Metsä Board

Results for January–September 2025

Presentation material

23 October 2025

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Adapting and acting for a stronger future

Challenging market environment persists

Unsatisfactory financial results highlight need for action

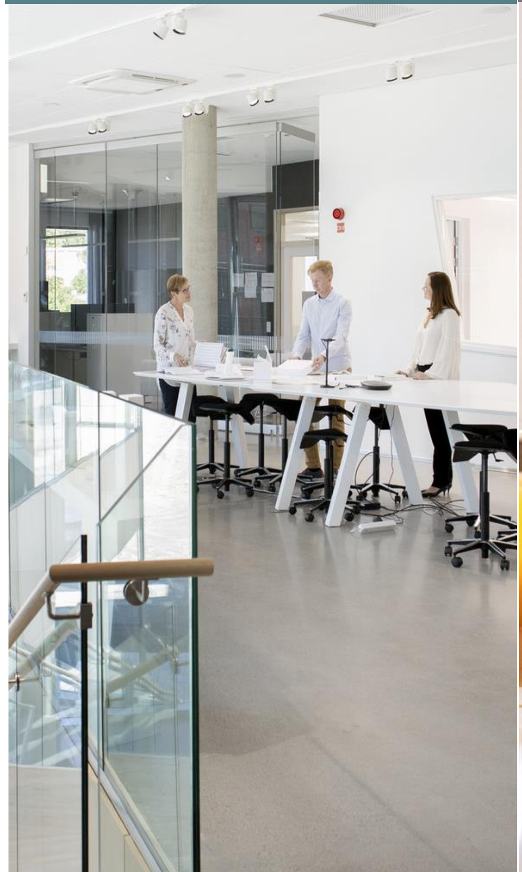
Cost savings and profitability improvement programme with 350 initiatives launched

Cash flow focus paying off – operating cash flow at EUR 122 million in Q3

Strategy update underway to unlock long-term growth and value creation

Leveraging our core strengths

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

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Interim report: January–September 2025

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Negative result development highlights need for action

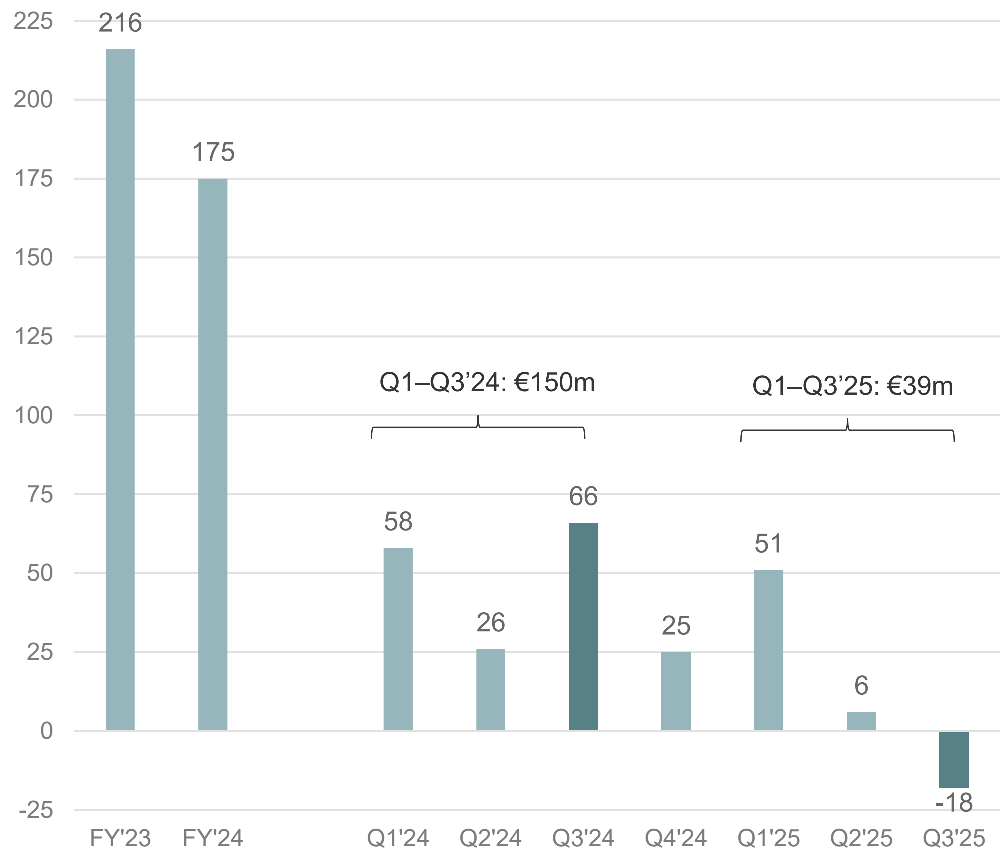
Q3 2025 in brief

- 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



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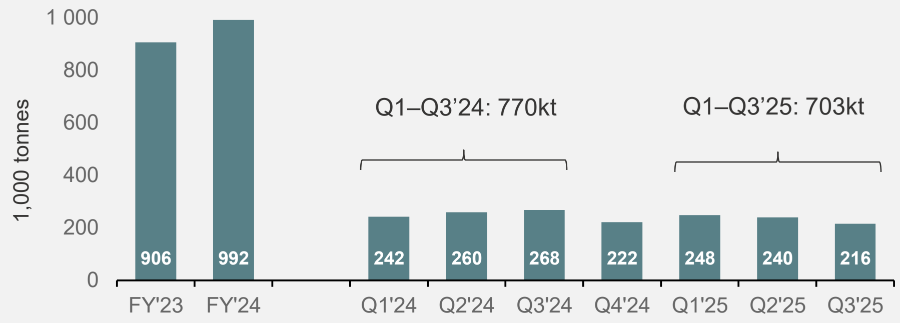
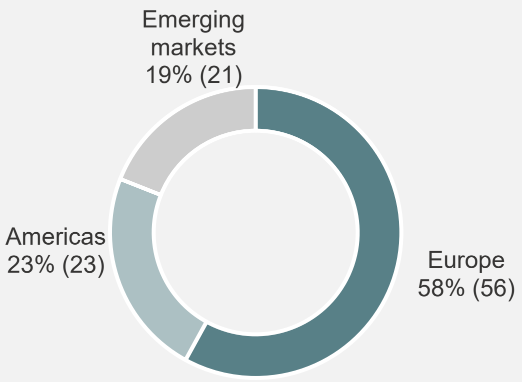
Consumer board

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.

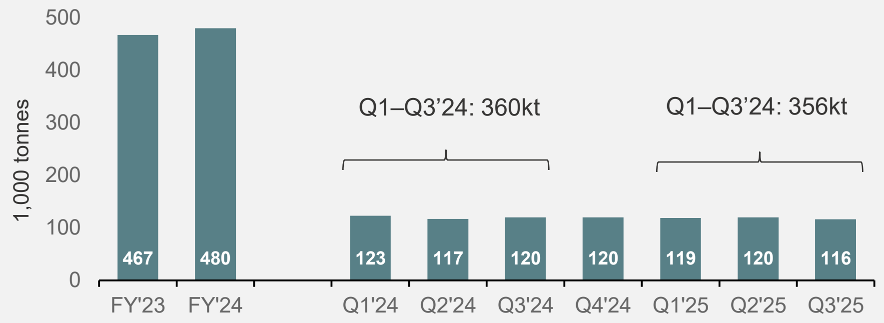
Containerboard

25%
of total sales
in Q1–Q3'25

White kraftlainer (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's WKL delivery volumes



Metsä Board's WKL deliveries by region*
Q1–Q3'25 (Q1–Q3'24)

*) 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.

