

January-March 2024 Financial Results

EARNINGS CALL PRESENTATION, MAY 8

Helen Mets, President & CEO
Niklas Beyes, CFO

We are the Sustainable Specialty Materials Company

Our growth strategy



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
-  Personalised healthcare
-  Sustainable packaging and protection
-  Decarbonization of buildings
-  Electrification

WE HAVE THE SOLUTIONS

We use our science, technology and capabilities to innovate solutions that address the trends, creating new markets and replacing existing ones.

We have **unique understanding** of fibers and applications

We **co-innovate with customers**

We create **safe and sustainable solutions** to address global challenges

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

ACCOUNTABILITY

GROWTH MINDSET

ONE TEAM

CARE



Recent product launches showcase how we are addressing global trends



Clean air and water

Dual layer air intake filter media for automotive with increased lifetime



Sustainable packaging and protection

PureLid™ home compostable lid for single-serve coffee capsules



Decarbonization of buildings

FibRoc® performance solutions for plasterboards



Clean air and water

Pre-filter material for water purification



Electrification

Fiber-based solutions for separators reinforcement, glass mat and pasting for lead acid batteries



Personalized healthcare

Reliance® Fusion sterilization wrap



Sustainable packaging and protection

Release liners with recycled and unbleached fiber content



Sustainable packaging and protection

Cristal™ transparent technology



Our strategic bets are driven by global trends

Global trends

Clean air and water

Personalized healthcare

Sustainable packaging and protection

Decarbonization of buildings

Electrification

Increasing regulatory and consumer focus on safe raw materials

Drivers for demand

Environmental protection

Aging population

Consumer awareness and "clean living"

Energy efficiency of buildings

Transition to renewable energy

Increased mobility

Technology advancements

Packaging technology advancement

Lightweight construction materials

Transition to electric vehicles

Ahlstrom strategic bets

Grow in industrial filtration and continue innovating transportation filtration (cabin and liquid)

Home diagnostics solutions

Paper packaging in substitution to single-use plastic

Lightweight insulation, flooring, roofing

Electric vehicle filtration and energy storage



Our five strategic pillars for becoming the leading sustainable specialty materials company

**Growth
Acceleration**

Leverage

market understanding to strengthen leadership positions

**Safe and Sustainable
Innovation
Leadership**

Elevate

fiber-based solutions to new heights

**Operational
Strength**

Run

safe and efficient operations

**Cash
Discipline**

Deliver

continuous cash conversion

**Engaged
Employees**

Ignite

high performing team of best people in the industry



Our three divisions are aligned to address global trends

FILTRATION AND LIFE SCIENCES



Ahlstrom's "**purifying**" powerhouse with mission critical air and liquid filtration applications and life science and medical solutions.

Aims to expand in industrial filtration and bioprocessing.

FOOD AND CONSUMER PACKAGING



Solutions for improved food safety, product **protection** and preservation, and bacteria prevention.

Ambition to lead the transition from single-use plastic to more sustainable packaging leveraging new barrier solutions and high-performance materials that are safe and sustainable by design.

PROTECTIVE MATERIALS



Highly engineered materials **protecting** every surface of the building, and specialty materials for electrotechnical and other industrial applications.

Ambition to offer sustainable solutions for the decarbonization of buildings and industrial electrification and grow in niche, high-performance industrial applications.



