# Half-year report

## January–June 2024

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**President and CEO Hans Sohlström:**

## "I am encouraged by the fact that our Q2 performance met our expectations, reinforcing our recently upgraded 2024 guidance. "

**Profit improvement and strengthened leverage ratio**

Fixed costs savings, targeting EUR 120 million, effective 2025, progresses well.

Strengthened net debt to adjusted EBITDA to 3.5x. Operating working capital released: EUR 576 million year-on-year.

**Enhanced competitiveness**

Value creation programmes, supported by numerous initiatives and centred on sourcing, operational, and commercial efficiencies, are advancing across all divisions through a structured analytical approach.

**Achieving 8th EcoVadis Platinum in ESG**

Stora Enso was awarded the highest rating by EcoVadis for the eighth consecutive year, demonstrating ongoing improvements in environment, labour/human rights, ethics, and sustainable procurement.

**Cover photo:** Interior from Stora Enso's new Head Office in Helsinki
**Photographer:** ©Unikuva /Stora Enso/Puurakentajat Group Oy

# Continued profit improvement with strengthened leverage ratio

## Quarterly financial highlights

- Sales decreased by 3% to EUR 2,301 (2,374) million; however, continuing operations grew by 1%.
- Adjusted EBIT increased to EUR 161 (37) million.
- Adjusted EBIT margin increased to 7.0% (1.6%).
- Operating result (IFRS) was EUR 99 (-253) million.
- Earnings per share (EPS) were EUR 0.06 (-0.29) and EPS excl. fair valuations (FV) was EUR 0.07 (-0.27).
- The value of the forest assets increased to EUR 8.7 (8.1) billion, equivalent to EUR 11.06 per share.
- Cash flow from operations amounted to EUR 323 (146) million. Cash flow after investing activities was EUR 86 (-70) million.
- Net debt increased by EUR 466 million to EUR 3,497 (3,030) million, mainly due to the board investment at the Oulu site.
- The net debt to adjusted EBITDA (LTM[1]) ratio was 3.5 (1.7). The target to keep the ratio below 2.0 remains.

## January–June result

- Sales were EUR 4,466 (5,095) million.
- Adjusted EBIT was EUR 317 (271) million.
- Operating result (IFRS) was EUR 247 (5) million.
- Earnings per share (EPS) were EUR 0.16 (-0.05) and EPS excl. fair valuations (FV) was EUR 0.16 (-0.04).
- Cash flow from operations amounted to EUR 592 (400) million. Cash flow after investing activities was EUR -18 (-69) million.
- Adjusted ROCE excluding the Forest division (LTM[1]) decreased to 1.3% (10.7%), the target being above 13%.

## Key highlights

- The value creation programmes, centred on sourcing, operational and commercial efficiencies, are making good progress across all divisions.
- In addition, the profit improvement programme focusing on fixed costs, initiated in the first quarter 2024, targeting EUR 120 million has continued to progress well. This has supported an improvement in the earnings trend due to enhanced efficiencies and cash flow, and strengthened the leverage ratio: net debt to EBITDA.
- Operating working capital decreased by EUR 576 million year-on-year to an all-time low, driven by our continued focus to improve working capital efficiency.
- Stora Enso secured a EUR 435 million long-term loan, on 11 July, from the European Investment Bank to fund its EUR 1 billion investment in the Oulu mill, Finland. Loan repayment extends until 2036, improving and lengthening the Group's debt maturity profile. The loan is currently undrawn.
- The consumer board investment at the Oulu site in Finland is progressing on schedule. Production is expected to start in the first half of 2025, with full capacity estimated to be reached during 2027.
- The plan to divest the Beihai site in China is in process. The site has been classified as assets held for sale from the end of 2023.

## Guidance

On 15 May, Stora Enso raised its guidance for the full year 2024 adjusted EBIT, due to successful implementation of profit improvement actions and more favourable market conditions. The new guidance is:

Stora Enso's full year 2024 adjusted EBIT is expected to be significantly higher than for the full year 2023, EUR 342 million.

| Sales | Adjusted EBIT margin | Adjusted ROCE excl. the Forest division (LTM) |
|---|---|---|
| EUR 2,301 million | 7.0% | 1.3% |
| (Q2/2023: 2,374) | (Q2/2023: 1.6%) | (Q2/2023: 10.7%) |
| **Net debt to adjusted EBITDA (LTM)** | **EPS (basic)** | **Cash flow from operations** |
| 3.5 | EUR 0.06 | EUR 323 million |
| (Q2/2023: 1.7) | (Q2/2023: -0.29) | (Q2/2023: 146) |

LTM = Last 12 months

# Outlook

## Market and business outlook

Stora Enso anticipates a gradual market recovery in 2024. The positive forecast is supported by successful initiatives to increase profitability, which have contributed to the earnings trend over the past three quarters and helped reduce the Group's net debt to EBITDA ratio. Despite this, high wood costs will continue to pressure margins. Market uncertainties, including high inflation, potential strikes, and demand and price fluctuations, are expected to continue through the end of the year.

## Packaging Materials

The outlook for Q3 is slightly positive, supported by strong order books and an improving price outlook. Price increases announced during Q2 in both the consumer and containerboard segments are expected to contribute positively to the results, mainly in the second half of this year. The liquid and food service board segments show improved stability and demand, while carton board demand remains stable following a strong recovery. Kraftliner and testliner segments are recovering, supported by stable demand and three rounds of price increases announced during H1 this year. However, high fiber costs and seasonally higher fixed costs due to annual shutdowns in virgin fiber containerboard units will impact the second half of the year. Paper demand is expected to continue its steady, gradual decline.

## Packaging Solutions

Demand for Q3 is expected to remain stable with seasonal fluctuations. In Western Europe, volumes are anticipated to normalise post weather-related delays in the fresh-produce season. Asia usually experiences a downturn in Q3, with improvements expected in Q4. Central, Northern, and Eastern Europe should see consistent demand. Market challenges continue due to overcapacity.

## Biomaterials

Looking ahead in Q3, overall pulp demand in Europe and China is projected to remain stable. The European softwood pulp market remains balanced, with no signs of demand improvement. In China, demand is stable. Demand for fluff pulp in hygiene and tissue products continues to be stable, supported by global inventories which are at or below the 5-year average.

## Wood Products

Q2 experienced a seasonal surge in volumes of classic sawn products. However, sales and volumes are projected to decrease sequentially in Q3 due to the holiday season. Building permits are anticipated to fall below 2023 levels and are expected to slightly decline in Western Europe in the foreseeable future. Meanwhile, wood costs are forecast to remain elevated.

## Forest

In Q3, wood market activity is expected to remain strong in Finland, Sweden, and the Baltics, with tight conditions driven by increasing demand for industrial wood (pulpwood and sawlogs).

## Long-term growth opportunities

Stora Enso holds leading positions in markets and segments poised for long-term growth, particularly in sustainable packaging, wood construction, and innovative biomaterials. The Group stands to benefit from sustainability trends and regulatory advancements which favour its offerings, thereby supporting its market presence and facilitating development.

**Market demand development by division quarter-on-quarter, Q2/2024 to Q3/2024**

| | |
|---|---|
| **Packaging Materials** | • Demand for consumer board in Europe is expected to be stable and slightly stronger in China.<br>• European demand for containerboard is expected to be stable.<br>• European demand for paper is expected to be stable at a low level. |
| **Packaging Solutions** | • European demand for corrugated packaging is expected to be stable. |
| **Biomaterials** | • Demand for softwood and hardwood pulp in both Europe and China is expected to be stable.<br>• Demand for fluff pulp is expected to be stable. |
| **Wood Products** | • Demand for sawn wood is expected to be weaker due to holiday season.<br>• Weak demand for building solutions in the construction segment is expected to persist. |
| **Forest** | • Demand for industrial wood is expected to increase across all markets due to seasonality, leading to continued tight market conditions in Finland, Sweden, and the Baltics.<br>• Demand for pulpwood for energy use is expected to be stable. |

## Key figures

| EUR million | Q2/24 | Q2/23 | Change % Q2/24–Q2/23 | Q1/24 | Change % Q2/24–Q1/24 | Q1–Q2/24 | Q1–Q2/23 | Change % Q1–Q2/24–Q1–Q2/23 | 2023 |
|---|---|---|---|---|---|---|---|---|---|
| Sales | 2,301 | 2,374 | -3.0% | 2,164 | 6.3% | 4,466 | 5,095 | -12.4% | 9,396 |
| Adjusted EBITDA | 312 | 198 | 57.4% | 298 | 4.9% | 610 | 597 | 2.2% | 989 |
| Adjusted EBITDA margin | 13.6% | 8.4% | | 13.8% | | 13.7% | 11.7% | | 10.5% |
| Adjusted EBIT | 161 | 37 | n/m | 156 | 2.8% | 317 | 271 | 17.2% | 342 |
| Adjusted EBIT margin | 7.0% | 1.6% | | 7.2% | | 7.1% | 5.3% | | 3.6% |
| Operating result (IFRS) | 99 | -253 | 139.2% | 148 | -33.2% | 247 | 5 | n/m | -322 |
| Result before tax (IFRS) | 50 | -304 | 116.5% | 101 | -50.4% | 152 | -76 | 299.3% | -495 |
| Net result for the period (IFRS) | 42 | -257 | 116.4% | 84 | -49.9% | 126 | -72 | 276.2% | -431 |
| Cash flow from operations | 323 | 146 | 121.0% | 269 | 20.1% | 592 | 400 | 47.9% | 954 |
| Cash flow after investing activities | 86 | -70 | 223.5% | -104 | 182.3% | -18 | -69 | 73.2% | -40 |
| Capital expenditure | 285 | 232 | 22.7% | 226 | 26.0% | 511 | 462 | 10.8% | 1,125 |
| Capital expenditure excluding investments in biological assets | 263 | 213 | 23.6% | 210 | 25.0% | 474 | 427 | 11.0% | 1,054 |
| Depreciation and impairment charges excl. IAC | 118 | 135 | -12.1% | 118 | 0.5% | 236 | 271 | -12.8% | 534 |
| Net debt | 3,497 | 3,030 | 15.4% | 3,518 | -0.6% | 3,497 | 3,030 | 15.4% | 3,167 |
| Forest assets[1] | 8,725 | 8,065 | 8.2% | 8,626 | 1.1% | 8,725 | 8,065 | 8.2% | 8,731 |
| Adjusted return on capital employed (ROCE), LTM[2] | 2.8% | 8.1% | | 1.9% | | 2.8% | 8.1% | | 2.4% |
| Adjusted ROCE excl. Forest division, LTM[2] | 1.3% | 10.7% | | 0.0% | | 1.3% | 10.7% | | 1.0% |
| Earnings per share (EPS) excl. FV, EUR | 0.07 | -0.27 | 125.3% | 0.09 | -23.5% | 0.16 | -0.04 | n/m | -0.73 |
| EPS (basic), EUR | 0.06 | -0.29 | 119.4% | 0.11 | -48.2% | 0.16 | -0.05 | n/m | -0.45 |
| Return on equity (ROE), LTM[2] | -2.1% | 7.5% | | -4.8% | | -2.1% | 7.5% | | -3.8% |
| Net debt/equity ratio | 0.33 | 0.27 | | 0.33 | | 0.33 | 0.27 | | 0.29 |
| Net debt to LTM[2] adjusted EBITDA ratio | 3.5 | 1.7 | | 4.0 | | 3.5 | 1.7 | | 3.2 |
| Equity per share, EUR | 13.61 | 14.03 | -3.0% | 13.66 | -0.3% | 13.61 | 14.03 | -3.0% | 13.93 |
| Average number of employees (FTE) | 19,469 | 21,171 | -8.0% | 19,412 | 0.3% | 19,465 | 21,182 | -8.1% | 20,822 |

[1] Total forest assets value, including leased land, assets held for sale and Stora Enso's share of Tornator.
[2] LTM = Last 12 months. The calculation method explained in the section Alternative performance measures.

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

**Adjusted key figures, items affecting comparability and other non-IFRS measures:** Stora Enso's non-IFRS measures, and the calculation and definitions of the key figures are presented in the section Alternative performance measures.

From 1 January 2024 onwards, a slight change in terminology is applied with regards to certain key alternative performance measures. More information in the section Changes in Alternative performance measures.

## Production and external deliveries

| | Q2/24 | Q2/23 | Change % Q2/24–Q2/23 | Q1/24 | Change % Q2/24–Q1/24 | Q1–Q2/24 | Q1–Q2/23 | Change % Q1–Q2/24–Q1–Q2/23 | 2023 |
|---|---|---|---|---|---|---|---|---|---|
| Consumer board deliveries, 1,000 tonnes | 712 | 698 | 2.0% | 679 | 4.8% | 1,391 | 1,406 | -1.0% | 2,691 |
| Consumer board production, 1,000 tonnes | 727 | 653 | 11.3% | 702 | 3.6% | 1,429 | 1,369 | 4.4% | 2,593 |
| Containerboard deliveries, 1,000 tonnes | 332 | 340 | -2.4% | 317 | 4.5% | 649 | 658 | -1.4% | 1,236 |
| Containerboard production, 1,000 tonnes | 400 | 402 | -0.5% | 379 | 5.4% | 779 | 812 | -4.1% | 1,592 |
| Corrugated packaging European deliveries, million $m^2$ | 324 | 299 | 8.3% | 280 | 15.5% | 604 | 584 | 3.3% | 1,167 |
| Corrugated packaging European production, million $m^2$ | 304 | 273 | 11.6% | 283 | 7.5% | 588 | 562 | 4.5% | 1,094 |
| Market pulp deliveries, 1,000 tonnes | 561 | 551 | 1.9% | 386 | 45.5% | 947 | 1,115 | -15.1% | 2,220 |
| Wood products deliveries, 1,000 $m^3$ | 1,079 | 1,033 | 4.4% | 879 | 22.8% | 1,957 | 2,077 | -5.8% | 3,897 |
| Wood deliveries, 1,000 $m^3$ | 3,290 | 3,451 | -4.7% | 3,494 | -5.8% | 6,784 | 7,229 | -6.2% | 13,667 |
| Paper deliveries, 1,000 tonnes | 144 | 148 | -2.8% | 158 | -8.8% | 301 | 414 | -27.3% | 761 |
| Paper production, 1,000 tonnes | 145 | 144 | 0.4% | 151 | -4.4% | 296 | 402 | -26.3% | 752 |

## Total planned maintenance impact

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

| EUR million | Q3/2024[1] | Q2/2024[2] | Q1/2024 | Q4/2023 | Q3/2023 | Q2/2023 |
|---|---|---|---|---|---|---|
| Total maintenance impact | 127 | 134 | 83 | 123 | 110 | 146 |

[1] The estimated numbers may be impacted by unforeseen additional costs and/or volume loss in connection with the planned maintenance stops and the restart of operations.
[2] The estimate for Q2/2024 was EUR 118 million.

# CEO comment

I am encouraged by the fact that our Q2 performance met our expectations, reinforcing our recently upgraded 2024 guidance. Advances in our profitability and cash flow improvement initiatives, coupled with more favourable market conditions in some segments, have supported an improved earnings trend for the third consecutive quarter. Additionally, this has strengthened our leverage ratio in the quarter despite record high growth investments. This positive development is a testament to our team's dedication and sets a strong foundation for future success.

Our year-on-year Group sales dipped slightly, by 3.0%, to 2,301 million euro due to structural changes; however, our continuing operations grew by 1%. Increasing volumes in all divisions and favourable pricing in the Biomaterials and Forest divisions contributed positively. Our adjusted EBIT rose significantly to 161 million euro from 37 million euro a year ago, with the margin improving to 7.0% from 1.6%. The result was driven by higher volumes and reduced fixed and chemical costs, despite challenges such as rising wood costs and political strikes in Finland.

While we managed to improve our net debt to adjusted EBITDA ratio to 3.5 from 4.0 in Q1 this year, it remains above our target of 2.0 and has increased compared to the 1.7 ratio in Q2 last year. This highlights the need for further profitability improvement and working capital reduction actions, which remain our priority. The stable valuation of our forest assets at 8.7 billion euro, or 11 euro per share, continues to provide a solid foundation for our future growth and value creation.

