

Q1

2022

Ahlstrom-Munksjö Holding

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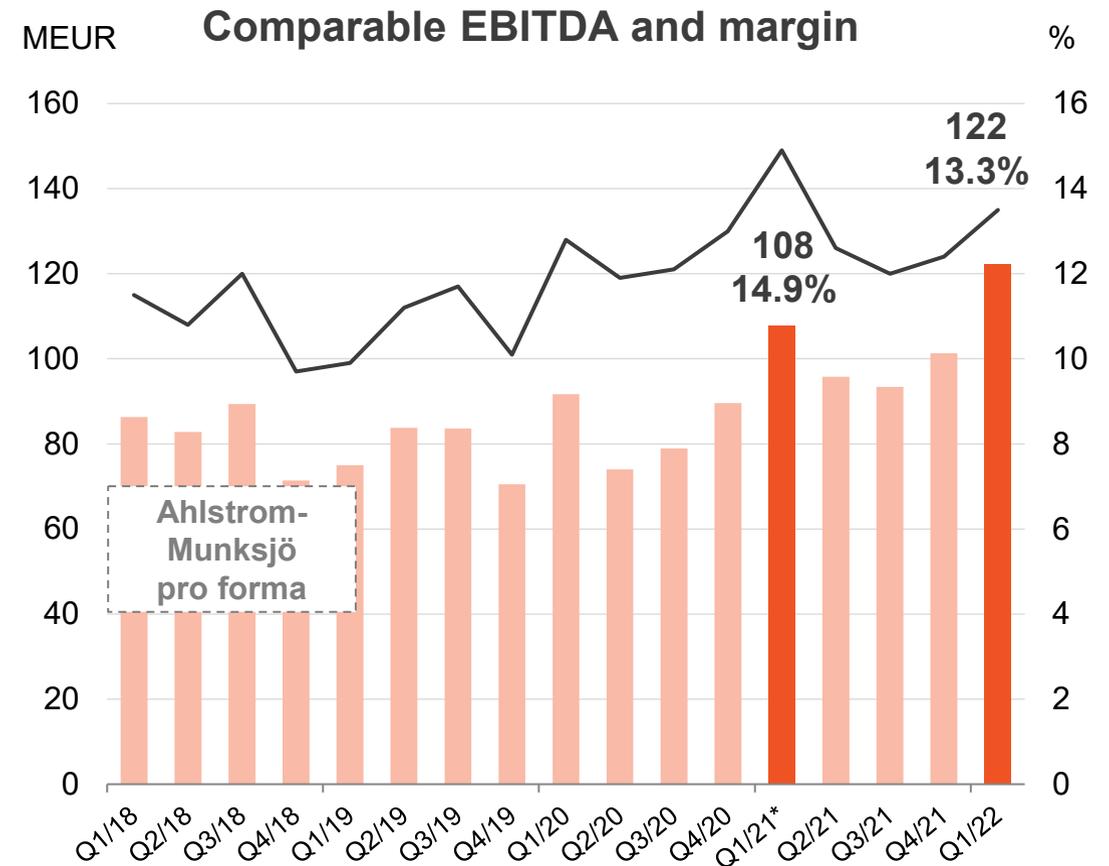
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Business highlights Q1 2022

