

January-December 2023 Financial Results

EARNINGS CALL PRESENTATION, FEBRUARY 29

Helen Mets, President & CEO
Niklas Beyes, CFO

This presentation covers financial and other information of Ahlstrom Holding group of companies, consisting of Ahlstrom Holding 3 Oy (previously Ahlstrom-Munksjö Holding 3 Oy) as the parent company, Spa US Holdco Inc, and Ahlstrom Oyj (previously Ahlstrom-Munksjö Oyj) and its subsidiaries.

On January 16, 2023, the name was changed from Ahlstrom-Munksjö Holding 3 Oy to Ahlstrom Holding 3 Oy.



We are the sustainable specialty materials company

THE WORLD IS CHANGING

The world needs sustainable materials.
Materials play a key role in meeting the global trends.

- 🌍 Clean air and water
- 🌍 Electrification
- 🌍 Personalised healthcare
- 🌍 More sustainable buildings
- 🌍 Sustainable packaging

WE HAVE THE SOLUTIONS

We have a responsibility to use our technology and capabilities to innovate solutions that respond to the world's needs and have a positive impact on people and the planet



LEADING TO GROWTH

Meeting the trends with fiber-based solutions presents a business opportunity for Ahlstrom.

- 📍 GDP + organic growth
- 📍 Healthy margins
- 📍 Strong cash conversion

We Purify and Protect with Every Fiber for a Sustainable World



We are building a better world



What the world needs

Clean air

Clean water

Sustainable packaging

Personalized healthcare

Electrification

Sustainable buildings

How Ahlstrom addresses these trends

Filtration materials for clean air

Filtration materials for clean water

Sustainable solutions for food and beverage packaging

Medical fabrics for better healthcare and materials for life science diagnostics

Insulation materials for cables, specialty materials for energy storage

Toxic-free materials for buildings



Supporting our customers' business and ambitions with our solutions

We have a strong innovation pipeline for the future - Examples of our recent product launches

Ahlstrom MasterTape™ Pack Green

Ahlstrom PurposeSeal™ heat seal technology



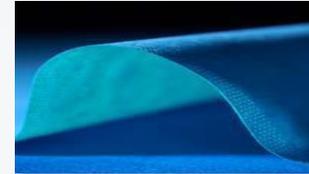
Ahlstrom FibRoc® performance solutions for plasterboards



A new high-performance filter media range for HVAC with longer filter lifetime and lower environmental impact



Ahlstrom ECO™, a renewable lignin-based automotive filter media



Ahlstrom Reliance® Fusion next-generation simultaneous sterilization wrap



Ahlstrom Cristal™ transparent paper transforms Maped's eraser packaging to a more sustainable alternative



An innovative home compostable lid for single-serve coffee capsules

2022

2023

2024



Ahlstrom FluoroFree® Technology leads the industry in next generation grease-resistant packaging solutions



Ahlstrom and Istituto Stampa develop a compostable butter and margarine packaging



Ahlstrom supports the transition to renewable energy sources with Elektro-Tek® electrotechnical papers



New release liners for pressure-sensitive tapes with recycled and unbleached fibers



Ahlstrom BioProtect™, a new, sustainable, and protective solution for Laundry Care applications



