Metsä Group’s Interim Report Q3 2025

Jussi Vanhanen
President and CEO

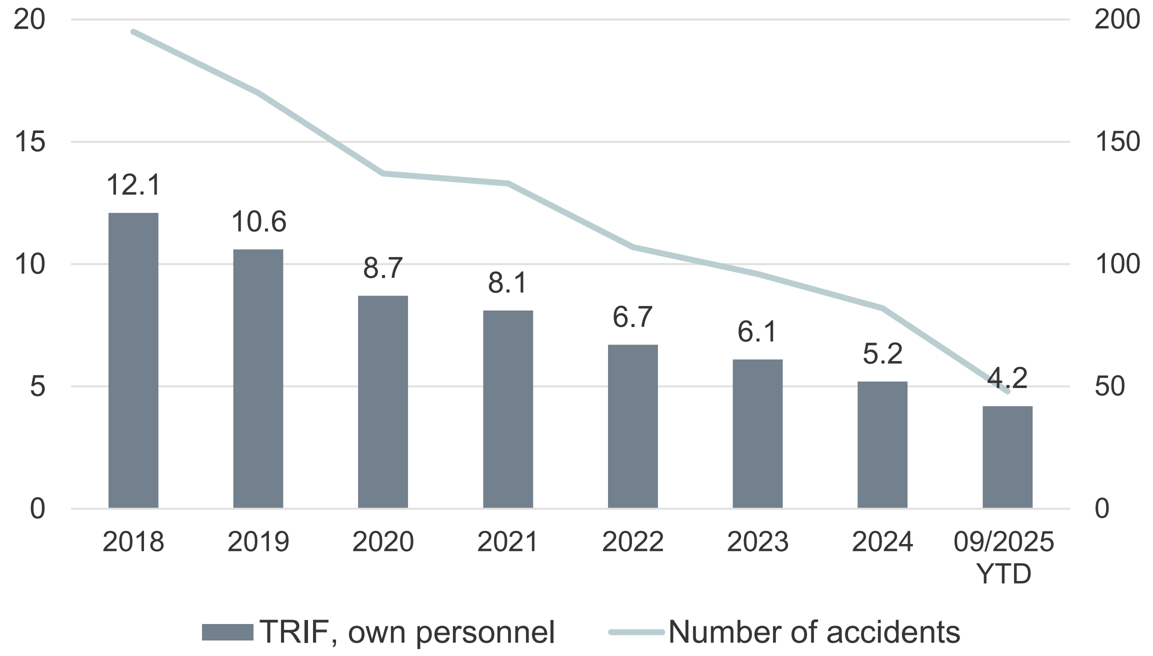
23 October 2025

Content

- Safety
- Financial position
- Investments
- The cooperative distributes income across Finland
- Business areas

Right direction in safety development at Metsä Group

- Development actions
  - Fair & just safety culture
  - Safety training
  - Improving service providers' safety
  - Developing process safety

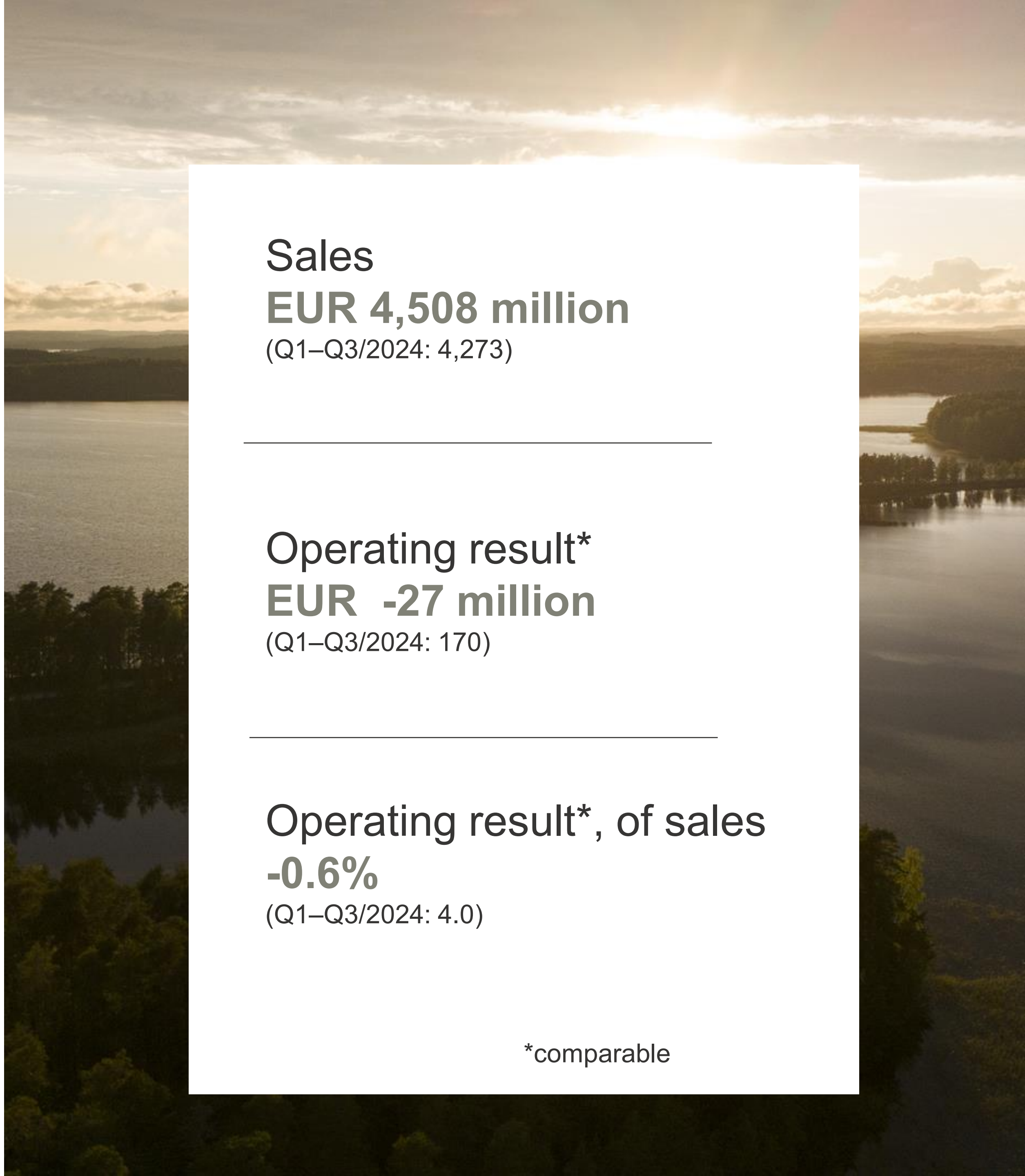


TRIF = Number of work-related accidents per one million hours of work

Financial position

Operating result was negative, as expected

- Protectionism in world trade weighed on the result
- Wood price continued to decrease, but the price level remains historically high
- Highlight: positive cash flow



