

Robust fourth quarter concluded a year of improved results and launch of new strategy

Interim report January-December 2024



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Performance and key highlights

Full Year 2024

Improved results under challenging and rapidly changing conditions

Increased volumes, improved sales prices and sales mix

Sizable contribution from efficiency enhancement program helped to offset cost inflation

Updated strategy, de-risked investment plans and strong balance sheet

The Board of Directors proposes a dividend of SEK 3.50 per share (2.00)

SEKm	2024	Change vs 2023
Net sales	43,453	+5%
Adjusted EBITDA	5,167	+43%
<i>% of net sales</i>	<i>12%</i>	<i>+3 ppt</i>
Operating profit – EBIT	2,561	+380%
<i>% of net sales</i>	<i>6%</i>	<i>+5 ppt</i>
Operating cash flow before capex	3,030	-8%
EPS	7.02	+260%

Performance and key highlights

Q4 2024

Net sales growth of 20%, supported by both regions

Continued excellent profit delivery in North America

Improved profitability in Europe





Cash conversion of 95%

Further strengthened financial position –
interest-bearing net debt / EBITDA 1.0x

SEKm	Q4-24	Change vs Q3-24	Change vs Q4-23
Net sales	11,468	+6%	+20%
Adjusted EBITDA	1,443	-7%	+86%
<i>% of net sales</i>	<i>13%</i>	<i>-1 ppt</i>	<i>+5 ppt</i>
Operating profit – EBIT	1,091	-5%	n/a
<i>% of net sales</i>	<i>10%</i>	<i>+2 ppt</i>	<i>+12 ppt</i>
Operating cash flow before capex	1,719	+292%	-22%
EPS (SEK)	3.24	+43%	n/a

Better-than-expected market conditions during Q4

Somewhat improved market sentiment in Q1'25

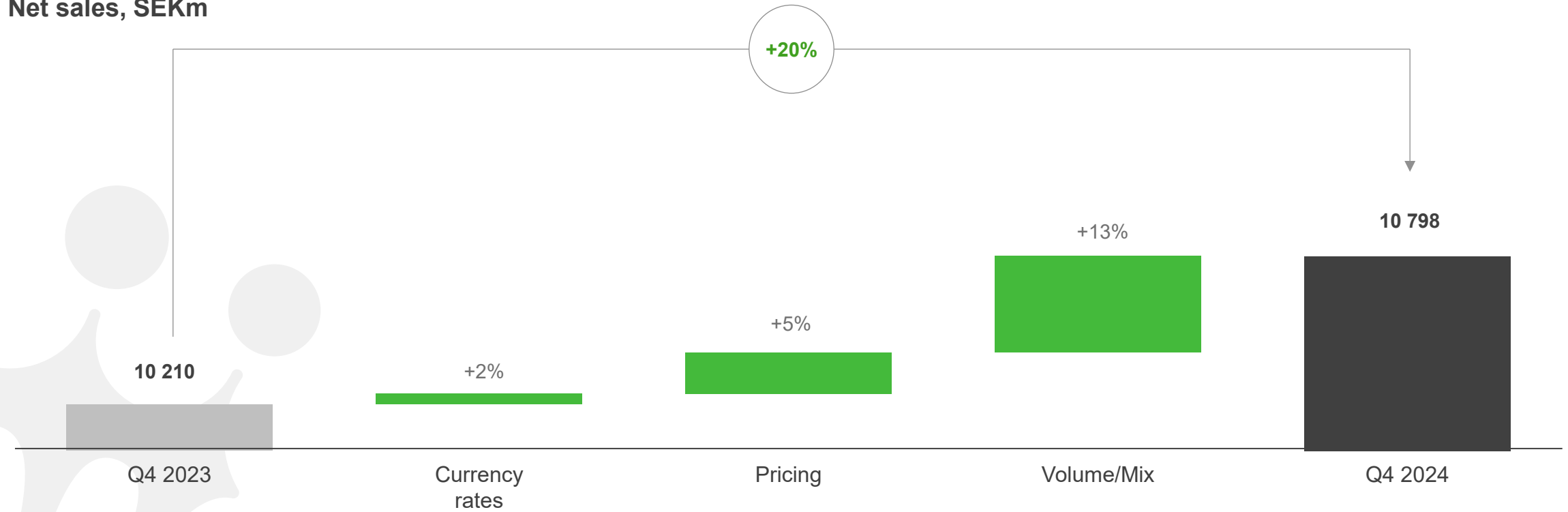
Sales split, % ¹	 Food & Drink	 Printing & Publishing Papers	 Consumer & Luxury	 Industrial
LPB (10.1bn)	100%			
Cartonboard (2.7bn)	25%		75%	
Containerboard (5.5bn)	80%		10%	10%
Kraft & Specialty Paper (5.1bn) ²	50%		30%	10%
Sack Paper (3.2bn)	15%			85%
Graphical Paper (8.4bn)		100%		
Share of Group Net Sales³	~40%	~20%	~10%	~10%
Billerud Market status Q4'24	Normal/soft	Normal	Weak	Normal
Billerud Market trend outlook	Improving	Stable	Stable	Improving