A new fiber-based pasting material for lead-acid batteries

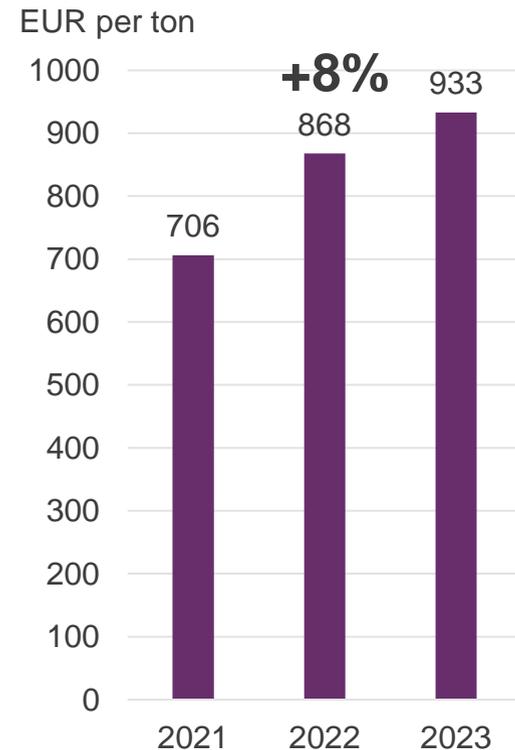


Solid financial performance in 2023

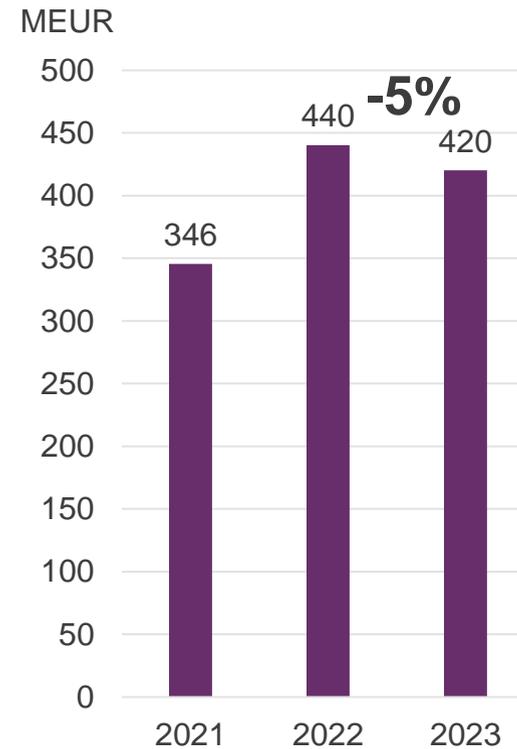
Net sales



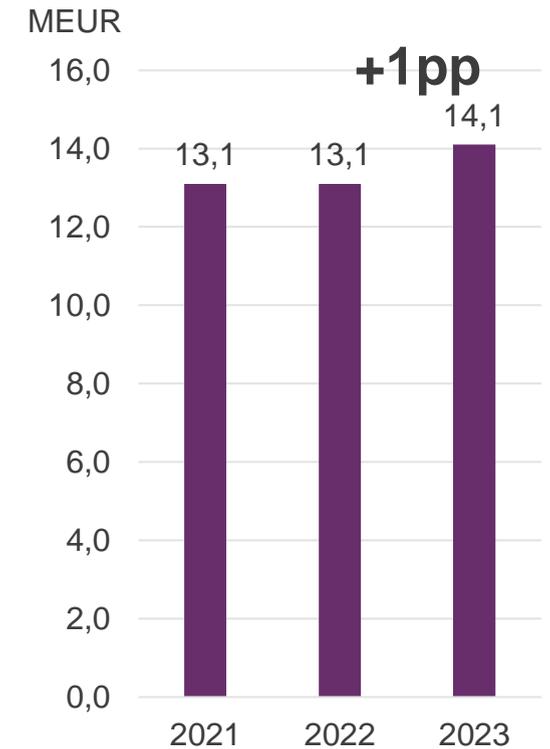
Margin on variable cost



Comparable EBITDA



Comparable EBITDA margin %



Good performance in our non-financial KPIs – supporting our transformation

1.0
Total Recordable
Incident Rate
lowest ever



Close to
top quartile
customer loyalty
score



Employee
engagement
doubled

27%
revenue from
innovation sales



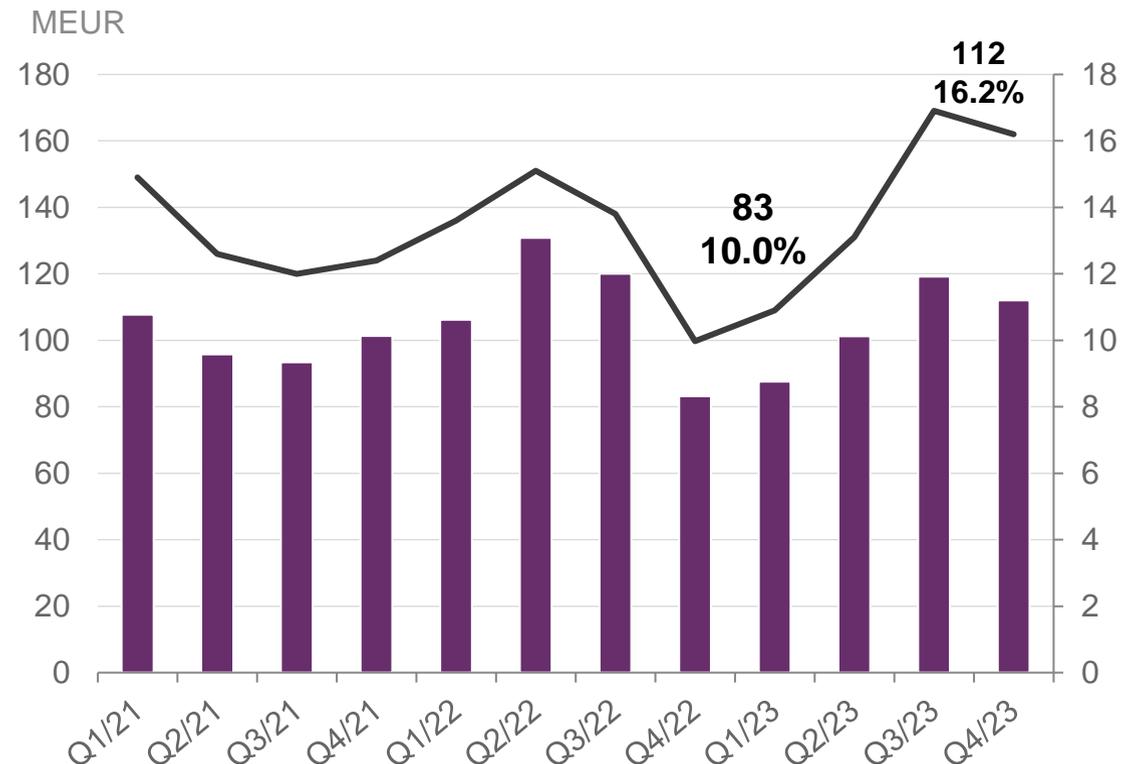
-7%
CO₂ emissions
per ton of
production



Transformation on track – profitability successfully protected in Q4

- Strong fourth quarter results in challenging market environment
- Comparable EBITDA supported by consistent improvement in margin on variable cost per ton
- Solid net cash from operating activities on higher results and working capital release
- Intensive phase of transformation-driven investments peaked, and transformation costs gradually decreasing as internal capabilities are built up
- Transformation on track – profitability successfully protected in the fourth quarter enabling earnings growth as markets rebound

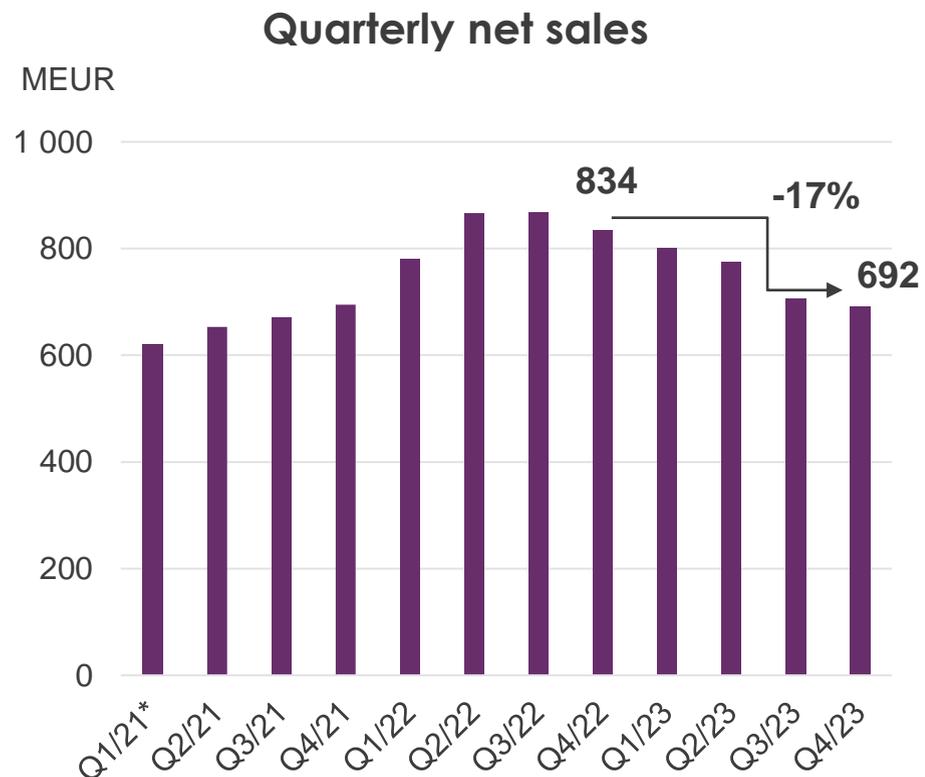
Comparable EBITDA and margin %



Q1 2021 Ahlstrom-Munksjö Holding pro forma
Q1-Q4 2021 including discontinued operation



