

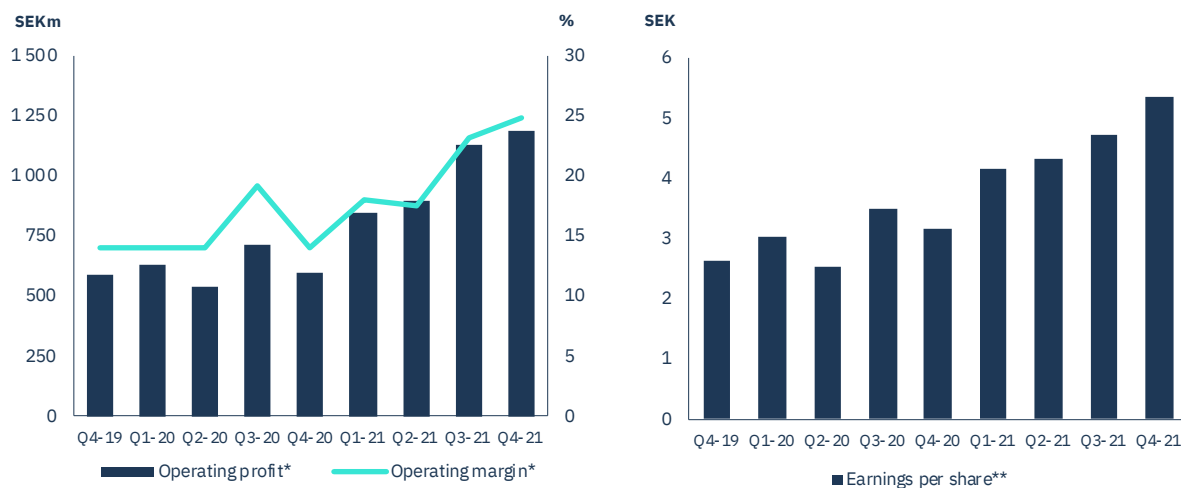
HOLMEN

Holmen's year-end report 2021

SEKm	Quarter			Full year	
	4-21	3-21	4-20	2021	2020
Net sales	4 770	4 877	4 249	19 479	16 327
Operating profit excl. item affecting comparability	1 185	1 129	595	4 061	2 479
Operating profit	1 006	978	595	3 731	2 479
Profit after tax	868	763	512	3 004	1 979
Earnings per share, SEK	5.4	4.7	3.2	18.5	12.2
Operating margin, %*	25	23	14	21	15
Book value, forest assets	47 080	43 693	43 202	47 080	43 202
Cash flow before investments and change in working capital	704	980	369	3 375	2 411
Debt/equity ratio, %	9	10	10	9	10

*Excluding item affecting comparability in Q4-21 and Q3-21, see page 16.

- Operating profit for 2021 amounted to SEK 3 731 million (2020: 2 479). Excluding the item affecting comparability related to the damaged turbine at the paperboard mill in Workington, operating profit increased by SEK 1 582 million to SEK 4 061 million as a result of higher prices for wood products and the expansion of the wood products business.
- Operating profit for the fourth quarter excluding the item affecting comparability was SEK 1 185 million, compared with SEK 1 129 million in the third quarter. The sale of a British forest property had a positive impact on profit of just over SEK 200 million, while lower wood product prices had a negative impact on profit.
- Profit after tax in 2021 amounted to SEK 3 004 million (1 979), which corresponds to earnings per share of SEK 18.5 (12.2).
- Prices for forest properties continued to increase in 2021, which meant that the recognised value of forest assets during the annual revaluation increased 9 per cent from SEK 43 202 million at the beginning of the year to SEK 47 080 million.
- The Board proposes an ordinary dividend of SEK 7.50 per share and an extra dividend of SEK 4.00 per share.



*Excl. items affecting comparability.

**Excl. forest revaluation in Q4-19.

CEO comments

2021 was characterised by a rapid economic recovery with a shortage of various input goods and logistics resources, which led to increased prices in extensive parts of society. With our own forest and energy production as a foundation, we at Holmen have nevertheless been able to advance our positions in several segments, at the same time as profit has increased to a historically high level. In light of the solid earnings development and our strong financial position, the Board propose an increased dividend from SEK 7.25 to SEK 7.50 per share and an extra dividend of SEK 4.00 per share.

Fourth quarter earnings totalled SEK 1 006 million thanks to a solid performance in wood products and renewable energy, as well as the sale of a forest property in the UK.

In the wood market, the competition for logs continued to be significant and prices increased, while the pulpwood market was more balanced. Fourth quarter earnings from forest, SEK 513 million, were higher than usual due to the sale of the British forest property. Interest in owning forest is strong and forest property prices continued to increase during the year, which increased the value of the Group's forest assets by 9 per cent to SEK 47 billion.

Demand for paperboard for consumer packaging gradually increased and prices increased at the end of the year. The turbine in Workington, which was damaged in June, remained out of commission, which entailed high energy costs but has not affected paperboard production. Adjusted for the effects of the damaged turbine, fourth quarter earnings totalled SEK 281 million, including a bonus for green electricity certificates. The turbine in Workington is expected to be put back into service during the first quarter of 2022. The market situation is favourable and we continue to improve our customer and market mix.

The paper market has been turbulent in the autumn and although demand has decreased, market prices for 2022 have increased substantially, driven by increasing production costs. Our earnings decreased in the fourth quarter to SEK -9 million due to extremely high electricity prices. We continue to develop our book and magazine paper products at the same time as we are focusing on segments in the packaging area, where our fresh fibre products are best utilized.

Following sharp price increases over the past year, the wood products market peaked in the autumn and prices decreased in the fourth quarter. In Europe, customers were reluctant to place new orders and instead sold from their stock. In the US, however, inventory levels were low and prices turned upwards towards the end of the year. Although our profit from wood products decreased in the fourth quarter due to lower prices, it remained high at SEK 350 million. During the quarter we decided to invest SEK 400 million to increase both capacity and the level of value added at Iggesund Sawmill. The investment is yet another step in developing the wood products business and contributing to the green transition.

The energy situation in Europe worsened during the fourth quarter and electricity prices in southern Sweden increased to high levels. In northern Sweden, where we have most of our energy production, however, the price decreased due to limitations in transmission capacity within the country. Since we were able to control hydro power production to be used during times when it was needed most, we were still able to increase fourth quarter profit to SEK 112 million. Blåbergsliden Wind Farm began to deliver electricity during the quarter and is expected to be in full operation during the first quarter, which will increase our annual wind and hydro power production by 30 per cent.

As we close the books on 2021, we can clearly see that our business model – creating value based on our forest assets – is successful. We grow houses and then make renewable packaging, magazines and books from what is left over, while at the same time harnessing the energy that blows through the treetops and flows in the rivers. Backed by a strong financial position, we are well equipped to benefit from the opportunities that will open up when Europe converts to a fossil-free society.

