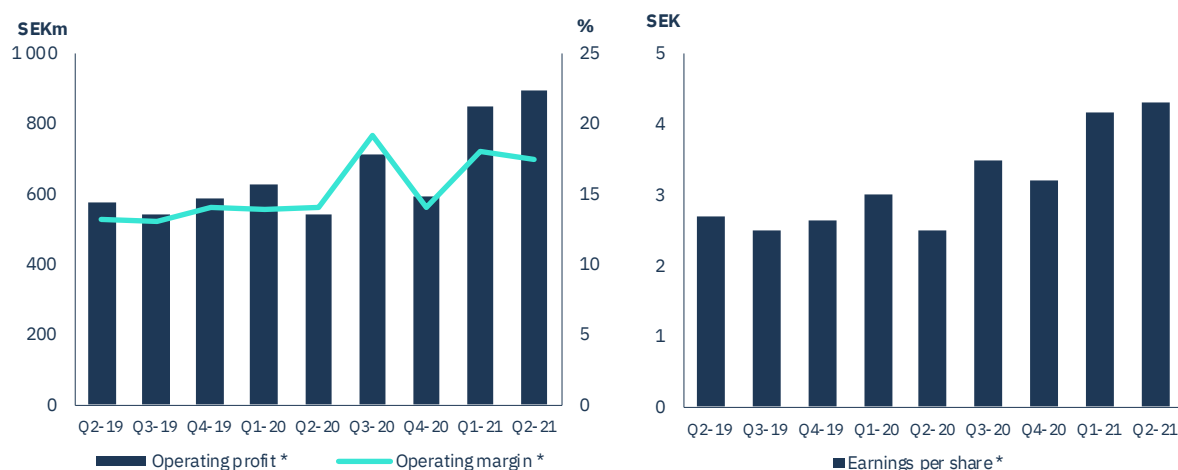


HOLMEN

Holmen Interim Report January–June 2021

SEKm	Quarter			Jan-Jun	Full year	
	2-21	1-21	2-20	2021	2020	2020
Net sales	5 129	4 703	3 853	9 832	8 352	16 327
Operating profit	898	849	542	1 747	1 170	2 479
Profit after tax	698	675	411	1 373	902	1 979
Earnings per share, SEK	4.3	4.2	2.5	8.5	5.6	12.2
Operating margin, %	18	18	14	18	14	15
Cash flow before investments and change in working capital	1 019	672	693	1 691	1 307	2 411
Debt/equity ratio, %	11	9	7	11	7	10

- Operating profit for January–June was SEK 1 747 million (January–June 2020: 1 170). The increase in profit was due to higher prices for wood products and the growth of the wood products business through the acquisition of Martinsons and the expansion of Braviken Sawmill.
- Despite an extensive maintenance shutdown within paperboard, profit increased in the second quarter compared with the first quarter by SEK 49 million to SEK 898 million as a result of higher wood product prices.
- Profit after tax for January–June amounted to SEK 1 373 million (902), which corresponds to earnings per share of SEK 8.5 (5.6).



*Excl. items affecting comparability

CEO comments

Despite an extensive maintenance shutdown within paperboard, profit for the quarter increased from an already high level to SEK 898 million, driven by a strong wood products market. Our sales in wood products have tripled the past year thanks to an acquisition and organic growth, as well as rising prices.

The strong wood products market has entailed high competition for logs with rising prices, while the pulpwood market is more balanced. Profit from forest decreased to SEK 296 million from a high level the previous quarter. Our position in the wood market is strong and provides us with good opportunities to continue to develop our industries.

The market for paperboard for consumer packaging has progressed well with good demand in both Europe and Asia. The sales mix continued to be good, but as a result of a major maintenance shutdown in Workington profit for the quarter was low at SEK 44 million. During the start-up after the shutdown, the turbine at the mill's biofuel boiler was damaged and will be out of service until the beginning of next year. While paperboard production will not be affected, the situation will result in increased costs that are expected to be covered by insurance.

The market balance for paper improved in the quarter as a result of capacity reductions. We increased sales, which resulted in a positive result for the quarter of SEK 16 million, despite low prices. Our essentially carbon-free paper production process stands up well against the competition and provides a good basis for further product development.

Demand for wood products remained strong with prices at record levels, although supply chain bottlenecks are disrupting the US housing market. Our volume expansion, combined with the strong market situation, resulted in a very high quarterly profit of SEK 518 million. In a world with increasing demand for sustainable building materials, we see good opportunities to continue growing our wood products business.

The price of electricity was significantly higher than in the previous year due to rising costs of fossil-based electricity generation. At the same time, our hydro power production was higher than normal for the time of year, resulting in a good profit for the quarter of SEK 66 million. Towards the end of the year, we will increase production of wind power through the construction of 26 wind turbines outside Skellefteå. We are optimistic about the potential to develop more wind power on our own land, even if it takes a long time for environmental permit applications to be processed.

We grow houses. From the leftover materials we make renewable packaging, magazines and books in nearly fossil free facilities. We harness the energy that blows through the treetops and that flows in the rivers. We are looking forward to a Europe where everything will carry its true climate cost.

