



storaenso

Capital Markets Day 2022

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THE RENEWABLE MATERIALS COMPANY

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Our purpose



Do good for
people and the
planet



Replace non-
renewable materials
with **renewable**
products

We are delivering on our strategic roadmap to accelerate focused growth



Driving operational excellence and cost savings

- ✓ New decentralised operating model
- ✓ 410 MEUR in ongoing cost savings

2019

Paper restructuring and divestment process

~30% → **~12%**
of sales 2018 → of sales Q2/2022
excl. Maxau

2020

Investing in our growth businesses

+€1,500m

Sales (completed or decided)

2021

+€1,150m

Sales (ongoing feasibility studies)

2022

Securing supply of sustainable, competitive raw materials

- ✓ Direct ownership of our Swedish forests

Accelerating the innovation agenda

- ✓ Commercialisation of new bio-based and renewable materials

Our financial performance



Targets

>5%
Growth excluding
Paper (y-o-y)

>13%
Operational ROCE
excluding Forest

<2.0x
Net debt to
operational EBITDA

<60%
Net debt to equity

Status

+~30%
(LTM)

~22%
(LTM)

1.0x
(Q2/2022)

21%
(Q2/2022)

LTM = Q3/2021-Q2/2022

Our sustainability performance



Targets



-50%

reduction in absolute emissions by 2030 (Scope 1,2,3)



100%

Recyclable products by 2030



Net positive

Impact on biodiversity by 2050

Status



-20%

(LTM)



93%

(2021)



>15

KPIs for tracking biodiversity defined (Q2/2022)

LTM = Q3/2021-Q2/2022

Sustainability accelerates growth, enables margin expansions, and opens new business opportunities



Megatrends

- Demographics
- Urbanisation
- Climate change
- Resource scarcity
- Digitalisation

Drivers

- Circularity
- Carbon neutrality
- Renewability
- Biodiversity

Opportunities for substitution

- ✓ Innovative materials
- ✓ Transformed value chains
- ✓ Novel end use customers
- ✓ New product ecosystems

We are creating the foundation for a renewable future



Our products replace and substitute fossil-based products

Foundation



Key strategic growth areas



Our Paper business is not a strategic growth area for us



Four of the five sites for will be **divested** as **separate entities**, one retained for a potential conversion

Divestment of Maxau paper site to Schwarz Produktion for **EV of €210m**

Estimated decrease in Stora Enso's annual sales of **~€250m** (based on 2021), reducing annual SC paper capacity by 530,000 tonnes

Stora Enso will **continue to operate the Maxau site** until the expected closing of transaction in **early 2023**

All **440 employees** will be part of the transaction

The divestment process continues for the remaining three sites

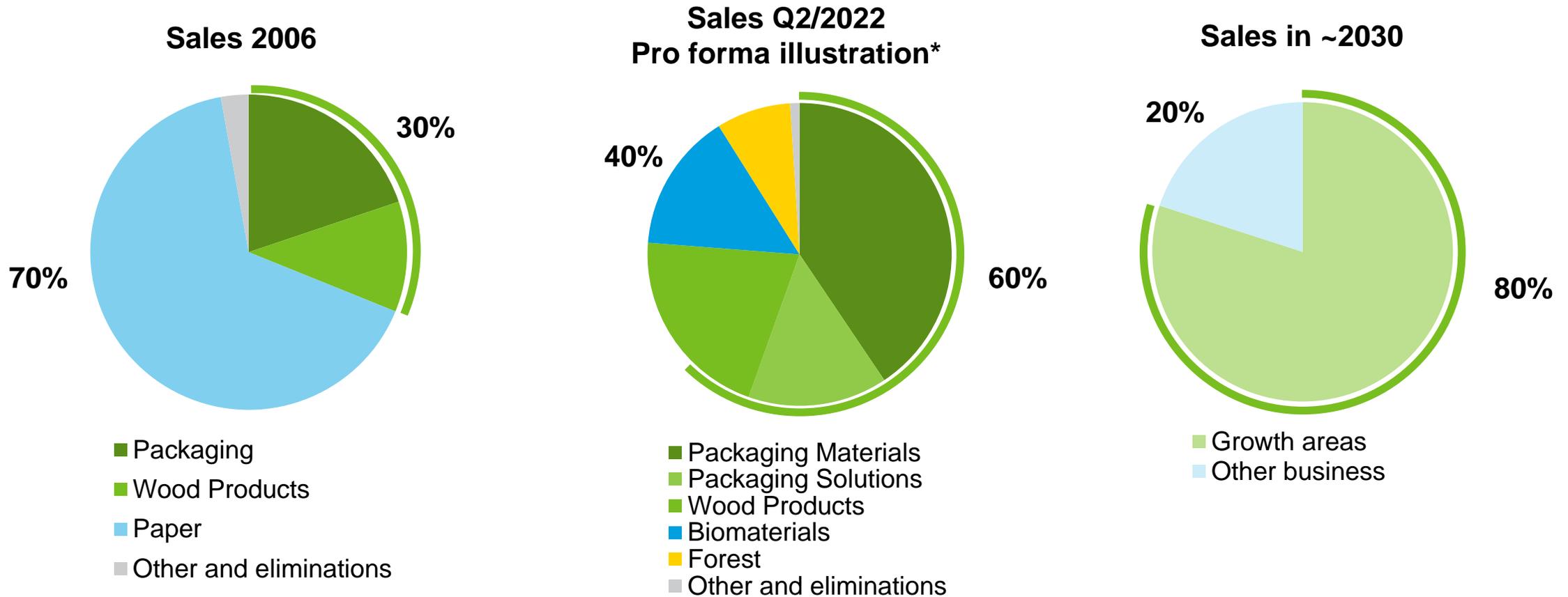
De Jong Packaging Group acquisition will accelerate growth in renewable corrugated packaging



