

Continued strong result and improving market

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Nordic Paper interim report Q1 2024

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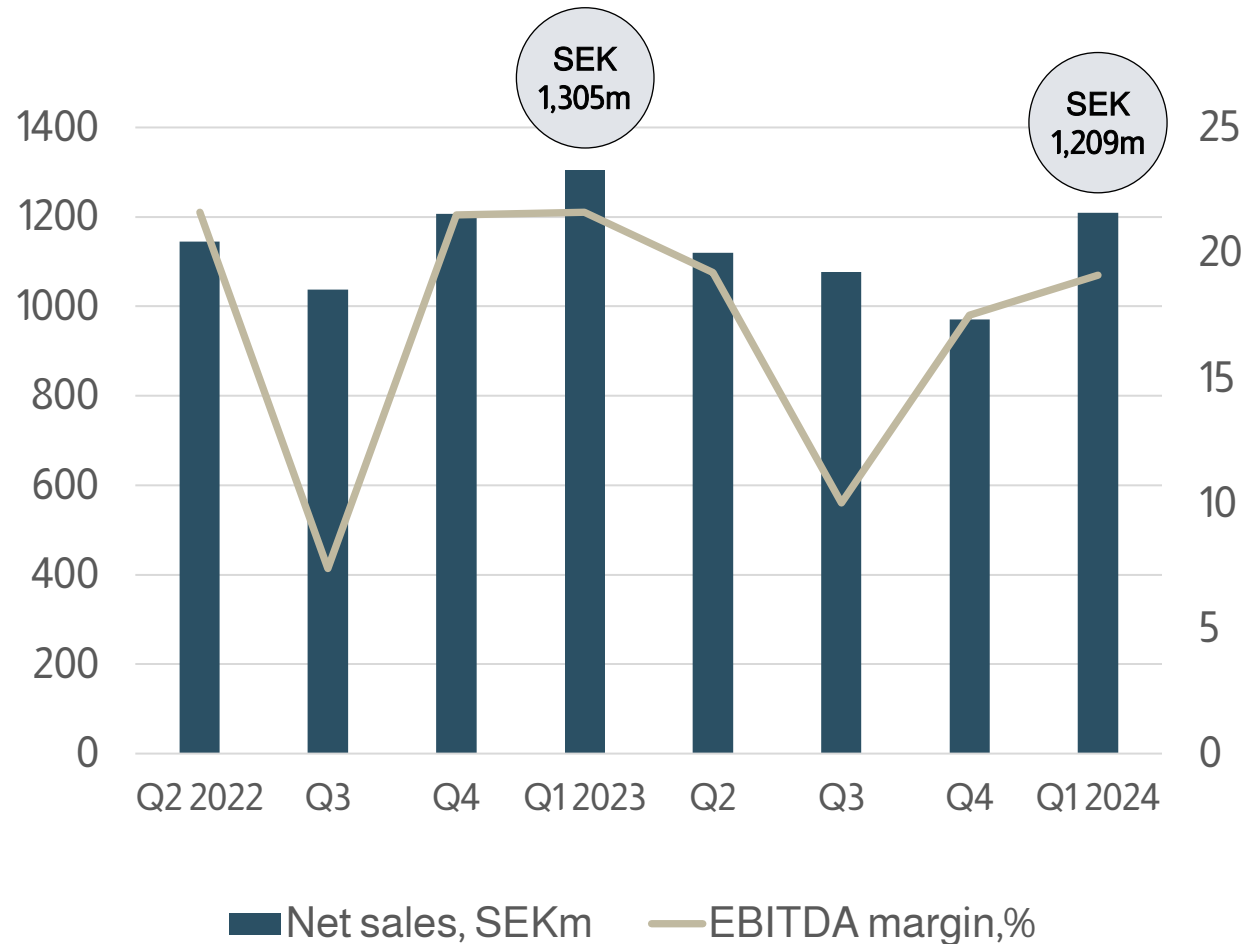
Henrik Essén, Head of IR

Continued strong result and improving market

- Market demand improved in the quarter.
- Net sales second highest ever, SEK 1,209m (1,305m). Record high sales volumes partly offset a 16% drop in product prices.
- EBITDA at SEK 231m (282m), corresponding to a margin of 19.1% (21.6%).
 - Natural Greaseproof increased to all time high EBITDA while lower product prices put pressure on Kraft Paper.
- Net debt was stable while Net debt/EBITDA increased to 1.3 (1.1).
- The Board of Directors has decided to explore a potential sale of the company as the largest owner Shanying announced their intention to divest parts or all of its shares.

