

Ahlstrom-Munksjö Holding Q1/2021 Results

HANS SOHLSTRÖM, PRESIDENT & CEO
SAKARI AHDEKIVI, DEPUTY CEO & CFO

This presentation covers financial and other information of the Ahlstrom-Munksjö Holding group of companies, consisting of Spa Holdings 3 Oy as the parent company, Spa Holdco US Inc and Ahlstrom-Munksjö Oy and its subsidiaries. Ahlstrom-Munksjö Oy was acquired by Spa Holdings 3 Oy on February 4, 2021.

Disclaimer

Acknowledgement: For the purposes of this notice, "Presentation" shall mean and include this document, any oral presentation of this document by any person, any question-and-answer session, hard copies of this document and any materials distributed at any such presentation or in connection with this document. By attending the meeting at which the Presentation is made, dialing into the teleconference during which the Presentation is made or reading, accessing or making any other use of the information made available in this Presentation, you acknowledge and irrevocably represent that you have read and understood these terms and conditions and you voluntarily and irrevocably accept and agree to be bound by them.

Purpose: Spa Holdings 3 Oy and its group companies (collectively, the "Company", "we" or "our") has prepared this presentation and the information contained herein for general informational purposes only. This Presentation is being made available on a confidential basis to existing and prospective lenders and noteholders, securities analysts, rating agencies and other eligible persons in connection with the reporting requirements under our principal financing arrangements. This Presentation may not be used for any other purpose.

No Offer: None of the information made available in this Presentation constitutes or forms part of, and is not made in connection with, any offer, invitation or recommendation to subscribe for, underwrite or otherwise acquire any securities of the Company or any of its affiliates, nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any security, nor shall it or any part of it form the basis of or be relied upon as investment, legal, accounting, tax or other professional advice or in connection with any offer or sale of securities or any contract or commitment whatsoever. Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may be offered or sold only to investors who are either (i) qualified institutional buyers (within the meaning of Rule 144A under the Securities Act) in the United States or (ii) non-U.S. persons that are outside the United States and who are acquiring such securities in offshore transactions in reliance on Regulation S under the Securities Act, provided that investors resident in a Member State of the European Economic Area ("EEA") or the United Kingdom are not retail investors. For these purposes, a "retail investor" means: (a) in the EEA, a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended from time to time, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II, or (b) in the United Kingdom, a person who is one (or more) of the following: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("FSMA") and any rules or regulations made under the FSMA to implement the Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

You must comply with all laws that apply to you in any place in which you buy, offer or sell any securities or access or possess the content contained in this Presentation. If you access this Presentation, you must inform yourself about and observe any such restrictions and seek appropriate independent professional advice where necessary.

Neither this Presentation nor any of its consents has been filed with or reviewed by the U.S. Securities and Exchange Commission or any other governmental or self-regulatory authority. Investments in securities involve numerous risks, including but not limited to market, currency, economic, regulatory, tax, political, business and other risks. There can be no guarantee that an investment in securities will be profitable, or that investors in securities will not lose some or all of their investment.

Forward-Looking Statements: Certain statements contained in this Presentation may be statements of future expectations and other forward-looking statements. The forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where the Company participates or is seeking to participate. You can identify these forward-looking statements by the use of words such as "aim," "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "objectives," "ongoing," "outlook," "plan," "potential," "predict," "probably," "project," "seek," "should," "target," "will," "would" or the negative version of these words or similar expressions. Any forward-looking statements in this Presentation are subject to a number of risks and uncertainties, many of which are beyond the Company's control, that could cause the Company's actual results and performance to differ materially from any expected future results or performance expressed or implied by any forward-looking statements. Due to such uncertainties and risks, you are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The Company undertakes no obligation to update publicly or revise any information in the Presentation, whether as a result of new information, future developments or otherwise. The information and opinions contained in this Presentation are provided as at the date stated herein and are subject to change without notice. This Presentation will not be updated to reflect any subsequent development and may be superseded or otherwise modified by subsequent releases or other updates.

