

Interim report January – June 2024

QUARTERLY RESULTS APRIL - JUNE

- Net sales amounted to SEK 1,225 m (1,120 m), an increase of 9% compared with the same quarter the previous year. Excluding currency effects, net sales increased by 8%.
- EBITDA amounted to SEK 280 m (215 m), representing an EBITDA margin of 22.9% (19.2%).
- Operating profit amounted to SEK 242 m (178 m), representing an operating margin of 19.8% (15.9%).
- Profit for the period amounted to SEK 171 m (145 m) and earnings per share to SEK 2.55 (2.16).
- Cash flow from operating activities was SEK 175 m (245 m).
- Return on operating capital, 12 months, was 30.0% (32.1%).
- The net debt/EBITDA ratio, 12 months, was 1.5 (1.3).
- The sales volume amounted to 76.7 (69.4) ktonnes.

KEY FIGURES

SEK m	2024 Q2	2023 Q2	Δ, %	2024 Jan-Jun	2023 Jan-Jun	Δ, %	R12	2023 Full year
Net sales	1,225	1,120	9	2,434	2,425	0	4,481	4,472
EBITDA	280	215	30	511	498	3	788	775
EBITDA margin, %	22.9	19.2		21.0	20.5		17.6	17.3
Operating profit	242	178	36	436	422	3	637	623
Operating margin, %	19.8	15.9		17.9	17.4		14.2	13.9
Net profit for the period	171	145	18	320	318	1	418	416
Earnings per share, SEK ¹	2.55	2.16		4.78	4.75		6.25	6.22
Cash flow from operating activities	175	245	-29	-2	265		587	765
Return on operating capital, 12 m, %	30.0	32.1						30.0
Net debt/EBITDA, 12 m, ratio	1.5	1.3						1.0
Sales volume, ktonnes	76.7	69.4	11	156.5	142.8	10	287.0	273.3

¹ Before and after dilution

CEO'S COMMENTS



STRONG RESULTS DRIVEN BY HIGH PRODUCTION

Nordic Paper delivered yet another very strong quarter. Net sales amounted to SEK 1,225 million, an increase of 9% compared with the same quarter the previous year.

Demand for the products of the company was healthy in the quarter and there was a large interest for development of new paper-based applications. This is fully in line with the long-term trend of increased demand for material with better sustainability performance as replacement for fossil-based plastics.

The company's production level was high during the quarter and this, combined with the strong market, resulted in sales volumes in tonnes that were 11% higher than the second quarter of last year when deliveries were weak.

Product price increases of about 4% have been carried out, but prices were still 5% lower than in the second quarter last year.

Nordic Paper's second quarter EBITDA amounted to SEK 280 million, which is close to the previous record level from the first quarter of 2023 in absolute terms. The EBITDA margin amounted to 22.9%, which exceeds the company's financial target of a 20% margin. The quarter's stable production has had a positive effect on EBITDA, with an even rate of production leading to low consumption of energy and other inputs as well as an improved by-product yield from pulp production in Bäckhammar.

CONTINUED VERY STRONG RESULTS WITHIN NATURAL GREASEPROOF

Once again, the Natural Greaseproof segment delivered a new EBITDA record for a single quarter of SEK 125 million. This is double the earnings of the weak second quarter of last year. The segment's earnings improvement is mainly explained by higher sales volumes compared with the same quarter in 2023. Also, the EBITDA margin of 20.3% is a new record for the segment.

EBITDA in the Kraft Paper segment has increased for three consecutive quarters, although profitability was still lower than in the very strong second quarter of 2023. The lower profitability is mainly affected by selling prices being 10% lower than in the comparative quarter. The EBITDA margin in Kraft Paper amounted to 24.7%.

The company's structure of two segments with different business dynamics brings a stabilising effect to the company's earnings.

INCREASING SELLING PRICES IN THE THIRD QUARTER

Based on healthy demand, selling price increases are expected to continue into the third quarter, albeit to a slightly lesser degree than in the second quarter. These selling price increases are expected to compensate for increases in cost for input goods, primarily for wood raw material, during the third quarter. In addition, a normal seasonal impact from maintenance stops is expected during the third quarter.

SEVERAL ACCIDENTS DURING THE QUARTER

Nordic Paper's vision is to offer a safe and secure work environment where no one gets injured. In recent years the company has increased its efforts around the preventive and structured work in order to achieve this vision. Several of the indicators the company monitors show that these efforts are yielding results. With this in mind, it is particularly negative to now report that there were unfortunately six lost time incidents during the quarter, which is as many as during the entire previous year. We are, however, convinced that through our ongoing, long-term focus on safety, we are on the right path towards having a more sustainable work environment, and we are continuing to emphasise and prioritise activities that will help us achieve our vision.

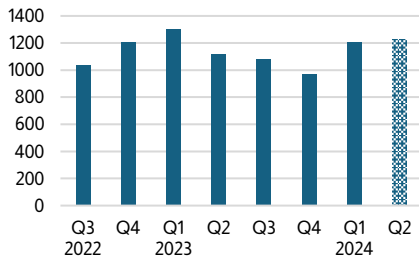
At the time of writing, our summer shutdowns and ordinary maintenance work are taking place at the Greåker and Åmotfors plants, giving many of our employees a well-deserved summer break. Several of the company's customers – especially those in Europe – are also taking the opportunity for some time off during the latter part of the summer as they usually do. I would like to take this opportunity to wish all of our employees, customers and shareholders a really nice summer. We look forward to continuing Nordic Paper's development together in the autumn.

