

Q2

2022

Ahlstrom-Munksjö Holding

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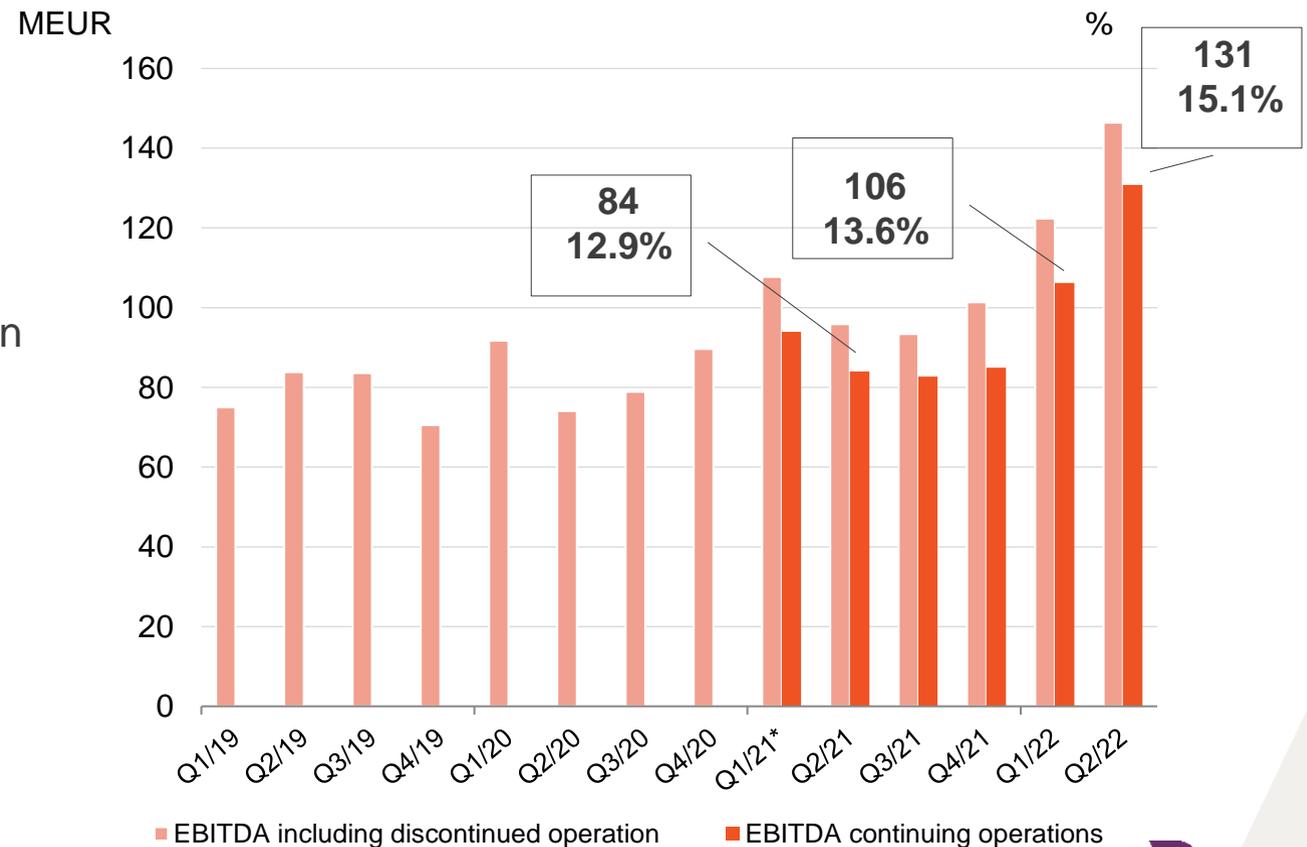
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Business highlights Q2 2022