No Representation or Warranty: Neither the Company nor any of its affiliates makes any representation or warranty or other assurance, express or implied, that this Presentation or the information contained herein or the assumptions on which they are based are accurate, complete, adequate, fair, reasonable or up to date and they should not be relied upon as such. Neither the Company nor any of its affiliates accepts any liability for any loss or damage (including any direct, indirect or consequential loss or damages) suffered by any person as a result of relying on all or any part of this document and any liability is expressly disclaimed.

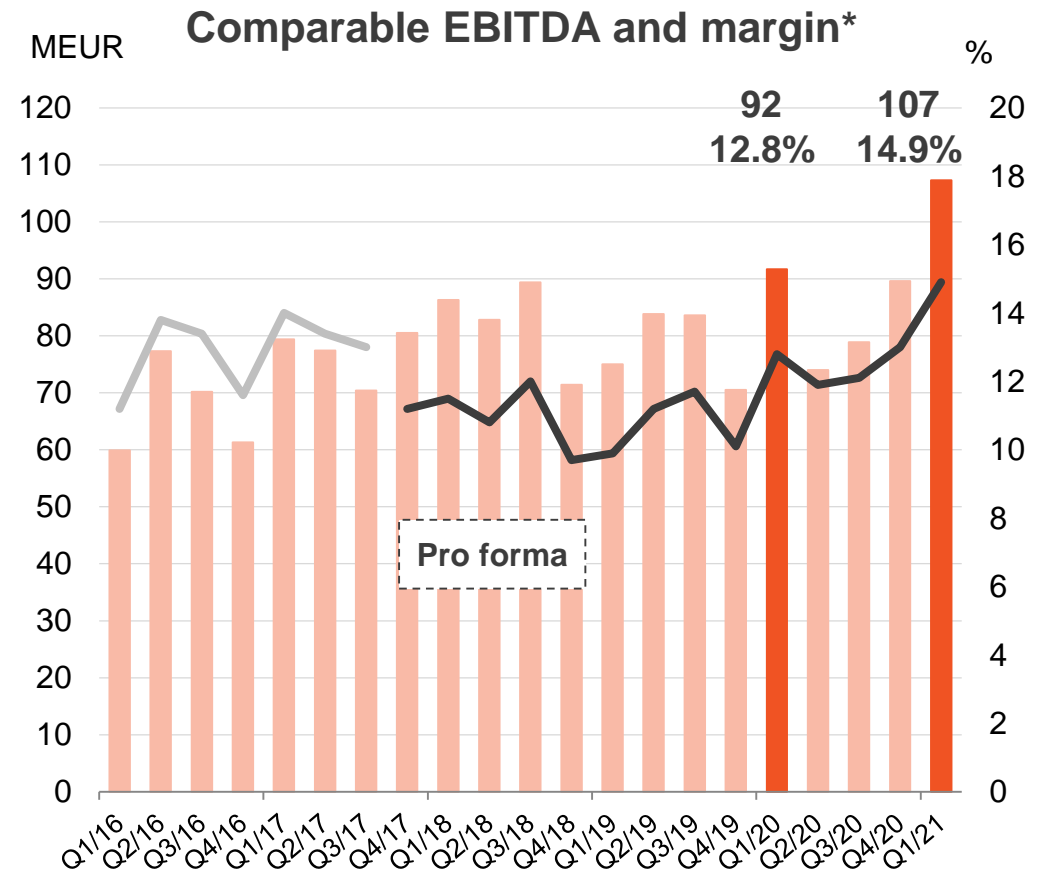
While the Company uses reasonable efforts to obtain information from reliable sources, the Company makes no representations or warranties as to the accuracy, reliability or completeness of any information or document in this Presentation obtained from outside sources. Unsourced statements should be understood to reflect the subjective beliefs, opinions, expectations or understandings of the Company, which may be inaccurate.

Market and Industry Data: To the extent applicable, the industry and market data contained in this document has come from official or third-party sources. Third-party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the fairness, quality, accuracy, relevance, completeness or sufficiency of such data. We have not independently verified the data contained therein. In addition, certain of the industry and market data contained in this document come from the Company's own internal research and estimates based on the knowledge and experience of the Company's management in the market in which the Company operates. Such research and estimates, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Accordingly, undue reliance should not be placed on any of the industry or market data contained in this document. Although the Company has obtained such information provided from sources that should be considered reliable, it cannot guarantee its accuracy or completeness. The information provided is purely of an indicative nature and is subject to change without notice at any time.