Key figures Q4 2021

Operating profit, SEKm*

1 185

Operating margin, %*

25

Debt/equity ratio, %

9

*Excluding item affecting comparability.

Forest

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

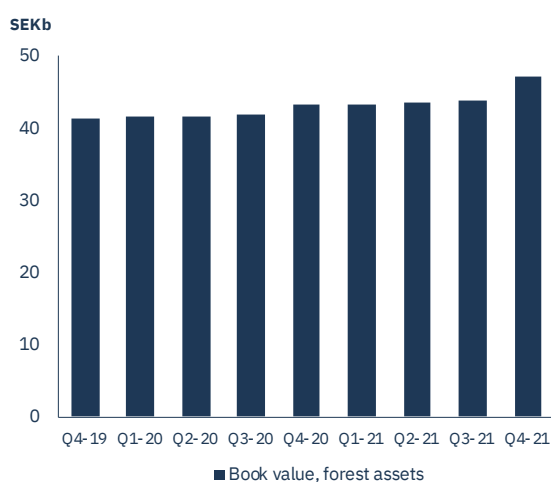
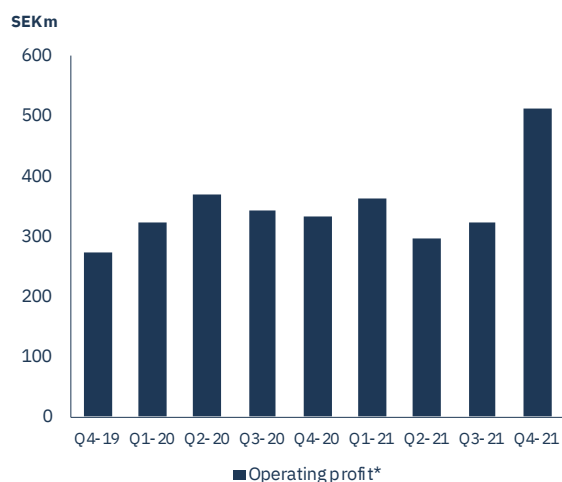
SEKm	Quarter			Full year	
	4-21	3-21	4-20	2021	2020
Net sales	1 690	1 444	1 456	6 509	5 883
Of which from own forests	336	310	321	1 376	1 325
Operating costs	-1 255	-1 265	-1 269	-5 400	-5 040
Change in biological assets	99	164	167	464	579
EBITDA	535	342	354	1 573	1 422
Depreciation and amortisation according to plan	-22	-20	-20	-78	-55
Operating profit	513	323	334	1 495	1 367
Book value, forest assets	47 080	43 693	43 202	47 080	43 202
Deliveries, own forests, '000 m ³	666	637	677	2 833	2 841

Demand for logs continued to be strong in the fourth quarter and prices increased. Demand for pulpwood was normal and prices were stable.

Operating profit for 2021 was SEK 1 495 million (1 367). The sale of a large forest property in the UK had a positive impact on earnings in the fourth quarter.

Compared with the third quarter, profit for the fourth quarter increased by SEK 190 million to SEK 513 million. The sale of the British forest property had a positive impact on earnings.

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 2021 the value was SEK 47 080 million, compared with SEK 43 202 million at the end of the previous year. In 2021, SEK 464 million was recognised in the income statement as a change in biological assets and in the fourth quarter, SEK 3 345 million was recognised as revaluation of forest land in other comprehensive income. See also Note 2.



*Excl. items affecting comparability.

Paperboard

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

SEKm	Quarter			Full year	
	4-21	3-21	4-20	2021	2020
Net sales	1 504	1 555	1 439	6 261	6 187
Operating costs	-1 082	-1 300	-1 141	-5 023	-4 821
EBITDA*	422	255	298	1 237	1 366
Depreciation and amortisation according to plan	-140	-143	-133	-565	-554
Operating profit*	281	112	165	673	812
Investments	126	69	143	399	275
Capital employed	5 169	5 018	5 276	5 169	5 276
EBITDA margin, %*	28	16	21	20	22
Operating margin, %*	19	7	11	11	13
Return on capital employed, %*				13	15
Production, '000 tonnes	139	123	135	529	551
Deliveries, '000 tonnes	127	135	128	544	544

*Excl. item affecting comparability in Q4-21 (-179 SEKm) and Q3-21 (-151 SEKm)

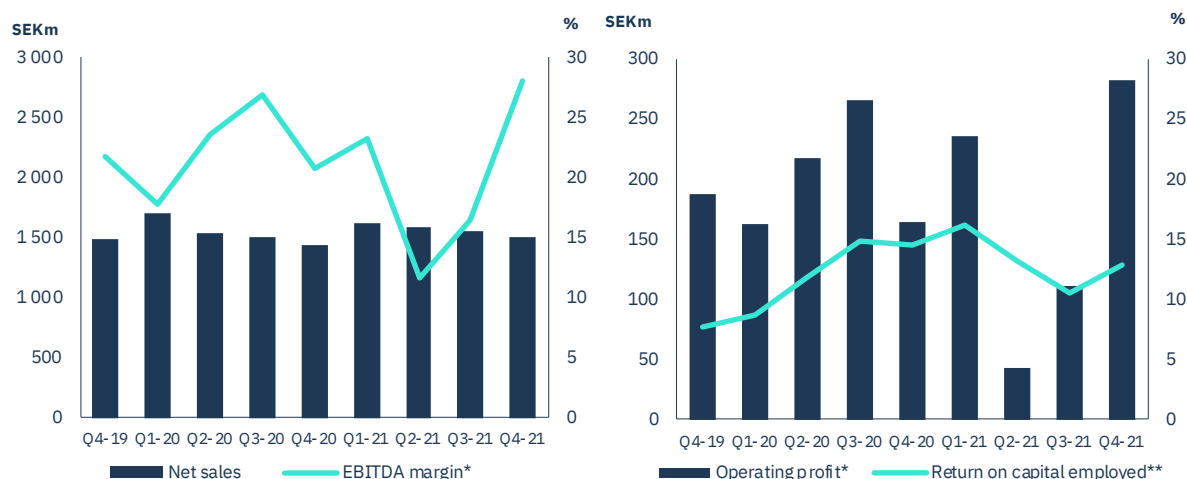
Demand for paperboard continued to be high in the fourth quarter and market prices increased. European consumption of fresh fibre board increased by 6 per cent this year compared with 2020.

Operating profit for 2021, excluding the item affecting comparability, was SEK 673 million (812). The decrease is due to major maintenance shutdowns that negatively impacted earnings by SEK 310 million, compared with SEK 110 million in 2020.

