

Strong result in a continued soft market

Nordic Paper interim report Q2 2023

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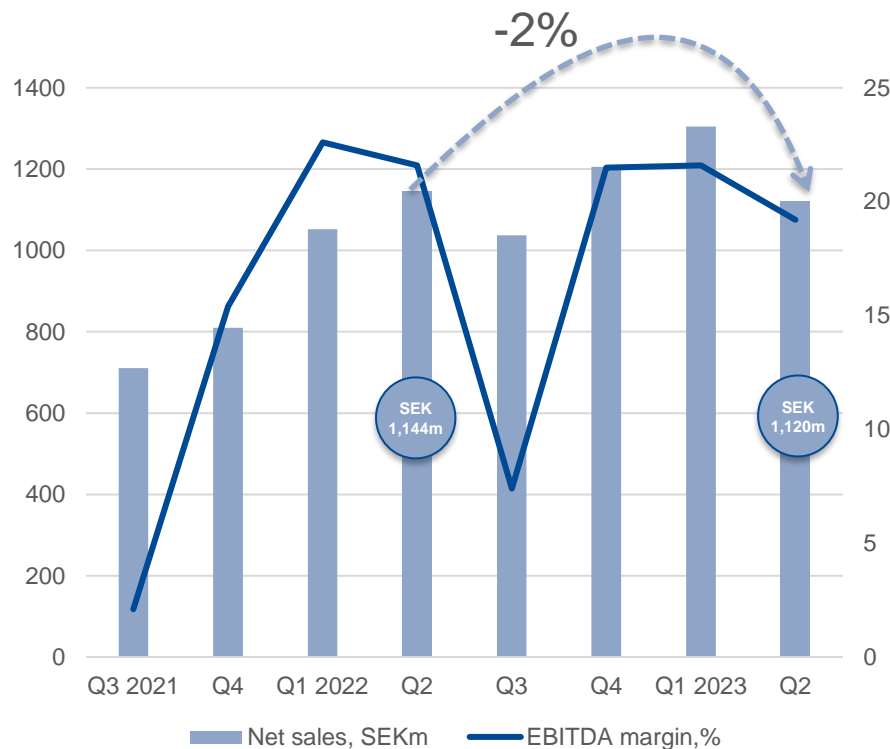


Strong result in a continued soft market

- ✓ EBITDA margin at healthy 19.2%.
- ✓ Markets remained soft as destocking continued.
- ✓ Net sales decreased 2% compared to Q2 2022 as sales volumes decreased due to production curtailment. Product prices decreased q-o-q but were 6% higher y-o-y.
- ✓ Strong cash flow at SEK 245 m and low net debt/EBITDA at 1.3.
- ✓ EPS in the quarter SEK 2.16 and rolling 12m SEK 8.35.