Key figures Q2 2021

Operating profit, SEKm

898

Operating margin, %

18

Debt/equity ratio, %

11

Forest

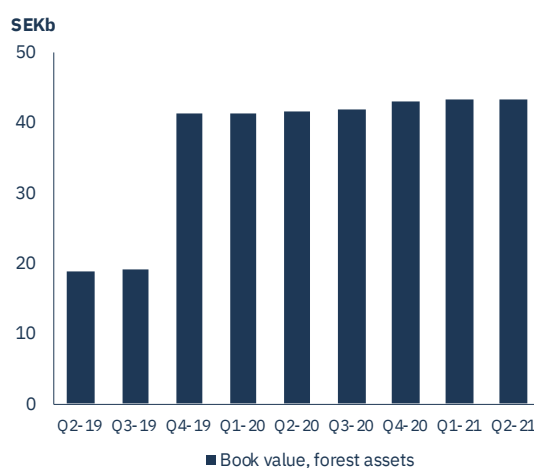
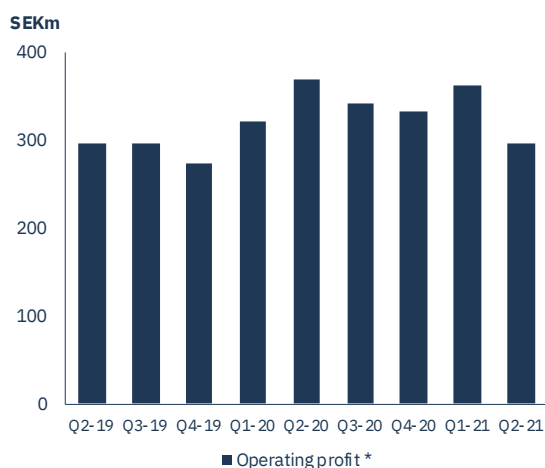
Holmen carries out active and sustainable forestry on over 1 million hectares of its own productive forest land. The annual volume from own forest amounts to 2.8 million m³sub.

	Quarter			Jan-Jun	Full year	
SEKm	2-21	1-21	2-20	2021	2020	2020
Net sales	1 717	1 658	1 432	3 375	3 121	5 883
Of which from own forests	424	306	362	730	706	1 325
Operating costs	-1 471	-1 409	-1 171	-2 879	-2 654	-5 040
Change in biological assets	69	133	121	201	245	579
EBITDA	315	382	382	697	713	1 422
Depreciation and amortisation according to plan	-19	-18	-12	-37	-22	-55
Operating profit	296	364	370	660	692	1 367
Book value, forest assets	43 464	43 340	41 613	43 464	41 613	43 202
Deliveries, own forests, '000 m ³	877	653	768	1 530	1 520	2 841

Demand for logs remained strong in the first half of the year with rising market prices, while demand for pulpwood was normal, with stable prices.

Operating profit for January–June was SEK 660 million (692).

Compared with the first quarter, profit for the second quarter decreased by SEK 68 million to SEK 296 million. Profit for the first quarter was affected from the sale of a forest property.



*Excl. items affecting comparability

Paperboard

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

	Quarter			Jan-Jun	Full year	
SEKm	2-21	1-21	2-20	2021	2020	2020
Net sales	1 588	1 614	1 537	3 202	3 243	6 187
Operating costs	-1 403	-1 238	-1 175	-2 641	-2 579	-4 821
EBITDA	185	376	361	561	664	1 366
Depreciation and amortisation according to plan	-141	-140	-143	-281	-283	-554
Operating profit	44	236	218	280	381	812
Investments	126	80	37	205	115	275
Capital employed	5 239	5 329	5 577	5 239	5 577	5 276
EBITDA margin, %	12	23	24	18	20	22
Operating margin, %	3	15	14	9	12	13
Return on capital employed, %				11	14	15
Production, '000 tonnes	128	139	139	267	275	551
Deliveries, '000 tonnes	138	145	135	282	282	544

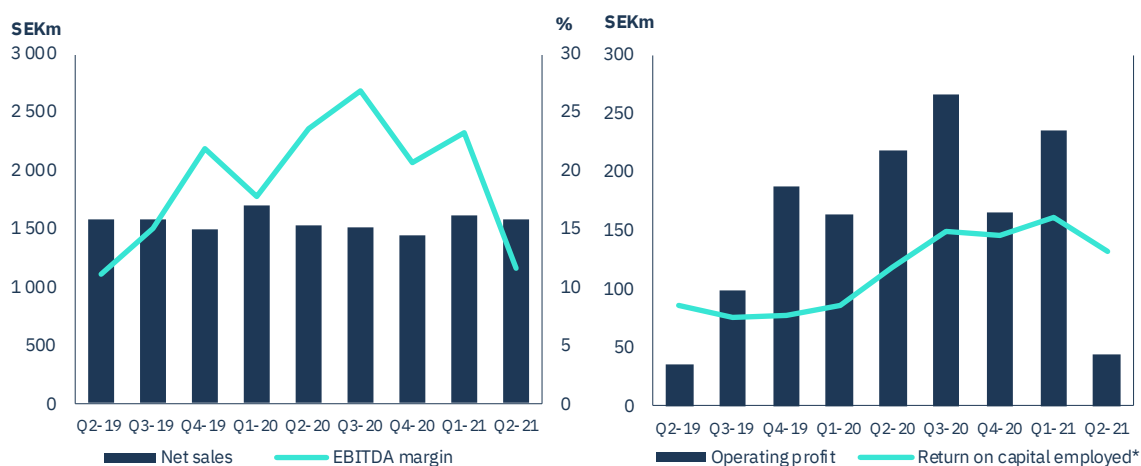
Demand for paperboard remained high in the second quarter and European consumption of fresh fibre board increased by 4 per cent for the year compared with 2020.