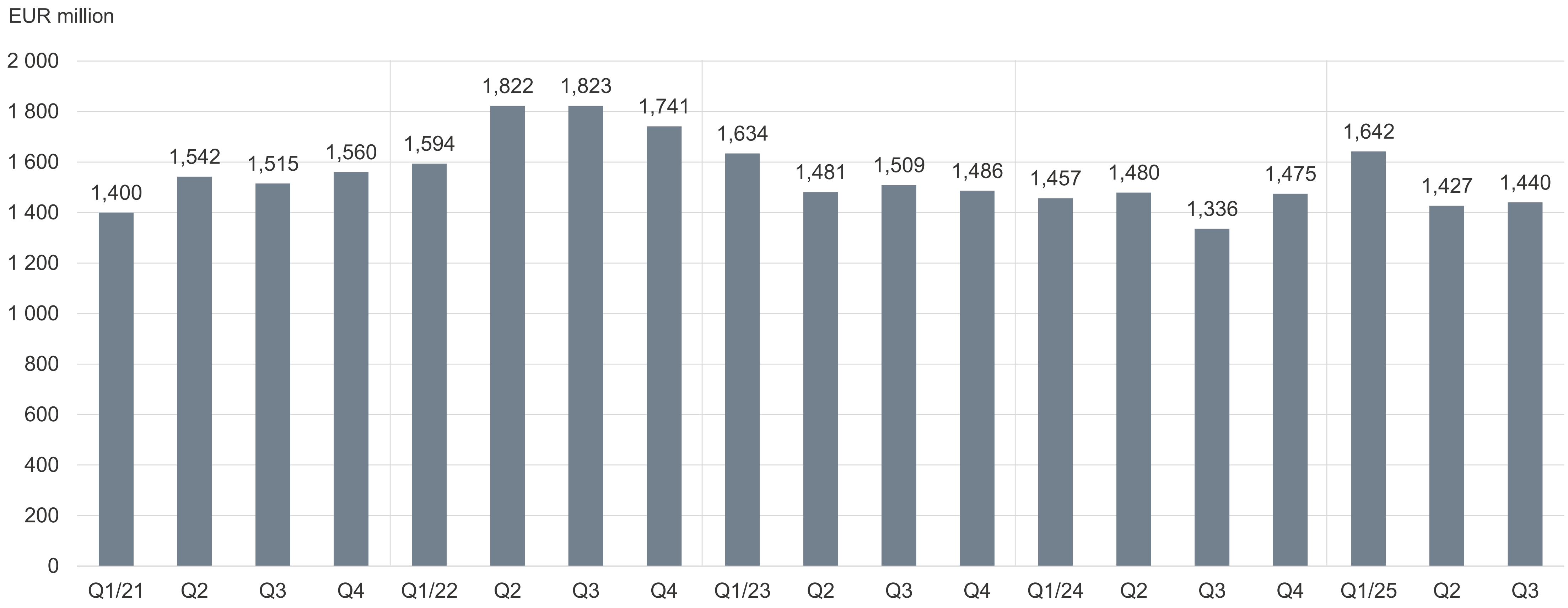
Sales
EUR 4,508 million
(Q1–Q3/2024: 4,273)

Operating result*
EUR -27 million
(Q1–Q3/2024: 170)

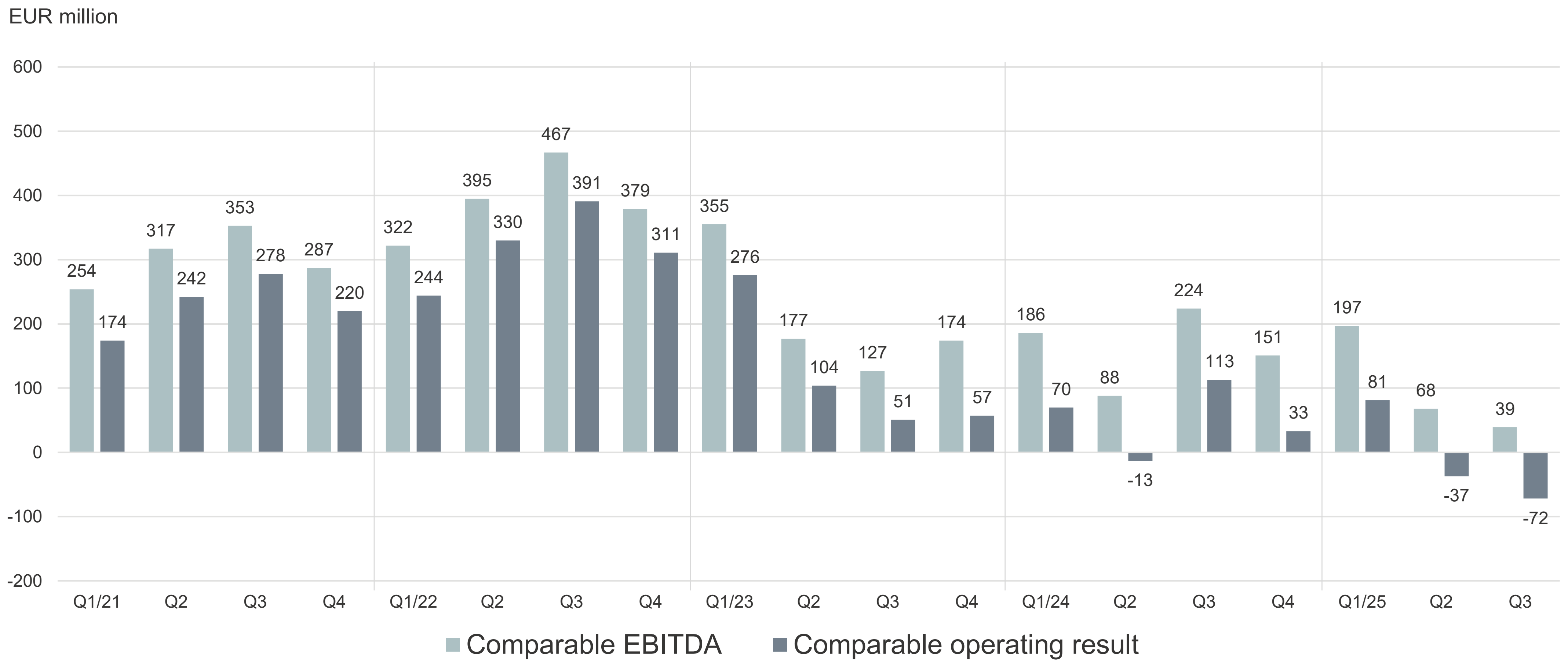
Operating result*, of sales
-0.6%
(Q1–Q3/2024: 4.0)

