

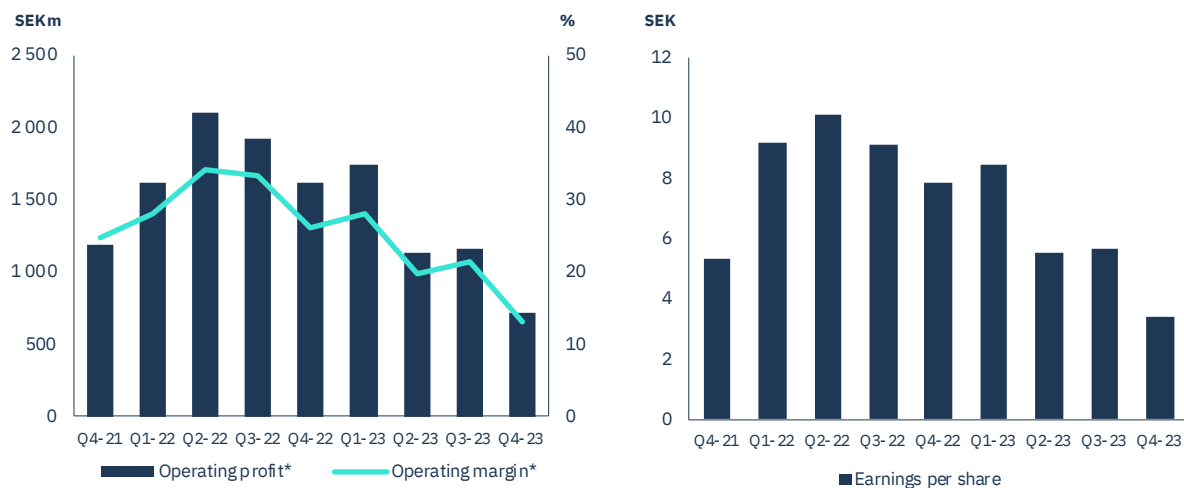
HOLMEN

Holmen's year-end report 2023

SEKm	Quarter			Full year	
	4-23	3-23	4-22	2023	2022
Net sales	5 400	5 418	6 245	22 795	23 952
EBITDA*	1 059	1 505	1 965	6 114	8 607
Operating profit excl. item affecting comparability	714	1 166	1 622	4 755	7 262
Operating profit	714	1 166	1 622	4 755	7 527
Profit after tax	538	898	1 268	3 697	5 874
Earnings per share, SEK	3.4	5.6	7.8	23.0	36.3
Operating margin, %*	13	22	26	21	30
Book value, forest assets, SEKm	56 348	52 638	52 151	56 348	52 151
Cash flow before investments and change in working capital	551	1 172	985	5 311	6 768
Net financial debt	1 869	2 616	2 145	1 869	2 145
Debt/equity ratio, %	3	5	4	3	4

*Excl. the item affecting comparability 2022; see page 14.

- Operating profit for 2023 amounted to SEK 4 755 million (2022: 7 527). Excluding the item affecting comparability last year, operating profit decreased by SEK 2 507 million, mainly due to weaker market conditions for wood products and paperboard.
- Compared with the third quarter, operating profit for the fourth quarter decreased by SEK 452 million to SEK 714 million. Earnings were negatively affected by a major maintenance shutdown (SEK -180 million), slightly lower prices for paper and wood products and seasonally higher fixed costs.
- Profit after tax in 2023 amounted to SEK 3 697 million (5 874), which corresponds to earnings per share of SEK 23.0 (36.3).
- The book value of the Group's forest assets, calculated based on market prices for forest properties, increased by 8 per cent during the annual revaluation, from SEK 52 151 million at the beginning of the year to SEK 56 348 million.
- The Board of Directors proposes that the ordinary dividend increases from SEK 8 to SEK 8.5 per share and a payment of an extra dividend of SEK 3 per share.



*Excl. items affecting comparability.

CEO comments

This was a year characterized by central banks raising interest rates to fight inflation, which slowed down the pace of new construction and dampened the consumption of goods. Despite the challenging economic environment, we were able to maintain operating profit for 2023 at a historically good level of SEK 4 755 million, thanks to high profits from paper, forest and hydro power. Given the Group's good profit and strong financial position, the Board of Directors proposes that the dividend per share increases from SEK 8 to SEK 8.5, and a payment of an extra dividend of SEK 3.

Holmen has developed strongly by creating added value from the forest and land we own. To further increase our competitiveness and strategic capabilities, we are now combining paperboard and paper into a single business area. Through the business combination, we are focusing our business model on four distinct business lines, i.e. forestry, hydro and wind power, woodworking industry and process industry operations.

In the fourth quarter, the Group's profit decreased to SEK 714 million due to a maintenance shutdown and weaker market conditions. Despite a weaker market, competition for logs and pulpwood remained strong. The profit from forest, at SEK 384 million, was in line with the previous quarter, but significantly higher than before wood prices began to increase just over a year ago. The price increases that we have seen in the wood market have supported transaction prices for forest properties at a time of rising market interest rates. The book value of our forest, based on property transactions for the last three years, increased by SEK 4 billion to SEK 56 billion in 2023.

Demand for consumer paperboard was low during the quarter but prices were essentially stable. Demand for paper decreased and prices dropped slightly from a high level. Paperboard made a SEK 169 million loss due to a major maintenance shutdown and production curtailment. In the paper business area, we are continuing to gain market share and made a high profit of SEK 429 million, despite lower prices and higher energy costs. By gathering our process industry expertise together in one business area we are improving our ability to develop our business in consumer paperboard and transport packaging, as well as books and magazines.

There is strong interest in building in wood, but demand is currently weak because of high interest rates. Wood product prices decreased somewhat during the quarter, which, when combined with a shutdown for rebuilding at Iggesund Sawmill, resulted in a SEK 89 million loss from wood products. As building materials increasingly bear their real climate cost, the benefits of building in wood are increasing, giving us good prospects for continued business development.

The energy situation in Europe has improved thanks to ample gas reserves, reduced production in energy-intensive industries and mild weather, which has lowered electricity prices on the continent. In the Nordics however, electricity prices increased in the fourth quarter due to cold weather and disruptions to nuclear power production. Profit from energy increased to SEK 213 million due to high production of plannable and stabilising hydro power. We are in the final phase of evaluating the construction of Blisterliden wind farm and are now starting work on Stormyrberget wind farm together with Vattenfall. An investment decision could be made on this project in 2025.

With our large forest holdings as a foundation, we grow houses while also harnessing the energy that blows over the treetops and flows in the rivers. We then make renewable packaging, magazines and books from the residual forestry products. Our strong financial position equips us well for a world that is striving towards a sustainable society; one in which raw materials and energy are in short supply.

Key figures Q4 2023

Operating profit, SEKm

714

Operating margin, %

13

Debt/equity ratio, %

3

Forest

Holmen carries out active and sustainable forestry on over 1 million hectares of its own productive forest land. The annual harvest from own forest normally amounts to 2.8 million m³sub.

