

# Stora Enso

## Half year financial report

January–June 2021

# Q2



## Strong performance and solid growth continue

### Q2/2021 (compared with Q2/2020)

- Sales increased by 22.6% to EUR 2 592 (2 114) million, due to higher deliveries and prices. Sales excluding Paper increased by 28.4%.
- Operational EBIT increased to EUR 364 (178) million, due to higher prices and volumes, especially in Biomaterials, Wood Products, and Packaging Materials. Operational EBIT excluding Paper increased to EUR 413 (216) million.
- Operational EBIT margin increased to 14.0% (8.4%). Excluding Paper, the operational EBIT margin was 19.1% (12.9%).
- Items affecting comparability (IAC) amounted to EUR -171 (-7) million, mainly related to restructuring costs in the Paper division.
- Operating profit (IFRS) decreased to EUR 182 (226) million.
- EPS was EUR 0.26 (0.19) and EPS excl. fair valuations (FV) was EUR 0.27 (0.13).
- The value of forest assets, including leased land and Stora Enso's share of Tornator, increased to EUR 7.4 (5.4) billion. The forest valuation method was changed in Q4/2020 to market based valuation in Sweden.
- Strong cash flow from operations amounted to EUR 463 (363) million. Cash flow after investing activities was EUR 339 (239) million.
- Net debt decreased by EUR 314 million to EUR 2 975 (3 289) million.
- The net debt to operational EBITDA ratio was 1.8 (2.5). The target is to keep the ratio below 2.0.
- Operational ROCE excluding the Forest division increased to 18.1% (7.8%), and was clearly above the long-term target of more than 13%.

### Q1-Q2/2021 (compared with Q1-Q2/20)

- Sales were EUR 4 868 (4 321) million.
- Operational EBIT was EUR 692 (357) million.
- Strong cash flow from operations amounted to EUR 648 (509) million. Cash flow after investing activities was EUR 330 (208) million.
- Operational ROCE excluding the Forest division increased to 15.2% (7.8%).

### Strategy implementation update

- The ramp-up of kraftliner production line at Oulu is proceeding ahead of schedule.
- Stora Enso and Tetra Pak partner to provide circular solutions to the market to significantly improve recycling of beverage cartons in Central and Eastern Europe.
- The feasibility study regarding a possible expansion of the pulp and board production at Skoghall is expected to be finalised by the end of 2021.
- Dispersion barrier coating started at the Forshaga site, and commercial customer qualifications are ongoing.
- The pilot plant for carbon for energy storage at Sunila started up during the quarter as planned, and production of Lignode<sup>®</sup> by Stora Enso is ramping up.
- The co-determination negotiations concerning closing down the pulp and paper production at the Veitsiluoto and Kvarnsveden sites were completed. The closures will take place during the third quarter of 2021.
- Stora Enso will divest its Sachsen paper mill in Germany to Model Group.
- Restructuring at Hylte was finalised, and production is now based solely on mechanical pulp (TMP).

### Outlook

The global economy is recovering strongly from the impacts of the pandemic and demand for Stora Enso's products, except for graphic paper, continues to be very healthy.

The annual outlook for 2021 remains unchanged, operational EBIT in 2021 is expected to be higher than operational EBIT in 2020.

Two quarters ahead of the plan, Stora Enso concluded its EUR 400 million profit protection programme by the end of Q2/2021, and there will no longer be separate reporting on it. The accumulated continuous and total savings from the beginning of the programme were EUR 510 million, of which continuous savings amounted to EUR 410 million.

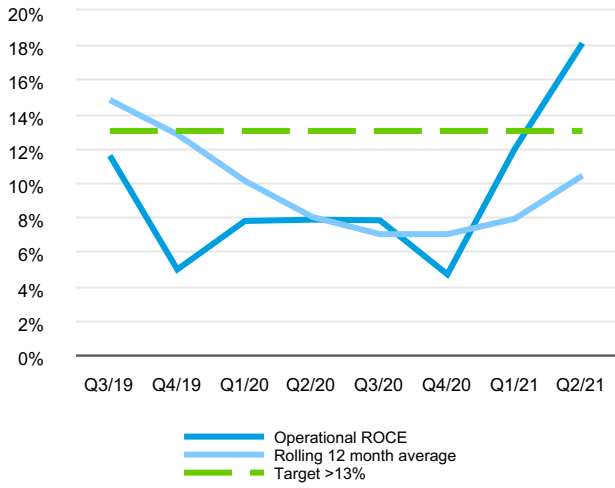
Due to successful technical and commercial ramp-up, the Oulu kraftliner unit reached operational EBITDA breakeven already during Q2/2021. This is three quarters ahead of the initial target. The unit also reached the designed capacity, as planned, by the end of Q2. The total negative impact on operational EBIT is estimated to be EUR 20–25 million for 2021. This is clearly below the previous estimate of EUR 40–50 million. As the unit has now reached operational EBITDA breakeven, the separate reporting will be discontinued.

### Total maintenance impact

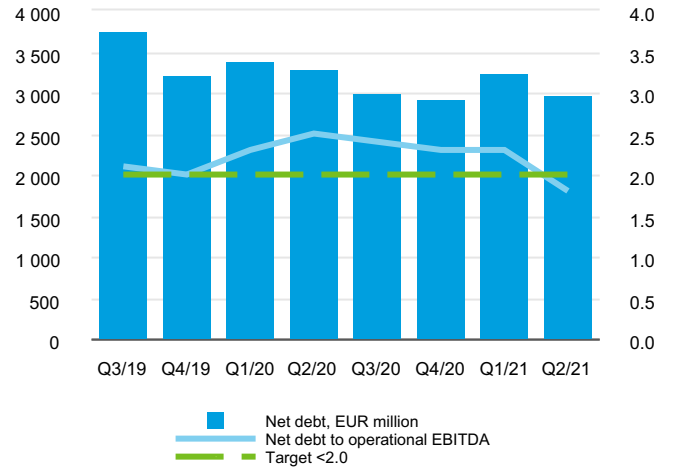
EUR million	Q3/2021 <sup>1</sup>	Q2/2021	Q1/2021	Q4/2020	Q3/2020	Q2/2020
Total maintenance impact	184	136	105	161	159	110

<sup>1</sup> Estimated

Operational ROCE excl. Forest division



Net debt to operational EBITDA



## Key figures

EUR million	Q2/21	Q2/20	Change % Q2/21- Q2/20	Q1/21	Change % Q2/21- Q1/21	Q1-Q2/21	Q1-Q2/20	Change % Q1-Q2/21- Q1-Q2/20	2020
Sales	2 592	2 114	22.6%	2 276	13.9%	4 868	4 321	12.7%	8 553
Operational EBITDA	524	332	57.6%	488	7.3%	1 011	667	51.7%	1 270
Operational EBITDA margin	20.2%	15.7%		21.4%		20.8%	15.4%		14.9%
Operational EBIT	364	178	104.9%	328	11.0%	692	357	93.6%	650
Operational EBIT margin	14.0%	8.4%		14.4%		14.2%	8.3%		7.6%
Operating profit (IFRS)	182	226	-19.3%	161	12.9%	343	487	-29.6%	922
Profit before tax excl. IAC and FV	334	142	135.1%	292	14.2%	626	268	133.3%	501
Profit before tax (IFRS)	152	190	-20.1%	125	21.0%	277	398	-30.4%	773
Net profit for the period (IFRS)	207	144	43.8%	145	42.6%	353	293	20.3%	617
Cash flow from operations	463	363	27.6%	185	149.9%	648	509	27.4%	1 344
Cash flow after investing activities	339	239	41.6%	-9	n/m	330	208	58.9%	680
Capital expenditure	130	144	-9.8%	124	4.1%	254	228	11.4%	687
Capital expenditure excluding investments in biological assets	114	126	-9.7%	111	2.0%	225	198	13.8%	628
Depreciation and impairment charges excl. IAC	135	136	-0.5%	139	-2.5%	274	274	0.0%	544
Net interest-bearing liabilities	2 975	3 289	-9.6%	3 236	-8.1%	2 975	3 289	-9.6%	2 921
Forest assets <sup>5</sup>	7 409	5 389	37.5%	7 179	3.2%	7 409	5 389	37.5%	7 314
Operational return on capital employed (ROCE), %	12.1%	6.8%		11.1%		11.6%	6.8%		5.8%
Operational ROCE excl. Forest division <sup>4</sup>	18.1%	7.8%		12.0%		15.2%	7.8%		7.0%
Earnings per share (EPS) excl. FV <sup>3</sup> , EUR	0.27	0.13	106.8%	0.22	22.4%	0.50	0.24	106.7%	0.45
EPS (basic), EUR	0.26	0.19	40.3%	0.18	43.4%	0.44	0.38	16.9%	0.79
Return on equity (ROE)	9.3%	8.1%		6.7%		7.8%	8.0%		7.6%
Net debt/equity ratio	0.32	0.45		0.37		0.32	0.45		0.33
Net debt to last 12 months' operational EBITDA ratio	1.8	2.5		2.3		1.8	2.5		2.3
Fixed costs to sales, %	23.4%	26.3%		24.6%		24.0%	25.6%		26.7%
Equity per share, EUR	11.68	9.19	27.1%	11.04	5.7%	11.68	9.19	27.1%	11.17
Average number of employees (FTE)	23 509	25 077	-6.3%	23 068	1.9%	23 293	25 017	-6.9%	24 455
TRI rate <sup>12</sup>	5.6	4.7	19.1%	5.8	-3.4%	5.7	5.7	0.0%	6.1

**Operational key figures, items affecting comparability and other non-IFRS measures:** The list of Stora Enso's non-IFRS measures and the calculation of the key figures are presented at the end of this report. See also the section *Non-IFRS measures* at the beginning of the Financials section.

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

**TRI** (Total recordable incidents) rate = number of incidents per one million hours worked.

<sup>1</sup> For own employees, including employees of the joint operations Veracel and Montes del Plata

<sup>2</sup> Historical figures for TRI rate recalculated due to additional data received after the previous Interim Reports.

<sup>3</sup> Earnings per share (EPS) excl. FV was added to the list of non-IFRS measures during Q4/2020 replacing the key figure of EPS excl. IAC and FV. Comparatives are recalculated.

<sup>4</sup> The segment comparative figures have been restated in accordance to the change in presentation of certain consolidation adjustments, as described in the section [Basis of preparation](#).

<sup>5</sup> Total forest assets value, including leased land and Stora Enso's share of Tornator.

## Production and external deliveries

	Q2/21	Q2/20	Change % Q2/21- Q2/20	Q1/21	Change % Q2/21- Q1/21	Q1-Q2/21	Q1-Q2/20	Change % Q1-Q2/21- Q1-Q2/20	2020
Board deliveries <sup>1</sup> , 1 000 tonnes	1 099	970	13.3%	1 007	9.1%	2 107	1 881	12.0%	3 712
Board production <sup>1</sup> , 1 000 tonnes	1 168	1 068	9.4%	1 139	2.6%	2 307	2 074	11.2%	4 063
Corrugated packaging European deliveries, million m <sup>2</sup>	242	212	14.9%	237	2.5%	479	435	10.1%	902
Corrugated packaging European production, million m <sup>2</sup>	270	237	13.8%	263	2.6%	533	485	9.9%	1 004
Market pulp deliveries, 1 000 tonnes	603	557	8.2%	630	-4.3%	1 233	1 083	13.8%	2 443
Wood products deliveries, 1 000 m <sup>3</sup>	1 347	1 174	14.7%	1 192	13.0%	2 539	2 299	10.4%	4 692
Wood deliveries, 1 000 m <sup>3</sup>	3 042	2 814	8.1%	3 045	-0.1%	6 087	5 855	4.0%	11 469
Paper deliveries, 1 000 tonnes	767	666	15.2%	742	3.4%	1 509	1 583	-4.7%	3 106
Paper production, 1 000 tonnes	741	650	14.0%	743	-0.3%	1 484	1 580	-6.1%	3 034

<sup>1</sup> Includes consumer board and containerboard volumes

## CEO comment

As the global economy recovers from the impacts of the pandemic, our strong performance continued in the second quarter of the year. With profitable growth of over 28% excluding Paper, we once again prove the strength of our core businesses. This is the result of close collaboration with brand owners and customers as well as the steps that we are taking in executing on our strategy.

Our number one priority continues to be the safety, health and well-being of our colleagues, customers and partners. We are once again back on an improvement path for safety performance. Thanks to our outstanding employees, proactively managing risks during the pandemic, we have been able to deliver to customers and manage our operations without disruption. I'm very proud of this achievement.

Our operational EBIT excluding Paper increased to over EUR 410 million, up over 90% year on year, driven by Biomaterials, Wood Products and Packaging Materials. The cash flow from operations was up nearly 30% year on year, to over EUR 460 million and we are back on track with our net-debt to EBITDA ratio. I am also pleased that we have concluded our profit protection programme two quarters ahead of the plan. The accumulated continuous and total savings amount to EUR 510 million.

Looking at the divisions one by one, the record profitability in Wood Products continues. Growth was driven by an exceptionally strong global demand, especially for classic sawn products. Biomaterials also delivers a record quarter driven by the favourable market conditions for pulp. Packaging Materials benefit from a solid order book with more than 20% growth. Due to successful technical and commercial ramp-up, the recently converted Oulu kraftliner production reached EBITDA break-even three quarters ahead of target. Lastly, the new dispersion coating investment in Forshaga is completed and production has started. There is clearly positive momentum in the division.