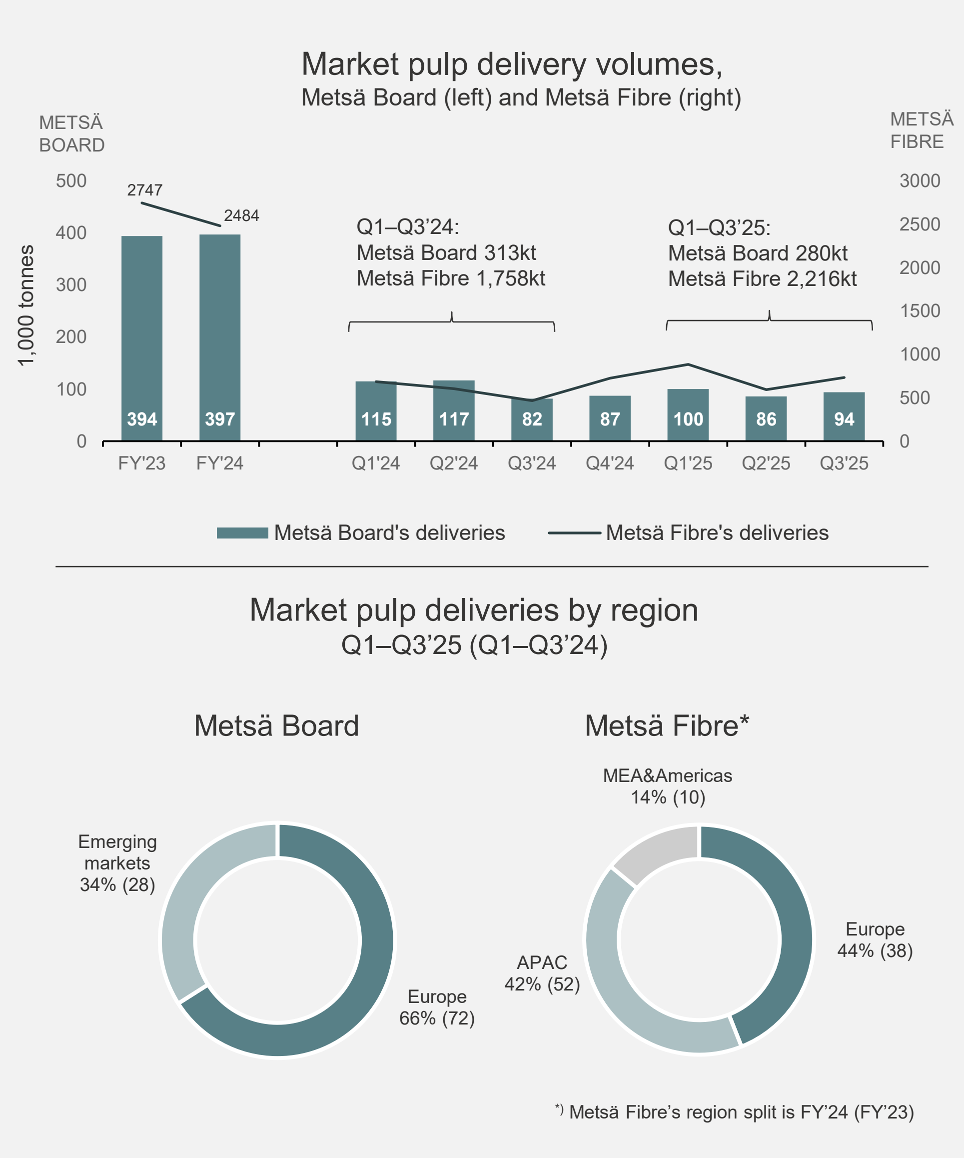
Market pulp

12%
of total sales[1] 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 policy 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[2] 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.

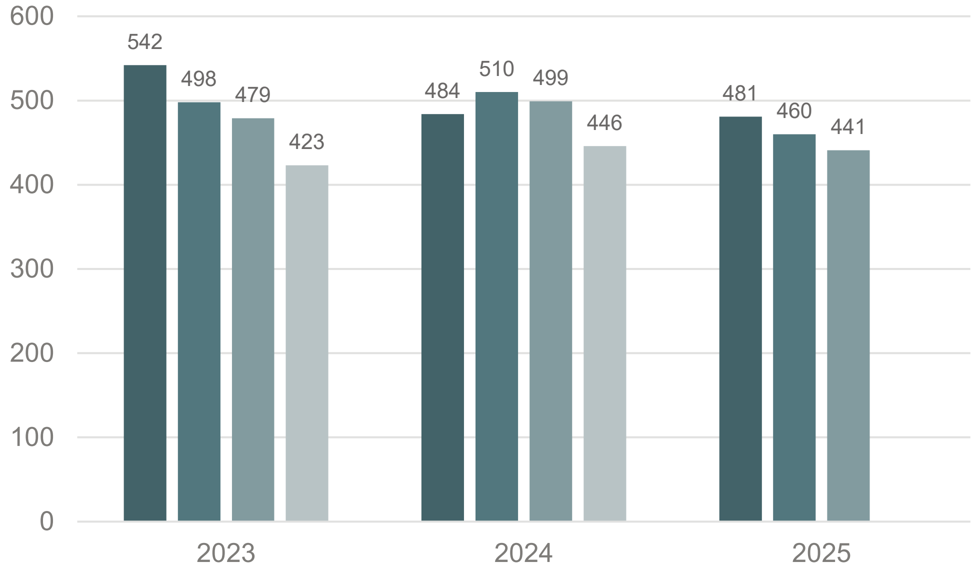
YTD sales EUR 1.4 billion, profitability unsatisfactory