Division structure simplified – from five to three divisions



Financial reporting according to the new structure starts from July 1, 2024

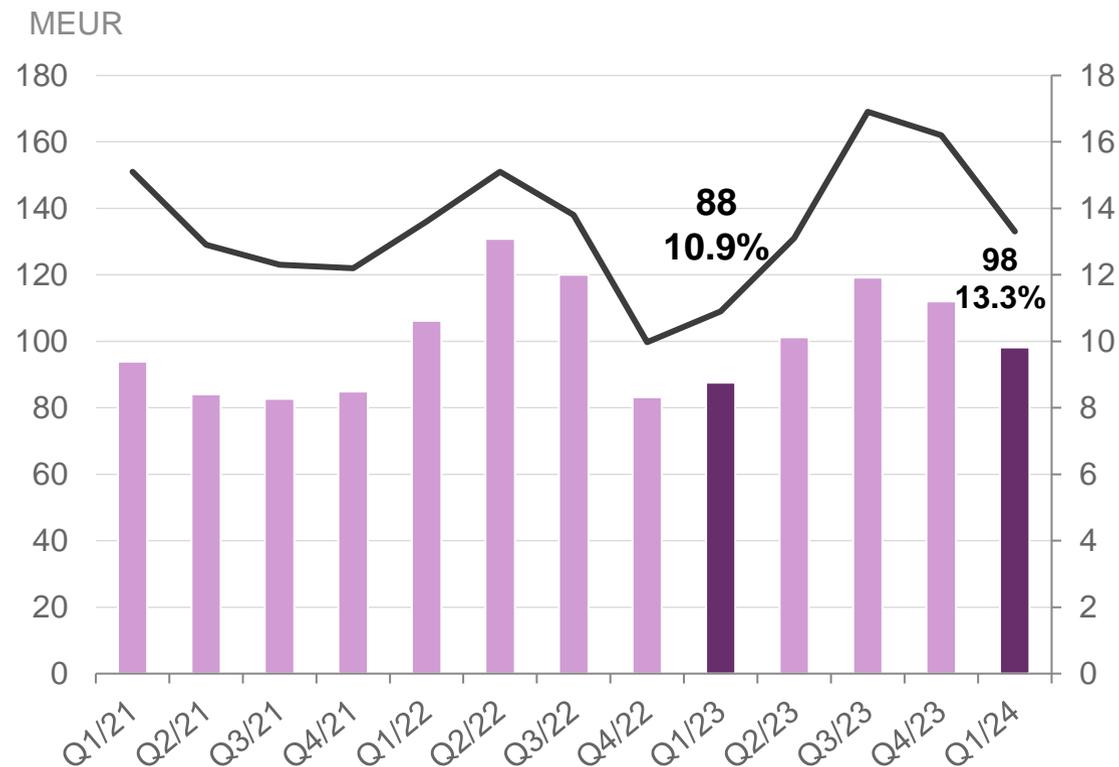


Q1 2024 Financial performance

Strategic progress on the transformation – Solid comparable EBITDA and operating cash flow

- Market activity improved, with deliveries increasing both compared to the fourth quarter and the first quarter of the previous year.
- Year-over-year improvement in comparable EBITDA, supported by a higher margin on variable cost per ton, thanks to the transformation initiatives
- Solid operating cash flow supported by efficient working capital management
- Possible divestiture or closure of the Bousbecque plant, and centralization of parchment paper production to the Saint-Séverin plant

