



**Metsä**

# Investor presentation Results for January–December 2025

Metsä Board

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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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# Investment highlights



## Premium paperboards built on deep expertise

- Recyclable and lightweight paperboards from renewable raw materials
- Focus in food and pharma packaging with several long-term customer relationships
- Packaging materials providing an alternative to plastics



## Ongoing transformation to improve profitability

- Transformation programme focused on cost savings, commercial excellence and simplifying operations
- Focus on customer centricity and more efficient use of capital



## 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 energy in production by 2030



## Driving returns from recent investments

- Large-scale investments to increase capacity and improve product quality are now completed
- Continuous smaller improvements in competitiveness of mills and products

## 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 aim is to enhance the value of its owner-members’ forests into high-value and sustainable end-products

All figures based on FY2025

## METSÄ GROUP

Sales EUR 5.8 billion | Operating margin: -1.5% | Personnel 8,800

Parent company: METSÄLIITTO COOPERATIVE  
owned by over 90,000 Finnish forest-owners

### METSÄ FIBRE

PULP AND  
SAWN TIMBER

Sales EUR 2.6 bn  
Personnel 1,400

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

### METSÄ BOARD

PAPERBOARD

Sales EUR 1.8 bn  
Personnel 2,000

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

### METSÄ TISSUE

TISSUE AND  
GREASEPROOF PAPERS

Sales EUR 1.1 bn  
Personnel 2,400

Holding:  
Metsäliitto Cooperative 100%

### METSÄ WOOD

WOOD PRODUCTS

Sales EUR 0.5 bn  
Personnel 1,600

Holding:  
Metsäliitto Cooperative 100%

### METSÄ FOREST

WOOD SUPPLY AND  
FOREST SERVICES

Sales EUR 2.5 bn  
Personnel 600

Holding:  
Metsäliitto Cooperative 100%

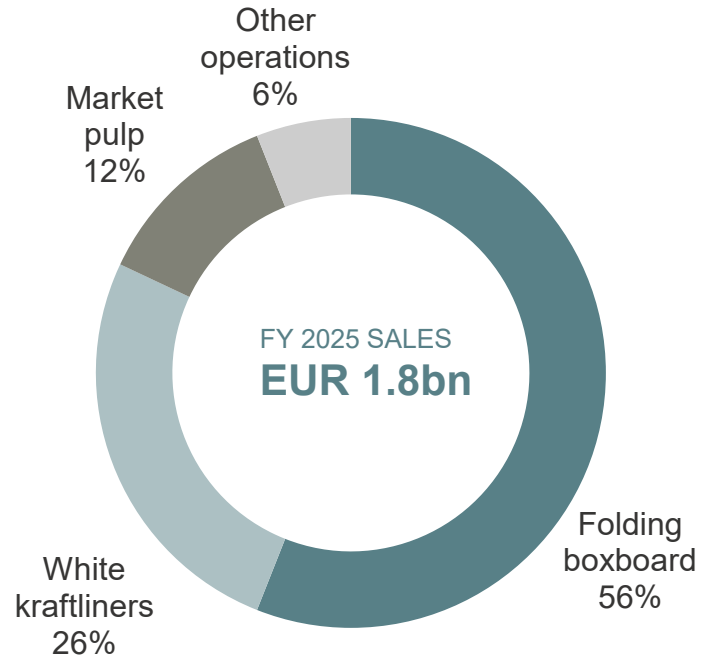
### METSÄ SPRING INNOVATION COMPANY

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

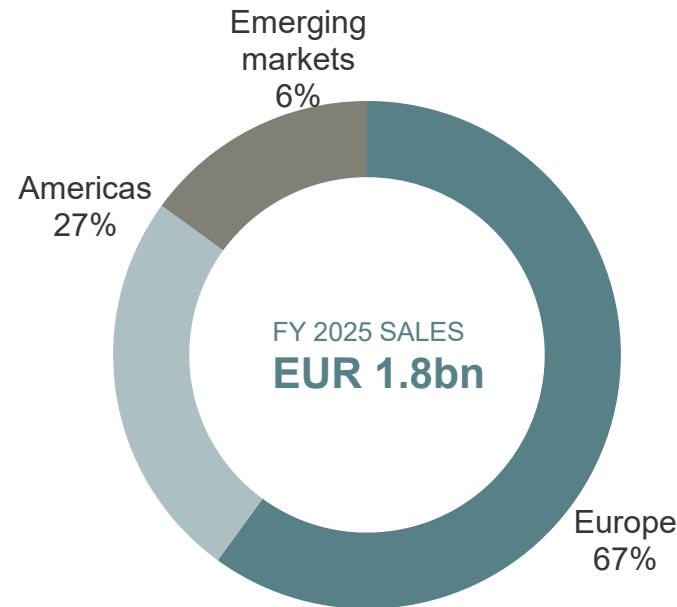


# Company in figures

## Sales split by product

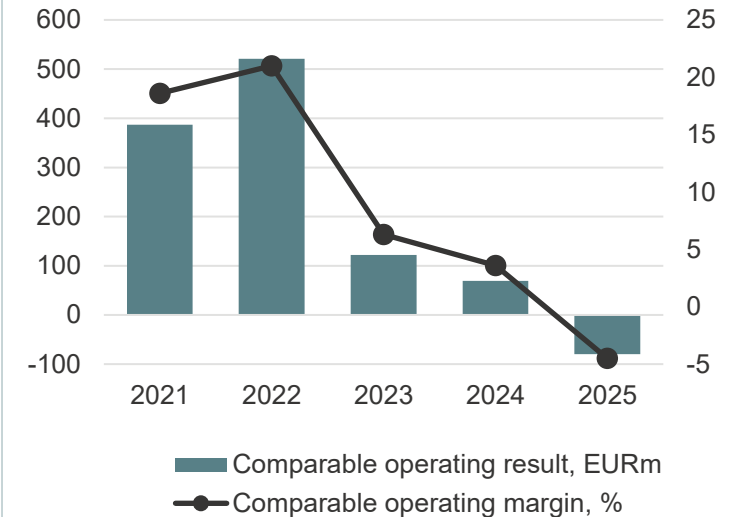


## Sales split by region



## Comparable operating result

FY2025: EUR -80.2 million or -4.5% of sales



## Long-term customerships

Diversified customer base in around 90 countries including brand owners, converters, manufacturers of corrugated products and merchants

Paperboard capacity

**2.1 million**

tonnes/year

Pulp and BCTMP capacity

**1.7 million**

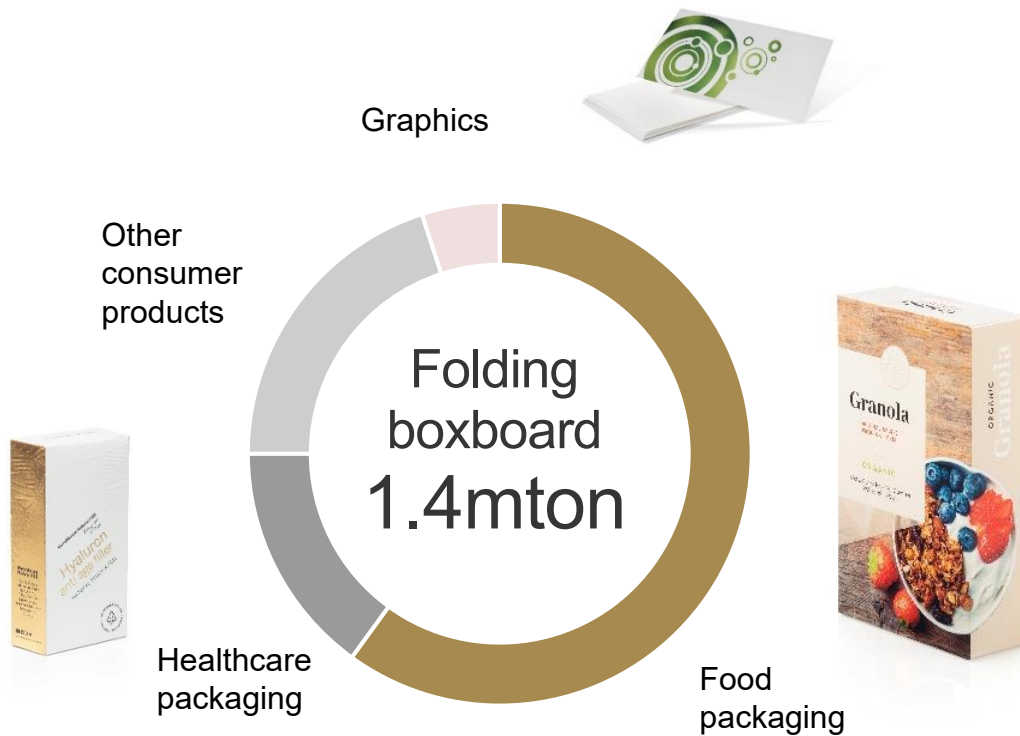
tonnes/year

Ownership in Metsä Fibre\*

**24.9%**

secures self-sufficiency in pulp

# 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 2025 were 1.36 million tonnes

## Regional focus on key demand drivers

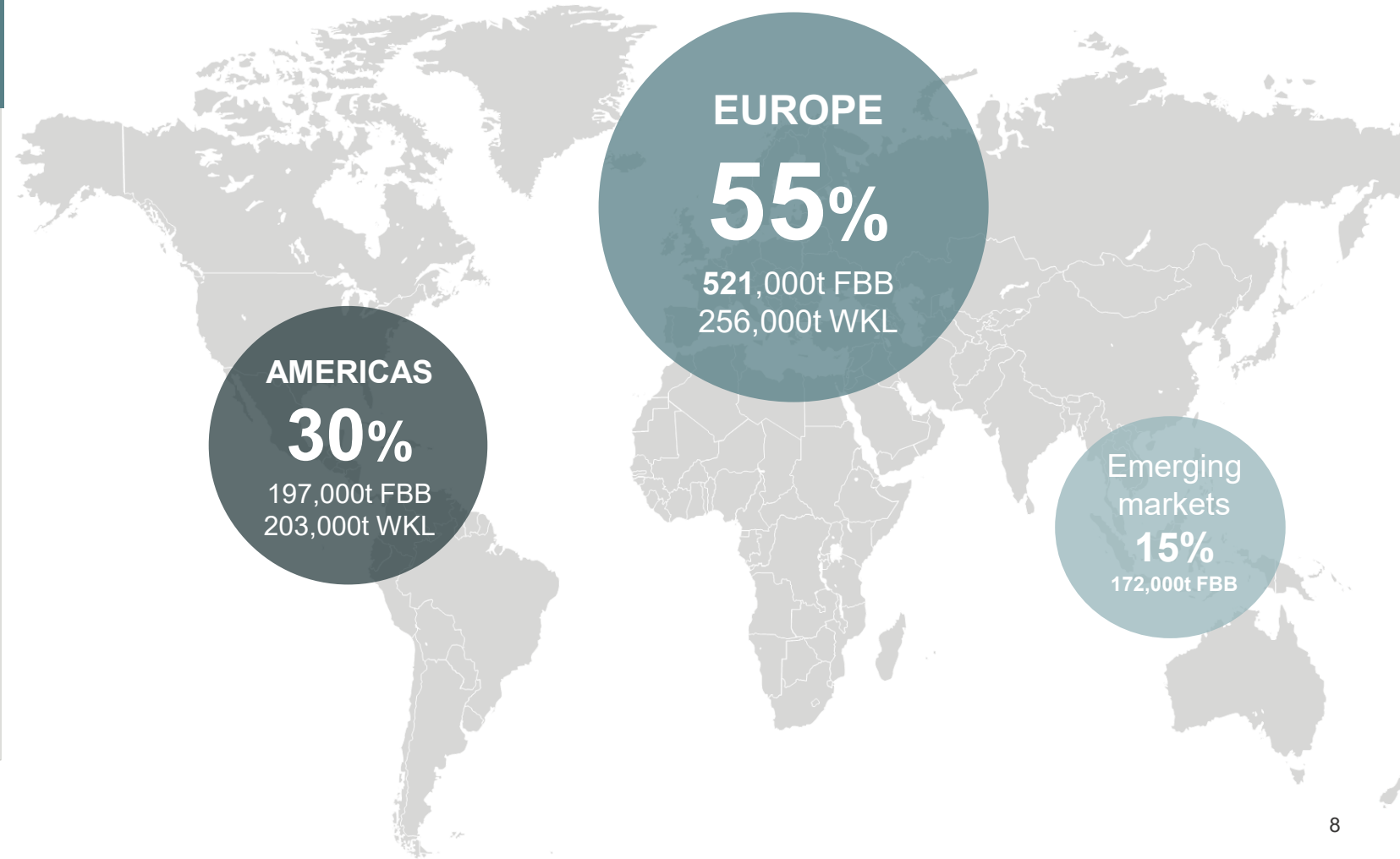
### Sharpening focus and strengthen market position in **EUROPE**

- 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

### Maintain a foothold in a long-established market 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

### Exploring new growth opportunities in **EMERGING MARKETS**



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

## Production units and annual capacities

### Kemi

465,000 t/a WKL  
180,000 t/a pulp<sup>1</sup>  
1,320,000 t/a pulp<sup>2</sup>



### Husum

600,000 t/a FBB  
250,000 t/a WKL  
730,000 t/a pulp



### Kaskinen

390,000 t/a BCTMP



### Kyro

190,000 t/a FBB



### Total paperboard capacity:

Folding boxboard (FBB): 1,360,000 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

### Äänekoski

260,000 t/a FBB  
1,300,000 t/a pulp<sup>2</sup>



### Simpele

310,000 t/a FBB



### Joutseno

360,000 t/a BCTMP  
690,000 t/a pulp<sup>2</sup>

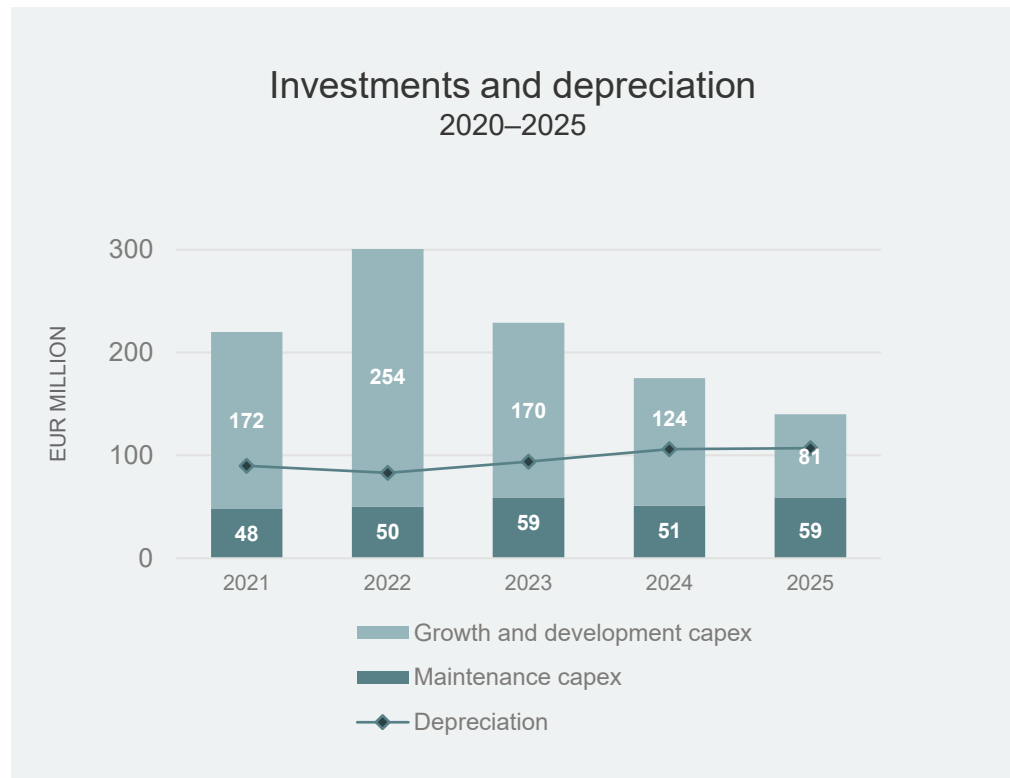


● Mill integrated in chemical pulp  
○ Mill non-integrated in chemical pulp



○ Wood sourced from Finland, Sweden and Baltics.

