



PRESS RELEASE

2024-07-24

Rottneros interim report January-June 2024

Continued stabilization of the operations

NET TURNOVER increased by 4 percent to 711 (681) MSEK. Compared to the first quarter of 2024, turnover rose by 3 percent due to higher market prices.

THE LIST PRICE of NBSK pulp was 16 percent higher compared with the second quarter of 2023. Compared with the first quarter of 2024, the list price rose 13 percent. The market price of CTMP rose by 1 percent compared with the second quarter of 2023 and decreased by 2 percent from the first quarter of 2024.

PRODUCED VOLUME amounted to 91.0 (93.2) thousand tonnes, which is 2 percent lower than in the corresponding quarter of 2023.

VOLUME SOLD rose to 88.6 (82.8) thousand tonnes, an increase of 7 percent.

EBIT (operating profit) was 30 (41) MSEK. Compared with the corresponding quarter of 2023, selling prices were lower while volumes were higher. EBIT increased from the first quarter of 2024 as a result of rising prices and higher production volumes.

NET PROFIT for the quarter amounted to 22 (34) MSEK. Earnings per share totaled 0.15 (0.22) SEK.

THE BALANCE SHEET remains strong. The equity/assets ratio was 64 (65) percent. Available liquidity amounted to 298 (714) MSEK. Net debt was 112 MSEK.

INVESTMENTS in the ongoing investment plan amounted to 216 (65) MSEK for the first half of the year.

Statement by the CEO

After starting the year with production-related challenges, we delivered a better result than in the first quarter thanks to stable production and good cost control. At the same time, there are identified areas for improvements that will be addressed going forward. The pulp market continued to move in the right direction with clear price increases. In general, this year has been marked by a high pace of investment in our business, with all projects progressing as planned. Our strong focus on meeting customer needs and growing long-term niches, along with our solid financials, provides us with an excellent starting point. Safety, high availability and efficiency in the mills remain our top priorities.

Unfortunately, a serious workplace accident occurred in June at Rottneros Mill, where two people were seriously and one slightly injured while working on a transformer. The incident is deeply regrettable and





something we view with great concern. The safety of our employees is, of course, always at the top of our agenda. The cause of the accident is now being thoroughly investigated.

Net turnover grew by 4 percent compared with the same quarter last year, to 711 MSEK, as a result of increased deliveries combined with higher pulp prices. Earnings improved compared with the previous quarter, which was negatively impacted by production disruptions. EBIT totaled 30 MSEK, which is 11 MSEK lower than the second quarter of 2023. A slight decline in production and higher prices and deliveries also affected the trend. Production for the Group as a whole decreased by 2 percent as a result of a slightly lower rate at Vallvik Mill. Rottneros Mill continued to perform well, with a 1 percent increase in production.

We continue to have a good supply of pulp wood, in part due to our long-term efforts to build close relationships with our suppliers. However, the steady increase in competition for wood causes prices to keep rising, albeit at a slower pace. We have secured the supply of pulp wood for the expanded production capacity at Rottneros Mill, which will come online in the final quarter of the year.

Intense investment activity, all projects proceeding according to plan

This year, we have a fast pace of ongoing maintenance investments to guarantee reliable and stable production. In parallel, we are preparing for the future with our major investment projects, including expanded CTMP capacity and solar cells with associated battery storage at Rottneros Mill and the tall oil plant at Vallvik. The projects are proceeding according to plan, with start-ups scheduled for the summer and autumn. Investments will total approximately 430 MSEK for the year as a whole. Investments for the quarter totaled 134 MSEK.

Pulp market remains stable

The market for spruce and pine-based chemical pulp based continued to show steady growth. A favorable supply-demand balance caused prices to continue rising during the quarter to around 1,600 USD per tonne of bleached chemical longfiber pulp at the end of June, up about 150 USD since the end of March. Inventory levels were relatively low, while demand grew in both Europe and North America. Overall, our customers are interested in increasing volumes, particularly in our niche segments such as e-pulp and filters.

Rottneros Packaging project on track, strong interest in our climate-smart packaging

Interest in our fossil-free and climate-friendly packaging solutions continues to be strong and is on the rise. Our investment project for large-scale production of molded fiber trays in Poland together with Arctic Paper is progressing as planned, with production expected to begin in the third quarter. The production lines will be installed after the summer.

A strong balance sheet ensures freedom of action

We are maintaining our strong balance sheet despite the high pace of investment this year. It is a key element in our long-term efforts to develop and grow our business. The equity ratio at the end of the quarter was 64 percent, while available liquidity was 298 MSEK.

In conclusion, I would like to express my gratitude to all employees for their strong commitment to Rottneros. I would also like to thank our customers, suppliers, shareholders and the Board of Directors for their close and fruitful cooperation.

Lennart Eberleh
President and CEO





ROTTNEROS

(For full report, see attached pdf)

This information is such information that Rottneros AB is required to disclose in accordance with the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication on 24 July, 2024 at 08.00 by the contact person below. This report has been prepared in both a Swedish and an English version. In the event of deviations between the two, the Swedish version shall prevail.

Reminder; Invitation to Rottneros' presentation of interim report Q2 2024

All participants can follow the presentation via the web link at 12.00 CET 24 July 2024.

[Rottneros – Q2 Presentation 2024 - Finwire](#)

The presentation will be held in English. Questions can be asked in English or Swedish, via the link in advance or during the presentation.

You can also watch the presentation afterwards via [Rottneros' Youtube channel](#)

and website: [Rapporter & presentationer | Rottneros](#)

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Rottneros is an independent producer of market pulp. The Group comprises the parent company Rottneros AB, listed on Nasdaq Stockholm, and its subsidiaries Rottneros Bruk AB and Vallviks Bruk AB with operations involving the production and sale of market pulp. The Group also includes Rottneros Packaging AB, which manufactures fibre trays, and the wood procurement company SIA Rottneros Baltic in Latvia and the forest operator Nykvist Skogs AB. The Group has a turnover of approximately SEK 2,7 billion and has about 290 employees.

