



**Metsä**

# Investor presentation January–September 2025

Metsä Board

*Mansion*

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# Investment highlights



## Focus on premium fresh fibre paperboards

- Recyclable and lightweight paperboards from renewable raw materials
- End-uses mainly in food and pharma
- Packaging materials providing an alternative to plastics



## A leading position in a growing market

- Metsä Board is #1 producer in folding boxboard and white kraftliners in Europe
- #1 in coated white kraftliners globally
- Diversified customer base with several long-term relationships



## High level ambition in ESG

- Helps customer to improve their sustainability performance
- Packaging materials that meet the requirements of tightened regulation. PPWR, EUDR
- Aiming for fossil-free production by 2030



## Recent investments in sustainable growth

- Large-scale investment cycle completed
- Continuous smaller improvements in competitiveness of mills and products
- Solid financial position

## Metsä Board is part of Metsä Group

Group structure ensures high availability of Nordic fibres and enhances Metsä Board's high self-sufficiency in pulp and energy

# Metsä Board is part of Metsä Group

Metsä Group's interest is to increase the value of the forest of owner-members by processing wood into valuable and sustainable end-products

All figures based on FY2024

## METSÄ GROUP

Sales EUR 5.7 billion | Operating margin: 3.5% | Personnel 9,000

Parent company: METSÄLIITTO COOPERATIVE

owned by over 90,000 Finnish forest-owners

### METSÄ FOREST

WOOD SUPPLY AND  
FOREST SERVICES

Sales EUR 2.4 bn  
Personnel 700

Holding:  
Metsäliitto Cooperative 100%

### METSÄ WOOD

WOOD PRODUCTS

Sales EUR 0.6 bn  
Personnel 1,700

Holding:  
Metsäliitto Cooperative 100%

### METSÄ FIBRE

PULP AND  
SAWN TIMBER

Sales EUR 2.3 bn  
Personnel 1,500

Holding:  
Metsäliitto Cooperative 50.1%  
Itochu Corporation 25.0%  
**Metsä Board 24.9%**

### METSÄ BOARD

PAPERBOARD

Sales EUR 1.9 bn  
Personnel 2,300

Holding:  
**Listed in Nasdaq Helsinki**  
Metsäliitto Cooperative 52%

### METSÄ TISSUE

TISSUE AND  
GREASEPROOF PAPERS

Sales EUR 1.2 bn  
Personnel 2,600

Holding:  
Metsäliitto Cooperative 100%

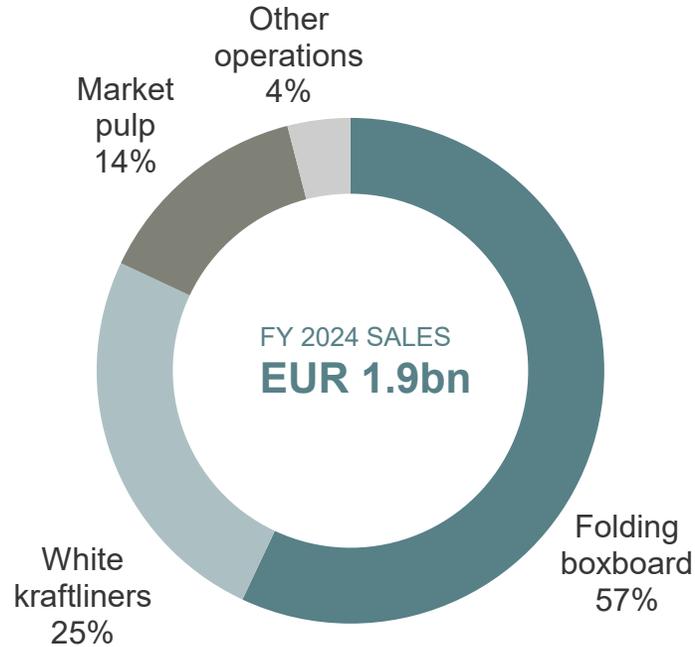
### METSÄ SPRING INNOVATION COMPANY

Metsä Spring invests and supports potential sustainable innovations and technologies that find new purposes and higher value for Nordic wood

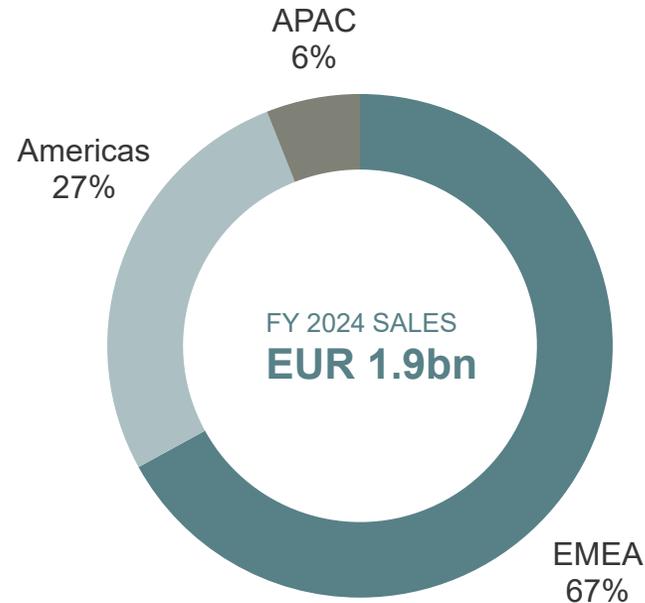


# Company in figures

## Sales split by product

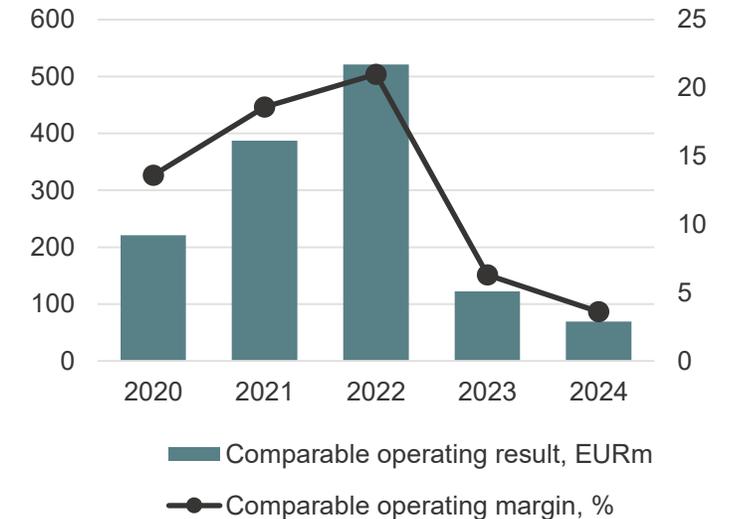


## Sales split by region



## Comparable operating result

FY2024: EUR 69 million or 3.6% of sales



## Long-term customerships

Diversified customer base in 100 countries including brand owners, converters, manufacturers of corrugated products and merchants

Paperboard capacity<sup>1)</sup>

**2.1 million**

tonnes/year

Pulp and BCTMP capacity

**1.7 million**

tonnes/year

Ownership in Metsä Fibre\*

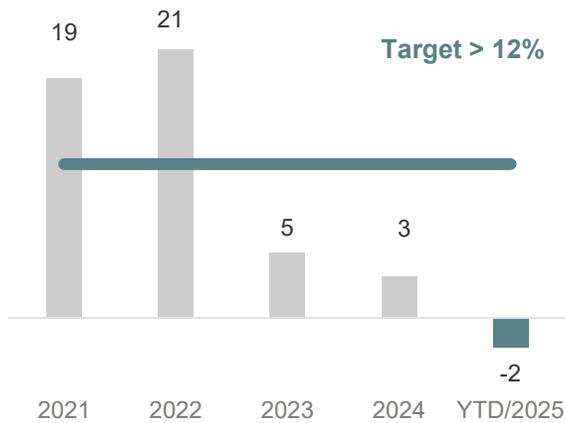
**24.9%**

secures self-sufficiency in pulp

<sup>1)</sup> Excluding capacity from the Tako mill 210,000 t/a. Including recent capacity additions in Kemi and Husum total 240,000 t/a, fully in the market in 2026

# Financial targets and dividend policy

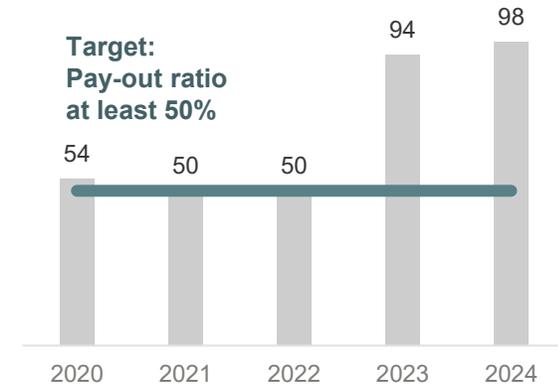
Comparable ROCE, %



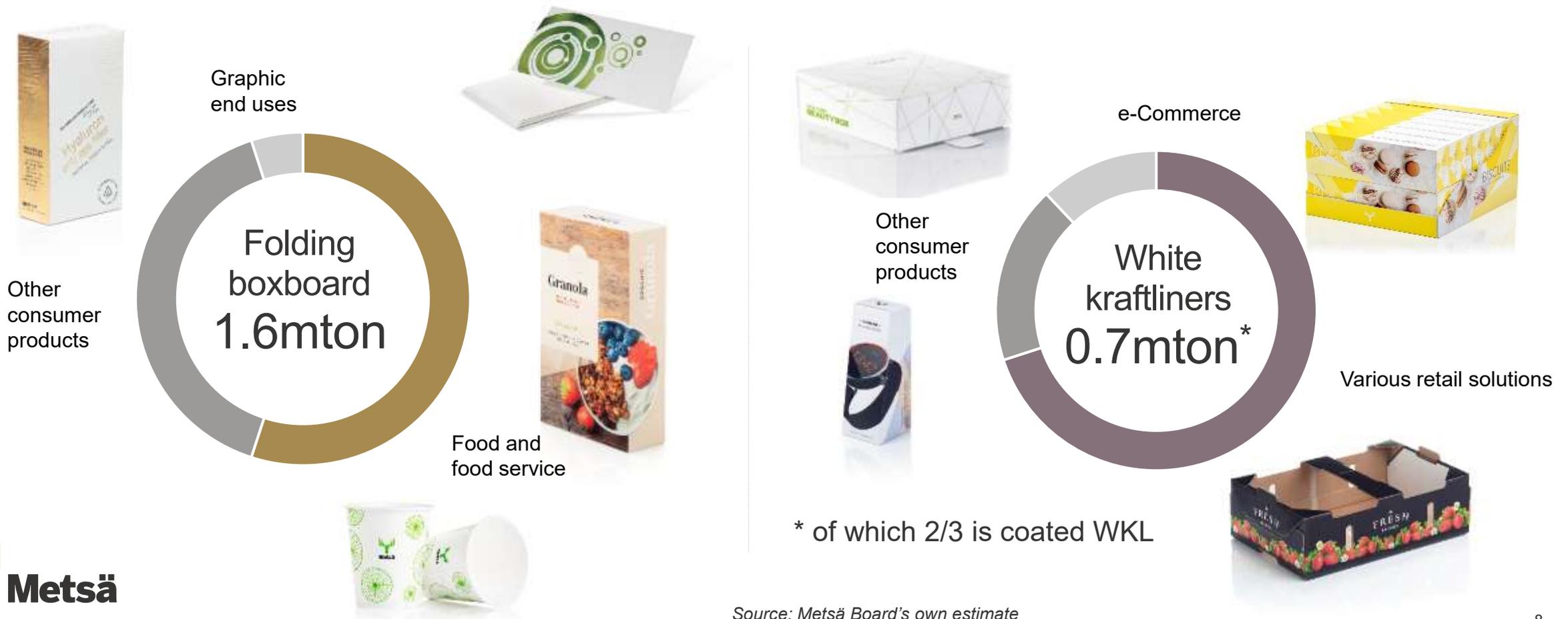
IB net debt/comparable EBITDA



Dividend policy  
Dividend/net result, %



# Focus on premium and recyclable fresh fibre paperboards, end-uses mainly in consumer products

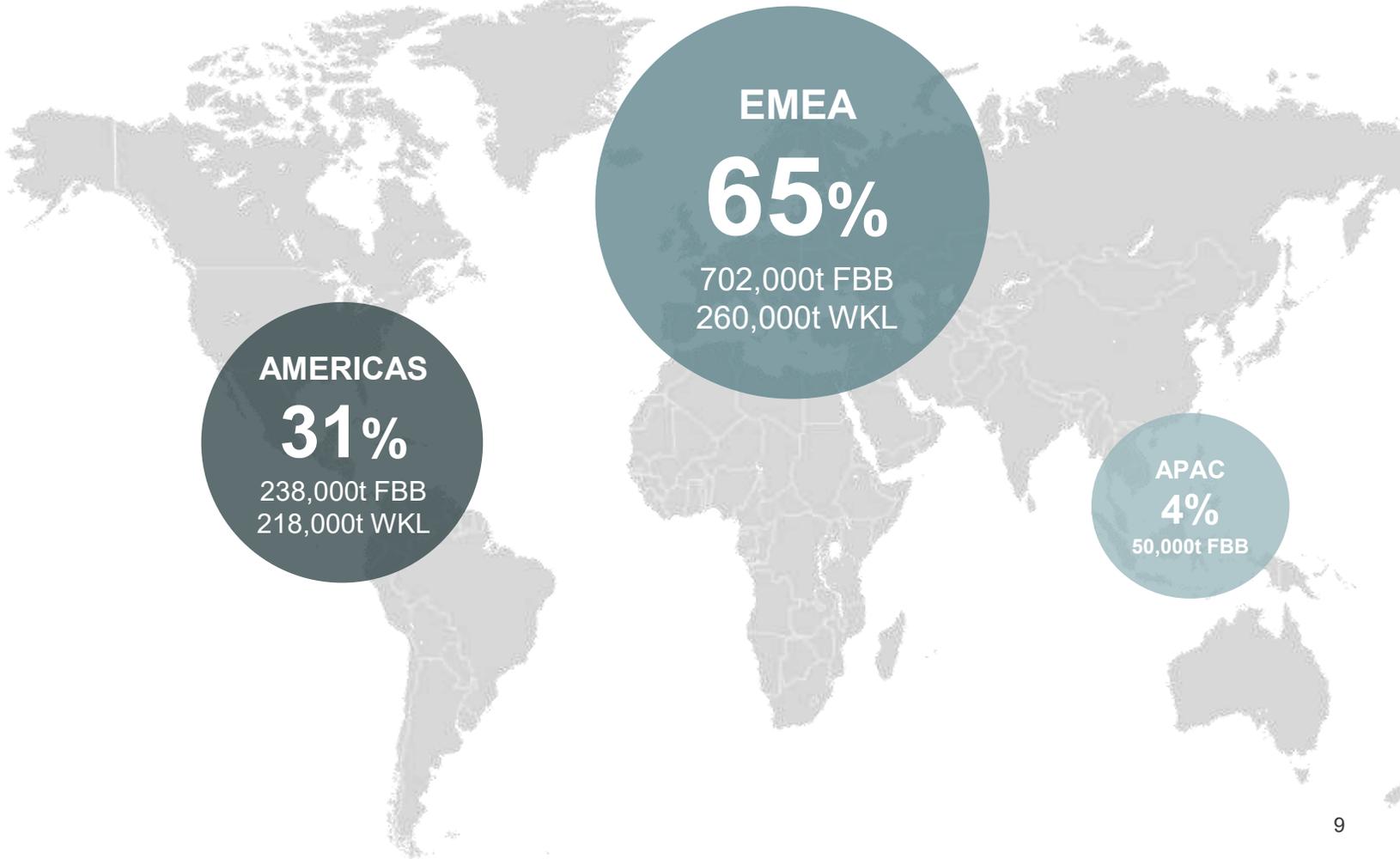


# Metsä Board's main markets are Europe and North America

Total paperboard deliveries in 2024 were 1.5 million tonnes (2023: 1.4mt)

## Regional focus on key demand drivers

- Further strengthening our leading market position in EUROPE**
- Environmental awareness and regulatory requirements support recyclable packaging materials
  - Trend towards material reduction and lightweighting favours folding boxboard
  - Food safety requirements favour pure fresh fibre paperboards
  - Weakened availability of high-quality recycled paper
- Continuing growth in NORTH AMERICA**
- Limited local availability of high-quality lightweight paperboards
  - Growth in sustainable packaging for food and food service
  - Product brand promotion and personalization in growing e-commerce
- Focus on high-quality packaging in selected end use segments in APAC**
- Middle class growth increases purchasing power and demand for packaged consumer goods



