

Ahlstrom

Annual General Meeting 2016

Marco Levi, President & CEO

Sakari Ahdekivi, CFO

April 5, 2016

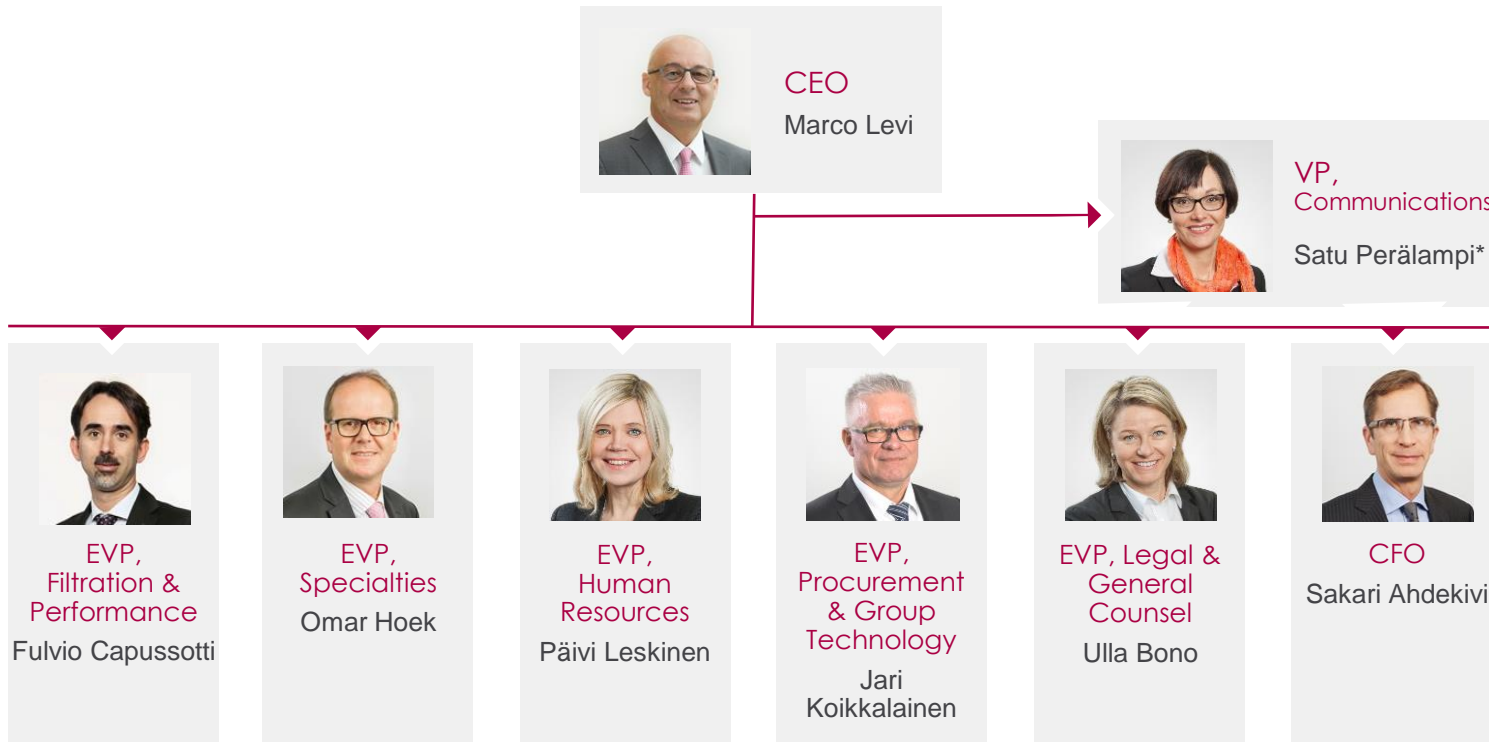
Agenda

Year 2015 in brief

Redefined strategy and new long-term financial targets

Financials 2015

Executive Management Team as of January 1, 2016



* Member of the extended Executive Management Team

Year 2015 in brief

Highlights

- + Highest operating profit and margin in the current business portfolio of the company
- + Commercial excellence program yielding results
- + Stronger balance sheet through improved cash flow, driven by lower investments and increased profitability, and sale of non-core financial assets
- + Strategy review process completed

