

Continued strong performance in the US while addressing weak market in Europe

| Interim report January–September 2025



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Performance and key highlights

Q3 2025

Currency-neutral net sales growth in North America

Lower sales volumes in Europe

Sequentially improved adjusted EBITDA margin to 11%

Excellent cash conversion of 139%

Launched cost saving program targeting SEK 800 million

SEKm	Q3-25	Change vs Q2-25	Change vs Q3-24
Net sales	9,905	-3%	-8%
Adjusted EBITDA	1,058	+16%	-32%
<i>Adjusted EBITDA margin</i>	<i>11%</i>	<i>+2 pp</i>	<i>-3 pp</i>
Adjusted operating profit (EBIT)	359	+91%	-58%
<i>Adjusted operating margin</i>	<i>4%</i>	<i>+2 ppt</i>	<i>-4 pp</i>
Cash flow from operating activities	983	-18%	+124%
<i>Cash conversion</i>	<i>139%</i>	<i>+8 pp</i>	<i>+111 pp</i>
EPS (SEK)	-0.25	n/a	n/a

Q3: Solid situation in US - weak conditions in Europe

Most sales channels remain challenging in the near future

Sales split, % ¹	Food & Drink	Printing & Publishing Papers	Consumer & Luxury	Industrial
LPB (10.1bn)	100%			
Cartonboard (2.7bn)	25%		75%	
Containerboard (5.5bn)	80%		10%	10%
Kraft & Specialty Paper (5.1bn) ²	50%		30%	10%
Sack Paper (3.2bn)	15%			85%
Graphical Paper (8.4bn)		100%		
Share of Group Net Sales³	~40%	~20%	~10%	~10%
Billerud Market status Q3	Weak	Normal	Weak	Weak
Billerud Market outlook Q4	Weak	Normal	Weak	Weak

1) 2024 Net Sales in bn SEK. 2) Excluding medical paper. 3) Total Group Net Sales include Currency hedging and Solutions & Other, not allocated to end-use segments

Europe: Navigating through adverse industry conditions



**Muted
consumption**



**Overcapacity in
board
(new capacity
and reversal of
trade flows)**



**High Nordic
pulpwood pricing**



**Currency
headwind**

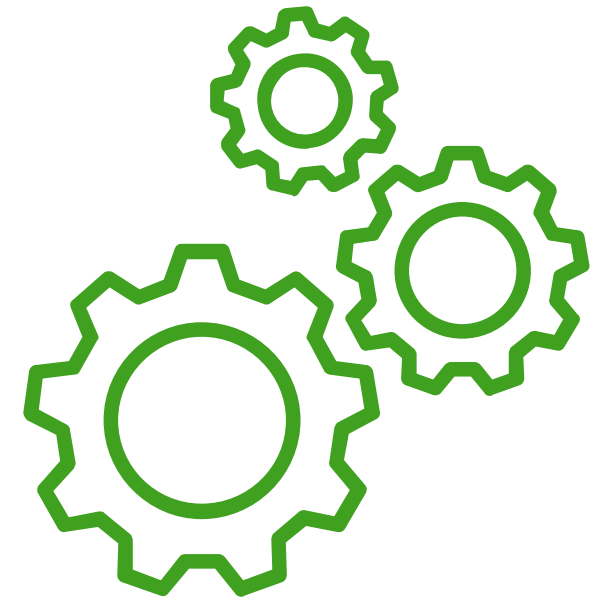
Launched cost saving program to improve profitability and competitiveness