1) 2024 Net Sales in bn SEK. 2) Excluding medical paper. 3) Total Group Net Sales include Currency hedging and Solutions & Other, not allocated to end-use segments

Q4'24:

Strong sales growth driven by volume and mix improvement in both regions

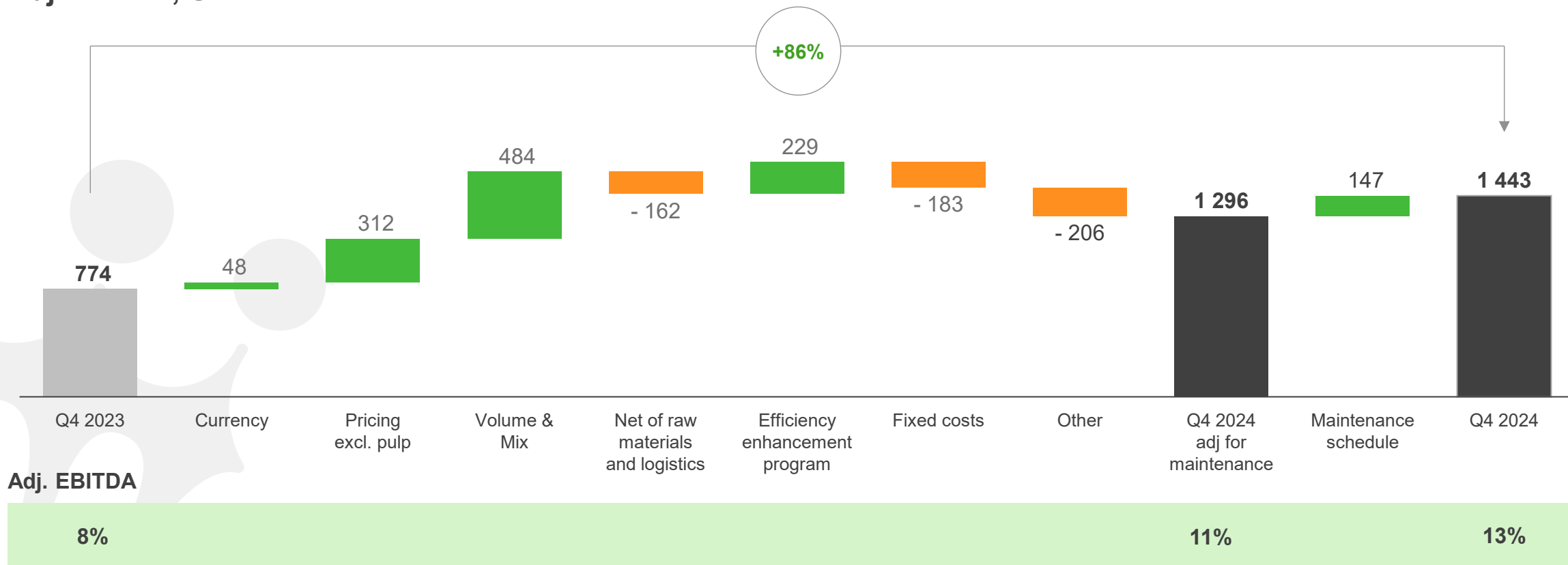
Net sales, SEKm



Q4'24:

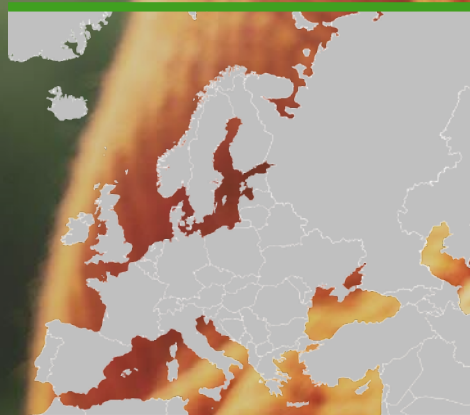
Significantly higher profitability supported by volume, pricing and strong delivery from efficiency enhancement program

Adj EBITDA, SEKm



REGION

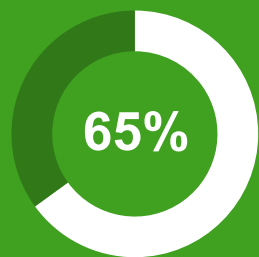
Europe



Region

Europe

- Strong YoY sales growth across all categories
- Pricing and mix continue to offset input cost inflation in Q4
- Sequentially lower sales volumes in Q1
- Significant and needed price increase on Liquid Packaging Board from Q1, partly offset by price reductions in paperboard, sack and kraft paper
- Recently announced price increases for containerboard and sack paper in January – impact from Q2




Share of net sales
Q4 2024

SEKm	Q4-24	Q4-23	Change
Net sales	7,431	6,388	+16%
<i>Liquid packaging board</i>	2,567	2,260	+14%
<i>Containerboard</i>	1,401	1,304	+7%
<i>Kraft and specialty paper</i>	1,100	889	+24%
<i>Sack paper</i>	853	620	+38%
<i>Cartonboard</i>	648	596	+9%
<i>Market pulp</i>	789	635	+24%
Net operating expenses	-6,543	-5,688	+15%
EBITDA	888	700	+27%
EBITDA margin	12%	11%	+1 ppt

