

Metsä

Metsä Board Results for January–March 2026

Presentation material

29 April 2026

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Turnaround proceeding and new strategy launched

Our new strategy sharpens business focus and provides a solid platform for future growth

Transformation programme progressing well, with ~50% of the targeted EBITDA improvement achieved on a run-rate basis

Higher activity levels at the beginning of the year impacted working capital and cash flow

Operational steering remains cash-flow driven, with continued tight capital discipline

Actions continued to improve profitability

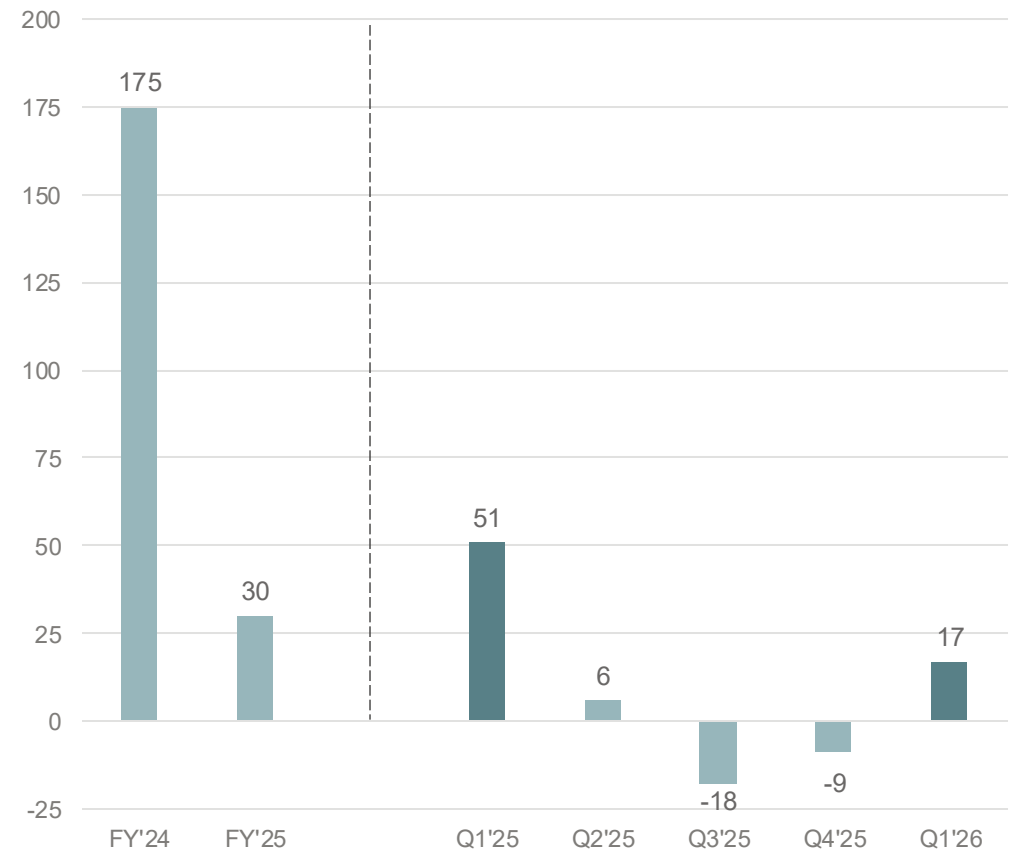
Q1 2026 in brief

- New strategy and financial targets for 2026–2030 launched
- Top-line and profitability in Q1 were burdened by lower FBB volumes to the U.S., adverse FX effects, lower EUR paperboard prices and lower contribution from Metsä Fibre
- Transformation programme progressed well, EUR ~100 million in annual cost savings (run-rate) achieved
- Working capital increased due to higher activity levels compared to Q4'25 and preparations for upcoming mill shutdowns
- Metsä Board acquired sheeting capacity in the Netherlands to strengthen service capabilities in Europe



Comparable EBITDA

EUR million



Middle East (Iran) conflict – Cost implications and mitigating measures

Q1 impact

- Limited direct P&L impact in Q1
- No material disruptions to production or deliveries

Expected impacts in the coming quarters

- Higher oil and natural gas prices increase cost pressure
 - Logistics and transportation
 - Selected raw materials, including chemicals

Mitigating factors and competitive positioning

- Commercial considerations, curtailments and further cost cutting
- High energy self-sufficiency limits exposure to fossil energy price volatility
 - Company ~90% energy self-sufficient
 - 90% of energy used is fossil-free
 - Supports cost competitiveness and safeguards continuity of production

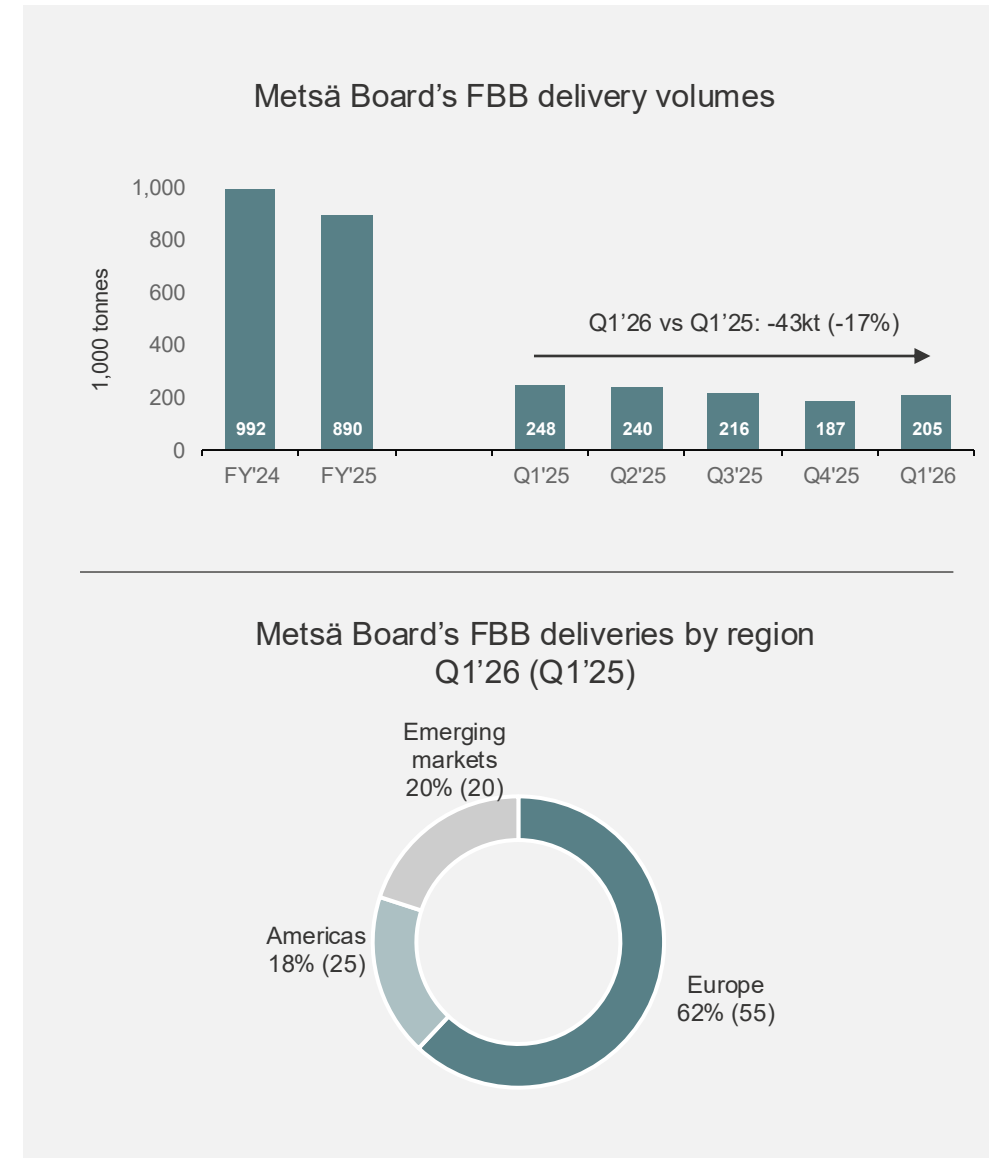
Consumer packaging

Folding boxboard (FBB)

54%
of total sales
in Q1'26

Impacted by operating environment pressures led by the U.S.

