



Norske Skog

Q1 2025 presentation

23 April 2025

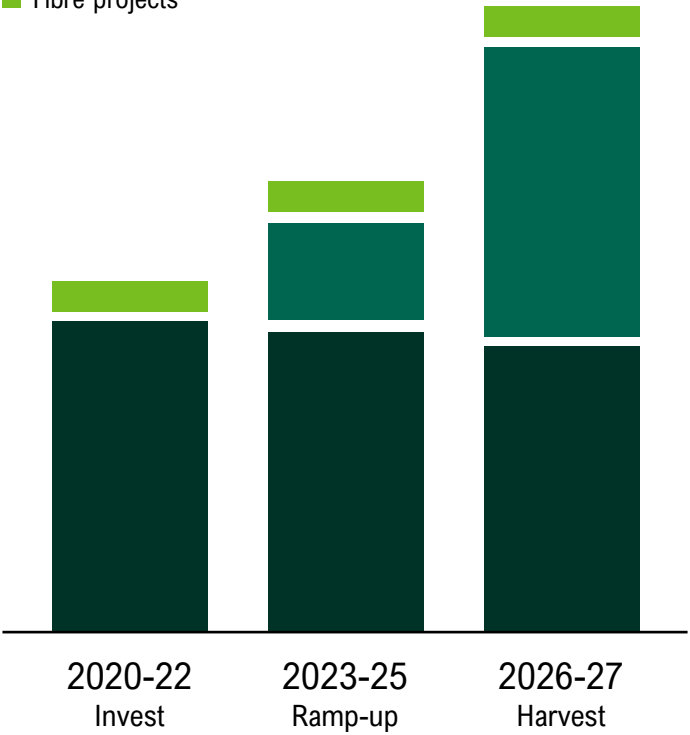
*We create
green value*

Transformation journey

Creating valuable products from wood fibre

Strategic transition

- Publication paper
- Packaging paper
- Fibre projects



- **Growing packaging paper producer**
 - RCCM capacity: 760kt (growth phase)
- **Leading publication paper producer**
 - Newsprint capacity: 840kt
 - LWC magazine capacity: 265kt
 - SC magazine capacity: 200kt
- **Exploring fibre projects**
 - BCTMP capacity: 300kt (design phase)
- **2024 CDP Climate Change Score “A-”**

Four high quality industrial sites

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



Quarter highlights

First quarter 2025

EBITDA of NOK 612m in the quarter

- Final settlement agreed with insurance company, NOK 540m paid in full and NOK 560m recognised in EBITDA during Q1 2025
- Continued pressure on margins and implementing cost reductions across all mills

Increasing market share in challenging markets

- Maintaining high deliveries for both newsprint and magazine paper grades despite low utilisation rates in the industry
- Increasing deliveries and prices for containerboard despite excess capacity in the market

Signed share sale agreement for Australasian operations

- Share sale agreement signed on 7 February and the transaction closed on 16 April
- The sale resulted in a payment of around NOK 150m in Q2 2025