Lowlights

- Decline in net sales at constant currency rates due lower demand for engine filtration, particularly in North America and Asia, and wallcoverings in Europe/Russia

Key figures

- Improved margins through better commercial excellence
- Lower selling, general and administrative (SG&A) costs

EUR million	2015	2014	Change, %
Net sales	1,074.7	1001.1	7.4
EBITDA excl. NRI	104.8	78.6	33.2
<i>% of net sales</i>	9.7	7.9	
Operating profit excl. NRI	47.5	28.6	66.1
<i>% of net sales</i>	4.4	2.9	
Gearing*	65.4	79.3	
ROCE, %	3.9	-0.5	

EBITDA = earnings before interest, taxes, depreciation and amortization

* Including discontinued operations in 2014

NRI = non-recurring item

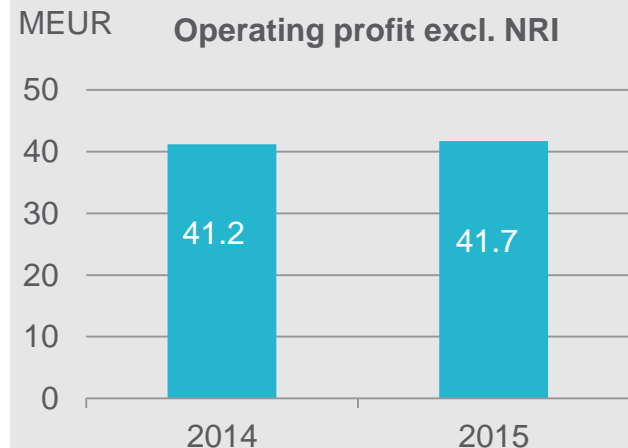
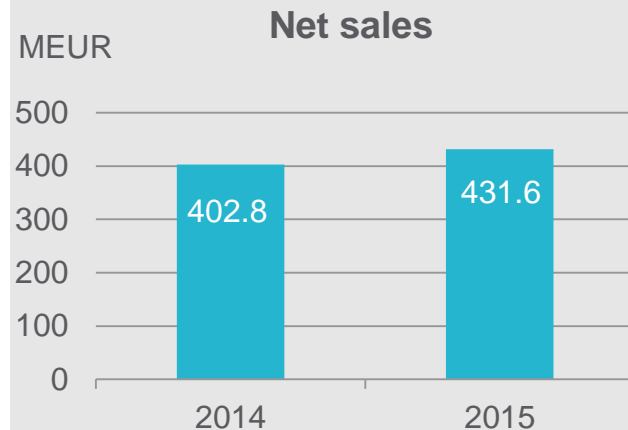
Filtration

Net sales EUR 431.6 million in 2015 (EUR 402.8 million)

- Net sales +7.2%: volumes -6.7%, comparable net sales -3.1%
- Increased selling prices and improved product mix through sale of more advanced filtration products
- Lower sales of engine filtration applications, particularly in North America and Asia in the second half of 2015

Operating profit ex. NRI EUR 41.7 million in 2015 (EUR 41.2 million)

