

Continued outstanding performance in the US while navigating weakening market in Europe

| Interim report January–June 2025



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Performance and key highlights

Q2 2025

Flat currency-neutral net sales development

EBITDA margin of 22% in North America, highest since Q4'22

Challenging earnings in Europe due to weakening demand

Excellent cash conversion

Evolution program in North America exceeding expectations

SEKm	Q2-25	Change vs Q1-25	Change vs Q2-24
Net sales	10,244	-8%	-5%
Adjusted EBITDA	912	-34%	-9%
<i>Adjusted EBITDA margin</i>	<i>9%</i>	<i>-4 pp</i>	<i>0 pp</i>
Adjusted operating profit (EBIT)	188	-71%	-35%
<i>Adjusted operating margin</i>	<i>2%</i>	<i>-4 ppt</i>	<i>-1 pp</i>
Cash flow from operating activities	1,193	+108%	+76%
<i>Cash conversion</i>	<i>131%</i>	<i>+90 pp</i>	<i>+54 pp</i>
EPS (SEK)	0.22	-87%	-12%



Evolution program in North America exceeding expectations

1,000 tons of bleached liner (Tribute®) and low-grammage cartonboard (Voyager®) sold to customers

~50 ongoing product trials with existing and new customers – bigger than expected commercial interest

Evolution investment program progressing as per plan

Q2: Solid situation in US, while weakened conditions in Europe

Not expecting recovery in the coming quarter (Q3)

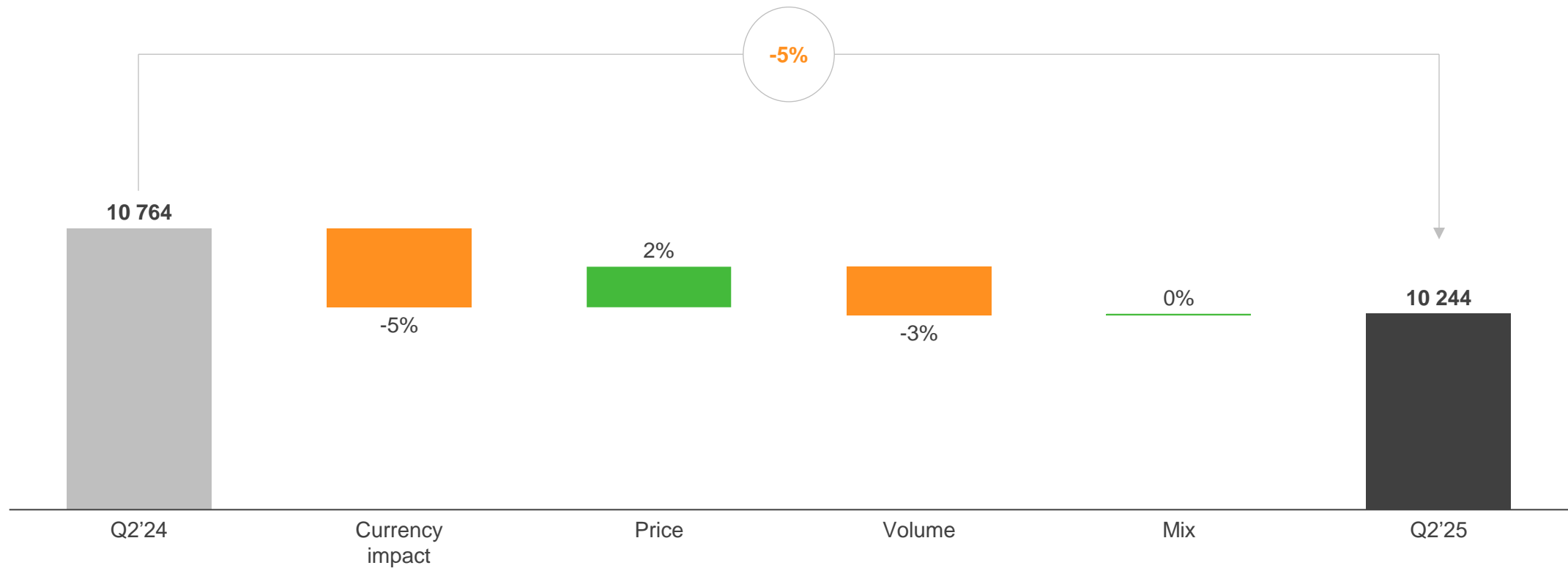
Sales split, % ¹	Food & Drink	Printing & Publishing Papers	Consumer & Luxury	Industrial
LPB (10.1bn)	100%			
Cartonboard (2.7bn)	25%		75%	
Containerboard (5.5bn)	80%		10%	10%
Kraft & Specialty Paper (5.1bn) ²	50%		30%	10%
Sack Paper (3.2bn)	15%			85%
Graphical Paper (8.4bn)		100%		
Share of Group Net Sales³	~40%	~20%	~10%	~10%
Billerud Market status Q2	Weakened	Normal	Weakened	Weakened
Billerud Market trend outlook Q3	Stable/Weak	Stable	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

