

# Q1/2020

INTERIM REPORT JANUARY-  
MARCH 2020

# STRONG IMPROVEMENT IN COMPARABLE EBITDA

## HIGHLIGHTS DURING THE REPORTING PERIOD

- Strong improvement in comparable EBITDA , all business areas improved
- Delivery volumes increased
- EUR 50 million cost savings program completed ahead of schedule
- Rapid and coordinated response to the COVID-19 pandemic, limited impact in the first quarter
- Very strong demand for medical and life science end-use products, expansion of face mask materials production
- Sale of the fine art paper business in Arches, France, resulted in a capital gain of EUR 31 million

## Q1/2020 VS Q1/2019

- Net sales decreased by 5.2% to EUR 718.1 million (757.7), partly due to an unfavorable product mix
- Comparable EBITDA increased by 22% to EUR 91.7 million (75.0), representing 12.8% (9.9) of net sales, supported by lower variable costs and higher sales volumes
- Operating result of EUR 73.7 million (17.8), including the capital gain from the sale of the fine art paper business
- Net result EUR 46.6 million (4.1)
- Earnings per share EUR 0.40 (0.03)
- Comparable EPS excluding depreciation and amortization arising from PPA EUR 0.30 (EUR 0.21)
- Net debt decreased to EUR 854.3 million (885.0 in Q4/2019), supported by the sale of the fine art paper business

PPA = purchase price allocation

Q1/2020

COMPARABLE  
EBITDA MARGIN  
12.8%

VOLUME  
GROWTH

RAPID COVID-  
19 RESPONSE

STABLE  
GEARING

## KEY FIGURES

Key figures EUR million, or as indicated	Q1 2020	Q1 2019	Q4 2019	Q1-Q4 2019
Net sales	718.1	757.7	701.3	2,915.3
Comparable EBITDA	91.7	75.0	70.5	312.9
Comparable EBITDA margin, %	12.8	9.9	10.1	10.7
EBITDA	120.5	60.2	63.3	279.4
Comparable operating result	49.1	32.6	25.5	139.0
Operating result	73.7	17.8	16.0	103.2
Net result	46.6	4.1	1.9	32.8
Earnings per share (basic), EUR	0.40	0.03	0.01	0.27
Comparable earnings per share (basic), EUR	0.21	0.13	0.08	0.50
Comparable EPS excl. depreciation and amortization arising from PPA, EUR *	0.30	0.21	0.16	0.84
Return on equity (ROE), rolling 12 months, %	6.5	2.4	2.9	2.9
Comparable ROE, rolling 12 months, %	6.0	7.4	5.2	5.2
Return on capital employed (ROCE), rolling 12 months, %	6.8	3.7	4.4	4.4
Comparable ROCE, rolling 12 months, %	6.6	7.3	5.9	5.9
Net cash from operating activities	11.8	29.9	68.4	286.7
Capital expenditure	26.3	35.5	36.3	161.1
Net debt	854.3	1,040.6	885.0	885.0
Gearing ratio, %	72.3	92.6	71.8	71.8

\*Depreciation and amortization arising from PPA (purchase price allocation) comprise depreciation and amortization charges from fair value adjustments relating to the business combinations starting from 2013.

Ahlstrom-Munksjö has adopted the European Securities and Markets Authority (ESMA) guidelines on Alternative Performance Measures (APMs) to reflect the underlying business performance and improve comparability. These measures should, however, not be considered as a substitute for measures of performance in accordance with IFRS. Alternative performance measures are derived from performance measures reported in accordance with IFRS by adding or deducting items affecting comparability (IAC), or purchase price allocation (PPA), and they are called "comparable". More details on APMs and key figures are available in the appendix 2.

## CEO COMMENTS

We made a strong improvement in comparable EBITDA and the achieved margin of 12.8% was the highest in two and a half years. Our sales volumes recovered as expected and customer activity was at a good level for most of the quarter, while the coronavirus pandemic started to have an impact on our business towards the end of the reporting period. During the quarter we were able to strengthen our balance sheet, thanks to the improved profitability and sale of the fine art business, and we have strong liquidity going forward with no major near-term refinancing needs.

### SWIFT RESPONSE TO THE PANDEMIC

The spread of the COVID-19 virus around the world has created strong demand for healthcare goods in general, and specifically for protective medical products that are made from our fabrics. We are leveraging our in-depth knowledge of fiber-based solutions and global manufacturing platform to support our customers in the healthcare industry globally as well as in the communities where we operate.

During the first quarter, our Medical business has nearly tripled face mask fabric production. We have also expanded the production of face mask fabrics to production lines normally used for industrial filtration materials at the plants in Italy and Finland to fight the pandemic, and we are evaluating further expansion opportunities across our global manufacturing platform.

Safety of our employees is of utmost importance and we initiated already in January a centralized crisis alert team to carry out a global pandemic contingency and preparedness response plan. Our COVID-19 Safety Protocol that we have applied across the organization has been elementary in keeping plants operational, while ensuring safety of our employees.

We are currently implementing immediate actions, such as temporary layoffs, shorter working hours and minimizing the use of external personnel and services, to mitigate the financial impact as we expect our volumes to decline in the second quarter. Meanwhile, we continue to work on ensuring competitiveness in the longer-term and have identified additional streamlining opportunities in manufacturing fixed costs in the range of EUR 20 million, with gradual impact from the end of 2020 onwards.

### LOOKING AHEAD

We are taking rapid response to fight the pandemic, while at the same time cushioning the negative financial impact. Our organization has performed very well in this unprecedented situation and this makes me proud. Together we can weather these difficult times and come out stronger than before.



*“We made a strong improvement in comparable EBITDA and the achieved margin of 12.8% was the highest in two and a half years.”*

*Hans Sohlström, President and CEO*

## OUTLOOK FOR Q2/2020

The overall demand outlook has become uncertain due to the outbreak of the COVID-19 pandemic. Very strong demand is expected to continue in the health care and life science end-use segments. Demand for consumer goods related products is expected to remain satisfactory, while decline in transportation, homebuilding and furniture, as well as in industrial related products. Ahlstrom-Munksjö's comparable EBITDA in the second quarter of 2020 is expected to be lower than in the second quarter of 2019 due to lower delivery volumes.

# FINANCIAL PERFORMANCE

## NET SALES DEVELOPMENT

Net sales by business area EUR million	Q1 2020	Q1 2019	Q4 2019	Q1-Q4 2019
Filtration & Performance Solutions	166.5	187.5	178.6	724.0
Advanced Solutions	120.1	119.1	111.7	470.2
Industrial Solutions	192.3	201.6	175.6	765.7
Food Packaging & Technical Solutions	145.8	151.2	141.3	582.4
Decor Solutions	106.2	112.2	103.7	419.6
Other and eliminations	-12.8	-13.9	-9.7	-46.5
<b>Group</b>	<b>718.1</b>	<b>757.7</b>	<b>701.3</b>	<b>2,915.3</b>

## PROFIT AND PROFITABILITY DEVELOPMENT

EBITDA by business area EUR million	Q1 2020	Q1 2019	Q4 2019	Q1-Q4 2019
Filtration & Performance Solutions	62.6	31.0	26.7	121.7
Advanced Solutions	14.3	12.2	10.0	50.2
Industrial Solutions	20.1	11.7	8.2	52.9
Food Packaging & Technical Solutions	16.6	12.0	15.7	51.3
Decor Solutions	12.2	1.1	9.9	25.0
Other and eliminations	-5.3	-7.8	-7.2	-21.6
<b>Group</b>	<b>120.5</b>	<b>60.2</b>	<b>63.3</b>	<b>279.4</b>

Items affecting comparability in EBITDA by business area EUR million	Q1 2020	Q1 2019	Q4 2019	Q1-Q4 2019
Filtration & Performance Solutions	30.8	-	-1.7	-4.4
Advanced Solutions	-0.2	-0.2	-0.2	-0.4
Industrial Solutions	-	-3.1	-3.0	-8.2
Food Packaging & Technical Solutions	0.2	-	-0.5	-2.1
Decor Solutions	-0.4	-6.8	-0.6	-9.5
Other and eliminations	-1.5	-4.7	-1.1	-8.8
<b>Group</b>	<b>28.8</b>	<b>-14.8</b>	<b>-7.2</b>	<b>-33.4</b>

Comparable EBITDA by business area EUR million	Q1 2020	Q1 2019	Q4 2019	Q1-Q4 2019
Filtration & Performance Solutions	31.8	31.0	28.5	126.1
Advanced Solutions	14.5	12.4	10.2	50.6
Industrial Solutions	20.1	14.8	11.2	61.1
Food Packaging & Technical Solutions	16.4	12.0	16.2	53.4
Decor Solutions	12.7	8.0	10.4	34.5
Other and eliminations	-3.7	-3.1	-6.0	-12.9
<b>Group</b>	<b>91.7</b>	<b>75.0</b>	<b>70.5</b>	<b>312.9</b>

Comparable EBITDA margin by business area %	Q1 2020	Q1 2019	Q4 2019	Q1-Q4 2019
Filtration & Performance Solutions	19.1	16.5	15.9	17.4
Advanced Solutions	12.1	10.4	9.1	10.8
Industrial Solutions	10.5	7.3	6.4	8.0
Food Packaging & Technical Solutions	11.2	7.9	11.5	9.2
Decor Solutions	11.9	7.1	10.1	8.2
<b>Group</b>	<b>12.8</b>	<b>9.9</b>	<b>10.1</b>	<b>10.7</b>

## JANUARY-MARCH 2020

### Comparison to January-March 2019

Net sales decreased 5.2% to EUR 718.1 million (757.7). Higher delivery volumes were more than offset by lower average selling prices, partly relating to a less favorable product mix.

Comparable EBITDA increased to EUR 91.7 million (75.0), representing 12.8% of net sales (9.9). This was due to lower variable costs, which more than offset lower selling prices and a less favorable product mix, and higher deliveries. Variable costs were reduced due to both lower raw material prices and cost savings measures. Manufacturing fixed costs increased somewhat.

EBITDA was EUR 120.5 million (60.2). Items affecting comparability (IACs) in EBITDA totaled EUR 28.8 million (EUR -14.8 million) and included a capital gain of EUR 31.0 million from the sale of the fine arts paper business.

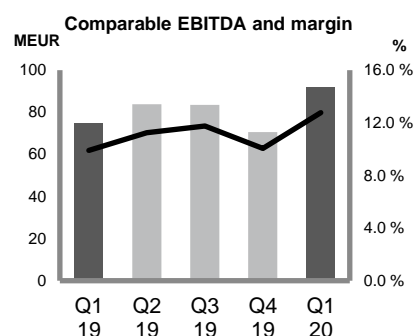
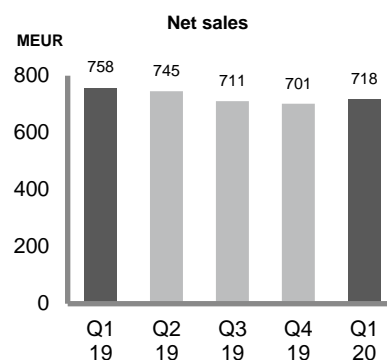
The operating result was EUR 73.7 million (17.8). Depreciation, amortization and impairment amounted to EUR 46.7 million (42.4), including depreciation and amortization arising from PPA of EUR 13.2 million (12.6) and an impairment loss of EUR 4.2 million (0.0), that is an item affecting comparability.

