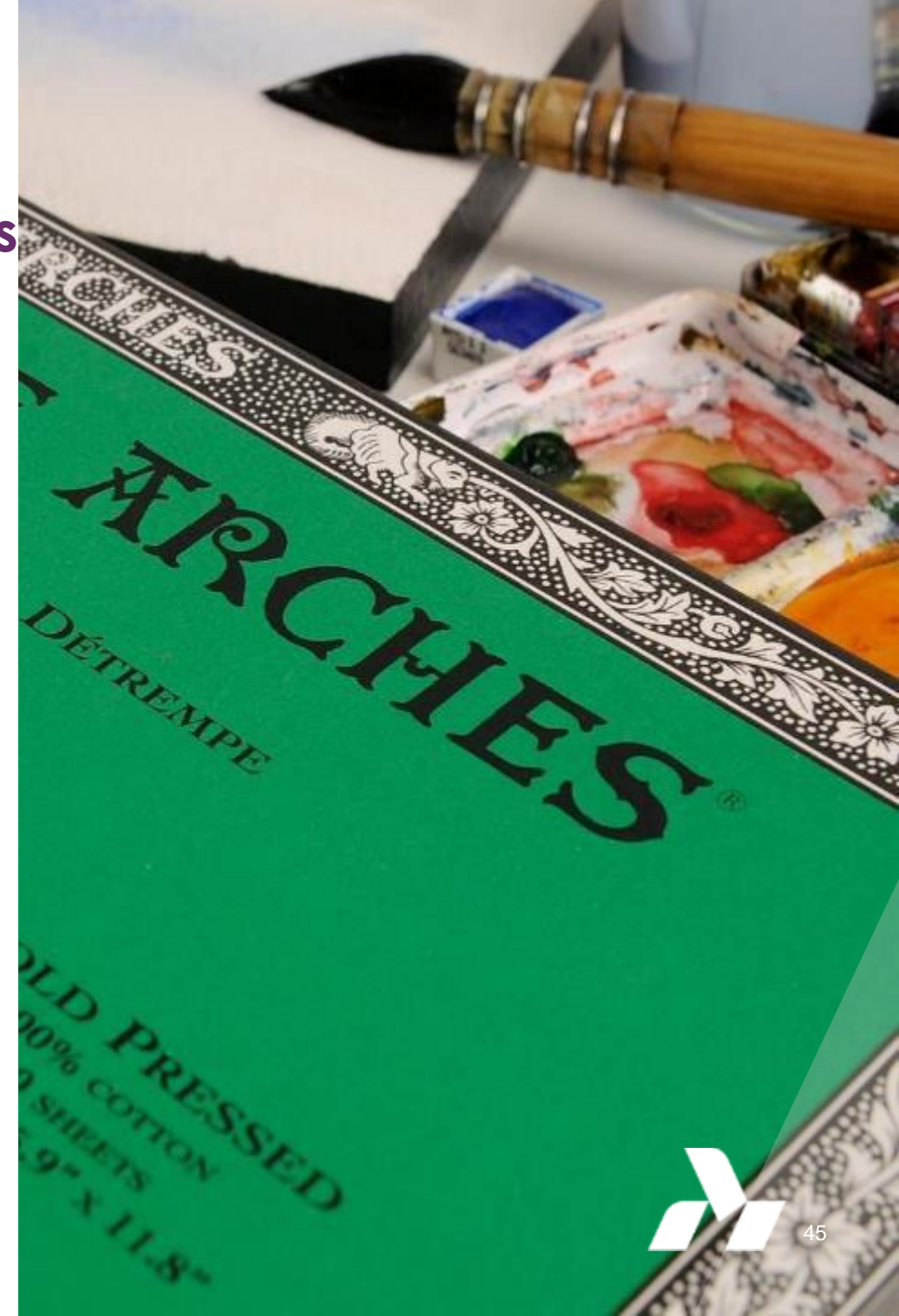
Establishing growth platform for the Liquid Technologies business

- Acquisition of converting operations in China and the U.S.
- Foothold for expanding sales of other products within the Liquid Technologies business
 - Local presence in Asia will shorten delivery lead times and enable Ahlstrom-Munksjö to serve its customers even better
- Net sales of the acquired operations are approximately USD 7 million and comparable EBITDA USD 2 million annually
- Debt free purchase price USD 11 million
- Their product offering of hot cooking oil filters is used in quick service restaurants and food service operations, mainly in China and the U.S.
- The combined operations are expected to generate substantial synergy benefits



Non-binding memorandum of understanding to divest fine art paper business

- Non-binding memorandum of understanding to divest fine art paper business, ARCHES®, to F.I.L.A. (Fabbrica Italiana Lapis ed Affini S.p.A. Group) of Italy
- Debt free purchase price about EUR 44 million
- Pro forma net sales are expected to be about EUR 13 million and comparable EBITDA in excess of EUR 4 million in 2019
- ARCHES paper is mainly used for watercolor painting, art publishing as well as printing and writing
- Two dedicated machines at the Arches plant in France
 - Ahlstrom-Munksjö will continue to operate five machines at the site for Abrasive and Decor businesses
- Transaction is subject to labor consultation and finalization of discussions between the parties to sign binding agreements
- Transaction is expected to be completed in Q1 2020