Annualized savings of SEK 800m with full effect at the end of 2026

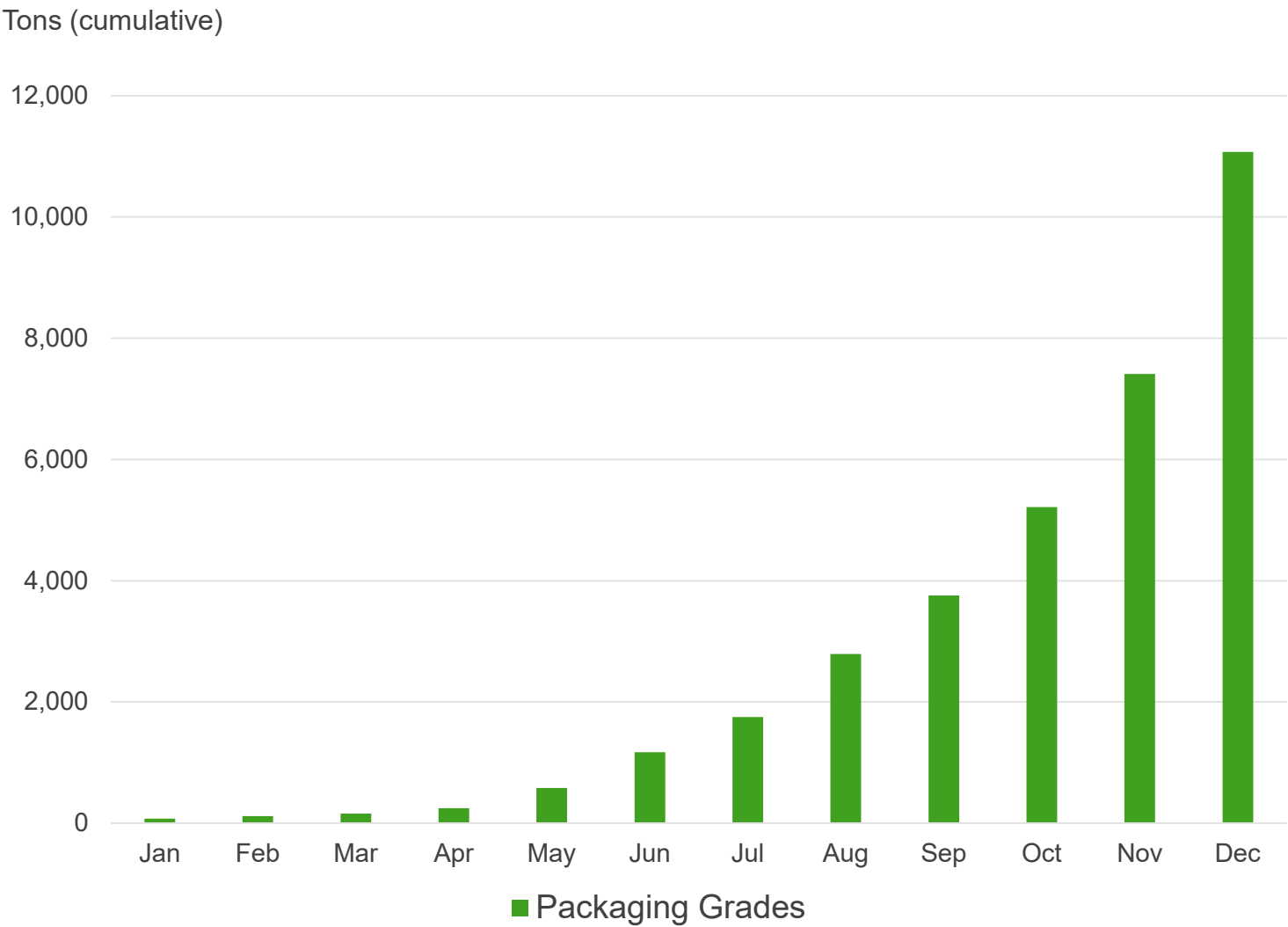
Cost measures in Region Europe and Group functions
Reduction of up to 650 positions

