

# Q3 report 2024

23 October 2024



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ROTTNEROS



# Highlights Q3

**40** MSEK  
EBIT for Q3 2024



Stable demand in  
selected niches



High raw material costs

**319** MSEK

Invested in  
assets during the year

# Market

Increased spread between  
BSK and BHK



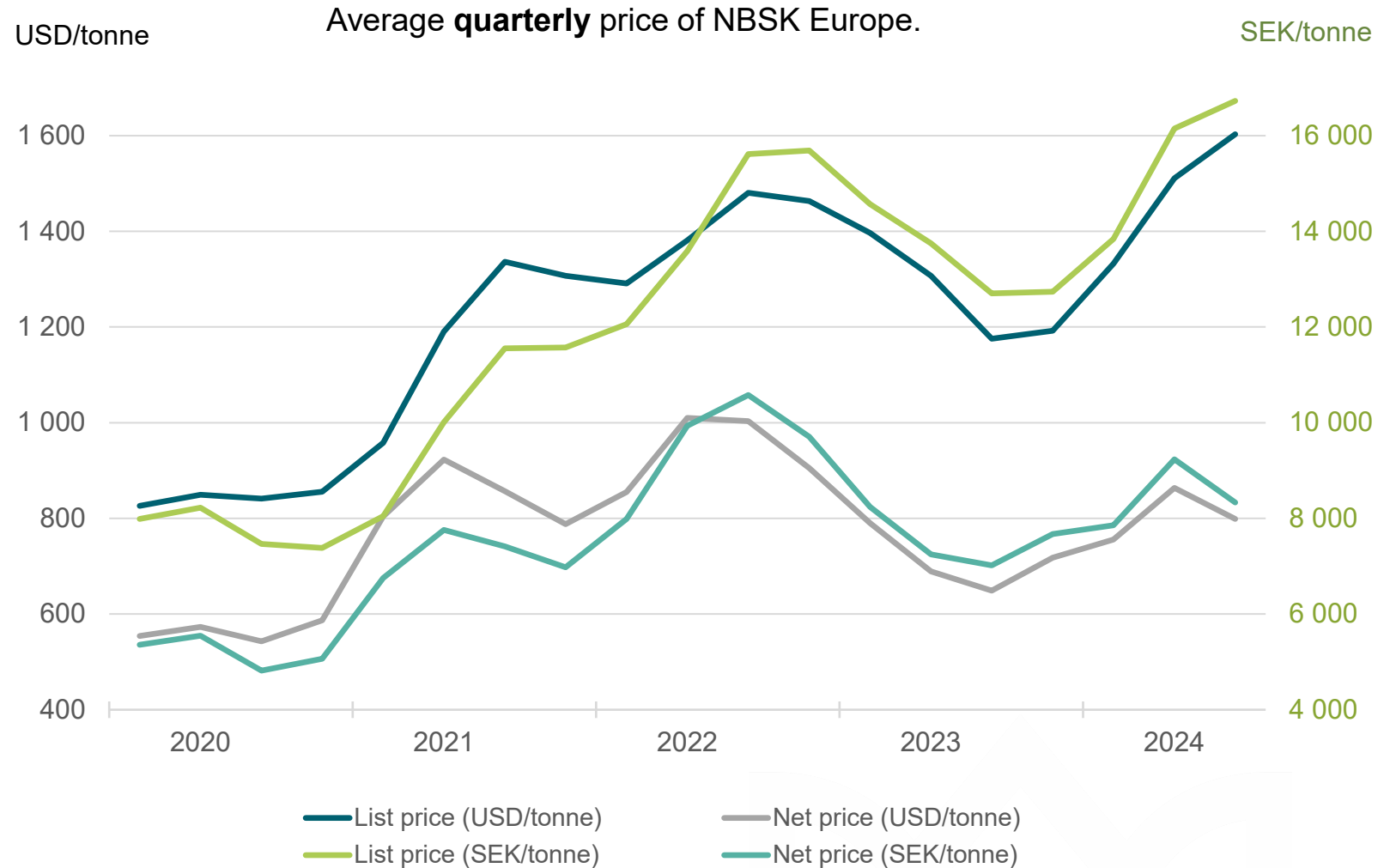
# PULP MARKET

A cyclical

**NBSK list price at peak**

**Stable demand**

**Favorable USD/SEK**



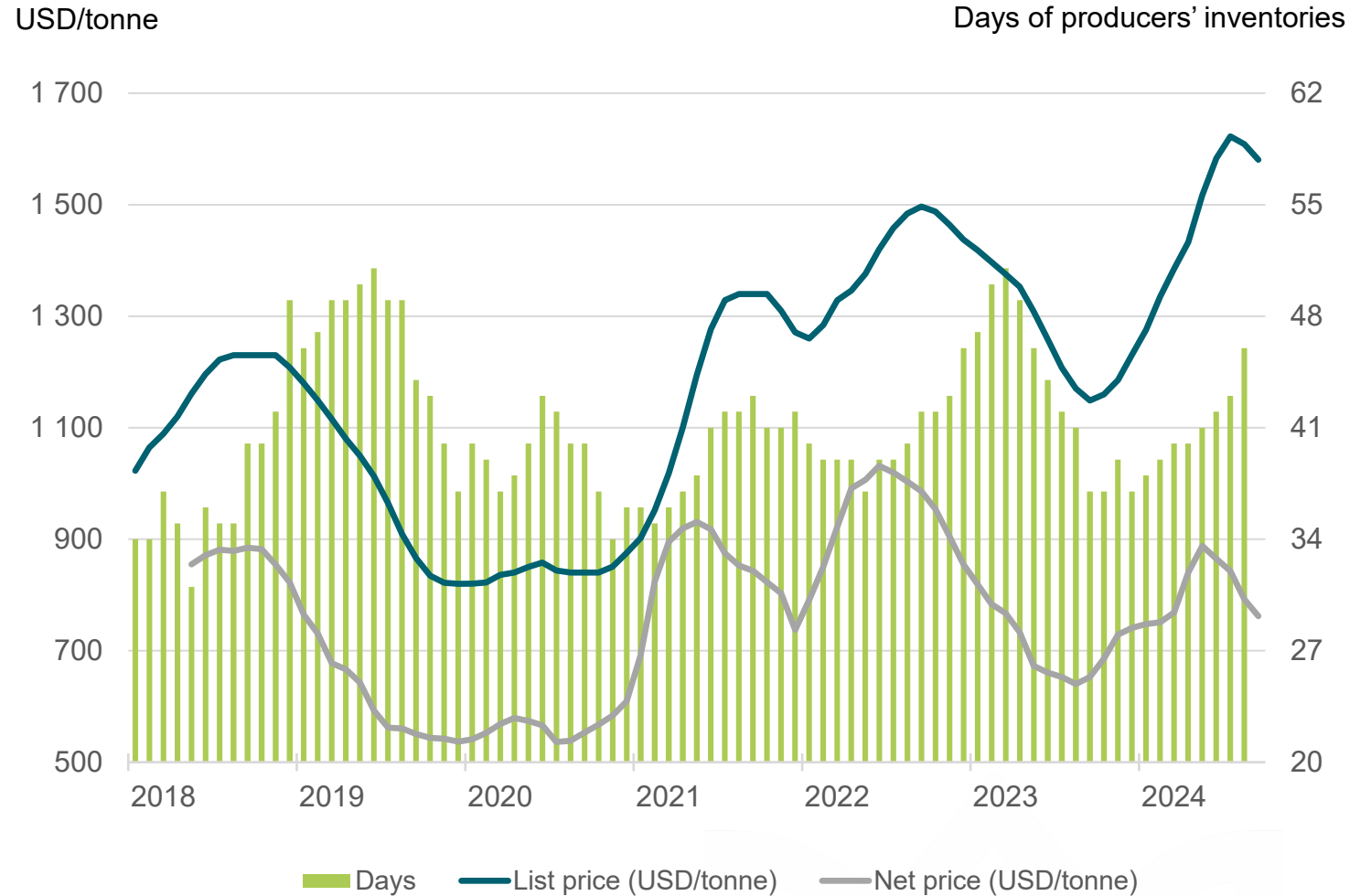
# SUPPLY AND DEMAND

## Producers' inventories and price

Producer stocks increasing