Net financial items decreased to EUR -9.6 million (-11.6). The figure includes net interest expenses of EUR 10.4 million (11.9), a currency exchange gain of EUR 2.2 million (1.7) and other financial expense of EUR 1.4 million (1.5).

Result before taxes was EUR 64.1 million (6.2). Taxes amounted to EUR 17.5 million (2.1). Net result for the period was EUR 46.6 million (4.1), and earnings per share were EUR 0.40 (0.03).

### Comparison to October-December 2019

Compared with the fourth quarter of 2019, comparable EBITDA increased mainly due to higher delivery volumes and lower variable costs, more than offsetting lower selling prices.



Reconciliation of EBITDA to comparable EBITDA	Q1	Q1	Q4	Q1-Q4
EUR million	2020	2019	2019	2019
<b>EBITDA</b>	<b>120.5</b>	<b>60.2</b>	<b>63.3</b>	<b>279.4</b>
Transaction costs	-1.2	-0.3	-0.8	-2.7
Integration costs	-0.5	-6.7	-0.5	-11.7
Restructuring costs	-0.5	-7.7	-3.6	-15.4
Gain/Loss on business disposal	31.0	-	-1.6	-1.6
Other	-0.0	-	-0.8	-2.1
<b>Total items affecting comparability in EBITDA</b>	<b>28.8</b>	<b>-14.8</b>	<b>-7.2</b>	<b>-33.4</b>
<b>Comparable EBITDA</b>	<b>91.7</b>	<b>75.0</b>	<b>70.5</b>	<b>312.9</b>

Full reconciliation is available in the appendix 2.

# CASH FLOW AND FINANCING

## CASH FLOW

Net cash from operating activities amounted to EUR 11.8 million (29.9) as the seasonal increase in working capital was larger than in the comparison period.

## FINANCING

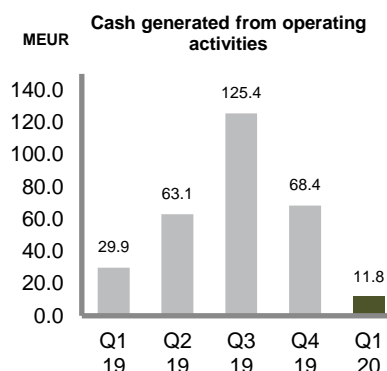
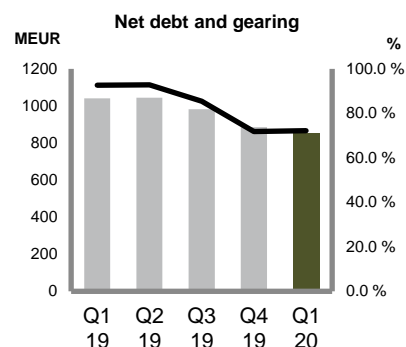
The company's net debt decreased to EUR 854.3 million at the end of the reporting period (885.0 on December 31, 2019) and was supported by the sale of the fine arts business. Gearing stood at 72.3% (71.8 on December 31, 2019).

On December 13, 2019, Ahlstrom-Munksjö issued a EUR 100 million hybrid bond with fixed interest rate of 3.879% per annum. The fixed interest is taken into account in earnings per share calculations. The hybrid is treated as equity and EUR 3.7 million was deducted from equity in the first quarter of 2020 as interest.

Ahlstrom-Munksjö's liquidity continues to be good. At the end of the review period, the total cash position was EUR 247.3 million (166.1 on December 31, 2019). In addition, the company had undrawn committed credit facilities and committed cash pool overdrafts of EUR 211.0 million available. At the end of the reporting period, the weighted average interest rate, excluding lease liabilities and hybrid bond, was 3.0% (3.4 on December 31, 2019).

During April, Ahlstrom-Munksjö has signed a new EUR 50 million committed revolving credit facility for 12 months. With this arrangement, the amount of available undrawn committed facilities totals to EUR 261 million. In addition, Ahlstrom-Munksjö has signed a premium pension loan (TyEL pension loan) of EUR 20 million for 3 years. The pension loan will be raised before the end of April 2020.

On March 31, 2020, equity was EUR 1,182.2 million (1,232.0 on December 31, 2019). The equity was positively impacted by the net result, while reduced by a EUR 60 million dividend, EUR 4 million purchase of own shares and EUR 3.7 million interest on hybrid bond. The dividend will impact cash flow and net debt in the second, third and fourth quarters of 2020 and first quarter of 2021 as it will be paid in four instalments.



## UPDATE ON COVID-19

### HEALTH AND SAFETY OF OUTMOST IMPORTANCE

On January 23, 2020, Ahlstrom-Munksjö initiated a centralized crisis alert team to carry out a global pandemic contingency and preparedness response plan. The company has established a COVID-19 Safety Protocol to ensure safe operations and customer service. Its manufacturing plants are maintaining a cohesive set of rules to keep operations running and employees safe. Local adjustments are made according to country level or local health and safety regulation and guidance.

### LIMITED IMPACT OF THE CORONAVIRUS OUTBREAK

Ahlstrom-Munksjö's plants and customer service teams are operational worldwide. The exceptional circumstances created by the coronavirus outbreak had a limited impact on the company's operations in the first quarter of 2020. Plants were operational except for a few temporary shutdowns caused by government lockdowns and production was not interrupted to any significant extent due to issues in raw material supply.

### STRONG DEMAND IN HEALTH CARE AND LIFE SCIENCE INDUSTRIES

Within Ahlstrom-Munksjö's broad range of advanced fiber-based solutions, the company experiences a very strong demand in the health care and life science end-use segments, which corresponds to approximately 9% of net sales. Solutions for personal

protection equipment such as face masks, drapes and gowns, as well as diagnostics materials for rapid test kits and venting filters for devices used in the treatment of patients with respiratory disorders are particularly in strong demand. The exceptional circumstances with a large portion of the global population in lockdown has also increased demand for packaging related release liner and tape backings. Stockpiling of pharmaceuticals has strengthened demand for medical leaflets. In the consumer goods segment, of which food and beverage and packaging represent the largest share, demand has been satisfactory. However, it has varied depending on end use. Demand has clearly decreased in home building and furniture, transportation and industrial end-uses.

#### CAPACITY EXPANSION IN RESPONSE TO GROWING DEMAND

Ahlstrom-Munksjö has increased capacity across its entire product offering serving the healthcare and life science end-user segments. In addition, the company has leveraged its unique capability in filtration materials by expanding the manufacturing of face mask fabrics to production lines normally used for production of other fiber-based materials. During the first quarter the Medical business has nearly tripled fabric production contributing to more than 150 million finished face masks per month.

In the beginning of March, the company expanded the production of face mask materials to a fine fiber line normally used for industrial filtration materials at the Turin plant in Italy. The technology is unique, generating good protection and breathability for medical use, and approved as a surgical mask. The advantage of this technology compared to the commonly available electrostatically charged material is its durability. First orders were received in the middle of March, and Ahlstrom-Munksjö is now targeting to ramp up fabrics production for more than 20 million face masks per month.

In April, Ahlstrom-Munksjö expanded the production of face mask materials to a line normally used for industrial filtration materials at the Tampere plant in Finland. Currently the material is well suited for lighter fabric face masks in civil activities. Development continues to meet the requirements of material for surgical masks for medical use. The Tampere plant can deliver fabrics for around 10 million face masks per month.

#### IMMEDIATE ACTIONS TO MITIGATE THE NEGATIVE FINANCIAL IMPACT

Ahlstrom-Munksjö is launching numerous actions across the organization to cushion the financial impact of the expected decline in delivery volumes caused by the measures to contain the pandemic. It also aims to ensure that operations can be restored quickly when demand recovers.

Actions currently being implemented include temporary layoffs, reducing working hours and minimizing the use of external personnel and service. Spending has been reduced and certain projects have been postponed. Implementation depends on country and site specific circumstances. Members of the Executive Management Team and the CEO have agreed to take a 50% and 100% reduction, respectively, on one month's salary during the second quarter. The Board of Directors have also decided to forgo their compensation for one month in the second quarter.

Savings from these actions is expected to be approximately EUR 9 million in the second quarter of 2020.

## MEASURES TO IMPROVE COMPETITIVENESS

#### EXPERA AND CAIEIRAS COST SYNERGIES ACHIEVED - BUSINESS SYNERGIES AHEAD

In 2019 the company achieved the targeted cost synergy run rate of EUR 21 million from the Expera and Caieiras acquisitions, exceeding the initial target of EUR 14 million. The Expera acquisition is also expected to generate annual business synergies of at least EUR 10 million with a gradual impact from 2020 onwards. Cross-selling opportunities relate to the broader product offering and expanded presence, particularly in food processing and packaging, such as specialty paper to wrap and package processed and quick service restaurant prepared foods. Technology sharing is expected to generate benefits in the manufacture of e.g. interleaving papers and release liner. The expanded production platform provides production optimization opportunities e.g. in the tape products segment. Coronavirus related lockdowns and travel restrictions are currently delaying the implementation of the planned actions.



## EUR 50 MILLION COST SAVINGS TARGET ACHIEVED

Ahlstrom-Munksjö completed ahead of schedule the identified annual cost savings target of EUR 50 million due to good execution and increased volumes. In the first quarter, the actual impact from the program was EUR 17 million. This corresponds to EUR 66 million for the full-year when assuming first quarter volumes. They comprised mainly variable cost related savings.

## NEW PROGRAM TO LOWER MANUFACTURING FIXED COSTS

Ahlstrom-Munksjö has expanded its businesses and ability to meet customer needs through a merger and acquisitions in recent years. This strategic transformation has proven successful and the company has captured the promised synergy benefits. The market environment has been challenging, impacted by volatile raw material prices, lower demand and intensified competition. The company's continuous improvement measures and the realized synergy benefits from the acquisitions have reduced both variable and fixed costs. However, the company's cost efficiency can be further improved.

In these circumstances, Ahlstrom-Munksjö is introducing a new longer-term profit improvement program. The annualized target is in the range of EUR 20 million with gradual impact from the end 2020 onwards. The review so far, involving benchmarking of the plants, has shown a number of areas where the fixed cost efficiency of manufacturing can be improved.

# DECOR EXPLORING STRATEGIC ALTERNATIVES IN CHINA

On September 17, 2019, Ahlstrom-Munksjö announced it was exploring potential acquisitions, mergers and joint-ventures with decor paper suppliers in China to speed up the development of the business into a stand-alone leading operation globally. In addition, the company is investigating the interest of capital investment in the Decor business.

