

# Strong results driven by high production

Nordic Paper interim report Q2 2024

Anita Sjölander, CEO

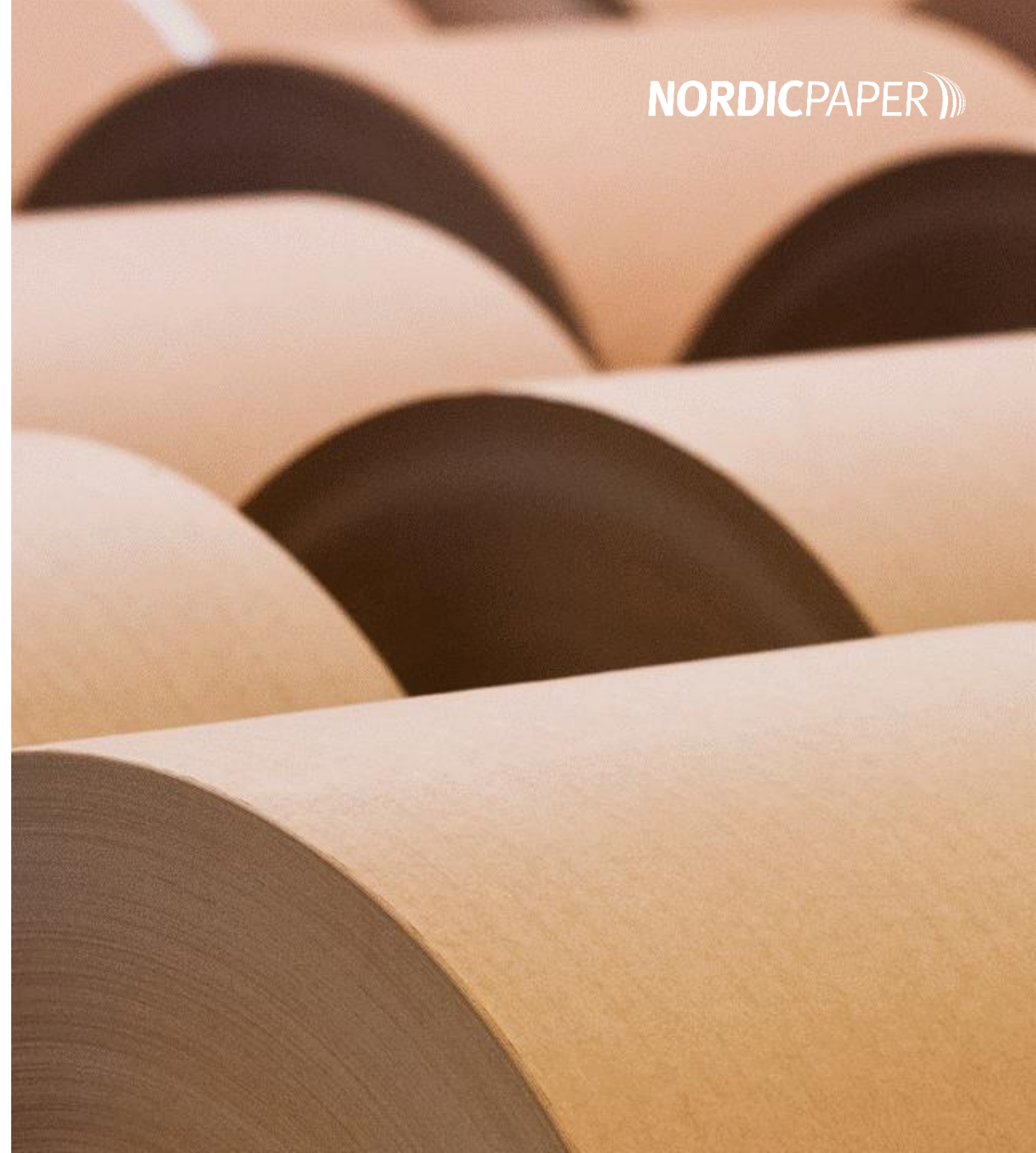
Niclas Eriksson, CFO

Henrik Essén, Head of IR

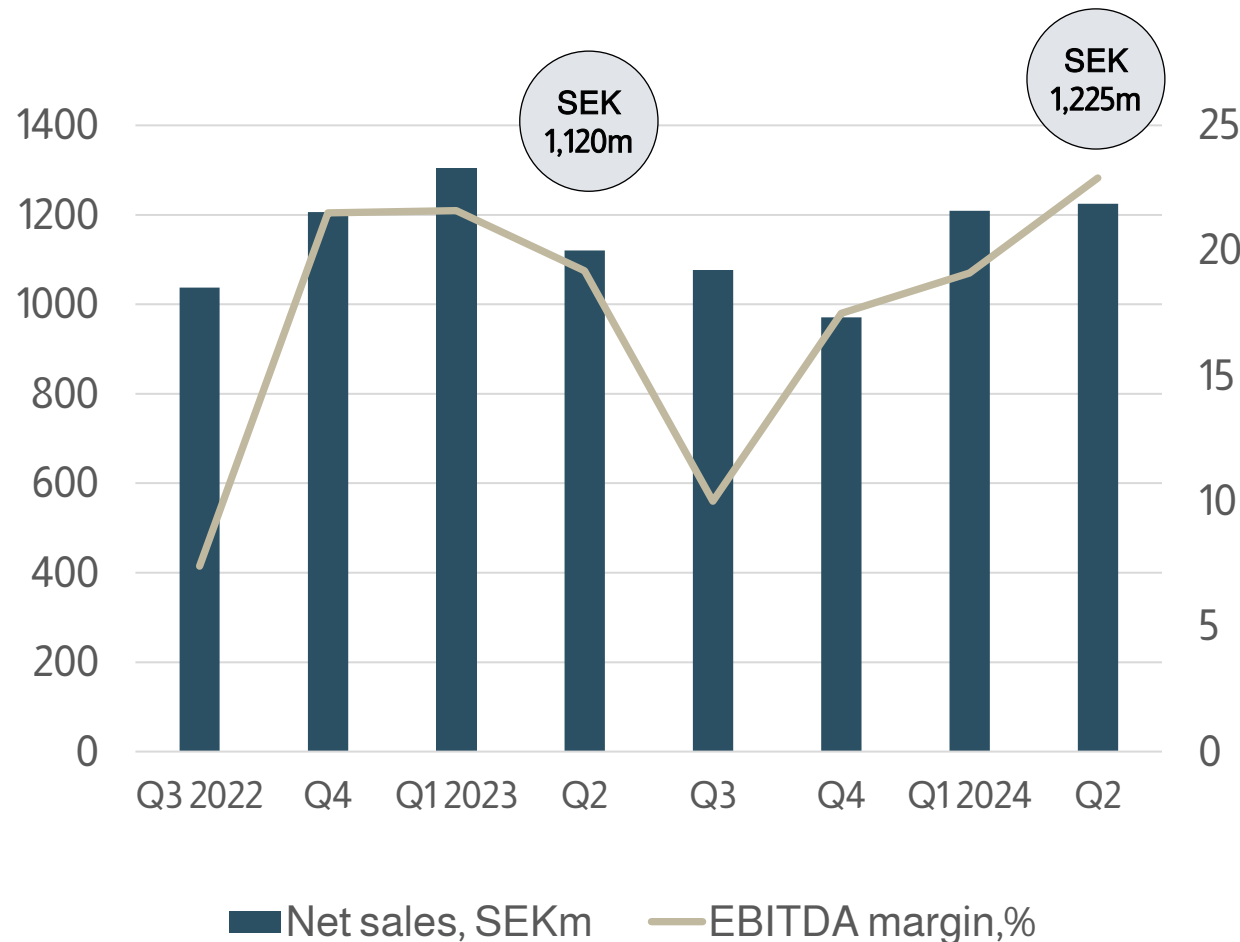
**NORDICPAPER** 

# Strong results driven by high production

- Market demand was healthy in the quarter.
- Net sales up 9% to SEK 1,225m (1,120m) as sales volumes increased by 11%.
- Product prices increased in the quarter but still 5% lower than Q2 2023.
- EBITDA at SEK 280m (215m), corresponding to a margin of 22.9% (19.2%).
  - New record for EBITDA and EBITDA margin for Natural Greaseproof.
  - Third consecutive quarter with improving result from low level for Kraft Paper
- Net debt/EBITDA increased to 1.5 (1.3), after dividend pay-out and capex in Bäckhammar.

