

# Stora Enso Interim report

# Q3

January–September 2023



storaenso

**Our purpose:**

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

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**President and CEO Hans Sohlström:**  
**"We now focus on our profit and cash generation; we act decisively and swiftly. Commercial and operational excellence, competitiveness and shareholder value are our key priorities."**

## Highlights



### **New President & CEO**

Hans Sohlström was appointed Stora Enso's new President and CEO in September.



### **Restructuring actions to improve long-term competitiveness and profitability**

Stora Enso has closed down units with low long-term competitiveness.



### **Decentralised business model being implemented**

Stora Enso is empowering its divisions further by decentralising operations and creating lean Group functions.

# Focusing on actions for a profitability turnaround and capital release

## Quarterly financial highlights

- Sales decreased by 28% to EUR 2,127 (2,963) million.
- Operational EBIT decreased to EUR 21 (527) million.
- Operational EBIT margin decreased to 1.0% (17.8%).
- Operating result (IFRS) was EUR -1 (511) million.
- Earnings per share (EPS) were EUR -0.04 (0.47) and EPS excl. fair valuations (FV) was EUR -0.05 (0.47).
- The value of the forest assets increased to EUR 8.3 (8.1) billion, equivalent to EUR 10.47 per share.
- Cash flow from operations amounted to EUR 231 (639) million. Cash flow after investing activities was EUR 38 (489) million.
- Net debt increased by EUR 995 million to EUR 3,120 (2,125) million, due to the acquisition of De Jong Packaging Group, the board investment at the Oulu site, and dividend payment in 2023.
- The net debt to operational EBITDA (LTM<sup>1</sup>) ratio was 2.4 (0.8). The target is to keep the ratio below 2.0.
- Operational ROCE excluding the Forest division (LTM<sup>1</sup>) decreased to 4.7% (22.1%), the target being above 13%.

## January–September results

- Sales were EUR 7,222 (8,816) million.
- Operational EBIT was EUR 292 (1,536) million.
- Operating result (IFRS) was EUR 4 (1,304) million.
- Earnings per share (EPS) were EUR -0.09 (1.22) and EPS excl. fair valuations (FV) was EUR -0.09 (1.24).
- Cash flow from operations amounted to EUR 631 (1,445) million. Cash flow after investing activities was EUR -31 (960) million.
- Operational ROCE excluding the Forest division (LTM<sup>1</sup>) decreased to 4.7% (22.1%).

## Key highlights

- Stora Enso's Board of Directors appointed Hans Sohlström as the new President and CEO on 18 September 2023.
- Stora Enso has closed several production units amid restructuring and is reducing the number of employees within Group functions. Some negotiations are still ongoing and are expected to be concluded by the end of 2023. The restructuring actions will improve Stora Enso's operational EBIT by approximately EUR 110 million annually.
- The consumer board investment at the Oulu site in Finland is moving ahead according to schedule. Production is expected to start during 2025.

## Guidance

Stora Enso reiterates its full-year 2023 operational EBIT to be significantly lower than for the full-year 2022 (EUR 1,891 million).

<p><b>Sales</b></p> <p><b>EUR 2,127 million</b></p> <p>(Q3/2022: 2,963)</p>	<p><b>Operational EBIT margin</b></p> <p><b>1.0%</b></p> <p>(Q3/2022: 17.8%)</p>	<p><b>Operational ROCE excl. the Forest division (LTM)</b></p> <p><b>4.7%</b></p> <p>(Q3/2022: 22.1%)</p>
<p><b>Net debt to operational EBITDA (LTM)</b></p> <p><b>2.4</b></p> <p>(Q3/2022: 0.8)</p>	<p><b>EPS (basic)</b></p> <p><b>EUR -0.04</b></p> <p>(Q3/2022: 0.47)</p>	<p><b>Cash flow from operations</b></p> <p><b>EUR 231 million</b></p> <p>(Q3/2022: 639)</p>

LTM = Last 12 months

## Outlook

Stora Enso faces a continued subdued market outlook for the rest of 2023 and going into 2024, as weak global growth and high inflation weigh on its performance. The Company expects no market improvement in the fourth quarter, following a challenging third quarter, when low demand and prices affected most of its segments. All variable costs are however declining from their peak levels, except for wood, which remains high despite a slight decrease.

The current macroeconomic and market conditions pose significant challenges for Stora Enso, especially in its Packaging Materials and Wood Products divisions. These segments suffer from low demand, prices and volumes. The demand for these divisions is also affected by the weak outlook for retail and construction sectors. On the other hand, customer destocking is expected to come to an end in the Packaging Materials and Biomaterials divisions, which may support a slight recovery in these segments in 2024. The Biomaterials division also sees some signs of improvement in the pulp market, with rising spot prices and decreasing global pulp inventories, after plunging from record highs in 2022. However, this recovery is expected to be slow due to new pulp capacity entering the markets.

The Packaging Solutions division faces fluctuating and weak market conditions, with challenged margins due to over-capacity. The Forest division experiences a tight wood market, especially for pulpwood in Finland and sawlogs in Sweden, driven by mill starts and competition from the energy sector.

Stora Enso has taken restructuring actions during the second and third quarters this year to protect its margins and cash flow. These actions will be completed by the end of 2023 and will benefit its financial performance from 2024 onwards. They include closing sites and production lines, selling assets, and adopting a more decentralised operating model with more autonomy for the divisions and leaner Group functions.

The Group will now further pursue profit turnaround and cash flow improvements to improve competitiveness, reduce costs, and support focused capital allocation into strategic growth markets.

### Market demand development by division quarter-on-quarter, Q3/2023 to Q4/2023

Q4/2023 market demand outlook Quarter-on-Quarter	
<b>Packaging Materials</b>	Demand for consumer and containerboard is expected to be stable at a low level, affected by weak retail outlook. Destocking is expected to come to an end.
<b>Packaging Solutions</b>	Demand for corrugated packaging in Europe is expected to be stable at a low level.
<b>Biomaterials</b>	Demand for pulp is expected to be slightly stronger but remain at a low level. Global pulp inventories are decreasing from peak levels. New capacity entering the market.
<b>Wood Products</b>	Demand for sawn wood and building solutions is expected to be weaker. The building activity in the construction industry continues to be low.
<b>Forest</b>	Demand for pulpwood is expected to be slightly stronger. Demand for pulpwood for energy use remains strong. High demand for sawlogs in Sweden is expected to keep the log market tight.

## Key figures

EUR million	Q3/23	Q3/22	Change %		Change %		Change %		2022
			Q3/23– Q3/22	Q2/23	Q3/23– Q2/23	Q1-Q3/23	Q1-Q3/22	Q1-Q3/23– Q1-Q3/22	
Sales	2,127	2,963	-28.2%	2,374	-10.4%	7,222	8,816	-18.1%	11,680
Operational EBITDA	180	689	-73.9%	198	-9.3%	777	2,014	-61.4%	2,529
Operational EBITDA margin	8.5%	23.2%		8.4%		10.8%	22.8%		21.7%
Operational EBIT	21	527	-96.0%	37	-43.3%	292	1,536	-81.0%	1,891
Operational EBIT margin	1.0%	17.8%		1.6%		4.0%	17.4%		16.2%
Operating result (IFRS)	-1	511	-100.2%	-253	99.7%	4	1,304	-99.7%	2,009
Result before tax (IFRS)	-41	448	-109.2%	-304	86.4%	-117	1,192	-109.8%	1,858
Net result for the period (IFRS)	-34	367	-109.3%	-257	86.7%	-106	953	-111.1%	1,536
Cash flow from operations	231	639	-63.9%	146	57.9%	631	1,445	-56.3%	1,873
Cash flow after investing activities	38	489	-92.3%	-70	154.0%	-31	960	-103.3%	1,162
Capital expenditure	242	164	47.9%	232	4.2%	704	410	71.6%	778
Capital expenditure excluding investments in biological assets	227	145	55.9%	213	6.5%	653	356	83.8%	701
Depreciation and impairment charges excl. IAC	130	131	-0.9%	135	-3.4%	401	397	0.8%	527
Net debt	3,120	2,125	46.8%	3,030	3.0%	3,120	2,125	46.8%	1,853
Forest assets <sup>1</sup>	8,256	8,135	1.5%	8,065	2.4%	8,256	8,135	1.5%	8,338
Operational return on capital employed (ROCE), LTM <sup>2</sup>	4.5%	14.6%		8.1%		4.5%	14.6%		13.7%
Operational ROCE excl. Forest division, LTM <sup>2</sup>	4.7%	22.1%		10.7%		4.7%	22.1%		20.4%
Earnings per share (EPS) excl. FV, EUR	-0.05	0.47	-110.0%	-0.27	83.0%	-0.09	1.24	-107.3%	1.55
EPS (basic), EUR	-0.04	0.47	-109.0%	-0.29	85.3%	-0.09	1.22	-107.3%	1.97
Return on equity (ROE), LTM <sup>2</sup>	4.1%	14.3%		7.5%		4.1%	14.3%		13.3%
Net debt/equity ratio	0.28	0.17		0.27		0.28	0.17		0.15
Net debt to LTM <sup>2</sup> operational EBITDA ratio	2.4	0.8		1.7		2.4	0.8		0.7
Equity per share, EUR	14.03	15.84	-11.4%	14.03	0.0%	14.03	15.84	-11.4%	15.89
Average number of employees (FTE)	21,132	21,804	-3.1%	21,171	-0.2%	21,097	22,049	-4.3%	21,790

**Operational key figures, items affecting comparability and other non-IFRS measures:** The [list](#) of Stora Enso's non-IFRS measures, and the calculation and definitions of the key figures are presented at the end of this report. See also the section [Non-IFRS measures](#) at the beginning of the Financials section.

IAC = Items affecting comparability, FV = Fair valuations and non-operational items

<sup>1</sup> Total forest assets value, including leased land and Stora Enso's share of Tornator.

<sup>2</sup> LTM = Last 12 months – change in the calculation method explained in the section [Non-IFRS measures](#)

## Production and external deliveries

	Q3/23	Q3/22	Change %		Change %		Change %		2022
			Q3/23– Q3/22	Q2/23	Q3/23– Q2/23	Q1-Q3/23	Q1-Q3/22	Q1-Q3/23– Q1-Q3/22	
Board deliveries <sup>1</sup> , 1,000 tonnes	971	1,090	-10.9%	1,038	-6.4%	3,035	3,284	-7.6%	4,294
Board production <sup>1</sup> , 1,000 tonnes	1,049	1,139	-7.9%	1,055	-0.5%	3,231	3,588	-9.9%	4,682
Corrugated packaging European deliveries, million m <sup>2</sup>	275	158	74.7%	299	-7.9%	859	575	49.3%	741
Corrugated packaging European production, million m <sup>2</sup>	273	160	70.3%	273	0.1%	836	599	39.5%	771
Market pulp deliveries, 1,000 tonnes	555	569	-2.5%	551	0.8%	1,671	1,742	-4.1%	2,374
Wood products deliveries, 1,000 m <sup>3</sup>	863	971	-11.1%	1,033	-16.5%	2,940	3,353	-12.3%	4,397
Wood deliveries, 1,000 m <sup>3</sup>	3,003	2,901	3.5%	3,451	-13.0%	10,232	9,970	2.6%	13,304
Paper deliveries, 1,000 tonnes	173	476	-63.6%	148	17.0%	588	1,528	-61.5%	1,924
Paper production, 1,000 tonnes	180	461	-60.8%	144	25.2%	583	1,519	-61.7%	1,926

<sup>1</sup> Includes consumer board and containerboard volumes

## Total maintenance impact

Expected and historical impact as lost value of sales and maintenance costs

EUR million	Q4/2023 <sup>1</sup>	Q3/2023 <sup>2</sup>	Q2/2023	Q1/2023	Q4/2022	Q3/2022
Total maintenance impact	120	110	146	119	180	150

<sup>1</sup> Estimated

<sup>2</sup> The estimate for Q3/2023 was EUR 101 million.

## CEO comment

In my role as the newly appointed CEO of Stora Enso, my focus lies on the Company's profitability turnaround and shareholder value generation. I am proud to be able to serve the sustainability front runner in the forest industry and to build on the work done by my predecessors.

I have been a member of the Stora Enso Board of Directors for over two years, gaining valuable insight into the Company's business, operations, and strategy.

I am passionate about the bioeconomy, and the immense potential that wood-based products offer to create value for our customers, shareholders, and society. To demonstrate my personal commitment, and confidence, I invested 1 million euro in Stora Enso shares in my first week as the CEO.

However, we are now facing some challenges due to a demanding market situation. After two good years in 2021 and 2022, our financial performance and result have quickly decreased to a historically low level. In the third quarter, year-on-year sales were down by 28% and our operational EBIT by 96%. This is largely driven by a difficult macroeconomic environment which we now need to navigate, mitigate, and adapt to.

In line with the previous quarter's prediction, Stora Enso had an unsatisfactory financial performance in the third quarter. We faced deteriorating market conditions and price pressure for all segments, including our packaging business. The global pulp demand is still weak, and the supply is high. The inflation and high interest rates continue to negatively affect the construction market, weighing down on our wood products offering. Our variable costs are down from peak levels but still high compared to historical levels, while wood availability remained tight. We anticipate no significant improvement in market demand or inventory levels for the year-end.

Our strategic initiatives are progressing according to plan. We are investing about two billion euro in two major projects to accelerate our future growth: the acquisition of De Jong Packaging Group in the Netherlands earlier this year and transforming a paper line into consumer board at our Oulu site in Finland. These strategic investments will strengthen our position in the attractive segments of sustainable, renewable and recyclable packaging and packaging materials. However, they also create short-term pressure on our cash flow and balance sheet in the prevailing challenging market conditions.



During the quarter, most of our announced restructuring actions to strengthen long-term competitiveness were implemented. We now focus on our profit and cash generation; we act decisively and swiftly. Commercial and operational excellence, competitiveness and shareholder value are our key priorities. Here, asset portfolio optimisation, non-core business divestment and complexity reduction will be essential success factors. We need to leverage our scale, synergies, and best practices across the Group; and within this process, continue to pursue value creation with customers, suppliers, and other stakeholders.

We have the right foundation and the right capabilities to overcome these challenges and achieve our long-term goals. This gives me confidence as we look into the future.

Sincerely,

**Hans Sohlström**  
President and CEO

## Events and product update

### Restructuring actions to improve long-term competitiveness and profitability

The restructuring actions will further strengthen the Group's long-term competitiveness, improve profitability and focus capital allocation in strategic growth markets.

Stora Enso has permanently closed down the Sunila pulp production and lignin extraction unit in Finland, and one containerboard line at the Ostrołęka site in Poland. The Näpi sawmill in Estonia and the De Hoop containerboard site in the Netherlands will be permanently closed during the fourth quarter of 2023.

In addition, Stora Enso has mostly concluded negotiations regarding reductions of office employees within its Group functions, except for Sweden. The total estimated number of employee reductions is approximately 250. The independency of the divisions is further enhanced through the increasingly decentralised operating model with leaner Group functions.

