

**Transcript**

**Metsä Board Financial Statements  
January–December 2024**

6 February 2025

## Mika Joukio

Good afternoon everyone, and welcome to the presentation of Metsä Board's full year results for 2024. My name is Mika Joukio, and I'm the CEO at Metsä Board. Here with me are CFO Henri Sederholm and the Head of IR, Kati Sundström.

So, let's go through the presentation first and then take the questions.

Let's start with the Q4 summary.

Despite seasonality, demand for paperboards was even lower than expected. The delivery volumes, mainly in FBB, decreased from Q3 levels. The average sales prices of paperboard remained stable.

Due to the low demand, we adjusted our production with temporary layoffs at mills. For the whole of 2024, the most significant market-related production curtailments and resulting layoffs took place in the last quarter.

In December, we also conducted new change negotiations for 2025. With this, we are preparing to continue production curtailments and possible layoffs this year, if paperboard demand does not improve.

In market pulp, a stable demand situation continued in Europe compared to Q3. In China, demand returned to normal levels. The rapid price decline in market pulp at the end of the year was more for hardwood than for softwood, which is the main grade of Metsä Group's market pulp.

Metsä Fibre's Kemi bioproduct mill had a long shutdown in November–December due to the repair of the cooling towers and recovery boiler. This also impacted Metsä Board's kraftliner production and had a roughly 9-million-euro negative impact on our operating result.

And finally, we booked 7.5 million euros in insurance compensation for the last quarter, related to the explosion at Metsä Fibre's Kemi bioproduct mill last spring. Of the estimated total negative impact of 40 million euros, we have now received 30 million euros as insurance compensation.

And this shows the quarterly development of paperboard sales during the last three years.

The decline already started in 2022. It continued throughout 2023, boosted by heavy destocking in the value chain. 2024 started promisingly but ended lower than expected. Despite the normal seasonality in Q4, the demand was even lower than we had expected.

In total, the full year delivery volumes increased by 7% compared to 2023, but are still far from the levels of 2022 – or earlier.

As a result of the higher cost of living, consumers' purchasing behaviour is still rather cautious, and more consumption is directed at services than products.

And here is the paperboard sales split by region and product.

Folding boxboard sales strengthened in each market area compared to last year. White kraftliner sales increased in the Americas but decreased in EMEA.

Overall, the demand for both FBB and kraftliner has been somewhat stronger in North America than in Europe.

Increased import volumes of cartonboard from Asia have impacted the market balance especially in Europe, even though the imported volumes have mainly been directed at Turkey, the Middle East and South America.

## Metsä Board Financial Statements January–December 2024

Now let's move on to market pulp.

Metsä Board's market pulp delivery volumes increased slightly compared to last year.

Metsä Fibre's volumes, both in production and deliveries, declined from 2023. This was affected by the explosion at the Kemi bioproduct mill in the spring, later production challenges at the Kemi mill in Q4, as well as market-related downtime in Joutseno pulp in Q3.

Demand for softwood market pulp in Europe was clearly higher in the first half of the year than in the second half. In China, demand was slower than in Europe, and almost halted from the summer to early autumn.

The supply of softwood market pulp has been limited due to the planned and unplanned shutdowns mentioned earlier, the political strikes in Finland, and global logistical bottlenecks. In addition, there were several capacity closures in 2023.

In Europe, the softwood pulp prices increased in 2024, whereas they were more stable in China.

And now the key sustainability figures and their annual development.

Our TRIF improved clearly from last year, which I find very positive. However, the current level, 3.4, is still higher than target level, which is zero accidents.

The share of certified wood fibre was at 92%, and above our target of over 90%.

Thanks to our investments in improving energy efficiency and accelerating our path towards the fossil-free target, our fossil-based CO<sub>2</sub> emissions, Scope 1, decreased from last year. However, Scope 2 emissions were higher due to increased production and the growing need for energy.

And compared to 2023, energy efficiency and water use are now moving in the right direction.

