

Q1 2023 RESULT

EARNINGS CALL PRESENTATION, MAY 31

HELEN METS, PRESIDENT & CEO
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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 Purify and Protect with Every Fiber for a Sustainable World

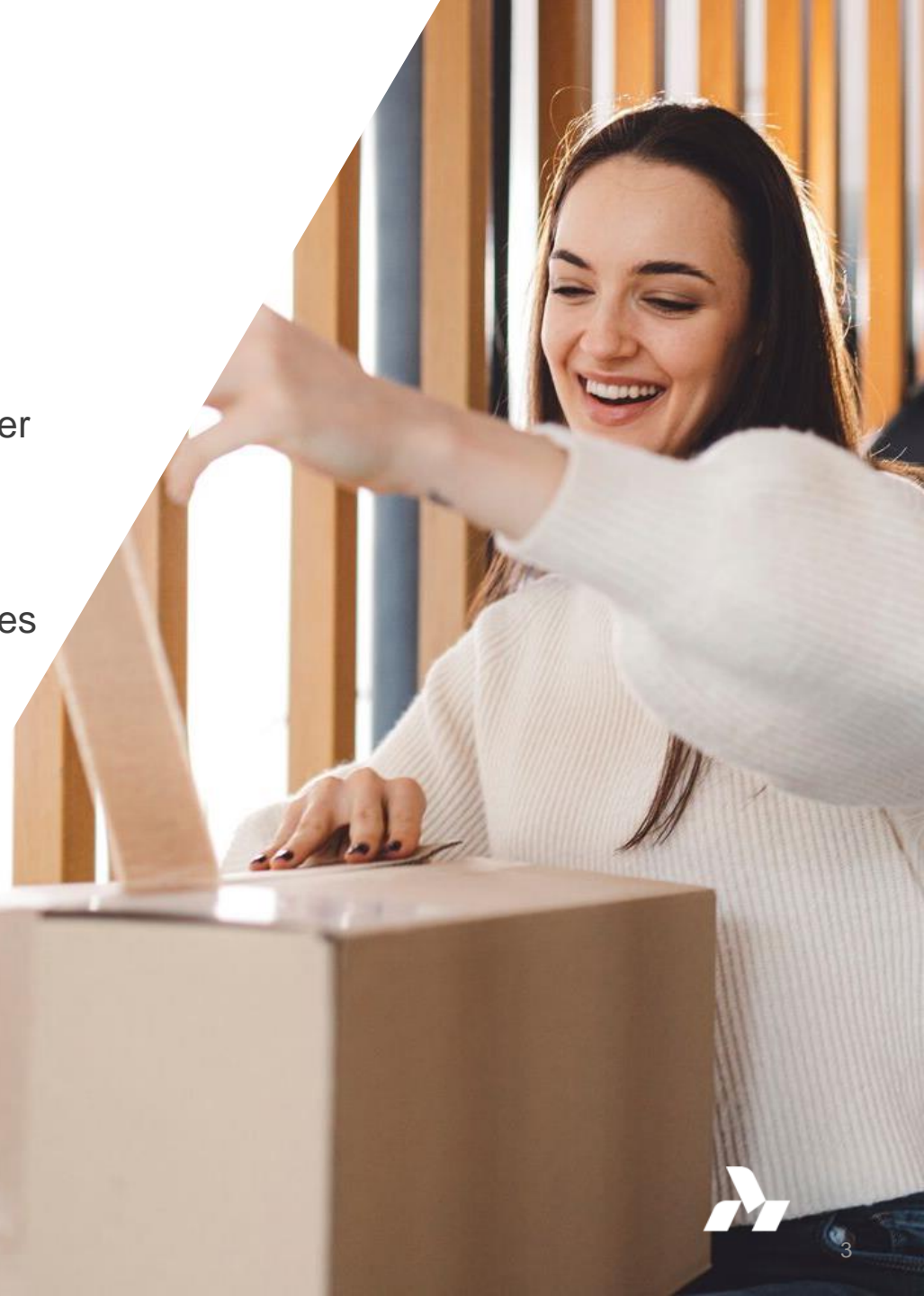
Ahlstrom is a global leader in a wide range of sustainable and technically advanced specialty materials. We help companies and brands stand out in sustainability.