In Packaging Solutions, we have achieved significant sales growth. Although the profits remain challenged by high raw material costs, we strive to compensate this with increased pricing. When it comes to our Forest division, the solid profit and operational efficiency continues. Improved sales were driven by higher deliveries in Finland, Sweden and the Baltics. In addition, the forest asset values were increased by more than EUR 200 million in our semi-annual valuation.

In Paper, we have solid order books, but costs for raw materials are high and not yet fully compensated through price increases causing a low result for the division. In addition, we have had production issues at our Langerbrugge and Maxau sites. Both sites are now back on track and in full operation. Recent structural changes along with some targeted investments, make me confident that we are shaping a paper business that is more focused and cost-efficient. Looking beyond the quarter, there is a turnaround in sight.

As the renewable materials company, we are happy to see that more and more businesses want environmentally friendly packaging that is fossil-free, renewable and recyclable. During the quarter, Trayforma™ by Stora Enso, a new wood-fiber based material for microwavable ready-meal trays was introduced. Moreover, together with the packaging technology company Pulpex, we have started industrial scale production of eco-friendly paper bottles and containers made from wood fiber. We also launched NeoLigno® by Stora Enso, a fully bio-based binder system that provides healthier indoor and working environments.

Furthermore, lignin is one of the key innovation areas in Biomaterials for delivering growth in new markets. Lignode® by Stora Enso is designed to replace synthetic graphite used in batteries of electric vehicles. Through this solution, we aim to increase the availability of a highly strategic material for the European automotive sector. We are currently ramping up pilot production and exploring strategic partnerships to accelerate the scale-up and step up commercialisation.

There is a lot of ongoing EU activity in areas that directly affect Stora Enso. In April, the EU Taxonomy was published. As sustainable forestry and operations lie at the very foundation of our strategy, we are well positioned to fulfil the Taxonomy's criteria. The EU forestry strategy was published last week. Sustainably managed forests and renewable circular products are part of the solution for reaching the EU's ambitious climate targets.

The renewable future grows in the forest.

**Annica Bresky, President and CEO**

Operational EBIT

14.0%

Operational ROCE excluding Forest division

18.1%

(Target >13%)

## Reconciliation of operational profitability

EUR million	Q2/21	Q2/20	Change % Q2/21- Q2/20	Q1/21	Change % Q2/21- Q1/21	Q1-Q2/21	Q1-Q2/20	Change % Q1-Q2/21- Q1-Q2/20	2020
<b>Operational EBITDA</b>	<b>524</b>	<b>332</b>	<b>57.6%</b>	<b>488</b>	<b>7.3%</b>	<b>1 011</b>	<b>667</b>	<b>51.7%</b>	<b>1 270</b>
Depreciation and silviculture costs of EAI	-2	-3	25.8%	-2	-6.7%	-5	-5	7.8%	-15
Silviculture costs <sup>1</sup>	-22	-16	-42.6%	-19	-16.6%	-41	-31	-34.6%	-61
Depreciation and impairment excl. IAC	-135	-136	0.5%	-139	2.5%	-274	-274	0.0%	-544
<b>Operational EBIT</b>	<b>364</b>	<b>178</b>	<b>104.9%</b>	<b>328</b>	<b>11.0%</b>	<b>692</b>	<b>357</b>	<b>93.6%</b>	<b>650</b>
Fair valuations and non-operational items <sup>2</sup>	-11	55	-120.7%	-40	71.9%	-52	149	-134.7%	362
Items affecting comparability (IAC) <sup>2</sup>	-171	-7	n/m	-126	-35.0%	-297	-19	n/m	-90
<b>Operating profit (IFRS)</b>	<b>182</b>	<b>226</b>	<b>-19.3%</b>	<b>161</b>	<b>12.9%</b>	<b>343</b>	<b>487</b>	<b>-29.6%</b>	<b>922</b>

<sup>1</sup> Including damages to forests

<sup>2</sup> See section [Non-IFRS measures](#) for IAC and fair valuations and non-operational items definitions.

## Second quarter 2021 results (compared with Q2/2020)

## Breakdown of change in sales Q2/2020 to Q2/2021

<b>Sales Q2/2020, EUR million</b>	<b>2 114</b>
Price and mix	10%
Currency	-1%
Volume	15%
Other sales <sup>1</sup>	0%
Total before structural changes	24%
Structural changes <sup>2</sup>	-1%
Total	23%
<b>Sales Q2/2021, EUR million</b>	<b>2 592</b>

<sup>1</sup> Energy, paper for recycling, by-products etc.

<sup>2</sup> Asset closures, major investments, divestments and acquisitions

Group sales increased by 23%, or EUR 478 million to EUR 2 592 (2 114) million. Group sales excluding the Paper division increased by 28%. Sales were positively affected by deliveries and prices, especially in the Biomaterials, Wood Products and Packaging Materials divisions. The high demand was driven by the improved global economy and Covid-19 related recovery.

Operational EBIT increased by 105%, or EUR 186 million, to EUR 364 (178) million. The operational EBIT margin increased to 14.0% (8.4%), mainly due to sales prices and volumes especially in the Biomaterials, Wood Products, and Packaging Materials divisions. Variable costs had a EUR 37 million negative impact, mainly due to higher fiber and energy costs. Fixed costs increased by EUR 61 million. This was mainly because of production related personnel costs, due to higher volumes.

Net foreign exchange rates had a negative impact of EUR 42 million on operational EBIT. Depreciations, the operational result from equity-accounted investments and the impact from divested and closed units increased operational EBIT by EUR 4 million.

The average number of employees in the second quarter of 2021 was approximately 23 500 (25 000).

Fair valuations and non-operational items had a negative net impact on the operating profit of EUR 11 (positive 55) million. The negative impact came mainly from the decrease of fair valuation of biological assets.

The Group recorded items affecting comparability (IAC) with a negative impact of EUR 171 (negative 7) million on its operating profit. The related tax impact was positive EUR 31 (positive 1) million. The IAC relate mainly to the closure costs of Kvarnsveden and Veitsiluoto as well as the divestment of Sachsen.

Net financial expenses of EUR 30 million were EUR 6 million lower than a year ago. Net interest expenses of EUR 32 million decreased by EUR 1 million, mainly as a result of lower average interest expense rate on borrowings. Other net financial expenses were EUR 2 (4) million. The net foreign exchange impact in respect of cash equivalents, interest-bearing assets and liabilities and related foreign-currency hedges amounted to a gain of EUR 3 (gain of EUR 1) million.

The Group recognised deferred tax assets of EUR 60 million in Germany, which had been previously written-off and had a positive impact in income statement in Q2/2021. The restructuring in the Paper division is expected to improve the supply-demand balance. This affected the evaluation of recognition possibilities.

Earnings per share increased by 40.3% to EUR 0.26 (0.19), and earnings per share excluding fair valuations increased by 106.8% to EUR 0.27 (0.13).

**Breakdown of change in capital employed 30 June 2020 to 30 June 2021**

EUR million	Capital employed
<b>30 June 2020</b>	<b>10 520</b>
Capital expenditure excluding investments in biological assets less depreciation	92
Investments in biological assets less depletion of capitalised silviculture costs	8
Impairments and reversal of impairments	-187
Fair valuation of forest assets	1 916
Unlisted securities (mainly PVO)	115
Equity accounted investments	33
Net liabilities in defined benefit plans	163
Operative working capital and other interest-free items, net	-304
Net tax liabilities	-278
Translation difference	84
Other changes	6
<b>30 June 2021</b>	<b>12 169</b>

The operational return on capital employed (ROCE) in the second quarter of 2021 was 12.1% (6.8%). Operational ROCE excluding the Forest division was 18.1% (7.8%).

**January–June results 2021 (compared with January–June 2020)**

Sales increased by 12.7%, or EUR 547 million, to EUR 4 868 (4 321) million, mainly due to market recovery from the Covid-19 pandemic and the negative impact from the Finnish union strikes in the first quarter of 2020. Growth was visible in all divisions excluding Paper.

Operational EBIT increased by 93.6% or EUR 334 million to EUR 692 (357) million. Operational EBIT excluding Paper was EUR 775 (375) million. Sales price and mix had a positive impact of EUR 254 million, especially for Biomaterials and Wood Products. Total volume impact improved operational EBIT by EUR 76 million in all divisions excluding the Paper division. Production costs were slightly lower and positively impacted by profit protection programme actions. The net foreign exchange rate impact decreased operational EBIT by EUR 33 million.

**Second quarter 2021 results (compared with Q1/2021)**

Group sales increased by 14%, or EUR 317 million, to EUR 2 592 (2 276) million, mainly due to higher sales in the Packaging Materials, Biomaterials, and Wood Products divisions.

Operational EBIT increased by 11%, or EUR 36 million to EUR 364 (328) million. Operational EBIT excluding the Paper division was EUR 413 (362) million. The impact of higher sales prices and improved mix in all divisions, except for Forest and Paper, had a positive impact of EUR 237 million. Higher variable costs reduced operational EBIT by EUR 28 million.

## Segments in the second quarter of 2021 (compared with Q2/2020)

### Packaging Materials division

#### Profitable growth continues, healthy demand for all products

The Packaging Materials division is a global leader in the circular economy with our premium renewable and recyclable packaging materials based on both virgin and recycled fiber. Addressing the needs of today's eco-conscious consumers, we help customers replace fossil-based materials with low-carbon, renewable and recyclable alternatives for their food and drink, pharmaceutical or transport packaging. A wide selection of barrier coatings enables design optimisation for various demanding packaging end-uses.

EUR million	Q2/21	Q2/20	Change % Q2/21- Q2/20	Q1/21	Change % Q2/21- Q1/21	Q1-Q2/21	Q1-Q2/20	Change % Q1-Q2/21- Q1-Q2/20	2020
Sales	987	821	20.2%	862	14.5%	1 849	1 585	16.6%	3 115
Operational EBITDA	215	189	14.2%	196	9.9%	411	343	19.8%	642
Operational EBITDA margin	21.8%	23.0%		22.7%		22.2%	21.6%		20.6%
Operational EBIT	144	130	10.8%	127	13.3%	271	225	20.1%	403
Operational EBIT margin	14.6%	15.8%		14.7%		14.6%	14.2%		12.9%
Operational ROOC	18.4%	18.1%		16.7%		17.8%	15.8%		13.9%
Cash flow from operations	219	197	11.4%	126	73.8%	345	314	9.9%	692
Cash flow after investing activities	141	126	12.2%	20	n/m	161	149	8.3%	299
Deliveries, 1 000 tonnes	1 188	1 047	13.4%	1 097	8.3%	2 285	2 041	11.9%	4 043
Production, 1 000 tonnes	1 168	1 068	9.4%	1 139	2.6%	2 307	2 074	11.2%	4 063

The comparative figures have been restated in accordance with the change in presentation of certain consolidation adjustments, as described in the section Basis of preparation.

- Sales increased by 20% or EUR 166 million, to EUR 987 million. Sales was driven by clearly higher prices and deliveries.
- Operational EBIT increased by EUR 14 million to a record high of EUR 144 million, mainly driven by sales improvement that was partly mitigated by higher production costs.
- Operational ROOC improved slightly to 18.4% (18.1%).
- Stora Enso completed the installation of dispersion barrier technology at its Forshaga site in Sweden and production has started. This follows the Group's EUR 10 million investment announced in 2020. The installation was carried out in time and the production will be ramped up during the coming months.
- The ramp-up of kraftliner production line at Oulu is proceeding ahead of schedule, reaching operational EBITDA break-even three quarters ahead of the initial plan.
- Trayforma™ by Stora Enso, a new wood-fiber based, low-carbon material for microwavable ready-meal trays was introduced to the market during the quarter. The renewable material is free of PET, has a very low share of PP (polypropylene) and a lower carbon footprint compared to traditional meal tray products. The material contains up to 95% wood fibers, making it widely recyclable in most existing carton packaging recycling schemes.
- Stora Enso and Tetra Pak partner to provide circular solutions to the market to significantly improve recycling of beverage cartons in Central and Eastern Europe. Stora Enso will invest EUR 17 million into a new repulping line at the Ostrołęka site in Poland that will recover the carton fibers. Tetra Pak will build a second line that will separate and recover the polymers and the aluminium. The recycled fibers will be integrated into Stora Enso's recycled board, while the separated polymers and aluminium will be used in for example pellets and foils. Both lines will be operational in the beginning of 2023.

