



Preliminary financial results

Q4 2023



ARCTIC PAPER

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**THIS PRESENTATION
CONTAINS
PRELIMINARY
FINANCIAL
RESULTS FOR Q4 2023.**

Agenda

1 Paper

2 Pulp

3 Packaging

4 Energy

5 Financial performance

6 Focus

SUMMARY PRELIMINARY Q4 2023

Arctic Paper Group Q4 2023 vs. Q4 2022

Net sales
(PLN mn)

825.9 / 1 085.1
(Q4 2023) / (Q4 2022)

EBITDA
(PLN mn)

96.3 / 140.0
(Q4 2023) / (Q4 2022)

Operating CF
(PLN mn)

128.1 / 126.0
(Q4 2023) / (Q4 2022)

ROCE*

17.3% / 34.4%
(Q4 2023) / (Q4 2022)

Paper/Pulp EBITDA
(PLN mn)

120/-24 / 122/18
(Q4 2023) / (Q4 2022)

Net debt/EBITDA*

-0.73x / - 0.28x
(EOP Q4 2023) / (EOP Q4 2022)

Paper sales
volume

113k t / 117k t
(Q4 2023) / (Q4 2022)

Pulp sales
volume

85k t / 87k t
(Q4 2023) / (Q4 2022)

* last 12 months

SUMMARY PRELIMINARY YTD DEC 2023

Arctic Paper Group YTD DEC 2023 vs. YTD DEC 2022

Net sales
(PLN mn)

3 549.2 / 4 894.3
(YTD DEC 2023) / (YTD DEC 2022)

EBITDA
(PLN mn)

475.3 / 974.0
(YTD DEC 2023) / (YTD DEC 2022)

Operating CF
(PLN mn)

473.3 / 607.4
(YTD DEC 2023) / (YTD DEC 2022)

ROCE*

17.3% / 34.4%
(YTD DEC 2023) / (YTD DEC 2022)

Paper/Pulp EBITDA
(PLN mn)

376/99 / 685/289
(YTD DEC 2023) / (YTD DEC 2022)

Net debt/EBITDA*

-0.73x / - 0.28x
(EOP DEC 2023) / (EOP DEC 2022)

Paper sales
volume

432k t / 616k t
(YTD DEC 2023) / (YTD DEC 2022)

Pulp sales
volume

357k t / 388k t
(YTD DEC 2023) / (YTD DEC 2022)

* last 12 months



PAPER

MARKET DATA

Fine paper average market prices

DEC 2023 COMPARED TO SEP 2023

UWF average price change **0,0%**

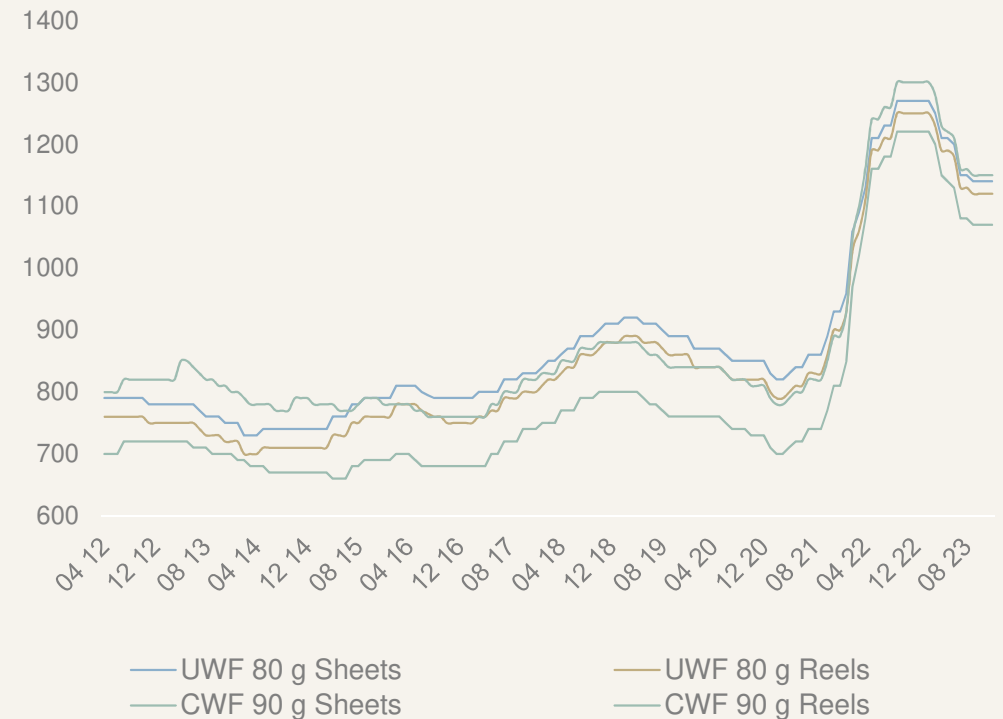
CWF average price change **0,0%**

DEC 2023 COMPARED TO DEC 2022

UWF average price change **- 9,8%**

CWF average price change **-12,2%**

GRAPHIC FINE PAPER PRICES – GERMAN MARKET



Source: Arctic Paper based on RISI data.