Oversupply of BHK

Good regional demand



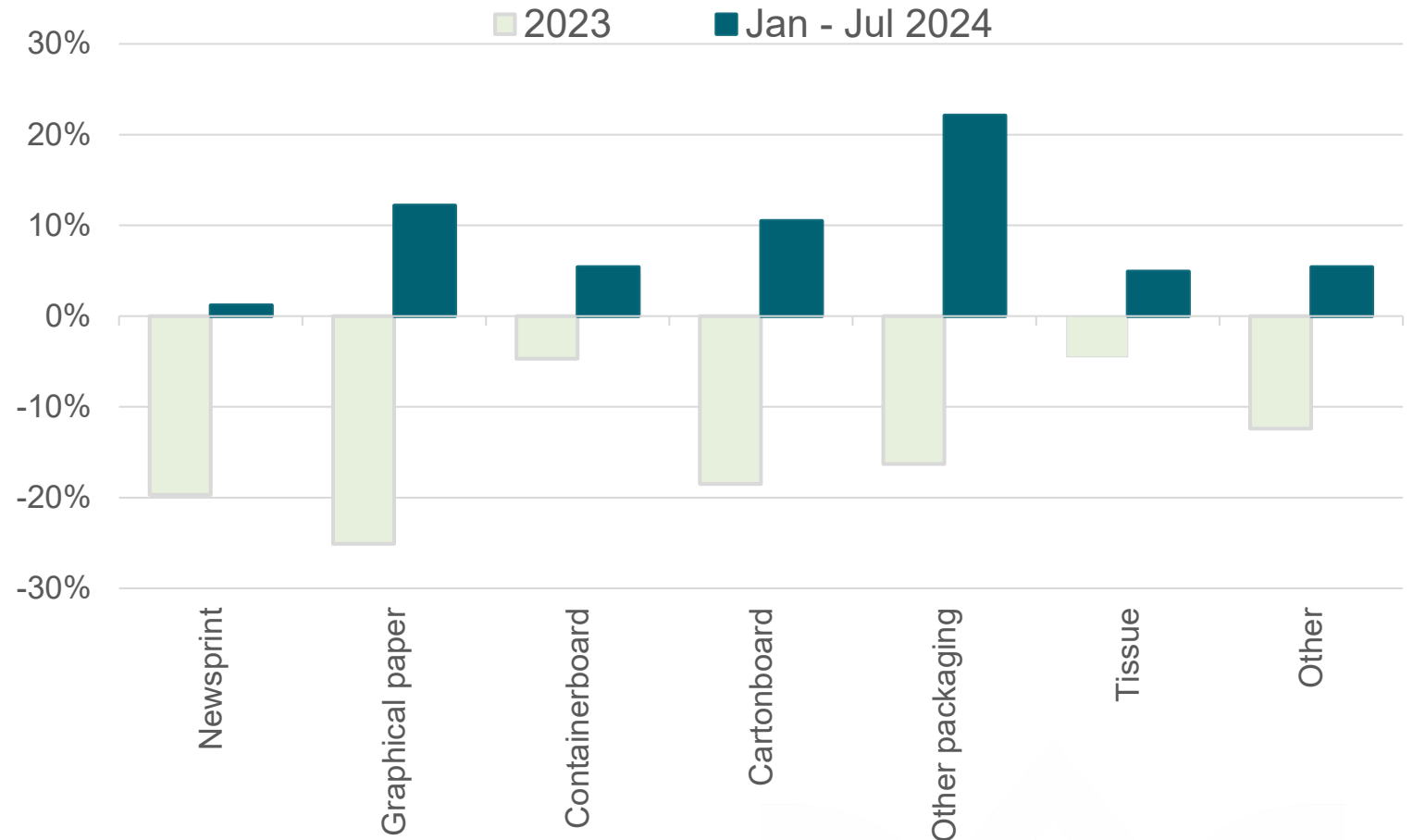
# PRODUCTION EUROPE

Compared to previous year

Europe is Rottneros' main market

Recovery after a weak 2023

Jan - Jul 2024 increase by 8%

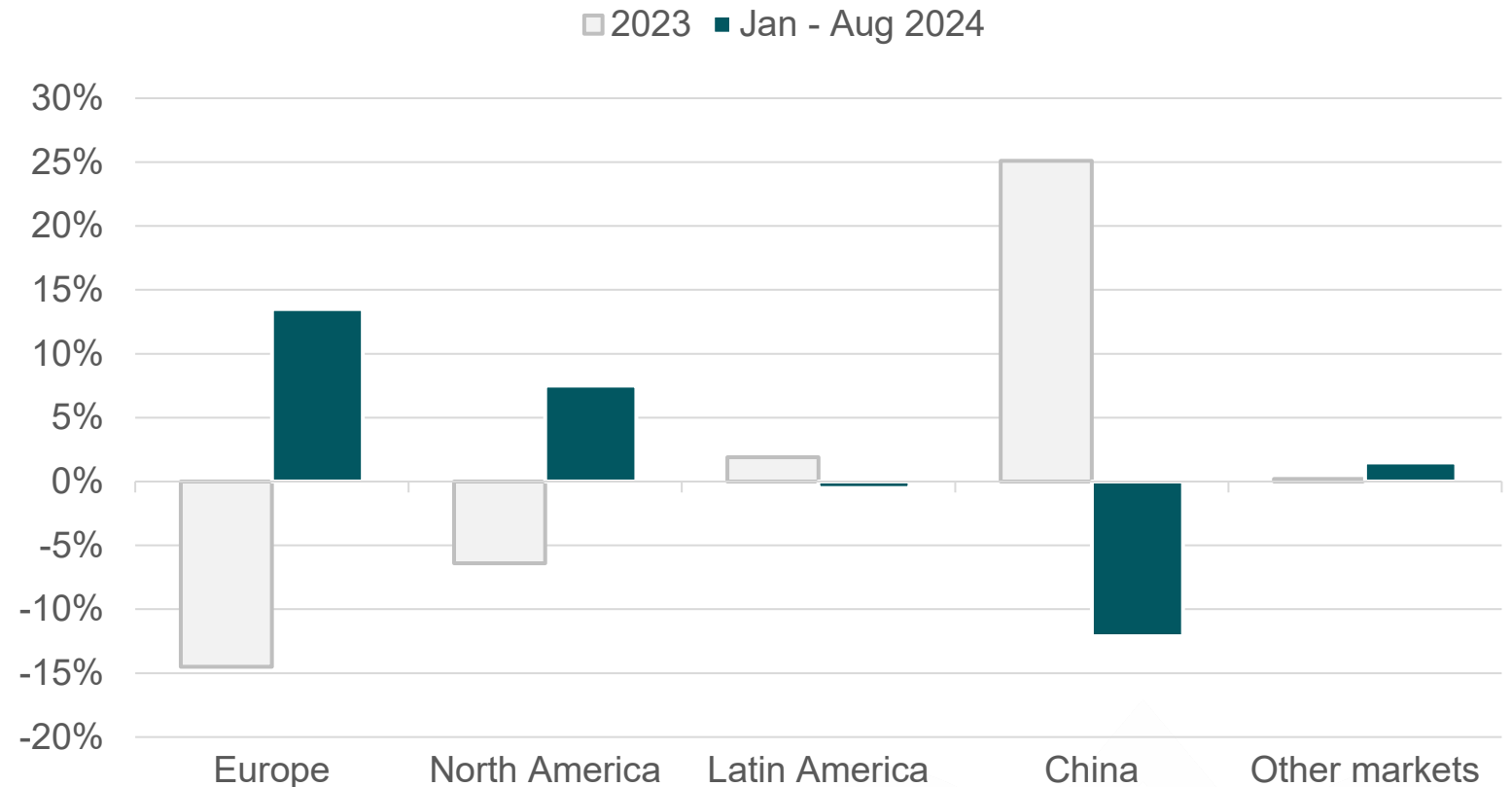