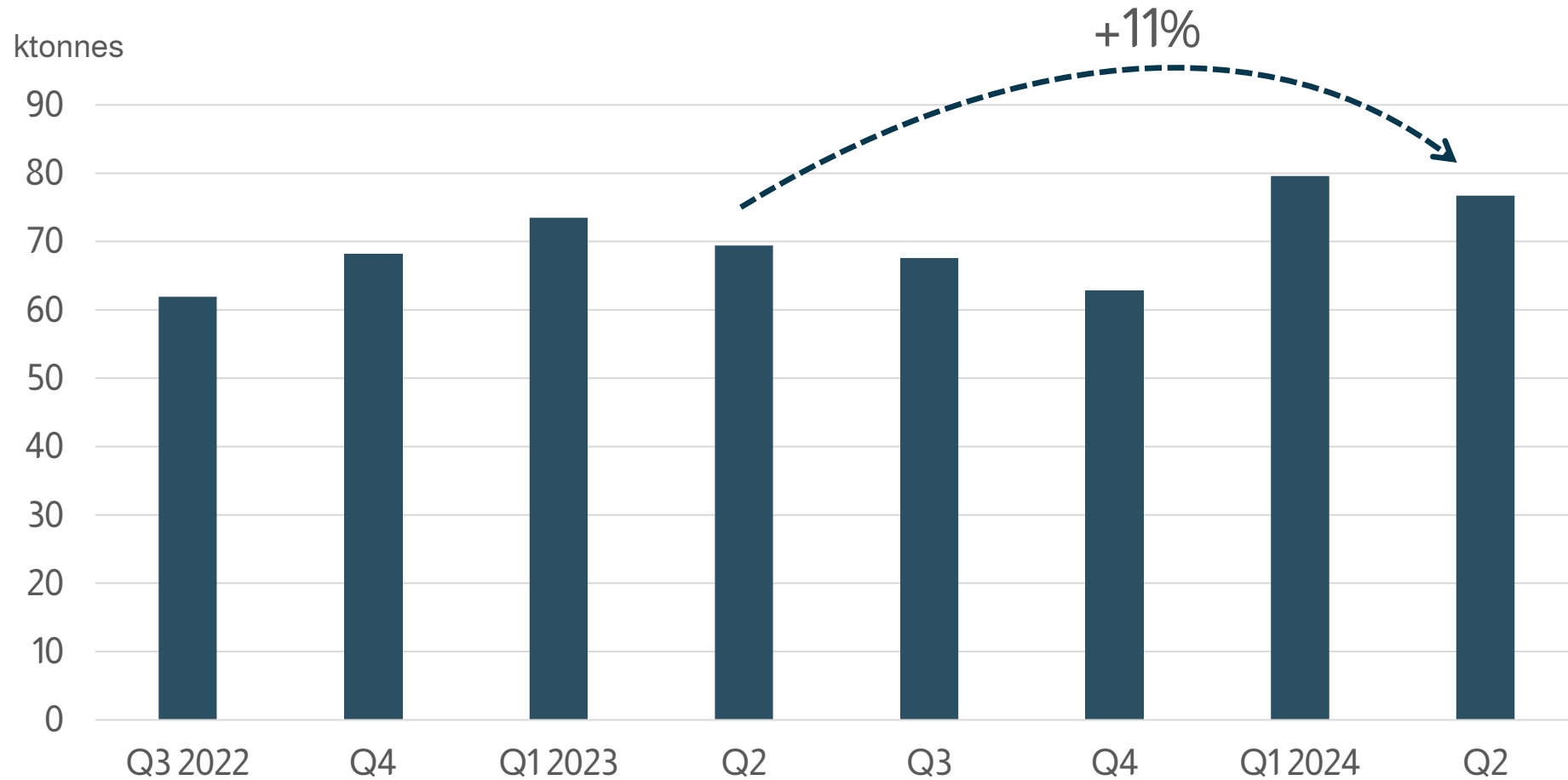


# Net sales and EBITDA second highest ever



- ✓ Net sales SEK 1,225m
- ✓ EBITDA SEK 280m
- ✓ EBITDA margin 22.9%

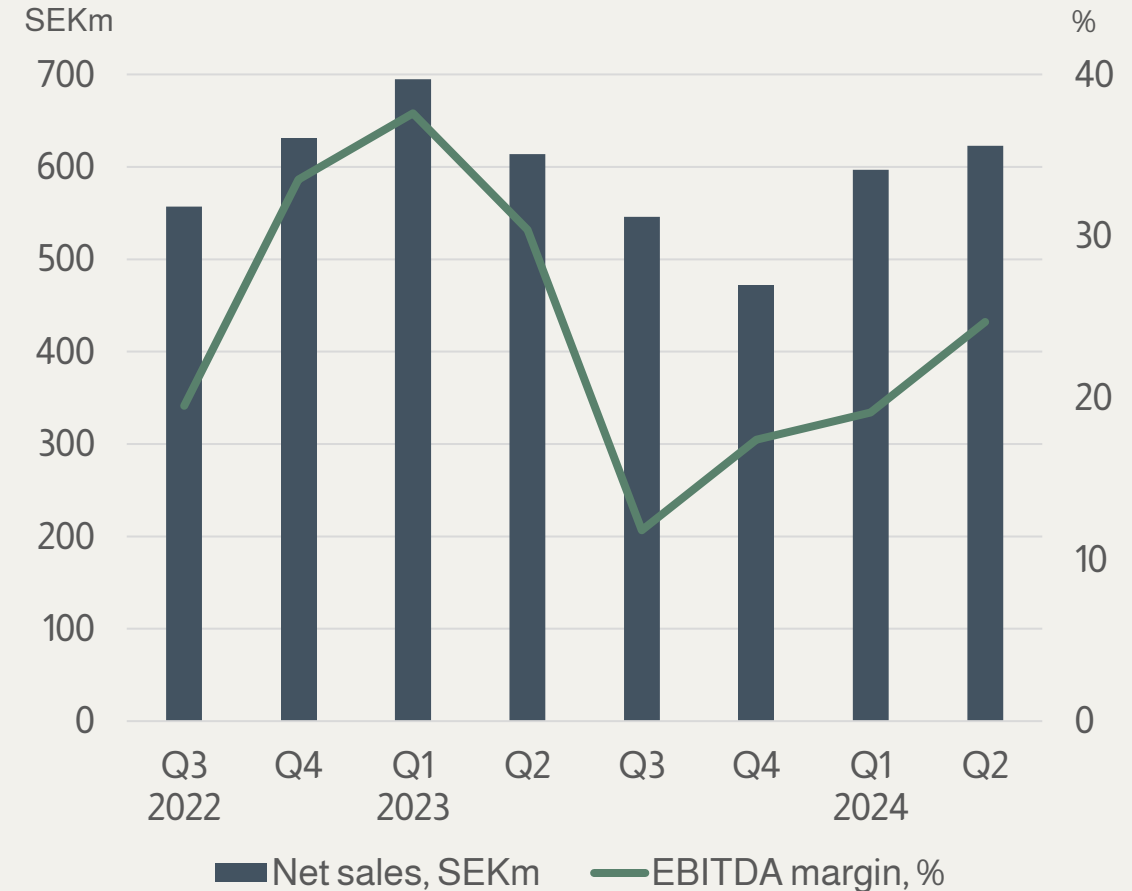
# Sales volumes up as demand was healthy and production high



# Kraft Paper profitability improving from low levels

- ✓ Net sales SEK 623m, an increase by 2% compared to Q2 2023.
- ✓ Higher sales volume and beneficial product mix compensated for lower product prices.
- ✓ Pulpwood price continued to increase.
- ✓ EBITDA margin at 24.7%.