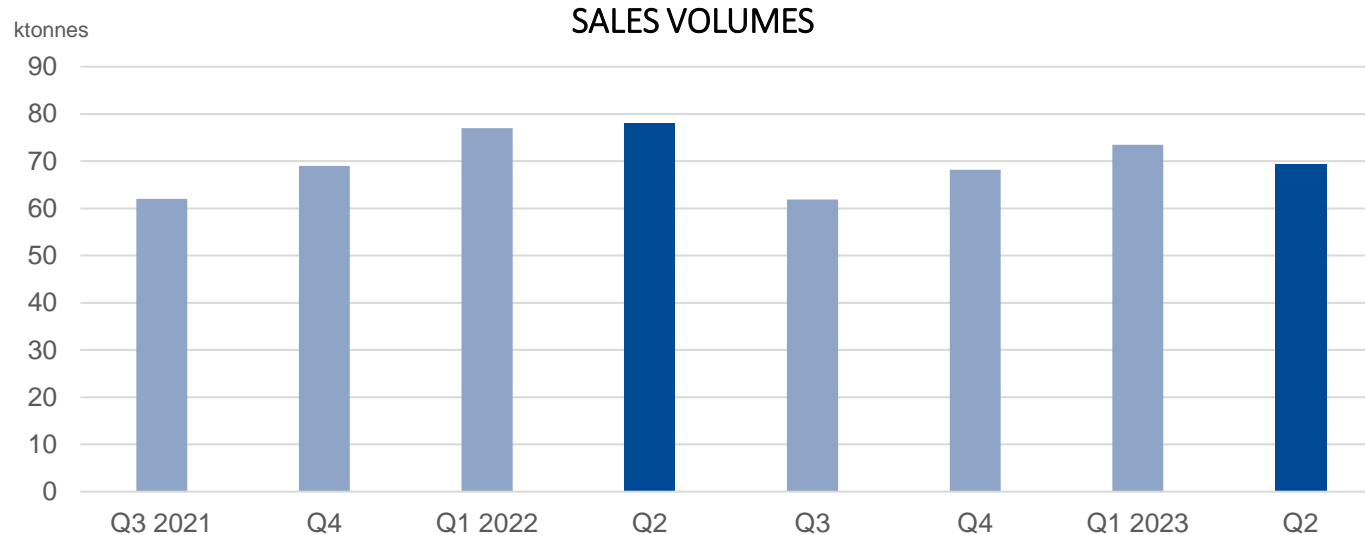


Healthy margin despite slightly decreasing net sales



- ✓ Net sales SEK 1,120m
- ✓ EBITDA SEK 215m
- ✓ EBITDA margin 19.2%

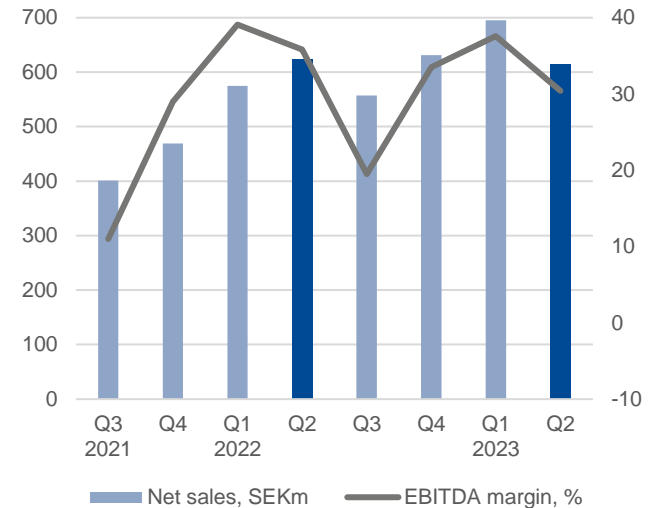
Lower Q2 sales volume due to production curtailment



- Due to soft market conditions, production output was reduced in the quarter and thereby also sales volumes decreased compared to the strong Q2 2022.

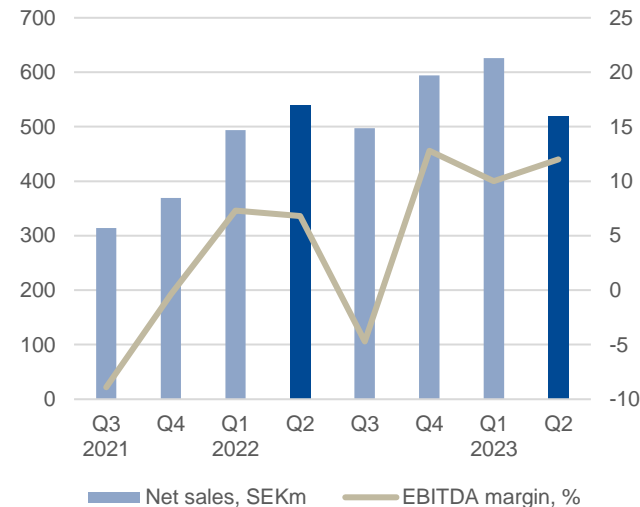
Kraft Paper – strong margin despite soft market conditions

- ✓ Market remained soft as destocking continued.
- ✓ Net sales SEK 614m, a decrease by 2% compared to Q2 2022.
- ✓ Product prices decreased q-o-q but were 3% higher y-o-y.
- ✓ EBITDA margin at 30.4%.
- ✓ Still waiting for new production permit for Bäckhammar to gain legal force.



