

Robust results at the trough of the market

Nordic Paper year-end report 2023

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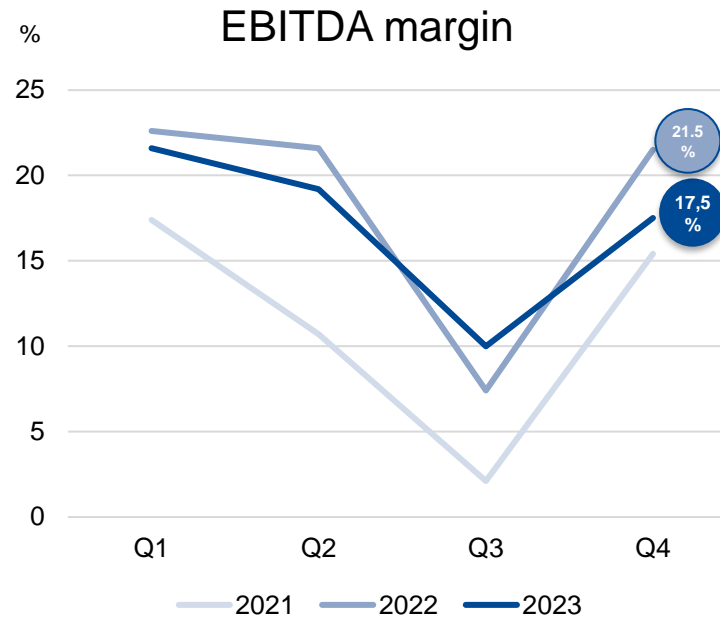
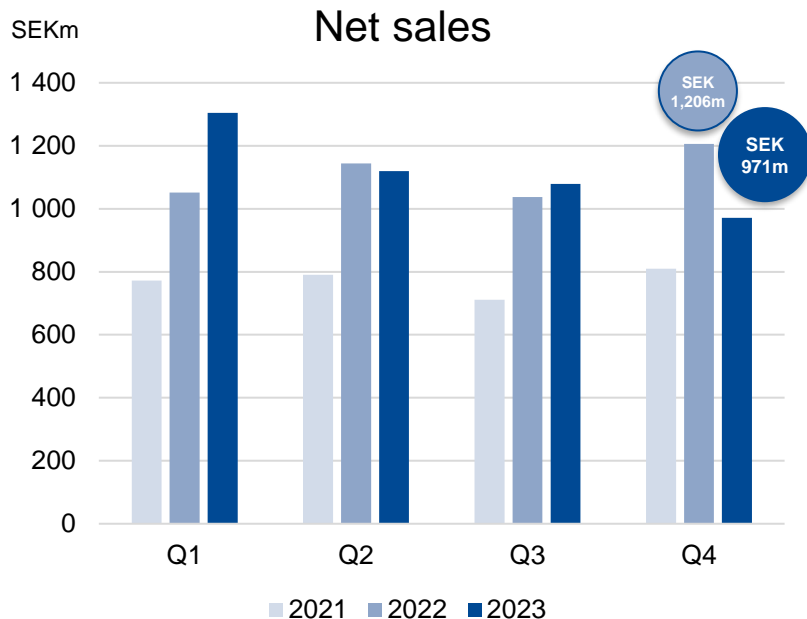


Robust results at the trough of the market

- ✓ Markets remained soft.
- ✓ Net sales decreased to SEK 971m (1,206m) primarily driven by lower product prices and sales volumes.
- ✓ EBITDA amounted to SEK 170m (260m) corresponding to a margin of 17.5% (21.5).
 - ✓ Natural Greaseproof increased to all time high EBITDA of SEK 95m (76m)
- ✓ Net debt/EBITDA at 1.0 (1.2).
- ✓ The Board of Directors proposes a dividend of SEK 4.00 (4.65) per share.



