

Interim report January – March 2024

QUARTERLY RESULTS JANUARY - MARCH

- Net sales amounted to SEK 1,209 m (1,305 m), a decrease of 7% compared with the same quarter the previous year. Excluding currency effects, net sales decreased by 8%.
- EBITDA amounted to SEK 231 m (282 m), corresponding to an EBITDA margin of 19.1% (21.6%).
- Operating profit amounted to SEK 194 m (244 m), corresponding to an operating margin of 16.0% (18.7%).
- Profit for the period amounted to SEK 149 m (173 m) and earnings per share amounted to SEK 2.23 (2.59).
- Cash flow from operating activities was SEK -87 m (21 m).
- Return on operating capital, 12 months, was 27.4% (33.9%).
- The net debt/EBITDA ratio, 12 months, was 1.3 (1.1).
- The sales volume amounted to 79.6 (73.5) ktonnes.
- On 12 March 2024, Nordic Paper published the decision to explore the possibilities for a potential sale of the company in response to the largest owner Shanying's announced intention to divest its 48.16% stake.

KEY FIGURES

SEK m	2024 Q1	2023 Q1	Δ, %	R12	2023 Full year
Net sales	1,209	1,305	-7	4,376	4,472
EBITDA	231	282	-18	723	775
EBITDA margin, %	19.1	21.6		16.5	17.3
Operating profit	194	244	-21	573	623
Operating margin, %	16.0	18.7		13.1	13.9
Net profit for the period ¹	149	173	-14	392	416
Earnings per share, SEK ¹	2.23	2.59		5.86	6.22
Cash flow from operating activities	-87	21		657	765
Return on operating capital, 12 m, %	27.4	33.9		27.4	30.0
Net debt/EBITDA, 12 m, ratio	1.3	1.1		1.3	1.0
Sales volume, ktonnes	79.6	73.5	8	279.5	273.3

¹ Before and after dilution

CEO'S COMMENTS



CONTINUED STRONG RESULT AND IMPROVING MARKET IN THE QUARTER

The first quarter's net sales of SEK 1,209 m are the second highest that Nordic Paper has ever achieved in an individual quarter and are largely a result of very strong sales volumes. The figure for net sales was achieved despite that the selling prices of the company were 16% lower compared to the same quarter last year as price increases will have impact first during the second quarter. Nordic Paper's EBITDA for the first quarter amounted to SEK 231 m, corresponding to a margin of 19.1%.

The strong sales volumes are due to gradually increasing demand for Nordic Paper's products during the quarter. The customers that last year held off from placing orders are now showing greater interest as their inventories have fallen to lower levels. Demand for the company's products was also somewhat

positively affected during the quarter as Finnish competitors were affected by a transport strike. Some sales from inventories that were high around the turn of the year also contributed to the strong sales volumes in the quarter.

The increase in sales volume led to a corresponding increase in accounts receivable compared to 31 December 2023. This was the primary explanation to that the cash flow from operating activities was negative at SEK 87 m.

The company's financial position remains strong, with a net debt/EBITDA ratio of 1.3.

VERY STRONG RESULTS FOR NATURAL GREASEPROOF

Once again the Natural Greaseproof segment is delivering a new EBITDA record for a single quarter of SEK 124 m, representing a margin of 19.9%. These great results were generated by continued efforts in the segment to optimise product and customer portfolios, despite the fact that prices for market pulp – one of the segment's major cost items – continued to increase.

SELLING PRICE LEVELS PUT PRESSURE ON PROFITABILITY FOR KRAFT PAPER

In the weak market situation of last year, selling prices fell somewhat more within Kraft Paper than within Natural Greaseproof, which meant that in this quarter Kraft Paper had an EBITDA margin of 19.1%, almost half that in the same quarter last year. While the selling prices have decreased, prices for wood raw material have continued to increase from already high levels. The increase in wood costs was to some extent mitigated by cost decreases for other inputs, particularly chemicals and freight.

We have said it before and we say it again: our structure of two segments with different business dynamics brings a stabilising effect to the company's earnings.

SELLING PRICE INCREASES IN PROGRESS

In view of the strengthened market situation within both segments in the first quarter of 2024, as well as increasing costs for paper pulp and wood raw material, the company is currently implementing selling price increases that will take effect gradually from the start of the second quarter.

LIFE-CYCLE ANALYSIS INCREASES KNOWLEDGE OF THE CLIMATE IMPACT FROM KRAFT PAPER E-COMMERCE BAGS

Knowledge of the products' climate impact enables the entire value chain to be improved. To increase this knowledge Nordic Paper commissioned a life-cycle analysis of the climate impact of an e-commerce bag made from kraft paper from Bäckhammar throughout its life cycle. The analysis shows that the paper accounts for just over 30% of the product's total impact. Scenario analysis was also carried out, with the paper bag being compared with available general data for an equivalent bag made of fossil-based plastic. The comparison shows that impact of the plastic bag is four times higher than that of the kraft paper bag during its life cycle.

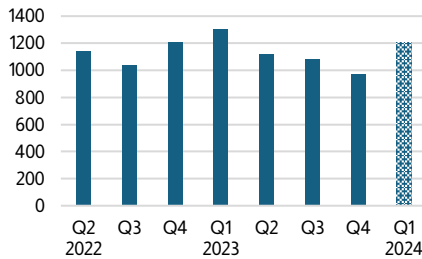
We are continuing our efforts, with sustainability as a driver, to create value for our stakeholders, shareholders and customers. One important component of this work are the investments currently ongoing in Bäckhammar that we estimate will bring an additional annual effect of SEK 100 m to our EBITDA with full effect from 2026. The work with the investments is proceeding according to plan and our employees as well as our suppliers contribute with good and engaging efforts.

Anita Sjölander, CEO

GROUP PERFORMANCE

JANUARY – MARCH

NET SALES, SEKm



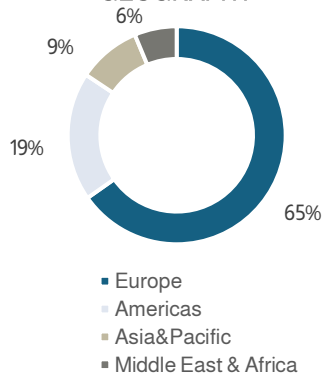
MARKET AND SALES

The first quarter of the year saw a recovery in the market for Nordic Paper’s products within both Kraft Paper and Natural Greaseproof. Combined with products remaining in inventory as of 31 December 2023 due to the conflict in the Middle East, this resulted in a new record for sales volumes being achieved for the Group. The quarter’s sales volumes in tonnes were 8% higher than in the first quarter of 2023.

