



AHLSTROM



Ahlstrom Capital Markets Day 2013

Starting a new journey

Jan Lång
President & CEO

November 21, 2013

Strategic roadmap for growth

8:30 Registration, coffee & lite breakfast

9:00 Ahlstrom's strategic agenda for 2013-2020 – Starting a new journey

Jan Lång, President & CEO

9:40 Selected Business Area reviews

Advanced Filtration – Driving growth through unique products

Fulvio Capussotti, Executive Vice President

Food and Medical – Executing a turnaround plan with safe and sustainable products

Seppo Parvi, CFO & Executive Vice President

Transportation Filtration – Global leader taking advantage of the industry trends

Jari Koikkalainen, Executive Vice President

10:45

Coffee break

11:10 Product & Technology Development – Growing through differentiation

Paul Stenson, Executive Vice President

Review of key financials & rightsizing program - New company emerging

Seppo Parvi, CFO

12:00 Q&A, closing remarks

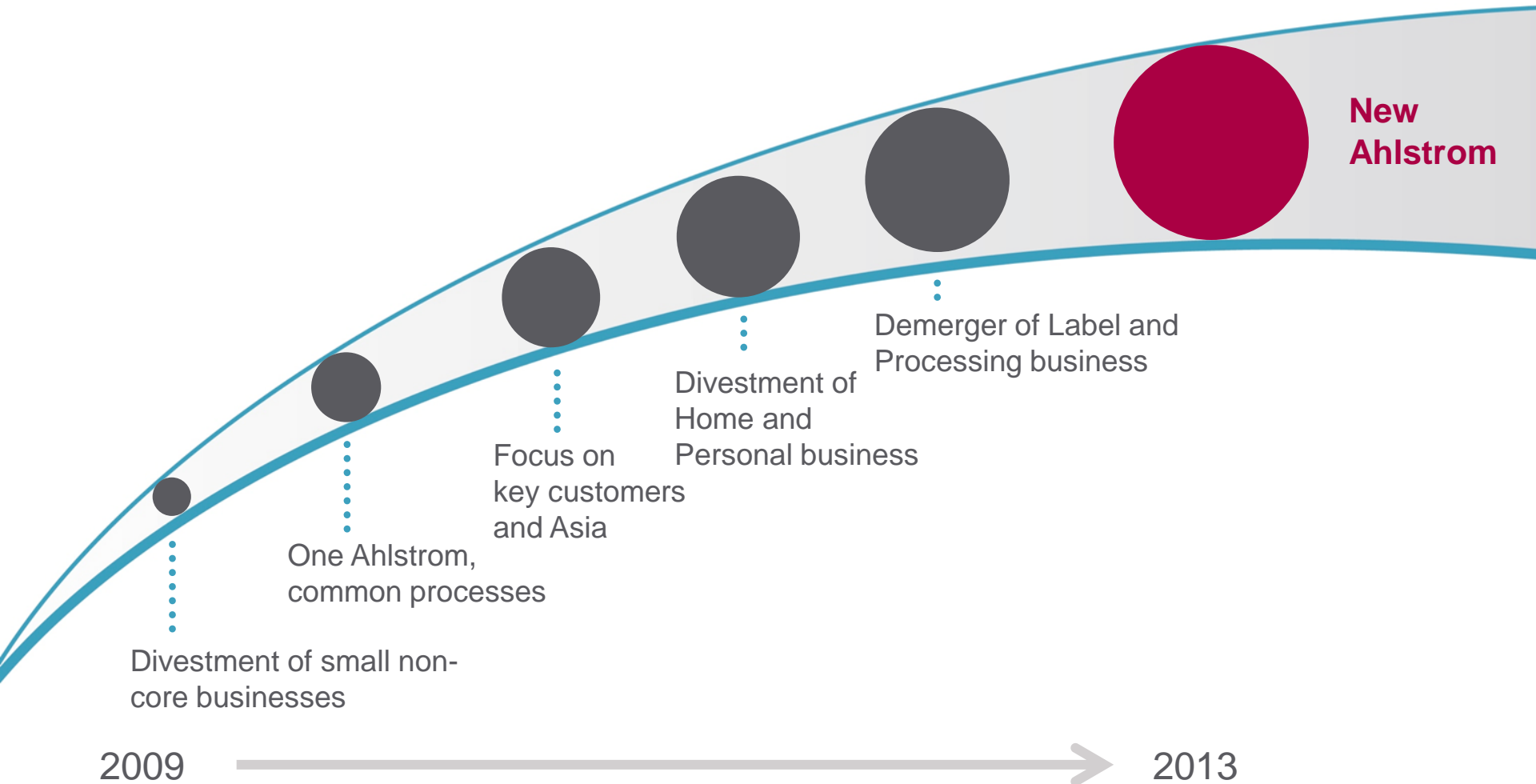
Jan Lång, President & CEO

Buffet lunch

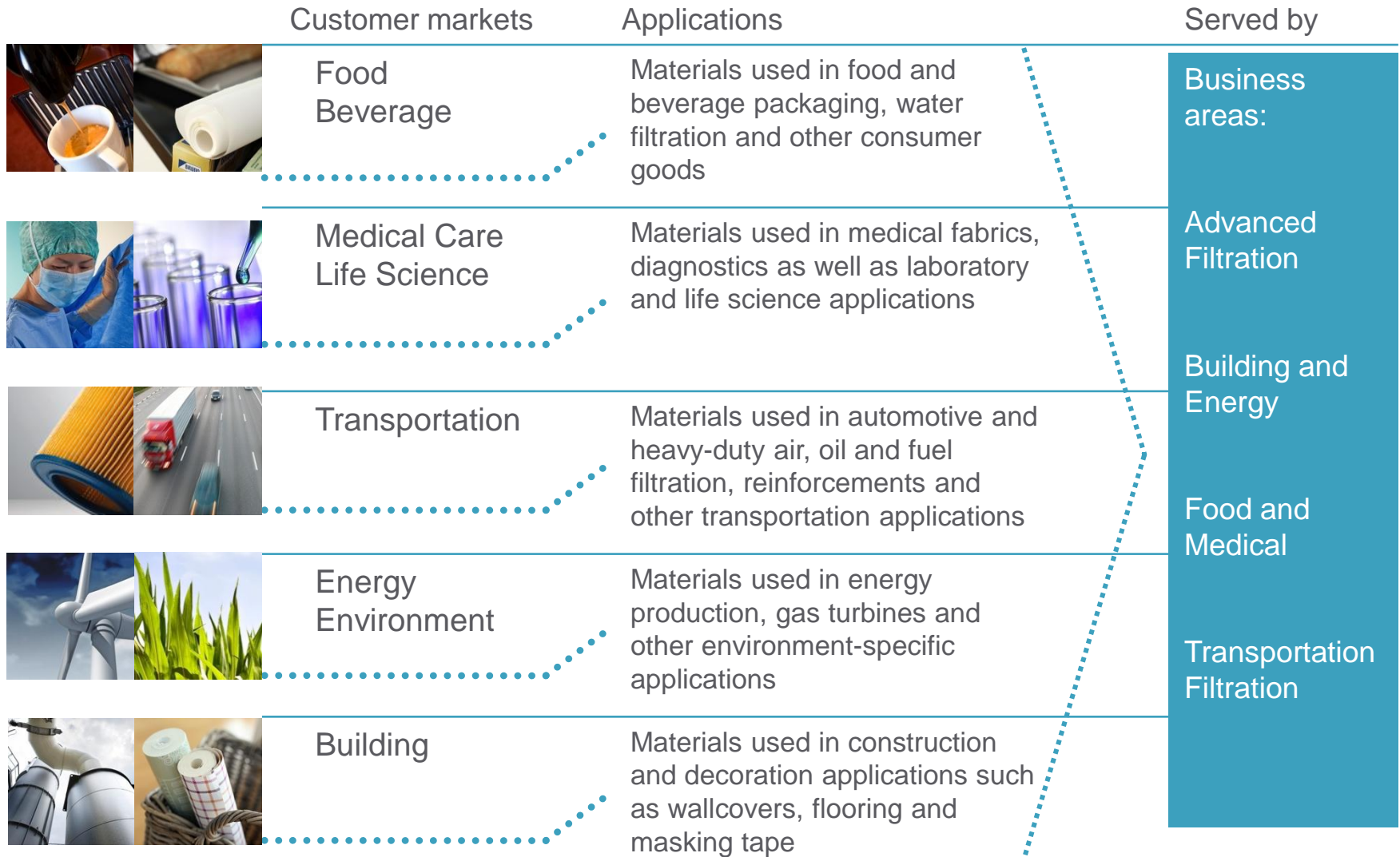
Strategy statement

We will grow with a high performance product offering for a clean and healthy environment

We have successfully executed our transformation strategy during 2009-2013



We have selected our key markets



Global megatrends drive our growth

Resource scarcity, energy and environment



- We design products that minimize environmental impacts
- We are the global leader in environmentally friendly transportation, offering a comprehensive range of filtration media enable reduced emissions
- Our production processes allow more efficient use of raw materials, energy and water

Emerging needs in healthcare



- We focus on laboratory and point-of-care medical testing and diagnostics
- We offer a comprehensive range of single-use medical materials that enable safe medical care