Our value creation programmes, centred on sourcing, operational and commercial efficiencies, are making good progress across all divisions, thanks to an analytical and structured approach. These efforts have had a significant impact on profits and cost competitiveness, with about 1,900 identified improvement initiatives led by approximately 500 project owners. Additionally, our profit improvement programme, which aims for an annual fixed cost saving of 120 million euro, is advancing successfully. Together, these initiatives are contributing to sustained enhancements in profitability and competitiveness. Furthermore, we have reduced operating working capital by 576 million euro year-on-year, reaching an unprecedented low, driven by ongoing efforts to enhance working capital efficiency and release capital.

The plan to divest the Beihai operation in China is proceeding. We are diligently moving forward with the process, and although it is lengthy, achieving the right value for our assets is most crucial. Ultimately, the value of the deal takes precedence over the timing.

Our decentralised operating model is firmly in place and progressing well towards achieving a more focused customer and business oriented structure. I am delighted with the strides we have made, and we are already witnessing the advantages of a more efficient and agile framework. This not only benefits our strategic execution, but also enhances the service we provide to our customers.

In the quarter, we conducted an Employee Engagement pulse survey across three of our five divisions. The results indicate that the level of employee engagement has remained consistently high and has even shown a slight increase in these divisions. This is particularly encouraging given the challenging circumstances in which we have been operating.

We increased our outlook for the adjusted EBIT for the full year 2024 on 15 May, projecting it to be significantly higher than the profits of 342 million euro achieved last year. We remain on track to deliver on that guidance, supported by our value creation and profit improvement actions, as well as improved market conditions in some of our key segments.

We are intensifying our focus on capital allocation and asset strategy in growing market segments, laying the groundwork for improved competitiveness and profitable growth across the Group. Looking ahead, we anticipate further advancements this year. We remain committed to investing in both human and capital resources to provide exceptional service to our customers and create robust shareholder value growth.

Sincerely,
**Hans Sohlström**
President and CEO

# Events and product update

### Value creation programmes

Stora Enso's value creation programmes, centred on variable costs and pricing, as well as sourcing, operational and commercial efficiencies, are making good progress across all divisions. These efforts have had a significant positive impact on profits and cost competitiveness, creating a new way of working that enhances continuous improvements in processes.

### Profit improvement programme proceeding well

Stora Enso's profit improvement programme launched in February 2024, focusing on fixed costs, targeting annualised adjusted EBIT improvement of EUR 120 million has progressed well. The programme may lead to a potential reduction of approximately 1,000 employees. No production site closures are planned as part of this programme. The reductions will reflect division sizes and are in response to the ongoing weak and uncertain market environment. The majority of savings will materialise in 2025.

### Working capital

Stora Enso has reduced operating working capital by 576 million euro year-on-year, reaching an all-time low, driven by ongoing efforts to enhance working capital efficiency and release capital.

### Stora Enso and Altris to develop a sustainable battery

Stora Enso partners with Altris, a Swedish developer of sodium-ion batteries, to further develop and commercialise a sustainable battery value chain in Europe. The companies will drive the adaptation of Stora Enso's hard carbon solution Lignode as an anode material in Altris' battery cells.

## Events after the quarter

### Enhancing competitiveness and efficiency in corrugated packaging

Stora Enso invests EUR 30 million in its Ostrołęka, Poland facility to upgrade and expand corrugated packaging production. This investment enhances operational efficiency and strengthens integration with its containerboard business, responding to rising demand for sustainable packaging solutions.

# Second quarter 2024 results (compared with Q2/2023)

| Sales | Adjusted EBIT margin | Earnings per share |
|---|---|---|
| **MEUR 2,301** (Q2/2023: 2,374) | **7.0%** (Q2/2023: 1.6%) | **EUR 0.06** (Q2/2023: -0.29) |

Group sales decreased by 3%, or EUR 72 million, to EUR 2,301 (2,374) million. Sales declined mainly due to structural changes. Deliveries for the continuing operations were higher than in the corresponding period last year, driven by increased demand.

Higher deliveries in all divisions and increased prices in the Biomaterials and Forest divisions were more than offset by the negative impact of structural changes. These changes related to the closures of the De Hoop board unit in the Netherlands, the Anjala paper machine in Finland, the Sunila pulp production site in Finland and the Näpi sawmill in Estonia.

Group adjusted EBIT increased to EUR 161 (37) million, and the adjusted EBIT margin increased to 7.0% (1.6%). Higher volumes, and lower chemical and fixed costs more than offset the higher wood costs. Higher volumes for continuing operations, mainly in Packaging Materials, despite the impact from the Finnish political strike, increased profitability by EUR 79 million. Lower sales prices decreased adjusted EBIT by EUR 6 million. Variable costs were EUR 8 million higher as increased pulpwood costs more than offset lower costs for other variable cost items. Fixed costs decreased by EUR 53 million, mainly due to cost saving actions. Net foreign exchange rates had a positive EUR 17 million impact on adjusted EBIT. The impact from the structural changes, depreciations, associated companies and other was a negative EUR 12 million on adjusted EBIT.

Fair valuations and non-operational items (FV) had an adverse impact on the operating result of EUR 16 (14) million.

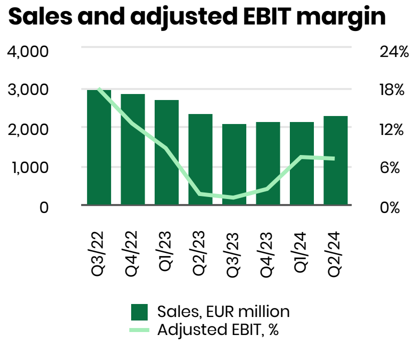
Items affecting comparability (IAC) had an adverse impact of EUR 46 (276) million on the operating result.

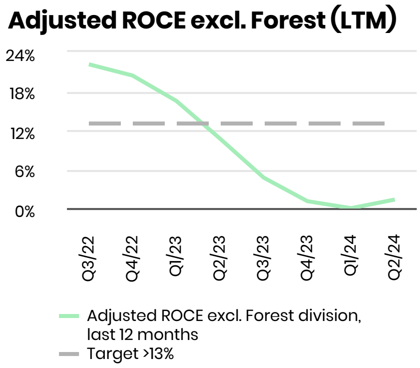
More details of the items affecting comparability and fair valuation items are included in the sections for each division and in the section Items affecting comparability (IAC), fair valuations and non-operational items (FV). Operating result (IFRS) was EUR 99 (-253) million.

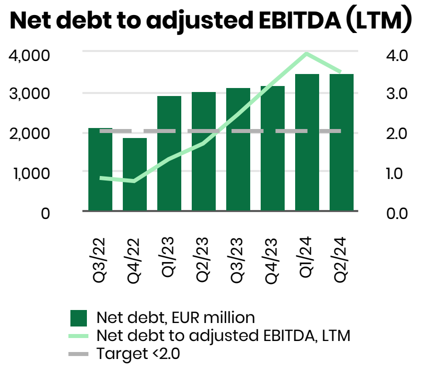
Net financial items of EUR 49 million were EUR 3 million lower than the corresponding period last year. Net interest expenses of EUR 32 million increased by EUR 4 million. Other net financial expenses increased to EUR 12 (1) million. The net foreign exchange impact in respect of cash equivalents, interest-bearing assets and liabilities, and related foreign-currency hedges amounted to a loss of EUR 4 (loss of EUR 22) million.

Earnings per share increased to EUR 0.06 (-0.29), and earnings per share excluding fair valuations were EUR 0.07 (-0.27).

The adjusted return on capital employed LTM (ROCE) was 2.8% (8.1%). Adjusted ROCE excluding the Forest division LTM was 1.3% (10.7%).




LTM = Last 12 months, the calculation method is explained in the section Alternative performance measures.

### Breakdown of change in sales

| Sales Q2/2023, EUR million | 2,374 |
|---|---|
| Price and mix | 0% |
| Currency | 0% |
| Volume | 2% |
| Other sales[1] | -1% |
| **Total before structural changes** | **1%** |
| Structural changes[2] | -4% |
| **Total** | **-3%** |
| **Sales Q2/2024, EUR million** | **2,301** |

[1] Energy, paper for recycling (PfR), by-products etc.
[2] Asset closures, major investments, divestments and acquisitions

### Breakdown of change in capital employed

| Capital employed 30 June 2023, EUR million | 14,039 |
|---|---|
| Capital expenditure excl. investments in biological assets less depreciation | 603 |
| Investments in biological assets less depletion of capitalised silviculture costs | -1 |
| Impairments and reversal of impairments | -624 |
| Fair valuation of forest assets | 225 |
| Unlisted securities (mainly PVO) | -112 |
| Associated companies | 71 |
| Net liabilities in defined benefit plans | -28 |
| Operating working capital and other interest-free items, net | -470 |
| Emission rights | 22 |
| Net tax liabilities | 107 |
| Acquisition of subsidiaries | 74 |
| Disposal of subsidiaries | -12 |
| Translation difference | 229 |
| Other changes | 6 |
| **Capital employed 30 June 2024** | **14,131** |

# January–June results 2024 (compared with January–June 2023)

Group sales decreased by 12%, or EUR 629 million to EUR 4,466 (5,095) million, mainly due to lower sales prices and structural changes. Lower sales prices, despite the positive impact from active mix management, decreased topline in all other divisions, except in Forest. The structural changes relate to the paper site divestments at Nymölla and Hylte in Sweden and Maxau in Germany, and closures of the De Hoop board site in the Netherlands, the Anjala paper machine in Finland, the Sunila pulp mill in Finland and the Näpi sawmill in Estonia.

Adjusted EBIT increased to EUR 317 (271) million and the adjusted EBIT margin increased to 7.1% (5.3%). Lower sales prices, in all other divisions, except in Forest, decreased profitability by EUR 243 million. Higher volumes, despite the Finnish political strike in 2024, increased adjusted EBIT by EUR 112 million due to recovering market demand. Lower variable costs increased adjusted EBIT by EUR 87 million, as higher pulpwood costs were more than offset by lower other variable cost, especially chemical costs.

Fixed costs were EUR 99 million lower, mainly due to internal cost saving actions. Net foreign exchange rates increased profitability by EUR 8 million. The impact from the structural changes, depreciations, associated companies and other, had an adverse impact of EUR 17 million on adjusted EBIT. Operating result (IFRS) was EUR 247 (5) million.

Fair valuations and non-operational items (FV) had a adverse net impact on the operating result of EUR 4 (3) million. Items affecting comparability (IAC) had an adverse impact of EUR 65 (264) million on the operating result. The main IAC and FV items are presented in the section Items affecting comparability (IAC), fair valuations and non-operational items (FV).

**Sales**

**MEUR 4,466**

(H1/2023: 5,095)

**Adjusted EBIT margin**

**7.1%**

(H1/2023: 5.3%)

# Second quarter 2024 results (compared with Q1/2024)

Group sales increased to EUR 2,301 (2,164) million, positively impacted by recovery in sales prices and deliveries. Sales prices increased in all divisions, except in Packaging Solutions.

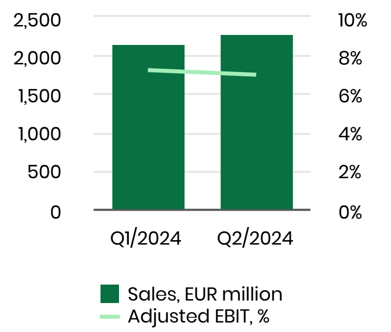
Adjusted EBIT increased to EUR 161 (156) million and the margin improved to 7.0% (7.2%). Higher sales prices increased adjusted EBIT by EUR 77 million. Variable costs increased by EUR 96 million driven by higher fiber costs, mainly pulpwood.

Volumes had a positive EUR 43 million impact, mainly due to Packaging Materials. Fixed costs were EUR 41 million higher driven by higher maintenance activity and seasonally higher personnel costs. Net foreign exchange rates had a positive EUR 10 million impact on adjusted EBIT. The impact from structural changes, depreciations, associated companies and other was a positive EUR 12 million.

Operating result (IFRS) was EUR 99 (148) million.

More details of the items affecting comparability (IAC) and fair valuations (FV) are included in the sections for each division.

**Sales and adjusted EBIT margin**



# Packaging Materials

- Demand for consumer board remained solid and demand for containerboard improved, though overall, recovery remained hampered by sluggish retail trade growth
- Higher volumes, lower chemicals and fixed costs more than offset higher wood costs
- The political strikes in Finland led to production curtailments in early Q2 and delayed shipments and price increases during the quarter

**Adjusted ROOC (LTM)**

**1.2%**

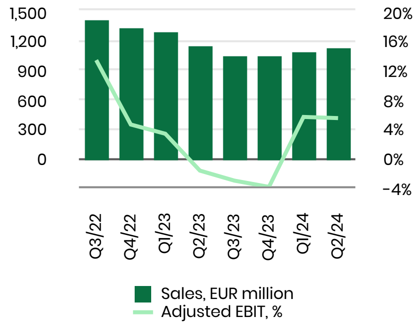
(Target: >20%)

**Planned maintenance shutdowns**

| | 2023 | 2024 |
|---|---|---|
| **Q1** | – | – |
| **Q2** | Beihai, Ostrołęka, Langerbrugge | Beihai, Langerbrugge |
| **Q3** | Anjalankoski, Heinola, Ostrołęka, Oulu, Varkaus, Ingerois | Oulu, Varkaus, Heinola |
| **Q4** | Fors, Imatra, Skoghall | Anjalankoski, Fors, Imatra, Ostrołęka, Skoghall |

- Sales decreased by 1%, or EUR 17 million, to EUR 1,138 million, due to adverse impact from production unit/line closures during 2023, which was largely offset by improved demand across all segments.
- Adjusted EBIT increased by EUR 82 million to EUR 60 million. driven by improved profitability across all segments. The result was supported by structural changes, lower depreciations, higher operating rates despite the negative effects of the political strikes in Finland, driven by reductions in energy, chemical, and fixed costs.
- Variable costs declined, except for fiber costs (wood, pulp, and recycled fiber), which continued to increase.
- Adjusted ROOC (LTM) was 1.2% (7.3%), below the long-term target of >20%.

**Sales and adjusted EBIT margin**



| EUR million | Q2/24 | Q2/23 | Change % Q2/24–Q2/23 | Q1/24 | Change % Q2/24–Q1/24 | Q1–Q2/24 | Q1–Q2/23 | Change % Q1–Q2/24–Q1–Q2/23 | 2023 |
|---|---|---|---|---|---|---|---|---|---|
| Sales | 1,138 | 1,155 | -1.5% | 1,100 | 3.5% | 2,238 | 2,455 | -8.8% | 4,557 |
| Adjusted EBITDA | 127 | 58 | 120.0% | 126 | 0.1% | 253 | 186 | 36.1% | 267 |
| Adjusted EBITDA margin | 11.1% | 5.0% | | 11.5% | | 11.3% | 7.6% | | 5.9% |
| Adjusted EBIT | 60 | -22 | n/m | 60 | 0.4% | 120 | 20 | n/m | -57 |
| Adjusted EBIT margin | 5.3% | -1.9% | | 5.5% | | 5.4% | 0.8% | | -1.3% |
| Fair valuations and non-operational items[1] | -1 | 0 | -162.3% | -1 | -2.4% | -2 | 0 | n/m | 12 |
| Items affecting comparability (IAC)[1] | -27 | -98 | 72.0% | -4 | n/m | -32 | -119 | 73.3% | -597 |
| Operating result (IFRS) | 32 | -120 | 126.4% | 55 | -42.0% | 87 | -99 | 187.0% | -642 |
| Adjusted EBIT, LTM | 43 | 266 | -83.7% | -38 | 212.7% | 43 | 266 | -83.7% | -57 |
| Operating capital, LTM average | 3,520 | 3,634 | -3.1% | 3,566 | -1.3% | 3,520 | 3,634 | -3.1% | 3,580 |
| Adjusted ROOC, LTM | 1.2% | 7.3% | | -1.1% | | 1.2% | 7.3% | | -1.6% |
| Cash flow from operations | 75 | 80 | -6.1% | 160 | -53.0% | 235 | 75 | 213.4% | 370 |
| Cash flow after investing activities | -87 | -39 | -126.9% | -129 | 32.3% | -216 | -196 | -10.4% | -235 |
| Board and paper deliveries, 1,000 tonnes | 1,264 | 1,286 | -1.7% | 1,225 | 3.2% | 2,489 | 2,572 | -3.2% | 4,963 |
| Board and paper production, 1,000 tonnes | 1,272 | 1,199 | 8.6% | 1,233 | 2.7% | 2,504 | 2,489 | 1.8% | 4,843 |

[1] The IAC for Q2/24 included EUR -20 million restructuring costs and asset impairments related to various units, and EUR -7 million other items, mainly due to profit improvement programme actions. The IAC for Q2/23 included closure of De Hoop EUR -76 million, restructuring costs EUR -23 million and acquisition of De Jong Packaging Group EUR 1 million. The fair valuations for Q2/24 included non-operational fair valuation changes of biological assets of EUR -1 (0) million.