# DELIVERIES OF CHEMICAL MARKET PULP

Compared to previous year

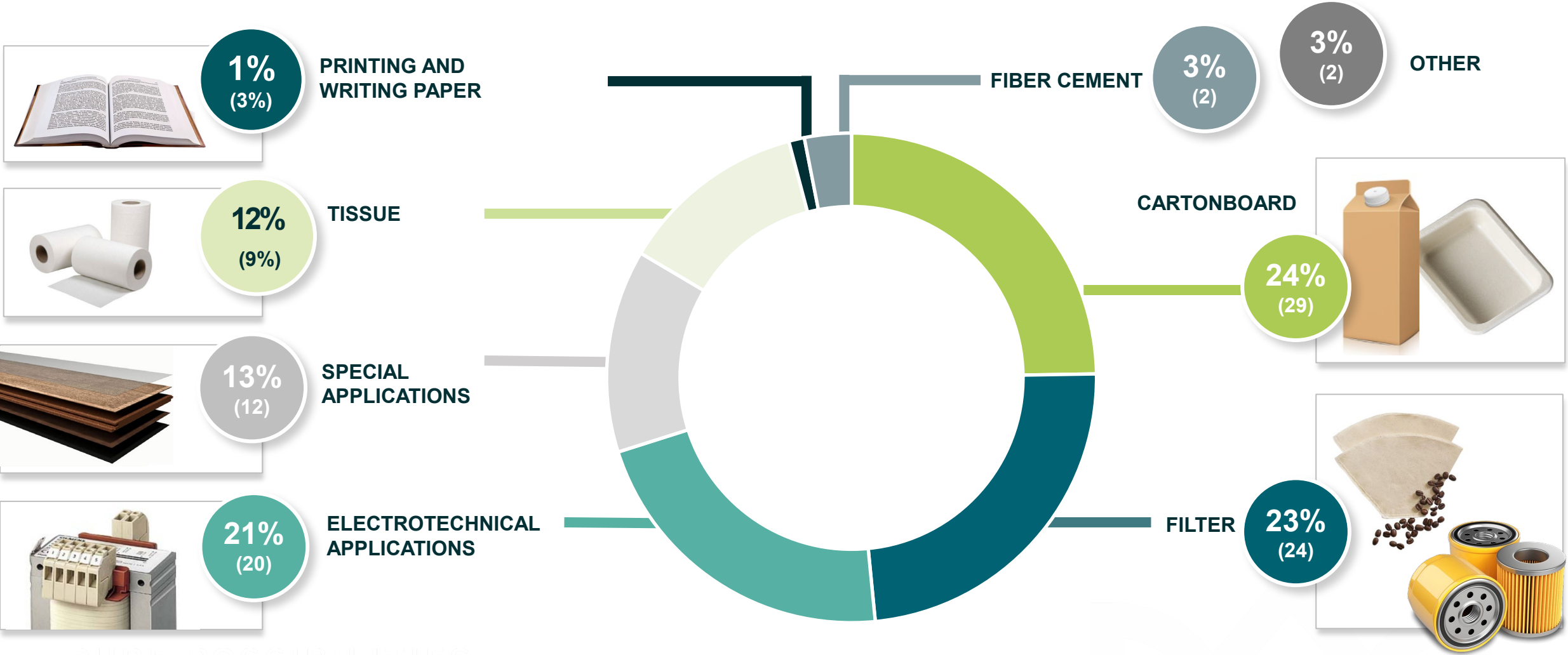
**Demand decreased  
by -1,0%**

**China's share of  
the pulp market is  
approx. 40%**



# Rottneros' pulp-sales per application

Sales of pulp 1-9 2024 (FY 2023)



