

Interim report January–June 2024

Back to growth, improved profitability and solid cash generation

Key highlights

- Underlying EBITDA improvement both sequentially and versus a year ago
- Positive pricing and mix effects more than offset sequentially higher input costs
- Excellent financial performance in Region North America
- Annual maintenance stops in four mills according to plan, cost impact SEK 515 million
- Strong cash conversion through continued working capital focus

Quarterly data

- Net sales increased by 8% to SEK 10,764 million (9,953)
- Adjusted EBITDA* SEK 1,003 million (188)
- Adjusted EBITDA margin 9% (2)
- Operating profit SEK 171 million (-496), including items affecting comparability of SEK -119 million (-)
- Net profit SEK 63 million (-481)
- Earnings per share SEK 0.25 (-1.94)

Outlook for Q3

- Market conditions to improve slightly
- Positive price and mix impact to offset higher input costs

Key figures*

| SEKm | Q2 2024 | Q2 2023 | Change | Jan-Jun 2024 | Jan-Jun 2023 | Change |
|---|------------|------------|--------|-----------------|-----------------|--------|
| Net sales | 10,764 | 9,953 | 8% | 21,187 | 21,448 | -1% |
| Adjusted EBITDA | 1,003 | 188 | 434% | 2,169 | 1,672 | 30% |
| Operating profit | 171 | -496 | n/a | 619 | 310 | 100% |
| Adjusted operating profit | 290 | -496 | n/a | 738 | 310 | 138% |
| Net profit | 63 | -481 | n/a | 376 | 158 | 138% |
| Adjusted EBITDA margin, % | 9 | 2 | | 10 | 8 | |
| Adjusted operating profit margin, % | 3 | -5 | | 3 | 1 | |
| Adjusted ROCE, % | 4 | 9 | | 4 | 9 | |
| Cash flow from operating activities | 678 | 331 | 105% | 873 | -8 | n/a |
| Interest-bearing net debt/adjusted EBITDA | 1.6 | 1.3 | | 1.6 | 1.3 | |
| Earnings per share, SEK | 0.25 | -1.94 | | 1.51 | 0.64 | |

* For key figures and a reconciliation of alternative performance measures including adjusted EBITDA, adjusted operating profit, adjusted EBITDA margin, adjusted operating profit margin, adjusted ROCE and interest-bearing net debt/adjusted EBITDA, see pages 15-17.

Comments by the CEO

I am pleased with the result we were able to produce for the second quarter of 2024. We are back to net sales growth, our underlying profitability improved, both sequentially and versus the same period a year ago, and we delivered yet again a solid cash conversion for the quarter. I'm encouraged to see the progress we are doing to improve our margins as it's such an important priority for the company. The underlying profitability, when excluding the impact of the maintenance shutdowns, improved substantially. Hard focus on pricing and portfolio management and continued delivery of our efficiency program helped us offset higher input costs.

Demand for our products improved during the quarter, partly due to supply and logistics disturbances within our industry that worked in our favor. This helps us in the short to medium term, but end consumer demand has not strengthened significantly over the past months. We remain cautiously optimistic going forward about gradually improved market conditions. We have adopted an agile mentality to adjust to fast-changing market conditions, which we consider to be the new normal.

Our financial performance in North America was excellent in the second quarter, with an EBITDA margin of 18%. Paper volumes increased and the quarter was again a clear testimony to our highly competitive asset base in Upper Michigan. With better-than-expected flexibility on most of the assets and cost-leading position situated in an attractive region, we remain true to our strategy to successfully shift the product mix towards high-performance packaging materials with lower investment level than originally planned. The optionality of our paper machines in the US has been once again confirmed by performing successful trials for uncoated liner with encouraging results and positive customer feedback.

In Europe, deliveries in the second quarter came in slightly lower than anticipated but our order books remain strong. We implemented price increases for containerboard, sack and kraft paper, and could thereby more than offset cost increases and improve our margins compared with the previous quarter.

Our profitability in Europe is however under pressure by all-time-high costs for pulpwood. It's the dawn of a new era for the Nordic pulp and paper industry with both regulatory forces and an unbalanced supply and demand situation driving prices towards unprecedented levels. We will continue to work hard to establish new partnerships and optimize recipes to reduce the fiber consumption, which is core of the European strategy. However, being successful in such difficult operational environment will ultimately be about the attractiveness and the relative strength of the product portfolio. I am confident that Billerud has developed, through our excellent production know-how, a highly attractive offering platform with long-term demand growth, but we will need to continuously perform at our best to navigate in the challenging conditions.



To strengthen profitability and cash conversion we continue to focus on items that we control, such as our production efficiency and reducing our cost base. Our three-year efficiency enhancement program, that now has run halfway, continues to deliver and we are ahead of the ambition we set 18 months ago. For the first six months of this year, the efficiency enhancement program has provided a positive contribution of SEK 390 million compared with last year. We are on track to deliver the program target of SEK 700 million incrementally in 2024.

Our priorities for this year remain. The health and safety of our employees is always our most important focus area. We continue to work systematically to institutionalize a stronger safety mentality across all areas of our company. We also focus on progressing with our strategic projects, executing our revised European strategy to mitigate higher wood costs, and delivering our efficiency enhancement program.

With the new path for transforming of our US operations and a new premise for the Nordic pulp and paper industry, we will continue to adapt to the changes in our industry. I look forward to providing more insights about our strategic priorities and execution at a Capital Markets Day, which we plan to hold in Stockholm in the fourth quarter 2024.

Ivar Vatne
President and CEO

Second quarter

Sales and results

Net sales for the second quarter increased by 8% to SEK 10,764 million (9,953). Currency changes had a positive impact of 1%. The organic* and currency-neutral net sales increased by 9% mainly due to higher sales volumes, while sales prices had a negative impact. The Group's sales volumes totaled 895 ktons (831), negatively impacted by curtailments of production in North America.

Adjusted EBITDA amounted to SEK 1,003 million (188), corresponding to a margin of 9% (2). Earnings improved mainly because of higher sales volumes and a more favorable product mix in both regions, but also due to lower costs for revaluation of finished goods inventory. The result was negatively affected by the cost impact of annual maintenance shutdowns in four mills of SEK 515 million.

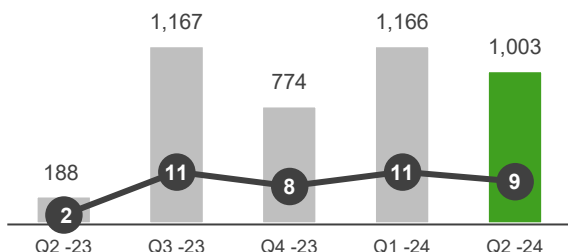
Items classified as affecting comparability totaled SEK -119 million (–) in the second quarter included recognized costs for the US transformation program of SEK 189 million and a positive result from the divestment of assets related to the Wisconsin Water Quality Center (WQC) of SEK 70 million.

Market development and outlook

In the second quarter, market conditions improved for all paper and board product categories except for liquid packaging board where conditions were stable on a normal level. Price increases were implemented for sack and kraft paper, containerboard and market pulp, while price levels were unchanged for liquid packaging board, graphic and specialty paper and cartonboard.

For the third quarter 2024, market conditions are expected to improve slightly. In Region Europe, positive price and mix effects are expected to compensate for higher input costs, mainly related to pulpwood. Price increases will be implemented for sack and kraft paper, containerboard and cartonboard. In Region North America, prices for graphic and specialty paper as well as input costs are expected to be stable. The price of market pulp is expected to have a positive impact.

Adjusted EBITDA, SEKm and adjusted EBITDA margin, %
Target level >17%



* Excluding the divestment of Managed Packaging on 31 August 2023.

Events in the quarter

Billerud's sale of the idled Wisconsin Rapids mill assets to the global private equity company Capital Recovery Group LLC, was completed in the second quarter with a positive cash flow effect of SEK 56 million.

On 30 April, Billerud divested the Wisconsin Water Quality Center (WQC) and related landfill assets. This divestment was a natural consequence of the sale of the idled Wisconsin Rapids mill assets. The positive result effect of the divestment of the Wisconsin WQC amounted to SEK 70 million and is reported as an item affecting comparability in the second quarter result. The cash flow effect was SEK -55 million.

On 21 May, Billerud's Board of Directors decided not to proceed with the plans to convert the Escanaba mill to cartonboard production as the projected return on investment was not sufficiently attractive. Billerud will instead target to shift its product mix in North America gradually towards packaging materials with a moderate investment level. Costs for the US transformation program related to feasibility studies and project preparations since April 2022 of SEK 189 million were recognized in the second quarter as an item affecting comparability.