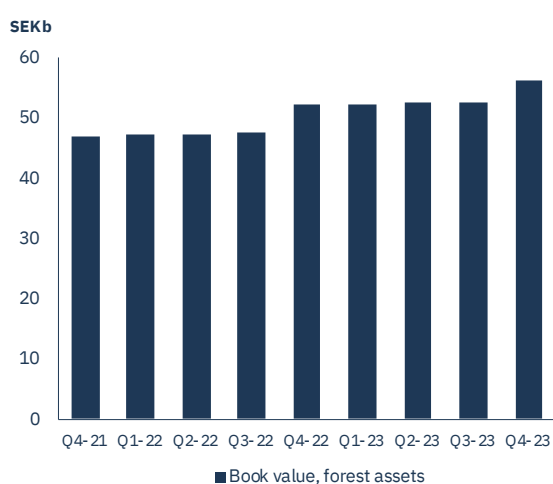
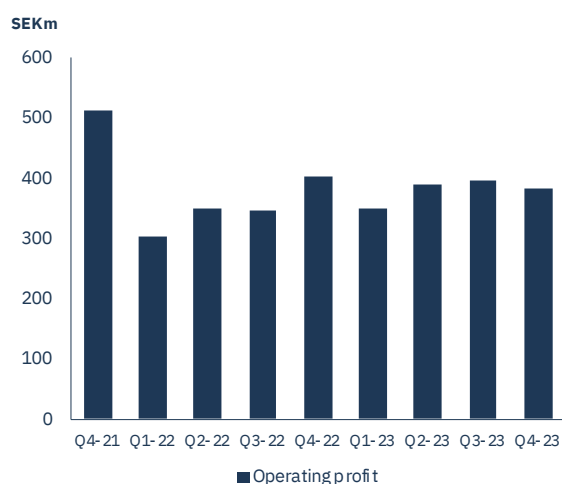
SEKm	Quarter			Full year	
	4-23	3-23	4-22	2023	2022
Net sales	1 939	1 880	1 969	7 996	7 342
<i>Of which from own forest</i>	422	452	414	1 768	1 524
Operating costs	-1 714	-1 603	-1 690	-6 958	-6 363
Change in biological assets	183	140	148	562	509
EBITDA	408	417	427	1 600	1 488
Depreciation and amortisation according to plan	-24	-20	-25	-77	-87
Operating profit	384	397	402	1 523	1 401
Investments (incl. reforestation)	53	92	57	222	278
Book value, forest assets	56 348	52 638	52 151	56 348	52 151
Deliveries, own forest, '000 m ³ sub	618	676	692	2 702	2 813

Competition on the wood market remained strong and prices increased somewhat during the fourth quarter.

Operating profit for 2023 was SEK 1 523 million (1 401). The improved profits are due to the increased price of logs and pulpwood, but the effect was partially offset by increased costs. The profit for 2022 included revenue from the creation of nature reserves.

Compared with the third quarter, profit for the fourth quarter decreased by SEK 13 million to SEK 384 million.

At year-end, the valuation of the Group's forest assets was updated based on transaction prices over the past three years in the areas where the Group owns forest land. At 31 December 2023, the value was SEK 56 348 million, compared with SEK 52 151 million at the end of the previous year. Over the year, a SEK 562 million change in the value of biological assets was recognised in the income statement and, in the fourth quarter, a SEK 3 493 million revaluation of forest land was recognised in other comprehensive income. See also note 2.



Paperboard

Holmen supplies paperboard to the premium consumer packaging segment. Production, which takes place at one Swedish and one UK mill, normally amounts to 0.5 million tonnes a year.

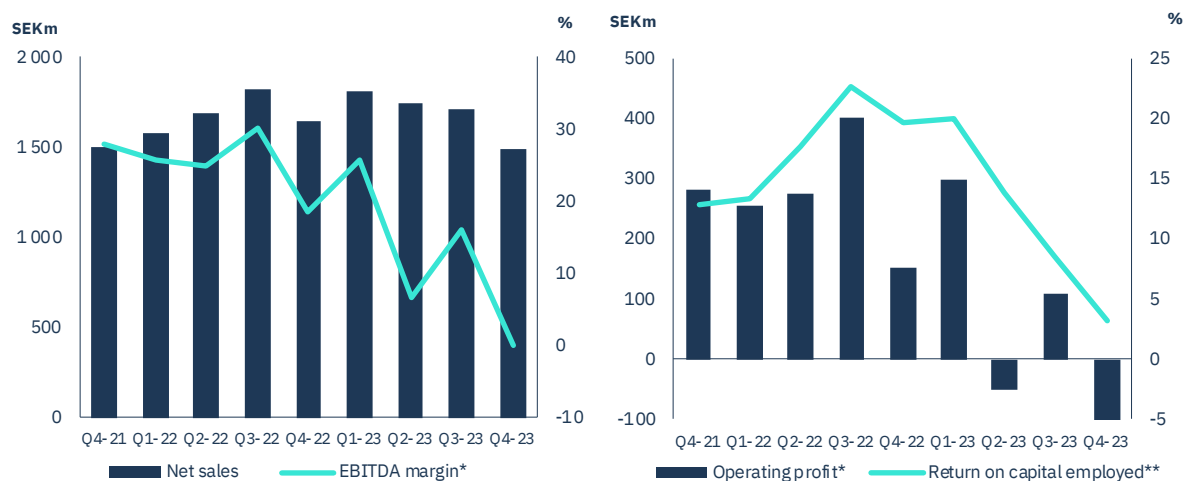
SEKm	Quarter			Full year	
	4-23	3-23	4-22	2023	2022
Net sales	1 492	1 714	1 640	6 765	6 735
Operating costs	-1 493	-1 439	-1 338	-5 909	-5 055
EBITDA*	-1	275	302	856	1 680
Depreciation and amortisation according to plan	-168	-164	-151	-664	-599
Operating profit/loss*	-169	111	152	192	1 081
Investments	241	130	260	697	555
Capital employed	5 889	6 398	5 632	5 889	5 632
EBITDA margin, %*	0	16	18	13	25
Operating margin, %*	-11	6	9	3	16
Return on capital employed, %*				3	20
Deliveries, '000 tonnes	101	111	116	448	503

*Excl. item affecting comparability 2022; see page 14.

Demand for paperboard was lower than normal in the fourth quarter. Market prices were largely unchanged. Operating profit for 2023, excluding items affecting comparability, was SEK 192 million (1 081). The decrease in profit was due to production curtailment caused by a weak market, rising wood costs and that previous year had a positive impact of revenue from the sale of surplus electricity.

Compared with the third quarter, profit for the fourth quarter decreased by SEK 280 million to SEK -169 million. Earnings were reduced by SEK 180 million as a result of a major maintenance shutdown at Iggesund Mill. Earnings were also negatively affected by production curtailment and seasonally higher fixed costs.

In 2024, a maintenance shutdown is planned for the third quarter, with an expected negative earnings impact of SEK 200 million.



*Excl. items affecting comparability. **Excl. items affecting comparability and twelve-month rolling average.