Anita Sjölander, CEO

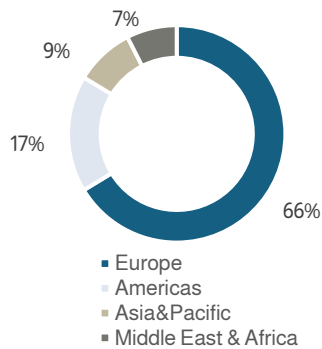
GROUP PERFORMANCE

APRIL – JUNE

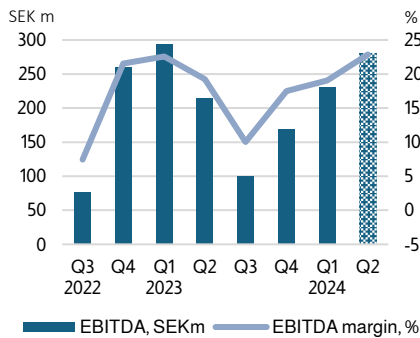
NET SALES, SEKm



NET SALES PER GEOGRAPHY



EBITDA



MARKET AND SALES

Demand for Nordic Paper’s products was healthy in the second quarter within both the Kraft Paper and Natural Greaseproof segments. The Group’s delivery volumes were strong during the quarter due to the healthy demand and good production levels. The quarter’s sales volumes in tonnes were 11% higher than in the second quarter of 2023 when deliveries were weak.

Net sales for the second quarter amounted to SEK 1,225 m (1,120 m), which is 9% higher than the same period in 2023, mainly due to the higher sales volumes. Selling prices were 5% lower than in the same period the previous year.

Net sales increased to Europe, North America, Middle East and Africa while it decreased somewhat to Asia.

CHANGE IN NET SALES

Q2 2023, SEK m		1,120
Sales volume	13%	
Product mix	0%	
Selling price	-5%	
Currency	1%	
Q2 2024, SEK m		1,225

RESULTS

EBITDA amounted to SEK 280 m (215 m) for the second quarter, which is 30% higher than in the same quarter the previous year. EBITDA was positively impacted by higher volumes. Energy and freight prices decreased, while wood raw material and pulp prices increased. Overall, the changes in input prices had a positive impact on EBITDA compared with the second quarter the previous year. Lower selling prices had a negative impact on EBITDA.

Currency effects had a positive impact on EBITDA of SEK 34 m compared with the same quarter the previous year.

The EBITDA margin increased to 22.9% (19.2%).

Operating profit amounted to SEK 242 m (178 m), representing an operating margin of 19.8% (15.9%). Net financial items for the second quarter amounted to SEK -24 m (1 m), of which net interest was SEK -14 m (-15 m). The change is otherwise explained by exchange rate differences on cash and cash equivalents.

Tax expense for the second quarter was SEK 47 m (34 m) corresponding to a tax rate of 21.6% (19.1%).

Net profit for the period was SEK 171 m (145 m).

JANUARY – JUNE

MARKET AND SALES

Net sales for the first half of the year amounted to SEK 2,434 m (2,425 m). Sales volumes positively affected net sales, while selling prices had a negative impact.

CHANGE IN NET SALES

Jan-Jun 2023, SEK m	2,425
Sales volume	11%
Product mix	-1%
Selling price	-11%
Currency	1%
Jan-Jun 2024, SEK m	2,434

RESULTS

EBITDA for the first half of the year increased to SEK 511 m (498 m), representing an EBITDA margin of 21.0% (20.5%). The positive effects of higher volumes and lower costs for inputs were somewhat larger than the negative effect on EBITDA of lower selling prices compared with the same period the previous year. Currency effects impacted EBITDA positively by SEK 61 m compared to the same period last year.

Operating profit amounted to SEK 436 m (422 m), representing an operating margin of 17.9% (17.4%).

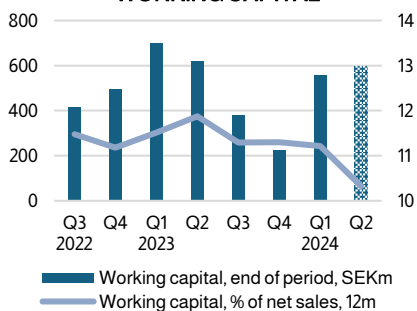
Net financial items for the first half of the year were SEK -23 m (-23 m) of which net interest was SEK -27 m (-29 m).

Tax expense for the period was SEK 93 m (81 m) corresponding to a tax rate of 24.0% (22.4%).

Net profit for the period was SEK 320 m (318 m).

CASH FLOW AND FINANCIAL POSITION

WORKING CAPITAL

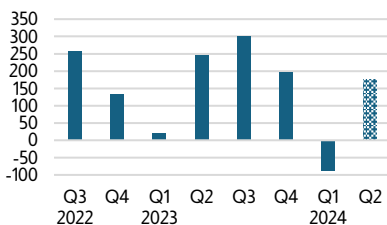


WORKING CAPITAL AND CASH FLOW

Working capital as of 30 June 2024 decreased slightly to SEK 597 m (620 m). Expressed as a percentage of net sales over the last 12 months, working capital decreased to 10.3% (11.9%).

Cash flow from operating activities decreased to SEK 175 (245) million for the second quarter of the year. The decrease is explained by larger accounts receivables in the quarter due to increased net sales.