- In Europe, demand remained subdued but increased somewhat from late 2025
 - Delivery volumes in Europe declined by ~10kt in Q1'26 vs Q1'25
- In the U.S., sales negatively impacted by 10% import tariffs
 - Delivery volumes in the U.S. declined by ~20kt in Q1'26 vs Q1'25, out of which FSB accounted roughly one half
 - Main impact on the Husum integrated mill
- The average sales price in euros declined year-on-year
 - Partly due to the weakening of the USD vs EUR
 - Tariff impacts only partially passed on to prices



^{*)} NOTE: Metsä Board closed Tako paperboard mill (FBB capacity 210kt/year) in June 2025

Retail packaging

White kraftliner (WKL)

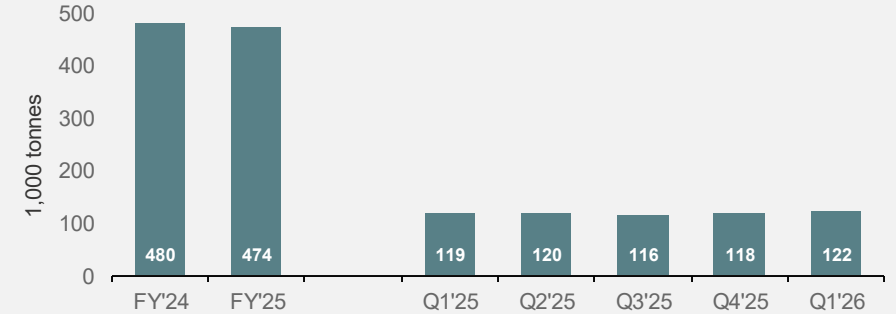
30%

of total sales
in Q1'26

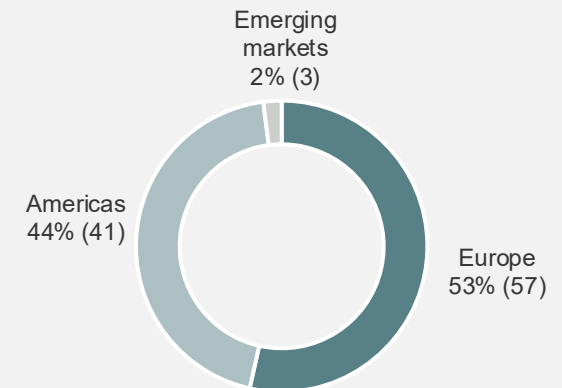
Stable volumes and solid pricing

- Both in Europe and the U.S., demand for white kraftliner has remained relatively stable
- The average sales price in euros declined year-on-year
 - Mainly due to the weakening of the USD vs EUR
 - In the U.S., passing the 10% import tariffs into coated white kraftliner prices has been relatively successful

Metsä Board's WKL delivery volumes



Metsä Board's WKL deliveries by region
Q1'26 (Q1'25)

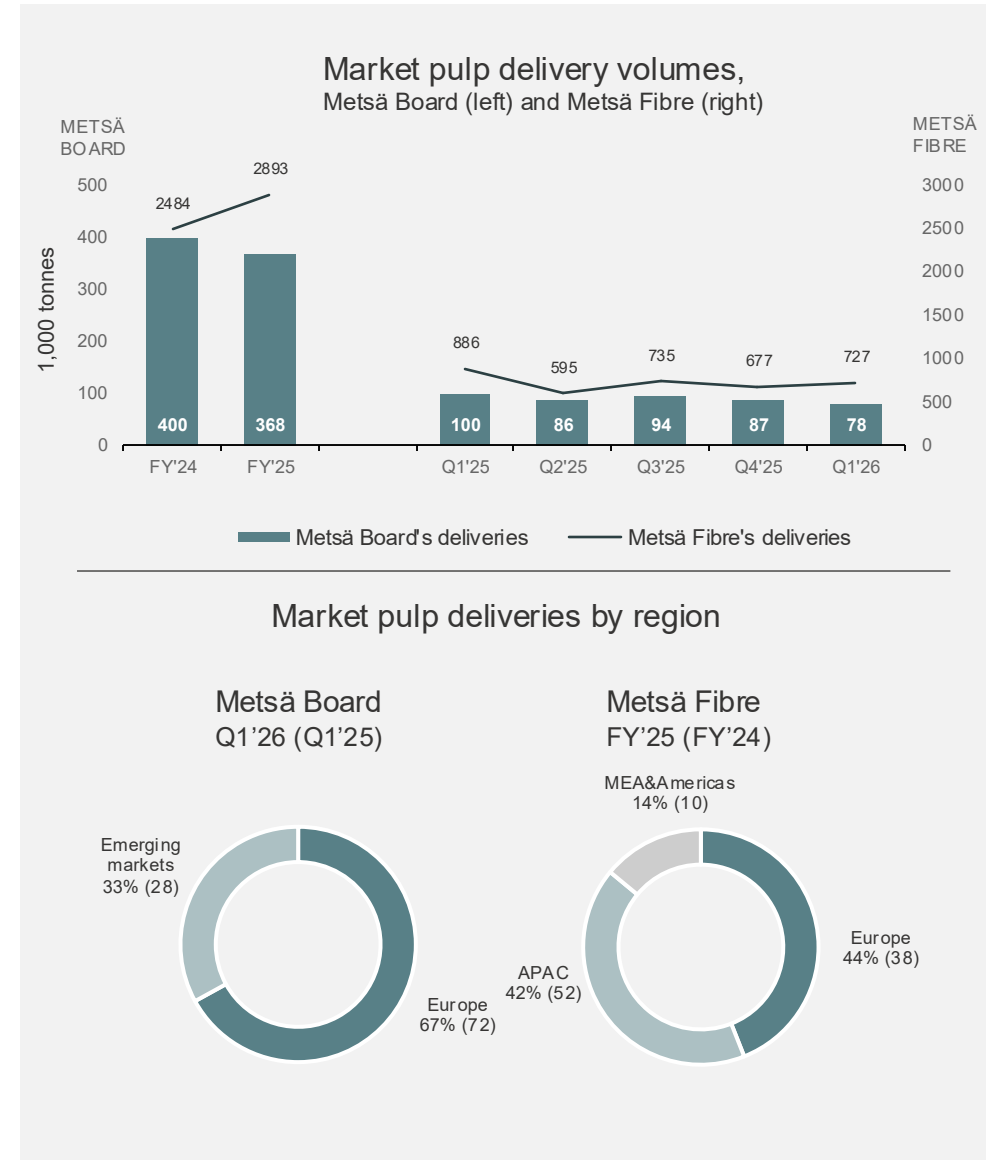


Market pulp

11%
of total sales¹⁾ in
Q1'26

Challenging market conditions continued

- Weak consumer sentiment continues to weigh on market pulp demand in Europe and China
- Hardwood market pulp has performed slightly better than softwood market pulp
- Volume and prices during Q1'26 vs Q1'25
 - Metsä Board pulp³⁾ deliveries -22%
 - Metsä Fibre pulp deliveries -18%
 - Price (PIX, USD) development in NBSK in Europe +5% and China -13%



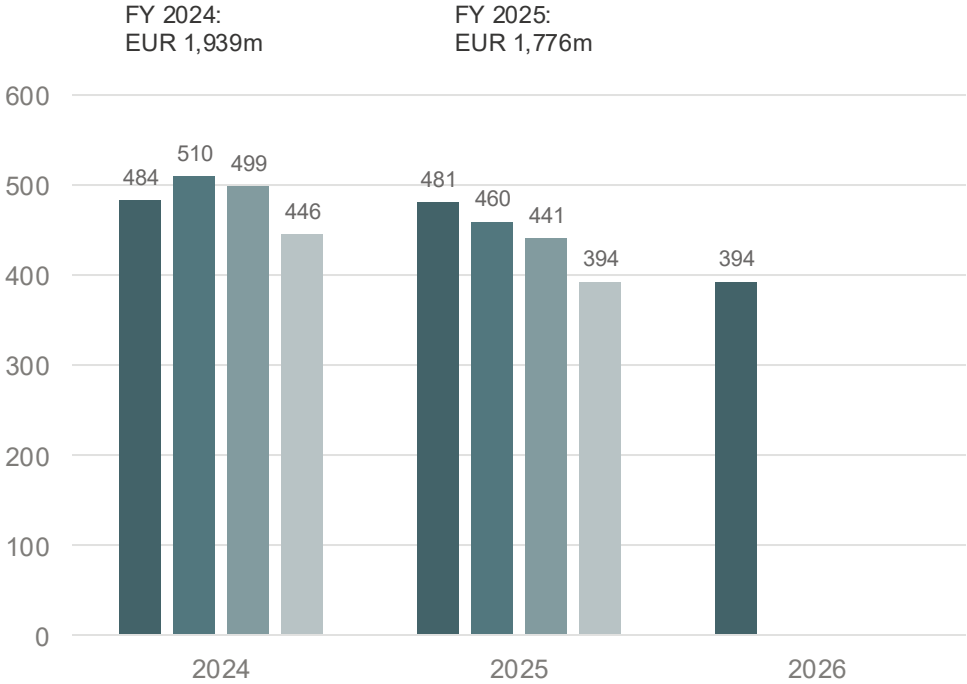
1) Metsä Board's market pulp sales, does not include Metsä Fibre

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.