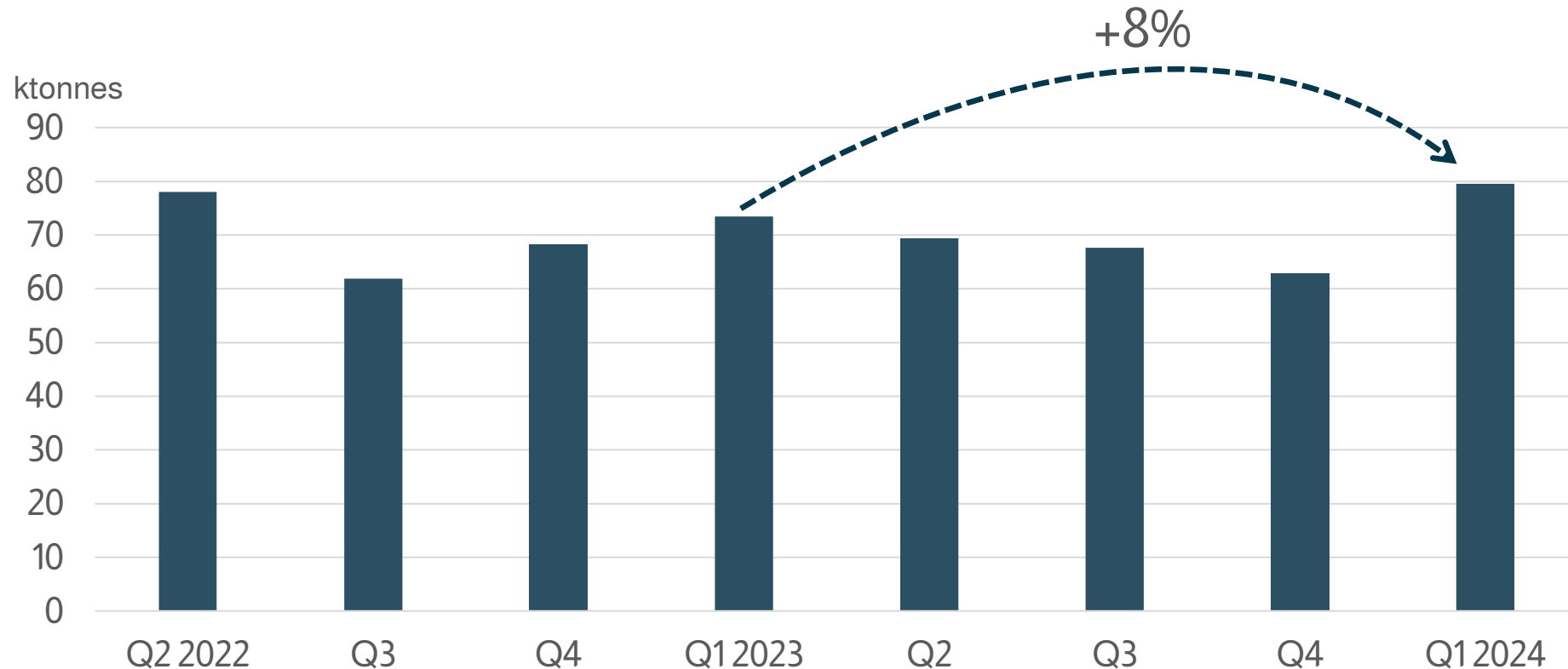


Net sales second highest ever



- ✓ Net sales SEK 1,209m
- ✓ EBITDA SEK 231m
- ✓ EBITDA margin 19.1%

Sales volumes up by 8%

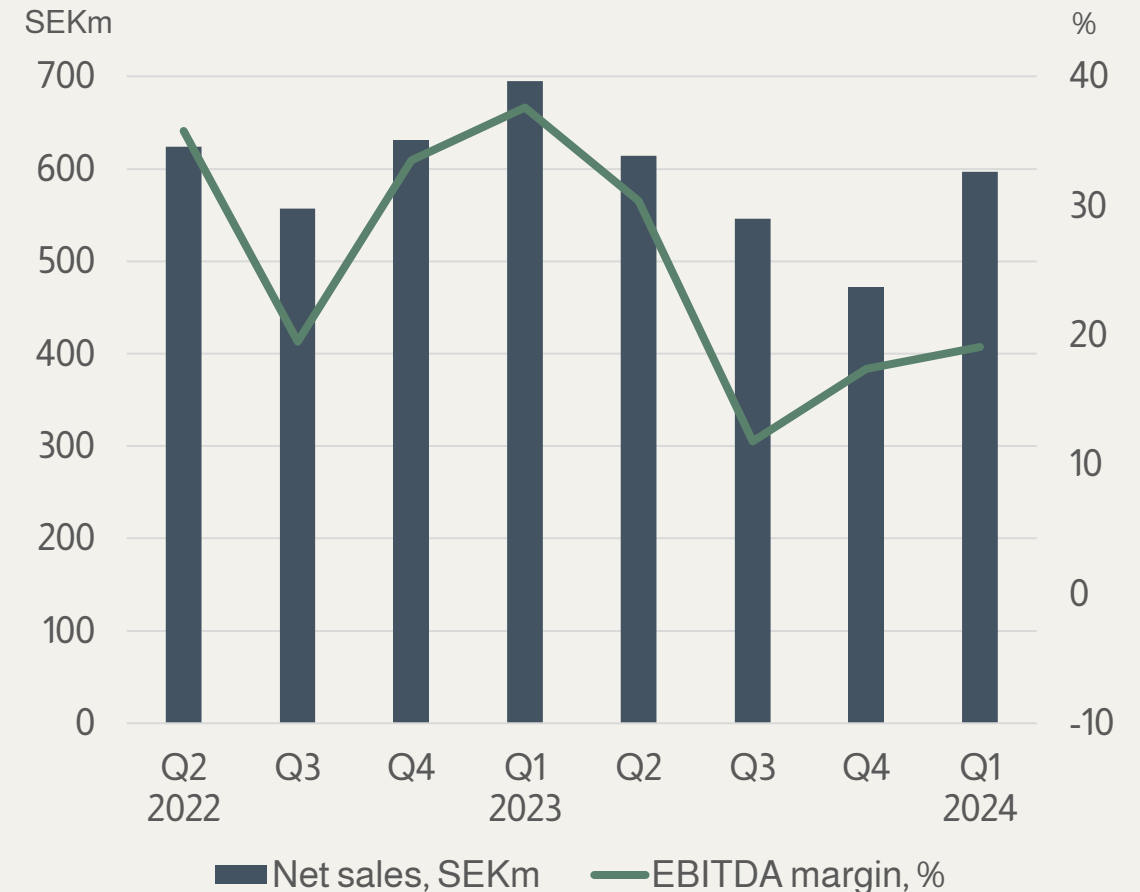


- At year end 2023, Nordic Paper had high levels of finished goods inventory as logistics situation was temporarily challenging due to turbulence in Middle East and therefore during the first quarter 2024 sales volumes were also supplied from inventory.