Demographics and urbanization



- We are a leading provider of high quality functional materials for construction and home decoration
- We provide safe, convenient and innovative food and beverage packaging

Our strategic enablers

A high performance product offering for a clean and healthy environment



Co-creation and open innovation

- Competent people with a passion for results
- Differentiated products to meet specific customer needs
- Deep partnerships with customers, partners and suppliers



Technology and manufacturing platforms

- Unique know-how of fibers, chemistry and materials technology
- Flexible manufacturing capabilities
- Environmentally sound technologies utilizing renewable materials



Global reach and local insights

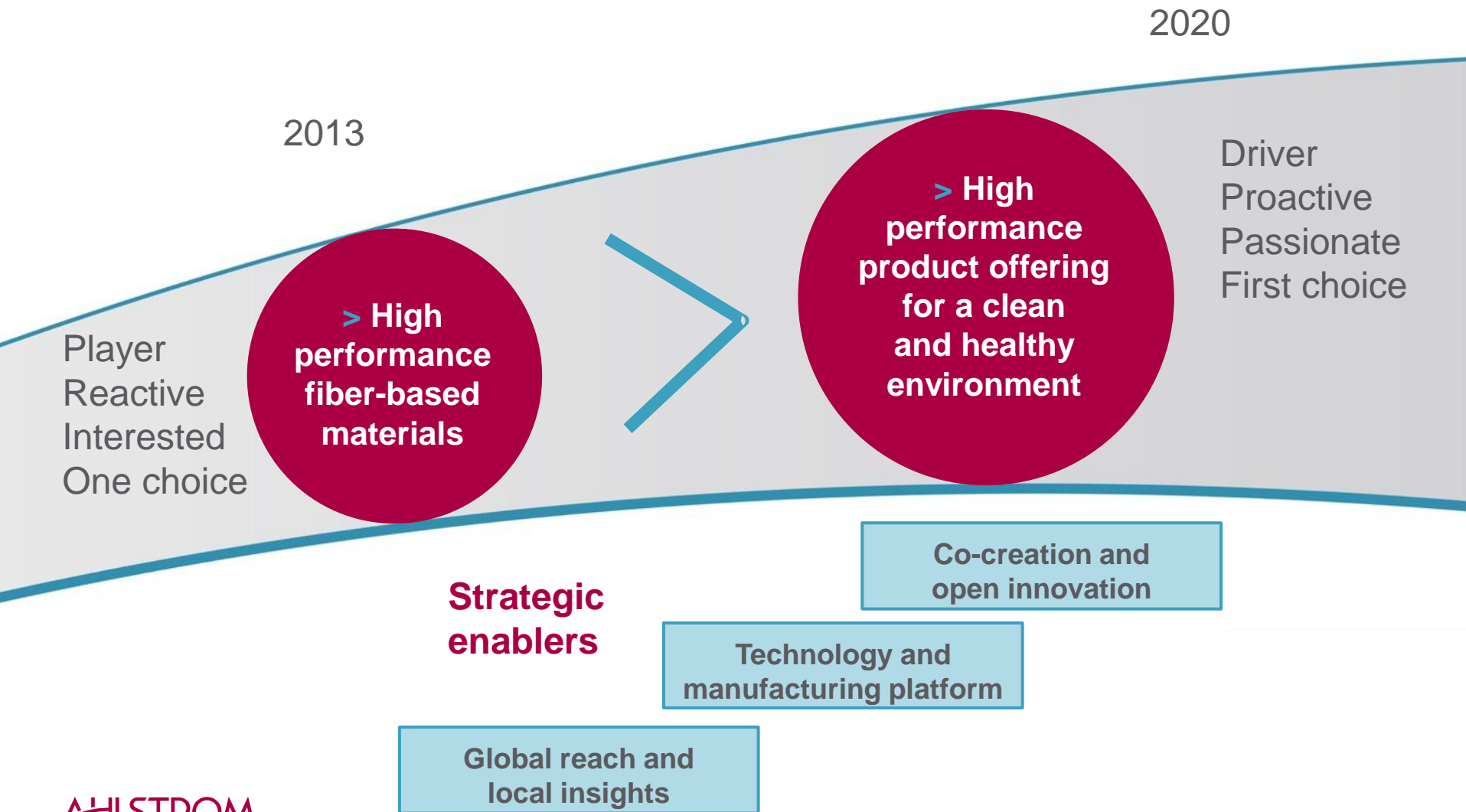
- Global operations, local sales and technical service
- Global product offering, customized to market needs
- Resource-efficient value chains