Net sales for the first quarter amounted to SEK 1,209 m (1,305 m), a 7% decrease on the same period in 2023, principally because of lower selling prices that were not offset by the higher sales volumes.

The breakdown of net sales by geography was more or less stable compared with the first quarter of 2023.

NET SALES PER GEOGRAPHY



CHANGE IN NET SALES

Q1 2023, SEK m		1,305
Sales volume	9%	
Product mix	0%	
Selling price	-16%	
Currency	0%	
Q1 2024, SEK m		1,209

RESULTS

EBITDA amounted to SEK 231 m (282 m) for the first quarter, a decrease of 18% compared with the same period last year.

Lower selling prices had a negative impact on EBITDA compared with the same period in 2023. Input prices have moved in varying directions, with a positive impact on EBITDA overall. Pulpwood prices have increased significantly compared with the first quarter of 2023, while prices for paper pulp are at a lower level. Prices for chemicals, energy and freight have also decreased compared with the same period last year. Currency effects had a positive impact on EBITDA of SEK 27 m compared with the same quarter last year.

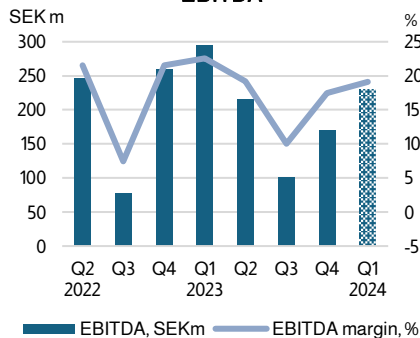
The EBITDA margin was 19.1% (21.6%).

Operating profit amounted to SEK 194 m (244 m), corresponding to an operating margin of 16.0% (18.7%). Net financial items for the first quarter amounted to SEK 1 m (-24 m), consisting of net interest of SEK -13 m (-15 m) as well as exchange rate differences on cash and cash equivalents.

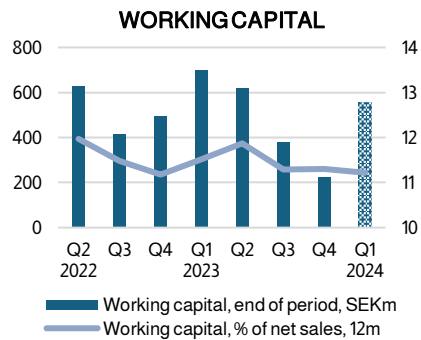
Tax expense for the first quarter was SEK 46 m (47 m).

Net profit for the period was SEK 149 m (173 m).

EBITDA

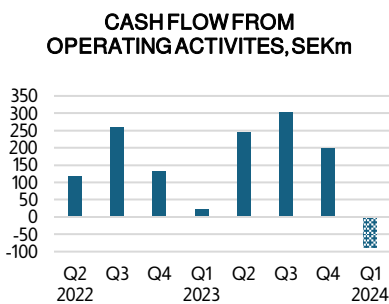


CASH FLOW AND FINANCIAL POSITION



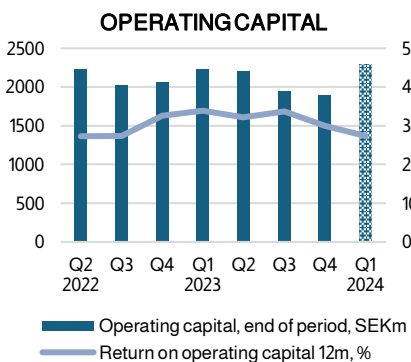
WORKING CAPITAL AND CASH FLOW

Working capital as of 31 March 2024 was SEK 557 m (698 m), corresponding to 11.2% (11.5%) of net sales for the last 12-month period. Cash flow from operating activities decreased to SEK -87 m (21 m) for the first quarter of the year. The decrease is mainly explained by an increase in accounts receivable during the quarter as a result of the strong sales.



INVESTMENTS AND OPERATING CAPITAL

Investments in non-current assets during the quarter amounted to SEK 61 m (23 m), the majority of which related to the ongoing investments in Bäckhammar. Operating capital as of 31 March 2024 was SEK 2,288 m (2,232 m), of which SEK 956 m (758 m) consisted of property, plant and equipment. Intangible assets amounted to SEK 993 m (983 m) and consisted mainly of goodwill of SEK 748 m (737 m) and customer relationships of SEK 188 m (207 m). The return on operating capital for the past 12-month period was 27.4% (33.9%).



FINANCING

As of 31 March 2024 the Group's net debt had decreased to SEK 957 m (966 m). Interest-bearing liabilities amounted to SEK 1,264 m (1,274 m), of which SEK 23 m (29 m) was attributable to IFRS 16 lease liabilities. Cash and cash equivalents were SEK 307 m (308 m). The company also has access to undrawn credit facilities of SEK 800 m (800 m), including an overdraft facility of SEK 200 m (200 m). The equity/assets ratio was 34.8% (32.7%) and the net debt/EBITDA ratio, 12 months, was 1.3 (1.1).

CURRENCY HEDGING

The Group hedges future net flows in foreign currencies where the exposure is material. Typically, 50–75% of the net flows are hedged for the coming six-month period and 25–50% for the subsequent 7–12 months.

EBITDA for the first quarter includes an earnings effect from realised currency hedges of SEK 4 m (-25 m). For the coming 12-month period the hedges are as follows:

Currency	Average rate for currency hedges	FX rate, 31 Mar	Local currency total, m	Total, SEK m	Fair value, net, SEK m	Currency hedge as % of estimated net exposure, 1–6 months	Currency hedge as % of estimated net exposure, 7–12 months
EUR	11.43	11.53	81	928	-7	67%	34%
USD	10.55	10.66	10	105	-1	66%	34%
GBP	13.04	13.48	11	141	-4	68%	40%
				1,175	-12		

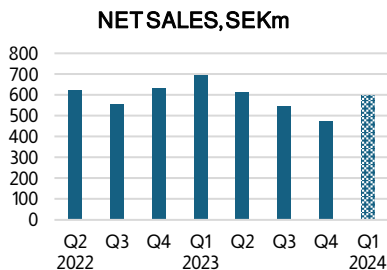
KRAFT PAPER SEGMENT

The Kraft Paper segment produces unbleached sack paper, MG paper and various kinds of high-quality speciality paper for industrial use. Examples of applications for MG and sack paper are bags and sacks for food and construction materials, and masking and protection paper for various applications. The speciality papers are used in the manufacture of products such as laminates, in stainless steel production and in electrical transformers. The paper mills in Bäckhammar and Åmotfors belong to this segment. The segment also sells a certain amount of pulp.