The opportunities being explored are based on strong strategic and financial rationales. Partnering with a Chinese decor paper supplier would create a global leader with a strong presence in the world's two largest markets. It would strengthen the business and its ability to serve customers as well as leverage from an industry-leading brand with premium quality and service. Outside capital would enable investments to grow and develop the business into a stand-alone operation.

On November 27, 2019, Ahlstrom-Munksjö signed a non-binding letter of intent to acquire Hebei Minglian New Materials Technology Co., Ltd. as part of this process. The company comprises a state-of-the-art greenfield decor paper plant in the city of Xingtai, Hebei Province, China. The debt-free purchase price is approximately EUR 60 million. The transaction is subject to further due diligence as well as final and binding transaction agreements. Coronavirus related lockdowns and travel restrictions are delaying the negotiation and signing of the transaction is expected during the second half of 2020.

# CAPITAL EXPENDITURE

Ahlstrom-Munksjö's capital expenditure excluding acquisitions totaled EUR 26.3 million in January-March 2020 (35.5). The investments were related to maintenance, cost and efficiency improvements, as well as growth initiatives and improved environmental performance and safety. The company did not announce any major new investment decisions during the reporting period.

The company is progressing with its EUR 190 million investment program including a total of 13 projects, of which 10 have been completed and are in ramp-up phase. The remaining three are expected to be completed in 2020 and 2021. A full list of completed and on-going investments is available at [www.ahlstrom-munksjo.com/Investors](http://www.ahlstrom-munksjo.com/Investors).

Capital expenditure is expected to be approximately EUR 120 million (161) in 2020, less than the EUR 140 million expected previously.

# PERSONNEL

Ahlstrom-Munksjö employed in January-March 2020 an average of 7,855 (8,140) people in full-time equivalents. As of March 31, 2020, the highest numbers of employees were in the United States (32%), France (19%), Sweden (10%), Brazil (9%) and Germany (7%).

## HEALTH AND SAFETY

The health and safety of employees is a top priority at Ahlstrom-Munksjö. The company has chosen two priority metrics to track performance in this field in 2020: total recordable incidents (TRI<sup>1</sup>) rate and employee safety participation rate. Ahlstrom-Munksjö believes that a goal of zero accidents is achievable, and our long-term target for TRI is zero. In 2020, TRI rate target is 1.6 and employee safety participation rate target is 59.

In January-March 2020, the TRI rate was 1.7 and employee safety participation rate was 69.

# EVENTS DURING THE REPORTING PERIOD

## DIVESTMENT OF THE FINE ART PAPER BUSINESS

On March 3, 2020, Ahlstrom-Munksjö completed the sale of fine art paper business ARCHES® to Italian based F.I.L.A. Group, Fabbrica Italiana Lapis ed Affini S.p.A., for a debt and cash free price of EUR 43.6 million. The company booked a capital gain of EUR 31 million from the sale.

The fine art paper business is small and has limited synergies within Ahlstrom-Munksjö's portfolio of businesses. F.I.L.A. is a strategic and industrial owner, a leading global player in its field, for which the ARCHES paper product range is complementary and provides further growth opportunities.

The standalone pro forma net sales of the fine art paper business were approximately EUR 13 million and comparable EBITDA in excess of EUR 4 million in 2019. The transaction was first announced on October 30, 2019.

## NEW PLAN PERIODS IN THE SHARE-BASED LONG-TERM PLANS AND A NEW MATCHING SHARE PLAN

On February 13, 2020, the Board of Directors decided on a new performance period under the long-term share-based incentive plan announced on October 24, 2017. The Board of Directors has, in addition, decided on the establishment of a fixed matching share plan as well as on the establishment of a new earning period in the restricted share plan that was announced on March 28, 2019. The aim of the plans is to align the objectives of the company's shareholders and key personnel to increase the company's value and to commit the key personnel to the company through an incentive system based on the ownership of Ahlstrom-Munksjö shares. The new plans have not yet been granted. The full release is available at [www.ahlstrom-munksjo.com/Media/releases](http://www.ahlstrom-munksjo.com/Media/releases).

---

<sup>1</sup> TRI: sum of all recorded occupational accidents; lost time accidents, occupational diseases, light duty cases, and other recordable incident. Total recordable Incidents Rate (TRIR); (TRI/Total hours worked) x 200,000.

# BUSINESS AREA REVIEWS

## FILTRATION & PERFORMANCE SOLUTIONS

The Filtration & Performance Solutions business area develops and produces engine oil, fuel and air filtration materials, as well as industrial filtration. It also produces abrasive backings, glass fiber for flooring products as well nonwoven materials for automotive, construction, textile, hygiene and wallcovering applications.

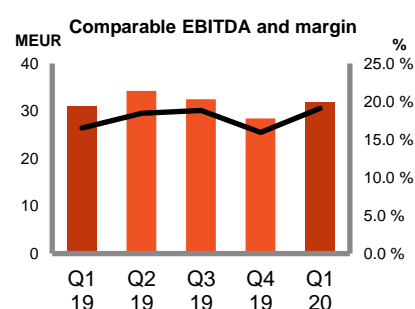
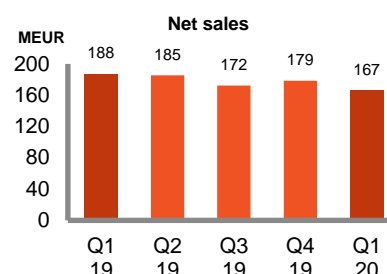
### Market review and highlights of January-March 2020

- Demand slowed in filtration materials for engine applications, while it remained stable in industrial filtration applications
- In construction-related markets, demand for plasterboard, flooring and wallcoverings weakened towards the end of the quarter
- Demand strengthened in hygiene related nonwoven materials, as also in backings for abrasive products
- In Filtration, proceeding with investment to strengthen manufacturing of industrial filtration and energy storage applications
- In Nonwovens, supply agreement with Suominen at the Stålldalen plant, Sweden
- Expanding face mask materials production to Turin plant, Italy and Tampere plant, Finland

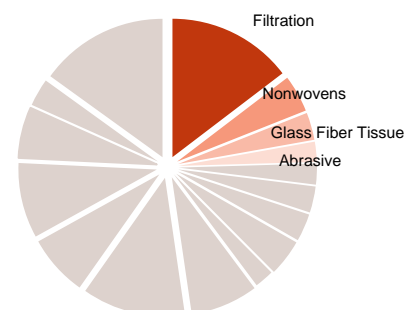
### Q1/2020 compared with Q1/2019

Net sales decreased by 11.2% to EUR 166.5 million (187.5). The decline was driven by lower sales volumes, particularly in the Filtration business. Selling prices were stable.

Comparable EBITDA was EUR 31.8 million (31.0), representing 19.1% (16.5) of net sales. The negative impact of lower volumes was more than offset by lower costs, partly related to on-going saving programs.



### Sales by business



EUR million, or as indicated	Q1/2020	Q4/2019	Q3/2019	Q2/2019	Q1/2019
Net sales	166.5	178.6	172.4	185.5	187.5
EBITDA	62.6	26.7	30.3	33.7	31.0
Items affecting comparability in EBITDA	30.8	-1.7	-2.2	-0.5	-
Comparable EBITDA	31.8	28.5	32.4	34.2	31.0
Comparable EBITDA margin, %	19.1	15.9	18.8	18.4	16.5
Capital expenditure	6.4	6.9	10.3	10.9	7.4

## ADVANCED SOLUTIONS

The Advanced Solutions business area develops and produces materials for laboratory filters and life science diagnostics, water filtration, beverage and food processing, tapes and medical fabrics. The business area also supplies hot cooking oil and milk filtration materials as well as specialty release liners.

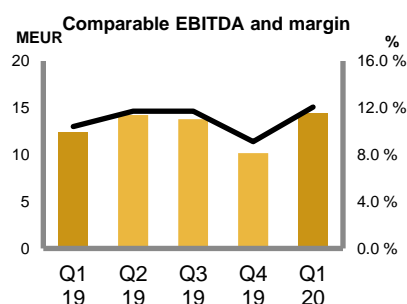
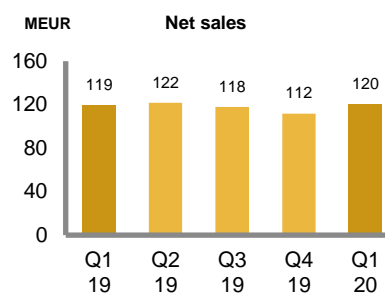
### Market review and highlights of January-March 2020

- Strong demand for health care and life science end-use segments
- Strengthened demand for tape backings
- Stable demand for tea and coffee materials, continued solid demand for fibrous meat casing materials
- Further weakening in coated products due to low activity in aerospace
- Ongoing investment at Chirnside plant in the UK to reinforce market position in biodegradable and compostable tea bag, coffee and meat casing materials delayed due to coronavirus
- Medical business signed a 100 million face mask contract with the French Government Resilience program

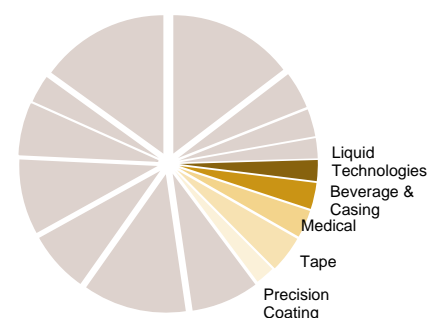
### Q1/2020 compared with Q1/2019

Net sales increased by 0.8% to EUR 120.1 million (119.1). Higher delivery volumes, in all businesses except from Precision Coating, were largely offset by a less favorable product mix.

Comparable EBITDA increased to EUR 14.5 million (12.4), representing 12.1% (10.4) of net sales. The increase was driven by higher volumes and lower variable costs, which more than offset lower selling prices. Fixed costs increased.



Sales by business



EUR million, or as indicated	Q1/2020	Q4/2019	Q3/2019	Q2/2019	Q1/2019
Net sales	120.1	111.7	117.8	121.7	119.1
EBITDA	14.3	10.0	13.8	14.2	12.2
Items affecting comparability in EBITDA	-0.2	-0.2	-0.0	-	-0.2
Comparable EBITDA	14.5	10.2	13.8	14.2	12.4
Comparable EBITDA margin, %	12.1	9.1	11.7	11.7	10.4
Capital expenditure	2.6	1.7	2.4	3.3	3.1

## INDUSTRIAL SOLUTIONS

The Industrial Solutions business area develops and produces release liners, electrotechnical insulation papers as well as flexible packaging and coated label papers. The business area also supplies specialty pulp, interleaving papers as well as office and printing papers.

