

# Strong performance in weaker markets

Nordic Paper interim report Q1 2023

Anita Sjölander, CEO  
Niclas Eriksson, CFO

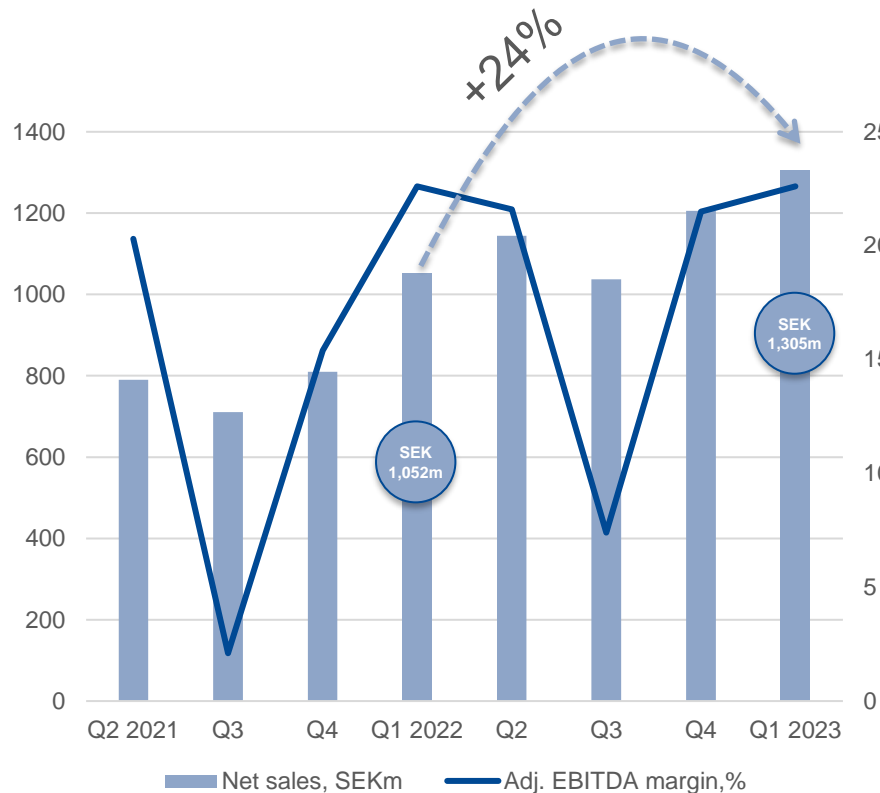


# Strong performance in weaker markets

- ✓ New quarterly records for net sales and EBITDA.
- ✓ EBITDA margin at 21.6% and rolling 12m 18.5%.
- ✓ Considerably weaker market demand compared to 2022.
- ✓ In current market, our long term relationship with customers is extra beneficial.
- ✓ Some production curtailment in the quarter.

