

Interim report January–September 2023

Improved profit and cash delivery in continued weak market conditions

Key highlights Q3

- Higher sales volumes in both regions compared to last quarter, offset by price and mix deterioration
- Sequentially lower input costs and lower fixed cost than normalized level
- Efficiency enhancement program on track – delivered SEK 175 million in the quarter
- Earnings per share positively impacted by recognition of tax credits in the US
- Strong operating cash flow with tight control on working capital
- Frövi recovery boiler project completed on time, spec and budget

Quarterly data Q3

- Net sales decreased by 14% to SEK 10,210 million (11,814)
- Adjusted EBITDA* SEK 1,167 million (2,196)
- Adjusted EBITDA margin 11% (19)
- Operating profit SEK 415 million (1,536)
- Net profit SEK 656 million (1,347)
- Earnings per share SEK 2.64 (5.42)

Outlook for Q4

- Customer destocking largely completed, however continued weak demand driven by subdued macro-economic environment
- Negative mix for most categories and lower sales prices for sack and kraft paper, partly offset by lower input costs
- Further steps are taken to drive efficiency and long-term competitiveness through reducing up to 350 positions

Key figures*

SEKm	Q3 2023	Q3 2022	Change	Jan-Sep 2023	Jan-Sep 2022	Change
Net sales	10,210	11,814	-14%	31,658	30,619	3%
Adjusted EBITDA	1,167	2,196	-47%	2,839	6,127	-54%
Operating profit	415	1,536	-73%	725	4,334	-83%
Adjusted operating profit	470	1,536	-69%	780	4,334	-82%
Net profit	656	1,347	-51%	814	3,650	-78%
Adjusted EBITDA margin, %	11	19		9	20	
Adjusted operating profit margin, %	5	13		2	14	
Adjusted ROCE, %	6	17		6	17	
Cash flow from operating activities	1,082	1,899		1,074	5,137	
Interest-bearing net debt/adjusted EBITDA	1.4	0.7		1.4	0.7	

* For key figures and a reconciliation of alternative performance measures including adjusted EBITDA, adjusted operating profit, adjusted EBITDA margin, adjusted operating profit margin, adjusted ROCE and interest-bearing net debt/adjusted EBITDA, see pages 16-18.

Comments by the CEO

We delivered a meaningfully improved result in the third quarter compared with the previous quarter. Profitability and cash generation were significantly up, and encouragingly, we see progress in both our European and North American regions. The adjusted EBITDA margin for the quarter was 11% with excellent cash conversion. The improved performance was mainly due to volume pick-up in both regions, lower than normalized fixed cost level, accelerated delivery of our efficiency enhancement program and strong focus to keep our working capital low. In particular, we are happy to see the mobilization we have gained throughout the organization related to our efficiency enhancement program, and we are on track to deliver our SEK 600 million target for 2023.

However, the market conditions remain weak for most product categories. We continue to navigate through challenging demand and customer destocking by adjusting our production output. We do not foresee strong recovery near-term, and will continue to adjust to the new conditions, aiming to improve our long-term competitiveness. As part of our efficiency enhancement program, we have decided to reduce the number of positions by up to 350. It will mean redundancies and affect all parts of the company. Union negotiations begin today. These measures will provide annual structural savings of SEK 300 million, with majority of the run-rate savings in 2024. Restructuring costs related to this of MSEK 100 will be recorded in the fourth quarter.

Since mid-August we have a new operating model in place, with a clear regional organization for both Europe and North America. As well, our global management team is now a bit smaller. We see already positive signs of how our new structure is working, as it provides good conditions for agile, clearer and faster decision-making. I am confident that a holistic view of the value chain in each region will enable further synergies and value creation.

18 months post the acquisition of Verso, we are very pleased with the results and developments, which has exceeded our expectations, driven by solid margins and cash generation. The business fundamentals and strategic fit for paperboard production in North America continue to be strong and remains Billerud's most important growth opportunity. However, given the changed economic conditions, we are taking our time to evaluate alternatives for the US transformation. We will therefore not decide on the transformation investment program by the end of this year as previously announced, and we will revert when ready. Meanwhile, we are building the paperboard sales in the US through export.

The new recovery boiler in the Frövi mill has been put into production and will be handed over from the supplier to the line organization during November. We are proud that this project has been delivered on time and budget despite plenty of external challenges since investment decision was made in early 2021. The successful project management creates confidence in our ability to carry out large and complex capital investments in the future.



We are continuing to execute on Billerud's strategy on packaging materials and focusing on the core and have divested the business unit Managed Packaging and most positions within venture holdings. The most recent decision was the divestiture of our ownership in the joint venture Paper Bottle Company AS (Paboco) to our JV partner Alpla.

For the fourth quarter, we expect continued weak market conditions for most product categories. Customers' destocking is expected to be largely completed, but we foresee lower consumer spending to suppress demand for the majority of our products. We expect continued negative mix for most categories and sales prices within sack and kraft paper to decline. These effects should partly be offset with lower input costs, primarily within chemicals and pulpwood.

Looking into 2024 we are cautiously optimistic as volume recovery will kick in post a largely completed customer destocking phase. However, the geopolitical and macroeconomic uncertainty will continue to negatively impact consumption and thereby the demand for paper and packaging materials. We do not expect strong recovery, but rather step-by-step improvements throughout the year driven by volume growth.

The strategic direction for Billerud remains intact, but our priorities are being updated to reflect the regional organisation and changed conditions on several fronts. Our near-term focus will continue to be on items that we control and where we already have built up good momentum during 2023. By accomplishing efficiencies, cost reductions and solid business cases, Billerud will be well positioned to capture future opportunities.

Ivar Vatne
Acting President and CEO

Third quarter

Sales and results

Net sales for the third quarter declined by 14% to SEK 10,210 million (11,814). The organic* and currency-neutral net sales declined by 16% due to negative price and mix changes and lower sales volumes. The Group's total sales volumes were 890 ktons (945), negatively impacted by low demand and production curtailments in mainly North America.

Adjusted EBITDA amounted to SEK 1,167 million (2,196), corresponding to an adjusted EBITDA margin of 11% (19). The lower result was due to lower prices, negative mix and volume changes and higher input costs, which were partially offset by lower fixed costs, reduced maintenance impact and efficiency improvements. The result was positively impacted by a reduced provision for the short-term incentive program.

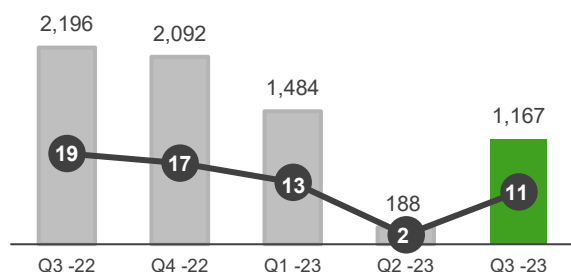
Items classified as affecting comparability of SEK -55 million (-) impacted the result in the third quarter and included the total capital gain from the divestment of Managed Packaging of SEK 23 million, a cost item related to an impairment of shares in Paboco of SEK 52 million and a restructuring cost for management severance pay of SEK 26 million.

Market development and outlook

In the third quarter, market conditions remained stable on a weak level for all products. Exception being liquid packaging board, where conditions were stable on a normalized level. Demand was negatively affected by customers' continued inventory destocking and reduced consumption. Prices decreased for most categories, except for liquid packaging board and graphic paper, where prices were stable.