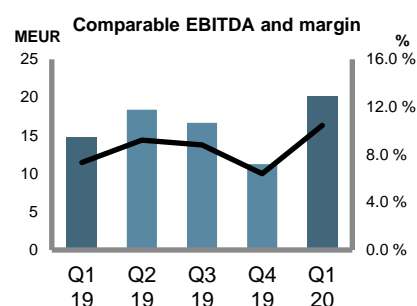
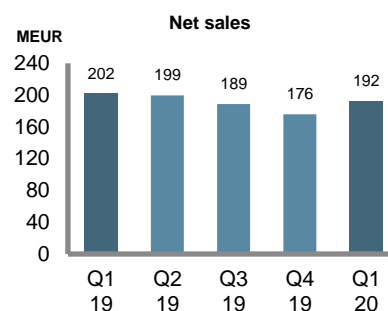
### Market review and highlights of January-March 2020

- Solid release liners demand for label, while weaker for specialty grades
- Stable demand for interleaving and electrotechnical insulation papers
- Good operational performance in specialty pulp
- Improving demand for coated products in Brazil
- Launch of LamiBak™ release papers certified for food contact

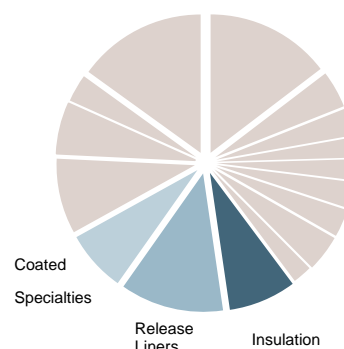
### Q1/2020 compared with Q1/2019

Net sales decreased by 4.7% to EUR 192.3 million (201.6) due to a less favorable product mix as the share of specialty pulp deliveries increased. Higher sales volumes offset lower selling prices.

Comparable EBITDA increased to EUR 20.1 million (14.8), representing 10.5% (7.3) of net sales mainly due to higher delivery volumes and lower variable costs. This was partially offset by lower selling prices and a less favorable product mix. Fixed costs increased slightly.



### Sales by business



EUR million, or as indicated	Q1/2020	Q4/2019	Q3/2019	Q2/2019	Q1/2019
Net sales	192.3	175.6	188.9	199.5	201.6
EBITDA	20.1	8.2	15.6	17.4	11.7
Items affecting comparability in EBITDA	-	-3.0	-1.1	-1.0	-3.1
Comparable EBITDA	20.1	11.2	16.7	18.4	14.8
Comparable EBITDA margin, %	10.5	6.4	8.8	9.2	7.3
Capital expenditure	7.1	14.5	25.5	13.2	10.0

## FOOD PACKAGING & TECHNICAL SOLUTIONS

The Food Packaging & Technical Solutions business area develops and produces a wide range of sustainable food packaging and processing papers as well as specialty papers for industrial and construction use.

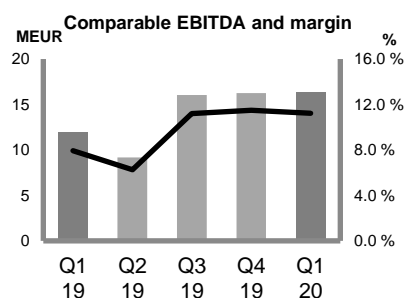
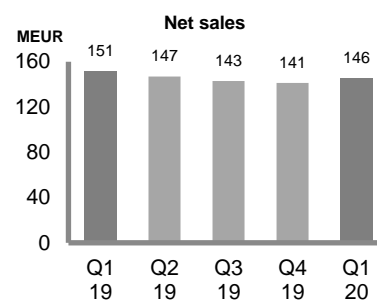
### Market review and highlights of January-March 2020

- Satisfactory demand for food processing and packaging, cooking and baking and flexible packaging papers
- Weakening demand for specialty papers in industrial and construction applications
- Launch of Delicitera®, a line of enhanced sustainable and safe confectionary papers

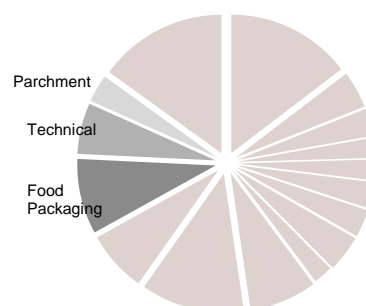
### Q1/2020 compared with Q1/2019

Net sales decreased 3.6% to EUR 145.8 million (151.2). The decrease was driven by lower deliveries and lower selling prices.

Comparable EBITDA increased to EUR 16.4 million (12.0), representing 11.2% (7.9%) of net sales, as lower variable costs more than offset the negative impact of lower sales volumes and selling prices. Fixed costs were higher.



**Sales by business**



EUR million, or as indicated	Q1/2020	Q4/2019	Q3/2019	Q2/2019	Q1/2019
Net sales	145.8	141.3	143.1	146.8	151.2
EBITDA	16.6	15.7	15.4	8.2	12.0
Items affecting comparability in EBITDA	0.2	-0.5	-0.6	-1.0	-
Comparable EBITDA	16.4	16.2	16.0	9.2	12.0
Comparable EBITDA margin, %	11.2	11.5	11.2	6.3	7.9
Capital expenditure	3.3	5.4	3.0	4.9	7.0

## DECOR SOLUTIONS

The Decor Solutions business area develops and produces paper-based surfacing for wood-based materials such as laminate flooring, furniture and interiors.

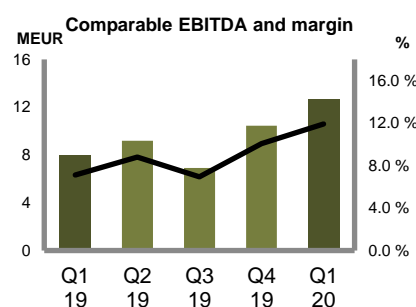
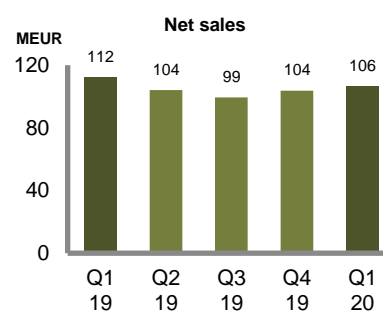
### Market review and highlights January-March 2020

- Demand for decor paper continued to recover in the first quarter after a long period of destocking and lower end-use demand
- Broad-based customer closures in the furniture industry as of mid-March
- Strategic review of the business proceeding, while delayed due to coronavirus outbreak

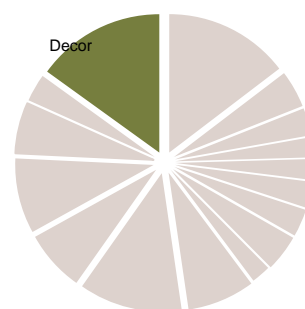
### Q1/2020 compared with Q1/2019

Net sales decreased 5.3% to EUR 106.2 million (112.2). The decline was mainly due to lower selling prices. Sales volumes increased.

Comparable EBITDA increased to EUR 12.7 million (8.0), representing 11.9% (7.1) of net sales. The increase was mainly driven by lower costs and higher delivery volumes, more than offsetting lower selling prices. The cost reduction was mainly driven by efficiency improvement being implemented across the business.



Sales by business



EUR million, or as indicated	Q1/2020	Q4/2019	Q3/2019	Q2/2019	Q1/2019
Net sales	106.2	103.7	99.4	104.2	112.2
EBITDA	12.2	9.9	6.8	7.1	1.1
Items affecting comparability in EBITDA	-0.4	-0.6	-0.1	-2.1	-6.8
Comparable EBITDA	12.7	10.4	6.9	9.2	8.0
Comparable EBITDA margin, %	11.9	10.1	6.9	8.8	7.1
Capital expenditure	1.8	2.5	1.9	2.0	3.0

# SHARES AND SHARE CAPITAL

Ahlstrom-Munksjö's shares are listed on the Nasdaq Helsinki and Nasdaq Stockholm. All shares carry one vote and have equal voting rights. The trading code is AM1 in Helsinki and AM1S in Stockholm. On March 31, 2020, Ahlstrom-Munksjö's share capital amounted to EUR 85.0 million and the total number of shares was 115,653,315.

The company had 16,536 shareholders at the end of the reporting period (12,853 as of December 31, 2019) according to Euroclear Finland Ltd.

During the reporting period, Ahlstrom-Munksjö purchased a total of 300,000 own shares and held 664,862 own shares, corresponding to approximately 0.6% of total shares and votes, as of March 31, 2020. The repurchased shares will be used for implementing future share-based incentive programs of the company. The shares were acquired through public trading on Nasdaq Helsinki at the market price prevailing at the time of repurchase.

## SHARE PRICE PERFORMANCE AND TRADING

	Nasdaq Helsinki		Nasdaq Stockholm	
	Q1/2020	Q1/2019	Q1/2020	Q1/2019
Share price at the end of the period, EUR/SEK	11.16	13.66	120.80	141.80
Highest share price, EUR/SEK	15.58	14.78	163.20	154.00
Lowest share price, EUR/SEK	8.12	11.90	90.50	121.40
Market capitalization at the end of the period*, EUR million	1,283.3	1,574.8	N/A	N/A
Trading value, EUR/SEK million	96.1	59.6	80.7	56.7
Trading volume, shares million	7.7	4.4	0.6	0.4
Average daily trading volume, shares	122,155	69,049	9,536	6,346

\*Excluding the shares held by Ahlstrom-Munksjö

# ANNUAL GENERAL MEETING OF SHAREHOLDERS

Ahlstrom-Munksjö Oyj's Annual General Meeting (AGM) was held on March 25, 2020. The AGM adopted the Financial Statements for 2019 and discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2019.

The AGM resolved to distribute a dividend of EUR 0.52 per share (EUR 59,793,995.56 in total) for the fiscal year that ended on December 31, 2019 in accordance with the proposal of the Board of Directors. The dividend will be paid in four instalments. The first installment of EUR 0.13 per share was paid on April 3, 2020. The remaining three instalments are expected to be paid in July 2020, October 2020 and January 2021, respectively. The Board will resolve on the remaining three instalments separately. The full release on resolutions is available at [www.ahlstrom-munksjo.com](http://www.ahlstrom-munksjo.com)

## SHORT-TERM RISKS

As Ahlstrom-Munksjö manages a broad portfolio of businesses and serves a wide range of end uses globally, the company is not likely to be significantly affected on a group level by individual factors. However, uncertain global economic and financial market conditions could have a materially adverse effect on the Group, its results of operations and financial condition.

The company's significant risks and uncertainty factors mainly consist of developments in demand for and prices of sold products, the cost and availability of significant raw materials and energy, financial risks, as well as other business factors including developments in global politics and the financial markets. The company's financial performance may be impacted by the timing of possible raw material price increases and its ability to raise selling prices.



On-going trade disputes pose a threat to global economy, which may have an effect on Ahlstrom-Munksjö's markets. The financial impact of the coronavirus cannot be foreseen at this stage, it will depend on both the duration and severity of the pandemic and related measures taken to contain the pandemic.

