

Year-end report January–December 2022

Solid result with sizable contribution from North America ends an outstanding 2022

Key highlights Q4

- Organic* and currency neutral sales growth of 14%
- Adjusted EBITDA margin of 17% despite soaring cost inflation
- Solid operating cash flow and strong balance sheet
- Shift towards softer demand and declining sentiment
- The Board of Directors proposes an ordinary dividend of SEK 5.50 per share (4.30) and an extraordinary dividend of SEK 2.00 per share (–)

Quarterly data Q4

- Net sales increased by 79% to SEK 11,971 million (6,688), whereof Billerud North America accounted for SEK 4,004 million
- Adjusted EBITDA** increased to SEK 2,092 million (1,075), whereof Billerud North America accounted for SEK 1,123 million (–)
- The adjusted EBITDA margin was 17% (16%)
- Operating profit was SEK 1,353 million (418), including items impacting comparability of SEK -52 million (-177)
- Net profit was SEK 940 million (320)
- Earnings per share amounted to SEK 3.79 (1.55)

Outlook for Q1

- More challenging market conditions for most product categories, with slower demand
- Raw material costs expected to be stable in North America and to increase in Europe
- Billerud to kick-off a three-year efficiency enhancement programme in region Europe

Key figures**

SEKm	Q4 2022	Q4 2021	Change	Jan-Dec 2022	Jan-Dec 2021	Change
Net sales	11,971	6,688	79%	42,590	26,206	63%
Adjusted EBITDA	2,092	1,075	95%	8,219	4,078	102%
Operating profit	1,353	418	224%	5,687	1,989	186%
Adjusted operating profit	1,405	595	136%	5,739	2,166	165%
Net profit	940	320	194%	4,590	1,485	209%
Adjusted EBITDA margin, %	17%	16%		19%	16%	
Adjusted operating profit margin, %	12%	9%		13%	8%	
Adjusted ROCE, %	18%	9%		18%	9%	
Cash flow from operating activities	1,692	1,154		6,829	3,892	
Interest-bearing net debt/adjusted EBITDA	0.6	1.0		0.6	1.0	

* Excluding the acquisition of Verso in 2022 and the divestment of Beetham in 2021.

** For key figures and a reconciliation of alternative performance measures including adjusted EBITDA, adjusted operating profit, adjusted EBITDA margin, adjusted operating profit margin, adjusted ROCE and interest-bearing net debt/adjusted EBITDA, see pages 15-17.

Comments by the CEO

Full-year performance 2022 has been excellent. Organic and currency neutral sales growth for the year was 16%. The EBITDA margin was 19% and earnings per share increased from SEK 7.2 to SEK 20.1. The Board of Directors proposes an approximately 75% increase of dividend to SEK 7.5 per share.

The fourth quarter result was supported by continued outstanding contribution from our newly acquired North American operations. For the Group, the organic and currency neutral sales growth ended at 14% with an EBITDA margin of 17%. However, the profitability level was affected by the soaring cost inflation for raw materials, in particular in Europe. Sales volumes in the quarter landed disappointingly low, mainly due to softer demand and inventory adjustments by some of our customers. In addition, we had several independent disruptions in our manufacturing which affected our operating rates in December.

Our North American operations continued to make a sizable profit and cash flow contribution in the fourth quarter. Earnings in North America were strengthened with input cost coming down and positive currency exchange effects. We maintained prices in Europe, but margins were diluted by the continued cost inflation.

After a period of strong market conditions with increasing prices and inventory-build at customers in the aftermath of the COVID-19 pandemic, our market conditions turned less favourable in the fourth quarter. The shift in market sentiment to slower demand was predominantly driven by customers' temporary destocking and expectations of an economic slowdown.

Since the acquisition in the end of the first quarter, Verso Corporation has been successfully integrated. We have changed our company name to the internationally viable Billerud in all countries. We closed our cost and efficiency programme this year, with total structural savings of SEK 920 million since it was initiated in 2019.

We have a clear long-term growth agenda for cartonboard. We are making good progress on our plans to convert US manufacturing assets to board production. The pre-feasibility study will be completed in the first half of 2023, whereafter a potential investment decision can be taken. We are working with all stakeholders to ensure the success of our plans and are scaling up our board business in the USA with deliveries of our CrownBoard products from Sweden.

Our initiative that aims to start producing bleached chemithermomechanical pulp (BCTMP) in Norway is also supporting these growth plans. Part of our partnership with Viken Skog will involve a long-term supply agreement that will ensure availability of cost-competitive pulp and pulpwood. A potential investment decision for this project is planned for the third quarter 2023.

For the first quarter of 2023, we expect more challenging market conditions with slower demand for graphic paper, sack and kraft paper and paperboard. Customers' destocking



and the future economic uncertainty are expected to have a temporary negative impact on sales volumes. Market conditions for liquid packaging board are expected to remain stable. We expect stable volumes in liquid packaging board with price increases taking effect early in first quarter.

The cost inflation is expected to continue through early 2023. In the first quarter, our costs of wood, energy and chemical will increase in Europe, while logistics costs will be stable. Costs in North America is anticipated to be stable. For 2023, we have hedged 67% of our electricity consumption in Europe and have contracts with fixed prices for almost half of our natural gas consumption in North America.

To mitigate the market slowdown and the inflationary pressure we are prioritizing our need for cost coverage. If necessary, we will take market-related downtime in production. In addition, we are launching a new three-year efficiency enhancement programme, following the successful cost saving programme we closed in the fourth quarter. Examples of improvement areas are lower inventories of finished goods and better processes for shorter delivery times and mix management. The target for the programme is an EBITDA uplift by the end of 2025 run-rate of SEK 1.5 billion. For 2023, we estimate a delivery of SEK 400 million.

Billerud is today diversified in terms of both geographies and product categories, and a large part of our sales is attributed to the demand resilient packaging materials for essential food and drinks. The company's cash generation is solid, and our financial position is strong. The net debt to EBITDA ratio was as low as 0.6 at year-end.

I would like to thank our customers, employees and all other stakeholders for your support in 2022, and I am looking forward to a successful 2023.

Christoph Michalski
President and CEO

Fourth quarter

Sales and results

Net sales for the fourth quarter grew by 79% to SEK 11,917 million (6,688). Net sales excluding currency effects increased by 73%, mainly due to the acquisition of Verso, which was completed on 31 March 2022. Billerud North America (former Verso) had net sales of SEK 4,004 million and sales volumes of 273 ktonnes. Total sales volume for the Group in the quarter was 940 ktonnes (687), negatively impacted mainly by a softer demand and inventory adjustments by some customers. The organic* and currency neutral net sales growth for the Group was 14%.

Adjusted EBITDA increased to SEK 2,092 million (1,075). The higher result was mainly due to the acquisition of Verso. Billerud North America contributed an EBITDA of SEK 1,123 million, including a settlement of the pension liability in the USA of SEK 89 million. For the operations in Europe, the positive price impact was not enough to offset the accelerated cost inflation.

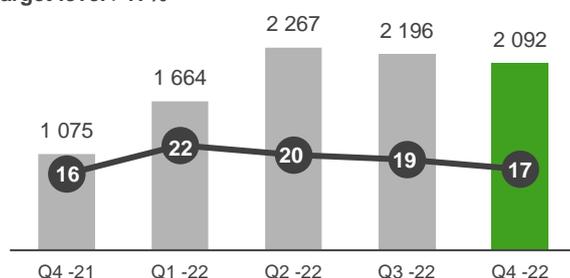
Items classified as affecting comparability of SEK -52 million (-177) was the result of a revaluation of biological assets in the associated company BSÖ Holding AB Group. See more information on page 6.

