

FY 2022 RESULT

EARNINGS CALL PRESENTATION

HELEN METS, PRESIDENT & CEO
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This presentation covers financial and other information of Ahlstrom Holding group of companies, consisting of Ahlstrom Holding 3 Oy (previously Ahlstrom-Munksjö Holding 3 Oy) as the parent company, Spa US Holdco Inc, and Ahlstrom Oyj (previously Ahlstrom-Munksjö Oyj) and its subsidiaries.

On January 16, 2023, the name was changed from Ahlstrom-Munksjö Holding 3 Oy to Ahlstrom Holding 3 Oy.



OUR PURPOSE

We Purify and Protect with Every Fiber for a Sustainable World

Ahlstrom is a global leader in a wide range of sustainable and technically advanced specialty materials

Our offering contributes to a more sustainable everyday life by providing renewable materials and solutions with sustainability benefits

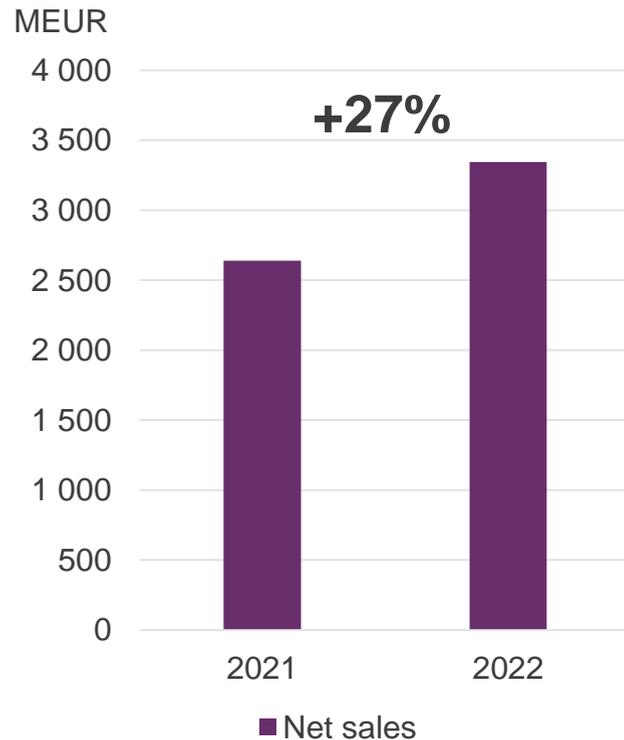
Highlights 2022

- Record net sales and comparable EBITDA, driven by strong progress in transformation related commercial and operational excellence initiatives
- Sales prices were raised to compensate for high input cost inflation
- Launch of Ahlstrom's purpose and vision, and strategic ambitions for 2025
- Ahlstrom committed to the 1.5°C Science Based Target initiative and science-based measures to mitigate climate change
- The reorganization of the ownership of the Decor business was completed in October and generated EUR 217 million in net cash
- Change of company name to Ahlstrom

