

# Strong Q3 performance in continued soft markets

**Nordic Paper interim report Q3 2023**

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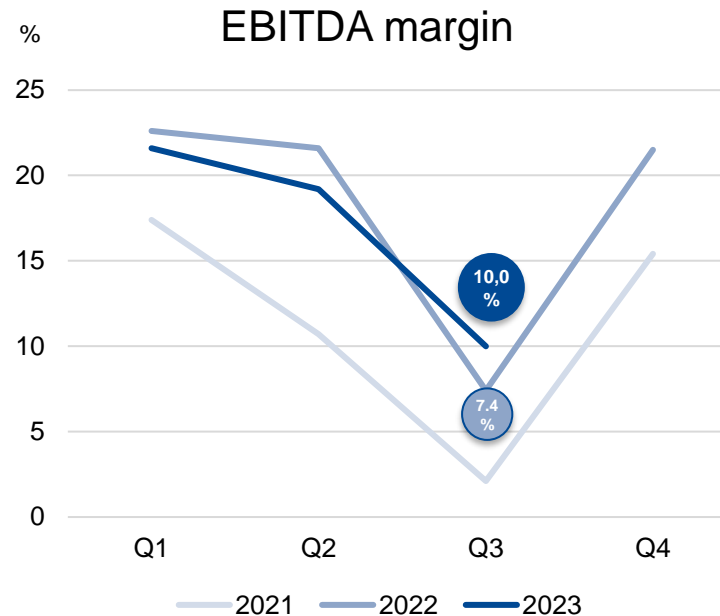
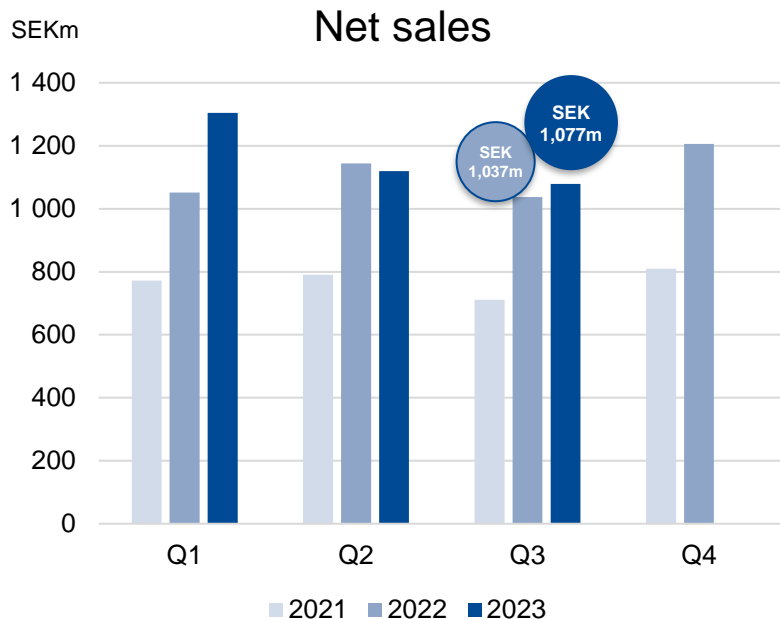


## Another strong quarter from Nordic Paper

- ✓ EBITDA improved to SEK 108 m (77 m).
- ✓ Markets remained soft as destocking continued.
- ✓ Sales volumes increased by 9%.
- ✓ Strong cash flow at SEK 301 m and net debt/EBITDA improved to 0.9 (1.6).
- ✓ EPS rolling 12m SEK 8.28.
- ✓ SEK 850 m investment in Bäckhammar with benefits of SEK 100 m in full impact from 2026.