### Kraft Paper net sales and EBITDA



# Interior design products made of Nordic Paper kraft paper

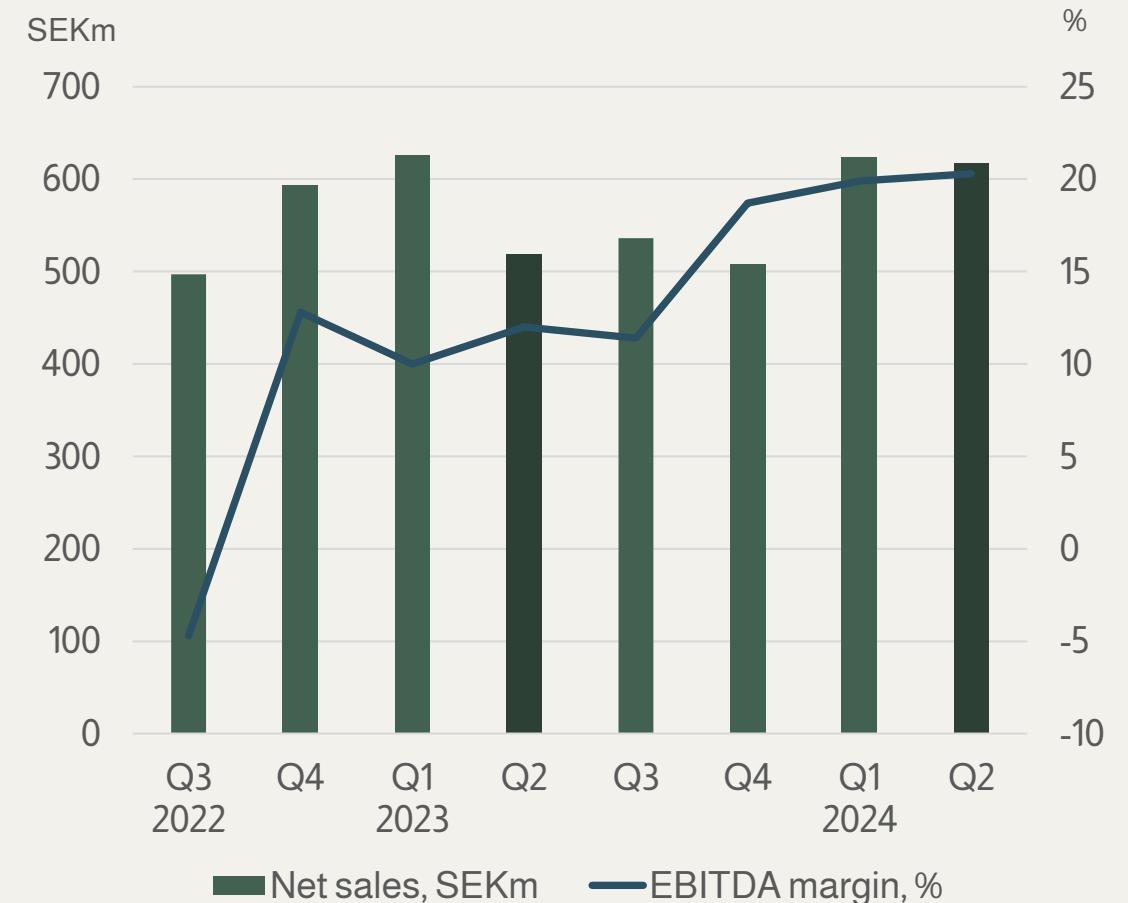
- With over a century of expertise from yarn and textile industry, AB Svenskt Konstsilke has recently developed a thread and fabric made from kraft paper.
- Under the Fabric Forest brand, interior design products for public and residential use are being produced and marketed.
- The speciality kraft paper is produced at Nordic Paper Åmotfors.



# New record for EBITDA margin in Natural Greaseproof

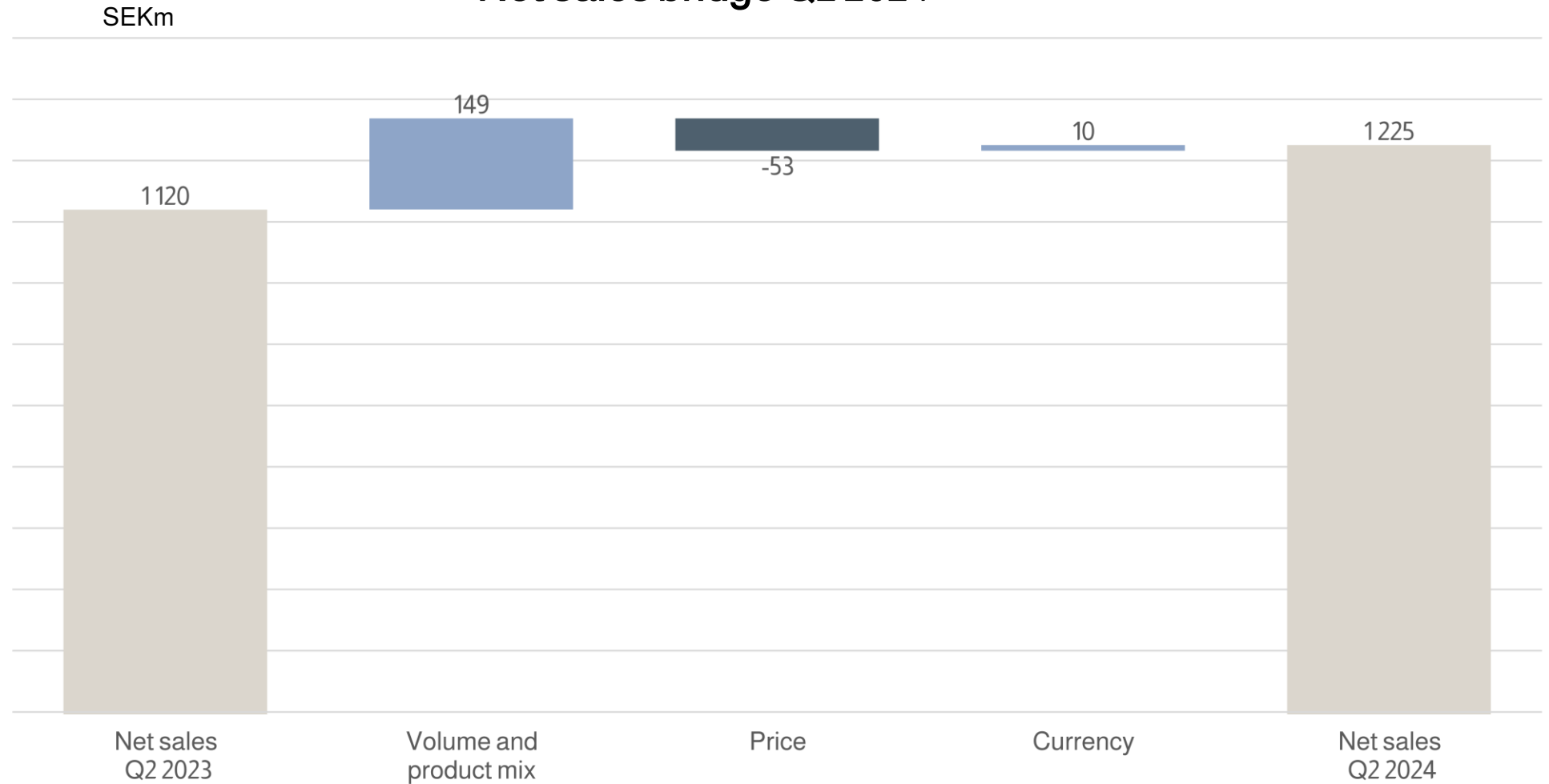
- ✓ Net sales increased by 19% to SEK 617m after very strong increase in sales volume.
- ✓ Product prices 2% up compared to Q2 2023.
- ✓ EBITDA increased to new record at SEK 125m primarily driven by increased sales volume.
- ✓ EBITDA margin at 20.3%, also new record, supported by in total lower input prices.

