

# The natural leader in specialty paper

Nordic Paper year-end report 2021

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## Key highlights Q4 2021

- ✓ Very strong sales volume
- ✓ Strong market situation continues and product prices increase, primarily in Kraft Paper
- ✓ High costs for pulp and energy continue to impact Natural Greaseproof negatively
- ✓ Acquisition of Glassine Canada opens up new chapter for Nordic Paper in North America



# Increase in net sales +21% vs Q4 2020

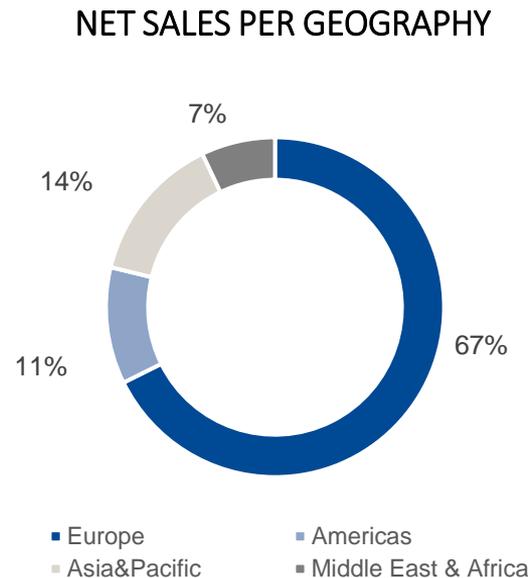
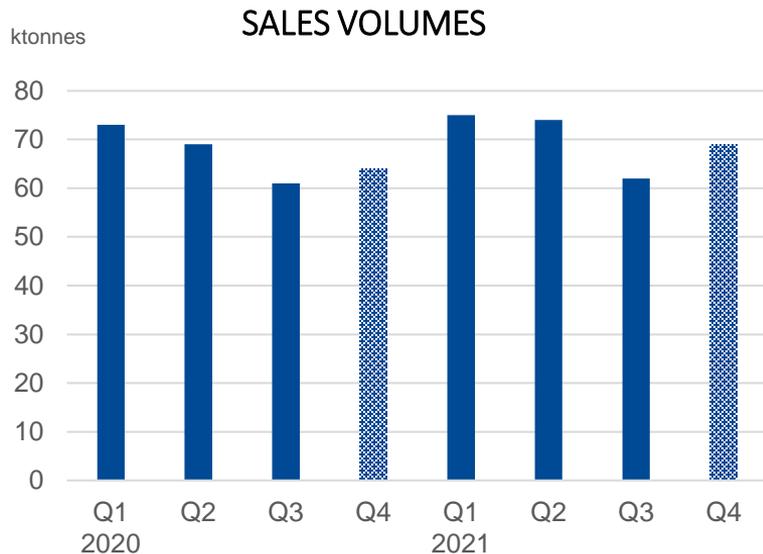
**Net sales**  
SEK 810m  
+21%