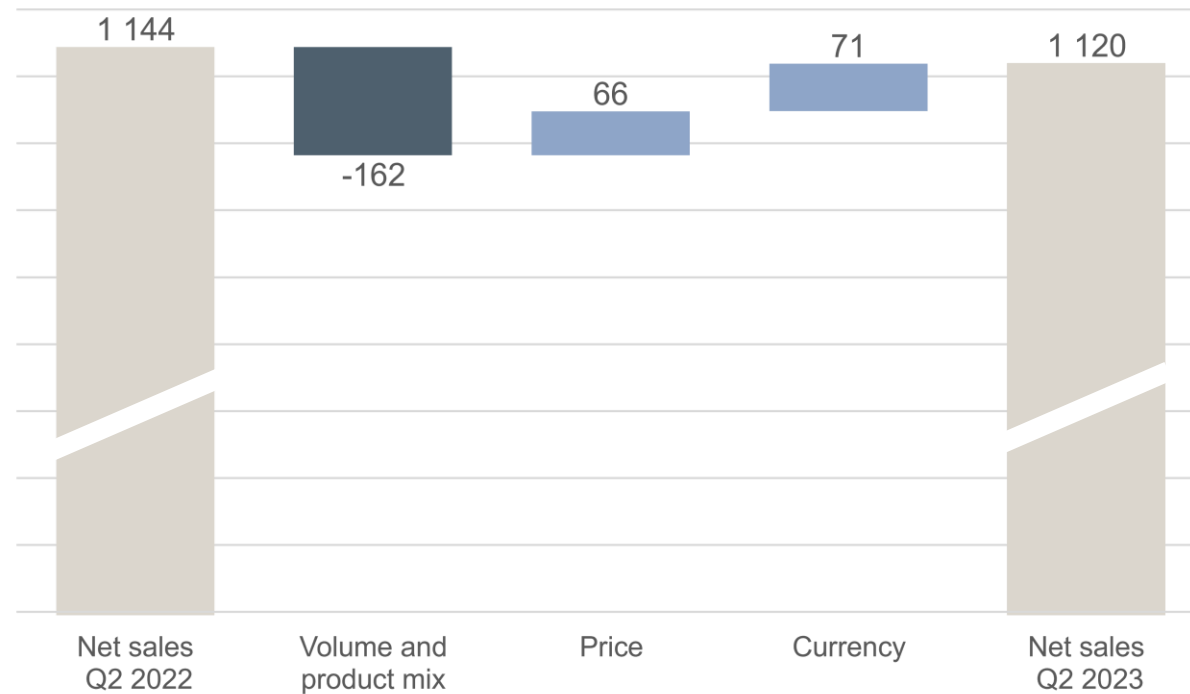
Natural Greaseproof – healthy EBITDA margin

- ✓ EBITDA margin increased to 12.0%.
- ✓ Market remained soft as destocking continued.
- ✓ Net sales SEK 519 m, a decrease by 4% compared to Q2 2022.
- ✓ Sales volumes decreased 16% compared to the very strong Q2 2022 due to production curtailments.
- ✓ Product prices decreased q-o-q but were 8% higher y-o-y.