### Natural Greaseproof net sales and EBITDA



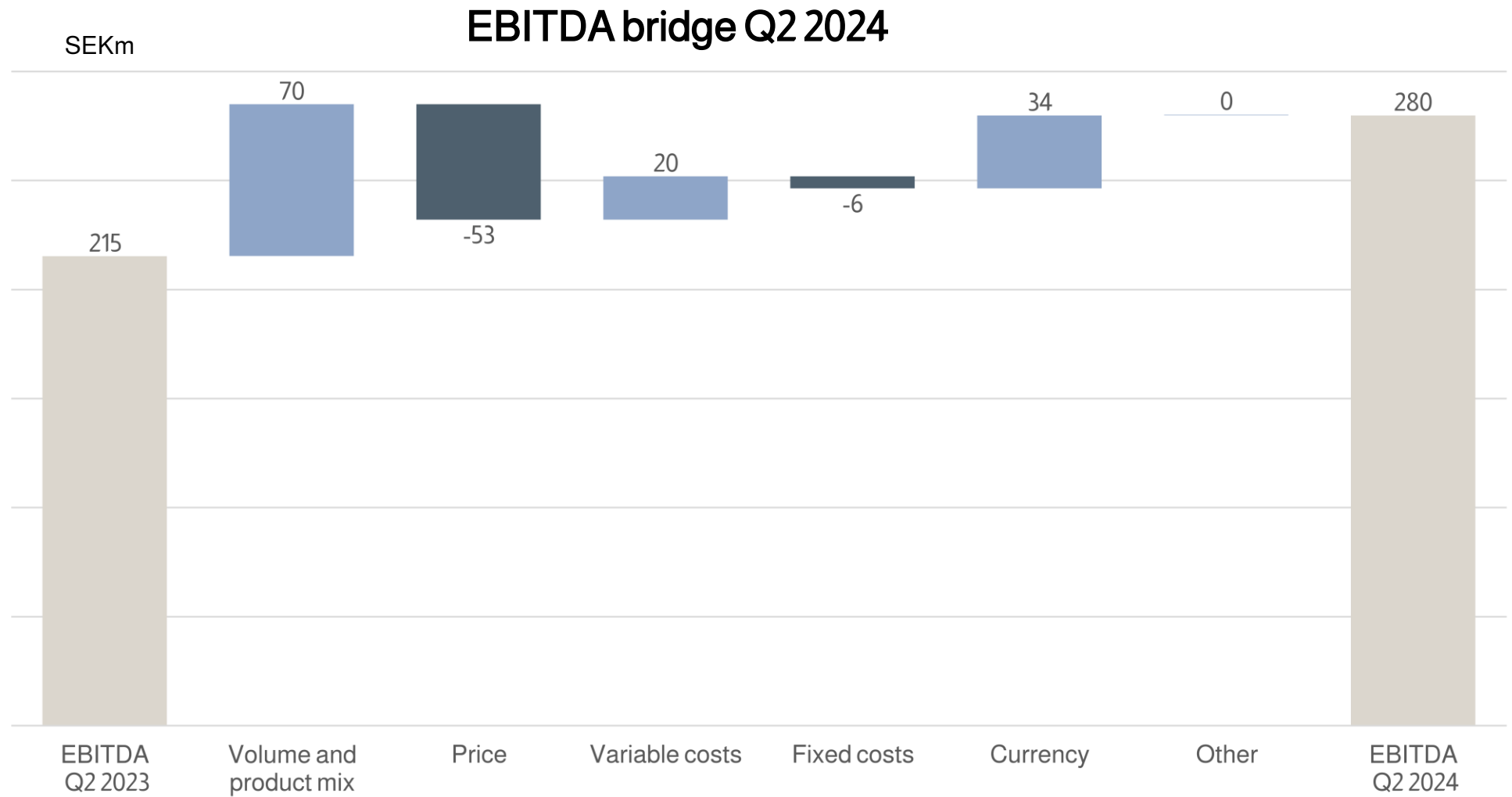
# Positive impact from higher volumes offsets lower product prices