Significant sales drop in 2023 – early signals of market recovery



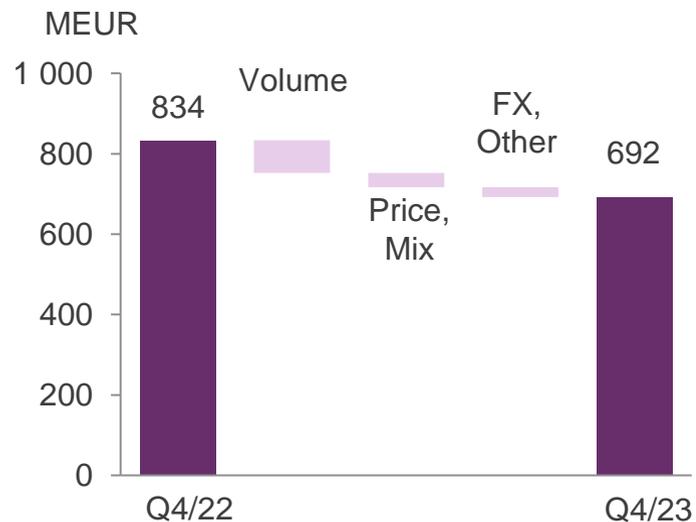
* Pro forma

Divisional breakdown of net sales

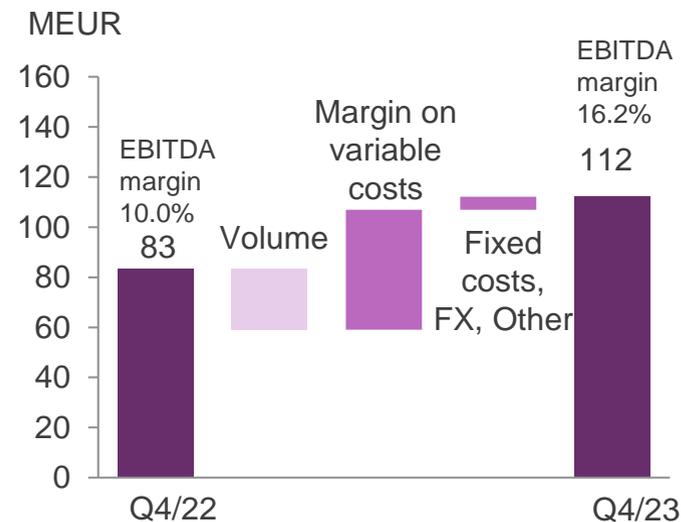


Q4 2023: Comparable EBITDA margin significantly better than last year – substantial reduction of transformation costs

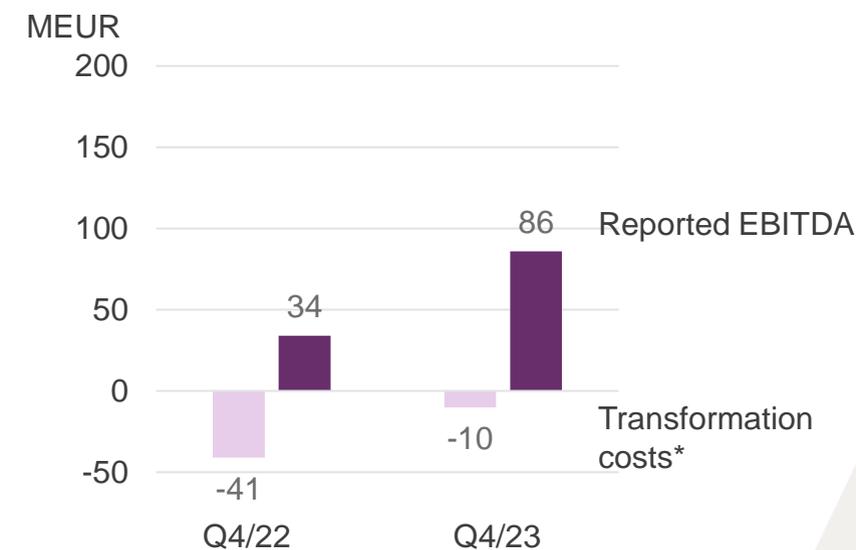
**Net sales
Q4/22 to Q4/23**



**Comparable EBITDA
Q4/22 to Q4/23**



**Reported EBITDA
Q4/23 vs Q4/22**

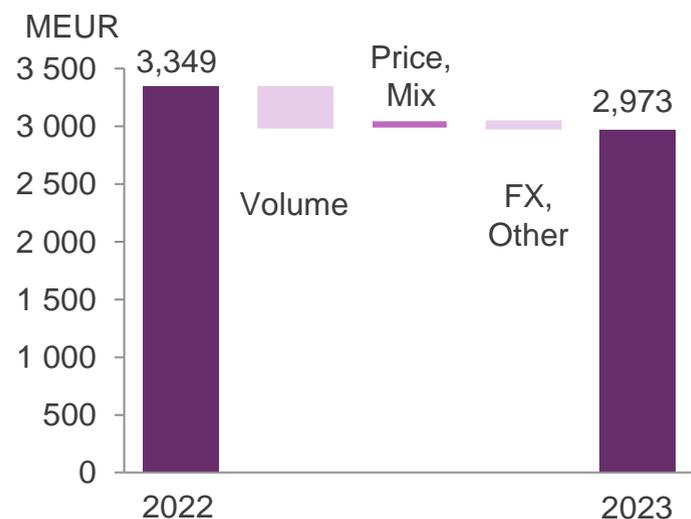


*Total IAC in EBITDA and management fee
EUR -49m in Q4 2022 and EUR -26m in Q4 2023

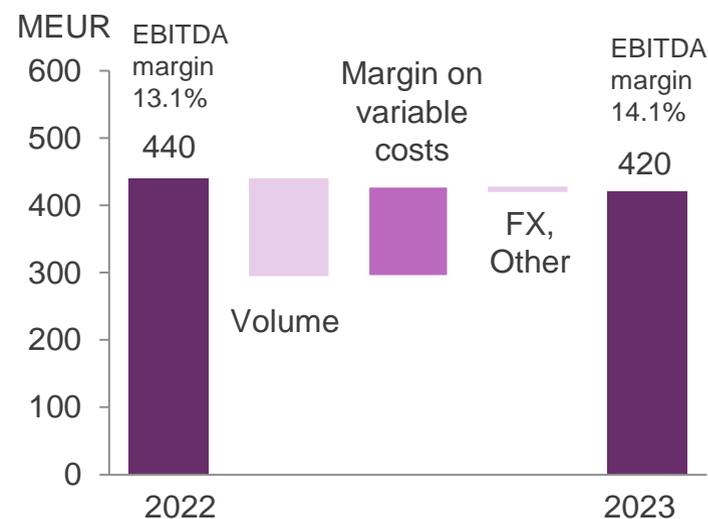


FY 2023: Comparable EBITDA margin better than last year – transformation costs significantly decreased

