

Public tender offer for all shares in Ahlstrom-Munksjö

Briefing webcast

24 September 2020, 09.30 a.m. EET

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Speaking today

Ahlström Capital

- Kari Kauniskangas Chairman of the Board
- Lasse Heinonen, President and CEO

Ahlstrom-Munksjö Oyj

- Jaakko Eskola, Chairman of the Board
- Hans Sohlström, President and CEO

Bain Capital

- Ivano Sessa, Managing Director
- Halvor Horten, Principal

Antti Ahlström Perilliset Oy

- Johannes Gullichsen, Chairman of the Board

Tender offer in brief

Lasse Heinonen, President and CEO
Ahlström Capital

Today's announcements

- A transaction to enable the Ahlstrom-Munksjö to reach its full potential in a changing and competitive environment
- Adding significant investment and support for the transformation of the company while maintaining its heritage and roots
- While offering Ahlstrom-Munksjö shareholders an attractive offer price

The public tender offer in brief

- A consortium consisting of **Ahlström Capital (Ahlstrom Invest BV), Bain Capital, Viknum AB and Belgrano Inversiones Oy** has made a public tender offer for all shares in Ahlstrom-Munksjö.
- Ahlstrom-Munksjö shareholders are offered **EUR 18.10 *) in cash for each share in Ahlstrom-Munksjö Oyj**. The offer price represents a premium of approximately
 - 24% compared to EUR 14.56 i.e the closing share price of Ahlstrom-Munksjö share on Nasdaq Helsinki Ltd on 23 September 2020.
 - 37% compared to EUR 13.20 i.e the closing price of Ahlstrom-Munksjö share on Nasdaq Helsinki Ltd on July 31 2020, the last trading day prior to the submitting the non-binding proposal.
 - 41% compared to EUR 12.87 i.e. the 12-month VWAP of the Ahlstrom-Munksjö share preceding the announcement of the PTO.
 - The offer period is expected to commence on October 26, 2020 and to expire on or about January 4, 2021
 - The completion of the tender offer is subject to certain customary conditions to be fulfilled
 - Tender offer and delisting assumed to be completed during Q2 2021

*) Should Ahlstrom-Munksjö distribute a dividend, including the dividend payments resolved by the annual general meeting of Ahlstrom-Munksjö held on 25 March 2020, payable in October 2020 and January 2021, or otherwise distribute funds or any other assets to its shareholders, the offer price will be reduced accordingly on a euro-for-euro basis.

An ambitious plan to release Ahlstrom-Munksjö's full future potential

- **Take private with world class partner Bain Capital**
 - Public Tender Offer (PTO) for all shares of Ahlstrom-Munksjö
 - A consortium with Bain Capital, Ahlström Capital (Ahlstrom Invest BV) and investment companies Viknum and Belgrano Inversiones
 - Ahlström Family participation to be clarified and channeled through Ahlstrom Invest BV
- Drive a systematic **value development program**, based on a jointly agreed transformation plan over the coming approximately 5 years
 - Operational and commercial excellence initiatives
 - Portfolio development, growth investments and M&A
- Ahlström Family has an ambition to remain as an owner also in the long term

The consortium

Members of the consortium

Bain Capital

- World-class private equity company with experience in many industries, including fiber-based materials
- Long track record of successful partnerships with family-owned businesses

Ahlström Capital

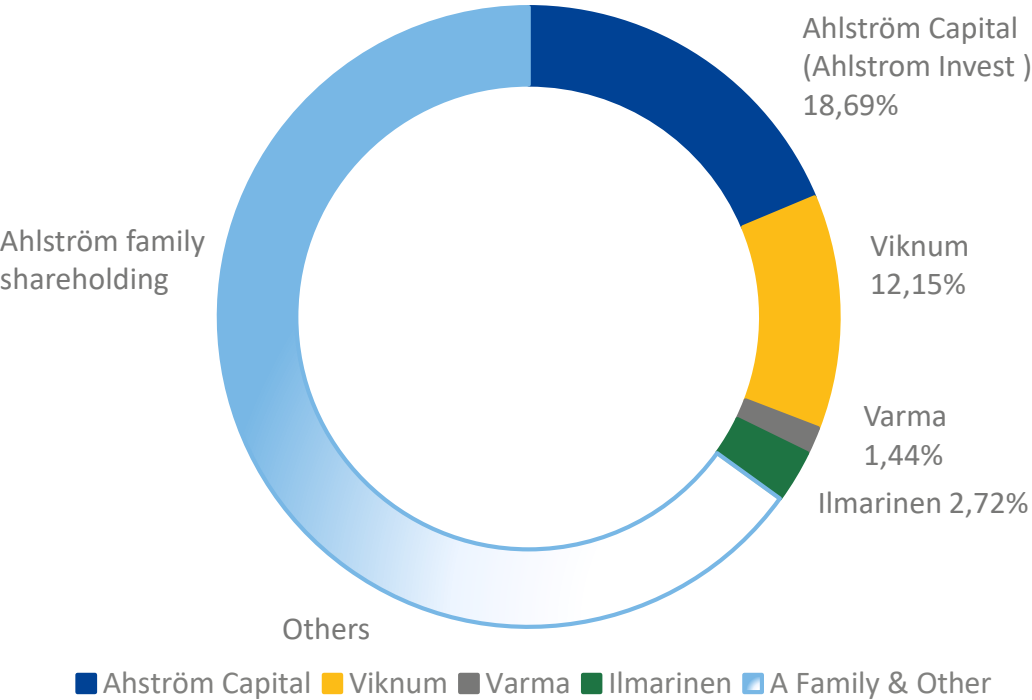
- Investment company of the Ahlström family and largest owner in Ahlstrom-Munksjö
- Strategy to actively develop its portfolio companies

