

Story Enso Annual General Meeting 2021
19 March 2021



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President & CEO's report

Annica Bresky

Replacing fossil-based and other non-renewable materials



Trees, our raw material, grow back



Recycling is good – but it's not enough



Renewable materials help combat global warming



Join us on our journey to replace plastics

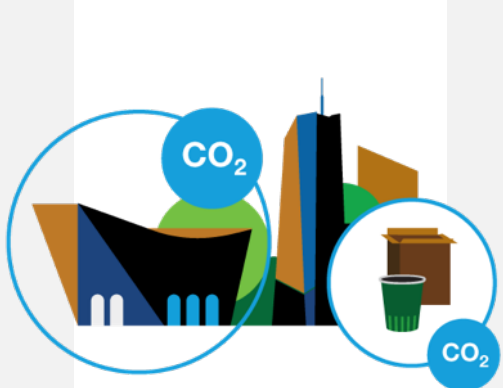
Stora Enso's annual estimated climate impact



Our forests remove carbon¹

-1.5

million tonnes of CO₂



Our products store carbon

-2.6

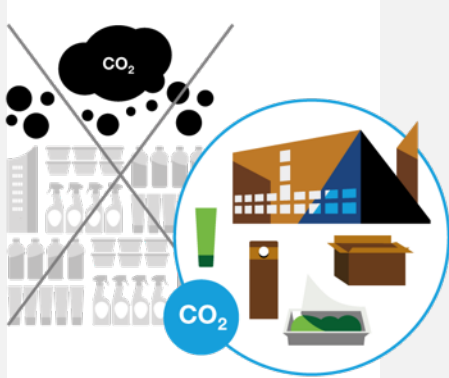
million tonnes of CO₂e



Our value chain emissions²

+10.5

million tonnes of CO₂e



Our products substitute fossil-based products, saving

-17.9

million tonnes of CO₂e

=

Climate impact³

-11.5

million tonnes of CO₂e

Stora Enso's progress in 2020



A leader in the
bioeconomy




Dividend
EUR 0.30
Per share

Sales 2020
EUR 8.6
billion

Operational EBIT
EUR 650
million

Operational
ROCE excluding
Forest division
7.0%

 **Combating**
global warming
-26% lower CO₂e than
in the 2010 base year

Cash flow from operations
EUR 1.3 billion

Development of long-term financial targets



Group long-term financial targets		2019	2020	
Dividend*	To distribute 50% of EPS excluding fair valuation over the cycle	0.30	0.30	●
Growth**	> 5%	-3.0% (YoY)	-8.7% (YoY)	●
Net debt to operational EBITDA	< 2.0x	2.0	2.3	●
Net debt to equity	< 60%	43%	33%	●
Operational ROCE excl. Forest	> 13%	12.8%	7.0%	●

Divisional long-term financial targets		2019	2020	
Packaging Materials	Operational ROOC > 20%	12.4%	13.9%	●
Packaging Solutions	Operational ROOC > 25%	18.9%	14.1%	●
Biomaterials	Operational ROOC > 15%	9.4%	0.4%	●
Wood Products	Operational ROOC > 20%	16.6%	19.1%	●
Forest	Operational ROCE > 3.5%	3.7%	3.9%	●
Paper	Cash flow after investing activities to sales > 7%	9.3%	1.6%	●

