



storaenso

# CEO presentation

## Hans Sohlström

THE RENEWABLE MATERIALS COMPANY

# Disclaimer



It should be noted that certain statements herein which are not historical facts, including, without limitation those regarding expectations for market growth and developments; expectations for growth and profitability; and statements preceded by “believes”, “expects”, “anticipates”, “foresees”, or similar expressions, are forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Since these statements are based on current plans, estimates and projections, they involve risks and uncertainties which may cause actual results to materially differ from those expressed in such forward-looking statements. Such factors include, but are not limited to: (1) operating factors such as continued success of manufacturing activities and the achievement of efficiencies therein, continued success of product development, acceptance of new products or services by the Group’s targeted customers, success of the existing and future collaboration arrangements, changes in business strategy or development plans or targets, changes in the degree of protection created by the Group’s patents and other intellectual property rights, the availability of capital on acceptable terms; (2) industry conditions, such as strength of product demand, intensity of competition, prevailing and future global market prices for the Group’s products and the pricing pressures thereto, price fluctuations in raw materials, financial condition of the customers and the competitors of the Group, the potential introduction of competing products and technologies by competitors; and (3) general economic conditions, such as rates of economic growth in the Group’s principal geographic markets or fluctuations in exchange and interest rates.

We are the renewable materials company



**Our purpose**

Do good for people and the planet  
Replace non-renewable materials  
with renewable products

**Our values**

Lead  
Do What's Right



**Renewability**

Our raw material is  
renewable, recyclable  
and fossil-free



**Less CO<sub>2</sub>**

Our products replace  
fossil-based materials



**Circularity**

Our renewable products  
contribute to a circular  
bioeconomy



storaenso

**Personnel**

20,000

**Presence**

40 production units  
in 13 countries

**Shareholders**

115,000



# Group Leadership Team



**President and CEO**  
Hans Sohlström



**CFO and Deputy CEO**  
Seppo Parvi



**EVP People and Communication**  
Katariina Kravi



**EVP Strategy and Sustainability**  
Tobias Bäärnman



**EVP Legal and General Counsel**  
Micaela Thorström



**EVP Packaging Materials**  
Hannu Kasurinen



**EVP Packaging Solutions**  
Ad Smit



**EVP Biomaterials**  
Johanna Hagelberg



**EVP Wood Products**  
Lars Völkel



**EVP Forest**  
Per Lyrvall



storaenso

1. Group strategy

2. Performance 2023

3. The way forward



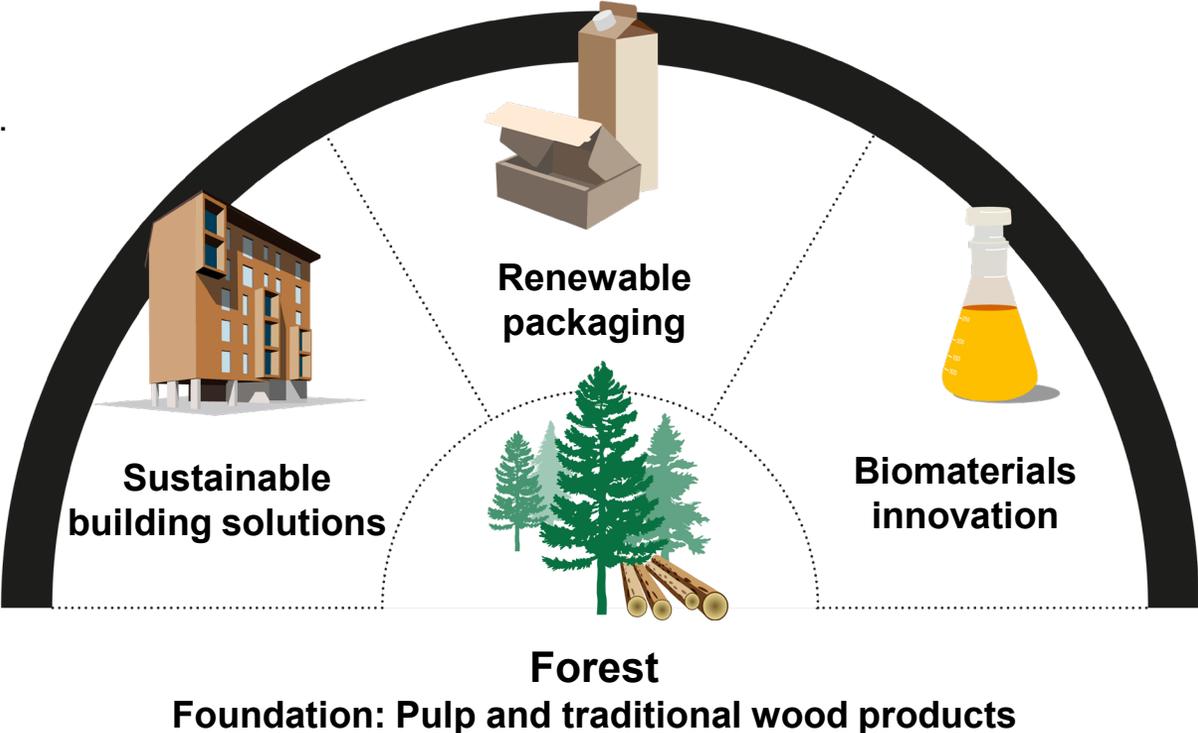
# We are the Renewable Materials Company



**Purpose:**  
Do good for people and the planet.  
Replace non-renewable materials  
with renewable products.

**Values:**  
Lead.  
Do What's Right.

**People promise and expectation:**  
Safety, diversity and inclusion.  
Customer value, performance  
and innovation.  
Personal growth.