Kraft Paper under pressure from low product prices

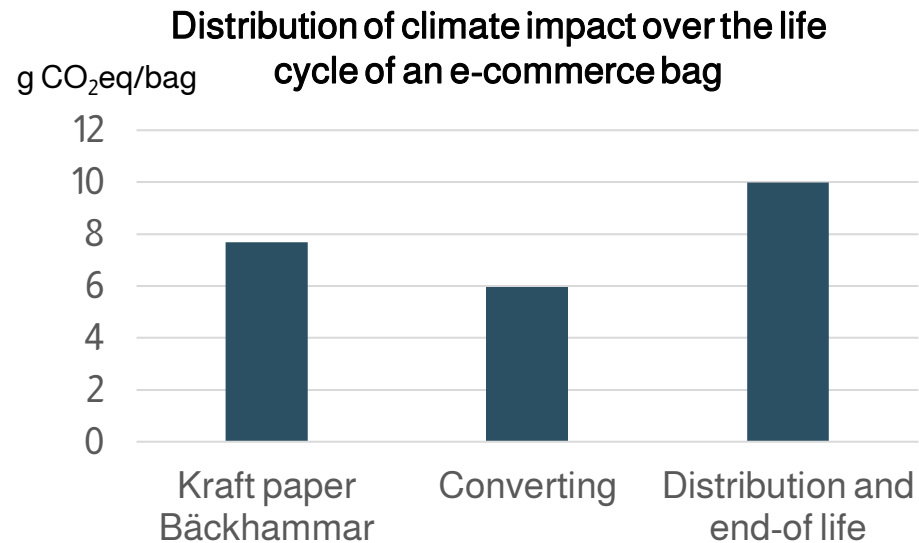
- ✓ Net sales SEK 597m, a decrease compared to Q1 2023 primarily driven by 19% lower product prices.
- ✓ Sales volumes increased by 7%.
- ✓ Pulpwood price increase was partly compensated by decrease in prices for other input goods.
- ✓ EBITDA margin at 19.1%.