Comparable EBITDA and margin %



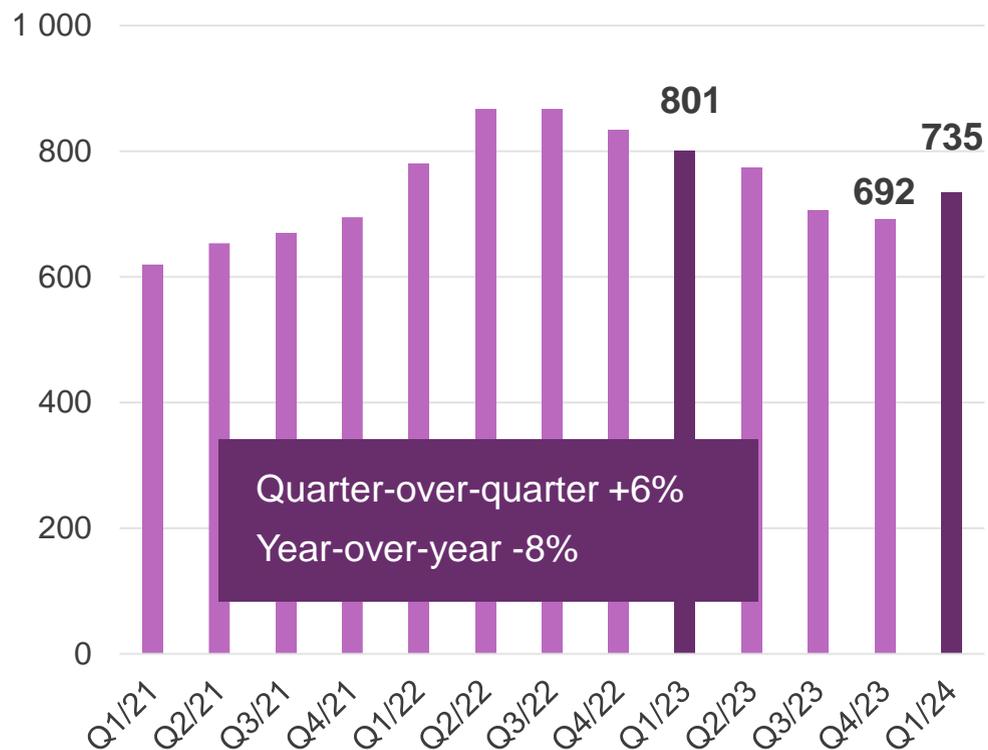
Q1 2021 pro forma



Net sales increased on improved market activity

Quarterly net sales

MEUR



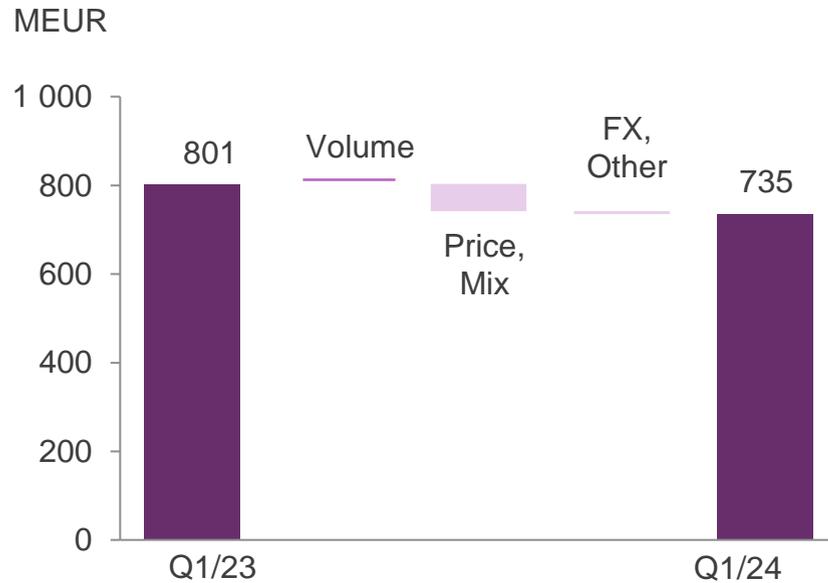
Q1 2021 pro forma

Divisional breakdown of net sales