# Metsä Board's production is close to the main raw material – northern wood

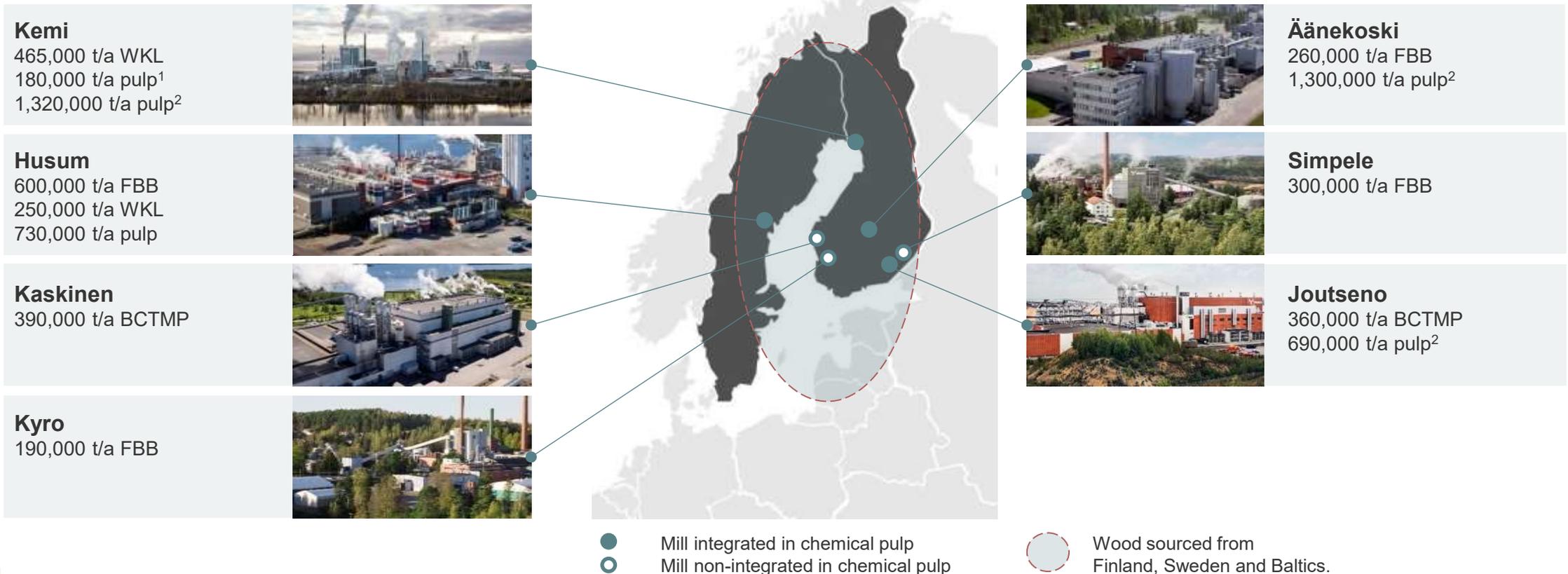
## Production units and annual capacities

### Total paperboard capacity:

Folding boxboard (FBB): 1,350,000 t/a  
White kraftliner (WKL): 715,000 t/a

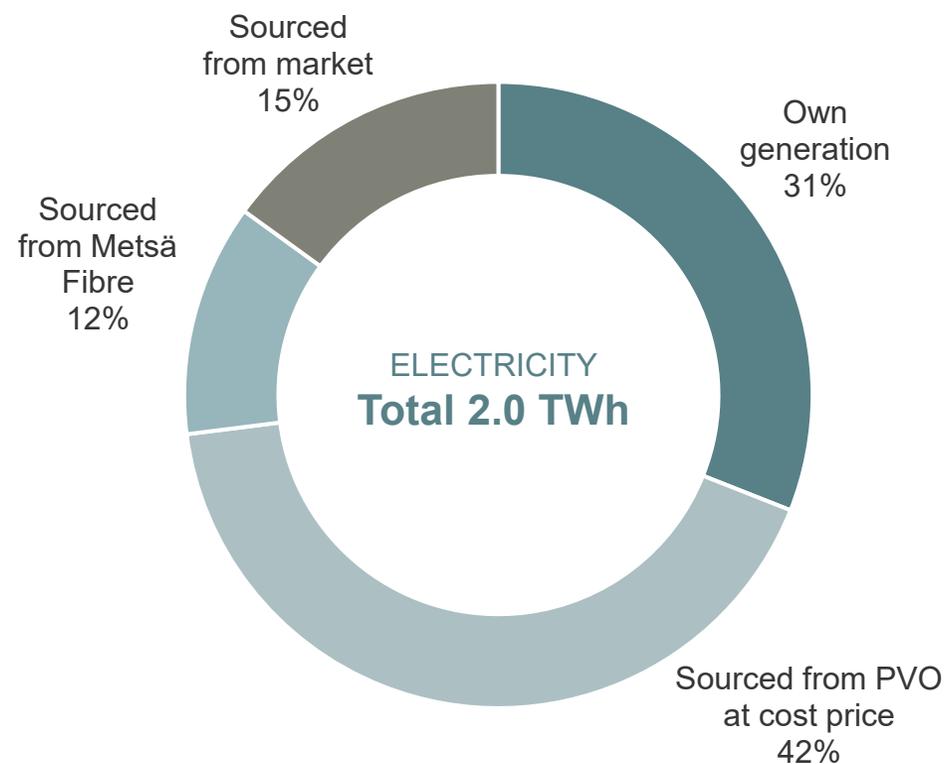
### Total pulp / BCTMP capacity:

BCTMP: 750,000 t/a  
Chemical pulp: 910,000 t/a  
24.9% ownership in Metsä Fibre, total pulp capacity ~4Mt

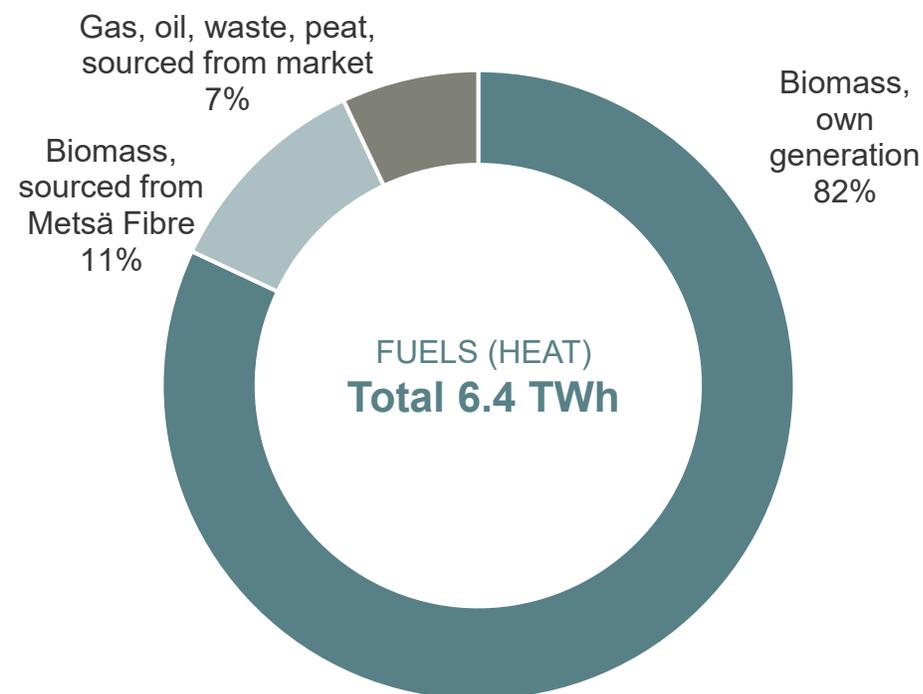


# Self-sufficiency in energy is 90%

Energy consumption by sourcing method



Based on GRI calculation



Based on primary energy calculation

# Self-sufficiency in pulp is secured through ownership of Metsä Fibre

## Metsä Fibre is globally #1 producer in softwood market pulp (NBSK)

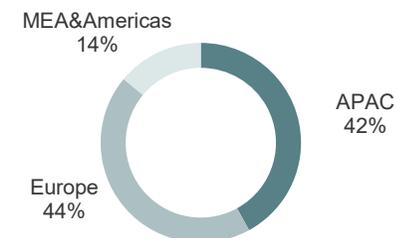
- Capacity ~4 million tonnes/year chemical pulp (80% SW, 20% HW)
- 2.1 million m<sup>3</sup>/year sawn timber (40% spruce, 60% pine)
- Self-sufficiency in electricity over 200% (total annual production capacity ~5 TWh)

## Metsä Board owns 24.9% of Metsä Fibre

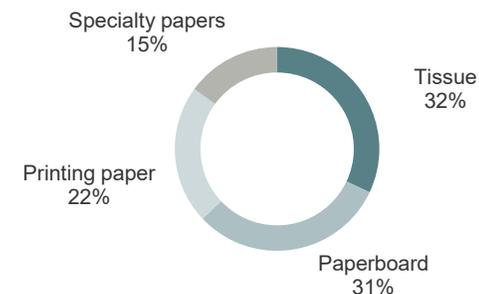
- Other owners Metsäliitto Cooperative 50.1% and Itochu Corporation 25.0%
- Metsä Board consolidates 24.9% of Metsä Fibre's net result into its EBITDA. The annual dividend by Metsä Fibre is typically paid at the end of Q1
- Taking into account the ownership in Metsä Fibre, +/- 10% change in market pulp price has an +/- EUR 50 million impact on Metsä Board's annual operating result



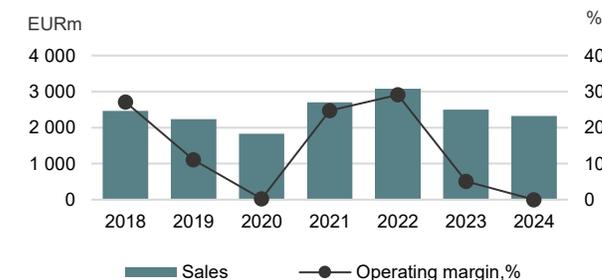
Metsä Fibre's pulp sales split by region 2024



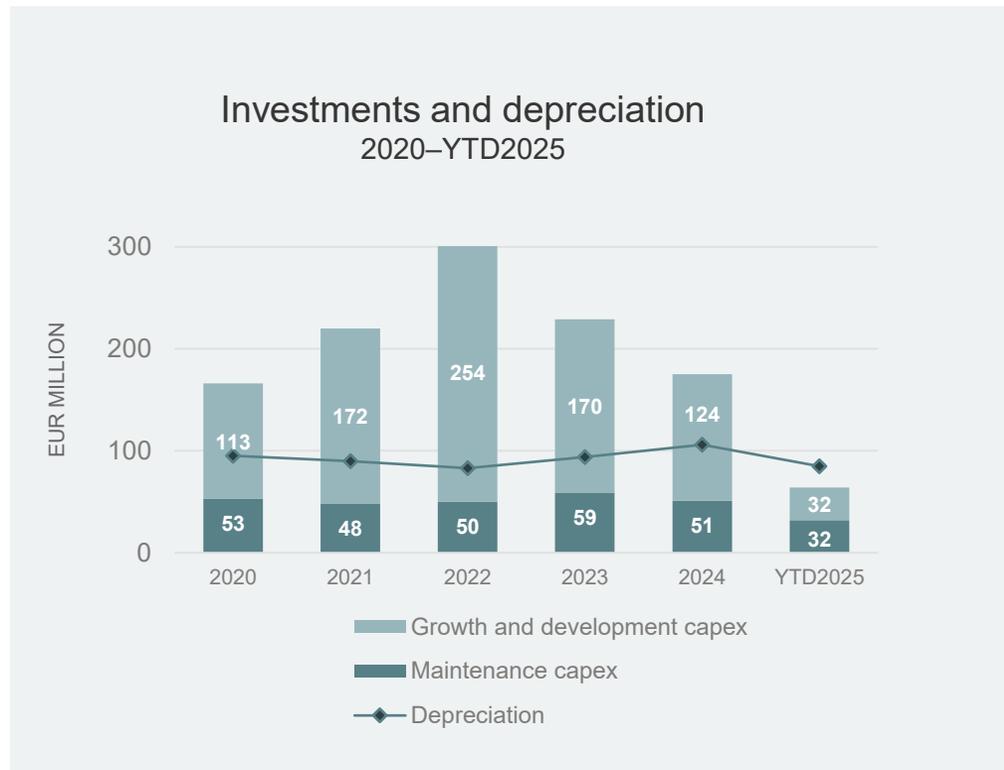
Metsä Fibre's pulp sales split by end-use 2024



Metsä Fibre's sales (EUR million) and operating margin (%)



# Major investments are now completed



*Note! Depreciation (excluding amortisation and impairments)  
e.g. does not include write-downs of Kaskinen pre-engineering (8m€) or Tako closure (19m€)*



## Year 2025

- Total YTD investments were EUR 64 million
- FY 2025 estimated investments roughly EUR 100 million, depreciation at the level of 2024
- Simple modernisation investment ~EUR 60 million completed

## Years 2026-2028, estimated

- No planned major investments
- Annual maintenance EUR 40–50 million
- Smaller mill specific investments possible to advance the 2030 fossil free target

## Investments in pre-engineering and ERP project

- Investments in pre-engineering have been discontinued, including new pulp drying machine at the Husum pulp mill, production conversion of BM2 at the Husum board mill and barrier boards upgrade at the Kyro board mill
- Metsä Group's ERP project, which also covers Metsä Board, has been suspended

# Investments for sustainable growth and improved competitiveness

COMPLETED BEFORE 2025

**Kemi development programme**  
EUR 110 million  
+40,000 t/a of coated WKL  
Investment completed in 09'23



**Husum FBB capacity expansion**  
EUR 230 million  
+200,000 t/a of FBB  
Investment completed in 11'23

COMPLETED IN 2025

**Simpele paperboard machine renewal**  
EUR 60 million



- New technology enhancing the quality and printability of MetsäBoard Classic FBB
- +10,000 t/a of FBB, total annual capacity after investment 310,000 t/a
- Main end uses in food and pharmaceutical packaging
- Mill reaching 98% fossil-free production



# Urbanisation and climate change are megatrends driving demand for fresh fibre paperboards



Population growth, urbanisation and rising living standards drive packaging



Regulation and consumer preferences favour fossil-free packaging materials



Brand owners' commitments to recyclable packaging and reduction of plastic

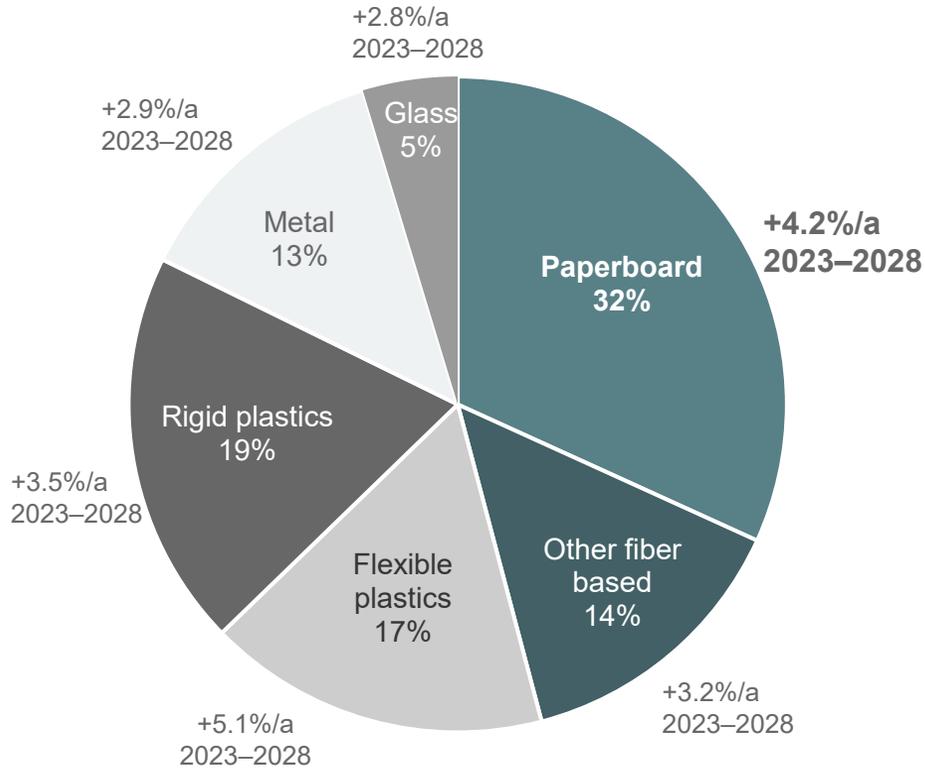


Availability of high-quality recycled fibre for de-inking is declining

# Global need for packaging is growing

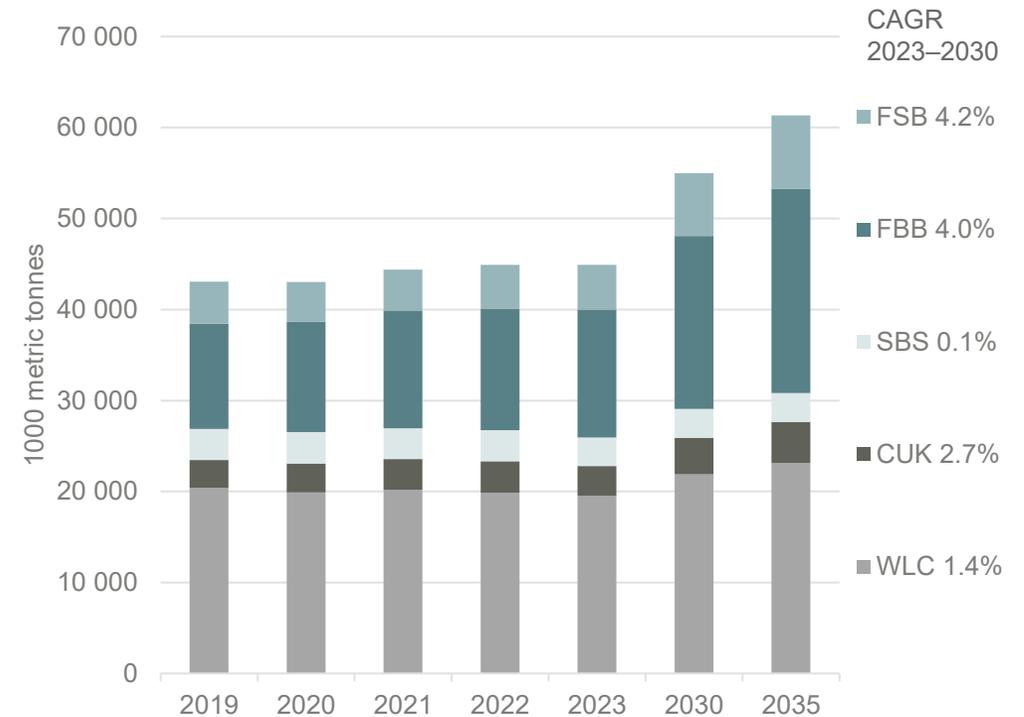
Global packaging market value is USD 1.175 billion and it is growing by 3.9% per year

