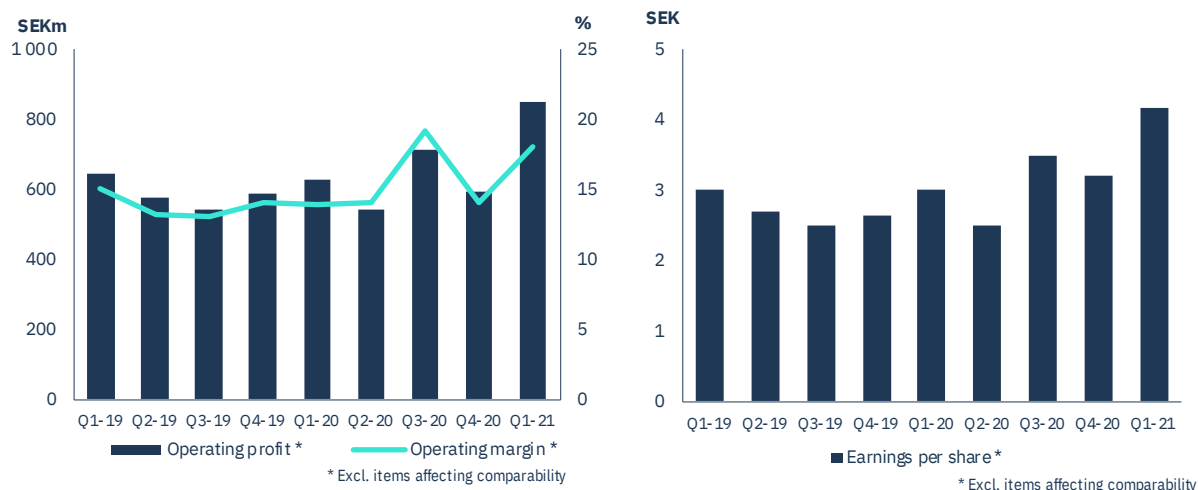


HOLMEN

Holmen Interim Report January–March 2021

SEKm	Quarter		Full year	
	1-21	4-20	1-20	2020
Net sales	4 703	4 249	4 499	16 327
Operating profit	849	595	628	2 479
Profit after tax	675	512	491	1 979
Earnings per share, SEK	4.2	3.2	3.0	12.2
Operating margin, %	18	14	14	15
Return on capital employed, %	6	6	7	6
Return on equity, %	5	5	6	5
Cash flow before investments and change in working capital	672	369	615	2 411
Debt/equity ratio, %	9	10	9	10

- Operating profit for January–March was SEK 849 million (January–March 2020: 628). The increase in earnings can be attributed to higher prices and volumes for wood products, as well as lower production costs in paperboard.
- Compared with the fourth quarter, operating profit increased by SEK 254 million due to rising prices for wood products and seasonally higher earnings from hydro power, as well as the negative impact on the previous quarter of a major maintenance shutdown in paperboard.
- Profit after tax for January–March amounted to SEK 675 million (491), which corresponds to earnings per share of SEK 4.2 (3.0).



CEO comments

The year began well, with historically high quarterly earnings of SEK 849 million, thanks to higher prices and increased volumes for wood products, high efficiency in paperboard and a solid performance from our hydro power.

Demand for forest raw materials increased, driven by a strong wood products market, while pulp and paper mills increased their production rates. Earnings from forest, SEK 364 million, were higher than usual due to the sale of a forest property adjacent to our English mill. Our position in the wood market is strong, especially after the acquisition of Martinsons, which provides a good base from which to develop our industries.

The market for paperboard used in consumer packaging strengthened during the first quarter, driven by strong demand from Asia. Over the past year, the production efficiency has reached a new level, while sales to customers with the highest quality demands have developed well. Together, this resulted in yet another solid quarterly performance, SEK 236 million. We will continue on this path, although the next six months will be affected by major maintenance shutdowns at both mills.

Paper prices decreased at the turn of the year due to weak demand. The market balance improved over the course of the quarter and we were able to increase sales so that by the end of the quarter we were back at full capacity utilisation. Although this mitigated the impact of falling market prices, the result from paper was still negative, SEK -37 million. We intensified our product development efforts during the pandemic and in recent months we were able to introduce new products for both educational materials and packaging purposes.

Demand for wood products was high, driven by a strong US housing market and increased home renovation projects, which created a shortage of wood products and resulted in significant price increases. Meanwhile, we increased our sales through both the acquisition of Martinsons and the expansion of the sawmill at Braviken. Overall, this led to a very high profit from wood products, SEK 218 million. We will continue to develop our sawmills to meet the increasing demand for sustainable building materials.

Electricity prices were high due to power shortages in Sweden caused by the closure of nuclear power and limitations in the power grid. While the high prices increased the costs of our paper production, they also contributed to an increase in profit from our Renewable Energy business area to SEK 107 million. Towards the end of the year, we will increase production of wind and hydro power by 35 per cent through the completion of 26 wind turbines outside Skellefteå. We are optimistic about the potential to develop more wind power on our own land, even if obtaining permits is a lengthy process.

Our business, where we refine our forest raw material into everything from wood for climate-smart building to renewable packaging, magazines and books at essentially fossil-free facilities, while at the same time generating hydro and wind power, is fully in tune with the times. Together with a strong financial position, we are well positioned to take advantage of the opportunities that will arise as Europe transitions to a society where products will bear their true climate cost.