Reviewing future opportunities at Saugbrugs

- Study for BCTMP project and PM6 restart completed
- Review of studies ongoing

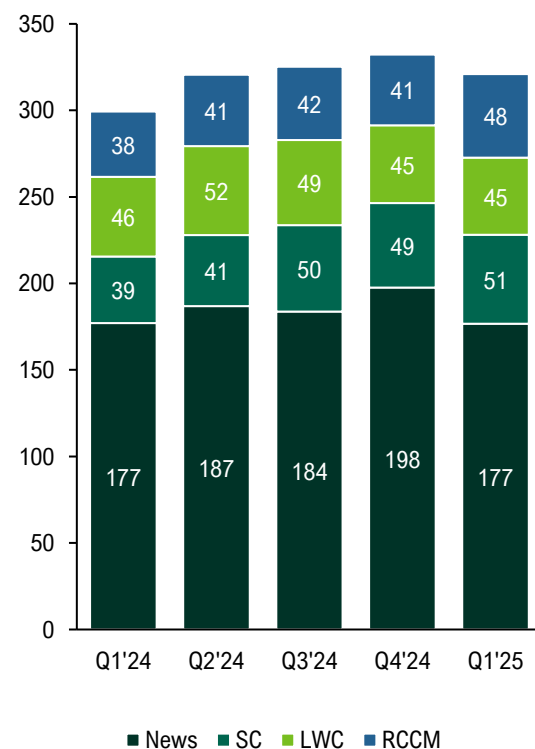


Key figures

First quarter 2025

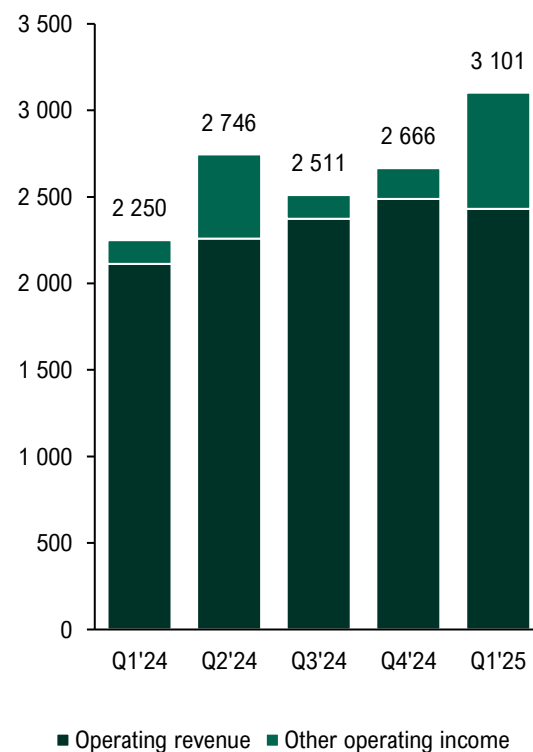
Deliveries volume

Thousand tonnes



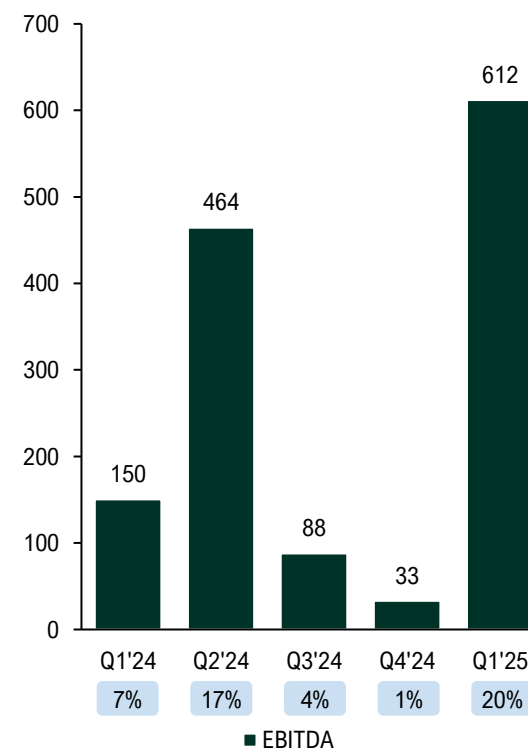
Total operating income

NOKm



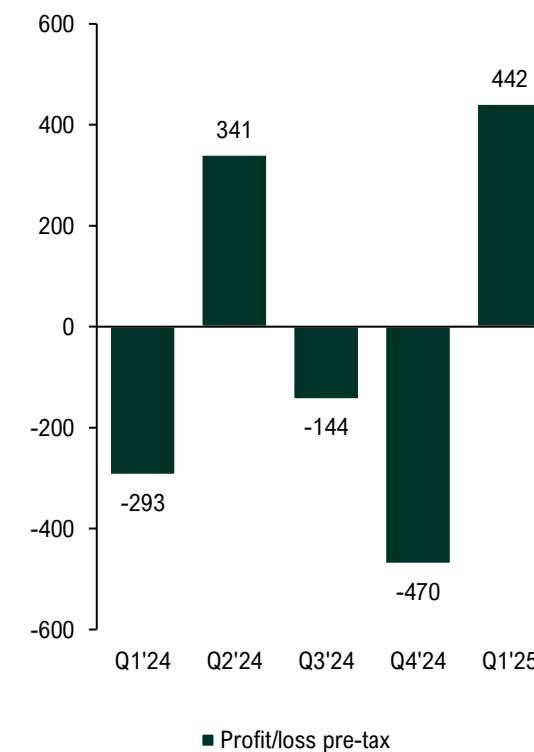
EBITDA

NOKm (and margin)
group covenant of min. NOK 400m LTM¹



Pre-tax profit

NOKm

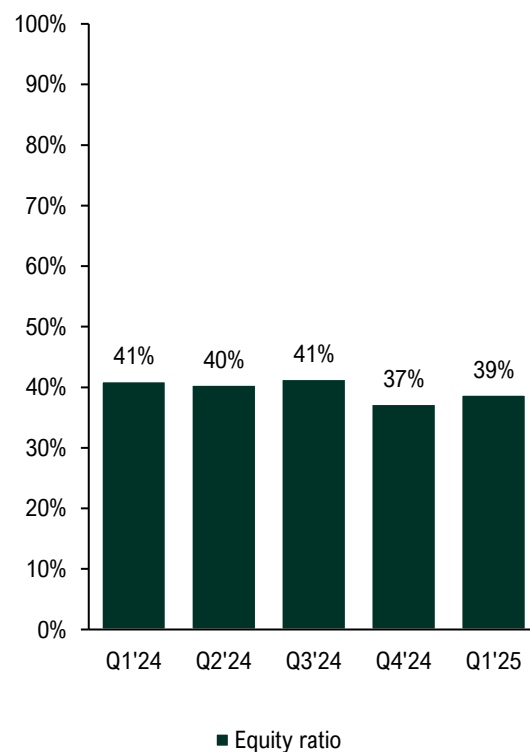


Financial position

First quarter 2025

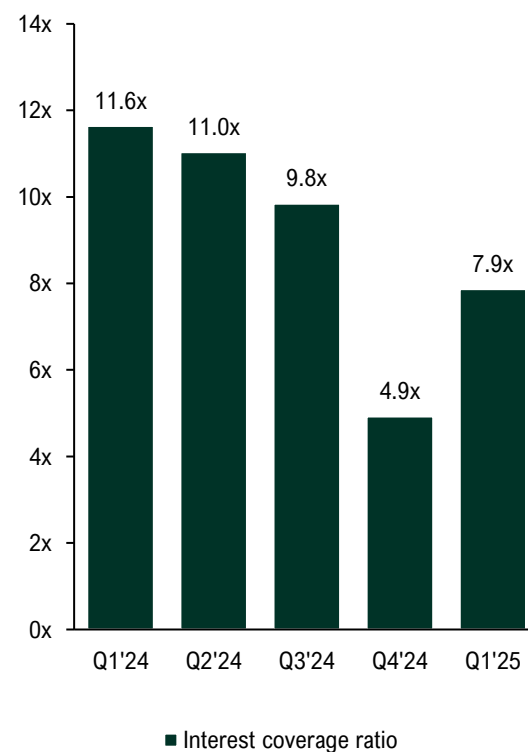
Equity ratio

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



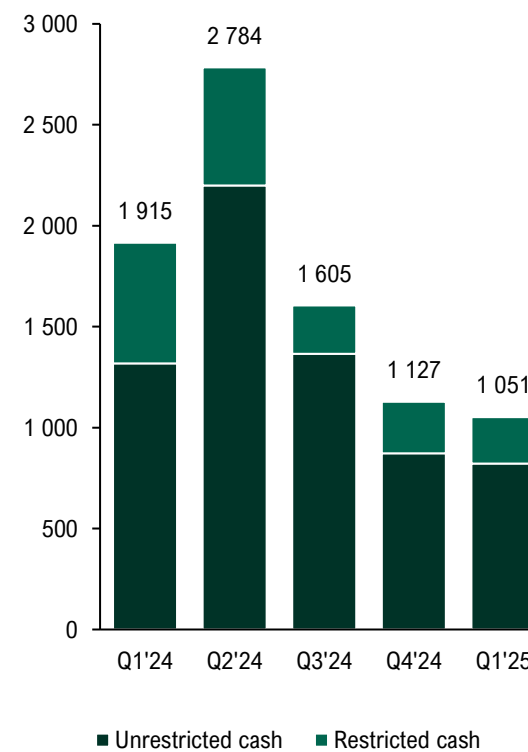
Interest coverage ratio

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



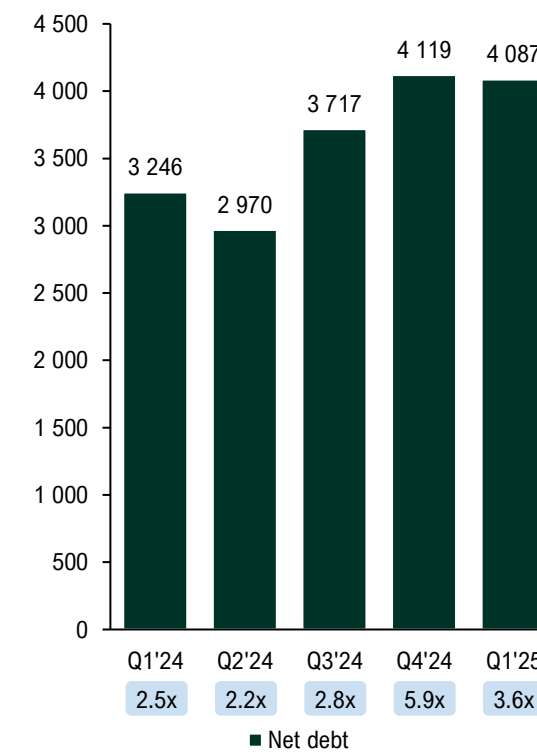
Cash¹

NOKm
group covenant of min. NOK 100m unrestricted



Net debt

NOKm (and leverage ratio)
no group maintenance covenant



Segment financials

First quarter 2025

	NOK million	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25
Publication paper	Deliveries, kt	262	279	283	291	273
	Operating revenue	1 956	2 053	2 124	2 226	2 152
	Other operating income	102	461	100	143	626
	Total operating income	2 058	2 514	2 224	2 369	2 778
	Distribution costs	213	222	234	235	228
	Cost of materials	1 148	1 271	1 357	1 498	1 415
	Employee benefit expenses	357	367	356	367	312
	Other operating expenses	174	192	178	229	175
	EBITDA	166	464	99	40	649
	EBITDA margin	8%	18%	4%	2%	23%
Packaging paper	Deliveries, kt	38	41	42	41	48
	Operating revenue	141	182	212	187	210
	Other operating income	36	26	37	31	44
	Total operating income	177	207	249	218	255
	Distribution costs	23	25	27	26	29
	Cost of materials	105	124	154	143	143
	Employee benefit expenses	40	41	45	31	76
	Other operating expenses	15	15	15	16	42
	EBITDA	-7	2	8	3	-35
	EBITDA margin	-4%	1%	3%	1%	-14%
Other activities	Total operating income	158	189	225	233	208
