

Double digit growth in net sales and EBITDA

Nordic Paper year-end report 2024

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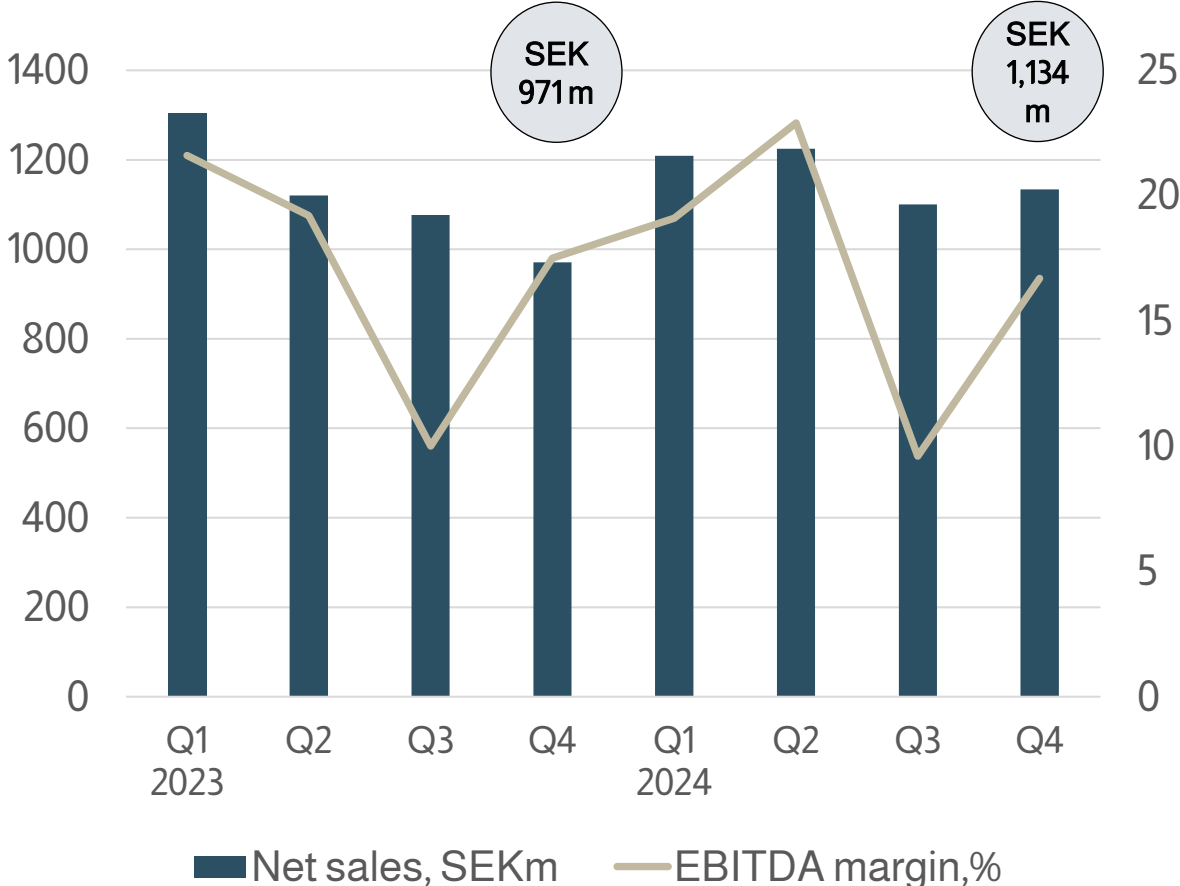
NORDICPAPER 

Double digit growth in net sales and EBITDA

- Overall demand remained healthy in the quarter and net sales increased by 17% to SEK 1,134m (971m).
- Very strong sales development in Natural Greaseproof with a new net sales record.
- Sales prices were stable from the previous quarter, 6% higher than Q4 2023.
- EBITDA at SEK 189m (170m), corresponding to a margin of 16.7% (17.5%).
- The dividend policy was removed.