Our offering
contributes to a more
sustainable everyday
life by providing
renewable materials
and solutions with
sustainability benefits



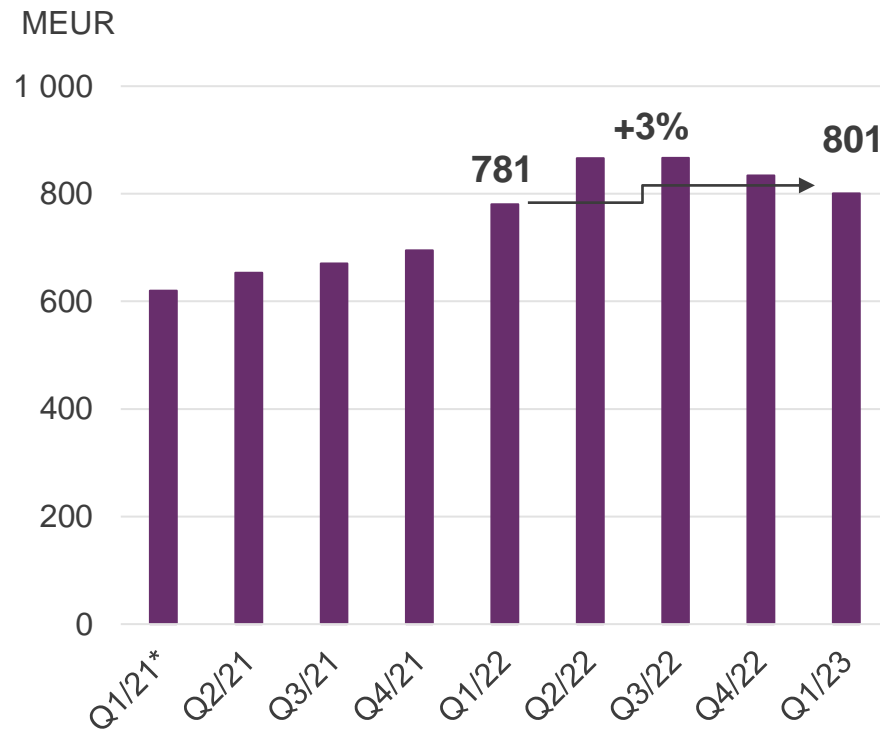
Highlights Q1 2023

- Progress continues on our transformation journey, with initiatives including strategic sourcing and pricing well on track
- Performance was underpinned by a solid margin on variable costs per ton – a result of transformation related initiatives
- Net sales increased 3% on higher selling prices
- Ongoing destocking across the value chains resulted in lower volumes
- Comparable EBITDA decreased due to lower volumes
- Changes in leadership team to support our science and innovation efforts and our people agenda
- Consultation process started at the Stenay plant in France regarding the possibility of divesting or closing of plant
- Employee engagement increased from 16 in 2022 to 32 in April 2023, putting us almost among top 25% industry employers

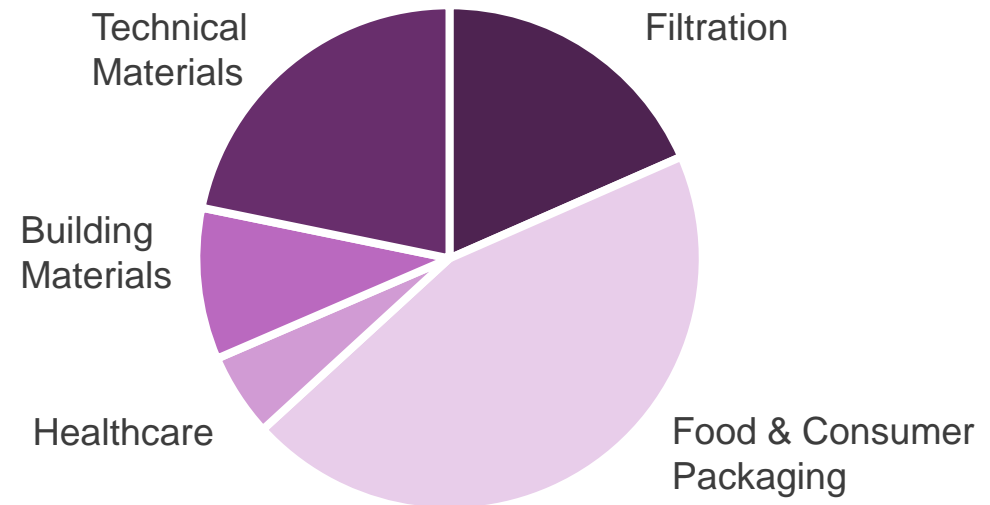


Customer activity affected by destocking and lower end use demand across all divisions

