

The natural leader in specialty paper

**Nordic Paper interim report
Q2 2021**

Anita Sjölander, CEO
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Key highlights Q2 2021

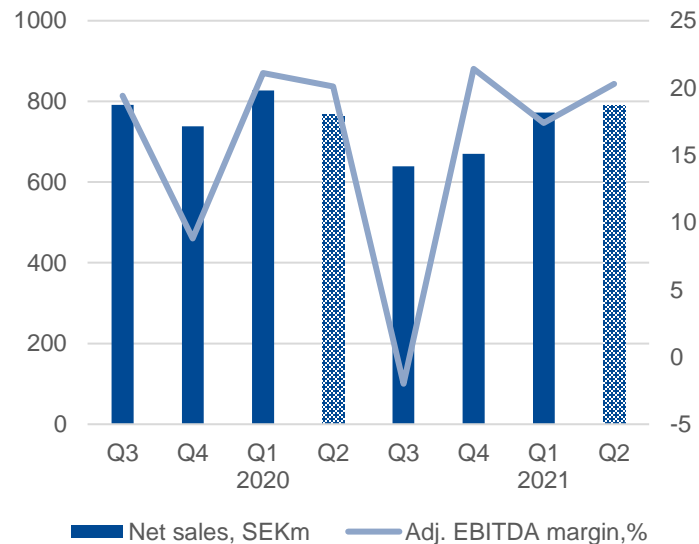
- ✓ Strong market situation
- ✓ High sales volumes
- ✓ Increased cost for pulp and energy impacts profitability in Natural Greaseproof
- ✓ Product price increases beginning to give effect
- ✓ Following the decision to discontinue pulp production in Säffle a SEK 76m provision has been made for remediation costs related to building and land

Increase in net sales and adj. EBITDA vs Q2 2020

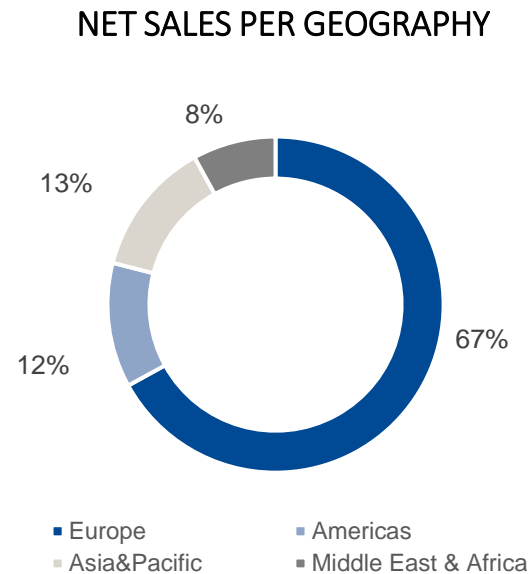
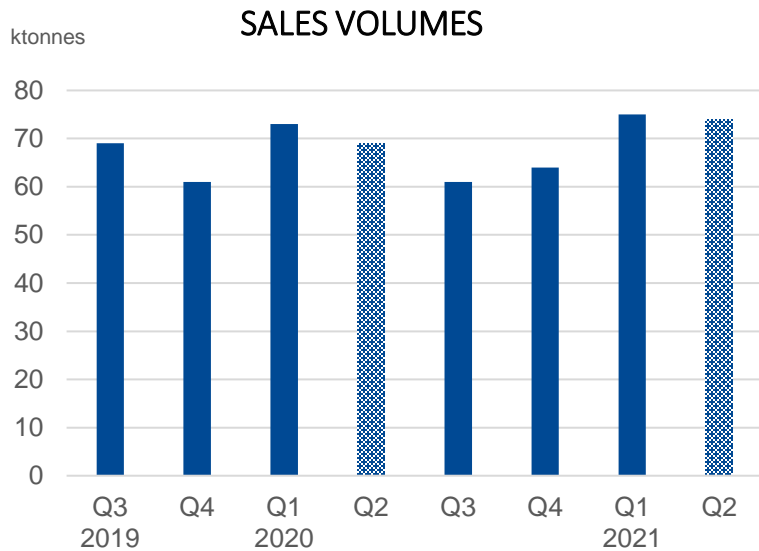
Net sales
SEK 790m
+3%