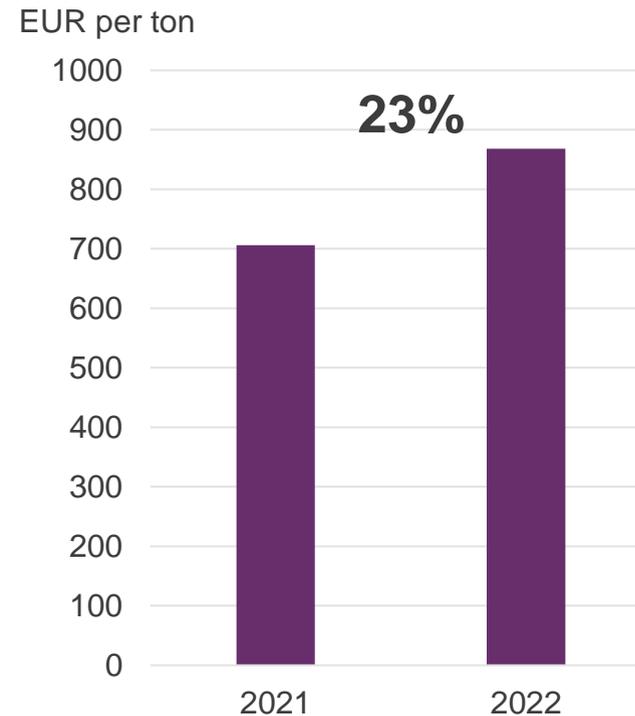


Financial performance continued to improve 2022

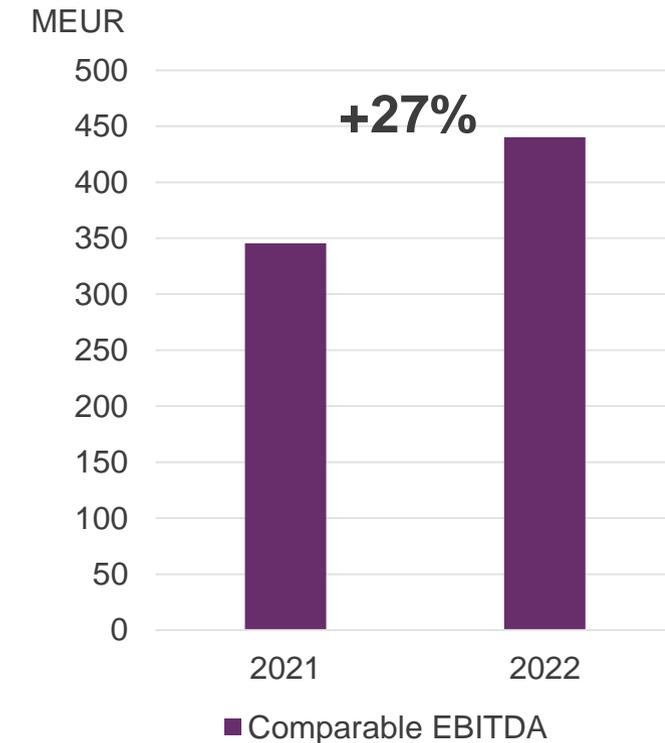
Net sales



Margin on variable cost



Comparable EBITDA

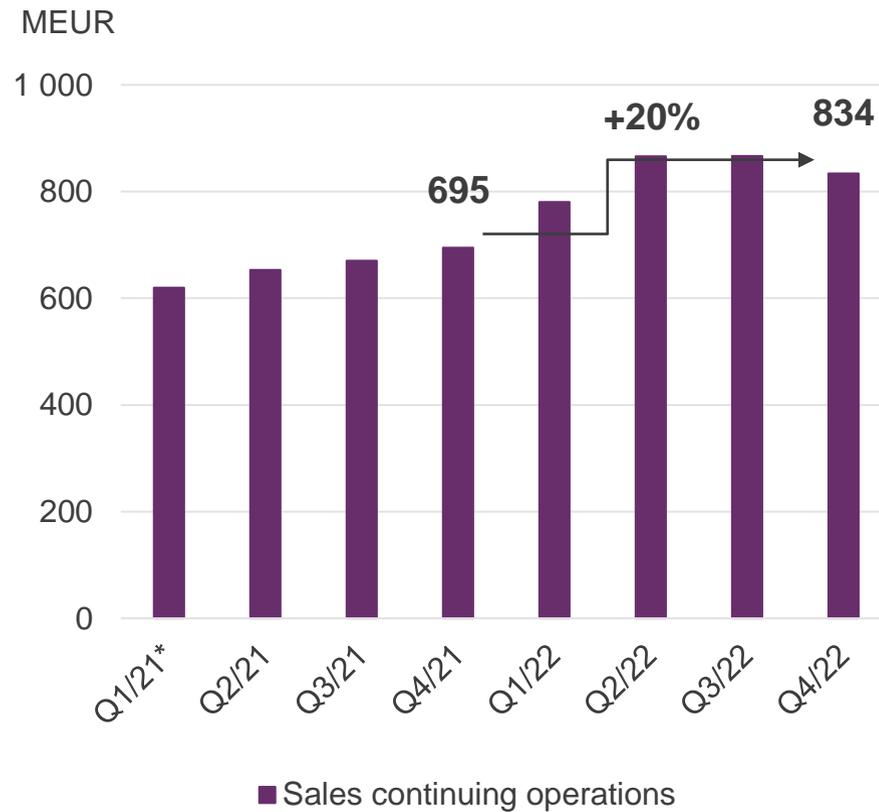


Continuing operations

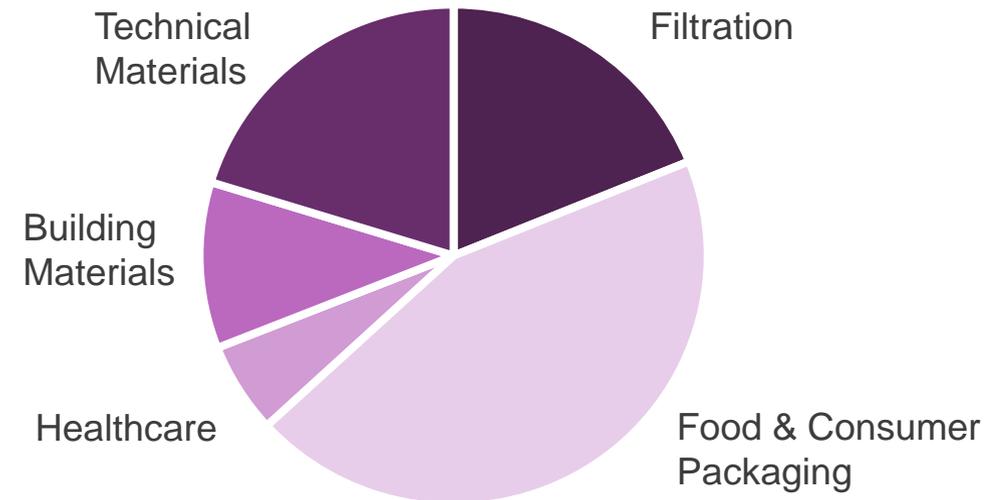