Operating profit for January–June was SEK 280 million (381). In the second quarter, a major maintenance shutdown was carried out at the Workington mill, which had a negative impact on profit of SEK 170 million in direct costs, production losses and higher energy costs.

Compared with the first quarter, profit for the second quarter decreased by SEK 192 million to SEK 44 million as a result of the maintenance shutdown at Workington.

The turbine in the biofuel boiler at Workington was damaged during the start-up after the maintenance shutdown at the end of June and is expected to be out of service until the beginning of next year. While paperboard production will not be affected, there will be increased costs which are expected to be covered by insurance with a deductible of SEK 35 million.

In the third quarter, Iggesund Mill will have its annual maintenance shutdown, which is expected to negatively affect earnings by SEK 130 million.



*Twelve-month rolling average

Paper

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

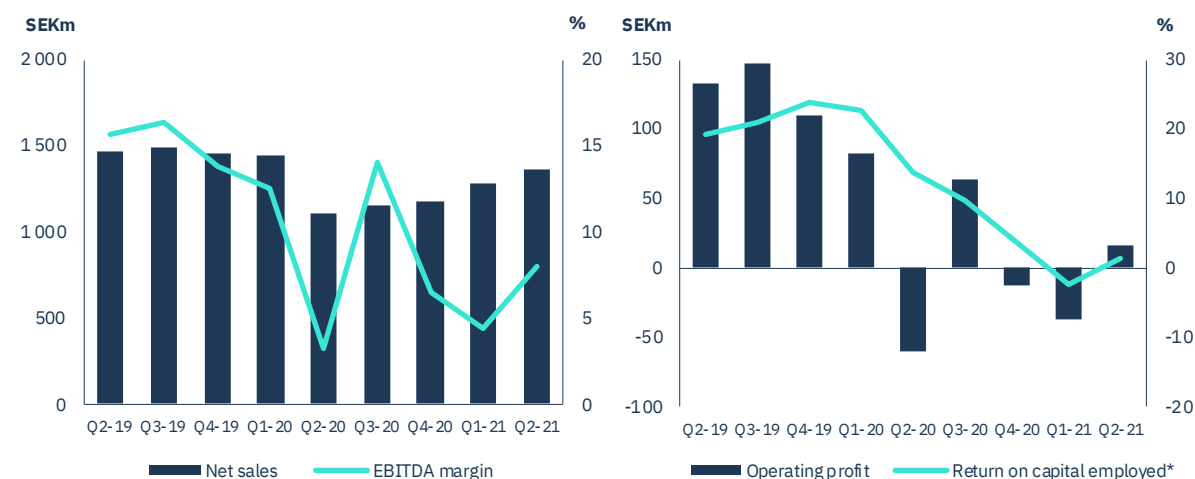
	Quarter			Jan-Jun	Full year	
SEKm	2-21	1-21	2-20	2021	2020	2020
Net sales	1 360	1 284	1 107	2 644	2 552	4 879
Operating costs	-1 251	-1 227	-1 071	-2 478	-2 336	-4 424
EBITDA	109	56	36	166	216	454
Depreciation and amortisation according to plan	-93	-93	-96	-186	-193	-381
Operating profit	16	-37	-60	-21	23	73
Investments	33	33	97	66	159	280
Capital employed	1 943	2 022	1 996	1 943	1 996	1 969
EBITDA margin, %	8	4	3	6	8	9
Operating margin, %	1	-3	-5	-1	1	2
Return on capital employed, %				neg	2	4
Production, '000 tonnes	257	249	183	506	448	891
Deliveries, '000 tonnes	263	257	198	520	454	883

The market balance in Europe improved in the second quarter as a result of capacity reductions.

Prices were unchanged after a decrease at the beginning of the year.

Operating profit for January–June was SEK -21 million (23). The decrease in earnings was due to lower selling prices, which were largely offset by increased deliveries and reduced costs.

Compared with the first quarter, profit for the second quarter improved by SEK 53 million to SEK 16 million due to a better product mix and a return to full production.



