

WE ARE ONE

JAN ÅSTRÖM
PRESIDENT & CEO

MAY 16, 2017

HELSINKI



AHLSTRÖM
MUNKSJÖ

Two leaders have become one



- A global leader in sustainable and innovative fiber-based solutions
- Leading market positions in several niches
- 6,000 employees
- 41 production and converting sites* in 14 countries
- Combined net sales approx. EUR 2.15 billion



Munksjö

- Net sales 2016: EUR 1.1 billion
- 2,800 employees
- 15 production and converting sites in 7 countries



Ahlstrom

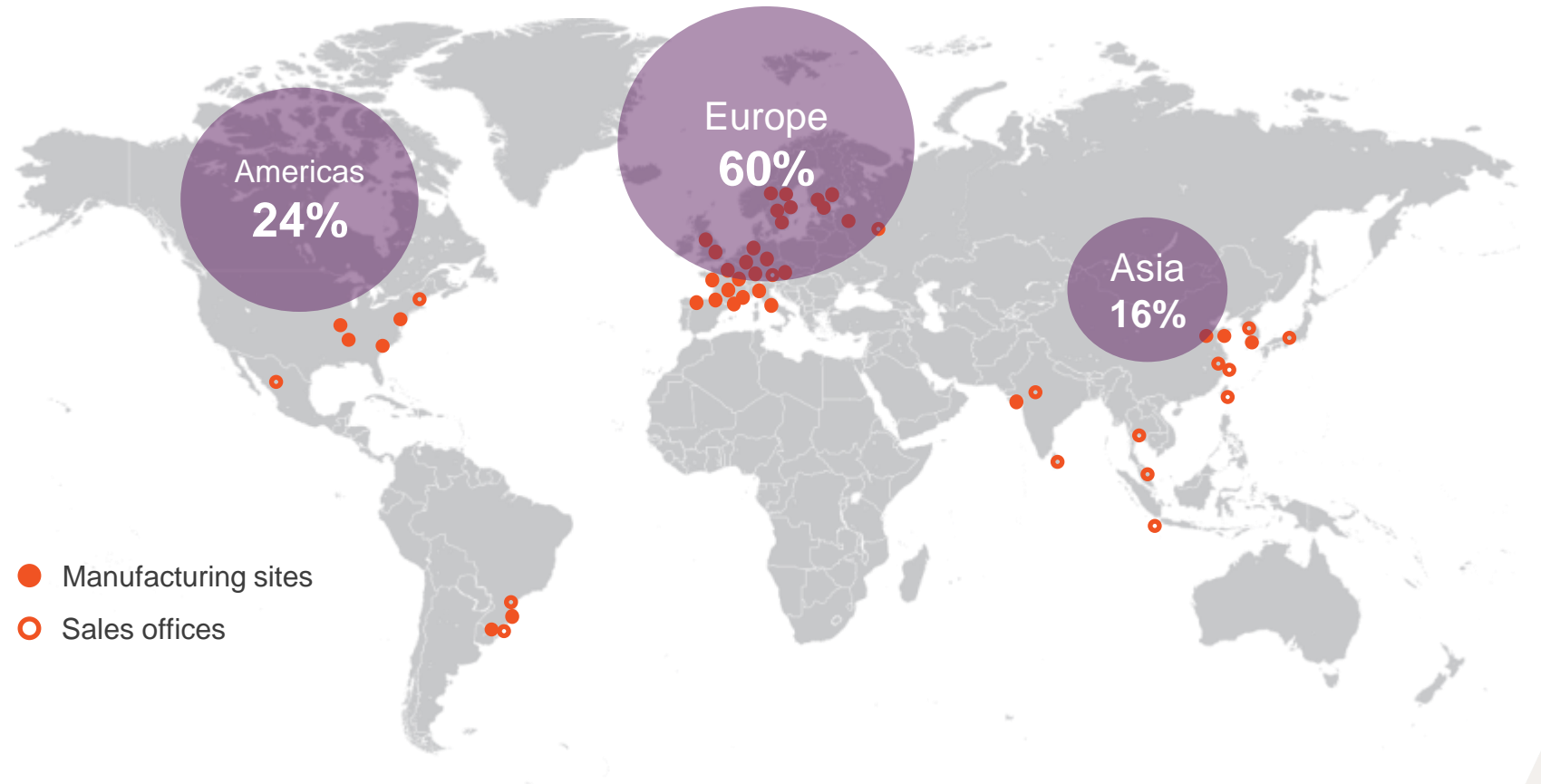
- Net sales 2016: EUR 1.1 billion
- 3,200 employees
- 27 production and converting sites in 12 countries

* Ahlstrom and Munksjö shared one site



A true global presence

Share of net sales



How we contribute and position ourselves in the market



- We innovate and advance the capabilities of what fiber-based materials can do.
- We contribute with solutions for supply chain efficiency, industrial applications and end user products.
- In everything we do we strive to make our customer's business more effective and sustainable.



