

Södra's interim report

1 January – 31 March 2023

- » Net sales amounted to SEK 8,002 million (8,165).
- » Operating profit before depreciation, amortisation and impairment amounted to SEK 1,418 million (2,298).
- » Operating profit totalled SEK 1,085 million (1,974).
- » The operating margin was 14 percent (24).
- » Cash flow after investments was SEK 323 million (1,344).

Key indicators	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Net sales, SEK million	8,002	8,165	33,367
Operating profit before depreciation, amortisation and impairment, SEK million	1,418	2,298	9,136
Operating profit, SEK million	1,085	1,974	7,805
EBITDA margin	18%	28%	27%
Operating margin	14%	24%	23%
Return on capital employed	19%	36%	35%
Equity ratio	68%	64%	65%
Cash flow after investments, SEK million	323	1,344	5,820
No. of members	51,642	51,884	51,476
Affiliated forest area, million hectares	2.80	2.72	2.79
Average no. of employees	3,333	3,155	3,262
Positive climate effect ¹⁾ , Mt CO ₂ e	—	—	12.1
Lost time accidents (LTA) ²⁾ , no.	11	10	50
Lost time accident rate (LTAR) ³⁾	8	8	10

¹⁾ CO₂e=carbon dioxide equivalents. This key indicator is not calculated quarterly.

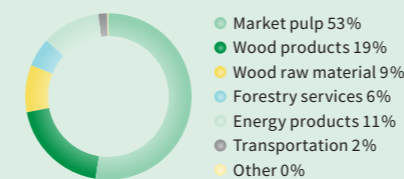
²⁾ LTA (lost time accident): occupational injury with absence.

³⁾ LTAR (lost time accident rate): no. of occupational injuries with absence per million hours worked.

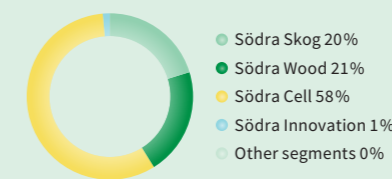
This is a translation of the interim report. This translation does not replace the original report. In the event of any lack of clarity or disparity between this translation and interim report, the interim report will always take precedence.

The quarter in figures

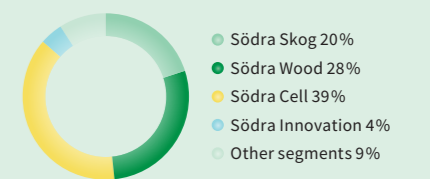
Some of our most important figures and key indicators for the first quarter of 2023.



Net sales per revenue category.



Sales per business area. SEK 8,002 million in total, excluding internal deliveries.



Average number of employees per business area. 3,333 employees in total.

A few highlights from the past quarter to show how we are increasing member value and strengthening the Södra brand, always with our mission in focus – to refine and renew family forestry.

The quarter in brief



New cross-laminated timber facility inaugurated at Värö

On 15 March, our new cross-laminated timber (CLT) facility on the west coast of Sweden was inaugurated. The facility is one of the largest in Sweden and will enable a tenfold increase in production capacity. The new facility is broadening the building materials market, while we are promoting sustainable construction and more sustainable communities.

“Södra’s mission is to refine and renew the value of family forestry and our new CLT facility is one way to do exactly that. Today is a proud moment for Södra’s entire organisation – members, employees and customers are continuing to work together to build stronger value chains that enable us to meet society’s demand for sustainable and innovative products from family forestry,” said Lotta Lyrå, CEO of Södra.



Major electricity surplus can power 80,000 households

Green electricity for 80,000 detached houses for one year, or one million trips through Sweden by electric car. That was the total surplus from Södra’s green electricity generation last year. Electricity prices in Sweden reached the highest levels ever in 2022.

“The generation plays a key role in our own operational stability, but the surplus also enables additional supplies of green electricity for the communities close to Södra’s pulp mills. This has been particularly important over the past year, which has been dominated by a strained energy situation,” said Henrik Brodin, Head of Energy at Södra.



New emissions reduction targets – net zero emissions by 2040

Södra’s target is to halve its fossil greenhouse gas (GHG) emissions by 2030 compared with 2020. By 2040, fossil GHG emissions will have dropped to net zero. This is according to our new emissions reduction targets. The short-term target by 2030 has been validated by the international Science Based Targets initiative (SBTi) and we will monitor our reduction of GHG emissions based on this framework.

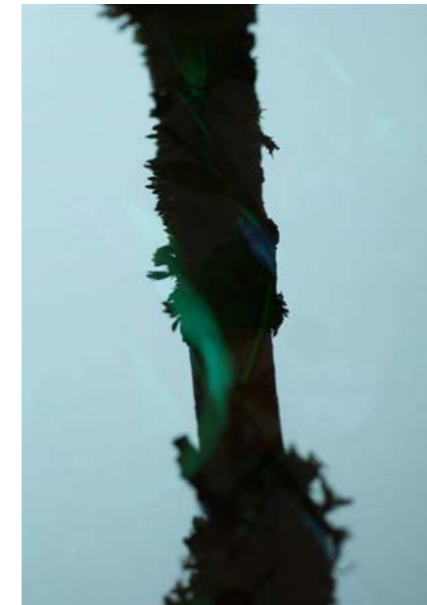
“We are setting high standards for ourselves and the reduction of fossil GHG emissions will be a critical issue moving forward. By becoming climate-neutral across our entire value chain, we are contributing to society’s transition to a sustainable and circular future together with our members, suppliers and customers,” said Anders Norén, Director of Sustainability at Södra.

Pilot project to study the feasibility of a new large-scale sawmill

Södra has decided to study the feasibility of a new large-scale sawmill in Kinda in Östergötland. A pilot project will provide the basis for future investment decisions.

“Our industrial structure has created our current strong position and is key to Södra’s development moving forward. An advanced sawmill structure strengthens the association, and our ability to create added value from members’ forest raw material and to contribute further to the climate transition. This pilot project at Södra Wood Kinda will investigate opportunities to take this work to the next level and we are hoping to contribute more processed forest raw material in an even more efficient industry,” said Peter Jhaveri, President of the Södra Wood business area.

The pilot project will commence in spring and is expected to conclude in the first half of 2024.



FILIPPA
K

ÖNCEMÖRE
ÖNCEMÖRE®

Södra and Filippa K in unique collaboration – new clothing collection based on OnceMore®

In autumn, the Swedish fashion label Filippa K will premiere a collection based on Södra’s unique OnceMore® material.

OnceMore® from Södra is the world’s first large-scale process for recycling blended fabrics. In Södra’s pulp mill at Mörrum, textile waste is combined with wood cellulose from members’ responsible family forestry, which produces a high-grade dissolving pulp. Södra is now taking the next step forward in this development and, together with Lenzing, Riopel and Filippa K, is creating a collaboration across the entire value chain.

Major carbon capture venture

We are now taking a new step forward to create even more value from members’ raw material. In collaboration with companies Verdane and Equinor, Södra is exploring opportunities to build a complete value chain for bioenergy carbon capture and storage. This unique collaboration, called Njord Carbon, will help to strengthen Södra’s profitability and climate contribution.

