



Norske Skog

Q4 2024 presentation

7 February 2025

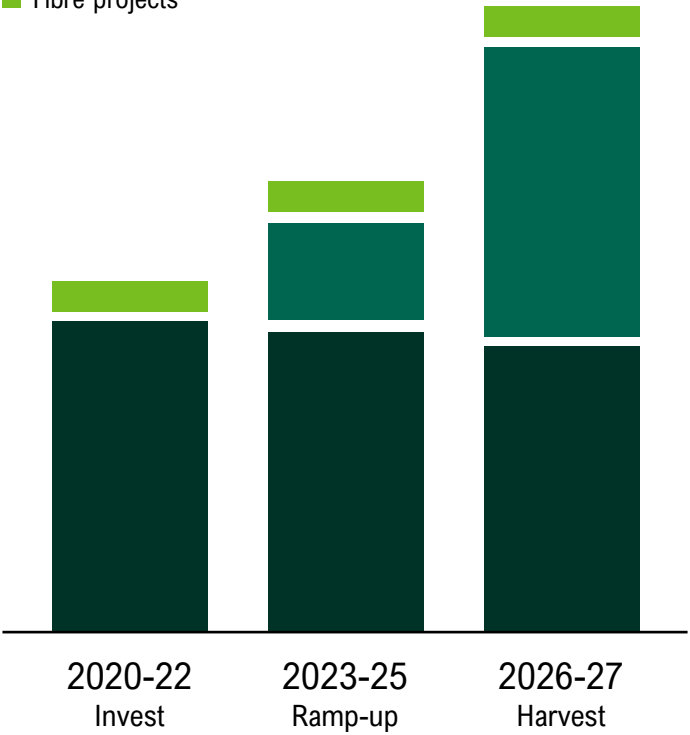
*We create
green value*

Transformation journey

Creating valuable products from wood fibre

Strategic transition

- Publication paper
- Packaging paper
- Fibre projects



- **Growing packaging paper producer**
 - RCCM capacity: 760kt (ramp-up phase)
- **Leading publication paper producer**
 - LWC magazine capacity: 265kt
 - SC magazine capacity: 200kt
 - Newsprint capacity: 840kt
- **Exploring fibre projects**
 - BCTMP capacity: 300kt (design phase)
- **2023 CDP Climate Change Score “A-”**

Four high quality industrial sites

Nine paper machines with supporting infrastructure for energy, fibre, and water



Quarter highlights

Fourth quarter 2024

Discontinuation of Publication Paper Australasia reporting segment

- EBITDA of NOK 33m following discontinuation of Publication Paper Australasia reporting segment due to sales process

Announced and ongoing initiatives to secure financial position and performance

Excess capacity continues to characterise markets

- Slightly improved newsprint and SC magazine markets following closures. LWC magazine market remains weak
- Continuous focus on production costs as new containerboard supply puts pressure on the market balance

Entering the long-term growing market for recycled containerboard

- Lower orders in the quarter resulting in slight reduction in deliveries from Bruck PM3, expect higher volumes in Q1 2025
- Production at Golbey PM1 to start at the end of Q1 2025, increasing the group's total delivery capacity with 36%

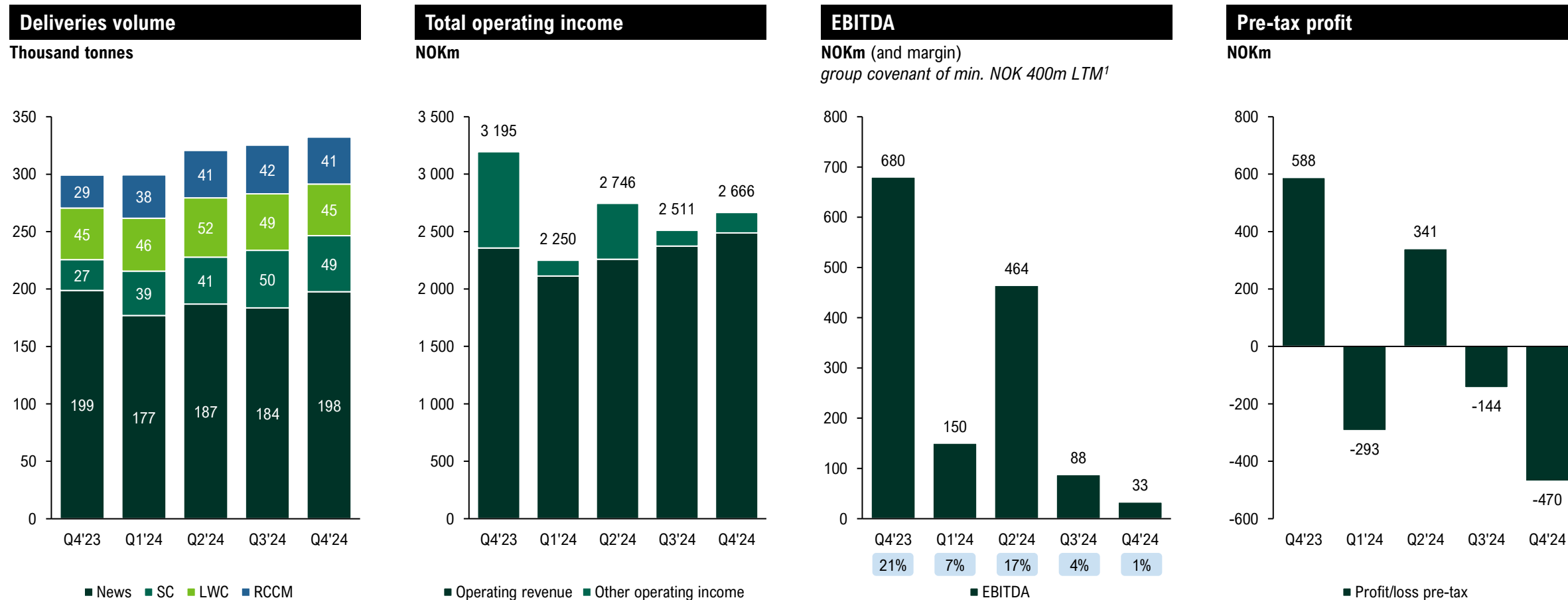
Reviewing future opportunities at Saugbrugs