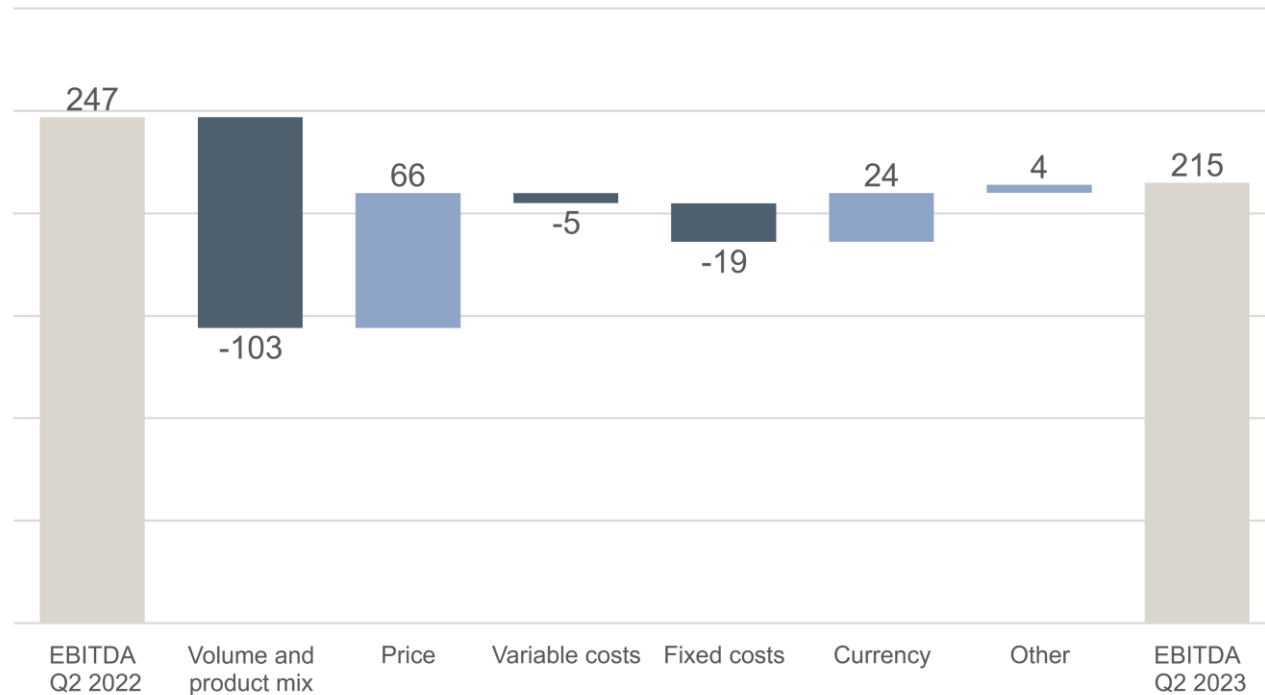
Net sales bridge Q2 2023

SEKm



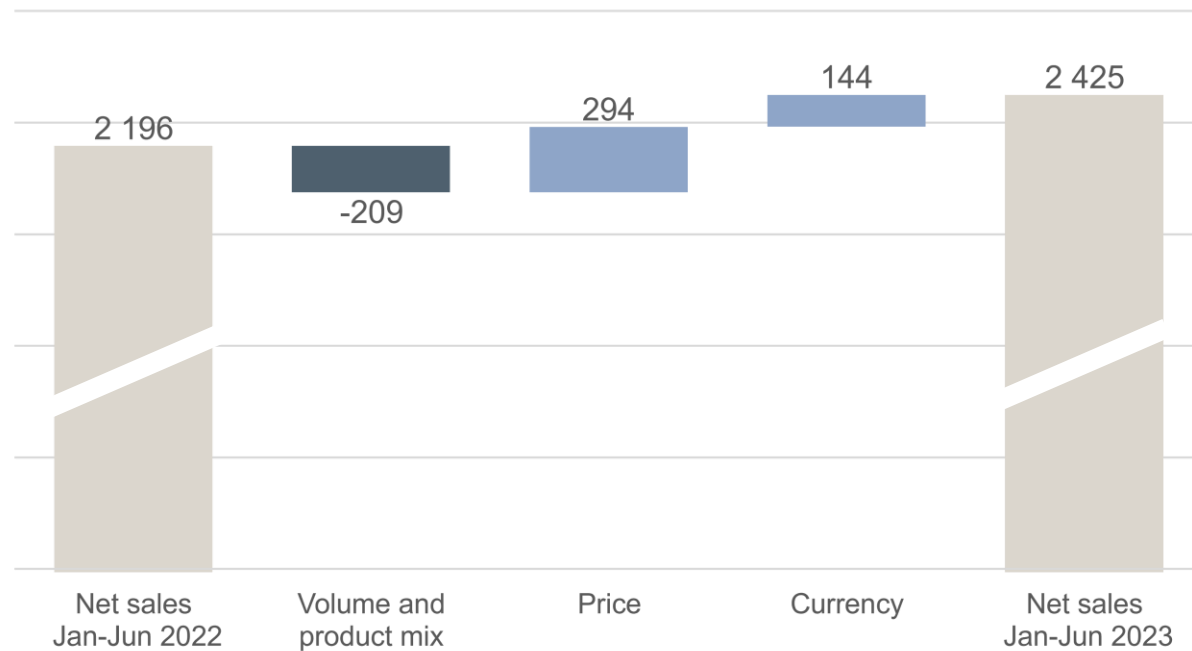