But now, I will hand over to Henri to present the financials.

### Henri Sederholm

Thank you, Mika, and good afternoon.

Our 2024 sales remained at last year's level, landing at roughly 1.9 million euros. The positive impact from increased paperboard volumes was offset by lower prices, especially in folding boxboard.

The operating result for 2024 was clearly weaker than in 2023, at 69 million euros.

And now let's take a closer look at the items that affected the result, starting from October–December compared to the same quarter last year.

On the positive side, our paperboard deliveries increased by over 40,000 tonnes.

In variable costs, energy and chemical costs became cheaper. In addition, there was less maintenance than a year ago.

And regarding the explosion in Metsä Fibre's Kemi bioproduct mill in the spring, we received insurance compensation of 7.5 million euros.

The positive impact of higher pulp prices through sales was eaten up by higher cost of purchased pulp.

## Metsä Board Financial Statements January–December 2024

On the negative side, we had lower paperboard sales prices and higher costs in wood and logistics.

And as Mika already mentioned, Metsä Fibre's repair shutdown at the Kemi bioproduct mill had a negative impact of around 9 million euros on Metsä Board. This was due to the extra costs of special arrangements in kraftliner production, including the impact of lost production and sales.

And the full-year comparison:

The main positives were increased delivery volumes, higher pulp prices, and lower energy and chemical costs.

On the negative side, we had lower folding boxboard prices, with increased wood costs and more maintenance.

Depreciation was higher due to the completion of two big investments in Kemi and in Husum.

The sale of unused emission allowances was 20 million euros lower than in the previous year.

And the unfortunate events at Metsä Fibre's bioproduct mill in Kemi, that have been mentioned several times, impacted their volumes and profitability. In addition, Metsä Fibre's result was burdened by increased wood costs and higher depreciation. Higher market pulp prices were not enough to compensate for all this.

The negative impact of the Kemi mill explosion on Metsä Board's operating result in 2024 totalled around 40 million euros, including the impact from Metsä Fibre. In addition, the political strikes at the beginning of the year had an estimated negative impact of 25 million euros, including the impact from Metsä Fibre.

In Q4, the comparable return on capital employed fell into the negative. For the full year, it was at 3.2%.

These are very low percentages – and clearly below our target of over 12%.

Capital employed at the end of the period was roughly 2.4 billion euros.

Our cash flow has been in steep decline this year, and it goes without saying that the current level is unsatisfactory.

Operational cash flow was burdened by low profitability, and growth in working capital due to an increase in operational activity.

In addition, dividend payments from Metsä Fibre dropped clearly: 10 million euros this year, compared to 83 million euros last year.

Even though cash flow improved a little in Q4, the full-year level was as low as 38 million euros.

Free cash flow was 84 million euros negative. Big investments completed in 2024 had an impact on this.

Our net debt was roughly 350 million euros at the end of the year.

In 2024, liquidity has decreased due to unsatisfactory cash flow and dividend payments of roughly 90 million euros. In addition, interest-bearing debt has increased somewhat since the end of 2023.

## Metsä Board Financial Statements January–December 2024

leverage is now at 2.0, which is below our maximum target level of less than 2.5.

Our financial situation is still solid, despite the leverage increase, which has mainly been impacted by weakened profitability.

And that's all from financials, so now I'll hand over to Mika.

### **Mika Joukio**

Thanks Henri.

And now, let's move on to investments.

As the graph shows, the big investments are behind us. In 2024, the value of total investments was 175 million euros.

Estimated investments in 2025 are in the range of 100 to 150 million euros.

And now, let's take a closer look at what we are planning, but also, what is currently underway.

Last year, we made an investment decision to renew the paperboard machine in Simpele. This investment is proceeding as planned, and we expect it to be completed in H2 this year. The investment value is 60 million euros. This investment will significantly improve the quality of Simpele's folding boxboard and reduce its carbon footprint. It will take the whole mill closer to fossil-free production.