## Paperboard is growing faster than all packaging materials on average



Source: Smithers Information Ltd

## Folding boxboard and foodservice board have fastest growth rates of all cartonboards



Source: Afry Management Consulting

# Cost structure and profit drivers



# Cost development and structure

## Q1–Q3'25 (vs Q1–Q3'24)

- Lower chemical costs, but higher wood and logistics costs
- More costs related to maintenance and investment shutdowns at mills
- Cost inflation, excluding pulp, 1%

## Year 2024 (2023)

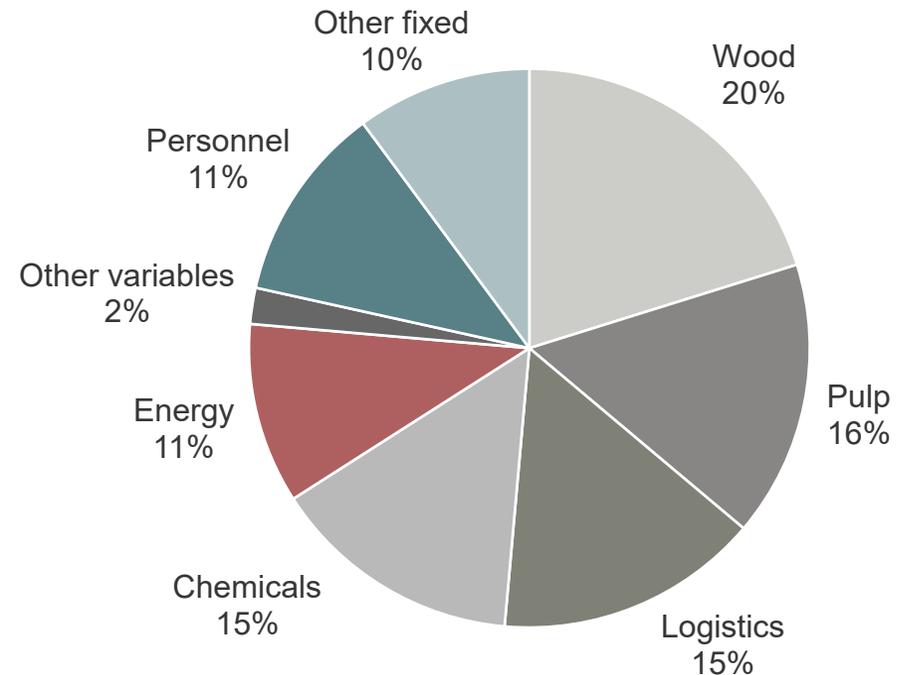
- Total costs EUR 1.8 billion (1.7)
- Cost deflation, excluding pulp, 1%
- Lower chemical and energy costs, higher wood, logistics and fixed costs

Wood price development on slide 32



## Metsä Board's cost structure in 2024

Total costs EUR 1.8 billion (1.7)



<sup>\*)</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%.

# Main profit drivers and sensitivities

Component	Unit	Change	Impact on EBIT, approximately
Folding boxboard	Price / tonne	+/- 10%	>EUR 100 million
White kraftliners	Price / tonne	+/- 10%	>EUR 50 million
FX <sup>1)</sup>	USD/EUR	+/- 10%	EUR 60 million
	SEK/EUR	+/- 10%	EUR 40 million
Pulp <sup>2)</sup>	PIX price of SW/HW per tonne	+/- 10%	EUR 50 million
Wood <sup>2)</sup>	Cost, delivered to Finnish mills	+/- 10%	EUR 50 million
	Cost, delivered to Husum	+/- 10%	EUR 20 million

<sup>1)</sup> strengthening (weakening) USD/EUR has positive (negative) EBIT impact  
weakening (strengthening) SEK/EUR has positive (negative) EBIT impact

<sup>2)</sup> sensitivities take into account Metsä Board's 24.9% stake in Metsä Fibre

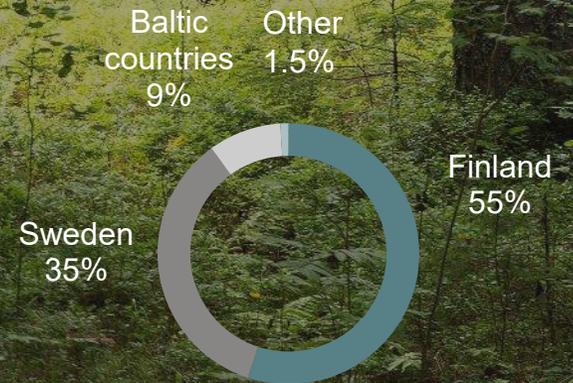
# Wood is the main raw material

## Wood usage

- In 2024, Metsä Board used<sup>1)</sup> 6.8 million m<sup>3</sup> wood for its products, of which 92% was certified (PEFC, FSC®)
- Wood<sup>1)</sup> represents roughly 30% of Metsä Board's total costs

## Wood supply

- Metsä Group is responsible for Metsä Board's wood sourcing
- Metsä Group's total annual wood sourcing is ~30 million m<sup>3</sup>
- Majority of wood sourced in Finland comes from the owner members of Metsäliitto Cooperative, roughly 90,000 private forest owners
- In Sweden Metsä Board has a long-term wood supply agreement with Norra Skog, a co-owner with a 30% stake in the Husum pulp mill



# Impacts of FX

- Impact, including hedges, actual
  - Q3 2025 vs Q3 2024: EUR +9 million
  - Q1–Q3'25 vs Q1–Q3'24: EUR 0
- Estimated impacts, including hedges
  - Q4'25: slightly negative
  - Q1'26: clearly negative

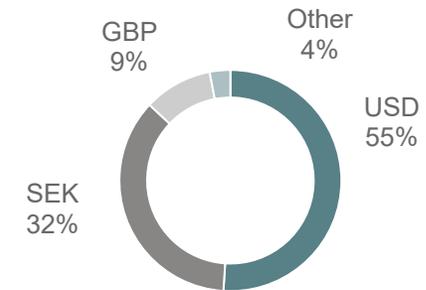
## Hedging policy:

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 7.6 months of the net foreign currency exposure was hedged.



Annual FX transaction exposure  
total EUR 1.1 billion



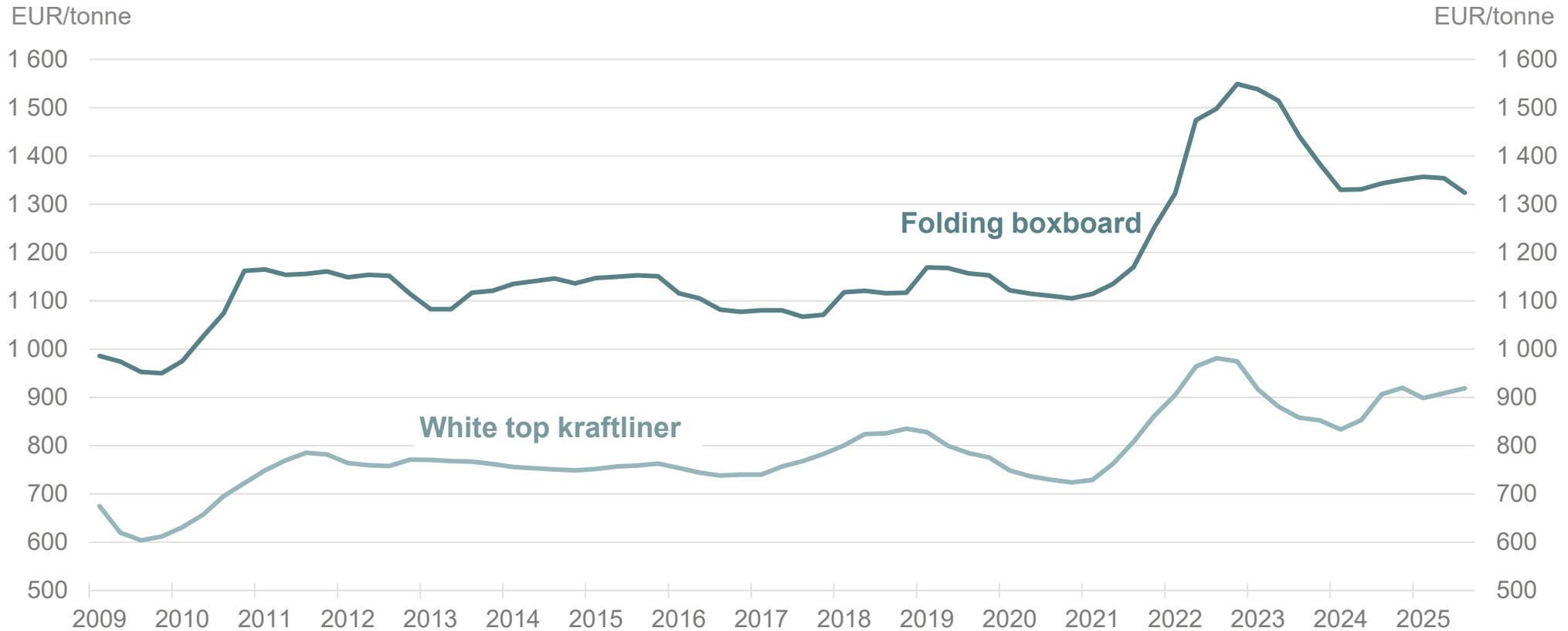
The foreign currency transaction exposure consists of foreign-currency-denominated sales and costs.

## 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 -40 million
GBP, £	EUR +10 million

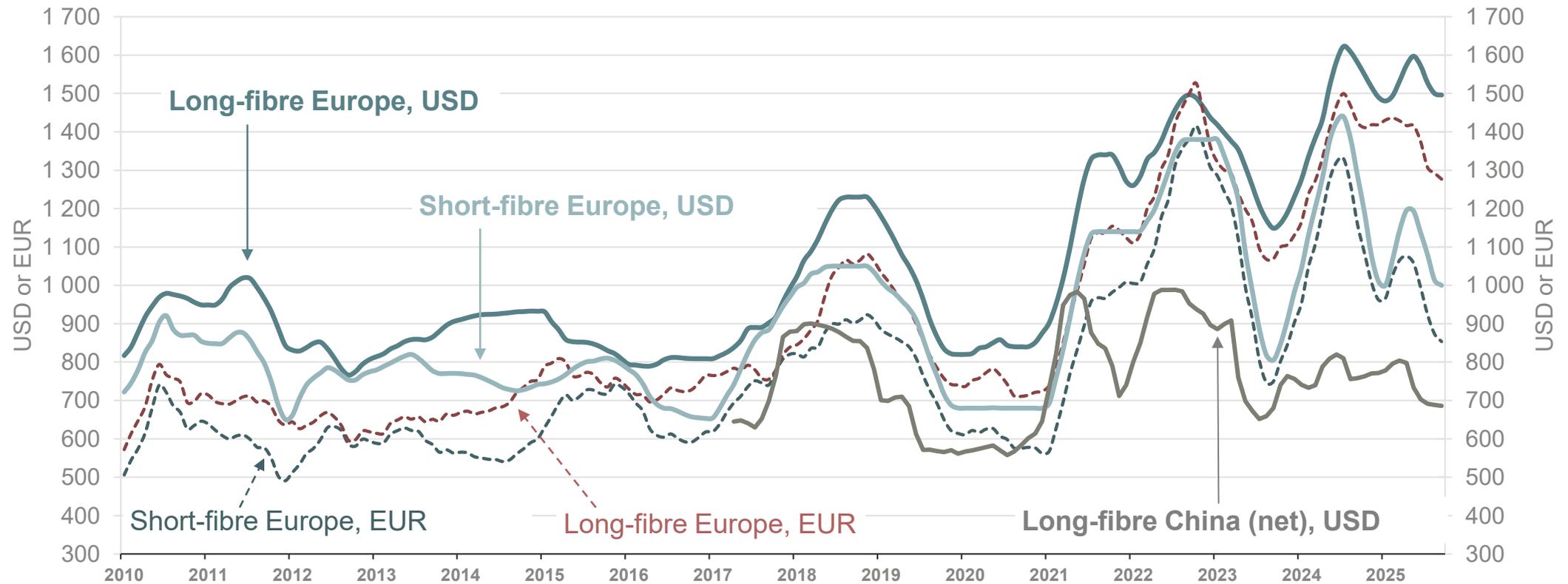
# Price development of folding boxboard and white kraftliner in Europe



Sources: Fastmarkets RISI & Fastmarkets FOEX

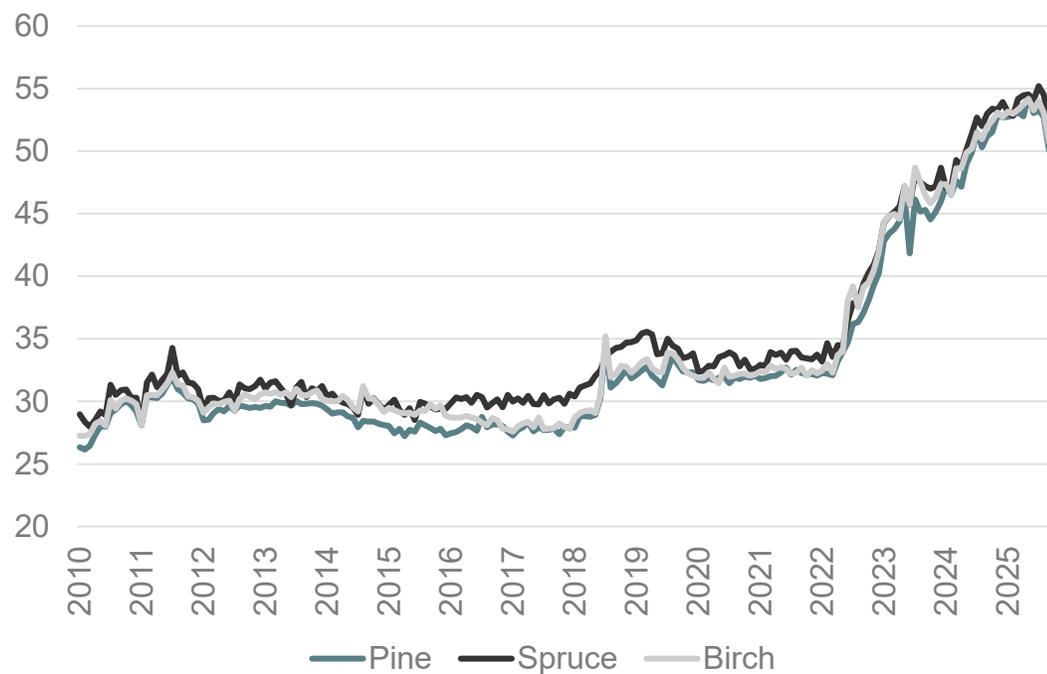
# Price development of pulp (PIX)

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

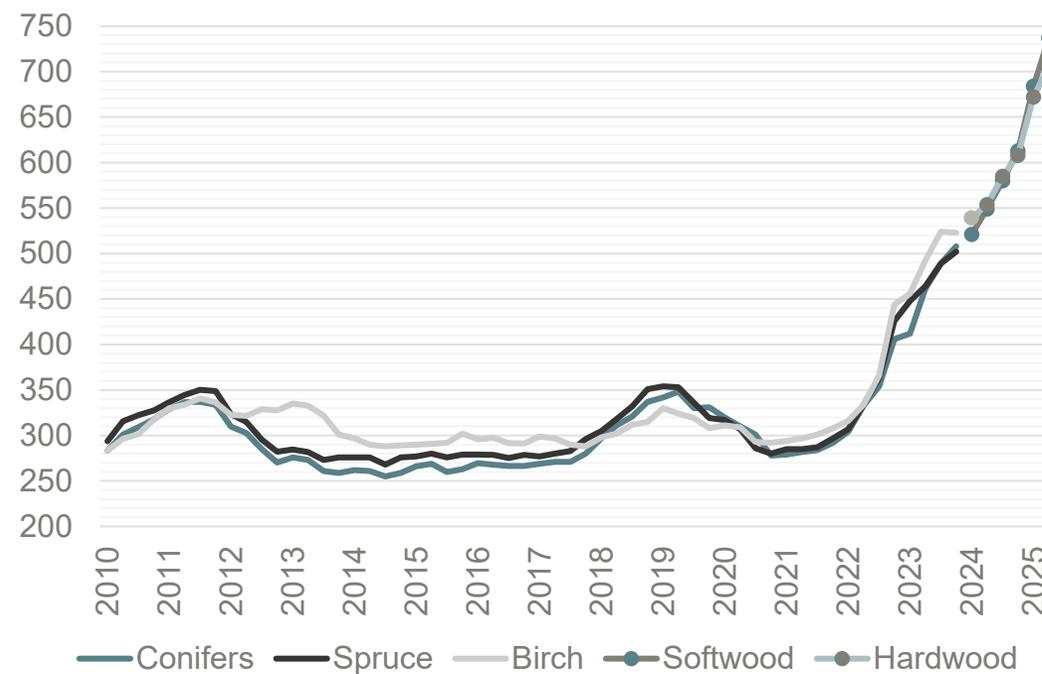


# Price development of pulpwood in Finland and Sweden

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) – updated as per Q3'25

[Sweden](#) – Skogsstyrelsen (The Swedish Forest Agency): Average delivery prices at roadside (SEK per cubic metre under bark) – updated as per Q2'25