OPERATING DATA

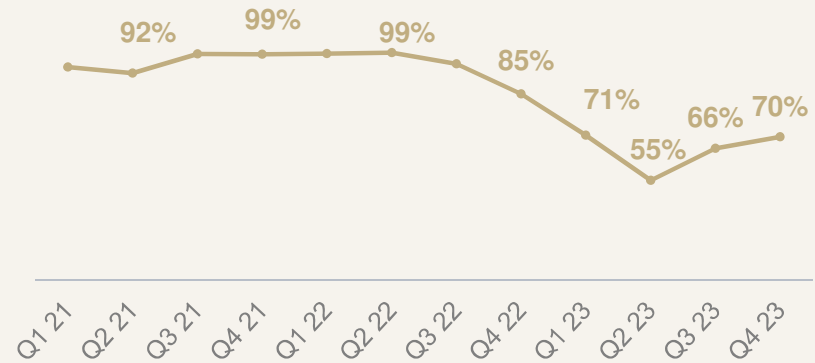
Average Q4 2023 use of production capacity: **70%**

4% HIGHER THAN IN Q3 2023
15% LESS THAN IN Q4 2022

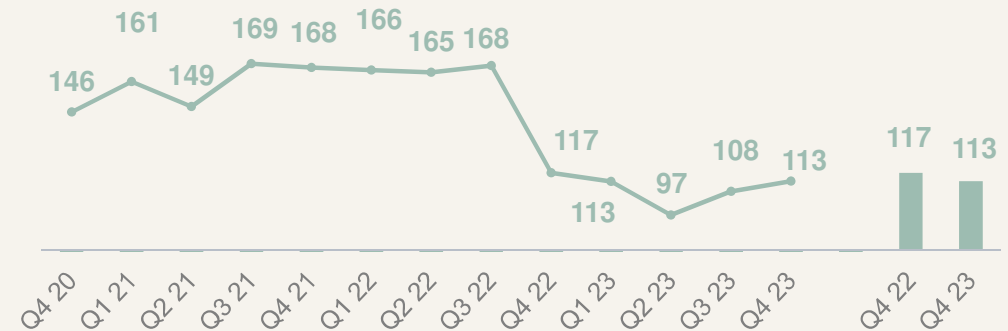
Q4 2023 total sales volume: **113k tons**

4,5% HIGHER THAN IN Q3 2023
3,5% LESS THAN IN Q4 2022

PRODUCTION CAPACITY FOR ARCTIC PAPER MILLS



PAPER SALES VOLUME



OPERATING DATA

Total revenue Q4 2023 (PLN 581mn)

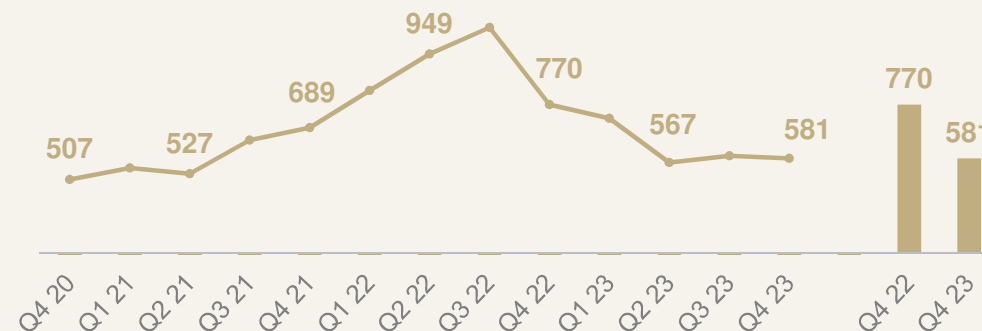
DECREASED BY 1,5% COMPARED TO Q3 2023

Average price Q4 2023 (PLN 5.14k)