CASH FLOW FROM OPERATING ACTIVITIES, SEKm



INVESTMENTS AND OPERATING CAPITAL

Investments in non-current assets during the quarter amounted to SEK 120 m (28 m), the majority of which related to the ongoing investments in Bäckhammar.

Operating capital as of 30 June 2024 was SEK 2,417 m (2,198 m), of which SEK 1,061 m (739 m) consisted of property, plant and equipment.

Intangible assets amounted to SEK 977 m (1,043 m) and consisted mainly of goodwill of SEK 742 m (765 m) and customer relations of SEK 180 m (215 m) million. The return on operating capital for the last 12-month period was 30.0% (32.1%).

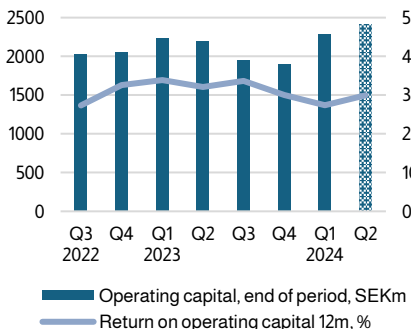
FINANCING

As of 30 June 2024 the Group's net debt amounted to SEK 1,197 m (1,048 m). Interest-bearing liabilities amounted to SEK 1,300 m (1,283 m), of which SEK 36 m (28 m) was attributable to lease liabilities according to IFRS 16. Cash and cash equivalents were SEK 103 m (235 m).

The Company's financing agreements were extended by one year to 2026 during the quarter. A factoring facility of SEK 300 m was paid off and replaced by an increase in other credit facilities in the same amount. After the change, the company has access to undrawn credit facilities of SEK 800 m (800 m), including an overdraft facility of SEK 400 m (200 m).

The equity/assets ratio was 33.0% (28.7%) and the net debt/EBITDA ratio, 12 months, was 1.5 (1.3).

OPERATING CAPITAL



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 second quarter includes an earnings effect from realised currency hedges of SEK -4 m (-24 m). For the coming 12-month period the hedges are as follows:

Currency	Average rate for currency hedges	FX rate, 30 Jun	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	11.44	11.36	95	1,087	9	67%	43%
USD	10.50	10.61	9	90	0	59%	32%
GBP	13.16	13.42	12	158	-2	72%	48%
				1,335	7		

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 Q2	2023 Q2	Δ, %	2024 Jan-Jun	2023 Jan-Jun	Δ, %	R 12 m	2023 Full year
Net sales	623	614	2	1,221	1,309	-7	2,239	2,327
EBITDA	154	186	-18	268	447	-40	414	594
EBITDA margin, %	24.7	30.4		21.9	34.2		18.5	25.5
Operating profit	139	172	-19	238	418	-43	355	534
Operating margin, %	22.3	28.0		19.5	31.9		15.8	23.0
Sales volume ¹ , ktonnes	56.9	53.0	7	115.8	107.6	8	211.4	203.2

For reconciliation of the result for the segment to the group result, see Quarterly data per segment p 23.

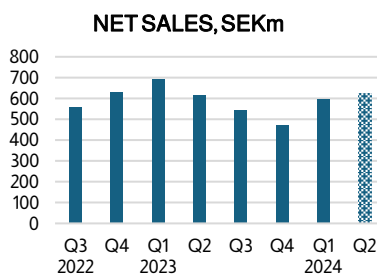
¹Includes intra-group deliveries

APRIL – JUNE

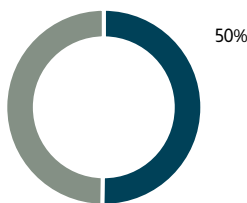
MARKET AND SALES

Demand for Nordic Paper’s kraft paper was healthy in the second quarter of the year. The sales volumes increased in tonnes by 7% compared with the second quarter of 2023 when deliveries were weak. The selling prices were 10% lower than in the second quarter of 2023. Net sales increased by 2% compared with the same quarter the previous year, to SEK 623 m (614 m). Higher sales volumes and product mix effects positively impacted net sales, while selling prices had a negative effect. Currency effects had a positive impact on net sales of 1%.

Compared with the same period in 2023, net sales in absolute terms decreased slightly in Europe, the company’s main market, and in Asia. Net sales increased in the Middle East and Africa.



SHARE OF GROUP'S NET SALES Q2 2024



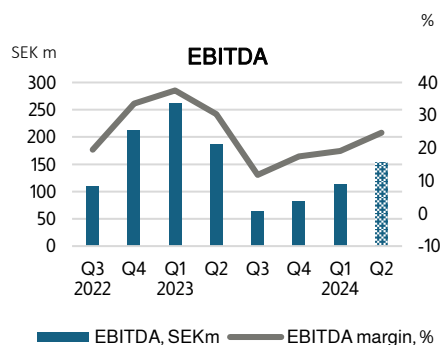
CHANGE IN NET SALES

Q2 2023, SEK m	614
Sales volume	6%
Product mix	5%
Selling price	-10%
Currency	1%
Q2 2024, SEK m	623

RESULTS

EBITDA decreased to SEK 154 m (186 m), mainly driven by the lower selling prices. Higher sales volumes had a positive effect on EBITDA. Prices for the inputs energy and chemicals decreased compared with the same period the previous year, while wood raw material became more expensive. The stable production during the quarter had a positive effect on EBITDA as it led to low consumption of energy and other inputs as well as an improved by-product yield from pulp production in Bäckhammar. Currency did not have any significant impact on EBITDA during the quarter compared to the same period last year.