For the fourth quarter, we expect market conditions to remain weak for most product categories. Demand is expected to be weak driven by the subdued macroeconomic environment, although the inventory destocking will be largely completed. Negative mix is expected for most categories and sales prices are expected to deteriorate for sack and kraft papers. Input costs are in total expected to decrease, mainly driven by reduced costs for chemicals and pulpwood in Europe.

Adjusted EBITDA, SEKm and adjusted EBITDA margin, %
Target level >17%



* Excluding the divestment of Managed Packaging on 31 August 2023.

Events in the quarter

On 5 July, Billerud divested its holding in Kezzler AS, a company with a digital platform for packaging traceability.

On 13 July, Billerud agreed with the investment company Mimir Group about the divestment of the packaging solutions business Managed Packaging. The sale was completed on 31 August and a total capital gain of SEK 23 million was reported as an item affecting comparability. The cash flow from the transaction was SEK -80 million due to deferred payment of purchase price and cash position in the divested business. Managed Packaging was before the sale included in the segment Solutions & Other and had in 2022 around 140 employees, net sales of around SEK 770 million and EBITDA of around SEK 40 million.

On 28 July, The Board of Directors appointed Ivar Vatne as acting CEO. Ivar Vatne joined Billerud as CFO in May 2019 and has also been deputy CEO since October 2022. Before Billerud, he held senior positions in Arla, Fiskars and Procter & Gamble. Christoph Michalski left Billerud with immediate effect and the recruitment of a new CEO was commenced.

On 17 August, Billerud implemented a new organization in line with its operation in the two regions Europe and North America. Matthew Hirst, previously Executive Vice President Commercial, was appointed President of the newly formed European organization and Kevin Kuznicki remain President of the already formed North American organization. At the same time, it was announced that Andrei Krés had been appointed acting CFO and member of the Group Management Team with immediate effect.

Following test runs of the new recovery boiler at the Frövi mill it was successfully put into operation during September. The new, fossil-free recovery boiler will enable increased energy efficiency and improved environmental performance. Its capacity will also allow for higher pulp production in the future. The project to build and install the new recovery boiler in Frövi is being completed in time and on budget. For more information about this investment, see page 7.

In September, Billerud decided to divest its ownership in the joint venture Paboco and related intellectual property to its joint venture partner Alpla. Impairment of shares in Paboco of SEK 52 million has been reported as an item affecting comparability in the third quarter. The sale was completed on October 9 and will have a positive cash flow effect of around SEK 80 million in the fourth quarter.

Billerud's sustainability work was recognized as it for the fourth consecutive year received a Platinum grade in Ecovadis' annual evaluation. This means a top 1% ranking in our industry on how well sustainability principles have been integrated into the business.

Region Europe

Key figures

SEKm	Quarter		Jan-Sep		Full year
	Q3 -23	Q3 -22	2023	2022	2022
Net sales	6,765	7,332	20,726	20,692	27,962
of which liquid packaging board	2,415	2,041	7,136	6,367	8,591
of which containerboard	1,392	1,462	4,043	4,033	5,480
of which kraft and specialty paper	908	977	2,952	2,716	3,811
of which sack paper	722	1,122	2,292	2,851	3,858
of which cartonboard	708	973	2,197	2,702	3,509
of which pulp	566	661	1,918	1,747	2,335
Net operating expenses	-5,863	-5,566	-18,673	-15,578	-21,792
EBITDA	902	1,766	2,053	5,114	6,170
EBITDA margin, %	13%	24%	10%	25%	22%
Operating profit/loss	452	1,325	709	3,791	4,402
Operating margin, %	7%	18%	3%	18%	16%
Sales volumes, ktonnes	683	688	2,029	2,090	2,757

Sales and results

Net sales for the third quarter declined by 8% to SEK 6,765 million (7,332). Net sales excluding currency effects declined by 11%, mainly because of negative price and mix changes, while volumes were almost unchanged.

EBITDA amounted to SEK 902 million (1,766), corresponding to an EBITDA margin of 13% (24). The lower result was mainly due to lower sales and higher raw material costs, partly offset by lower fixed cost, positive impact from the efficiency enhancement program and positive currency effects.

The comparison with the third quarter last year is affected by an insurance compensation of SEK 75 million received during this period in 2022. Scheduled maintenance shutdown was carried out in Karlsborg in August and Gävle in September, and the total negative earnings impact was SEK 293 million (330).

Capacity was adjusted to current market conditions, resulting in curtailment of production with around 30 ktons.

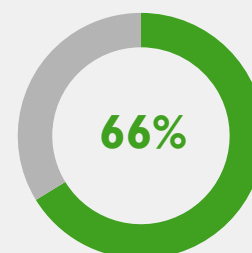
Market development

During the third quarter of 2023, the market conditions in Region Europe remained stable on a weak level for all products. Exception being liquid packaging board, where conditions were stable on a normalized level. Sales prices for all products except for liquid packaging board decreased. Costs for logistics, chemicals and energy declined, while wood costs increased compared to the previous quarter.

About Region Europe

Region Europe includes the board and paper products made of virgin fibre that are manufactured at the mills Gruvön, Gävle, Frövi/Rockhammar, Skärblacka and Karlsborg in Sweden and Pietarsaari in Finland. In these mills, Billerud produces liquid packaging board, kraft and specialty paper, containerboard, cartonboard, sack paper and market pulp. These materials are sold in Europe and the rest of the world. Total production capacity is around 3.1 million tons per year.

Share of Group's net sales
Q3 2023



EBITDA, SEKm and EBITDA margin, %



Region North America

Key figures

SEKm	Quarter		Jan-Sep		Full year
	Q3 -23	Q3 -22	2023	2022	2022
Net sales	2,839	3,717	8,805	7,455	11,459
of which graphic paper	2,148	2,834	6,399	5,657	8,632
of which specialty paper	364	615	1,181	1,230	1,769
of which pulp	327	268	1,225	568	1,059
Net operating expenses	-2,372	-3,195	-7,493	-6,173	-9,042
EBITDA	467	522	1,312	1,282	2,417
EBITDA margin, %	16%	14%	15%	17%	21%
Operating profit/loss	262	342	711	926	1,861
Operating margin, %	9%	9%	8%	12%	16%
Sales volumes, ktonnes	207	257	635	564	837

Sales and results

Net sales for the third quarter declined by 24% to SEK 2,839 million (3,717). Net sales excluding currency effects declined by 28%, due to lower sales volumes as an effect of weak demand, an unfavourable mix change with a higher share of pulp sales, and lower pulp pricing, partly offset by higher prices for graphic and specialty paper.

EBITDA declined to SEK 467 million (522), corresponding to an EBITDA margin of 16% (14). The profitability margin was positively impacted by lower maintenance costs, higher pricing, positive currency effects and lower input costs, partly offset by the lower sales volumes.

The comparison with the third quarter last year is affected by the changed scheduled maintenance, which had a negative result impact of around SEK 83 million in the third quarter 2023 and SEK 562 million in the corresponding period last year.

Capacity was adjusted to current market conditions, resulting in curtailment of production volumes with around 115 ktons.

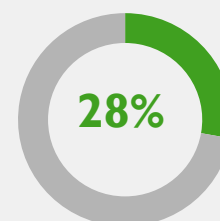
Market development

During the third quarter of 2023, the market conditions for Billerud's products in Region North America remained stable on a weak level for all products. Sales prices for graphic paper were maintained while prices for specialty paper and pulp decreased. Costs for logistics, raw materials and energy decreased compared to the previous quarter.

