

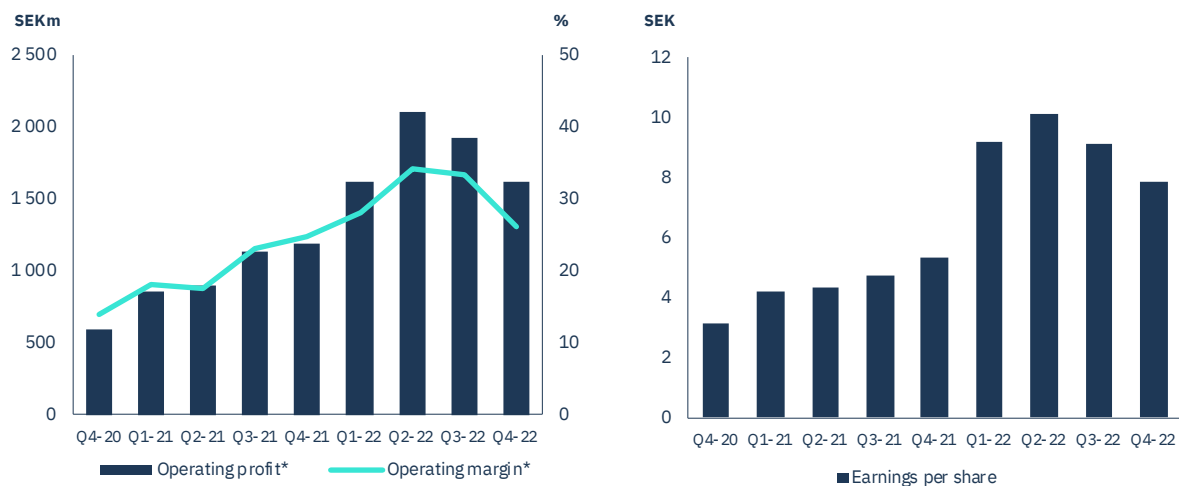
HOLMEN

Holmen's year-end report 2022

SEKm	Quarter			Full year	
	4-22	3-22	4-21	2022	2021
Net sales	6 245	5 784	4 770	23 952	19 479
Operating profit excl. item affecting comparability	1 622	1 921	1 185	7 262	4 061
Operating profit	1 622	1 921	1 006	7 527	3 731
Profit after tax	1 268	1 482	868	5 874	3 004
Earnings per share, SEK	7.8	9.1	5.4	36.3	18.5
Operating margin, %*	26	33	25	30	21
Book value, forest assets, SEKm	52 151	47 602	47 080	52 151	47 080
Cash flow before investments and change in working capital	985	1 662	704	6 768	3 375
Debt/equity ratio, %	4	5	9	4	9

*Excl. item affecting comparability; see page 15.

- Operating profit for 2022 amounted to SEK 7 527 million (2021: 3 731). Excluding item affecting comparability, operating profit increased by SEK 3 201 million to SEK 7 262 million due to higher selling prices for paper and paperboard, while cost inflation was limited by a high level of wood and energy self-sufficiency.
- Compared with the third quarter, operating profit for the fourth quarter decreased by SEK 299 million to SEK 1 622 million. A major maintenance shutdown had a SEK 250 million negative impact on fourth-quarter earnings.
- Profit after tax in 2022 amounted to SEK 5 874 million (3 004), which corresponds to earnings per share of SEK 36.3 (18.5).
- Prices for forest properties continued to increase in 2022, which meant that the book value of the Group's forest assets during the annual revaluation increased by 11 per cent from SEK 47 080 million at the beginning of the year to SEK 52 151 million.
- The Board of Directors proposes an ordinary dividend of SEK 8 per share and an extra dividend of SEK 8 per share.



*Excl. items affecting comparability.

CEO comments

2022 has been characterized by the energy crisis in Europe and the war in Ukraine, while the world's central banks struggled with high inflation driven by shortages of raw materials. With our own forest and energy production as a foundation, we at Holmen have been able to advance our positions in several segments, despite the uncertain environment, with earnings surging above SEK 7 billion. This is a record result. In light of the solid earnings development and our strong financial position, the Board of Directors proposes that the dividend per share be increased from SEK 7.5 to SEK 8, and the payment of an extra dividend of SEK 8.

Despite a weak wood products market and a major maintenance shutdown, fourth-quarter earnings were high, standing at SEK 1 622 million, largely due to increased earnings from our own production of hydro and wind power.

Competition for pulpwood and wood chips has become tougher and prices increased further following the halting of imports from Russia. Despite a weaker sawmill economy, demand for logs was good and prices remained high. Profit from forests amounted to SEK 402 million in the fourth quarter, which is somewhat higher than normal as a result of compensation for the creation of nature reserves. Interest in owning forests is strong and forest property prices continued to increase, which increased the book value of the Group's forest assets by SEK 5 billion during 2022, to SEK 52 billion.

After a period of high demand and increasing prices for paperboard for consumer packaging, the market normalised. Fourth-quarter earnings amounted to SEK 152 million and continued to benefit from the strong energy situation in Workington. A planned maintenance shutdown at Iggesund Mill had a negative impact on earnings of SEK 250 million. Backed by a strong wood supply and advantageous energy situation, we intend to double our rate of investment in Iggesund Mill over the next five years, aiming to increase the mill's paperboard production by 25 per cent.

Although paper demand is declining, prices increased further driven by higher production costs, especially for producers on the continent. Our earnings stayed very high in the fourth quarter, at SEK 716 million, in spite of maintenance shutdowns and increased energy costs. In 2022, we launched a new product for the inner layer in transport packaging, which has been well received by the market and we now evaluate a minor rebuild of one of the paper machines in order to increase volumes.

There is considerable interest in building in wood, but wood product prices decreased in the second half of the year as customers put their orders on hold. Both prices and demand stabilised towards the end of the fourth quarter, but the uncertainty surrounding the development of the construction cycle remains. Lower selling prices, combined with increasing raw material costs, resulted in a SEK 67 million loss in the fourth quarter. The transition to more sustainable building offers us good opportunities to continue developing the wood products business. We are now investing in increasing the production of CLT for large-scale building projects and reinforcing our logistics facilities for glulam. As previously announced, we are also examining, together with SCA, the possibility of building a new large-scale sawmill in Rundvik, close to our forest holdings.

Energy shortages continued to prevail in Europe, although conditions improved slightly compared with the extreme situation during the summer. Prices in northern Sweden, where we have most of our hydro and wind power production, were significantly lower than in Sweden as a whole for large parts of the year because of limitations in the electricity grid. In the fourth quarter, prices climbed, however, to almost the same level as in central Sweden, which increased our earnings to SEK 463 million. In the course of the year, we grew our renewable energy production capacity by 40 per cent and see good opportunities for growing it further, but we are dependent on permit application processes, which continue to be very unpredictable.