LTM = Last 12 months

## Market development during Q2/2024

| Product | Market | Demand Q2/24 compared with Q2/23 | Demand Q2/24 compared with Q1/24 | Price Q2/24 compared with Q2/23 | Price Q2/24 compared with Q1/24 |
|---|---|---|---|---|---|
| Consumer board | Europe | Significantly stronger | Stronger | Lower | Stable |
| Kraftliner | Global | Slightly stronger | Stable | Slightly lower | Slightly higher |
| Testliner | Europe | Slightly stronger | Slightly stronger | Slightly higher | Significantly higher |
| Paper | Europe | Slightly stronger | Weaker | Significantly lower | Stable |

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

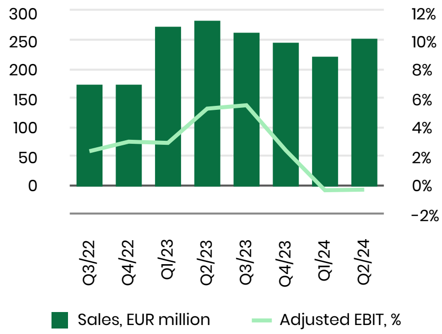
# Packaging Solutions

- Gradual market recovery visible, though performance continued to be adversely impacted by overcapacity
- Margin pressure persisted due to a lag in passing through increased containerboard prices
- Poor weather conditions adversely impacted the key fresh produce segments in the Benelux area and reduced deliveries

| Adjusted ROOC (LTM) | Sales YoY | Adjusted EBIT margin |
|---|---|---|
| **1.8%** (Target: >15%) | **-12%** | **-0.4%** (Q2/2023: 5.2%) |

- Sales decreased by 12% or EUR 33 million to EUR 254 million. Lower selling prices year-on-year in Q1/2024 influenced by previous declines in containerboard prices, the main input material, affected Q2 sales negatively.
- Adjusted EBIT decreased by EUR 16 million to EUR -1 million, mainly impacted by high margin pressure. This pressure primarily resulted from a contractual lag in passing the sequentially increased containerboard costs in Q2 this year onto customers.
- Adjusted ROOC (LTM) was 1.8%, below the long-term target of >15%.

**Sales and adjusted EBIT margin**




| EUR million | Q2/24 | Q2/23 | Change % Q2/24–Q2/23 | Q1/24 | Change % Q2/24–Q1/24 | Q1-Q2/24 | Q1-Q2/23 | Change % Q1-Q2/24–Q1-Q2/23 | 2023 |
|---|---|---|---|---|---|---|---|---|---|
| Sales | 254 | 288 | -11.6% | 224 | 13.7% | 478 | 564 | -15.2% | 1,077 |
| Adjusted EBITDA | 18 | 32 | -42.1% | 18 | 0.9% | 37 | 56 | -34.0% | 111 |
| Adjusted EBITDA margin | 7.2% | 11.1% | | 8.2% | | 7.7% | 9.9% | | 10.3% |
| Adjusted EBIT | -1 | 15 | -107.0% | -1 | -3.0% | -2 | 23 | -109.0% | 43 |
| Adjusted EBIT margin | -0.4% | 5.2% | | -0.5% | | -0.4% | 4.0% | | 4.0% |
| Items affecting comparability (IAC)[1] | -3 | -5 | 48.3% | -3 | 4.8% | -5 | -25 | 79.1% | -26 |
| Operating result (IFRS) | -4 | 10 | -135.7% | -4 | 2.7% | -7 | -2 | -228.5% | 17 |
| Adjusted EBIT, LTM | 18 | 32 | -43.1% | 34 | -46.9% | 18 | 32 | -43.1% | 43 |
| Operating capital, LTM average | 1,034 | 538 | 92.4% | 1,039 | -0.4% | 1,034 | 538 | 92.4% | 874 |
| Adjusted ROOC, LTM | 1.8% | 5.9% | | 3.3% | | 1.8% | 5.9% | | 4.9% |
| Cash flow from operations | 24 | 39 | -39.1% | 7 | 256.8% | 30 | 58 | -47.7% | 145 |
| Cash flow after investing activities | 14 | 22 | -36.3% | -6 | n/m | 8 | 15 | -48.2% | 62 |
| Corrugated packaging European deliveries, million $m^2$ | 326 | 308 | 5.8% | 283 | 15.5% | 675 | 651 | 3.7% | 1,178 |
| Corrugated packaging European production, million $m^2$ | 304 | 273 | 11.6% | 283 | 7.5% | 588 | 562 | 4.5% | 1,094 |

[1] The IAC for Q2/24 included EUR -3 million restructuring costs and asset impairments and the IAC for Q2/23 included EUR -5 million restructuring costs.
LTM = Last 12 months
The comparative figures for corrugated packaging European deliveries have been adjusted.

### Market development during Q2/2024

| Product | Market | Demand Q2/24 compared with Q2/23 | Demand Q2/24 compared with Q1/24 | Price Q2/24 compared with Q2/23 | Price Q2/24 compared with Q1/24 |
|---|---|---|---|---|---|
| Corrugated packaging | Europe | Stronger | Stronger | Lower | Stable |

Source: Fastmarket RISI

# Biomaterials

- Overall pulp demand remained stable
- Pulp prices increased sequentially in all pulp grades and markets
- Global inventories remained below 5-year average
- Supply disruptions in Q1, including political strikes in Finland and ongoing logistics issues, tightened pulp availability in Europe in Q2

**Adjusted ROOC (LTM)**

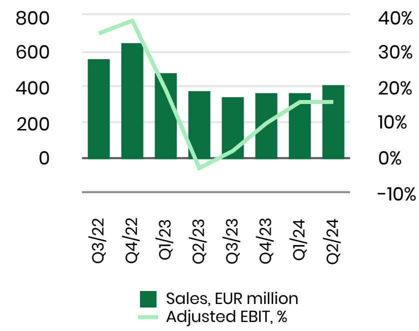
**6.3%**
(Target: >15%)

**Planned maintenance shutdowns**

| | 2023 | 2024 |
|---|---|---|
| **Q1** | Veracel | – |
| **Q2** | Montes del Plata, Skutskär | Montes del Plata, Skutskär |
| **Q3** | – | Enocell, Veracel |
| **Q4** | Enocell | – |

- Sales increased by 9%, or EUR 34 million to EUR 413 million. Sales prices were higher, while deliveries were lower due to the closure of the Sunila pulp mill, Finland.
- Adjusted EBIT increased by EUR 76 million to EUR 63 million, primarily driven by higher sales prices and internal actions to reduce costs and create value.
- Adjusted ROOC (LTM) was 6.3%, below the long-term target of >15%.

**Sales and adjusted EBIT margin**




| EUR million | Q2/24 | Q2/23 | Change % Q2/24–Q2/23 | Q1/24 | Change % Q2/24–Q1/24 | Q1–Q2/24 | Q1–Q2/23 | Change % Q1–Q2/24–Q1–Q2/23 | 2023 |
|---|---|---|---|---|---|---|---|---|---|
| Sales | 413 | 379 | 9.0% | 374 | 10.3% | 788 | 868 | -9.2% | 1,587 |
| Adjusted EBITDA | 99 | 22 | n/m | 90 | 9.7% | 188 | 148 | 27.7% | 256 |
| Adjusted EBITDA margin | 23.9% | 5.9% | | 24.0% | | 23.9% | 17.0% | | 16.1% |
| Adjusted EBIT | 63 | -13 | n/m | 57 | 10.6% | 121 | 78 | 54.0% | 118 |
| Adjusted EBIT margin | 15.3% | -3.4% | | 15.3% | | 15.3% | 9.0% | | 7.4% |
| Fair valuations and non-operational items[1] | 3 | 5 | -33.7% | 1 | 138.3% | 5 | 4 | 21.5% | 25 |
| Items affecting comparability (IAC)[1] | -1 | -101 | 99.1% | -1 | -25.1% | -2 | -101 | 98.4% | -224 |
| Operating result (IFRS) | 66 | -109 | 160.2% | 58 | 13.4% | 124 | -19 | n/m | -81 |
| Adjusted EBIT, LTM | 160 | 525 | -69.5% | 84 | 91.1% | 160 | 525 | -69.5% | 118 |
| Operating capital, LTM average | 2,528 | 2,746 | -7.9% | 2,573 | -1.7% | 2,528 | 2,746 | -7.9% | 2,625 |
| Adjusted ROOC, LTM | 6.3% | 19.1% | | 3.3% | | 6.3% | 19.1% | | 4.5% |
| Cash flow from operations | 141 | 96 | 46.8% | 130 | 8.5% | 271 | 288 | -5.9% | 431 |
| Cash flow after investing activities | 101 | 42 | 138.6% | 87 | 15.7% | 187 | 182 | 2.8% | 234 |
| Pulp deliveries, 1,000 tonnes | 537 | 550 | -2.3% | 536 | 0.2% | 1,073 | 1,130 | -5.0% | 2,277 |

[1] The IAC for Q2/24 included EUR -1 million restructuring costs. The IAC for Q2/23 included EUR -101 million of costs related to the closure of the Sunila mill. The fair valuations for Q2/24 included non-operational fair valuation changes of biological assets of EUR 3 (5) million.
LTM = Last 12 months

## Market development during Q2/2024

| Product | Market | Demand Q2/24 compared with Q2/23 | Demand Q2/24 compared with Q1/24 | Price Q2/24 compared with Q2/23 | Price Q2/24 compared with Q1/24 |
|---|---|---|---|---|---|
| Softwood pulp | Europe | Significantly stronger | Stronger | Higher | Higher |
| Hardwood pulp | Europe | Significantly stronger | Slightly stronger | Significantly higher | Higher |
| Hardwood pulp | China | Slightly weaker | Slightly weaker | Significantly higher | Higher |

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

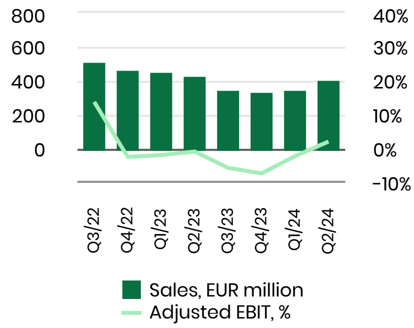
# Wood Products

- Continued low demand but with seasonal improvement
- Further cost-saving measures implemented to mitigate increased raw material costs
- Low building activity continued to suppress demand for Cross Laminated Timber (CLT) and Laminated Veneer Lumber (LVL)

| Adjusted ROOC (LTM) | Sales YoY | Adjusted EBIT margin |
|---|---|---|
| **-7.7%** (Target: >20%) | **-5%** | **1.7%** (Q2/2023: -1.3%) |

- Sales decreased by 5%, or EUR 22 million, to EUR 414 million, primarily due to lower sales prices, although volumes, especially for sawn wood, were higher.
- Adjusted EBIT increased by EUR 13 million to EUR 7 million, driven by lower fixed and variable costs.
- Continued cost mitigation actions contributed to the improvement of results.
- Adjusted ROOC (LTM) was below the long-term target of >20% at -7.7% (5.6%).

**Sales and adjusted EBIT margin**




| EUR million | Q2/24 | Q2/23 | Change % Q2/24–Q2/23 | Q1/24 | Change % Q2/24–Q1/24 | Q1-Q2/24 | Q1-Q2/23 | Change % Q1-Q2/24–Q1-Q2/23 | 2023 |
|---|---|---|---|---|---|---|---|---|---|
| Sales | 414 | 436 | -4.9% | 349 | 18.7% | 763 | 890 | -14.2% | 1,580 |
| Adjusted EBITDA | 17 | 7 | 163.9% | 1 | n/m | 19 | 8 | 130.9% | -17 |
| Adjusted EBITDA margin | 4.2% | 1.5% | | 0.4% | | 2.5% | 0.9% | | -1.0% |
| Adjusted EBIT | 7 | -6 | 225.7% | -9 | 175.7% | -2 | -16 | 86.1% | -64 |
| Adjusted EBIT margin | 1.7% | -1.3% | | -2.6% | | -0.3% | -1.8% | | -4.1% |
| Items affecting comparability (IAC)[1] | 0 | -8 | 101.2% | 0 | 135.5% | 0 | -8 | 97.8% | -22 |
| Operating result (IFRS) | 7 | -14 | 151.1% | -10 | 174.5% | -2 | -24 | 90.1% | -86 |
| Adjusted EBIT, LTM | -50 | 40 | -224.3% | -63 | 20.0% | -50 | 40 | -224.3% | -64 |
| Operating capital, LTM average | 654 | 725 | -9.8% | 673 | -2.8% | 654 | 725 | -9.8% | 687 |
| Adjusted ROOC, LTM | -7.7% | 5.6% | | -9.3% | | -7.7% | 5.6% | | -9.3% |
| Cash flow from operations | 40 | -13 | n/m | -30 | 233.8% | 10 | -10 | 202.8% | 43 |
| Cash flow after investing activities | 34 | -19 | 277.2% | -47 | 171.2% | -14 | -27 | 49.2% | 3 |
| Wood products deliveries, 1,000 $m^3$ | 1,029 | 989 | 4.1% | 848 | 21.3% | 1,877 | 1,990 | -5.7% | 3,727 |

[1] The IAC for Q2/23 included EUR -5 million restructuring costs and disposal of Wood Products DIY unit of EUR -3 million.
LTM = Last 12 months

### Market development during Q2/2024

| Product | Market | Demand Q2/24 compared with Q2/23 | Demand Q2/24 compared with Q1/24 | Price Q2/24 compared with Q2/23 | Price Q2/24 compared with Q1/24 |
|---|---|---|---|---|---|
| Wood products | Europe | Slightly stronger | Significantly stronger | Lower | Higher |
| Wood products | Overseas | Stable | Significantly stronger | Slightly lower | Slightly higher |

Source: Stora Enso

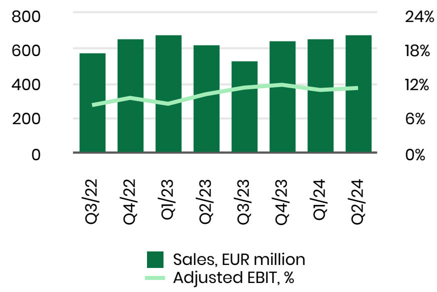
# Forest

- Record high second quarter result driven by increased wood prices, strong demand, and favourable harvesting conditions
- Continued high demand for all wood assortments in the Nordics, with prices increasing both year-on-year and quarter-on-quarter
- The forest valuation remained stable at EUR 8.7 billion, equivalent to EUR 11.06 per share

| Adjusted ROCE (LTM) | Sales YoY | Total value of forest assets |
|---|---|---|
| **4.8%** (Target: >3.5%) | **+11%** | **EUR 8.7 billion** (Q2/2023: EUR 8.1 billion) |

- Sales increased by 11%, or EUR 69 million, to EUR 690 million, mainly due to higher volumes and wood prices.
- A record high second quarter adjusted EBIT increased by EUR 14 million to EUR 76 million reflecting strong operational performance in the Group's forest assets.
- Adjusted ROCE (LTM), at 4.8% (4.1%), was above the 3.5% long-term target.