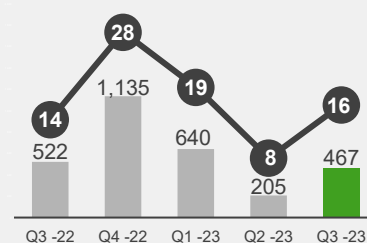
About Region North America

Region North America includes the products made of virgin fibre manufactured at the Escanaba and Quinnesec mills in Michigan, US and the operations at the sheeting facility Wisconsin Rapids in Wisconsin, US. Billerud produces graphic and specialty paper as well as market pulp in this region and sells these materials primarily in the North American market. Total annual production capacity is around 1.1 million tons of paper and 200 thousand tons of pulp.

Share of Group's net sales
Q3 2023



EBITDA, SEKm and EBITDA margin, %



Solutions and Other

Sales and results

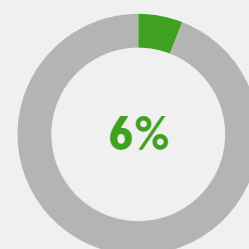
Net sales for the third quarter declined by 21% to SEK 606 million (765). The sales decline was the result of negative effects from currency hedging and accounts receivables revaluation and the divestment of Managed Packaging which was completed on 31 August 2023. Managed Packaging reported net sales of SEK 115 million in the third quarter of 2023, compared with SEK 201 million in the same period last year.

EBITDA in the third quarter of 2023 amounted to SEK -257 million (-92). The negative change was primarily due to negative effects from currency hedging and accounts receivables and items affecting comparability.

Key figures (including currency hedging etc)

SEKm	Quarter		Jan-Sep		Full year
	Q3 -23	Q3 -22	2023	2022	2022
Net sales	606	765	2,127	2,472	3,169
of which Managed Packaging	115	201	420	600	770
Net operating expenses	-863	-857	-2,708	-2,741	-3,589
EBITDA	-257	-92	-581	-269	-420
Operating profit	-299	-131	-695	-383	-576

Share of Group's net sales
Q3 2023



January – September, consolidated

Sales and results

Net sales for the first nine months increased by 3% to SEK 31,658 million (30,619). The increase was due to positive currency effects and the acquisition of Verso on 31 March 2022 which contributed to the sales in the first quarter of 2023 compared to no impact in the first quarter of 2022. Net sales excluding currency effects, the acquisition of Verso and the divestment of Managed Packaging declined by 6%, mainly due to lower sales volumes and negative mix changes.

Adjusted EBITDA amounted to SEK 2,839 million (6,127). The deteriorated result was a consequence of higher costs for raw materials, only partially offset by the positive impact from the efficiency enhancement program and currency effects.

Items classified as affecting comparability of SEK -55 million impacted the result for the period January-September 2023 (-) and included a total capital gain from the divestment of Managed Packaging of SEK 23 million, a cost related to impairments of shares in Paboco of SEK 52 million and a restructuring cost of SEK 26 million.

Cash flow and financial position

Operating cash flow after investments in tangible and intangible assets amounted to SEK 444 million (930) for the third quarter of 2023. The negative change in cash flow from operating activities was mainly due to lower profit before tax. Changes in working capital had a positive impact on the cash flow from operating activities.

Condensed cash flow statement

SEKm	Quarter		Jan-Sep	
	Q3 -23	Q3 -22	2023	2022
Profit before tax	372	1,743	540	4,692
Adjustments for non-cash items	347	306	1,490	990
Tax paid	2	-37	-448	-109
Cash flow from changes in working capital	361	-113	-508	-436
Cash flow from operating activities	1,082	1,899	1,074	5,137
Investments in tangible and intangible assets	-638	-969	-2,204	-2,340
Operating cash flow after investments in tangible and intangible assets	444	930	-1,130	2,797

Financing

On 30 September 2023, the interest-bearing debt amounted to SEK 7,439 million (7,185). Interest-bearing debt decreased by SEK 324 million during the third quarter of 2023. The Group repaid commercial papers of SEK 1,325 million and issued new commercial papers of SEK 1,059 million during the third quarter.

Debt portfolio and maturity profile on 30 September 2023

Loan	Limit, SEKm	Maturity, years			Total utilised
		0-1	1-2	2-	
Syndicated credit facilities	5,500				-
Term loans		502	502	205	1,209
Bond loans within MTN program	7,000			2,500	2,500
Other bond loans		600	1,000		1,600
Commercial paper	4,000	2,130			2,130
Group total		3,232	1,502	2,705	7,439

The interest-bearing net debt on 30 September 2023 amounted to SEK 6,937 million (5,096).

The net interest-bearing debt in relation to EBITDA (and adjusted EBITDA) at the end of the period was 1.4 (0.7).

Investments and capital employed

Investments in tangible and intangible assets amounted to SEK 2,204 million (2,340) for the first nine months of 2023.

The investment to build and install a new recovery boiler at Frövi was at the time for the investment decision in 2021 estimated to total SEK 2.6 billion. The project was completed in the third quarter 2023 on time and budget. The capital expenditures for the new recovery boiler were around SEK 0.4 billion in 2021 and around SEK 1.1 billion in 2022. For 2023, the capital expenditures for this project are around SEK 1.0 billion.

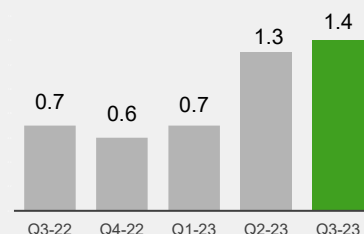
Total investment in tangible and intangible assets in 2023 are estimated to amount to SEK 3.0 billion, of which SEK 2.5 billion is attributable to Europe and SEK 0.5 billion to North America.

For 2024, total investments in tangible and intangible assets are expected to amount to SEK 2.3 billion.

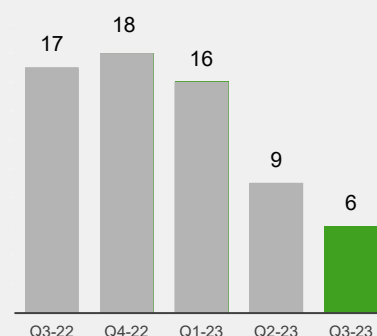
Capital employed on 30 September 2023 amounted to SEK 34,686 million (34,939). Return on capital employed (ROCE) for the last twelve months amounted to 6% (16). Adjusted ROCE was also 6% (17).

Return on equity was 6% (17) for the last twelve-months period.

Net debt/Adjusted EBITDA
target level <2.5



Adjusted return on capital employed, %



Other information

Efficiency enhancement program

In the beginning of 2023, Billerud launched a three-year efficiency enhancement program focusing on profitability improvements, with activities spanning across functions predominantly in the European operations. The announced target for the program was an EBITDA uplift of SEK 1.5 billion by the end of 2025 run-rate and the delivery of the program during 2023 was estimated to SEK 400 million.

On June 14, Billerud announced that it was accelerating the 2023 delivery of the efficiency enhancement program. The ambition for the 2023 program delivery was raised to SEK 600 million.

From October 25, additional cost-reduction measures that involve personnel reductions throughout the organization will be implemented to improve the company's efficiency, profitability and competitiveness. The number of positions will be reduced by up to 350. Personnel reductions will be implemented in both regions and in Group functions. These measures are expected to generate annual structural savings of SEK 300 million with majority of the run-rate savings in 2024. Restructuring costs related to these measures of SEK 100 million will be recorded in the fourth quarter as an item affecting comparability.

The ambition for the 2023 program impact is unchanged at SEK 600. The ambition for 2024 is an additional SEK 700 million compared with the 2023 level.

During the period January–September 2023, the efficiency enhancement program delivered an EBITDA-uplift of SEK 400 million. In the third quarter of 2023, the positive impact was SEK 175 million.