The restructuring actions will improve Stora Enso's operational EBIT by approximately EUR 110 million, while annual sales will decrease by approximately EUR 380 million, based on the 2022 numbers. These actions will reduce the number of employees by approximately 1,150.

### The pilot plant for Lignode continues operations at Sunila

Stora Enso's strategy for developing biomaterial innovations remains unchanged. The pilot facility for hard carbon-based battery material continues to operate at the Sunila site. The Group also continues to develop other sourcing alternatives, including partnering, for long-term lignin supply, and to investigate competitive locations for the scale up of hard carbon, Lignode, production.

### Restructuring of paper assets

Stora Enso will permanently close down one of the two paper machines at the Anjala site in Finland during the fourth quarter of 2023, reducing annual capacity by 250,000 tonnes. The site is part of the Packaging Materials division.

### Divestment of biocomposite business

Stora Enso has signed an agreement to divest its biocomposite business to Hylte Paper AB, which also owns the paper production at Hylte. The closing of the transaction is expected to take place in Q4/2023. The biocomposite business is part of the Segment Other.

### Early phase products and materials substituting or replacing non-renewable materials

Stora Enso became a minority shareholder in the New Zealand-based start-up CarbonScape which develops sustainable biographite for electrification. Made from wood, biographite is a sustainable alternative that will complement Stora Enso's existing bio-based hard carbon materials development in the Biomaterials division.

### Events after the quarter

No major events after the quarter to date.

## Third quarter 2023 results (compared with Q3/2022)

**Sales**  
**MEUR 2,127**  
 (Q3/2022: 2,963)

**Operational EBIT margin**  
**1.0%**  
 (Q3/2022: 17.8%)

**Earnings per share**  
**EUR -0.04**  
 (Q3/2022: 0.47)

Group sales decreased by 28%, or EUR 836 million, to EUR 2,127 (2,963) million. Lower demand decreased deliveries in all divisions. This was also reflected in lower sales prices, especially in Wood Products, Biomaterials and containerboard. The sales contribution from the acquired De Jong Packaging Group was more than offset by the negative impact of other structural changes. These related to the paper site divestments at Nymölla and Hylte in Sweden, and Maxau in Germany, as well as the exit from the Russian operations.

Group operational EBIT decreased to EUR 21 (527) million, and the operational EBIT margin decreased to 1.0% (17.8%). Lower sales prices and mix impact in all divisions except for Forest decreased profitability by EUR 334 million. Lower volumes in all divisions reduced operational profitability by EUR 117 million. Increased variable costs, driven by higher pulpwood costs, had a negative EUR 93 million impact, even though some input costs already started to support profitability. Fixed costs decreased by EUR 12 million. Net foreign exchange rates had a positive EUR 27 million impact on operational EBIT. The impact from the structural changes, depreciations, equity accounted investments and other was negative EUR 1 million on operational EBIT.

Fair valuations and non-operational items had a positive net impact on the operating result of EUR 5 (6) million. The impact came mainly from the valuation of emission rights.

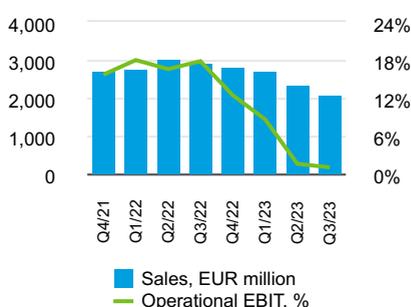
The Group recorded items affecting comparability (IAC) with a negative impact of EUR 26 (22) million on its operating result. The related tax impact was positive EUR 6 (1) million. The IACs relate mainly to the restructuring actions and the disposal of the biocomposite business.

Net financial expenses of EUR 40 million were EUR 22 million lower than a year ago. Net interest expenses of EUR 29 million increased by EUR 2 million. Other net financial expenses decreased to EUR 4 (27) million, as Q3/2022 included a EUR 23 million write-down of receivables related to the disposed Russian entities. The net foreign exchange impact in respect of cash equivalents, interest-bearing assets and liabilities, and related foreign-currency hedges amounted to a loss of EUR 7 (9) million.

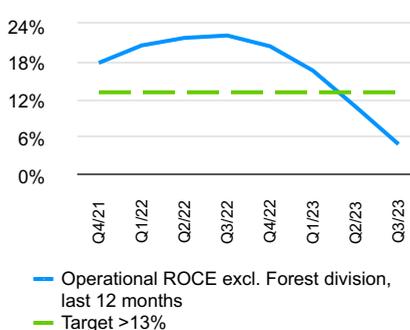
Earnings per share decreased to EUR -0.04 (0.47), and earnings per share excluding fair valuations were EUR -0.05 (0.47).

The operational return on capital employed LTM (ROCE) was 4.5% (14.6%). Operational ROCE excluding the Forest division LTM was 4.7% (22.1%).

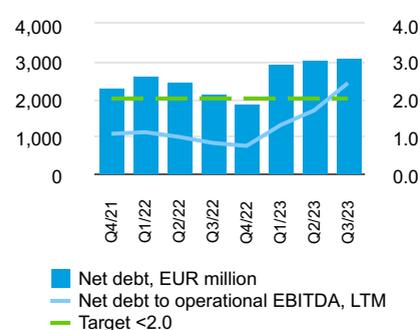
**Sales and operational EBIT margin**



**Operational ROCE excl. Forest (LTM)**



**Net debt to operational EBITDA (LTM)**



LTM = Last 12 months, the calculation method is explained in the section [Non-IFRS measures](#)

**Breakdown of change in sales**

Sales Q3/2022, EUR million	2,963
Price and mix	-13%
Currency	-1%
Volume	-9%
Other sales <sup>1</sup>	-2%
Total before structural changes	-24%
Structural changes <sup>2</sup>	-4%
Total	-28%
Sales Q3/2023, EUR million	2,127

<sup>1</sup> Energy, paper for recycling (PFR), by-products etc.

<sup>2</sup> Asset closures, major investments, divestments and acquisitions

**Breakdown of change in capital employed**

Capital employed 30 September 2022, EUR million	14,584
Capital expenditure excl. investments in biological assets less depreciation	469
Investments in biological assets less depletion of capitalised silviculture costs	2
Impairments and reversal of impairments	-202
Fair valuation of forest assets	221
Unlisted securities (mainly PVO)	-960
Equity accounted investments	241
Net liabilities in defined benefit plans	-59
Operative working capital and other interest-free items, net	-182
Emission rights	-78
Net tax liabilities	88
Acquisition of subsidiaries	817
Disposal of subsidiaries	-220
Translation difference	-567
Other changes	-26
Capital employed 30 September 2023	14,126

**Results January–September 2023 (compared with Jan–Sep 2022)**

Group sales decreased by 18%, or EUR 1,593 million to EUR 7,222 (8,816) million, mainly due to weaker deliveries in all divisions. Lower sales prices and negative mix impact in all other divisions except Forest, decreased the topline further. The sales contribution from the acquired De Jong Packaging Group was more than offset by the negative impact of other structural changes. These related to the paper site divestments at Nymölla and Hylte in Sweden and Maxau in Germany, as well as the exit from the Russian operations.

Operational EBIT decreased to EUR 292 (1,536) million and the operational EBIT margin decreased to 4.0% (17.4%). Clearly higher variable costs, especially for pulpwood, decreased operational EBIT by EUR 620 million. Lower sales prices, especially for Wood Products and pulp, decreased profitability by EUR 410 million. Lower volumes decreased operational EBIT by EUR 344 million due to weaker market demand. Fixed costs were EUR 6 million lower, negatively impacted by higher maintenance activity. Net foreign exchange rates increased profitability by EUR 118 million. The impact from the structural changes, depreciations, equity accounted investments and other, was positive EUR 7 million on operational EBIT.

**Sales**  
**MEUR 7,222**  
(Q1–Q3/2022: 8,816)

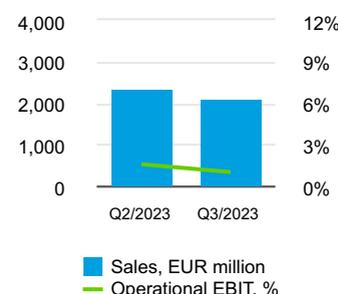
**Operational EBIT margin**  
**4.0%**  
(Q1–Q3/2022: 17.4%)

**Third quarter 2023 results (compared with Q2/2023)**

Group sales decreased by 10%, or EUR 247 million, to EUR 2,127 (2,374) million. Lower sales prices, especially in Wood Products, Biomaterials and Packaging Materials reduced the topline. Weak demand resulted in lower deliveries, especially in Wood Products and Packaging Materials and Forest, partly related to seasonality.

Operational EBIT decreased to EUR 21 (37) million and the margin to 1.0% (1.6%). The sales prices continued to decline especially in Wood Products, Biomaterials and Packaging Materials, decreasing operational EBIT by EUR 111 million. Variable costs decreased by EUR 21

million, and most input costs started to support profitability. Volumes had a positive EUR 3 million and net foreign exchange rates positive EUR 4 million impact on operational EBIT. Fixed costs were EUR 61 million lower despite higher maintenance activity. The impact from structural changes, depreciations, equity accounted investments and other was positive EUR 7 million.

**Sales and operational EBIT margin**

## Packaging Materials

- The consumer board market softened further
- Containerboard and paper markets remained weak and price pressure continued
- Production curtailments were implemented to adjust to lower demand
- Restructuring of the Packaging Materials division's management and support functions is completed



### Operational ROOC (LTM)

# 1.2%

(Target: >20%)

### Maintenance shutdowns

	2022	2023	2024
Q1	—	—	Langerbrugge
Q2	Beihai, Ostrołęka	Beihai, Ostrołęka, Langerbrugge	Beihai, Langerbrugge
Q3	Skoghall, Ingerois, Heinola, Oulu, Anjala, Nymölla	Anjala, Heinola, Ingerois, Ostrołęka, Oulu, Varkaus	Anjala, Ingerois, Ostrołęka, Oulu, Varkaus, Heinola
Q4	Fors, Imatra, Skoghall, Varkaus	Fors, Imatra, Skoghall	Fors, Imatra, Skoghall

- Sales decreased by 26%, or EUR 364 million, to EUR 1,057 million, due to lower containerboard and paper prices, and lower volumes for consumer board.
- Operational EBIT decreased to EUR -34 million driven by lower containerboard and paper prices, and lower consumer board volumes. Variable cost decline continued, but did not fully offset topline erosion.
- Operational ROOC (LTM) was 1.2% (21.0%), below the long-term target of >20%.

### Sales and operational EBIT margin



EUR million	Q3/23	Q3/22	Change % Q3/23–Q3/22	Q2/23	Change % Q3/23–Q2/23	Q1-Q3/23	Q1-Q3/22	Change % Q1-Q3/23–Q1-Q3/22	2022
Sales	1,057	1,421	-25.6%	1,155	-8.5%	3,512	4,161	-15.6%	5,496
Operational EBITDA	46	273	-83.1%	58	-19.8%	232	851	-72.7%	993
Operational EBITDA margin	4.4%	19.2%		5.0%		6.6%	20.5%		18.1%
Operational EBIT	-34	188	-118.2%	-22	-58.6%	-15	596	-102.5%	655
Operational EBIT margin	-3.2%	13.2%		-1.9%		-0.4%	14.3%		11.9%
Operational ROOC, LTM <sup>1</sup>	1.2%	21.0%		7.3%		1.2%	21.0%		18.6%
Cash flow from operations	140	304	-53.9%	80	75.4%	215	656	-67.2%	823
Cash flow after investing activities	20	230	-91.3%	-39	151.9%	-176	427	-141.2%	488
Board and paper deliveries, 1,000 tonnes	1,215	1,365	-11.0%	1,286	-5.5%	3,787	4,152	-8.8%	5,425
Board and paper production, 1,000 tonnes	1,230	1,333	-7.7%	1,199	2.6%	3,719	4,217	-11.8%	5,502

<sup>1</sup> LTM = Last 12 months

Comparative figures have been restated as described in our release from 29 March 2023

### Market development during Q3/2023

Product	Market	Demand Q3/23 compared with Q3/22	Demand Q3/23 compared with Q2/23	Price Q3/23 compared with Q3/22	Price Q3/23 compared with Q2/23
Consumer board	Europe	Significantly weaker	Weaker	Slightly lower	Slightly lower
Kraftliner	Global	Slightly weaker	Slightly stronger	Significantly lower	Slightly lower
Testliner	Europe	Slightly stronger	Slightly stronger	Significantly lower	Slightly lower
Paper	Europe	Significantly weaker	Slightly stronger	Significantly lower	Significantly lower

Source: Fastmarket RISI, Fastmarket FOEX, CEPI, Numera Analytics, Stora Enso. Consumer board prices include only FBB.

## Packaging Solutions

- Weak market conditions with increased year-on-year result due to acquisition
- Price pressure continued
- Low, but stabilised demand
- The ongoing integration of the acquired De Jong Packaging Group, and lower containerboard prices mitigated the market impact



### Operational ROOC (LTM)

# 6.0%

(Target: >15%)

### Sales YoY

# +52%

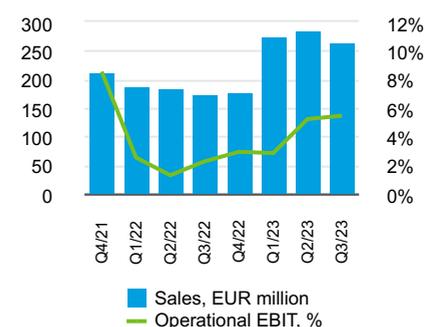
### Operational EBIT margin

# 5.4%

(Q3/2022: 2.3%)

- Sales increased by 52% or EUR 91 million to EUR 266 million. The acquired De Jong Packaging Group more than offset the impact of the negative sales impact from the weak markets and lower prices.
- Operational EBIT increased to EUR 14 million. Lower containerboard prices and the acquisition of De Jong more than mitigated the impact of the soft market.
- Operational ROOC (LTM) was 6.0%, below the long-term target of >15%.