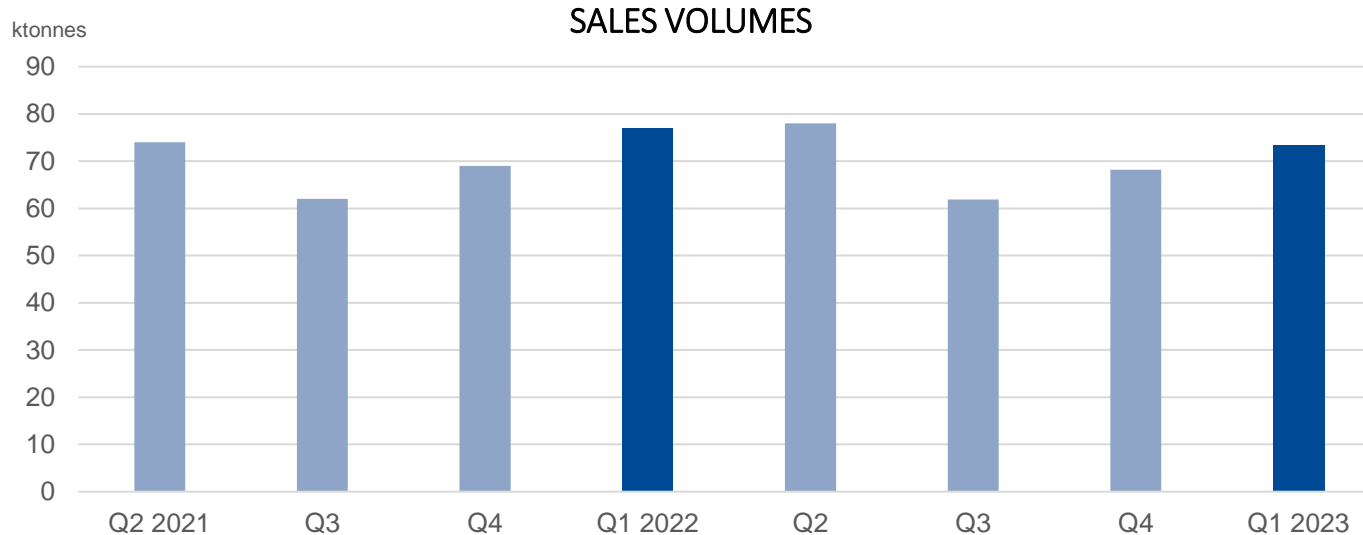


# New quarterly records for net sales and EBITDA



- ✓ Net sales SEK 1,305m
- ✓ EBITDA SEK 282m
- ✓ EBITDA margin 21.6%

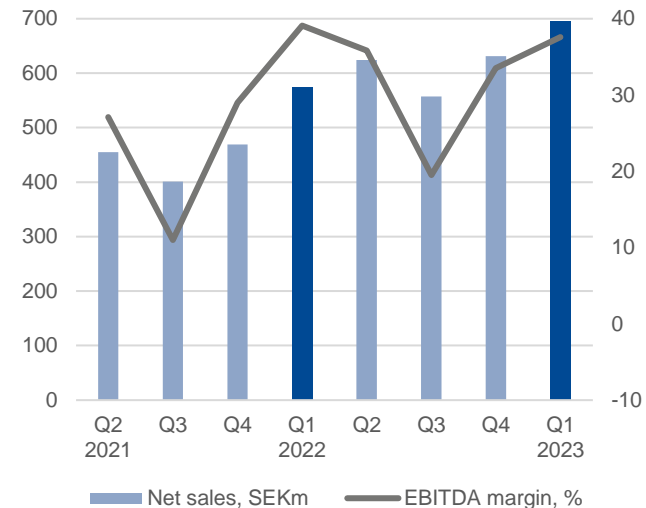
# Sales volumes down 4% compared to Q1 2022



- Due to weaker market conditions, production output was reduced in the quarter and thereby also sales volumes decreased compared to the strong Q1 2022.

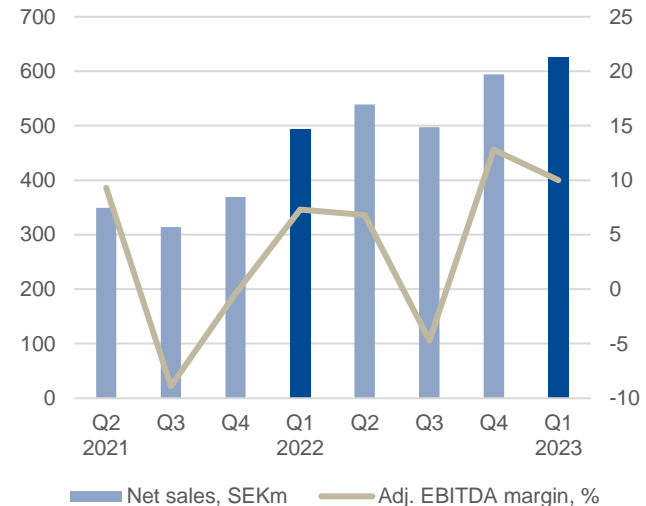
# Kraft Paper – yet another record for net sales and very strong margin

- ✓ Net sales increased to SEK 695m, an increase by 21% compared to Q1 2022.
- ✓ Net sales positively impacted by 22% higher product prices and negatively by lower sales volumes.
- ✓ EBITDA margin at 37.6%.

