



Metsä Board

Results for January–March 2025

Presentation material

29 April 2025

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Q1 2025 in brief

- Paperboard deliveries increased from the previous quarter; average sales prices remained roughly at FY2024 level
- Seasonally higher production volumes
- Cash flow weak due to prolonged low profitability and increased working capital
- To improve company's competitiveness and profitability, Tako mill will be closed, and operational efficiency at Kyro mill will be enhanced
 - Annual EBITDA improvement ~EUR +30 million mainly from Q4 2025 onwards
 - Tako's production will be transferred to other mills, mainly to Kyro
- Metsä Board achieved a "triple-A" in CDP



*) a global independent environmental disclosure system

Sales

481

EUR million

Q1 2024: EUR 484m
Q4 2024: EUR 446m



Comparable operating result

23

EUR million

Q1 2024: EUR 32m
Q4 2024: EUR -4m

Paperboard deliveries

367,000

tonnes

Q1 2024: 364,000t
Q4 2024: 342,000t

Paperboard production

430,000

tonnes

Q1 2024: 400,000t
Q4 2024: 356,000t



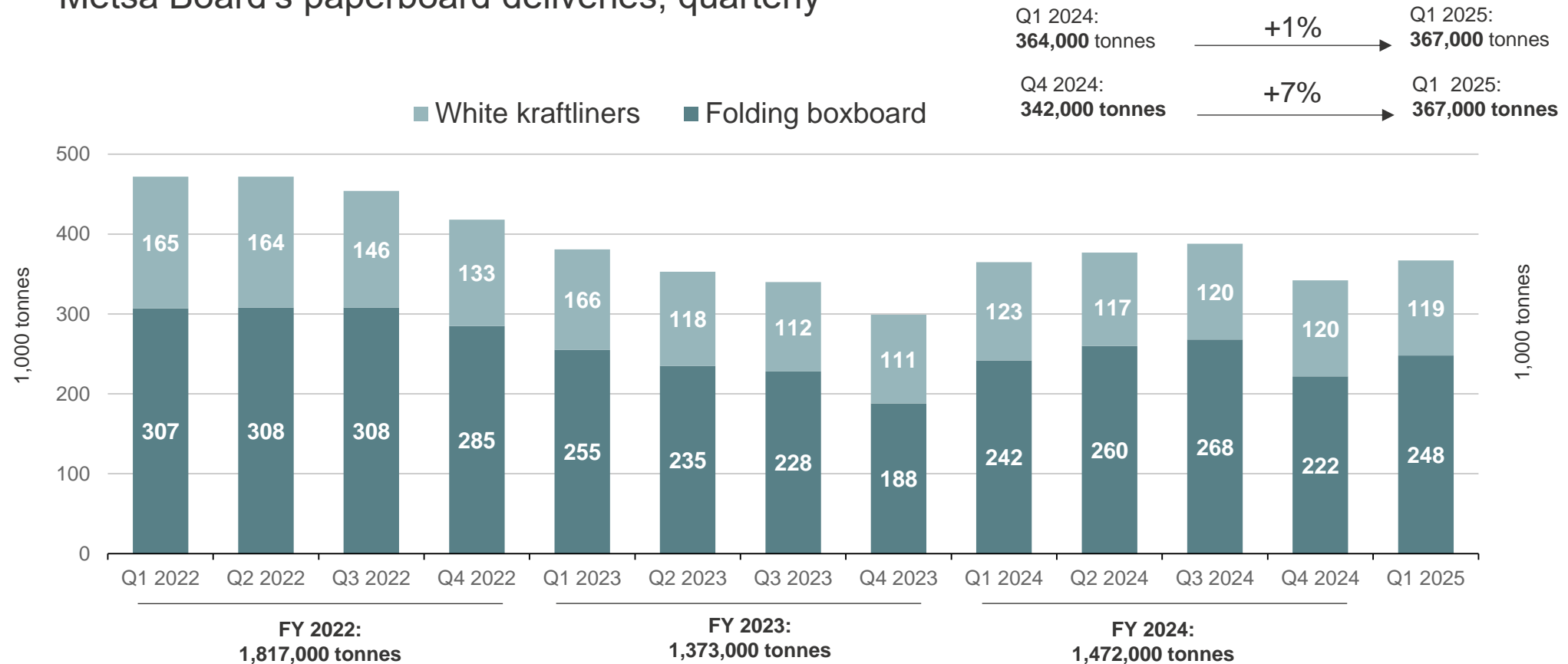
US tariffs and impacts on Metsä Board

- Metsä Board has an established market position in US in coated white kraftliners (WKL) and folding boxboard (FBB)
- Customers appreciate Metsä Board's premium paperboards, smooth supply chain and comprehensive services
- In 2024, sales to US were EUR 430 million, and deliveries of paperboard were 365,000 tonnes
- Metsä Board is negotiating the impact of tariffs on the prices of its paperboards with customers
- Uncertainty in the amount and duration of tariffs
- Despite the tariffs, Metsä Board aims to maintain business with long-term customers and establish new relationships in the US



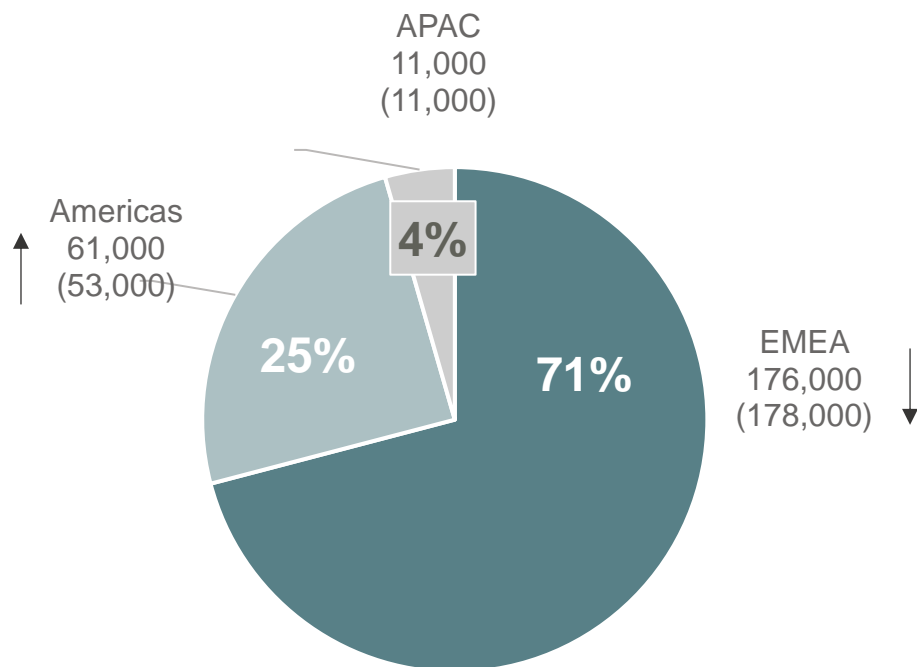
Paperboard deliveries still below capacity

Metsä Board's paperboard deliveries, quarterly

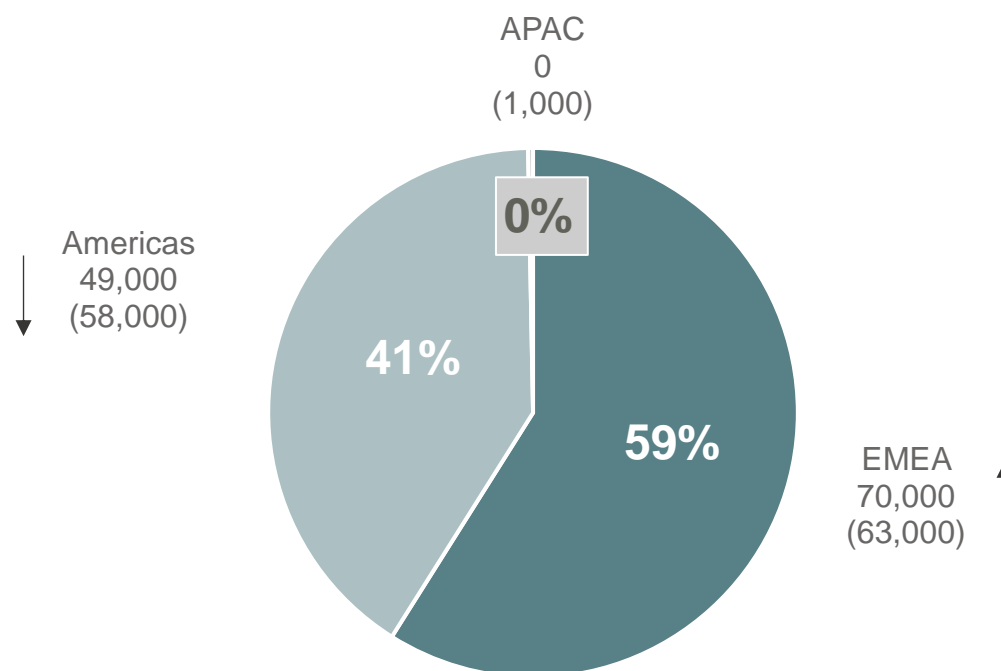


Paperboard sales by region

FBB deliveries Q1 2025 (Q1 2024) **+2%**
total 248,000 tonnes (242,000)