## Net sales bridge Q2 2024

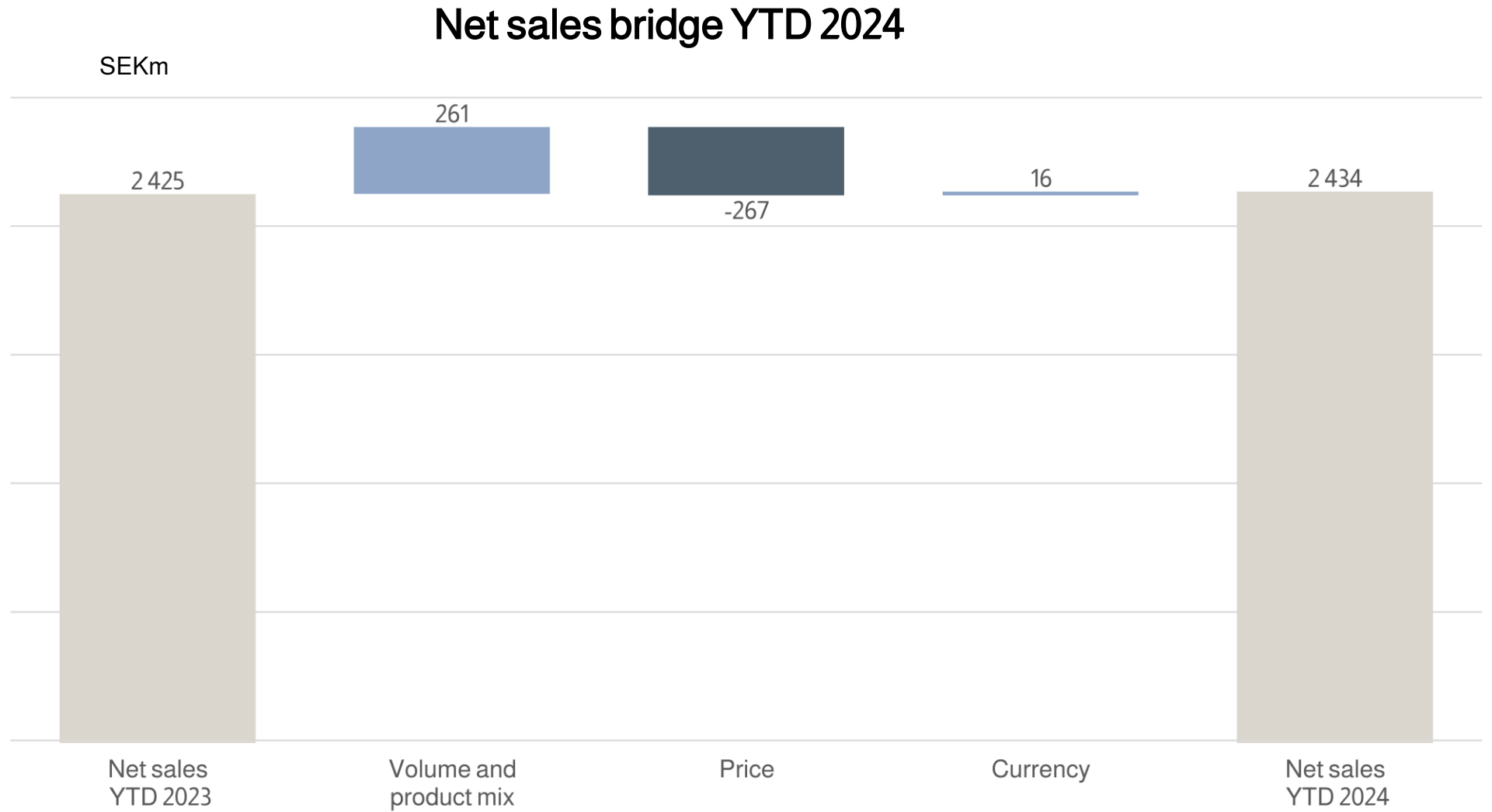




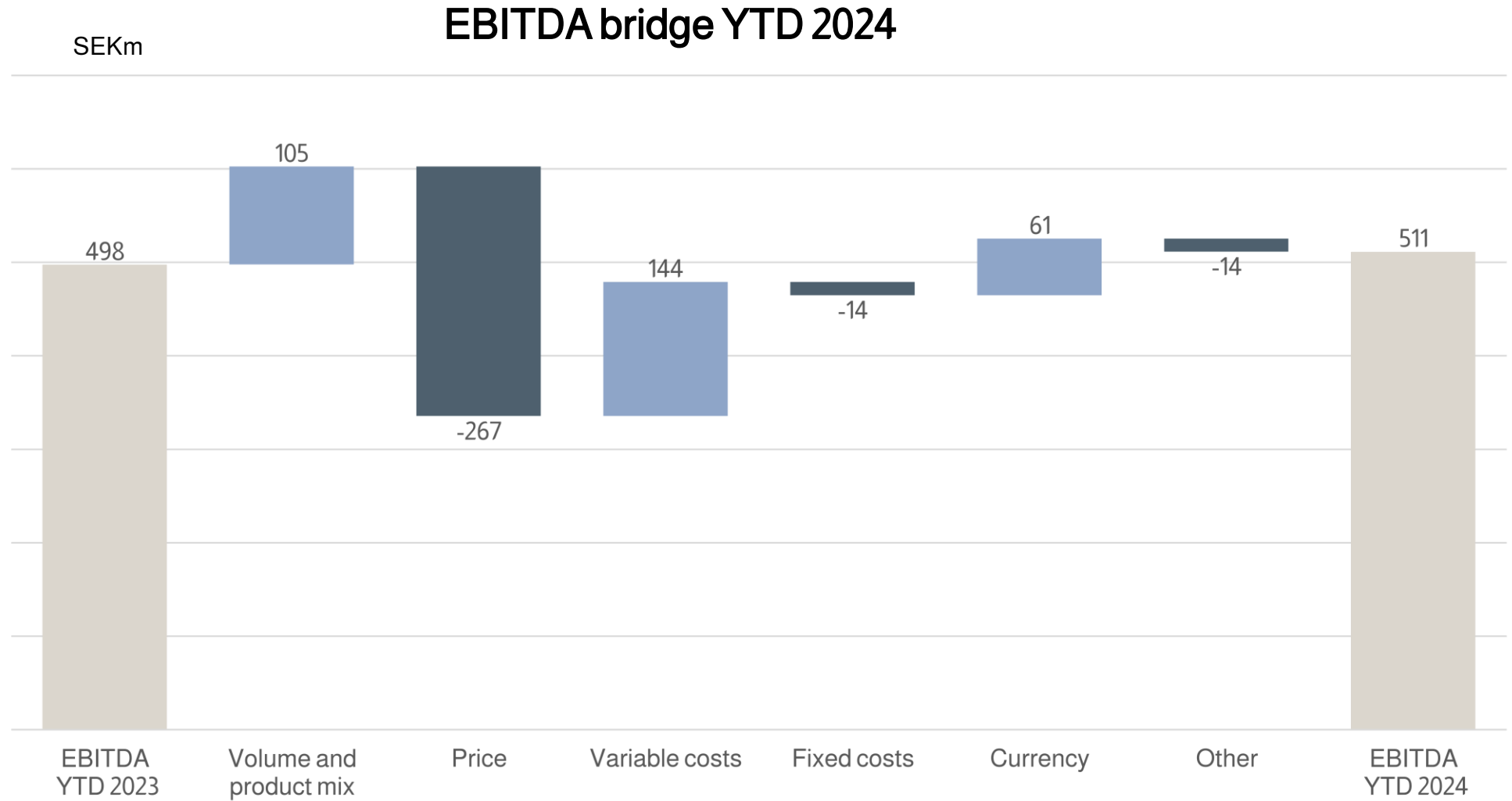
# Higher volumes improve EBITDA despite lower product prices