Billerud's 2024 Annual General Meeting on 21 May elected Andreas Blaschke as a new Board member and re-elected Jan Svensson, Victoria Van Camp, Florian Heiserer, Magnus Nicolin and Regi Aalstad as board members. Jan Svensson was elected chairman of the board. The AGM further resolved in accordance with the board's dividend proposal. Meeting minutes can be found on Billerud's webpage.

In June, there was a fire in the chip conveyor belt at the Karlsborg mill. No one was injured in the incident. While damages were being repaired, production was at standstill for just over two weeks. The EBITDA impact of the incident was SEK -50 million in the second quarter.

On June 14, Kevin Kuznicki, President, Billerud North America, left the company. Tor Lundqvist, Deputy President and Senior Vice President of Operations for Billerud North America assumed the role of Acting President, Billerud North America. Recruitment for a new President of Billerud North America is ongoing.

Billerud launched Performance Brown Barrier, a new brown coated sack paper that replaces the plastic barrier in sacks. With the addition of brown paper, this product line offering can now replace plastic in both white and brown sacks.

Events after the quarter

Gert Larsson assumed the position of SVP Operations, Europe and joined the Group Management Team on 1 July. He has previously been SVP and Head of Operations for the Packaging Materials division in Stora Enso and EVP, Hiab Products at Cargotec.

Region Europe

Key figures

| SEKm | Quarter | | Jan-Jun | | Full year |
|------------------------------------|------------|------------|--------------|--------------|--------------|
| | Q2 -24 | Q2 -23 | 2024 | 2023 | 2023 |
| Net sales | 7,011 | 6,495 | 13,931 | 13,961 | 27,114 |
| of which liquid packaging board | 2,516 | 2,242 | 5,175 | 4,721 | 9,396 |
| of which containerboard | 1,317 | 1,227 | 2,579 | 2,651 | 5,347 |
| of which kraft and specialty paper | 1,029 | 936 | 1,982 | 2,044 | 3,841 |
| of which sack paper | 762 | 714 | 1,546 | 1,570 | 2,912 |
| of which cartonboard | 705 | 677 | 1,367 | 1,489 | 2,793 |
| of which market pulp | 618 | 634 | 1,136 | 1,352 | 2,553 |
| Net operating expenses | -6,381 | -6,379 | -12,517 | -12,810 | -24,361 |
| EBITDA | 630 | 116 | 1,414 | 1,151 | 2,753 |
| EBITDA margin, % | 9 | 2 | 10 | 8 | 10 |
| Operating profit/loss | 161 | -332 | 474 | 257 | 925 |
| Operating margin, % | 2 | -5 | 3 | 2 | 3 |
| Sales volumes, ktonnes | 675 | 638 | 1,384 | 1,346 | 2,697 |

Sales and results

Net sales for the second quarter amounted to SEK 7,011 million (6,495). Net sales excluding currency effects grew by 7% due to higher sales volumes and favourable mix changes, while price changes had a slightly negative sales impact.

EBITDA amounted to SEK 630 million (116), corresponding to an EBITDA margin of 9% (2). The result improvement was primarily due to lower variable costs, mainly related to revaluation of finished goods inventory, but also due to increased sales volumes and positive mix changes. Price changes had a negative impact compared with the second quarter last year.

During the quarter, scheduled maintenance shutdowns were carried out in Gruvön, Skärblacka and Pietarsaari mills with a total cost impact of SEK 396 million. The negative earnings impact from maintenance shutdowns in the second quarter of 2023 was SEK 403 million.

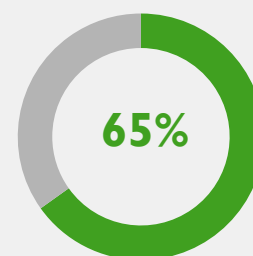
Market development

During the second quarter of 2024, the market conditions for the materials produced in Region Europe improved. Price increases were implemented for containerboard and for sack and kraft papers, and additional price increases for these product categories as well as for cartonboard were announced. For liquid packaging board, prices remained at the same level as in the previous quarter. Costs for wood raw material, chemicals and transports increased, while energy costs decreased.

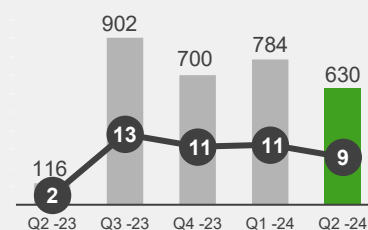
About Region Europe

Region Europe includes the board and paper products made of virgin fibre that are manufactured at the mills Gruvön, Gävle, Frövi/Rockhammar, Skärblacka and Karlsborg in Sweden and Pietarsaari in Finland. In these mills, Billerud produces liquid packaging board, kraft paper, containerboard, cartonboard, sack paper and market pulp. These materials are sold in Europe and the rest of the world. Total production capacity is around 3.1 million tons per year.

Share of Group's net sales
Q2 2024



EBITDA, SEKm and EBITDA margin, %



Region North America

Key figures

| SEKm | Quarter | | Jan-Jun | | Full year |
|--------------------------|------------|------------|--------------|------------|--------------|
| | Q2 -24 | Q2 -23 | 2024 | 2023 | 2023 |
| Net sales | 3,046 | 2,655 | 5,809 | 5,966 | 11,511 |
| of which graphic paper | 2,130 | 1,914 | 4,092 | 4,251 | 8,342 |
| of which specialty paper | 560 | 380 | 1,016 | 817 | 1,605 |
| of which market pulp | 357 | 361 | 701 | 898 | 1,564 |
| Net operating expenses | -2,483 | -2,450 | -4,799 | -5,121 | -9,893 |
| EBITDA | 563 | 205 | 1,010 | 845 | 1,618 |
| EBITDA margin, % | 18 | 8 | 17 | 14 | 14 |
| Operating profit/loss | 376 | 6 | 649 | 449 | 808 |
| Operating margin, % | 12 | 0 | 11 | 8 | 7 |
| Sales volumes, ktonnes | 220 | 193 | 432 | 428 | 839 |

Sales and results

Net sales for the second quarter amounted to SEK 3,046 million (2,655). Net sales excluding currency effects grew by 13% due to increased sales volumes, a positive mix change with a higher share of paper as well as improved price for market pulp. The sales volumes in the second quarter increased, but production remained below full capacity.

EBITDA increased to SEK 563 million (205), corresponding to an EBITDA margin of 18% (8). The strengthened result was primarily a result of the sales growth, but also supported by lower costs for raw materials and energy. Price changes had a negative impact compared with the second quarter last year.

During the quarter, scheduled maintenance shutdown was carried out in Quinnesec mill with a cost impact of SEK 119 million (–).

Comparisons with the second quarter 2023 are also affected by the three weeks of idling and deep cleaning of the Escanaba mill last year, which had a negative result impact of SEK 85 million in the second quarter 2023.

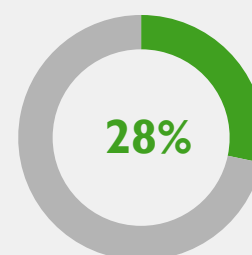
Market development

During the second quarter of 2024, the market conditions for the materials produced in Region North America improved. The price for Billerud's market pulp increased, while prices for graphic and speciality paper were stable. Total input costs for raw materials, energy and logistics decreased compared to the previous quarter.

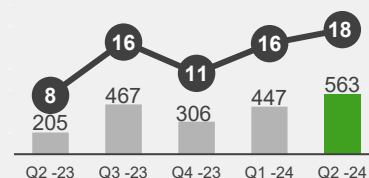
About Region North America

Region North America includes the products made of virgin fibre manufactured at the Escanaba and Quinnesec mills in Michigan, US and the operations at the sheeting facility Wisconsin Rapids in Wisconsin, US. Billerud produces graphic and specialty paper as well as market pulp in this region and sells these materials primarily in the North American market. Total annual production capacity is around 1.1 million tons of paper and 200 thousand tons of pulp.

Share of Group's net sales
Q2 2024



EBITDA, SEKm and EBITDA margin, %



Other

Sales and results

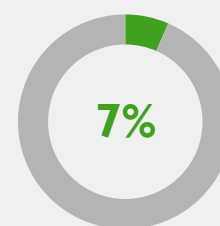
Net sales for the second quarter amounted to SEK 707 million (803). The sales decline was mainly due to the divestment of Managed Packaging on 31 August 2023. In the second quarter of 2023, Managed Packaging had net sales of SEK 168 million.

EBITDA in the second quarter of 2024 amounted to SEK -309 million (-133). The negative change was mainly due to items affecting comparability of SEK -119 million (–) related to recognized costs for the US transformation program of SEK 189 million and a positive result from the divestment of assets related to the Wisconsin Water Quality Center (WQC) of SEK 70 million. Currency hedging and accounts receivables revaluation had also negative impact on the results.