Market development and outlook

In the fourth quarter 2022, the market sentiment shifted to being less favourable for several product categories. Earlier implemented price increases had effect, and the price levels were essentially maintained, while the volume softened towards the end of the quarter.

For the first quarter of 2023, market conditions are expected to be more challenging for all product categories, except for liquid packaging board and speciality paper, driven by inventory reductions at customers and a softer demand. Price increases for liquid packaging board will mitigate some of the cost increases, while we expect pressure on volumes for most other product categories.

Adjusted EBITDA, SEKm and adjusted EBITDA margin, %
Target level >17%



* Excluding the acquisition of Verso in 2022 and the divestment of Beetham in 2021.

Events in the quarter

Scheduled maintenance stops were carried out in October at Frövi and Rockhammar. The total negative impact of the shutdowns in the fourth quarter amounted to around SEK 170 million, which has higher than estimated mainly due to high contribution margins for the lost volume.

On 5 October, Billerud announced that it will investigate a relaunch of its OptiLabel™ HB made at the Quinnesec mill. Producing this speciality paper, designed for high-end pressure sensitive label applications, not only at the Escanaba mill but also at Quinnesec, will provide more manufacturing flexibility to support the American market.

On 12 October, the company simplified its name to Billerud to cater to its international customers. A new Articles of Association with the name Billerud Aktiebolag (publ) was registered by the Swedish Companies Registration Office in accordance with a resolution made by the 2022 Annual General Meeting. Costs for rebranding activities in the fourth quarter were not material.

On 24 October, the Board of Directors of Billerud appointed Ivar Vatne to Deputy CEO in addition to his responsibilities as CFO. Deputy CEO is a newly created position reflecting the increased scope of the Billerud Group.

On 13 December, the Michigan Strategic Fund approved a 15-year Forest Products Processing Renaissance Zone in support of Billerud's planned transformation of the Escanaba mill. Proposed incentives are subject to an application review and approval process, and actual incentive amounts are subject to the assessed property values each year and the ability of the project to meet programme requirements.

Product area Paper

Key figures

SEKm	Quarter		Full year	
	Q4 -22	Q4 -21	2022	2021
Net sales	6,710	2,138	21,509	8,127
of which graphic paper	2,975	-	8,632	-
of which kraft and speciality paper	1,634	854	5,580	3,511
of which sack paper	1,007	756	3,858	2,726
of which pulp	1,079	517	3,394	1,855
Net operating expenses	-4,811	-1,792	-16,184	-6,739
EBITDA	1,899	346	5,325	1,388
EBITDA margin, %	28%	16%	25%	17%
Operating profit/loss	1,578	224	4,290	906
Operating margin, %	24%	10%	20%	11%
Sales volumes, ktonnes	482	231	1,704	960

Sales and results

Net sales for the fourth quarter increased to SEK 6,710 million (2,138). Net sales excluding currency effects grew by 201%, mainly due to the acquisition of Verso on 31 March 2022 but also due to price increases. Comparable sales volumes were negatively affected by a softer demand and inventory reductions by some customers.

The organic* and currency neutral net sales growth was 16%. Billerud North America had sales volumes of 273 ktonnes and net sales of SEK 4,004 million in the fourth quarter of 2022. The Beetham mill, which was divested on 31 October 2021, had net sales of SEK 50 million in the fourth quarter of 2021.

EBITDA increased to SEK 1,899 million (346), corresponding to an EBITDA margin of 28% (16). The higher earnings were primarily a consequence of the acquisition of Verso, increased prices and the changed maintenance schedule, while increased costs for raw materials had a negative impact. Billerud North America contributed an EBITDA of SEK 1,123 million in the quarter, positively affected by a settlement of the pension liability in the USA of SEK 89 million.

The comparison with the fourth quarter 2021 is affected by the acquisition of Verso in 2022, the divestment of Beetham in 2021 and the changed maintenance schedule.

* Excluding the acquisition of Verso in 2022 and the divestment of Beetham in 2021.

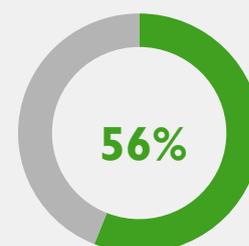
Market development

During the fourth quarter of 2022, the market conditions for Billerud's graphic, kraft and sack paper became less favourable driven by slower demand and inventory reductions by some of our customers and macro-economic uncertainty. Market conditions for speciality papers were stable. Prices for Billerud's materials were essentially maintained during the quarter, but market prices for pulp decreased.

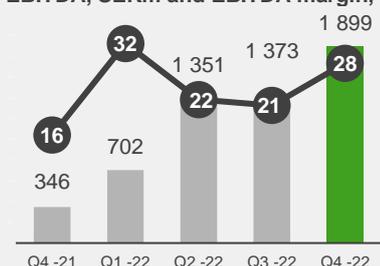
About Product area Paper

The Paper product area includes Graphic paper, mainly used for printed communication, Kraft and Speciality paper, mainly used for packaging of food, medicals, and industrial applications, as well as Sack paper, mainly used for packaging of building materials, chemicals and dry food. Market pulp is also included in the Paper product area. The mills at Skärblacka, Karlsborg, Pietarsaari, Escanaba, Quinnesec and the converting facility at Wisconsin Rapids belong to this product area.

Share of Group's net sales
Q4 2022



EBITDA, SEKm and EBITDA margin, %



Product area Board

Key figures

SEKm	Quarter		Full year	
	Q4 -22	Q4 -21	2022	2021
Net sales	4,564	3,762	17,912	14,852
of which liquid packaging board	2,224	1,865	8,591	7,850
of which containerboard	1,447	1,195	5,480	4,366
of which cartonboard	807	593	3,509	2,228
Net operating expenses	-4,272	-2,953	-14,650	-12,104
EBITDA	292	809	3,262	2,748
EBITDA margin, %	6%	22%	18%	19%
Operating profit/loss	-32	486	1,973	1,451
Operating margin, %	-1%	13%	11%	10%
Sales volumes, ktonnes	457	456	1,889	1,917

Sales and results

Net sales for the fourth quarter increased by 21% to SEK 4,564 million (3,762). Net sales excluding currency effects grew by 13%, driven by price and mix improvements. Sales volumes were almost unchanged, negatively affected mainly by a softer demand and inventory reductions by some customers.

EBITDA declined to SEK 292 million (809), corresponding to an EBITDA margin of 6% (22). The negative result development was mainly due to higher costs for raw materials, while prices stayed flat. Production disturbances imposed one-off costs. Currency effects had a positive impact on earnings. The fourth quarter result was also positively affected by an insurance compensation of SEK 39 million from damages that occurred at the Gävle mill in 2021.

The comparison with the fourth quarter 2021 is affected by the unplanned production stoppage at Gävle in the third quarter last year, which had a negative earnings impact of around SEK 25 million in the fourth quarter 2021.

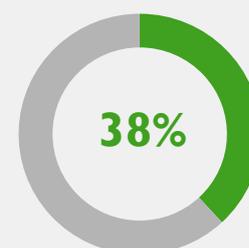
Market development

During the fourth quarter of 2022, the market conditions became less favourable due to slower demand and inventory adjustments by some of our customers. Exception being liquid packaging board, where conditions remained stable. Prices were essentially maintained during the quarter.

