

January-September 2023 Financial Results

EARNINGS CALL PRESENTATION, NOVEMBER 23

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.



Niklas Beyes

Chief Financial Officer (CFO)
as of September 15, 2023

- Extensive experience in leading finance organizations in industrial companies.



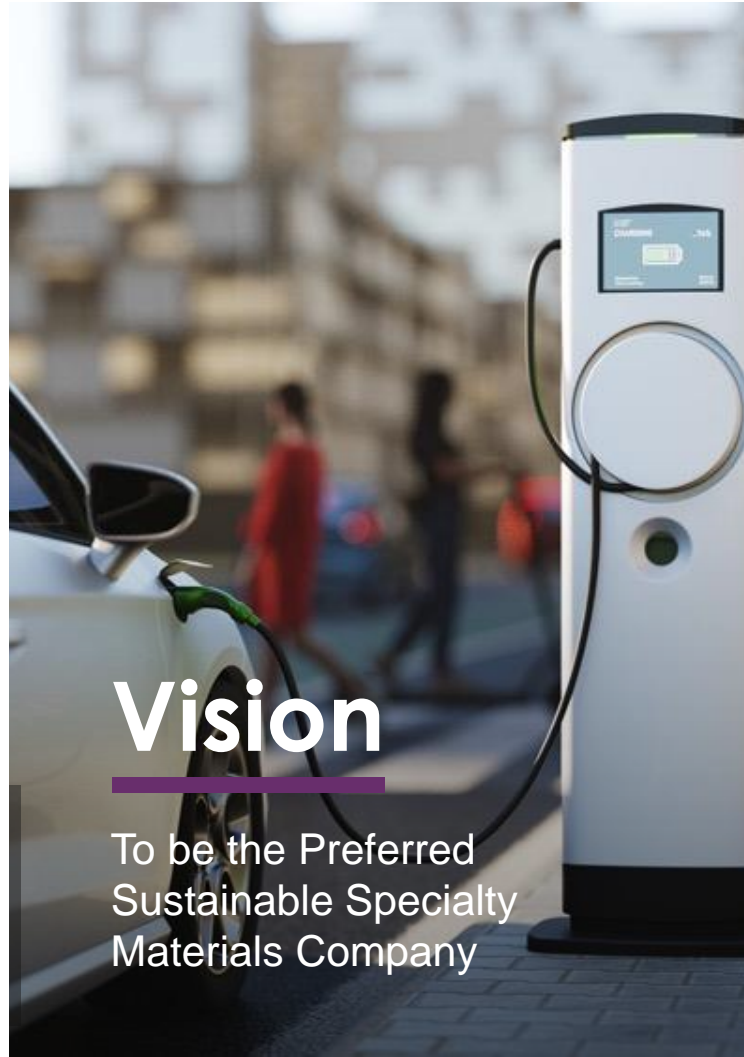
- An exceptional track record of building financial capabilities in both private equity and corporate environment through inspirational leadership and by building strong and empowered teams.





Purpose

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



Vision

To be the Preferred
Sustainable Specialty
Materials Company



Values

Accountability | Growth Mindset
One Team | Care



Leading position in selected niche businesses



FILTRATION

Mission-critical air and liquid filtration applications.

- Filtration



FOOD & CONSUMER PACKAGING

Solutions for improved food safety, product preservation, and bacteria prevention, helping extend product life and protect human health.

- Food Packaging
- Beverage & Casing
- Release Liners



HEALTHCARE

Technologies serving essential societal uses in medical, laboratory, and life science settings including Diagnostics, Bioprocessing, and Medical Performance Barriers.

- Lab & Life Science
- Medical



BUILDING MATERIALS

Highly engineered building material applications for every face of the building.