Sales, quarterly
EUR million

FY 2023:
EUR 1,942m

FY 2024:
EUR 1,939m

Q1–Q3’25:
EUR 1,382m

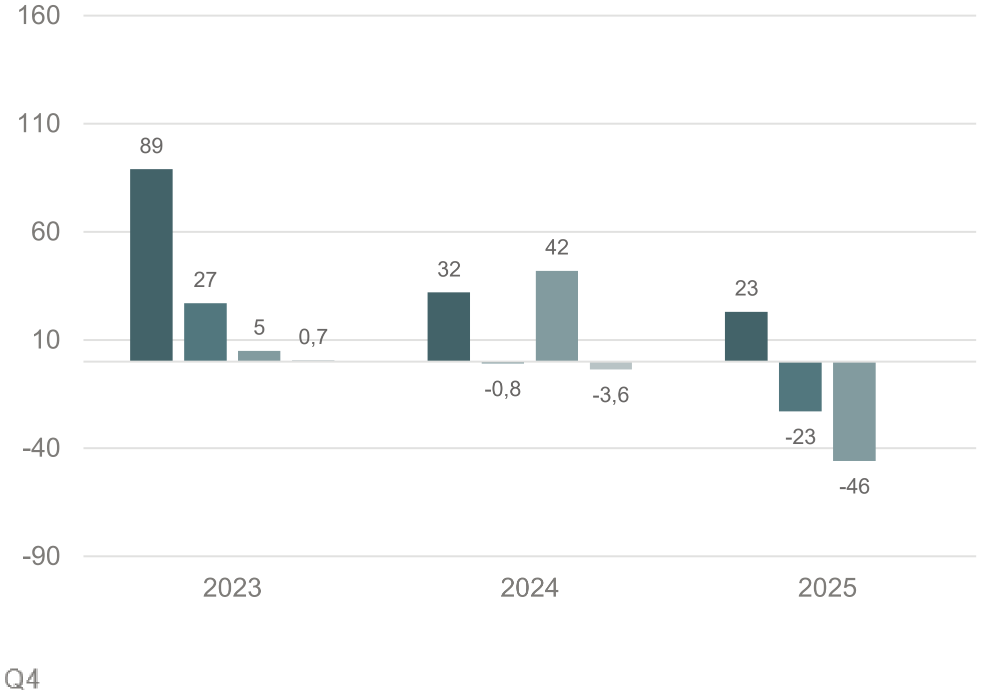


Comparable operating result, quarterly
EUR million and % of sales

FY 2023:
EUR 122m
margin 6.3%

FY 2024:
EUR 69m
margin 3.6%

Q1–Q3’25:
EUR -45m
margin -3.3%



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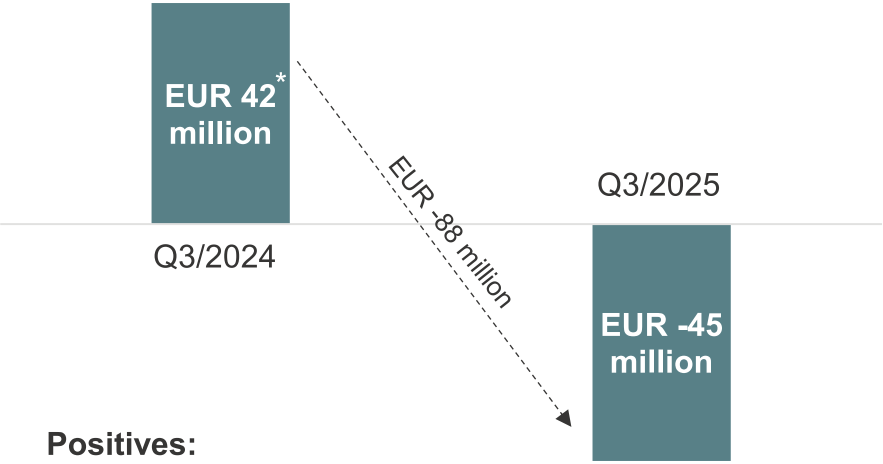
Operating result comparison

Q3 2024 vs Q3 2025



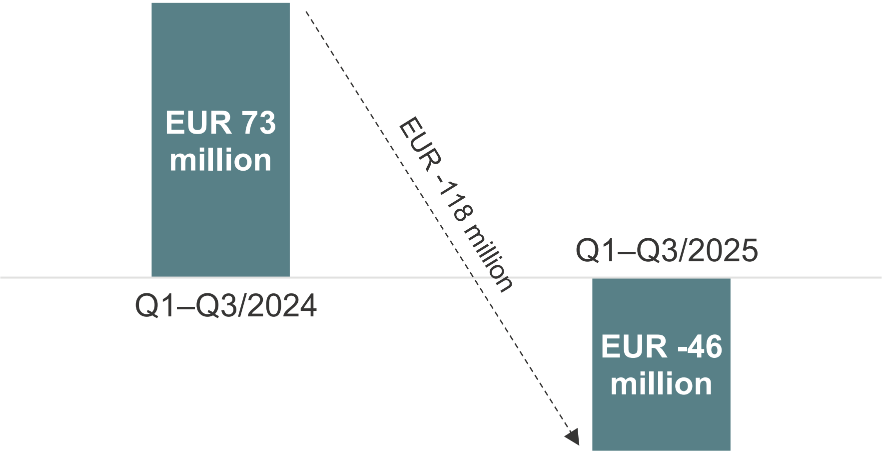
Positives:

- ↗ 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

*) *Includes EUR 23 million in insurance compensations related to the gas explosion at Metsä Fibre's Kemi bioproduct mill in spring 2024. The amount also includes the impact through Metsä Fibre's share of result.*

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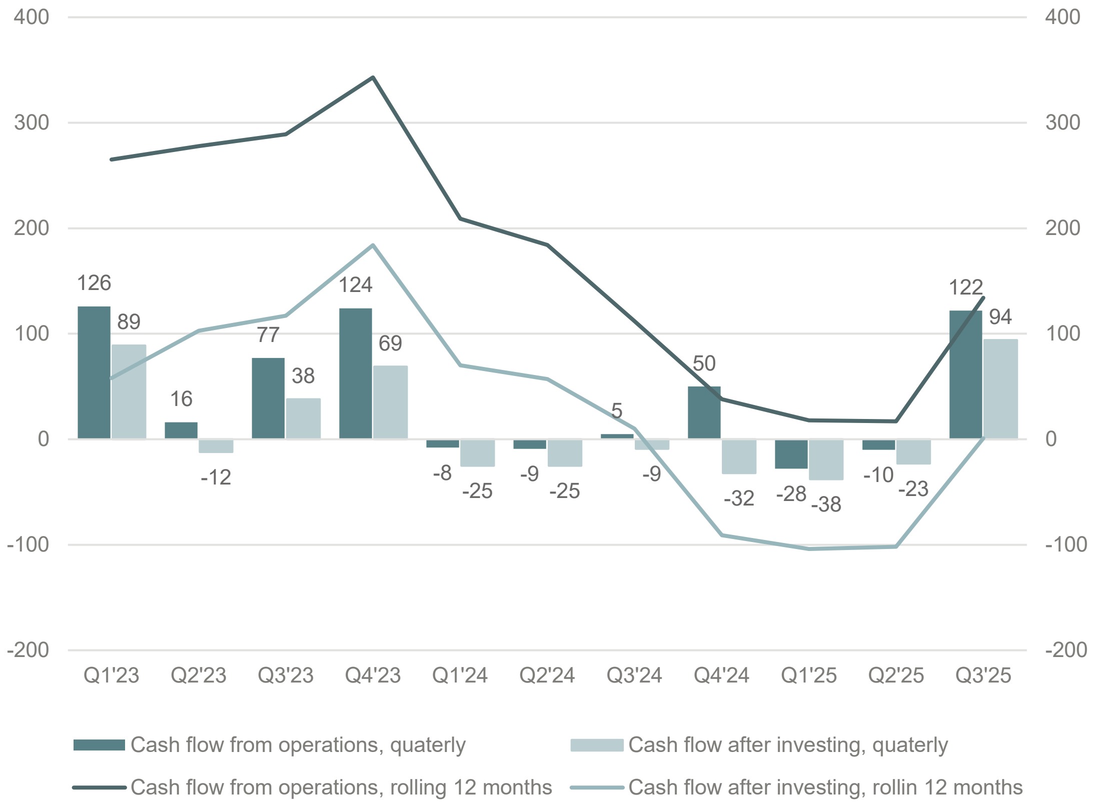
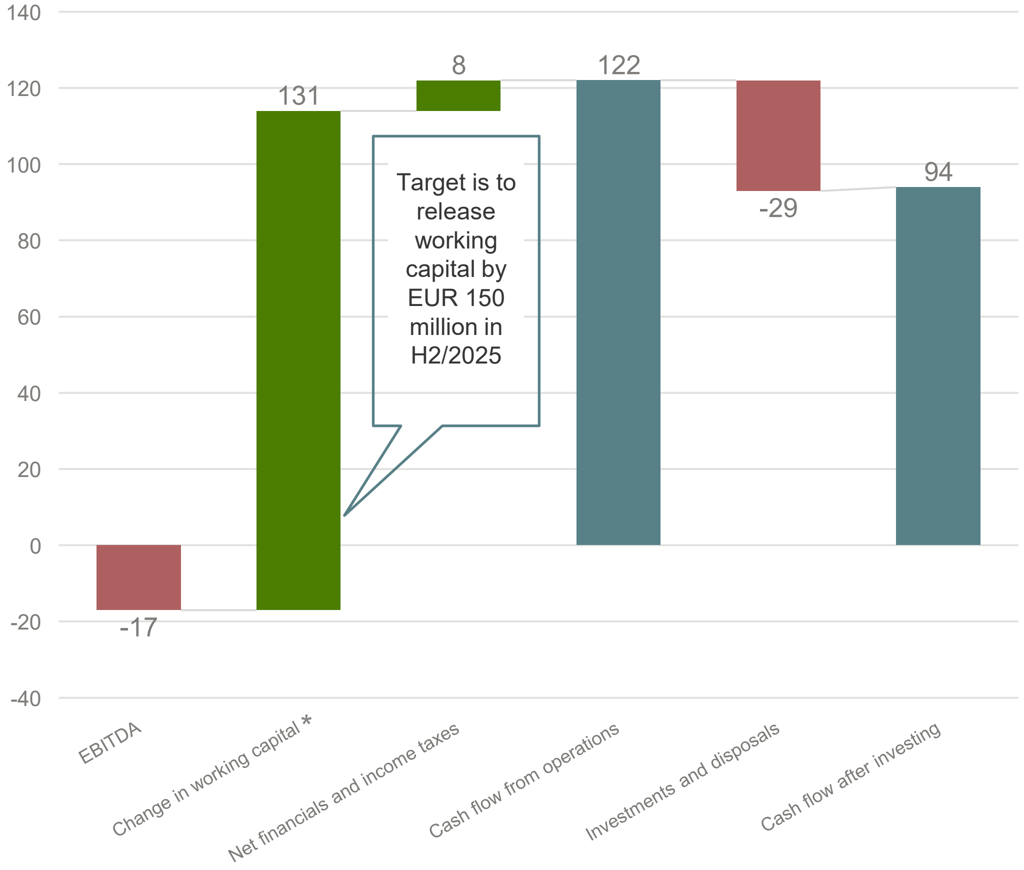
Cash flow enhanced through inventory optimisation