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

## EUR/USD



## EUR/SEK



# Results for January–September 2025



IT'S ALL  
ABOUT FRESH  
INGREDIENTS

FRESH  
SALAD

# Key financials

		Q3'25	Q3'24	Change Q3'25 vs Q3'24	Q1–Q3'25	Q1–Q3'24	Change Q1–Q3'25 vs Q1–Q3'24	FY'24
Sales	EUR, m	441	499	-12%	1,382	1,493	-7%	1,939
EBITDA*	EUR, m	-18	66	-	39	150	-74%	175
Operating result*	EUR, m	-46	42	-	-45	73	-	69
% of sales*	%	-10.3	8.4	-	-3.3	4.9	-	3.6
Metsä Fibre's share of operating result*	EUR, m	-17	11	-	-20	-7	-	-10
Earnings per share	EUR	-0.11	0.08	-	-0.19	0.09	-	0.07
ROCE*	%	-7.1	7.3	-	-2.3	4.3	-	3.2
Total investments	EUR, m	29	67	-57%	64	120	-47%	175
Cash flow from operations	EUR, m	122	5	>100%	84	-12	-	38
IB net debt at end of period	EUR, m	338	348	-3%	338	348	-3%	345

\*comparable

# Negative result development highlights need for action

## Q3 2025 in brief

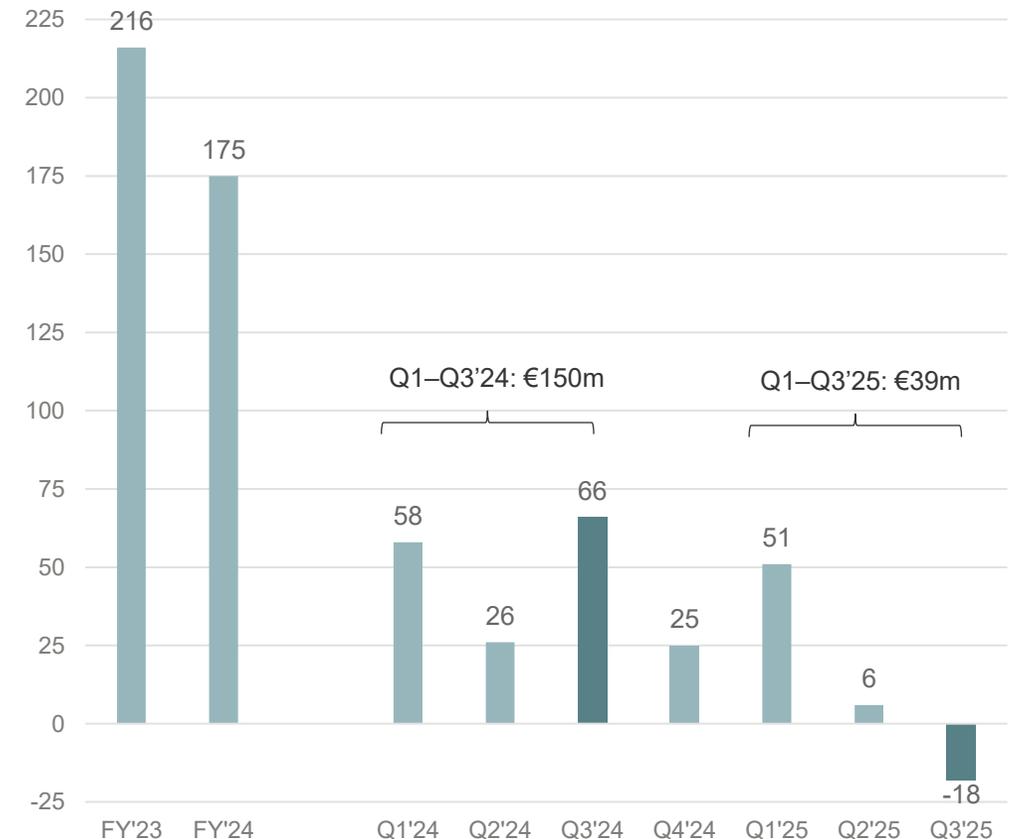
- Profitability hit by low pulp prices, major maintenance and investment shutdowns and market-driven production curtailments
- Paperboard deliveries decreased compared to Q2
- Transformation programme implementation started
- Cash flow improved significantly due to a substantial release of working capital

## After the review period

- Change negotiations initiated for all employees; potential reductions up to 315 positions, including 155 in Finland
- Simpele modernisation investment completed

## Comparable EBITDA

EUR million

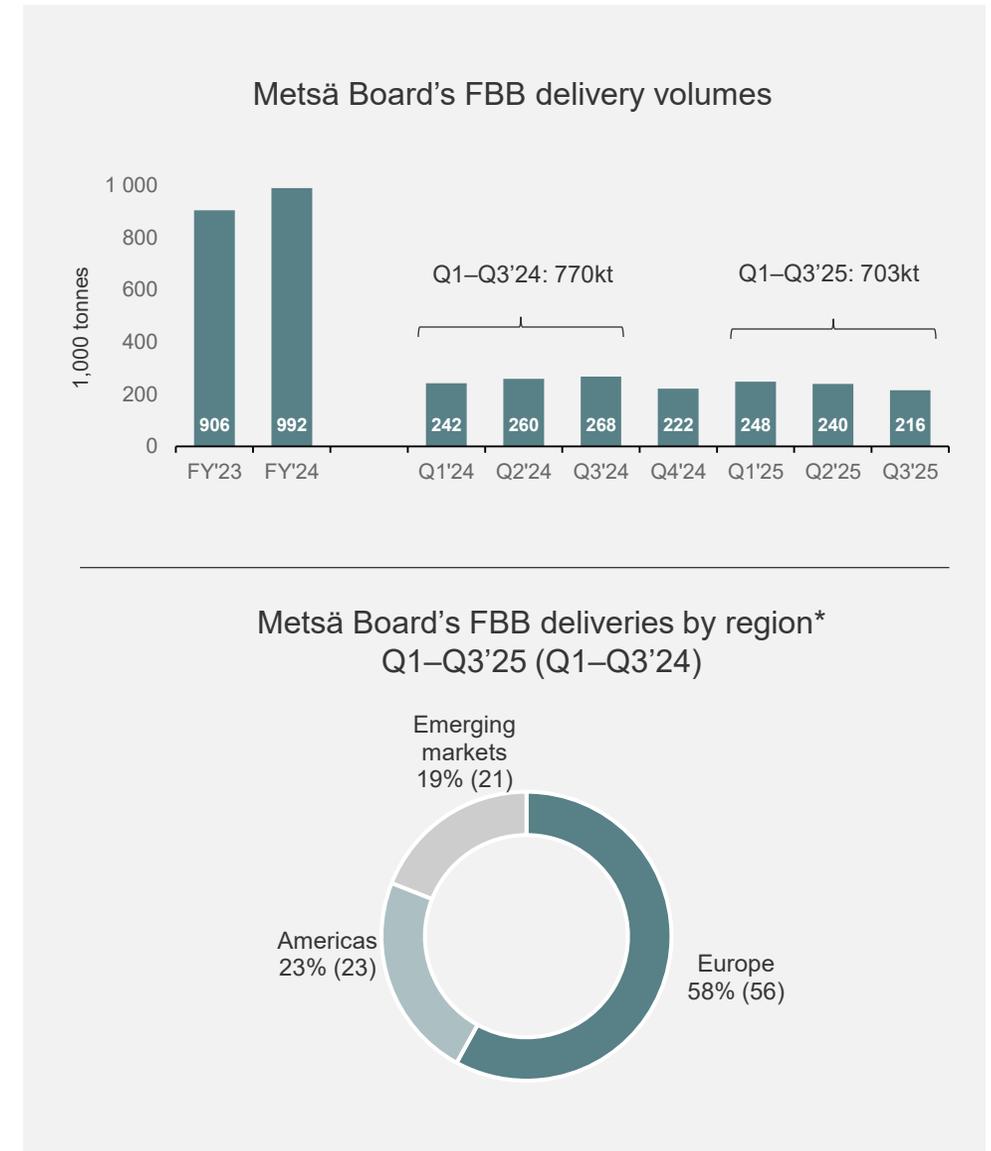


# Consumer board

57%  
of total sales  
in Q1–Q3'25

## Folding boxboard (FBB)

- In Europe, subdued demand and increased supply keep capacity utilization below long-term average
- In U.S., 15% import tariffs effective from early August
  - FBB can be replaced with heavier, locally available paperboard grades. Price increases intended to offset tariffs have only been partially achieved
  - Delivery volumes declined in spring and have not recovered
  - Main impact on the Husum integrated mill
- Volume and prices during Q1–Q3'25 vs Q1–Q3'24
  - Delivery volumes -9%
  - Average EUR prices remained stable



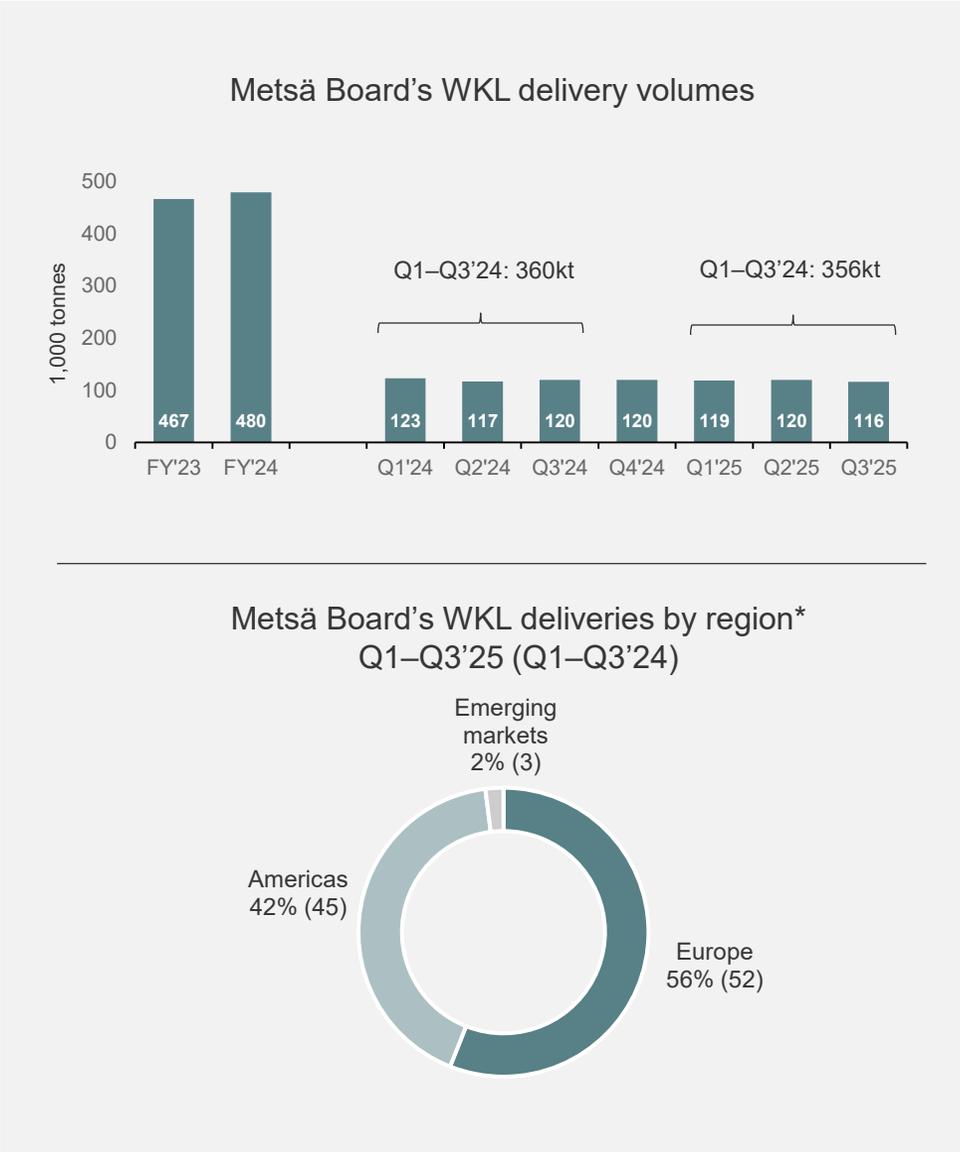
\*) Metsä Board has in Q3'25 updated its geographical reporting. Emerging markets include APAC and MEA regions, including Turkey. Comparable figures have been restated accordingly.

# Containerboard

25%  
of total sales  
in Q1–Q3'25

## White kraftliner (WKL)

- In Europe, stable but moderate demand for both coated and uncoated kraftliners
- In US, Metsä Board's sales focus is almost exclusively on coated white kraftliners
  - Coated WKL is difficult to substitute: Price increases to offset tariffs have been largely successful
- Volume and prices during Q1–Q3'25 vs Q1–Q3'24
  - Delivery volumes -1%
  - Average EUR prices remained stable



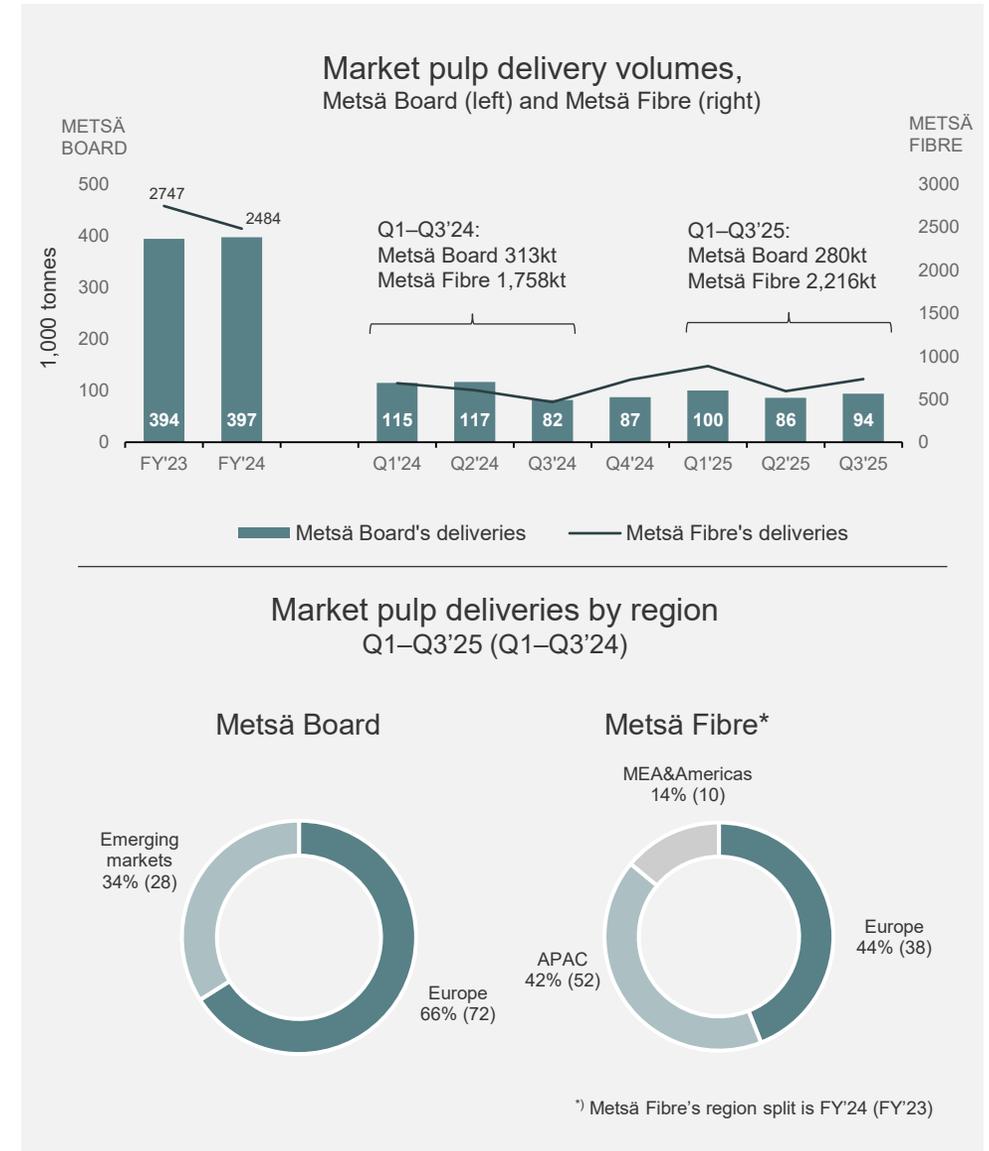
\*) Metsä Board has in Q3'25 updated its geographical reporting. Emerging markets include APAC and MEA regions, including Turkey. Comparable figures have been restated accordingly.