*Twelve-month rolling average

Wood Products

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

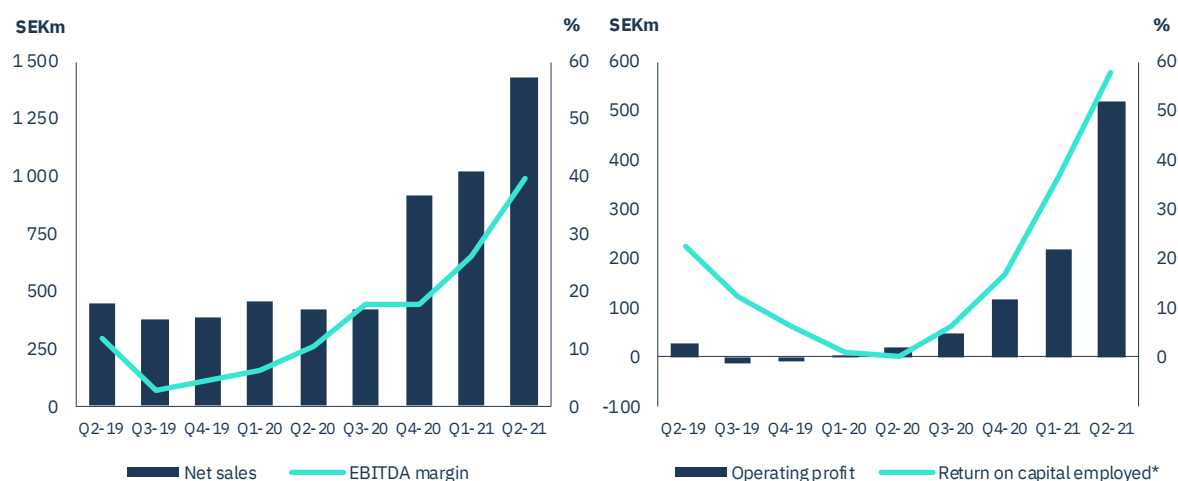
	Quarter			Jan-Jun	Full year	
SEKm	2-21	1-21	2-20	2021	2020	2020
Net sales	1 431	1 020	422	2 451	877	2 222
Operating costs	-864	-756	-379	-1 620	-805	-1 913
EBITDA	566	265	44	830	72	309
Depreciation and amortisation according to plan	-48	-47	-25	-95	-50	-124
Operating profit	518	218	19	736	22	185
Investments	50	54	26	104	64	107
Capital employed	2 057	1 914	1 007	2 057	1 007	1 846
EBITDA margin, %	40	26	10	34	8	14
Operating margin, %	36	21	4	30	3	8
Return on capital employed, %				76	4	17
Production, '000 m ³	394	373	215	767	442	1 021
Deliveries, '000 m ³	406	372	224	779	471	1 052

The market for wood products remained very strong in the second quarter and prices increased to new record highs.

Operating profit for January–June was SEK 736 million (22). The increase in earnings is mainly attributed to higher selling prices, but the acquisition of Martinsons and the expansion of Braviken also contributed positively.

Compared with the first quarter, profit for the second quarter increased by SEK 300 million to SEK 518 million, as a result of 30 per cent higher selling prices and almost 10 per cent higher deliveries.

In the third quarter, production will be limited by the equivalent of about 70 km³ during the holiday period.



Renewable Energy

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

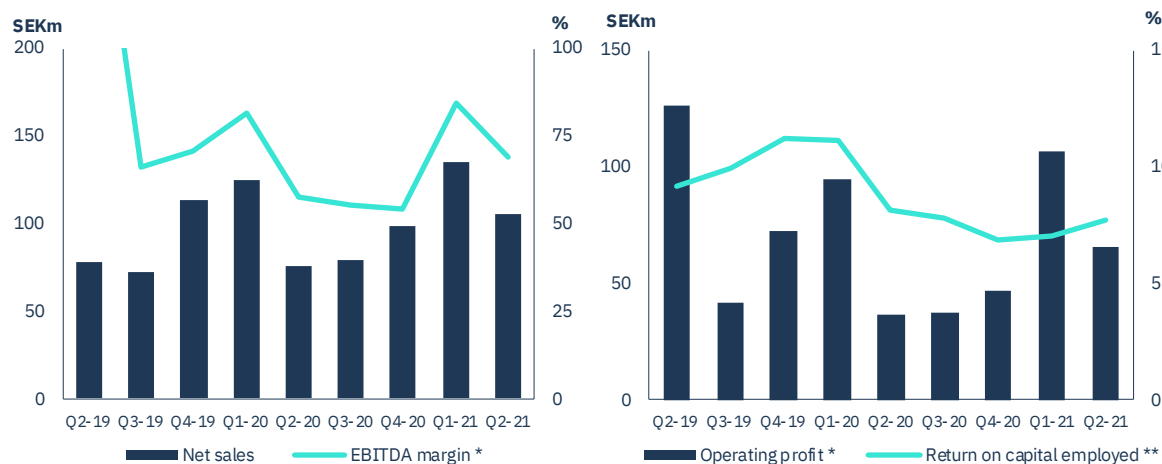
SEKm	Quarter			Jan-Jun	Full year	
	2-21	1-21	2-20	2021	2020	2020
Net sales	106	135	75	240	200	378
Operating costs	-33	-21	-32	-54	-55	-136
Depreciation and amortisation according to plan	-7	-7	-7	-14	-13	-27
Operating profit	66	107	37	173	132	215
Investments	70	14	37	84	51	291
Capital employed	3 422	3 377	3 120	3 422	3 120	3 351
Operating margin, %	62	79	49	72	66	57
Return on capital employed, %				10	9	7
Production hydro and wind power, GWh	297	369	318	666	692	1 352

The price of electricity in Sweden decreased somewhat in the second quarter, but was higher than in the corresponding period the previous year due to rising costs for fossil-based power production.