*comparable

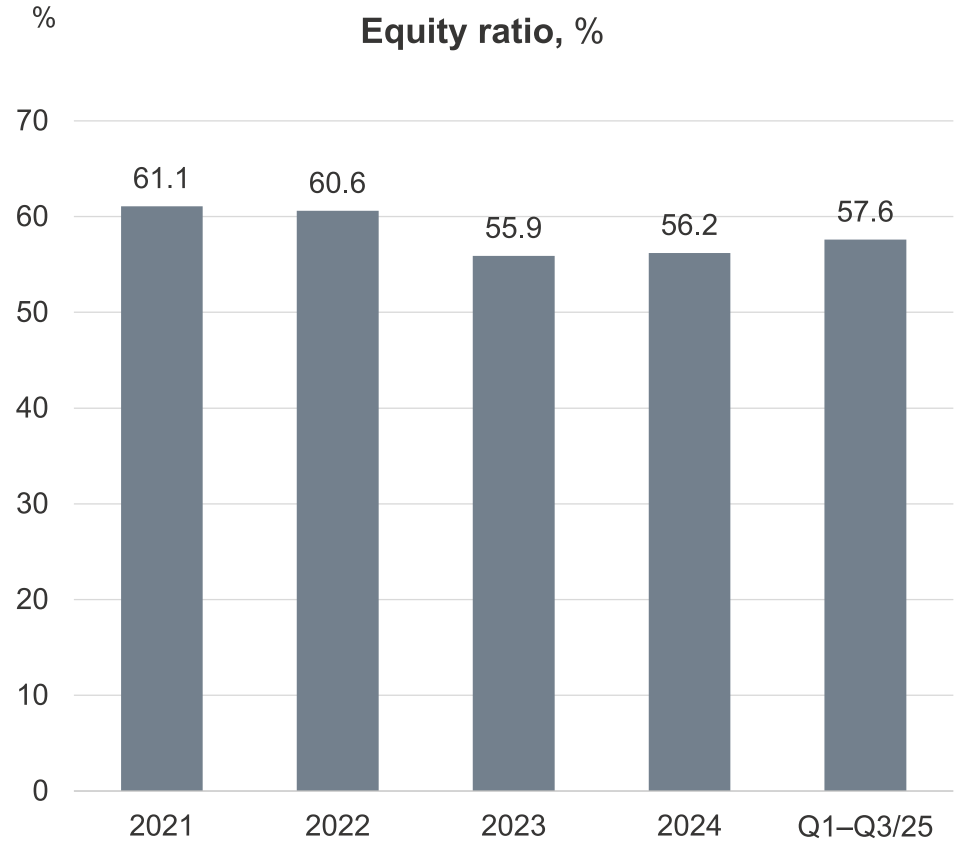
January–September sales at last year's level