The next steps in Simpele will be the renewals of the paperboard finishing area and mechanical pulp production, as well as a new power plant.

At the Kyro board mill, our intention is to improve the performance of the current barrier board and expand its end-use areas. This is now in the pre-engineering phase.

In Husum, the second phase of pulp mill renewal will include a new pulp drying machine.

And finally also in Husum, we have started a pre-engineering project, in cooperation with Metsä Tissue, to investigate potential change of product produced on Husum BM 2. This is a long term project and production of white kraftliner will continue at full capacity at least until the possible investment shutdown of BM2. This is a long term project and production of white kraftliner will continue at full capacity at least until the possible investment shutdown of BM2.

And now the near-term outlook.

Overall demand for consumer products continues to be impacted by consumers' purchasing power and their general purchasing behaviour

We expect our paperboard delivery volumes to grow from Q4 levels. Average sales prices will remain stable.

Total costs, excluding pulp costs, are expected to stay flat.

As always, Q1 will not include any planned maintenance.

In softwood market pulp, we see stable demand both in China and Europe. Metsä Fibre's result share is expected to improve from Q4.

And we expect our Q1 operating result to improve from Q4.

So, to summarise:

2024 was the second tough year for us in a row. Paperboard sales were lower than expected, and profitability was burdened by the high cost level. In addition, we faced several unexpected events that were beyond our control.

The market situation will remain challenging. Consumers are still a little shy in their purchasing decisions, and consumption is directed more at services than products. In addition, new capacity, which is growing faster than demand, can cause an imbalance in the market, especially in Europe.

Good news is, that we have a solid financial position, even though we have recently carried out big growth investments.

Through our future investments, we will continue to improve the competitiveness of our mills and products, and accelerate our way to fossil-free production. We keep focusing on customers who benefit most from the performance of our high-quality paperboards.

However, ensuring cost-competitiveness and profitability is more important than ever, and it requires stronger measures to improve it.

Regarding this, after the review period, we announced our plans to close our Tako mill and enhance the operational efficiency of our Kyro mill to improve our competitiveness and profitability.

Due to the weak market situation and rapidly rising costs, both mills were loss-making in 2023 and 2024. Production has remained well below capacity, and the mills have had to implement several temporary layoffs.

The change negotiations at both mills are now ongoing, and they are expected to last at least six weeks.

If the plan is implemented, production at Tako mill would end in 2025.

For our customers, this won't have an impact, as Metsä Board's overall capacity for folding boxboard is sufficient to meet current demand.

But this is pretty much all I can say about this at this stage. We will now wait until negotiations are concluded – no decisions on personnel reductions or mill closure will be taken before then.

And with that, we end our presentation and are now ready for your questions. Thank you very much.

### Q&A

#### Operator

If you wish to ask a question, please dial Pound Key five on your telephone keypad to enter the queue. If you wish to withdraw your question, please dial Pound Key six on your telephone keypad. The next question comes from Robin Sebastian Santavirta from Carnegie. Please go ahead.

*Robin Santavirta:* Yes, thank you very much. And good afternoon, everybody. Uh, firstly, I have a question related to the current market environment. What are you seeing in terms of, demand? Certainly related to paperboard in Europe at, at the moment. Any signs of

improving order intake or and demand and related to that. What is the outlook for holding box board pricing in Europe and North America this winter and spring?

*Mika Joukio:* Yeah. Concerning the inflow and the demand in general, we see that Q1 will be better than Q4. Of course, that is almost always the case. And maybe we don't see as clear highs as last year when Q4, I mean, Q4 23 was really low. And then Q1 last year was really good. So maybe we don't see that that big change. But anyway, we have seen improved order inflows. Both. I mean both from Europe as well as from other markets. And based on that, then our estimation is that the volumes will increase in Q1 compared in Q4. But then, considering the prices, the prices are estimated to remain flat or even slightly slightly better in Q1 than Q4. And that that goes for both, white kraftliner as well as folding boxboard as well, and also for Europe and for North America.

