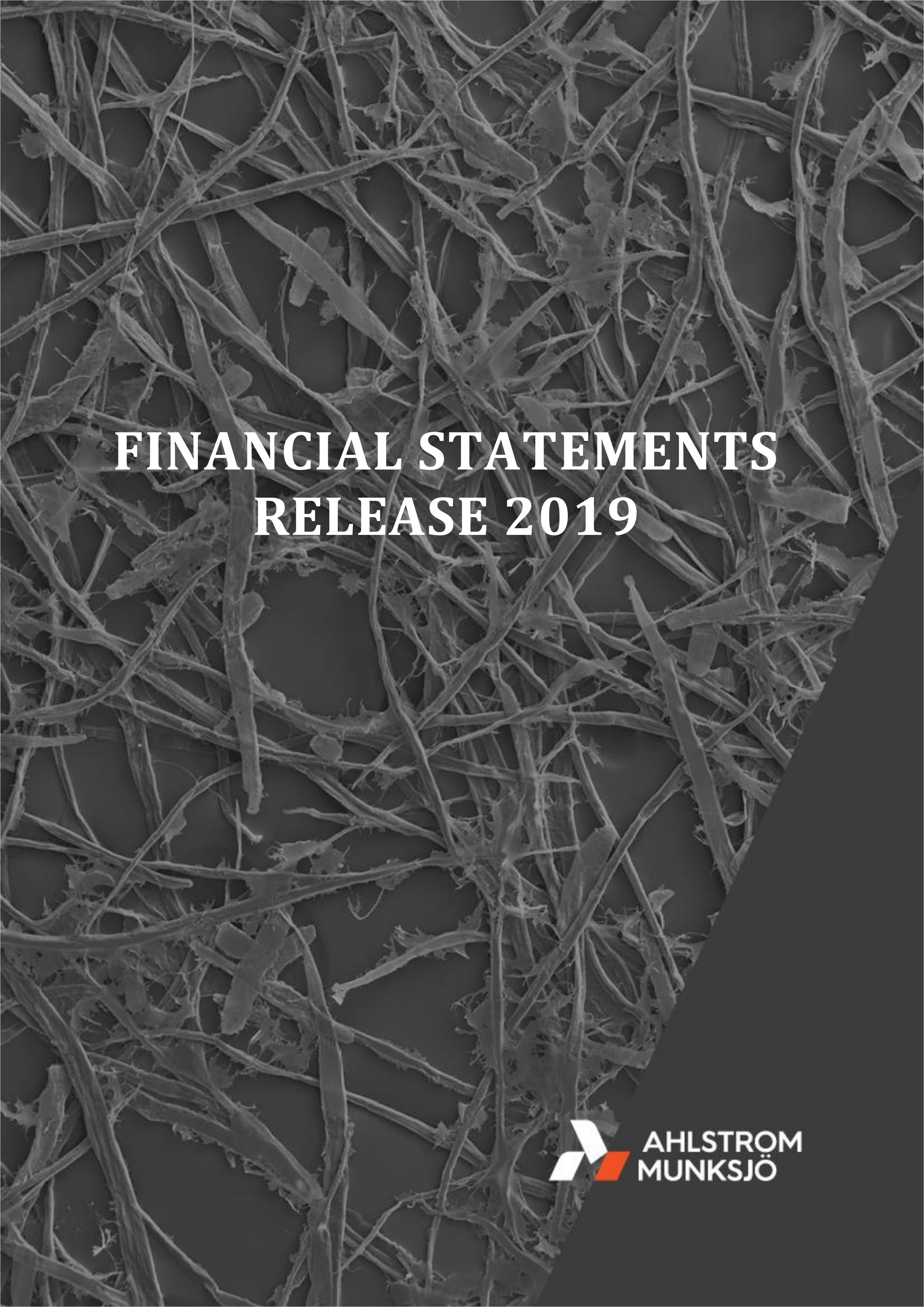


FINANCIAL STATEMENTS RELEASE 2019

AHLSTROM MUNKSJÖ

VERY STRONG CASH FLOW AND STABLE PROFITABILITY

Q4/2019

VERY STRONG CASH FLOW

STABLE COMPARABLE EBITDA

LOWER GEARING

HIGHLIGHTS DURING THE REPORTING PERIOD

- Very strong operating cash flow
- Market environment remained uncertain, while volume decline levelled off
- Letter of intent to acquire Chinese decor papermaker Minglian New Materials Technology to become a truly global leader in decor papers
- Acquisition of filter converting capacity to grow the attractive Liquid Technologies business in Asia and North America
- Agreements to divest the fine art paper business in Arches, France and the glassfiber reinforcement business in Mikkeli, Finland

Q4/2019 VS Q4/2018 PRO FORMA

- Net sales EUR 699.4 million (EUR 734.8 million), a decrease of 4.8%.
- Comparable EBITDA EUR 70.5 million (EUR 71.4 million), representing 10.1% (9.7%) of net sales
- Gross margin for products improved, while profitability was impacted by somewhat higher fixed costs and lower volumes.
- Operating results EUR 16.0 million (EUR 1.3 million), supported by lower items affecting comparability (IAC)
- Net profit EUR 1.9 million (EUR -10.3 million loss)
- Earnings per share EUR 0.01 (EUR -0.09)
- Comparable EPS excluding depreciation and amortization arising from PPA EUR 0.16 (EUR 0.18)

2019 VS 2018 PRO FORMA

- Net sales EUR 2,916.3 million (EUR 2,996.9 million), a decrease of 2.7%.
- Comparable EBITDA EUR 312.9 million (EUR 329.9 million), representing 10.7% (11.0%) of net sales
- Gross margin for products improved, while profitability was impacted by lower volumes
- Operating results EUR 103.2 million (EUR 129.4 million), impacted by higher depreciation and amortization
- Net profit EUR 32.8 million (EUR 63.2 million), impacted by higher financial costs
- Earnings per share EUR 0.27 (EUR 0.54)
- Comparable EPS excluding depreciation and amortization arising from PPA EUR 0.84 (EUR 1.15)

DIVIDEND PROPOSAL

- The Board of Directors proposes that a dividend totaling EUR 0.52 per share (EUR 0.52), be paid in four installments.

In this financial statements release, the comparison quarterly and full-year figures are presented on a pro forma basis to illustrate the financial impact of the acquisitions of Expera Specialty Solutions and MD Papéis Caieiras, and the merger between Ahlstrom and Munksjö had they been completed at the beginning of 2017. For the basis for presenting pro forma figures, please see appendix 2. Appendix 1, including consolidated financial statements, has been prepared according to International Financial Reporting Standards (IFRS).

PPA = purchase price allocation

KEY FIGURES

Actual (IFRS) Key figures, EUR million, or as indicated	Q4/2019	Q4/2018	Q3/2019	2019	2018
Net sales	699.4	712.2	712.9	2,916.3	2,438.0
Comparable EBITDA	70.5	72.1	83.6	312.9	277.7
Comparable EBITDA margin, %	10.1	10.1	11.7	10.7	11.4
Items affecting comparability in EBITDA	-7.2	-34.5	-5.8	-33.4	-55.1
EBITDA	63.3	37.5	77.8	279.4	222.6
Comparable operating result excl. depreciation and amortization arising from PPA *	38.7	46.3	53.4	191.1	186.1
Comparable operating result	25.5	34.5	40.1	139.0	151.4
Comparable operating result margin, %	3.7	4.9	5.6	4.8	6.2
Items affecting comparability in operating result	-9.6	-42.2	-5.8	-35.8	-62.7
Operating result	16.0	-7.7	34.3	103.2	88.7
Net profit / loss	1.9	-19.8	12.0	32.8	42.9
Earnings per share (basic), EUR	0.01	-0.20	0.10	0.27	0.43
Comparable EPS excl. depreciation and amortization arising from PPA, EUR *	0.16	0.20	0.22	0.84	1.18
Cash generated from operating activities	68.4	30.9	125.4	286.7	91.6
Depreciation, amortization and impairment	47.4	45.2	43.4	176.2	133.9
Capital expenditure	36.3	64.5	50.6	161.1	160.1
Net debt **	885.0	962.5	981.7	885.0	962.5
Gearing ratio, % **	71.8	82.8	85.4	71.8	82.8

pro forma Key figures, EUR million, or as indicated	Actual (IFRS) Q4/2019	pro forma Q4/2018	Actual (IFRS) Q3/2019	Actual (IFRS) 2019	pro forma 2018
Net sales	699.4	734.8	712.9	2,916.3	2,996.9
Comparable EBITDA	70.5	71.4	83.6	312.9	329.9
Comparable EBITDA margin, %	10.1	9.7	11.7	10.7	11.0
Items affecting comparability in EBITDA	-7.2	-24.0	-5.8	-33.4	-39.6
EBITDA	63.3	47.4	77.8	279.4	290.3
Comparable operating result excl. depreciation and amortization arising from PPA *	38.7	45.3	53.4	191.1	225.5
Comparable operating result	25.5	32.9	40.1	139.0	176.6
Comparable operating result margin, %	3.7	4.5	5.6	4.8	5.9
Items affecting comparability in operating result	-9.6	-31.7	-5.8	-35.8	-47.3
Operating result	16.0	1.3	34.3	103.2	129.4
Net profit / loss	1.9	-10.3	12.0	32.8	63.2
Earnings per share (basic), EUR	0.01	-0.09	0.10	0.27	0.54
Comparable EPS excl. depreciation and amortization arising from PPA, EUR *	0.16	0.18	0.22	0.84	1.15
Depreciation, amortization and impairment	47.4	46.2	43.4	176.2	161.0
Capital expenditure	36.3	65.9	50.6	161.1	176.3

**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.*
*** Classification of certain balance sheet items between interest-bearing and non-interest-bearing assets and liabilities was redefined. For more information, see appendix 1.*

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

CEO COMMENTS

We continued to execute our strategy with speed and determination on many fronts in order to strengthen our competitiveness and profitability as well as our balance sheet. We focused on the integration of acquired businesses and implemented profit improvement actions, strengthened our company culture and actively developed our business portfolio. Our cash flow was very strong in 2019 due to our relentless focus on working capital and this helped us to strengthen our financial position. However, market fundamentals turned out to be tougher than expected and our comparable EBITDA weakened slightly.

Lower end-use demand and destocking in the value chain put pressure on delivery and production volumes which in turn had a negative impact on our results. Despite the challenging market environment, our gross margin for products did, however, improve. This confirms that that our commercial strategy, based on leading positions in niche markets and a differentiated product offering, is working well. In addition, we benefitted from the achieved cost synergies from our recent acquisitions. Raw material and energy prices had a negative impact for the full year, while they started to have a positive impact in the second half of the year.

In the fourth quarter, our profitability was still unsatisfactory. Gross margin for products remained at a good level while volumes stabilized at a low level. This shows that while our cost reduction measures have been necessary, they have not been sufficient; in October, we identified further savings with an overall impact of at least EUR 50 million for the year 2020.

"We continued to execute our strategy with speed and determination."

Hans Sohlström, President and CEO

ACTIVELY DEVELOPING OUR BUSINESSES

We actively developed our business structure. We took a step forward in the process where our Decor business could become a globally leading stand-alone operation by signing a letter of intent to acquire a Chinese decor manufacturer. We also made one acquisition to grow our highly attractive Liquid Technologies business and announced two divestments.

Our strategic investment program, which has kept our capital expenditure at an exceptionally high level for the past two years, is nearing completion and we expect to complete the remaining four projects by the end of 2021. On the product development front, we continued to develop new value-added solutions for our customers.

LOOKING AHEAD

There are some early signs of improvement, although the market environment still remains uncertain. We will continue to develop our business structure, proceed with our investment program and deliver value-added solutions to our customers. This gives me confidence in our ability to reach our targets for this year.

OUTLOOK FOR 2020

Ahlstrom-Munksjö's comparable EBITDA reached EUR 313 million in 2019. The decline in volumes, which had a negative impact on the result in 2019, levelled off towards the end of the year. In the beginning of 2020, there are some early signs of improvement in demand. Raw material and energy prices had a negative impact for the full year 2019, while they started to have a positive impact in the second half. The ratio between average selling price and variable costs was at a good level at the start of 2020. Ahlstrom-Munksjö will continue its efforts to improve performance and competitiveness. Identified cost savings, mainly related to variable costs, are estimated to have an overall impact of at least EUR 50 million for 2020. Ahlstrom-Munksjö's comparable EBITDA in 2020 is expected to be higher than in 2019.