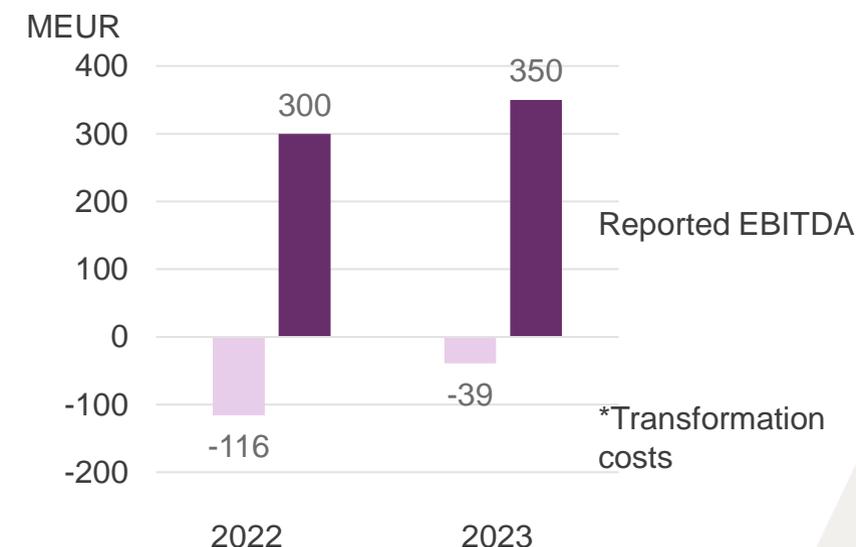
Net sales
Jan-Dec 2022 to Jan-Dec 2023



Comparable EBITDA
Jan-Dec 2022 to Jan-Dec 2023



Reported EBITDA
Jan-Dec 2022 vs Jan-Dec 2023



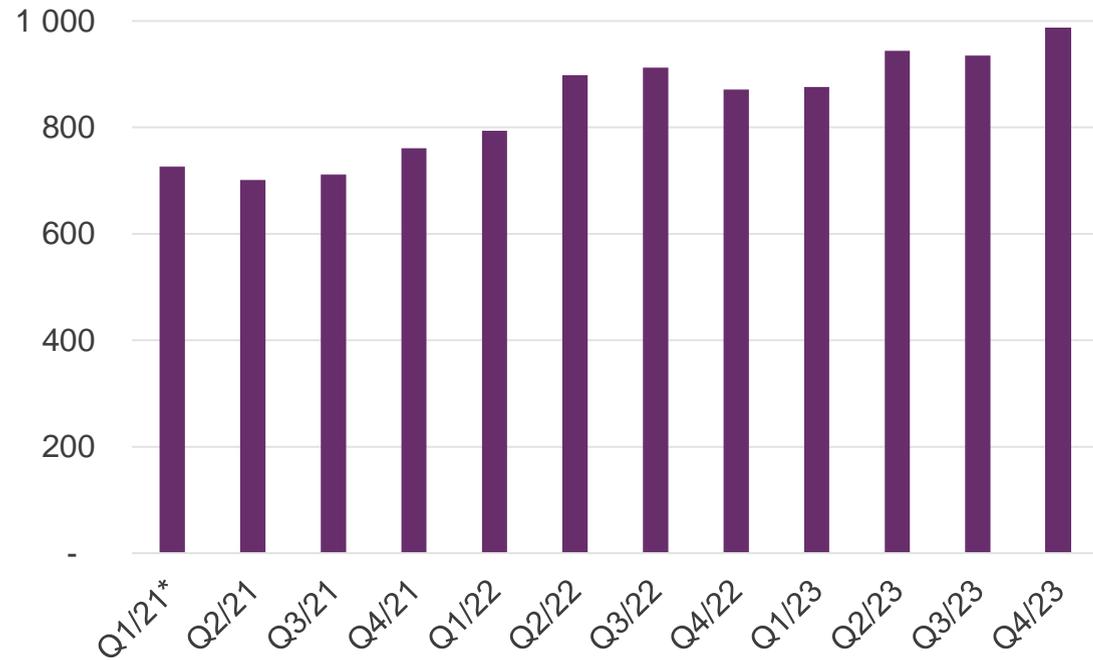
*Total IAC in EBITDA and management fee
EUR -140m in 2022 and EUR -70m in 2023