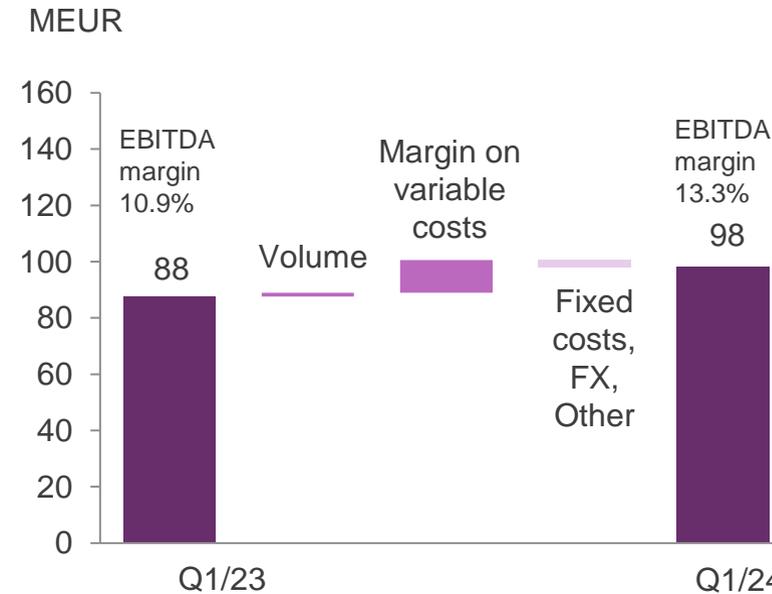


Q1 2024: Comparable EBITDA and margin better than last year

Net sales Q1/23 to Q1/24



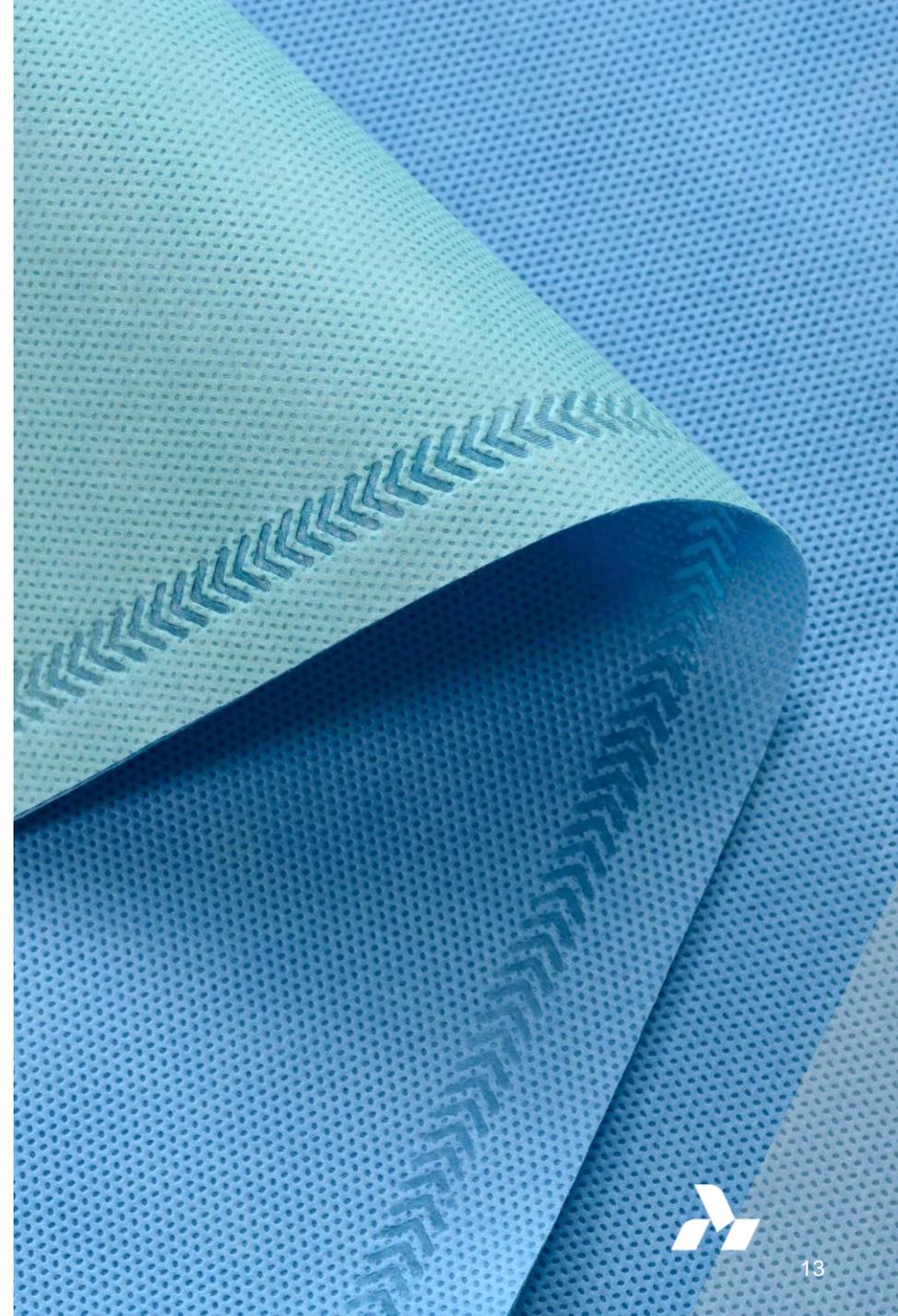
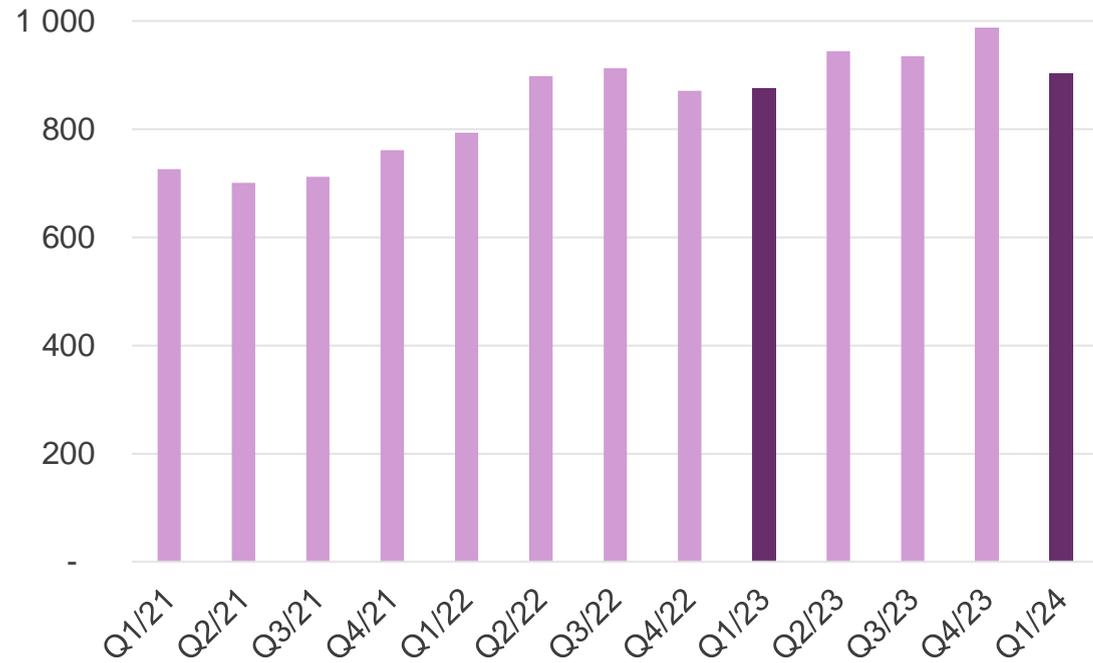
Comparable EBITDA Q1/23 to Q1/24