Key figures Q1 2021

Operating profit, SEKm

849

Operating margin, %

18

Debt/equity ratio, %

9

Forest

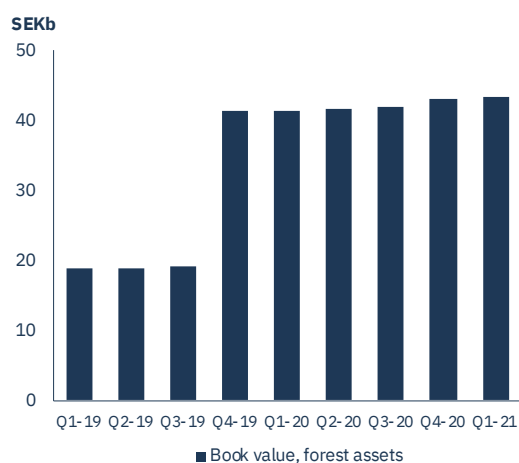
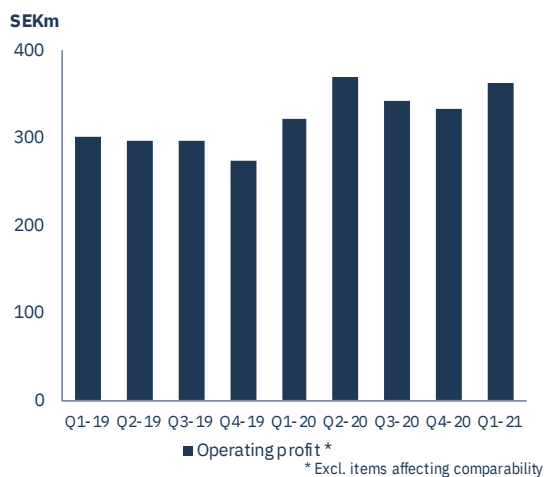
Holmen carries out active and sustainable forestry on over 1 million hectares of its own productive forest land. The annual volume from own forest amounts to 2.8 million m³sub.

SEKm	1-21	Quarter 4-20	1-20	Full year 2020
Net sales	1 658	1 456	1 690	5 883
Of which from own forests	306	321	343	1 325
Operating costs	-1 409	-1 269	-1 483	-5 040
Change in biological assets	133	167	124	579
EBITDA	382	354	331	1 422
Depreciation and amortisation according to plan	-18	-20	-9	-55
Operating profit	364	334	322	1 367
Book value, forest assets	43 340	43 202	41 475	43 202
Deliveries, own forests, '000 m ³	653	677	753	2 841

Demand for logs was strong in the first quarter and market prices increased, while demand for pulpwood was normal, with stable prices.

Operating profit for January–March was SEK 364 million (322). The increase in profit is attributed to the sale of a forest property.

Operating profit increased by SEK 30 million compared with the fourth quarter.



Paperboard

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

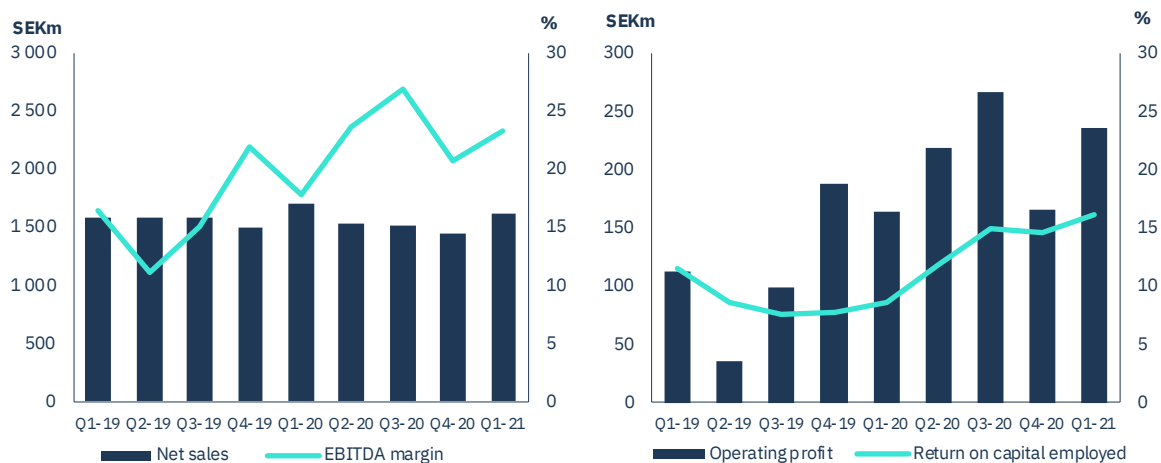
SEKm	1-21	Quarter 4-20	Quarter 1-20	Full year 2020
Net sales	1 614	1 439	1 706	6 187
Operating costs	-1 238	-1 141	-1 403	-4 821
EBITDA	376	298	302	1 366
Depreciation and amortisation according to plan	-140	-133	-139	-554
Operating profit	236	165	163	812
Investments	80	143	77	275
Capital employed	5 329	5 276	5 715	5 276
EBITDA margin, %	23	21	18	22
Operating margin, %	15	11	10	13
Return on capital employed, %	16	15	9	15
Production, '000 tonnes	139	135	135	551
Deliveries, '000 tonnes	145	128	147	544

Demand for paperboard in Europe during the first quarter was at the same level as a year ago, with essentially unchanged prices.

Operating profit for January–March was SEK 236 million (163). The improvement in profit is due to reduced production costs.

Operating profit increased by SEK 71 million compared with the fourth quarter. A major maintenance shut-down had a negative impact on the previous quarter of SEK 110 million, while a bonus income for production of renewable energy had a positive impact on earnings.