#### Markets

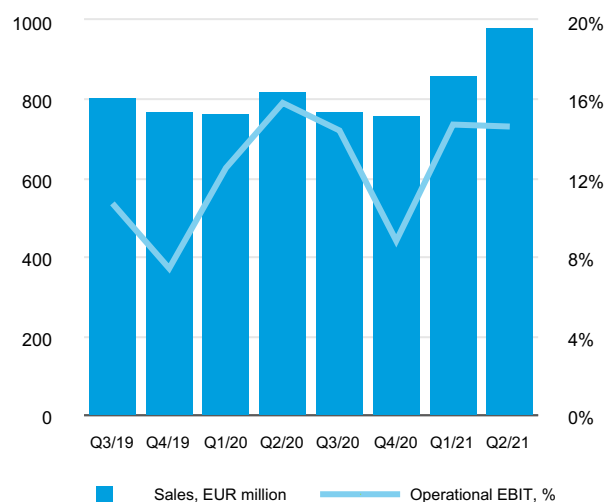
Product	Market	Demand Q2/21 compared with Q2/20	Demand Q2/21 compared with Q1/21	Price Q2/21 compared with Q2/20	Price Q2/21 compared with Q1/21
Consumer board (FBB)	Europe	Slightly stronger	Slightly stronger	Slightly higher	Slightly higher
Virgin fiber-based containerboard	Global	Stronger	Slightly stronger	Significantly higher	Significantly higher
Recycled fiber based (RCP) containerboard	Europe	Significantly stronger	Stronger	Significantly higher	Significantly higher



## Packaging Materials division (continues)

## Sales and operational EBIT

## Operational ROOC



18.4%

(Target: &gt;20%)

## Scheduled annual maintenance shutdowns

	2021	2020
<b>Q1</b>	–	–
<b>Q2</b>	Beihai and Ostrołęka mills	Heinola Mill
<b>Q3</b>	Imatra and Varkaus mills	Beihai, Imatra, and Varkaus mills
<b>Q4</b>	Skoghall, Fors, Heinola and Oulu mills	Fors, Ingerois, Skoghall and Ostrołęka mills

## Packaging Solutions division

### Very strong growth, profitability challenged by continued increase in raw material costs

The Packaging Solutions division develops and sells premium fiber-based packaging products and services. Our high-end eco-friendly packaging products are used by leading brands across multiple market sectors, including store retail, e-commerce and industrials. The portfolio includes corrugated and other converting, design services, automation solutions, and scalable innovations such as formed fiber and circular solutions.

EUR million	Q2/21	Q2/20	Change % Q2/21- Q2/20	Q1/21	Change % Q2/21- Q1/21	Q1-Q2/21	Q1-Q2/20	Change % Q1-Q2/21- Q1-Q2/20	2020
Sales	170	141	20.8%	159	6.9%	329	290	13.8%	594
Operational EBITDA	10	15	-34.6%	12	-16.7%	21	30	-28.4%	61
Operational EBITDA margin	5.7%	10.5%		7.3%		6.4%	10.2%		10.2%
Operational EBIT	2	8	-73.6%	4	-51.8%	7	16	-59.2%	33
Operational EBIT margin	1.3%	5.7%		2.8%		2.0%	5.5%		5.6%
Operational ROOC	3.6%	14.3%		7.5%		5.5%	13.6%		13.9%
Cash flow from operations	6	6	3.1%	19	-67.5%	26	23	12.0%	51
Cash flow after investing activities	2	2	-27.3%	13	-87.6%	14	14	-0.7%	28
Corrugated packaging European deliveries, million m <sup>2</sup>	267	233	14.9%	263	1.6%	530	481	10.3%	999
Corrugated packaging European production, million m <sup>2</sup>	270	237	13.8%	263	2.6%	533	485	9.9%	1 004

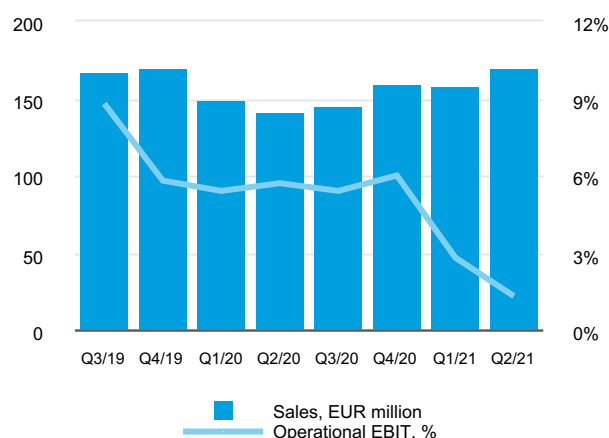
The comparative figures have been restated in accordance with the change in presentation of certain consolidation adjustments, as described in the section Basis of preparation. The biocomposites business was transferred from Wood Products to Packaging Solutions on 1 July 2020, and the historical figures have not been restated, as the change was not material for the Group.

- Sales increased by 21%, or EUR 29 million, to EUR 170 million. Strong sales growth was driven by higher prices and Covid-19 recovery-related volume increases in Europe. Business activity in China was slower.
- Operational EBIT decreased by EUR 6 million to EUR 2 million. This was due to increased raw material costs, accelerated new business activity with a negative impact of EUR 4 million, and temporarily higher costs in China.
- Operational ROOC decreased to 3.6% (14.3%).
- Stora Enso and the packaging technology company Pulpex joined forces to industrialise the production of eco-friendly paper bottles and containers made from wood fiber pulp. These renewable products will offer an alternative to PET plastics and glass. The exclusive partnership leverages Stora Enso's formed fiber technologies and the ability to convert end-products on an industrial scale.
- Stora Enso and Vogue Scandinavia formed a strategic partnership to replace plastics in magazine packaging. A renewable, carbon-neutral eco-package concept will be available for the first issue of Vogue Scandinavia, to be published in August this year.

### Markets

Product	Market	Demand Q2/21 compared with Q2/20	Demand Q2/21 compared with Q1/21	Price Q2/21 compared with Q2/20	Price Q2/21 compared with Q1/21
Corrugated packaging	Europe	Significantly stronger	Slightly stronger	Significantly higher	Significantly higher

### Sales and operational EBIT



### Operational ROOC

# 3.6%

(Target: >25%)

## Biomaterials division

### Record results in a strong market

The Biomaterials division meets the growing demand for the replacement of products made from fossil-based and hazardous materials with bio-based solutions. We use all fractions of biomass, like lignin and sugars, to develop new solutions. We work to replace fossil-based materials with new applications such as carbon for energy storage, bio-based binders, and bio-based carbon fiber. The division's offering includes a wide variety of pulp grades to meet the demands of paper, board, tissue, textile and hygiene product producers as well as materials from side streams of our processes, such as tall oil and turpentine from biomass.

EUR million	Q2/21	Q2/20	Change % Q2/21- Q2/20	Q1/21	Change % Q2/21- Q1/21	Q1-Q2/21	Q1-Q2/20	Change % Q1- Q2/21- Q2/20	2020
Sales	453	288	57.0%	355	27.4%	808	574	40.7%	1 193
Operational EBITDA	174	48	262.9%	93	86.2%	267	77	245.3%	127
Operational EBITDA margin	38.3%	16.6%		26.2%		33.0%	13.5%		10.7%
Operational EBIT	145	18	n/m	65	124.8%	210	15	n/m	8
Operational EBIT margin	32.1%	6.2%		18.2%		26.0%	2.7%		0.7%
Operational ROOC	24.4%	2.9%		11.2%		18.0%	1.2%		0.4%
Cash flow from operations	115	29	294.1%	40	189.6%	154	9	n/m	96
Cash flow after investing activities	101	10	n/m	14	n/m	115	-36	n/m	-1
Pulp deliveries, 1 000 tonnes	659	554	19.1%	641	2.9%	1 300	1 126	15.4%	2 427

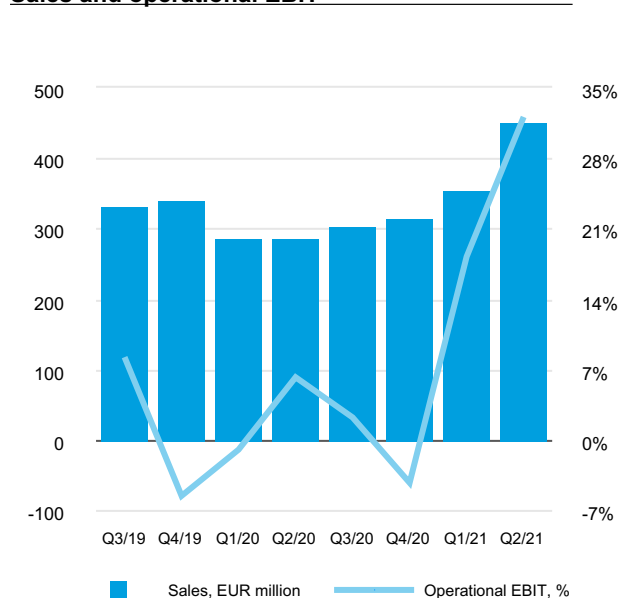
The comparative figures have been restated in accordance with the change in presentation of certain consolidation adjustments, as described in the section Basis of preparation

- Sales increased by 57%, or EUR 164 million, to EUR 453 million, mainly driven by clearly higher pulp prices and deliveries.
- Operational EBIT increased by EUR 127 million to EUR 145 million, an all-time high. The positive impact came from higher prices and volumes, supported by lower variable and fixed costs.
- Operational ROOC increased to 24.4% (2.9%) due to improved profitability and clearly exceeded the strategic target level.
- NeoLigno® by Stora Enso, a fully bio-based binder system for e.g. insulation applications was launched. Based on lignin, NeoLigno is a high-performing alternative for industries currently using fossil-based binders or hazardous chemicals. It provides healthier indoor and working environments.
- The pilot plant for carbon for energy storage at Sunila started up during the quarter as planned, and production of Lignode® by Stora Enso is being ramped up. It is a wood-based carbon for batteries used in electric vehicles and consumer electronics as well as large-scale energy storage systems.

### Markets

Product	Market	Demand Q2/21 compared with Q2/20	Demand Q2/21 compared with Q1/21	Price Q2/21 compared with Q2/20	Price Q2/21 compared with Q1/21
Softwood pulp	Europe	Significantly stronger	Stable	Significantly higher	Significantly higher
Hardwood pulp	Europe	Significantly stronger	Stable	Significantly higher	Significantly higher
Hardwood pulp	China	Significantly stronger	Slightly weaker	Significantly higher	Significantly higher

### Sales and operational EBIT



### Operational ROOC

# 24.4%

(Target: >15%)

### Scheduled annual maintenance shutdowns

	2021	2020
Q1	–	–
Q2	–	–
Q3	Enocell, Skutskär and Sunila mills	Sunila and Veracel mills
Q4	Veracel Mill	Montes del Plata and Skutskär mills

## Wood Products division

### Strong sales with record high profitability and operational ROOC

The Wood Products division is the largest sawn wood producer in Europe and a leading provider of sustainable wood-based solutions for the construction industry. Our growing Building Solutions business offers building concepts to support low-carbon construction and eco-friendly designs. We develop digital tools to simplify the designing of building projects with wood. We also offer applications for windows, doors and for packaging industries, and our pellets provide a sustainable heating solution.

EUR million	Q2/21	Q2/20	Change % Q2/21- Q2/20	Q1/21	Change % Q2/21- Q1/21	Q1-Q2/21	Q1-Q2/20	Change % Q1- Q2/21- Q1-Q2/20	2020
Operational EBITDA	111	37	197.0%	64	74.0%	175	67	160.5%	160
Operational EBITDA margin	23.2%	10.8%		16.7%		20.3%	9.8%		11.6%
Operational EBIT	100	26	286.5%	52	90.2%	152	44	247.4%	114
Operational EBIT margin	20.9%	7.4%		13.7%		17.7%	6.4%		8.3%
Operational ROOC	65.8%	16.7%		36.9%		51.9%	13.8%		19.1%
Cash flow from operations	77	48	59.3%	34	126.2%	111	68	62.3%	211
Cash flow after investing activities	70	42	65.6%	14	n/m	84	50	66.7%	181
Wood products deliveries, 1 000 m <sup>3</sup>	1 247	1 098	13.5%	1 113	12.0%	2 360	2 180	8.3%	4 407

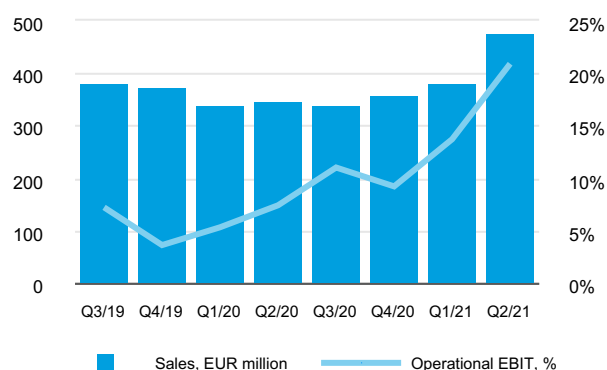
The comparative figures have been restated in accordance with the change in presentation of certain consolidation adjustments, as described in the section Basis of preparation.

- Sales increased by 38%, or EUR 131 million to EUR 477 million. A very strong quarter with record high prices. Growth was driven by a strong global demand especially for classic sawn products.
- Operational EBIT increased by EUR 74 million to an all-time high level of EUR 100 million. Excellent profitability was driven by better prices and volumes which offset clearly higher raw material costs.
- Operational ROOC increased to 65.8% (16.7%), a record high, and was significantly above the long-term target.
- Stora Enso's focus on the mass timber construction business continues successfully. Wood products such as cross laminated timber (CLT), laminated veneer lumber (LVL), beams, rib panels and digital services were delivered to 670 projects during the quarter, which was 4% higher than in Q2/2020. In addition, the average project size increased by 20%. Our focus areas, educational buildings and offices, are showing growth in numbers, project size and market attention.