- BCTMP study nearing completion, and reviewing potential reconstruction of PM6 for production of 210kt SC magazine paper
- Final settlement of NOK 540m agreed with insurance company, to be paid in full and recognised during Q1 2025



Key figures

Restated to reflect discontinuation of Publication Paper Australasia

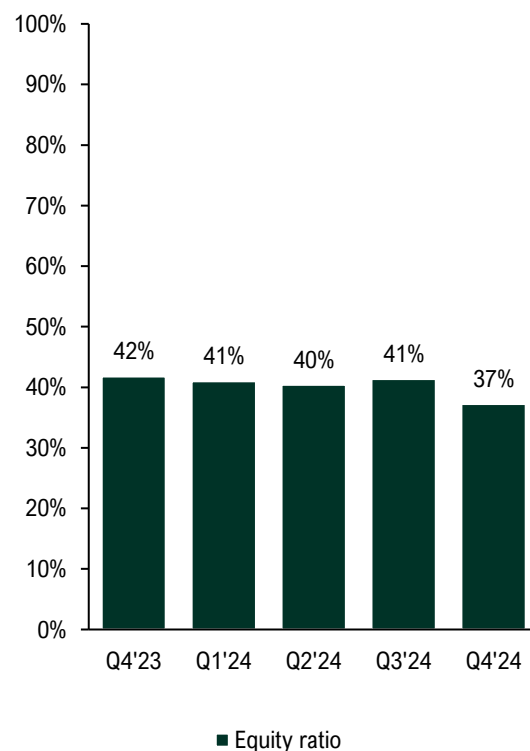


Financial position

Restated to reflect discontinuation of Publication Paper Australasia

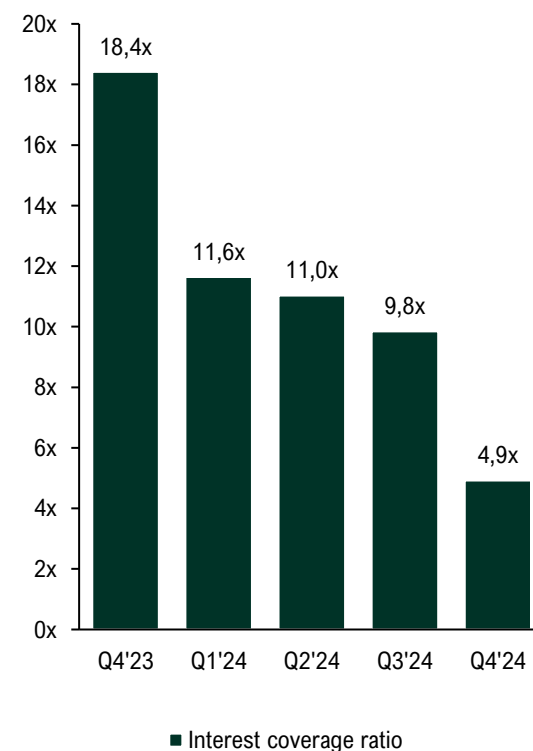
Equity ratio

Book equity to total assets
group covenant of min. 25%



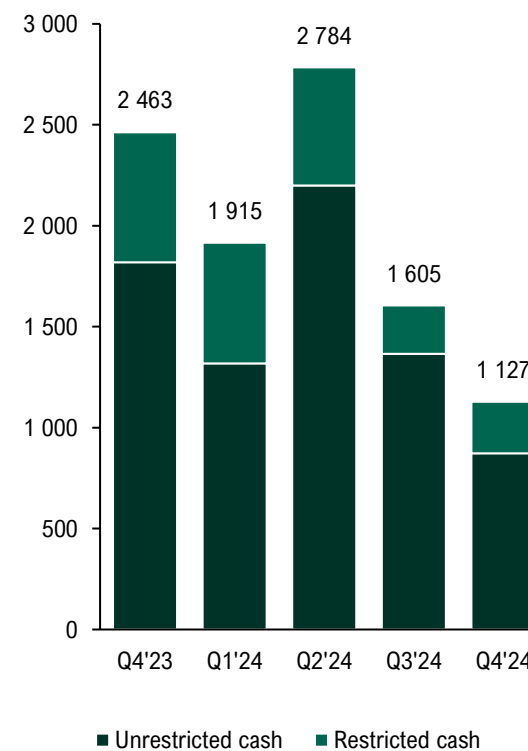
Interest coverage ratio

EBITDA to net cash interest cost
group covenant of min. 2.0x



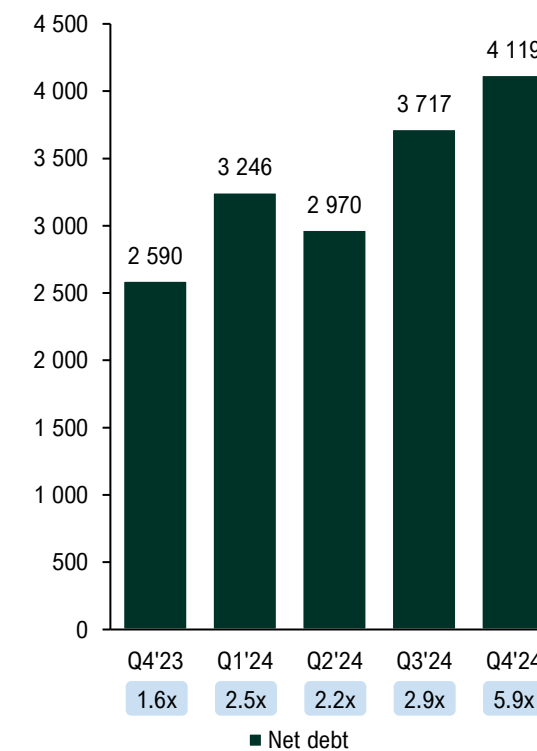
Cash¹

NOKm
group covenant of min. NOK 100m unrestricted



Net debt

NOKm (and leverage ratio)
no group maintenance covenant



Segment financials

Maintaining positive EBITDA in challenging markets

NOK million	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24
Publication Paper Europe					
Deliveries, kt	270	262	279	283	291
Total operating inc.	3 028	2 058	2 514	2 224	2 369
EBITDA	723	166	464	99	40
EBITDA margin	24%	8%	18%	4%	2%
Packaging Paper					
Deliveries, kt	29	38	41	42	41
Total operating inc.	135	177	207	249	218
EBITDA	-38	-7	2	8	3
EBITDA margin	-28%	-4%	1%	3%	1%
Other					
Total operating inc.	152	158	189	225	233
EBITDA	-6	-9	-1	-19	-10
Publication Paper Australasia (discontinued)					
Deliveries, kt	63	59	60	61	57
Total operating inc.	568	438	472	496	459
EBITDA	80	-74	6	3	-15
EBITDA margin	14%	-17%	1%	1%	-3%

Q4 2024

Publication Paper Europe

- Increased deliveries with unchanged average sales price
- Cost pressure mainly from pulpwood, natural gas, and electricity in the quarter, resulting in lower EBITDA

Packaging Paper

- Deliveries slightly down from previous quarter due to lower orders, expect to return to ramp-up curve during Q1 2025
- Sales price reduction in line with the market, however price increases announced for Q1 2025
- On target for full utilisation in H2 2025 for Bruck PM3
- Golbey PM1 to start production end of Q1 2025. Will be included in the Packaging Paper segment from Q1 2025

Publication Paper Australasia (discontinued)

- Reduction in EBITDA mainly a result of lower deliveries, and slightly higher cost of materials



Transformation through strategic projects

Close relations to all stakeholders and shared understanding of growth journey

Projects at Norske Skog Bruck completed



Containerboard production

- Started Q1 2023
- Full utilisation H2 2025
- Net capex EUR 120m
- Project debt EUR 57m
- Capacity 210kt



Waste-to-energy boiler

- Started Q2 2022
- Full utilisation Q2 2023
- Net capex EUR 72m
- Project debt EUR 35m
- Capacity 50 MW

Projects at Norske Skog Golbey completed Q1 2025



Containerboard production

- Starting Q1 2025
 - Ongoing commissioning of roll warehouse, containerboard winder, effluent station, and I/O check of OCC drum pulper, and PM1
- Full utilisation 2027
- Gross capex EUR 390m
 - Remaining EUR ~60m
- Net capex EUR 320m
 - Remaining EUR ~5-10m
- Project debt EUR 171m
- Capacity 550kt



Biomass boiler JV

- Started Q4 2024
- Full utilisation 2025
- Equity share EUR 5m
- Capacity 125 MW

Green Valley Energie is a JV between Norske Skog (10%), Veolia (10%) and Pearl Infrastructure (80%), where Norske Skog will be sole offtaker of steam under a competitive long-term contract