About Product area Board

The Board product area includes Liquid Packaging Board, Cartonboard and Containerboard, which are mainly used to packaging products for liquid food, consumer products and fragile industrial products and food. The mills at Gävle, Gruvön and Frövi/Rockhammar belong to this product area.

Share of Group's net sales
Q4 2022



EBITDA, SEKm and EBITDA margin, %



Solutions and Other

Sales and results

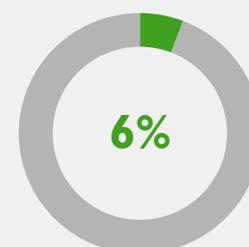
Net sales for the fourth quarter amounted to SEK 697 million (788). The decrease was mainly due to negative hedging effects and lower sales in Managed Packaging.

EBITDA in the fourth quarter of 2022 amounted to SEK -151 million (-257). The result was affected by items affecting comparability of SEK -52 million (-177), related to the negative result of a revaluation of biological assets in the associated company BSÖ Holding AB Group. The 2021 fourth quarter result was affected by items affecting comparability totalling SEK -177 million, including the negative result from the divestment of Beetham of SEK 123 million, acquisition-related costs of SEK 135 million, and the positive result of revaluation of biological assets in the associated company BSÖ Holding AB Group of SEK 81 million. The result in the fourth quarter 2022 was also negatively affected by hedging effects and positively impacted by improved earnings in Managed Packaging.

Key figures (including currency hedging etc)

SEKm	Quarter		Full year	
	Q4 -22	Q4 -21	2022	2021
Net sales	697	788	3,169	3,227
of which Managed Packaging	170	211	770	744
Net operating expenses	-848	-1,045	-3,589	-3,462
EBITDA	-151	-257	-420	-235
Operating profit	-193	-292	-576	-368

Share of Group's net sales
Q4 2022



January–December, consolidated

Sales and results

Net sales for 2022 increased by 63% to SEK 42,590 million (26,206). The increase was mainly in product area Paper and was primarily due to the acquisition of Verso on 31 March 2022. Net sales excluding currency effects, the acquisition of Verso and the divestment of Beetham in 2021 grew by 16%.

Adjusted EBITDA increased to SEK 8,219 million (4,078), mainly due to the acquisition of Verso and increased prices.

Items classified as affecting comparability amounted to SEK -52 million (-177) and were reported in Solutions and Other.

Net profit amounted to SEK 4,590 million (1,485).

Earnings per share amounted to SEK 20.13 (7.18).

Cash flow and financial position

Operating cash flow after investments in tangible and intangible assets amounted to SEK 702 million (682) for the fourth quarter of 2022 and to SEK 3,499 (2,366) for the full year 2022. Cash flow from operating activities in the fourth quarter was positively affected by the increased operating surplus and negatively affected by the change in working capital, driven by increased inventory levels and higher inventory values, that exceeds the increased account payables.

Condensed cash flow statement

SEKm	Quarter		Full year	
	Q4 -22	Q4 -21	2022	2021
Operating surplus, etc.	2,262	1,185	8,054	3,932
Net financial items, taxes, etc.	74	-80	-145	-237
Change in working capital, etc.	-644	49	-1,080	197
Cash flow from operating activities	1,692	1,154	6,829	3,892
Investments in tangible and intangible assets	-990	-472	-3,330	-1,526
Operating cash flow after investments in tangible and intangible assets	702	682	3,499	2,366

Financing

On 31 December 2022, the interest-bearing debt amounted to SEK 5,023 million (6,446). Interest-bearing debt decreased with SEK 2,162 million during the fourth quarter 2022, due to repayment of bridge loan of SEK 2,500 million obtained in the first quarter of 2022 to finance the acquisition of Verso. The repayment of the bridge loan was financed by cash flow from operating activities. The Group issued commercial papers of SEK 330 million during the fourth quarter.

Debt portfolio and maturity profile on 31 December 2022

Loan	Limit, SEKm	Maturity, years			Total utilised
		0-1	1-2	2-	
Syndicated credit facilities	5,500				-
Term loans		99	499	697	1,295
Bond loans within MTN program	7,000	1,800			1,800
Other bond loans			600	1,000	1,600
Commercial paper	4,000	328			328
Group total		2,227	1,099	1,697	5,023

The interest-bearing net debt on 31 December 2022 amounted to SEK 4,581 million (3,968).

The net interest-bearing debt in relation to EBITDA (and adjusted EBITDA) at the end of the period was 0.6 (1.0).

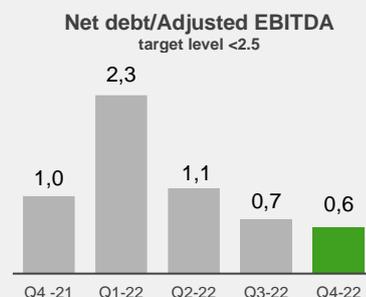
Investments and capital employed

Investments in tangible and intangible assets amounted to SEK 3,330 million (1,526) for 2022. The increase was mainly due to investments in the new recovery boiler at Frövi and investments related to operations in North American business.

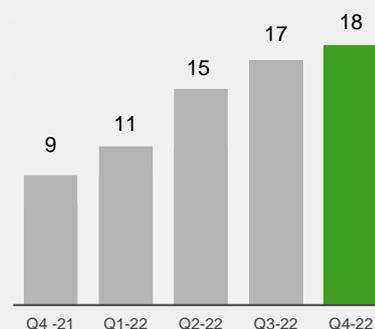
The investment in a new recovery boiler at the Frövi mill will improve environmental performance and provide opportunities for enhanced efficiency. The assembly phase started in April 2021 and the project is proceeding in line with budget and schedule. The new recovery boiler is planned to be in operation by the end of 2023. The investment is estimated to total SEK 2.6 billion. The capital expenditures for the recovery boiler were around SEK 400 million in 2021 and around SEK 1.1 billion in 2022. For 2023, capital expenditures for this project are estimated to around SEK 0.9 billion.

Capital employed on 31 December 2022 amounted to SEK 33,834 million (24,008). Return on capital employed (ROCE) for the last twelve months amounted to 18% (8). Adjusted ROCE was also 18% (9).

Return on equity was 18% (8) for the last twelve-months period.



Adjusted return on capital employed, %



Other information

The acquisition of Verso

On 31 March 2022, Billerud acquired Verso, a leading producer of coated papers in North America. The acquisition reinforced the strategy to drive profitable and sustainable growth and the ambition to accelerate growth in America.

The purchase price totalled approximately USD 798 million, corresponding to SEK 7,395 million, including settlement of warrants and incentive programs. The transaction was financed by the combination of cash and a bank loan of SEK 6,000 million, whereof around SEK 3,500 million was refinanced by the means of a rights issue in Billerud, carried out in the second quarter 2022.

Verso was renamed Billerud North America and was consolidated in Billerud's balance sheet on 31 March 2022. Its results are from 1 April 2022 reported in Product area Paper. See note 3 for more information.

Billerud plans to convert some of the manufacturing assets in North America into a world-class, sustainable paperboard production. A pre-feasibility study is planned to be completed in the first half of 2023, after which the Board of Directors can make an investment decision.

Rights issue and share capital

Billerud implemented during the second quarter 2022 a rights issue with the purpose to repay a part of the debt raised to finance the acquisition of Verso. The rights issue was significantly oversubscribed, and no underwriting commitments were utilised. A total of 40,231,816 shares, corresponding to around 97% of the offered shares, were subscribed for with subscription rights. The remaining 1,159,772 shares were allotted to those who subscribed for shares without subscription rights. New shares were registered by the Swedish Companies Registration Office and began trading on Nasdaq Stockholm in July.