The EBITDA margin decreased to 24.7% (30.4%). Operating profit decreased to SEK 139 m (172 m) and the operating margin was 22.3% (28.0%).



JANUARY - JUNE

In the first half of the year net sales decreased by 7% to SEK 1,221 m (1,309 m), compared with the first half of 2023. Lower selling prices negatively impacted net sales, while higher volumes had a positive effect. Currency effects had a marginal impact on net sales compared with the same period the previous year.

EBITDA decreased to SEK 268 m (447 m), mainly driven by lower selling prices. The EBITDA margin was 21.9% (34.2%). Operating profit amounted to SEK 238 m (418 m) and the operating margin was 19.5% (31.9%).

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.

	2024	2023		2024	2023			2023
SEK m	Q2	Q2	Δ, %	Jan-Jun	Jan-Jun	Δ, %	R 12 m	Full year
Net sales	617	519	19	1,241	1,145	8	2,285	2,189
EBITDA	125	63	100	250	125	99	406	282
EBITDA margin, %	20.3	12.0		20.1	10.9		17.8	12.9
Operating profit	105	43	145	209	86	143	326	203
Operating margin, %	17.0	8.3		16.8	7.5		14.3	9.3
Sales volume, ktonnes	22.4	18.8	19	45.6	40.3	13	83.4	78.1

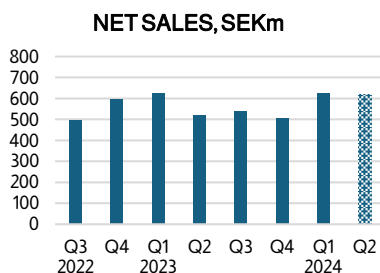
For reconciliation of the result for the segment to the group result, see Quarterly data per segment p 23.

APRIL - JUNE

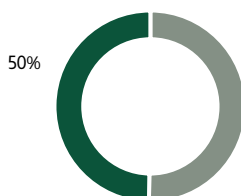
MARKET AND SALES

Demand for Nordic Paper's greaseproof paper was healthy during the second quarter of the year, and the sales volume increased by 19% compared with the second quarter of 2023 when deliveries were weak. The company's selling prices were 2% higher than in the second quarter of 2023. Net sales amounted to SEK 617 m (519 m) million, an increase of 19%. Increased sales volumes were the single main reason for the increase in net sales. Currency effects had a marginal impact on net sales compared with the previous year.

Net sales in absolute terms increased in all geographical markets. In percentage terms, the increase in net sales was the largest in the Middle East and Africa.



SHARE OF GROUP'S NET SALES Q2 2024



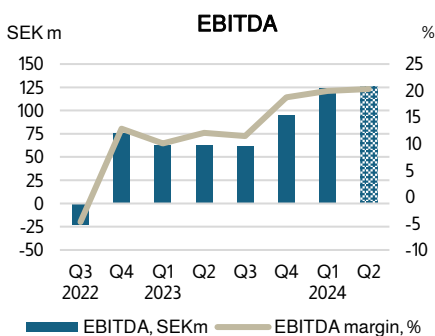
CHANGE IN NET SALES

Q2 2023, SEK m	519
Sales volume	21%
Product mix	-5%
Selling price	2%
Currency	1%
Q2 2024, SEK m	617

RESULTS

The EBITDA for the second quarter increased to SEK 125 m (63 m), representing an EBITDA margin of 20.3% (12.0%). This was mainly driven by higher sales volumes. The market prices for pulp were higher than in the same period in 2023 with a resulting negative impact on EBITDA. Selling prices had a positive impact on EBITDA compared with the first quarter of 2023. Currency effects had no material impact on EBITDA in the quarter compared with the same period the previous year.

Operating profit amounted to SEK 105 m (43 m), representing an operating margin of 17.0% (8.3%).



JANUARY - JUNE

In the first half of the year net sales increased by 8% to SEK 1,241 m (1,145 m), compared with the first half of 2023. Higher sales volumes made the single largest contribution to the increase in net sales, while selling prices had a negative effect. Currency effects had a marginal impact on net sales compared with the same period the previous year.

EBITDA increased to SEK 250 m (125 m), representing an EBITDA margin of 20.1% (10.9%). Operating profit amounted to SEK 209 m (86 m) and the operating margin was 16.8% (7.5%).

SUSTAINABILITY

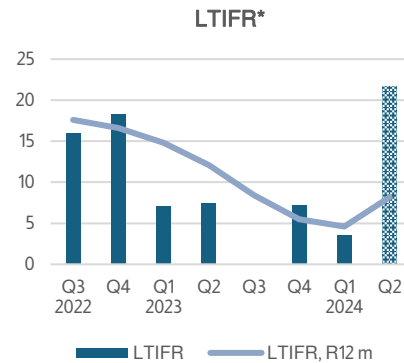
Nordic Paper strives to integrate sustainability as a natural part of its daily work. Based on a materiality analysis performed, the company has selected three focus areas for its efforts:

- 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 second quarter there were six lost time incidents, making the LTIFR for the quarter 21.7. The incidents were in Bäckhammar, Säffle and Québec. LTIFR for the last 12-month period was 8.2.



*Lost time injury frequency rate (LTIFR): accidents resulting in sick leave per 1 million hours worked. Calculated as the number of accidents involving sick leave divided by actual hours worked by the company’s own employees.