Kraft Paper net sales and EBITDA



Life cycle analysis carried out for e-commerce bag

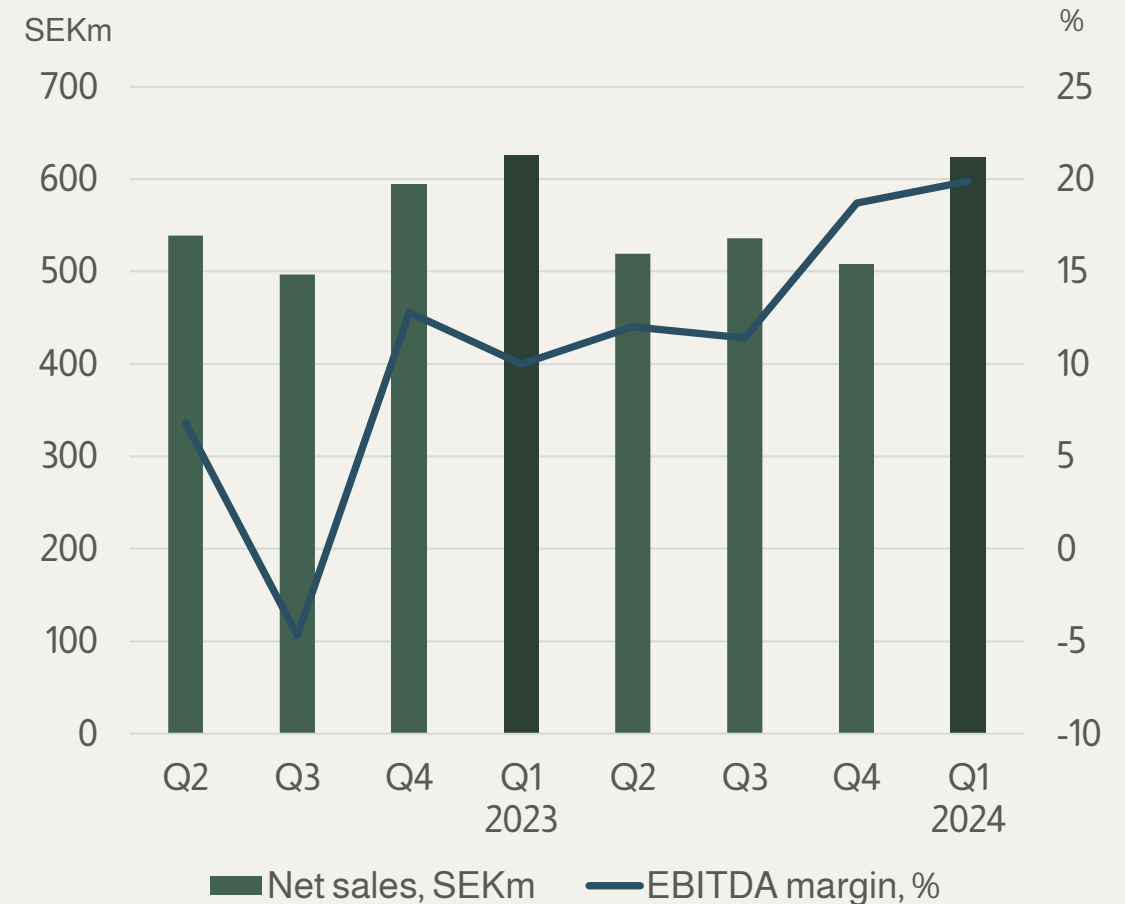
- The paper stands for about 30% of the total climate impact of the product.
- In a scenario analysis, the results were compared with available general data of a plastic bag. The paper bag had about 25% of the climate impact of the modelled plastic bag.