Quarterly net sales



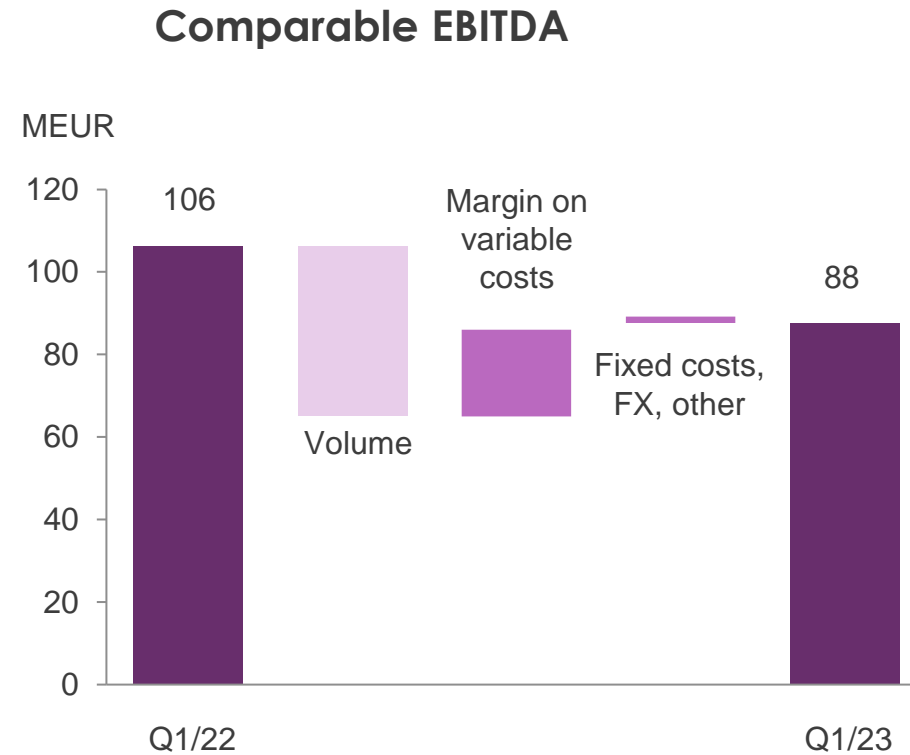
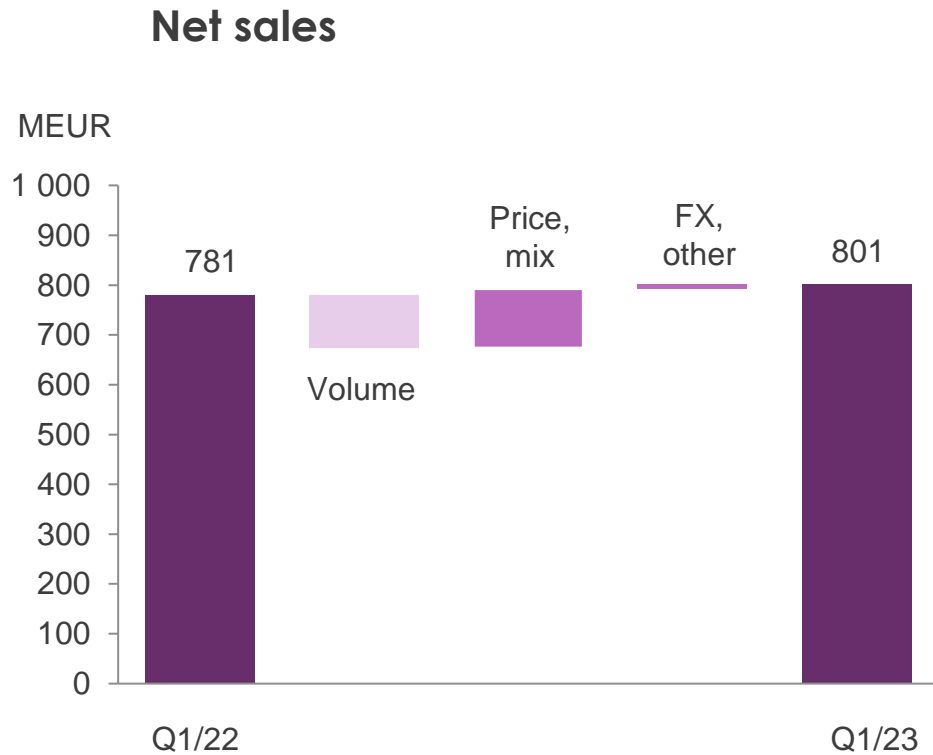
Divisional breakdown of net sales Q1 2023



* Pro forma



Net sales growth driven by higher prices – comparable EBITDA supported by higher MOVC per ton*



