

**SUPPLEMENT DOCUMENT TO SPA HOLDINGS 3 OY'S TENDER OFFER DOCUMENT DATED
OCTOBER 21, 2020, RELATING TO THE VOLUNTARY PUBLIC CASH TENDER OFFER FOR ALL
ISSUED AND OUTSTANDING SHARES IN AHLSTROM-MUNKSJÖ OYJ**

October 28, 2020

THE TENDER OFFER IS NOT BEING MADE DIRECTLY OR INDIRECTLY IN ANY JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW AND THE TENDER OFFER DOCUMENT, RELATED ACCEPTANCE FORMS AND SUPPLEMENT DOCUMENTS ARE NOT AND MAY NOT BE DISTRIBUTED, FORWARDED OR TRANSMITTED INTO OR FROM ANY JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW BY ANY MEANS WHATSOEVER INCLUDING, WITHOUT LIMITATION, MAIL, FACSIMILE TRANSMISSION, E-MAIL OR TELEPHONE. IN PARTICULAR, THE TENDER OFFER IS NOT MADE IN AND THE TENDER OFFER DOCUMENT AND THIS SUPPLEMENT DOCUMENT MUST UNDER NO CIRCUMSTANCES BE DISTRIBUTED INTO AUSTRALIA, CANADA, THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA ("HONG KONG"), JAPAN, NEW ZEALAND OR SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW.

Spa Holdings 3 Oy (the "**Offeror**") and Ahlstrom-Munksjö Oyj (the "**Company**" or "**Ahlstrom-Munksjö**") have on September 24, 2020 entered into a combination agreement pursuant to which the Offeror has made a voluntary public cash tender offer to acquire all of the issued and outstanding shares in Ahlstrom-Munksjö that are not held by Ahlstrom-Munksjö or any of its subsidiaries (the "**Shares**" or, individually, a "**Share**") (the "**Tender Offer**"). The Offeror has published a tender offer document dated October 21, 2020, concerning the Tender Offer (the "**Tender Offer Document**").

The Offeror supplements the Tender Offer Document in accordance with Chapter 11, Section 11, Subsection 4 of the Finnish Securities Markets Act (746/2012, as amended) with the following information included in this document (the "**Supplement Document**"):

The Offeror supplements the Tender Offer Document with the unaudited consolidated interim report of Ahlstrom-Munksjö as at and for the nine months ended September 30, 2020 in the form published by Ahlstrom-Munksjö on October 28, 2020, which is added as Annex D to the Tender Offer Document.

In addition, the Offeror supplements the section "*Presentation of Ahlstrom-Munksjö – Financial Information*" of the Tender Offer Document with the addition of the following passage to the end of said section:

- "In addition, the unaudited consolidated interim report of Ahlstrom-Munksjö as at and for the nine months ended September 30, 2020, is included in this Tender Offer Document in the form published by Ahlstrom-Munksjö (see "*Annex D: Unaudited consolidated interim report published by Ahlstrom-Munksjö as at and for the nine months ended September 30, 2020*")."

The Offeror also supplements the section "*Presentation of Ahlstrom-Munksjö – Future Prospects Published by Ahlstrom-Munksjö*" of the Tender Offer Document by replacing the following strikethrough passages with the passages that are underlined and set in bold:

- "The future prospects of Ahlstrom-Munksjö have been described in ~~the unaudited half-year report published by Ahlstrom-Munksjö as at and for the six months ended June 30, 2020~~ **the unaudited consolidated interim report published by Ahlstrom-Munksjö as at and for the nine months ended September 30, 2020**. See "*Annex A: Financial Information of Ahlstrom-Munksjö*." "**Annex D: Unaudited consolidated interim report published by Ahlstrom-Munksjö as at and for the nine months ended September 30, 2020**"."
- "Information on risks to which Ahlstrom-Munksjö is exposed has been presented on pages 65–71 of the annual and sustainability report 2019 of Ahlstrom-Munksjö published on February 28, 2020. Further information on Ahlstrom-Munksjö's short-term risks has been presented on pages 17–18 ~~of the half-year report of Ahlstrom-Munksjö published on July 28, 2020~~ **19–20 of the unaudited consolidated interim report of Ahlstrom-Munksjö as at and for the nine months ended September 30, 2020, published on October 28, 2020**."

The Finnish language versions of the Tender Offer Document and this Supplement Document are available on the internet at tenderoffer.fi/ahlstrom-munksjo/fi and www.nordea.fi/ahlstrom-munksjo-ostotarjous as of October 28, 2020. The English language translations of the Tender Offer Document and this Supplement Document are available on the internet at tenderoffer.fi/ahlstrom-munksjo and www.nordea.fi/ahlstrom-munksjo-offer as of October 28, 2020.

The Finnish Financial Supervisory Authority (the “**FIN-FSA**”) has approved the Finnish language version of this Supplement Document but the FIN-FSA assumes no responsibility for the accuracy of the information presented therein. The decision number of the approval of the FIN-FSA is FIVA 21/02.05.05/2020. This Supplement Document has been translated into the English language. In the event of any discrepancy between the two language versions of the Supplement Document, the Finnish language version shall prevail.

The Tender Offer is not being made, directly or indirectly, in or into Australia, Canada, Hong Kong, Japan, New Zealand or South Africa and the Tender Offer Document and this Supplement Document and any and all materials related thereto should not be sent in or into Australia, Canada, Hong Kong, Japan, New Zealand or South Africa (including by use of, or by any means or instrumentality, for example, e-mail, post, facsimile transmission, telephone or internet, of interstate or foreign commerce, or any facilities of a national securities exchange), and the Tender Offer cannot be accepted directly or indirectly or by any such use, means or instrumentality, in or from within Australia, Canada, Hong Kong, Japan, New Zealand or South Africa. Accordingly, copies of the Tender Offer Document and this Supplement Document and any related materials are not being, and must not be, mailed, forwarded, transmitted or otherwise distributed or sent in or into or from Australia, Canada, Hong Kong, Japan, New Zealand or South Africa or, in their capacities as such, to custodians, trustees, agents or nominees holding Shares for Australian, Canadian, Hong Kong, Japanese, New Zealander or South African persons, and persons receiving any such documents (including custodians, nominees and trustees) must not distribute, forward, mail, transmit or send them in, into or from Australia, Canada, Hong Kong, Japan, New Zealand or South Africa. Any person accepting the Tender Offer shall be deemed to represent to the Offeror such person’s compliance with these restrictions and any purported acceptance of the Tender Offer that is a direct or indirect consequence of a breach or violation of these restrictions shall be null and void.

Information for Shareholders in the United States

Shareholders of Ahlstrom-Munksjö in the United States are advised that the shares in Ahlstrom-Munksjö are not listed on a U.S. securities exchange and that Ahlstrom-Munksjö is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and is not required to, and does not, file any reports with the U.S. Securities and Exchange Commission (the “**SEC**”) thereunder.

The Tender Offer will be made for the issued and outstanding shares of Ahlstrom-Munksjö, which is domiciled in Finland, and is subject to Finnish disclosure and procedural requirements. The Tender Offer is made in the United States pursuant to Section 14(e) and Regulation 14E under the Exchange Act, and otherwise in accordance with the disclosure and procedural requirements of Finnish law, including with respect to the Tender Offer timetable, settlement procedures, withdrawal, waiver of conditions and timing of payments, which are different from those of the United States. In particular, the financial information included in the Tender Offer Document and this Supplement Document has been prepared in accordance with applicable accounting standards in Finland, which may not be comparable to the financial statements or financial information of U.S. companies. The Tender Offer is made to Ahlstrom-Munksjö’s shareholders resident in the United States on the same terms and conditions as those made to all other shareholders of Ahlstrom-Munksjö to whom an offer is made. Any informational documents, including the Tender Offer Document and this Supplement Document, are being disseminated to U.S. shareholders on a basis comparable to the method that such documents are provided to Ahlstrom-Munksjö’s other shareholders.

To the extent permissible under applicable law or regulations, the Offeror and its affiliates or its brokers and its brokers’ affiliates (acting as agents for the Offeror or its affiliates, as applicable) may from time to time after the date of the Tender Offer Document and this Supplement Document and during the pendency of the Tender Offer, and other than pursuant to the Tender Offer, directly or indirectly purchase or arrange to purchase Shares or any securities that are convertible into, exchangeable for or exercisable for Shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. To the extent information about such purchases or arrangements to purchase is made public in Finland, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of Ahlstrom-Munksjö of such information. In addition, the financial advisers to the Offeror may also engage in ordinary course trading activities in securities of Ahlstrom-Munksjö, which may include

purchases or arrangements to purchase such securities. To the extent required in Finland, any information about such purchases will be made public in Finland in the manner required by Finnish law.

Neither the SEC nor any U.S. state securities commission has approved or disapproved the Tender Offer, passed upon the merits or fairness of the Tender Offer, or passed any comment upon the adequacy, accuracy or completeness of the disclosure in relation to the Tender Offer. Any representation to the contrary is a criminal offence in the United States.

The receipt of cash pursuant to the Tender Offer by a U.S. holder of Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of Shares is urged to consult its independent professional advisers immediately regarding the tax consequences of accepting the Tender Offer.

It may be difficult for Ahlstrom-Munksjö's shareholders to enforce their rights and any claims they may have arising under the U.S. federal securities laws, since the Offeror and Ahlstrom-Munksjö are located in a non-U.S. jurisdiction and some or all of their respective officers and directors may be residents of non-U.S. jurisdictions. Ahlstrom-Munksjö shareholders may not be able to sue the Offeror or Ahlstrom-Munksjö or their respective officers or directors in a non-U.S. court for violations of the U.S. federal securities laws. It may be difficult to compel the Offeror and Ahlstrom-Munksjö and their respective affiliates to subject themselves to a U.S. court's judgment.

**UNAUDITED CONSOLIDATED INTERIM REPORT PUBLISHED BY AHLSTROM-MUNKSJÖ AS AT
AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020**



Q3/2020
INTERIM REPORT
JANUARY-SEPTEMBER 2020

SOLID RESULT AND CASH FLOW

HIGHLIGHTS DURING THE REPORTING PERIOD

- Solid comparable EBITDA and increased margin, sales volumes recovered from a low level in the previous quarter
- Comparable EBITDA and sales volumes remained below last year's level
- Strong recovery in demand for transportation and furniture related products, while demand remained weak for industrial products
- Solid cash flow and financial position further strengthened
- Launch of lead acid battery product portfolio under the Ahlstrom-Munksjö FortiCell range of fiber-based solutions for energy storage applications
- World-class Net Promoter Score achieved in an external customer survey
- Recommended public tender offer for all Ahlstrom-Munksjö shares
- Comparable EBITDA in 2020 is expected to be in the range of EUR 315-335 million (EUR 313 million in 2019)

Q3/2020 compared with Q3/2019

- Net sales decreased by 8.0% to EUR 654.5 million (711.3), mainly due an adverse currency effect and lower average selling prices
- Comparable EBITDA decreased to EUR 78.9 million (83.6), representing 12.1% (11.7) of net sales, impacted by scheduled maintenance shutdowns
- Operating result of EUR 32.9 million (34.3)
- Net result EUR 15.5 million (12.0)
- Earnings per share (basic) EUR 0.13 (0.10)
- Comparable EPS excluding depreciation and amortization arising from PPA EUR 0.24 (EUR 0.22)

Q1-Q3/2020 compared with Q1-Q3/2019

- Net sales decreased by 9.9% to EUR 1,994.1 million (2,214.1), mainly due to lower average selling prices and volumes as well as an adverse currency effect
- Comparable EBITDA increased to EUR 244.7 million (242.4), representing 12.3% (10.9) of net sales, driven by lower variable costs, which more than offset lower selling prices and sales volumes
- Operating result of EUR 132.5 million (87.2), including a capital gain of EUR 32.0 million from the sale of the fine art paper business
- Net result EUR 71.2 million (30.9)
- Earnings per share (basic) EUR 0.59 (0.26)
- Comparable EPS excluding depreciation and amortization arising from PPA EUR 0.72 (0.68)
- Net debt decreased to EUR 804.2 million (885.0 in Q4/2019), supported by the sale of the fine art paper business