Compared with the third quarter, fourth quarter earnings excluding the item affecting comparability improved by SEK 169 million to SEK 281 million. Profit for the third quarter included SEK 140 million related to a major maintenance shutdown. A bonus for green electricity production, certain non-recurring income items and somewhat higher prices all had a positive impact on profit for the fourth quarter, which was offset in part by costs that increased from a seasonably low level in the previous quarter.

The turbine in the biofuel boiler in Workington was damaged at the end of June 2021 and is planned to be put back into service during the first quarter of 2022. Paperboard production has not been affected, but energy costs have increased by SEK 330 million, which has been treated as an item affecting comparability. The damage is expected to be covered by insurance, but the insurance investigation has not yet been completed and no reimbursement has been recognised.

In 2022, a planned major maintenance shutdown is expected to have a negative impact on profit of SEK 150 million during the second half of the year.



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

Paper

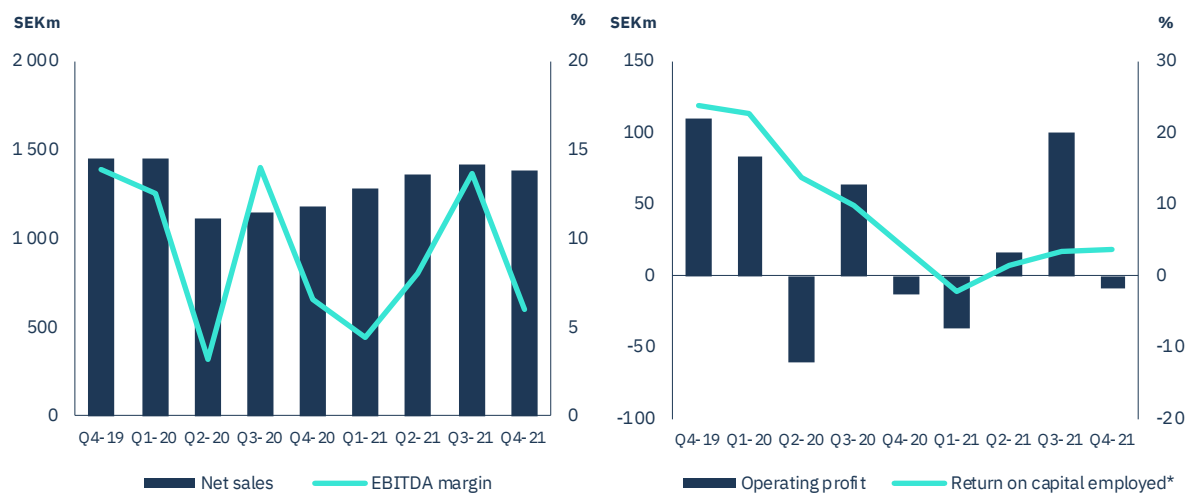
Holmen produces paper that utilises the properties of fresh fibre to provide cost-effective alternatives to traditional paper products for advertising, magazines and books. Production amounts to 1 million tonnes a year at two Swedish mills.

SEKm	Quarter			Full year	
	4-21	3-21	4-20	2021	2020
Net sales	1 384	1 413	1 176	5 441	4 879
Operating costs	-1 302	-1 220	-1 099	-5 000	-4 424
EBITDA	83	193	77	441	454
Depreciation and amortisation according to plan	-92	-93	-90	-371	-381
Operating profit	-9	100	-13	70	73
Investments	44	20	56	129	280
Capital employed	1 637	1 893	1 969	1 637	1 969
EBITDA margin, %	6	14	7	8	9
Operating margin, %	-1	7	-1	1	2
Return on capital employed, %				4	4
Production, '000 tonnes	235	258	225	998	891
Deliveries, '000 tonnes	249	260	221	1 029	883

The supply of paper has been limited by capacity reductions, as well as a shortage of fibre and energy. Prices were largely unchanged in the fourth quarter, but have been increased for 2022.

Operating profit for 2021 was SEK 70 million (73). Profit was negatively impacted by price decreases in late 2020 and early 2021, but this was offset by significant delivery increases, an improved product mix and lower costs.

Compared with the third quarter, earnings for the fourth quarter decreased by SEK 109 million to SEK -9 million due to high electricity costs. Seasonal increases were noted for personnel and maintenance costs, but were offset by positive non-recurring items.



*Twelve-month rolling average.

Wood Products

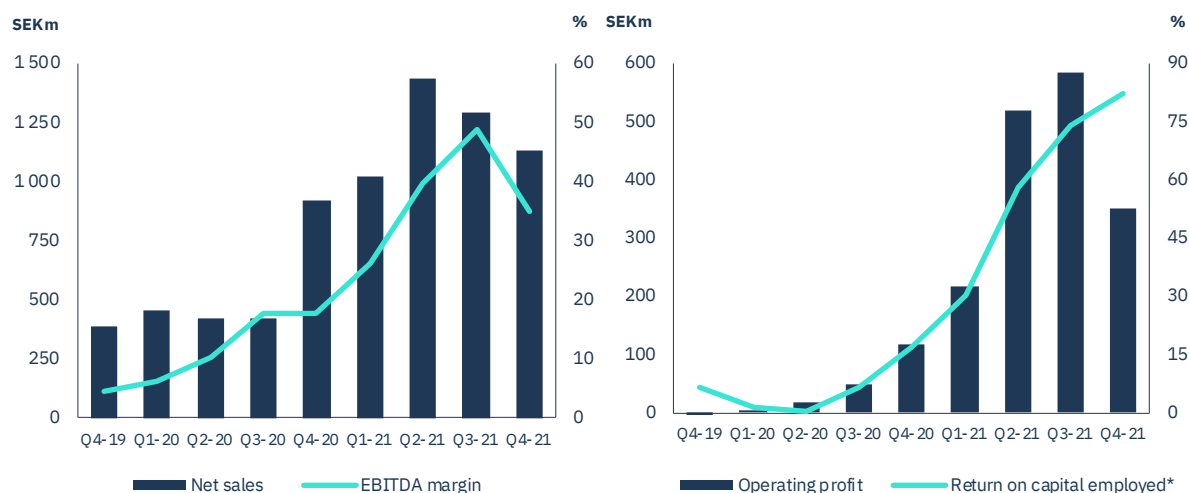
Holmen produces wood products for joinery and construction purposes. After the acquisition of Martinsons production takes place at five sawmills adjacent to own forest with an annual production of 1.5 million cubic metres.