Cash flow from operations and after investing, EUR million



Q3 2025 cash flow break-down

EUR million



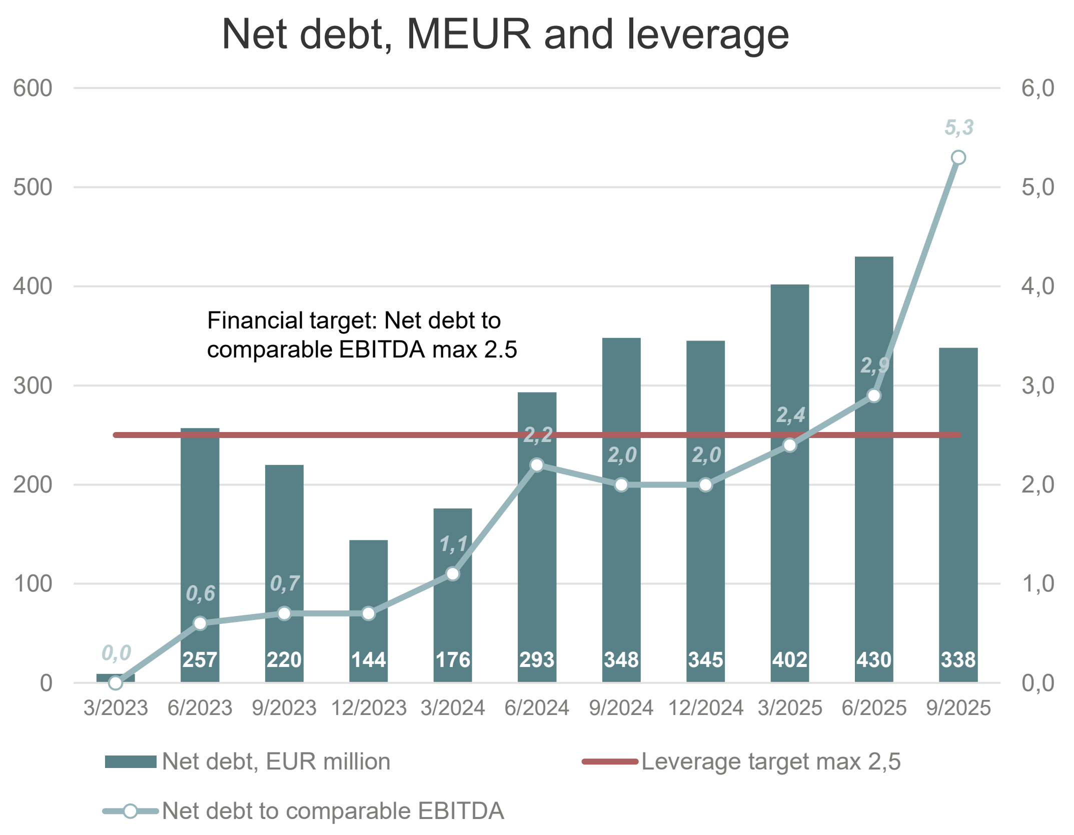
Dividend received from Metsä Fibre is included in cash flow from operations: Q1’23: €83m, Q1’24: €10m, Q1’25: €0

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

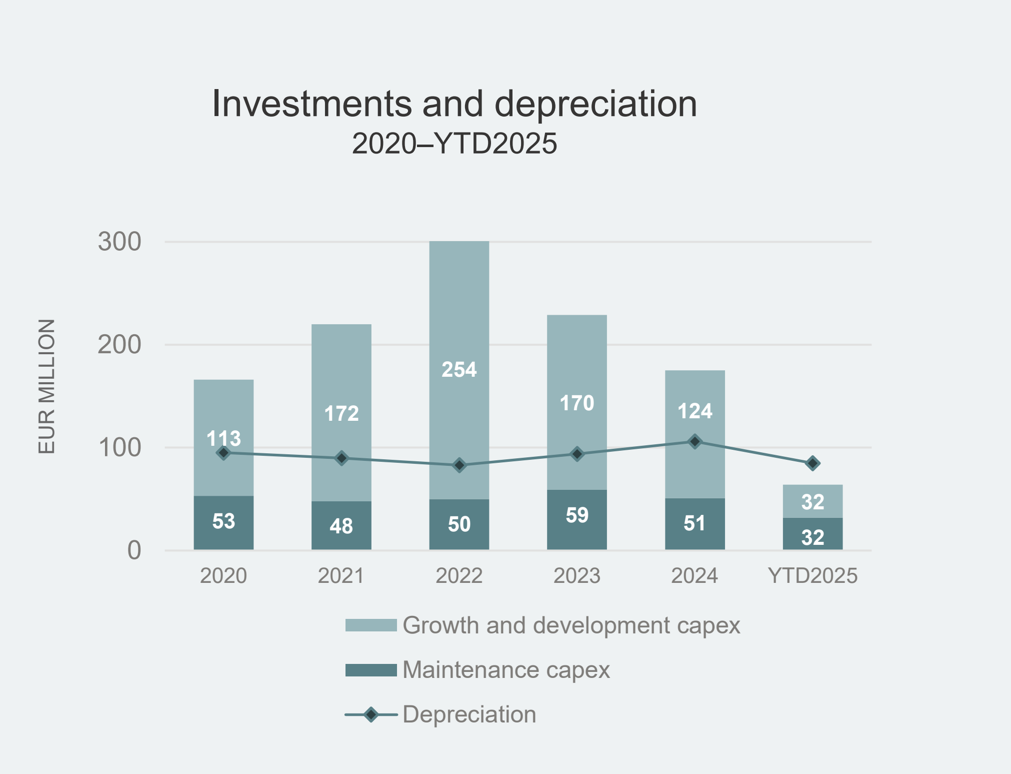
Solid financial standing despite leverage growth – Net debt decreased

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



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
- Simpele 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

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Outlook

Outlook for 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. Simpele 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

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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”

“ENSURE PROFITABLE GROWTH”

