



Ahlstrom-Munksjö explores strategic opportunities for its Decor paper business

AHLSTROM-MUNKSJÖ OYJ, INSIDE INFORMATION SEPTEMBER 17, 2019 at 10:00 EEST

Ahlstrom-Munksjö is currently exploring potential acquisitions, mergers and joint-ventures with decor paper suppliers in China to speed up the execution of its strategy and capture the attractive value-creation opportunity in the decor business. In addition, the company is investigating the possibility to attract outside capital investment into the Decor business to further fund such objectives.

“With the aim to strengthen our platform of businesses, Ahlstrom-Munksjö regularly assesses what is the best structure of its businesses. The opportunities currently being explored are based on strong strategic and financial rationales. Partnering with a leading Chinese supplier would create a global leader with strong presence in the world’s two largest markets. Together our capabilities would be highly complementary and significantly strengthen our market coverage and customer offering. It would allow us to offer an industry leading brand with premium quality and service, while at the same leverage from the state-of-the-art production capabilities on a global scale. Our intention is to attract outside capital to the Decor business to accelerate the development of the business into a stand-alone global operation. This will also allow further investments to enhance its operating performance and enable expansion via M&A in China,” says President and CEO Hans Sohlström.

Tomas Wulkan, Executive Vice President Decor business area, continues: “We are highly committed to our Decor business and want to continue to develop and grow our business in a sustainable manner. A partnership would strengthen our business and our abilities to serve our customers in the short- and long-term as well as help us to remain an attractive employer.”

About the Decor paper business

A leading decor paper supplier in growing markets

The Decor business area is one of Ahlstrom-Munksjö’s five reporting segments, with net sales of EUR 451.9 million and comparable EBITDA of EUR 37.1 million in 2018. The Decor business produces paper in a wide range of colors, grades and grammages for decorative applications, mainly used in laminated furniture, flooring and interior applications both for technical and esthetical purposes. Production takes place at three dedicated plants; Unterkochen and Dettingen in Germany and Tolosa in Spain, and at two shared sites, Caieiras in Brazil and Arches in France.

Ahlstrom-Munksjö’s Decor business currently has strong market positions in Europe and the Americas, ranking as the second largest in Europe and the fourth largest in the world. It is the leading brand globally competing with quality and service. Furthermore, it is the only supplier with a dedicated R&D organization, working in close cooperation with the R&D teams of our key customers and main suppliers to innovate and enhance added value. It has a diverse product offering and is the global leader in high-end decor paper segments such as solid colors and pre-impregnated papers.

Ahlstrom-Munksjö’s ambition is to develop a leading and profitable position in China, which currently represents the largest and fastest growing decor paper market in the world. The annual demand for decor products is over 900,000 tons in China and close to 600,000 tons in Europe. The market trend growth is estimated at 4-5% p.a. in China and 2-3% p.a. in Europe. The demand is supported by population growth, strong urbanization as well as a growing middle class. Design trends and large investments in efficient wood-panel production globally are also contributing to the decor paper demand growth.

Forerunner in sustainability

Sustainability is a key priority for Ahlstrom-Munksjö and an emerging business driver for the decor industry. The company’s ambition is to be a forerunner in sustainability and it considers sustainability as a strategic competitive advantage that brings value to customers and strengthens business relationships. Ahlstrom-Munksjö’s product offering facilitates a more sustainable everyday life by providing solutions that have better performance, use safer materials, use fewer resources or have a lower impact than alternative materials. Its decor papers are made of FSC certified pulp and are also available without formaldehyde. There is also an ongoing substitution trend within the panel-based furniture industry from plastic coatings to decor paper.

Additional information

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Conference call

Ahlstrom-Munksjö arranges a conference call in English to analysts, investors and the media on the exploration of strategic alternatives to its Decor business today on September 17, 2019 at 12:00 EEST. The conference call will be led by Hans Sohlström, President and CEO, and Sakari Ahdekivi, Deputy CEO and CFO.

Teleconference phone numbers:

Finland: +358 (0)9 7479 0361
Sweden: +46 (0)8 5033 6574
UK: +44 (0) 330 336 9105
Germany: + 49 (0) 89 20303 5709

Conference ID: 5580268

To join the call, participants are kindly requested to dial one of the numbers above 5-10 minutes prior to the start of the event. By dialing in to the call, the participant agrees that personal information such as name and company name will be collected. The call will be recorded.

The presentation material will be available at www.ahlstrom-munksjo.com/investors prior to the call.

Ahlstrom-Munksjö in brief

Ahlstrom-Munksjö is a global leader in fiber-based materials, supplying innovative and sustainable solutions to its customers. Our mission is to expand the

role of fiber-based solutions for sustainable every day life. Our offering include filter materials, release liners, food and beverage processing materials, decor papers, abrasive and tape backings, electrotechnical paper, glass fiber materials, medical fiber materials and solutions for diagnostics as well as a range of specialty papers for industrial and consumer end-uses. Our annual net sales is about EUR 3 billion and we employ some 8,000 people. The Ahlstrom-Munksjö share is listed on the Nasdaq Helsinki and Stockholm.

Read more at www.ahlstrom-munksjo.com.