# Major investments are now completed



## Year 2025

- Total investments were EUR 140 million
- Depreciation EUR 107 million
- Simple modernisation ~EUR 60 million completed

## Years 2026-2028, estimated

- In 2026, estimated investments clearly below EUR 100 million
- In 2026-28, annual maintenance level at EUR 40–50 million and no planned major investments
- Smaller mill specific investments possible to advance the 2030 fossil free target

## ERP project

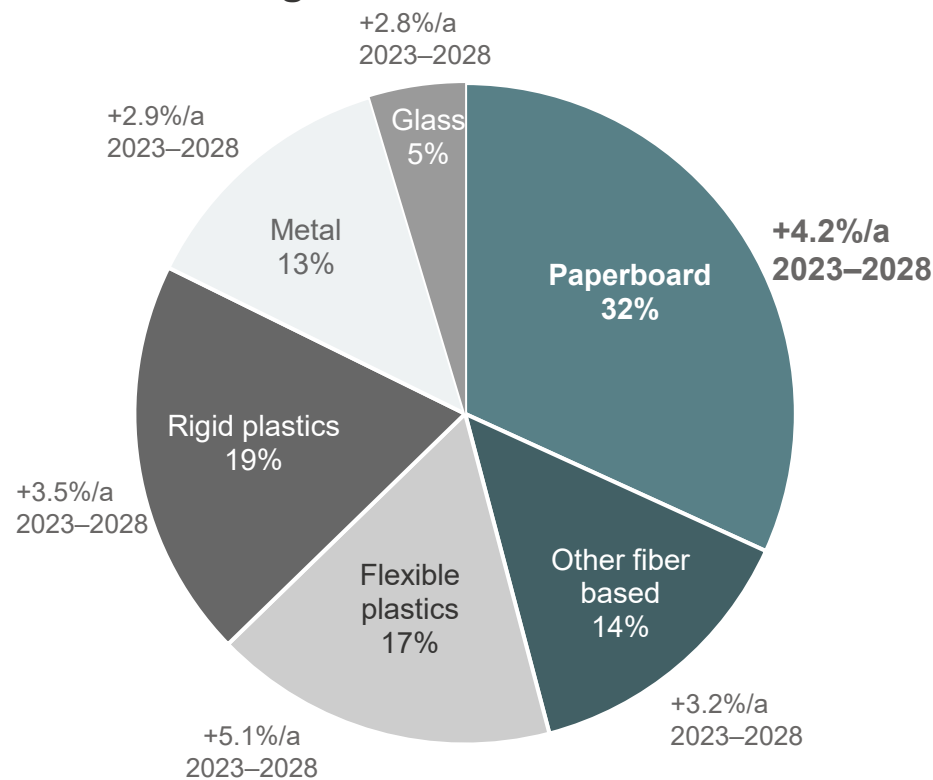
- Metsä Group's ERP project, which also covers Metsä Board, has been suspended for the time being, with an impairment of EUR 35 million recorded in the Q4'25 operating result as IAC



# Global need for packaging is growing

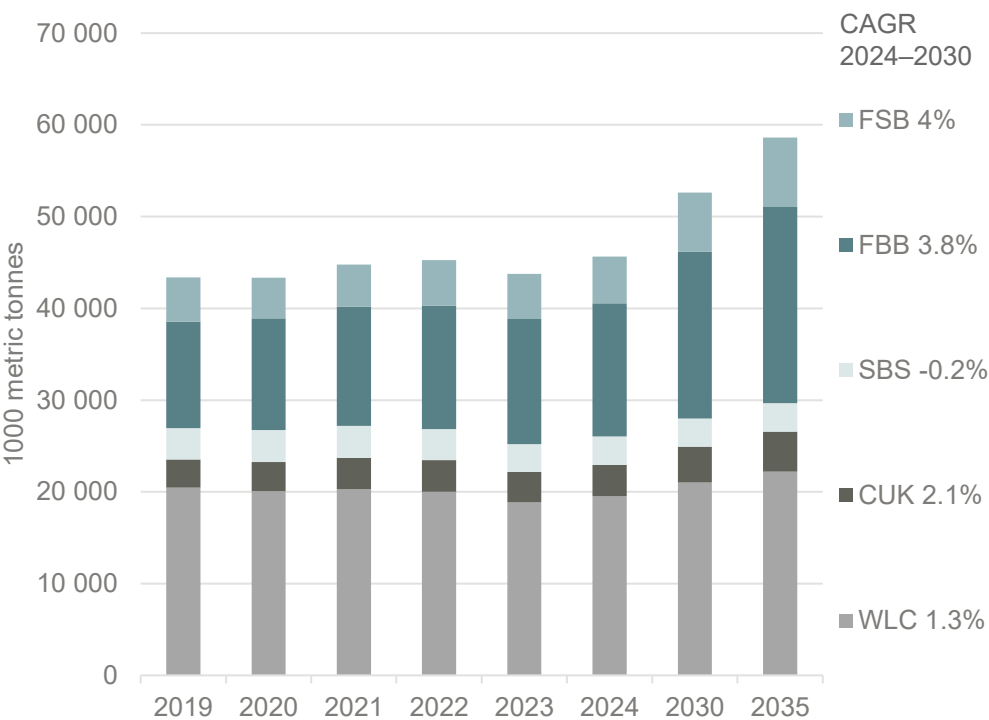
Global packaging market value is USD 1.175 billion and it is growing by 3.9% per year

## 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

# 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



# Cost structure and profit drivers





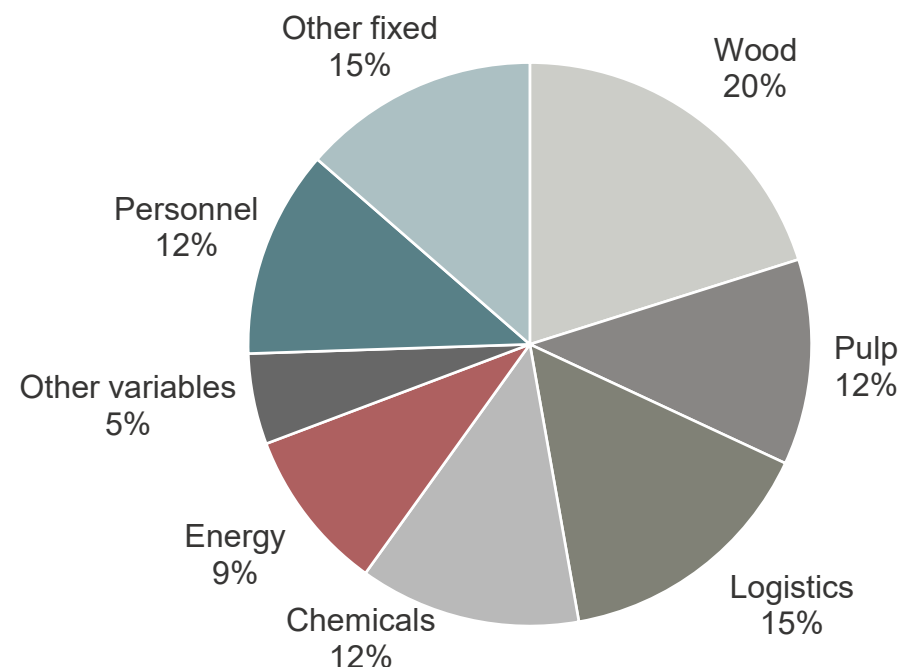
# Cost development and structure

## Year 2025 (2024)

- In variable costs, wood costs increased and energy costs decreased
- Reduced fixed costs due lower use of external and shared services and decreased employee costs
- Positive impact from Tako mill closure roughly EUR 10 million
- Cost inflation, excluding pulp, 1%

## Metsä Board's cost structure in 2025

Total costs EUR 1.7 billion (1.9)



<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 2025:

Wood 57%, Chemicals 10%, Logistics 9%, Energy 3%, Personnel and other fixed 21%.

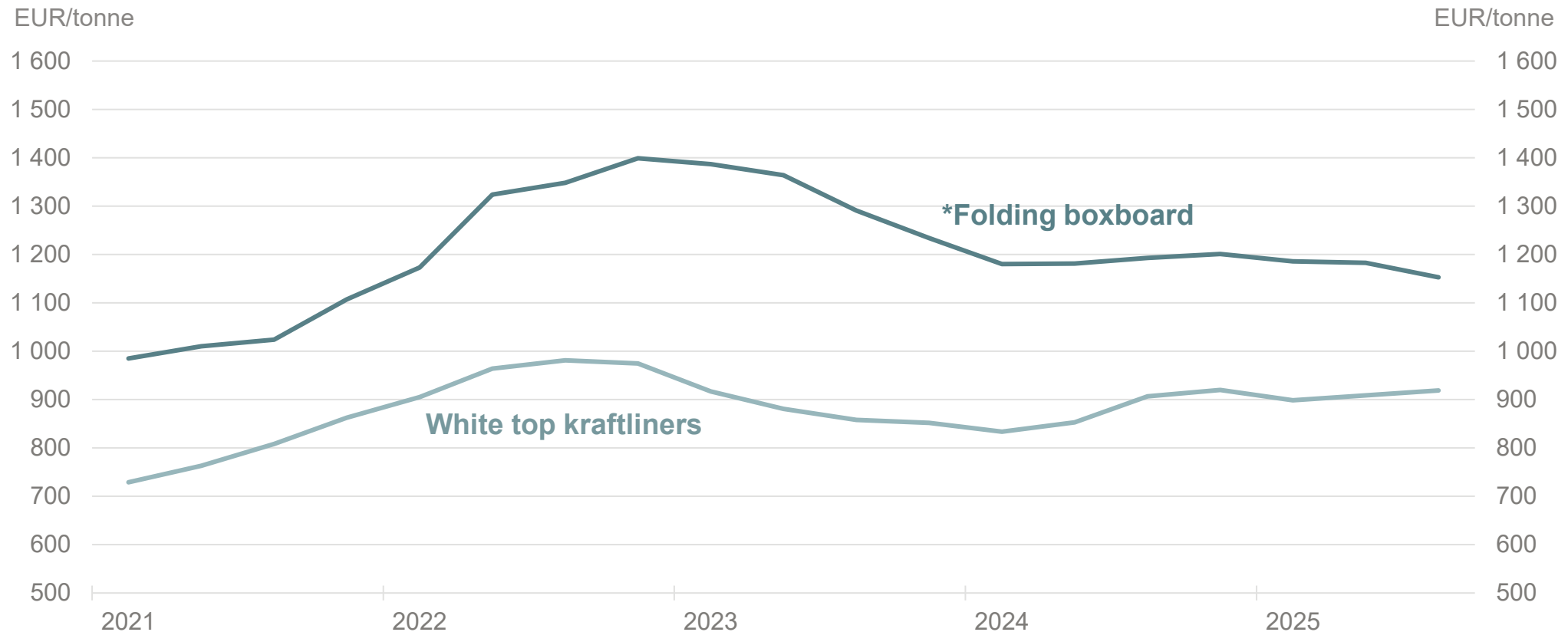
# Main profit drivers and sensitivities

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

1) a negative change has the opposite effect

2) sensitivities take into account Metsä Board's 24.9% stake in Metsä Fibre

# Price development of folding boxboard and white kraftliners in Europe



*\*Fastmarkets launched new transaction price assessments for European folding boxboard with effect from January 2021. The old price assessment series has been removed from the tables and are now replaced with single free-delivered transaction price series, which offers a more accurate indication of actual market prices.*



# Impacts of FX

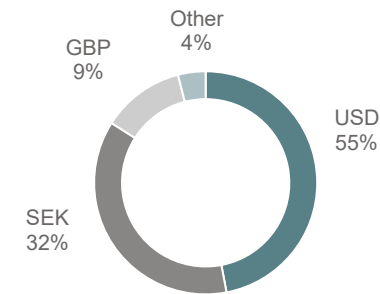
- Impact, including hedges, actual
  - FY 2025 vs FY 2024: EUR +6 million
- Estimated future impacts, including hedges
  - Overall negative impact in FY'26 vs FY'25
  - Q1'26 vs. Q4'25 impact roughly EUR -20 million

## 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 2025, an average of 7.0 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 +50 million
SEK, kr	EUR -40 million
GBP, £	EUR +15 million

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

## EUR/USD



## EUR/SEK



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

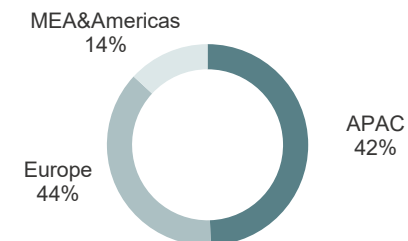
## Metsä Fibre is globally #1 producer in softwood market pulp (NBSK)

- 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)

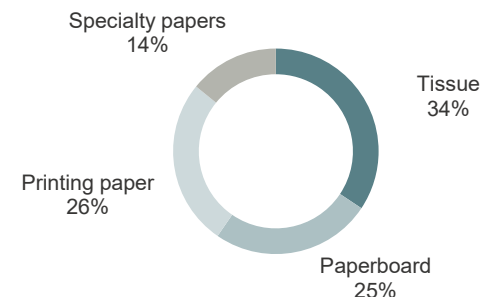
## Metsä Board owns 24.9% of Metsä Fibre

- 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 40 million impact on Metsä Board's annual operating result

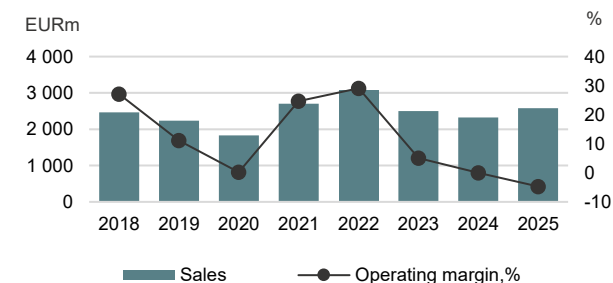
Metsä Fibre's pulp sales split by region 2025