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

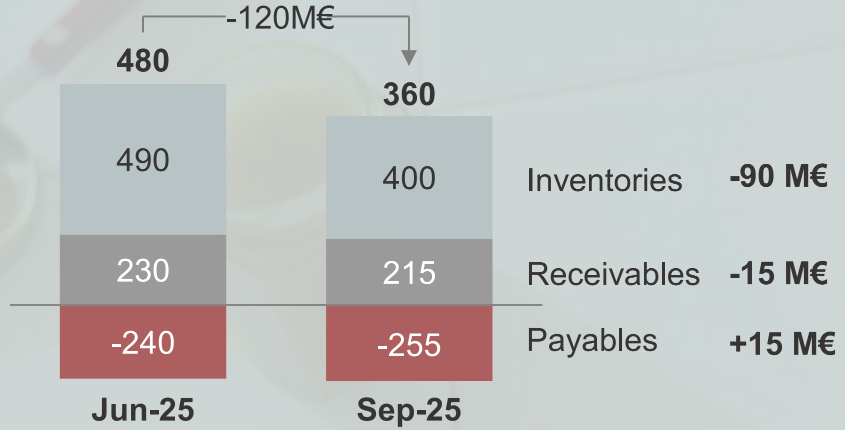
EUR 200 million annual EBITDA run-rate increase* by end of 2027

Full P&L impact by the end of 2028

*) 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
EBITDA	**176**	**44**	**7**	**-17**
Adjustments, net financials and income taxes	-41	-10	-1	8
Change in NWC	-96	-62	-16	131[1)]
CASH FLOW FROM OPERATIONS	**38**	**-28**	**-10**	**122**
Investments and disposals	-130	-7	-15	-28
CASH FLOW AFTER INVESTING	**-92**	**-35**	**-25**	**94**

[1)] including 11 MEUR other NWC release

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Summary

- Market environment remains challenging
- Profitability is unsatisfactory, but the financial position is strong
- Transformation is delivering promising early results – actions implemented to maintain capital discipline

Focus next

- Cash flow and customer centric business steering continues
- Driving transformation forward with strong momentum and commitment – reporting of financial impacts will start in Q4’25
- Strategy update in progress, release planned for Q1 2026

Appendix

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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*

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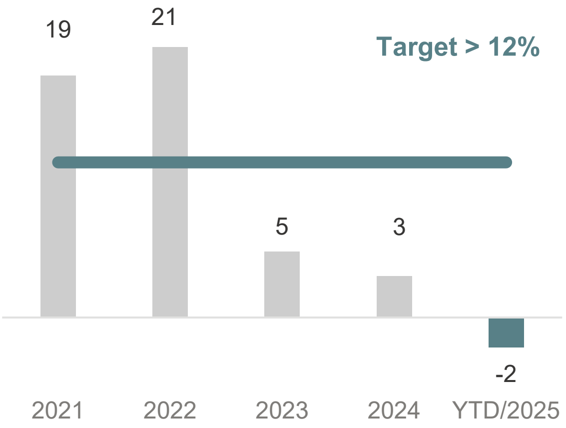
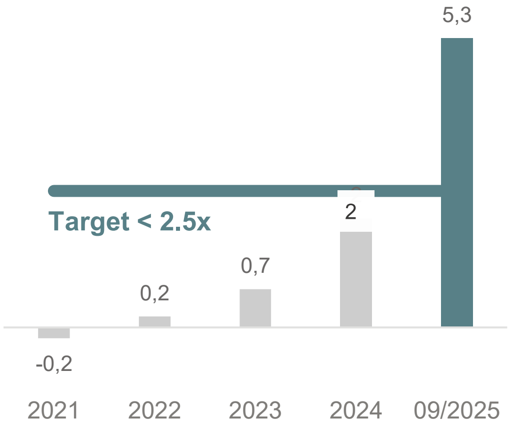
Financial targets and dividend policy

Comparable ROCE, %

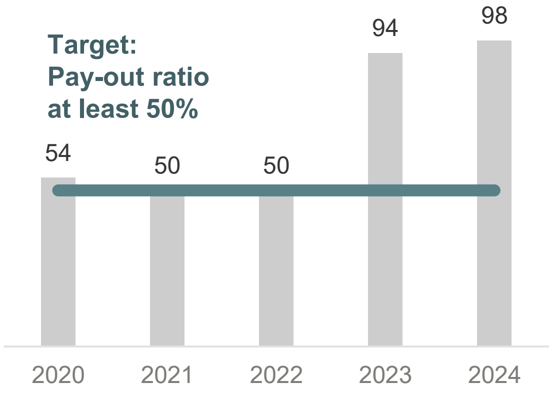


IB net debt/comparable EBITDA



Dividend policy

Dividend/net result, %



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%

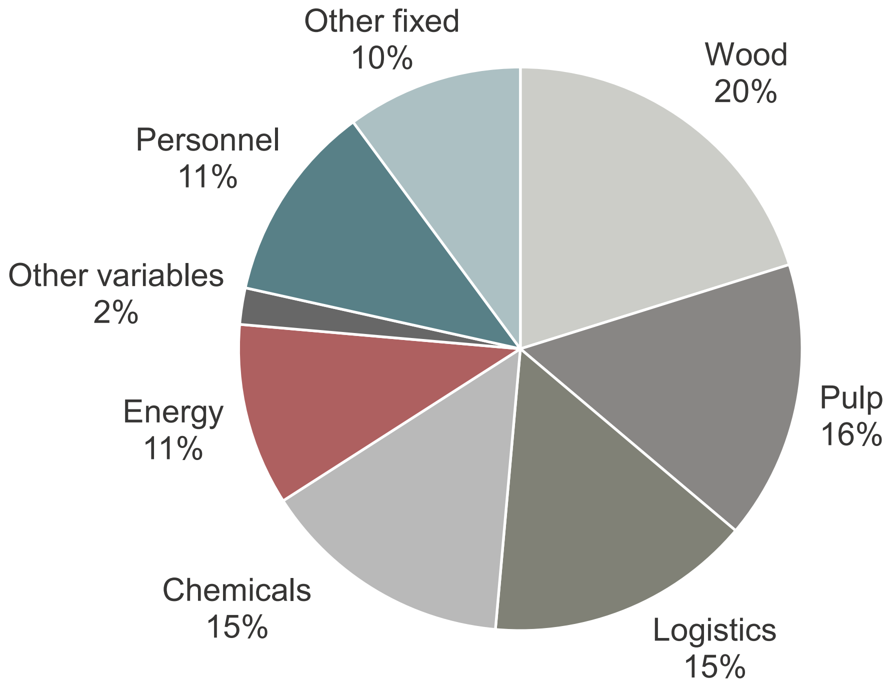
Year 2024 (2023)

- 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

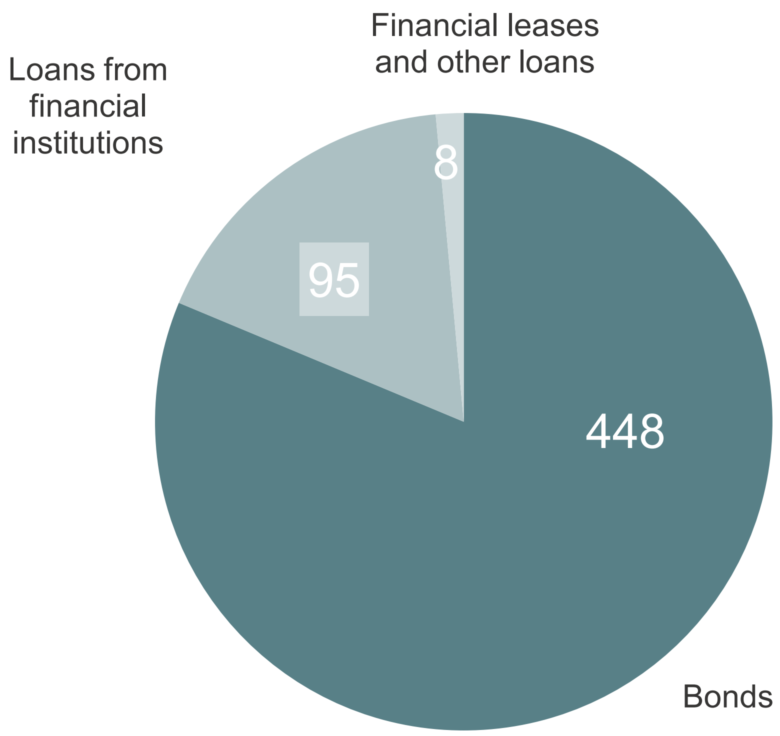
Total costs EUR 1.8 billion (1.7)