Operating profit for January–June was SEK 173 million (132). The increase in profit is due to the higher price of electricity.

Compared with the first quarter, profit for the second quarter decreased by SEK 41 million to SEK 66 million. Production decreased seasonally, but was 10 per cent higher than normal for the season. At the end of the quarter, the levels in Holmen's water storage reservoirs were somewhat lower than normal for the time of year.

During the second half of the year, the 26 wind turbines in Blåbergsliden will be built. They are in a normal year are expected to produce 440 GWh. The total investment amounts to SEK 1.3 billion, of which SEK 0.5 billion has been disbursed to date.



*Excl. items affecting comparability

**Twelve-month rolling average

Cash flow, financing and net financial items

Cash flow from operating activities for January–June totalled SEK 1 624 million (1 454) and cash flow from investing activities totalled SEK -462 million (-360). A dividend of SEK 1 741 million (-) was paid in the second quarter.

The Group's net financial debt increased by SEK 607 million to SEK 4 788 million in the first half of the year. Net debt was 11 per cent of equity.

At 30 June the Group's long-term borrowing amounted to SEK 3.9 billion and short-term borrowing was SEK 1.6 billion. Cash and cash equivalents totalled SEK 0.6 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–June totalled SEK -20 million (-21).

Tax

Recognised tax for January–June amounted to SEK -353 million (-247). Recognised tax as a proportion of profit before tax was 20 per cent (21).

Equity

In January–June, the Group's equity decreased by SEK 253 million in to SEK 42 263 million. Profit for the period totalled SEK 1 373 million (902) and other comprehensive income amounted to SEK -110 million (-263). A dividend of SEK 1 741 million has been paid.

Hedging of exchange rates and electricity prices

The Group hedges parts of future estimated net flows in foreign currencies. Operating profit for January–June includes currency hedges of SEK 86 million (-126). For EUR/SEK, more than 2 years of expected net flows are hedged at an average of 10.60. For other currencies, 4–8 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. For 2023, 50 per cent has been hedged while for 2024–2025 the figure is 20 per cent.

Personnel

The average number of employees (FTEs) in the Group was 3 388 (2 792). The increase is due to the acquisition of Martinsons.

The Board of Directors and the Chief Executive Officer hereby confirm that this interim report provides a true and fair view of the parent company's and Group's operations, position and performance, and describes material risks and uncertainties which affects the parent company and Group companies.

Stockholm, 19 August 2021

Holmen AB (publ)

Fredrik Lundberg

Chairman

Carl Bennet

Board member

Lars G Josefsson

Board member

Lars Josefsson

Board member

Alice Kempe

Board member

Louise Lindh

Board member

Ulf Lundahl

Board member

Henriette Zeuchner

Board member

Henrik Sjölund

Board member and
Chief Executive Officer

Steewe Björklundh

Board member,
employee representative

Kenneth Johansson

Board member,
employee representative

Tommy Åsenbrygg

Board member,
employee representative

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

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Group

	Quarter			Jan-Jun	Full year	
Income statement, SEKm	2-21	1-21	2-20	2021	2020	2020
Net sales	5 129	4 703	3 853	9 832	8 352	16 327
Other operating income	248	401	353	649	652	1 339
Change in inventories	-116	-84	-75	-200	-172	-88
Raw materials and consumables	-2 370	-2 438	-2 048	-4 807	-4 519	-8 781
Personnel costs	-741	-692	-604	-1 433	-1 201	-2 411
Other operating costs	-1 005	-864	-768	-1 869	-1 613	-3 310
Change in value of biological assets	69	133	121	201	245	579
Profit from investments in associates and joint ventures	-3	2	1	-1	0	-6
Depreciation and amortisation according to plan	-315	-312	-291	-627	-575	-1 172
Operating profit	898	849	542	1 747	1 170	2 479
Finance income	2	2	3	4	7	11
Finance costs	-13	-12	-15	-25	-28	-53
Profit before tax	887	839	531	1 726	1 149	2 437
Tax	-189	-164	-119	-353	-247	-458
Profit for the period	698	675	411	1 373	902	1 979
Earnings per share, SEK						
Basic	4.3	4.2	2.5	8.5	5.6	12.2
Diluted	4.3	4.2	2.5	8.5	5.6	12.2
Operating margin, %	18	18	14	18	14	15
Return on capital employed, %				7	5	6
Return on equity, %				6	5	5