SEKm	Quarter			Full year	
	4-21	3-21	4-20	2021	2020
Net sales	1 133	1 288	922	4 872	2 222
Operating costs	-736	-659	-760	-3 014	-1 913
EBITDA	397	629	162	1 857	309
Depreciation and amortisation according to plan	-47	-47	-47	-189	-124
Operating profit	350	582	116	1 668	185
Investments	82	57	37	242	107
Capital employed	2 278	2 090	1 846	2 278	1 846
EBITDA margin, %	35	49	18	38	14
Operating margin, %	31	45	13	34	8
Return on capital employed, %				82	17
Production, '000 m ³	371	327	383	1 465	1 021
Deliveries, '000 m ³	313	281	379	1 373	1 052

Demand for wood products was lower than normal in the fourth quarter as customers decreased stocks. Market prices decreased but remained at historically high levels.

Operating profit for 2021 was SEK 1 668 million (185). The increase in profit was attributable to substantially higher selling prices, at the same time that volumes increased through the acquisition of Martinsons and the expansion of Braviken Sawmill.

Compared with the third quarter, earnings for the fourth quarter decreased by SEK 232 million to SEK 350 million as a result of lower selling prices. Production increased from a seasonally low level in the previous quarter.



*Twelve-month rolling average.

Renewable Energy

In a normal year Holmen produces 1.2 TWh of renewable hydro and wind power. In 2022, 0.4 TWh will be added from the new Blåbergsliden wind farm.

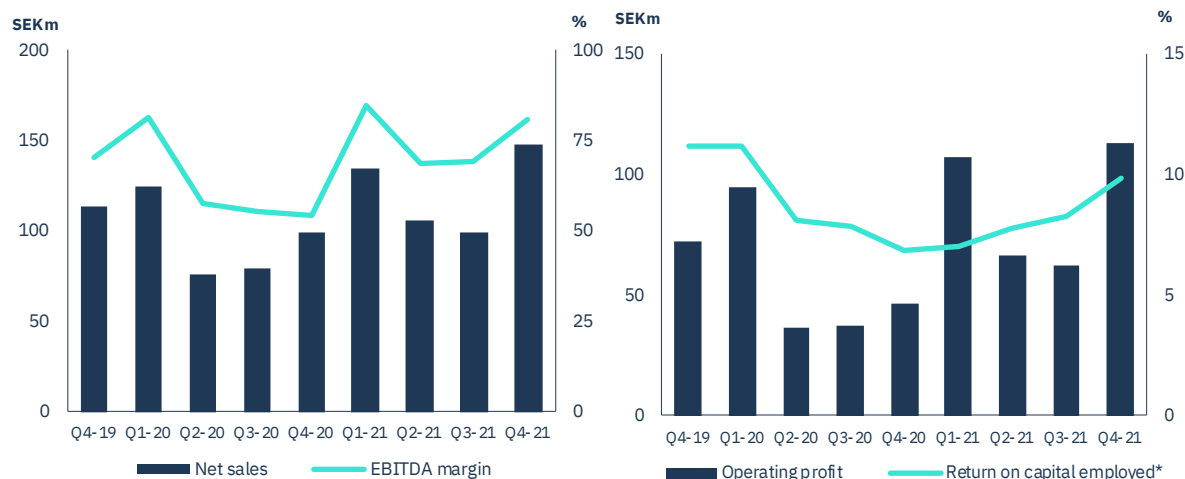
SEKm	Quarter			Full year	
	4-21	3-21	4-20	2021	2020
Net sales	148	99	99	488	378
Operating costs	-28	-31	-45	-113	-136
Depreciation and amortisation according to plan	-8	-7	-7	-28	-27
Operating profit	112	62	46	347	215
Investments	385	228	121	712	291
Capital employed	4 069	3 668	3 351	4 069	3 351
Operating margin, %	76	62	47	71	57
Return on capital employed, %				10	7
Production hydro and wind power, GWh	306	258	342	1 230	1 352

The energy shortage in Europe worsened during the fourth quarter, causing electricity prices in southern Sweden to increase further to a historically high level. In northern Sweden, however, where Holmen has most of its energy production, the price of electricity decreased due to increased hydro power production and limitations in transmission capacity within Sweden.

Operating profit for 2021 was SEK 347 million (215). The increase in profit is attributable to an increase in the average price of electricity, including price hedges, of SEK 135/MWh to SEK 383/MWh. Production decreased from a high level last year.

Compared with the third quarter, fourth quarter earnings increased by SEK 50 million to SEK 112 million due to seasonally higher production and that production could be controlled to a greater extent so it could be used during times with high price levels, which increased the average price to SEK 481/MWh. At the end of the year, the levels in Holmen's water storage reservoirs were normal for the time of year.

The first wind turbines at Blåbergsliden began to deliver electricity during the fourth quarter and the wind farm is expected to be in full operation during the first quarter of 2022. The total investment amounts to SEK 1.3 billion, of which SEK 1.0 billion has been disbursed to date.



*Twelve-month rolling average.

Cash flow, financing and net financial items

Cash flow from operating activities for 2021 totalled SEK 3 229 million (2 457) and cash flow from investing activities totalled SEK -1 307 million (-1 783). A dividend of SEK 1 741 million (567) was paid.

The Group's net financial debt decreased by SEK 80 million to SEK 4 101 million in 2021. Net debt was 9 per cent of equity.

At 31 December 2021 the Group's long-term borrowing amounted to SEK 3.9 billion and short-term borrowing totalled SEK 0.7 billion. Cash and cash equivalents totalled SEK 0.5 billion and non-current financial receivables were SEK 0.3 billion. Contractual credit commitments amounted to SEK 5 billion, of which SEK 1 billion is available until 2025 and SEK 4 billion until 2027. All credit commitments are unused.

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

Net financial items for 2021 totalled SEK -39 million (-42).

Tax

Tax recognised totalled SEK -688 million (-458) in 2021. Recognised tax as a proportion of profit before tax was 19 per cent (19).

Equity

The Group's equity increased by SEK 4 476 million in 2021 to SEK 46 992 million. Profit for the period totalled SEK 3 004 million (1 979) and other comprehensive income totalled SEK 3 201 million (989). A dividend of SEK 1 741 million (567) was paid.

Hedging of exchange rates

The Group hedges parts of future estimated net flows in foreign currencies. Operating profit for 2021 includes currency hedges of SEK 120 million (-16). For EUR/SEK, 2 years of expected net flows are hedged at an average of 10.49. For other currencies, 4–10 months of flows are hedged.

Hedging of electricity prices

Electricity consumption in the Paper business area amounts to 3.2 TWh per year. To reduce the impact of changing electricity prices on Paper's profit, parts of consumption are hedged. In 2021, consumption was 70 per cent hedged. At the end of 2021, 85 per cent of electricity consumption was hedged for 2022. For 2023, 65 per cent has been hedged, while for 2024 the figure is 20 per cent.

The Group's production of wind and hydro power amounts to 1.2 TWh in a normal year. In 2022, 0.4 TWh will be added from the new Blåbergsliden wind farm. For 2021, 65 per cent of production has been hedged. For 2022 and onwards, production is largely unhedged.

