



Metsä

Metsä Board Results for FY 2024

Presentation material

6 February 2025

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Q4 2024 in brief

- Decreased paperboard volumes with stable sales prices compared to Q3 2024
- Due to the low demand in Q4, production was adjusted with temporary layoffs
- In market pulp, stable demand situation in Europe. In China, demand returned to normal levels
- Metsä Fibre's long repair shutdown in Kemi bioproduct mill had EUR -9 million impact on Metsä Board's operating result
- Q4 operating result includes EUR +7.5 million insurance compensation regarding the Kemi mill explosion in Q1



Sales

446

EUR million

Q3 2024: EUR 499m
Q4 2023: EUR 423m



Comparable operating result

-3.6

EUR million

Q3 2024: EUR 42m
Q4 2023: EUR 0.7m

Paperboard deliveries

342,000

tonnes

Q3 2024: 388,000t
Q4 2023: 299,000t

Paperboard production

356,000

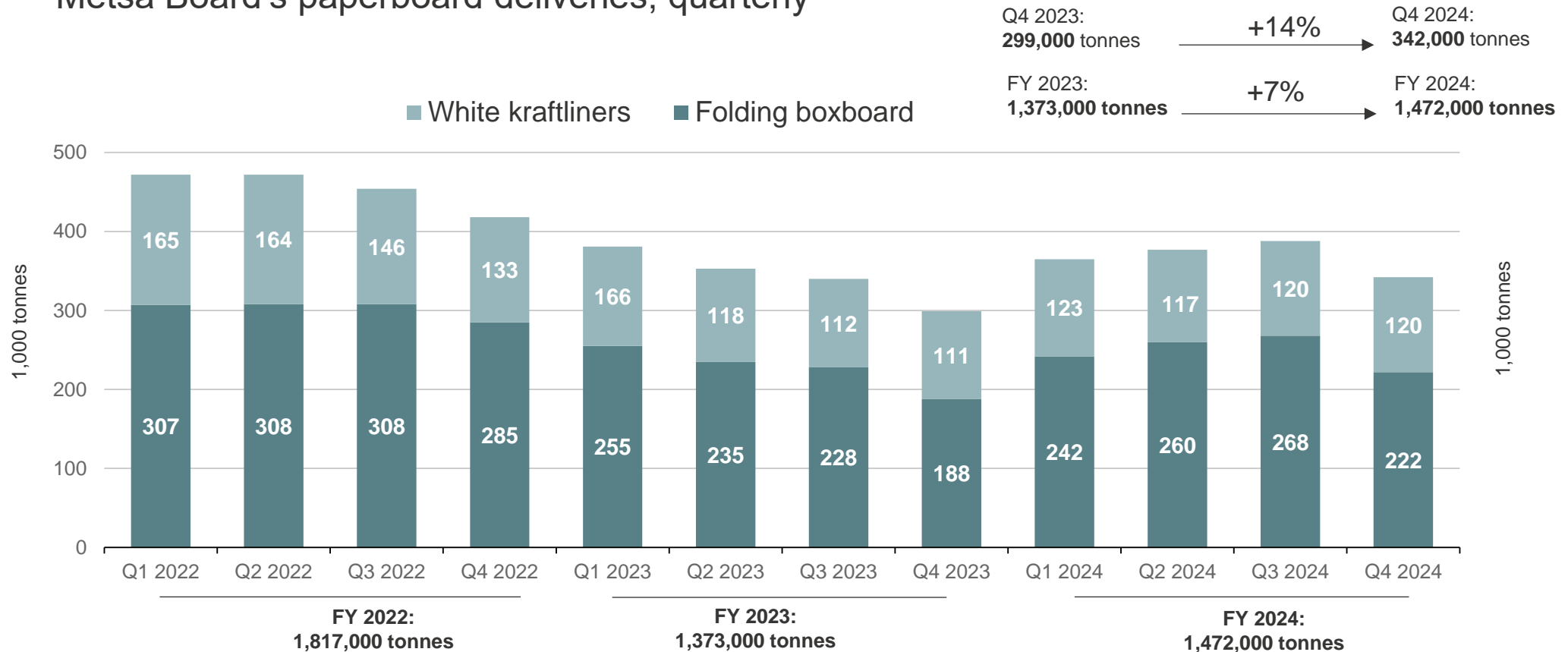
tonnes

Q3 2024: 414,000t
Q4 2023: 311,000t



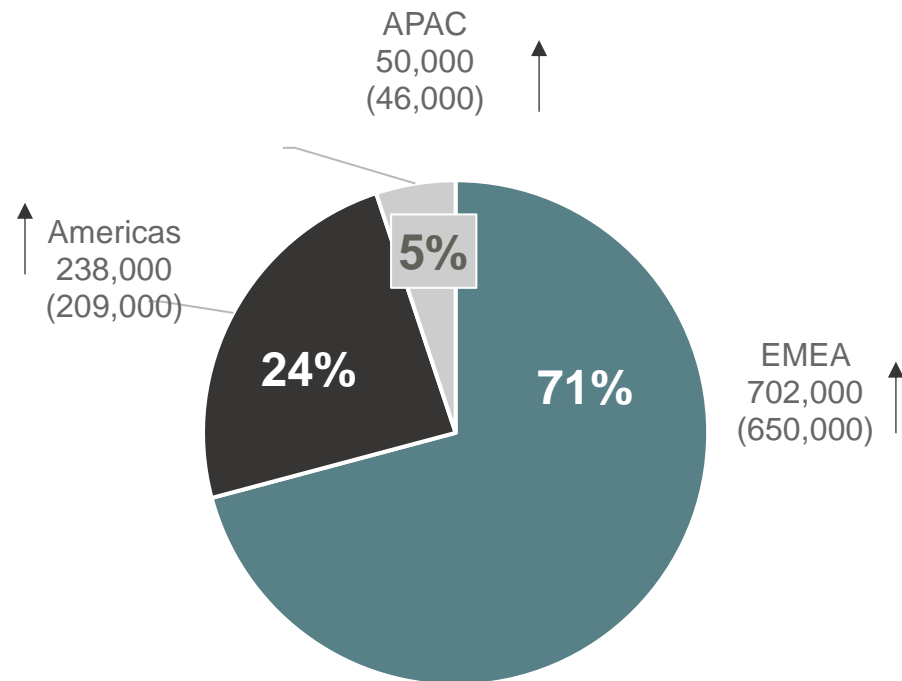
Paperboard sales seasonally low in Q4

Metsä Board's paperboard deliveries, quarterly

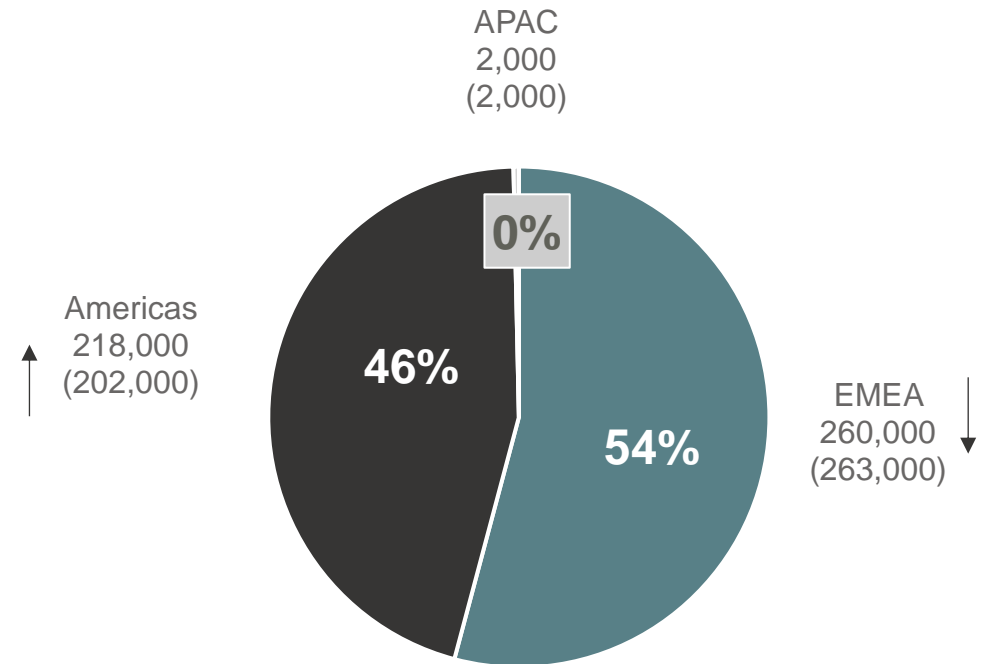


Paperboard deliveries by region

FBB deliveries 2024 (2023)
total 992,000 tonnes (906,000) **+9%**



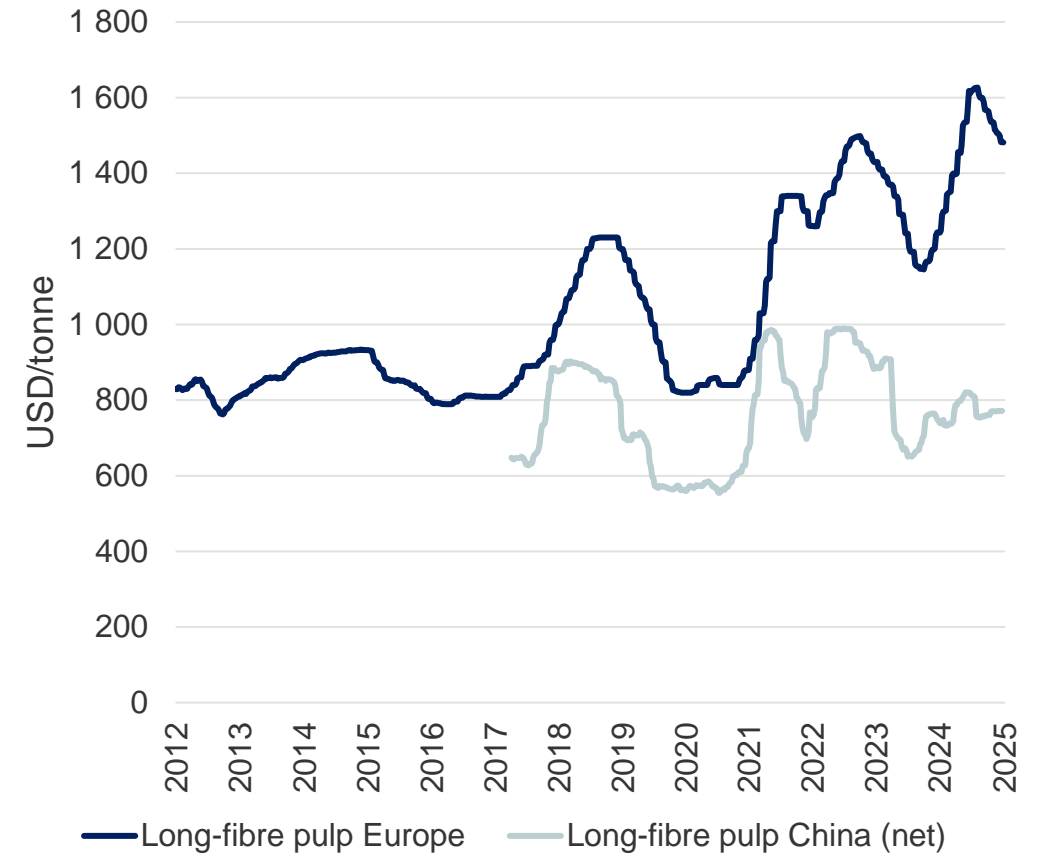
WKL deliveries 2024 (2023)
total 480,000 tonnes (467,000) **+3%**