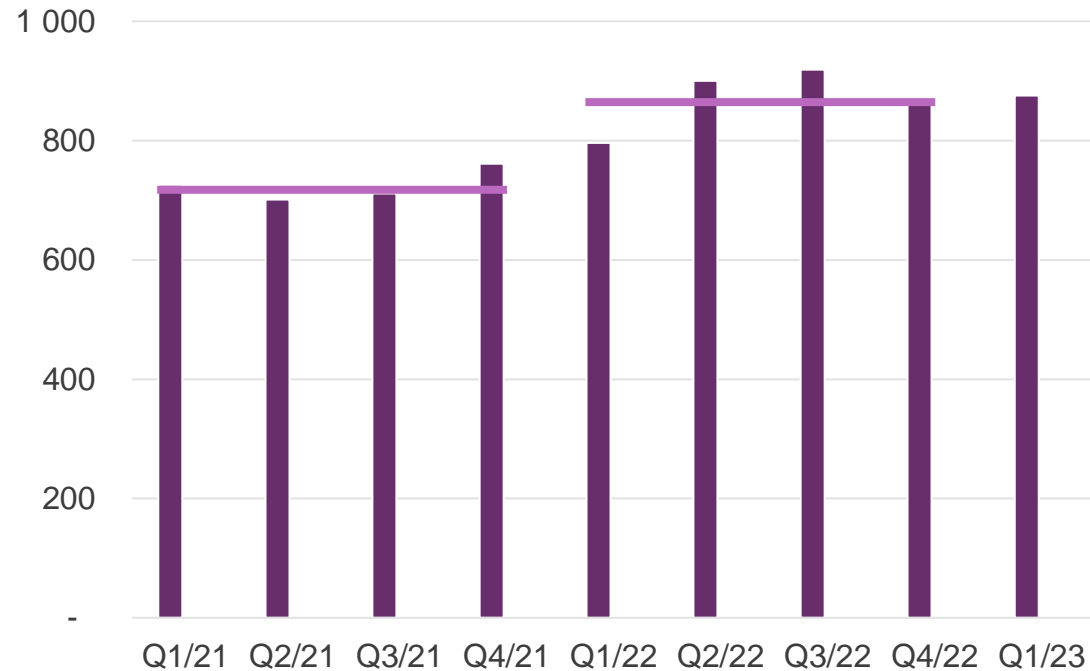
* MOVC per ton: Margin on variable costs per ton



Solid margin on variable cost per ton

Margin on variable costs per ton

EUR per ton




Margin on variable cost per ton supported by commercial and operational excellence initiatives



Reconciliation of comparable EBITDA to adjusted EBITDA

MEUR (LTM)	Q1 2023	Q4 2022
Comparable EBITDA	422	440
FY 22 impact	9	28
FY 23 impact	65	73
FY 24 impact	16	-
Adjusted EBITDA	512	541



Estimated future contributions from the transformation initiatives are almost at the same level as at the end of Q4 2022

Operating cash flow impacted by change in working capital, affected by short term incentive payments

MEUR	Q1 2023*
Comparable EBITDA	87.6
Items affecting comparability	-11.1
EBITDA	76.5
Change in net operating working capital	-62.0
Interest paid	-26.3
Taxes paid	-7.3
Adjustments, other	-3.8
Net cash from operating activities	-22.9
Capital expenditure excluding acquisitions	-62.7
Other	4.3
Net cash from investing activities	-58.4
Return of equity, dividends paid	-8.3
Changes in loans and other financing	-14.3
Net cash from financing activities	-22.6
Net change in cash	-103.9

Cash flow was negatively impacted by an increase in working capital, affected by short term incentive payments in March and lower market activity

Capital expenditure-heavy first quarter including growth related projects

Adjusted net indebtedness of EUR 1,770 million (1,688 on December 31, 2022) excluding the redemption liability of EUR 232 million for the minority shares