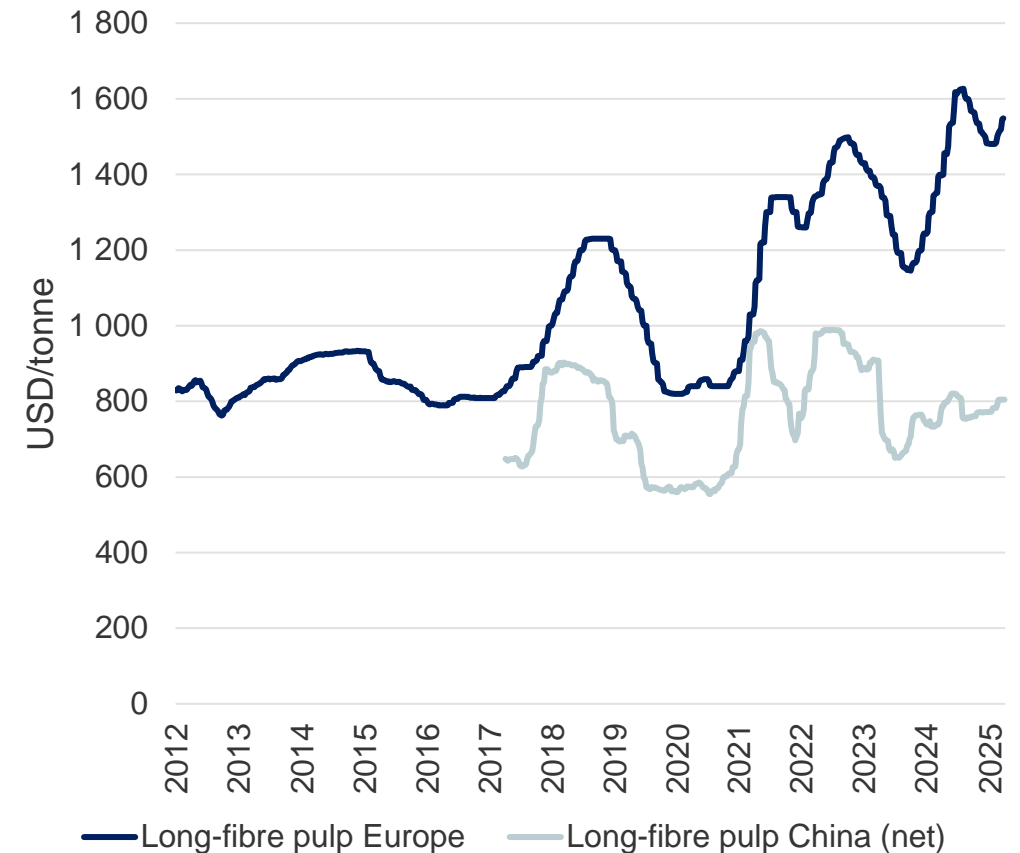
WKL deliveries Q1 2025 (Q1 2024) **-3%**
total 119,000 tonnes (123,000)



Market pulp

- Market pulp deliveries (Q1 2025 vs Q1 2024)
 - Metsä Board -13%: (100,000t vs 115,000t)
 - Metsä Fibre¹⁾ +29%: (886,000t vs 686,000t)
- Demand for BCTMP in China has been nearly at a standstill for a year
- In Europe, demand for softwood market pulp remained stable compared to Q4/2024. In China, demand weakened towards the end of the period.
- Price (PIX) development²⁾ in **softwood pulp**
 - Q1 2025 vs Q4 2024: Europe -1%, China +3%
 - Q1/2025 vs Q1/2024: Europe +13%, China +7%

Softwood pulp price (PIX) development in Europe and China



Key sustainability figures

TARGET
set for 2030

ACTUAL
Q1 2025

Accidents at work
TRIF, TARGET 0

ACTUAL 5.6
FY 2024: 3.4



Certified wood fibre
TARGET >90%

ACTUAL 94%
FY 2024: 89



Fossil-based CO₂
emissions¹⁾ Scopes 1&2
TARGET 0

ACTUAL:
Scope 1: 51kt
FY2024: 169kt
Scope2:
FY2024: 82kt



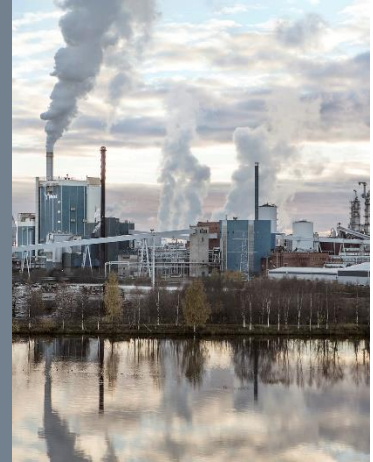
Process water use²⁾
TARGET -35%

ACTUAL -12%
FY2024: -11%



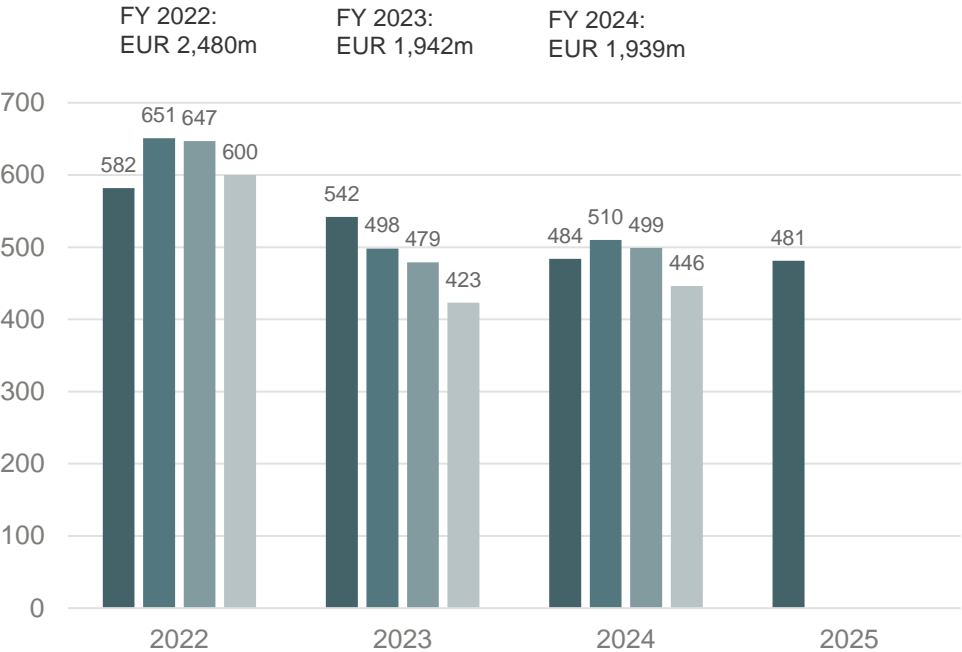
Energy efficiency²⁾
TARGET +10%

ACTUAL -0.3%
FY2024: +0.9%

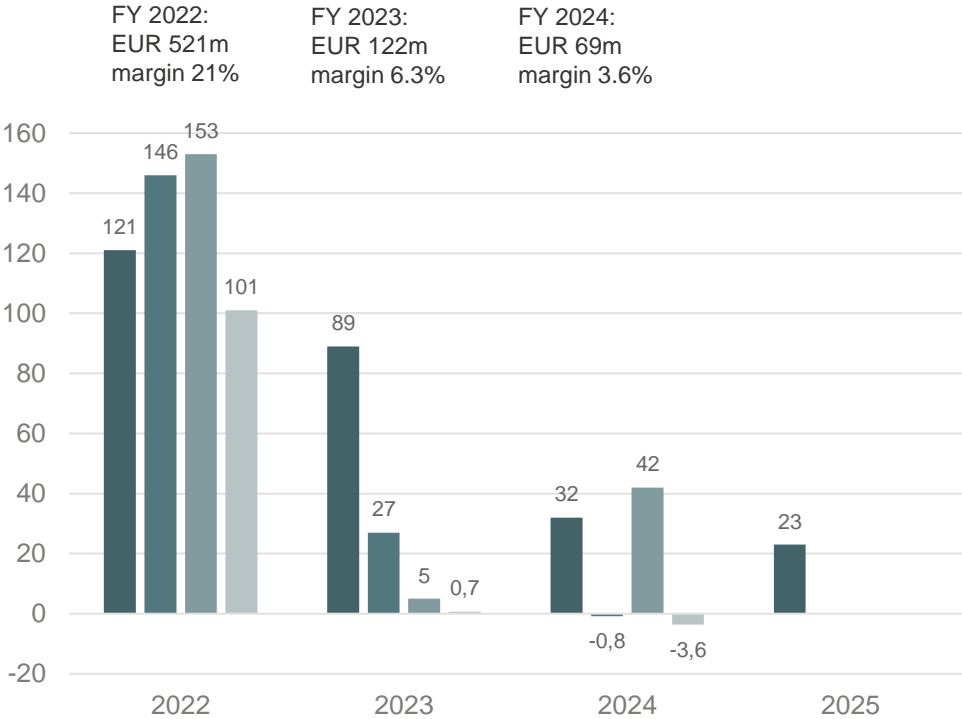


Consistent sales, profitability still under pressure

Sales, quarterly
EUR million



Comparable operating result, quarterly
EUR million and % of sales



Result comparison

Comparable operating result and % of sales

Q1/2025: EUR 23 million, 4.7%

Q1/2024: EUR 32 million, 6.5%

Q1/2024 profitability impacted by political strikes in Finland

Positives:

- Higher result share from Metsä Fibre
- Lower energy and chemical costs

Negatives:

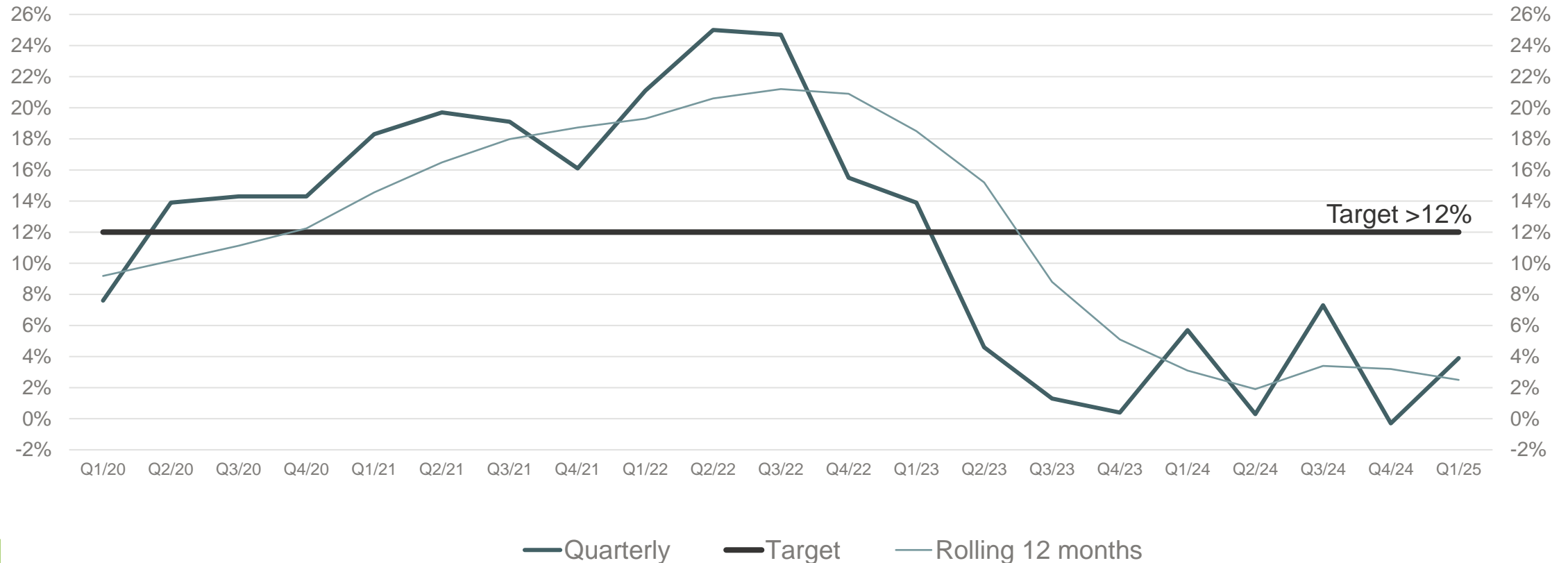
- Higher wood and logistics costs
- Higher employee costs and depreciation

Note: The items affecting comparability in Q1/2025: EUR -27 million, mainly consisting of the write-down of assets of Tako mill

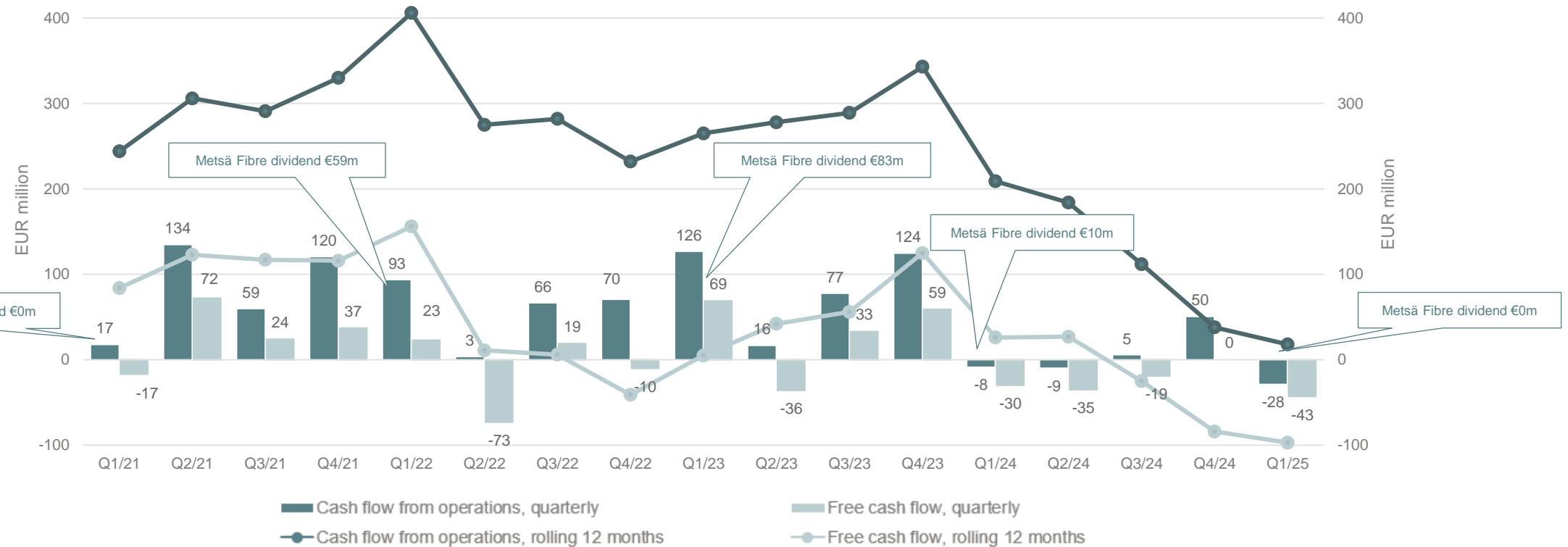


Q1 2025 ROCE at 4%

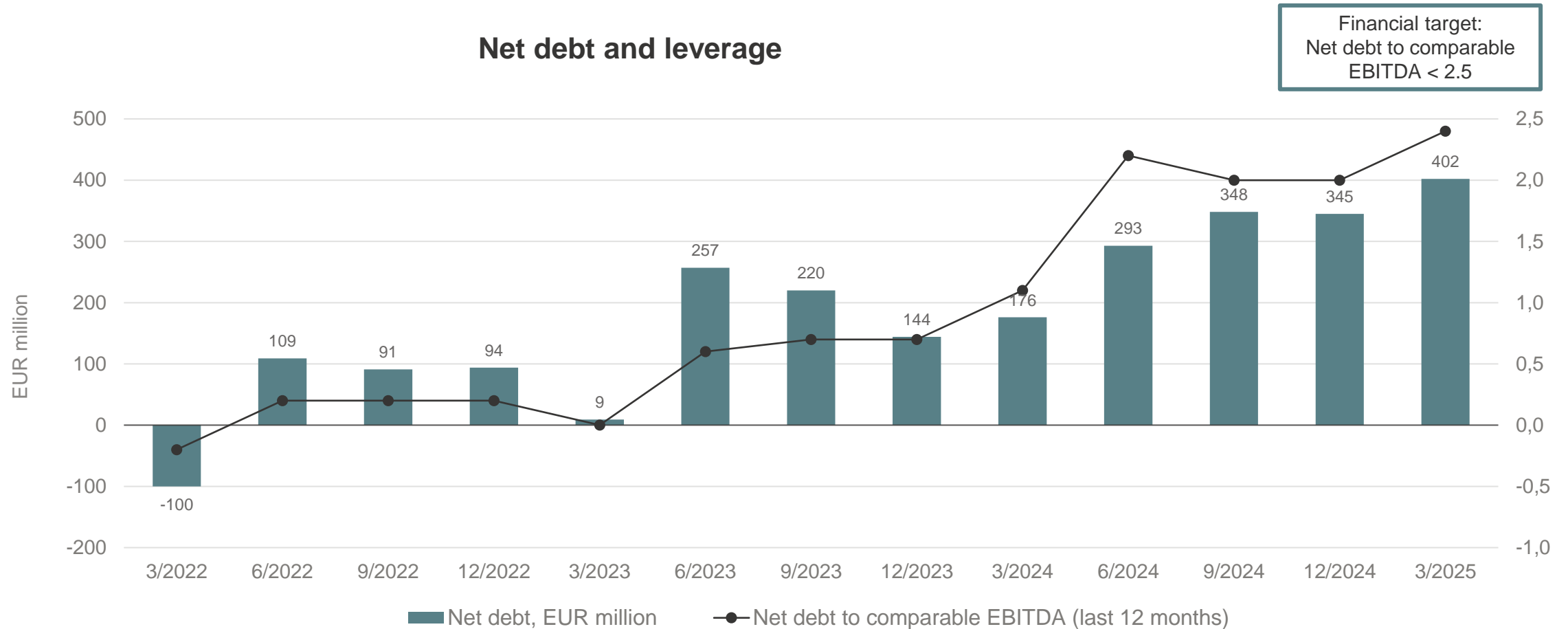
Comparable return on capital employed, %
Quarterly and rolling 12 months