FINANCIAL PERFORMANCE

NET SALES DEVELOPMENT (COMPARISON WITH PRO FORMA)

Net sales by business area, EUR million	Q4/2019	pro forma Q4/2018	Q3/2019	2019	pro forma 2018
Decor	104.1	115.1	99.9	422.1	451.9
Filtration and Performance	164.6	162.6	159.6	665.6	672.5
Industrial Solutions	153.1	163.4	161.1	653.5	691.2
North America Specialty Solutions	150.0	155.5	161.9	641.6	626.0
Specialties	133.3	140.9	137.4	561.0	580.3
Other and eliminations	-5.8	-2.7	-7.1	-27.4	-25.1
Total net sales	699.4	734.8	712.9	2,916.3	2,996.9

PROFIT AND PROFITABILITY DEVELOPMENT (COMPARISON WITH PRO FORMA)

Comparable EBITDA by business area, EUR million	Q4/2019	pro forma Q4/2018	Q3/2019	2019	pro forma 2018
Decor	8.4	11.5	5.8	29.9	37.1
Filtration and Performance	29.3	24.5	31.8	123.1	114.7
Industrial Solutions	15.0	17.7	20.7	75.4	99.7
North America Specialty Solutions	11.2	12.5	16.2	53.3	57.0
Specialties	11.9	7.9	11.7	46.3	37.6
Other and eliminations	-5.3	-2.7	-2.7	-15.1	-16.2
Total comparable EBITDA	70.5	71.4	83.6	312.9	329.9

Comparable EBITDA margin by business area, %	Q4/2019	pro forma Q4/2018	Q3/2019	2019	pro forma 2018
Decor	8.0	10.0	5.9	7.1	8.2
Filtration and Performance	17.8	15.1	19.9	18.5	17.0
Industrial Solutions	9.8	10.8	12.8	11.5	14.4
North America Specialty Solutions	7.5	8.0	10.0	8.3	9.1
Specialties	9.0	5.6	8.5	8.3	6.5
Total comparable EBITDA margin, %	10.1	9.7	11.7	10.7	11.0

OCTOBER-DECEMBER 2019

(Comparison to pro forma)

Net sales amounted to EUR 699.4 million, showing a decrease of 4.8% from the EUR 734.8 million in the fourth quarter of 2018. In constant currency, net sales declined by 5.4% due to a lower average selling price and a slight decline in delivery volumes.

Comparable EBITDA was EUR 70.5 million (EUR 71.4 million), representing 10.1% of net sales (9.7%). The gross margin for products (per metric ton) increased as lower variable costs more than offset lower selling prices. This positive development was offset by somewhat higher fixed costs and lower volumes. The implementation of the IFRS 16 standard had a positive impact of EUR 4.2 million on the EBITDA. Further information is available in appendix 2.

Compared with the third quarter of 2019, comparable EBITDA decreased due to scheduled maintenance shutdowns and somewhat higher costs. Gross margin for products decreased slightly.

Items affecting comparability (IAC) in EBITDA

EBITDA was EUR 63.3 million (EUR 47.4 million). IACs totaled EUR -7.2 million (EUR -24.0 million) and were mainly related to restructuring costs.

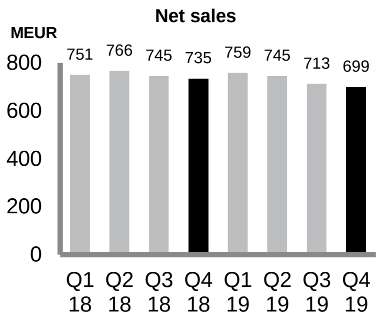
The operating result was EUR 16.0 million (EUR 1.3 million). Depreciation, amortization and impairment amounted to EUR 47.4 million (EUR 46.2 million), including depreciation and amortization arising from PPA of EUR 13.1 million (EUR 12.3 million) and impairment loss of EUR 2.4 million (EUR 7.7 million).

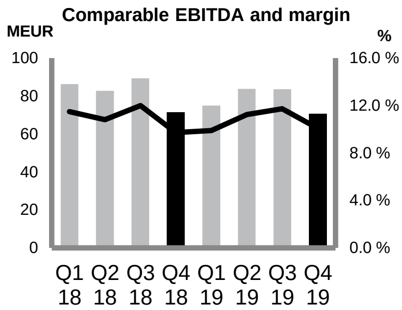
Net financial items increased to EUR -13.4 million (EUR -12.7 million), including net interest expenses of EUR 11.5 million.

Net profit for the period

Net profit for the period was EUR 1.9 million (EUR -10.3 million loss), and earnings per share were EUR 0.01 (EUR -0.09). Comparable earnings per share excluding depreciation and amortization arising from PPA were EUR 0.16 (EUR 0.18).

CHANGE IN NET SALES	
Q4/2018 (pro forma)	**MEUR 735**
Volume	-1%
Selling price and product mix	-3%
Currency	1%
Q4/2019	**MEUR 699**





CHANGE IN NET SALES	
FY 2018 (pro forma)	**MEUR 2,997**
Volume	-4%
Selling price and product mix	+2%
Currency	+2%
FY 2019	**MEUR 2,916**

Reconciliation of EBITDA to comparable EBITDA EUR million	Actual (IFRS) Q4/2019	pro forma Q4/2018	Actual (IFRS) Q3/2019	Actual (IFRS) 2019	pro forma 2018
EBITDA	**63.3**	**47.4**	**77.8**	**279.4**	**290.3**
Transaction costs	-0.8	-0.1	-1.1	-2.7	-1.3
Integration costs	-0.5	-10.5	-2.4	-11.7	-22.0
Restructuring costs	-3.6	-13.3	-1.9	-15.4	-15.9
Loss on business disposal	-1.6	-	-	-1.6	-
Other	-0.8	-0.1	-0.4	-2.1	-0.3
Total items affecting comparability in EBITDA	**-7.2**	**-24.0**	**-5.8**	**-33.4**	**-39.6**
Comparable EBITDA	**70.5**	**71.4**	**83.6**	**312.9**	**329.9**

Full reconciliation is available in the appendix 2.

JANUARY-DECEMBER 2019

(Comparison to pro forma)

Net sales decreased to EUR 2,916.3 million from the EUR 2,996.9 million in January-December 2018, showing a decline of 2.7%. In constant currency, net sales fell by 4.3%. Higher selling prices in all business areas except Industrial Solutions had a positive impact on net sales. Delivery volumes fell in all business areas.

Comparable EBITDA decreased to EUR 312.9 million (EUR 329.9 million), representing 10.7% of net sales (11.0%) mainly due to lower volumes. Gross margin for products (per metric ton) improved as increased selling prices more than offset higher variable costs. Fixed costs increased slightly. The implementation of the IFRS 16 standard had a positive impact of EUR 16.3 million on the EBITDA. Further information is available in appendix 2.

Items affecting comparability (IAC) in EBITDA

EBITDA was EUR 279.4 million (EUR 290.3 million). IACs totaled EUR -33.4 million (EUR -39.6 million) and were mainly related to the integration of Expera Specialty Solutions as well as restructuring costs.

The operating result was EUR 103.2 million (EUR 129.4 million). Depreciation, amortization and impairment amounted to EUR 176.2 million (EUR 161.0 million), including depreciation and amortization arising from PPA of EUR 52.1 million (EUR 48.9 million).

Net financial items increased to EUR -51.6 million (EUR -42.5 million), including net interest expenses of EUR 47.6 million, due to higher net debt during the year.

Net profit for the period

Net profit for the period was EUR 32.8 million (EUR 63.2 million), and earnings per share were EUR 0.27 (EUR 0.54). Comparable earnings per share excluding depreciation and amortization arising from PPA were EUR 0.84 (EUR 1.15).

FINANCING AND CASH FLOW

NET FINANCIAL ITEMS

October-December 2019 (comparison with actual)

Net financial items amounted to EUR -13.4 million (EUR -13.3 million). The figure includes net interest expenses of EUR 11.5 million, a currency exchange loss of EUR 0.2 million and other financial expense of EUR 1.7 million. At the end of the reporting period, the weighted average interest rate, excluding lease liabilities and hybrid bond, was 3.4%.

January-December 2019 (comparison with actual)

Net financial items increased to EUR -51.6 million (EUR -25.3 million) due to higher net debt. The figure includes net interest expenses of EUR 47.6 million, a currency exchange gain of EUR 2.8 million and other financial expenses of EUR 6.7 million.

NET PROFIT FOR PERIOD

October-December 2019 (comparison with actual)

Profit before taxes was EUR 2.6 million (EUR -21.0 million loss). Taxes amounted to EUR 0.6 million (positive EUR 1.2 million). The net profit for the period was EUR 1.9 million (EUR -19.8 million loss), and earnings per share were EUR 0.01 (EUR -0.20).

January-December 2019 (comparison with actual)

Profit before taxes was EUR 51.6 million (EUR 63.3 million). Taxes amounted to EUR 18.8 million (EUR 20.4 million). The net profit for the period was EUR 32.8 million (EUR 42.9 million), and earnings per share were EUR 0.27 (EUR 0.43).

CASH FLOW

October-December 2019 (comparison with actual)
Net cash flow from operating activities increased to EUR 68.4 million (EUR 30.9 million) and was mainly driven by a significant reduction in net working capital. All net working capital items contributed to this improvement.

January-December 2019 (comparison with actual)
Net cash flow from operating activities rose to EUR 286.7 million (EUR 91.6 million) and was driven by reduction in net working capital. All net working capital items contributed to this improvement.

BALANCE SHEET

Hybrid bond
On December 13, 2019, Ahlstrom-Munksjö issued a EUR 100 million hybrid bond that is treated as equity in Group's consolidated financial statements in accordance with IFRS. As a consequence, the company's equity was increased and net debt reduced. The hybrid bond has no specific maturity date and the company may redeem it for the first time on February 13, 2024, or any interest payment day thereafter. It bears interest at a fixed rate of 3.879% per annum until February 13, 2024. The interest on the hybrid bond will be deducted from equity and is taken into account in earnings per share calculations as of Q4 2019.

Net debt
The company's net debt decreased to EUR 885.0 million at the end of the reporting period (EUR 962.5 million on December 31, 2018) due to the issue of the hybrid bond and improved cash flow. Gearing decreased to 71.8% (82.8% on December 31, 2018), mainly due to the issue of the hybrid bond.

The classification of certain balance sheet items between interest-bearing and non-interest-bearing assets and liabilities were redefined and comparative figures have been restated accordingly. More information is available in appendix 2. The implementation of the new IFRS 16 standard, which is excluded from debt covenant calculations, increased net debt by EUR 54.2 million.

Ahlstrom-Munksjö's liquidity continues to be good. At the end of the review period, the total cash position was EUR 166.1 million (EUR 151.0 million on December 31, 2018). In addition, the company had undrawn committed credit facilities and committed cash pool overdrafts of EUR 214.0 million available.

On December 31, 2019, equity was EUR 1,232.0 million (EUR 1,162.2 million on December 31, 2018). The equity was increased by the issue of the hybrid bond. In addition, it was decreased by a EUR 60 million dividend. Cash flow and net debt were impacted in the second and fourth quarters as the annual dividend was paid in two instalments in April and October.

COST REDUCTION MEASURES AND SYNERGY BENEFITS

PROCEEDING WITH MEASURES TO IMPROVE COMPETITIVENESS

Ahlstrom-Munksjö is proceeding with its efforts to maintain and improve competitiveness. Identified cost saving measures are estimated to have an overall impact of at least EUR 50 million for the year 2020 compared with 2019. They comprise mainly procurement and production related savings as well as the impact from the machine closure in Stenay, France, that occurred in March 2019. The planned savings exclude the cost and business synergies related to the Expera and Caieiras acquisitions.

ACQUISITIONS OF EXPERA SPECIALTY SOLUTIONS AND CAIEIRAS SPECIALTY PAPER MILL

Targeted cost synergies related to the Expera and Caieiras acquisitions were completed in 2019 and exceeded targets. The run rate of achieved cost synergies related to Expera was approximately EUR 12 million at year-end 2019, exceeding the initial target of EUR 8 million. The run rate of achieved cost synergies related to Caieiras was approximately EUR 10 million at year-end 2019, exceeding the initial target of EUR 6 million. Majority of the achieved synergies were related to variable costs. Costs related to achieving the synergies were combined about EUR 9 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.

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. Negotiations are proceeding well and signing is expected within the first half of 2020.

CAPITAL EXPENDITURE

Ahlstrom-Munksjö's capital expenditure excluding acquisitions totaled EUR 36.3 million in October-December 2019 (pro forma EUR 65.9 million) and 161.1 million in January-December 2019 (pro forma EUR 176.3 million). The investments were related to maintenance, cost and efficiency improvements, as well as growth initiatives and improved environmental performance and safety. The company did not announce any major new investment decisions during 2019.