**Sales and adjusted EBIT margin**




| EUR million | Q2/24 | Q2/23 | Change % Q2/24–Q2/23 | Q1/24 | Change % Q2/24–Q1/24 | Q1–Q2/24 | Q1–Q2/23 | Change % Q1–Q2/24–Q1–Q2/23 | 2023 |
|---|---|---|---|---|---|---|---|---|---|
| Sales[1] | 690 | 620 | 11.2% | 659 | 4.7% | 1,349 | 1,307 | 3.2% | 2,490 |
| Adjusted EBITDA | 94 | 75 | 24.7% | 80 | 16.4% | 174 | 143 | 21.8% | 305 |
| Adjusted EBITDA margin | 13.6% | 12.1% | | 12.2% | | 12.9% | 10.9% | | 12.2% |
| Adjusted EBIT | 76 | 62 | 23.2% | 70 | 8.0% | 146 | 119 | 23.4% | 253 |
| Adjusted EBIT margin | 11.0% | 10.0% | | 10.7% | | 10.9% | 9.1% | | 10.2% |
| Fair valuations and non-operational items[2] | -29 | 0 | n/m | -6 | n/m | -35 | -9 | -282.3% | 206 |
| Items affecting comparability (IAC)[2] | 2 | -2 | 227.2% | -2 | 201.9% | 0 | -5 | 100.8% | 2 |
| Operating result (IFRS)[3] | 49 | 60 | -19.4% | 63 | -22.4% | 111 | 105 | 6.2% | 461 |
| Adjusted EBIT, LTM | 281 | 227 | 23.6% | 267 | 5.4% | 281 | 227 | 23.6% | 253 |
| Capital employed, LTM average | 5,834 | 5,591 | 4.3% | 5,782 | 0.9% | 5,834 | 5,591 | 4.3% | 5,740 |
| Adjusted ROCE, LTM | 4.8% | 4.1% | | 4.6% | | 4.8% | 4.1% | | 4.4% |
| Cash flow from operations | 120 | 8 | n/m | 18 | n/m | 137 | 28 | n/m | 70 |
| Cash flow after investing activities | 104 | -5 | n/m | 8 | n/m | 111 | 4 | n/m | 19 |
| Wood deliveries, 1,000 $m^3$ | 8,587 | 8,256 | 4.0% | 8,270 | 3.8% | 16,856 | 17,483 | -3.6% | 32,401 |
| Operational fair value change of biological assets | 29 | 29 | -1.2% | 35 | -16.7% | 64 | 59 | 8.4% | 120 |

[1] In Q2/24, internal wood sales to Stora Enso divisions represented 62% of net sales, external sales to other forest companies represented 38%.

[2] The IAC for Q2/24 included EUR 2 million reversal of environmental provision and the IAC for Q2/23 included restructuring costs of EUR -3 million and reversal of land related impairment of EUR 1 million. The fair valuations for Q2/24 included non-operational fair value changes of biological assets of EUR -11 (-6) million and non-operational items of associated companies of EUR -18 (+6) million. The fair valuations for Q2/24 additionally included a EUR -1 million impact from adjustments for differences between the fair value and acquisition cost of forest assets upon disposal.

[3] Includes the full fair value change of the Nordic biological assets (standing trees)

LTM = Last 12 months

**Market development during Q2/2024**

| Product | Market | Demand Q2/24 compared with Q2/23 | Demand Q2/24 compared with Q1/24 | Price Q2/24 compared with Q2/23 | Price Q2/24 compared with Q1/24 |
|---|---|---|---|---|---|
| Pulp wood, Finland | Europe | Slightly weaker | Stronger | Higher | Slightly higher |
| Sawlogs, Finland | Europe | Significantly stronger | Significantly stronger | Higher | Higher |
| Pulpwood, Sweden | Europe | Significantly stronger | Slightly weaker | Significantly higher | Stable |
| Sawlogs, Sweden | Europe | Significantly weaker | Weaker | Significantly higher | Stable |

Source: Stora Enso

# Segment Other

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

| EUR million | Q2/24 | Q2/23 | Change % Q2/24–Q2/23 | Q1/24 | Change % Q2/24–Q1/24 | Q1–Q2/24 | Q1–Q2/23 | Change % Q1–Q2/24–Q1–Q2/23 | 2023 |
|---|---|---|---|---|---|---|---|---|---|
| Sales | 36 | 213 | -83.3% | 57 | -37.1% | 92 | 578 | -84.0% | 964 |
| Adjusted EBITDA | -30 | -5 | n/m | -9 | -227.9% | -39 | 27 | -245.4% | 18 |
| Adjusted EBITDA margin | -83.2% | -2.2% | | -15.9% | | -41.9% | 4.6% | | 1.9% |
| Adjusted EBIT | -32 | -9 | -245.7% | -11 | -181.5% | -43 | 17 | n/m | 1 |
| Adjusted EBIT margin | -89.2% | -4.3% | | -19.9% | | -46.7% | 3.0% | | 0.1% |
| Fair valuations and non-operational items[1] | 11 | -19 | 160.5% | 17 | -34.0% | 28 | 3 | n/m | -13 |
| Items affecting comparability (IAC)[1] | -17 | -61 | 72.4% | -10 | -75.2% | -27 | -5 | n/m | -28 |
| Operating result (IFRS) | -38 | -89 | 57.9% | -4 | n/m | -42 | 15 | n/m | -41 |
| Cash flow from operations | -76 | -64 | -20.0% | -15 | n/m | -91 | -38 | -137.7% | -105 |
| Cash flow after investing activities | -78 | -71 | -10.3% | -17 | n/m | -95 | -48 | -99.4% | -123 |

[1] The IAC for Q2/24 included EUR -17 million restructuring, consulting and write-down costs regarding various cases and the IAC in Q2/23 included EUR -13 million restructuring costs, EUR 1 million related to restructuring of Kvarnsveden, EUR 5 million to restructuring of Veitsiluoto, EUR -49 million related to disposal of Hylte site, EUR EUR -1 million related to disposal of Nymölla site and EUR -5 million disposal related costs. The fair valuations for Q2/24 included non-cash income and expenses related to $CO_2$ emission rights and liabilities of EUR 11 (-19) million.

- Sales decreased by EUR 178 million to EUR 36 million. The main impacts were largely attributable to lower internal invoicing from the new decentralised operating model, and lower energy sales due to lower market prices.
- Adjusted EBIT decreased to EUR -32 million, mainly due to lower margins for electricity sales and legacy costs related to closed production sites. The divestments of the paper assets in 2023 had a negative impact year-on-year.
- The divisions are charged for electricity at market prices. Through its 16.1% shareholding in the Finnish energy company Pohjolan Voima (PVO), Stora Enso is entitled to receive, at cost, 8.9% of the electricity produced by the Olkiluoto nuclear reactors, and 20.6% of the electricity from the hydropower plants.

# Capital structure Q2/2024 (compared with Q1/2024)

| EUR million | 30 Jun 2024 | 31 Mar 2024 | 31 Dec 2023 | 30 Jun 2023 |
|---|---|---|---|---|
| Fixed assets[1] | 14,272 | 14,169 | 14,206 | 13,803 |
| Associated companies | 922 | 923 | 926 | 850 |
| Operating working capital, net[2] | 414 | 556 | 488 | 893 |
| Non-current interest-free items, net | -231 | -224 | -252 | -198 |
| **Operating capital total** | **15,377** | **15,425** | **15,368** | **15,348** |
| Net tax liabilities | -1,246 | -1,234 | -1,312 | -1,309 |
| **Capital employed[3]** | **14,131** | **14,190** | **14,056** | **14,039** |
| Equity attributable to owners of the Parent | 10,734 | 10,771 | 10,985 | 11,066 |
| Non-controlling interests | -100 | -98 | -97 | -58 |
| Net debt | 3,497 | 3,518 | 3,167 | 3,030 |
| **Financing total[3]** | **14,131** | **14,190** | **14,056** | **14,039** |

[1] Fixed assets include goodwill, other intangible assets, property, plant and equipment, right-of-use assets, forest assets, emission rights, and unlisted securities.
[2] Operating working capital, net includes inventories, trade receivables, trade payables and all other short-term operating receivables, payables, accruals, and provisions.
[3] Including assets held for sale and related liabilities.

Net debt decreased by EUR 21 million to EUR 3,497 (3,518) million during the second quarter. The ratio of net debt to the last 12 months' adjusted EBITDA was at 3.5 (4.0). The net debt/equity ratio on 30 June 2024 remained stable at 0.33 (0.33). The average interest expense rate on borrowings at the reporting date was 4.1% (4.2%). Cash and cash equivalents net of overdrafts decreased by EUR 42 million to EUR 2,054 million.

During the second quarter Stora Enso signed extensions of one to two years to a total of EUR 350 million of its existing bilateral loans. The Company also signed a two-year extension to its EUR 100 million committed credit facility.

Stora Enso had in total EUR 800 million committed undrawn credit facilities as per 30 June 2024. Additionally, the Company has access to EUR 1,100 million statutory pension premium loans in Finland.

In July, Stora Enso secured a EUR 435 million long-term loan from the European Investment Bank to fund its EUR 1 billion investment in the Oulu mill, Finland. Loan repayment extends until 2036, and it is currently undrawn.

Year-on-year, operating working capital (net) decreased by EUR 479 million. Operating working capital, i.e. Inventories, trade receivables and trade payables, decreased by EUR 576 million year-on-year. Other operating working capital increased by EUR 97 million year-on-year.

### Valuation of forest assets

The value of total forest assets, including leased land, Stora Enso's share of Tornator's forest assets and assets held for sale in China, increased sequentially, from Q1/2024 to Q2/2024, by EUR 99 million to EUR 8,725 (8,626) million. The increase was mainly due to the impact of foreign exchange rates. Year-on-year, the fair value of total forest assets increased by EUR 660 million to EUR 8,725 (8,065) million.

Year-on-year, the fair value of biological assets, including Stora Enso's share of Tornator, increased by EUR 604 million to EUR 6,111 (5,507) million. The value of forest land, including leased land and Stora Enso's share of Tornator, increased by EUR 56 million to EUR 2,614 (2,558) million.

### Credit ratings

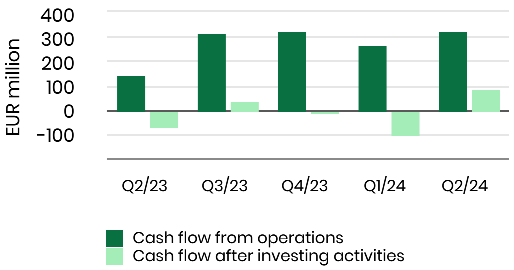
| Rating agency | Long/short-term rating | Valid from |
|---|---|---|
| Fitch Ratings | BBB- (stable) | 4 August 2023 |
| Moody's | Baa3 (stable) / P-3 | 17 November 2023 |

# Cash flow Q2/2024 (compared with Q1/2024)

### Cash flow (non-IFRS)

| EUR million | Q2/24 | Q2/23 | Change % Q2/24–Q2/23 | Q1/24 | Change % Q2/24–Q1/24 | Q1–Q2/24 | Q1–Q2/23 | Change % Q1–Q2/24–Q1–Q2/23 | 2023 |
|---|---|---|---|---|---|---|---|---|---|
| Adjusted EBITDA | 312 | 198 | 57.4 % | 298 | 4.9 % | 610 | 597 | 2.2 % | 989 |
| IAC on adjusted EBITDA | -38 | -141 | 72.7 % | -19 | -101.5 % | -57 | -109 | 47.2 % | -126 |
| Other adjustments | -43 | -25 | -73.9 % | -20 | -114.4 % | -63 | -82 | 22.3 % | -210 |
| Change in working capital | 92 | 113 | -18.4 % | 10 | n/m | 103 | -7 | n/m | 300 |
| **Cash flow from operations** | **323** | **146** | **121.0%** | **269** | **20.1%** | **592** | **400** | **47.9%** | **954** |
| Cash spent on fixed and biological assets | -237 | -214 | -10.7 % | -373 | 36.5 % | -610 | -468 | -30.5 % | -989 |
| Acquisitions of associated companies | 0 | -2 | 95.8 % | 0 | -100.0 % | 0 | -2 | 95.8 % | -5 |
| **Cash flow after investing activities** | **86** | **-70** | **223.5%** | **-104** | **182.3%** | **-18** | **-69** | **73.2%** | **-40** |

Cash flow after investing activities was EUR 86 (-104) million. Working capital decreased by EUR 92 million, mainly due to lower trade receivables and higher trade payables. Cash spent on fixed and biological assets was EUR 237 million. Payments related to the previously announced provisions amounted to EUR 24 million. Cash flow from operations was strong due to increased adjusted EBITDA, EUR 323 (269) million and due to working capital reduction.




# Capital expenditure Q2/2024 (compared with Q2/2023)

Additions to fixed and biological assets totalled EUR 285 (232) million, of which EUR 263 (213) million were fixed assets and EUR 22 (19) million biological assets.

Depreciations and impairment charges excluding IACs totalled EUR 118 (135) million. Additions in fixed and biological assets had a cash outflow impact of EUR 237 (214) million.

### Capital expenditure by division

| EUR million | Q2/24 | Q1-Q2/24 | | Investment to be finalised |
|---|---|---|---|---|
| Packaging Materials | 191 | 367 | Oulu consumer board investment in Finland | 2025 |
| Packaging Solutions | 10 | 18 | | |
| Biomaterials | 45 | 75 | Skutskär fluff pulp, winder and roll handling<br>Enocell unbleached kraft pulp (UKP) | 2025<br>2024 |
| Wood Products | 14 | 19 | | |
| Forest | 8 | 13 | | |
| Other | 17 | 19 | | |
| **Total** | **285** | **511** | | |

### Capital expenditure and depreciation forecast 2024

| EUR million | Forecast 2024 |
|---|---|
| Capital expenditure | 1,030–1,130 |
| Depreciation and depletion of capitalised silviculture costs | 575–625 |

Stora Enso's capital expenditure forecast includes approximately EUR 78 million for the Group's forest assets.

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

# Key sustainability targets and performance

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

- Stora Enso introduces new biodiversity data features within the online tool for forest owners in Finland, enabling biodiversity monitoring and assessment of improvement actions. This service complements biodiversity monitoring in the Group's own forests and is part of improving biodiversity data management.
- Stora Enso was awarded the highest rating, Platinum, by EcoVadis for the eighth consecutive year. This achievement demonstrates the Group's continuous improvement in the areas of environment, labour and human rights, ethics, and sustainable procurement.

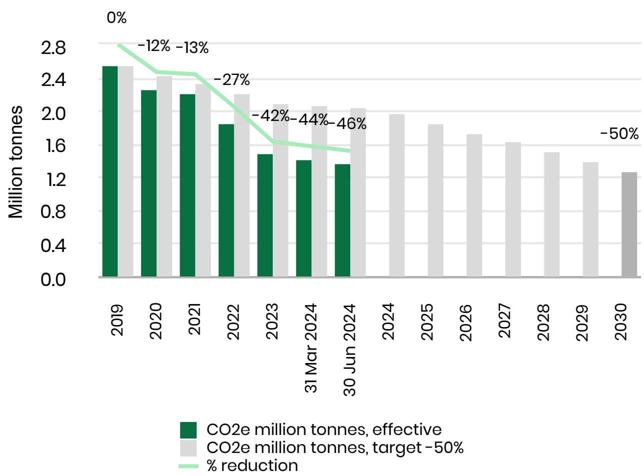
## Climate change

Stora Enso's science-based target for 2030 is to reduce absolute Scope 1 and 2 greenhouse gas ($CO_2e$) emissions by 50% from the 2019 baseline, in line with the 1.5-degree scenario. Furthermore, the Group is committed to reducing Scope 3 emissions by 50% from the 2019 baseline by 2030.