Decrease in net sales, EBITDA margin at 17.5%

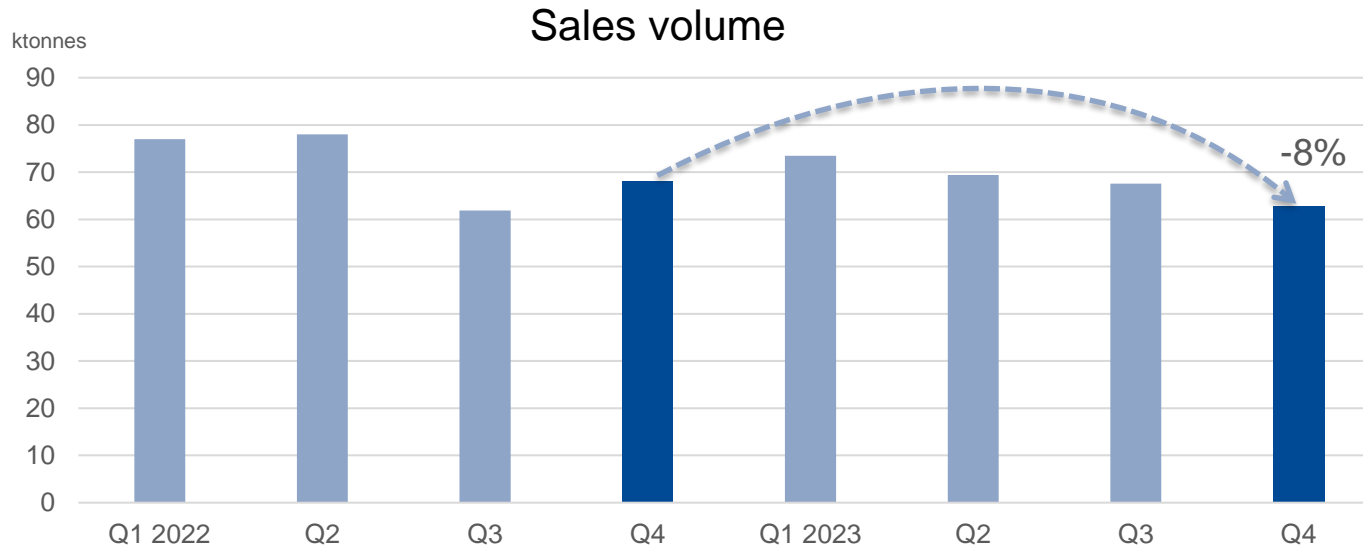


✓ Net sales SEK 971m

✓ EBITDA SEK 170m

✓ EBITDA margin 17.5%

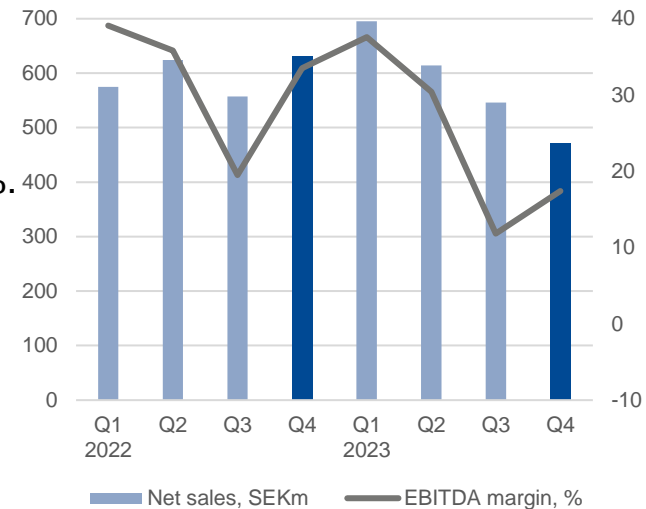
Sales volumes reduced mainly by curtailments



- In addition to production curtailments, sales volumes in the quarter were impacted by some production disturbances as well as a build-up of stock following the logistic challenges in the geopolitical crisis in the Middle East.

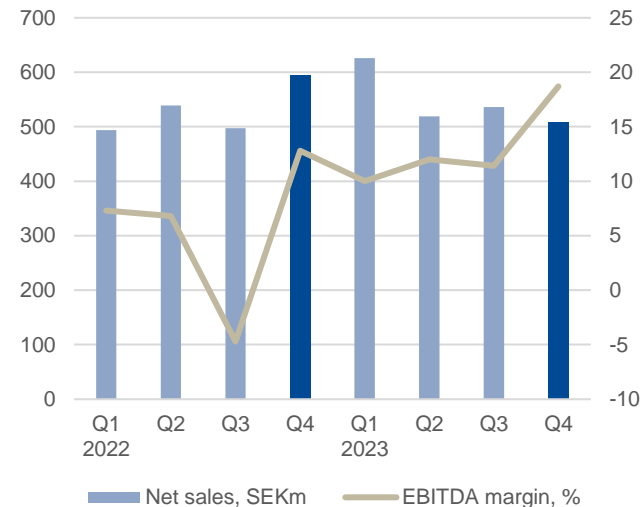
Continued soft markets for Kraft Paper

- ✓ Net sales SEK 472m, a decrease by 25% compared to Q4 2022.
- ✓ Product prices decreased by 14% and sales volumes in tonnes by 9%.
- ✓ Input costs in total stable, as pulpwood price increase was compensated by reduction in other input costs.
- ✓ EBITDA margin at 17.4%.