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

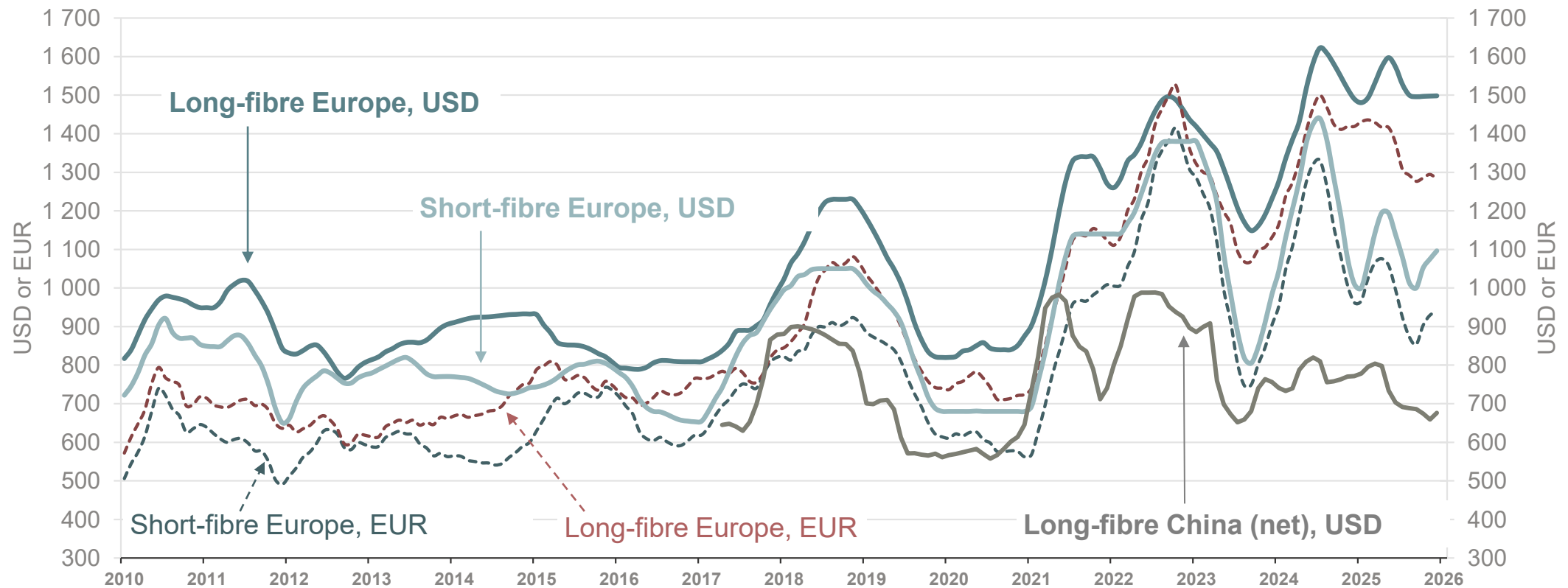


Metsä Fibre's sales (EUR million) and operating margin (%)



# Price development of pulp (PIX)

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





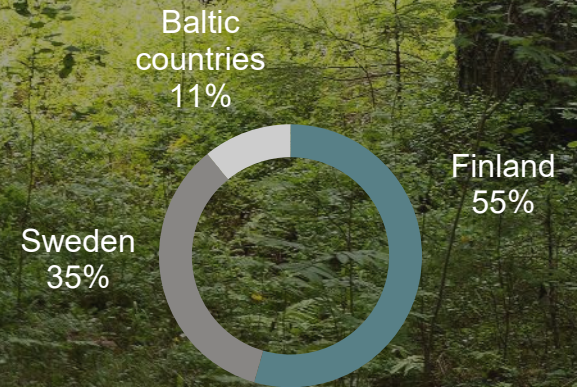
# Wood is Metsä Board's main raw material

## Wood usage

- In 2025, Metsä Board used<sup>1)</sup> 6.0 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



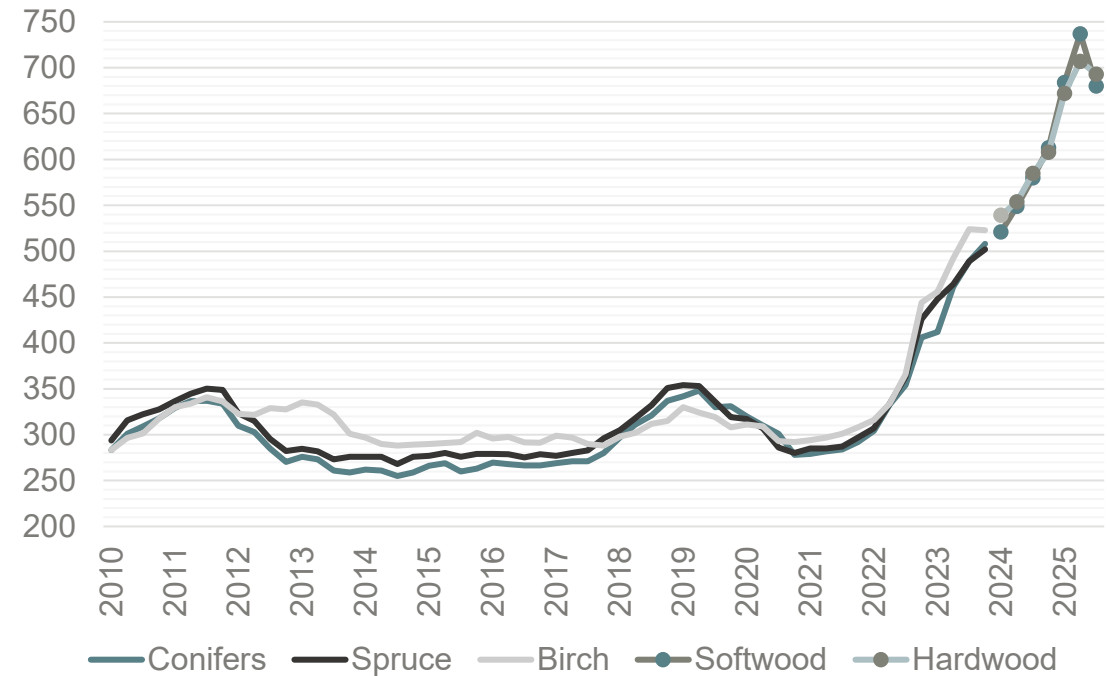


# Price development of pulpwood in Finland and Sweden

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>



# Results for FY2025 and financial position



# Key financials

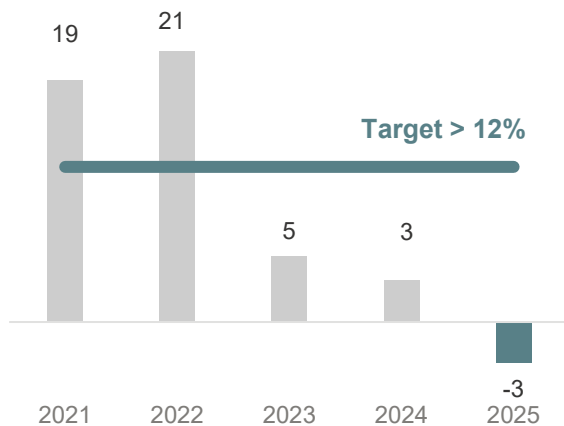
		Q4'25	Q4'24	Change Q4'25 vs Q4'24	FY/25	FY/24	Change Q1–Q4'25 vs Q1–Q4'24
Sales	EUR, m	394	446	-12%	1,776	1 939	-8%
EBITDA*	EUR, m	-9	25	-138%	30	175	-83%
Operating result*	EUR, m	-35	-4	871	-80	69	-216%
% of sales*	%	-8.8	-0.8	-	-4.5	3.6	-
Metsä Fibre's share of operating result*	EUR, m	-13	-3	-	-33	-10	-
Earnings per share	EUR	-0.25	-0.02	-	-0.44	0.07	-
ROCE*	%	-5.6	-0.3	-	-3.1	3.2	-
Total investments	EUR, m	76	55	38%	140	175	-20%
Cash flow from operations	EUR, m	156	50	213%	240	38	534%
IB net debt at end of period	EUR, m	255	345	-	255	345	-

\*comparable

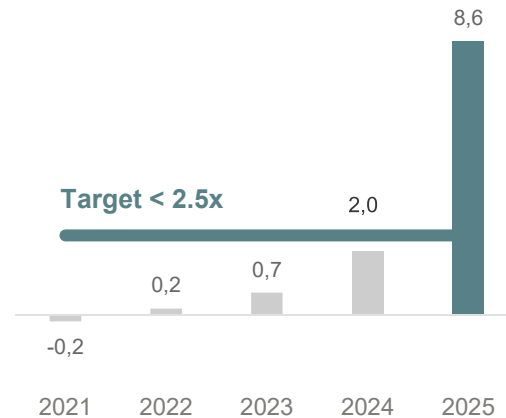


# Financial targets and dividend policy

Comparable ROCE, %

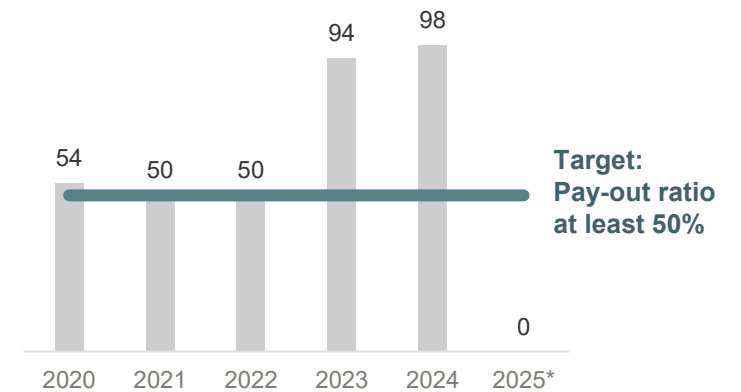


IB net debt/comparable EBITDA



Dividend policy

Dividend/net result, %



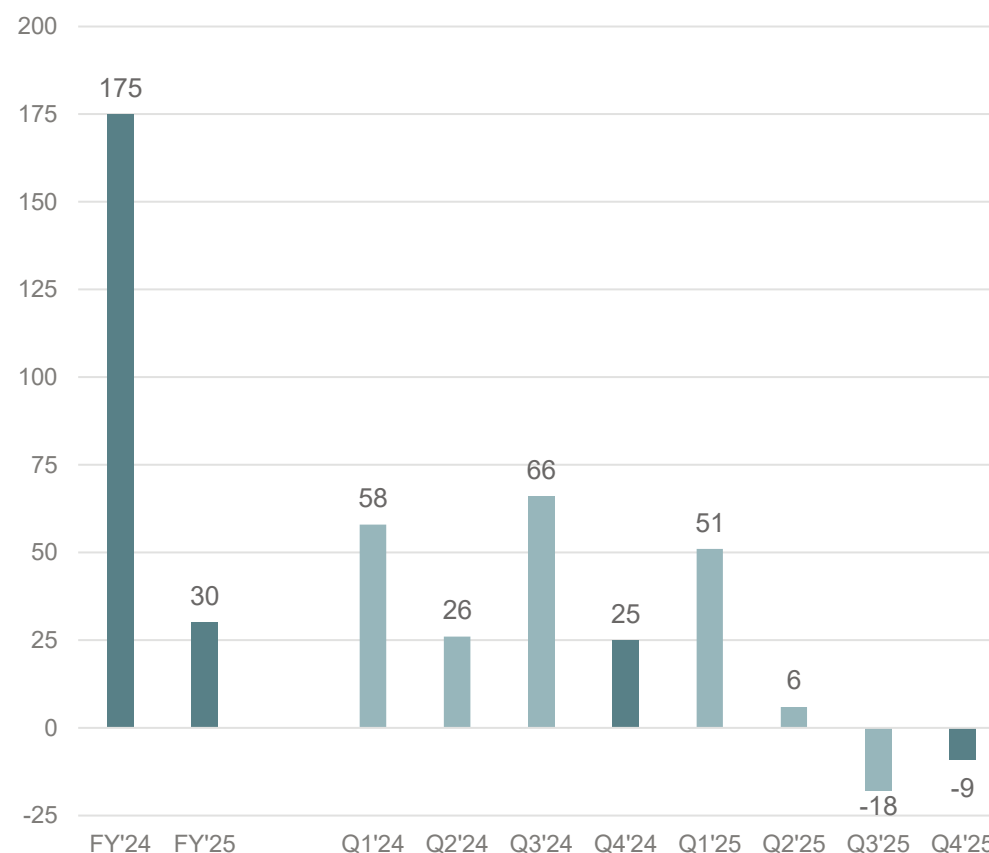
\*The Board of Directors proposes to the Annual General Meeting to be held on 19 March 2026 that no dividend be paid for the 2025 financial period.

# Profitability still challenged – Corrective actions underway

## Q4 2025 in brief

- Seasonality affected paperboard volumes with stable prices. Market-related shutdowns continued.
- Lower fixed costs compared to last year
- Strong operating cash flow EUR 156 million
- Renewal of Simpele mill marked an end of an extensive investment period
- Insurance negotiations related to the Kemi bioproduct mill were concluded
- Metsä Board achieved a triple-A rating in CDP's ESG assessment
- Board proposes to AGM that no dividend will be distributed from FY2025

**Comparable EBITDA**  
EUR million



# Consumer board

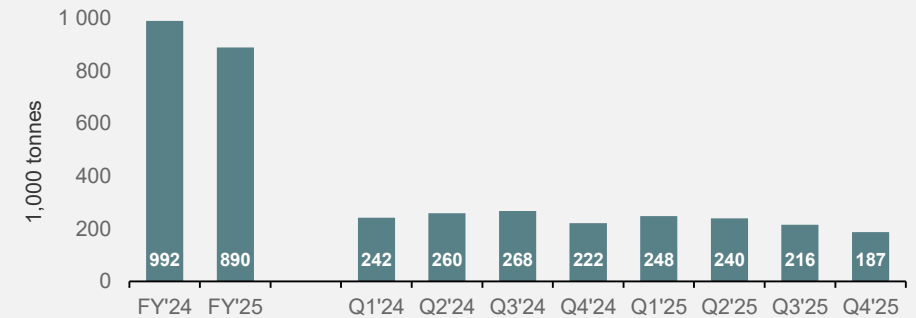
56%  
of total sales  
in FY'25

## Folding boxboard (FBB)

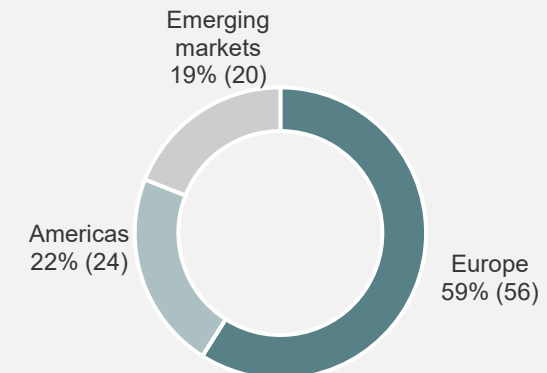
- In Europe, subdued demand and increased supply kept capacity utilization below long-term average
- In U.S., FBB sales impacted by 15% import tariffs. Main impact on the Husum integrated mill
- Volume and prices during FY'25 vs FY'24
  - Delivery volumes -10%\* (Europe -6%, U.S. -17%)
  - Average EUR prices remained stable
- Annual negotiations concluded according to the plan

\*) NOTE! Metsä Board closed Tako paperboard mill (FBB capacity 210kt/year) in June 2025