Viknum, Belgrano Inversiones

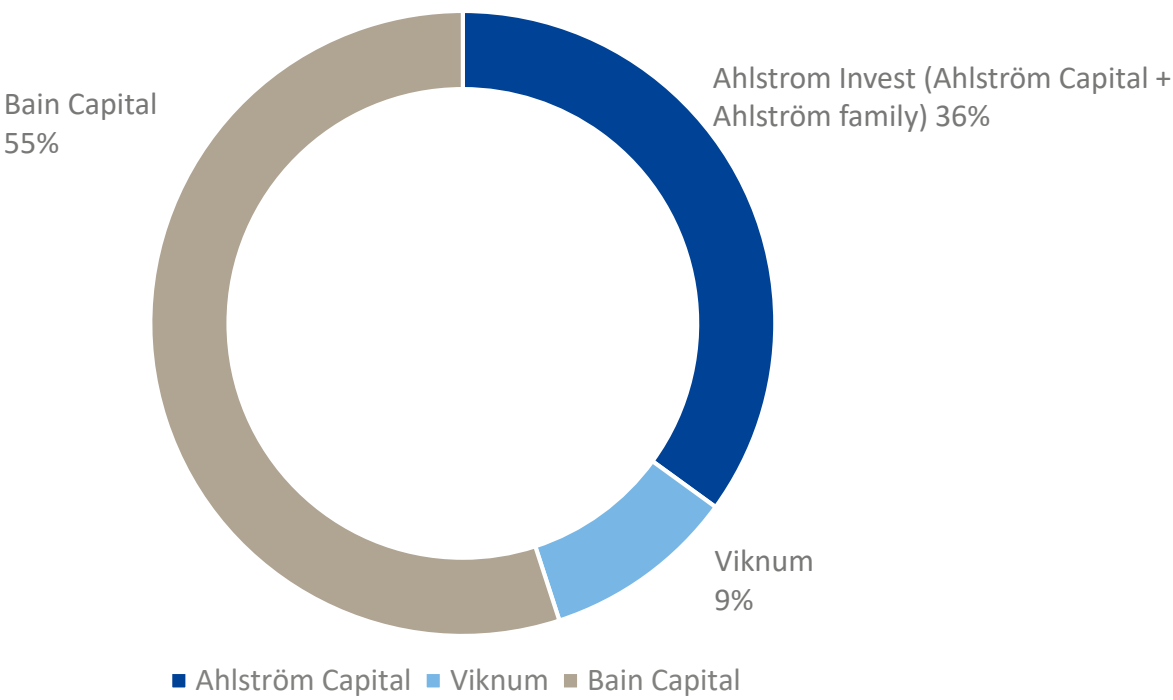
- Viknum is an investment company and major shareholder in Ahlstrom-Munksjö, owned by Alexander and Albert Ehrnrooth through Nidoco and Virala Group.
- Belgrano Inversiones is an investment company owned by Alexander Ehrnrooth.

Planned ownership change in Ahlstrom-Munksjö

Current ownership structure



Structure at completion



Ahlström Capital (through Ahlström Invest BV), Viknum AB and Belgrano Inversiones Oy, Varma Mutual Insurance Company and Ilmarinen Mutual Insurance Company, together representing approximately 35% of all shares in Ahlstrom-Munksjö, have irrevocably undertaken, subject to certain customary conditions, to accept the tender offer. The Board of Directors of Ahlstrom-Munksjö unanimously recommends that Ahlstrom-Munksjö’s shareholders accept the offer.

