

The natural leader in specialty paper

**Nordic Paper interim report
Q1 2021**

Anita Sjölander, CEO
Niclas Eriksson, CFO



Key highlights Q1 2021

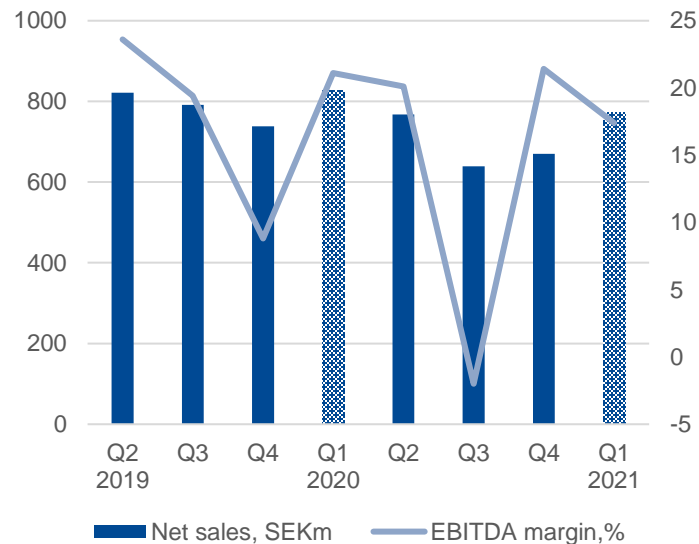
- ✓ Strengthened market situation
 - ✓ Record high sales volume
 - ✓ Stable prices
 - ✓ Increase in some variable costs
-
- ✓ After the end of the quarter, decision on initiation of consultations regarding discontinuation of pulp production in Säffle and investment in the plant

Decrease in net sales and EBITDA vs Q1 2020

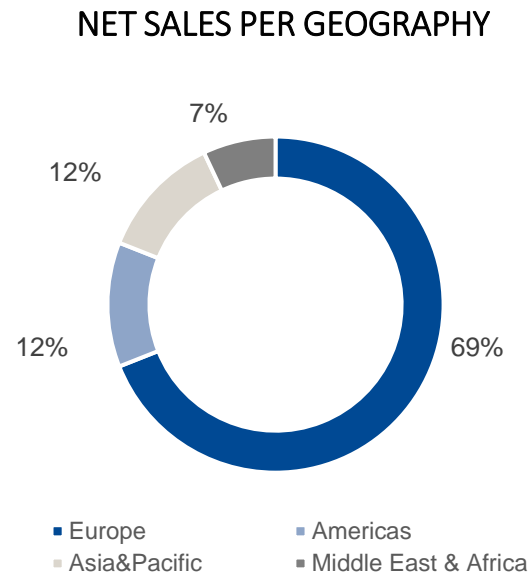
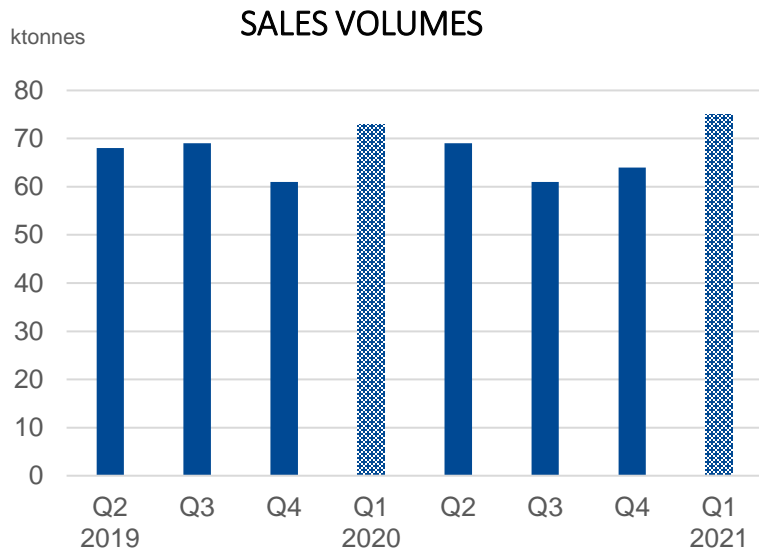
Net sales
SEK 772m
-7%