**Financial targets:**

Growth per year	> 5%
ROCE excl. Forest	> 13%
Net debt to EBITDA	< 2
Net debt to equity	< 60%
Dividend of EPS	50%

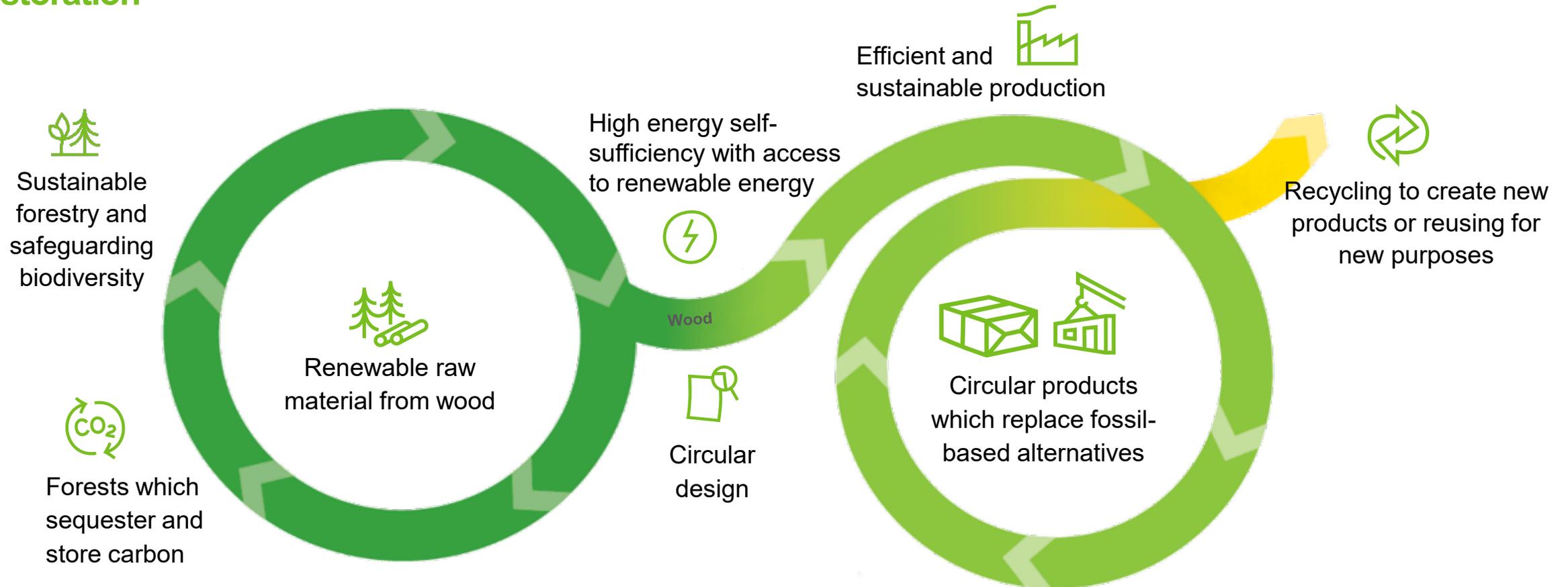
**Sustainability:**  
Net zero by 2040.  
Regenerative by 2050.