EBITDA bridge Q2 2023

SEKm



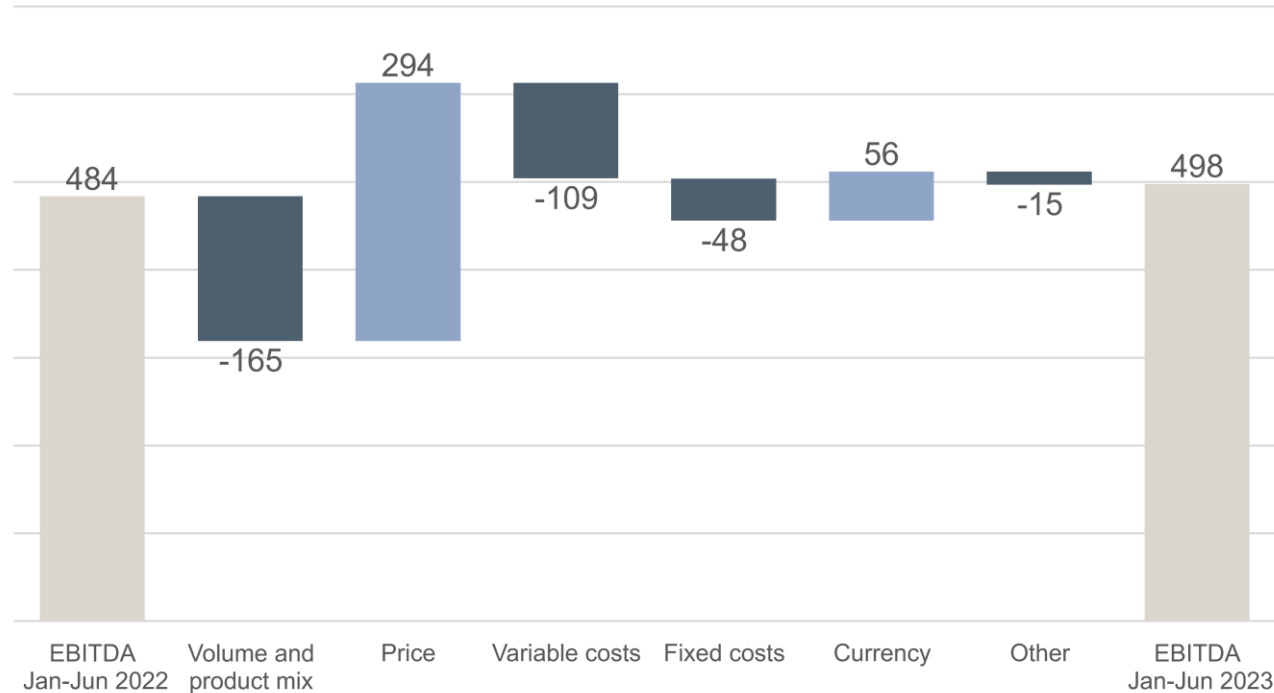
Net sales bridge Jan-Jun 2023

