



Metsä Board

Results for January–June 2025

Presentation material

31 July 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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Challenging market
situation demands
new thinking



Consumers' cautious
purchasing behaviour



Intensified competition



Geopolitical instability and
US tariffs



High wood raw material
costs



Metsä Board's leading position in high-quality packaging solutions is built on a strong foundation

Committed and highly skilled personnel



Premium paperboards built on deep expertise



Long-term customer relationships



A high level of sustainability supported by a unique value chain



Q2 2025 in brief

- Q2 operating result was clearly weaker than previously estimated
- Deviation driven by weak pulp market and lower paperboard order inflow, especially in the US
- Cash flow remained negative, expected to improve in H2
- Long repair shutdown in Metsä Fibre's Kemi bioproduct mill impacted kraftliner production
- Tako paperboard mill was closed permanently. Estimated annual EBITDA improvement ~EUR +30 million

Sales

460
EUR million



Q1 2025: EUR 481m
Q2 2024: EUR 510m

Comparable operating result

-23
EUR million

Q1 2025: EUR 23m
Q2 2024: EUR -0.8m

Paperboard deliveries

360,000
tonnes

Q1 2025: 367,000t
Q2 2024: 377,000t

Paperboard production

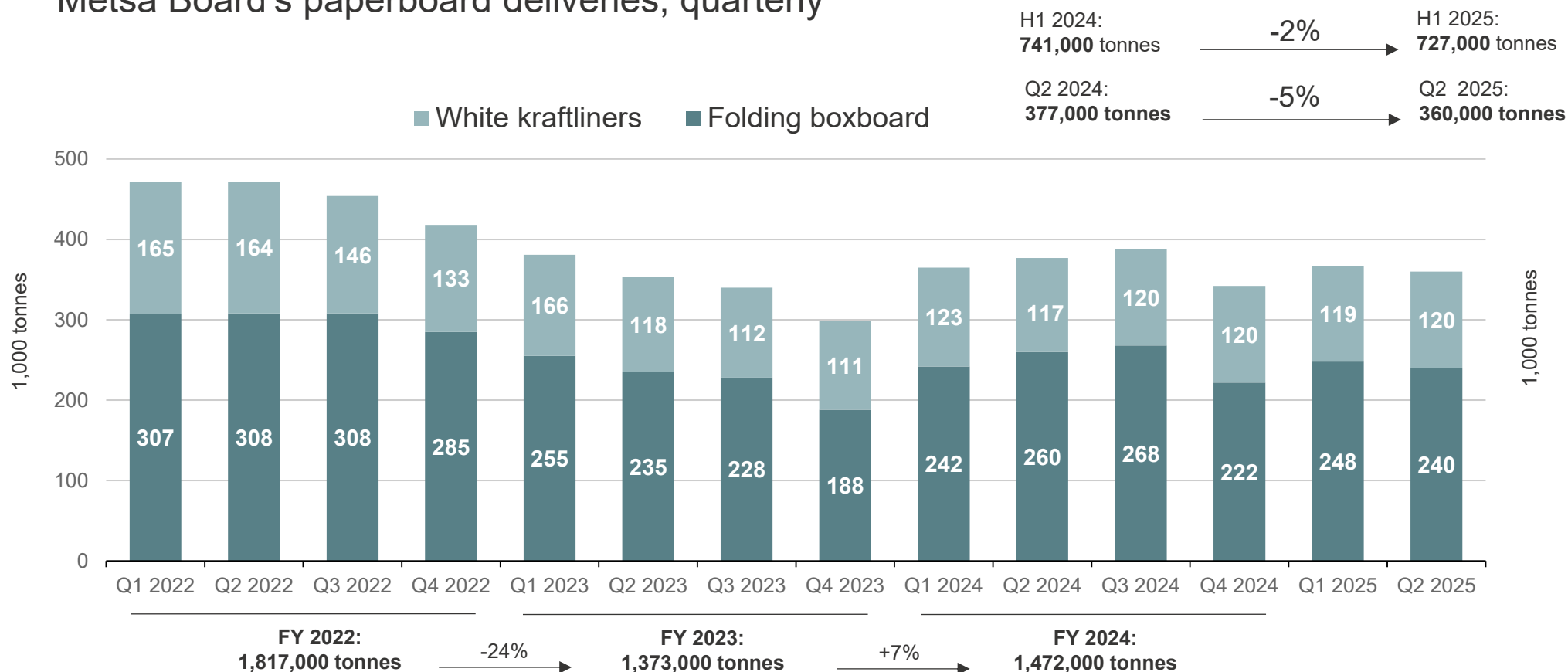
318,000
tonnes



Q1 2025: 430,000t
Q2 2024: 357,000t

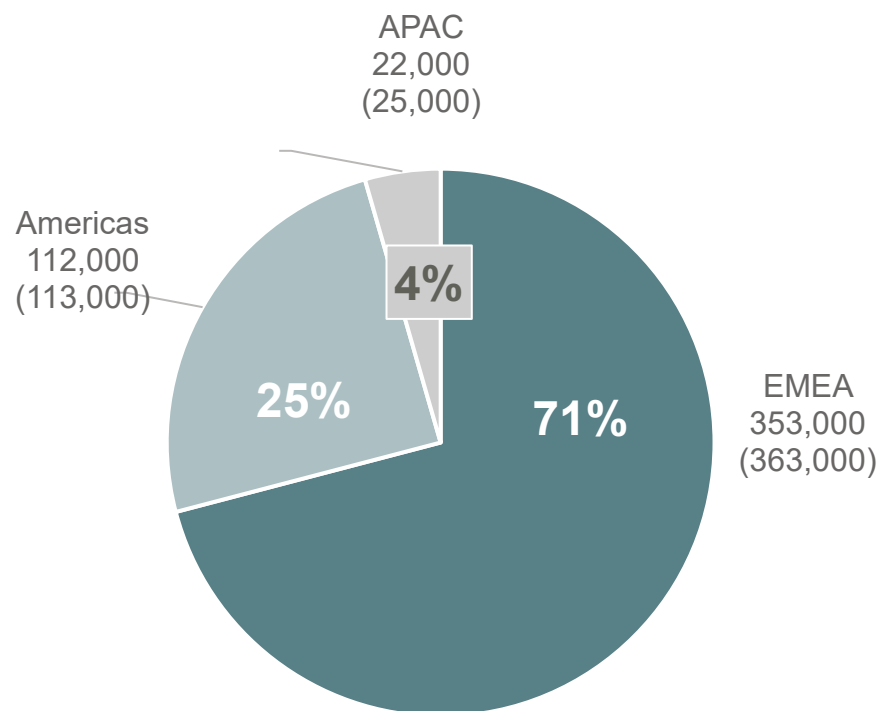
Stagnated paperboard delivery volumes

Metsä Board's paperboard deliveries, quarterly

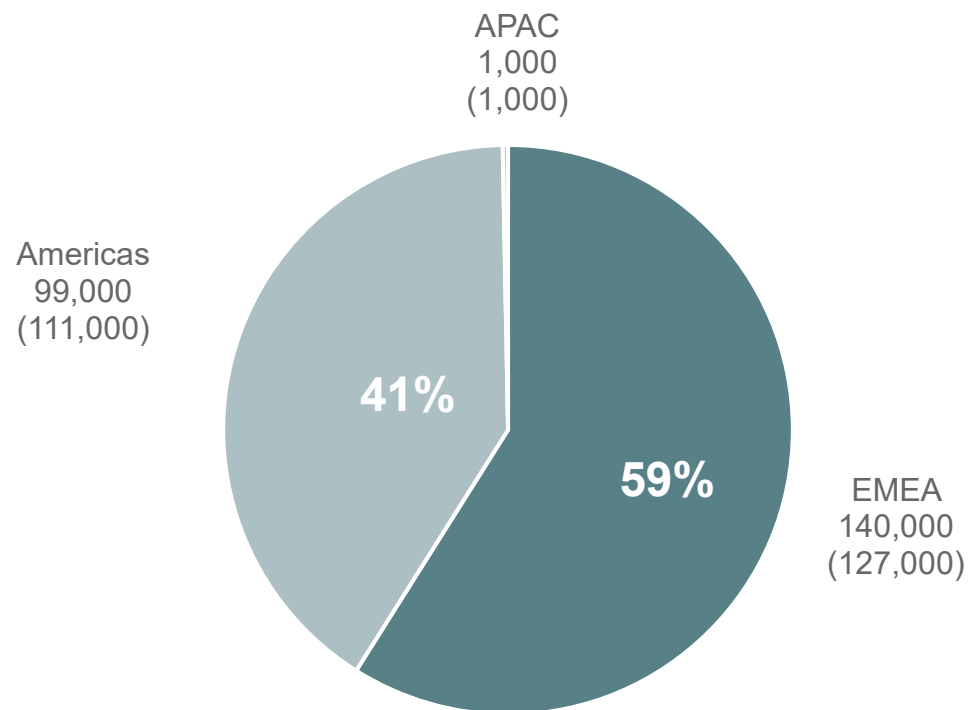


Paperboard sales by region

FBB deliveries H1 2025 (H1 2024)
total 488,000 tonnes (502,000)