Adj. EBITDA
SEK 160m
+4%

Adj. EBITDA margin
20.3%

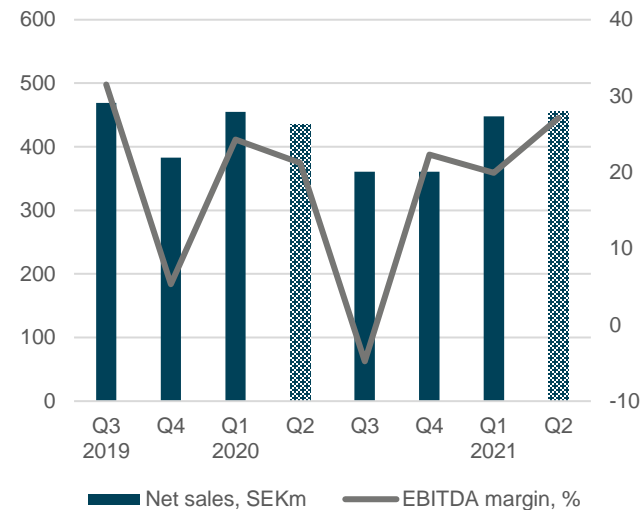


High sales volumes



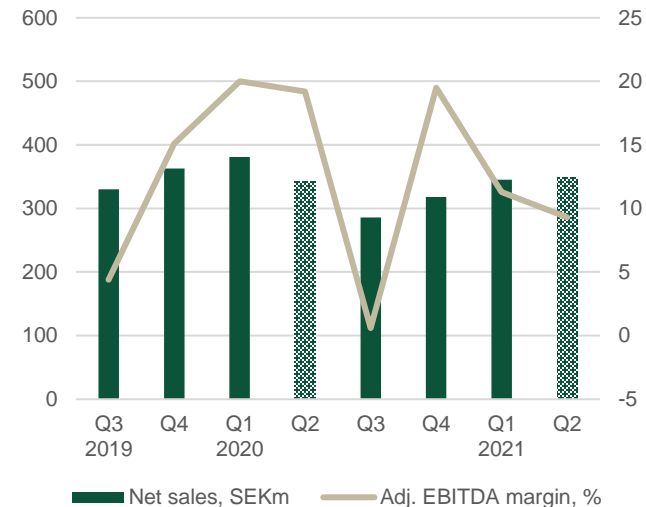
Kraft Paper

- ✓ Strong demand and high sales volumes
- ✓ Product prices on similar level as in Q2 2020
- ✓ Negative currency impact
- ✓ Stable input costs