Metsä Board's FBB delivery volumes



Metsä Board's FBB deliveries by region  
FY'25 (FY'24)



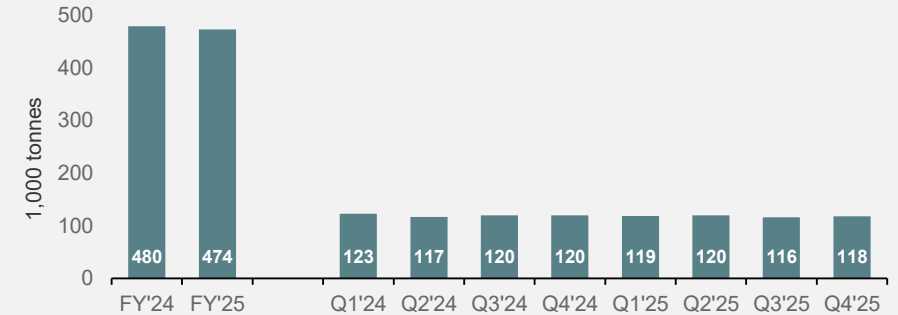
# Containerboard

26%  
of total sales  
in FY'25

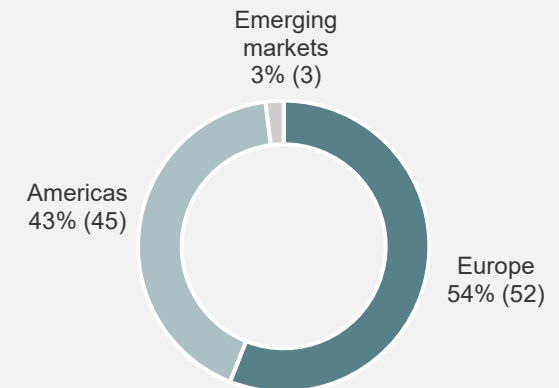
## White kraftliner (WKL)

- In Europe, stable but moderate demand for both coated and uncoated kraftliners
- In U.S., containerboard sales is mainly coated white kraftliners
- Volume and prices during FY'25 vs FY'24
  - Delivery volumes -1% (Europe +4%, U.S. -7%)
  - Average EUR prices slightly decreased

Metsä Board's WKL delivery volumes



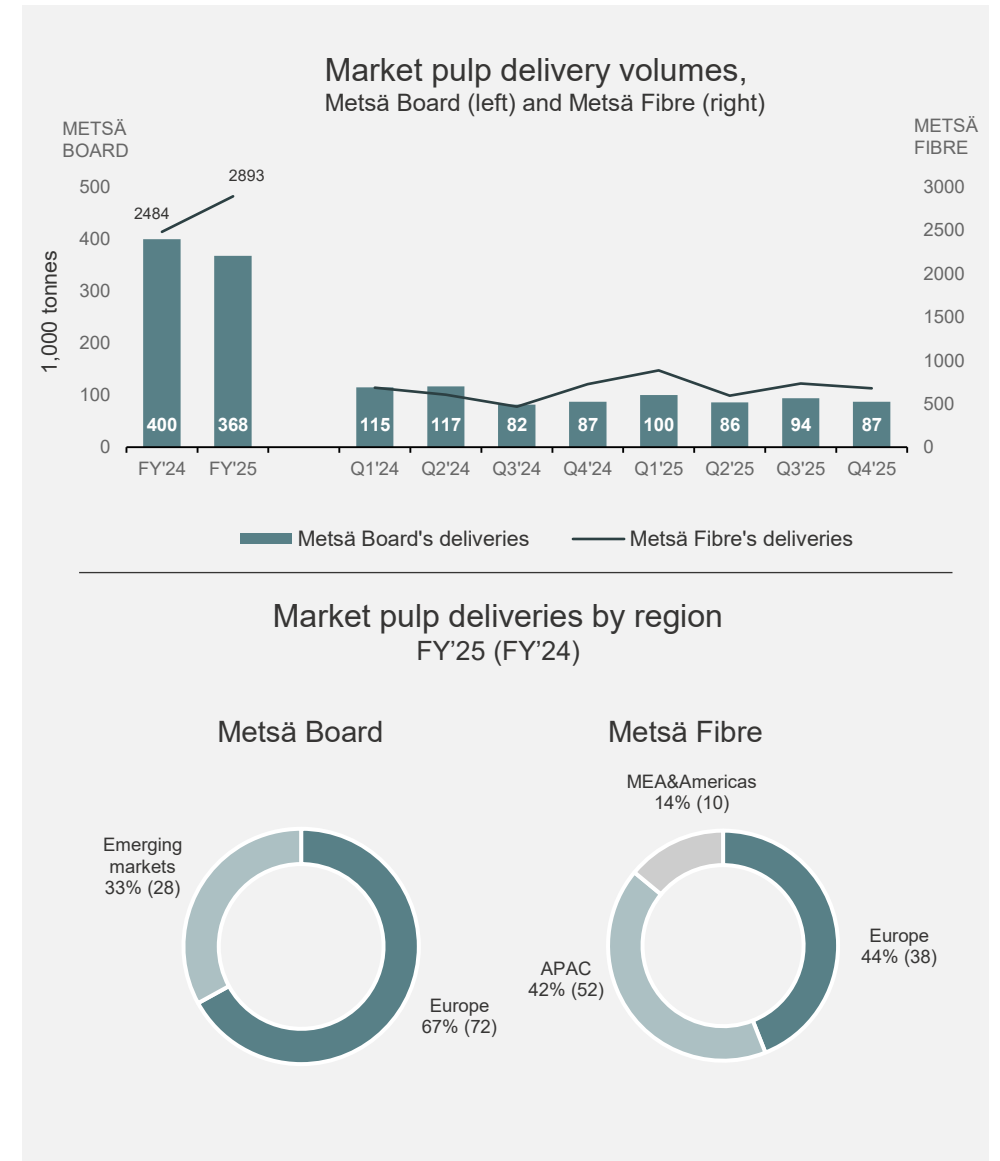
Metsä Board's WKL deliveries by region  
FY'25 (FY'24)



# Market pulp

12%  
of total  
sales<sup>1)</sup> in  
FY'25

- Weak consumer sentiment continues to weigh on market pulp demand in Europe and China
- Market-driven shutdowns at Metsä Board and Metsä Fibre<sup>2)</sup> mills reduced production volumes and lowered inventories
- Volume and prices during FY'25 vs FY'24
  - Metsä Board pulp<sup>3)</sup> deliveries -8%
  - Metsä Fibre pulp deliveries +16%
  - Price (PIX) development in NBSK in Europe +2% and China -6%



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

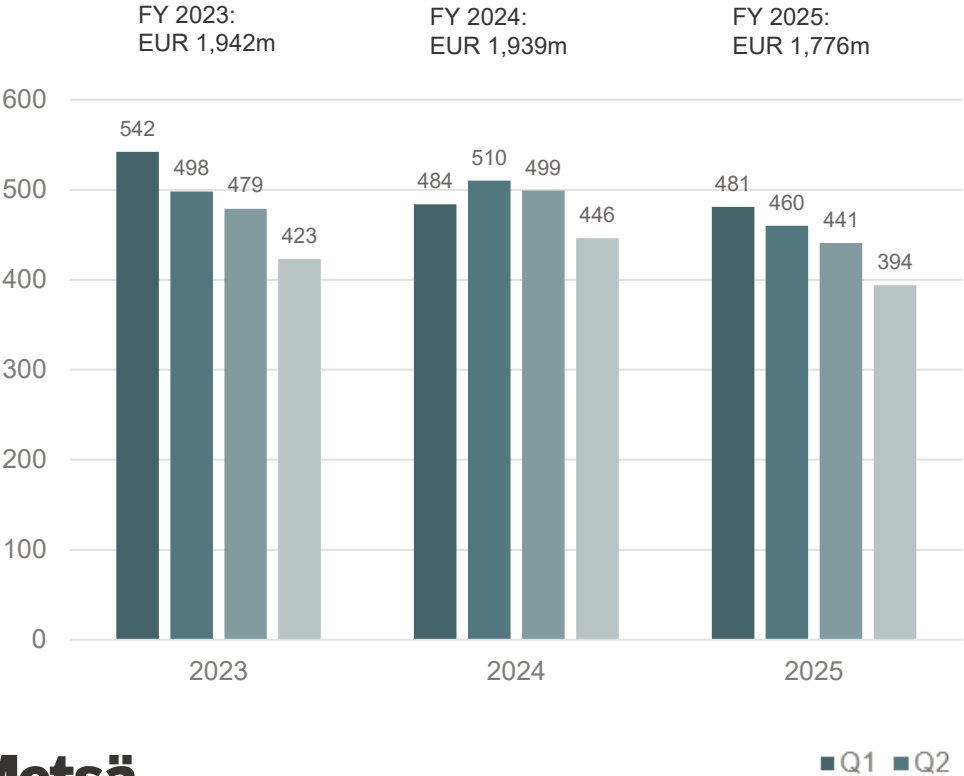
2) Metsä Board owns a 24.9% share of Metsä Fibre. The company consolidates its share of Metsä Fibre's net result into its own EBITDA on a quarterly basis.

3) Includes BCTMP

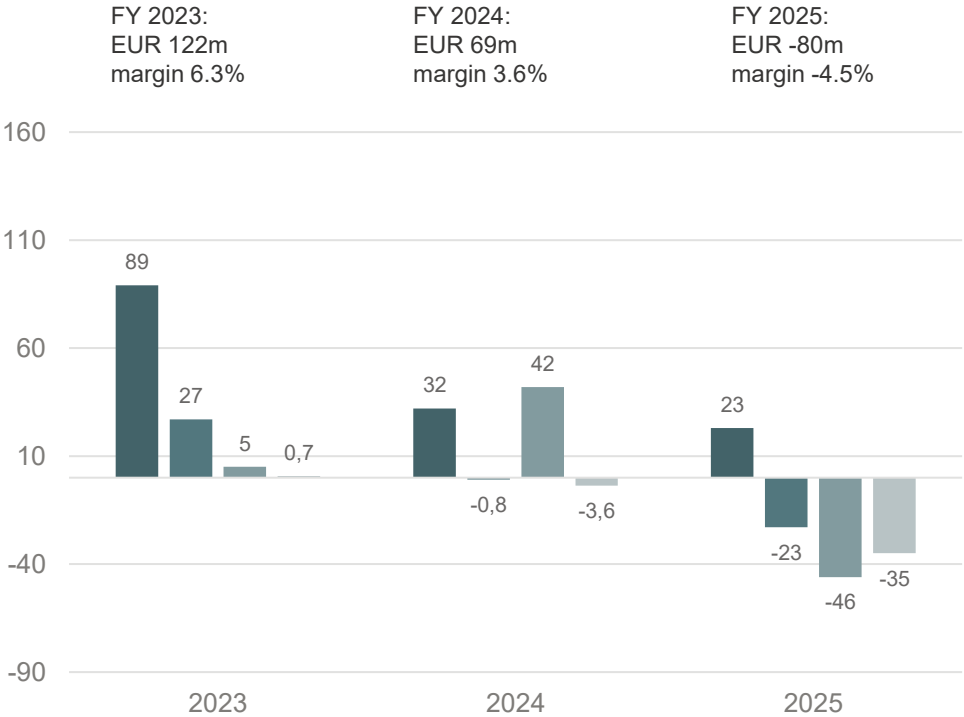


# 2025 sales declined 8% with negative profitability

Sales, quarterly  
EUR million

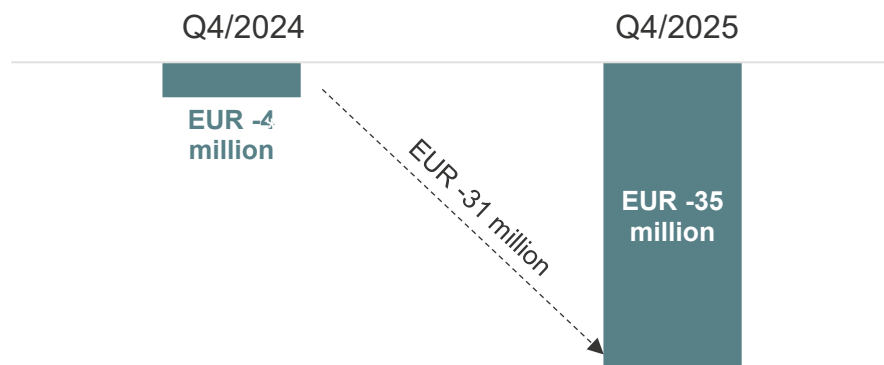


Comparable operating result, quarterly  
EUR million and % of sales



# Operating result comparison

## Q4 2024 vs Q4 2025



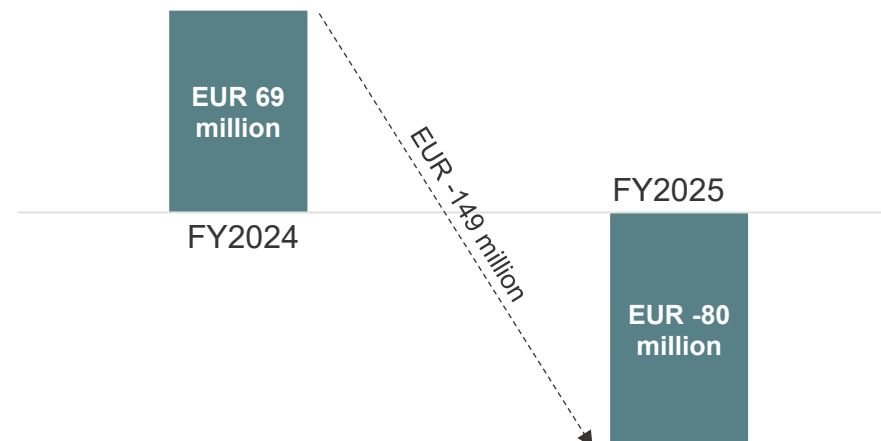
### Positives:

- ↗ FX impact including hedges
- ↗ Lower fixed costs\*

### Negatives:

- ↘ Lower market pulp prices
- ↘ Weaker result share from Metsä Fibre
- ↘ Lower paperboard volumes
- ↘ Market-related production shutdowns
- ↘ Lower sales of unused emission rights
- ↘ Higher energy costs