WKL deliveries H1 2025 (H1 2024)
total 240,000 tonnes (239,000)



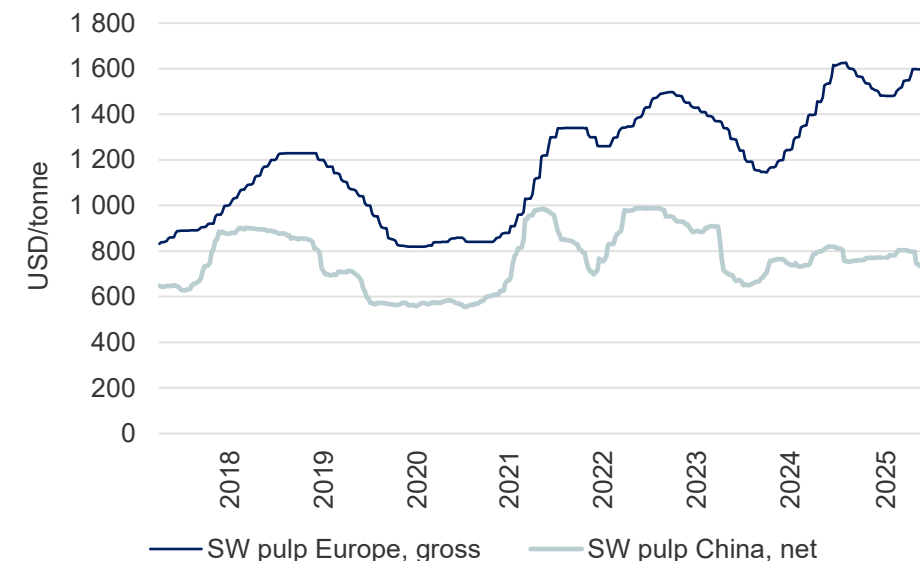
Sluggish pulp market in 2025

- Market pulp deliveries (H1 2025 vs H1 2024)
 - Metsä Board -19%: (186,000t vs 231,000t)
 - Metsä Fibre +15%: (1,481,000t vs 1,291,000t)
- Metsä Board's Q2 market pulp deliveries were at record low
- Overall demand for softwood market pulp in 2025 has been weak in both Europe and China, with no signs of improvement in the near term
- European pulp producers' competitiveness has been impacted by high raw material costs and the weakening dollar
- Price (PIX) development in **softwood pulp**
 - H1 2025 vs H1 2024: Europe +9%, China -1%
 - Q2/2025 vs Q2/2024: Europe +5%, China -8%



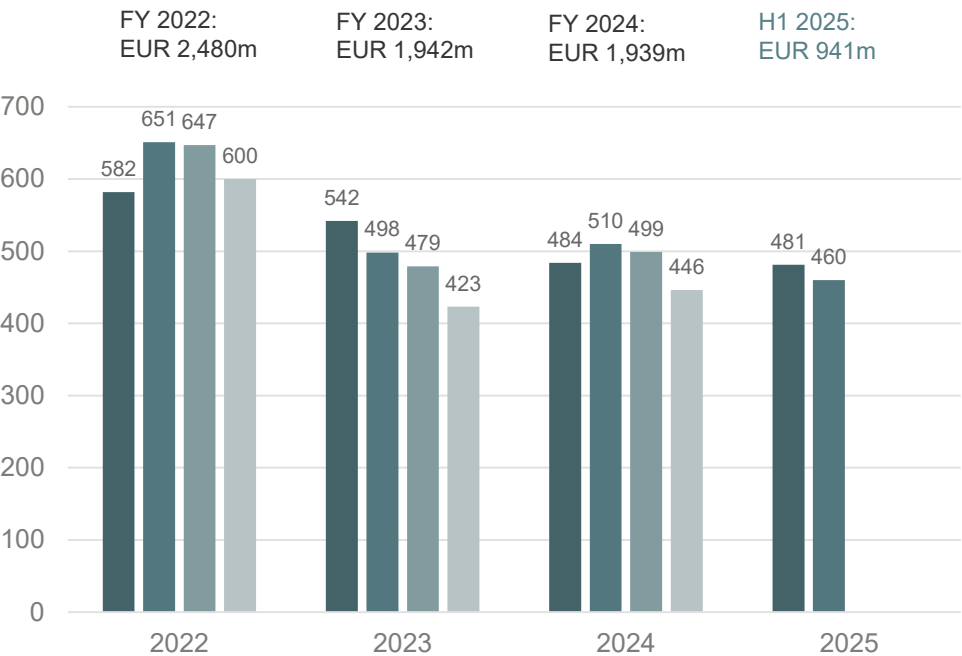
Softwood pulp price (PIX) in Europe and China

Source: Fastmarkets FOEX

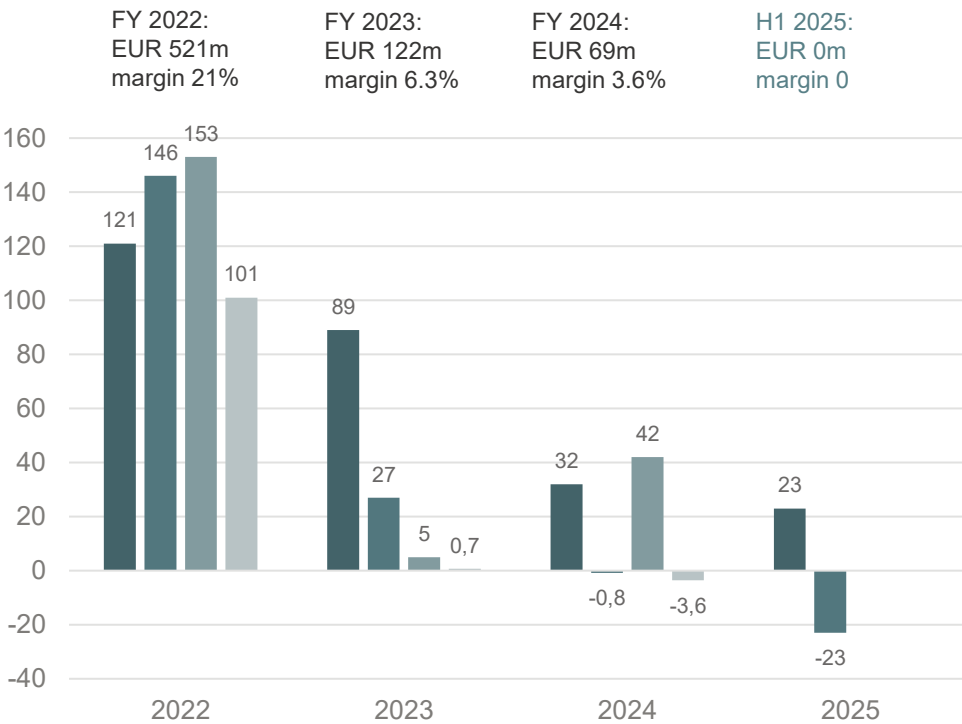


The review period ended with a zero result

Sales, quarterly
EUR million



Comparable operating result, quarterly
EUR million and % of sales



Result comparison, quarterly and year-to-date

Comparable operating result and % of sales

Q2/2025: EUR -23 million, -4.9%

Q2/2024: EUR -1 million, -0.2%

Q2/2024 profitability impacted by political strikes in Finland and Kemi mill explosion

Positives:

- Higher result share from Metsä Fibre
- Paperboard prices in local currencies

Negatives:

- Lower delivery and production volumes of paperboard and pulp
- FX impact including hedges
- Higher fixed costs and depreciation

Comparable operating result and % of sales

H1/2025: EUR 0 million, -0.0%

H1/2024: EUR 31 million, 3.1%

H1/2024 profitability impacted by political strikes in Finland and Kemi mill explosion

Positives:

- Higher result share from Metsä Fibre
- Lower chemical costs

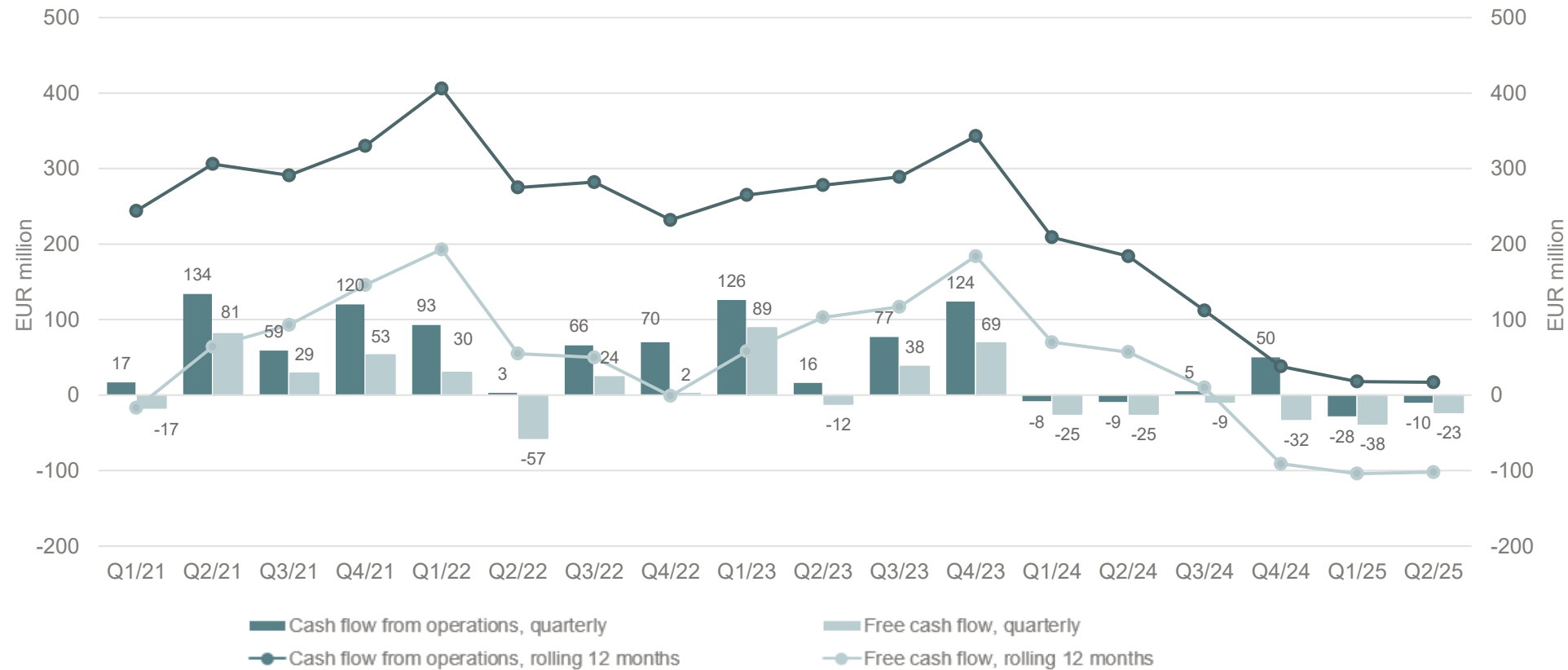
Negatives:

- Lower delivery and production volumes of paperboard and pulp
- FX impact including hedges
- Higher wood and logistics costs
- Higher fixed costs and depreciation

ROCE% below long-term target level

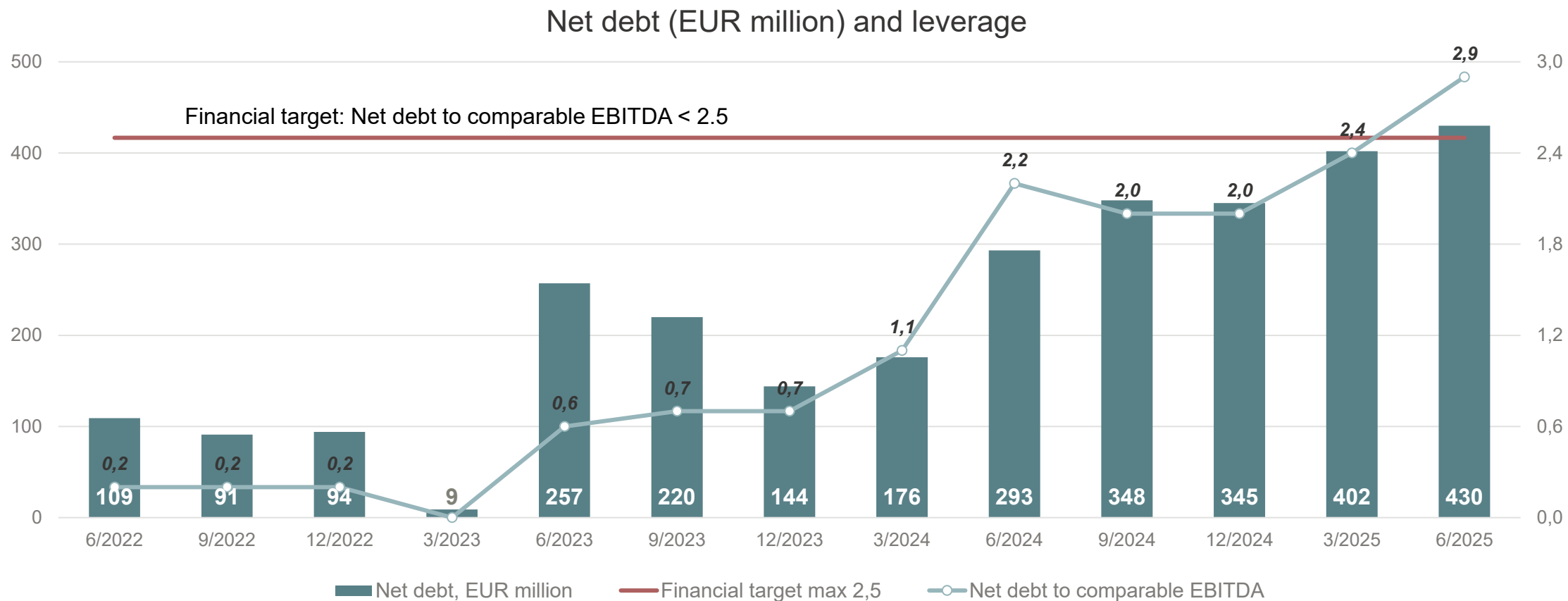


Several quarters of negative cash flows

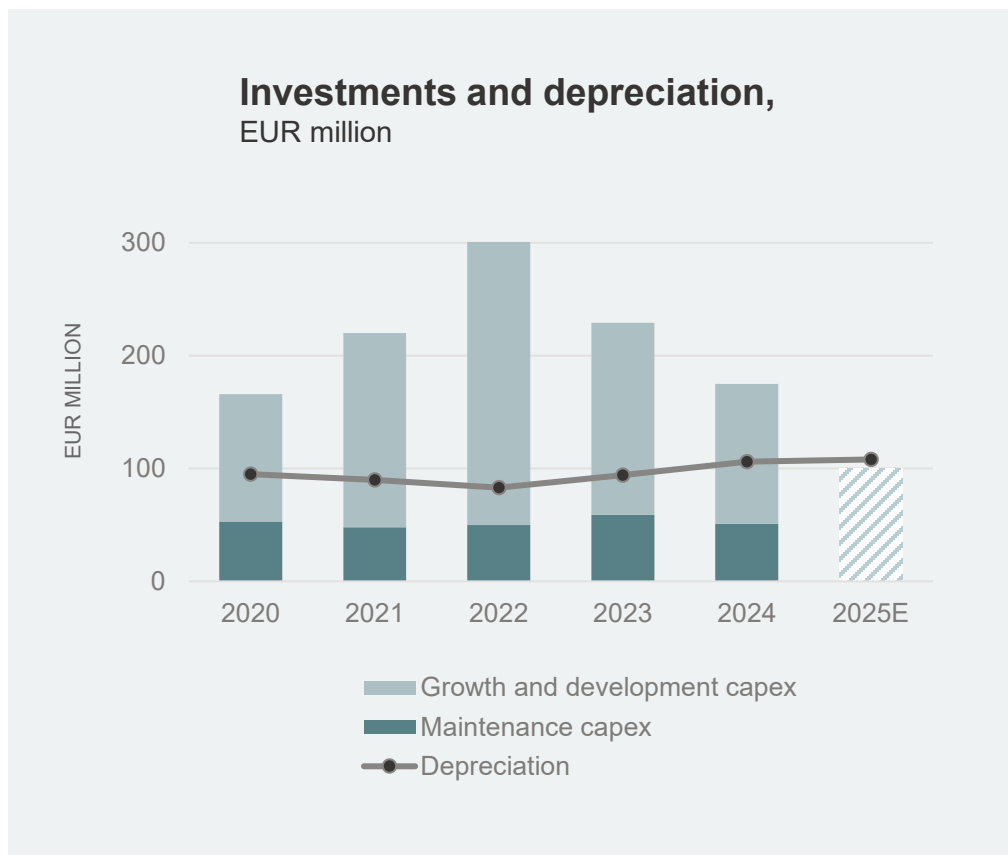


Dividend received from Metsä Fibre	
Q1/2021	€0 million
Q1/2022	€59 million
Q1/2023	€83 million
Q1/2024	€10 million
Q1/2025	€0 million