Expected savings of SEK 500m during 2026, with sequential impact from Q1 onwards

Restructuring costs of SEK 350m in Q3 2025



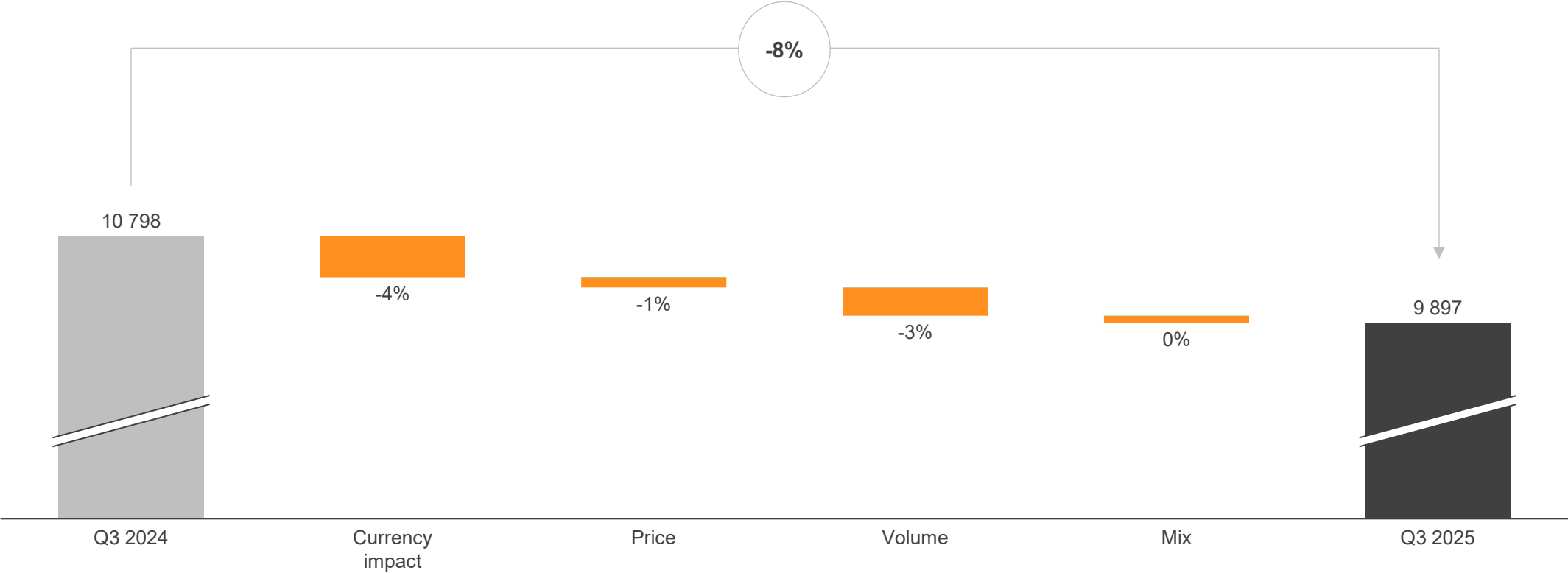
Our Evolution journey towards packaging material in North America is progressing



Q3'25:

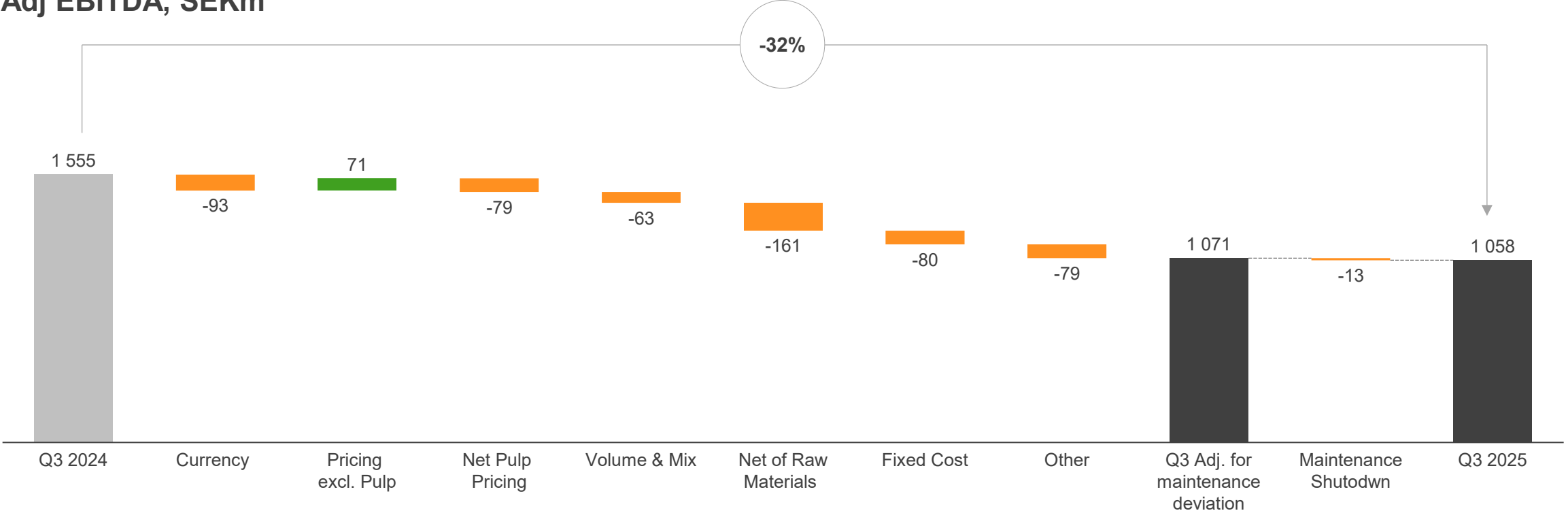
Net sales decline due to FX headwind and lower sales volumes in Europe