Our company values

**We combine long-term commitment
with the courage to prioritize**

**We act as one
and empower individuals**

**We are proud yet passionate to
improve and innovate**



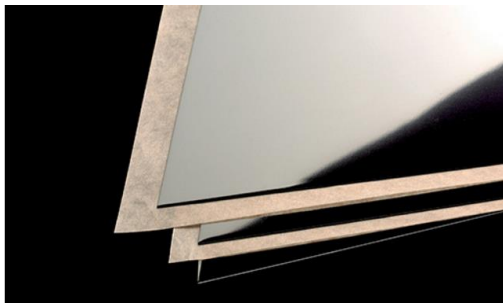
Our business areas

PRODUCT AREA	DECOR	FILTRATION AND PERFORMANCE	INDUSTRIAL SOLUTIONS	SPECIALTIES
SHARE OF COMBINED NET SALES (2016)				
EXAMPLES	<ul style="list-style-type: none"> • Decor paper • Thin print papers 	<ul style="list-style-type: none"> • Oil filters • Fuel filters • Air filters • Gas turbine filters • Industrial filters • Glassfiber materials • Wallcovers • Nonwovens 	<ul style="list-style-type: none"> • Abrasive backings • Electrotechnical insulation • Release liners • Thin papers • Specialty pulp • Balancing foils • Fine art and printing papers 	<ul style="list-style-type: none"> • Food and beverage packaging • Packaging papers • Graphical papers • Medical fabrics • Metallized labels • Tape • Laboratory filters and life science diagnostics • Water purification • Printed and coated products



A diverse range of products

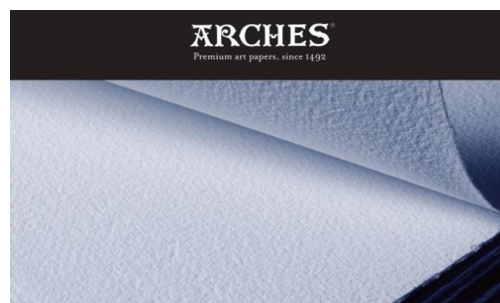
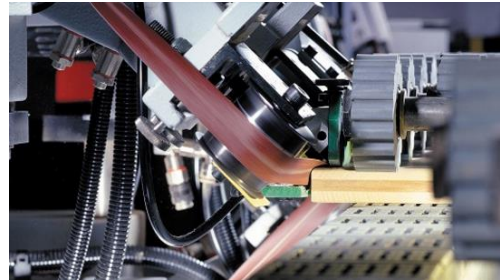
DECOR



FILTRATION AND PERFORMANCE



INDUSTRIAL SOLUTIONS



SPECIALTIES



Sustainability is in our fiber



- Renewable fibers are the basis of our business
- The procurement team is implementing our approach to responsible sourcing
- Ahlstrom-Munksjö products deliver resource efficiency and high performance in our customers' applications

Recognition for our CSR engagement, which places the company among the top 1 percent of all suppliers evaluated by the platform.



- Unique innovation capacity in research and development centres, and production units
- Sustainability in innovation gives us a competitive edge



Munksjö income statement in 2016

EUR million	2016	2015	Change, %
Net Sales	1142.9	1130.7	1.1
EBITDA (adj.)	136.7	93.6	46.0
<i>EBITDA margin (adj.)</i>	12.0%	8.3%	3.7pp
Operating result (adj.)	81.5	40.0	103.8
<i>Operating margin (adj.)</i>	7.1%	3.5%	3.6pp
Net result	43.3	22.8	89.9
EPS (EUR)	0.85	0.44	93.2

- Net sales increased as higher volumes more than compensated for lower average price
- Average price decreased, mainly driven by lower sales price for long fiber specialty pulp
- EBITDA increased by 46%
- Profitability target of 12% reached
- Half of profitability improvement related to own actions to improve efficiency
- Net result increased by 90%



Munksjö cash flow and balance sheet in 2016

EUR million	2016	2015
Operating cash flow	114.3	55.5
Capital expenditure	-39.2	-39.8
Free cash flow	75.1	15.7
Cash and cash equivalents at the end of the period	146.0	105.1

- The continued improved operating result had a positive effect on cash flow from operating activities
- Net debt decreased mainly as a result of improved cash flow

EUR million	31 Dec 2016	31 Dec 2015
Balance sheet total	1186.5	1173.4
Net debt	169.5	227.4
Gearing ratio, %	38.7%	56.7%
Total equity	437.7	401.3



