



# Metsä Board

## Results for January–March 2025

Presentation material

29 April 2025

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This presentation includes forward-looking statements. The words “believe”, “expect”, “anticipate”, “intend”, “may”, “plan”, “estimate”, “will”, “should”, “could”, “aim”, “target”, “might” or in each case, their negative, or any similar expressions identify certain of these forward-looking statements. Others can be identified from the context in which the statements are made. By their nature, forward-looking statements are subject to assumptions, risks and uncertainties. Although we believe that the expectations reflected in these forward-looking statements are reasonable, actual results may differ, even materially, from those expressed or implied by these forward-looking statements. We urge presentation participants not to place undue reliance on such statements.

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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



## Paperboard deliveries

# 367,000

tonnes

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

## Comparable operating result

# 23

EUR million

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

## Paperboard production

# 430,000

tonnes

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



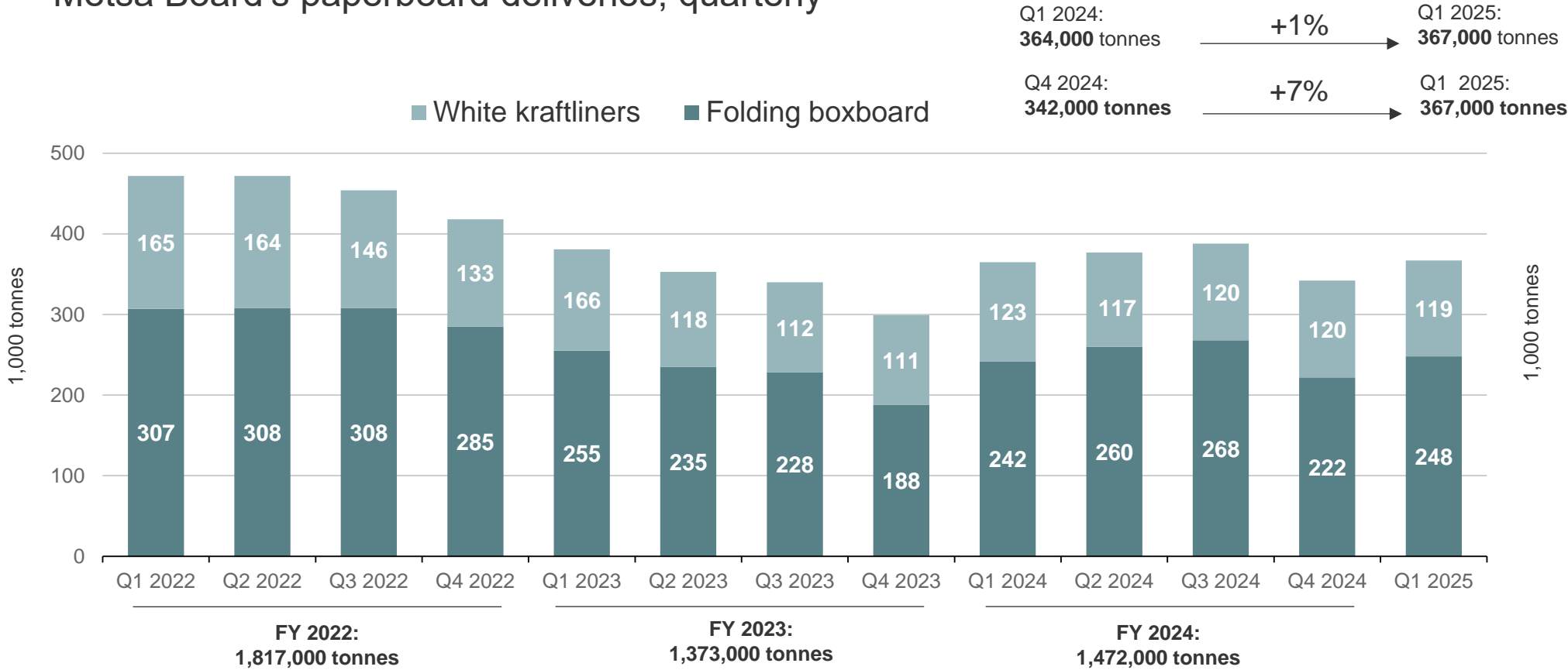
# US tariffs and impacts on Metsä Board

- 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

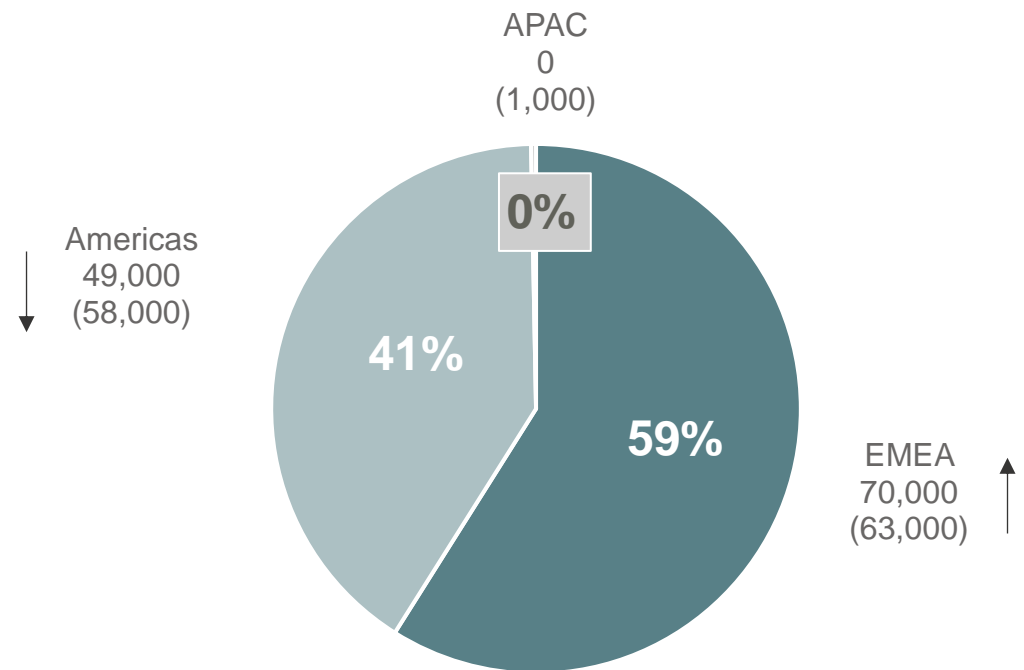
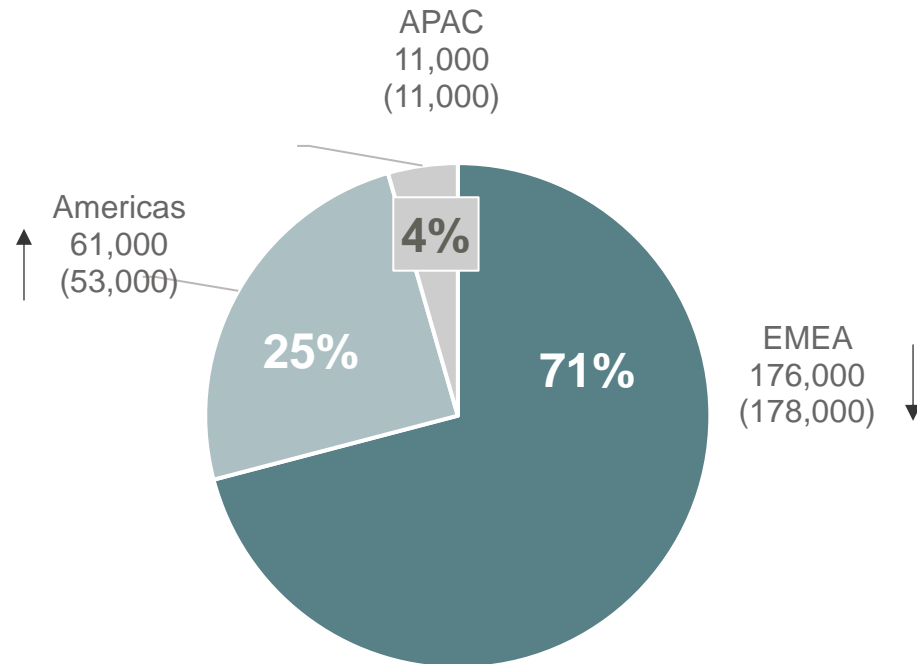
Metsä Board's paperboard deliveries, quarterly