Currency hedging

Currency hedging had a net sales impact of SEK -54 million (-142) in the third quarter and SEK -294 million (-306) for the first nine months compared with no currency hedging. Outstanding forward exchange contracts on 30 September 2023 had a market value of SEK -75 million, of which SEK -41 million is the portion of the contracts matched by trade receivables that affected earnings in the third quarter. Accordingly, other contracts had a market value of SEK -34 million.

Hedged portion of forecast currency flows

Currency	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Total 15 months
EUR Share*	80%	83%	80%	79%	77%	80%
Rate	10.90	11.09	11.35	11.67	11.68	11.33
USD Share*	81%	80%	80%	78%	79%	80%
Rate	10.58	10.56	10.57	10.60	10.77	10.61
GBP Share*	78%	47%	16%	0%	16%	31%
Rate	13.70	13.73	13.74	-	13.62	13.71
Market value of currency contracts**	-49	-33	-16	6	17	-75

* Share of net flow.

** On 30 September 2023.

Taxes

The tax for the first nine months of 2023 amounted to SEK -274 million (revenue) (1,042) (cost), equal to approximately -51% (22) of profit before tax. The low tax rate is related to US tax credits for prior years, for which a deferred tax asset has been revaluated and recognized in the third quarter.

Changed financial reporting segments

Billerud implemented changed financial reporting segments in line with how the business performance is reviewed and governed from 1 April 2023. In this report, the comparable figures have been restated according to the new reporting structure. Quarterly figures from the fourth quarter 2021 for the new financial reporting segments with regards to net sales, EBITDA, operating profit and sales volumes are presented on pages 22-23.

Parent company

The parent company Billerud AB (publ) includes head office and support functions.

Operating profit/loss for the first nine month of 2023 was SEK -545 million (-249). The operating result includes the effects of hedging contracts and revaluations of trade receivables.

The parent company hedges both its own and the Group's net currency flows. The parent company's result includes the results of these hedging measures. These effects were SEK -294 million (-306) for the first nine months of 2023.

The average number of employees on 30 September 2023 was 169 (139). The increase is mainly due centralization of the customer service organization to the parent company.

Cash and bank balances, and short-term investments amounted to SEK 429 million (702).

Holding of treasury shares

During the second quarter 2023, Billerud transferred 202,322 shares under the long-term incentive program resolved by the 2020 Annual General Meeting. The amount of treasury shares amounted to 1,261,891 on 31 March 2023, and on 30 June 2023, the holding of treasury shares was 1,059,569.

The number of treasury shares was unchanged during the third quarter. On 30 September 2023, the total number of shares in Billerud was 249,611,422 and the number of shares in the market was 248,551,853.

Annual General Meeting

The 2024 Annual General Meeting will be held in Stockholm on May 21, 2024. Shareholders wishing to have matters considered at the Annual General Meeting should submit their proposals in writing to Billerud AB (publ), Att: Andreas Mattsson, General Counsel, Box 703, SE-169 27 Solna, Sweden, at least seven weeks before the Annual General Meeting, to ensure the matter can be included in the



convening notice for the Meeting. Notified matters can be included in the agenda only if they are suitable for decision by the Meeting and if notification is provided in due time. Further details on how and when to provide notification of participation will be published in advance of the meeting.

Nomination Committee

In accordance with the resolution by the Annual General Meeting of Billerud, the Chairman of the Board of Directors has convened a Nomination Committee for the 2024 Annual General Meeting, appointed by the major shareholders in the company.

The Nomination Committee consists of Anders Oscarsson, appointed by AMF Pension & Funds, Michael M.F. Kaufmann, appointed by Frapag Beteiligungsholding AG, Thomas Wuolikainen, appointed by Fourth Swedish National Pension Fund and Oscar Bergman, appointed by Swedbank Robur Funds.

Shareholders wishing to make proposals to the Nomination Committee should submit their proposal in writing via e-mail to valberedningen@billerud.com or by mail to Billerud AB (publ), Att: Valberedningen, Box 703, 169 27 Solna, Sweden.

Risks and uncertainties

Billerud's products are generally dependent on the business cycle, in terms of both price development and potential sales volumes. The Group is exposed to currency fluctuations, since most revenues are invoiced in foreign currency, while a large part of operating expenses is in SEK. A more detailed description of risks and a sensitivity analysis, with estimated profit impact of changed sales volumes and price changes affecting operating costs, is provided on pages 67–71 in the 2022 Annual and Sustainability Report.

Billerud is affected by the war in Ukraine by its effects on the economic development and price developments for wood, energy, chemicals, and fuel. Billerud complies with applicable sanctions and regulations and suspended all sales to Russia during 2022.

The regulatory landscape for fibre-based packaging and conditions to operate in this industry is changing. EU has put forward a series of legislative proposals to accomplish the EU Green Deal, which will affect the market in the EU. Billerud is closely following the development.

Related-party transactions

No transactions took place between Billerud and related parties that significantly affected the Group's position and earnings.

Solna, October 25, 2023

Billerud AB (publ)

Ivar Vatne

Acting President and CEO

Review report

Translation of the Swedish original

To the Board of Directors of Billerud AB (publ)

Corp. id. 556025-5001

Introduction

We have reviewed the condensed interim financial information (interim report) of Billerud AB (publ) as of 30 September 2023 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted

auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 25 October 2023

KPMG AB

Hök Olov Forsberg

Authorized Public Accountant



Group

Condensed income statement

SEKm	Quarter		Jan-Sep		Full year
	Q3 -23	Q3 -22	2023	2022	2022
Net sales	10,210	11,814	31,658	30,619	42,590
Other operating income	61	109	214	219	440
Change in inventories	-149	244	-742	250	724
Raw materials and consumables	-5,275	-5,624	-16,440	-14,062	-20,280
Other external costs	-2,278	-2,805	-7,149	-6,779	-9,569
Employee benefits expense	-1,415	-1,548	-4,729	-4,137	-5,719
Depreciation, amortization and impairment of non-current assets	-697	-660	-2,059	-1,793	-2,480
Profit/Loss from participations and impairment in associated companies	-42	6	-28	17	-19
Operating profit/loss	415	1,536	725	4,334	5,687
Financial net	-43	207	-185	358	186
Profit/Loss before tax	372	1,743	540	4,692	5,873
Taxes	284	-396	274	-1,042	-1,283
Profit/Loss from continuing operations	656	1,347	814	3,650	4,590
Profit/Loss attributable to:					
Owners of the parent company	656	1,347	814	3,650	4,590
Non-controlling interests	-	-	-	-	-
Net profit/loss for the period	656	1,347	814	3,650	4,590
Earnings per share, SEK	2.64	5.42	3.28	16.50	20.13
Diluted earnings per share, SEK	2.64	5.41	3.28	16.47	20.09

Condensed statement of comprehensive income

SEKm	Quarter		Jan-Sep		Full year
	Q3 -23	Q3 -22	2023	2022	2022
Net profit/loss for the period	656	1,347	814	3,650	4,590
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial gains or losses on defined benefit pension plans	328	347	435	421	470
Change in fair value of shareholding in Other holdings	-	-	7	-6	-6
Tax attributable to items not to be reclassified to profit or loss	-83	-87	-111	-97	-111
Total items that will not be reclassified to profit or loss	245	260	331	318	353
Items that have been or may be reclassified subsequently to profit or loss					
Differences arising from the translation of foreign operations' accounts	8	558	381	1,138	774
Change in fair value of cash flow hedges	-440	806	-1,472	2,672	1,166
Tax attributable to items that have been or may be reclassified subsequently to profit or loss	91	-166	307	-533	-222
Total items that have been or may be reclassified subsequently to profit or loss	-341	1,198	-784	3,277	1,718
Total comprehensive income for the period	560	2,805	361	7,245	6,661
Attributable to:					
Owners of the parent company	560	2,805	361	7,245	6,661
Non-controlling interests	-	-	-	-	-
Total comprehensive income for the period	560	2,805	361	7,245	6,661