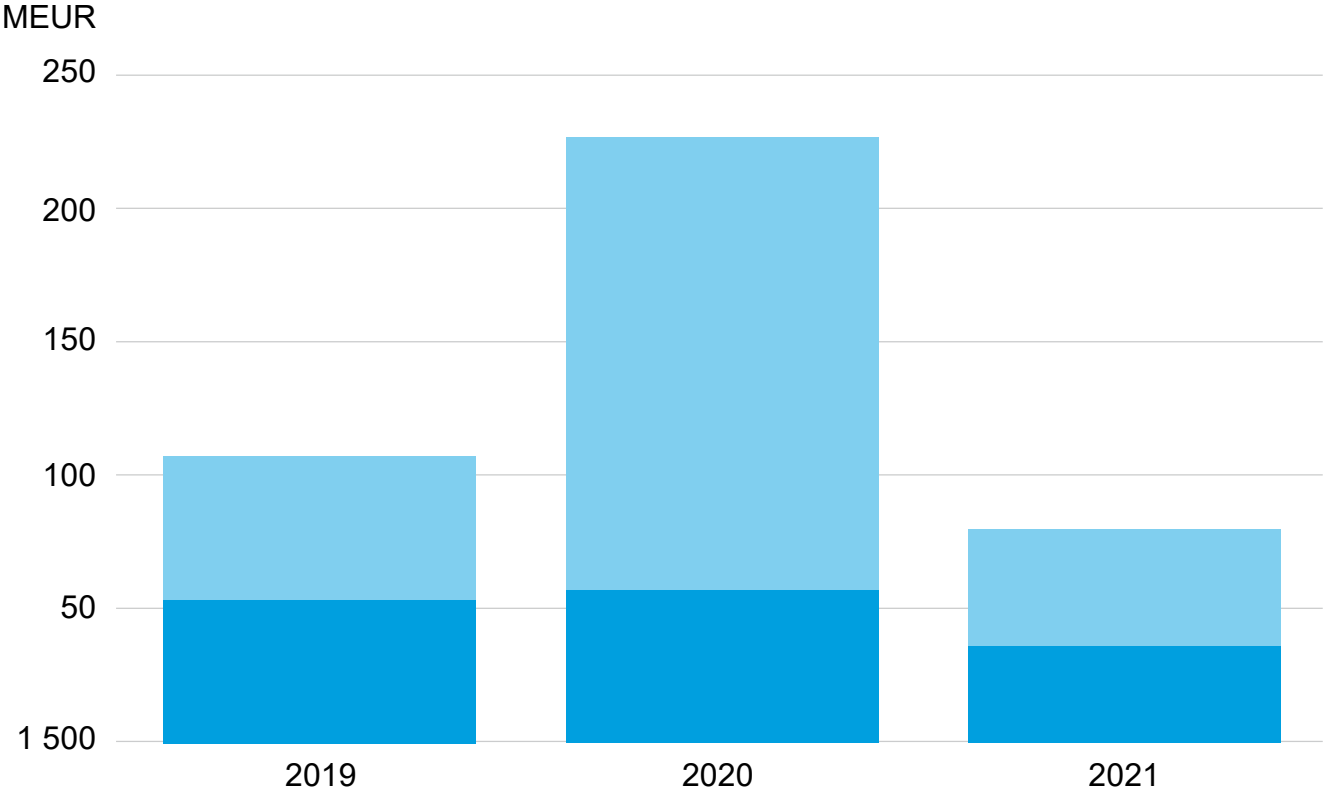
*Annual dividend **Excluding Paper

400 MEUR profit protection programme

225 MEUR continuous and 30 MEUR one-time savings in 2020



Group continuous annual savings ■ Fixed costs ■ Variable costs



Sustainable and profitable growth from **renewable products**



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THE RENEWABLE MATERIALS COMPANY

Highlights of our strategy execution



Oulu Mill conversion to **kraftliner** is finalised and the mill is in a start-up phase

Division:
Packaging Materials



Feasibility study at **Skoghall Mill** by end Q4 2021

Division:
Packaging Materials



CLT Ždírec progressing according to plan, start-up Q3 2022

Division:
Wood Products



14 MEUR investment in Sunila Mill to build a granulation and packaging plant for **lignin**

Division:
Biomaterials

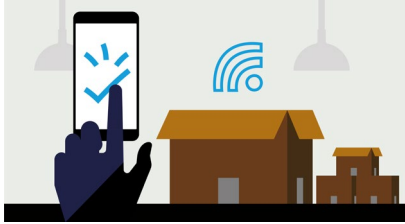
Shaping our business for higher growth and value...



