

# A strong end to a fantastic year

**Nordic Paper interim report Q4 2022**

Anita Sjölander, CEO

Niclas Eriksson, CFO

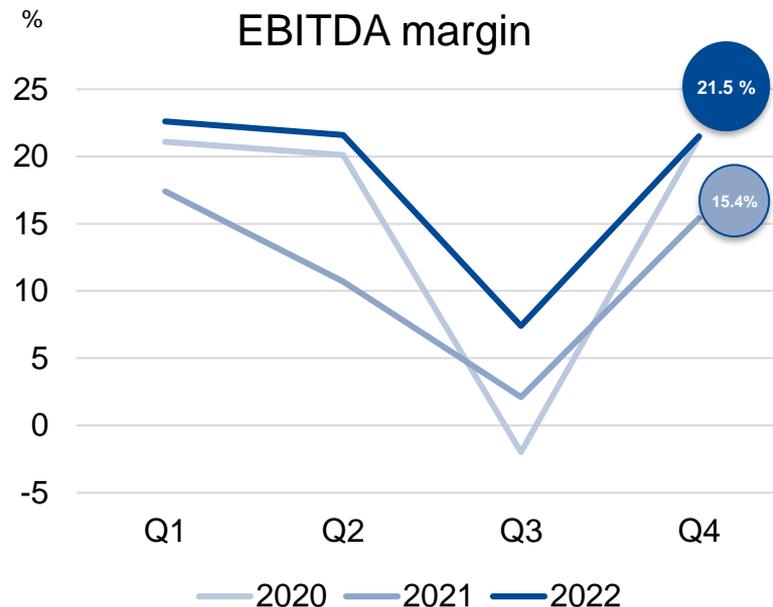
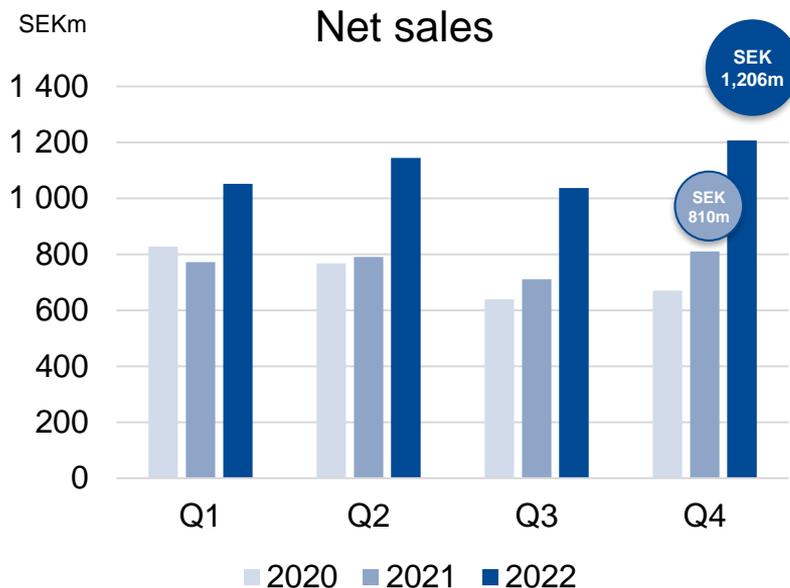


# A strong end to a fantastic year

- ✓ New quarterly records for net sales and EBITDA
- ✓ Product prices increased 32% in local currency compared to Q4 2021
- ✓ Another strong quarter for Kraft Paper
- ✓ In Natural Greaseproof, implemented price increases and energy surcharges resulted in increased EBITDA margin
- ✓ The Board of Directors proposes a dividend of SEK 4.65 per share