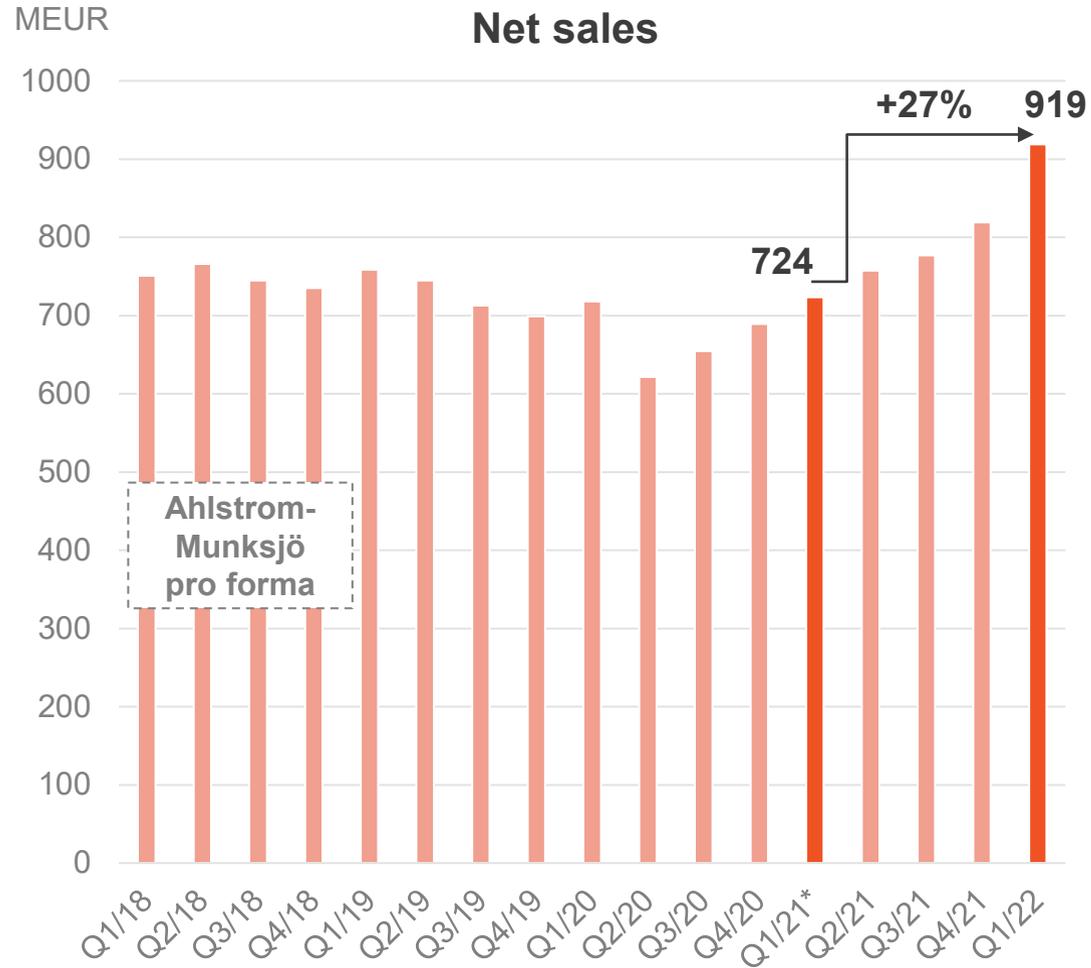
- Record high net sales and comparable EBITDA supported by strong progress in transformation related initiatives
- Demand continued high
- Cost inflation and the availability of inputs managed successfully
- Acquisition of a 60% stake in Chinese decor paper producer Minglian completed
- New operating model and reporting structure, effective as of July 1, 2022