Record high margin on variable cost per ton

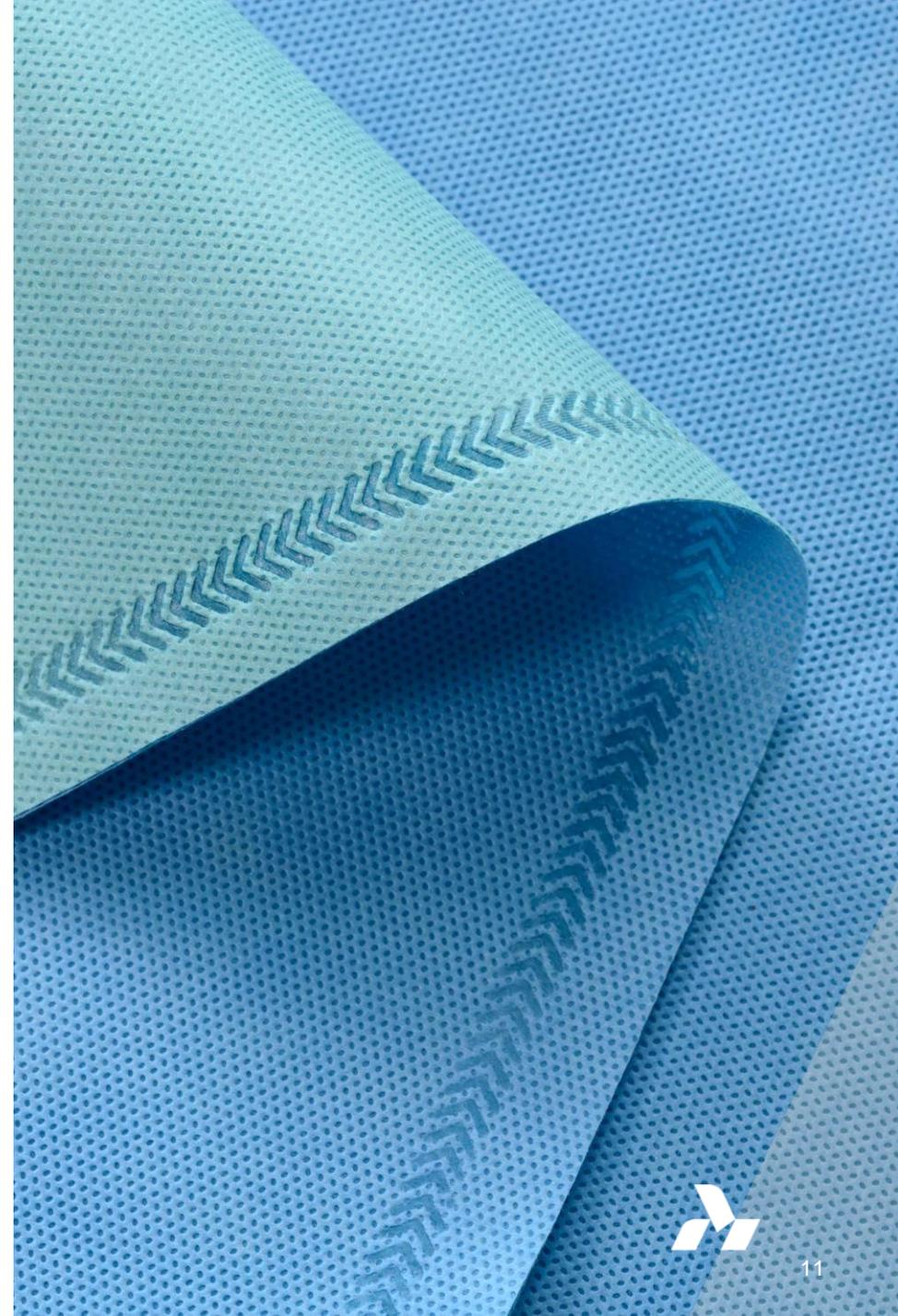
Margin on variable costs per ton

EUR per ton



Continuing operations

* Pro forma



Reconciliation of comparable EBITDA to adjusted EBITDA

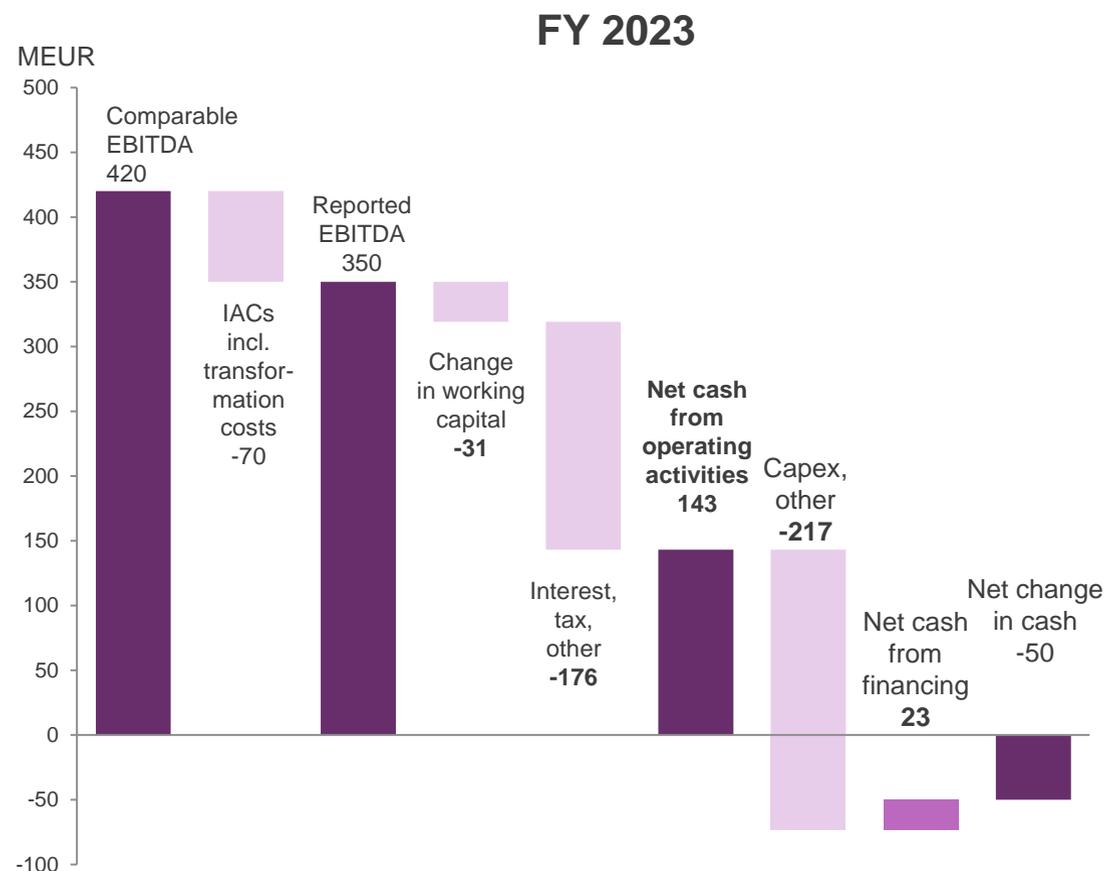
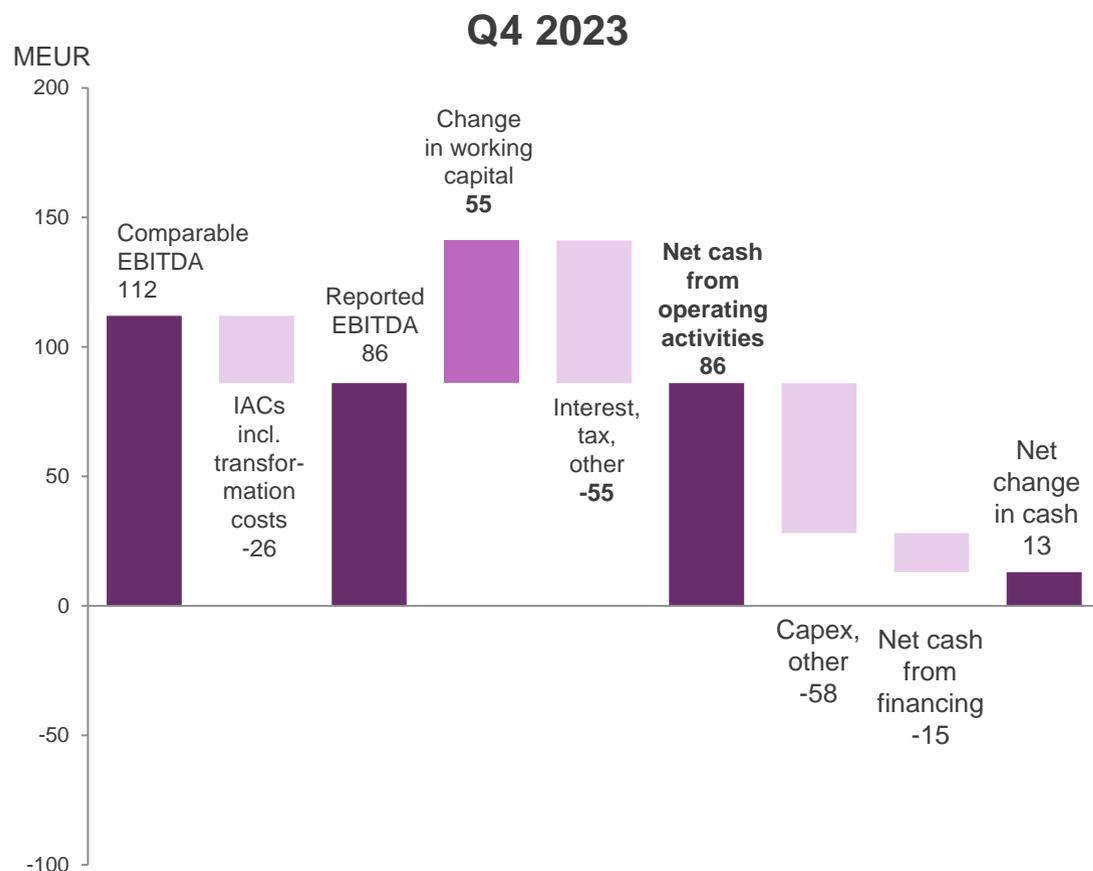
MEUR	Dec 31, 2023	Sep 30, 2023
Comparable EBITDA, LTM	420	391
2022 initiatives	-	1 ⁽¹⁾
2023 initiatives	19 ⁽²⁾	43 ⁽²⁾
2024 initiatives	48 ⁽³⁾	47 ⁽³⁾
Total savings potential not in EBITDA	67	90
Adjusted EBITDA	487	481

- 1) Full run rate impact expected in 2023
- 2) Full run rate impact expected end of 2024
- 3) Full run rate expected end of 2025

Additional opportunities being identified on an ongoing basis



Positive cash flow in Q4 2023, full year cash flow impacted by investments into growth and transformation costs