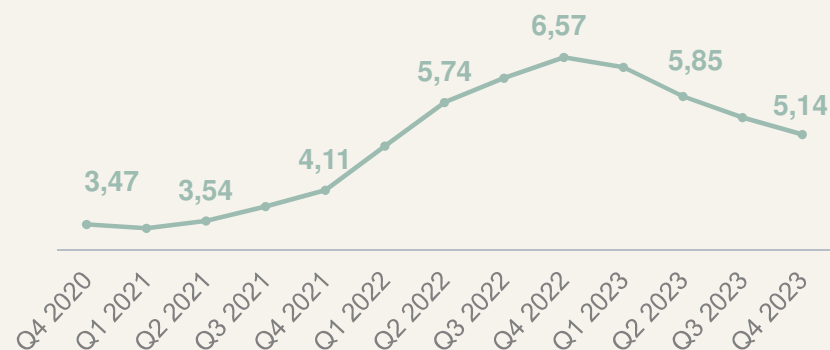
DECREASED BY 6% COMPARED TO AVERAGE IN Q3 2023

* price chart includes impact of fx fluctuations, product mix and market mix

PAPER SALES REVENUE (PLN mn)



PAPER SALES REVENUE PER TONNE (PLN k)*



PRODUCTS

AMBER

ADVANCED OFFSET
PRODUCTION
IN HEART OF EUROPE



MOST COMPLETE MATT
COATED PAPER ASSORTMENT



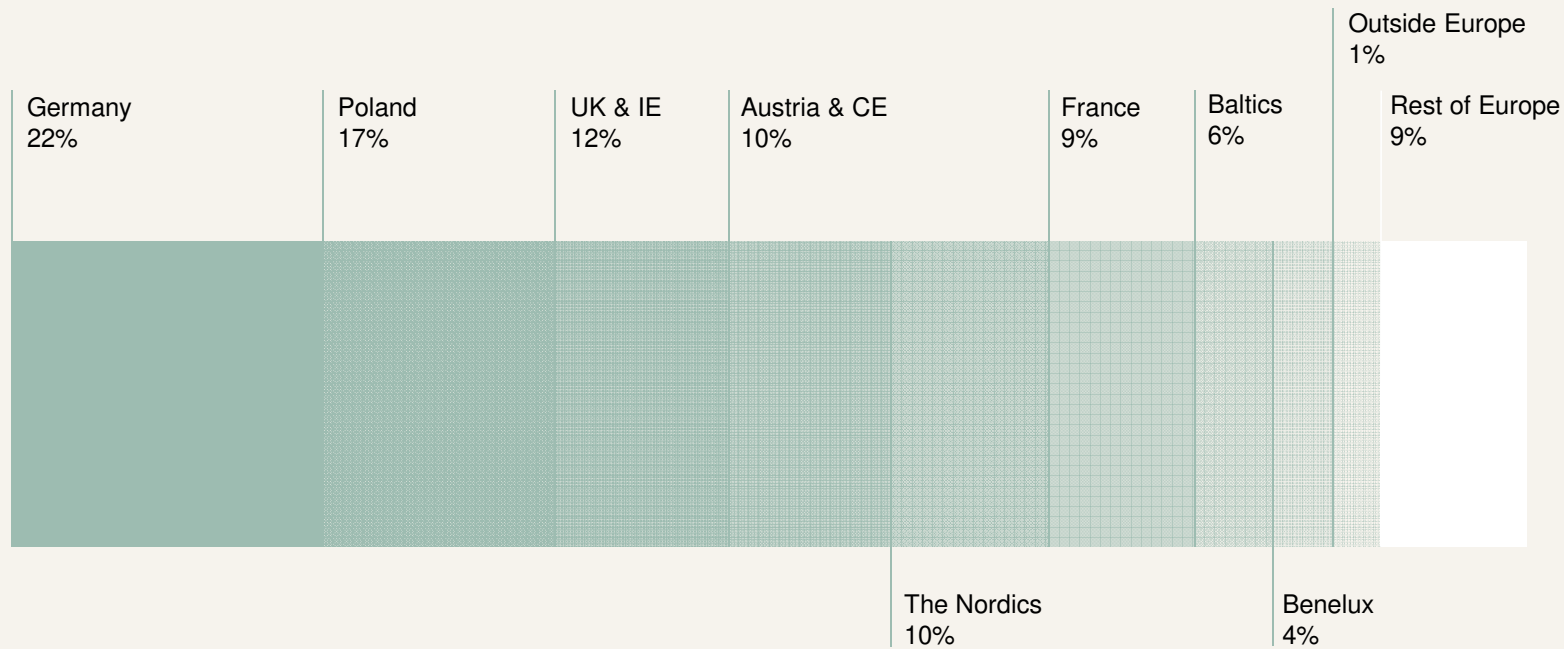
MUNKEN

BIGGEST UNCOATED
DESIGN BRAND

- Top 3 brands in revenue share
- No 1 in European High Quality Bookpaper Sales
- No 1 in European Design Paper Sales

PRODUCTS

Geographical split of sales



CLIENT STRUCTURE

Market segments/products portfolio/target groups

Printing Houses

Clients who purchase the Group's paper products directly.

