

Q3 report 2023

26 October 2023



Lennart Eberleh
President and CEO



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CFO



ROTTNEROS

Q3 HIGHLIGHTS



Positive outcome reflects the strength in Rottneros' business model

49 MSEK

EBIT third quarter 2023



Focus on efficiency and cost control to offset cost inflation



Market displays signs of stabilisation, though significant uncertainty persists

ROTTNEROS' INVESTMENT CASE



GREEN TRANSITION
Sustainable products



LONG-TERM PROFITABILITY
Broader revenue base
Increased volumes



ROBUST BALANCE SHEET
Responsible capital allocation



**STABLE SHAREHOLDER
RETURN**
Total shareholder return
2022: 23%



**STRONG MARKET POSITION
IN SELECTED NICHES**

Market

Signs of stabilisation,
however uncertain



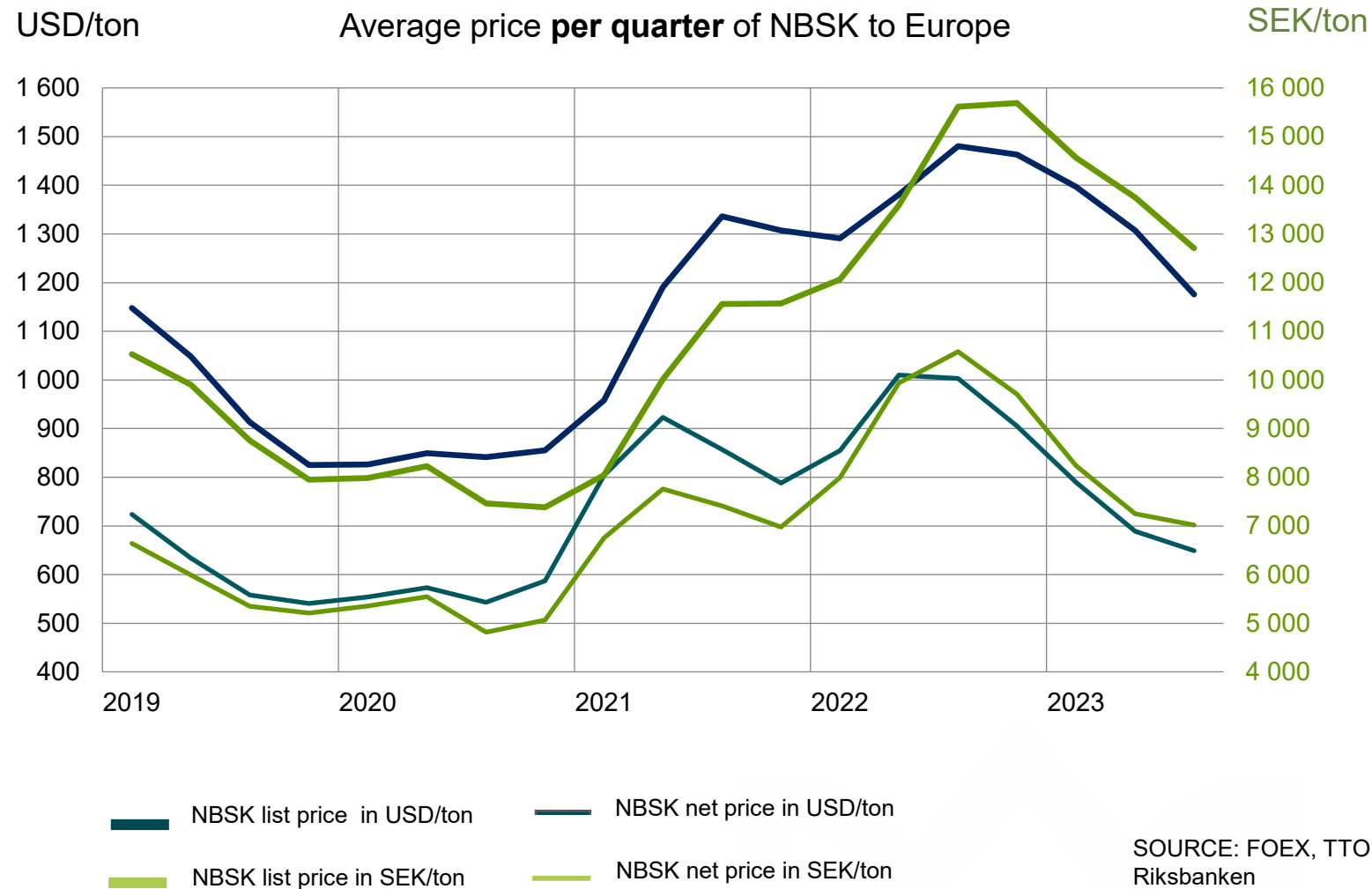
PULP MARKET

A cyclical market

List prices stabilising

Upward trend in China

Favourable USDSEK



SOURCE: FOEX, TTO,
Riksbanken

PURE POSSIBILITIES

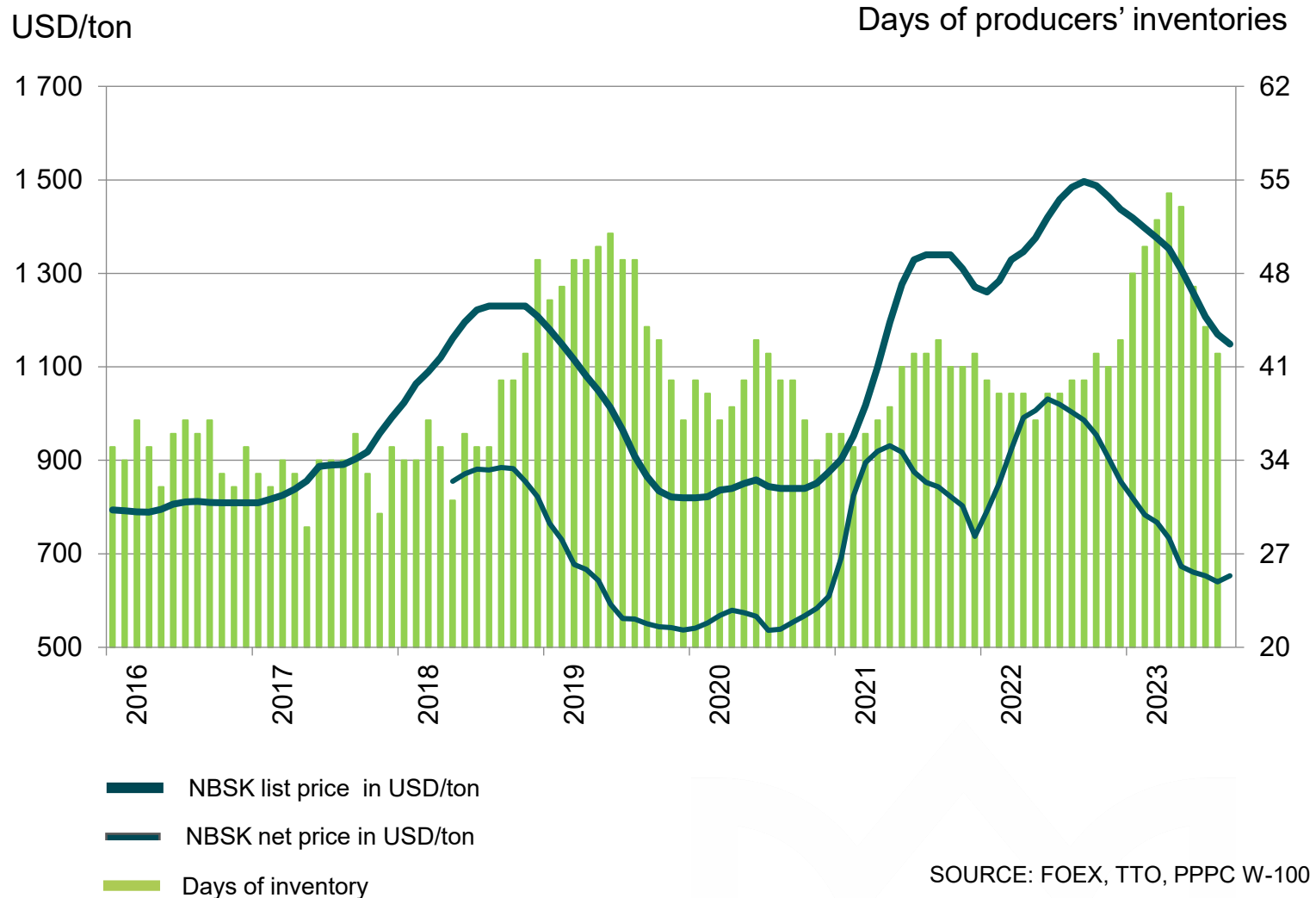
SUPPLY AND DEMAND

Producers' inventories and price

Producer stocks declining

Increased spot prices

Destocking in value chain