Customer demand slowed as expected in Q4

Quarterly net sales



Divisional breakdown of net sales 2022

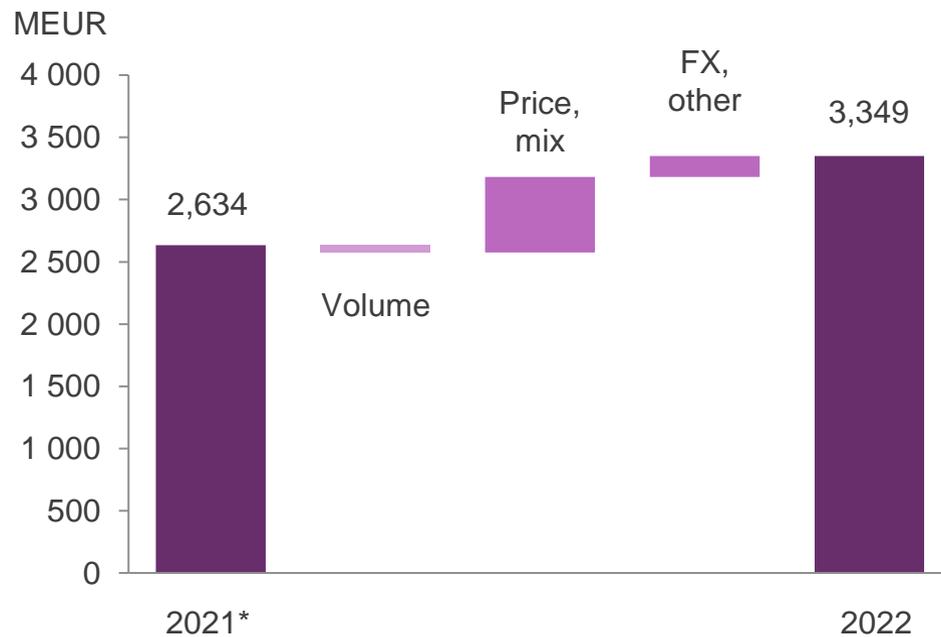


Continuing operations
* Pro forma

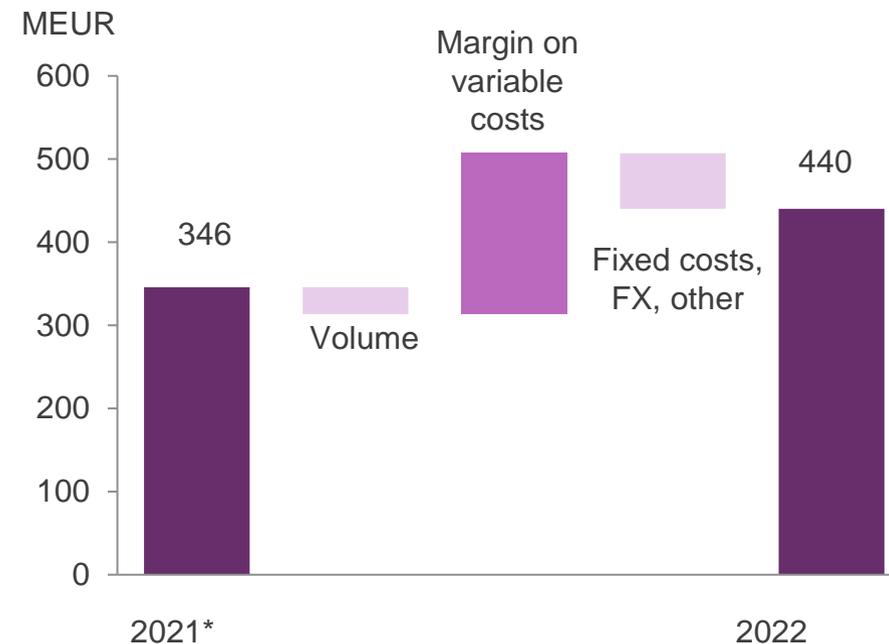


Nets sales and EBITDA growth driven by higher prices and commercial and operational excellence initiatives

