Interim report presentation January-September 2021

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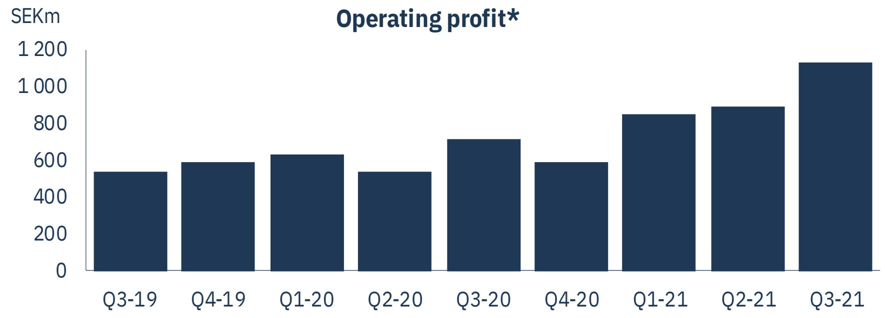
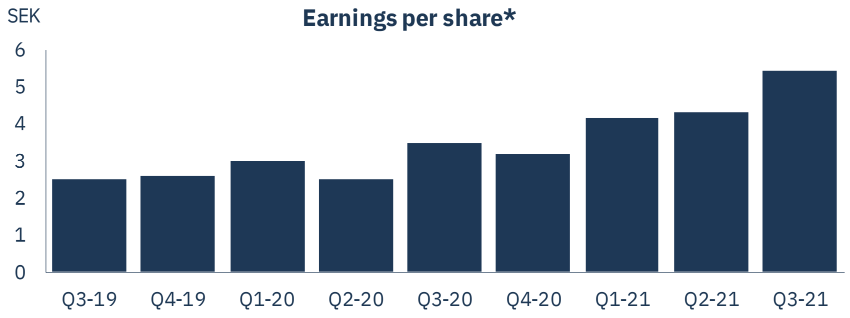
Anders Jernhall, CFO

22 October 2021

Strong result despite maintenance shut

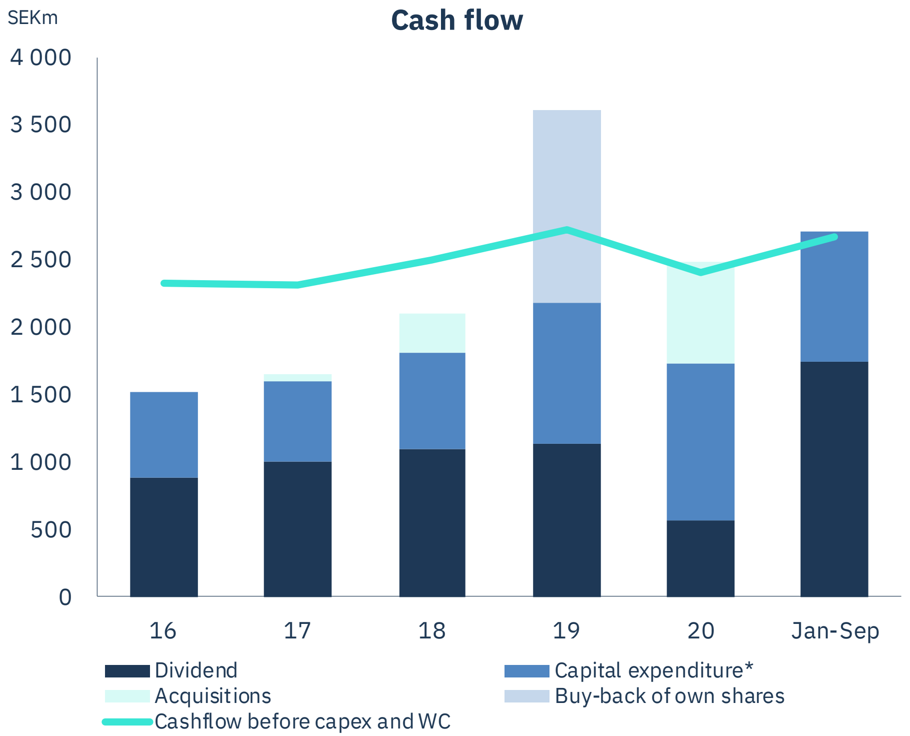
- Historically high wood product prices
- Paper prices on the rise
- Seasonally low costs

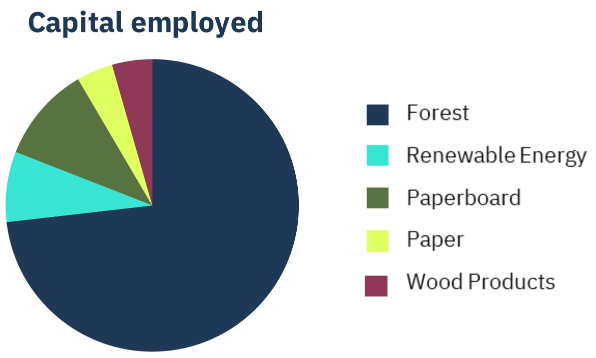


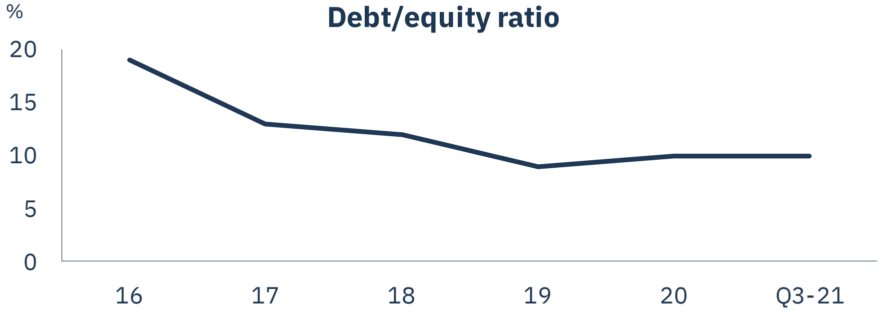


*Excl. items affecting comparability.