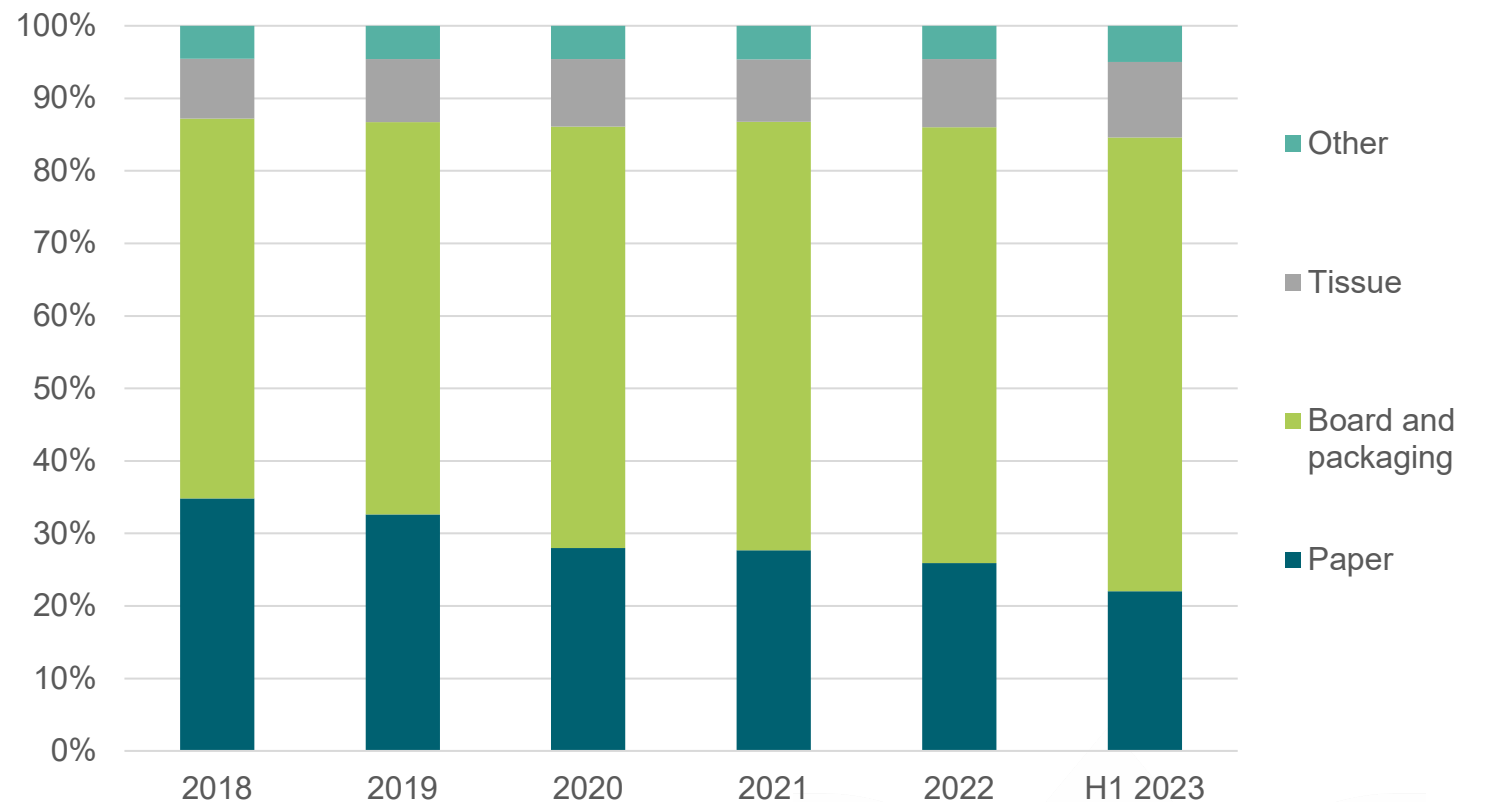


PRODUCTION EUROPE

2018 – H1 2023

**Total market decreasing
2023**

**Share of board and
packaging growing in
importance**

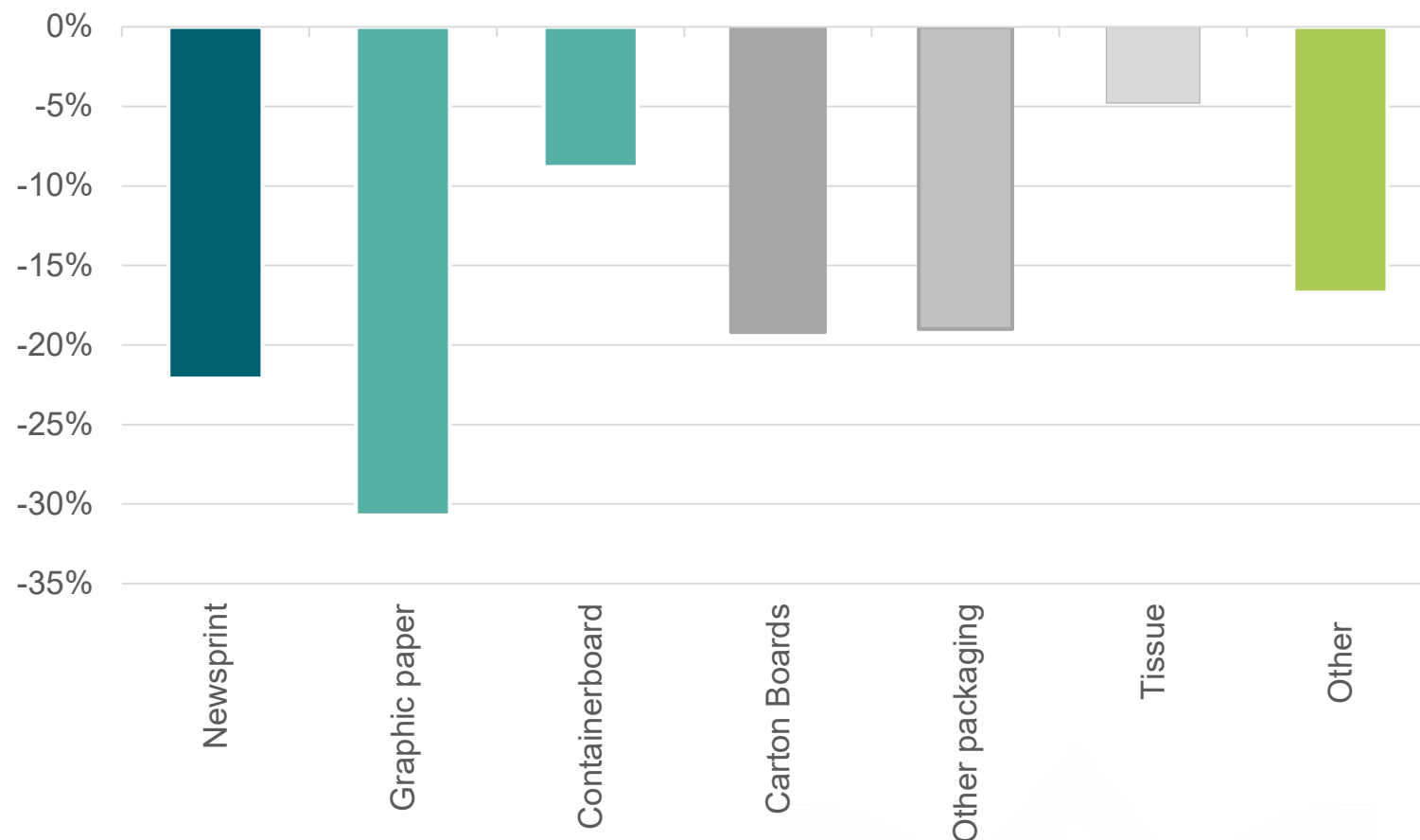


PRODUCTION EUROPE JAN-AUG 2023 (JAN-AUG 2022)

Decrease -17 %

Europe is Rottneros' main market

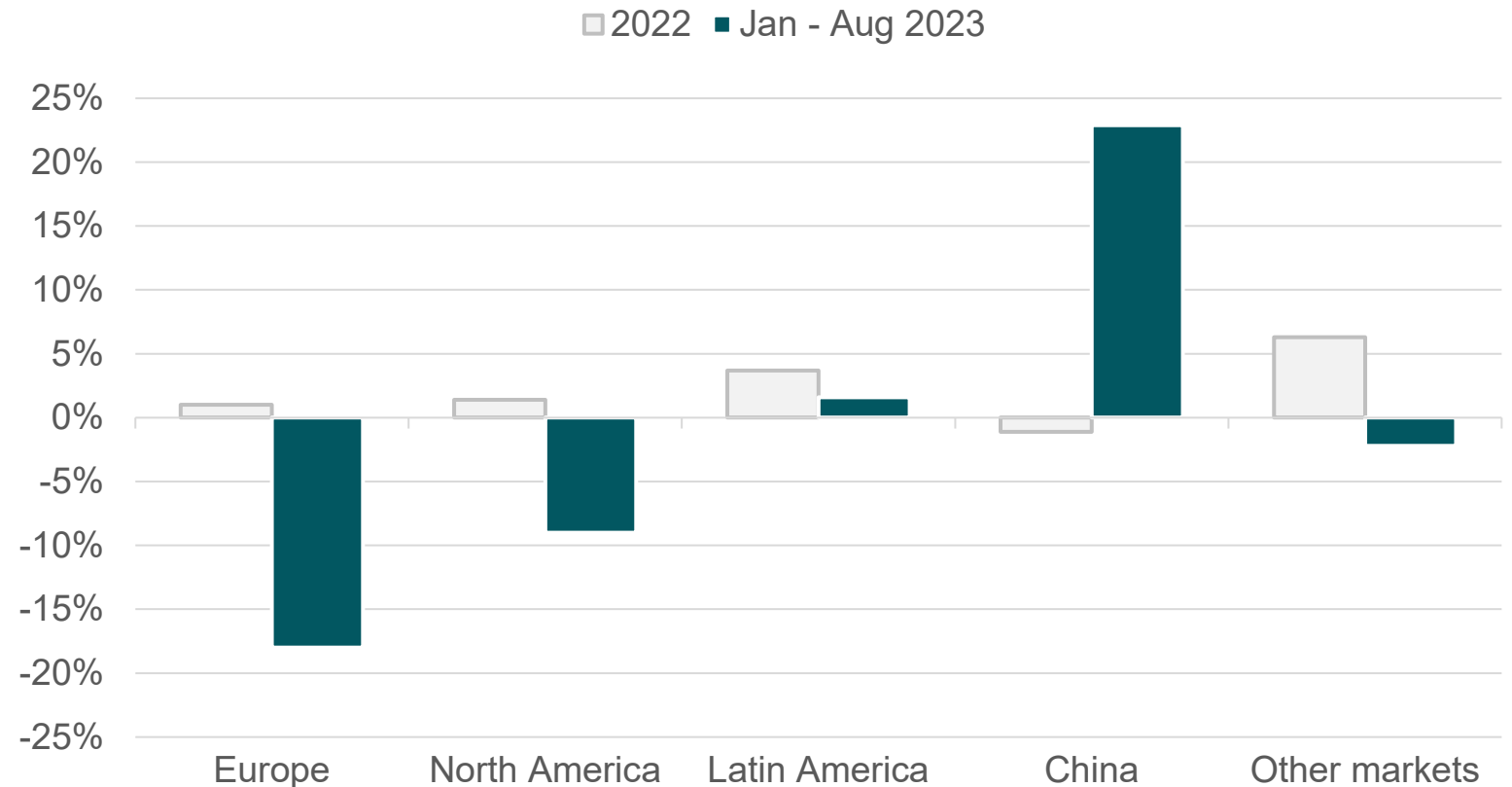
Rottneros has exited printing and writing papers