Natural Greaseproof beats EBITDA record

- ✓ Net sales amounted to SEK 624m as volume and product mix mitigated lower product prices.
- ✓ EBITDA increased to new record at SEK 124m primarily driven by lower input costs.
- ✓ EBITDA margin at 19.9%.

Natural Greaseproof net sales and EBITDA



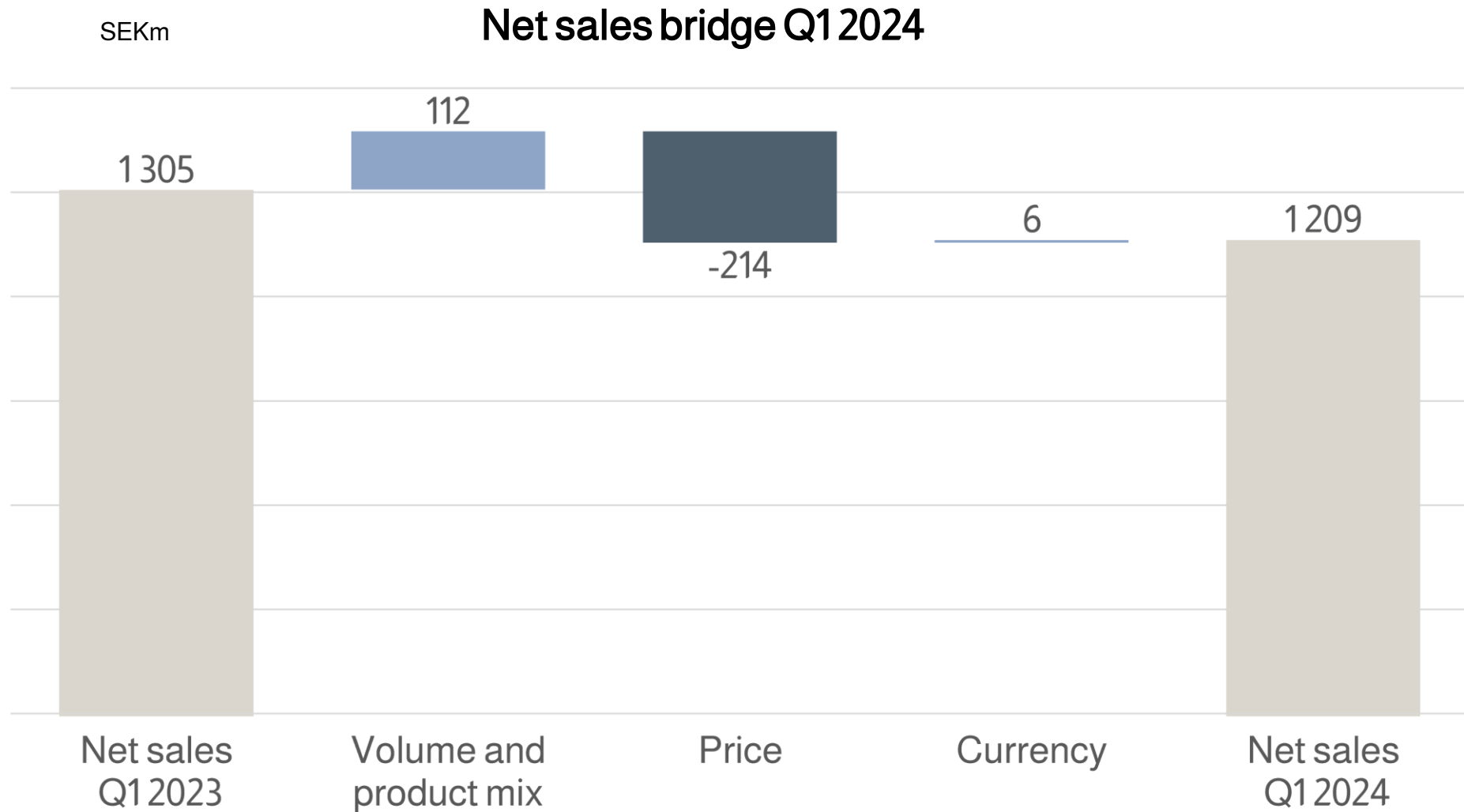
Cooperation with Tielman Group grows in North America