Paper

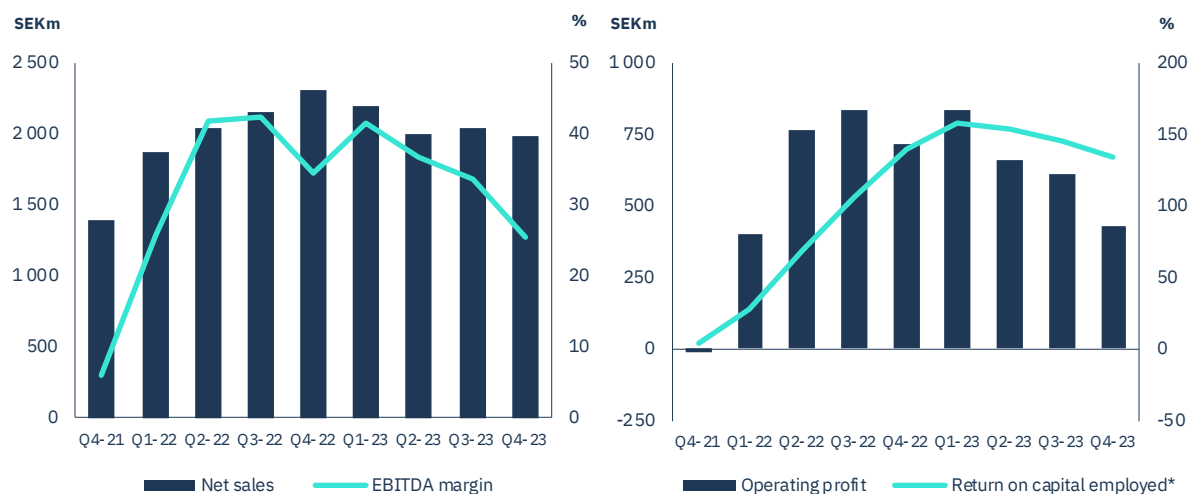
Holmen produces paper that utilises the properties of fresh fibre to provide cost-effective alternatives to traditional products for books, packaging and graphical publications. Production normally amounts to 1 million tonnes a year at two Swedish mills.

SEKm	Quarter			Full year	
	4-23	3-23	4-22	2023	2022
Net sales	1 979	2 036	2 311	8 200	8 370
Operating costs	-1 475	-1 349	-1 516	-5 369	-5 337
EBITDA	504	686	795	2 831	3 033
Depreciation and amortisation according to plan	-75	-73	-79	-293	-319
Operating profit	429	613	716	2 538	2 714
Investments	102	100	77	314	186
Capital employed	1 737	1 934	1 939	1 737	1 939
EBITDA margin, %	25	34	34	35	36
Operating margin, %	22	30	31	31	32
Return on capital employed, %				134	139
Deliveries, '000 tonnes	235	235	248	896	995

Demand for paper remained weak in the fourth quarter. Prices decreased but are at historically high levels.

Operating profit for 2023 was SEK 2 538 million (2 714). Selling prices were 10 per cent higher on average than in 2022, but profit was negatively impacted by lower deliveries and higher wood costs.

Compared with the third quarter, profit for the fourth quarter decreased by SEK 184 million to SEK 429 million. Profit was negatively affected by decreasing selling prices and higher electricity costs, while personnel and maintenance costs increased from a seasonally low level in the third quarter.



*Twelve-month rolling average.

Wood Products

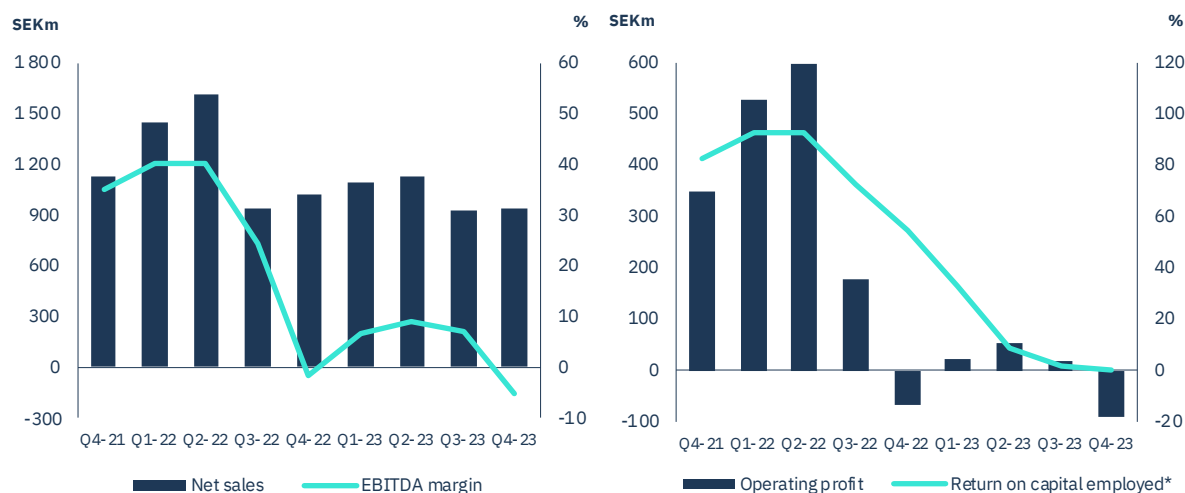
Holmen delivers wood products for joinery and construction purposes. Production takes place at five sawmills adjacent to own forest with an annual production of 1.5 million cubic metres.

SEKm	Quarter			Full year	
	4-23	3-23	4-22	2023	2022
Net sales	935	929	1 019	4 075	5 015
Operating costs	-983	-863	-1 035	-3 885	-3 574
EBITDA	-48	66	-15	190	1 441
Depreciation and amortisation according to plan	-41	-47	-52	-184	-204
Operating profit/loss	-89	19	-67	6	1 237
Investments	168	50	35	391	122
Capital employed	2 139	2 167	2 067	2 139	2 067
EBITDA margin, %	-5	7	-2	5	29
Operating margin, %	-10	2	-7	0	25
Return on capital employed, %				0	54
Deliveries, '000 m ³	359	353	401	1 498	1 435

Demand for wood products was lower than normal and prices decreased in the fourth quarter.

Operating profit for 2023 was SEK 6 million (1 237). The decrease in profit was due to lower selling prices. The cost of logs increased, but this was offset by higher revenue from sales of wood chips and wood fuel.

Compared with the third quarter, profit for the fourth quarter decreased by SEK 108 million to SEK -89 million as a result of lower selling prices and increased costs for logs. Profit was negatively affected, by SEK 30 million, due to a shutdown for rebuilding at Iggesund Sawmill.



*Twelve-month rolling average.

Renewable Energy

In a normal year Holmen delivers 1.8 TWh of renewable hydro and wind power.

SEKm	Quarter			Full year	
	4-23	3-23	4-22	2023	2022
Net sales	312	159	565	1 070	1 226
Operating costs*	-72	-63	-74	-263	-114
EBITDA	241	95	491	807	1 112
Depreciation and amortisation according to plan	-28	-27	-28	-110	-106
Operating profit	213	68	463	697	1 006
Investments	28	9	26	59	237
Capital employed	4 283	4 210	4 618	4 283	4 618
EBITDA margin, %	77	60	87	75	91
Operating margin, %	68	43	82	65	82
Return on capital employed, %				16	23
Deliveries hydro and wind power, GWh	491	317	437	1 658	1 639