Swedish forests are a key piece of the puzzle in Sweden’s green transition. The aim of this collaboration is to further strengthen Södra’s climate contribution, both in Sweden and internationally. Together with Verdane, an equity investment firm, and Equinor, a Norwegian state-owned energy company, we are investing to explore opportunities for bioenergy with carbon capture and storage (BECCS or bio-CCS).

High engagement at this year’s local annual meetings

In March, Södra’s 36 forestry districts held their local annual meetings with important elections of delegates to district councils and the Annual General Meeting. A new feature this year was panel talks with representatives from the Board and Group Senior Management, the local Area Manager and chair of the district council, where members of Södra were invited to ask questions. The theme of the discussions was Södra’s strategy.

“The discussions were very well received and generated a lot of questions and discussion from the audience. Their questions ranged from the Board’s proposal for profit distribution and what the strategy means for members, to electricity generation and raw material prices,” said Carl Johan Olsson, the person responsible for cooperation and learning.



New high-tech timber truck – VR-operated

A new timber truck without a crane cabin that uses virtual reality (VR) technology is now rolling in Götaland. The truck is the result of a development project between Södra and the suppliers Exte and Hiab to increase safety, while also improving productivity. The project will be evaluated in 2023 and guide future investments.

“One of Södra’s goals is to drive the development of technology, work methods and, not least, safety. This new vehicle is a typical example. It combines all aspects and it will be very interesting to follow the project. We are also hoping eventually to travel around and demonstrate the truck, and to share our experience with both internal and external operator colleagues,” said Joel Persson, Head of Forest Technology på Södra.

Short-term challenges and long-term opportunities ahead



Lotta Lyrå
President & CEO

Södra was founded by family forest owners who wanted to become stronger together. To achieve this goal and grow a little bit stronger every day, it's important that we keep pace with our ever-changing business environment, while also feeling confident about who we are – as both an organisation and employees. We usually say that at Södra, we have our feet on the ground, ears to the wind and eyes on the horizon. During the first quarter of the year, these values served as guideposts for understanding global trends and how we should manage them to strengthen the value of family forestry in both the long and the short term.

Market downturn and normalisation

Following a year of turbulence in 2022, external conditions have normalised and a slowdown in the market has commenced. After a long period of record prices, lower prices for Södra's core products have now affected the quarter's result. Our operating profit totalled SEK 1,085 million and sales declined 2 percent to SEK 8,002 million. Return on capital employed was 19 percent and the equity ratio increased to 68 percent.

The figures show that we are entering a new phase after a period of exceptional market conditions. Due to our strong performance, Södra is well-equipped to meet the challenges posed by the war in Ukraine, the energy crisis and a turbulent global economy both now and in the future. During the quarter, however, we also gained insight into the importance of focusing on what we can actually influence and striving for continuous operational improvement. Our efficiency project – World-class Efficiency – has now generated results of SEK 425 million on a full-year basis, and this process will continue to generate value for Södra and the association's members in both the long and the short term.

Focus on sustainability

We see a growing interest in sustainable family forestry. Södra's sustainability practices are often high on the agenda when we meet customers, decision-makers and the general public. While that is gratifying and shows how many people are realising the huge potential of family forestry, it is also making demands on us to continue living up to the rapidly changing expectations of our business environment.

Södra's mission is to refine and renew the value of family forestry. To achieve this, we must listen carefully to our customers, and to our customers' customers. The customers who buy forest-based products, and ensure the ability to pay for members' forest raw material, are very important decision-makers. They are the consumers in stores who are deciding whether to buy juice in a plastic bottle or a paper carton. Who are choosing between fossil fuel or a bio-based alternative for their car. Or deciding between concrete or wood when it is time to build a new house.

The many applications for forest products present a myriad of opportunities. A key part of the association's mission and the Group strategy is a future-proofed industrial structure that continuously creates a leading offering for customers and consumers.

It was therefore gratifying to attend the inauguration of our new CLT facility on 15 March. The facility is located at Värö and will be able to produce material for 4,000 homes per year – ten times as much as our first facility. The growing demand for sustainable buildings is increasing the willingness to pay for wood as a building

material, and the CLT investment is one example of how we are refining the value of family forestry in line with this market shift.

Decisions and activities during the quarter

During the quarter, we also made more decisions to strengthen Södra's position and ability to pay for the raw material. These included:

New product area. The energy and chemicals business plays a key role in Södra's strategy and is an area that will continue to grow. As a result, the Södra Bioproducts product area has now been formed to bring sales and marketing together, and thereby further strengthen the customer offering and profitability.

Sawmill project. Södra decided to launch a pilot project to study the feasibility of constructing a new large-scale sawmill. Our industrial structure has created our current strong position and is key to Södra's development moving forward. An advanced sawmill structure strengthens the association, and our ability to create added value from members' forest raw material and to contribute further to the climate transition. The pilot project is expected to conclude in the first half of 2024.

Trainee programme. To recruit and develop people and culture, as part of moving Södra forward, it is important that we continue creating value for family forestry. We are therefore happy to have 14 new colleagues in our trainee programme. The trainee programme is one of several key initiatives for skill-proofing Södra's future and has been named the tenth most attractive programme in Sweden.

Democracy at the centre

The road ahead is about learning from the past and being curious about the future. The focus lies on the profitability of family forestry and I am sure we can go a long way by asking questions and daring to listen to the answers. I am therefore happy to have met many members of Södra at some of the 36 local annual meetings in Södra's area during the spring.

The local annual meetings have several important democratic elements, including the various elections that must be held. For me, personally, they also provide an opportunity to evaluate the decisions that have been made, and to gather strength for the tasks ahead. I am happy for the chance to just listen and learn about good ideas for how we can develop Södra and our products. That provides the basis for how we will navigate the future and is an important opportunity for growing stronger together – with our feet on the ground, ears to the wind and eyes on the horizon.



The period in brief

For the first quarter of 2023, operating profit totalled SEK 1,085 million, compared with SEK 1,974 million in the year-earlier period. Sales declined 2 percent to SEK 8,002 million (8,165). At 31 March 2023, return on capital employed was 19 percent (36) and the equity ratio increased to 68 percent.

Market conditions

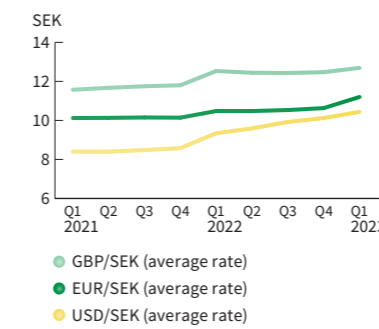
Persistent inflation and decreased purchasing power are characterising the outlook for economic growth. Inflation has generally slowed, but remains high. Bringing inflation down has taken longer than expected, which is also reflected in the continued rate hikes by central banks. Western economies have shown more resilience to date than previously expected. The labour market has remained strong and global unemployment rates are generally low.