Through the rights issue, the number of shares in Billerud increased to 249,611,422 shares and the share capital increased to SEK 1,843,307,607. The proceeds from the rights issue to Billerud amounted to around SEK 3,498 million before the deduction of costs of SEK 63 million, net of tax.

Cost and efficiency programme 2019

In 2019, Billerud introduced a cost and efficiency programme with measures including employee reductions, purchasing savings and efficiency improvements. By the end of 2021, the programme had delivered SEK 650 million of structural savings. During 2022, the structural savings delivered under this programme amounted to SEK 270 million.

Efficiency enhancement programme 2023

In the first quarter of 2023, Billerud will start a three-year efficiency enhancement programme focusing on profitability improvements and with activities that span across functions predominantly in the European operations. The target for the programme is an EBITDA uplift of SEK 1.5 billion by the end of 2025 run-rate. For 2023, the programme is estimated to have a positive EBITDA impact of SEK 400 million.

Currency hedging

Currency hedging had a net sales impact of SEK -91 million (-13) in the fourth quarter and SEK -398 million (135) for the year 2022 compared with no currency hedging.

Outstanding forward exchange contracts on 31 December 2022 had a market value of SEK -223 million, of which SEK -68 million is the portion of the contracts matched by trade receivables that affected earnings in the fourth quarter. Accordingly, other contracts had a market value of SEK -155 million.

Hedged portion of forecast currency flows

Currency	Q1 23	Q2 23	Q3 23	Q4 23	Q4 24	Total 15 months
EUR Share*	79%	83%	82%	77%	78%	80%
Rate	10.50	10.64	10.69	10.82	11.07	10.74
USD Share*	85%	83%	81%	83%	69%	80%
Rate	9.34	9.51	10.06	10.53	10.48	9.96
GBP Share*	19%					4%
Rate	12.58					12.58
Market value of currency contracts**	-96	-74	-44	-11	2	-223

* Share of net flow.

** On 31 December 2022.

Taxes

The tax cost for 2022 amounted to SEK 1,283 million (391), equal to approximately 22% (21) of profit before tax.

Parent company

The parent company Billerud AB (publ) includes head office and support functions.

Operating profit/loss for 2022 was SEK -346 million (164). The operating result includes the effects of hedging contracts and revaluations of trade receivables.

The parent company hedges both its own and the Group's net currency flows. The parent company's result includes the results of these hedging measures. These effects were SEK -398 million (135) for 2022.

The average number of employees on 31 December 2022 was 140 (135).

Cash and bank balances, and short-term investments amounted to SEK 903 million (3,175).

Transfer of treasury shares

During the second quarter 2022, Billerud transferred 87,156 shares under the long-term incentive programme resolved by the 2019 Annual General Meeting. On 31 March 2022, the amount of treasury shares amounted to 1,349,047 and on 30 June 2022, the holding of treasury shares was 1,261,891. During the second half of 2022, the holding of own shares was unchanged. On 31 December 2022, the number of own shares was 1,261,891, corresponding to about 0.5% of the total amount of shares. The total amount of shares was 249,611,422 and the number of shares in the market was 248,349,531.

Annual General Meeting

The 2023 Annual General Meeting will be held in Stockholm on 24 May. A notice convening the Annual General Meeting with further information on how and when to provide notification of participation will be published on Billerud's website, in Svenska Dagbladet and in Post- och Inrikes Tidningar in advance of the meeting.

Proposed dividend

For the 2022 fiscal year, the Board of Directors proposes an ordinary dividend of SEK 5.50 per share (4.30) and an extraordinary dividend of SEK 2.00 per share (–). The proposal entails a total share dividend of approximately SEK 1,863 million, corresponding to around 41% of the net profit. The proposed record day is 26 May 2023.

Risks and uncertainties

Billerud's products are generally dependent on the business cycle, in terms of both price development and potential sales volumes. The Group is exposed to currency fluctuations, since most revenues are invoiced in foreign currency, while a large part of operating expenses is in SEK. A more detailed description of risks and a sensitivity analysis, with estimated profit impact of changed sales volumes and price changes affecting operating costs, is provided on pages 64–68 in the 2021 Annual and Sustainability Report.

Billerud is affected by the war in Ukraine by its effects on the economic development and price developments for wood, energy, chemicals, and fuel. The impact of the war on Billerud's sales is marginal as Russia and Ukraine accounted for around 1% of the net sales in 2021. Billerud complies with applicable sanctions and regulations and has during 2022 suspended all sales to Russia. In 2022, net sales to Russia amounted to SEK 52 million. Consequences of the war in Ukraine and further COVID-19 outbreaks entail risks of supply chain disruptions. Billerud continues to monitor global developments and contingency plans are regularly being updated.

The regulatory landscape for fibre-based packaging and conditions to operate in this industry is changing. EU has put forward a series of legislative proposals to accomplish the EU Green Deal, which will affect the market in EU. Billerud is closely following the development.

Related-party transactions

No transactions took place between Billerud and related parties that significantly affected the Group's position and earnings.

Solna, 27 January 2023

Billerud AB (publ)

Christoph Michalski
President and CEO

Group

Condensed income statement

SEKm	Quarter			Full year	
	Q4 -22	Q3 -22	Q4 -21	2022	2021
Net sales	11,971	11,814	6,688	42,590	26,206
Other operating income	221	109	72	440	211
Change in inventories	474	244	479	724	296
Raw materials and consumables	-6,218	-5,624	-3,617	-20,280	-13,172
Other external costs	-2,790	-2,805	-1,901	-9,569	-5,856
Employee benefits expense	-1,582	-1,548	-914	-5,719	-3,873
Depreciation, amortization and impairment of non-current assets	-687	-660	-480	-2,480	-1,912
Profit/Loss from participations in associated companies	-36	6	91	-19	89
Operating profit/loss	1,353	1,536	418	5,687	1,989
Financial net	-172	207	-18	186	-113
Profit/Loss before tax	1,181	1,743	400	5,873	1,876
Taxes	-241	-396	-80	-1,283	-391
Profit/Loss from continuing operations	940	1,347	320	4,590	1,485
Profit/Loss attributable to:					
Owners of the parent company	940	1,347	320	4,590	1,485
Non-controlling interests	-	-	-	-	-
Net profit/loss for the period	940	1,347	320	4,590	1,485
Earnings per share, SEK	3.79	5.42	1.55	20.13	7.18
Diluted earnings per share, SEK	3.78	5.41	1.55	20.09	7.17

Condensed statement of comprehensive income

SEKm	Quarter			Full year	
	Q4 -22	Q3 -22	Q4 -21	2022	2021
Net profit/loss for the period	940	1,347	320	4,590	1,485
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial gains or losses on defined benefit pension plans	49	347	-17	470	-17
Change in fair value of shareholding in Other holdings	-	-	-4	-6	-6
Tax attributable to items not to be reclassified to profit or loss	-14	-87	4	-111	4
Total items never reclassified to profit or loss	35	260	-17	353	-19
Items that have been or may be reclassified subsequently to profit or loss					
Differences arising from the translation of foreign operations' accounts	-364	558	7	774	39
Change in fair value of cash flow hedges	-1,506	806	37	1,166	177
Tax attributable to items that have been or may be reclassified subsequently to profit or loss	311	-166	-24	-222	-53
Total items that have been or may be reclassified subsequently to profit or loss	-1,559	1,198	20	1,718	163
Total comprehensive income for the period	-584	2,805	323	6,661	1,629
Attributable to:					
Owners of the parent company	-584	2,805	323	6,661	1,629
Non-controlling interests	-	-	-	-	-
Total comprehensive income for the period	-584	2,805	323	6,661	1,629