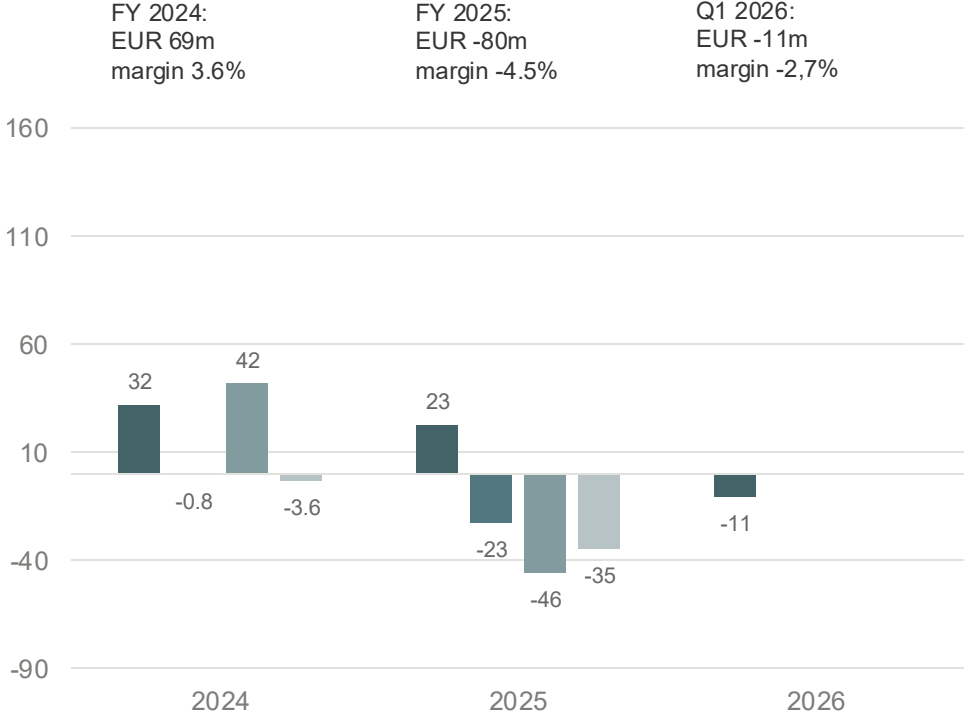
3) Includes BCTMP

Q1'2026 sales impacted by lower volumes, adverse FX and prices

Sales, quarterly
EUR million



Comparable operating result, quarterly
EUR million and % of sales

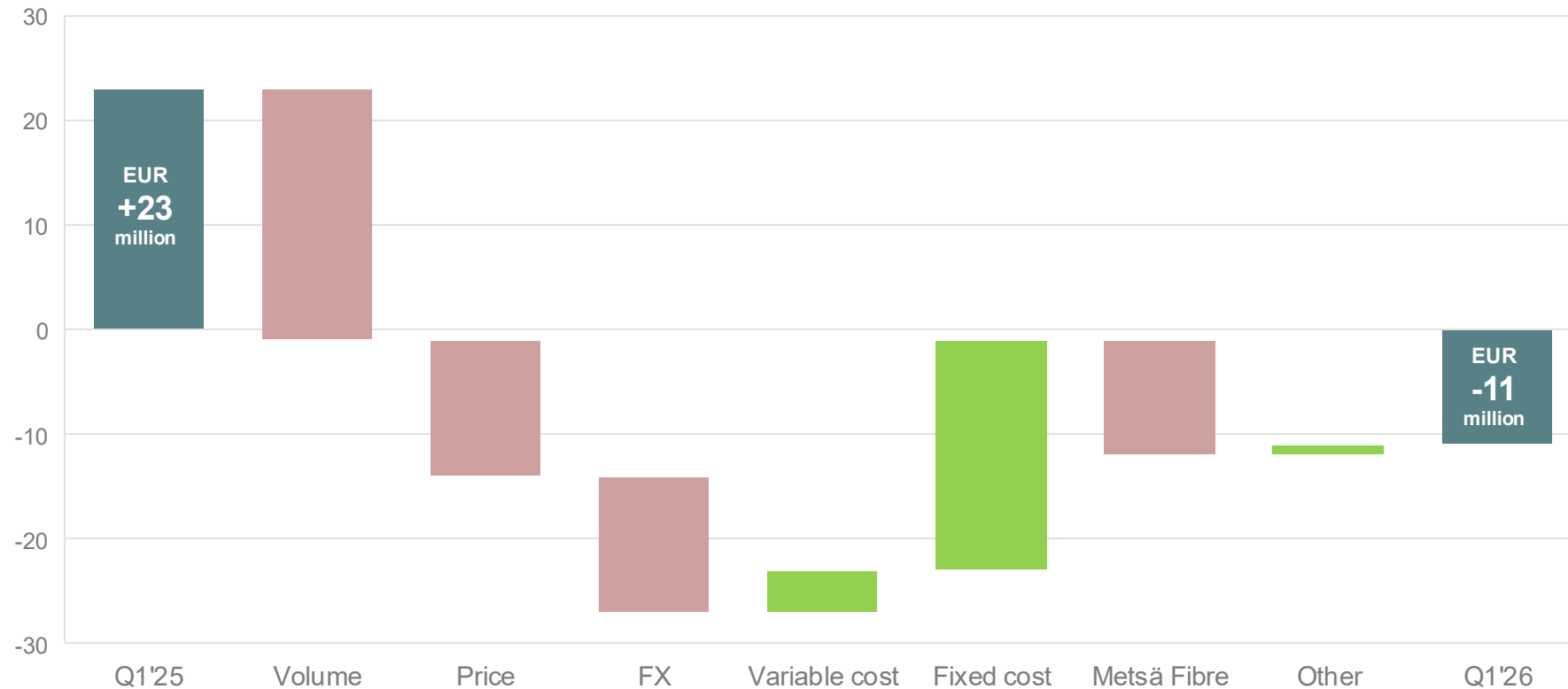


■ Q1 ■ Q2 ■ Q3 ■ Q4

Q1 2025 vs Q1 2026 results

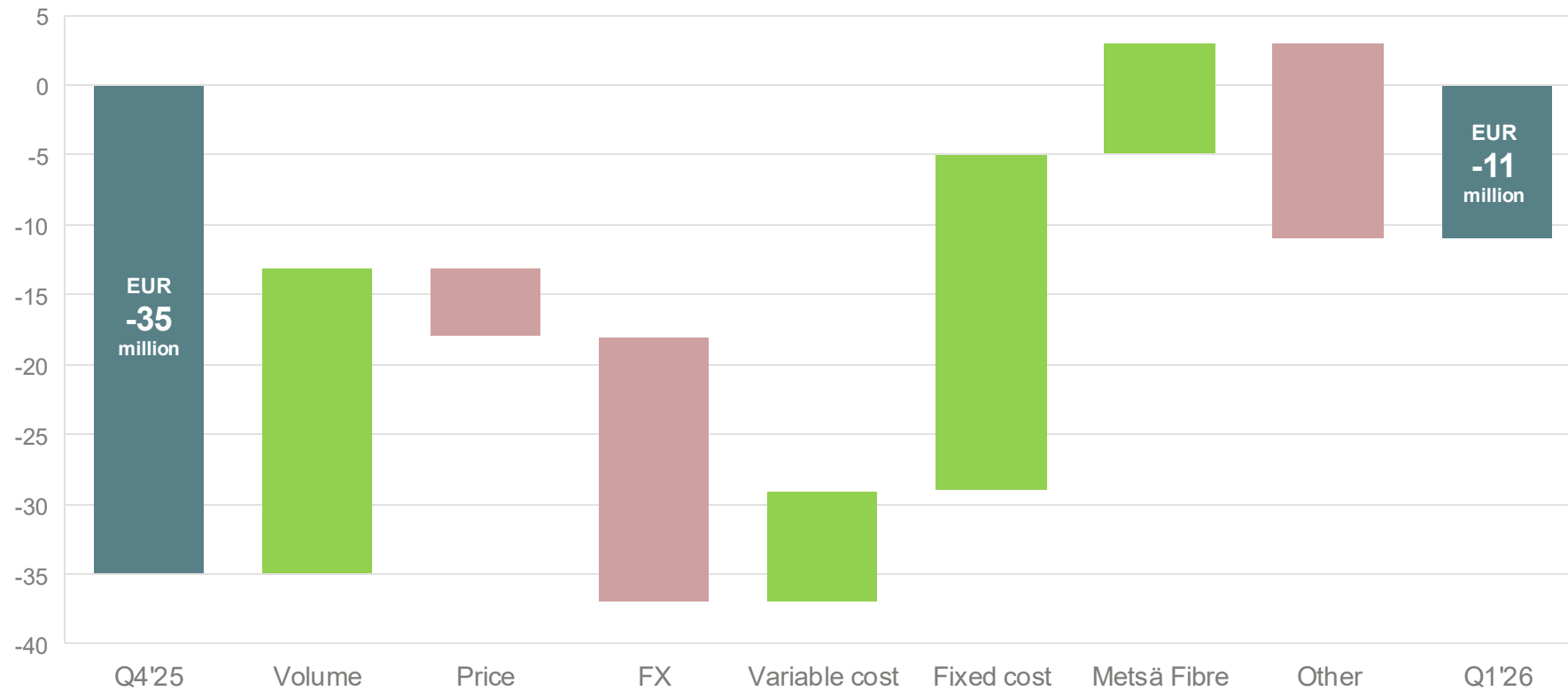
Positive contribution from own actions – Challenging market conditions impacted sales development