The manufacturing Purchasing Managers Index (PMI) has been declining for the past two years. While the downward trend has slowed slightly, the readings for most countries and regions remained at levels pointing to low economic activity. In March, the manufacturing PMI continued to register below 50 percent, indicating an eighth consecutive month in contraction territory. The readings for Germany and Sweden are challenging compared with the eurozone in general, but particularly in relation to the US and China. In China, where industry has started to gear up again after lifting zero-Covid restrictions, the PMI has shown some positive signals. In the US, prominent central bank Board members have flagged that the country's recent banking turmoil may play a

role in the next interest rate announcement. Neither the European Central Bank nor Sveriges Riksbank have changed their rhetoric due to the banking crisis, but have so far reiterated the importance of curbing inflation.

In the eurozone, inflation fell more than expected in March to 6.9 percent, which is the lowest level for a year. Core inflation, however, which means inflation excluding food and energy, rose to a record-high 5.7 percent, a figure that could prove difficult to ignore for the European Central Bank. Due to the mild and windy winter, energy prices did not rise as dramatically as previously expected. In Europe, energy prices fell back in the first quarter and have remained relatively stable. This was favourable for EU industry and the unemployment rate remained low across the region. However, the Eurozone Manufacturing PMI continued to fall at the beginning of the year. While the composite PMI indicates a shrinking economy, there are some positive signals. A study of the various components of the PMI shows that production levels rose, albeit marginally, in the most recent survey. European companies continued to employ workers and their order books are growing. Expectations for the future remain cautious, however.

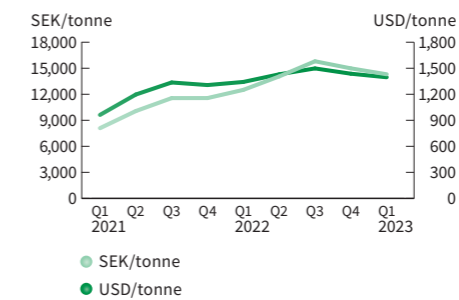
Foreign exchange rates



The diagram shows the annual average exchange rate.

Source: ECB

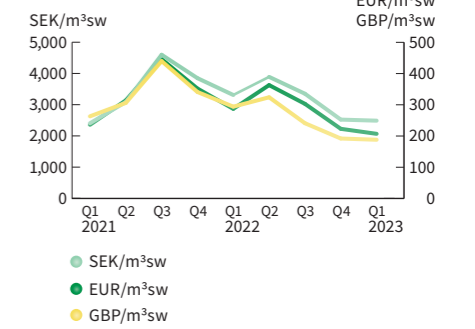
Pulp prices



During the quarter, the price of bleached softwood sulphate pulp fell slightly in USD. The diagram shows the average prices for softwood sulphate pulp delivered to European customers.

Source: FOEX PIX and Södra

Average delivery prices for sawn timber



The diagram shows average delivery prices for sawn timber in the most important currencies.

Source: Södra

As in other parts of Europe, the Swedish Manufacturing PMI has been weak in recent months. The NIER's Economic Tendency Indicator rose slightly in March but remained at low levels, mainly due to low consumer sentiment. In terms of volume, the retail trade fell sharply in February, and was down 9.4 percent compared with the year-on-year period. House prices have fallen and housing loans are decreasing. While prices have stabilised to some extent, uncertainty about the continued development persists, which is adding to the concerns of already cautious households.

In the first quarter, the SEK strengthened slightly against the USD. However, the SEK weakened against the EUR and the GBP.

Wood supply

Demand for saw logs was favourable in the first quarter. Demand for pulpwood remained favourable, with a slight decline due to a planned maintenance shutdown. The supply of final harvesting and thinning was higher year-on-year. Forest production was challenged by very wet soils, which limited opportunities for harvesting and transportation. Sites with high load-bearing capacity were therefore prioritised. The strong demand for energy ranges continued, but due to availability problems, delivery volumes of forest residues and fuel wood declined compared with the year-earlier period.

Sawn timber

Despite heightened global uncertainty, the price of wood products stabilised in the first quarter following falling prices at the end of last year. Delivery volumes were favourable during the quarter, as customers normalised their stocks. At the same time, supplies were limited due to production cutbacks in both Europe and North America, and suspended imports of Russian wood products into the EU. Swedish producers were able to increase their market share due to a currency advantage compared with producers in other countries. At the end of the quarter, prices increased in Europe, but remained weak in China and the US. The favourable deliveries over the past six months, which is usually the low season, has meant that stocks in sawmills are lower than normal for the season.

When interest rates rise, construction falls and that has a negative effect on our customers in the building materials trade. In addition, high inflation erodes the purchasing power of consumers, which leads to stagnation in the renovation sector. However, there are major differences in the trend for demand in the building materials trade between countries. Demand from our industrial customers has been satisfactory to date. The variation between segments is major however. House manufacturers are slowing down sharply, while the packaging industry remains strong. Uncertainty surrounding the forecast for demand in this recession is great, for both the building materials trade and the industrial segment, and it needs to be balanced with a limited supply.

Pulp market

The market for paper pulp weakened during the quarter. The slowdown was moderate initially, with an emphasis on falling demand for pulp due to a sluggish economy in Europe and North America in particular. China, however, which is the world's biggest pulp market, consumed large volumes of pulp. This slowed the price drop, which remained moderate during the first two months of the year. In March, demand also fell sharply in China and at the end of the quarter, the price of paper pulp fell rapidly in all markets.

In the first quarter, the average price of softwood sulphate pulp in Europe was USD 1,396, compared with USD 1,291 in the year-on-year period. The price of hardwood sulphate pulp in the first quarter was USD 1,339, compared with USD 1,149 in the year-on-year period. For full-year 2022, the average price of softwood sulphate pulp in Europe was USD 1,401, and USD 1,282 for hardwood sulphate pulp.

The market for dissolving pulp was weak at the beginning of the year, but recovered after the Chinese New Year and was in balance towards the end of the quarter. During the quarter, the average price of dissolving pulp rose from USD 880 to USD 900, and finished at USD 920.

The price is per tonne for pulp, gross for paper pulp and net for dissolving pulp.

Net sales

In the first quarter, consolidated net sales amounted to SEK 8,002 million (8,165), down 2 percent, mainly attributable to a lower price level for some of Södra core products.

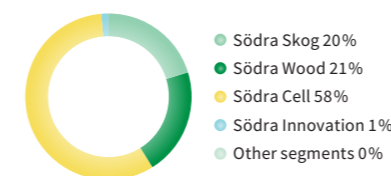
Result

Operating profit for the quarter totalled SEK 1,085 million (1,974), representing an operating margin of 14 percent (24). Profit before tax was SEK 1,107 million (1,915). Tax expense for the period was SEK 98 million (246). Operating profit for the first quarter was in line with expectations and reflects the market downturn for Södra's core products during the spring, combined with lower prices. Return on capital employed was 19 percent (36).