Solid financial standing despite leverage growth



Major investments are now completed



January–June 2025

- Total investments were EUR 35 million
- Depreciation EUR 57 million

Year 2025, estimated

- Total investments is expected to be approximately EUR 100 million
- Depreciation roughly at the level of 2024

Ongoing and planned investments

- Paperboard machine renewal at **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 BM 2 from white kraftliner to foodservice and greaseproof papers at **Husum board mill**. Barrier boards upgrade at **Kyro board mill**.

Near-term outlook

July–September 2025

- Consumers' cautious buying behaviour and uncertainty about US tariffs weaken the predictability of paperboard sales development
- Metsä Board's paperboard delivery volumes expected to remain roughly at Q2 level
- Variable costs, excluding pulp, are expected to remain stable
- More planned maintenance and investment shutdowns (Husum, Simpele) than in Q2
- Market-related shutdowns continue
- Overall impact of pulp will have a clearly negative impact on Metsä Board's result in Q3 vs Q2
- Metsä Board's comparable operating result in Q3 2025 is expected to be weaker than in Q2 2025 (EUR -23 million).



Transformation programme towards profitability and focused value creation

In a volatile operating environment, we strengthen our profitability and competitiveness by sharpening our focus on commercial excellence, optimising costs and leveraging our strong competitive advantages.

**Aim is to
improve
profitability
and
strengthen
cash flow**

**Cost savings
programme**



**Profitability
improvement
programme**



**Strengthen cash flow
with more efficient use
of capital**



**Targeted EUR 200 million
annual EBITDA growth**

EUR 100 million expected to be realised by end of 2026,
full impact by the end of 2027

**Targeted EUR 150 million
release in working capital**

Full impact by the end of 2025



Driving growth
through
consistent
value delivery

We strengthen our position in Europe.

Our goal in U.S. remains to maintain a strong market position and grow with our existing customers.

Key target segments are food, foodservice, healthcare, and other strongest growing brand segments.

Regulation endorses our long-term work in R&D, packaging design and value chain.

Metsä Board's new Corporate Management Team



Esa Kaikkonen
CEO
since 2025



Minna Björkman
SVP, Containerboard
From 5 January 2026



Erja Hyrsky
SVP, Commercial Operations
From 1 August 2025



Jussi Noponen
SVP, Production and Supply Chain
Member of CMT
since 2016



Laura Remes
SVP, Business Transformation
Latest 6 October 2025



Henri Sederholm
CFO
Member of CMT
since 2021



Camilla Wikström
SVP, HR
Member of CMT
since 2019

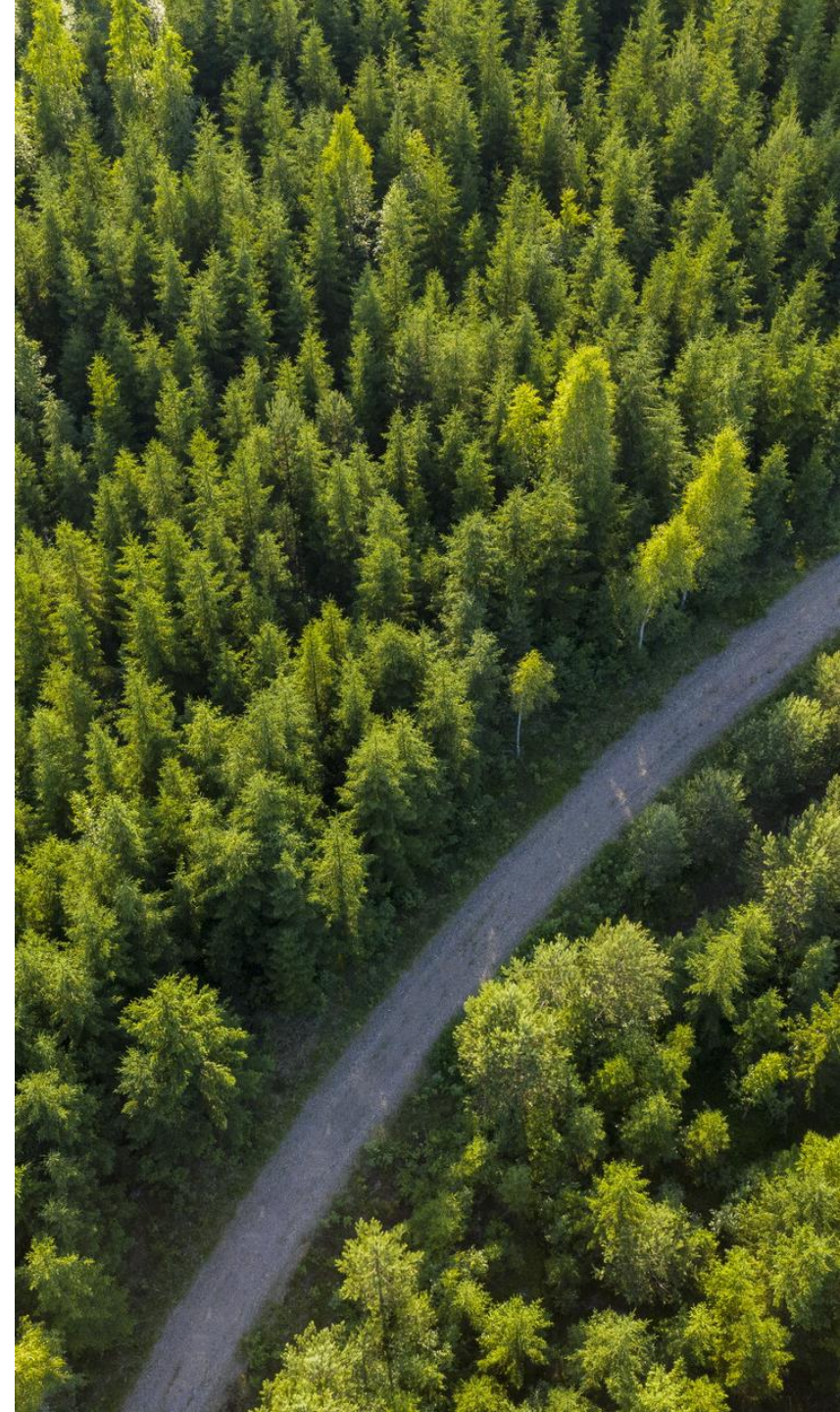
Next steps

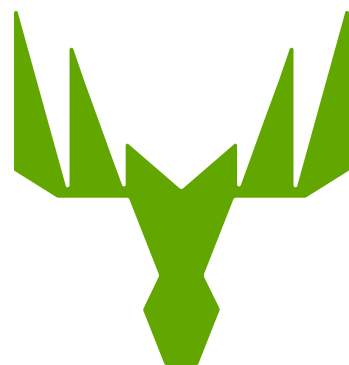
During the third quarter of 2025:

- Detailed planning and execution of the transformation program will continue
- Progress will be monitored with regular reporting
- The investment portfolio, including the ERP programme, will be reviewed