AHLSTROM

**We have
an ambition
to grow with
our customers**

Our development continues



We have sustainable and profitable growth opportunities

CURRENT BUSINESS

Laboratory and life science

Wallcovers

Specialty reinforcements

Medical fabrics

Food and beverages packaging

Air, oil, and fuel filtration

HIGH GROWTH AREAS

Clean Water

Medical Diagnostics

Composites

CURRENT AND FUTURE BUSINESS – IMPACT ON SOCIETY

Clean drinking water

Clean air

Energy efficiency

Well-being and quality of life

Safe medical care

Light and durable structures

Water scarcity challenge

Ahlstrom Disruptor offers a low-energy and chemical-free water cleaning technology

LIQUID FILTRATION

HIGH POTENTIAL GROWTH AREA

Clean water

Total market opportunity in filtration systems and membranes, approximately EUR 4.5 billion as of today

CAGR 6-7%

Water scarcity trends

- Demand for safe drinking water is increasing water reuse needs
- Population and industrial growth will demand more water

Ahlstrom Disruptor removes particles not captured by mechanical filters

- Inorganic nanoparticles
- Organic/microbial macromolecules
- Virus and bacteria
- Chemical-free
- Low energy consumption

Ahlstrom and Dow collaboration

- Ahlstrom's Disruptor® technology for various drinking water applications

Medical diagnostics challenge

Fiber-based components enable improved specimen collection

**LABORATORY
AND LIFE SCIENCE
APPLICATIONS**

HIGH POTENTIAL GROWTH AREA

Medical Diagnostics

Total market opportunity in medical diagnostics and specimen collection approximately EUR 1.6 million as today

CAGR 5-6%

Market and technology trends

- Medical diagnostics grow due to e.g. aging population
- Need for personalized medical treatment, diagnostics at home
- Increased focus on new technology development in diagnostics
- Regulatory development favoring point-of-care (POC) diagnostics

Ahlstrom offers

- Easy sample collections and handling
- Cost-effective diagnostics

Alliances and M&A

- In addition to media, expand offering towards device solutions
- Partnering with key customers