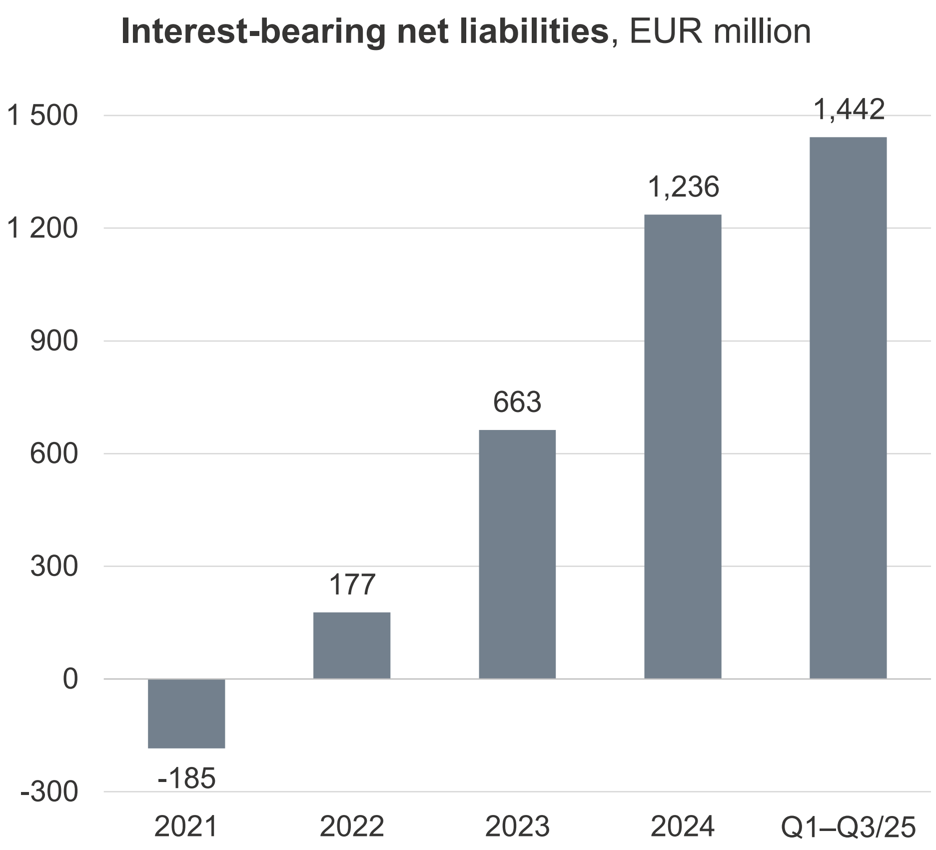


Weaker EBITDA and operating result due to low demand and pulp price

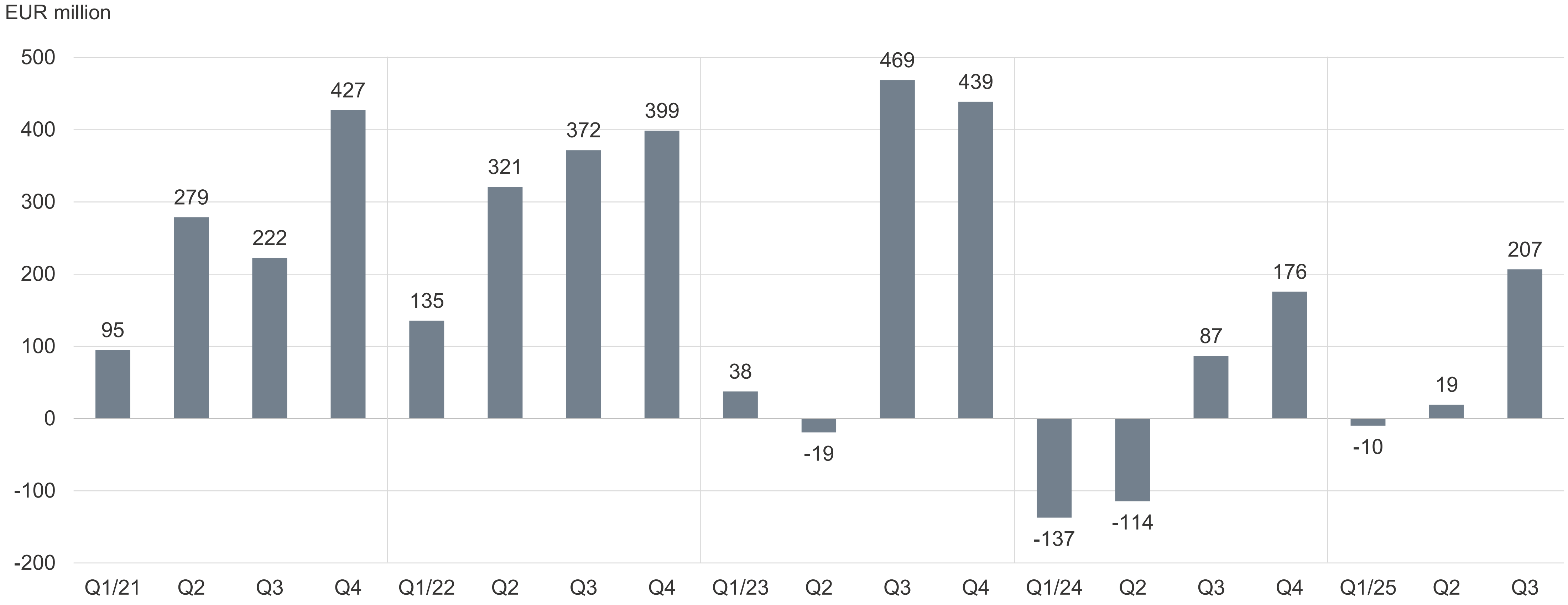


Strong equity ratio and sustainable level of debt





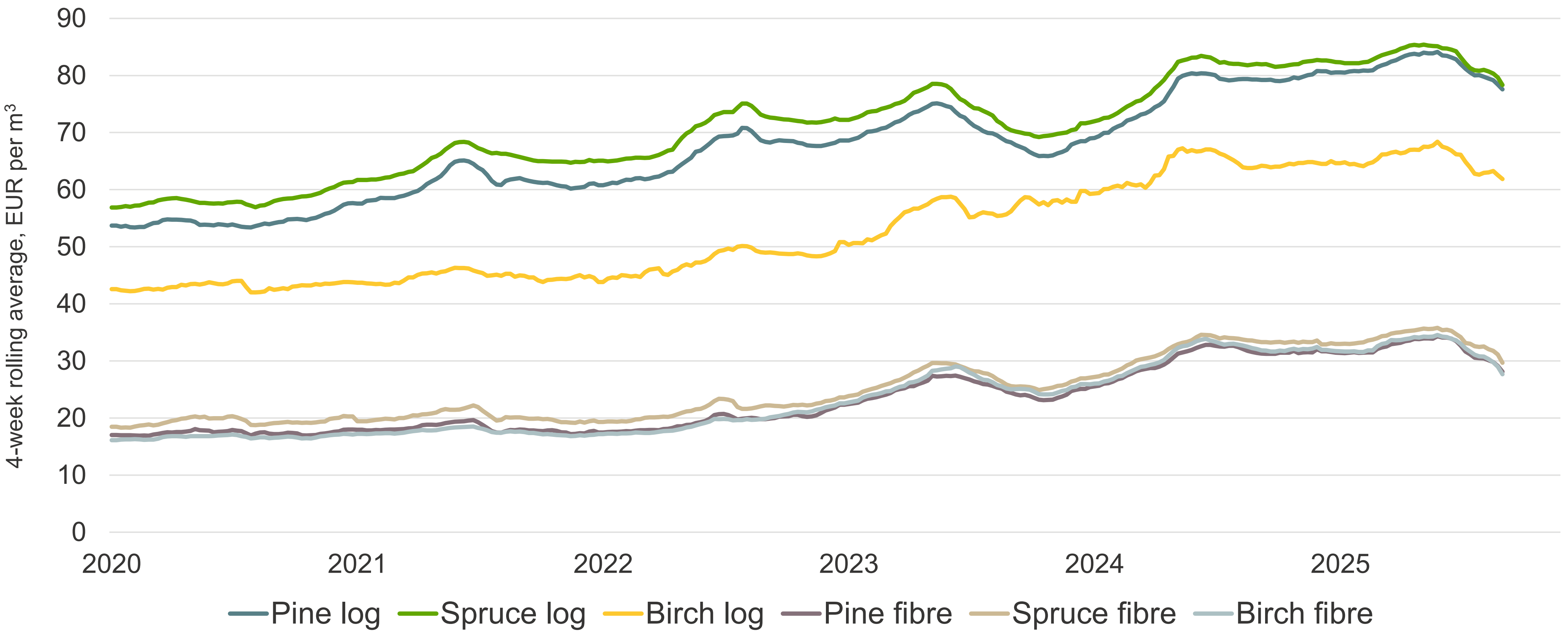
Working capital reduction strengthened net cash flow from operations



Pulp price and wood costs weakened the result

EUR million	
Comparable operating result Q1–Q3/2024	**170**
Sales prices	**-60**
Sales volumes	**74**
Exchange rates (after hedging)	**3**
Change in the unit costs of wood raw material	**-54**
Change in the unit costs of raw material, energy and other variable costs	**44**
Employee costs	**-13**
Maintenance and other fixed costs	**-103**
Change in inventories (including volume and valuation)	**-87**
Depreciation and other	**-1**
Comparable operating result Q1–Q3/2025	**-27**

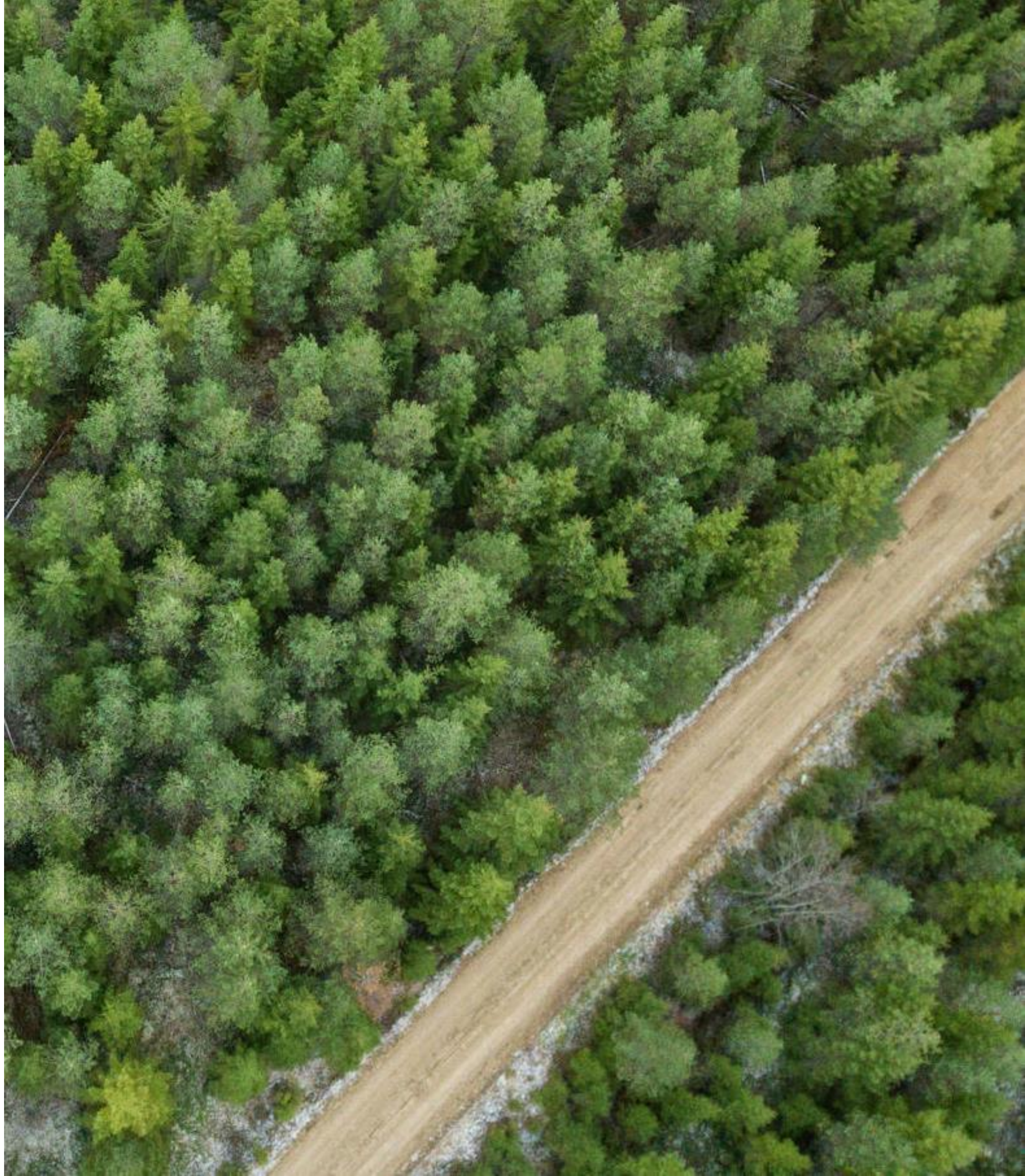
Stumpage prices decreased but remained high in Finland