Key figures (including currency hedging etc)

| SEKm | Quarter | | Jan-Jun | Full year | |
|----------------------------|-------------|-------------|-------------|-------------|---------------|
| | Q2 -24 | Q2 -23 | 2024 | 2023 | 2023 |
| Net sales | 707 | 803 | 1,447 | 1,521 | 2,599 |
| of which Managed Packaging | - | 168 | - | 305 | 420 |
| Net operating expenses | -1,016 | -936 | -1,821 | -1,845 | -3,656 |
| EBITDA | -309 | -133 | -374 | -324 | -1,057 |
| Operating profit | -366 | -170 | -504 | -396 | -1,199 |

Share of Group's net sales
Q2 2024



January – June, consolidated

Sales and results

Net sales for the first six months declined by 1% to SEK 21,187 million (21,448). Net sales excluding currency effects declined by 2% due to lower sales in Region North America and in segment Other compared with the corresponding period last year.

Adjusted EBITDA increased to SEK 2,169 million (1,672), corresponding to an EBITDA margin of 10%. The improved result was mainly related to higher sales volumes, lower input costs and reduced costs for revaluation of finished goods inventory than during the first half of 2023.

Items classified as affecting comparability in the first six months of 2024 of SEK -119 million (–) were related to recognized costs for the US transformation program of SEK 189 million and a positive result from the divestment of assets related to the Wisconsin Water Quality Center (WQC) of SEK 70 million.

Cash flow and financial position

Operating cash flow after investments in tangible and intangible assets amounted to SEK 49 million (-467) for the second quarter of 2024. The positive change in cash flow from operating activities mostly derived from higher profit before tax, which more than offset negative changes in working capital.

Condensed cash flow statement

| SEKm | Quarter | | Jan-Jun | |
|--|------------|-------------|-------------|---------------|
| | Q2 -24 | Q2 -23 | 2024 | 2023 |
| Profit before tax | 87 | -558 | 473 | 168 |
| Adjustments for non-cash items | 717 | 595 | 1,186 | 1,143 |
| Tax paid | -194 | -169 | -329 | -450 |
| Cash flow from changes in working capital | 68 | 463 | -457 | -869 |
| Cash flow from operating activities | 678 | 331 | 873 | -8 |
| Investments in tangible and intangible assets | -629 | -798 | -1,315 | -1,566 |
| Operating cash flow after investments in tangible and intangible assets | 49 | -467 | -442 | -1,574 |

Financing

On 30 June 2024, the interest-bearing debt amounted to SEK 7,691 million (7,763). Interest-bearing debt increased by SEK 748 million during the second quarter of 2024. The Group utilised SEK 800 million of a loan agreement, signed in November 2023. In addition, the Group repaid commercial papers of SEK 870 million including interest and issued new commercial papers of SEK 796 million.

Debt portfolio and maturity profile on 30 June 2024

| Loan | Limit, SEKm | Maturity, years | | | Total utilised |
|-------------------------------|-------------|-----------------|--------------|--------------|----------------|
| | | 0-1 | 1-2 | 2- | |
| Syndicated credit facilities | 5,500 | | | | - |
| Term loans | | 501 | 101 | 1,052 | 1,654 |
| Bond loans within MTN program | 7,000 | | 1,250 | 1,250 | 2,500 |
| Other bond loans | | 1,000 | | 1,400 | 2,400 |
| Commercial paper | 4,000 | 1,137 | | | 1,137 |
| Group total | | 2,638 | 1,351 | 3,702 | 7,691 |
| Future interest payments | | 327 | 226 | 490 | 1,043 |

The interest-bearing net debt on 30 June 2024 amounted to SEK 6,629 million (7,965).

The net interest-bearing debt in relation to EBITDA at the end of the period was 1.8 (1.3). The net interest-bearing debt in relation to adjusted EBITDA was 1.6 (1.3)

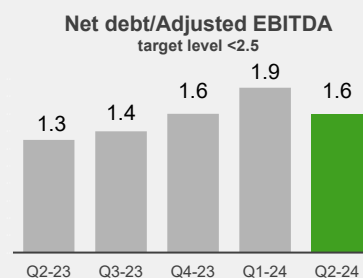
Investments and capital employed

Investments in tangible and intangible assets amounted to SEK 1,315 million (1,566) for the first half of 2024. The decrease was mainly due to lower capital expenditures for the new recovery boiler in Frövi, that was taken into operation during the second half of 2023.

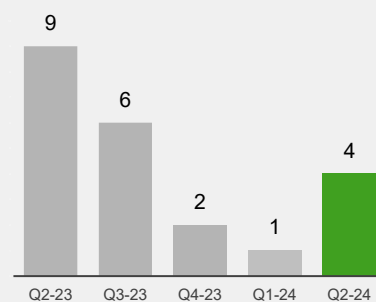
The investments in tangible and intangible assets during 2024 are expected to total approximately SEK 2.3 billion. Of this amount, SEK 1.6 billion is attributable to Region Europe and SEK 0.7 billion to Region North America.

The capital employed on 30 June 2024 amounted to SEK 33,770 million (35,155). Return on capital employed (ROCE) for the last twelve months amounted to 2% (9). Adjusted ROCE was 4% (9).

Return on equity was 3% (9) for the last twelve-months period.



Adjusted return on capital employed, %



Other information

Efficiency enhancement program

Billerud launched a three-year efficiency enhancement program focusing on profitability improvements and with activities spanning across functions predominantly in Region Europe in the beginning of 2023. The target for the program is an EBITDA uplift of SEK 1.5 billion by the end of 2025 run-rate. During 2023, the efficiency enhancement program delivered an EBITDA-uplift of SEK 615 million.

Cost-reduction measures that involve personnel reductions are since October 2023 being implemented as part of the program. The number of positions in the Group will be reduced by up to 350. These measures are expected to generate annual structural savings of SEK 300 million, with majority of the run-rate savings in 2024. Restructuring costs related to the personnel reductions of SEK 80 million were recorded in the fourth quarter of 2023.

For 2024, the target for the efficiency enhancement program is an EBITDA improvement of SEK 700 million compared with 2023. In the first six months of 2024, the program had a positive impact of SEK 390 million compared with the first half of 2023.

Currency hedging

Currency hedging had a net sales impact of SEK 2 million (-156) in the second quarter and SEK -42 million (-239) for the first half of 2024 compared with no currency hedging. The outstanding forward exchange contracts on 30 June had a market value of SEK 43 million, of which SEK 10 million is the portion of the contracts matched by trade receivables that affected earnings in the second quarter. Accordingly, other contracts had a market value of SEK 33 million.

Hedged portion of forecast currency flows

| Currency | Q3 24 | Q4 24 | Q1 25 | Q2 25 | Q3 25 | Total 15 months |
|---|-----------|-----------|------------|-----------|----------|-----------------|
| EUR Share* | 79% | 81% | 62% | 76% | 75% | 75% |
| Rate | 11.69 | 11.69 | 11.30 | 11.42 | 11.42 | 11.55 |
| USD Share* | 81% | 77% | 76% | 67% | 30% | 66% |
| Rate | 10.56 | 10.75 | 10.25 | 10.30 | 10.45 | 10.47 |
| GBP Share* | 42% | 0% | 0% | 0% | 0% | 15% |
| Rate | 13.49 | 13.62 | | | | 13.55 |
| Market value of currency contracts** | 20 | 34 | -13 | -2 | 4 | 43 |

* Share of net flow.

** On 30 June 2024.

Taxes

The tax cost for the first half of 2024 amounted to SEK 96 million (10), equal to approximately 20% (6) of profit before tax.

Parent company

The parent company Billerud AB (publ) includes head office and support functions.

Operating profit/loss for the first half of 2024 was SEK -197 million (-333). The operating result includes the effects of hedging contracts and revaluations of trade receivables.

The parent company hedges both its own and the Group's net currency flows. The parent company's result includes the results of these hedging measures. These effects were SEK -42 million (-239) for the first half of 2024.

The average number of employees on 30 June 2024 was 174 (163).

Cash and bank balances, and short-term investments amounted to SEK 562 million (403).

Holding of treasury shares

During the second quarter of 2024, Billerud transferred 153,068 shares under the performance based long-term share program resolved by the 2021 Annual General Meeting. The amount of treasury shares amounted to 1,059,569 on 31 March 2024, and on 30 June 2024, the holding of treasury shares was 906,501.

On 30 June 2024, the total number of shares in Billerud was 249,611,422 and the number of shares in the market was 248,704,921.

Risks and uncertainties

Billerud is exposed to risks that could impact its ability to achieve its strategic objectives. The strategic risks include risks related to political initiatives, laws and regulations, the economic outlook and market trends, competition, climate change, cyber-crime, and security. Billerud is also exposed to execution risks that could impact its ability to achieve established objectives in daily operations.