The company is progressing with its EUR 190 million investment program including a total of 13 projects, of which four were completed in 2019; boiler and pulp line rebuild in Billingsfors, Sweden, a baling line modernization in Aspa, Sweden, a production line upgrade in Dettingen, Germany, and a coating line upgrade in Jacarei, Brazil. Four remaining projects 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 140 million in 2020 (EUR 161 million in 2019).

PERSONNEL

Ahlstrom-Munksjö employed an average of 8,078 (6,480) people in January-December 2019 in full-time equivalents. As of December 31, 2019, the highest numbers of employees were in the United States (31%), France (20%), 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 three priority metrics to track performance in this field: total recordable incidents (TRI[1]) rate, near-miss rate, and hours of tailored safety

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[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.

training per employee per year. Ahlstrom-Munksjö believes that a goal of zero accidents is achievable, and our long-term target for TRI is zero. In 2019, our near miss rate target is 4.0 and we aim to provide 15 hours of tailored safety training per employee.

In January-December 2019, the TRI rate was 1.7, the near-miss rate was 4.9 and 20.3 hours of training were provided per employee.

CHANGES IN THE GROUP EXECUTIVE MANAGEMENT TEAM

On November 27, 2019, Anna Bergquist was appointed Executive Vice President, Strategy, Sustainability and Innovation, and a member of the Group Executive Management Team as of January 1, 2020.

On November 27, 2019, Tarja Takko was appointed Executive Vice President, People and Safety, and a member of the Group Executive Management Team as of January 1, 2020. Takko was previously acting Executive Vice President, People and Safety, and Vice President Talent and Development, Group HR.

On October 17, 2019, Markus Westerkamp, the former Vice President of the Food Packaging business, part of the Specialties business area, was appointed Executive Vice President of the Advanced Solutions business area and a member of the Group Executive Management Team as of January 1, 2020. Omar Hoek, former Executive Vice President of the Specialties business area and a member of the Group Executive Management Team, decided to leave Ahlstrom-Munksjö to pursue career opportunities outside the company.

On April 25, 2019, Robyn Buss was appointed Executive Vice President of Business Area North America Specialty Solutions as of October 1, 2019. She has succeeded Russ Wanke, who retired.

On April 25, 2019, Daniele Borlatto was appointed Executive Vice President of Business Area Filtration & Performance as of June 7, 2019. He was previously Executive Vice President of Business Area Industrial Solutions. Borlatto succeeded Fulvio Capussotti, who decided to take up new responsibilities outside Ahlstrom-Munksjö.

On April 25, 2019, Dan Adrianzon was appointed Executive Vice President of Business Area Industrial Solutions as of June 7, 2019. He was previously Executive Vice President of People and Safety.

EVENTS DURING THE REPORTING PERIOD

ACQUISITION OF FILTER CONVERTING CAPACITY

On December 17, 2019, Ahlstrom-Munksjö announced it had acquired filter converting operations in China and the U.S. from Shunde Lucas and Altior Industries. The transaction brings local filter converting capacity into China and a foothold for expanding sales of other products of the Liquid Technologies business.

Net sales of the acquired operations are approximately USD 7 million and comparable is EBITDA USD 2 million annually. Their product offering of hot cooking oil filters is used in quick service restaurants and food service operations, mainly in China and the U.S. The combined operations are expected to generate substantial synergy benefits. The debt-free purchase price (provisional) was EUR 9.6 million.

SALE OF GLASS FIBER REINFORCEMENT BUSINESS

On November 21, 2019, Ahlstrom-Munksjö agreed to sell its glass fiber reinforcement business in Mikkeli, Finland, to Vitrulan Composites Oy, a fully owned subsidiary of Vitrulan Group and part of the family-owned industrial holding ADCURAM Group.

The main product offering consisted of specialty glass fiber reinforcements for wind energy applications as well as for other end-uses including marine and transportation applications. The plant which was part of Filtration and Performance business area had net sales of EUR 30 million and employed about 100 people. The transaction was completed on December 31, 2019.

NON-BINDING MEMORANDUM OF UNDERSTANDING TO DIVEST THE FINE ART PAPER BUSINESS

On October 30, 2019, Ahlstrom-Munksjö Oyj and its French subsidiary Ahlstrom-Munksjö Arches, have entered into a non-binding memorandum of understanding to divest Ahlstrom-Munksjö Arches' fine art paper business, under the ARCHES® brand, with the Italy-based F.I.L.A. Group, Fabbrica Italiana Lapis ed Affini S.p.A., a leading global player specialized in the research, design, manufacturing and sale of creative expression tools.

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 debt-free purchase price is approximately EUR 44 million. The signed non-binding memorandum of understanding is subject to statutory works council consultation and final and binding transaction agreements. The transaction is expected to be completed in the first quarter of 2020.

NEW BUSINESS AND REPORTING STRUCTURE

On April 25, 2019, Ahlstrom-Munksjö announced the implementation of a new business and reporting structure as of January 1, 2020. The new organizational structure is a natural next step following the completion and initial integration phase of the Expera Specialty Solutions acquisition.

In the new organizational structure, businesses are combined which share similar core capabilities, strategic targets and characteristics. This enables Ahlstrom-Munksjö to strengthen and further promote its capabilities in areas of product development and innovation, global key customer account management, product and production technology as well as process improvement and production optimization.

Ahlstrom-Munksjö's organizational structure and reporting segments, as of January 1, 2020, and their leaders are as follows:

- Filtration & Performance Solutions, Executive Vice President Daniele Borlatto
- Advanced Solutions, Executive Vice President Markus Westerkamp
- Industrial Solutions, Executive Vice President Dan Adrianzon
- Food Packaging & Technical Solutions, Executive Vice President Robyn Buss
- Decor Solutions, Executive Vice President Tomas Wulkan

Historical comparable financial figures for the new reporting structure will be published prior to the publication of the interim report January-March 2020 on April 23, 2020.

BUSINESS AREA REVIEWS

DECOR

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

Market review January-December 2019

After a long period of destocking and lower end-use demand, demand for decor paper recovered in the fourth quarter. Due to weak demand and eroding raw material prices, price pressure and competition was intense throughout the year. The long-term underlying demand for decor products is, however, still growing healthy.

Q4/2019 compared with Q4/2018 pro forma

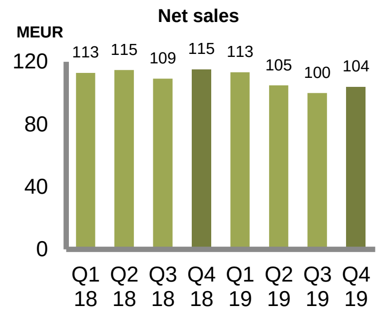
Net sales decreased 9.6% to EUR 104.1 million, compared with EUR 115.1 million in the comparison period. The decline was mainly due to lower selling prices and sales volumes.

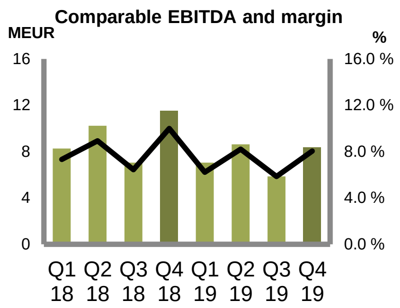
Comparable EBITDA decreased to EUR 8.4 million (EUR 11.5 million), representing 8.0% (10.0%) of net sales. The decline was mainly driven by lower sales volumes. The negative impact of lower selling prices was offset by lower variable costs such as pulp and titanium dioxide.

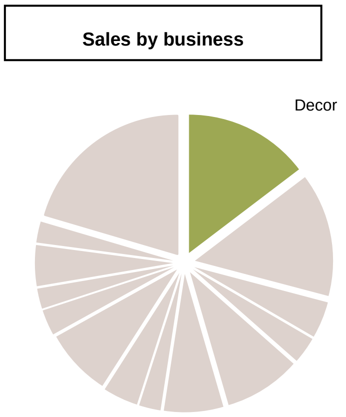
2019 compared with 2018 pro forma

Net sales decreased 6.6% to EUR 422.1 million, compared with EUR 451.9 million in the comparison period. The decline was mainly due to lower sales volumes. While the average selling price for the year was stable, prices fell during the year, reflecting the decrease in key raw material costs.

Comparable EBITDA decreased to EUR 29.9 million (EUR 37.1 million), representing 7.1% (8.2%) of net sales, mainly due to lower volumes. Average selling prices were stable. The positive impact of lower variable costs were offset by increased fixed cost per ton, which related to lower sales and production volumes.







EUR million	Q4/2019	Q3/2019	Q2/2019	Q1/2019	Q4/2018	Q3/2018
Net sales	104.1	99.9	104.8	113.3	115.1	109.1
Comparable EBITDA	8.4	5.8	8.6	7.0	11.5	7.0
Comparable EBITDA margin, %	8.0	5.9	8.2	6.2	10.0	6.5
Capital expenditure	2.3	1.6	2.2	3.0	5.8	3.7
Depreciation, amortization and impairment	3.4	3.3	3.0	3.0	2.5	2.3

FILTRATION AND PERFORMANCE

The Filtration and Performance business area develops and produces filtration materials for engine oils, fuels and air, as well as industrial filtration. It also produces glass fiber for flooring products and wind turbine blades, and makes nonwoven materials for automotive, construction, textile and hygiene applications, and wallcovering materials.

Market review January-December 2019

Demand for filtration products, and transportation especially, remained at a low level in Europe and the Americas, while improved in Asia. In construction-related markets, demand for plasterboard, flooring and other glass fiber tissue end-uses remained solid, while the wallcoverings market in Europe weakened.

Q4/2019 compared with Q4/2018 pro forma

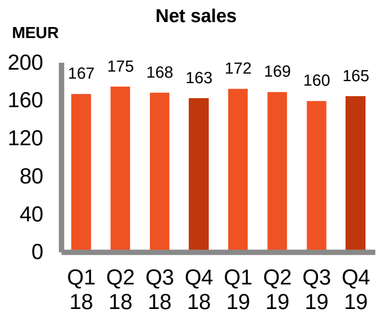
Net sales increased by 1.3% to EUR 164.6 million, compared with EUR 162.6 million in the comparison period. Higher selling prices were partially offset by lower volumes.

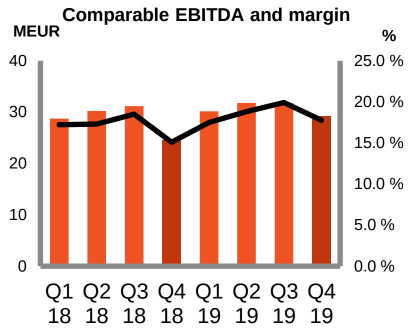
Comparable EBITDA increased to EUR 29.3 million (EUR 24.5 million), representing 17.8% (15.1%) of net sales. The increase was mainly driven by higher selling prices and lower variable costs.

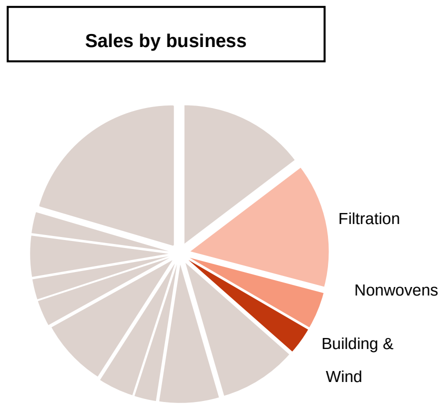
2019 compared with 2018 pro forma

Net sales decreased 1.0% to EUR 665.6 million, compared with EUR 672.5 million in the comparison period. Lower sales volumes were partially offset by higher selling prices, an improved product mix and a favorable currency effect.

Comparable EBITDA increased to EUR 123.1 million (EUR 114.7 million), representing 18.5% (17.0%) of net sales. Higher selling prices and improved operational efficiency more than offset the negative impact of lower volumes.







EUR million	Q4/2019	Q3/2019	Q2/2019	Q1/2019	Q4/2018	Q3/2018
Net sales	164.6	159.6	168.9	172.4	162.6	168.3
Comparable EBITDA	29.3	31.8	31.8	30.2	24.5	31.2
Comparable EBITDA margin, %	17.8	19.9	18.8	17.5	15.1	18.5
Capital expenditure	6.3	9.0	9.5	6.7	11.4	8.0
Depreciation, amortization and impairment	14.3	11.3	11.3	11.1	10.7	10.4

INDUSTRIAL SOLUTIONS

The Industrial Solutions business area develops and produces abrasive backings, electrotechnical insulation papers, release liners and coated specialty papers. The business area also supplies fine art and printing papers, as well as thin papers, specialty pulp and balancing foil paper.