Source: Finnish Forest Industries Federation, October 2025

Significant result improvement required

- EUR 300 million cost savings programme is ongoing
- Cost savings to be largely achieved through variable cost optimisation
- Statutory negotiations may lead to the reduction of 800 jobs



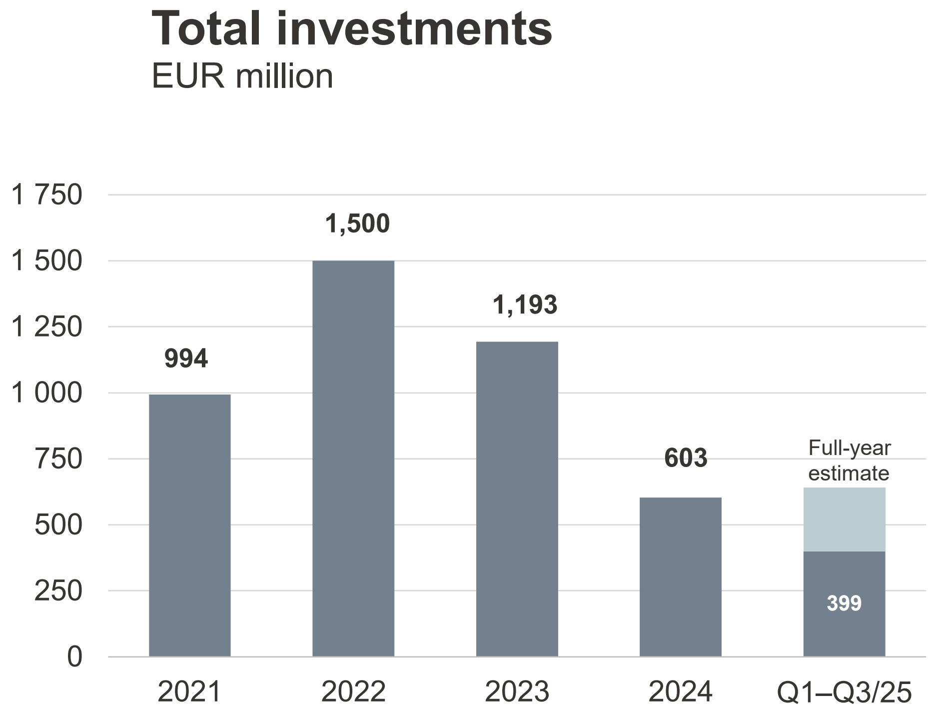
Near-term outlook

- Challenging business environment undermines predictability
  - Metsä Group will not provide separate result guidance for now
  - In a volatile market, this is not appropriate
- Pulp market is not expected to improve
- Excess board capacity in Europe adds pressure. North American demand remains weak
- Fibrewood price decline supports profitability from the beginning of 2026

Investments

Investments in Finland and Sweden in the final stretch

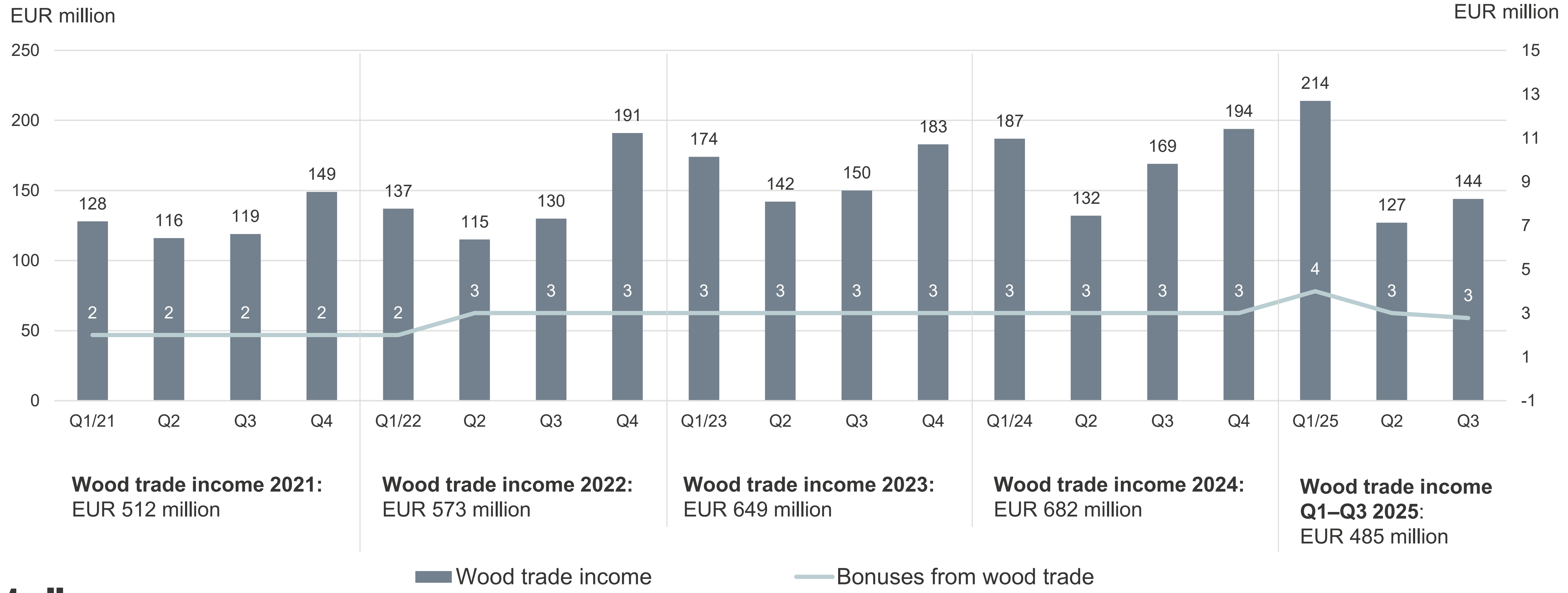
- Customer deliveries from the new tissue paper mill in Sweden begun
- Construction of the Äänekoski Kerto LVL mill is ahead of schedule
- New paperboard production line started up in Simpele, Finland
- Several Metsä Board's planned investments have been put on hold for the time being



Includes investments in leased property, plant and equipment.