PURE POSSIBILITIES





# Result

Squeezed margins



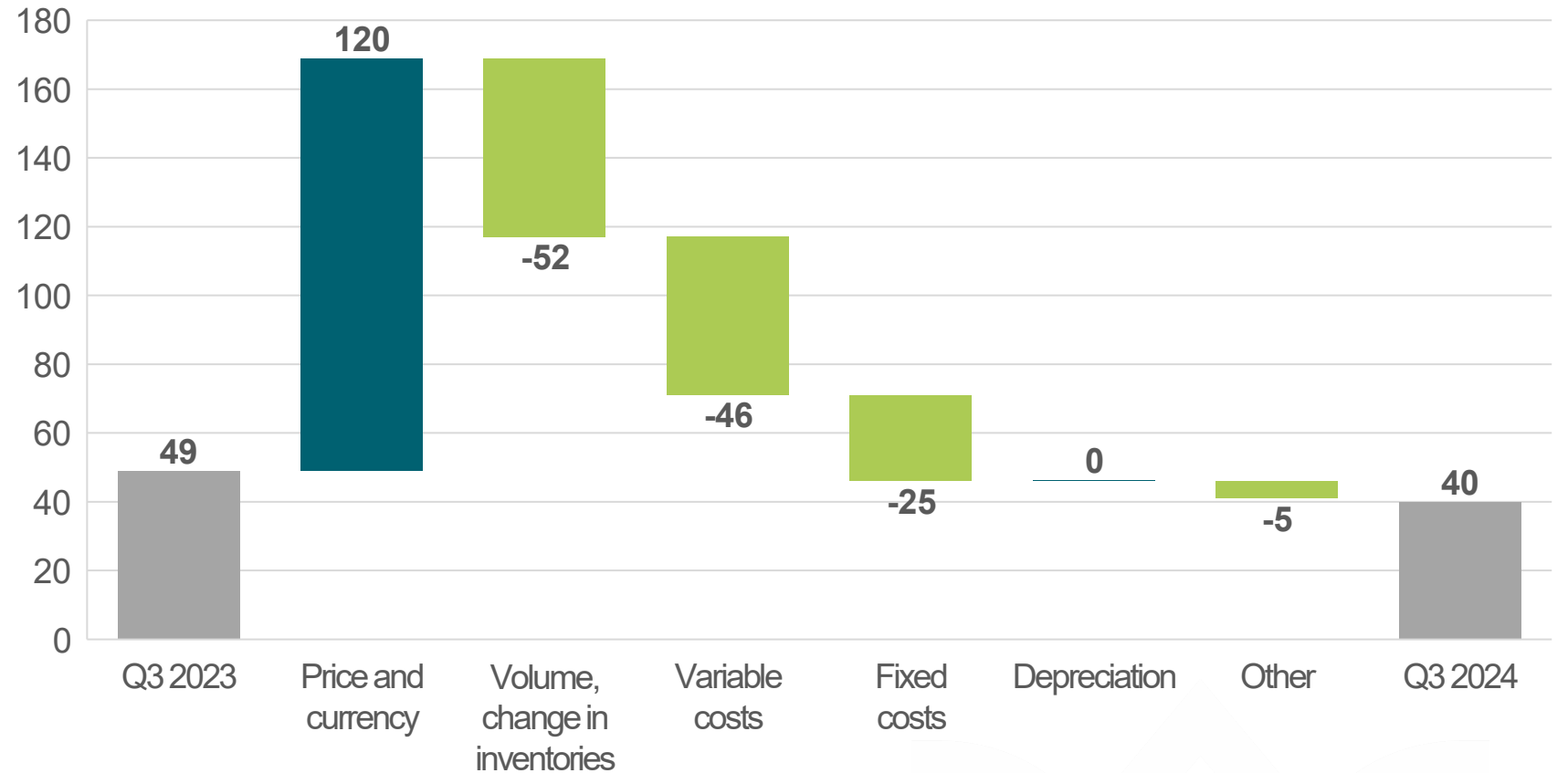
# EBIT Q3 2024 VS. Q3 2023

Higher sales price

Lower sales volumes

High raw material and fixed costs

(MSEK)