- Improved pricing
- Lower volumes



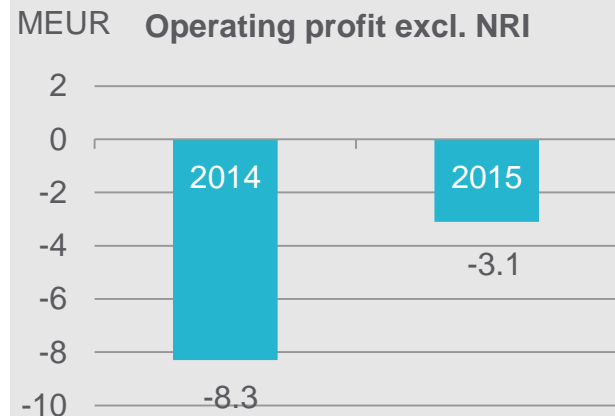
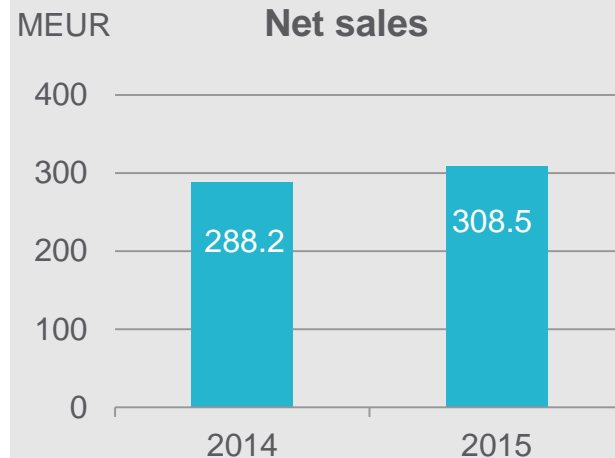
Building and Energy

Net sales EUR 308.5 million in 2015 (EUR 288.2 million)

- Net sales +7.0%: volumes +1.3%, comparable net sales +7.1%
- Higher selling prices of flooring, glassfiber reinforcements and specialty nonwoven products
- Accelerated ramp-up of the wallcoverings production in China
- Lower sales of wallcoverings in Europe and Russia

Operating profit ex. NRI EUR -3.1 million in 2015 (EUR -8.3 million)

- Higher volumes and selling prices
- Lower fixed costs



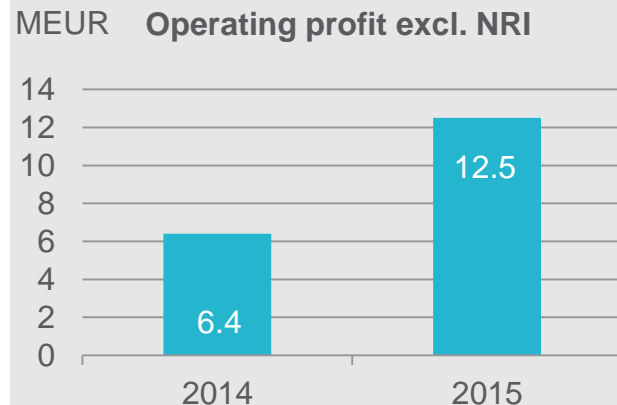
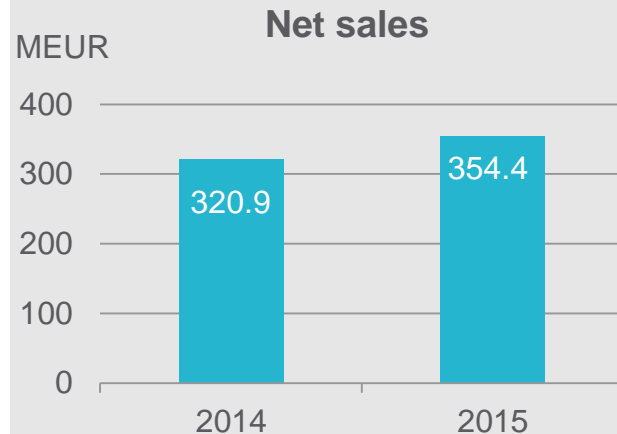
Food and Medical

Net sales EUR 354.4 million in 2015 (EUR 320.9 million)

- Net sales +10.4%: volumes -2.0%, comparable net sales -1.9%
- Higher sales of food packaging materials, tape products from the Longkou plant
- Lower sales of medical fabrics and tea bag materials

Operating profit ex. NRI EUR 12.5 million in 2015 (EUR 6.4 million)

- Improved pricing and product mix
- Lower fixed and raw material costs
- Lower volumes



Building a stronger, leaner
and unified Ahlstrom



Our vision:

We are our customers' first choice
for fiber-based materials.

A dynamic environment steers our product offering

The needs of our customers are affected by end-user behavior, which challenges us to constantly develop and improve fiber-based material solutions.