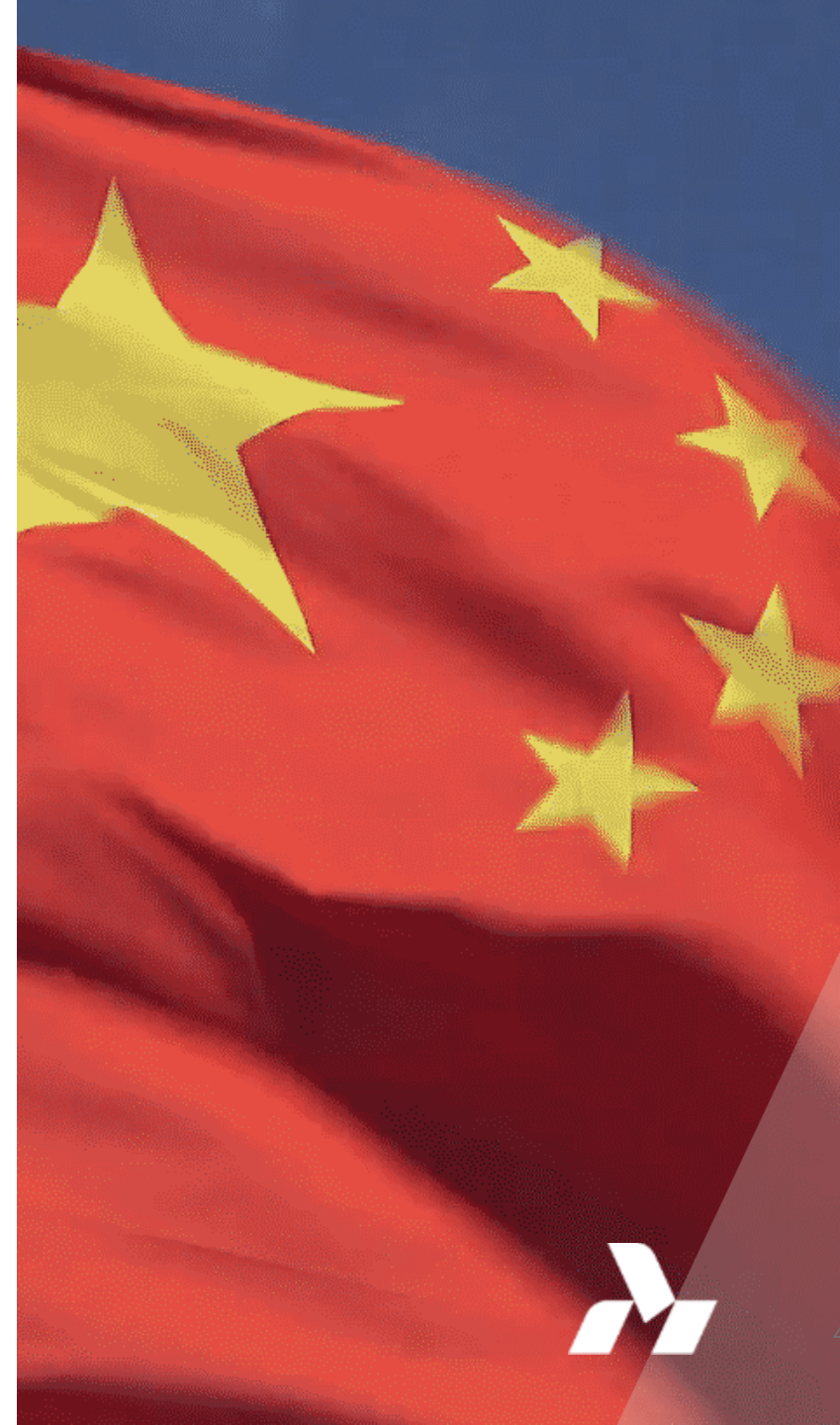
Non-binding letter of intent to acquire Chinese decor paper producer Minglian

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

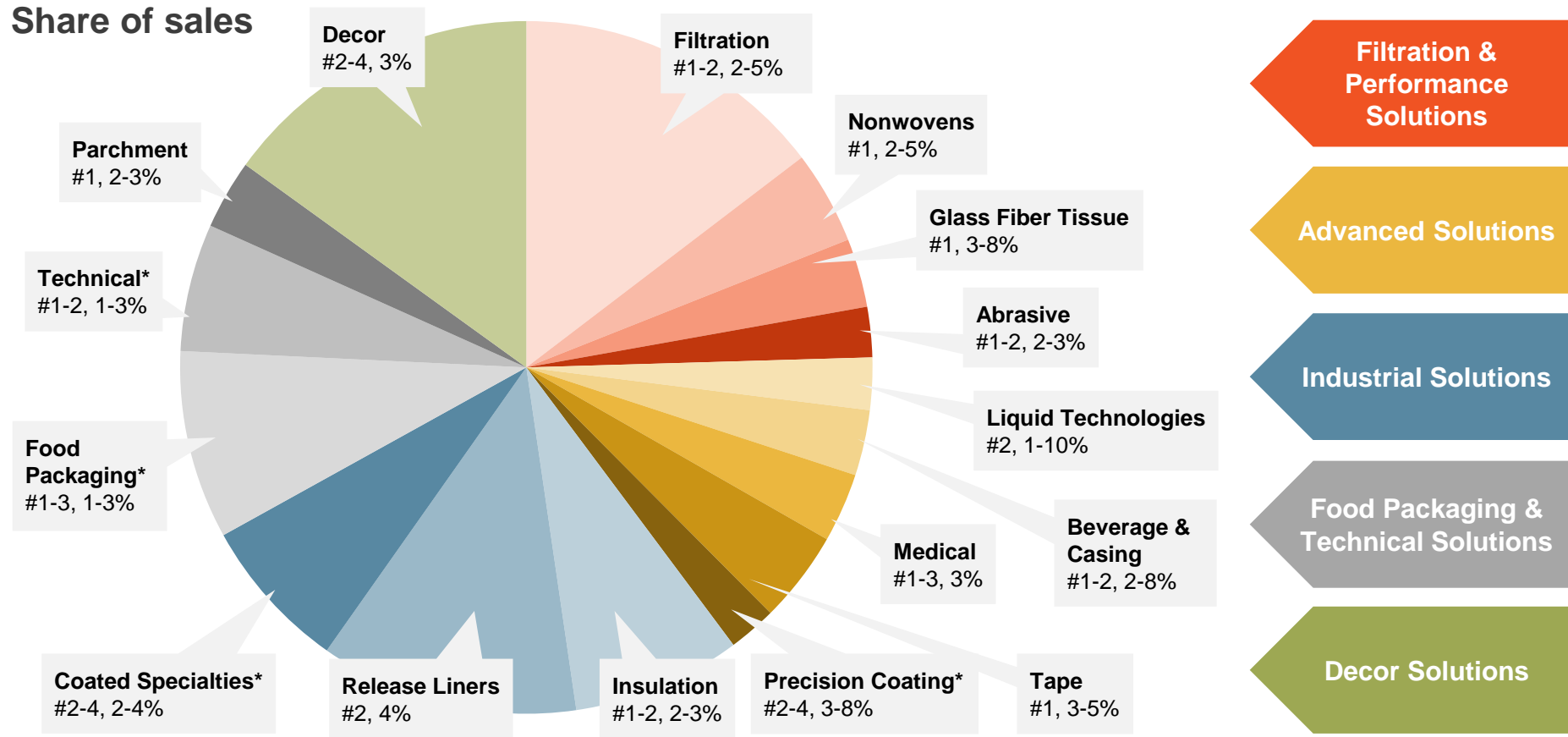
Combining Minglian with existing Decor business