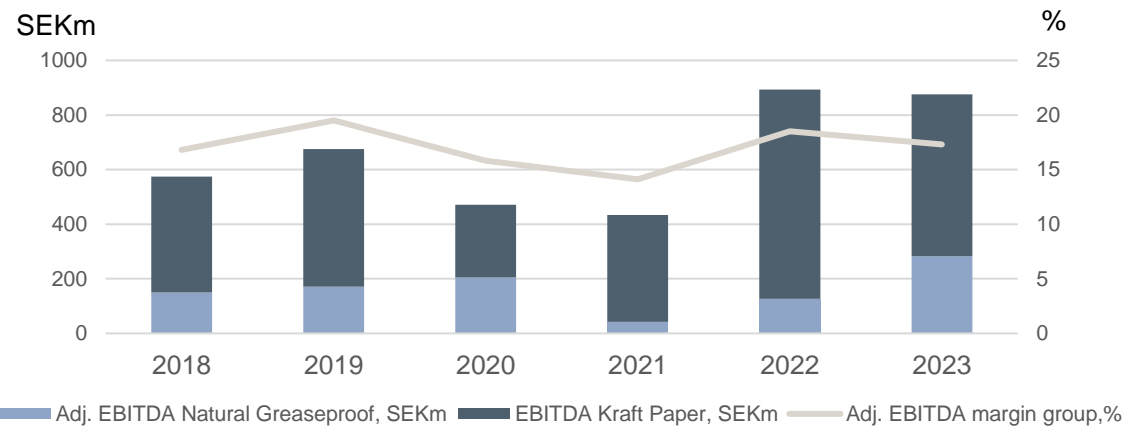
All time high EBITDA for Natural Greaseproof

- ✓ Market remained soft as destocking continued. Production curtailment continued.
- ✓ Net sales decreased by 15% to SEK 508m.
- ✓ EBITDA increased to SEK 95m, primarily driven by lower input costs.
- ✓ EBITDA margin 18.7%.