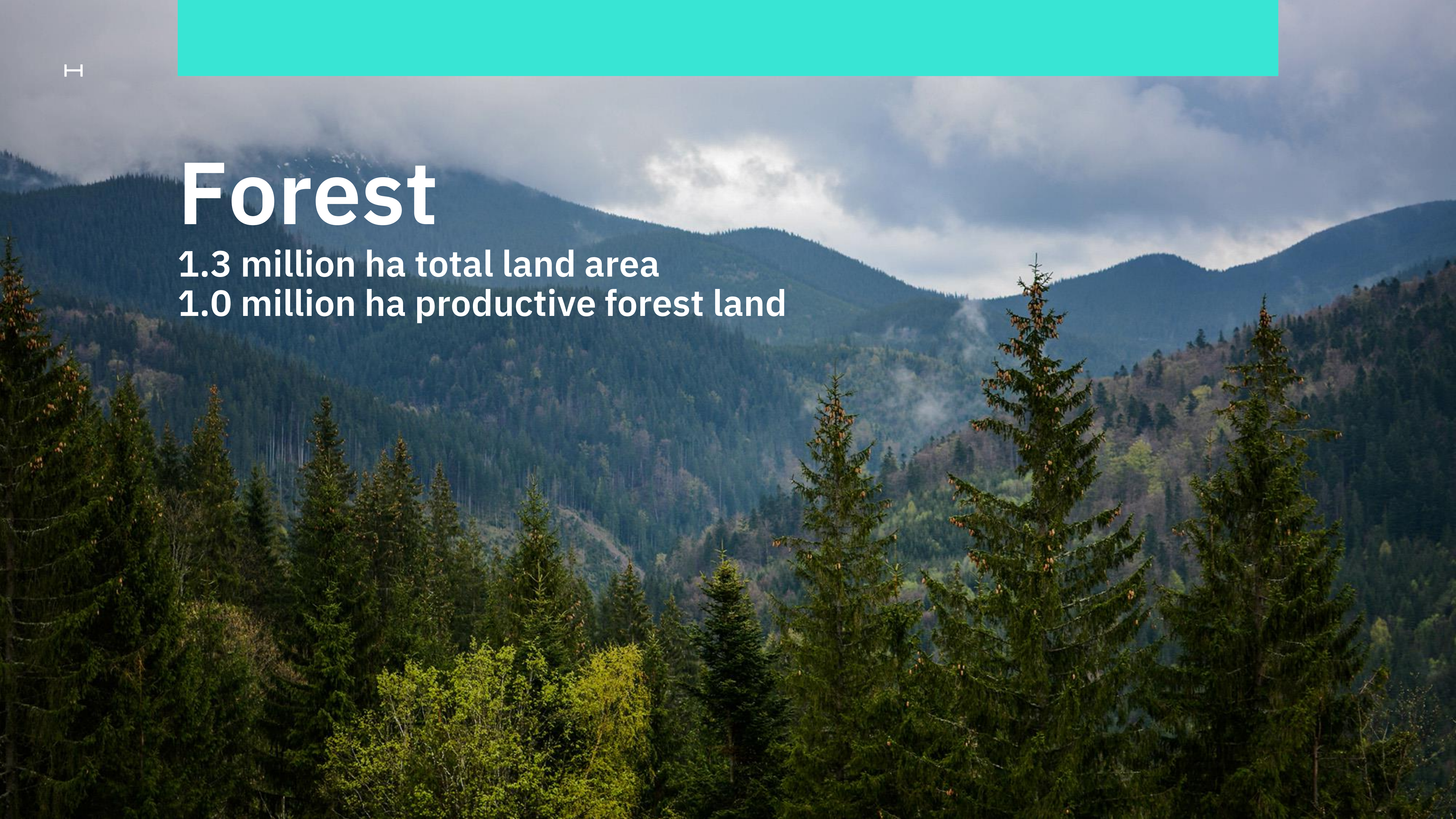
Net debt unchanged during the pandemic
Normal dividend, Martinsons acquisition & wind farm construction







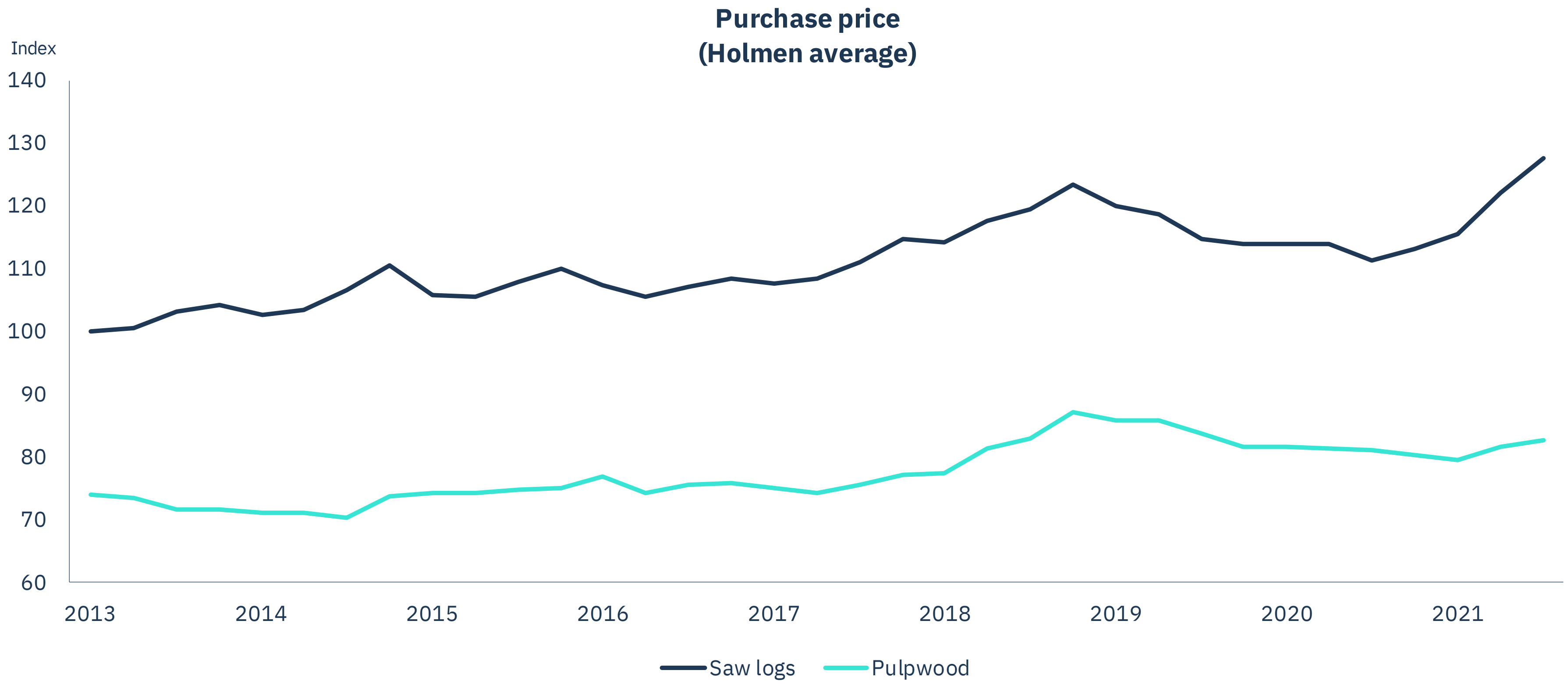
*Excl. sale of the newsprint mill in Spain (2016) and acquisition of loan relating partly owned wind power company (2018).