- 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



Businesses

Leading positions in chosen growth segments



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

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

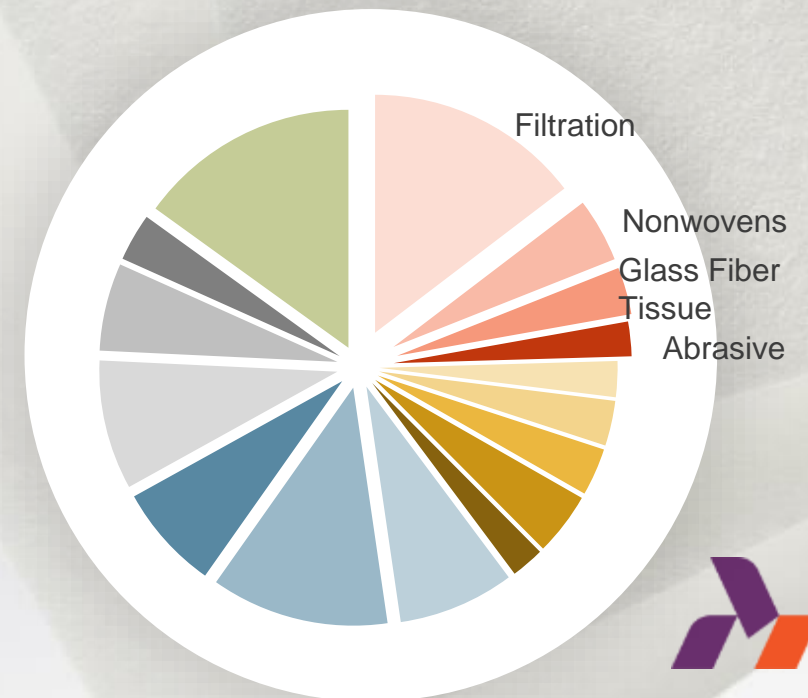
- Global leadership engine filtration
- Growing position in industrial air filtration
- Unique know-how enabling tailor-made developments for engine filtration customers
- Wide and unique technology platform and strong R&D capabilities in industrial filtration

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

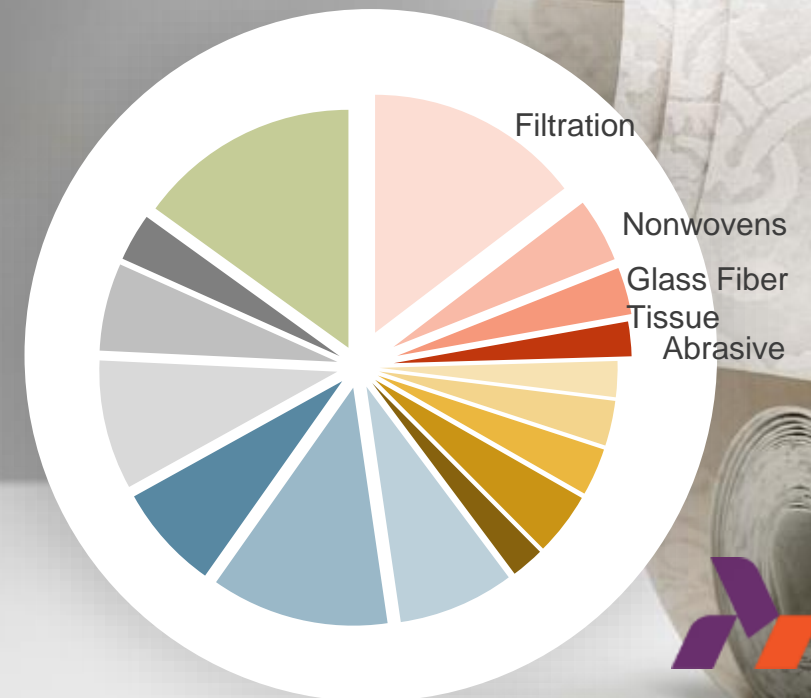
- Leading position in in the high-end wallcoverings market in Europe and Asia
- Differentiated offering for growing plasterboard applications
- Ability to tailor-make products to meet specific customer needs