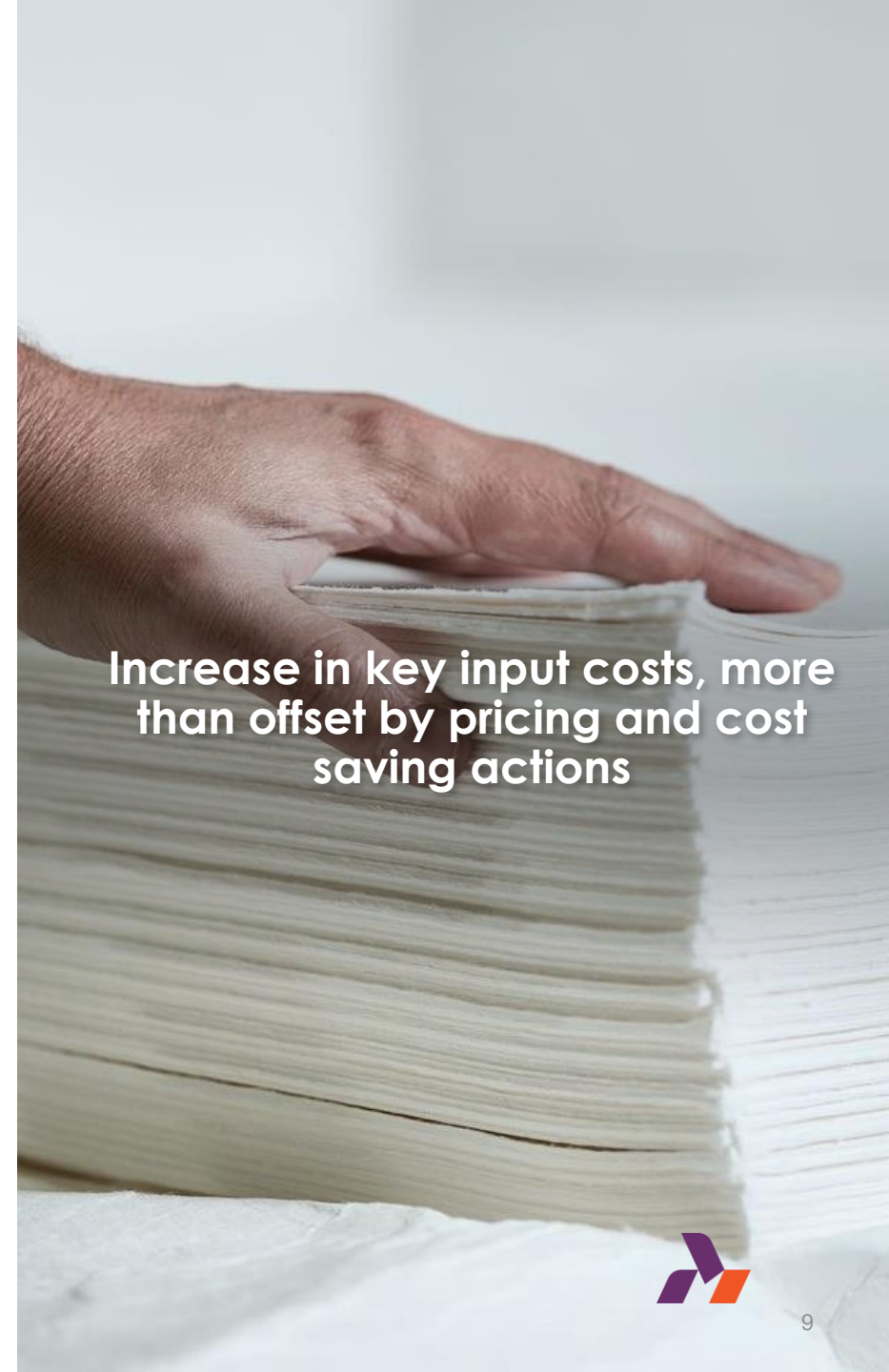
Net indebtedness to adjusted EBITDA ratio increased to 3.5 (3.1 on December 31, 2022)

*Q1 2022 net operating cash flow for continuing operations not available



Operating costs

Breakdown of operating costs in Q1 2023



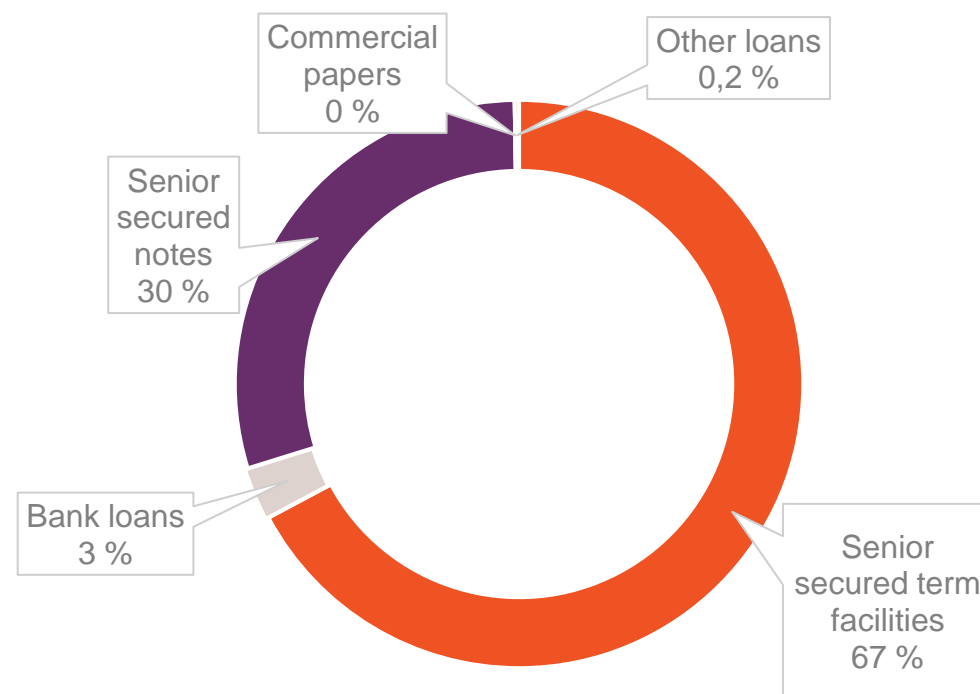
Increase in key input costs, more than offset by pricing and cost saving actions