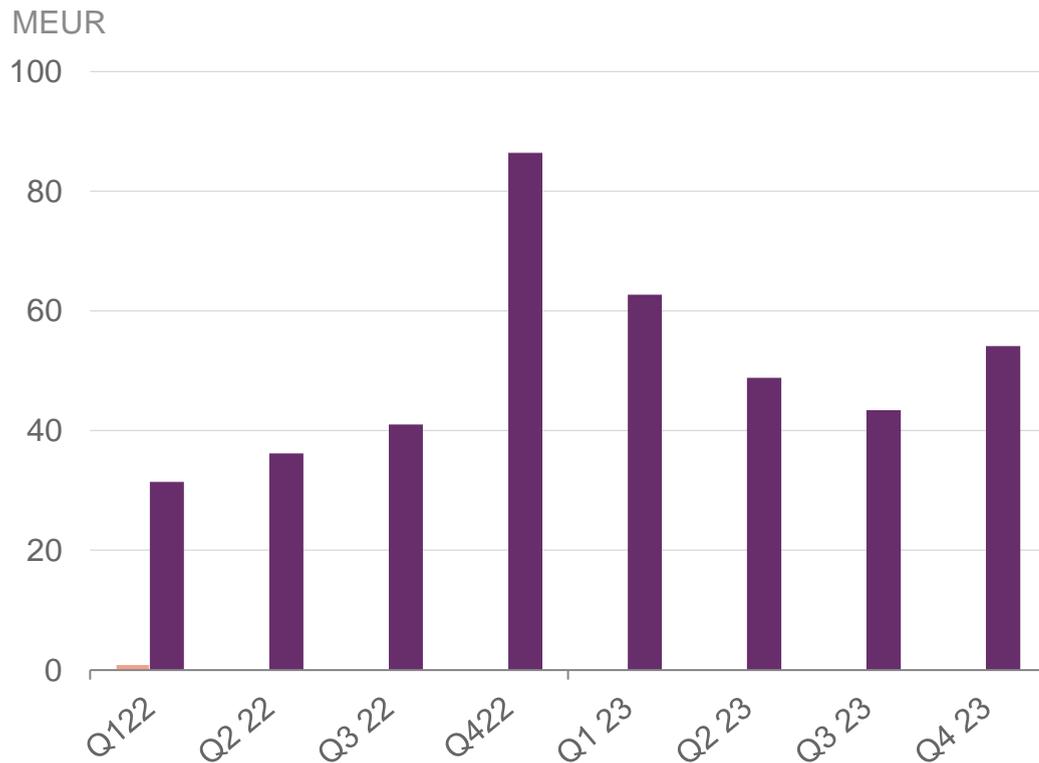


On December 31, 2023, adjusted net indebtedness was EUR 1,797 million (1,688 on December 31, 2022, and 1,839 on September 2023), translating into a net indebtedness to adjusted EBITDA ratio of 3.7 (3.1 on December 31, 2022, and 3.8 on September 2023).

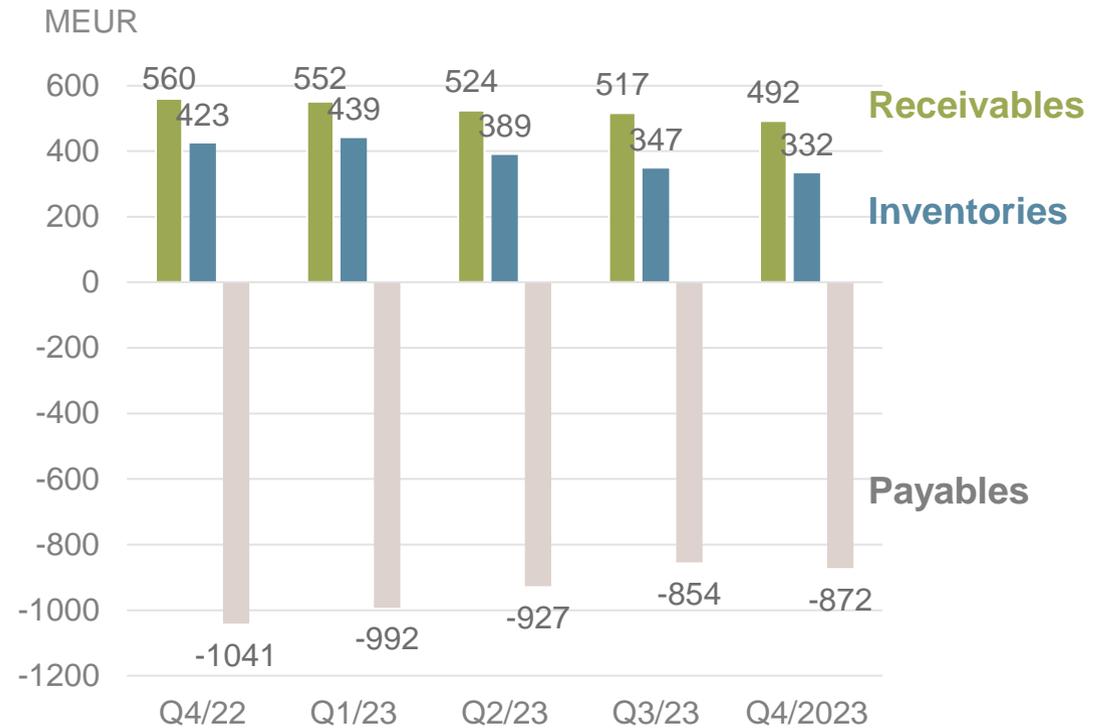


Intensive investment phase for growth in 2023 – working capital release in the fourth quarter

