

# Stora Enso Interim Report

January–September 2021

# Q3



storaenso

THE RENEWABLE MATERIALS COMPANY



## Another quarter with robust growth and profitability

### Q3/2021 (compared with Q3/2020)

- Sales increased by 23.9% to EUR 2 577 (2 079) million due to higher prices and deliveries. Sales excluding Paper increased by 32.5%.
- Operational EBIT increased to EUR 410 (175) million, driven by higher volumes and prices, especially in Biomaterials, Wood Products and Packaging Materials. Operational EBIT excluding Paper increased to EUR 441 (191) million.
- Operational EBIT margin increased to 15.9% (8.4%). Excluding Paper, the operational EBIT margin was 20.5% (11.8%).
- Items affecting comparability (IAC) amounted to EUR -32 (-25) million, mainly related to restructuring in the Paper division.
- Operating profit (IFRS) increased to EUR 386 (145) million.
- EPS was EUR 0.38 (0.11) and EPS excl. fair valuations (FV) was EUR 0.37 (0.12).
- The value of forest assets, including leased land and Stora Enso's share of Tornator, remained similar to the previous quarter at EUR 7.4 (7.4) billion. The forest valuation method was changed in Q4/2020 to market-based valuation in Sweden.
- Strong cash flow from operations amounted to EUR 485 (399) million. Cash flow after investing activities was EUR 347 (250) million.
- Net debt decreased by EUR 336 million to EUR 2 672 (3 008) million.
- The net debt to operational EBITDA ratio improved to 1.4 (2.4). The target is to keep the ratio below 2.0.
- Operational ROCE excluding the Forest division increased to 20.0% (7.8%), and was clearly above the long-term target of more than 13%.

### Q1-Q3/2021 (compared with Q1-Q3/20)

- Sales were EUR 7 445 (6 400) million.
- Operational EBIT more than doubled to EUR 1 102 (532) million.
- Strong cash flow from operations amounted to EUR 1 133 (907) million. Cash flow after investing activities was EUR 677 (458) million.
- Operational ROCE excluding the Forest division increased to 16.8% (7.8%).

### Strategy implementation update

- Stora Enso is investing EUR 97 million to expand board production at the Skoghall site in Sweden. This is to drive profitable growth in attractive packaging end-use segments. With the completion of the feasibility study, Stora Enso has decided not to go ahead with the originally planned pulp capacity expansion.
- Following the successful conversion in Oulu from paper to kraftliner production for food applications, Stora Enso will start a pre-feasibility study to convert the second line, currently idle, at its Oulu site in Finland to a packaging board line.
- Stora Enso has set an ambitious goal of 100% regenerative solutions by 2050 and announced new 2030 sustainability targets.
- Pilot production of Lignode® by Stora Enso, wood-based carbon for batteries, is being ramped up according to plan, and work towards finding the right partners is progressing.
- Paper production at the Veitsiluoto and Kvarnsveden sites was terminated, following the conclusion of the co-determination negotiations.
- The Sachsen paper mill in Germany was divested to Model Group.
- Stora Enso is decentralising its operating model. This will strengthen execution of strategy and customer intimacy, empower divisions, enhance business specific processes and drive a performance culture. Leaner Group functions focus on strategic activities and scale synergies.

### Outlook

The global economic activity remains at a healthy level with resilient demand for Stora Enso's products in key segments.

The annual outlook for the full year 2021 remains as previously guided. Operational EBIT in 2021 is expected to be higher than the 2020 operational EBIT.

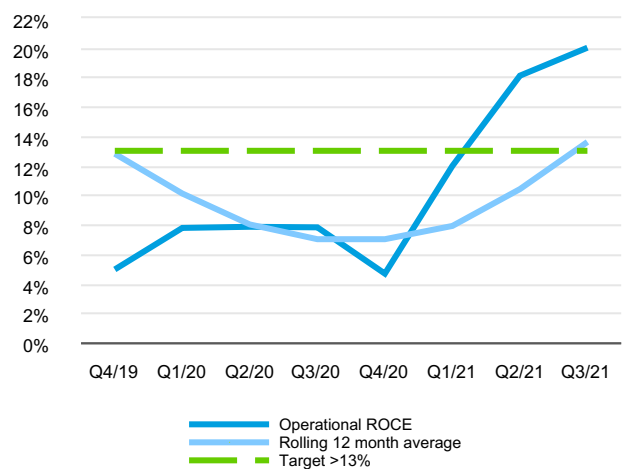
### Total maintenance impact

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

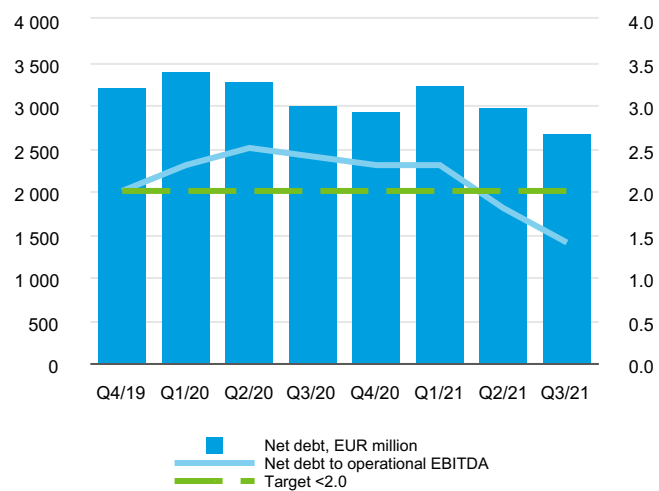
EUR million	Q4/2021 <sup>1</sup>	Q3/2021	Q2/2021	Q1/2021	Q4/2020	Q3/2020
Total maintenance impact	129	169	136	105	161	159

<sup>1</sup> Estimated

#### Operational ROCE excl. Forest division



#### Net debt to operational EBITDA



## Key figures

EUR million	Q3/21	Q3/20	Change % Q3/21- Q3/20	Q2/21	Change % Q3/21- Q2/21	Q1-Q3/21	Q1-Q3/20	Change % Q1-Q3/21- Q1-Q3/20	2020
Sales	2 577	2 079	23.9%	2 592	-0.6%	7 445	6 400	16.3%	8 553
Operational EBITDA	570	330	73.0%	524	8.9%	1 582	997	58.7%	1 270
Operational EBITDA margin	22.1%	15.9%		20.2%		21.2%	15.6%		14.9%
Operational EBIT	410	175	134.3%	364	12.6%	1 102	532	106.9%	650
Operational EBIT margin	15.9%	8.4%		14.0%		14.8%	8.3%		7.6%
Operating profit (IFRS)	386	145	165.5%	182	112.1%	729	633	15.2%	922
Profit before tax excl. IAC and FV	373	144	158.2%	334	11.7%	999	413	142.0%	501
Profit before tax (IFRS)	349	115	204.1%	152	129.8%	626	513	22.0%	773
Net profit for the period (IFRS)	299	86	246.4%	207	44.2%	652	380	71.7%	617
Cash flow from operations	485	399	21.7%	463	4.8%	1 133	907	24.9%	1 344
Cash flow after investing activities	347	250	39.0%	339	2.6%	677	458	48.0%	680
Capital expenditure	124	156	-20.5%	130	-4.0%	378	385	-1.6%	687
Capital expenditure excluding investments in biological assets	111	143	-22.6%	114	-2.2%	336	341	-1.5%	628
Depreciation and impairment charges excl. IAC	136	135	1.4%	135	1.0%	410	408	0.4%	544
Net interest-bearing liabilities	2 672	3 008	-11.2%	2 975	-10.2%	2 672	3 008	-11.2%	2 921
Forest assets <sup>5</sup>	7 415	5 354	38.5%	7 409	0.1%	7 415	5 354	38.5%	7 314
Operational return on capital employed (ROCE), %	13.3%	6.7%		12.1%		12.2%	6.8%		5.8%
Operational ROCE excl. Forest division <sup>4</sup>	20.0%	7.8%		18.1%		16.8%	7.8%		7.0%
Earnings per share (EPS) excl. FV <sup>3</sup> , EUR	0.37	0.12	219.7%	0.27	37.0%	0.87	0.36	143.7%	0.45
EPS (basic), EUR	0.38	0.11	244.1%	0.26	46.4%	0.83	0.49	68.4%	0.79
Return on equity (ROE)	12.6%	4.8%		9.3%		9.4%	6.9%		7.6%
Net debt/equity ratio	0.27	0.42		0.32		0.27	0.42		0.33
Net debt to last 12 months' operational EBITDA ratio	1.4	2.4		1.8		1.4	2.4		2.3
Fixed costs to sales, %	22.9%	26.8%		23.4%		23.6%	26.0%		26.7%
Equity per share, EUR	12.39	9.18	34.9%	11.68	6.1%	12.39	9.18	34.9%	11.17
Average number of employees (FTE)	23 358	24 428	-4.4%	23 509	-0.6%	23 295	24 817	-6.1%	24 455
TRI rate <sup>12</sup>	7.1	6.3	12.7%	6.0	18.3%	6.3	5.9	6.8%	6.1

**Operational key figures, items affecting comparability and other non-IFRS measures:** The list of Stora Enso's non-IFRS measures and the calculation 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

**TRI** (Total recordable incidents) rate = number of incidents per one million hours worked.

<sup>1</sup> For own employees, including employees of the joint operations Veracel and Montes del Plata

<sup>2</sup> Historical figures for TRI rate recalculated due to additional data received after the previous Interim Reports.

<sup>3</sup> Earnings per share (EPS) excl. FV was added to the list of non-IFRS measures during Q4/2020 replacing the key figure of EPS excl. IAC and FV. Comparatives are recalculated.

<sup>4</sup> The segment comparative figures have been restated in accordance to the change in presentation of certain consolidation adjustments, as described in the section [Basis of preparation](#).

<sup>5</sup> Total forest assets value, including leased land and Stora Enso's share of Tornator.

## Production and external deliveries

	Q3/21	Q3/20	Change % Q3/21- Q3/20	Q2/21	Change % Q3/21- Q2/21	Q1-Q3/21	Q1-Q3/20	Change % Q1-Q3/21- Q1-Q3/20	2020
Board deliveries <sup>1</sup> , 1 000 tonnes	1 071	925	15.8%	1 099	-2.6%	3 177	2 806	13.2%	3 712
Board production <sup>1</sup> , 1 000 tonnes	1 189	1 002	18.7%	1 168	1.8%	3 496	3 076	13.7%	4 063
Corrugated packaging European deliveries, million m <sup>2</sup>	229	225	1.6%	242	-5.7%	708	660	7.2%	902
Corrugated packaging European production, million m <sup>2</sup>	254	249	1.9%	270	-5.9%	787	734	7.2%	1 004
Market pulp deliveries, 1 000 tonnes	541	671	-19.4%	603	-10.3%	1 774	1 754	1.1%	2 443
Wood products deliveries, 1 000 m <sup>3</sup>	1 107	1 149	-3.7%	1 347	-17.8%	3 646	3 448	5.7%	4 692
Wood deliveries, 1 000 m <sup>3</sup>	2 847	2 418	17.7%	3 042	-6.4%	8 934	8 273	8.0%	11 469
Paper deliveries, 1 000 tonnes	747	731	2.2%	767	-2.6%	2 256	2 314	-2.5%	3 106
Paper production, 1 000 tonnes	762	723	5.4%	741	2.9%	2 247	2 303	-2.4%	3 034

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

## CEO comment

I am delighted to see us deliver yet another robust quarterly performance. Sales in our core and growth businesses were up by 32.5% year-on-year, while our operational EBIT of EUR 410 million more than doubled compared to the same period last year. This is a result of the execution of our ongoing strategic transformation and the strength of the underlying market. The strategic actions we are taking by focusing the business on key growth areas put us in a strong position to continue to drive sustainable profitability.

It is rewarding to see solid top line growth across our strategic focus areas. Packaging Materials and Wood Products divisions delivered all-time high quarterly sales, reinforcing our strong position in these segments. Packaging Solutions also had a good quarter in the established business, with new scalable innovations and services picking up speed. Biomaterials sales grew to a record high third quarter, however higher prices were partly offset by the global logistics disturbances.

The Forest division provides the foundation for our strategic business areas, by supplying raw material for our renewable products. Our forest assets are yielding well and grew sales through higher timber volumes and prices. In our Paper division, the quarter was heavily impacted by the structural closures of our sites in Kvarnsveden and Veitsiluoto. After the ongoing restructurings are finalised, the share of Paper sales will move towards 10% of the Group's total sales. We can see already now a turnaround for our remaining, more competitive Paper business.