Debt structure as of March 31, 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
- Interest expenses continuing operations EUR 130 million for the last twelve months ending Q1 2023
- Liquidity is satisfactory with cash and cash equivalents of EUR 135 million on March 31, 2023
- No major refinancing needs expected until 2027-28

Interest-bearing liabilities as of March 31, 2023



Conclusions

- Momentum continues on our transformation journey and milestones are on track
- Margin on variable cost per ton remains solid, as a result of transformation initiatives, including pricing
- Intensified cost control and temporary capacity adjustments to protect margins in current market environment
- Inventory reduction across the value chain is expected to be passed in the latter part of the year
- 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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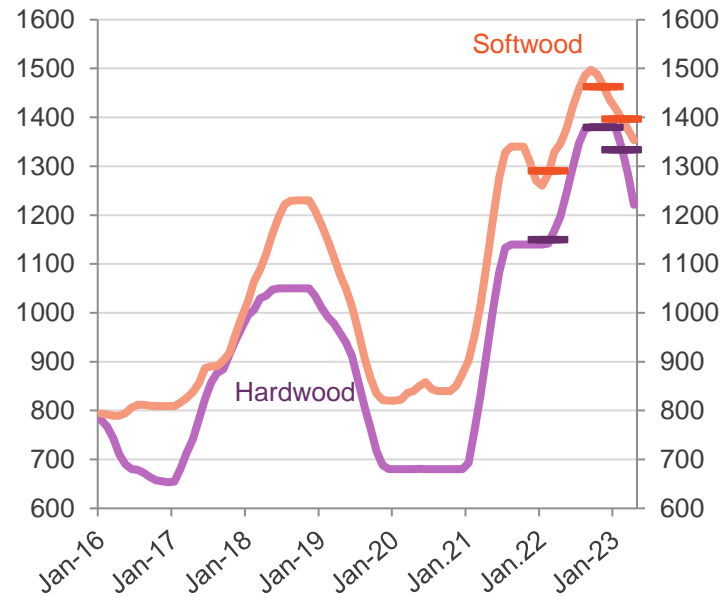
Appendix