REDUCED CLIMATE IMPACT

The emissions of fossil greenhouse gases from the company within scope 1 amounted to about 9 000 tonnes CO₂eq in the second quarter, unchanged from the same period last year despite that the sales volumes of the company increased. The emissions per ton of product sold have thereby decreased by about 10% compared to the second quarter 2023. In Bäckhammar, the emissions from the use of fossil fuels as support fuel to the recovery boiler increased and these amount to about 60% of the total scope 1 emissions of the company. In Greåker, the emissions associated with the use of natural gas decreased compared to the same period last year.

PRODUCTS THAT SUPPORT SUSTAINABILITY

Among the Nordic Paper speciality paper products is a strong paper produced in Åmotfors which is used for spinning of threads. Paper based threads can be woven to textile materials. The company Svenskt Konstsilke holds long experience within woven textiles and has with the support of Nordic Paper developed a woven material based on kraft paper that is used for interior design products and in interior architecture. Under the brand Fabric Forest products are being marketed such as sound absorbents, lamps, carpets, pillow cushions etc for which sustainability and climate efficiency are important sales arguments.



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.

SEKm	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 was impacted as Russian pulpwood exports to Finland were stopped and the resulting increased competition for wood in the Baltic region has led to increasing prices for pulpwood with a negative impact on Nordic Paper. Nordic Paper could be impacted by further indirect effects of the geopolitical situation following Russia's warfare in Ukraine as well as by other ongoing conflicts in the world.

Also costs of other 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 have thereafter decreased to lower levels. An internal generation of parts of the electricity demand as well as a hedging strategy for the purchase of electricity are components of the risk mitigation. 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 second quarter.

SHAREHOLDERS

Nordic Paper had 14,828 shareholders as of 30 June 2024.

Shareholders 30 June 2024	Votes and capital (%)
Sutriv Holding AB	48.2%
Swedbank Robur Fonder	5.1%
Norges Bank	2.9%
Nordea Funds	2.8%
Nordnet Pensionsförsäkring	2.4%
The Bank of New York Mellon SA	2.2%
Handelsbanken fonder	1.9%
State Street Bank and Trust Co	1.8%
Försäkringsaktiebolaget Avanza	1.7%
Pension	1.7%
CACEIS Bank	1.4%
Other	29.6%
Total	100.0%

The undersigned hereby confirm that this interim report provides a fair overview of the parent company's and group's operations, position and performance, and describes material risks and uncertainties faced by the parent company and group companies.

19 July 2024

Nordic Paper Holding AB (publ)

Per Bjurbom
Chairman of the Board

Ying Che
Board member

Karin Eliasson
Board member

Thomas Körmendi
Board member

Stefan Lundin
Board member

Helene Willberg
Board member

Per Gustafsson
Employee representative

Tom Rød
Employee representative

Anita Sjölander
CEO

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

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

This is information that Nordic Paper Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out in the press release for this report, at 7.30 am CEST on 19 July 2024.

Group

CONDENSED INCOME STATEMENT

SEK m	2024 Q2	2023 Q2	2024 Jan-Jun	2023 Jan-Jun	2023 Full year
Net sales ¹	1,225	1,120	2,434	2,425	4,472
Other operating income	2	15	16	24	36
Raw materials, energy, and consumables	-604	-548	-1,178	-1,171	-2,151
Change in inventories of work-in-progress and finished goods	38	19	-5	20	28
Other external costs	-201	-200	-418	-444	-925
Personnel costs	-179	-165	-339	-303	-602
Other operating expenses	1	-25	0	-53	-83
EBITDA	280	215	511	498	775
Depreciation and amortisation	-38	-38	-75	-76	-152
Operating profit	242	178	436	422	623
Financial income and expense, net	-24	1	-23	-23	-87
Profit before tax	218	178	413	399	536
Tax	-47	-34	-93	-81	-120
Net profit for the period	171	145	320	318	416
Profit attributable to:					
Parent company shareholders	171	145	320	318	416
Non-controlling interests	-	-	-	-	-
Net profit for the period	171	145	320	318	416
Earnings per share, SEK ²	2.55	2.16	4.78	4.75	6.22

¹ Net sales consist entirely of sales of goods

² Before and after dilution

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

SEK m	2024 Q2	2023 Q2	2024 Jan-Jun	2023 Jan-Jun	2023 Full year
Net profit for the period	171	145	320	318	416
<i>Items that have been or may be reclassified to profit or loss</i>					
Changes in the fair value of cash flow hedges	14	-30	-33	-28	71
Exchange differences on translation of foreign operations	-3	25	9	19	-11
Tax attributable to items that have been or may be reclassified to profit or loss	-3	6	7	6	-15
<i>Items that will not be reclassified to profit or loss</i>					
Change in provisions for defined benefit pension plans	-	-	-	-	2
Tax attributable to items that will not be reclassified to profit or loss	-	-	-	-	-
Other comprehensive income for the period	8	2	-17	-3	47
Comprehensive income for the period	179	146	303	315	464
Comprehensive income for the period attributable to:					
Parent company shareholders	179	146	303	315	464