Stora Enso already has a leading position in the packaging segment and today we announced an expansion of board production at our site in Skoghall, Sweden. The nearly EUR 100 million investment will allow us to meet demand within the growing segments of liquid and food packaging. We are also evaluating taking the next step to convert the second production line in Oulu, Finland into packaging grades. The recent successful ramp up and positive market reception of our new premium kraftliner quality, gives us confidence to assess this opportunity as we see strong long-term demand for our sustainable packaging.

Our ongoing investments are on track: the construction of our new CLT line is proceeding and scheduled to start operating during the third quarter 2022, and our recycling facility collaboration with Tetra Pak is scheduled to be operational by the beginning of 2023. Our pilot production plant for bio-based battery components is developing according to plan. The carbon market for batteries grows by 30% annually, and an estimated 450 000 tonnes of carbon material per year will be needed already in the coming years. We are currently evaluating the best alternatives in legal structure and suitable partners to further develop this lignin-based innovation.

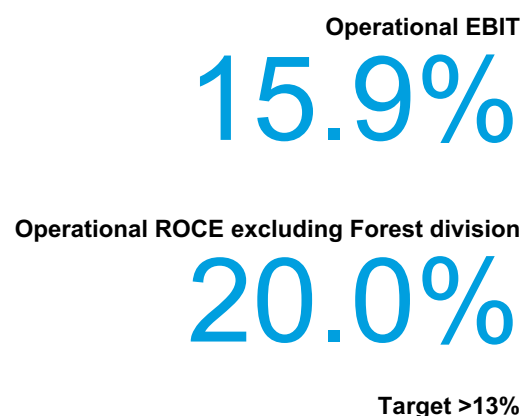
To speed up our growth strategy and to move even closer to our customers and their customers, we are decentralising our operating model. This will strengthen execution of strategy and customer intimacy, empower divisions, enhance business specific processes and drive a performance culture. Leaner Group functions focus on strategic activities and scale synergies. I strongly believe that clear business ownership will help create the winning, innovation-driven culture needed in order to create value and accelerate our growth for the long-term.

Sustainability is the backbone of our business. It drives our innovation agenda and our collaborations with customers, partners and suppliers. To strengthen Stora Enso's sustainability ambitions, we announced today new 2030 targets for our key sustainability priorities: climate change, biodiversity and circularity. Furthermore, we have committed to become 100% regenerative by 2050. This means that we are shifting our focus from just minimising environmental impact, towards a net-positive contribution to climate change mitigation, materials circularity, and nature restoration. This is a very ambitious journey, and a necessary one. It puts us in the lead of the much-needed societal transformation: away from fossils and a linear economy. Our new targets will guide our renewable materials strategy and boost our ability to deliver the eco-friendly solutions that the consumers of today and tomorrow demand.

Stora Enso fully supports the European Commission's climate goals. The EU is currently working on several pieces of regulation with relevance and impact on the forest industry. The goal of all initiatives is to enable a "green transformation" and to stay below 1.5C of climate warming. With our regenerative agenda, we will strengthen our sustainable forestry practices and accelerate the use of renewable wood fibers for carbon neutral and circular products. We are part of the solution to enable the transition of our societies away from fossil dependency.

The renewable future grows in the forest.

**Annica Bresky, President and CEO**





## Reconciliation of operational profitability

EUR million	Q3/21	Q3/20	Change % Q3/21- Q3/20	Q2/21	Change % Q3/21- Q2/21	Q1-Q3/21	Q1-Q3/20	Change % Q1-Q3/21- Q1-Q3/20	2020
<b>Operational EBITDA</b>	<b>570</b>	<b>330</b>	<b>73.0%</b>	<b>524</b>	<b>8.9%</b>	<b>1 582</b>	<b>997</b>	<b>58.7%</b>	<b>1 270</b>
Depreciation and silviculture costs of EAI	-3	-6	48.1%	-2	-39.0%	-8	-11	30.4%	-15
Silviculture costs <sup>1</sup>	-21	-14	-49.1%	-22	7.0%	-62	-45	-39.1%	-61
Depreciation and impairment excl. IAC	-136	-135	-1.4%	-135	-1.0%	-410	-408	-0.4%	-544
<b>Operational EBIT</b>	<b>410</b>	<b>175</b>	<b>134.3%</b>	<b>364</b>	<b>12.6%</b>	<b>1 102</b>	<b>532</b>	<b>106.9%</b>	<b>650</b>
Fair valuations and non-operational items <sup>2</sup>	8	-4	286.7%	-11	172.2%	-43	144	-130.1%	362
Items affecting comparability (IAC) <sup>2</sup>	-32	-25	-27.4%	-171	81.1%	-329	-44	n/m	-90
<b>Operating profit (IFRS)</b>	<b>386</b>	<b>145</b>	<b>165.5%</b>	<b>182</b>	<b>112.1%</b>	<b>729</b>	<b>633</b>	<b>15.2%</b>	<b>922</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.

## Third quarter 2021 results (compared with Q3/2020)

## Breakdown of change in sales Q3/2020 to Q3/2021

<b>Sales Q3/2020, EUR million</b>	<b>2 079</b>
Price and mix	18%
Currency	0%
Volume	6%
Other sales <sup>1</sup>	2%
Total before structural changes	26%
Structural changes <sup>2</sup>	-2%
Total	24%
<b>Sales Q3/2021, EUR million</b>	<b>2 577</b>

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

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

Group sales increased by 24%, or EUR 498 million, to EUR 2 577 (2 079) million. Group sales excluding the Paper division increased by 33%. Sales prices were clearly higher, especially in the Wood Products, Biomaterials, Packaging Materials and Packaging Solutions divisions. Deliveries were also higher as high demand was driven by the improved global economy and Covid-19 related recovery.

Operational EBIT increased by 134%, or EUR 235 million, to EUR 410 (175) million. The operational EBIT margin increased to 15.9% (8.4%), mainly due to clearly higher sales prices in all other divisions except Paper. The total volume impact was EUR 54 million higher, especially in the Packaging Materials division. Variable costs had a EUR 192 million negative impact, mainly due to higher fiber, energy and transportation costs. Fixed costs decreased by EUR 19 million due to cost management.

Net foreign exchange rates had a negative impact of EUR 28 million on operational EBIT.

The average number of employees in the third quarter of 2021 was approximately 23 400 (24 400).

Fair valuations and non-operational items had a positive net impact on the operating profit of EUR 8 (negative 4) million. The positive impact came mainly from emission rights.

The Group recorded items affecting comparability (IAC) with a negative impact of EUR 32 (negative 25) million on its operating profit. The related tax impact was EUR 0 (positive 5) million. The IAC relate mainly to the restructuring in the Paper division.

Net financial expenses of EUR 37 million were EUR 7 million higher than a year ago. Net interest expenses of EUR 31 million decreased by EUR 2 million, mainly as a result of lower average interest expense rate on borrowings and lower interest-bearing liabilities. Other net financial expenses were EUR 4 (2) million. 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 2 (gain of EUR 4) million.

Earnings per share increased by 244.1% to EUR 0.38 (0.11), and earnings per share excluding fair valuations increased by 219.7% to EUR 0.37 (0.12).

**Breakdown of change in capital employed 30 September 2020 to 30 September 2021**

EUR million	Capital employed
<b>30 September 2020</b>	<b>10 237</b>
Capital expenditure excluding investments in biological assets less depreciation	34
Investments in biological assets less depletion of capitalised silviculture costs	1
Impairments and reversal of impairments	-175
Fair valuation of forest assets	1 924
Unlisted securities (mainly PVO)	327
Equity accounted investments	34
Net liabilities in defined benefit plans	210
Operative working capital and other interest-free items, net	-170
Net tax liabilities	-280
Acquisition of subsidiary companies	1
Translation difference	258
Other changes	25
<b>30 September 2021</b>	<b>12 426</b>

The operational return on capital employed (ROCE) in the third quarter of 2021 was 13.3% (6.7%). Operational ROCE excluding the Forest division was 20.0% (7.8%).

## January–September results 2021 (compared with January–September 2020)

Sales increased by 16.3%, or EUR 1 045 million, to EUR 7 445 (6 400) million, mainly due to market recovery from the Covid-19 pandemic and the negative impact of the Finnish union strikes in the first quarter of 2020. Growth was visible in all divisions excluding Paper.

Operational EBIT more than doubled to EUR 1 102 (532) million. Clearly higher sales prices and higher total volumes improved profitability in all other divisions except Paper. Variable costs were EUR 122 million higher, mainly due to higher pulp, paper for recycling (PfR) and energy costs. Fixed costs increased by EUR 45 million, due to higher production related costs and increased maintenance activity related to changes in schedule. The net foreign exchange rate impact decreased operational EBIT by EUR 95 million. Internal profit elimination, depreciations, the operational result from equity-accounted investments and the impact from divested and closed units decreased operational EBIT by EUR 12 million.

Earnings per share increased by 68.4% to EUR 0.83 (0.49), and earnings per share excluding fair valuations increased by 143.7% to EUR 0.87 (0.36).

## Third quarter 2021 results (compared with Q2/2021)

Group sales decreased by 1%, or EUR 15 million, to EUR 2 577 (2 592) million, mainly due to lower deliveries in the Biomaterials, and Forest divisions, partly impacted by higher maintenance activity at the pulp mills.

Operational EBIT increased by 13%, or EUR 46 million to EUR 410 (364) million. The impact from higher sales prices and seasonally lower fixed costs was only partly offset by higher variable costs and lower volume impact.

## Segments in the third quarter of 2021 (compared with Q3/2020)

### Packaging Materials division

#### Excellent quarter with continued stability

The Packaging Materials division is a global leader in the circular economy with our premium renewable and recyclable packaging materials based on both virgin and recycled fiber. Addressing the needs of today's eco-conscious consumers, we help customers replace fossil-based materials with low-carbon, renewable and recyclable alternatives for their food and drink, pharmaceutical or transport packaging. A wide selection of barrier coatings enables design optimisation for various demanding packaging end-uses.

EUR million	Q3/21	Q3/20	Change % Q3/21- Q3/20	Q2/21	Change % Q3/21- Q2/21	Q1-Q3/21	Q1-Q3/20	Change % Q1-Q3/21- Q1-Q3/20	2020
Sales	988	771	28.1%	987	0.1%	2 836	2 356	20.4%	3 115
Operational EBITDA	225	168	33.6%	215	4.5%	636	512	24.4%	642
Operational EBITDA margin	22.8%	21.8%		21.8%		22.4%	21.7%		20.6%
Operational EBIT	153	111	37.0%	144	6.1%	423	337	25.7%	403
Operational EBIT margin	15.4%	14.4%		14.6%		14.9%	14.3%		12.9%
Operational ROOC	19.5%	15.6%		18.4%		18.5%	15.8%		13.9%
Cash flow from operations	236	195	21.3%	219	7.7%	581	509	14.3%	692
Cash flow after investing activities	170	105	61.8%	141	20.3%	331	254	30.4%	299
Deliveries, 1 000 tonnes	1 162	1 004	15.8%	1 188	-2.2%	3 447	3 046	13.2%	4 043
Production, 1 000 tonnes	1 189	1 002	18.7%	1 168	1.8%	3 496	3 076	13.7%	4 063

The comparative figures have been restated in accordance with the change in presentation of certain consolidation adjustments, as described in the section Basis of preparation.

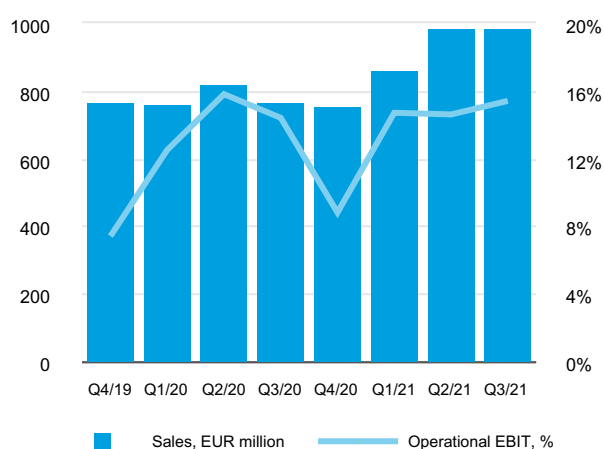
- Sales increased by 28% or EUR 217 million, to an all-time high of EUR 988 million due to higher deliveries mainly from the ramp-up of production at Oulu, and higher prices.
- Operational EBIT increased by EUR 42 million to an all-time high of EUR 153 million, driven by very strong containerboard performance. Clearly higher sales prices and deliveries were only partly offset by increased variable costs.
- Operational ROOC improved close to the long-term target, and ended at 19.5% (15.6%), despite increasing capital base after the Oulu paper mill conversion to kraftliner.
- Following the successful conversion in Oulu from paper to kraftliner production for food applications and in view of the positive market reception of its new premium kraftliner quality, Stora Enso is conducting a pre-feasibility study regarding the conversion of the second idle former paper line at its Oulu site in Finland to a packaging board line. The pre-feasibility study will be completed in early 2022.
- To meet demand within the growing segments of liquid and food packaging, Stora Enso is investing EUR 97 million to expand the board capacity at the Skoghall site in Sweden. The investment will accelerate growth in strategic packaging segments and markets, and is expected to be completed in the second half of 2023. With the completion of the feasibility study, Stora Enso has decided not to go ahead with the originally planned pulp capacity expansion.