	Quarter			Jan-Jun	Full year	
Statement of comprehensive income, SEKm	2-21	1-21	2-20	2021	2020	2020
Profit for the period	698	675	411	1 373	902	1 979
Other comprehensive income						
Revaluation of forest land	-	-	-	-	-	1 173
Revaluations of defined benefit pension plans	-1	38	-60	37	-89	-15
Tax attributable to items that will not be reclassified to profit for the period	0	-8	11	-7	17	-239
Items that will not be reclassified to profit for the period	-1	31	-49	30	-72	920
Cash flow hedging	199	-219	627	-20	-110	273
Translation difference on foreign operation	-42	158	-162	115	-119	-187
Hedging of currency risk in foreign operation	6	-33	23	-27	18	29
Share in joint ventures' other comprehensive income	2	-1	-	1	-	16
Tax attributable to items that will be reclassified to profit for the period	-42	52	-139	10	20	-61
Items that will be reclassified to profit for the period	123	-43	349	80	-191	69
Total other comprehensive income after tax	122	-12	300	110	-263	989
Total comprehensive income	820	663	711	1 483	639	2 968

	Jan-Jun	
Change in equity, SEKm	2021	2020
Opening equity	42 516	40 111
Profit for the period	1 373	902
Other comprehensive income	110	-263
Total comprehensive income	1 483	639
Share saving program	5	2
Dividend	-1 741	-
Closing equity	42 263	40 753

Group

	2021	2021	2020
Balance sheet, SEKm	30 Jun	31 Mar	31 Dec
Non-current assets			
Forest assets			
Biological assets	28 915	28 796	28 663
Forest land	14 549	14 545	14 538
Intangible non-current assets	544	549	555
Property, plant and equipment	9 165	9 165	9 226
Right-of-use assets	245	267	284
Investments in associates and joint ventures	1 738	1 736	1 717
Other shares and participating interests	2	1	2
Non-current financial receivables	274	291	290
Deferred tax assets	2	1	1
Total non-current assets	55 434	55 351	55 276
Current assets			
Inventories	3 391	3 471	3 594
Trade receivables	2 665	2 374	2 015
Current tax receivable	36	29	6
Other operating receivables	1 141	1 103	1 262
Current financial receivables	39	42	43
Cash and cash equivalents	643	429	346
Total current assets	7 915	7 448	7 267
Total assets	63 350	62 799	62 543
Equity	42 263	43 179	42 516
Non-current liabilities			
Non-current financial liabilities	3 915	3 917	3 919
Non-current liabilities relating to right-of-use assets	160	168	175
Pension provisions	10	10	48
Other provisions	452	486	491
Deferred tax liabilities	10 685	10 597	10 570
Total non-current liabilities	15 223	15 177	15 203
Current liabilities			
Current financial liabilities	1 570	288	605
Current liabilities relating to right-of-use assets	89	103	112
Trade payables	2 849	2 705	2 496
Current tax liability	103	83	211
Provisions	114	128	163
Other operating liabilities	1 140	1 135	1 235
Total current liabilities	5 864	4 443	4 824
Total liabilities	21 087	19 621	20 026
Total equity and liabilities	63 350	62 799	62 543
Debt/equity ratio, %	11	9	10
Equity/assets ratio, %	67	69	68
Capital employed	47 051	46 903	46 697
Net financial debt	4 788	3 724	4 181

Group

	Quarter			Jan-Jun	Full year	
Cash flow statement, SEKm	2-21	1-21	2-20	2021	2020	2020
Operating activities						
Profit before tax	887	839	531	1 726	1 149	2 437
Adjustments for non-cash items						
Depreciation and amortisation according to plan	315	312	291	627	575	1 172
Change in value of biological assets	-69	-133	-121	-201	-245	-579
Other *	19	-73	-34	-54	4	-49
Paid income taxes	-134	-274	27	-407	-175	-569
Cash flow from operating activities before changes in working capital	1 019	672	693	1 691	1 307	2 411
Cash flow from changes in working capital						
Change in inventories	34	114	91	149	171	195
Change in trade receivables and other operating receivables	-216	-285	101	-501	-155	-44
Change in trade payables and other operating liabilities	192	93	-42	285	131	-105
Cash flow from operating activities	1 029	595	843	1 624	1 454	2 457
Investing activities						
Acquisition of non-current assets	-353	-214	-333	-566	-551	-2 006
Disposal of non-current assets	13	74	54	88	56	82
Change in non-current financial receivables	9	7	135	16	135	141
Cash flow from investing activities	-331	-132	-144	-462	-360	-1 783
Financing activities						
Change in financial liabilities and current financial receivables	1 257	-381	-1 391	875	-857	-241
Dividends paid to the shareholders of the parent company	-1 741	-	-	-1 741	-	-567
Cash flow from financing activities	-484	-381	-1 391	-865	-857	-808
Cash flow for the period	214	82	-692	296	236	-134
Opening cash and cash equivalents	429	346	1 415	346	483	483
Exchange difference in cash and cash equivalents	0	2	-5	1	-1	-4
Closing cash and cash equivalents	643	429	718	643	718	346