PPA = purchase price allocation

Q3/2020

COMPARABLE
EBITDA EUR 79M,
12.1% OF NET SALES

SOLID CASH FLOW

TENDER OFFER FOR
ALL AHLSTROM-
MUNKSJÖ SHARES

KEY FIGURES

Key figures	Q3	Q3	Q2	Q1-Q3	Q1-Q3	Q1-Q4
EUR million, or as indicated	2020	2019	2020	2020	2019	2019
Net sales	654.5	711.3	621.5	1,994.1	2,214.1	2,915.3
Comparable EBITDA	78.9	83.6	74.0	244.7	242.4	312.9
Comparable EBITDA margin, %	12.1	11.7	11.9	12.3	10.9	10.7
EBITDA	74.4	77.8	69.1	264.0	216.1	279.4
Comparable operating result	37.5	40.1	31.8	118.4	113.5	139.0
Operating result	32.9	34.3	25.8	132.5	87.2	103.2
Net result	15.5	12.0	9.0	71.2	30.9	32.8
Earnings per share (basic), EUR	0.13	0.10	0.07	0.59	0.26	0.27
Comparable earnings per share (basic), EUR	0.16	0.14	0.10	0.47	0.43	0.50
Comparable EPS excl. depreciation and amortization arising from PPA, EUR*	0.24	0.22	0.18	0.72	0.68	0.84
Return on equity (ROE), rolling 12 months, %	6.2	1.0	5.9	6.2	1.0	2.9
Comparable ROE, rolling 12 months, %	5.6	5.4	5.4	5.6	5.4	5.2
Return on capital employed (ROCE), rolling 12 months, %	6.4	3.4	6.4	6.4	3.4	4.4
Comparable ROCE, rolling 12 months, %	6.2	6.2	6.3	6.2	6.2	5.9
Net cash from operating activities	104.3	125.4	8.5	124.6	218.4	286.7
Capital expenditure	25.5	50.6	24.4	76.2	124.8	161.1
Net debt	804.2	981.7	878.7	804.2	981.7	885.0
Gearing ratio, %	68.9	85.4	74.3	68.9	85.4	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

I'm pleased with our financial performance in the third quarter, and in particular, with our agile way of responding to the recovery in customer activity. Our comparable EBITDA increased to EUR 79 million and the margin to 12.1% from the previous quarter on the back of higher customer deliveries. This was a good achievement considering the scheduled maintenance activity, and if this timing impact is excluded, our result would have been at last year's level. Our profitability continued to benefit from lower variable costs due both to lower raw material prices and our cost-saving measures. Cash flow was strong, thanks to the seasonal reduction in net working capital, and this helped to strengthen our financial position.

Customer activity recovered during the third quarter as countries and markets reopened after lockdowns. This was particularly visible for transportation, as well as home building- and furniture-related applications, which are important end-use segments for us. Demand continued on a good level in health care and life science end uses, and remained stable in the consumer goods-related end uses. Towards the end of the quarter, there were also signs of increasing demand for industrial-related products. Overall, our sales volumes increased notably from the second quarter and were close to the previous year's level.

A consortium of investors has announced a public tender offer to the shareholders of Ahlstrom-Munksjö. I consider this evidence of the good work we have done in recent years and how we have succeeded in creating an attractive business in a world of increasing stakeholder expectations. I am also confident that the planned ownership change would ensure that we can develop our company to its fullest future potential.

IMPROVING CUSTOMER SATISFACTION

I'm particularly pleased with the positive results of our comprehensive customer survey conducted by Opticom International Research, which is a proof point that we have further reinforced our position as a global leader in fiber-based solutions. We scored particularly well in categories such as personal contact and technical service, as well as in innovation and sustainability. These are essential in strengthening our partnership with our customers, and are also important in solving the challenges of today's society. We also achieved a world-class rating for a manufacturer in business-to-business Net Promoter Score.

AGILE ORGANIZATION

The recovery in our main markets seems to be continuing. However, there is some uncertainty provided that the recent increase in coronavirus cases could force governments around the world to reimpose regional or national restrictions. Overall, I'm very proud of how well our organization has performed in these very exceptional circumstances and responded to quickly changing market conditions. This really highlights the strengths of our company.

OUTLOOK FOR 2020

The gradual increase in customer activity translated into a broad-based recovery across the company's businesses during the third quarter of 2020. The overall demand for Ahlstrom-Munksjö's products is expected to remain at a rather good level in the fourth quarter of 2020, albeit with some variation depending on the end use of the products.

Ahlstrom-Munksjö's comparable EBITDA in 2020 is expected to be in the range of EUR 315-335 million (EUR 313 million in 2019). The latest development in the pandemic has further increased uncertainty.



“I'm pleased with our financial performance, and in particular, with our agile way of responding to the recovery in customer activity.”

*Hans Sohlström,
President and CEO*

FINANCIAL PERFORMANCE

NET SALES DEVELOPMENT

Net sales by business area	Q3	Q3	Q2	Q1-Q3	Q1-Q3	Q1-Q4
EUR million	2020	2019	2020	2020	2019	2019
Filtration & Performance Solutions	157.8	172.4	140.2	464.5	545.4	724.0
Advanced Solutions	116.5	117.8	126.8	363.4	358.6	470.2
Industrial Solutions	155.9	188.9	168.4	516.6	590.0	765.7
Food Packaging & Technical Solutions	135.2	143.1	130.4	411.4	441.1	582.4
Decor Solutions	96.7	99.4	65.0	268.0	315.8	419.6
Other and eliminations	-7.7	-10.3	-9.2	-29.7	-36.8	-46.5
Group	654.5	711.3	621.5	1,994.1	2,214.1	2,915.3

PROFIT AND PROFITABILITY DEVELOPMENT

EBITDA by business area	Q3	Q3	Q2	Q1-Q3	Q1-Q3	Q1-Q4
EUR million	2020	2019	2020	2020	2019	2019
Filtration & Performance Solutions	31.8	30.3	22.1	116.5	94.9	121.7
Advanced Solutions	16.4	13.8	17.7	48.3	40.2	50.2
Industrial Solutions	11.7	15.6	20.7	52.5	44.7	52.9
Food Packaging & Technical Solutions	7.9	15.4	8.6	33.0	35.6	51.3
Decor Solutions	10.1	6.8	0.5	22.8	15.1	25.0
Other and eliminations	-3.4	-4.1	-0.5	-9.1	-14.5	-21.6
Group	74.4	77.8	69.1	264.0	216.1	279.4

Items affecting comparability in EBITDA by business area	Q3	Q3	Q2	Q1-Q3	Q1-Q3	Q1-Q4
EUR million	2020	2019	2020	2020	2019	2019
Filtration & Performance Solutions	-0.5	-2.2	-3.3	26.9	-2.7	-4.4
Advanced Solutions	0.0	-0.0	—	-0.2	-0.2	-0.4
Industrial Solutions	-0.2	-1.1	-0.2	-0.5	-5.1	-8.2
Food Packaging & Technical Solutions	-0.2	-0.6	-0.4	-0.4	-1.6	-2.1
Decor Solutions	-0.1	-0.1	-0.1	-0.6	-9.0	-9.5
Other and eliminations	-3.5	-1.8	-0.8	-5.9	-7.6	-8.8
Group	-4.6	-5.8	-4.9	19.3	-26.3	-33.4

Comparable EBITDA by business area	Q3	Q3	Q2	Q1-Q3	Q1-Q3	Q1-Q4
EUR million	2020	2019	2020	2020	2019	2019
Filtration & Performance Solutions	32.3	32.4	25.5	89.6	97.6	126.1
Advanced Solutions	16.4	13.8	17.7	48.5	40.5	50.6
Industrial Solutions	11.9	16.7	20.9	52.9	49.9	61.1
Food Packaging & Technical Solutions	8.0	16.0	9.0	33.4	37.2	53.4
Decor Solutions	10.2	6.9	0.6	23.4	24.0	34.5
Other and eliminations	0.2	-2.3	0.4	-3.2	-6.8	-12.9
Group	78.9	83.6	74.0	244.7	242.4	312.9

Comparable EBITDA margin by business area	Q3	Q3	Q2	Q1-Q3	Q1-Q3	Q1-Q4
%	2020	2019	2020	2020	2019	2019
Filtration & Performance Solutions	20.5	18.8	18.2	19.3	17.9	17.4
Advanced Solutions	14.0	11.7	13.9	13.4	11.3	10.8
Industrial Solutions	7.6	8.8	12.4	10.2	8.5	8.0
Food Packaging & Technical Solutions	6.0	11.2	6.9	8.1	8.4	9.2
Decor Solutions	10.5	6.9	0.9	8.7	7.6	8.2
Group	12.1	11.7	11.9	12.3	10.9	10.7

JULY-SEPTEMBER 2020

Comparison with July-September 2019

Net sales decreased by 8.0% to EUR 654.5 million (711.3). At constant currency rates the decrease was 3.6%, driven mainly by slightly lower selling prices.

The impact of the pandemic on customer activity varied. Deliveries increased in health care and life science, home building and furniture, and consumer goods related end uses, while they were at last year's level in transportation related applications. Deliveries decreased in the industrial segments.

Comparable EBITDA decreased to EUR 78.9 million (83.6), representing 12.1% of net sales (11.7). Lower variable costs more than offset lower selling prices and volumes. Variable costs were reduced due both to lower raw material prices and cost-saving measures. Fixed costs rose slightly, mainly due to the timing of the scheduled maintenance shutdowns.

EBITDA was EUR 74.4 million (77.8). Items affecting comparability (IACs) in EBITDA totaled EUR -4.6 million (-5.8) and included costs related to the tender offer for all shares in Ahlstrom-Munksjö.

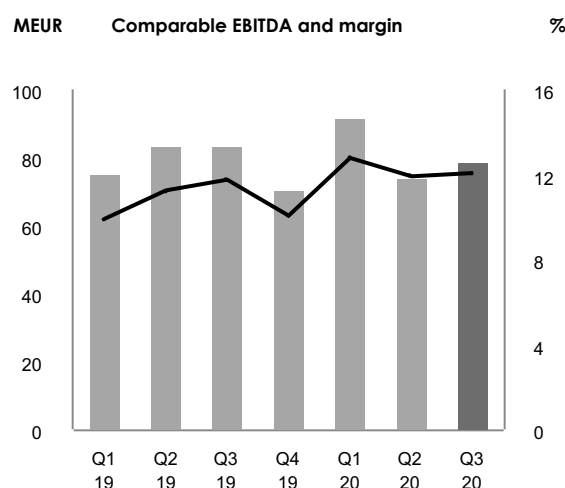
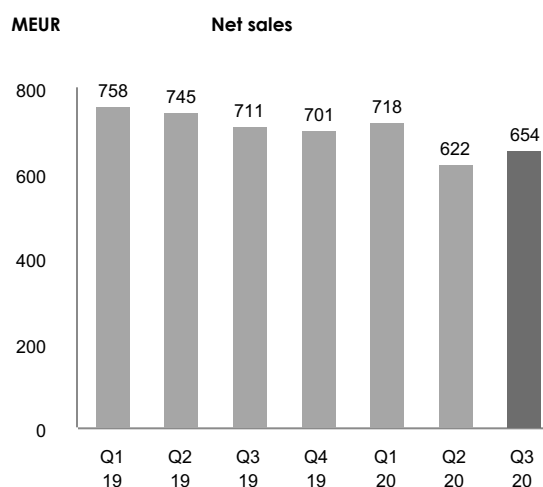
The operating result was EUR 32.9 million (34.3). Depreciation, amortization and impairment amounted to EUR -41.5 million (-43.4), including depreciation and amortization arising from PPA of EUR -12.5 million (-13.2).

Net financial items decreased to EUR -11.8 million (-14.8). This figure includes net interest expenses of EUR -8.4 million (-12.3), a currency exchange loss of EUR -1.8 million (-0.5) and other financial expenses of EUR -1.6 million (-2.1). Net interest expenses decreased due to lower interest rates.

The result before taxes was EUR 21.1 million (19.5). Taxes amounted to EUR -5.6 million (-7.5). The net result was EUR 15.5 million (12.0), and earnings per share (basic) were EUR 0.13 (0.10).