### Sales and operational EBIT margin



EUR million	Q3/23	Q3/22	Change % Q3/23– Q3/22	Q2/23	Change % Q3/23– Q2/23	Q1-Q3/23	Q1-Q3/22	Change % Q1-Q3/23– Q1-Q3/22	2022
Sales	266	176	51.6%	288	-7.5%	830	550	50.9%	727
Operational EBITDA	31	10	213.2%	32	-1.7%	87	30	184.6%	42
Operational EBITDA margin	11.7%	5.7%		11.1%		10.5%	5.5%		5.7%
Operational EBIT	14	4	266.1%	15	-3.3%	37	11	236.1%	16
Operational EBIT margin	5.4%	2.3%		5.2%		4.5%	2.0%		2.2%
Operational ROOC, LTM <sup>1</sup>	6.0%	14.0%		5.9%		6.0%	14.0%		7.9%
Cash flow from operations	40	-5	n/m	39	3.7%	98	-5	n/m	11
Cash flow after investing activities	21	-11	286.9%	22	-3.3%	36	-23	255.8%	-14
Corrugated packaging European deliveries, million m <sup>2</sup>	340	167	103.6%	344	-1.1%	991	601	64.9%	772
Corrugated packaging European production, million m <sup>2</sup>	273	160	70.3%	273	0.1%	836	599	39.5%	771

<sup>1</sup> LTM = Last 12 months  
Comparative figures have been restated as described in our release from 29 March 2023

### Market development during Q3/2023

Product	Market	Demand Q3/23 compared with Q3/22	Demand Q3/23 compared with Q2/23	Price Q3/23 compared with Q3/22	Price Q3/23 compared with Q2/23
Corrugated packaging	Europe	Weaker	Stable	Significantly lower	Slightly lower

Source: Fastmarket RISI

## Biomaterials

- Challenging conditions with continued low demand, especially from board and paper
- Price and demand improvements in some markets and grades towards the end of the quarter
- Global pulp inventories remained at a level above the 5-year average
- Decision to permanently close pulp production and lignin extraction at the Sunila site in Finland was announced in September. Production at the site has been at a standstill since May 2023



### Operational ROOC (LTM)

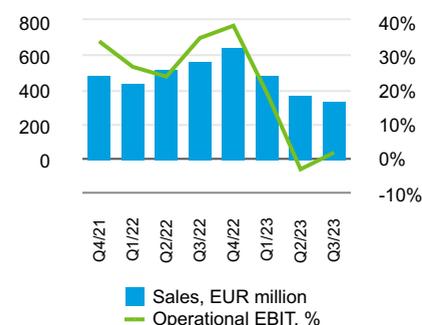
**12.2%**  
(Target: >15%)

### Maintenance shutdowns

	2022	2023	2024
Q1	Montes del Plata	Veracel	—
Q2	Enocell	Montes del Plata, Skutskär	Montes del Plata, Skutskär
Q3	Sunila	—	Enocell, Veracel
Q4	—	Enocell	—

- Sales decreased by 39%, or EUR 223 million to EUR 345 million. Sales prices were significantly lower and pulp deliveries lower due to market-related curtailments.
- Operational EBIT decreased to EUR 5 million, due to lower sales prices and volumes. Variable costs in total were unchanged while maintenance costs were somewhat lower compared to a year ago.
- Operational ROOC (LTM) was 12.2%, below the long-term target of >15%.

### Sales and operational EBIT margin



EUR million	Q3/23	Q3/22	Change % Q3/23– Q3/22	Q2/23	Change % Q3/23– Q2/23	Q1-Q3/23	Q1-Q3/22	Change % Q1-Q3/23– Q1-Q3/22	2022
Sales	345	567	-39.2%	379	-9.1%	1,212	1,531	-20.8%	2,180
Operational EBITDA	38	234	-83.6%	22	71.7%	186	538	-65.4%	822
Operational EBITDA margin	11.1%	41.2%		5.9%		15.3%	35.1%		37.7%
Operational EBIT	5	197	-97.5%	-13	137.6%	83	437	-80.9%	687
Operational EBIT margin	1.4%	34.8%		-3.4%		6.9%	28.6%		31.5%
Operational ROOC, LTM <sup>1</sup>	12.2%	22.9%		19.1%		12.2%	22.9%		25.3%
Cash flow from operations	73	188	-61.2%	96	-23.9%	361	469	-23.1%	682
Cash flow after investing activities	25	156	-83.7%	42	-39.5%	208	368	-43.6%	536
Pulp deliveries, 1,000 tonnes	580	611	-5.0%	550	5.6%	1,710	1,861	-8.1%	2,554

<sup>1</sup> LTM = Last 12 months

### Market development during Q3/2023

Product	Market	Demand Q3/23 compared with Q3/22	Demand Q3/23 compared with Q2/23	Price Q3/23 compared with Q3/22	Price Q3/23 compared with Q2/23
Softwood pulp	Europe	Significantly weaker	Slightly stronger	Significantly lower	Significantly lower
Hardwood pulp	Europe	Significantly weaker	Slightly stronger	Significantly lower	Significantly lower
Hardwood pulp	China	Significantly stronger	Stronger	Significantly lower	Slightly higher

Source: PPPC, Fastmarket FOEX, Fastmarket RISI, Stora Enso

## Wood Products

- Weaker overall demand, and lower margins after last year's favourable market
- The result was impacted by lower sawn wood prices and lower volumes
- A clear decline in building permits and projects reduced the demand for Cross Laminated Timber (CLT) and Laminated Veneer Lumber (LVL)



### Operational ROOC (LTM)

**-7.2%**

(Target: >20%)

### Sales YoY

**-33%**

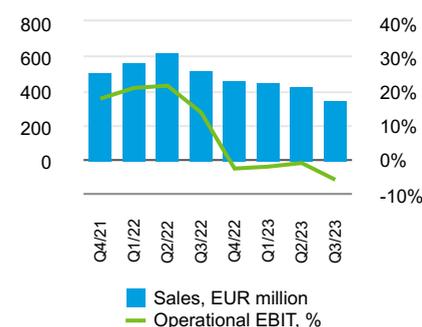
### Operational EBIT margin

**-6.1%**

(Q3/2022: 13.5%)

- Sales decreased by 33%, or EUR 171 million, to EUR 349 million, mainly impacted by lower sales prices and volumes, especially for sawn wood.
- Operational EBIT decreased to EUR -21 million, impacted by lower prices and volumes.
- Operational ROOC (LTM) was below the long-term target of >20% at -7.2% (58.5%).
- Production curtailments were taken to adjust to demand during the holiday season.

### Sales and operational EBIT margin



EUR million	Q3/23	Q3/22	Change % Q3/23- Q3/22	Q2/23	Change % Q3/23- Q2/23	Q1-Q3/23	Q1-Q3/22	Change % Q1-Q3/23- Q1-Q3/22	2022
Sales	349	520	-32.8%	436	-19.8%	1,239	1,724	-28.1%	2,195
Operational EBITDA	-10	82	-111.8%	7	-245.9%	-1	357	-100.4%	356
Operational EBITDA margin	-2.8%	15.7%		1.5%		-0.1%	20.7%		16.2%
Operational EBIT	-21	70	-130.6%	-6	-285.3%	-38	322	-111.7%	309
Operational EBIT margin	-6.1%	13.5%		-1.3%		-3.0%	18.7%		14.1%
Operational ROOC, LTM <sup>1</sup>	-7.2%	58.5%		5.6%		-7.2%	58.5%		43.2%
Cash flow from operations	38	74	-48.8%	-13	n/m	28	292	-90.5%	346
Cash flow after investing activities	31	57	-46.6%	-19	261.9%	4	236	-98.3%	264
Wood products deliveries, 1,000 m <sup>3</sup>	822	935	-12.1%	989	-16.8%	2,812	3,236	-13.1%	4,235

<sup>1</sup> LTM = Last 12 months

### Market development during Q3/2023

Product	Market	Demand Q3/23 compared with Q3/22	Demand Q3/23 compared with Q2/23	Price Q3/23 compared with Q3/22	Price Q3/23 compared with Q2/23
Wood products	Europe	Slightly stronger	Significantly weaker	Significantly lower	Significantly lower
Wood products	Overseas	Significantly weaker	Weaker	Significantly lower	Slightly lower

Source: Stora Enso

## Forest

- Stable operational EBIT continued
- Wood prices remained at a high level
- Flexible use of the Group's own forests and efficient wood sourcing continued to secure reliable wood availability
- The wood market in the Baltics and Nordics remained tight, especially for pulpwood in Finland and sawlogs in Sweden, due to high industrial and energy wood demand and lack of wood imports from Russia



### Operational ROCE (LTM)

**4.3%**

(Target: >3.5%)

### Sales YoY

**-8%**

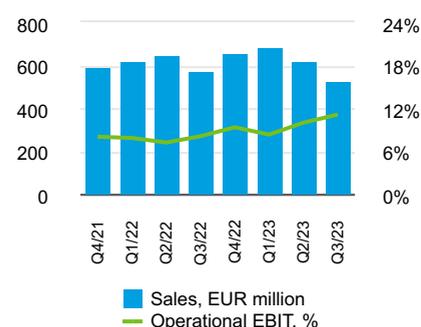
### Total value of forest assets

**EUR 8.3 billion**

(Q3/2022: EUR 8.1 billion)

- Sales decreased by 8%, or EUR 47 million, to EUR 534 million, caused by clearly lower demand. Wood prices increased due to tight wood markets.
- Operational EBIT of EUR 59 million remained stable at a high level reflecting resilient and strong operational performance in the Group's own forest assets.
- Operational ROCE (LTM), at 4.3% (3.5%), was above the 3.5% long-term target.

### Sales and operational EBIT margin



EUR million	Q3/23	Q3/22	Change % Q3/23– Q3/22	Q2/23	Change % Q3/23– Q2/23	Q1-Q3/23	Q1-Q3/22	Change % Q1- Q3/23– Q1-Q3/22	2022
Sales <sup>1</sup>	534	581	-8.1%	620	-14.0%	1,841	1,856	-0.8%	2,519
Operational EBITDA	72	60	19.6%	75	-4.8%	215	177	21.2%	256
Operational EBITDA margin	13.4%	10.3%		12.1%		11.7%	9.5%		10.2%
Operational EBIT	59	47	26.4%	62	-4.2%	178	142	25.0%	204
Operational EBIT margin	11.1%	8.1%		10.0%		9.7%	7.7%		8.1%
Operational ROCE, LTM <sup>2</sup>	4.3%	3.5%		4.1%		4.3%	3.5%		3.7%
Cash flow from operations	-12	59	-121.2%	8	-251.7%	16	126	-87.5%	146
Cash flow after investing activities	-24	48	-150.0%	-5	n/m	-20	93	-121.5%	91
Wood deliveries, 1,000 m <sup>3</sup>	7,069	8,366	-15.5%	8,256	-14.4%	24,552	29,081	-15.6%	38,217
Operational fair value change of biological assets	27	23	19.7%	29	-6.4%	86	65	32.0%	87

<sup>1</sup> In Q3/2023, internal wood sales to Stora Enso's divisions represented 59% of net sales and external sales to other forest companies represented 41%.

<sup>2</sup> LTM = Last 12 months

## Segment Other

The segment Other includes the reporting of the emerging businesses (including Formed Fiber, Circular Solutions (biocomposites), and Selfly Store), as well as Stora Enso's shareholding in the energy company Pohjolan Voima (PVO), and the Group's shared services and administration.

EUR million	Q3/23	Q3/22	Change % Q3/23– Q3/22	Q2/23	Change % Q3/23– Q2/23	Q1-Q3/23	Q1-Q3/22	Change % Q1-Q3/23– Q1-Q3/22	2022
Sales	179	575	-68.9%	213	-16.1%	756	1,623	-53.4%	2,150
Operational EBITDA	-11	38	-128.5%	-5	-138.1%	16	82	-80.9%	102
Operational EBITDA margin	-6.1%	6.7%		-2.2%		2.1%	5.1%		4.7%
Operational EBIT	-15	29	-152.7%	-9	-65.4%	2	49	-95.7%	63
Operational EBIT margin	-8.5%	5.0%		-4.3%		0.3%	3.0%		2.9%
Cash flow from operations	-47	19	n/m	-64	25.3%	-86	-93	8.0%	-136
Cash flow after investing activities	-35	8	n/m	-71	50.3%	-83	-142	41.9%	-203

Comparative figures have been restated as described in our release from 29 March 2023

- Sales decreased by EUR 396 million to EUR 179 million as a result of lower internal logistics cost forwarding, lower energy prices, and also impacted by the paper site divestments at Nymölla and Hylte in Sweden and Maxau in Germany.
- Operational EBIT decreased to EUR -15 million, impacted by the paper site divestments and group-related project expenditure.
- Stora Enso signs agreement to divest its biocomposite unit to Hylte Paper AB. Expected closing Q4/2023.
- The divisions are charged for electricity at market prices. Through its 15.7% shareholding in the Finnish energy company Pohjolan Voima (PVO), Stora Enso is entitled to receive, at cost, 8.9% of the electricity produced by the Olkiluoto nuclear reactors, and 20.6% of the electricity from the hydropower plants. The new nuclear power reactor Olkiluoto 3 started regular electricity production on 16 April 2023.

## Capital structure in the third quarter of 2023 (compared with Q2/2023)

EUR million	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022
Operative fixed assets <sup>1</sup>	14,014	13,803	14,368	14,608
Equity accounted investments	865	850	832	624
Operative working capital, net	752	893	862	968
Non-current interest-free items, net	-184	-198	-255	-167
<b>Operating Capital Total</b>	<b>15,447</b>	<b>15,348</b>	<b>15,806</b>	<b>16,033</b>
Net tax liabilities	-1,321	-1,309	-1,451	-1,450
<b>Capital Employed<sup>2</sup></b>	<b>14,126</b>	<b>14,039</b>	<b>14,356</b>	<b>14,584</b>
Equity attributable to owners of the Parent	11,067	11,066	12,532	12,489
Non-controlling interests	-61	-58	-30	-30
Net debt	3,120	3,030	1,853	2,125
<b>Financing Total<sup>2</sup></b>	<b>14,126</b>	<b>14,039</b>	<b>14,356</b>	<b>14,584</b>

<sup>1</sup> Operative fixed assets include goodwill, other intangible assets, property, plant and equipment, right-of-use assets, forest assets, emission rights, and unlisted securities.

<sup>2</sup> Including assets held for sale and related liabilities.

Cash and cash equivalents net of overdrafts increased by EUR 106 million to EUR 2,053 million.

Net debt increased by EUR 89 million to EUR 3,120 (3,030) million during the third quarter. The ratio of net debt to the last 12 months' operational EBITDA was at 2.4 (1.7). The net debt/equity ratio on 30 September 2023 increased to 0.28 (0.27). The average interest expense rate on borrowings at the reporting date was 3.8% (3.5%).

During the third quarter an EUR 100 million bilateral loan was drawn. The loan, which was undrawn but signed already during the second quarter, features 1.5-year maturity and 1-year extension option.

Stora Enso had in total EUR 800 million committed undrawn credit facilities as per 30 September 2023. Additionally, the Company has access to EUR 1,100 million statutory pension premium loans in Finland.

### Valuation of forest assets

The value of total forest assets, including leased land and Stora Enso's share of Tornator's forest assets, increased by EUR 190 million to EUR 8,256 (8,065) million. The increase is mainly an effect of foreign exchange rate impact. The fair value of biological assets, including Stora Enso's share of Tornator, increased by EUR 137 million to EUR 5,644 (5,507) million. The value of forest land, including leased land and Stora Enso's share of Tornator, increased by EUR 53 million to EUR 2,611 (2,558) million.