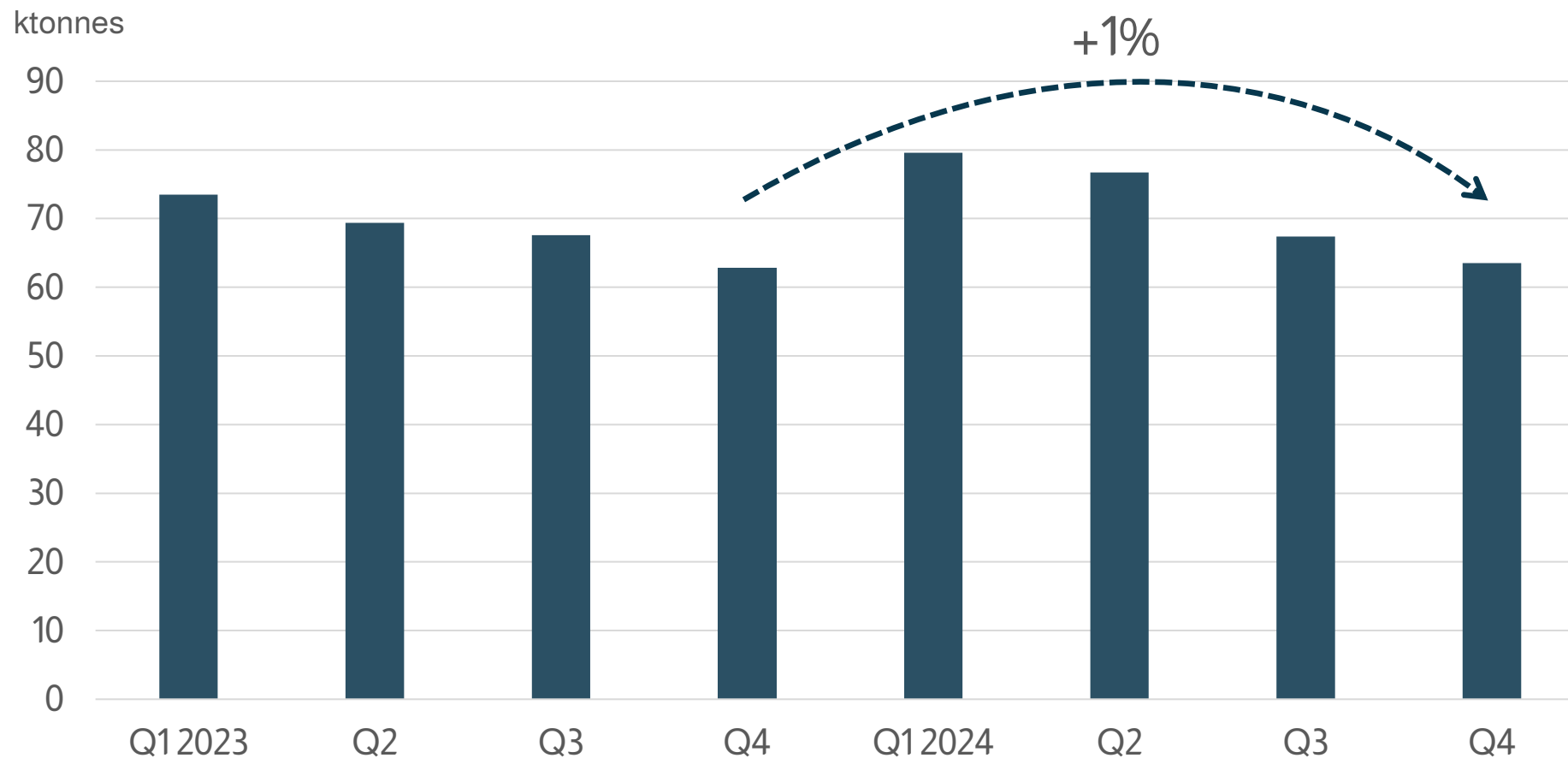


Double digit growth for net sales and EBITDA while margin decreased slightly



- ✓ Net sales SEK 1,134m (+17%)
- ✓ EBITDA SEK 189m (+12%)
- ✓ EBITDA margin 16.7% (-0,8 p.p.)

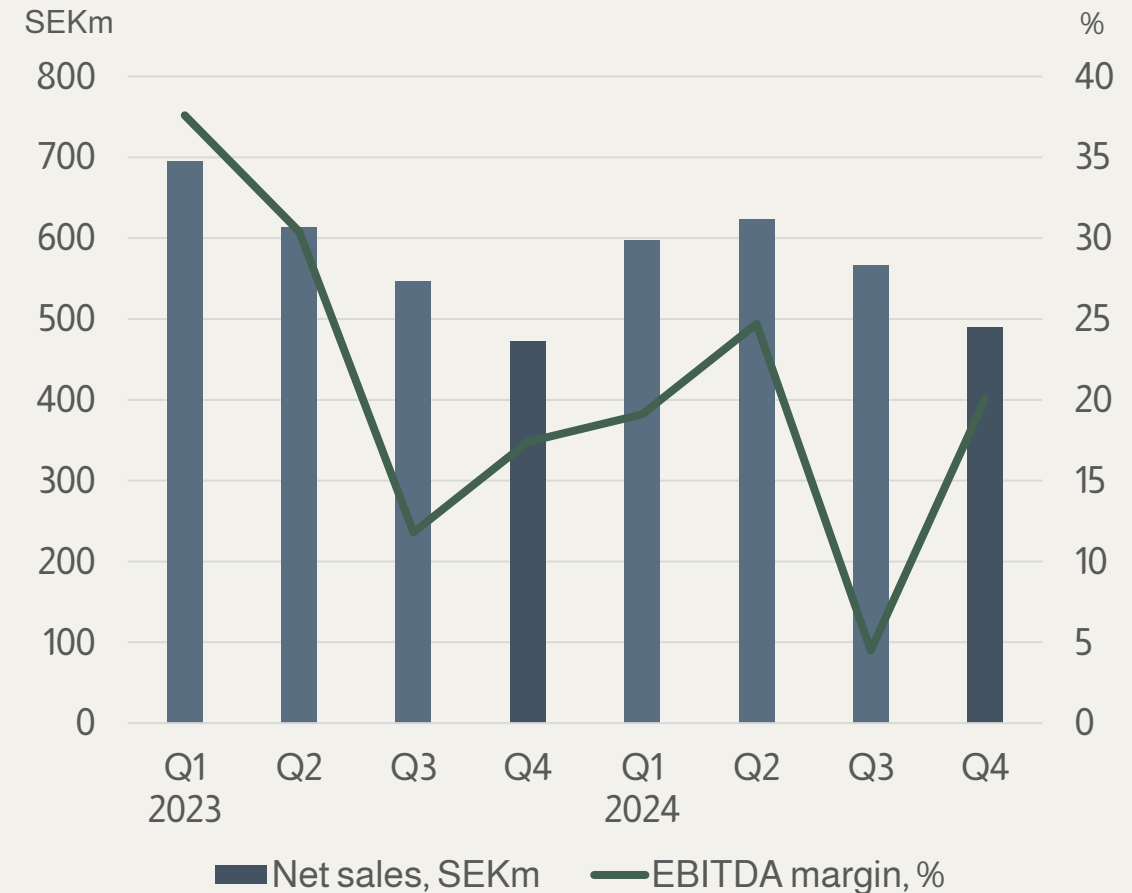
Slight increase in sales volumes from weak Q4 2023



Kraft Paper impacted by slow ramp-up of Bäckhammar

- ✓ Net sales SEK 490m, an increase by 4% compared to Q4 2023.
- ✓ Sales volumes decreased 6% due to slow ramp-up of production in Bäckhammar after maintenance stop Q3 2024.
- ✓ Sales prices 4% higher compared to Q4 2023.
- ✓ EBITDA at SEK 99m corresponding to a margin of 20.1%.