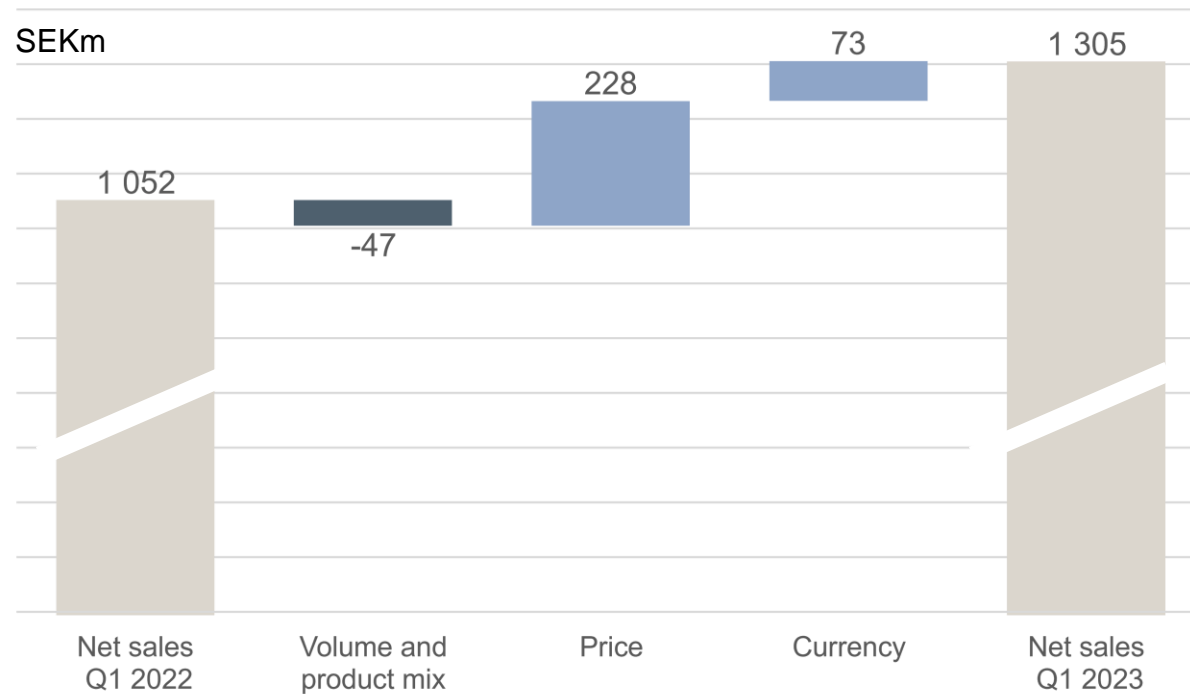


## Natural Greaseproof – new record for net sales, EBITDA margin at 10.0%

- ✓ Prices increased 21% compared to Q1 2022.
- ✓ Net sales at SEK 626m – new record.
- ✓ EBITDA margin increased to 10.0%.
- ✓ Negative mix effects and lower production impacted EBITDA q-o-q.