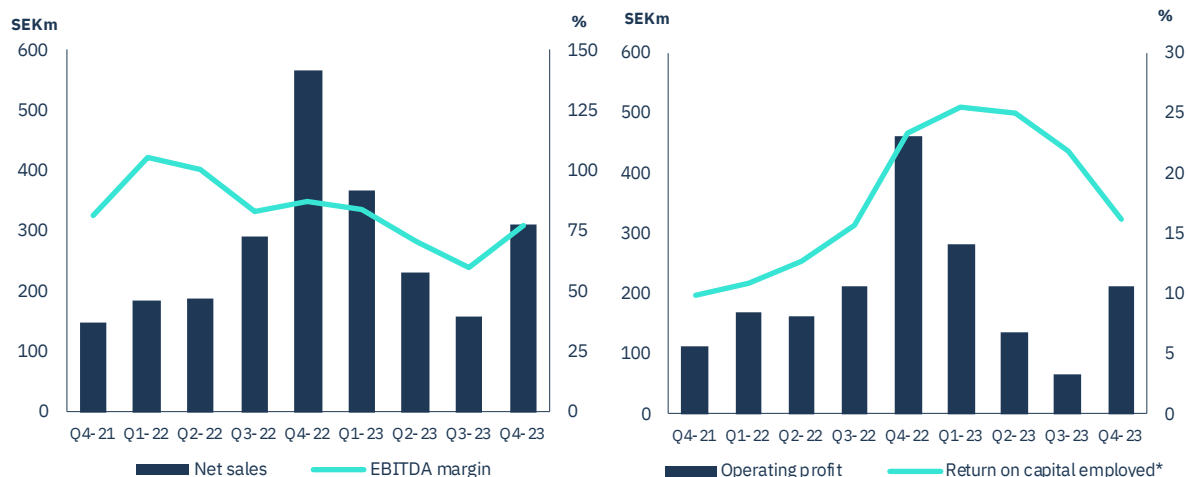
*Incl. other operating income.

Colder weather and disruptions to nuclear power production drove up electricity prices in the Nordics in the fourth quarter. In northern Sweden, the electricity price averaged 500 SEK/MWh (Q3 2023: 280) in the fourth quarter and 450 SEK/MWh (2022: 660) for the full-year 2023.

Operating profit for 2023 was SEK 697 million (1 006). The decrease in profit was due to a lower than normal level of hydro power production at the same time as electricity prices decreased.

Compared with the third quarter, profit for the fourth quarter increased by SEK 145 million to SEK 213 million as a result of an increase in hydro power production to a high level when electricity prices increased. The levels in Holmen's water storage reservoirs were 15 per cent lower than usual at the end of the year.

The evaluation of the construction of Blisterliden wind farm is in its final phase, with a possible investment decision in the first quarter of 2024. Work has started on Stormyrberget wind farm, together with Vattenfall, and an investment decision may be made in 2025.



*Twelve-month rolling average.

Cash flow, financing and net financial items

Cash flow from operating activities totalled SEK 5 805 million (5 484) for 2023, and cash flow from investing activities totalled SEK -1 653 million (-1 349).

In 2023, a dividend of SEK 2 592 million (1 862) was paid, and SEK 1 119 million were paid for buying back own shares.

The Group's net financial debt decreased by SEK 276 million to SEK 1 869 million in 2023. Net debt was 3 per cent of equity.

At 31 December, the Group's long-term borrowing amounted to SEK 1 900 million and short-term borrowing totalled SEK 1 000 million. Cash and cash equivalents totalled SEK 1 202 million. The committed credit facility amounts to SEK 4 000 million and is available until 2027. The credit facility is unused.

Standard & Poor's long-term credit rating for Holmen is BBB+ with a stable outlook.

Net financial items for 2023 totalled SEK -49 million (-87).

Tax

Recognised tax totalled SEK -1 008 million (-1 567) in 2023. Recognised tax as a proportion of profit before tax was 21 per cent (21).

The Group is subject to the OECD Pillar 2 rules, which will enter into force on 1 January 2024. Based on Holmen's evaluation of the rules, there is no indication that the Group will have to pay additional tax.

Equity

The Group's equity decreased by SEK 27 million in 2023 to SEK 56 923 million. Profit for the period totalled SEK 3 697 million (5 874) and other comprehensive income totalled SEK -27 million (5 938). A dividend of SEK 2 592 million (1 862) was paid and SEK 1 119 million were paid for buying back own shares.

Hedging of exchange rates

The Group hedges parts of its future estimated net flows in foreign currencies. Operating profit for 2023 includes earnings from currency hedges of SEK -476 million (-249). For EUR/SEK, more than 2 years of expected net flows are hedged at an average exchange rate of 11.05. For other currencies, 4–8 months of flows are hedged.

Hedging of electricity prices

Electricity consumption in the Paper business area amounts to 3.2 TWh per year given full production. To reduce the impact of changing electricity prices on Paper's earnings, consumption is partly hedged. For 2023, virtually all consumption was hedged. For 2024, price hedges are in place covering 80 per cent of full production. 75 per cent is hedged for 2025 and 30 per cent for 2026.

The Group delivers 1.8 TWh of hydro and wind power in a normal year. For 2024, 5 per cent of the delivery volume is hedged.

Personnel

The average number of employees (FTE) in the Group was 3 546 (3 466).

Dividend

The Board proposes that the AGM, to be held on 16 April 2024, approve an ordinary dividend of SEK 8.5 per share and an extra dividend of SEK 3 per share. The dividend proposal is based on an appraisal of the Group's profitability, future investment plans and financial position. The proposed record date for the dividend is 18 April 2024.

Share buy-backs

Holmen's Board of Directors decided on 3 May 2023 to buy back up to 3 million class B own shares. During the year, a total of 2 779 323 shares were bought back for SEK 1 119 million, equal to an average price of SEK 403 per share. The buy-backs amount to 1.7 per cent of the total number of shares. The company already owned 0.3 per cent of its own shares, meaning that at 31 December 2023 Holmen held 2.0 per cent of the total number of shares.

The Board proposes the renewal of its authorisation to purchase up to 10 per cent of the company's shares by the 2024 AGM.

Nomination committee proposals to the AGM

Holmen's nomination committee proposes to the AGM the re-election of the current Board members Fredrik Lundberg, who is also proposed for re-election as Chairman of the Board, Lars Josefsson, Alice Kempe, Louise Lindh, Ulf Lundahl, Fredrik Persson, Henrik Sjölund, Henriette Zeuchner and Carina Åkerström.

The nomination committee's other proposals will be presented in the notice convening Holmen's AGM 2024, which will be held on 16 April.

For the 2024 AGM Holmen's nomination committee is made up of Bo Selling, L E Lundbergföretagen, Lars Ericson, Kempe Foundations, Vegard Torsnes, Norges Bank and Fredrik Lundberg, Chairman of the Board. The Chairman of the nomination committee is Bo Selling.

Stockholm, 31 January 2024
Holmen AB (publ)

Henrik Sjölund
President and CEO

The report has not been reviewed by the company's auditors.

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Group

Condensed income statement, SEKm	Quarter			Full year	
	4-23	3-23	4-22	2023	2022
Net sales	5 400	5 418	6 245	22 795	23 952
Other operating income	522	548	841	1 996	2 743
Change in inventories	-200	-22	-20	-79	364
Raw materials and consumables	-2 799	-2 806	-2 992	-11 162	-11 078
Personnel costs	-839	-753	-776	-3 312	-2 956
Other operating costs	-1 205	-1 021	-1 482	-4 691	-4 672
Change in value of biological assets	183	140	148	562	509
Profit from investments in associates and joint ventures	-3	0	1	6	10
Depreciation and amortisation according to plan	-345	-339	-343	-1 360	-1 345
Operating profit	714	1 166	1 622	4 755	7 527
Finance income	15	8	9	49	12
Finance costs	-27	-26	-23	-98	-99
Profit before tax	702	1 148	1 608	4 705	7 441
Tax	-164	-250	-340	-1 008	-1 567
Profit for the period	538	898	1 268	3 697	5 874
Earnings per share, SEK					
Basic	3.4	5.6	7.8	23.0	36.3
Diluted	3.4	5.6	7.8	23.0	36.3
Operating margin, %*	13	22	26	21	30
Return on capital employed, %*				8	13
Return on equity, %				7	11

*Excl. item affecting comparability.