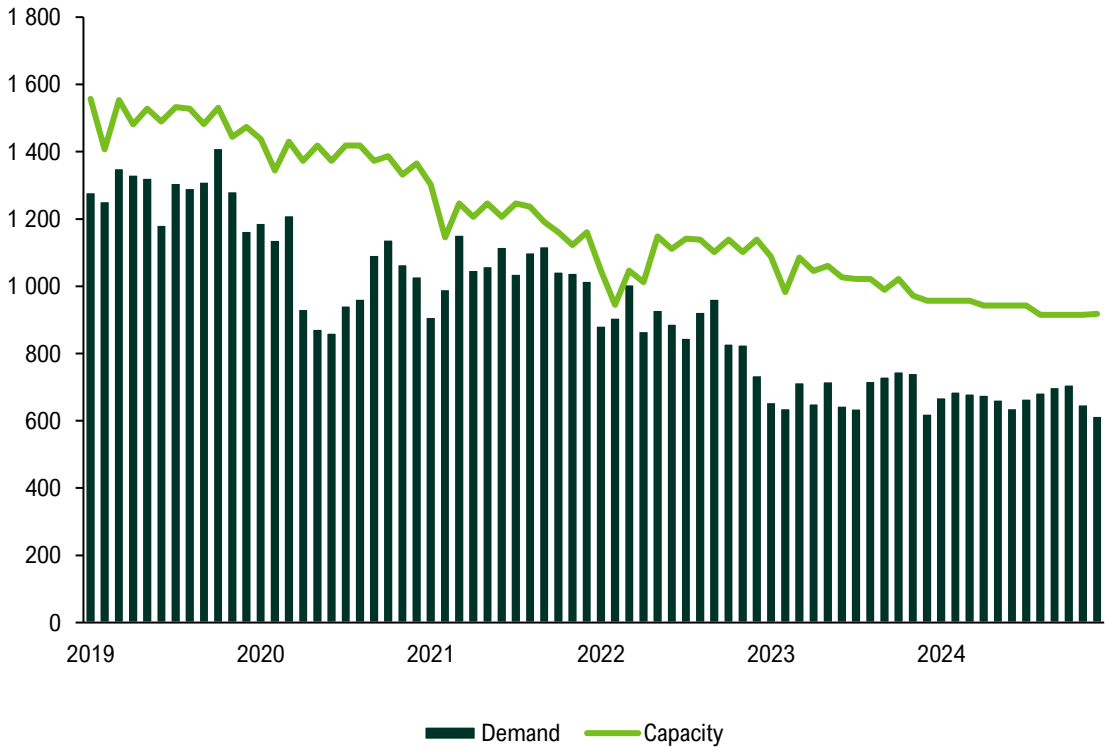


Publication paper demand stable in 2023-24

Some excess capacity across newsprint and magazine paper grades remains

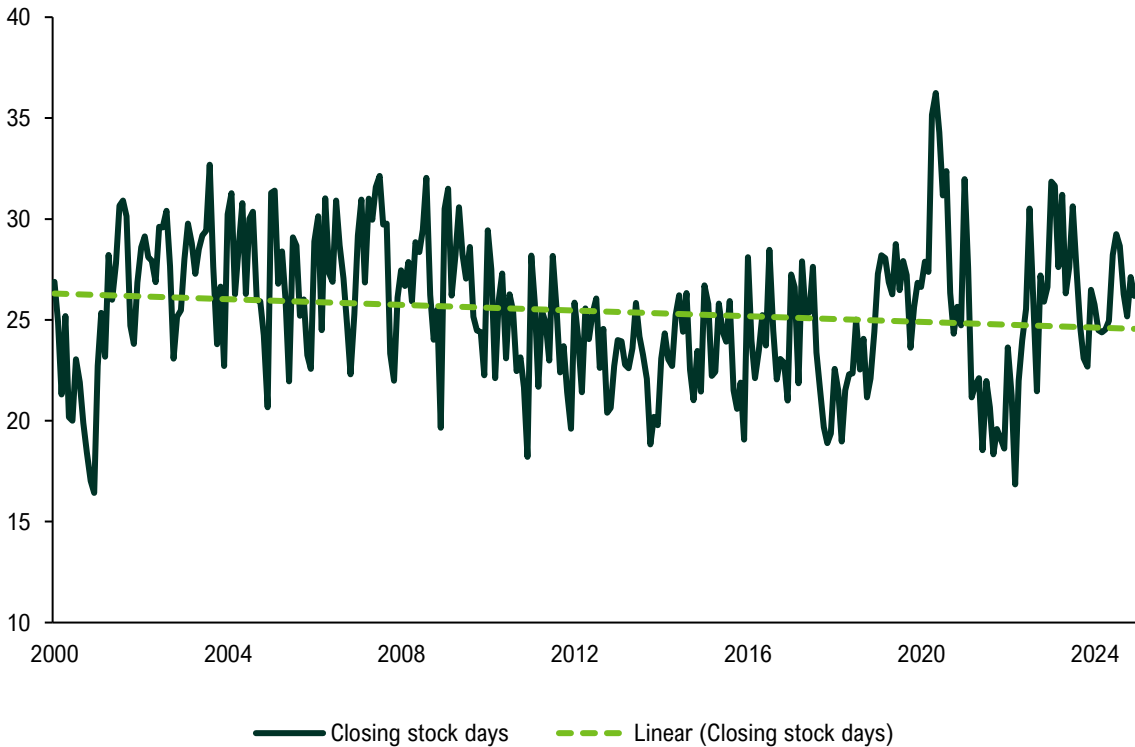
Monthly publication paper demand and capacity Western Europe