Market pulp

- Market pulp deliveries (2024 vs 2023)
 - Metsä Board +2%: (400,000t vs 394,000t)
 - Metsä Fibre¹⁾ -11%: (2,484,000t vs 2,747,000t)
- In Europe, demand for softwood market pulp was stronger in H1/24 than in H2/24. In China, the demand was halted from the summer to early autumn.
- Supply of softwood pulp has been limited due to the planned/unplanned shutdowns, political strikes in Finland and global logistical bottlenecks
- Price (PIX) development²⁾ in **softwood pulp**
 - 2024 vs 2023: Europe +17%, China +2%
 - Q4/2024 vs Q3/2024: Europe -5%, China -1%

Softwood pulp price (PIX) development in Europe and China



Key sustainability figures

TARGET
set for 2030

ACTUAL
FY 2024

Accidents at work
TRIF, TARGET 0

ACTUAL 3.4
FY 23: 6.1



Certified wood fibre
TARGET >90%

ACTUAL 92%
FY 23: 91



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

ACTUAL:
Scope 1: 169kt
FY 23: 181kt
Scope 2: 82kt
FY 23: 2kt



Process water use²⁾
TARGET -35%

ACTUAL -11%
FY 23: +3.5



Energy efficiency²⁾
TARGET +10%

ACTUAL +0.9%
FY 23: -5,8

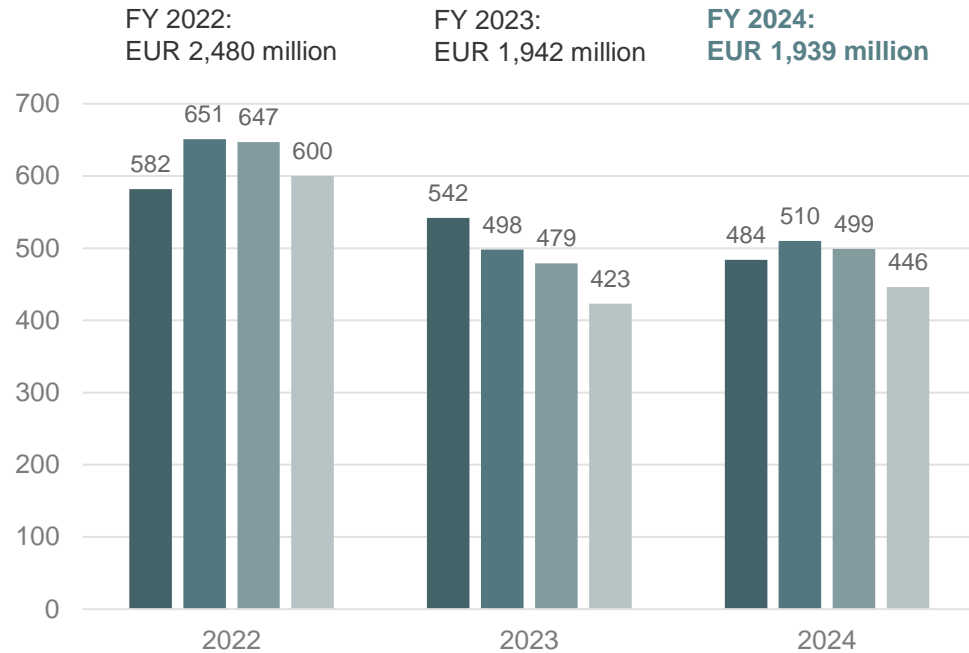


TRIF = Total Recordable Injury Frequency per million hours worked

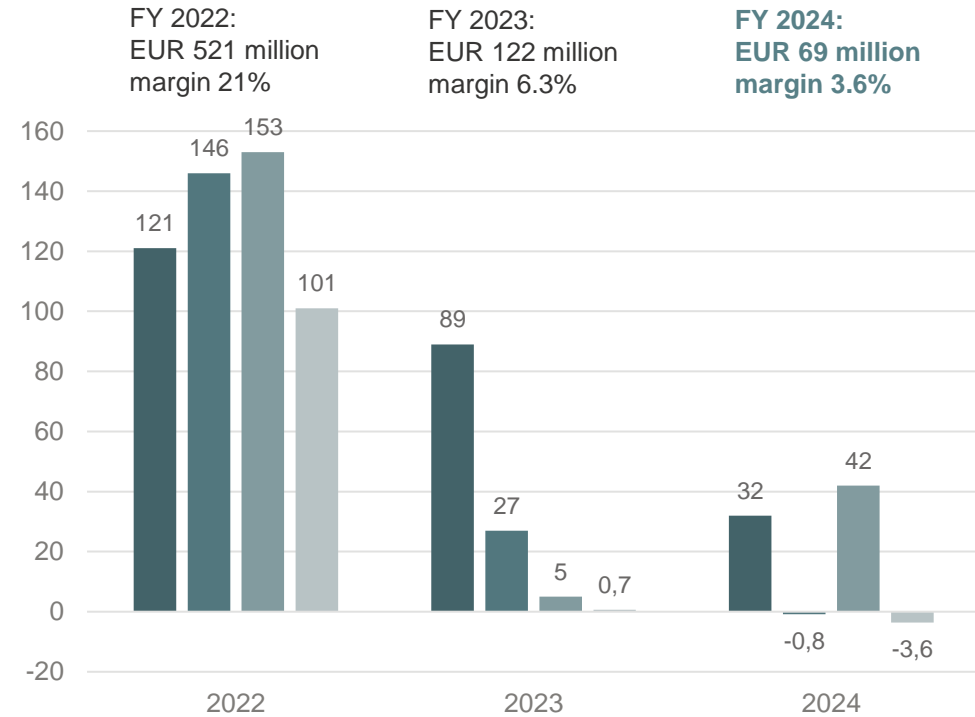
1) Scope 1. Scope 2 emissions are reported only annually
2) per tonne produced, rolling 12 months, change from the base year of 2018