Forest

1.3 million ha total land area
1.0 million ha productive forest land

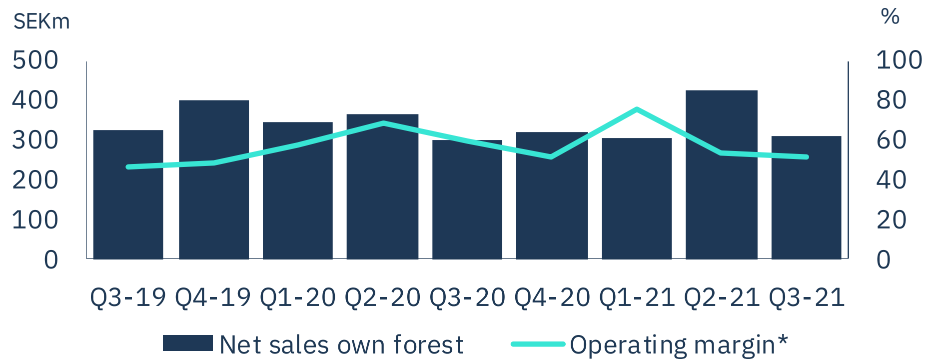
High demand for saw logs
Stable pulp wood market



Source: Holmen

Forest financials

- YTD SEKm 982 (PY: 1 034)
- Q3 SEKm 323 (Q2: 296)
  – Higher saw log prices

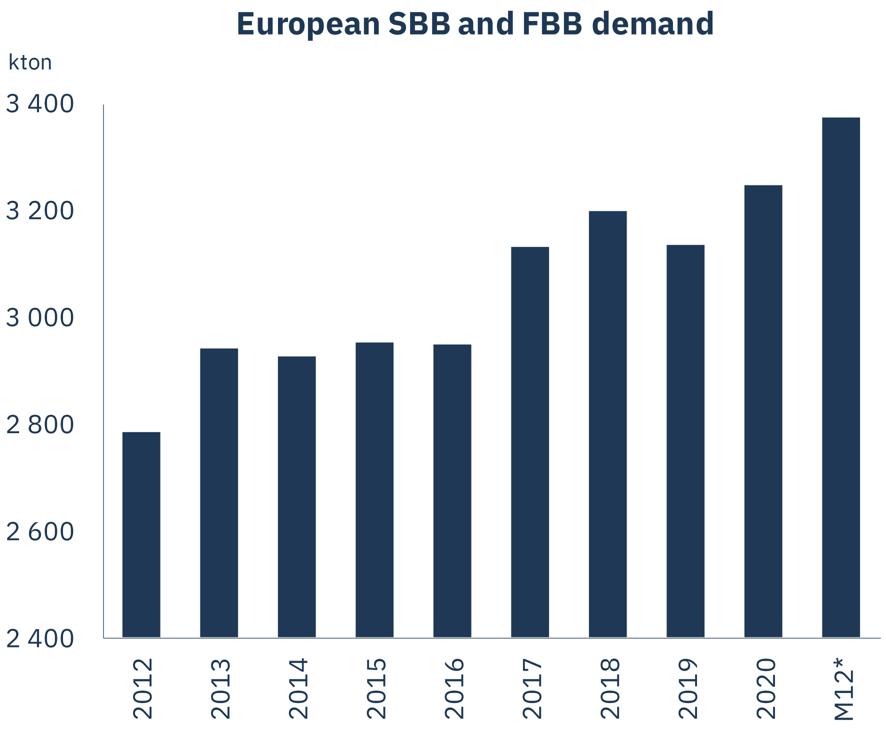


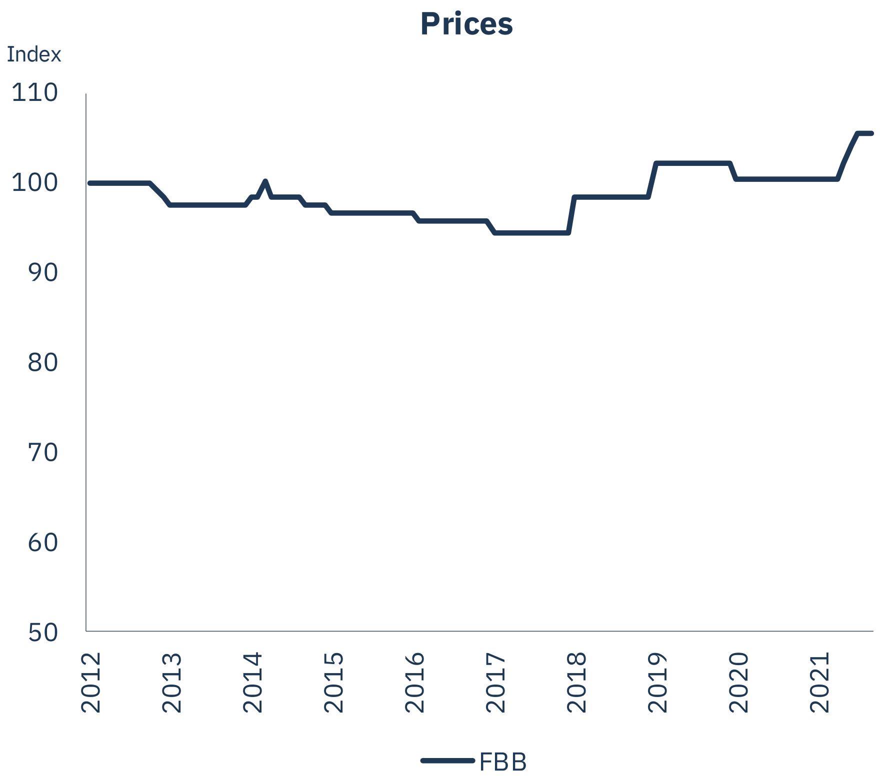
*Excl. items affecting comparability.