Thousand tonnes



Publication paper closing stock volume Western Europe

Number of days closing stocks covers total shipments

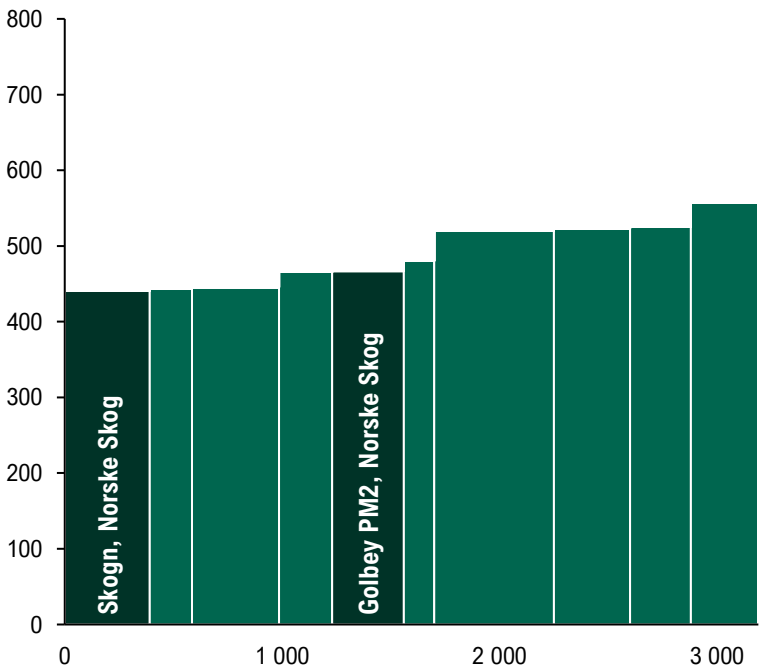


Well positioned on publication paper cost curve

Low-cost publication paper producers still able to earn a margin

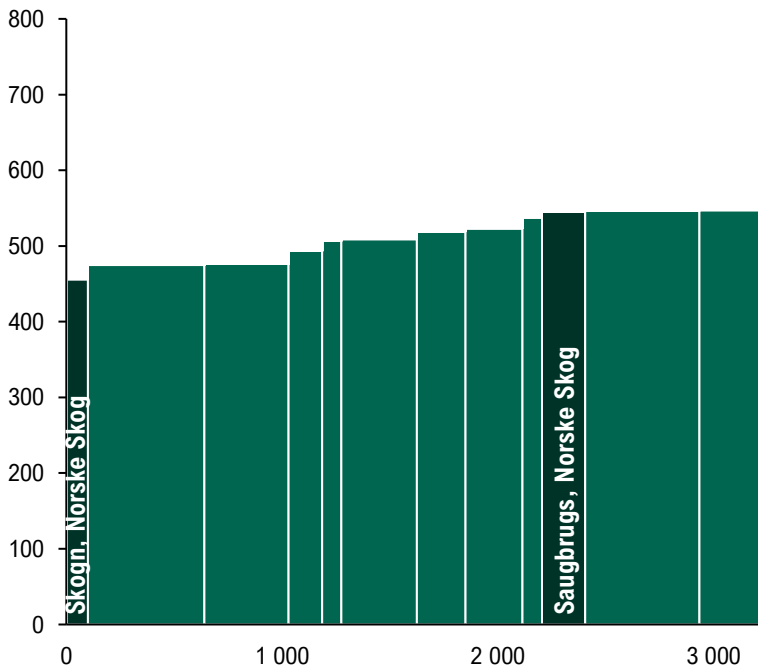
Newsprint cash cost Western Europe

EUR per tonne



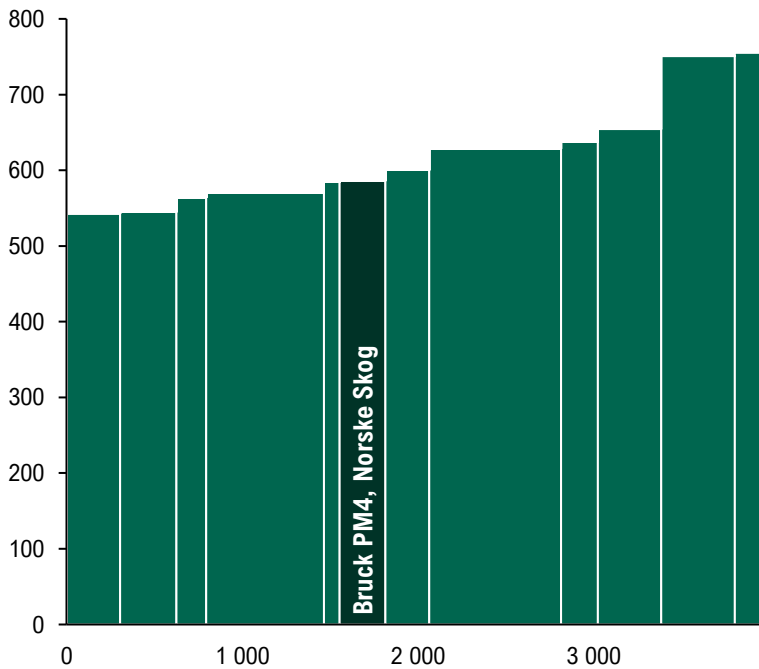
Uncoated mechanical cash cost Western Europe

EUR per tonne



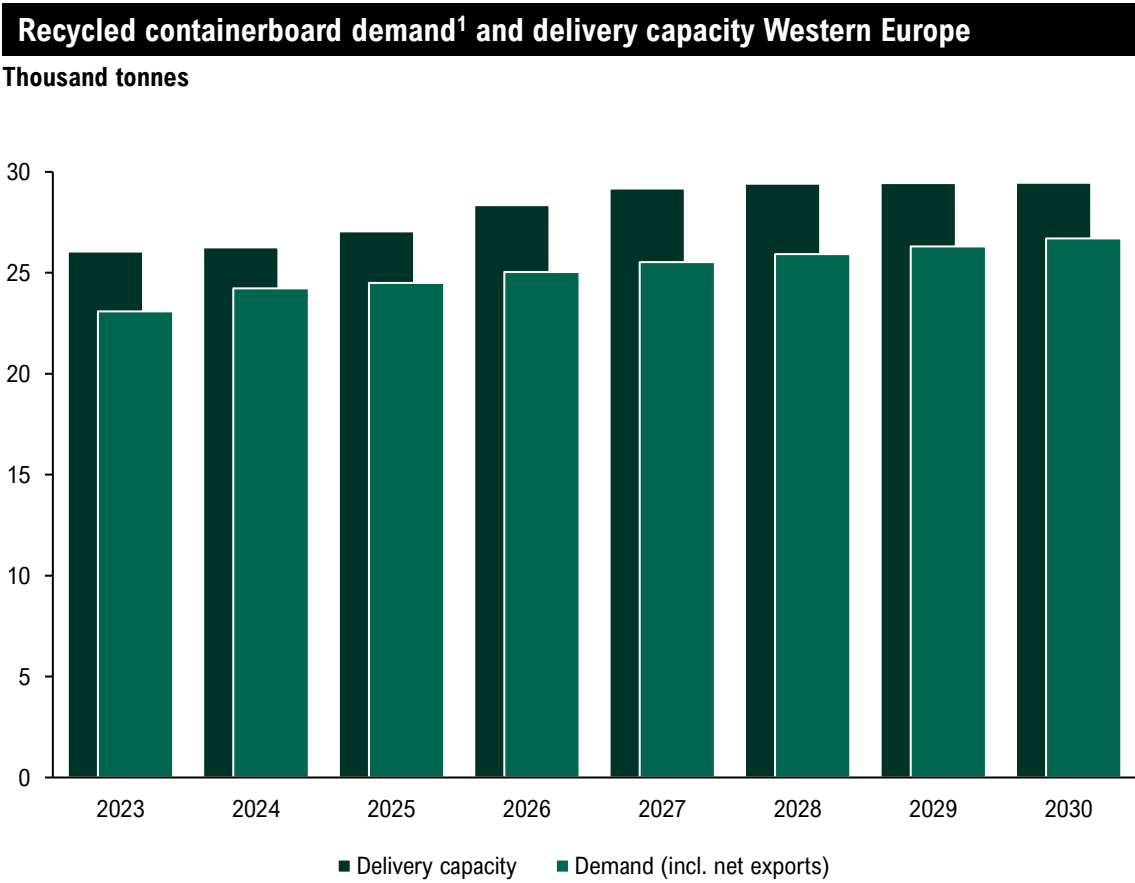
Coated mechanical cash cost Western Europe

EUR per tonne



Increased containerboard capacity in 2025-27

Industry operating rate expected around 85% for next 1-3 years





Long-term growth trends

- ✓ Switching to sustainable and renewable packaging
- ✓ Increasing presence of eCommerce
- ✓ Return of global GDP growth and trade



Mid-term headwinds

- ✗ Low economic growth projected for 1-3 years
- ✗ New capacity to ramp-up in 2025-27
- ✗ So far, limited willingness to close excess capacity