Net sales 2022 vs 2021



Comparable EBITDA 2022 vs 2021

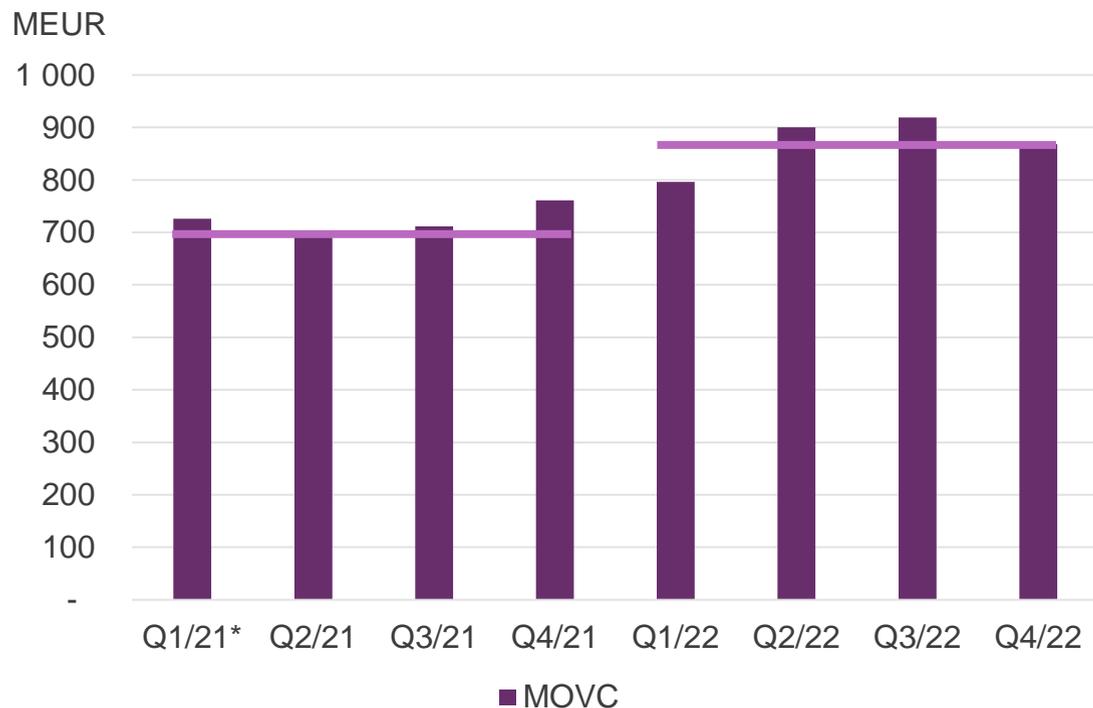


Continuing operations
* Pro forma



Solid improvement in margin on variable costs in 2022

Margin on variable costs (MOVC) per ton



Continuing operations
MOVC per ton adjusted for IAC



Adjusted EBITDA improvement driven by higher comparable EBITDA

MEUR (LTM)	2022	2021
Comparable EBITDA	440	345
One off and other adjustments	-	-4
FY 21 impact	-	21
FY 22 impact	28	67
FY 23 impact	73	-
Adjusted EBITDA	541	429

Continuing operations



2022 operating cash flow positively impacted by good results and reduction in working capital – negative impact of IACs

MEUR	2022*
(cash from discontinued operation)	-18
(cash from continuing operations)	234
Net cash from operating activities	216
Capex	-204
Acquisitions	-34
Disposals	217
Other	1
Net cash from investing activities	-20
Return of equity, dividends paid	-42
Changes in loans and other financing	-76
Net cash from financing activities	-118
Net change in cash	78

Operating cash flow of EUR 216 million was positively affected by the good result and reduction in working capital, and negatively by IAC (-EUR 140 million in EBITDA) related to the transformation initiatives

Cash flow from investing activities includes EUR -34m relating to acquisition of decor paper producer Minglian, and EUR 217m to the reorganization of the Decor business ownership

Adjusted net indebtedness was EUR 1,688m, excluding the redemption liability of EUR 232m for the minority shares

Net indebtedness to adjusted EBITDA ratio for continuing operations was 3.1 (3.2 including discontinued operation end of September 2022)

Including discontinued operation



Operating costs

Breakdown of operating costs 2022



Continuing operations



Significant increase in fiber, energy and chemical costs more than offset by pricing and cost saving actions