A major maintenance shutdown is scheduled for the second quarter at Workington, which is expected to have a negative impact on earnings of SEK 140 million. The annual maintenance shutdown at Iggesund Mill is planned for the third quarter, with an expected negative impact on earnings of around SEK 130 million.



Paper

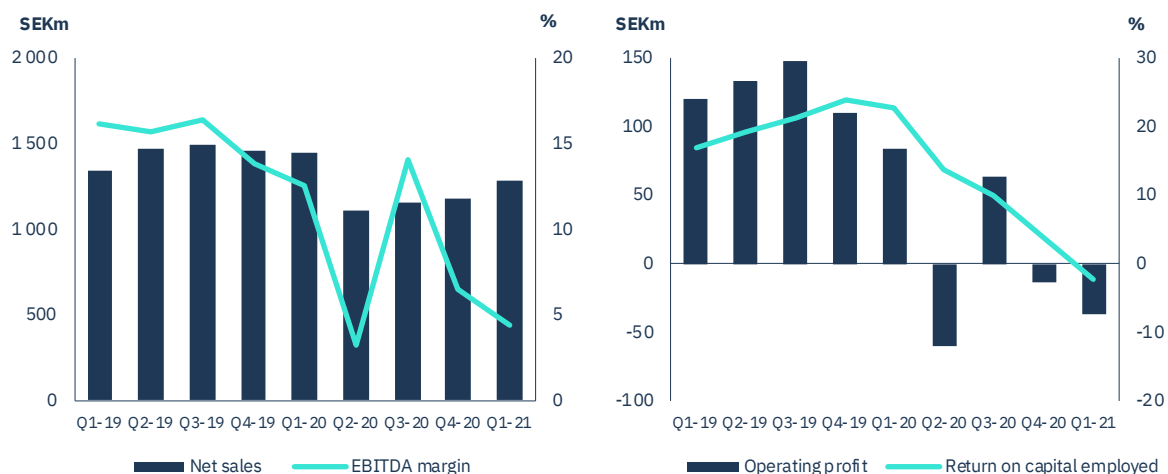
Holmen produces paper that utilises the properties of fresh fibre to provide cost-effective alternatives to traditional paper products for advertising, magazines and books. Production amounts to 1 million tonnes a year at two Swedish mills.

SEKm	Quarter		Full year	
	1-21	4-20	1-20	2020
Net sales	1 284	1 176	1 445	4 879
Operating costs	-1 227	-1 099	-1 264	-4 424
EBITDA	56	77	180	454
Depreciation and amortisation according to plan	-93	-90	-97	-381
Operating profit	-37	-13	83	73
Investments	33	56	62	280
Capital employed	2 022	1 969	2 036	1 969
EBITDA margin, %	4	7	12	9
Operating margin, %	-3	-1	6	2
Return on capital employed, %	neg	4	23	4
Production, '000 tonnes	249	225	265	891
Deliveries, '000 tonnes	257	221	257	883

Demand for printing paper in Europe remained weak in the first quarter. Selling prices decreased at the turn of the year.

The operating result for January–March was a loss of SEK -37 million (profit: 83). The decrease in profit was due to lower selling prices.

The operating result decreased by SEK 24 million compared with the fourth quarter. Decreased prices negatively impacted earnings, but were largely offset by increased deliveries and less extensive production curtailments.



Wood Products

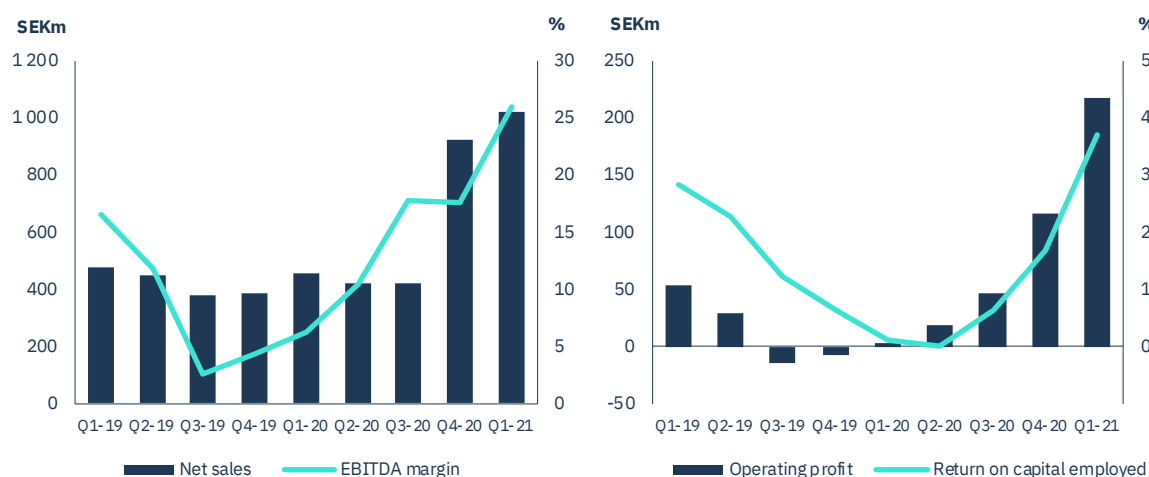
Holmen produces wood products for joinery and construction purposes. After the acquisition of Martinsons production takes place at five sawmills adjacent to own forest with an annual production of 1.6 million cubic metres.

SEKm	Quarter		Full year	
	1-21	4-20	1-20	2020
Net sales	1 020	922	455	2 222
Operating costs	-756	-760	-426	-1 913
EBITDA	265	162	28	309
Depreciation and amortisation according to plan	-47	-47	-25	-124
Operating profit	218	116	4	185
Investments	54	37	37	107
Capital employed	1 914	1 846	1 020	1 846
EBITDA margin, %	26	18	6	14
Operating margin, %	21	13	1	8
Return on capital employed, %	37	17	1	17
Production, '000 m ³	373	383	227	1 021
Deliveries, '000 m ³	372	379	247	1 052

The wood products market was strong in the first quarter and prices continued to increase.