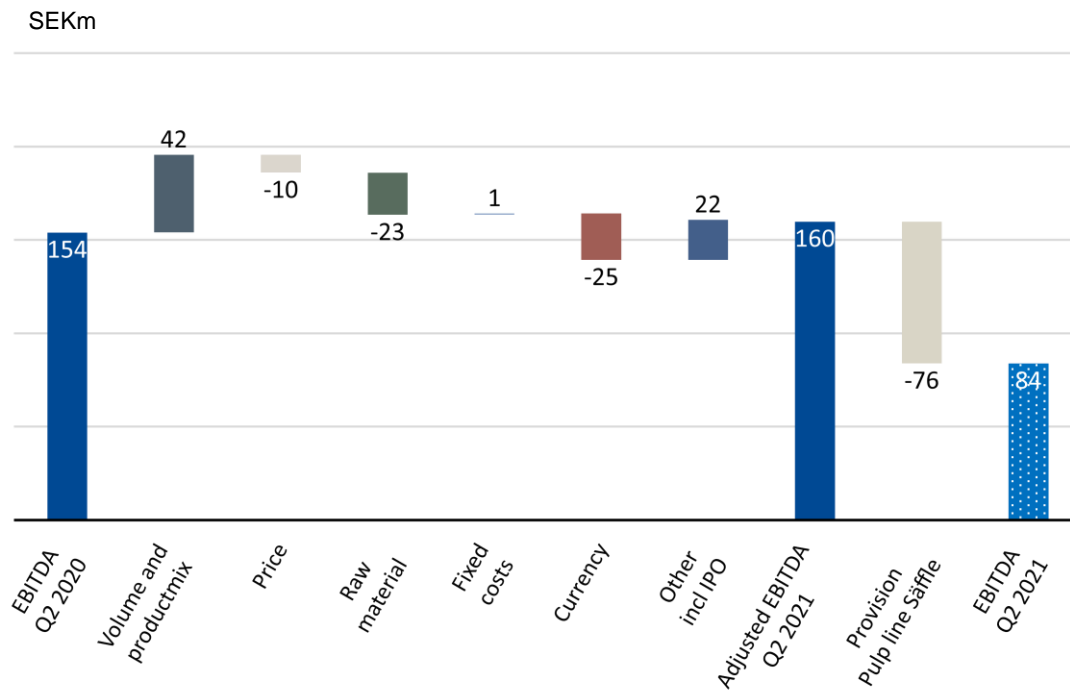


Natural Greaseproof

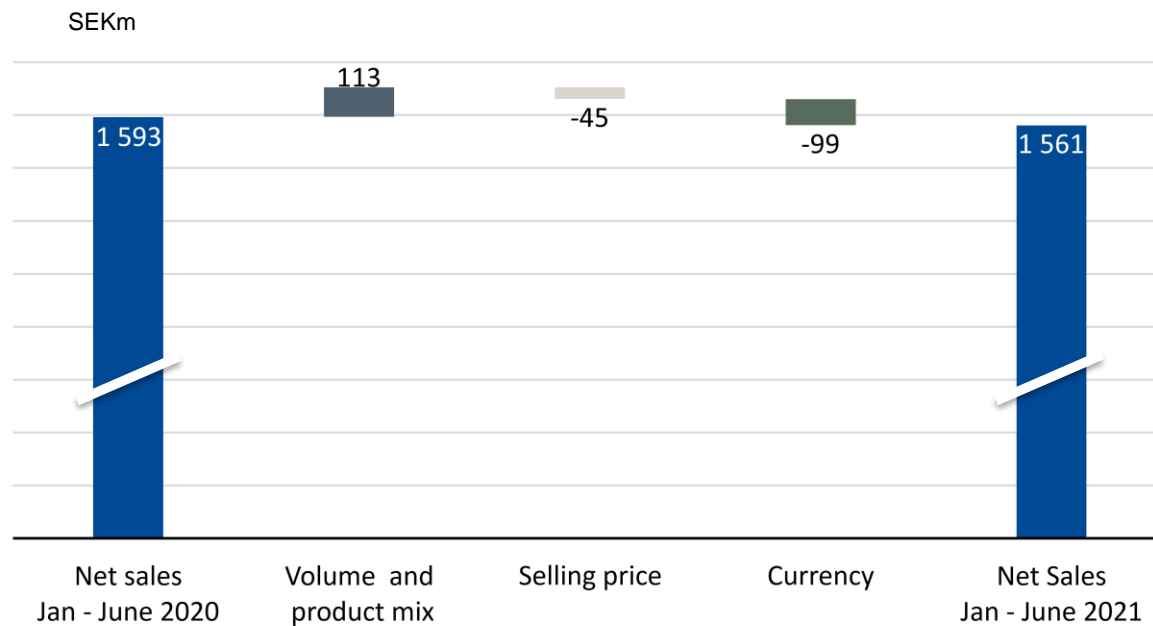
- ✓ Provision of SEK 76m made for future remediation in Säffle
- ✓ Strong demand and high sales volumes
- ✓ Increased costs for pulp and energy
- ✓ Negative currency impact
- ✓ Product prices lower compared to Q2 2020
- ✓ Agreed product price increases come with delay and further price increase is currently being negotiated