Stable sales in 2024 with weak profitability

Sales, quarterly EUR million



Comparable operating result, quarterly EUR million and % of sales



Result comparison

Comparable operating result and % of sales

Q4/24: EUR -3.6 million, -0.8%

Q4/23: EUR 0.7 million, 0.2%

Positives:

- ↗ Increased paperboard volumes (+43kton)
- ↗ Lower energy and chemical costs
- ↗ Less maintenance
- ↗ *Insurance compensation, EUR 7.5m**

Negatives:

- ↘ Lower paperboard (FBB) prices
- ↘ Higher wood costs and logistics costs
- ↘ Metsä Fibre's repair shutdown at Kemi bioproduct mill

Comparable operating result and % of sales

1–12/24: EUR 69 million, 3.6%

1–12/23: EUR 122 million, 6.3%

Positives:

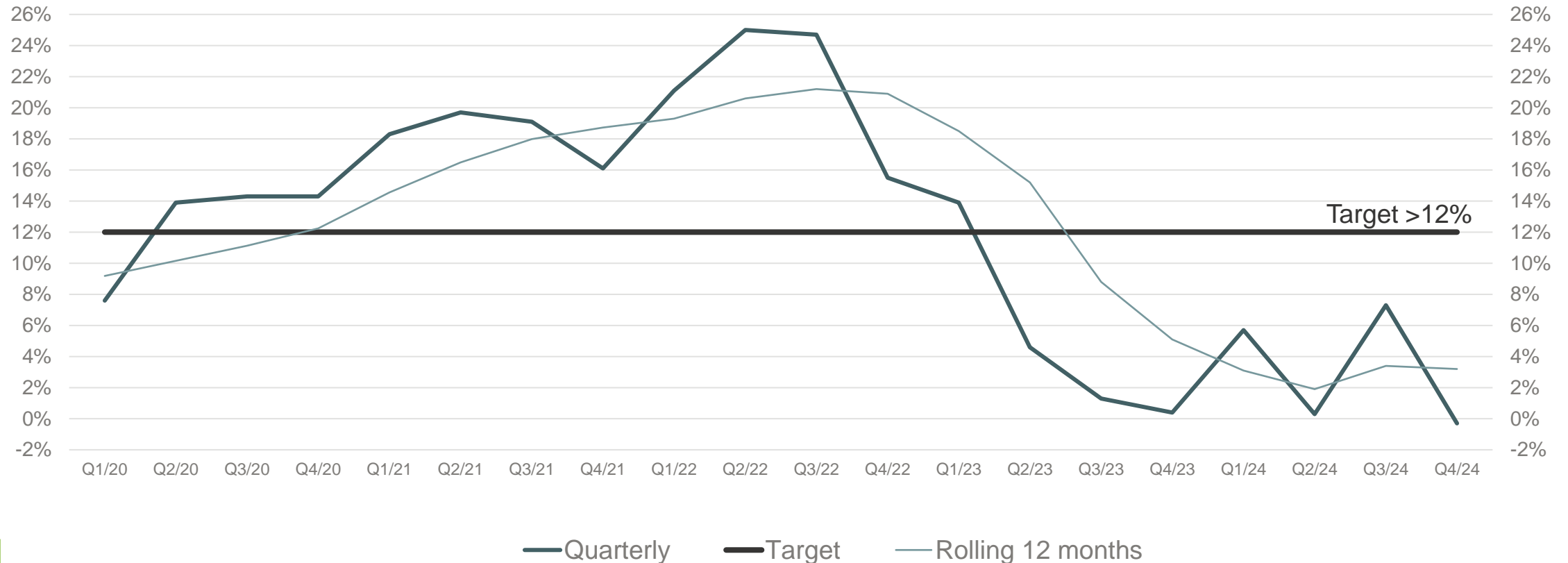
- ↗ Increased paperboard volumes (+99kton)
- ↗ Higher pulp prices
- ↗ Lower energy and chemical costs

Negatives:

- ↘ Lower paperboard (FBB) prices
- ↘ Increased wood costs, logistics costs and fixed costs
- ↘ Higher depreciation
- ↘ Lower sale of unused emission allowances (EUR 35 vs 55 million)
- ↘ Result share from Metsä Fibre EUR -10m (EUR 28m)
- ↘ *Explosion in Kemi mill, estimated net impact EUR -10m**
- ↘ *Political strikes, estimated impact EUR -25m**