# 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)

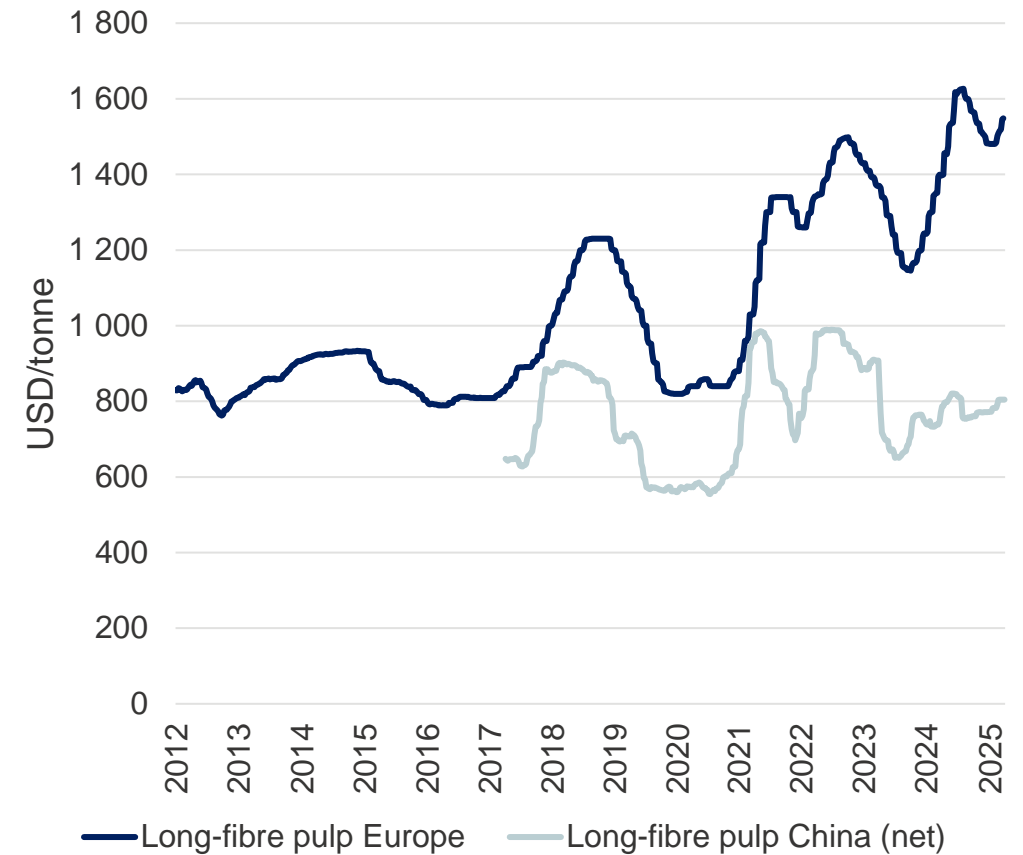


FBB = Folding boxboard  
 WKL = White kraftliners, coated and uncoated

# Market pulp

- Market pulp deliveries (Q1 2025 vs Q1 2024)
  - Metsä Board -13%: (100,000t vs 115,000t)
  - Metsä Fibre<sup>1)</sup> +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) development<sup>2)</sup> 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



1) Metsä Fibre's total pulp delivery volumes  
2) Change calculated from average prices for the period

# Key sustainability figures

**TARGET**  
set for 2030

**ACTUAL**  
Q1 2025

Accidents at work  
**TRIF, TARGET 0**

**ACTUAL 5.6**  
FY2024: 3.4



Certified wood fibre  
**TARGET 100%**

**ACTUAL 94%**  
FY2024: 92



Fossil-based CO<sub>2</sub> emissions<sup>1)</sup> Scopes 1&2  
**TARGET 0**

**ACTUAL:**  
Scope 1: 51kt  
FY2024: 169kt  
Scope 2:  
FY2024: 82kt



Process water use<sup>2)</sup>  
**TARGET -35%**

**ACTUAL -12%**  
FY2024: -11%



Energy efficiency<sup>2)</sup>  
**TARGET +10%**

**ACTUAL -0.3%**  
FY2024: +0.9%



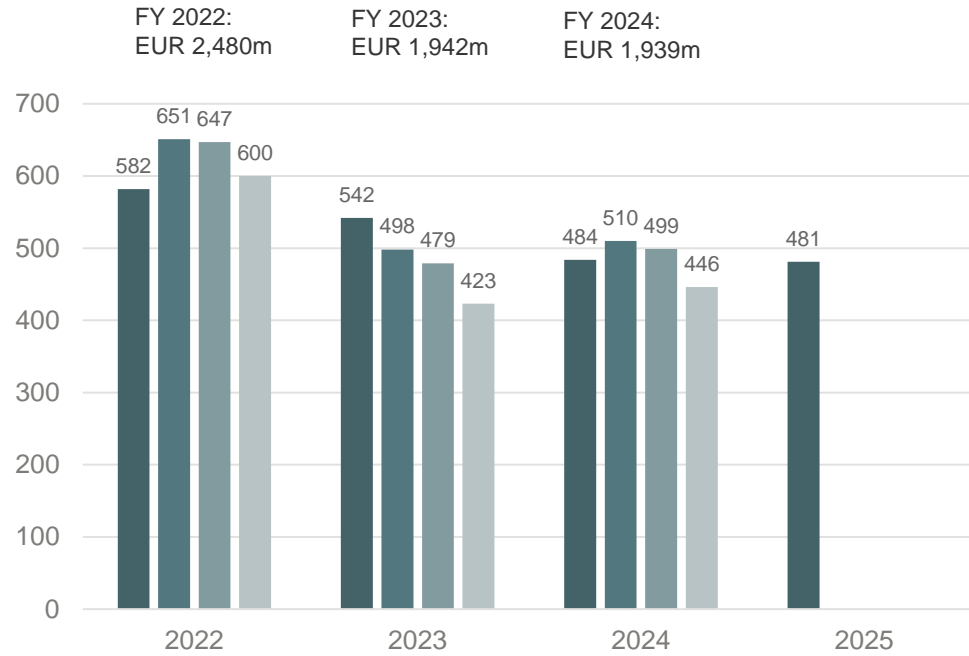
TRIF = Total Recordable Injury Frequency per million hours worked

1) Scope 1. Scope 2 emissions are reported only annually  
2) per tonne produced, rolling 12 months, change from the base year of 2018