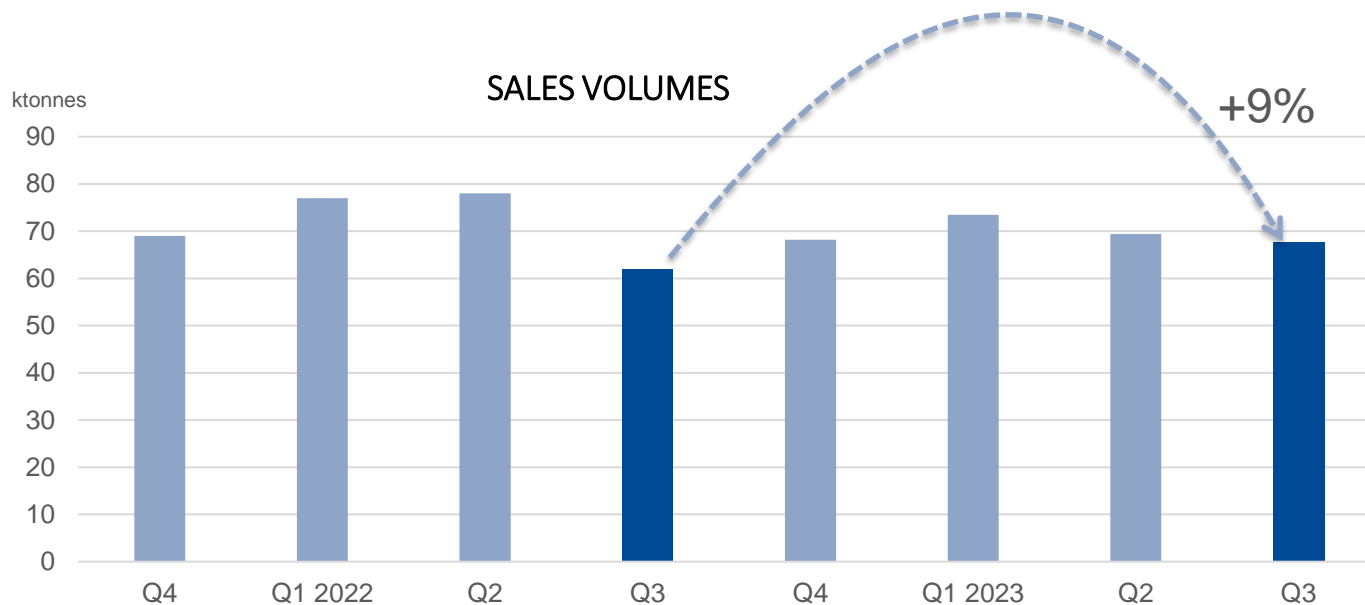


# Increase in net sales and improved EBITDA margin



- ✓ Net sales SEK 1,077m
- ✓ EBITDA SEK 108m
- ✓ EBITDA margin 10.0%

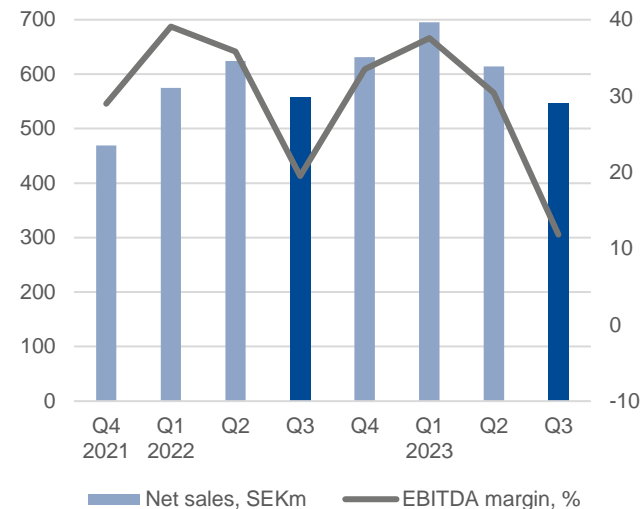
# Strong sales volume



- High production level increased sales volumes.