* Ahlstrom-Munksjö Holding pro forma

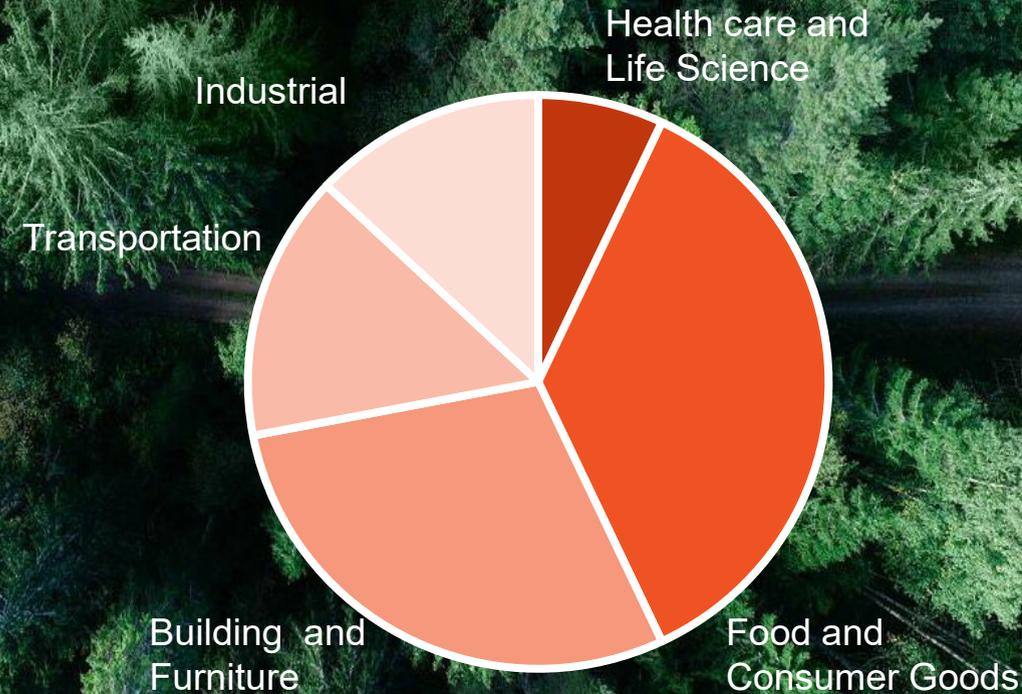


Net sales increased to record level

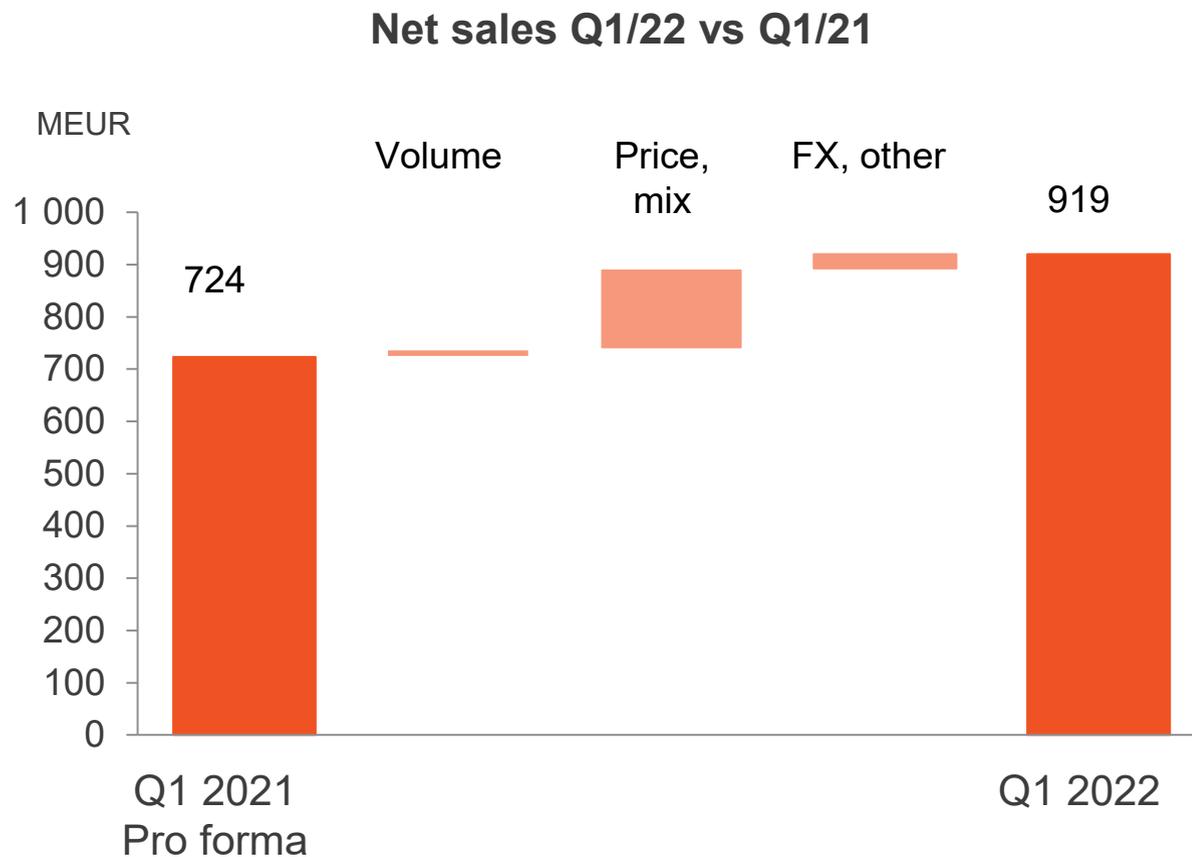