EBITDA
SEK 134m
-23%

EBITDA margin
17.4%

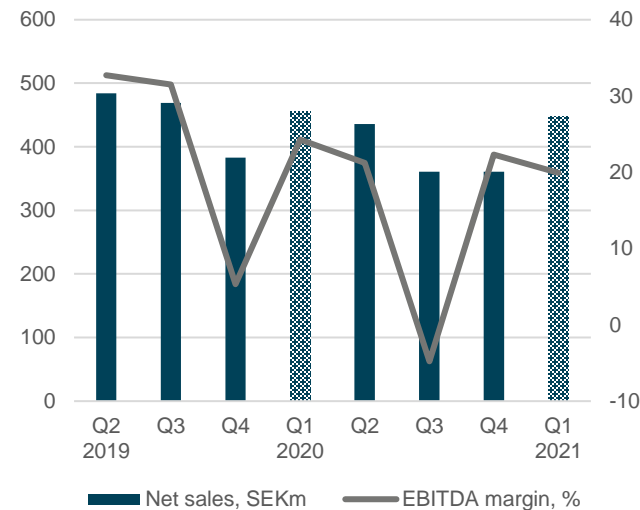


Record high sales volumes



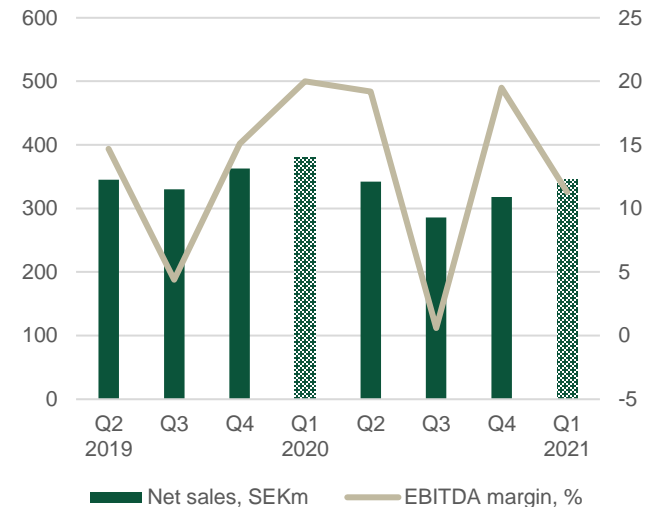
Kraft Paper

- ✓ Strengthened demand
- ✓ Stable prices but low compared to a year ago
- ✓ Negative currency impact
- ✓ Stable wood prices



Natural Greaseproof

- ✓ Strengthened demand
- ✓ Pandemic related shift in demand from professional to retail businesses remain
- ✓ Stable prices but low compared to a year ago
- ✓ Negative currency impact
- ✓ Higher costs for electricity and pulp