Personnel

The average number of employees (full-time equivalents) in the Group was 3 474 (2 974). The increase is due to the acquisition of Martinsons.

EU taxonomy

The EU has decided to implement a taxonomy with criteria for when a business can be considered to be sustainable from a climate perspective. So far, only certain activities are covered by the taxonomy. For 2021, companies must report which of their activities are covered by the taxonomy, while reporting for 2022 must also include the extent to which the activities meet the criteria in the taxonomy.

Holmen's harvesting of its own forest and production of wind and hydro power are covered by the taxonomy. In 2021, these activities account for 11 per cent of the Group's net sales and 53 per cent of investments.

The majority of Holmen's net sales come from production of wood products, paperboard and paper. These products are not covered by the taxonomy, but contribute positively to the climate transition by binding carbon dioxide and replacing fossil alternatives such as steel, concrete and plastic. Should the EU expand the scope of the taxonomy, Holmen is in favour of the inclusion of these activities.

Dividend

The Board proposes that the AGM, to be held on 30 March 2022, a dividend of SEK 7.5 per share and an extra dividend of SEK 4.00 per share. In 2021, an ordinary dividend of SEK 7.25 per share and an extra dividend of SEK 3.5 per share were paid. 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 1 April 2022.

Share buy-backs

At the 2021 AGM, the Board received authorisation to take decisions to purchase up to 10 per cent of the company's shares. No buy-backs took place during the period. The Board proposes that the 2022 AGM approve corresponding authorisation for the Board.

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, Carl Bennet, Alice Kempe, Lars Josefsson, Louise Lindh, Ulf Lundahl, Henrik Sjölund, Henriette Zeuchner and the new election of Fredrik Persson. Lars G Josefsson has declined re-election.

Fredrik Persson was born in 1968, holds a master's degree in economics and has previously been President and CEO of Axel Johnson AB. Fredrik is Chairman of the Board of Ellevio AB, JM AB and the Confederation of Swedish Enterprise and board member of AB Electrolux, Ahlström Capital Oy, Hufvudstaden, ICA Gruppen AB and Interogo Holding AB.

The nomination committee's other proposals will be presented in the notice convening Holmen's AGM 2022, which will be held on 30 March.

Prior to the 2022 AGM, Holmen's nomination committee is made up of Mats Guldbrand, L E Lundbergföretagen, Carl Kempe, Kempe Foundations, Hans Hedström, Carnegie Funds and Fredrik Lundberg, Chairman of the Board. The Chairman of the nomination committee is Mats Guldbrand.

Stockholm, 28 January 2022
Holmen AB (publ)

Henrik Sjölund
President and CEO

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

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Group

	Quarter			Full year	
Income statement, SEKm	4-21	3-21	4-20	2021	2020
Net sales	4 770	4 877	4 249	19 479	16 327
Other operating income	759	283	425	1 690	1 339
Change in inventories	177	24	15	1	-88
Raw materials and consumables	-2 830	-2 472	-2 276	-10 110	-8 781
Personnel costs	-657	-630	-677	-2 720	-2 411
Other operating costs	-1 000	-946	-1 000	-3 814	-3 310
Change in value of biological assets	99	164	167	464	579
Profit from investments in associates and joint ventures	4	-3	-3	0	-6
Depreciation and amortisation according to plan	-315	-318	-305	-1 261	-1 172
Operating profit	1 006	978	595	3 731	2 479
Finance income	2	3	2	9	11
Finance costs	-11	-12	-13	-48	-53
Profit before tax	996	969	584	3 691	2 437
Tax	-129	-206	-72	-688	-458
Profit for the period	868	763	512	3 004	1 979
Earnings per share, SEK					
Basic	5.4	4.7	3.2	18.5	12.2
Diluted	5.4	4.7	3.2	18.5	12.2
Operating margin, %*	25	23	14	21	15
Return on capital employed, %*				9	6
Return on equity, %				7	5

*Excl. item affecting comparability.

	Quarter			Full year	
Statement of comprehensive income, SEKm	4-21	3-21	4-20	2021	2020
Profit for the period	868	763	512	3 004	1 979
Other comprehensive income					
Revaluation of forest land	3 345	-	1 173	3 345	1 173
Revaluations of defined benefit pension plans	-46	-4	44	-12	-15
Tax attributable to items that will not be reclassified to profit for the period	-677	1	-250	-683	-239
Items that will not be reclassified to profit for the period	2 623	-3	967	2 650	920
Cash flow hedging	418	105	422	504	273
Translation difference on foreign operation	60	4	-80	180	-187
Hedging of currency risk in foreign operation	-13	1	12	-39	29
Share in joint ventures' other comprehensive income	7	-6	6	3	16
Tax attributable to items that will be reclassified to profit for the period	-85	-22	-89	-97	-61
Items that will be reclassified to profit for the period	388	83	270	551	69
Total other comprehensive income after tax	3 011	80	1 237	3 201	989
Total comprehensive income	3 878	843	1 749	6 204	2 968

	Full year	
Change in equity, SEKm	2021	2020
Opening equity	42 516	40 111
Profit for the period	3 004	1 979
Other comprehensive income	3 201	989
Total comprehensive income	6 204	2 968
Share saving program	12	2
Dividend	-1 741	-567
Closing equity	46 992	42 516

Group

	2021	2021	2020
Balance sheet, SEKm	31 Dec	30 Sep	31 Dec
Non-current assets			
Forest assets			
Biological assets	29 204	29 144	28 663
Forest land	17 876	14 549	14 538
Intangible non-current assets	539	539	555
Property, plant and equipment	9 711	9 319	9 226
Right-of-use assets	240	221	284
Investments in associates and joint ventures	1 756	1 729	1 717
Other shares and participating interests	2	2	2
Non-current financial receivables	268	276	290
Deferred tax assets	3	2	1
Total non-current assets	59 598	55 780	55 276
Current assets			
Inventories	3 818	3 650	3 594
Trade receivables	2 393	2 561	2 015
Current tax receivable	70	35	6
Other operating receivables	1 676	1 175	1 262
Current financial receivables	39	42	43
Cash and cash equivalents	507	394	346
Total current assets	8 503	7 856	7 267
Total assets	68 101	63 636	62 543
Equity	46 992	43 108	42 516
Non-current liabilities			
Non-current financial liabilities	3 911	3 914	3 919
Non-current liabilities relating to right-of-use assets	173	150	175
Pension obligations	24	9	48
Non-current provisions	409	444	491
Deferred tax liabilities	11 610	10 779	10 570
Total non-current liabilities	16 127	15 297	15 203
Current liabilities			
Current financial liabilities	736	835	605
Current liabilities relating to right-of-use assets	71	75	112
Trade payables	2 836	2 889	2 496
Current tax liability	80	100	211
Current provisions	-	78	163
Other operating liabilities	1 259	1 255	1 235
Total current liabilities	4 982	5 232	4 824
Total liabilities	21 109	20 528	20 026
Total equity and liabilities	68 101	63 636	62 543
Debt/equity ratio, %	9	10	10
Equity/assets ratio, %	69	68	68
Capital employed	51 093	47 379	46 697
Net financial debt	4 101	4 271	4 181