- Record high net sales and comparable EBITDA from continuing operations supported by strong progress in transformation related initiatives
- Agreement to divest the majority share of Decor business, classified to assets held for sale and a discontinued operation
- Demand remained on a high level, and cost inflation was successfully managed with commercial and operational excellence initiatives
- Contingency plan in place and capital investments initiated to reduce exposure to curtailments of Russian gas supply
- Announcement of Ahlstrom-Munksjö's purpose, vision and strategic ambition, as well as more ambitious sustainability targets

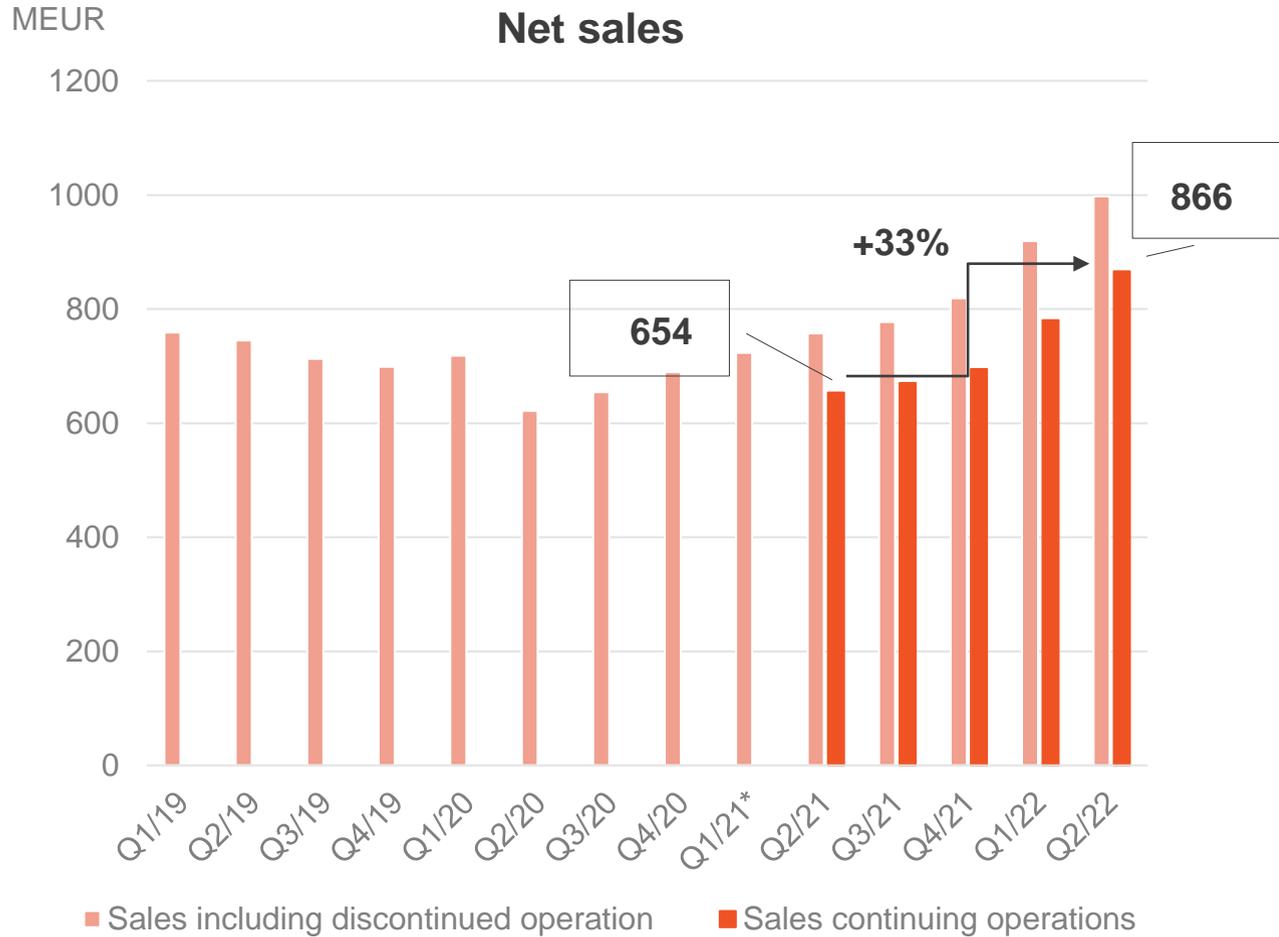
Comparable EBITDA and margin



* Ahlstrom-Munksjö Holding pro forma

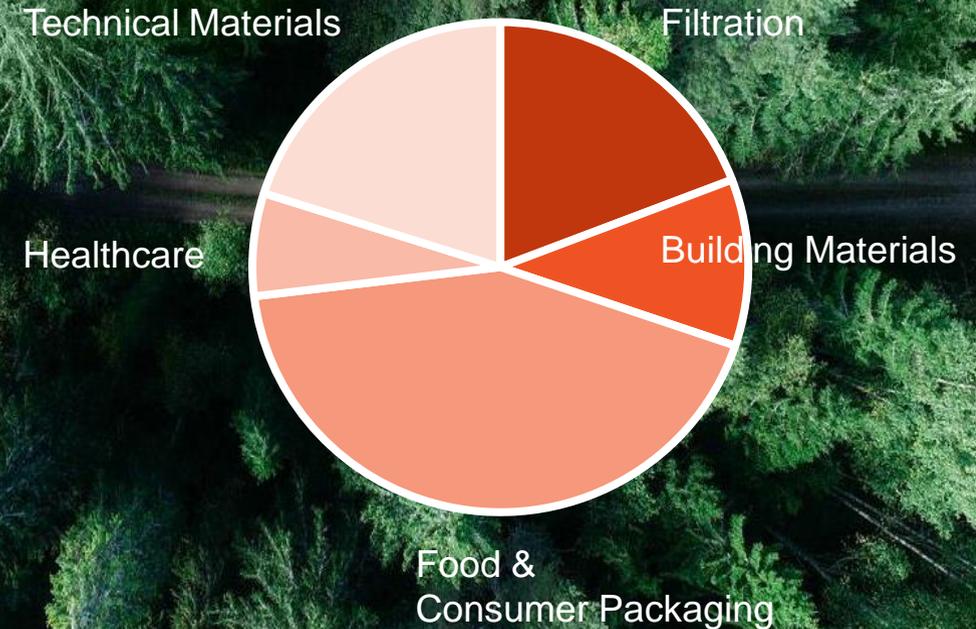


Net sales increased to record level



* Ahlstrom-Munksjö Holding pro forma