During the first quarter of 2026

- The company's strategy and financial targets will be updated





Metsä

Appendix

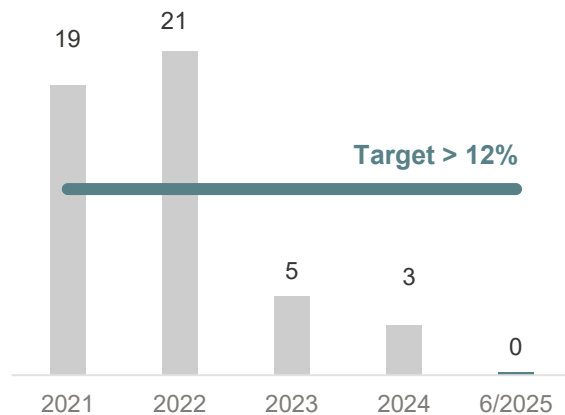
Key financials

		Q2/25	Q2/24	Change Q2/25 vs Q2/24	H1/25	H1/24	Change H1/25 vs H1/24	FY/24
Sales	EUR, m	460	510	-10%	941	994	-5%	1,939
EBITDA*	EUR, m	6	26	-77%	57	84	-32%	175
Operating result*	EUR, m	-23	-1		0	31	-100%	69
% of sales*	%	-4.9	-0.2		0.0	3.1		3.6
Metsä Fibre's share of operating result*	EUR, m	-9	-13		-3	-18		-10
Earnings per share	EUR	-0.06	-0.03		-0.08	0.01		0.07
ROCE*	%	-3.3	0.3		0.2	2.9		3.2
Total investments	EUR, m	19	29	-35%	35	53	-34%	175
Cash flow from operations	EUR, m	-10	-9		-38	-17		38
IB net debt at end of period	EUR, m	430	294	+46%	430	294	+46%	345

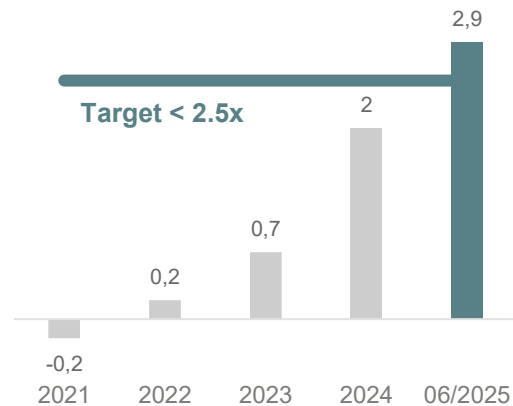
*comparable

Financial targets and dividend policy

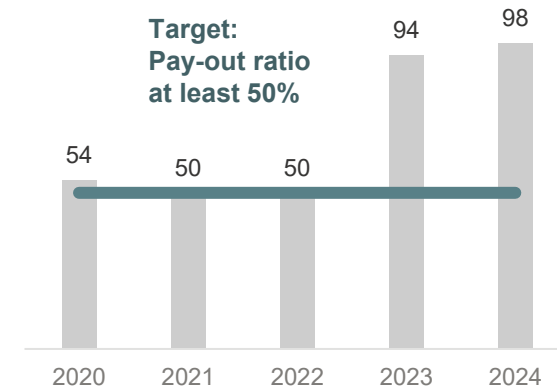
Comparable ROCE, %:



IB net debt/comparable EBITDA



Dividend policy
Dividend/net result, %



Cost development and structure

H1 2025 (H1 2024)

- Higher wood, logistics and employee costs, lower chemicals and energy costs

Year 2024 (2023)

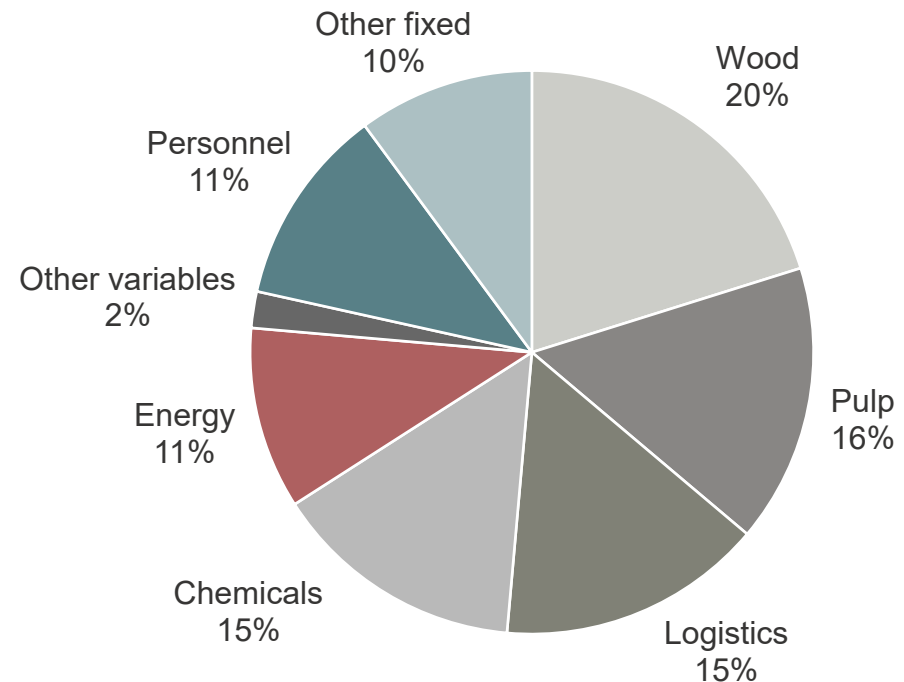
- Total costs EUR 1.8 billion (1.7)
- Cost deflation, excluding pulp, 1%
- Lower chemical and energy costs, higher wood, logistics and fixed costs.

Wood price development on slide 35



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
 - Q2 2025 vs Q2 2024: EUR -10 million
 - H1 2025 vs H1 2024: EUR -8 million
- Estimated impacts, including hedges
 - Q3 2025 vs Q2 2025: positive
 - Q3 2025 vs Q3 2024: positive

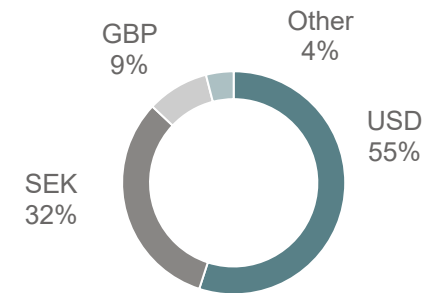
Hedging policy:

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 7.4 months of the net foreign currency exposure was hedged.



Annual FX transaction exposure total EUR 1.1 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

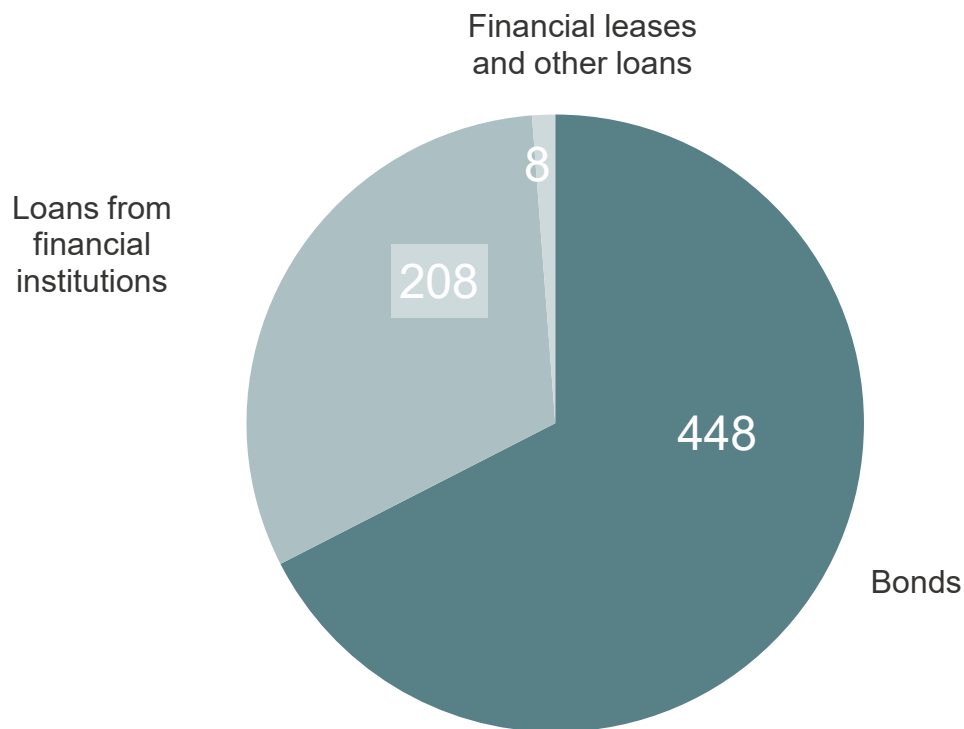
Currency	Next 12 months
USD, \$	EUR +60 million
SEK, kr	EUR -35 million
GBP, £	EUR +10 million