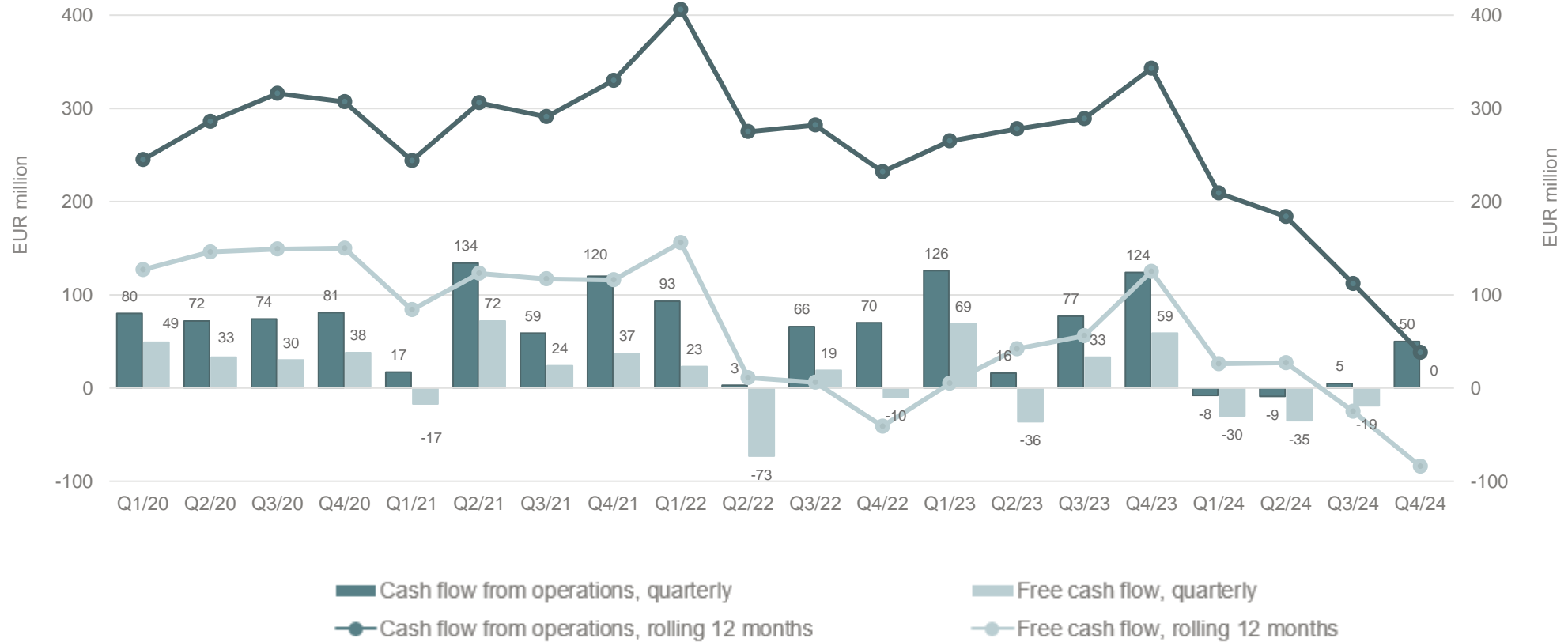
FY 2024 ROCE at 3.2%

Comparable return on capital employed, %
Quarterly and rolling 12 months



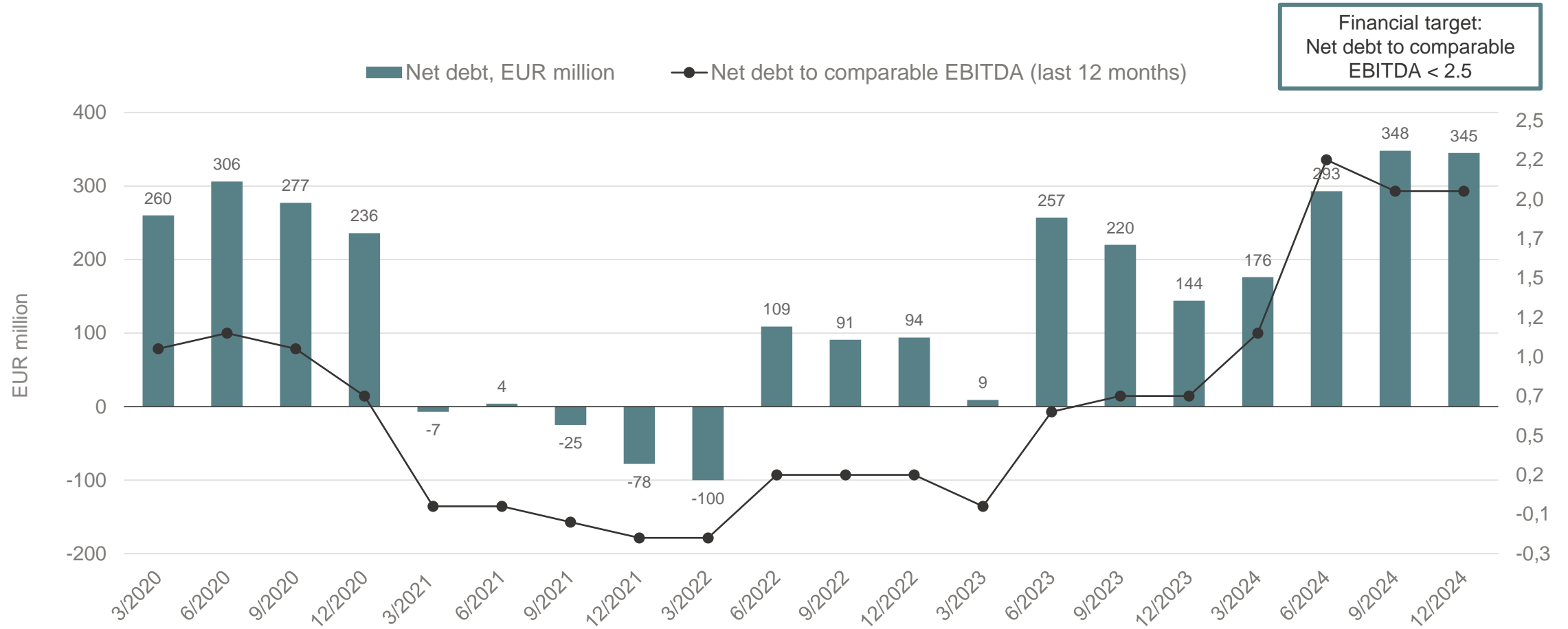
Significant decrease in 2024 cash flow

2024 cash flow includes a dividend from Metsä Fibre of EUR 10 million (2023: EUR 83 million)

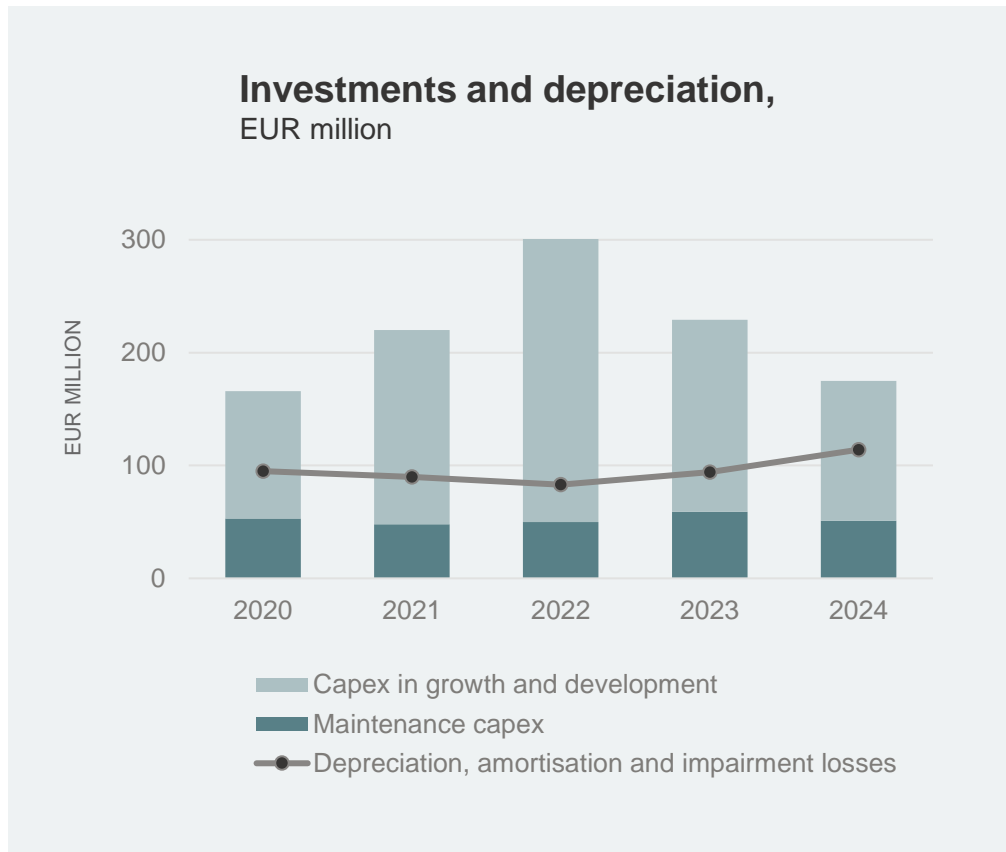


Free cash flow = cash flow from operations – investments in intangible and tangible assets

Solid financial situation despite leverage increase



Investments and depreciation



Year 2024

- Total investments in 2024 were EUR 175 million, and depreciation* EUR 114 million

Year 2025, estimated

- The value of 2025 total investments is expected to be in the range of 100–150 million euros

Ongoing and planned investments

Investments aim to improve the competitiveness of the mills and products and accelerate the move to fossil-free production



Simpele board mill

- Renewal of paperboard machine¹⁾, **ongoing**
- Renewals in paperboard finishing area and mechanical pulp production, a new power plant



Kyro board mill

- Improving the performance of barrier boards and expanding end-use areas, **in pre-engineering**