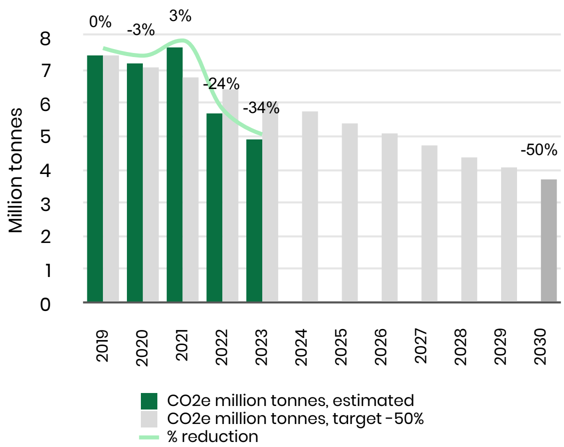
By the end of the Q2/2024, the Scope 1 and 2 $CO_2e$ emissions were 1.38 million tonnes or 46% less than in the base year. Compared with Q2/2023 (1.66 million tonnes or 35% less), the decrease is mainly attributed to site and production line closures, alongside active measures to reduce emissions. The Group continues to further lower emissions by improving energy efficiency, replacing fossil fuels with renewables, and increasing the share of non-fossil electricity.

In 2023, Stora Enso's estimated Scope 3 $CO_2e$ emissions were 4.95 million tonnes or 34% less than in the base year (2022: 5.69 million tonnes or 24% less). The decrease in emissions was mainly a result of site and production line closures. Stora Enso continues to further improve its Scope 3 performance by enhancing efficiency and lowering carbon intensity in the value chain together with raw material suppliers, logistics suppliers, and customers.

**Direct and indirect $CO_2e$ emissions (Scope 1+2, rolling four quarters)[1, 2]**




**$CO_2e$ emissions along the value chain (Scope 3)[1]**

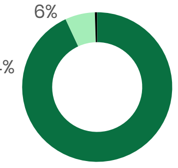



[1] Calculated as rolling four quarters. For more on definitions, see Calculation of key sustainability figures. [2] Comparative figures are recalculated due to additional data after previous interim reports.

## Circularity

Stora Enso's target is to reach 100% recyclable products by 2030. By the end of 2023, 94% (2022: 94%) of the Group's products were technically recyclable. Stora Enso aims to ensure the recyclability of products through an increased focus on circularity in innovation processes and collaborates actively with customers and partners to set up infrastructure to improve the actual recycling of products.

**Share of technically recyclable products[1, 2]**



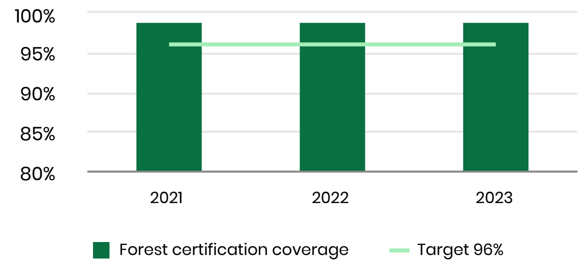

[1] As of 31 December 2023
[2] For definitions, see *Calculation of key sustainability figures*.

## Biodiversity

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

Biodiversity is an integral part of forest certifications including protection of valuable ecosystems. Stora Enso's target is to maintain a forest certification coverage level of at least 96% for the Group's own and leased forest lands. The forest certification coverage has remained stable and amounted to 99% in 2023 (2022: 99%).

**Biodiversity: forest certification coverage[1]**




[1] For definitions, see *Calculation of key sustainability figures*.

## Responsible business practices

Stora Enso reports on the sustainability indicators below on a quarterly basis. For full annual overview of Stora Enso's sustainability targets and 2023 performance, see storaenso.com.

| Key performance indicators (KPIs) | 30 Jun 2024 | 31 Mar 2024 | 31 Dec 2023 | 30 Jun 2023 | Target |
|---|---|---|---|---|---|
| Occupational safety: TRI rate, year-to-date | 5.1 | 5.4 | 4.7 | 4.3 | 4.6 by the end of 2024 |
| Gender balance: % of female managers among all managers | 24% | 25% | 24% | 24% | 25% by the end of 2024 |
| Water: total water withdrawal per saleable tonne ($m^3$/tonne)[1] | 61 | 62 | 61 | 61 | Decreasing trend from 2016 baseline (60$m^3$/tonne) |
| Water: process water discharges per saleable tonne, ($m^3$/tonne)[1,2] | 34 | 34 | 35 | 35 | 17% reduction by 2030 from 2019 baseline (36$m^3$/tonne) |
| Sustainable sourcing: % of supplier spend covered by the Supplier Code of Conduct (SCoC)[2] | 96% | 96% | 95% | 96% | 95% or above |

[1] Comparative figures restated due to structural changes. [2] Excluding Business Unit Western Europe in Packaging Solutions. For definitions, see *Calculation of key sustainability figures*.

At the end of Q2/2024, the Group's TRI rate was 5.1. Additionally, Stora Enso tracks proactive safety reporting using a leading indicator known as the 'Safety Engagement Rate' to continuously enhance safety culture and performance.

Stora Enso promotes a diverse and inclusive working environment throughout the organisation to enhance performance, collaboration, and innovation. At the end of Q2/2024, the share of female managers was 24%, progressing in line with the target set for the end of 2024. Similarly, the share of female representation among all employees was 25%, and 30% within the Group Leadership Team.

Water performance per saleable tonne, measured over rolling four quarters, has been impacted by lower production volumes as a steady water flow needs to be maintained at the water treatment plants. While water is relatively abundant at the Group's production sites, water stress may still impact operations locally and through wider supply chains. Approximately 96% of water is recycled back into the environment while only 4% is consumed in production.

Stora Enso continuously works to maintain a high coverage rate for the Supplier Code of Conduct, outlining common requirements for all suppliers. During the second quarter, the coverage rate remained on target level.

**ESG ratings and recognitions**

| ESG rating | Stora Enso score / best possible score | Rating compared to peers |
|---|---|---|
| **CDP** | Climate A-/A<br>Forest A/A<br>Water A-/A | Among the highest ranked in the industry |
| **FTSE Russell** | 4.4/5 | Among the highest ranked in the industry |
| **ISS Corporate Rating** | B/A+ | Among the highest ranked in the industry |
| **ISS QualityScore** | Governance 7/1*<br>Social 1/1*<br>Environment 2/1* | Above the industry average |
| **MSCI** | AAA/AAA | Among the highest ranked in the industry |
| **Sustainalytics** | 13.7/0** | Among the highest ranked in the industry |
| **VigeoEiris** | 71/100 | Among the highest ranked in the industry |

*1 to 10 (1 indicating the best possible score) **0 to 100 (0 indicating the lowest risk)

# Short-term risks

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

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

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

Macroeconomic and geopolitical disruption may increase costs, add complexity, and lower short-term visibility, which could further impact market demand, prices, profit margins, and volumes of the Group's products. New capacity and volume entering the market might distort demand, volumes, inventories and pricing. Moreover, forced capacity cuts might further impact on profitability.

There is a risk of continued price volatility for raw materials such as wood, chemicals, other components and energy in Europe. The continued tight wood market, especially in the Nordics, could cause increased costs, limit harvesting and cause disruptions such as delays and/or lack of wood supply to the Group's production sites. Regulatory or similar initiatives might challenge the Group's strategy, growth and operations.

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

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

A more detailed risk description is included in Stora Enso’s Annual Report 2023, available at storaenso.com/annualreport.

# Sensitivity analysis

Energy sensitivity analysis: the direct effect of a 10% change in electricity and fossil fuel market prices would have an impact of approximately EUR 7 million on adjusted EBIT for the next 12 months.

Wood sensitivity analysis: the direct effect of a 10% change in wood prices would have an impact of approximately EUR 228 million on adjusted EBIT for the next 12 months.

Pulp sensitivity analysis: the direct effect of a 10% change in pulp market prices would have an impact of approximately EUR 135 million on adjusted EBIT for the next 12 months.

Chemical and filler sensitivity analysis: the direct effect of a 10% change in chemical and filler prices would have an impact of approximately EUR 40 million on adjusted EBIT for the next 12 months.

Foreign exchange rates transaction risk sensitivity analysis for the next twelve months: the direct effect on adjusted EBIT of a 10% strengthening in the value of the US dollar, Swedish krona and British pound would be approximately positive EUR 86 million, negative EUR 10 million and positive EUR 12 million annual impact, respectively. Weakening of the currencies would have the opposite impact. These numbers are net of hedges and assuming no changes occur other than a single currency exchange rate movement in an exposure currency.

The Group's consolidated income statement on adjusted EBIT level is exposed to a foreign-currency translation risk worth approximately EUR 179 million expense exposure in Brazilian real (BRL) and approximately EUR 67 million income exposure in Chinese Renminbi (CNY). These exposures arise from the foreign subsidiaries and joint operations located in Brazil and China, respectively. For these exposures a 10% strengthening in the value of a foreign currency would have a negative EUR 18 million and a positive EUR 7 million impact on adjusted EBIT, respectively.

# Legal proceedings

## Contingent liabilities

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

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

## Veracel

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

# Changes in Group management

Stora Enso has appointed Niclas Rosenlew Group CFO. He will replace Seppo Parvi, who has previously announced that he will leave Stora Enso to continue his career outside the Company.

Stora Enso has appointed Carolyn Wagner Executive Vice President, Packaging Solutions division. She will replace Ad Smit who will retire.

Niclas Rosenlew and Carolyn Wagner will join Stora Enso no later than January 2025.

# Resolutions by the Annual General Meeting

Stora Enso Oyj's Annual General Meeting was held on 20 March 2024 in Helsinki, Finland. The AGM adopted the accounts for 2023, adopted the remuneration report for 2023 through an advisory resolution and granted the Company's Board of Directors and Chief Executive Officer discharge from liability for the period.

The AGM resolved, in accordance with the proposal by the Board of Directors, that the Company shall distribute a dividend of EUR 0.10 per share for the year 2023. The dividend was paid on 4 April 2024. In addition, the AGM resolved that the Board of Directors is authorised to decide at its discretion on the payment of an additional dividend up to a maximum of EUR 0.20 per share. The authorisation is valid until 31 December 2024.

The AGM resolved, in accordance with the proposal by the Shareholders' Nomination Board, that the Board of Directors shall have eight (8) members. The AGM further resolved to re-elect the current members of the Board of Directors – Håkan Buskhe, Elisabeth Fleuriot, Helena Hedblom, Astrid Hermann, Kari Jordan, Christiane Kuehne, and Richard Nilsson – as members of the Board of Directors until the end of the following AGM and to elect Reima Rytsölä as a new member of the Board of Directors for the same term of office. The AGM resolved to elect Kari Jordan as Chair of the Board of Directors and Håkan Buskhe as Vice Chair of the Board of Directors.

The AGM resolved, in accordance with the proposal by the Shareholders' Nomination Board, that the annual remuneration for the Board of Directors be paid as follows:

| | |
|---|---|
| Chair | EUR 215,270 (2023: 209,000) |
| Vice Chair | EUR 121,540 (2023: 118,000) |
| Members | EUR 83,430 (2023: 81,000) |

The AGM also resolved that the annual remuneration for the members of the Board of Directors be paid in Company shares and cash so that 40% is paid in Stora Enso R shares.

The AGM resolved the annual remuneration for the Board committees in accordance with the proposal by the Shareholders' Nomination Board.

The AGM resolved to elect PricewaterhouseCoopers Oy as auditor until the end of the Company's next AGM. PricewaterhouseCoopers Oy has notified the Company that Samuli Perälä, APA, will act as the principally responsible auditor.

PricewaterhouseCoopers Oy will also act as the sustainability reporting assurance provider of the Company until the end of the Company's next AGM.

**Resolutions by the organising meeting of the Board of Directors**

Richard Nilsson (Chair), Elisabeth Fleuriot and Astrid Hermann were elected members of the Financial and Audit Committee.

Kari Jordan (Chair), Håkan Buskhe and Reima Rytsölä were elected members of the People and Culture Committee.Christiane Kuehne (Chair), Helena Hedblom and Richard Nilsson were elected members of the Sustainability and Ethics Committee.

More information about the AGM in 2024 is available in the release Stora Enso's Annual General Meeting and decisions by the Board of Directors.

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

Helsinki, 24 July 2024
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 2023 with the exception of new and amended standards applied to the annual periods beginning on 1 January 2024 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.

## Acquisition of Group companies

In March 2024 Stora Enso's 50% owned joint operation MdP (Montes del Plata, Uruguay) completed transaction to acquire forest assets and related forestry business in Uruguay. Stora Enso's share of the transaction includes approximately 16.3 thousand hectares of land, of which about 9.8 thousand hectares are productive land. The acquired units are fully owned and reported in Biomaterials division.

The acquired forest land and operations are located in different regions in Uruguay. The acquired operations mainly include forestry plantations to supply wood for pulp production.

Stora Enso's share of the cash purchase consideration was EUR 75 million. The related transaction costs were not considered to be significant.

The fair values of the identifiable assets and liabilities as of the acquisition date consisted mainly of forest assets (Stora Enso's share EUR 74 million). The amount of other items were not significant.

The fair values of the acquired assets and liabilities as at acquisition date have been determined on a provisional basis pending finalisation of the post-combination review of the fair values. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition or any other adjustment items are identified, the above amounts are adjusted accordingly and the accounting for the acquisition will be adjusted. The measurement period adjustments in Q2 2024 were not considered to be significant.

The acquisition is not considered to have significant impact on Stora Enso Group's sales or net profit.

## Assets held for sale

As announced in December 2022, Stora Enso has initiated a sales process for divesting its consumer board production site and forestry operations in Guangxi, China.

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

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

In accordance with the progress in the ongoing divestment process, the Guangxi operations have been classified as held for sale since Q4/2023. Assets held for sale include mainly fixed assets, forest assets, inventories and operating receivables, whereas related liabilities consist mainly of non-current and current interest bearing liabilities and operating liabilities.