Condensed balance sheet

SEKm	30 Sep	30 Sep	31 Dec
	2023	2022	2022
Intangible assets	2,251	2,266	2,246
Tangible assets, including Right of use assets	30,082	29,805	29,648
Other non-current assets	2,087	3,320	2,231
Total non-current assets	34,420	35,391	34,125
Inventories	6,568	6,449	7,305
Accounts receivable	4,577	5,251	5,006
Other current assets	2,005	4,453	2,933
Cash and cash equivalents	1,363	3,921	2,046
Total current assets	14,513	20,074	17,290
Total assets	48,933	55,465	51,415
Equity attributable to owners of the parent company	27,750	29,843	29,254
Non-controlling interests	-	-	-
Total equity	27,750	29,843	29,254
Interest-bearing liabilities	4,207	2,788	2,796
Lease liabilities	177	258	234
Provisions for pensions	543	1,388	1,196
Other liabilities and provisions	532	589	492
Deferred tax liabilities	4,252	4,795	4,452
Total non-current liabilities	9,711	9,818	9,170
Interest-bearing liabilities	3,232	4,397	2,227
Lease liabilities	144	188	177
Accounts payables	5,030	6,049	6,702
Other liabilities and provisions	3,066	5,170	3,885
Total current liabilities	11,472	15,804	12,991
Total equity and liabilities	48,933	55,465	51,415

Forest assets with an estimated book value of SEK 100 million are intended to be divested. Paper Bottle Company AS (Paboco), which was divested on October 9, have a book value of SEK 80 million.

Condensed statement of changes in equity

SEKm	Jan-Sep		Full year
	2023	2022	2022
Opening balance	29,254	20,041	20,041
Comprehensive income for the period	361	7,245	6,661
Rights issue *	-	3,435	3,435
Share-based payment to be settled in equity instruments	17	18	22
Hedging result transferred to acquisition cost in fixed assets	-18	-6	-15
Dividend to owners of the parent company	-1,864	-890	-890
Closing balance	27,750	29,843	29,254
Equity attributable to:			
Owners of the parent company	27,750	29,843	29,254
Non-controlling interests	-	-	-
Closing balance	27,750	29,843	29,254

*Reduced by costs of SEK 63 million, net of tax.



Condensed cash flow statement

SEKm	Quarter		Jan-Sep		Full year
	Q3 -23	Q3 -22	2023	2022	2022
Operating activities					
Profit before tax	372	1,743	540	4,692	5,873
Adjustments for non-cash items*	347	306	1,490	990	2,488
Tax paid	2	-37	-448	-109	-453
Cash flow from changes in working capital	361	-113	-508	-436	-1,079
Cash flow from operating activities	1,082	1,899	1,074	5,137	6,829
Investing activities					
Investments in tangible and intangible assets	-638	-969	-2,204	-2,340	-3,330
Disposal of property, plant and equipment	2	19	3	30	32
Business combinations **	-	-	-	-6,128	-6,128
Sale of subsidiaries, Note 3	-80	-	-80	-	-
Acquisition of financial assets/contribution associated companies	-17	-	-33	-15	-15
Dividend from associated companies	-	-	17	12	12
Disposal/repayment of financial assets/other holdings	48	-	48	10	10
Change in interest-bearing receivables	9	3	18	3	-
Cash flow from investing activities	-676	-947	-2,231	-8,428	-9,416
Financing activities					
Change in interest-bearing liabilities	-353	-45	2,259	628	-1,637
Rights issue	-	-	-	3,419	3,419
Dividend	-	-	-1,864	-890	-890
Cash flow from financing activities	-353	-45	395	3,157	892
Total cash flow for the period	53	907	-762	-134	-1,695
Cash and cash equivalents at start of period	1,286	2,776	2,046	3,558	3,558
Translation differences in cash and cash equivalents	24	239	79	498	183
Cash and cash equivalents at the end of the period	1,363	3,922	1,363	3,922	2,046

*Reconciliation of non-cash items

SEKm	Quarter		Jan-Sep		Full year
	Q3 -23	Q3 -22	2023	2022	2022
Depreciation, amortization and impairment of assets	697	660	2,059	1,793	2,480
Financial items	6	-227	106	-468	114
Disposal of non-current assets	-21	-17	-17	-	22
Pensions and other provisions	-247	-18	-271	-15	-100
Unrealized result from emission rights	-129	-94	-432	-321	-69
Share of profit/loss in associates/impairment of investments	42	-6	28	-17	19
Share based payments	-1	8	17	18	22
Total non-cash items	347	306	1,490	990	2,488

** Business combination refers to the acquisition of Verso Corporation, in 2022.



Notes

Note 1: Accounting policies

The interim report for the Group is prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The accounting policies applied in this interim report are the same as those used in the most recent

annual report for 2022, see pages 76-82 and page 162-163 for definitions of key figures. The interim report for the parent company is prepared in accordance with the Swedish Annual Accounts Act.

Note 2: Financial assets and liabilities

	Fair value hedging instruments	Fair value through other comprehensive income	Amortised costs	Total carrying amount	Fair value
<i>Valuation classification</i>	<i>Level 2</i>	<i>Level 3</i>			
Group 30 September 2023					
Other shares and participations		13		13	13
Long-term receivables *	7		140	147	147
Accounts receivable			4,577	4,577	4,577
Other receivables *	79		581	660	660
Cash and cash equivalents			1,363	1,363	1,363
Total	86	13	6,661	6,760	6,760
Non-current interest-bearing liabilities			4,384	4,384	4,398
Current interest-bearing liabilities			3,376	3,376	3,376
Accounts payables			5,030	5,030	5,030
Other liabilities	148		375	523	523
Total	148	-	13,165	13,313	13,327

	Fair value hedging instruments	Fair value through other comprehensive income	Amortised costs	Total carrying amount	Fair value
<i>Valuation classification</i>	<i>Level 2</i>	<i>Level 3</i>			
Group 31 December 2022					
Other shares and participations		54		54	54
Long-term receivables *	464		77	541	541
Accounts receivable			5,006	5,006	5,006
Other receivables *	1,193		743	1,936	1,936
Cash and cash equivalents			2,046	2,046	2,046
Total	1,657	54	7,872	9,583	9,583
Non-current interest-bearing liabilities			3,029	3,029	3,029
Current interest-bearing liabilities			2,403	2,403	2,409
Accounts payables			6,702	6,702	6,702
Other liabilities	259		435	694	694
Total	259	-	12,569	12,828	12,834

*Fair value hedging instruments related to electricity represent a value of SEK 2 million (SEK 456 million on Dec 31 2022) classified as Long term receivables and SEK 6 million (SEK 1,126 million on Dec 31 2022) classified as Other receivables. SEK 29 million (SEK 0 million on Dec 31 2022) are classified as long-term liability.

Note 3: Divestment of subsidiaries

On 31 August 2023, Billerud divested Managed Packaging to Mimir Group. The divestment resulted in a total capital gain of SEK 23 million. The total capital gain includes a positive effect of accumulated exchange rate differences of SEK 9 million.