Husum pulp mill

- New pulp drying machine, **in pre-engineering**



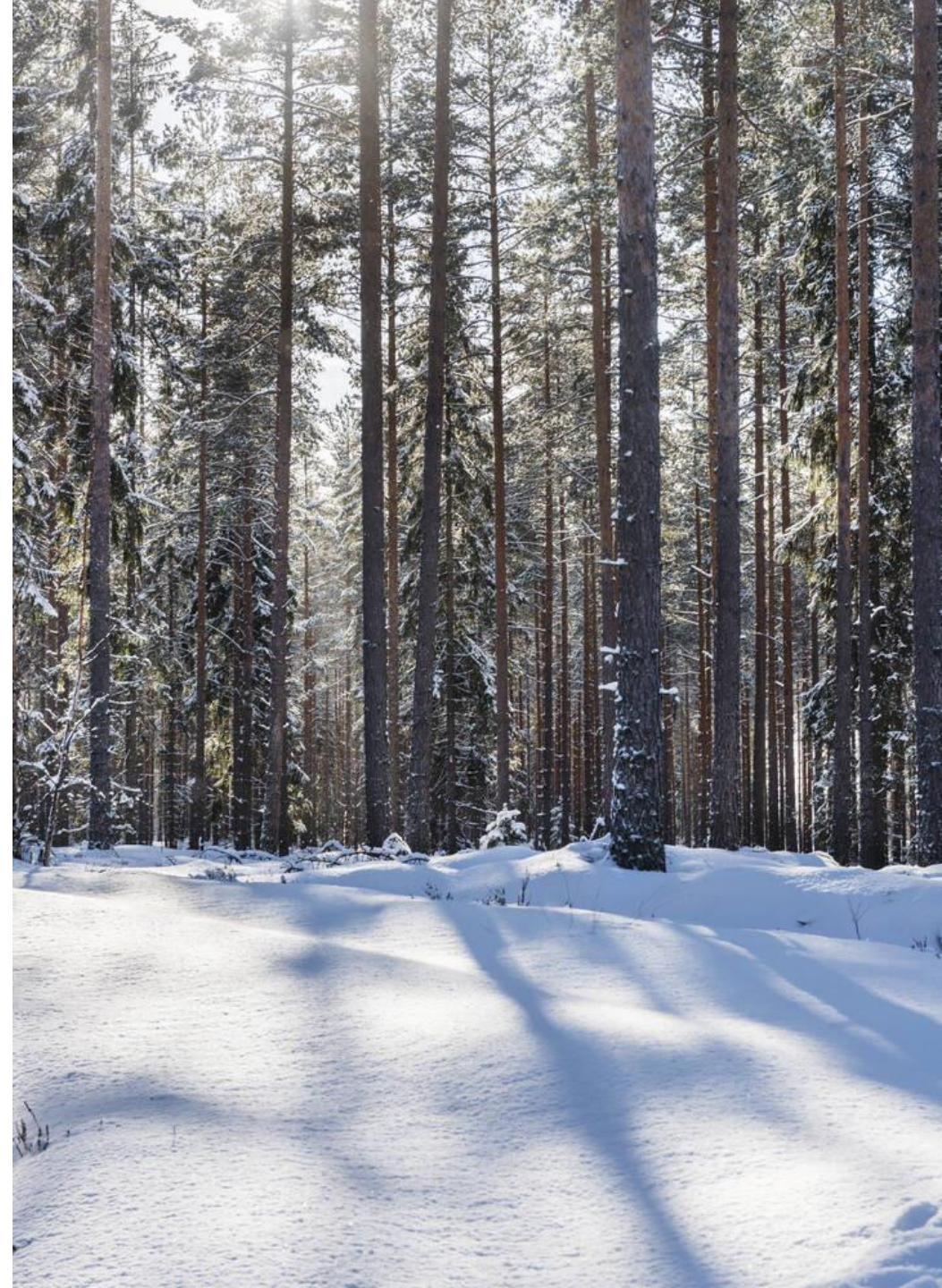
Husum board mill

- New products on the existing BM 2 white kraftliner production line, **in pre-engineering**

Near-term outlook

January–March 2025

- Paperboard delivery volumes are expected to increase from Q4, average sales prices to remain stable
- Total costs, excluding pulp, are expected to remain at Q4 level
- No planned maintenance shutdowns in Q1
- Demand for softwood market pulp is expected to remain stable. Metsä Fibre's result share is expected to improve



Result guidance

January–March 2025

Metsä Board's comparable operating result in January–March 2025 is expected to improve from October–December 2024 (EUR -3.6 million).



Summary

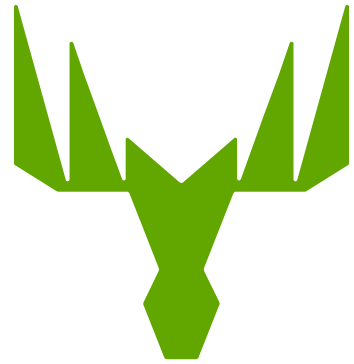
- A second tough year behind us, marked by several unexpected occasions beyond our control
- Market situation remains challenging
- Solid financial position after big investments
- We continue to improve the competitiveness of our mills and products, and accelerate our way to fossil-free production



Metsä Board plans to close Tako mill and enhance the operational efficiency of Kyro mill

- [Release](#) announced after the review period
- Change negotiations launched on 23 January at both mills will last at least six weeks
- Any decisions on personnel reductions and mill closure will only be taken after the negotiations are concluded
- If the plan is implemented, production at Tako mill would end in 2025
- Possible mill closure would not have an impact on customer deliveries, as company's overall capacity for folding boxboard is sufficient to meet current demand





Metsä

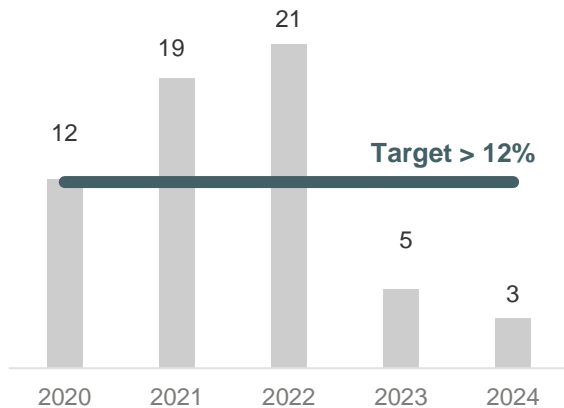
Appendix

Key financials

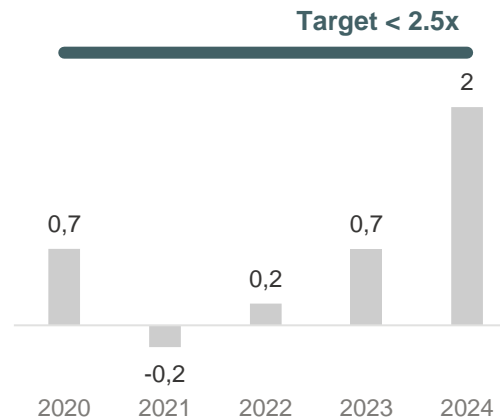
		Q4/24	Q4/23	Change Q4/24 vs Q4/23	FY/24	FY/23	Change 1–12/24 vs 1–12/23
Sales	EUR, m	446	423	6%	1,939	1,942	0%
EBITDA*	EUR, m	25	26	-5%	175	216	-19%
Operating result*	EUR, m	-4	1		69	122	-44%
<i>% of sales*</i>	%	-0.8	0.2		3.6	6.3	
Metsä Fibre's share of operating result*	EUR, m	-3	-5		-10	28	
Earnings per share	EUR	-0.02	0.01		0.07	0.27	-73%
<i>ROCE*</i>	%	-0.3	0.4		3.2	5.1	
Total investments	EUR, m	55	72	-23%	175	229	-23%
Cash flow from operations	EUR, m	50	124	-60%	38	343	-89%
IB Net debt at end of period	EUR, m	345	144	+140%	345	144	+140%

Financial targets and dividend policy

Comparable ROCE, %:

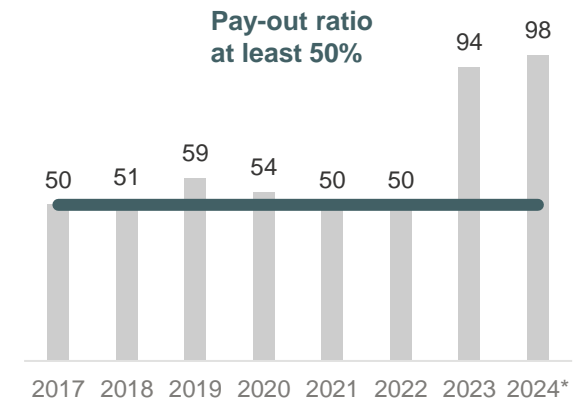


IB Net debt/comparable EBITDA



Dividend policy

Dividend/net result, %



* FY 2024: Board's proposal to AGM:
EUR 0.07/share, total dividend payment EUR 25 million

Cost structure

Year 2024

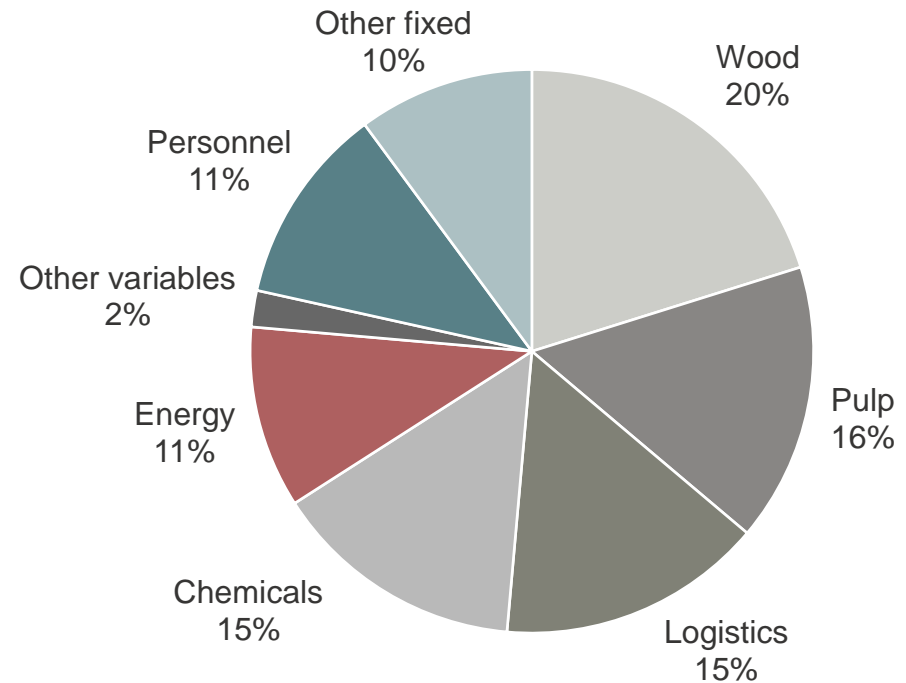
- **Total costs EUR 1.8 billion (1.7)**
- Total cost deflation, excluding pulp, 1%
- Decreased chemical and energy costs, increased wood, logistics and fixed costs.

wood price development on slide 32



Metsä Board's cost structure in 2024

Total costs EUR 1.8 billion (1.7)



¹⁾ **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%.