#### Market development during Q3

Product	Market	Demand Q3/21 compared with Q3/20	Demand Q3/21 compared with Q2/21	Price Q3/21 compared with Q3/20	Price Q3/21 compared with Q2/21
Consumer board (FBB)	Europe	Slightly stronger	Slightly weaker	Higher	Slightly higher
Virgin fiber-based containerboard	Global	Stronger	Stable	Significantly higher	Higher
Recycled fiber based (RCP) containerboard	Europe	Stronger	Weaker	Significantly higher	Higher

Source: Fastmarket RISI, Fastmarket FOEX, CEPI, Numera Analytics

#### Sales and operational EBIT



#### Operational ROOC

**19.5%**  
(Target: >20%)

#### Scheduled annual maintenance shutdowns

	Q1/2022	2021	2020
Q1	–	–	–
Q2	n/a	Beihai and Ostrołęka	Heinola
Q3	n/a	Imatra and Varkaus	Beihai, Imatra, and Varkaus
Q4	n/a	Skoghall, Fors, Heinola, Oulu and Ingerois	Fors, Ingerois, Skoghall and Ostrołęka



## Packaging Solutions division

### Strong growth continues driven by price increases, innovation and services

The Packaging Solutions division develops and sells premium fiber-based packaging products and services. Our high-end eco-friendly packaging products are used by leading brands across multiple market sectors, including store retail, e-commerce and industrials. The portfolio includes corrugated and other converting, design services, automation solutions, and scalable innovations such as formed fiber and circular solutions.

EUR million	Q3/21	Q3/20	Change % Q3/21- Q3/20	Q2/21	Change % Q3/21- Q2/21	Q1-Q3/21	Q1-Q3/20	Change % Q1-Q3/21- Q1-Q3/20	2020
Sales	180	145	24.3%	170	5.7%	509	434	17.3%	594
Operational EBITDA	15	15	3.0%	10	57.8%	36	44	-17.9%	61
Operational EBITDA margin	8.5%	10.2%		5.7%		7.2%	10.2%		10.2%
Operational EBIT	8	8	-0.8%	2	262.8%	14	24	-40.1%	33
Operational EBIT margin	4.3%	5.4%		1.3%		2.8%	5.5%		5.6%
Operational ROOC	12.6%	13.3%		3.6%		7.8%	13.3%		13.9%
Cash flow from operations	3	10	-70.6%	6	-53.1%	29	33	-13.2%	51
Cash flow after investing activities	-5	7	-173.6%	2	n/m	9	21	-55.6%	28
Corrugated packaging European deliveries, million m <sup>2</sup>	252	250	0.8%	267	-5.7%	782	731	7.0%	999
Corrugated packaging European production, million m <sup>2</sup>	254	249	1.9%	270	-5.9%	787	734	7.2%	1 004

The comparative figures have been restated in accordance with the change in presentation of certain consolidation adjustments, as described in the section Basis of preparation. The biocomposites business was transferred from Wood Products to Packaging Solutions on 1 July 2020, and the historical figures have not been restated, as the change was not material for the Group.

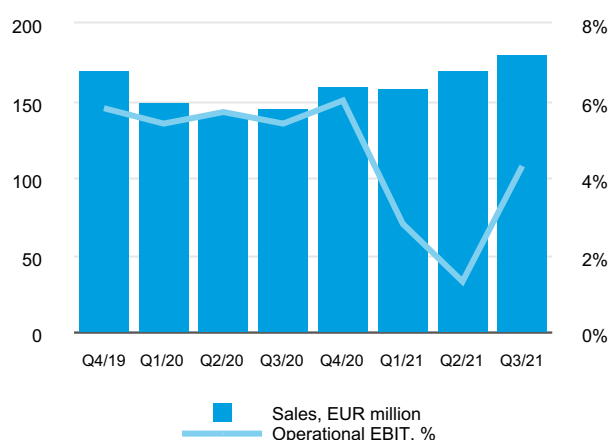
- Sales increased by 24%, or EUR 35 million, to EUR 180 million, mainly due to increased prices and growth in innovation and services. The price increases are following a steep increase in containerboard raw material prices, as well as growth in innovation and services.
- Operational EBIT remained flat at EUR 8 million. Improved margins in Corrugated business were offset by higher fixed costs relating to increased spend in new business and Covid-19 related savings last year.
- Operational ROOC remained clearly below the long-term target, ending at 12.6% (13.3%).
- Sales for innovation and services more than doubled, exceeding EUR 10 million. Sales in Circular Solutions (solutions for recycling and reuse of materials) were at a record high. The Formed Fiber business secured orders filling current European production capacity from mid-2022 onwards, and capacity is gradually increased based on customer demand.
- Stora Enso divested Intelligent Packaging, ECO RFID technology business, to CCRR Group. Selfly Store by Stora Enso, which was previously part of Intelligent Packaging, moved to the Packaging Solutions division on 1 October. Selfly Store by Stora Enso is a complete solution that is easy to set up and enables the customer to run their own unmanned self-service micro-store.
- Supporting the Group strategy on innovative packaging solutions, Stora Enso's packaging designs won several prestigious awards, including the Red Dot Design Award, the Nordic ScanStar awards, and the Muse Design Awards 2021.

### Market development during Q3

Product	Market	Demand Q3/21 compared with Q3/20	Demand Q3/21 compared with Q2/21	Price Q3/21 compared with Q3/20	Price Q3/21 compared with Q2/21
Corrugated packaging	Europe	Stronger	Stable	Significantly higher	Significantly higher

Source: Fastmarket RISI

### Sales and operational EBIT



### Operational ROOC

# 12.6%

Target: >25%

## Biomaterials division

### Record third quarter sales despite global logistics challenges

The Biomaterials division meets the growing demand for the replacement of products made from fossil-based and hazardous materials with bio-based solutions. We use all fractions of biomass, like lignin and sugars, to develop new solutions. We work to replace fossil-based materials with new applications such as carbon for energy storage, bio-based binders, and bio-based carbon fiber. The division's offering includes a wide variety of pulp grades to meet the demands of paper, board, tissue, textile and hygiene product producers as well as materials from side streams of our processes, such as tall oil and turpentine from biomass.

EUR million	Q3/21	Q3/20	Change %		Change %		Change %		2020
			Q3/21- Q3/20	Q2/21	Q3/21- Q2/21	Q1-Q3/21	Q1-Q3/20	Q1-Q3/21- Q1-Q3/20	
Sales	427	305	40.0%	453	-5.7%	1 234	879	40.5%	1 193
Operational EBITDA	147	35	n/m	174	-15.3%	414	112	270.1%	127
Operational EBITDA margin	34.4%	11.3%		38.3%		33.5%	12.7%		10.7%
Operational EBIT	118	7	n/m	145	-18.5%	328	22	n/m	8
Operational EBIT margin	27.7%	2.2%		32.1%		26.6%	2.5%		0.7%
Operational ROOC	19.6%	1.1%		24.4%		18.8%	1.2%		0.4%
Cash flow from operations	184	44	n/m	115	60.1%	338	53	n/m	96
Cash flow after investing activities	157	22	n/m	101	55.3%	272	-14	n/m	-1
Pulp deliveries, 1 000 tonnes	598	652	-8.3%	659	-9.3%	1 898	1 778	6.7%	2 427

The comparative figures have been restated in accordance with the change in presentation of certain consolidation adjustments, as described in the section Basis of preparation

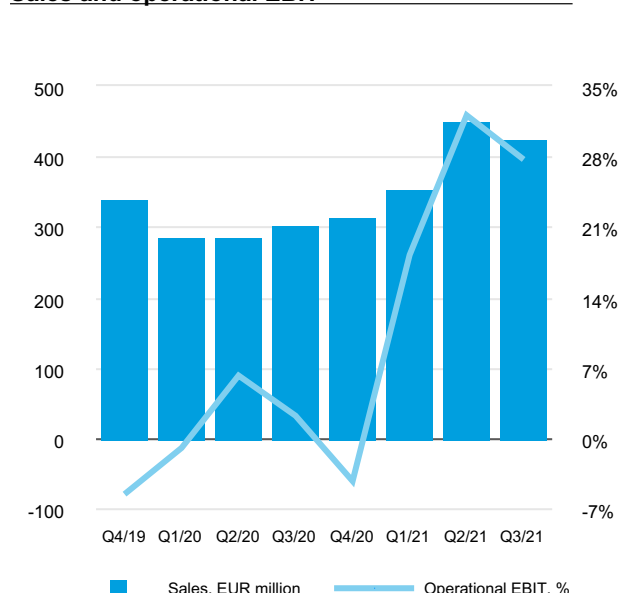
- Sales increased by 40%, or EUR 122 million, to EUR 427 million, a record high for a third quarter. Clearly higher pulp prices were only partly offset by slightly lower deliveries, impacted by logistic disturbances shifting volumes to the fourth quarter.
- Operational EBIT increased by EUR 111 million to EUR 118 million, the second highest third quarter ever. Clearly higher sales prices were only partly offset by higher maintenance costs, impacted by changes in the maintenance schedule.
- Operational ROOC increased to 19.6% (1.1%) due to improved profitability and clearly exceeded the long-term target level.

### Market development during Q3

Product	Market	Demand Q3/21 compared with Q3/20	Demand Q3/21 compared with Q2/21	Price Q3/21 compared with Q3/20	Price Q3/21 compared with Q2/21
Softwood pulp	Europe	Stronger	Stable	Significantly higher	Significantly higher
Hardwood pulp	Europe	Stronger	Stable	Significantly higher	Significantly higher
Hardwood pulp	China	Weaker	Slightly weaker	Significantly higher	Lower

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

### Sales and operational EBIT



### Operational ROOC

# 19.6%

Target: >15%

### Scheduled annual maintenance shutdowns

	Q1/2022	2021	2020
Q1	Montes del Plata	–	–
Q2	n/a	–	–
Q3	n/a	Enocell, Skutskär and Sunila	Sunila and Veracel
Q4	n/a	Veracel	Montes del Plata and Skutskär

## Wood Products division

### An all-time high result

The Wood Products division is the largest sawn wood producer in Europe and a leading provider of sustainable wood-based solutions for the construction industry. Our growing Building Solutions business offers building concepts to support low-carbon construction and eco-friendly designs. We develop digital tools to simplify the designing of building projects with wood. We also offer applications for windows, doors and for packaging industries, and our pellets provide a sustainable heating solution.

EUR million	Q3/21	Q3/20	Change % Q3/21- Q3/20	Q2/21	Change % Q3/21- Q2/21	Q1-Q3/21	Q1-Q3/20	Change % Q1-Q3/21- Q1-Q3/20	2020
Sales	503	341	47.5%	477	5.4%	1 362	1 026	32.7%	1 386
Operational EBITDA	135	49	176.2%	111	21.7%	310	116	167.2%	160
Operational EBITDA margin	26.8%	14.3%		23.2%		22.7%	11.3%		11.6%
Operational EBIT	123	38	227.6%	100	23.5%	275	81	238.2%	114
Operational EBIT margin	24.5%	11.0%		20.9%		20.2%	7.9%		8.3%
Operational ROOC	76.5%	25.2%		65.8%		60.6%	17.8%		19.1%
Cash flow from operations	97	64	52.1%	77	25.9%	208	132	57.4%	211
Cash flow after investing activities	85	57	48.9%	70	20.3%	169	107	57.3%	181
Wood products deliveries, 1 000 m <sup>3</sup>	1 044	1 071	-2.6%	1 247	-16.3%	3 404	3 252	4.7%	4 407

The comparative figures have been restated in accordance with the change in presentation of certain consolidation adjustments, as described in the section Basis of preparation.