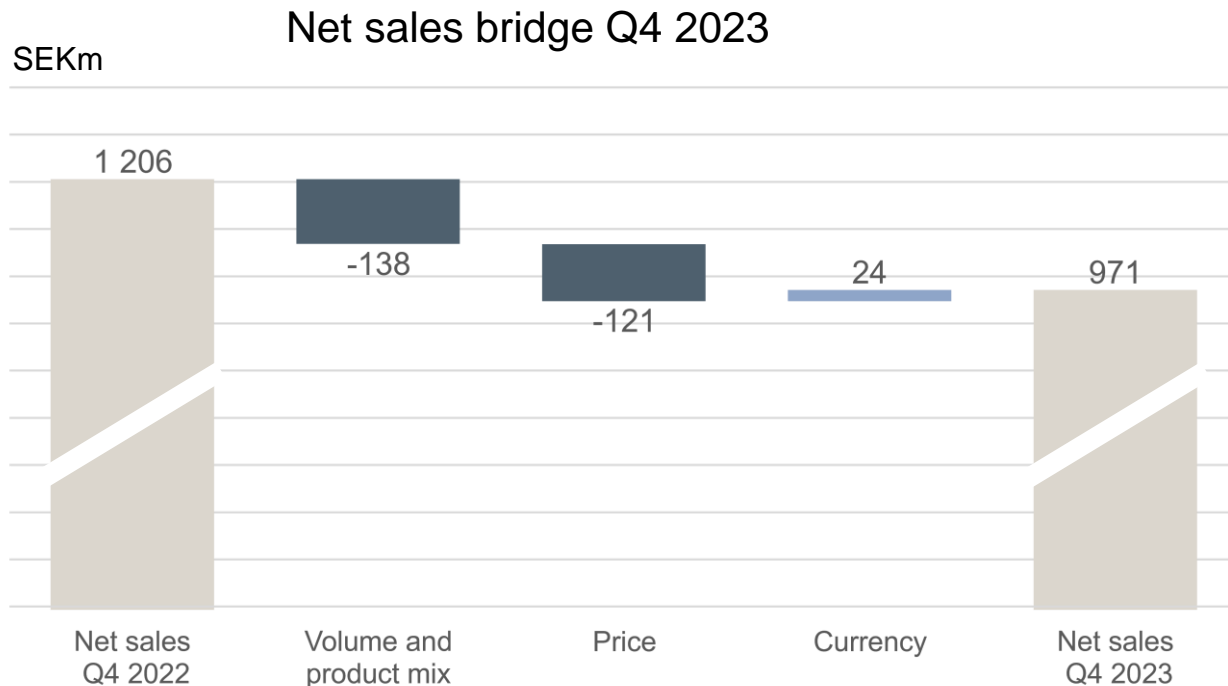
Key highlights full year 2023

- ✓ Market softened in Q2 and remained soft until year-end.
- ✓ Net sales increased by 1% to a new annual record of SEK 4,472m (4,440m) supported by tailwind from currency.
- ✓ Full year EBITDA SEK 775m (821m), EBITDA-margin 17.3% (18.5).



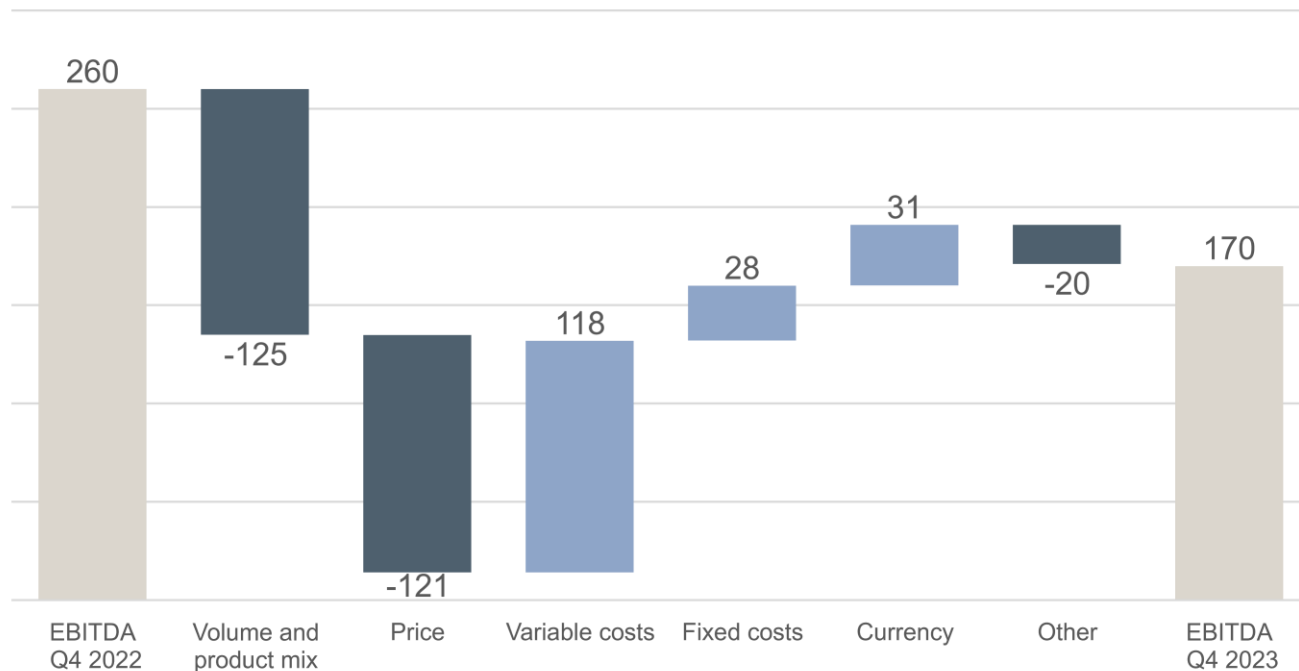
- ✓ Decision to invest approximately SEK 850m in Bäckhammar.