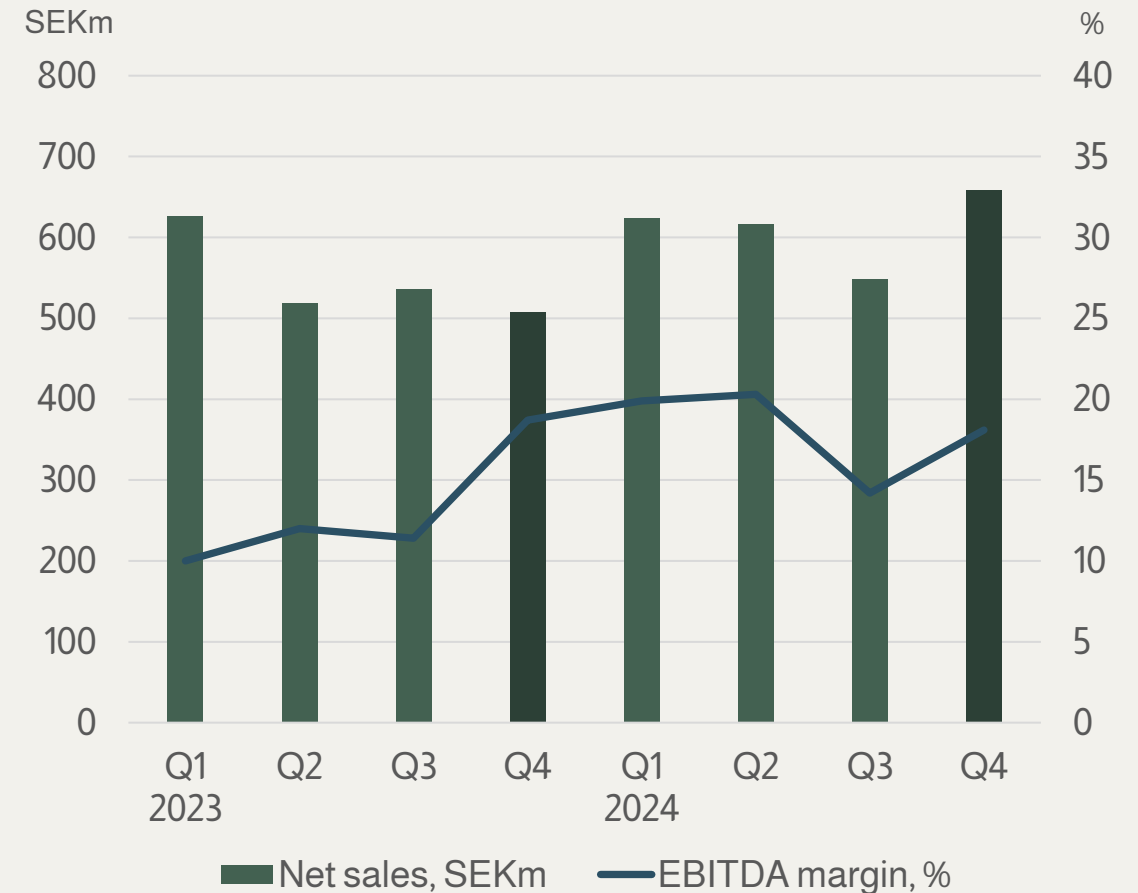
Kraft Paper net sales and EBITDA margin



Natural Greaseproof excels

- ✓ Net sales increased by 30% to SEK 658m, a new quarterly record.
- ✓ Sales prices 7% up compared to Q4 2023 and sales volumes increased by 20%.
- ✓ In total slight negative impact on EBITDA from raw material prices compared to Q4 2023.
- ✓ EBITDA increased to SEK 119m and EBITDA margin was 18.1%.

Natural Greaseproof net sales and EBITDA margin



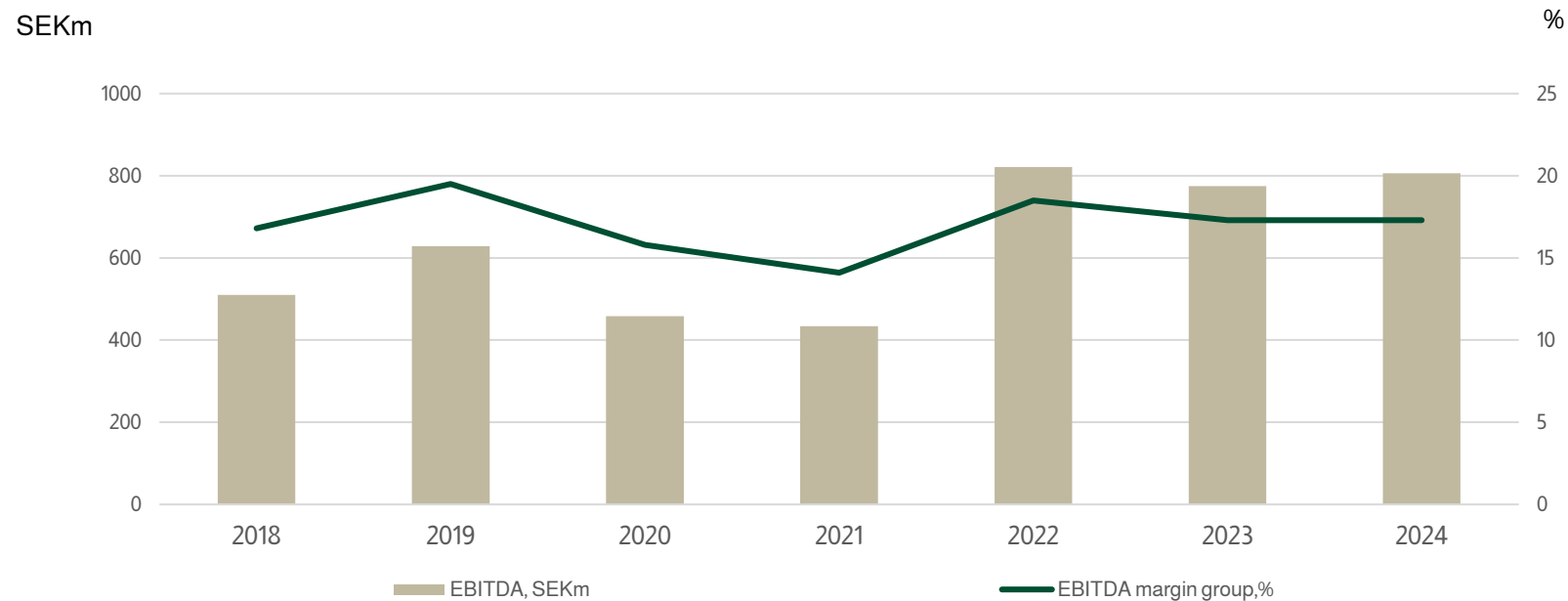
New EU regulation benefit for natural greaseproof papers