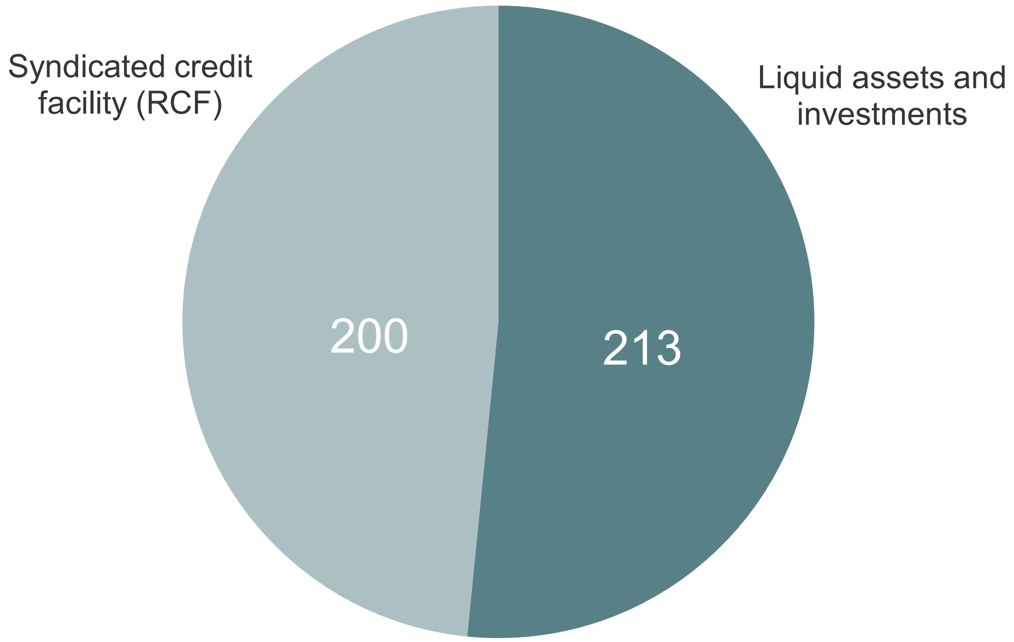
*) **Pulp:** Metsä Board purchases all external pulp from its associated company Metsä Fibre, of which Metsä Board owns 24.9%.
Metsä Fibre’s pulp cost structure in 2024:
Wood 57%, Chemicals 11%, Logistics 9%, Energy 5%, Personnel and other fixed 17%.

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**

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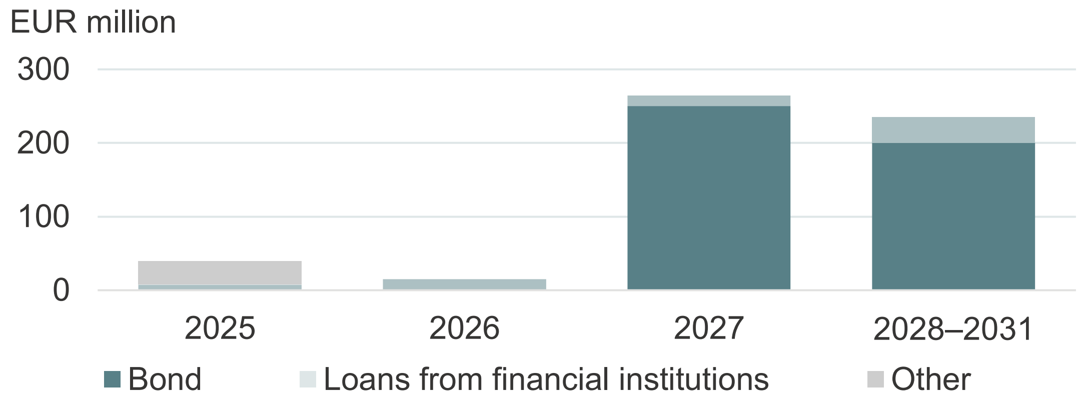
Debt maturity and credit ratings

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

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

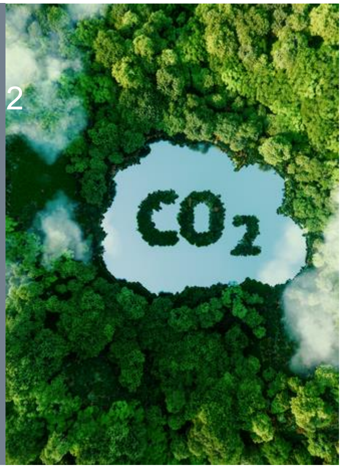
Certified wood fibre
TARGET 100%

ACTUAL 90%
Q3 2024: 93
FY2024: 92

Fossil-based CO_2 emissions[1] Scopes 1 & 2
TARGET 0

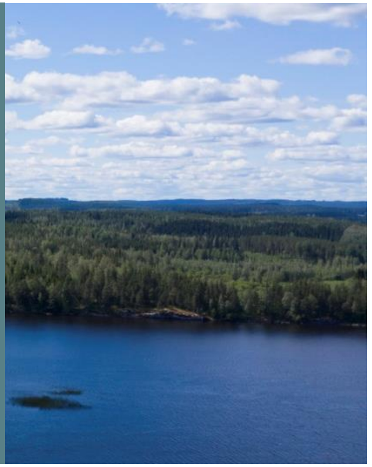
ACTUAL:
Scope 1: 102kt
FY2024: 169kt

Scope 2:
FY2024: 82kt



Process water use[2)]
TARGET -35%

ACTUAL -8.3%
FY2024: -11%



Energy efficiency[2)]
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

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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

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.

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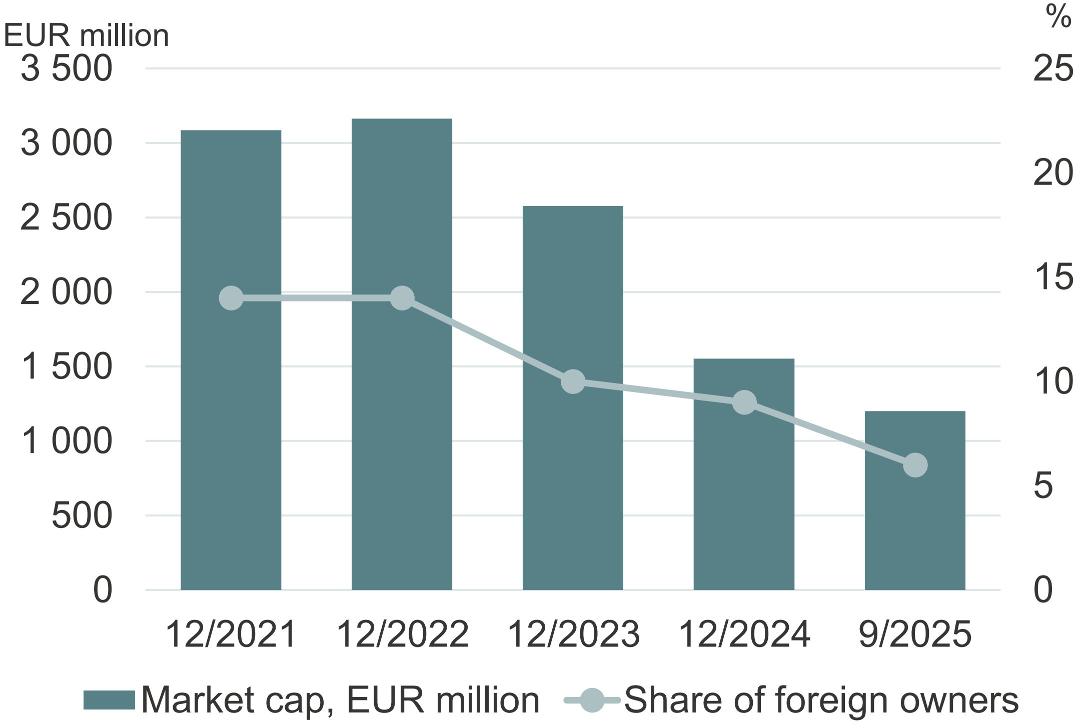
Market cap and ownership distribution