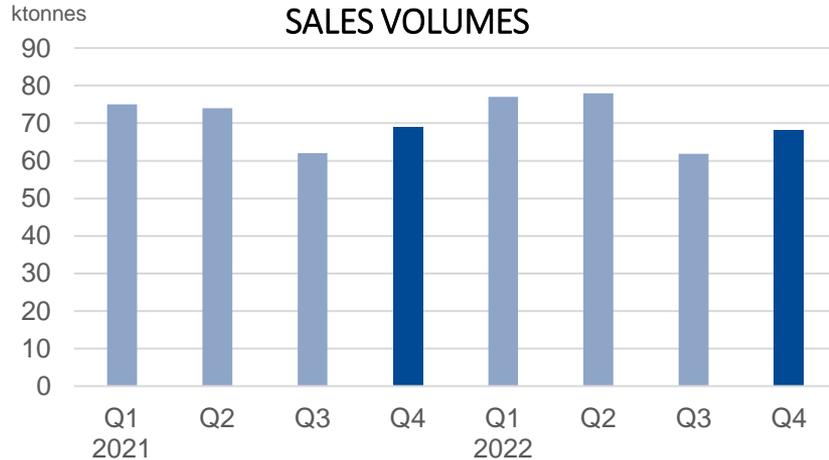


# Net sales and EBITDA on new record levels

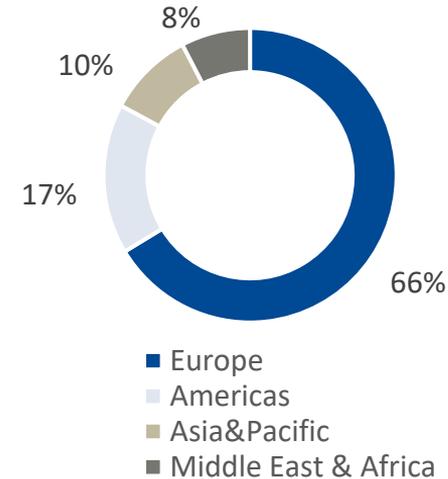


- ✓ Net sales SEK 1,206m
- ✓ EBITDA SEK 260m
- ✓ EBITDA margin 21.5%

# Sales volumes in line with Q4 2021



NET SALES PER GEOGRAPHY



- ✓ Healthy demand, but excluding the effect from the acquisition in Canada, sales volumes decreased compared to Q4 2021 due to low production output in Kraft Paper and an effect from change in delivery terms for some business in Natural Greaseproof.

## Kraft Paper – new record for net sales

- ✓ Net sales increased to SEK 631m, an increase by 35% compared to Q4 2021
- ✓ Signals of softening market conditions, but prices in the quarter were stable
- ✓ EBITDA margin at 33.5%, 1.3 p.p. above full year margin



# Oven safe speciality kraft paper from Nordic Paper in Italian pizza boxes



- ✓ At the Nordic Paper speciality kraft paper mill in Åmotfors, oven safe paper grades have been developed.
- ✓ Due to high demand for restaurant home delivery during the pandemics, it took longer than normal to deliver pizzas to customers.
- ✓ An innovative Italian customer of Nordic Paper developed the oven safe pizza box where the whole packaging could be heated at the consumer.

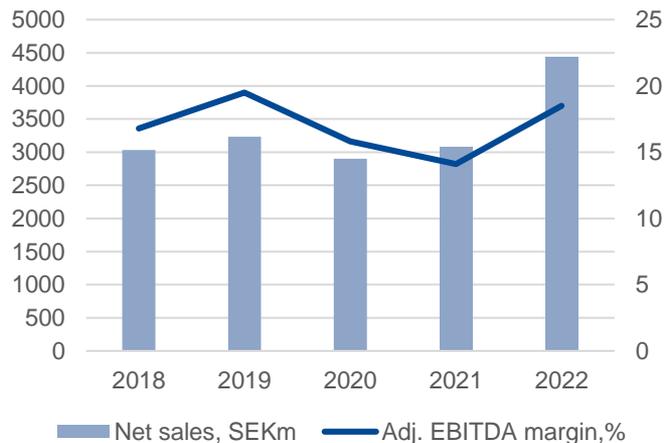
## Natural Greaseproof – positive development for EBITDA margin

- ✓ Prices increased 30% compared to Q4 2021 after implementation of price increases and energy surcharges
- ✓ Net sales highest ever at SEK 594m
- ✓ EBITDA margin at 12.8%, 6.9 p.p. above full year margin



## FY 2022 – a fantastic year

- ✓ Very strong market demand
- ✓ Net sales up 44% to new annual record of SEK 4,440m
- ✓ EBITDA increased to SEK 821m and EBITDA margin reached 18.5%



## FY 2022 – strong EBITDA performance from Kraft Paper

- ✓ Kraft Paper reached an EBITDA of SEK 768m corresponding to an EBITDA margin of 32.2%.
- ✓ Natural Greaseproof was impacted by increased costs during the year. EBITDA amounted to SEK 126m corresponding to an EBITDA margin of 5.9% for the full year after improvement in Q4.