Capital expenditure*

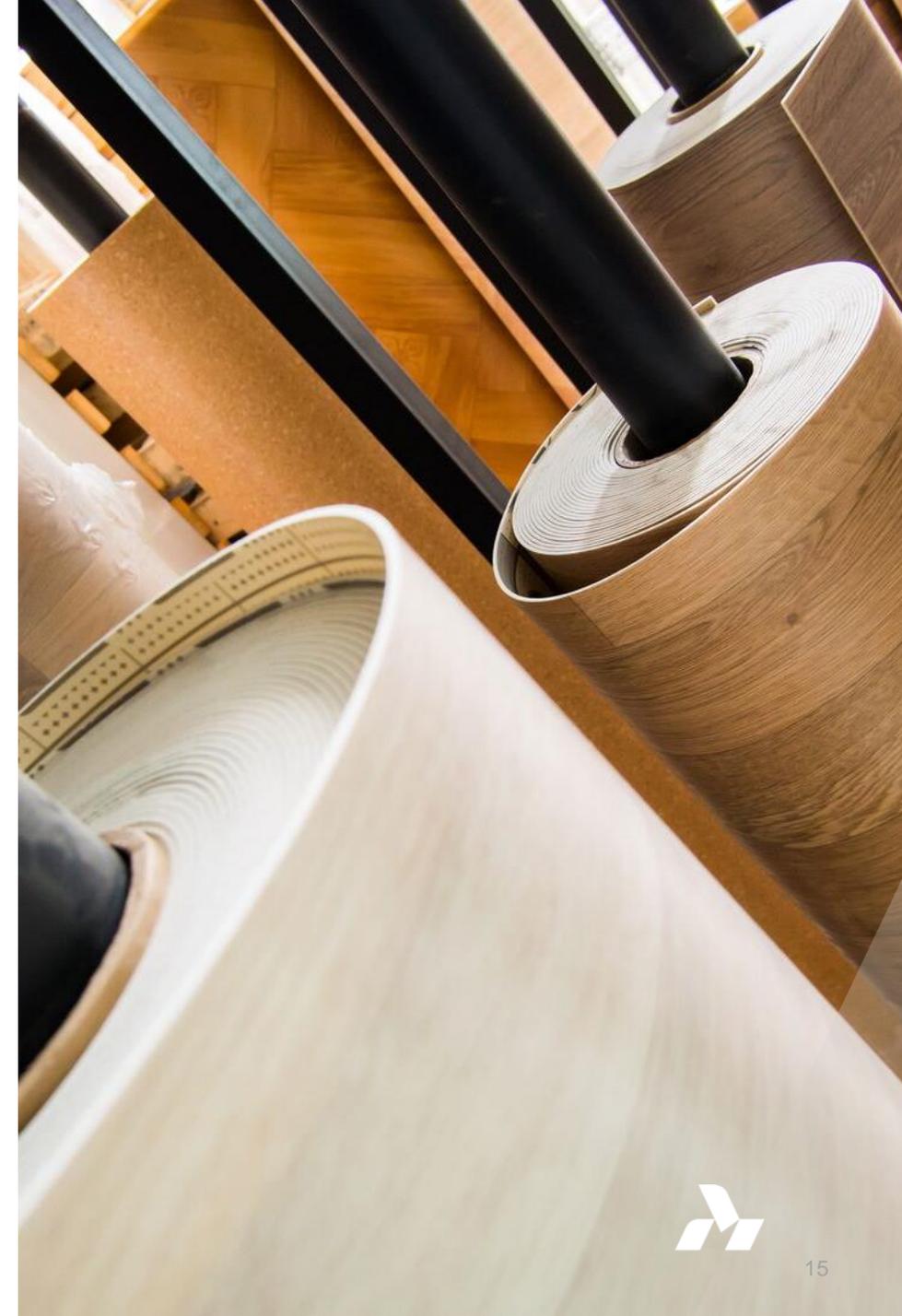


Working capital



Conclusions

- Strong fourth quarter and full year results in challenging market environment, demonstrating resilience and specialty of the Ahlstrom portfolio.
- Comparable EBITDA margin reached a new record in 2023.
- Good sustainability progress in 2023– supporting the transformation.
- Consistent improvement in margin on variable cost per ton in past years driven by successful commercial and operational excellence initiatives.
- The intensive phase of transformation-driven investments peaked in 2023 and transformation costs are gradually decreasing as internal capabilities are built up.
- Well-positioned for earnings growth as markets rebound.



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

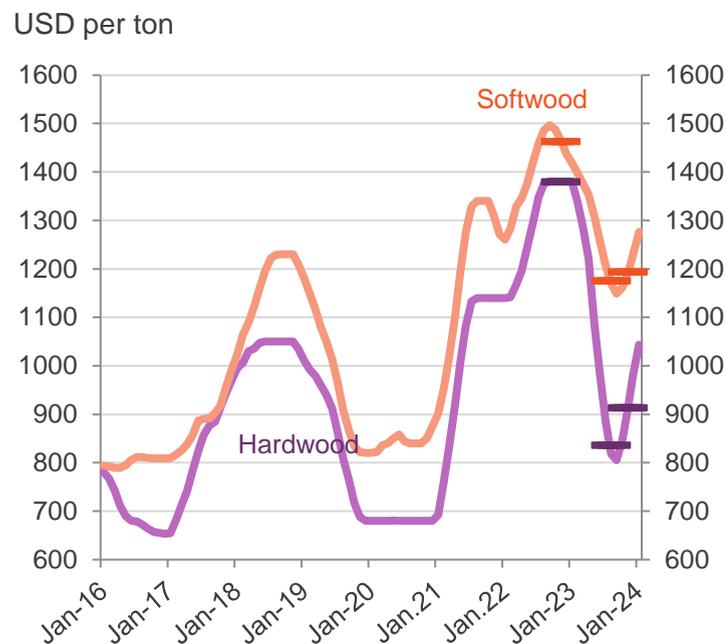
Operating costs

Breakdown of operating costs January-December 2023



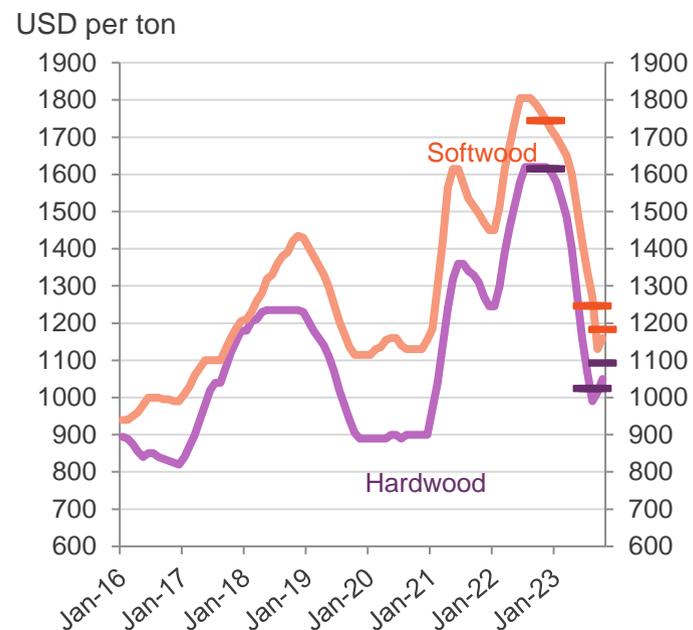
Market pulp prices

Europe



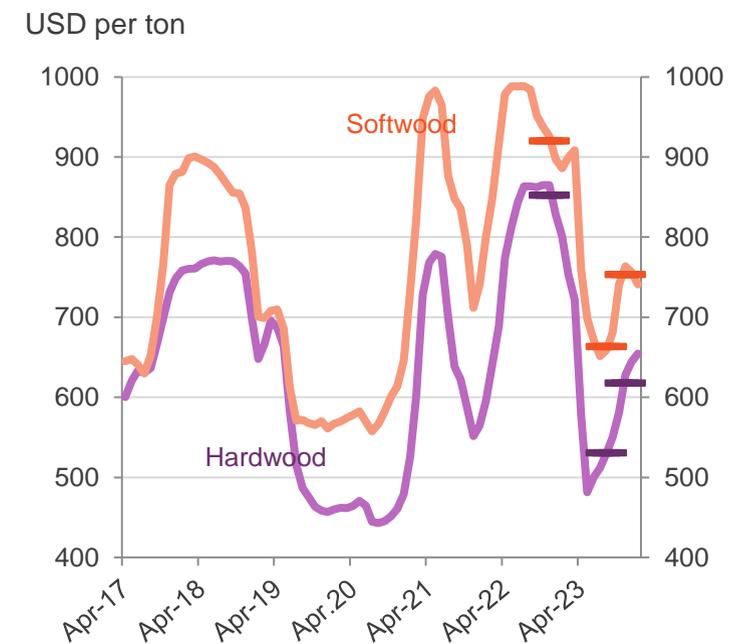
%	Q4 23/Q4 22	Q4 23/Q3 23
Hardwood	-34	9
Softwood	-18	2