Ahlstrom-Munksjö

Pro forma key figures for 2016

Pro forma Key Figures			
EUR million	2016	2015	Change, %
Net Sales	2,147.9	2,124.6	1.1
Comparable EBITDA	268.7	203.0	31.4
<i>Comparable EBITDA margin, %</i>	12.5%	9.6%	2.9pp
Net result	49.8	27.7	79.8
EPS (EUR)	0.51	0.29	76
Operating cash flow	232.1	124.7	86.1
Capital expenditure	77.7	65.9	17.9

Pro forma key balance sheet figures	
EUR million	March 31, 2017
Cash and cash equivalents	200.6
Net debt	432.4
Gearing ratio, %	40.7
Equity	1,062.6

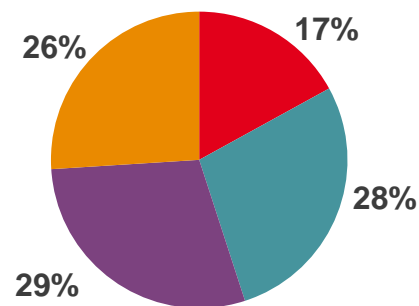


Ahlstrom-Munksjö

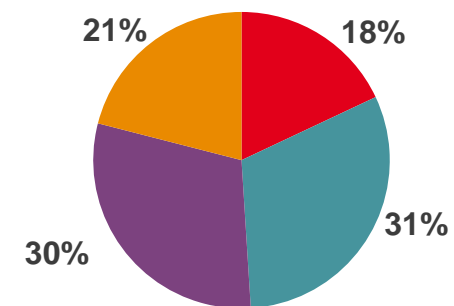
Pro forma key figures for 2016 by business area

EUR million	Net sales			Comparable EBITDA margin, %	
	2016	2015	Change, %	2016	2015
Decor	364.6	372.6	-2.1	14.7	11.4
Filtration and Performance	617.2	595.3	3.7	15.2	12.2
Industrial Solutions	627.2	614.0	2.1	14.8	11.2
Specialties	577.7	584.4	-1.1	11.2	8.8
Other	-38.8	-41.6	6.7	n/a	n/a
Total	2,147.9	2,124.6	1.1	12.5	9.6

Share of net sales



Share of EBITDA



■ Décor ■ Filtration & Performance ■ Industrial Solutions ■ Specialties



Integration and synergy update

- Integration work according to plan
- Annual cost synergies of EUR 35 million gradually realized over two years
 - Mainly from SG&A, central administration and coordination of purchasing & production
- We are right now identifying further business synergies, such as integration of the former business area Graphics and Packaging into the new business area Specialities, to develop a combined product and service offering



Outlook

The outlook for the financial year 2017 is given for the combined Ahlstrom-Munksjö operations.

Market outlook: The demand outlook for 2017 for Ahlstrom-Munksjö's fibre-based products is expected to remain stable at the current good level for most of the product segments and to reflect the seasonal pattern. Price increases are implemented as customer contracts expire to mitigate for raw material price increases in certain segments, particularly in the Decor and Release Paper Europe businesses. The price increases will take effect towards the end of the second quarter.

Shutdowns: The annual maintenance and vacation shutdowns in the second and third quarter as well as the seasonal shutdowns at the end of 2017 are expected to be carried out to about the same extent as in 2016. However the maintenance shutdown usually carried out in the third quarter in the Swedish plant Billingsfors, will be replaced by shorter stops in the second and fourth quarter, due to changes in the shift form. The next maintenance shut down at the pulp production facility in Aspa in Sweden will be carried out in the fourth quarter of 2017.

Capital expenditure: The cash flow effect of current capital expenditure for fixed assets in 2017 is expected to be approximately EUR 70 million. In addition, the cash flow impact of the strategic investments in the Arches mill and in Madisonville is expected to be approximately EUR 10 million and EUR 8 million respectively.