#### Markets

Product	Market	Demand Q2/21 compared with Q2/20	Demand Q2/21 compared with Q1/21	Price Q2/21 compared with Q2/20	Price Q2/21 compared with Q1/21
Wood products	Europe	Significantly stronger	Significantly stronger	Significantly higher	Significantly higher

#### Sales and operational EBIT



#### Operational ROOC

# 65.8%

(Target: >20%)

## Forest division

### Solid financial and operational performance

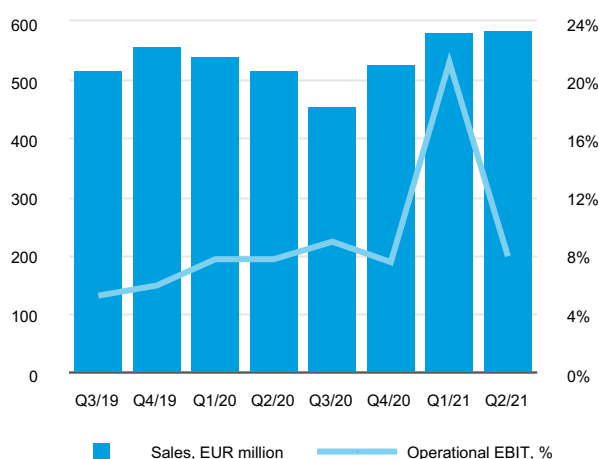
The Forest division creates value with sustainable forest management, competitive wood supply and innovation, which are the foundation for Stora Enso's renewable offerings. The division manages Stora Enso's forest assets in Sweden and the 41% share of Tornator, the majority of whose forest assets are located in Finland. The division is also responsible for wood sourcing for Stora Enso's Nordic, Baltic and Russian operations and B2B customers. Stora Enso is one of the biggest private forest owners in the world.

EUR million	Q2/21	Q2/20	Change % Q2/21- Q2/20	Q1/21	Change % Q2/21- Q1/21	Q1-Q2/21	Q1-Q2/20	Change % Q1- Q2/21- Q1-Q2/20	2020
Sales	586	519	12.9%	582	0.8%	1 168	1 061	10.1%	2 046
Operational EBITDA	60	53	13.4%	134	-55.1%	194	106	84.2%	215
Operational EBITDA margin	10.3%	10.2%		23.1%		16.6%	9.9%		10.5%
Operational EBIT	46	40	15.1%	123	-62.5%	170	82	106.8%	162
Operational EBIT margin	7.9%	7.7%		21.2%		14.5%	7.7%		7.9%
Operational ROCE	3.7%	4.7%		9.9%		6.7%	4.7%		3.8%
Cash flow from operations	61	115	-46.3%	11	n/m	73	122	-40.5%	202
Cash flow after investing activities	52	105	-50.3%	-5	n/m	48	102	-53.6%	165
Wood deliveries, 1 000 m <sup>3</sup>	10 335	9 316	10.9%	10 151	1.8%	20 486	18 822	8.8%	37 369
Operational fair value change of biological assets	22	20	12.5%	19	18.3%	41	36	13.7%	70

The comparative figures have been restated in accordance with the change in presentation of certain consolidation adjustments, as described in the section Basis of preparation.

- Sales increased by 13%, or EUR 67 million to EUR 586 million. Improved sales were driven by higher deliveries in Finland, Sweden and the Baltics.
- Operational EBIT increased by EUR 6 million to EUR 46 million. The improved profitability came mainly from higher prices in sawlogs, which mitigated the higher variable and fixed costs.
- Operational ROCE remained slightly above the long-term target at 3.7% (4.7%).
- We are putting effort in ensuring that forests grow sustainably, always harvesting less than the growth, and that biodiversity is part of everyday forest management practices. Biodiversity protection is an integral part of sustainable forest management and proofed by forest certification, among other things.
- Regarding the recently published EU Forest Strategy, we will evaluate where we can constructively engage to ensure that it favours both industry and climate to support a circular bioeconomy.
- Stora Enso has joined the new WWF platform, Forests Forward. The platform engages businesses and investors to deliver on forest related sustainability ambitions, such as biodiversity protection and forest restoration.

#### Sales and operational EBIT



#### Operational ROCE

# 3.7%

(Target: >3.5%)

## Paper division

### Restructuring and an improving market triggering a turn-around

Stora Enso is the second largest paper producer in Europe, with an established customer base and a wide product portfolio for print and office use. Customers benefit from Stora Enso's broad selection of paper products made from recycled and virgin fiber, our technical expertise and our sustainability know-how as well as our mill and customer service centre network.

EUR million	Q2/21	Q2/20	Change % Q2/21- Q2/20	Q1/21	Change % Q2/21- Q1/21	Q1-Q2/21	Q1-Q2/20	Change % Q1-Q2/21- Q1-Q2/20	2020
Sales	446	445	0.1%	428	4.2%	873	1 036	-15.7%	1 979
Operational EBITDA	-31	-12	-161.8%	-10	-218.9%	-41	36	-214.2%	66
Operational EBITDA margin	-7.0%	-2.7%		-2.3%		-4.7%	3.5%		3.3%
Operational EBIT	-49	-39	-27.9%	-34	-44.8%	-83	-17	n/m	-38
Operational EBIT margin	-11.1%	-8.7%		-8.0%		-9.6%	-1.7%		-1.9%
Operational ROOC	-72.4%	-22.5%		-32.0%		-48.7%	-5.2%		-6.6%
Cash flow from operations	-4	-18	78.4%	-4	9.6%	-8	8	-201.3%	110
Cash flow after investing activities	-12	-31	61.6%	-20	39.4%	-32	-32	2.2%	36
Cash flow after investing activities to sales, %	-2.7%	-7.0%		-4.6%		-3.6%	-3.1%		1.8%
Paper deliveries, 1 000 tonnes	767	666	15.2%	742	3.4%	1 509	1 583	-4.7%	3 106
Paper production, 1 000 tonnes	741	650	14.0%	743	-0.3%	1 484	1 580	-6.1%	3 034

The comparative figures have been restated in accordance with the change in presentation of certain consolidation adjustments, as described in the section Basis of preparation.

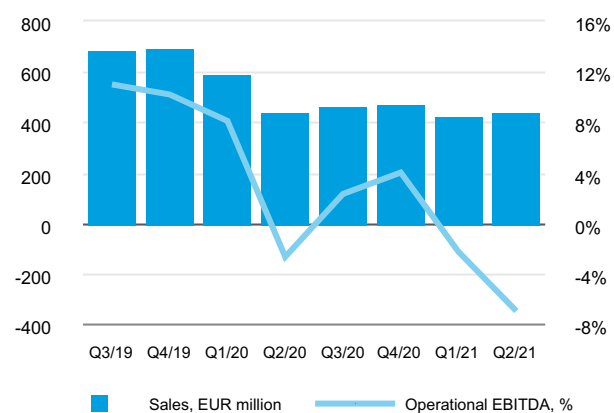
- Sales were flat at EUR 446 million. Paper prices were clearly lower, but were mitigated by increased deliveries. Deliveries were higher in all segments, due to the impact of Covid-19 on European paper demand and the shortage in overseas container capacity in the comparison period.
- Operational EBIT decreased by EUR 10 million to EUR -49 million. Lower operational EBIT was driven by global paper market challenges and higher variable costs, especially for energy and paper for recycling, which were partly offset by lower fixed costs.
- Cash flow after investing activities to sales ratio was -2.7% (-7.0%), clearly below the long-term target of 7%.
- The co-determination negotiations concerning closing down the pulp and paper production at the Veitsiluoto site in Finland and the Kvarnsveden site in Sweden were completed. The closures will take place during the third quarter of 2021. As a result of the negotiations, 550 people will be permanently laid off at Veitsiluoto. At Kvarnsveden, the co-determination negotiations regarding personnel impact and the related redundancies continue.
- Stora Enso will divest its Sachsen paper mill in Germany, to the Swiss-based family-owned company Model Group. Stora Enso will continue to sell and distribute Sachsen's paper products under a contract manufacturing agreement for a period of 18 months after the closing of the transaction.
- Stora Enso is investing EUR 21 million to improve the competitiveness and environmental performance of the Anjala-Ingerois production sites, and EUR 26 million in modernising pulp production at Nymölla. The project work started during the second quarter. The investment at Anjala-Ingerois will be completed in the third quarter of 2023, and at Nymölla in the third quarter of 2022.
- Stora Enso and energy company Gasum inaugurated the biogas plant at Stora Enso's Nymölla paper mill in Sweden. The plant, built and operated by Gasum, turns the mill's process water into liquefied biogas (LBG).
- Restructuring at Hylte was finalised, and production is now based solely on mechanical pulp (TMP).
- A new governance model is being introduced to the Paper division. The aim is to better adapt the organisation to the rapidly changing business environment.

### Markets

Product	Market	Demand Q2/21 compared with Q2/20	Demand Q2/21 compared with Q1/21	Price Q2/21 compared with Q2/20	Price Q2/21 compared with Q1/21
Paper	Europe	Significantly stronger	Slightly stronger	Lower	Stable

## Paper division (continues)

### Sales and operational EBITDA



### Cash flow after investing activities to sales<sup>1</sup>

# -2.7%

(Target: >7%)

#### Scheduled annual maintenance shutdowns

	2021	2020
Q1	–	–
Q2	–	–
Q3	–	Veitsiluoto Mill
Q4	Nymölla Mill	Nymölla Mill

<sup>1</sup> The Paper division's financial target is cash flow after investing activities to sales (non-IFRS), because the division's goal is to generate cash flow for the Group so that it can transform into a renewable materials growth company.

## Segment Other

The segment Other includes Stora Enso's shareholding in the energy company Pohjolan Voima (PVO), and the Group's shared services and administration.

EUR million	Q2/21	Q2/20	Change % Q2/21- Q2/20	Q1/21	Change % Q2/21- Q1/21	Q1-Q2/21	Q1-Q2/20	Change % Q1-Q2/21- Q1-Q2/20	2020
Sales	265	221	19.8%	240	10.6%	504	467	8.0%	928
Operational EBITDA	-7	1	n/m	-2	-227.1%	-10	9	-204.7%	-3
Operational EBITDA margin	-2.8%	0.6%		-0.9%		-1.9%	2.0%		-0.3%
Operational EBIT	-16	-7	-142.8%	-11	-47.2%	-27	-7	-295.0%	-35
Operational EBIT margin	-6.1%	-3.0%		-4.6%		-5.4%	-1.5%		-3.8%
Cash flow from operations	-12	-14	16.2%	-41	70.6%	-53	-37	-43.8%	-17
Cash flow after investing activities	-16	-16	2.2%	-45	64.8%	-61	-40	-50.6%	-27

- Sales increased by EUR 44 million to EUR 265 million. Sales related to internal services increased.
- Operational EBIT decreased by EUR 9 million to EUR -16 million mainly due to higher logistics and energy costs.

## Financing in the second quarter 2021 (compared with Q1/2021)

### Capital structure

EUR million	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Jun 2020
Operative fixed assets <sup>1</sup>	12 687	12 444	12 566	10 626
Equity accounted investments	462	448	456	423
Operative working capital, net	643	712	531	940
Non-current interest-free items, net	-465	-464	-561	-614
<b>Operating Capital Total</b>	<b>13 326</b>	<b>13 141</b>	<b>12 993</b>	<b>11 374</b>
Net tax liabilities	-1 158	-1 210	-1 279	-854
<b>Capital Employed</b>	<b>12 169</b>	<b>11 931</b>	<b>11 714</b>	<b>10 520</b>
Equity attributable to owners of the Parent	9 207	8 709	8 809	7 244
Non-controlling interests	-13	-14	-16	-13
Net interest-bearing liabilities	2 975	3 236	2 921	3 289
<b>Financing Total</b>	<b>12 169</b>	<b>11 931</b>	<b>11 714</b>	<b>10 520</b>

<sup>1</sup> Operative fixed assets include goodwill, other intangible assets, property, plant and equipment, right-of-use assets, forest assets, emission rights, and unlisted securities.

Cash and cash equivalents net of overdrafts increased by EUR 43 million to EUR 1 301 million. Net debt decreased by EUR 262 million to EUR 2 975 (EUR 3 236) million, mainly as a result of strong cash flow after investing activities during the second quarter. The ratio of net debt to the last 12 months' operational EBITDA decreased to 1.8 (2.3) due to lower net debt and higher operational EBITDA. The net debt/equity ratio on 30 June 2021 decreased to 0.32 (0.37). The average interest expense rate on borrowings was stable at 2.9% (2.9%).

Stora Enso has a EUR 600 million committed fully undrawn revolving credit facility and additionally EUR 150 million undrawn committed credit arrangements as per 30 June 2021.

The Cumulative translation adjustment (net of hedges and taxes) increased the equity by EUR 87 million in Q2/2021 due to currency movements.

The value of total forest assets, including leased land and Stora Enso's share of Tornator's forest assets, increased by EUR 229 million to EUR 7 409 (7 179) million in Q2/2021. The changes in Q2/2021 in the total forest asset value are mainly related to Swedish forests valuation update and translation differences.

The fair value of biological assets, including Stora Enso's share of Tornator, increased by EUR 64 million in Q2/2021 to EUR 4 982 (4 918) million. The value of forest land, including leased land and Stora Enso's share of Tornator, increased by EUR 165 million in Q2/2021 to EUR 2 426 (2 261) million.