BUSINESS AREAS

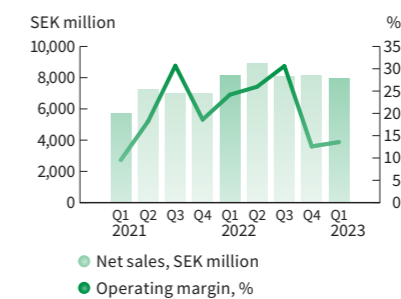
SEK million	Net sales			Operating profit		
	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Södra Skog	4,062	3,605	14,613	-22	-6	366
Södra Wood	1,918	2,694	9,246	-34	762	1,723
Södra Cell	4,662	4,121	18,658	1,210	1,431	6,896
Södra Innovation	100	67	298	-70	-15	-75
Other segments	—	150	194	-1	0	0
Intra-Group	—	—	—	2	-202	-1,105
Eliminations	-2,740	-2,472	-9,642	—	4	—
Group	8,002	8,165	33,367	1,085	1,974	7,805

Sales per business area

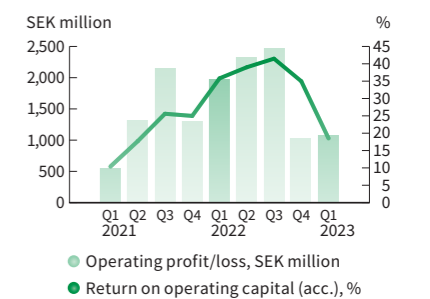


SEK 8,002 million in total, excluding internal deliveries.

Net sales and operating margin



Operating profit/loss and return on capital employed



Södra's financial target is a minimum long-term return of 10 percent on capital employed.

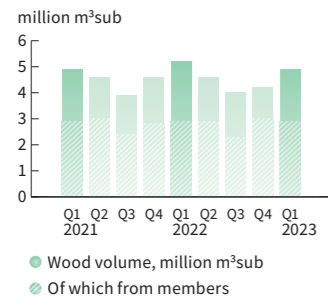
Business areas

Södra Skog

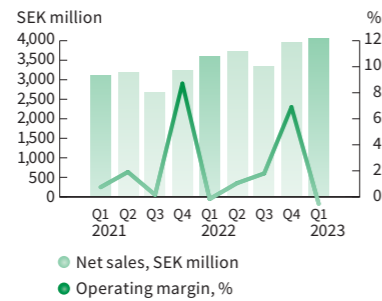
Södra Skog's operating loss for the period totalled SEK 22 million (loss: 6). Sales for the quarter amounted to SEK 4,062 million (3,605), an effect of price increases for saw logs, pulpwood and energy products. Demand for saw logs and pulpwood was favourable

during the quarter, but problems with accessibility in the forest challenged deliveries. The earnings trend during the quarter was primarily due to lower margins, resulting from higher costs and lower volumes.

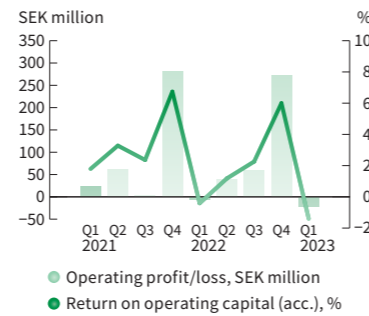
Wood volume



Net sales and operating margin



Operating profit/loss and return on operating capital

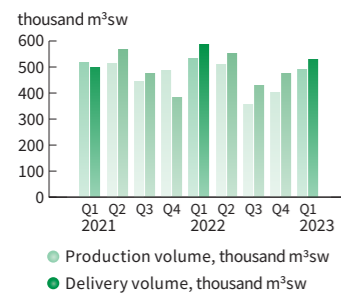


Södra Wood

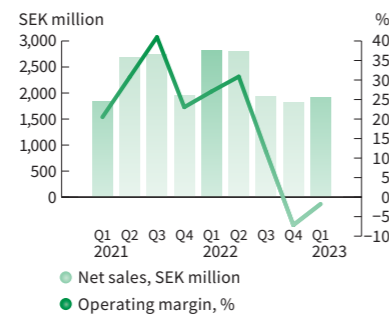
Södra Wood's operating loss for the period totalled SEK 34 million (profit: 762). Sales for the quarter amounted to SEK 1,918 million (2,694). Outbound deliveries from Södra Wood were 531 thousand m³sw for the period, which are 56 thousand m³sw lower compared

with the year-on-year period. The production volume for the period was 492 thousand m³sw, down 42 thousand m³sw year-on-year. The earnings trend was primarily due to lower average delivery prices year-on-year and a slowdown in demand.

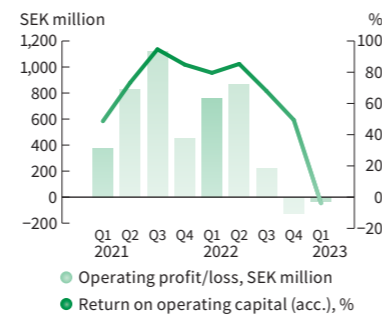
Production and delivery volume, sawn timber



Net sales and operating margin



Operating profit/loss and return on operating capital



Södra Cell

Södra Cell's operating profit for the period totalled SEK 1,210 million (1,431). Sales for the quarter amounted to SEK 4,662 million (4,121), up SEK 541 million, despite the fact that the delivery volume was 41,000 tonnes lower year-on-year. This was due to higher pulp prices, a weaker SEK and price increases for delivered energy products. The earnings trend was mainly due to lower delivery volumes and higher raw material costs year-on-year. During the quarter, the production

volume totalled 471 ktonnes (506), comprising 421 ktonnes (431) of softwood sulphate pulp, 19 ktonnes (34) hardwood sulphate pulp and 31 ktonnes (42) dissolving pulp.

During the quarter, electricity generated by the pulp mills and wind turbines was 479 GWh. Excess electricity amounted to 154 GWh. The surplus corresponded to about 32 percent of the generated volume and was sold on the open market.

Production and delivery volume, pulp



Net sales and operating margin



Operating profit/loss and return on operating capital



Södra Innovation

Södra Innovation's operating loss for the period totalled SEK 70 million (loss: 15). The year-on-year change in earnings was mainly attributable to costs related to further development of the

production facility for CLT establishment. The facility has been in operation since autumn 2022.

Other segments

Other segments posted an operating loss of SEK 1 million (0) for the period.

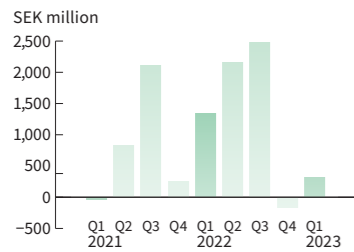
Net financial items

The Group's net financial items for the quarter amounted to income of SEK 22 million (expense: 59).

Cash flow

Cash flow before investments for the quarter was SEK 763 million (1,666). Cash flow after investments was SEK 323 million (1,344). At the end of the quarter, cash and cash equivalents and current investments amounted to SEK 10,386 million (10,737 at 31 December 2022).

Cash flow after investments



Cash flow after investments was SEK 323 million during the quarter.

Financial position

At 31 March 2023, equity amounted to SEK 28,199 million (27,065 at 31 December 2022), of which paid-up and issued contributed capital accounted for SEK 5,833 million (5,795 at 31 December 2022). Total assets increased to SEK 41,768 million (41,433 at 31 December 2022). At 31 March 2023, the equity ratio was 68 percent (65 at 31 December 2022).