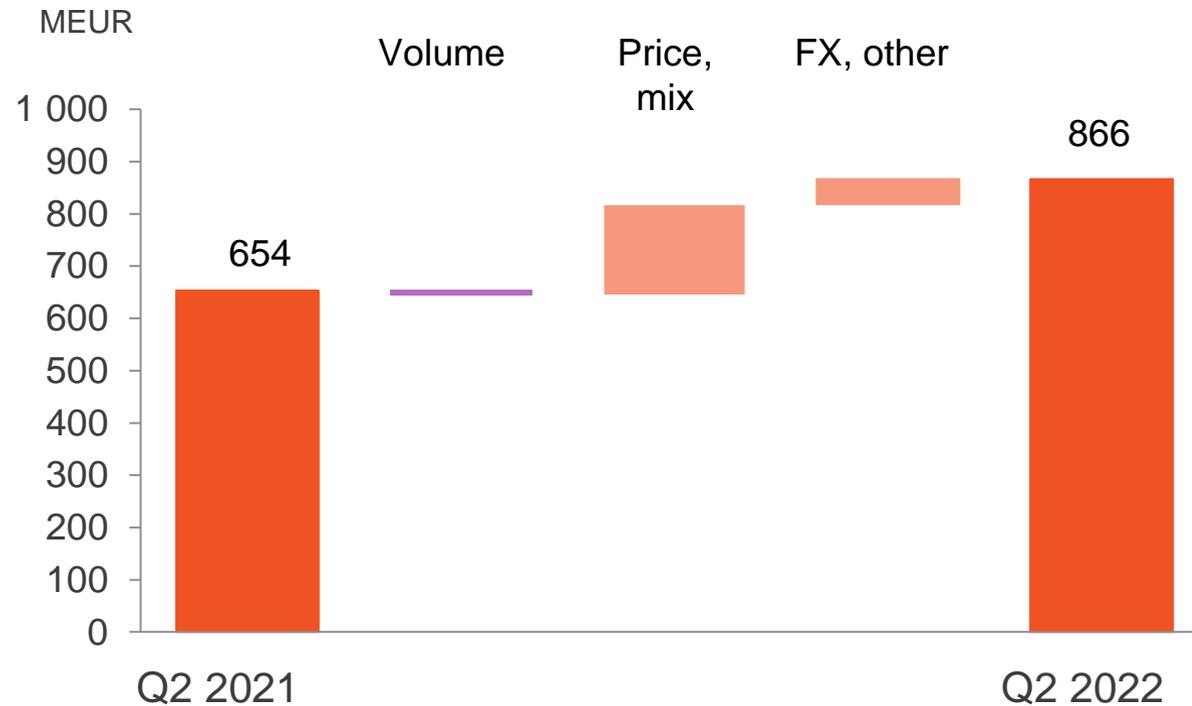
Divisional breakdown of net sales*



*illustrative breakdown of net sales for continuing operations according to new reporting structure, effective July 1, 2022

Record high net sales boosted by selling price increases

Net sales Q2/22 vs Q2/21*



Net sales impacted by:

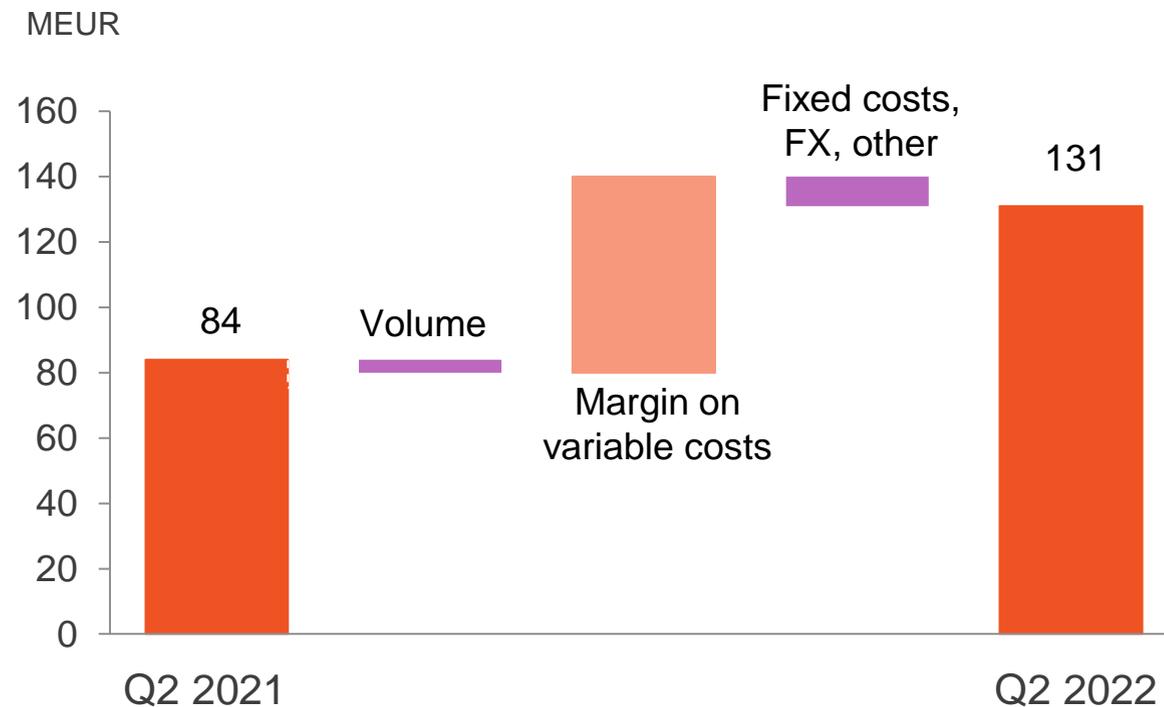
- Selling prices +27%
- Delivery volumes -2%
- FX+7%