	EBITDA	-9	-1	-19	-10	-2

Publication paper

- Lower deliveries due to weather related unplanned shuts at Skogn, production at normal levels into Q2 2025
- Slightly higher achieved prices due to mix effects and mitigation of cost pressures from energy and fibre
- Positive EBITDA contribution of NOK 560m from the final insurance settlement at Saugbrugs
- Fixed costs relating to Golbey PM1 of approximately NOK 60-65m shifted from Publication paper to Packaging paper

Packaging paper

- Deliveries from Bruck PM3 according to plan and utilisation of more than 90% in the quarter, on target for full utilisation of 95% in H2 2025. Bruck PM3 contributed positive EBITDA of NOK 20m in the quarter
- Slight reduction in the average sales price, however price increases announced and implemented towards the end of the quarter will have full impact in Q2 2025
- Lower OCC prices in the quarter, however, increases expected going forward
- Golbey PM1 to start production end of April 2025. Paper machine commissioning represents most of the remaining work, all other activities nearly complete
- Quarterly fixed costs in the quarter of NOK 60-65m shifted from Publication paper to Packaging paper relating to Golbey PM1. In addition, some labour costs were capitalised relating to the containerboard project
- Expect slightly positive gross margin (excluding distribution costs) from Golbey PM1 in Q2 2025, distribution costs expected around EUR 75-90 per tonne for initial volumes



Transformation through strategic projects

Strategic projects near completion and embarking on next step 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 32m
- Capacity 50 MW

Projects at Norske Skog Golbey to be completed end of April



Containerboard production

- Starting end of April 2025
- Full utilisation H1 2027
- Net capex EUR 320m
 - Remaining capex EUR 35-40m
 - Remaining grants EUR ~50m
- Project debt EUR 170m
- 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

