



Ahlstrom Corporation

Annual General Meeting 2015

Marco Levi
President & CEO

Sakari Ahdekivi
CFO

March 26, 2015

Agenda

- Year 2014 in brief
- Business area review
- Roadmap
- Dividend proposal and outlook
- Financials

Executive Management Team



Year 2014 in brief



Highlights

- + Operative results more than doubled, driven by improved product mix, pricing and lower costs
- + Advanced Filtration, Transportation Filtration and Food improved performance
- + Rightsizing program reaching targeted savings of EUR 39 million in continuing operations
- + Expansion in China: new wallcovering line and product development center
- + IT operations transferred to Tech Mahindra, new EMEA service center in Vilnius
- + A new, simplified structure and organization with increased business alignment in place

Lowlights

- Losses in Building and Energy, Medical

Key figures

Operative results more than doubled in 2014

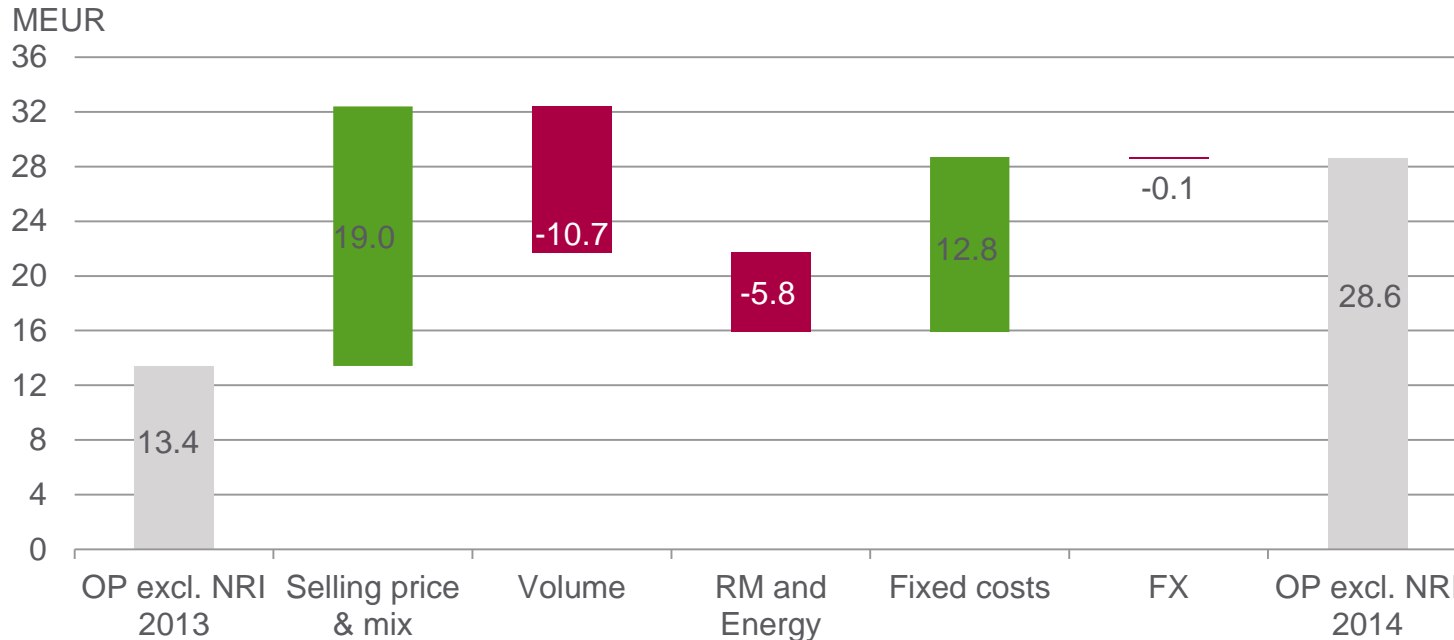
EUR million	2014	2013	Change, %
Net sales	1,001.1	1,014.8	-1.3
EBITDA*	78.6	65.0	21.1
<i>% of net sales</i>	7.9	6.4	
Operating profit excl. NRI	28.6	13.4	113.9
<i>% of net sales</i>	2.9	1.3	
Gearing**	79.3	85.5	
ROCE, %	-0.5	0.9	