DELIVERIES OF CHEMICAL MARKET PULP

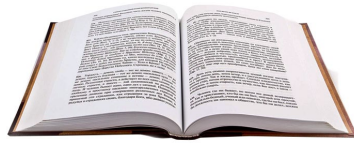
Jan – Aug 2023 (FY 2022)

China accounts for more than 40% of the pulp market



ROTTNEROS' SALES PER APPLICATION

Sales of pulp Jan-Sep 2023 (FY 2022)



Printing- and
writing paper

3 (10)%

1 (2)% Fiber cement



Tissue

8 (4)%

Special applications 12 (14)%



30 (32)%
Board and packaging



Electrotechnical
applications
19 (15)%

25 (20)% Filter



Other 2 (3) %

ROSS

Financials

Positive EBIT
Strong balance sheet



EBIT Q3 2023 VS. Q3 2022

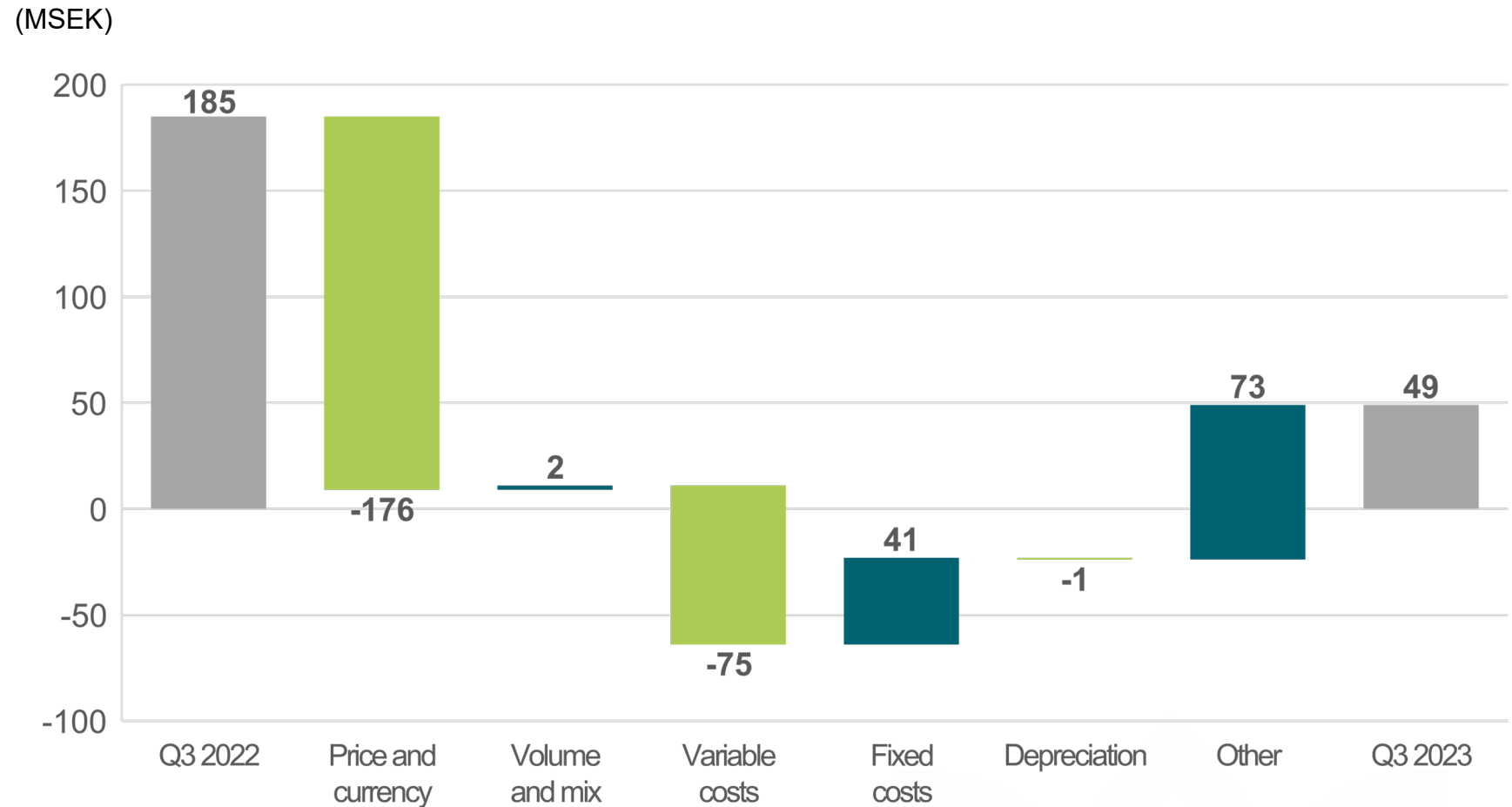
Positive result

Lower sales prices

High wood cost

Focus on fixed costs

Q3 2022 affected by closure costs