# Market pulp

12%  
of total sales<sup>1)</sup> in  
Q1–Q3'25

## Softwood pulp (NBSK)

- Weak consumer sentiment continues to dampen market pulp demand in Europe and China
- Removal of U.S. pulp import tariffs has slightly eased trade uncertainty
- NBSK prices remain depressed across all regions, with China nearing unsustainable levels for many producers
- Market-driven shutdowns at Metsä Board and Metsä Fibre mills reduced production volumes and lowered inventories
- Volume and prices during Q1–Q3'25 vs Q1–Q3'24
  - Metsä Board pulp deliveries -13%
  - Metsä Fibre<sup>2)</sup> pulp deliveries +26%
  - Price (PIX) development in NBSK in Europe +4% and China -4%

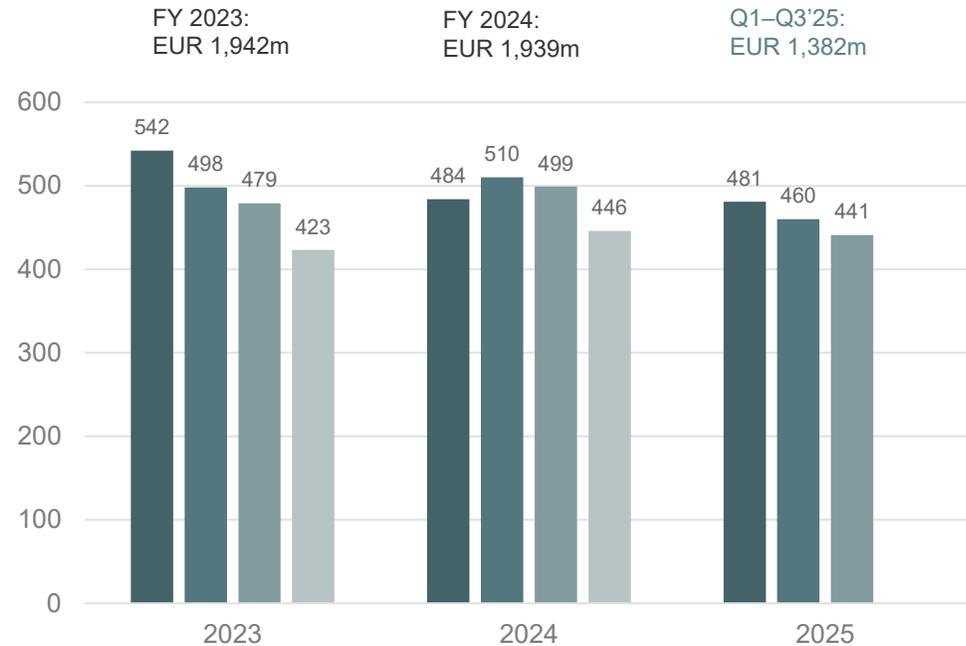


1) Metsä Board's sales, doesn't include Metsä Fibre

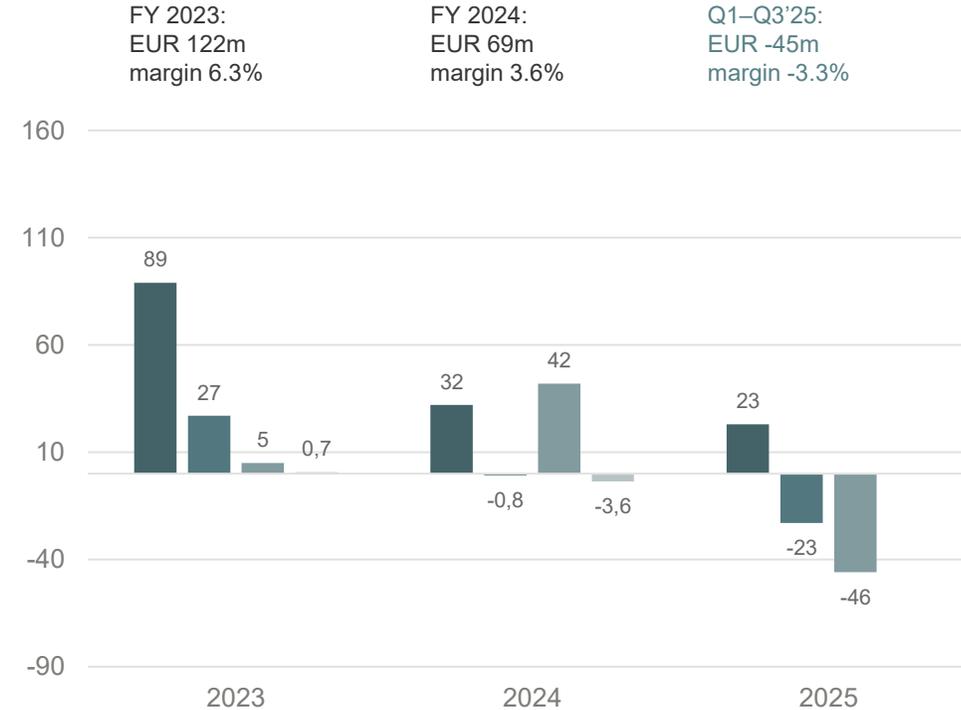
2) Metsä Board holds a 24.9% ownership in associated company Metsä Fibre. The company quarterly consolidates its share of Metsä Fibre's net result into its own EBITDA.

# YTD sales EUR 1.4 billion, profitability unsatisfactory

Sales, quarterly  
EUR million

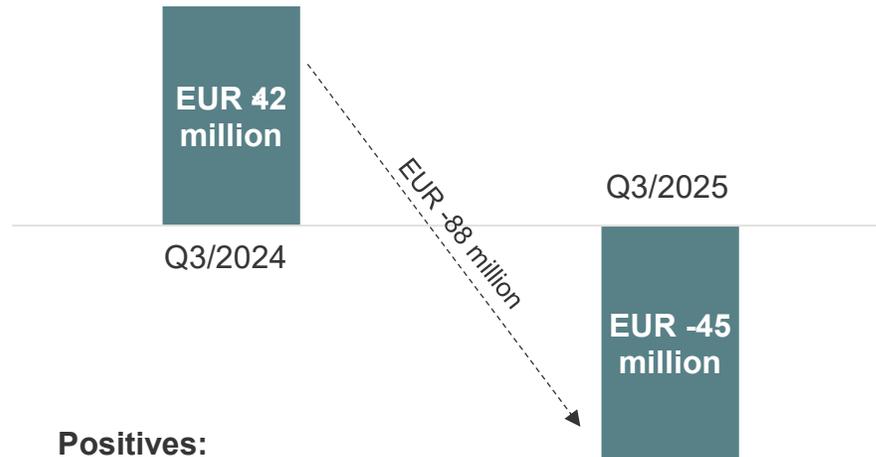


Comparable operating result, quarterly  
EUR million and % of sales



# Operating result comparison

## Q3 2024 vs Q3 2025



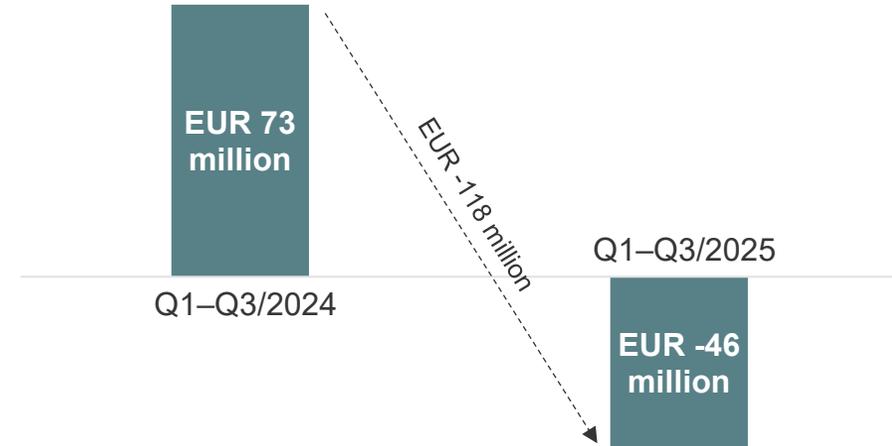
### Positives:

- ↗ FX impact including hedges

### Negatives:

- ↘ Lower market pulp prices
- ↘ Weaker result share from Metsä Fibre
- ↘ Lower paperboard delivery volumes
- ↘ Market-related production shutdowns
- ↘ Sale of unused emission rights

## Q1–Q3 2024 vs Q1–Q3 2025



### Positives:

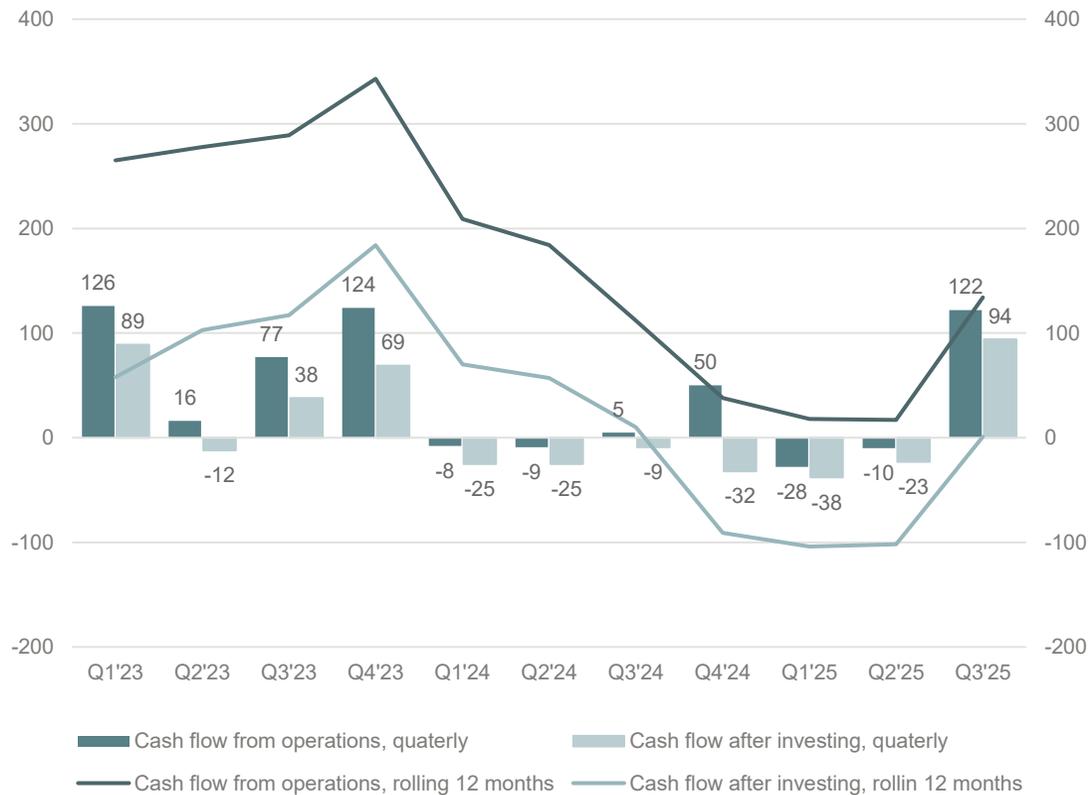
- ↗ Paperboard prices in local currencies
- ↗ Lower chemical costs

### Negatives:

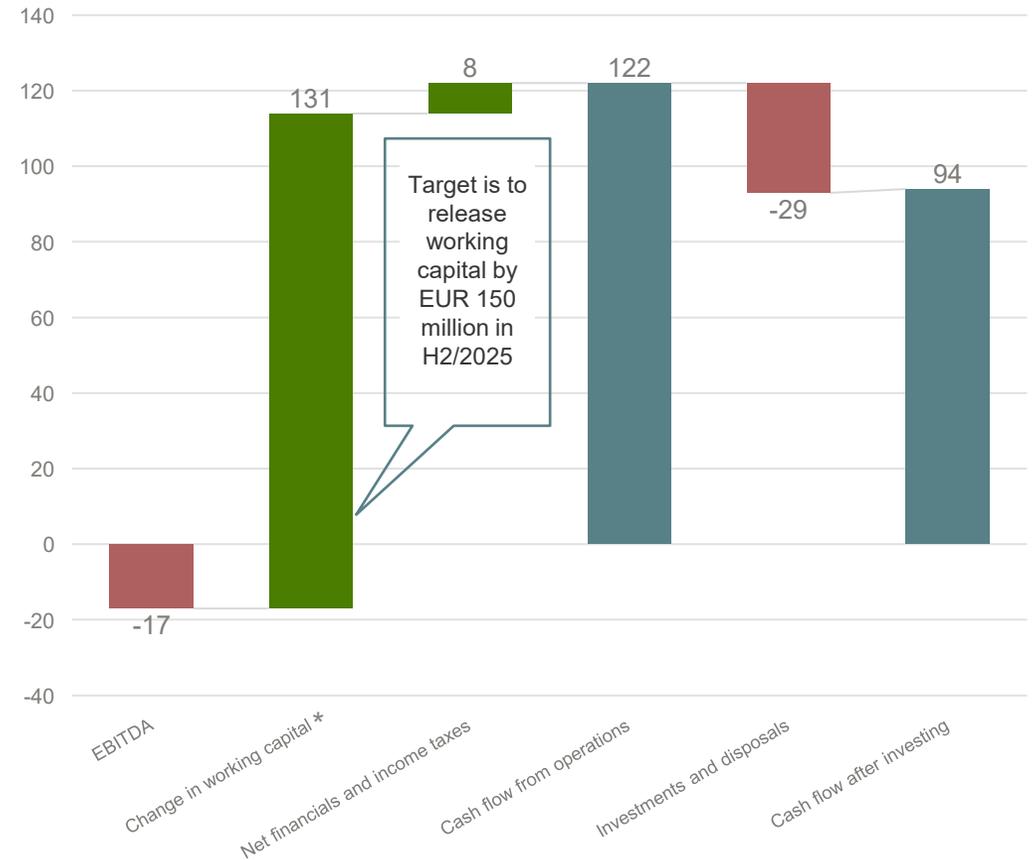
- ↘ Lower market pulp prices
- ↘ Weaker result share from Metsä Fibre
- ↘ Lower delivery volumes of paperboard and pulp
- ↘ Market-related production shutdowns
- ↘ Higher wood and logistics costs
- ↘ Higher maintenance costs and depreciation
- ↘ Sale of unused emission rights

# Cash flow enhanced through inventory optimisation

Cash flow from operations and after investing, EUR million



Q3 2025 cash flow break-down EUR million



Dividend received from Metsä Fibre is included in cash flow from operations:  
Q1'23: €83m, Q1'24: €10m, Q1'25: €0

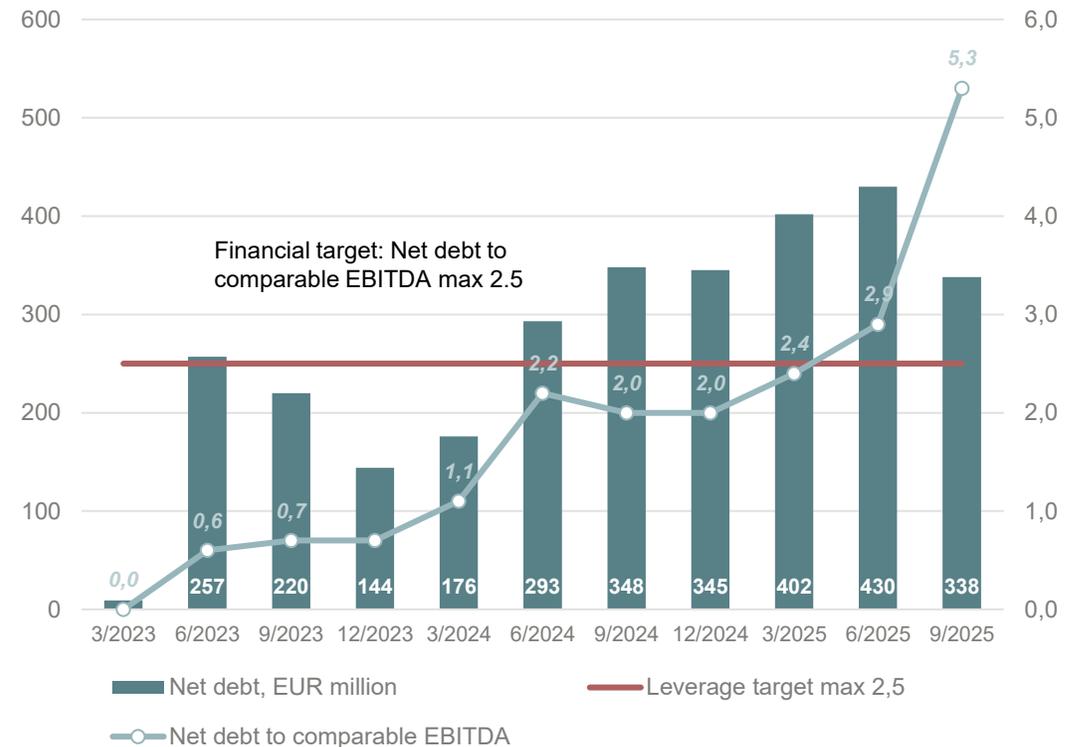
\*) In addition to operational NWC +EUR 120m, includes change in other NWC EUR +10million

# Solid financial standing despite leverage growth – Net debt decreased

## September 2025

- Total interest-bearing debt was EUR 551 million, and net debt was EUR 338 million – clearly down from H1'25 levels
- Liquidity totals EUR 413 million: Liquid assets and investments EUR 213 million and unused RCF EUR 200 million – after the review period RCF renewed with new EUR 250 million sustainability-linked facility
- Metsä Board holds IG ratings from Moody's and S&P
- The elevated leverage level is largely driven by weak profitability