Demand for Billerud's products is affected by market trends and business cycles. A severe economic downturn could negatively impact the demand for the company's products. Competition and production capacity changes in the paper and packaging industry could have an impact on Billerud's business. Geopolitical risks could affect the macroeconomic development, supply chains, price trends and Billerud's operating costs. The war in Ukraine and EU's sanctions on Russia led for example to higher energy prices and a tighter wood market in the Nordics.

There are also risks related to the implications for Billerud of political initiatives, new laws and regulations. A patchwork of requirements that affects the forest and packaging industry is evolving at international and national levels, including for example the EU Emission Trading Scheme (EU ETS), and the Packaging and Packaging Waste Regulation (PPWR).

As a large international company, Billerud is exposed to financial risks related to currency, financing, liquidity, interest rates, energy price, financial credit- and customer credit risks. Most of the Group's revenues are invoiced in foreign currencies while a large part of operating expenses are in SEK.



A detailed risk description including a sensitivity analysis with estimated profit impact of changed sales volumes, exchange rates, loan rates, and input prices is provided on pages 47–51 in the 2023 Annual and Sustainability Report. Detailed information about the Group's financial risks and risk management is provided on pages 76-78 in the 2023 Annual and Sustainability Report.

Related-party transactions

No transactions took place between Billerud and related parties that significantly affected the Group's position and earnings.

The undersigned hereby confirm that this mid-year report provides a true and fair view of the parent company's and Group operations, position and performance, and describes material risks and uncertainties faced by the parent company and Group companies.

Solna, 19 July 2024

Billerud AB (publ)

Jan Svensson
Chairman of the Board

Florian Heiserer
Board member

Victoria Van Camp
Board member

Magnus Nicolin
Board member

Regi Aalstad
Board member

Andreas Blaschke
Board member

Nicklas Johansson
Board member

Per Bertilsson
Board member

Ivar Vatne
President and CEO



Group

Condensed income statement

| SEKm | Quarter | | Jan-Jun | | Full year |
|--|-------------|--------------|-------------|-------------|-------------|
| | Q2 -24 | Q2 -23 | 2024 | 2023 | 2023 |
| Net sales | 10,764 | 9,953 | 21,187 | 21,448 | 41,224 |
| Other operating income | 134 | 87 | 210 | 153 | 308 |
| Change in inventories | 25 | -617 | 144 | -593 | -898 |
| Raw materials and consumables | -5,443 | -5,038 | -11,003 | -11,165 | -21,461 |
| Other external costs | -2,905 | -2,487 | -5,203 | -4,871 | -9,313 |
| Employee benefits expense | -1,699 | -1,721 | -3,302 | -3,314 | -6,350 |
| Depreciation, amortization and impairment of non-current assets | -713 | -684 | -1,431 | -1,362 | -2,780 |
| Change in value of biological assets | - | - | - | - | -2 |
| Profit/Loss from participations and impairment in associated companies | 8 | 11 | 17 | 14 | -194 |
| Operating profit/loss | 171 | -496 | 619 | 310 | 534 |
| Financial net | -85 | -62 | -147 | -142 | -349 |
| Profit/Loss before tax | 86 | -558 | 472 | 168 | 185 |
| Taxes | -23 | 77 | -96 | -10 | 299 |
| Profit/Loss from continuing operations | 63 | -481 | 376 | 158 | 484 |
| Profit/Loss attributable to: | | | | | |
| Owners of the parent company | 63 | -481 | 376 | 158 | 484 |
| Non-controlling interests | - | - | - | - | - |
| Net profit/loss for the period | 63 | -481 | 376 | 158 | 484 |
| Basic earnings per share, SEK | 0.25 | -1.94 | 1.51 | 0.64 | 1.95 |
| Diluted earnings per share, SEK | 0.25 | -1.93 | 1.51 | 0.63 | 1.95 |

Condensed statement of comprehensive income

| SEKm | Quarter | | Jan-Jun | | Full year |
|--|------------|-------------|------------|-------------|---------------|
| | Q2 -24 | Q2 -23 | 2024 | 2023 | 2023 |
| Net profit/loss for the period | 63 | -481 | 376 | 158 | 484 |
| Other comprehensive income | | | | | |
| Items that will not be reclassified to profit or loss | | | | | |
| Revaluation of forest land | - | - | - | - | 2 |
| Actuarial gains or losses on defined benefit pension plans | 54 | 150 | 227 | 107 | 346 |
| Change in fair value of shareholding in Other holdings | - | 7 | - | 7 | 5 |
| Tax attributable to items not to be reclassified to profit or loss | -14 | -39 | -59 | -28 | -94 |
| Total items that will not be reclassified to profit or loss | 40 | 118 | 168 | 86 | 259 |
| Items that have been or may be reclassified subsequently to profit or loss | | | | | |
| Differences arising from the translation of foreign operations' accounts | -61 | 419 | 500 | 373 | -359 |
| Change in fair value of cash flow hedges | 135 | -156 | -440 | -1,032 | -1,037 |
| Tax attributable to items that have been or may be reclassified subsequently to profit or loss | -26 | 36 | 93 | 216 | 221 |
| Total items that have been or may be reclassified subsequently to profit or loss | 48 | 299 | 153 | -443 | -1,175 |
| Total comprehensive income for the period | 151 | -64 | 697 | -199 | -432 |
| Attributable to: | | | | | |
| Owners of the parent company | 151 | -64 | 697 | -199 | -432 |
| Non-controlling interests | - | - | - | - | - |
| Total comprehensive income for the period | 151 | -64 | 697 | -199 | -432 |

Condensed balance sheet

| | 30 Jun 2024 | 30 Jun 2023 | 31 Dec 2023 |
|---|----------------|----------------|----------------|
| SEKm | | | |
| Intangible assets | 2,240 | 2,254 | 2,227 |
| Tangible assets, including Right of use assets | 29,991 | 30,163 | 29,933 |
| Other non-current assets | 1,764 | 2,067 | 1,747 |
| Total non-current assets | 33,995 | 34,484 | 33,907 |
| Intangible assets | 582 | 720 | 111 |
| Inventories | 6,577 | 6,941 | 6,137 |
| Accounts receivable | 4,542 | 4,369 | 3,804 |
| Other current assets | 1,767 | 1,753 | 1,663 |
| Cash and cash equivalents | 1,826 | 1,286 | 2,304 |
| Total current assets | 15,294 | 15,069 | 14,019 |
| Total assets | 49,289 | 49,553 | 47,926 |
| Equity attributable to owners of the parent company | 27,141 | 27,190 | 26,945 |
| Non-controlling interests | - | - | - |
| Total equity | 27,141 | 27,190 | 26,945 |
| Interest-bearing liabilities | 5,053 | 4,274 | 4,696 |
| Lease liabilities | 179 | 203 | 178 |
| Provisions for pensions | 616 | 1,136 | 653 |
| Other liabilities and provisions | 374 | 506 | 524 |
| Deferred tax liabilities | 3,882 | 4,283 | 3,965 |
| Total non-current liabilities | 10,104 | 10,402 | 10,016 |
| Interest-bearing liabilities | 2,638 | 3,488 | 2,536 |
| Lease liabilities | 167 | 162 | 168 |
| Accounts payables | 5,698 | 4,827 | 5,352 |
| Other liabilities and provisions | 3,541 | 3,484 | 2,909 |
| Total current liabilities | 12,044 | 11,961 | 10,965 |
| Total equity and liabilities | 49,289 | 49,553 | 47,926 |

Condensed statement of changes in equity

| | Jan-Jun 2024 | 2023 | Full year 2023 |
|---|-----------------|---------------|-------------------|
| SEKm | | | |
| Opening balance | 26,945 | 29,254 | 29,254 |
| Comprehensive income for the period | 697 | -199 | -432 |
| Share-based payment to be settled in equity instruments | 7 | 18 | 23 |
| Hedging result transferred to acquisition cost in tangible assets | -11 | -19 | -36 |
| Dividend to owners of the parent company | -497 | -1,864 | -1,864 |
| Closing balance equity | 27,141 | 27,190 | 26,945 |
| Equity attributable to: | | | |
| Owners of the parent company | 27,141 | 27,190 | 26,945 |
| Non-controlling interests | - | - | - |
| Closing balance equity | 27,141 | 27,190 | 26,945 |