Group

	Quarter			Full year	
Cash flow statement, SEKm	4-21	3-21	4-20	2021	2020
Operating activities					
Profit before tax	996	969	584	3 691	2 437
Adjustments for non-cash items					
Depreciation and amortisation according to plan	315	318	305	1 261	1 172
Change in value of biological assets	-99	-164	-167	-464	-579
Other*	-388	-9	-11	-451	-49
Paid income taxes	-120	-135	-341	-662	-569
Cash flow from operating activities before changes in working capital	704	980	369	3 375	2 411
Cash flow from changes in working capital					
Change in inventories	-189	-196	62	-236	195
Change in trade receivables and other operating receivables	177	168	76	-156	-44
Change in trade payables and other operating liabilities	-94	55	-132	247	-105
Cash flow from operating activities	598	1 008	376	3 229	2 457
Investing activities					
Acquisition of non-current assets	-706	-503	-1 171	-1 775	-2 006
Disposal of non-current assets	347	8	7	443	82
Change in non-current financial receivables	9	-	7	25	141
Cash flow from investing activities	-349	-496	-1 157	-1 307	-1 783
Financing activities					
Change in financial liabilities associated with to right-of-use assets	-30	-27	-20	-110	-95
Change in financial liabilities and current financial receivables	-107	-735	-113	86	-145
Dividends paid to the shareholders of the parent company	-	-	-	-1 741	-567
Cash flow from financing activities	-137	-762	-133	-1 764	-808
Cash flow for the period	112	-250	-914	158	-133
Opening cash and cash equivalents	394	643	1 264	346	483
Exchange difference in cash and cash equivalents	1	1	-3	2	-4
Closing cash and cash equivalents	507	394	346	507	346

	Quarter			Full year	
Change in net financial debt, SEKm	4-21	3-21	4-20	2021	2020
Opening net financial debt	-4 271	-4 788	-3 165	-4 181	-3 784
Acquisition	-	-	-187	-	-187
Cash flow from operating activities	598	1 008	376	3 229	2 457
Cash flow from investing activities (excl. financial receivables)	-358	-496	-1 163	-1 332	-1 924
Dividends paid	-	-	-	-1 741	-567
Liabilities arising from new right-of-use agreements	-49	-4	-49	-67	-163
Revaluations of defined benefit pension plans	-14	-3	45	17	-14
Foreign exchange effects and changes in fair value	-7	11	-37	-27	1
Closing net financial debt	-4 101	-4 271	-4 181	-4 101	-4 181

*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.

Parent company

	Quarter			Full year	
Income statement, SEKm	4-21	3-21	4-20	2021	2020
Operating income	4 869	4 785	3 695	19 107	14 877
Operating costs	-4 735	-4 271	-3 740	-17 649	-14 545
Operating profit	134	514	-45	1 458	332
Net financial items	-11	-6	-1	316	199
Profit after net financial items	122	508	-46	1 774	531
Appropriations	351	118	462	768	1 804
Profit before tax	473	625	416	2 541	2 336
Tax	-98	-131	-49	-451	-417
Profit for the period	375	495	367	2 090	1 919

	Quarter			Full year	
Statement of comprehensive income, SEKm	4-21	3-21	4-20	2021	2020
Profit for the period	375	495	367	2 090	1 919
Other comprehensive income					
Cash flow hedging	422	106	423	505	272
Tax attributable to other comprehensive income	-87	-22	-87	-104	-55
Items that will be reclassified to profit for the period	334	84	336	401	218
Total comprehensive income	709	578	703	2 491	2 137

	2021	2021	2020
Balance sheet, SEKm	31 Dec	30 Sep	31 Dec
Non-current assets	18 898	18 513	18 119
Current assets	7 025	6 479	5 379
Total assets	25 923	24 992	23 498
Restricted equity	5 915	5 915	5 915
Non-restricted equity	7 076	6 361	6 314
Untaxed reserves	2 852	2 726	2 354
Provisions	1 386	1 299	1 405
Liabilities	8 695	8 692	7 511
Total equity and liabilities	25 923	24 992	23 498

SEK 964 million (181) of operating income for 2021 relates to sales to Group companies.

Balance sheet appropriations include net group contributions totalling SEK 1 265 million (2 512).

The parent company's investments in property, plant and equipment and non-current intangible assets totalled SEK 84 million (72).

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 (IFRSs) 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 IFRSs 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 1 304 000 hectares of land, of which 1 044 000 hectares are productive forest land. The volume of standing timber is estimated at 125 million cubic metres growing stock, solid over bark, based on the inventory conducted in 2019 and taking into account subsequent growth and harvest. 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 of the forest assets is based on pricing statistics published by different market operators and on detailed data about transactions involving forest properties that 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	689	264	91	1 044
Volume of standing timber, mil. m ³	75	35	15	125

The book value of forest assets at 31 December 2021 amounted to SEK 47 080 million (43 202). The value corresponds to an average of SEK 45 100 per hectare of productive forest land. Of the increase in value of SEK 3 878 million, SEK 3 613 million is attributable to increasing prices for forest properties and SEK 265 million to an increase in the volume of standing timber.

The value of the forest assets is allocated in the balance sheet to growing trees, SEK 29 204 million, recognised as a biological asset, and forest land, SEK 17 876 million. No value is assigned to land that is not productive forest land. The value allocated to the 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 change in value of biological assets, calculated as the net of the change as a result of harvesting and the unrealised change in fair value is stated in the income statement and in 2021 totalled SEK 464 million (579). 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 harvest of currently standing trees, such as leasing of land for wind power, quarrying, hunting leases, licence income and harvesting future generations of trees. The change in fair value for forest land is recognised in other comprehensive income and totalled SEK 3 345 million (1 173).