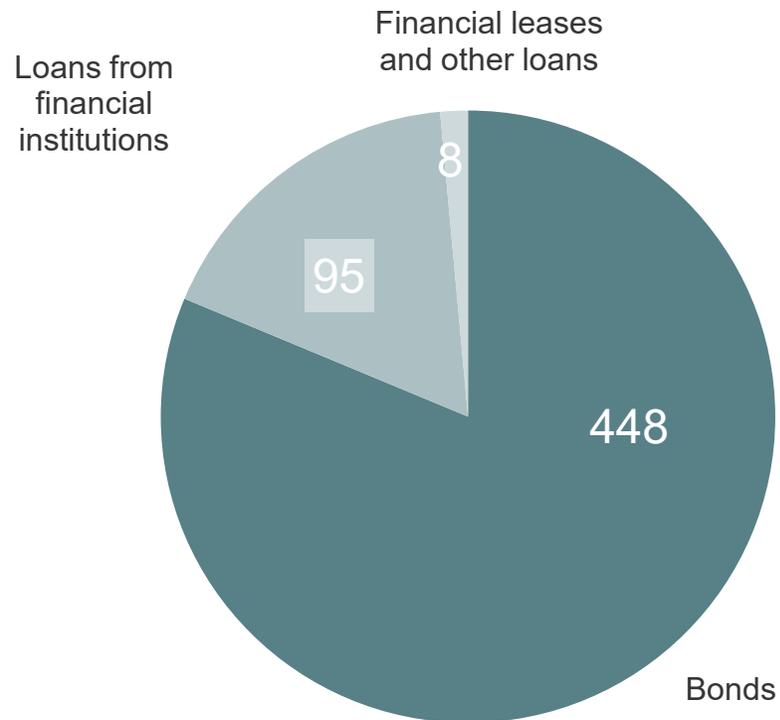
Net debt, MEUR and leverage



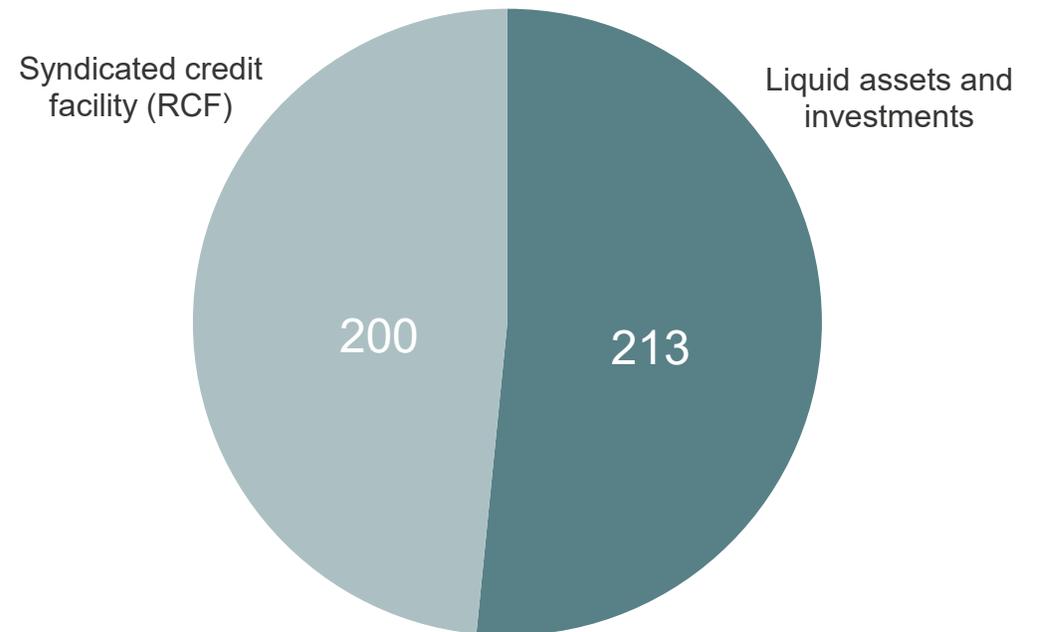
# Interest-bearing debt and liquidity

30 September 2025

Interest-bearing debt  
EUR 551 million



Liquidity  
EUR 413 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**

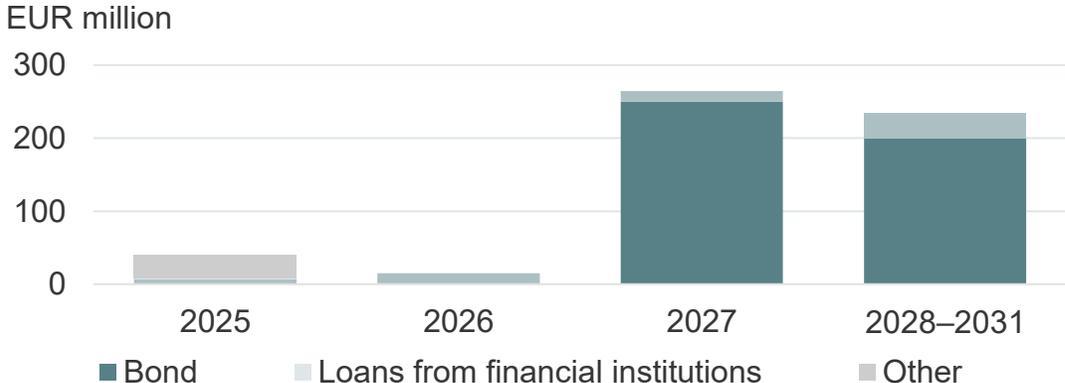
# Debt maturity and credit ratings

## 30 September 2025

- Total interest-bearing debt was EUR 551 million, and net debt was EUR 338 million
- The average interest rate on loans at the end of the review period was 2.9%, and the average maturity of long-term loans was 3.3 years
- Net financial costs, including foreign exchange differences, were:
  - Q1–Q3'25: EUR -11.5 million
  - FY'24: EUR -10.8 million

## Maturity of interest-bearing debt

Total EUR 551 million



## Metsä Board’s credit ratings are *investment grade*

Rating agency	Rating and outlook	Last update on rating
S&P Global	BBB-/negative	Aug 25
Moody’s Investor Services	Baa3/stable	Aug 25



# Outlook

## Trends in operating environment, 3-6 months

### Paperboard

- Weak consumer sentiment and U.S tariffs weaken the predictability of sales development
- Overcapacity in Europe adding pressure to the market, demand expected to remain weak in North-America

### Pulp

- Global pulp demand remains stagnant
- In Europe, production is restricted by high raw material costs and weakening USD

### Costs

- Lower wood costs in Finland and Sweden are expected to support profitability from 2026 onwards

### FX

- Including hedges, small negative impact in Q4'25, clearly negative impact in Q1'26

## Metsä Board specific outlook for Q4'25 (compared to Q3'25)

- Cash flow-based steering continues; market-driven production curtailments expected to keep weighing on profitability, especially in Husum
- Operating cash flow expected to remain positive. EUR 120 million working capital release achieved out of targeted EUR 150 million
- Paperboard delivery volumes expected to decline due to seasonality
- Less planned maintenance. Simple ramp-up may involve production uncertainty
- Employee costs will seasonally be higher
- Possible final insurance compensations from Kemi bioproduct mill accidents in 2024 may be recorded in Q4

# 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.

Challenging market situation demands new thinking



Consumers' cautious purchasing behaviour



Intensified competition



Geopolitical instability and US tariffs



High wood raw material costs



Committed and highly skilled personnel

Long-term customer relationships

Premium paperboards built on deep expertise

A high level of sustainability supported by a unique value chain

## Leveraging our core strengths



# Strategic direction remains, now focus on cash flow and profitability improvement

## STRATEGIC DIRECTION

Growth in fresh fibre-based packaging

Work started to update strategy – Plan to provide an update during Q1 2026

## COST SAVINGS AND PROFITABILITY IMPROVEMENT PROGRAMME

Targeted EUR 200 million annual EBITDA run-rate increase by end of 2027

Targeted EUR 150 million release in working capital

# Cost savings and profit improvement programme underway

“FIT FOR THE FUTURE”

Cash release

- Inventory reduction through tighter commercial steering and inventory planning
- Optimization of payables and receivables

EUR 150 million release in working capital  
*During H2 2025*

Personnel costs

- Up to 315 FTE reduction planned in whole Metsä Board
- Further savings potential through Metsä Group’s planned FTE reductions

Procurement

- Logistics cost reduction through route and mode optimization
- External spend cuts, e.g. in maintenance and ICT
- Price negotiations and value engineering

Mill productivity

- Recipe optimization, e.g. pulp and chemicals use
- Complexity reduction to improve OEE
- Energy efficiency improvements

Commercial excellence

- Focused growth in food, foodservice, healthcare, and strongest growing brand segments
- Value-focused commercial steering and pricing coherence
- Regain share in core regions: Europe and North America

EUR 200 million annual EBITDA run-rate increase\* by end of 2027

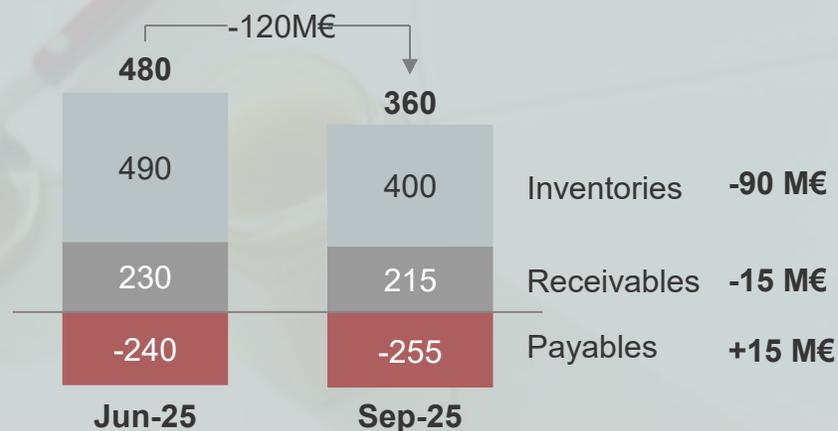
*Full P&L impact by the end of 2028*

“ENSURE PROFITABLE GROWTH”

\*) The annual reference level for cost savings is based on the average cost structure during H2/2024–H1/2025. Profitability improvement is measured by annualised EBITDA, based on actual figures from Q2 and Q3 of 2025.

# Strong performance in working capital release and cash flow improvement in Q3'25

## Operating net working capital, MEUR



### Net working capital release in Q3'25 was mainly driven by

- production curtailments and
- financing arrangements related to payment terms for accounts payable

Further potential from stronger commercial steering

## Cash flow from operations and after investments, MEUR

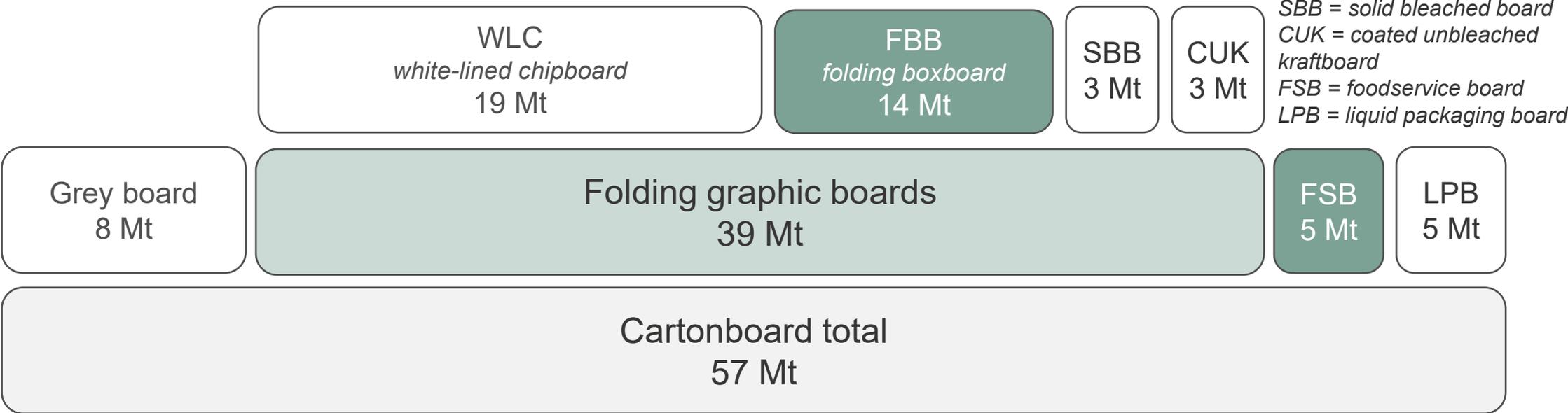
	FY 2024	Q1/25	Q2/25	Q3/25
<b>EBITDA</b>	<b>176</b>	<b>44</b>	<b>7</b>	<b>-17</b>
Adjustments, net financials and income taxes	-41	-10	-1	8
Change in NWC	-96	-62	-16	131 <sup>1)</sup>
<b>CASH FLOW FROM OPERATIONS</b>	<b>38</b>	<b>-28</b>	<b>-10</b>	<b>122</b>
Investments and disposals	-130	-7	-15	-28
<b>CASH FLOW AFTER INVESTING</b>	<b>-92</b>	<b>-35</b>	<b>-25</b>	<b>94</b>