Condensed statement of comprehensive income, SEKm	Quarter			Full year	
	4-23	3-23	4-22	2023	2022
Profit for the period	538	898	1 268	3 697	5 874
Other comprehensive income					
Revaluation of forest land	3 493	-	4 373	3 493	4 373
Revaluations of defined benefit pension plans	4	-3	35	-6	-6
Tax attributable to items that will not be reclassified to profit for the period	-720	1	-923	-718	-899
Items that will not be reclassified to profit for the period	2 777	-2	3 485	2 769	3 469
Cash flow hedging	759	-883	-3 017	-3 549	3 037
Translation difference on foreign operation	-92	-61	35	55	72
Hedging of currency risk in foreign operation	58	40	-26	-42	-28
Tax attributable to items that will be reclassified to profit for the period	-168	173	627	740	-612
Items that will be reclassified to profit for the period	557	-730	-2 381	-2 795	2 469
Total other comprehensive income after tax	3 334	-733	1 104	-27	5 938
Total comprehensive income	3 872	166	2 372	3 671	11 812

Condensed change in equity in summary, SEKm	Full year	
	2023	2022
Opening equity	56 950	46 992
Profit for the period	3 697	5 874
Other comprehensive income	-27	5 938
Total comprehensive income	3 671	11 812
Share saving program	13	9
Buy-back of own shares	-1 119	-
Dividend	-2 592	-1 862
Closing equity	56 923	56 950

Group

	2023	2023	2022
Condensed balance sheet, SEKm	31 Dec	30 Sep	31 Dec
Non-current assets			
Forest assets			
Biological assets	30 555	30 340	29 867
Forest land	25 793	22 298	22 284
Intangible non-current assets	513	425	427
Property, plant and equipment	10 330	10 219	10 124
Right-of-use assets	244	233	242
Investments in associates	1 686	1 689	1 680
Other shares and participating interests	5	2	2
Non-current financial receivables	61	88	97
Deferred tax assets	3	3	2
Total non-current assets	69 190	65 296	64 726
Current assets			
Inventories	4 837	5 268	4 838
Trade receivables	2 696	3 162	2 929
Current tax receivable	114	62	589
Other operating receivables*	1 630	1 262	6 402
Current financial receivables	50	55	18
Cash and cash equivalents	1 202	917	1 935
Total current assets	10 529	10 726	16 710
Total assets	79 719	76 022	81 436
Equity	56 923	53 048	56 950
Non-current liabilities			
Non-current financial liabilities	1 902	2 902	2 902
Non-current liabilities relating to right-of-use assets	160	153	158
Pension obligations	9	8	7
Non-current provisions	418	428	441
Deferred tax liabilities	13 858	12 929	13 490
Total non-current liabilities	16 347	16 420	16 998
Current liabilities			
Current financial liabilities	1 021	526	1 039
Current liabilities relating to right-of-use assets	91	87	89
Trade payables	3 394	3 239	3 848
Current tax liability	105	241	118
Current provisions	31	-	-
Other operating liabilities	1 808	2 461	2 395
Total current liabilities	6 449	6 554	7 488
Total liabilities	22 796	22 974	24 486
Total equity and liabilities	79 719	76 022	81 436
Debt/equity ratio, %	3	5	4
Equity/assets ratio, %	71	70	70
Capital employed	58 793	55 664	59 095
Net financial debt	1 869	2 616	2 145

*The fair value of electricity derivatives is included at SEK 596 (30 Sep 2023:494, 31 Dec 2022: 4 844) million.

Group

Condensed cash flow statement, SEKm	Quarter			Full year	
	4-23	3-23	4-22	2023	2022
Operating activities					
Profit before tax	702	1 148	1 608	4 705	7 441
Adjustments for non-cash items					
Depreciation and amortisation according to plan	345	339	343	1 360	1 345
Change in value of biological assets	-183	-140	-148	-562	-509
Other*	-10	-26	72	-31	131
Paid income taxes	-304	-148	-891	-160	-1 639
Cash flow from operating activities before changes in working capital	551	1 172	985	5 311	6 768
Cash flow from changes in working capital					
Change in inventories	341	-52	-140	11	-1 007
Change in trade receivables and other operating receivables	326	-292	234	899	-1 284
Change in trade payables and other operating liabilities	110	-353	220	-417	1 007
Cash flow from operating activities	1 329	475	1 300	5 805	5 484
Investing activities					
Acquisition of non-current assets	-601	-382	-465	-1 706	-1 401
Disposal of non-current assets	7	42	34	53	49
Change in non-current financial receivables	-	-	-	-	3
Cash flow from investing activities	-594	-340	-431	-1 653	-1 349
Financing activities					
Amortization of liabilities associated with to right-of-use assets	-31	-30	-24	-114	-90
Change in financial liabilities and current financial receivables	-417	-64	-53	-1 064	-761
Buy-back of own shares**	-	-365	-	-1 119	-
Dividends paid to the shareholders of the parent company	-	-	-	-2 592	-1 862
Cash flow from financing activities	-448	-459	-77	-4 888	-2 713
Cash flow for the period	287	-324	792	-736	1 422
Opening cash and cash equivalents	917	1 245	1 140	1 935	507
Exchange difference in cash and cash equivalents	-2	-4	2	3	5
Closing cash and cash equivalents	1 202	917	1 935	1 202	1 935

Change in net financial debt, SEKm	Quarter			Full year	
	4-23	3-23	4-22	2023	2022
Opening net financial debt	-2 616	-2 621	-2 999	-2 145	-4 101
Cash flow from operating activities	1 329	475	1 300	5 805	5 484
Cash flow from investing activities (excl financial receivables and acquisition)	-594	-340	-431	-1 653	-1 350
Buy-back of own shares**	-	-152	-	-1 119	-
Acquisition	-	-	-	-	-270
Dividend paid	-	-	-	-2 592	-1 862
Liabilities arising from new right-of-use agreements	-42	-13	-13	-117	-93
Revaluations of defined benefit pension plans	3	-2	28	-6	-7
Foreign exchange effects and changes in fair value	51	38	-30	-43	53
Closing net financial debt	-1 869	-2 616	-2 145	-1 869	-2 145

*The adjustments consist primarily of change in provisions, interests in earnings of associated companies, currency effects and revaluations of financial instruments as well as capital gains/losses on sale of fixed assets.