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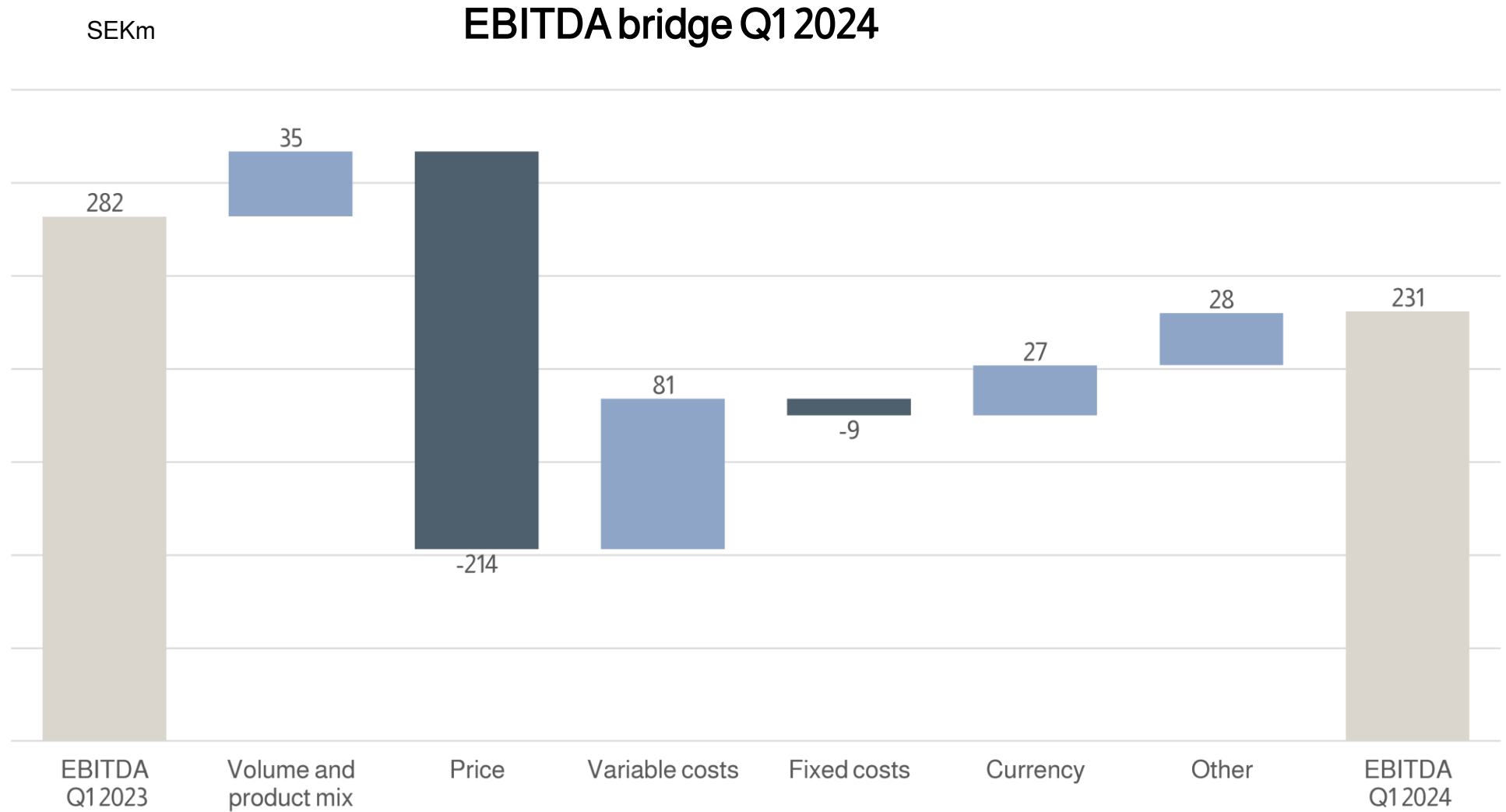
- Tielman Group, based in Sweden, has been producing baking cups since 1930's and has for a long time used Nordic Paper natural greaseproof papers.
- Since 2014, Tielman has grown in North America with custom designed muffin cups for Canadian café and fast-food chain Tim Horton.
- After acquisition of Nordic Paper Québec, Nordic Paper can meet demand in North America locally.