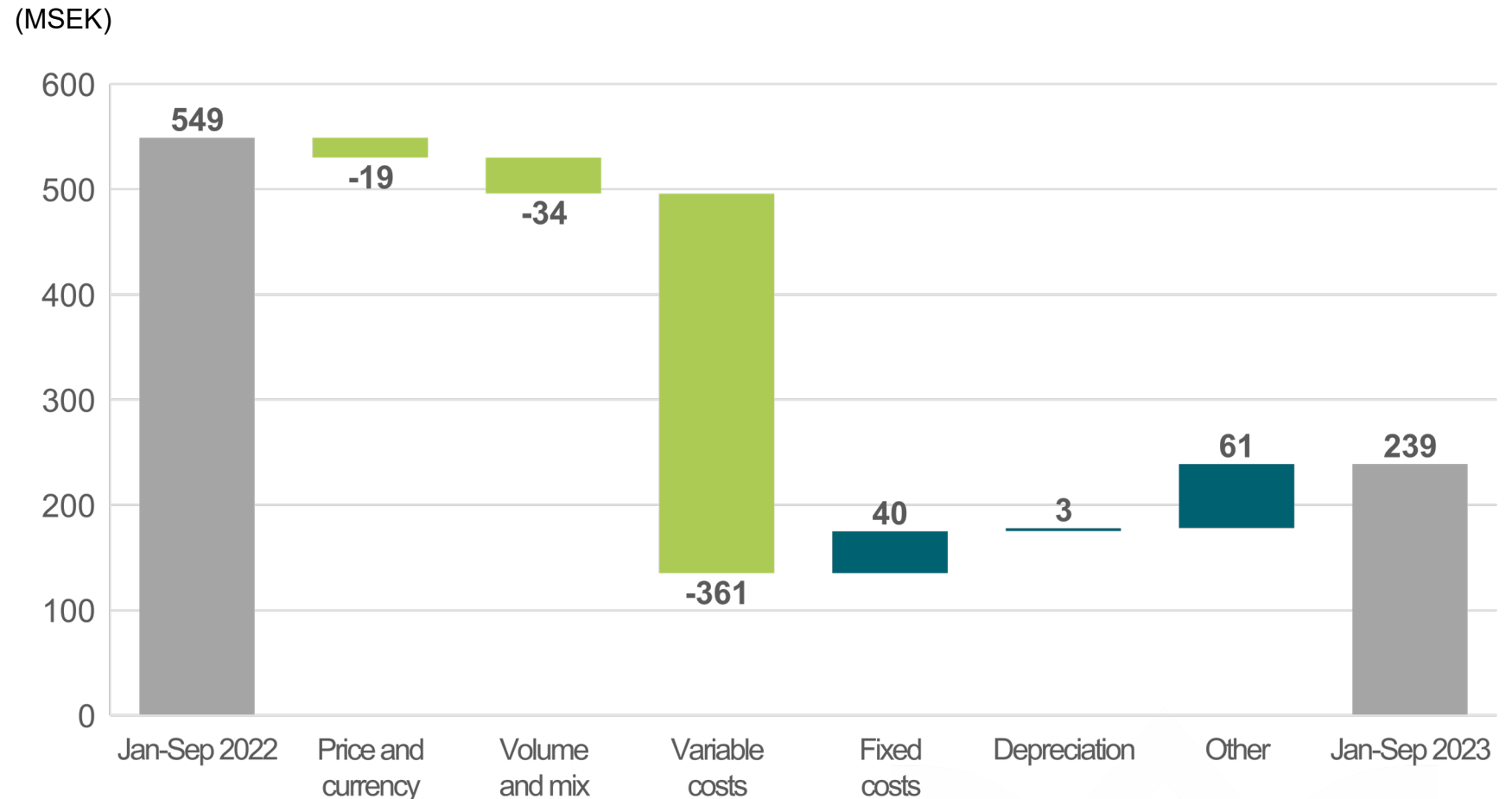
PURE POSSIBILITIES

EBIT JAN-SEP 2023 VS. JAN-SEP 2022

Turnover for comparable units increased by 4%

Exchange rate offsetting lower prices in USD

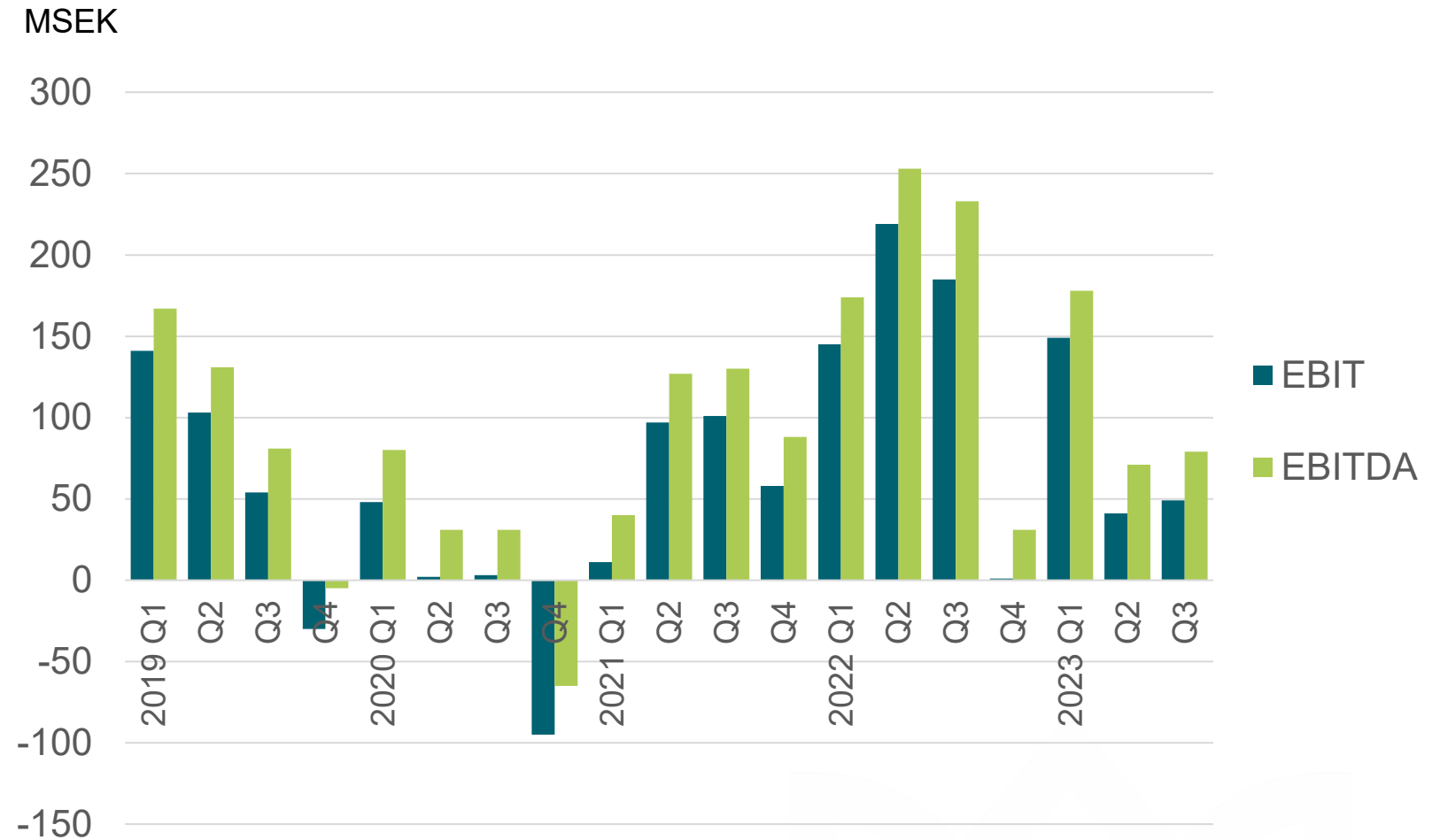
Cost of wood high, availability good



PROFIT DEVELOPMENT

**Resilient business
model**

EBIT-margin 8%
(rolling 12-m)