Q2'25:

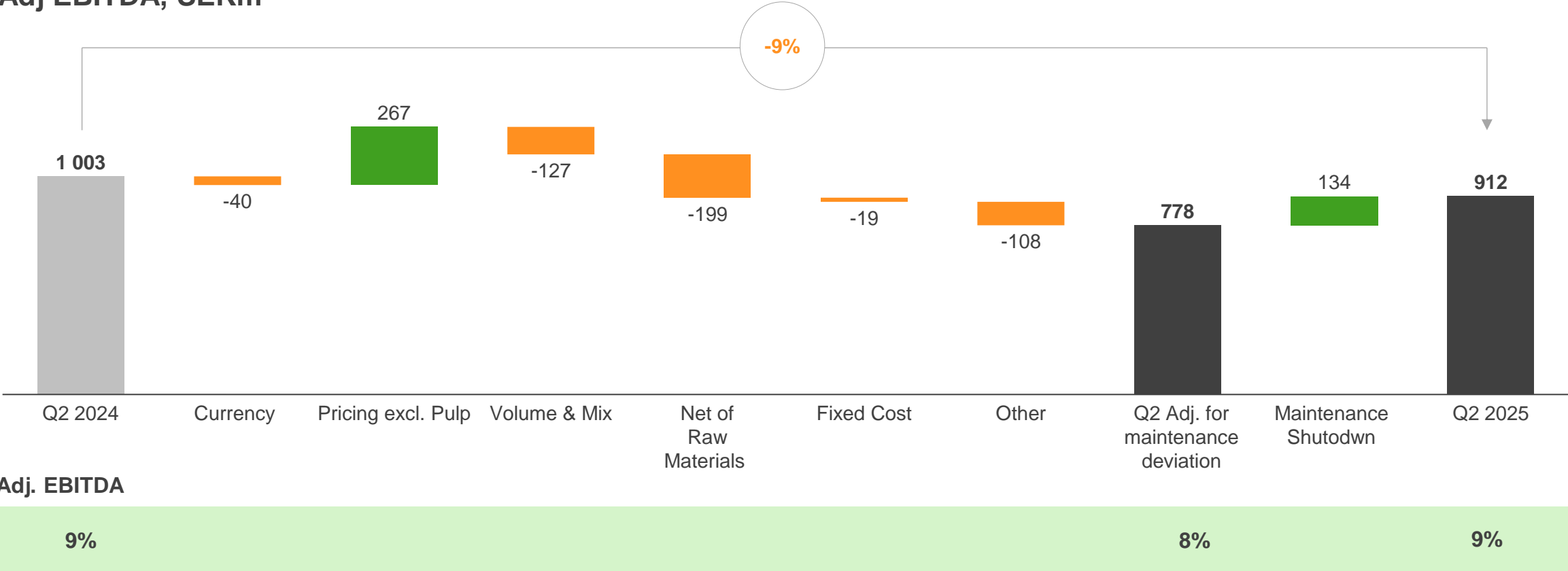
Sales decline driven by unfavorable currency and lower volume