Comparable operating profit



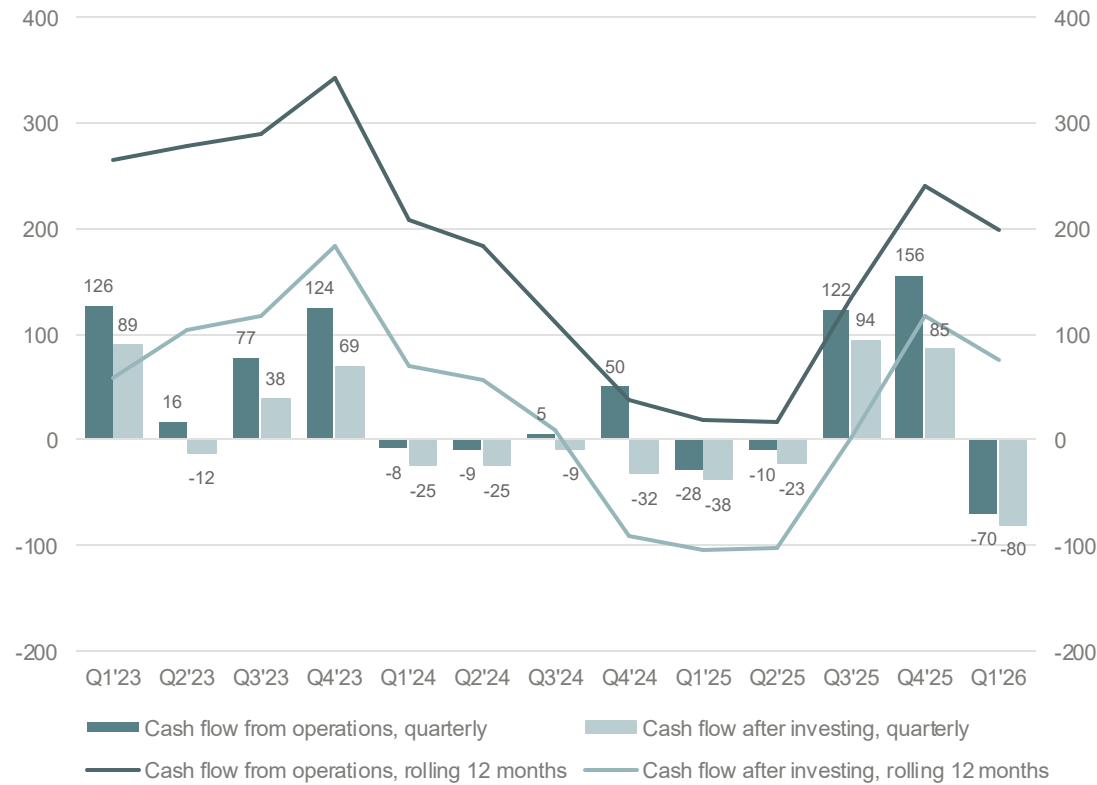
Positive contribution from own actions and volumes

Comparable operating profit

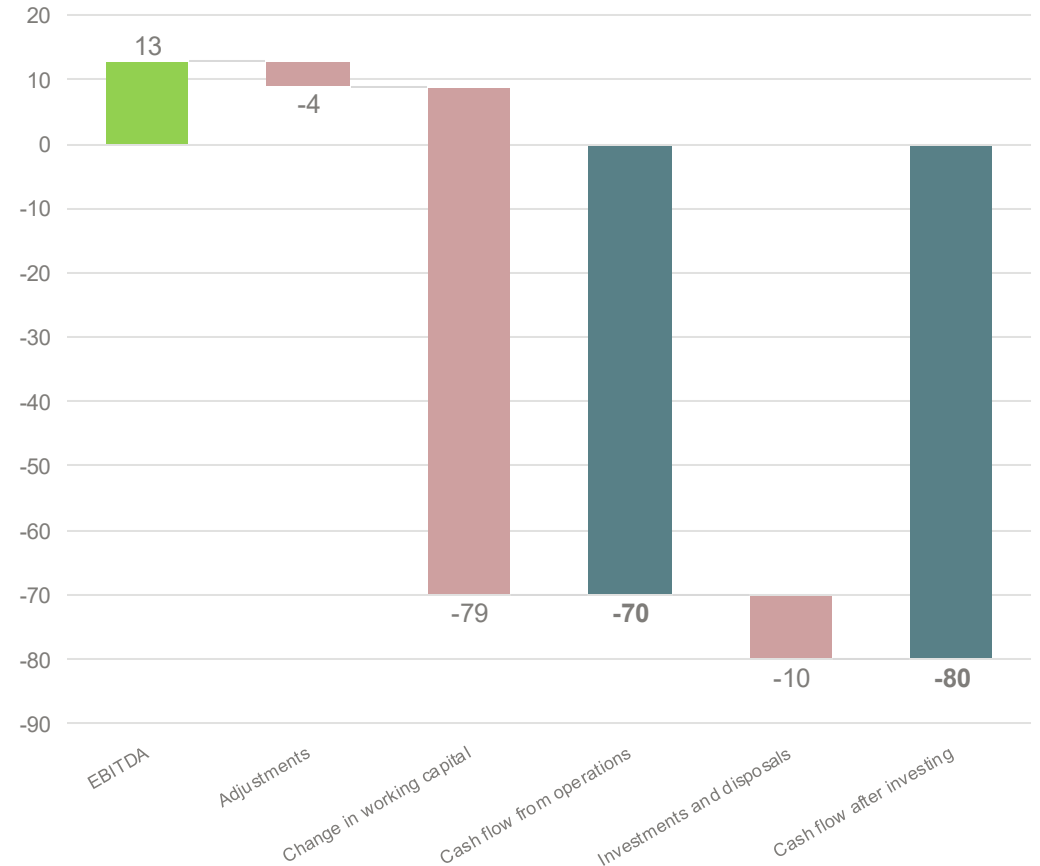


Q1 cash flow impacted by increased working capital

Cash flow from operations and after investing
EUR million



Q1 2026 cash flow break-down
EUR million

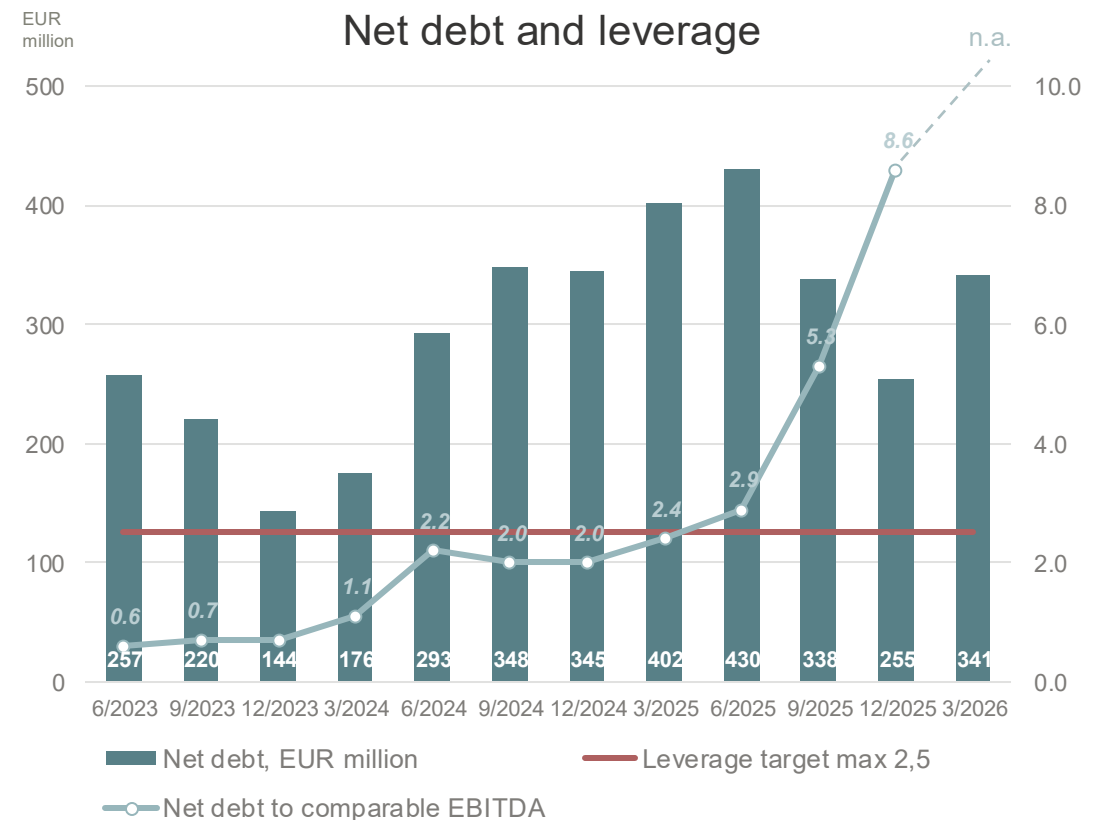


Dividend received from Metsä Fibre is included in cash flow from operations:
Q1'23: €83m, Q1'24: €10m, Q1'25: €0, Q1'26: €0m