* Excluding non-recurring items

** Including discontinued operations

Operating profit* bridge 2014 vs 2013

Improvement driven by higher selling prices, product mix and lower costs



AHLSTROM

Our business areas



Filtration



– Key achievements in 2014:

- Very good growth in net sales and profit
- Advanced Filtration: Net sales rose by 6.4% to EUR 104.2 million, operating profit* margin 16.7%
- Transportation Filtration: Net sales rose by 5.6% to EUR 323.9 million, operating profit* margin 7.4%
- Record-high profitability in Advanced Filtration with successful platforms such as Ahlstrom Flow2Save™ air filtration product

Ahlstrom is the leading provider of transportation filtration materials. We specialize in materials used for cleaning air and liquid in vehicles, as well as in a wide range of life science and laboratory filtration, water filtration, high efficiency air, gas turbine and hydraulic filtration applications.

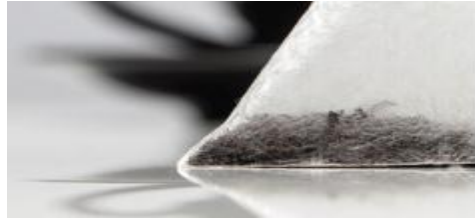
Building and Energy



- Key achievements in 2014:
 - New wallcovering production line started in Binzhou, China
 - Growth in sales of specialty nonwovens
 - Net sales fell by 6,8% to EUR 257.0 million
 - Operating profit* margin -1.9%

Our offering covers a wide range of materials that make buildings and structures solid, such as carriers for vinyl floorings and reinforcements for windmill blades. Additionally, we make substrates for wallcoverings and a wide range of materials for specialty applications

Food and Medical



– Key achievements in 2014:

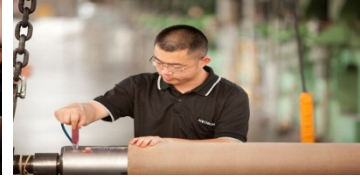
- Operating profit more than doubled in Food and comparable net sales* rose by 4.3%
- Food: Net sales fell by 2.6% to EUR 237.4 million, operating profit** margin at 4.6%
- Medical: Net sales fell by 7.6% to EUR 132.0 million, operating profit** margin -3.4%
- Introduction of Ahlstrom NatureMold, a new biodegradable material for food packaging

We provide a wide range of materials used for infusing tea and coffee, packing food and safeguarding infection protection in operating rooms and theaters with our single-use medical fabrics, as well as quality masking tape material

A woman with dark hair in a ponytail, wearing a white t-shirt, is driving a car. She is smiling and looking out the window. The car's interior, including the steering wheel and dashboard, is visible. The scene is bathed in a warm, golden light, suggesting a sunrise or sunset. The background outside the car is a blurred green landscape.

**Our roadmap:
five key priorities**

Many strengths to build on, opportunities to improve



- Business diversification
 - Strong demand fundamentals
 - Portfolio of businesses with diverse end markets

- Ahlstrom's competitive position
 - Global leadership in filtration and food businesses
 - Global manufacturing footprint
 - High-quality technology base
 - Dedicated people

Our roadmap: five key priorities

Margin

Enhanced commercial excellence

Customer

Upgrade Go-to-Market process

Cost

Simplification

Unity

Building up new Ahlstrom

Potential

Redefine Ahlstrom's strategy

Dividend proposal and outlook



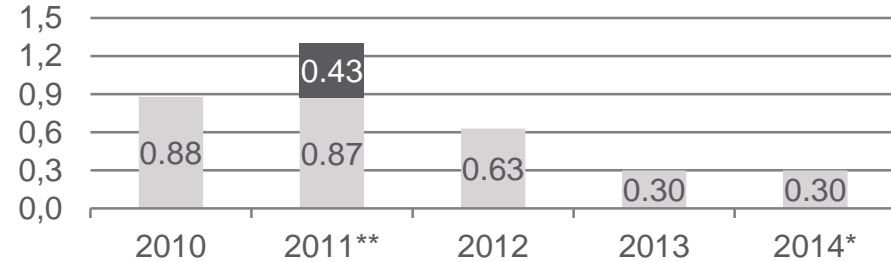
Dividend proposal

Aim is to pay a dividend of not less than one third of net cash from operating activities after operative investments, calculated as three-year rolling average.