Net sales, SEKm

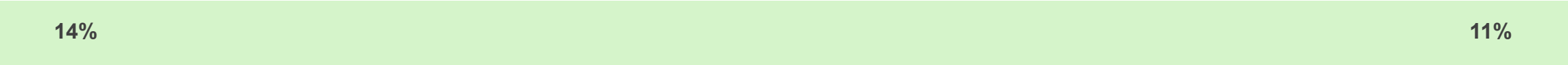


Q3'25:
Cost inflation, FX headwind and pulp pricing reduced profitability

Adj EBITDA, SEKm

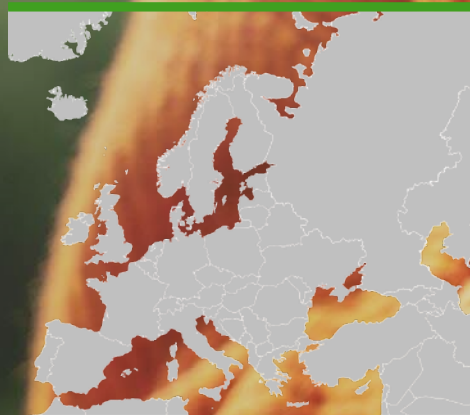


Adj. EBITDA%



REGION

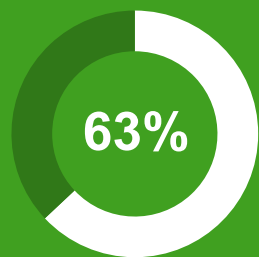
Europe



Region

Europe

- Sales declined across most categories
- Sequentially lower maintenance in Q4 (SEK 100m)
- Pulpwood cost relief to materialize from Q4 and onward (inventory revaluation impact of approx. SEK -70m in Q4 vs Q3)
- Soft order books within Board in Q4 – Paper holding up better
- Cost saving program with positive impact from 2026



Share of net sales
Q3 2025

SEKm	Q3-25	Q3-24	Change
Net sales	6,231	6,980	-11%
<i>Liquid packaging board</i>	2,097	2,369	-11%
<i>Containerboard</i>	1,251	1,490	-16%
<i>Kraft and specialty paper</i>	882	999	-12%
<i>Sack paper</i>	775	841	-8%
<i>Cartonboard</i>	563	725	-22%
<i>Market pulp</i>	615	512	+20%
Net operating expenses	-5,579	-5,874	-5%
EBITDA	652	1,106	-41%
EBITDA margin	10%	16%	-6 ppt

REGION

North America



Region

North America

- Weaker USD impacted the result
- 4% volume growth driven by both Graphic paper and Label paper
- Price increases on Graphic paper from 1st October
- Operating rate maintained at 75%