Condensed balance sheet

SEKm	31 Dec 2022	31 Dec 2021
Intangible assets	2,246	1,957
Tangible assets, including Right of use assets	29,648	22,689
Other non-current assets	2,231	1,525
Total non-current assets	34,125	26,171
Inventories	7,305	3,836
Accounts receivable	5,006	3,047
Other current assets	2,933	1,366
Cash and cash equivalents	2,046	3,558
Total current assets	17,290	11,807
Total assets	51,415	37,978
Equity attributable to owners of the parent company	29,254	20,041
Non-controlling interests	-	-
Total equity	29,254	20,041
Interest-bearing liabilities	2,796	4,655
Lease liabilities	234	169
Provisions for pensions	1,196	816
Other liabilities and provisions	492	91
Deferred tax liabilities	4,452	3,962
Total non-current liabilities	9,170	9,693
Interest-bearing liabilities	2,227	1,791
Lease liabilities	177	111
Accounts payables	6,702	3,809
Other liabilities and provisions	3,885	2,533
Total current liabilities	12,991	8,244
Total equity and liabilities	51,415	37,978

Condensed statement of changes in equity

SEKm	Full year	
	2022	2021
Opening balance	20,041	19,294
Comprehensive income for the period	6,661	1,629
Rights issue *	3,435	-
Share-based payment to be settled in equity instruments	22	7
Hedging result transferred to acquisition cost in fixed assets	-15	1
Dividend to owners of the parent company	-890	-890
Closing balance	29,254	20,041
Equity attributable to:		
Owners of the parent company	29,254	20,041
Non-controlling interests	-	-
Closing balance	29,254	20,041

* Reduced by costs of SEK 63 million, net of tax.

Condensed cash flow statement

SEKm	Quarter			Full year	
	Q4 -22	Q3 -22	Q4 -21	2022	2021
Operating surplus, etc. *	2,262	2,069	1,185	8,054	3,932
Net financial items, taxes, etc.	74	-57	-80	-145	-237
Change in working capital, etc.	-644	-113	49	-1,080	197
Cash flow from operating activities	1,692	1,899	1,154	6,829	3,892
Investments in tangible and intangible assets	-990	-969	-472	-3,330	-1,526
Acquisition of financial assets / contribution associated companies	-	-	-24	-15	-43
Disposal/repayment of financial assets/other holdings	-	-	-	10	30
Sale of subsidiary	-	-	29	-	29
Business combinations, Note 3	-	-	-	-6,128	-
Dividend from associated companies	-	-	-	12	10
Disposal of property, plant and equipment	2	19	-	32	1
Cash flow from investing activities	-988	-950	-467	-9,419	-1,499
Change in interest-bearing receivables	-	3	2	3	8
Change in interest-bearing liabilities	-2,265	-45	-30	-1,637	-1,014
Dividend to owners of the parent company	-	-	-	-890	-890
Rights issue	-	-	-	3,419	-
Cash flow from financing activities	-2,265	-42	-28	895	-1,896
Total cash flow (change in cash and cash equivalents)	-1,561	907	659	-1,695	497
Cash and cash equivalents at start of period	3,922	2,776	2,887	3,558	3,036
Translation differences in cash and cash equivalents	-315	239	12	183	25
Cash and cash equivalents at the end of the period	2,046	3,922	3,558	2,046	3,558

*Reconciliation of operating surplus

SEKm	Quarter			Full year	
	Q4 -22	Q3 -22	Q4 -21	2022	2021
Operating profit	1,353	1,536	418	5,687	1,989
Reversed depreciation	687	660	479	2,480	1,912
Earnings from associated companies	36	-6	-91	19	-89
Pension liabilities	-85	-44	-19	-147	-43
Other provisions	-	26	3	47	13
Net result from electricity certificates and emission rights	253	-94	269	-68	20
Incentive programmes	4	8	3	22	7
Scrapping of fixed assets	14	-17	-	14	-
Capital gain/loss from divestment of subsidiary	-	-	123	-	123
Operating surplus, etc	2,262	2,069	1,185	8,054	3,932

Notes

Note 1: Accounting policies

The interim report for the Group is prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The accounting policies applied in this interim report are the same as those used in the most recent

annual report for 2021, see pages 77-83 and page 129 for definitions of key figures. The interim report for the parent company is prepared in accordance with the Swedish Annual Accounts Act.

Note 2: Financial assets and liabilities

	Fair value hedging instruments	Amortised cost	Fair value through other comprehensive income	Financial liabilities measured at amortised costs	Total carrying amount	Fair value
<i>Valuation classification</i>	<i>Level 2</i>		<i>Level 3</i>			
Group 31 December 2022						
Other shares and participations			54		54	54
Long-term receivables *	464	77			541	541
Accounts receivable		5,006			5,006	5,006
Other receivables *	1,193	743			1,936	1,936
Cash and cash equivalents		2,046			2,046	2,046
Total	1,657	7,872	54	-	9,583	9,583
Non-current interest-bearing liabilities				3,029	3,029	3,029
Current interest-bearing liabilities				2,403	2,403	2,409
Accounts payables				6,702	6,702	6,702
Other liabilities	259			435	694	694
Total	259	-	-	12,569	12,828	12,834

	Fair value hedging instruments	Amortised cost	Fair value through other comprehensive income	Financial liabilities measured at amortised costs	Total carrying amount	Fair value
<i>Valuation classification</i>	<i>Level 2</i>		<i>Level 3</i>			
Group 31 December 2021						
Other shares and participations			70		70	70
Long-term receivables *	94	37			131	131
Accounts receivable		3,047			3,047	3,047
Other receivables *	363	435			798	798
Cash and cash equivalents		3,558			3,558	3,558
Total	457	7,077	70	-	7,604	7,604
Non-current interest-bearing liabilities				4,824	4,824	4,844
Current interest-bearing liabilities				1,901	1,901	1,905
Accounts payables				3,809	3,809	3,809
Other liabilities	159			304	463	463
Total	159	-	-	10,838	10,997	11,021

*Fair value hedging instruments related to electricity represent a value of SEK 456 million (SEK 91 million on Dec 31 2021) classified as Long term receivables and SEK 1,126 million (SEK 353 million on Dec 31 2021) classified as Other receivables.

Note 3: Business combinations

On 31 March 2022, Billerud acquired all shares outstanding in Verso Corporation. As a result of the transaction, Verso common stock ceased trading on the New York Stock Exchange.

The purchase price was USD 27.00 on the outstanding shares and the total purchase price was USD 798 million, or SEK 7,395 million, including settlement of warrants and incentive programs. The acquisition was financed by cash and a bank loan of SEK 6,000 million, whereof around SEK 3,500 million has been refinanced by means of a rights issue in Billerud carried out during the second quarter of 2022. The acquisition of Verso was in line with Billerud's strategy to drive profitable growth in paperboard, and the ambition to expand into North America.

At the acquisition of Verso, differences were identified between fair value and the carrying amount for tangible and intangible assets and inventories. Customer contracts have been assessed to have no additional value, since a large part of Verso's operations will be converted into board production.