In the case of potential business combinations, substantial integration work is needed to realize expected synergies. The integrations of Expera and Caieiras are ongoing and according to plan, however, the risk also refers to future potential acquisitions.

The company's key financial risks include interest rate and currency risks, liquidity risk and credit risk. To mitigate these risks, methods such as hedging and credit insurance are used. The Group has exposure to tax risks due to potential changes in tax laws or regulations or their application, or as a result of on-going or future tax audits or claims.

The company has operations in many countries, and sometimes disputes cannot be avoided in daily operations. The company is sometimes involved in legal actions, disputes, claims for damages and other procedures. The result of these cannot be predicted, but taking into account all available information to date, the impact is not expected to have a significant impact on the financial position of the company.

More information about risks and uncertainty factors related to Ahlstrom-Munksjö's business and the company's risk management is available at [www.ahlstrom-munksjo.com](http://www.ahlstrom-munksjo.com).

*The actual numbers in this report have been prepared in accordance with International Financial Reporting Standards (IFRS). Comparable figures refer to the same period in the previous year, unless otherwise stated. The report contains certain forward-looking statements that reflect the present views of the company's management. The statements contain uncertainties and risks and are thus subject to changes in the general economic situation and in the company's business.*

Ahlstrom-Munksjö Oyj  
Board of Directors

## ADDITIONAL INFORMATION

Hans Sohlström, President and CEO, tel. +358 10 888 2520  
Sakari Ahdekivi, Deputy CEO and CFO, tel. +358 10 888 4760  
Johan Lindh, Vice President, Communications and Investor Relations, + 358 10 888 4994  
Juho Erkheikki, Investor Relations Manager, tel. +358 10 888 4731

## WEBCAST PRESENTATION

A live webcast and a conference call will be arranged on the publishing day, April 23, 2020, at 11:00 a.m. EET. The report will be presented in English by President and CEO Hans Sohlström and Deputy CEO and CFO Sakari Ahdekivi.

### WEBCAST AND CONFERENCE CALL INFORMATION

The combined webcast and teleconference can be viewed at:

[https://cloud.webcast.fi/ahlstrommunksjo/ahlstrommunksjo\\_2020\\_0423\\_q1/](https://cloud.webcast.fi/ahlstrommunksjo/ahlstrommunksjo_2020_0423_q1/)

Finland: +358 (0)9 7479 0360

Sweden: +46 (0)8 5033 6573

UK: +44 (0)330 336 9104

Conference ID: 167742

To join the conference call, participants are requested to dial one of the numbers above 5-10 minutes prior to the start of the event. An on-demand version of the conference call will be available on Ahlstrom-Munksjö's website later the same day. By dialing in to the conference call, the participant agrees that personal information such as name and company name will be collected. The conference call will be recorded.

## AHLSTROM-MUNKSJÖ IN BRIEF

Ahlstrom-Munksjö is a global leader in fiber-based materials, supplying innovative and sustainable solutions to its customers. Our mission is to expand the role of fiber-based solutions for sustainable everyday life. Our offering include filter materials, release liners, food and beverage processing materials, decor papers, abrasive and tape backings, electrotechnical paper, glass fiber materials, medical fiber materials and solutions for diagnostics as well as a range of specialty papers for industrial and consumer end-uses. Our annual net sales are about EUR 3 billion and we employ some 8,000 people. The Ahlstrom-Munksjö share is listed on the Nasdaq Helsinki and Stockholm. Read more at [www.ahlstrom-munksjo.com](http://www.ahlstrom-munksjo.com).

## APPENDIX 1: CONSOLIDATED FINANCIAL STATEMENTS

Financial statements are unaudited.

INCOME STATEMENT	Q1	Q1	Q1-Q4
EUR million	2020	2019	2019
<b>Net sales</b>	<b>718.1</b>	<b>757.7</b>	<b>2,915.3</b>
Cost of goods sold	-601.2	-664.4	-2,544.1
<b>Gross profit</b>	<b>116.9</b>	<b>93.4</b>	<b>371.2</b>
Sales, R&D and administrative expenses	-60.2	-67.1	-233.0
Other operating income	34.5	4.0	20.7
Other operating expense	-17.5	-12.4	-55.9
Share of profit in equity accounted investments	-	-	0.2
<b>Operating result</b>	<b>73.7</b>	<b>17.8</b>	<b>103.2</b>
Net financial items	-9.6	-11.6	-51.6
<b>Result before taxes</b>	<b>64.1</b>	<b>6.2</b>	<b>51.6</b>
Income taxes	-17.5	-2.1	-18.8
<b>Net result</b>	<b>46.6</b>	<b>4.1</b>	<b>32.8</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>			
EUR million	2020	2019	2019
<b>Net result</b>	<b>46.6</b>	<b>4.1</b>	<b>32.8</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to income statement</b>			
Exchange differences on translation of foreign operations	-20.6	14.2	8.2
Change in cash flow hedge reserve	-4.6	-1.5	-2.2
Cash flow hedge transferred to this year's result	0.6	0.6	3.2
<b>Items that will not be reclassified to income statement</b>			
Actuarial gains and losses on defined benefit plans	-6.4	4.8	-8.3
<b>Tax attributable to other comprehensive income</b>	<b>2.3</b>	<b>-1.0</b>	<b>1.1</b>
<b>Comprehensive income</b>	<b>17.9</b>	<b>21.4</b>	<b>34.9</b>
<b>Net result attributable to</b>			
Parent company's shareholders	46.3	3.8	31.7
Non-controlling interests	0.3	0.4	1.2
<b>Comprehensive income attributable to</b>			
Parent company's shareholders	17.6	20.7	33.7
Non-controlling interests	0.3	0.6	1.2
<b>Earnings per share</b>			
Weighted average number of outstanding shares	115,174,280	115,288,453	115,288,453
Weighted average number of outstanding shares, diluted	115,210,119	115,288,453	115,320,715
Basic earnings per share, EUR	0.40	0.03	0.27
Diluted earnings per share, EUR	0.40	0.03	0.27

BALANCE SHEET	Mar 31,	Mar 31,	Dec 31,
EUR million	2020	2019	2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1,086.8	1,118.9	1,131.5
Right-of-use assets	56.8	59.8	57.0
Goodwill	631.9	637.6	642.7
Other intangible assets	493.0	505.3	499.1
Equity accounted investments	1.3	1.1	1.4
Other non-current assets	14.1	14.9	19.3
Deferred tax assets	4.7	9.5	9.9
<b>Total non-current assets</b>	<b>2,288.6</b>	<b>2,347.2</b>	<b>2,360.8</b>
<b>Current assets</b>			
Inventories	397.6	444.3	387.6
Trade and other receivables	320.8	380.3	278.9
Income tax receivables	7.6	3.5	7.7
Cash and cash equivalents	247.3	218.8	166.1
<b>Total current assets</b>	<b>973.2</b>	<b>1,046.9</b>	<b>840.4</b>
<b>TOTAL ASSETS</b>	<b>3,261.8</b>	<b>3,394.0</b>	<b>3,201.2</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to parent company's shareholders	1,071.4	1,113.5	1,121.2
Non-controlling interests	10.8	10.2	10.8
Hybrid bond	100.0	-	100.0
<b>Total equity</b>	<b>1,182.2</b>	<b>1,123.7</b>	<b>1,232.0</b>
<b>Non-current liabilities</b>			
Non-current borrowings	886.6	1,029.4	899.0
Non-current lease liabilities	43.9	46.4	44.2
Other non-current liabilities	1.1	1.7	1.4
Employee benefit obligations	101.5	87.7	97.2
Deferred tax liabilities	141.4	149.6	147.5
Non-current provisions	24.0	27.5	24.3
<b>Total non-current liabilities</b>	<b>1,198.6</b>	<b>1,342.2</b>	<b>1,213.5</b>
<b>Current liabilities</b>			
Current borrowings	157.8	215.2	94.8
Current lease liabilities	13.3	12.9	13.1
Trade and other payables	676.4	671.8	621.7
Income tax liabilities	20.5	14.7	13.2
Current provisions	13.1	13.4	12.8
<b>Total current liabilities</b>	<b>881.0</b>	<b>928.1</b>	<b>755.6</b>
<b>Total liabilities</b>	<b>2,079.6</b>	<b>2,270.3</b>	<b>1,969.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,261.8</b>	<b>3,394.0</b>	<b>3,201.2</b>

## STATEMENT OF CHANGES IN EQUITY

EUR million

- 1) Share capital
- 2) Reserve for invested unrestricted equity
- 3) Other reserves
- 4) Treasury shares
- 5) Cumulative translation adjustment
- 6) Retained earnings
- 7) Total equity attributable to parent company's shareholders**
- 8) Non-controlling interest
- 9) Hybrid bond
- 10) Total equity**

EUR million	1)	2)	3)	4)	5)	6)	7)	8)	9)	10)
<b>Equity at January 1, 2019</b>	<b>85.0</b>	<b>661.8</b>	<b>385.1</b>	<b>-6.3</b>	<b>-76.7</b>	<b>103.5</b>	<b>1,152.3</b>	<b>9.9</b>	<b>-</b>	<b>1,162.2</b>
Net result	-	-	-	-	-	3.8	3.8	0.4	-	4.1
Other comprehensive income, net of tax	-	-	-0.7	-	14.0	3.6	16.9	0.3	-	17.2
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-0.7</b>	<b>-</b>	<b>14.0</b>	<b>7.4</b>	<b>20.7</b>	<b>0.6</b>	<b>-</b>	<b>21.4</b>
Dividends and other	-	-	-	-	-	-60.1	-60.1	-0.3	-	-60.4
Long term incentive plans	-	-	-	-	-	0.5	0.5	-	-	0.5
<b>Equity at March 31, 2019</b>	<b>85.0</b>	<b>661.8</b>	<b>384.4</b>	<b>-6.3</b>	<b>-62.7</b>	<b>51.3</b>	<b>1,113.5</b>	<b>10.2</b>	<b>-</b>	<b>1,123.7</b>

<b>Equity at January 1, 2020</b>	<b>85.0</b>	<b>661.8</b>	<b>385.9</b>	<b>-6.3</b>	<b>-68.5</b>	<b>63.4</b>	<b>1,121.2</b>	<b>10.8</b>	<b>100.0</b>	<b>1,232.0</b>
Net result	-	-	-	-	-	46.3	46.3	0.3	-	46.6
Other comprehensive income, net of tax	-	-	-3.2	-	-20.6	-4.9	-28.8	0.0	-	-28.7
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-3.2</b>	<b>-</b>	<b>-20.6</b>	<b>41.4</b>	<b>17.6</b>	<b>0.3</b>	<b>-</b>	<b>17.9</b>
Dividends and other	-	-	-	-	-	-59.9	-59.9	-0.3	-	-60.3
Repurchase of treasury shares	-	-	-	-4.0	-	-	-4.0	-	-	-4.0
Interest on hybrid bond	-	-	-	-	-	-3.7	-3.7	-	-	-3.7
Long term incentive plans	-	-	-	-	-	0.2	0.2	-	-	0.2
<b>Equity at March 31, 2020</b>	<b>85.0</b>	<b>661.8</b>	<b>382.7</b>	<b>-10.4</b>	<b>-89.1</b>	<b>41.4</b>	<b>1,071.4</b>	<b>10.8</b>	<b>100.0</b>	<b>1,182.2</b>