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

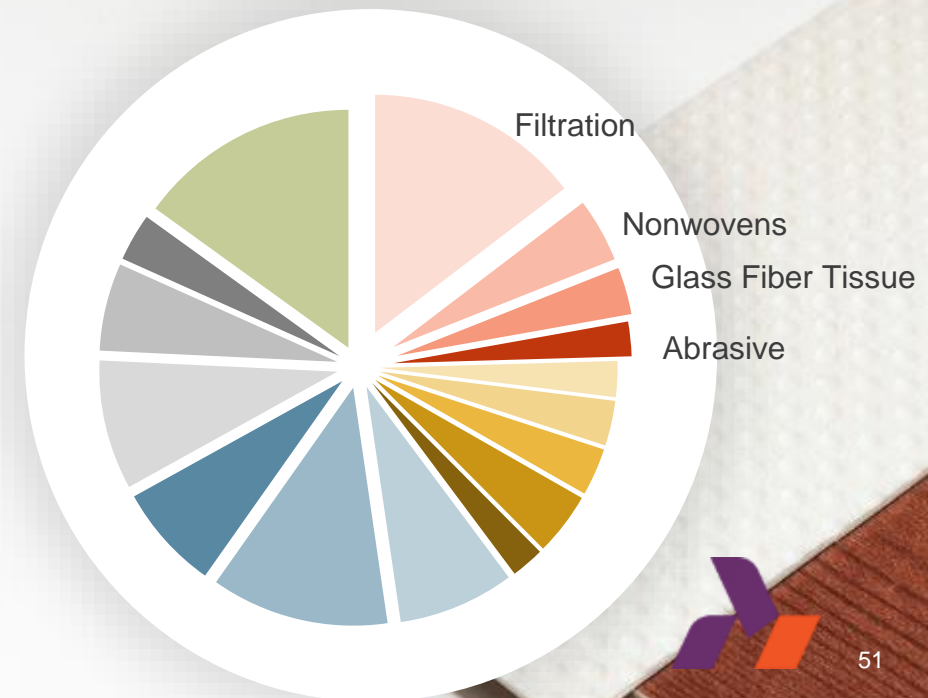
- Focus on quality and delivery flexibility

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

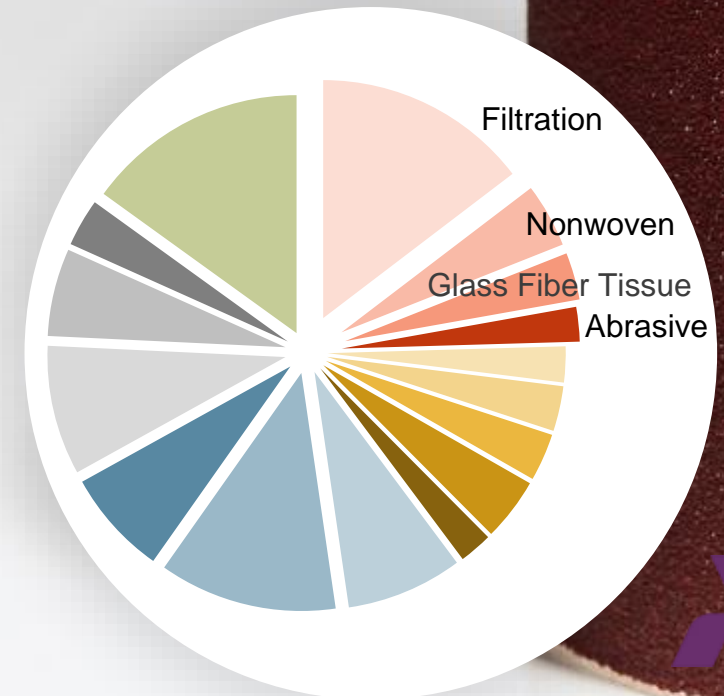
- Only supplier offering full range of paper and composite backings for the production of abrasive shapes in do-it-yourself or industrial channels
- 100% formaldehyde free offering
- Innovative paper backings in Light Weight latex paper segment and in Heavy Weight paper segment

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

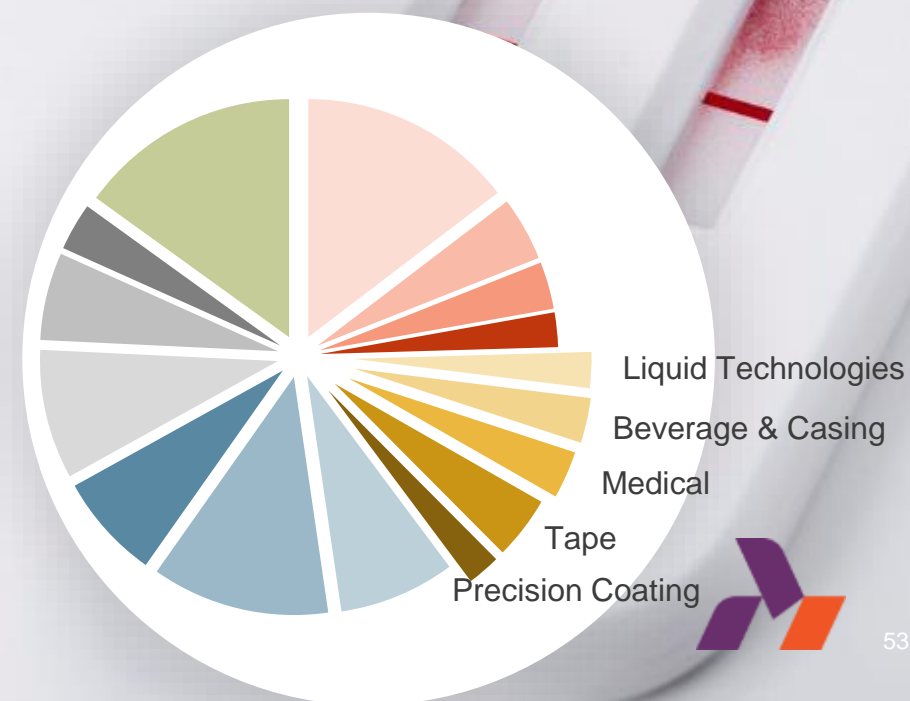
- Disruptor proprietary technology in water purification
- Alternative solution to liquid sampling by avoiding cold chain and special transport of specimen to be used for i.e. diagnosis of genetic diseases and DNA screening. New components for rapid test kits that extend this technology into pregnancy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