Business highlights Q1/2021

- Comparable EBITDA and margin increased, mainly driven by improved product mix
- Improved customer activity globally, partly driven by restocking
- Selling price management to mitigate rapidly increasing raw material prices
- Decision to expand Glass Fiber Tissue business
- Advancing further into the growth segment of electrification
- Delisting of Ahlstrom-Munksjö shares on June 23, 2021



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

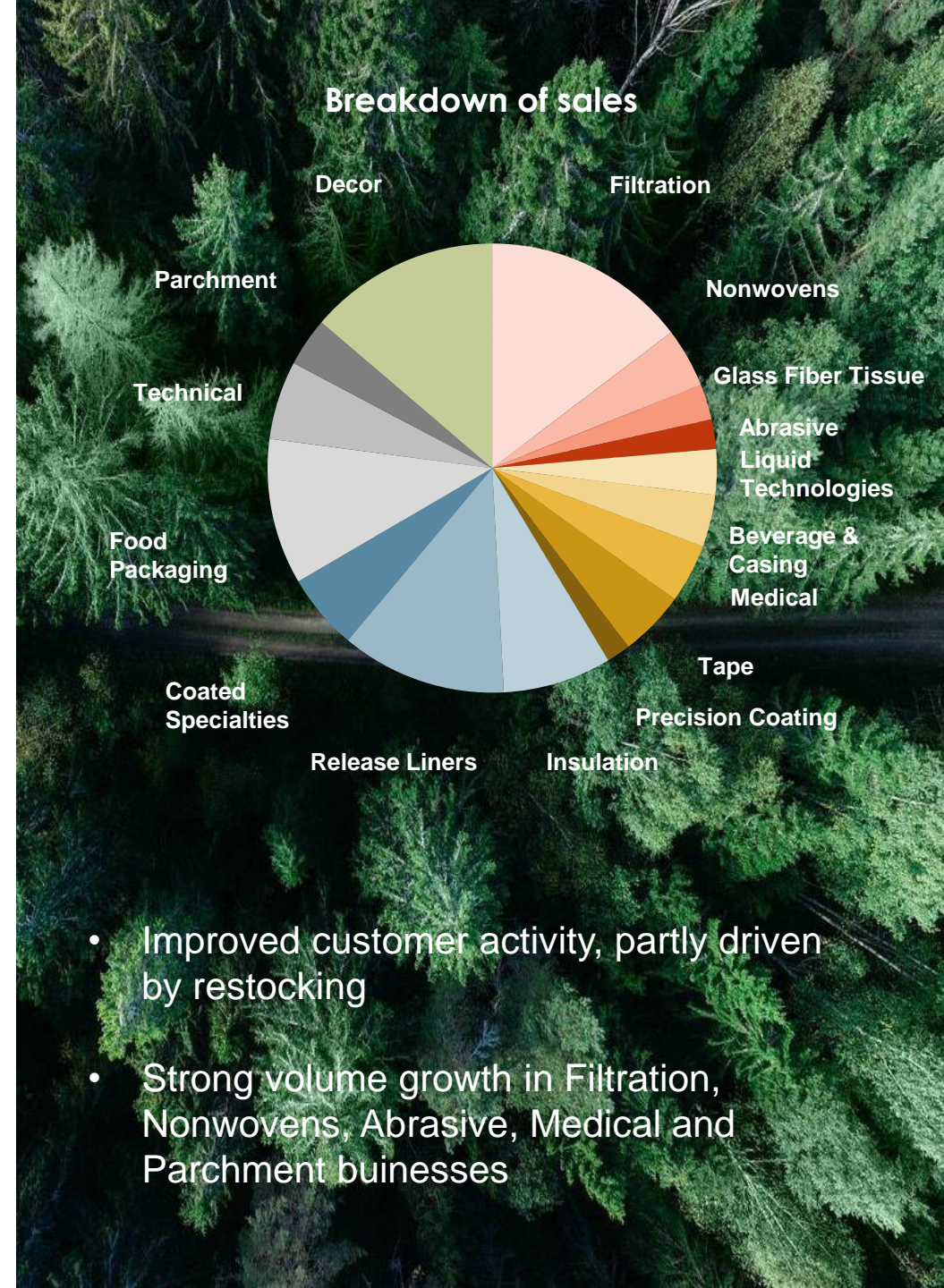
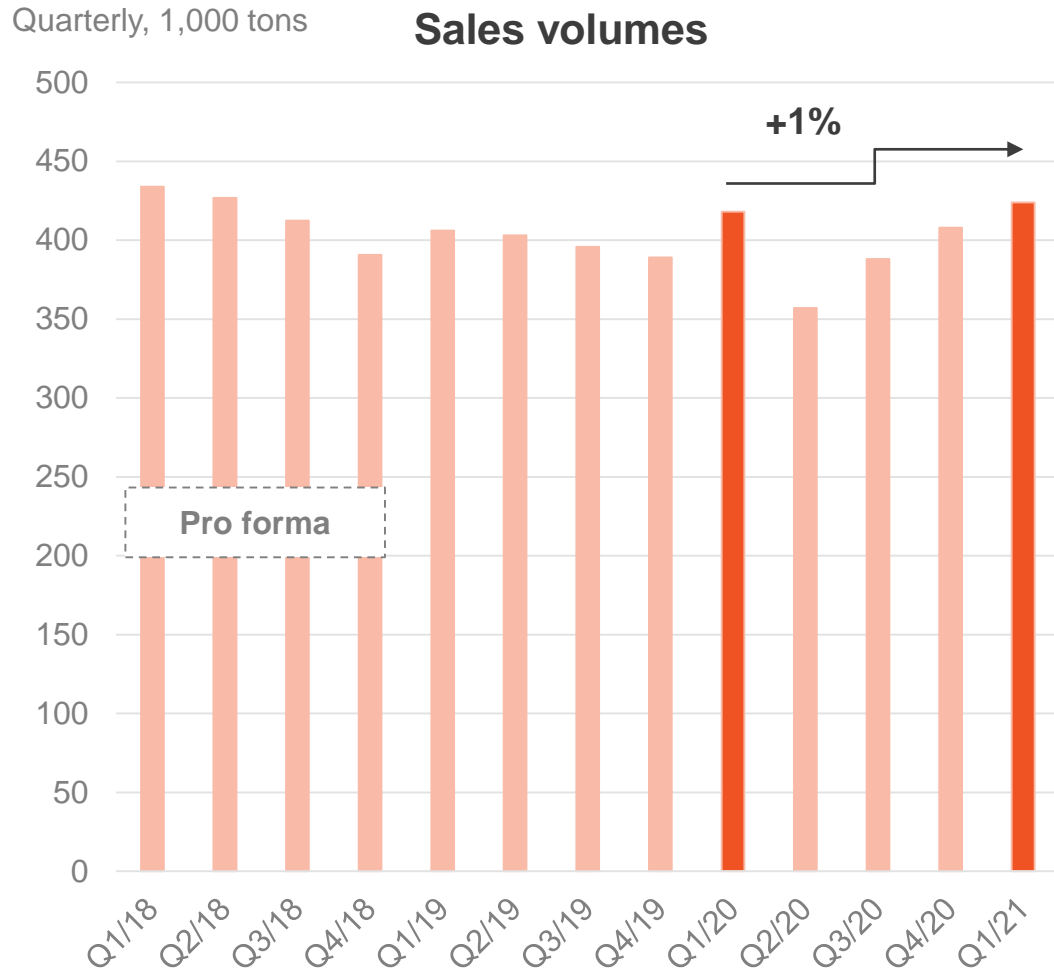


Committed to the electrification and determined to become a leading supplier in the field

- FiltEV® - first dedicated offering to electric vehicles
 - Cabin air filtration
 - Transmission filtration
 - Thermal management filtration
- Addressable market opportunity expected to grow by 35% p.a. until 2030, reaching approximately EUR 100m
- Additional products, including solutions for fuel cell air intake, to be launched in the coming months.
- Expanding the range of energy storage solutions under the FortiCell® product platform
 - A marketing license signed for fiber-based separator for lithium-ion batteries



