

Press conference: Acquisition of De Jong Packaging Group

President and CEO Annica Bresky CFO Seppo Parvi

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THE RENEWABLE MATERIALS COMPANY

Stora Enso acquires De Jong Packaging Group to accelerate growth in renewable corrugated packaging





- One of the largest corrugated packaging producers in Benelux with approx. €1.0 billion in sales
- Accelerate growth for Stora Enso in renewable packaging
 - Access to complementary markets in the Benelux, Germany and the UK
 - Competitive in growing product segments
 - Demonstrated growth track record
- Transaction closure expected beginning of 2023, subject to regulatory approval

De Jong Packaging Group is one of the largest corrugated packaging producers in the Benelux countries

Overview of De Jong Packaging Group

Businesses





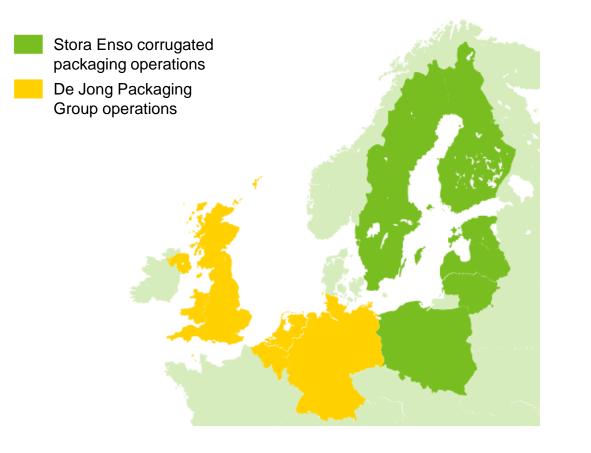
Key facts

- Founded in 1996, family-owned with 1,300 employees
- Vertically integrated corrugated packaging company based in De Lier in the Netherlands
- One of the largest producers in the Benelux countries
 - 17 sites in the Netherlands, Belgium, Germany and the UK
 - Current corrugated capacity of 560 million m²
 - Doubled capacity through ongoing expansion projects
- 1 containerboard production site in the Netherlands
 - 2 production lines with a total annual capacity of 380 kt
 - flexible energy solution

Stora Enso will enter new markets in corrugated packaging with the acquisition of De Jong Packaging Group



Corrugated packaging operations in Europe

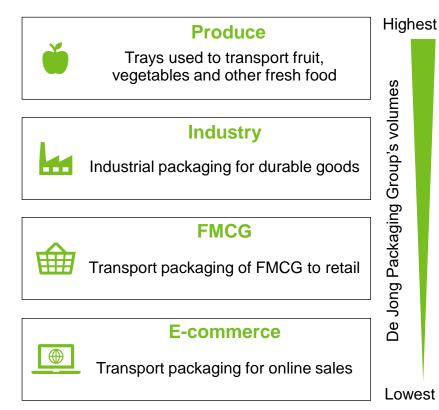


- Local presence is key in corrugated packaging
- With this acquisition, Stora Enso will
 - enter the corrugated packaging markets in the Netherlands, Belgium, Germany and the UK
 - be able to further enhance our service and offering to existing and new European customers
 - deliver €30 million average annual synergies over the cycle in mid term from sourcing, containerboard integration and commercial opportunities

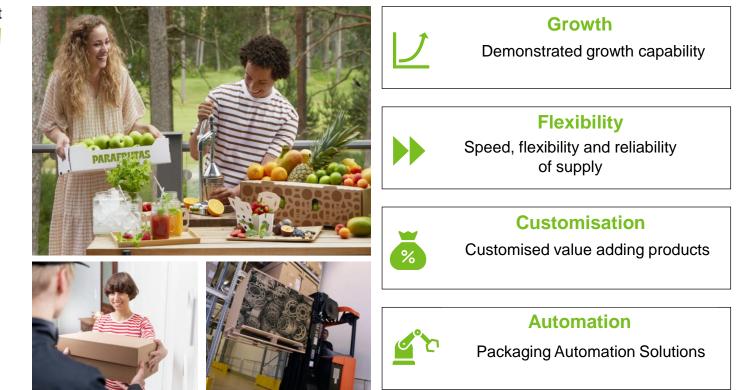
De Jong Packaging Group has strong market positions in attractive end use segments



Key end use segments



Value-adding capabilities



Ongoing expansion projects will double corrugated capacity by beginning of 2024



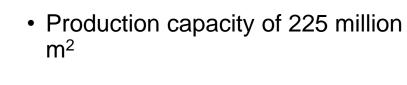
The Netherlands expansion in De Lier site



- 2 new corrugators
- Production capacity increase from 375 million m² to 750 million m²
- Transformation to the largest and most modern corrugated converting site in Europe
- Operational in Q1 2023

UK expansion to a new site in Ellesmere Port

• 1 new corrugator



• Operational in Q1 2024

€275 million invested in 2022

Capacity expansion from 560 million m² in 2022 to approx. 1,200 million m² by Q1 2024 Annual EBITDA impact estimated to >€40 million by 2025

Excellent fit with a potential Langerbrugge conversion

- Ongoing feasibility study for the conversion of the Langerbrugge newsprint machine to 700 kt testliner and recycled fluting grades, decision H1 2023
- Possibility to combine the two most competitive renewable packaging assets in their respective parts of the value chain
 - A converted Langerbrugge would be the most costefficient containerboard site in Europe
 - De Lier site will be the largest and most modern corrugating site in Europe
 - Proximity to Langerbrugge (160 km) offers additional opportunities for commercial and cost integration benefits over the business cycle





Accelerating profitable growth in renewable packaging



- The enterprise value (EV) of the transaction is approx. €1,020 million, of which €250 million is IFRS lease liabilities corresponding to a multiple of 8.9x (estimated proforma IFRS EBITDA of €114m for 2022)
- A €45 million possible additional earn-out, subject to achievement of defined earnings targets
- Ongoing expansions in De Jong will deliver more than €40 million of combined annual EBITDA impact by 2025
- €30 million expected average annual synergies over a business cycle built up over 3 years
- Stora Enso's net debt to operational EBITDA ratio will increase by 0.4 to 1.4
- The transaction is expected to be EPS accretive from the first year

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- Accelerate growth for Stora Enso in renewable packaging
 - Strengthen European footprint in complementary markets in the Benelux, Germany and the UK
 - Competitive in growing product segments
 - Demonstrated growth track record
- Excellent strategic fit with a possible Langerbrugge conversion

Disclaimer



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