*Robin Santavirta:* OK Mika, can you, shed some light on, on folding box board annual contracts? Are there any increases in those or is this North American prices going up or so that we would understand the dynamics? What has happened with the annual contract for folding box board in the annual deals.

*Mika Joukio:* Yeah, the annual contracts for folding boxboard, in Europe the volumes are, higher than last year and the prices are, pretty much flat. And I see, I think that this is a really good achievement, remembering and knowing the market, market and the demand and supply situation all in all globally. But that is pretty much the case in Europe.

*Robin Santavirta:* All right. Thanks. The second question I have related to if I look at your Q4 paperboard delivery, is there something around 15% lower than the past five years? You know, in in Q4 and then you have more capacity, and GDP and consumption is higher than, than five years ago. So what is the key reason for paperboard demand being significantly lower compared to five years? Is it the import from Asia? That sounds to be rather small. Is it the sort of cyclical element of weak consumption, or is that a structural change? What is the key reasons?

*Mika Joukio:* Do you mean in Europe or in general?

*Robin Santavirta:* In Europe

*Mika Joukio:* in Europe, Of course. the demand has, has been worse than for example, in, in the US. No doubt. All in all, it's actually difficult to say how much demand has increased because we have only our own figures and we don't we don't know precisely what kind of volumes are coming outside Europe. Of course, we have some sources where we are able to estimate that. But I would say that all in all, the biggest kind of factors are these Asian producers, even though the volumes in Europe are, as you said, they are not that significant as elsewhere, Turkey, Middle East, Africa and so on. But some volumes have also been seen here. And then the overall kind of situation in Europe. We know what's happened in Germany? Economy is not strong. There and also other countries are struggling. So all in all, the situation is Europe as I said, is worse than in in some other markets. But we have managed quite well.

*Robin Santavirta:* I understand Thanks. Yeah. The final question I have is related to pulpwood costs. You call out for, total cost, to be stable in, in Q1 versus Q4. Okay. Can you shed some light on, on the pulpwood market in Finland and in the Baltics and Sweden as well? We're seeing sort of spot prices have stabilized. But what do you see yourself and what do you expect for the winter and the spring?

*Mika Joukio:* Yeah. All in all, the situation will remain tight. No doubt. Are we able to see higher prices or lower prices? It's difficult to say. we pay market price for the wood and that's it. But but situation will remain tight and let's see what will happen during the winter and coming spring.

*Robin Santavirta:* All right. Thank you very much. Thanks.

*Operator:* Next question comes from Joni Sandval from Nordea. Please go ahead.

*Joni Sandvall:* Yeah. Thanks for the presentation. Maybe I'll start with the with the Finnish strikes, which are, ongoing currently, obviously not directly impacted by you, but we have heard something about, for example, about chemical, uh, chemical availability.. So have you seen any, any impact from this and, what to expect for the, for the coming weeks.

*Mika Joukio:* Yeah. So, so far we haven't seen any negative impact. So we have raw materials enough to produce our products. Of course if the situation is getting more difficult then of course one possibility is that we will see something. But at the moment we haven't or so far we haven't. And as far as the deliveries are concerned, we have made some preparations to move more volumes outside Finland. So to closer to the customers already during the course of the last 2 or 3 months in order to be prepared if something would happen, then, later this year. But at the moment, no disturbances so far.

*Joni Sandvall:* Okay. Yeah. That's clear. There might be a question on related to Kemi and Husum ramp ups. Especially I would say Kemi after there is still the maintenance to come. So, so when you expect to get the full volumes or capacity out from, from Kemi.

*Mika Joukio:* Yes. Kemi is running very, very well, actually. I mean, this linerboard machine. But it's clear that that the pulp mill will have an investment shutdown in June, let's say five weeks starting late May and ending early July. And that of course, affect also linerboard production. Last year we learned how to produce linerboard with pulp mill being down and now we have capabilities and possibilities to do that also this year. But remains to be seen how much we will produce during that shutdown of course, depending on the market situation. But my estimation is that we have a full capacity available at the end of this year. So that next year, then 26, we would be able to run, run full speed as, as targeted in the investment.