Net sales, SEKm



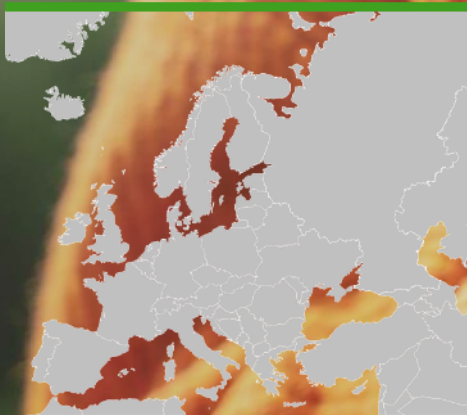
Q2'25:
Pricing more than compensating input cost inflation
Volume growth in North America offset by decline in Europe

Adj EBITDA, SEKm



REGION

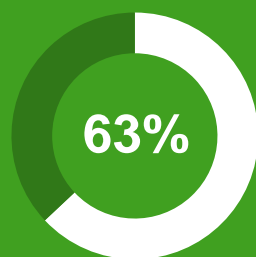
Europe



Region

Europe

- Macro uncertainty – muted consumer demand and overcapacity
- Sequentially weaker sales volumes across most categories
- Partially implemented price increases and stable input costs in Q2
- Gävle and Karlsborg maintenance shutdowns in Q3 (SEK 280m)



Share of net sales
Q2 2025

SEKm	Q2-25	Q2-24	Change
Net sales	6,481	7,011	-8%
<i>Liquid packaging board</i>	2,212	2,516	-12%
<i>Containerboard</i>	1,217	1,317	-8%
<i>Kraft and specialty paper</i>	905	1,029	-12%
<i>Sack paper</i>	861	762	+13%
<i>Cartonboard</i>	700	705	-1%
<i>Market pulp</i>	521	618	-16%
Net operating expenses	-6,148	-6,381	-3%
EBITDA	333	630	-47%
EBITDA margin	5%	9%	-4 ppt

REGION

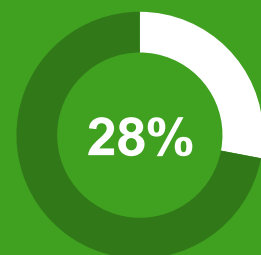
North America



Region

North America

- Outstanding quarter with broad-based strong financial performance
- Highest EBITDA margin since Q4-22
- Positive sequential pricing impact in Graphic paper
- Operating rate increased to 76%
- Escanaba maintenance shutdown in Q3 (SEK 160m)