## FY2024 vs FY2025



### Positives:

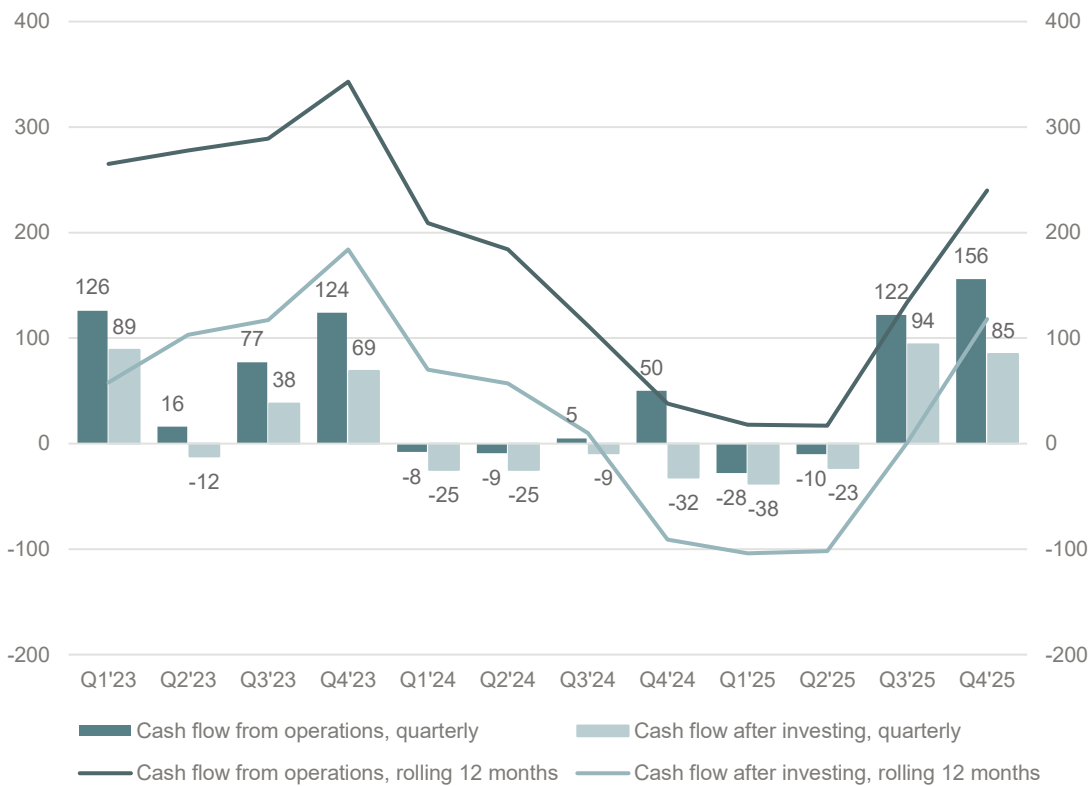
- ↗ FX impact including hedges
- ↗ Lower chemical costs and fixed costs\*

### Negatives:

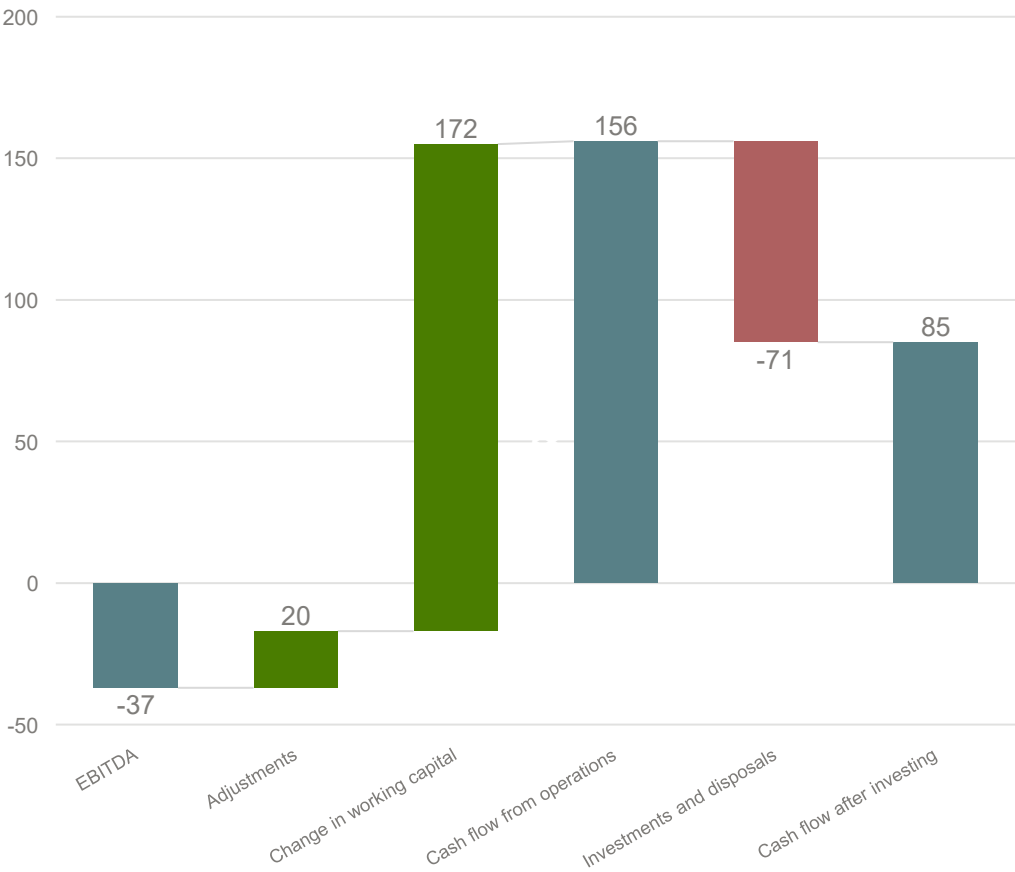
- ↘ Lower market pulp prices
- ↘ Weaker result share from Metsä Fibre
- ↘ Lower paperboard volumes
- ↘ Market-related production shutdowns
- ↘ Higher wood and logistics costs, more maintenance
- ↘ Lower sales of unused emission rights

# Strong H2 cash flow backed by working capital efficiency

Cash flow from operations and after investing,  
EUR million



Q4 2025 cash flow break-down  
EUR million



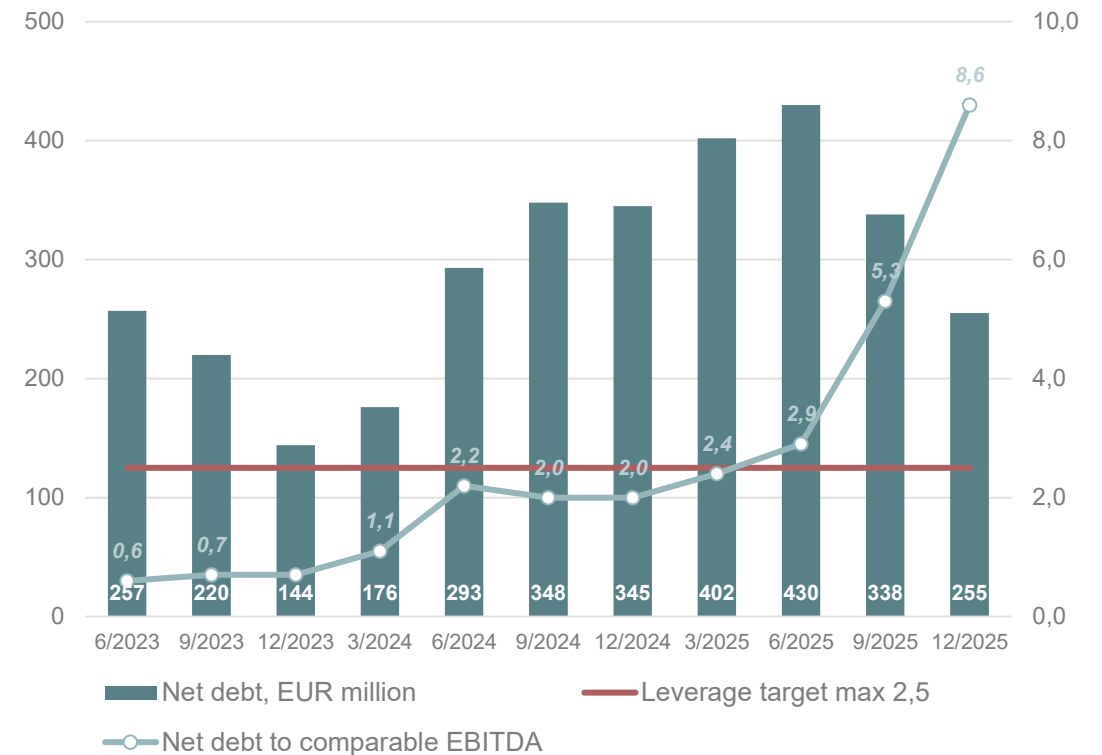
Dividend received from Metsä Fibre is included in cash flow from operations:  
Q1'23: €83m, Q1'24: €10m, Q1'25: €0

# Solid financial position despite leverage growth – Net debt kept decreasing

## December 2025

- Total interest-bearing debt was EUR 565 million, and net debt was EUR 255 million
- Liquidity totals EUR 560 million: Liquid assets and investments EUR 310 million and unused RCF EUR 250 million
- Metsä Board IG-rated by Moody's and S&P
- The elevated leverage level is largely driven by weak profitability

Net debt, MEUR and leverage

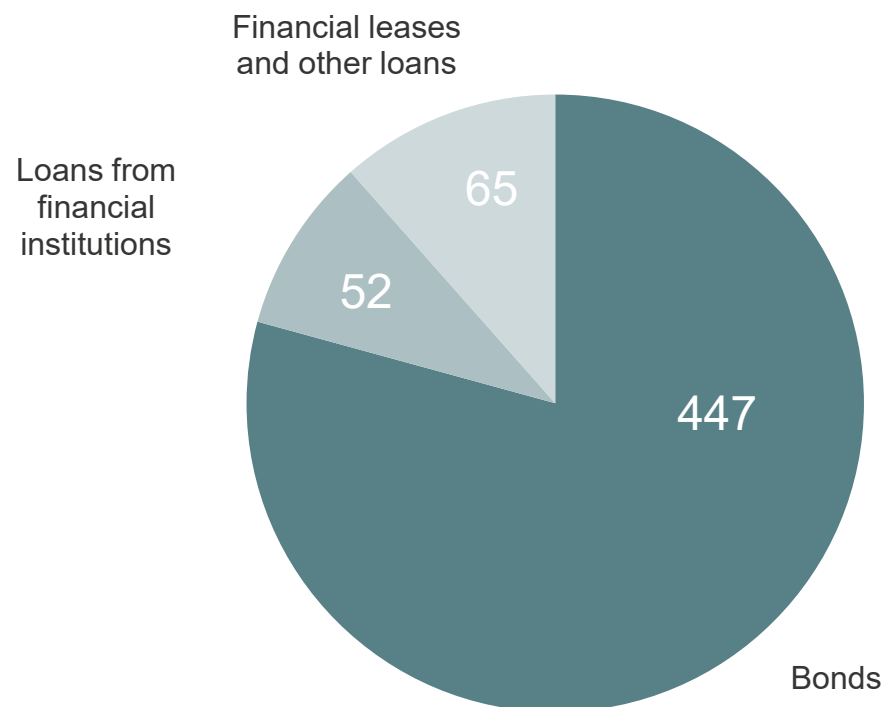




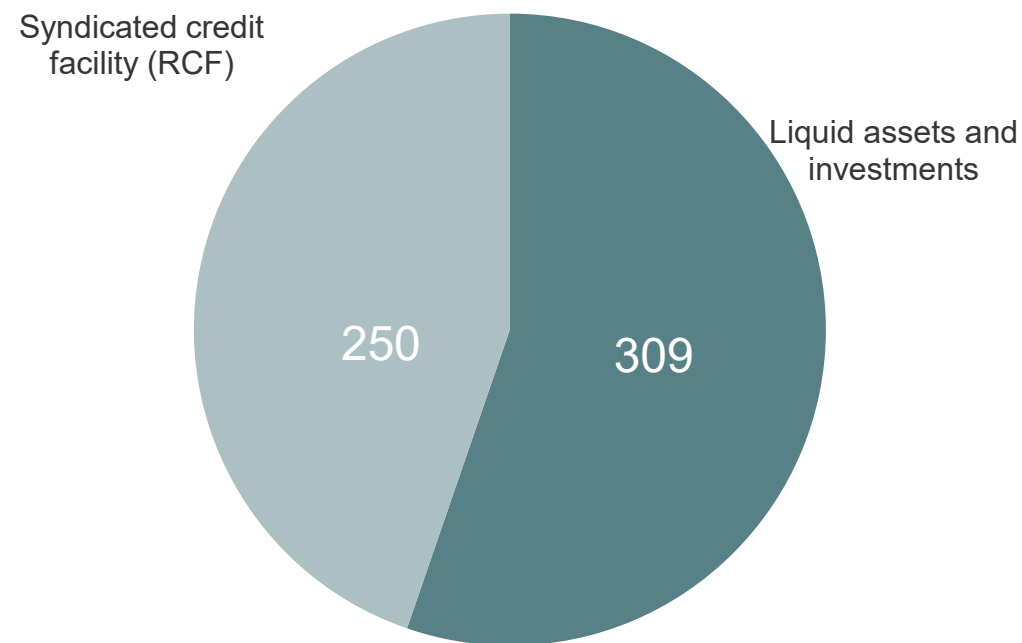
# Interest-bearing debt and liquidity

31 December 2025

Interest-bearing debt  
EUR 564 million



Liquidity  
EUR 559 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**

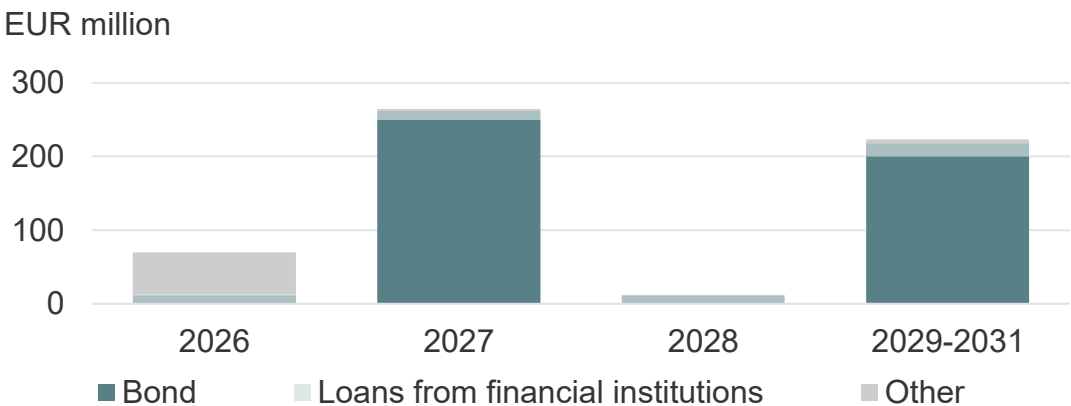
# Debt maturity and credit ratings

## 31 December 2025

- Total interest-bearing debt was EUR 564 million, and net debt was EUR 255 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 3.1 years
- FY2025 net financial costs, including foreign exchange differences, were EUR 17 million (2024: 11)

## Maturity of interest-bearing debt

Total EUR 564 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/negative	Nov 25

# Outlook

## Outlook for operating environment, 3–6 months

### Paperboard

- Soft consumer sentiment and U.S tariffs weaken the predictability of sales development
- Overcapacity in Europe adds pressure to the market

### Market pulp

- In China, demand remains low
- In Europe, production expected to be restricted due cost/FX pressures

### Costs

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

### FX

- Clear negative impact compared to 2025

## Metsä Board specific outlook for Q1'26 (compared to Q4'25)

- Cash-flow-based operational steering continues; market-driven production curtailments are likely to continue, especially in Husum
- Strict capital discipline remains a priority. Q1'26 working capital is impacted by seasonality and lower accounts payable
- Folding boxboard delivery volumes are expected to increase from the very low levels of Q4
- Variable costs are declining, driven by lower wood prices and transformation actions; reduced personnel and ICT expenses ease fixed costs
- No planned maintenance shutdowns in Q1



# 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





# 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







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.