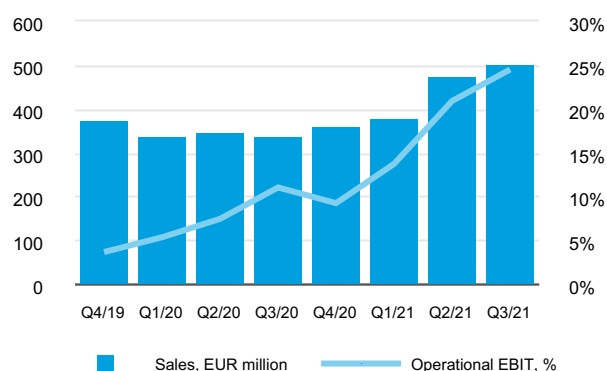
- Sales increased by 48%, or EUR 162 million to an all-time high level of EUR 503 million. Record high prices continued to drive topline growth despite slightly lower classic sawn deliveries.
- Operational EBIT increased by EUR 85 million to an all-time high level of EUR 123 million. Extraordinary high profitability was driven by record prices, which more than offset clearly higher raw material costs and higher production-related costs.
- Operational ROOC increased to 76.5% (25.2%), due to all-time high profitability, and was significantly above the long-term target.
- Stora Enso's focus on the mass timber construction business continues successfully. Wood products such as cross laminated timber (CLT), laminated veneer lumber (LVL), beams, rib panels and digital services were delivered to approximately 600 projects during the quarter. There is a 40% increase in average project size.
- Stora Enso has agreed on a new partnership with international real estate group Lendlease to enhance the use of environmentally friendly construction products in some of the world's most recognised cities. Stora Enso also partnered with real estate investor Dasos Capital to promote and increase the use of massive wood as a building material.

### Market development during Q3

Product	Market	Demand Q3/21 compared with Q3/20	Demand Q3/21 compared with Q2/21	Price Q3/21 compared with Q3/20	Price Q3/21 compared with Q2/21
Wood products	Europe	Slightly stronger	Significantly weaker	Significantly higher	Significantly higher

Source: Stora Enso

### Sales and operational EBIT



### Operational ROOC

# 76.5%

Target: >20%

## Forest division

### Good and stable financial performance continues

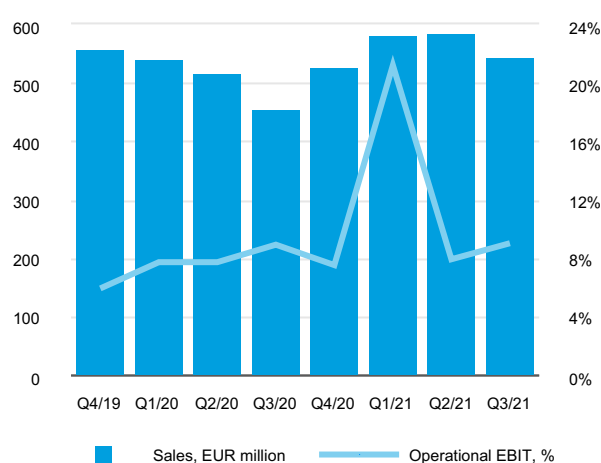
The Forest division creates value with sustainable forest management, competitive wood supply and innovation, which are the foundation for Stora Enso's renewable offerings. The division manages Stora Enso's forest assets in Sweden and the 41% share of Tornator, the majority of whose forest assets are located in Finland. The division is also responsible for wood sourcing for Stora Enso's Nordic, Baltic and Russian operations and B2B customers. Stora Enso is one of the biggest private forest owners in the world.

EUR million	Q3/21	Q3/20	Change % Q3/21- Q3/20	Q2/21	Change % Q3/21- Q2/21	Q1-Q3/21	Q1-Q3/20	Change % Q1-Q3/21- Q1-Q3/20	2020
Sales	546	457	19.4%	586	-7.0%	1 714	1 518	12.9%	2 046
Operational EBITDA	63	57	10.7%	60	4.7%	258	163	58.4%	215
Operational EBITDA margin	11.6%	12.5%		10.3%		15.0%	10.7%		10.5%
Operational EBIT	49	41	21.0%	46	6.3%	219	123	78.4%	162
Operational EBIT margin	9.0%	8.9%		7.9%		12.8%	8.1%		7.9%
Operational ROCE	3.9%	4.7%		3.7%		5.8%	4.7%		3.8%
Cash flow from operations	12	40	-70.3%	61	-80.7%	85	162	-47.8%	202
Cash flow after investing activities	4	32	-89.0%	52	-93.2%	51	135	-62.1%	165
Wood deliveries, 1 000 m <sup>3</sup>	9 454	8 591	10.0%	10 335	-8.5%	29 940	27 413	9.2%	37 369
Operational fair value change of biological assets	22	20	6.4%	22	-1.8%	62	56	11.0%	70

The comparative figures have been restated in accordance with the change in presentation of certain consolidation adjustments, as described in the section Basis of preparation.

- Sales increased by 19%, or EUR 89 million to record high third quarter sales at EUR 546 million. The improvement in sales was driven by higher deliveries, especially in Sweden and Finland and increased wood prices across units.
- Operational EBIT increased by EUR 8 million to a record high third quarter level of EUR 49 million. The improved profitability came mainly from higher margin in Stora Enso's own forest assets.
- The total valuation of the Group's forest assets was EUR 7.4 billion, an increase of EUR 7 million quarter on quarter.
- Operational ROCE remained above the long-term target at 3.9% (4.7%), despite a clear increase in capital base after adoption of a new market-based forest valuation method in Sweden in the fourth quarter of 2020.
- Stora Enso manages its forests sustainably to ensure continuous regeneration of vital and well-growing forests. Biodiversity protection is an integral part of sustainable forest management and proven by forest certification, for instance.
- Regarding the recently published EU Forest Strategy, Stora Enso is engaging in related discussions to provide constructive input to the development of policies that support sustainable transition to a circular bioeconomy.

#### Sales and operational EBIT



#### Operational ROCE

# 3.9%

Target: >3.5%

Total value of the Group's forest assets

# 7.4

EUR billion

## Paper division

### Result still impacted by restructuring and high input costs, remaining business is turning around

Stora Enso is the second largest paper producer in Europe, with an established customer base and a wide product portfolio for print and office use. Customers benefit from Stora Enso's broad selection of paper products made from recycled and virgin fiber, our technical expertise and our sustainability know-how as well as our mill and customer service centre network.

EUR million	Q3/21	Q3/20	Change % Q3/21- Q3/20	Q2/21	Change % Q3/21- Q2/21	Q1-Q3/21	Q1-Q3/20	Change % Q1-Q3/21- Q1-Q3/20	2020
Sales	441	468	-5.8%	446	-1.1%	1 314	1 503	-12.6%	1 979
Operational EBITDA	-13	11	-221.1%	-31	57.8%	-54	47	-215.8%	66
Operational EBITDA margin	-3.0%	2.3%		-7.0%		-4.1%	3.1%		3.3%
Operational EBIT	-31	-16	-90.6%	-49	37.3%	-114	-34	-240.4%	-38
Operational EBIT margin	-7.0%	-3.5%		-11.1%		-8.7%	-2.2%		-1.9%
Operational ROOC	-74.2%	-10.0%		-72.4%		-47.7%	-6.9%		-6.6%
Cash flow from operations	-20	32	-161.8%	-4	n/m	-28	40	-169.8%	110
Cash flow after investing activities	-34	15	n/m	-12	-185.0%	-66	-17	-279.7%	36
Cash flow after investing activities to sales, %	-7.7%	3.2%		-2.7%		-5.0%	-1.1%		1.8%
Paper deliveries, 1 000 tonnes	747	731	2.2%	767	-2.6%	2 256	2 314	-2.5%	3 106
Paper production, 1 000 tonnes	762	723	5.4%	741	2.9%	2 247	2 303	-2.4%	3 034

The comparative figures have been restated in accordance with the change in presentation of certain consolidation adjustments, as described in the section Basis of preparation.

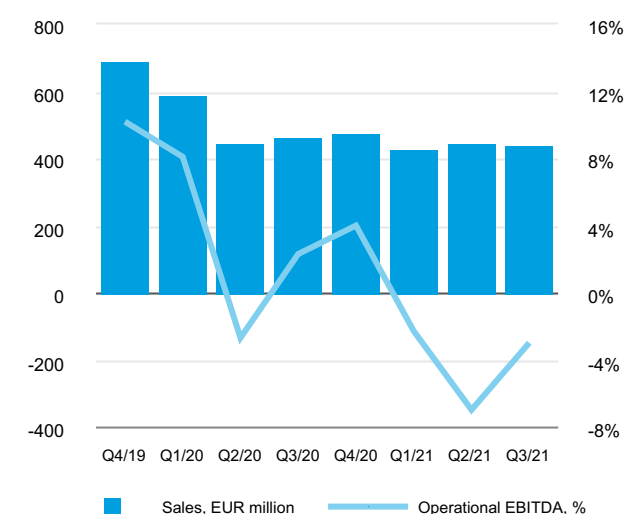
- Sales decreased by 6% or EUR 27 million, to EUR 441 million, driven by structural changes in the Oulu and Veitsiluoto paper mills. Sales from remaining business increased by 18% or EUR 85 million mainly due to increased deliveries in all product lines, as the impact of Covid-19 on European paper demand was heavy in the comparison period.
- Operational EBIT decreased by EUR 15 million to EUR -31 million. Lower operational EBIT was driven by clearly higher variable costs, especially for energy, fiber, and logistics, as well as by lower average prices.
- Cash flow after investing activities to sales ratio was -7.7% (3.2%), clearly below the long-term target of 7%.
- Pulp and paper production at Kvarnsveden and Veitsiluoto ended in September. In August, Stora Enso completed the union negotiations in Kvarnsveden, resulting in a total of 340 employees to be permanently laid off. Some 25% of the redundancies can be managed through pension arrangements. The negotiations at Veitsiluoto were completed earlier.
- In August, Stora Enso divested its Sachsen paper mill in Germany to the Swiss-based Model Group. Stora Enso will continue to sell and distribute Sachsen's paper products under a contract manufacturing agreement for a period of 18 months from closure of the transaction.

### Market development during Q3

Product	Market	Demand Q3/21 compared with Q3/20	Demand Q3/21 compared with Q2/21	Price Q3/21 compared with Q3/20	Price Q3/21 compared with Q2/21
Paper	Europe	Slightly stronger	Slightly stronger	Slightly lower	Higher

Source: PPPC

### Sales and operational EBITDA



### Cash flow after investing activities to sales<sup>1</sup>

# -7.7%

Target: >7%

### Scheduled annual maintenance shutdowns

	Q1/2022	2021	2020
Q1	–	–	–
Q2	n/a	–	–
Q3	n/a	–	Veitsiluoto
Q4	n/a	Nymölla	Nymölla

<sup>1</sup> The Paper division's financial target is cash flow after investing activities to sales (non-IFRS), because the division's goal is to generate cash flow for the Group so that it can transform into a renewable materials growth company.



## Segment Other

The segment Other includes Stora Enso's shareholding in the energy company Pohjolan Voima (PVO), and the Group's shared services and administration.

EUR million	Q3/21	Q3/20	Change % Q3/21- Q3/20	Q2/21	Change % Q3/21- Q2/21	Q1-Q3/21	Q1-Q3/20	Change % Q1-Q3/21- Q1-Q3/20	2020
Sales	302	230	31.5%	265	14.2%	807	697	15.8%	928
Operational EBITDA	5	-5	209.2%	-7	170.0%	-4	4	-199.9%	-3
Operational EBITDA margin	1.7%	-2.0%		-2.8%		-0.5%	0.6%		-0.3%
Operational EBIT	-3	-13	75.2%	-16	80.2%	-30	-20	-53.8%	-35
Operational EBIT margin	-1.1%	-5.6%		-6.1%		-3.7%	-2.8%		-3.8%
Cash flow from operations	-27	16	-273.7%	-12	-123.8%	-80	-21	-273.0%	-17
Cash flow after investing activities	-28	13	n/m	-16	-79.4%	-89	-28	-219.9%	-27

- Sales increased by EUR 72 million to EUR 302 million, mainly related to higher internal service sales.
- Operational EBIT increased by EUR 10 million to EUR -3 million. Higher energy prices improved energy services result and the sale of the ECO RFID business improved profitability.

## Financing in the third quarter of 2021 (compared with Q2/2021)

### Capital structure

EUR million	30 Sep 2021	30 Jun 2021	31 Dec 2020	30 Sep 2020
Operative fixed assets <sup>1</sup>	12 926	12 687	12 566	10 519
Equity accounted investments	470	462	456	430
Operative working capital, net	656	643	531	792
Non-current interest-free items, net	-440	-465	-561	-622
<b>Operating Capital Total</b>	<b>13 612</b>	<b>13 326</b>	<b>12 993</b>	<b>11 118</b>
Net tax liabilities	-1 186	-1 158	-1 279	-881
<b>Capital Employed</b>	<b>12 426</b>	<b>12 169</b>	<b>11 714</b>	<b>10 237</b>
Equity attributable to owners of the Parent	9 769	9 207	8 809	7 243
Non-controlling interests	-15	-13	-16	-14
Net interest-bearing liabilities	2 672	2 975	2 921	3 008
<b>Financing Total</b>	<b>12 426</b>	<b>12 169</b>	<b>11 714</b>	<b>10 237</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.