Our key success factors stem from our customer-driven offering and processes

A customer-driven product offering for sustainable and high-performance end use



Customer-focused solutions with tailor-made products



Leading technology and manufacturing platforms



Global reach and local insights

Innovation continues to be a key success factor

- In 2015, R&D expenditure EUR 20.9 million, or 1.9% of net sales (EUR 17.5 million, or 1.7% of net sales, in 2014).
- Product development reorganized to be better aligned with customer needs and faster go-to-market approach

Compostable food packaging

- Ahlstrom NatureMold™
- Biodegradable materials substituting aluminum and plastic alternatives



Specimen collection cards

- Ahlstrom GenCollect™
- Easy and cost effective solutions for collecting DNA samples



Single-use coffee pods and capsules

- Perfect taste and aroma with compostable materials





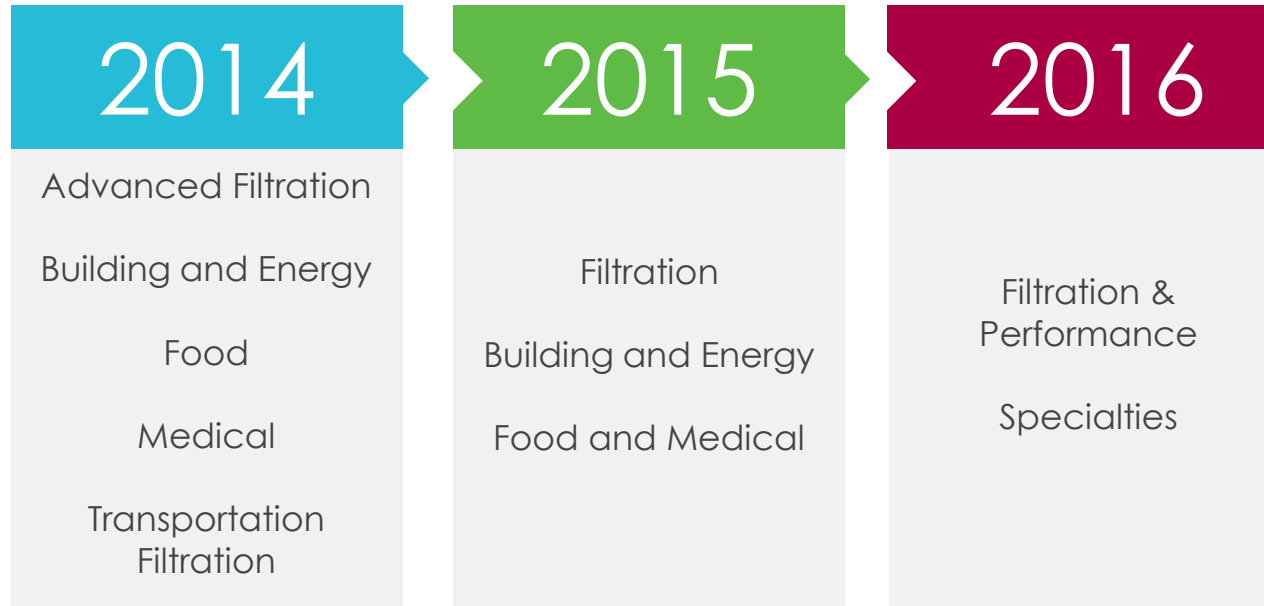
Our mission:

We provide innovative
fiber-based materials with
a function in everyday life.

Roadmap for 2015-2018 outlines shift in strategy



Simplified business structure enables us to focus better on our customer's needs



Filtration & Performance: increased customer and selling focus



Business unit	Strategy	Customers	Applications
Engine & Industrial	Grow	<ul style="list-style-type: none"> Heavy duty and automotive OEMs and suppliers Gas turbine power generators 	<ul style="list-style-type: none"> Oil filtration Fuel filtration Air filtration Gas turbine filtration Industrial filtration
Building & Wind*	Maintain	<ul style="list-style-type: none"> Construction materials and flooring producers Wind turbine manufacturers Boat builders 	<ul style="list-style-type: none"> Flooring Wind turbines Boat building Pipe coatings
Industrial Non-wovens	Grow	<ul style="list-style-type: none"> Automotive suppliers Construction materials suppliers Textiles industry Hygiene and wound care product manufactures Laundry care suppliers 	<ul style="list-style-type: none"> Automotive Interiors Plasterboard and furniture surfaces Textiles Laundry care Hygiene and wound care Wipes
Wallcover & Poster	Fix	<ul style="list-style-type: none"> Wallcover and poster printers 	<ul style="list-style-type: none"> Wallcovers Posters

* Ahlstrom has agreed to divest its Building & Wind business, the transaction is expected to be completed during the first half of 2016.