- The EU Packaging and Packaging Waste Regulation was adopted in December 2024.
- The adopted regulation contains restrictions to place on the market food contact packaging containing PFAS above certain thresholds.
- Nordic Paper does not add PFAS to its products to achieve greaseproofness.



Key highlights full year 2024

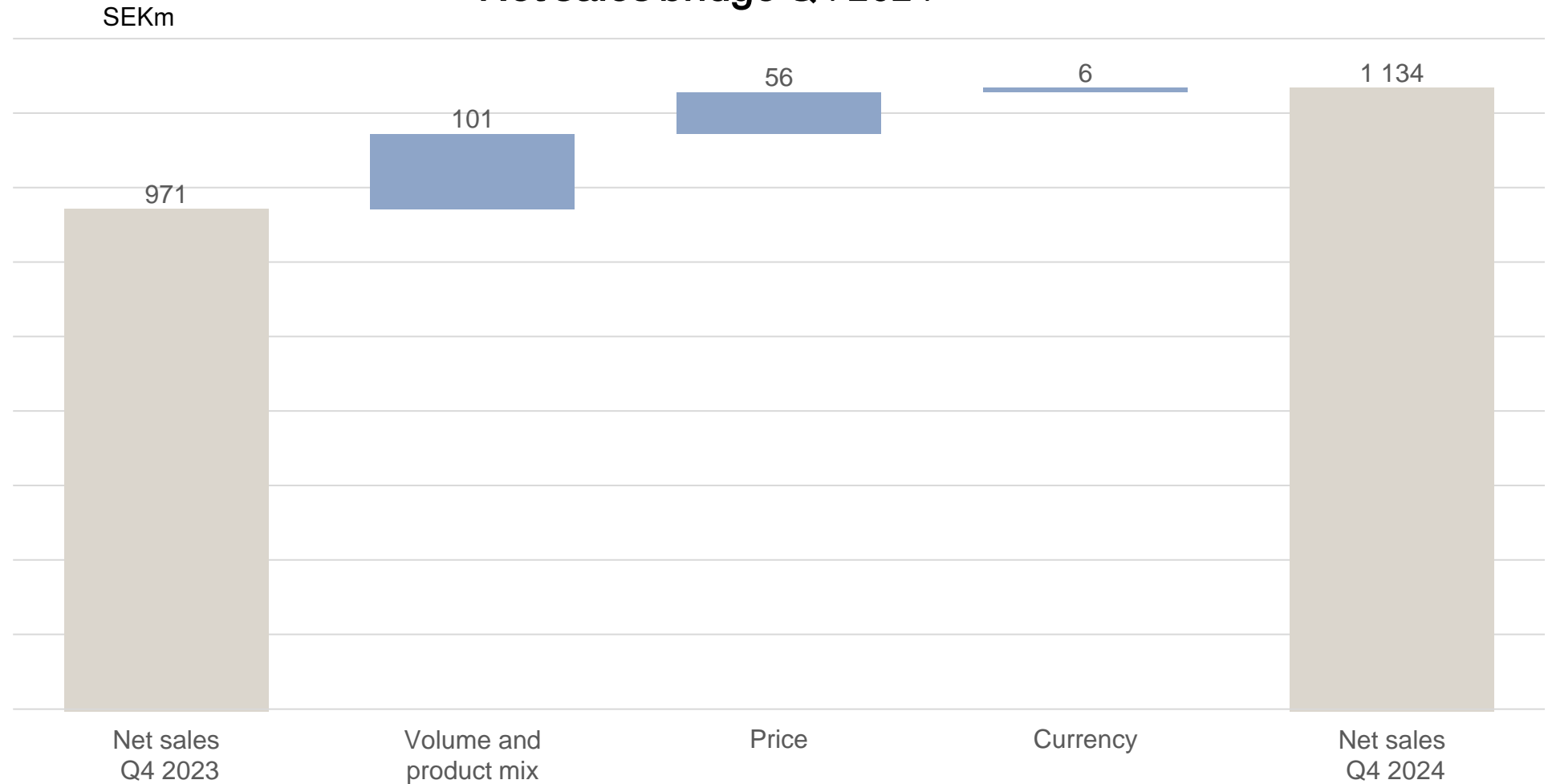
- Market improved in Q1 and remained strong until Q3. In the end of Q3 some weakening in certain segments of the kraft paper business started.
- Net sales increased by 4% to a new annual record of SEK 4,668m (4,472m).
- Full year EBITDA SEK 806m (775m), EBITDA-margin 17.3% (17.3).
- Investments in Bäckhammar proceeding according to plan.