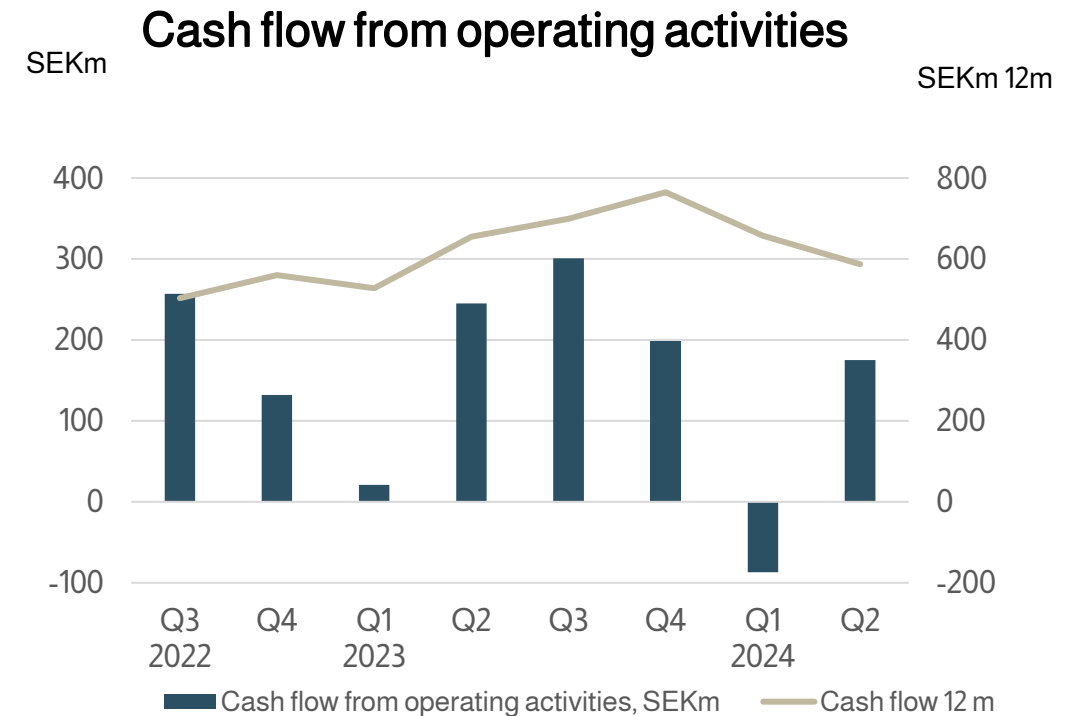
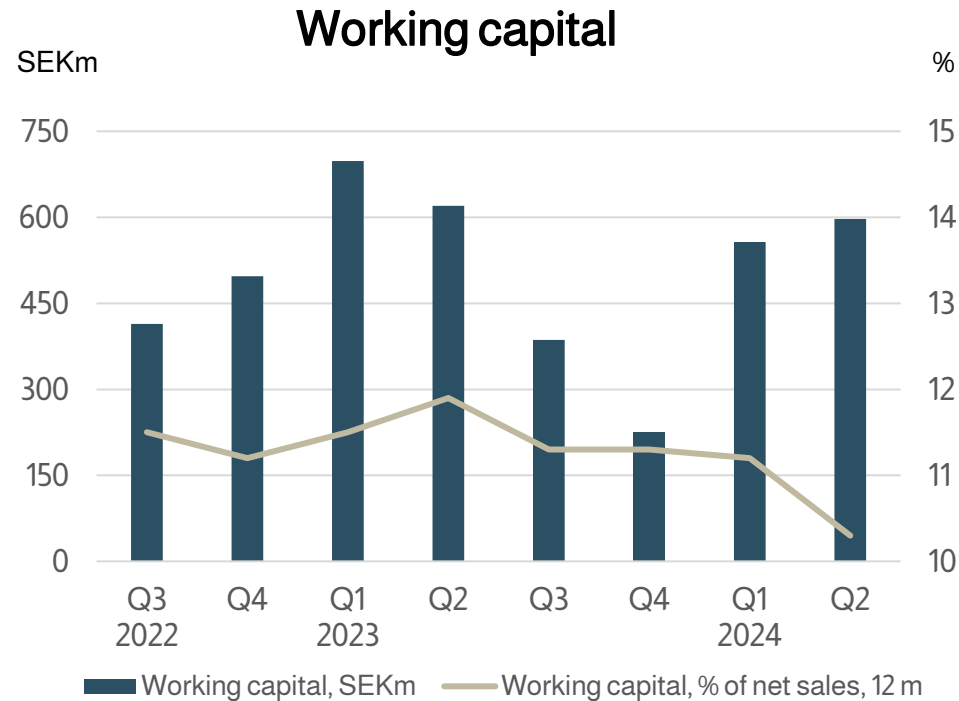
# Higher volumes offset lower product prices