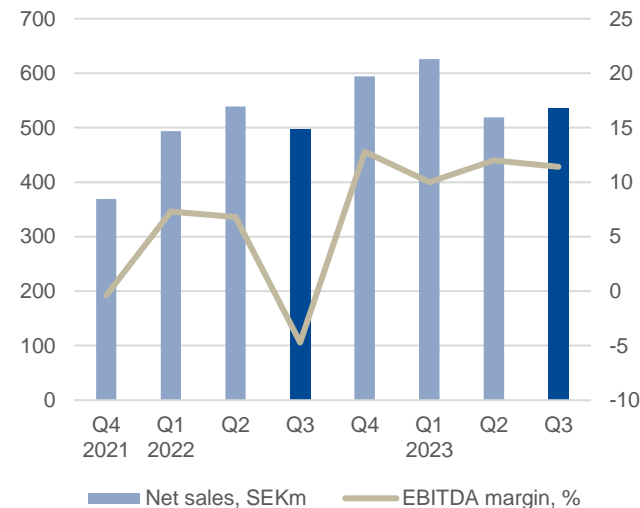
## Decrease in profitability for Kraft Paper

- ✓ Market remained soft as destocking continued.
- ✓ Net sales SEK 546 m, a decrease by 2% compared to Q3 2022.
- ✓ Sales volumes in tonnes increased by 8% but product prices decreased 11%.
- ✓ Maintenance stop related costs according to plan.
- ✓ EBITDA margin at 11.8%.



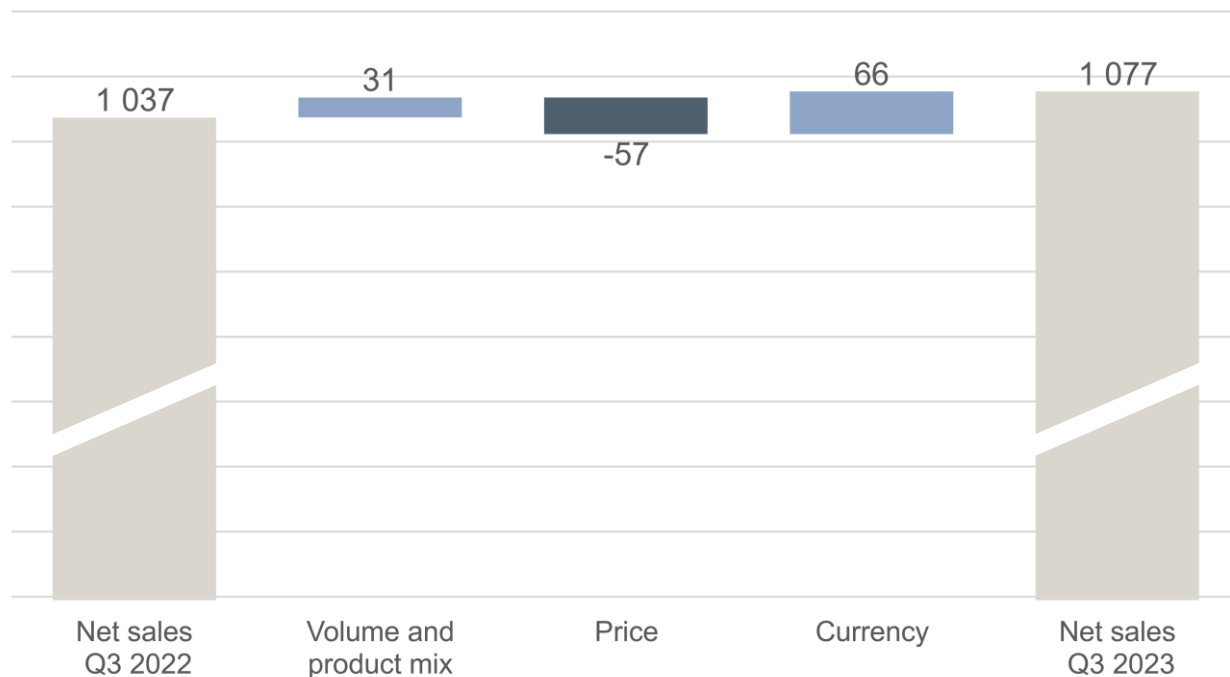
## Strong performance in Natural Greaseproof

- ✓ EBITDA margin increased to 11.4% despite normal seasonal effects.
- ✓ Market remained soft as destocking continued.
- ✓ Net sales increased by 8% to SEK 536 m. Excluding currency effects, the increase was 2%.
- ✓ Product prices decreased q-o-q but were 1% higher y-o-y.
- ✓ Input costs were substantially lower.