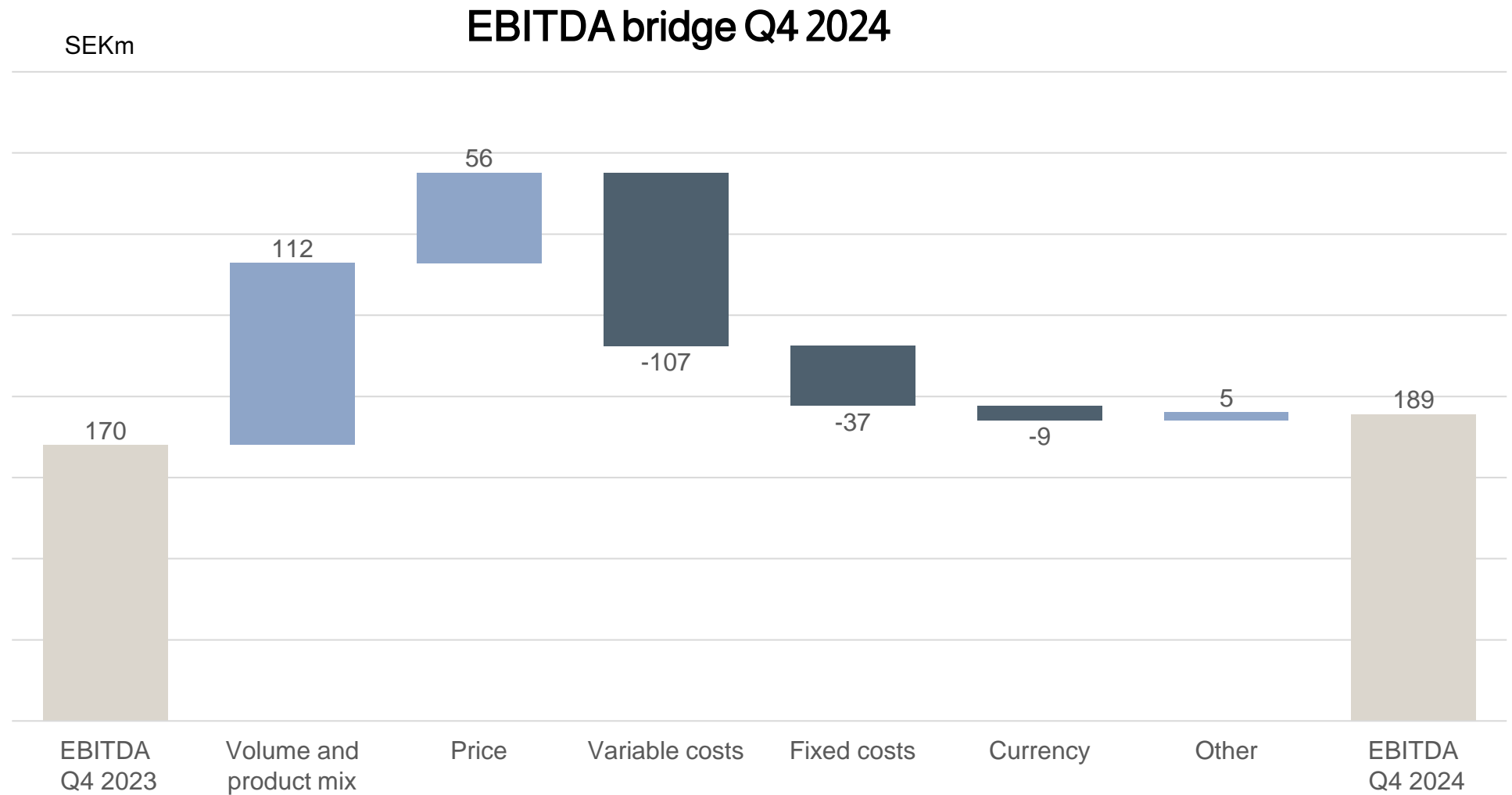
* EBITDA for 2021 was adjusted by SEK 76m related to provisions for remediation of land and buildings in connection with closing of the pulp mill in Säffle