## Credit ratings

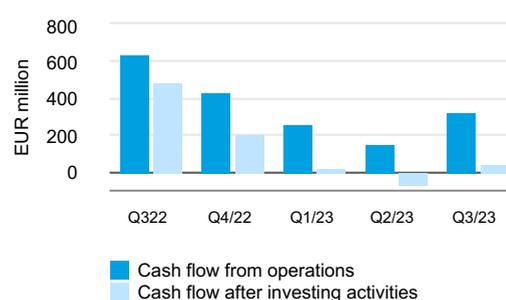
Rating agency	Long/short-term rating	Valid from
Fitch Ratings	BBB- (stable)	4 August 2023
Moody's	Baa3 (positive) / P-3	10 February 2023

## Cash flow in the third quarter of 2023 (compared with Q2/2023)

## Operative cash flow

EUR million	Q3/23	Q3/22	Change % Q3/23– Q3/22	Q2/23	Change % Q3/23– Q2/23	Q1-Q3/23	Q1-Q3/22	Change % Q1-Q3/23– Q1-Q3/22	2022
Operational EBITDA	180	689	-73.9%	198	-9.3%	777	2,014	-61.4%	2,529
IAC on operational EBITDA	-11	-20	43.6%	-141	92.0%	-120	-141	15.0%	-133
Other adjustments	-37	-25	-46.5%	-25	-47.9%	-118	15	n/m	-62
Change in working capital	99	-5	n/m	113	-12.7%	92	-443	120.8%	-461
<b>Cash flow from operations</b>	<b>231</b>	<b>639</b>	<b>-63.9%</b>	<b>146</b>	<b>57.9%</b>	<b>631</b>	<b>1,445</b>	<b>-56.3%</b>	<b>1,873</b>
Cash spent on fixed and biological assets	-193	-150	-29.0%	-214	9.8%	-661	-480	-37.7%	-705
Acquisitions of equity accounted investments	0	0	162.2%	-2	102.9%	-2	-5	70.5%	-7
<b>Cash flow after investing activities</b>	<b>38</b>	<b>489</b>	<b>-92.3%</b>	<b>-70</b>	<b>154.0%</b>	<b>-31</b>	<b>960</b>	<b>-103.3%</b>	<b>1,162</b>

Cash flow after investing activities was EUR 38 (-70) million. Working capital decreased by EUR 99 million, mainly due to lower inventories and trade receivables, and was partly offset by lower trade payables. Cash spent on fixed and biological assets was EUR 193 million. Payments related to the previously announced provisions amounted to EUR 12 million.



## Capital expenditure in the third quarter of 2023 (compared with Q3/2022)

Additions to fixed and biological assets totalled EUR 242 (164) million, of which EUR 227 (145) million were fixed assets and EUR 15 (18) million biological assets.

Depreciations and impairment charges excluding IACs totalled EUR 130 (131) million. Additions in fixed and biological assets had a cash outflow impact of EUR 193 (150) million.

## Capital expenditure by division

EUR million	Q3/23	Q1-Q3/23		Investment to be finalised
Packaging Materials	149	376	Oulu consumer board investment in Finland Board machine 8 capacity increase at Skoghall in Sweden	2025 2024
Packaging Solutions	31	135	De Lier site expansion in the Netherlands	2023
Biomaterials	40	140	Skutskär bleach plant upgrade in Sweden Enocell unbleached kraft pulp (UKP) and energy investment in Finland	2024 2023
Wood Products	11	24		n/a
Forest	8	18		n/a
Other	3	10		n/a
<b>Total</b>	<b>242</b>	<b>704</b>		

## Capital expenditure and depreciation forecast 2023

EUR million	Forecast 2023
Capital expenditure	1,100–1,200
Depreciation and depletion of capitalised silviculture costs	600–640

Stora Enso's capital expenditure forecast includes approximately EUR 70 million for the Group's forest assets.

The depletion of capitalised silviculture costs is forecast to be EUR 75–85 million.

## Key sustainability targets and performance

Stora Enso contributes to the circular bioeconomy transition in the three areas in which it has the biggest impact and opportunities: climate change, biodiversity and circularity. The foundation for these is the conduct of everyday business in a responsible manner.

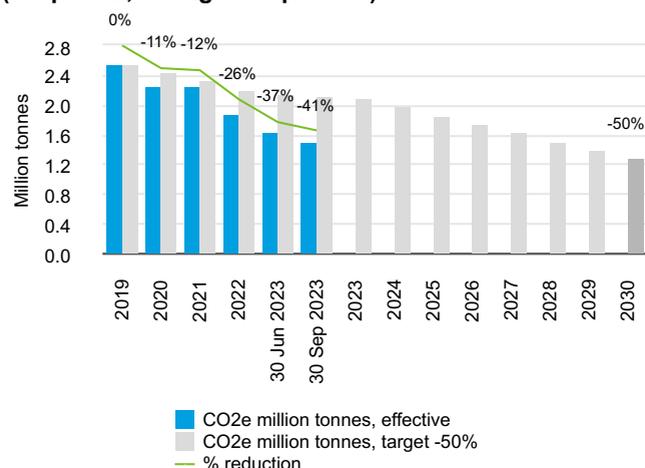
### Climate change

Stora Enso's science-based target is to reduce absolute scope 1, 2 and 3 greenhouse gas (CO<sub>2</sub>e) emissions by 50% by 2030 from the 2019 base year, in line with the 1.5-degree scenario.

By the end of Q3/2023, the scope 1 and 2 CO<sub>2</sub>e emissions were 1.52 million tonnes or 41% less than in the base year. During the quarter, the decrease in emissions was mainly impacted by lower production volumes.

Stora Enso has developed a new mixed-use building concept, which makes it possible to transform the original building design for new purposes. By upcycling the building structure multiple times, emissions and waste are reduced at different stages of the lifecycle. Moreover, wood products store carbon during their entire lifetime and support a low-carbon economy by replacing fossil-based alternatives. The concept has been developed in collaboration with industry partner Sweco Finland Oy and INARO Integrated Architecture Office.

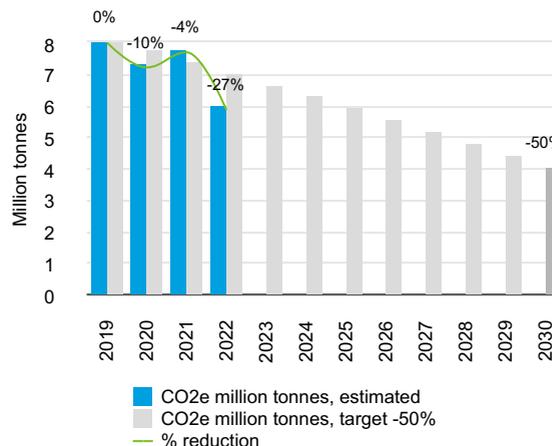
#### Direct and indirect CO<sub>2</sub>e emissions (scope 1+2, rolling four quarters)<sup>1 2</sup>



In 2022, Stora Enso's estimated scope 3 CO<sub>2</sub>e emissions along the value chain were 6.01 million tonnes or 27% less than in the base year (2021: 7.83 million tonnes or 4% less). The emissions decreased year-on-year due to mill closures and dissolving pulp production.

During 2023, Stora Enso will continue to identify areas where scope 3 emissions could be further reduced. The focus is on supplier engagement and improving the accounting for scope 3 emissions.

#### CO<sub>2</sub>e emissions along the value chain (scope 3)<sup>1</sup>



<sup>1</sup> Calculated as rolling four quarters. For more on definitions, see [Calculation of key figures](#).

<sup>2</sup> Comparative figures are recalculated due to structural changes or additional data after previous interim reports.

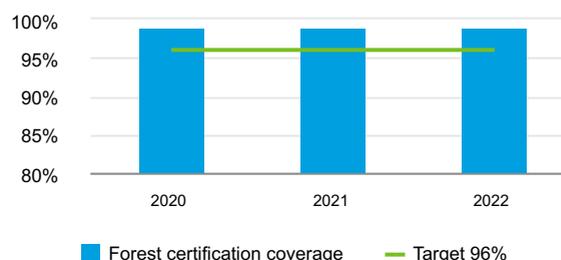
### Biodiversity

Stora Enso is committed to achieving a net-positive impact on biodiversity in its own forests and plantations by 2050 through active biodiversity management. The Group steers its biodiversity actions through a Biodiversity Leadership Programme to improve biodiversity on the species, habitat and landscape levels. The actions are guided by science-based targets, and progress is monitored with impact indicators reported on the Group's [website](#).

Stora Enso introduced a new approach to improving forest biodiversity by lowering planting density for spruce in Finland. This enables other natural tree species, such as pine and birch, to grow better among the planted spruce. Mixed forest cover is one of the objectives of the Group's Biodiversity Leadership Programme, contributing to improved forest growth and resilience.

Biodiversity is an integral part of forest certifications including protection of valuable ecosystems. Stora Enso's target is to maintain a forest certification coverage level of at least 96% for the Group's own and leased forest lands. The forest certification coverage has remained stable and amounted to 99% in 2022 (2021: 99%).

#### Biodiversity: forest certification coverage<sup>1</sup>



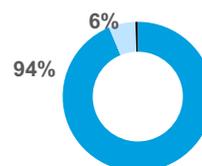
<sup>1</sup> For definitions, see the section [Calculation of key figures](#).

## Circularity

Stora Enso's target is to reach 100% recyclable products by 2030. By the end of 2022, 94% (2021: 94%) of the Group's products were recyclable. Stora Enso aims to ensure the recyclability of products through an increased focus on circularity in innovation processes. Stora Enso also collaborates actively with customers and partners to set up infrastructure to improve the actual recycling of its products.

Stora Enso has launched a new collaboration project, ReMatCh, to advance the circularity of fiber and polymer-coated barrier material. One of the main objectives is to develop the separation of polymer from fiber in polymer barrier-coated materials. The collaboration consists of leading packaging value chain players and research institutes, and is supported by Business Finland. The collaboration continues through to the end of 2025.

### Circularity: share of technically recyclable products<sup>1,2</sup>



■ Technically recyclable products  
 ■ Balance to 2030 target  
 ■ Target 2030: 100%

<sup>1</sup> As of 31 December 2022

<sup>2</sup> For definitions, see the section [Calculation of key figures](#).

## Responsible business practices

Stora Enso reports on the sustainability indicators below on a quarterly basis. For full annual overview of Stora Enso's sustainability targets and 2022 performance, see [storaenso.com](http://storaenso.com).

Key performance indicators (KPIs)	30 Sep 2023	30 Jun 2023	31 Dec 2022	30 Sep 2022	Target
<b>Occupational safety:</b> TRI rate, year-to-date <sup>1</sup>	4.8	4.3	5.9	5.9	4.9 by the end of 2023
<b>Gender balance:</b> % of female managers among all managers	25%	24%	23%	23%	25% by the end of 2024
<b>Water:</b> total water withdrawal per saleable tonne (m <sup>3</sup> /tonne) <sup>2</sup>	59	60	56	55	Decreasing trend from 2016 baseline (60m <sup>3</sup> /tonne)
<b>Water:</b> process water discharges per saleable tonne, (m <sup>3</sup> /tonne) <sup>1,2</sup>	35	35	34	33	17% reduction by 2030 from 2019 baseline (36m <sup>3</sup> /tonne)
<b>Sustainable sourcing:</b> % of supplier spend covered by the Supplier Code of Conduct (SCoC) <sup>1</sup>	96%	96%	96%	95%	95% or above

<sup>1</sup> The figures exclude De Jong Packaging Group. <sup>2</sup> Comparative figures are recalculated due to structural changes. For definitions, see [Calculation of key figures](#).

Stora Enso's safety work comprises proactive safety initiatives and engagement of employees, preventive risk management, investigation of incidents and sharing of findings across divisions. To further reinforce accountability on improving safety performance, the responsibility was transferred to divisions in 2022, aligned with the decentralised operating model.

Stora Enso recognises the importance of a diverse and inclusive working environment to improve performance, collaboration and innovation. In addition to the KPI for gender balance among managers, the Group tracks the share of female representation among all employees quarterly (25% at the end of the third quarter) and within the Group Leadership Team (42% at the end of the third quarter).

According to the WRI Aqueduct Water Risk Atlas, Stora Enso does not operate any large industrial assets in water stressed areas. Approximately 96% of water is recycled back into the environment while only approximately 4% is consumed in production processes. The aim is to improve water performance and reduce the intensity of process water discharges through targeted investments combined with continuous improvements. Lower production volumes are currently impacting negatively the performance against set targets.

Stora Enso continuously works to maintain a high coverage rate for the Supplier Code of Conduct, outlining common requirements for all suppliers. The Group adopts sustainable sourcing practices and requires suppliers and business partners to adhere to equal standards.

## ESG ratings and recognitions

Stora Enso actively participates in the following ESG assessment schemes:

ESG rating	Stora Enso score/best possible score	Rating compared to peers
<b>CDP</b>	Climate A-/A Forest B/A Water B/A	Above the industry average
<b>FTSE Russell</b>	4.4/5	Among highest rank in the industry
<b>ISS Corporate Rating</b>	B/A+	Among highest rank in the industry
<b>ISS QualityScore</b>	Governance 2/1* Social 1/1* Environment 1/1*	Among highest rank in the industry
<b>MSCI</b>	AAA/AAA	Among highest rank in the industry
<b>Sustainalytics</b>	14.4/0**	Among highest rank in the industry
<b>VigeoEiris</b>	71/100	Among highest rank in the industry

\*1 to 10 (1 indicating the lowest risk)

\*\*0 to 100 (0 indicating the lowest risk)

## Short-term risks

Risk is characterised by both threats and opportunities, which may affect future performance and the financial results of Stora Enso, as well as its ability to meet certain social and environmental objectives.

The sanctions on Russia and geopolitical unrest in general could all have an adverse impact on the Group. Retaliatory measures, conflict-related risks to people, operations, trade credit, cyber security, supply, and demand, could also affect the Group negatively.

The risk of a prolonged global economic downturn and recession, continued high inflation, as well as sudden interest rate increases, currency fluctuations, and trade union strike actions could all adversely affect the Group's profits, cash flow and financial position, as well as access to material and transport.

The challenging and rapidly changing macroeconomics and geopolitical disruption may increase cost, complexity and lowering short-term visibility. A slow market recovery might further impact market demand, prices, profit margin and volumes of the Group's products. A long-lasting low consumer confidence can negatively impact demand for the Group's products and affect earnings. New capacity and volume entering the market might distort volumes, inventories and pricing, with the risk of a deepening margin squeeze. Moreover, forced capacity cuts might further impact on profitability.

There is a risk of high interest rates along with increased price volatility for raw materials such as wood, chemicals, other components and energy in Europe. The continued tight wood market could cause increased costs, limit harvesting and cause disruptions such as delays and/or lack of wood supply to the Group's production sites.

Regulatory or similar initiatives might challenge the Group's strategy, growth and operations.

Other risks and uncertainties include, but are not limited to; general industry conditions, unanticipated expenditures related to the cost of compliance with existing and new environmental and other governmental regulations, and related to actual or potential litigation; material process disruption at one of Stora Enso's manufacturing facilities with operational or environmental impacts; risks inherent in conducting business through joint ventures; and other factors that can be found in Stora Enso's press releases and disclosures.

Stora Enso has been granted various investment subsidies and has given certain investment commitments in several countries e.g., Finland, China and Sweden. If commitments to planning conditions are not met, local officials may pursue administrative measures to reclaim some of the formerly granted investment subsidies or to impose penalties on Stora Enso, and the outcome of such a process could result in adverse financial impact on Stora Enso.

A more detailed description of risks is included in Stora Enso's Annual Report 2022, available at [storaenso.com/annualreport](https://storaenso.com/annualreport).