## FY 2022 – Successful integration of Canadian acquisition

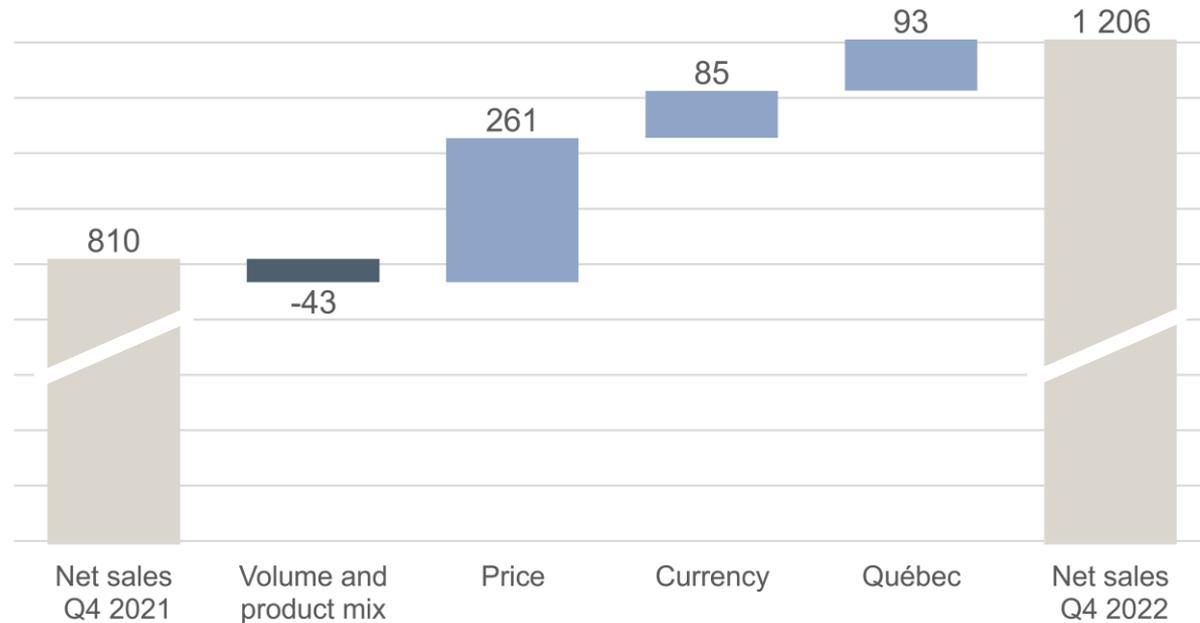
- ✓ Integration of the acquired business in Québec has successfully been ongoing during 2022.
- ✓ Sales channels and product portfolios have been combined.
- ✓ Nordic Paper Québec increased net sales and EBITDA for 2022 compared to the previous year.



