



PRESS RELEASE

2025-02-06

Rottneros year-end report January-December 2024

Planned maintenance shutdowns at both mills

- **NET TURNOVER** dropped by 2 percent to 626 (637) MSEK. Low stocks limited the sales volume of sulphate pulp during the quarter.
- **THE LIST PRICE** of NBSK pulp was 27 percent higher compared with the fourth quarter of 2023. The price of CTMP fell by 20 percent for the same period. Compared with the third quarter of 2024, the price of both NBSK and CTMP fell by 5 percent.
- **PRODUCED VOLUME** amounted to 74,800 (80,100) tonnes, a decrease of 6 percent. Both Vallvik Mill and Rottneros Mill had their annual maintenance shutdowns during the quarter.
- **SOLD VOLUME** was 72,800 (84,500) tonnes.
- **EBIT** (operating profit) was -28 (-100) MSEK. Compared with the same quarter of 2023, NBSK prices were higher while CTMP prices were lower. Wood costs continued to rise. The planned maintenance shutdowns at both mills also had an impact on profit. During the quarter, emission allowances totaling 76 MSEK were sold.
- **NET PROFIT/LOSS** for the quarter was -27 (-64) MSEK and for the full year 20 (121) MSEK. Earnings per share for 2024 totaled 0.13 (0.79) SEK.
- **BALANCE SHEET:** The equity/assets ratio was 59 (66) percent and available liquidity totaled 385 (528) MSEK. Net debt was 392 MSEK. The long-term loans were refinanced during the quarter.
- **DIVIDEND** Given this year's financial performance and the continued global uncertainty, the Board of Directors recommends that no dividend be distributed for 2024.





Comments by the CEO

Maintenance shutdowns according to plan, continued higher raw material costs and a weak CTMP market

The fourth quarter was shaped in part by the annual maintenance shutdowns at our two mills, which proceeded smoothly and as planned. Consequently, all three of our major investment projects are now up and running. The underlying performance showed improvement compared with the corresponding quarter of the previous year, despite the upward trend in raw material costs. Demand for chemical softwood pulp remains relatively stable in our key markets, with many customers increasing volumes, especially in our niche segments. We continue our structured approach to gradually developing Rottneros in line with our niche strategy, prioritizing safety, sustainability, and profitability.

Production and deliveries for the Group declined compared with the same quarter last year, mainly as a result of the annual maintenance shutdowns carried out at both mills. In 2023, Rottneros Mill scheduled its maintenance shutdown in September. Excluding temporary items, primarily related to the sale of emission allowances, our underlying EBIT rose by approximately 20 MSEK, despite the negative effect of higher wood costs and maintenance shutdowns on comparability. Fixed costs totaled 240 MSEK, compared with 220 MSEK in the same quarter last year.

Raw material costs increased by approximately 27 MSEK during the quarter and 102 MSEK for the full year. Gradually rising competition for wood continues to drive prices upward. Our own supply of wood and wood chips remains strong, largely due to our long-term efforts to foster close relationships with our suppliers. For CTMP, the lower global market prices are putting additional pressure on our profitability. As a result, we implemented some minor limits on production at Rottneros Mill during the quarter.

Major investments are now up and running

All three of the major investments in our mills were gradually commissioned during the autumn. They include the expanded CTMP capacity that was commissioned at the end of October, solar panels with battery storage at Rottneros Mill and the tall oil plant in Vallvik. The latter was commissioned in the third quarter. At the same time, we kept up a fast pace of ongoing maintenance investments to ensure stable and reliable production. For the year as a whole, investments totaled 450 MSEK.

Safety always comes first

Employee safety is always at the top of the agenda. We are committed to addressing these issues systematically and with determination on a daily basis, striving toward our zero vision target for accidents leading to sick leave. It is therefore both significant and deeply satisfying that our efforts paid off, resulting in a reduction in the number of accidents causing sick leave in 2024.

Market remains largely stable, while our niche customers demand increased volumes

Demand for chemical softwood market pulp was relatively stable in our main markets during the quarter. Customers in our niche segments, especially in e-pulp and filters, continued to show strong interest in increasing their volumes. However, the CTMP market is relatively weak, largely because of declining demand in China and in the packaging board segment as a whole.

Packaging: commissioning of production in Poland

Production at our large-scale molded fiber tray manufacturing project in Poland, undertaken in partnership with Arctic Paper, will start during the first quarter. This will enable us to verify our premium product quality, as well as a scalable and competitive production process operating at full industrial scale. Interest in our fossil-free and climate-friendly packaging solutions is steadily growing.





ROTTNEROS

To preserve a continued strong balance sheet, no dividend is proposed for 2024

Despite the high pace of investment this year, our balance sheet remains robust. The Group's financial position must be characterized by a strong equity/assets ratio for good resilience in challenging times. To protect the company's strong balance sheet, the Board of Directors therefore proposes that no dividend be paid to shareholders for 2024. This decision is based on the weak performance, mainly attributable to high raw material costs and the weak market for CTMP.

The equity/assets ratio at the end of the year was a reassuring 59 percent and available liquidity totaled 392 MSEK.

In December, we refinanced our long-term credit facilities, which now total 550 MSEK. As before, the three-year financing agreement includes a sustainability link whereby the interest terms are linked to certain environmental and work environment criteria in the Group's long-term targets.

In conclusion, I would like to thank all my colleagues who continually strive to develop our business, as well as our customers, suppliers, owners and the Board of Directors, for their valuable and productive collaboration.

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 6 February 2025 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 Q4 2024

All participants can follow the webcast live presentation at 12:00 on February 6th via the link:

[Rottneros - Year-end Report 2024 - Finwire](#)

Questions can be asked via the link in advance or during the presentation.

You can also watch the presentation afterwards via [Rottneros' Youtube channel](#) and [website](#).

The presentation will be held in English. Questions can be asked in English or Swedish.

For further information please contact:

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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 fiber trays, and the wood procurement company SIA Rottneros Baltic in Latvia, and the forestry operator Nykvist Skogs AB. The Group has approximately 285 employees and a turnover of approximately 2,7 billion SEK.