**EBITDA**  
SEK 124m  
-13%

**EBITDA margin**  
15.4%

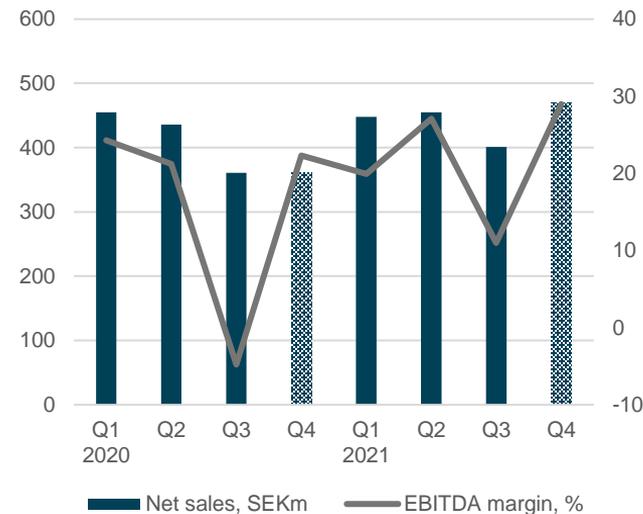


# Very strong sales volume, +8% from Q4 2020



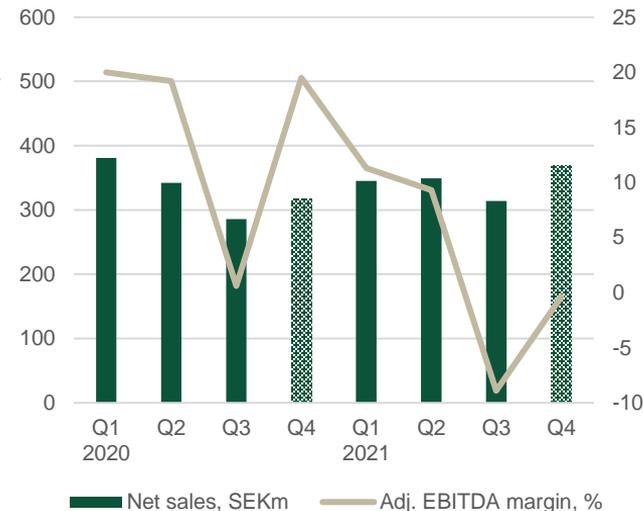
# Kraft Paper

- ✓ Continued strong demand
- ✓ Product prices increasing to historically high levels
- ✓ Energy prices are high but own electricity generation reduces impact



## Natural Greaseproof

- ✓ Continued strong demand
- ✓ Very high cost for pulp and energy
- ✓ Price increases implemented but not enough to compensate for increased cost.
- ✓ Last steps of Säffle restructuring implemented and SEK 32m write-down of closed pulp line carried out. Paper capacity at the plant increase by 10%.



## Acquisition of Glassine Canada

- ✓ Delivering on our strategy
- ✓ Capturing growth in the largest greaseproof paper market
- ✓ A profitable addition to the Nordic Paper family



# Key highlights full year 2021

- ✓ Strong market
- ✓ New annual record for sales volume, up 5% from last year
- ✓ Strong negative impact from increased prices for pulp and energy primarily impacting Natural Greaseproof
- ✓ Price increases implemented Q2-Q4, for Kraft Paper resulting in an EBITDA margin of 29.0% in Q4. For Natural Greaseproof price increases not enough to compensate for increased costs
- ✓ Wood cost lower compared to last year
- ✓ Postponing of investment decision for Bäckhammar expansion until earliest beginning 2023
- ✓ Delivering on our strategy with acquisition of Glassine Canada and restructuring of Säfte production