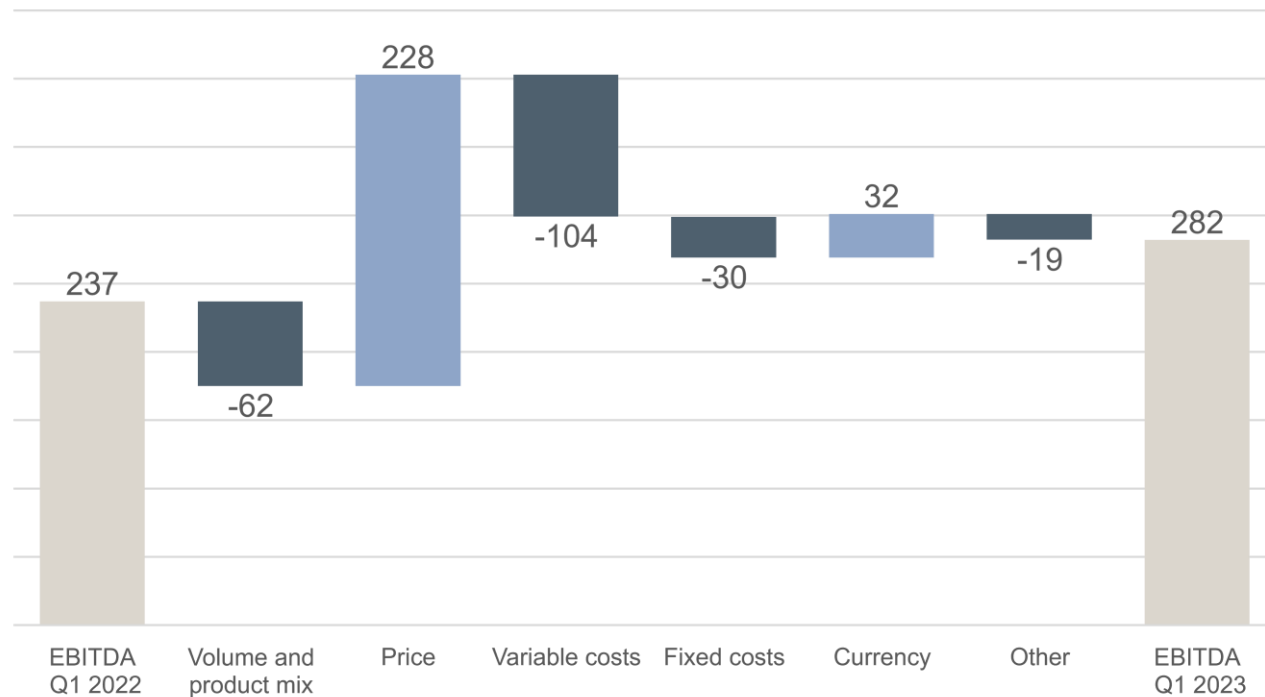


# Net sales bridge Q1 2023



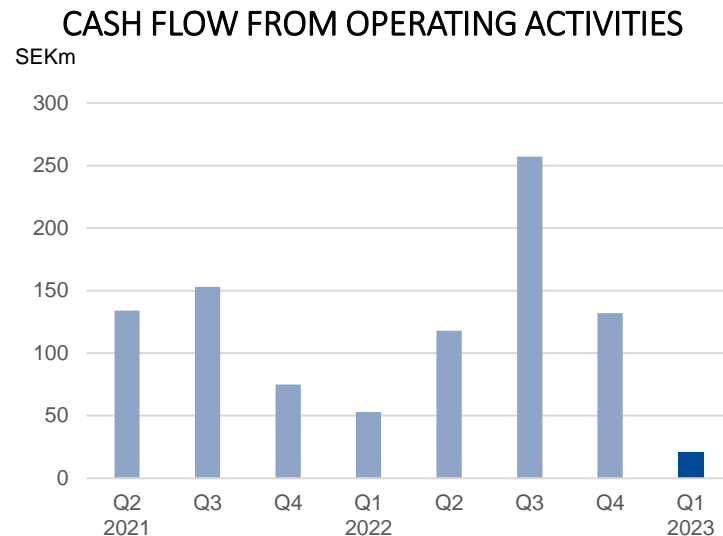
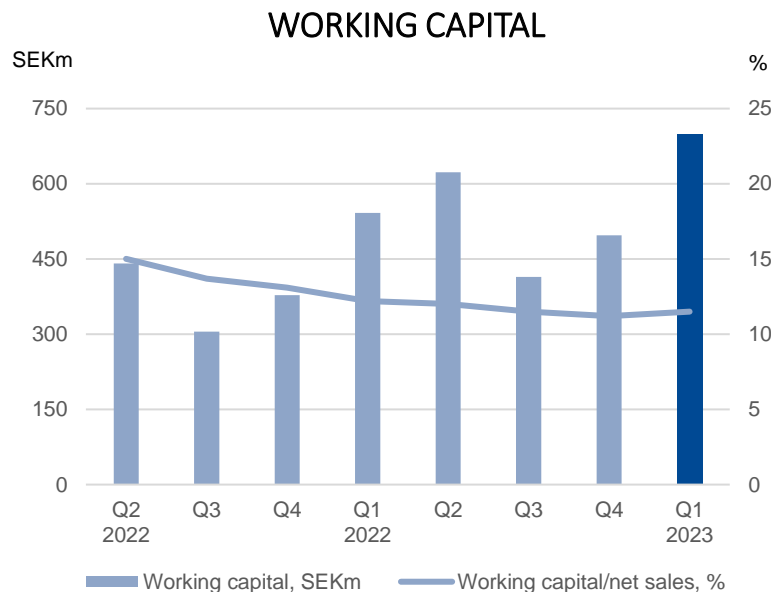
# EBITDA bridge Q1 2023

SEKm



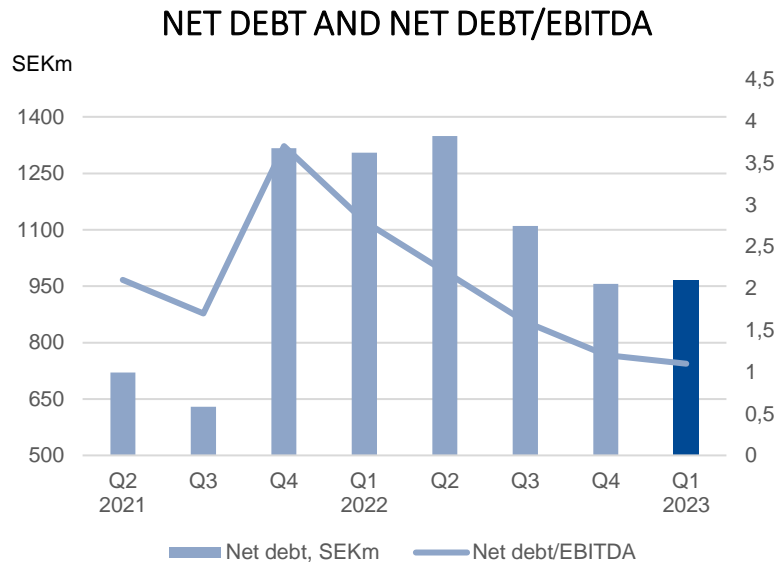


# Working capital and cash flow



- Working capital increased to SEK 698m (542) mainly due to payment of supplementary preliminary tax and a decrease in accounts payables.
- The tax payment gives a corresponding effect to the cash flow.