The fair value of Pohjolan Voima Oy (PVO) shares, accounted for as an equity investment fair valued through other comprehensive income under the IFRS 9, increased in the quarter by EUR 47 million to EUR 459 million mainly due to increased electricity prices.



## Cash flow in the second quarter 2021 (compared with Q1/2021)

### Operative cash flow

EUR million	Q2/21	Q2/20	Change % Q2/21- Q2/20	Q1/21	Change % Q2/21- Q1/21	Q1-Q2/21	Q1-Q2/20	Change % Q1-Q2/21- Q1-Q2/20	2020
Operational EBITDA	524	332	57.6%	488	7.3%	1 011	667	51.7%	1 270
IAC on operational EBITDA	-151	-2	n/m	-16	n/m	-167	-9	n/m	-25
Other adjustments	-25	-9	-160.3%	-83	70.3%	-108	-37	-191.1%	-97
Change in working capital	115	42	173.9%	-203	156.6%	-88	-112	21.2%	195
<b>Cash flow from operations</b>	<b>463</b>	<b>363</b>	<b>27.6%</b>	<b>185</b>	<b>149.9%</b>	<b>648</b>	<b>509</b>	<b>27.4%</b>	<b>1 344</b>
Cash spent on fixed and biological assets	-122	-123	1.0%	-192	36.4%	-314	-301	-4.4%	-661
Acquisitions of equity accounted investments	-2	0	-100.0%	-2	-0.3%	-4	0	-100.0%	-2
<b>Cash flow after investing activities</b>	<b>339</b>	<b>239</b>	<b>41.6%</b>	<b>-9</b>	<b>n/m</b>	<b>330</b>	<b>208</b>	<b>58.9%</b>	<b>680</b>

The second quarter 2021 cash flow after investing activities was positive at EUR 339 million. Working capital decreased by EUR 115 million due to good working capital management. Cash spent on fixed and biological assets was EUR 122 million. Payments related to the previously announced provisions amounted to EUR 14 million.

## Capital expenditure (compared with Q2/2020)

Additions to fixed and biological assets in the second quarter 2021 totalled EUR 130 (144) million, of which EUR 114 (126) million were fixed assets and EUR 16 (18) million biological assets. Depreciations and impairment charges excluding IACs totalled EUR 135 (136) million. Additions in fixed and biological assets had a cash outflow impact of EUR 122 (123) million.

### Capital expenditure by division

Division	EUR million		
	Q2/21	Q1-Q2/21	
Packaging Materials	79	153	including the Oulu conversion project and the wood handling upgrade at Imatra
Packaging Solutions	5	9	
Biomaterials	22	40	including the lignin related investments at Sunila in Finland
Wood Products	11	23	including the cross laminated timber (CLT) investment at Ždírec
Forest	3	11	
Paper	8	14	

### Capital expenditure and depreciation forecast 2021

EUR million	Forecast 2021
Capital expenditure	675–725
Depreciation and depletion of capitalised silviculture costs	600–640

Stora Enso's capital expenditure forecast includes approximately EUR 70 million for the Group's biological assets. The depletion of capitalised silviculture costs is forecast to be EUR 45–60 million.

# Sustainability in the second quarter of 2021

## Safety performance

### TRI rate

	Q2/21	Q2/20	Q1/21	Q1-Q2/21	Q1-Q2/20	2020	Milestone	Milestone to be reached by
TRI rate <sup>1 2</sup>	5.6	4.7	5.8	5.7	5.7	6.1	4.0	end of 2021

TRI (Total recordable incident) rate = number of incidents per one million hours worked

<sup>1</sup> For own employees, including employees of the joint operations Veracel and Montes del Plata

<sup>2</sup> Historical figures for TRI rate recalculated due to additional data received after the previous Interim Reports.

During the first half of the year, safety performance was behind the milestone for 2021. Several areas for improvement are being addressed as part of the safety roadmap.

Stora Enso takes active and precautionary measures to mitigate the effects of the pandemic. The Covid-19 impacts on employees and contractors remained stable and under control during the quarter.

## Suppliers

### Implementation of the Supplier Code of Conduct

	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Jun 2020	Target
% of supplier spend covered by the Supplier Code of Conduct <sup>1</sup>	95%	95%	96%	97%	95%

<sup>1</sup> Excluding joint operations, intellectual property rights, leasing fees, financial trading, government fees such as customs, and wood purchases from private individual forest owners.

## Biodiversity and land use

### Forest certification coverage and development of biodiversity indicators

	31 Dec 2020	31 Dec 2019	31 Dec 2018	Target
% of the lands owned or managed by Stora Enso that are in wood production and harvesting covered by forest certification schemes <sup>1</sup>	98%	98%	96%	Maintain the high coverage level of 96%

<sup>1</sup> Including 100% of lands managed by joint operations Veracel and Montes del Plata. Excluding Tomator.

We follow our progress in responsible forestry with a key performance indicator (KPI). It measures the proportion of land in wood production and harvesting owned or managed by Stora Enso that is covered by forest certification schemes. Biodiversity is an integral part of forest certifications including protection of valuable ecosystems.

In addition, Stora Enso is in the process of developing specific biodiversity indicators and has a long term research programme on biodiversity with the Swedish University of Agricultural Sciences (SLU).

### Agreements with social landless movements and land occupations in Bahia, Brazil

	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Jun 2020
Productive area occupied by social movements not involved in the agreements, %	0.3%	0.3%	0.3%	0.3%

At the end of the second quarter, 253 hectares or 0.3% of productive land owned by Veracel were occupied by social landless movements not involved in the agreements. Veracel continues to recover occupied areas through legal processes. Starting from Q3, we will report on the agreements with social landless movements and land occupations on our website.

Since 2012, Veracel has voluntarily approved the transfer of approximately 20 000 hectares of land to benefit landless people. At the end of 2020, the total land area owned by Veracel was 213 000 hectares, of which 82 000 hectares are planted with eucalyptus for pulp production.

## Climate change

### Science-based target (SBT) performance compared to 2010 base-year level

	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Jun 2020	Target	Target to be reached by
Reduction of fossil CO <sub>2</sub> e emissions per saleable tonne of board, pulp, and paper (kg/t) <sup>1 2</sup>	-30%	-27%	-27%	-26%	-31%	end of 2030

<sup>1</sup> Direct fossil CO<sub>2</sub>e emissions from production and indirect fossil CO<sub>2</sub>e emissions related to purchased electricity and heat (Scope 1 and 2). Excluding joint operations. Rolling four quarters.

<sup>2</sup> Historical figures recalculated due to additional data after the previous Interim Reports.

The performance was positively affected by increased production and moderate CO<sub>2</sub> reductions at several mills.

In 2017, the Science Based Target (SBT) initiative approved our 2030 target to reduce our greenhouse gas (GHG) emissions by 31% from operations per tonne of board, pulp, and paper produced compared to a 2010 base-year. Stora Enso is in process of updating its science-based target to be in line with a 1.5-degree scenario.

## Other events

Stora Enso is one of the top 300 companies listed in the Financial Times' report on Europe's Climate Leaders in 2021. The listed companies are those that achieved the greatest reduction in their greenhouse gas (GHG) emissions intensity between 2014 and 2019.

Stora Enso received Ecovadis' highest recognition level, Platinum, and remain in top 1% performers of our sector overall for its sustainability performance as a supplier.

## Short-term risks and uncertainties

The global economic outlook has improved further and consensus forecasts show a stronger rebound in 2021 than anticipated three months ago.

There are still concerns over the emergence of new, more transmissible forms of coronavirus as well as uncertainties related to vaccine effectiveness and roll-out progress globally. In addition, unconventional monetary policies and soaring money supply involve an increased risk for higher inflation which could ultimately trigger market turmoil and sharp and sustained rise in interest rates.

Increasing competition, and supply–demand imbalances in the paper, pulp, packaging, wood products and roundwood markets may affect Stora Enso's market share and profitability. Changes in the cost or availability of raw materials such as roundwood and recycled paper, energy and transport costs may have a material impact on Stora Enso's operational and financial performance. Moreover, unexpected changes in the regulatory environment, sharp market corrections, increasing volatility in foreign exchange rates and deteriorating economic conditions in the main markets could all affect Stora Enso's profits, cash flow and financial position.

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

A more detailed description of risks is available in Stora Enso's Financial Report at [storaenso.com/annualreport](https://storaenso.com/annualreport).

Foreign exchange rates transaction risk sensitivity analysis for the next twelve months: the direct effect on operational EBIT of a 10% strengthening in the value of the US dollar, Swedish krona and British pound would be approximately positive EUR 177 million, negative EUR 20 million and positive EUR 32 million annual impact, respectively. Weakening of the currencies would have the opposite impact. These numbers are before the effect of hedges and assuming no changes occur other than a single currency exchange rate movement in an exposure currency.

The Group's consolidated income statement on operational EBIT level is exposed to a foreign-currency translation risk worth approximately EUR 120 million cost exposure in Brazilian real (BRL) and approximately EUR 28 million income exposure in Chinese Renminbi (CNY). These exposures are arising from the foreign subsidiaries and joint-operations located in Brazil and China, respectively. For these exposures a 10% strengthening in the value of a foreign currency would have a negative EUR 12 million and a positive EUR 3 million impact on operational EBIT, respectively.

## Legal proceedings

### Contingent liabilities

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

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

### Legal proceedings in Latin America

#### Veracel

On 11 July 2008, Stora Enso announced that a federal judge in Brazil had issued a decision claiming that the permits issued by the State of Bahia for the operations of Stora Enso's joint operations company Veracel were not valid. The judge also ordered Veracel to take certain actions, including reforestation with native trees on part of Veracel's plantations and a possible fine of, at the time of the decision, BRL 20 (EUR 3) million. Veracel disputes the decision and has filed an appeal against it. Veracel operates in full compliance with all Brazilian laws and has obtained all the necessary environmental and operating licences for its industrial and forestry activities from the relevant authorities. In November 2008, a Federal Court suspended the effects of the decision. No provisions have been recorded in Veracel's or Stora Enso's accounts for the reforestation or the possible fine.

## Changes in Group management

**Ulrika Lilja**, Executive Vice President, Communications and Marketing, will leave her position at Stora Enso in September. The search for a successor is going on.

## Major events

### Decisions of Annual General Meeting in 2021 and dividend payment

Stora Enso's Annual General Meeting (AGM) was held on 19 March 2021 at the Company's Head Office in Helsinki, Finland. In order to prevent the spread of the Covid-19 pandemic, a shareholder or his/her proxy representative could not be present at the venue of the meeting.

The AGM approved the proposal by the Board of Directors that the Company distributes a dividend of EUR 0.30 per share for the year 2020.

The AGM approved the proposal by the Shareholders' Nomination Board, in accordance with which the current members of the Board of Directors – **Håkan Buskhe, Elisabeth Fleuriot, Hock Goh, Mikko Helander, Christiane Kuehne, Antti Mäkinen** and **Richard Nilsson** – were re-elected members of the Board of Directors until the end of the following AGM, and **Helena Hedblom** and **Hans Sohlström** were elected new members of the Board of Directors for the same term of office. In accordance with the proposal by the Shareholders' Nomination Board, the AGM elected Antti Mäkinen as Chair of the Board of Directors and Håkan Buskhe as Vice Chair of the Board of Directors.

The AGM approved the proposed annual remuneration for the Board of Directors as follows:

Chair	EUR 197 000 (2020: EUR 197 000)
Vice Chair	EUR 112 000 (2020: EUR 112 000)
Members	EUR 76 000 (2020: EUR 76 000)

The AGM also approved the proposal that the annual remuneration for the members of the Board of Directors, be paid in Company shares and cash so that 40% will be paid in Stora Enso R shares to be purchased on the Board members' behalf from the market at a price determined in public trading, and the rest in cash.

The AGM also approved the proposed annual remuneration for the Board committees.

The AGM approved the proposal that PricewaterhouseCoopers Oy be elected as auditor until the end of the following AGM. PricewaterhouseCoopers Oy has notified the company that **Samuli Perälä**, APA, will act as the responsible auditor. It was resolved that the remuneration for the auditor shall be paid according to invoice approved by the Financial and Audit Committee.

The AGM approved the proposals that the Board of Directors be authorised to decide on the repurchase and on the issuance of Stora Enso R shares. The amount of shares shall not to exceed a total of 2 000 000 R shares, corresponding to approximately 0.25% of all shares and 0.33% of all R shares.

### Decisions by the Board of Directors

At its meeting held after the AGM, Stora Enso's Board of Directors elected Richard Nilsson (chair), Elisabeth Fleuriot and Hock Goh as members of the Financial and Audit Committee.

Antti Mäkinen (chair), Håkan Buskhe and Hans Sohlström were elected members of the Remuneration Committee.

Christiane Kuehne (chair), Helena Hedblom and Mikko Helander were elected members of the Sustainability and Ethics Committee.

## Share capital and shareholdings

During the second quarter of 2021, the conversions of 3 845 A shares into R shares were recorded in the Finnish trade register.

On 30 June 2021, Stora Enso had 176 250 470 A shares and 612 369 517 R shares in issue. The company did not hold its own shares. The total number of Stora Enso shares in issue was 788 619 987 and the total number votes at least 237 487 421.