- Glass Fiber Tissue
- Nonwovens
- Abrasive



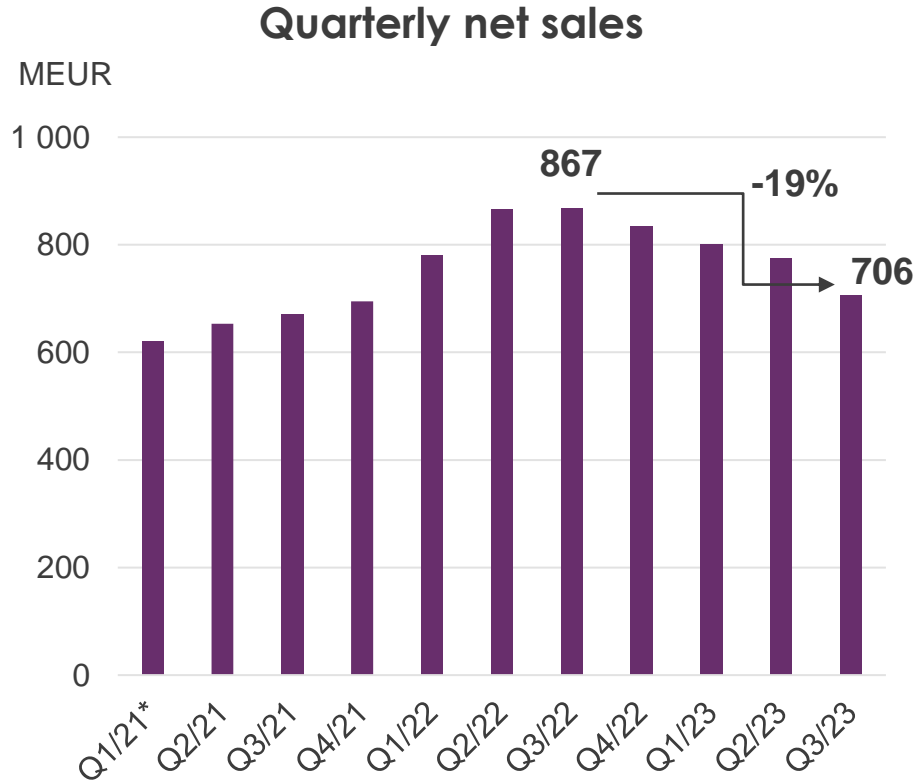
TECHNICAL MATERIALS

Highly technical applications including protective materials such as insulation, precision coating, tape, and others.

- Protective Materials
- Precision Coating
- Tape



Net sales impacted by destocking



Continuing operations
* Pro forma

Divisional breakdown of net sales

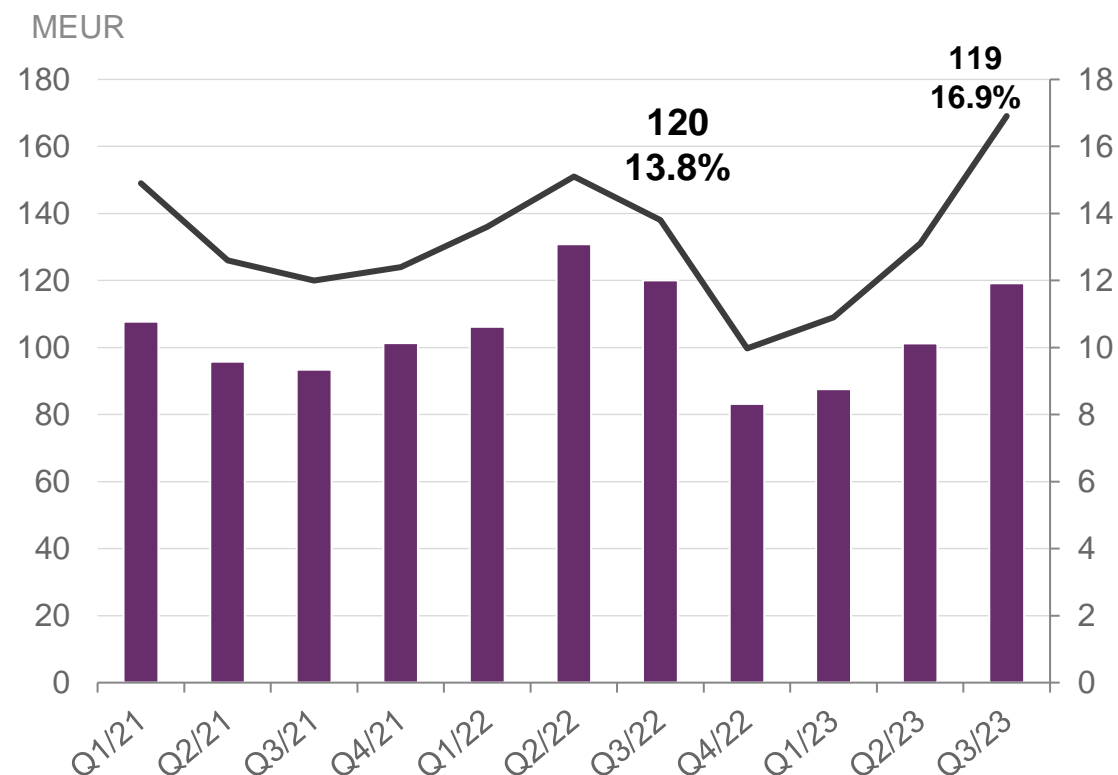


Transformation on track

– record strong comparable EBITDA margin

- Transformation progressing, delivering record strong quarterly comparable EBITDA margin and strengthened business portfolio – successively lower transformation costs as the business develops internal capabilities
- Quarter on quarter improvement in comparable EBITDA supported by targeted cost savings and steadily strong margin on variable cost per ton
- Strengthened business portfolio through successful divestiture of the unprofitable Stenay plant in France and start up of the new glass fiber tissue production line in the U.S.
- Well-positioned for earnings growth as markets rebound