Cash and cash equivalents net of overdrafts decreased by EUR 45 million to EUR 1 256 million. Net debt decreased by EUR 303 million to EUR 2 672 (EUR 2 975) million, mainly as a result of strong cash flow after investing activities during the third quarter. The ratio of net debt to the last 12 months' operational EBITDA decreased to 1.4 (1.8) due to lower net debt and higher operational EBITDA. The net debt/equity ratio on 30 September 2021 decreased to 0.27 (0.32). The average interest expense rate on borrowings increased slightly to 3.0% (2.9%).

Stora Enso has a EUR 600 million committed fully undrawn revolving credit facility and additionally EUR 150 million undrawn committed credit arrangements as per 30 September 2021.

The value of total forest assets, including leased land and Stora Enso's share of Tornator's forest assets, increased by EUR 7 million to EUR 7 415 (7 409) million in Q3/2021.

The fair value of biological assets, including Stora Enso's share of Tornator, increased by EUR 15 million in Q3/2021 to EUR 4 997 (4 982) million. The value of forest land, including leased land and Stora Enso's share of Tornator, decreased by EUR 8 million in Q3/2021 to EUR 2 418 (2 426) million.

The fair value of Pohjolan Voima Oy (PVO) shares, accounted for as an equity investment fair valued through other comprehensive income under the IFRS 9, increased in the quarter by EUR 246 million to EUR 705 million mainly due to increased electricity prices.

## Cash flow in the third quarter of 2021 (compared with Q2/2021)

### Operative cash flow

EUR million	Q3/21	Q3/20	Change %		Q1-Q3/21	Q1-Q3/20	Change %	2020	
			Q3/21- Q3/20	Q2/21					Q3/21- Q2/21
Operational EBITDA	570	330	73.0%	524	8.9%	1 582	997	58.7%	1 270
IAC on operational EBITDA	-32	-8	n/m	-151	78.7%	-199	-17	n/m	-25
Other adjustments	-26	-18	-45.8%	-25	-7.0%	-134	-55	-143.4%	-97
Change in working capital	-27	95	-128.0%	115	-123.1%	-115	-17	n/m	195
<b>Cash flow from operations</b>	<b>485</b>	<b>399</b>	<b>21.7%</b>	<b>463</b>	<b>4.8%</b>	<b>1 133</b>	<b>907</b>	<b>24.9%</b>	<b>1 344</b>
Cash spent on fixed and biological assets	-138	-147	6.4%	-122	-12.7%	-452	-448	-0.9%	-661
Acquisitions of equity accounted investments	0	-1	101.5%	-2	101.1%	-4	-1	-167.9%	-2
<b>Cash flow after investing activities</b>	<b>347</b>	<b>250</b>	<b>39.0%</b>	<b>339</b>	<b>2.6%</b>	<b>677</b>	<b>458</b>	<b>48.0%</b>	<b>680</b>

In the third quarter of 2021, cash flow after investing activities was positive at EUR 347 million. Working capital increased by EUR 27 million, mainly due to higher inventories driven by higher prices. Cash spent on fixed and biological assets was EUR 138 million. Payments related to the previously announced provisions amounted to EUR 16 million.

## Capital expenditure in the third quarter of 2021 (compared with Q3/2020)

Additions to fixed and biological assets in the third quarter 2021 totalled EUR 124 (156) million, of which EUR 111 (143) million were fixed assets and EUR 13 (13) million biological assets. Depreciations and impairment charges excluding IACs totalled EUR 136 (135) million. Additions in fixed and biological assets had a cash outflow impact of EUR 138 (147) million.

### Capital expenditure by division

Division	EUR million		
	Q3/21	Q1-Q3/21	
Packaging Materials	60	213	including the Oulu conversion project and the wood handling upgrade at Imatra, both in Finland
Packaging Solutions	7	16	
Biomaterials	24	64	including the lignin related investments at Sunila in Finland
Wood Products	17	40	including the cross laminated timber (CLT) investment at Ždírec in the Czech Republic
Forest	3	14	
Paper	12	26	
<b>Total</b>	<b>124</b>	<b>378</b>	

### Capital expenditure and depreciation forecast 2021

EUR million	Forecast 2021
Capital expenditure	675–725
Depreciation and depletion of capitalised silviculture costs	600–640

Stora Enso's capital expenditure forecast includes approximately EUR 70 million for the Group's biological assets. The depletion of capitalised silviculture costs is forecast to be EUR 45–60 million.

## Sustainability in the third quarter of 2021

Stora Enso announced today new 2030 sustainability targets regarding climate change, biodiversity and circularity. The Group also announced an ambitious goal to offer 100% regenerative solutions by 2050. Regenerative solutions incorporate renewable and fully circular products that contribute positively to climate change and restore negative impacts on the environment. Reporting progress against the new CO<sub>2</sub> target starts from Q3/2021. Reporting on new biodiversity and circularity targets is planned for 2022.

### Safety performance

#### TRI rate

	Q3/21	Q3/20	Q2/21	Q1- Q3/2021	Q1- Q3/2020	2020	Milestone	Milestone to be reached by
TRI rate <sup>1,2</sup>	7.1	6.3	6.0	6.3	5.9	6.1	4.0	end of 2021

TRI (Total recordable incident) rate = number of incidents per one million hours worked

<sup>1</sup> For own employees, including employees of the joint operations Veracel and Montes del Plata

<sup>2</sup> Historical figures for TRI rate recalculated due to additional data received after the previous Interim Reports.

By the end of the third quarter, safety performance was behind the Group's milestone for 2021. We have identified several areas for improvement which will be addressed in the new update of our Safety Roadmap.

Covid-19 impacts on employees and contractors remained stable and under control during the quarter.

### Biodiversity and sustainable forestry

#### Forest certification coverage

	31 Dec 2020	31 Dec 2019	31 Dec 2018	Target
% of the land owned or managed by Stora Enso that is in wood production and harvesting covered by forest certification schemes <sup>1</sup>	98%	98%	96%	96%

<sup>1</sup> Including 100% of lands managed by joint operations Veracel and Montes del Plata. Excluding Tornator.

Stora Enso follows progress in responsible forestry with a key performance indicator (KPI). It measures the proportion of land in wood production and harvesting owned or managed by Stora Enso that is covered by forest certification schemes. Biodiversity is an integral part of forest certifications including protection of valuable ecosystems.

### Climate change

#### Science-based target (SBT) performance compared to 2019 base-year level

	30 Sep 2021	30 Jun 2021	31 Dec 2020	30 Sep 2020	Target	Target to be reached by
Reduction of fossil CO <sub>2</sub> e emissions (tonnes) <sup>1</sup> , %	-14%	-15%	-13%	-10%	-50%	end of 2030

<sup>1</sup> Direct fossil CO<sub>2</sub>e emissions from production and indirect fossil CO<sub>2</sub>e emissions related to purchased electricity and heat (Scope 1 and 2). Excluding joint operations. Rolling four quarters.

Stora Enso's updated science-based target (SBT) is to reduce absolute scope 1 and 2 greenhouse gas (GHG) emissions from operations by 50% by 2030 from the 2019 base year, in line with the 1.5-degree scenario. Stora Enso also commits to an ambitious target to reduce scope 3 GHG emissions by 50% by 2030 from the 2019 base year. The SBTs have been approved by the Science Based Targets initiative, a partnership between CDP (Carbon Disclosure Project), the United Nations Global Compact (UNGC), the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

### Suppliers

#### Implementation of the Supplier Code of Conduct

	30 Sep 2021	30 Jun 2021	31 Dec 2020	30 Sep 2020	Target
% of supplier spend covered by the Supplier Code of Conduct <sup>1</sup>	96%	95%	96%	97%	95%

<sup>1</sup> Excluding joint operations, intellectual property rights, leasing fees, financial trading, government fees such as customs, and wood purchases from private individual forest owners.

### Other

Stora Enso was granted a AAA (AA) rating in the most recent MSCI ESG ratings assessment. Stora Enso's ESG score in Vigeo Eiris improved from 68 to 73 in Q3/2021.

Stora Enso is included in the top 1% of suppliers in the EcoVadis ethical supplier rating system and has received the highest recognition level (Platinum).

## Short-term risks and uncertainties

Stora Enso is dependent on global forest industry markets and supply chains and currently the risks in the global economy are rising in the aftermath of the pandemic. Uncertainty and volatility in our business environment is growing and it is increasingly difficult to forecast even the near-term future.

The recovery from the pandemic-induced lockdowns has started to lose momentum as inflationary pressures mount. Leading central banks have signalled their intentions to remove some of the policy stimulus they have been providing during the pandemic, while there are still concerns over the emergence of new, more transmissible forms of coronavirus as well as uncertainties related to the vaccine roll-out progress globally.

The rapid pace at which countries in all parts of the world bounced back from recession has caused supply-chain bottlenecks with increasing costs for materials and transport. The cost of energy has surged mainly as a result of a pickup in demand, particularly from Asia, where China's already slowing economy has been further hit by energy shortages and blackouts.

Rapid changes in the cost or availability of raw materials such as roundwood and paper for recycling energy and transport costs may have a material impact on Stora Enso's operational and financial performance. Moreover, unexpected changes in the regulatory environment, sharp market corrections, increasing volatility in foreign exchange rates and deteriorating economic conditions in the main markets could all affect Stora Enso's profits, cash flow and financial position.

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 our 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.

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

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 178 million, negative EUR 19 million and positive EUR 33 million annual impact, respectively. Weakening of the currencies would have the opposite impact. These numbers are before the effect 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 120 million cost exposure in Brazilian real (BRL) and approximately EUR 28 million income exposure in Chinese Renminbi (CNY). These exposures are arising 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 12 million and a positive EUR 3 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.

### Legal proceedings in Latin America

#### 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 3) 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.

## Major events

### Decisions of Annual General Meeting in 2021 and dividend payment

Stora Enso's Annual General Meeting (AGM) was held on 19 March 2021 at the Company's Head Office in Helsinki, Finland. In order to prevent the spread of the Covid-19 pandemic, a shareholder or his/her proxy representative could not be present at the venue of the meeting.

The AGM approved the proposal by the Board of Directors that the Company distributes a dividend of EUR 0.30 per share for the year 2020.

The AGM approved the proposal by the Shareholders' Nomination Board, in accordance with which the current members of the Board of Directors – **Håkan Buskhe, Elisabeth Fleuriot, Hock Goh, Mikko Helander, Christiane Kuehne, Antti Mäkinen** and **Richard Nilsson** – were re-elected members of the Board of Directors until the end of the following AGM, and **Helena Hedblom** and **Hans Sohlström** were elected new members of the Board of Directors for the same term of office. In accordance with the proposal by the Shareholders' Nomination Board, the AGM elected Antti Mäkinen as Chair of the Board of Directors and Håkan Buskhe as Vice Chair of the Board of Directors.

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

Chair	EUR 197 000 (2020: EUR 197 000)
Vice Chair	EUR 112 000 (2020: EUR 112 000)
Members	EUR 76 000 (2020: EUR 76 000)

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

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. It was resolved that the remuneration for the auditor shall be paid according to invoice approved by the Financial and Audit Committee.

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.

## 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 Hock Goh as members of the Financial and Audit Committee.

Antti Mäkinen (chair), Håkan Buskhe and Hans Sohlström were elected members of the Remuneration Committee.

Christiane Kuehne (chair), Helena Hedblom and Mikko Helander were elected members of the Sustainability and Ethics Committee.

## Share capital and shareholdings

During the third quarter of 2021, the conversions of 1 837 A shares into R shares were recorded in the Finnish trade register.

On 30 September 2021, Stora Enso had 176 248 633 A shares and 612 371 354 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 237 485 768.

## Events during the period

Stora Enso's Shareholders' Nomination Board was established in September. The Shareholders' Nomination Board consists of the following members: Antti Mäkinen (Chair of Stora Enso's Board of Directors), Håkan Bushke (Vice Chair of Stora Enso's Board of Directors), Harri Sailas (Chair of the Board of Directors of Solidium Oy), and Marcus Wallenberg (Chair of the Board of Directors of FAM AB). The Shareholders' Nomination Board elected Marcus Wallenberg as its Chair.

## Events after the period

Stora Enso divested its ECO RFID technology business to CCRR Group. The transaction of the business took place on 1 October 2021.