Operating profit for January–March was SEK 218 million (4). The increase in earnings can be attributed to higher selling prices, but the acquisition of Martinsons and production increases at Braviken also contributed positively.

Operating profit increased by SEK 102 million compared with the fourth quarter as a result of increased prices.



Renewable Energy

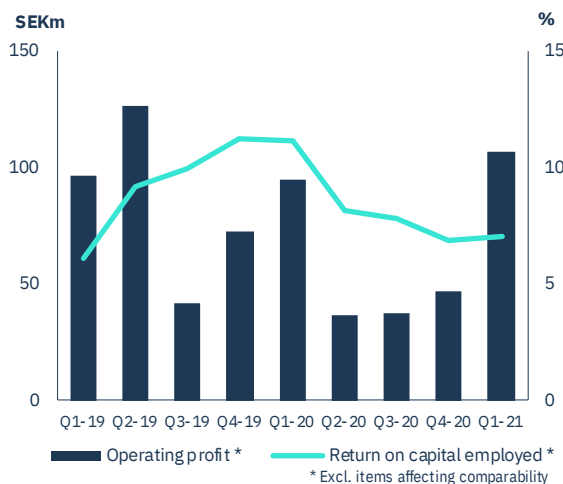
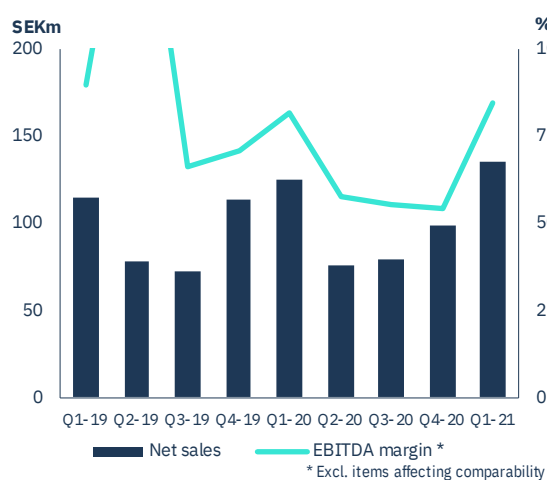
In a normal year Holmen produces 1.2 TWh of renewable hydro and wind power.

SEKm	Quarter			Full year
	1-21	4-20	1-20	2020
Net sales	135	99	124	378
Operating costs	-21	-45	-23	-136
Depreciation and amortisation according to plan	-7	-7	-7	-27
Operating profit	107	46	95	215
Investments	14	121	14	291
Capital employed	3 377	3 351	3 026	3 351
Operating margin, %	79	47	76	57
Return on capital employed, %	7	7	11	7
Production hydro and wind power, GWh	369	342	374	1 352

The price of electricity was high in the first quarter due to periods with power shortages in Sweden.

Operating profit for January–March was SEK 107 million (95). The improvement in earnings is attributed to higher electricity prices.

Compared with the fourth quarter, operating profit increased by SEK 61 million, mainly as a result of the increase in the price of electricity from a low level, though seasonally higher production also contributed to the improvement.



Cash flow, financing and net financial items

Cash flow from operating activities for January–March totalled SEK 595 million (611) and cash flow from investing activities totalled SEK -132 million (-217).

The Group's net financial debt decreased by SEK 457 million to SEK 3 724 million in the first quarter. Net debt was 9 per cent of equity.

At 31 March, the Group's long-term borrowing amounted to SEK 3.9 billion and short-term borrowing was SEK 0.3 billion. Cash and cash equivalents totalled SEK 0.4 billion and non-current financial receivables were SEK 0.3 billion. Contractual credit commitments amounted to SEK 5.0 billion, of which SEK 1.0 billion is available until 2024 and SEK 4.0 billion until 2026. All credit commitments are unused.

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

Net financial items for the period January–March totalled SEK -10 million (-10).

Tax

Recognised tax for January–March was SEK -164 million (-127). Recognised tax as a proportion of profit before tax was 20 per cent (21).

Equity

In January–March, the Group's equity increased by SEK 663 million to SEK 43 179 million. Profit for the period totalled SEK 675 million (491). Other comprehensive income amounted to SEK -12 million (-563).

Hedging of exchange rates and electricity prices

The Group hedges parts of future estimated net flows in foreign currencies. Operating profit for January–March includes currency hedges of SEK 20 million (-155). For the next 2.5 years, expected flows in EUR/SEK are hedged at an average of 10.64. For other currencies, 4–9 months of flows are hedged.

Prices for the Group's estimated net consumption of electricity are 65–70 per cent hedged for 2021 and 2022. Between 15 and 35 per cent are hedged for 2023–2025.

Personnel

The average number of employees (FTEs) in the Group was 3 318 (2 774). The increase is due to the acquisition of Martinsons.

Dividend

The 2021 AGM set the dividend at SEK 10.75 (3.50) per share, of which SEK 3.50 (-) per share related to an extra dividend. The dividend, totalling SEK 1 741 million, is paid on 29 April.

Share buy-backs

The 2021 AGM renewed the Board's authorisation to take decisions on purchasing up to 10 per cent of the company's shares. No buy-backs took place during the period. The company owns 0.9 per cent of all shares outstanding.