Comparison with April-June 2020

Comparable EBITDA increased mainly due to higher sales volumes. This was partially offset by higher manufacturing fixed costs.



Reconciliation of EBITDA to comparable EBITDA	Q3	Q3	Q2	Q1-Q3	Q1-Q3	Q1-Q4
EUR million	2020	2019	2020	2020	2019	2019
EBITDA	74.4	77.8	69.1	264.0	216.1	279.4
Transaction costs	-3.6	-1.1	-0.9	-5.8	-1.9	-2.7
Integration costs	—	-2.4	—	-0.5	-11.1	-11.7
Restructuring costs	-0.4	-1.9	-0.5	-1.3	-11.9	-15.4
Gain/Loss on business disposal and other related items	—	—	-2.9	28.1	—	-1.6
Other	-0.6	-0.4	-0.6	-1.2	-1.3	-2.1
Total items affecting comparability in EBITDA	-4.6	-5.8	-4.9	19.3	-26.3	-33.4
Comparable EBITDA	78.9	83.6	74.0	244.7	242.4	312.9

Full reconciliation is available in the appendix 2.

JANUARY-SEPTEMBER 2020

Comparison with January-September 2019

Net sales decreased by 9.9% to EUR 1,994.1 million (2,214.1). At constant currency rates the decrease was 8.1%, driven mainly by lower selling prices and volumes. Deliveries increased in health care and life science related end uses, while they were relatively stable in consumer goods related end uses. Deliveries decreased in the home building and furniture, transportation and industrial related applications.

Comparable EBITDA increased to EUR 244.7 million (242.4), representing 12.3% of net sales (10.9). This was due to lower variable costs, which more than offset lower selling prices and lower deliveries. Variable costs were reduced due to both lower raw material prices and cost-saving measures. Fixed costs rose slightly. This was partly due to the timing of the scheduled maintenance shutdowns.

EBITDA was EUR 264.0 million (216.1). Items affecting comparability (IACs) in EBITDA totaled EUR 19.3 million (-26.3) and included a capital gain of EUR 32.0 million from the sale of the fine arts paper business.

The operating result was EUR 132.5 million (87.2). Depreciation, amortization and impairment amounted to EUR -131.5 million (-128.9), including depreciation and amortization arising from PPA of EUR -38.6 million (-38.9) and an impairment loss of EUR -5.2 million (—), which is an item affecting comparability in the operating result.

Net financial items decreased to EUR -35.7 million (-38.2). The figure includes net interest expenses of EUR -28.4 million (-36.1), a currency exchange loss of EUR -1.2 million (3.0 gain) and other financial expenses of EUR -6.1 million (-5.0). Net interest expenses decreased due to lower interest rates.

The result before taxes was EUR 96.8 million (49.1). Taxes amounted to EUR -25.7 million (-18.2). The net result was EUR 71.2 million (30.9), and earnings per share (basic) were EUR 0.59 (0.26).

CASH FLOW AND FINANCING

CASH FLOW

In July-September 2020, net cash from operating activities amounted to EUR 104.3 million (125.4) and was supported by a seasonal reduction in working capital.

In January-September 2020, net cash from operating activities amounted to EUR 124.6 million (218.4) impacted by a significant reduction in working capital in the comparison period.

CAPITAL EXPENDITURE

Capital expenditure excluding acquisitions totaled EUR 25.5 million in July-September 2020 (50.6) and EUR 76.2 million in January-September 2020 (124.8). The investments were related to maintenance, cost and efficiency improvements as well as growth initiatives and improved environmental performance and safety. On September 23, 2020, Ahlstrom-Munksjö announced a EUR 7 million investment in a more sustainable coating machine in Billingsfors, Sweden to enable formaldehyde free balancing and finish foils for furniture, as well as the building and construction industries.

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 the 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.

Capital expenditure is expected to be approximately EUR 120 million (161.1) in 2020.

FINANCING

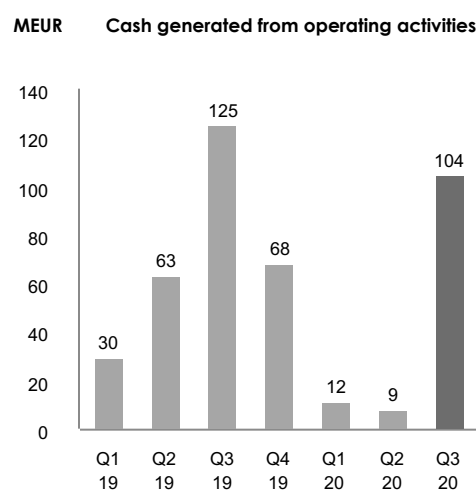
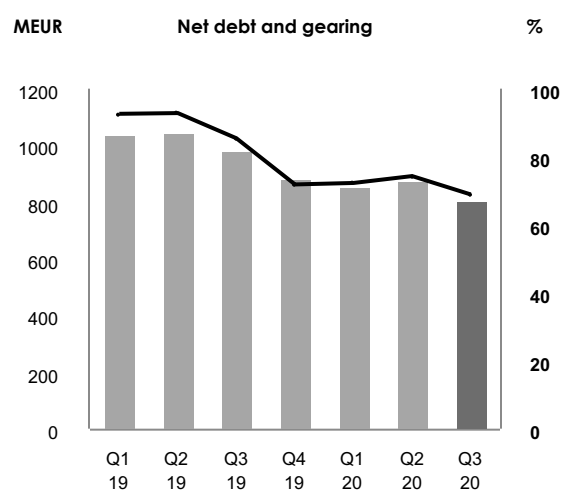
Net debt decreased to EUR 804.2 million at the end of the reporting period (885.0 on December 31, 2019) and was supported by the sale of the fine arts business in the first quarter and strong cash flow in the third quarter. Gearing stood at 68.9% (71.8 on December 31, 2019).

The company's liquidity continues to be good. At the end of the review period, the total cash position was EUR 305.3 million (166.1 on December 31, 2019). In addition, it had undrawn committed credit facilities and committed cash pool overdrafts of EUR 261.0 million at its disposal. At the end of the reporting period, the weighted average interest rate, excluding lease liabilities and hybrid bond, was 2.6% (3.4 on December 31, 2019).

During the second quarter of 2020, Ahlstrom-Munksjö signed a new EUR 50 million committed

revolving credit facility for 12 months. In addition, the company signed a premium pension loan (TyEL pension loan) of EUR 20 million for 3 years and a new term loan of EUR 50 million for 1 year. The company also proactively increased its financial flexibility by renegotiating its financial covenant, net debt to EBITDA.

On September 30, 2020, equity was EUR 1,167.4 million (1,232.0 on December 31, 2019). The equity was impacted by a EUR 60 million dividend in the first quarter of 2020. The dividend impacts cash flow and net debt in the second, third and fourth quarters of 2020 and first quarter of 2021 as it is paid in four installments.



TENDER OFFER FOR ALL AHLSTROM-MUNKSJÖ SHARES

On September 24, 2020, a consortium consisting of Ahlström Capital, funds managed or advised by Bain Capital as well as Viknum and Belgrano Inversiones made a public recommended cash tender offer for all shares in Ahlstrom-Munksjö. At the completion of the tender offer, Bain Capital is expected to indirectly own 55%, Ahlström Capital approximately 36% and Viknum approximately 9% of the shares in Ahlstrom-Munksjö.

Below is a summary of the process. For more detailed information, please read the full announcement release.

SUMMARY OF THE TENDER OFFER (based on the announcement day information)

- The offer price is EUR 18.10 in cash for each share. The offer price represents a premium of approximately:
 - 24% compared to EUR 14.56, the closing price on September 23, 2020, the last trading day immediately preceding the announcement of the tender offer
 - 37% compared to EUR 13.20, the closing price on July 31, 2020, the last trading day prior to the consortium submitting its non-binding proposal to Ahlstrom-Munksjö
 - 30% compared to EUR 13.96, the three-month volume-weighted average trading price preceding the announcement of the tender offer
 - 41% compared to EUR 12.87, the twelve-month volume-weighted average trading price preceding the announcement of the tender offer
- The offer price implies an enterprise value multiple of approximately 10.0 times Ahlstrom-Munksjö's Comparable EBITDA for the 12 months ended June 30, 2020, which is attractive when compared to similar M&A transactions in the fiber-based engineered materials sector, and the historical trading multiple of Ahlstrom-Munksjö over the cycle
- The tender offer values Ahlstrom-Munksjö's total equity at approximately EUR 2.1 billion
- The Board of Directors of Ahlstrom-Munksjö, represented by a quorum of non-conflicted members, has unanimously decided to recommend that the shareholders of Ahlstrom-Munksjö accept the tender offer
- Certain major shareholders of Ahlstrom-Munksjö, i.e. Ahlström Capital, Viknum, Belgrano Inversiones, Varma Mutual Pension Insurance Company, and Ilmarinen Mutual Pension Insurance Company, together representing over 35% of all the shares and votes in Ahlstrom-Munksjö, have irrevocably undertaken to accept the tender offer. Varma Mutual Pension Insurance Company's and Ilmarinen Mutual Pension Insurance Company's undertakings are subject to certain customary conditions.

On September 30, 2020, the Board of Directors of Ahlstrom-Munksjö resolved on a dividend in the amount of EUR 0.13 per each outstanding share. In accordance with the announcement of the tender offer, the offer price per share will be reduced on a euro-for-euro basis as a result. Following the adjustment of the offer price, the price offered for each share in the tender offer is currently EUR 17.97, subject to any further adjustments.

On October 16, 2020, the Board of Directors of Ahlstrom-Munksjö, represented by a quorum of non-conflicted members, issued a statement regarding the tender offer, unanimously recommending that the shareholders of Ahlstrom-Munksjö to accept the tender offer.

On October 22, 2020, at 9:30 a.m. (Finnish time) the offer period for the tender offer commenced, and it will expire on December 30, 2020, at 4:00 p.m. (Finnish time), unless the offer period is extended or any extended offer period is discontinued as described in the terms and conditions of the tender offer.

BACKGROUND AND STRATEGIC RATIONALE

- The consortium believes that under private ownership Ahlstrom-Munksjö will be best placed to fulfil its potential from its diversified product portfolio, substantial technical know-how as well as its leading positions in attractive niches. However, the consortium recognizes that the sector is becoming increasingly competitive.
- The consortium intends to invest significant time, resources and capital to support the company's strategy for long-term profitable growth, to maintain and further strengthen the company's existing market positions in its core areas, as well as to invest in new business opportunities. Under private ownership, the company would be ideally positioned to invest further and faster in initiatives to support organic growth as well as benefiting from additional expansionary capital expenditures and acquisitions to strengthen selected areas of the portfolio.

- The consortium believes that Ahlstrom-Munksjö, in a private setting, will more effectively manage all above mentioned initiatives as well as current market challenges as management can devote its full attention to business performance without the constraints imposed by its current balance sheet and the public market.
- The consortium is well-positioned to support the transformation of the company due to Bain Capital's considerable experience in the industry and distinctive approach to investments, working alongside management in the pursuit of long-term strategic goals, with the benefit of continuity from the families' prominent participation in the consortium. Together this unique group of investors is best equipped with the appropriate long-term investment horizon, expertise and capital required to realize Ahlstrom-Munksjö's potential.

IMPORTANT DATES

- The offer period under the tender offer started on October 22, 2020, and expires on December 30, 2020, unless the offeror extends the offer period in order to satisfy the conditions to completion of the tender offer, including, among others, receipt of the relevant regulatory approvals. The tender offer is currently expected to be completed early in the second quarter of 2021.
- The completion of the tender offer is subject to, among others, approvals from relevant regulatory authorities and the offeror having gained control of more than 90% of the shares and votes in Ahlstrom-Munksjö on a fully diluted basis

If the completion of the Tender Offer takes place, Ahlstrom-Munksjö will settle in cash all outstanding awards to be paid under the share-based incentive plans in an accelerated timetable. This would result in accelerated vesting of employee costs, and reclassifying part of the incentive plans from equity settled to cash settled.

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 OPERATIONAL IMPACT OF THE CORONAVIRUS PANDEMIC

Ahlstrom-Munksjö's 45 plants and converting sites in 14 countries have remained operational during the first nine months of 2020, except for a few temporary shutdowns caused by government lockdowns or employee absences related to quarantine or infections. Production has not been interrupted to any significant extent due to raw material supply issues.