Paperboard

550 000 tonnes per year

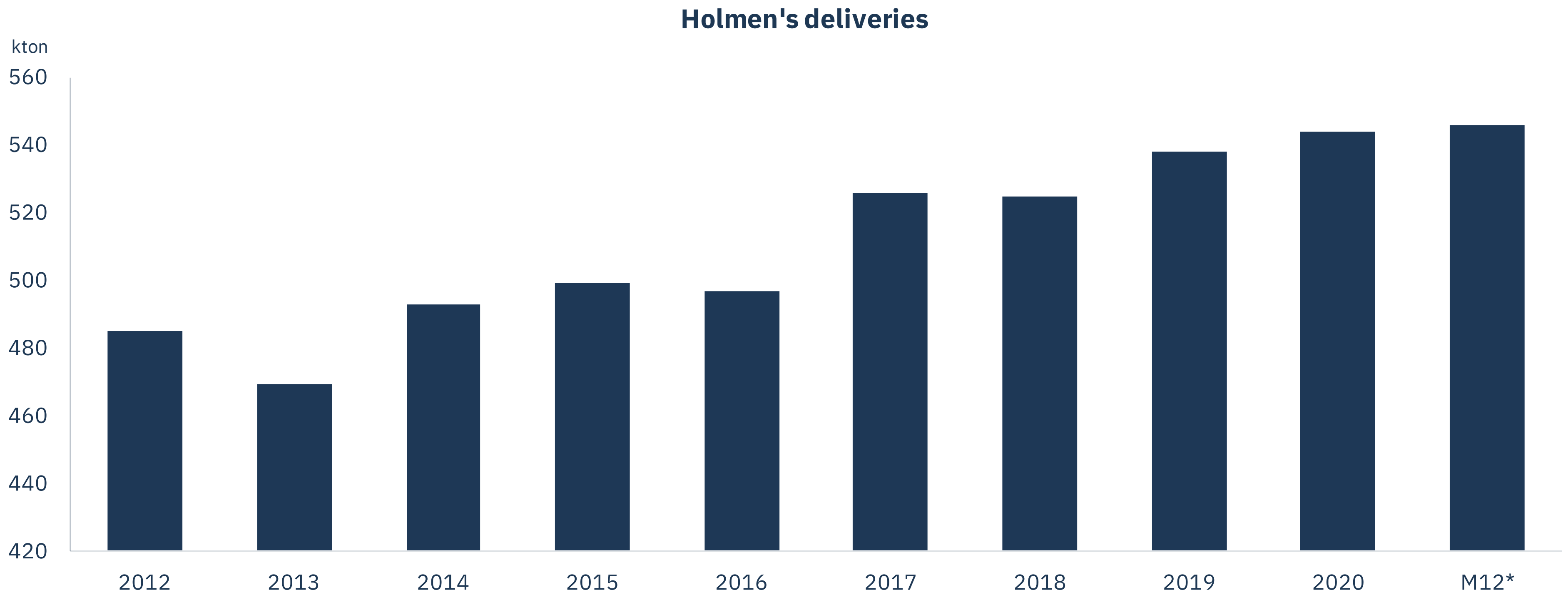
Rising European board demand





*Q4-20 – Q3-21.
Source: CEPI and Holmen, RISI

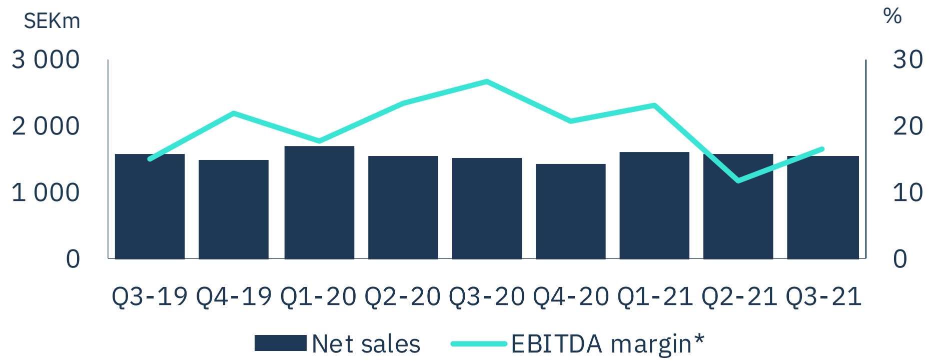
High deliveries despite maintenance shuts

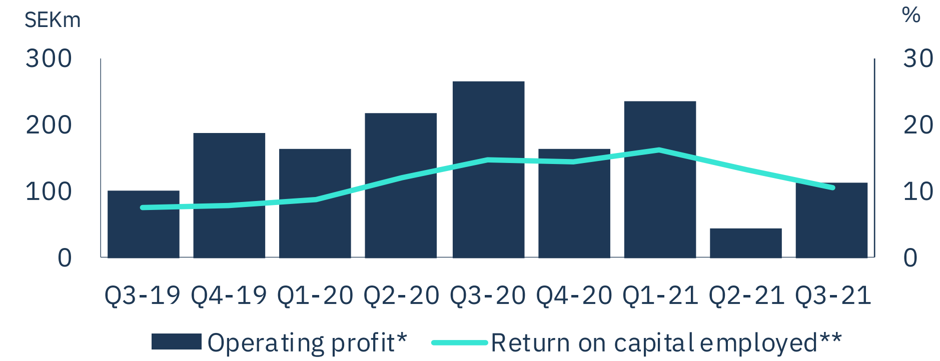


*Q4-20 – Q3-21.
Source: Holmen

Paperboard financials

- YTD SEKm 391 (PY: 647)
  - Maintenance shuts at both mills, SEKm 310
- Q3 SEKm 112 (Q2: 44)
  - Maintenance shut in both Q3 & Q2
  - Seasonally low costs in Q3
- Turbine out of operation until early 2022
  - No effect on production volumes but higher energy costs, SEKm -150 in Q3
  - Insurance investigation still ongoing