* Ahlstrom-Munksjö Holding pro forma

Breakdown of sales by end use



Record high net sales boosted by selling price increases



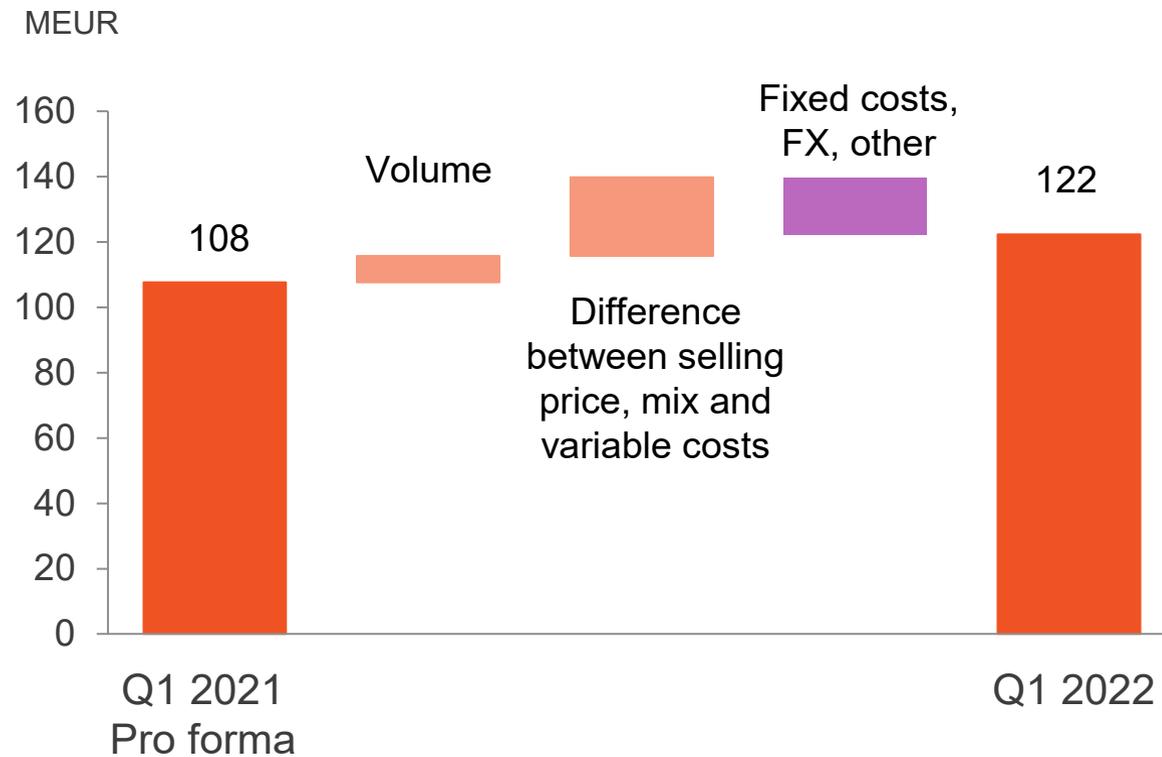
Net sales impacted by:

- Selling prices +21%
- Delivery volumes +2%
- FX+4%



Record high comparable EBITDA supported by transformation initiatives

Comparable EBITDA Q1/22 vs Q1/21



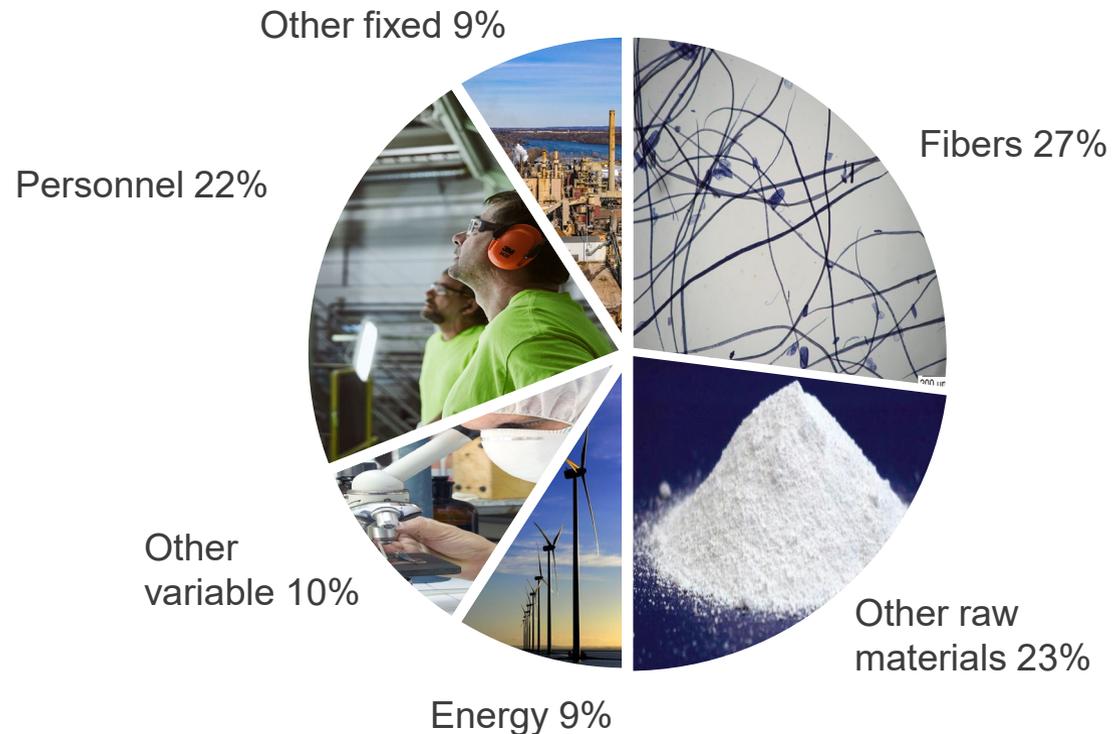
EBITDA impacted by:

- Higher selling prices
- Improved variable cost efficiency
- Higher input costs
- Higher personnel costs and unfavorable exchange rate development