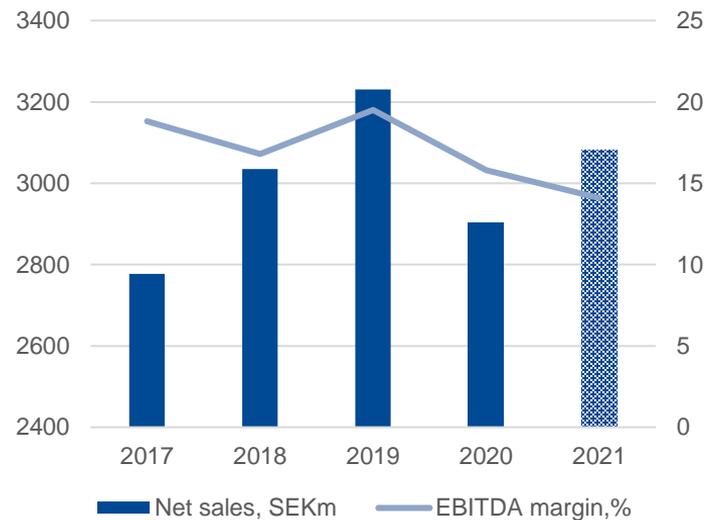


# Full year 2021: Net sales up 6% but EBITDA decreased

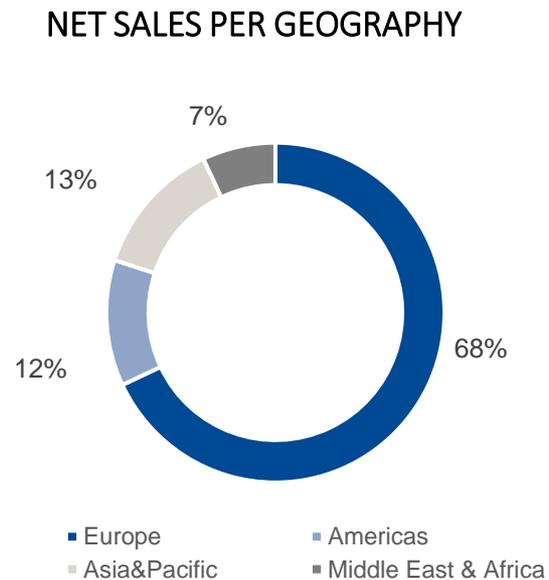
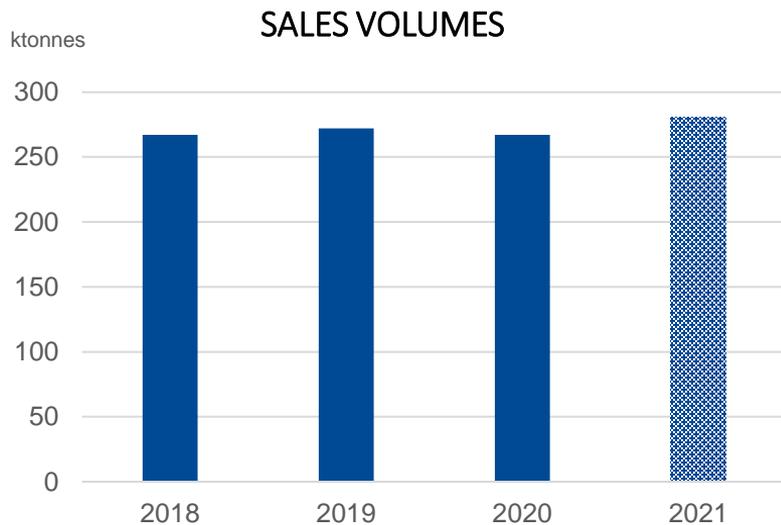
**Net sales**  
SEK  
3,083m  
+6%