Interest-bearing debt and liquidity

30 June 2025

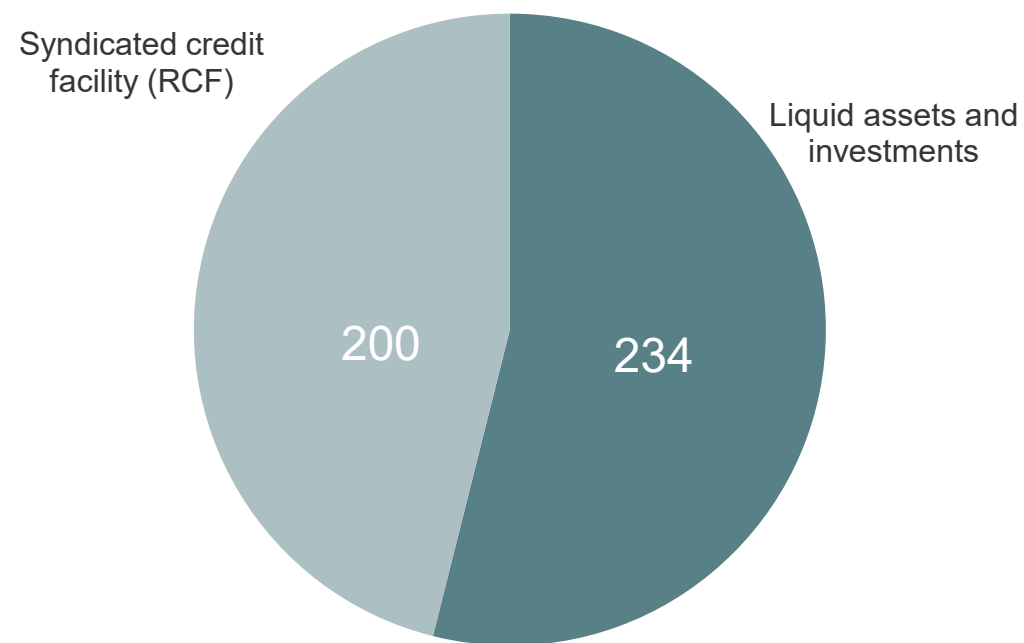
Interest-bearing debt

EUR 664 million



Liquidity

EUR 434 million



Liquidity is complemented by:

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

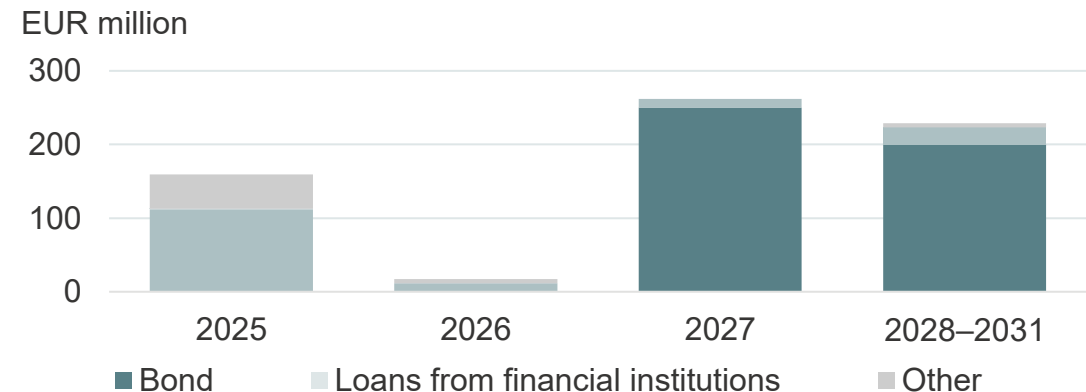
Debt maturity and credit ratings

30 June 2025

- Total interest-bearing debt was EUR 664 million, and net debt was EUR 430 million
- In May, Metsä Board issued a EUR 200 million green bond, exp. 2031, fixed annual coupon 3.875%
- The average interest rate on loans at the end of the review period was 3.0%, and the average maturity of long-term loans was 3.0 years
- Net financial costs, including foreign exchange differences, were:
 - H1 2025: EUR -8.0 million
 - FY 2024: EUR -10.8 million

Maturity of interest-bearing debt

Total EUR 664 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/negative	12/2022