Condensed cash flow statement

| SEKm | Quarter | | Jan-Jun | Full year | |
|--|--------------|---------------|---------------|---------------|---------------|
| | Q2 -24 | Q2 -23 | 2024 | 2023 | 2023 |
| Operating activities | | | | | |
| Profit before tax | 87 | -558 | 473 | 168 | 185 |
| Adjustments for non-cash items* | 717 | 595 | 1,186 | 1,143 | 2,963 |
| Tax paid | -194 | -169 | -329 | -450 | -561 |
| Cash flow from changes in working capital | 68 | 463 | -457 | -869 | 703 |
| Cash flow from operating activities | 678 | 331 | 873 | -8 | 3,290 |
| Investing activities | | | | | |
| Investments in tangible and intangible assets | -629 | -798 | -1,315 | -1,566 | -3,177 |
| Disposal of property, plant and equipment | - | 1 | 18 | 1 | 9 |
| Sale of subsidiaries | - | - | - | - | -80 |
| Acquisition of financial assets/contribution associated companies | - | 1 | -5 | -16 | -43 |
| Dividend from associated companies | 20 | 17 | 20 | 17 | 17 |
| Disposal/repayment of financial assets/other holdings and associated companies | - | - | - | - | 129 |
| Change in interest-bearing receivables | - | -1 | - | 9 | 19 |
| Cash flow from investing activities | -609 | -780 | -1,282 | -1,555 | -3,126 |
| Financing activities | | | | | |
| Change in interest-bearing liabilities | 701 | 1,229 | 349 | 2,612 | 2,018 |
| Dividend | -497 | -1,864 | -497 | -1,864 | -1,864 |
| Cash flow from financing activities | 204 | -635 | -148 | 748 | 154 |
| Total cash flow for the period | 273 | -1,084 | -557 | -815 | 318 |
| Cash and cash equivalents at start of period | 1,561 | 2,318 | 2,304 | 2,046 | 2,046 |
| Translation differences in cash and cash equivalents | -8 | 52 | 79 | 55 | -60 |
| Cash and cash equivalents at the end of the period | 1,826 | 1,286 | 1,826 | 1,286 | 2,304 |

*Reconciliation of non-cash items

| SEKm | Quarter | | Jan-Jun | Full year | |
|--|------------|------------|--------------|--------------|--------------|
| | Q2 -24 | Q2 -23 | 2024 | 2023 | 2023 |
| Depreciation, amortization and impairment of assets | 713 | 683 | 1,431 | 1,362 | 2,780 |
| Financial items | 23 | 81 | -49 | 100 | 196 |
| Disposal of non-current assets | 258 | 1 | 247 | 4 | -14 |
| Pensions and other provisions | -157 | -11 | -210 | -24 | -233 |
| Unrealized result from emission rights | -114 | -157 | -223 | -303 | 17 |
| Share of profit/loss in associates/impairment of investments | -8 | -11 | -17 | -14 | 194 |
| Share based payments | 2 | 9 | 7 | 18 | 23 |
| Total non-cash items | 717 | 595 | 1,186 | 1,143 | 2,963 |

Notes

Note 1: Accounting policies

The interim report for the Group is prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The accounting policies applied in this interim report are the same as those used in the most recent

annual report for 2023, see pages 56-58 and page 148-149 for definitions of key figures. The interim report for the parent company is prepared in accordance with the Swedish Annual Accounts Act.

Note 2: Financial assets and liabilities

| | Fair value hedging instruments | Fair value through other comprehensive income | Amortized costs | Total carrying amount | Fair value |
|--|--------------------------------------|--|-----------------|-----------------------|---------------|
| <i>Valuation classification</i> | <i>Level 2</i> | <i>Level 3</i> | | | |
| Group 30 June 2024 | | | | | |
| Other shares and participations | | 11 | | 11 | 11 |
| Long-term receivables | 5 | | 141 | 146 | 146 |
| Accounts receivable | | | 4,542 | 4,542 | 4,542 |
| Other receivables | 69 | | 779 | 848 | 848 |
| Cash and cash equivalents | | | 1,826 | 1,826 | 1,826 |
| Total financial assets | 74 | 11 | 7,288 | 7,373 | 7,373 |
| Non-current interest-bearing liabilities | | | 5,232 | 5,232 | 5,277 |
| Current interest-bearing liabilities | | | 2,806 | 2,806 | 2,806 |
| Accounts payables | | | 5,698 | 5,698 | 5,698 |
| Other liabilities | 121 | | 515 | 636 | 636 |
| Total financial liabilities | 121 | - | 14,251 | 14,372 | 14,417 |

| | Fair value hedging instruments | Fair value through other comprehensive income | Amortized costs | Total carrying amount | Fair value |
|--|--------------------------------------|--|-----------------|-----------------------|---------------|
| <i>Valuation classification</i> | <i>Level 2</i> | <i>Level 3</i> | | | |
| Group 31 December 2023 | | | | | |
| Other shares and participations | | 11 | | 11 | 11 |
| Long-term receivables | 1 | | 130 | 131 | 131 |
| Accounts receivable | | | 3,804 | 3,804 | 3,804 |
| Other receivables | 463 | | 616 | 1,079 | 1,079 |
| Cash and cash equivalents | | | 2,304 | 2,304 | 2,304 |
| Total financial assets | 464 | 11 | 6,854 | 7,329 | 7,329 |
| Non-current interest-bearing liabilities | | | 4,874 | 4,874 | 4,954 |
| Current interest-bearing liabilities | | | 2,705 | 2,705 | 2,705 |
| Accounts payables | | | 5,352 | 5,352 | 5,352 |
| Other liabilities | 50 | | 436 | 486 | 486 |
| Total financial liabilities | 50 | - | 13,367 | 13,417 | 13,497 |

Note 3: Other disclosures

Other disclosures in accordance with IAS 34.16A can be found on the pages prior to the income statement and the statement of comprehensive income.

Information regarding significant events after the quarter can be found on page 3, regions can be found on pages 4-6, financing on page 7 and seasonal effects on page 18.

Key figures

| | Jan-Jun | | Full year |
|--|---------|--------|-----------|
| | 2024 | 2023 | 2023 |
| EBITDA margin, % | 10 | 8 | 8 |
| Adjusted EBITDA margin, % | 10 | 8 | 9 |
| Operating margin, % | 3 | 1 | 1 |
| Adjusted operating margin, % | 3 | 1 | 2 |
| Return (rolling 12 months) | | | |
| Return on capital employed, % (ROCE) | 2 | 9 | 2 |
| Adjusted Return on capital employed, % (adj ROCE) | 4 | 9 | 2 |
| Return on equity, % | 3 | 9 | 2 |
| Capital structure at end of period | | | |
| Capital employed, SEKm | 33,770 | 35,155 | 32,872 |
| Working capital, SEKm | 4,008 | 5,535 | 3,684 |
| Equity attributable to owners of the parent company, SEKm | 27,141 | 27,190 | 26,945 |
| Interest-bearing net debt, SEKm | 6,629 | 7,965 | 5,927 |
| Net debt/equity ratio | 0.24 | 0.29 | 0.22 |
| Interest-bearing net debt / EBITDA over 12 months | 1.8 | 1.3 | 1.8 |
| Interest-bearing net debt / Adjusted EBITDA over 12 months | 1.6 | 1.3 | 1.6 |
| Key figures per share | | | |
| Earnings per share, SEK | 1.51 | 0.64 | 1.95 |
| Adjusted earnings per share, SEK | 1.87 | 0.64 | 3.06 |
| Dividend (for the financial year) per share, SEK | - | - | 2.00 |
| Other key figures | | | |
| Working capital as percentage of net sales, % | 9 | 13 | 12 |
| Investments in tangible and intangible assets, SEKm | 1,315 | 1,566 | 3,177 |
| Average number of employees | 5,951 | 6,141 | 6,134 |