With our large forest holdings as a foundation, we grow houses while also harnessing the energy that blows over the treetops and flows in the rivers. We then make renewable packaging, magazines and books from the forestry residues. This business model is a particularly good fit in a world that is striving for a sustainable society while at the same time raw materials and energy are in short supply.

Key figures Q4 2022

Operating profit, SEKm

1 622

Operating margin, %

26

Debt/equity ratio, %

4

Forest

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

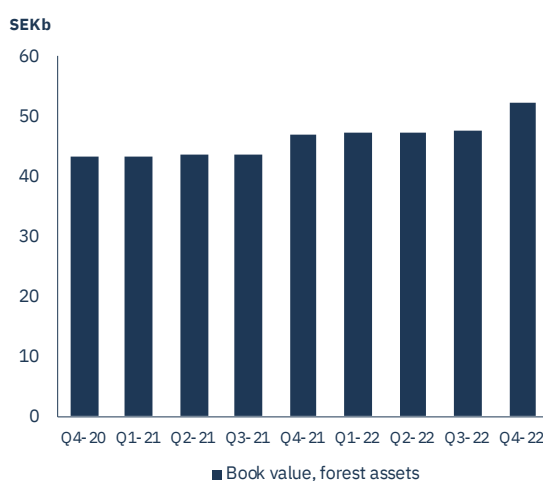
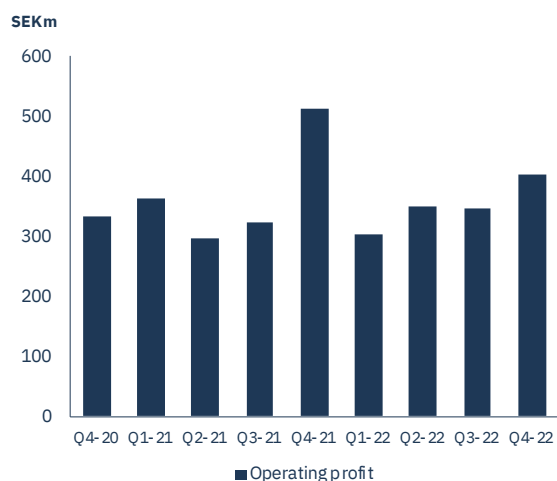
SEKm	Quarter			Full year	
	4-22	3-22	4-21	2022	2021
Net sales	1 969	1 755	1 690	7 342	6 509
Of which from own forests	414	352	336	1 524	1 376
Operating costs	-1 690	-1 543	-1 255	-6 363	-5 400
Change in biological assets	148	156	99	509	464
EBITDA	427	368	535	1 488	1 573
Depreciation and amortisation according to plan	-25	-22	-22	-87	-78
Operating profit	402	346	513	1 401	1 495
Book value, forest assets	52 151	47 602	47 080	52 151	47 080
Deliveries, own forests, '000 m ³	692	627	666	2 813	2 833

Competition for pulpwood was high and prices climbed. Demand for logs was good and prices were stable.

Operating profit for 2022 was SEK 1 401 million (1 495). Earnings were positively affected by price increases for logs and pulpwood, but this was partly offset by higher costs. Profit for the previous year was positively impacted by the sale of a large forest property in England.

Compared with the third quarter, fourth-quarter earnings increased by SEK 56 million to SEK 402 million as a result of compensation for the creation of a nature reserve and higher selling prices for pulpwood.

At year-end, the valuation of the Group's forest assets was updated based on transaction prices over the past three years in the areas where the Group owns forest land. At 31 December 2022, the value was SEK 52 151 million, compared with SEK 47 080 million at the end of the previous year. In 2022, a SEK 509 million change in the value of biological assets was recognised in the income statement and, in the fourth quarter, a SEK 4 373 million revaluation of forest land was recognised in other comprehensive income. See also Note 2.



Paperboard

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

SEKm	Quarter			Full year	
	4-22	3-22	4-21	2022	2021
Net sales	1 640	1 824	1 504	6 735	6 261
Operating costs	-1 338	-1 274	-1 082	-5 055	-5 023
EBITDA*	302	549	422	1 680	1 237
Depreciation and amortisation according to plan	-151	-150	-140	-599	-565
Operating profit*	152	400	281	1 081	673
Investments	260	117	126	555	399
Capital employed	5 632	5 714	5 169	5 632	5 169
EBITDA margin, %*	18	30	28	25	20
Operating margin, %*	9	22	19	16	11
Return on capital employed, %*				20	13
Deliveries, '000 tonnes	116	131	127	503	544

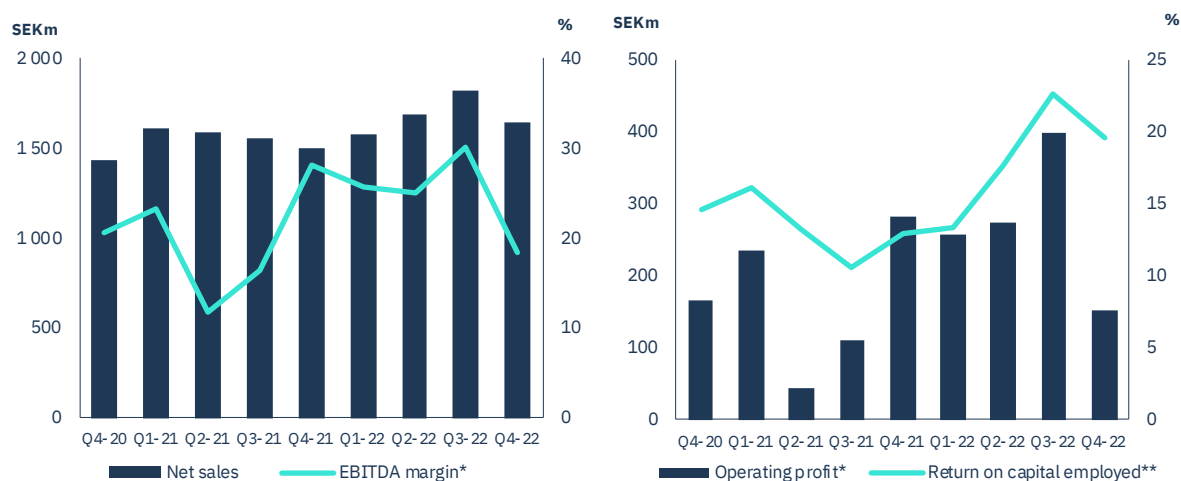
*Excl. item affecting comparability; see page 15

Demand for paperboard was good in the fourth quarter and market prices were stable.