STATEMENT OF CASH FLOWS	Q1	Q1	Q1-Q4
EUR million	2020	2019	2019
<b>Cash flow from operating activities</b>			
Net result	46.6	4.1	32.8
Adjustments, total	41.7	55.6	240.5
Changes in net working capital	-58.4	-20.0	93.5
Change in provisions	-2.1	2.3	-2.3
Financial items	-10.2	-9.9	-49.7
Income taxes paid	-5.8	-2.3	-28.0
<b>Net cash from operating activities</b>	<b>11.8</b>	<b>29.9</b>	<b>286.7</b>
<b>Cash flow from investing activities</b>			
Payment for acquisition of businesses and subsidiaries, net of cash acquired	-	-1.7	-10.8
Purchases of property, plant and equipment and intangible assets	-26.3	-35.5	-161.1
Proceeds from disposal of shares in Group companies and businesses and associated companies	41.3	-	1.4
Other investing activities	0.2	0.1	0.0
<b>Net cash from investing activities</b>	<b>15.1</b>	<b>-37.1</b>	<b>-170.4</b>
<b>Cash flow from financing activities</b>			
Dividends paid and other	-0.4	-0.4	-60.4
Rights issue	-	-5.4	-5.7
Repurchase of treasury shares	-4.0	-	-
Hybrid bond	-	-	99.3
Changes in loans and other financing activities	63.8	78.8	-135.6
<b>Net cash from financing activities</b>	<b>59.4</b>	<b>72.9</b>	<b>-102.4</b>
<b>Net change in cash and cash equivalents</b>	<b>86.4</b>	<b>65.8</b>	<b>13.9</b>
Cash and cash equivalents at the beginning of the period	166.1	151.0	151.0
Foreign exchange effect on cash and cash equivalents	-5.2	2.0	1.2
<b>Cash and cash equivalents at the end of the period</b>	<b>247.3</b>	<b>218.8</b>	<b>166.1</b>

## NOTES TO THE FINANCIAL STATEMENTS

### **Accounting principles**

This unaudited consolidated quarterly interim report has been prepared in accordance with “IAS 34 Interim Financial Reporting”, as adopted by the EU. All figures in the accounts have been rounded and consequently the total of individual figures can deviate from the presented total figure. Furthermore, all percentages are subject to possible rounding differences. The accounting principles applied are consistent with those followed in the preparation of the Group’s Annual Report 2019.

### **Business acquisitions and disposals**

2020

#### *Divestment of Fine Arts in Arches*

On March 3, 2020 Ahlstrom-Munksjö completed the sale of its fine art paper business ARCHES® to Italian based F.I.L.A. Group, Fabbrica Italiana Lapis ed Affini S.p.A., at a debt and cash free price of EUR 43.6 million.

#### **Provisional gain on sale and cash flow**

<b>EUR million</b>	
Total net assets sold	10.3
Provisional sale consideration	41.3
<b>Provisional gain on sale</b>	<b>31.0</b>
<b>Cash flow</b>	
Provisional sale consideration	41.3
Receivable related to sale consideration	-
<b>Consideration received</b>	<b>41.3</b>

Total book value of sold net assets were EUR 10.3 million and the provisional gain on sale was EUR 31.0 million. The provisional sale consideration is subject to completion of the closing accounts in accordance with the terms of the sale agreement. One part of the disposal, of EUR 1.1 million, has not yet been completed and may have impact on gain on sale.

2019

Details related to business acquisitions and disposals done during the year 2019 are available in Group’s annual report 2019, note 3.

### **Segment information**

Ahlstrom-Munksjö is organized into five business areas which are Filtration & Performance Solutions, Advanced Solutions, Industrial Solutions, Food Packaging & Technical Solutions, Decor Solutions. Ahlstrom-Munksjö’s business areas are described below:

#### *Filtration & Performance Solutions*

The Filtration & Performance Solutions business area develops and produces engine oil, fuel and air filtration materials, as well as industrial filtration. It also produces abrasive backings, glass fiber for flooring products as well as nonwoven materials for automotive, construction, textile, hygiene and wallcovering applications.

#### *Advanced Solutions*

The Advanced Solutions business area develops and produces materials for laboratory filters and life science diagnostics, water filtration, beverage and food processing, tapes and medical fabrics. The business area also supplies hot cooking oil and milk filtration materials as well as specialty release liners.

#### *Industrial Solutions*

The Industrial Solutions business area develops and produces release liners, electrotechnical insulation papers as well as flexible packaging and coated label papers. The business area also supplies specialty pulp, interleaving papers as well as office and printing papers.

### Food Packaging & Technical Solutions

The Food Packaging & Technical Solutions business area develops and produces a wide range of sustainable food packaging and processing papers as well as specialty papers for industrial and construction use.

### Decor Solutions

The Decor Solutions business area develops and produces paper-based surfacing for wood-based materials such as laminate flooring, furniture and interiors.

### Other and eliminations

Other and eliminations include head office costs comprising the following functions: Group Finance, Corporate Development, Legal, R&D, Group Communications and Investor Relations, as well as Group Human Resources. The head office costs comprise mainly salaries, rent and professional fees. Other and eliminations include holding and sales companies' income and expenses. Other and eliminations also include certain other exceptional costs not used in the assessment of business area performance.

Financial performance by business area, EUR million Q1/2020	Filtration & Performance Solutions	Advanced Solutions	Industrial Solutions	Food Packaging & Technical Solutions	Decor Solutions	Other and eliminations	Group
Net sales, external	164.3	119.6	191.2	135.2	106.1	1.7	718.1
Net sales, internal	2.2	0.5	1.1	10.6	0.1	-14.5	-
<b>Net sales</b>	<b>166.5</b>	<b>120.1</b>	<b>192.3</b>	<b>145.8</b>	<b>106.2</b>	<b>-12.8</b>	<b>718.1</b>
Comparable EBITDA	31.8	14.5	20.1	16.4	12.7	-3.7	91.7
Items affecting comparability in EBITDA	30.8	-0.2	-	0.2	-0.4	-1.5	28.8
<b>EBITDA</b>	<b>62.6</b>	<b>14.3</b>	<b>20.1</b>	<b>16.6</b>	<b>12.2</b>	<b>-5.3</b>	<b>120.5</b>
Depreciation, amortization and impairment							-46.7
<b>Operating result</b>							<b>73.7</b>
Capital expenditure	6.4	2.6	7.1	3.3	1.8	5.1	26.3

Financial performance by business area, EUR million Q1/2019	Filtration & Performance Solutions	Advanced Solutions	Industrial Solutions	Food Packaging & Technical Solutions	Decor Solutions	Other and eliminations	Group
Net sales, external	185.9	118.7	198.5	141.4	111.9	1.3	757.7
Net sales, internal	1.7	0.5	3.1	9.7	0.3	-15.3	-
<b>Net sales</b>	<b>187.5</b>	<b>119.1</b>	<b>201.6</b>	<b>151.2</b>	<b>112.2</b>	<b>-13.9</b>	<b>757.7</b>
Comparable EBITDA	31.0	12.4	14.8	12.0	8.0	-3.1	75.0
Items affecting comparability in EBITDA	-	-0.2	-3.1	-	-6.8	-4.7	-14.8
<b>EBITDA</b>	<b>31.0</b>	<b>12.2</b>	<b>11.7</b>	<b>12.0</b>	<b>1.1</b>	<b>-7.8</b>	<b>60.2</b>
Depreciation, amortization and impairment							-42.4
<b>Operating result</b>							<b>17.8</b>
Capital expenditure	7.4	3.1	10.0	7.0	3.0	4.9	35.5



Segment information by quarter	2020	2019	2019	2019	2019
EUR million, or as indicated	Q1	Q4	Q3	Q2	Q1
<b>Net sales, external</b>					
Filtration & Performance Solutions	164.3	177.4	170.4	183.5	185.9
Advanced Solutions	119.6	111.2	117.2	121.1	118.7
Industrial Solutions	191.2	174.5	188.0	197.2	198.5
Food Packaging & Technical Solutions	135.2	132.3	133.9	137.6	141.4
Decor Solutions	106.1	103.7	99.2	104.0	111.9
Other and eliminations	1.7	2.2	2.6	1.7	1.3
<b>Group</b>	<b>718.1</b>	<b>701.3</b>	<b>711.3</b>	<b>745.1</b>	<b>757.7</b>
<b>Net sales, internal</b>					
Filtration & Performance Solutions	2.2	1.2	2.1	2.0	1.7
Advanced Solutions	0.5	0.5	0.6	0.6	0.5
Industrial Solutions	1.1	1.2	0.9	2.2	3.1
Food Packaging & Technical Solutions	10.6	9.0	9.2	9.2	9.7
Decor Solutions	0.1	0.0	0.3	0.3	0.3
Other and eliminations	-14.5	-11.8	-13.0	-14.2	-15.3
<b>Group</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net sales, total</b>					
Filtration & Performance Solutions	166.5	178.6	172.4	185.5	187.5
Advanced Solutions	120.1	111.7	117.8	121.7	119.1
Industrial Solutions	192.3	175.6	188.9	199.5	201.6
Food Packaging & Technical Solutions	145.8	141.3	143.1	146.8	151.2
Decor Solutions	106.2	103.7	99.4	104.2	112.2
Other and eliminations	-12.8	-9.7	-10.3	-12.6	-13.9
<b>Group</b>	<b>718.1</b>	<b>701.3</b>	<b>711.3</b>	<b>745.1</b>	<b>757.7</b>
<b>EBITDA</b>					
Filtration & Performance Solutions	62.6	26.7	30.3	33.7	31.0
Advanced Solutions	14.3	10.0	13.8	14.2	12.2
Industrial Solutions	20.1	8.2	15.6	17.4	11.7
Food Packaging & Technical Solutions	16.6	15.7	15.4	8.2	12.0
Decor Solutions	12.2	9.9	6.8	7.1	1.1
Other and eliminations	-5.3	-7.2	-4.1	-2.6	-7.8
<b>Group</b>	<b>120.5</b>	<b>63.3</b>	<b>77.8</b>	<b>78.1</b>	<b>60.2</b>
<b>Items affecting comparability in EBITDA</b>					
Filtration & Performance Solutions	30.8	-1.7	-2.2	-0.5	-
Advanced Solutions	-0.2	-0.2	-0.0	-	-0.2
Industrial Solutions	-	-3.0	-1.1	-1.0	-3.1
Food Packaging & Technical Solutions	0.2	-0.5	-0.6	-1.0	-
Decor Solutions	-0.4	-0.6	-0.1	-2.1	-6.8
Other and eliminations	-1.5	-1.1	-1.8	-1.1	-4.7
<b>Group</b>	<b>28.8</b>	<b>-7.2</b>	<b>-5.8</b>	<b>-5.7</b>	<b>-14.8</b>
<b>Comparable EBITDA</b>					
Filtration & Performance Solutions	31.8	28.5	32.4	34.2	31.0
Advanced Solutions	14.5	10.2	13.8	14.2	12.4
Industrial Solutions	20.1	11.2	16.7	18.4	14.8
Food Packaging & Technical Solutions	16.4	16.2	16.0	9.2	12.0
Decor Solutions	12.7	10.4	6.9	9.2	8.0
Other and eliminations	-3.7	-6.0	-2.3	-1.5	-3.1
<b>Group</b>	<b>91.7</b>	<b>70.5</b>	<b>83.6</b>	<b>83.8</b>	<b>75.0</b>