Debt structure as of December 31, 2022

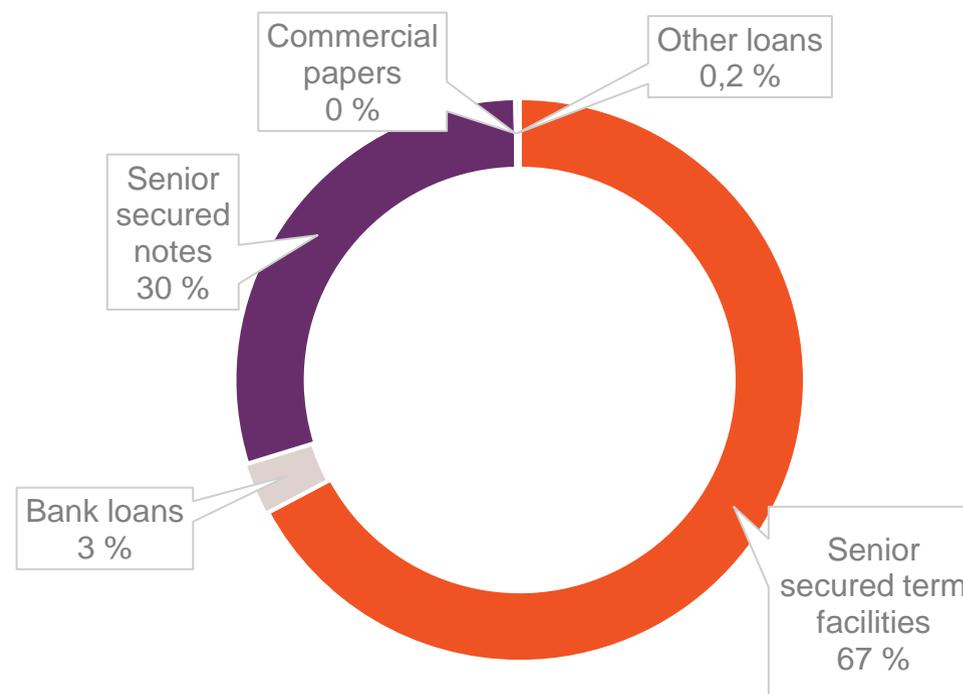
2021

- Financing of the Ahlstrom Oyj acquisition
 - Senior secured term facilities and two secured notes, maturing in 2028
- Renegotiated factoring facility to EUR 300 million
- A Finnish Commercial Paper Program limited to EUR 300 million established

2022

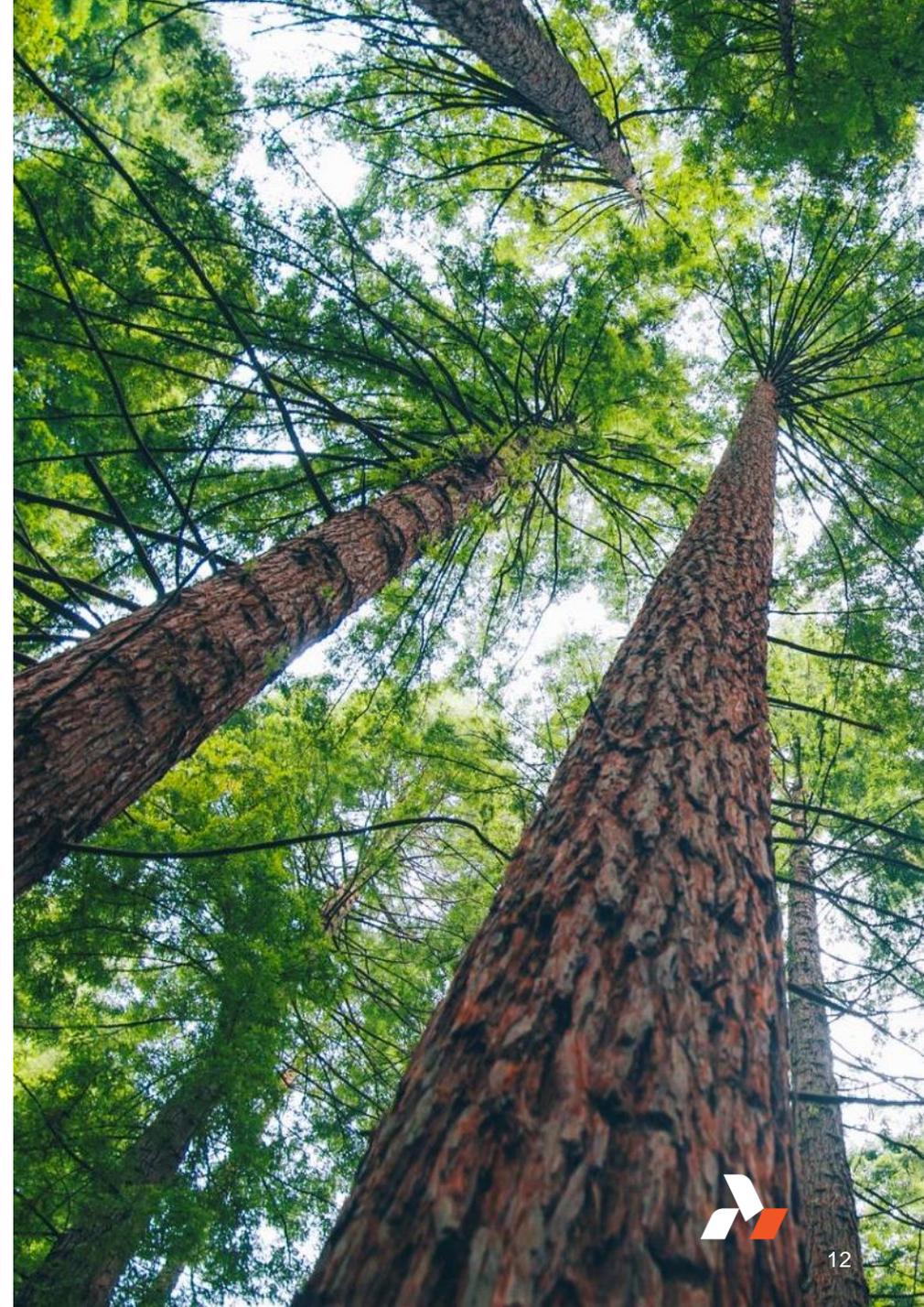
- In March 2022, an add-on of EUR 60 million was raised to existing senior term loan facility
- Repayment of outstanding commercial papers and syndicate debt facility in Brazil
- Interest expenses continuing operations EUR 121 million in 2022
- Liquidity is satisfactory with cash and cash equivalents of EUR 241 million on December 31, 2022
- No major refinancing needs expected until 2027-28