Reconciliation of alternative performance measures

| Items affecting comparability*, SEKm | Quarter | | | Jan-Jun | Full year | |
|---|--------------|--------------|-------------|--------------|--------------|--------------|
| | Q2 -24 | Q1 -24 | Q2 -23 | 2024 | 2023 | 2023 |
| Impairment of shares in associated company (Profit/loss from participations and impairment in associated companies) | - | - | - | - | - | 52 |
| Total capital result from divestment of Managed Packaging (Other operating income) | - | - | - | - | - | -23 |
| Restructuring cost (Employee benefits expense) | - | - | - | - | - | 106 |
| Revaluation of biological assets in associated companies (Profit from participations in associated companies) | - | - | - | - | - | 164 |
| US Transformation costs (Other external costs) | 189 | - | - | 189 | - | - |
| Capital gain, divested assets at Wisconsin WQC (Other operating income) | -70 | - | - | -70 | - | - |
| Items affecting comparability | 119 | - | - | 119 | - | 299 |
| EBITDA, SEKm and EBITDA margin, % | | | | | | |
| Operating profit | 171 | 448 | -496 | 619 | 310 | 534 |
| Depreciation, amortizations and impairment of non-current assets | 713 | 718 | 684 | 1,431 | 1,362 | 2,780 |
| EBITDA, SEKm | 884 | 1,166 | 188 | 2,050 | 1,672 | 3,314 |
| Net sales | 10,764 | 10,423 | 9,953 | 21,187 | 21,448 | 41,224 |
| EBITDA margin, % | 8 | 11 | 2 | 10 | 8 | 8 |
| Adjusted EBITDA, SEKm and adjusted EBITDA margin, % | | | | | | |
| EBITDA | 884 | 1,166 | 188 | 2,050 | 1,672 | 3,314 |
| Items affecting comparability* | 119 | - | - | 119 | - | 299 |
| Adjusted EBITDA, SEKm | 1,003 | 1,166 | 188 | 2,169 | 1,672 | 3,613 |
| Net sales | 10,764 | 10,423 | 9,953 | 21,187 | 21,448 | 41,224 |
| Adjusted EBITDA margin, % | 9 | 11 | 2 | 10 | 8 | 9 |
| Operating margin, % | | | | | | |
| Operating profit | 171 | 448 | -496 | 619 | 310 | 534 |
| Net sales | 10,764 | 10,423 | 9,953 | 21,187 | 21,448 | 41,224 |
| Operating margin, % | 2 | 4 | -5 | 3 | 1 | 1 |
| Adjusted operating profit, SEKm and adjusted operating margin, % | | | | | | |
| Operating profit | 171 | 448 | -496 | 619 | 310 | 534 |
| Items affecting comparability* | 119 | - | - | 119 | - | 299 |
| Adjusted operating profit, SEKm | 290 | 448 | -496 | 738 | 310 | 833 |
| Net sales | 10,764 | 10,423 | 9,953 | 21,187 | 21,448 | 41,224 |
| Adjusted operating margin, % | 3 | 4 | -5 | 3 | 1 | 2 |
| Return on capital employed, % | | | | | | |
| Operating profit over 12 months*** | 843 | 176 | 3,198 | 843 | 3,198 | 534 |
| Average capital employed over 12 months** | 34,036 | 34,259 | 34,848 | 34,036 | 34,848 | 34,287 |
| Return on capital employed, % | 2 | 1 | 9 | 2 | 9 | 2 |
| Adjusted return on capital employed, % | | | | | | |
| Adjusted operating profit over 12 months*** | 1,261 | 475 | 3,250 | 1,261 | 3,250 | 833 |
| Average capital employed over 12 months** | 34,036 | 34,259 | 34,848 | 34,036 | 34,848 | 34,287 |
| Adjusted return on capital employed, % | 4 | 1 | 9 | 4 | 9 | 2 |
| Return on equity, % | | | | | | |
| Net profit attributed to owners of the parent company over 12 months *** | 702 | 158 | 2,445 | 702 | 2,445 | 484 |
| Average shareholders' equity attributed to owners of the parent company ** | 27,304 | 27,701 | 28,486 | 27,304 | 28,486 | 28,053 |
| Return on equity, % | 3 | 1 | 9 | 3 | 9 | 2 |
| Net debt/equity ratio | | | | | | |
| Interest-bearing net debt | 6,629 | 6,202 | 7,965 | 6,629 | 7,965 | 5,927 |
| Total equity | 27,141 | 27,494 | 27,190 | 27,141 | 27,190 | 26,945 |
| Net debt/equity ratio | 0.24 | 0.23 | 0.29 | 0.24 | 0.29 | 0.22 |

Reconciliation of alternative performance measures (cont.)

| | Quarter | | | Jan-Jun | Full year | |
|---|-------------|-------------|--------------|-------------|-------------|-------------|
| | Q2 -24 | Q1 -24 | Q2 -23 | 2024 | 2023 | 2023 |
| Interest-bearing net debt / EBITDA, multiple | | | | | | |
| Interest-bearing net debt | 6,629 | 6,202 | 7,965 | 6,629 | 7,965 | 5,927 |
| EBITDA over 12 months*** | 3,693 | 2,996 | 5,908 | 3,693 | 5,908 | 3,314 |
| Interest-bearing net debt / EBITDA, multiple | 1.8 | 2.1 | 1.3 | 1.8 | 1.3 | 1.8 |
| Interest-bearing net debt / Adjusted EBITDA, multiple | | | | | | |
| Interest-bearing net debt | 6,629 | 6,202 | 7,965 | 6,629 | 7,965 | 5,927 |
| Adjusted EBITDA over 12 months*** | 4,111 | 3,295 | 5,960 | 4,111 | 5,960 | 3,613 |
| Interest-bearing net debt / Adjusted EBITDA, multiple | 1.6 | 1.9 | 1.3 | 1.6 | 1.3 | 1.6 |
| Adjusted earnings per share, SEK | | | | | | |
| Profit attributed to owners of the parent company, SEKm | 63 | 313 | -481 | 376 | 158 | 484 |
| Items affecting comparability, attributed to owners of the parent company, SEKm * | 88 | - | - | 88 | - | 277 |
| Adj profit attributed to owners of the parent company, SEKm | 151 | 313 | -481 | 464 | 158 | 761 |
| Weighted number of outstanding shares, thousands | 248,633 | 248,552 | 248,494 | 248,592 | 248,422 | 248,488 |
| Adjusted earnings per share, SEK | 0.61 | 1.26 | -1.94 | 1.87 | 0.64 | 3.06 |
| Working capital as percentage of net sales, % | | | | | | |
| Average working capital for the period | 3,982 | 3,821 | 5,739 | 3,883 | 5,539 | 5,080 |
| Annualized net sales | 43,056 | 41,690 | 39,810 | 42,373 | 42,985 | 41,224 |
| Working capital as percentage of net sales, % | 9 | 9 | 14 | 9 | 13 | 12 |

* Revenue = -, Cost = +

** Average for the five latest quarters.

***12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date.

| | | | |
|---|---------------|---------------|---------------|
| | 30 Jun | 30 Jun | 31 Dec |
| Capital employed, SEKm | 2024 | 2023 | 2023 |
| Total assets | 49,289 | 49,553 | 47,926 |
| Accounts payables | -5,698 | -4,827 | -5,352 |
| Other liabilities and provisions | -3,914 | -3,990 | -3,433 |
| Deferred tax liabilities | -3,882 | -4,283 | -3,965 |
| Non-current receivables (interest-bearing) | -199 | -12 | - |
| Cash and Cash equivalents | -1,826 | -1,286 | -2,304 |
| Capital employed | 33,770 | 35,155 | 32,872 |
| | 30 Jun | 30 Jun | 31 Dec |
| Working capital, SEKm | 2024 | 2023 | 2023 |
| Inventories | 6,577 | 6,941 | 6,137 |
| Accounts receivables | 4,542 | 4,369 | 3,804 |
| Other current receivables and current intangible assets | 2,350 | 2,473 | 1,774 |
| Accounts payables | -5,698 | -4,827 | -5,352 |
| Other current liabilities and provisions | -3,540 | -3,484 | -2,909 |
| -Reduction of current provisions | 70 | 93 | 110 |
| -Reduction of tax liabilities/receivables | -293 | -30 | 120 |
| Working capital | 4,008 | 5,535 | 3,684 |
| | 30 Jun | 30 Jun | 31 Dec |
| Interest-bearing net debt, SEKm | 2024 | 2023 | 2023 |
| Provisions for pensions | 616 | 1,136 | 653 |
| Interest bearing non-current liabilities | 5,053 | 4,274 | 4,696 |
| Non-current lease liabilities | 179 | 203 | 178 |
| Interest bearing current liabilities | 2,638 | 3,488 | 2,536 |
| Current lease liabilities | 168 | 162 | 168 |
| Non-current receivables (interest-bearing) | -199 | -12 | - |
| Cash and Cash equivalents | -1,826 | -1,286 | -2,304 |
| Interest-bearing net debt | 6,629 | 7,965 | 5,927 |

Seasonal effects

Billerud's business is subject to seasonal fluctuations to a relatively limited extent. Periodical maintenance shutdowns have the largest impact, as they involve each unit stopping production for around one week. The loss of production results in somewhat lower deliveries over an extended period before, during and after the shutdown. It should also be noted that the Group usually has a somewhat higher cost level in the fourth quarter than in previous quarters.

Planned maintenance shutdowns

In addition to ongoing maintenance during production, Billerud's production units normally also require more extensive maintenance at some time during the year. Maintenance requires the production of pulp, paper and board to stop. The main financial impact from a maintenance shutdown comprises of volume losses arising from the shutdown and increase in fixed costs, mainly maintenance and overtime costs, as well as a certain portion of variable costs including higher consumption of electricity and wood when production is restarted. The effects of shutdowns on earnings vary depending on volume losses, extent of the measures carried out, their nature and the actual length of the shutdown. The estimated earnings impact of a maintenance shutdown is an indicative impact of a normal shutdown performed in average market conditions compared with a quarter during which no periodic maintenance shutdown takes place.