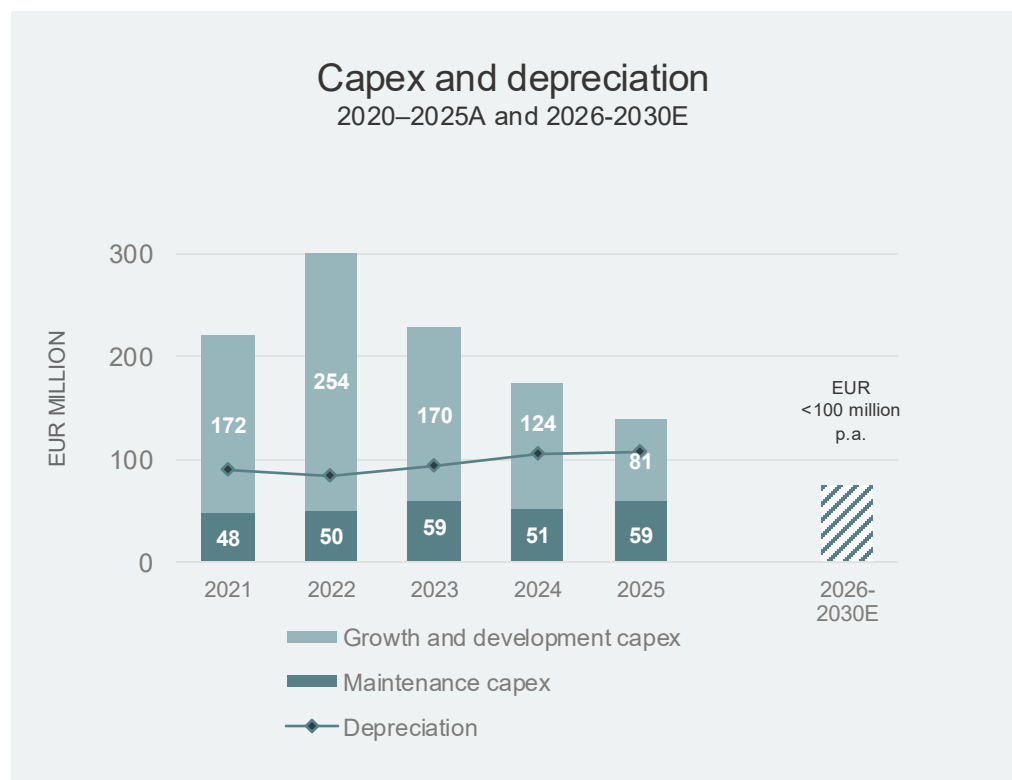
Solid balance sheet – Leverage development largely driven by weak profitability

March 2026

- Net debt / EBITDA not reported (n.a.) due to negative EBITDA
- Total interest-bearing debt was EUR 606 million, and net debt was EUR 341 million
- Liquidity totals EUR 514 million: Liquid assets and investments EUR 264 million and unused RCF EUR 250 million
- Metsä Board IG-rated by Moody's and S&P



Major investment phase completed – Structurally lower capex ahead



2026–2030, estimated

- Total annual capex clearly below EUR 100 million, out of which
 - annual maintenance at EUR ~50 million
- Carefully selected mill-specific investments possible to support long-term value creation

Near-term outlook

Operating environment

PACKAGING DEMAND

- Weak consumer sentiment continues to weigh on packaging demand and sales visibility
- In the U.S., demand is affected by import tariffs
- Q2 demand supported by restocking and seasonality

MARKET PULP

- Global demand remains constrained by low utilisation rates in the paper and paperboard industry
- In Europe, production expected to be restricted due cost/FX pressures

COSTS

- Rising oil and natural gas prices linked to the Middle East conflict are increasing logistics and chemical costs – estimated impact* EUR ~10 million in Q2

FX

- Slightly negative impact on Q2 vs Q1

Metsä Board specific outlook for Q2'26 (compared to Q1'26)

- Cash flow-based operational steering remains a priority: Operative cash flow estimated to strengthen in Q2 vs Q1
- Preparations for upcoming shutdowns keep production level high in Husum and Kemi
- Paperboard delivery volumes expected to increase
- Energy and wood costs expected to decline, fixed costs up due to more maintenance and higher employee costs
- Transformation programme measures to further ease the cost structure

*) does not include mitigating measures to defend margins

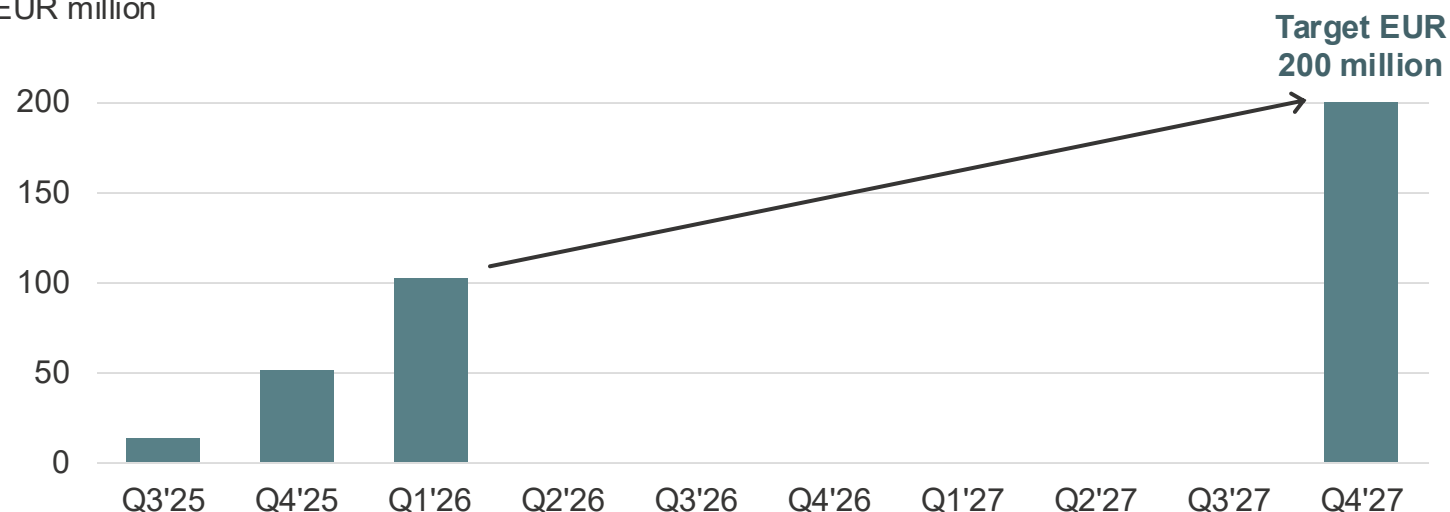
Profitability turnaround supported by transformation programme

<p>Cash release</p> <p>✓</p>	<ul style="list-style-type: none"> ■ Working capital release through inventory, receivables and payables optimization ■ Reduced capex 	<p>EUR 300 million working capital released in H2'25 - Cash driven operational steering continues</p>
<p>Personnel costs</p> <p>✓</p>	<ul style="list-style-type: none"> ■ Personnel reductions implemented across all operating countries and Metsä Group in 2025 	<p>Target by the end of 2027: EUR 200 million improvement in EBITDA (run rate)</p> <p>Achieved by the end of Q1'26: EUR 100 million improvement in EBITDA (run rate)</p>
<p>Procurement</p> <p>✓+</p>	<ul style="list-style-type: none"> ■ Logistics and procurement, cost optimisation and reduction of external costs ■ Unit price reduction and supplier management 	
<p>Mill productivity</p> <p>✓+</p>	<ul style="list-style-type: none"> ■ Optimising raw material and energy use ■ Streamlining operations and offering 	
<p>Commercial excellence</p> <p>✓+</p>	<ul style="list-style-type: none"> ■ Growth in selected segments driven by margin optimisation and better service ■ Strengthening market position in Europe and North America 	

Strengthening confidence in transformation execution

EBITDA impact (run-rate) of the actions implemented

EUR million



Realised quarterly impact in EBITDA, EUR million

<10

20

Realised impact in EBITDA, EUR million, by the end of the period

<10

30

Main actions implemented in Q1'26:

- Improved mill efficiency and raw material optimisation
- Reengineered supplier contracts and commercial models
- Optimised transportation modes and routes

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

Continued focus on the Husum integrated mill

Profitability is heavily impacted by **U.S. tariffs** and the **weak pulp market**

High sensitivity to changes in paperboard demand, FX, wood and market pulp prices