**Performance culture:**  
Ambition.  
Agility.  
Analytical approach.  
Accountability.

# Creating value in the circular bioeconomy



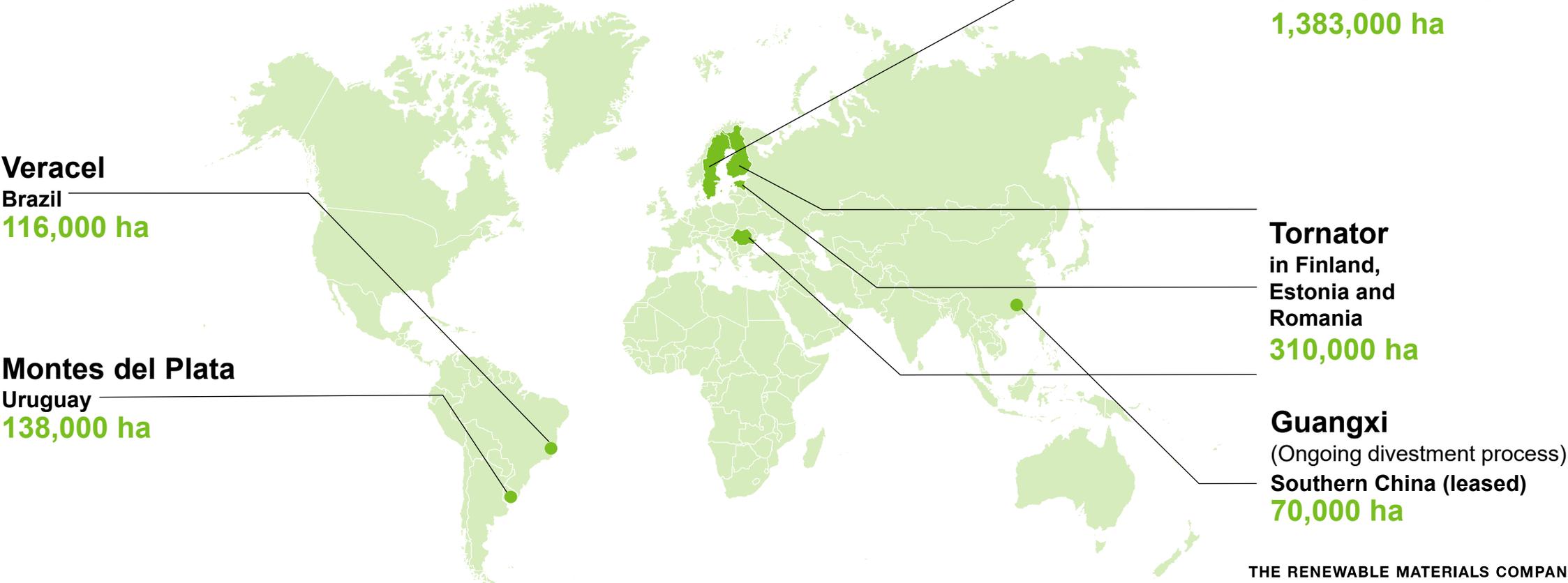
Our ambition is to offer 100% regenerative solutions\* by 2050 which help reduce climate impact and support biodiversity restoration