Stockholm, 29 April 2021

Holmen AB (publ)

Henrik Sjölund
President and CEO

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

For further information please contact:

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Stina Sandell, Senior Vice President Sustainability and Communications, tel. +46 73 986 51 12

Group

		Quarter		Full year
Income statement, SEKm	1-21	4-20	1-20	2020
Net sales	4 703	4 249	4 499	16 327
Other operating income	401	425	299	1 339
Change in inventories	-84	15	-97	-88
Raw materials and consumables	-2 438	-2 276	-2 471	-8 781
Personnel costs	-692	-677	-597	-2 411
Other operating costs	-864	-1 000	-845	-3 310
Change in value of biological assets	133	167	124	579
Profit from investments in associates and joint ventures	2	-3	0	-6
Depreciation and amortisation according to plan	-312	-305	-285	-1 172
Operating profit	849	595	628	2 479
Finance income	2	2	4	11
Finance costs	-12	-13	-13	-53
Profit before tax	839	584	618	2 437
Tax	-164	-72	-127	-458
Profit for the period	675	512	491	1 979
Earnings per share, SEK				
Basic	4.2	3.2	3.0	12.2
Diluted	4.2	3.2	3.0	12.2
Operating margin, %	18.0	14.0	14.0	15.2
Return on capital employed, %	6.0	5.6	7.1	5.6
Return on equity, %	5.2	4.8	6.1	4.8

		Quarter		Full year
Statement of comprehensive income, SEKm	1-21	4-20	1-20	2020
Profit for the period	675	512	491	1 979
Other comprehensive income				
Revaluation of forest land	-	1 173	-	1 173
Revaluations of defined benefit pension plans	38	44	-28	-15
Tax attributable to items that will not be reclassified to profit for the period	-8	-250	6	-239
Items that will not be reclassified to profit for the period	31	967	-23	920
Cash flow hedging	-219	422	-738	273
Translation difference on foreign operation	158	-80	43	-187
Hedging of currency risk in foreign operation	-33	12	-5	29
Share in joint ventures' other comprehensive income	-1	6	-	16
Tax attributable to items that will be reclassified to profit for the period	52	-89	159	-61
Items that will be reclassified to profit for the period	-43	270	-540	69
Total other comprehensive income after tax	-12	1 237	-563	989
Total comprehensive income	663	1 749	-72	2 968

	Jan-Mar	
Change in equity, SEKm	2021	2020
Opening equity	42 516	40 111
Profit for the period	675	491
Other comprehensive income	-12	-563
Total comprehensive income	663	-72
Share saving program	0	1
Closing equity	43 179	40 040

Group

	2021	2020
	31 Mar	31 Dec
Balance sheet, SEKm		
Non-current assets		
Forest assets		
Biological assets	28 796	28 663
Forest land	14 545	14 538
Intangible non-current assets	549	555
Property, plant and equipment	9 165	9 226
Right-of-use assets	267	284
Investments in associates and joint ventures	1 736	1 717
Other shares and participating interests	1	2
Non-current financial receivables	291	290
Deferred tax assets	1	1
Total non-current assets	55 351	55 276
Current assets		
Inventories	3 471	3 594
Trade receivables	2 374	2 015
Current tax receivable	29	6
Other operating receivables	1 103	1 262
Current financial receivables	42	43
Cash and cash equivalents	429	346
Total current assets	7 448	7 267
Total assets	62 799	62 543
Equity	43 179	42 516
Non-current liabilities		
Non-current financial liabilities	3 917	3 919
Non-current liabilities relating to right-of-use assets	168	175
Pension provisions	10	48
Other provisions	486	491
Deferred tax liabilities	10 597	10 570
Total non-current liabilities	15 177	15 203
Current liabilities		
Current financial liabilities	288	605
Current liabilities relating to right-of-use assets	103	112
Trade payables	2 705	2 496
Current tax liability	83	211
Provisions	128	163
Other operating liabilities	1 135	1 235
Total current liabilities	4 443	4 824
Total liabilities	19 621	20 026
Total equity and liabilities	62 799	62 543
Debt/equity ratio, %	9	10
Equity/assets ratio, %	69	68
Capital employed	46 903	46 697
Net financial debt	3 724	4 181

Group

		Quarter		Full year
Cash flow statement, SEKm	1-21	4-20	1-20	2020
Operating activities				
Profit before tax	839	584	618	2 437
Adjustments for non-cash items				
Depreciation and amortisation according to plan	312	305	285	1 172
Change in value of biological assets	-133	-167	-124	-579
Other *	-73	-11	38	-49
Paid income taxes	-274	-341	-202	-569
Cash flow from operating activities before changes in working capital	672	369	615	2 411
Cash flow from changes in working capital				
Change in inventories	114	62	80	195
Change in trade receivables and other operating receivables	-285	76	-256	-44
Change in trade payables and other operating liabilities	93	-132	173	-105
Cash flow from operating activities	595	376	611	2 457
Investing activities				
Acquisition of non-current assets	-214	-1 171	-218	-2 006
Disposal of non-current assets	74	7	2	82
Change in non-current financial receivables	7	7	0	141
Cash flow from investing activities	-132	-1 157	-217	-1 783
Financing activities				
Change in financial liabilities and current financial receivables	-381	-133	534	-241
Dividends paid to the shareholders of the parent company	-	-	-	-567
Cash flow from financing activities	-381	-133	534	-808
Cash flow for the period	82	-914	928	-133
Opening cash and cash equivalents	346	1 264	483	483
Exchange difference in cash and cash equivalents	2	-3	4	-4
Closing cash and cash equivalents	429	346	1 415	346