Share of net sales
Q2 2025

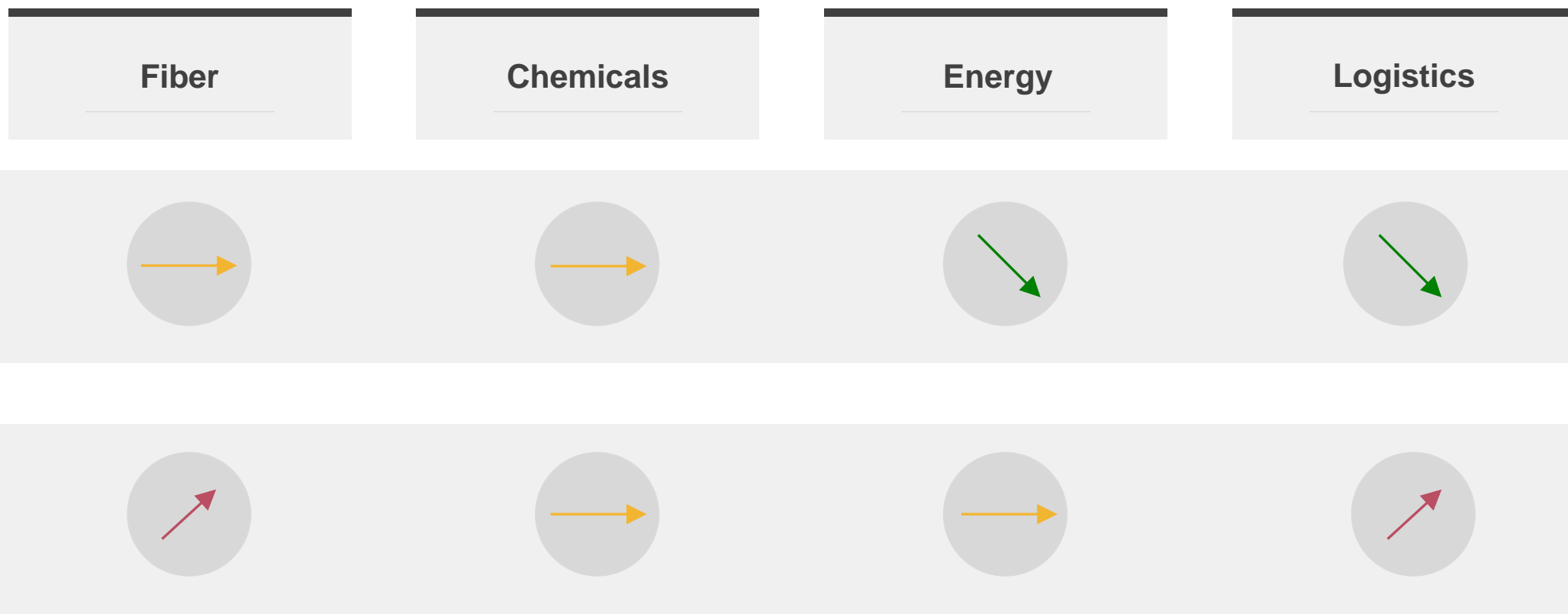
SEKm	Q2-25	Q2-24	Change
Net sales	2,891	3,046	-5%
<i>Graphic paper</i>	2,049	2,130	-4%
<i>Specialty paper</i>	499	560	-11%
<i>Market pulp</i>	331	357	-7%
Net operating expenses	-2,269	-2,483	-9%
EBITDA	622	563	+10%
EBITDA margin	22%	18%	+4 ppt

GROUP

Input costs

Reduced input costs driven by lower energy prices in Europe

Stable cost development expected into Q3



Excellent cash conversion in the quarter

- Cash flow from operating activities more than doubled vs year ago
- Leverage maintained at low level
1.1x EBITDA after dividend payout
- Capex guidance for 2025 reduced to SEK 3.1 bn

CAPEX of SEK 3.1 bn in 2025

Strategic capex: SEK 0.9 bn
Base capex: SEK 2.2 bn

SEKm	Q2 2025	Q2 2024	Jan-Jun 2025	Jan-Jun 2024
Profit before tax	77	87	604	473
Adjustments for non-cash items	603	717	1,178	1,186
Tax paid	-211	-194	-244	-329
Cash flow from changes in working capital	724	68	228	-457
Cash flow from operating activities	1,193	678	1,766	873
Investments in tangible and intangible assets	-640	-629	-1,034	-1,315
Operating cash flow after investments in tangible and intangible assets	553	49	732	-442
Cash conversion	131%	77%	77%	43%

SEKm	Q2 2025	Q2 2024
Net debt	5,845	6,629
Net debt / adjusted EBITDA	1.1	1.6
Adjusted ROCE	7%	4%

We continue to relentlessly focus on items that we control

Continue to further challenge our fixed cost base

Protect cash flow - target cash conversion >80%

Drive profitable mix

Mill efficiency and supply chain reliability



Outlook for Q3 2025



Continued solid conditions in Region North America



Weak conditions in Region Europe



Stable input costs





BILLERUD