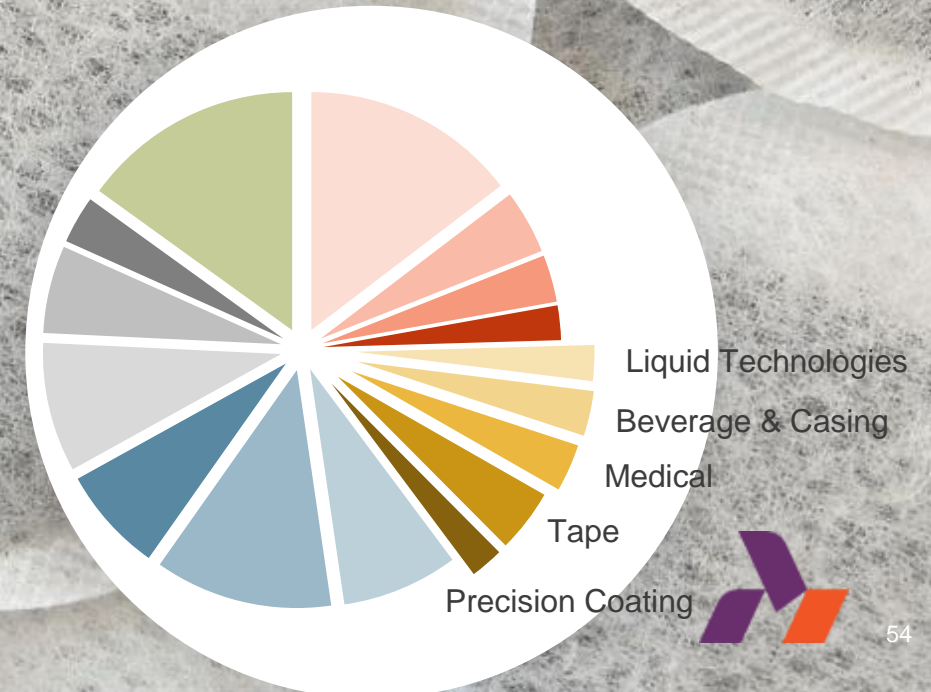
- Unique plastic-free biodegradable and compostable offering
- Forerunner in plastic-free coffee materials
- Unique viscose technology in casing materials

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

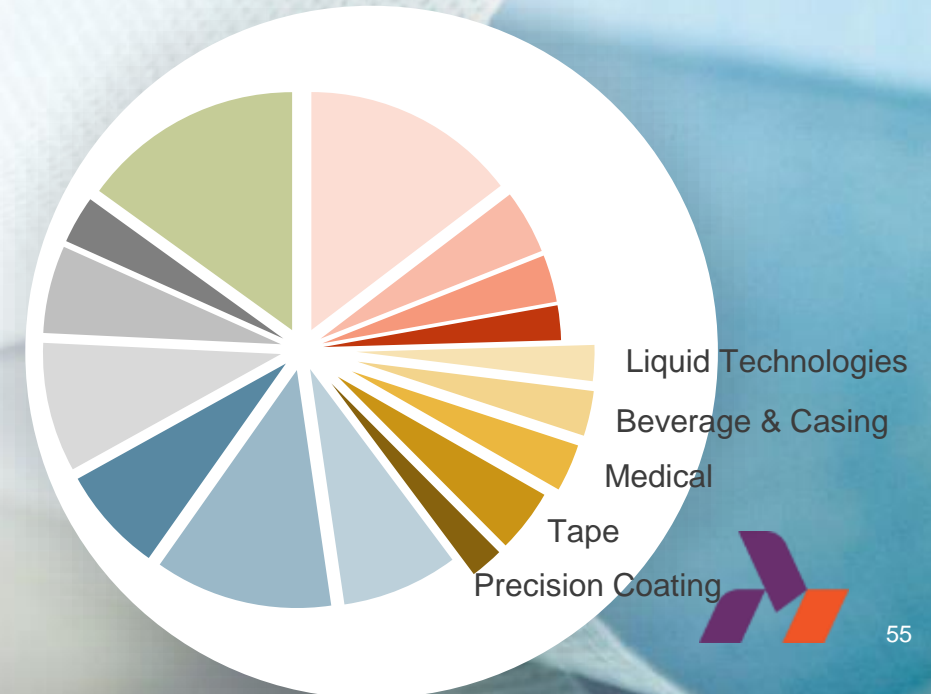
- Leading in high protective fabrics for high risk surgeries
- Leading position in sterilization wrap market in Europe
- Experienced team and strong product development capabilities
- Multi-technology platform approach

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

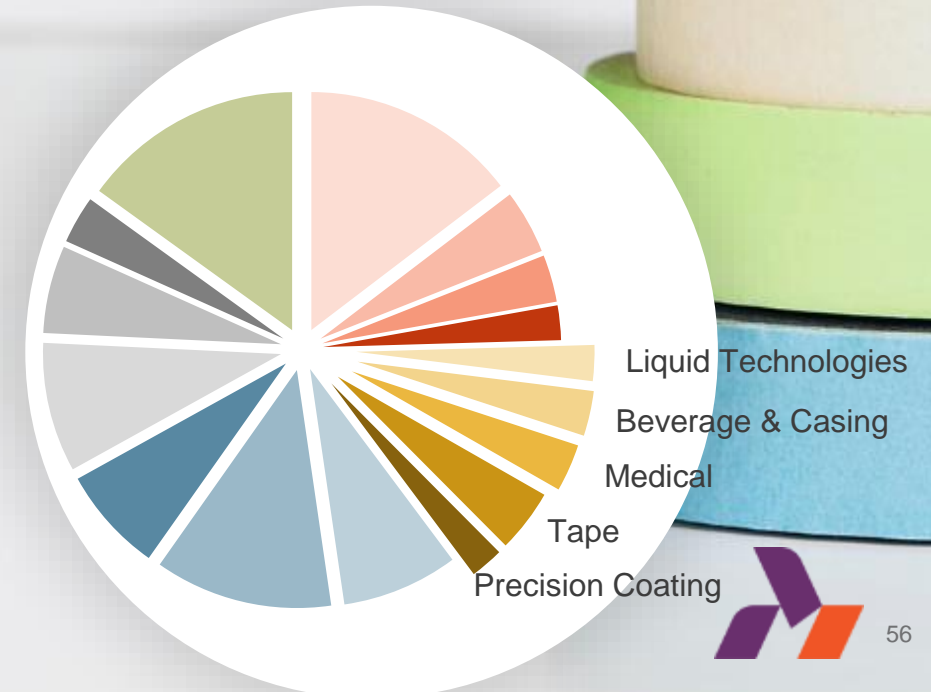
- Close customer relationships
- High and consistent quality in products and services
- Strong brand and comprehensive product range
- Cost competitive