# Leading sustainable forest management across one of the world's largest private forest estates



~36% self-sufficiency  
Forest value of €8.7 bn ~€11 per share





1. Group strategy

2. Performance 2023

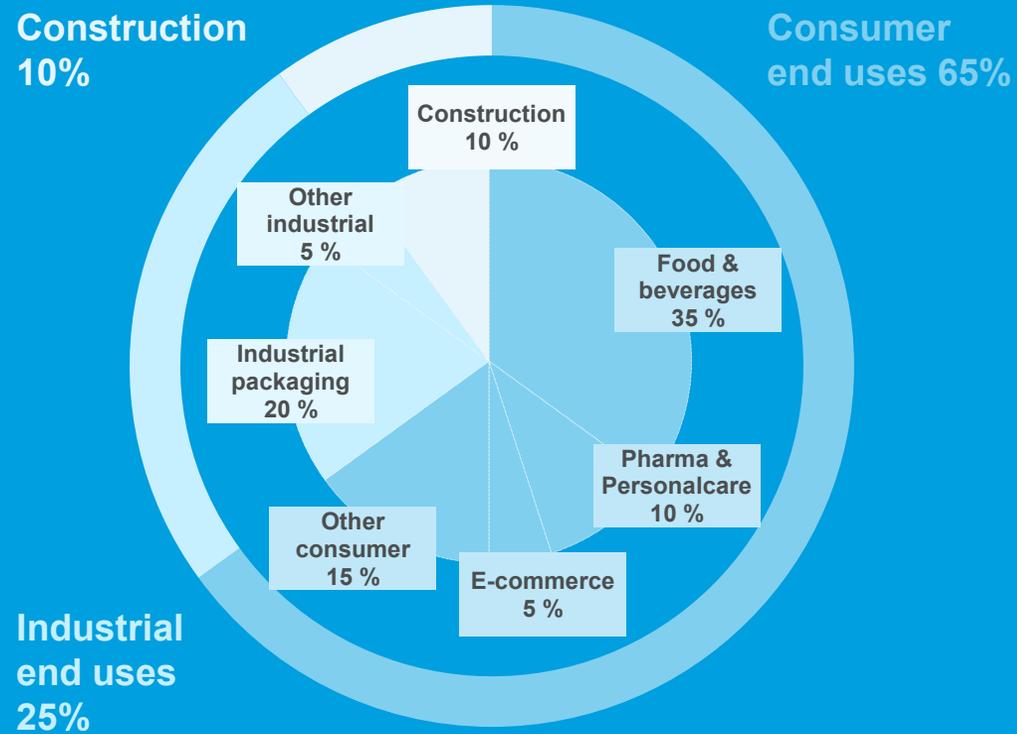
3. The way forward



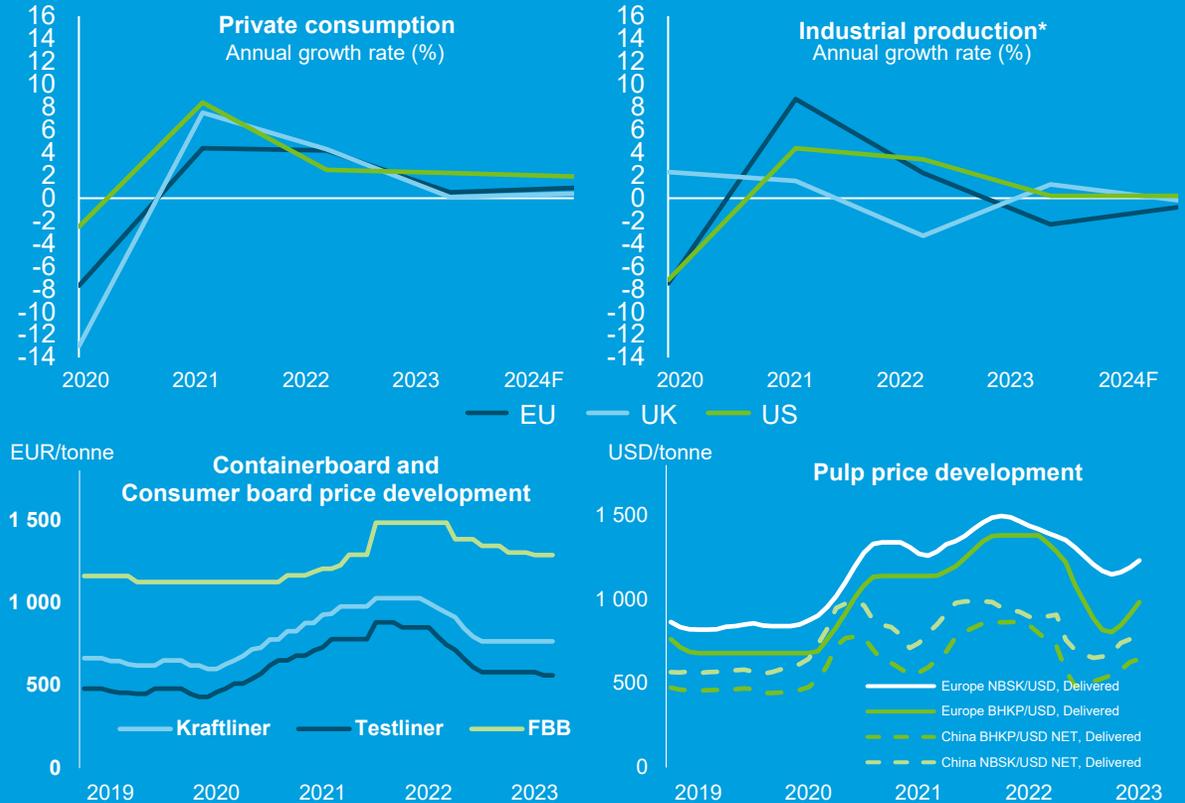
# End use sales and market drivers for our operating environment



Group sales by end use (FY/2023)