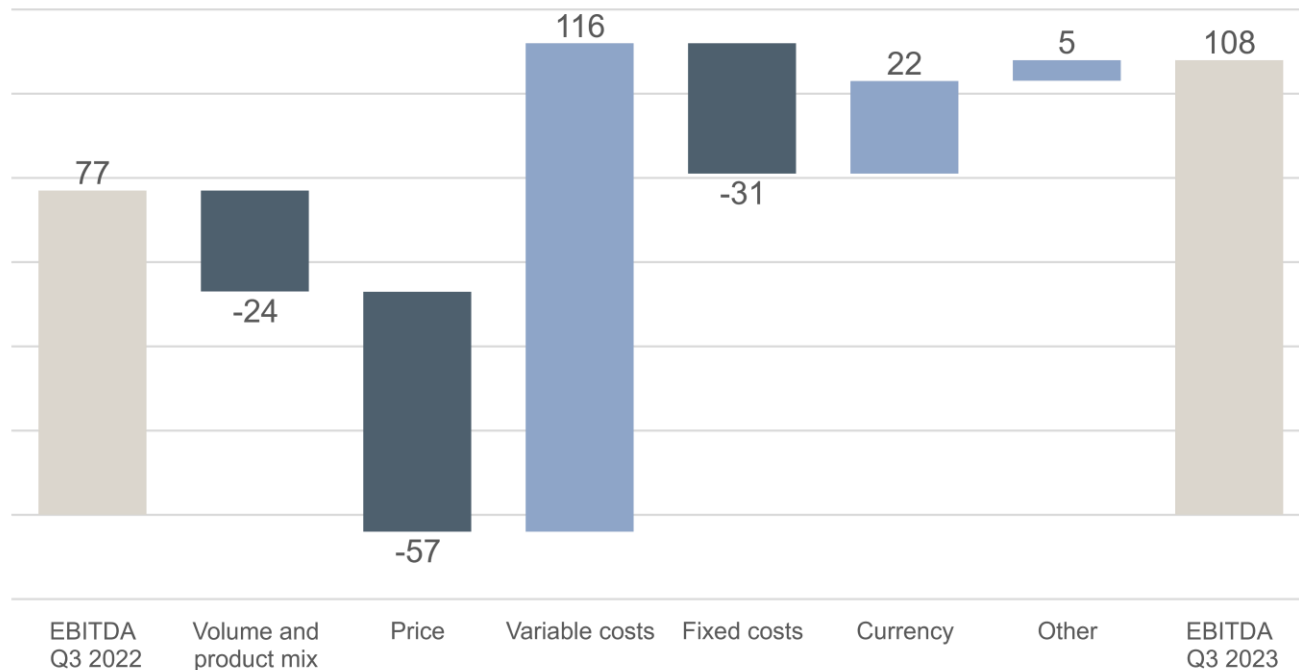
# Net sales bridge Q3 2023

SEKm



# EBITDA bridge Q3 2023

SEKm