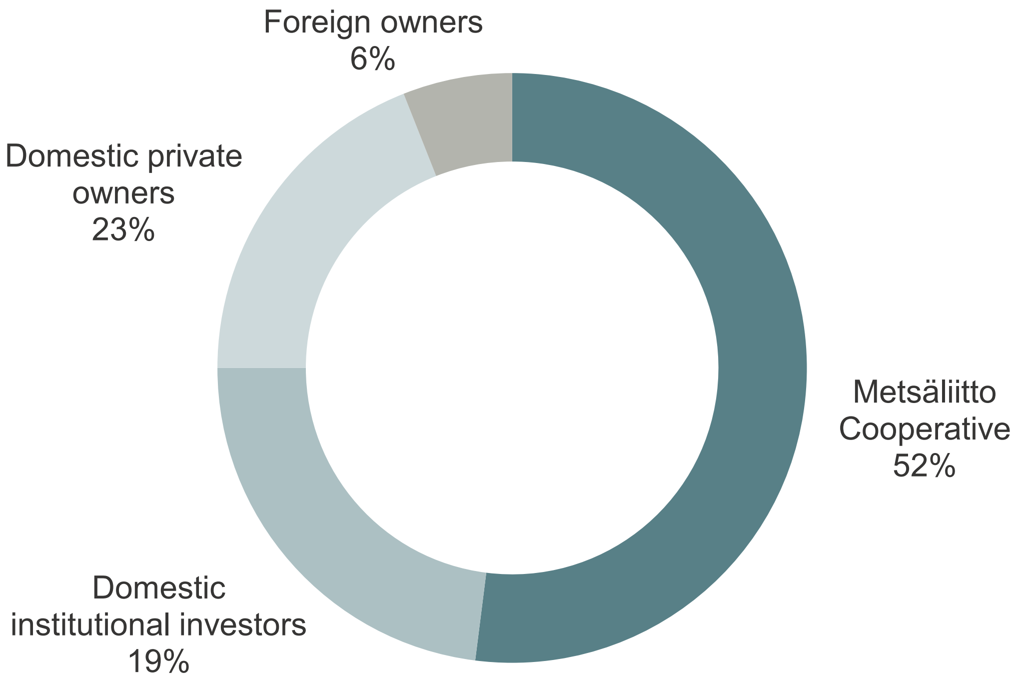
Metsä Board has over 70,000 shareholders, combined amount of A and B shares