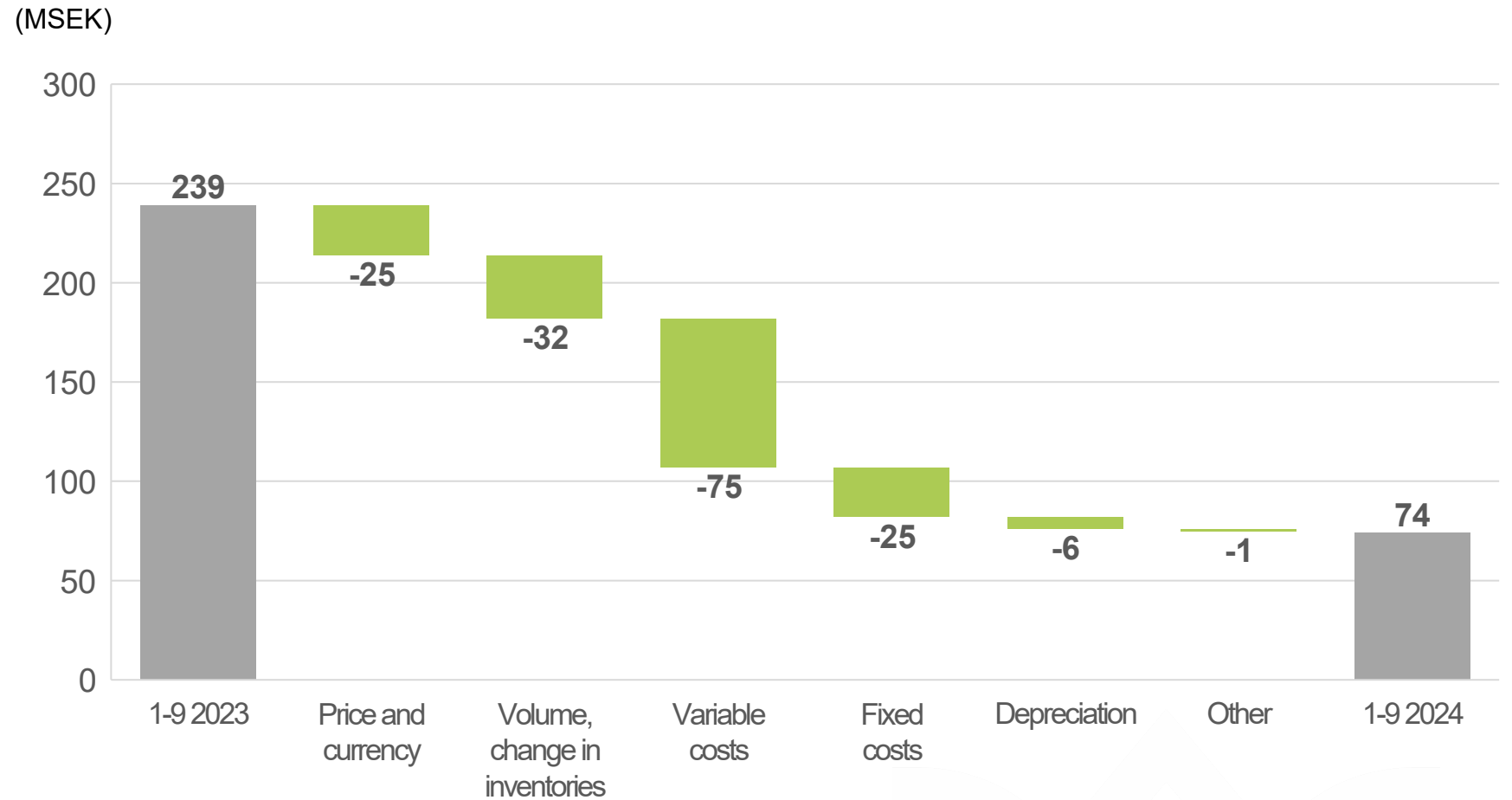


# EBIT 1-9 2024 VS. 1-9 2023

Lag in sales prices

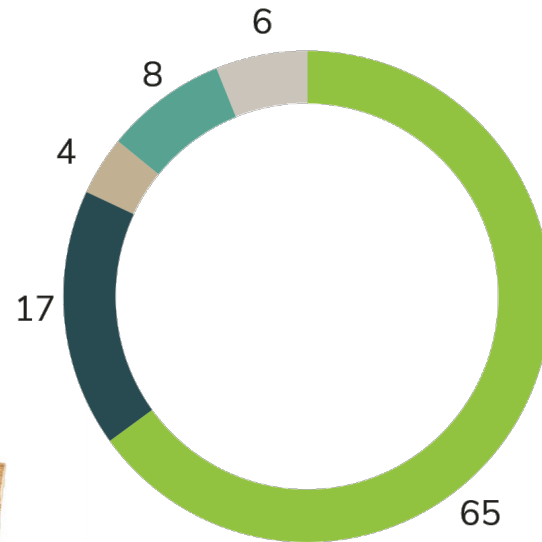
Lower sales volumes

High variable costs





# Stable wood supply in 2023



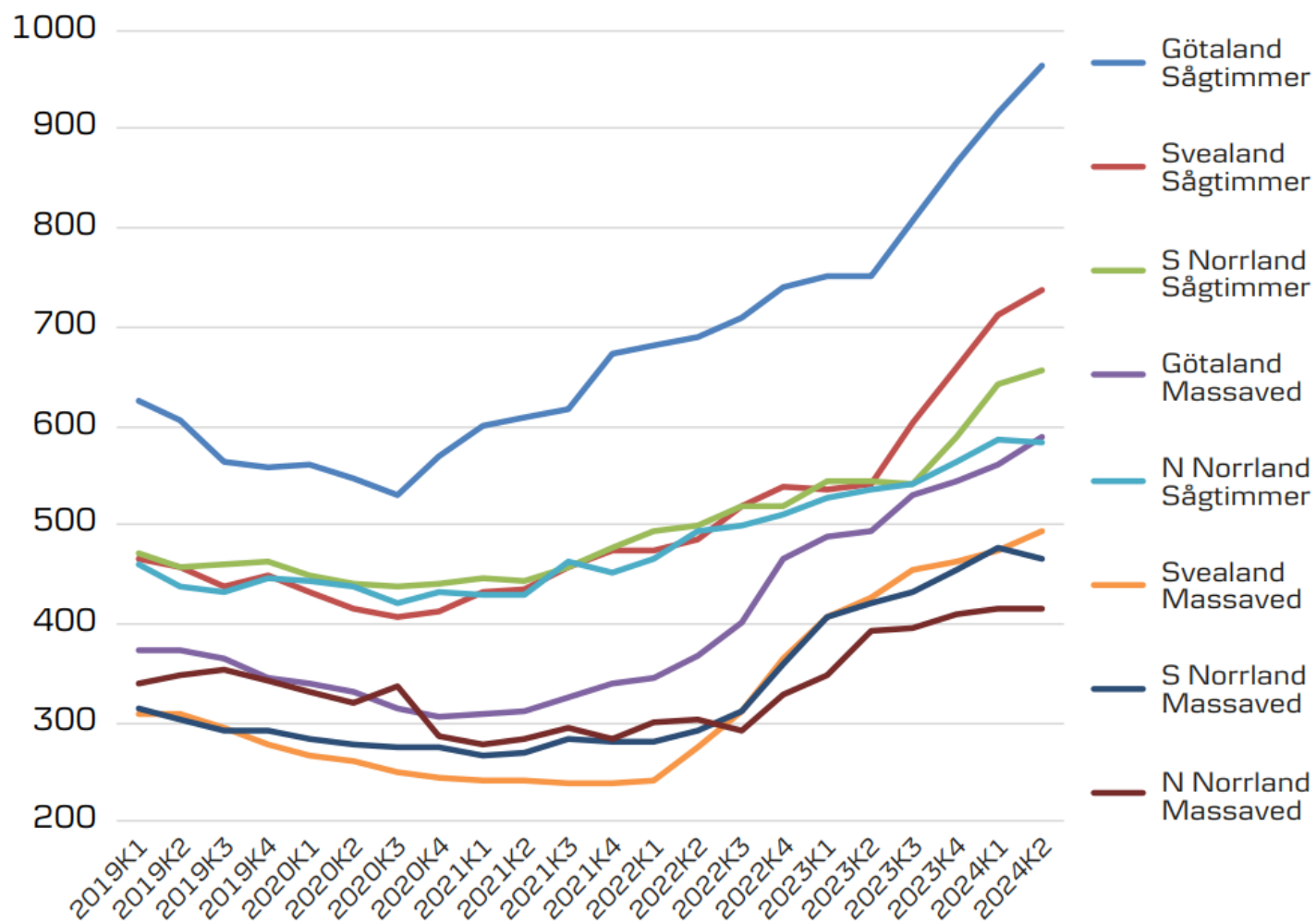
Share of the group's variable costs (%)