From 2024 the estimated cost impact of a maintenance shutdown is calculated as the sum of the fixed costs for the maintenance, increased variable costs associated with the shutdown and lower fixed cost coverage from reduced capacity utilization during the stops.

The estimated cost impact of the maintenance shutdown at Gruvön in 2024 was incorrectly stated in the year-end report and the annual and sustainability report for 2023. The table below has been corrected as of the interim report for January-March 2024.

During the second quarter of 2024, maintenance shutdowns were carried out in Gruvön, Skärblacka, Pietarsaari and Quinnesec. The total cost impact of maintenance shutdowns during this period was SEK 515 million.

The cost impact of the maintenance shutdown at Escanaba, that is planned to be carried out in September-October 2024, is estimated to amount to SEK 70 million in the third quarter and SEK 40 million in the fourth quarter.

Estimated cost impact from planned maintenance shutdowns

| Production units | Estimated average | Breakdown of cost impact | | Planned dates of maintenance shutdown | | |
|------------------|-------------------|--------------------------|----------------------|---------------------------------------|-------|-------|
| | cost impact | Region Europe | Region North America | 2024 | 2023 | 2022 |
| | SEKm | | | | | |
| Gävle | ~ 170 | 100% | 0% | Q3 | Q3 | Q3 |
| Gruvön | ~ 240 | 100% | 0% | Q2 | Q2 | Q1-Q2 |
| Frövi | ~ 80 | 100% | 0% | Q4 | Q4 | Q4 |
| Skärblacka | ~ 130 | 100% | 0% | Q2 | Q2 | Q2 |
| Karlsborg | ~ 90 | 100% | 0% | Q3 | Q3 | Q3 |
| Pietarsaari | ~ 20 | 100% | 0% | Q2 | - | Q2 |
| Rockhammar | ~ 10 | 100% | 0% | Q4 | Q4 | Q4 |
| Escanaba | ~ 110 | 0% | 100% | Q3-Q4 | Q3-Q4 | Q3 |
| Quinnesec | ~ 135 | 0% | 100% | Q2 | - | Q3 |

Key Figures – Definitions and purpose

| | |
|---|--|
| Adjusted key figures | Adjusted key figures on EBITDA, Operating profit, Return on capital employed and Earnings per share provide a better understanding of the underlying business performance and enhance comparability from period to period, when the effect of items affecting comparability are adjusted for. Items affecting comparability can include additional project costs for major projects, major restructuring/write downs /revaluations, litigations, specific impact due to strategic decisions, and significant earnings effects from acquisition and disposals. |
| EBITDA | Operating profit before depreciation, amortization and impairment on non-current intangible, tangible assets and right of use assets. EBITDA is a central measure of operating performance, to assess the performance over time. |
| EBITDA margin, % | EBITDA as a percentage of net sales. The measure is used in review as well as for benchmarking with peer companies. |
| Adjusted EBITDA | Operating profit before depreciation, amortization and impairment on non-current intangible, tangible assets and right of use assets adjusted for items affecting comparability. Adjusted EBITDA is relevant for assessing performance excluding items affecting comparability. |
| Adjusted EBITDA margin, % | Adjusted EBITDA as a percentage of net sales. The measure is used for assessing profitability excluding items affecting comparability. |
| Operating margin, % | Operating profit as a percentage of net sales. Operating margin shows the percentage of revenue remaining as operating profit after deducting operating expenses. The measure is used for performance monitoring as well as for benchmarking with peer companies. |
| Adjusted operating profit | Operating profit adjusted for items affecting comparability. The measure is used for assessing performance excluding items affecting comparability. |
| Adjusted operating margin, % | Adjusted operating profit as a percentage of net sales. The measure is used for assessing performance excluding items affecting comparability. |
| Return on capital employed (ROCE) | Operating profit calculated over 12 months as a percentage of average capital employed calculated per quarter for the last 5 quarters. 12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date. The return on capital employed is a measure that shows how effectively total net operating assets are used in order to generate return in the operating business. The measure takes capital invested in the operating activities into account and is used for business performance monitoring and benchmarking with peer companies. |
| Adjusted Return on capital employed (ROCE) | Adjusted operating profit calculated over 12 months as a percentage of average capital employed calculated per quarter for the last 5 quarters. 12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date. The measure is used for assessing the return on net operating assets excluding items affecting comparability. |
| Return on equity, % | Profit calculated over 12 months, attributable to owners of the parent company, as a percentage of average shareholders' equity calculated per quarter, attributable to owners of the parent company. 12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date. The measure represents total profitability compared to the equity invested by the parent company's shareholders. |
| Capital employed | Total assets less accounts payables, other liabilities and provisions, deferred tax liabilities, non-current receivables (interest-bearing) and cash and cash equivalents. Capital employed is used to quantify the net total assets used in the operating business and is used as a component in measuring operating profitability. |
| Working capital | Inventories, accounts receivables, other current receivables and current intangible assets (emission rights) less accounts payables, other current liabilities and reduction of tax liabilities/receivables. The measure shows the amount of current net assets that is tied up in the business. Together with non-current assets, working capital constitutes the operating capital employed to generate operating returns. |
| Interest-bearing net debt | The sum of provisions for pensions, interest-bearing liabilities and leasing liabilities less interest-bearing non-current receivables and cash and cash equivalents. The measure is used to quantify the debt financing, taken the amount of financial assets into account. The measure is used as a component in measuring financial risk. |
| Net debt/equity ratio | Interest-bearing net debt divided by equity. The ratio shows the mix between interest-bearing net debt and equity financing. A higher ratio means higher financial leverage and may have positive effects on return on equity but imply a higher financial risk. |

| | |
|--|--|
| Interest-bearing net debt/EBITDA | Interest bearing net debt at the end of the period divided by EBITDA for the last 12 months. 12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date. The measure shows the size of the interest-bearing net debt compared to the repayment capacity. A higher (lower) ratio indicates a higher (lower) risk. |
| Interest-bearing net debt/adjusted EBITDA | Interest bearing net debt at the end of the period divided by adjusted EBITDA for the last 12 months. 12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date. The measure is used for assessing the repayment capacity excluding items affecting comparability. |
| (Basic) earnings per share | Profit attributable to owners of the parent, divided by the average number of outstanding ordinary shares in the market. |
| Adjusted earnings per share | Profit attributable to owners of the parent adjusted for items affecting comparability after tax, divided by the average number of outstanding ordinary shares in the market. The measure is used for assessing earnings per share excluding items affecting comparability. |
| Working capital as percentage of net sales | Average working capital is calculated by using the average of all quarterly periods during the interim period from the beginning of the financial year, divided by annualized net sales. Annual net sales are calculated by dividing the net sales for the most recent interim period from the beginning of the financial year by the number of months in this interim period and multiplying by twelve. Working capital in relation to net sales shows how effectively the working capital is used. A lower percentage means less capital is tied up to generate a given amount of revenue, and an increased ability to internally finance growth and return to shareholders. |
| Operating cash flow after investments in tangible and intangible assets | Cash flow from the operating activities, including investments in tangible and non-current intangible assets. The measure shows cash flow generated in the operating business, which provides the amount of cash flows available to repay debt, acquire and invest in other businesses and pay dividends to the shareholders. |
| Cash conversation | Cash flow from operating activities divided by EBITDA. This measure is used for assessing the generation of cash of the operating profit before depreciation, amortization and impairment. |

Parent company

Condensed income statement

| SEKm | Quarter | | Jan-Jun | | Full year |
|--|-------------|-------------|-------------|-------------|-------------|
| | Q2 -24 | Q2 -23 | 2024 | 2023 | 2023 |
| Operating income* | 49 | 99 | 229 | 109 | 58 |
| Operating expenses | -193 | -222 | -426 | -442 | -796 |
| Operating profit/loss | -144 | -123 | -197 | -333 | -738 |
| Financial income and expenses | -47 | 45 | -111 | -18 | -206 |
| Profit/Loss after financial income and expenses | -191 | -78 | -308 | -351 | -944 |
| Appropriations | - | - | - | - | 776 |
| Profit/loss before tax | -191 | -78 | -308 | -351 | -168 |
| Taxes | 64 | 42 | 89 | 100 | -11 |
| Net profit/loss for the period | -127 | -36 | -219 | -251 | -179 |

* Including currency hedging etc.

Condensed balance sheet

| SEKm | 30 Jun 2024 | 30 Jun 2023 | 31 Dec 2023 |
|-------------------------------------|----------------|----------------|----------------|
| Non-current assets | 16,196 | 16,156 | 16,125 |
| Current assets | 17,411 | 16,463 | 16,775 |
| Total assets | 33,607 | 32,619 | 32,900 |
| Shareholders' equity | 9,970 | 10,601 | 10,679 |
| Untaxed reserves | 1,300 | 2,070 | 1,300 |
| Provisions | 303 | 286 | 307 |
| Liabilities | 22,034 | 19,662 | 20,614 |
| Total equity and liabilities | 33,607 | 32,619 | 32,900 |

Quarterly data

Billerud's packaging material business is governed in two operating segments based on the region in which the products are manufactured: Region Europe and Region North America.