Financial targets

EBITDA margin

- EBITDA margin above 14% over a business cycle

Net gearing

- Net gearing below 100%

Dividend

- A stable and annually increasing dividend, to be paid bi-annually*

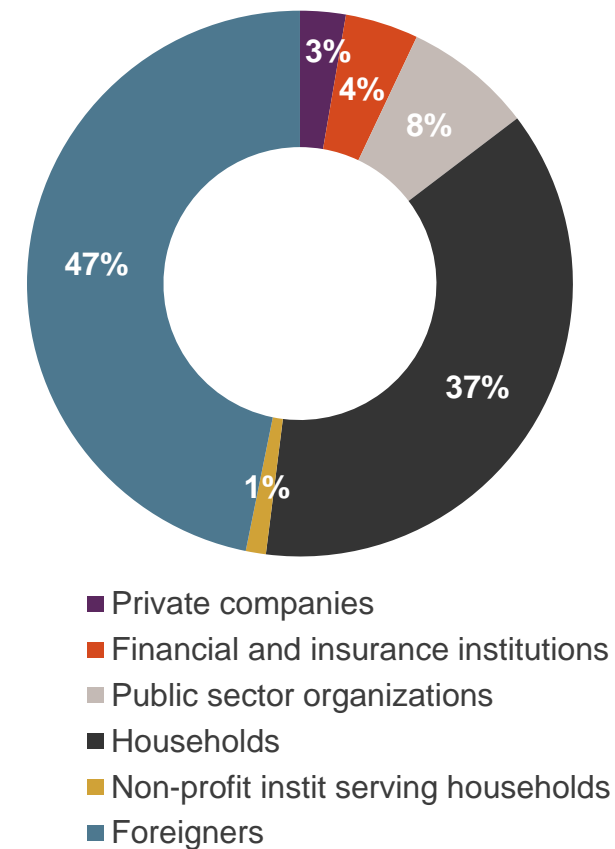
* Proposal to the AGM 2017



We have almost 12,000 shareholders

Ownership structure as of April 30, 2017

Shareholders	% of shares and votes
Ahlström Capital Oy*	15.3%
Viknum AB	12.1%
Ilmarinen Mutual Pension Insurance Company	4.6%
Varma Mutual Pension Insurance Company	2.4%
Huber Mona Lilly	2.0%
Tracewski Jaqueline	1.4%
Nahi Kai Anders Bertel	1.3%
Emmett Linda-Maria	1.1%
Kylmälä Kim	1.1%
Lund Niklas Roland	1.1%
10 largest shareholders	42.4%
Other shareholders	57.6%
Total	100.0%

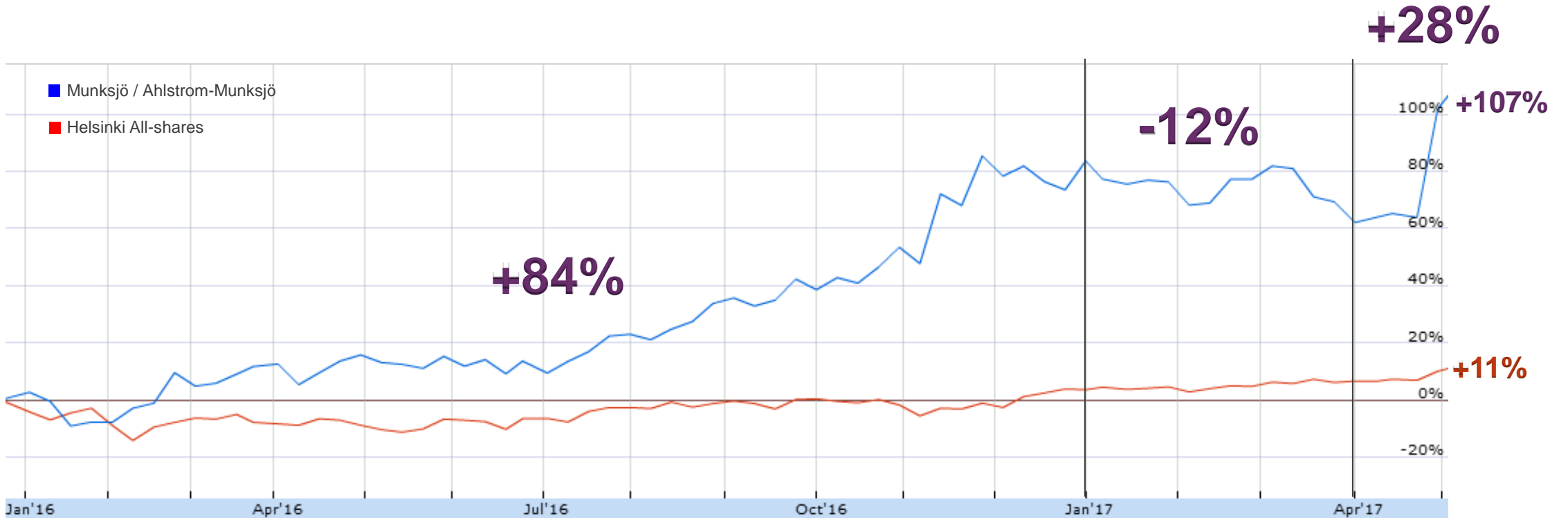


* Through AC Invest Five and AC Invest Six



Share price development since Jan 2016

Compared to Nasdaq Helsinki All-Share



Management Team



Jan Åström
CEO



Sakari Ahdekivi
Deputy CEO and
EVP Corporate Development



Pia Aaltonen-Forsell
EVP and CFO



Andreas Elving
EVP and General
Counsel



Åsa Jackson
EVP Human Resources
& Health & Safety



Anna Selberg
EVP
Communications & IR



Norbert Mix
EVP, Decor



Fulvio Capussotti
EVP, Filtration and
Performance



Daniele Borlatto
EVP, Industrial
Solutions



Omar Hoek
EVP, Specialties





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