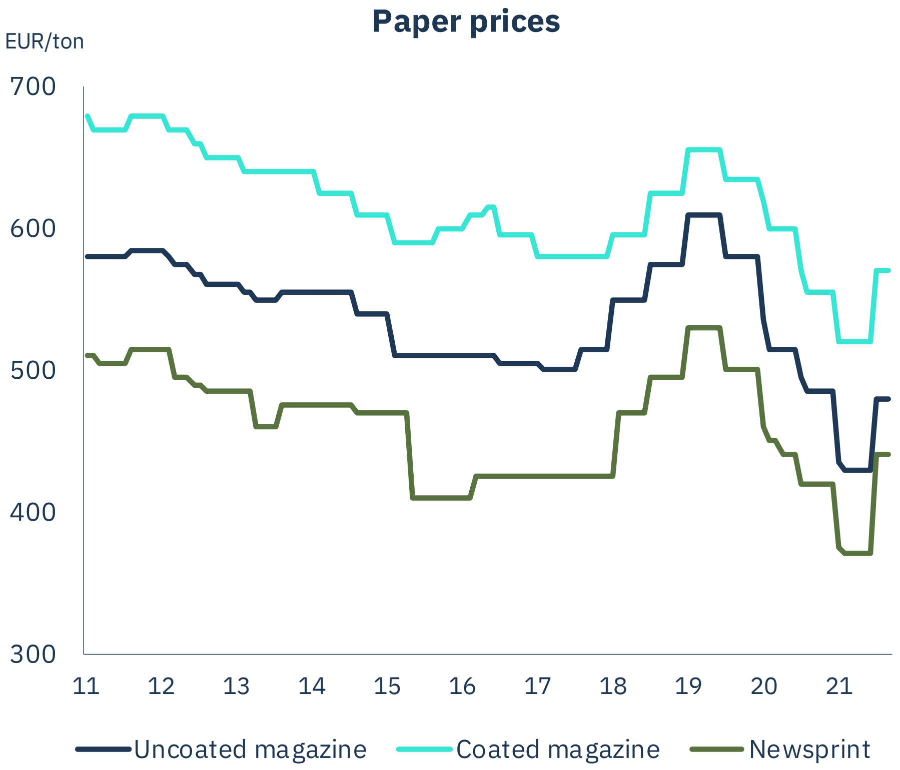


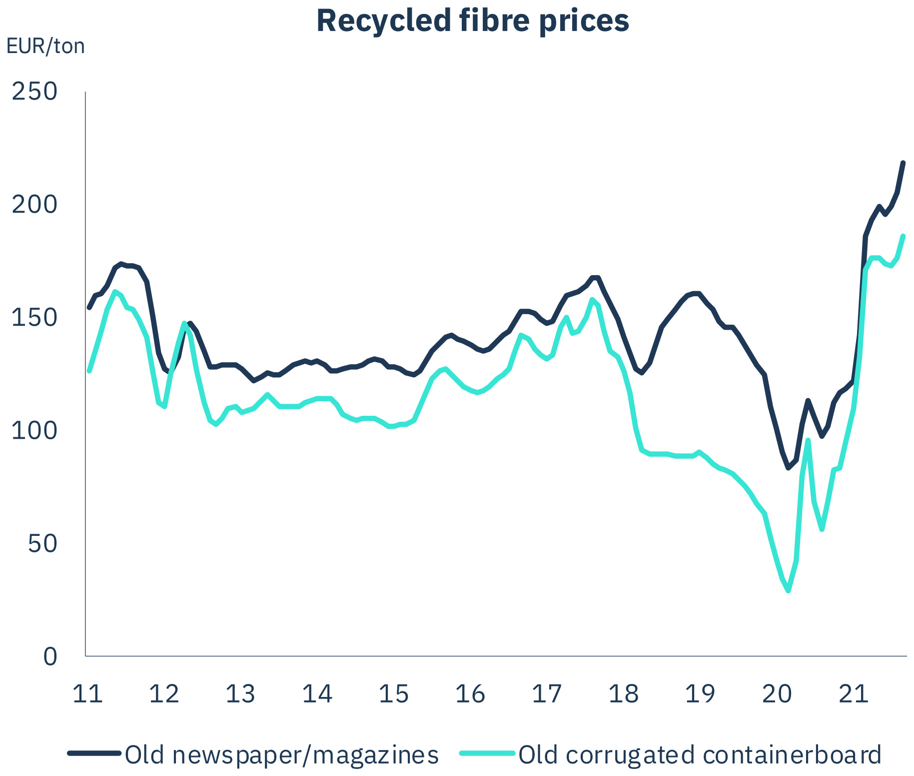
*Excl. items affecting comparability
**Twelve-month rolling average.