Merchants

Direct customers who purchase, stock and distribute the Group's paper for resale to other users.

Publishers

Direct and indirect customers, who uses the Group's paper products for use in their publication activities, i.e., Random House, Bonniers, Hachette, Holtzbrinck, etc.



Advertising Industry

Predominantly indirect customers, who use our products, i.e., Deutsche Bank, Karl Lagerfeld, Kenzo, L'Oreal, Louis Vuitton, Nike, Mercedes Benz, etc.

Advertising and Design

Predominantly indirect customers but are of significant importance in requiring and recommending our products to end users.



PULP

MARKET DATA

Pulp – European pulp prices

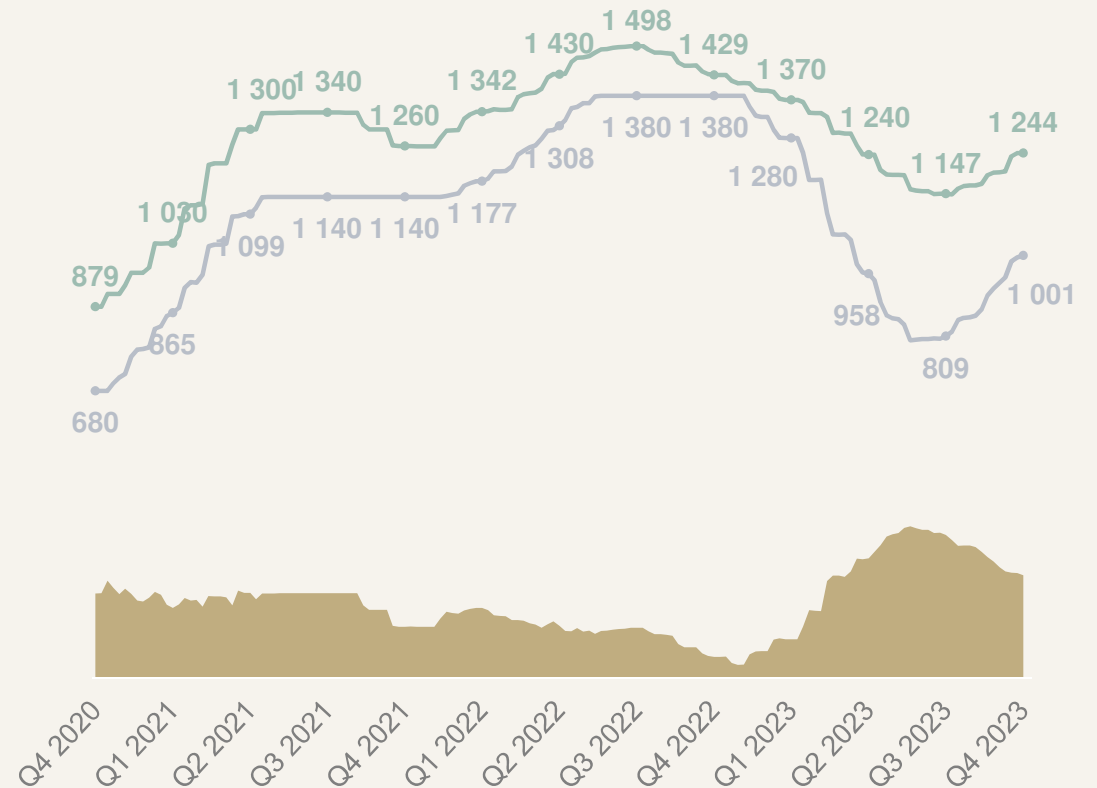
AVERAGE PRICE Q4 2023 COMPARED TO Q4 2022

NBSK (long fiber): **8% lower**
 BHKP (short fiber): **34% lower**

AVERAGE PRICE Q4 2023 COMPARED TO Q3 2023

NBSK (long fiber): **1% higher**
 BHKP (short fiber): **9% higher**

PULP PIX INDEXES EUROPE (USD PER TONNE)