On 6 October, Stora Enso and the Finnish Paper Union entered into a company-specific collective agreement for a period of more than two years. Negotiations with other labour unions continue.

On 12 October, Stora Enso was included in the European Commission's inspection of companies active in the wood pulp sector. The Commission, assisted by the Finnish Competition and Consumer authority, conducted an inspection at the Group's head office in Helsinki. Stora Enso is cooperating fully with the authorities and cannot give any further information about the inspection at the moment. As stated by the Commission, the fact that it carries out such inspections does not mean that the companies are guilty of anti-competitive behaviour nor does it prejudice the outcome of the investigation itself.

On 15 October, the conversion of 510 A shares into R shares was recorded in the Finnish trade register.

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

Helsinki, 20 October 2021  
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 2020 with the exception of new and amended standards applied to the annual periods beginning on 1 January 2021 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 accounting principles

### Changes in Segments presentation

Stora Enso has changed the presentation of certain consolidation adjustments in the segment reporting from 1 January 2021 onwards. When Stora Enso companies sell materials and finished products to other companies within the Group and part of the sold items remain in the receiving company's inventory at the end of the reporting period, the related internal profit is eliminated from the consolidated figures. Under previous presentation principles this internal profit has been fully eliminated at the segment level.

From 1 January 2021 onwards this internal profit is eliminated from the segment figures only to the extent that the profit is fully internal to a single segment. Internal inventory profits from transactions between segments are not eliminated from the segment figures and instead such elimination is done only at Group level. The new presentation is considered to be more reflective of the division specific performance. The comparative figures have been restated accordingly. The new presentation does not affect the Group's total figures.

## Accounting implications of the effects of Covid-19

The Group has continued to assess the potential accounting implications of decreased economic activity as a result of Covid-19 pandemic. The Group has also assessed impact on significant accounting estimates and management judgement and identified certain items, which have been evaluated in more detail. In Q1/2021 the review of significant estimates and judgements resulted in asset impairments of EUR 127 million in the Paper division in connection with the planned closure of Kvarnsveden and Veitsiluoto mills.

IAS 36 requires non-financial assets to be tested for impairment whenever there is an indicator those assets might be impaired and in addition goodwill is tested at least every year. The uncertainty in the economic environment may decrease the reliability of long-term forecasts used in the impairment testing models.

Trade receivables and related expected credit losses as well as valuation of slow moving and obsolete finished goods and spare parts are under constant review. During Q3/2021, there were no material increases of credit loss allowances for trade receivables recognised but there was a slight increase in the write-downs related to inventories.

The Group's units in some countries have received various forms of assistance from the authorities intended to support employment or temporarily improve cash flows. The savings in income statement or cash flow improvements from the obtained relief measures have not been material for Stora Enso Group during 2021.

## 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 profit excluding items affecting comparability (IAC) and fair valuations from the segments and Stora Enso's share of the operating profit 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. 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 profit (biological assets) and other comprehensive income (forest land) and are included in operational EBIT only at the disposal date.

Cash flow from operations (non-IFRS) is a Group specific way to present operative cash flow starting from operational EBITDA instead of operating profit.

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 EAI's.

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.

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 2021**

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

### **Future standard changes endorsed by the EU but not yet effective in 2021**

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

## Condensed consolidated income statement

EUR million	Q3/21	Q3/20	Q2/21	Q1-Q3/21	Q1-Q3/20	2020
<b>Sales</b>	<b>2 577</b>	<b>2 079</b>	<b>2 592</b>	<b>7 445</b>	<b>6 400</b>	<b>8 553</b>
Other operating income	77	33	46	201	113	147
Change in inventories of finished goods and WIP	89	-44	-13	132	-35	-84
Materials and services	-1 565	-1 210	-1 436	-4 369	-3 747	-5 043
Freight and sales commissions	-242	-190	-242	-699	-609	-806
Personnel expenses	-307	-294	-373	-1 019	-939	-1 270
Other operating expenses	-121	-87	-230	-441	-298	-394
Share of results of equity accounted investments	10	7	10	28	-12	-1
Change in net value of biological assets	6	3	-18	-10	194	428
Depreciation, amortisation and impairment charges	-136	-152	-155	-540	-435	-609
<b>Operating Profit</b>	<b>386</b>	<b>145</b>	<b>182</b>	<b>729</b>	<b>633</b>	<b>922</b>
Net financial items	-37	-31	-30	-103	-120	-150
<b>Profit before Tax</b>	<b>349</b>	<b>115</b>	<b>152</b>	<b>626</b>	<b>513</b>	<b>773</b>
Income tax	-50	-28	56	26	-133	-156
<b>Net Profit for the Period</b>	<b>299</b>	<b>86</b>	<b>207</b>	<b>652</b>	<b>380</b>	<b>617</b>
<b>Attributable to</b>						
Owners of the Parent	301	88	206	650	387	626
Non-controlling interests	-2	-2	2	1	-7	-9
<b>Net Profit for the Period</b>	<b>299</b>	<b>86</b>	<b>207</b>	<b>652</b>	<b>380</b>	<b>617</b>
<b>Earnings per Share</b>						
Basic earnings per share, EUR	0.38	0.11	0.26	0.83	0.49	0.79
Diluted earnings per share, EUR	0.38	0.11	0.26	0.83	0.49	0.79

## Consolidated statement of comprehensive income

EUR million	Q3/21	Q3/20	Q2/21	Q1-Q3/21	Q1-Q3/20	2020
<b>Net profit for the period</b>	<b>299</b>	<b>86</b>	<b>207</b>	<b>652</b>	<b>380</b>	<b>617</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	243	38	48	305	-142	-136
Actuarial gains and losses on defined benefit plans	27	-20	40	142	-55	20
Revaluation of forest land	-1	0	140	139	0	1 504
Share of OCI of Equity accounted investments (EAI)	-1	0	-1	-2	0	12
Income tax relating to items that will not be reclassified	-5	4	-35	-52	10	-315
	<b>263</b>	<b>22</b>	<b>192</b>	<b>532</b>	<b>-187</b>	<b>1 086</b>
<b>Items that may be Reclassified Subsequently to Profit and Loss</b>						
Cumulative translation adjustment (CTA)	-7	-133	84	34	-260	-143
Net investment hedges and loans	2	10	4	6	6	16
Cash flow hedges and cost of hedging	1	15	16	-33	1	54
Share of OCI of Non-controlling Interests (NCI)	0	1	0	0	0	1
Income tax relating to items that may be reclassified	0	-4	-4	9	-2	-15
	<b>-4</b>	<b>-111</b>	<b>100</b>	<b>15</b>	<b>-255</b>	<b>-87</b>
<b>Total Comprehensive Income</b>	<b>558</b>	<b>-2</b>	<b>499</b>	<b>1 199</b>	<b>-62</b>	<b>1 616</b>
<b>Attributable to</b>						
Owners of the Parent	560	-2	497	1 198	-55	1 625
Non-controlling interests	-2	-1	2	1	-7	-9
<b>Total Comprehensive Income</b>	<b>558</b>	<b>-2</b>	<b>499</b>	<b>1 199</b>	<b>-62</b>	<b>1 616</b>

CTA = Cumulative Translation Adjustment

OCI = Other Comprehensive Income

EAI = Equity Accounted Investments

## Condensed consolidated statement of financial position

EUR million		30 Sep 2021	31 Dec 2020	30 Sep 2020
<b>Assets</b>				
Goodwill	O	280	281	278
Other intangible assets	O	130	134	145
Property, plant and equipment	O	4 894	5 007	4 892
Right-of-use assets	O	441	452	463
		<b>5 745</b>	<b>5 874</b>	<b>5 777</b>
Forest assets	O	6 335	6 256	4 309
Biological assets	O	4 210	4 250	3 819
Forest land	O	2 126	2 005	490
Emission rights	O	136	36	49
Equity accounted investments	O	470	456	430
Listed securities	I	13	16	14
Unlisted securities	O	710	401	383
Non-current interest-bearing receivables	I	102	93	94
Deferred tax assets	T	161	117	102
Other non-current assets	O	29	28	27
<b>Non-current Assets</b>		<b>13 700</b>	<b>13 276</b>	<b>11 186</b>
Inventories	O	1 468	1 270	1 302
Tax receivables	T	15	14	15
Operative receivables	O	1 442	1 145	1 158
Interest-bearing receivables	I	26	66	28
Cash and cash equivalents	I	1 272	1 661	1 364
<b>Current Assets</b>		<b>4 222</b>	<b>4 155</b>	<b>3 867</b>
<b>Total Assets</b>		<b>17 922</b>	<b>17 431</b>	<b>15 053</b>
<b>Equity and Liabilities</b>				
Owners of the Parent		9 769	8 809	7 243
Non-controlling Interests		-15	-16	-14
<b>Total Equity</b>		<b>9 754</b>	<b>8 793</b>	<b>7 229</b>
Post-employment benefit obligations	O	339	473	543
Provisions	O	119	102	94
Deferred tax liabilities	T	1 331	1 332	899
Non-current interest-bearing liabilities	I	3 465	3 822	3 468
Other non-current operative liabilities	O	12	13	12
<b>Non-current Liabilities</b>		<b>5 265</b>	<b>5 743</b>	<b>5 016</b>
Current portion of non-current debt	I	180	472	471
Interest-bearing liabilities	I	422	456	561
Bank overdrafts	I	16	6	8
Provisions	O	124	46	55
Other operative liabilities	O	2 129	1 837	1 614
Tax liabilities	T	31	78	99
<b>Current Liabilities</b>		<b>2 903</b>	<b>2 895</b>	<b>2 808</b>
<b>Total Liabilities</b>		<b>8 168</b>	<b>8 637</b>	<b>7 823</b>
<b>Total Equity and Liabilities</b>		<b>17 922</b>	<b>17 431</b>	<b>15 053</b>

Items designated with "O" comprise Operating Capital

Items designated with "I" comprise Net Interest-bearing Liabilities

Items designated with "T" comprise Net Tax Liabilities

## Condensed consolidated statement of cash flows

EUR million	Q1-Q3/21	Q1-Q3/20
<b>Cash Flow from Operating Activities</b>		
Operating profit	729	633
Adjustments for non-cash items	519	291
Change in net working capital	-115	-17
<b>Cash Flow Generated by Operations</b>	<b>1 133</b>	<b>907</b>
Net financial items paid	-93	-96
Income taxes paid, net	-100	-66
<b>Net Cash Provided by Operating Activities</b>	<b>940</b>	<b>746</b>
<b>Cash Flow from Investing Activities</b>		
Acquisitions of equity accounted investments	-4	-1
Acquisitions of unlisted securities	-1	-1
Cash flow on disposal of subsidiary shares and business operations, net of disposed cash	55	-3
Cash flow on disposal of forest and intangible assets and property, plant and equipment	100	4
Capital expenditure	-452	-448
Proceeds from non-current receivables, net	0	-18
<b>Net Cash Used in Investing Activities</b>	<b>-301</b>	<b>-466</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from issue of new long-term debt	15	563
Repayment of long-term debt and lease liabilities	-752	-201
Change in short-term borrowings	-65	-18
Dividends paid	-237	-118
Purchase of own shares <sup>1</sup>	-3	-6
<b>Net Cash Provided by Financing Activities</b>	<b>-1 041</b>	<b>219</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>-402</b>	<b>499</b>
Translation adjustment	3	-6
Net cash and cash equivalents at the beginning of period	1 655	863
<b>Net Cash and Cash Equivalents at Period End</b>	<b>1 256</b>	<b>1 356</b>
<b>Cash and Cash Equivalents at Period End</b>	<b>1 272</b>	<b>1 364</b>
<b>Bank Overdrafts at Period End</b>	<b>-16</b>	<b>-8</b>
<b>Net Cash and Cash Equivalents at Period End</b>	<b>1 256</b>	<b>1 356</b>
<b>Disposal of Group companies and business operations</b>		
Cash and cash equivalents, net of bank overdrafts	12	2
Intangible assets, property, plant and equipment and biological assets	32	1
Working capital	10	1
Tax assets and liabilities	9	0
Interest-bearing assets and liabilities	-1	-4
<b>Net Assets in Divested Companies</b>	<b>62</b>	<b>-1</b>
Gain on sale, excluding CTA release and transaction costs	5	0
<b>Total Disposal Consideration</b>	<b>67</b>	<b>-1</b>
Cash part of consideration	67	-1
Non-cash/ not received part of consideration	0	0
<b>Total Disposal Consideration</b>	<b>67</b>	<b>-1</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 2021.