Operating profit for 2022, excluding items affecting comparability, was SEK 1 081 million (673). The improvement in earnings is due to the price increases implemented. Increased costs for pulpwood and chemicals were offset by higher revenue from sales of Workington's excess electricity. Major maintenance shutdowns negatively impacted profit for the year by SEK 250 million, and in 2021 by SEK 310 million.

Compared with the third quarter, fourth-quarter earnings decreased by SEK 248 million to SEK 152 million. Earnings were negatively affected, by SEK 250 million, by a maintenance shutdown at Iggesund Mill. Personnel costs increased from a seasonally low level in the third quarter, but this was offset by the bonus received from green energy production.

In 2023, a maintenance shutdown is planned for the second quarter, which is expected to have a SEK 120 million impact on earnings, and for the fourth quarter, with an expected impact of SEK 200 million.



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

Paper

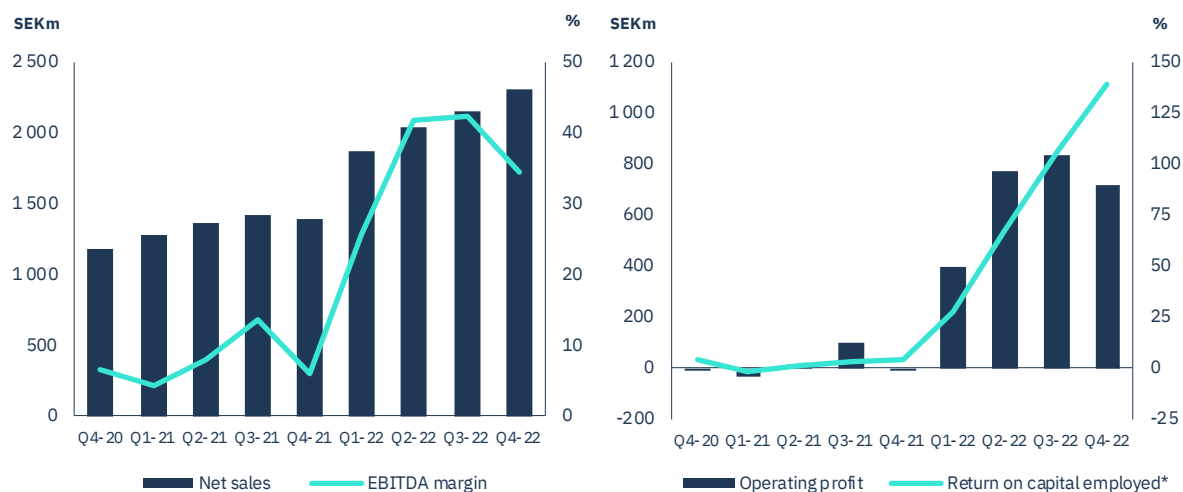
Holmen produces paper that utilises the properties of fresh fibre to provide cost-effective alternatives to traditional paper products for advertising, magazines and books. Deliveries amounts to 1 million tonnes a year from two Swedish mills.

SEKm	Quarter			Full year	
	4-22	3-22	4-21	2022	2021
Net sales	2 311	2 156	1 384	8 370	5 441
Operating costs	-1 516	-1 245	-1 302	-5 337	-5 000
EBITDA	795	911	83	3 033	441
Depreciation and amortisation according to plan	-79	-79	-92	-319	-371
Operating profit	716	832	-9	2 714	70
Investments	77	31	44	186	129
Capital employed	1 939	2 075	1 637	1 939	1 637
EBITDA margin, %	34	42	6	36	8
Operating margin, %	31	39	-1	32	1
Return on capital employed, %				139	4
Deliveries, '000 tonnes	248	250	249	995	1 029

Demand for paper decreased but prices further increased in the fourth quarter due to increasing production costs for producers on the continent.

Operating profit for 2022 was SEK 2 714 million (70). The increase in earnings is attributable to sharply increased selling prices. Chemical and wood costs increased considerably, but this was offset by the successful adjustment of production to an environment of volatile electricity prices combined with electricity price hedges.

Compared with the third quarter, fourth-quarter earnings decreased by SEK 116 million to SEK 716 million. The decrease in earnings was due to maintenance shutdowns, increased energy costs and seasonally higher personnel costs. It was partly offset by increased selling prices.



*Twelve-month rolling average.

Wood Products

Holmen delivers wood products for joinery and construction purposes. Production takes place at five sawmills adjacent to own forest with an annual production of 1.5 million cubic metres.

SEKm	Quarter			Full year	
	4-22	3-22	4-21	2022	2021
Net sales	1 019	937	1 133	5 015	4 872
Operating costs	-1 035	-709	-736	-3 574	-3 014
EBITDA	-15	228	397	1 441	1 857
Depreciation and amortisation according to plan	-52	-51	-47	-204	-189
Operating profit	-67	177	350	1 237	1 668
Investments	35	21	82	122	242
Capital employed	2 067	2 233	2 278	2 067	2 278
EBITDA margin, %	-2	24	35	29	38
Operating margin, %	-7	19	31	25	34
Return on capital employed, %				54	82
Deliveries, '000 m ³	401	277	313	1 435	1 373

The market for wood products was weak in the fourth quarter and prices dropped. Demand nevertheless grew from its low level in the third quarter and prices stabilised towards year-end.

Operating profit for 2022 was SEK 1 237 million (1 668). The decrease in earnings was due to the increased cost of logs and lower selling prices in the second half of the year.

Compared with the third quarter, fourth-quarter earnings decreased by SEK 244 million to SEK -67 million as a result of lower selling prices. Deliveries increased and the finished goods inventory was reduced to a normal level.



*Twelve-month rolling average.

Renewable Energy

In a normal year Holmen delivers 1.8 TWh of renewable hydro and wind power.