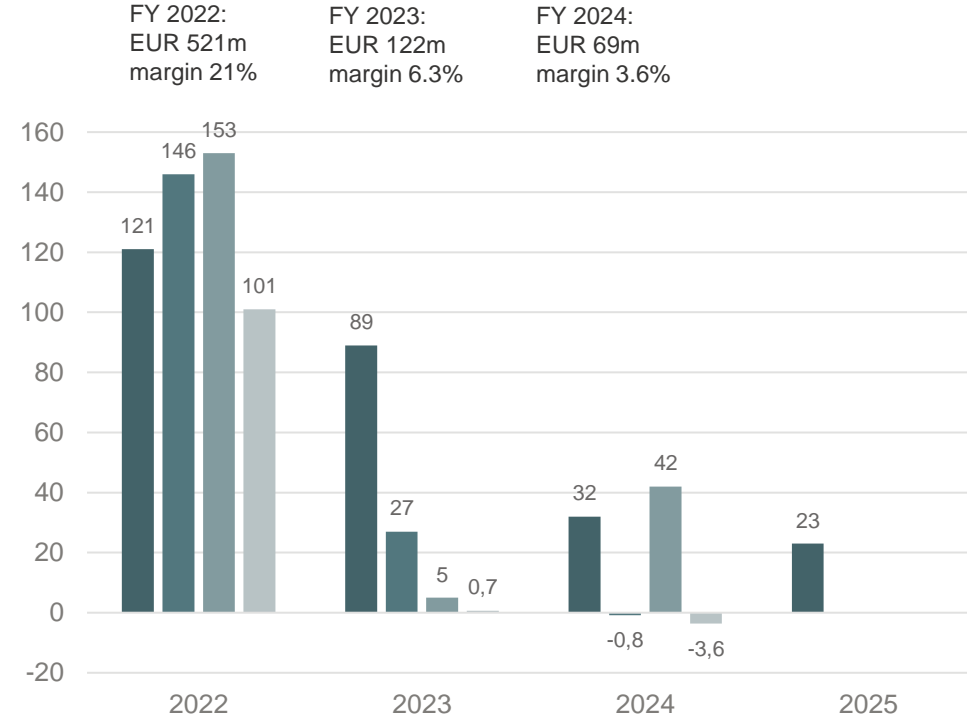


# Consistent sales, profitability still under pressure

## 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:

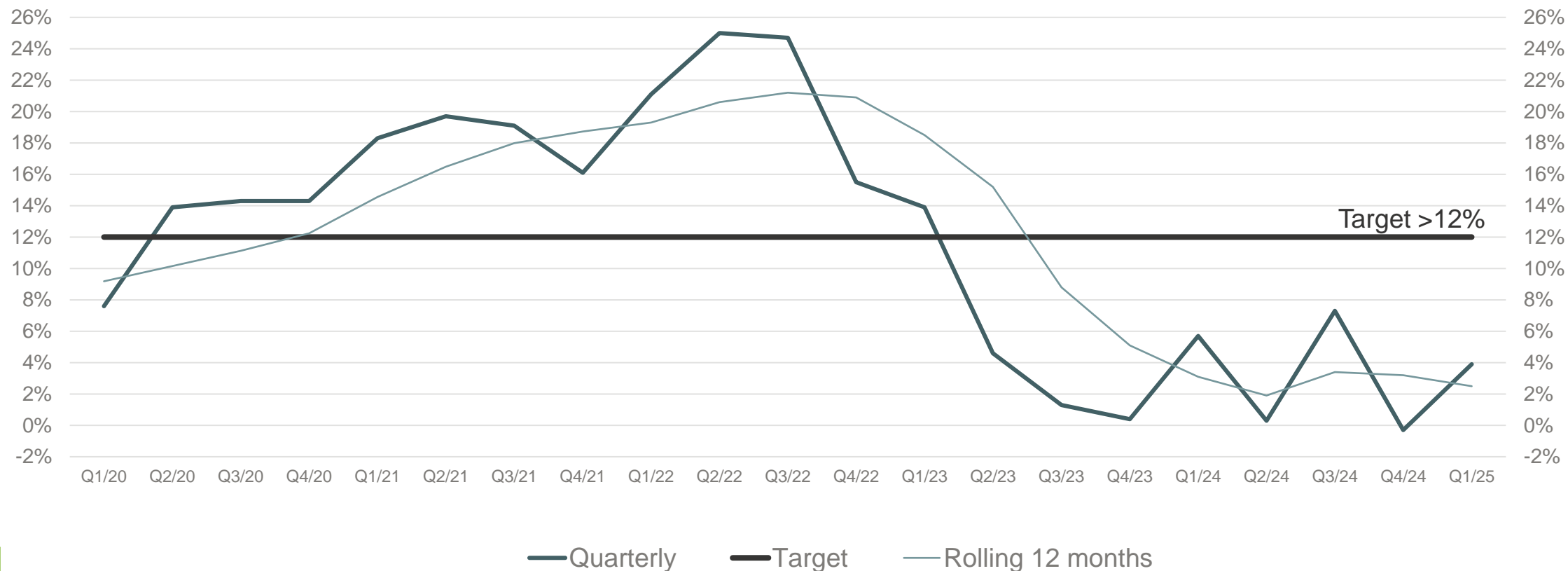
- Higher wood and logistics costs
- Higher employee costs and depreciation