# Net sales bridge Q4 2022

Canadian acquisition, Québec, separately disclosed in chart below

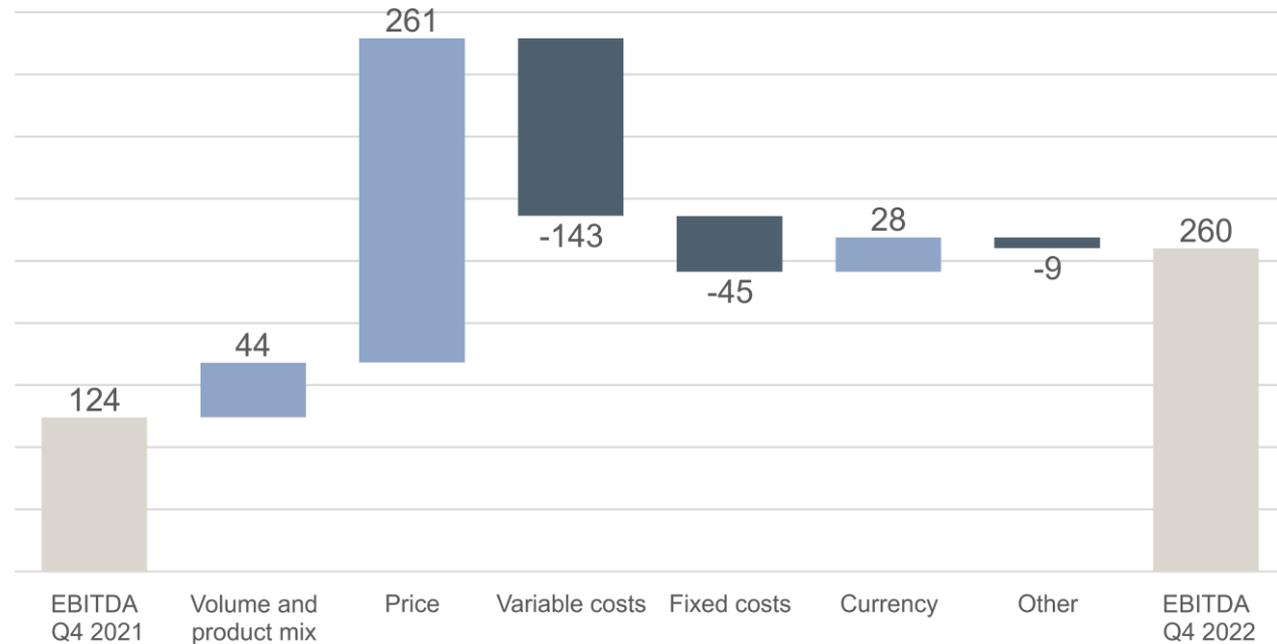
SEKm



# EBITDA bridge Q4 2022

Canadian acquisition, Québec, included in volume and product mix, variable costs and fixed costs