Market pulp prices

Europe

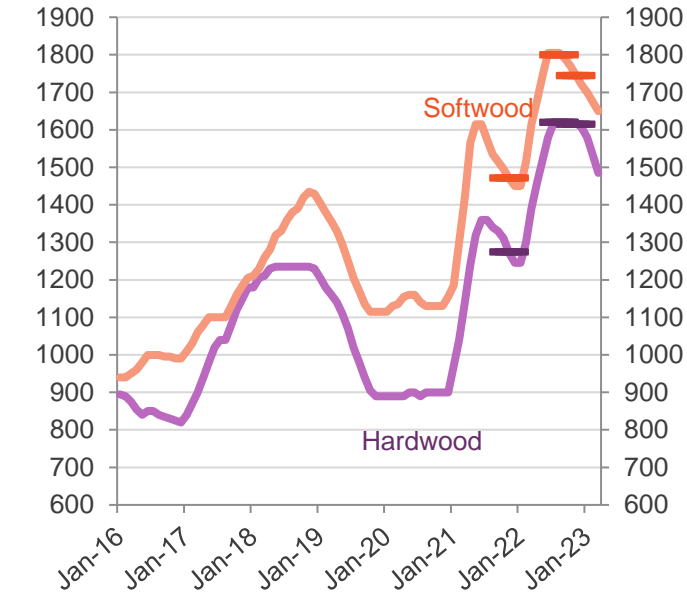
USD per ton



%	Q1 23/Q1 22	Q1 23/Q4 22
Hardwood	16	-3
Softwood	8	-5

North America

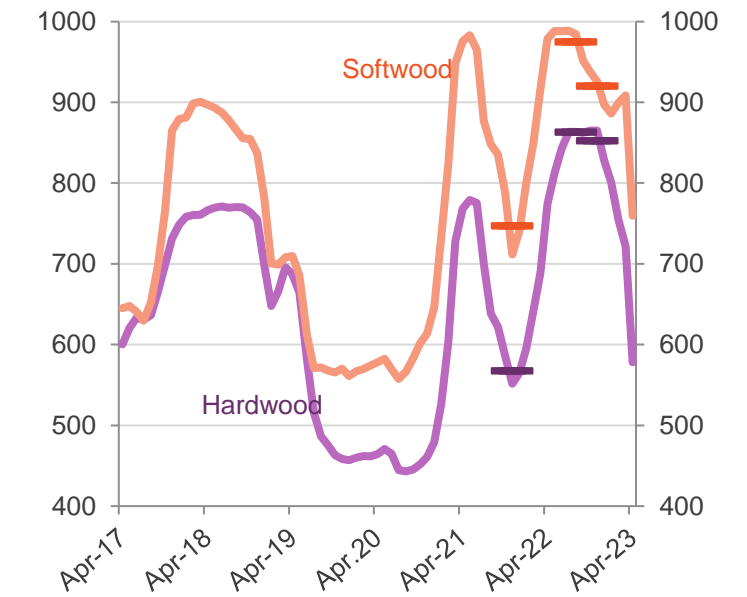
USD per ton



%	Q1 23/Q1 22	Q1 23/Q4 22
Hardwood	17	-5
Softwood	10	-4

China

USD per ton



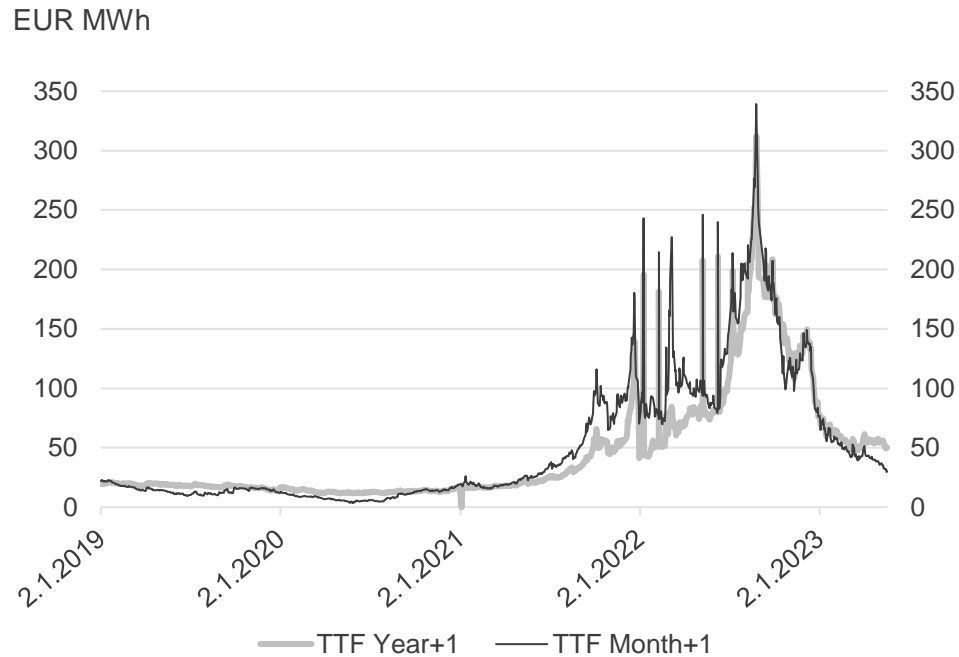
%	Q1 23/Q1 22	Q1 23/Q4 22
Hardwood	18	-11
Softwood	5	-2