# Financial position



✓ Net debt SEK 966 m

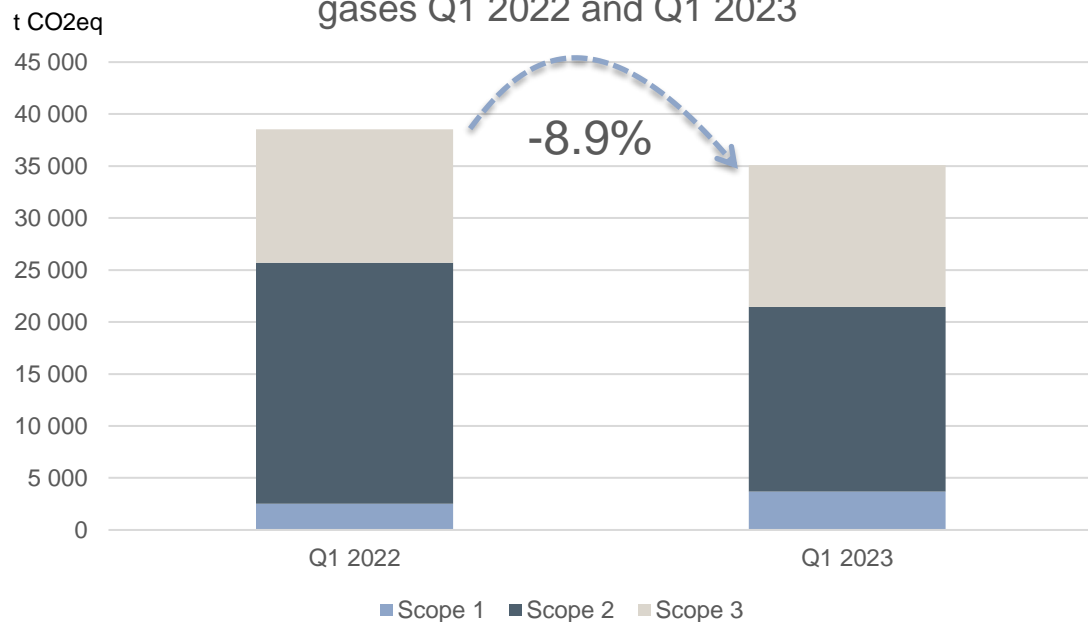
✓ Net debt/EBITDA 1.1, target <2.5

✓ Decrease from 3.7 since 31 Dec 2021 due to increased EBITDA and addition of Nordic Paper Québec for the full year.

# Continued decrease in climate impact



Nordic Paper total emissions of fossil greenhouse gases Q1 2022 and Q1 2023



# New production permit for Bäckhammar received – waiting for it to gain legal force

- ✓ The Land and Environment Court decided on a new production permit for Bäckhammar on Jan 31.
- ✓ The decision has been appealed by a private individual.
- ✓ Nordic Paper is waiting for the decision to gain legal force after which an investment proposal for development of the Bäckhammar plant can be presented to the Board of Directors.



# Outlook

- ✓ The company assesses that the markets will remain weak in the short term and that price pressure will remain during the second quarter.
- ✓ Selling prices have during April decreased 7-8% in local currency compared to the historically high average selling prices in the first quarter.
- ✓ Market related reduction of sales volumes also in Q2.
- ✓ Pulp price expected to decrease.
- ✓ Other costs in total expected to be largely unchanged.



# Q&A

# Summary

- ✓ Strong performance with new quarterly records for net sales and EBITDA.
- ✓ Considerably weaker market demand in Q1 compared to 2022.
- ✓ Markets remain weak in the short term and the company assesses that price pressure will remain during the second quarter.



# Annual report and sustainability report 2022



- ✓ 2022 – a fantastic year with strong markets, record net sales and EBITDA.
- ✓ First year with Nordic Paper Québec.
- ✓ Second year of increased sustainability reporting.
- ✓ Read the report on [www.nordic-paper.com](http://www.nordic-paper.com)

Annual General Meeting in Karlstad 24 May