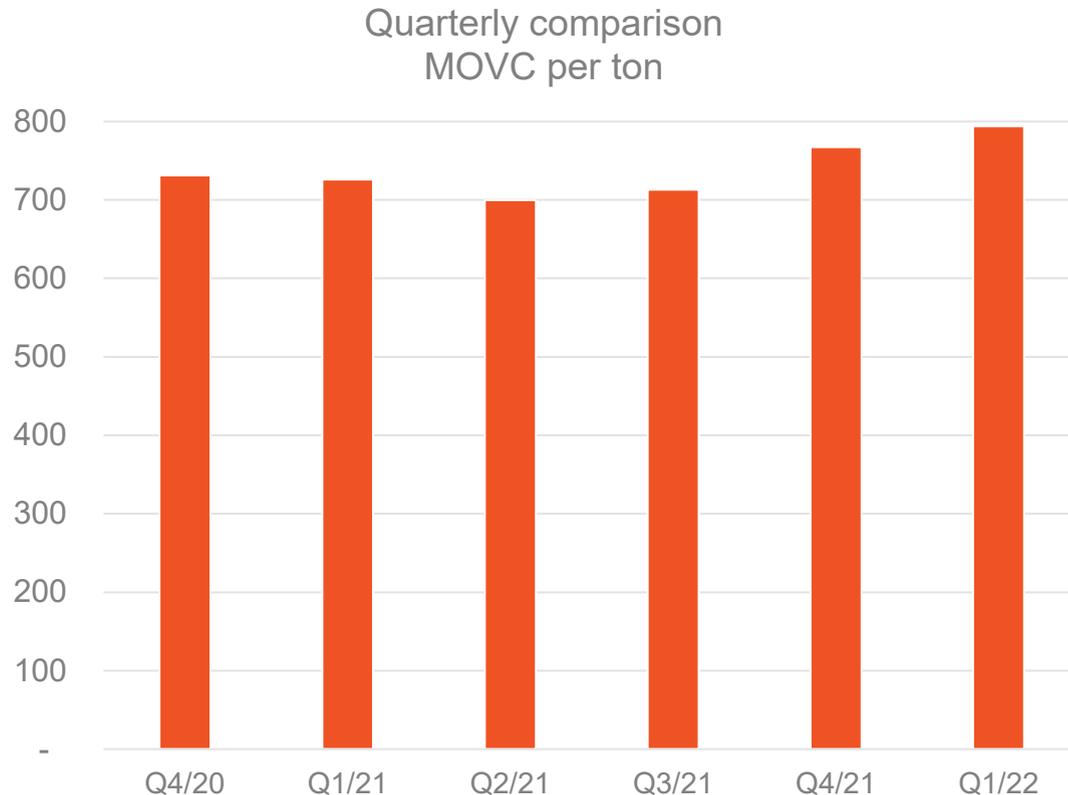
Cost inflation and availability of inputs continued challenging

Breakdown of operating costs in 2021



- Significant increase in variable costs more than offset by pricing and cost saving actions
- Limited operational disruption from difficult supply situation of certain raw materials and availability of transport

Margin on variable costs improved in Q1 2022



MOVC per ton adjusted for IAC

- MOVC per ton increased as selling price increases and improved cost efficiency more than offset significant input cost inflation



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

MEUR (LTM)	Q1 2022	Q4 2021
Comparable EBITDA pro forma	413.1	398.3
Pro forma FX impact	-0,1	-0,3
Comparable EBITDA	413.0	398.0
One off and other adjustments	-1.5	-3.7
FY 21 impact	8.9	21.9
FY 22 impact	77.1	78.8
FY 23 impact	20.5	
Adjusted EBITDA	518.0	494.9

- Adjusted EBITDA improved as a result of the increased comparable EBITDA (LTM) and larger potential in the profit improvement initiatives that the Group's owners have identified

Q1 2022 operating cash flow impacted by IACs and an increase in working capital

MEUR	Q1 2022	FY 2021 (Feb 4 – Dec 31)
EBITDA	88.7	244.6
Change in net operating working capital	-20.1	-30.2
Interest paid	-21.8	-75.3
Taxes paid	-3.6	-29.1
Adjustments, other	-9.7	-5.1
Net cash from operating activities	33.5	83.3
Acquisitions	-34.5	-1,585.8
Capital expenditure excluding acquisitions	-34.3	-145.5
Other	-	3.6
Net cash from investing activities	-68.9	-1,727.7
Equity contribution	-	1,084.6
Return of equity, dividends paid	-8.6	-28.3
Changes in loans and other financing	125.0	718.7
Net cash from financing activities	116.4	1,775.1
Net change in cash	81.1	130.6