## Sensitivity analysis

Energy sensitivity analysis: the direct effect of a 10% change in electricity and fossil fuel market prices would have an impact of approximately EUR 10 million on operational EBIT for the next 12 months.

Wood sensitivity analysis: the direct effect of a 10% change in wood prices would have an impact of approximately EUR 190 million on operational EBIT for the next 12 months.

Pulp sensitivity analysis: the direct effect of a 10% change in pulp market prices would have an impact of approximately EUR 120 million on operational EBIT for the next 12 months.

Chemical and filler sensitivity analysis: the direct effect of a 10% change in chemical and filler prices would have an impact of approximately EUR 54 million on operational EBIT for the next 12 months.

Foreign exchange rates transaction risk sensitivity analysis for the next twelve months: the direct effect on operational EBIT of a 10% strengthening in the value of the US dollar, Swedish krona and British pound would be approximately positive EUR 78 million, negative EUR 8 million and positive EUR 12 million annual impact, respectively. Weakening of the currencies would have the opposite impact. These numbers are net of hedges and assuming no changes occur other than a single currency exchange rate movement in an exposure currency.

The Group's consolidated income statement on operational EBIT level is exposed to a foreign-currency translation risk worth approximately EUR 164 million expense exposure in Brazilian real (BRL) and approximately EUR 77 million income exposure in Chinese Renminbi (CNY). These exposures arise from the foreign subsidiaries and joint operations located in Brazil and China, respectively. For these exposures a 10% strengthening in the value of a foreign currency would have a negative EUR 16 million and a positive EUR 8 million impact on operational EBIT, respectively.

## Legal proceedings

### Contingent liabilities

Stora Enso has undertaken significant restructuring actions in recent years which have included the divestment of companies, sale of assets and mill closures. These transactions include a risk of possible environmental or other obligations the existence of which would be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A provision has been recognised for obligations for which the related amount can be estimated reliably and for which the related future cost is considered to be at least probable.

Stora Enso is party to legal proceedings that arise in the ordinary course of business and which primarily involve claims arising out of commercial law. The management does not consider that liabilities related to such proceedings before insurance recoveries, if any, are likely to be material to the Group's financial condition or results of operations.

### Veracel

On 11 July 2008, Stora Enso announced that a federal judge in Brazil had issued a decision claiming that the permits issued by the State of Bahia for the operations of Stora Enso's joint operations company Veracel were not valid. The judge also ordered Veracel to take certain actions, including reforestation with native trees on part of Veracel's plantations and a possible fine of, at the time of the decision, BRL 20 (EUR 4) million. Veracel disputes the decision and has filed an appeal against it. Veracel operates in full compliance with all Brazilian laws and has obtained all the necessary environmental and operating licences for its industrial and forestry activities from the relevant authorities. In November 2008, a Federal Court suspended the effects of the decision. No provisions have been recorded in Veracel's or Stora Enso's accounts for the reforestation or the possible fine.

## Changes in Group management

Stora Enso's Board of Directors appointed Hans Sohlström as President and CEO of Stora Enso on 18 September 2023. He was previously a member of Stora Enso's Board of Directors. He replaced the previous President and CEO Annica Bresky who left her position at Stora Enso on the same day.

Annette Stube, Executive Vice President Sustainability, and a member of the Group Leadership Team, will leave her role at Stora Enso by the end of 2023 to assume a position in another company.

Minna Björkman, Executive Vice President Sourcing and Logistics, and a previous member of the Global Leadership Team (GLT), will leave her position in the GLT to assume a business leadership role in Stora Enso's Packaging Materials division in November 2023.

Ad Smit was appointed as Executive Vice President of the Packaging Solutions division and a member of the Group Leadership Team in October. He will start on 1 December 2023. He has led the Business Unit Western Europe within Stora Enso's Packaging Solutions division since January 2023. David Ekberg will leave his position as Executive Vice President of the Packaging Solutions division on 30 November 2023.

## Change in Disclosure Policy

Stora Enso will make a change to its reporting languages as of 1 January 2024. The Group's official reporting languages will be English and Finnish.

Stora Enso will no longer publish financial reports or other regulatory content in Swedish.

## Shareholders' Nomination Board

Stora Enso's Shareholders' Nomination Board was established in September. The Shareholders' Nomination Board consists of the following members: Kari Jordan (Chair of Stora Enso's Board of Directors), Håkan Buskhe

(Vice Chair of Stora Enso's Board of Directors), Jouko Karvinen (Solidium Oy), and Marcus Wallenberg (FAM AB). The Shareholders' Nomination Board elected Marcus Wallenberg as its Chair.

## Decisions by the Annual General Meeting

Stora Enso Oyj's Annual General Meeting was held on 16 March 2023 in Helsinki, Finland. The AGM adopted the accounts for 2022, reviewed the Remuneration Report 2022 and granted the Company's Board of Directors and Chief Executive Officer discharge from liability for the period.

The AGM approved the proposal by the Board of Directors that the Company distribute a dividend of EUR 0.60 per share for the year 2022. It was paid on 27 March 2023.

The AGM approved the proposal by the Shareholders' Nomination Board that the current members of the Board of Directors – Håkan Buskhe, Elisabeth Fleuriot, Helena Hedblom, Kari Jordan, Christiane Kuehne, Antti Mäkinen, Richard Nilsson and Hans Sohlström – were re-elected members of the Board of Directors until the end of the following AGM and that Astrid Hermann was elected new member of the Board of Directors for the same term of office. The AGM elected Kari Jordan as Chair of the Board of Directors and Håkan Buskhe as Vice Chair.

The AGM approved the proposal that PricewaterhouseCoopers Oy be elected as auditor until the end of the following AGM. PricewaterhouseCoopers Oy has notified the company that Samuli Perälä, APA, will act as the responsible auditor.

The AGM approved the proposals that the Board of Directors be authorised to decide on the repurchase and on the issuance of Stora Enso R shares. The amount of shares shall not to exceed a total of 2,000,000 R shares, corresponding to approximately 0.25% of all shares and 0.33% of all R shares.

The AGM approved the annual remuneration for the Board of Directors as follows:

Chair	EUR 209,000 (2022: 203,000)
Vice Chair	EUR 118,000 (2022: 115,000)
Members	EUR 81,000 (2022: 79,000)

The AGM approved the proposal by the Shareholders' Nomination Board that the annual remuneration for the members of the Board of Directors, be paid in Company shares and cash so that 40% will be paid in Stora Enso R shares to be purchased on the Board members' behalf from the market at a price determined in public trading, and the rest in cash.

The AGM approved the proposed annual remuneration for the Board committees.

The AGM approved the amendment of Stora Enso's Articles of Association to enable arranging a General Meeting of Shareholders as a virtual meeting without a meeting venue as an alternative for a physical meeting or a hybrid meeting.

### Decisions by the Board of Directors

At its meeting held after the AGM, Stora Enso's Board of Directors elected Richard Nilsson (Chair), Elisabeth Fleuriot and Astrid Hermann as members of the Financial and Audit Committee.

Kari Jordan (Chair), Håkan Buskhe and Antti Mäkinen were elected members of the People and Culture Committee.

Christiane Kuehne (Chair), Helena Hedblom and Hans Sohlström were elected members of the Sustainability and Ethics Committee.

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*This report has been prepared in English, Finnish, and Swedish. If there are any variations in the content between the versions, the English version shall govern. This report is unaudited.*

Helsinki, 24 October 2023  
Stora Enso Oyj  
Board of Directors

# Financials

## Basis of Preparation

This unaudited interim financial report has been prepared in accordance with the accounting policies set out in International Accounting Standard 34 on Interim Financial Reporting and in the Group's Financial Report for 2022 with the exception of new and amended standards applied to the annual periods beginning on 1 January 2023 and changes in accounting principles described below.

All figures in this Interim Report have been rounded to the nearest million, unless otherwise stated. Therefore, percentages and figures in this report may not add up precisely to the totals presented and may vary from previously published financial information.

## Changes in segment reporting

Due to the divestments and reorganisation of retained Paper division operations, Stora Enso's segment reporting was changed as of 1 January 2023. The Paper division was discontinued and not reported as a separate segment from 1 January 2023 onwards. The Maxau, Nymölla and Hylte sites together with all previously sold and closed sites are reported as part of segment Other. The retained sites Langerbrugge and Anjala are reported as part of the Packaging Materials division.

As of 1 January 2023, emerging business related units in the Packaging Solutions division were moved to segment Other. These units include Formed Fiber, Circular Solutions (biocomposites) and Selfly Store.

Comparative figures have been restated accordingly. As of 1 January 2023, the reportable segments are Packaging Materials, Packaging Solutions, Biomaterials, Wood Products, Forest, and segment Other.

## Acquisition of Group companies – De Jong Packaging Group

In September 2022, Stora Enso signed an agreement to acquire De Jong Packaging Group and the transaction was completed at the beginning of January 2023. De Jong Packaging Group is based in the Netherlands and is one of the largest corrugated packaging producers in the Benelux countries. De Jong Packaging Group is also active in containerboard production through the acquisition of the De Hoop mill in the Netherlands in 2021. De Jong Packaging Group has 16 sites in the Netherlands, Belgium, Germany and the UK and employs approximately 1,300 people. The acquisition will advance Stora Enso's strategic direction, increase its corrugated packaging capacity, accelerate revenue growth and build market share in renewable packaging in Europe. De Jong Packaging Group's product portfolio and geographic presence will complement and enhance Stora Enso's offering. The acquisition is expected to generate synergies over the cycle, mainly through sourcing, containerboard integration optimisation and commercial opportunities.

The shares of the acquired companies are mainly 100% owned, with certain units having minor non-controlling interests. The non-controlling interest is measured on basis of the proportionate share of the identifiable net assets.

The cash purchase consideration was EUR 612 million, excluding a contingent earn-out component. The maximum amount of the earn-out component is EUR 45 million. It will be settled in cash in 2024 and it is subject to De Jong Packaging Group achieving certain earnings thresholds. The contingent consideration is measured at its fair value and estimated at EUR 0 million on the date of acquisition. The final purchase price is subject to customary purchase price adjustments.

The fair values of the identifiable assets and liabilities as of the acquisition date are presented in the table below.

EUR million	Q3/2023
<b>Net assets acquired</b>	
Cash and cash equivalents	27
Property, plant and equipment	199
Intangible assets	222
Right-of-use assets	99
Working capital	13
Tax assets and liabilities	-63
Interest-bearing assets and liabilities	-233
<b>Fair value of net assets acquired</b>	<b>265</b>
Purchase consideration, cash part	612
Purchase consideration, contingent	0
<b>Total purchase consideration</b>	<b>612</b>
Fair value of net assets acquired	-265
Non-controlling interest	2
<b>Goodwill</b>	<b>349</b>
Cash outflow on acquisitions	-612
Cash and cash equivalents of acquired subsidiaries	27
<b>Cash flow on acquisition, net of acquired cash</b>	<b>-584</b>

The fair values of the acquired assets, liabilities and goodwill as on the acquisition date have been determined on a provisional basis pending finalisation of the post-combination review of the fair values. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition, or any other adjustment items, are identified, the above amounts and the accounting for the acquisition will be adjusted. There were no significant measurement period adjustments in Q3 2023. The provisional goodwill represents the expected synergies, mainly through sourcing, containerboard integration optimisation and

commercial opportunities. The goodwill is allocated to the divisions benefiting from the acquisition, Packaging Solutions and Packaging Materials. None of the goodwill recognised is expected to be deductible for tax purposes.

For Q1–Q3/2023, De Jong Packaging Group contributed sales of EUR 486 million and an IFRS net loss of EUR 77 million on the Group's results, which mainly relate to the De Hoop unit closure impairment and provision charges with approximately EUR -59 million net result impact. Excluding

De Hoop containerboard site in the Netherlands, that will be permanently closed during the fourth quarter of 2023, De Jong clearly contributed positively to Group's operational EBIT. The acquired units are included in Stora Enso Group's consolidated sales and net result from the beginning of 2023. The related transaction costs amounted to EUR 6 million and are presented in other operating expenses. The acquired units are reported in the Packaging Solutions and Packaging Materials divisions.

## Disposal of Group companies

In Q3/2023 Stora Enso completed the transaction for the Wood Products division's DIY unit in the Netherlands. The following table reflects the net assets of the companies sold in 2023, including disposal consideration.

EUR million	Q1-Q3/23	Q1-Q3/22
<b>Net assets sold</b>		
Cash and cash equivalents	28	102
Property, plant and equipment	266	10
Intangible assets	60	0
Working capital	-6	0
Tax assets and liabilities	-27	8
Interest-bearing assets and liabilities	-92	-26
<b>Net assets in disposed companies</b>	<b>230</b>	<b>94</b>
<b>Total disposal consideration</b>	<b>264</b>	<b>63</b>

## Assets held for sale

Assets are classified as held for sale, if their carrying amounts will be recovered mainly through a sale transaction rather than through continuing use. The assets must be available for immediate sale in their present condition subject only to terms that are usual and customary for the sale of such assets. In addition, the sale must be highly probable and expected to be completed within one year after the date of classification.

These assets and related liabilities are presented separately in the consolidated statement of financial position and are measured at the lower of the carrying amount and fair value less costs to sell. Comparative information is not restated. Assets classified as held for sale are not depreciated.

There were no assets held for sale at the end of Q3/2023.

## Non-IFRS measures

The Group's key non-IFRS performance metric is operational EBIT, which is used to evaluate the performance of its operating segments and to steer allocation of resources to them.

Operational EBIT comprises the operating result excluding items affecting comparability (IAC) and fair valuations from the segments and Stora Enso's share of the operating result of equity accounted investments (EAI), also excluding items affecting comparability and fair valuations.

Items affecting comparability are exceptional transactions that are not related to recurring business operations. The most common IAC are capital gains and losses, impairments or impairment reversals, disposal gains and losses relating to Group companies, provisions for planned restructurings, environmental provisions, changes in depreciation due to restructuring and penalties. Items affecting comparability are normally disclosed individually if they exceed one cent per share.

Fair valuations and non-operational items include CO<sub>2</sub> emission rights, non-operational fair valuation changes of biological assets, adjustments for differences between fair value and acquisition cost of forest assets upon disposal and the Group's share of income tax and net financial items of EAI. Non-operational fair value changes of biological assets reflect changes made to valuation assumptions and parameters. Operational fair value changes of biological assets contain all other fair value changes, mainly due to inflation and differences in actual harvesting levels compared to the harvesting plan. The adjustments for

differences between fair value and acquisition cost of forest assets upon disposal are a result of the fact that the cumulative non-operational fair valuation changes of disposed forest assets were included in previous periods in IFRS operating result (biological assets) and other comprehensive income (forest land) and are included in operational EBIT only at the disposal date.

Cash flow after investing activities (non-IFRS) is calculated as follows: cash flow from operations (non-IFRS) excluding cash spent on intangible assets, property, plant and equipment, and biological assets and acquisitions of EAIs.