**Adj.  
EBITDA**  
SEK 434m  
-5%

**Adj.  
EBITDA  
margin**  
14,1%

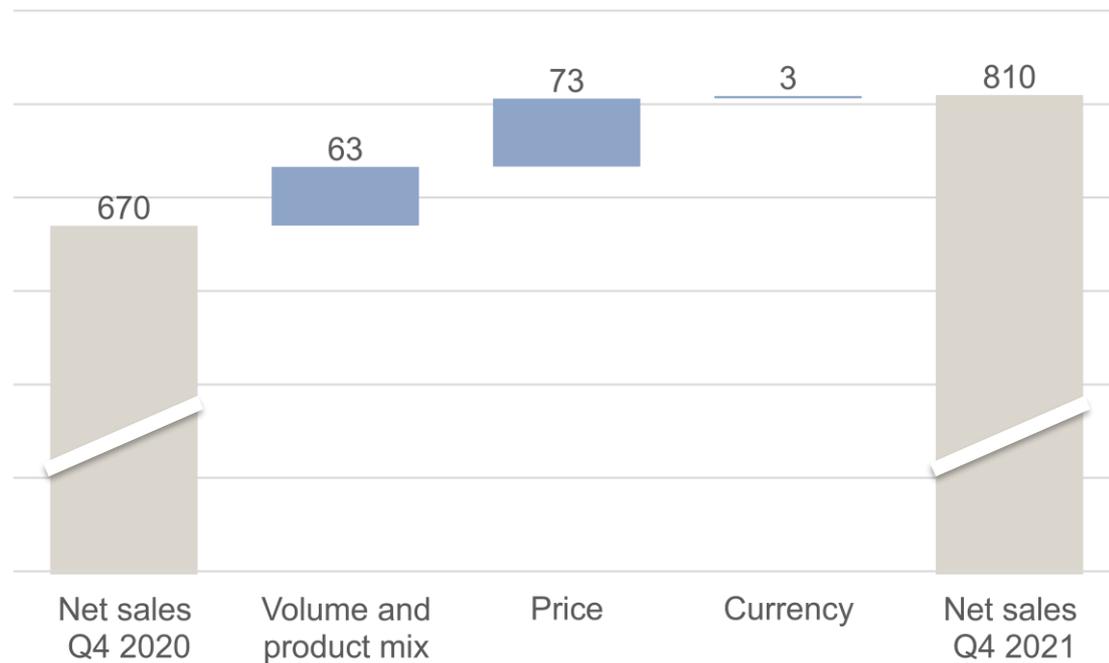


# Stable volumes and market split



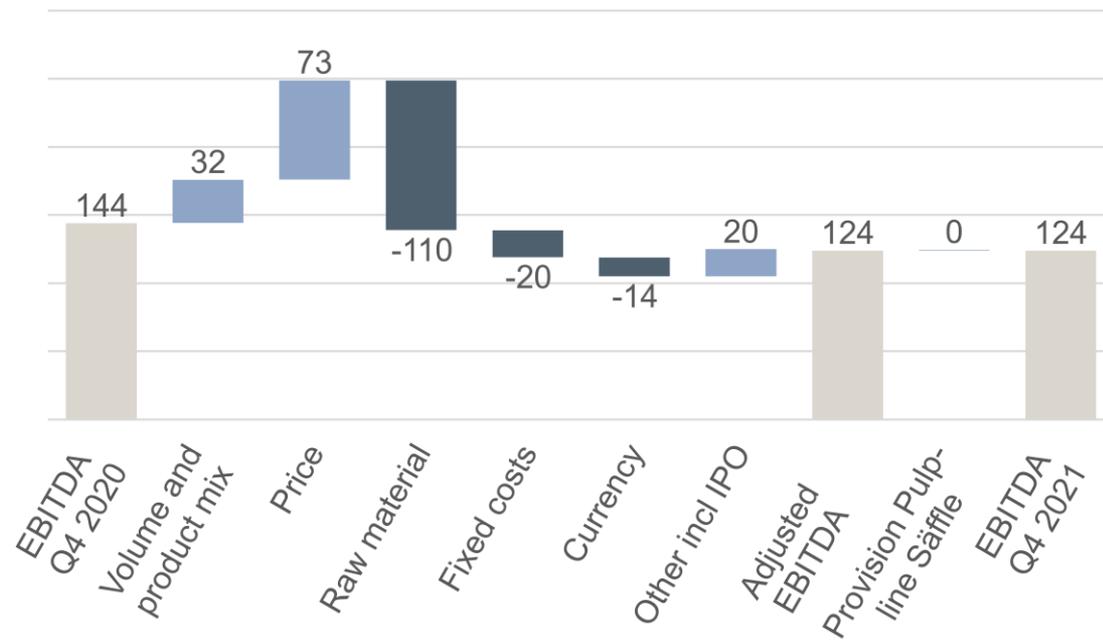
# Net sales bridge Q4 2021

SEKm



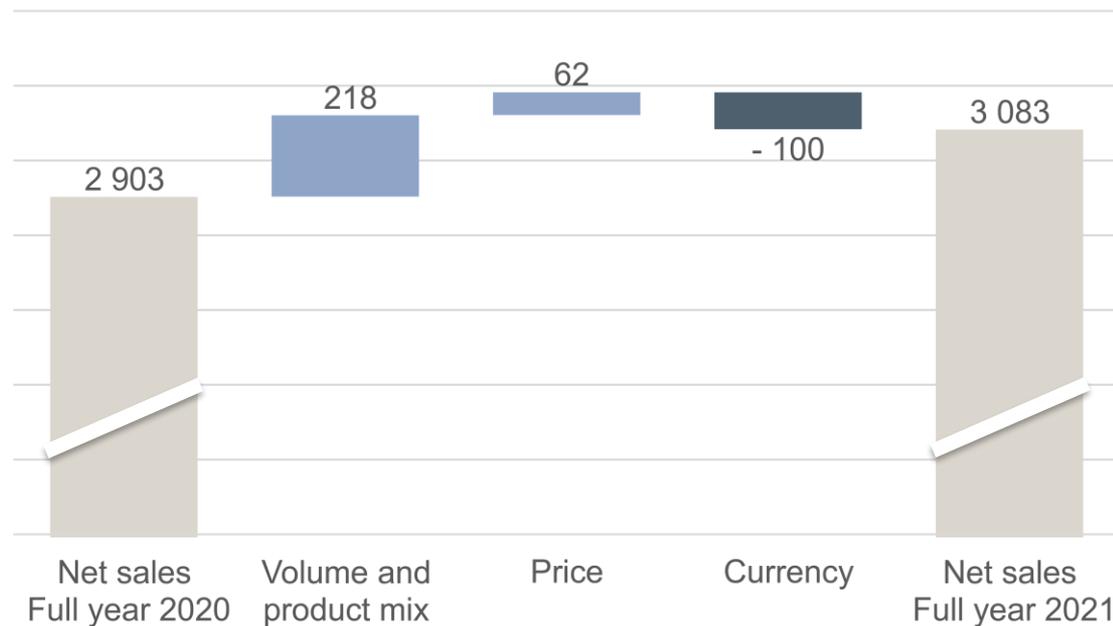
# EBITDA bridge Q4 2021

SEKm



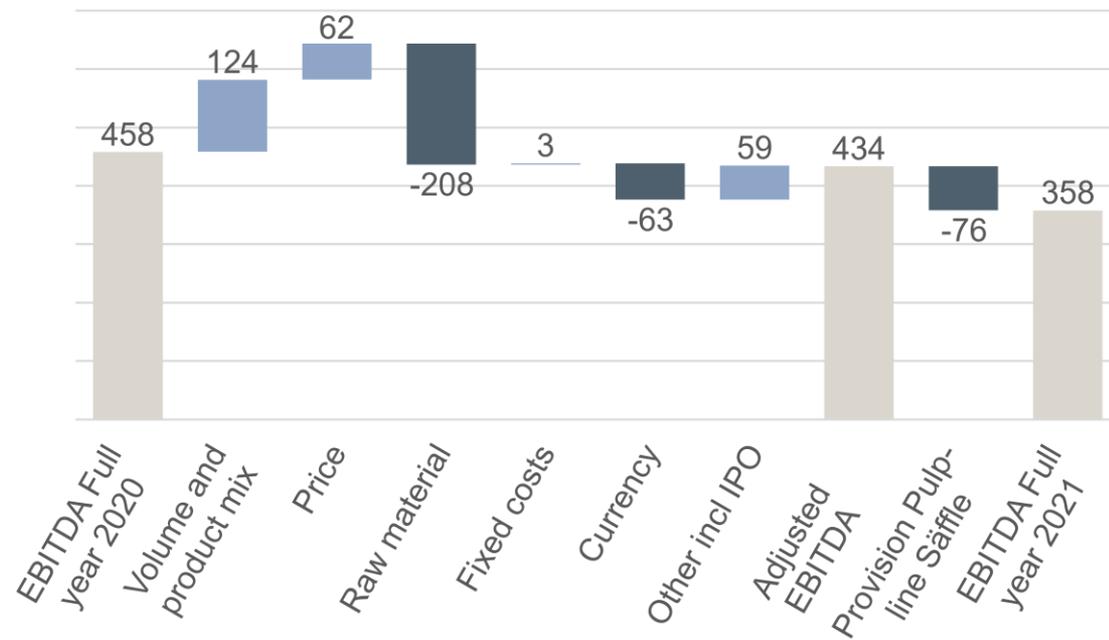
# Net sales bridge Full year 2021

SEKm



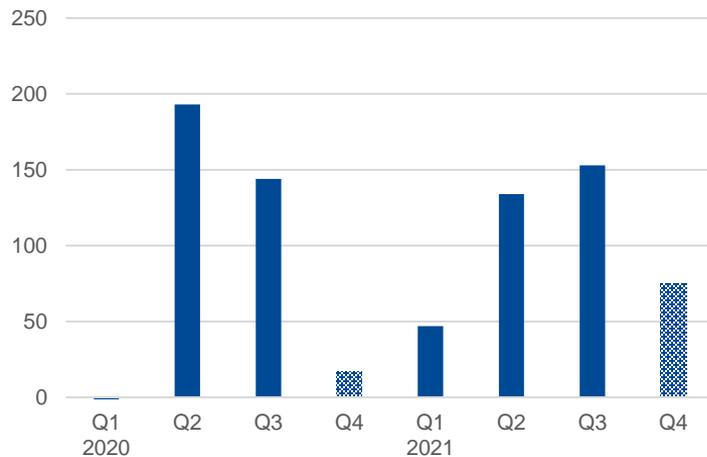
# EBITDA bridge Full year 2021

SEKm