**In the third quarter, SEK 214 million were paid for shares bought back in the second quarter.

Parent company

Condensed income statement, SEKm	Quarter			Full year	
	4-23	3-23	4-22	2023	2022
Operating income	5 201	5 175	6 273	21 571	23 257
Operating costs	-5 089	-4 562	-5 185	-19 152	-18 245
Operating profit	112	613	1 089	2 419	5 012
Net financial items	129	72	40	359	448
Profit after net financial items	240	685	1 128	2 778	5 459
Appropriations	77	152	-127	190	-511
Profit before tax	317	837	1 001	2 968	4 948
Tax	-71	-167	-203	-547	-930
Profit for the period	246	670	799	2 421	4 019

Condensed statement of comprehensive income, SEKm	Quarter			Full year	
	4-23	3-23	4-22	2023	2022
Profit for the period	246	670	799	2 421	4 019
Other comprehensive income					
Cash flow hedging	762	-884	-3 427	-3 429	2 885
Tax attributable to other comprehensive income	-157	182	706	706	-594
Items that will be reclassified to profit for the period	605	-702	-2 721	-2 723	2 291
Total comprehensive income	851	-32	-1 923	-302	6 310

Condensed balance sheet, SEKm	2023	2023	2022
	31 Dec	30 Sep	31 Dec
Non-current assets	18 810	18 876	18 537
Current assets	8 901	8 820	14 941
Total assets	27 711	27 695	33 478
Restricted equity	5 915	5 915	5 915
Non-restricted equity	7 533	6 679	11 533
Untaxed reserves	4 484	4 482	4 053
Provisions	1 308	1 107	2 011
Liabilities	8 471	9 513	9 966
Total equity and liabilities	27 711	27 695	33 478

Sales to Group companies amounted for SEK 333 million (438) of operating income for 2023.

Appropriations include net Group contributions totalling SEK 621 million (691).

The parent company's investments in property, plant and equipment and intangible assets totalled SEK 78 million (67).

Notes

1. Accounting policies

This report was prepared in accordance with IAS 34, Interim Financial Reporting. Information in accordance with IAS 34:16A can be found in the financial statements and their accompanying notes, as well as in other parts of the interim report. The consolidated accounts are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act. The parent company's accounts are prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. New or revised IFRS and interpretative statements from IFRIC have not had any material effect on the earnings or position of the Group or the parent company. The figures in tables are rounded off.

2. Forest assets

Holmen owns a total of 1 305 000 hectares of land, of which 1 046 000 hectares are productive forest land. The volume of standing timber is estimated at 126 million cubic metres of growing stock, solid over bark, based on the inventory conducted in 2019 and taking into account subsequent growth and harvests. Forest assets are recognised at fair value, calculated based on the transaction prices for forest properties in those areas where the Group owns forest land. The valuation is based on price statistics published by different market operators and on detailed data about transactions involving forest properties that have occurred in the past three years. Account is taken of where in the country the forest land is located and differences in the forest primarily in terms of the volume of standing timber, but also site quality. The value per hectare varies between different parts of the country, with forest properties in southern Sweden being valued much higher per hectare as a result of a greater volume of standing timber, higher site quality, a shorter harvesting cycle and greater demand for forest land.

	North	Central	South	Total
Productive forest land, '000 ha	690	264	92	1 046
Volume of standing timber, mil. m ³ growing stock, solid over bark	76	36	14	126

The book value of forest assets at 31 December 2023 amounted to SEK 56 348 million (52 151). The value corresponds to an average of SEK 53 900 per hectare of productive forest land.

The value of the forest assets is allocated in the balance sheet to growing trees (SEK 30 555 million), recognised as a biological asset, and forest land (SEK 25 793 million). No value is assigned to land that is not productive forest land. The value allocated to biological assets is determined by calculating the present value of expected future cash flows, less selling costs but before tax, from harvesting those trees currently growing. The trees that are currently growing are expected to be harvested when they reach an age of 85 years. The volumes are based on the long-term harvest plan that was updated in 2020. Income and costs are calculated based on long-term trend levels. The trend level was adjusted in 2023 due to significant price and cost inflation. The adjustment has not affected the book value. The trend price that is used for 2024 is 555 (488) SEK/m³sub, which is just over 15 per cent lower than current prices. The trend costs represent the current level adjusted for temporary effects. Prices and costs are revised up by 2 per cent each year. A discount rate before tax of 4.5 per cent (4.5) has been used. Costs for replanting after harvest have not been included.

The change in the value of biological assets, calculated net of the change as a result of harvesting and the unrealised change in fair value, is stated in the income statement, and in 2023 totalled SEK 562 million (509). The book value of the forest land is calculated as the difference between the total value of the forest assets and the biological assets. This value reflects future income from sources other than the harvesting of currently standing trees, such as the leasing of land for wind power, quarrying, hunting leases, licence income and the harvesting of future generations of trees. The change in fair value for forest land is recognised in other comprehensive income and totalled SEK 3 493 million (4 373).

SEKm	Forest assets		Biological assets		Of which Forest land	
	2023	2022	2023	2022	2023	2022
Book value at start of year	52 151	47 080	29 867	29 204	22 284	17 876
Acquisitions	33	71	17	33	16	38
Disposal	-36	-9	-36	-6	0	-3
Investment in reforestation	145	127	145	127	-	-
Change due to harvesting	-977	-836	-977	-836	-	-
Unrealised change in fair value	5 032	5 718	1 539	1 345	3 493	4 373
Other changes	0	0	0	0	0	0
Book value at end of year	56 348	52 151	30 555	29 867	25 793	22 284

3. External net sales by market

Full year 2023	Forest	Paperboard	Paper	Wood	Renewable	Group
				Products	Energy	
Scandinavia	2 691	233	631	1 545	1 063	6 163
Rest of Europe	1	4 931	6 614	1 344	-	12 890
Asia	-	1 221	569	340	-	2 130
Rest of the world	-	380	386	846	-	1 612
Total Net sales	2 692	6 765	8 200	4 075	1 063	22 795

Full year 2022	Forest	Paperboard	Paper	Wood	Renewable	Group
				Products	Energy	
Scandinavia	2 586	258	642	2 127	1 222	6 835
Rest of Europe	25	4 777	6 846	1 519	-	13 167
Asia	-	1 296	496	409	-	2 202
Rest of the world	-	404	386	959	-	1 749
Total Net sales	2 610	6 735	8 370	5 015	1 222	23 952

4. Composition of share capital

Share structure	Votes	No. of shares	No. of votes	Quotient value	SEKm
A share	10	45 246 468	452 464 680	26	1 180
B share	1	117 265 856	117 265 856	26	3 058
Total number of shares		162 512 324	569 730 536		4 238
Holding of own B shares bought back		-3 289 969	-3 289 969		
Total number of shares issued		159 222 355	566 440 567		

5. Financial instruments

SEKm	Book value		Fair value	
	2023	2022	2023	2022
	31 Dec	31 Dec	31 Dec	31 Dec
Assets at fair value	941	5 020	941	5 020
Assets at acquisition cost	3 926	4 893	3 926	4 893
Liabilities at fair value	561	1 187	561	1 187
Liabilities at acquisition cost	6 314	7 782	6 314	7 782

Holmen measures financial instruments at fair value or at cost in the balance sheet, depending on their classification. In addition to items of net financial debt, excluding pension obligations and liabilities related to right-of-use assets, financial instruments include trade receivables and trade payables. Financial instruments measured at fair value in the balance sheet belong to measurement level 2 pursuant to IFRS 13 and mostly consist of electricity price, currency and interest rate hedging derivatives. Their net fair value at 31 December was SEK 380 million, which is SEK 3 453 million lower than at the end of the previous year, mainly due to the lower fair value of the electricity derivatives.

6. Alternative performance measures

Holmen uses performance measures to supplement measures defined by IFRS or directly in the income statement and balance sheet in order to clarify the company's financial position and performance.