Market review January-December 2019

Demand for release liners improved for some grades in the second half of the year, while the market environment remained competitive. Demand for electrotechnical insulation and interleaving papers remained stable, while demand for specialty pulp improved during the fourth quarter. The markets for abrasive backings and coated products were weak with improving signs for coated products in Brazil towards the end of the year.

Q4/2019 compared with Q4/2018 pro forma

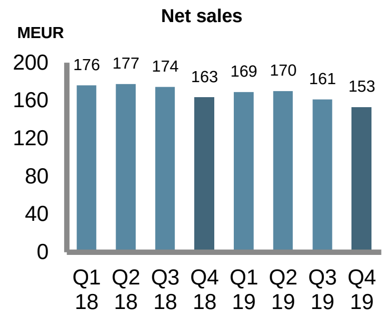
Net sales decreased by 6.3% to EUR 153.1 million, compared with EUR 163.4 million in the comparison period. The decline was mainly due to lower selling prices, which was partially mitigated by higher sales volumes.

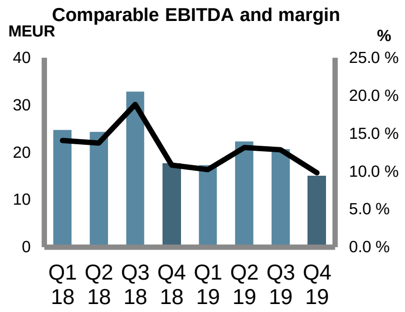
Comparable EBITDA decreased to EUR 15.0 million (EUR 17.7 million), representing 9.8% (10.8%) of net sales. Lower selling prices were partially mitigated by lower variable costs. Higher sales volumes had a positive impact on profitability.

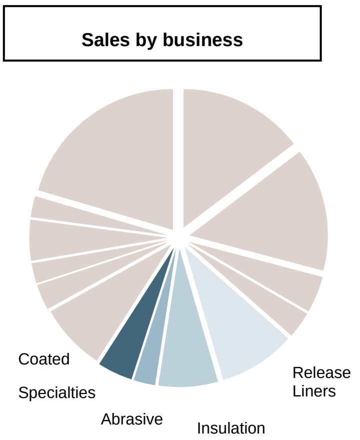
2019 compared with 2018 pro forma

Net sales decreased by 5.5% to EUR 653.5 million, compared with EUR 691.2 million in the comparison period. The decline was mainly due to lower volumes in the paper businesses and lower selling prices for specialty pulp.

Comparable EBITDA decreased to EUR 75.4 million (EUR 99.7 million), representing 11.5% (14.4%) of net sales. Profitability was mainly impacted by lower volumes in the paper businesses and lower prices for specialty pulp as well as higher energy costs. Fixed costs decreased.







EUR million	Q4/2019	Q3/2019	Q2/2019	Q1/2019	Q4/2018	Q3/2018
Net sales	153.1	161.1	170.0	169.2	163.4	174.5
Comparable EBITDA	15.0	20.7	22.3	17.4	17.7	32.9
Comparable EBITDA margin, %	9.8	12.8	13.1	10.3	10.8	18.8
Capital expenditure	14.0	26.1	13.8	10.2	23.7	9.8
Depreciation, amortization and impairment	10.5	9.7	9.9	9.7	9.0	9.0

NORTH AMERICA SPECIALTY SOLUTIONS

The North America Specialty Solutions business area develops and produces a wide range of specialized materials that protect and enhance the performance of industrial and consumer applications, such as release liners, tape, interleaving papers and specialty paper to wrap and package processed and quick service restaurant prepared foods.

Market review January-December 2019

Demand for food processing and packaging papers was stable, while the markets for industrial and technical specialty papers remained soft. In the release liner segment, demand in commodity grades remained weak and was impacted by new capacity and intensified competition, while demand for coated products remained relatively solid.

Q4/2019 compared with Q4/2018 pro forma

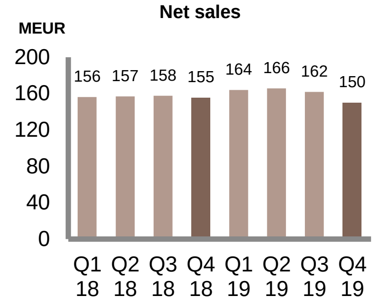
Net sales decreased 3.5% to EUR 150.0 million, compared with EUR 155.5 million in the comparison period. The decrease was driven by lower deliveries and lower selling prices due to reduced raw material costs. This was partially offset by a favorable currency effect.

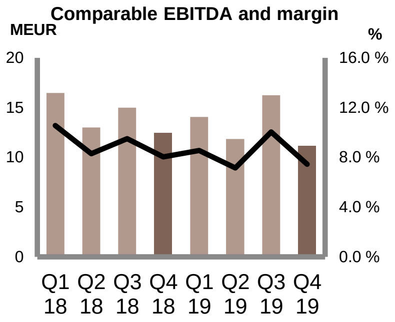
Comparable EBITDA decreased to EUR 11.2 million (EUR 12.5 million), representing 7.5% (8.0%) of net sales, due to primarily lower sales volumes. Fixed costs were higher, while variable costs decreased.

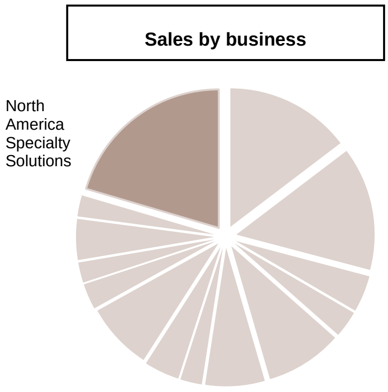
2019 compared with 2018 pro forma

Net sales increased 2.5% to EUR 641.6 million, compared with EUR 626.0 million in the comparison period. The increase was driven by higher selling prices and a favorable currency effect. Deliveries were lower.

Comparable EBITDA decreased to EUR 53.3 million (EUR 57.0 million), representing 8.3% (9.1%) of net sales, mainly due to lower volumes and higher fixed costs. This was partially offset by higher selling prices.







EUR million	Q4/2019	Q3/2019	Q2/2019	Q1/2019	Q4/2018	Q3/2018
Net sales	150.0	161.9	165.6	164.0	155.5	157.6
Comparable EBITDA	11.2	16.2	11.8	14.0	12.5	15.0
Comparable EBITDA margin, %	7.5	10.0	7.1	8.6	8.0	9.5
Capital expenditure	5.3	3.3	5.1	7.4	8.9	5.7
Depreciation, amortization and impairment	8.1	7.5	7.5	7.2	6.6	6.6

SPECIALTIES

The Specialties business area develops and produces materials for food and beverage processing, laboratory filters and life science diagnostics, water filtration, tape products and medical fabrics. The business area also supplies hot cooking oil and milk filtration materials, graphics paper for sticky notes and envelopes, as well as metallized labels and flexible packaging papers.

Market review January-December 2019

In the Food Packaging business, demand for parchment papers for food processing and packaging remained weak. Beverage markets improved and demand for fibrous meat casing materials remained strong. Demand for tape backings in Europe and North America was weaker, while it continued to be strong in Asia. In the Advanced Liquid Technologies and Medical businesses, demand remained mostly robust.

Q4/2019 compared with Q4/2018 pro forma

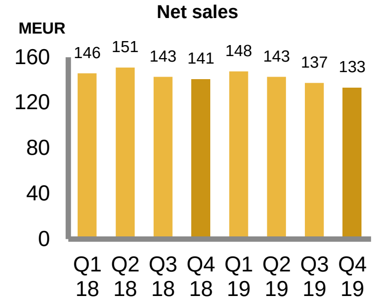
Net sales decreased by 5.3% to EUR 133.3 million, compared with EUR 140.9 million in the comparison period 2018, as lower deliveries more than offset the improved product mix. The decline in deliveries was mainly related to the paper machine closure at the Stenay plant in France, part of the Food Packaging business.

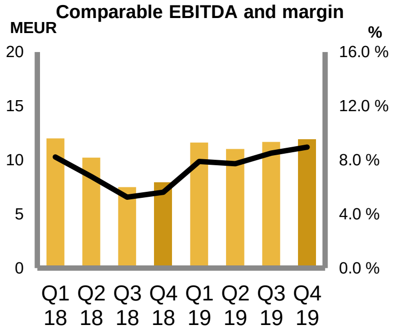
Comparable EBITDA increased to EUR 11.9 million (EUR 7.9 million), representing 9.0% (5.6%) of net sales. The increase was driven by lower variable costs, more than offsetting lower selling prices, as well as the positive impact from the paper machine closure.

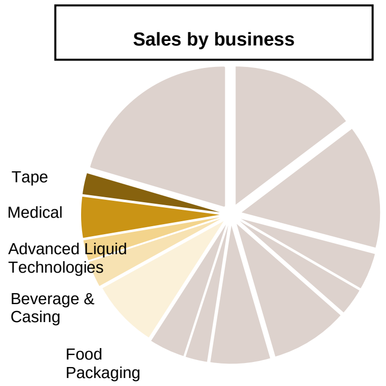
2019 compared with 2018 pro forma

Net sales decreased by 3.3% to EUR 561.0 million, compared with EUR 580.3 million in the comparison period, as higher selling prices were more than offset by lower deliveries.

Comparable EBITDA increased to EUR 46.3 million (EUR 37.6 million), representing 8.3% (6.5%) of net sales. Higher selling prices more than offset increased variable costs, and cost efficiency improved, partly related to the closure of the paper machine. Volumes decreased.







EUR million	Q4/2019	Q3/2019	Q2/2019	Q1/2019	Q4/2018	Q3/2018
Net sales	133.3	137.4	142.7	147.5	140.9	142.6
Comparable EBITDA	11.9	11.7	11.0	11.6	7.9	7.5
Comparable EBITDA margin, %	9.0	8.5	7.7	7.9	5.6	5.3
Capital expenditure	3.3	3.4	4.0	3.8	9.6	15.3
Depreciation, amortization and impairment	8.6	8.7	8.8	8.7	15.3	7.6

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 December 31, 2019, Ahlstrom-Munksjö’s share capital amounted to EUR 85.0 million, and the total number of shares since December 28, 2018 has been 115,653,315, following a rights issue that increased the number of shares by 19,214,742 from 96,438,573.

The company had 12,853 shareholders at the end of the reporting period (12,095 as of Dec. 31, 2018) according to Euroclear Finland Ltd. Ahlstrom-Munksjö held a total of 364,862 of its own shares, corresponding to approximately 0.3% of total shares and votes.

SHARE PRICE PERFORMANCE AND TRADING

	Nasdaq Helsinki		Nasdaq Stockholm	
	2019	2018	2019	2018
Share price at the end of the period, EUR/SEK	14.32	12.12	149.60	124.40
Highest share price, EUR/SEK	15.18	20.10	165.00	197.40
Lowest share price, EUR/SEK	11.90	10.68	121.40	110.00
Market capitalization at the end of the period*, EUR million	1,650.9	1,397.3	N/A	N/A
Trading value, EUR/SEK million	184.5	192.0	214.3	335.2
Trading volume, shares million	13.3	12.8	1.5	2.2
Average daily trading volume, shares	53,330	51,343	5,847	8,825

*Excluding the shares held by Ahlstrom-Munksjö

ANNUAL GENERAL MEETING OF SHAREHOLDERS

Ahlstrom-Munksjö Oyj's Annual General Meeting (AGM) was held on March 27, 2019. The AGM adopted the Financial Statements for 2018 and discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2018.

The AGM resolved to distribute a dividend of EUR 0.52 per share for the fiscal year that ended on December 31, 2018 in accordance with the proposal of the Board of Directors. The dividend was paid in two instalments. The first installment of EUR 0.26 per share was paid on April 5, 2019, and the second installment of EUR 0.26 per share on October 4, 2019. The full release on resolutions is available at www.ahlstrom-munksjo.com

PROPOSAL FOR THE DISTRIBUTION OF PROFIT

The Board of Directors has amended the company’s dividend policy. The new policy: Ahlstrom-Munksjö aims to distribute a stable, over time increasing dividend, to be paid four times per year. The previous policy: Ahlstrom-Munksjö aims to distribute a stable, over time increasing dividend, to be paid biannually.

The distributable funds on the balance sheet of Ahlstrom-Munksjö Oyj as of December 31, 2019 amounted to EUR 801,327,209.86. The Board of Directors proposes that the Annual General Meeting resolves, based on the financial statements of the company for 2019, on the dividend payment in the amount of EUR 0.52 per share.