Segment information by quarter	2020	2019	2019	2019	2019
EUR million, or as indicated	Q1	Q4	Q3	Q2	Q1
<b>Comparable EBITDA margin, %</b>					
Filtration & Performance Solutions	19.1	15.9	18.8	18.4	16.5
Advanced Solutions	12.1	9.1	11.7	11.7	10.4
Industrial Solutions	10.5	6.4	8.8	9.2	7.3
Food Packaging & Technical Solutions	11.2	11.5	11.2	6.3	7.9
Decor Solutions	11.9	10.1	6.9	8.8	7.1
<b>Group</b>	<b>12.8</b>	<b>10.1</b>	<b>11.7</b>	<b>11.2</b>	<b>9.9</b>
<b>Capital expenditure</b>					
Filtration & Performance Solutions	6.4	6.9	10.3	10.9	7.4
Advanced Solutions	2.6	1.7	2.4	3.3	3.1
Industrial Solutions	7.1	14.5	25.5	13.2	10.0
Food Packaging & Technical Solutions	3.3	5.4	3.0	4.9	7.0
Decor Solutions	1.8	2.5	1.9	2.0	3.0
Other and eliminations	5.1	5.4	7.5	4.3	4.9
<b>Group</b>	<b>26.3</b>	<b>36.3</b>	<b>50.6</b>	<b>38.7</b>	<b>35.5</b>

Net sales by region	Q1	Q1	Q1-Q4
EUR million	2020	2019	2019
Europe	315.4	335.5	1,275.0
North America	244.9	254.2	984.2
South America	56.5	63.5	233.5
Asia-Pacific	89.1	94.8	382.9
Rest of the world	12.2	9.8	39.7
<b>Total</b>	<b>718.1</b>	<b>757.7</b>	<b>2,915.3</b>

Other operating income	Q1	Q1	Q1-Q4
EUR million	2020	2019	2019
Gain on business disposal	31.0	-	-
Gain on sale of fixed assets	0.1	0.0	0.9
Sale of scrap and side products	1.2	1.7	5.5
Government grants	0.6	0.6	3.3
R&D and other tax credits	0.3	0.2	1.4
Gain on sale of emission rights and other environmental rights	0.0	0.5	6.2
Other	1.3	0.9	3.5
<b>Total</b>	<b>34.5</b>	<b>4.0</b>	<b>20.7</b>

Gain on business disposal is related to the divestment of Fine Arts in Arches. See more details in section business acquisitions and disposals.

Other operating expense	Q1	Q1	Q1-Q4
EUR million	2020	2019	2019
Depreciation and amortization arising from PPA*	-13.2	-12.6	-52.1
Impairment loss	-4.2	-	-2.4
Other	-0.2	0.2	-1.5
<b>Total</b>	<b>-17.5</b>	<b>-12.4</b>	<b>-55.9</b>

\*Depreciation and amortization arising from PPA comprise depreciation and amortization charges from fair value adjustments relating to the business combinations starting from the year 2013.

Impairment loss in the first quarter of 2020 is related to an old gas turbine in Turin, Italy.

Changes in property, plant and equipment	Q1	Q1	Q1-Q4
EUR million	2020	2019	2019
<b>Net book value at the beginning of period</b>	<b>1,131.5</b>	<b>1,117.2</b>	<b>1,117.2</b>
Reclassification to right-of-use assets	-	-5.8	-5.8
Business combination	-	-	0.6
Additions	17.3	25.3	145.5
Disposals	-3.3	-0.0	-3.2
Depreciations, amortizations and impairment	-33.7	-30.0	-125.7
Translation differences and other changes	-25.1	12.2	2.9
<b>Net book value at the end of period</b>	<b>1,086.8</b>	<b>1,118.9</b>	<b>1,131.5</b>

Changes in right-of-use assets	Q1	Q1	Q1-Q4
EUR million	2020	2019	2019
<b>Net book value at the beginning of period</b>	<b>57.0</b>	<b>-</b>	<b>-</b>
Reclassification from property, plant and equipment	-	5.8	5.8
Impact of IFRS 16 on the opening balance	-	57.0	57.0
Additions	3.7	1.9	11.8
Depreciations, amortizations and impairment	-3.9	-3.8	-15.4
Translation differences and other changes	0.0	-1.1	-2.2
<b>Net book value at the end of period</b>	<b>56.8</b>	<b>59.8</b>	<b>57.0</b>

Net debt	Q1	Q1	Q1-Q4
EUR million	2020	2019	2019
<b>Assets</b>			
Cash and cash equivalents	247.3	218.8	166.1
<b>Liabilities</b>			
Non-current borrowings	886.6	1,029.4	899.0
Non-current lease liabilities	43.9	46.4	44.2
Current borrowings	157.8	215.2	94.8
Current lease liabilities	13.3	12.9	13.1
Securitization liability	-	-44.5	-
<b>Net debt</b>	<b>854.3</b>	<b>1,040.6</b>	<b>885.0</b>

Ahlstrom-Munksjö's parent company in Finland has a commercial paper program amounting to EUR 300 million of which EUR 58.5 million was utilized in March 31, 2020.

Fair values of financial assets and liabilities	Mar 31, 2020		Mar 31, 2019		Dec 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
<b>Non-current financial instruments measured at amortized cost</b>						
Bond	249.2	243.1	248.9	252.3	249.2	257.7
Bank loans	637.4	637.4	780.5	780.5	649.8	649.8
Lease liabilities	43.9	43.9	46.4	46.4	44.2	44.2
<b>Financial instruments measured at fair value</b>						
Forward contracts - cash flow hedge accounting	-2.8	-2.8	-0.6	-0.6	1.3	1.3
Forward contracts - fair value through income statement	-0.8	-0.8	-0.2	-0.2	-0.1	-0.1

The fair value hierarchy level for bond is 1 and for forward contracts the level is 2. The fair value of other financial assets and liabilities is close to the carrying value.

Nominal values of derivatives	Mar 31,	Mar 31,	Dec 31,
EUR million	2020	2019	2019
Forward contracts - cash flow hedge accounting	90.6	89.6	93.0
Forward contracts - fair value through income statement	77.8	48.5	36.8

Off-balance sheet commitments	Mar 31,	Mar 31,	Dec 31,
EUR million	2020	2019	2019
<b>Assets pledged</b>			
Pledges	0.9	0.9	0.9
<b>Commitments</b>			
Guarantees and commitments given on behalf of Group companies	55.5	60.8	56.5
Capital expenditure commitments	18.1	40.3	15.7
Other guarantees and commitments	41.2	31.1	40.9

#### EVENTS AFTER THE REPORTING PERIOD

The Group has no knowledge of any significant events after the end of the reporting period that would have a material impact on the financial statements.

## APPENDIX 2: KEY FIGURES

Certain of our key figures are not accounting measures defined or specified under IFRS and therefore are considered as alternative performance measures. We present these alternative performance measures as additional information to the financial measures presented in the consolidated financial statements prepared in accordance with IFRS. The Group believes that the alternative performance measures provide significant additional information on Ahlstrom-Munksjö's results of operations, financial position and cash flows, and are widely used by analysts, investors and other parties and provide additional information to analyze our performance and capital structure.

Alternative performance measures should not be viewed in isolation or as a substitute to measures presented in our IFRS financial statements. Companies do not calculate alternative performance measures in a uniform way, and therefore Ahlstrom-Munksjö's alternative performance measures may not be comparable with similarly named measures presented by other companies.

Alternative performance measures are unaudited.

KEY FIGURES	Q1	Q1	Q1-Q4
EUR million, or as indicated	2020	2019	2019
Employee benefit expenses	-148.9	-150.6	-583.1
Depreciation and amortization	-42.6	-42.4	-173.9
Impairment loss	-4.2	-	-2.4
Net sales	718.1	757.7	2,915.3
Operating result	73.7	17.8	103.2
Operating result margin, %	10.3	2.4	3.5
Net result	46.6	4.1	32.8
EBITDA	120.5	60.2	279.4
EBITDA margin, %	16.8	7.9	9.6
Comparable EBITDA	91.7	75.0	312.9
Comparable EBITDA margin, %	12.8	9.9	10.7
Items affecting comparability in EBITDA	28.8	-14.8	-33.4
Comparable operating result	49.1	32.6	139.0
Comparable operating result margin, %	6.8	4.3	4.8
Comparable operating result excl. depreciation and amortization arising from PPA	62.3	45.2	191.1
Items affecting comparability in operating result	24.6	-14.8	-35.8
Return on capital employed, rolling 12 months, %	6.8	3.7	4.4
Comparable return on capital employed, rolling 12 months, %	6.6	7.3	5.9
Capital employed average for 12 months	2,347.3	2,004.2	2,363.3
Total equity	1,182.2	1,123.7	1,232.0
Return on equity, rolling 12 months, %	6.5	2.4	2.9
Comparable return on equity, rolling 12 months, %	6.0	7.4	5.2
Total equity average for 12 months	1,166.1	1,080.8	1,149.3
Net debt	854.3	1,040.6	885.0
Gearing ratio, %	72.3	92.6	71.8
Equity/assets ratio, %	36.2	33.1	38.5
Earnings per share (basic), EUR	0.40	0.03	0.27
Earnings per share (diluted), EUR	0.40	0.03	0.27
Comparable net result	25.5	15.1	59.3
Comparable earnings per share, EUR	0.21	0.13	0.50
Comparable net result excl. depreciation and amortization arising from PPA	35.3	24.4	98.0
Comparable earnings per share excl. depreciation and amortization arising from PPA, EUR	0.30	0.21	0.84
Operating cash flow per share, EUR	0.10	0.26	2.49
Shareholders' equity per share, EUR	9.32	9.66	9.73
Number of shares outstanding at the end of the period	114,988,453	115,288,453	115,288,453
Weighted average number of outstanding shares	115,174,280	115,288,453	115,288,453
Capital expenditure	26.3	35.5	161.1
Average number of employees, FTE	7,855	8,140	8,078
Sales volumes, thousands of tons	418	406	1,592