# Transformation required to recover profitability and ensure sustainable growth

**“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

- Headcount reductions in all operating countries
- Further savings through Metsä Group's headcount 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

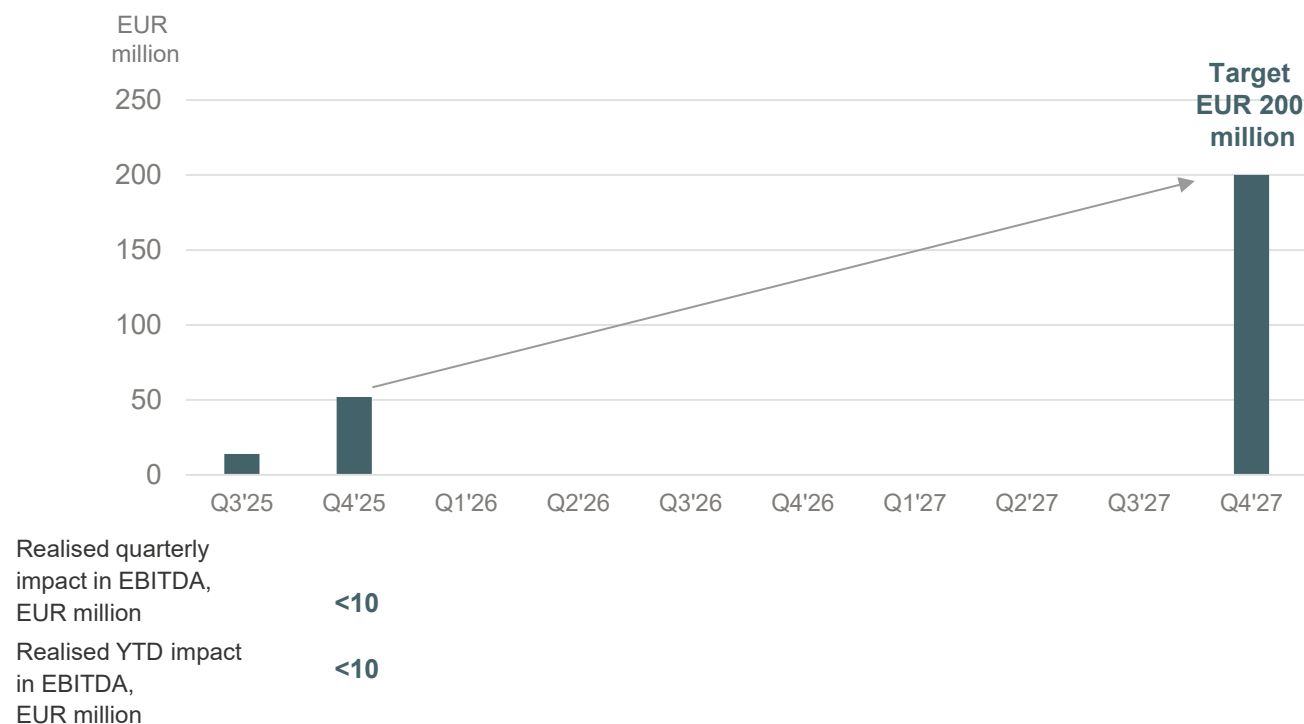
*Full P&L impact by the  
end of 2028*

**“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 start in transformation fuels confidence in target execution

## EBITDA impact (run-rate) of the actions implemented



### Main actions implemented in Q4'25:

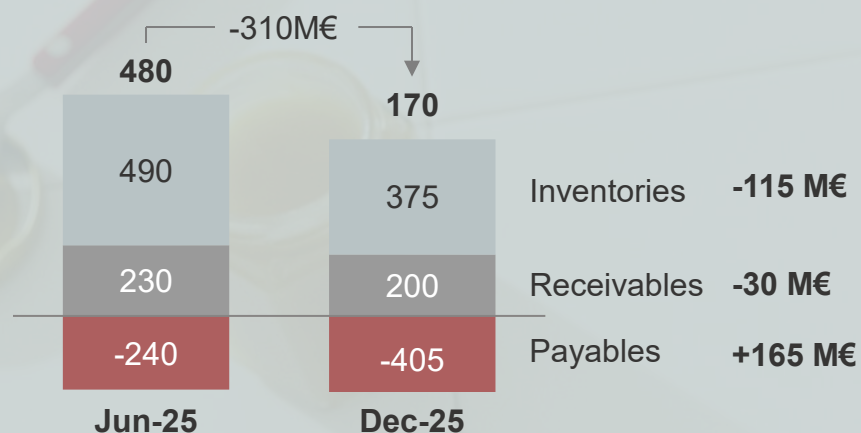
- Actions to improve competitiveness especially in Husum
- New focused commercial strategy
- Headcount reductions, including the impact through Metsä Group's shared services
- Fibre mix optimisation
- Sourcing tender and operating model update

Note: The targeted, implemented and realised improvements reflect absolute cost savings and value of profitability improvement actions. They should not be interpreted as guidance for Metsä Board's total EBITDA for the respective periods.



# Strong performance in working capital release and cash flow improvement in H2'25

## Operating net working capital, MEUR



Net working capital release in H2'25 primarily through

- inventory optimisation and
- financing arrangements related to wood purchases

## Cash flow from operations and after investments, MEUR

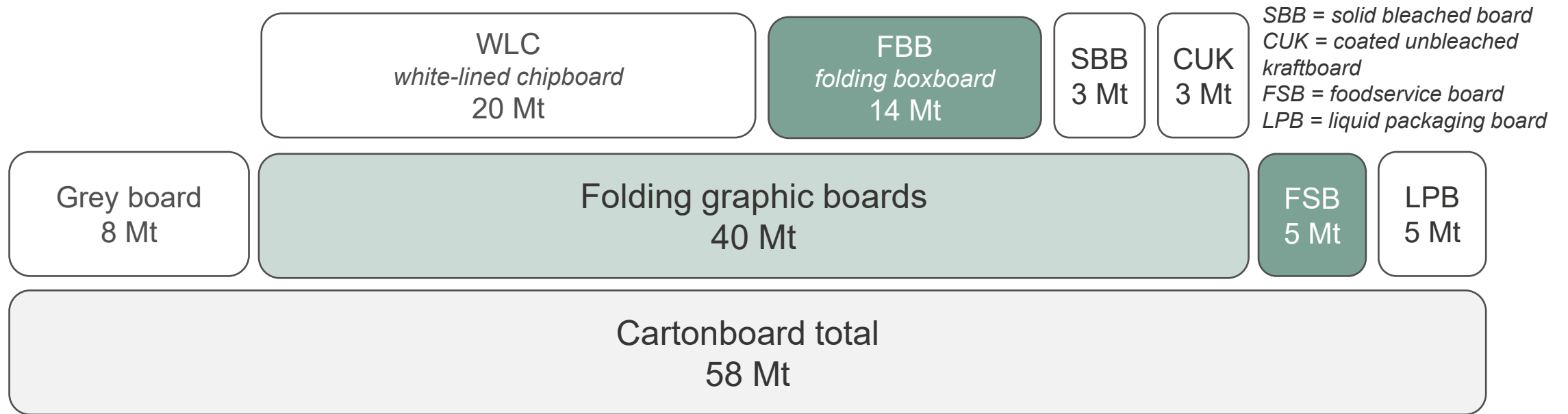
	FY 2024	H1 2025	H2 2025	FY 2025
<b>EBITDA</b>	<b>176</b>	<b>51</b>	<b>-55</b>	<b>-4</b>
Adjustments, net financials and income taxes	-41	-11	23	12
Change in NWC	-96	-78	309	231
<b>CASH FLOW FROM OPERATIONS</b>	<b>38</b>	<b>-38</b>	<b>278</b>	<b>240</b>
Investments and disposals	-130	-22	-99	-121
<b>CASH FLOW AFTER INVESTING</b>	<b>-92</b>	<b>-60</b>	<b>178</b>	<b>118</b>

# Operating environment and regulation



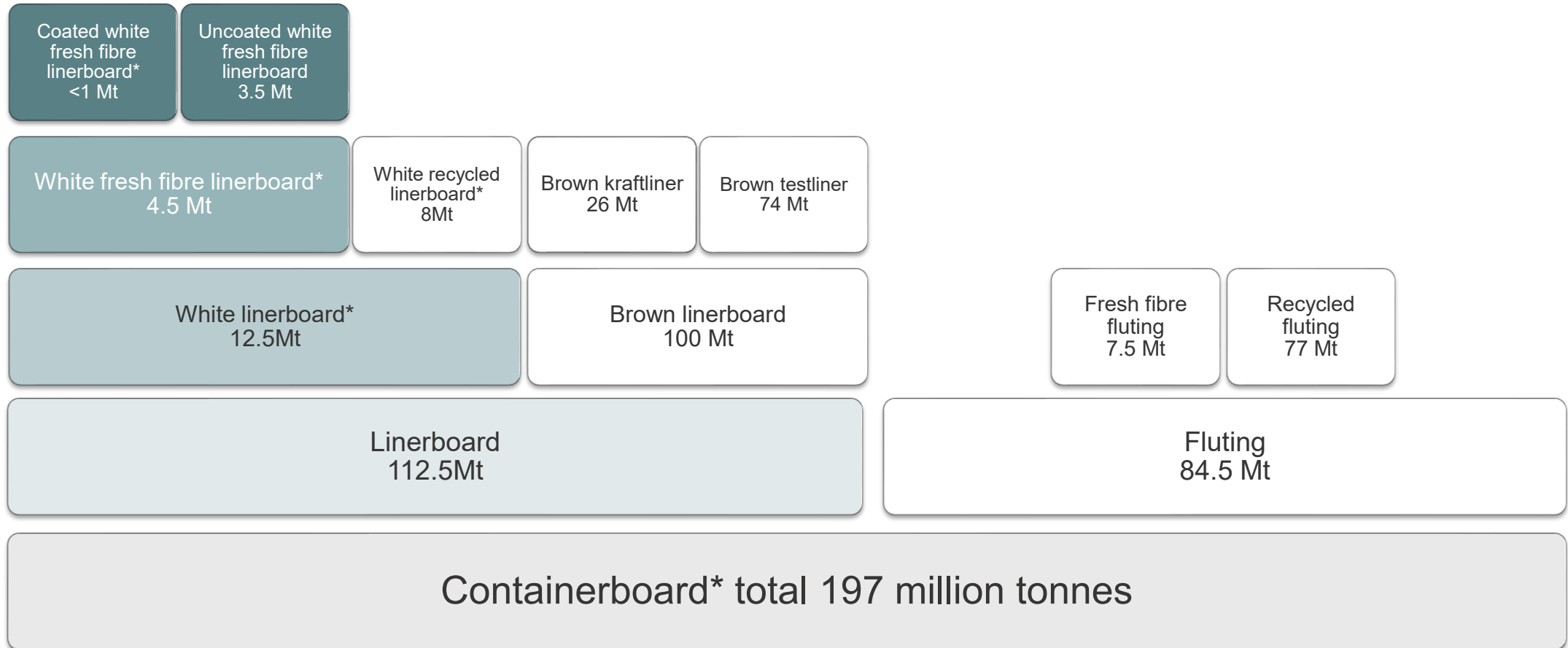


# Global annual demand for cartonboards



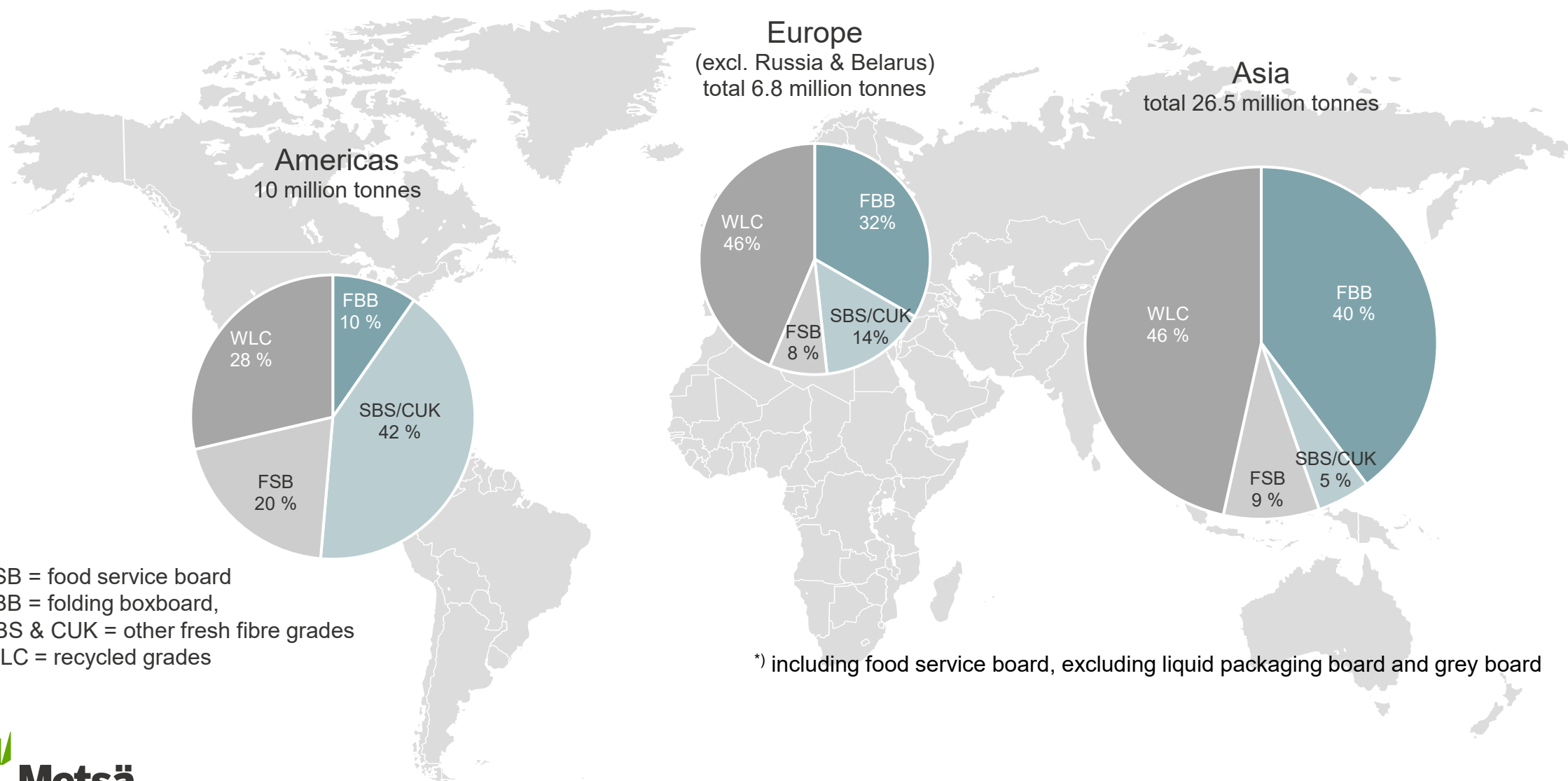
# Global annual demand for containerboards