The dividend shall be paid in four instalments. The first instalment of EUR 0.13 per share shall be paid to a shareholder who on the record date of the payment, March 27, 2020, is registered in the shareholders' register of the company maintained by Euroclear Finland Ltd or in the register of shareholders maintained by Euroclear Sweden AB. The payment date proposed by the Board of Directors for this instalment is April 3, 2020.

The second instalment of EUR 0.13 per share shall be paid in July 2020 to a shareholder who on the record date of the payment is registered in the shareholders' register of the company maintained by Euroclear Finland Ltd or in the register of shareholders maintained by Euroclear Sweden AB. The Board of Directors shall resolve on the payment separately. The preliminary record date of the payment is July 2, 2020 and the preliminary payment date July 9, 2020.

The third instalment of EUR 0.13 per share shall be paid in October 2020 to a shareholder who on the record date of the payment is registered in the shareholders' register of the company maintained by Euroclear Finland Ltd or in the register of shareholders maintained by Euroclear Sweden AB. The Board of Directors shall resolve on the payment separately. The preliminary record date of the payment is October 2, 2020 and the preliminary payment date October 9, 2020.

The fourth instalment of EUR 0.13 per share shall be paid in January 2021 to a shareholder who on the record date of the payment is registered in the shareholders' register of the company maintained by Euroclear Finland Ltd or in the register of shareholders maintained by Euroclear Sweden AB. The Board of Directors shall resolve on the payment separately. The preliminary record date of the payment is January 4, 2021 and the preliminary payment date January 11, 2021.

In addition, the Board of Directors proposes that EUR 150,000 will be reserved for donations at the discretion of the Board.

SHORT-TERM RISKS

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

The company's significant risks and uncertainty factors mainly consist of developments in demand for and prices of sold products, the cost and availability of significant raw materials and energy, financial risks, as well as other business factors including developments in global politics and the financial markets. The company's financial performance may be impacted by the timing of possible raw material price increases and its ability to raise selling prices. On-going trade disputes and the outcome of Brexit increases uncertainty in the global economic outlook and this may have an effect on Ahlstrom-Munksjö's markets. At this stage, it is too early to assess the impact of the recent coronavirus outbreak to the company's businesses.

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

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

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

More information about risks and uncertainty factors related to Ahlstrom-Munksjö's business and the company's risk management is available at www.ahlstrom-munksjo.com.

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

Ahlstrom-Munksjö Oyj
Board of Directors

ADDITIONAL INFORMATION

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

WEBCAST AND CONFERENCE CALL

A combined news conference, call and live webcast will be arranged on the publishing day, February 13, 2020, at 11:00 a.m. EET at Ahlstrom-Munksjö's head office in Helsinki (Alvar Aallon katu 3 C). 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_0213_q4

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

Conference ID: 228540

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

AHLSTROM-MUNKSJÖ IN BRIEF

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

APPENDIX 1: CONSOLIDATED FINANCIAL STATEMENTS

The annual IFRS figures are audited, pro forma figures are unaudited.

Income statement **EUR million**	**Q4/2019**	**Q4/2018**	**2019**	**2018**
Net sales	699.4	712.2	2,916.3	2,438.0
Other operating income	3.3	3.3	12.1	9.6
Total operating income	**702.7**	**715.6**	**2,928.5**	**2,447.7**
Operating costs				
Changes in inventories of finished goods and work in progress	-12.4	-3.8	-30.3	25.0
Materials and supplies	-299.0	-347.3	-1,317.8	-1,208.2
Other operating expenses	-181.4	-180.9	-718.1	-589.5
Employee benefit expenses	-146.8	-146.1	-583.1	-452.4
Depreciation, amortization and impairment	-47.4	-45.2	-176.2	-133.9
Total operating costs	**-686.9**	**-723.2**	**-2,825.5**	**-2,359.0**
Share of profit in equity accounted investments	0.2	0.0	0.2	0.0
Operating result	**16.0**	**-7.7**	**103.2**	**88.7**
Net financial items	-13.4	-13.3	-51.6	-25.3
Profit/loss before tax	**2.6**	**-21.0**	**51.6**	**63.3**
Income taxes	-0.6	1.2	-18.8	-20.4
Net profit/loss	**1.9**	**-19.8**	**32.8**	**42.9**

pro forma Income statement (unaudited) **EUR million**	**Q4/2018**	**2018**
Net sales	734.8	2,996.9
Other operating income	3.4	10.9
Total operating income	**738.2**	**3,007.8**
Operating costs		
Changes in inventories of finished goods and work in progress	-4.7	24.7
Materials and supplies	-350.3	-1,445.7
Other operating expenses	-184.8	-715.3
Employee benefit expenses	-150.8	-581.2
Depreciation, amortization and impairment	-46.2	-161.0
Total operating costs	**-736.9**	**-2,878.5**
Share of profit in equity accounted investments	0.0	0.0
Operating result	**1.3**	**129.4**
Net financial items	-12.7	-42.5
Profit/loss before tax	**-11.4**	**86.9**
Income taxes	1.2	-23.6
Net profit/loss	**-10.3**	**63.2**

Other comprehensive income EUR million	Q4/2019	Q4/2018	2019	2018
Net profit/loss	**1.9**	**-19.8**	**32.8**	**42.9**
Other comprehensive income				
Items that may be reclassified to profit or loss				
Exchange differences on translation of foreign operations	-12.9	8.8	8.2	-13.5
Hedges of net investments in foreign operations	-	-	-	-0.0
Change in cash flow hedge reserve	2.1	1.9	-2.2	0.3
Cash flow hedge transferred to this year's result	0.6	-3.1	3.2	0.4
Items that will not be reclassified to profit or loss				
Actuarial gains and losses on defined benefit plans	-5.4	-5.4	-8.3	0.6
Tax attributable to other comprehensive income	0.2	0.7	1.1	-1.1
Comprehensive income	**-13.4**	**-16.9**	**34.9**	**29.8**
Net profit/loss attributable to				
Parent company's shareholders	1.7	-19.8	31.7	41.6
Non-controlling interests	0.2	0.0	1.2	1.4
Comprehensive income attributable to				
Parent company's shareholders	-13.5	-17.0	33.7	28.4
Non-controlling interests	0.2	0.1	1.2	1.3
Earnings per share				
Weighted average number of outstanding shares	115,288,453	98,788,561	115,288,453	96,758,002
Basic earnings per share, EUR	0.01	-0.20	0.27	0.43
Diluted earnings per share, EUR	0.01	-0.20	0.27	0.43

pro forma Earnings per share (unaudited)	Q4/2018	2018
Weighted average number of outstanding shares	115,288,453	115,288,453
Basic earnings per share, EUR	-0.09	0.54

Balance sheet EUR million	Dec 31, 2019	Dec 31, 2018
ASSETS		
Non-current assets		
Property, plant and equipment	1,131.5	1,117.2
Right-of-use assets	57.0	-
Goodwill	642.7	630.6
Other intangible assets	499.1	505.1
Equity accounted investments	1.4	1.1
Other non-current assets	19.3	15.4
Deferred tax assets	9.9	7.5
Total non-current assets	**2,360.8**	**2,276.9**
Current assets		
Inventories	387.6	429.6
Trade and other receivables	278.9	374.0
Income tax receivables	7.7	3.3
Cash and cash equivalents	166.1	151.0
Total current assets	**840.4**	**957.9**
TOTAL ASSETS	**3,201.2**	**3,234.9**
EQUITY AND LIABILITIES		
Equity	**1,232.0**	**1,162.2**
Non-current liabilities		
Non-current borrowings	899.0	1,020.4
Non-current lease liability	44.2	3.1
Other non-current liabilities	1.4	1.7
Employee benefit obligations	97.2	92.7
Deferred tax liabilities	147.5	150.6
Non-current provisions	24.3	25.9
Total non-current liabilities	**1,213.5**	**1,294.3**
Current liabilities		
Current borrowings	94.8	132.7
Current lease liability	13.1	1.1
Trade and other payables	621.7	624.1
Income tax liabilities	13.2	8.1
Current provisions	12.8	12.3
Total current liabilities	**755.6**	**778.4**
Total liabilities	**1,969.2**	**2,072.6**
TOTAL EQUITY AND LIABILITIES	**3,201.2**	**3,234.9**

Statement of changes in equity

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 the parent company's shareholders
8) Non-controlling interests
9) Hybrid bond
10) Total equity

EUR million	1)	2)	3)	4)	5)	6)	7)	8)	9)	10)
Balance at January 1, 2018	**85.0**	**517.6**	**384.5**	**-6.3**	**-63.3**	**110.1**	**1,027.5**	**8.9**	**-**	**1,036.5**
Net profit	-	-	-	-	-	41.6	41.6	1.4	-	42.9
Other comprehensive income	-	-	0.6	-	-13.4	-0.3	-13.1	-0.1	-	-13.2
Total comprehensive income	**-**	**-**	**0.6**	**-**	**-13.4**	**41.3**	**28.4**	**1.3**	**-**	**29.8**
Rights issue	-	150.1	-	-	-	-	150.1	-	-	150.1
Dividends and other	-	-	-	-	-	-50.1	-50.1	-0.3	-	-50.4
Transaction costs on rights issue	-	-5.9	-	-	-	-	-5.9	-	-	-5.9
Long term incentive plans	-	-	-	-	-	2.2	2.2	-	-	2.2
Balance at December 31, 2018	**85.0**	**661.8**	**385.1**	**-6.3**	**-76.7**	**103.5**	**1,152.3**	**9.9**	**-**	**1,162.2**
Restatement due to IFRIC 23	-	-	-	-	-	-2.6	-2.6	-	-	-2.6
Balance at January 1, 2019	**85.0**	**661.8**	**385.1**	**-6.3**	**-76.7**	**100.9**	**1,149.7**	**9.9**	**-**	**1,159.6**
Net profit	-	-	-	-	-	31.7	31.7	1.2	-	32.8
Other comprehensive income	-	-	0.8	-	8.1	-6.9	2.0	0.0	-	2.1
Total comprehensive income	**-**	**-**	**0.8**	**-**	**8.1**	**24.7**	**33.7**	**1.2**	**-**	**34.9**
Dividends and other	-	-	-	-	-	-60.1	-60.1	-0.3	-	-60.4
Transaction costs on rights issue	-	0.0	-	-	-	-	0.0	-	-	0.0
Hybrid bond	-	-	-	-	-	-0.6	-0.6	-	100.0	99.4
Long term incentive plans	-	-	-	-	-	-1.6	-1.6	-	-	-1.6
Balance at December 31, 2019	**85.0**	**661.8**	**385.9**	**-6.3**	**-68.5**	**63.4**	**1,121.2**	**10.8**	**100.0**	**1,232.0**

AHLSTROM MUNKSJÖ

Cash flow statement EUR million	Q4/2019	Q4/2018	2019	2018
Cash flow from operating activities				
Net profit/loss	1.9	-19.8	32.8	42.9
Adjustments, total	58.1	53.9	240.5	174.7
Changes in net working capital	30.5	-0.1	93.5	-84.6
Change in provisions	-0.1	10.6	-2.3	2.5
Financial items	-11.9	-6.1	-49.7	-23.0
Income taxes paid	-10.1	-7.6	-28.0	-21.0
Net cash from operating activities	**68.4**	**30.9**	**286.7**	**91.6**
Cash flow from investing activities				
Payment for acquisition of businesses and subsidiaries, net of cash acquired	-9.3	-608.0	-10.8	-608.0
Purchases of property, plant and equipment and intangible assets	-36.3	-64.5	-161.1	-160.1
Other investing activities	1.6	-0.3	1.4	-0.2
Net cash from investing activities	**-44.0**	**-672.8**	**-170.4**	**-768.3**
Cash flow from financing activities				
Dividends paid and other	-30.1	-3.3	-60.4	-50.3
Rights issue	-	148.5	-5.7	148.5
Hybrid bond	99.3	-	99.3	-
Change in loans and other financing activities	-154.6	449.2	-135.6	487.7
Net cash from financing activities	**-85.4**	**594.4**	**-102.4**	**585.9**
Net change in cash and cash equivalents	**-61.0**	**-47.5**	**13.9**	**-90.9**
Cash and cash equivalents at the beginning of the period	227.7	194.9	151.0	245.9
Foreign exchange effect on cash and cash equivalents	-0.5	3.6	1.2	-4.0
Cash and cash equivalents at the end of the period	**166.1**	**151.0**	**166.1**	**151.0**

Implementation of the IFRS 16 standard has an effect on the presentation of cash flow statement. Paid lease expenses were moved from net cash from operating activities to net cash from financing activities, and are presented as change in loans and other financing activities.