		Quarter		Full year
Change in net financial debt, SEKm	1-21	4-20	1-20	2020
Opening net financial debt	-4 181	-3 165	-3 784	-3 784
Acquisition	-	-187	-	-187
Cash flow from operating activities	595	376	611	2 457
Cash flow from investing activities (excl financial receivables)	-139	-1 163	-217	-1 924
Dividends paid	-	-	-	-567
Liabilities arising from new right-of-use agreements	-9	-49	-89	-163
Revaluations of defined benefit pension plans	35	45	-25	-14
Foreign exchange effects and changes in fair value	-25	-37	-5	1
Closing net financial debt	-3 724	-4 181	-3 509	-4 181

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

Parent company

		Quarter		Full year
Income statement, SEKm	1-21	4-20	1-20	2020
Operating income	4 480	3 695	4 128	14 877
Operating costs	-4 197	-3 740	-3 971	-14 545
Operating profit	282	-45	157	332
Net financial items	-43	-1	-13	199
Profit after net financial items	239	-46	144	531
Appropriations	157	462	416	1 804
Profit before tax	396	416	560	2 336
Tax	-84	-49	-121	-417
Profit for the period	313	367	439	1 919

		Quarter		Full year
Statement of comprehensive income, SEKm	1-21	4-20	1-20	2020
Profit for the period	313	367	439	1 919
Other comprehensive income				
Cash flow hedging	-222	423	-740	272
Tax attributable to other comprehensive income	46	-87	158	-55
Items that will be reclassified to profit for the period	-177	336	-582	218
Total comprehensive income	136	703	-143	2 137

	2021	2020
Balance sheet, SEKm	31 Mar	31 Dec
Non-current assets	17 933	18 119
Current assets	5 915	5 379
Total assets	23 848	23 498
Restricted equity	5 915	5 915
Non-restricted equity	6 450	6 314
Untaxed reserves	2 414	2 354
Provisions	1 352	1 405
Liabilities	7 717	7 511
Total equity and liabilities	23 848	23 498

Sales to Group companies accounted for SEK 209 million (20) of operating income for January–March.

Balance sheet appropriations include net group contributions totalling SEK 217 million (595).

The parent company's investments in property, plant and equipment and non-current intangible assets totalled SEK 5 million (20).

Notes

1. Accounting policies

This report has been prepared in accordance with the Swedish Annual Accounts Act and Securities Market Act, and, for the Group, in accordance with IAS 34 Interim Financial Reporting. The parent company and the Group's accounting policies are unchanged from the latest published annual report. The figures in tables are rounded off.

2. Forest assets

The Group's forest assets are recognised at fair value based on the transaction prices for forest properties in those areas where the Group has forest land. Valuation is usually carried out at the end of the year. The total value of the forest assets is allocated across growing trees and forest land. The value of the growing trees, which are recognised in accordance with IAS 41 biological assets, is determined by calculating the present value of expected cash flows and is updated regularly during the year. Changes in value are recognised in the income statement. The value of forest land is recognised in accordance with IAS 16 and is updated when the total value of forest assets is calculated, as well as with acquisitions and disposals. Changes in value are recognised in other comprehensive income.

The value of the biological assets at 31 March was SEK 28 796 million (31 Dec. 2020: 28 663). The change in value of biological assets, calculated as the net of the change as a result of harvesting and the unrealised change in fair value, totalled SEK 133 million in the first quarter and is recognised in the Group's operating profit. The recognised value of forest land at 31 March was SEK 14 545 million (31 Dec. 2020: 14 538).

3. External net sales by market

	Forest	Paperboard	Paper	Wood Products	Renewable Energy	Group
Jan-Mar 2021						
Scandinavia	641	48	90	521	135	1 436
Rest of Europe	8	1 149	907	316	-	2 380
Asia	-	290	196	53	-	539
Rest of the world	-	126	90	130	-	348
Total Net sales	649	1 614	1 284	1 020	135	4 703

	Forest	Paperboard	Paper	Wood Products	Renewable Energy	Group
Jan-Mar 2020						
Scandinavia	765	55	160	155	124	1 259
Rest of Europe	5	1 312	1 051	163	-	2 530
Asia	-	281	165	35	-	481
Rest of the world	-	58	69	101	-	228
Total Net sales	769	1 706	1 445	455	124	4 499

4. Composition of share capital

Share structure	Votes	No. of shares	No. of votes	Quotient value	SEKm
A share	10	45 246 468	452 464 680	26	1 180
B share	1	117 265 856	117 265 856	26	3 058
Total number of shares		162 512 324	569 730 536		4 238
Holding of own B shares bought back		-586 639	-586 639		
Total number of shares issued		161 925 685	569 143 897		

5. Financial instruments

SEKm	Carrying amount		Fair value	
	2021 31 Mar	2020 31 Dec	2021 31 Mar	2020 31 Dec
Assets at fair value	391	577	391	577
Assets at acquisition cost	3 111	2 669	3 111	2 669
Liabilities at fair value	176	88	176	88
Liabilities at acquisition cost	6 868	7 002	6 868	7 002

Holmen measures financial instruments at fair value or acquisition cost in the balance sheet depending on classification. In addition to items in net financial debt, with the exception of the pension liability and liabilities related to right-of-use assets, financial instruments include trade receivables and trade payables. Financial instruments measured at fair value in the balance sheet belong to measurement level 2 pursuant to IFRS 13.