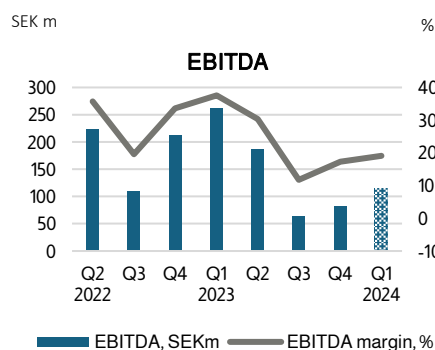
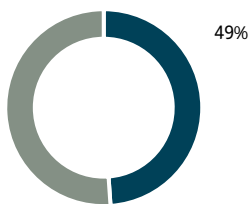
SEK m	2024 Q1	2023 Q1	Δ, %	R 12 m	2023 Full year
Net sales	597	695	-14	2,230	2,327
EBITDA	114	261	-56	447	594
EBITDA margin, %	19.1	37.6		20.0	25.5
Operating profit	99	246	-60	388	534
Operating margin, %	16.6	35.4		17.4	23.0
Sales volume ¹ , ktonnes	58.7	54.6	7	207.3	203.2

For reconciliation of the result for the segment to the group result, see Quarterly data per segment p 20.

¹Includes intra-group deliveries



SHARE OF GROUP'S NET SALES Q1 2024



JANUARY – MARCH

MARKET AND SALES

The market for kraft paper recovered from the weaker market situation at the end of 2023. Sales volumes increased compared with the strong first quarter of 2023, and together with deliveries remaining in inventory as of 31 December 2023 due to the conflict in the Middle East, a sales volume of 58.7 ktonnes was achieved, 7% higher than in the same period in 2023. Selling prices were more or less unchanged from the end of 2023 but are 19% lower than in the first quarter of 2023.

Net sales were down 14% compared with the same quarter last year, decreasing to SEK 597 (695) million. This was mainly driven by the lower selling prices, although the product mix also had a negative impact. Currency effects had a positive impact on net sales of 1%.

Compared with the same period in 2023 net sales in absolute figures decreased for the European market and for the Middle East & Africa market, while other markets were unchanged. The share of sales to the core market of Europe decreased marginally, while Asia & Pacific in particular increased its share of net sales.

CHANGE IN NET SALES

Q1 2023, SEK m	695
Sales volume	10%
Product mix	-6%
Selling price	-19%
Currency	1%
Q1 2024, SEK m	597

RESULTS

EBITDA decreased to SEK 114 m (261 m), mainly driven by the lower selling prices. Prices for chemicals and freight have decreased compared with the same period last year, while wood raw material has become more expensive.

The EBITDA margin decreased to 19.1% (37.6%). Operating profit decreased to SEK 99 m (246 m) and the operating margin was 16.6% (35.4%).

NATURAL GREASEPROOF SEGMENT

The Natural Greaseproof segment produces premium natural greaseproof paper for the food industry. Greaseproof paper is used in the preparation, production, packaging and storage of food, for instance in baking cups, baking papers, food containers for ready meals, and barrier papers for wrapping meat, butter and other fatty foods. The paper mills in Greåker, Säffle and Québec belong to this segment.

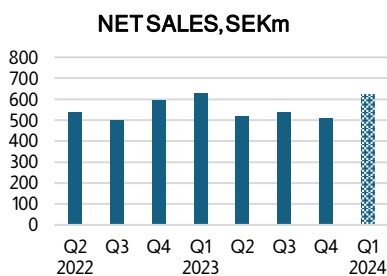
SEK m	2024 Q1	2023 Q1	Δ, %	R 12 m	2023 Full year
Net sales	624	626	0	2,187	2,189
EBITDA	124	63	98	343	282
EBITDA margin, %	19.9	10.0		15.7	12.9
Operating profit	104	43	140	264	203
Operating margin, %	16.7	6.9		12.1	9.3
Sales volume, ktonnes	23.2	21.6	8	79.7	78.1

For reconciliation of the result for the segment to the group result, see Quarterly data per segment p 20.

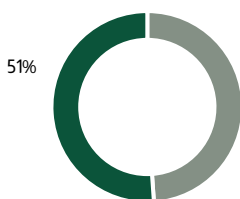
JANUARY - MARCH MARKET AND SALES

The market for greaseproof paper recovered compared with the end of 2023, and a new sales volume record was achieved in the quarter at 23.2 ktonnes. In the improved market situation prices were stable compared with the end of 2023 but are 13% lower than in the first quarter of 2023. Net sales in the first quarter were more or less unchanged at SEK 624 (626) m. The sales volume and product mix had a positive impact on net sales of 13%. Currency effects had a marginal impact on net sales compared with the previous year.

Compared with the same period in 2023, net sales in absolute figures increased somewhat for the Middle East & Africa market and decreased somewhat for the Asia & Pacific region. The changes between the periods are marginal, however.

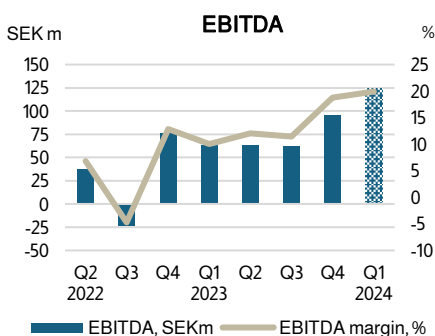


SHARE OF GROUP'S NET SALES Q1 2024



CHANGE IN NET SALES

Q1 2023, SEK m	626
Sales volume	9%
Product mix	4%
Selling price	-13%
Currency	0%
Q1 2024, SEK m	624



RESULTS

EBITDA for the first quarter increased to SEK 124 m (63 m), corresponding to an EBITDA margin of 19.9% (10.0%). This was mainly driven by lower market prices for inputs compared with the same period the previous year. Market prices for pulp have increased in the last two quarters but are still lower than for the same period in 2023. Market prices for energy and freight have decreased.