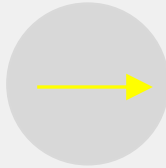
Q4 cost headwind from pulpwood and energy cost seasonality

Relatively stable cost situation into Q1




**Higher cost
for fiber**

Full impact from earlier
announced pulpwood price
increases

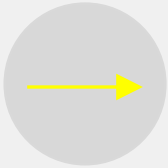


**Stable cost
for
chemicals**



**Higher
energy costs**

Seasonally higher
electricity prices in
the quarter



**Stable
logistics
costs**

REGION

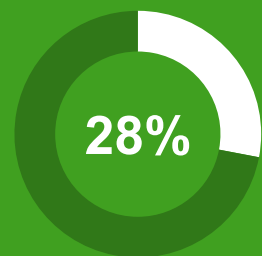
North America



Region

North America

- Double digit volume growth for both Graphic and Specialty segments
- Continued excellent profit delivery - highest EBITDA margin since Q1-23
- Operating rates remained below 70%
- Numerous promising customer trials ongoing for locally produced paperboard
- Announced price increases for Graphic CFS rolls in January

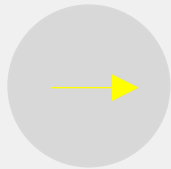


Share of net sales
Q4 2024

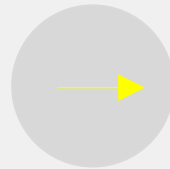
SEKm	Q4-24	Q4-23	Change
Net sales	3,175	2,706	+17%
<i>Graphic paper</i>	2,128	1,943	+10%
<i>Specialty paper</i>	631	424	+49%
<i>Market pulp</i>	415	339	+23%
Net operating expenses	-2,569	-2,400	+7%
EBITDA	606	306	+98%
EBITDA margin	19%	11%	+8 ppt

Stable cost situation in the quarter

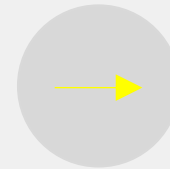
Minor increase in logistics and energy costs into Q1



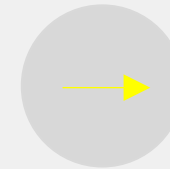
**Stable
cost for
fiber**



**Stable cost
for
chemicals**



**Stable
energy
costs**



**Stable
logistics
costs**

Strong cash conversion in the quarter

Further reduced leverage

Working capital increase due to sales growth

Leverage reduced further to 1.0x EBITDA

Capex of SEK 2.4 bn slightly below guidance, spill-over into 2025

Board of Directors proposes a dividend of SEK 3.5/share, amounting to SEK 870 m

CAPEX of SEK 3.5 bn in 2025

Strategic capex: SEK 1.3 bn

Base capex: SEK 2.2 bn

SEKm	Q4-24	Q4-23	2024	2023
Profit before tax	1,030	-355	2,248	185
Adjustments for non-cash items	582	1,473	2,343	2,963
Tax paid	-80	-113	-428	-561
Cash flow from changes in working capital	187	1,211	-1,133	703
Cash flow from operating activities	1,719	2,216	3,030	3,290
Investments in tangible and intangible assets	-613	-973	-2,437	-3,177
Operating cash flow after investments in tangible and intangible assets	1,106	1,243	593	113

SEKm	Q4-24	Q4-23
Net debt	5,347	5,927
Net debt / adjusted EBITDA	1.0	1.6
Adjusted ROCE %	7%	2%



Efficiency enhancement program: Successful end of year Program completed one year ahead of plan

Ending 2024 with total program target nearly reached

- Incremental impact of 230 MSEK in Q4 incl. FTE reduction program
- 840 MSEK delivered in 2024 (vs 2023) – overdelivering vs target of 700 MSEK
- 1.45 BSEK delivered impact since program start in Q1 2023
- Target of 1.5 BSEK expected to be reached early 2025 due to carry-over effects

Highlighted initiatives with impact in Q4

- Pricing: Target price point outliers, with high success within the paper segment
- Supply Chain & Logistics: Reduction of logistic costs by consolidation of terminals & decreased usage of long-haul trucks
- Operations: Successful reduction of chemical usage as well as increased tall oil yield within the production

230 MSEK

Impact in Q4

840 MSEK

Impact full year of 2024

1 450 MSEK

Impact 2023 & 2024

Billerud's Way Forward

- **Safety first:** We choose to be safe every day
- **Our purpose guides us:** *We make high performance packaging materials for a low carbon society*
- **We lean on our values:** “We care for each other” and “We do what we say”



Outlook for Q1 2025



Solid market conditions for Region North America



Normal conditions for Region Europe except for cartonboard and coated liner that will remain weak



Pricing continues to offset input cost increase



Temporarily lower sales volumes in Region Europe





BILLERUD