Specialties: Accelerate growth in strategic segments and improve customer experience



Business unit	Strategy	Customers	Applications
Foodpack & Beverage	Grow	<ul style="list-style-type: none"> Converters and brand owners in food packaging 	<ul style="list-style-type: none"> Food and ready-made meals packaging Baking and wrapping papers Tea bags and coffee capsules Meat casings
Advanced Liquid Technologies	Grow	<ul style="list-style-type: none"> Laboratory consumable and equipment distributors Life science instrument and materials manufacturers Water purification equipment manufactures 	<ul style="list-style-type: none"> Laboratory and micro filtration Life science and diagnostics Residential and industrial water purification
Tape	Grow	<ul style="list-style-type: none"> Masking tape manufacturers 	<ul style="list-style-type: none"> Masking tape for construction and automotive industries, specialty masking tape
Medical	Fix	<ul style="list-style-type: none"> Marketers and converters in the health care industry 	<ul style="list-style-type: none"> Sterile barrier systems Drapes and gowns Facemasks



Our strategic intent:

We are committed to growing and creating stakeholder value by providing the best performing sustainable fiber-based materials.

Long-term financial targets over the economic cycle



* The adjusted operating margin excludes restructuring costs, impairment charges, capital gains or losses, and discontinued operations.

Restated key figures for continuing operations for 2015

Ahlstrom Group*

- **Net sales:**
EUR 991.6 million
- **Adjusted operating profit**:**
EUR 41.6 million, or
4.2% of net sales

Filtration & Performance

- **Net sales:**
EUR 592.5 million
- **Adjusted operating profit**:**
EUR 22.4 million, or
3.8% of net sales

Specialties

- **Net sales:**
EUR 418.5 million
- **Adjusted operating profit**:**
EUR 25.7 million, or
6.1% of net sales

* Excluding the Building & Wind business unit, which is reported in discontinued operations.

** Excluding restructuring costs, impairment charges and capital gains or losses.

Outlook for 2016*

Continuing operations

Net sales from continuing operations: **EUR 950-1,050 million.**

The adjusted operating profit from continuing operations: **4.2% - 5.2%** of net sales.

- The outlook excludes the Building & Wind business unit, which will be reported as part of discontinued operations starting from the beginning of 2016. The adjusted operating profit excludes restructuring costs, impairment charges and capital gains or losses.

** Published on January 29, 2016.*

Financials 2015

Income statement

EUR million	2015	2014
Net sales	1,074.7	1,001.1
Cost of goods sold	-910.0	-855.0
Gross profit	164.8	146.1
Sales, administrative and research & development expenses (SG&A)	-137.5	-141.0
Other income and expenses	-5.4	-8.9
Operating profit	21.9	-3.7
Operating profit excl. NRI	47.5	28.6
Net financial expenses	0.6	-5.8
Share of profit / loss of equity accounted investments	0.2	0.1
Profit / loss before taxes	22.6	-9.4
Income taxes	-14.1	-0.9
Profit / loss for the period	8.6	-10.3
Earnings per share	0.06	-0.22

▶ Enhanced pricing reflected in gross profit: 16.4% vs 15.7% excluding NRIs

▶ SG&A costs excl. NRI were:

- 12.3% of net sales in 2015 (13.2% in 2014)

▶ Non-recurring items:

- EUR -25.6 million in 2015 (EUR -32.3 million in 2014).

▶ Net financials include a capital gain of EUR 20.3 million from selling Munksjö Oyj shares in 2015. (EUR 14.6 million gain in 2014.)