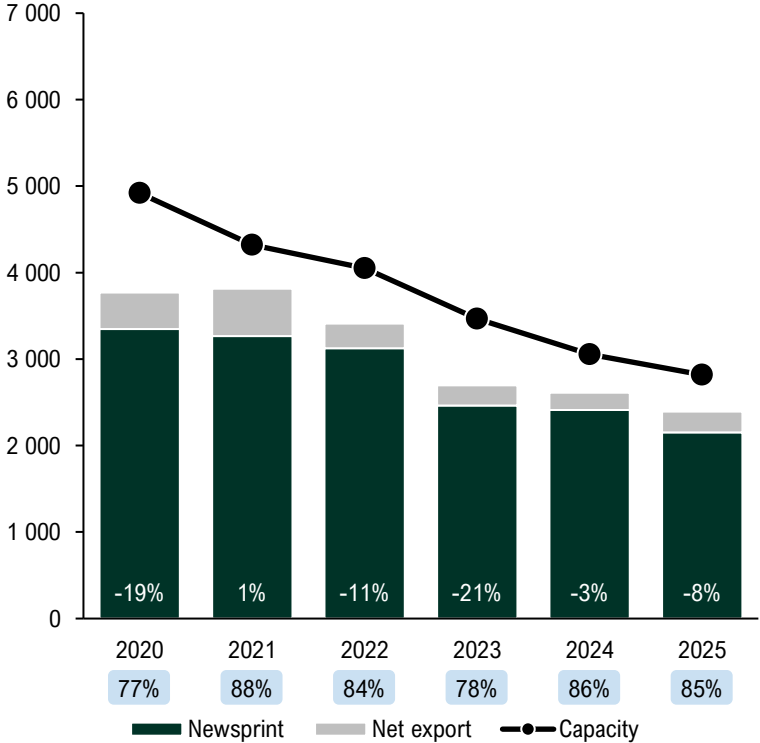


Publication paper market balance

Newsprint utilisation rates at sustainable levels

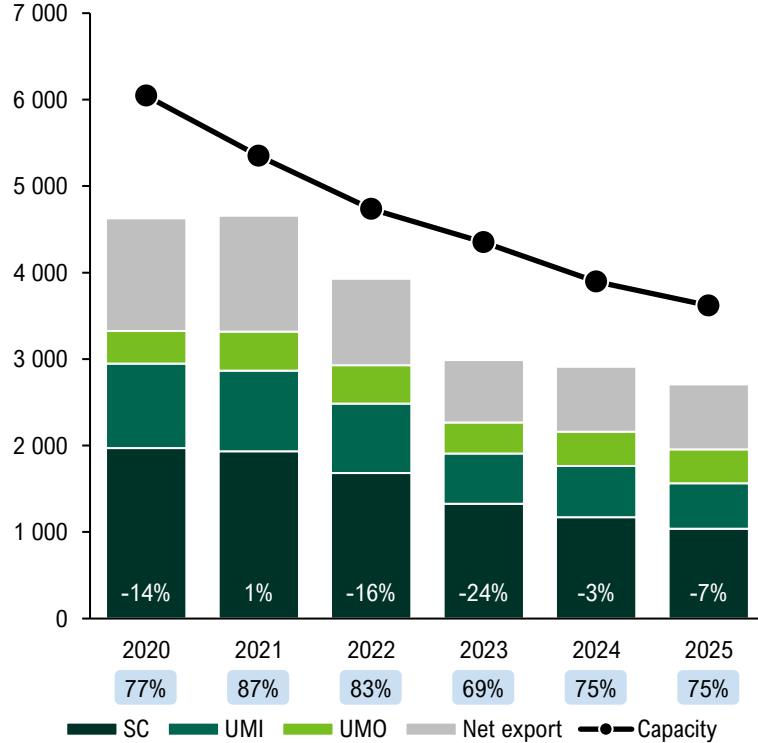
Newsprint market balance Western Europe

Thousand tonnes and change in demand (and utilisation rate)



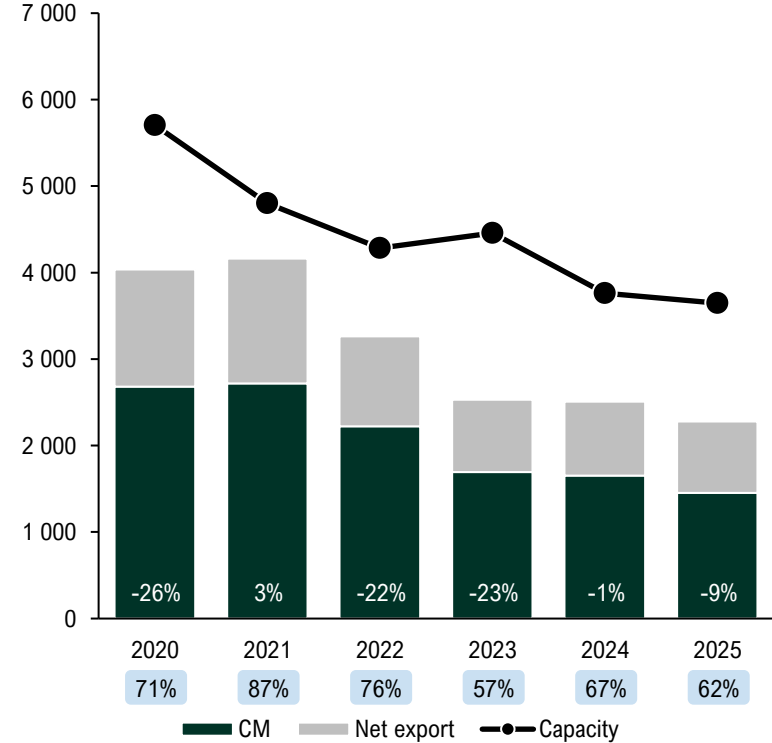
Uncoated mechanical market balance Western Europe

Thousand tonnes and change in demand (and utilisation rate)



Coated mechanical market balance Western Europe

Thousand tonnes and change in demand (and utilisation rate)