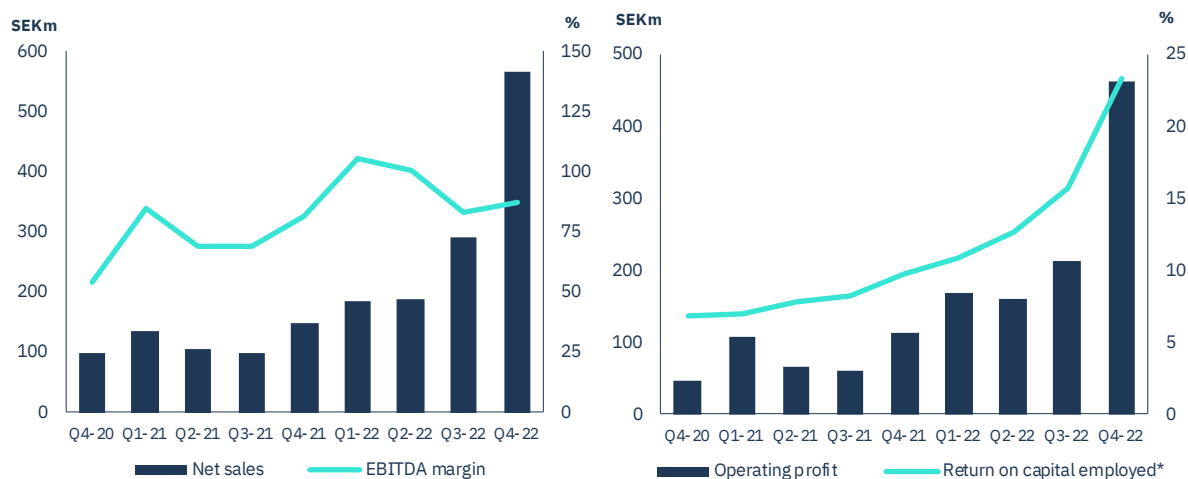
SEKm	Quarter			Full year	
	4-22	3-22	4-21	2022	2021
Net sales	565	290	148	1 226	488
Operating costs*	-74	-49	-28	-114	-113
Depreciation and amortisation according to plan	-28	-27	-8	-106	-28
Operating profit	463	214	112	1 006	347
Investments	26	11	385	237	712
Capital employed	4 618	4 311	4 069	4 618	4 069
Operating margin, %	82	74	76	82	71
Return on capital employed, %				23	10
Deliveries hydro and wind power, GWh	437	424	306	1 639	1 230

*Incl. other operating income.

The energy shortages in Europe persisted during the quarter and electricity prices were high. Prices in northern Sweden, where Holmen has most of its production, were significantly lower than in Sweden as a whole earlier in the year because of limitations in transmission capacity. In the fourth quarter, the price doubled, however, and approached levels in central Sweden (SE3).

Operating profit for 2022 was SEK 1 006 million (347). The increase was due to higher electricity prices, the expansion of wind power, and increased revenues from the contribution of hydro power to the stabilisation of the electricity grid.

Compared with the third quarter, fourth-quarter earnings increased by SEK 249 million to SEK 463 million because of higher electricity prices in northern Sweden.



*Twelve-month rolling average.

Cash flow, financing and net financial items

Cash flow from operating activities for 2022 totalled SEK 5 484 million (3 229) and cash flow from investing activities totalled SEK -1 349 million (-1 307).

The Group's net financial debt decreased by SEK 1 956 million to SEK 2 145 million in 2022. Net debt was 4 per cent of equity.

At 31 December, the Group's non-current borrowing amounted to SEK 2.9 billion and current borrowing totalled SEK 1.0 billion. Cash and cash equivalents stood at SEK 1.9 billion. Contractual credit commitments amounted to SEK 5.1 billion, of which SEK 1.1 billion is available until 2025 and SEK 4 billion until 2027. All credit commitments are unused.

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

Net financial items for 2022 totalled SEK -87 million (-39).

Tax

Recognised tax totalled SEK -1 567 million (-688) in 2022. Recognised tax as a proportion of profit before tax was 21 per cent (19).

Equity

The Group's equity increased by SEK 9 958 million in 2022 to SEK 56 950 million. Profit for the period totalled SEK 5 874 million (3 004). Other comprehensive income totalled SEK 5 938 million (3 201), mainly attributable to the revaluation of forest land and increased fair value of hedge-accounted electricity derivatives. A dividend of SEK 1 862 million (1 741) was paid.

Hedging of exchange rates

The Group hedges parts of its future estimated net flows in foreign currencies. Operating profit for 2022 includes currency hedges of SEK -249 million (120). For EUR/SEK, 2 years of expected net flows are hedged at an average exchange rate of 10.55. For other currencies, 4–8 months of flows are hedged.

Hedging of electricity prices

Electricity consumption in the Paper business area amounts to 3.2 TWh per year under full production. To reduce the impact of changing electricity prices on Paper's earnings, consumption is partly hedged. For 2023, 90 per cent of the expected electricity consumption is hedged. For 2024 and 2025, 60 per cent and 25 per cent respectively is hedged. The Group delivers 1.8 TWh of hydro and wind power in a normal year. For 2023, 20 per cent is hedged against changes in price.

Personnel

The average number of employees (FTE) in the Group was 3 466 (3 474).

Dividend

The Board proposes that the AGM to be held on 28 March 2023 approve an ordinary dividend of SEK 8 per share and an extra dividend of SEK 8 per share.

An ordinary dividend of SEK 7.5 per share and an extra dividend of SEK 4 per share were paid the previous year. The dividend proposal is based on an appraisal of the Group's profitability, future investment plans and financial position. The proposed record date for the dividend is 30 March 2023.

Share buy-backs

At the 2022 AGM, the Board received authorisation to take decisions to purchase up to 10 per cent of the company's shares. No buybacks were carried out during the period. The Board proposes that the 2023 AGM approve corresponding authorisation for the Board.

Nomination committee proposals to the AGM

Holmen's nomination committee proposes to the AGM the re-election of the current Board members Fredrik Lundberg, who is also proposed for re-election as Chairman of the Board, Lars Josefsson, Alice Kempe, Louise Lindh, Ulf Lundahl, Fredrik Persson, Henrik Sjölund, Henriette Zeuchner and the new election of Carina Åkerström. Carl Bennet has declined re-election.

Carina Åkerström was born in 1962 and has a law degree from Lund University. Carina Åkerström has been employed at Handelsbanken since 1986 and has held a number of positions within the bank. Since 2019, she has been President and CEO of Handelsbanken.

Carina Åkerström is chairman of the Swedish Bankers' Association and a member of the EBF – European Banking Federation as well as a board member of the World Childhood Foundation.

The nomination committee's other proposals will be presented in the notice convening Holmen's AGM 2023, which will be held on 28 March.

For the 2023 AGM, Holmen's nomination committee is made up of Mats Guldbrand, L E Lundbergföretagen, Carl Kempe, Kempe Foundations, Vegard Torsnes, Norges Bank and Fredrik Lundberg, Chairman of the Board. The Chairman of the nomination committee is Mats Guldbrand.