Key sustainability figures

TARGET
set for 2030

ACTUAL
H1 2025

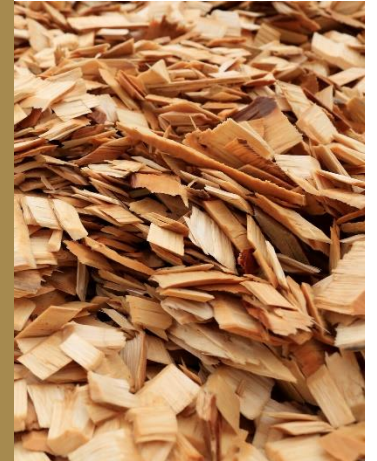
Accidents at work
TRIF, TARGET 0

ACTUAL 4.3
H1 2024: 2.6
FY2024: 3.4



Certified wood fibre
TARGET 100%

ACTUAL 93%
H1 2024: 92
FY2024: 92



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

ACTUAL:
Scope 1: 87kt
FY2024: 169kt
Scope 2:
FY2024: 82kt



Process water use²⁾
TARGET -35%

ACTUAL -12%
June 2024: -6.0%
FY2024: -11%

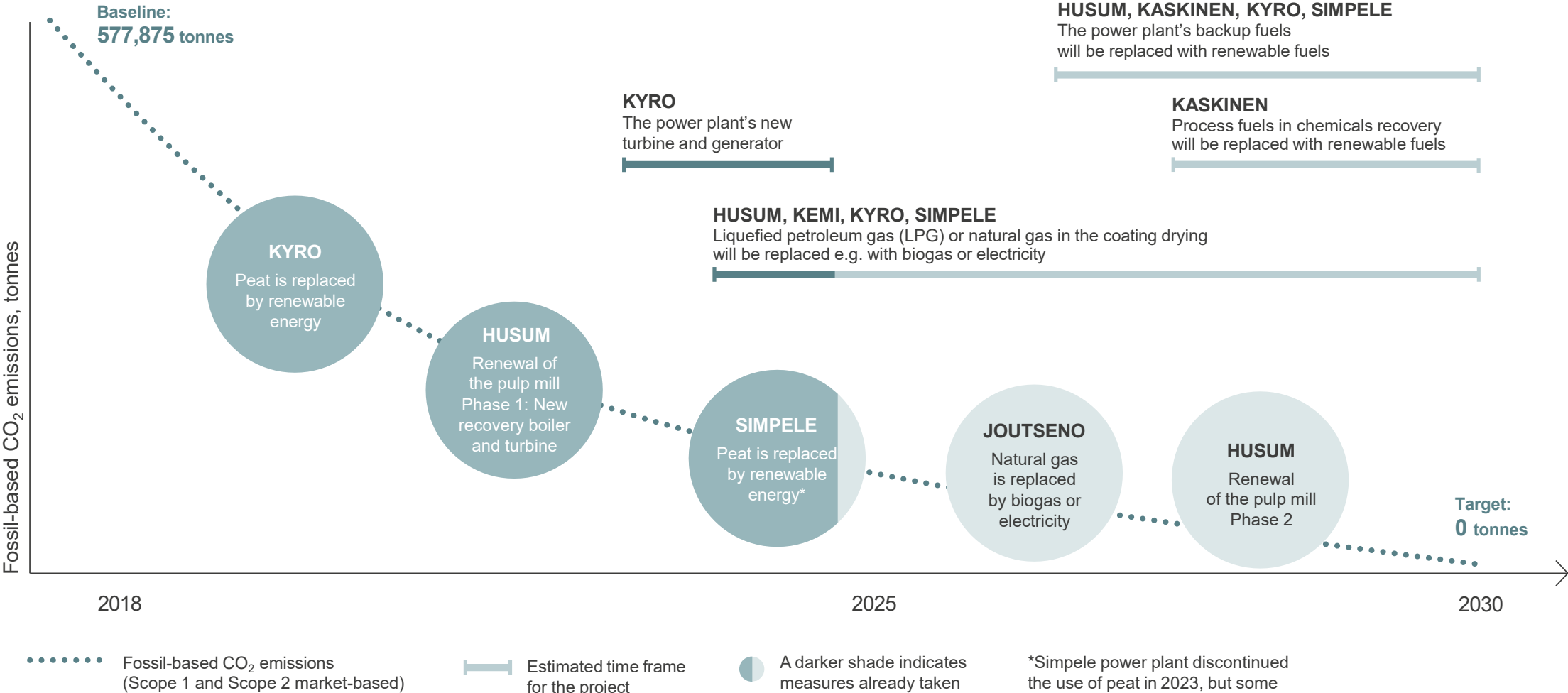


Energy efficiency²⁾
TARGET +10%

ACTUAL -0.3%
June 2024: -1.9%
FY2024: +0.9%



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

External assessments and own commitments in sustainability



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



[Link](#) to MSCI website

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

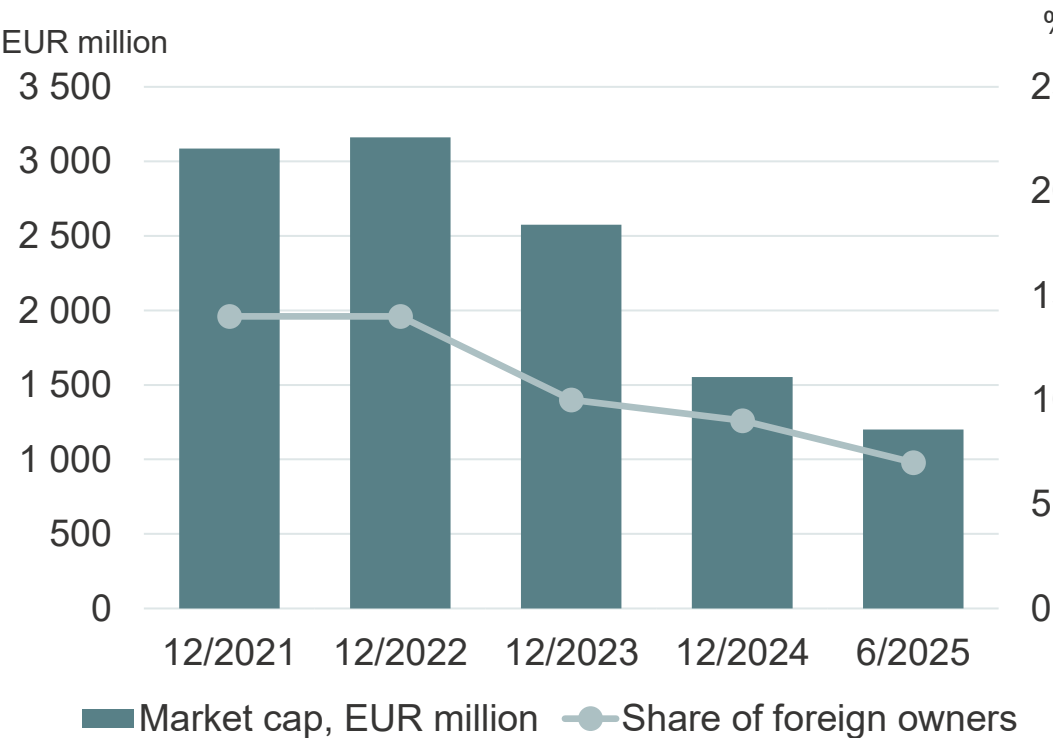


As part of Metsä Group, Metsä Board is committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption. Metsä Board also supports the UN's Sustainable Development Goals, the SDGs.

Market cap and ownership distribution

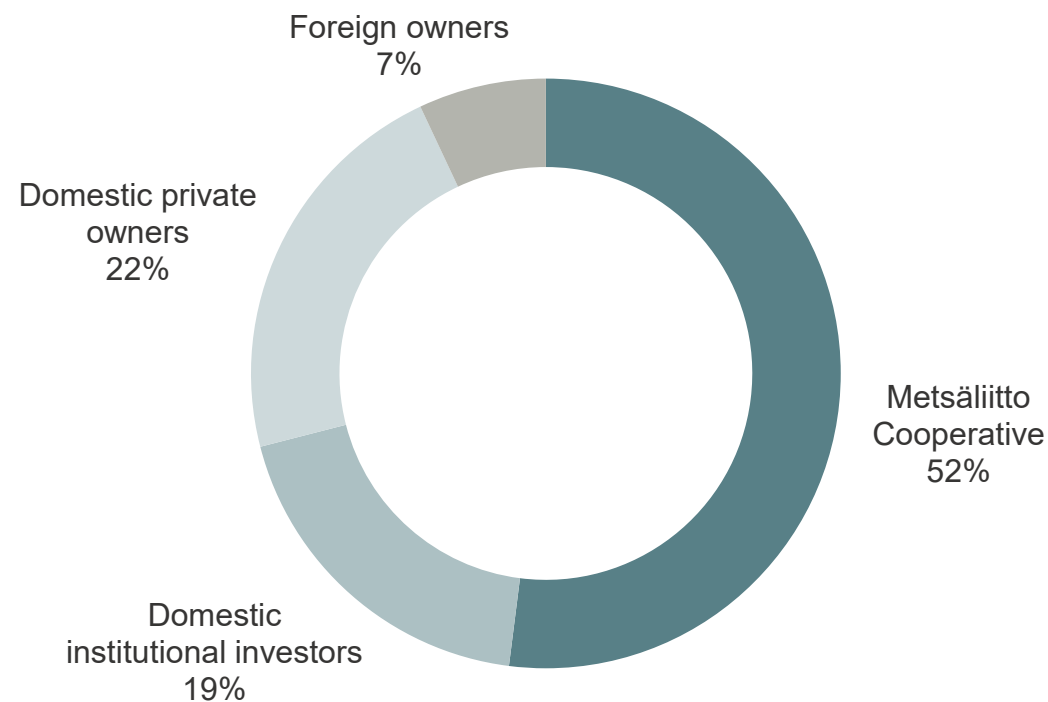
Metsä Board has over 70,000 shareholders, combined amount of A and B shares