*continuing operations



Cost inflation was successfully managed with commercial and operational excellence initiatives resulting in a record high comparable EBITDA

Comparable EBITDA Q2/22 vs Q2/21*



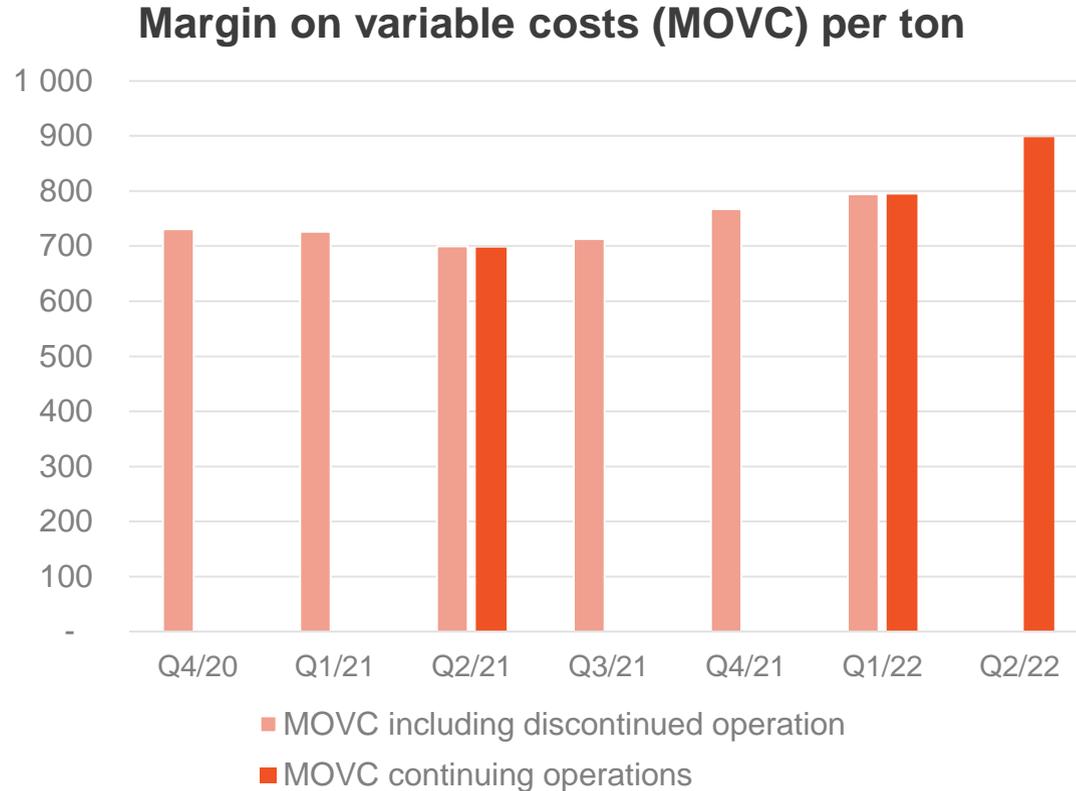
EBITDA impacted by:

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

*continuing operations



Margin on variable costs at record level



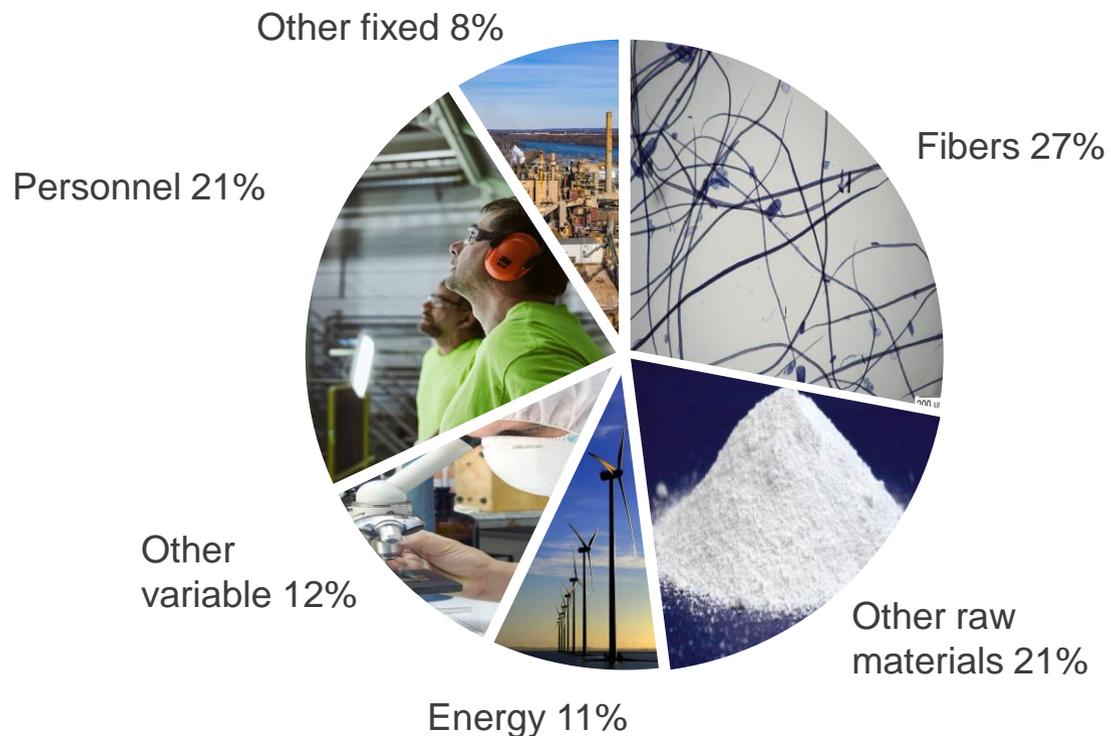
MOVC per ton adjusted for IAC

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



Significant increases across important cost categories

Breakdown of operating costs H1 2022*



- 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

*continuing operations



Reconciliation of comparable EBITDA to adjusted EBITDA*

MEUR (LTM)	Q2 2022	Q1 2022
Comparable EBITDA pro forma	463.3	413.1
Pro forma FX impact	0	-0,1
Comparable EBITDA	463.3	413.0
One off and other adjustments	-1.5	-1.5
FY 21 impact	3.5	8.9
FY 22 impact	76.3	77.1
FY 23 impact	33.6	20.5
Adjusted EBITDA	575.2	518.0

- Adjusted EBITDA improved mainly as a result of the increased comparable EBITDA (LTM)

*continuing operations and discontinued operation



Q2 2022 operating cash flow impacted by an increase in working capital and items affecting comparability (IACs)*

MEUR	Q2 2022	H1 2022
EBITDA	114.7	203.4
Change in net operating working capital	-16.6	-36.7
Interest paid	-32.0	-53.8
Taxes paid	-9.5	-13.0
Adjustments, other	-7.9	-17.7
Net cash from operating activities	48.7	82.2
Acquisitions	-	-34.5
Capital expenditure excluding acquisitions	-38.8	-73.1
Other	-	-
Net cash from investing activities	-38.8	-107.6
Return of equity, dividends paid	-8.3	-16.9
Changes in loans and other financing	-87.7	37.4
Net cash from financing activities	-95.9	20.5
Net change in cash	86.0	-4.9

Second quarter operating cash flow impacted by an increase in working capital, affected by inflation and longer lead times as well as certain timing issues, and items affecting comparability (IACs) related to transformation initiatives

Free cash flow¹ EUR 131 million and cash conversion² 90%

Adjusted net indebtedness of EUR 1,924million excluding the redemption liability of EUR 232 million for the minority shares

Net indebtedness to adjusted EBITDA ratio improved to 3.3 (3.6 end of Q1 2022)