Source: Arctic Paper based on Foex data

OPERATING DATA

Pulp production & deliveries

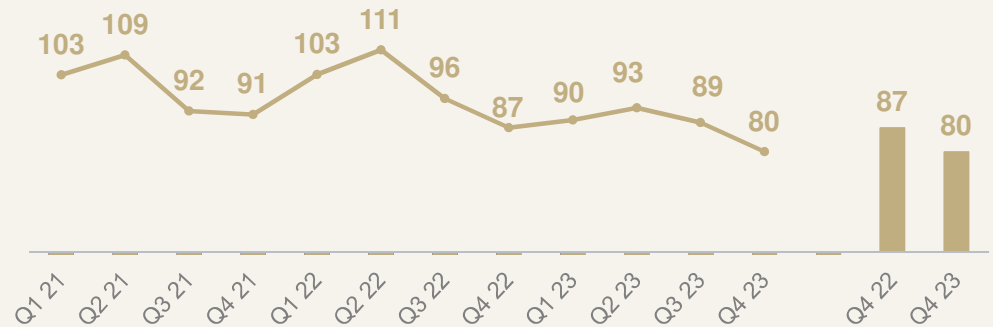
Q4 2023 total production: **80k tons**

10% LOWER THAN IN Q3 2023
8% LOWER THAN IN Q4 2022

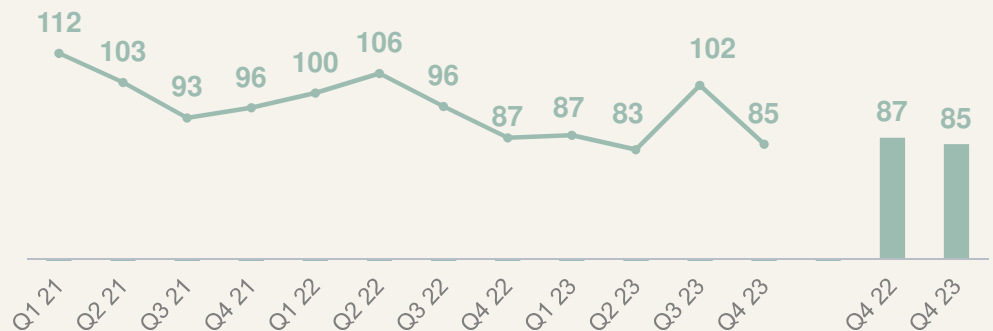
Q4 2023 total deliveries: **85k tons**

17% LOWER THAN IN Q3 2023
2% LOWER THAN IN Q4 2022

PULP PRODUCTION (1,000 TONNE)



PULP DELIVERIES (1,000 TONNE)



OPERATING DATA

Revenue and prices

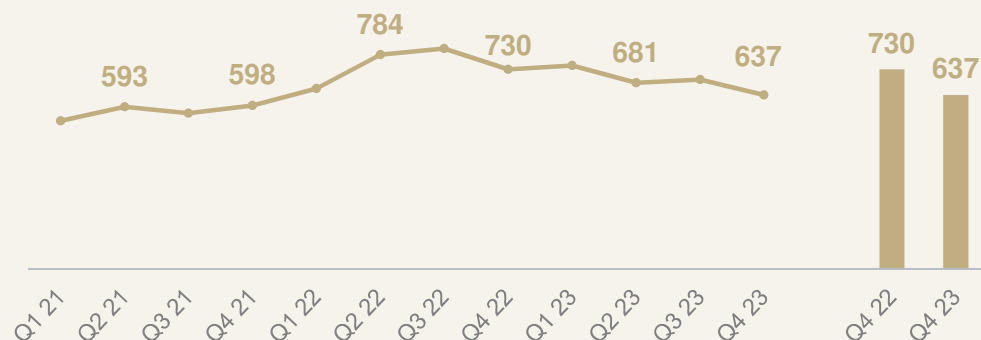
Total revenue Q4 2023 (**SEK 637mn**)

DECREASED BY 13% COMPARED TO Q4 2022

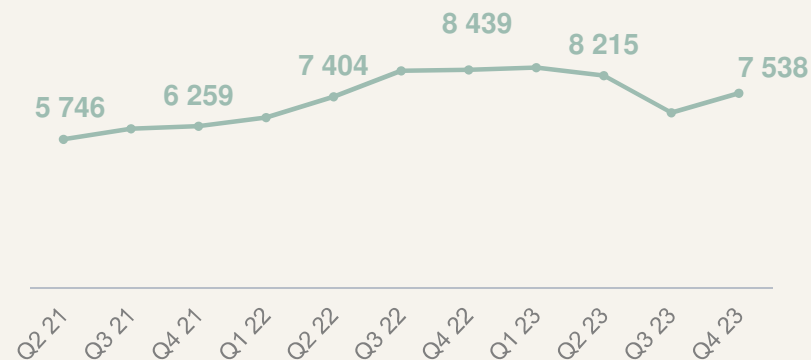
Average price in Q4 2023 (**SEK 7.5k per tonne**)