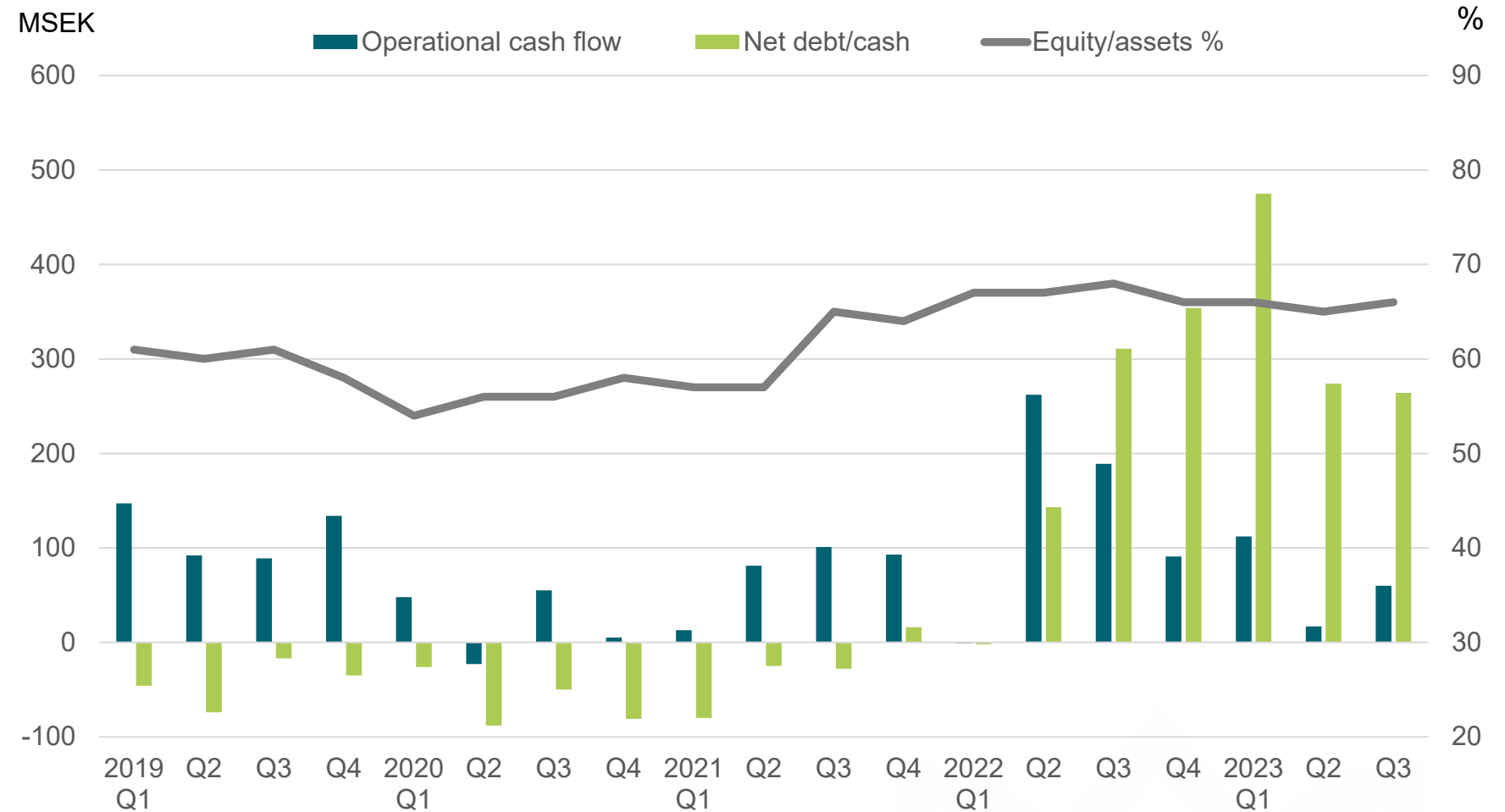


EFFICIENT AND SOLID BALANCE SHEET

Available liquidity
696 MSEK

Positive cash flow from
financial derivatives
154 MSEK (FY 2023)

Equity/assets 66%



PURE POSSIBILITIES

The way ahead



TRENDS FAVOURING PULP

TISSUE



E-COMMERCE



RENEWABLE
ENERGY



SUSTAINABILITY



50/50 Joint venture formed with Arctic Paper for the manufacture of molded fiber trays in Poland

Capacity of approximately 60-80 million trays of the highest quality

First fiber-based MAP* packaging on the market

*) modified atmosphere packaging



SUMMARY

Strong balance sheet

Positive result

Q4 impacted by stop in Vallvik

Questions and answers

Lennart Eberleh
President and CEO



Monica Pasanen
CFO