Capital expenditure on fixed assets includes investments in and acquisitions of tangible and intangible assets as well as internally generated assets and capitalised borrowing costs, net of any related subsidies. Capital expenditure on leased assets includes new capitalised leasing contracts. Capital expenditure on biological assets consists of acquisitions of biological assets and capitalisation of costs directly linked to growing trees in plantation forests. The cash flow impact of capital expenditure is presented in cash flow from investing activities, excluding lease capex, where the cash flow impact is based on paid lease liabilities and presented in cash flow from financing and operating activities.

## **Changes in the calculation of operational ROCE and ROOC**

Presenting return measures based on the last 12 months is an effective way to analyse the most recent financial data on an annualised basis and is considered more suitable for tracking the development of long-term targets.

From Q1/2023 onwards, Stora Enso will present the operational return on capital employed (operational ROCE) based on the last 12 months prior to the end of the reporting period. This is calculated by dividing the operational EBIT of the last 12 months with the average capital employed. The average capital employed for the last 12 months is determined as the average of the published capital employed of the last five quarter-ends.

Similarly, the return on operating capital (operational ROOC) for the divisions and the return on equity (ROE) for the Group will be based on the last 12 months prior to the end of the reporting period.

The presentation of operational ROCE, operational ROOC and ROE based on quarter or year-to-date figures will be discontinued.

The full list of the non-IFRS measures is presented at the end of this report.

## **The following new and amended standards are applied to the annual periods beginning on 1 January 2023**

- Amended standards and interpretations did not have material effect on the Group.

## **Future standard changes endorsed by the EU but not yet effective in 2023**

- No future standard changes endorsed by the EU which would have material effect on the Group.

## Condensed consolidated income statement

EUR million	Q3/23	Q3/22	Q2/23	Q1-Q3/23	Q1-Q3/22	2022
<b>Sales</b>	<b>2,127</b>	<b>2,963</b>	<b>2,374</b>	<b>7,222</b>	<b>8,816</b>	<b>11,680</b>
Other operating income	62	68	87	297	237	326
Change in inventories of finished goods and WIP	-75	76	-74	-126	257	258
Materials and services	-1,394	-1,709	-1,569	-4,703	-5,223	-6,979
Freight and sales commissions	-195	-317	-230	-685	-860	-1,148
Personnel expenses	-283	-307	-344	-956	-986	-1,315
Other operating expenses	-113	-150	-260	-534	-459	-594
Share of results of equity accounted investments	15	17	28	54	65	221
Change in net value of biological assets	1	2	5	5	-74	195
Depreciation, amortisation and impairment charges	-145	-134	-270	-570	-470	-635
<b>Operating result</b>	<b>-1</b>	<b>511</b>	<b>-253</b>	<b>4</b>	<b>1,304</b>	<b>2,009</b>
Net financial items	-40	-63	-51	-121	-111	-151
<b>Result before tax</b>	<b>-41</b>	<b>448</b>	<b>-304</b>	<b>-117</b>	<b>1,192</b>	<b>1,858</b>
Income tax	7	-81	47	11	-240	-322
<b>Net result for the period</b>	<b>-34</b>	<b>367</b>	<b>-257</b>	<b>-106</b>	<b>953</b>	<b>1,536</b>
<b>Attributable to</b>						
Owners of the Parent	-33	372	-226	-70	964	1,550
Non-controlling interests	-1	-5	-31	-36	-11	-13
<b>Net result for the period</b>	<b>-34</b>	<b>367</b>	<b>-257</b>	<b>-106</b>	<b>953</b>	<b>1,536</b>
<b>Earnings per share</b>						
Basic earnings per share, EUR	-0.04	0.47	-0.29	-0.09	1.22	1.97
Diluted earnings per share, EUR	-0.04	0.47	-0.29	-0.09	1.22	1.96

## Consolidated statement of comprehensive income

EUR million	Q3/23	Q3/22	Q2/23	Q1-Q3/23	Q1-Q3/22	2022
<b>Net result for the period</b>	<b>-34</b>	<b>367</b>	<b>-257</b>	<b>-106</b>	<b>953</b>	<b>1,536</b>
<b>Other comprehensive income (OCI)</b>						
<b>Items that will not be reclassified to profit and loss</b>						
Equity instruments at fair value through OCI	-85	725	-262	-816	694	519
Actuarial gains and losses on defined benefit plans	3	64	14	19	249	147
Revaluation of forest land	0	-6	18	18	408	259
Share of OCI of Equity accounted investments (EAI)	0	0	1	1	0	58
Income tax relating to items that will not be reclassified	-2	-11	5	-5	-119	-77
	<b>-84</b>	<b>772</b>	<b>-225</b>	<b>-783</b>	<b>1,232</b>	<b>906</b>
<b>Items that may be reclassified subsequently to profit and loss</b>						
Cumulative translation adjustment (CTA)	115	26	-128	-79	66	-197
Net investment hedges and loans	8	-17	-23	-17	-30	-27
Cash flow hedges and cost of hedging	-8	-23	-25	-43	-3	52
Share of OCI of Non-controlling Interests (NCI)	-2	0	4	2	-3	0
Income tax relating to items that may be reclassified	2	8	6	10	8	-6
	<b>115</b>	<b>-7</b>	<b>-166</b>	<b>-126</b>	<b>39</b>	<b>-177</b>
<b>Total comprehensive income</b>	<b>-3</b>	<b>1,132</b>	<b>-648</b>	<b>-1,015</b>	<b>2,224</b>	<b>2,265</b>
<b>Attributable to</b>						
Owners of the parent	0	1,138	-621	-982	2,237	2,278
Non-controlling interests	-3	-5	-27	-33	-14	-13
<b>Total comprehensive income</b>	<b>-3</b>	<b>1,132</b>	<b>-648</b>	<b>-1,015</b>	<b>2,224</b>	<b>2,265</b>

CTA = Cumulative translation adjustment

OCI = Other comprehensive income

EAI = Equity accounted investments

## Condensed consolidated statement of financial position

EUR million		30 Sep 2023	31 Dec 2022	30 Sep 2022
<b>Assets</b>				
Goodwill	O	576	244	252
Other intangible assets	O	318	121	130
Property, plant and equipment	O	5,072	4,860	4,835
Right-of-use assets	O	536	418	434
		<b>6,502</b>	<b>5,643</b>	<b>5,651</b>
Forest assets	O	6,722	6,846	6,889
Biological assets	O	4,462	4,531	4,369
Forest land	O	2,260	2,315	2,520
Emission rights	O	150	123	186
Equity accounted investments	O	865	832	624
Listed securities	I	7	8	10
Unlisted securities	O	640	1,437	1,601
Non-current interest-bearing receivables	I	104	120	184
Deferred tax assets	T	106	74	109
Other non-current assets	O	79	38	120
<b>Non-current assets</b>		<b>15,175</b>	<b>15,120</b>	<b>15,376</b>
Inventories	O	1,652	1,810	1,766
Tax receivables	T	36	11	21
Operative receivables	O	1,258	1,473	1,572
Interest-bearing receivables	I	27	77	99
Cash and cash equivalents	I	2,077	1,917	1,624
<b>Current assets</b>		<b>5,051</b>	<b>5,287</b>	<b>5,083</b>
<b>Assets held for sale</b>		<b>0</b>	<b>514</b>	<b>422</b>
<b>Total assets</b>		<b>20,226</b>	<b>20,922</b>	<b>20,880</b>
<b>Equity and liabilities</b>				
Owners of the Parent		11,067	12,532	12,489
Non-controlling Interests		-61	-30	-30
<b>Total equity</b>		<b>11,007</b>	<b>12,502</b>	<b>12,459</b>
Post-employment benefit obligations	O	172	159	158
Provisions	O	81	81	88
Deferred tax liabilities	T	1,419	1,443	1,457
Non-current interest-bearing liabilities	I	4,182	2,792	3,010
Non-current operative liabilities	O	10	11	10
<b>Non-current liabilities</b>		<b>5,864</b>	<b>4,486</b>	<b>4,723</b>
Current portion of non-current debt	I	489	667	442
Interest-bearing liabilities	I	640	513	587
Bank overdrafts	I	24	0	4
Provisions	O	105	43	63
Operative liabilities	O	2,054	2,410	2,318
Tax liabilities	T	43	64	98
<b>Current liabilities</b>		<b>3,355</b>	<b>3,697</b>	<b>3,512</b>
<b>Liabilities related to assets held for sale</b>		<b>0</b>	<b>237</b>	<b>186</b>
<b>Total liabilities</b>		<b>9,219</b>	<b>8,419</b>	<b>8,422</b>
<b>Total equity and liabilities</b>		<b>20,226</b>	<b>20,922</b>	<b>20,880</b>

Items designated with "O" comprise Operating Capital

Items designated with "I" comprise Net debt

Items designated with "T" comprise Net Tax Liabilities

## Condensed consolidated statement of cash flows

EUR million	Q1-Q3/23	Q1-Q3/22
<b>Cash flow from operating activities</b>		
Operating result	4	1,304
Adjustments for non-cash items	535	584
Change in net working capital	92	-443
<b>Cash flow from operations</b>	<b>631</b>	<b>1,445</b>
Net financial items paid	-75	-82
Income taxes paid, net	-99	-149
<b>Net cash provided by operating activities</b>	<b>456</b>	<b>1,214</b>
<b>Cash flow from investing activities</b>		
Acquisition of subsidiary shares and business operations, net of acquired cash	-584	0
Acquisitions of equity accounted investments	-2	-5
Acquisitions of unlisted securities	-18	0
Cash flow on disposal of subsidiary shares and business operations, net of disposed cash	235	-72
Cash flow on disposal of forest and intangible assets and property, plant and equipment	42	12
Capital expenditure	-661	-480
Proceeds from/payment of non-current receivables, net	3	-10
<b>Net cash used in investing activities</b>	<b>-984</b>	<b>-556</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of new long-term debt	1,441	259
Repayment of long-term debt and lease liabilities	-554	-353
Change in short-term interest-bearing liabilities	240	-14
Dividends paid	-473	-434
Purchase of own shares <sup>1</sup>	-6	-1
<b>Net cash provided by financing activities</b>	<b>648</b>	<b>-543</b>
<b>Net change in cash and cash equivalents</b>	<b>121</b>	<b>115</b>
Translation adjustment	15	25
Net cash and cash equivalents at the beginning of period	1,917	1,480
<b>Net cash and cash equivalents at period end</b>	<b>2,053</b>	<b>1,620</b>
<b>Cash and cash equivalents at period end</b>	<b>2,077</b>	<b>1,624</b>
<b>Bank overdrafts at period end</b>	<b>-24</b>	<b>-4</b>
<b>Net cash and cash equivalents at period end</b>	<b>2,053</b>	<b>1,620</b>

<sup>1</sup> Own shares purchased for the Group's share award programme. The Group did not hold any of its own shares on 30 September 2023.

## Statement of changes in equity

EUR million	Fair value reserve												Total
	Share capital	Share premium and reserve fund	Invested non-restricted equity fund	Treasury shares	Equity instruments through OCI	Cash flow hedges	Revaluation reserve	OCI of Equity Accounted Investments	CTA and net investment hedges and loans	Retained earnings	Attributable to owners of the parent	Non-controlling interests	
<b>Balance at 1 January 2022</b>	1,342	77	633	—	778	-4	1,373	29	-195	6,650	10,683	-16	10,666
Net result for the period	—	—	—	—	—	—	—	—	—	964	964	-11	953
OCI before tax	—	—	—	—	694	-3	408	—	36	249	1,384	-3	1,381
Income tax relating to OCI	—	—	—	—	1	1	-84	—	7	-35	-110	—	-110
<b>Total comprehensive income</b>	—	—	—	—	695	-1	324	—	43	1,177	2,237	-14	2,224
Dividend	—	—	—	—	—	—	—	—	—	-434	-434	—	-434
Acquisitions and disposals	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	-1	—	—	—	—	—	—	-1	—	-1
Share-based payments	—	—	—	1	—	—	—	—	—	3	4	—	4
<b>Balance at 30 September 2022</b>	1,342	77	633	—	1,473	-6	1,697	28	-152	7,396	12,489	-30	12,459
Net result for the period	—	—	—	—	—	—	—	—	—	586	586	-2	584
OCI before tax	—	—	—	—	-175	55	-149	58	-260	-101	-572	3	-569
Income tax relating to OCI	—	—	—	—	—	-10	31	—	-4	10	27	—	27
<b>Total Comprehensive Income</b>	—	—	—	—	-175	45	-118	58	-263	495	41	0	42
Dividend	—	—	—	—	—	—	—	—	—	—	—	—	—
Acquisitions and disposals	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	—	—	—	—	—	—	—	—	—	—
Share-based payments	—	—	—	—	—	—	—	—	—	2	2	—	2
<b>Balance at 31 December 2022</b>	1,342	77	633	—	1,298	39	1,579	87	-415	7,893	12,532	-30	12,502
Net result for the period	—	—	—	—	—	—	—	—	—	-70	-70	-36	-106
OCI before tax	—	—	—	—	-816	-43	18	1	-95	19	-916	2	-913
Income tax relating to OCI	—	—	—	—	0	8	-4	—	1	-2	4	—	4
<b>Total comprehensive income</b>	—	—	—	—	-815	-34	14	1	-94	-53	-982	-33	-1,015
Dividend	—	—	—	—	—	—	—	—	—	-473	-473	—	-473
Acquisitions and disposals	—	—	—	—	—	—	—	—	—	—	—	2	2
Purchase of treasury shares	—	—	—	-6	—	—	—	—	—	—	-6	—	-6
Share-based payments	—	—	—	6	—	—	—	—	—	-10	-4	—	-4
<b>Balance at 30 September 2023</b>	1,342	77	633	—	482	5	1,593	88	-510	7,357	11,067	-61	11,007

CTA = Cumulative Translation Adjustment    OCI = Other Comprehensive Income    NCI = Non-controlling Interests

**Goodwill, other intangible assets, property, plant and equipment, right-of-use assets and forest assets**

EUR million	Q1-Q3/23	Q1-Q3/22	2022
<b>Carrying value at 1 January</b>	<b>12,489</b>	<b>12,654</b>	<b>12,654</b>
Additions in tangible and intangible assets	557	334	656
Additions in right-of-use assets	96	22	45
Additions in biological assets	50	54	77
Depletion of capitalised silviculture costs	-61	-58	-75
Acquisition of subsidiaries	858	0	0
Disposals and classification as held for sale <sup>1</sup>	-16	-295	-312
Depreciation and impairment	-570	-478	-640
Fair valuation of forest assets	84	392	529
Translation difference and other	-262	-85	-445
<b>Statement of Financial Position Total</b>	<b>13,224</b>	<b>12,540</b>	<b>12,489</b>

<sup>1</sup> Including company disposals

**Borrowings**

EUR million	30 Sep 2023	30 Sep 2022	31 Dec 2022
Bond loans	3,136	2,499	2,460
Loans from credit institutions	1,013	552	623
Lease liabilities	517	398	375
Long-term derivative financial liabilities	3	1	0
Other non-current liabilities	3	2	2
<b>Non-current interest-bearing liabilities including current portion</b>	<b>4,671</b>	<b>3,452</b>	<b>3,459</b>
Short-term borrowings	556	407	429
Interest payable	44	34	35
Short-term derivative financial liabilities	40	146	49
Bank overdrafts	24	4	0
<b>Total Interest-bearing Liabilities</b>	<b>5,335</b>	<b>4,042</b>	<b>3,972</b>

EUR million	Q1-Q3/23	Q1-Q3/22	2022
<b>Carrying value at 1 January<sup>1</sup></b>	<b>3,972</b>	<b>3,938</b>	<b>3,938</b>
Additions in long-term debt, companies acquired	131	0	0
Proceeds of new long-term debt	1,441	259	366
Repayment of long-term debt	-481	-360	-351
Additions in lease liabilities, companies acquired	99	0	0
Additions in lease liabilities	97	22	45
Repayment of lease liabilities and interest	-54	-44	-73
Change in short-term borrowings	132	17	75
Change in interest payable	27	13	19
Change in derivative financial liabilities	-6	78	-19
Disposals and classification as held for sale	-8	-3	-5
Other	27	10	8
Translation differences	-42	113	-32
<b>Total Interest-bearing Liabilities</b>	<b>5,335</b>	<b>4,042</b>	<b>3,972</b>

<sup>1</sup> The table format has been updated during last quarter of 2022 to better present changes in liabilities arising from cash flow activities and non-cash activities. The comparison figures for Q3/2022 have been restated accordingly.