Since the total purchase consideration exceeded the net value of acquired assets and liabilities, a goodwill of SEK 242 million was recognized. The acquisition had no effect on the first quarter's net sales or profit, due to the fact that the acquisition was made on March 31, 2022. Acquisition costs amounted to SEK 135 million and was accounted for in 2021 as other external costs. No additional acquisition costs have been accounted for during 2022. Verso's balance sheet was included in the consolidated balance sheet of March 31, 2022.

For the first quarter 2022, Verso's pro forma net sales was SEK 2,984 million. Verso's pro forma EBITDA for the first quarter, including effects from the conversion to IFRS and excluding transaction costs and severance payments, was SEK 597 million. Verso's pro forma net profit, including effects from the conversion to IFRS and excluding transaction costs and severance payments, amounted to SEK 340 million for the first quarter.

A preliminary acquisition analysis of the transaction is presented below.

SEKm Group	March 31, 2022
Acquired balance sheet	
Goodwill	242
Tangible assets, including Right of use assets	5,293
Deferred tax asset, net	539
Other non-current assets	87
Inventories	1,552
Accounts receivables	973
Other current assets	85
Cash and cash equivalents	1,402
Total Assets	10,173
Provisions for pensions	886
Other non-current liabilities	459
Accounts payables	697
Other current liabilities	736
Total liabilities	2,778
Purchase consideration	
Purchase consideration	-7,293
Deferred consideration (settlement of warrants and incentive programs)	-102
Total consideration	-7,395
Acquisition costs	-135
Cash and cash equivalents (acquired)	1,402
Net effect on cash and cash equivalents, total	-6,128

Note 4: Other disclosures

Other disclosures in accordance with IAS 34.16A can be found on the pages prior to the income statement and the statement of comprehensive income. Information regarding product areas/segments can be found on pages 4-6,

information regarding financing on page 7 and seasonal effects on page 18. No significant events have occurred after the end of the quarter.

Key figures

Key figures	2022	2021
Margins		
EBITDA margin, %	19	15
Adjusted EBITDA margin, %	19	16
Operating margin, %	13	8
Adjusted operating margin, %	13	8
Return (rolling 12 months)		
Return on capital employed, % (ROCE)	18	8
Adjusted Return on capital employed, % (adj ROCE)	18	9
Return on equity, %	18	8
Capital structure at end of period		
Capital employed, SEKm	33,834	24,008
Working capital, SEKm	5,140	2,017
Equity attributable to owners of the parent company, SEKm	29,254	20,041
Interest-bearing net debt, SEKm	4,581	3,968
Net debt/equity ratio	0.16	0.20
Interest-bearing net debt / EBITDA	0.6	1.0
Interest-bearing net debt / Adjusted EBITDA	0.6	1.0
Key figures per share		
Earnings per share, SEK	20.13	7.18
Adjusted earnings per share, SEK	20.36	8.03
Dividend (for the financial year) per share, SEK	7.50*	4.30
Other key figures		
Working capital as percentage of net sales, %	11	9
Investments in tangible and intangible assets, SEKm	3,330	1,526
Average number of employees	5,525	4,370

*The Board of Directors proposes an ordinary dividend of SEK 5.50 per share and an extraordinary dividend of SEK 2.00 per share.

Reconciliation of alternative performance measures

Items affecting comparability*, SEKm	Quarter			Full year	
	Q4 -22	Q3 -22	Q4 -21	2022	2021
Capital loss from the sale of Beetham (Operating expenses)	-	-	123	-	123
Acquisition costs, Verso (Operating expenses)	-	-	135	-	135
Revaluation of biological assets in associated companies (Profit from participations in associated companies)	52	-	-81	52	-81
Items affecting comparability	52	-	177	52	177
EBITDA, SEKm and EBITDA margin, %					
Operating profit	1,353	1,536	418	5,687	1,989
Depreciation and impairment of non-current assets	687	660	480	2,480	1,912
EBITDA, SEKm	2,040	2,196	898	8,167	3,901
Net sales	11,971	11,814	6,688	42,590	26,206
EBITDA margin, %	17	19	13	19	15
Adjusted EBITDA, SEKm and adjusted EBITDA margin, %					
EBITDA	2,040	2,196	898	8,167	3,901
Items affecting comparability*	52	-	177	52	177
Adjusted EBITDA, SEKm	2,092	2,196	1,075	8,219	4,078
Net sales	11,971	11,814	6,688	42,590	26,206
Adjusted EBITDA margin, %	17	19	16	19	16
Operating margin, %					
Operating profit	1,353	1,536	418	5,687	1,989
Net sales	11,971	11,814	6,688	42,590	26,206
Operating margin, %	11	13	6	13	8
Adjusted operating profit, SEKm and adjusted operating margin, %					
Operating profit	1,353	1,536	418	5,687	1,989
Items affecting comparability*	52	-	177	52	177
Adjusted operating profit, SEKm	1,405	1,536	595	5,739	2,166
Net sales	11,971	11,814	6,688	42,590	26,206
Adjusted operating margin, %	12	13	9	13	8
Return on capital employed, %					
Operating profit over 12 months***	5,687	4,752	1,989	5,687	1,989
Average capital employed over 12 months**	31,722	29,830	24,463	31,722	24,463
Return on capital employed, %	18	16	8	18	8
Adjusted return on capital employed, %					
Adjusted operating profit over 12 months***	5,739	4,929	2,166	5,739	2,166
Average capital employed over 12 months**	31,722	29,830	24,463	31,722	24,463
Adjusted return on capital employed, %	18	17	9	18	9
Return on equity, %					
Net profit attributed to owners of the parent company over 12 months ***	4,590	3,970	1,485	4,590	1,485
Average shareholders' equity attributed to owners of the parent company **	25,520	23,612	19,558	25,520	19,558
Return on equity, %	18	17	8	18	8
Net debt/equity ratio					
Interest-bearing net debt	4,581	5,096	3,968	4,581	3,968
Total equity	29,254	29,843	20,041	29,254	20,041
Net debt/equity ratio	0.16	0.17	0.20	0.16	0.20

Reconciliation of alternative performance measures (cont.)

	Quarter			Full year	
	Q4 -22	Q3 -22	Q4 -21	2022	2021
Interest-bearing net debt / EBITDA, multiple					
Interest-bearing net debt	4,581	5,096	3,968	4,581	3,968
EBITDA over 12 months***	8,167	7,024	3,901	8,167	3,901
Interest-bearing net debt / EBITDA, multiple	0.6	0.7	1.0	0.6	1.0
Interest-bearing net debt / Adjusted EBITDA, multiple					
Interest-bearing net debt	4,581	5,096	3,968	4,581	3,968
Adjusted EBITDA over 12 months***	8,219	7,201	4,078	8,219	4,078
Interest-bearing net debt / Adjusted EBITDA, multiple	0.6	0.7	1.0	0.6	1.0
Adjusted earnings per share, SEK					
Profit attributed to owners of the parent company, SEKm	940	1,347	320	4,590	1,485
Items affecting comparability, attributed to owners of the parent company, SEKm *	52	-	177	52	177
Adj profit attributed to owners of the parent company, SEKm	992	1,347	497	4,642	1,662
Weighted number of outstanding shares, thousands	248,350	248,350	206,871	228,014	206,858
Adjusted earnings per share, SEK	4.00	5.42	2.40	20.36	8.03
Working capital as percentage of net sales, %					
Average working capital for the period	5,587	5,563	2,219	4,568	2,357
Annualized net sales	47,882	47,258	26,755	42,590	26,206
Working capital as percentage of net sales, %	12	12	8	11	9