Södra's borrowings comprised loans of SEK 5,694 million (6,430 at 31 December 2022) from members and a loan of SEK 466 million (466 at 31 December 2022) from the Nordic Investment Bank that matures in April 2026. Södra has a credit agreement in the form of a club agreement, enabling the company to borrow up to SEK 2,000 million over a period of two years. In addition to the club agreement, Södra has four bilateral credit facilities totalling SEK 2,000 million with maturities ranging from three to 16 months. The debt/equity ratio was -0.1 times (-0.1 at 31 December 2022).

Investments, acquisitions and divestments

Investments for the quarter totalled SEK 455 million (342), of which SEK 237 million (189) pertained to Södra Cell, SEK 83 million (65) to Södra Wood, SEK 97 million (51) to Södra Skog and SEK 37 million (37) to Södra Innovation. The investments were mainly focused on expansion, productivity and the environment.

Ongoing investigation by the European Commission

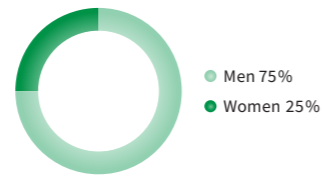
On 12 October 2021, the European-Commission initiated unannounced inspections of a number of pulp producers in several European countries, including Södra. The Commission suspects anti-competitive practices in the wood pulp sector. The investigation is ongoing.

Events after the close of the period

No significant events occurred after the balance-sheet date.

Employees

The average number of employees during the quarter was 3,333 (3,262 for full-year 2022) of whom 25 percent were women (23).



Future outlook

Inflation has slowed slightly, but has taken longer than expected to fall and remains stubbornly high. Persistent inflation and decreased purchasing power will probably characterise economic growth moving forward.

For sawn timber and sustainable timber construction, the outlook for demand is highly uncertain. However, a slowdown is expected with challenges ahead.

The assessment for pulp is that demand will be weak, and that prices will fall over the next six months. Demand is expected to rise slightly at the end of the year, but the extent is uncertain.

2023 is expected to be a challenging year, but the long-term outlook for Södra's core products is favourable. Underlying demand for sustainable forest-based products is bolstered by underlying global economic growth, while tightened emissions reduction targets are driving the transition towards a more sustainable bio-economy.

Sustainability

Sustainability permeates Södra's Group-wide strategy. Key areas are a focus on people and culture, and sustainable use of the forest and the earth's resources.

People and culture at the centre

The health and safety of employees is a top priority and Södra works continuously and systematically to achieve the company's zero accident vision. The target is a lost time accident rate (LTAR) of less than 5 by 2025.

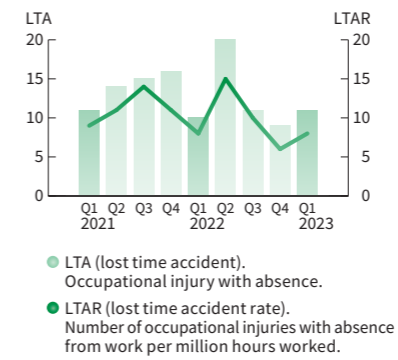
In the first quarter of 2023, the number of lost time accidents (LTA) was 11 (10) and the LTAR was 8 (8).

In the first quarter, behaviour-based safety training (Grow Health and Safety) for managers and leaders continued. An employee survey was conducted and the results show a positive shift for Södra as a whole, as well as for the business areas and functions. The number of promoters, which means those employees who are likely to recommend Södra as a good place to work, is rising and the Employee Net Promoter Score (eNPS) was 13, compared with 5 for the previous survey in 2022. The employee survey showed also continued challenges in relation to harassment and bullying. Södra has a zero tolerance approach to all forms of unfair discrimination. The results show that about 5 percent of employees at Södra have been subject to this type of behaviour.

Sustainable use of the forest and earth's resources

Sustainable forestry involves increasing forest growth responsibly, using forests in line with their long-term production capacity, and preserving and promoting the environmental, cultural and social values of forests. Södra's target is that the annual rate of forest growth on its members' estates shall be 20 percent higher in 2050 compared with the base year of 2015. Key measures for the achievement of this target include effective and active forest management, nutrient recycling, forest tree breeding and damage

Occupational injuries



reduction. In the first quarter, we worked actively to increase the area of seed orchard land to broaden the range of tree species. Södra also worked to increase the number of hardiness zones for the genetic material needed, first and foremost, for pine. The BraSatt planting machine will be field tested during the year. The aim of the machine is gentler and more effective site preparation and planting to achieve a higher seedling survival rate.

A positive climate effect originates in the forest, a result of members' long-term commitment to responsible forest management. Carbon sequestration in forests, products with a low climate impact and reduced greenhouse gas (GHG) emissions are key factors for a positive climate effect. Södra's target is to increase the positive climate effect. By continuing to offer products with a low climate impact that can replace products with a higher climate impact, Södra is helping to reduce fossil GHG emissions. Södra's targets for reduced GHG emissions have been validated by the Science Based Targets initiative (SBTi). The aim of the targets is to halve GHG emissions by 2030, compared with the base year of 2020. For emissions from the processing of sold products, the target is an engagement strategy whereby customers corresponding to 70 percent of the emissions from the processing of Södra's sold products will have set their own science-based targets by 2027. In the first quarter, Scope 1 and 2 emissions were 22 ktonnes CO₂e (19). In the first quarter, Södra launched a partnership with Equinor and Verdane, Njord Carbon, to explore opportunities for negative carbon dioxide emissions, or bioenergy carbon capture and storage (BECCS).

Carbon dioxide equivalents (CO₂e) is a standard unit for measuring greenhouse gas emissions. Each type of greenhouse gas has a different global warming effect. When emissions are reported as CO₂e, all greenhouse gases are included as if they were carbon dioxide. Scope 1 refers to direct GHG emissions that occur from sources that are financially controlled by Södra. Scope 2 refers to indirect emissions associated with the purchase of energy. Scope 3 refers to other indirect emissions. The greenhouse gases in Scope 1, 2 and 3 are fossil carbon dioxide, methane, nitrous oxide and refrigerants.

On behalf of the Board of Directors

Växjö, 26 April 2023

Lotta Lyrå
President and CEO

Assurance report

This interim report has not been audited.

Condensed consolidated statement of comprehensive income

SEK million	2023 Jan–Mar	2022 Jan–Mar	2022 Jan–Dec
Net sales	8,002	8,165	33,367
Other revenue	31	102	758
Operating expenses	-6,615	-5,969	-24,989
Depreciation, amortisation and impairment	-333	-324	-1,331
Operating profit	1,085	1,974	7,805
Net financial items	22	-59	-81
Profit before tax	1,107	1,915	7,724
Income tax	-98	-246	-889
Profit for the period	1,009	1,669	6,835
Other comprehensive income			
Items that will not be reclassified to profit or loss	—	23	344
Items that will be reclassified to profit or loss	87	39	344
Other comprehensive income for the period	87	62	688
Total comprehensive income for the period	1,096	1,731	7,523
Profit attributable to			
Owners of the Parent	1,009	1,669	6,835
Profit for the period	1,009	1,669	6,835
Comprehensive income attributable to			
Owners of the Parent	1,096	1,731	7,523
Comprehensive income for the period	1,096	1,731	7,523