*cash flow refers to continuing operations and discontinued operation

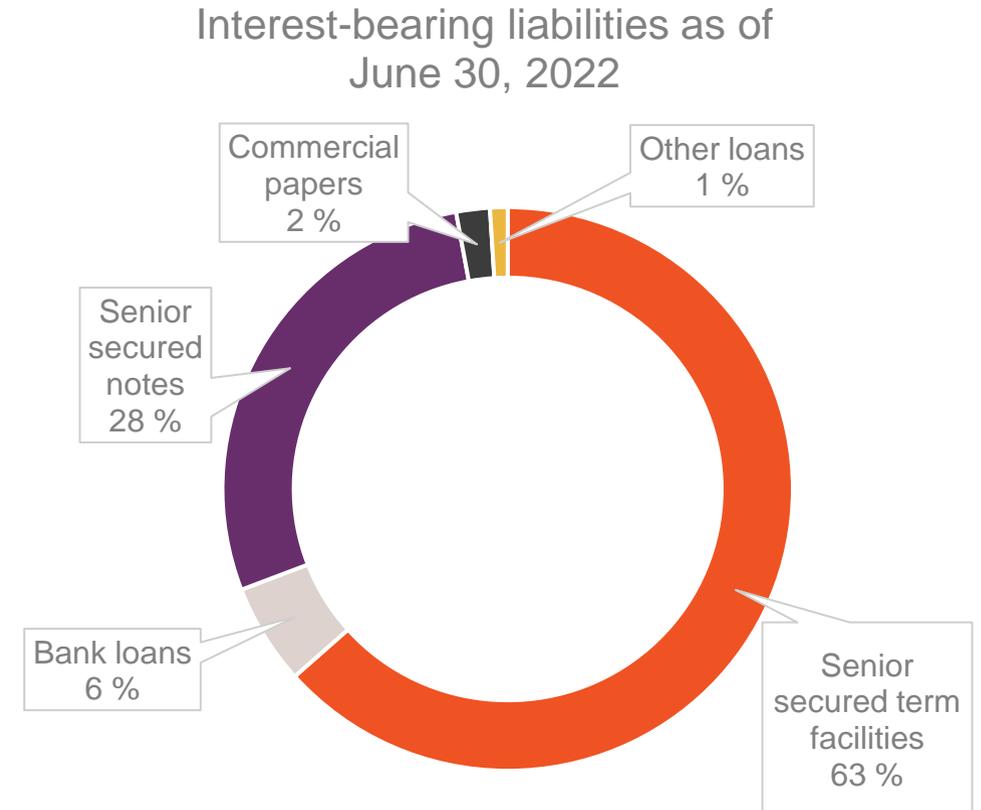
¹ Comparable EBITDA minus maintenance capital expenditure;

² Free cash flow: divided by comparable EBITDA



Debt structure as of June 30, 2022

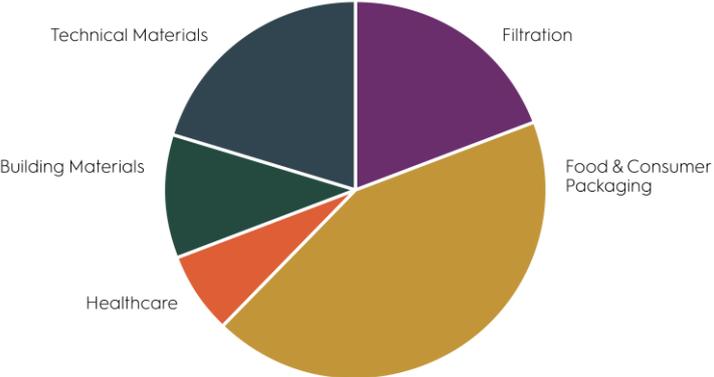
- Financing of the Ahlstrom-Munksjö acquisition
 - Senior secured term facilities and two secured notes, maturing in 2028
- Renegotiated factoring facility to EUR 300 million in Q2 2021
- A Finnish Commercial Paper Program limited to EUR 300 million established in December 2021
- In March 2022, an add-on of EUR 60 million was raised to existing senior term loan facility
- Interest expenses EUR 107 million for the last twelve months
- Liquidity is good with cash and cash equivalents of EUR 164 million on June 30, 2022
- No major refinancing needs until 2027-28