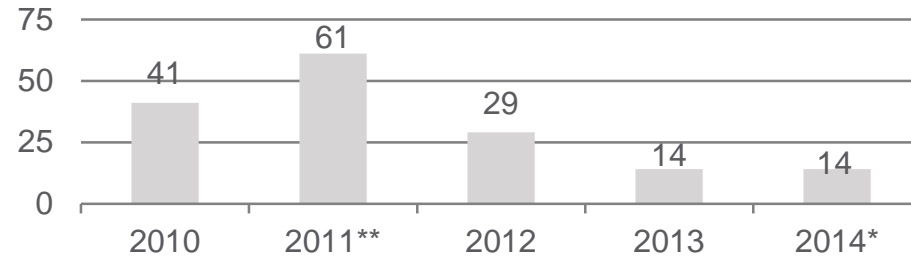
- The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.30 per share be paid.

- * Proposal by the Board of Directors to the AGM
- ** Consisting of a dividend of EUR 0.87 per share and an extra dividend of EUR 0.43 per share.

Dividend / share (€)



Total amount of dividends paid (EUR million)



Outlook for 2015

Profitability expected to improve



- Net sales are expected to be in the range of EUR 1,000-1,100 million
- Operating profit margin excluding non-recurring items is expected to be 3.5-5% of net sales
- Investments excluding acquisitions are estimated to amount to approximately EUR 35 million

Financials



Income statement

	2014	2013
EUR million		
Net sales	1,001.1	1,014.8
Cost of goods sold	-855.0	-870.8
Gross profit	146.1	144.0
Sales, administrative and research & development expenses	-141.0	-136.2
Other income and expenses	-8.9	2.9
Operating profit / loss	-3.7	10.7
Operating profit / loss excl. NRI	28.6	13.4
Net financial expenses	-5.8	-20.4
Share of profit / loss of equity accounted investments	0.1	-5.7
Profit / loss before taxes	-9.4	-15.4
Income taxes	-0.9	-3.5
Profit / loss for the period from continuing operations	-10.3	-18.9
Earnings per share	-0.22	-0.46
Profit / loss for the period including discontinued operations	-2.7	57.0
Earnings per share	-0.06	1.17

- ▶ SGA costs decreased excl. non-recurring items
- ▶ NRIs: EUR -32.3 million in 2014* vs EUR -2.7 million in 2013
- ▶ Includes a capital gain from selling Suominen Corporation shares

Balance sheet

	Dec. 31, 2014	Dec. 31, 2013	
EUR million			
Total non-current assets	599.3	633.4	▶ – Market value of shareholding in Munksjö Oyj EUR 43.0 million (Dec. 31, 2014)
Inventories	108.1	106.6	
Trade and other receivables	170.7	173.0	
Income tax receivables	1.7	0.6	
Cash and cash equivalents	41.4	38.2	
Assets classified as held for sale and distribution to owners	-	18.9	– Shareholding in Munksjö as of March 26, 2015: 3.3 million shares
Total assets	921.1	970.6	– Suominen shares no longer included as sold in Q4/14
Total equity	320.1	341.4	▶ – Impact from increased pension liabilities, non-recurring items booked in 2014
Provisions	11.6	8.3	
Interest bearing loans and borrowings	295.2	330.4	
Employee benefit obligations	96.0	76.1	
Trade and other payables	194.0	200.2	
Others	4.2	8.3	– Includes EUR 100 million hybrid bond
Liabilities classified as held for sale and distribution to owners	-	5.9	
Total equity and liabilities	921.1	970.6	
Gearing	79.3	85.5	