*Joni Sandvall:* Okay. That's clear. Then maybe a quick question on the on the Tako and Kyrö situation. You have said that those have been negative Ebit contributors now for for 23



and 24. So so can you give any indication how much negative Ebit has been coming from these two facilities.

*Henri Sederholm:* Okay. Well, yeah. Thanks for the question. Unfortunately, we are not giving out sort of mill level profitability figures. More in more detail.

*Joni Sandvall:* Okay. Lastly on the FX impact now neutral, sequentially going into Q1. So should we expect that given strengthening of USD pretty much full effect of this in in Q2.

*Henri Sederholm:* I would say that Q2 is perhaps a little bit too early, as we have sort of 7 - 8 months, hedging horizon. So I would say rather on the second half of, of this year.

*Joni Sandvall:* Okay, that's clear. All from me. Thanks.

*Operator:* The next question comes from Antti Koskivuori from Danske Bank. Please go ahead.

*Antti Koskivuori:* Yes. Thank you and good afternoon. Two questions from my side. We talked about the paperboard market potential imbalance. Now, when we get new capacity in, in the European market, could you a little bit elaborate your view on that? Now, obviously you're doing actions or planning and actions in Tako. But how do you view the situation. Do you think that more is needed or how the kind of imbalance or potentially imbalance will be resolved? And the second question, this relates to potentially the first one. Your exports to us, in paperboard, of course, have been quite notable. Now with potential tariffs, do you see potentially some of that volume, being rerouted back to Europe? Thank you.

*Mika Joukio:* Yeah. If I take the imbalance of the market situation first, thank you for the questions. I think the root cause for this, for this imbalance clearly is the Asian producers and why? The reason is that the area where they are sending the paperboard, folding box board. I mean, this several times mentioned Turkey and Middle East and so on. They've been in the areas and markets where the European producers, they have delivered their overcapacity because in Europe there has been overcapacity in several years, no doubt. And that's why, that's why we as well as other players, we are delivering our products outside Europe. But now this playground, I mean, this outside Europe is quite tight. And for that reason then the demand imbalance situation in, in Europe especially, has, uh, become very tight. But I don't want to speculate how much more curtailments are needed in addition to this possible Tako closure. Of course, the market shows and the overall demand and supply will show that. But that is my comment concerning that this imbalance in Europe then the, the US tariffs, uh, we have very strong position in, in coated white kraftliner as well as the folding boxboard in the US market. And at this point I don't want to speculate and actually it doesn't lead anywhere. If I speculate what kind of consequences the tariffs would have. So let's see if I, if we face the fact then we need to of course act accordingly. But what are the acts. They are on the planning board at the moment.

*Antti Koskivuori:* Or may I ask a follow up question on the first one and the potential

imbalance? And now we know that that capacity is growing, both in Asia as well as in Europe. Are you worried more of the the Asian capacity growth than in Europe, or how do you see the market? I mean, we are getting a lot of capacity in both areas, I guess. Do you expect the Chinese volumes to be increasingly visible in the European market going forward?

*Mika Joukio:* I don't think so, because in Europe, our customers, brandowners and converters, they really prefer our, our excellent services, availability services, technical services, sustainability services, design services and so on. And our, our Asian competitors, they don't have this. So that is clearly our strength. And I mean, if you only think the volumes, of course, we are more worried about the Asian volumes than European volumes. Okay.

*Antti Koskivuori:* Thank you very much.

*Operator:* The next question comes from Linus Larsson from Seb. Please go ahead.