Impacts of FX

- Impact including hedges, actual
 - Q4 2024 vs Q4 2023: EUR 2 million
 - 1–12 2024 vs 1–12 2023: EUR 5 million
- Estimated impacts, including hedges
 - Q1 2025 vs Q4 2024: stable
 - Q1 2025 vs Q1 2024: slightly positive

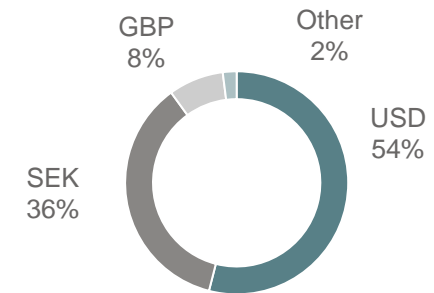
Hedging policy:

In addition to the balance sheet position of trade receivables and trade payables, 50% of the projected annual net foreign currency exposure at the normal level is hedged.

At the end of the review period, an average of 7.9 months of the net foreign currency exposure was hedged.



Annual FX transaction exposure total EUR 1.6 billion



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

FX sensitivities, excluding hedges

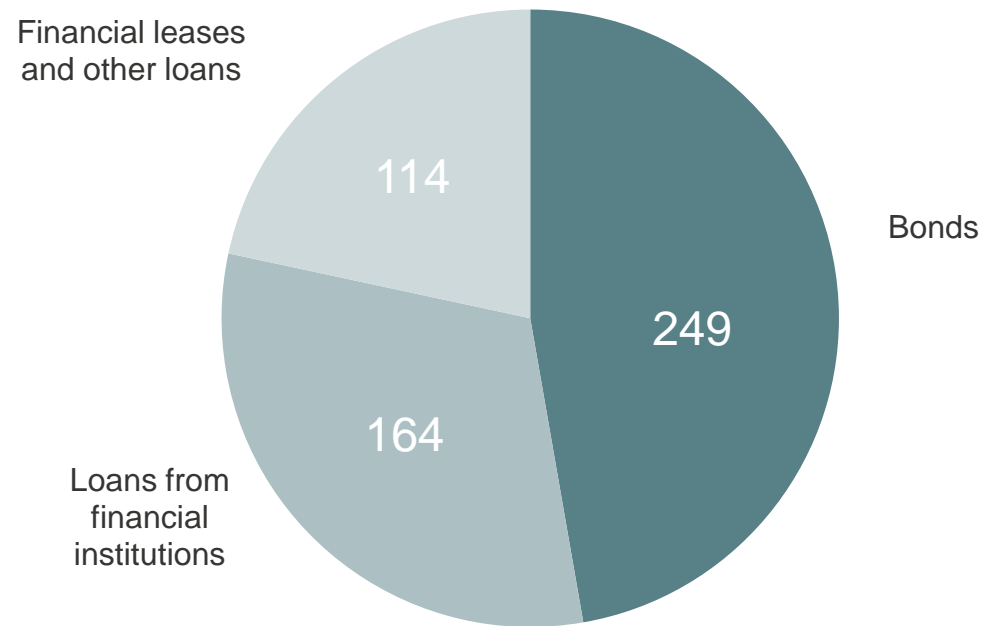
A 10% strengthening of foreign currency vs EUR would have an impact on Metsä Board's EBIT

Currency	Next 12 months
USD, \$	EUR 85 million
SEK, kr	EUR 55 million
GBP, £	EUR 15 million

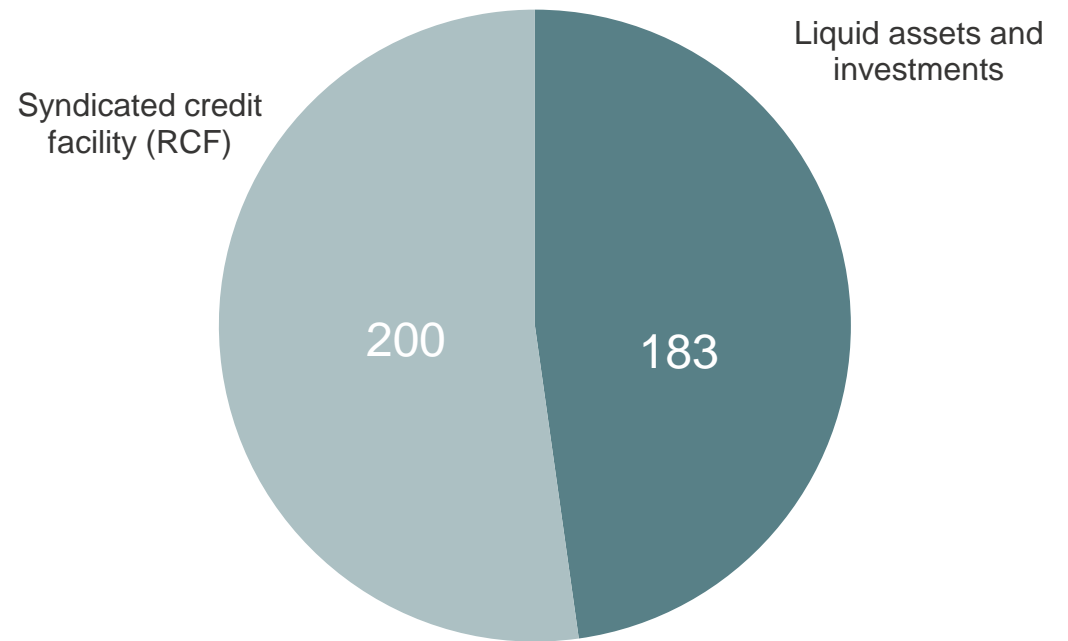
Interest-bearing debt and liquidity

31 December 2024

Interest-bearing debt EUR 527 million



Liquidity EUR 383 million



Liquidity is complemented by:

- Commercial paper programme of **EUR 200 million** (EUR 30 million outstanding)
- Metsä Group's internal undrawn short-term credit facility of **EUR 150 million**

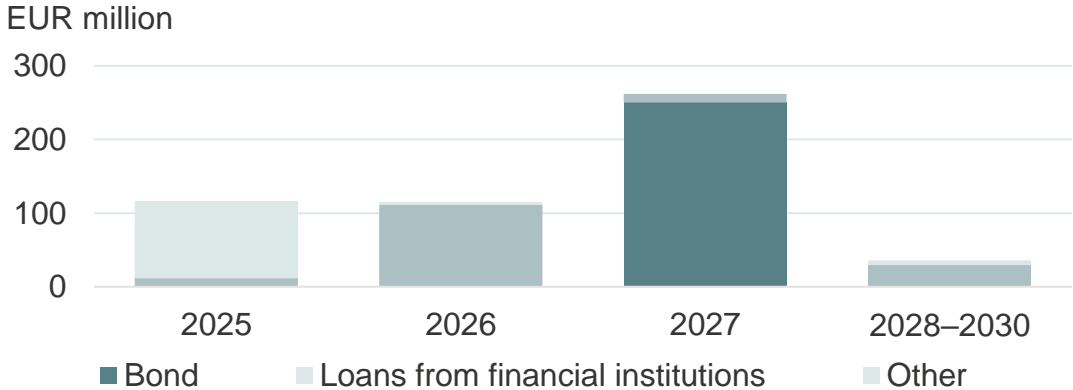
Debt maturity and credit ratings

31 December 2024

- Total interest-bearing debt was EUR 527 million, and net debt was EUR 345 million
- The average interest rate on loans at the end of the review period was 2.7%, and the average maturity of long-term loans was 2.2 years
- Net financial costs, including foreign exchange differences, were:
 - FY 2024: EUR -10.8 million
 - FY 2023: EUR 0.1 million