Reconciliation of certain key performance measures EUR million or as indicated	Q1 2020	Q1 2019	Q1-Q4 2019
<b>Items affecting comparability</b>			
Transaction costs	-1.2	-0.3	-2.7
Integration costs	-0.5	-6.7	-11.7
Restructuring costs	-0.5	-7.7	-15.4
Gain/Loss on business disposal	31.0	-	-1.6
Other	-0.0	-	-2.1
<b>Total items affecting comparability in EBITDA</b>	<b>28.8</b>	<b>-14.8</b>	<b>-33.4</b>
Impairment loss	-4.2	-	-2.4
<b>Total items affecting comparability in operating result</b>	<b>24.6</b>	<b>-14.8</b>	<b>-35.8</b>
<b>Comparable EBITDA</b>			
Operating result	73.7	17.8	103.2
Depreciation, amortization and impairment	46.7	42.4	176.2
<b>EBITDA</b>	<b>120.5</b>	<b>60.2</b>	<b>279.4</b>
Total items affecting comparability in EBITDA	-28.8	14.8	33.4
<b>Comparable EBITDA</b>	<b>91.7</b>	<b>75.0</b>	<b>312.9</b>
<b>Comparable operating result excl. depreciation and amortization arising from PPA</b>			
Operating result	73.7	17.8	103.2
Total items affecting comparability in operating result	-24.6	14.8	35.8
<b>Comparable operating result</b>	<b>49.1</b>	<b>32.6</b>	<b>139.0</b>
Depreciation and amortization arising from PPA*	13.2	12.6	52.1
<b>Comparable operating result excl. depreciation and amortization arising from PPA</b>	<b>62.3</b>	<b>45.2</b>	<b>191.1</b>
<b>Comparable net result excl. depreciation and amortization arising from PPA</b>			
Net result	46.6	4.1	32.8
Total items affecting comparability in operating result	-24.6	14.8	35.8
Taxes relating to items affecting comparability in operating result	3.4	-3.9	-9.3
<b>Comparable net result</b>	<b>25.5</b>	<b>15.1</b>	<b>59.3</b>
Depreciation and amortization arising from PPA*	13.2	12.6	52.1
Taxes relating to depreciation and amortization arising from PPA	-3.3	-3.2	-13.4
<b>Comparable net result excl. depreciation and amortization arising from PPA</b>	<b>35.3</b>	<b>24.4</b>	<b>98.0</b>
<b>Comparable earnings per share, EUR</b>			
Comparable net result	25.5	15.1	59.3
Net result attributable to non-controlling interest	-0.3	-0.4	-1.2
Comparable net result attributable to parent company shareholders	25.2	14.7	58.2
Interest on hybrid bond for the period, after taxes	-0.8	-	-0.2
Weighted average number of outstanding shares	115,174,280	115,288,453	115,288,453
<b>Comparable earnings per share, EUR</b>	<b>0.21</b>	<b>0.13</b>	<b>0.50</b>
<b>Comparable EPS excl. depreciation and amortization arising from PPA, EUR</b>			
Comparable net result excl. depreciation and amortization arising from PPA	35.3	24.4	98.0
Net result attributable to non-controlling interest	-0.3	-0.4	-1.2
Comparable net result excl. depreciation and amortization arising from PPA attributable to parent company shareholders	35.0	24.1	96.8
Interest on hybrid bond for the period, after taxes	-0.8	-	-0.2
Weighted average number of outstanding shares	115,174,280	115,288,453	115,288,453
<b>Comparable EPS excl. depreciation and amortization arising from PPA, EUR</b>	<b>0.30</b>	<b>0.21</b>	<b>0.84</b>
<b>Return on equity (ROE), rolling 12 months, %</b>			
Net result for the last 12 months	75.3	25.8	32.8
Total equity, average for the last 12 months	1,166.1	1,080.8	1,149.3
<b>Return on equity, rolling 12 months, %</b>	<b>6.5</b>	<b>2.4</b>	<b>2.9</b>
<b>Comparable return on equity (ROE), rolling 12 months, %</b>			
Comparable net result for the last 12 months	69.7	79.9	59.3
Total equity, average for the last 12 months	1,166.1	1,080.8	1,149.3
<b>Comparable return on equity, rolling 12 months, %</b>	<b>6.0</b>	<b>7.4</b>	<b>5.2</b>
<b>Return on capital employed (ROCE), rolling 12 months, %</b>			
Operating result for the last 12 months	159.1	74.6	103.2
Capital employed, average for the last 12 months	2,347.3	2,004.2	2,363.3
<b>Return on capital employed, rolling 12 months, %</b>	<b>6.8</b>	<b>3.7</b>	<b>4.4</b>
<b>Comparable return on capital employed (ROCE), rolling 12 months, %</b>			
Comparable operating result for the last 12 months	155.5	147.1	139.0
Capital employed, average for the last 12 months	2,347.3	2,004.2	2,363.3
<b>Comparable return on capital employed, rolling 12 months, %</b>	<b>6.6</b>	<b>7.3</b>	<b>5.9</b>
<b>Net debt</b>			
Cash and cash equivalents	247.3	218.8	166.1
Non-current borrowings	886.6	1,029.4	899.0
Non-current leasing liabilities	43.9	46.4	44.2
Current borrowings	157.8	215.2	94.8
Current leasing liabilities	13.3	12.9	13.1
Securitization liability	-	-44.5	-
<b>Net debt</b>	<b>854.3</b>	<b>1,040.6</b>	<b>885.0</b>

\*Depreciation and amortization arising from PPA comprise depreciation and amortization charges from fair value adjustments relating to the business combinations starting from the year 2013.

## CALCULATION OF KEY FIGURES

Key figure	Definitions	Reason for use of the key figure
Operating result	Net result before taxes and net financial items	Operating result shows result generated by the operating activities
Operating result margin, %	Operating result / net sales	
EBITDA	Operating result before depreciation, amortization and impairment	EBITDA is the indicator to measure the performance of Ahlstrom-Munksjö.
EBITDA margin, %	EBITDA / net sales	EBITDA margin is a key measure in our long-term financial targets.
Comparable EBITDA	EBITDA excluding items affecting comparability in EBITDA	
Comparable EBITDA margin, %	Comparable EBITDA / net sales	
Comparable operating result	Operating result excluding items affecting comparability in operating result	
Comparable operating result margin, %	Comparable operating result / net sales	
Comparable operating result excluding depreciation and amortization arising from PPA	<p>Operating result excluding items affecting comparability in operating result and depreciation and amortization arising from PPA</p> <p>Depreciation and amortization arising from PPA comprise depreciation and amortization charges from fair value adjustments relating to the business combinations starting from the year 2013.</p>	Comparable EBITDA, comparable EBITDA margin, comparable operating result, comparable operating result margin, comparable operating result excluding depreciation and amortization arising from PPA, comparable net result, comparable earnings per share, comparable net result excluding depreciation and amortization arising from PPA and comparable earnings per share excluding depreciation and amortization arising from PPA are presented in addition to EBITDA, operating result, net result and earnings per share to reflect the underlying business performance and to enhance comparability from period to period. Ahlstrom-Munksjö believes that these comparable performance measures provide meaningful supplemental information by excluding items outside ordinary course of business including PPA related depreciation and amortization, which reduce comparability between the periods.
Comparable net result	Net result excluding items affecting comparability in operating result, net of tax	
Comparable earnings per share, EUR	Comparable net result - net result attributable to non-controlling interests - Interest on hybrid bond for the period after taxes/ weighted average number of shares outstanding	
Comparable net result excluding depreciation and amortization arising from PPA	Net result excluding items affecting comparability in operating result, net of tax, and depreciation and amortization arising from PPA net of tax	
Comparable earnings per share excluding depreciation and amortization arising from PPA	Comparable net result excluding depreciation and amortization arising from PPA - net result attributable to non-controlling interests - Interest on hybrid bond for the period after taxes/ weighted average number of shares outstanding	
Items affecting comparability in operating result	Material items outside ordinary course of business, such as gains and losses on business disposals, direct transaction costs related to business acquisitions, costs for closure of business operations and restructurings including redundancy payments, impairment losses, one-off items arising from purchase price allocation such as inventory fair value adjustments, compensation related to environmental damages arising from unexpected or rare events and other items including fines (such as VAT tax audit fines) or other similar stipulated payments and litigations.	
Items affecting comparability in EBITDA	Items affecting comparability in operating result excluding impairment losses.	
Earnings per share (EPS), basic, EUR	Net result attributable to parent company's shareholders / weighted average number of shares outstanding	

Key figure	Definitions	Reason for use of the key figure
<b>Earnings per share (EPS), basic, EUR</b>	Net result attributable to parent company's shareholders / weighted average number of shares outstanding	
<b>Net debt</b>	Non-current and current borrowings and non-current and current lease liability less securitization liability less cash and cash equivalents	Net debt and total debt are indicators to measure the total external debt financing of Ahlstrom-Munksjö
<b>Total debt</b>	Non-current and current borrowings and non-current and current lease liability less securitization liability	
<b>Capital employed average for 12 months</b>	Total equity and total debt (average of the last 12 months)	
<b>Return on capital employed, rolling 12 months, %</b>	Comparable operating result (for the last 12 months) / capital employed (average of the last 12 months)	Capital employed average for 12 months, Return on capital employed, rolling 12 months and Comparable return on capital employed, rolling 12 months measure capital tied up in operations and return on capital tied up in operations.
<b>Comparable return on capital employed, rolling 12 months, %</b>	Comparable operating result (for the last 12 months) / capital employed (average of the last 12 months)	
<b>Total equity for 12 months</b>	Total equity (average of the last 12 months)	
<b>Return on equity, rolling 12 months, %</b>	Net result (for the last 12 months) / total equity (average of the last 12 months)	Total equity for 12 months, Return on equity, rolling 12 months and Comparable return on equity, rolling 12 months measures the equity available and the ability to generate income from it.
<b>Comparable return on equity, rolling 12 months, %</b>	Comparable net result (for the last 12 months) / total equity (average of the last 12 months)	
<b>Gearing ratio, %</b>	Net debt / total equity	Ahlstrom-Munksjö believes that Gearing ratio helps to show financial risk level and it is a useful measure for management to monitor the level of Ahlstrom-Munksjö's indebtedness. Gearing ratio is also one of the Ahlstrom-Munksjö's long-term financial targets measure.
<b>Equity/assets ratio, %</b>	Total equity / total assets	Ahlstrom-Munksjö believes that Equity/assets ratio helps to show financial risk level and it is a useful measure for management to monitor the level of Group's capital used in the operations.
<b>Shareholders' equity per share, EUR</b>	Equity attributable to parent company's shareholders / number of shares outstanding at the end of the period	
<b>Capital expenditure</b>	Purchases for property, plant and equipment and intangible assets as presented in the cash flow statement.	Capital expenditure provides additional information of the cash flow needs of the operations.
<b>Operating cash flow per share, EUR</b>	Operating cash flow / weighted average number of shares outstanding	