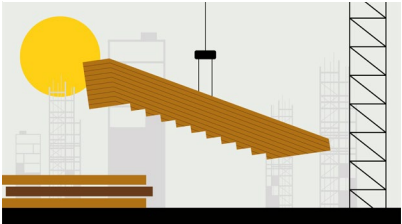
Growth



Packaging Materials



Packaging Solutions



Wood Products:
Building Solutions

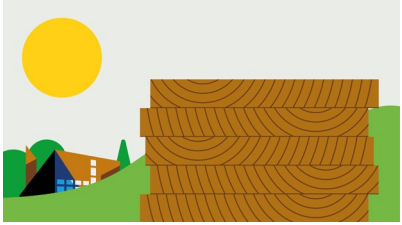


Biomaterials: Innovations

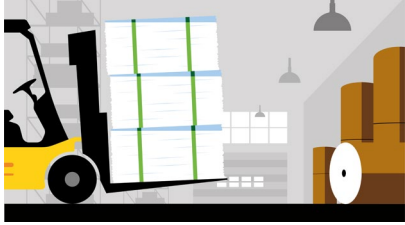
Foundation



Forest



Wood Products:
Traditional wood products



Biomaterials: Pulp

Cash



Paper

...by focusing on our three leading positions




Packaging Materials & Solutions



Significant growth potential
with 20%+ margin


Majority of future company growth

Wood Products: Building Solutions



3x sales
from Building Solutions
with ~20% margin

Biomaterials Innovations



35%+ margin
35%+ margin in novel
markets with strong growth

Increased focus on our innovation agenda



Sustainable packaging applications to replace fossil materials

- Formed fiber
- Biofoam



Bio-based barrier solutions for packaging



Biomaterials Innovation

- Carbon for energy storage
- Bio-binders