Stockholm, 31 January 2023
Holmen AB (publ)

Henrik Sjölund
President and CEO

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

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Group

Condensed income statement, SEKm	Quarter			Full year	
	4-22	3-22	4-21	2022	2021
Net sales	6 245	5 784	4 770	23 952	19 479
Other operating income	841	506	759	2 743	1 690
Change in inventories	-20	259	177	364	1
Raw materials and consumables	-2 992	-2 713	-2 830	-11 078	-10 110
Personnel costs	-776	-677	-657	-2 956	-2 720
Other operating costs	-1 482	-1 059	-1 000	-4 672	-3 814
Change in value of biological assets	148	156	99	509	464
Profit from investments in associates and joint ventures	1	1	4	10	0
Depreciation and amortisation according to plan	-343	-336	-315	-1 345	-1 261
Operating profit	1 622	1 921	1 006	7 527	3 731
Finance income	9	1	2	12	9
Finance costs	-23	-17	-11	-99	-48
Profit before tax	1 608	1 905	996	7 441	3 691
Tax	-340	-424	-129	-1 567	-688
Profit for the period	1 268	1 482	868	5 874	3 004
Earnings per share, SEK					
Basic	7.8	9.1	5.4	36.3	18.5
Diluted	7.8	9.1	5.4	36.3	18.5
Operating margin, %*	26	33	25	30	21
Return on capital employed, %*				13	9
Return on equity, %				11	7

*Excl. item affecting comparability.

Condensed statement of comprehensive income, SEKm	Quarter			Full year	
	4-22	3-22	4-21	2022	2021
Profit for the period	1 268	1 482	868	5 874	3 004
Other comprehensive income					
Revaluation of forest land	4 373	-	3 345	4 373	3 345
Revaluations of defined benefit pension plans	35	-8	-46	-6	-12
Tax attributable to items that will not be reclassified to profit for the period	-923	2	-677	-899	-683
Items that will not be reclassified to profit for the period	3 485	-6	2 623	3 469	2 650
Cash flow hedging	-3 017	2 320	418	3 037	504
Translation difference on foreign operation	35	-19	60	72	180
Hedging of currency risk in foreign operation	-26	17	-13	-28	-39
Share in joint ventures' other comprehensive income	-	-	7	-	3
Tax attributable to items that will be reclassified to profit for the period	627	-481	-85	-612	-97
Items that will be reclassified to profit for the period	-2 381	1 838	388	2 469	551
Total other comprehensive income after tax	1 104	1 832	3 011	5 938	3 201
Total comprehensive income	2 372	3 314	3 878	11 812	6 204

Condensed change in equity, SEKm	Full year	
	2022	2021
Opening equity	46 992	42 516
Profit for the period	5 874	3 004
Other comprehensive income	5 938	3 201
Total comprehensive income	11 812	6 204
Share saving program	9	12
Dividend	-1 862	-1 741
Closing equity	56 950	46 992

Group

	2022	2022	2021
Condensed balance sheet, SEKm	31 Dec	30 Sep	31 Dec
Non-current assets			
Forest assets			
Biological assets	29 867	29 690	29 204
Forest land	22 284	17 912	17 876
Intangible non-current assets	427	524	539
Property, plant and equipment	10 124	9 904	9 711
Right-of-use assets	242	253	240
Investments in associates and joint ventures	1 680	1 681	1 756
Other shares and participating interests	2	2	2
Non-current financial receivables	97	102	268
Deferred tax assets	2	2	3
Total non-current assets	64 726	60 069	59 598
Current assets			
Inventories	4 838	4 734	3 818
Trade receivables	2 929	3 341	2 393
Current tax receivable	589	2	70
Other operating receivables*	6 402	9 488	1 676
Current financial receivables	18	17	39
Cash and cash equivalents	1 935	1 140	507
Total current assets	16 710	18 723	8 503
Total assets	81 436	78 792	68 101
Equity	56 950	54 576	46 992
Non-current liabilities			
Non-current financial liabilities	2 902	3 407	3 911
Non-current liabilities relating to right-of-use assets	158	170	173
Pension obligations	7	50	24
Non-current provisions	441	414	409
Deferred tax liabilities	13 490	13 155	11 610
Total non-current liabilities	16 998	17 197	16 127
Current liabilities			
Current financial liabilities	1 039	543	736
Current liabilities relating to right-of-use assets	89	88	71
Trade payables	3 848	3 514	2 836
Current tax liability	118	136	80
Other operating liabilities	2 395	2 739	1 259
Total current liabilities	7 488	7 020	4 982
Total liabilities	24 486	24 216	21 109
Total equity and liabilities	81 436	78 792	68 101
Debt/equity ratio, %	4	5	9
Equity/assets ratio, %	70	69	69
Capital employed	59 095	57 575	51 093
Net financial debt	2 145	2 999	4 101

*The fair value of electricity derivatives is included at SEK 4 844 (30 Sep 2022: 8 113, 31 Dec 2021: 850) million.

Group

Condensed cash flow statement, SEKm	Quarter			Full year	
	4-22	3-22	4-21	2022	2021
Operating activities					
Profit before tax	1 608	1 905	996	7 441	3 691
Adjustments for non-cash items					
Depreciation and amortisation according to plan	343	336	315	1 345	1 261
Change in value of biological assets	-148	-156	-99	-509	-464
Other*	72	24	-388	131	-451
Paid income taxes	-891	-448	-120	-1 639	-662
Cash flow from operating activities before changes in working capital	985	1 662	704	6 768	3 375
Cash flow from changes in working capital					
Change in inventories	-140	-535	-189	-1 007	-236
Change in trade receivables and other operating receivables	234	-437	177	-1 284	-156
Change in trade payables and other operating liabilities	220	352	-94	1 007	247
Cash flow from operating activities	1 300	1 042	598	5 484	3 229
Investing activities					
Acquisition of non-current assets	-465	-265	-706	-1 401	-1 775
Disposal of non-current assets	34	8	347	49	443
Change in non-current financial receivables	-	-	9	3	25
Cash flow from investing activities	-431	-258	-349	-1 349	-1 307
Financing activities					
Amortization of liabilities associated with to right-of-use assets	-24	-24	-30	-90	-110
Change in financial liabilities and current financial receivables	-53	-84	-107	-761	86
Dividends paid to the shareholders of the parent company	-	-	-	-1 862	-1 741
Cash flow from financing activities	-77	-108	-137	-2 713	-1 764
Cash flow for the period	792	676	112	1 422	158
Opening cash and cash equivalents	1 140	464	394	507	346
Exchange difference in cash and cash equivalents	2	1	1	5	2
Closing cash and cash equivalents	1 935	1 140	507	1 935	507

Change in net financial debt, SEKm	Quarter			Full year	
	4-22	3-22	4-21	2022	2021
Opening net financial debt	-2 999	-3 780	-4 271	-4 101	-4 181
Cash flow from operating activities	1 300	1 042	598	5 484	3 229
Cash flow from investing activities (excl financial receivables and acquisition)	-431	-258	-358	-1 350	-1 332
Acquisition	-	-3	-	-270	-
Dividends paid	-	-	-	-1 862	-1 741
Liabilities arising from new right-of-use agreements	-13	-27	-49	-93	-67
Revaluations of defined benefit pension plans	28	-7	-14	-7	17
Foreign exchange effects and changes in fair value	-30	34	-7	53	-27
Closing net financial debt	-2 145	-2 999	-4 101	-2 145	-4 101