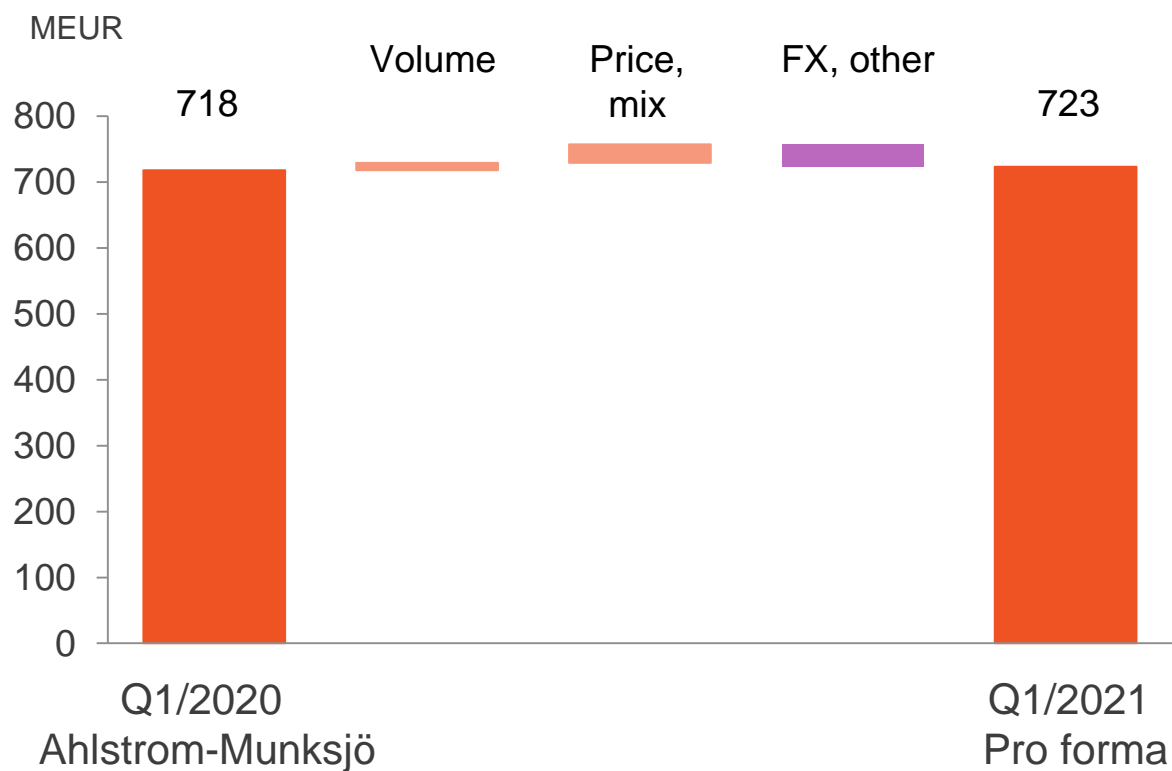
Volumes back to pre-Covid levels



- Improved customer activity, partly driven by restocking
- Strong volume growth in Filtration, Nonwovens, Abrasive, Medical and Parchment businesses