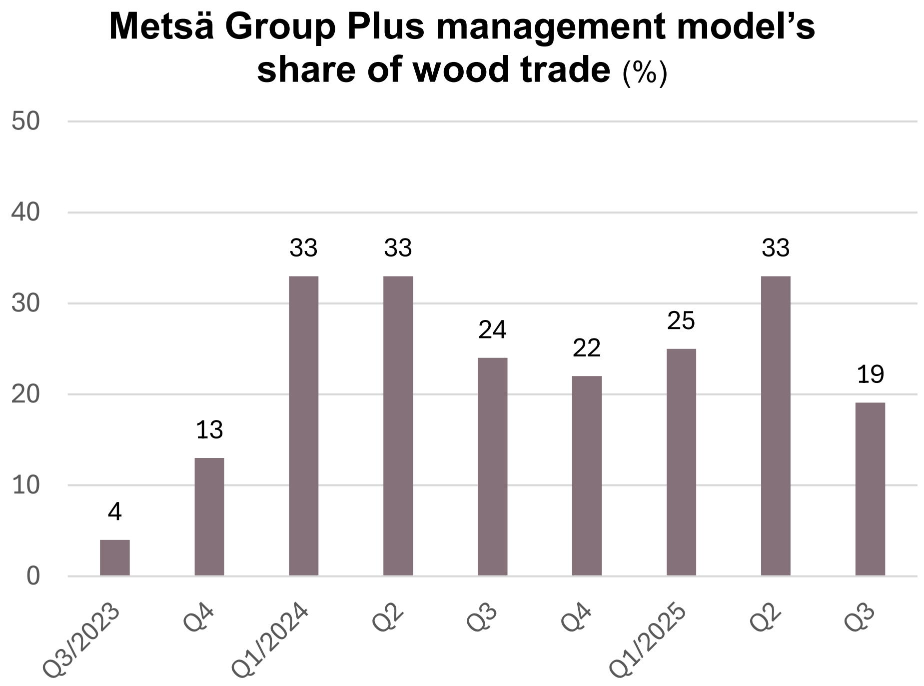
Forest owners’ cooperative provides wealth across Finland

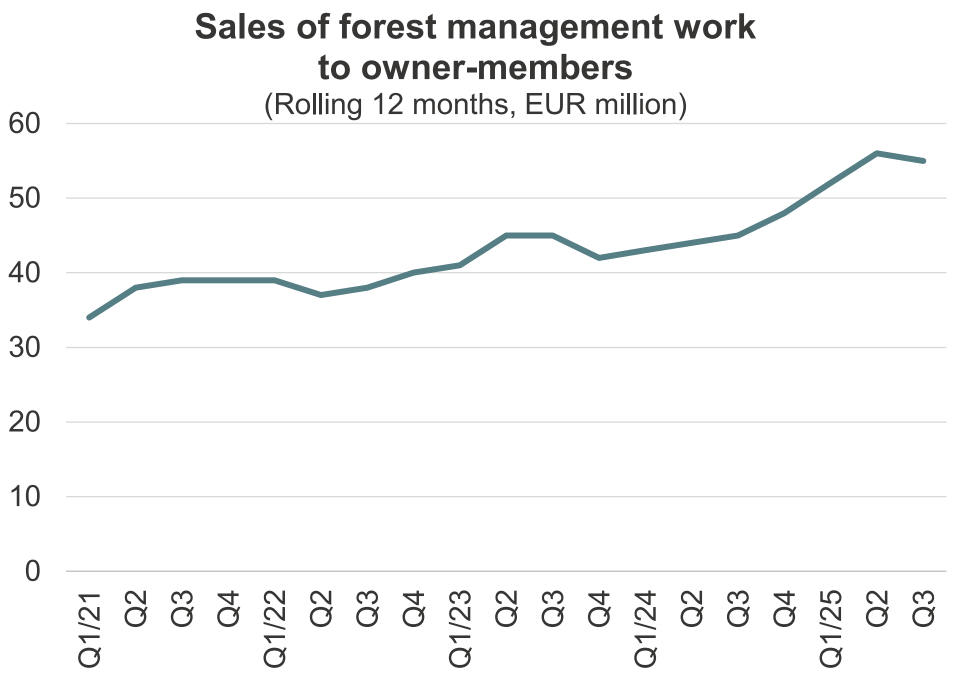
Owner-members received approximately EUR 485 million in wood trade income in Q1–Q3 2025



It pays to take good care of Finnish forests

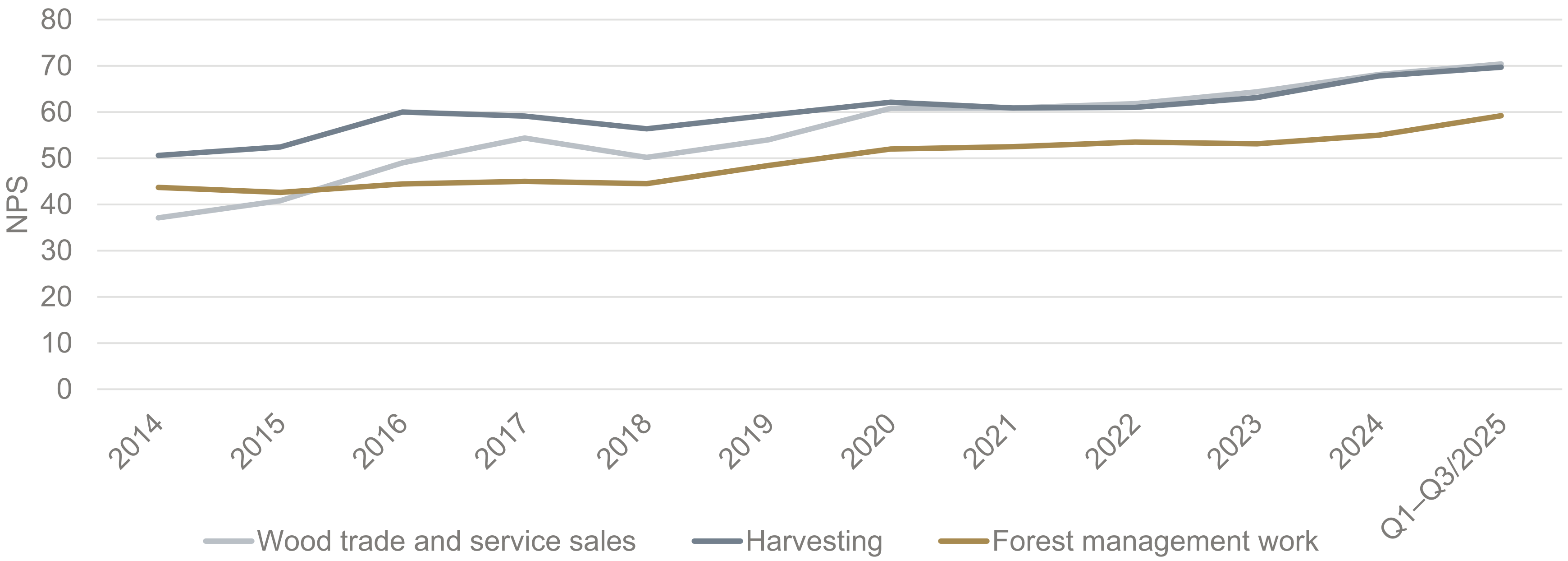
Forests are among Finland’s most significant natural resources. Forest management work keeps forests vibrant, and the Metsä Group Plus service strengthens forest biodiversity.