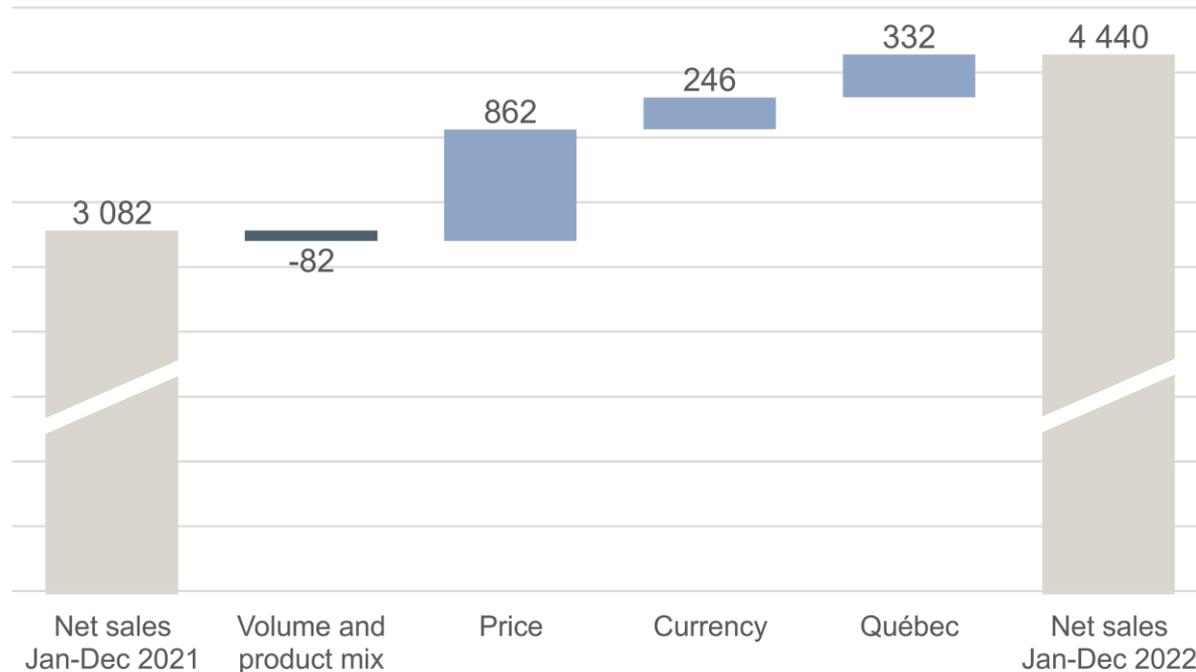
SEKm



# Net sales bridge full year 2022

Canadian acquisition, Québec, separately disclosed in chart below

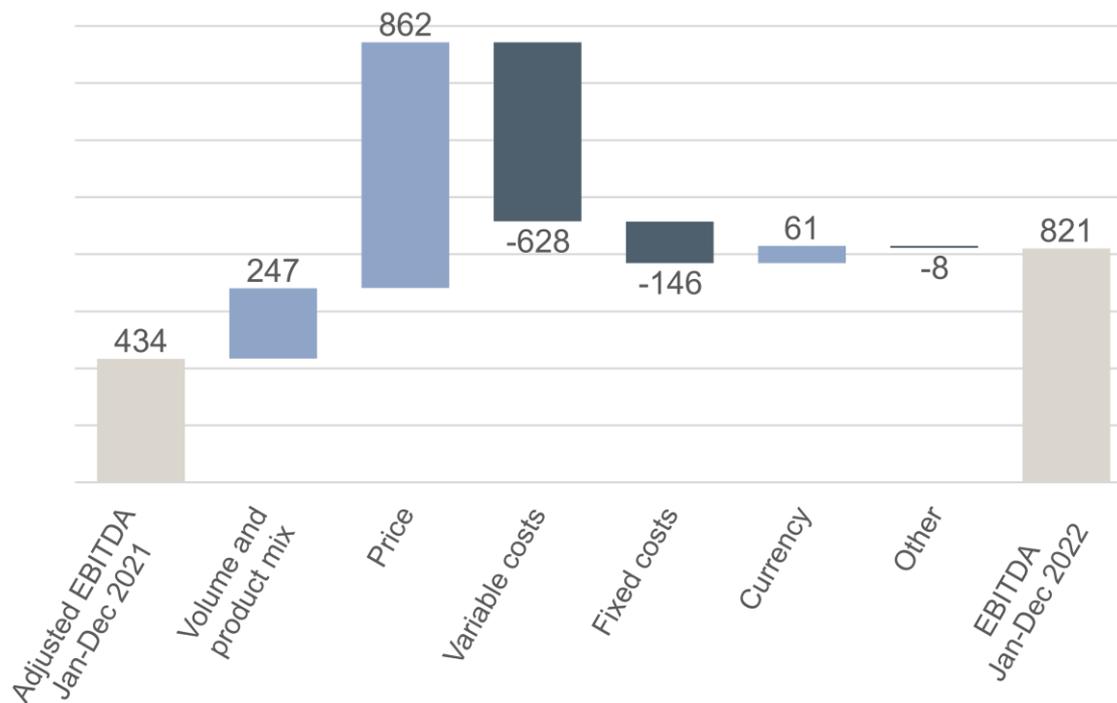
SEKm



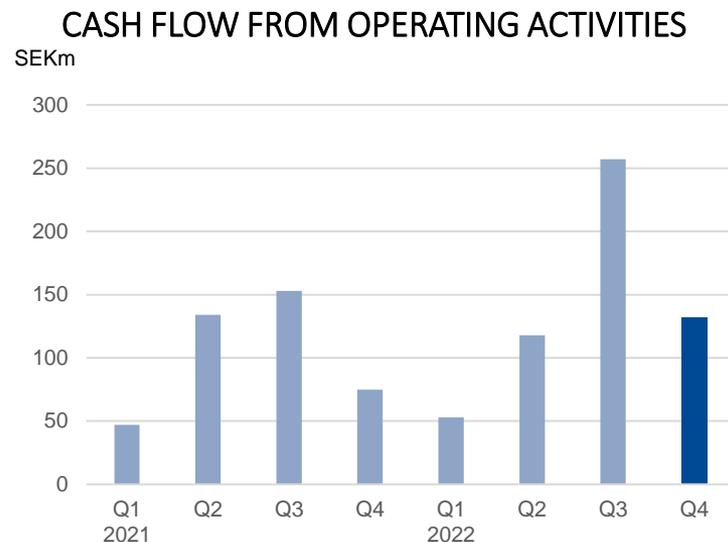
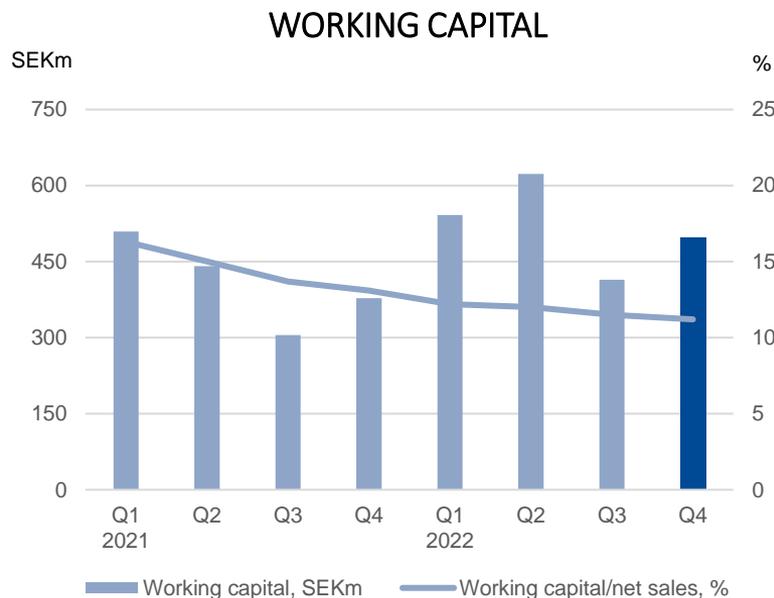
# EBITDA bridge full year 2022