*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

Condensed income statement, SEKm	Quarter			Full year	
	4-22	3-22	4-21	2022	2021
Operating income	6 273	5 511	4 869	23 257	19 107
Operating costs	-5 185	-4 201	-4 735	-18 245	-17 649
Operating profit	1 089	1 310	134	5 012	1 458
Net financial items	40	28	-11	448	316
Profit after net financial items	1 128	1 339	122	5 459	1 774
Appropriations	-127	-116	351	-511	768
Profit before tax	1 001	1 222	473	4 948	2 541
Tax	-203	-251	-98	-930	-451
Profit for the period	799	972	375	4 019	2 090

Condensed statement of comprehensive income, SEKm	Quarter			Full year	
	4-22	3-22	4-21	2022	2021
Profit for the period	799	972	375	4 019	2 090
Other comprehensive income					
Cash flow hedging	-3 427	2 387	422	2 885	505
Tax attributable to other comprehensive income	706	-492	-87	-594	-104
Items that will be reclassified to profit for the period	-2 721	1 895	334	2 291	401
Total comprehensive income	-1 923	2 867	709	6 310	2 491

Condensed balance sheet, SEKm	2022	2022	2021
	31 Dec	30 Sep	31 Dec
Non-current assets	18 537	18 645	18 898
Current assets	14 941	17 024	7 025
Total assets	33 478	35 668	25 923
Restricted equity	5 915	5 915	5 915
Non-restricted equity	11 533	13 453	7 076
Untaxed reserves	4 053	3 756	2 852
Provisions	2 011	2 686	1 386
Liabilities	9 966	9 858	8 695
Total equity and liabilities	33 478	35 668	25 923

SEK 438 million (964) of operating income for 2022 relates to sales to Group companies.

Balance sheet appropriations include net Group contributions totalling SEK 691 million (1 265).

The parent company's investments in property, plant and equipment and intangible non-current assets totalled SEK 67 million (84).

Notes

1. Accounting policies

This report was prepared in accordance with IAS 34, Interim Financial Reporting. Information in accordance with IAS 34:16A can be found in the financial statements and their accompanying notes, as well as in other parts of the interim report. The consolidated accounts are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act. The parent company's accounts are prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. New or revised IFRS and interpretative statements from IFRIC have not had any material effect on the earnings or position of the Group or the parent company. The figures in tables are rounded off.

2. Forest assets

Holmen owns a total of 1 305 000 hectares of land, of which 1 045 000 hectares are defined as productive forest land. The volume of standing timber is estimated at 125 million cubic metres of growing stock, solid over bark, based on the inventory conducted in 2019 and taking into account subsequent growth and harvesting. Forest assets are recognised at fair value, calculated based on the transaction prices for forest properties in those areas where the Group owns forest land. The valuation is based on pricing statistics published by different market operators and on detailed data about transactions involving forest properties that have occurred in the past three years. Account is taken of where in the country the forest land is located and differences in the forest primarily in terms of the volume of standing timber, but also site quality. The value per hectare varies between different parts of the country, with forest properties in southern Sweden being valued much higher per hectare as a result of a greater volume of standing timber, higher site quality, a shorter harvesting cycle and greater demand for forest land.

	North	Central	South	Total
Productive forest land, '000 ha	690	264	92	1 045
Volume of standing timber, mil. m ³ growing stock, solid over bark	75	36	15	125

The book value of forest assets at 31 December 2022 amounted to SEK 52 151 million (47 080). The value corresponds to an average of SEK 49 900 per hectare of productive forest land.

The value of the forest assets is allocated in the balance sheet to growing trees (SEK 29 867 million), recognised as a biological asset, and forest land (SEK 22 284 million). No value is assigned to land that is not productive forest land. The value allocated to biological assets is determined by calculating the present value of expected future cash flows, less selling costs but before tax, from harvesting those trees currently growing. The change in the value of biological assets, calculated net of the change as a result of harvesting and the unrealised change in fair value, is stated in the income statement, and in 2022 totalled SEK 509 million (464). The book value of the forest land is calculated as the difference between the total value of the forest assets and the biological assets. This value reflects future income from sources other than the harvesting of currently standing trees, such as the leasing of land for wind power, quarrying, hunting leases, licence income and the harvesting of future generations of trees. The change in fair value for forest land is recognised in other comprehensive income and totalled SEK 4 373 million (3 345).

SEKm	Forest assets		Biological assets		Of which Forest land	
	2022	2021	2022	2021	2022	2021
Book value at start of year	47 080	43 202	29 204	28 663	17 876	14 538
Acquisitions	71	42	33	24	38	18
Disposal	-9	-120	-6	-93	-3	-27
Investment in reforestation	127	142	127	142	-	-
Change due to harvesting	-836	-695	-836	-695	-	-
Unrealised change in fair value	5 718	4 503	1 345	1 158	4 373	3 345
Other changes	0	7	0	5	0	2
Book value at end of year	52 151	47 080	29 867	29 204	22 284	17 876

3. External net sales by market

	Forest	Paperboard	Paper	Wood Products	Renewable Energy	Group
Full year 2022						
Scandinavia	2 586	258	642	2 127	1 222	6 835
Rest of Europe	25	4 777	6 846	1 519	-	13 167
Asia	-	1 296	496	409	-	2 202
Rest of the world	-	404	386	959	-	1 749
Total Net sales	2 610	6 735	8 370	5 015	1 222	23 952

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

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		-510 646	-510 646		
Total number of shares issued		162 001 678	569 219 890		

5. Financial instruments

	Book value		Fair value	
	2022 31 Dec	2021 31 Dec	2022 31 Dec	2021 31 Dec
SEKm				
Assets at fair value	5 020	1 097	5 020	1 097
Assets at acquisition cost	4 893	3 183	4 893	3 183
Liabilities at fair value	1 187	151	1 187	151
Liabilities at acquisition cost	7 782	7 454	7 782	7 454

Holmen measures financial instruments at fair value or acquisition cost in the balance sheet depending on their classification. In addition to items in net financial debt, excluding pension obligations and liabilities related to right-of-use assets, financial instruments include trade receivables and trade payables. Financial instruments measured at fair value in the balance sheet belong to measurement level 2 pursuant to IFRS 13 and mostly consist of electricity price, currency and interest rate hedging derivatives. Their net fair value at 31 December was SEK 3 833 million, which is SEK 2 886 million higher than at year-end, above all due to the increased value of the electricity derivatives.