Q4 – Strong performance in Natural Greaseproof drives volume impact on net sales

Net sales bridge Q4 2024

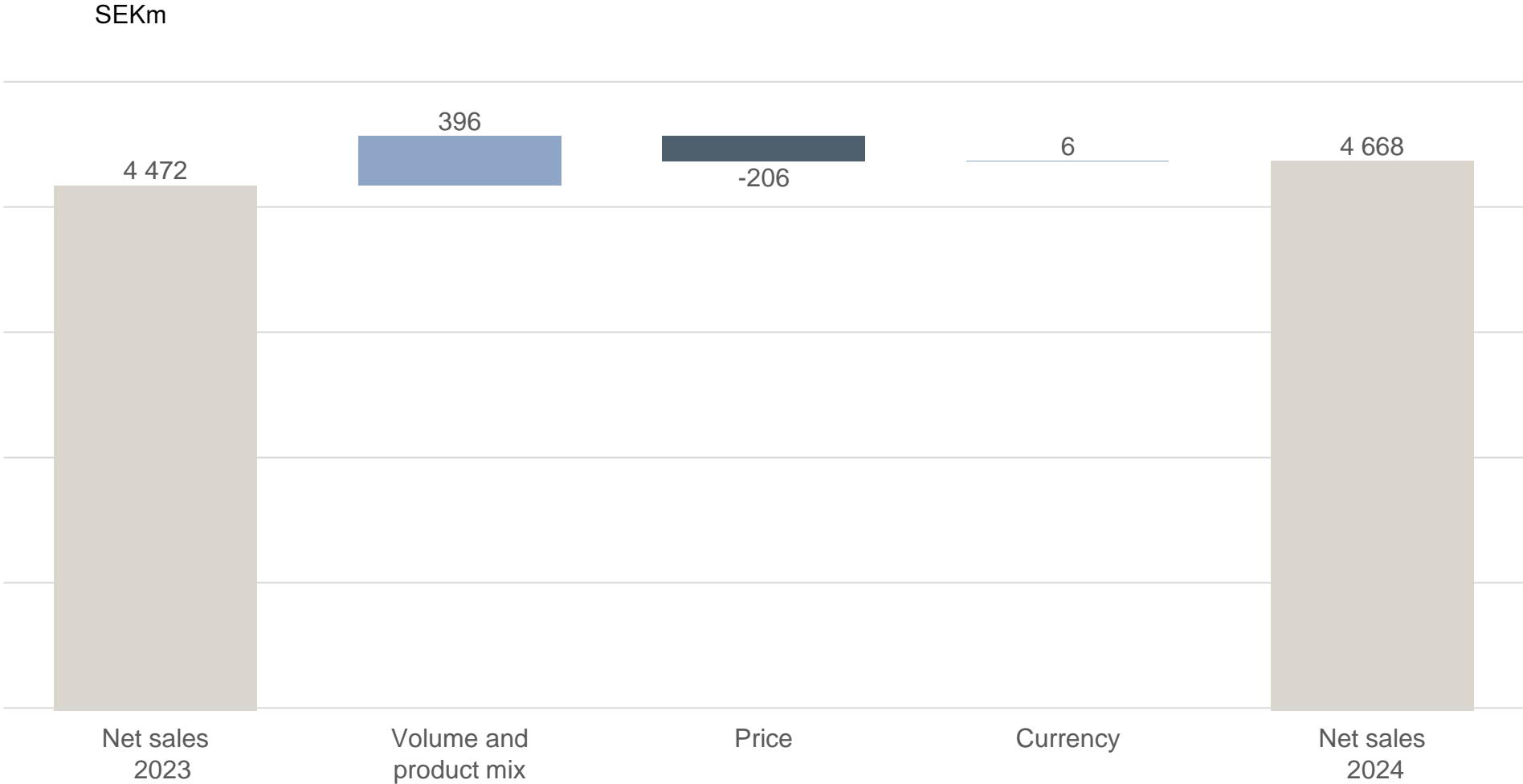


Q4 - Higher volumes and sales prices more than offset higher costs

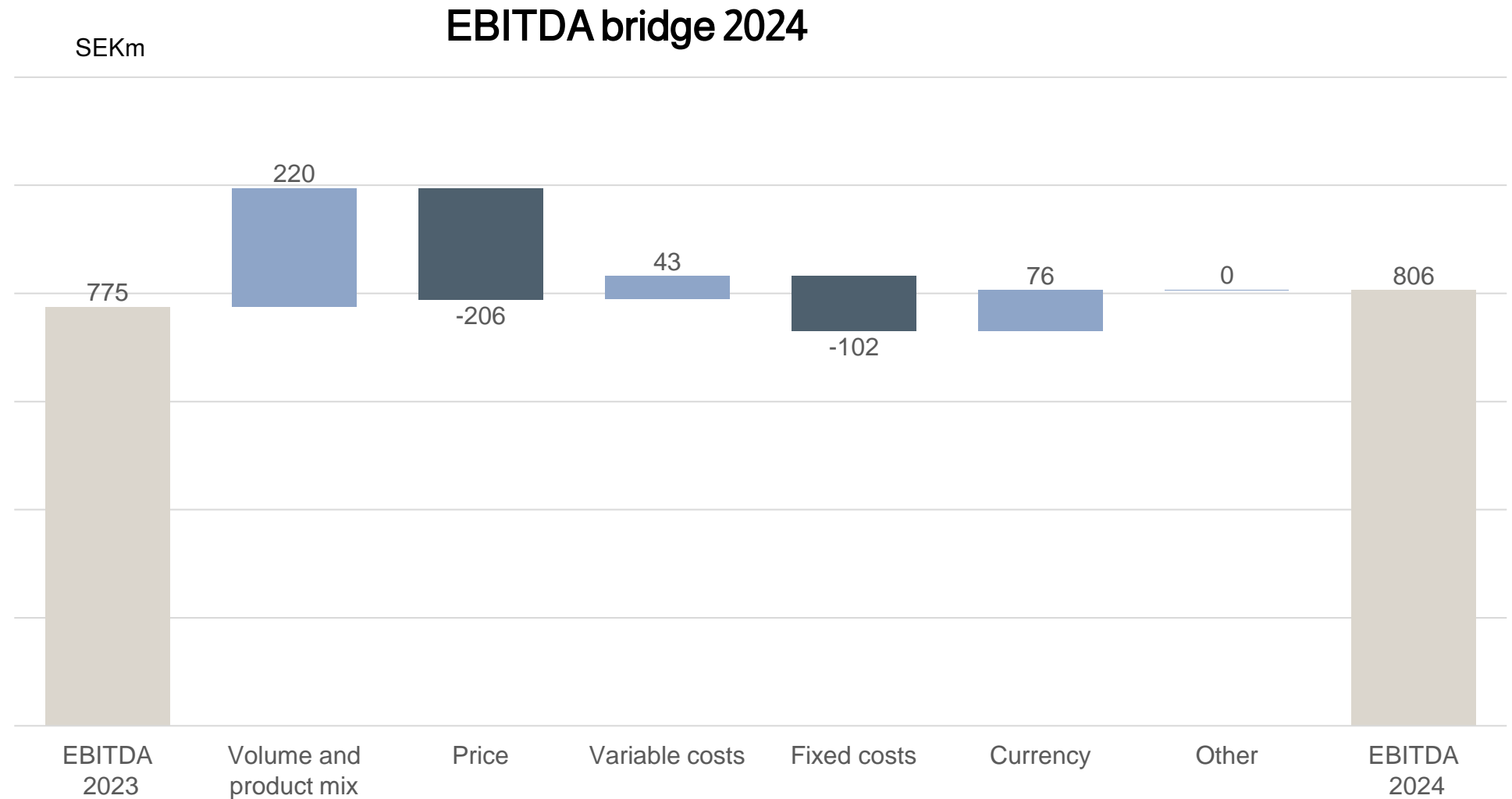


Full year 2024 - Higher volumes more than offset lower product prices

Net sales bridge full year 2024

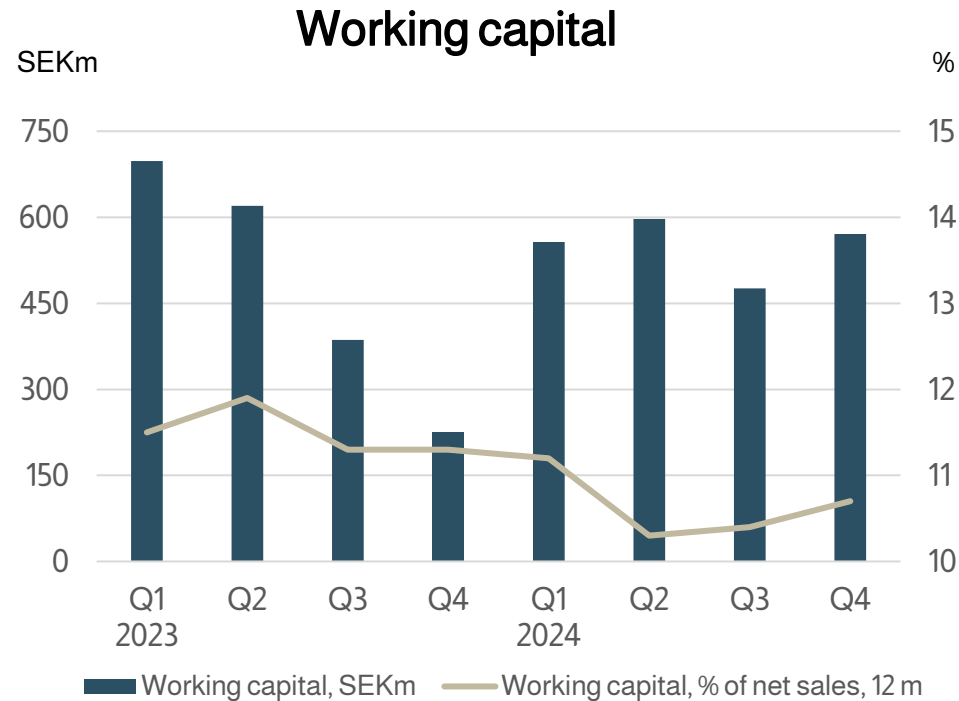


Full year 2024 – strong volumes offset impact from lower sales prices

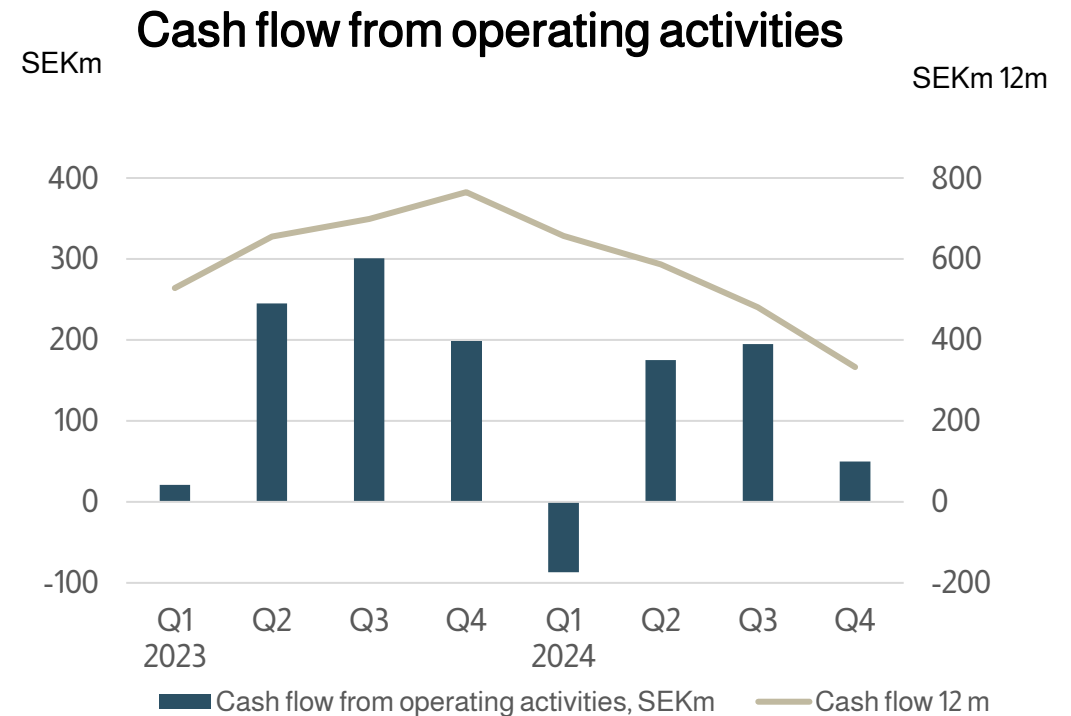


Stable working capital as percentage of net sales

Growing business consumes cash

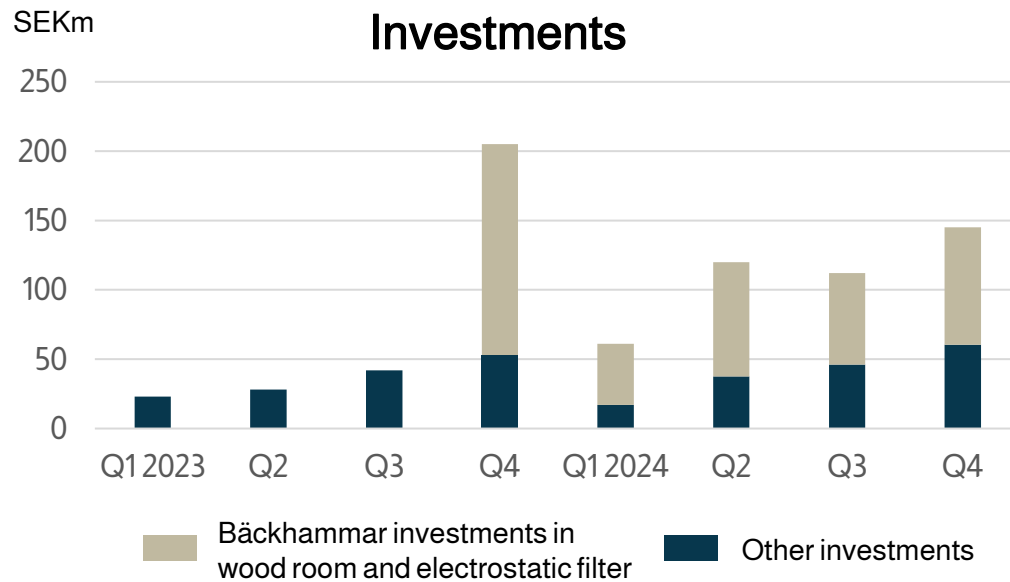