Interest-bearing liabilities as of December 31, 2022



Conclusions

- Ahlstrom reached a higher performance level in 2022 and thus delivered on its short-term top priority
- Ahlstrom has a strong starting point as a global leader in a wide range of sustainable and technically advanced fiber-based materials
- Building on its strong foundation gives tremendous opportunities to contribute to solving some of the sustainability challenges
- Ahlstrom is entering the next phase of transformation with higher ambitions for growth, sustainability and innovation



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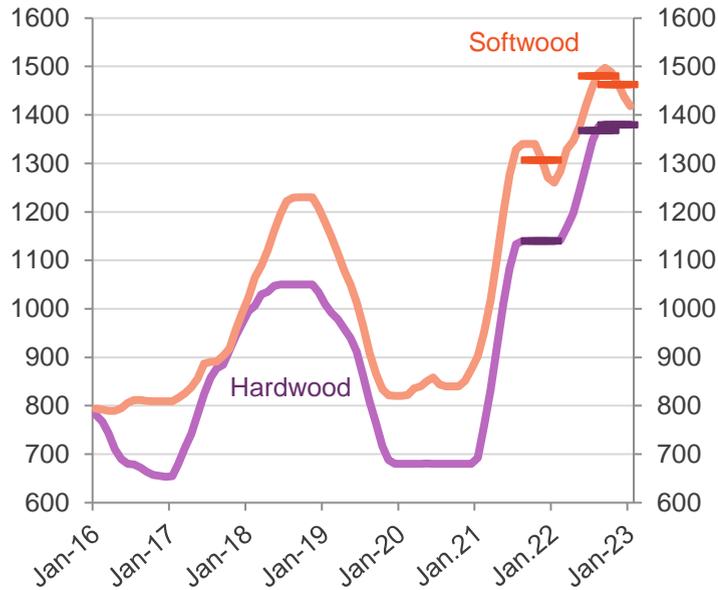
Appendix