Selling prices had a negative impact on EBITDA compared with the first quarter of 2023, while sales volume and mix had a positive effect. Currency effects had no material impact on EBITDA in the quarter compared with the same period last year.

Operating profit amounted to SEK 104 m (43 m), representing an operating margin of 16.7% (6.9%).

SUSTAINABILITY

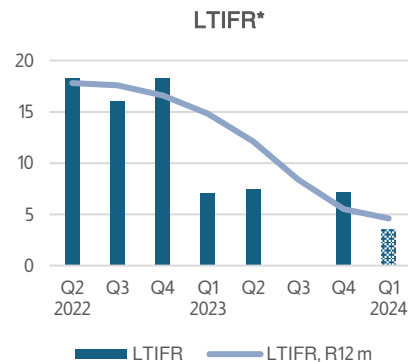
Nordic Paper strives to integrate sustainability as a natural part of its daily work. Based on a materiality analysis performed, the company has selected three focus areas for its efforts:

- Sustainable work environment
- Reduced climate impact
- Products that support sustainability

SUSTAINABLE WORK ENVIRONMENT

The overall goal is to ensure that a healthy and safe workplace is provided for the company’s employees as well as for contractors, temporary personnel and visitors. The vision is to have zero injuries within Nordic Paper’s operations. An interim target has been set to reduce the lost time injury frequency rate (LTIFR*) to below 7 per million hours worked.

During the first quarter one lost time incident occurred, making the LTIFR for the quarter 3.5. LTIFR for the last 12-month period continued to fall, down to 4.6.



* Lost Time Incident Frequency Rate, olycksfall med sjukfrånvaro per 1 miljon arbetade timmar. Beräknas som antal olycksfall med sjukfrånvaro dividerat med faktiskt arbetade timmar för egna medarbetare.

REDUCED CLIMATE IMPACT

The emissions of greenhouse gases from the use of fossil fuels within scope 1 amounted to about 9,000 tonnes CO₂eq during the quarter out of which the largest part comes from the use of supporting fuels in the recovery boiler at Bäckhammar. The use of fossil fuels in the recovery boiler is primarily needed under non-typical operating conditions, such as in connection with start and stop of the boiler. The amounts of fossil fuels used in the recovery boiler can therefore vary between quarters and the consumption of the first quarter led to an increase in greenhouse gas emissions by about 2,000 tonnes CO₂eq compared to the same quarter last year. In Greåker, the use of natural gas decreased compared to the same period last year with an impact on emissions of greenhouse gases from the plant of about 1,000 ton CO₂eq.

PRODUCTS THAT SUPPORT SUSTAINABILITY

To increase knowledge concerning the products’ sustainability benefits Nordic Paper commissioned a life-cycle analysis of the impact of an e-commerce bag made from kraft paper from Bäckhammar throughout its life cycle. This analysis was carried out by an independent third party and other external party also reviewed the calculations and results. The results show that the fossil climate impact from one tonne of kraft paper produced in Bäckhammar was 204 kg CO₂eq, mainly arising in transport and production of the wood raw material and the chemicals used. The paper accounts for just over 30% of the products’ impact. Conversion adds a fossil climate impact that is 80% of the paper’s impact, with the greatest impact coming from distribution of the bags to users. Scenario analysis was also performed, with the impact from the paper bag being compared with available general data for a plastic bag of an equivalent size made from fossil PE. In this comparison the climate impact of the plastic bag is around four times higher than for the paper bag. The differences mainly arise in production of the material and in the end-of-life scenario.



OTHER

SEASONAL EFFECTS

Nordic Paper is to a certain extent impacted by seasonal variations during the financial year, primarily due to planned production shutdowns. The company's plants in Åmotfors and Greåker both have summer holiday shutdowns lasting three to four weeks which fall in the third quarter. Much of the annual maintenance work at the plants is also carried out during these shutdowns. The production plant in Säffle also operated this way until the end of 2021, but in 2022 the Säffle plant switched to continuing production during the summer weeks and having a shorter maintenance shutdown lasting less than two weeks in the third quarter. The production plants in Bäckhammar operate all year round and therefore have an annual maintenance shutdown which generally falls in the third quarter. The Bäckhammar maintenance shutdown is typically less than two weeks. The business in Québec also operates all year round, with an annual maintenance shutdown in the third quarter of about a week.

During shutdowns, whether for maintenance or for summer holidays, production comes to a standstill and contribution decreases. In addition, operating profit is negatively impacted by maintenance costs as well as somewhat lower sales volumes. At the plants that shut down production for the summer holidays the third quarter is also impacted by lower personnel costs.

SEK m	Direct maintenance costs during planned maintenance shutdowns in Q3		
	Estimated 2024	Actual 2023	Actual 2022
Kraft Paper	75-85	81	75
Natural Greaseproof	15-25	26	21
Total	90-110	107	96

Net sales in December can be somewhat negatively affected by low transport availability in connection with the Christmas and New Year holidays. This can result in increased inventory levels at year-end and net sales being postponed to the first quarter of the following year.

RISKS AND RISK MANAGEMENT

Nordic Paper sells to more than 80 countries around the world and is thus exposed to geopolitical risks. Most of Nordic Paper's purchasing takes place locally, but it can also be impacted by geopolitical developments. Russia's war on Ukraine is an example of a development that has impacted the company's operations. Before the invasion Nordic Paper had limited commercial relations with Russia or Ukraine, so the war's direct impact on the company has not been financially significant. Indirectly Nordic Paper is impacted by growing competition for wood in the Baltic region after Russian pulpwood exports to Finland were stopped. Nordic Paper could be impacted by further indirect effects of the geopolitical situation following Russia's invasion of Ukraine as well as by other ongoing conflicts in the world.

The costs of input goods and services used by Nordic Paper in production vary over time and could adversely affect Nordic Paper's operations. In 2022 electricity prices on the spot market increased substantially, which had a negative impact on the company's earnings. The spot market prices subsequently fell to lower levels in 2023. Nordic Paper generates about a quarter of its electricity requirement from a turbine in Bäckhammar, and the share of electricity purchased externally is largely procured under fixed-price contracts. According to the company's hedging strategy around 70% of the immediate electricity requirement is purchased under contracts where the price is fully or partly predetermined, with the percentage subsequently falling gradually to zero over a period of five years. The company also has the option of adding temporary energy surcharges to selling prices to compensate for energy-related cost increases.