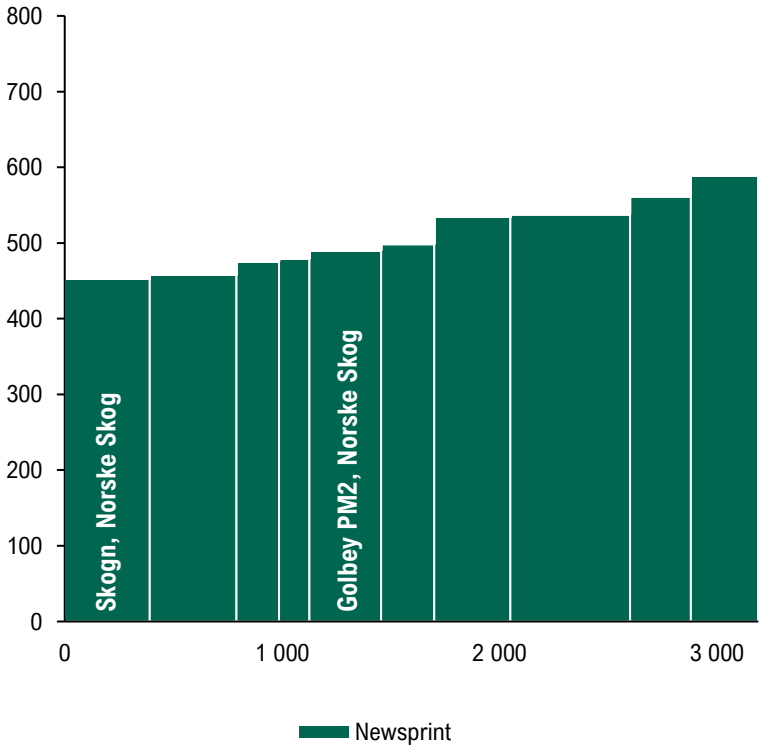


Publication paper cost curves

Norske Skog newsprint machines competitively positioned

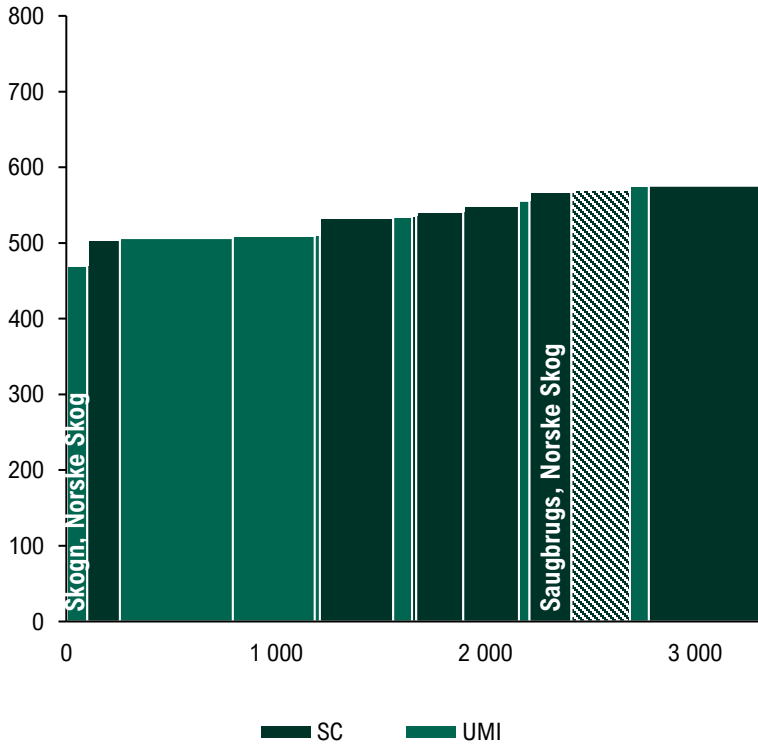
Newsprint cash cost Western Europe

EUR per tonne



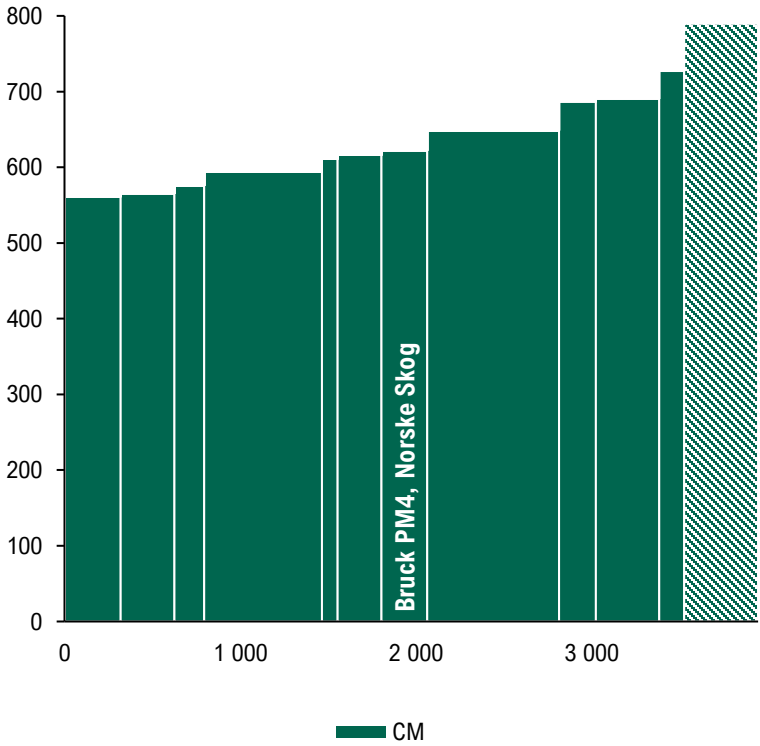
Uncoated mechanical¹ cash cost Western Europe

EUR per tonne



Coated mechanical cash cost Western Europe

EUR per tonne



Source: RISI Fastmarkets
1) Excluding Uncoated Mechanical Other (UMO) grades
UMI = Uncoated Mechanical Improved; CM = Coated Mechanical