## The following new and amended standards are applied to the annual periods beginning on 1 January 2024

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

## Future standard changes endorsed by the EU but not yet effective in 2024

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

## Condensed consolidated income statement

| EUR million | Q2/24 | Q2/23 | Q1/24 | Q1-Q2/24 | Q1-Q2/23 | 2023 |
|---|---|---|---|---|---|---|
| Sales | 2,301 | 2,374 | 2,164 | 4,466 | 5,095 | 9,396 |
| Other operating income | 66 | 87 | 114 | 180 | 234 | 378 |
| Change in inventories of finished goods and WIP | 30 | -74 | 16 | 46 | -51 | -209 |
| Materials and services | -1,491 | -1,569 | -1,413 | -2,904 | -3,308 | -6,133 |
| Freight and sales commissions | -219 | -230 | -203 | -422 | -490 | -883 |
| Personnel expenses | -328 | -344 | -302 | -630 | -672 | -1,275 |
| Other operating expenses | -131 | -260 | -130 | -261 | -421 | -638 |
| Share of results of associated companies | 4 | 28 | 12 | 16 | 39 | 136 |
| Change in net value of biological assets | -6 | 5 | 8 | 2 | 4 | 209 |
| Depreciation, amortisation and impairment charges | -126 | -270 | -118 | -244 | -425 | -1,303 |
| **Operating result** | **99** | **-253** | **148** | **247** | **5** | **-322** |
| Net financial items | -49 | -51 | -47 | -96 | -81 | -173 |
| **Result before tax** | **50** | **-304** | **101** | **152** | **-76** | **-495** |
| Income tax | -8 | 47 | -17 | -25 | 4 | 64 |
| **Net result for the period** | **42** | **-257** | **84** | **126** | **-72** | **-431** |
| **Attributable to** | | | | | | |
| Owners of the Parent | 44 | -226 | 85 | 129 | -37 | -357 |
| Non-controlling interests | -2 | -31 | -1 | -2 | -35 | -74 |
| **Net result for the period** | **42** | **-257** | **84** | **126** | **-72** | **-431** |
| **Earnings per share** | | | | | | |
| Basic earnings per share, EUR | 0.06 | -0.29 | 0.11 | 0.16 | -0.05 | -0.45 |
| Diluted earnings per share, EUR | 0.06 | -0.29 | 0.11 | 0.16 | -0.05 | -0.45 |

## Consolidated statement of comprehensive income

| EUR million | Q2/24 | Q2/23 | Q1/24 | Q1-Q2/24 | Q1-Q2/23 | 2023 |
|---|---|---|---|---|---|---|
| **Net result for the period** | **42** | **-257** | **84** | **126** | **-72** | **-431** |
| **Other comprehensive income (OCI)** | | | | | | |
| **Items that will not be reclassified to profit and loss** | | | | | | |
| Equity instruments at fair value through OCI | -150 | -262 | -59 | -209 | -731 | -645 |
| Actuarial gains and losses on defined benefit plans | 4 | 14 | 20 | 24 | 17 | -52 |
| Revaluation of forest land | 6 | 18 | 0 | 6 | 17 | -49 |
| Share of OCI of associated companies | -5 | 1 | 0 | -5 | 1 | -23 |
| Income tax relating to items that will not be reclassified | -1 | 5 | -4 | -6 | -3 | 22 |
| | **-147** | **-225** | **-43** | **-190** | **-699** | **-748** |
| **Items that may be reclassified subsequently to profit and loss** | | | | | | |
| Cumulative translation adjustment (CTA) | 60 | -128 | -139 | -79 | -194 | 56 |
| Net investment hedges and loans | 0 | -23 | -3 | -3 | -25 | -15 |
| Cash flow hedges and cost of hedging | 6 | -25 | -38 | -32 | -35 | -1 |
| Share of OCI of Non-controlling Interests (NCI) | 0 | 4 | -1 | -1 | 4 | 5 |
| Income tax relating to items that may be reclassified | -1 | 6 | 9 | 8 | 8 | -1 |
| | **64** | **-166** | **-172** | **-107** | **-241** | **44** |
| **Total comprehensive income** | **-40** | **-648** | **-131** | **-171** | **-1,012** | **-1,135** |
| **Attributable to** | | | | | | |
| Owners of the parent | -38 | -621 | -129 | -168 | -982 | -1,066 |
| Non-controlling interests | -2 | -27 | -1 | -4 | -30 | -69 |
| **Total comprehensive income** | **-40** | **-648** | **-131** | **-171** | **-1,012** | **-1,135** |

CTA = Cumulative translation adjustment
OCI = Other comprehensive income

## Condensed consolidated statement of financial position

| EUR million | | 30 Jun 2024 | 31 Dec 2023 | 30 Jun 2023 |
|---|---|---|---|---|
| **Assets** | | | | |
| Goodwill | O | 504 | 505 | 575 |
| Other intangible assets | O | 280 | 283 | 318 |
| Property, plant and equipment | O | 4,769 | 4,544 | 4,961 |
| Right-of-use assets | O | 326 | 323 | 536 |
| | | **5,879** | **5,656** | **6,390** |
| Forest assets | O | 6,906 | 6,921 | 6,550 |
| Biological assets | O | 4,622 | 4,652 | 4,341 |
| Forest land | O | 2,284 | 2,269 | 2,209 |
| Emission rights | O | 178 | 108 | 155 |
| Investments in associated companies | O | 922 | 926 | 850 |
| Listed securities | I | 10 | 9 | 7 |
| Unlisted securities | O | 597 | 810 | 708 |
| Non-current interest-bearing receivables | I | 27 | 76 | 109 |
| Deferred tax assets | T | 128 | 134 | 104 |
| Other non-current assets | O | 54 | 58 | 72 |
| **Non-current assets** | | **14,699** | **14,699** | **14,944** |
| Inventories | O | 1,486 | 1,466 | 1,761 |
| Tax receivables | T | 32 | 31 | 44 |
| Operating receivables | O | 1,060 | 1,191 | 1,304 |
| Interest-bearing receivables | I | 121 | 64 | 52 |
| Cash and cash equivalents | I | 2,074 | 2,464 | 1,973 |
| **Current assets** | | **4,773** | **5,216** | **5,134** |
| **Assets held for sale** | | **855** | **839** | **0** |
| **Total assets** | | **20,327** | **20,754** | **20,078** |
| **Equity and liabilities** | | | | |
| Owners of the Parent | | 10,734 | 10,985 | 11,066 |
| Non-controlling Interests | | -100 | -97 | -58 |
| **Total equity** | | **10,634** | **10,889** | **11,009** |
| Post-employment benefit obligations | O | 195 | 217 | 178 |
| Provisions | O | 80 | 83 | 81 |
| Deferred tax liabilities | T | 1,402 | 1,433 | 1,430 |
| Non-current interest-bearing liabilities | I | 4,069 | 4,446 | 4,088 |
| Non-current operating liabilities | O | 10 | 11 | 10 |
| **Non-current liabilities** | | **5,756** | **6,190** | **5,788** |
| Current portion of non-current debt | I | 522 | 286 | 450 |
| Interest-bearing liabilities | I | 557 | 476 | 606 |
| Bank overdrafts | I | 19 | 0 | 26 |
| Provisions | O | 67 | 85 | 98 |
| Operating liabilities | O | 2,142 | 2,112 | 2,073 |
| Tax liabilities | T | 4 | 45 | 28 |
| **Current liabilities** | | **3,311** | **3,004** | **3,281** |
| **Liabilities related to assets held for sale** | | **626** | **671** | **0** |
| **Total liabilities** | | **9,693** | **9,865** | **9,069** |
| **Total equity and liabilities** | | **20,327** | **20,754** | **20,078** |

Items designated with "O" comprise Operating Capital
Items designated with "I" comprise Net debt
Items designated with "T" comprise Net Tax Liabilities

## Condensed consolidated statement of cash flows

| EUR million | Q1–Q2/24 | Q1–Q2/23 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Operating result | 247 | 5 |
| Adjustments for non-cash items | 242 | 402 |
| Change in net working capital | 103 | -7 |
| **Cash flow from operations** | **592** | **400** |
| Net financial items paid | -78 | -63 |
| Income taxes paid, net | -58 | -89 |
| **Net cash provided by operating activities** | **457** | **249** |
| **Cash flow from investing activities** | | |
| Acquisition of subsidiary shares and business operations, net of acquired cash | -73 | -584 |
| Acquisitions of associated companies | 0 | -2 |
| Acquisitions of unlisted securities | 0 | -2 |
| Cash flow on disposal of subsidiary shares and business operations, net of disposed cash | 1 | 231 |
| Cash flow on disposal of unlisted securities | 3 | 0 |
| Cash flow on disposal of forest and intangible assets and property, plant and equipment | 8 | 41 |
| Capital expenditure | -610 | -468 |
| Proceeds from/payment of non-current receivables, net | -6 | 8 |
| **Net cash used in investing activities** | **-678** | **-776** |
| **Cash flow from financing activities** | | |
| Proceeds from issue of new long-term debt | 8 | 1,327 |
| Repayment of long-term debt and lease liabilities | -169 | -526 |
| Change in short-term interest-bearing liabilities | 57 | 220 |
| Dividends paid | -79 | -473 |
| Purchase of own shares[1] | -3 | -6 |
| **Net cash provided by financing activities** | **-187** | **542** |
| **Net change in cash and cash equivalents** | **-409** | **15** |
| Translation adjustment | -1 | 15 |
| Net cash and cash equivalents at the beginning of period | 2,464 | 1,917 |
| **Net cash and cash equivalents at period end** | **2,054** | **1,947** |
| **Cash and cash equivalents at period end** | **2,074** | **1,973** |
| **Bank overdrafts at period end** | **-19** | **-26** |
| **Net cash and cash equivalents at period end** | **2,054** | **1,947** |

[1] Own shares purchased for the Group's share award programme. The Group did not hold any of its own shares on 30 June 2024.

## Statement of changes in equity

| | | | | | Fair value reserve | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EUR million | Share capital | Share premium and reserve fund | Invested non-restricted equity fund | Treasury shares | Equity instruments through OCI | Cash flow hedges | Revaluation reserve | OCI of associated companies | CTA and net investment hedges and loans | Retained earnings | Attributable to owners of the parent | Non-controlling interests | Total |
| **Balance at 1 January 2023** | **1,342** | **77** | **633** | **—** | **1,298** | **39** | **1,579** | **87** | **-415** | **7,893** | **12,532** | **-30** | **12,502** |
| Net result for the period | — | — | — | — | — | — | — | — | — | -37 | -37 | -35 | -72 |
| OCI before tax | — | — | — | — | -731 | -35 | 17 | 1 | -218 | 17 | -949 | 4 | -945 |
| Income tax relating to OCI | — | — | — | — | — | 7 | -4 | — | — | — | 4 | — | 4 |
| **Total comprehensive income** | **—** | **—** | **—** | **—** | **-731** | **-27** | **14** | **1** | **-218** | **-20** | **-982** | **-30** | **-1,012** |
| Dividend | — | — | — | — | — | — | — | — | — | -473 | -473 | — | -473 |
| Acquisitions and disposals | — | — | — | — | — | — | — | — | — | — | — | 2 | 2 |
| Purchase of treasury shares | — | | — | -6 | — | — | — | — | — | — | -6 | — | -6 |
| Share-based payments | — | | — | 6 | — | — | — | — | — | -11 | -5 | — | -5 |
| **Balance at 30 June 2023** | **1,342** | **77** | **633** | **—** | **567** | **12** | **1,592** | **88** | **-634** | **7,389** | **11,066** | **-58** | **11,009** |
| Net result for the period | — | — | — | — | — | — | — | — | — | -320 | -320 | -39 | -359 |
| OCI before tax | — | — | — | — | 86 | 34 | -67 | -24 | 259 | -69 | 219 | — | 219 |
| Income tax relating to OCI | — | — | — | — | — | -8 | 14 | — | -1 | 12 | 17 | — | 17 |
| **Total Comprehensive Income** | **—** | **—** | **—** | **—** | **85** | **26** | **-53** | **-24** | **259** | **-377** | **-84** | **-39** | **-123** |
| Dividend | — | — | — | — | — | — | — | — | — | **—** | **—** | — | — |
| Acquisitions and disposals | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Purchase of treasury shares | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Share-based payments | — | — | — | — | — | — | — | — | — | 3 | 3 | — | 3 |
| **Balance at 31 December 2023** | **1,342** | **77** | **633** | **—** | **653** | **38** | **1,540** | **63** | **-375** | **7,015** | **10,985** | **-97** | **10,889** |
| Net result for the period | — | — | — | — | — | — | — | — | — | 129 | 129 | -2 | 126 |
| OCI before tax | — | — | — | — | -209 | -32 | 6 | -5 | -82 | 24 | -299 | -1 | -300 |
| Income tax relating to OCI | — | — | — | — | 0 | 7 | -1 | — | 1 | -4 | 2 | — | 2 |
| **Total comprehensive income** | **—** | **—** | **—** | **—** | **-210** | **-25** | **4** | **-5** | **-81** | **148** | **-168** | **-4** | **-171** |
| Dividend | — | — | — | — | — | — | — | — | — | -79 | -79 | — | -79 |
| Acquisitions and disposals | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Purchase of treasury shares | — | — | — | -3 | — | — | — | — | — | — | -3 | — | -3 |
| Share-based payments | — | — | — | 3 | — | — | — | — | — | -5 | -2 | — | -2 |
| **Balance at 30 June 2024** | **1,342** | **77** | **633** | **—** | **443** | **12** | **1,544** | **58** | **-455** | **7,080** | **10,734** | **-100** | **10,634** |

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-Q2/24 | Q1-Q2/23 | 2023 |
|---|---|---|---|
| **Carrying value at 1 January** | **12,577** | **12,489** | **12,489** |
| Additions in tangible and intangible assets | 441 | 347 | 946 |
| Additions in right-of-use assets | 33 | 80 | 108 |
| Additions in biological assets | 38 | 35 | 71 |
| Depletion of capitalised silviculture costs | -39 | -40 | -81 |
| Acquisition of subsidiaries | 75 | 857 | 859 |
| Disposals and classification as held for sale[1] | 2 | -9 | -727 |
| Depreciation and impairment | -244 | -425 | -1,303 |
| Fair valuation of forest assets | 46 | 62 | 241 |
| Translation difference and other | -144 | -454 | -27 |
| **Statement of Financial Position Total** | **12,784** | **12,940** | **12,577** |

[1] Including company disposals.

### Borrowings

| EUR million | 30 Jun 2024 | 30 Jun 2023 | 31 Dec 2023 |
|---|---|---|---|
| Bond loans | 3,453 | 3,114 | 3,601 |
| Loans from credit institutions | 795 | 909 | 794 |
| Lease liabilities | 339 | 512 | 334 |
| Long-term derivative financial liabilities | 2 | 1 | 1 |
| Other non-current liabilities | 2 | 3 | 2 |
| **Non-current interest-bearing liabilities including current portion** | **4,591** | **4,538** | **4,733** |
| Short-term borrowings | 489 | 535 | 418 |
| Interest payable | 52 | 29 | 52 |
| Short-term derivative financial liabilities | 15 | 42 | 6 |
| Bank overdrafts | 19 | 26 | 0 |
| **Total Interest-bearing Liabilities** | **5,167** | **5,170** | **5,209** |

| EUR million | Q1-Q2/24 | Q1-Q2/23 | 2023 |
|---|---|---|---|
| **Carrying value at 1 January** | **5,209** | **3,972** | **3,972** |
| Additions in long-term debt, companies acquired | 0 | 133 | 131 |
| Proceeds of new long-term debt | 8 | 1,327 | 2,006 |
| Repayment of long-term debt | -147 | -469 | -619 |
| Additions in lease liabilities, companies acquired | 0 | 99 | 99 |
| Additions in lease liabilities | 33 | 80 | 109 |
| Repayment of lease liabilities and interest | -35 | -37 | -87 |
| Change in short-term borrowings | 57 | 121 | 177 |
| Change in interest payable | 7 | 5 | 40 |
| Change in derivative financial liabilities | 9 | -6 | -41 |
| Disposals and classification as held for sale | 15 | 1 | -575 |
| Other | 17 | 25 | 26 |
| Translation differences | -5 | -81 | -29 |
| **Total Interest-bearing Liabilities** | **5,167** | **5,170** | **5,209** |

### Commitments and contingencies

| EUR million | 30 Jun 2024 | 31 Dec 2023 | 30 Jun 2023 |
|---|---|---|---|
| **On Own Behalf** | | | |
| Guarantees | 18 | 18 | 18 |
| Other commitments | 6 | 6 | 4 |
| **On Behalf of associated companies** | | | |
| Guarantees | 4 | 5 | 5 |
| **On Behalf of Others** | | | |
| Guarantees | 16 | 16 | 15 |
| Other commitments | 0 | 0 | 36 |
| **Total** | **43** | **44** | **77** |
| | | | |
| Guarantees | 38 | 38 | 38 |
| Other commitments | 6 | 6 | 40 |
| **Total** | **43** | **44** | **77** |

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

### Capital commitments

| EUR million | 30 Jun 2024 | 31 Dec 2023 | 30 Jun 2023 |
|---|---|---|---|
| **Total** | **472** | **683** | **812** |

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

### Key exchange rates for the euro

| One Euro is | Closing Rate | | Average Rate (Year-to-date) | |
|---|---|---|---|---|
| | 30 Jun 2024 | 31 Dec 2023 | 30 Jun 2024 | 31 Dec 2023 |
| SEK | 11,3595 | 11,0960 | 11,3889 | 11,4728 |
| USD | 1,0705 | 1,1050 | 1,0812 | 1,0816 |
| GBP | 0,8464 | 0,8691 | 0,8545 | 0,8699 |