- Wood
- Chemicals
- Electricity
- Fuel
- Others



# Pulpwood prices on the rise

Prices in SEK/m<sup>3</sup> by region and quality



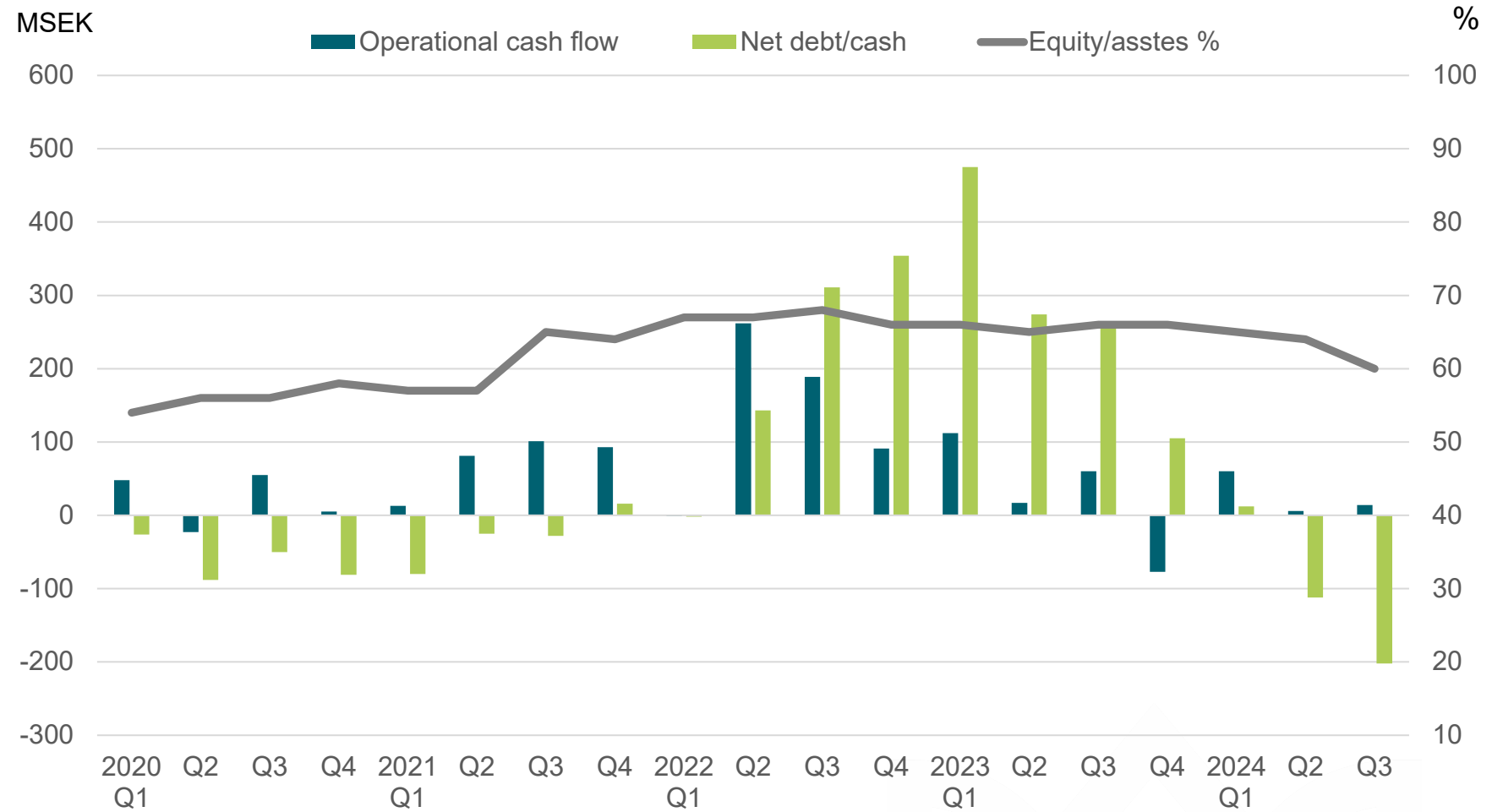
Source: Skogsstyrelsen/Danske Bank

# EFFICIENT AND SOLID BALANCE SHEET

Available liquidity  
258 MSEK

Investments 319 MSEK

Long-term financing



PURE POSSIBILITIES



# The way ahead



# Trends favoring pulp

## TISSUE



## E-COMMERCE



## RENEWABLE ENERGY



## SUSTAINABILITY



# Global access to fiber

Softwood has limited growth potential

## Canada/BC

- Decreasing annual allowable cut
- Saw mill industry
- Costs
- Mountain pine beetle
- Decreasing BSKP production