Source: RISI



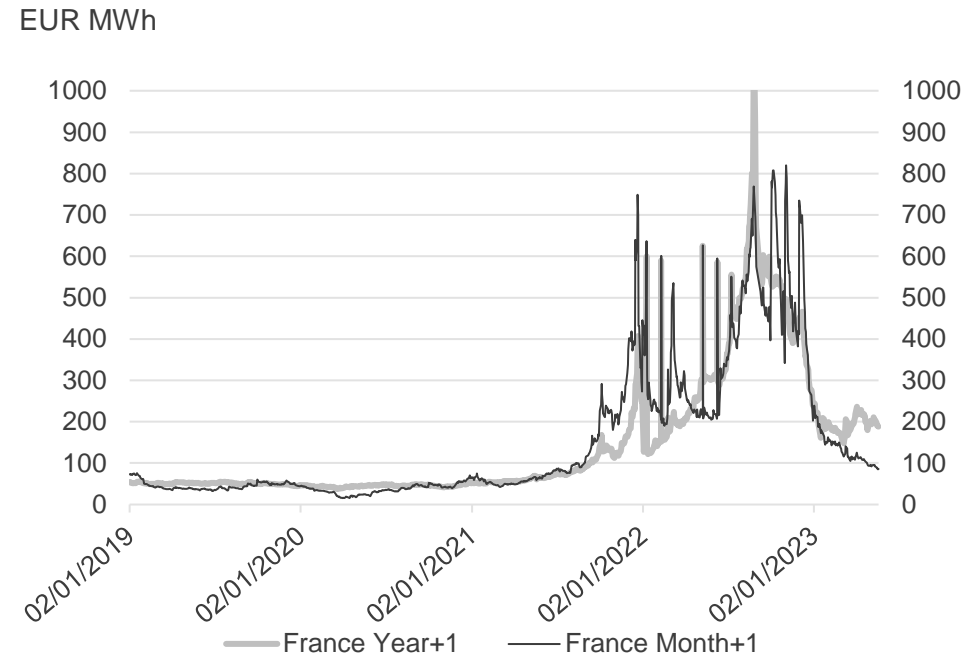
European gas and power prices

European gas prices



%	Q1 23/ Q1 22	Q1 23/ Q4 22
Year+1	2	-55
Month+1	-47	-57

French power prices



%	Q1 23/ Q1 22	Q1 23/ Q4 22
Year+1	26	-57
Month+1	-41	-72

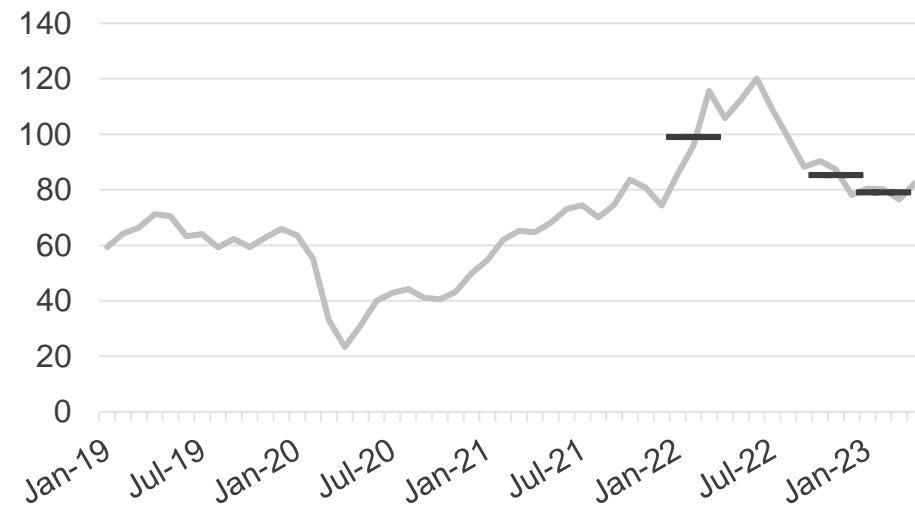
Source: EnergyMarketPrice



Oil and propylene prices

Crude oil price

USD per barrel

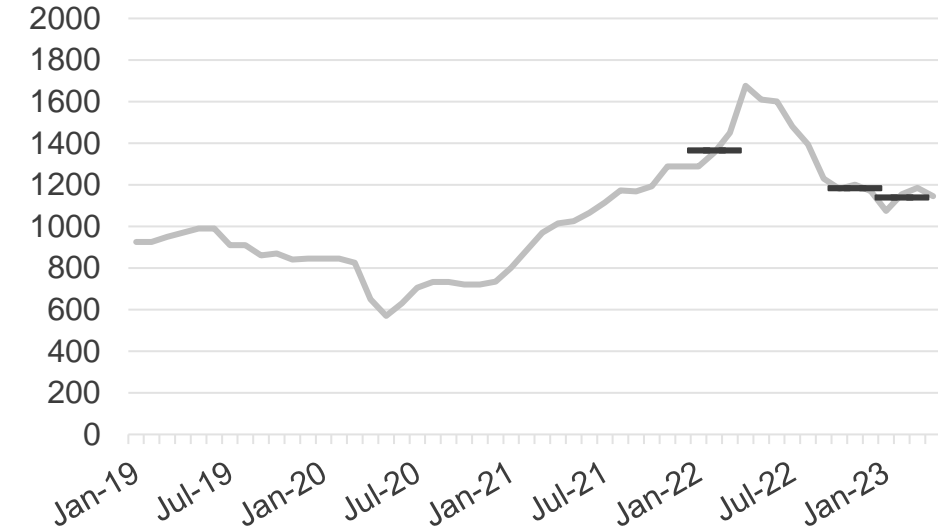


%	Q1 23/ Q1 22	Q1 23/ Q4 22
Brent crude oil	-20	-7

Source: World Bank

Propylene

EUR per ton



%	Q1 23/ Q1 22	Q1 23/ Q4 22
Propylene	-17	-4

Source: World Bank





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