## Events after the period

In July, Stora Enso signed an agreement to divest its ECO RFID-technology business to Group CCRR. The transaction of the business is planned to take place 1 October 2021.

On 15 July, the conversion of 228 A shares into R shares was recorded in the Finnish trade register.

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

Helsinki, 21 July 2021

Stora Enso Oyj

Board of Directors

# Financials

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## Basis of Preparation

This unaudited interim financial report has been prepared in accordance with the accounting policies set out in International Accounting Standard 34 on Interim Financial Reporting and in the Group's Financial Report for 2020 with the exception of new and amended standards applied to the annual periods beginning on 1 January 2021 and changes in accounting principles described below.

All figures in this Interim Report have been rounded to the nearest million, unless otherwise stated. Therefore, percentages and figures in this report may not add up precisely to the totals presented and may vary from previously published financial information.

## Changes in accounting principles

### Changes in Segments presentation

Stora Enso has changed the presentation of certain consolidation adjustments in the segment reporting from 1 January 2021 onwards. When Stora Enso companies sell materials and finished products to other companies within the Group and part of the sold items remain in the receiving company's inventory at the end of the reporting period, the related internal profit is eliminated from the consolidated figures. Under previous presentation principles this internal profit has been fully eliminated at the segment level.

From 1 January 2021 onwards this internal profit is eliminated from the segment figures only to the extent that the profit is fully internal to a single segment. Internal inventory profits from transactions between segments are not eliminated from the segment figures and instead such elimination is done only at Group level. The new presentation is considered to be more reflective of the division specific performance. The comparative figures have been restated accordingly. The new presentation does not affect the Group's total figures.

## Accounting implications of the effects of Covid-19

The Group has continued to assess the potential accounting implications of decreased economic activity as a result of Covid-19 pandemic. The Group has also assessed impact on significant accounting estimates and management judgement and identified certain items, which have been evaluated in more detail. In Q1 2021 the review of significant estimates and judgements resulted in asset impairments of EUR 127 million in the Paper division in connection with the planned closure of Kvarnsveden and Veitsiluoto mills.

IAS 36 requires non-financial assets to be tested for impairment whenever there is an indicator those assets might be impaired and in addition goodwill is tested at least every year. The uncertainty in the economic environment may decrease the reliability of long-term forecasts used in the impairment testing models.

Trade receivables and related expected credit losses as well as valuation of slow moving and obsolete finished goods and spare parts are under constant review. During Q2 2021, there were no material increases of credit loss allowances for trade receivables recognised but there was a slight increase in the write-downs related to inventories.

The Group's units in some countries have received various forms of assistance from the authorities intended to support employment or temporarily improve cash flows. The savings in income statement or cash flow improvements from the obtained relief measures have not been material for Stora Enso Group during 2021.

## Non-IFRS measures

The Group's key non-IFRS performance metric is operational EBIT, which is used to evaluate the performance of its operating segments and to steer allocation of resources to them.

Operational EBIT comprises the operating profit excluding items affecting comparability (IAC) and fair valuations from the segments and Stora Enso's share of the operating profit of equity accounted investments (EAI), also excluding items affecting comparability and fair valuations.

Items affecting comparability are exceptional transactions that are not related to recurring business operations. The most common IAC are capital gains and losses, impairments or impairment reversals, disposal gains and losses relating to Group companies, provisions for planned restructurings, environmental provisions, changes in depreciation due to restructuring and penalties. Items affecting comparability are normally disclosed individually if they exceed one cent per share.

Fair valuations and non-operational items include CO<sub>2</sub> emission rights, non-operational fair valuation changes of biological assets, adjustments for differences between fair value and acquisition cost of forest assets upon disposal and the Group's share of income tax and net financial items of EAI. The adjustments for differences between fair value and acquisition cost of forest assets upon disposal are a result of the fact that the cumulative non-operational fair valuation changes of disposed forest assets were included in previous periods in IFRS operating profit (biological assets) and other comprehensive income (forest land) and are included in operational EBIT only at the disposal date.

Cash flow from operations (non-IFRS) is a Group specific way to present operative cash flow starting from operational EBITDA instead of operating profit.

Cash flow after investing activities (non-IFRS) is calculated as follows: cash flow from operations (non-IFRS) excluding cash spent on intangible assets, property, plant and equipment, and biological assets and acquisitions of EAI's.

Capital expenditure on fixed assets includes investments in and acquisitions of tangible and intangible assets as well as internally generated assets and capitalised borrowing costs, net of any related subsidies. Capital expenditure on leased assets includes new capitalised leasing contracts. Capital expenditure on biological assets consists of acquisitions of biological assets and capitalisation of costs directly linked to growing trees in plantation forests. The cash flow impact of capital expenditure is presented in cash flow from investing activities, excluding lease capex, where the cash flow impact is based on paid lease liabilities and presented in cash flow from financing and operating activities.

The full list of the non-IFRS measures is presented at the end of this report.

### **The following new and amended standards are applied to the annual periods beginning on 1 January 2021**

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

### **Future standard changes endorsed by the EU but not yet effective in 2021**

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

## Condensed consolidated income statement

EUR million	Q2/21	Q2/20	Q1/21	Q1-Q2/21	Q1-Q2/20	2020
<b>Sales</b>	<b>2 592</b>	<b>2 114</b>	<b>2 276</b>	<b>4 868</b>	<b>4 321</b>	<b>8 553</b>
Other operating income	46	24	78	124	80	147
Change in inventories of finished goods and WIP	-13	8	56	43	9	-84
Materials and services	-1 436	-1 237	-1 368	-2 804	-2 536	-5 043
Freight and sales commissions	-242	-205	-215	-457	-419	-806
Personnel expenses	-373	-328	-338	-711	-645	-1 270
Other operating expenses	-230	-81	-90	-320	-211	-394
Share of results of equity accounted investments	10	2	8	19	-19	-1
Change in net value of biological assets	-18	69	2	-16	191	428
Depreciation, amortisation and impairment charges	-155	-141	-249	-404	-283	-609
<b>Operating Profit</b>	<b>182</b>	<b>226</b>	<b>161</b>	<b>343</b>	<b>487</b>	<b>922</b>
Net financial items	-30	-36	-36	-66	-89	-150
<b>Profit before Tax</b>	<b>152</b>	<b>190</b>	<b>125</b>	<b>277</b>	<b>398</b>	<b>773</b>
Income tax	56	-46	20	76	-105	-156
<b>Net Profit for the Period</b>	<b>207</b>	<b>144</b>	<b>145</b>	<b>353</b>	<b>293</b>	<b>617</b>
<b>Attributable to</b>						
Owners of the Parent	206	147	144	349	299	626
Non-controlling interests	2	-3	2	4	-5	-9
<b>Net Profit for the Period</b>	<b>207</b>	<b>144</b>	<b>145</b>	<b>353</b>	<b>293</b>	<b>617</b>
<b>Earnings per Share</b>						
Basic earnings per share, EUR	0.26	0.19	0.18	0.44	0.38	0.79
Diluted earnings per share, EUR	0.26	0.19	0.18	0.44	0.38	0.79

## Consolidated statement of comprehensive income

EUR million	Q2/21	Q2/20	Q1/21	Q1-Q2/21	Q1-Q2/20	2020
<b>Net profit for the period</b>	<b>207</b>	<b>144</b>	<b>145</b>	<b>353</b>	<b>293</b>	<b>617</b>
<b>Other Comprehensive Income (OCI)</b>						
<b>Items that will Not be Reclassified to Profit and Loss</b>						
Equity instruments at fair value through OCI	48	68	15	63	-180	-136
Actuarial gains and losses on defined benefit plans	40	-63	75	115	-35	20
Revaluation of forest land	140	0	0	140	0	1 504
Share of OCI of Equity accounted investments (EAI)	-1	0	0	-1	0	12
Income tax relating to items that will not be reclassified	-35	11	-12	-47	5	-315
	<b>192</b>	<b>16</b>	<b>77</b>	<b>269</b>	<b>-209</b>	<b>1 086</b>
<b>Items that may be Reclassified Subsequently to Profit and Loss</b>						
Cumulative translation adjustment (CTA)	84	125	-43	41	-128	-143
Net investment hedges and loans	4	2	1	4	-4	16
Cash flow hedges and cost of hedging	16	68	-50	-34	-13	54
Share of OCI of Non-controlling Interests (NCI)	0	1	0	0	-1	1
Income tax relating to items that may be reclassified	-4	-13	12	8	2	-15
	<b>100</b>	<b>183</b>	<b>-81</b>	<b>19</b>	<b>-144</b>	<b>-87</b>
<b>Total Comprehensive Income</b>	<b>499</b>	<b>343</b>	<b>142</b>	<b>641</b>	<b>-60</b>	<b>1 616</b>
<b>Attributable to</b>						
Owners of the Parent	497	345	140	637	-54	1 625
Non-controlling interests	2	-2	1	3	-6	-9
<b>Total Comprehensive Income</b>	<b>499</b>	<b>343</b>	<b>142</b>	<b>641</b>	<b>-60</b>	<b>1 616</b>

CTA = Cumulative Translation Adjustment

OCI = Other Comprehensive Income

EAI = Equity Accounted Investments

## Condensed consolidated statement of financial position

EUR million		30 Jun 2021	31 Dec 2020	30 Jun 2020
<b>Assets</b>				
Goodwill	O	279	281	280
Other intangible assets	O	133	134	160
Property, plant and equipment	O	4 908	5 007	4 964
Right-of-use assets	O	449	452	479
		<b>5 769</b>	<b>5 874</b>	<b>5 884</b>
Forest assets	O	6 337	6 256	4 344
Biological assets	O	4 201	4 250	3 843
Forest land	O	2 135	2 005	501
Emission rights	O	117	36	49
Equity accounted investments	O	462	456	423
Listed securities	I	16	16	10
Unlisted securities	O	464	401	349
Non-current interest-bearing receivables	I	94	93	92
Deferred tax assets	T	184	117	119
Other non-current assets	O	31	28	32
<b>Non-current Assets</b>		<b>13 474</b>	<b>13 276</b>	<b>11 301</b>
Inventories	O	1 338	1 270	1 364
Tax receivables	T	22	14	13
Operative receivables	O	1 432	1 145	1 205
Interest-bearing receivables	I	30	66	27
Cash and cash equivalents	I	1 313	1 661	1 062
<b>Current Assets</b>		<b>4 135</b>	<b>4 155</b>	<b>3 670</b>
<b>Total Assets</b>		<b>17 609</b>	<b>17 431</b>	<b>14 972</b>
<b>Equity and Liabilities</b>				
Owners of the Parent		9 207	8 809	7 244
Non-controlling Interests		-13	-16	-13
<b>Total Equity</b>		<b>9 194</b>	<b>8 793</b>	<b>7 231</b>
Post-employment benefit obligations	O	371	473	529
Provisions	O	112	102	106
Deferred tax liabilities	T	1 343	1 332	926
Non-current interest-bearing liabilities	I	3 520	3 822	3 614
Other non-current operative liabilities	O	13	13	12
<b>Non-current Liabilities</b>		<b>5 360</b>	<b>5 743</b>	<b>5 187</b>
Current portion of non-current debt	I	490	472	274
Interest-bearing liabilities	I	404	456	592
Bank overdrafts	I	12	6	0
Provisions	O	120	46	56
Other operative liabilities	O	2 008	1 837	1 572
Tax liabilities	T	20	78	60
<b>Current Liabilities</b>		<b>3 055</b>	<b>2 895</b>	<b>2 554</b>
<b>Total Liabilities</b>		<b>8 415</b>	<b>8 637</b>	<b>7 741</b>
<b>Total Equity and Liabilities</b>		<b>17 609</b>	<b>17 431</b>	<b>14 972</b>

Items designated with "O" comprise Operating Capital

Items designated with "I" comprise Net Interest-bearing Liabilities

Items designated with "T" comprise Net Tax Liabilities



## Condensed consolidated statement of cash flows

EUR million	Q1-Q2/21	Q1-Q2/20
<b>Cash Flow from Operating Activities</b>		
Operating profit	343	487
Adjustments for non-cash items	393	133
Change in net working capital	-88	-112
<b>Cash Flow Generated by Operations</b>	<b>648</b>	<b>509</b>
Net financial items paid	-73	-73
Income taxes paid, net	-74	-74
<b>Net Cash Provided by Operating Activities</b>	<b>501</b>	<b>362</b>
<b>Cash Flow from Investing Activities</b>		
Acquisitions of equity accounted investments	-4	0
Acquisitions of unlisted securities	-1	-1
Cash flow on disposal of subsidiary shares and business operations, net of disposed cash	5	-3
Cash flow on disposal of unlisted securities	0	0
Cash flow on disposal of forest and intangible assets and property, plant and equipment	97	3
Capital expenditure	-314	-301
Proceeds from non-current receivables, net	-2	-18
<b>Net Cash Used in Investing Activities</b>	<b>-219</b>	<b>-319</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from issue of new long-term debt	14	411
Repayment of long-term debt and lease liabilities	-358	-145
Change in short-term borrowings	-55	17
Dividends paid	-237	-118
Purchase of own shares <sup>1</sup>	-3	-6
<b>Net Cash Provided by Financing Activities</b>	<b>-639</b>	<b>158</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>-357</b>	<b>201</b>
Translation adjustment	3	-2
Net cash and cash equivalents at the beginning of period	1 655	863
<b>Net Cash and Cash Equivalents at Period End</b>	<b>1 301</b>	<b>1 062</b>
<b>Cash and Cash Equivalents at Period End</b>	<b>1 313</b>	<b>1 062</b>
<b>Bank Overdrafts at Period End</b>	<b>-12</b>	<b>0</b>
<b>Net Cash and Cash Equivalents at Period End</b>	<b>1 301</b>	<b>1 062</b>

<sup>1</sup> Own shares purchased for the Group's share award programme. The Group did not hold any of its own shares on 30 June 2021.