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





# Global demand for folding cartonboard\*

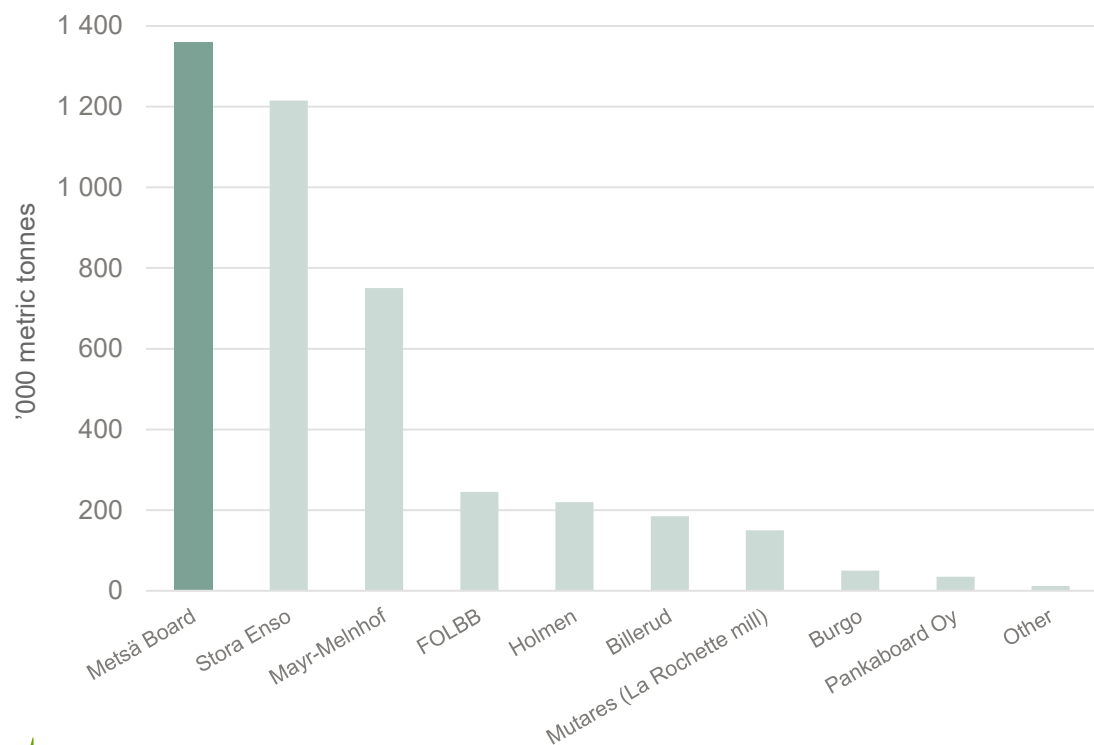


# Folding boxboard and white kraftliner capacity in Europe

(excluding Russian and Belarusian producers)

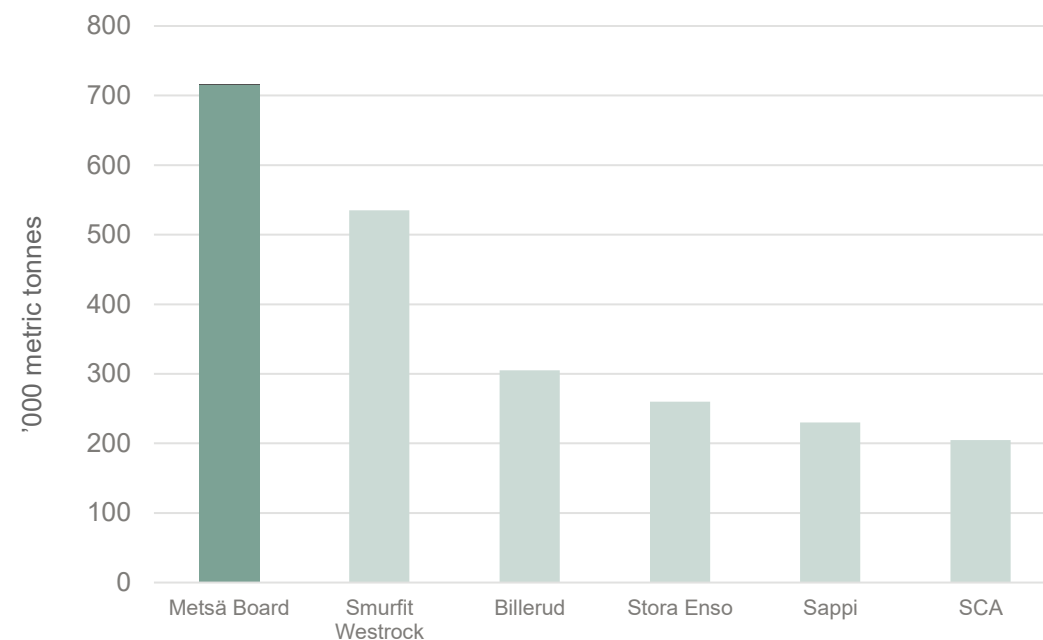
## FBB producers in Europe

Total capacity 4.2 million tonnes



## WKL producers in Europe

Total capacity 2.3 million tonnes



# 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 2026 for large and medium-sized operators, when they will replace the EU timber regulation (EUTR). The European Commission is still required to carry out a simplification review of the regulation by 30 April 2026.





# 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

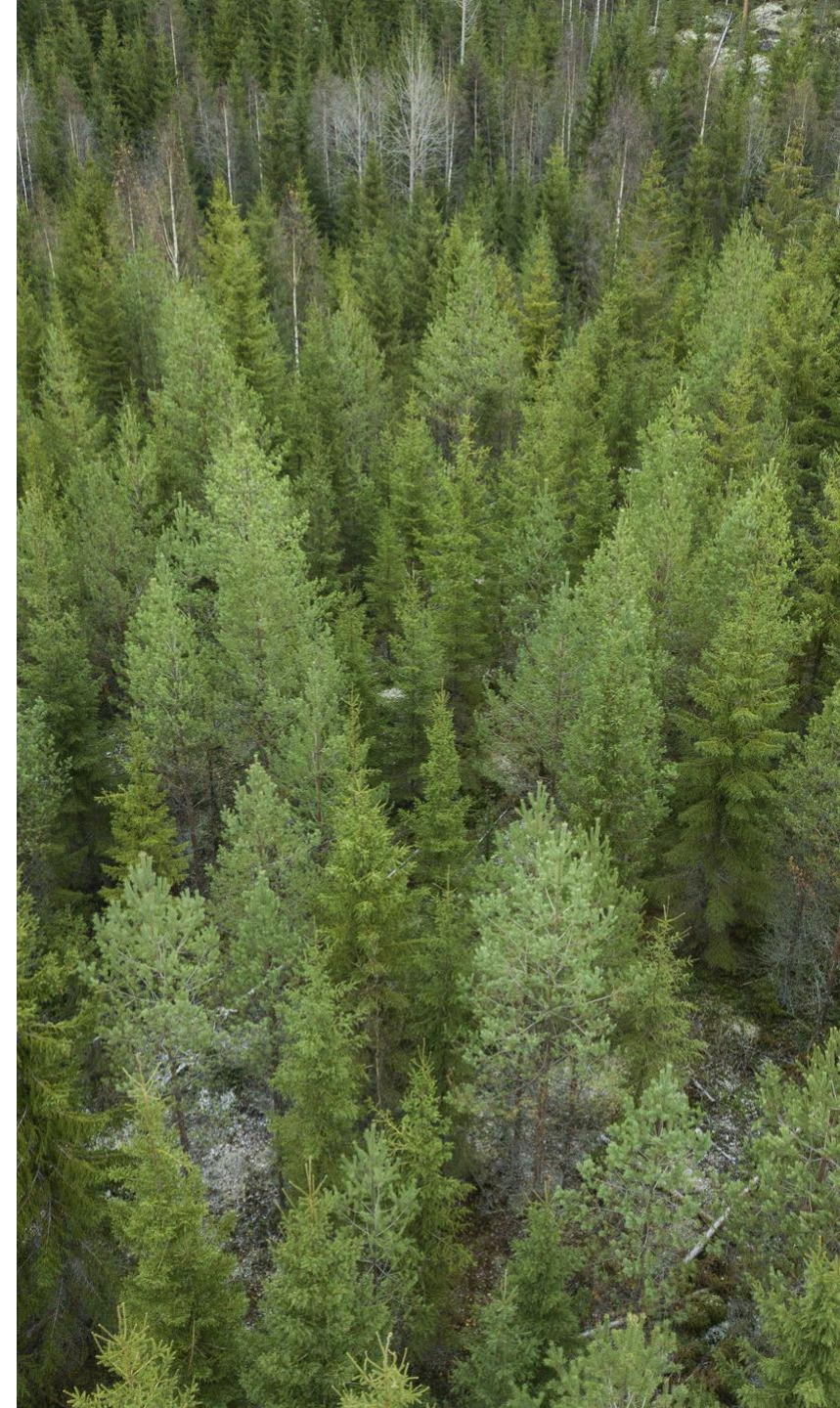
- Aims to ensure recovery of biodiverse and resilient nature across EU
- Introduces indicators for forest ecosystems to support nature restoration objectives
- Entered into force on 08/2024
- Member States must prepare national restoration plans. Finland's draft plan expected to be ready by 08/2026
- 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**  
FY2025

Accidents at work  
**TRIF, TARGET 0**

**ACTUAL 4.8**  
FY2024: 3.4



Certified wood fibre  
**TARGET 100%**

**ACTUAL 92%**  
FY2024: 92%



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

**ACTUAL:**  
**Scope 1: 121kt**  
FY2024: 169kt  
**Scope 2: 211t**  
FY2024: 82kt



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

**ACTUAL -6.4%**  
FY2024: -11%



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

**ACTUAL -7.2%**  
FY2024: +0.9%





# 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

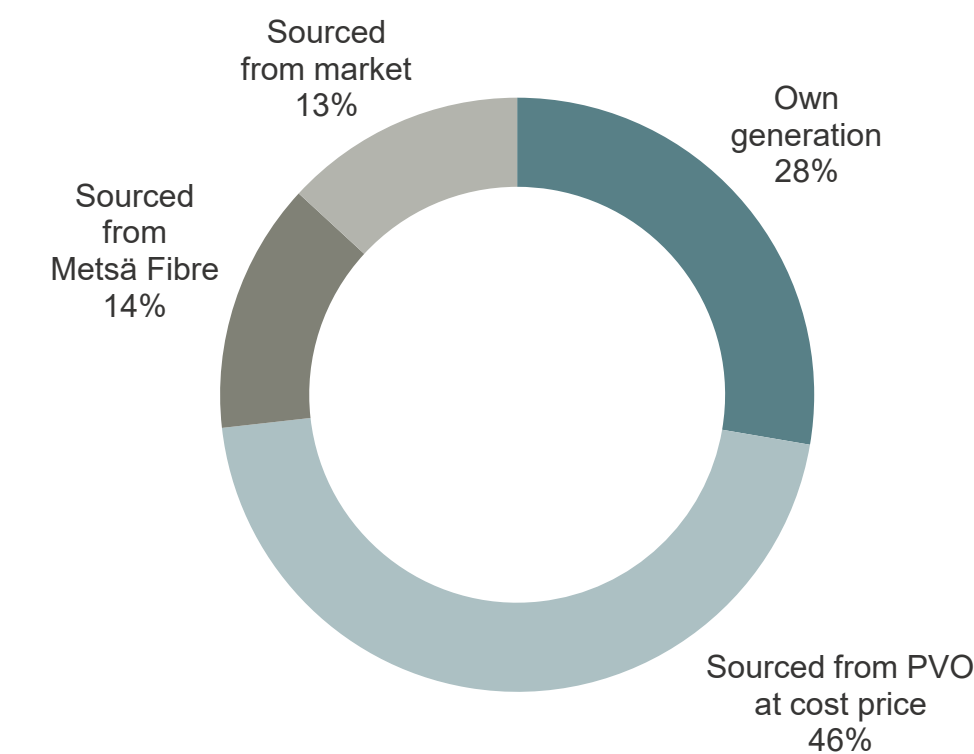
**BUSINESS  
AMBITION FOR 1.5°C**



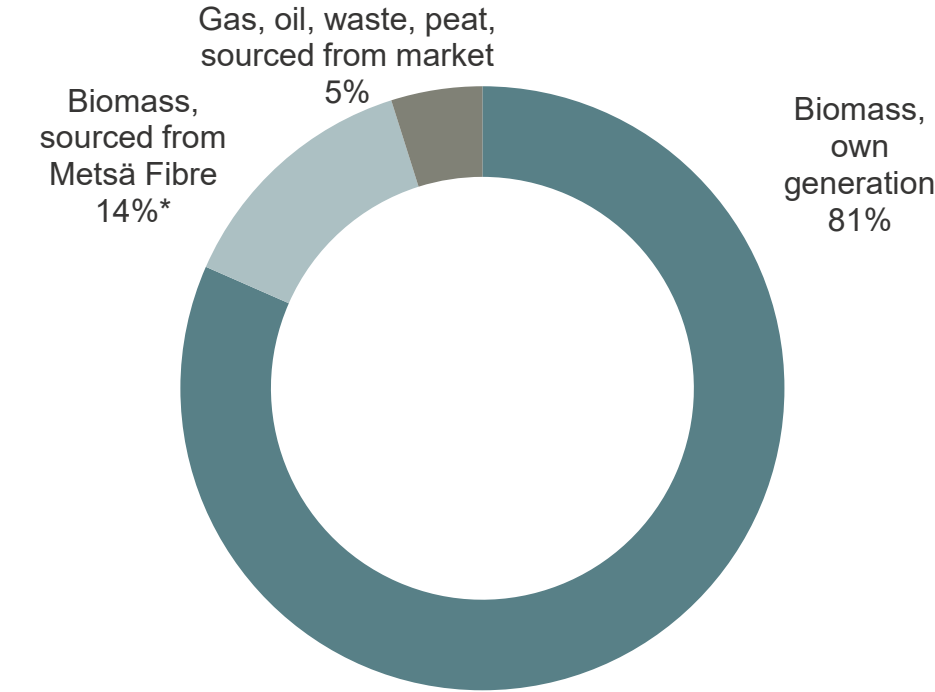
# Our self-sufficiency in energy is roughly 90%

Energy consumption by sourcing method in 2025

Electricity  
Total 1.8 TWh



Fuels (Heat)  
Total 5.3 TWh

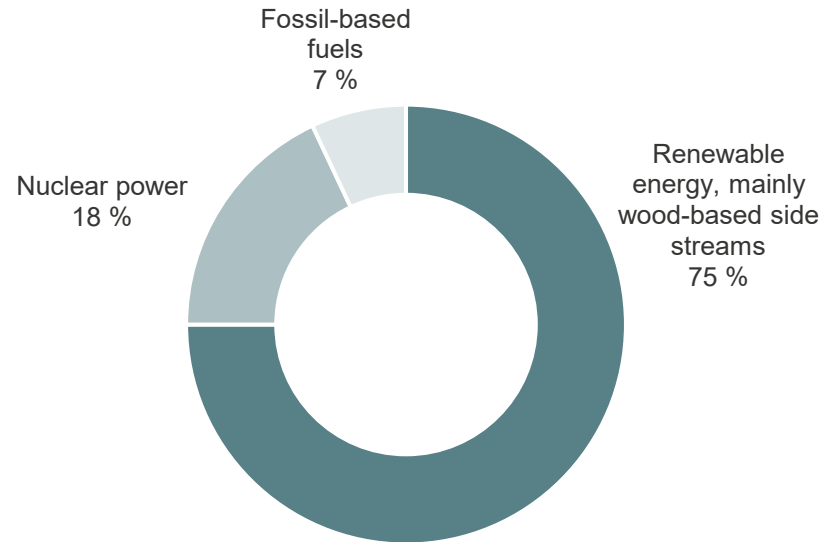


\* In addition, fossil-based heat (0.2%) sourced from Metsä Fibre.