* Revenue = -, Cost = +

** Average for the five latest quarters.

***12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date.

Capital employed, SEKm	31 Dec 2022	31 Dec 2021
Total assets	51,415	37,978
Accounts payables	-6,702	-3,809
Other liabilities and provisions	-4,378	-2,626
Deferred tax liabilities	-4,452	-3,962
Non-current receivables (interest-bearing)	-3	-15
Cash and Cash equivalents	-2,046	-3,558
Capital employed	33,834	24,008
Working capital, SEKm	31 Dec 2022	31 Dec 2021
Inventories	7,305	3,836
Accounts receivables	5,006	3,047
Other current receivables	2,934	1,366
Accounts payables	-6,702	-3,809
Other current liabilities and provisions	-3,885	-2,533
Reduction of provisions	99	103
Reduction of tax liabilities/receivables	383	7
Working capital	5,140	2,017
Interest-bearing net debt, SEKm	31 Dec 2022	31 Dec 2021
Provisions for pensions	1,196	816
Interest bearing non-current liabilities	2,796	4,655
Non-current lease liabilities	234	169
Interest bearing current liabilities	2,227	1,790
Current lease liabilities	177	111
Non-current receivables (interest-bearing)	-3	-15
Cash and Cash equivalents	-2,046	-3,558
Interest-bearing net debt	4,581	3,968



Seasonal effects

Billerud's business is subject to seasonal fluctuations to a relatively limited extent. Periodical maintenance shutdowns have the largest impact, as they involve each unit stopping production for around one week. The loss of production results in somewhat lower deliveries over an extended period before, during and after the shutdown. It should also be noted that the Group usually has a somewhat higher cost level in the fourth quarter than in previous quarters.

Planned maintenance shutdowns

In addition to ongoing maintenance during production, Billerud's production units normally also require more extensive maintenance at some time during the year. Maintenance requires the production of pulp, paper and board to stop. The main financial impact from a maintenance shutdown comprises of volume losses arising from the shutdown and increase in fixed costs, mainly maintenance

and overtime costs, as well as a certain portion of variable costs including higher consumption of electricity and wood when production is restarted. The effects of shutdowns on earnings vary depending on the profitability level for the products subject to volume losses, extent of the measures carried out, their nature and the actual length of the shutdown. The estimated earnings impact of a maintenance shutdown is an indicative impact of a normal shutdown performed in average market conditions compared with a quarter during which no periodic maintenance shutdown takes place.

In the fourth quarter of 2022 planned maintenance was performed at Frövi and Rockhammar mills. The negative impact of these maintenance shutdowns amounted to SEK 169 million.

Estimated average earnings impact from maintenance shutdowns

Production units	Estimated average earnings impact	Estimated breakdown of earnings impact		Planned dates of maintenance shutdown		
	SEKm	Board	Paper	2023	2022	2021
Gävle	~ 165	~ 94%	~ 6%	Q3	Q3	Q3
Gruvön	~ 200	~ 97%	~ 3%	Q2	Q1-Q2	Q2
Frövi	~ 115	100%	0%	Q4	Q4	Q4
Skärblacka	~ 130	~ 12%	~ 88%	Q2	Q2	Q4
Karlsborg	~ 90	0%	100%	Q3	Q3	Q3
Pietarsaari	~ 15	0%	100%	-	Q2	-
Rockhammar	~ 15	100%	0%	Q4	Q4	Q3
Escanaba	~ 180	0%	100%	Q4	Q3	-
Quinnesec	~ 400	0%	100%	-	Q3	-

Key Figures – Definitions and purpose

Adjusted key figures	Adjusted key figures on EBITDA, Operating profit, Return on capital employed and Earnings per share provide a better understanding of the underlying business performance and enhance comparability from period to period, when the effect of items affecting comparability are adjusted for. Items affecting comparability can include additional project costs for major projects, major restructuring/write downs /revaluations, litigations, specific impact due to strategic decisions, and significant earnings effects from acquisition and disposals.
EBITDA	Operating profit before depreciation, amortization and impairment. EBITDA is a central measure of operating performance, to assess the performance over time.
EBITDA margin, %	EBITDA as a percentage of net sales. The measure is used in review as well as for benchmarking with peer companies.
Adjusted EBITDA	Operating profit before depreciation and amortization adjusted for items affecting comparability. Adjusted EBITDA is relevant for assessing performance excluding items affecting comparability.
Adjusted EBITDA margin, %	Adjusted EBITDA as a percentage of net sales. The measure is used for assessing profitability excluding items affecting comparability.
Operating margin, %	Operating profit as a percentage of net sales. Operating margin shows the percentage of revenue remaining as operating profit after deducting operating expenses. The measure is used for performance monitoring as well as for benchmarking with peer companies.
Adjusted operating profit	Operating profit adjusted for items affecting comparability. The measure is used for assessing performance excluding items affecting comparability.
Adjusted operating margin, %	Adjusted operating profit as a percentage of net sales. The measure is used for assessing performance excluding items affecting comparability.
Return on capital employed (ROCE)	Operating profit calculated over 12 months as a percentage of average capital employed calculated per quarter for the last 5 quarters. 12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date. The return on capital employed is a measure that shows how effectively total net operating assets are used in order to generate return in the operating business. The measure takes capital invested in the operating activities into account and is used for business performance monitoring and benchmarking with peer companies.
Adjusted Return on capital employed (ROCE)	Adjusted operating profit calculated over 12 months as a percentage of average capital employed calculated per quarter for the last 5 quarters. 12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date. The measure is used for assessing the return on net operating assets excluding items affecting comparability.
Return on equity, %	Profit calculated over 12 months, attributable to owners of the parent company, as a percentage of average shareholders' equity calculated per quarter, attributable to owners of the parent company. 12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date. The measure represents total profitability compared to the equity invested by the parent company's shareholders.
Capital employed	Total assets less accounts payables, other liabilities and provisions, deferred tax liabilities, non-current receivables (interest-bearing) and cash and cash equivalents. Capital employed is used to quantify the net total assets used in the operating business, and is used as a component in measuring operating profitability.
Working capital	Inventories, accounts receivables and other current receivables less accounts payables and other current liabilities. The measure shows the amount of current net assets that is tied up in the business. Together with non-current assets, working capital constitutes the operating capital employed to generate operating returns.
Interest-bearing net debt	The sum of provisions for pensions, interest-bearing liabilities and leasing liabilities less non-current receivables from associates (interest-bearing) and cash and cash equivalents. The measure is used to quantify the debt financing, taken the amount of financial assets into account. The measure is used as a component in measuring financial risk.
Net debt/equity ratio	Interest-bearing net debt divided by equity. The ratio shows the mix between interest-bearing net debt and equity financing. A higher ratio means higher financial leverage and may have positive effects on return on equity but imply a higher financial risk.
Interest-bearing net debt/EBITDA	Interest bearing net debt at the end of the period divided by EBITDA for the last 12 months. 12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date. The measure shows the size of the interest-bearing net debt compared to the repayment capacity. A higher (lower) ratio indicates a higher (lower) risk.