SEKm Group	August 31, 2023
Divested assets and liabilities	
Other non-current assets	17
Current assets	158
Total Assets	175
Non-current liabilities	1
Current liabilities	126
Total liabilities	127
Selling price	
Consideration	83
Selling costs	-21
Deferred selling price	-80
Cash in the divested business	-62
Effect on cash and cash equivalents	-80
Capital result	
Consideration, less selling costs	62
Assets sold	-175
Liabilities sold	127
Capital result	14
Translation differences from foreign operation classified to profit or loss	9
Total capital result	23

Note 4: Other disclosures

Other disclosures in accordance with IAS 34.16A can be found on the pages prior to the income statement and the statement of comprehensive income. Information regarding

regions can be found on pages 4-6, information regarding financing on page 7 and seasonal effects on page 19. No significant events have occurred after the end of the quarter.

Key figures

Key figures	Jan-Sep	Full year	
	2023	2022	2022
Margins			
EBITDA margin, %	9	20	19
Adjusted EBITDA margin, %	9	20	19
Operating margin, %	2	14	13
Adjusted operating margin, %	2	14	13
Return (rolling 12 months)			
Return on capital employed, % (ROCE)	6	16	18
Adjusted Return on capital employed, % (adj ROCE)	6	17	18
Return on equity, %	6	17	18
Capital structure at end of period			
Capital employed, SEKm	34,686	34,939	33,834
Working capital, SEKm	5,097	6,035	5,140
Equity attributable to owners of the parent company, SEKm	27,750	29,843	29,254
Interest-bearing net debt, SEKm	6,937	5,096	4,581
Net debt/equity ratio	0.25	0.17	0.16
Interest-bearing net debt / EBITDA over 12 months	1.4	0.7	0.6
Interest-bearing net debt / Adjusted EBITDA over 12 months	1.4	0.7	0.6
Key figures per share			
Earnings per share, SEK	3.28	16.50	20.13
Adjusted earnings per share, SEK	3.48	16.50	20.36
Dividend (for the financial year) per share, SEK	-	-	7.50
Other key figures			
Working capital as percentage of net sales, %	13	11	11
Investments in tangible and intangible assets, SEKm	2,204	2,340	3,330
Average number of employees	6,131	5,307	5,525



Reconciliation of alternative performance measures

Items affecting comparability*, SEKm	Quarter			Jan-Sep		Full year
	Q3 -23	Q2 -23	Q3 -22	2023	2022	2022
Impairment of shares in associated company (Profit/loss from participations and impairment in associated companies)	52	-	-	52	-	-
Total capital result from divestment of Managed Packaging (Other operating income)	-23	-	-	-23	-	-
Restructuring cost (Employee benefits expense)	26	-	-	26	-	-
Revaluation of biological assets in associated companies (Profit from participations in associated companies)	-	-	-	-	-	52
Items affecting comparability	55	-	-	55	-	52
EBITDA, SEKm and EBITDA margin, %						
Operating profit	415	-496	1,536	725	4,334	5,687
Depreciation, amortizations and impairment of non-current assets	697	684	660	2,059	1,793	2,480
EBITDA, SEKm	1,112	188	2,196	2,784	6,127	8,167
Net sales	10,210	9,953	11,814	31,658	30,619	42,590
EBITDA margin, %	11	2	19	9	20	19
Adjusted EBITDA, SEKm and adjusted EBITDA margin, %						
EBITDA	1,112	188	2,196	2,784	6,127	8,167
Items affecting comparability*	55	-	-	55	-	52
Adjusted EBITDA, SEKm	1,167	188	2,196	2,839	6,127	8,219
Net sales	10,210	9,953	11,814	31,658	30,619	42,590
Adjusted EBITDA margin, %	11	2	19	9	20	19
Operating margin, %						
Operating profit	415	-496	1,536	725	4,334	5,687
Net sales	10,210	9,953	11,814	31,658	30,619	42,590
Operating margin, %	4	-5	13	2	14	13
Adjusted operating profit, SEKm and adjusted operating margin, %						
Operating profit	415	-496	1,536	725	4,334	5,687
Items affecting comparability*	55	-	-	55	-	52
Adjusted operating profit, SEKm	470	-496	1,536	780	4,334	5,739
Net sales	10,210	9,953	11,814	31,658	30,619	42,590
Adjusted operating margin, %	5	-5	13	2	14	13
Return on capital employed, %						
Operating profit over 12 months***	2,077	3,198	4,752	2,077	4,752	5,687
Average capital employed over 12 months**	34,700	34,848	29,830	34,700	29,830	31,722
Return on capital employed, %	6	9	16	6	16	18
Adjusted return on capital employed, %						
Adjusted operating profit over 12 months***	2,184	3,250	4,929	2,184	4,929	5,739
Average capital employed over 12 months**	34,700	34,848	29,830	34,700	29,830	31,722
Adjusted return on capital employed, %	6	9	17	6	17	18
Return on equity, %						
Net profit attributed to owners of the parent company over 12 months***	1,755	2,445	3,970	1,755	3,970	4,590
Average shareholders' equity attributed to owners of the parent company**	28,633	28,486	23,612	28,633	23,612	25,520
Return on equity, %	6	9	17	6	17	18
Net debt/equity ratio						
Interest-bearing net debt	6,937	7,965	5,096	6,937	5,096	4,581
Total equity	27,750	27,190	29,843	27,750	29,843	29,254
Net debt/equity ratio	0.25	0.29	0.17	0.25	0.17	0.16

Reconciliation of alternative performance measures (cont.)

	Quarter			Jan-Sep		Full year
	Q3 -23	Q2 -23	Q3 -22	2023	2022	2022
Interest-bearing net debt / EBITDA, multiple						
Interest-bearing net debt	6,937	7,965	5,096	6,937	5,096	4,581
EBITDA over 12 months***	4,824	5,908	7,024	4,824	7,024	8,167
Interest-bearing net debt / EBITDA, multiple	1.4	1.3	0.7	1.4	0.7	0.6
Interest-bearing net debt / Adjusted EBITDA, multiple						
Interest-bearing net debt	6,937	7,965	5,096	6,937	5,096	4,581
Adjusted EBITDA over 12 months***	4,931	5,960	7,201	4,931	7,201	8,219
Interest-bearing net debt / Adjusted EBITDA, multiple	1.4	1.3	0.7	1.4	0.7	0.6
Adjusted earnings per share, SEK						
Profit attributed to owners of the parent company, SEKm	656	-481	1,347	814	3,650	4,590
Items affecting comparability, attributed to owners of the parent company, SEKm *	50	-	-	50	-	52
Adj profit attributed to owners of the parent company, SEKm	706	-481	1,347	864	3,650	4,642
Weighted number of outstanding shares, thousands	248,552	248,494	248,350	248,466	221,161	228,014
Adjusted earnings per share, SEK	2.84	-1.94	5.42	3.48	16.50	20.36
Working capital as percentage of net sales, %						
Average working capital for the period	5,316	5,739	5,563	5,429	4,425	4,568
Annualized net sales	40,840	39,810	47,258	42,210	40,826	42,590
Working capital as percentage of net sales, %	13	14	12	13	11	11

* Revenue = -, Cost = +

** Average for the five latest quarters.

***12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date.

	30 Sep 2023	30 Sep 2022	31 Dec 2022
Capital employed, SEKm			
Total assets	48,933	55,465	51,415
Accounts payables	-5,030	-6,049	-6,702
Other liabilities and provisions	-3,599	-5,759	-4,378
Deferred tax liabilities	-4,252	-4,795	-4,452
Non-current receivables (interest-bearing)	-3	-2	-3
Cash and Cash equivalents	-1,363	-3,921	-2,046
Capital employed	34,686	34,939	33,834