Earnings measures

Operating profit is the principal measure of earnings that is used to monitor financial performance. This includes all income and costs except for financial items and tax. Depreciation/amortisation of non-current assets is also included. EBITDA (earnings before interest, taxes, depreciation and amortisation) is used as a supplementary measure. To clarify how these earnings measures are affected by matters outside normal business operations, such as impairment losses, closures, major restructuring measures and breakdowns, as well as changes to assumptions in the valuation of biological assets, the term 'items affecting comparability' is used. The purpose is also to increase comparability between different periods. The effects of maintenance and rebuilding shutdowns are not treated as items affecting comparability. Operating profit for the previous year includes the net sum of SEK +266 million relating to the insurance compensation and costs and the loss of revenue associated with the turbine breakdown at the paperboard mill in Workington. A description of the items that are recognised as affecting comparability in previous periods is provided on page 102 of Holmen's annual report for 2022.

SEKm	Quarter			Full year	
	4-23	3-23	4-22	2023	2022
EBITDA	1 059	1 505	1 965	6 114	8 607
Depreciation and amortisation according to plan	-345	-339	-343	-1 360	-1 345
Operating profit excl. items affecting comparability	714	1 166	1 622	4 755	7 262
Items affecting comparability	-	-	-	-	266
Operating profit	714	1 166	1 622	4 755	7 527

Measure of margin, return and indebtedness

Operating profit, excluding items affecting comparability, as a proportion of sales is known as the operating margin. EBITDA as a proportion of sales is known as the EBITDA margin. The performance measure of return on capital employed is used to measure operating profit, excluding items affecting comparability, as a proportion of capital employed. Capital employed is calculated as fixed assets plus working capital less the net sum of deferred tax liabilities and deferred tax assets. This corresponds to equity plus net financial debt. Average capital employed is calculated based on quarterly data.

SEKm	2023	2023	2022
	31 Dec	30 Sep	31 Dec
Fixed assets*	69 126	65 205	64 626
Working capital**	3 522	3 385	7 957
Deferred tax assets	3	3	2
Deferred tax liabilities	-13 858	-12 929	-13 490
Capital employed	58 793	55 664	59 095

*Forest assets, non-current intangible assets, property, plant and equipment, right-of-use assets, investments in associates and other shares and participations.

**Inventories, trade receivables, current tax receivables, other current operating receivables, trade payables, current tax liability, non-current provisions, current provisions and other operating liabilities.

The debt/equity ratio is calculated as net financial debt divided by equity. The equity/assets ratio is calculated as equity divided by total assets. Net financial debt consists of the following components:

SEKm	2023	2023	2022
	31 Dec	30 Sep	31 Dec
Non-current financial liabilities	1 902	2 902	2 902
Non-current liabilities relating to right-of-use assets	160	153	158
Current financial liabilities	1 021	526	1 039
Current liabilities relating to right-of-use assets	91	87	89
Pension obligations	9	8	7
Non-current financial receivables	-61	-88	-97
Current financial receivables	-50	-55	-18
Cash and cash equivalents	-1 202	-917	-1 935
Net financial debt	1 869	2 616	2 145

7. Transaction with related parties

There were no transactions between Holmen and related parties that had a significant effect on the company's financial position and performance.

8. Material risks and uncertainties

The Group's and the parent company's material risks and uncertainties relate primarily to changes in demand and the prices of its products, the cost of key input goods, and changes in exchange rates. For a more detailed description of the material risks and uncertainties, see Holmen's annual report for 2022, pages 53–57, and Note 27.

Group

Quarterly figures, SEKm	2023				2022				Full year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2023	2022
Income statement										
Net sales	5 400	5 418	5 754	6 223	6 245	5 784	6 173	5 750	22 795	23 952
Operating costs	-4 521	-4 053	-4 391	-4 284	-4 429	-3 684	-3 827	-3 925	-17 249	-15 865
Change in value of biological assets	183	140	106	133	148	156	88	117	562	509
Profit from associates and joint ventures	-3	0	1	8	1	1	0	8	6	10
EBITDA*	1 059	1 505	1 471	2 080	1 965	2 258	2 434	1 950	6 114	8 607
Depreciation and amortisation according to plan	-345	-339	-332	-343	-343	-336	-333	-332	-1 360	-1 345
Operating profit excl. item affecting comparability	714	1 166	1 138	1 737	1 622	1 921	2 101	1 617	4 755	7 262
Item affecting comparability	-	-	-	-	-	-	-	266	-	266
Operating profit	714	1 166	1 138	1 737	1 622	1 921	2 101	1 883	4 755	7 527
Net financial items	-12	-18	-10	-10	-14	-16	-19	-38	-49	-87
Profit before tax	702	1 148	1 129	1 727	1 608	1 905	2 083	1 844	4 705	7 441
Tax	-164	-250	-239	-356	-340	-424	-441	-361	-1 008	-1 567
Profit for the period	538	898	890	1 371	1 268	1 482	1 642	1 483	3 697	5 874
Earnings per share, SEK	3.4	5.6	5.5	8.5	7.8	9.1	10.1	9.2	23.0	36.3
Net sales										
Forest	1 939	1 880	2 073	2 105	1 969	1 755	1 810	1 809	7 996	7 342
Paperboard	1 492	1 714	1 748	1 811	1 640	1 824	1 692	1 579	6 765	6 735
Paper	1 979	2 036	1 992	2 194	2 311	2 156	2 032	1 871	8 200	8 370
Wood Products	935	929	1 124	1 087	1 019	937	1 614	1 445	4 075	5 015
Renewable Energy	312	159	231	368	565	290	188	183	1 070	1 226
Group-wide and elimination of intra-group net sales	-1 257	-1 298	-1 413	-1 342	-1 260	-1 177	-1 163	-1 137	-5 311	-4 737
Group	5 400	5 418	5 754	6 223	6 245	5 784	6 173	5 750	22 795	23 952
EBITDA by business area*										
Forest	408	417	402	373	427	368	368	325	1 600	1 488
Paperboard	-1	275	116	466	302	549	423	406	856	1 680
Paper	504	686	732	909	795	911	848	479	2 831	3 033
Wood Products	-48	66	102	70	-15	228	648	580	190	1 441
Renewable Energy	241	95	163	309	491	240	188	193	807	1 112
Group-wide	-44	-34	-44	-47	-35	-39	-41	-32	-170	-148
Group	1 059	1 505	1 471	2 080	1 965	2 258	2 434	1 950	6 114	8 607
Operating profit/loss by business area*										
Forest	384	397	390	351	402	346	349	305	1 523	1 401
Paperboard	-169	111	-49	299	152	400	274	256	192	1 081
Paper	429	613	659	836	716	832	767	399	2 538	2 714
Wood Products	-89	19	55	23	-67	177	598	529	6	1 237
Renewable Energy	213	68	135	282	463	214	162	168	697	1 006
Group-wide	-54	-41	-52	-54	-44	-46	-48	-40	-202	-178
Group	714	1 166	1 138	1 737	1 622	1 921	2 101	1 617	4 755	7 262
Operating margin, %*										
Paperboard	-11	6	-3	17	9	22	16	16	3	16
Paper	22	30	33	38	31	39	38	21	31	32
Wood Products	-10	2	5	2	-7	19	37	37	0	25
Group	13	22	20	28	26	33	34	28	21	30
Return on capital employed, %*										
Industry (Paperboard, Paper & Wood Products)	7	29	26	47	33	57	67	51	27	52
Group	5	8	8	12	11	14	16	13	8	13
Return on equity, %										
Group	4	7	7	10	9	11	13	13	7	11
Deliveries										
Own forest, '000 m ³ sub	618	676	788	620	692	627	820	674	2 702	2 813
Paperboard, '000 tonnes	101	111	113	122	116	131	129	126	448	503
Paper, '000 tonnes	235	235	210	216	248	250	244	253	896	995
Wood Products, '000 m ³	359	353	388	397	401	277	374	381	1 498	1 435
Hydro- and windpower, GWh	491	317	334	517	437	424	376	402	1 658	1 639

*Excl. item affecting comparability.