Net sales growth muted by FX in Q1/2021

Net sales Q1/21 vs Q1/20



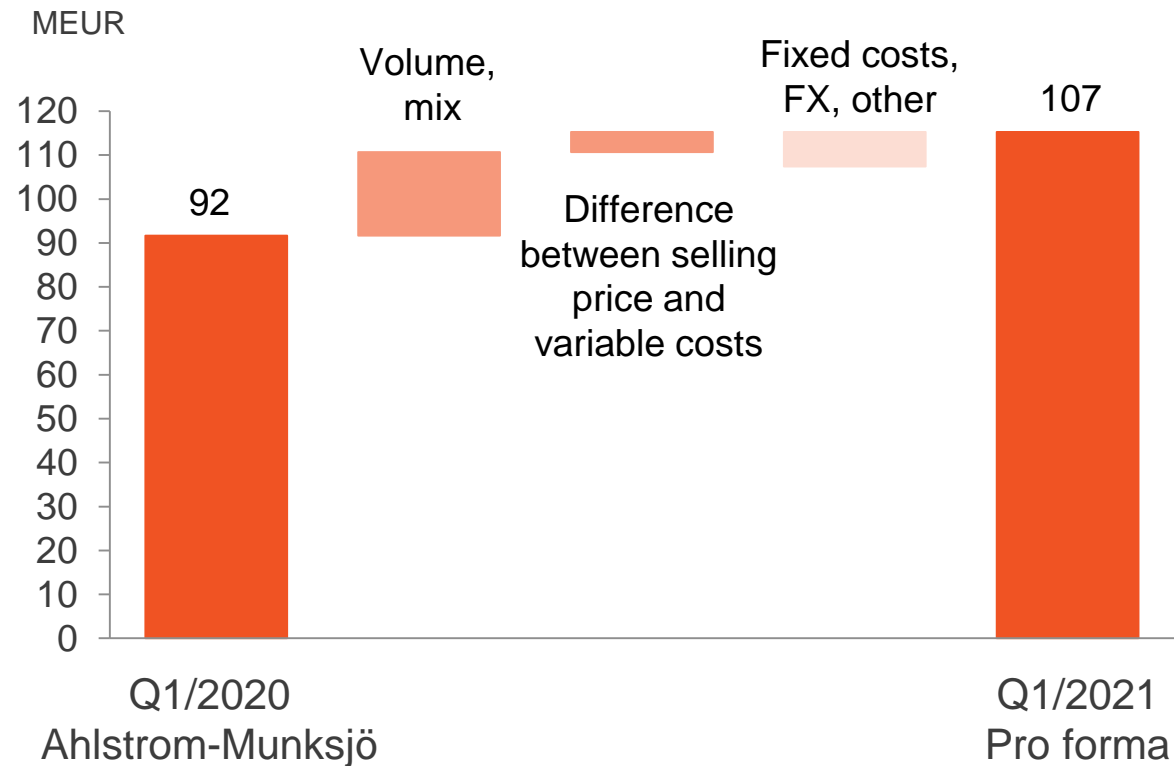
Net sales impacted by:

- Higher volumes in nearly all businesses
- Improved mix due to growth in particular in filtration, medical and life science related products
- Adverse FX impact



Comparable EBITDA supported by improved product mix, lower variable costs and higher volumes in Q1/2021

Comparable EBITDA Q1/21 vs Q1/20



EBITDA impacted by:

- More favorable product mix
- Higher sales volumes
- Lower variable costs driven by saving measures
- Stable fixed costs, adverse currency effect



Reconciliation of comparable EBITDA to adjusted EBITDA (last twelve months)

MEUR		
Comparable EBITDA pro forma		350.2
Proforma foreign exchange impact	-0.5	
Comparable EBITDA		349.8
One off and other adjustments	1.0	
COVID-19 normalization	12.4	
Full year estimate of 2020 initiatives	4.4	
Full year 2021 initiatives	69.8	
Full year 2022 initiatives	15.7	
Adjusted EBITDA		453.1

Adjusted EBITDA (LTM) increased from EUR 413m end of 2020 to EUR 453m end of March due to higher estimated impact from initiatives and improved Comparable EBITDA



Reported cash flow and financing in Q1/2021

MEUR	
Cash flow from operating activities	
Net result	-23.9
Change in net operating working capital	-48.6
Other	31.4
Net cash from operating activities	-41.1
Cash flow from investing activities	
Acquisition of Ahlstrom-Munksjö	-1577.4
Capital expenditure excluding acquisitions	-16.0
Net cash from investing activities	-1593.4
Cash flow from financing activities	
Equity contribution	1084.6
Repayment of borrowings	-624.4
Proceeds from borrowings	1645.6
Other	-61.7
Net cash from financing activities	2044.1
Net change in cash and equivalents	409.6