Interest-bearing net debt/adjusted EBITDA	Interest bearing net debt at the end of the period divided by adjusted EBITDA for the last 12 months. 12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date. The measure is used for assessing the repayment capacity excluding items affecting comparability.
Earnings per share	Profit attributable to owners of the parent, divided by the average number of outstanding ordinary shares in the market.
Adjusted earnings per share	Profit attributable to owners of the parent adjusted for items affecting comparability after tax, divided by the average number of outstanding ordinary shares in the market. The measure is used for assessing earnings per share excluding items affecting comparability.
Working capital as percentage of net sales	Average working capital is calculated by using the average of all quarterly periods during the interim period from the beginning of the financial year, divided by annualized net sales. Annual net sales are calculated by dividing the net sales for the most recent interim period from the beginning of the financial year by the number of months in this interim period and multiplying by twelve. Working capital in relation to net sales shows how effectively the working capital is used. A lower percentage means less capital is tied up to generate a given amount of revenue, and an increased ability to internally finance growth and return to shareholders.
Operating cash flow after investments in tangible and intangible assets	Cash flow from the operating activities, including investments in tangible and intangible assets. The measure shows cash flow generated in the operating business, which provides the amount of cash flows available to repay debt, acquire and invest in other businesses and pay dividends to the shareholders.

Parent company

Condensed income statement

SEKm	Quarter		Full year	
	Q4 -22	Q4 -21	2022	2021
Operating income*	-29	120	302	634
Operating expenses	-68	-117	-648	-470
Operating profit/loss	-97	3	-346	164
Financial income and expenses	-80	-99	433	-143
Profit/Loss after financial income and expenses	-177	-96	87	21
Appropriations	3,468	289	3,468	289
Profit/loss before tax	3,291	193	3,555	310
Taxes	-685	-57	-733	-74
Net profit/loss for the period	2,606	136	2,822	236

* Including currency hedging etc.

Condensed balance sheet

SEKm	31 Dec 2022	31 Dec 2021
Non-current assets	16,058	10,668
Current assets	16,887	16,588
Total assets	32,945	27,256
Shareholders' equity	12,699	7,309
Untaxed reserves	2,070	1,341
Provisions	269	253
Liabilities	17,907	18,353
Total equity and liabilities	32,945	27,256

Quarterly data

The Group's business is organized on the basis of the functional areas Wood Supply, Operations and Commercial and is governed by two product areas Board and Paper.

Solutions and Other includes Wood Supply, Scandfibre Logistics AB, Managed Packaging, rental operations, dormant companies, idle assets, income from the sale of businesses, items affecting comparability and costs due to increased investments in the production structure. Other also

includes Group-wide functions, Group eliminations (including IFRS 16) and profit/loss from participation in associated companies. Currency hedging etc. includes results from hedging of the Group's net currency flows and revaluation of accounts receivables and payments from customers. The part of the currency exposure that relates to changes in exchange rates for invoicing is included in the product area's profit/loss.

Quarterly net sales per product area and for the Group

SEKm	2022				2021				Full year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2022	2021
Product area Paper	6,710	6,486	6,094	2,219	2,138	2,047	2,039	1,903	21,509	8,127
Product area Board	4,564	4,563	4,410	4,375	3,762	3,663	3,642	3,785	17,912	14,852
Solutions & Other	844	755	852	815	757	725	772	696	3,266	2,950
Currency hedging, etc.	-147	10	52	-12	31	59	51	136	-97	277
Total Group	11,971	11,814	11,408	7,397	6,688	6,494	6,504	6,520	42,590	26,206

Quarterly EBITDA per product area and for the Group

SEKm	2022				2021				Full year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2022	2021
Product area Paper	1,899	1,373	1,351	702	346	414	365	263	5,325	1,388
Product area Board	292	915	1,008	1,047	809	678	556	705	3,262	2,748
Solutions & Other	14	-102	-144	-73	-288	-34	-89	-101	-305	-512
Currency hedging, etc.	-165	10	52	-12	31	59	51	136	-115	277
Total Group	2,040	2,196	2,267	1,664	898	1,117	883	1,003	8,167	3,901

Quarterly EBITDA margin per product area and for the Group

%	2022				2021				Full year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2022	2021
Product area Paper	28	21	22	32	16	20	18	14	25	17
Product area Board	6	20	23	24	22	19	15	19	18	19
Group	17	19	20	22	13	17	14	15	19	15

Adjusted quarterly EBITDA, excluding maintenance shutdowns, per product area and for the Group

SEKm	2022				2021				Full year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2022	2021
Product area Paper	1,899	2,080	1,505	702	485	525	381	263	6,186	1,654
Product area Board	461	1,101	1,199	1,127	954	859	744	705	3,888	3,262
Solutions & Other	66	-102	-144	-73	-111	-34	-89	-101	-253	-335
Currency hedging, etc.	-165	10	52	-12	31	59	51	136	-115	277
Total Group	2,261	3,089	2,612	1,744	1,359	1,409	1,087	1,003	9,706	4,858
Maintenance shutdowns	-169	-893	-345	-80	-284	-292	-204	-	-1,487	-780
Items affecting comparability	-52	-	-	-	-177	-	-	-	-52	-177
EBITDA	2,040	2,196	2,267	1,664	898	1,117	883	1,003	8,167	3,901



Adjusted quarterly EBITDA margin, excluding maintenance shutdowns, per product area and for the Group

%	2022				2021				Full year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2022	2021
Product area Paper	28	32	25	32	23	26	19	14	29	20
Product area Board	10	24	27	26	25	23	20	19	22	22
Total Group	19	26	23	24	20	22	17	15	23	19

Quarterly operating profit/loss, per product area and for the group

SEKm	2022				2021				Full year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2022	2021
Product area Paper	1,578	1,074	1,055	583	224	293	244	145	4,290	906
Product area Board	-32	593	687	725	486	354	231	380	1,973	1,451
Solutions & Other	-28	-141	-185	-107	-323	-67	-122	-133	-461	-645
Currency hedging, etc.	-165	10	52	-12	31	59	51	136	-115	277
Total Group	1,353	1,536	1,609	1,189	418	639	404	528	5,687	1,989

Quarterly operating margin per product area and for the group

%	2022				2021				Full year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2022	2021
Product area Paper	24	17	17	26	10	14	12	8	20	11
Product area Board	-1	13	16	17	13	10	6	10	11	10
Total Group	11	13	14	16	6	10	6	8	13	8

Quarterly sales volumes per product area

ktonnes	2022				2021				Full year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2022	2021
Product area Paper	482	480	523	219	231	229	245	255	1,704	960
Product area Board	457	465	472	495	456	466	474	521	1,889	1,917
Total Group	940	945	995	714	687	695	719	776	3,594	2,877

Financial calendar

Q1 2023 report – 26 April 2023

Annual General Meeting – 24 May 2023

Q2 2023 report – 20 July 2023

Q3 2023 report – 25 October 2023

Presentation

The 2022 year-end report will be presented on Friday 27 January at 9:00 CET in a webcasted telephone conference that can be followed on:

<https://edge.media-server.com/mmc/p/8zhmbzn5>

To participate via telephone, and thereby be able to ask questions, please register here:

<https://register.vevent.com/register/BI49e7d38b25114f458b4a77adcf66d09>

For further information:

Ivar Vatne, CFO, +46 8 553 335 07

Lena Schattauer, Director Investor Relations, +46 8 553 335 10

ir@billerud.com

The report has not been reviewed by the company's auditors.

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BILLERUD

Billerud Aktiebolag (publ) • Postal address: Box 703, SE-169 27 Solna, Sweden •
Visitors' address: Evenemangsgatan 17

Company reg. no. 556025-5001 • Tel +46 8 553 335 00

www.billerud.com