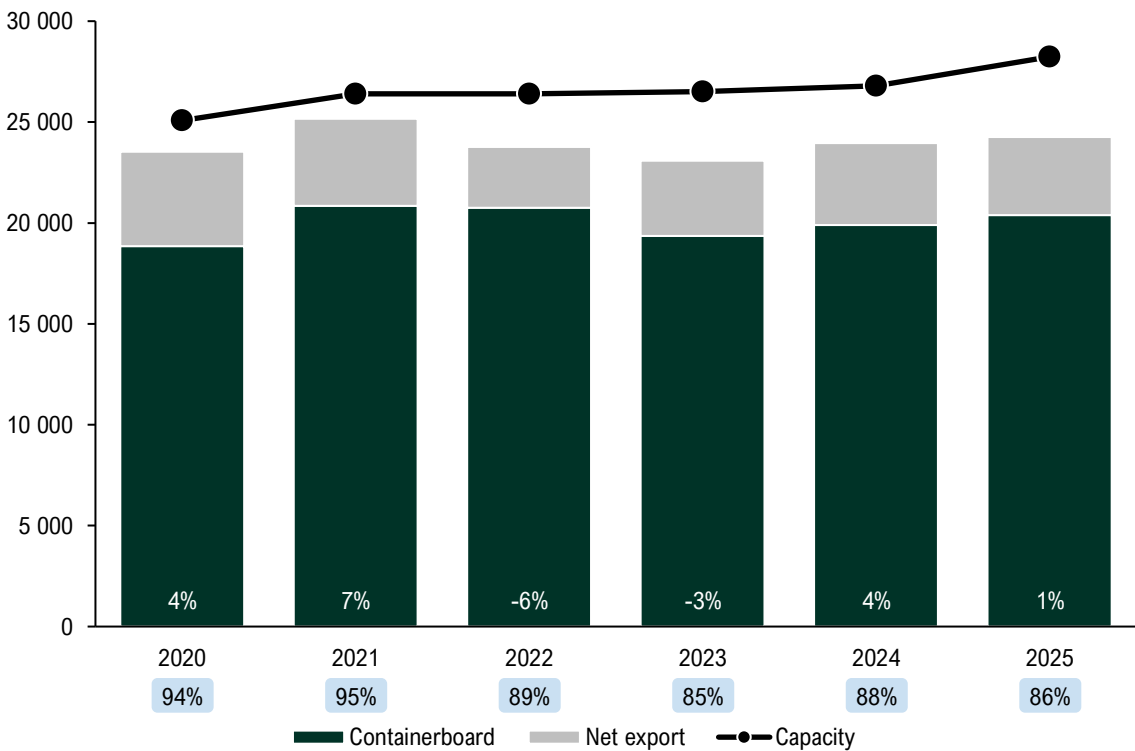


Packaging paper market

Norske Skog increasing market share despite excess capacity in the industry

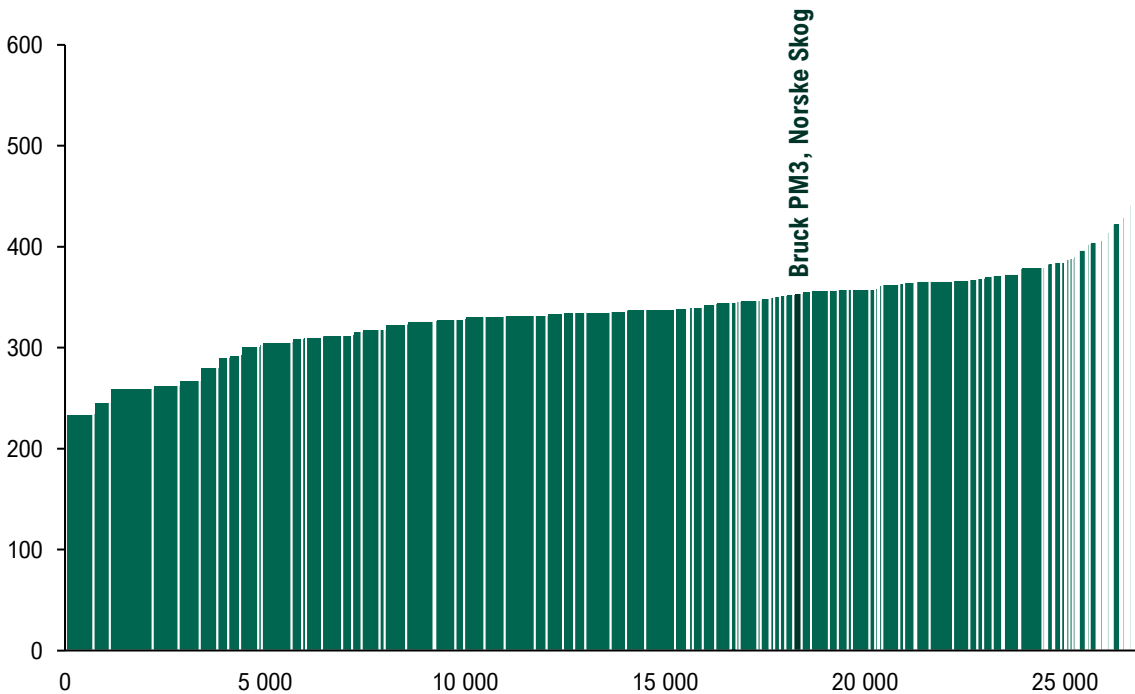
RCCM market balance Western Europe

Thousand tonnes and change in demand (and utilisation rate)