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

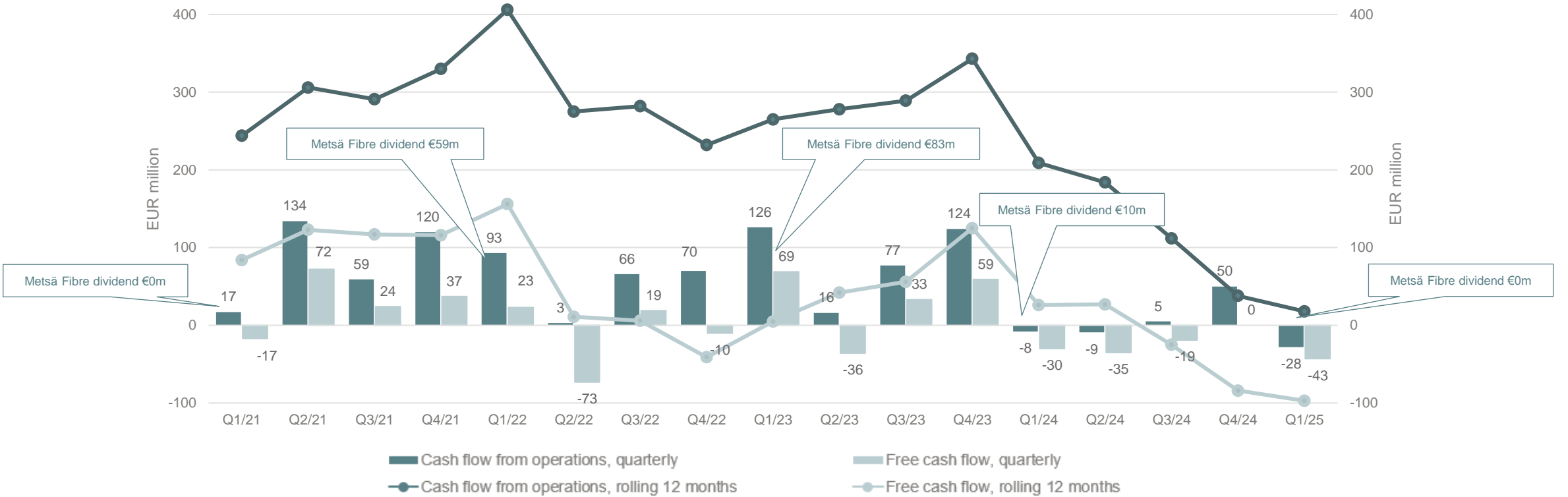


# Q1 2025 ROCE at 4%

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

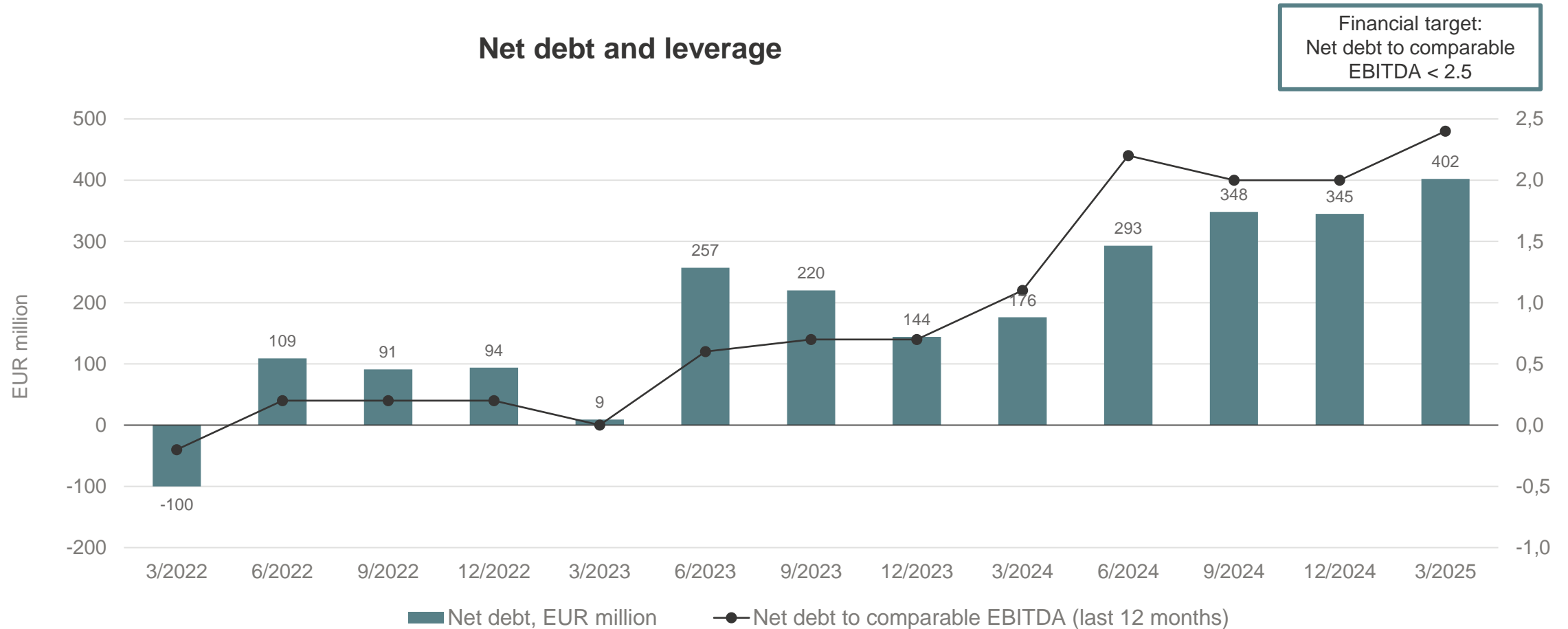


# Rising working capital and low profitability impacted cash flows

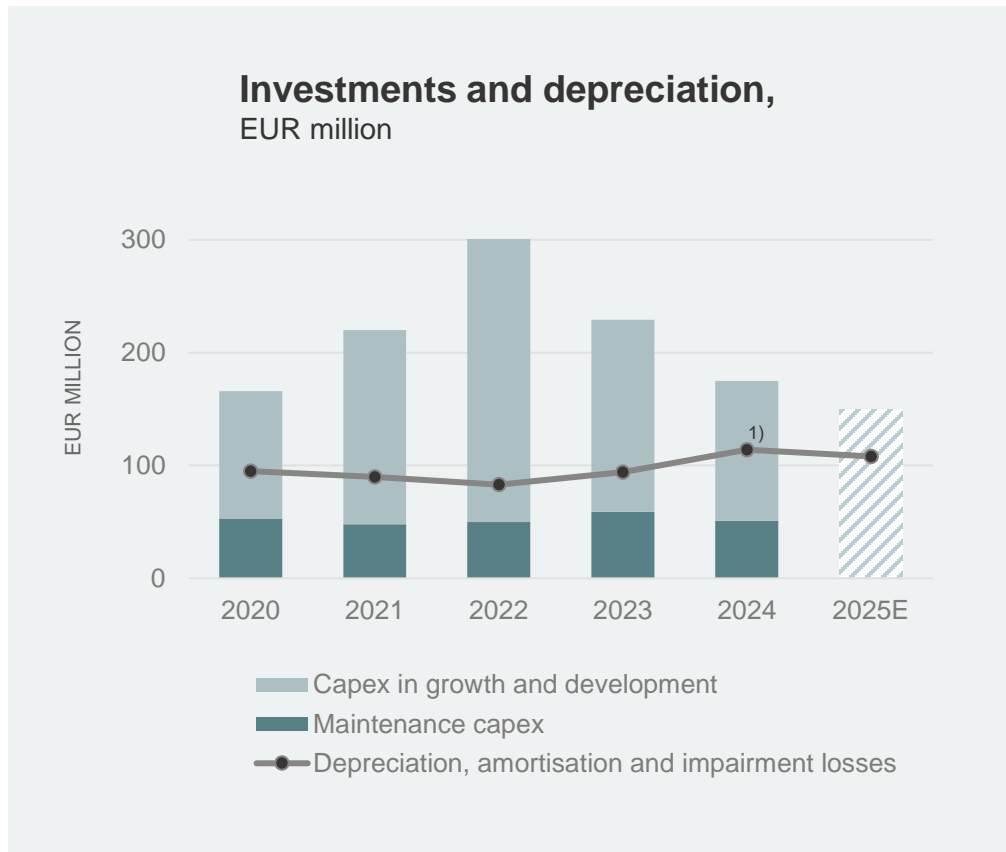


Free cash flow = cash flow from operations – investments in intangible and tangible assets

# Solid financial standing despite leverage growth



# Investments and depreciation



<sup>1)</sup> 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).

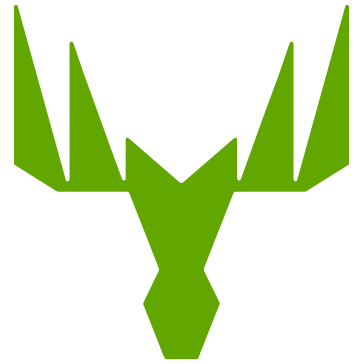




# Summary

- 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

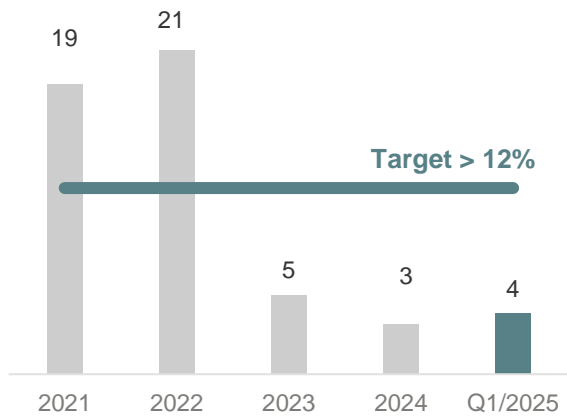
# Key financials

		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
<i>% of sales*</i>	%	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
<i>ROCE*</i>	%	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

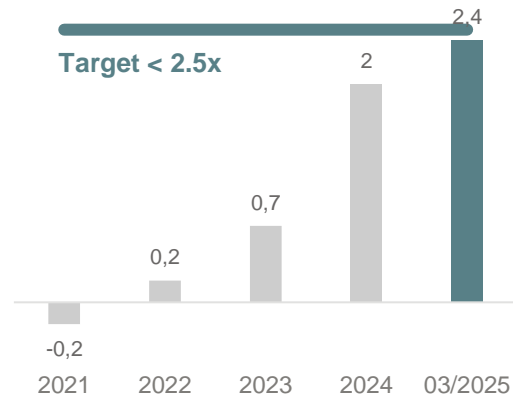


# Financial targets and dividend policy

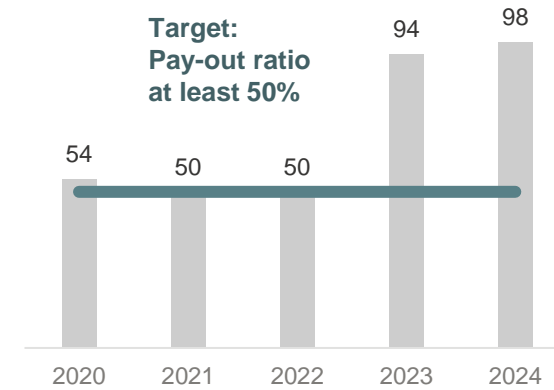
Comparable ROCE, %:



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

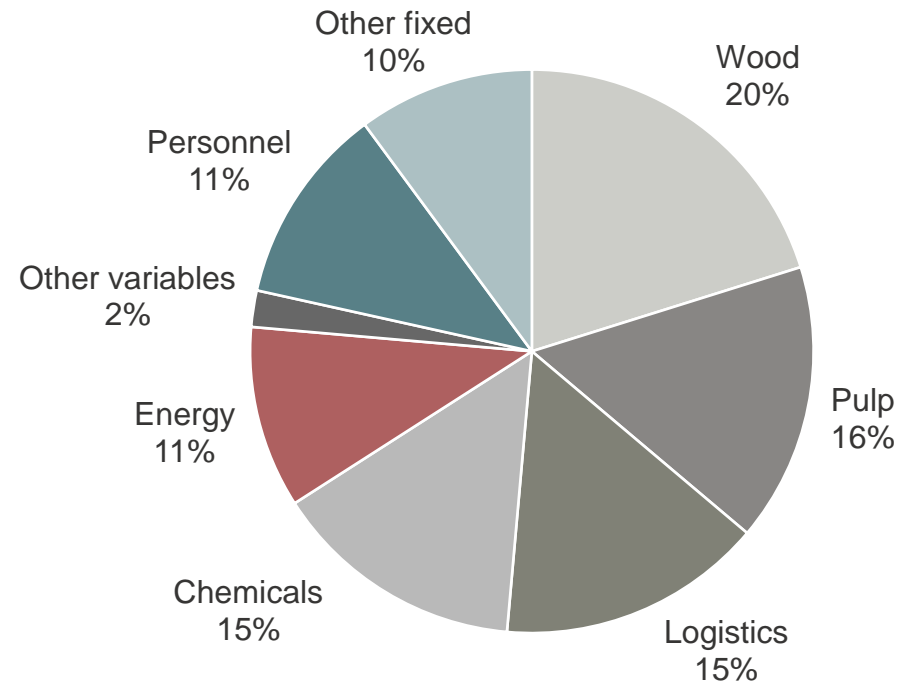
- Total costs EUR 1.8 billion (1.7)
- Cost deflation, excluding pulp, 1%
- Lower chemical and energy costs, higher wood, logistics and fixed costs.

Wood price development on slide 32



## Metsä Board's cost structure in 2024

Total costs EUR 1.8 billion (1.7)



<sup>1)</sup> **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

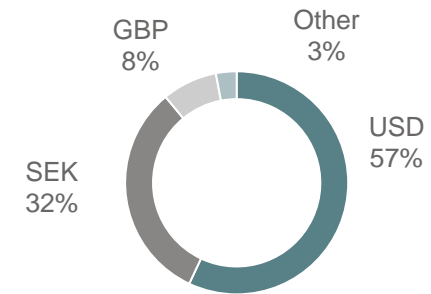
## Hedging policy:

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

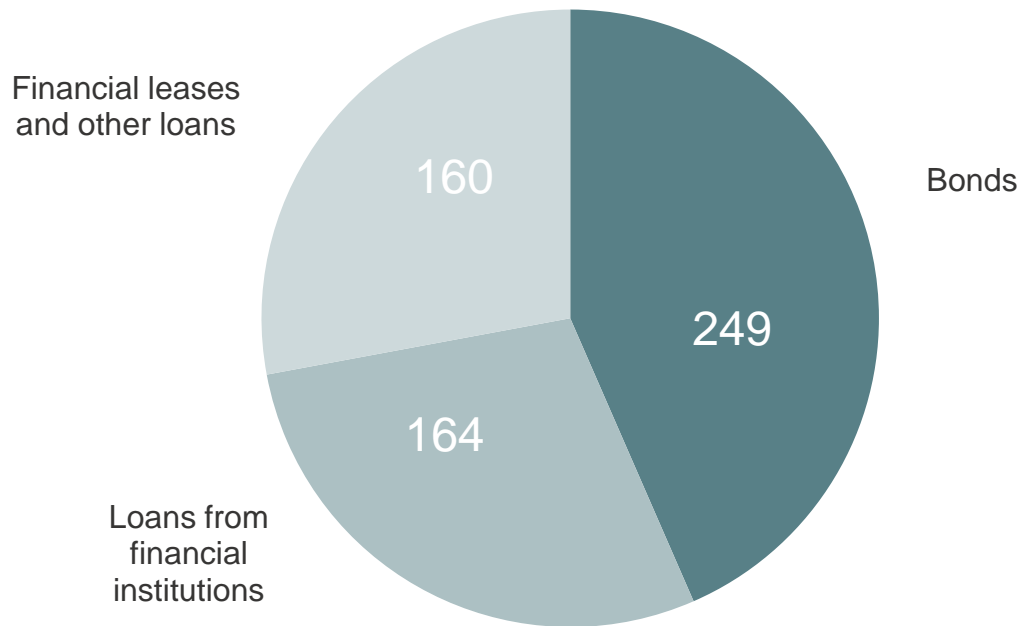
A 10% strengthening of foreign currency vs EUR would have an impact on Metsä Board's EBIT