- Carbon fibers

New growth opportunities through digitalisation



**Precision
forestry for
tree analysis**

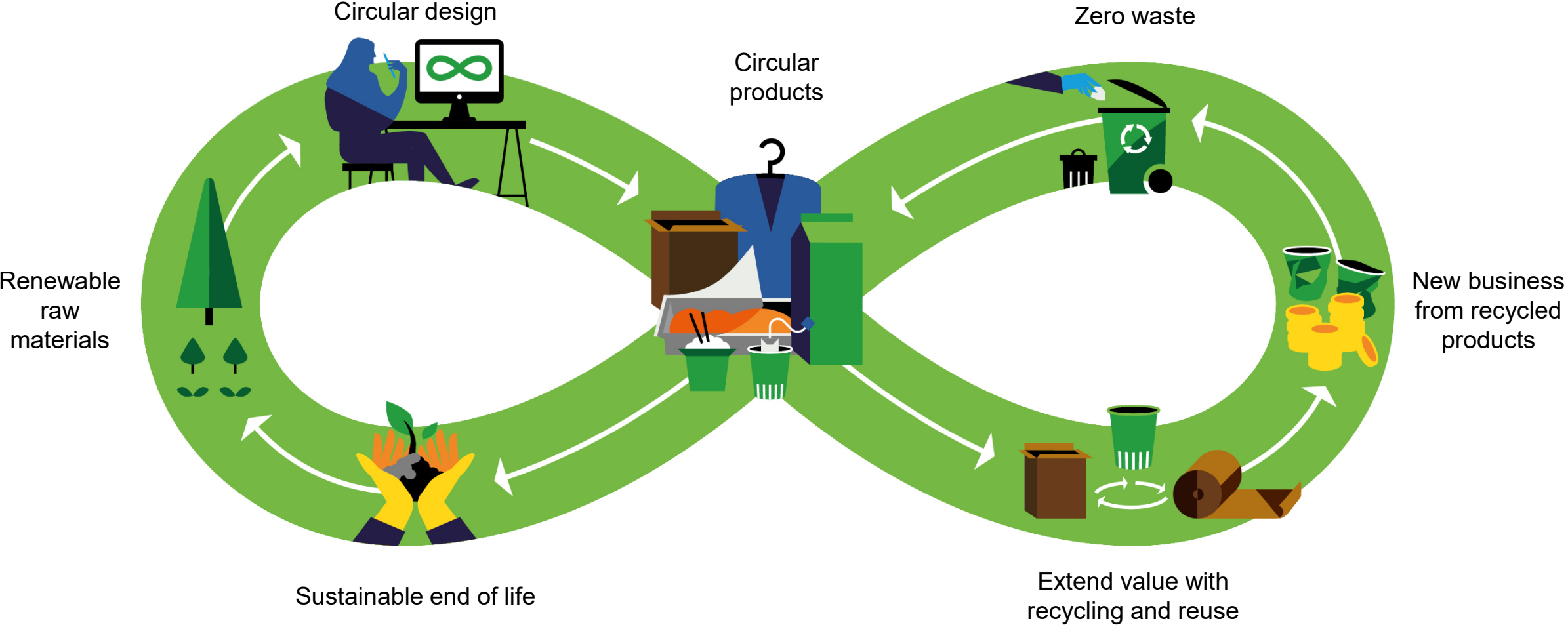


**Digital tools
for wood
construction**



**B2B marketplace
for packaging
sourcing**

Renewable products make a circular bioeconomy



Accelerating circularity along the value chain

Examples



Poland

Increasing the recycling of used beverage cartons in Central and Eastern Europe



Belgium

Experiments to use recycled paper cups for magazine paper production at Langerbrugge Mill



Sweden

Turning wastewater into renewable energy at Nymölla paper Mill in Sweden

Our products have a lower carbon footprint



**Lignin
80%**



**Wood Buildings
75%**



**Biocomposite
80%**



**Formed Fiber
75%**

**Forest is our
foundation
for value creation**



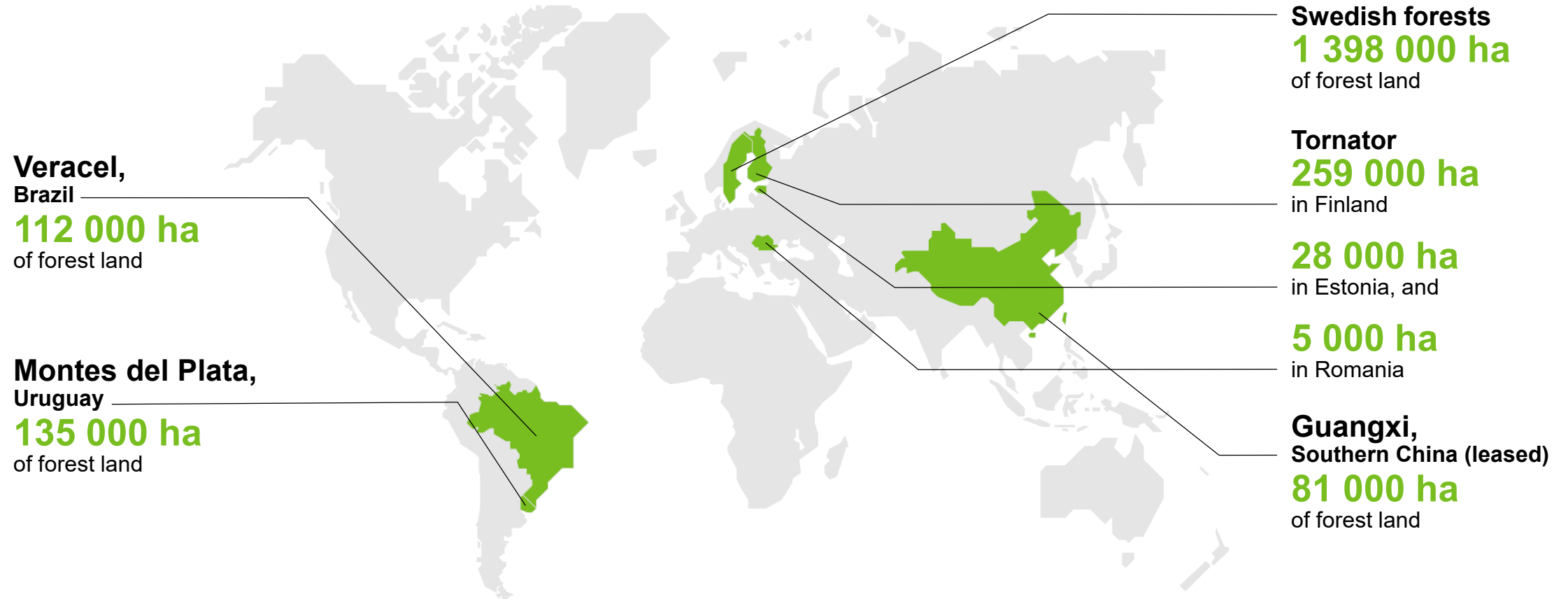
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THE RENEWABLE MATERIALS COMPANY