## 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 June 2024

| 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 |
| **Financial assets** | | | | | | | | |
| Listed securities | – | 10 | – | 10 | 10 | 10 | – | – |
| Unlisted securities | – | 584 | 12 | 597 | 597 | – | – | 597 |
| Non-current interest-bearing receivables | 14 | 13 | – | 27 | 27 | – | 13 | – |
| Derivative assets | – | 13 | – | 13 | 13 | – | 13 | – |
| Loan receivables | 14 | – | – | 14 | 14 | – | – | – |
| Trade and other operating receivables | 643 | 76 | – | 719 | 719 | – | 76 | – |
| Current interest-bearing receivables | 98 | 19 | 4 | 121 | 121 | – | 23 | – |
| Derivative assets | – | 19 | 4 | 23 | 23 | – | 23 | – |
| Other short-term receivables | 98 | – | – | 98 | 98 | – | – | – |
| Cash and cash equivalents | 2,074 | – | – | 2,074 | 2,074 | – | – | – |
| **Total** | **2,830** | **702** | **16** | **3,548** | **3,548** | **10** | **112** | **597** |

| 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 |
| **Financial liabilities** | | | | | | | | |
| Non-current interest-bearing liabilities | 4,068 | 2 | – | 4,069 | 4,269 | – | 2 | – |
| Derivative liabilities | – | 2 | – | 2 | 2 | – | 2 | – |
| Non-current debt | 4,068 | – | – | 4,068 | 4,268 | – | – | – |
| Current portion of non-current debt | 522 | – | – | 522 | 522 | – | – | – |
| Current interest-bearing liabilities | 541 | 15 | 1 | 557 | 557 | – | 15 | – |
| Derivative liabilities | – | 15 | 1 | 15 | 15 | – | 15 | – |
| Current debt | 541 | – | – | 541 | 541 | – | – | – |
| Trade and other operating payables | 1,674 | – | – | 1,674 | 1,674 | – | – | – |
| Bank overdrafts | 19 | – | – | 19 | 19 | – | – | – |
| **Total** | **6,824** | **16** | **1** | **6,841** | **7,041** | **–** | **17** | **–** |

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

### Carrying amounts of financial assets and liabilities by measurement and fair value categories: 31 December 2023

| EUR million | Amortised cost | Fair value through OCI | Fair value through income statement | Total carrying amount | Fair value | Fair value hierarchy | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | | | | |
| Listed securities | – | 9 | – | 9 | 9 | 9 | – | – |
| Unlisted securities | – | 794 | 15 | 810 | 810 | – | – | 810 |
| Non-current interest-bearing receivables | 62 | 14 | – | 76 | 76 | – | 15 | – |
| Derivative assets | – | 14 | – | 15 | 15 | – | 15 | – |
| Loan receivables | 62 | – | – | 62 | 62 | – | – | – |
| Trade and other operating receivables | 835 | 30 | – | 865 | 865 | – | 30 | – |
| Current interest-bearing receivables | 21 | 39 | 4 | 64 | 64 | – | 43 | – |
| Derivative assets | – | 39 | 4 | 43 | 43 | – | 43 | – |
| Other short-term receivables | 21 | – | – | 21 | 21 | – | – | – |
| Cash and cash equivalents | 2,464 | – | – | 2,464 | 2,464 | – | – | – |
| **Total** | **3,382** | **887** | **19** | **4,288** | **4,288** | **9** | **87** | **810** |

| 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 |
| **Financial liabilities** | | | | | | | | |
| Non-current interest-bearing liabilities | 4,445 | 1 | – | 4,446 | 5,071 | – | 1 | – |
| Derivative liabilities | – | 1 | – | 1 | 1 | – | 1 | – |
| Non-current debt | 4,445 | – | – | 4,445 | 5,069 | – | – | – |
| Current portion of non-current debt | 286 | – | – | 286 | 286 | – | – | – |
| Current interest-bearing liabilities | 469 | 4 | 2 | 476 | 476 | – | 6 | – |
| Derivative liabilities | – | 4 | 2 | 6 | 6 | – | 6 | – |
| Current debt | 469 | – | – | 469 | 469 | – | – | – |
| Trade and other operating payables | 1,806 | – | – | 1,806 | 1,806 | – | – | – |
| Bank overdrafts | – | – | – | – | – | – | – | – |
| **Total** | **7,006** | **6** | **2** | **7,014** | **7,639** | **–** | **8** | **–** |

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

### Reconciliation of level 3 fair value measurement of financial assets and liabilities: 30 June 2024

| EUR million | Q1-Q2/24 | 2023 | Q1-Q2/23 |
|---|---|---|---|
| **Financial assets** | | | |
| **Opening balance at 1 January** | **810** | **1,437** | **1,437** |
| Reclassifications | 0 | 0 | -1 |
| Gains/losses recognised in other comprehensive income | -210 | -646 | -730 |
| Additions | 0 | 18 | 1 |
| Disposals | -3 | 0 | 0 |
| **Closing balance** | **597** | **810** | **708** |

The Group did not have level 3 financial liabilities as at 30 June 2024.

## Level 3 Financial Assets

At period end, Level 3 financial assets included EUR 568 million of Pohjolan Voima Oy (PVO) shares for which the valuation method is described in more detail in the Annual Report. The valuation decreased by EUR 210 million versus December 2023, mainly due to lower electricity market prices and higher costs. The valuation is most sensitive to changes in electricity prices and discount rates. The discount rate of 6.83% 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 +85 million and -85 million, respectively. A +/- percentage point change in the discount rate would change the valuation by EUR -109 million and +143 million, respectively.

## Stora Enso shares

During the second quarter of 2024, the conversions of 206,138 A shares into R shares were recorded in the Finnish trade register.

On 30 June 2024, Stora Enso had 175,880,691 A shares and 612,739,296 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 237,154,620.

### Trading volume

| | Helsinki | | Stockholm | |
|---|---|---|---|---|
| | A share | R share | A share | R share |
| April | 82,421 | 34,186,031 | 65,391 | 4,235,085 |
| May | 93,670 | 29,754,231 | 61,780 | 5,505,749 |
| June | 87,981 | 27,996,293 | 33,452 | 3,705,375 |
| **Total** | **264,072** | **91,936,555** | **160,623** | **13,446,209** |

### Closing price

| | Helsinki, EUR | | Stockholm, SEK | |
|---|---|---|---|---|
| | A share | R share | A share | R share |
| April | 12.55 | 12.55 | 147.50 | 149.30 |
| May | 13.60 | 13.41 | 151.50 | 153.40 |
| June | 12.65 | 12.76 | 144.50 | 144.80 |

### Number of shares

| Million | Q2/24 | Q2/23 | Q1/24 | 2023 |
|---|---|---|---|---|
| At period end | 788.6 | 788.6 | 788.6 | 788.6 |
| Average | 788.6 | 788.6 | 788.6 | 788.6 |
| Average, diluted | 789.6 | 789.9 | 789.7 | 789.7 |

## Sales

### Sales by segment – total

| EUR million | Q2/24 | Q1/24 | 2023 | Q4/23 | Q3/23 | Q2/23 | Q1/23 |
|---|---|---|---|---|---|---|---|
| Packaging Materials | 1,138 | 1,100 | 4,557 | 1,045 | 1,057 | 1,155 | 1,300 |
| Packaging Solutions | 254 | 224 | 1,077 | 247 | 266 | 288 | 276 |
| Biomaterials | 413 | 374 | 1,587 | 375 | 345 | 379 | 488 |
| Wood Products | 414 | 349 | 1,580 | 341 | 349 | 436 | 454 |
| Forest | 690 | 659 | 2,490 | 650 | 534 | 620 | 687 |
| Other | 36 | 57 | 964 | 207 | 179 | 213 | 364 |
| Inter-segment sales | -644 | -599 | -2,859 | -691 | -603 | -717 | -848 |
| **Total** | **2,301** | **2,164** | **9,396** | **2,174** | **2,127** | **2,374** | **2,721** |

### Sales by segment – external

| EUR million | Q2/24 | Q1/24 | 2023 | Q4/23 | Q3/23 | Q2/23 | Q1/23 |
|---|---|---|---|---|---|---|---|
| Packaging Materials | 1,062 | 1,033 | 4,362 | 1,006 | 1,012 | 1,103 | 1,242 |
| Packaging Solutions | 252 | 221 | 1,066 | 244 | 264 | 285 | 273 |
| Biomaterials | 326 | 298 | 1,363 | 322 | 297 | 321 | 423 |
| Wood Products | 373 | 315 | 1,453 | 313 | 322 | 400 | 416 |
| Forest | 282 | 278 | 989 | 266 | 218 | 246 | 258 |
| Other | 7 | 20 | 162 | 22 | 14 | 18 | 108 |
| **Total** | **2,301** | **2,164** | **9,396** | **2,174** | **2,127** | **2,374** | **2,721** |

### Disaggregation of revenue

| EUR million | Q2/24 | Q1/24 | 2023 | Q4/23 | Q3/23 | Q2/23 | Q1/23 |
|---|---|---|---|---|---|---|---|
| Product sales | 2,283 | 2,154 | 9,317 | 2,153 | 2,109 | 2,348 | 2,707 |
| Service sales | 18 | 10 | 79 | 21 | 18 | 25 | 15 |
| **Total** | **2,301** | **2,164** | **9,396** | **2,174** | **2,127** | **2,374** | **2,721** |

# Alternative performance measures

Definitions and purpose for alternative performance measures can be found at the end of this section.

## Changes in alternative performance measures

From 1 January 2024 onwards, a slight change in terminology is applied with regards to certain key alternative performance measures as detailed in the table below:

| Name until 31 Dec 2023 | New name from 1 Jan 2024 |
|---|---|
| Operational EBIT | Adjusted EBIT |
| Operational EBIT margin | Adjusted EBIT margin |
| Operational EBITDA | Adjusted EBITDA |
| Operational EBITDA margin | Adjusted EBITDA margin |
| Net debt to LTM operational EBITDA | Net debt to LTM adjusted EBITDA |
| Operational return on capital employed (op. ROCE) | Adjusted Return on capital employed (Adj. ROCE) |
| Operational ROCE excl. Forest division | Adjusted ROCE excl. Forest division |
| Operational return on operating capital (op. ROOC) | Adjusted Return on operating capital (Adj. ROOC) |

In addition, the Company specifies that in order for the qualifying cases to be considered as items affecting comparability, a materiality threshold will be applied of at least EUR 4 million for Packaging Materials, EUR 2 million for Biomaterials, and EUR 1 million for the rest of the divisions including the segment Other. No restatements were prepared for the alternative performance measures as this change will not have a significant impact on the comparative figures.

### Reconciliation of operating result

| EUR million | Q2/24 | Q2/23 | Change % Q2/24–Q2/23 | Q1/24 | Change % Q2/24–Q1/24 | Q1–Q2/24 | Q1–Q2/23 | Change % Q1–Q2/24–Q1–Q2/23 | 2023 |
|---|---|---|---|---|---|---|---|---|---|
| Adjusted EBITDA | 312 | 198 | 57.4 % | 298 | 4.9 % | 610 | 597 | 2.2 % | 989 |
| Depreciation and silviculture costs of associated companies | -4 | -3 | -61.0 % | -1 | -218.5 % | -6 | -5 | -20.6 % | -11 |
| Silviculture costs[1] | -29 | -24 | -17.9 % | -22 | -29.0 % | -51 | -51 | 0.0 % | -102 |
| Depreciation and impairment excl. IAC | -118 | -135 | 12.1 % | -118 | -0.5 % | -236 | -271 | 12.8 % | -534 |
| **Adjusted EBIT** | **161** | **37** | **n/m** | **156** | **2.8%** | **317** | **271** | **17.2%** | **342** |
| Fair valuations and non-operational items | -16 | -14 | -14.6 % | 11 | -239.1 % | -4 | -3 | -69.1 % | 231 |
| Items affecting comparability (IAC) | -46 | -276 | 83.4 % | -20 | -134.3 % | -65 | -264 | 75.2 % | -895 |
| **Operating result (IFRS)** | **99** | **-253** | **139.2%** | **148** | **-33.2%** | **247** | **5** | **n/m** | **-322** |

[1] Including damages to forests

### Adjusted EBIT by segment

| EUR million | Q2/24 | Q1/24 | 2023 | Q4/23 | Q3/23 | Q2/23 | Q1/23 |
|---|---|---|---|---|---|---|---|
| Packaging Materials | 60 | 60 | -57 | -43 | -34 | -22 | 41 |
| Packaging Solutions | -1 | -1 | 43 | 6 | 14 | 15 | 8 |
| Biomaterials | 63 | 57 | 118 | 35 | 5 | -13 | 91 |
| Wood Products | 7 | -9 | -64 | -27 | -21 | -6 | -11 |
| Forest | 76 | 70 | 253 | 75 | 59 | 62 | 57 |
| Other | -32 | -11 | 1 | -1 | -15 | -9 | 27 |
| Inter-segment eliminations | -13 | -10 | 49 | 5 | 13 | 9 | 21 |
| **Adjusted EBIT** | **161** | **156** | **342** | **51** | **21** | **37** | **234** |
| Fair valuations and non-operational items | -16 | 11 | 231 | 229 | 5 | -14 | 11 |
| Items affecting comparability | -46 | -20 | -895 | -605 | -26 | -276 | 12 |
| **Operating result (IFRS)** | **99** | **148** | **-322** | **-326** | **-1** | **-253** | **258** |
| Net financial items | -49 | -47 | -173 | -52 | -40 | -51 | -29 |
| **Result before Tax** | **50** | **101** | **-495** | **-378** | **-41** | **-304** | **228** |
| Income tax expense | -8 | -17 | 64 | 53 | 7 | 47 | -43 |
| **Net result** | **42** | **84** | **-431** | **-325** | **-34** | **-257** | **185** |

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

### Items affecting comparability in Q2/2024

| EUR million | Q2/24 | Q1-Q2/24 |
|---|---|---|
| Restructuring - Packaging Materials | -20 | -22 |
| Restructuring - Packaging Solutions | -3 | -5 |
| Restructuring - Biomaterials | -1 | -2 |
| Restructuring - Forest | 0 | -2 |
| Restructuring - Group functions and segment Other | -17 | -27 |
| Other items | -5 | -8 |
| **Total** | **-46** | **-65** |

### Items affecting comparability in Q2/2023

| EUR million | Q2/23 | Q1-Q2/23 |
|---|---|---|
| Impairment reversal - Forest | 1 | 1 |
| Disposal of Nymölla | -1 | -29 |
| Disposal of Hylte | -48 | -48 |
| Disposal of Maxau | 0 | 49 |
| Disposal of Wood Products DIY unit | -3 | -3 |
| Disposals related transaction costs | -5 | -5 |
| Acquisition of De Jong Packaging Group | 1 | -15 |
| Closure of Sunila pulp mill | -104 | -104 |
| Closure De Hoop | -76 | -76 |
| Restructuring (2021 announced) - Kvarnsveden | 1 | 23 |
| Restructuring (2021 announced) - Veitsiluoto | 5 | 9 |
| Restructuring - Anjala | -7 | -26 |
| Restructuring - Packaging Materials | -17 | -17 |
| Restructuring - Packaging Solutions | -5 | -10 |
| Restructuring - Wood Products | -8 | -8 |
| Restructuring - Group functions | -10 | -10 |
| Updates in environmental provisions - mainly closed Finnish sites | 0 | 6 |
| Other items | 0 | 0 |
| **Total** | **-276** | **-264** |

### Fair valuations and non-operational items

| EUR million | Q2/24 | Q1-Q2/24 | Q2/23 | Q1-Q2/23 |
|---|---|---|---|---|
| Non-operational fair valuation changes of biological assets, Packaging Materials | -1 | -2 | 0 | 0 |
| Non-operational fair valuation changes of biological assets, Biomaterials | 3 | 5 | 5 | 4 |
| Non-operational fair valuation changes of biological assets, Forest | -11 | -11 | -6 | -6 |
| Non-cash income and expenses related to $CO_2$ emission rights and liabilities, Other | 11 | 28 | -18 | 3 |
| Non-operational items of associated companies, Forest | -18 | -24 | 6 | 1 |
| Adjustments for differences between fair value and acquisition cost of forest assets upon disposal, Forest | -1 | -1 | 0 | -5 |
| **Total** | **-16** | **-4** | **-14** | **-3** |