Market pulp prices

Europe

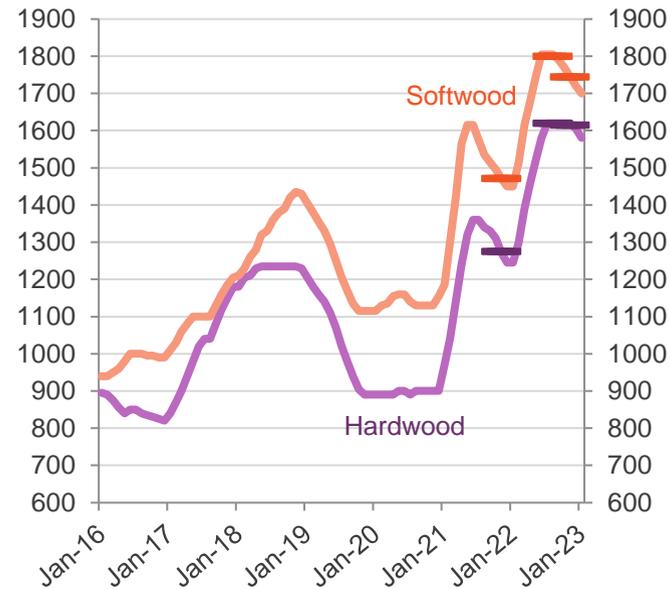
USD per ton



	Q4/Q4 (%)	22/21 (%)
Hardwood	21	27
Softwood	12	17

North America

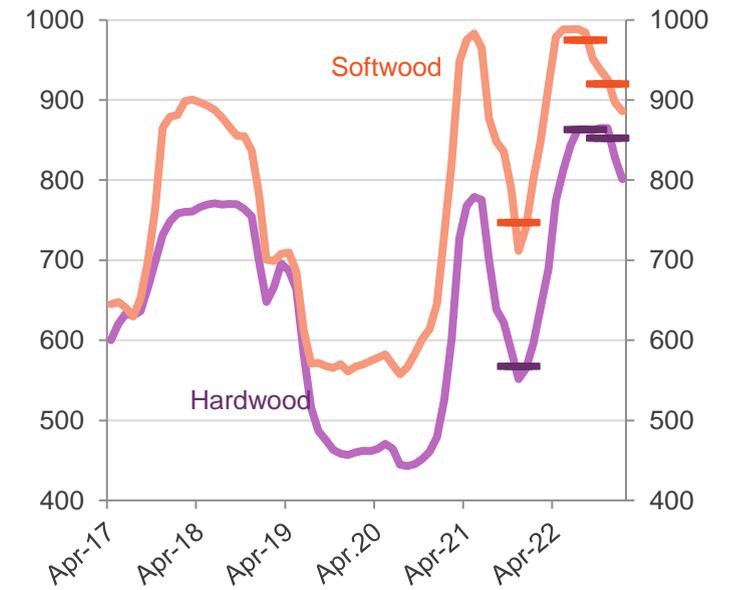
USD per ton



	Q4/Q4 (%)	22/21 (%)
Hardwood	27	22
Softwood	19	15

China

USD per ton



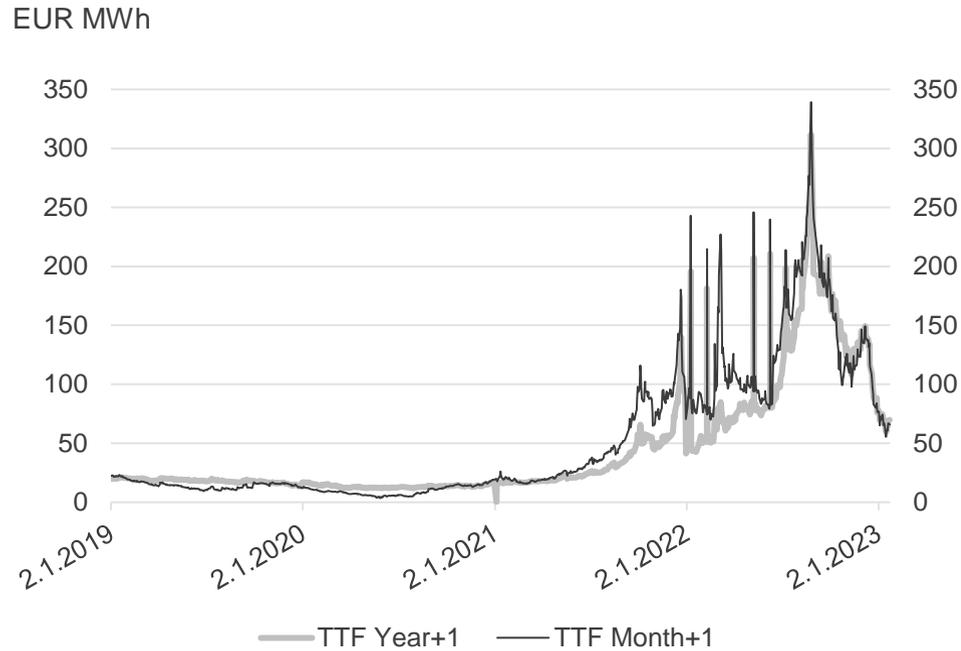
	Q4/Q4 (%)	22/21 (%)
Hardwood	50	21
Softwood	23	10

