



PRESS RELEASE

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# Rottneros interim report January-March 2024

## Good deliveries but production disruptions

**NET TURNOVER** dropped by 8 percent to 688 (744) MSEK. Compared to the fourth quarter of 2023, sales rose by 8 percent due to higher market prices and increased delivery volumes.

**THE LIST PRICE** of NBSK pulp was 5 percent lower in both USD and SEK compared with the first quarter of 2023. Compared to the fourth quarter of 2023, the list price in USD rose by 12 percent and in SEK by 9 percent.

**PRODUCED VOLUME** amounted to 84.3 (89.6) thousand tonnes, which is 15 percent lower than in the same quarter of 2023. The outcome was affected by a cold winter and production disruptions in Vallvik.

**VOLUME SOLD** amounted to 89.8 (82.6) thousand tonnes, an increase of 9 percent.

**EBIT** (operating profit) was 5 (149) MSEK. Compared with the same quarter in 2023, pulp prices were lower, while wood costs were higher. Profit was also affected by lower production at Vallvik Mill.

**NET PROFIT** for the quarter amounted to -2 (118) MSEK. Earnings per share totalled -0.02 (0.77) SEK.

**THE BALANCE SHEET** remains strong. The equity/assets ratio was 65 (66) percent and available liquidity totalled 427 (860) MSEK. Net cash amounted to 12 MSEK.

**DIVIDEND** The AGM resolved, in accordance with the Board's proposal, to pay a dividend of 0.50 SEK per share, or 63 percent of net profit in 2023.

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## Statement by the CEO

**Production-related challenges at Vallvik Mill resulted in –disappointing first-quarter earnings. At the same time, production at Rottneros Mill continued to show strong growth and the CTMP line achieved a new record for a single quarter. Production at Vallvik was mainly hampered by the cold weather in January, along with some other isolated disruptions in the latter half of the quarter. Through our systematic approach and the great dedication of our personnel, we have addressed the sources of the disruptions, and production has been running smoothly at the start of the second quarter. The pulp market continues to strengthen with gradual price increases since the beginning of the year.**

The production disruptions at Vallvik Mill combined with lower pulp prices led to a 3 percent drop in net sales for comparable units from the same quarter last year, down to 688 MSEK. EBIT fell to 5 MSEK as a result of the same factors combined with higher pulp wood prices. The weak production development at Vallvik Mill is estimated to have affected the result





by approximately 30 MSEK. Compared to last year the mill's production decreased by 15 percent compared. At the same time, production at Rottneros Mill continued to develop strongly, +13 percent, setting a new record for the CTMP line. For the Group as a whole production fell by 6 percent.

In the coming 12–18 months, we will step up the pace of our continuing maintenance investments to secure high and stable production in our mills, as we build for the future through our major investment projects. These projects include expanded CTMP capacity and solar cells with associated battery storage at Rottneros Mill and the tall oil plant at Vallvik. The projects are proceeding according to plan, with start-ups scheduled for the summer and autumn. Consequently, we are in a more intensive phase, with the investments for the quarter totalling 82 MSEK.

### **Continued strong competition for pulp wood but we benefit from our close supplier relationships**

Although competition for pulp wood remained intense, our pulp wood supply was favourable, with good availability of wood and chips during the quarter. Clearly, our emphasis on maintaining close and long-term relationships with our suppliers is yielding results. This is crucial in minimising the amount we import from the Baltics at higher prices. While the rate of price increases for wood raw materials has slowed somewhat, the overall trend remains upward. Through Nykvist Skogs, we have deepened our relationships with a number of sawmills in recent years. This has been very successful and benefits our access to wood chips.

### **Favourable pulp market with positive price trend**

The trend in the pulp market is positive. During the quarter, we saw gradual price increases, from around 1,250 USD per tonne for bleached chemical long-fibre pulp at the turn of the year to just over 1,450 USD in mid-April. As inventory levels have dropped and deliveries have risen, we are observing a distinct trend shift among our customers, who are now interested in increasingly larger volumes. Short fibre pulp prices are also on the rise, which could benefit the demand and pricing of CTMP in the future.

### **Strong and growing interest in our climate-friendly packaging solutions**

We continue to notice considerable interest in our climate-friendly packaging solutions within Rottneros Packaging. Work on our investment in Poland together with Arctic Paper is progressing with production expected to begin in the third quarter.

### **Our robust finances are crucial to the Group's long-term development**

Our solid balance sheet continues to give us the peace of mind to develop our business over the long term to create value while distributing a significant share of our net profit to our shareholders. Our well-attended Annual General Meeting in Sunne decided to pay a dividend of 0.50 SEK per share, which corresponds to just over 60 percent of earnings per share in 2023. At the same time, the equity to assets ratio at the end of the quarter was a robust 65 percent, while available liquidity was 427 MSEK.

In closing, I would like to express my warmest gratitude to all my colleagues for their wholehearted dedication, especially when we face tough challenges. I would also like to thank our customers, suppliers, owners and the Board for their close and fruitful co-operation.

Lennart Eberleh, President and CEO

**(For full report, see attached pdf)**

*This information is such information that Rottneros AB is required to disclose in accordance with the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication on 25 April, 2024 at 08.00 by the contact person below. This report has been prepared in both a Swedish and an English version. In the event of deviations between the two, the Swedish version shall prevail.*





# Reminder; Invitation to Rottneros' presentation of interim report Q1 2024

All participants can follow the presentation via the web link at 12.00 CET 25 April 2024.

[Rottneros - Q1 Presentation 2024 - Finwire](#)

The presentation will be held in English. Questions can be asked in English or Swedish, via the link in advance or during the presentation.

You can also watch the presentation afterwards via [Rottneros' Youtube channel](#) and website: [Rapporter & presentationer | Rottneros](#)

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*Rottneros is an independent producer of market pulp. The Group comprises the parent company Rottneros AB, listed on Nasdaq Stockholm, and its subsidiaries Rottneros Bruk AB and Vallviks Bruk AB with operations involving the production and sale of market pulp. The Group also includes Rottneros Packaging AB, which manufactures fibre trays, and the wood procurement company SIA Rottneros Baltic in Latvia and the forest operator Nykvist Skogs AB. The Group has a turnover of approximately SEK 2,7 billion and has about 290 employees.*