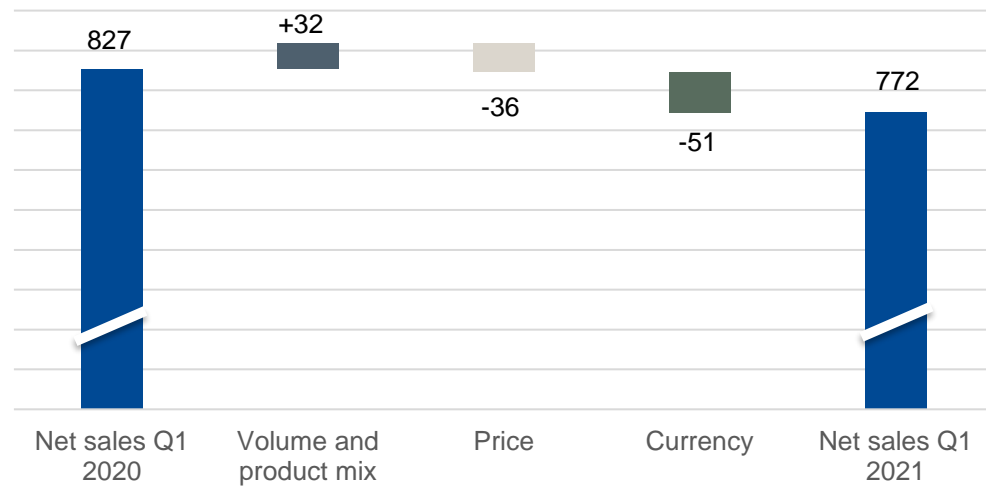


Opportunities to replace plastics with paper

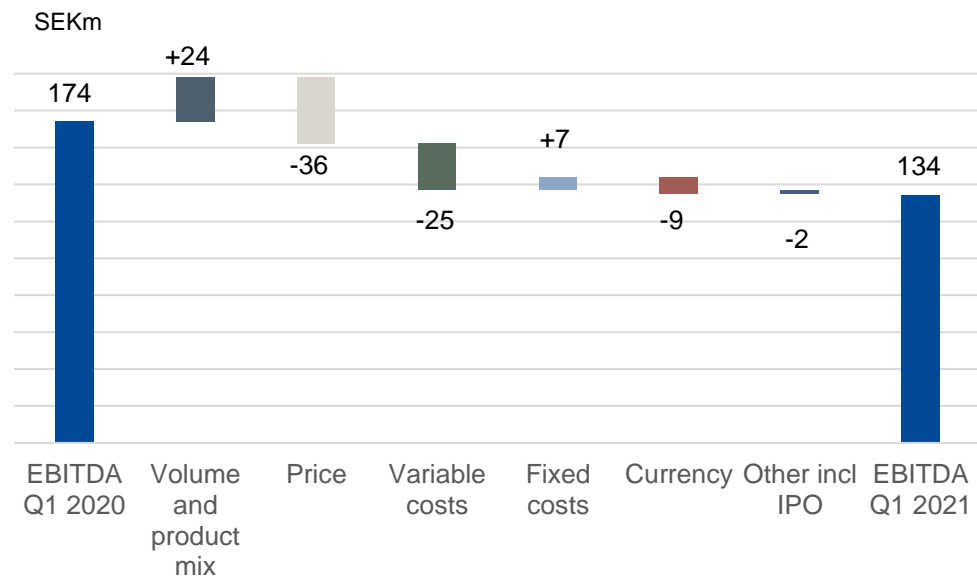
- ✓ Strive towards reduction of plastic for packaging
- ✓ Nordic Paper works in close contact with its customers to develop new solutions to replace plastics
- ✓ During the quarter, a new oven approved kraft paper was launched for use in consumer packaging for food to be heated directly in oven