Clear upside potential from **cost-savings initiatives** under the transformation programme

Increased **sheeting capacity in Winschoten** enhances utilisation of Husum's strengths in the European market



Sensitivity analysis of Husum integrated mill

Annual EBIT impact of a 10% increase in key components (a 10% decrease has the opposite effect)

- USD: EUR +30 million
- SEK: EUR -40 million
- Market pulp price: EUR +20 million
- Wood price: EUR -20 million

FX sensitivity is against the EUR and does not include the effects of hedging

Summary

- 2026 started actively with a new strategy and financial targets
- Sales down YoY, mainly driven by U.S. tariffs, FX and pricing
- Profitability improving, but still weighed down by Husum and weak pulp market
- Transformation progressing well, ~50% of target (run-rate) achieved

Focus next

- Customer centric and cash flow based business steering continues
- Husum continues to be a key focus area
- Middle East conflict expected to increase logistics and chemical costs
- Preparing for upcoming mill shutdowns in H2

Appendix

Key financials

		Q1/26	Q1/25	Change Q1/26 vs Q1/25	Q4/25	FY/25
Sales	EURm	394	481	-18%	394	1,776
EBITDA*	EURm	17	51	-67%	-9	30
Operating result*	EURm	-11	23	-147%	-35	-80
<i>% of sales*</i>	%	-2.7	4.7		-8.8	-4.5
Metsä Fibre's share of operating result*	EURm	-5	6		-13	-33
Earnings per share	EUR	-0.04	-0.02	-111%	-0.25	-0.44
<i>ROCE*</i>	%	-1.7	3.9		-5.6	-3.1
Total investments	EURm	14	16	-16%	76	140
Cash flow from operations	EURm	-71	-28	-153%	156	240
IB Net debt at end of period	EURm	341	402		255	255



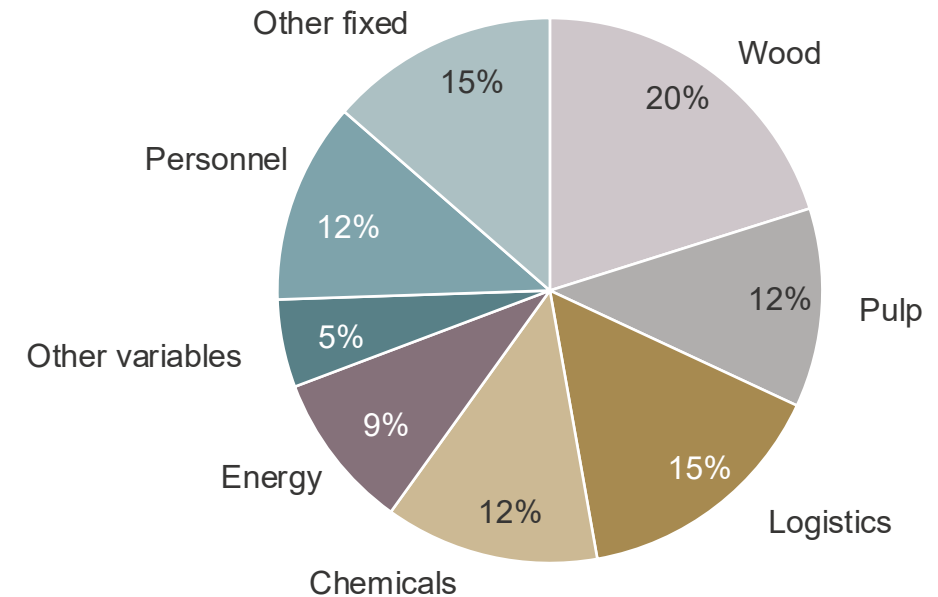
Cost development and structure

Topical at the end of Q1'26

- Transformation programme
 - EUR 100m annual run-rate EBITDA improvement achieved (value of implemented actions) by end-Q1'26, ~50% of the EUR 200m target by end-27
 - Improvement mainly from reduced fixed and variable costs
- Structural measures
 - Tako mill closure (June 2025) to improve annual EBITDA by ~EUR 30m
- Cost development (Q1'26 vs. Q1'25)
 - Total costs down ~3% YoY
 - Higher logistics and energy costs offset by lower wood, chemical and fixed costs

Metsä Board's cost structure in 2025

Total costs EUR 1.7 billion (1.9)



* **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%.

Impacts of FX

- Impact, including hedges, actual
 - Q1'26 vs Q1'25: EUR -13 million
 - Q1'26 vs Q4'25: EUR -19 million
- Estimated future impacts, including hedges
 - Overall negative impact in FY'26 vs FY'25
 - Q2'26 vs Q1'26 slightly negative

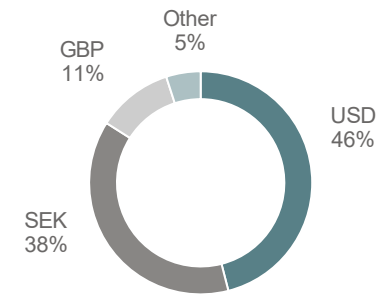
Hedging policy:

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 Q1'26, an average of 7.7 months of the net foreign currency exposure was hedged.



Annual FX transaction exposure total EUR 1.0 billion



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

FX sensitivities, excluding hedges

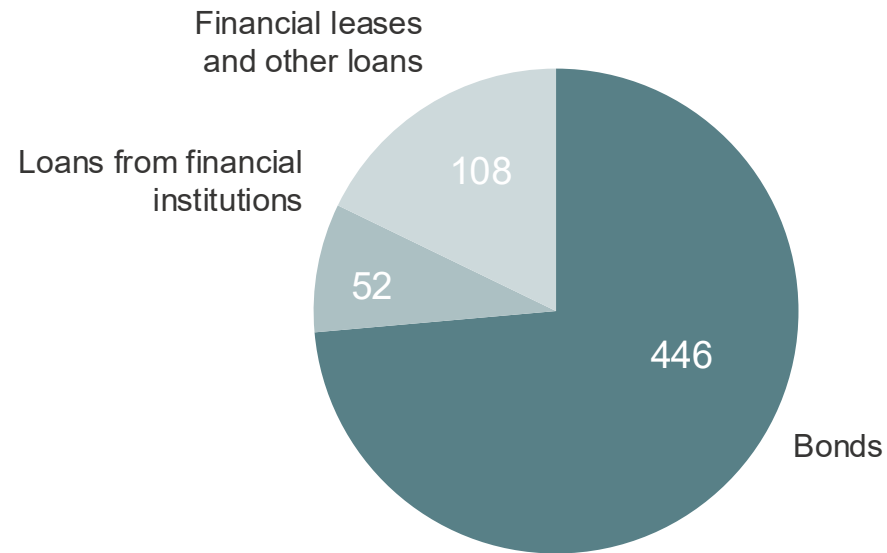
A 10% strengthening of foreign currency vs EUR would have an impact on Metsä Board's EBIT

Currency	Next 12 months
USD, \$	EUR +50 million
SEK, kr	EUR -40 million
GBP, £	EUR +10 million