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

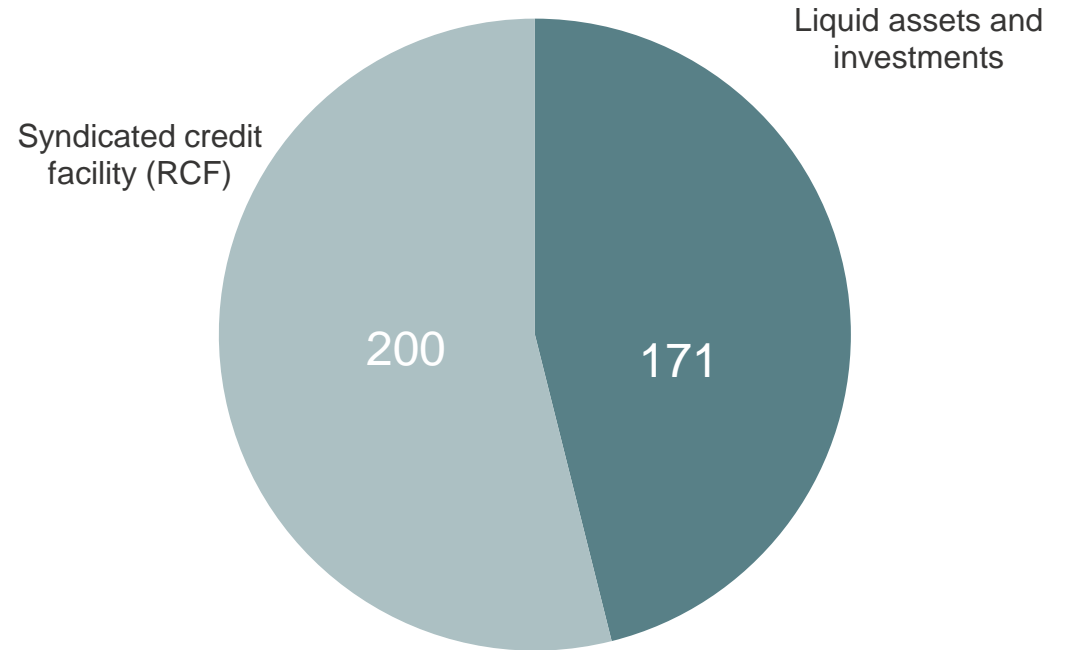
# Interest-bearing debt and liquidity

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**



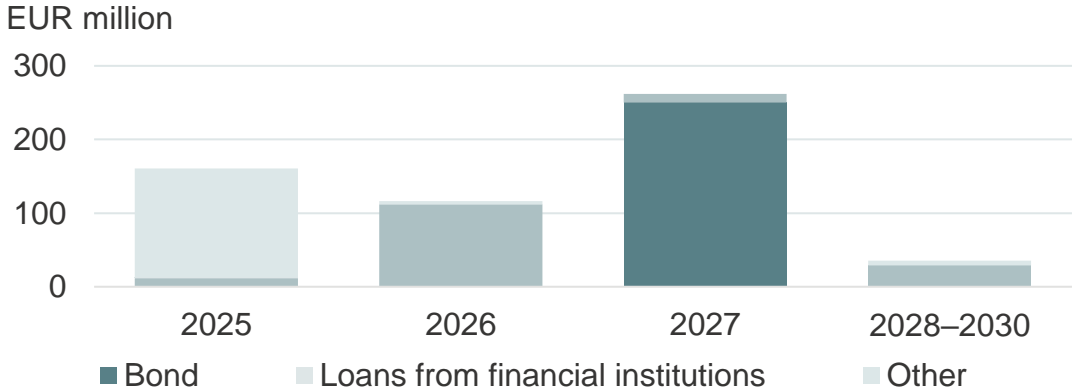
# Debt maturity and credit ratings

## 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*

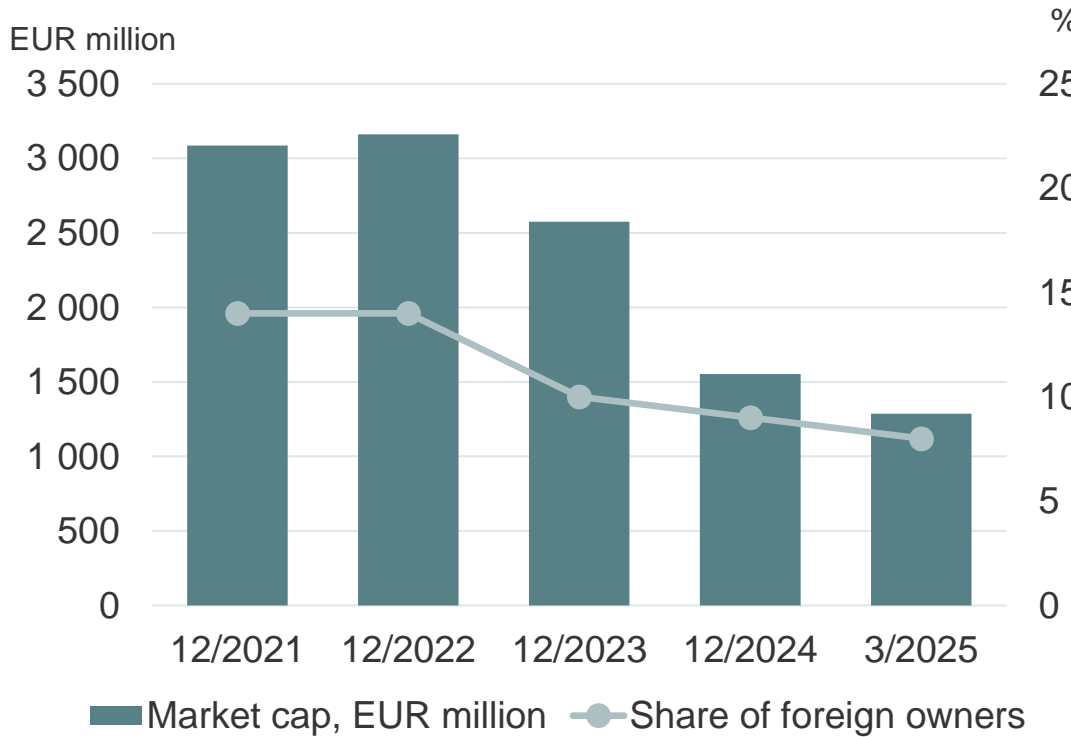
Rating agency	Rating and outlook	Last update on rating
S&P Global	BBB-/stable	02/2018
Moody’s Investor Services	Baa2/stable	12/2022



# Market cap and ownership distribution

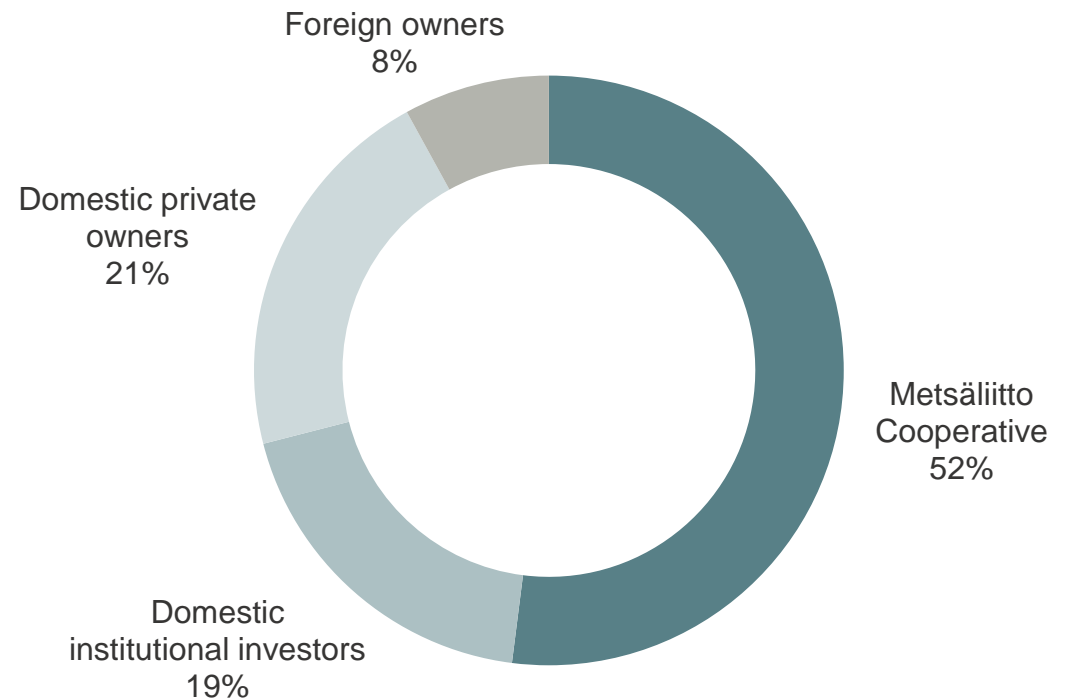
Metsä Board has over 70,000 shareholders, combined amount of A and B shares