- Working capital increased to SEK 571m (225m). The compared figure for 2023 was very low from low accounts receivables and high accounts payables while Q4 2024 is more normal for the quarter.



- Cash flow from operating activities of SEK 50m (198m). Inventories have increased during the quarter, from the low level at the end of Q3 and because of slower deliveries over holiday season.

Bäckhammar investment proceeding according to plan

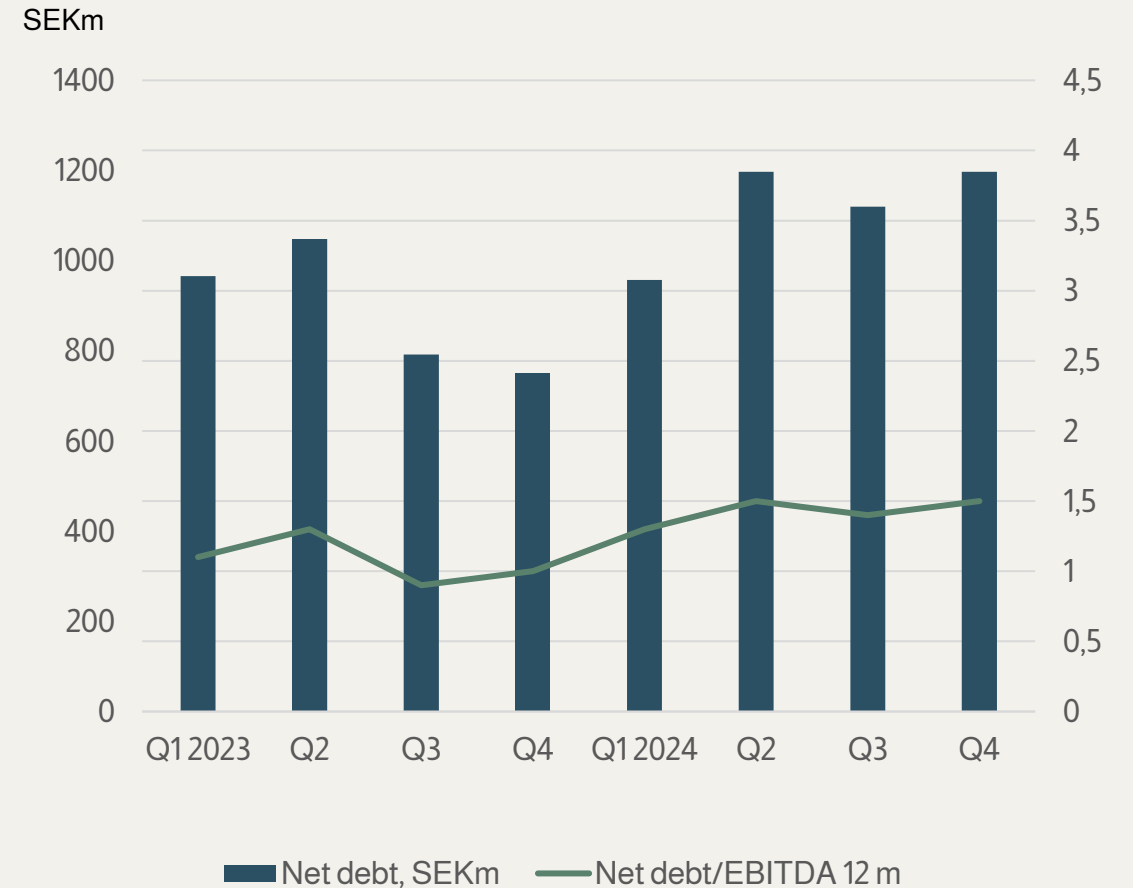


- The ongoing Bäckhammar investments are expected to add SEK 100m to EBITDA with full effect from 2026.



Stable financial position

- ✓ Net debt increased to SEK 1,197m (751m) impacted by investments in Bäckhammar.
- ✓ Net debt/EBITDA 1.5 (1.0)



Outlook

The company assesses that

- demand for Nordic Paper products in Q1 will be unchanged from Q4, with healthy demand in Natural Greaseproof and somewhat softer demand in Kraft Paper.
- sales volumes will be stronger in Q1 compared to Q4.
- there will be some downward pressure on sales prices in both segments.
- raw material prices will in total be stable.



Q&A

Summary

- Net sales up 17% to SEK 1,134m (971m) after very strong sales development in Natural Greaseproof.
- EBITDA at SEK 189m (170m), corresponding to a margin of 16.7% (17.5%).

The company assesses that

- demand for Nordic Paper products in Q1 will be unchanged from Q4.
- there will be some downward pressure on sales prices in both segments.