Nordic Paper is also exposed to other strategic, operational, financial, legal and regulatory risks that could significantly affect the company. Risk management is a normal part of business operations and is regularly reviewed by Group management and reported to the Board.

A more comprehensive description of the risks is provided in Nordic Paper's Annual Report 2023, which is available at www.nordic-paper.com

TRANSACTIONS WITH RELATED PARTIES

There were no transactions with related parties during the first quarter.

SHAREHOLDERS

Nordic Paper had 14,371 shareholders as of 31 March 2024.

Shareholders 31 March 2024	Votes and capital(%)
Sutriv Holding AB	48.2%
Swedbank Robur Fonder	5.2%
Nordea Funds	3.2%
AMF - Försäkring och Fonder	3.1%
Norges Bank	2.9%
Nordnet Pensionsförsäkring	2.4%
Försäkringsaktiebolaget Avanza	
Pension	1.9%
Handelsbanken fonder	1.9%
The Bank of New York Mellon SA	1.9%
State Street Bank and Trust Co	1.3%
Other	28.0%
Total	100.0%

DIVIDEND

For the financial year 2023 the Board of Directors is proposing a dividend of SEK 4.00 (4.65) per share, to be distributed on one occasion. The proposal results in a total dividend of SEK 268 m (311 m), corresponding to 64% (55%) of the profit for 2023. The record date for the proposed dividend is 27 May. The last day for trading in Nordic Paper's shares with rights to the proposed dividend is 23 May.

25 April 2024

Nordic Paper Holding AB (publ)

Anita Sjölander

CEO

The English report is only for translation purposes. The Swedish report is the valid report.

The report has not been reviewed by the company's auditors.

This is information that Nordic Paper Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out in the press release for this report, at 7.30am CEST on 25 April 2024.

Group

CONDENSED INCOME STATEMENT

SEK m	2024 Q1	2023 Q1	2023 Full year
Net sales ¹	1,209	1,305	4,472
Other operating income	15	9	36
Raw materials, energy, and consumables	-573	-623	-2,151
Change in inventories of work-in-progress and finished goods	-42	1	28
Other external costs	-217	-244	-925
Personnel costs	-160	-138	-602
Other operating expenses	-1	-28	-83
EBITDA	231	282	775
Depreciation and amortisation	-37	-38	-152
Operating profit	194	244	623
Financial income and expense, net	1	-24	-87
Profit before tax	195	220	536
Tax	-46	-47	-120
Net profit for the period	149	173	416
Profit attributable to:			
Parent company shareholders	149	173	416
Non-controlling interests	-	-	-
Net profit for the period	149	173	416
Earnings per share, SEK ²	2.23	2.59	6.22

¹ Net sales consist entirely of sales of goods

² Before and after dilution

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

SEK m	2024 Q1	2023 Q1	2023 Full year
Net profit for the period	149	173	416
<i>Items that have been or may be reclassified to profit or loss</i>			
Changes in the fair value of cash flow hedges	-46	1	71
Exchange differences on translation of foreign operations	12	-6	-11
Tax attributable to items that have been or may be reclassified to profit or loss	10	0	-15
<i>Items that will not be reclassified to profit or loss</i>			
Change in provisions for defined benefit pension plans	2	-	2
Tax attributable to items that will not be reclassified to profit or loss	-	0	-
Other comprehensive income for the period	-23	-5	47
Comprehensive income for the period	126	168	464
Comprehensive income for the period attributable to:			
Parent company shareholders	126	168	464

CONDENSED BALANCE SHEET

	2024	2023	2023
SEK m	31 Mar	31 Mar	31 Dec
Trademark	34	34	33
Customer relations	188	207	187
Goodwill	748	737	734
Other intangible assets	22	6	24
Buildings and land	28	36	29
Machinery and plant	541	558	547
Equipment, tools and installations	6	7	6
Construction in progress	358	128	315
Right-of-use assets	23	29	23
Shareholding in associated companies	15	-	15
Deferred tax assets	12	17	3
Long term receivables	10	10	10
Total non-current assets	1,986	1,769	1,927
Inventories	604	635	661
Accounts receivable	713	802	496
Other receivables	138	103	187
Derivatives	8	1	44
Prepaid expenses and accrued revenue	33	31	26
Cash and cash equivalents	307	308	496
Total current assets	1,803	1,879	1,910
Total assets	3,789	3,648	3,837
Share capital	19	19	19
Reserves	-3	-30	20
Retained earnings including profit for the year	1,303	1,221	1,154
Total equity	1,320	1,210	1,193
Liabilities to credit institutions	950	950	950
Lease liabilities	12	18	13
Provisions for defined benefit pension plans	15	16	14
Deferred tax liabilities	230	225	229
Derivatives	0	24	-
Other liabilities and provisions	108	101	112
Total non-current liabilities	1,315	1,334	1,319
Factoring credit line	276	279	260
Accounts payables	431	318	569
Income tax liability	42	16	75
Lease liabilities	11	11	10
Derivatives	45	42	22
Other liabilities	11	13	14
Accrued expenses and deferred income	339	424	375
Total current liabilities	1,155	1,103	1,325
Total equity and liabilities	3,789	3,648	3,837

CONDENSED STATEMENT OF CHANGES IN EQUITY

	2024	2023	2023
SEK m	Q1	Q1	Jan-Dec
Equity, opening balance	1,193	1,041	1,041
Net profit for the period	149	173	416
Other comprehensive income for the period	-23	-5	47
Transactions with owners of the parent:			
Issue of warrants	-	-	0
Dividend	-	-	-311
Equity, closing balance	1,320	1,210	1,193
Equity attributable to:			
Parent company shareholders	1,320	1,210	1,193