Condensed consolidated statement of financial position

SEK million	31 March 2023	31 March 2022	31 Dec 2022
ASSETS			
Intangible assets	68	66	68
Property, plant and equipment	16,539	15,628	16,383
Biological assets	4,008	3,698	3,976
Shares and participations in associates	328	283	334
Surplus in funded pension plans	222	—	221
Financial investments	142	109	147
Other non-current receivables	45	8	46
Deferred tax assets	16	3	4
Total non-current assets	21,368	19,795	21,179
Inventories	3,931	3,858	4,232
Tax assets	600	53	85
Operating receivables	5,483	5,740	5,200
Current investments	5,220	2,476	5,733
Cash and cash equivalents	5,166	3,597	5,004
Total current assets	20,400	15,724	20,254
TOTAL ASSETS	41,768	35,519	41,433
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent	28,199	22,843	27,065
Total equity	28,199	22,843	27,065
Non-current interest-bearing financial liabilities	895	1,028	1,163
Non-current interest-bearing operating liabilities	131	111	136
Provisions for pensions	10	212	24
Non-current provisions	529	379	529
Deferred tax liabilities	2,006	1,661	1,997
Other non-current operating liabilities	29	7	25
Total non-current liabilities	3,600	3,398	3,874
Current interest-bearing financial liabilities	5,265	4,152	5,733
Current interest-bearing operating liabilities	71	75	76
Income tax liabilities	227	674	290
Other current operating liabilities	4,406	4,377	4,395
Total current liabilities	9,969	9,278	10,494
Total liabilities	13,569	12,676	14,368
TOTAL EQUITY AND LIABILITIES	41,768	35,519	41,433

Condensed consolidated statement of changes in equity

SEK million	Total equity
Opening balance, 1 January 2023	27,065
Comprehensive income for the year	1,096
Contributed capital, paid-up by members	38
Contributed capital, paid-out to members	0
Closing balance, 31 March 2023	28,199
Opening balance, 1 January 2022	21,088
Comprehensive income for the year	1,731
Contributed capital, paid-up by members	24
Contributed capital, paid-out to members	0
Dividends to members	—
Closing balance, 31 March 2022	22,843

Condensed consolidated statement of cash flows

SEK million	2023 Jan–Mar	2022 Jan–Mar	2022 Jan–Dec
Profit before tax	1,107	1,915	7,724
Adjustment for non-cash items and change in provisions	71	410	1,401
Income tax paid	-667	-64	-834
Cash flow from operating activities before change in working capital	511	2,261	8,291
Change in inventories (increase -)	180	1	-472
Change in operating receivables (increase -)	-159	-1,329	-817
Change in operating liabilities (increase +)	231	733	650
Cash flow from operating activities	763	1,666	7,652
Cash flow from investing activities	-440	-322	-1,832
Cash flow after investing activities	323	1,344	5,820
Change in contributed capital	38	24	111
Dividends paid	—	—	-1,657
Change in loans from members	-736	-604	1,344
Change in loans	—	0	-233
Dividends received	—	—	25
Change in current investments with maturity > 90 days	532	-845	-4,120
Cash flow from financing activities	-166	-1,425	-4,530
CASH FLOW FOR THE PERIOD	157	-81	1,290
Cash and cash equivalents at beginning of period	5,004	3,674	3,674
Exchange gains on cash and cash equivalents	5	4	40
Cash and cash equivalents at end of period	5,166	3,597	5,004

Parent Company

Result and financial position

Net sales rose to SEK 7,296 million (7,275) and operating profit decreased to SEK 1,015 million (1,754). Operating profit for the first quarter was in line with expectations and reflects the market downturn for Södra's core products during the spring, combined with lower prices.

Net financial items for the quarter amounted to income of SEK 18 million (expense: 6). Profit after net financial items for the period totalled SEK 1,033 million (1,748).

Members

The number of members was 51,642 (51,476 at year-end). The affiliated forest area increased by approximately 10 thousand hectares to 2.80 million hectares (2.79 at year-end).

Parent Company income statement, condensed

SEK million	2023 Jan–Mar	2022 Jan–Mar	2022 Jan–Dec
Net sales	7,296	7,275	30,401
Other revenue	67	89	462
Operating expenses	-6,044	-5,310	-22,932
Depreciation, amortisation and impairment	-304	-300	-1,219
Operating profit	1,015	1,754	6,712
Net financial items	18	-6	-106
Profit after financial items	1,033	1,748	6,606
Appropriations	—	—	-665
Profit before tax	1,033	1,748	5,941
Income tax	101	-226	-589
Profit for the period	1,134	1,522	5,352

Parent Company balance sheet, condensed

SEK million	31 March 2023	31 March 2022	31 Dec 2022
ASSETS			
Intangible assets	1	1	1
Property, plant and equipment	14,203	13,697	14,099
Shares and participations in Group companies	4,480	4,312	4,480
Shares and participations in associates	99	98	99
Surplus in funded pension plans	11	10	11
Other non-current investments	31	39	31
Other non-current receivables	45	7	46
Deferred tax assets	36	94	37
Total non-current assets	18,906	18,258	18,804
Inventories	3,440	3,119	3,470
Current interest-bearing receivables from Group companies	234	678	234
Current receivables	5,704	5,287	5,166
Current financial investments	8,436	3,788	8,292
Cash and bank balances	1,699	2,101	2,260
Total current assets	19,513	14,973	19,422
TOTAL ASSETS	38,419	33,231	38,226
EQUITY AND LIABILITIES			
Restricted equity	7,246	6,540	7,208
Non-restricted equity	11,058	8,335	9,924
Total equity	18,304	14,875	17,132
Untaxed reserves	8,347	7,687	8,347
Provisions	540	389	540
Non-current interest-bearing liabilities from Group companies	8	8	8
Non-current interest-bearing liabilities	895	1,028	1,163
Non-current operating liabilities	—	6	—
Total non-current liabilities	903	1,042	1,171
Current interest-bearing liabilities from Group companies	875	404	788
Current interest-bearing liabilities	5,265	4,152	5,733
Current tax liabilities	—	—	278
Current operating liabilities and provisions	4,185	4,682	4,237
Total current liabilities	10,325	9,238	11,036
TOTAL EQUITY AND LIABILITIES	38,419	33,231	38,226

Notes

Note 1 | Accounting policies

Södra applies International Financial Reporting Standards (IFRS), as adopted by the EU. This interim report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company applies Recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board, and the Swedish Annual Accounts Act.

The accounting policies applied are consistent with those presented in the 2022 Annual Report, except for new standards and revisions of standards and interpretations applicable to annual periods beginning on or after 1 January 2023 and that have not already been applied in the preparation of the 2022 Annual Report.

A number of new or revised standards and interpretations are not yet effective, and have not been applied in advance in the prepa-

ration of these financial statements. No early adoption of updates or amendments that take effect after the 2023 financial year has been planned, and none of these are expected to have any material impact on the consolidated financial statements.

The rules for economic associations were applied for the calculation of current tax. These mean that the dividend proposal for the financial year (which will be paid out in the following year) is tax deductible in the current year and has been treated as a deduction in the calculation of current tax. The deduction has affected the tax expense recognised in net profit or loss for the year.

All figures in the report have been rounded off to the nearest million, unless otherwise stated. As a result, some percentages and figures in the report may not correspond with the total shown, and may also differ from previously published information.