Net result impacted by items affecting comparability (IAC) of EUR -47 million

Working capital increased due to higher business activity and seasonality

Free cash flow was EUR 63 million and cash conversion 89%

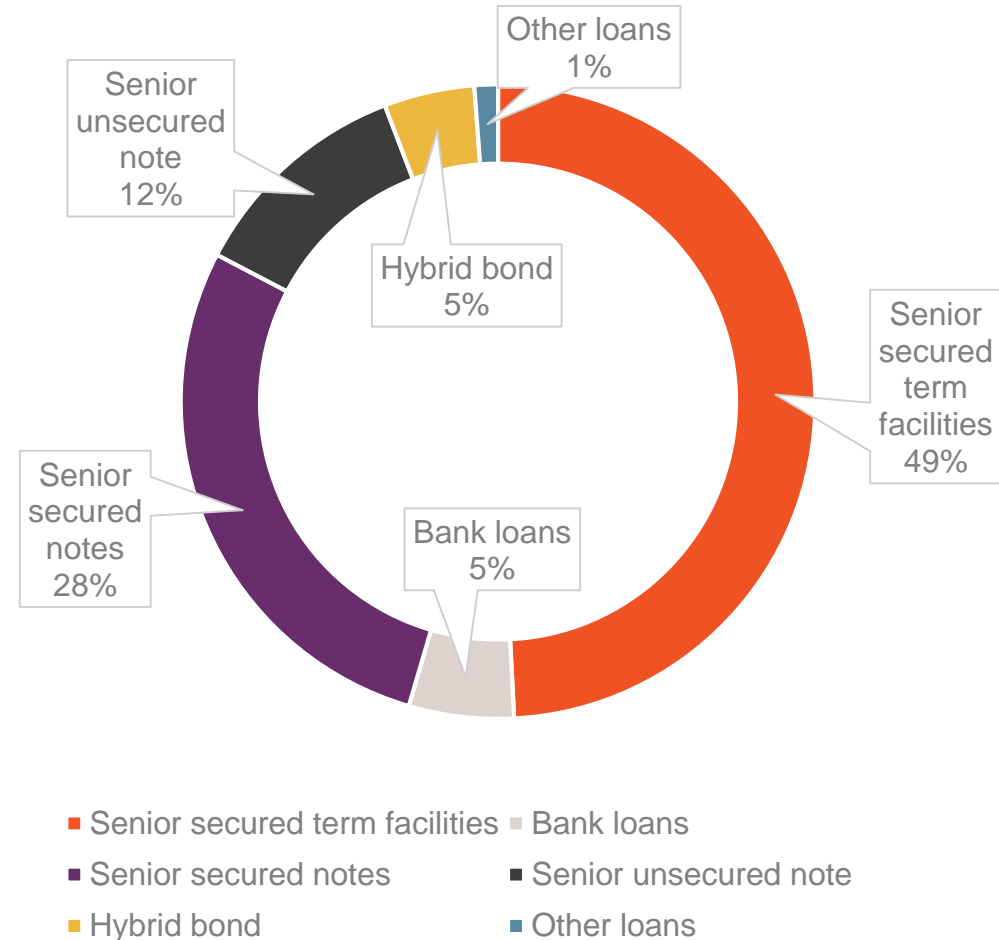
Net indebtedness was EUR 1,730 million, net indebtedness to adjusted EBITDA ratio 3.8



Debt structure as of March 31, 2021

- Financing of the Ahlstrom-Munksjö acquisition
 - Senior secured term facilities and two secured notes, maturing in 2028
- Assumed EUR 1,159 million of Ahlstrom-Munksjö Oyj debt:
 - EUR 100 million hybrid bond to be redeemed in July 2021
 - EUR 250 million unsecured notes were redeemed in April 2021
- Cash and cash equivalents EUR 441 million on March 31, 2021
- Interest expense (LTM) EUR 90 million
- No major refinancing needs until 2027-28

Interest-bearing liabilities as of March 31, 2021



Conclusions

- Comparable EBITDA and improved
- Improved customer activity
- Focus on selling price management
- Advancing further into the growth segment of electrification
- Investment decision to expand Glass Fiber Tissue business
- No major refinancing needs
- Ahlstrom-Munksjö Oyj shares were delisted