Comparable EBITDA and margin %

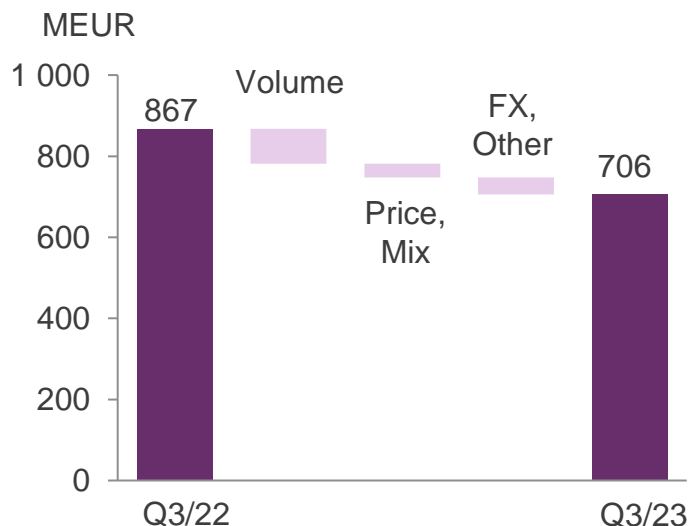


Q1 2021 Ahlstrom-Munksjö Holding pro forma
Q1-Q4 2021 including discontinued operation

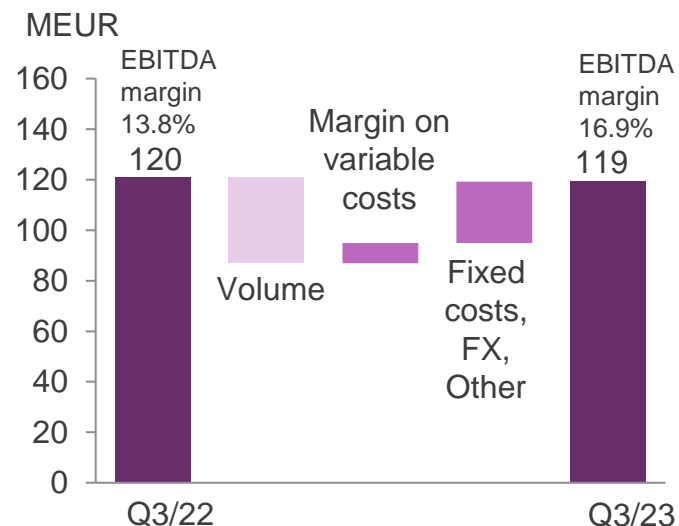


Comparable EBITDA on last year's level despite lower volumes – significantly lower transformation costs

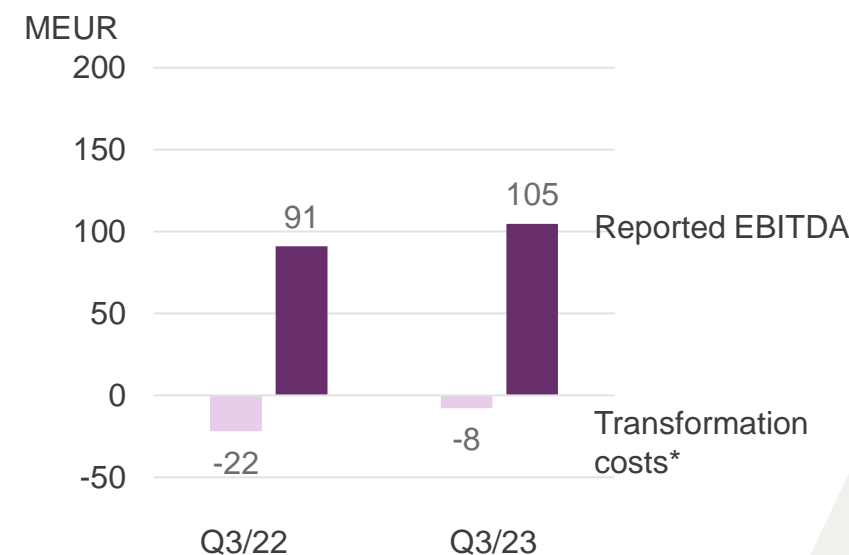
**Net sales
Q3 2023 vs Q3 2022**



**Comparable EBITDA
Q3 2023 vs Q3 2022**



**Reported EBITDA
Q3 2023 vs Q3 2022**

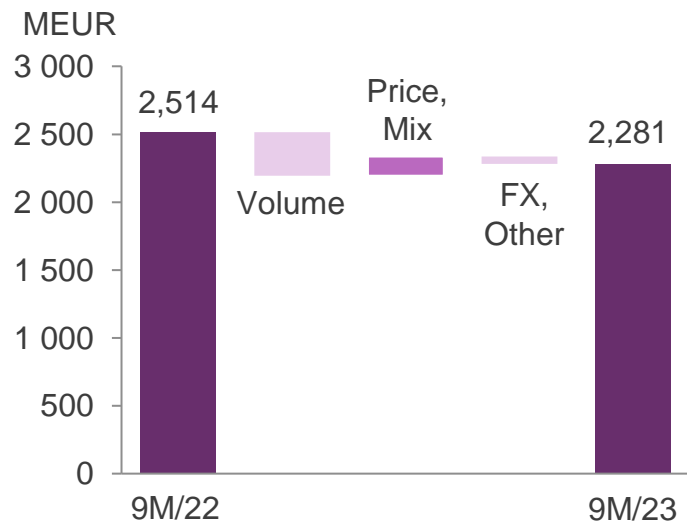


*Total IAC in EBITDA and management fee
EUR -15m in Q3 2023 and EUR -29m in Q3 2022