## Nordics (2nd largest BSKP capacity region)

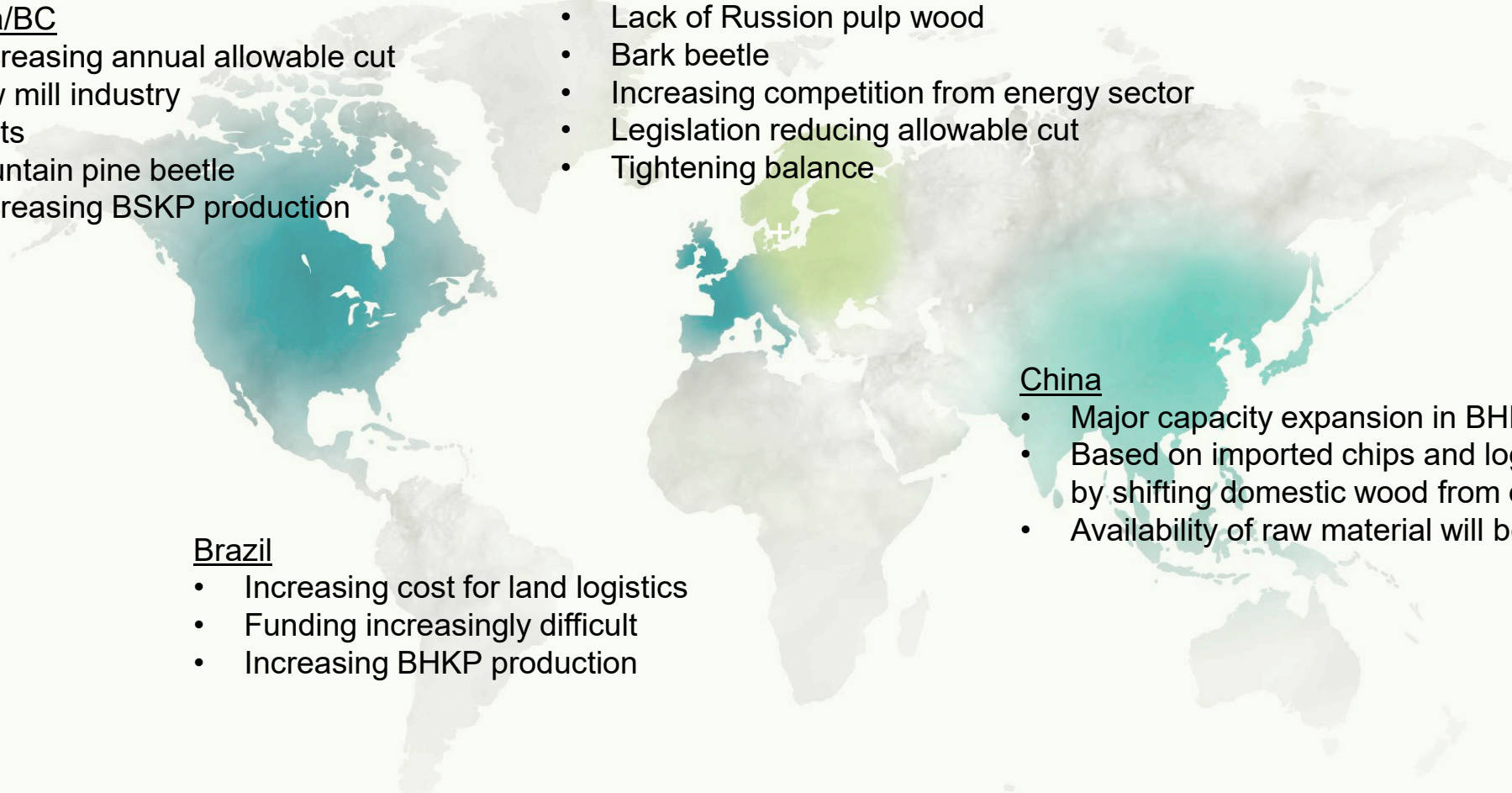
- Lack of Russian pulp wood
- Bark beetle
- Increasing competition from energy sector
- Legislation reducing allowable cut
- Tightening balance

## Brazil

- Increasing cost for land logistics
- Funding increasingly difficult
- Increasing BHKP production

## China

- Major capacity expansion in BHKP and APMP
- Based on imported chips and logs or by shifting domestic wood from other sectors (building)
- Availability of raw material will be limiting





# SUMMARY

**Stabilized operations**

**Finalizing investments**

**Strong balance sheet**



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# Questions and answers