Paper

1 million tonnes per year

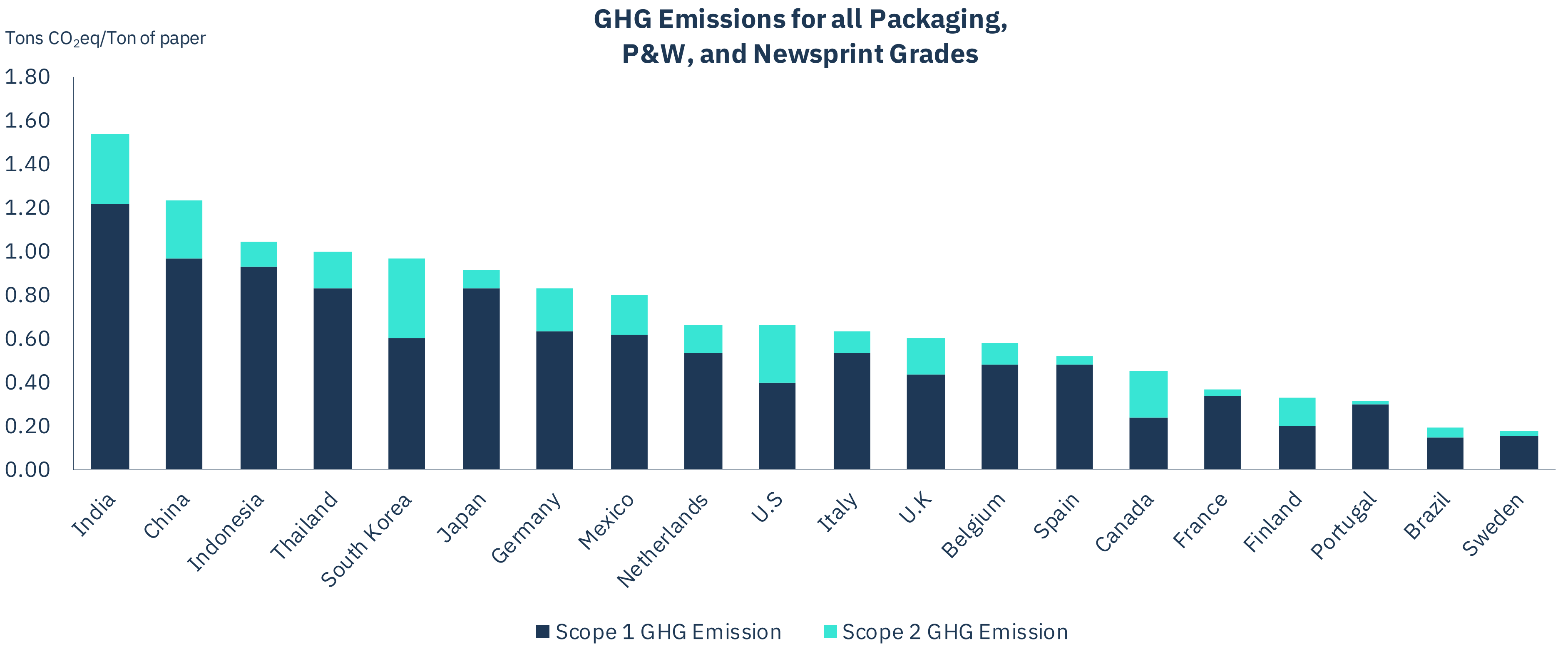
Fibre shortage driving prices





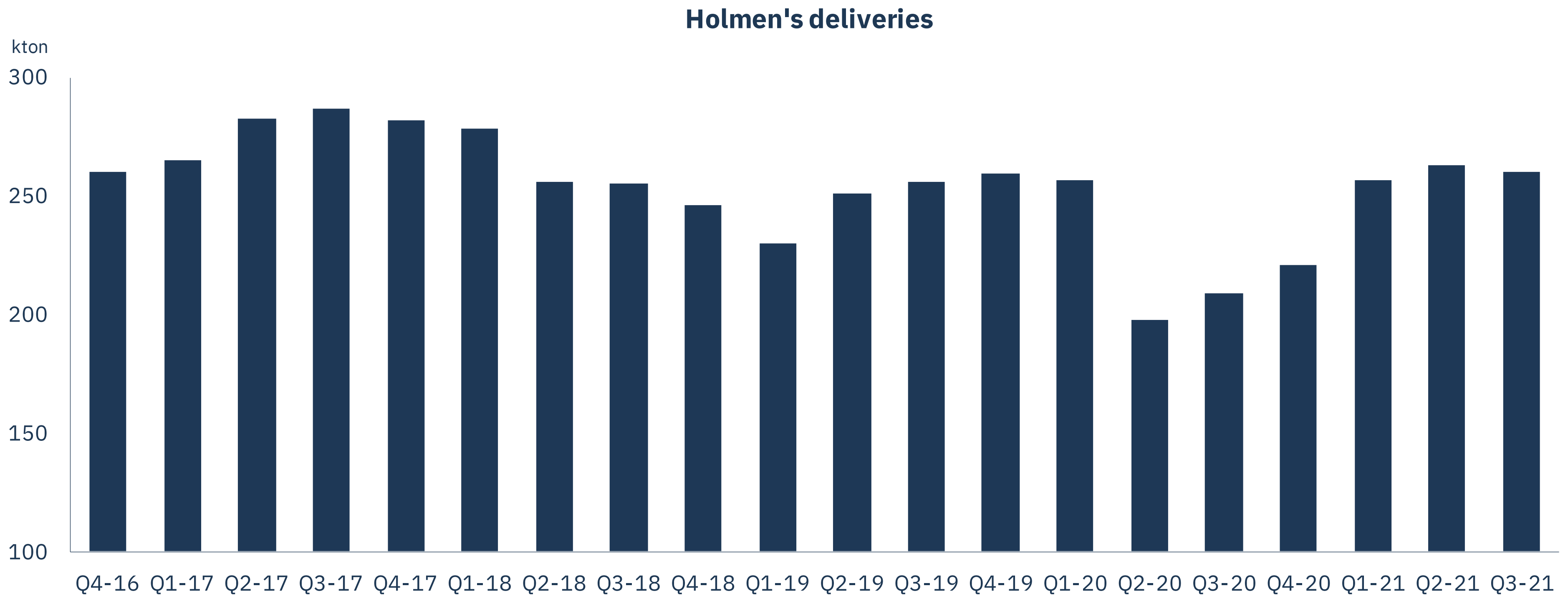
Source: RISI, FOEX, PPPC, Euro-Graph

Local wood & fossil-free electricity



Source: Holmen and FisherSolve

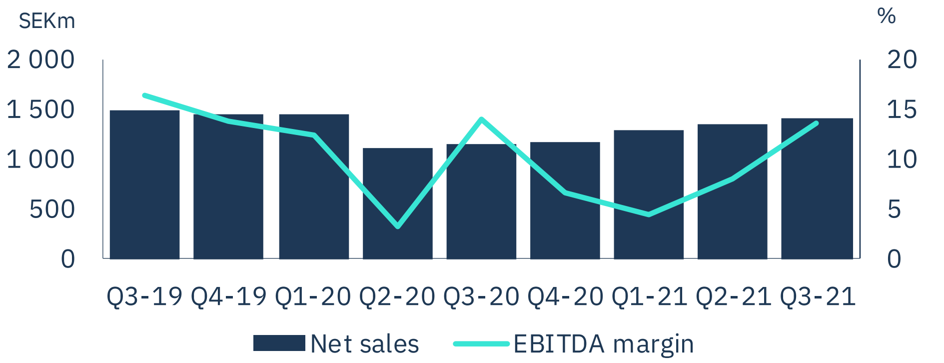
We’ve been running full since end of Q1

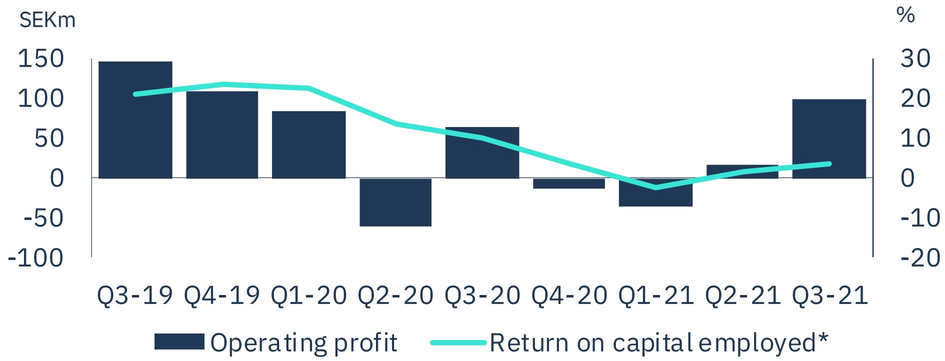


Source: Holmen

Paper financials

- YTD SEKm 79 (PY: 86)
  - Higher deliveries, better mix & reduced costs
  - Lower prices
- Q3 SEKm 100 (Q2: 16)
  - Higher prices & better mix
  - High electricity prices offset by seasonally low fixed costs





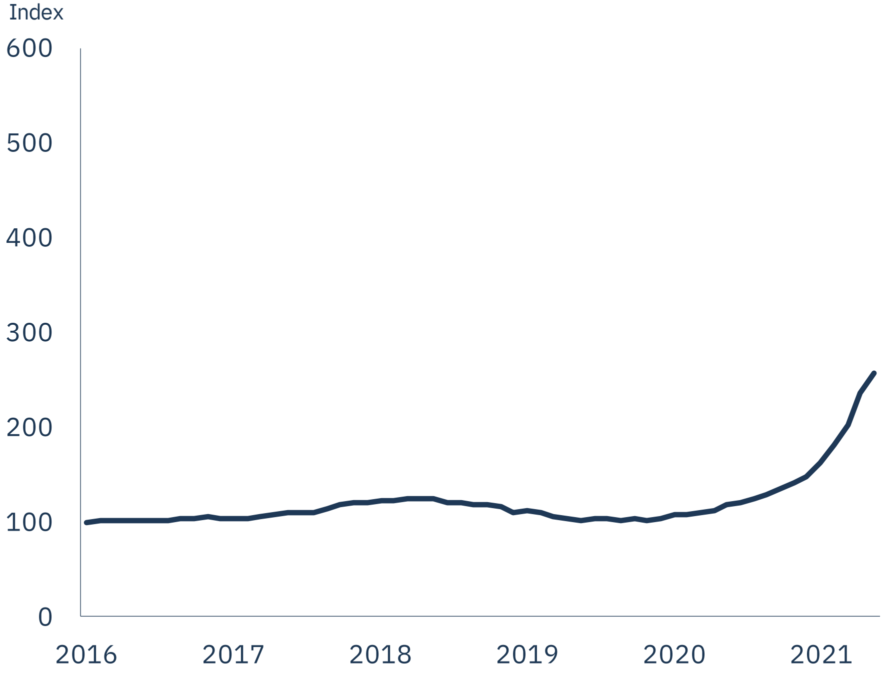
*Twelve-month rolling average.