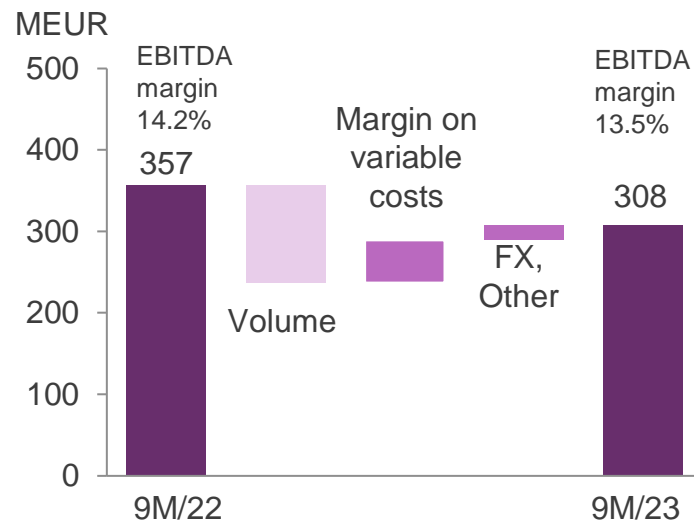


Comparable EBITDA on last year's level despite lower volumes – significantly lower transformation costs

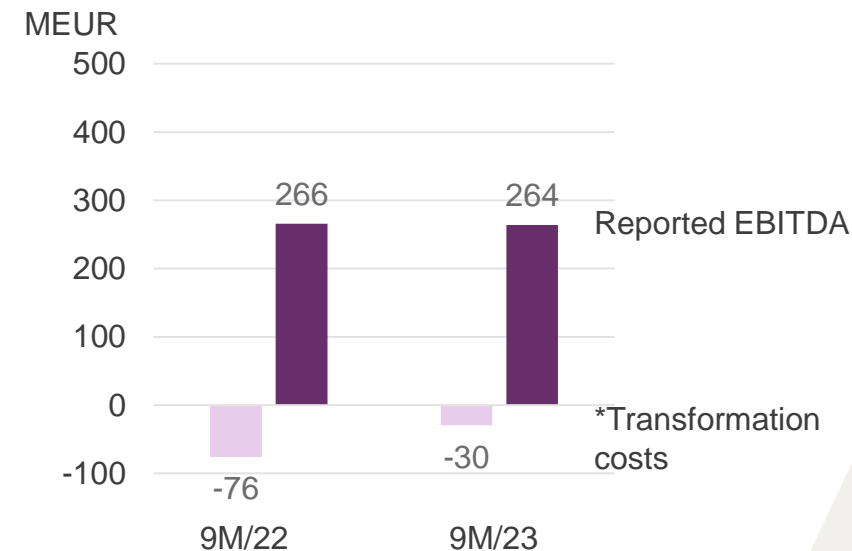
Net sales
Jan-Sep 2023 vs Jan-Sep 2022



Comparable EBITDA
Jan-Sep 2023 vs Jan-Sep 2022



Reported EBITDA
Jan-Sep 2023 vs Jan-Sep 2022



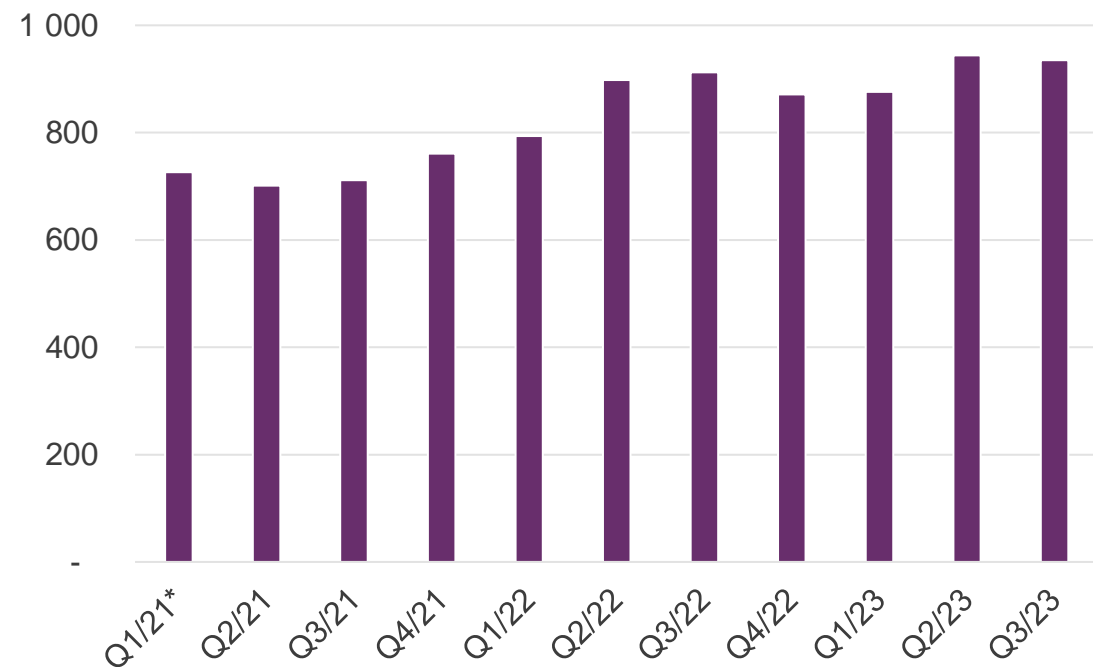
*Total IAC in EBITDA and management fee
EUR -44m in 9M/23 and EUR -91m in 9M/22