Market cap and foreign owners

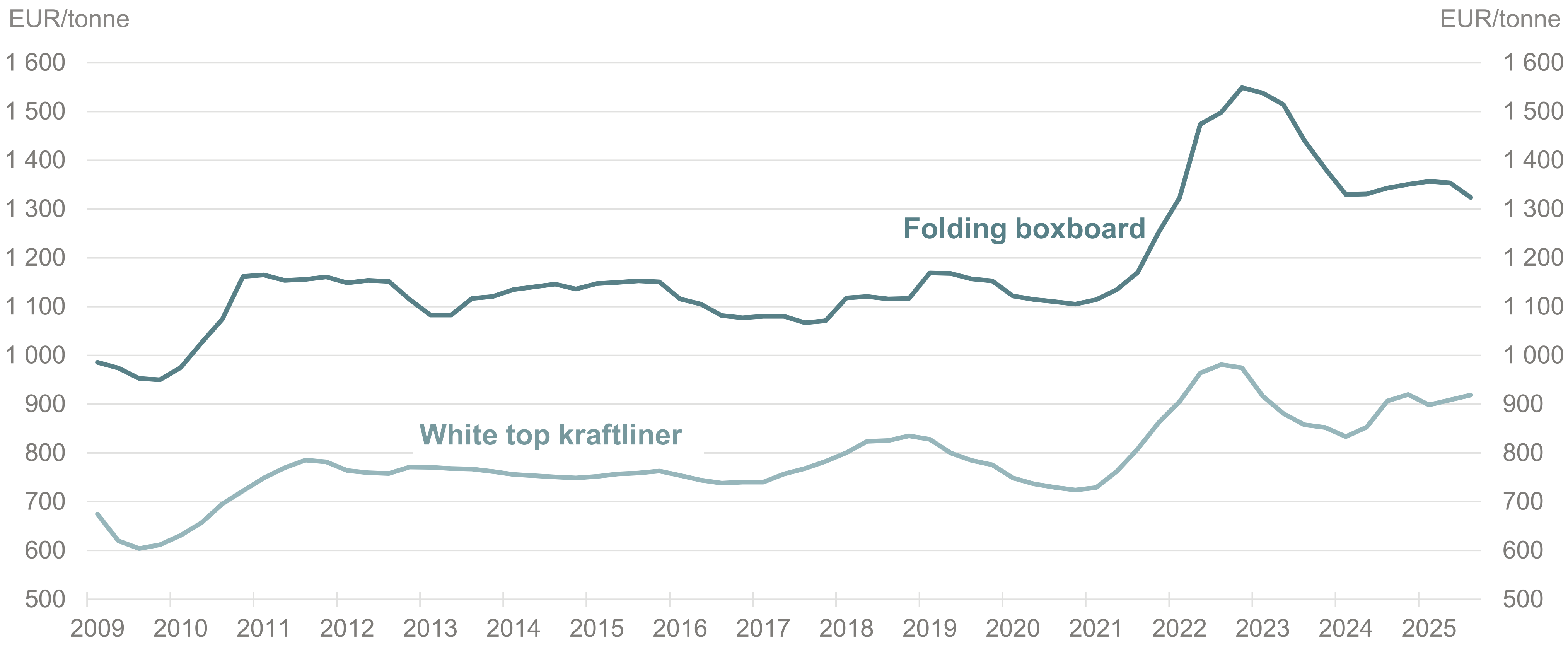


Ownership distribution

30 September 2025



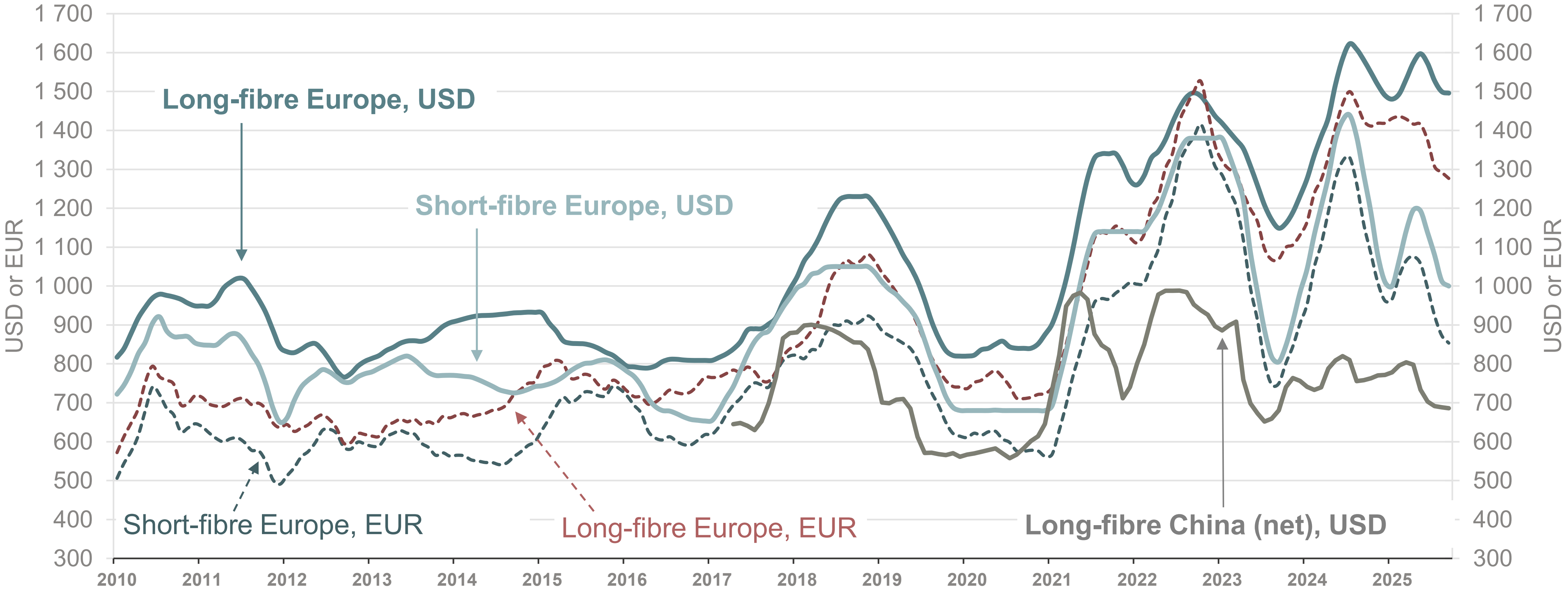
Price development of folding boxboard and white kraftliner in Europe



Sources: Fastmarkets RISI & Fastmarkets FOEX

Price development of pulp (PIX)

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

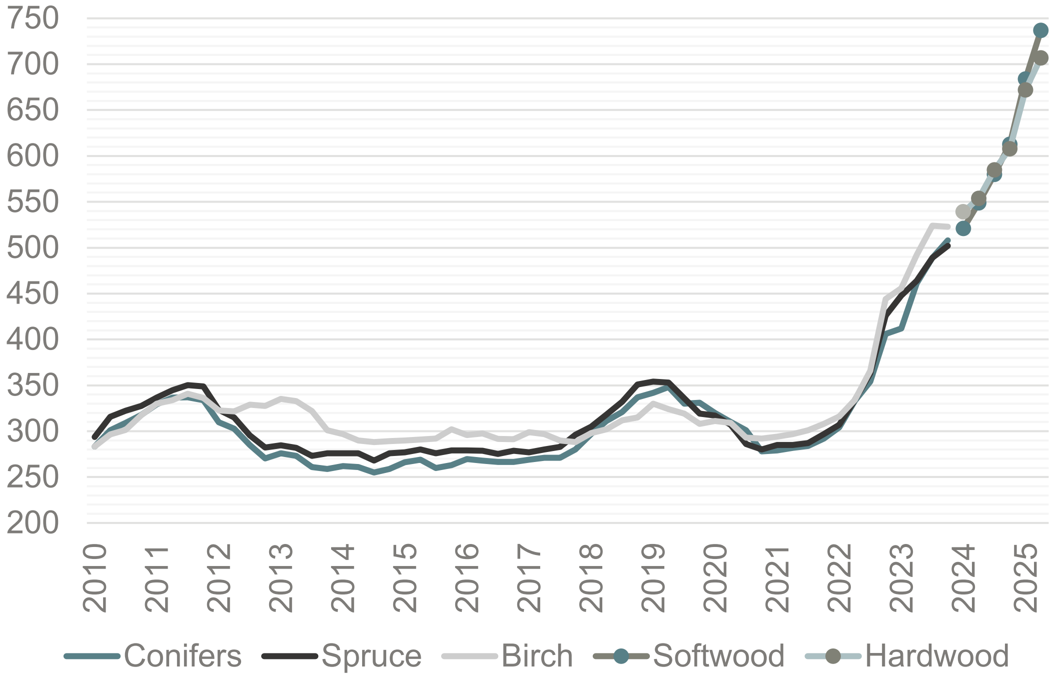


Source: Fastmarkets Foex

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/m^3



Sources:

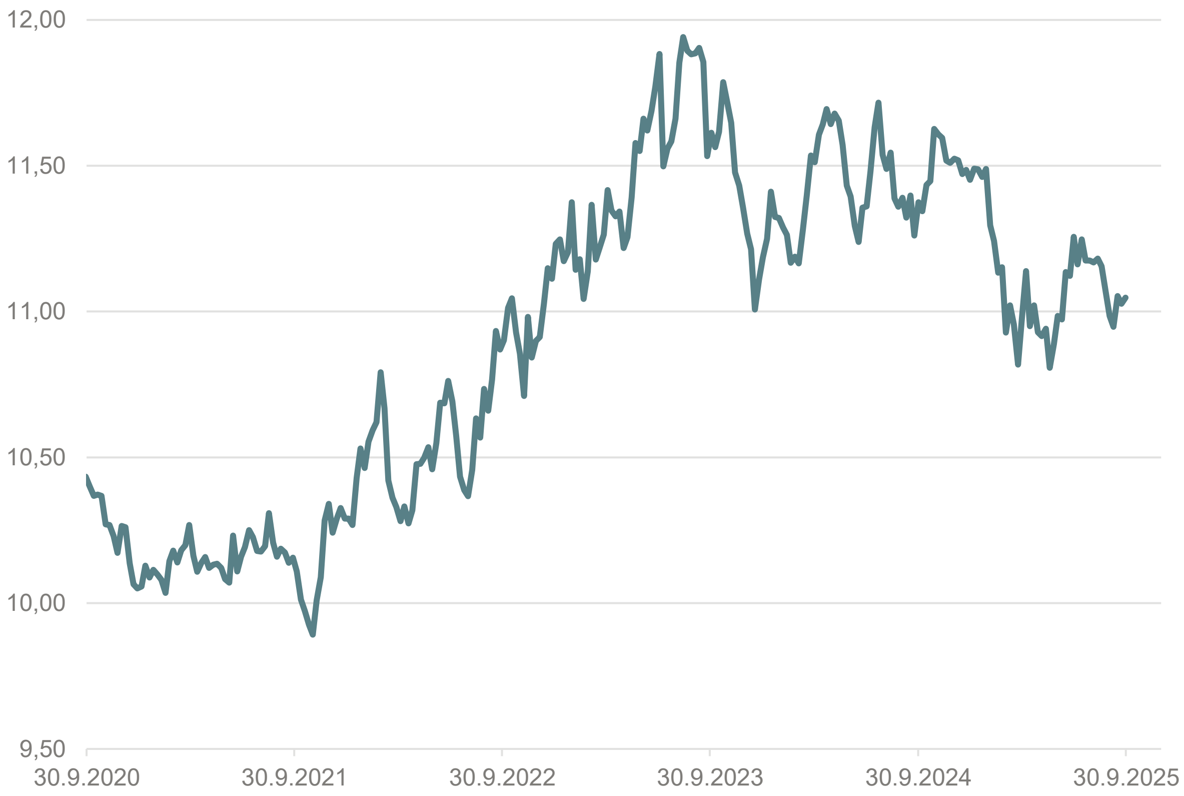
Finland – Luke (Natural Resources Institute Finland): Average delivery prices at roadside (EUR per solid cubic metre with bark, excl. VAT) – *updated as per Q3'25*

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



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