Maturity of interest-bearing debt

Total EUR 527 million



Metsä Board’s credit ratings are *investment grade*

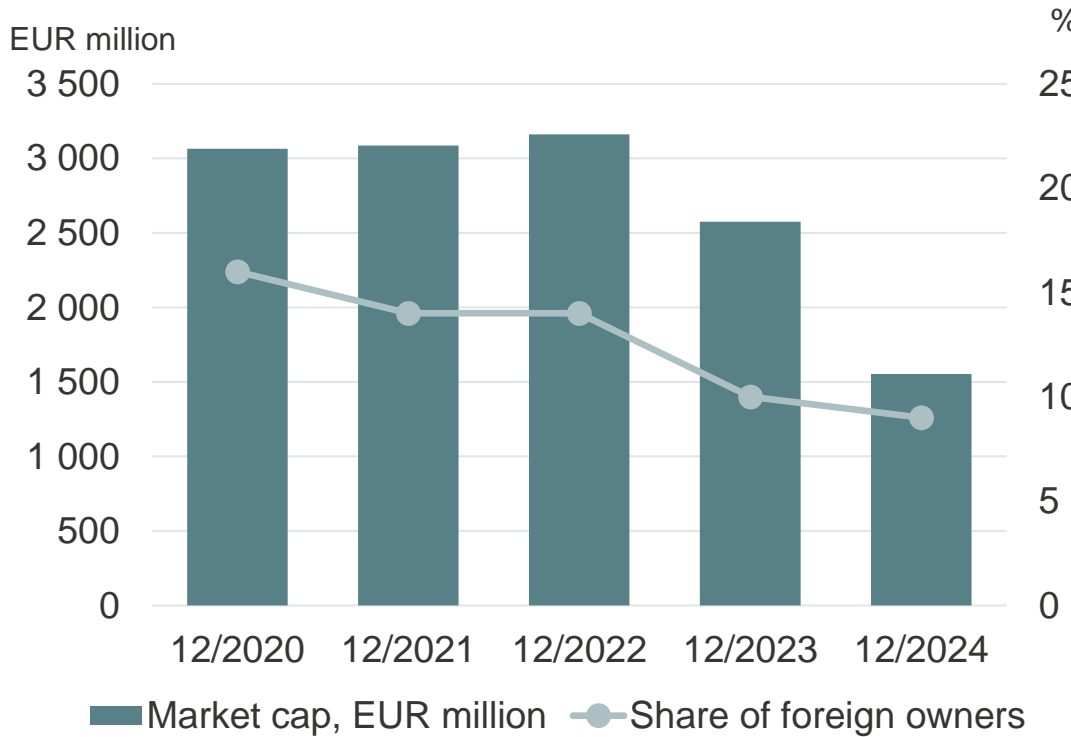
Rating agency	Rating and outlook	Last update on rating
S&P Global	BBB-/stable	02/2018
Moody’s Investor Services	Baa2/stable	12/2022



Market cap and ownership distribution

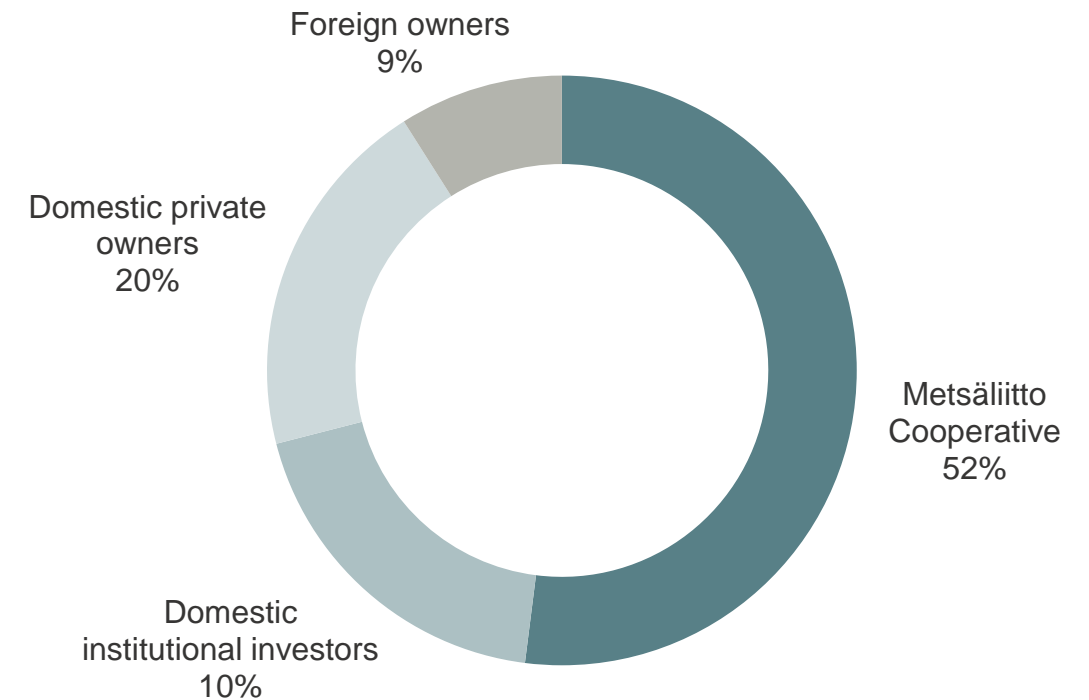
Metsä Board has over 70,000 shareholders, combined amount of A and B shares

Market cap and foreign owners

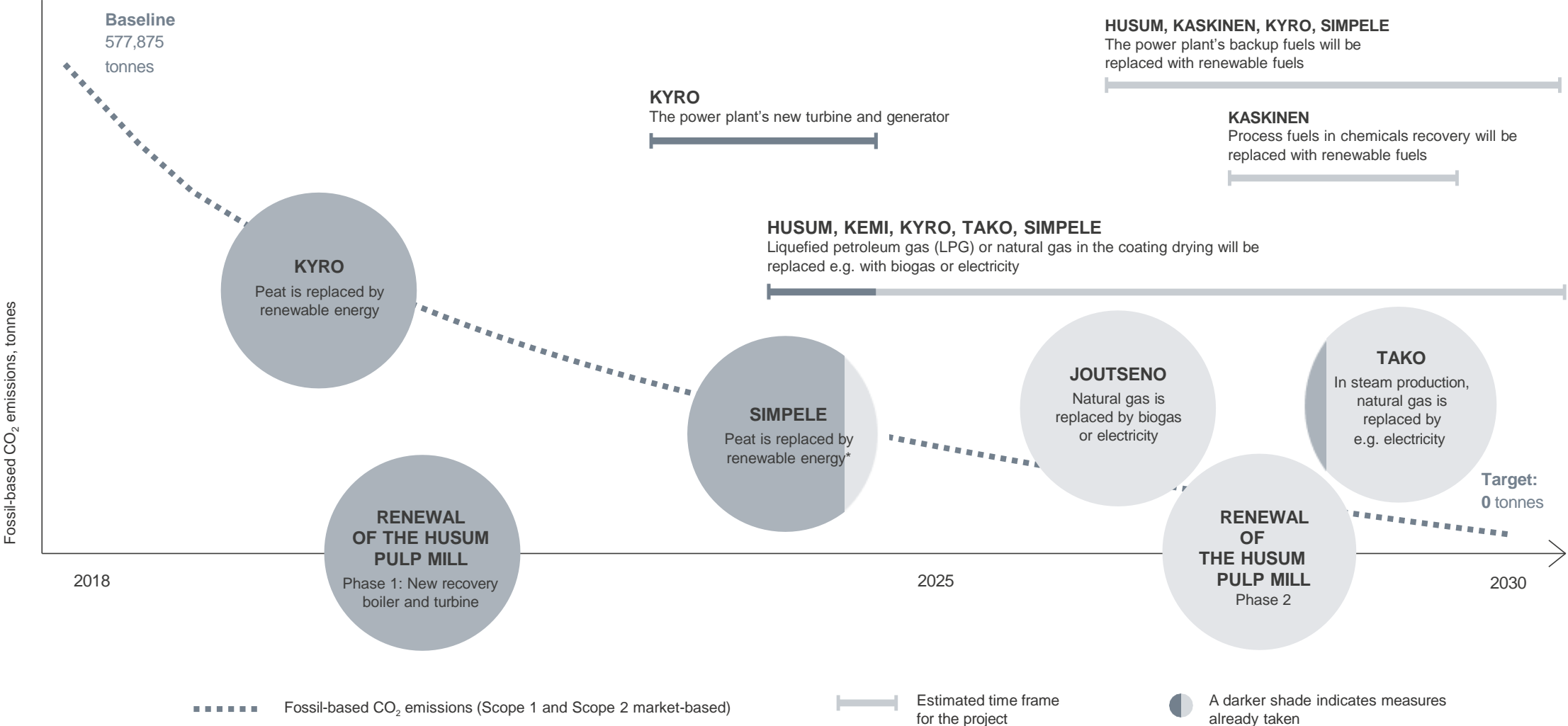


Ownership distribution

31 December 2024



Plan for transition to fossil-free mills by the end of 2030



A final investment decision for some of the projects is still pending, and the timetable shown is indicative.

External assessments and own commitments



Metsä Board has an “A” score in the Climate and Water rating and an “A-” in the Forest rating.