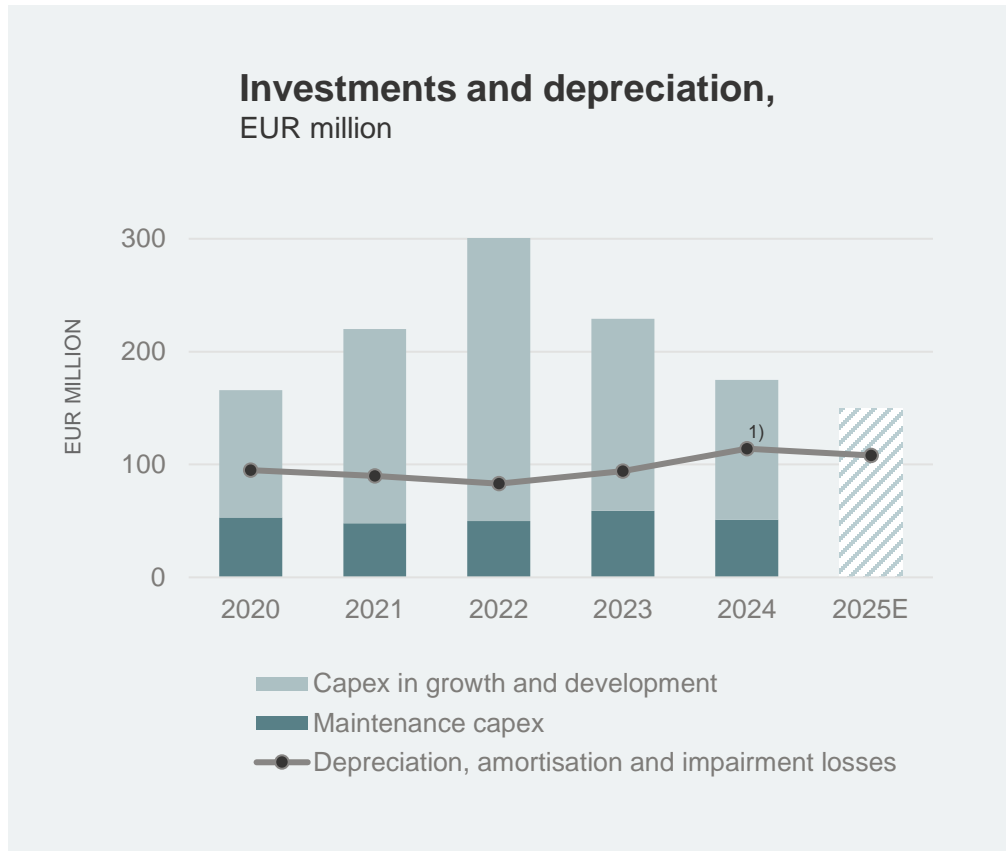
Rising working capital and low profitability impacted cash flows



Solid financial standing despite leverage growth



Investments and depreciation



¹⁾ Includes a write-down of Kaskinen pre-engineering of EUR 7.6m

January–March 2025

- Total investments were EUR 16 million
- Depreciation, amortisation and impairment was EUR 48 million, incl. EUR 19 million write-down of fixed assets related to Tako's closure

Year 2025, estimated

- The value of 2025 total investments is expected to be in the range of EUR 100–150 million
- Depreciation, amortisation and impairment roughly at the level of 2024

Ongoing and planned investments

- Paperboard machine renewal in **Simpele board mill**, estimated completion in H2/2025, value ~EUR 60 million
- In pre-engineering: New pulp drying machine in **Husum pulp mill** and production conversion of BM2 from white kraftliner to foodservice and greaseproof papers in **Husum board mill**. Barrier boards upgrade in **Kyro board mill**.

Near-term outlook

April–June 2025

- Increased uncertainty due to the US tariffs
- Consumers' cautious buying behaviour reflected in paperboard demand
- Metsä Board's paperboard delivery volumes expected to remain at Q1 level
- Variable costs, excluding pulp, are expected to remain stable
- More planned maintenance shutdowns and market-based production curtailments than Q1
- Long repair shutdown at Metsä Fibre's Kemi bioproduct mill, estimated impact on Metsä Board EUR 10 million



Result guidance

April–June 2025

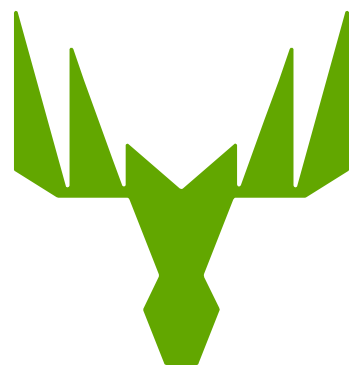
Metsä Board's comparable operating result in April–June 2025 is expected to be weaker than January–March 2025 (EUR 23 million).



Summary

- Challenging market situation continues
- Metsä Board's financial position remains solid
- Short-term focus on strengthening cash flow
- We continue to improve the competitiveness of our mills and products, and plan actions to improve profitability





Metsä

Appendix

Key financials

| | | Q1/25 | Q1/24 | Change Q1/25 vs Q1/24 | Q4/24 | FY/24 |
|---|------|-------|-------|--------------------------|-------|-------|
| Sales | EURm | 481 | 484 | -1% | 446 | 1,939 |
| EBITDA* | EURm | 51 | 58 | -12% | 25 | 175 |
| Operating result* | EURm | 23 | 32 | -28% | -4 | 69 |
| % of sales* | % | 4.7 | 6.5 | | -0.8 | 3.6 |
| Metsä Fibre's share of operating result* | EURm | 6 | -6 | | -3 | -10 |
| Earnings per share | EUR | -0.02 | 0.04 | 153% | -0.02 | 0.07 |
| ROCE* | % | 3.9 | 5.7 | | -0.3 | 3.2 |
| Total investments | EURm | 16 | 24 | -33% | 55 | 175 |
| Cash flow from operations | EURm | -28 | -8 | 253% | 50 | 38 |
| IB Net debt at end of period | EURm | 402 | 176 | | 345 | 345 |

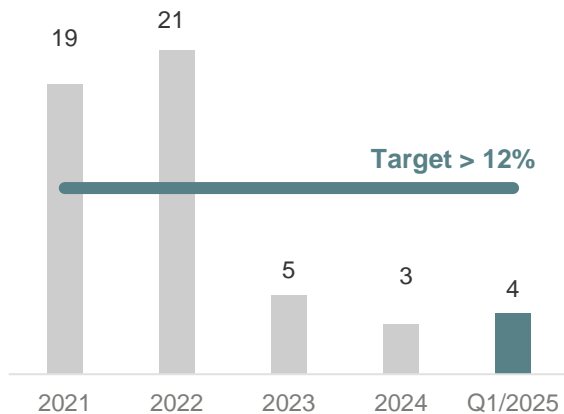


Metsä

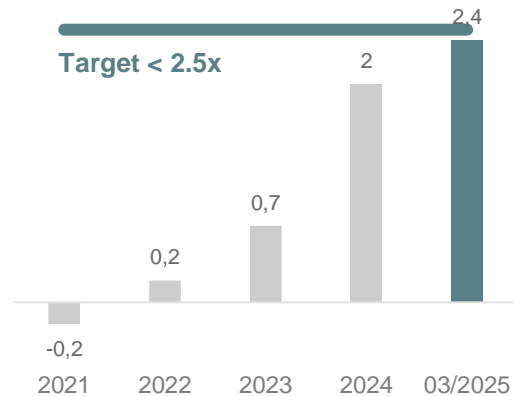
*comparable

Financial targets and dividend policy

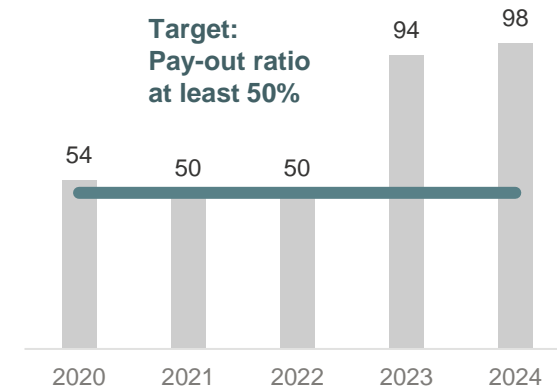
Comparable ROCE, %:



IB net debt / comparable EBITDA



Dividend policy
Dividend/net result, %



Cost development and structure

Q1 2025 (vs Q1 2024)

- Higher wood and logistics costs, lower chemical and energy costs

Year 2024

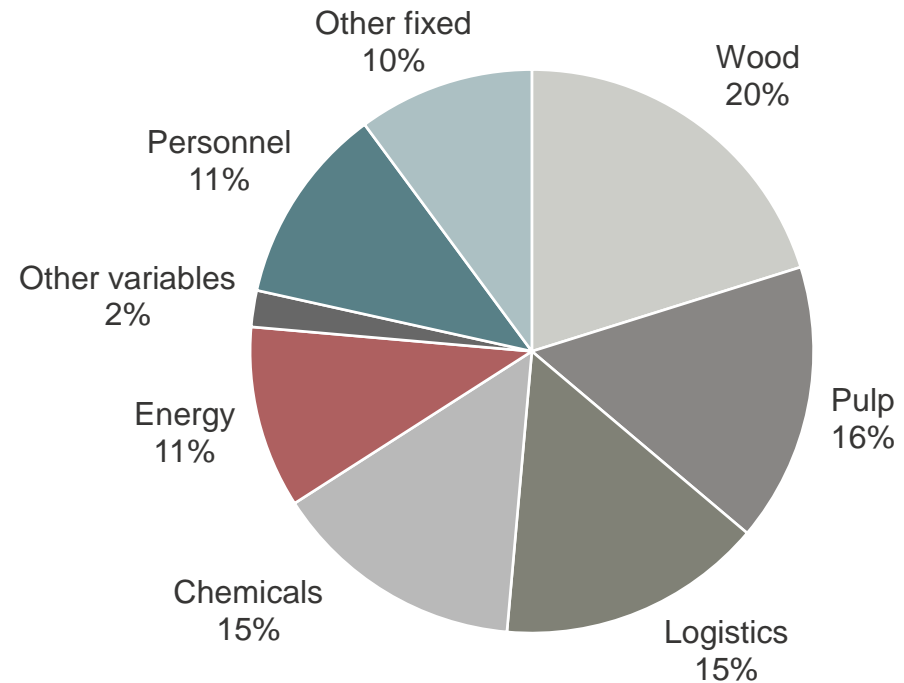
- Total costs EUR 1.8 billion (1.7)
- Cost deflation, excluding pulp, 1%
- Lower chemical and energy costs, higher wood, logistics and fixed costs.

Wood price development on slide 32



Metsä Board's cost structure in 2024

Total costs EUR 1.8 billion (1.7)



^{*) Pulp:} Metsä Board purchases all external pulp from its associated company Metsä Fibre, of which Metsä Board owns 24.9%.

Metsä Fibre's pulp cost structure in 2024: Wood 57%, Chemicals 11%, Logistics 9%, Energy 5%, Personnel and other fixed 17%.

Impacts of FX

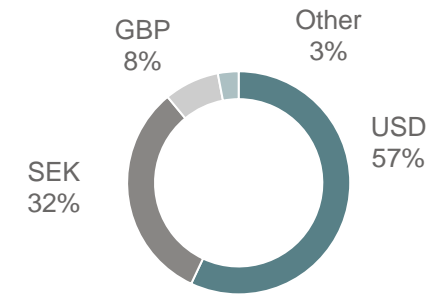
- Impact including hedges, actual
 - Q1 2025 vs Q1 2024: EUR +2 million
- Estimated impacts, including hedges
 - Q2 2025 vs Q1 2025: neutral
 - Q2 2025 vs Q2 2024: negative

Hedging policy:

In addition to the balance sheet position of trade receivables and trade payables, 50% of the projected annual net foreign currency exposure at the normal level is hedged.

At the end of the review period, an average of 8.6 months of the net foreign currency exposure was hedged.

Annual FX transaction exposure total EUR 1.4 billion



The foreign currency transaction exposure consists of foreign-currency-denominated sales and costs.

FX sensitivities, excluding hedges

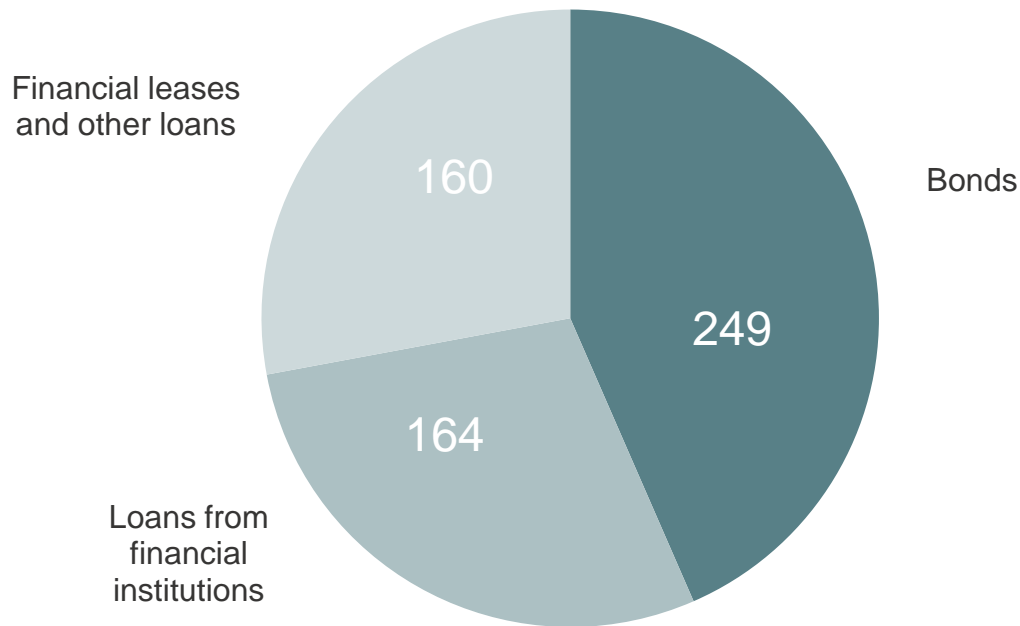
A 10% strengthening of foreign currency vs EUR would have an impact on Metsä Board's EBIT

| Currency | Next 12 months |
|----------|-----------------|
| USD, \$ | EUR +80 million |
| SEK, kr | EUR -45 million |
| GBP, £ | EUR +10 million |

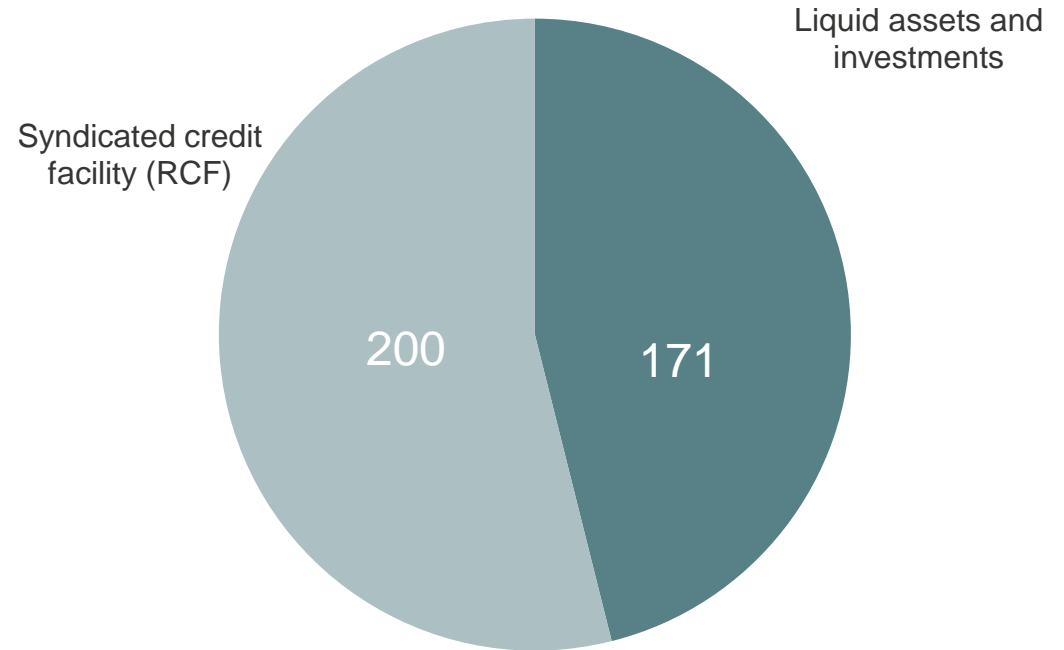
Interest-bearing debt and liquidity

31 March 2025

Interest-bearing debt EUR 573 million



Liquidity EUR 371 million



Liquidity is complemented by:

- Commercial paper programme of **EUR 200 million** (EUR 30 million outstanding)
- Metsä Group's internal undrawn short-term credit facility of **EUR 150 million**

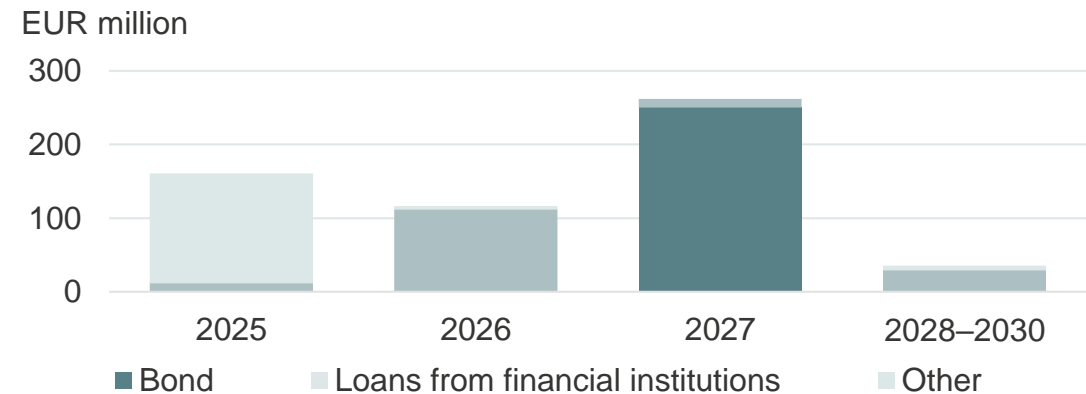
Debt maturity and credit ratings

31 March 2025

- Total interest-bearing debt was EUR 573 million, and net debt was EUR 402 million
- The average interest rate on loans at the end of the review period was 2.6%, and the average maturity of long-term loans was 1.9 years
- Net financial costs, including foreign exchange differences, were:
 - Q1 2025: EUR -3.5 million
 - FY 2024: EUR -10.8 million

Maturity of interest-bearing debt

Total EUR 573 million



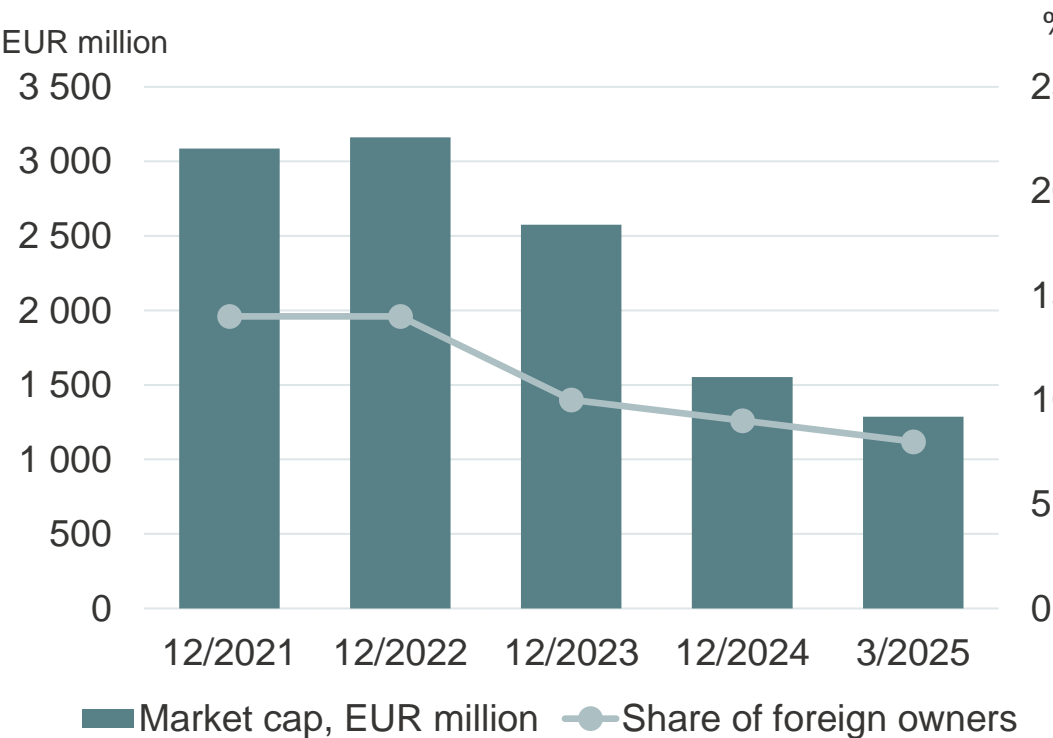
Metsä Board's credit ratings are *investment grade*

| Rating agency | Rating and outlook | Last update on rating |
|---------------------------|--------------------|-----------------------|
| S&P Global | BBB-/stable | 02/2018 |
| Moody's Investor Services | Baa2/stable | 12/2022 |

Market cap and ownership distribution

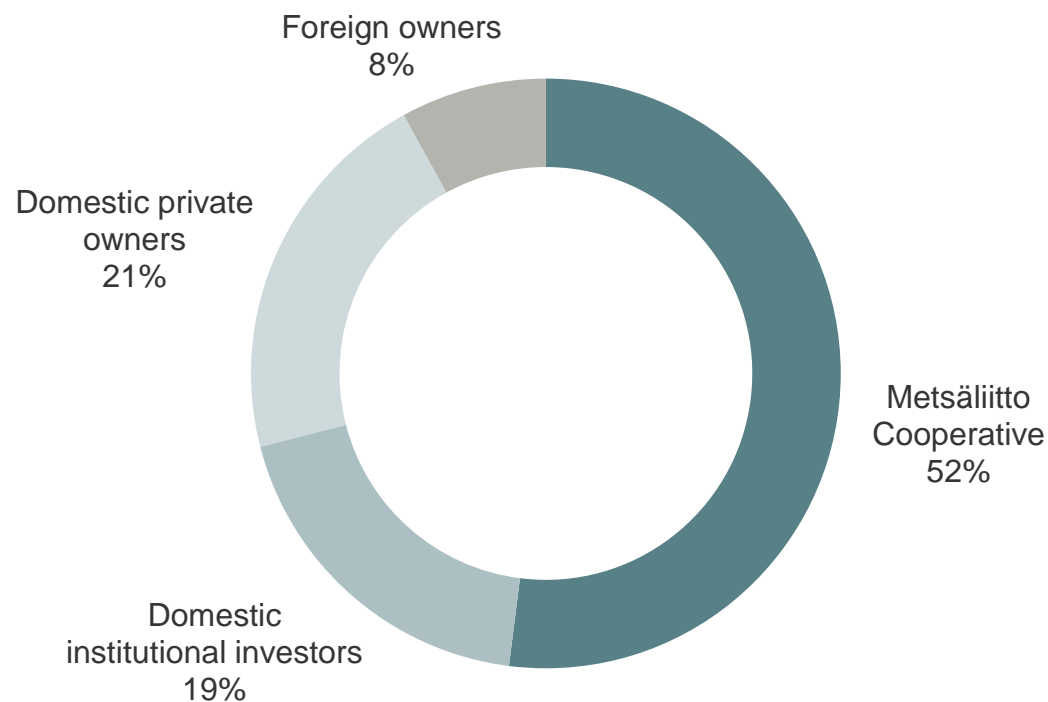
Metsä Board has over 70,000 shareholders, combined amount of A and B shares