Market drivers and price development



# Challenging year in unprecedented market conditions



## Sales

**11.7** → **9.4**  
BEUR 2022 → BEUR 2023

## Operational ROCE excl. Forest

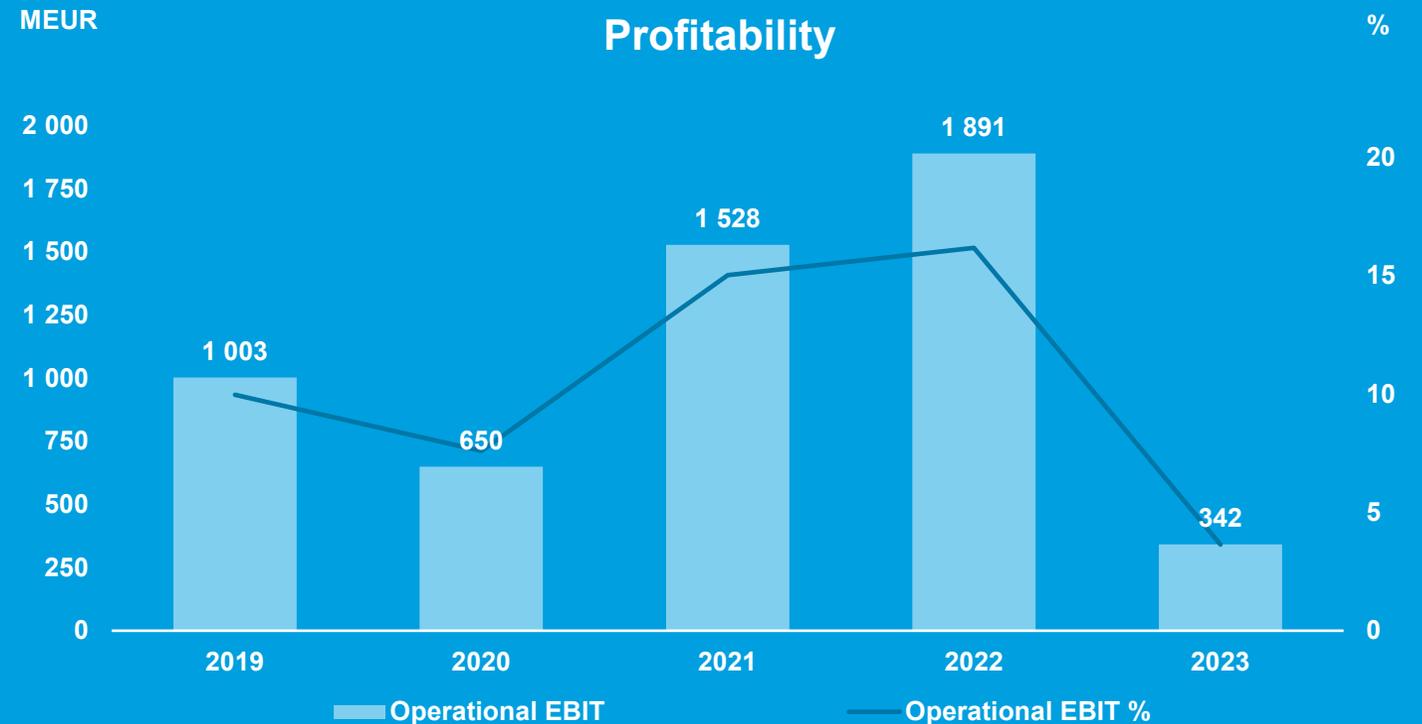
**20.4%** → **1.0%**  
2022 → 2023

## Forest value

**8.3** → **8.7**  
BEUR 2022 → BEUR 2023

Market cap: ~€9 billion

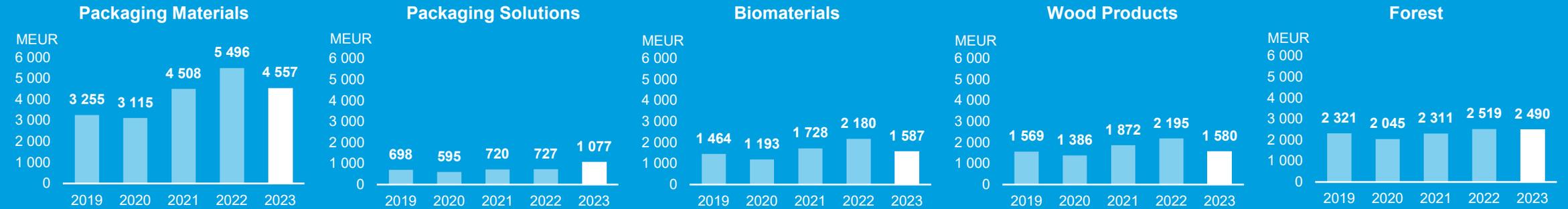
Shares listed at Nasdaq in Helsinki and Stockholm, and traded as ADRs and Ordinary Shares in the US



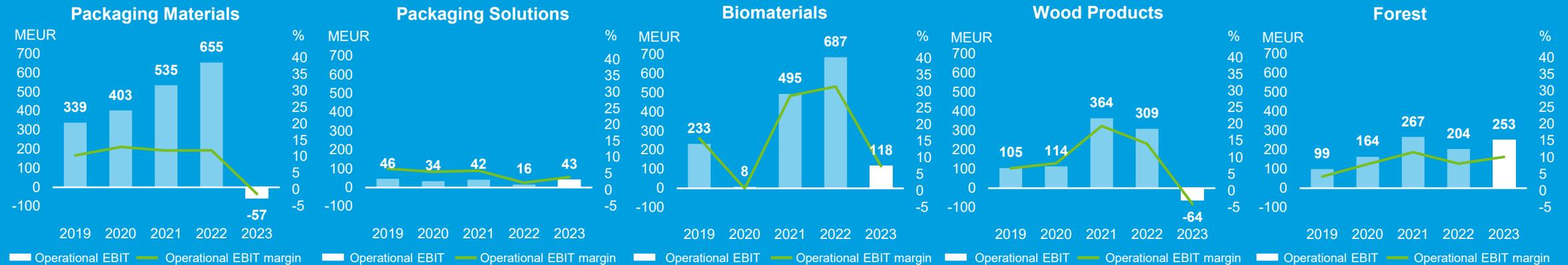
# Division overview (sales, opEBIT and opEBIT margin)