Wood Products

1.6 million m^3 per year

European prices peeked during Q3
US prices have bottomed out

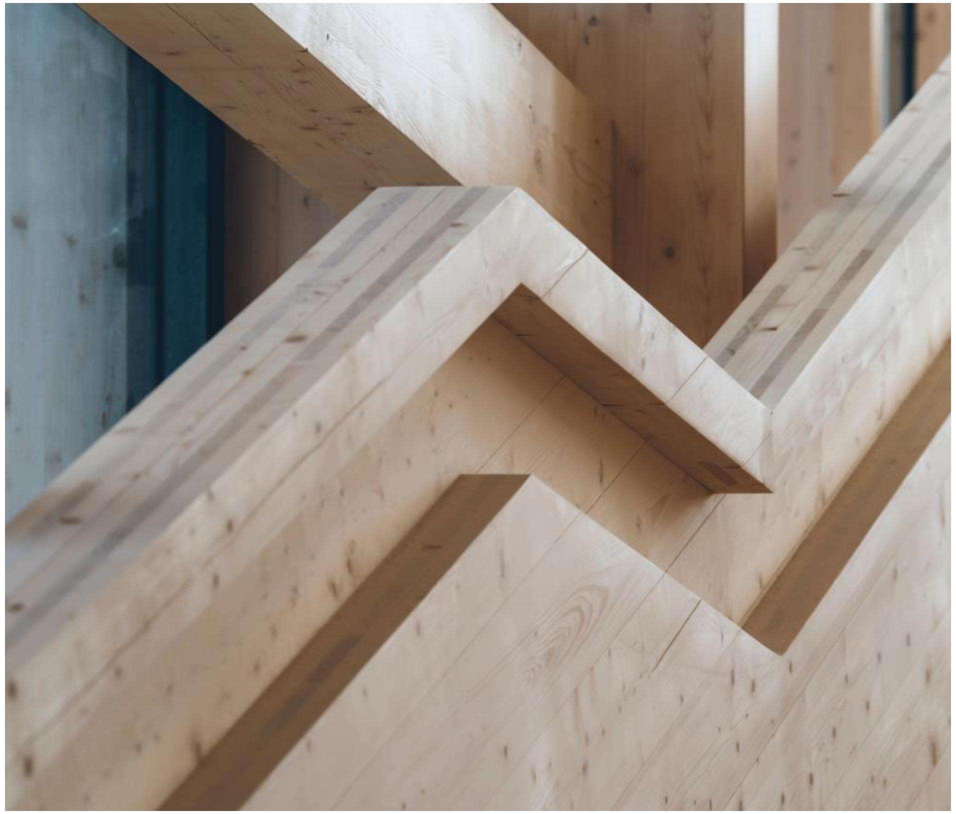
Export price index Sweden



US futures price (1 month forward)

Source: Skogsindustrierna and Macrobond

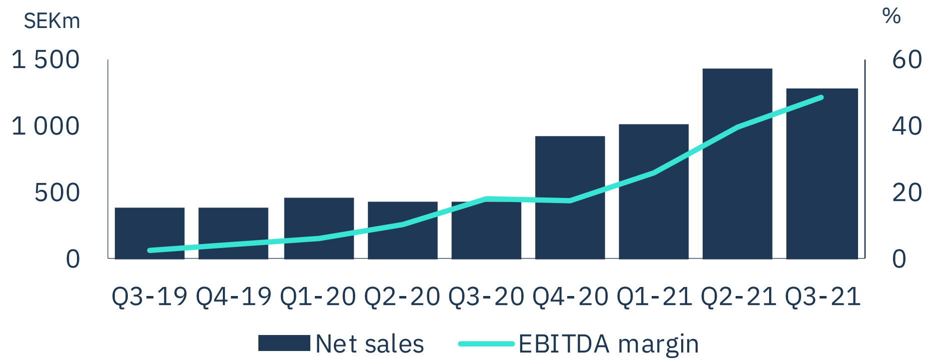
Housing accounts for 35 % of EU CO_2 emissions
Building in wood stores carbon

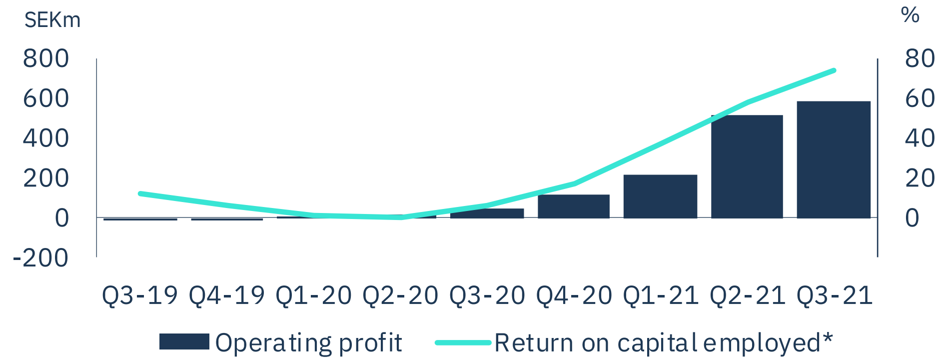


Wood Products financials

- YTD SEKm 1 318 (PY: 70)
  - Higher prices
  - Acquired & organic growth

- Q3 SEKm 582 (Q2: 518)
  - Increased prices
  - Lower deliveries
  - Downtime during holiday period