NOTES TO THE FINANCIAL STATEMENTS

Accounting principles

This consolidated financial statements release has been prepared in accordance with "IAS 34 Interim Financial Reporting", as adopted by the EU. The annual figures in this financial statement bulletin are audited. 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 2018, except for the adoption of new standards effective as of January 1, 2019. The Group is not an early adopter of any other standard, interpretation or amendment that has been issued but is not yet effective.

Classification of certain balance sheet items between interest-bearing and non-interest-bearing assets and liabilities were redefined in the third quarter of 2019. The change in presentation led into changes in calculation of some non-IFRS based key figures. All comparative periods have been restated accordingly.

Key figures restated	Q2/2019	Q1/2019	Q4/2018	Q3/2018	Q4/2017
Net debt, EUR million	1,044.7	1,040.6	962.5	453.2	370.7
Gearing ratio, %	92.8	92.6	82.8	43.8	35.7
Return on capital employed (ROCE), % (comp 12 months)	6.9	7.3	8.3	9.1	9.9
Capital employed, average 12 months, EUR million	2,191.9	2,004.2	1,814.5	1,638.7	1,433.5
Balance sheet items, Euro million					
Current borrowings	164.5	215.2	132.7	114.7	72.1
Trade and other payables	634.9	671.8	624.1	510.8	507.5

Share based payments

Ahlstrom-Munksjö's Board of Directors decided in March 2019 on a new performance period under the long-term share-based incentive plan announced in October 2017. The Board of Directors decided, in addition, on the establishment of a fixed matching share plan as well as on the establishment of a new restricted share plan as a complementary share-based incentive structure for specific situations. The performance conditions of the Bridge plan nor the long term incentive plan for the years 2017-2019 were met and thus no reward will be paid out in the year 2020 under these programs.

Long-term Incentive Share-based Plan - Third performance period 2019-2021 ("LTI 2019-2021")

Ahlstrom-Munksjö's Board of Directors decided on March 28, 2019 a new performance period under the long-term share-based incentive plan announced in October 2017. The third performance period is 2019-2021 and the possible reward will be paid out in 2022. The maximum aggregate number of shares to be paid based on this plan period is approximately 672,000 shares.

The fair value of the rewards at the grant date was EUR 2.4 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:

Inputs used in determining fair value of rewards	LTI 2019-2021
Share price at grant date	EUR 13.14
Grant date	May 20, 2019
End of restriction period	March 15, 2022
Average yearly volatility	29.9%

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 comparable EBITDA performance criteria are 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 are reviewed on an annual basis:

Service condition	LTI 2019-2021
Estimated retention rate of participants	90.0%

Accounting policies

Ahlstrom-Munksjö's share-based payments include both market and non-market performance conditions. The Group calculates the grant-date fair value using a probability weighted value model to reflect the probability of not achieving the TSR (market) conditions. The expense is recognized irrespectively of whether the conditions are satisfied. The comparable EBITDA performance criteria (non-market performance condition) and the requirement to stay in service are not factored into the grant date fair value. If the EBITDA criteria or the service condition is not met, the cumulative share-based payment cost will be trued-up accordingly.

The share-based cost related to equity-settled schemes is recognized by the Group under Employee benefit expenses in the income statement. The total cost is determined by reference to the fair value at grant-date and is recognized over the expected vesting period. At each balance sheet date, Ahlstrom-Munksjö revises the cumulative share-based cost expected to be paid out based on the likelihood of achieving the comparable EBITDA performance criteria and the estimated retention rate of participants at the end of the performance period.

The accounting treatment of the new share-based plan period is in line with the old ones.

Matching Share Plan

The Matching Share Plan is a one-off plan, which covers the years 2019 - 2021. A precondition of an eligible individual's participation in the plan is the individual's personal investment in shares of Ahlstrom-Munksjö. In the Matching Share Plan the participant will receive one matching share for each invested share free of charge after an approximately three-year restriction period in the year 2022 provided that the participant continues to own the invested shares and that the employment relationship of the participant with Ahlstrom-Munksjö still continues.

The fair value of the rewards at the grant date was EUR 0.9 million.

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

Inputs used in determining fair value of rewards	Matching share plan
Share purchase price (avg)	EUR 13.21
Number of matching shares	80,196
Grant date	May 10, 2019
Reward payment date	March 31, 2022

Service condition 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 are reviewed on an annual basis:

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

Accounting policies

The share-based cost related to the matching share plan is recognized under Employee benefit expenses in the income statement. The total cost is determined by reference to the fair value at grant-date and is recognized over the expected vesting period. The fair value is determined on the grant date. Expected dividends during the vesting period have been deducted from the value of the share. The requirement to stay in service is not factored into the grant date fair value. If the service condition is not met, the cumulative share-based payment cost will be trued-up accordingly.

Restricted Share Plan

The Restricted Share Plan consists of annually commencing individual restricted share plans, each with a three-year retention period after which the share rewards granted within the plan will be paid to the participants in shares of Ahlstrom-Munksjö.

The commencement of each individual plan is subject to a separate Board approval and no individual plans have been approved by the Board at the end of December 2019.

IFRIC 23

Ahlstrom-Munksjö has adopted IFRIC 23 Uncertainty over Income Tax Treatments effective January 1, 2019. The Group is operating in a complex multinational environment and has reviewed it's income tax treatment and adopted the interpretation using a modified retrospective approach. An adjustment of EUR -2.6 million related to tax liabilities has been recognized to the opening balance of retained earnings and income tax payables at January 1, 2019.

IFRS 16 Leases

The new standard, IFRS 16 Leases was effective on January 1, 2019. The new standard resulted in the recognition of the majority of Ahlstrom-Munksjö's leases on the balance sheet and therefore Ahlstrom-Munksjö's assets and liabilities have increased. Right-of use assets recognized in the balance sheet include vehicles, forklifts, machinery and equipment, premises and land areas. The increase in debt will not have an impact on Ahlstrom-Munksjö's current financial covenants, as current financial covenants are calculated according to IFRS standards effective on December 31, 2018. In accordance with IFRS 16 the operating expenses relating to leases are replaced by depreciations and interest expenses, resulting in a change in our key metrics e.g. EBITDA.

Implementation of the new standard has also effected the presentation of the cash flow statement. Paid lease expenses were moved from net cash from operating activities to net cash from financing activities and are presented as change in loans and other financing activities. The standard as such, has no impact on the outcome of the cash flow; it only changes where the lease payments are presented. Comparable figures are not restated.

Ahlstrom-Munksjö has adopted the new standard using a simplified approach and thus comparative figures are not restated. According to IFRS 16, the measurement of the right-of-use asset and the lease liability is determined by discounting the minimum future lease payments. Ahlstrom-Munksjö initially measures the lease liability at the present value of the lease payments to be made over the lease term. The payments are based on the lease contracts and respective payment schedules. Non-lease components, such as maintenance rents and other variable components are separated from the lease liability and expensed if the non-lease components are specified in the agreement. Open ended lease contracts and extension options are taken into account using management's best estimate, e.g. end date for open ended lease contracts is the most likely end date for the contracts and the extension option is included if it is reasonably certain that the extension option will be exercised. Right-of-use asset is initially measured equal to the lease liability and adjusted if payments relating to agreement are done in advance or there are initial costs for the agreement. Right-of-use assets are also subject to impairment (IAS 36). The lease payments are discounted using the interest rate implicit in the lease or the incremental borrowing rate. The incremental borrowing rate comprises the reference rate and credit spread for incremental borrowing. Factors affecting the incremental borrowing rate include the length of the contract and potential premiums for country and currency risks. The revised incremental borrowing rate is used when there are changes in the lease term, changes in assessment of an option to purchase the asset and modifications to the lease that are not accounted as a separate lease. A change in index or such expected changes do not result in a revised discount rate.

After the commencement date according to IFRS 16 the following applies: lease liabilities are reduced by lease payments made and remeasurements are made to reflect changes to the lease payments; rights-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses adjusted for remeasurements of the lease liability.

Ahlstrom-Munksjö will use available practical expedients, including the exclusion of short-term leases with a term to maturity of less than 12 months, low-value leases and leases of intangible assets. Payments for short-term leases, leases of low-value assets and variable lease payments not included in the measurement of the lease liability will continue to be presented as operating expenses.

Impact of implementation of IFRS 16 standard and IFRIC 23 on the opening balance sheet for year 2019 is presented below.

Impact of IFRS 16 and IFRIC 23 on the opening balance sheet EUR million	Dec 31, 2018	Impact of IFRS 16	Impact of IFRIC 23	Jan 1, 2019
ASSETS				
Non-current assets				
Property, plant and equipment	1,117.2	-	-	1,117.2
Right-of-use assets	-	57.0	-	57.0
Goodwill	630.6	-	-	630.6
Other intangible assets	505.1	-	-	505.1
Equity accounted investments	1.1	-	-	1.1
Other non-current assets	15.4	-0.7	-	14.8
Deferred tax assets	7.5	-	-	7.5
Total non-current assets	**2,276.9**	**56.4**	**-**	**2,333.3**
Current assets				
Inventories	429.6	-	-	429.6
Trade and other receivables	374.0	-	-	374.0
Income tax receivables	3.3	-	-	3.3
Cash and cash equivalents	151.0	-	-	151.0
Total current assets	**957.9**	**-**	**-**	**957.9**
TOTAL ASSETS	**3,234.9**	**56.4**	**-**	**3,291.2**
EQUITY AND LIABILITIES				
Equity	**1,162.2**	**-**	**-2.6**	**1,159.6**
Non-current liabilities				
Non-current borrowings	1,020.4	-	-	1,020.4
Non-current lease liability	3.1	44.1	-	47.2
Other non-current liabilities	1.7	-	-	1.7
Employee benefit obligations	92.7	-	-	92.7
Deferred tax liabilities	150.6	-	-	150.6
Non-current provisions	25.9	-	-	25.9
Total non-current liabilities	**1,294.3**	**44.1**	**-**	**1,338.3**
Current liabilities				
Current borrowings	132.7	-	-	132.7
Current lease liability	1.1	12.3	-	13.4
Trade and other payables	624.1	-	-	624.1
Income tax liabilities	8.1	-	2.6	10.7
Current provisions	12.3	-	-	12.3
Total current liabilities	**778.4**	**12.3**	**2.6**	**793.3**
Total liabilities	**2,072.6**	**56.4**	**2.6**	**2,131.6**
TOTAL EQUITY AND LIABILITIES	**3,234.9**	**56.4**	**-**	**3,291.2**

Other amendments, interpretations and improvements

In addition to above new IFRS standard adoptions some other amendments, interpretations or improvements apply for the first time in 2019, but do not have a material impact.

AHLSTROM MUNKSJÖ

Equity

Hybrid bond

On December 13, 2019 Ahlstrom-Munksjö issued a EUR 100 million hybrid bond. The hybrid bond does not have a specified maturity date, but Ahlstrom-Munksjö may redeem it for the first time on February 13, 2024, or on any interest payment date thereafter. It bears interest at a fixed rate of 3.879 percent per annum until February 13, 2024. The proceeds from the hybrid bond issue were used to partly repay and refinance the EUR 200 million term facility maturing on 2021. The hybrid bond will be subordinated to Ahlstrom-Munksjö's debt obligations and is treated as equity in Ahlstrom-Munksjö's consolidated financial statements prepared in accordance with IFRS. The hybrid bond does not confer their holder the rights of a shareholder and does not dilute the holdings of the current shareholders.

The hybrid bond includes a disposal event call option, entitling Ahlstrom-Munksjö to redeem the hybrid bond in a disposal event where the related aggregate disposal proceeds are equal or greater than the outstanding aggregate amount of the hybrid bond. In such event, Ahlstrom-Munksjö is entitled to redeem the hybrid bond in whole, but not in part, on the first anniversary following the hybrid bond issue date and at any time thereafter at 103 percent of their nominal amount together with accrued interest to the date of redemption.

Accounting policies

The hybrid bond is treated as equity in the consolidated financial statements. Interest on the hybrid bond is not accrued but is recorded in retained earnings, net of taxes, after dividend approved by the Annual General Meeting. The hybrid related arrangement fees are also recorded in retained earnings. In the calculation of the earnings per share, the interest are deducted from the net profit attributable to ordinary shareholders of the parent company.

BUSINESS COMBINATION

Divestment of glass fiber reinforcement business in Mikkeli

On December 31, 2019, Ahlstrom-Munksjö completed the sale of its glass fiber reinforcement business in Mikkeli, Finland, to Vitrulan Composites Oy, a fully owned subsidiary of Vitrulan Group and part of the family-owned industrial holding ADCURAM Group. Mikkeli was part of the Filtration and Performance business area.