## Statement of changes in equity

EUR million	Fair Value Reserve											Attributable to Owners of the Parent	Non-controlling Interests	Total
	Share Capital	Share Premium and Reserve fund	Invested Non-Restricted Equity Fund	Treasury Shares	Step Acquisition Revaluation Surplus	Equity instruments through OCI	Cash Flow Hedges	Revaluation reserve	OCI of Equity Accounted Investments	CTA and Net Investment Hedges and loans	Retained Earnings			
<b>Balance at 1 January 2020</b>	<b>1 342</b>	<b>77</b>	<b>633</b>	—	<b>4</b>	<b>413</b>	<b>-20</b>	—	—	<b>-136</b>	<b>5 116</b>	<b>7 429</b>	<b>-7</b>	<b>7 423</b>
Net profit for the period	—	—	—	—	—	—	—	—	—	—	299	299	-5	293
OCI before tax	—	—	—	—	—	-180	-13	—	—	-132	-35	-360	-1	-360
Income tax relating to OCI	—	—	—	—	—	—	1	—	—	1	5	7	—	7
<b>Total Comprehensive Income</b>	—	—	—	—	—	<b>-179</b>	<b>-12</b>	—	—	<b>-131</b>	<b>269</b>	<b>-54</b>	<b>-6</b>	<b>-60</b>
Dividend	—	—	—	—	—	—	—	—	—	—	-118	-118	—	-118
Acquisitions and disposals	—	—	—	—	-4	—	—	—	—	—	4	—	—	—
Purchase of treasury shares	—	—	—	-6	—	—	—	—	—	—	—	-6	—	-6
Share-based payments	—	—	—	6	—	—	—	—	—	—	-13	-7	—	-7
<b>Balance at 30 June 2020</b>	<b>1 342</b>	<b>77</b>	<b>633</b>	—	—	<b>234</b>	<b>-32</b>	—	—	<b>-268</b>	<b>5 258</b>	<b>7 244</b>	<b>-13</b>	<b>7 231</b>
Net profit for the period	—	—	—	—	—	—	—	—	—	—	328	328	-4	324
OCI before tax	—	—	—	—	—	44	67	1 504	12	5	55	1 688	1	1 689
Income tax relating to OCI	—	—	—	—	—	-1	-12	-310	—	-5	-9	-337	—	-337
<b>Total Comprehensive Income</b>	—	—	—	—	—	<b>43</b>	<b>55</b>	<b>1 195</b>	<b>12</b>	<b>1</b>	<b>374</b>	<b>1 679</b>	<b>-3</b>	<b>1 676</b>
Dividend	—	—	—	—	—	—	—	—	—	—	-118	-118	—	-118
Acquisitions and disposals	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share-based payments	—	—	—	—	—	—	—	—	—	—	5	5	—	5
<b>Balance at 31 December 2020</b>	<b>1 342</b>	<b>77</b>	<b>633</b>	—	—	<b>277</b>	<b>23</b>	<b>1 195</b>	<b>12</b>	<b>-267</b>	<b>5 518</b>	<b>8 809</b>	<b>-16</b>	<b>8 793</b>
Net profit for the period	—	—	—	—	—	—	—	—	—	—	349	349	4	353
OCI before tax	—	—	—	—	—	63	-34	140	-1	45	115	327	—	327
Income tax relating to OCI	—	—	—	—	—	—	8	-29	—	1	-19	-39	—	-39
<b>Total Comprehensive Income</b>	—	—	—	—	—	<b>63</b>	<b>-27</b>	<b>111</b>	<b>-1</b>	<b>46</b>	<b>446</b>	<b>637</b>	<b>3</b>	<b>641</b>
Dividend	—	—	—	—	—	—	—	—	—	—	-237	-237	—	-237
Acquisitions and disposals	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	-3	—	—	—	—	—	—	—	-3	—	-3
Share-based payments	—	—	—	3	—	—	—	—	—	—	-2	1	—	1
<b>Balance at 30 June 2021</b>	<b>1 342</b>	<b>77</b>	<b>633</b>	—	—	<b>339</b>	<b>-4</b>	<b>1 305</b>	<b>11</b>	<b>-221</b>	<b>5 724</b>	<b>9 207</b>	<b>-13</b>	<b>9 194</b>

CTA = Cumulative Translation Adjustment    OCI = Other Comprehensive Income    NCI = Non-controlling Interests

**Goodwill, other intangible assets, property, plant and equipment, right-of-use assets and forest assets**

EUR million	Q1-Q2/21	Q1-Q2/20	2020
<b>Carrying value at 1 January</b>	<b>12 130</b>	<b>10 216</b>	<b>10 216</b>
Additions in tangible and intangible assets	208	183	589
Additions in right-of-use assets	17	15	39
Additions in biological assets	29	30	59
Depletion of capitalised silviculture costs	-31	-21	-41
Acquisition of subsidiary companies	0	5	5
Disposals	-68	-2	-13
Disposals of subsidiary companies	-4	-3	-3
Depreciation and impairment	-404	-283	-609
Fair valuation of forest assets	155	212	1 973
Translation difference and other	74	-124	-86
<b>Statement of Financial Position Total</b>	<b>12 106</b>	<b>10 228</b>	<b>12 130</b>

**Borrowings**

EUR million	30 Jun 2021	30 Jun 2020	31 Dec 2020
Bond loans	2 790	2 272	2 789
Loans from credit institutions	789	1 154	1 083
Lease liabilities	403	422	397
Long-term derivative financial liabilities	23	35	21
Other non-current liabilities	6	5	5
<b>Non-current interest bearing liabilities including current portion</b>	<b>4 011</b>	<b>3 888</b>	<b>4 294</b>
Short-term borrowings	361	538	413
Interest payable	22	23	35
Short-term derivative financial liabilities	21	30	9
Bank overdrafts	12	0	6
<b>Total Interest-bearing Liabilities</b>	<b>4 427</b>	<b>4 480</b>	<b>4 756</b>

EUR million	Q1-Q2/21	Q1-Q2/20	2020
<b>Carrying value at 1 January</b>	<b>4 756</b>	<b>4 192</b>	<b>4 192</b>
Proceeds of new long-term debt	14	411	1 081
Additions in lease liabilities	17	15	39
Repayment of long-term debt	-331	-119	-333
Repayment of lease liabilities and interest	-37	-36	-85
Change in short-term borrowings and interest payable	-64	13	-101
Change in derivative financial liabilities	14	18	-17
Translation differences and other	58	-13	-20
<b>Total Interest-bearing Liabilities</b>	<b>4 427</b>	<b>4 480</b>	<b>4 756</b>

## Commitments and contingencies

EUR million	30 Jun 2021	31 Dec 2020	30 Jun 2020
<b>On Own Behalf</b>			
Mortgages	0	0	0
Other commitments	14	14	3
<b>On Behalf of Equity Accounted Investments</b>			
Guarantees	2	2	3
<b>On Behalf of Others</b>			
Guarantees	6	6	6
Other commitments	36	36	13
<b>Total</b>	<b>58</b>	<b>58</b>	<b>25</b>
Mortgages	0	0	0
Guarantees	8	8	8
Other commitments	50	50	17
<b>Total</b>	<b>58</b>	<b>58</b>	<b>25</b>

## Capital commitments

EUR million	30 Jun 2021	31 Dec 2020	30 Jun 2020
<b>Total</b>	<b>219</b>	<b>207</b>	<b>237</b>

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

## Sales by segment – total

EUR million	Q2/21	Q1/21	2020	Q4/20	Q3/20	Q2/20	Q1/20
Packaging Materials	987	862	3 115	759	771	821	764
Packaging Solutions	170	159	594	160	145	141	149
Biomaterials	453	355	1 193	314	305	288	286
Wood Products	477	382	1 386	360	341	347	338
Forest	586	582	2 046	527	457	519	542
Paper	446	428	1 979	476	468	445	591
Other	265	240	928	231	230	221	246
Inter-segment sales	-792	-732	-2 687	-673	-637	-669	-709
<b>Total</b>	<b>2 592</b>	<b>2 276</b>	<b>8 553</b>	<b>2 154</b>	<b>2 079</b>	<b>2 114</b>	<b>2 207</b>

## Sales by segment – external

EUR million	Q2/21	Q1/21	2020	Q4/20	Q3/20	Q2/20	Q1/20
Packaging Materials	945	827	2 999	729	742	793	735
Packaging Solutions	166	155	578	156	140	137	145
Biomaterials	393	318	1 025	278	267	248	233
Wood Products	450	355	1 295	335	322	323	316
Forest	197	196	698	182	146	175	194
Paper	431	413	1 931	466	455	432	578
Other	10	12	27	8	6	6	7
<b>Total</b>	<b>2 592</b>	<b>2 276</b>	<b>8 553</b>	<b>2 154</b>	<b>2 079</b>	<b>2 114</b>	<b>2 207</b>

## Disaggregation of revenue

EUR million	Q2/21	Q1/21	2020	Q4/20	Q3/20	Q2/20	Q1/20
Product sales	2 581	2 257	8 460	2 131	2 056	2 087	2 187
Service sales	11	18	93	23	23	27	20
<b>Total</b>	<b>2 592</b>	<b>2 276</b>	<b>8 553</b>	<b>2 154</b>	<b>2 079</b>	<b>2 114</b>	<b>2 207</b>

## Operational EBIT by segment

EUR million	Q2/21	Q1/21	2020	Q4/20	Q3/20	Q2/20	Q1/20
Packaging Materials	144	127	403	66	111	130	96
Packaging Solutions	2	4	33	10	8	8	8
Biomaterials	145	65	8	-14	7	18	-3
Wood Products	100	52	114	33	38	26	18
Forest	46	123	162	39	41	40	42
Paper	-49	-34	-38	-5	-16	-39	21
Other	-16	-11	-35	-16	-13	-7	0
Inter-segment eliminations	-8	1	3	3	0	1	-2
<b>Operational EBIT</b>	<b>364</b>	<b>328</b>	<b>650</b>	<b>118</b>	<b>175</b>	<b>178</b>	<b>180</b>
Fair valuations and non-operational items <sup>1</sup>	-11	-40	362	217	-4	55	94
Items affecting comparability <sup>1</sup>	-171	-126	-90	-45	-25	-7	-12
<b>Operating Profit (IFRS)</b>	<b>182</b>	<b>161</b>	<b>922</b>	<b>289</b>	<b>145</b>	<b>226</b>	<b>262</b>
Net financial items	-30	-36	-150	-30	-31	-36	-53
<b>Profit before Tax</b>	<b>152</b>	<b>125</b>	<b>773</b>	<b>260</b>	<b>115</b>	<b>190</b>	<b>209</b>
Income tax expense	56	20	-156	-22	-28	-46	-59
<b>Net Profit</b>	<b>207</b>	<b>145</b>	<b>617</b>	<b>237</b>	<b>86</b>	<b>144</b>	<b>149</b>

<sup>1</sup> See section [Non-IFRS measures](#) for IAC and fair valuations and non-operational items definitions.

The segment comparative figures have been restated in accordance to the change in presentation of certain consolidation adjustments, as described in the section Basis of Preparation.

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

EUR million	Q2/21	Q1/21	2020	Q4/20	Q3/20	Q2/20	Q1/20
Impairments and impairment reversals	-20	-110	-72	-45	-17	-5	-5
Restructuring costs excluding impairments	-145	-21	-23	-7	-10	-1	-5
Acquisitions and disposals	0	0	6	8	0	0	-2
Other	-6	5	0	-1	2	-1	0
<b>Total IAC on Operating Profit</b>	<b>-171</b>	<b>-126</b>	<b>-90</b>	<b>-45</b>	<b>-25</b>	<b>-7</b>	<b>-12</b>
Fair valuations and non-operational items	-11	-40	362	217	-4	55	94
<b>Total</b>	<b>-182</b>	<b>-167</b>	<b>271</b>	<b>172</b>	<b>-29</b>	<b>48</b>	<b>82</b>

Items affecting comparability had a negative impact on the operating profit of EUR 171 (negative EUR 7) million. The IAC relate mainly to the closure costs of Kvarnsveden and Veitsiluoto as well as the divestment of Sachsen.