- Acquiring one of the largest corrugated packaging producers in Benelux with ~€1 billion in sales
- Accelerating growth for Stora Enso in renewable packaging
- Strengthening European footprint in complementary markets in the Benelux, Germany and the UK
 - Competitive in growing product segments
 - Demonstrated growth track record
- Expecting closure in 2023, subject to regulatory approval



Evolving sales towards a higher share of growth segments



Ambition to significantly reduce earnings cyclicality



Exiting paper business

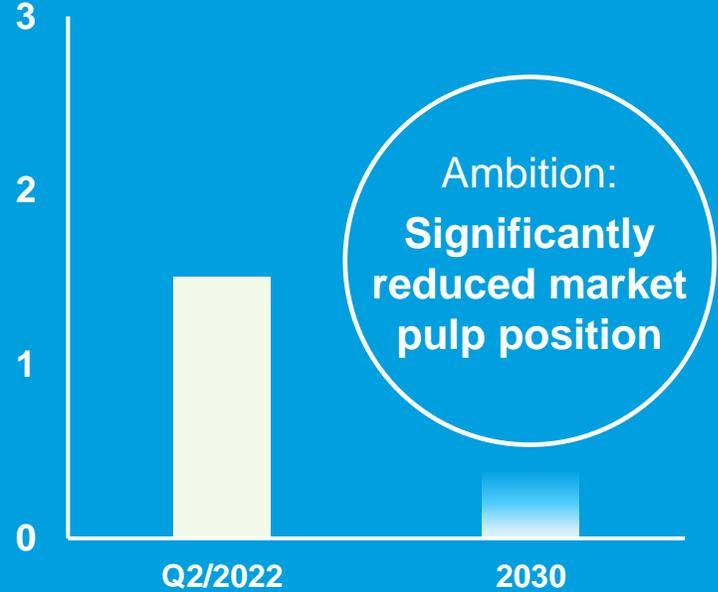
Growth in packaging with increased integration of eucalyptus pulp

Developing a more value-add pulp product mix

Growing the share of building solutions

Group net standard* pulp position (million tonnes)

*Standard pulp excludes fluff and unbleached kraft pulp



We make a positive climate impact of 11 Mt CO₂ every year



Stora Enso ~2030 ambition



+30% sales

vs 2021
(excl. inflation)

15% EBIT margin

over a cycle

Packaging >60%

of sales

Wood Products

>40%

of sales from Building
solutions

+75%

operational EBITDA over
a cycle*

**Earnings cyclicity
reduced by half***

No paper exposure

Significantly reduced
market pulp exposure

New revenue streams

1 BEUR sales

from Biomaterials
innovation

5-10 TWh

of wind power on own
forest land



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