SIGNIFICANT IMPACT ON CUSTOMER ACTIVITY

Within Ahlstrom-Munksjö's broad range of advanced fiber-based solutions, the impact of the pandemic on customer activity has varied.

Since the first quarter of 2020, the company has experienced strong demand in the healthcare and life science end-use segments, corresponding normally to approximately 10% 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 were in strong demand. The exceptional circumstances, with regional lockdowns and limited mobility for citizens, also increased demand for packaging-related release liner and tape backings.

In the second quarter, demand decreased clearly in the home building and furniture, transportation and industrial end-uses due to a large portion of the global population being in lockdown.

In the third quarter, demand recovered in home building and furniture, as well as transportation end-uses. Overall demand for consumer goods related applications, of which food and beverage and packaging represent the largest share, remained relatively stable. However, it has varied, depending on end use.

CAPACITY EXPANSION IN RESPONSE TO GROWING DEMAND

The pandemic has created an exceptional situation globally and a strong demand for healthcare goods in general, and particularly for protective medical products made from Ahlstrom-Munksjö's fabrics.

Ahlstrom-Munksjö has long been an established manufacturer of nonwoven fabrics, which are used to construct protective medical fabrics such as surgical gowns and drapes, pleated surgical face masks, protective apparel and sterile barrier systems. The company has been producing the inner and outer coverstock used for pleated surgical face masks, while the middle filter media was something Ahlstrom-Munksjö did not produce until recently. Thanks to its in-depth knowledge of filtration materials and common manufacturing platform, the company could respond swiftly to growing demand by expanding manufacturing of face mask fabrics to lines normally used for producing other fiber-based materials. As of the second quarter of 2020, its offering includes a full range of protective face mask fabrics for civil, surgical and respiratory masks.

ACTIONS TO MITIGATE THE NEGATIVE FINANCIAL IMPACT

For Ahlstrom-Munksjö the financial implications of the pandemic have been relatively limited so far. Ahlstrom-Munksjö has taken numerous actions across the organization to cushion the short-term financial impact of the expected decline in delivery volumes.

Implemented actions have included temporary layoffs, reduction of working hours and the minimization of the use of external personnel and services. Spending was reduced and certain projects were postponed. Members of the Executive Management Team and the CEO took a 50% and 100% reduction, respectively, on one month's salary during the second quarter. The Board of Directors also decided to forgo their compensation for one month in the second quarter.

Savings from these actions was approximately EUR 12 million in the second quarter and EUR 7 million in the third 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 some of the planned actions.

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 synergy benefits realized from the acquisitions have reduced both variable and fixed costs. However, the company's cost efficiency can be further improved.

Ahlstrom-Munksjö introduced a new longer-term profit improvement program in April 2020. The annualized target from the program is in the range of EUR 20 million, with a gradual impact from the end of 2020 onwards. The majority of the savings are expected to come from manufacturing fixed costs.

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 first half of 2021.

PERSONNEL

Ahlstrom-Munksjö employed in January-September 2020 an average of 7,811 (8,103) people in full-time equivalents. As of September 30, 2020, the highest numbers of employees were in the United States (31%), 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 (TRI¹) 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-September 2020, the TRI rate was 1.5 and employee safety participation rate was 73.

CHANGES IN THE EXECUTIVE MANAGEMENT TEAM

On August 21, 2020, Anna Bergquist, Executive Vice President, Strategy, Sustainability and Innovation and a member of the Group Executive Management Team, decided to leave Ahlstrom-Munksjö to pursue career opportunities outside the company.

On October 28, 2020, Mikko Lankinen has been appointed Executive Vice President, Corporate Strategy and Development, and a member of the Group Executive Management Team as of October 28 2020. He will report to Hans Sohlström, President and CEO. Mikko is currently Chief Development Officer, Corporate Development.

On October 28, 2020, Robin Guillaud has been appointed Executive Vice President, Innovation, Sustainability and Communication, and a member of the Group Executive Management Team as of October 28 2020. He will report to Hans Sohlström, President and CEO. Robin is currently Vice President, Business Development, Filtration and Performance Solutions business area.

EVENTS DURING THE REPORTING PERIOD

SUSTAINABILITY WORK AWARDED WITH FOURTH CONSECUTIVE ECOVADIS GOLD RATING

Ahlstrom-Munksjö was awarded the EcoVadis Gold rating for the company's sustainability management and performance for the fourth consecutive year in June 2020. Compared with the results from the previous year, progress was especially made in sustainable procurement.

EcoVadis is a globally recognized business sustainability rating provider. The Corporate Social Responsibility assessment criteria include four themes: environment, labor practices, sustainable procurement and fair business practices. The EcoVadis method is based on internationally adopted principles for sustainability reporting, such as the Global Reporting Initiative, United Nations Global Compact and ISO 26000, and is audited by independent sustainability experts.

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 32.0 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 full release is available at www.ahlstrom-munksjo.com/Media/releases.

1) 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 January-September 2020

- Demand for filtration, glass fiber flooring and abrasive materials started to recover from a low level in Q2
- Signs of improving demand for wallcoverings and plasterboard applications
- Continued good demand for face mask materials, albeit at a lower level than in Q2
- Investment decision at the Binzhou plant to produce abrasive backing papers in China
- Launch of product portfolio for lead acid batteries under the Ahlstrom-Munksjö FortiCell range of fiber-based solutions for energy storage applications

Q3/2020 compared with Q3/2019

The decline in net sales was mainly driven by the divestments of the glass fiber reinforcement and fine arts businesses as well as an adverse currency effect. The divestments had an impact of about EUR 8 million on net sales.

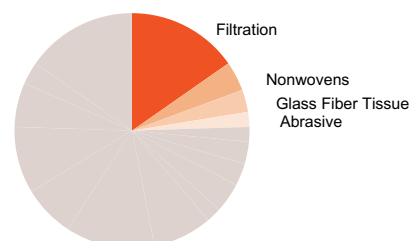
Comparable EBITDA was stable. Higher volumes, including a positive contribution from face mask materials, and lower fixed costs were offset by an adverse currency effect.

Q1-Q3/2020 compared with Q1-Q3/2019

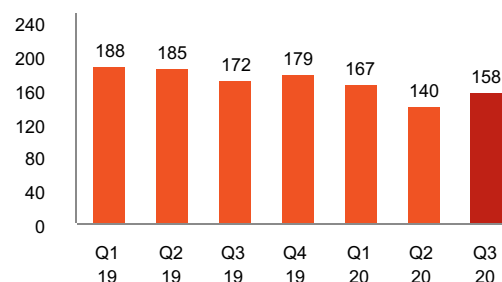
The decline in net sales was mainly driven by lower sales volumes, particularly in the Filtration business.

The decline in comparable EBITDA was mainly driven by lower sales volumes. This was partially offset by lower variable and fixed costs.

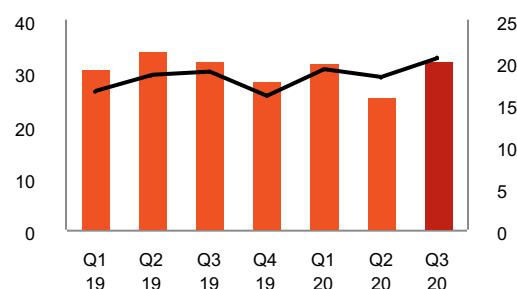
Sales by business



MEUR Net sales



MEUR Comparable EBITDA and margin %



	Q3 2020	Q3 2019	Q2 2020	Q1-Q3 2020	Q1-Q3 2019	Q1-Q4 2019
EUR million, or as indicated						
Net sales	157.8	172.4	140.2	464.5	545.4	724.0
EBITDA	31.8	30.3	22.1	116.5	94.9	121.7
Items affecting comparability in EBITDA	-0.5	-2.2	-3.3	26.9	-2.7	-4.4
Comparable EBITDA	32.3	32.4	25.5	89.6	97.6	126.1
Comparable EBITDA margin, %	20.5	18.8	18.2	19.3	17.9	17.4
Capital expenditure	4.9	10.3	4.0	15.3	28.6	35.5

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 January-September 2020

- Continued good demand for medical and life science products
- Continued solid demand for tape backings
- Stable demand for tea and coffee materials, continued growth in demand for fibrous meat casing materials
- Weak demand for specialty release liners due to low activity in aerospace
- Launch of TrustShield™ Biological, a personal protective apparel medical fabric designed to shield against hazardous pathogens.
- Filter material for BUFF® face masks certified

Q3/2020 compared with Q3/2019

Net sales were stable as an improved product mix was offset by an adverse currency effect. Volumes increased in the Medical, Liquid Technologies and Beverage & Casing businesses, remained stable in Tape and fell significantly in Precision Coating.

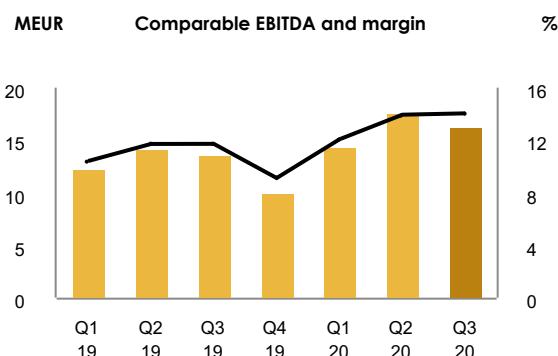
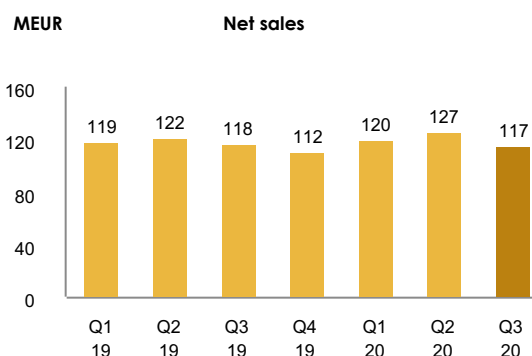
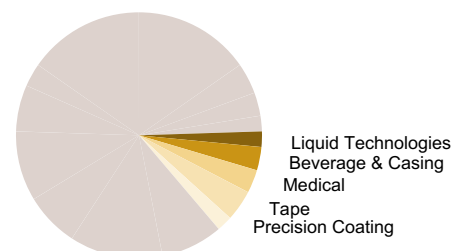
Comparable EBITDA increased as higher volumes of medical and life science products improved the product mix.

Q1-Q3/2020 compared with Q1-Q3/2019

Net sales increased, mainly driven by an improved product mix. Deliveries increased in all businesses except Precision Coating, where they decreased significantly.

Comparable EBITDA increased mainly due to lower variable costs which more than offset lower selling prices.

Sales by business



	Q3	Q3	Q2	Q1-Q3	Q1-Q3	Q1-Q4
EUR million, or as indicated	2020	2019	2020	2020	2019	2019
Net sales	116.5	117.8	126.8	363.4	358.6	470.2
EBITDA	16.4	13.8	17.7	48.3	40.2	50.2
Items affecting comparability in EBITDA	0.0	-0.0	—	-0.2	-0.2	-0.4
Comparable EBITDA	16.4	13.8	17.7	48.5	40.5	50.6
Comparable EBITDA margin, %	14.0	11.7	13.9	13.4	11.3	10.8
Capital expenditure	2.7	2.4	2.5	7.8	8.9	10.5

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 January-September 2020

- Lower demand for release liners for labels, while improving demand for industrial and specialty grades in Q3
- Improving demand for interleaving papers from a low level
- Demand for electrotechnical papers improved
- Demand for coated papers improved, particularly in Brazil, after a decline in Q2
- Continued good progress in ramping-up production of the new coating line in Jacarei
- EUR 7 million investment to a more sustainable coating machine in Billingsfors, Sweden to enable formaldehyde free balancing and finish foils for furniture, as well as building and construction industries

Q3/2020 compared with Q3/2019

Net sales decreased due to lower volumes and selling prices, partly related to specialty pulp, as well as an adverse currency effect.