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

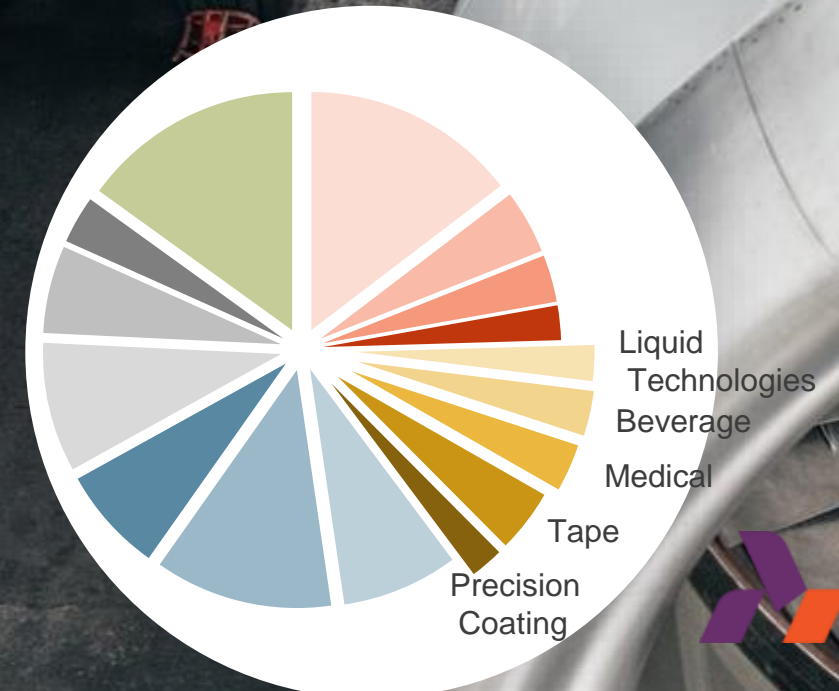
- Leading North American market position
- High degree of technical complexity and customization
- Strong innovation and product development capabilities

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

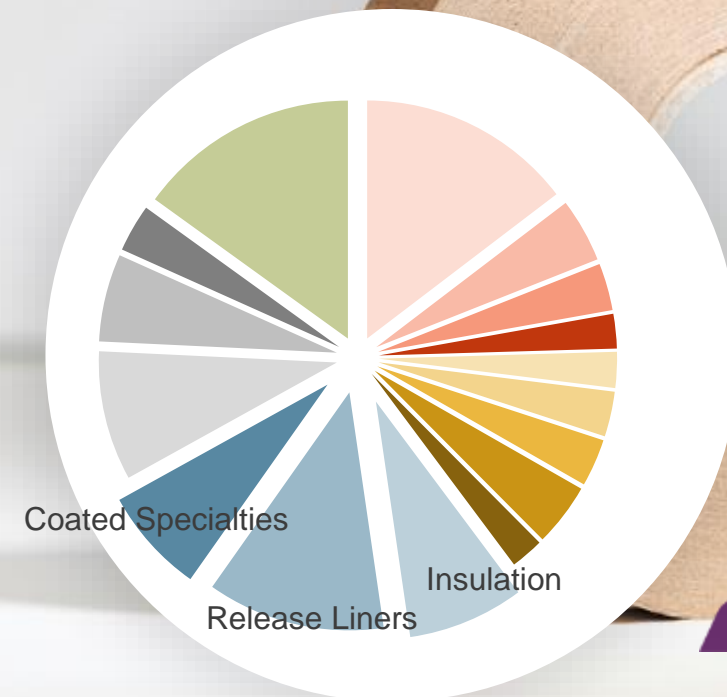
- Broad portfolio of electrotechnical papers
- Internally sourced high quality, pure and clean pulp
- Technical knowledge of power equipment end-uses

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

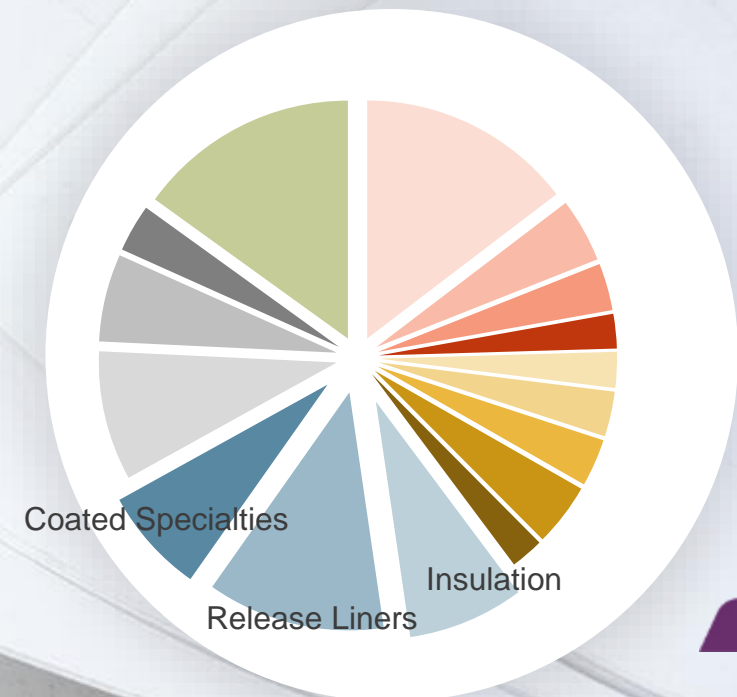
- Superior customer relationships
- Quality and service
- Sustainable products