# Higher volumes and lower variable costs offset lower prices



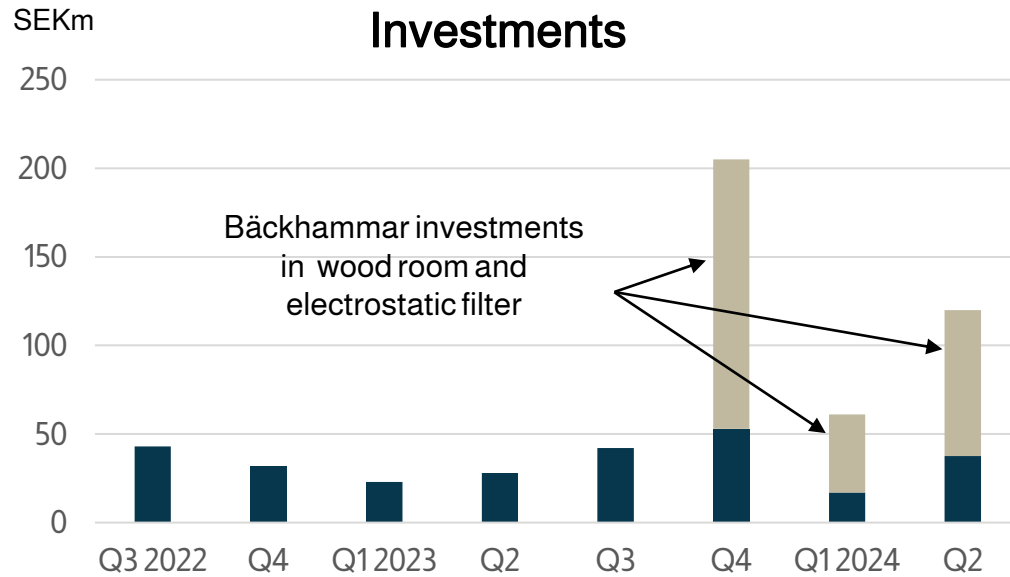
# Working capital on stable level compared to Q1 2024



- Working capital amounted to SEK 597m (620m). Stable level compared to Q1 from the continued good sales volumes and production level.

- Cash flow from operating activities of SEK 175m (245m).

# Bäckhammar investment proceeding according to plan

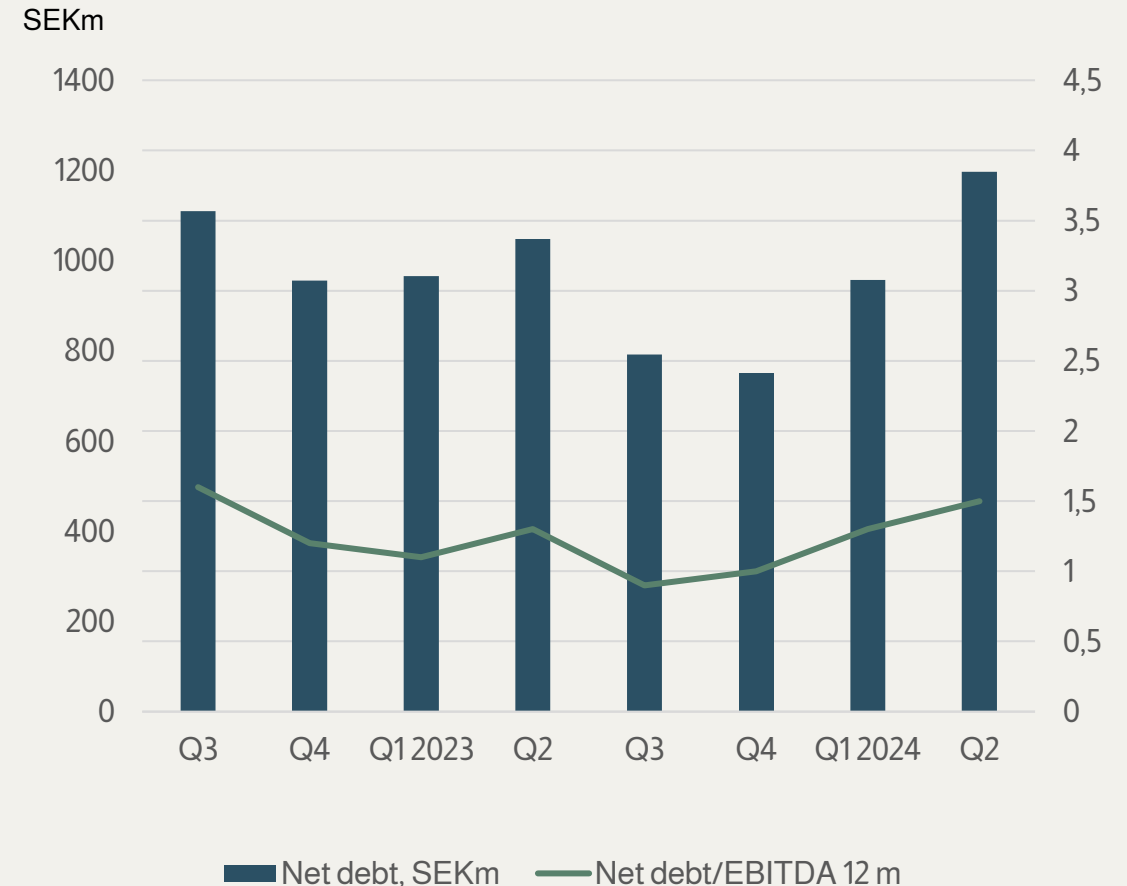


- The ongoing Bäckhammar investments are expected to add SEK 100m to EBITDA with full effect from 2026.



# Strong financial position

- ✓ Net debt impacted by dividend pay-out of SEK 268m and ongoing capex in Bäckhammar during Q2.
- ✓ Net debt SEK 1 197m (1 048m).
- ✓ Net debt/EBITDA 1.5 (1.3), target <2.5



# Outlook

The company assesses that

- demand for Nordic Paper products will remain healthy also in Q3.
- average product prices in Q3 will continue to increase at a rate somewhat less than in Q2.
- product price increases will compensate for further price increases for raw material, mainly pulp wood and chips.
- there will be normal seasonal effects from maintenance stops in Q3 at all Nordic Paper production plants.



# Q&A



# Summary

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- Product prices increased in the quarter but still 5% lower than Q2 2023.
- EBITDA at SEK 280m (215m), corresponding to a margin of 22.9% (19.2%).

The company assesses that

- demand for Nordic Paper products will remain healthy also in Q3 and that product price increases will be implemented.