6. Alternative performance measures

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

Earnings measures

Operating profit is the principal measure of earnings that is used to monitor financial performance. This includes all income and costs except for financial items and tax. Depreciation/amortisation of non-current assets is also included. EBITDA (earnings before interest, taxes, depreciation and amortisation) is used as a supplementary measure. To clarify how these earnings measures are affected by matters outside normal business operations, such as impairment, closure, major restructuring measures and alterations to assumptions in the valuation of biological assets, the term 'items affecting comparability' is used. The purpose is also to increase comparability between different periods. The effects of maintenance and rebuilding shutdowns are not treated as an item affecting comparability. A description of the items that are recognised as affecting comparability in previous periods is provided on page 88 of Holmen's annual report for 2020.

SEKm	Quarter		Full year	
	1-21	4-20	1-20	2020
EBITDA	1 161	900	912	3 651
Depreciation and amortisation according to plan	-312	-305	-285	-1 172
Operating profit	849	595	628	2 479

Measure of margin, return and indebtedness

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

SEKm	2021 31 Mar	2020 31 Dec
Fixed assets*	55 059	54 984
Working capital**	2 441	2 281
Deferred tax assets	1	1
Deferred tax liabilities	-10 597	-10 570
Capital employed	46 903	46 697

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

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

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

	2021	2020
SEKm	31 Mar	31 Dec
Non-current financial liabilities	3 917	3 919
Non-current liabilities relating to right-of-use assets	168	175
Current financial liabilities	288	605
Current liabilities relating to right-of-use assets	103	112
Pension provisions	10	48
Non-current financial receivables	-291	-290
Current financial receivables	-42	-43
Cash and cash equivalents	-429	-346
Net financial debt	3 724	4 181

7. Transactions with related parties

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

8. Material risks and uncertainties

The Group's and the parent company's material risks and uncertainties relate primarily to changes in demand and the prices of its products, the cost of key input goods, and changes in exchange rates. For a more detailed description of material risks and uncertainties see Holmen's annual report for 2020, pages 41–45 and note 26.

Group

	2021		2020		Full year	
Quarterly figures, SEKm	Q1	Q4	Q3	Q2	Q1	2020
Income statement						
Net sales	4 703	4 249	3 727	3 853	4 499	16 327
Operating costs	-3 676	-3 514	-2 884	-3 142	-3 710	-13 250
Change in value of forests	133	167	166	121	124	579
Profit from investments in associates and joint ventures	2	-3	-3	1	0	-6
EBITDA	1 161	900	1 005	833	912	3 651
Depreciation and amortisation according to plan	-312	-305	-291	-291	-285	-1 172
Operating profit	849	595	714	542	628	2 479
Net financial items	-10	-11	-9	-11	-10	-42
Profit before tax	839	584	705	531	618	2 437
Tax	-164	-72	-140	-119	-127	-458
Profit for the period	675	512	565	411	491	1 979
Earnings per share, SEK	4.2	3.2	3.5	2.5	3.0	12.2
Net sales						
Forest	1 658	1 456	1 306	1 432	1 690	5 883
Paperboard	1 614	1 439	1 506	1 537	1 706	6 187
Paper	1 284	1 176	1 151	1 107	1 445	4 879
Wood Products	1 020	922	423	422	455	2 222
Renewable Energy	135	99	79	75	124	378
Elimination of intra-group net sales	-1 007	-843	-739	-720	-920	-3 222
Group	4 703	4 249	3 727	3 853	4 499	16 327
EBITDA by business area						
Forest	382	354	355	382	331	1 422
Paperboard	376	298	404	361	302	1 366
Paper	56	77	161	36	180	454
Wood Products	265	162	75	44	28	309
Renewable Energy	114	54	44	43	102	242
Group-wide	-31	-45	-34	-33	-32	-143
Group	1 161	900	1 005	833	912	3 651
Operating profit/loss by business area						
Forest	364	334	342	370	322	1 367
Paperboard	236	165	266	218	163	812
Paper	-37	-13	63	-60	83	73
Wood Products	218	116	47	19	4	185
Renewable Energy	107	46	37	37	95	215
Group-wide	-39	-52	-42	-41	-39	-174
Group	849	595	714	542	628	2 479
Operating margin, %						
Paperboard	14.6	11.5	17.7	14.2	9.6	13.1
Paper	-2.9	-1.1	5.5	-5.4	5.8	1.5
Wood Products	21.3	12.5	11.2	4.4	0.8	8.3
Group	18.0	14.0	19.2	14.1	14.0	15.2
Return on capital employed, %						
Forest	4.2	4.1	4.3	4.8	5.5	4.1
Paperboard	16.1	14.6	14.9	11.9	8.6	14.6
Paper	neg	3.7	9.8	13.8	22.7	3.7
Wood Products	36.8	16.9	6.3	0.1	1.1	16.9
Renewable Energy	7.0	6.8	7.8	8.1	11.1	6.8
Group	6.0	5.6	5.9	6.2	7.1	5.6
Key indicators						
Return on equity, %	5.2	4.8	5.0	5.2	6.1	4.8
Deliveries						
Own forests, '000 m ³	653	677	644	768	753	2 841
Paperboard, '000 tonnes	145	128	134	135	147	544
Paper, '000 tonnes	257	221	209	198	257	883
Wood products, '000 m ³	372	379	203	224	247	1 052
Own production of hydro and wind power, GWh	369	342	318	318	374	1 352