RCCM cash cost Western Europe

EUR per tonne

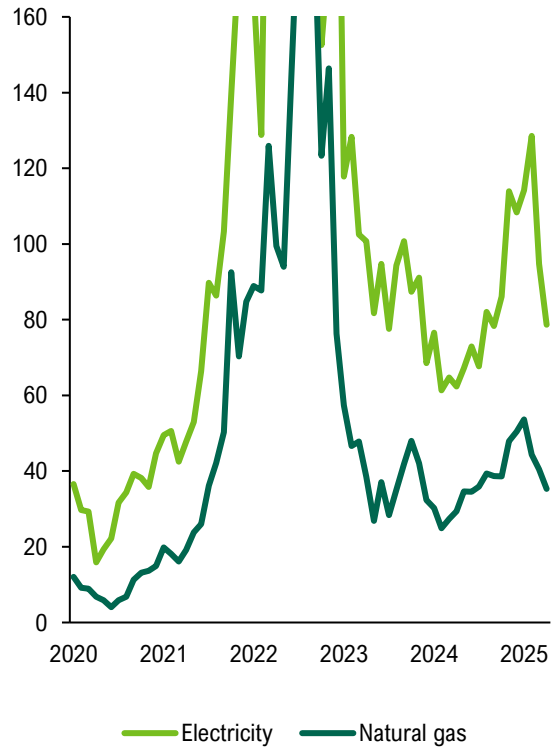


Raw materials

Continued high costs for raw materials impacting profitability

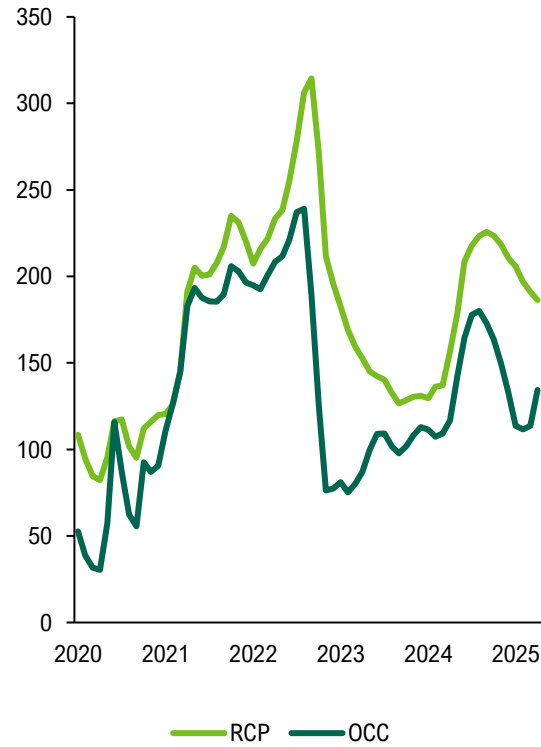
Energy prices Germany

EUR per MWh



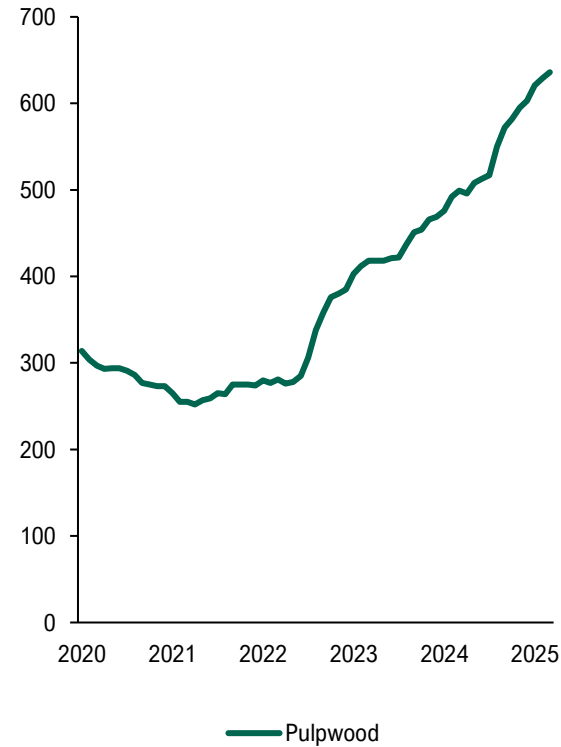
Recycled paper prices Germany

EUR per tonne



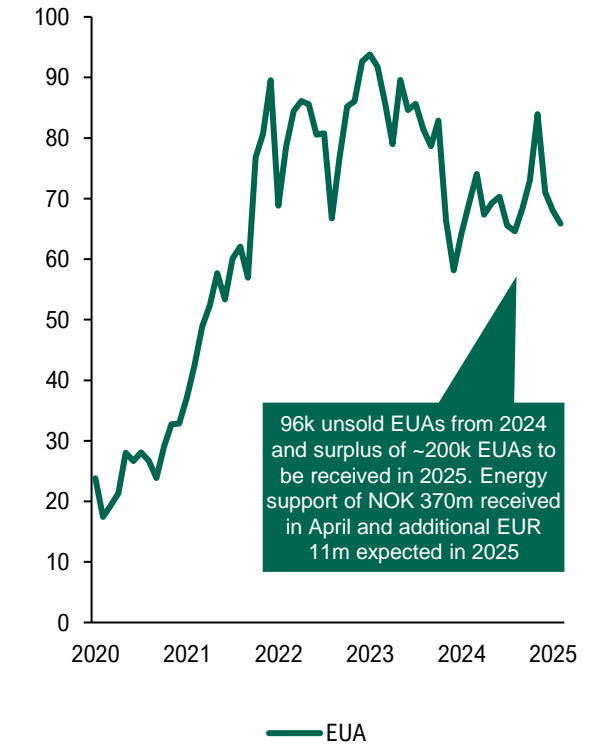
Spruce pulpwood prices Norway

NOK per solid cubic metre



EUA price

EUR per allowance

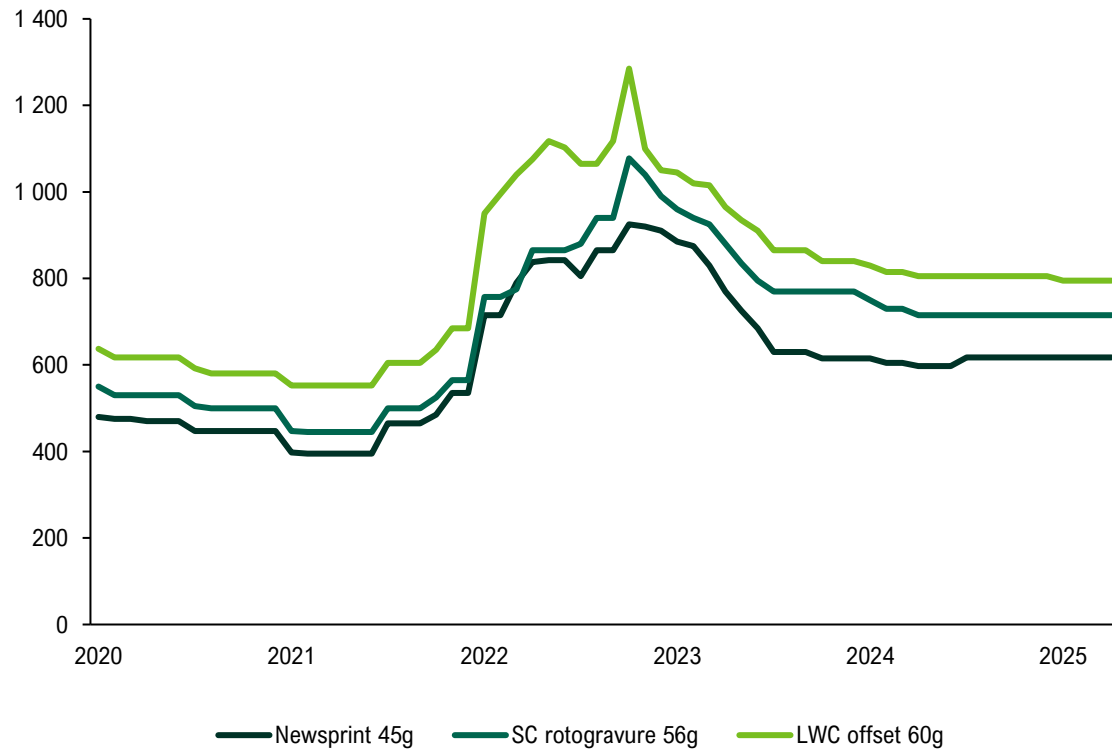


Paper prices

Prices track marginal producer cash cost, increases required for all grades

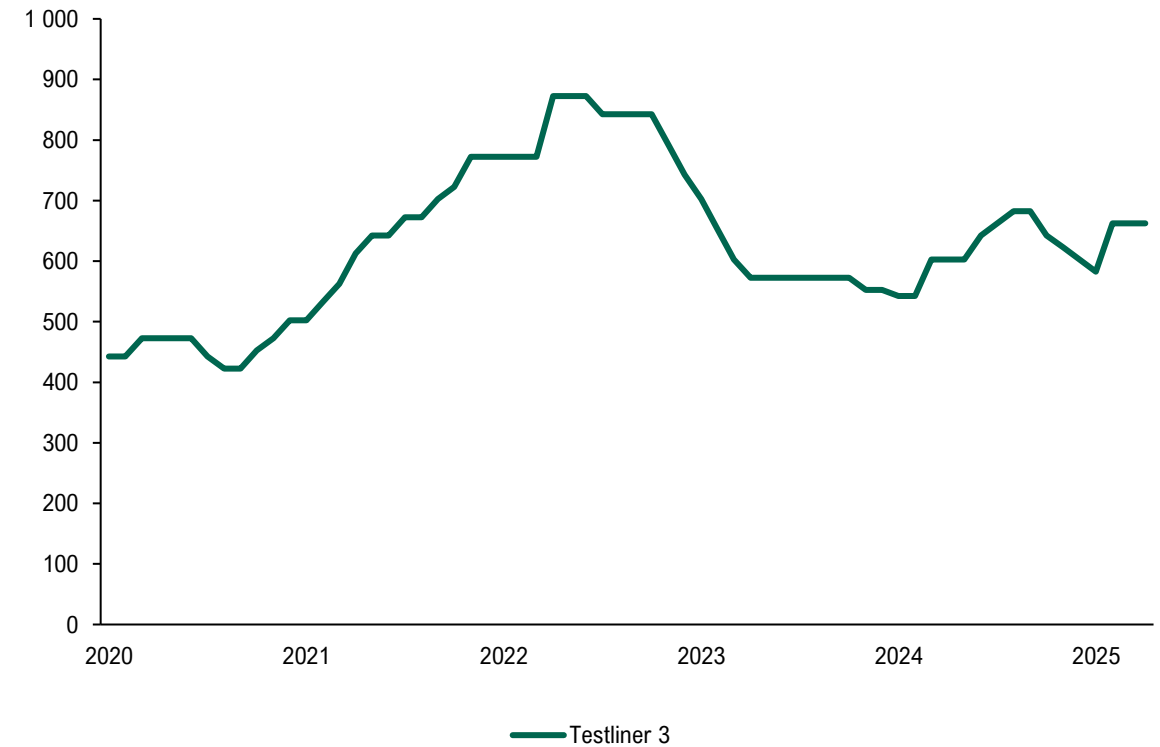
Publication paper prices Germany

EUR per tonne



Recycled containerboard index Germany

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Reviewing future opportunities at Saugbrugs

Studies completed and under review



BCTMP project

