



PRESS RELEASE

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Rottneros interim report January-September 2024

Higher raw material costs impact profit

NET TURNOVER decreased by 1 percent to 686 (693) MSEK. Compared with the second quarter of 2024, turnover decreased by 4 percent due to lower sales volumes.

THE LIST PRICE of NBSK pulp was 36 percent higher compared with the third quarter of 2023. Compared with the second quarter of 2024, the list price rose 6 percent. The market price of CTMP decreased by 3 percent compared with the third quarter of 2023 and by 9 percent from the second quarter of 2024.

PRODUCED VOLUME amounted to 90.6 (88.7) thousand tonnes, which is 2 percent higher than in the third quarter of 2023.

VOLUME SOLD amounted to 82.1 (102.3) thousand tonnes, a decline of 20 percent. The sales volume was higher than normal in the third quarter of 2023.

EBIT (operating profit) was 40 (49) MSEK. Higher selling prices were offset by lower sales volumes and higher costs.

NET INCOME for the quarter amounted to 28 (33) MSEK. Earnings per share totaled 0.18 (0.22) SEK.

THE BALANCE SHEET remains strong. The equity/assets ratio was 60 (66) percent. Available liquidity amounted to 258 (696) MSEK. Net debt was 202 MSEK.

INVESTMENTS in the ongoing investment program are in the final phase and amounted to 319 (172) MSEK for the period January – September.





Statement by the CEO

Our production remained relatively stable in the third quarter, but rising raw material costs continued to negatively impact our earnings. Although the chemical pulp market experienced a slight slowdown, our customers continue to show interest in expanding volumes in our chosen niches. All three major investment projects at our mills are starting up this fall. As before, safety, efficiency, and high availability at our mills are of the utmost importance to ensure that our employees feel safe in their workplace and can achieve optimal results despite external challenges.

The serious workplace accident at Rottneros Mill in June is deeply regrettable, and we take this matter very seriously. The safety of our employees is always at the top of our agenda. We, along with the relevant authorities, are conducting a thorough investigation into the cause of the accident. We have completed our part of the investigation and submitted it to the authorities. Our employee, who sustained the most severe injuries, is now recovering at home following an extended hospital stay.

Total production for the group increased by 2 percent compared with the same quarter last year. EBIT fell by 9 MSEK to 40 MSEK, mainly due to higher wood costs, which increased by about 40 MSEK. Gradually rising competition for pulp wood is driving prices upward. Meanwhile, our own supply of wood and wood chips remains strong, largely due to our long-term efforts to foster close relationships with our suppliers, which are mainly sawmills and timber companies.

The quarter was also impacted by some costs associated with the annual maintenance shutdown in Vallvik, although most of the shutdown occurs in the fourth quarter. The annual production shutdown at Rottneros Mill will also occur in the fourth quarter this year, in contrast to last year when it was held in September.

Our major investment projects are in the final phase

All three major investment projects at our mills will gradually start up this fall. They include the expanded CTMP capacity, set to be commissioned at the end of October, as well as solar panels with battery storage at Rottneros Mill and the tall oil plant in Vallvik, both of which are already up and running. At the same time, we are keeping up a fast pace of ongoing maintenance investments to ensure stable and reliable production. Investments in the first nine months totaled 319 MSEK. Total Investments for the year are estimated to be approximately 460 MSEK.

The market has experienced a slight slowdown

The market for pulp softened slightly in the third quarter. The weak demand trend in China, which started in the previous quarter, continued, and by summer Europe had also experienced a slowdown.

The list price for bleached chemical softwood pulp dropped from 1,620 USD per tonne at the end of June to 1,560 USD by the end of the quarter. Inventory levels rose after weak demand in August. Customers in our niches, such as e-pulp and filters, remain interested in increasing volumes. The CTMP market remains relatively weak, largely because of declining demand in China and in the packaging board segment as a whole. Our profitability in CTMP is also impacted by lower global market prices and higher raw material costs. As a result, we implemented some minor limits on production at Rottneros Mill during the quarter.

Packaging: production start in Poland planned for the fourth quarter

Our project for large-scale production of molded fiber trays in Poland in partnership with Arctic Paper has been slightly delayed by longer than expected transport times





for the equipment. -Production is now scheduled to begin in the fourth quarter. -Interest in our fossil-free and climate-friendly packaging solutions is steadily growing.

Our strong finances allow for strategic flexibility

Despite the high pace of investment this year, our balance sheet remains strong. It represents one of the strategic cornerstones in our long-term efforts to expand and grow the business. At the end of September, the equity ratio was 60 percent and available liquidity was 258 MSEK.

In closing, I would like to thank all of our employees for their continuous hard work to take Rottneros to the next level. I also wish to extend my sincere thanks to our customers, suppliers, owners, and the Board for their valuable cooperation.

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 23 October 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 Q2 2024

All participants can follow the presentation via the web link at 12.00 CET 23 October 2024.

[Rottneros - Q3 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

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.