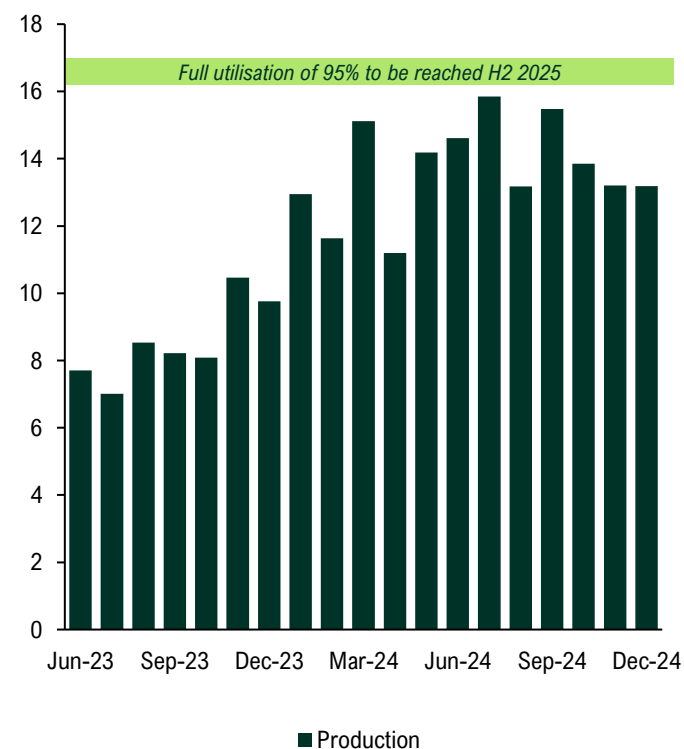


Containerboard ramp-up

Expect efficient machines to prevail in current market

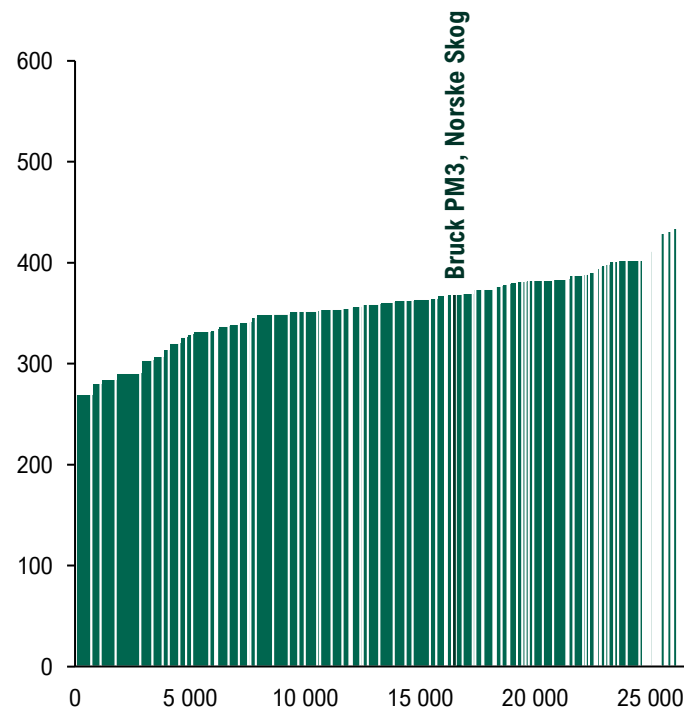
Monthly RCCM production Bruck PM3

Thousand tonnes



RCCM mill gate cash cost curve Western Europe

EUR per tonne



Golbey PM1 – 550kt containerboard capacity

- Cabling at PM1 represents the majority of remaining construction work
- Pre-commissioning (I/O check) is 90% complete on for pulping and 60% for the paper machine (PM1)
- Commissioning of roll warehouse, containerboard winder, and the effluent station is 90% complete and well progressed for pulping and the paper machine
- Remaining gross capex of EUR ~60m and net capex of EUR 5-10m
- Expect containerboard production start-up end Q1 2025

Bruck PM3 – 210kt containerboard capacity

- Lower orders in the quarter resulting in slight decrease in deliveries from previous quarter. Expect volumes to return to plan in Q1 2025
- Excellent product quality and customer feedback
- Continued pressure from OCC costs as containerboard prices have declined