Share of net sales
Q3 2025

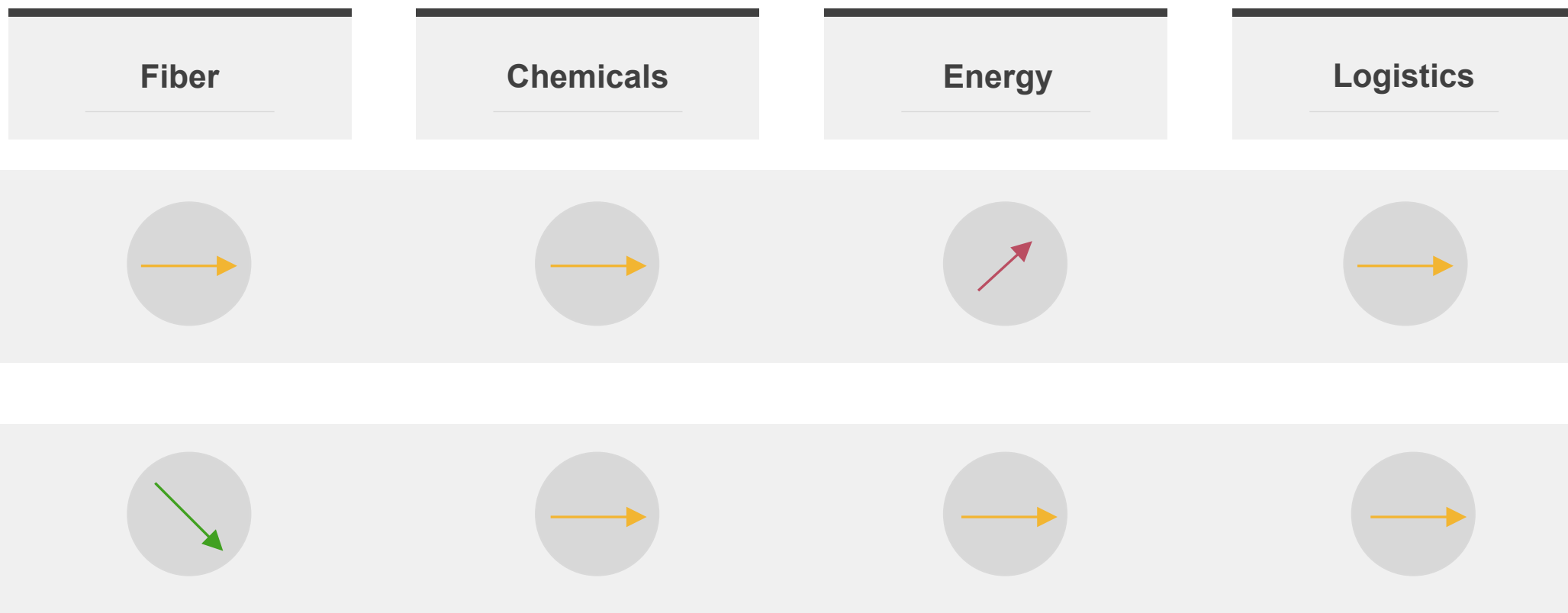
SEKm	Q3-25	Q3-24	Change
Net sales	2,960	3,138	-6%
<i>Graphic paper</i>	2,136	2,140	0%
<i>Label paper</i>	507	547	-7%
<i>Market pulp</i>	286	452	-37%
Net operating expenses	-2,493	-2,563	-3%
EBITDA	467	575	-19%
EBITDA margin	16%	18%	-2 ppt