Group

Full year review, SEKm	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Income statement										
Net sales	16 327	16 959	16 055	16 133	15 513	16 014	15 994	16 231	17 852	18 656
Operating costs	-13 250	-13 961	-12 984	-13 379	-12 626	-13 348	-13 270	-13 919	-15 224	-15 501
Change in value of forests	579	487	425	415	315	267	282	264	350	-
Profit from investments in associates and joint ventures	-6	-	-9	-12	-22	7	-7	3	47	84
EBITDA	3 651	3 486	3 488	3 157	3 179	2 940	2 999	2 579	3 026	3 239
Depreciation and amortisation according to plan	-1 172	-1 141	-1 012	-991	-1 018	-1 240	-1 265	-1 370	-1 313	-1 260
Operating profit excl. items affecting comparability	2 479	2 345	2 476	2 166	2 162	1 700	1 734	1 209	1 713	1 980
Items affecting comparability	-	8 770	-94	-	-232	-931	-450	-140	-193	3 593
Operating profit	2 479	11 115	2 382	2 166	1 930	769	1 284	1 069	1 520	5 573
Net financial items	-42	-34	-25	-53	-71	-90	-147	-198	-227	-244
Profit before tax	2 437	11 081	2 356	2 113	1 859	679	1 137	871	1 294	5 328
Tax	-458	-2 351	-89	-445	-436	-120	-230	-160	559	-1 374
Profit for the year	1 979	8 731	2 268	1 668	1 424	559	907	711	1 853	3 955
Diluted earnings per share, SEK	12.2	52.6	13.5	9.9	8.5	3.4	5.4	4.3	11.1	23.6
EBITDA by business area*										
Forest	1 422	1 217	1 216	1 099	1 030	935	845	958	964	769
Paperboard	1 366	996	1 196	1 257	1 382	1 346	1 161	878	959	1 186
Paper	454	891	665	627	669	514	725	429	862	1 002
Wood Products	309	159	337	165	80	86	160	45	-10	-26
Renewable Energy	242	362	205	159	143	198	233	391	374	425
Group-wide	-143	-140	-132	-149	-124	-138	-126	-121	-123	-116
Group	3 651	3 486	3 488	3 157	3 179	2 940	2 999	2 579	3 026	3 239
Operating profit by business area*										
Forest	1 367	1 172	1 185	1 069	1 001	905	817	924	931	739
Paperboard	812	435	689	764	903	847	674	433	596	863
Paper	73	509	329	288	289	-74	141	-309	94	228
Wood Products	185	62	246	80	-3	9	37	-75	-130	-136
Renewable Energy	215	336	181	135	120	176	212	371	355	406
Group-wide	-174	-168	-154	-170	-148	-163	-146	-136	-132	-120
Group	2 479	2 345	2 476	2 166	2 162	1 700	1 734	1 209	1 713	1 980
Deliveries										
Own forests, '000 m ³	2 841	2 699	2 816	2 883	2 945	3 132	3 207	3 361	3 085	2 850
Paperboard, '000 tonnes	544	538	525	526	497	499	493	469	485	474
Paper, '000 tonnes	883	996	1 036	1 117	1 134	1 325	1 305	1 574	1 651	1 668
Wood products, '000 m ³	1 052	879	828	852	776	730	725	686	660	487
Own production of hydro and wind power, GWh	1 352	1 109	1 145	1 169	1 080	1 441	1 113	1 041	1 353	1 235
Balance sheet										
Forest assets	43 202	41 345	18 701	17 971	17 595	17 340	17 032	16 654	16 344	15 871
Other non-current assets	11 784	10 781	10 586	10 780	11 106	12 184	13 189	13 998	14 320	14 463
Current assets	6 878	6 264	6 845	5 710	5 852	5 607	5 964	5 774	6 005	6 642
Financial receivables	679	950	781	430	338	325	249	327	377	240
Total assets	62 543	59 340	36 912	34 891	34 891	35 456	36 434	36 753	37 046	37 217
Equity	42 516	40 111	23 453	22 035	21 243	20 853	20 969	20 854	20 813	19 773
Deferred tax liability	10 570	10 299	5 839	5 650	5 613	5 508	5 480	5 804	5 504	6 630
Financial liabilities and interest-bearing provisions	4 860	4 732	3 587	3 366	4 283	5 124	6 156	6 443	6 967	6 499
Operating liabilities	4 597	4 196	4 033	3 840	3 752	3 971	3 829	3 653	3 762	4 313
Total equity and liabilities	62 543	59 340	36 912	34 891	34 891	35 456	36 434	36 753	37 046	37 217
Cash flow										
Operating activities	2 457	2 884	2 286	2 509	1 961	2 526	2 176	2 011	2 254	2 101
Investing activities**	-1 924	-1 050	-1 005	-644	-123	-824	-815	-872	-1 957	-1 791
Cash flow after investments	533	1 834	1 281	1 865	1 838	1 702	1 361	1 139	297	310
Key indicators										
Return on capital employed, %*	6	9	10	9	9	6	6	4	7	9
Return on equity, %*	5	8	10	8	8	7	6	4	6	8
Debt/equity ratio, %	10	9	12	13	19	23	28	29	32	32
Dividend										
Ordinary dividend, SEK	7.25	3.5	6.75	6.5	6	5.25	5	4.5	4.5	4
Extra dividend, SEK	3.5	-	-	-	-	-	-	-	-	-

*Excl. items affecting comparability

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

Holmen in brief

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

Press and analyst conference

On the publication of the interim report, a webcast press and analyst conference will be held at 14.30 CET on Thursday 29 April. Holmen President and CEO Henrik Sjölund, together with Executive Vice President and CFO Anders Jernhall, will present and comment on the report. The presentation will be held in English.

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

www.holmen.com/reports

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

Within Sweden:	+46 8 505 583 69
From the rest of Europe:	+44 333 300 92 62
From the US:	+1 833 823 05 89

Financial reports

19 August 2021	Interim report January-June 2021
22 October 2021	Interim report January-September 2021
28 January 2022	Year-end report 2021

This information such that Holmen AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 11.45 CEST on Thursday, 29 April 2021.

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