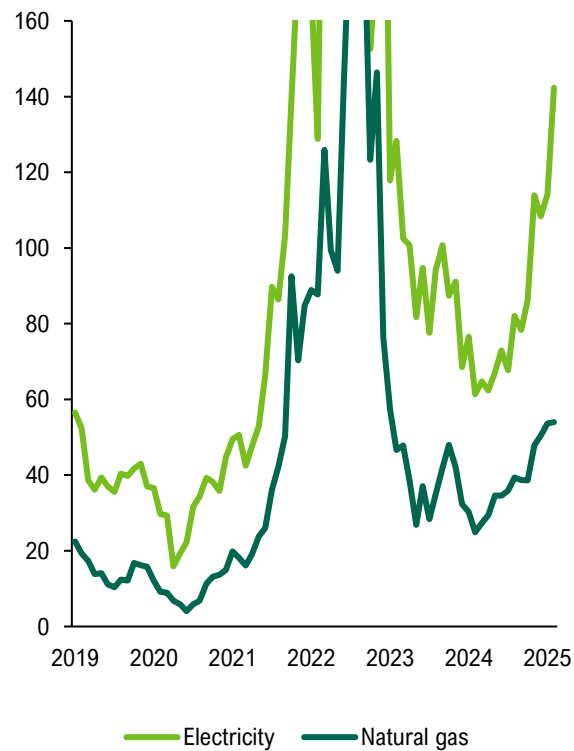


Pressure from high raw material prices

Energy and pulpwood prices increasing from high levels

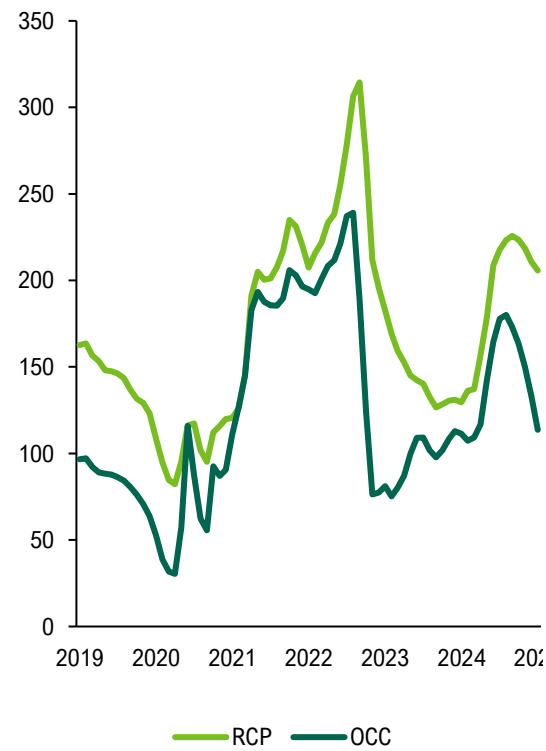
Energy prices Germany

EUR per MWh



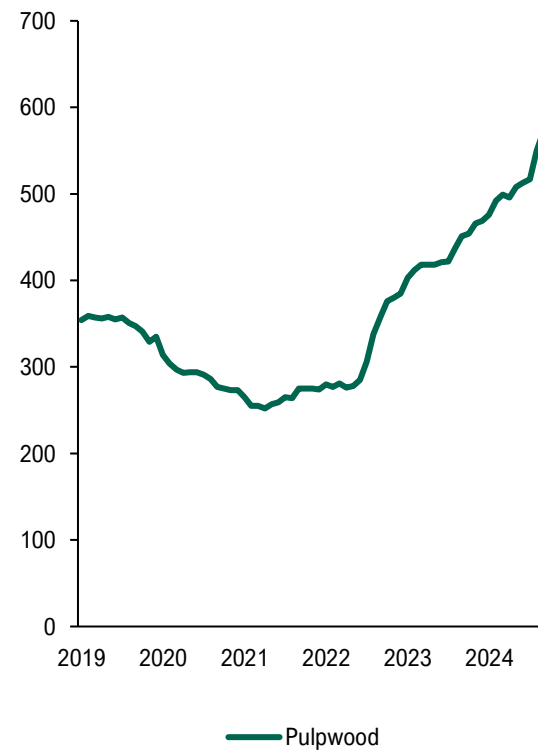
Recycled paper prices Germany

EUR per tonne



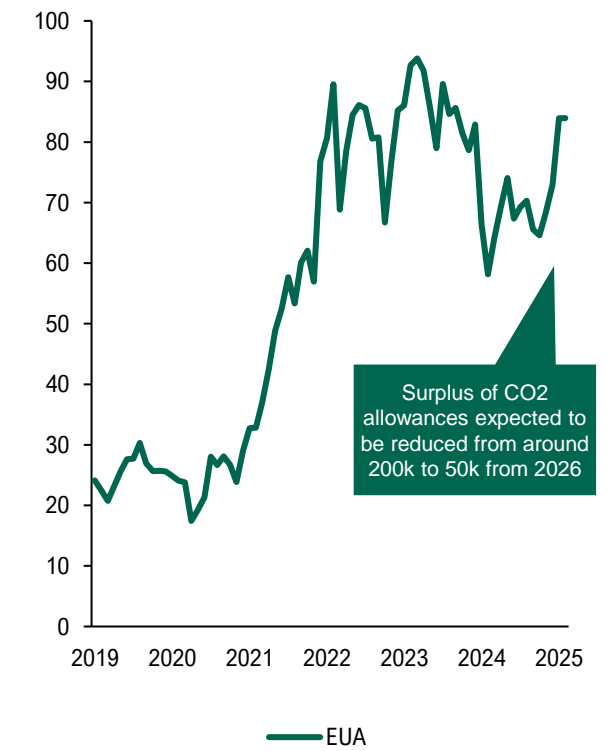
Spruce pulpwood prices Norway

NOK per solid cubic metre



CO2 (EUA) price

EUR per allowance

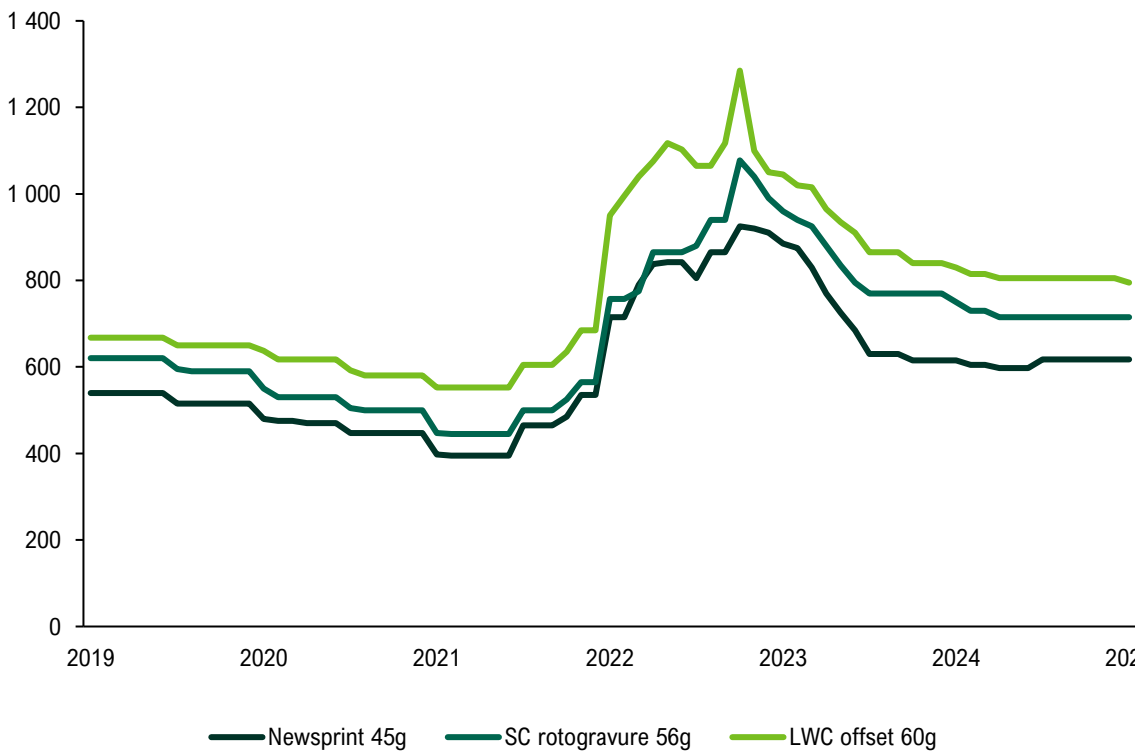


Product prices track marginal producer cost

Price increases announced for containerboard

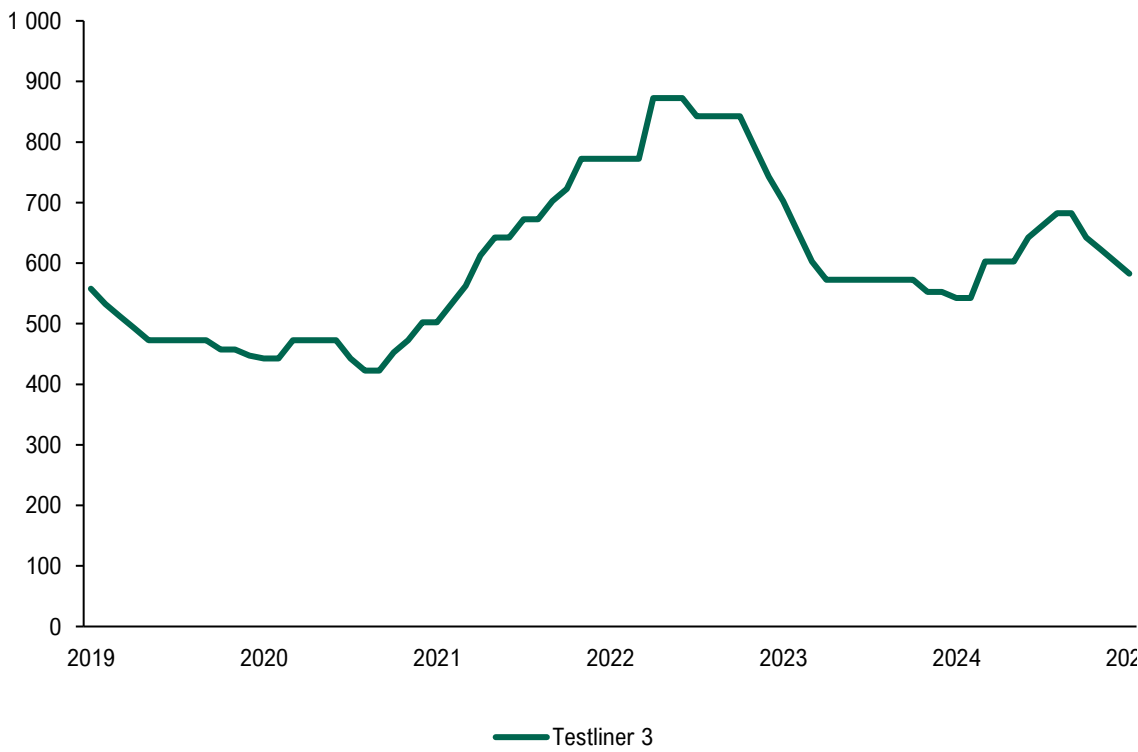
Publication paper prices Germany

EUR per tonne



Recycled containerboard index Germany

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Reviewing future opportunities at Saugbrugs

Final insurance settlement of NOK 540m to be paid in full and recognised during Q1 2025



Final insurance settlement

- Saugbrugs and the insurer agreed on final settlement of NOK 540 million
- The settlement amount is freely available and provides Saugbrugs with time and flexibility to invest and develop the industrial site for the future
- Payment is expected in Q1 2025 and will result in recognition of NOK 560m in EBITDA in Q1 2025