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

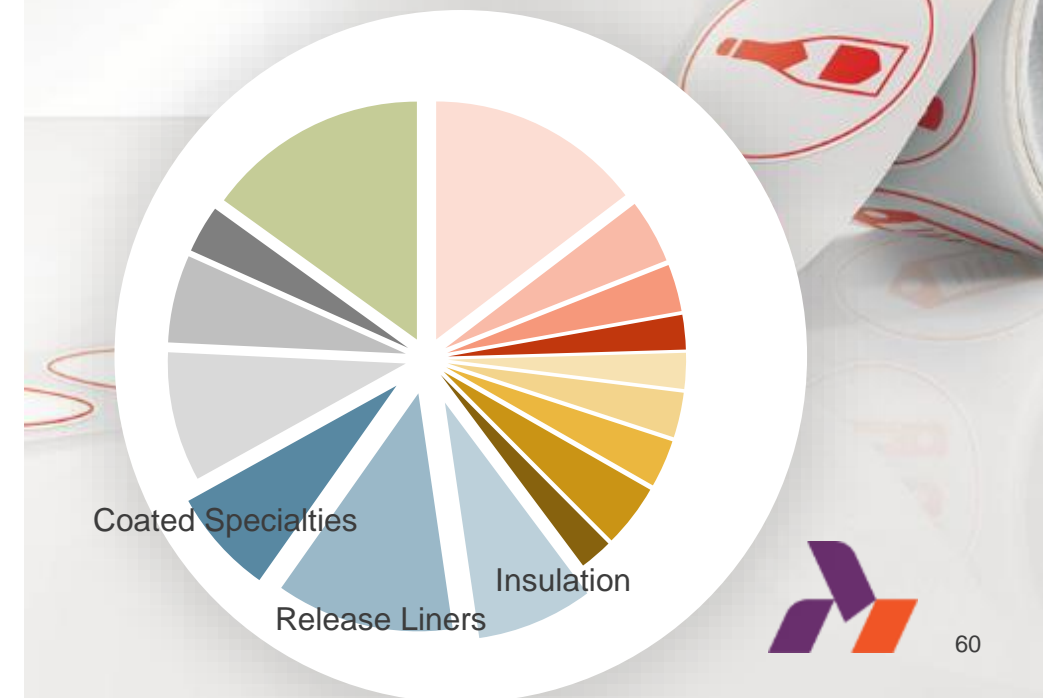
- Customer relations with both regional and global players
- Strong local platform in the South American market
- Product range and development

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

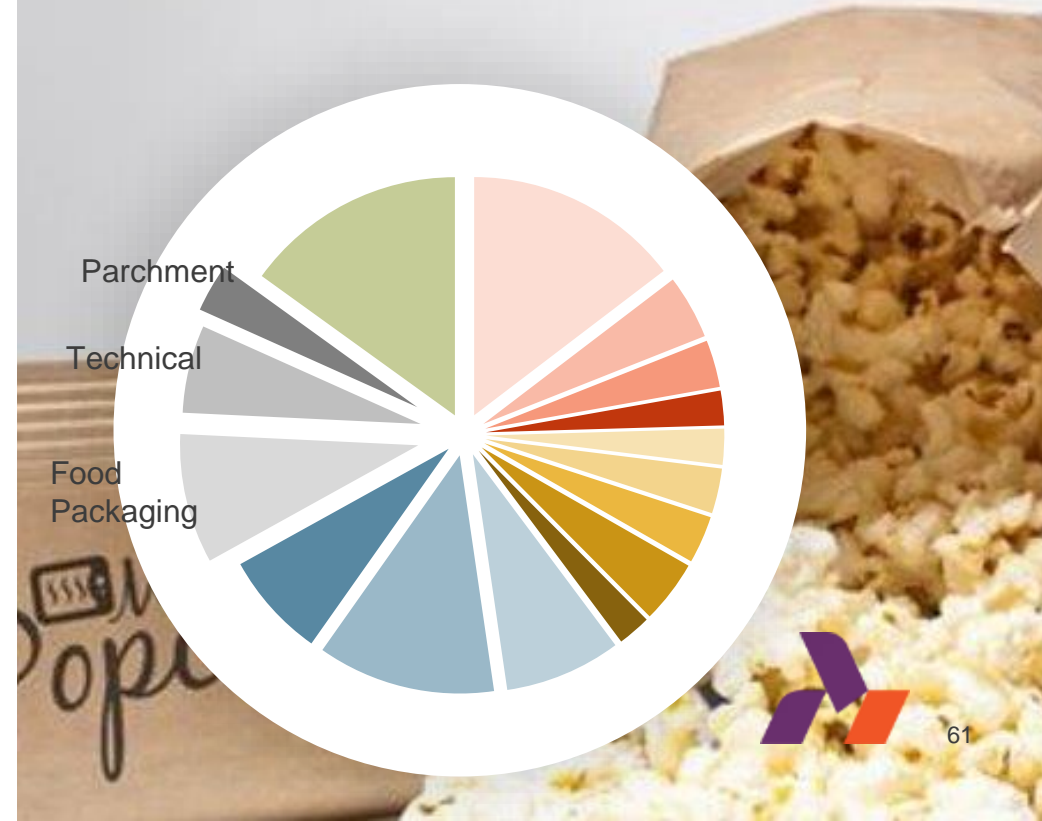
- Strong innovation and product development capabilities
- Broad range of products and capabilities
- Leading North American market position with integrated pulp production