Ahlström Capital – committed to its industrial roots

- Ahlström Capital is a **family-owned investment company**, one of the largest in Finland
 - Investment activity focuses on listed and non-listed industrial companies, real estate and forest
 - In the listed portfolio today Ahlstrom-Munksjö, Suominen, Detection Technology and Glaston. Wholly-owned non-listed portfolio companies are Destia and Enics.
 - Assets under management EUR ~1 billion
 - In 2019, the annual net sales of its portfolio companies was approximately EUR 5 billion and they employed ca 15,500 people in 29 countries
 - The largest shareholder in Ahlstrom-Munksjö and share almost 170 years of common history
- **Ahlström family** through Ahlström Capital ensures continuity and aims to remain a significant and long-term shareholder
 - Antti Ahlström Perilliset Oy, a holding company owned by Ahlström Family and the largest shareholder in Ahlström Capital, together with selected family representatives, have been involved in the preparation and support the plan.
 - As part of the planned transaction Ahlström Capital intends to consolidate the direct Ahlström family ownership of Ahlstrom-Munksjö through an internal reorganisation

Our partner Bain Capital

Ivano Sessa, Managing Director, Co Head Industrial

Bain Capital - Our History and Approach

Founded in 1984 as a Boston-based private equity firm, we **pioneered a consulting-based approach** to private equity investing, partnering closely with management teams to offer the insights that challenge conventional thinking, build great businesses and improve operations.



Today, we have over 1,200 employees, including more than 500 investment professionals, all **striving to create value** through private equity, public equity, fixed income and credit and venture capital investments across multiple sectors, industries, and geographies.

- // We believe that our people and the shared values we've espoused since our founding remain the core of our competitive advantage. This has empowered us to deliver a **lasting impact to a diverse group** of investors including pensions, endowments, foundations and individuals.
- // Our culture has also emphasized strong alignment with the interests of our partners and we have **significant experience in partnering with families and founders**. This starts with remaining 100 percent employee-owned and putting our own capital at risk alongside our investors. Bain Capital professionals are, in the aggregate, the largest investors in our funds.
- // Bain Capital has a **strong track record creating value in the specialty fiber-based materials industry**. For example with Fedrigoni, where we enabled strategic growth, acquired businesses via M&A and created operational efficiency

Ahlstrom-Munksjö

Hans Sohlström, President & CEO, Ahlstrom-Munksjö



Global leader in sustainable and innovative fiber-based solutions

- Fibers are at the core of what we do and the common denominator for our products and solutions
- Natural fibers represent 95% of our total fiber use
- We offer custom made specialized fiber-based materials
- Our value proposition is based on innovation, quality and service
- Our offering contributes to a more sustainable everyday life

Key facts

- Global network of sales offices and 45 plants in 14 countries
- Approximately 8,000 employees, 48 nationalities
- More than 7,000 customers in over 100 countries
- Net sales of approximately EUR 3 billion in 2019
- Shares listed on Nasdaq Helsinki and Stockholm
- Head office in Helsinki, Finland

Key strengths

- Leading positions in chosen segments
- Operating on growing markets
- Balanced geographical exposure to a broad range of end-uses
- Designed sustainable and innovative customer solutions