# Cash flow and working capital

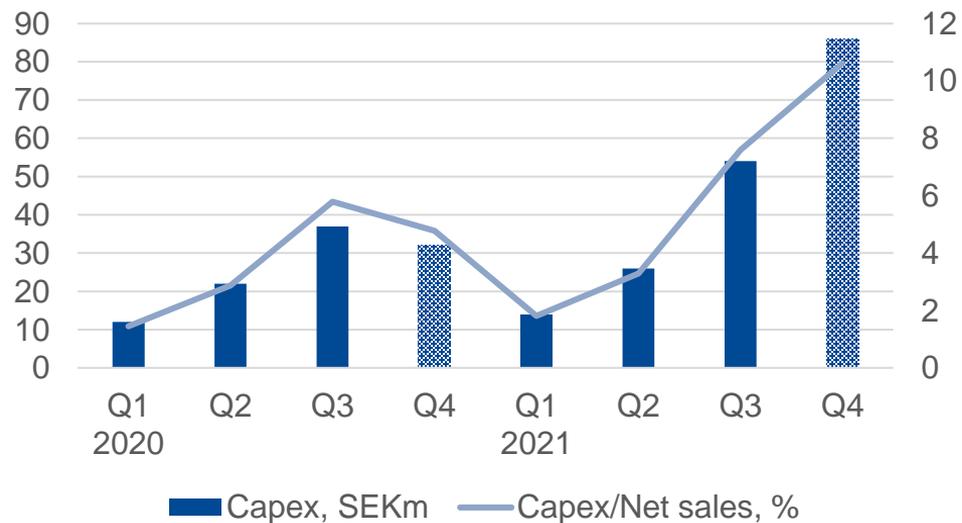
CASH FLOW



WORKING CAPITAL



# Capex



# Financial position

- ✓ Preliminary purchase price for Glassine Canada on cash and debt free basis was SEK 644m
- ✓ Acquisition of Glassine Canada financed by using SEK 400m in an existing credit facility and by using cash
  
- ✓ Net debt SEK 1,317m
- ✓ Cash SEK 360m
- ✓ Net debt/EBITDA 3.7, target <2.5
- ✓ Available unutilised credit facilities SEK 400m

## We deliver on our strategy!

- ✓ **Increasing competitiveness of Säffle plant**
  - Increasing paper capacity by 10%
  - Decreasing fixed costs
  - Cutting CO<sub>2</sub> emissions to less than half
- ✓ **Acquisition of Glassine Canada**
  - Capturing growth in the largest greaseproof paper market
  - A profitable addition to the Nordic Paper family



# Outlook

## Q1 2022

- ✓ A continued strong market
- ✓ We continue to increase product prices
- ✓ Further cost increases, primarily from transportation
- ✓ Wood prices expected to be stable

# Q&A