## Statement of changes in equity

EUR million	Fair Value Reserve											Attributable to Owners of the Parent	Non-controlling Interests	Total
	Share Capital	Share Premium and Reserve fund	Invested Non-Restricted Equity Fund	Treasury Shares	Step Acquisition Revaluation Surplus	Equity instruments through OCI	Cash Flow Hedges	Revaluation reserve	OCI of Equity Accounted Investments	CTA and Net Investment Hedges and loans	Retained Earnings			
<b>Balance at 1 January 2020</b>	<b>1 342</b>	<b>77</b>	<b>633</b>	—	<b>4</b>	<b>413</b>	<b>-20</b>	—	—	<b>-136</b>	<b>5 116</b>	<b>7 429</b>	<b>-7</b>	<b>7 423</b>
Net profit for the period	—	—	—	—	—	—	—	—	—	—	387	387	-7	380
OCI before tax	—	—	—	—	—	-142	1	—	—	-254	-55	-450	—	-450
Income tax relating to OCI	—	—	—	—	—	—	-1	—	—	-1	10	8	—	8
<b>Total Comprehensive Income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-142</b>	<b>1</b>	<b>—</b>	<b>—</b>	<b>-256</b>	<b>342</b>	<b>-55</b>	<b>-7</b>	<b>-62</b>
Dividend	—	—	—	—	—	—	—	—	—	—	-118	-118	—	-118
Acquisitions and disposals	—	—	—	—	-4	—	—	—	—	—	4	—	—	—
Purchase of treasury shares	—	—	—	-6	—	—	—	—	—	—	—	-6	—	-6
Share-based payments	—	—	—	6	—	—	—	—	—	—	-13	-7	—	-7
<b>Balance at 30 September 2020</b>	<b>1 342</b>	<b>77</b>	<b>633</b>	—	—	<b>271</b>	<b>-19</b>	—	—	<b>-392</b>	<b>5 331</b>	<b>7 243</b>	<b>-14</b>	<b>7 229</b>
Net profit for the period	—	—	—	—	—	—	—	—	—	—	240	240	-2	237
OCI before tax	—	—	—	—	—	6	52	1 504	12	128	75	1 778	—	1 778
Income tax relating to OCI	—	—	—	—	—	—	-10	-310	—	-3	-15	-338	—	-338
<b>Total Comprehensive Income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>6</b>	<b>42</b>	<b>1 195</b>	<b>12</b>	<b>125</b>	<b>300</b>	<b>1 680</b>	<b>-2</b>	<b>1 678</b>
Dividend	—	—	—	—	—	—	—	—	—	—	-118	-118	—	-118
Acquisitions and disposals	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share-based payments	—	—	—	—	—	—	—	—	—	—	4	4	—	4
<b>Balance at 31 December 2020</b>	<b>1 342</b>	<b>77</b>	<b>633</b>	—	—	<b>277</b>	<b>23</b>	<b>1 195</b>	<b>12</b>	<b>-267</b>	<b>5 518</b>	<b>8 809</b>	<b>-16</b>	<b>8 793</b>
Net profit for the period	—	—	—	—	—	—	—	—	—	—	650	650	1	652
OCI before tax	—	—	—	—	—	305	-33	139	-2	40	142	591	—	590
Income tax relating to OCI	—	—	—	—	—	1	7	-29	—	2	-24	-43	—	-43
<b>Total Comprehensive Income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>306</b>	<b>-26</b>	<b>110</b>	<b>-2</b>	<b>41</b>	<b>768</b>	<b>1 198</b>	<b>1</b>	<b>1 199</b>
Dividend	—	—	—	—	—	—	—	—	—	—	-237	-237	—	-237
Acquisitions and disposals	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	-3	—	—	—	—	—	—	—	-3	—	-3
Share-based payments	—	—	—	3	—	—	—	—	—	—	-1	2	—	2
<b>Balance at 30 September 2021</b>	<b>1 342</b>	<b>77</b>	<b>633</b>	—	—	<b>583</b>	<b>-3</b>	<b>1 305</b>	<b>11</b>	<b>-226</b>	<b>6 048</b>	<b>9 769</b>	<b>-15</b>	<b>9 754</b>

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-Q3/21	Q1-Q3/20	2020
<b>Carrying value at 1 January</b>	<b>12 130</b>	<b>10 216</b>	<b>10 216</b>
Additions in tangible and intangible assets	315	317	589
Additions in right-of-use assets	21	25	39
Additions in biological assets	42	43	59
Depletion of capitalised silviculture costs	-46	-29	-41
Acquisition of subsidiary companies	0	5	5
Disposals	-73	-3	-13
Disposals of subsidiary companies	-30	-3	-3
Depreciation and impairment	-540	-435	-609
Fair valuation of forest assets	174	223	1 973
Translation difference and other	86	-272	-86
<b>Statement of Financial Position Total</b>	<b>12 080</b>	<b>10 087</b>	<b>12 130</b>

**Borrowings**

EUR million	30 Sep 2021	30 Sep 2020	31 Dec 2020
Bond loans	2 496	2 254	2 789
Loans from credit institutions	719	1 235	1 083
Lease liabilities	400	414	397
Long-term derivative financial liabilities	25	30	21
Other non-current liabilities	6	5	5
<b>Non-current interest bearing liabilities including current portion</b>	<b>3 645</b>	<b>3 938</b>	<b>4 294</b>
Short-term borrowings	354	503	413
Interest payable	33	33	35
Short-term derivative financial liabilities	36	26	9
Bank overdrafts	16	8	6
<b>Total Interest-bearing Liabilities</b>	<b>4 084</b>	<b>4 508</b>	<b>4 756</b>

EUR million	Q1-Q3/21	Q1-Q3/20	2020
<b>Carrying value at 1 January</b>	<b>4 756</b>	<b>4 192</b>	<b>4 192</b>
Proceeds of new long-term debt	15	563	1 081
Additions in lease liabilities	21	25	39
Repayment of long-term debt	-712	-164	-333
Repayment of lease liabilities and interest	-53	-52	-85
Change in short-term borrowings and interest payable	-61	-13	-101
Change in derivative financial liabilities	31	8	-17
Translation differences and other	87	-52	-20
<b>Total Interest-bearing Liabilities</b>	<b>4 084</b>	<b>4 508</b>	<b>4 756</b>

## Commitments and contingencies

EUR million	30 Sep 2021	31 Dec 2020	30 Sep 2020
<b>On Own Behalf</b>			
Mortgages	0	0	0
Other commitments	14	14	10
<b>On Behalf of Equity Accounted Investments</b>			
Guarantees	2	2	2
<b>On Behalf of Others</b>			
Guarantees	6	6	6
Other commitments	36	36	13
<b>Total</b>	<b>57</b>	<b>58</b>	<b>32</b>
Mortgages	0	0	0
Guarantees	7	8	8
Other commitments	49	50	24
<b>Total</b>	<b>57</b>	<b>58</b>	<b>32</b>

## Capital commitments

EUR million	30 Sep 2021	31 Dec 2020	30 Sep 2020
<b>Total</b>	<b>241</b>	<b>207</b>	<b>214</b>

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

## Sales by segment – total

EUR million	Q3/21	Q2/21	Q1/21	2020	Q4/20	Q3/20	Q2/20	Q1/20
Packaging Materials	988	987	862	3 115	759	771	821	764
Packaging Solutions	180	170	159	594	160	145	141	149
Biomaterials	427	453	355	1 193	314	305	288	286
Wood Products	503	477	382	1 386	360	341	347	338
Forest	546	586	582	2 046	527	457	519	542
Paper	441	446	428	1 979	476	468	445	591
Other	302	265	240	928	231	230	221	246
Inter-segment sales	-809	-792	-732	-2 687	-673	-637	-669	-709
<b>Total</b>	<b>2 577</b>	<b>2 592</b>	<b>2 276</b>	<b>8 553</b>	<b>2 154</b>	<b>2 079</b>	<b>2 114</b>	<b>2 207</b>

## Sales by segment – external

EUR million	Q3/21	Q2/21	Q1/21	2020	Q4/20	Q3/20	Q2/20	Q1/20
Packaging Materials	937	945	827	2 999	729	742	793	735
Packaging Solutions	175	166	155	578	156	140	137	145
Biomaterials	364	393	318	1 025	278	267	248	233
Wood Products	481	450	355	1 295	335	322	323	316
Forest	180	197	196	698	182	146	175	194
Paper	425	431	413	1 931	466	455	432	578
Other	14	10	12	27	8	6	6	7
<b>Total</b>	<b>2 577</b>	<b>2 592</b>	<b>2 276</b>	<b>8 553</b>	<b>2 154</b>	<b>2 079</b>	<b>2 114</b>	<b>2 207</b>

## Disaggregation of revenue

EUR million	Q3/21	Q2/21	Q1/21	2020	Q4/20	Q3/20	Q2/20	Q1/20
Product sales	2 539	2 581	2 257	8 460	2 131	2 056	2 087	2 187
Service sales	38	11	18	93	23	23	27	20
<b>Total</b>	<b>2 577</b>	<b>2 592</b>	<b>2 276</b>	<b>8 553</b>	<b>2 154</b>	<b>2 079</b>	<b>2 114</b>	<b>2 207</b>

## Operational EBIT by segment

EUR million	Q3/21	Q2/21	Q1/21	2020	Q4/20	Q3/20	Q2/20	Q1/20
Packaging Materials	153	144	127	403	66	111	130	96
Packaging Solutions	8	2	4	33	10	8	8	8
Biomaterials	118	145	65	8	-14	7	18	-3
Wood Products	123	100	52	114	33	38	26	18
Forest	49	46	123	162	39	41	40	42
Paper	-31	-49	-34	-38	-5	-16	-39	21
Other	-3	-16	-11	-35	-16	-13	-7	0
Inter-segment eliminations	-7	-8	1	3	3	0	1	-2
<b>Operational EBIT</b>	<b>410</b>	<b>364</b>	<b>328</b>	<b>650</b>	<b>118</b>	<b>175</b>	<b>178</b>	<b>180</b>
Fair valuations and non-operational items <sup>1</sup>	8	-11	-40	362	217	-4	55	94
Items affecting comparability <sup>1</sup>	-32	-171	-126	-90	-45	-25	-7	-12
<b>Operating Profit (IFRS)</b>	<b>386</b>	<b>182</b>	<b>161</b>	<b>922</b>	<b>289</b>	<b>145</b>	<b>226</b>	<b>262</b>
Net financial items	-37	-30	-36	-150	-30	-31	-36	-53
<b>Profit before Tax</b>	<b>349</b>	<b>152</b>	<b>125</b>	<b>773</b>	<b>260</b>	<b>115</b>	<b>190</b>	<b>209</b>
Income tax expense	-50	56	20	-156	-22	-28	-46	-59
<b>Net Profit</b>	<b>299</b>	<b>207</b>	<b>145</b>	<b>617</b>	<b>237</b>	<b>86</b>	<b>144</b>	<b>149</b>

<sup>1</sup> See section [Non-IFRS measures](#) for IAC and fair valuations and non-operational items definitions.

The segment comparative figures have been restated in accordance to the change in presentation of certain consolidation adjustments, as described in the section Basis of Preparation.

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

EUR million	Q3/21	Q2/21	Q1/21	2020	Q4/20	Q3/20	Q2/20	Q1/20
Impairments and impairment reversals	0	-20	-110	-72	-45	-17	-5	-5
Restructuring costs excluding impairments	-30	-145	-21	-23	-7	-10	-1	-5
Acquisitions and disposals	-5	0	0	6	8	0	0	-2
Other	3	-6	5	0	-1	2	-1	0
<b>Total IAC on Operating Profit</b>	<b>-32</b>	<b>-171</b>	<b>-126</b>	<b>-90</b>	<b>-45</b>	<b>-25</b>	<b>-7</b>	<b>-12</b>
Fair valuations and non-operational items	8	-11	-40	362	217	-4	55	94
<b>Total</b>	<b>-24</b>	<b>-182</b>	<b>-167</b>	<b>271</b>	<b>172</b>	<b>-29</b>	<b>48</b>	<b>82</b>

Items affecting comparability had a negative impact on the operating profit of EUR 32 (negative EUR 25) million. The IAC relate mainly to the restructuring in the Paper division.