SEKm

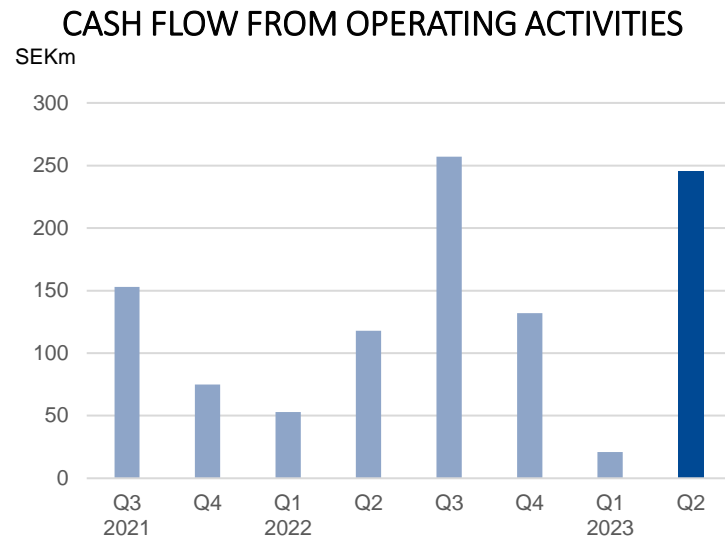
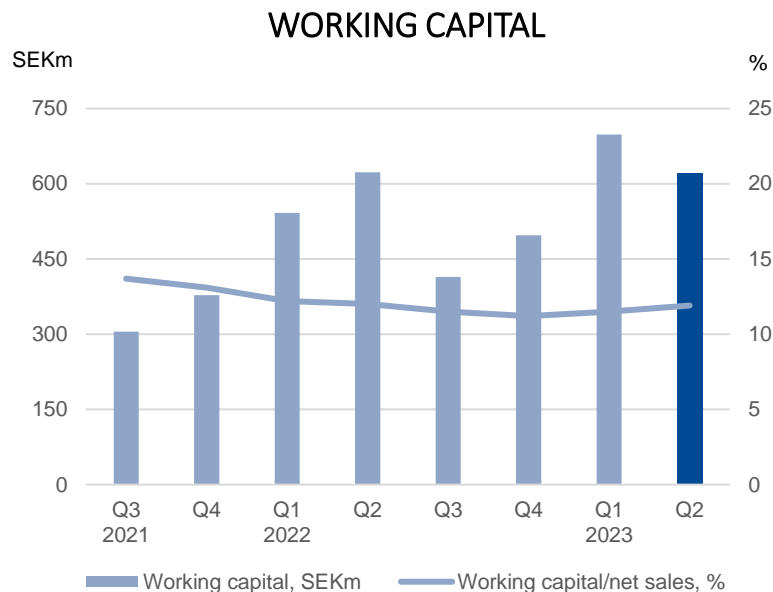