SEKm	Of which					
	Forest assets		Biological assets		Forest land	
	2021	2020	2021	2020	2021	2020
Book value at start of year	43 202	41 345	28 663	27 979	14 538	13 366
Acquisitions	42	9	24	0	18	9
Disposal	-120	-22	-93	-16	-27	-6
Investment in reforestation	142	128	142	128	-	-
Change due to harvesting	-695	-691	-695	-691	-	-
Unrealised change in fair value	4 503	2 444	1 158	1 271	3 345	1 173
Other changes	7	-12	5	-8	2	-4
Book value at end of year	47 080	43 202	29 204	28 663	17 876	14 538

3. External net sales by market

	Forest	Paperboard	Paper	Wood Products	Renewable Energy	Group
Full year 2021						
Scandinavia	2 422	205	377	2 524	481	6 010
Rest of Europe	2	4 444	4 045	1 477	-	9 967
Asia	-	1 196	645	309	-	2 150
Rest of the world	-	415	374	561	-	1 351
Total Net sales	2 424	6 261	5 441	4 872	481	19 479

	Forest	Paperboard	Paper	Wood Products	Renewable Energy	Group
Full year 2020						
Scandinavia	2 656	183	500	966	375	4 679
Rest of Europe	8	4 355	3 749	712	-	8 823
Asia	-	1 329	438	174	-	1 940
Rest of the world	-	321	192	371	-	884
Total Net sales	2 664	6 187	4 879	2 222	375	16 327

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		-586 639	-586 639		
Total number of shares issued		161 925 685	569 143 897		

5. Financial instruments

SEKm	Carrying amount		Fair value	
	2021 31 Dec	2020 31 Dec	2021 31 Dec	2020 31 Dec
Assets at fair value	1 097	577	1 097	577
Assets at acquisition cost	3 183	2 669	3 183	2 669
Liabilities at fair value	151	88	151	88
Liabilities at acquisition cost	7 454	7 002	7 454	7 002

Holmen measures financial instruments at fair value or acquisition cost in the balance sheet depending on classification. In addition to items in net financial debt, with the exception of 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.

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, closure, major restructuring measures and break-downs, as well as alterations 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 an item affecting comparability. Operating profit for 2021 includes SEK 330 million relating to costs and 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 88 of Holmen's annual report for 2020.

SEKm	Quarter			Full year	
	4-21	3-21	4-20	2021	2020
EBITDA	1 500	1 447	900	5 321	3 651
Depreciation and amortisation according to plan	-315	-318	-305	-1 261	-1 172
Operating profit excl. items affecting comp.	1 185	1 129	595	4 061	2 479
Items affecting comparability	-179	-151	-	-330	-
Operating profit	1 006	978	595	3 731	2 479

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	2021	2021	2020
	31 Dec	30 Sep	31 Dec
Fixed assets*	59 328	55 502	54 984
Working capital**	3 372	2 655	2 281
Deferred tax assets	3	2	1
Deferred tax liabilities	-11 610	-10 779	-10 570
Capital employed	51 093	47 379	46 697

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

**Inventories, trade receivables, current tax asset, other current operating receivables, trade payables, current tax liability, non-current provisions, current provisions and 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:

	2021	2021	2020
SEKm	31 Dec	30 Sep	31 Dec
Non-current financial liabilities	3 911	3 914	3 919
Non-current liabilities relating to right-of-use assets	173	150	175
Current financial liabilities	736	835	605
Current liabilities relating to right-of-use assets	71	75	112
Pension obligations	24	9	48
Non-current financial receivables	-268	-276	-290
Current financial receivables	-39	-42	-43
Cash and cash equivalents	-507	-394	-346
Net financial debt	4 101	4 271	4 181

7. Transactions 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 material risks and uncertainties see Holmen's annual report for 2020, pages 41–45 and Note 27.

Group

Quarterly figures, SEKm	2021				2020				Full year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2021	2020
Income statement										
Net sales	4 770	4 877	5 129	4 703	4 249	3 727	3 853	4 499	19 479	16 327
Operating costs	-3 373	-3 591	-3 982	-3 676	-3 514	-2 884	-3 142	-3 710	-14 622	-13 250
Change in value of forests	99	164	69	133	167	166	121	124	464	579
Profit from investments in associates and joint ventures	4	-3	-3	2	-3	-3	1	0	0	-6
EBITDA	1 500	1 447	1 213	1 161	900	1 005	833	912	5 321	3 651
Depreciation and amortisation according to plan	-315	-318	-315	-312	-305	-291	-291	-285	-1 261	-1 172
Operating profit excl. items affecting comparability	1 185	1 129	898	849	595	714	542	628	4 061	2 479
Items affecting comparability	-179	-151	-	-	-	-	-	-	-330	-
Operating profit	1 006	978	898	849	595	714	542	628	3 731	2 479
Net financial items	-9	-9	-11	-10	-11	-9	-11	-10	-39	-42
Profit before tax	996	969	887	839	584	705	531	618	3 691	2 437
Tax	-129	-206	-189	-164	-72	-140	-119	-127	-688	-458
Profit for the period	868	763	698	675	512	565	411	491	3 004	1 979
Earnings per share, SEK	5.4	4.7	4.3	4.2	3.2	3.5	2.5	3.0	18.5	12.2
Net sales										
Forest	1 690	1 444	1 717	1 658	1 456	1 306	1 432	1 690	6 509	5 883
Paperboard	1 504	1 555	1 588	1 614	1 439	1 506	1 537	1 706	6 261	6 187
Paper	1 384	1 413	1 360	1 284	1 176	1 151	1 107	1 445	5 441	4 879
Wood Products	1 133	1 288	1 431	1 020	922	423	422	455	4 872	2 222
Renewable Energy	148	99	106	135	99	79	75	124	488	378
Elimination of intra-group net sales	-1 090	-922	-1 072	-1 007	-843	-739	-720	-920	-4 092	-3 222
Group	4 770	4 877	5 129	4 703	4 249	3 727	3 853	4 499	19 479	16 327
EBITDA by business area*										
Forest	535	342	315	382	354	355	382	331	1 573	1 422
Paperboard	422	255	185	376	298	404	361	302	1 237	1 366
Paper	83	193	109	56	77	161	36	180	441	454
Wood Products	397	629	566	265	162	75	44	28	1 857	309
Renewable Energy	120	69	73	114	54	44	43	102	375	242
Group-wide	-56	-41	-35	-31	-45	-34	-33	-32	-163	-143
Group	1 500	1 447	1 213	1 161	900	1 005	833	912	5 321	3 651
Operating profit/loss by business area*										
Forest	513	323	296	364	334	342	370	322	1 495	1 367
Paperboard	281	112	44	236	165	266	218	163	673	812
Paper	-9	100	16	-37	-13	63	-60	83	70	73
Wood Products	350	582	518	218	116	47	19	4	1 668	185
Renewable Energy	112	62	66	107	46	37	37	95	347	215
Group-wide	-63	-49	-42	-39	-52	-42	-41	-39	-193	-174
Group	1 185	1 129	898	849	595	714	542	628	4 061	2 479
Operating margin, %*										
Paperboard	19	7	3	15	11	18	14	10	11	13
Paper	-1	7	1	-3	-1	6	-5	6	1	2
Wood Products	31	45	36	21	13	11	4	1	34	8
Group	25	23	18	18	14	19	14	14	21	15
Return on capital employed, %*										
Forest									4	4
Paperboard									13	15
Paper									4	4
Wood Products									82	17
Renewable Energy									10	7
Group									9	6
Key indicators										
Return on equity, %									7	5
Deliveries										
Own forests, '000 m ³	666	637	877	653	677	644	768	753	2 833	2 841
Paperboard, '000 tonnes	127	135	138	145	128	134	135	147	544	544
Paper, '000 tonnes	249	260	263	257	221	209	198	257	1 029	883
Wood products, '000 m ³	313	281	406	372	379	203	224	247	1 373	1 052
Hydro and wind power, GWh	306	258	297	369	342	318	318	374	1 230	1 352

*Excl. item affecting comparability.