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 losses, closures, major restructuring measures and breakdowns, as well as alterations to assumptions in the valuation of biological assets, the term 'items affecting comparability' is used. The purpose is also to increase comparability between different periods. The effects of maintenance and rebuilding shut-downs are not treated as items affecting comparability. Operating profit for the first quarter of 2022 includes the net sum of SEK +266 million relating to the insurance compensation and costs and the loss of revenue associated with the turbine breakdown at the paperboard mill in Workington. Operating profit for 2021 included SEK -330 million of items affecting comparability related to the turbine breakdown. A description of the items that are recognised as affecting comparability in previous periods is provided on page 92 of Holmen's annual report for 2021.

SEKm	Quarter			Full year	
	4-22	3-22	4-21	2022	2021
EBITDA	1 965	2 258	1 500	8 607	5 321
Depreciation and amortisation according to plan	-343	-336	-315	-1 345	-1 261
Operating profit excl. items affecting comp.	1 622	1 921	1 185	7 262	4 061
Items affecting comparability	-	-	-179	266	-330
Operating profit	1 622	1 921	1 006	7 527	3 731

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 return on capital employed performance measure 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	2022	2022	2021
	31 Dec	30 Sep	31 Dec
Fixed assets*	64 626	59 965	59 328
Working capital**	7 957	10 763	3 372
Deferred tax assets	2	2	3
Deferred tax liabilities	-13 490	-13 155	-11 610
Capital employed	59 095	57 575	51 093

*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 receivable, other current operating receivables, trade payables, current tax liability, provisions and other 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:

SEKm	2022	2022	2021
	31 Dec	30 Sep	31 Dec
Non-current financial liabilities	2 902	3 407	3 911
Non-current liabilities relating to right-of-use assets	158	170	173
Current financial liabilities	1 039	543	736
Current liabilities relating to right-of-use assets	89	88	71
Pension obligations	7	50	24
Non-current financial receivables	-97	-102	-268
Current financial receivables	-18	-17	-39
Cash and cash equivalents	-1 935	-1 140	-507
Net financial debt	2 145	2 999	4 101

7. Transaction 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. Russia's invasion of Ukraine has had a significant impact on several markets. The main direct effects for Holmen have been that chemical costs have increased and transportation to customers has become more difficult and expensive. At the same time, the risk of a shortage of critical input goods has grown. The indirect effects have above all been the reduced supply of wood products in Europe since Russia was a major exporter, and the fact that some paper producers have found it difficult to cope with the sharply increasing energy prices, which has limited the supply of paper. Holmen's sales to Russia were marginal in 2021 and ceased completely after the invasion. For a more detailed description of the material risks and uncertainties, see Holmen's annual report for 2021, pages 43–47, and Note 27.

Group

Quarterly figures, SEKm	2022				2021				Full year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2022	2021
Income statement										
Net sales	6 245	5 784	6 173	5 750	4 770	4 877	5 129	4 703	23 952	19 479
Operating costs	-4 429	-3 684	-3 827	-3 925	-3 373	-3 591	-3 982	-3 676	-15 865	-14 622
Change in value of forests	148	156	88	117	99	164	69	133	509	464
Profit from associates and JV	1	1	0	8	4	-3	-3	2	10	0
EBITDA*	1 965	2 258	2 434	1 950	1 500	1 447	1 213	1 161	8 607	5 321
Depreciation and amortisation according to plan	-343	-336	-333	-332	-315	-318	-315	-312	-1 345	-1 261
Operating profit excl. items affecting comparability	1 622	1 921	2 101	1 617	1 185	1 129	898	849	7 262	4 061
Items affecting comparability	-	-	-	266	-179	-151	-	-	266	-330
Operating profit	1 622	1 921	2 101	1 883	1 006	978	898	849	7 527	3 731
Net financial items	-14	-16	-19	-38	-9	-9	-11	-10	-87	-39
Profit before tax	1 608	1 905	2 083	1 844	996	969	887	839	7 441	3 691
Tax	-340	-424	-441	-361	-129	-206	-189	-164	-1 567	-688
Profit for the period	1 268	1 482	1 642	1 483	868	763	698	675	5 874	3 004
Earnings per share, SEK	7.8	9.1	10.1	9.2	5.4	4.7	4.3	4.2	36.3	18.5
Net sales										
Forest	1 969	1 755	1 810	1 809	1 690	1 444	1 717	1 658	7 342	6 509
Paperboard	1 640	1 824	1 692	1 579	1 504	1 555	1 588	1 614	6 735	6 261
Paper	2 311	2 156	2 032	1 871	1 384	1 413	1 360	1 284	8 370	5 441
Wood Products	1 019	937	1 614	1 445	1 133	1 288	1 431	1 020	5 015	4 872
Renewable Energy	565	290	188	183	148	99	106	135	1 226	488
Elimination of intra-group net sales	-1 260	-1 177	-1 163	-1 137	-1 090	-922	-1 072	-1 007	-4 737	-4 092
Group	6 245	5 784	6 173	5 750	4 770	4 877	5 129	4 703	23 952	19 479
EBITDA by business area*										
Forest	427	368	368	325	535	342	315	382	1 488	1 573
Paperboard	302	549	423	406	422	255	185	376	1 680	1 237
Paper	795	911	848	479	83	193	109	56	3 033	441
Wood Products	-15	228	648	580	397	629	566	265	1 441	1 857
Renewable Energy	491	240	188	193	120	69	73	114	1 112	375
Group-wide	-35	-39	-41	-32	-56	-41	-35	-31	-148	-163
Group	1 965	2 258	2 434	1 950	1 500	1 447	1 213	1 161	8 607	5 321
Operating profit/loss by business area*										
Forest	402	346	349	305	513	323	296	364	1 401	1 495
Paperboard	152	400	274	256	281	112	44	236	1 081	673
Paper	716	832	767	399	-9	100	16	-37	2 714	70
Wood Products	-67	177	598	529	350	582	518	218	1 237	1 668
Renewable Energy	463	214	162	168	112	62	66	107	1 006	347
Group-wide	-44	-46	-48	-40	-63	-49	-42	-39	-178	-193
Group	1 622	1 921	2 101	1 617	1 185	1 129	898	849	7 262	4 061
Operating margin, %*										
Paperboard	9	22	16	16	19	7	3	15	16	11
Paper	31	39	38	21	-1	7	1	-3	32	1
Wood Products	-7	19	37	37	31	45	36	21	25	34
Group	26	33	34	28	25	23	18	18	30	21
Return										
Capital employed, %*									13	9
Equity, %									11	7
Deliveries										
Own forests, '000 m³	692	627	820	674	666	637	877	653	2 813	2 833
Paperboard, '000 tonnes	116	131	129	126	127	135	138	145	503	544
Paper, '000 tonnes	248	250	244	253	249	260	263	257	995	1 029
Wood products, '000 m³	401	277	375	381	313	281	406	372	1 435	1 373
Hydro and windpower, GWh	437	424	376	402	306	258	297	369	1 639	1 230

*Excl. item affecting comparability.