CONDENSED CASH FLOW STATEMENT

SEK m	2024 Q1	2023 Q1	2023 Full year
Operating activities			
Operating profit	194	244	623
Interest received	4	2	13
Interest paid	-17	-13	-74
Adjustments, cash flow	57	42	136
Paid income tax	-90	-77	-72
Cash flow from operating activities before changes in working capital	147	198	626
Cash flow from changes in working capital			
Change in inventories	58	-20	-49
Change in accounts receivable	-216	-33	273
Change in current receivables	42	-26	-104
Change in accounts payable	-70	-94	69
Change in current liabilities	-49	-4	-51
Cash flow from operating activities	-87	21	765
Investing activities			
Acquisition of tangible assets	-129	-23	-208
Acquisition of associated companies	-	-	-15
Cash flow from investing activities	-129	-23	-223
Financing activities			
Repayment of lease liabilities	-3	-3	-11
Net change in factoring credit line	17	-4	-24
Dividend paid	-	-	-311
Cash flow from financing activities	14	-7	-346
Cash flow for the period	-202	-9	196
Cash and cash equivalents at beginning of period	496	325	325
Exchange rate difference in cash and cash equivalents	12	-8	-25
Cash and cash equivalents at end of period	307	308	496
Adjustments for non-cash items			
Depreciation and amortisation	37	38	152
Changes in exchange rates	-11	18	32
Change in fair value of derivatives	21	-1	-33
Other	10	-13	-15
Total	57	42	136

Accounting policies and other information

NOTE 1 ACCOUNTING POLICIES

The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and with applicable parts of the Swedish Annual Accounts Act. The parent company has prepared its interim report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. The accounting policies applied when preparing the interim report are the same for all periods and accord with the accounting policies presented in Note 2 in the Annual Report 2023.

All amounts are stated in SEK million (SEK m) unless otherwise stated. Rounding differences of SEK +/- 1m may occur in the totals of amounts. In cases where an underlying amount is SEK 0m after rounding, the amount is stated as 0. Amounts in parentheses refer to the corresponding period in the previous year.

Information according to IAS 34.16A is also presented in other parts of the interim report, as well as in the financial statements and related notes.

At the Annual General Meetings 2022 and 2023, long term incentive programmes were approved in the form of warrants to senior executives. The accounting of the incentive programmes are made according to IFRS 2.

NOTE 2 NET SALES PER SEGMENT

The two segments are presented according to the Group's internal processes for monitoring and reporting to the CEO.

Q1 2024	Net sales incl. internal sales	Eliminations	Net sales
SEK m			
Kraft Paper	597	-12	585
Natural Greaseproof	624		624
Parent company and undistributed items	22	-22	0
Group	1,243	-34	1,209

Net sales by segment, geographic market		
Q1 2024	Natural Greaseproof	Kraft Paper
SEK m		
Sweden	11	150
Italy	67	61
Germany	39	67
Other Europe	205	157
USA	170	0
Other world	132	161
	624	597

Where Nordic Paper invoices for deliveries to Swedish trading houses for export, these sales are also recognised as exports above. The table above shows actual end-customers.

NOTE 3 FINANCIAL INCOME AND EXPENSE, NET

SEK m	2024 Q1	2023 Q1	2023 Full year
Interest income	4	2	13
Interest expense	-17	-16	-74
Currency gains and losses, net	14	-9	-25
Other financial items	0	1	-2
Financial income and expense, net	1	-24	-87

NOTE 4 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Group has derivatives that are measured at fair value according to level 2 of the fair value hierarchy. The fair value of long term loan is assessed to correspond to the carrying amount as the interest rate is variable and on market terms. Other financial instruments have short maturities and for these, fair value is equivalent to the carrying amount. For further information please see note 22 in the Annual Report 2023.

NOTE 5 OTHER PROVISIONS

Other provisions of SEK 108 m relate to assessed future remediation costs for buildings and land. The provision breakdown includes SEK 82 m for future demolition of buildings and remediation of land related to the discontinuation of pulp production in Säffle, while the remaining amount is associated with remediation of a landfill site in Bäckhammar.

NOTE 6 LONG-TERM INCENTIVE PROGRAMME

In accordance with a proposal from the Board of Directors, the Annual General Meeting on 24 May 2023 approved the issue of a maximum of 329,000 warrants as part of a long-term incentive programme for senior executives of the Nordic Paper Group. The rationale for the incentive programme is to create opportunities to motivate and retain senior executives within the Nordic Paper Group. During the quarter, the incentive programme has been implemented according to the decision of the Annual General Meeting. After the implementation, the number of outstanding warrants from this programme amounts to 292,000.

The warrants were offered at market price. Each warrant entitles the holder to subscribe for one new share in the company at an exercise price of SEK 38.98 per share. The final price of the warrants was SEK 0.77. The value of the warrants has been calculated according to the Black-Scholes model.

The company is partly subsidising the participants' acquisitions of warrants. The subsidy is paid out at the end of the programme. The subsidy to the participants is equal to 50% of the participants' investment net after tax. The total cost of the subsidy, based on a warrant value of SEK 0.77 and an estimated marginal tax rate of 55%, amounts to SEK 0.3m including social security contributions. With some exceptions, in order to be eligible for the subsidy the participant must be employed by the company at the time of payment of the subsidy, must remain employed until the warrants can be exercised and must not have transferred their warrants prior to this. The company has a previous incentive programme as well outstanding, decided at the Annual General Meeting 2022 in which 510,000 warrants were issued at an exercise price of SEK 45.77 per share.

Key figures

	2024	2023	2023
SEK m	Q1	Q1	Full year
Net sales growth, %	-7	24	1
EBITDA margin, %	19.1	21.6	17.3
Operating margin, %	16.0	18.7	13.9
Cash flow from operating activities	-87	21	765
Return on operating capital, 12 m, %	27.4	33.9	30.0
Return on equity, 12 m, %	33.7	62.0	37.1
Working capital	557	698	225
Operating capital	2,288	2,232	1,898
Interest-bearing liabilities	1,264	1,274	1,247
Net debt/equity ratio, %	72.5	79.9	62.9
Net debt/EBITDA, 12 m, multiple	1.3	1.1	1.0
Equity/assets ratio, %	34.8	32.7	31.1
Working capital, % of net sales, 12 m	11.2	11.5	11.3
Investments	61	23	298
Sales volume, ktonnes	79.6	73.5	273.3
Number of employees at end of period	679	675	679
Number of shares, end of period	66,908,800	66,908,800	66,908,800
Earnings per share, SEK ¹	2.23	2.59	6.22

¹ Before and after dilution

ALTERNATIVE PERFORMANCE MEASURES

Reference is made in the financial report to a number of financial performance measures that are not defined according to IFRS or the Swedish Annual Accounts Act. These performance measures provide supplementary information and are used to help investors as well as group management to analyse the company's operations. Since not all companies calculate financial performance measures in the same way, these are not always comparable with measures used by other companies.