Margin on variable cost per ton successfully protected

Margin on variable costs per ton

EUR per ton



Continuing operations
* Pro forma



Reconciliation of comparable EBITDA to adjusted EBITDA

MEUR	Sep 30, 2023	Jun 30, 2023
Comparable EBITDA, LTM	391	392
2022 initiatives	1 ⁽¹⁾	3
2023 initiatives	43 ⁽²⁾	64
2024 initiatives	47 ⁽³⁾	18
Total savings potential not in EBITDA	90	85
Adjusted EBITDA	481	477

- 1) Full run rate impact expected in 2023
- 2) Full run rate impact expected end of 2024
- 3) Impact planned to start 2024

Identified future savings potential from transformation initiatives estimated at EUR 90 million at the end Q3 2023

Cash flow

MEUR	Q3 2023	Q2 2023	Q1 2023	Jan-Sep 2023
Comparable EBITDA	119.2	101.2	87.6	308.0
Items affecting comparability	-14.5	-18.6	-11.1	-44.1
EBITDA	104.7	82.6	76.5	263.9
Change in working capital	-36.9	13.5	-62.0	-85.5
Interest paid	-30.5	-41.7	-26.3	-98.5
Taxes paid	-5.1	-4.1	-7.3	-16.5
Adjustments, other	-2.0	-0.7	-3.8	-6.6
Net cash from operating activities	30.2	49.5	-22.9	56.8
Capital expenditure	-43.7	-48.8	-62.7	-155.2
Other	-7.6	-	4.3	-3.4
Net cash from investing activities	-51.3	-48.8	-58.4	-158.6
Return of equity, dividends paid	-9.0	-8.2	-8.3	-25.5
Changes in loans and other financing	23.5	55.1	-14.3	64.3
Net cash from financing activities	14.5	46.9	-22.6	38.8
Net change in cash	-6.6	47.5	-103.9	-63.0

Comparative net operating cash flow for continuing operations not available

Operating cash flow in the third quarter was affected by the change in the working capital which was primarily due to the timing of payments of trade payables.

January-September capital expenditure affected by a heavy first half including growth and sustainability related initiatives

Adjusted net indebtedness of EUR 1,839 million (1,688 on December 31, 2022) excluding the redemption liability of EUR 192 million for the minority shares

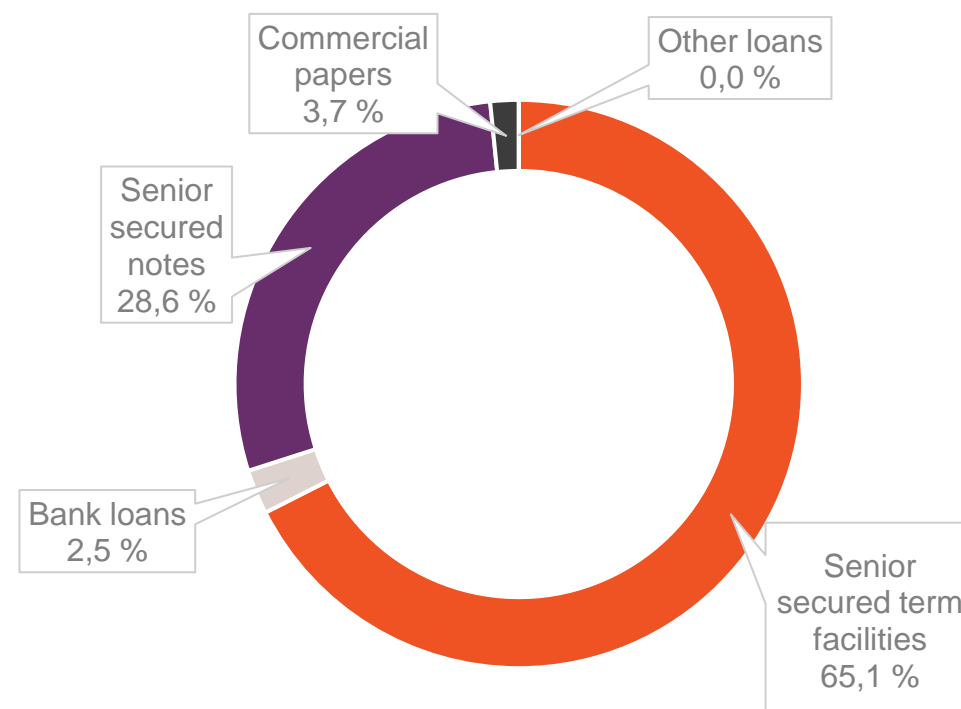
Net indebtedness to adjusted EBITDA ratio increased to 3.8 (3.1 on December 31, 2022)