MISSION

Sustainable and innovative
fiber-based solutions

Strategy overview

VISION

Global leader in chosen
growth segments

CORNERSTONES

Local
accountability

Efficiency
and agility

Customer
value

Profitable
growth

FILTRATION & PERFORMANCE



ADVANCED



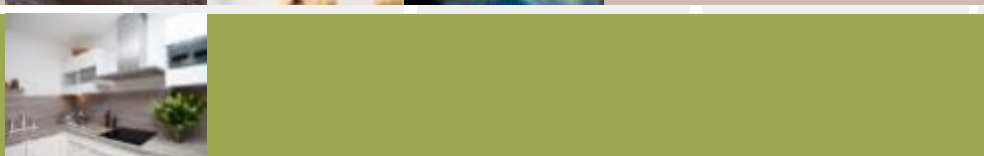
INDUSTRIAL



FOOD PACKAGING & TECHNICAL



DECOR



VALUES

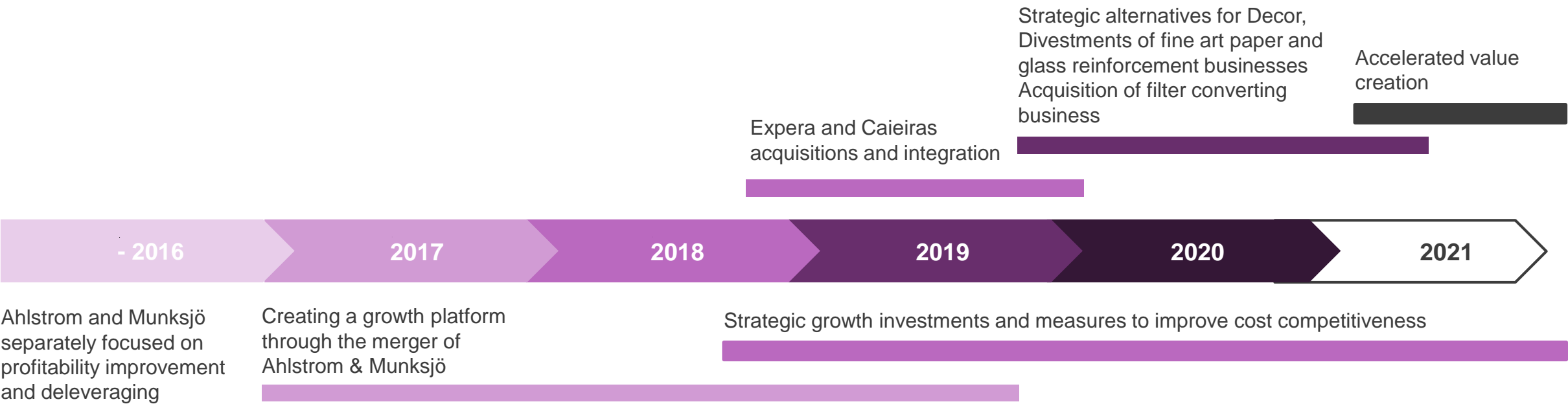
Long-term commitment | Teamwork | Passion to innovate and improve

FINANCIAL TARGETS

- EBITDA > 14% over a business cycle
- Net gearing < 100%
- Dividend: stable and annually increasing, paid four times a year



Strategic transformation progressing



	Munksjö 2015	Ahlstrom 2015	Expera 2017	Caieiras 2017	Ahlstrom-Munksjö 2019
Net sales	EUR 1.1bn	EUR 1.1bn	EUR 616m	EUR 76m	EUR 2.9bn
Comparable EBITDA	EUR 94m	EUR 105m	EUR 61m	EUR 12m	EUR 313m
Employees	2,900	3,300	1,870	350	8,100



Ahlstrom-Munksjö

Jaakko Eskola, Chairman of the Board, Ahlstrom-Munksjö



The Board's view on tender offer

- The Board of Directors of Ahlstrom-Munksjö, represented by a quorum formed by the non-conflicted members of the Board of Directors, has unanimously decided to recommend that the shareholders of Ahlstrom-Munksjö accept the tender offer
- Ahlstrom-Munksjö needs to deal with several operational and strategic challenges globally. The business dynamic and the competitive landscape is changing and the pace of the technological development is increasing. Against this background, and considering necessary contributions from the shareholders, the offer is both fair and the best alternative for Ahlstrom-Munksjö's shareholders.
- According to the fairness opinion from Ahlstrom-Munksjö's financial adviser UBS, the offer price is fair from a financial point of view from the perspective of the shareholders of Ahlstrom-Munksjö
- The Board of Directors will issue its statement on the tender offer before the commencement of the offer period

Background and deal rationale

Kari Kauniskangas, Chairman of the Board
Ahlström Capital

Active ownership driving competitiveness and long-term value

Ahlström Capital has been mandated by its owners to create long-term shareholder value by actively developing its portfolio.

Ahlstrom-Munksjö is a success story of a company that has transformed through time

- **From:** Roots in the forest, pulp and paper industry
- **To:** A leader in fiber-based materials, supplying innovative and sustainable solutions to its customers. With the mission to expand the role of fiber-based solutions for sustainable everyday life

At the same time

- The dynamics and clock speed of the industry are changing

Actions to ensure long-term competitiveness

- **Fundamental transformation to release the company's full future potential**
 - Investments to maintain and strengthen market positions
 - Portfolio transformation via strategic M&A
 - Operational and commercial excellence initiatives
- **Effective execution in private ownership with the support of Bain Capital**
 - Accelerate the transformation without public market constraints
 - Management to devote full attention to business performance
 - Bain Capital adds resources, expertise and global networks for accelerating development

A unique opportunity to create value by building an even stronger and more sustainable business benefitting both the company and its employees, while offering Ahlstrom-Munksjö shareholders an attractive offer price

Antti Ahlström Perilliset Oy

Johannes Gullichsen, Chairman of the Board

As times change and businesses evolve, so must ownership



History and tradition



Development and progress



Embracing the new



~170 years of building
the future



While preserving the past



Ambition & Responsibility



“With this transaction, the Ahlström family would remain deeply committed to its industrial roots, while allowing Ahlstrom-Munksjö to develop and thrive, supported by a world-class partner. The transaction perfectly reflects our family values of ambition and responsibility. We believe that this proposal would be the appropriate next step for enabling another 170 years of success for the company.”

Q & A