Forest owners are satisfied with Metsä Group

Forest owners' customer experience at a record high
(Net Promoter Score)

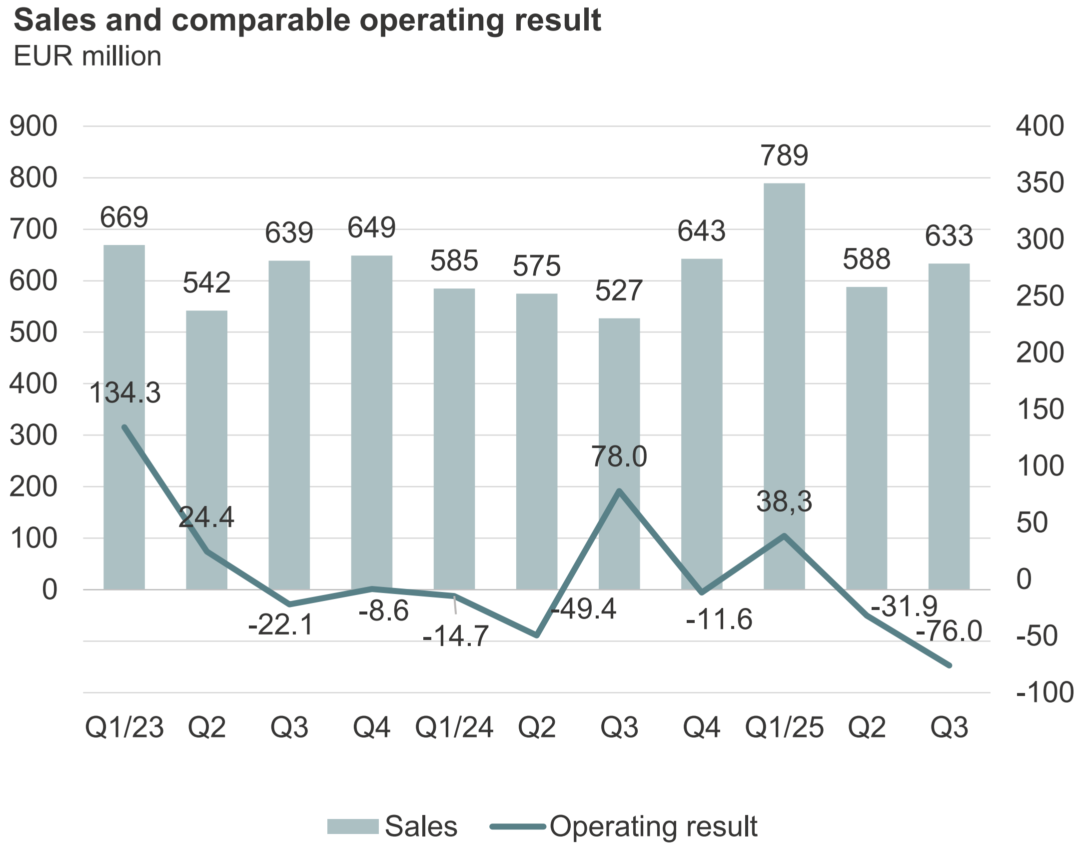


Metsä

Business areas

Pulp and Sawn Timber Industry’s result continued to decrease

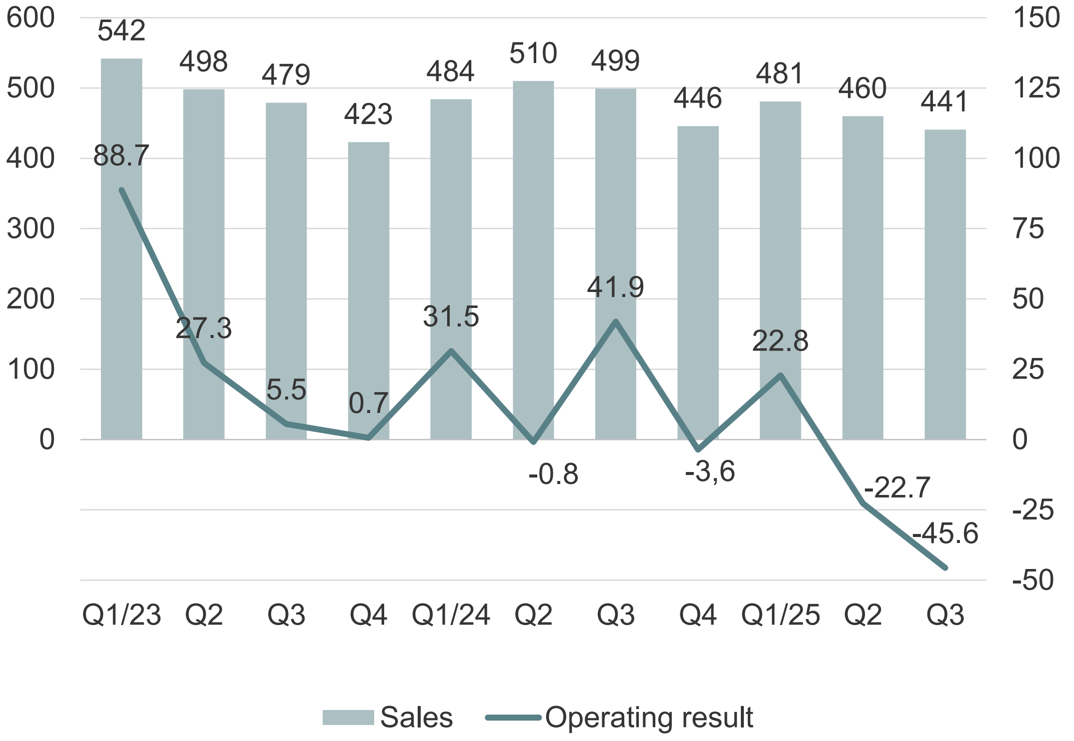
- Weaker result due to low pulp price and wood costs
- Pulp demand was weak, expected to remain at the current level



US tariffs made a considerable dent in the Paperboard Industry's result

- Weaker result due to pulp price, paperboard delivery volumes and production curtailment
- Actions to reduce working capital were successful
- Consumer caution and import tariffs affect paperboard demand and sales predictability

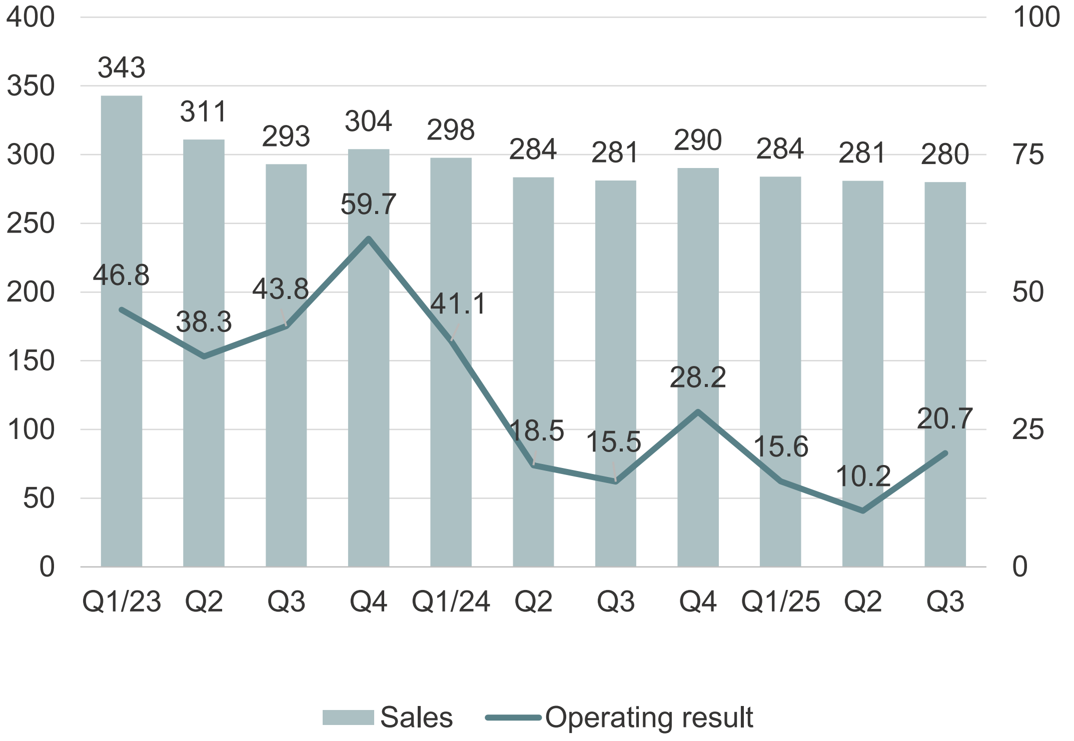
Sales and comparable operating result
EUR million