Group

Full year review, SEKm	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Income statement										
Net sales	19 479	16 327	16 959	16 055	16 133	15 513	16 014	15 994	16 231	17 852
Operating costs	-14 622	-13 250	-13 961	-12 984	-13 379	-12 626	-13 348	-13 270	-13 919	-15 224
Change in value of forests	464	579	487	425	415	315	267	282	264	350
Profit from investments in associates and joint ventures	0	-6	0	-9	-12	-22	7	-7	3	47
EBITDA	5 321	3 651	3 486	3 488	3 157	3 179	2 940	2 999	2 579	3 026
Depreciation and amortisation according to plan	-1 261	-1 172	-1 141	-1 012	-991	-1 018	-1 240	-1 265	-1 370	-1 313
Operating profit excl. items affecting comparability	4 061	2 479	2 345	2 476	2 166	2 162	1 700	1 734	1 209	1 713
Items affecting comparability	-330	-	8 770	-94	-	-232	-931	-450	-140	-193
Operating profit	3 731	2 479	11 115	2 382	2 166	1 930	769	1 284	1 069	1 520
Net financial items	-39	-42	-34	-25	-53	-71	-90	-147	-198	-227
Profit before tax	3 691	2 437	11 081	2 356	2 113	1 859	679	1 137	871	1 294
Tax	-688	-458	-2 351	-89	-445	-436	-120	-230	-160	559
Profit for the year	3 004	1 979	8 731	2 268	1 668	1 424	559	907	711	1 853
Diluted earnings per share, SEK	18.5	12.2	52.6	13.5	9.9	8.5	3.4	5.4	4.3	11.1
EBITDA by business area*										
Forest	1 573	1 422	1 217	1 216	1 099	1 030	935	845	958	964
Paperboard	1 237	1 366	996	1 196	1 257	1 382	1 346	1 161	878	959
Paper	441	454	891	665	627	669	514	725	429	862
Wood Products	1 857	309	159	337	165	80	86	160	45	-10
Renewable Energy	375	242	362	205	159	143	198	233	391	374
Group-wide	-163	-143	-140	-132	-149	-124	-138	-126	-121	-123
Group	5 321	3 651	3 486	3 488	3 157	3 179	2 940	2 999	2 579	3 026
Operating profit by business area*										
Forest	1 495	1 367	1 172	1 185	1 069	1 001	905	817	924	931
Paperboard	673	812	435	689	764	903	847	674	433	596
Paper	70	73	509	329	288	289	-74	141	-309	94
Wood Products	1 668	185	62	246	80	-3	9	37	-75	-130
Renewable Energy	347	215	336	181	135	120	176	212	371	355
Group-wide	-193	-174	-168	-154	-170	-148	-163	-146	-136	-132
Group	4 061	2 479	2 345	2 476	2 166	2 162	1 700	1 734	1 209	1 713
Deliveries										
Own forests, '000 m³	2 833	2 841	2 699	2 816	2 883	2 945	3 132	3 207	3 361	3 085
Paperboard, '000 tonnes	544	544	538	525	526	497	499	493	469	485
Paper, '000 tonnes	1 029	883	996	1 036	1 117	1 134	1 325	1 305	1 574	1 651
Wood products, '000 m³	1 373	1 052	879	828	852	776	730	725	686	660
Hydro and wind power, GWh	1 230	1 352	1 109	1 145	1 169	1 080	1 441	1 113	1 041	1 353
Balance sheet										
Forest assets	47 080	43 202	41 345	18 701	17 971	17 595	17 340	17 032	16 654	16 344
Other non-current assets	12 251	11 784	10 781	10 586	10 780	11 106	12 184	13 189	13 998	14 320
Current assets	7 956	6 878	6 264	6 845	5 710	5 852	5 607	5 964	5 774	6 005
Financial receivables	814	679	950	781	430	338	325	249	327	377
Total assets	68 101	62 543	59 340	36 912	34 891	34 891	35 456	36 434	36 753	37 046
Equity	46 992	42 516	40 111	23 453	22 035	21 243	20 853	20 969	20 854	20 813
Deferred tax liability	11 610	10 570	10 299	5 839	5 650	5 613	5 508	5 480	5 804	5 504
Financial liabilities and interest-bearing provisions	4 915	4 860	4 732	3 587	3 366	4 283	5 124	6 156	6 443	6 967
Operating liabilities	4 584	4 597	4 196	4 033	3 840	3 752	3 971	3 829	3 653	3 762
Total equity and liabilities	68 101	62 543	59 340	36 912	34 891	34 891	35 456	36 434	36 753	37 046
Cash flow										
Operating activities	3 229	2 457	2 884	2 286	2 509	1 961	2 526	2 176	2 011	2 254
Investing activities **	-1 332	-1 924	-1 050	-1 005	-644	-123	-824	-815	-872	-1 957
Cash flow after investments	1 897	533	1 834	1 281	1 865	1 838	1 702	1 361	1 139	297
Key indicators										
Return on capital employed, %*	9	6	9	10	9	9	6	6	4	7
Return on equity, %	7	5	35	10	8	7	3	4	3	9
Debt/equity ratio, %	9	10	9	12	13	19	23	28	29	32
Dividend										
Ordinary dividend, SEK	7.5***	7.25	3.5	6.75	6.5	6	5.25	5	4.5	4.5
Extra dividend, SEK	4***	3.5	-	-	-	-	-	-	-	-

*Excl. items affecting comparability.

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

***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 14.30 CET on Friday 28 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/rapporter

You may also participate in the conference by telephone, by calling no later than 14.25 CET on:

Within Sweden:	+46 8 505 583 73
From the rest of Europe:	+44 3 333 009 269
From the US:	+1 833 526 83 97

Financial reports

27 April 2022	Interim report January–March 2022
18 August 2022	Interim report January–June 2022
19 October 2022	Interim report January–September 2022
30 January 2023	Year-end report 2022

This information such 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 11.15 CET on Friday, 28 January 2022.

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.