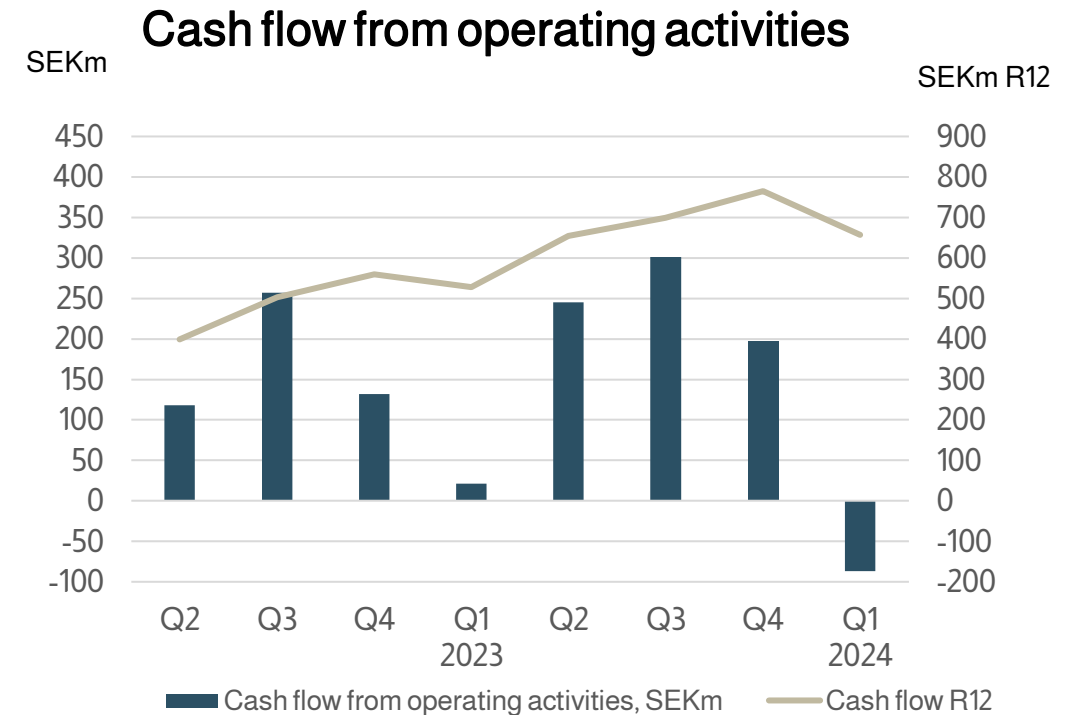
Higher volumes partly offset lower product prices



Negative impact from lower product prices larger than positive impact from lower costs



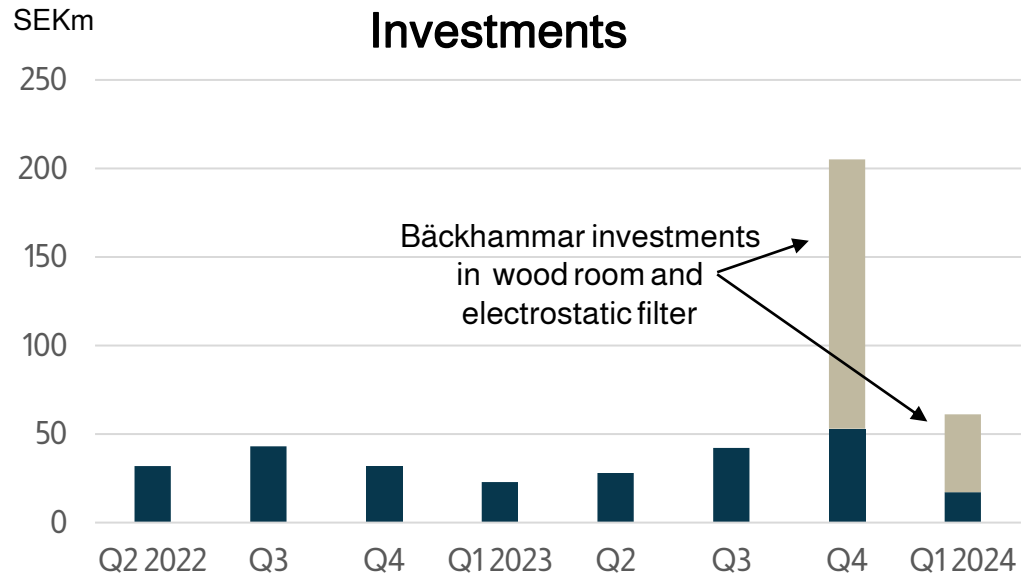
Strong sales increase working capital compared to Q4 2023



- Working capital amounted to SEK 557m (698m). The increase from Q4 is primarily explained by increase in accounts receivables after strong sales development.