EBITDA	2024	2023	2023
SEK m	Q1	Q1	Full year
Operating profit	194	244	623
Depreciation/amortisation	37	38	152
EBITDA, SEK m	231	282	775
EBITDA MARGIN	2024	2023	2023
SEK m	Q1	Q1	Full year
EBITDA	231	282	775
Net sales	1,209	1,305	4,472
EBITDA margin, %	19.1	21.6	17.3
OPERATING MARGIN	2024	2023	2023
SEK m	Q1	Q1	Full year
Operating profit	194	244	623
Net sales	1,209	1,305	4,472
Operating margin, %	16.0	18.7	13.9
WORKING CAPITAL	2024	2023	2023
SEK m	Q1	Q1	Full year
Inventories	604	635	661
Accounts receivable	713	802	496
Other operating receivables excl. derivatives	171	134	213
Accounts payable	-431	-318	-569
Other operating liabilities excl. derivatives	-499	-554	-576
Working capital	557	698	225
Working capital, 12 m	491	540	505
Net sales, 12 m	4,376	4,693	4,472
Working capital, % of net sales, 12 m	11.2	11.5	11.3

OPERATING CAPITAL	2024	2023	2023
SEK m	Q1	Q1	Full year
Working capital	557	698	225
Intangible assets	993	983	978
Property, plant and equipment	956	758	921
Deferred tax assets/liabilities	-218	-208	-227
Operating capital	2,288	2,232	1,898
Operating profit, 12 m	573	718	623
Operating capital, 12 m	2,094	2,119	2,075
Return on operating capital, %, 12 m	27.4	33.9	30.0
NET DEBT	2024	2023	2023
SEK m	Q1	Q1	Full year
Non-current liabilities to credit institutions	950	950	950
Lease liabilities, non-current	12	18	13
Provisions for employee benefits	15	16	14
Factoring credit line	276	279	260
Lease liabilities, current	11	11	10
Interest-bearing liabilities	1,264	1,274	1,247
Cash and cash equivalents	307	308	496
Net debt/net cash (+/-)	957	966	751
EBITDA, 12 m	723	866	775
Net debt/EBITDA, 12 m, multiple	1.3	1.1	1.0
NET DEBT/EQUITY RATIO	2024	2023	2023
SEK m	Q1	Q1	Full year
Net debt/net cash (+/-)	957	966	751
Equity	1,320	1,210	1,193
Net debt/equity ratio, %	72.5	79.9	62.9
EQUITY/ASSETS RATIO	2024	2023	2023
SEK m	Q1	Q1	Full year
Equity	1,320	1,210	1,193
Total assets	3,789	3,648	3,837
Equity/assets ratio, %	34.8	32.7	31.1
RETURN ON EQUITY	2024	2023	2023
SEK m	Q1	Q1	Full year
Net profit for the period, 12 m	392	578	416
Equity	1,320	1,210	1,193
Equity, 12 m	1,163	932	1,122
Return on equity, 12 m, %	33.7	62.0	37.1

Definitions

Non-IFRS performance measures	Description	Reasons for use
Sales volume	Sales of paper and pulp by the segment and the Group respectively, expressed in ktonnes.	Shows if the business is expanding or contracting.
EBITDA	EBITDA (earnings before interest, taxes, depreciation and amortisation) consists of operating profit plus depreciation, amortisation and impairment losses.	A measure that eliminates costs that do not affect cash flow and indicates the ability of a business to generate cash flow.
Significant items affecting comparability	Significant items affecting comparability may include effects of substantial restructuring of production plants, impairment losses, revaluation, specific effects of disputes or strategic decisions of a non-recurring nature.	Provides a better understanding of the development of operating activities over time.
Adjusted EBITDA	EBITDA adjusted for significant items affecting comparability.	Increases comparability of EBITDA between different periods and provides a better understanding of the development of operating activities over time.
EBITDA margin	EBITDA as a percentage of net sales.	Shows how much cash the business can generate in relation to revenue.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net sales.	Increases comparability of the EBITDA margin between different periods.
Operating profit	Profit before financial income, financial expense and tax.	Shows the result of the company's operating activities.
Adjusted operating profit	Operating profit adjusted for significant items affecting comparability.	Increases comparability of operating profit between different periods and provides a better understanding of the development of operating activities over time.
Operating margin	Operating profit as a percentage of net sales.	Shows operating profit in relation to net sales and is a measure of the profitability of the company's operating activities.
Adjusted operating margin	Adjusted operating profit as a percentage of net sales.	Increases comparability of the operating margin between different periods.
Investments	Investments are referred to the accounting effect of acquisitions of property, plant and equipment and intangible non-current assets. In the cash flow statement, the term acquisition relates to the cash flow effect, including adjustments, if any, related to amounts included in accounts payable.	Shows the amount of property, plant and equipment and intangible assets acquired to maintain and develop operations.
Working capital	Total inventories, accounts receivable, other operating assets and operating liabilities, excluding derivatives, and other provisions (non-interest-bearing). In the cash flow statement, adjustments occur related to non-cash items as for example currency effects, acquisition/divestment or subsidiaries and accounts payable related to acquisition of tangible assets.	Shows the net of current assets and current liabilities used in operating activities.
Change in working capital	Working capital for the current period minus working capital for the previous period.	Shows development of the company's working capital.
Working capital as a percentage of net sales*	Working capital divided by net sales.	Indicates how effectively the company is using working capital.
Operating capital	Working capital plus intangible non-current assets and property, plant and equipment, deferred tax assets and tax liabilities.	Shows the total capital used in operating activities.
Return on operating capital*	Operating profit as a percentage of operating capital.	Shows the company's performance in generating profit from the capital used in operating activities.
Return on equity*	Profit for the period as a percentage of equity.	Shows the return generated on equity invested in the business.
Interest-bearing liabilities	Interest-bearing liabilities, current and non-current, plus interest-bearing provisions.	Shows the extent of the company's financing in the form of interest-bearing liabilities.
Net debt	Interest-bearing liabilities less cash and cash equivalents.	A measure of the company's financial position. Shows how much liquidity would remain if all liabilities were to be settled.
Net debt/EBITDA ratio*	Net debt in relation to EBITDA, expressed as a multiple.	A measure of financial risk and an indication of repayment capacity.
Net debt/equity ratio	Net debt divided by equity, expressed as a percentage.	Shows the relationship between externally financed capital and equity.
Equity/assets ratio	Equity divided by total assets, expressed as a percentage.	Shows what proportion of the assets are financed through equity.