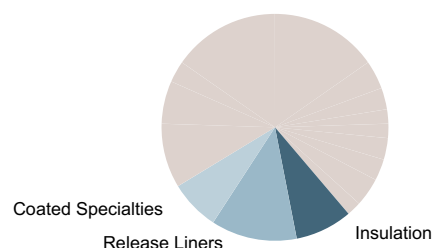
Comparable EBITDA decreased mainly due to the scheduled maintenance shutdown of the Aspa pulp mill, which was carried out in the Q4 in 2019. Lower variable costs more than offset the negative impact of lower deliveries and selling prices.

Q1-Q3/2020 compared with Q1-Q3/2019

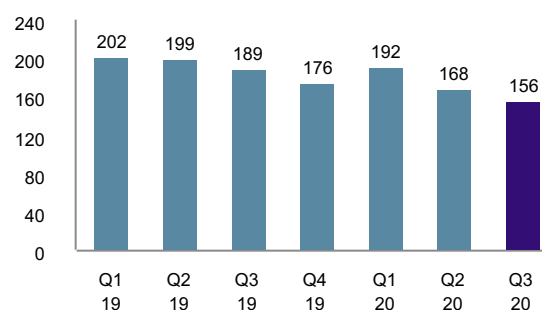
Net sales declined due to lower selling prices and an adverse currency effect. Product mix was less favorable and was driven partly by increased volumes of specialty pulp.

Comparable EBITDA increased as lower variable costs more than offset lower selling prices and a less favorable product mix. Manufacturing fixed costs were higher partly due to the scheduled maintenance shutdown of the Aspa pulp mill.

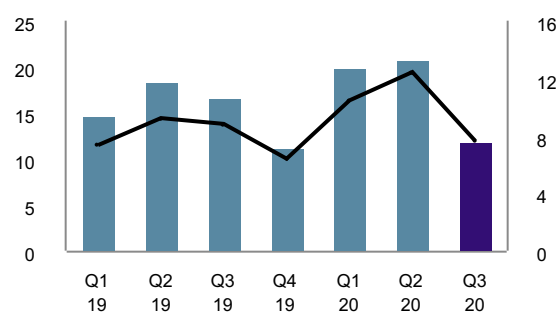
Sales by business



MEUR Net sales



MEUR Comparable EBITDA and margin %



	Q3	Q3	Q2	Q1-Q3	Q1-Q3	Q1-Q4
EUR million, or as indicated	2020	2019	2020	2020	2019	2019
Net sales	155.9	188.9	168.4	516.6	590.0	765.7
EBITDA	11.7	15.6	20.7	52.5	44.7	52.9
Items affecting comparability in EBITDA	-0.2	-1.1	-0.2	-0.5	-5.1	-8.2
Comparable EBITDA	11.9	16.7	20.9	52.9	49.9	61.1
Comparable EBITDA margin, %	7.6	8.8	12.4	10.2	8.5	8.0
Capital expenditure	8.0	25.5	8.6	23.7	48.7	63.1

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 January-September 2020

- Demand improved for food processing and packaging, following a mild rebound in restaurant traffic. Stronger demand for parchment cooking and baking papers in North America and flexible packaging products sold in grocery stores continues.
- Weaker demand for specialty papers in industrial and construction applications
- Launch of OptiLayup™, an innovative process aid for printed circuit board and copper clad laminates laminating systems, as part of the "From Plastics to Purpose" campaign

Q3/2020 compared with Q3/2019

Net sales decreased due to an adverse currency effect and lower selling prices.

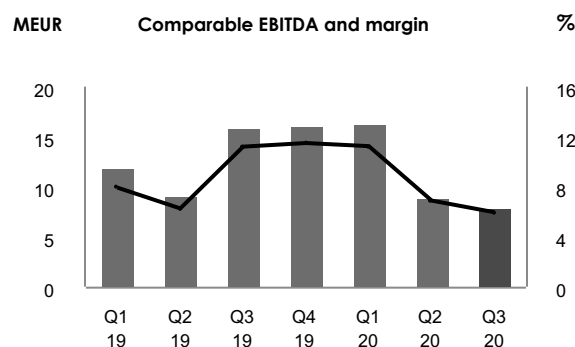
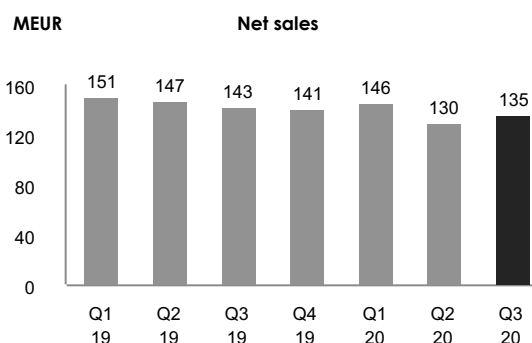
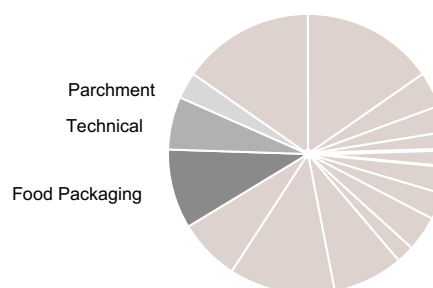
Comparable EBITDA decreased due to lower selling prices and higher fixed costs, driven partly by maintenance activity. Variable costs decreased.

Q1-Q3/2020 compared with Q1-Q3/2019

Net sales decreased due to lower delivery volumes, particularly in the Technical business. Average selling prices were lower and were partly impacted by a less favorable product mix.

Comparable EBITDA decreased. Lower variable costs more than offset the negative impacts of lower delivery volumes and average selling prices. Fixed costs increased, partly driven by maintenance activity.

Sales by business



	Q3	Q3	Q2	Q1-Q3	Q1-Q3	Q1-Q4
EUR million, or as indicated	2020	2019	2020	2020	2019	2019
Net sales	135.2	143.1	130.4	411.4	441.1	582.4
EBITDA	7.9	15.4	8.6	33.0	35.6	51.3
Items affecting comparability in EBITDA	-0.2	-0.6	-0.4	-0.4	-1.6	-2.1
Comparable EBITDA	8.0	16.0	9.0	33.4	37.2	53.4
Comparable EBITDA margin, %	6.0	11.2	6.9	8.1	8.4	9.2
Capital expenditure	3.8	3.0	3.1	10.1	14.9	20.3

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-September 2020

- After a market recovery in the first quarter, demand for decor paper dropped at the end of March, following the closures of retail furniture outlets. In Q3 there was a strong market recovery, following the re-opening.
- Broad-based downtime at decor paper customers and end-customers in the furniture industry from mid-March to mid-June. Strong demand recovery in Q3.
- Increase household furniture spending driving very strong demand of home furniture in Q3, while demand in office and shop furniture remained weak
- Strategic review of the business proceeding, while delayed due to the coronavirus outbreak

Q3/2020 compared with Q3/2019

Net sales were close at last year's level. Higher volumes offset lower selling prices and an adverse currency effect.

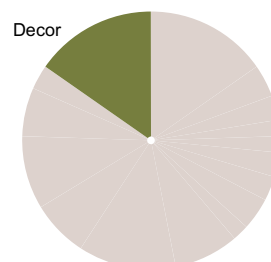
Comparable EBITDA increased due to lower variable costs and higher delivery volumes, more than offsetting lower selling prices. Raw material efficiency improved across the business.

Q1-Q3/2020 compared with Q1-Q3/2019

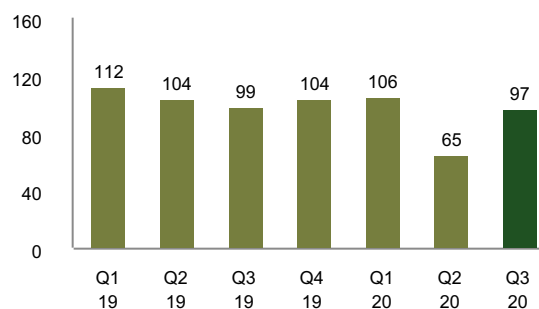
Net sales decreased, mainly due to significantly lower delivery volumes in Q2. Selling prices have decreased during the year.

Comparable EBITDA was almost at the same level as in the comparison period. Lower selling prices were more than offset by lower variable costs, partly driven by higher raw material efficiency. Fixed costs decreased. Sales volumes had a negative impact.

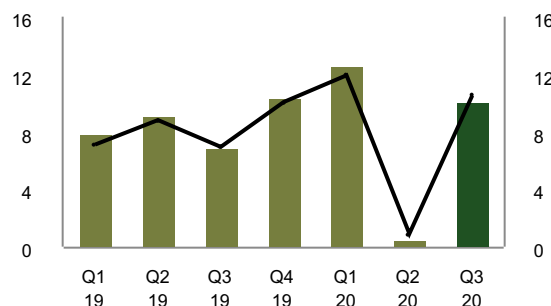
Sales by business



MEUR Net sales



MEUR Comparable EBITDA and margin %



	Q3 2020	Q3 2019	Q2 2020	Q1-Q3 2020	Q1-Q3 2019	Q1-Q4 2019
EUR million, or as indicated						
Net sales	96.7	99.4	65.0	268.0	315.8	419.6
EBITDA	10.1	6.8	0.5	22.8	15.1	25.0
Items affecting comparability in EBITDA	-0.1	-0.1	-0.1	-0.6	-9.0	-9.5
Comparable EBITDA	10.2	6.9	0.6	23.4	24.0	34.5
Comparable EBITDA margin, %	10.5	6.9	0.9	8.7	7.6	8.2
Capital expenditure	1.1	1.9	1.2	4.2	6.9	9.4

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 September 30, 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 a total of 20,547 shareholders at the end of the reporting period (14,742 as of December 31, 2019) according to Euroclear Finland Ltd. and Euroclear Sweden Ltd.

At the end of the reporting period, Ahlstrom-Munksjö held 664,862 own shares, corresponding to approximately 0.6% of total shares and votes.

SHARE PRICE PERFORMANCE AND TRADING

	Nasdaq Helsinki		Nasdaq Stockholm	
	Q1-Q3/2020	Q1-Q3/2019	Q1-Q3/2020	Q1-Q3/2019
Share price at the end of the period, EUR/SEK	17.98	14.04	189.80	149.40
Highest share price, EUR/SEK	18.14	15.18	192.60	165.00
Lowest share price, EUR/SEK	8.12	11.90	90.50	121.40
Market capitalization at the end of the period*, EUR million	2,067.5	1,618.6	N/A	N/A
Trading value, EUR/SEK million	282.0	135.4	322.4	120.9
Trading volume, shares million	21.0	9.8	2.1	0.8
Average daily trading volume, shares	111,770	51,848	11,150	4,425

*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 installments. The first installment of EUR 0.13 per share was paid on April 3, 2020, the second installment of EUR 0.13 was paid on July 9, 2020 and the third installment of EUR 0.13 was paid on October 9, 2020. The remaining installment is expected to be paid in January 2021. The Board will resolve on the remaining installment separately. The full release on resolutions is available at 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, it is unlikely to be significantly affected at a group level by individual business related factors. However, slowing global economic growth and uncertain financial market conditions could have a materially adverse effect on the Group's financial results, operations and financial position.

Recently, the key driver for increased uncertainty globally from an economic and social perspective has been the coronavirus pandemic. The risk of a broader economic downturn is tangible, and if it materializes, it may weaken demand for a wide range of Ahlstrom-Munksjö products for a longer period. According to the IMF, global growth is estimated at - 4.4% in 2020, a less severe contraction than previously forecast. The full impact of the pandemic cannot be foreseen at this stage. It will depend on both the duration and severity of the pandemic, and related measures taken to contain Confirmed coronavirus cases are increasing around the world and in several countries a second wave is looming, which may lead to resumed regional or national restrictions. The pandemic situation has become the new normal with its uncertainties and adapting mitigation activities to manage the situation.

Ahlstrom-Munksjö has assessed carrying amounts of assets and liabilities, such as goodwill and other intangible, tangible assets, inventories, deferred taxes, trade receivables and pension plans and re-assessed the need of impairment. Based on the assessments, the consequences of the pandemic has currently no impact on asset valuations.

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, regulations 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 the global economy, which may have an effect on Ahlstrom-Munksjö's markets.