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

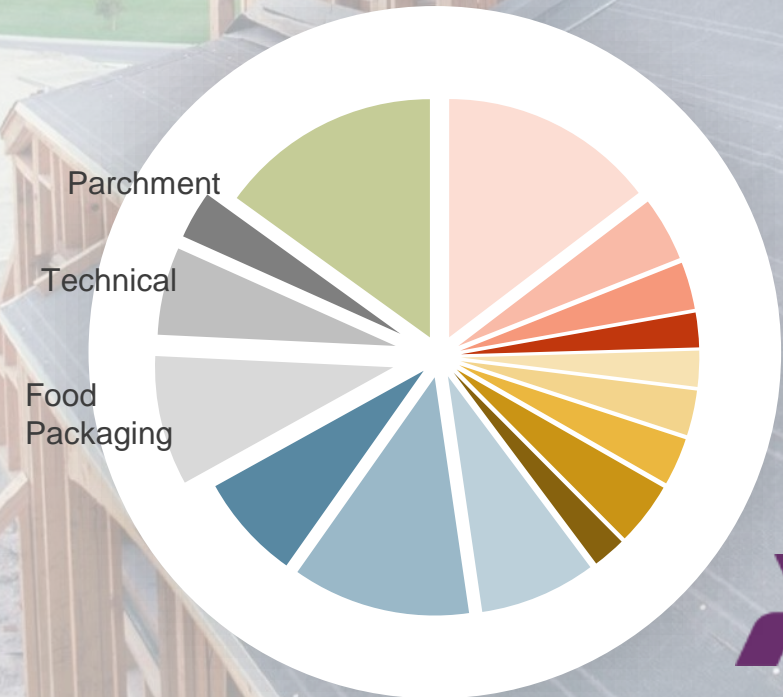
- Leading North American market position
- High degree of technical complexity and customization
- Strong innovation and product development capabilities

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

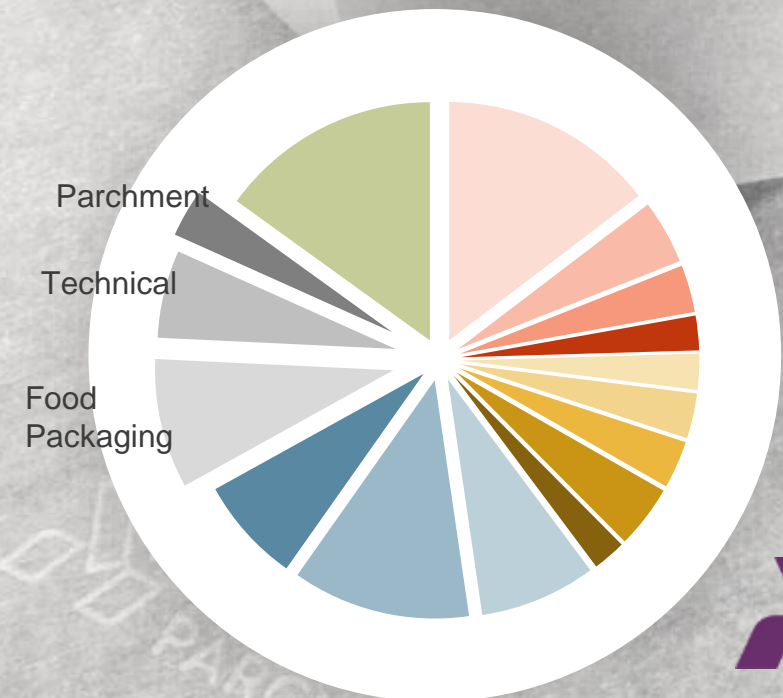
- Capabilities helping customers to differentiate
- Leading brand
- Unique technical characteristics of parchment paper

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

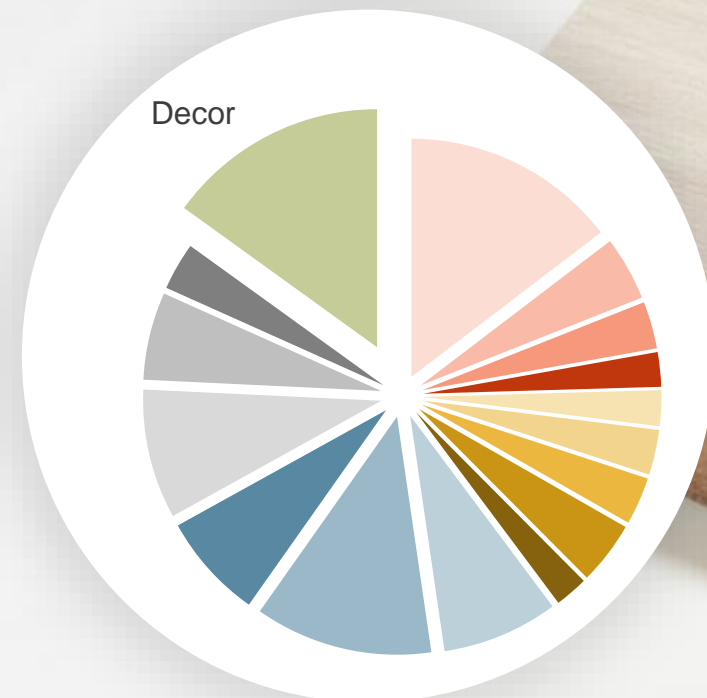
- Industry leading brand, based on capabilities, service and quality
- Strong positions in Europe, North and South America
- Diverse, high-quality product and service offering
- Global leader in solid colors and pre-impregnated papers

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

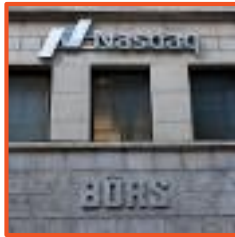
2006

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



Further information, please contact

Juho Erkheikki

Investor Relations Manager

Tel: +358 50 413 4583

juho.erkheikki@ahlstrom-munksjo.com

Johan Lindh

Vice President, Group Communications
and Investor Relations

Tel: +358 40 837 3994

johan.lindh@ahlstrom-munksjo.com