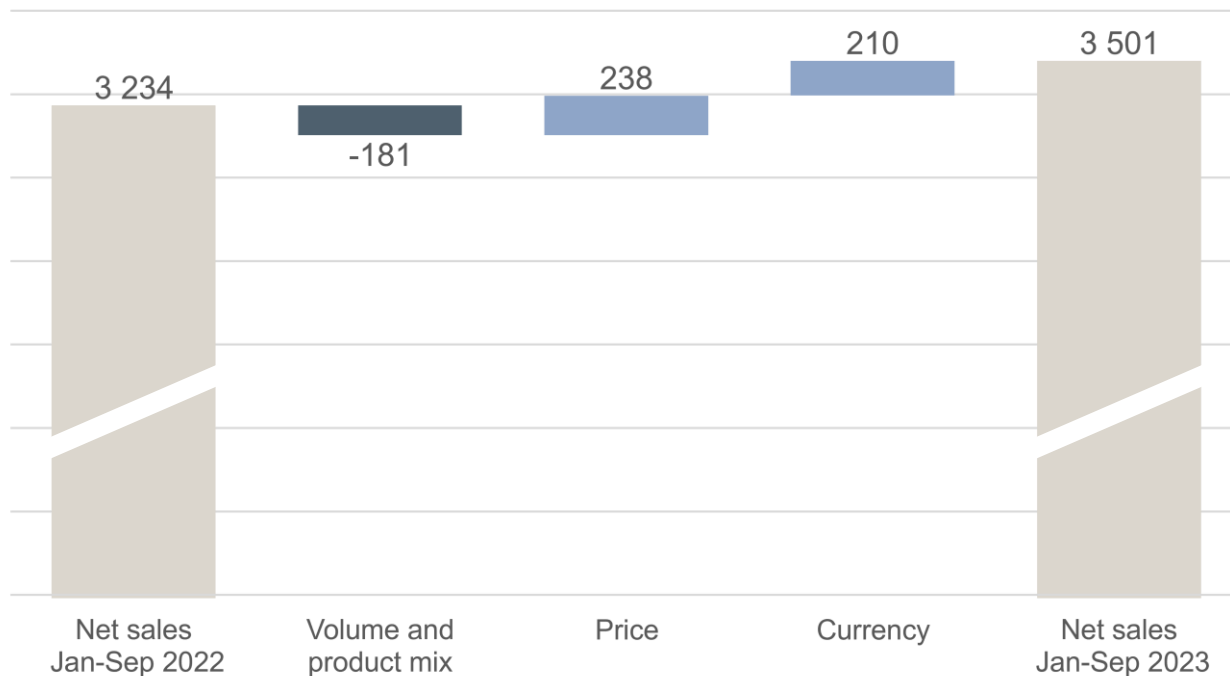




# Net sales bridge Jan-Sep 2023

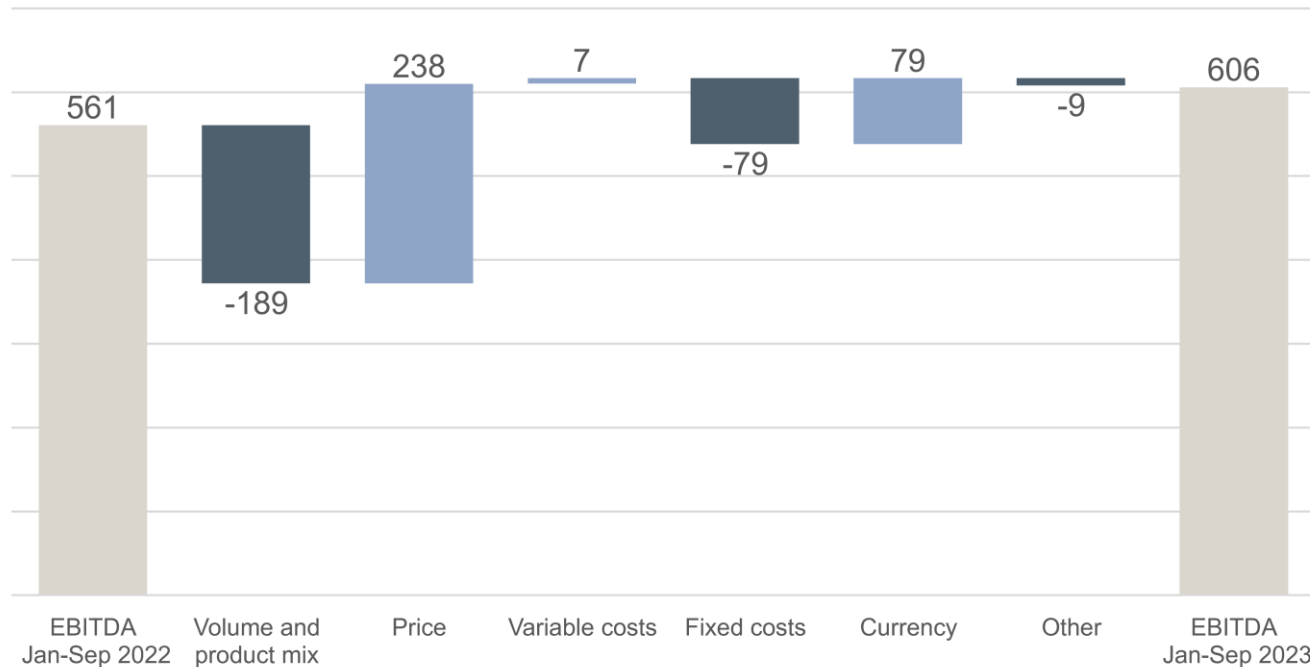