CONDENSED BALANCE SHEET

SEK m	2024 30 Jun	2023 30 Jun	2023 31 Dec
Trademark	34	36	33
Customer relations	180	215	187
Goodwill	742	765	734
Other intangible assets	22	27	24
Buildings and land	28	34	29
Machinery and plant	551	542	547
Equipment, tools and installations	7	6	6
Construction in progress	440	129	315
Right-of-use assets	35	28	23
Shareholding in associated companies	12	-	15
Deferred tax assets	10	24	3
Long term receivables	10	10	10
Total non-current assets	2,070	1,816	1,927
Inventories	659	702	661
Accounts receivable	740	686	496
Other receivables	107	136	187
Derivatives	17	0	44
Prepaid expenses and accrued revenue	24	18	26
Cash and cash equivalents	103	235	496
Total current assets	1,650	1,777	1,910
Total assets	3,721	3,593	3,837
Share capital	19	19	19
Reserves	4	-30	20
Retained earnings including profit for the year	1,206	1,056	1,154
Total equity	1,229	1,045	1,193
Liabilities to credit institutions	1,250	950	950
Lease liabilities	22	17	13
Provisions for defined benefit pension plans	15	17	14
Deferred tax liabilities	228	227	229
Derivatives	-	41	-
Other liabilities and provisions	103	100	112
Total non-current liabilities	1,618	1,352	1,319
Factoring credit line	-	289	260
Accounts payables	388	352	569
Income tax liability	51	29	75
Lease liabilities	14	11	10
Derivatives	31	75	22
Other liabilities	12	12	14
Accrued expenses and deferred income	378	427	375
Total current liabilities	874	1,195	1,325
Total equity and liabilities	3,721	3,593	3,837

CONDENSED STATEMENT OF CHANGES IN EQUITY

SEK m	2024 Q2	2023 Q2	2023 Jan-Dec
Equity, opening balance	1,193	1,041	1,041
Net profit for the period	320	318	416
Other comprehensive income for the period	-17	-3	47
Transactions with owners of the parent:			
Issue of warrants	-	0	0
Dividend	-268	-311	-311
Equity, closing balance	1,229	1,045	1,193
Equity attributable to:			
Parent company shareholders	1,229	1,045	1,193

CONDENSED CASH FLOW STATEMENT

SEK m	2024 Q2	2023 Q2	2024 Jan-Jun	2023 Jan-Jun	2023 Full year
Operating activities					
Operating profit	242	178	436	422	623
Interest received	1	3	5	4	13
Interest paid	-16	-18	-32	-34	-74
Adjustments, cash flow	20	63	77	107	136
Paid income tax	-36	-29	-126	-106	-72
Cash flow from operating activities before changes in working capital	212	196	359	394	626
Cash flow from changes in working capital					
Change in inventories	-54	-62	4	-82	-49
Change in accounts receivable	-27	118	-244	85	273
Change in current receivables	40	-18	82	-44	-104
Change in accounts payable	-39	33	-199	-61	69
Change in current liabilities	44	-22	-5	-26	-51
Cash flow from operating activities	175	245	-2	265	765
Investing activities					
Acquisition of tangible assets	-125	-28	-164	-51	-208
Acquisition of associated companies	-	-	-	-	-15
Cash flow from investing activities	-125	-28	-164	-51	-223
Financing activities					
Change in liability to credit institution	300	-	300	-	-
Repayment of lease liabilities	-4	-3	-6	-6	-11
Net change in factoring credit line	-276	9	-260	5	-24
Dividend paid	-268	-311	-268	-311	-311
Cash flow from financing activities	-247	-304	-234	-312	-346
Cash flow for the period	-198	-88	-399	-97	196
Cash and cash equivalents at beginning of period	307	307	496	325	325
Exchange rate difference in cash and cash equivalents	-6	16	6	7	-25
Cash and cash equivalents at end of period	103	235	103	235	496
Adjustments for non-cash items					
Depreciation and amortisation	38	38	75	76	152
Changes in exchange rates	6	-17	-6	1	32
Change in fair value of derivatives	-12	27	9	26	-33
Other	-12	15	-2	5	-15
Total	20	63	77	107	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 programs were approved in the form of warrants to senior executives. The accounting of the incentive programs is made according to IFRS 2. At the annual general meeting 2024 it was decided on a cash-based long-term incentive program for senior executives.

NOTE 2 NET SALES BY SEGMENT

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

Jan-Jun 2024	Net sales incl. internal sales	Eliminations	Net sales
SEK m			
Kraft Paper	1,221	-28	1,193
Natural Greaseproof	1,241		1,241
Parent company and undistributed items	43	-43	0
Group	2,505	-71	2,434

Net sales by segment, geographic market		
Jan-Jun 2024	Natural Greaseproof	Kraft Paper
SEK m		
Sweden	29	292
Italy	140	133
Germany	83	138
Other Europe	404	342
USA	334	1
Other world	251	315
	1,241	1,221

Where Nordic Paper invoices for deliveries to Swedish trading houses for export, these sales are also recognised as net sales to Sweden in the table above.

NOTE 3 FINANCIAL INCOME AND EXPENSE, NET

MSEK	2024 Q2	2023 Q2	2024 Jan-Jun	2023 Jan-Jun	2023 Full year
Result associated companies	-3	-	-3	-	-
Interest income	1	3	5	4	13
Interest cost	-16	-18	-32	-34	-74
Currency gains and losses, net	-7	17	7	7	-25
Other financial items	0	-1	0	-1	-2
Financial income and expense, net	-24	1	-23	-23	-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 103 m relate to assessed future remediation costs for buildings and land. The provision breakdown includes SEK 78 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

At the annual general meeting on 23 May 2024, in accordance with the board's proposal, it was decided on a cash-based long-term incentive program for senior executives, LTIP 2024/2027. The incentive program focuses on a financial performance condition, return on operating capital. The vesting period is the period until Nordic Paper's annual general meeting in 2027. The payment is made in cash after the annual general meeting in 2027. The payment depends on the degree of fulfilment of the financial performance condition return on operating capital during the financial years 2024–2026, the Measurement Period. LTIP 2024/2027 also contains conditions for the reinvestment of half of the outcome in the program, net after tax, in Nordic Paper shares, which the participants must keep for at least three years.