# 93% of total energy use is fossil-free

## Total energy consumed in 2025

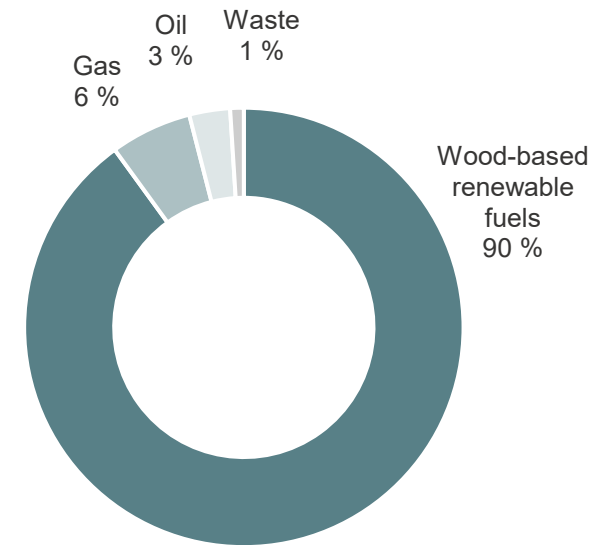
Total 7.0 TWh



- Coal accounts for 0% of Metsä Board's total energy consumption. Metsä Board do not use coal in its own energy generation, and in 2025, none of the purchased electricity was coal-based.

## Fuel consumption in 2025

Total 5.0 TWh



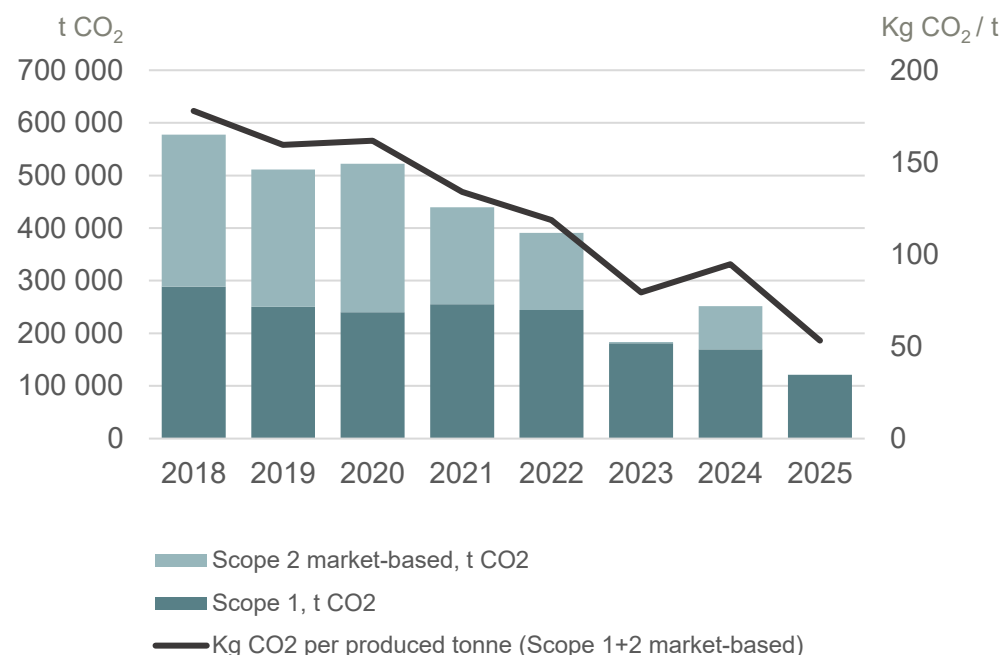
- Fuel consumption includes fuels used in own energy generation and process fuels used in the mills



# Metsä Board has reduced its fossil-based CO<sub>2</sub> emissions by 79% since 2018

The goal is to phase out the use of fossil-based energy in production by 2030

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



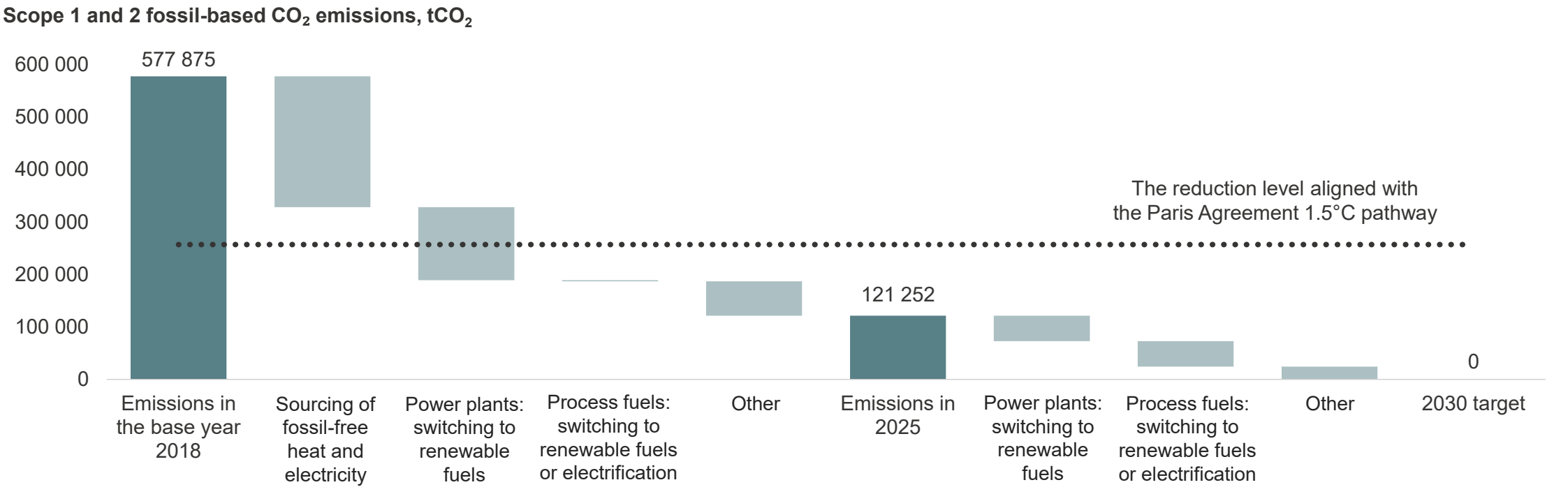
## Emission allowances

- 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
- Known or reasonably foreseeable increases in costs include the end of free emission allowances after 2025 for mills where biomass accounted for over 95% of emissions during 2019–2023. Free emission allowances are expected to end entirely after 2030 due to the ongoing update of the EU Emissions Trading System.



Fossil-based CO<sub>2</sub> emissions accounted for approximately 95% of the company's total Scope 1 and 2 greenhouse gas emissions in the 2018 base year.

# Metsä Board’s goal is to phase out the use of fossil energy in production by 2030



Metsä Board’s 2030 target covers fossil-based carbon dioxide emissions, which accounted for approximately 95% of the company’s total Scope 1 and 2 greenhouse gas emissions in the 2018 base year. The category “Other” includes, among other things, the impact of the closure of the Tako paperboard mill and energy efficiency measures. The reduction level in line with the Paris Agreement is based on the IPCC estimate of a 48% decrease in global fossil-based CO<sub>2</sub> emissions between 2019 and 2030, corresponding to a 52.4% reduction when applied linearly from 2018. Some of the future projects still lack a final investment decision and the future emissions reductions shown are indicative

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

1

## Energy used in production

---

Metsä Board uses 93% **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

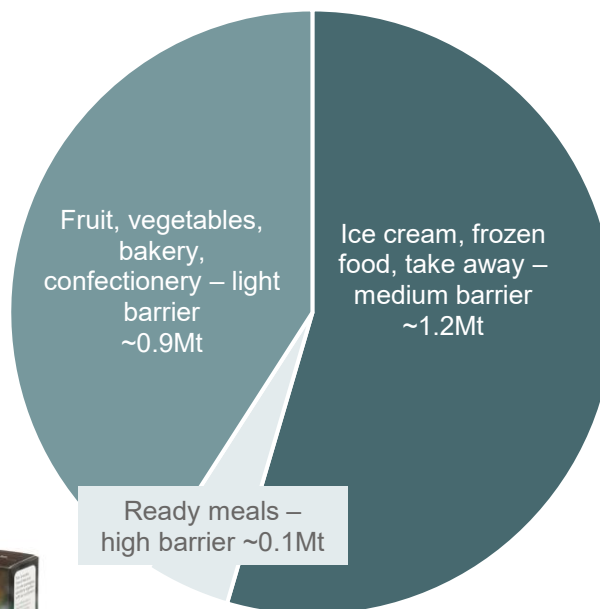


**Ready meals**  
total size 1.0Mt<sup>1)</sup>

Plastic represents roughly 0.5 Mt,  
of which ~20% 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



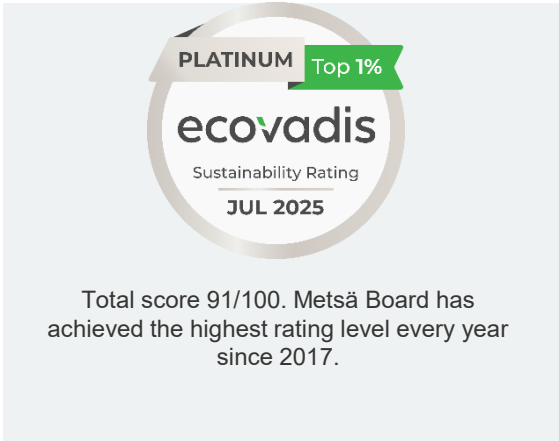
<sup>1)</sup> includes rigid plastic and folding cartons



# External ESG 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.



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

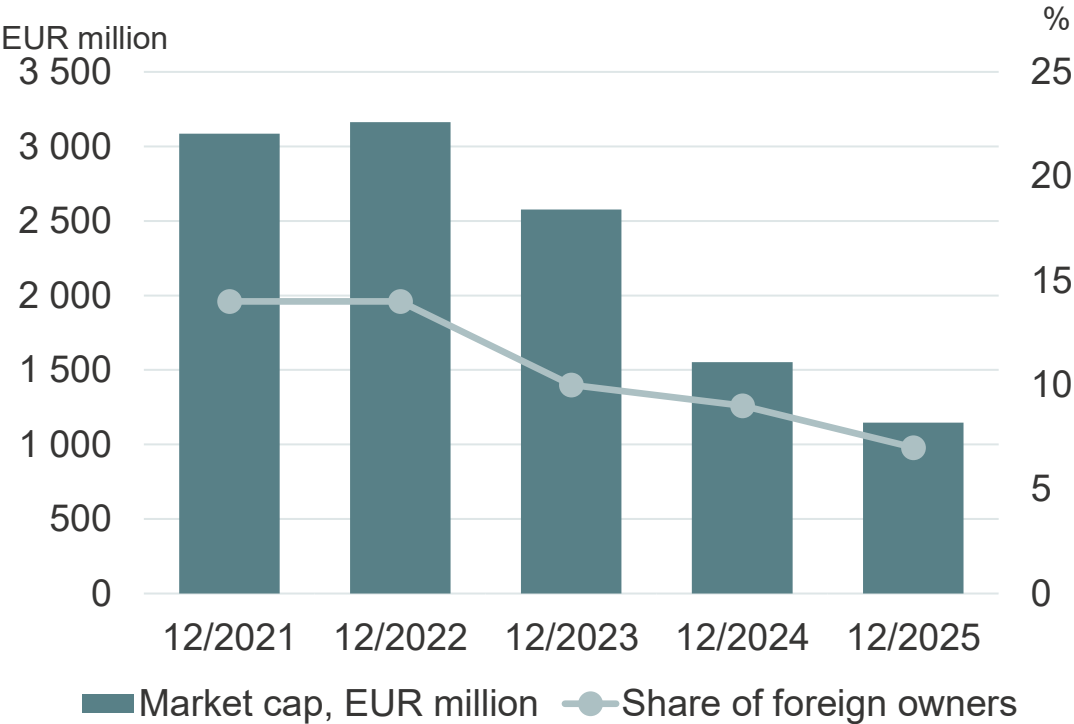




# Market cap and ownership distribution

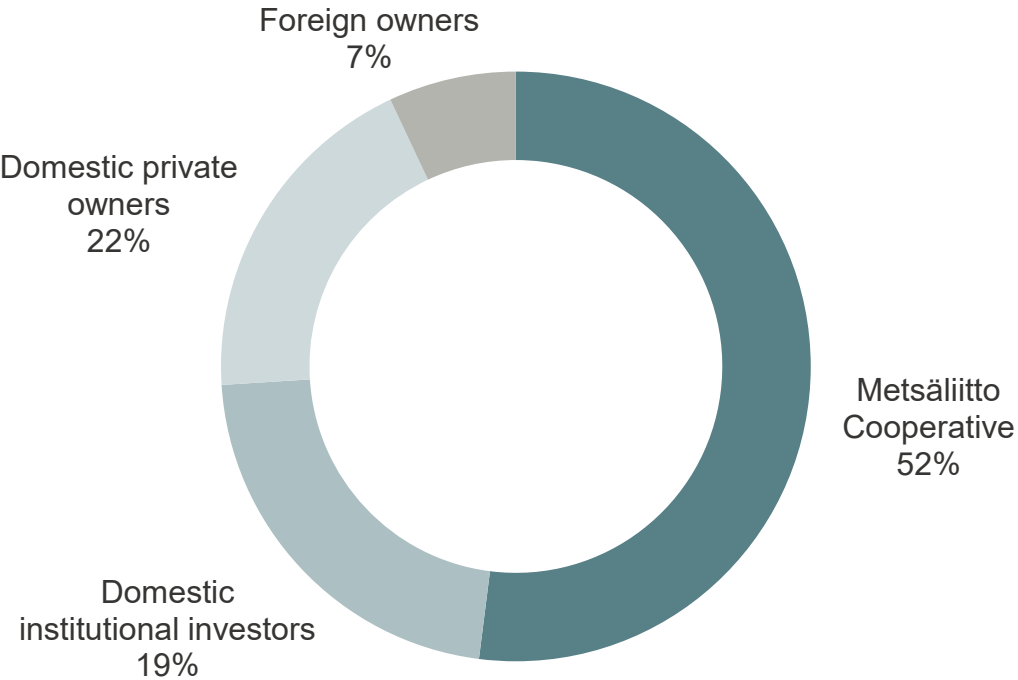
Metsä Board has over 70,000 shareholders, combined amount of A and B shares

Market cap and foreign owners



Ownership distribution

31 December 2025



# Metsä Board's Corporate Leadership 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



**Anssi Tammiehto**  
CFO  
Member of CLT as of 1/2026



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





# Metsä

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