EBITDA bridge Jan-Jun 2023

SEKm

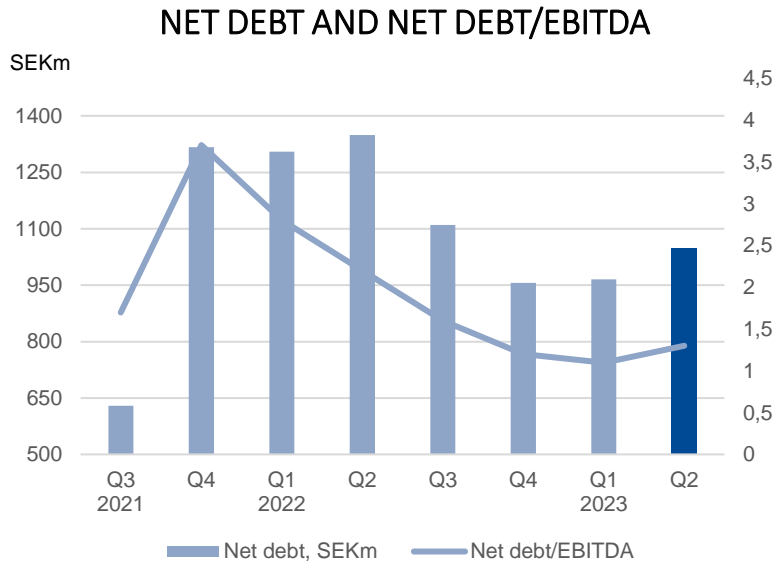


Working capital and cash flow



- Working capital was stable at SEK 620m (623). Finished goods inventory increased compared to Q2 2022, balanced by decrease in accounts receivables and increase of accrued expenses, making the net effect marginal.
- Very strong cash flow of SEK 245m (118).

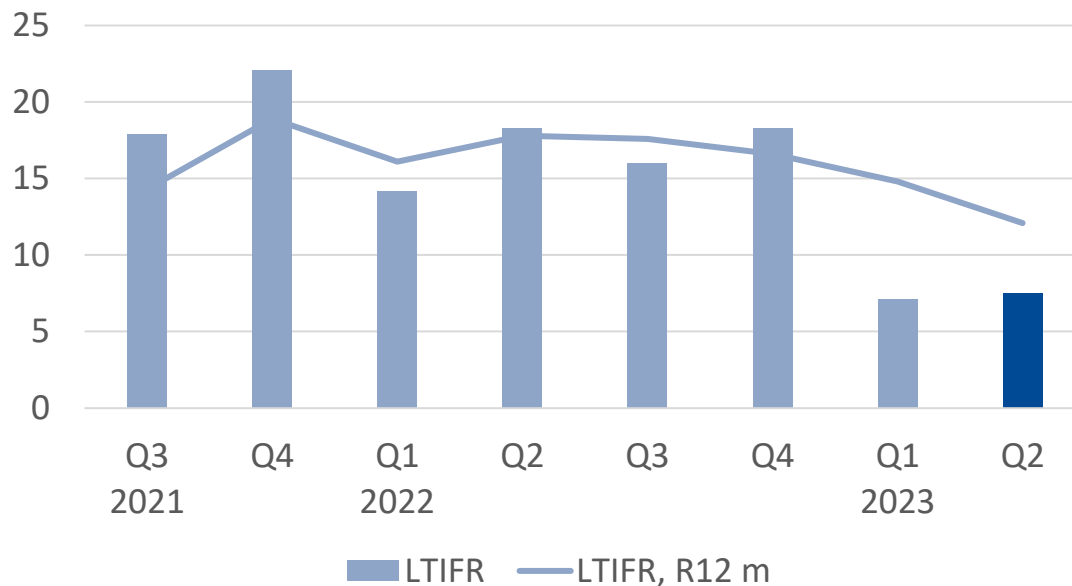
Financial position



- ✓ Net debt SEK 1,048 m (1,349 m).
- ✓ SEK 311 m (134 m) dividend payment in the quarter.
- ✓ Net debt/EBITDA 1.3, target <2.5
- ✓ Strength in balance sheet provides strategic flexibility.

Progress on health and safety

LTIFR - Lost time incident frequency rate,
per million worked hours



Outlook

- ✓ Markets remain soft in the short term and the company assesses that price pressure will remain during Q3.
- ✓ Market related reduction of sales volumes also in Q3.
- ✓ Pulp price expected to decrease but prices for pulpwood expected to increase also in Q3.
- ✓ Other costs in total expected to decrease slightly.
- ✓ Normal seasonal effects from maintenance stops in Q3 at all Nordic Paper production plants.



Q&A

Summary

- ✓ EBITDA margin on healthy 19.2%, despite low sales volume due to production curtailment - a proof of our resilient business model.
- ✓ Markets remained soft as destocking continued.
- ✓ Strength in balance sheet provides strategic flexibility.
- ✓ Markets remain soft in the short term and the company assesses that price pressure will remain during Q3.
- ✓ Normal seasonal effect from maintenance stops in Q3.