Debt structure as of September 30, 2023

- Financing of the Ahlstrom-Munksjö acquisition
 - Senior secured term facilities and two secured notes, maturing in 2028
- Renegotiated factoring facility to EUR 300 million in Q2 2021
- A Finnish Commercial Paper Program limited to EUR 300 million established in December 2021
- In March 2022, an add-on of EUR 60 million was raised to existing senior term loan facility
- In July 2023, an add-on of EUR 75 million was raised to existing senior term loan facility
- Interest expenses EUR 143,3 million for the last twelve months (excl. Decor)
- Liquidity is stable with cash and cash equivalents of EUR 171,5 million on September 30, 2023
- No major refinancing needs until 2027-28

Interest-bearing liabilities as of September 30, 2023



Conclusions

- Transformation progressing, delivering strong results – successively lower transformation costs as the business develops internal capabilities
- Comparable EBITDA improved from previous quarter reaching same good level as last year – record strong margin of 16.9%
- Strengthened business portfolio through divestiture of the unprofitable Stenay plant in France, start up of the new glass fiber tissue production line in the U.S and new product introductions that serve our purpose to Purify and Protect
- Customer activity stabilized in Q3 – well-positioned for earnings growth as markets rebound
- Long-term growth prospects remain good, our advanced fiber-based materials and our innovation power make us more relevant than ever before



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Appendix



Operating costs

Breakdown of operating costs January-September 2023



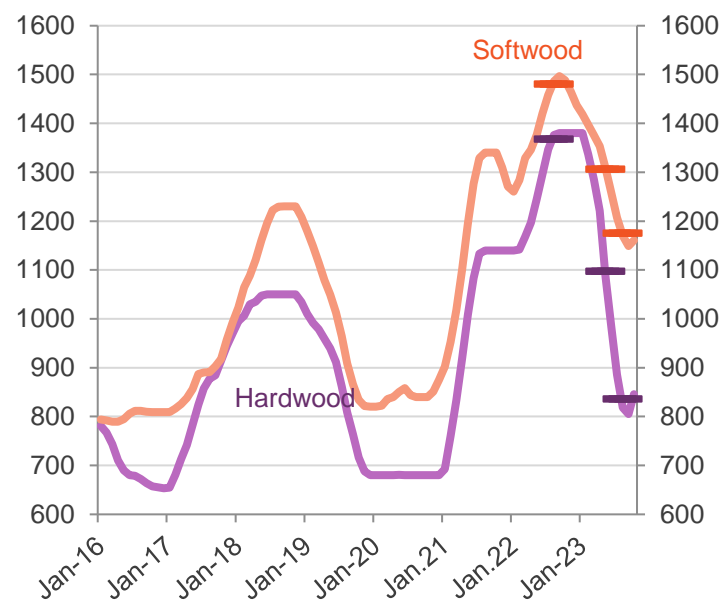
Inflationary environment managed with well executed transformation initiatives, including improved cost efficiency, sales capabilities and skillset