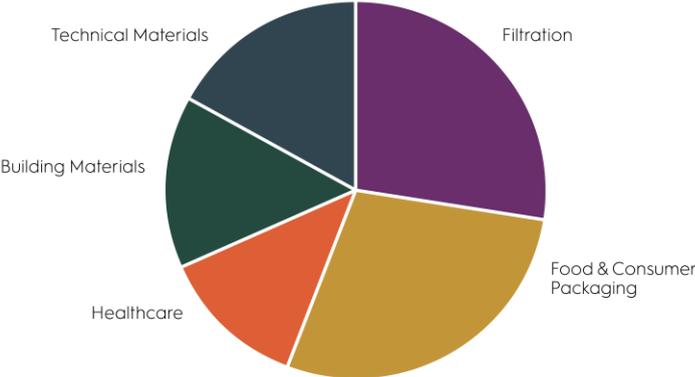
Purpose and Strategy

Global leader in sustainable and innovative fiber-based specialty materials

Business Divisions by Net Sales



Business Divisions by EBITDA



39 plants and converting sites in 13 countries.

6,800 employees with 55 nationalities.

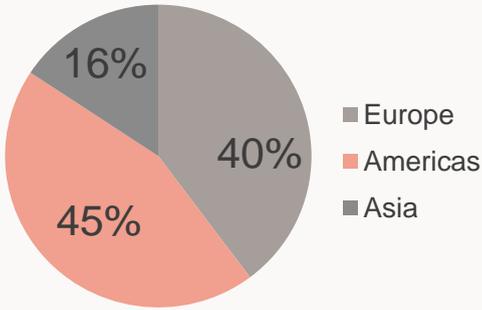
Almost **6,000 customers** in over 100 countries.

Pro forma **net sales EUR 2.6 billion** and comparable **EBITDA 346 million** in 2021.

Privately held as of June 2021.

Head office in Helsinki.

Breakdown of reported net sales 2021



Ahlstrom-Munksjö

Global leader in **sustainable and innovative** fiber-based specialty materials



Purpose

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



Vision

To be the Preferred
Sustainable Specialty
Materials Company



Values

One team

Accountability

Care

Growth mindset



Focus on attractive growth markets



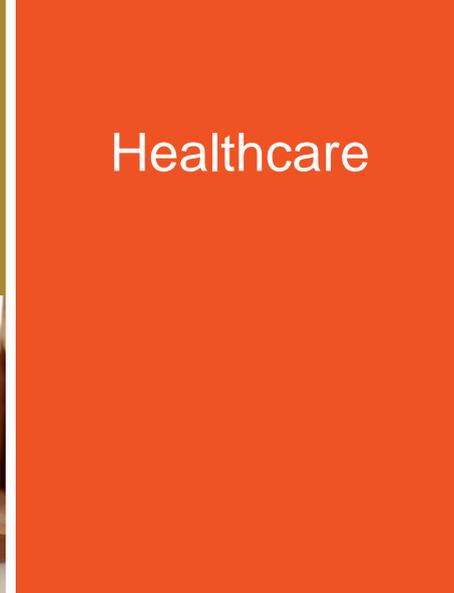
Filtration



Food &
Consumer
Packaging



Healthcare



Building
Materials



Technical
Materials



Operating model to enable and empower strategy execution

BUSINESS UNITS

The core building block of our organization

Operations / Supply Chains

Business Development / Innovation

Customers / Sales

Customers/
Markets

DIVISIONS

Driving end-market insight and strategic business development

GROUP FUNCTIONS

Global centers of functional excellence supporting the businesses





PURPOSE

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

VISION

**To be the Preferred Sustainable
Specialty Materials Company**

VALUES

**Accountability
Growth Mindset
One Team
Care**





Thank you