<sup>1)</sup> including 11 MEUR other NWC release

# Operating environment and impacts from regulation

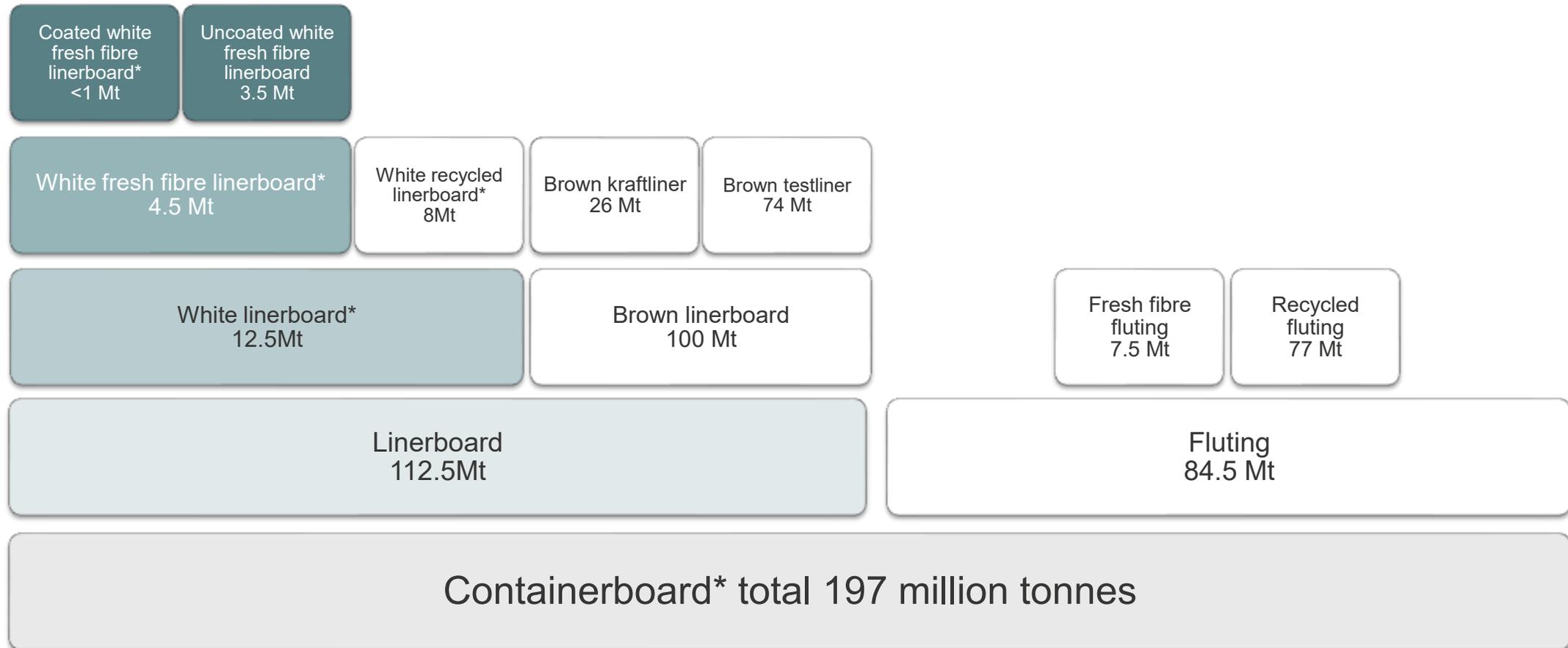


# Global annual demand for cartonboards

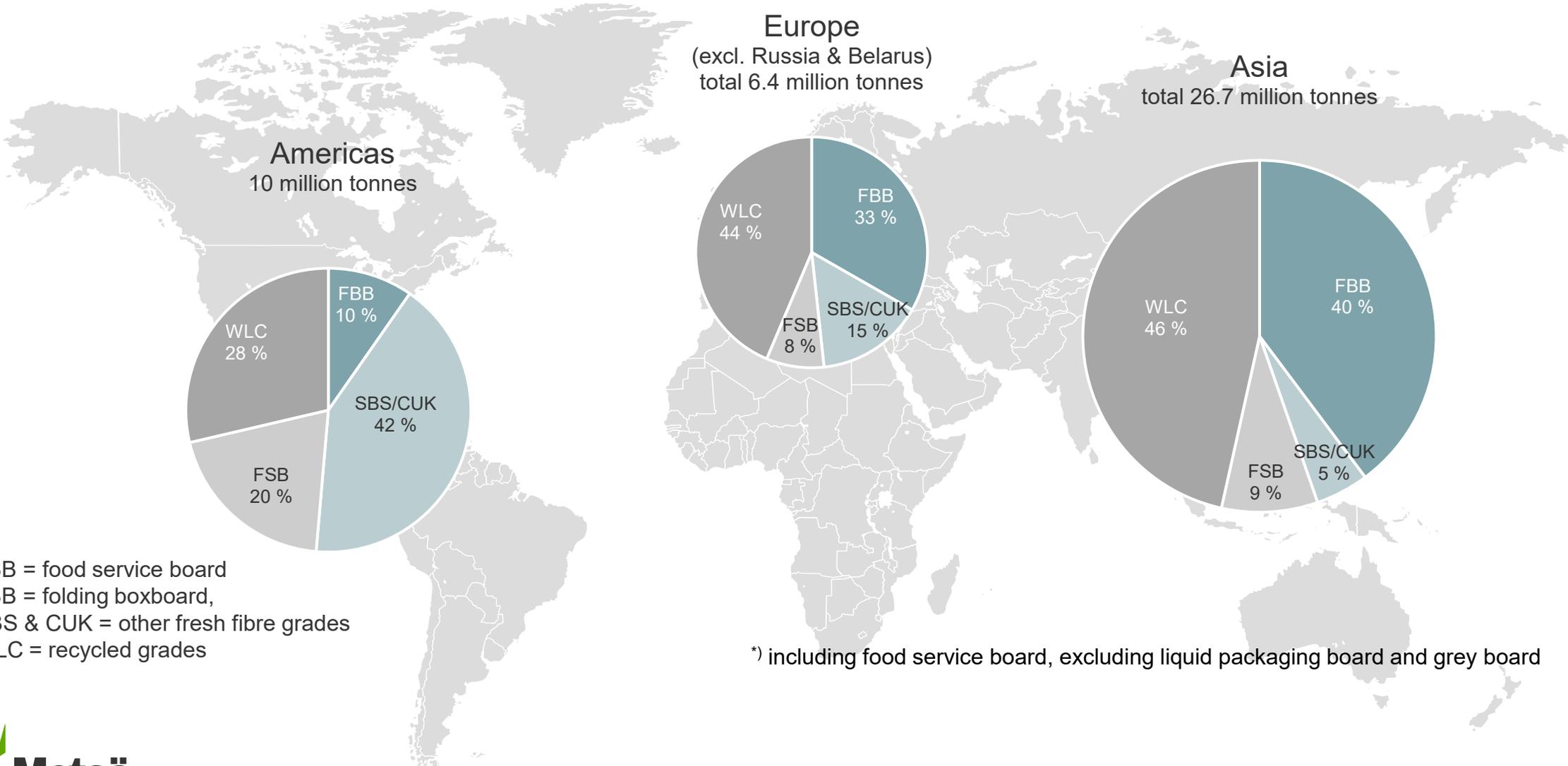


# Global annual demand for containerboards

Metsä Board's linerboards are at the top of the quality pyramid – in a very niche market



# Global demand for folding cartonboard\*



FSB = food service board  
 FBB = folding boxboard,  
 SBS & CUK = other fresh fibre grades  
 WLC = recycled grades

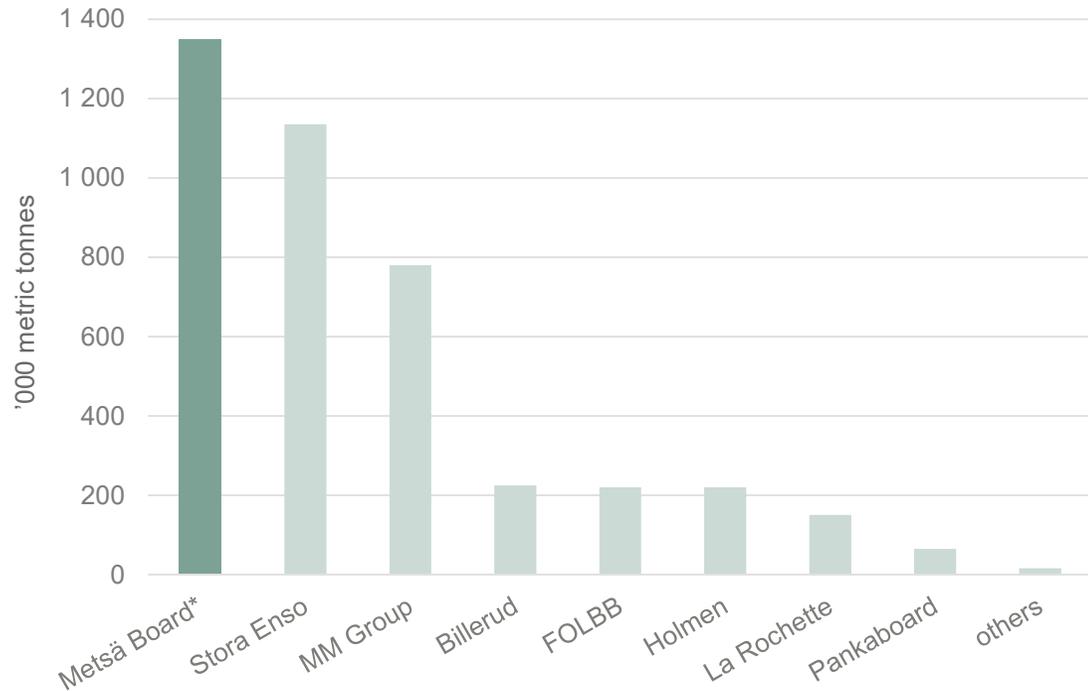
\*) including food service board, excluding liquid packaging board and grey board

# Folding boxboard and white kraftliner capacity in Europe

(excluding Russian and Belarusian producers)

## FBB producers in Europe

Total capacity 4.2 million tonnes

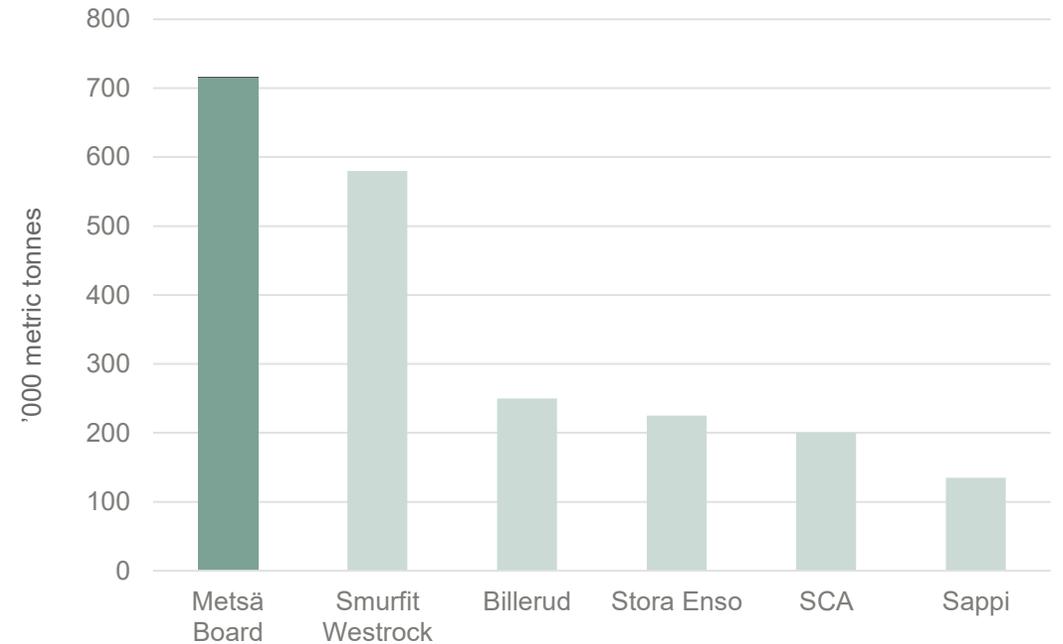


\*Metsä Board excluding Tako board mill



## WKL producers in Europe

Total capacity 2.2 million tonnes



Sources: Fastmarkets RISI and Metsä Board's own research

# Recyclable packaging is strongly driven by regulation and brand owners' commitments

- EU Packaging and Packaging Waste Regulation sets further requirements
  - All packaging recyclable by 2030, including reusables
  - Packaging waste reduction, focus on plastic
  - Mandatory recycled content in plastic packaging
  - Limits for substances in packaging
- Ellen MacArthur Foundation's New Plastics Economy inspired brand owners to commit to 2025 targets
  - 100% reusable, recyclable or compostable packaging
  - Multiple companies have now revised their targets, due slower than expected development in plastic recycling

All packaging shall  
be recyclable by 2030

REGULATION (EU) 2025/40

>1,000 organisations  
across the world have  
set ambitious 2025  
targets

Ellen MacArthur Foundation,  
The Global Commitment Progress Report (2024)

# Packaging and packaging waste regulation (PPWR)

## Metsä Board's approach

- Metsä Board's paperboards are well aligned with PPWR, which emphasizes
  - plastic reduction
  - packaging minimization and lightweighting
  - recyclability and compostability
- Metsä Board's packaging design service supports customers to meet requirements of PPWR

## PPWR in a nutshell

- Aims to reduce the amount of packaging waste generated in the EU, and promote reusable and recyclable packaging solutions. All packaging has to be recyclable by 2030
- Entered into force in 02/2025 and application starts on 08/2026



# Regulation on Deforestation-free products (EUDR)

## Metsä Board's / Metsä Group's approach

- Metsä Group fully supports the objectives of the EUDR
- Metsä Group's reporting system and internal due diligence system will be finalised to be ready when the reporting obligations start to apply

## EUDR in a nutshell

- Aims to combat deforestation and forest degradation globally
- Ensures that commodities\* placed on or exported from EU market do not cause deforestation or forest degradation
- Creates a reporting obligation to operators to ensure that they comply with the requirements
- Entered into force in 2023. The rules start to apply on 30 December 2025, when they will replace the EU timber regulation (EUTR)



# Nature Restoration Regulation

## Metsä Board's / Metsä Group's approach

- Metsä Group's principles of regenerative land use aim to improve the state of nature
- *Metsä Group Plus* -management model for owner-members focus especially on forest biodiversity

## Main objectives and status

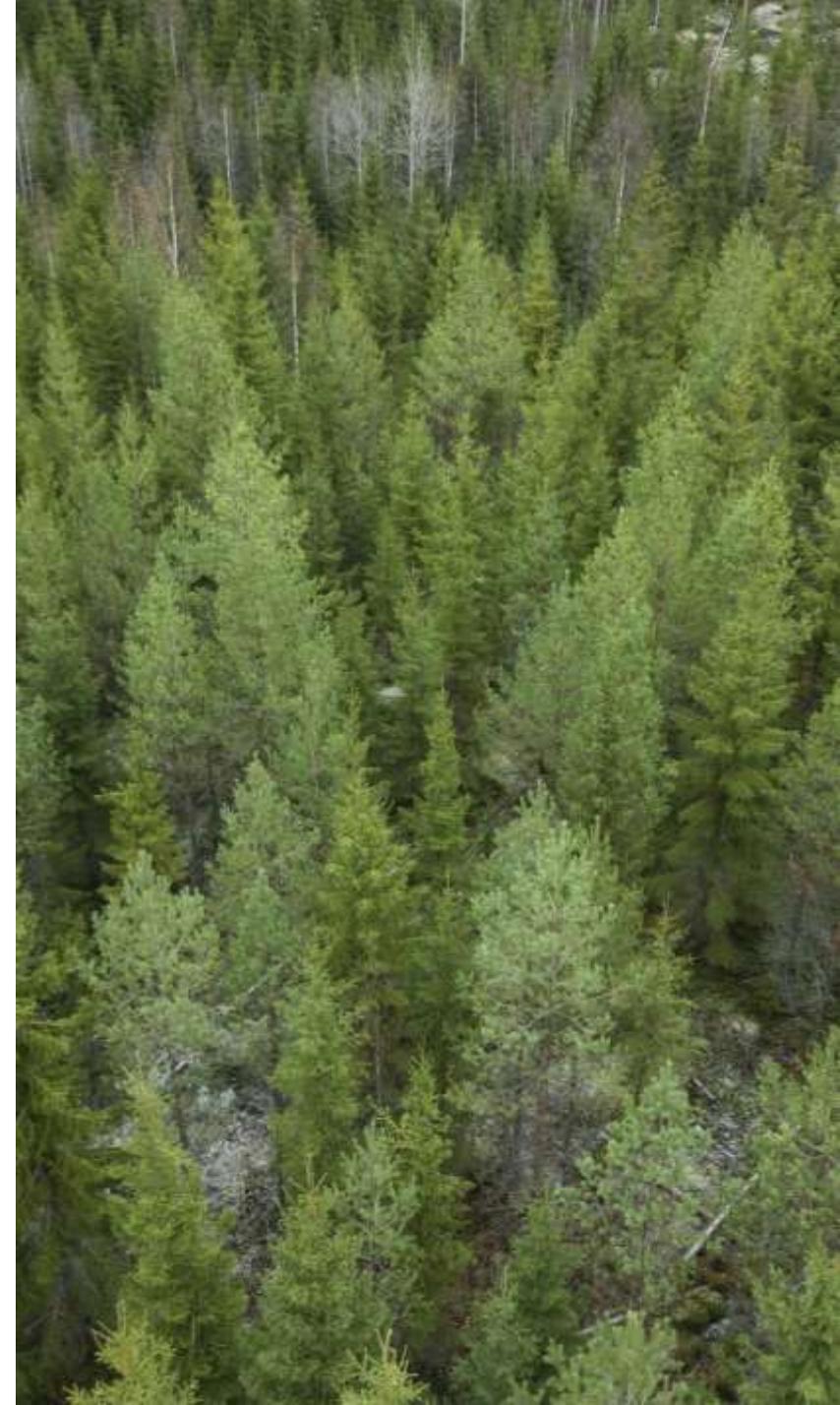
- Aims to ensure recovery of biodiverse and resilient nature across EU
- Introduces indicators for forest ecosystems to support nature restoration objectives
- Entered into force on 08/2024
- Member States must prepare national restoration plans. Finland's draft plan expected to be ready by 08/2026
- The Commission reviews the draft plans and can give further guidance. Member states should have the final restoration plans in place in 08/2027 at the latest



More information:

<https://www.metsagroup.com/regenerativeforestry>

<https://www.metsagroup.com/metsaforest/sustainability/regenerative-forestry/metsa-group-plus/>



ESG



# Key sustainability figures

**TARGET**  
set for 2030

**ACTUAL**  
Q3 2025

Accidents at work  
**TRIF, TARGET 0**

**ACTUAL 5.0**  
Q3 2024: 4.5  
FY2024: 3.4



Certified wood fibre  
**TARGET 100%**

**ACTUAL 90%**  
Q3 2024: 93  
FY2024: 92



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

**ACTUAL:**  
Scope 1: 102kt  
FY2024: 169kt  
Scope 2:  
FY2024: 82kt



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

**ACTUAL -8.3%**  
FY2024: -11%



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

**ACTUAL -6.0%**  
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

# Forest management plan as part of Metsä Group's regenerative forestry

## Forest management plan for typical forest stands

1

### More diverse tree species composition

- Increasing the proportion of broadleaved trees
- Mixed forests
- 80 % of tree species outside purchase

2

### Increased dead wood volumes

- Retention trees and tree groups
- Buffer zones
- Biodiversity stumps

3

### More diverse forest structure

- Continuous cover harvesting
- Retention tree groups
- Valuable habitats
- Protective thickets

4

### Protected valuable habitats e.g.

- Brooks
- Springs
- Fertile bogs
- Cliffs
- Flood habitats

5

### Habitat restoration at threatened species hot spots

- Herb-rich forests
- Esker sunny slopes
- Fire habitats

Metsä Board's **1.5°C** aligned Science Based target

# ZERO FOSSIL CO<sub>2</sub> EMISSIONS

Fossil-free production by 2030\*

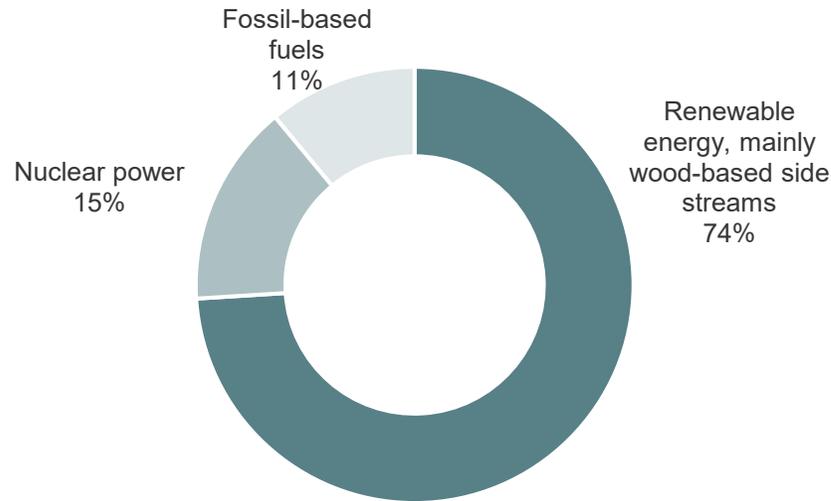


\*including Scope 1 and Scope 2 market-based

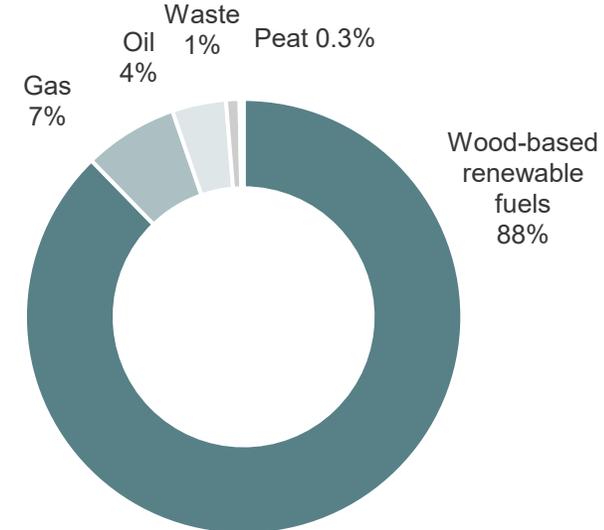


# 89% of total energy use is fossil-free

Total energy consumed in 2024  
Total 8.3 TWh



Fuel consumption in 2024  
Total 6.2 TWh



- In 2024, the share of coal of was 0.8% of Metsä Board's total energy consumption. Metsä Board do not use coal in its own energy generation, but a small share of purchased electricity was based on coal