Positive profit development in Tissue and Greaseproof Papers

- Improved result due to higher delivery volumes and lower costs
- Stable demand for tissue paper, uncertainty concerning greaseproof paper in Europe

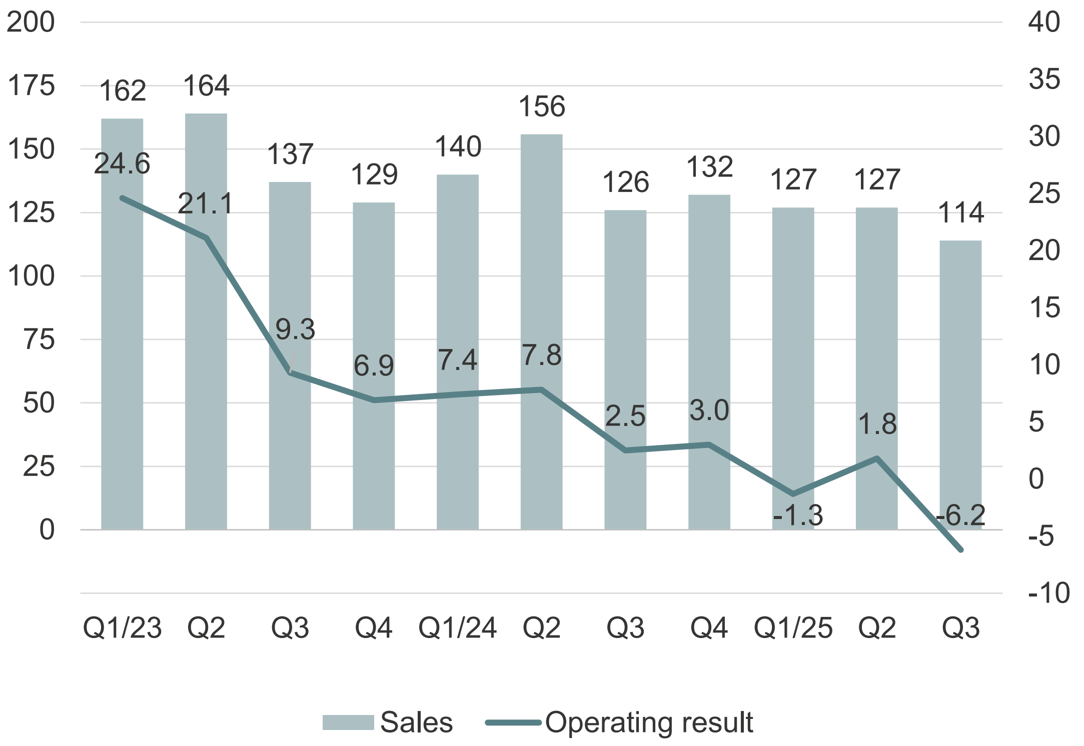
Sales and comparable operating result
EUR million



Negative profitability in Wood Products Industry

- Weaker profitability due to ERP system issues, weak demand for spruce plywood and the gradual winding down of the Suolahti mill
- Construction downturn continues in Europe

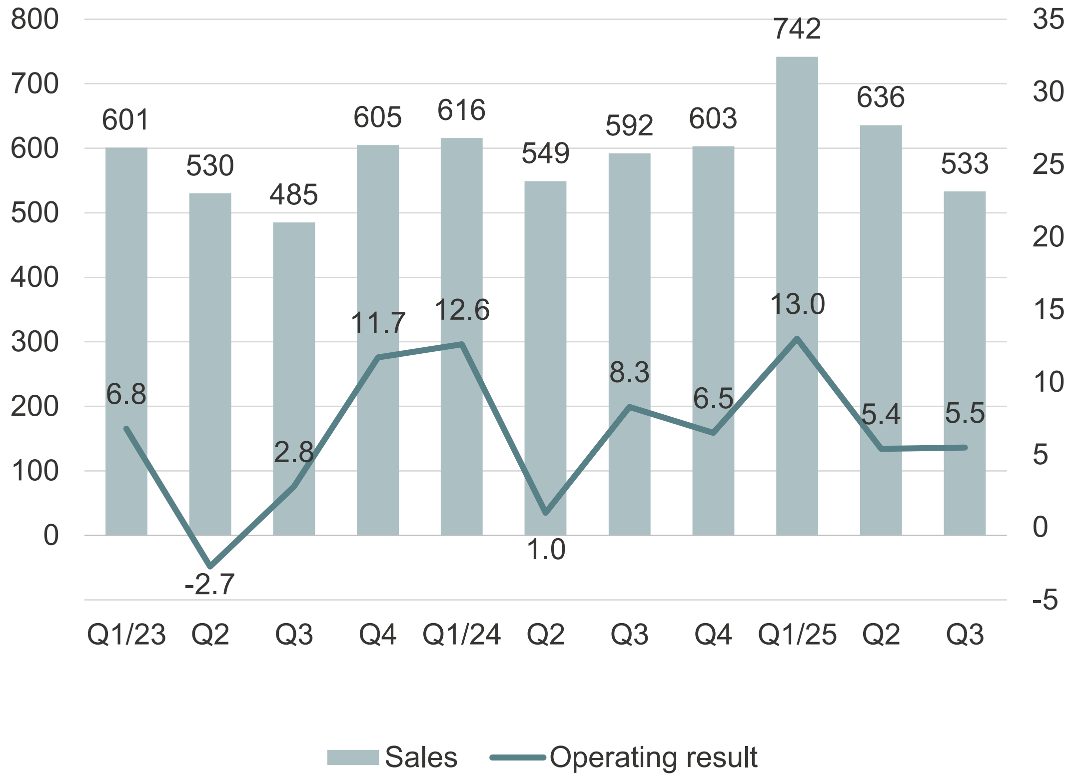
Sales and comparable operating result
EUR million



Market prices of wood took a downwards turn across the Baltic Sea region

- Wood prices took a downwards turn in Finland; the price level remains high
- Wood delivery volumes decreased, as mills did not run at full capacity

Sales and comparable operating result
EUR million



Metsä