## Sales

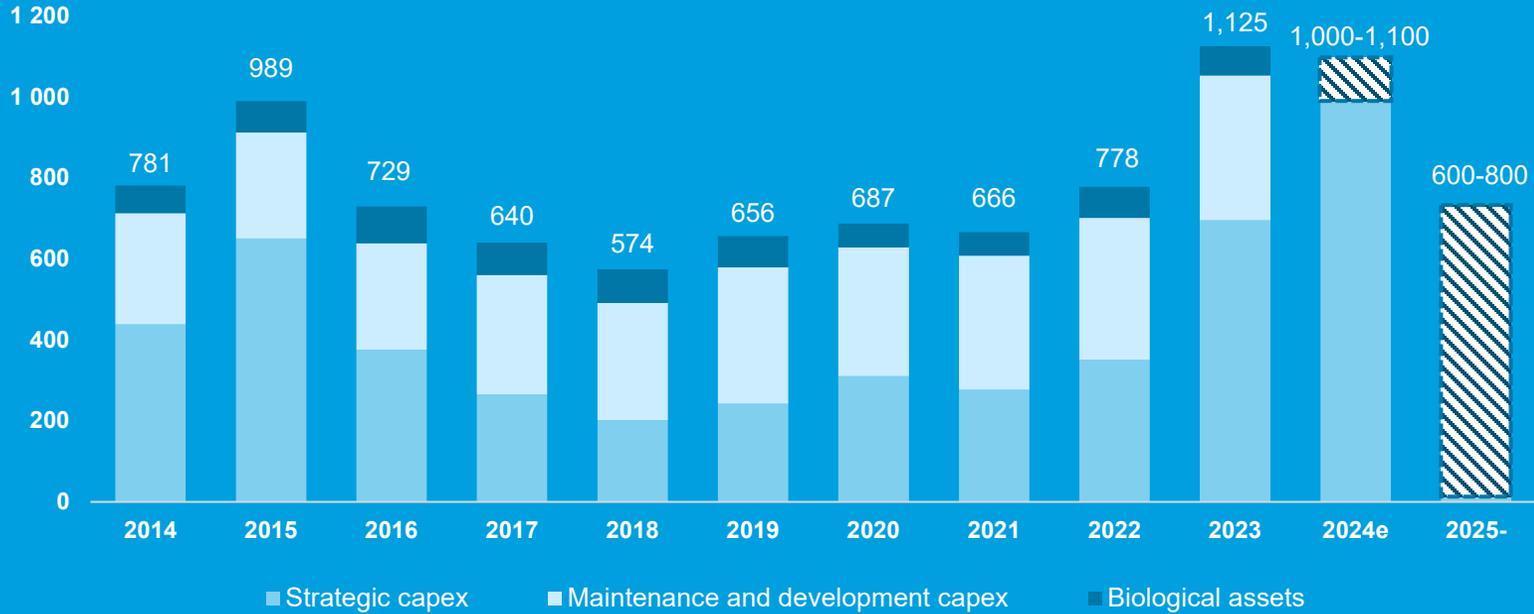


## Operational EBIT and Operational EBIT Margin



# Committed growth investments proceeded as planned

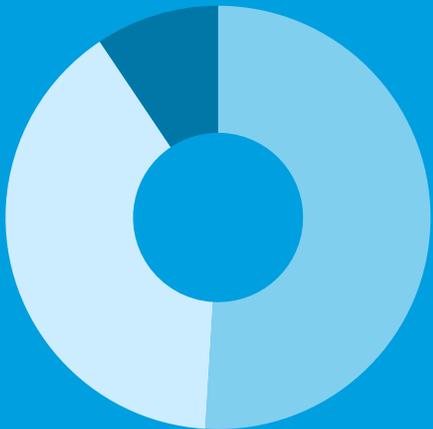
Returning to average capex range of €600 - 800 million after 2024



