



PRESS RELEASE

2025-03-25

Rottneros gives notice of redundancy after profit warning

Last week, Rottneros issued a profit warning due to rising raw material prices, the world market's declining demand for mechanical pulp and an increasingly weaker dollar exchange rate. The Group is now giving notice of redundancy for 47 people, most of those affected are working at Rottneros Mill in Sunne.

- These are sad news we notify our skilled employees today. Unfortunately, we need to slow down quickly to be able to benefit from our investments when the market turns, says Lennart Eberleh, CEO, Rottneros.

Last year, the price for pulp wood increased by 15 percent, while the price of electricity continued to be at high levels. In addition, the dollar exchange rate has fallen. This has meant that the price of Swedish mechanical pulp has not been competitive on the world market and that sales have declined. These three factors together have forced the Group to make a quick and painful decision to survive through the recession.

- Since it is at Rottneros Mill that we produce mechanical pulp, this is unfortunately where the biggest reductions need to be made. The big investments we have made in the mill over the past two years show that we have a long-term belief in the future. There is a strong market for high-quality pulp for paperboard in the world, but right now all parameters are wrong for us to be able to produce at competitive prices, says Lennart Eberleh.

Of those given notice, 38 are employees of Rottneros Bruk AB and 9 of Rottneros AB. All employees in the Group will be informed about the notices this morning. Now negotiations await.

For further information, please contact:

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ROTTNEROS

This is information that Rottneros 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 above, at 08.00 (CEST) on March 25, 2025.

Rottneros is an independent producer of market pulp. The Group consists of the parent company Rottneros AB, listed on Nasdaq Stockholm, with the subsidiaries Rottneros Bruk AB and Vallviks Bruk AB, active in the production and sale of market pulp. The Group also includes Rottneros Packaging AB, which manufactures fibre trays, the raw material procurement company SIA Rottneros Baltic in Latvia and the forest operator Nykvist Skogs AB. The Group has approximately 285 employees and sales of approximately SEK 2.7 billion.