Solid margin on variable cost per ton

Margin on variable costs per ton

EUR per ton



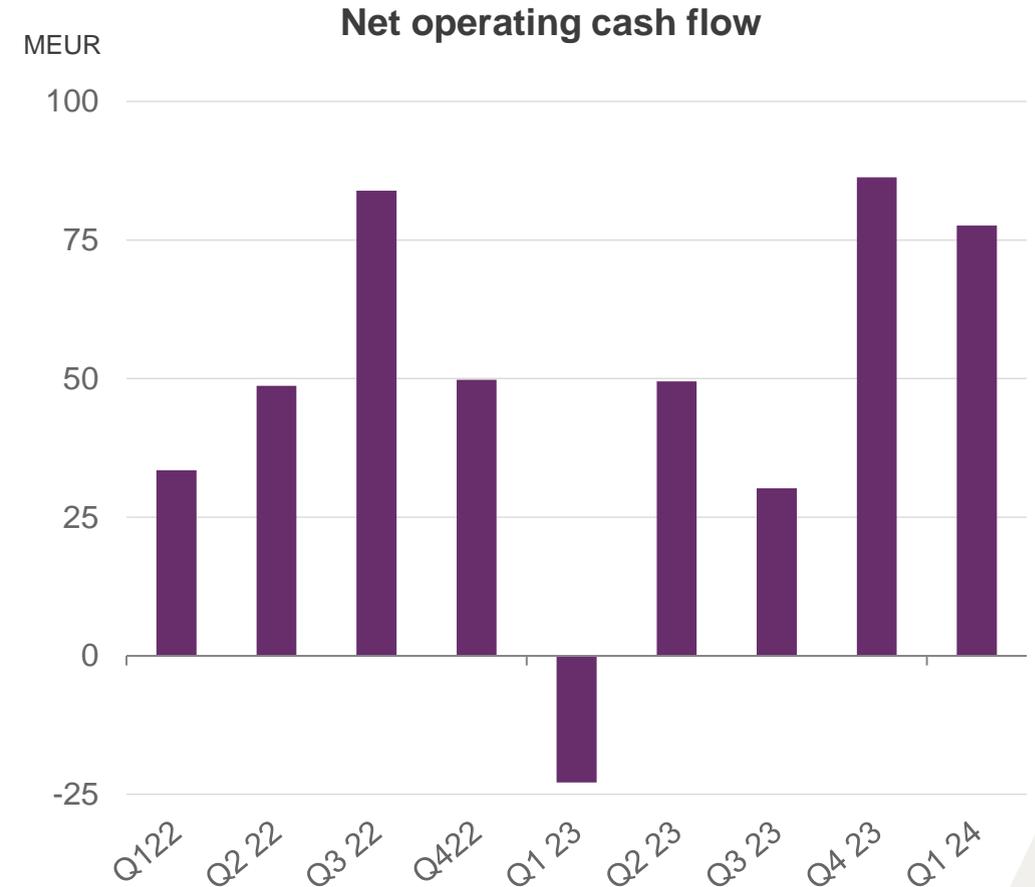
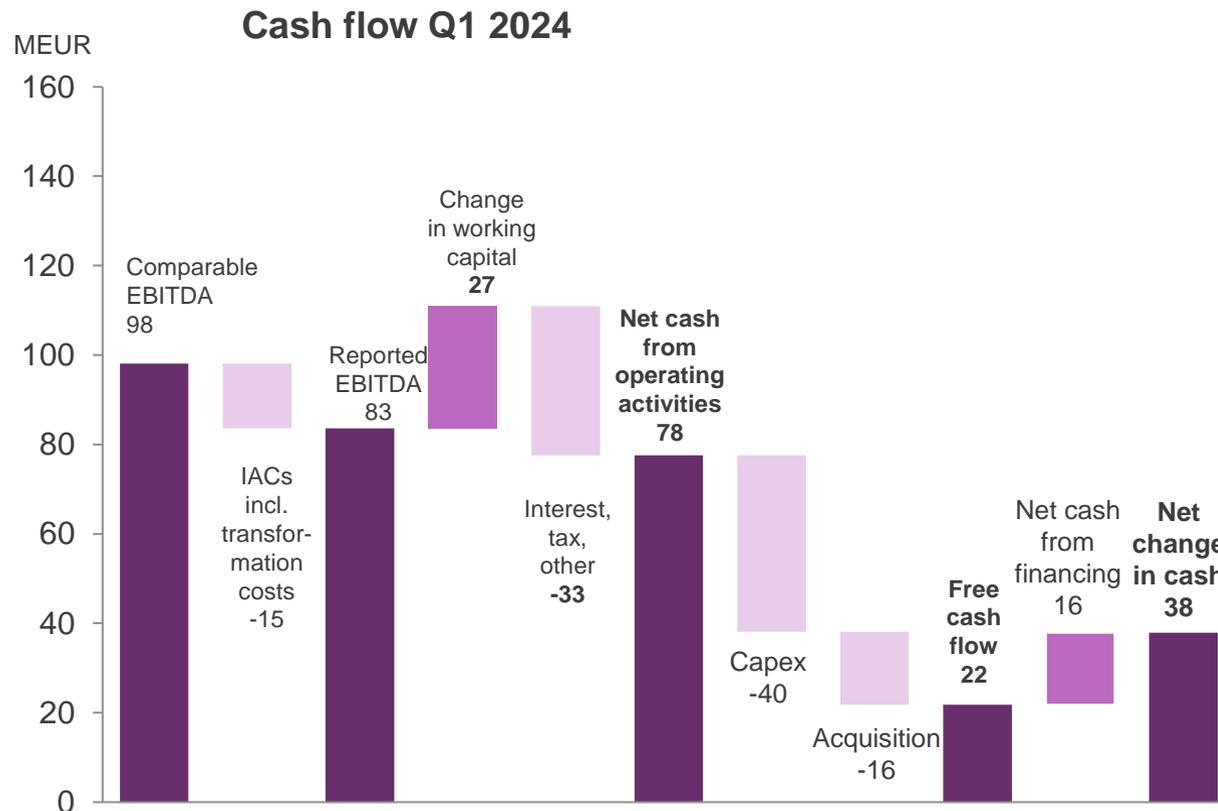
Reconciliation of comparable EBITDA to adjusted EBITDA

MEUR	March 31, 2024	December 31, 2023
Comparable EBITDA, LTM	431	420
2023 initiatives	7 ⁽¹⁾	19 ⁽¹⁾
2024 initiatives	55 ⁽²⁾	48 ⁽²⁾
2025 initiatives	13 ⁽³⁾	-
Total savings potential not in EBITDA	76	67
Adjusted EBITDA	506	487