Canadian acquisition, Québec, included in volume and product mix, variable costs and fixed costs

SEKm

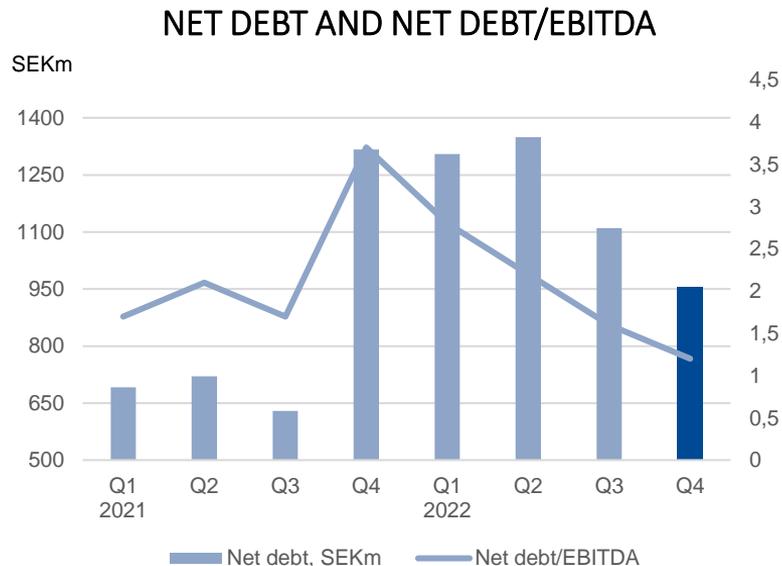


# Working capital and cash flow



- Normal increase of working capital in the fourth quarter, mainly related to increased accounts receivables from the higher sales
- Continued decrease of working capital in relation to Net sales mainly from disciplined work related to inventory