Balance sheet

EUR million	Dec. 31, 2015	Dec. 31, 2014
Total non-current assets	519.2	599.3
Inventories	117.6	108.1
Trade and other receivables	151.9	170.7
Income tax receivables	1.6	1.7
Cash and cash equivalents	47.3	41.4
Total assets	837.8	921.1
Total equity	299.4	320.1
Provisions	7.9	11.6
Interest bearing loans and borrowings	243.3	295.2
Employee benefit obligations	100.3	96.0
Trade and other payables	183.5	194.0
Others	3.5	4.2
Total equity and liabilities	837.8	921.1
Gearing, %	65.4	79.3

- ▶ Shareholding in Munksjö Oyj was reduced to zero percent in 2015
 - ▶ Currency fluctuations impacted all balance sheet components
 - Working capital turnover rate decreased by one day to 45 days
 - ▶ Changes in equity was mainly due to:
 - Fair value reserve reduced due to the sale of Munksjö shares
- Includes EUR 100 million hybrid bond

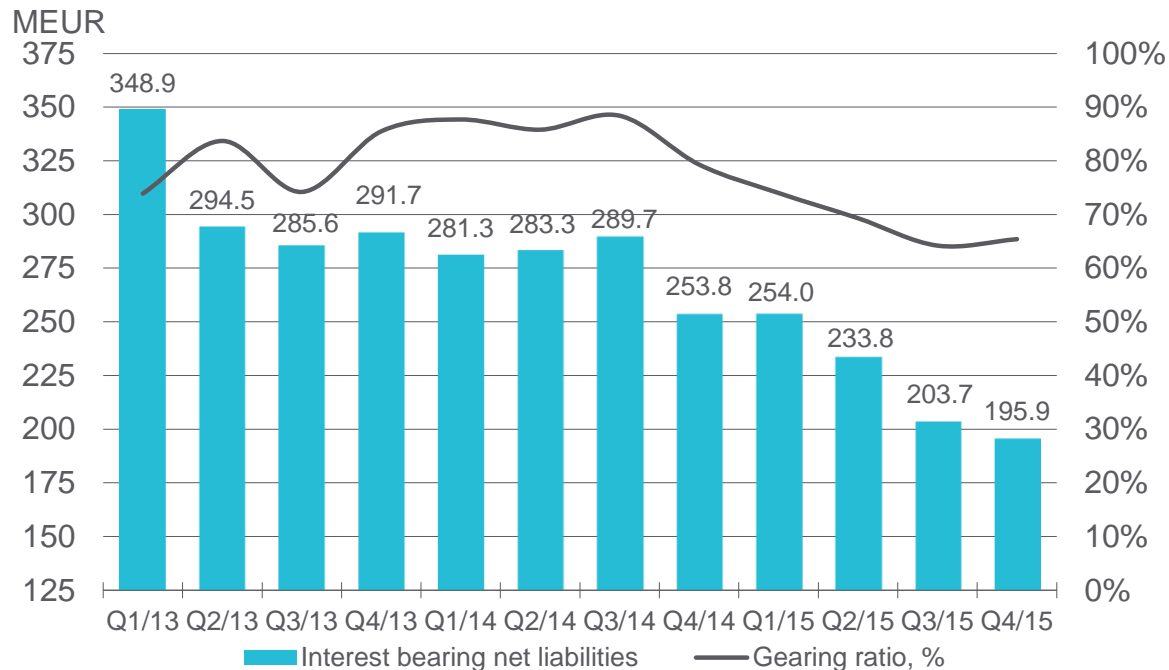
Statement of cash flows

EUR million	2015	2014*
EBITDA	96.4	76.8
Changes in net working capital	1.2	-5.8
Change in provisions	-2.2	3.2
Financial items	-25.6	-26.5
Income taxes paid / received	-3.0	-4.4
Other items	-6.9	-7.8
Net cash from operating activities	60.0	35.4
Purchases of intangible and tangible assets	-26.9	-56.4
Other investing activities	49.0	77.9
Net cash from investing activities	22.1	21.5
Dividends paid and others	-13.9	-4.6
Sales/repurchase of own shares	3.1	-
Interest on hybrid bond	-7.9	-7.9
Changes in loans and other financing activities	-56.4	-42.4
Net cash from financing activities	-75.1	-54.8
Net change in cash and cash equivalents	6.9	2.1
Cash and cash equivalents at the beginning of the period	41.4	38.7
Cash and cash equivalents at the end of the period	47.3	41.4