GROUP

Input costs

Overall stable cost situation in Q3

Wood cost relief to be offset by higher seasonal energy costs in Q4



Trend arrows refer to input cost development during Q3'25 vs Q2'25

Significant declines in pulpwood prices from peak levels

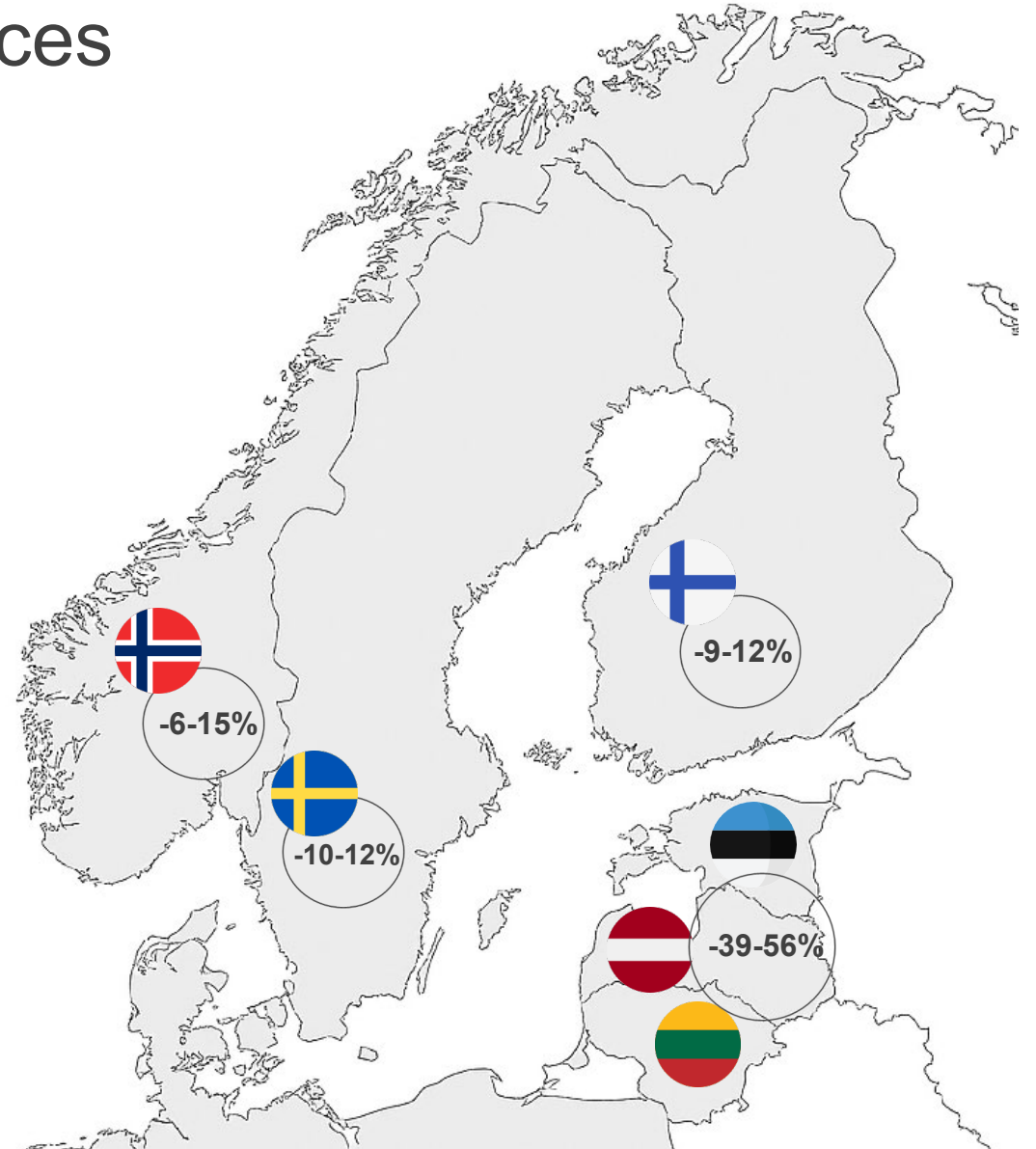
Broad-based declines across Nordics and Baltics

Downward momentum likely to continue due to good availability and supply/demand balance

Road-side prices, % decline from peak level recorded during 2024 and 2025

Assortment of softwood and hardwood

Source: public pricelists, Landbruksdirektoratet, LUKE



Continued excellent cash conversion

Strategic CAPEX phasing into 2026

Cash conversion >130% with strong focus on working capital discipline

Leverage remains well below target level despite lower EBITDA

Capex for 2025 reduced to SEK 2.9bn

Capex for 2026 estimated to SEK 2.9bn

CAPEX of SEK 2.9 bn in 2025

Strategic capex: SEK 0.7 bn

Base capex: SEK 2.2 bn

SEKm	Q3 2025	Q3 2024	Jan-Sep 2025	Jan-Sep 2024
Profit before tax	-48	745	556	1,218
Adjustments for non-cash items	904	575	2,082	1,761
Tax paid	-20	-19	-264	-348
Cash flow from changes in working capital	147	-863	375	-1,320
Cash flow from operating activities	983	438	2,749	1,311
Investments in tangible and non-current assets	-713	-509	-1,747	-1,824
Operating cash flow after investments in tangible and non-current assets	270	-71	1,002	-513
Cash conversion	139%	28%	91%	36%

SEKm	Q3 2025	Q3 2024
Net debt	5,597	6,930
Net debt / adjusted EBITDA	1.2	1.5
Adjusted ROCE	6%	5%

Outlook for Q4 2025



Continued strong performance in North America



Weak market conditions in Europe



Lower pulpwood costs in Europe





BILLERUD