Net sales bridge Q1 2021

SEKm

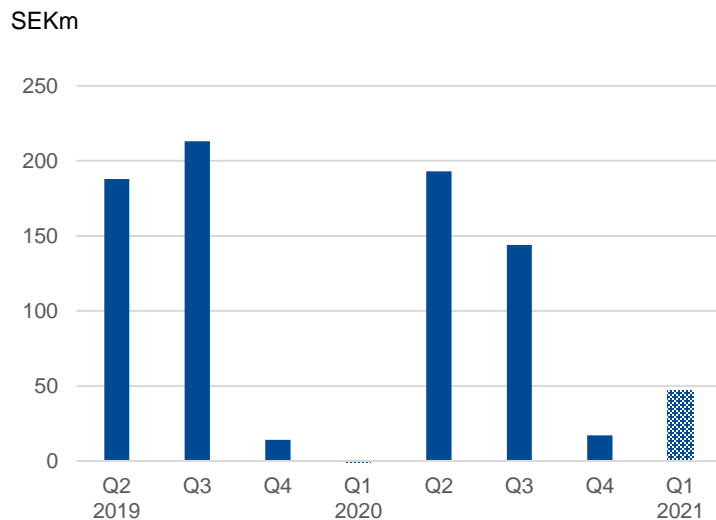


EBITDA bridge Q1 2021

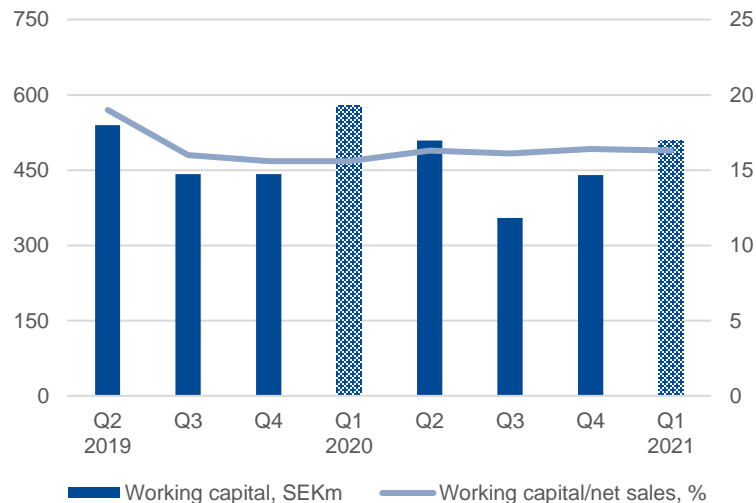


Cash flow and working capital

CASH FLOW

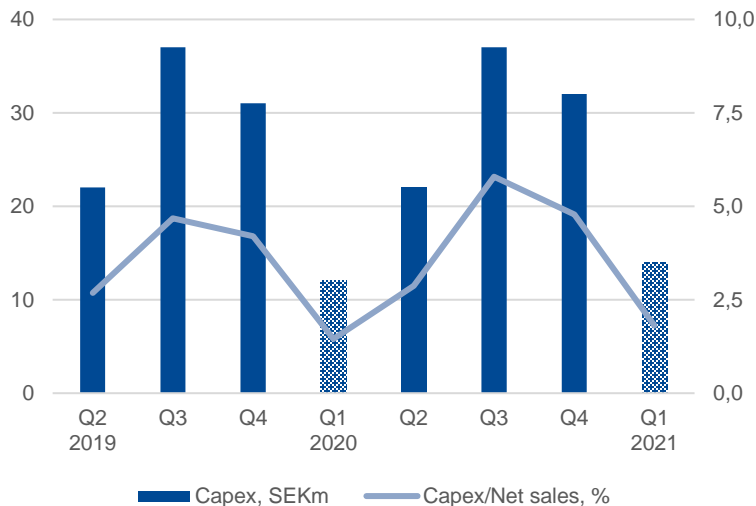


WORKING CAPITAL



Capex and financial position

CAPEX



FINANCING

- ✓ Net debt SEK 692m
- ✓ Cash SEK 486m
- ✓ Net debt/EBITDA 1.7, target <2.5
- ✓ Available unutilised credit facilities SEK 800m

Strategic initiatives

Säffle restructuring to secure world leading position in greaseproof papers

- ✓ Decisions taken
 - ✓ initiate consultations with unions on discontinuation of pulp production at Säffle
 - ✓ invest approximately SEK 70m
- ✓ Enables paper production capacity increase by 10%
- ✓ One-off effects of approximately SEK 110m of which SEK 80m are reservations related to remediation of buildings and land and SEK 30m write-down of existing pulp line
- ✓ Estimated fixed cost benefit of SEK 30-40m on an annual basis at full capacity utilization
- ✓ Nordic Paper estimates the staffing to be reduced by about 20 positions

Strategic initiatives, continued

Bäckhammar expansion program

- ✓ Proceeds according to plan
- ✓ During the quarter, technical documentation related to the permit application was carried out as well as quotation discussions with potential suppliers of a new wood room.

Summary

- ✓ Strengthened market situation
 - ✓ Record high sales volume
 - ✓ Stable prices
-
- ✓ After the end of the quarter, decision on initiation of consultations regarding discontinuation of pulp production in Säffle and investment in the plant

Outlook

Q2 2021

- ✓ Strong demand
- ✓ Gradual realization of price increases announced in Q1
- ✓ Pulpwood market still oversupplied but early upward price signals

Full-year 2021

- ✓ Financial net approx. MSEK 25
- ✓ Tax rate average approx. 21%
- ✓ Running capex approx. MSEK 100



Q&A