Statement of cash flows

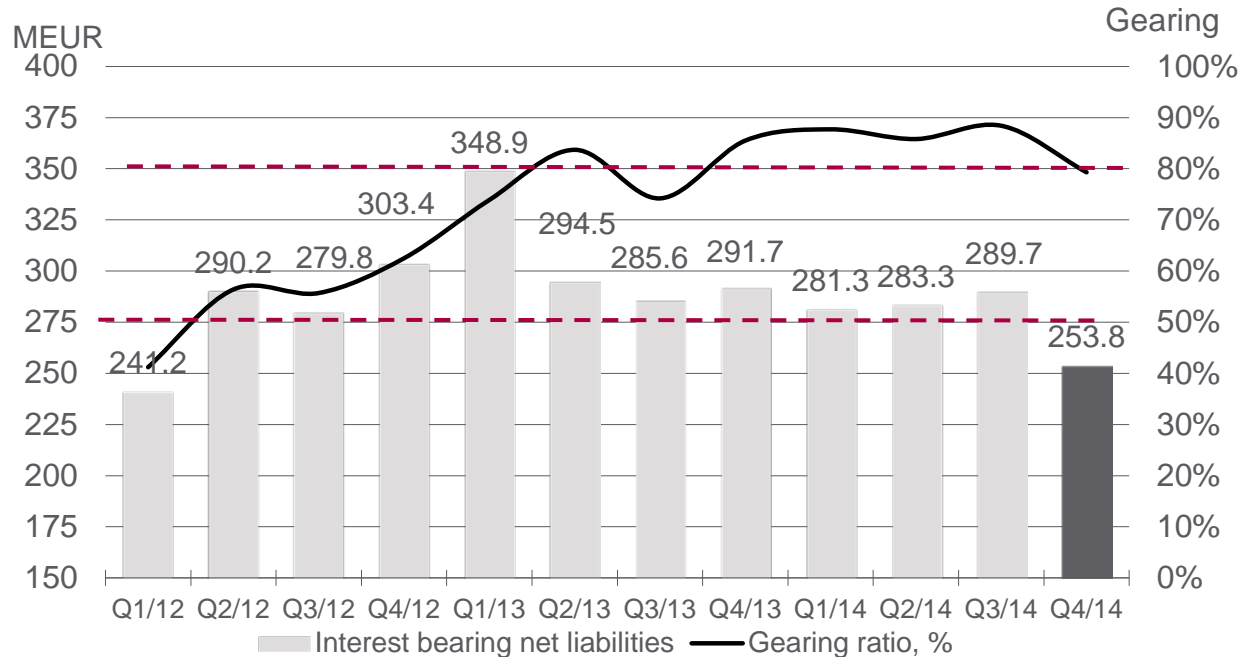
(including discontinued operations)

	2014	2013	
EUR million			
EBITDA	76.8	77.4	
Adjustments	-7.8	-11.3	
Changes in net working capital	-5.8	-2.3	
Change in provisions	3.2	-1.9	
Financial items	-26.5	-16.9	
Income taxes paid / received	-4.4	-4.1	
Net cash from operating activities	35.4	41.0	
Acquisition of Group companies	-	-1.5	
Purchases of intangible and tangible assets	-56.4	-87.0	▶ Wallcoverings production line in China was the only growth investment
Other investing activities	77.9	-70.0	▶
Net cash from investing activities	21.5	-158.4	▶ Proceeds from selling Suominen Corporation and Munksjö Oyj shares
Dividends paid and other	-4.6	-29.1	
Payments received on hybrid bond	-	99.2	
Repurchase of hybrid bond	-	-80.1	
Interest on hybrid bond	-7.9	-7.4	
Effect of partial demerger	-	139.4	
Changes in loans and other financing activities	-42.4	-17.6	
Net cash from financing activities	-54.8	104.3	
Net change in cash and cash equivalents	2.1	-13.1	
Cash and cash equivalents at the beginning of the period	38.7	55.5	
Cash and cash equivalents at the end of the period	41.4	38.7	

Net debt and gearing*

Reduced due to cash flow and sale of Suominen shares

Gearing:
target range 50–80%



Gearing was 79.3% on December 31, 2014

- Positive operating cash flow
- Sale of Suominen and Munksjö shares had a positive impact on gearing in Q4/2014

Liquidity has remained stable

- Total liquidity, including cash, undrawn committed credit facilities and the cash pool limits totaled about EUR 296.1 million at the end of 2014 (EUR 290.4 million)
 - In addition, Ahlstrom had available undrawn uncommitted credit facilities totaling about EUR 133.7 million (EUR 140.9 million)
- Total liquidity has continued to be good during the early part of 2015

Stay ahead™



Thank you



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