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



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[Link](#) to MSCI website

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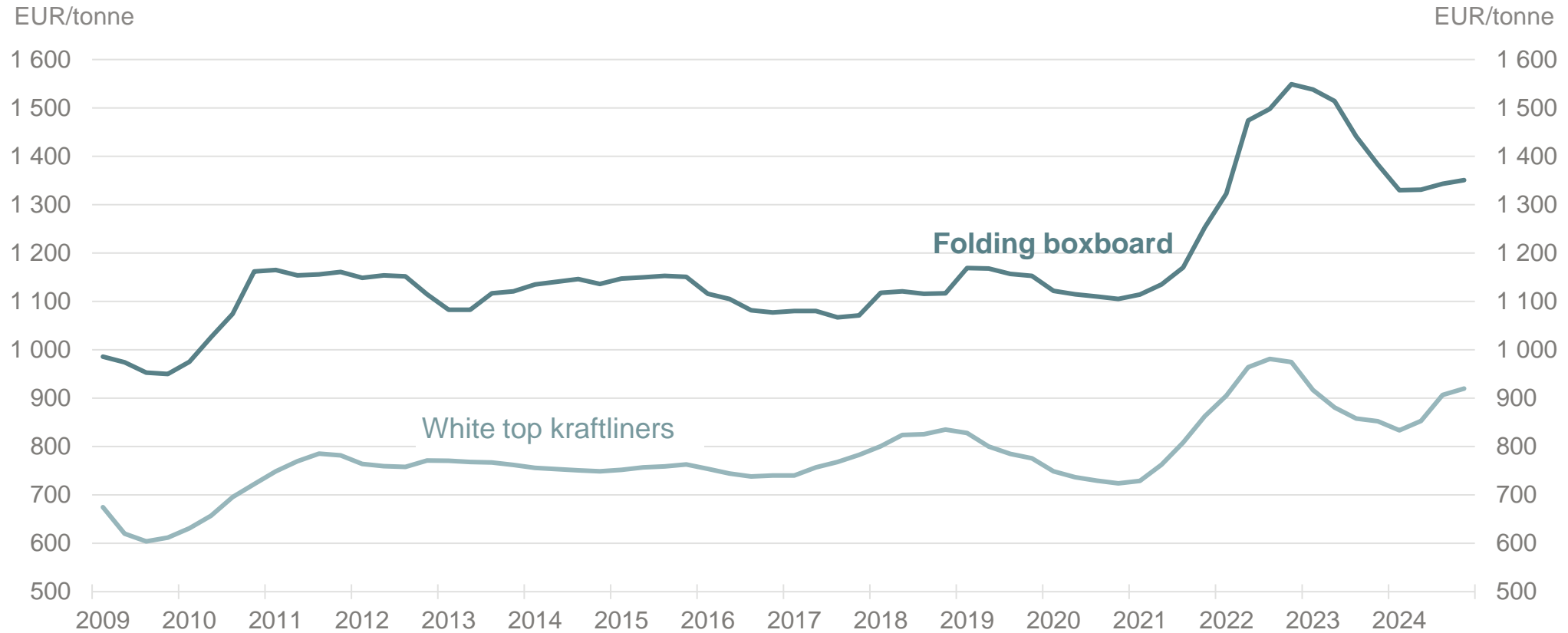


Metsä Board's GHG emission reduction targets are approved by the Science Based Targets initiative.



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.

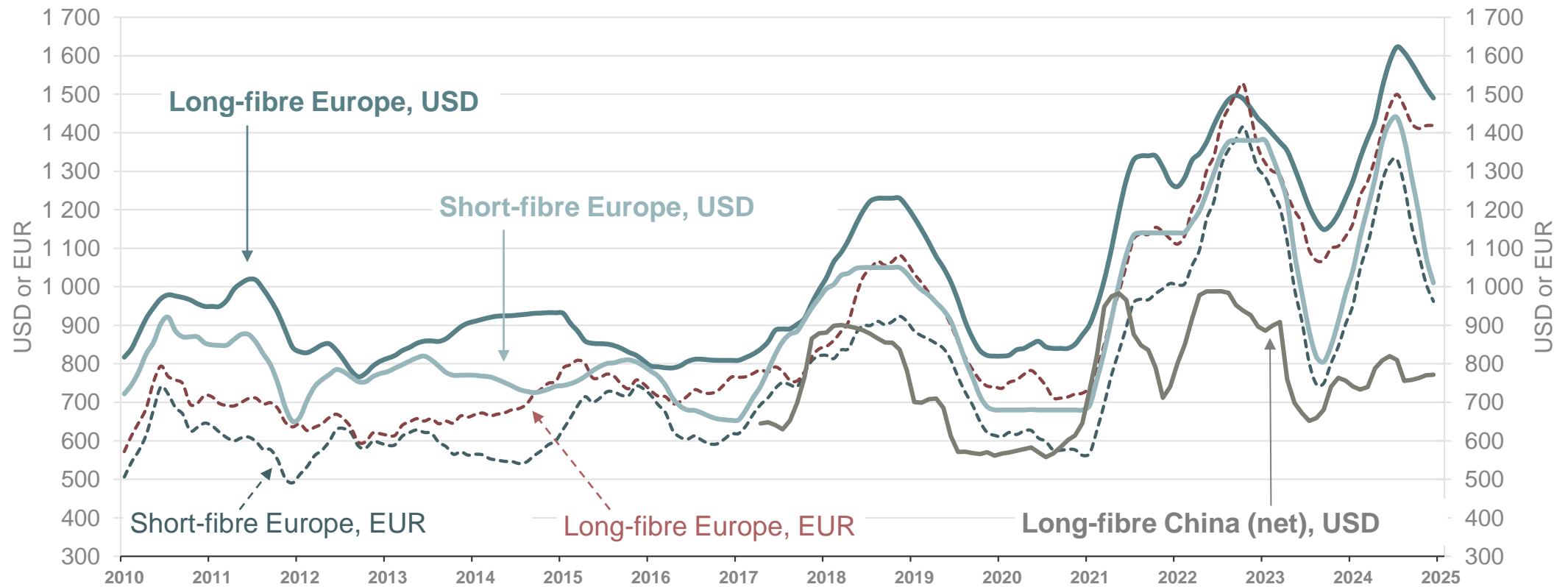
Price development of folding boxboard and white kraftliners in Europe



Sources: Fastmarkets RISI & Fastmarkets FOEX

Price development of pulp (PIX)

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

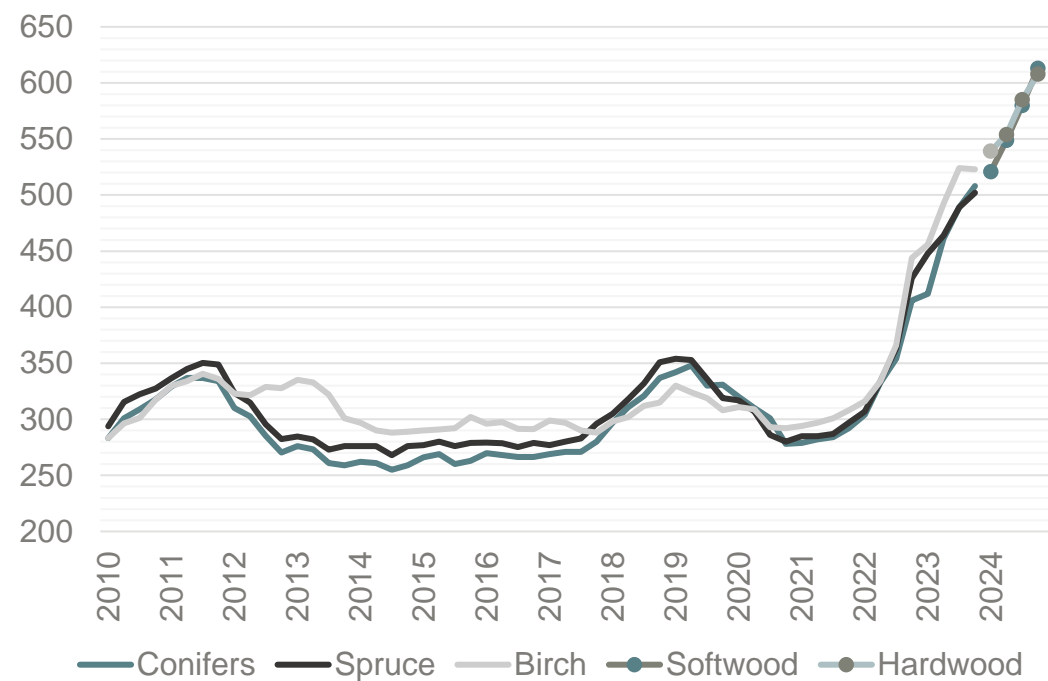


Price development of pulpwood in Finland and Sweden

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



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



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)

FX rates development: EUR/USD and EUR/SEK

EUR/USD



EUR/SEK





Metsä

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