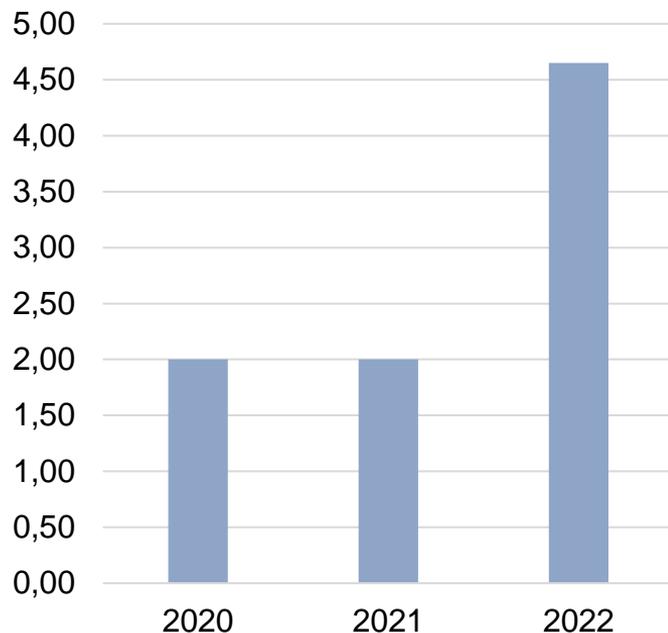
# Financial position



- ✓ Net debt decreased from SEK 1,110m to 956m during the quarter
- ✓ Repayment of SEK 200m credit facility in the quarter
- ✓ Net debt/EBITDA 1.2, target <2.5
  - ✓ Decrease from 3.7 since 31 Dec 2021 due to increased EBITDA and addition of Canadian business for the full year

# Dividend proposal SEK 4.65 per share in line with policy

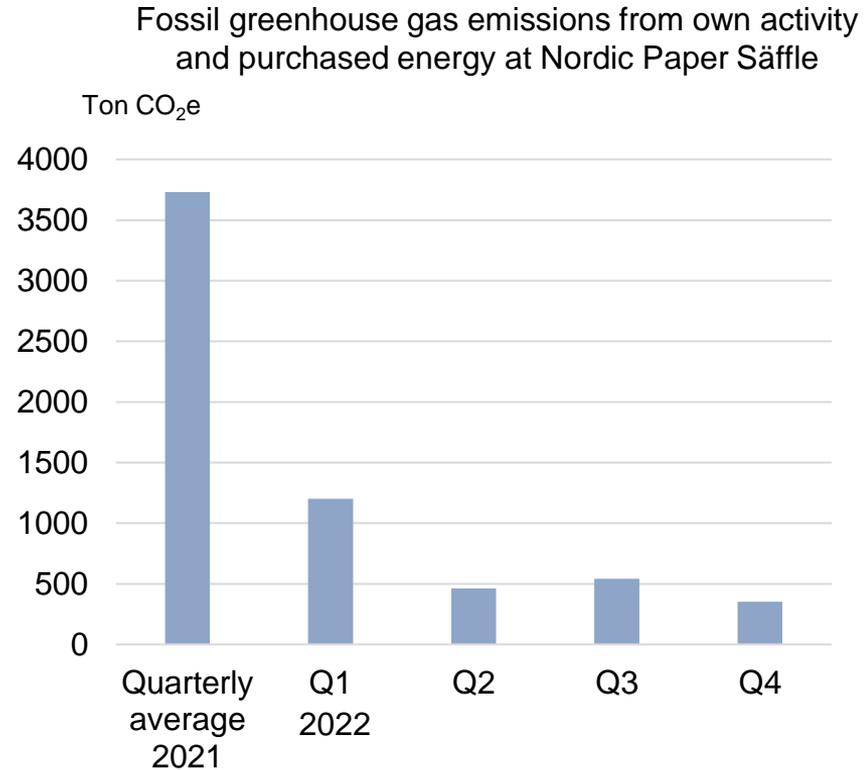
SEK/share



- ✓ The Board proposes a dividend of 4.65 SEK/share for the year 2022, an increase with 132% from the dividend for 2021
- ✓ Proposed dividend corresponds to 55% of net result for 2022.

# Significant decrease in climate impact

- ✓ The fossil greenhouse gas emissions from own activities and purchased energy decreased by 12.5% for the full year 2022 compared to 2021 excluding the acquired operations in Canada.
- ✓ A large part of the decrease is thanks to a successful work carried out in Säffle to reduce fossil fuel consumption.



# Outlook

- ✓ We enter 2023 from a strong position.
- ✓ Signs of softening market conditions and indications of product price pressure going forward.
- ✓ Well diversified portfolio regarding customers, geographies and products offers flexibility.
- ✓ Electricity price volatility likely to continue.
- ✓ Pulp price expected to decrease.
- ✓ Other costs in total expected to be stable.



# Q&A

## Summary

- ✓ A strong end to a fantastic year
- ✓ New records for EBITDA and net sales for Q4 as well as for the full year 2022
- ✓ Another strong quarter for Kraft Paper
- ✓ In Natural Greaseproof, implemented price increases and energy surcharges resulted in increased EBITDA margin
- ✓ The Board of Directors proposes a dividend of SEK 4.65 per share
  
- ✓ Signs of softening market conditions and indications of product price pressure going forward