Source: RISI



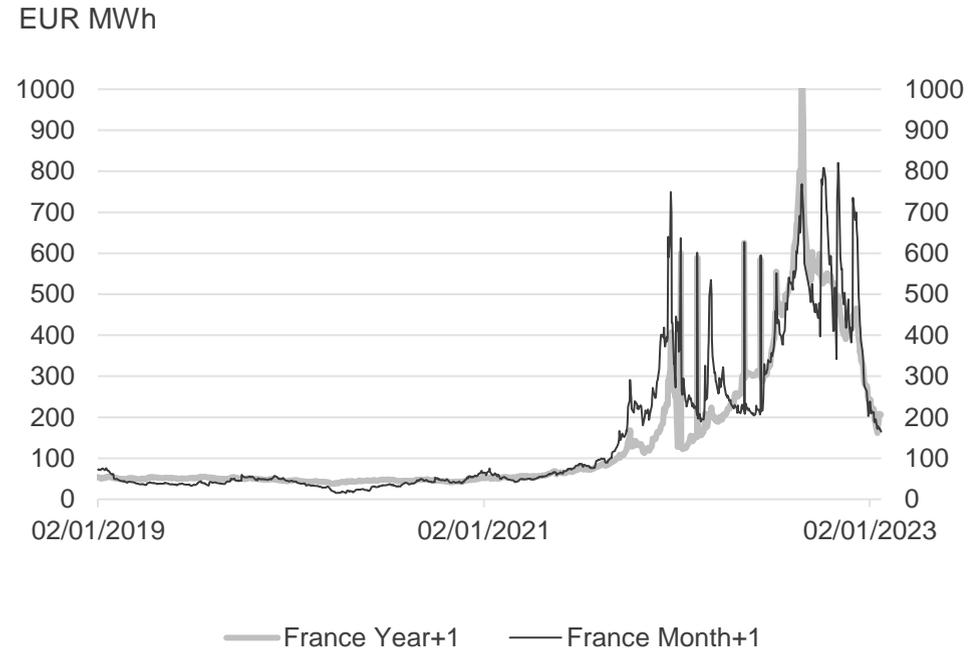
European gas and power prices

European gas prices



Gas	Q4 22/ Q4 21 (%)	2022 / 2021 (%)
Year+1	107	235
Month+1	28	179

French power prices



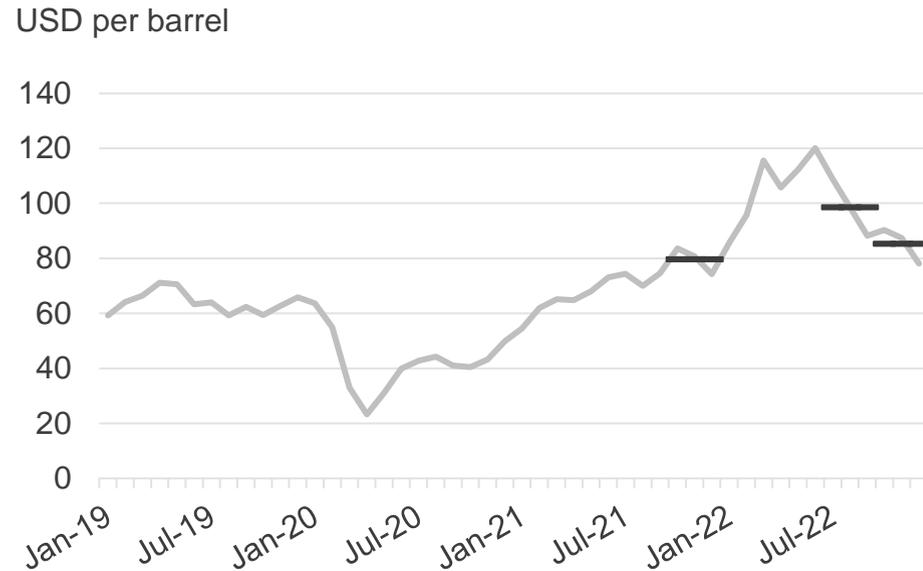
Power	Q4 22 / Q4 21 (%)	2022 / 2021 (%)
Year+1	146	451
Month+1	74	318

Source: E&C consultants



Oil and propylene prices

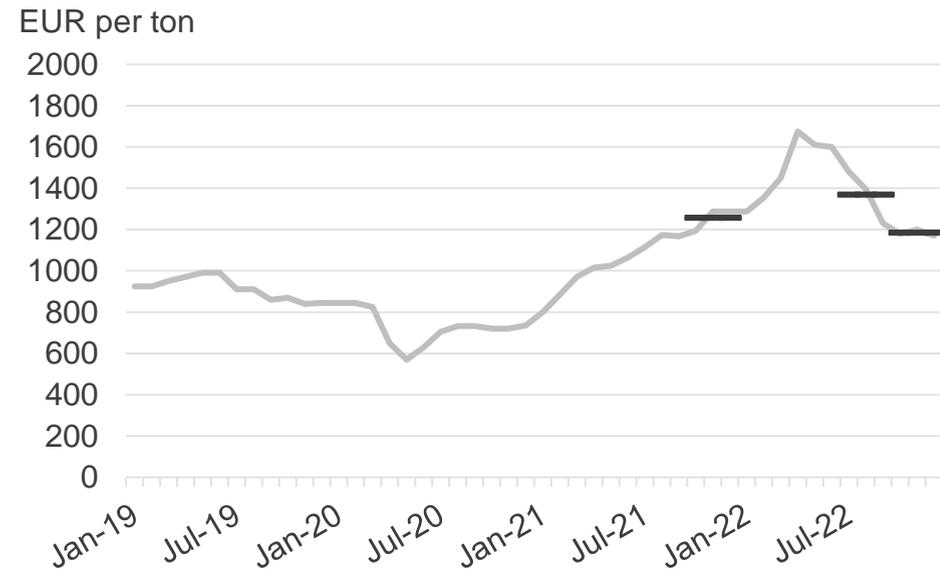
Crude oil price



	Q4 22/ Q4 21 (%)	2022 / 2021 (%)
Brent crude oil	7	40

Source: World Bank

Propylene



	Q4 22 / Q4 21 (%)	2022 / 2021 (%)
Propylene	-6	28

Source: World Bank



**We Purify and Protect,
with Every Fiber,
for a Sustainable World**