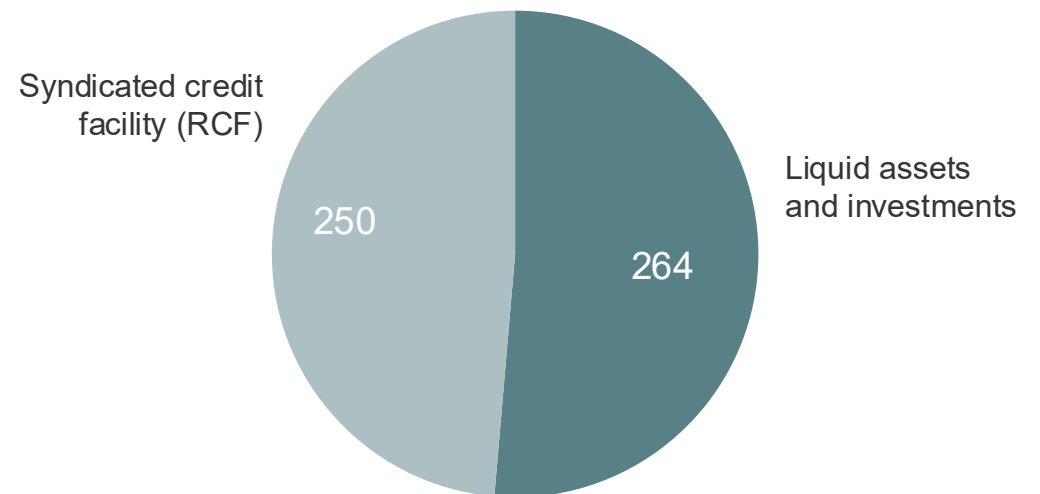
Interest-bearing debt and liquidity

31 March 2026

Interest-bearing debt EUR 606 million



Liquidity EUR 514 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**

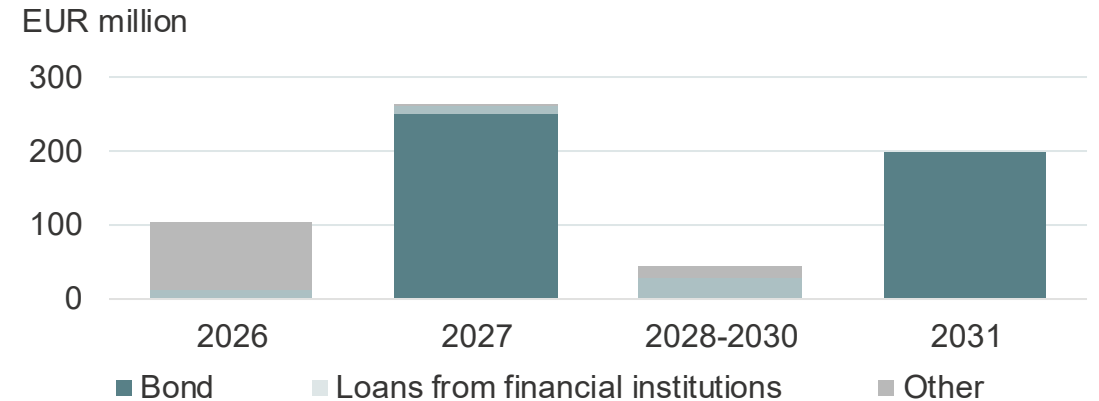
Debt maturity and credit ratings

Topical at the end of Q1'26

- Total interest-bearing debt was EUR 606 million, and net debt was EUR 341 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 2.9 years
- FY2025 net financial costs, including foreign exchange differences, were EUR -17 million (2024: -11)

Maturity of interest-bearing debt

Total EUR 606 million



Metsä Board's credit ratings are *investment grade*

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

Key sustainability figures

TARGET
set for 2030

ACTUAL
Q1 2026

Accidents at work
TRIF, TARGET 0

ACTUAL: 6.7
FY2025: 4.8



Certified wood fibre
TARGET 100%

ACTUAL 90%
FY2025: 92%



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

ACTUAL:
Scope 1, Q1'26: 30kt
FY2025: 121kt

Scope 2:
FY2025: 211t



Process water use²⁾
TARGET -35%

ACTUAL -6.5%
FY2025: -8.0%



Energy efficiency²⁾
TARGET +10%


ACTUAL -9.9%
FY2025: -7.2%



TRIF = Total Recordable Injury Frequency per million hours worked

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


External assessments and own commitments



Metsä Board has an “A” score in the Climate, Forests and Water rating.



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



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



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

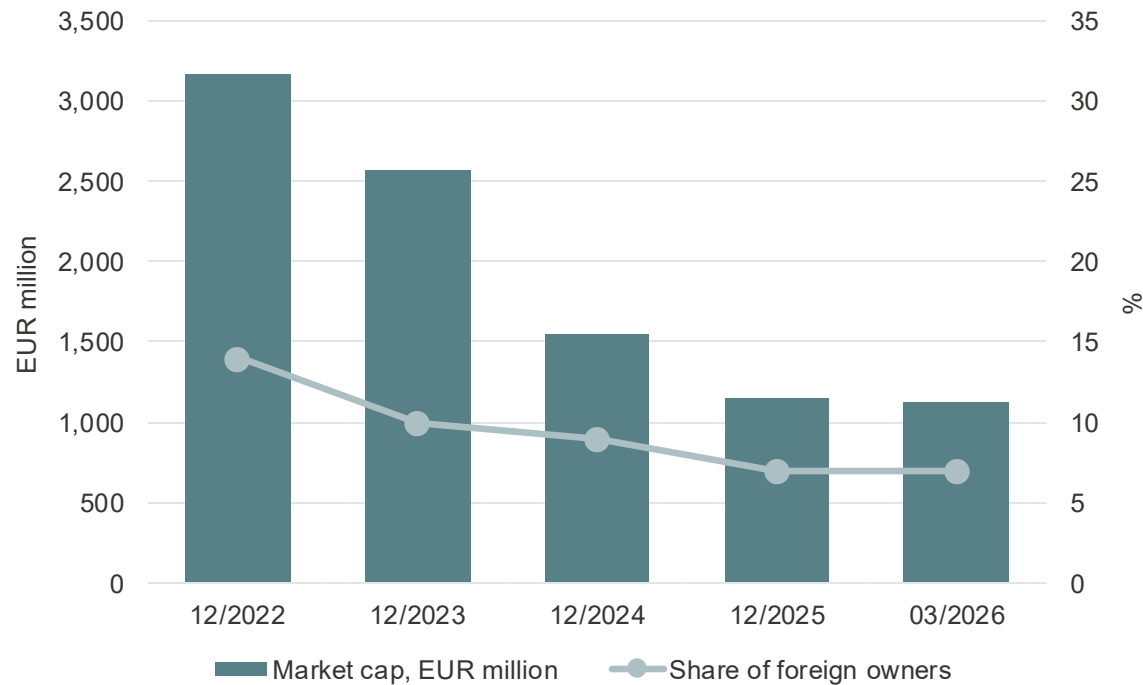


As part of Metsä Group, Metsä Board is committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption. Metsä Board also supports the UN’s Sustainable Development Goals, the SDGs.