- ▶ Highest annual operating cash flow since 2012.
- ▶ Mainly maintenance-related capex
- ▶ EUR 44.4 million proceeds from selling Munksjö Oyj shares in 2015.
- ▶ In 2014, dividend partially paid in Munksjö Oyj shares.

Net debt and gearing*

Net debt reduced by operating cash flow



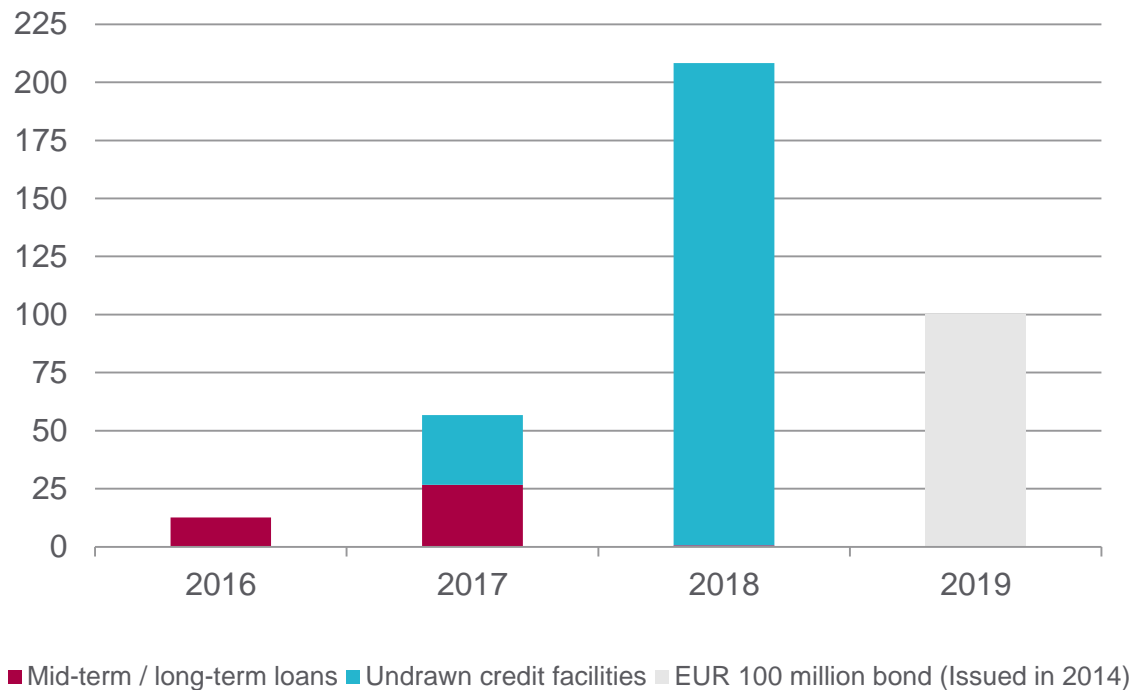
* Including discontinued operations

Gearing 65.4% at the end of 2015

- Net debt reduced by strong operating cash flow and the sale of Munksjö Oyj shares
- Equity negatively impacted by asset impairment charges

Maturity profile

Stable liquidity - No major maturities in 2016



- EUR 180 million three-year revolving credit facility signed in June 2015. The facility includes two 12-month extension options.
- At the end of the review period, its total liquidity, including cash, unused committed credit facilities and committed cash pool overdraft limits was EUR 299.0 million (EUR 300.3 million).
- In addition, the company had undrawn uncommitted credit facilities and cash pool overdraft limits of EUR 103.6 million (EUR 129.5 million) available.
- Liquidity has remained good also in the early part of 2016.

Thank You