*Calculated on the basis of the last 12-month period, as an average of 12 months. The 12-month figure enables comparisons that reflect both current and seasonal variations, which improves the ability to make comparisons over time

Quarterly data by segment

NET SALES

SEK m	2022			2023				2024
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Kraft Paper segment	624	557	631	695	614	546	472	597
Natural Greaseproof segment	539	497	594	626	519	536	508	624
Eliminations	-19	-17	-19	-15	-13	-6	-9	-12
Total Group	1,144	1,037	1,206	1,305	1,120	1,077	971	1,209

EBITDA

SEK m	2022			2023				2024
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Kraft Paper segment	223	109	212	261	186	64	82	114
Natural Greaseproof segment	37	-23	76	63	63	61	95	124
Parent company and undistributed items	-40	-11	-31	-42	-65	19	5	-21
Eliminations etc.	27	3	3	1	31	-37	-12	13
EBITDA Group	247	77	260	282	215	108	170	231
Depreciation and amortisation	-36	-37	-37	-38	-38	-39	-37	-37
Operating profit	211	40	223	244	178	69	132	194
Financial income and expense, net	-5	11	26	-24	1	-21	-43	1
Profit before tax	206	51	249	220	178	48	89	195

EBITDA MARGIN

%	2022			2023				2024
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Kraft Paper segment	35.8	19.5	33.5	37.6	30.4	11.8	17.4	19.1
Natural Greaseproof segment	6.8	-4.7	12.8	10.0	12.0	11.4	18.7	19.9
Group	21.6	7.4	21.5	21.6	19.2	10.0	17.5	19.1

OPERATING PROFIT

SEK m	2022			2023				2024
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Kraft Paper segment	209	94	197	246	172	49	67	99
Natural Greaseproof segment	18	-42	58	43	43	41	76	104
Parent company and undistributed items	-40	-11	-31	-42	-65	19	5	-21
Eliminations etc.	23	-1	-1	-3	28	-40	-15	12
Total Group	211	40	223	244	178	69	132	194

OPERATING MARGIN

%	2022			2023				2024
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Kraft Paper segment	33.5	16.9	31.3	35.4	28.0	9.0	14.2	16.6
Natural Greaseproof segment	3.4	-8.5	9.7	6.9	8.3	7.7	14.9	16.7
Group	18.4	3.9	18.5	18.7	15.9	6.4	13.6	16.0

SALES VOLUMES

Ktonnes	2022			2023				2024
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Kraft Paper segment	58.5	46.1	50.4	54.6	53.0	49.8	45.8	58.7
Natural Greaseproof segment	22.4	18.7	21.0	21.6	18.8	18.9	18.8	23.2
Eliminations	-3.4	-2.9	-3.3	-2.7	-2.4	-1.1	-1.8	-2.3
Total Group	77.6	61.9	68.2	73.5	69.4	67.6	62.8	79.6

Parent company

CONDENSED INCOME STATEMENT

SEK m	2024	2023	2023
	Q1	Q1	Full year
Net sales	22	16	62
Other operating income	0	0	0
Other external costs	-26	-31	-78
Personnel costs	-5	-4	-14
Other operating expenses	-12	-23	-54
Operating profit	-21	-42	-83
Financial income and expense, net	-14	-27	-20
Profit after financial items	-35	-69	-103
Appropriations	-	-	524
Profit before tax	-35	-69	420
Tax	4	13	-91
Net profit for the period	-31	-56	329

CONDENSED BALANCE SHEET

SEK m	2024	2023	2023
	31 Mar	31 Mar	31 Dec
Shares in Group companies	1,165	1,165	1,165
Receivables from Group companies	248	345	273
Shares in associated companies	15	-	15
Deferred tax assets	4	9	1
Total non-current assets	1,432	1,519	1,453
Receivables from Group companies	573	803	572
Income tax receivables	-	31	-
Other receivables	33	-	53
Prepaid expenses and accrued income	-14	0	9
Cash and bank balances	297	-	318
Total current assets	889	834	953
Total assets	2,321	2,353	2,406
Share capital	19	19	19
Retained earnings	775	757	446
Net profit for the period	-31	-56	329
Total equity	763	720	794
Untaxed reserves	557	508	557
Non-current liabilities to credit institutions	950	950	950
Derivatives	-	24	-
Total non-current liabilities	950	974	950
Liabilities to credit institutions	-	20	-
Liabilities to Group companies	0	66	1
Accounts payable	3	1	5
Derivatives	45	42	22
Other liabilities	2	2	1
Income tax liability	2	-	72
Accrued expenses and deferred income	-1	20	4
Total current liabilities	51	152	106
Total equity and liabilities	2,321	2,353	2,406

CONFERENCE CALL

On the publication of the interim report a telephone conference will be held on Thursday 25 April at 9.30 CEST. CEO Anita Sjölander and CFO Niclas Eriksson will present and comment on the report. The presentation will be in English. The press and analyst conference will be webcasted. It is also possible to participate in the conference by telephone.

- Link to watch webcast: <https://fronto.vancastvideo.com/event/AxbFqVd0/9617/?lang=8864>
- Link to register to participate by telephone:
<https://services.choruscall.it/DiamondPassRegistration/register?confirmationNumber=8536676&linkSecurityString=12365e514c>

FINANCIAL CALENDAR

Interim Report Q2 2024 – 19 July 2024

Interim Report Q3 2024 – 30 October 2024

Year-end report 2024 – 30 January 2025

Annual General Meeting

Annual General Meeting will be held in Karlstad on 23 May 2024.

For further information, please contact

Niclas Eriksson, CFO

Tel: +46 705 654 257

E-mail: niclas.eriksson@nordic-paper.com

Henrik Essén, Director of Sustainability and Communication

Tel: +46 730 573 801

E-mail: henrik.essen@nordic-paper.com

NORDIC PAPER IN BRIEF

Nordic Paper is a leading speciality paper producer based in Scandinavia. We have been manufacturing top-quality kraft papers and natural greaseproof papers since the 19th century. Our products are based on renewable raw material from local forests. From our five paper mills, four in Scandinavia and one in Canada, we supply customers in about 80 countries. In 2023 Nordic Paper had revenue of approximately SEK 4,500m and around 680 employees. The company is listed on Nasdaq Stockholm. www.nordic-paper.com