DECREASED BY 11% COMPARED TO Q4 2022

PULP SALES REVENUE (SEK mn)

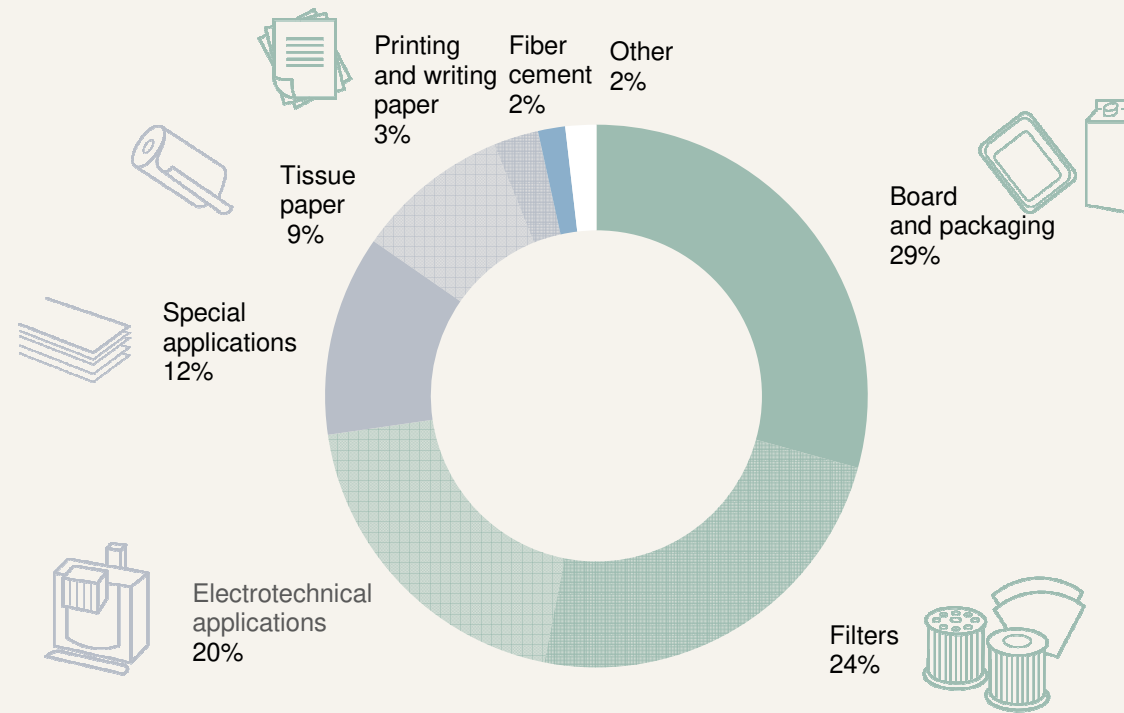


PULP SALES REVENUE PER TONNE (SEK)



PULP – REPLACEMENT MATERIAL FOR PLASTIC

Pulp Sales (Rottneros) by application 2023





PACKAGING

DEVELOPMENT

PACKAGING PAPERS:

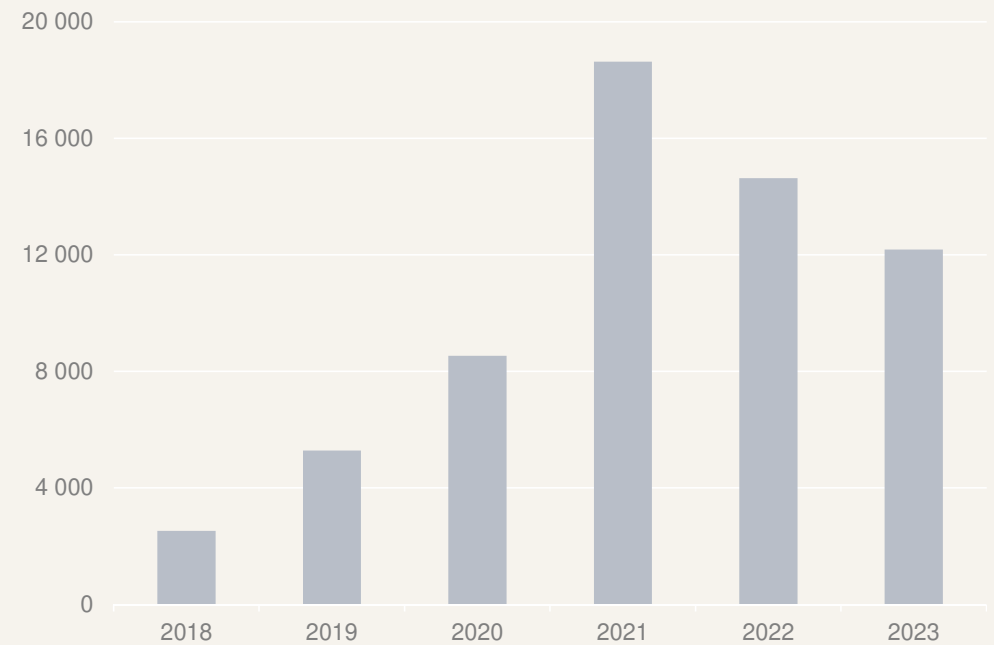
Munken Kraft

Uncoated packaging paper

G-Flexmatt

Coated packaging paper

PACKAGING PAPER SALES DEVELOPMENT (t)



POWER

ARCTIC PAPER GROUP POWER PROJECTS

MUNKEDAL

- Hydro power plant
- Flexible multifuel boiler plant
- LNG power plant
- Swedish national grid

GRYCKSBO

- Biomass power plant
- Swedish national grid

KOSTRZYN

- Local natural gas power plant
- Solar park
- Plus supply to Polish national grid



KOSTRZYN SOLAR FARM

- 17 MW
- Start up June 2024
- Next phase under preparation 2025



A photograph of a paper mill's machinery, showing large rollers and a brush-like component. A large, semi-transparent grey diagonal shape overlays the right side of the image. The text 'FINANCIAL PERFORMANCE' is centered over the image.

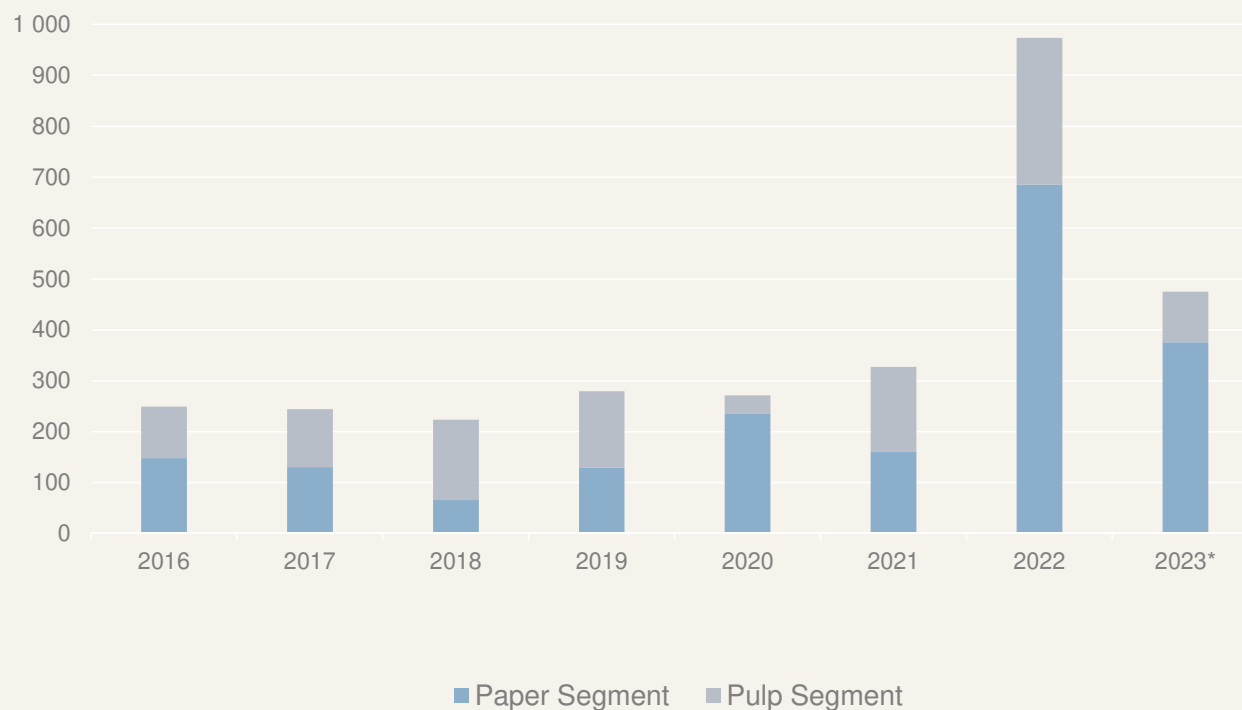
FINANCIAL PERFORMANCE

EBITDA EVOLUTION 2016 – 2023 (PLN mn)