Group

Full year review, SEKm	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Income statement										
Net sales	22 795	23 952	19 479	16 327	16 959	16 055	16 133	15 513	16 014	15 994
Operating costs	-17 249	-15 865	-14 622	-13 250	-13 961	-12 984	-13 379	-12 626	-13 348	-13 270
Change in value of biological assets	562	509	464	579	487	425	415	315	267	282
Profit from associates and JV	6	10	0	-6	0	-9	-12	-22	7	-7
EBITDA*	6 114	8 607	5 321	3 651	3 486	3 488	3 157	3 179	2 940	2 999
Depreciation and amortisation according to plan	-1 360	-1 345	-1 261	-1 172	-1 141	-1 012	-991	-1 018	-1 240	-1 265
Operating profit excl. items affecting comparability	4 755	7 262	4 061	2 479	2 345	2 476	2 166	2 162	1 700	1 734
Items affecting comparability	-	266	-330	-	8 770	-94	-	-232	-931	-450
Operating profit	4 755	7 527	3 731	2 479	11 115	2 382	2 166	1 930	769	1 284
Net financial items	-49	-87	-39	-42	-34	-25	-53	-71	-90	-147
Profit before tax	4 705	7 441	3 691	2 437	11 081	2 356	2 113	1 859	679	1 137
Tax	-1 008	-1 567	-688	-458	-2 351	-89	-445	-436	-120	-230
Profit for the year	3 697	5 874	3 004	1 979	8 731	2 268	1 668	1 424	559	907
Earnings per share, SEK	23.0	36.3	18.5	12.2	52.6	13.5	9.9	8.5	3.4	5.4
EBITDA by business area*										
Forest	1 600	1 488	1 573	1 422	1 217	1 216	1 099	1 030	935	845
Paperboard	856	1 680	1 237	1 366	996	1 196	1 257	1 382	1 346	1 161
Paper	2 831	3 033	441	454	891	665	627	669	514	725
Wood Products	190	1 441	1 857	309	159	337	165	80	86	160
Renewable Energy	807	1 112	375	242	362	205	159	143	198	233
Group-wide	-170	-148	-163	-143	-140	-132	-149	-124	-138	-126
Group	6 114	8 607	5 321	3 651	3 486	3 488	3 157	3 179	2 940	2 999
Operating profit by business area*										
Forest	1 523	1 401	1 495	1 367	1 172	1 185	1 069	1 001	905	817
Paperboard	192	1 081	673	812	435	689	764	903	847	674
Paper	2 538	2 714	70	73	509	329	288	289	-74	141
Wood Products	6	1 237	1 668	185	62	246	80	-3	9	37
Renewable Energy	697	1 006	347	215	336	181	135	120	176	212
Group-wide	-202	-178	-193	-174	-168	-154	-170	-148	-163	-146
Group	4 755	7 262	4 061	2 479	2 345	2 476	2 166	2 162	1 700	1 734
Deliveries										
Own forest, '000 m ³ sub	2 702	2 813	2 833	2 841	2 699	2 816	2 883	2 945	3 132	3 207
Paperboard, '000 tonnes	448	503	544	544	538	525	526	497	499	493
Paper, '000 tonnes	896	995	1 029	883	996	1 036	1 117	1 134	1 325	1 305
Wood products, '000 m ³	1 498	1 435	1 373	1 052	879	828	852	776	730	725
Hydro- and wind power, GWh	1 658	1 639	1 230	1 352	1 109	1 145	1 169	1 080	1 441	1 113
Balance sheet										
Forest assets	56 348	52 151	47 080	43 202	41 345	18 701	17 971	17 595	17 340	17 032
Other non-current assets	12 781	12 477	12 251	11 784	10 781	10 586	10 780	11 106	12 184	13 189
Current assets	9 277	14 758	7 956	6 878	6 264	6 845	5 710	5 852	5 607	5 964
Financial receivables	1 313	2 050	814	679	950	781	430	338	325	249
Total assets	79 719	81 436	68 101	62 543	59 340	36 912	34 891	34 891	35 456	36 434
Equity	56 923	56 950	46 992	42 516	40 111	23 453	22 035	21 243	20 853	20 969
Deferred tax liability	13 858	13 490	11 610	10 570	10 299	5 839	5 650	5 613	5 508	5 480
Financial liabilities and interest-bearing provisions	3 182	4 195	4 915	4 860	4 733	3 587	3 366	4 283	5 124	6 156
Operating liabilities	5 755	6 801	4 584	4 597	4 196	4 033	3 840	3 752	3 971	3 829
Total equity and liabilities	79 719	81 436	68 101	62 543	59 340	36 912	34 891	34 891	35 456	36 434
Cash flow										
Operating activities	5 805	5 484	3 229	2 457	2 884	2 286	2 509	1 961	2 526	2 176
Investing activities**	-1 653	-1 352	-1 332	-1 924	-1 050	-1 005	-644	-123	-824	-815
Cash flow after investments	4 153	4 132	1 897	533	1 834	1 281	1 865	1 838	1 702	1 361
Return on capital employed, industry, %***	27	52	26	12	12	15	13	13	6	7
Return on equity, %	7	11	7	5	35	10	8	7	3	4
Debt/equity ratio, %	3	4	9	10	9	12	13	19	23	28
Ordinary dividend, SEK	8.5****	8	7.5	7.25	3.5	6.75	6.5	6	5.5	5
Extra dividend, SEK	3****	8	4	3.5	-	-	-	-	-	-
Average number of employees	3 546	3 466	3 474	2 974	2 915	2 955	2 976	2 989	3 315	3 359

*Excl. items affecting comparability.

**Net after disposals but before changes in non-current financial receivables.

***Paperboard, Paper & Wood Products excl. items affecting comparability.

****Proposal of the Board.

Holmen in brief

Holmen's extensive forest holdings are the foundation of our business. Using our own production facilities, the growing trees are refined into everything from wood for climate-smart building to renewable packaging, magazines and books, while at the same time we generate hydro and wind power on our own land. A business that not only creates value for shareholders and customers, but also contributes to a better climate and thriving rural communities.

Press and analyst conference

On the publication of the year-end report, a webcast press and analyst conference will be held at 08.00 CET on Wednesday 31st of January. Holmen President and CEO Henrik Sjölund, together with Executive Vice President and CFO Anders Jernhall, will present and comment on the report. The presentation will be held in English.

The press and analyst conference will be webcast and may be followed via:

www.holmen.com/reports

You may also participate in the conference by telephone, by calling no later than 07.55 CET on:

Within Sweden:	+46 8 505 100 31
From the rest of Europe:	+44 207 107 06 13
From the US:	+1 631 570 56 13

Financial report

26 April 2024	Interim report January-March 2024
14 August 2024	Interim report January-June 2024
24 October 2024	Interim report January-September 2024
31 January 2025	Year-end report 2024

This is information that Holmen AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 07.30 CET on Wednesday, 31 January 2024.

This is a translation of the Swedish interim report of Holmen Aktiebolag (publ.). In the event of inconsistency between the English and the Swedish versions, the Swedish version shall prevail.