Market cap and foreign owners

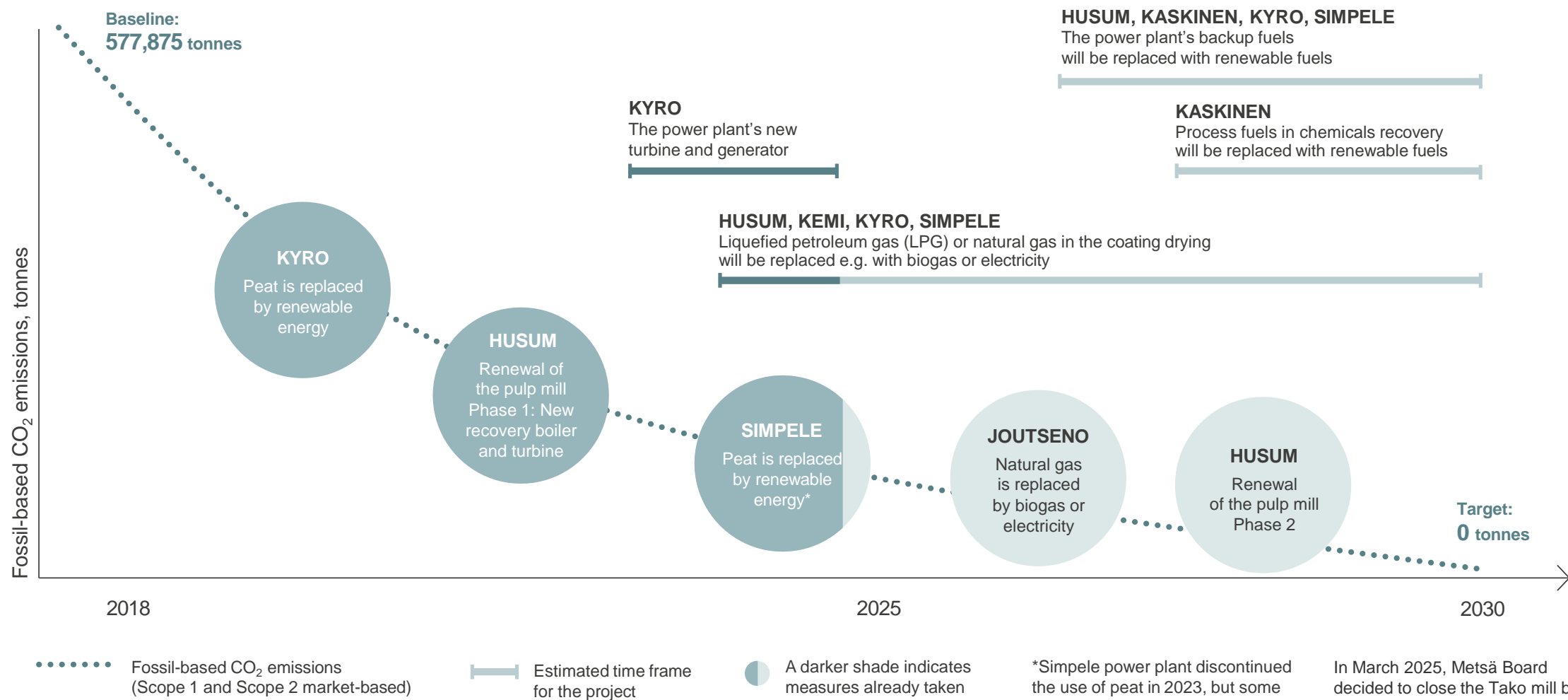


Ownership distribution

31 March 2025



Transition plan to fossil-free mills by 2030



*Simpele power plant discontinued the use of peat in 2023, but some peat was used in 2024 due to lower availability of wood chips

In March 2025, Metsä Board decided to close the Tako mill by the end of the second quarter of 2025.

External assessments and own commitments



Metsä Board has an “A” score in the Climate, Forests and Water rating.



Total score 91/100. Metsä Board has achieved the highest rating level every year since 2017.



[Link](#) to ISS website



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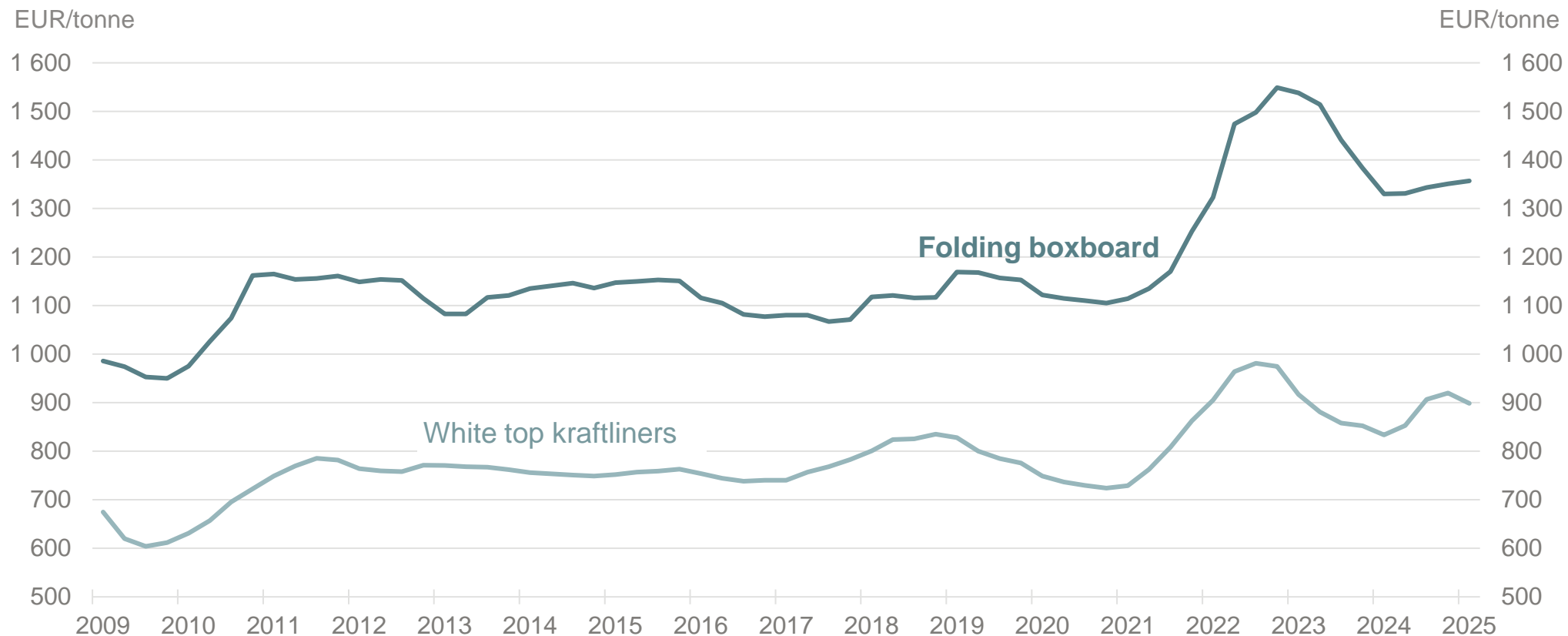


Metsä Board's GHG emission reduction targets are approved by the Science Based Targets initiative.



As part of Metsä Group, Metsä Board is committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption. Metsä Board also supports the UN's Sustainable Development Goals, the SDGs.

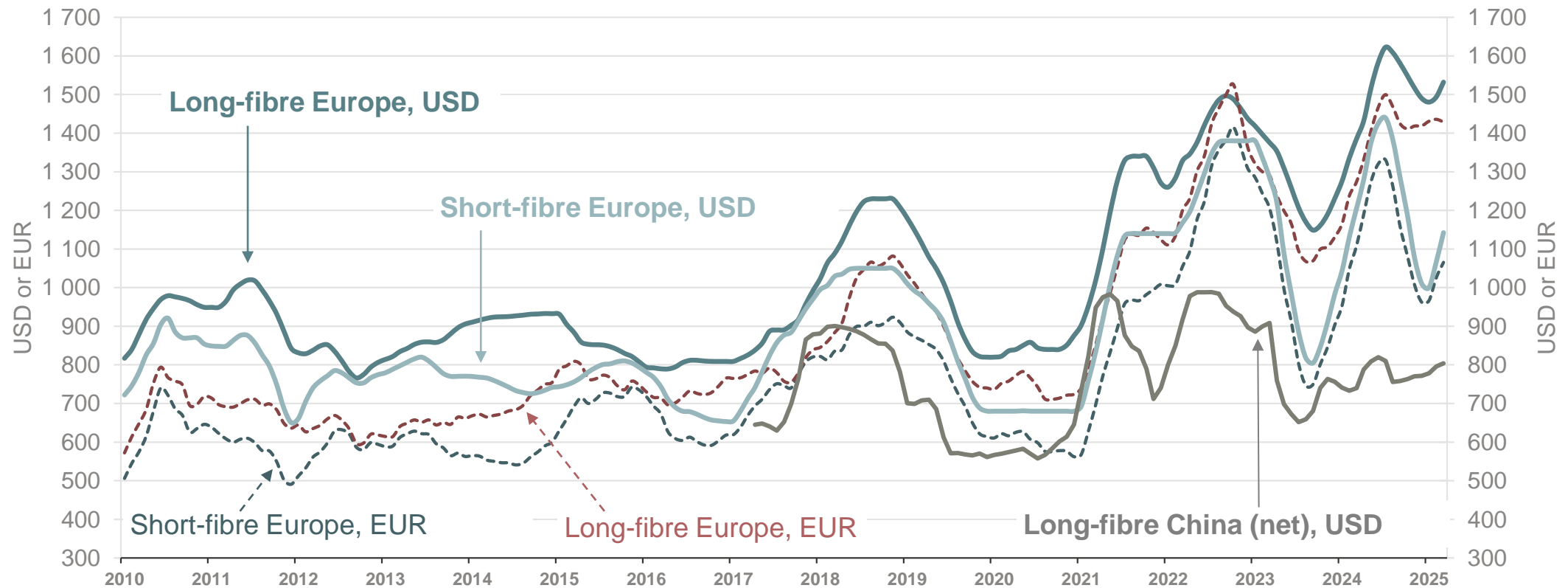
Price development of folding boxboard and white kraftliners in Europe