- 1) Full run rate impact expected end of 2024
- 2) Full run rate expected end of 2025
- 3) Full run rate expected end of 2026



Solid net operating cash flow in Q1 2024



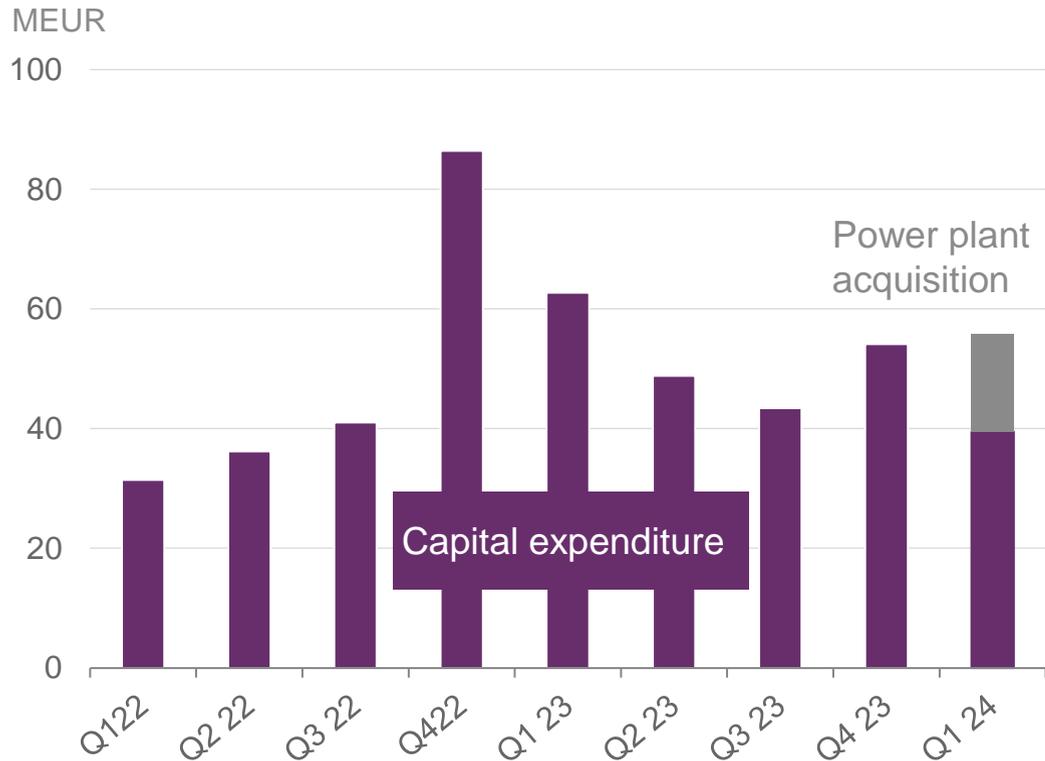
On March 31, 2024, adjusted net indebtedness was MEUR 1,803 (1,797 on December 31, 2023, translating into a net indebtedness to adjusted EBITDA ratio of 3.6 (3.7 on December 31, 2023).

Ratio of net senior secured indebtedness to adjusted EBITDA decreased to 3.2 (3.4 on December 31, 2023).