Provisional loss on sale and cash flow

EUR million	
Total net assets sold	4.8
Provisional sale consideration	3.2
Provisional loss on sale	-1.5
Cash flow	
Provisional sale consideration	3.2
Receivable related to sale consideration	-1.9
Consideration received	**1.4**

Total book value of sold net assets were EUR 7.2 million and corresponding fair value EUR 4.8 million. An impairment loss of EUR 2.4 million was recognized and the loss on sale was EUR 1.5 million. Receivable of EUR 1.9 million related to the sale consideration is recognized in the other receivables. The provisional sale consideration is subject to completion of the closing accounts in accordance with the terms of the sale agreement.

Acquisition of converting operations in China and in the U.S.

On December 17, 2019, Ahlstrom-Munksjö acquired converting operations in China and the U.S. from Shunde Lucas and Altior Industries.

The provisional purchase price is EUR 9.6 million. The acquisition will be reported as part of the Specialties business area.

Provisional purchase price allocation and cash flow

EUR million	
Non-current assets	
Property, plant and equipment	0.6
Other intangible assets	2.8
Current assets	
Inventories	1.2
Non-current liabilities	
Deferred tax liabilities	-0.3
Total net assets acquired	**4.4**
Goodwill	**5.2**
Provisional purchase consideration	**9.6**
Cash flow	
Provisional purchase consideration	9.6
Liability related to purchase consideration	-0.3
Consideration paid	**9.3**

The fair values of acquired identifiable intangible assets at the date of acquisition were EUR 2.8 million comprising of customer relationships.

The goodwill of EUR 5.2 million arising from the acquisition of converting operations is mainly attributable to synergies. Acquired goodwill has been allocated to Specialties business area. The provisional purchase consideration is subject to completion of the closing accounts in accordance with the terms of the purchase agreement.

Acquisition related costs of EUR 0.3 million are included in other operating expenses in income statement and in net cash from operating activities in cash flow statement.

The consolidated net sales for the year ended December 31, 2019, as though the acquisition date had been as of January 1, 2019 were EUR 2,922.9 million.

Acquisition of Expera and Caieiras in 2018

In 2018, Ahlstrom-Munksjö acquired U.S. specialty paper producer Expera Specialty Solutions and MD Papéis' Caieiras specialty paper mill in Brazil. Ahlstrom-Munksjö acquired 100 % of the shares.

In the first quarter of 2019 Ahlstrom-Munksjö completed the closing accounts of Expera Specialty Solutions and paid the remaining part of the final purchase consideration of the acquisition amounting to EUR 1.7 million. The final purchase price was EUR 524.9 million and the final goodwill EUR 171.7 million.

Also the closing accounts were completed for MD Papeis Caieiras Specialty paper mill and the final purchase price amounts to EUR 96.7 million and the final goodwill amounts to EUR 32.8 million.

SEGMENT INFORMATION

Ahlstrom-Munksjö is organized into five business areas which are Decor, Filtration and Performance, Industrial Solutions, North America Specialty Solutions and Specialties. North America Specialty Solutions business area includes the operations and business of Expera Specialty Solutions. Business of MD Papéis' Caieiras has been divided into two segments, Decor and Industrial Solutions. These five business areas form the Group's reportable segments. Ahlstrom-Munksjö's business areas are described below:

Decor

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

Filtration and Performance

The Filtration and Performance business area develops and produces filtration materials for engine oils, fuels and air as well as industrial filtration. It also produces glass fiber for flooring products and wind turbine blades and makes nonwoven materials for automotive, construction, textile and hygiene applications and wallcover materials.

Industrial Solutions

The Industrial Solutions business area develops and produces abrasive backings, electrotechnical insulation papers, release liners and coated specialty papers. The business area also supplies fine art and printing papers, as well as thin papers, specialty pulp and balancing foil paper.

North America Specialty Solutions

The North America Specialty Solutions business area develops and produces a wide range of specialized materials that protect and enhance the performance of industrial and consumer applications, such as release liners, tape, interleaving papers and specialty paper to wrap and package processed and quick service restaurant prepared foods.

Specialties

The Specialties business area develops and produces materials for food and beverage processing, laboratory filters and life science diagnostics, water filtration, tape products and medical fabrics. The business area also supplies hot cooking oil and milk filtration materials, graphics paper for sticky notes and envelopes as well as metallized labels and flexible packaging papers.

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 2019	Decor	Filtration and Performance	Industrial Solutions	North America Specialty Solutions	Specialties	Other and eliminations	Group
Net sales, external	419.8	654.3	652.7	641.6	546.1	1.8	2,916.3
Net sales, internal	2.3	11.3	0.8	-	14.9	-29.2	-
Net sales	**422.1**	**665.6**	**653.5**	**641.6**	**561.0**	**-27.4**	**2,916.3**
Comparable EBITDA	29.9	123.1	75.4	53.3	46.3	-15.1	312.9
Items affecting comparability in EBITDA							-33.4
Depreciation, amortization and impairment							-176.2
Operating result							**103.2**

Financial performance by business area, EUR million 2018	Decor	Filtration and Performance	Industrial Solutions	North America Specialty Solutions	Specialties	Other and eliminations	Group
Net sales, external	407.9	662.1	662.6	135.4	564.8	5.1	2,438.0
Net sales, internal	3.7	10.4	0.6	-	15.5	-30.2	-
Pro forma net sales impact	40.3	-	28.1	490.6	-	-	558.9
Pro forma net sales	**451.9**	**672.5**	**691.2**	**626.0**	**580.3**	**-25.1**	**2,996.9**
Pro forma net sales impact							-558.9
Net sales							**2,438.0**
Comparable EBITDA	32.3	114.7	96.1	13.1	37.6	-16.2	277.7
Pro forma comparable EBITDA impact	4.8	-	3.6	43.8	-	-	52.2
Pro forma comparable EBITDA	**37.1**	**114.7**	**99.7**	**57.0**	**37.6**	**-16.2**	**329.9**
Pro forma comparable EBITDA impact							-52.2
Items affecting comparability in EBITDA							-55.1
Depreciation, amortization and impairment							-133.9
Operating result							**88.7**

Segment information by quarter	Q4/2019	Q3/2019	Q2/2019	Q1/2019	pro forma Q4/2018
NET SALES, EUR million					
Decor	104.1	99.9	104.8	113.3	115.1
Filtration and Performance	164.6	159.6	168.9	172.4	162.6
Industrial Solutions	153.1	161.1	170.0	169.2	163.4
North America Specialty Solutions	150.0	161.9	165.6	164.0	155.5
Specialties	133.3	137.4	142.7	147.5	140.9
Other and eliminations	-5.8	-7.1	-6.8	-7.7	-2.7
Group	**699.4**	**712.9**	**745.3**	**758.7**	**734.8**
COMPARABLE EBITDA, EUR million					
Decor	8.4	5.8	8.6	7.0	11.5
Filtration and Performance	29.3	31.8	31.8	30.2	24.5
Industrial Solutions	15.0	20.7	22.3	17.4	17.7
North America Specialty Solutions	11.2	16.2	11.8	14.0	12.5
Specialties	11.9	11.7	11.0	11.6	7.9
Other and eliminations	-5.3	-2.7	-1.9	-5.2	-2.7
Group	**70.5**	**83.6**	**83.8**	**75.0**	**71.4**
COMPARABLE EBITDA margin, %					
Decor	8.0	5.9	8.2	6.2	10.0
Filtration and Performance	17.8	19.9	18.8	17.5	15.1
Industrial Solutions	9.8	12.8	13.1	10.3	10.8
North America Specialty Solutions	7.5	10.0	7.1	8.6	8.0
Specialties	9.0	8.5	7.7	7.9	5.6
Other and eliminations					
Group	**10.1**	**11.7**	**11.2**	**9.9**	**9.7**

Net sales by region

EUR million	Q4/2019	Q4/2018	2019	2018
Europe	309.4	321.0	1,275.0	1,324.5
North America	237.3	225.0	986.7	529.3
South America	55.6	54.4	234.4	171.1
Asia-Pacific	88.6	104.8	383.6	376.7
Rest of the world	8.5	7.1	36.5	36.5
Total	**699.4**	**712.2**	**2,916.3**	**2,438.0**

Changes in property, plant and equipment

EUR million	2019	2018
Net book value at the beginning of period	1,117.2	841.7
Reclassification to right-of-use assets	-5.8	-
Business combination	0.6	243.6
Additions	145.5	151.5
Disposals	-3.2	-0.5
Depreciation, amortization and impairment	-125.7	-109.6
Translation differences and other changes	2.9	-9.5
Net book value at the end of period	**1,131.5**	**1,117.2**

Right-of-use assets

Changes in right-of-use assets EUR million	2019
Reclassification from property, plant and equipment	5.8
Impact of IFRS 16 on the opening balance	57.0
Additions	11.8
Depreciation, amortization and impairment	-15.4
Translation differences and other changes	-2.2
Net book value at the end of period	**57.0**

Right-of-use assets on income statement EUR million	Q4/2019	2019
Depreciation expense of right-of-use assets	-3.8	-15.4
Interest expense on lease liabilities	-0.7	-2.7

Financial position

Net debt EUR million	2019	2018
Assets		
Cash and cash equivalents	166.1	151.0
Liabilities		
Non-current borrowings	899.0	1,020.4
Non-current lease liability	44.2	3.1
Current borrowings	94.8	132.7
Current lease liability	13.1	1.1
Securitization liability	-	-43.7
Net debt	**885.0**	**962.5**

Ahlstrom-Munksjö has adopted the new IFRS 16 standard using a simplified approach and thus comparative figures are not restated and are not comparable. The financial covenants are calculated according to IFRS standards effective on December 31, 2018.

Ahlstrom-Munksjö's parent company in Finland has a commercial paper program amounting to EUR 300 million of which nothing was utilized in December 31, 2019.

Fair values of financial assets and liabilities	Dec 31, 2019		Dec 31, 2018	
EUR million	Carrying value	Fair value	Carrying value	Fair value
Non-current financial instruments measured at amortized cost				
Bond	249.2	257.7	248.8	253.2
Bank loans	649.8	649.8	771.6	771.6
Lease liabilities	44.2	44.2	3.1	3.1
Financial instruments measured at fair value				
Forward contracts - cash flow hedge accounting	1.3	1.3	0.2	0.2
Forward contracts - fair value through income statement	-0.1	-0.1	-0.3	-0.3

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

Nominal values of derivatives EUR million	Dec 31, 2019	Dec 31, 2018
Forward contracts - cash flow hedge accounting	93.0	87.2
Forward contracts - fair value through income statement	36.8	46.8

Commitments

Off-balance sheet commitments EUR million	Dec 31, 2019	Dec 31, 2018
Assets pledged		
Pledges	0.9	1.0
Commitments		
Guarantees and commitments given on behalf of Group companies	56.5	56.9
Capital expenditure commitments	15.7	43.2
Other guarantees and commitments	40.9	31.8

Future operating lease commitments EUR million	Dec 31, 2018
Current portion	13.3
Non-current portion	34.1
Total	**47.5**

Only the comparison period is presented as due to IFRS 16 adoption on January 1, 2019 most of the lease contracts were recognized in the balance sheet.

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

Years 2018 and 2017 were transformative years for Ahlstrom-Munksjö. Ahlstrom-Munksjö acquired Expera Specialty Solutions Holdings, Inc., an U.S. based specialty paper producer ("Expera") and MD Papéis' Caieiras specialty paper mill in Brazil ("Caieiras") in October 2018. Ahlstrom and Munksjö merged on April 1, 2017 (the "merger") creating a global leader in innovative and sustainable fiber-based materials. Considering the magnitude of the acquisitions of Expera and Caieiras as well as the merger of Ahlstrom and Munksjö and the impact on the combined company's performance and financial position, stand-alone historical information for the periods presented does not provide comparable information for our operating performance and historical financial position.

Accordingly, we present certain key figures on our business performance for the year 2018 on a pro forma basis to illustrate the effect to the acquisitions of Expera and Caieiras and the merger and the related financing and refinancing transactions as if the acquisitions and the merger had taken place at an earlier date as of January 1, 2017. The pro forma key figures have been presented for illustrative purposes only and address a hypothetical situation and therefore do not represent the Group's actual historical results of operations as such historical data comprise Ahlstrom-Munksjö stand-alone information only. For a detailed basis of presentation and notes disclosures for the additional unaudited pro forma information please see our stock exchange release dated February 14, 2019 available on our website at www.ahlstrom-munksjo.com.

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 and pro forma key figures are unaudited.