BCTMP project

- Engaged technical and environmental consultants
- Working with multiple machinery and equipment suppliers
- Meetings with Norwegian Environment Agency
- Contact with sales agents and potential customers
- Completion of project study in H1 2025

PM6 project

- Ongoing dialogue with machinery and equipment vendors
- Capacity of 210kt SC magazine paper
- Lower capacity than previous because of limited reconstruction scope to reduce capex
- Completion of project study in H1 2025

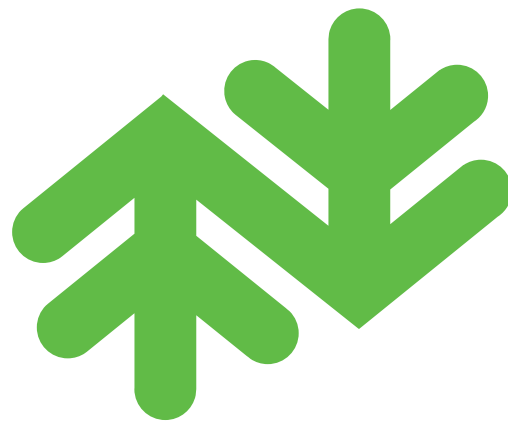


Outlook

Concluding remarks

- Prices remain stable and increasing for publication paper and containerboard, respectively
- Significant emphasis on reducing production cost and working capital to maintain competitive position
- Bruck PM3 to reach full capacity utilisation of 95% in H2 2025
- Golbey PM1 to start production end of Q1 2025 and reach full utilisation in 2027
- Significant proceeds from energy certificates and grants to be received in 2026-27
- Close relations to all lenders and shared understanding of fundamental growth journey
- Announced and ongoing initiatives to secure financial position and performance





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