Other includes Procurement & Wood Supply in Europe, ScandFibre Logistics AB, Managed Packaging, Consolidated Waterpower Company, rental operations, dormant companies, idle assets, income from sale of businesses, items affecting comparability and costs due to increased investments in the production structure.

Other also includes Group-wide functions, Group eliminations (including IFRS 16) and profit/loss from participation in associated companies. Currency hedging etc. includes results from hedging of the Group's net currency flows and revaluation of accounts receivables as well as payments from customers. The two last mentioned are presented separately as currency hedging etc. The part of the currency exposure that relates to changes in exchange rates when invoicing and purchasing are included in the regions' profit/loss.

Quarterly net sales per region and for the Group

| SEKm | 2024 | | 2023 | | | | 2022 | | 2024 | 2023 |
|------------------------|---------------|---------------|--------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Jan-Jun | Jan-Jun |
| Region Europe | 7,011 | 6,920 | 6,388 | 6,765 | 6,495 | 7,466 | 7,270 | 7,332 | 13,931 | 13,961 |
| Region North America | 3,046 | 2,763 | 2,706 | 2,839 | 2,655 | 3,311 | 4,004 | 3,717 | 5,809 | 5,966 |
| Other | 759 | 685 | 586 | 738 | 827 | 797 | 844 | 755 | 1,444 | 1,624 |
| Currency hedging, etc. | -52 | 55 | -114 | -132 | -24 | -79 | -147 | 10 | 3 | -103 |
| Total Group | 10,764 | 10,423 | 9,566 | 10,210 | 9,953 | 11,495 | 11,971 | 11,814 | 21,187 | 21,448 |

Quarterly EBITDA per region and for the Group

| SEKm | 2024 | | 2023 | | | | 2022 | | 2024 | 2023 |
|------------------------|------------|--------------|------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Jan-Jun | Jan-Jun |
| Region Europe | 630 | 784 | 700 | 902 | 116 | 1,035 | 1,056 | 1,766 | 1,414 | 1,151 |
| Region North America | 563 | 447 | 306 | 467 | 205 | 640 | 1,135 | 522 | 1,010 | 845 |
| Other | -257 | -120 | -362 | -125 | -108 | -113 | 14 | -102 | -377 | -221 |
| Currency hedging, etc. | -52 | 55 | -114 | -132 | -25 | -78 | -165 | 10 | 3 | -103 |
| Total Group | 884 | 1,166 | 530 | 1,112 | 188 | 1,484 | 2,040 | 2,196 | 2,050 | 1,672 |

Quarterly EBITDA margin per region and for the Group

| % | 2024 | | 2023 | | | | 2022 | | 2024 | 2023 |
|----------------------|----------|-----------|----------|-----------|----------|-----------|-----------|-----------|-----------|----------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Jan-Jun | Jan-Jun |
| Region Europe | 9 | 11 | 11 | 13 | 2 | 14 | 15 | 24 | 10 | 8 |
| Region North America | 18 | 16 | 11 | 16 | 8 | 19 | 28 | 14 | 17 | 14 |
| Group | 8 | 11 | 6 | 11 | 2 | 13 | 17 | 19 | 10 | 8 |

Adjusted quarterly EBITDA, excluding planned maintenance shutdowns, per region and for the Group

| SEKm | 2024 | | 2023 | | | | 2022 | | 2024 | 2023 |
|-------------------------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Jan-Jun | Jan-Jun |
| Region Europe | 1,026 | 784 | 887 | 1,195 | 519 | 1,035 | 1,225 | 2,097 | 1,810 | 1,554 |
| Region North America | 682 | 447 | 375 | 550 | 205 | 640 | 1,135 | 1,084 | 1,129 | 845 |
| Other | -138 | -120 | -118 | -70 | -108 | -113 | 66 | -102 | -258 | -221 |
| Currency hedging, etc. | -52 | 55 | -114 | -132 | -25 | -78 | -165 | 10 | 3 | -103 |
| Total Group | 1,518 | 1,166 | 1,030 | 1,543 | 591 | 1,484 | 2,261 | 3,089 | 2,684 | 2,075 |
| Maintenance shutdowns | -515 | - | -256 | -376 | -403 | - | -169 | -893 | -515 | -403 |
| Items affecting comparability | -119 | - | -244 | -55 | - | - | -52 | - | -119 | - |
| EBITDA | 884 | 1,166 | 530 | 1,112 | 188 | 1,484 | 2,040 | 2,196 | 2,050 | 1,672 |



Adjusted quarterly EBITDA margin, excluding planned maintenance shutdowns, per region and for the Group

| % | 2024 | | 2023 | | | | 2022 | | 2024 | 2023 |
|----------------------|-----------|-----------|-----------|-----------|----------|-----------|-----------|-----------|-----------|-----------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Jan-Jun | Jan-Jun |
| Region Europe | 15 | 11 | 14 | 18 | 8 | 14 | 17 | 29 | 13 | 11 |
| Region North America | 22 | 16 | 14 | 19 | 8 | 19 | 28 | 29 | 19 | 14 |
| Total Group | 14 | 11 | 11 | 15 | 6 | 13 | 19 | 26 | 13 | 10 |

Quarterly operating profit/loss, per region and for the group

| SEKm | 2024 | | 2023 | | | | 2022 | | 2024 | 2023 |
|------------------------|------------|------------|-------------|------------|-------------|------------|--------------|--------------|------------|------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Jan-Jun | Jan-Jun |
| Region Europe | 161 | 313 | 216 | 452 | -332 | 589 | 611 | 1,325 | 474 | 257 |
| Region North America | 376 | 273 | 97 | 262 | 6 | 443 | 935 | 342 | 649 | 449 |
| Other | -314 | -193 | -390 | -167 | -146 | -147 | -28 | -141 | -507 | -293 |
| Currency hedging, etc. | -52 | 55 | -114 | -132 | -24 | -79 | -165 | 10 | 3 | -103 |
| Total Group | 171 | 448 | -191 | 415 | -496 | 806 | 1,353 | 1,536 | 619 | 310 |

Quarterly operating margin per region and for the group

| % | 2024 | | 2023 | | | | 2022 | | 2024 | 2023 |
|----------------------|----------|----------|-----------|----------|-----------|----------|-----------|-----------|----------|----------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Jan-Jun | Jan-Jun |
| Region Europe | 2 | 5 | 3 | 7 | -5 | 8 | 8 | 18 | 3 | 2 |
| Region North America | 12 | 10 | 4 | 9 | 0 | 13 | 23 | 9 | 11 | 8 |
| Total Group | 2 | 4 | -2 | 4 | -5 | 7 | 11 | 13 | 3 | 1 |

Quarterly sales volumes per region

| ktonnes | 2024 | | 2023 | | | | 2022 | | 2024 | 2023 |
|----------------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Jan-Jun | Jan-Jun |
| Region Europe | 675 | 709 | 668 | 683 | 638 | 708 | 667 | 688 | 1,384 | 1,346 |
| Region North America | 220 | 212 | 204 | 207 | 193 | 235 | 273 | 257 | 432 | 428 |
| Total Group | 895 | 921 | 872 | 890 | 831 | 943 | 940 | 945 | 1,816 | 1,774 |

Financial calendar

Q3 2024 report – 24 October 2024
Q4 2024 report – 30 January 2025
Q1 2025 report – 29 April 2025
Q2 2025 report – 18 July 2025

Presentation

Billerud's interim report for January-June 2024 will be presented on Friday 19 July at 9:00 CEST in a webcasted telephone conference that can be followed on:

<https://edge.media-server.com/mmc/p/93kc87tk>

To participate via telephone, and thereby be able to ask questions, please register here to receive dial-in details: <https://register.vevent.com/register/B1e589e2cf9dbe4186bb64cab8b2913b1f>

For further information

Andrei Krés, CFO, +46 8 553 335 72
Lena Schattauer, Director Investor Relations, +46 8 553 335 10
ir@billerud.com

The report has not been reviewed by the company's auditors. The English version is a translation of the Swedish original.

This information constituted inside information prior to publication. This is information that Billerud AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 07.00 CEST on 19 July 2024.



BILLERUD

Billerud Aktiebolag (publ) • Postal address: Box 703, SE-169 27 Solna, Sweden •
Visitors' address: Evenemangsgatan 17

Company reg. no. 556025-5001 • Tel +46 8 553 335 00

www.billerud.com