Operational risks such as personnel absences, supply of key raw materials and deliveries to customers have also increased due to the pandemic. These risks have been mitigated by a rapid and coordinated response, and the implementation of the Ahlstrom-Munksjö COVID-19 Safety Protocol. However, if the pandemic continues for a longer period, the exposure to the operational risks may increase.

The company's key financial risks include interest rate and currency, liquidity and credit risks. To mitigate short-term risks, methods such as hedging and credit insurance are used. Additional credit risk assessment has been implemented for customer receivables to evaluate the potential implications of the coronavirus pandemic. Based on the assessment, the company has not identified any significant increase in the amount of bad debt, and there has currently not been any significant change in payment delays related to Ahlstrom-Munksjö's customer receivables. However, if the pandemic continues for a longer period, the exposure to the credit risk, such as delayed payments from the customers, may increase.

The pandemic has increased the risk of financiers becoming more cautious and reducing banks' willingness to provide financing. This may have an impact on refinancing and increase financing costs. Ahlstrom-Munksjö's liquidity continues to be good, and during the second quarter, the company has signed additional financing facilities to further strengthen its liquidity position. There are no major short-term refinancing needs.

The Group is exposed 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 regularly assesses the best structure for its platform of businesses and systematically evaluates M&A opportunities. In potential business combinations, substantial integration work is needed to realize expected synergies.

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 the available current information, no significant impact on the financial position of the company is expected.

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.

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, Group 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, October 28, 2020, at 11:00 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_1028_q3

Finland: +358 (0)9 7479 0360
Sweden: +46 (0)8 5033 6573
UK: +44 (0)330 336 9104

Conference ID: 519832

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.

APPENDIX 1: CONSOLIDATED FINANCIAL STATEMENTS

Financial statements are unaudited.

INCOME STATEMENT	Q3	Q3	Q1-Q3	Q1-Q3	Q1-Q4
EUR million	2020	2019	2020	2019	2019
Net sales	654.5	711.3	1,994.1	2,214.1	2,915.3
Cost of goods sold	-558.3	-616.6	-1,695.5	-1,925.9	-2,544.1
Gross profit	96.2	94.7	298.6	288.2	371.2
Sales, R&D and administrative expenses	-54.4	-54.9	-168.4	-177.8	-233.0
Other operating income	4.0	9.3	47.6	17.2	20.7
Other operating expense	-12.9	-14.7	-45.3	-40.5	-55.9
Share of profit in equity accounted investments	—	—	—	—	0.2
Operating result	32.9	34.3	132.5	87.2	103.2
Net financial items	-11.8	-14.8	-35.7	-38.2	-51.6
Result before taxes	21.1	19.5	96.8	49.1	51.6
Income taxes	-5.6	-7.5	-25.7	-18.2	-18.8
Net result	15.5	12.0	71.2	30.9	32.8

STATEMENT OF COMPREHENSIVE INCOME	Q3	Q3	Q1-Q3	Q1-Q3	Q1-Q4
EUR million	2020	2019	2020	2019	2019
Net result	15.5	12.0	71.2	30.9	32.8
Other comprehensive income					
Items that may be reclassified to income statement					
Exchange differences on translation of foreign operations	-33.6	18.9	-66.0	21.0	8.2
Change in cash flow hedge reserve	0.5	-1.9	-0.4	-4.3	-2.2
Cash flow hedge transferred to this year's result	-0.8	1.1	-0.2	2.6	3.2
Items that will not be reclassified to income statement					
Actuarial gains and losses on defined benefit plans	2.9	-6.6	-3.4	-2.9	-8.3
Tax attributable to other comprehensive income	-0.6	1.7	0.9	1.0	1.1
Comprehensive income	-16.1	25.1	2.1	48.3	34.9
Net result attributable to					
Parent company's shareholders	15.2	11.7	70.0	29.9	31.7
Non-controlling interests	0.3	0.3	1.1	1.0	1.2
Comprehensive income attributable to					
Parent company's shareholders	-16.3	24.8	1.1	47.2	33.7
Non-controlling interests	0.3	0.3	1.0	1.1	1.2
Earnings per share					
Weighted average number of outstanding shares	114,988,453	115,288,453	115,050,169	115,288,453	115,288,453
Weighted average number of outstanding shares, diluted	115,065,656	115,318,505	115,116,291	115,316,152	115,320,715
Basic earnings per share, EUR	0.13	0.10	0.59	0.26	0.27
Diluted earnings per share, EUR	0.12	0.10	0.59	0.26	0.27

BALANCE SHEET	Sep 30,	Sep 30,	Dec 31,
EUR million	2020	2019	2019
ASSETS			
Non-current assets			
Property, plant and equipment	1,034.5	1,140.4	1,131.5
Right-of-use assets	50.1	60.3	57.0
Goodwill	613.1	643.3	642.7
Other intangible assets	465.9	504.1	499.1
Equity accounted investments	1.3	1.1	1.4
Other non-current assets	17.4	17.8	19.3
Deferred tax assets	3.1	5.8	9.9
Total non-current assets	2,185.3	2,372.9	2,360.8
Current assets			
Inventories	379.0	414.6	387.6
Trade and other receivables	290.6	295.5	278.9
Income tax receivables	10.0	7.1	7.7
Cash and cash equivalents	305.3	227.7	166.1
Total current assets	984.8	944.9	840.4
TOTAL ASSETS	3,170.1	3,317.7	3,201.2
EQUITY AND LIABILITIES			
Equity			
Equity attributable to parent company's shareholders	1,055.9	1,138.8	1,121.2
Non-controlling interests	11.5	10.7	10.8
Hybrid bond	100.0	—	100.0
Total equity	1,167.4	1,149.4	1,232.0
Non-current liabilities			
Non-current borrowings	869.9	1,019.4	899.0
Non-current lease liabilities	38.8	46.6	44.2
Other non-current liabilities	6.1	1.4	1.4
Employee benefit obligations	96.7	94.9	97.2
Deferred tax liabilities	132.4	145.2	147.5
Non-current provisions	22.4	25.5	24.3
Total non-current liabilities	1,166.4	1,332.9	1,213.5
Current liabilities			
Current borrowings	187.9	130.0	94.8
Current lease liabilities	12.8	13.3	13.1
Trade and other payables	599.6	660.6	621.7
Income tax liabilities	24.7	19.8	13.2
Current provisions	11.3	11.7	12.8
Total current liabilities	836.4	835.4	755.6
Total liabilities	2,002.8	2,168.3	1,969.2
TOTAL EQUITY AND LIABILITIES	3,170.1	3,317.7	3,201.2

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)
Equity at January 1, 2019	85.0	661.8	385.1	-6.3	-76.7	103.5	1,152.3	9.9	—	1,162.2
Net result	—	—	—	—	—	29.9	29.9	1.0	—	30.9
Other comprehensive income, net of tax	—	—	-1.4	—	21.0	-2.3	17.3	0.1	—	17.4
Total comprehensive income	—	—	-1.4	—	21.0	27.6	47.2	1.1	—	48.3
Dividends and other	—	—	—	—	—	-60.1	-60.1	-0.3	—	-60.4
Transaction costs on rights issue	—	0.0	—	—	—	—	0.0	—	—	0.0
Long term incentive plans	—	—	—	—	—	-0.8	-0.8	—	—	-0.8
Equity at September 30, 2019	85.0	661.8	383.7	-6.3	-55.7	70.3	1,138.8	10.7	—	1,149.4
Equity at January 1, 2020	85.0	661.8	385.9	-6.3	-68.5	63.4	1,121.2	10.8	100.0	1,232.0
Net result	—	—	—	—	—	70.0	70.0	1.1	—	71.2
Other comprehensive income, net of tax	—	—	-0.5	—	-65.8	-2.6	-68.9	-0.1	—	-69.0
Total comprehensive income	—	—	-0.5	—	-65.8	67.4	1.1	1.0	—	2.1
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	—	—	—	—	—	1.2	1.2	—	—	1.2
Equity at September 30, 2020	85.0	661.8	385.4	-10.4	-134.4	68.4	1,055.9	11.5	100.0	1,167.4

STATEMENT OF CASH FLOWS	Q3	Q3	Q1-Q3	Q1-Q3	Q1-Q4
EUR million	2020	2019	2020	2019	2019
Cash flow from operating activities					
Net result	15.5	12.0	71.2	30.9	32.8
Adjustments, total	59.0	64.5	158.9	182.4	240.5
Changes in net working capital	45.7	75.0	-47.4	63.0	93.5
Change in provisions	-1.6	-3.5	-4.6	-2.3	-2.3
Financial items	-11.4	-11.8	-38.1	-37.8	-49.7
Income taxes paid	-3.0	-10.7	-15.3	-17.9	-28.0
Net cash from operating activities	104.3	125.4	124.6	218.4	286.7
Cash flow from investing activities					
Payment for acquisition of businesses and subsidiaries, net of cash acquired	—	—	—	-1.5	-10.8
Purchases of property, plant and equipment and intangible assets	-25.5	-50.6	-76.2	-124.8	-161.1
Proceeds from disposal of shares in Group companies and businesses and associated companies	-0.4	—	41.9	—	1.4
Other investing activities	-0.1	0.0	-0.5	-0.2	0.0
Net cash from investing activities	-26.1	-50.5	-34.8	-126.5	-170.4
Cash flow from financing activities					
Dividends paid and other	-15.0	—	-30.4	-30.3	-60.4
Rights issue	—	—	—	-5.7	-5.7
Repurchase of treasury shares	—	—	-4.0	—	—
Hybrid bond	—	—	—	—	99.3
Changes in loans and other financing activities	-13.8	-38.8	91.8	19.0	-135.6
Net cash from financing activities	-28.9	-38.8	57.4	-17.0	-102.4
Net change in cash and cash equivalents	49.3	36.1	147.2	74.9	13.9
Cash and cash equivalents at the beginning of the period	259.6	191.3	166.1	151.0	151.0
Foreign exchange effect on cash and cash equivalents	-3.6	0.3	-8.0	1.7	1.2
Cash and cash equivalents at the end of the period	305.3	227.7	305.3	227.7	166.1

Accounting principles

This unaudited consolidated 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.

Public tender offer

On September 24, 2020, a consortium consisting of Ahlström Capital, funds managed or advised by Bain Capital as well as Viknum and Belgrano Inversiones made a public recommended cash tender offer for all shares in Ahlstrom-Munksjö. At the completion of the tender offer, Bain Capital is expected to indirectly own 55%, Ahlström Capital approximately 36% and Viknum approximately 9% of the shares in Ahlstrom-Munksjö. For more detailed information, please read the full announcement release.

Share based payments

Ahlstrom-Munksjö's Board of Directors decided in February 2020 on a new performance period under the long-term share-based incentive plan announced in October 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 in March 28, 2019.

Long term Incentive Share-based Plan - Fourth performance period 2020-2022 ("LTI 2020-2022")

Ahlstrom-Munksjö's Board of Directors decided on February 13, 2020 a new performance period under the long-term share-based incentive plan announced in October 2017. The fourth performance period is 2020-2022 and the possible reward will be paid out in the spring 2023. The reward will be paid in the form of Ahlstrom-Munksjö shares. The maximum aggregate number of shares to be paid based on this plan period is approximately 625,400 shares.

The performance criterion for the 2020-2022 performance period will be the Total Shareholder Return (TSR) including share price change and profit distribution during the performance period and earnings per share (EPS).

The fair value of the rewards at the grant date was EUR 0.8 million. The fair value is calculated based on the probability of achieving each individual (TSR) threshold at the end of the performance period between the minimum and maximum thresholds set by the Group.

The following inputs have been used in the fair valuation model to determine the fair value:

Input used in determining fair value of rewards	LTI 2020-2022
Share price at grant date, EUR	11.82
Grant date	May 15, 2020
End of restriction period	March 15, 2023
Expected average yearly volatility, %	34.4

The average annual volatility has been estimated based on the historic volatility of the Group's share price.

Service condition as well as the probability of achieving the earnings per share performance criteria are used to calculate the annual expense and cumulative amount recognized in equity relating the share-based payment scheme and are reviewed at the end of every reporting period. The input used regarding the service condition is set out in the table below.