Market pulp prices

Europe

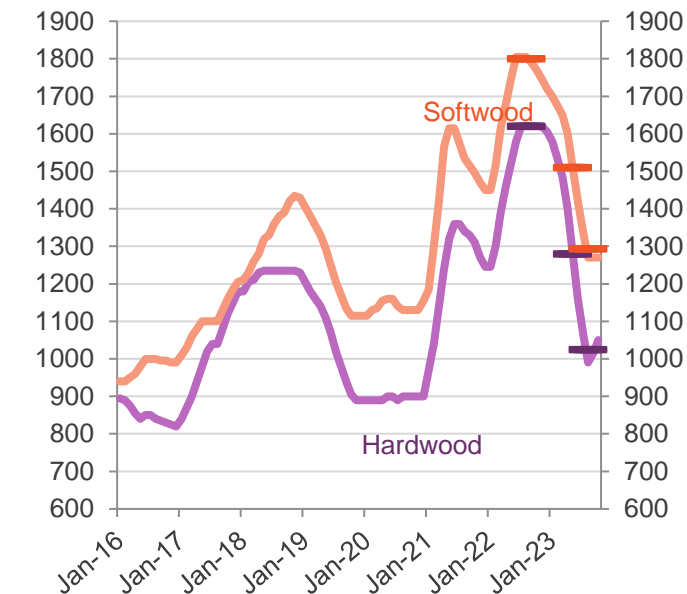
USD per ton



%	Q3 23/Q3 22	Q3 23/Q2 23
Hardwood	-39	-24
Softwood	-21	-10

North America

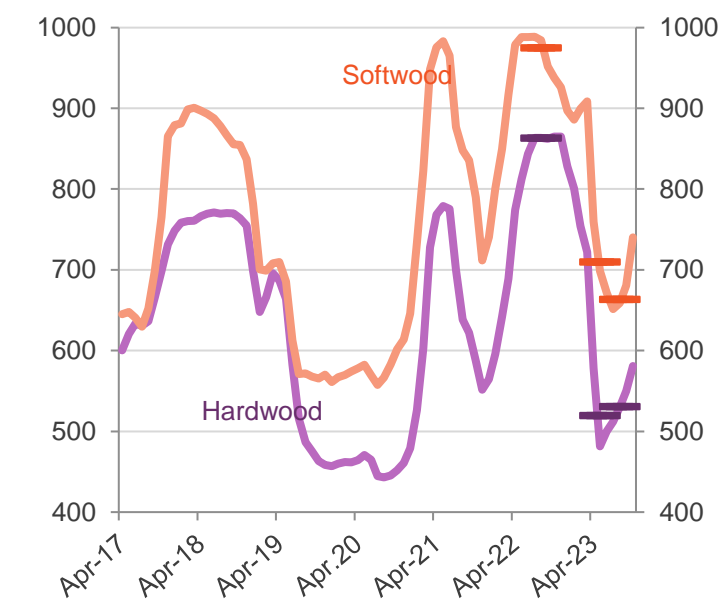
USD per ton



%	Q3 23/Q3 22	Q3 23/Q2 23
Hardwood	-37	-20
Softwood	-28	-14

China

USD per ton



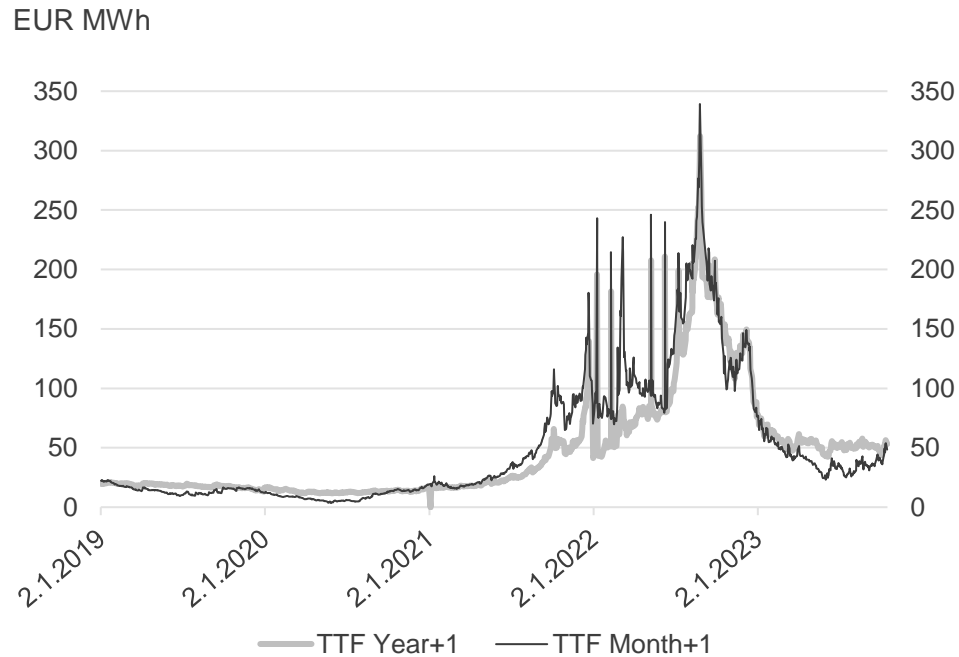
%	Q3 23/Q3 22	Q3 23/Q2 23
Hardwood	-38	2
Softwood	-32	-6