## Commitments and contingencies

EUR million	30 Sep 2023	31 Dec 2022	30 Sep 2022
<b>On Own Behalf</b>			
Guarantees	18	14	15
Other commitments	4	0	0
<b>On Behalf of Equity Accounted Investments</b>			
Guarantees	5	5	5
<b>On Behalf of Others</b>			
Guarantees	16	5	6
Other commitments	36	36	36
<b>Total</b>	<b>78</b>	<b>60</b>	<b>61</b>
Guarantees <sup>1</sup>	38	24	25
Other commitments <sup>1</sup>	40	36	36
<b>Total</b>	<b>78</b>	<b>60</b>	<b>61</b>

<sup>1</sup> The comparative figures as at 30 September 2022 have been restated due to a reclassification from other commitments to guarantees.

The Group announced its intention in December 2022 to divest its consumer board production and forest operations sites in Beihai, China. As previously disclosed, Stora Enso has been granted investment subsidies and has given certain investment commitments in China. There is a risk that the majority owned local Chinese company may be subject to a claim based on alleged costs resulting from certain uncompleted investment commitments. Given the specific mitigating circumstances surrounding the investment case as a whole, Stora Enso does not consider it to be probable that this situation would result in an outflow of economic benefits that would be material to the Group. The Company continues to monitor the situation as the divestment process proceeds.

## Capital commitments

EUR million	30 Sep 2023	31 Dec 2022	30 Sep 2022
<b>Total</b>	<b>792</b>	<b>593</b>	<b>213</b>

The Group's direct capital expenditure contracts include the Group's share of direct capital expenditure contracts in joint operations.

## Reconciliation of operational profitability

EUR million	Q3/23	Q3/22	Change % Q3/23– Q3/22	Q2/23	Change % Q3/23– Q2/23	Q1- Q3/23	Q1-Q3/22	Change % Q1-Q3/23– Q1-Q3/22	2022
<b>Operational EBITDA</b>	<b>180</b>	<b>689</b>	<b>-73.9%</b>	<b>198</b>	<b>-9.3%</b>	<b>777</b>	<b>2,014</b>	<b>-61.4%</b>	<b>2,529</b>
Depreciation and silviculture costs of EAI	-3	-4	36.3%	-3	5.7%	-7	-8	11.8%	-11
Silviculture costs <sup>1</sup>	-27	-26	-0.6%	-24	-9.3%	-77	-73	-6.5%	-100
Depreciation and impairment excl. IAC	-130	-131	0.9%	-135	3.4%	-401	-397	-0.8%	-527
<b>Operational EBIT</b>	<b>21</b>	<b>527</b>	<b>-96.0%</b>	<b>37</b>	<b>-43.3%</b>	<b>292</b>	<b>1,536</b>	<b>-81.0%</b>	<b>1,891</b>
Fair valuations and non-operational items <sup>2</sup>	5	6	-18.4%	-14	132.7%	2	-18	110.3%	363
Items affecting comparability (IAC) <sup>2</sup>	-26	-22	-17.0%	-276	90.5%	-290	-214	-35.7%	-245
<b>Operating result (IFRS)</b>	<b>-1</b>	<b>511</b>	<b>-100.2%</b>	<b>-253</b>	<b>99.7%</b>	<b>4</b>	<b>1,304</b>	<b>-99.7%</b>	<b>2,009</b>

<sup>1</sup> Including damages to forests

<sup>2</sup> See section [Non-IFRS measures](#) for IAC and fair valuations and non-operational items definitions.

## Sales by segment – total

EUR million	Q3/23	Q2/23	Q1/23	2022	Q4/22	Q3/22	Q2/22	Q1/22
Packaging Materials	1,057	1,155	1,300	5,496	1,335	1,421	1,424	1,317
Packaging Solutions	266	288	276	727	177	176	186	189
Biomaterials	345	379	488	2,180	649	567	522	442
Wood Products	349	436	454	2,195	471	520	631	573
Forest	534	620	687	2,519	664	581	649	626
Other	179	213	364	2,150	528	575	568	481
Inter-segment sales	-603	-717	-848	-3,589	-959	-876	-925	-828
<b>Total</b>	<b>2,127</b>	<b>2,374</b>	<b>2,721</b>	<b>11,680</b>	<b>2,864</b>	<b>2,963</b>	<b>3,054</b>	<b>2,798</b>

Comparative figures have been restated as described in our release from 29 March 2023.

## Sales by segment – external

EUR million	Q3/23	Q2/23	Q1/23	2022	Q4/22	Q3/22	Q2/22	Q1/22
Packaging Materials	1,012	1,103	1,242	5,257	1,277	1,362	1,359	1,258
Packaging Solutions	264	285	273	704	171	170	179	184
Biomaterials	297	321	423	1,798	522	471	435	370
Wood Products	322	400	416	2,058	436	487	595	540
Forest	218	246	258	848	223	195	219	211
Other	14	18	108	1,014	234	279	267	234
<b>Total</b>	<b>2,127</b>	<b>2,374</b>	<b>2,721</b>	<b>11,680</b>	<b>2,864</b>	<b>2,963</b>	<b>3,054</b>	<b>2,798</b>

Comparative figures have been restated as described in our release from 29 March 2023.

## Disaggregation of revenue

EUR million	Q3/23	Q2/23	Q1/23	2022	Q4/22	Q3/22	Q2/22	Q1/22
Product sales	2,109	2,348	2,707	11,521	2,841	2,927	3,000	2,753
Service sales	18	25	15	159	23	37	54	45
<b>Total</b>	<b>2,127</b>	<b>2,374</b>	<b>2,721</b>	<b>11,680</b>	<b>2,864</b>	<b>2,963</b>	<b>3,054</b>	<b>2,798</b>

## Operational EBIT by segment

EUR million	Q3/23	Q2/23	Q1/23	2022	Q4/22	Q3/22	Q2/22	Q1/22
Packaging Materials	-34	-22	41	655	59	188	200	208
Packaging Solutions	14	15	8	16	5	4	2	5
Biomaterials	5	-13	91	687	249	197	123	117
Wood Products	-21	-6	-11	309	-14	70	134	118
Forest	59	62	57	204	62	47	47	49
Other	-15	-9	27	63	14	29	14	6
Inter-segment eliminations	13	9	21	-42	-20	-7	-15	0
<b>Operational EBIT</b>	<b>21</b>	<b>37</b>	<b>234</b>	<b>1,891</b>	<b>355</b>	<b>527</b>	<b>505</b>	<b>503</b>
Fair valuations and non-operational items <sup>1</sup>	5	-14	11	363	381	6	-45	21
Items affecting comparability <sup>1</sup>	-26	-276	12	-245	-31	-22	-61	-130
<b>Operating result (IFRS)</b>	<b>-1</b>	<b>-253</b>	<b>258</b>	<b>2,009</b>	<b>705</b>	<b>511</b>	<b>399</b>	<b>394</b>
Net financial items	-40	-51	-29	-151	-39	-63	-29	-19
<b>Result before Tax</b>	<b>-41</b>	<b>-304</b>	<b>228</b>	<b>1,858</b>	<b>666</b>	<b>448</b>	<b>370</b>	<b>374</b>
Income tax expense	7	47	-43	-322	-82	-81	-71	-88
<b>Net result</b>	<b>-34</b>	<b>-257</b>	<b>185</b>	<b>1,536</b>	<b>584</b>	<b>367</b>	<b>299</b>	<b>287</b>

<sup>1</sup> See section [Non-IFRS measures](#) for IAC and fair valuations and non-operational items definitions. Comparative figures have been restated as described in our release from 29 March 2023.

## Items affecting comparability (IAC), fair valuations and non-operational items

EUR million	Q3/23	Q2/23	Q1/23	2022	Q4/22	Q3/22	Q2/22	Q1/22
Impairments and impairment reversals	-15	-129	-19	-124	-9	-2	-2	-111
Restructuring costs excluding impairments	-18	-91	22	-3	11	-5	-3	-6
Acquisitions	-1	1	-16	0	0	0	0	0
Disposals	4	-57	20	-104	-31	-17	-56	0
Other	4	0	6	-15	-3	1	0	-13
<b>Total IAC on operating result</b>	<b>-26</b>	<b>-276</b>	<b>12</b>	<b>-245</b>	<b>-31</b>	<b>-22</b>	<b>-61</b>	<b>-130</b>
Fair valuations and non-operational items	5	-14	11	363	381	6	-45	21
<b>Total</b>	<b>-22</b>	<b>-290</b>	<b>24</b>	<b>118</b>	<b>350</b>	<b>-17</b>	<b>-106</b>	<b>-109</b>

Items affecting comparability had a negative impact on the operating result of EUR 26 (22) million. The IACs relate mainly to the restructuring actions and the disposal of the biocomposite business. Fair valuation and non-operational items had a positive impact on the operating result of EUR 5 (6) million. The impact came mainly from the valuation of emission rights.

## Items affecting comparability (IAC) by segment

EUR million	Q3/23	Q2/23	Q1/23	2022	Q4/22	Q3/22	Q2/22	Q1/22
Packaging Materials	-4	-98	-21	-9	-2	-3	2	-6
Packaging Solutions	0	-5	-20	-98	0	-5	-57	-36
Biomaterials	-17	-101	0	-2	0	0	0	-2
Wood Products	-1	-8	0	-56	-6	-21	-2	-27
Forest	3	-2	-3	-48	1	-6	0	-43
Other	-6	-61	56	-33	-23	12	-4	-17
<b>IAC on operating result</b>	<b>-26</b>	<b>-276</b>	<b>12</b>	<b>-245</b>	<b>-31</b>	<b>-22</b>	<b>-61</b>	<b>-130</b>
IAC on tax	6	43	-3	9	3	1	1	4
<b>IAC on net result</b>	<b>-20</b>	<b>-233</b>	<b>10</b>	<b>-236</b>	<b>-29</b>	<b>-21</b>	<b>-60</b>	<b>-126</b>

Comparative figures have been restated as described in our release from 29 March 2023.

## Fair valuations and non-operational items by segment

EUR million	Q3/23	Q2/23	Q1/23	2022	Q4/22	Q3/22	Q2/22	Q1/22
Packaging Materials	0	0	0	7	17	1	2	-12
Packaging Solutions	0	0	0	0	0	0	0	0
Biomaterials	-3	5	-1	-17	-9	0	-6	-2
Wood Products	0	0	0	0	0	0	0	0
Forest	-5	0	-9	367	401	2	-47	10
Other	12	-19	21	6	-27	2	6	25
<b>FV on operating result</b>	<b>5</b>	<b>-14</b>	<b>11</b>	<b>363</b>	<b>381</b>	<b>6</b>	<b>-45</b>	<b>21</b>
FV on tax	-1	4	-3	-38	-46	-1	13	-4
<b>FV on net result</b>	<b>3</b>	<b>-10</b>	<b>8</b>	<b>324</b>	<b>335</b>	<b>5</b>	<b>-32</b>	<b>17</b>

Comparative figures have been restated as described in our release from 29 March 2023.

## Operating result by segment

EUR million	Q3/23	Q2/23	Q1/23	2022	Q4/22	Q3/22	Q2/22	Q1/22
Packaging Materials	-38	-120	21	653	74	185	204	190
Packaging Solutions	14	10	-12	-81	5	-1	-54	-31
Biomaterials	-15	-109	90	668	240	198	117	113
Wood Products	-22	-14	-11	253	-20	49	133	91
Forest	57	60	44	523	463	43	0	16
Other	-10	-89	104	36	-37	43	16	14
Inter-segment eliminations	13	9	21	-42	-20	-7	-15	0
<b>Operating result (IFRS)</b>	<b>-1</b>	<b>-253</b>	<b>258</b>	<b>2,009</b>	<b>705</b>	<b>511</b>	<b>399</b>	<b>394</b>
Net financial items	-40	-51	-29	-151	-39	-63	-29	-19
<b>Result before tax</b>	<b>-41</b>	<b>-304</b>	<b>228</b>	<b>1,858</b>	<b>666</b>	<b>448</b>	<b>370</b>	<b>374</b>
Income tax expense	7	47	-43	-322	-82	-81	-71	-88
<b>Net result</b>	<b>-34</b>	<b>-257</b>	<b>185</b>	<b>1,536</b>	<b>584</b>	<b>367</b>	<b>299</b>	<b>287</b>

Comparative figures have been restated as described in our release from 29 March 2023.

## Calculation of operational return on capital employed (ROCE) and return on equity (ROE) based on the last 12 months

EUR million	Q3/23	Q3/22	Q2/23	Q4/22
Operational EBIT, LTM	647	1,962	1,154	1,891
Capital employed, LTM average	14,336	13,409	14,262	13,795
<b>Operational ROCE, LTM</b>	<b>4.5%</b>	<b>14.6%</b>	<b>8.1%</b>	<b>13.7%</b>
Operational EBIT excl. Forest division, LTM	407	1,772	926	1,687
Capital employed excl. Forest division, LTM average	8,715	8,015	8,671	8,276
<b>Operational ROCE excl. Forest division, LTM</b>	<b>4.7%</b>	<b>22.1%</b>	<b>10.7%</b>	<b>20.4%</b>
Net result for the period, LTM	478	1,569	879	1,536
Total equity, LTM average	11,727	10,982	11,790	11,532
<b>Return on equity (ROE), LTM</b>	<b>4.1%</b>	<b>14.3%</b>	<b>7.5%</b>	<b>13.3%</b>
Net debt	3,120	2,125	3,030	1,853
Operational EBITDA, LTM	1,292	2,616	1,801	2,529
<b>Net debt to LTM operational EBITDA ratio</b>	<b>2.4</b>	<b>0.8</b>	<b>1.7</b>	<b>0.7</b>

LTM = Last 12 months. The change in the calculation method is explained in the section [Non-IFRS measures](#)

## Key exchange rates for the euro

One Euro is	Closing Rate		Average Rate (Year-to-date)	
	30 Sep 2023	31 Dec 2022	30 Sep 2023	31 Dec 2022
SEK	11.5325	11.1218	11.4751	10.6274
USD	1.0594	1.0666	1.0835	1.0539
GBP	0.8646	0.8869	0.8710	0.8526

## Fair Values of Financial Instruments

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques, for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: techniques which use inputs that have a significant effect on the recorded fair values that are not based on observable market data.