Service condition	LTI 2020-2022
Estimated retention rate of participants, %	90.0

Accounting policies for LTI 2020-2022

Please see Group's Annual report 2019. The only difference being the non-market performance condition. For LTI 2020-2022 it is earnings per share instead of comparable EBITDA.

Matching Share Plan

The Fixed Matching Share Plan is from 2020 onwards based on a rolling structure and its first plan period covers the years 2020 - 2022. A precondition of an eligible individual's participation is a personal investment in Ahlstrom-Munksjö shares.

In the Matching Share Plan the participant will in the spring 2023 receive one matching share for each two invested shares free of charge after an approximately three-year restriction period in the spring 2023. A precondition for the receipt of the share reward is the continued holding of the invested shares and continued employment with Ahlstrom-Munksjö throughout the plan.

If all the individuals eligible to participate in the Matching Share Plan make the share investment in full, the maximum aggregate amount of matching shares to be delivered based on the plan is approximately 127,450 shares.

The fair value of the rewards at the grant date was EUR 0.8 million.

The following inputs have been used in the fair valuation model to determine the fair value:

Input used in determining fair value of rewards	Matching share plan
Share purchase price (avg), EUR	14.00
Number of matching shares, pcs	68,450
Grant date	May 15, 2020
End of restriction period	March 31, 2023

Service condition criteria is used to calculate the annual expense and cumulative amount recognized in equity relating the share-based payment scheme. The input used regarding the service condition is set out in the table below and is reviewed at the end of every reporting period.

Service condition	Matching share plan
Estimated retention rate of participants, %	90.0

Possible impact of the public tender offer on the share based payments

If the completion of the Tender Offer takes place, Ahlstrom-Munksjö will settle in cash all outstanding awards to be paid under the share-based incentive plans in an accelerated timetable. This would result in accelerated vesting of employee costs, and reclassifying part of the incentive plans from equity settled to cash settled.

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

EUR million	
Total net assets sold	10.3
Provisional sale consideration	42.3
Provisional gain on sale	32.0
Cash flow	
Provisional sale consideration	42.3
Receivable related to sale consideration	—
Consideration received	42.3

The last part of the disposal was completed in the second quarter of 2020. Total book value of sold net assets were EUR 10.3 million and the provisional gain on sale was EUR 32.0 million.

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 and 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 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-Q3/2020	Filtration & Performance Solutions	Advanced Solutions	Industrial Solutions	Food Packaging & Technical Solutions	Decor Solutions	Other and eliminations	Group
Net sales, external	459.5	361.4	511.8	388.6	267.6	5.2	1,994.1
Net sales, internal	4.9	2.0	4.8	22.7	0.4	-34.9	—
Net sales	464.5	363.4	516.6	411.4	268.0	-29.7	1,994.1
Comparable EBITDA	89.6	48.5	52.9	33.4	23.4	-3.2	244.7
Items affecting comparability in EBITDA	26.9	-0.2	-0.5	-0.4	-0.6	-5.9	19.3
EBITDA	116.5	48.3	52.5	33.0	22.8	-9.1	264.0
Depreciation, amortization and impairment							-131.5
Operating result							132.5
Capital expenditure	15.3	7.8	23.7	10.1	4.2	15.1	76.2

Financial performance by business area, EUR million Q1-Q3/2019	Filtration & Performance Solutions	Advanced Solutions	Industrial Solutions	Food Packaging & Technical Solutions	Decor Solutions	Other and eliminations	Group
Net sales, external	539.8	357.0	583.7	413.0	315.0	5.6	2,214.1
Net sales, internal	5.7	1.6	6.3	28.1	0.8	-42.5	—
Net sales	545.4	358.6	590.0	441.1	315.8	-36.8	2,214.1
Comparable EBITDA	97.6	40.5	49.9	37.2	24.0	-6.8	242.4
Items affecting comparability in EBITDA	-2.7	-0.2	-5.1	-1.6	-9.0	-7.6	-26.3
EBITDA	94.9	40.2	44.7	35.6	15.1	-14.5	216.1
Depreciation, amortization and impairment							-128.9
Operating result							87.2
Capital expenditure	28.6	8.9	48.7	14.9	6.9	16.8	124.8

Segment information by quarter	2020	2020	2020	2019	2019
EUR million, or as indicated	Q3	Q2	Q1	Q4	Q3
Net sales, external					
Filtration & Performance Solutions	156.4	138.8	164.3	177.4	170.4
Advanced Solutions	115.8	126.0	119.6	111.2	117.2
Industrial Solutions	153.8	166.8	191.2	174.5	188.0
Food Packaging & Technical Solutions	130.3	123.1	135.2	132.3	133.9
Decor Solutions	96.6	64.9	106.1	103.7	99.2
Other and eliminations	1.5	1.9	1.7	2.2	2.6
Group	654.5	621.5	718.1	701.3	711.3
Net sales, internal					
Filtration & Performance Solutions	1.3	1.4	2.2	1.2	2.1
Advanced Solutions	0.7	0.7	0.5	0.5	0.6
Industrial Solutions	2.1	1.6	1.1	1.2	0.9
Food Packaging & Technical Solutions	5.0	7.2	10.6	9.0	9.2
Decor Solutions	0.1	0.2	0.1	0.0	0.3
Other and eliminations	-9.2	-11.1	-14.5	-11.8	-13.0
Group	—	—	—	—	—
Net sales, total					
Filtration & Performance Solutions	157.8	140.2	166.5	178.6	172.4
Advanced Solutions	116.5	126.8	120.1	111.7	117.8
Industrial Solutions	155.9	168.4	192.3	175.6	188.9
Food Packaging & Technical Solutions	135.2	130.4	145.8	141.3	143.1
Decor Solutions	96.7	65.0	106.2	103.7	99.4
Other and eliminations	-7.7	-9.2	-12.8	-9.7	-10.3
Group	654.5	621.5	718.1	701.3	711.3
EBITDA					
Filtration & Performance Solutions	31.8	22.1	62.6	26.7	30.3
Advanced Solutions	16.4	17.7	14.3	10.0	13.8
Industrial Solutions	11.7	20.7	20.1	8.2	15.6
Food Packaging & Technical Solutions	7.9	8.6	16.6	15.7	15.4
Decor Solutions	10.1	0.5	12.2	9.9	6.8
Other and eliminations	-3.4	-0.5	-5.3	-7.2	-4.1
Group	74.4	69.1	120.5	63.3	77.8
Items affecting comparability in EBITDA					
Filtration & Performance Solutions	-0.5	-3.3	30.8	-1.7	-2.2
Advanced Solutions	0.0	—	-0.2	-0.2	-0.0
Industrial Solutions	-0.2	-0.2	—	-3.0	-1.1
Food Packaging & Technical Solutions	-0.2	-0.4	0.2	-0.5	-0.6
Decor Solutions	-0.1	-0.1	-0.4	-0.6	-0.1
Other and eliminations	-3.5	-0.8	-1.5	-1.1	-1.8
Group	-4.6	-4.9	28.8	-7.2	-5.8

Segment information by quarter	2020	2020	2020	2019	2019
EUR million, or as indicated	Q3	Q2	Q1	Q4	Q3
Comparable EBITDA					
Filtration & Performance Solutions	32.3	25.5	31.8	28.5	32.4
Advanced Solutions	16.4	17.7	14.5	10.2	13.8
Industrial Solutions	11.9	20.9	20.1	11.2	16.7
Food Packaging & Technical Solutions	8.0	9.0	16.4	16.2	16.0
Decor Solutions	10.2	0.6	12.7	10.4	6.9
Other and eliminations	0.2	0.4	-3.7	-6.0	-2.3
Group	78.9	74.0	91.7	70.5	83.6
Comparable EBITDA margin, %					
Filtration & Performance Solutions	20.5	18.2	19.1	15.9	18.8
Advanced Solutions	14.0	13.9	12.1	9.1	11.7
Industrial Solutions	7.6	12.4	10.5	6.4	8.8
Food Packaging & Technical Solutions	6.0	6.9	11.2	11.5	11.2
Decor Solutions	10.5	0.9	11.9	10.1	6.9
Group	12.1	11.9	12.8	10.1	11.7
Capital expenditure					
Filtration & Performance Solutions	4.9	4.0	6.4	6.9	10.3
Advanced Solutions	2.7	2.5	2.6	1.7	2.4
Industrial Solutions	8.0	8.6	7.1	14.5	25.5
Food Packaging & Technical Solutions	3.8	3.1	3.3	5.4	3.0
Decor Solutions	1.1	1.2	1.8	2.5	1.9
Other and eliminations	5.0	5.0	5.1	5.4	7.5
Group	25.5	24.4	26.3	36.3	50.6

Net sales by region	Q3	Q3	Q1-Q3	Q1-Q3	Q1-Q4
EUR million	2020	2019	2020	2019	2019
Europe	278.4	305.8	852.9	965.0	1,275.0
North America	229.4	243.0	703.7	746.6	984.2
South America	50.3	57.0	142.1	177.8	233.5
Asia-Pacific	86.3	94.5	265.4	294.2	382.9
Rest of the world	10.0	11.0	30.0	30.6	39.7
Total	654.5	711.3	1,994.1	2,214.1	2,915.3

Other operating income	Q3	Q3	Q1-Q3	Q1-Q3	Q1-Q4
EUR million	2020	2019	2020	2019	2019
Gain on business disposal	—	—	32.0	—	—
Gain on sale of fixed assets	0.1	0.6	0.2	0.7	0.9
Sale of scrap and side products	1.1	1.5	3.6	5.0	5.5
Government grants	1.5	1.1	5.7	2.3	3.3
R&D and other tax credits	0.2	0.2	0.8	0.9	1.4
Gain on sale of emission rights and other environmental rights	0.0	5.2	0.0	6.0	6.2
Other	1.2	0.6	5.1	2.3	3.5
Total	4.0	9.3	47.6	17.2	20.7

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	Q3	Q3	Q1-Q3	Q1-Q3	Q1-Q4
EUR million	2020	2019	2020	2019	2019
Depreciation and amortization arising from PPA*	-12.5	-13.2	-38.6	-38.9	-52.1
Impairment loss	-0.0	—	-5.2	—	-2.4
Other	-0.3	-1.5	-1.4	-1.6	-1.5
Total	-12.9	-14.7	-45.3	-40.5	-55.9

*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 is related to an old gas turbine in Turin, Italy and a right-of-use asset office building in Sweden.

Changes in property, plant and equipment	Q1-Q3	Q1-Q3	Q1-Q4
EUR million	2020	2019	2019
Net book value at the beginning of period	1,131.5	1,117.2	1,117.2
Reclassification to right-of-use assets	—	-5.8	-5.8
Business combination	—	—	0.6
Additions	52.9	109.5	145.5
Disposals	-3.4	-1.5	-3.2
Depreciations, amortizations and impairment	-91.3	-91.0	-125.7
Translation differences and other changes	-55.2	12.1	2.9
Net book value at the end of period	1,034.5	1,140.4	1,131.5

Changes in right-of-use assets	Q1-Q3	Q1-Q3	Q1-Q4
EUR million	2020	2019	2019
Net book value at the beginning of period	57.0	—	—
Reclassification from property, plant and equipment	—	5.8	5.8
Impact of IFRS 16 on the opening balance	—	57.0	57.0
Additions	7.8	10.5	11.8
Depreciations, amortizations and impairment	-12.5	-11.6	-15.4
Translation differences and other changes	-2.3	-1.5	-2.2
Net book value at the end of period	50.1	60.3	57.0

Ageing of trade receivables	Sep 30,	Sep 30,	Dec 31,
EUR million	2020	2019	2019
Not due	215.0	210.7	186.1
1-30 days overdue	17.8	22.0	29.0
31-180 days overdue	3.8	4.1	3.7
181-360 days overdue	0.4	1.3	-0.7
>360 days overdue	0.6	0.7	0.5
Total	237.6	238.9	218.6
Loss allowance	6.1	7.2	6.4

Net debt	Sep 30,	Sep 30,	Dec 31,
EUR million	2020	2019	2019
Assets			
Cash and cash equivalents	305.3	227.7	166.1
Liabilities			
Non-current borrowings	869.9	1,019.4	899.0
Non-current lease liabilities	38.8	46.6	44.2
Current borrowings	187.9	130.0	94.8
Current lease liabilities	12.8	13.3	13.1
Net debt	804.2	981.7	885.0

Ahlstrom-Munksjö's parent company in Finland has a commercial paper program amounting to EUR 300 million of which EUR 40.0 million was utilized in September 30, 2020.