One of the world's biggest private forest owners

Total forest asset value in balance sheet EUR 7.3 billion



Forests have a key role in combatting climate change

Carbon is stored in trees and wood-based products



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100%

of our wood comes from sustainable sources

87%

comes from managed semi-natural forests

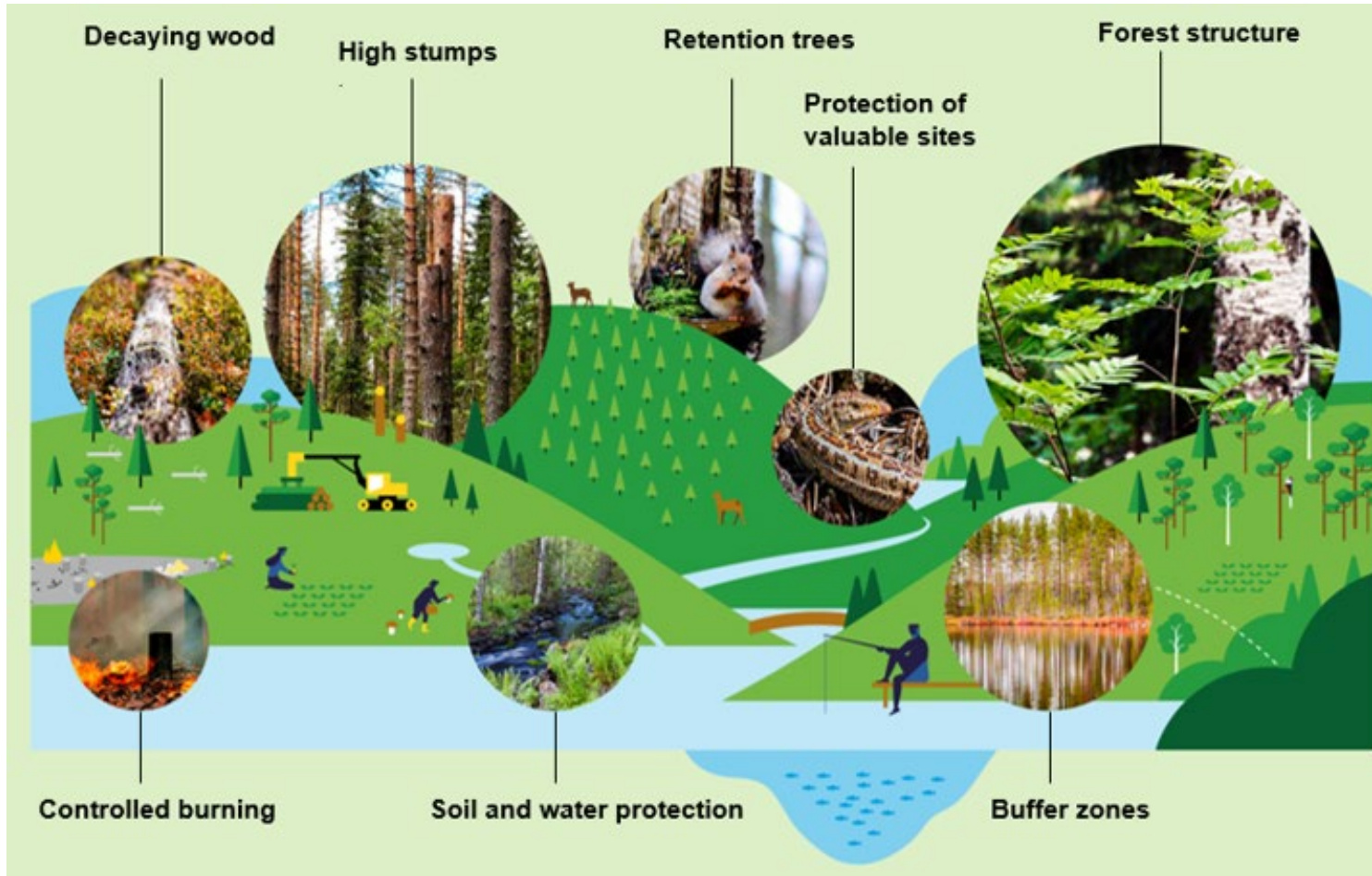
78%

of our wood is certified

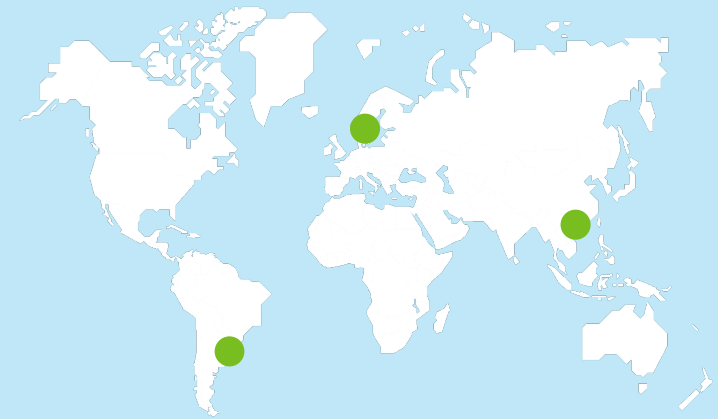
98%

of lands owned and managed by us are covered by certification

Biodiversity management practices in Northern forests



We ensure that forests grow more than they are harvested, and that biodiversity is an integral part of everyday forest management.



We have ambitious targets for our climate work



- Stora Enso was the first in its industry to set ambitious **science-based targets** to reduce greenhouse gas emissions.
 - Our target is to reduce emissions from operations by 31% by 2030, compared to 2010.
 - In 2020, we had achieved a reduction of -26% compared to 2010.
- Target to be updated in 2021 to **further increase our ambition level**.
 - To be aligned with 1.5 degree scenario.

Our renewable products provide a sustainable alternative



A leader in the
bioeconomy



A new valuation
method for
forest assets



Sales 2020
**EUR 8.6
billion**

Cash flow from
operations

**EUR 1.3
billion**

Conversion at our
Oulu Mill from paper to
**kraftliner
production**



Zdirec CLT
production line

progressing according to plan

**Renewable formed
fiber products**
for plastic- and PFAS-free
food service packaging

When you want to know more

Read our Annual Report

storaenso.com/annualreport

Includes: Sustainability. Strategy. Financials. Governance



Stora Enso
Annual Report 2020



THE RENEWABLE MATERIALS COMPANY