SEKm

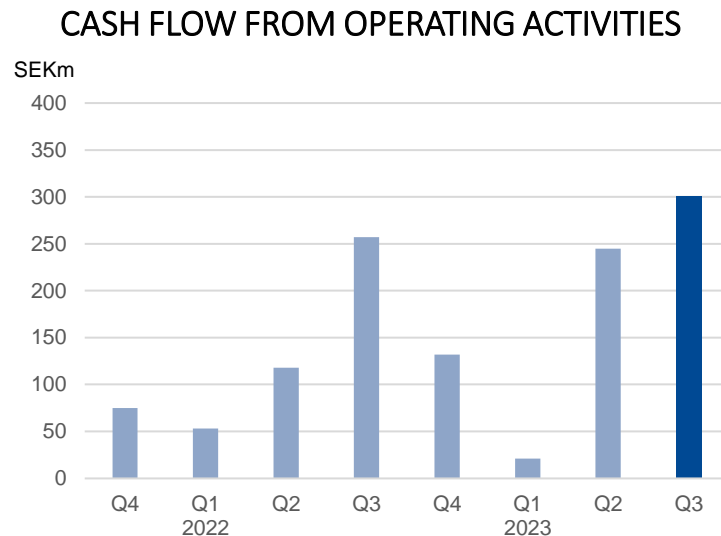
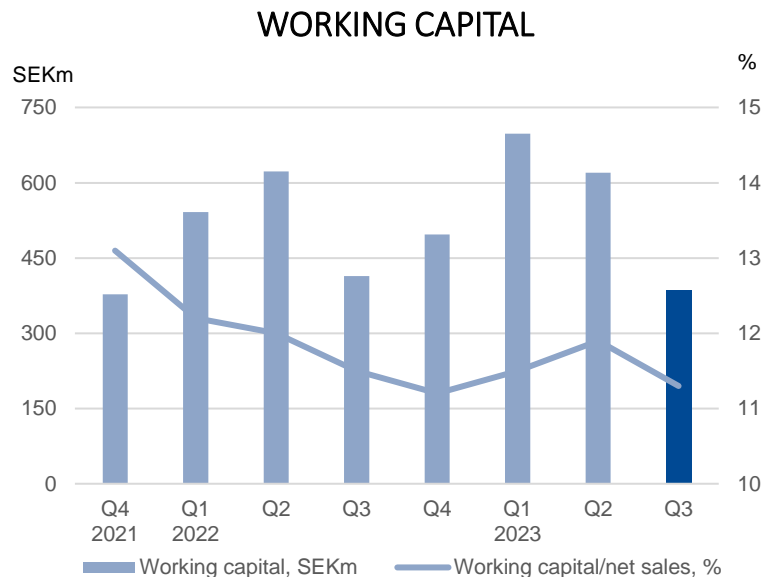