*Linus Larsson:* Hello, everyone. Thank you very much. I'm curious to hear more about the pre-engineering study at Husum and the potential conversion of the old machine number two. So, first of all, could you just describe, in a bit more detail, what you're planning to do? Would you then seize linerboard production on that machine altogether? And also, now that you're looking at this together with your sister company, Metsä Tissue. Is there in your preliminary plans? Some change of ownership. Would this be who would own the the potentially rebuilt machine? And then thirdly, what order of magnitude of CapEx we should associate this potential project with. Thank you.

*Mika Joukio:* Okay. First of all the product. So the product that, concerning this pre-planning, project and board machine number two or in the future, maybe paper machine number two, the product is uh, both greaseproof papers as well as then, so-called food service papers, like papers which are used in fast food, applications, for example. And that is growing quite nicely between 3 and 4% annually, but it's both for kind of baking and cooking type of greaseproof papers, siliconized as well as then these food service and also food packaging grades. These are the grades that we are looking at, and then the ownership that is far too early to to speculate. Who will own the own the production line after after we have seen the results of the pre-engineering, I mean the exact investment value and all these business plans and cases. Then we need to come back to this topic. But at the moment it goes very, very nicely hand in hand with this and support this project. And then Q1 next year we will we will hear the results. And what is the CapEx. That's too early to speculate also. Also it won't be tens of millions of euros. It will be more. But how much more remains to be seen. The final solutions are still open. There are several options, so it doesn't make sense to speculate too much about the CapEx at as we speak, because engineering is just about to start only.

*Linus Larsson:* And you mentioned this capacity to figure 80,000 tonnes. How big a part of the machine would that account for? Just to to understand.

*Mika Joukio:* Concerning the overall market, you mean.

*Linus Larsson:* no, of the machine? Is that, would you dedicate the whole machine to these new products or.

*Mika Joukio:* Yeah okay. At the moment we have the understanding that also the linerboard could be able to produce on that line. This 80,000 tonnes is only for papers. Uh, but of course we are looking for during the pre engineering. Then we look also options that we could possibly, depending on the price tag, to continue to produce also a liner board.. But that is still open.

*Linus Larsson:* But that's clear. Thank you very much. That's helpful.

*Operator:* As a reminder, if you wish to ask a question, please dial Pound Key five on your telephone keypad. The next question comes from Andrew Jones from UBS. Please go ahead.

*Andrew Jones:* A couple of questions. I mean, first of all, on this this, uh, greaseproof papers and food service market, can you just give us an idea of how big the market is, how significant this project is to it, and, you know, maybe give us an idea for where operating rates are in that market today, because obviously we know we've suffered from overcapacity. And, you know, most packaging grades in recent times have you identify this product because operating rates are significantly Higher. And can you give us an idea for, you know, what other rival projects are out there and what you know, how you see the supply and demand shaping up in the next few years. If demand grows, as you say, at 3 to 4%. That's my first question. I'll follow up with a second in a minute.

*Mika Joukio:* Okay. Of course. This this, food service papers or food packaging papers, they are produced, on kind of, so-called swing-machines quite often. So it's very difficult to say what kind of operating rate. We only know that, what is the rough operating rate of our own GPP? Uh, I mean, and those operating rates are good. I mean, that business is doing nice, as we have also communicated earlier today. Or Metsä Group has, communicated earlier today so that business is, doing fine. And all in all, this siliconeized greaseproof paper market is roughly 300,000 tons,. And then this food service segment is clearly more than that. Let's say close to 1 million, maybe seven, 800,000 tons. So we are talking about remarkable, machine in that segment, no doubt. But it would be the most cost efficient and and so on. So the cost competitiveness would be, would be excellent. But that is the magnitude.

*Andrew Jones:* But do you anticipate, you know, if you take into account that growth, can the market absorb, you know, what sounds like quite a large addition in, in a market that size.

*Mika Joukio:* Maybe not in the one go, but then, steady growth and remains to be seen. The one part of this pre-engineering of course is a business plan also I mean more precise of course we have some business plans how much that issue has, but they will be sharpened and re defined and then during the course of the year.