The valuation techniques are described in more detail in the Group's Financial Report. The instruments carried at fair value in the following tables are measured at fair value on a recurring basis.

## Carrying amounts of financial assets and liabilities by measurement and fair value categories: 30 September 2023

EUR million	Amortised cost	Fair value through OCI	Fair value through income statement	Total carrying amount	Fair value	Fair value hierarchy		
						Level 1	Level 2	Level 3
<b>Financial assets</b>								
Listed securities	—	7	—	7	7	7	—	—
Unlisted securities	—	625	15	640	640	—	—	640
Non-current interest-bearing receivables	82	22	—	104	104	—	22	—
Derivative assets	—	22	—	22	22	—	22	—
Loan receivables	82	—	—	82	82	—	—	—
Trade and other operative receivables	917	26	—	943	943	—	26	—
Current interest-bearing receivables	9	15	3	27	27	—	18	—
Derivative assets	—	15	3	18	18	—	18	—
Other short-term receivables	9	—	—	9	9	—	—	—
Cash and cash equivalents	2,077	—	—	2,077	2,077	—	—	—
<b>Total</b>	<b>3,086</b>	<b>694</b>	<b>18</b>	<b>3,798</b>	<b>3,798</b>	<b>7</b>	<b>66</b>	<b>640</b>

EUR million	Amortised cost	Fair value through OCI	Fair value through income statement	Total carrying amount	Fair value	Fair value hierarchy		
						Level 1	Level 2	Level 3
<b>Financial liabilities</b>								
Non-current interest-bearing liabilities	4,179	3	—	4,182	5,012	—	3	—
Derivative liabilities	—	3	—	3	3	—	3	—
Non-current debt	4,179	—	—	4,179	5,009	—	—	—
Current portion of non-current debt	489	—	—	489	489	—	—	—
Current interest-bearing liabilities	600	27	13	640	640	—	40	—
Derivative liabilities	—	27	13	40	40	—	40	—
Current debt	600	—	—	600	600	—	—	—
Trade and other operative payables	1,721	—	—	1,721	1,721	—	—	—
Bank overdrafts	24	—	—	24	24	—	—	—
<b>Total</b>	<b>7,013</b>	<b>31</b>	<b>13</b>	<b>7,056</b>	<b>7,886</b>	<b>—</b>	<b>44</b>	<b>—</b>

In accordance with IFRS, derivatives are classified as fair value through income statement. In the above tables for financial assets and liabilities the cash flow hedge accounted derivatives are however presented as fair value through OCI, in line with how they are booked for the effective portion.

## Carrying amounts of financial assets and liabilities by measurement and fair value categories: 31 December 2022

EUR million	Amortised cost	Fair value through OCI	Fair value through income statement	Total carrying amount	Fair value	Fair value hierarchy		
						Level 1	Level 2	Level 3
<b>Financial assets</b>								
Listed securities	—	8	—	8	8	8	—	—
Unlisted securities	—	1,423	14	1,437	1,437	—	—	1,437
Non-current interest-bearing receivables	92	28	—	120	120	—	28	—
Derivative assets	—	28	—	28	28	—	28	—
Loan receivables	92	—	—	92	92	—	—	—
Trade and other operative receivables	1,138	66	—	1,204	1,204	—	66	—
Current interest-bearing receivables	10	50	16	77	77	—	67	—
Derivative assets	—	50	16	67	67	—	67	—
Other short-term receivables	10	—	—	10	10	—	—	—
Cash and cash equivalents	1,917	—	—	1,917	1,917	—	—	—
<b>Total</b>	<b>3,157</b>	<b>1,576</b>	<b>30</b>	<b>4,763</b>	<b>4,763</b>	<b>8</b>	<b>161</b>	<b>1,437</b>

EUR million	Amortised cost	Fair value through OCI	Fair value through income statement	Total carrying amount	Fair value	Fair value hierarchy		
						Level 1	Level 2	Level 3
<b>Financial liabilities</b>								
Non-current interest-bearing liabilities	2,792	—	—	2,792	2,749	—	—	—
Derivative liabilities	—	—	—	—	—	—	—	—
Non-current debt	2,792	—	—	2,792	2,748	—	—	—
Current portion of non-current debt	667	—	—	667	667	—	—	—
Current interest-bearing liabilities	462	30	20	513	513	—	50	—
Derivative liabilities	—	30	20	50	50	—	50	—
Current debt	462	—	—	462	462	—	—	—
Trade and other operative payables	2,076	—	—	2,076	2,076	—	—	—
Bank overdrafts	—	—	—	—	—	—	—	—
<b>Total</b>	<b>5,998</b>	<b>30</b>	<b>20</b>	<b>6,048</b>	<b>6,005</b>	<b>—</b>	<b>51</b>	<b>—</b>

In accordance with IFRS, derivatives are classified as fair value through income statement. In the above tables for financial assets and liabilities the cash flow hedge accounted derivatives are however presented as fair value through OCI, in line with how they are booked for the effective portion.

## Reconciliation of level 3 fair value measurement of financial assets and liabilities: 30 September 2023

EUR million	Q1-Q3/23	2022	Q1-Q3/22
<b>Financial assets</b>			
Opening balance at 1 January	1,437	905	905
Reclassifications	0	-1	-1
Gains/losses recognised in other comprehensive income	-814	523	697
Additions	18	10	0
<b>Closing balance</b>	<b>640</b>	<b>1,437</b>	<b>1,601</b>

The Group did not have level 3 financial liabilities as at 30 September 2023.

## Level 3 Financial Assets

At period end, Level 3 financial assets included EUR 609 million of Pohjolan Voima Oy (PVO) shares for which the valuation method is described in more detail in the Annual Report. The valuation decreased by EUR 814 million versus December 2022, mainly due to lower electricity market prices. The valuation is most sensitive to changes in electricity prices and discount rates. The discount rate of 8.25% used in the valuation model is determined using the weighted average cost of capital method. A +/- 5% change in the electricity price used in the DCF would change the valuation by EUR +84 million and -84 million, respectively. A +/- percentage point change in the discount rate would change the valuation by EUR -103 million and +129 million, respectively.

## Stora Enso shares

During the third quarter of 2023, the conversions of 2,351 A shares into R shares were recorded in the Finnish trade register.

On 30 September 2023, Stora Enso had 176,231,946 A shares and 612,388,041 R shares in issue. The company did not hold its own shares. The total number of Stora Enso shares in issue was 788,619,987 and the total number votes at least 237,470,750.

In September, Stora Enso Oyj upgraded the trading of its American Depository Receipts (ADRs) and Ordinary Shares to the OTCQX® Best Market from the Pink® market. Stora Enso trades on OTCQX under the symbols "SEOAY, SEOFF, SEOJF".

On 16 October 2023, the conversion of 287 A shares into R shares was recorded in the Finnish trade register.

### Trading volume

	Helsinki		Stockholm	
	A share	R share	A share	R share
July	79,532	44,054,523	35,930	7,274,685
August	60,416	30,418,488	46,612	3,814,838
September	76,294	37,739,244	29,970	4,594,731
<b>Total</b>	<b>216,242</b>	<b>112,212,255</b>	<b>112,512</b>	<b>15,684,254</b>

### Closing price

	Helsinki, EUR		Stockholm, SEK	
	A share	R share	A share	R share
July	11.75	11.16	134.00	129.00
August	12.40	11.76	143.80	139.70
September	12.60	11.89	144.80	137.00

### Number of shares

Million	Q3/23	Q3/22	Q2/23	2022
At period end	788.6	788.6	788.6	788.6
Average	788.6	788.6	788.6	788.6
Average, diluted	789.8	789.5	789.9	789.4

## Calculation of key figures

<b>Operational return on capital employed, operational ROCE, LTM<sup>4</sup> (%)</b>	100 x $\frac{\text{Operational EBIT}^4}{\text{Capital employed}^{1,2}}$
<b>Operational return on operating capital, operational ROOC, LTM<sup>4</sup> (%)</b>	100 x $\frac{\text{Operational EBIT}^4}{\text{Operating capital}^2}$
<b>Return on equity, ROE, LTM<sup>4</sup> (%)</b>	100 x $\frac{\text{Net result for the period}}{\text{Total equity}^2}$
<b>Net debt</b>	Interest-bearing liabilities – interest-bearing assets
<b>Net debt/equity ratio</b>	$\frac{\text{Net debt}}{\text{Equity}^3}$
<b>Earnings per share (EPS)</b>	$\frac{\text{Net result for the period}^3}{\text{Average number of shares}}$
<b>Operating capital</b>	Operating capital is comprised of items marked with “O” in the <a href="#">statement of financial position</a>
<b>Operational EBIT</b>	Operating result excluding items affecting comparability (IAC) and fair valuations of the segments and Stora Enso's share of operating result excluding IAC and fair valuations of its equity accounted investments (EAI)
<b>Operational EBITDA</b>	Operating result excluding silviculture costs and damage to forests, fixed asset depreciation and impairment, IACs and fair valuations. The definition includes the respective items of subsidiaries, joint arrangements and equity accounted investments.
<b>Net debt/last 12 months' operational EBITDA ratio</b>	$\frac{\text{Net debt}}{\text{LTM operational EBITDA}}$
<b>Fixed costs</b>	Maintenance, personnel and other administration type of costs, excluding IAC and fair valuations.
<b>Last 12 months (LTM)</b>	12 months prior to the end of reporting period

<sup>1</sup> Capital employed = Operating capital – Net tax liabilities <sup>2</sup> Average for the last five quarter ends <sup>3</sup> Attributable to the owners of the Parent

<sup>4</sup> Last 12 months prior to the end of reporting period

## List of non-IFRS measures

Operational EBITDA	Operating capital
Operational EBITDA margin	Depreciation and impairment charges excl. IAC
Operational EBIT	Operational ROCE
Operational EBIT margin	Earnings per share (EPS), excl. FV
Capital expenditure	Net debt/last 12 months' operational EBITDA ratio
Capital expenditure excl. investments in biological assets	Operational ROOC
Capital employed	Cash flow after investing activities

## Definitions and calculation of key sustainability figures

<b>GHG emissions, scope 1 + 2</b>	Direct fossil CO <sub>2</sub> e emissions from production (scope 1) and indirect fossil CO <sub>2</sub> e emissions related to purchased electricity and heat (scope 2). Excluding joint operations. Calculated as rolling four quarters. Calculated in accordance with the Greenhouse Gas Protocol of the World Resource Institute (WRI).
<b>GHG emissions, scope 3</b>	Fossil CO <sub>2</sub> e emissions from other sources along the value chain of all production units are estimated based on the most recent methodology. Joint operations included as suppliers. Currently, material emission categories for scope 3 emissions are updated annually. Accounting based on guidelines provided by the Greenhouse Gas Protocol and the World Business Council for Sustainable Development (WBCSD).
<b>Forest certification coverage</b>	The proportion of land in wood production and harvesting owned or leased by Stora Enso that is covered by forest certification schemes. Reporting on total land area and its forest certification coverage aligned with financial reporting on forests assets.
<b>Share of technically recyclable products</b>	The proportion of technically recyclable products based on production volumes as tonnes. Technical recyclability is defined by international standards and tests when available and in the absence of these, by Stora Enso's tests that prove recyclability. The reporting scope includes Stora Enso's packaging, pulp, paper and solid wood products as well as biochemical by-products.
<b>TRI (Total recordable incidents) rate</b>	Number of incidents per one million hours worked. Including joint operations.
<b>Gender balance: % of female managers among all managers</b>	The share of female managers is accounted for as the headcount of all permanent managers with at least one direct report. The manager must be permanent, but the subordinates can be temporary or permanent. Excluding joint operations.
<b>Total water withdrawal and process water discharges per saleable tonne</b>	Last four quarters for board, pulp and paper units. Excluding joint operations. Excluding mechanical wood product units and packaging converting units due to their low impact on the Group's consolidated water use and different metrics for sales production (cubic metre and square metre) compared to board, pulp and paper units (tonnes).
<b>Supplier Code of Conduct (SCoC) coverage</b>	% of supplier spend (last 12 months) covered by the Supplier Code of Conduct (SCoC). Excludes joint operations, intellectual property rights, leasing fees, financial trading, government fees such as customs, and wood purchases from private individual forest owners.

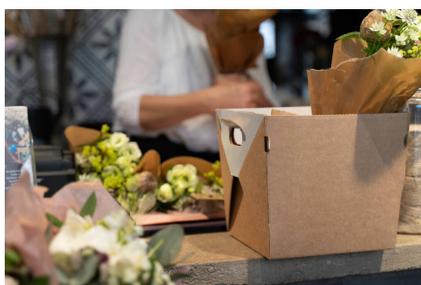
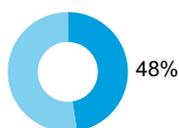
# Divisions



## Packaging Materials

Leading the development of circular packaging, providing premium packaging materials based on virgin and recycled fiber.

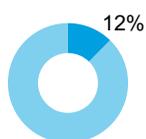
Share of Group external sales



## Packaging Solutions

Developing and selling premium fiber-based packaging products and services.

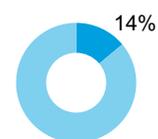
Share of Group external sales



## Biomaterials

Meeting the growing demand for bio-based solutions to replace fossil-based and hazardous materials.

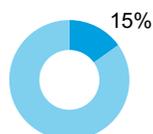
Share of Group external sales



## Wood Products

One of the largest sawn wood producers in Europe and a global leading provider of renewable wood-based solutions.

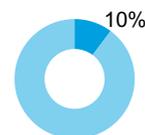
Share of Group external sales



## Forest

Creating value through sustainable forest management, competitive wood supply and innovation.

Share of Group external sales



## Contact information

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## Stora Enso's Q4 and full year 2023 results will be published on 1 February 2024

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Part of the global bioeconomy, Stora Enso is a leading provider of renewable products in packaging, biomaterials, and wooden construction, and one of the largest private forest owners in the world. We believe that everything that is made from fossil-based materials today can be made from a tree tomorrow. Stora Enso has approximately 21,000 employees and our sales in 2022 were EUR 11.7 billion. Stora Enso shares are listed on Nasdaq Helsinki Oy (STEAV, STERV) and Nasdaq Stockholm AB (STE A, STE R). In addition, the shares are traded in the USA as ADRs and ordinary shares (SEOAY, SEOFF, SEOJF). [storaenso.com/investors](https://www.storaenso.com/investors)

It should be noted that Stora Enso and its business are exposed to various risks and uncertainties and 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. 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. All statements are based on management's best assumptions and beliefs in light of the information currently available to it and Stora Enso assumes no obligation to publicly update or revise any forward-looking statement except to the extent legally required.