Fair values of financial assets and liabilities	Sep 30, 2020		Sep 30, 2019		Dec 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
EUR million						
Non-current financial instruments measured at amortized cost						
Bond	249.4	251.3	249.1	258.2	249.2	257.7
Bank loans	620.6	620.6	770.3	770.3	649.8	649.8
Lease liabilities	38.8	38.8	46.6	46.6	44.2	44.2
Financial instruments measured at fair value						
Forward contracts - cash flow hedge accounting	1.0	1.0	-1.5	-1.5	1.3	1.3
Forward contracts - fair value through income statement	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1
Interest rate swap contracts - cash flow hedge accounting	-0.4	-0.4	—	—	—	—

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

Nominal values of derivatives	Sep 30,	Sep 30,	Dec 31,
EUR million	2020	2019	2019
Forward contracts - cash flow hedge accounting	96.5	91.3	93.0
Forward contracts - fair value through income statement	81.9	53.8	36.8
Interest rate swap contracts - cash flow hedge accounting	161.0	—	—

Off-balance sheet commitments	Sep 30,	Sep 30,	Dec 31,
EUR million	2020	2019	2019
Assets pledged			
Pledges	0.9	0.9	0.9
Commitments			
Guarantees and commitments given on behalf of Group companies	67.9	60.8	56.5
Capital expenditure commitments	22.9	29.4	15.7
Other guarantees and commitments	54.3	35.4	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	Q3	Q3	Q1-Q3	Q1-Q3	Q1-Q4
EUR million, or as indicated	2020	2019	2020	2019	2019
Employee benefit expenses	-131.7	-137.5	-423.0	-436.3	-583.1
Depreciation and amortization	-41.4	-43.4	-126.2	-128.9	-173.9
Impairment loss	-0.0	—	-5.2	—	-2.4
Net sales	654.5	711.3	1,994.1	2,214.1	2,915.3
Operating result	32.9	34.3	132.5	87.2	103.2
Operating result margin, %	5.0	4.8	6.6	3.9	3.5
Net result	15.5	12.0	71.2	30.9	32.8
EBITDA	74.4	77.8	264.0	216.1	279.4
EBITDA margin, %	11.4	10.9	13.2	9.8	9.6
Comparable EBITDA	78.9	83.6	244.7	242.4	312.9
Comparable EBITDA margin, %	12.1	11.7	12.3	10.9	10.7
Items affecting comparability in EBITDA	-4.6	-5.8	19.3	-26.3	-33.4
Comparable operating result	37.5	40.1	118.4	113.5	139.0
Comparable operating result margin, %	5.7	5.6	5.9	5.1	4.8
Comparable operating result excl. depreciation and amortization arising from PPA	50.0	53.4	157.1	152.4	191.1
Items affecting comparability in operating result	-4.6	-5.8	14.1	-26.3	-35.8
Return on capital employed (ROCE), rolling 12 months, %	6.4	3.4	6.4	3.4	4.4
Comparable return on capital employed, rolling 12 months, %	6.2	6.2	6.2	6.2	5.9
Capital employed average for 12 months	2,317.1	2,373.5	2,317.1	2,373.5	2,363.3
Total equity	1,167.4	1,149.4	1,167.4	1,149.4	1,232.0
Return on equity (ROE), rolling 12 months, %	6.2	1.0	6.2	1.0	2.9
Comparable return on equity, rolling 12 months, %	5.6	5.4	5.6	5.4	5.2
Total equity average for 12 months	1,186.4	1,139.5	1,186.4	1,139.5	1,149.3
Net debt	804.2	981.7	804.2	981.7	885.0
Gearing ratio, %	68.9	85.4	68.9	85.4	71.8
Equity/assets ratio, %	36.8	34.6	36.8	34.6	38.5
Earnings per share (basic), EUR	0.13	0.10	0.59	0.26	0.27
Earnings per share (diluted), EUR	0.12	0.10	0.59	0.26	0.27
Comparable net result	19.2	16.2	57.5	50.3	59.3
Comparable earnings per share (basic), EUR	0.16	0.14	0.47	0.43	0.50
Comparable net result excl. depreciation and amortization arising from PPA	28.6	26.0	86.4	79.2	98.0
Comparable earnings per share excl. depreciation and amortization arising from PPA, EUR	0.24	0.22	0.72	0.68	0.84
Operating cash flow per share, EUR	0.91	1.09	1.08	1.89	2.49
Shareholders' equity per share, EUR	9.2	9.9	9.2	9.9	9.7
Number of shares outstanding at the end of the period	114,988,453	115,288,453	114,988,453	115,288,453	115,288,453
Weighted average number of outstanding shares	114,988,453	115,288,453	115,050,169	115,288,453	115,288,453
Capital expenditure	25.5	50.6	76.2	124.8	161.1
Average number of employees, FTE	7,830	8,072	7,811	8,103	8,078
Sales volumes, thousands of tons	388	394	1,163	1,203	1,592

Reconciliation of certain key performance measures	Q3	Q3	Q1-Q3	Q1-Q3	Q1-Q4
EUR million or as indicated	2020	2019	2020	2019	2019
Items affecting comparability					
Transaction costs	-3.6	-1.1	-5.8	-1.9	-2.7
Integration costs	—	-2.4	-0.5	-11.1	-11.7
Restructuring costs	-0.4	-1.9	-1.3	-11.9	-15.4
Gain/Loss on business disposal and other related items	—	—	28.1	—	-1.6
Other	-0.6	-0.4	-1.2	-1.3	-2.1
Total items affecting comparability in EBITDA	-4.6	-5.8	19.3	-26.3	-33.4
Impairment loss	-0.0	—	-5.2	—	-2.4
Total items affecting comparability in operating result	-4.6	-5.8	14.1	-26.3	-35.8
Comparable EBITDA					
Operating result	32.9	34.3	132.5	87.2	103.2
Depreciation, amortization and impairment	41.5	43.4	131.5	128.9	176.2
EBITDA	74.4	77.8	264.0	216.1	279.4
Total items affecting comparability in EBITDA	4.6	5.8	-19.3	26.3	33.4
Comparable EBITDA	78.9	83.6	244.7	242.4	312.9
Comparable operating result excl. depreciation and amortization arising from PPA					
Operating result	32.9	34.3	132.5	87.2	103.2
Total items affecting comparability in operating result	4.6	5.8	-14.1	26.3	35.8
Comparable operating result	37.5	40.1	118.4	113.5	139.0
Depreciation and amortization arising from PPA*	12.5	13.2	38.6	38.9	52.1
Comparable operating result excl. depreciation and amortization arising from PPA	50.0	53.4	157.1	152.4	191.1
Comparable net result excl. depreciation and amortization arising from PPA					
Net result	15.5	12.0	71.2	30.9	32.8
Total items affecting comparability in operating result	4.6	5.8	-14.1	26.3	35.8
Taxes relating to items affecting comparability in operating result	-0.9	-1.6	0.4	-6.9	-9.3
Comparable net result	19.2	16.2	57.5	50.3	59.3
Depreciation and amortization arising from PPA*	12.5	13.2	38.6	38.9	52.1
Taxes relating to depreciation and amortization arising from PPA	-3.1	-3.4	-9.7	-10.0	-13.4
Comparable net result excl. depreciation and amortization arising from PPA	28.6	26.0	86.4	79.2	98.0
Comparable earnings per share (basic), EUR					
Comparable net result	19.2	16.2	57.5	50.3	59.3
Net result attributable to non-controlling interest	-0.3	-0.3	-1.1	-1.0	-1.2
Comparable net result attributable to parent company shareholders	18.9	15.9	56.3	49.3	58.2
Interest on hybrid bond for the period, after taxes	-0.8	—	-2.4	—	-0.2
Weighted average number of outstanding shares	114,988,453	115,288,453	115,050,169	115,288,453	115,288,453
Comparable earnings per share (basic), EUR	0.16	0.14	0.47	0.43	0.50

*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.

Reconciliation of certain key performance measures	Q3	Q3	Q1-Q3	Q1-Q3	Q1-Q4
EUR million or as indicated	2020	2019	2020	2019	2019
Comparable EPS excl. depreciation and amortization arising from PPA, EUR					
Comparable net result excl. depreciation and amortization arising from PPA	28.6	26.0	86.4	79.2	98.0
Net result attributable to non-controlling interest	-0.3	-0.3	-1.1	-1.0	-1.2
Comparable net result excl. depreciation and amortization arising from PPA attributable to parent company shareholders	28.2	25.7	85.3	78.2	96.8
Interest on hybrid bond for the period, after taxes	-0.8	—	-2.4	—	-0.2
Weighted average number of outstanding shares	114,988,453	115,288,453	115,050,169	115,288,453	115,288,453
Comparable EPS excl. depreciation and amortization arising from PPA, EUR	0.24	0.22	0.72	0.68	0.84
Return on equity (ROE), rolling 12 months, %					
Net result for the last 12 months	73.1	11.1	73.1	11.1	32.8
Total equity, average for the last 12 months	1,186.4	1,139.5	1,186.4	1,139.5	1,149.3
Return on equity, rolling 12 months, %	6.2	1.0	6.2	1.0	2.9
Comparable return on equity, rolling 12 months, %					
Comparable net result for the last 12 months	66.5	61.7	66.5	61.7	59.3
Total equity, average for the last 12 months	1,186.4	1,139.5	1,186.4	1,139.5	1,149.3
Comparable return on equity, rolling 12 months, %	5.6	5.4	5.6	5.4	5.2
Return on capital employed (ROCE), rolling 12 months, %					
Operating result for the last 12 months	148.5	79.6	148.5	79.6	103.2
Capital employed, average for the last 12 months	2,317.1	2,373.5	2,317.1	2,373.5	2,363.3
Return on capital employed (ROCE), rolling 12 months, %	6.4	3.4	6.4	3.4	4.4
Comparable return on capital employed, rolling 12 months, %					
Comparable operating result for the last 12 months	144.0	148.0	144.0	148.0	139.0
Capital employed, average for the last 12 months	2,317.1	2,373.5	2,317.1	2,373.5	2,363.3
Comparable return on capital employed, rolling 12 months, %	6.2	6.2	6.2	6.2	5.9

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	Operating result excluding items affecting comparability in operating result and depreciation and amortization arising from PPA 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.	Comparable EBITDA, comparable EBITDA margin, comparable operating result, 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 (basic), 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.	

Key figure	Definitions	Reason for use of the key figure
Items affecting comparability in EBITDA	Items affecting comparability in operating result excluding impairment losses.	See comparable operating result
Earnings per share (EPS), basic, EUR	Net result attributable to parent company's shareholders / weighted average number of shares outstanding	
Earnings per share (EPS), diluted, EUR	Net result attributable to parent company's shareholders / weighted average number of shares outstanding, diluted	
Net debt	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
Total debt	Non-current and current borrowings and non-current and current lease liability less securitization liability	
Capital employed average for 12 months	Total equity and total debt (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.
Return on capital employed (ROCE), rolling 12 months, %	Operating result (for the last 12 months) / capital employed (average of the last 12 months)	
Comparable return on capital employed, rolling 12 months, %/ Comparable ROCE, rolling 12 months	Comparable operating result (for the last 12 months) / capital employed (average of the last 12 months)	
Total equity for 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.
Return on equity (ROE), rolling 12 months, %	Net result (for the last 12 months) / total equity (average of the last 12 months)	
Comparable return on equity, rolling 12 months, %/ Comparable ROE, rolling 12 months	Comparable net result (for the last 12 months) / total equity (average of the last 12 months)	
Gearing ratio, %	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.
Equity/assets ratio, %	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.
Shareholders' equity per share, EUR	Equity attributable to parent company's shareholders / number of shares outstanding at the end of the period	
Capital expenditure	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.
Operating cash flow per share, EUR	Operating cash flow / weighted average number of shares outstanding	