Source: PIX



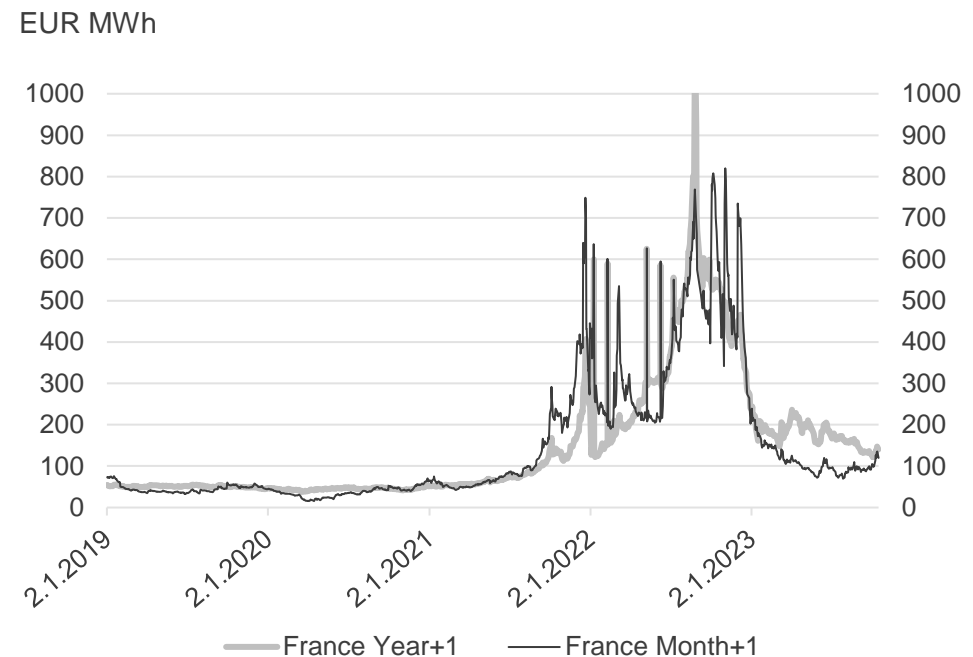
European gas and power prices

European gas prices



%	Q3 23 / Q3 22	Q3 23 / Q2 23
Year+1	-71	-1
Month+1	-83	-4

French power prices



%	Q3 23 / Q3 22	Q3 23 / Q2 23
Year+1	-73	-20
Month+1	-83	-8

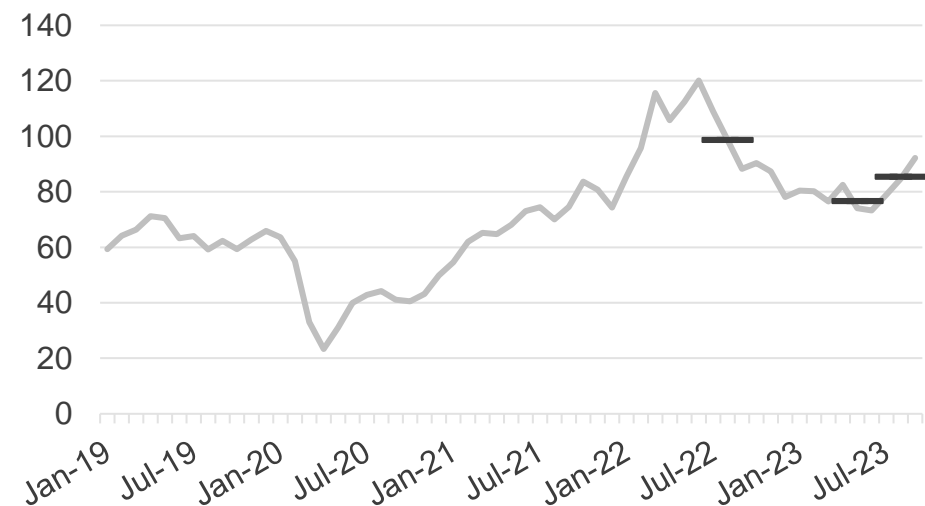
Source: EnergyMarketPrice



Oil and propylene prices

Crude oil price

USD per barrel

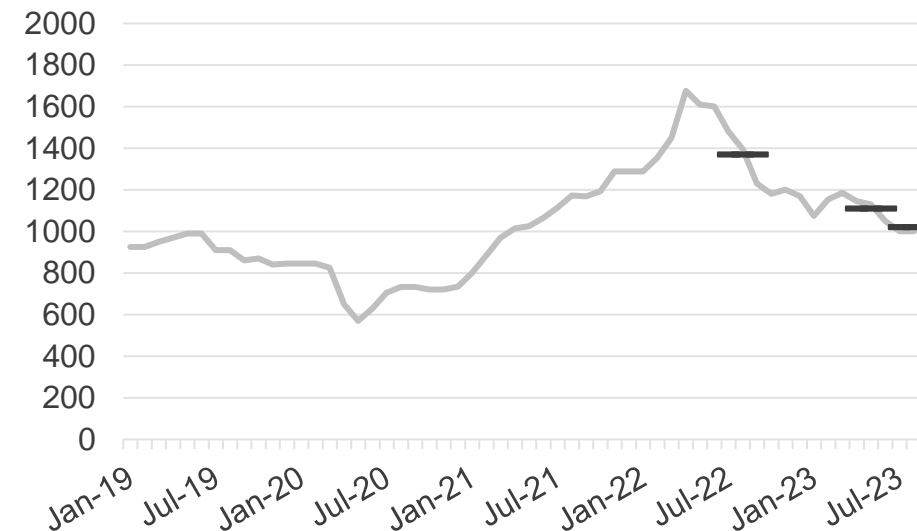


%	Q3 23 / Q3 22	Q3 23 / Q2 23
Brent crude oil	-13	3

Source: World Bank

Propylene

EUR per ton



%	Q3 23 / Q3 22	Q3 23 / Q2 23
Propylene	-25	-8

Source: World Bank





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