Key figures EUR million, or as indicated	Q4/2019	Q4/2018	2019	2018
Net sales	699.4	712.2	2,916.3	2,438.0
Operating result	16.0	-7.7	103.2	88.7
Operating margin, %	2.3	-1.1	3.5	3.6
Net profit/loss	1.9	-19.8	32.8	42.9
EBITDA	63.3	37.5	279.4	222.6
EBITDA margin, %	9.1	5.3	9.6	9.1
Comparable EBITDA	70.5	72.1	312.9	277.7
Comparable EBITDA margin, %	10.1	10.1	10.7	11.4
Items affecting comparability in EBITDA	-7.2	-34.5	-33.4	-55.1
Comparable operating result	25.5	34.5	139.0	151.4
Comparable operating result margin, %	3.7	4.9	4.8	6.2
Comparable operating result excl. depreciation and amortization arising from PPA	38.7	46.3	191.1	186.1
Items affecting comparability in operating result	-9.6	-42.2	-35.8	-62.7
Comparable return on capital employed, rolling 12 months, %			5.9	8.3
Capital employed average for 12 months			2,363.3	1,814.5
Total equity	1,232.0	1,162.2	1,232.0	1,162.2
Net debt	885.0	962.5	885.0	962.5
Gearing ratio, %	71.8	82.8	71.8	82.8
Equity/assets ratio, %	38.5	35.9	38.5	35.9
Earnings per share (basic), EUR	0.01	-0.20	0.27	0.43
Earnings per share (diluted), EUR	0.01	-0.20	0.27	0.43
Comparable net profit	9.0	11.4	59.3	89.7
Comparable earnings per share, EUR	0.08	0.11	0.50	0.91
Comparable net profit excl. depreciation and amortization arising from PPA	18.8	20.0	98.0	115.6
Comparable earnings per share excl. depreciation and amortization arising from PPA, EUR	0.16	0.20	0.84	1.18
Operating cash flow per share, EUR	0.59	0.31	2.49	0.95
Equity per share, EUR	10.6	10.0	10.6	10.0
Number of shares outstanding at the end of the period	115,288,453	115,288,453	115,288,453	115,288,453
Weighted average number of outstanding shares	115,288,453	98,788,561	115,288,453	96,758,002
Capital expenditure	36.3	64.5	161.1	160.1
Average number of employees, FTE	8,001	8,196	8,078	6,480

Impact of IFRS 16 implementation on key figures EUR million, or as indicated	Q4/2019	2019
IFRS16 impact on comparable EBITDA	4.2	16.3
IFRS16 impact on comparable EBITDA margin, %	0.6	0.6
IFRS16 impact on EBITDA	4.2	16.3
IFRS16 impact on comparable operating result	0.6	1.7
IFRS16 impact on comparable operating result margin, %	0.1	0.1
IFRS16 impact on operating profit	0.6	1.7
IFRS16 impact on depreciation	-3.6	-14.6
IFRS16 impact on net debt	54.2	54.2
IFRS16 impact on gearing ratio, %	4.4	4.4

AHLSTROM MUNKSJÖ

Reconciliation of certain key performance measures

EUR million	Q4/2019	Q4/2018	2019	2018
Items affecting comparability				
Transaction costs	-0.8	-4.9	-2.7	-10.9
Integration costs	-0.5	-8.7	-11.7	-20.4
Inventory fair valuation	-	-7.5	-	-7.5
Restructuring costs	-3.6	-13.3	-15.4	-15.9
Environmental provision	-	-	-	-0.2
Loss on business disposal	-1.6	-	-1.6	-
Other	-0.8	-0.1	-2.1	-0.1
Total items affecting comparability in EBITDA	**-7.2**	**-34.5**	**-33.4**	**-55.1**
Impairment loss	-2.4	-7.7	-2.4	-7.7
Total items affecting comparability in operating result	**-9.6**	**-42.2**	**-35.8**	**-62.7**
Comparable EBITDA				
Operating result	16.0	-7.7	103.2	88.7
Depreciation, amortization and impairment	47.4	45.2	176.2	133.9
EBITDA	**63.3**	**37.5**	**279.4**	**222.6**
Total items affecting comparability in EBITDA	7.2	34.5	33.4	55.1
Comparable EBITDA	**70.5**	**72.1**	**312.9**	**277.7**
Comparable operating result excl. depreciation and amortization arising from PPA				
Operating result	16.0	-7.7	103.2	88.7
Total items affecting comparability in operating result	9.6	42.2	35.8	62.7
Comparable operating result	**25.5**	**34.5**	**139.0**	**151.4**
Depreciation and amortization arising from PPA*	13.1	11.8	52.1	34.7
Comparable operating result excl. depreciation and amortization arising from PPA	**38.7**	**46.3**	**191.1**	**186.1**
Comparable net profit excl. depreciation and amortization arising from PPA				
Net profit/loss	1.9	-19.8	32.8	42.9
Total items affecting comparability in operating result	9.6	42.2	35.8	62.7
Taxes relating to items affecting comparability in operating result	-2.5	-11.1	-9.3	-15.9
Comparable net profit	**9.0**	**11.4**	**59.3**	**89.7**
Depreciation and amortization arising from PPA*	13.1	11.8	52.1	34.7
Taxes relating to depreciation and amortization arising from PPA	-3.4	-3.1	-13.4	-8.9
Comparable net profit excl. depreciation and amortization arising from PPA	**18.8**	**20.0**	**98.0**	**115.6**
Comparable earnings per share, EUR				
Comparable net profit	9.0	11.4	59.3	89.7
Profit attributable to non-controlling interest	-0.2	0.0	-1.2	-1.4
Comparable net profit attributable to parent company shareholders	8.8	11.3	58.2	88.4
Interest on hybrid bond for the period after taxes	-0.2	-	-0.2	-
Weighted average number of outstanding shares	115,288,453	98,788,561	115,288,453	96,758,002
Comparable earnings per share, EUR	**0.08**	**0.11**	**0.50**	**0.91**
Comparable EPS excl. depreciation and amortization arising from PPA, EUR				
Comparable net profit excl. depreciation and amortization arising from PPA	18.8	20.0	98.0	115.6
Profit attributable to non-controlling interest	-0.2	0.0	-1.2	-1.4
Comparable net profit excl. depreciation and amortization arising from PPA attributable to parent company shareholders	18.6	20.0	96.8	114.2
Interest on hybrid bond for the period after taxes	-0.2	-	-0.2	-
Weighted average number of outstanding shares	115,288,453	98,788,561	115,288,453	96,758,002
Comparable EPS excl. depreciation and amortization arising from PPA, EUR	**0.16**	**0.20**	**0.84**	**1.18**
Comparable return on capital employed, rolling 12 months, %				
Comparable operating result for the last 12 months			139.0	151.4
Capital employed, average for the last 12 months			2,363.3	1,814.5
Comparable return on capital employed, rolling 12 months, %			**5.9**	**8.3**
Net debt				
Cash and cash equivalents	166.1	151.0	166.1	151.0
Non-current borrowings	899.0	1,020.4	899.0	1,020.4
Non-current lease liability	44.2	3.1	44.2	3.1
Current borrowings	94.8	132.7	94.8	132.7
Current lease liability	13.1	1.1	13.1	1.1
Securitization liability	-	-43.7	-	-43.7
Net debt	**885.0**	**962.5**	**885.0**	**962.5**

**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.*

AHLSTROM MUNKSJÖ

Reconciliation of certain pro forma key performance measures

pro forma EUR million	Q4/2018	2018
Items affecting comparability		
Transaction costs	-0.1	-1.3
Integration costs	-10.5	-22.0
Inventory fair valuation	-	-
Restructuring costs	-13.3	-15.9
Environmental provision	-	-0.2
Other	-0.1	-0.1
Total items affecting comparability in EBITDA	**-24.0**	**-39.6**
Impairment loss	-7.7	-7.7
Total items affecting comparability in operating result	**-31.7**	**-47.3**
Comparable EBITDA		
Operating result	1.3	129.4
Depreciation, amortization and impairment	46.2	161.0
EBITDA	**47.4**	**290.3**
Total items affecting comparability in EBITDA	24.0	39.6
Comparable EBITDA	**71.4**	**329.9**
Comparable operating result excl. depreciation and amortization arising from PPA		
Operating result	1.3	129.4
Total items affecting comparability in operating profit	31.7	47.3
Comparable operating result	**32.9**	**176.6**
Depreciation and amortization arising from PPA*	12.3	48.9
Comparable operating result excl. depreciation and amortization arising from PPA	**45.3**	**225.5**
Comparable net profit excl. depreciation and amortization arising from PPA		
Net profit/loss	-10.3	63.2
Total items affecting comparability in operating profit	31.7	47.3
Taxes relating to items affecting comparability in operating result	-9.6	-13.3
Comparable net profit	**11.8**	**97.2**
Depreciation and amortization arising from PPA*	12.3	48.9
Taxes relating to depreciation and amortization arising from PPA	-3.3	-12.6
Comparable net profit excl. depreciation and amortization arising from PPA	**20.9**	**133.4**
Comparable EPS excl. depreciation and amortization arising from PPA, EUR		
Comparable net profit excl. depreciation and amortization arising from PPA	20.9	133.4
Profit attributable to non-controlling interest	-0.0	-1.4
Comparable net profit excl. depreciation and amortization arising from PPA attributable to parent company shareholders	20.9	132.1
Weighted average number of outstanding shares	115,288,453	115,288,453
Comparable EPS excl. depreciation and amortization arising from PPA, EUR	**0.18**	**1.15**

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

CALCULATION OF KEY FIGURES

<table>
<tr><th>Key figure</th><th>Definitions</th><th>Reason for use of the key figure</th></tr>
<tr><td>Operating result</td><td>Net profit before taxes and net financial items</td><td rowspan="2">Operating result shows result generated by the operating activities</td></tr>
<tr><td>Operating result margin, %</td><td>Operating result / net sales</td></tr>
<tr><td>EBITDA</td><td>Operating result before depreciation, amortization and impairment</td><td rowspan="2">EBITDA is the indicator to measure the performance of Ahlstrom-Munksjö.
EBITDA margin is a key measure in our long-term financial targets.</td></tr>
<tr><td>EBITDA margin, %</td><td>EBITDA / net sales</td></tr>
<tr><td>Comparable EBITDA</td><td>EBITDA excluding items affecting comparability in EBITDA</td><td rowspan="11">Comparable EBITDA, comparable EBITDA margin, comparable operating result, comparable operating result margin, comparable operating result excluding depreciation and amortization arising from PPA, comparable net profit, comparable earnings per share, comparable net profit 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 profit 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.</td></tr>
<tr><td>Comparable EBITDA margin, %</td><td>Comparable EBITDA / net sales</td></tr>
<tr><td>Comparable operating result</td><td>Operating result excluding items affecting comparability in operating result</td></tr>
<tr><td>Comparable operating result margin, %</td><td>Comparable operating result / net sales</td></tr>
<tr><td>Comparable operating result excluding depreciation and amortization arising from PPA</td><td>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.</td></tr>
<tr><td>Comparable net profit</td><td>Net profit excluding items affecting comparability in operating result, net of tax</td></tr>
<tr><td>Comparable earnings per share, EUR</td><td>Comparable net profit - net profit attributable to non-controlling interests - Interest on hybrid bond for the period after taxes/ weighted average number of shares outstanding</td></tr>
<tr><td>Comparable net profit excluding depreciation and amortization arising from PPA</td><td>Net profit excluding items affecting comparability in operating result, net of tax, and depreciation and amortization arising from PPA net of tax</td></tr>
<tr><td>Comparable earnings per share excluding depreciation and amortization arising from PPA</td><td>Comparable net profit excluding depreciation and amortization arising from PPA - net profit attributable to non-controlling interests - Interest on hybrid bond for the period after taxes/ weighted average number of shares outstanding</td></tr>
<tr><td>Items affecting comparability in operating result</td><td>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.</td></tr>
<tr><td>Items affecting comparability in EBITDA</td><td>Items affecting comparability in operating result excluding impairment losses.</td></tr>
</table>

Key figure	Definitions	Reason for use of the key figure
Earnings per share (EPS), basic, EUR	Net profit attributable to parent company's shareholders / weighted average number of shares outstanding	
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 and Comparable return on capital employed, rolling 12 months measure capital tied up in operations and return on capital tied up in operations. These ratios replace the previously used ratio Operating capital and Return on operating capital respectively. Ahlstrom-Munksjö believes that the new ratios better reflect the capital tied up in operations.
Comparable return on capital employed, rolling 12 months, %	Comparable operating result (for the last 12 months) / capital employed (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.
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	

** Calculated with December 2018 closing balance sheet without IFRS 16 impact.*