EBITDA bridge Q2 2021

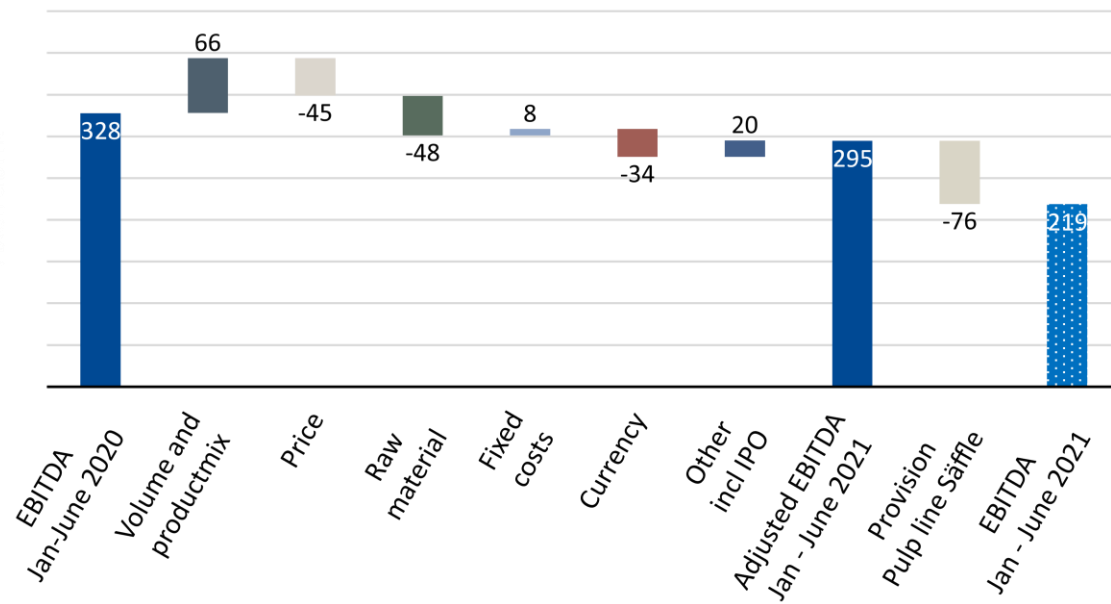


Net sales bridge Jan-June 2021



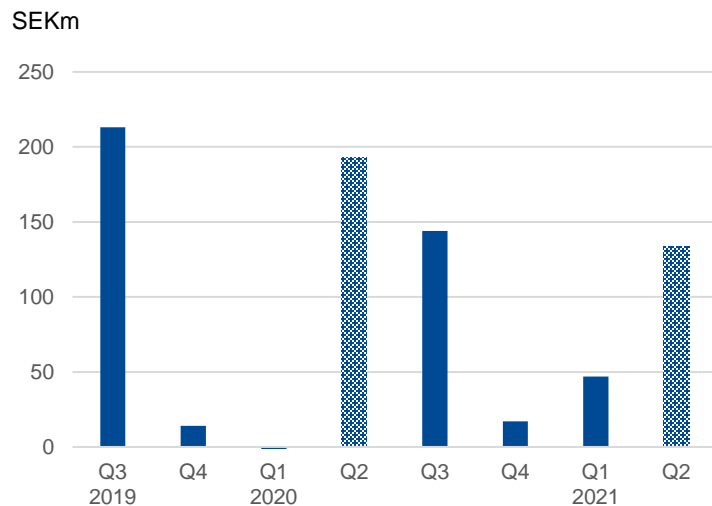
EBITDA bridge Jan-June 2021

SEKm

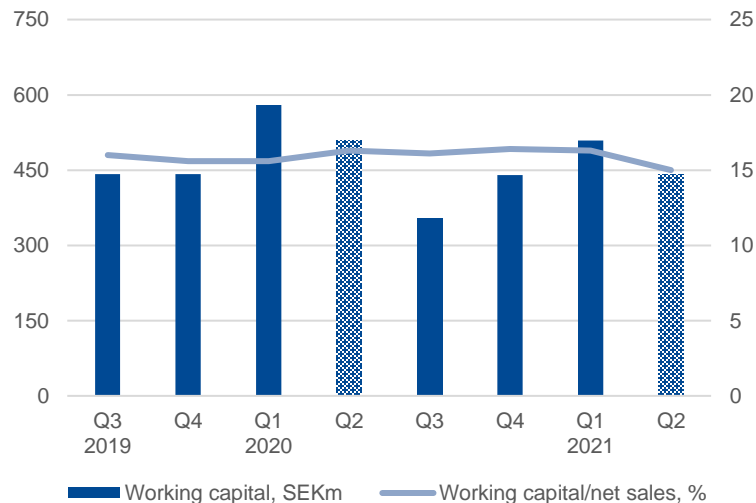


Cash flow and working capital

CASH FLOW FROM OPERATING ACTIVITIES

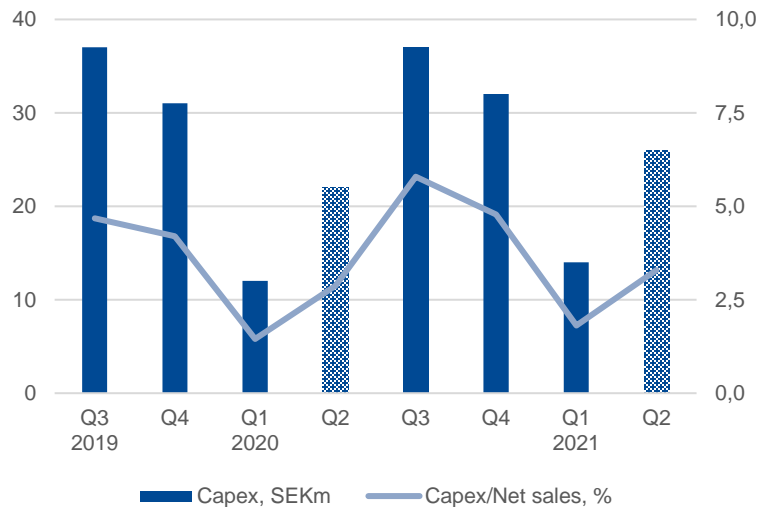


WORKING CAPITAL



Capex and financial position

CAPEX



FINANCING

- ✓ Net debt SEK 721m
- ✓ Cash SEK 480m
- ✓ Net debt/EBITDA 12m 2.1, target <2.5
- ✓ Available unutilised credit facilities SEK 800m

Progress of strategic initiatives

Säffle restructuring

- ✓ Preparation for the 10% production capacity increase ongoing
- ✓ Negotiations with unions on organisation finalized
- ✓ Important environmental implications:
 - ✓ Reduction by more than half of the fossil CO₂ emissions from the plant as the need for fossil fuels will be reduced
 - ✓ Reduction also in other emissions to air than CO₂
 - ✓ Significant reduction in emissions to water



Bäckhammar expansion program

- ✓ Continued quotation discussions with potential suppliers of a new wood room

Summary

- ✓ Strong market situation
- ✓ High sales volumes
- ✓ Increased cost for pulp and energy impacts profitability in Natural Greaseproof
- ✓ Product price increases beginning to give effect

Outlook

Q3 2021

- ✓ Continued realization of agreed product price increases
- ✓ A continued high pulp price would impact Natural Greaseproof profitability
- ✓ Planned maintenance shut-downs
- ✓ Somewhat lower production volume of internal pulp in Säffle for the remainder of the year due to ongoing restructuring activities

Full-year 2021

- ✓ Financial net approx. SEK 25m
- ✓ Tax rate average approx. 21%
- ✓ Running capex approx. SEK 100m. In addition to running capex, most of the SEK 70m strategic investment in Säffle will be carried out 2021
- ✓ SEK 30m write-down of existing pulp line in Säffle



Q&A