## Market cap and foreign owners

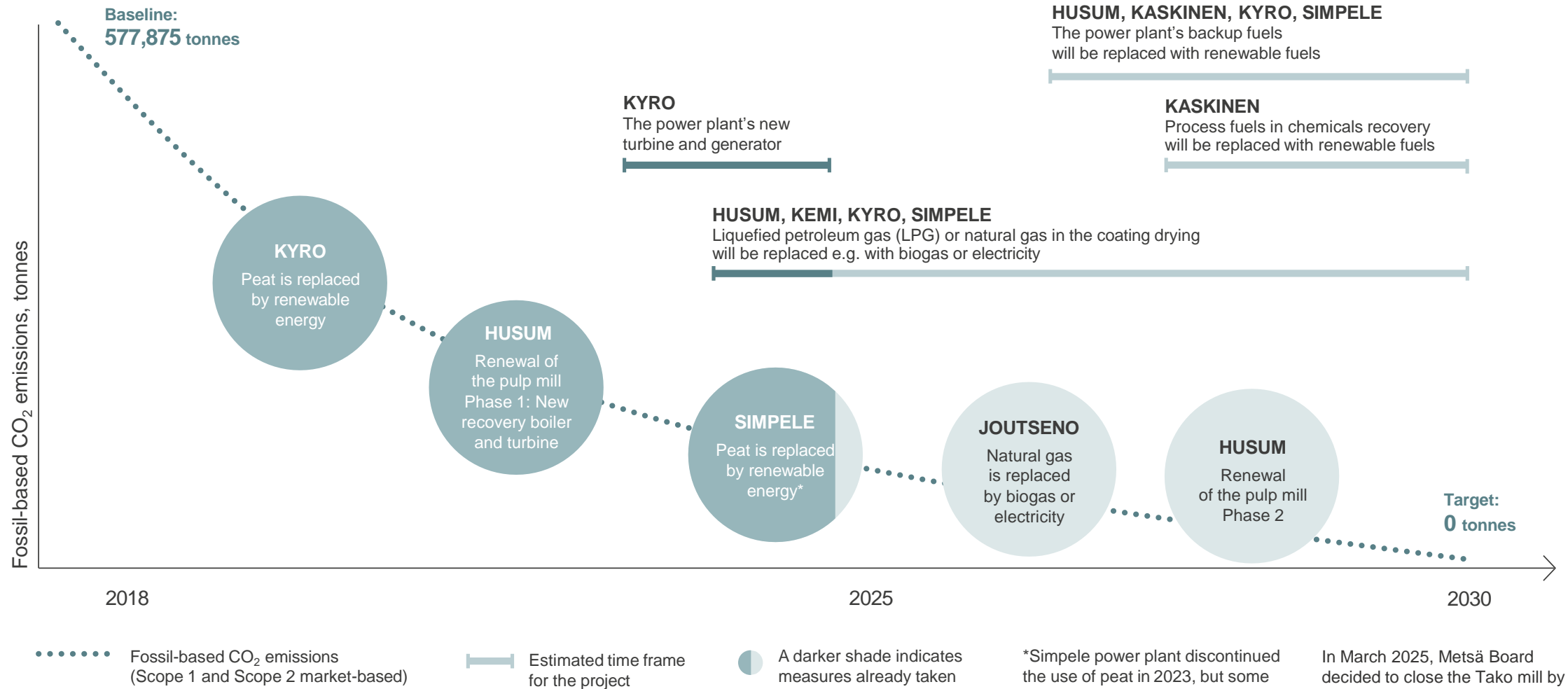


## Ownership distribution

31 March 2025



# Transition plan to fossil-free mills by 2030



# 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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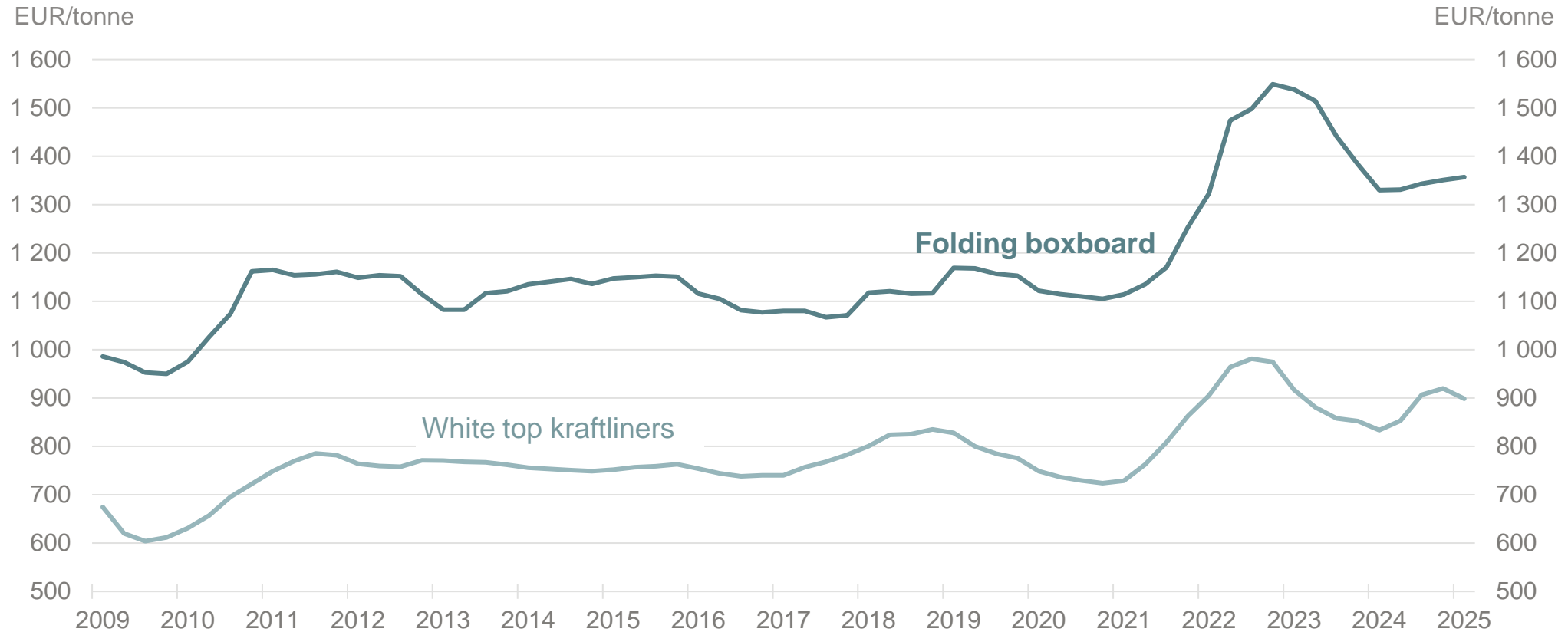
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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

WE SUPPORT UN GLOBAL COMPACT

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.

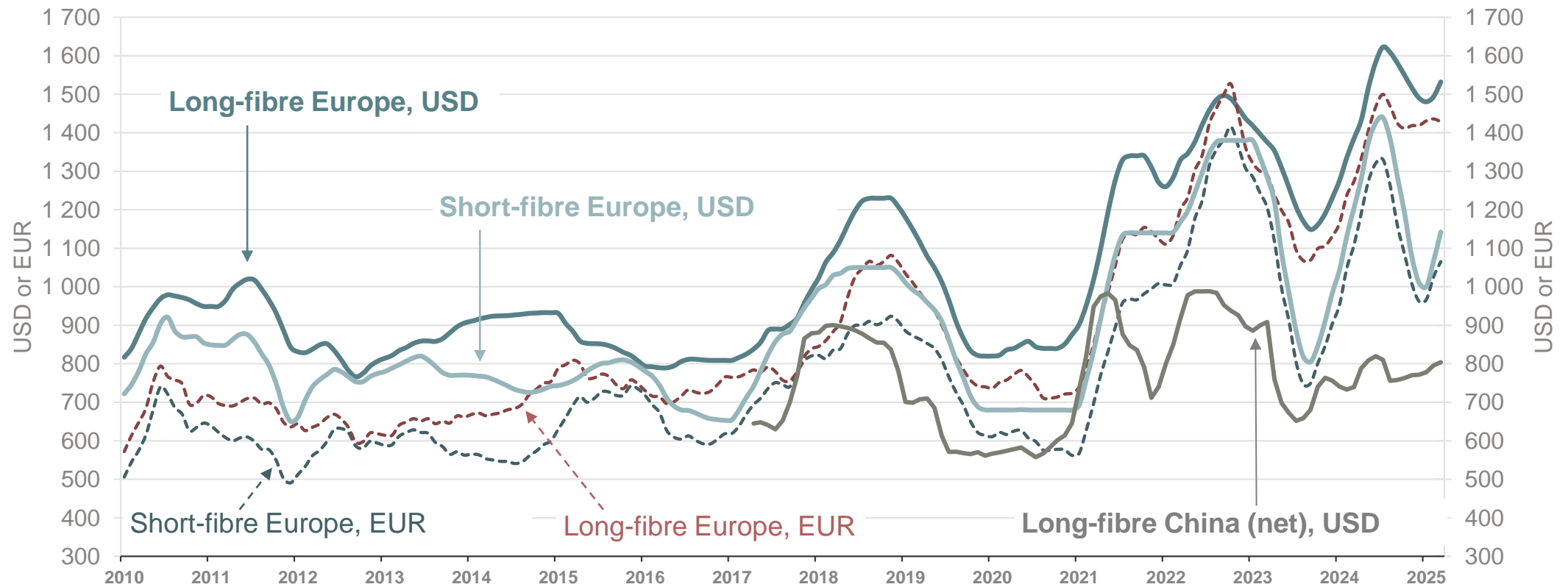
# Price development of folding boxboard and white kraftliners in Europe