- Cash flow from operating activities turned negative at SEK -87m (21m).

Bäckhammar investment proceeding according to plan

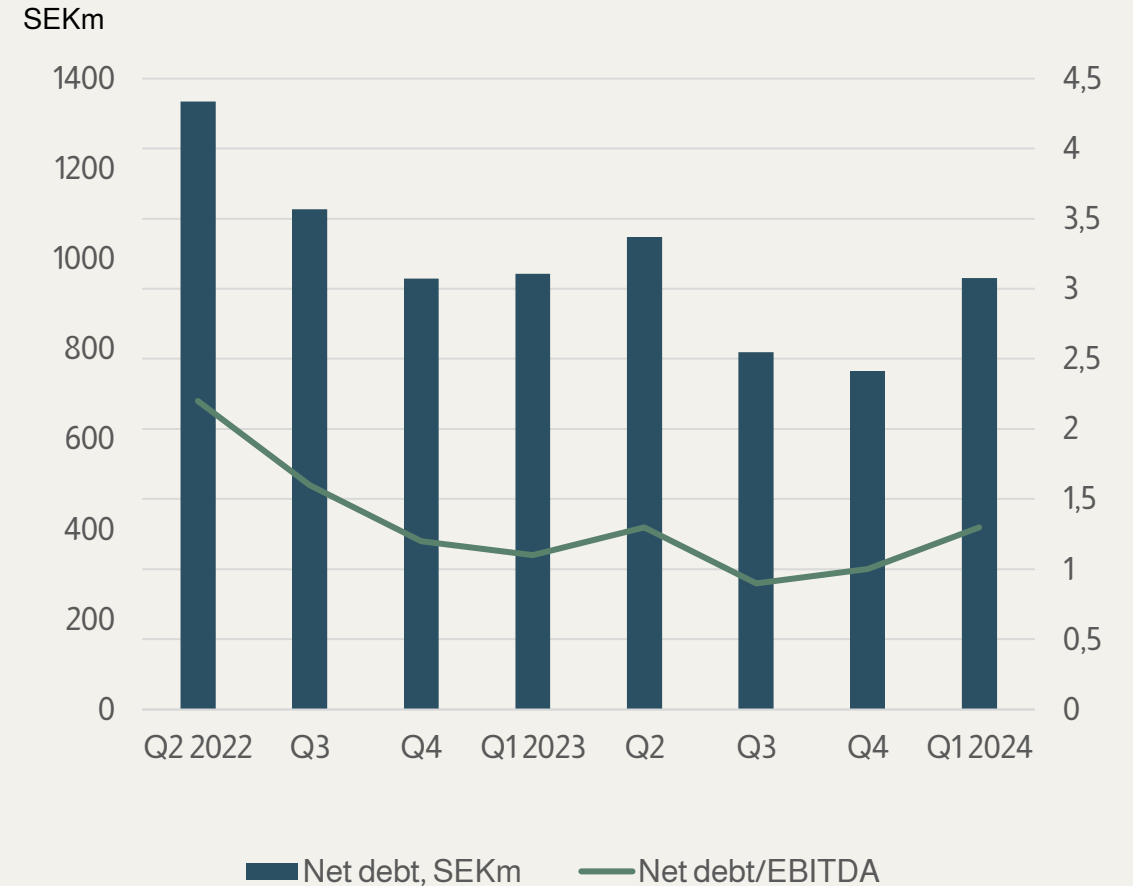


- The ongoing Bäckhammar investments are expected to add SEK 100m to EBITDA with full effect from 2026.



Strong financial position with stable net debt

- ✓ Net debt SEK 957m (966m).
- ✓ Net debt/EBITDA 1.3, target <2.5



Outlook

The company assesses that

- the positive market situation continues during Q2.
- average product prices in Q2 will be low-to mid-single digit percentage points higher than the average of the first quarter.
- pulp prices will increase and that there will be further price increases for pulp wood and chips.



Q&A

Summary

- Market demand improved in the quarter.
- Net sales second highest ever, SEK 1,209m (1,305m).
- Record high sales volumes.
- EBITDA at SEK 231m (282m), corresponding to a margin of 19.1% (21.6%).

The company assesses that

- the positive market situation continues during second quarter.