Sources: Fastmarkets RISI & Fastmarkets FOEX

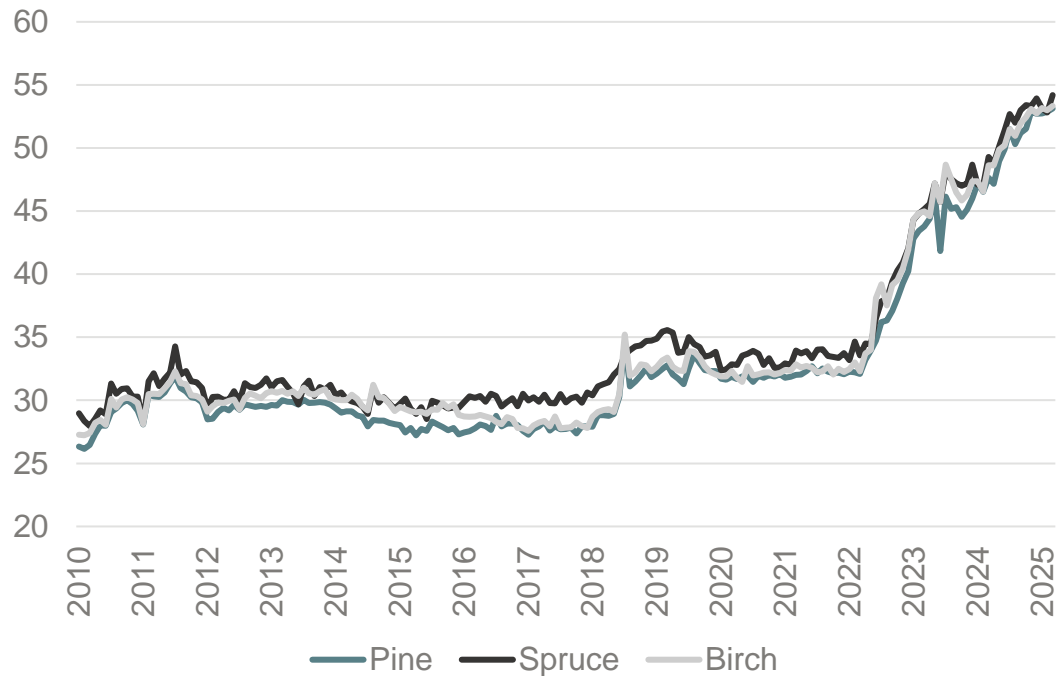
Price development of pulp (PIX)

Long-fibre (SW) and short-fibre (HW) pulp

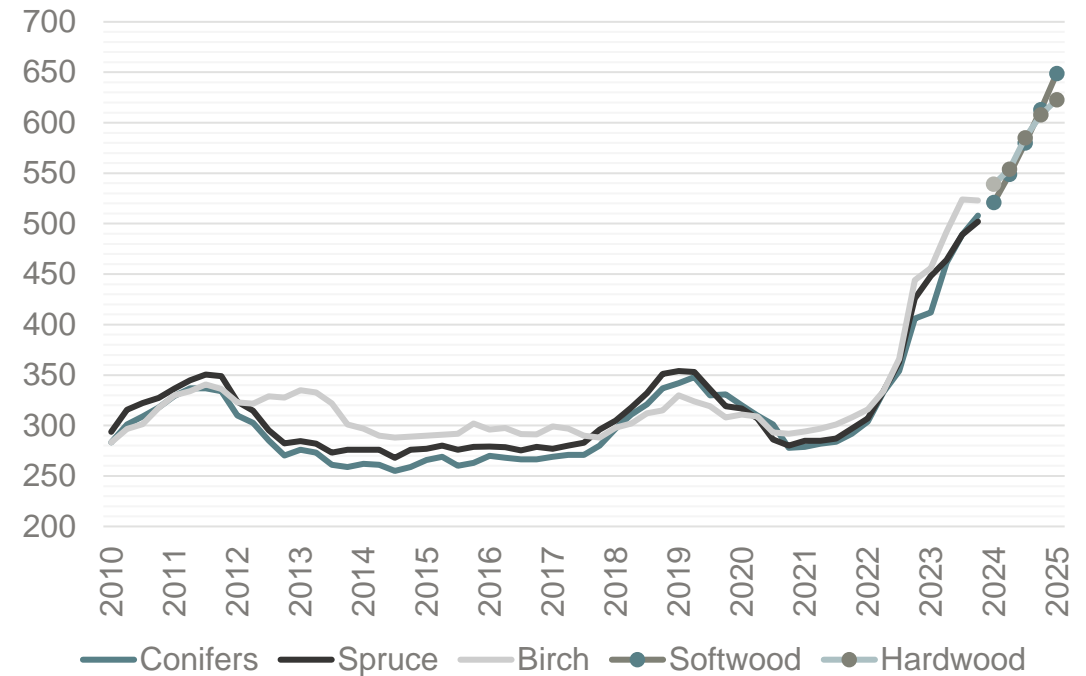


Price development of pulpwood in Finland and Sweden

Price (delivery at roadside, on bark) of pulpwood in Finland, EUR/m³



Price (delivery at roadside, under bark) of pulpwood in Sweden, SEK/m³

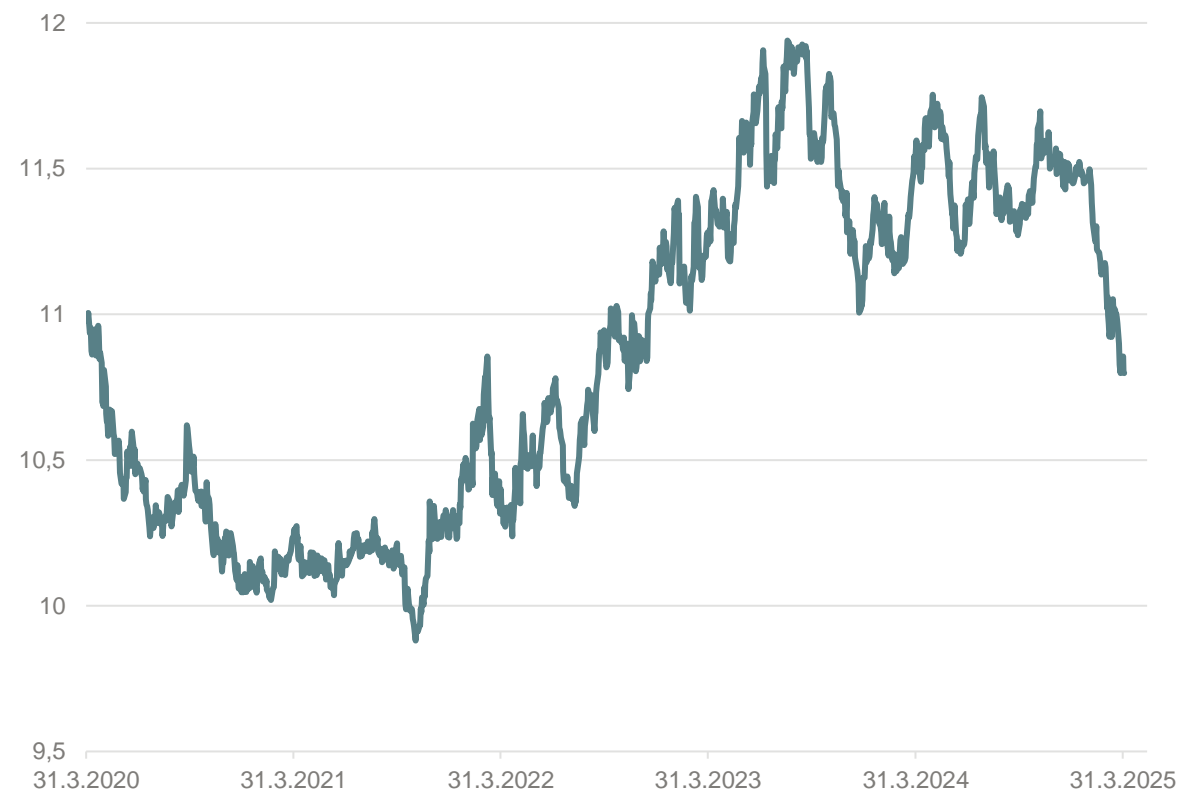


FX rates development: EUR/USD and EUR/SEK

EUR/USD



EUR/SEK





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