Operating cash flow impacted by items affecting comparability (IACs), relating to the transformation initiatives, and an increase in working capital, affected by inflation and longer lead times

Free cash flow¹ EUR 110 million and cash conversion² 90%

Adjusted net indebtedness of EUR 1,879 million excluding the redemption liability of EUR 232 million for the minority shares

Stable net indebtedness to adjusted EBITDA ratio of 3.6

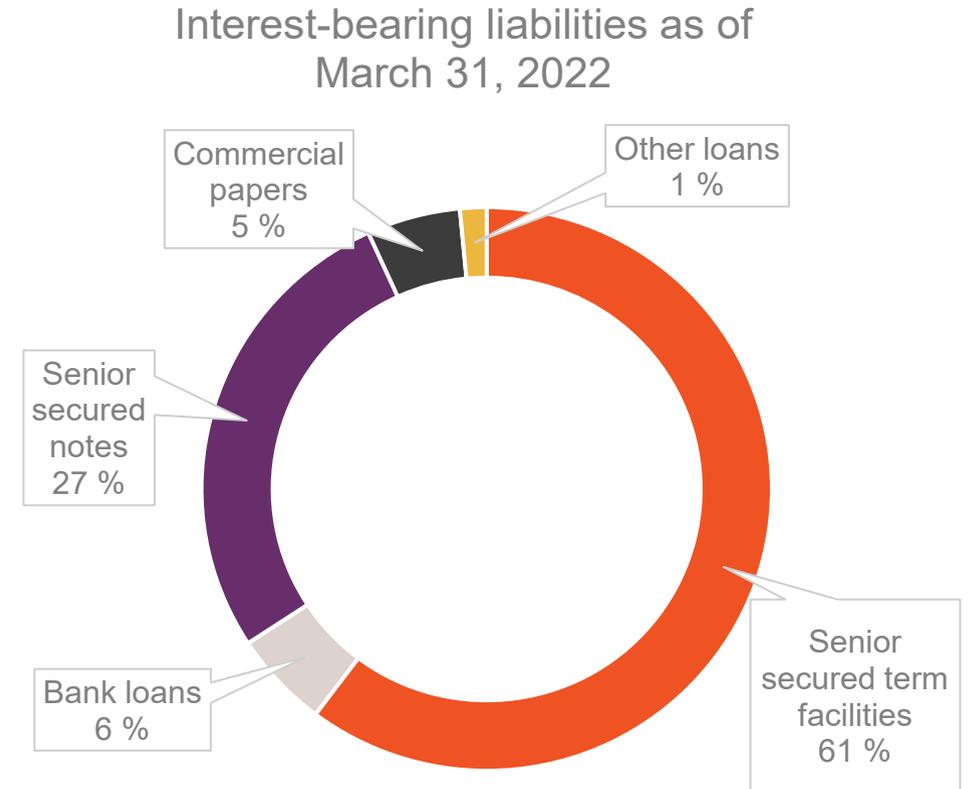
¹ Comparable EBITDA minus maintenance capital expenditure;

² Free cash flow: divided by comparable EBITDA



Debt structure as of March 31, 2022

- Financing of the Ahlstrom-Munksjö acquisition
 - Senior secured term facilities and two secured notes, maturing in 2028
- Renegotiated factoring facility to EUR 300 million in Q2 2021
- A Finnish Commercial Paper Program limited to EUR 300 million established in December 2021
- In March 2022, an add-on of EUR 60 million was raised to existing senior term loan facility
- Interest expenses EUR 98 million for the last twelve months
- Liquidity is good with cash and cash equivalents of EUR 246 million on March 31, 2022
- No major refinancing needs until 2027-28



Conclusions

- Record high net sales and comparable EBITDA supported by strong progress in transformation related initiatives
- Demand remained high
- Cost inflation and the availability of inputs managed successfully
- Acquisition of a 60% stake in Chinese decor paper producer Minglian completed
- Stable net indebtedness to adjusted EBITDA ratio





Thank you