Note 2 | Risk and uncertainties

No additional material risks have been identified since the 2022 Annual Report. For a description of risks and uncertainties, refer to Södra's 2022 Annual Report under 'Risks and risk management' on pages 50–51. An overall description of a selection of such risk areas, and the key measures for control and management, are presented below.

Södra operates in a global market and is therefore impacted by the general economic trend and currency fluctuations, as well as more industry and Group-specific factors. Efforts to identify, assess

and manage risks are an integral and key component of Södra's business management. The Södra Finance Centre is responsible for managing financial risk, based on a financial policy established by the Board. Operational risks are controlled and managed by the President, management team and employees, in accordance with central policies and guidelines.

Södra also has a Business Ethics Council and a Health and Safety Committee that work Group-wide with risk areas such as anti-corruption, cyber security and safety risks.

Note 3 | Related parties

There were no transactions between Södra and related parties with any significant effect on the company's financial position or result. The nature and scope of transactions with related parties are consistent with those that existed in 2022.

Note 4 | Revenue

The following table shows Södra's net sales per revenue category:

SEK million	January–March											
	Södra Skog		Södra Wood		Södra Cell		Södra Innovation		Other segments		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Wood raw material	743	587	—	—	—	—	—	—	—	—	743	587
Wood products	—	—	1,508	2,352	—	—	43	32	—	—	1,551	2,384
Pulp	—	—	—	—	4,212	3,690	—	—	—	—	4,212	3,690
Energy products	295	259	147	152	398	384	57	35	—	—	897	830
Forestry services	445	371	—	—	—	—	—	—	—	—	445	371
Transportation	144	147	—	—	—	—	—	—	—	—	144	147
Other	5	6	5	—	—	—	—	—	150	—	10	156
Net sales, goods and services	1,632	1,370	1,660	2,504	4,610	4,074	100	67	—	150	8,002	8,165

Note 5 | Financial instruments

Financial assets and liabilities are substantially the same as in the most recently published annual report.

Group, SEK million	31 March 2023		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial investments	34	34	34	34
Other non-current receivables	9	9	—	—
Operating receivables	4,177	4,177	3,833	3,833
Current investments	5,220	5,220	5,733	5,733
Cash and cash equivalents	5,166	5,166	5,004	5,004
Total assets, financial instruments	14,606	14,606	14,604	14,604
Other assets, non-financial instruments	27,162	—	26,829	—
Total assets	41,768	—	41,433	—
Non-current liabilities	1,055	1,125	1,324	1,410
Current interest-bearing liabilities	5,336	5,446	5,809	5,903
Current operating liabilities	3,063	3,063	2,867	2,867
Total liabilities, financial instruments	9,454	9,634	10,000	10,180
Other liabilities, non-financial instruments	4,115	—	4,368	—
Total liabilities	13,569	—	14,368	—

The following tables present information about how fair value is determined for the financial instruments that are measured at fair value in the statement of financial position. Fair value measurements are categorised into a three-level hierarchy:

Level 1: Based on prices quoted in active markets for identical instruments.

Level 2: Based on direct or indirect observable market data not included in level 1.

Level 3: Based on inputs for which there is no market information available.

Group, 31 March 2023					Group 31 December 2022				
SEK million	Level 1	Level 2	Level 3	Total	SEK million	Level 1	Level 2	Level 3	Total
Assets	5,220	—	43	5,263	Assets	5,733	—	42	5,775
Liabilities	—	—	23	23	Liabilities	—	—	44	44

The fair value of financial instruments is measured on the basis of quoted market prices at the balance-sheet date. Derivatives are measured on the basis of published price quotations in an active market. For unquoted shares where a reliable market value cannot be

determined, the carrying amount is used as an indicator of fair value. The fair value of debt instruments is measured using techniques such as discounting expected future cash flows at quoted market interest rates for each duration.

Note 6 | Standing timber

At 31 March 2023, the estimated fair value of Södra's standing timber was SEK 4,008 million (3,976 at year-end). The change in the balance sheet amounted to SEK 32 million (17), which mainly relates to exchange-rate effects but also to acquisitions of standing timber in the Baltics.

Note 7 | Scheduled maintenance shutdowns

At Södra Cell, in addition to routine maintenance during normal operations, there are also planned maintenance shutdowns to perform more extensive maintenance, whereby pulp production is stopped.

The earnings impact of the maintenance shutdowns varies, depending on the extent and nature of the maintenance measures

and the duration of the shutdowns. The cost comprises loss of revenue from production losses, and the direct costs of the maintenance.

In the first quarter of 2023, costs for scheduled maintenance shutdowns amounted to SEK 70 million (—).



Quarterly data and segment information

	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
NET SALES, SEK MILLION			
Södra Skog	4,062	3,605	14,613
of which external	(1,632)	(1,370)	(5,921)
Södra Wood	1,918	2,694	9,246
of which external	(1,660)	(2,504)	(8,493)
Södra Cell	4,662	4,121	18,658
of which external	(4,610)	(4,074)	(18,463)
Södra Innovation	100	67	298
of which external	(100)	(67)	(296)
Other segments	—	150	194
of which external	(—)	(150)	(194)
Eliminations	-2,740	-2,472	-9,642
Group	8,002	8,165	33,367
OPERATING PROFIT/LOSS BEFORE DEPRECIATION, AMORTISATION AND IMPAIRMENT, SEK MILLION			
Södra Skog	-4	12	440
Södra Wood	17	815	1,930
Södra Cell	1,470	1,677	7,923
Södra Innovation	-69	-14	-70
Other segments	-1	2	2
Intra-Group	4	-198	-1,089
Eliminations	1	4	—
Group	1,418	2,298	9,136
OPERATING PROFIT/LOSS, SEK MILLION			
Södra Skog	-22	-6	366
Södra Wood	-34	762	1,723
Södra Cell	1,210	1,431	6,896
Södra Innovation	-70	-15	-75
Other segments	-1	0	0
Intra-Group	2	-202	-1,105
Eliminations	—	4	—
Group	1,085	1,974	7,805
OPERATING MARGIN			
Södra Skog	neg.	0%	3%
Södra Wood	neg.	28%	19%
Södra Cell	26%	35%	37%
Södra Innovation	neg.	neg.	neg.
Other segments	neg.	0%	0%
Group	14%	24%	23%
ASSETS, SEK MILLION			
Södra Skog	6,124	5,159	6,128
Södra Wood	7,923	7,229	7,999
Södra Cell	29,536	22,668	28,597
Södra Innovation	189	83	296
Other segments	207	251	216
Intra-Group	-798	1,453	-346
Eliminations	-1,413	-1,324	-1,457
Group	41,768	35,519	41,433