North America



%	Q4 23/Q4 22	Q4 23/Q3 23
Hardwood	-32	7
Softwood	-32	-5

China

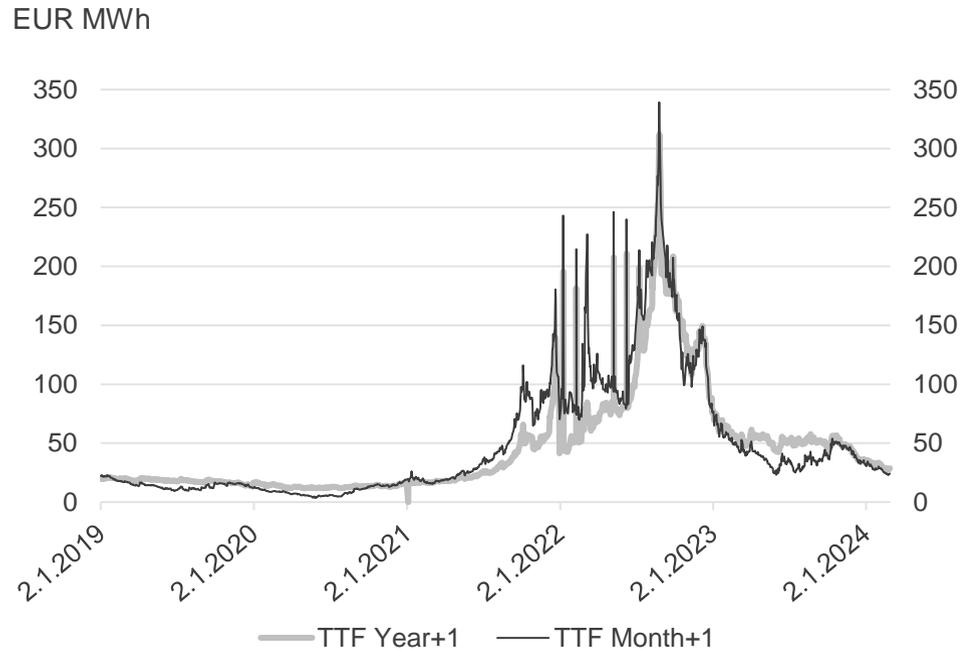


%	Q4 23/Q4 22	Q4 23/Q3 23
Hardwood	-28	16
Softwood	-18	14



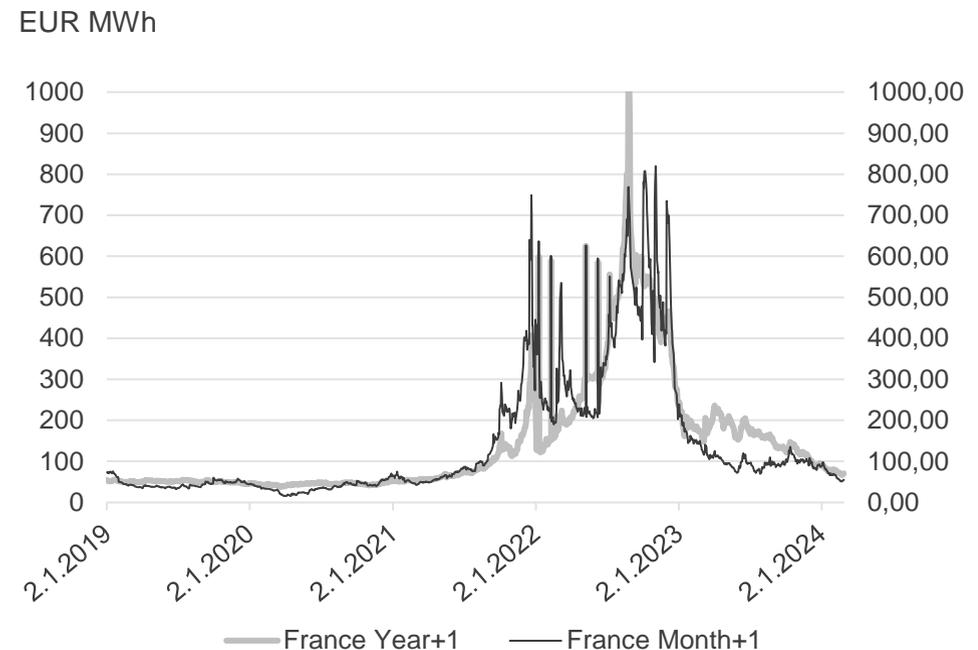
European gas and power prices

European gas prices



%	Q4 23 / Q4 22	Q4 23 / Q3 23
Year+1	-66	-12
Month+1	-65	28

French power prices



%	Q4 23 / Q4 22	Q4 23 / Q3 23
Year+1	-74	-25
Month+1	-81	14

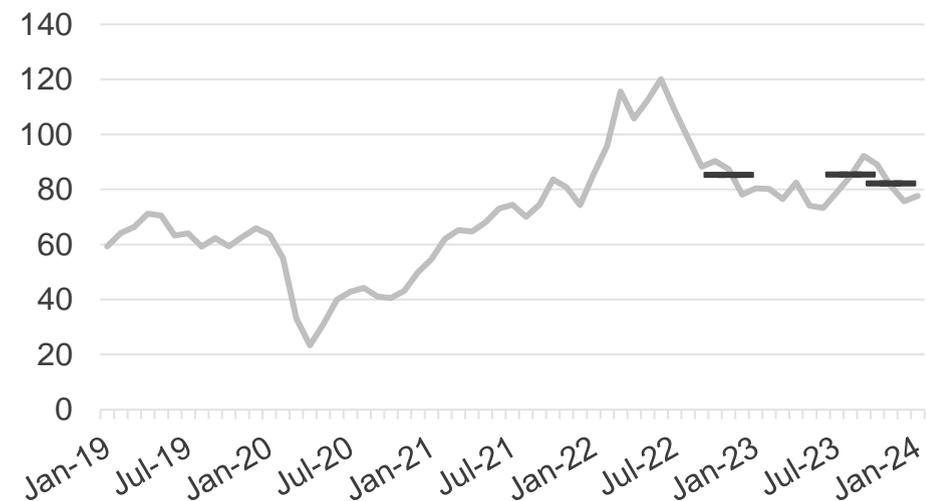
Source: EnergyMarketPrice



Oil and propylene prices

Crude oil price

USD per barrel

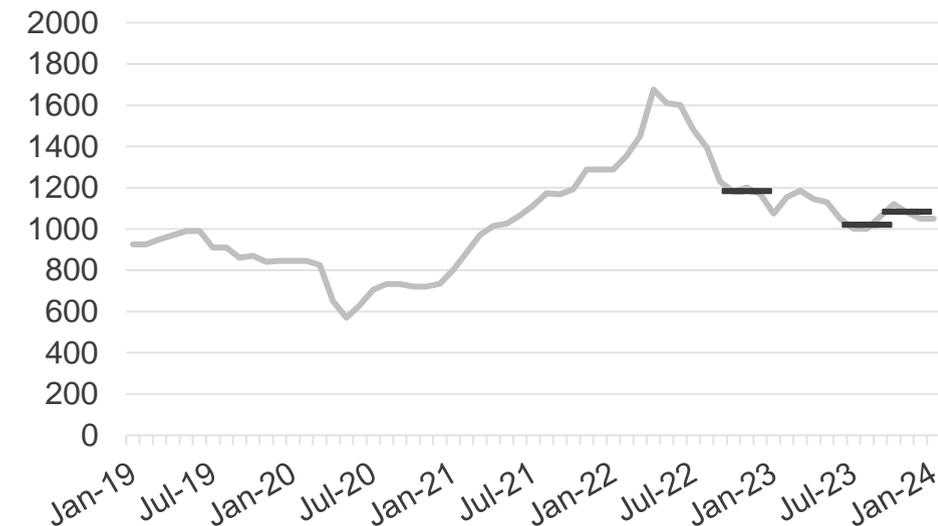


%	Q4 23 / Q4 22	Q4 23 / Q3 23
Brent crude oil	-4	-4

Source: World Bank

Propylene

EUR per ton



%	Q4 23 / Q4 22	Q4 23 / Q3 23
Propylene	-8%	6

Source: World Bank