The outcome of the LTIP 2024/2027 is calculated based on the financial information in Nordic Paper's annual reports for the financial years 2024, 2025 and 2026 (adjusted for extraordinary items according to the board's assessment and calculated as a three-year average) during the measurement period.

The payment is based on the annual salary (fixed cash salary excluding holiday pay) the participant has as of December 31, 2026. The maximum cost of LTIP 2024/2027 for Nordic Paper, including social security contributions, is an amount corresponding to three percent of the company's average net profit during the financial years 2024–2026. The costs are distributed over the earning period and are expected to have a marginal impact on Nordic Paper's key figures.

The company also has outstanding incentive programs in the form of warrants, decided at the annual general meetings in 2022 and 2023. For the incentive program from 2022, 510,000 warrants are outstanding with an exercise price of SEK 45.77 per share. For the incentive program from 2023, 292,000 options are outstanding with an exercise price of SEK 38.98 per share.

Key figures

SEK m	2024 Q2	2023 Q2	2024 Jan-Jun	2023 Jan-Jun	2023 Full year
Net sales growth, %	9	-2	0	10	1
EBITDA margin, %	22.9	19.2	21.0	20.5	17.3
Operating margin, %	19.8	15.9	17.9	17.4	13.9
Cash flow from operating activities	175	245	-2	265	765
Return on operating capital, 12 m, %	30.0	32.1			30.0
Return on equity, 12 m, %	35.2	55.4			37.1
Working capital	597	620			225
Operating capital	2,417	2,198			1,898
Interest-bearing liabilities	1,300	1,283			1,247
Net debt/equity ratio, %	97.4	100.2			62.9
Net debt/EBITDA, 12 m, multiple	1.5	1.3			1.0
Equity/assets ratio, %	33.0	28.7			31.1
Working capital, % of net sales, 12 m	10.3	11.9			11.3
Investments	120	28	181	51	298
Sales volume, ktonnes	76.7	69.4	156.5	142.8	273.3
Number of employees at end of period	692	685			679
Number of shares, end of period	66,908,800	66,908,800	66,908,800	66,908,800	66,908,800
Earnings per share, SEK ¹	2.55	2.16	4.78	4.75	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	2024	2023	2023
SEK m	Q2	Q2	Jan-Jun	Jan-Jun	Full year
Operating profit	242	178	436	422	623
Depreciation/amortisation	38	38	75	76	152
EBITDA, SEK m	280	215	511	498	775
EBITDA MARGIN	2024	2023	2024	2023	2023
SEK m	Q2	Q2	Jan-Jun	Jan-Jun	Full year
EBITDA	280	215	511	498	775
Net sales	1,225	1,120	2,434	2,425	4,472
EBITDA margin, %	22.9	19.2	21.0	20.5	17.3
OPERATING MARGIN	2024	2023	2024	2023	2023
SEK m	Q2	Q2	Jan-Jun	Jan-Jun	Full year
Operating profit	242	178	436	422	623
Net sales	1,225	1,120	2,434	2,425	4,472
Operating margin, %	19.8	15.9	17.9	17.4	13.9
WORKING CAPITAL	2024	2023	2024	2023	2023
SEK m	Q2	Q2	Jan-Jun	Jan-Jun	Full year
Inventories	659	702			661
Accounts receivable	740	686			496
Other operating receivables excl. derivatives	130	154			213
Accounts payable	-388	-352			-569
Other operating liabilities excl. derivatives	-545	-570			-576
Working capital	597	620			225
Working capital, 12 m	463	554			505
Net sales, 12 m	4,481	4,668			4,472
Working capital, % of net sales, 12 m	10.3	11.9			11.3

OPERATING CAPITAL	2024	2023	2023
SEK m	Q2	Q2	Full year
Working capital	597	620	225
Intangible assets	977	1,043	978
Property, plant and equipment	1,061	739	921
Deferred tax assets/liabilities	-219	-204	-227
Operating capital	2,417	2,198	1,898
Operating profit, 12 m	637	685	623
Operating capital, 12 m	2,128	2,132	2,075
Return on operating capital, %, 12 m	30.0	32.1	30.0
NET DEBT	2024	2023	2023
SEK m	Q2	Q2	Full year
Non-current liabilities to credit institutions	1,250	950	950
Lease liabilities	36	28	23
Provisions for employee benefits	15	17	14
Factoring credit line	-	289	260
Interest-bearing liabilities	1,300	1,283	1,247
Cash and cash equivalents	103	235	496
Net debt/net cash (+/-)	1,197	1,048	751
EBITDA, 12 m	788	835	775
Net debt/EBITDA, 12 m, multiple	1.5	1.3	1.0
NET DEBT/EQUITY RATIO	2024	2023	2023
SEK m	Q2	Q2	Full year
Net debt/net cash (+/-)	1,197	1,048	751
Equity	1,229	1,045	1,193
Net debt/equity ratio, %	97.4	100.2	62.9
EQUITY/ASSETS RATIO	2024	2023	2023
SEK m	Q2	Q2	Full year
Equity	1,229	1,045	1,193
Total assets	3,721	3,593	3,837
Equity/assets ratio, %	33.0	28.7	31.1
RETURN ON EQUITY	2024	2023	2023
SEK m	Q2	Q2	Full year
Net profit for the period, 12 m	418	559	416
Equity	1,229	1,045	1,193
Equity, 12 m	1,188	1,008	1,122
Return on equity, 12 m, %	35.2	55.4	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	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Kraft Paper segment	557	631	695	614	546	472	597	623
Natural Greaseproof segment	497	594	626	519	536	508	624	617
Eliminations	-17	-19	-15	-13	-6	-9	-12	-16
Total Group	1,037	1,206	1,305	1,120	1,077	971	1,209	1,225