*Andrew Jones:* And I mean obviously it's, it's too early to say given you haven't done the engineering yet, but would you be open to actually just closing that line if you thought that the, you know, supply and demand outlook in that market isn't quite to your liking? I mean, it seems to me like there's, you know, generally too much capacity broadly in packaging. And, you know, some more closures are probably welcome. So is that option on the table or are you do you think you're more likely than not to make this conversion?

*Mika Joukio:* I think it's too early to speculate. I wouldn't say anything at this point.

*Andrew Jones:* Okay. And just on the folding box board market. I mean, can you give us an idea where you think operating rates were in the industry in the fourth quarter, given that weak demand outlook? I mean, do you think you know, your decline was indicative of what we have seen in the broader market or. I mean, do you think you've lost or gain share? Like what? And where do you think operating rates were? And I guess, you know, follow on to that. We've obviously seen some capacity. Takeouts potentially. I mean, yourselves at Tako and then rest on the sort of recycled side. I you know, despite obviously ? coming through this year. I mean, do you where do you see sort of operating made sort of shaking out at this year if we didn't take into account those moving parts we've seen so far?

*Mika Joukio:* Yeah. starting from the operating rates the last quarter of last year, that was the worst. They were if the average year was like 75 to 80%. So then the last quarter was clearly below that. But now the now the situation is better. And our annual deals are higher for this year than last year, which means that the operating rates will also be higher this year, especially in folding boxboard. I think the white kraftline is in better situation concerning that. And then then of course, if Tako mill would be, would be closed down, then of course the operating rates of the other mills would improve, no doubt, because we have we would have capacity to take the keep the customers if the demand would be at the current, level.

*Operator:* Okay. And, you know, further to that, I mean, if I take into account the full, you know, who's some expansion, you know, running, you know, when that's fully ramped up and assuming no disruption from strikes and things like that. Even without, you know, without Tako, I reckon utilizations for a group would still be around 80% of my volume numbers for this year, suggesting maybe you could maybe take out some more capacity potentially. I mean, if you look at your group of mills, I mean potentially Kyrö looks to be relatively high cost. You've talked about wanting to optimize that, that mill. But if the market doesn't improve, is there potential, you know, for potential for maybe another mill to shut at some point in the next, you know, year, 18 months, or is that off the table?

*Mika Joukio:* At the moment, we are only we are planning this Tako possible close and then then operational improvements, efficiency improvements at Kyro mill. So we don't have any, any plans to kind of, to curtail production. More, of course, we need to remember that that Husum is still in the ramp up phase. We are not running this kind of 600,000 level yet. We are ramping up and then, of course, the demand and the market situation will then play of course significant role. But it's too early to speculate. And at the moment we don't have any, any other plans than, than, than the announced ones.

*Henri Sederholm:* And we also have temporary layoffs possibility. So that's good to remember.

*Andrew Jones:* Okay. Thank you. That's very helpful.

*Operator:* As a reminder, if you wish to ask a question, please dial Pound Key five on your telephone keypad. The next question comes from Joni Sandvall from Nordea. Please go ahead.

*Joni Sandvall:* Yeah. Thanks. Maybe one follow up. Uh, given given the possible closure of of Tako and, what's happening now? Uh, could you give any indication of depreciation level going forward?

*Henri Sederholm:* Yeah the depreciation for this year will be close to close to last year level. So between 105 to 110 million. Tako depreciation are only a few million. So no big impact there.

*Joni Sandvall:* Okay. Okay. And this is coming pretty much linear now from the Q1 onwards.

*Henri Sederholm:* Yes. Although we have the Husum, annual maintenance shutdown, we have a little bit lower depreciation during that quarter. So it's not 100% linear, during the year, but not far from that.

*Joni Sandvall:* Okay. Thanks. That's all.

*Operator:* There are no more questions at this time. So I hand the conference back to the speakers for any closing comments.

*Mika Joukio:* Okay. Mika Joukio here. Thank you very much for your questions, for your active participation. And I wish you a good continuation for the day and the remaining week. Thank you.