	30 Sep 2023	30 Sep 2022	31 Dec 2022
Working capital, SEKm			
Inventories	6,568	6,449	7,305
Accounts receivables	4,577	5,251	5,006
Other current receivables	2,005	4,453	2,934
Accounts payables	-5,030	-6,049	-6,702
Other current liabilities and provisions	-3,066	-5,170	-3,885
Reduction of current provisions	105	152	99
Reduction of tax liabilities/receivables	-62	949	383
Working capital	5,097	6,035	5,140

	30 Sep 2023	30 Sep 2022	31 Dec 2022
Interest-bearing net debt, SEKm			
Provisions for pensions	543	1,388	1,196
Interest bearing non-current liabilities	4,207	2,788	2,796
Non-current lease liabilities	177	258	234
Interest bearing current liabilities	3,232	4,397	2,227
Current lease liabilities	144	188	177
Non-current receivables (interest-bearing)	-3	-2	-3
Cash and Cash equivalents	-1,363	-3,921	-2,046
Interest-bearing net debt	6,937	5,096	4,581



Seasonal effects

Billerud's business is subject to seasonal fluctuations to a relatively limited extent. Periodical maintenance shutdowns have the largest impact, as they involve each unit stopping production for around one week. The loss of production results in somewhat lower deliveries over an extended period before, during and after the shutdown. It should also be noted that the Group usually has a somewhat higher cost level in the fourth quarter than in previous quarters.

Planned maintenance shutdowns

In addition to ongoing maintenance during production, Billerud's production units normally also require more extensive maintenance at some time during the year. Maintenance requires the production of pulp, paper and board to stop. The main financial impact from a maintenance shutdown comprises of volume losses arising from the

shutdown and increase in fixed costs, mainly maintenance and overtime costs, as well as a certain portion of variable costs including higher consumption of electricity and wood when production is restarted. The effects of shutdowns on earnings vary depending on the profitability level for the products subject to volume losses, extent of the measures carried out, their nature and the actual length of the shutdown. The estimated earnings impact of a maintenance shutdown is an indicative impact of a normal shutdown performed in average market conditions compared with a quarter during which no periodic maintenance shutdown takes place.

Planned maintenance shutdowns were carried out in Gävle, Karlsborg and Escanaba during the third quarter and the total result impact was around SEK 376 million.

Estimated average earnings impact from planned maintenance shutdowns

Production units	Estimated average earnings impact SEKm	Estimated breakdown of earnings impact		Planned dates of maintenance shutdown		
		Region Europe	Region North America	2023	2022	2021
Gävle	~ 165	100%	0%	Q3	Q3	Q3
Gruvön	~ 200	100%	0%	Q2	Q1-Q2	Q2
Frövi	~ 115	100%	0%	Q4	Q4	Q4
Skärblacka	~ 130	100%	0%	Q2	Q2	Q4
Karlsborg	~ 90	100%	0%	Q3	Q3	Q3
Pietarsaari	~ 15	100%	0%	-	Q2	-
Rockhammar	~ 15	100%	0%	Q4	Q4	Q3
Escanaba	~ 180	0%	100%	Q3-Q4	Q3	-
Quinnesec	~ 400	0%	100%	-	Q3	-

Key Figures – Definitions and purpose

Adjusted key figures	Adjusted key figures on EBITDA, Operating profit, Return on capital employed and Earnings per share provide a better understanding of the underlying business performance and enhance comparability from period to period, when the effect of items affecting comparability are adjusted for. Items affecting comparability can include additional project costs for major projects, major restructuring/write downs /revaluations, litigations, specific impact due to strategic decisions, and significant earnings effects from acquisition and disposals.
EBITDA	Operating profit before depreciation, amortization and impairment. EBITDA is a central measure of operating performance, to assess the performance over time.
EBITDA margin, %	EBITDA as a percentage of net sales. The measure is used in review as well as for benchmarking with peer companies.
Adjusted EBITDA	Operating profit before depreciation, amortization and impairment adjusted for items affecting comparability. Adjusted EBITDA is relevant for assessing performance excluding items affecting comparability.
Adjusted EBITDA margin, %	Adjusted EBITDA as a percentage of net sales. The measure is used for assessing profitability excluding items affecting comparability.
Operating margin, %	Operating profit as a percentage of net sales. Operating margin shows the percentage of revenue remaining as operating profit after deducting operating expenses. The measure is used for performance monitoring as well as for benchmarking with peer companies.
Adjusted operating profit	Operating profit adjusted for items affecting comparability. The measure is used for assessing performance excluding items affecting comparability.
Adjusted operating margin, %	Adjusted operating profit as a percentage of net sales. The measure is used for assessing performance excluding items affecting comparability.
Return on capital employed (ROCE)	Operating profit calculated over 12 months as a percentage of average capital employed calculated per quarter for the last 5 quarters. 12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date. The return on capital employed is a measure that shows how effectively total net operating assets are used in order to generate return in the operating business. The measure takes capital invested in the operating activities into account and is used for business performance monitoring and benchmarking with peer companies.
Adjusted Return on capital employed (ROCE)	Adjusted operating profit calculated over 12 months as a percentage of average capital employed calculated per quarter for the last 5 quarters. 12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date. The measure is used for assessing the return on net operating assets excluding items affecting comparability.
Return on equity, %	Profit calculated over 12 months, attributable to owners of the parent company, as a percentage of average shareholders' equity calculated per quarter, attributable to owners of the parent company. 12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date. The measure represents total profitability compared to the equity invested by the parent company's shareholders.
Capital employed	Total assets less accounts payables, other liabilities and provisions, deferred tax liabilities, non-current receivables (interest-bearing) and cash and cash equivalents. Capital employed is used to quantify the net total assets used in the operating business, and is used as a component in measuring operating profitability.
Working capital	Inventories, accounts receivables and other current receivables less accounts payables and other current liabilities. The measure shows the amount of current net assets that is tied up in the business. Together with non-current assets, working capital constitutes the operating capital employed to generate operating returns.
Interest-bearing net debt	The sum of provisions for pensions, interest-bearing liabilities and leasing liabilities less non-current receivables from associates (interest-bearing) and cash and cash equivalents. The measure is used to quantify the debt financing, taken the amount of financial assets into account. The measure is used as a component in measuring financial risk.
Net debt/equity ratio	Interest-bearing net debt divided by equity. The ratio shows the mix between interest-bearing net debt and equity financing. A higher ratio means higher financial leverage and may have positive effects on return on equity but imply a higher financial risk.
Interest-bearing net debt/EBITDA	Interest bearing net debt at the end of the period divided by EBITDA for the last 12 months. 12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date. The measure shows the size of the interest-bearing net debt compared to the repayment capacity. A higher (lower) ratio indicates a higher (lower) risk.

Interest-bearing net debt/adjusted EBITDA	Interest bearing net debt at the end of the period divided by adjusted EBITDA for the last 12 months. 12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date. The measure is used for assessing the repayment capacity excluding items affecting comparability.
Earnings per share	Profit attributable to owners of the parent, divided by the average number of outstanding ordinary shares in the market.
Adjusted earnings per share	Profit attributable to owners of the parent adjusted for items affecting comparability after tax, divided by the average number of outstanding ordinary shares in the market. The measure is used for assessing earnings per share excluding items affecting comparability.
Working capital as percentage of net sales	Average working capital is calculated by using the average of all quarterly periods during the interim period from the beginning of the financial year, divided by annualized net sales. Annual net sales are calculated by dividing the net sales for the most recent interim period from the beginning of the financial year by the number of months in this interim period and multiplying by twelve. Working capital in relation to net sales shows how effectively the working capital is used. A lower percentage means less capital is tied up to generate a given amount of revenue, and an increased ability to internally finance growth and return to shareholders.
Operating cash flow after investments in tangible and intangible assets	Cash flow from the operating activities, including investments in tangible and intangible assets. The measure shows cash flow generated in the operating business, which provides the amount of cash flows available to repay debt, acquire and invest in other businesses and pay dividends to the shareholders.