Capex includes the capitalised leasing contracts according to IFRS 16 Leases standard from 2019 onwards

## Average capex split for 2014-2024

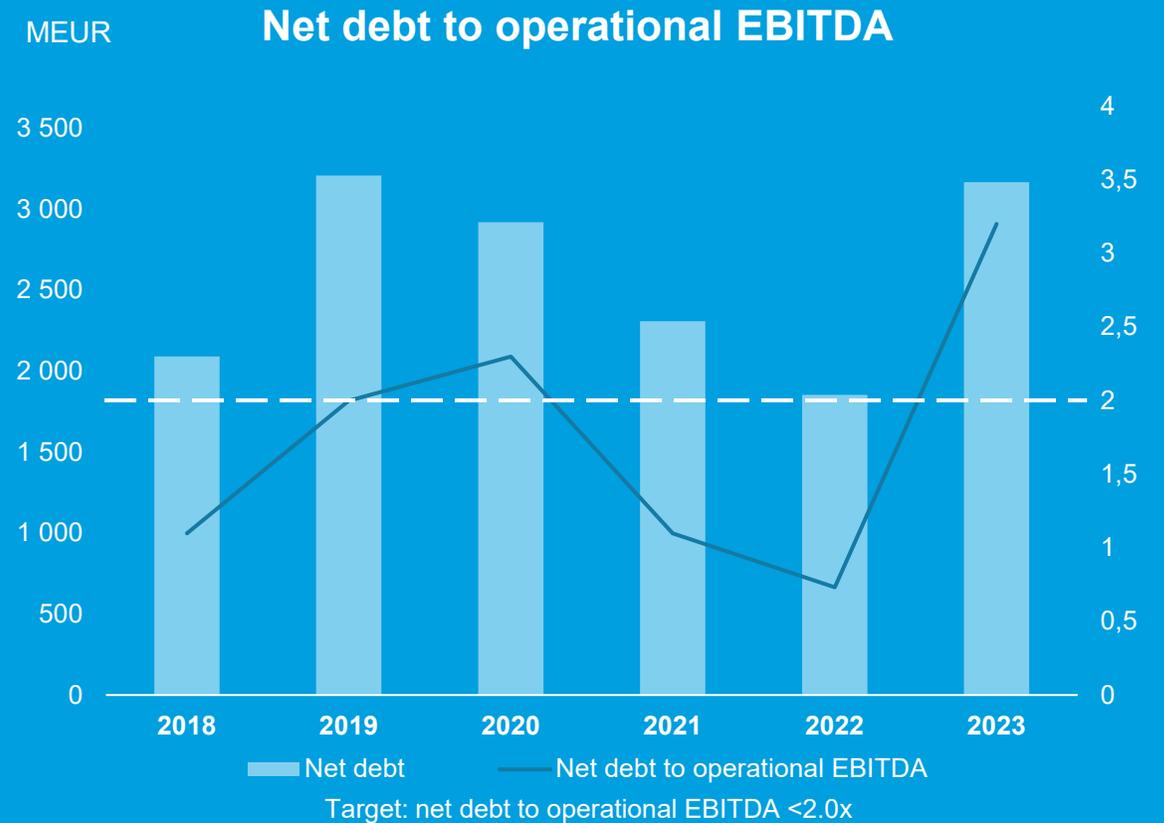
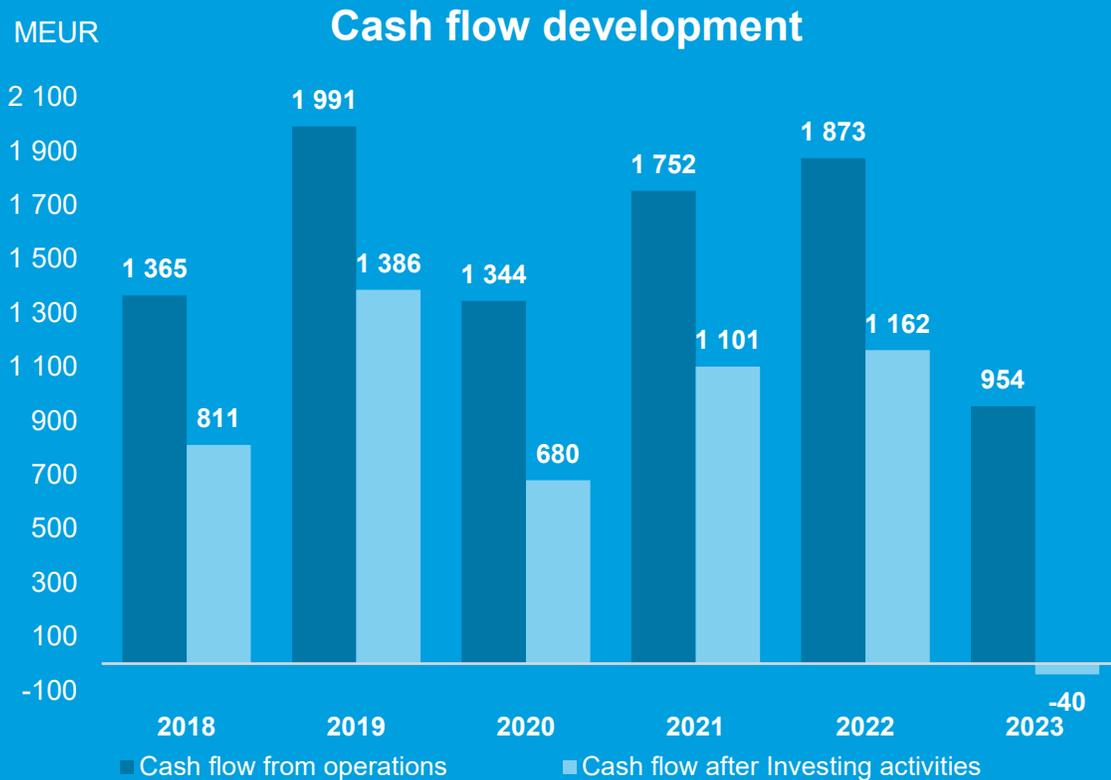
Depending on investment decisions