- Fuel consumption includes fuels used in own energy generation and process fuels used in the mills

# Metsä Board has reduced its fossil-based CO<sub>2</sub> emissions by 56% since 2018

Target is to reduce fossil-based CO<sub>2</sub> emissions by 100% by the end of 2030

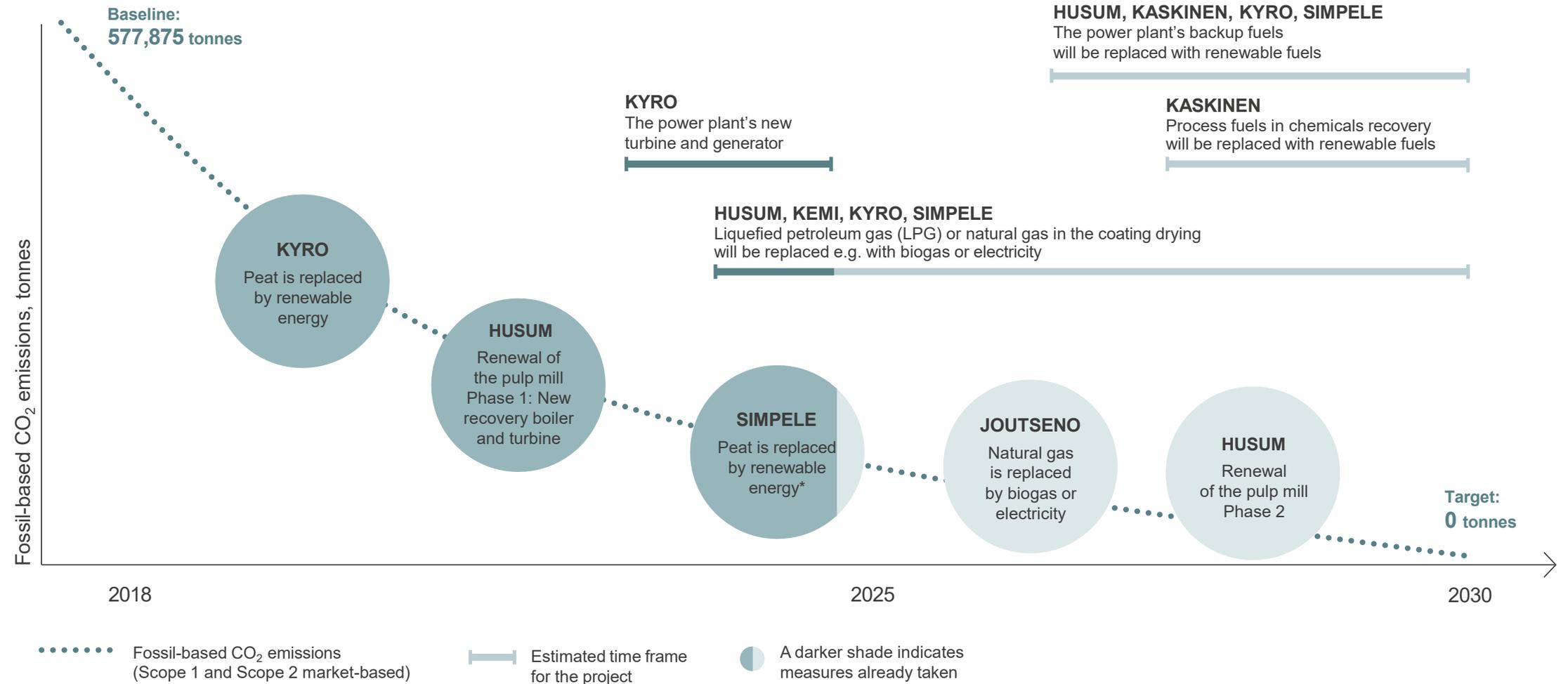
## Fossil-based CO<sub>2</sub> emissions, Scope 1+2



## Emission allowances

- Metsä Board has received emission allowances in accordance with the EU Emissions Trading System
- During the past years, the number of free allowances received have exceeded the company's annual fossil-based CO<sub>2</sub> emissions. The surplus have been partly sold to the market
- Unused emission allowances do not have an impact on income statement or balance sheet. Metsä Board discloses the possible sales of emission allowances in its interim reports
- Due to the Renewable Energy Directive II (RED II) is expected that after 2025, free allowances will no longer be allocated to mills at which sustainable biomass incineration accounted on average for more than 95% of the mill's GHG emissions in 2019–2023

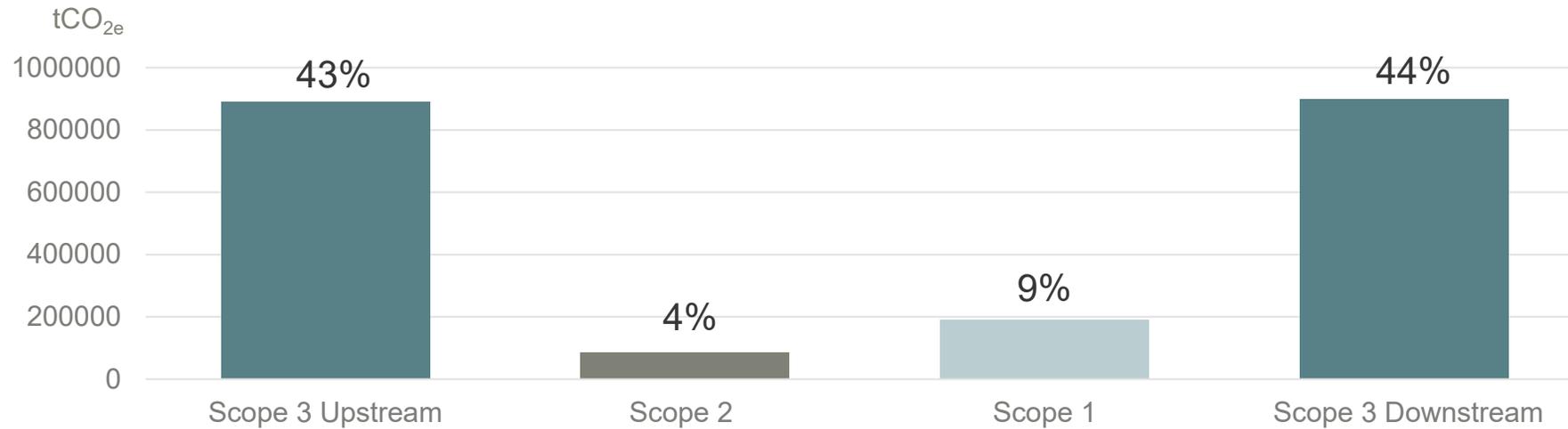
# Transition towards fossil-free production by 2030



# Metsä Board's total greenhouse gas emissions

## Scope 1, 2 and 3

Total greenhouse gas emissions ca. 2 million tonnes CO<sub>2e</sub>



In 2024:

	tCO <sub>2e</sub>		tCO <sub>2e</sub>		tCO <sub>2e</sub>		tCO <sub>2e</sub>
• Purchased goods and services	485,533	• Market-based indirect GHG emissions from purchased electricity and heat	84,989	• Direct GHG emissions from own processes and power plants	192,098	• Downstream transportation and distribution	7,304
• Capital goods	27,746					• Processing of sold products	275,061
• Fuel and energy-related activities	73,778					• Use of sold products	1,846
• Upstream transportation and distribution	300,233					• End-of-life treatment of sold products	563,093
• Waste generated in operations	727					• Investments	50,954
• Business travel	937						
• Employee commuting	1,926						
	<b>890,880</b>		<b>84,989</b>		<b>192,098</b>		<b>898,258</b>

# The carbon footprint (CO<sub>2</sub>) of packaging material depends in particular on:

1

## Energy used in production

---

Metsä Board uses 89% **fossil-free energy** in its production

2

## Material and resource efficiency

---

**Lightweighting** reduces the use of fibre, energy and water and generates less waste

More information: [The technical background report verified by IVL Swedish Environmental Research Institute](#)



# Roughly 2 million tonnes global potential for cartonboard\* from plastic reduction in selected food categories

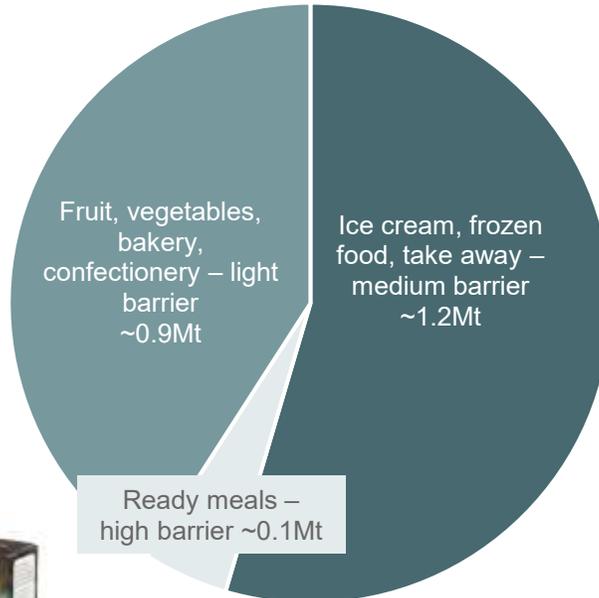
\*excluding liquid packaging board and cupstock

**Fruit, vegetables, bakery, confectionery**  
total size 2.5Mt<sup>1)</sup>

Plastic represents roughly 1.5 Mt, of which ~60% could be replaced with cartonboard



**Potential plastic replacement in selected food categories and barrier requirement**



**Ice cream, frozen food, take away**  
total size 5Mt<sup>1)</sup>

Plastic represents roughly 3Mt, of which ~40% could be replaced with cartonboard



**Ready meals**  
total size 1.0Mt<sup>1)</sup>

Plastic represents roughly 0.5 Mt, of which ~20% could be replaced with cartonboard



<sup>1)</sup> includes rigid plastic and folding cartons

# Fresh fibre paperboards support the circular economy

- Packaging is needed to protect the product and to reduce wastage
- Packaging accounts for only few percent of the total environmental impact of a food product's entire life cycle
- Paperboard is widely collected for recycling and thus returned to the recycling loop
- Fresh fibres are needed to keep the recycling loop ongoing

**83%**

of paper and paperboard packaging is recycled\*

\*Europe (EU27), Source: Eurostat, 2022

# External assessments and own commitments



Metsä Board has an “A” score in the Climate, Forests and Water rating and is placed on Supplier Engagement Leaderboard.



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

Latest full ratings update in August 2025.  
[Link](#) to ISS website

Latest full ratings update in May 2025.  
[Link](#) to MSCI 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.

R&D



# Our R&D work aims to resource efficiency and reduce carbon footprint of packaging material



1

Light and resource efficient paperboards



2

Developing barrier boards as an alternative to plastics

# High-yield pulp makes the difference between folding boxboard and other grades

## Benefits of lightweighting:



**Lightweight yet strong and stiff**

=

paperboard for cost-efficient, sustainable and sturdy packaging



**Improved yield**

=

more cartons per tonne



**Improved sustainability**

=

less natural resources used, lower carbon footprint

# As part of Metsä Group, we are looking for new growth opportunities

**Metsä Spring\*** invests expertise and financial resources into initiatives with the ambition to reshape the forest-based bioeconomy



Wood-based 3D products



Wood-based textile fibres



Wood composite products



Bioactive products from birch bark

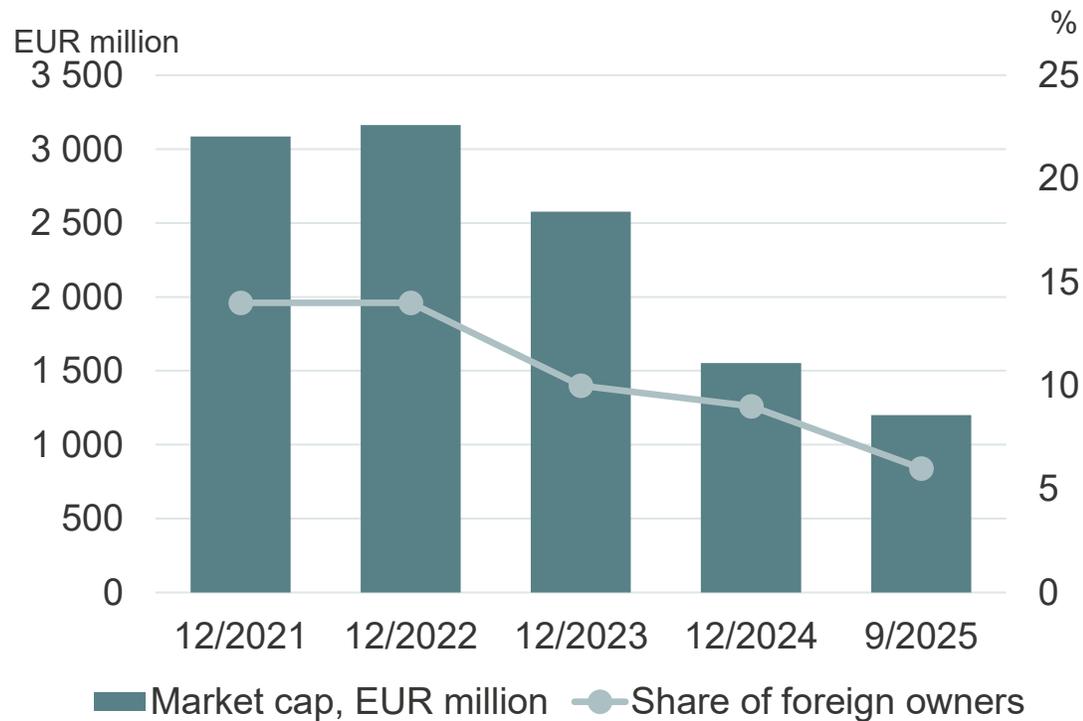
# Owners and management



# Market cap and ownership distribution

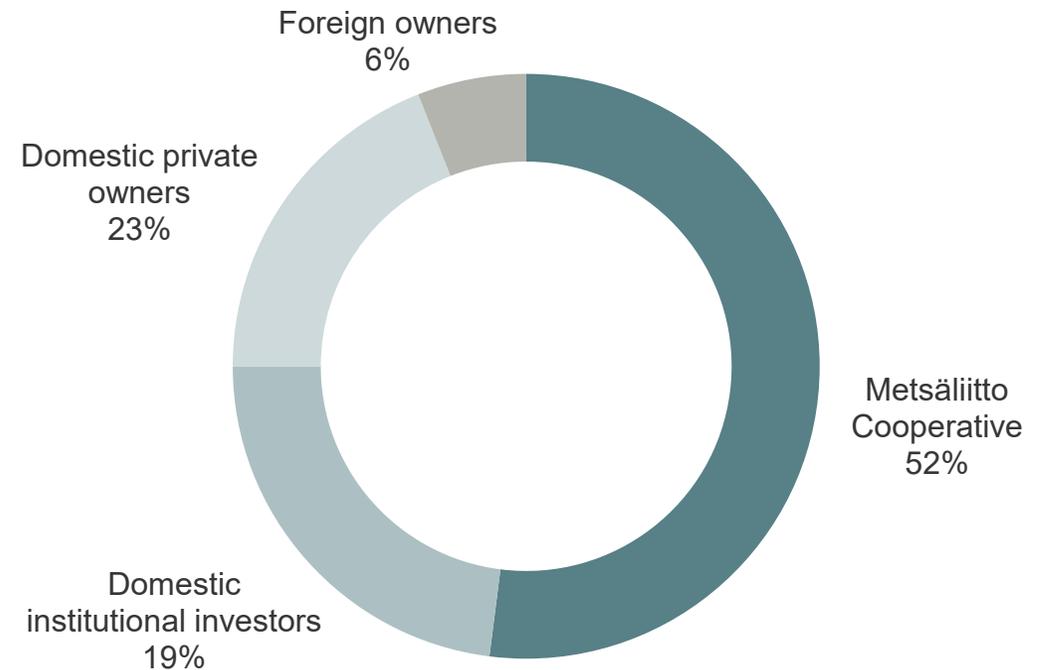
Metsä Board has over 70,000 shareholders, combined amount of A and B shares

## Market cap and foreign owners



## Ownership distribution

30 September 2025



# Metsä Board's new Management Team



**Esa Kaikkonen**  
CEO  
Chair of CMT 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  
From 8 October 2025



**Henri Sederholm**  
CFO  
Member of CMT since 2021



**Camilla Wikström**  
SVP, HR  
Member of CMT since 2019



# Metsä

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