Lower volume and price impact net sales



Lower variable costs offset product price decrease

SEKm EBITDA bridge Q4 2023



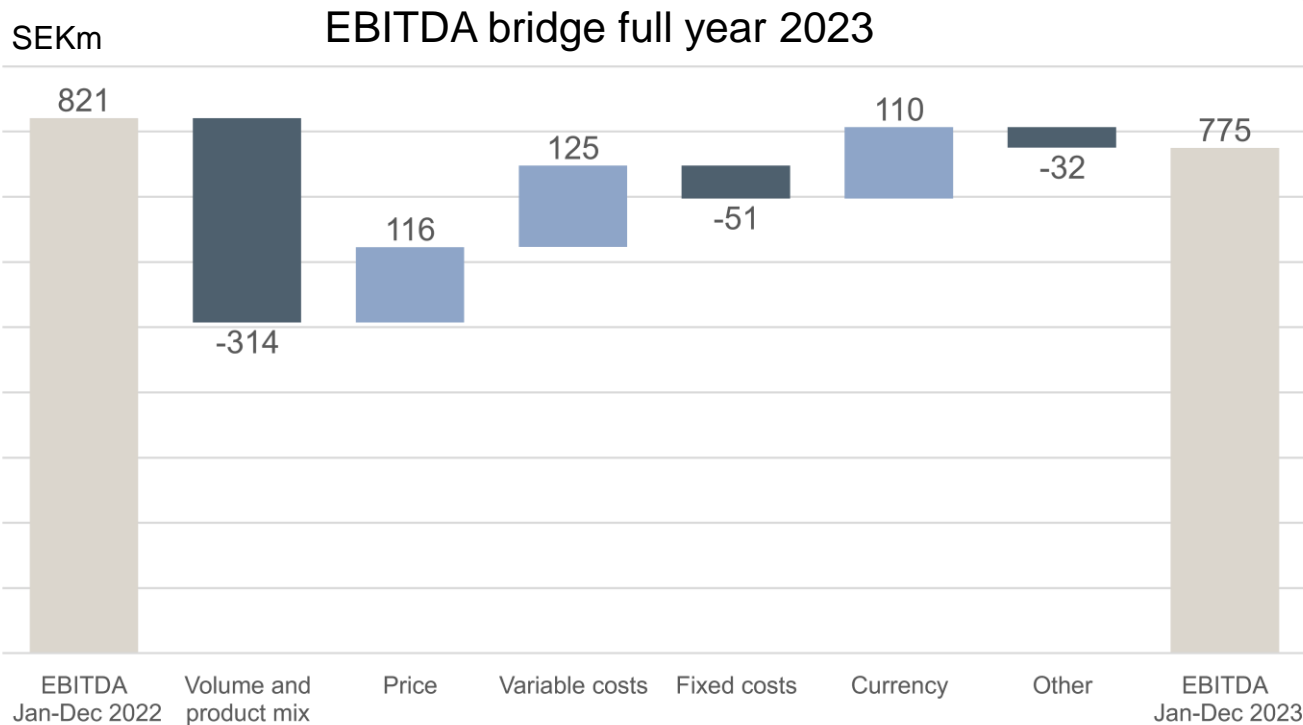
New annual record for net sales



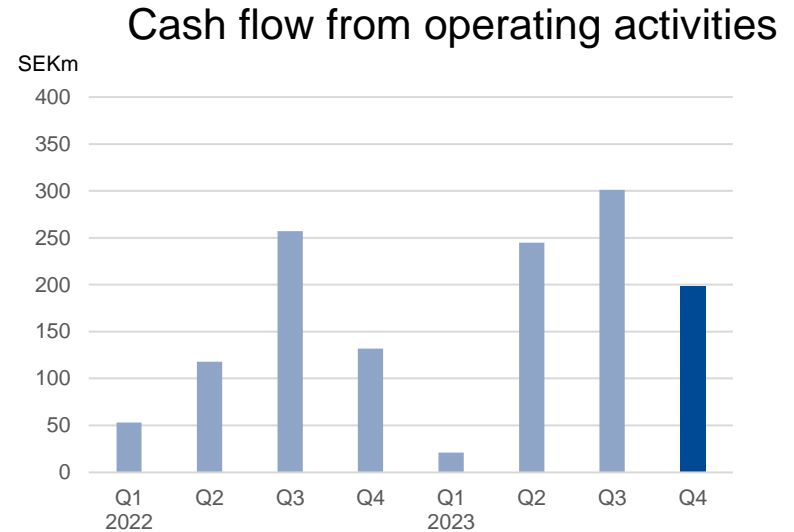
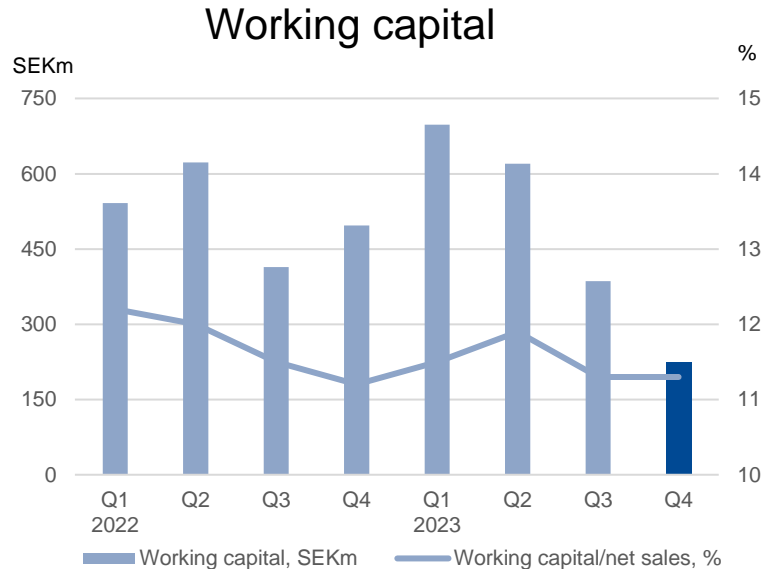