Effective hedging of both segments – to stabilize financial results

Q4 2023 EBITDA PLN **96.3mn**

PLN 44mn LOWER THAN Q4 2022
PLN 28mn LOWER THAN Q3 2023



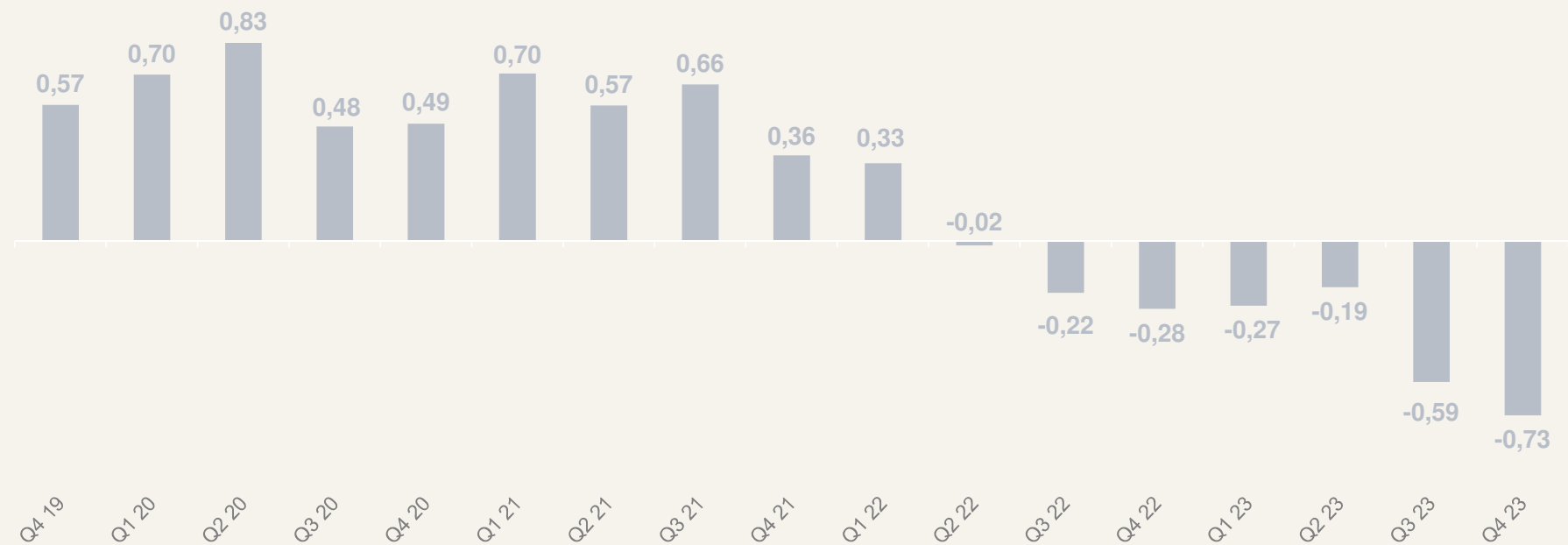
* rolling 12 months

EBITDA MARGIN BY SEGMENT

2015 – 2023

	2015	2016	2017	2018	2019	2020	2021	2022	2023
paper margin	3%	7%	6%	3%	6%	12%	7%	19%	15%
pulp margin	19%	13%	13%	17%	15%	5%	16%	22%	10%
group margin	7%	8%	8%	7%	9%	10%	10%	20%	13%

NET DEBT/EBITDA 2019 – 2023



* rolling 12 months



FOCUS

-
- Uncertain macroeconomic environment
 - Optimizing between margins and capacity utilisation
 - Continue on energy projects



SHARING OUR STORY WITH YOU

HEDGED AGAINST
VOLATILITY
OF PROFITABILITY
& HIGH FLUCTUATION
OF ENERGY

GROWTH
IN PACKAGING

INCREASING SHARE
OF RENEWABLE AND
FOSSIL-FREE ENERGY

PREDICTABLE CAPEX
AIMED AT CONTINUED
IMPROVEMENTS

OWNER
OF BRANDS VALUED
BY CUSTOMERS

ESTABLISHED
POSITION ON THE
MARKET WITH
A HIGH ENTRY
BARRIER

STABLE
OWNERSHIP
STRUCTURE

SUSTAINABLE
PRODUCTION
PROCESSES

4P For Future Arctic

Paper



Packaging



Pulp



Power



Thank you



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