EBITDA

SEK m	2022		2023				2024	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Kraft Paper segment	109	212	261	186	64	82	114	154
Natural Greaseproof segment	-23	76	63	63	61	95	124	125
Parent company and undistributed items	-11	-31	-42	-65	19	5	-21	2
Eliminations etc.	3	3	1	31	-37	-12	13	-1
EBITDA Group	77	260	282	215	108	170	231	280
Depreciation and amortisation	-37	-37	-38	-38	-39	-37	-37	-38
Operating profit	40	223	244	178	69	132	194	242
Financial income and expense, net	11	26	-24	1	-21	-43	1	-24
Profit before tax	51	249	220	178	48	89	195	218

EBITDA MARGIN

%	2022		2023				2024	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Kraft Paper segment	19.5	33.5	37.6	30.4	11.8	17.4	19.1	24.7
Natural Greaseproof segment	-4.7	12.8	10.0	12.0	11.4	18.7	19.9	20.3
Group	7.4	21.5	21.6	19.2	10.0	17.5	19.1	22.9

OPERATING PROFIT

SEK m	2022		2023				2024	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Kraft Paper segment	94	197	246	172	49	67	99	139
Natural Greaseproof segment	-42	58	43	43	41	76	104	105
Parent company and undistributed items	-11	-31	-42	-65	19	5	-21	2
Eliminations etc.	-1	-1	-3	28	-40	-15	12	-4
Total Group	40	223	244	178	69	132	194	242

OPERATING MARGIN

%	2022		2023				2024	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Kraft Paper segment	16.9	31.3	35.4	28.0	9.0	14.2	16.6	22.3
Natural Greaseproof segment	-8.5	9.7	6.9	8.3	7.7	14.9	16.7	17.0
Group	3.9	18.5	18.7	15.9	6.4	13.6	16.0	19.8

SALES VOLUMES

Ktonnes	2022		2023				2024	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Kraft Paper segment	46.1	50.4	54.6	53.0	49.8	45.8	58.7	56.9
Natural Greaseproof segment	18.7	21.0	21.6	18.8	18.9	18.8	23.2	22.4
Eliminations	-2.9	-3.3	-2.7	-2.4	-1.1	-1.8	-2.3	-2.6
Total Group	61.9	68.2	73.5	69.4	67.6	62.8	79.6	76.7

Parent company

CONDENSED INCOME STATEMENT

SEK m	2024 Q2	2023 Q2	2024 Jan-Jun	2023 Jan-Jun	2023 Full year
Net sales	22	16	43	31	62
Other operating income	0	0	0	0	0
Other external costs	-21	-19	-47	-50	-78
Personnel costs	-4	-5	-9	-9	-14
Other operating expenses	6	-57	-6	-79	-54
Operating profit	2	-65	-19	-107	-83
Financial income and expense, net	-11	-63	-25	-90	-20
Profit after financial items	-9	-128	-44	-197	-103
Appropriations	-	-	-	-	524
Profit before tax	-12	-128	-47	-197	420
Tax	2	32	6	45	-91
Net profit for the period	-10	-96	-41	-152	329

CONDENSED BALANCE SHEET

SEK m	2024 30 Jun	2023 30 Jun	2023 31 Dec
Shares in Group companies	1,165	1,165	1,165
Receivables from Group companies	248	342	273
Shares in associated companies	12	-	15
Deferred tax assets	2	16	1
Total non-current assets	1,427	1,522	1,453
Receivables from Group companies	569	2	572
Income tax receivables	31	69	-
Other receivables	30	1	53
Prepaid expenses and accrued income	0	0	9
Cash and bank balances	289	314	318
Total current assets	920	386	953
Total assets	2,346	1,909	2,406
Share capital	19	19	19
Retained earnings	507	446	446
Net profit for the period	-41	-152	329
Total equity	486	312	794
Untaxed reserves	557	508	557
Non-current liabilities to credit institutions	1,250	950	950
Derivatives	-	41	-
Total non-current liabilities	1,250	991	950
Liabilities to Group companies	0	0	1
Accounts payable	1	1	5
Derivatives	31	75	22
Other liabilities	2	1	1
Income tax liability	-	-	72
Accrued expenses and deferred income	20	20	4
Total current liabilities	54	98	106
Total equity and liabilities	2,346	1,909	2,406

CONFERENCE CALL

On the publication of the interim report a telephone conference will be held on Friday 19 July at 10.00 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/M9stuJKP/10017/?lang=9239>
- Link to register to participate by telephone:
<https://services.choruscall.it/DiamondPassRegistration/register?confirmationNumber=3631433&linkSecurityString=7fc96db96>

FINANCIAL CALENDAR

Interim Report Q3 2024 – 30 October 2024

Year-end report 2024 – 30 January 2025

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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