Energy efficiency challenge

Lightweight, bio-based composites are gaining market share from steel and aluminium

TRANSPORTATION AND CONSTRUCTION APPLICATIONS

HIGH POTENTIAL GROWTH AREA

Composites

Total market opportunity in transportation and construction related applications approximately EUR 21 billion as of today

CAGR 7-9%

Growth drivers

- Growing middle-class and wealth in emerging countries drive demand for cars, construction, infrastructure and consumer goods
- Energy efficiency requirements and more stringent CO₂ emission regulation drive demand for lightweight materials
- Sustainability requirements drive demand for bio-based materials and recyclability

Demand for composite materials is growing

- Composites are gaining market share due to benefits such as more efficient construction process, corrosion resistance, lighter weight, multi-functionality, and better weight-strength ratio

Ahlstrom is reinforcing product & technology development and preparing entry into new segments

- Bio-composites for transportation and construction applications

Alliances and M&A

A photograph of a modern, glass-walled building with a large, brightly lit atrium. Several people in business attire are walking through the space. The scene is captured from a low angle, looking up at the glass facade. The lighting is bright, creating a sense of openness and activity.

We focus on growing new businesses

High growth areas -- market opportunities*

Clean water



Medical diagnostics



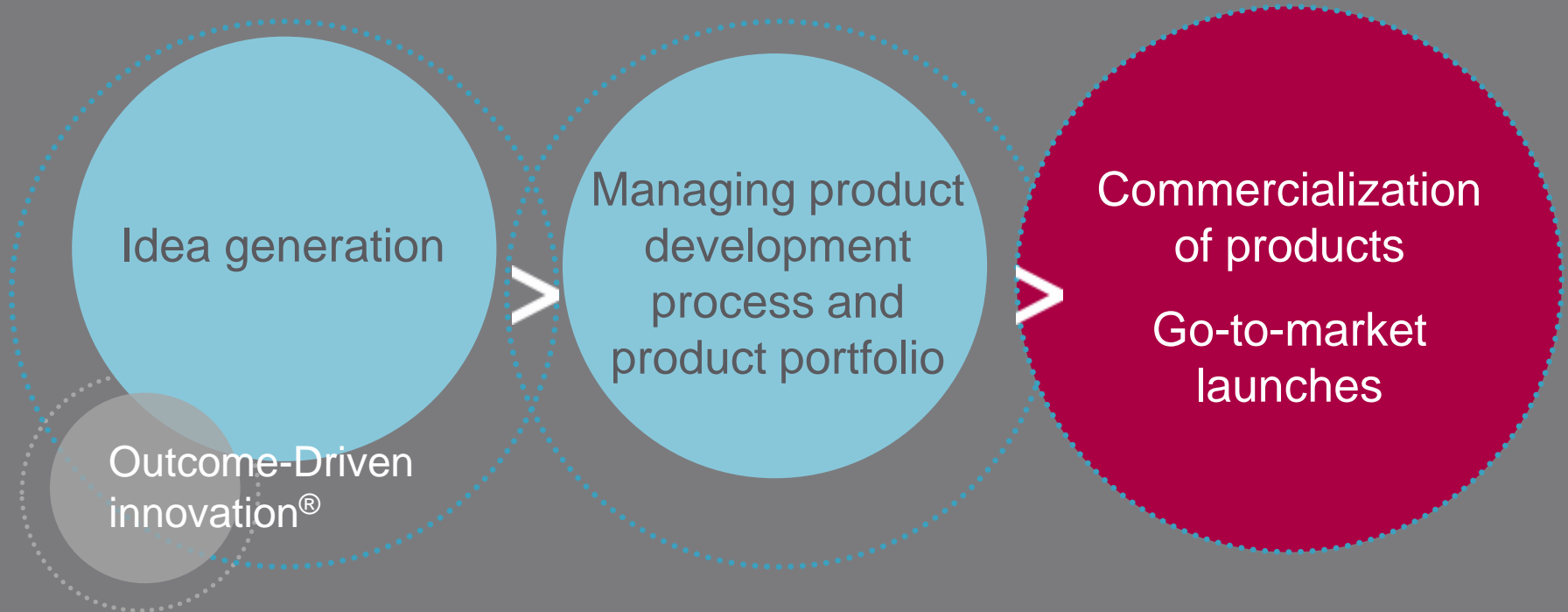
Composites



Estimated market size and annual growth

- Total market opportunity in filtration systems and membranes approximately EUR 4.5 billion as of today
- CAGR: 6-7%
- Competition:
 - Technology related: chemical treatment, RO membranes, ION exchanges
- Total market opportunity in medical diagnostics and specimen collection approximately EUR 1.6 billion as of today
- CAGR: 5-6%
- Competition:
 - GE Whatman
 - Several small U.S.-based companies
- Total market opportunity in construction and transportation related applications approximately EUR 21 billion as of today
- CAGR 7-9%
- Competition:
 - Hanwha Azdel, USA
 - Propex Fabrics, Germany
 - Lineo, Belgium
 - Ecotechnilin, France

Product portfolio renewal process



- Better understanding of customer needs
- Accelerate the commercialization of new products

Faster renewal is key to success



Goal

Achievement

Innovate new products continuously with higher intensity

The number of new product launches in 2013 has doubled from the previous

Introduce new capabilities and technology innovations