- Strategic capex
- Maintenance and development
- Biological assets

# Focused on improving cash flow

## Significant improvement in working capital reduction



# Development of long-term targets



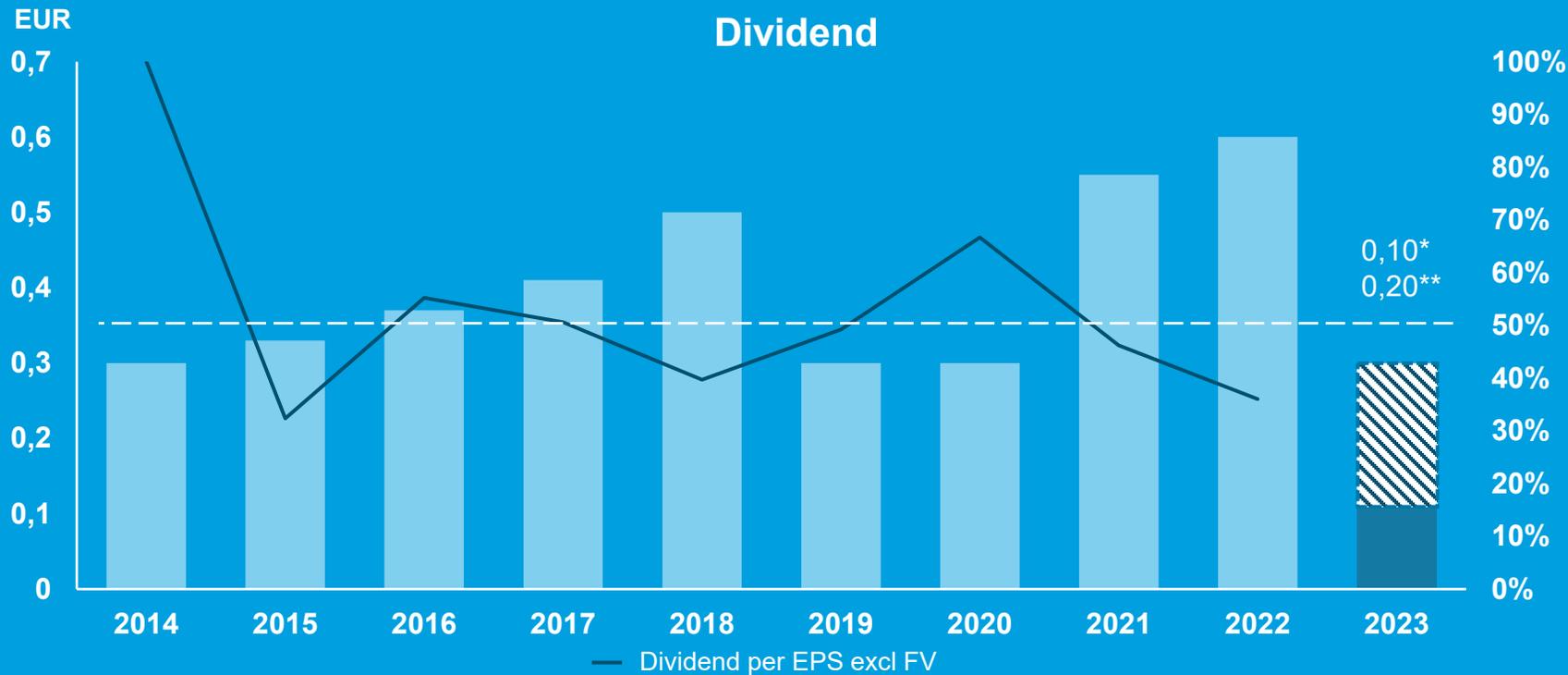
Financial performance		2022	2023
Growth YoY	> 5%	17%	-20%
Net debt to operational EBITDA	< 2.0x	0.7	3.2
Net debt to equity	< 60%	15%	29%
Operational ROCE excl. Forest	> 13%	20%	1%
Dividend per share (EUR)	To distribute 50% of EPS excluding fair valuation over the cycle	0.60	0.10* (0.20)**
Sustainability performance		2022	2023
Climate: Reduction of fossil CO <sub>2</sub> e emissions (scope 1 and 2)	-50% by the end of 2030 from 2019	-27%	-41%
Climate: Reduction of fossil CO <sub>2</sub> e emissions (scope 3)	-50% by the end of 2030 from 2019	-24%	-34%
Circularity	100% by 2030	94%	94%
Biodiversity: Forest certification coverage	≥ 96%	99%	99%
Safety performance		2022	2023
TR1 rate	Total Recordable Incident (TRI) rate of 4.9 or less by the end of 2023	5.9	4.7

Committed to reaching net-zero CO<sub>2</sub> emissions by 2040 through signing The Climate Pledge

\*Dividend proposal of 0.10 EUR/share to be paid in April 2024

\*\*Proposal that the Board is authorised, at its discretion, to pay an additional 0.20 EUR/share until 31 December 2024

# Proposed dividend in challenging market conditions



**Target to distribute:  
50% of EPS  
excluding fair  
valuation over  
the cycle**

**Long term  
average 55%**

\*Dividend proposal of 0.10 EUR/share to be paid in April 2024  
 \*\*Proposal that the Board is authorised, at its discretion,  
 to pay an additional 0.20 EUR/share until 31 December 2024

1. Group strategy

2. Performance 2023

3. The way forward



# Building more profitable and competitive Stora Enso to generate greater shareholder value while also benefiting the environment



**Profit improvement** from procurement, operational and commercial excellence  
**Capital release** from operating working capital and Beihai divestment  
**Strategy** and right people in right jobs

**Oulu investment €1 billion** during 2023-2024  
 Acquisition of **De Jong Packaging Group**

**Oulu Investment** ramping up  
**+€800 million**  
 annual sales

H2 2023		2025	
H1 2023	2024	2025	2026
Discontinuation of the Paper division	<b>Restructuring programme</b> EBIT impact €110 million annually New operating model	<b>Profit improvement programme</b> EBIT impact €80 million annually	

# Increasing part of strategic growth areas



\*Strategic growth areas include Renewable packaging, Sustainable building solutions, and Biomaterials innovations  
\*\*Foundation businesses include pulp, traditional wood products, and forest.

# Developing bio-based incremental growth opportunities



**Biodegradable and recyclable packaging foams to replace fossil-based packaging foams**



**Bio-based anode material to replace mined or fossil-based materials in batteries**



**Replacing fossil solutions with safe, renewable binder solutions**

# Optimising our forest land assets for value creation



storaenso

## Developing and selling wind power projects

### **Our potential**

~20 TWh  
annual production  
on our land long term

### **Our ambition**

5–10 TWh  
annual production  
ramping up from  
2030→

Our recent agreement  
with OX2 on a **joint  
wind power  
development project**  
of circa 1,000 MW is a  
step towards our  
ambition

### **Other future potential**

Carbon credits  
Solar power

# Focus on profit improvement, competitiveness and cash flow



## Outlook

- Expecting uncertain market conditions in 2024 with continued pressures on demand, prices and margins
- Enhancing procurement, operational and commercial excellence, and capital release
- Completed restructuring programme resulting in €110m annual operational EBIT improvement
- Launched profit improvement programme targeting €80m annual operational EBIT improvement
- Strengthening financially, strategically and operationally for long-term growth and shareholder value

## Guidance

- Stora Enso's full-year 2024 operational EBIT is expected to be higher than for the full-year 2023 (€342 million)





storaenso



THE RENEWABLE MATERIALS COMPANY

Thank you for your  
support and trust