Net sales bridge full year 2023



Second highest annual EBITDA despite low volumes

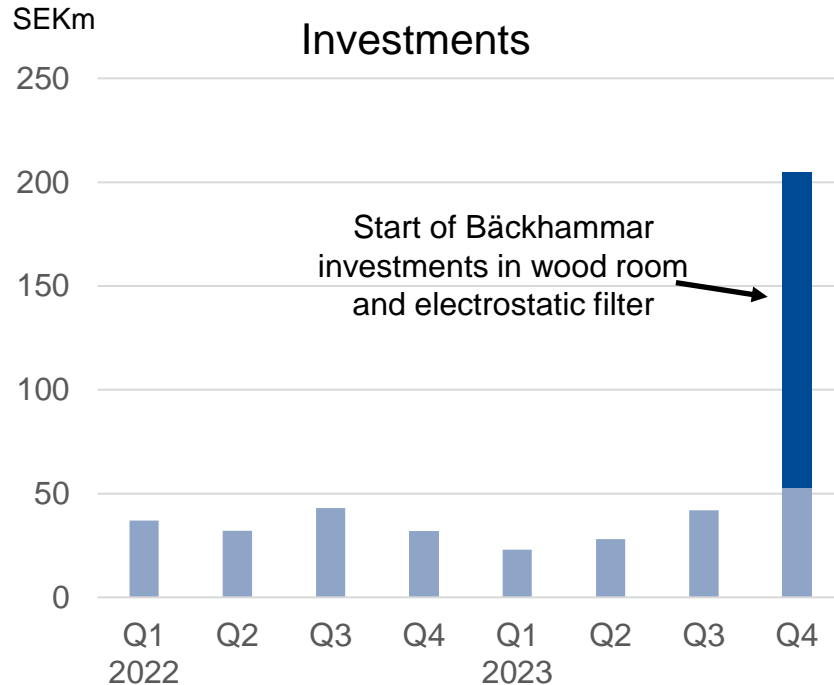


Continued control of working capital



- Working capital decreased to SEK 225m (497m).
- Cash flow from operating activities at SEK 198m (132m).