Significant increase in new patent filings

Partner and co-create with customers

Product development initiatives with customers
Partnership with e.g. the Dow Chemical Company

Go-to-market product launches to wider customer groups

Not just customer specific applications

Breakthroughs in portfolio renewal



Products

Markets

Ahlstrom BioWeb™

Better tea drinking experience, taste and biodegradability

Ahlstrom Captimax™

Best-in-class fuel filtration media, smaller filter size

Ahlstrom Flow2Save™

High efficiency filtration for improved indoor air

New Ahlstrom Composite product

To be introduced by the end of November 2013

Ahlstrom products respond to customer needs



Stricter environmental controls

- Better combustion engine efficiency
- Cleaner exhaust (CO₂ emissions)
- Lighter-weight vehicles
- Ahlstrom XAIR



Need for affordable clean water

- Water cleaning solutions minimizing the use of chemicals and waste water
- Recycling of waste water
- Ahlstrom Disruptor®



Reliable, affordable and safe healthcare

- Protection of patients and hospital staff during surgery
- Reliable diagnostics
- Ahlstrom TenderGuard™, Ahlstrom ReliaFlow™



Cost-efficient energy production

- Improved energy production efficiency of gas turbines
- Lower maintenance cost
- Ahlstrom Trinitex®

A high-angle photograph of a person swimming the butterfly stroke in a swimming pool. The swimmer is in the center of the frame, with their arms extended forward and back, creating a splash of white water. The pool water is a deep blue-green color. In the foreground, the pool deck is visible, featuring two vertical stainless steel handrails for the stairs. The shadows of the handrails are cast onto the deck. The overall scene is bright and clear, suggesting an outdoor pool setting.

**We are committed
to improve**

Strategic priorities to achieve our targets and vision

**Ahlstrom
Today**

We need to

Enhance our capabilities to reach a high performance culture

Invest in new product and business development to create winning offerings with our customers

Execute selective acquisitions, partnerships and investments to gain new capabilities

Improve our economic, social and environmental performance to drive sustainable growth

Towards our vision

Inspiring people

Passionate about new ideas

Growing with our customers

Long-term financial targets over the economic cycle

Net sales



At least 5% underlying growth

**Sales from new
products ***



At least 20%

Operating profit **



7% of net sales by 2016
• Implies ROCE 13%
10% of net sales beyond 2016
• Implies ROCE 15%