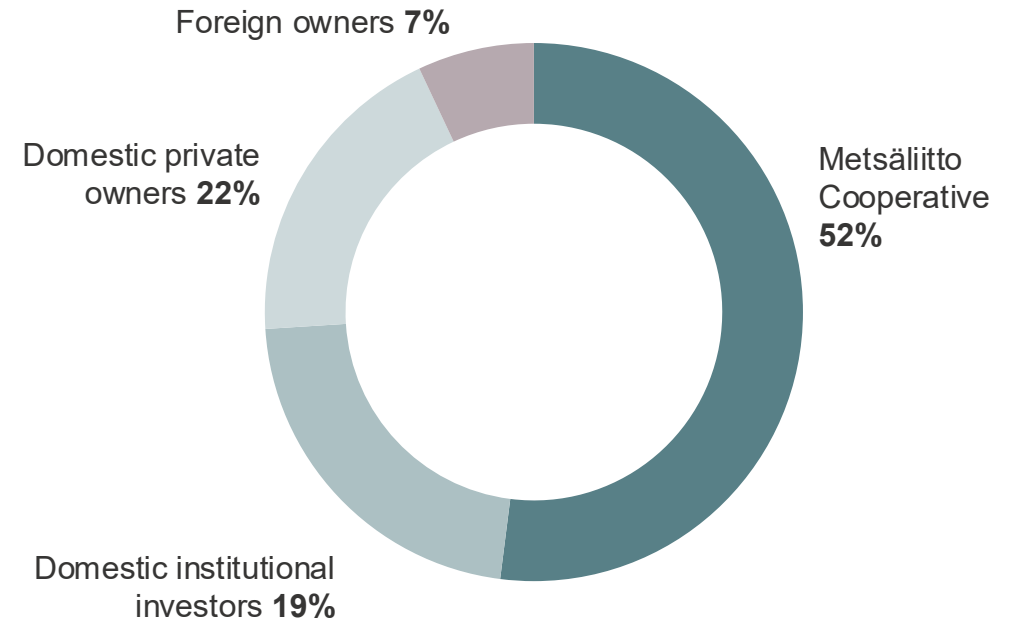
Market cap and ownership distribution

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

Market cap and foreign owners

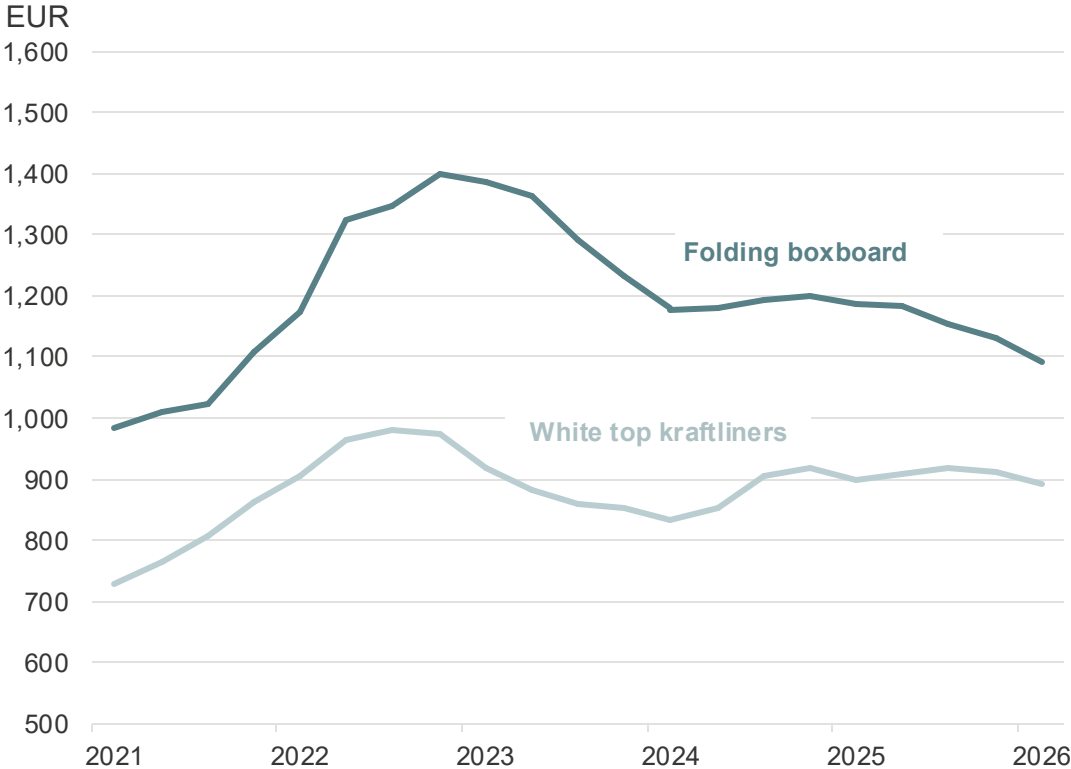


Ownership distribution 31 March 2026



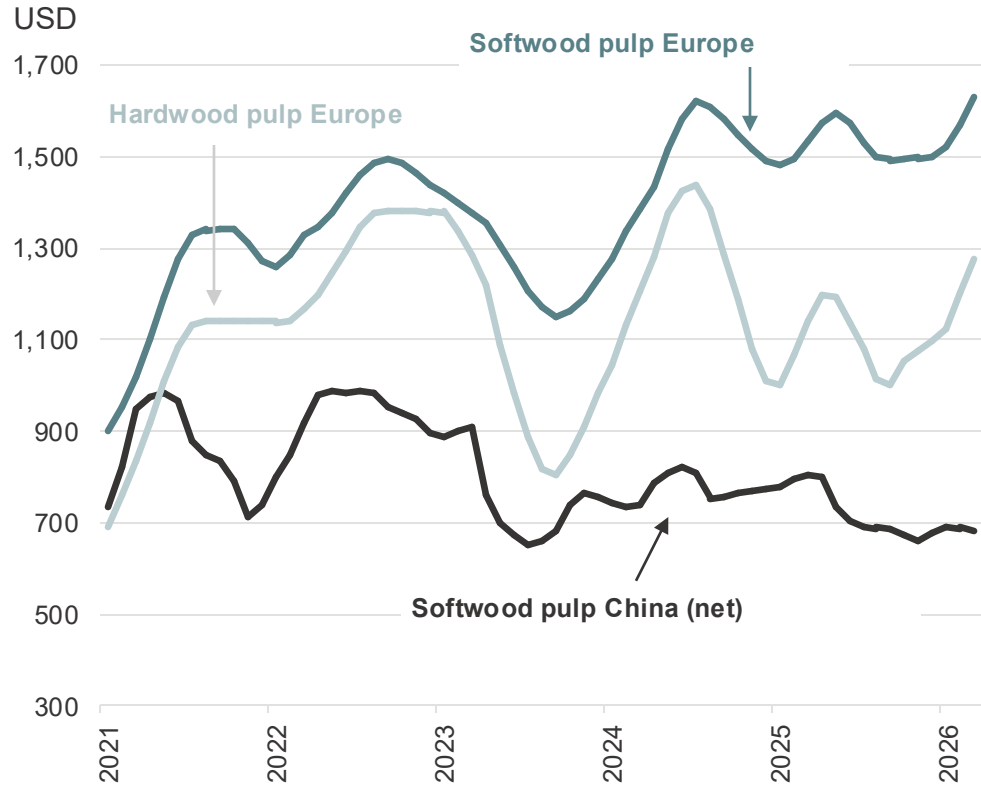
Price development of FBB, WKL and market pulp

Price development of folding boxboard and white-top kraftliners in Europe



Source: Fastmarkets RISI & Fastmarkets FOEX

Price development of market pulp in Europe and China, PIX

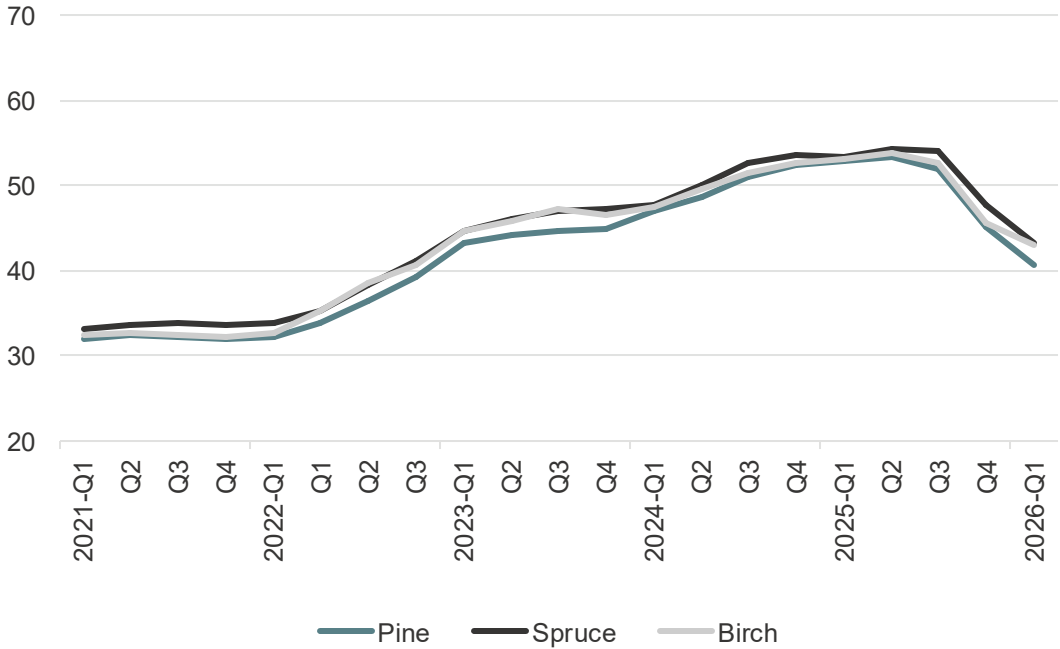


Source: AFRY

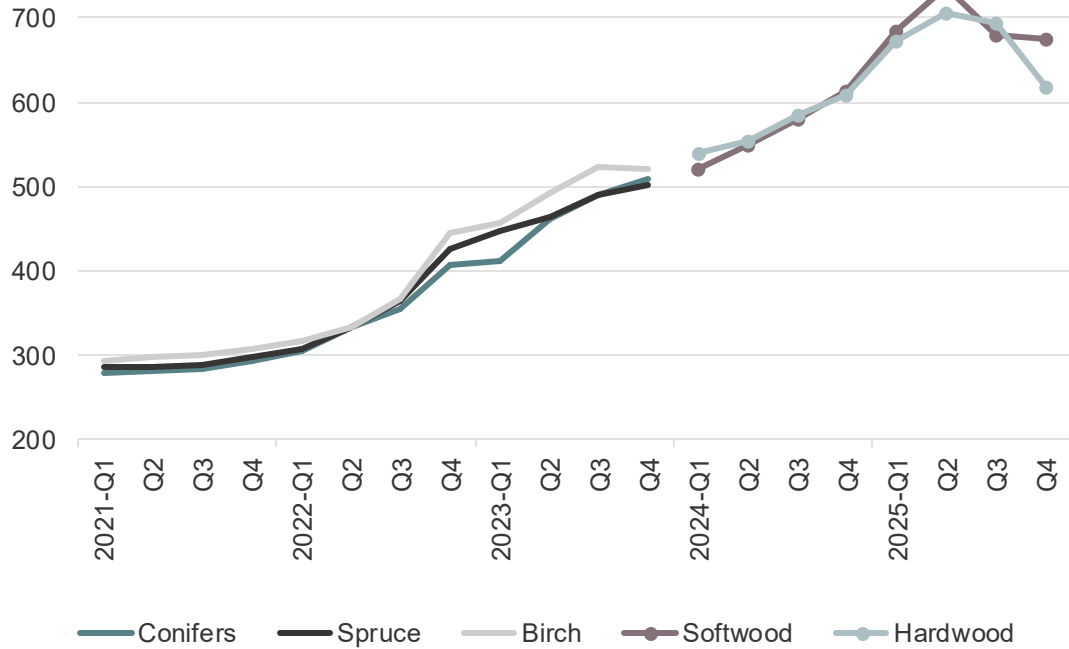


Price development of pulpwood in Finland and Sweden

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



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



* Swedish pricing data comes with a one-quarter delay compared to the Finnish pricing data. (SEK per cubic metre under bark)

Sources: [Finland](#) – Luke (Natural Resources Institute Finland): Average delivery prices at roadside (EUR per solid cubic metre with bark, excl. VAT)
[Sweden](#) – Skogsstyrelsen (The Swedish Forest Agency): Average delivery prices at roadside (SEK per cubic metre under bark)



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