- Project study completed and under review
- Regulation process and environmental application progressing towards completion in a few months
- Expected net investment of NOK 1.5-2.0bn

Paper machine 6 (PM6) restart

- Project study completed and under review
- Expected net investment of NOK 300-350m

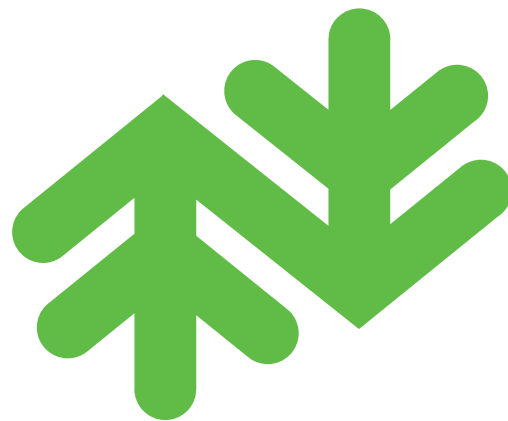


Outlook

Concluding remarks

- Uncertain and volatile operating environment with pressure on profitability
- 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 April 2025 and to reach full utilisation in 2027
- Remaining gross capex at Golbey PM1 expected to be EUR 35-40m and expect to receive EUR ~50m in energy certificates and investment grants during 2026-27
- Monitoring capital and liquidity position closely with several ongoing initiatives to secure financial performance and competitive position going forward





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