Parent company

Condensed income statement

SEKm	Quarter		Jan-Sep		Full year
	Q3 -23	Q3 -22	2023	2022	2022
Operating income*	-2	95	107	331	302
Operating expenses	-210	-249	-652	-580	-648
Operating profit/loss	-212	-154	-545	-249	-346
Financial income and expenses	-45	270	-63	513	433
Profit/Loss after financial income and expenses	-257	116	-608	264	87
Appropriations	-	-	-	-	3,468
Profit/loss before tax	-257	116	-608	264	3,555
Taxes	51	-20	151	-48	-733
Net profit/loss for the period	-206	96	-457	216	2,822

* Including currency hedging etc.

Condensed balance sheet

SEKm	30 Sep 2023	30 Sep 2022	31 Dec 2022
Non-current assets	16,147	18,505	16,058
Current assets	17,226	12,261	16,887
Total assets	33,373	30,766	32,945
Shareholders' equity	10,395	10,090	12,699
Untaxed reserves	2,070	1,341	2,070
Provisions	305	272	269
Liabilities	20,603	19,063	17,907
Total equity and liabilities	33,373	30,766	32,945



Quarterly data

Billerud's packaging material business is governed in two operating segments based on the region in which the products are manufactured: Region Europe and Region North America.

Solutions and Other includes Procurement & Wood Supply, Scandfibre Logistics AB, Managed Packaging, Consolidated Waterpower company, rental operations, dormant companies, idle assets, income from the sale of businesses, items affecting comparability and costs due to increased

investments in the production structure. Other also includes Group-wide functions, Group eliminations (including IFRS 16) and profit/loss from participation in associated companies. Currency hedging etc. includes results from hedging of the Group's net currency flows and revaluation of accounts receivables and payments from customers. The part of the currency exposure that relates to changes in exchange rates for invoicing is included in the regions' profit/loss.

Quarterly net sales per region and for the Group

SEKm	2023			2022			2021	2023	2022	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Jan-Sep	Jan-Sep
Region Europe	6,765	6,495	7,466	7,270	7,332	6,766	6,594	5,900	20,726	20,692
Region North America	2,839	2,655	3,311	4,004	3,717	3,738	-	-	8,805	7,455
Solutions & Other	738	827	797	844	755	852	815	757	2,362	2,422
Currency hedging, etc.	-132	-24	-79	-147	10	52	-12	31	-235	50
Total Group	10,210	9,953	11,495	11,971	11,814	11,408	7,397	6,688	31,658	30,619

Quarterly EBITDA per region and for the Group

SEKm	2023			2022			2021	2023	2022	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Jan-Sep	Jan-Sep
Region Europe	902	116	1,035	1,056	1,766	1,599	1,749	1,155	2,053	5,114
Region North America	467	205	640	1,135	522	760	-	-	1,312	1,282
Solutions & Other	-125	-108	-113	14	-102	-144	-73	-288	-346	-319
Currency hedging, etc.	-132	-25	-78	-165	10	52	-12	31	-235	50
Total Group	1,112	188	1,484	2,040	2,196	2,267	1,664	898	2,784	6,127

Quarterly EBITDA margin per region and for the Group

%	2023			2022			2021	2023	2022	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Jan-Sep	Jan-Sep
Region Europe	13	2	14	15	24	24	27	20	10	25
Region North America	16	8	19	28	14	20	-	-	15	17
Group	11	2	13	17	19	20	22	13	9	20

Adjusted quarterly EBITDA, excluding planned maintenance shutdowns, per region and for the Group

SEKm	2023			2022			2021	2023	2022	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Jan-Sep	Jan-Sep
Region Europe	1,195	519	1,035	1,225	2,097	1,944	1,829	1,439	2,749	5,870
Region North America	550	205	640	1,135	1,084	760	-	-	1,395	1,844
Solutions & Other	-70	-108	-113	66	-102	-144	-73	-111	-291	-319
Currency hedging, etc.	-132	-25	-78	-165	10	52	-12	31	-235	50
Total Group	1,543	591	1,484	2,261	3,089	2,612	1,744	1,359	3,618	7,445
Maintenance shutdowns	-376	-403	-	-169	-893	-345	-80	-284	-779	-1,318
Items affecting comparability	-55	-	-	-52	-	-	-	-177	-55	-
EBITDA	1,112	188	1,484	2,040	2,196	2,267	1,664	898	2,784	6,127



Adjusted quarterly EBITDA margin, excluding planned maintenance shutdowns, per region and for the Group

%	2023			2022			2021	2023	2022	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Jan-Sep	Jan-Sep
Region Europe	18	8	14	17	29	29	28	24	13	28
Region North America	19	8	19	28	29	20	-	-	16	25
Total Group	15	6	13	19	26	23	24	20	11	24

Quarterly operating profit/loss, per region and for the group

SEKm	2023			2022			2021	2023	2022	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Jan-Sep	Jan-Sep
Region Europe	452	-332	589	611	1,325	1,158	1,308	710	709	3,791
Region North America	262	6	443	935	342	584	-	-	711	926
Solutions & Other	-167	-146	-147	-28	-141	-185	-107	-323	-460	-433
Currency hedging, etc.	-132	-24	-79	-165	10	52	-12	31	-235	50
Total Group	415	-496	806	1,353	1,536	1,609	1,189	418	725	4,334

Quarterly operating margin per region and for the group

%	2023			2022			2021	2023	2022	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Jan-Sep	Jan-Sep
Region Europe	7	-5	8	8	18	17	20	12	3	18
Region North America	9	0	13	23	9	16	-	-	8	12
Total Group	4	-5	7	11	13	14	16	6	2	14

Quarterly sales volumes per region

ktonnes	2023			2022			2021	2023	2022	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Jan-Sep	Jan-Sep
Region Europe	683	638	708	667	688	688	714	687	2,029	2,090
Region North America	207	193	235	273	257	307	-	-	635	564
Total Group	890	831	943	940	945	995	714	687	2,664	2,654

Financial calendar

Q4 2023 report – 25 January 2024

Q1 2024 report – 25 April 2024

Q2 2024 report – 19 July 2024

Q3 2024 report – 24 October 2024

Presentation

Billerud's interim report for January-September 2023 will be presented on Wednesday 25 October at 8:30 CEST in a webcasted telephone conference that can be followed on:

<https://edge.media-server.com/mmc/p/6to3a865>

To participate via telephone, and thereby be able to ask questions, please register here to receive dial-in details: <https://register.vevent.com/register/BI2bf8473f68bc4395b2bd2260bc3aff9d>

For further information:

Andrei Krés, Acting CFO, +46 8 553 335 72

Lena Schattauer, Director Investor Relations, +46 8 553 335 10

ir@billerud.com

The English version is a translation of the Swedish original.

This information constituted inside information prior to publication. This is information that Billerud AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 07.00 CEST on 25 October 2023.



BILLERUD

Billerud Aktiebolag (publ) • Postal address: Box 703, SE-169 27 Solna, Sweden •
Visitors' address: Evenemangsgatan 17

Company reg. no. 556025-5001 • Tel +46 8 553 335 00

www.billerud.com