Market cap and foreign owners

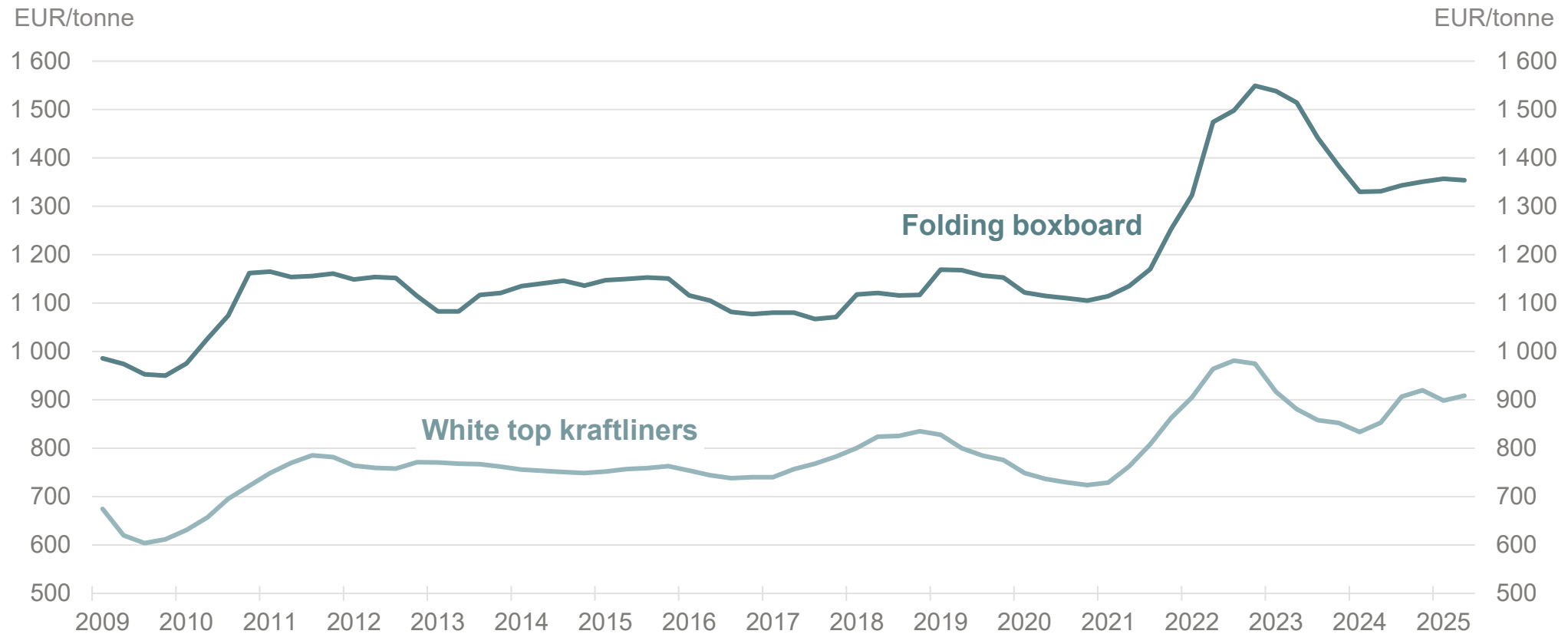


Ownership distribution

30 June 2025



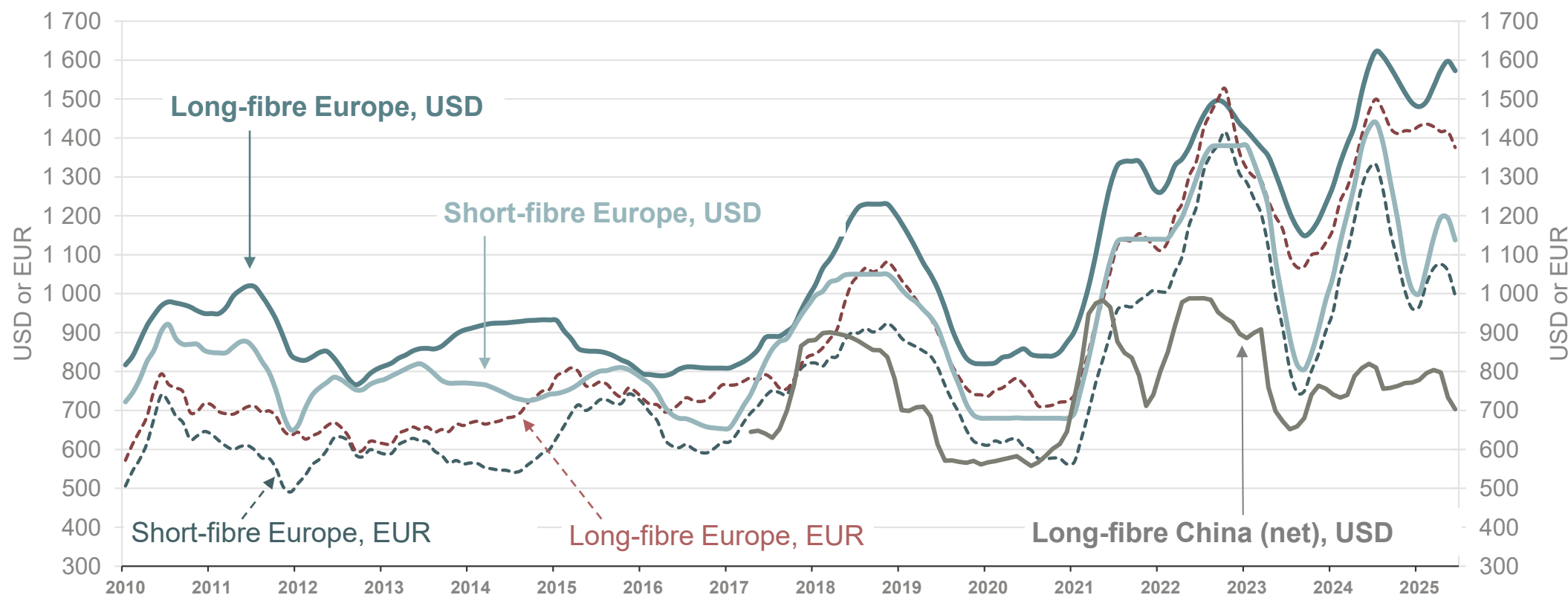
Price development of folding boxboard and white kraftliners in Europe



Sources: Fastmarkets RISI & Fastmarkets FOEX

Price development of pulp (PIX)

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

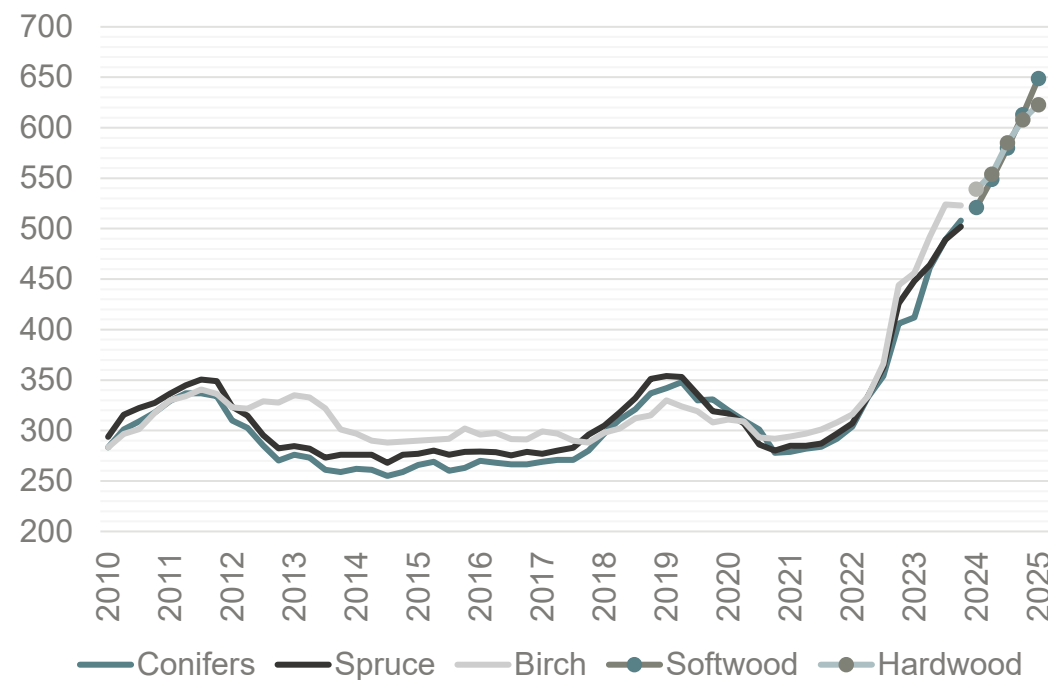


Price development of pulpwood in Finland and Sweden

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



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

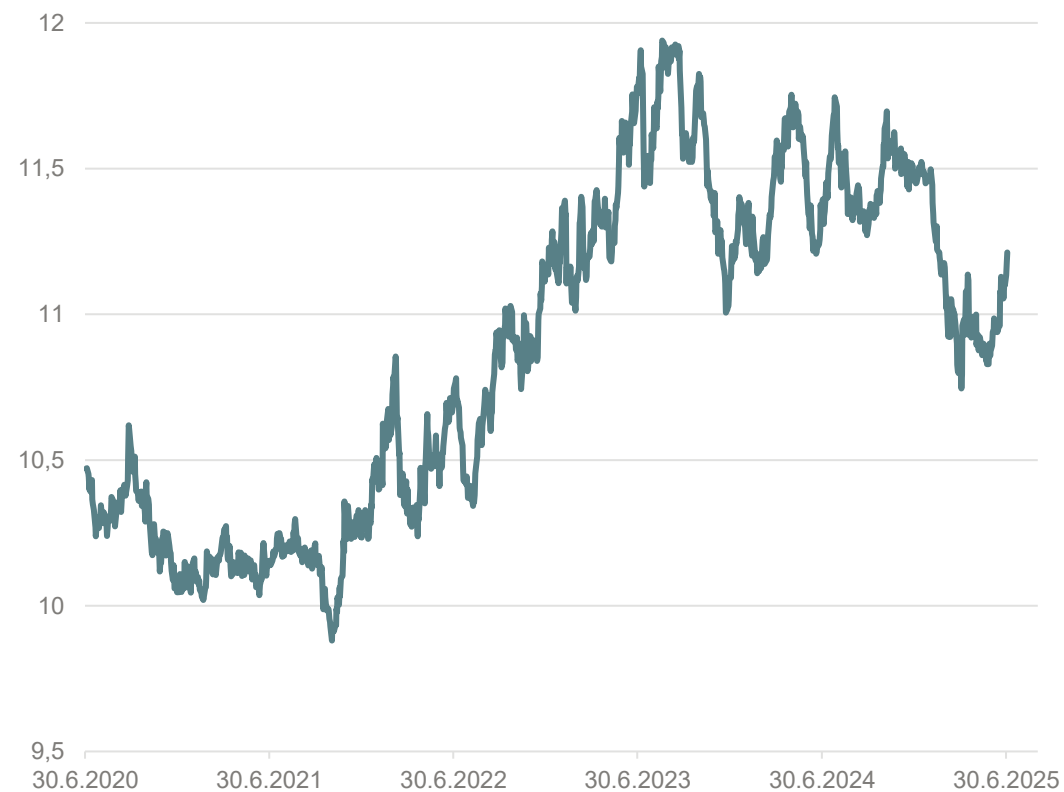


FX rates development: EUR/USD and EUR/SEK

EUR/USD



EUR/SEK





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