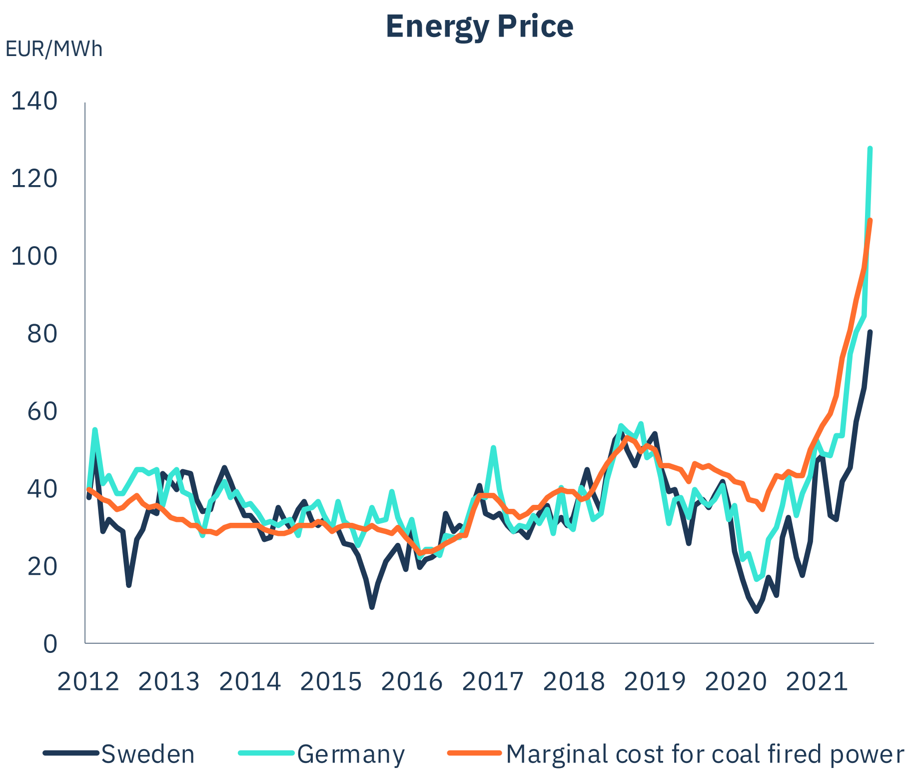


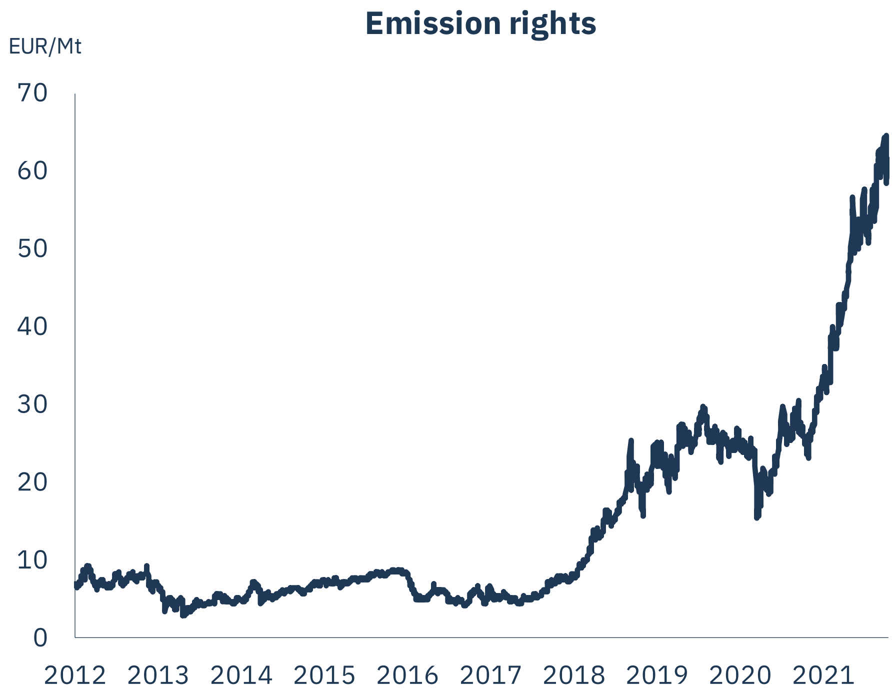
*Twelve-month rolling average.

Renewable Energy

1 200 GWh per year

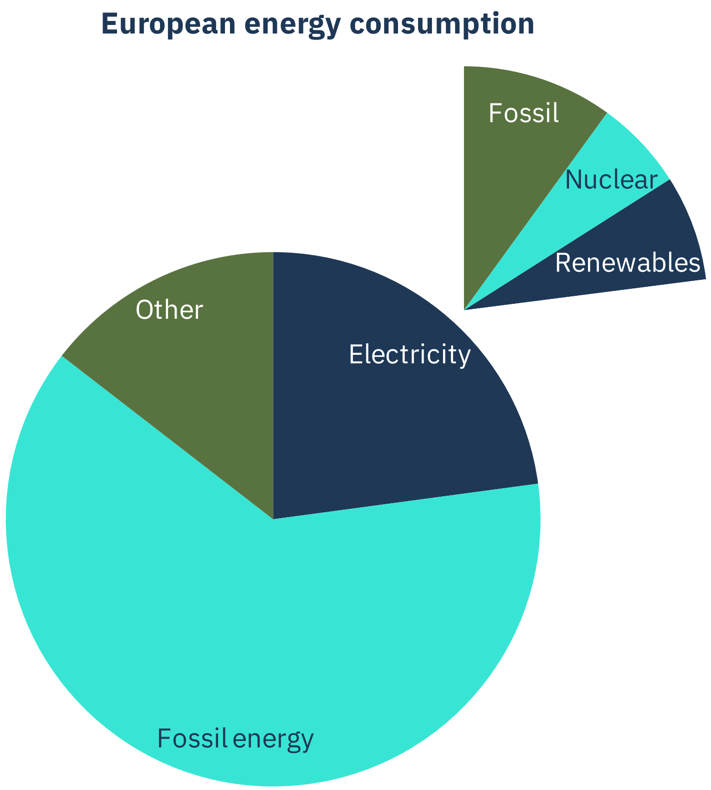
Energy crunch in Europe





Source: Macrobond

EU still dominated by fossil energy



Source: IEA & EEA

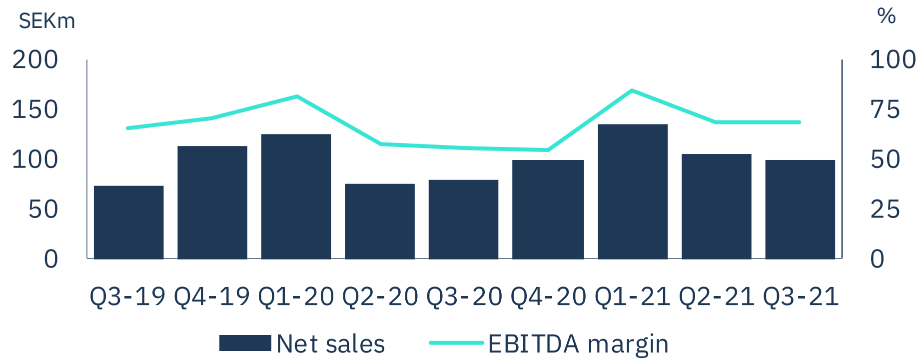
Blåbergsliden on it's way

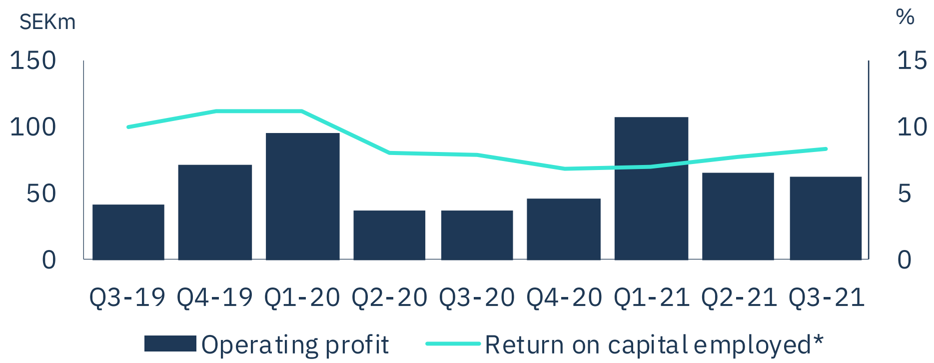
35% increase in renewable energy production

Renewable Energy financials

- YTD SEKm 235 (PY: 169)
  - Higher prices
  - Lower production

- Q3 SEKm 62 (Q2: 66)
  - Higher prices partly offset by hedges
  - Lower production

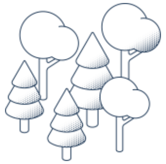




*Twelve-month rolling average.

We grow houses

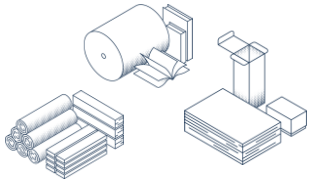
Leftovers are converted into renewable packaging and paper
We harvest the energy that blows and runs through our forests



1.4 Million tonnes CO_2e

Carbon sequestration

+



3.7 Million tonnes CO_2e

Storage and substitution from wood products (2.2), paperboard and paper (1.5)

+

1.7 Million tonnes CO_2e

Substitution from renewable energy production

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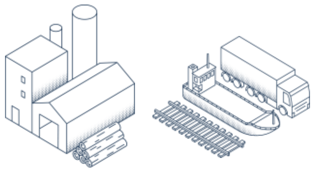

0.4 Million tonnes CO_2e

Fossil emissions reduced by 88%

6.4 Million tonnes CO_2e per year


Growing a sustainable future

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