	Quarter			Jan-Jun	Full year	
Change in net financial debt, SEKm	2-21	1-21	2-20	2021	2020	2020
Opening net financial debt	-3 724	-4 181	-3 509	-4 181	-3 784	-3 784
Acquisition	-	-	-	-	-	-187
Cash flow from operating activities	1 029	595	843	1 624	1 454	2 457
Cash flow from investing activities (excl financial receivables)	-340	-139	-279	-478	-496	-1 924
Dividends paid	-1 741	-	-	-1 741	-	-567
Liabilities arising from new right-of-use agreements	-6	-9	-15	-15	-104	-163
Revaluations of defined benefit pension plans	0	35	-63	35	-87	-14
Foreign exchange effects and changes in fair value	-7	-25	36	-32	31	1
Closing net financial debt	-4 788	-3 724	-2 986	-4 788	-2 986	-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			Jan-Jun	Full year	
Income statement, SEKm	2-21	1-21	2-20	2021	2020	2020
Operating income	4 959	4 480	3 556	9 438	7 684	14 877
Operating costs	-4 431	-4 197	-3 569	-8 628	-7 540	-14 545
Operating profit	528	282	-13	810	144	332
Net financial items	376	-43	220	333	207	199
Profit after net financial items	904	239	208	1 143	351	531
Appropriations	142	157	737	299	1 153	1 804
Profit before tax	1 046	396	945	1 443	1 504	2 336
Tax	-139	-84	-161	-223	-282	-417
Profit for the period	907	313	784	1 220	1 223	1 919

	Quarter			Jan-Jun	Full year	
Statement of comprehensive income, SEKm	2-21	1-21	2-20	2021	2020	2020
Profit for the period	907	313	784	1 220	1 223	1 919
Other comprehensive income						
Cash flow hedging	201	-222	630	-22	-110	272
Tax attributable to other comprehensive income	-41	46	-135	4	24	-55
Items that will be reclassified to profit for the period	159	-177	495	-17	-86	218
Total comprehensive income	1 067	136	1 279	1 203	1 136	2 137

	2021	2021	2020
Balance sheet, SEKm	30 Jun	31 Mar	31 Dec
Non-current assets	18 211	17 933	18 119
Current assets	6 503	5 915	5 379
Total assets	24 715	23 848	23 498
Restricted equity	5 915	5 915	5 915
Non-restricted equity	5 781	6 450	6 314
Untaxed reserves	2 591	2 414	2 354
Provisions	1 341	1 352	1 405
Liabilities	9 087	7 717	7 511
Total equity and liabilities	24 715	23 848	23 498

Sales to Group companies accounted for SEK 441 million (45) of operating income in January–June.

Balance sheet appropriations include net group contributions totalling SEK 537 million (1 266).

The parent company's investments in property, plant and equipment and non-current intangible assets totalled SEK 31 million (35).

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 30 June was SEK 28 915 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 201 million for the period January-June and is recognised in the Group's operating profit. The recognised value of forest land at 30 June was SEK 14 549 million (31 Dec. 2020: 14 538).

3. External net sales by market

	Forest	Paperboard	Paper	Wood Products	Renewable Energy	Group
Jan-Jun 2021						
Scandinavia	1 296	105	184	1 261	239	3 085
Rest of Europe	-	2 259	1 886	734	-	4 878
Asia	-	598	388	120	-	1 106
Rest of the world	-	240	187	336	-	763
Total Net sales	1 296	3 202	2 644	2 451	239	9 832

	Forest	Paperboard	Paper	Wood Products	Renewable Energy	Group
Jan-Jun 2020						
Scandinavia	1 481	95	282	337	200	2 395
Rest of Europe	-	2 345	1 841	292	-	4 478
Asia	-	644	299	82	-	1 025
Rest of the world	-	159	130	166	-	455
Total Net sales	1 481	3 243	2 552	877	200	8 352

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 30 Jun	2020 31 Dec	2021 30 Jun	2020 31 Dec
Assets at fair value	543	577	543	577
Assets at acquisition cost	3 602	2 669	3 602	2 669
Liabilities at fair value	84	88	84	88
Liabilities at acquisition cost	8 315	7 002	8 315	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			Jan-Jun		Full year
	2-21	1-21	2-20	2021	2020	2020
EBITDA	1 213	1 161	833	2 374	1 745	3 651
Depreciation and amortisation according to plan	-315	-312	-291	-627	-575	-1 172
Operating profit	898	849	542	1 747	1 170	2 479

Measure of margin, return and indebtedness

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

SEKm	2021 30 Jun	2021 31 Mar	2020 31 Dec
Fixed assets*	55 159	55 059	54 984
Working capital**	2 575	2 441	2 281
Deferred tax assets	2	1	1
Deferred tax liabilities	-10 685	-10 597	-10 570
Capital employed	47 051	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	2021	2020
SEKm	30 Jun	31 Mar	31 Dec
Non-current financial liabilities	3 915	3 917	3 919
Non-current liabilities relating to right-of-use assets	160	168	175
Current financial liabilities	1 570	288	605
Current liabilities relating to right-of-use assets	89	103	112
Pension provisions	10	10	48
Non-current financial receivables	-274	-291	-290
Current financial receivables	-39	-42	-43
Cash and cash equivalents	-643	-429	-346
Net financial debt	4 788	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