Group

Full year review, SEKm	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Income statement										
Net sales	23 952	19 479	16 327	16 959	16 055	16 133	15 513	16 014	15 994	16 231
Operating costs	-15 865	-14 622	-13 250	-13 961	-12 984	-13 379	-12 626	-13 348	-13 270	-13 919
Change in value of forests	509	464	579	487	425	415	315	267	282	264
Profit from associates and JV	10	0	-6	0	-9	-12	-22	7	-7	3
EBITDA*	8 607	5 321	3 651	3 486	3 488	3 157	3 179	2 940	2 999	2 579
Depreciation and amortisation according to plan	-1 345	-1 261	-1 172	-1 141	-1 012	-991	-1 018	-1 240	-1 265	-1 370
Operating profit excl. items affecting comparability	7 262	4 061	2 479	2 345	2 476	2 166	2 162	1 700	1 734	1 209
Items affecting comparability	266	-330	-	8 770	-94	-	-232	-931	-450	-140
Operating profit	7 527	3 731	2 479	11 115	2 382	2 166	1 930	769	1 284	1 069
Net financial items	-87	-39	-42	-34	-25	-53	-71	-90	-147	-198
Profit before tax	7 441	3 691	2 437	11 081	2 356	2 113	1 859	679	1 137	871
Tax	-1 567	-688	-458	-2 351	-89	-445	-436	-120	-230	-160
Profit for the year	5 874	3 004	1 979	8 731	2 268	1 668	1 424	559	907	711
Diluted earnings per share, SEK	36.3	18.5	12.2	52.6	13.5	9.9	8.5	3.4	5.4	4.3
EBITDA by business area*										
Forest	1 488	1 573	1 422	1 217	1 216	1 099	1 030	935	845	958
Paperboard	1 680	1 237	1 366	996	1 196	1 257	1 382	1 346	1 161	878
Paper	3 033	441	454	891	665	627	669	514	725	429
Wood Products	1 441	1 857	309	159	337	165	80	86	160	45
Renewable Energy	1 112	375	242	362	205	159	143	198	233	391
Group-wide	-148	-163	-143	-140	-132	-149	-124	-138	-126	-121
Group	8 607	5 321	3 651	3 486	3 488	3 157	3 179	2 940	2 999	2 579
Operating profit by business area*										
Forest	1 401	1 495	1 367	1 172	1 185	1 069	1 001	905	817	924
Paperboard	1 081	673	812	435	689	764	903	847	674	433
Paper	2 714	70	73	509	329	288	289	-74	141	-309
Wood Products	1 237	1 668	185	62	246	80	-3	9	37	-75
Renewable Energy	1 006	347	215	336	181	135	120	176	212	371
Group-wide	-178	-193	-174	-168	-154	-170	-148	-163	-146	-136
Group	7 262	4 061	2 479	2 345	2 476	2 166	2 162	1 700	1 734	1 209
Deliveries										
Own forests, '000 m ³	2 813	2 833	2 841	2 699	2 816	2 883	2 945	3 132	3 207	3 361
Paperboard, '000 tonnes	503	544	544	538	525	526	497	499	493	469
Paper, '000 tonnes	995	1 029	883	996	1 036	1 117	1 134	1 325	1 305	1 574
Wood products, '000 m ³	1 435	1 373	1 052	879	828	852	776	730	725	686
Hydro and wind power, GWh	1 639	1 230	1 352	1 109	1 145	1 169	1 080	1 441	1 113	1 041
Balance sheet										
Forest assets	52 151	47 080	43 202	41 345	18 701	17 971	17 595	17 340	17 032	16 654
Other non-current assets	12 477	12 251	11 784	10 781	10 586	10 780	11 106	12 184	13 189	13 998
Current assets	14 758	7 956	6 878	6 264	6 845	5 710	5 852	5 607	5 964	5 774
Financial receivables	2 050	814	679	950	781	430	338	325	249	327
Total assets	81 436	68 101	62 543	59 340	36 912	34 891	34 891	35 456	36 434	36 753
Equity	56 950	46 992	42 516	40 111	23 453	22 035	21 243	20 853	20 969	20 854
Deferred tax liability	13 490	11 610	10 570	10 299	5 839	5 650	5 613	5 508	5 480	5 804
Financial liabilities and interest-bearing provisions	4 195	4 915	4 860	4 732	3 587	3 366	4 283	5 124	6 156	6 443
Operating liabilities	6 801	4 584	4 597	4 196	4 033	3 840	3 752	3 971	3 829	3 653
Total equity and liabilities	81 436	68 101	62 543	59 340	36 912	34 891	34 891	35 456	36 434	36 753
Cash flow										
Operating activities	5 484	3 229	2 457	2 884	2 286	2 509	1 961	2 526	2 176	2 011
Investing activities **	-1 352	-1 332	-1 924	-1 050	-1 005	-644	-123	-824	-815	-872
Cash flow after investments	4 132	1 897	533	1 834	1 281	1 865	1 838	1 702	1 361	1 139
Return on capital employed, %*	13	9	6	9	10	9	9	6	6	4
Return on equity, %	11	7	5	35	10	8	7	3	4	3
Debt/equity ratio, %	4	9	10	9	12	13	19	23	28	29
Ordinary dividend, SEK	8***	7.5	7.25	3.5	6.75	6.5	6	5.25	5	4.5
Extra dividend, SEK	8***	4	3.5	-	-	-	-	-	-	-
Average number of employees	3 466	3 474	2 974	2 915	2 955	2 976	2 989	3 315	3 359	3 718

*Excl. items affecting comparability.

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

***Proposal of the Board.

Holmen in brief

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

Press and analyst conference

On the publication of the year-end report, a webcast press and analyst conference will be held at 09.00 CET on Tuesday 31st of January. Holmen President and CEO Henrik Sjölund, together with Executive Vice President and CFO Anders Jernhall, will present and comment on the report. The presentation will be held in English.

The press and analyst conference will be webcast and may be followed via:
www.holmen.com/reports

You may also participate in the conference by telephone, by calling no later than 08.55 CET on:

Within Sweden:	+46 8 505 100 31
From the rest of Europe:	+44 207 107 06 13
From the US:	+1 631 570 56 13

Financial report

28 April 2023	Interim report January-March 2023
17 August 2023	Interim report January-June 2023
25 October 2023	Interim report January-September 2023
31 January 2024	Year-end report 2023

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 07.30 CET on Tuesday, 31 January 2023.

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.