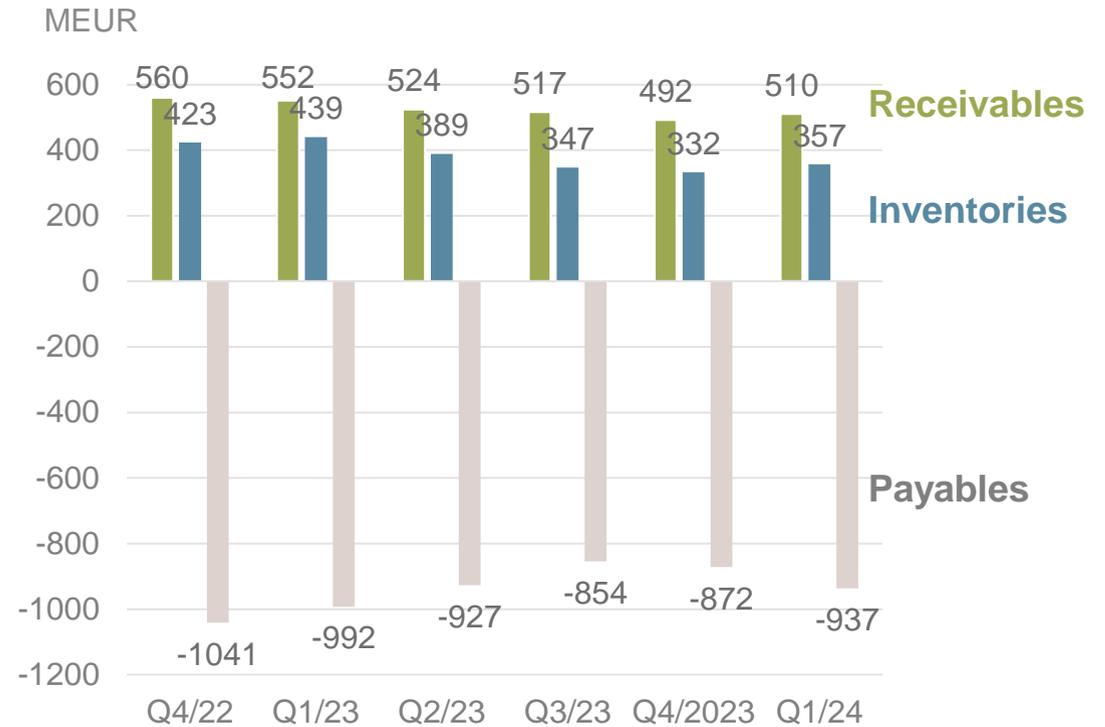


Intensive investment phase passed – further reduction in working capital

Capital expenditure

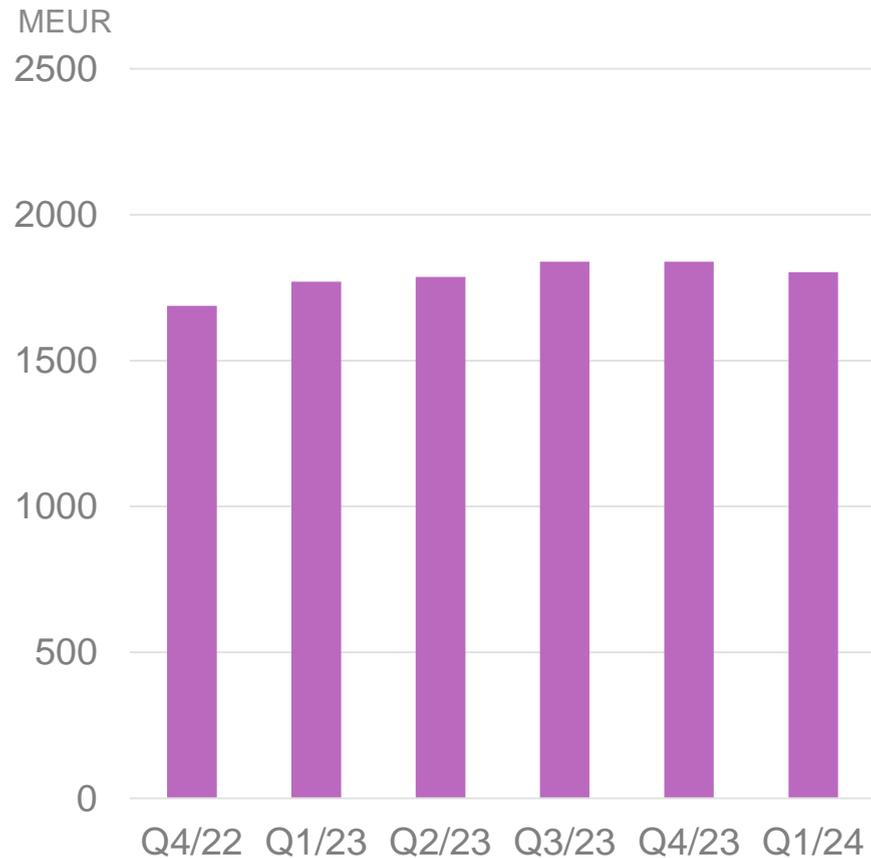


Working capital

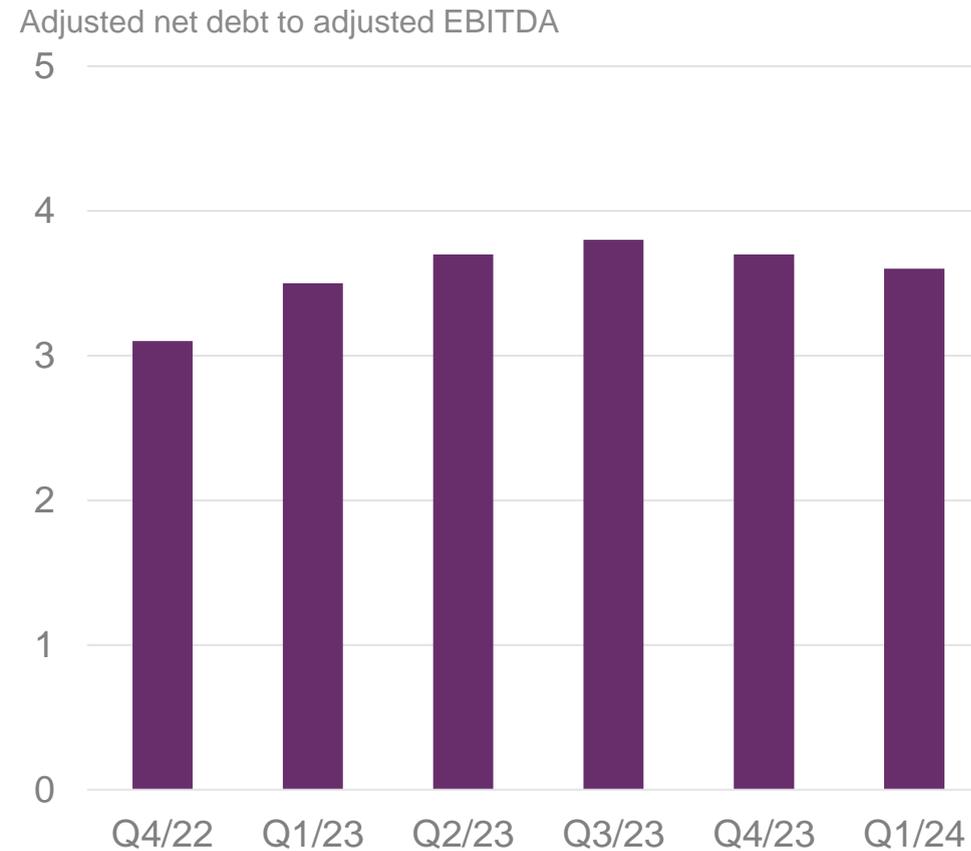


Net debt and leverage

Adjusted net indebtedness

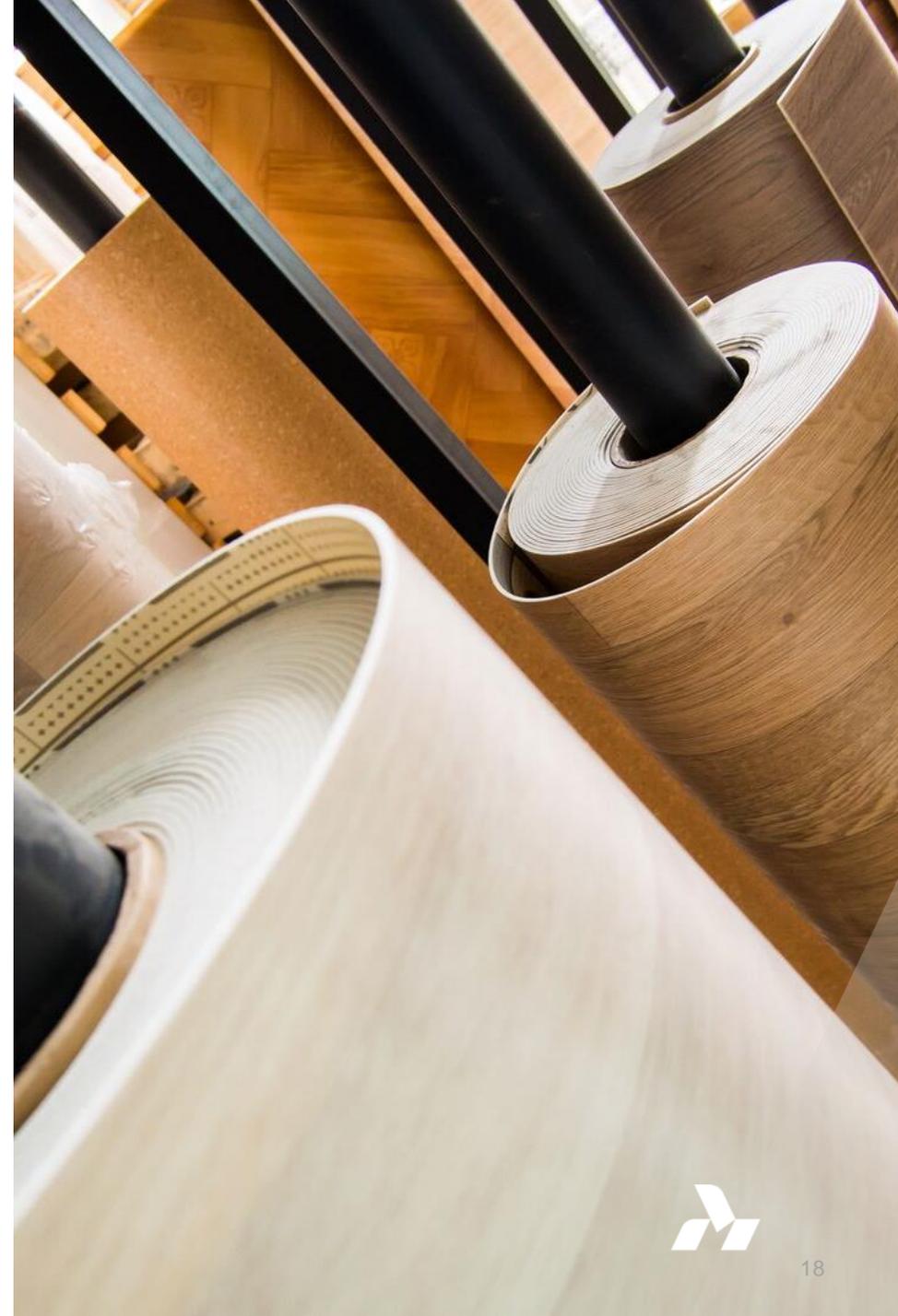


Ratio of net indebtedness to adjusted EBITDA



Conclusions

- Introducing a refined strategy and simplified divisional structure to capitalize on the market opportunities
- Market activity improved and deliveries increasing
- Disciplined selling price management to safeguard profitability amid increasing input costs. Strong execution across transformation initiatives.
- Year over year growth in comparable EBITDA supported by supported by a higher margin on variable cost per ton
- Solid operating cash flow due to efficient working capital management



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