Gearing



To be maintained within 50–80% range

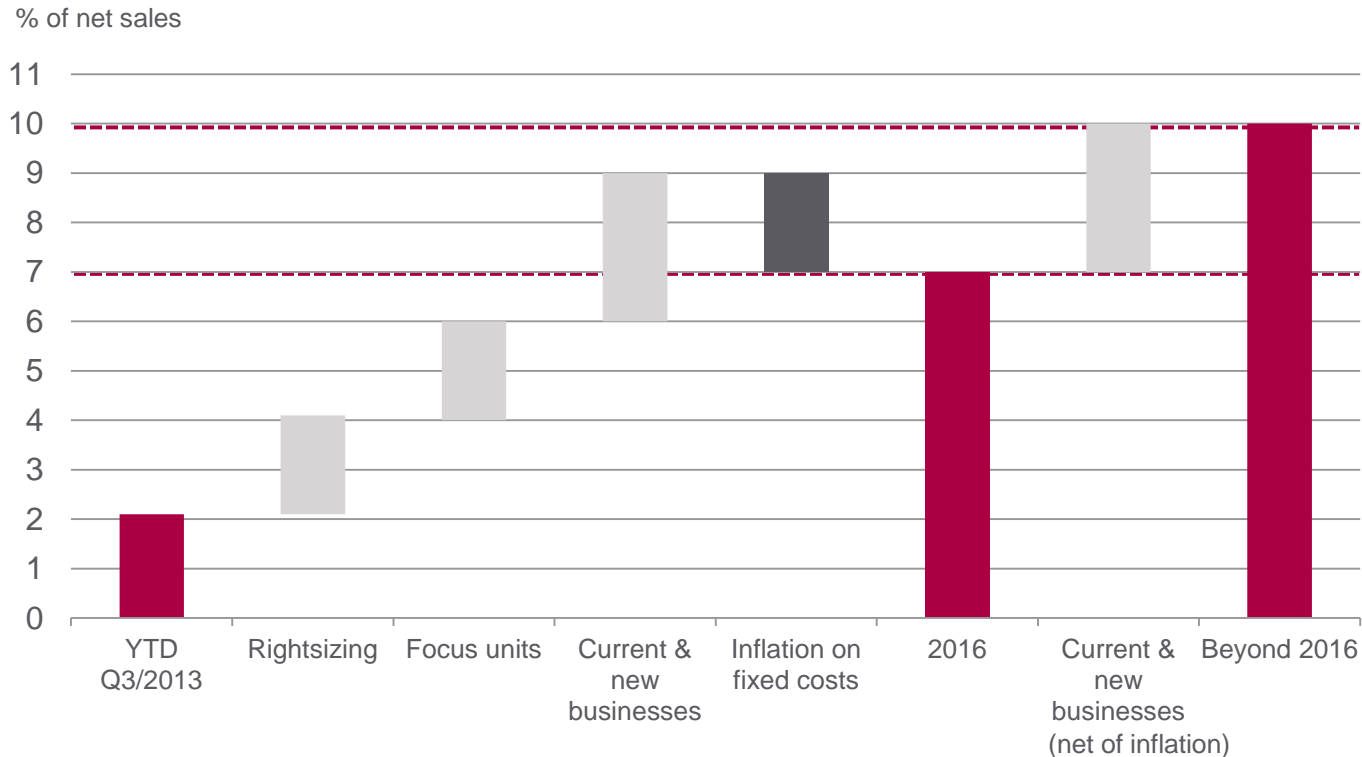
*Developed in the last three years

**Excluding non-recurring items

Reaching our profitability target

Long-term financial target (over the economic cycle):

- Operating profit margin of 7% by 2016
- Operating profit margin of 10% beyond 2016



- Rightsizing: net effect of approximately EUR 25 million annual running rate by the end of 2014
- Focus units: ramp-up of recent and new investments
- Current & new businesses: margin and volume improvement through product portfolio development

Strategic roadmap for growth



We have a strong foundation

Our common values and capabilities enable us to take the next step in Ahlstrom's strategic journey



We have an ambition to grow with our customers

We continue to develop unique high-value products to grow in a sustainable way and helps to innovate and deliver solutions throughout the value chain



We are committed to improve

We strive to continuously improve our economic, social and environmental performance to drive sustainable growth



Q&A?

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