## Items affecting comparability (IAC) by segment

EUR million	Q2/21	Q1/21	2020	Q4/20	Q3/20	Q2/20	Q1/20
Packaging Materials	-3	0	0	7	-2	0	-5
Packaging Solutions	0	0	-6	-1	-5	0	0
Biomaterials	-1	-5	-53	-53	0	0	0
Wood Products	0	0	-3	0	0	-1	-2
Forest	0	0	0	0	0	0	0
Paper	-136	-126	-21	3	-14	-5	-5
Other	-31	5	-7	-1	-5	-1	0
<b>IAC on Operating Profit</b>	<b>-171</b>	<b>-126</b>	<b>-90</b>	<b>-45</b>	<b>-25</b>	<b>-7</b>	<b>-12</b>
IAC on tax	31	26	19	10	5	1	2
<b>IAC on Net Profit</b>	<b>-139</b>	<b>-101</b>	<b>-71</b>	<b>-35</b>	<b>-20</b>	<b>-5</b>	<b>-10</b>
<b>Attributable to:</b>							
Owners of the Parent	-139	-101	-71	-35	-20	-5	-10
Non-controlling interests	0	0	0	0	0	0	0
<b>IAC on Net Profit</b>	<b>-139</b>	<b>-101</b>	<b>-71</b>	<b>-35</b>	<b>-20</b>	<b>-5</b>	<b>-10</b>

## Fair valuations and non-operational items by segment

EUR million	Q2/21	Q1/21	2020	Q4/20	Q3/20	Q2/20	Q1/20
Packaging Materials	0	0	-12	-10	0	-1	-1
Packaging Solutions	0	0	0	0	0	0	0
Biomaterials	0	0	13	10	2	0	1
Wood Products	0	0	0	0	0	0	0
Forest	-21	-48	360	226	-10	55	89
Paper	1	1	2	-9	4	2	5
Other	9	6	-1	0	0	-1	0
<b>FV and Non-operational Items on Operating Profit</b>	<b>-11</b>	<b>-40</b>	<b>362</b>	<b>217</b>	<b>-4</b>	<b>55</b>	<b>94</b>

## Operating profit/loss by segment

EUR million	Q2/21	Q1/21	2020	Q4/20	Q3/20	Q2/20	Q1/20
Packaging Materials	141	127	391	64	108	129	90
Packaging Solutions	2	4	28	8	3	8	8
Biomaterials	144	60	-32	-56	8	18	-2
Wood Products	100	52	111	33	38	25	16
Forest	25	75	522	266	31	95	131
Paper	-185	-159	-58	-11	-26	-42	21
Other	-38	0	-42	-17	-17	-9	0
Inter-segment eliminations	-8	1	3	3	0	1	-2
<b>Operating Profit (IFRS)</b>	<b>182</b>	<b>161</b>	<b>922</b>	<b>289</b>	<b>145</b>	<b>226</b>	<b>262</b>
Net financial items	-30	-36	-150	-30	-31	-36	-53
<b>Profit before Tax</b>	<b>152</b>	<b>125</b>	<b>773</b>	<b>260</b>	<b>115</b>	<b>190</b>	<b>209</b>
Income tax expense	56	20	-156	-22	-28	-46	-59
<b>Net Profit</b>	<b>207</b>	<b>145</b>	<b>617</b>	<b>237</b>	<b>86</b>	<b>144</b>	<b>149</b>

The segment comparative figures have been restated in accordance to the change in presentation of certain consolidation adjustments, as described in the section Basis of Preparation.

## Key exchange rates for the euro

One Euro is	Closing Rate		Average Rate (Year-to-date)	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
SEK	10.1110	10.0343	10.1299	10.4881
USD	1.1884	1.2271	1.2057	1.1413
GBP	0.8581	0.8990	0.8684	0.8892

## Transaction risk and hedges in main currencies as at 30 June 2021

EUR million	EUR	USD	SEK	GBP
Estimated annual operative transaction risk exposure from cash flows for the next 12 months <sup>1</sup>	1 014	1 767	-195	321
Cash flow hedges for the next 12 months as at 30 June 2021	-505	-775	97	-66
<b>Hedge ratio for the next 12 months as at 30 June 2021</b>	<b>50%</b>	<b>44%</b>	<b>50%</b>	<b>20%</b>
Effect of 10% currency strengthening on Operational EBIT <sup>2</sup>	101	177	-20	32

<sup>1</sup> Cash flows are forecasted highly probable foreign exchange net operating cash flows. The exposure presented in the EUR column relates to operative transaction risk exposure from EUR denominated cash flows in Group companies located in Sweden, Czech Republic and Poland with functional currency other than EUR.

<sup>2</sup> The sensitivity is based on the estimated net operating cash flow for the next 12 months. The calculation does not take into account currency hedges and assumes no other changes occur than exchange rate movement in an exposure currency. A currency weakening would have the opposite impact.

## Fair Values of Financial Instruments

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques, for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: techniques which use inputs that have a significant effect on the recorded fair values that are not based on observable market data.

The valuation techniques are described in more detail in the Group's Financial Report. The instruments carried at fair value in the following tables are measured at fair value on a recurring basis.

### Carrying amounts of financial assets and liabilities by measurement and fair value categories: 30 June 2021

EUR million	Amortised cost	Fair value through OCI	Fair value through income statement	Total carrying amount	Fair value	Fair value hierarchy		
						Level 1	Level 2	Level 3
<b>Financial assets</b>								
Listed securities	—	16	—	16	16	16	—	—
Unlisted securities	—	459	5	464	464	—	—	464
Non-current interest-bearing receivables	89	5	—	94	94	—	5	—
Trade and other operative receivables	1 119	26	—	1 144	1 144	—	26	—
Short-term interest-bearing receivables	5	23	3	30	30	—	25	—
Cash and cash equivalents	1 313	—	—	1 313	1 313	—	—	—
<b>Total</b>	<b>2 525</b>	<b>528</b>	<b>8</b>	<b>3 062</b>	<b>3 062</b>	<b>16</b>	<b>56</b>	<b>464</b>

EUR million	Amortised cost	Fair value through OCI	Fair value through income statement	Total carrying amount	Fair value	Fair value hierarchy		
						Level 1	Level 2	Level 3
<b>Financial liabilities</b>								
Non-current interest-bearing liabilities	3 498	20	2	3 520	3 869	—	23	—
Current portion of non-current debt	490	—	—	490	490	—	—	—
Short-term interest-bearing liabilities	380	17	7	404	404	—	24	—
Trade and other operative payables	1 674	—	—	1 674	1 674	—	—	—
Bank overdrafts	12	—	—	12	12	—	—	—
<b>Total</b>	<b>6 055</b>	<b>37</b>	<b>9</b>	<b>6 101</b>	<b>6 450</b>	<b>—</b>	<b>46</b>	<b>—</b>

Hedge accounted derivatives are presented under fair value through OCI and non-hedge accounted derivatives under fair value through income statement categories in the above tables for financial assets and liabilities.

## Carrying amounts of financial assets and liabilities by measurement and fair value categories: 31 December 2020

EUR million	Amortised cost	Fair value through OCI	Fair value through income statement	Total carrying amount	Fair value	Fair value hierarchy		
						Level 1	Level 2	Level 3
<b>Financial assets</b>								
Listed securities	—	16	—	16	16	16	—	—
Unlisted securities	—	394	7	401	401	—	—	401
Non-current interest-bearing receivables	91	2	—	93	93	—	2	—
Trade and other operative receivables	814	44	—	858	858	—	44	—
Short-term interest-bearing receivables	1	60	6	66	66	—	65	—
Cash and cash equivalents	1 661	—	—	1 661	1 661	—	—	—
<b>Total</b>	<b>2 566</b>	<b>515</b>	<b>13</b>	<b>3 094</b>	<b>3 094</b>	<b>16</b>	<b>111</b>	<b>401</b>

EUR million	Amortised cost	Fair value through OCI	Fair value through income statement	Total carrying amount	Fair value	Fair value hierarchy		
						Level 1	Level 2	Level 3
<b>Financial liabilities</b>								
Non-current interest-bearing liabilities	3 801	19	2	3 822	4 233	—	21	—
Current portion of non-current debt	472	—	—	472	472	—	—	—
Short-term interest-bearing liabilities	444	11	1	456	456	—	12	—
Trade and other operative payables	1 547	—	—	1 547	1 547	—	—	—
Bank overdrafts	6	—	—	6	6	—	—	—
<b>Total</b>	<b>6 270</b>	<b>30</b>	<b>3</b>	<b>6 303</b>	<b>6 715</b>	<b>—</b>	<b>33</b>	<b>—</b>

Hedge accounted derivatives are presented under fair value through OCI and non-hedge accounted derivatives under fair value through income statement categories in the above tables for financial assets and liabilities.

## Reconciliation of level 3 fair value measurement of financial assets and liabilities: 30 June 2021

EUR million	Q1-Q2/21	2020	Q1-Q2/20
<b>Financial assets</b>			
Opening balance at 1 January	401	526	526
Gains/losses recognised in income statement	0	1	0
Gains/losses recognised in other comprehensive income	63	-140	-177
Additions	1	15	1
Disposals	0	-1	0
<b>Closing balance</b>	<b>464</b>	<b>401</b>	<b>349</b>

EUR million	Q1-Q2/21	2020	Q1-Q2/20
<b>Financial liabilities</b>			
Opening balance at 1 January	0	-25	-25
Deductions	0	25	25
<b>Closing balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Level 3 Financial Assets

At period end, Level 3 financial assets included EUR 459 million of Pohjolan Voima Oy (PVO) shares for which the valuation method is described in more detail in the Annual Report. The valuation is most sensitive to changes in electricity prices and discount rates. The discount rate of 3.84% used in the valuation model is determined using the weighted average cost of capital method. A +/- 5% change in the electricity price used in the DCF would change the valuation by EUR +42 million and -42 million, respectively. A +/- percentage point change in the discount rate would change the valuation by EUR -39 million and +66 million, respectively.



## Stora Enso shares

### Trading volume

	Helsinki		Stockholm	
	A share	R share	A share	R share
April	141 104	33 767 138	231 137	7 628 191
May	140 259	37 828 487	238 895	11 387 797
June	222 086	43 670 760	307 808	10 630 863
<b>Total</b>	<b>503 449</b>	<b>115 266 385</b>	<b>777 840</b>	<b>29 646 851</b>

### Closing price

	Helsinki, EUR		Stockholm, SEK	
	A share	R share	A share	R share
April	17.30	15.93	175.40	162.30
May	16.70	14.32	170.40	145.90
June	16.75	15.39	168.80	155.90

### Average number of shares

Million	Q2/21	Q2/20	Q1/21	2020
Periodic	788.6	788.6	788.6	788.6
Cumulative	788.6	788.6	788.6	788.6
Cumulative, diluted	789.3	788.9	789.1	789.2

## Calculation of key figures

<b>Operational return on capital employed, operational ROCE (%)</b>	100 x $\frac{\text{Annualised operational EBIT}}{\text{Capital employed}^{1,2}}$
<b>Operational return on operating capital, operational ROOC (%)</b>	100 x $\frac{\text{Annualised operational EBIT}}{\text{Operating capital}^2}$
<b>Return on equity, ROE (%)</b>	100 x $\frac{\text{Net profit/loss for the period}}{\text{Total equity}^2}$
<b>Net interest-bearing liabilities</b>	Interest-bearing liabilities – interest-bearing assets
<b>Net debt/equity ratio</b>	$\frac{\text{Net interest-bearing liabilities}}{\text{Equity}^2}$
<b>Earnings per share (EPS)</b>	$\frac{\text{Net profit/loss for the period}^3}{\text{Average number of shares}}$
<b>Operational EBIT</b>	Operating profit/loss excluding items affecting comparability (IAC) and fair valuations of the segments and Stora Enso's share of operating profit/loss excluding IAC and fair valuations of its equity accounted investments (EAI)
<b>Operational EBITDA</b>	Operating profit/loss excluding silviculture costs and damage to forests, fixed asset depreciation and impairment, IACs and fair valuations. The definition includes the respective items of subsidiaries, joint arrangements and equity accounted investments.
<b>Net debt/last 12 months' operational EBITDA ratio</b>	$\frac{\text{Net interest-bearing liabilities}}{\text{LTM operational EBITDA}}$
<b>Fixed costs</b>	Maintenance, personnel and other administration type of costs, excluding IAC and fair valuations
<b>Last 12 months (LTM)</b>	12 months prior to the end of reporting period
<b>TRI</b>	Total recordable incident rate = number of incidents per one million hours worked

<sup>1</sup> Capital employed = Operating capital – Net tax liabilities

<sup>2</sup> Average for the financial period

<sup>3</sup> Attributable to the owners of the Parent

### List of non-IFRS measures

Operational EBITDA	Depreciation and impairment charges excl. IAC
Operational EBITDA margin	Operational ROCE
Operational EBIT	Earnings per share (EPS), excl. FV
Operational EBIT margin	Net debt/last 12 months' operational EBITDA ratio
Profit before tax excl. IAC and FV	Fixed costs to sales
Capital expenditure	Operational ROOC
Capital expenditure excl. investments in biological assets	Cash flow from operations
Capital employed	Cash flow after investing activities

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Stora Enso's Q3 results will be published on

# 20 October 2021

Part of the bioeconomy, Stora Enso is a leading global provider of renewable solutions in packaging, biomaterials, wooden constructions and paper. We believe that everything that is made from fossil-based materials today can be made from a tree tomorrow. Stora Enso has some 23 000 employees, and sales in over 50 countries. Our sales in 2020 were EUR 8.6 billion. Stora Enso shares are listed on Nasdaq Helsinki Oy (STEAV, STERV) and Nasdaq Stockholm AB (STE A, STE R). [storaenso.com/investors](https://storaenso.com/investors)

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