### Items affecting comparability (IAC) by segment

| EUR million | Q2/24 | Q1/24 | 2023 | Q4/23 | Q3/23 | Q2/23 | Q1/23 |
|---|---|---|---|---|---|---|---|
| Packaging Materials | -27 | -4 | -597 | -474 | -4 | -98 | -21 |
| Packaging Solutions | -3 | -3 | -26 | -1 | 0 | -5 | -20 |
| Biomaterials | -1 | -1 | -224 | -105 | -17 | -101 | 0 |
| Wood Products | 0 | 0 | -22 | -13 | -1 | -8 | 0 |
| Forest | 2 | -2 | 2 | 4 | 3 | -2 | -3 |
| Other | -17 | -10 | -28 | -16 | -6 | -61 | 56 |
| **IAC on operating result** | **-46** | **-20** | **-895** | **-605** | **-26** | **-276** | **12** |
| Tax on IAC | 8 | 4 | 100 | 53 | 6 | 43 | -3 |
| **IAC on net result** | **-38** | **-16** | **-795** | **-552** | **-20** | **-233** | **10** |

## Fair valuations and non-operational items by segment

| EUR million | Q2/24 | Q1/24 | 2023 | Q4/23 | Q3/23 | Q2/23 | Q1/23 |
|---|---|---|---|---|---|---|---|
| Packaging Materials | -1 | -1 | 12 | 12 | 0 | 0 | 0 |
| Packaging Solutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Biomaterials | 3 | 1 | 25 | 24 | -3 | 5 | -1 |
| Wood Products | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Forest | -29 | -6 | 206 | 221 | -5 | 0 | -9 |
| Other | 11 | 17 | -13 | -28 | 12 | -19 | 21 |
| **FV on operating result** | **-16** | **11** | **231** | **229** | **5** | **-14** | **11** |
| Tax on FV | 3 | -1 | -25 | -24 | -1 | 4 | -3 |
| **FV on net result** | **-13** | **11** | **206** | **205** | **3** | **-10** | **8** |

## Operating result by segment

| EUR million | Q2/24 | Q1/24 | 2023 | Q4/23 | Q3/23 | Q2/23 | Q1/23 |
|---|---|---|---|---|---|---|---|
| Packaging Materials | 32 | 55 | -642 | -504 | -38 | -120 | 21 |
| Packaging Solutions | -4 | -4 | 17 | 5 | 14 | 10 | -12 |
| Biomaterials | 66 | 58 | -81 | -46 | -15 | -109 | 90 |
| Wood Products | 7 | -10 | -86 | -40 | -22 | -14 | -11 |
| Forest | 49 | 63 | 461 | 300 | 57 | 60 | 44 |
| Other | -38 | -4 | -41 | -46 | -10 | -89 | 104 |
| Inter-segment eliminations | -13 | -10 | 49 | 5 | 13 | 9 | 21 |
| **Operating result (IFRS)** | **99** | **148** | **-322** | **-326** | **-1** | **-253** | **258** |
| Net financial items | -49 | -47 | -173 | -52 | -40 | -51 | -29 |
| **Result before tax** | **50** | **101** | **-495** | **-378** | **-41** | **-304** | **228** |
| Income tax expense | -8 | -17 | 64 | 53 | 7 | 47 | -43 |
| **Net result** | **42** | **84** | **-431** | **-325** | **-34** | **-257** | **185** |

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

| EUR million | Q2/24 | Q2/23 | Q1/24 | Q4/23 |
|---|---|---|---|---|
| Adjusted EBIT, LTM | 389 | 1,154 | 265 | 342 |
| Capital employed, LTM average | 14,108 | 14,262 | 14,197 | 14,230 |
| **Adjusted ROCE, LTM** | **2.8%** | **8.1%** | **1.9%** | **2.4%** |
| | | | | |
| Adjusted EBIT excl. Forest division, LTM | 108 | 926 | -2 | 89 |
| Capital employed excl. Forest division, LTM average | 8,274 | 8,671 | 8,415 | 8,490 |
| **Adjusted ROCE excl. Forest division, LTM** | **1.3%** | **10.7%** | **0.0%** | **1.0%** |
| | | | | |
| Net result for the period, LTM | -233 | 879 | -532 | -431 |
| Total equity, LTM average | 10,842 | 11,790 | 11,047 | 11,413 |
| **Return on equity (ROE), LTM** | **-2.1%** | **7.5%** | **-4.8%** | **-3.8%** |
| | | | | |
| Net debt | 3,497 | 3,030 | 3,518 | 3,167 |
| Adjusted EBITDA, LTM | 1,002 | 1,801 | 888 | 989 |
| **Net debt to LTM adjusted EBITDA ratio** | **3.5** | **1.7** | **4.0** | **3.2** |

LTM = Last 12 months.

## Calculation of EPS excl. FV

| EUR million | Q2/24 | Q2/23 | Q1/24 | Q1-Q2/24 | Q1-Q2/23 | 2023 |
|---|---|---|---|---|---|---|
| Earnings per share (EPS) excl. FV EUR | | | | | | |
| Net profit for the period attributable to owners of the Parent | 44 | -226 | 85 | 129 | -37 | -357 |
| FV on net profit for the period attributable to owners of the Parent | -11 | -10 | 14 | 3 | -2 | 218 |
| **Net profit for the period attributable to owners of the parent excl. FV** | **55** | **-216** | **71** | **126** | **-35** | **-575** |
| Average number of shares | 789 | 789 | 789 | 789 | 789 | 789 |
| Earnings per share (EPS) excl. FV EUR | 0.07 | -0.27 | 0.09 | 0.16 | -0.04 | -0.73 |

### Calculation of net debt

| EUR million | 30 Jun 2024 | 30 Jun 2023 | 31 Mar 2024 | 31 Dec 2023 |
|---|---|---|---|---|
| Listed securities | 10 | 7 | 10 | 9 |
| Non-current interest-bearing receivables | 27 | 109 | 76 | 76 |
| Interest-bearing receivables | 121 | 52 | 40 | 64 |
| Cash and cash equivalents | 2,074 | 1,973 | 2,099 | 2,464 |
| **Interest-bearing assets** | **2,232** | **2,140** | **2,225** | **2,613** |
| Non-current interest-bearing liabilities | 4,069 | 4,088 | 4,310 | 4,446 |
| Current portion of non-current debt | 522 | 450 | 248 | 286 |
| Interest-bearing liabilities | 557 | 606 | 623 | 476 |
| Bank overdrafts | 19 | 26 | 3 | 0 |
| Interest-bearing liabilities held-for-sale | 562 | 0 | 558 | 571 |
| **Interest-bearing Liabilities** | **5,729** | **5,170** | **5,743** | **5,780** |
| **Net debt** | **3,497** | **3,030** | **3,518** | **3,167** |

## Definitions and calculation of alternative performance measures

According to the European Securities and Markets Authority (ESMA) Guidelines, an alternative performance measure is understood as a financial measure of historical or future financial performance, financial position, or cash flows, not defined under IFRS. Used together with the IFRS measures, alternative performance measures provide meaningful supplemental information to the management, investors, analysts and other parties with regards to the financial development of the business operations.

| Alternative performance measure | Definition | Purpose |
|---|---|---|
| **Operating result (IFRS)** | Net result for the period excluding income tax and net financial items (finance costs). | Used in combination with below measures to determine the profitability of the Group. |
| **Adjusted EBIT** | Operating result (IFRS) excluding items affecting comparability (IAC) and fair valuations and non-operational items (FV) of the line-by-line consolidated entities and Stora Enso's share of operating result excluding IAC and FV of its associated companies. | The Group's key non-IFRS performance metric, which is used to evaluate the performance of operating segments and, in combination with below ratios, to steer allocation of resources to them. |
| **Adjusted EBITDA** | Operating result (IFRS) excluding silviculture costs and damage to forests, fixed asset depreciation and impairment, IACs and FV. The definition includes the respective items of subsidiaries, joint arrangements and associated companies. | Used by management to analyse the business and, from time-to-time, for short term and long-term target setting. |
| **Adjusted return on capital employed (ROCE), LTM[3] (%)** | Adjusted EBIT[3] / Capital employed[1] x 100 | Used for long-term Group financial targets setting. |
| **Adjusted return on operating capital (ROOC), LTM[3] (%)** | Adjusted EBIT[3] / Operating capital[1] x 100 | Used for long-term divisional financial targets setting. |
| **Return on equity, ROE, LTM[3] (%)** | Net result for the period / Total equity[1] x 100 | A measure of the profitability in relation to equity. |
| **Net debt** | Interest-bearing liabilities – interest-bearing assets, marked with "I" in the statement of financial position. | Used for long-term Group financial targets setting. |
| **Net debt/equity ratio** | Net debt / Equity[2] | Used for long-term Group financial targets setting. |
| **Net debt/last 12 months' adjusted EBITDA ratio** | Net debt / LTM adjusted EBITDA | Used for long-term Group financial targets setting. |
| **Earnings per share (EPS) excluding FV** | Net result for the period excluding fair valuations and non-operational items after tax divided by the weighted average number of shares | Stora Enso's dividend policy is to distribute 50% of earnings per share (EPS) excluding fair valuation over the cycle. |
| **Operating capital and capital employed** | Operating capital is comprised of items marked with "O" in the statement of financial position. Capital employed = Operating capital – Net tax liabilities. Net tax liabilities are marked with "T" in the statement of financial position. | Used for long-term Group financial targets setting. |

| Alternative performance measure | Definition | Purpose |
|---|---|---|
| **Items affecting comparability (IAC)** | The most common IAC are significant 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. In order for qualifying cases to be considered as items affecting comparability, a materiality threshold will be applied of at least EUR 4 million for Packaging Materials, EUR 2 million for Biomaterials, and EUR 1 million for the rest of the divisions including segment Other. | Represent certain significant items, identified by the management, considered not indicative of the operating business performance due to their nature and/or frequency. |
| **Fair valuations and non-operational items (FV)** | Fair valuations and non-operational items include non-cash income and expenses related to $CO_2$ emission rights and liabilities, 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 associated companies. Non-operational fair value changes of biological assets reflect changes made to valuation assumptions and parameters. The adjustments for differences between fair value and acquisition cost of forest assets upon disposal are a result of the fact that the cumulative non-operational fair valuation changes of disposed forest assets were included in previous periods in IFRS operating result (biological assets) and other comprehensive income (forest land) and are included in adjusted EBIT only at the disposal date (for non-strategic forest assets disposals). | Represent adjustments for certain items considered by the management less relevant for understanding operating business performance. These adjustments result in differences in the recognition and measurement principles applicable under IFRS. |
| **Operational fair value change of biological assets** | Operational fair value changes of biological assets contain all other fair value changes (see above about non-operational fair value changes of biological assets), mainly due to inflation and differences in actual harvesting levels compared to the harvesting plan. | The long-term value change of the growing forests is an important component of the forestry business profitability. |
| **Cash flow from operations (non-IFRS) and cash flow after investing activities (non-IFRS)** | Cash flow from operations (non-IFRS) is equal to net cash provided by operating activities (IFRS) before cash flows related to financial items and income taxes. Cash flow after investing activities (non-IFRS) is equal to cash flow from operations (non-IFRS) minus cash spent on intangible assets, property, plant and equipment, and biological assets and acquisitions of associated companies. | These are measures of cash generation, working capital efficiency and capital expenditure outflows. |
| **Capital expenditure** | 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. | A measure of the operating business investments capitalised as tangible and intangibles assets. |
| **Fixed costs** | Maintenance, personnel and other administration type of costs, excluding IAC and FV. | A measure of the costs that are less variable in nature. |

[1]Average for the last five quarter ends [2]Attributable to the owners of the Parent [3]Last 12 months prior to the end of reporting period

## Definitions and calculation of key sustainability figures

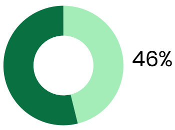
| | |
|---|---|
| **GHG emissions, Scope 1 + 2** | Direct absolute $CO_2e$ emissions from production (Scope 1) and indirect absolute $CO_2e$ emissions related to purchased electricity and heat (Scope 2). Excluding joint operations. Reported as rolling 12 months. Calculated in accordance with the Greenhouse Gas Protocol of the World Resource Institute (WRI). |
| **GHG emissions, Scope 3** | Absolute $CO_2e$ emissions from other sources along the value chain of all production units are estimated based on the most recent methodology. Joint operations included as suppliers. Currently, material emission categories for Scope 3 emissions are updated annually. Accounting based on guidelines provided by the Greenhouse Gas Protocol and the World Business Council for Sustainable Development (WBCSD). |
| **Forest certification coverage** | The proportion of land in wood production and harvesting owned or leased by Stora Enso that is covered by forest certification schemes. Reporting on total land area and its forest certification coverage aligned with financial reporting on forests assets. |
| **Share of technically recyclable products** | The proportion of technically recyclable products based on production volumes as tonnes. Technical recyclability is defined by international standards and tests when available, and in the absence of these, by Stora Enso's tests that prove recyclability. The reporting scope includes Stora Enso's packaging, pulp, paper and solid wood products as well as biochemical by-products. |
| **TRI (Total recordable incidents) rate** | Number of incidents per one million hours worked. Including joint operations. |
| **Gender balance: % of female managers among all managers** | The share of female managers is calculated as the headcount of all permanent managers with at least one direct report. The manager must be permanent, but the subordinates can be temporary or permanent. Reported as rolling 12 months. Excluding joint operations. |
| **Total water withdrawal per saleable tonne** | Reported as rolling 12 months. Excluding joint operations. Total water withdrawal includes process water and cooling and non-contact water intakes by board, pulp, and paper production sites as cubic metres ($m^3$). |
| **Process water discharges per saleable tonne** | Reported as rolling 12 months. Excluding joint operations and Business Unit Western Europe in Packaging Solutions. Process water discharges include the discharges of board, pulp, and paper production sites as cubic metres ($m^3$). |
| **Supplier Code of Conduct (SCoC) coverage** | The share of supplier spend (rolling 12 months) covered by the Supplier Code of Conduct (SCoC). Excludes contracts with an annual value below EUR 10,000, joint operations, intellectual property rights, leasing fees, financial trading, government fees such as customs, and wood purchases from private individual forest owners. Excluding Business Unit Western Europe in Packaging Solutions. |

# Divisions

### Packaging Materials

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

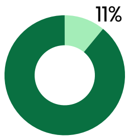
**Share of Group external sales**




### Packaging Solutions

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

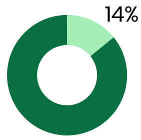
**Share of Group external sales**




### Biomaterials

Meeting the growing demand for bio-based solutions with innovations and being customers choice in selected pulp grades.

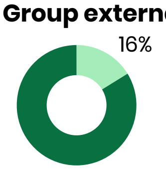
**Share of Group external sales**




### Wood Products

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

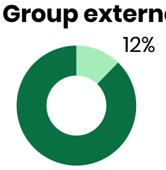
**Share of Group external sales**




### Forest

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

**Share of Group external sales**




Information about Stora Enso's production capacities is available in the Annual Report 2023.

## Contact information

**Stora Enso Oyj**
P.O.Box 309
FI-00101 Helsinki, Finland
Visiting address: Salmisaarenaukio 2
Tel. +358 2046 111

**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**
**storaenso.com/investors**

**For further information, please contact:**
Anna-Lena Åström, SVP Investor Relations, tel. +46 702 107 691
Carl Norell, SVP Corporate Communications, tel. +46 722 410 349

**Stora Enso's January–September 2024 results will be published on**

# 24 October 2024

Part of the global bioeconomy, Stora Enso is a leading provider of renewable products in packaging, biomaterials, and wooden construction, and one of the largest private forest owners in the world. We create value with our low-carbon and recyclable fiber-based products, through which we support our customers in meeting the demand for renewable sustainable products. Stora Enso has approximately 20,000 employees and our sales in 2023 were EUR 9.4 billion. Stora Enso shares are listed on Nasdaq Helsinki Oy (STEAV, STERV) and Nasdaq Stockholm AB (STE A, STE R). In addition, the shares are traded on OTC Markets (OTCQX) in the USA as ADRs and ordinary shares (SEOAY, SEOFF, SEOJF). **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.