## Items affecting comparability (IAC) by segment

EUR million	Q3/21	Q2/21	Q1/21	2020	Q4/20	Q3/20	Q2/20	Q1/20
Packaging Materials	2	-3	0	0	7	-2	0	-5
Packaging Solutions	-1	0	0	-6	-1	-5	0	0
Biomaterials	1	-1	-5	-53	-53	0	0	0
Wood Products	0	0	0	-3	0	0	-1	-2
Forest	0	0	0	0	0	0	0	0
Paper	-31	-136	-126	-21	3	-14	-5	-5
Other	-4	-31	5	-7	-1	-5	-1	0
<b>IAC on Operating Profit</b>	<b>-32</b>	<b>-171</b>	<b>-126</b>	<b>-90</b>	<b>-45</b>	<b>-25</b>	<b>-7</b>	<b>-12</b>
IAC on tax	0	31	26	19	10	5	1	2
<b>IAC on Net Profit</b>	<b>-33</b>	<b>-139</b>	<b>-101</b>	<b>-71</b>	<b>-35</b>	<b>-20</b>	<b>-5</b>	<b>-10</b>
<b>Attributable to:</b>								
Owners of the Parent	-33	-139	-101	-71	-35	-20	-5	-10
Non-controlling interests	0	0	0	0	0	0	0	0
<b>IAC on Net Profit</b>	<b>-33</b>	<b>-139</b>	<b>-101</b>	<b>-71</b>	<b>-35</b>	<b>-20</b>	<b>-5</b>	<b>-10</b>

## Fair valuations and non-operational items by segment

EUR million	Q3/21	Q2/21	Q1/21	2020	Q4/20	Q3/20	Q2/20	Q1/20
Packaging Materials	0	0	0	-12	-10	0	-1	-1
Packaging Solutions	0	0	0	0	0	0	0	0
Biomaterials	0	0	0	13	10	2	0	1
Wood Products	0	0	0	0	0	0	0	0
Forest	-5	-21	-48	360	226	-10	55	89
Paper	7	1	1	2	-9	4	2	5
Other	6	9	6	-1	0	0	-1	0
<b>FV and Non-operational Items on Operating Profit</b>	<b>8</b>	<b>-11</b>	<b>-40</b>	<b>362</b>	<b>217</b>	<b>-4</b>	<b>55</b>	<b>94</b>

## Operating profit/loss by segment

EUR million	Q3/21	Q2/21	Q1/21	2020	Q4/20	Q3/20	Q2/20	Q1/20
Packaging Materials	155	141	127	391	64	108	129	90
Packaging Solutions	7	2	4	28	8	3	8	8
Biomaterials	119	144	60	-32	-56	8	18	-2
Wood Products	123	100	52	111	33	38	25	16
Forest	44	25	75	522	266	31	95	131
Paper	-55	-185	-159	-58	-11	-26	-42	21
Other	-1	-38	0	-42	-17	-17	-9	0
Inter-segment eliminations	-7	-8	1	3	3	0	1	-2
<b>Operating Profit (IFRS)</b>	<b>386</b>	<b>182</b>	<b>161</b>	<b>922</b>	<b>289</b>	<b>145</b>	<b>226</b>	<b>262</b>
Net financial items	-37	-30	-36	-150	-30	-31	-36	-53
<b>Profit before Tax</b>	<b>349</b>	<b>152</b>	<b>125</b>	<b>773</b>	<b>260</b>	<b>115</b>	<b>190</b>	<b>209</b>
Income tax expense	-50	56	20	-156	-22	-28	-46	-59
<b>Net Profit</b>	<b>299</b>	<b>207</b>	<b>145</b>	<b>617</b>	<b>237</b>	<b>86</b>	<b>144</b>	<b>149</b>

The segment comparative figures have been restated in accordance to the change in presentation of certain consolidation adjustments, as described in the section Basis of Preparation.

## Key exchange rates for the euro

One Euro is	Closing Rate		Average Rate (Year-to-date)	
	30 Sep 2021	31 Dec 2020	30 Sep 2021	31 Dec 2020
SEK	10.1683	10.0343	10.1515	10.4881
USD	1.1579	1.2271	1.1967	1.1413
GBP	0.8605	0.8990	0.8641	0.8892

## Transaction risk and hedges in main currencies as at 30 September 2021

EUR million	EUR	USD	SEK	GBP
Estimated annual operative transaction risk exposure from cash flows for the next 12 months <sup>1</sup>	964	1 780	-188	332
Cash flow hedges for the next 12 months as at 30 September 2021	-524	-793	93	-73
<b>Hedge ratio for the next 12 months as at 30 September 2021</b>	<b>54%</b>	<b>45%</b>	<b>50%</b>	<b>22%</b>
Effect of 10% currency strengthening on Operational EBIT <sup>2</sup>	96	178	-19	33

<sup>1</sup> Cash flows are forecasted highly probable foreign exchange net operating cash flows. The exposure presented in the EUR column relates to operative transaction risk exposure from EUR denominated cash flows in Group companies located in Sweden, Czech Republic and Poland with functional currency other than EUR.

<sup>2</sup> The sensitivity is based on the estimated net operating cash flow for the next 12 months. The calculation does not take into account currency hedges and assumes no other changes occur than exchange rate movement in an exposure currency. A currency weakening would have the opposite impact.

## 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 2021

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	—	13	—	13	13	13	—	—
Unlisted securities	—	705	5	710	710	—	—	710
Non-current interest-bearing receivables	89	12	—	102	102	—	12	—
Trade and other operative receivables	1 134	29	—	1 163	1 163	—	29	—
Short-term interest-bearing receivables	2	23	1	26	26	—	24	—
Cash and cash equivalents	1 272	—	—	1 272	1 272	—	—	—
<b>Total</b>	<b>2 497</b>	<b>782</b>	<b>6</b>	<b>3 285</b>	<b>3 285</b>	<b>13</b>	<b>65</b>	<b>710</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	3 440	21	3	3 465	3 795	—	25	—
Current portion of non-current debt	180	—	—	180	180	—	—	—
Short-term interest-bearing liabilities	384	29	10	422	422	—	39	—
Trade and other operative payables	1 740	—	—	1 740	1 740	—	—	—
Bank overdrafts	16	—	—	16	16	—	—	—
<b>Total</b>	<b>5 760</b>	<b>50</b>	<b>13</b>	<b>5 824</b>	<b>6 154</b>	<b>—</b>	<b>63</b>	<b>—</b>

Hedge accounted derivatives are presented under fair value through OCI and non-hedge accounted derivatives under fair value through income statement categories in the above tables for financial assets and liabilities.



## Carrying amounts of financial assets and liabilities by measurement and fair value categories: 31 December 2020

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	—	16	—	16	16	16	—	—
Unlisted securities	—	394	7	401	401	—	—	401
Non-current interest-bearing receivables	91	2	—	93	93	—	2	—
Trade and other operative receivables	814	44	—	858	858	—	44	—
Short-term interest-bearing receivables	1	60	6	66	66	—	65	—
Cash and cash equivalents	1 661	—	—	1 661	1 661	—	—	—
<b>Total</b>	<b>2 566</b>	<b>515</b>	<b>13</b>	<b>3 094</b>	<b>3 094</b>	<b>16</b>	<b>111</b>	<b>401</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	3 801	19	2	3 822	4 233	—	21	—
Current portion of non-current debt	472	—	—	472	472	—	—	—
Short-term interest-bearing liabilities	444	11	1	456	456	—	12	—
Trade and other operative payables	1 547	—	—	1 547	1 547	—	—	—
Bank overdrafts	6	—	—	6	6	—	—	—
<b>Total</b>	<b>6 270</b>	<b>30</b>	<b>3</b>	<b>6 303</b>	<b>6 715</b>	<b>—</b>	<b>33</b>	<b>—</b>

Hedge accounted derivatives are presented under fair value through OCI and non-hedge accounted derivatives under fair value through income statement categories in the above tables for financial assets and liabilities.

## Reconciliation of level 3 fair value measurement of financial assets and liabilities: 30 September 2021

EUR million	Q1-Q3/21	2020	Q1-Q3/20
<b>Financial assets</b>			
Opening balance at 1 January	401	526	526
Gains/losses recognised in income statement	0	1	0
Gains/losses recognised in other comprehensive income	309	-140	-144
Additions	1	15	1
Disposals	0	-1	0
<b>Closing balance</b>	<b>710</b>	<b>401</b>	<b>383</b>

EUR million	Q1-Q3/21	2020	Q1-Q3/20
<b>Financial liabilities</b>			
Opening balance at 1 January	0	-25	-25
Deductions	0	25	25
<b>Closing balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Level 3 Financial Assets

At period end, Level 3 financial assets included EUR 705 million of Pohjolan Voima Oy (PVO) shares for which the valuation method is described in more detail in the Annual Report. The valuation is most sensitive to changes in electricity prices and discount rates. The discount rate of 3.76% 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 +16 million and -16 million, respectively. A +/- percentage point change in the discount rate would change the valuation by EUR -82 million and +159 million, respectively.

## Stora Enso shares

### Trading volume

	Helsinki		Stockholm	
	A share	R share	A share	R share
July	177 700	38 174 656	218 257	6 377 626
August	105 683	27 573 971	211 698	5 189 855
September	176 375	40 334 313	333 568	9 109 499
<b>Total</b>	<b>459 758</b>	<b>106 082 940</b>	<b>763 523</b>	<b>20 676 980</b>

### Closing price

	Helsinki, EUR		Stockholm, SEK	
	A share	R share	A share	R share
July	17.40	16.69	176.80	170.10
August	17.80	16.58	180.80	169.10
September	15.55	14.47	157.00	146.70

### Average number of shares

Million	Q3/21	Q3/20	Q2/21	2020
Periodic	788.6	788.6	788.6	788.6
Cumulative	788.6	788.6	788.6	788.6
Cumulative, diluted	789.3	788.9	789.3	789.2

## Calculation of key figures

<b>Operational return on capital employed, operational ROCE (%)</b>	100 x $\frac{\text{Annualised operational EBIT}}{\text{Capital employed}^{1,2}}$
<b>Operational return on operating capital, operational ROOC (%)</b>	100 x $\frac{\text{Annualised operational EBIT}}{\text{Operating capital}^2}$
<b>Return on equity, ROE (%)</b>	100 x $\frac{\text{Net profit/loss for the period}}{\text{Total equity}^2}$
<b>Net interest-bearing liabilities</b>	Interest-bearing liabilities – interest-bearing assets
<b>Net debt/equity ratio</b>	$\frac{\text{Net interest-bearing liabilities}}{\text{Equity}^2}$
<b>Earnings per share (EPS)</b>	$\frac{\text{Net profit/loss for the period}^3}{\text{Average number of shares}}$
<b>Operational EBIT</b>	Operating profit/loss excluding items affecting comparability (IAC) and fair valuations of the segments and Stora Enso's share of operating profit/loss excluding IAC and fair valuations of its equity accounted investments (EAI)
<b>Operational EBITDA</b>	Operating profit/loss 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>	$\frac{\text{Net interest-bearing liabilities}}{\text{LTM operational EBITDA}}$
<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
<b>TRI</b>	Total recordable incident rate = number of incidents per one million hours worked

<sup>1</sup> Capital employed = Operating capital – Net tax liabilities

<sup>2</sup> Average for the financial period

<sup>3</sup> Attributable to the owners of the Parent

### List of non-IFRS measures

Operational EBITDA	Depreciation and impairment charges excl. IAC
Operational EBITDA margin	Operational ROCE
Operational EBIT	Earnings per share (EPS), excl. FV
Operational EBIT margin	Net debt/last 12 months' operational EBITDA ratio
Profit before tax excl. IAC and FV	Fixed costs to sales
Capital expenditure	Operational ROOC
Capital expenditure excl. investments in biological assets	Cash flow from operations
Capital employed	Cash flow after investing activities

## Contact information

### Stora Enso Oyj

P.O.Box 309  
FI-00101 Helsinki, Finland  
Visiting address: Kanavaranta 1  
Tel. +358 2046 131

### Stora Enso AB

P.O.Box 70395  
SE-107 24 Stockholm, Sweden  
Visiting address: World Trade Center  
Klarabergsviadukten 70  
Tel. +46 1046 46 000

[storaenso.com](https://storaenso.com)

[storaenso.com/investors](https://storaenso.com/investors)

### For further information, please contact:

Seppo Parvi, CFO, tel. +358 2046 21205  
Ulla Paaanen, SVP, Investor Relations, tel. +358 40 763 8767  
Carl Norell, acting EVP, Communications and Marketing, tel. +46 72 221 9228

Stora Enso's Q4 and full year 2021 results will be published on

# 28 January 2022

Part of the bioeconomy, Stora Enso is a leading global provider of renewable solutions in packaging, biomaterials, wooden constructions and paper. We believe that everything that is made from fossil-based materials today can be made from a tree tomorrow. Stora Enso has some 23 000 employees, and sales in over 50 countries. Our sales in 2020 were EUR 8.6 billion. Stora Enso shares are listed on Nasdaq Helsinki Oy (STEA, STERV) and Nasdaq Stockholm AB (STE A, STE R). [storaenso.com/investors](https://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.