Sources: Fastmarkets RISI & Fastmarkets FOEX

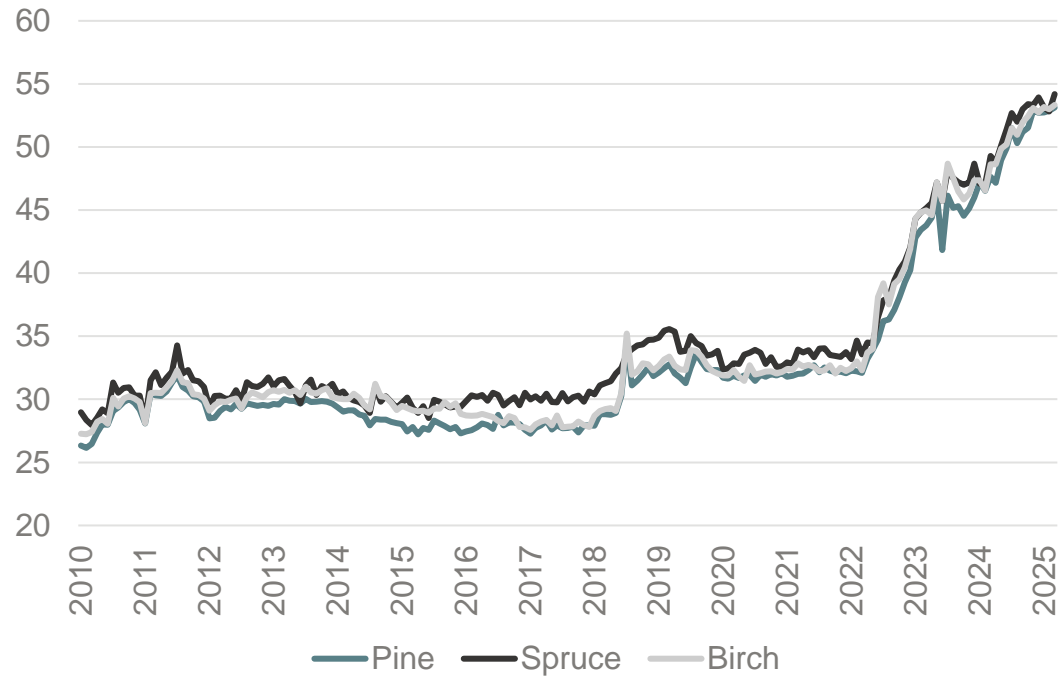
# Price development of pulp (PIX)

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

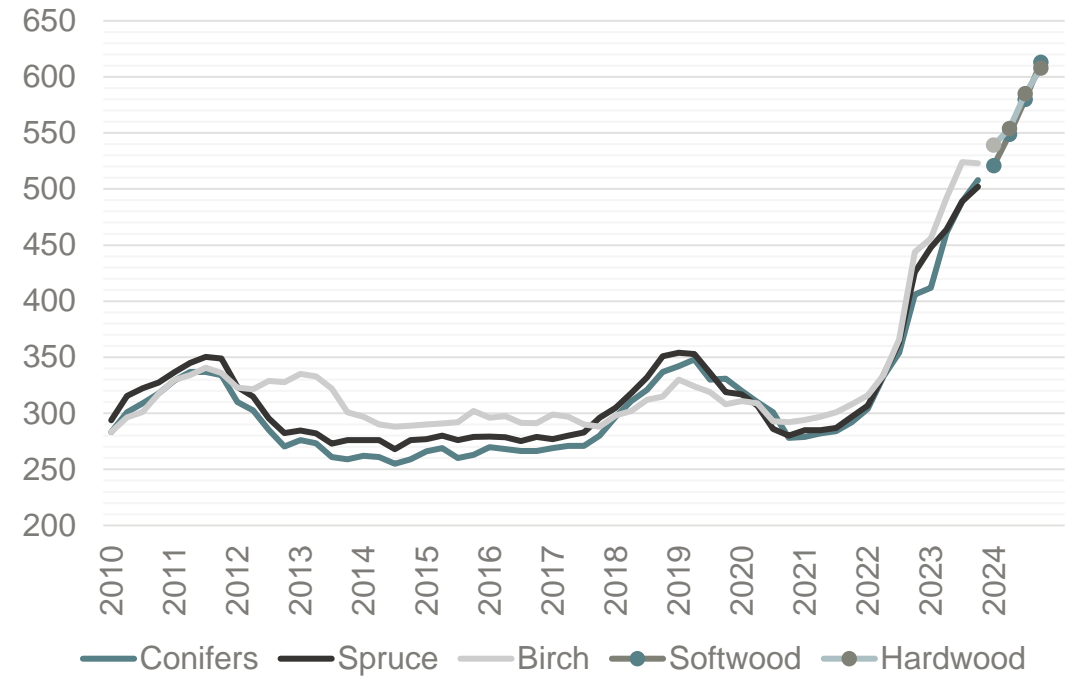


# Price development of pulpwood in Finland and Sweden

Price (delivery at roadside, on bark) of pulpwood in Finland, EUR/m<sup>3</sup>



Price (delivery at roadside, under bark) of pulpwood in Sweden, SEK/m<sup>3</sup>



Sources:

[Finland](#) – Luke (Natural Resources Institute Finland): Average delivery prices at roadside (EUR per solid cubic metre with bark, excl. VAT)

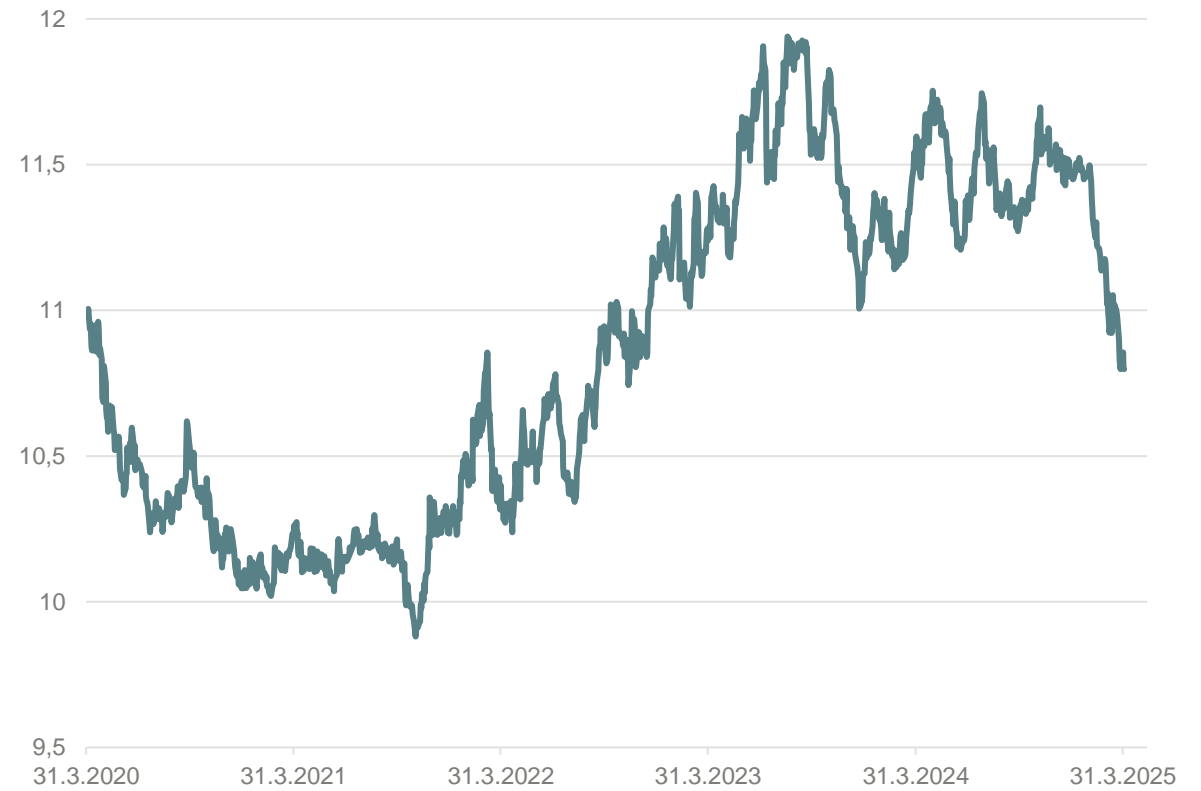
[Sweden](#) – Skogsstyrelsen (The Swedish Forest Agency): Average delivery prices at roadside (SEK per cubic metre under bark)

# FX rates development: EUR/USD and EUR/SEK

## EUR/USD



## EUR/SEK







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