# EBITDA bridge Jan-Sep 2023

SEKm



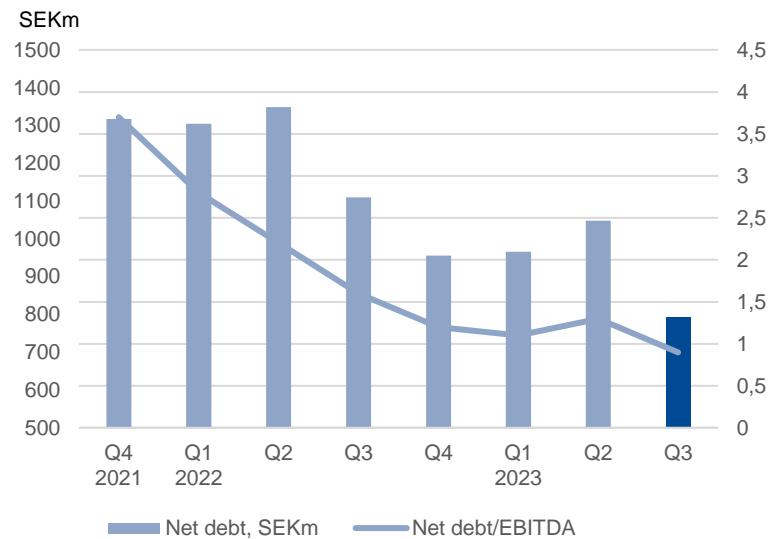
# Working capital and cash flow



- Working capital decreased to SEK 386m (414).
- Very strong cash flow of SEK 301 m (257).

# Financial position

## NET DEBT AND NET DEBT/EBITDA



- ✓ Net debt SEK 792 m (1,110 m).
- ✓ Net debt/EBITDA 0.9, target <2.5

## Investment of SEK 850m in Bäckhammar

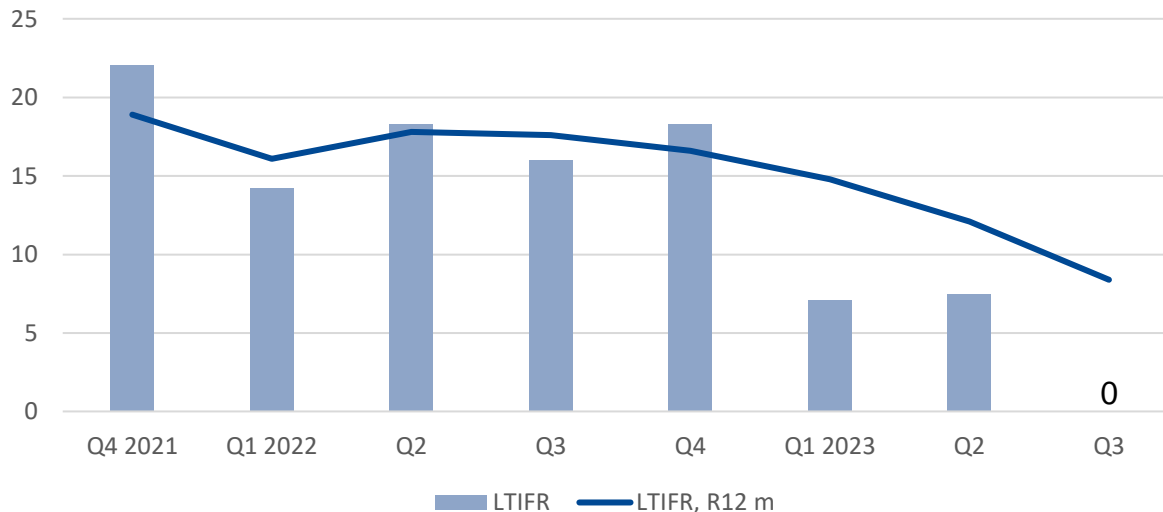
- ✓ A new wood room providing for strategic flexibility in raw material sourcing and efficiency gains in the production.
- ✓ New electrostatic filter system for substantially improved sustainability performance.
- ✓ Investments of approx. SEK 850 m, to be carried out 2023-2025.
- ✓ Benefits adding about SEK 100 m to EBITDA annually with full effect from 2026.
- ✓ The first contract agreements with suppliers completed during quarter three.



# Continued improvement in safe work environment



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



## Outlook Q4

The company assesses that;

- ✓ market conditions will be stable in the short term with continued soft demand.
- ✓ some general price pressure will remain. The company will use the possibility to reduce sales volumes also in Q4.
- ✓ pulp prices will increase somewhat and that there will be some further price increases for pulp wood and chips.



# Q&A



## Summary

- ✓ Markets remained soft during Q3 as destocking at customers continued and we expect the market to remain soft with some general price pressure during Q4.
- ✓ Another strong quarter with EBITDA at SEK 108 m.
- ✓ Sales volumes increased by 9%.