	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
AVERAGE OPERATING CAPITAL, SEK MILLION			
Södra Skog	6,216	5,395	6,106
Södra Wood	3,476	3,830	3,488
Södra Cell	14,618	14,017	14,125
Södra Innovation	1,134	616	874
Other segments	111	221	208
Group, average capital employed	23,457	22,050	22,476
RETURN ON OPERATING CAPITAL			
Södra Skog	neg.	0%	6%
Södra Wood	neg.	80%	49%
Södra Cell	33%	41%	49%
Södra Innovation	neg.	neg.	0%
Other segments	neg.	neg.	neg.
Consolidated return on capital employed	19%	36%	35%
CASH FLOW AFTER INVESTMENTS, SEK MILLION			
Södra Skog	571	688	-164
Södra Wood	-129	221	1,832
Södra Cell	843	1,002	6,254
Södra Innovation	-119	-78	-397
Other segments	91	71	40
Intra-Group	-934	-560	-1,745
Group	323	1,344	5,820
INVESTMENTS, SEK MILLION			
Södra Skog	97	51	343
Södra Wood	83	65	360
Södra Cell	237	189	1,076
Södra Innovation	37	37	230
Other segments	—	0	—
Intra-Group	1	0	2
Group	455	342	2,011
AVERAGE NUMBER OF EMPLOYEES			
Södra Skog	674	634	661
Södra Wood	943	951	921
Södra Cell	1,274	1,215	1,258
Södra Innovation	143	109	139
Other segments	—	5	2
Intra-Group	299	241	281
Group	3,333	3,155	3,262

Alternative performance measures

NET SALES, CHANGE

	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Opening net sales	8,165	5,733	27,060
Closing net sales	8,002	8,165	33,367
Change	-2%	42%	23%

Shows Södra's growth.

OPERATING PROFIT BEFORE DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES, SEK MILLION

	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Operating profit	1,085	1,974	7,805
Depreciation, amortisation and impairment	333	324	1,331
Operating profit before- depreciation, amortisation and impairment	1,418	2,298	9,136

A complement to operating profit/loss, which shows the items on the income statement that affect cash flow.

OPERATING PROFIT BEFORE DEPRECIATION, AMORTISATION AND IMPAIRMENT MARGIN

	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Operating profit before- depreciation, amortisation and impairment	1,418	2,298	9,136
Net sales	8,002	8,165	33,367
EBITDA margin-	18%	28%	27%

The EBITDA margin shows the percentage of surplus on each SEK earned less operating costs, but before depreciation, amortisation and impairment. This measure gives an overall view of the cash flow generated. The measure is used to produce an overall trend analysis of Södra's performance, and for comparison with other companies.

OPERATING PROFIT/LOSS, SEK MILLION

	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Net sales	8,002	8,165	33,367
Other revenue and profit from shares in associates	31	102	758
Operating expenses	-6,615	-5,969	-24,989
Depreciation, amortisation and impairment	-333	-324	-1,331
Operating profit	1,085	1,974	7,805

Operating profit shows the surplus on sales less operating costs, including depreciation, amortisation and impairment. This is an essential measure for producing a trend analysis of Södra's performance, and for comparison with other companies.

OPERATING MARGIN

	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Operating profit	1,085	1,974	7,805
Net sales	8,002	8,165	33,367
Operating margin	14%	24%	23%

The operating margin is a measurement of the proportion of surplus on each sales SEK less operating costs, including depreciation, amortisation and impairment. This surplus is used to cover interest expense and tax, and to generate an acceptable profit. The measure is used to produce an overall trend analysis of Södra's performance, and for comparison with other companies.

Södra manages its operations by analysing key indicators. Some of these financial key indicators are defined or specified in applicable regulations for financial information, or by other applicable laws. All others are referred to as alternative performance measures. Södra uses the following alternative performance measures and believes they provide valuable complementary information for analysing Södra's performance.

The effect of assets held for sale is presented in the Consolidated statement of comprehensive income and Consolidated statement of financial position. The effect of assets held for sale is not included in the Consolidated statement of cash flows nor is it taken into account in calculated key indicators, which is not directly apparent from the income statement and balance sheet presented, since Södra uses these factors to manage all of its operations. Comparative figures for prior years have not been restated for the above-mentioned effect (from 2021 and earlier), but are reconcilable with historical reports.

NET DEBT, SEK MILLION

	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Interest-bearing provisions	—	—	—
Interest-bearing liabilities	6,362	5,366	7,108
Financial receivables	0	0	0
Current investments and cash and cash equivalents	-10,386	-6,073	-10,737
Net debt	-4,024	-707	-3,629

Shows Södra's financial strength.

DEBT/EQUITY RATIO, TIMES

	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Net debt	-4,024	-707	-3,629
Equity	28,199	22,843	27,065
Debt/equity ratio	-0.1	0.0	-0.1

The debt/equity ratio is used to measure Södra's financial strength and, in combination with the equity ratio, is the measurement most frequently used by management to monitor the Group's financial leverage.

CAPITAL EMPLOYED, SEK MILLION

	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Assets	41,768	35,519	41,433
Financial assets	-10,750	-6,182	-11,105
Provisions*	-529	-379	-529
Income tax*	-2,233	-2,335	-2,287
Non-interest-bearing operating liabilities	-4,435	-4,384	-4,420
Capital employed	23,821	22,239	23,092
Average	23,457	22,050	22,476

* Not considered in the calculation of Operating capital.

Capital employed shows the capital used by Södra and is a component of Return on capital employed.

RETURN ON CAPITAL EMPLOYED

	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Average capital employed	23,457	22,050	22,476
Operating profit	1,085	1,974	7,805
12-month operating profit	4,340	7,896	7,805
Return	19%	36%	35%

Return on capital employed is a measure of the interest that Södra pays on capital tied up in operations.

EQUITY RATIO

	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Equity	28,199	22,843	27,065
Assets	41,768	35,519	41,433
Equity ratio	68%	64%	65%

An established and key measure of Södra's financial strength. Shows the proportion of total assets financed by equity. The measure indicates the ability to pay long-term liabilities, since any future losses will be deducted from equity.

DEFINITIONS

Operating profit before depreciation, amortisation and impairment, SEK million

Operating profit/loss excluding depreciation, amortisation and impairment of property, plant and equipment and intangible assets.

EBITDA margin, %

Operating profit/loss excluding depreciation, amortisation and impairment of property, plant and equipment and intangible assets expressed as a percentage of net sales.

Operating profit/loss, SEK million

Net sales and other revenue less operating costs including depreciation, amortisation and impairment.

Operating margin, %

Operating profit/loss expressed as a percentage of net sales.

Net debt, SEK million

Interest-bearing liabilities less interest-bearing assets and cash and cash equivalents.

Debt/equity ratio, times

Net debt in relation to equity.

Capital employed, SEK million

Assets excluding surplus in funded pension plans, interest-bearing assets, provisions and liabilities.

Return on capital employed, %

Full-year operating profit/loss expressed as a percentage of average capital employed.

Equity ratio, %

Equity expressed as a percentage of assets.

Financial statements

- » The interim report for April-June will be published on 17 July 2023 at 11 a.m.
- » The Annual General Meeting will be held on 31 May 2023.
- » Interim reports can be downloaded from sodra.com/financials

This is Södra

Södra was founded in 1938 on the idea that we are stronger together. Södra is now the largest forest-owner association in Sweden, with 52,000 family forest owners as members. Together, the members of Södra own a world-leading industry that processes forest raw material into renewable products such as pulp, timber, building systems, liquid bioproducts and energy. **Rooted in the forest, we grow the future.**

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