Investments in wood room and electrostatic filter in Bäckhammar started

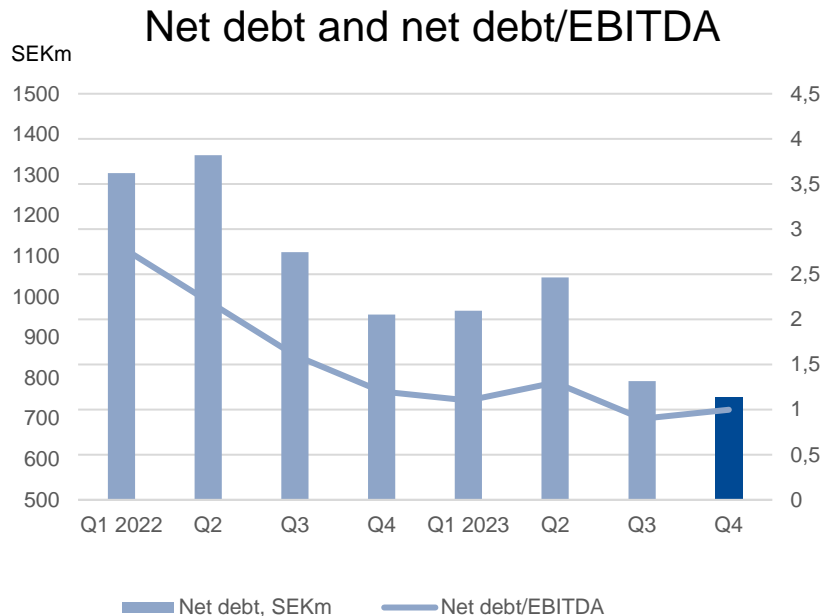


- Investments in the quarter SEK 205m, out of which largest part relates to investments in a new wood room and a new electrostatic filter in Bäckhammar.

- Main supply contracts are signed and ground preparation has started.



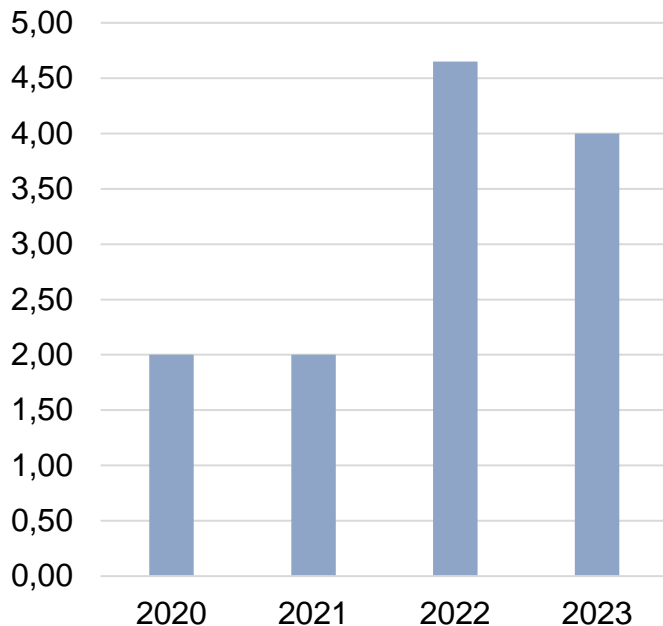
Strong financial position



- ✓ Net debt SEK 751m (956m).
- ✓ Net debt/EBITDA 1.0, target <2.5

Dividend proposal SEK 4.00 per share in line with policy

SEK/share



- ✓ The Board proposes a dividend of 4.00 (4.65) SEK/share for the year 2023.
- ✓ Proposed dividend corresponds to 64% (55%) of net result for 2023 which is in line with the dividend policy to be between 50 and 70% of net result.

Exploring new technology for further substitution of plastics

- Dry forming is a new technology for forming cellulose structures without the use of water.
- The 3D products produced through dry forming can compete with plastics in applications not reached by conventional paper based products.
- To develop Nordic Paper knowledge in this area, the company has engaged as minority owner in the development company Ekoligens.



Outlook

The company assesses that;

- ✓ market conditions are improving and that product price increases will be possible during the first half of the year.
- ✓ pulp prices will increase and that there will be some further price increases for pulp wood and chips.
- ✓ Forecasted capex 2024 in total approximately SEK 500m.



Q&A

Summary

- ✓ Markets remained soft.
- ✓ EBITDA amounted to SEK 170m (260m) corresponding to a margin of 17.5% (21.5).
 - ✓ Natural Greaseproof increased to all time high EBITDA of SEK 95m (76m)
- ✓ Market conditions are improving, and product price increases will be possible during the first half of the year.
- ✓ The Board of Directors proposes a dividend of SEK 4.00 (4.65) per share.