Quarterly figures, SEKm	2021			2020			Jan-Jun	Full year	
	Q2	Q1	Q4	Q3	Q2	Q1	2021	2020	2020
Income statement									
Net sales	5 129	4 703	4 249	3 727	3 853	4 499	9 832	8 352	16 327
Operating costs	-3 982	-3 676	-3 514	-2 884	-3 142	-3 710	-7 659	-6 852	-13 250
Change in value of forests	69	133	167	166	121	124	201	245	579
Profit from investments in associates and joint ventures	-3	2	-3	-3	1	0	-1	0	-6
EBITDA	1 213	1 161	900	1 005	833	912	2 374	1 745	3 651
Depreciation and amortisation according to plan	-315	-312	-305	-291	-291	-285	-627	-575	-1 172
Operating profit	898	849	595	714	542	628	1 747	1 170	2 479
Net financial items	-11	-10	-11	-9	-11	-10	-20	-21	-42
Profit before tax	887	839	584	705	531	618	1 726	1 149	2 437
Tax	-189	-164	-72	-140	-119	-127	-353	-247	-458
Profit for the period	698	675	512	565	411	491	1 373	902	1 979
Earnings per share, SEK	4.3	4.2	3.2	3.5	2.5	3.0	8.5	5.6	12.2
Net sales									
Forest	1 717	1 658	1 456	1 306	1 432	1 690	3 375	3 121	5 883
Paperboard	1 588	1 614	1 439	1 506	1 537	1 706	3 202	3 243	6 187
Paper	1 360	1 284	1 176	1 151	1 107	1 445	2 644	2 552	4 879
Wood Products	1 431	1 020	922	423	422	455	2 451	877	2 222
Renewable Energy	106	135	99	79	75	124	240	200	378
Elimination of intra-group net sales	-1 072	-1 007	-843	-739	-720	-920	-2 080	-1 641	-3 222
Group	5 129	4 703	4 249	3 727	3 853	4 499	9 832	8 352	16 327
EBITDA by business area									
Forest	315	382	354	355	382	331	697	713	1 422
Paperboard	185	376	298	404	361	302	561	664	1 366
Paper	109	56	77	161	36	180	166	216	454
Wood Products	566	265	162	75	44	28	830	72	309
Renewable Energy	73	114	54	44	43	102	187	145	242
Group-wide	-35	-31	-45	-34	-33	-32	-66	-65	-143
Group	1 213	1 161	900	1 005	833	912	2 374	1 745	3 651
Operating profit/loss by business area									
Forest	296	364	334	342	370	322	660	692	1 367
Paperboard	44	236	165	266	218	163	280	381	812
Paper	16	-37	-13	63	-60	83	-21	23	73
Wood Products	518	218	116	47	19	4	736	22	185
Renewable Energy	66	107	46	37	37	95	173	132	215
Group-wide	-42	-39	-52	-42	-41	-39	-81	-80	-174
Group	898	849	595	714	542	628	1 747	1 170	2 479
Operating margin, %									
Paperboard	3	15	11	18	14	10	9	12	13
Paper	1	-3	-1	6	-5	6	-1	1	2
Wood Products	36	21	13	11	4	1	30	3	8
Group	18	18	14	19	14	14	18	14	15
Return on capital employed, %									
Forest							4	4	4
Paperboard							11	14	15
Paper							neg	2	4
Wood Products							76	4	17
Renewable Energy							10	9	7
Group							7	5	6
Key indicators									
Return on equity, %							6	5	5
Deliveries									
Own forests, '000 m³	877	653	677	644	768	753	1 530	1 520	2 841
Paperboard, '000 tonnes	138	145	128	134	135	147	282	282	544
Paper, '000 tonnes	263	257	221	209	198	257	520	454	883
Wood products, '000 m³	406	372	379	203	224	247	779	471	1 052
Own production of hydro and windpower, GWh	297	369	342	318	318	374	666	692	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 m³	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 m³	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 19 August. Holmen President and CEO Henrik Sjölund, together with Executive Vice President and CFO Anders Jernhall, will present and comment on the report. The presentation will be held in English.

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

www.holmen.com/rapporter

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

Within Sweden:	+46 8 519 993 83
From the rest of Europe:	+44 3 333 009 034
From the US:	+1 833 823 05 89

Financial reports

22 October 2021	Interim report January–September 2021
28 January 2022	Year-end report 2021
27 April 2022	Interim report January–March 2022
18 August 2022	Interim report January–June 2022
19 October 2022	Interim report January–September 2022

This information such that Holmen AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act (2007:528). The information was submitted for publication, through the agency of the contact person set out above, at 12.15 CEST on Thursday, 19 August 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.