

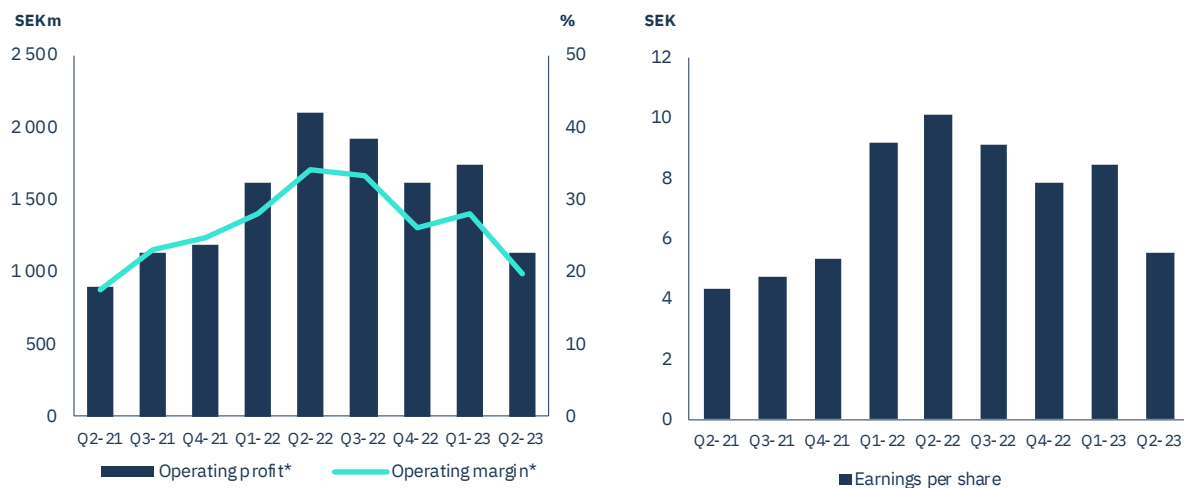
HOLMEN

Holmen's Interim Report January-June 2023

SEKm	Quarter			Jan-Jun	Full year	
	2-23	1-23	2-22	2023	2022	2022
Net sales	5 754	6 223	6 173	11 977	11 923	23 952
Operating profit excl. item affecting comparability	1 138	1 737	2 101	2 875	3 719	7 262
Operating profit	1 138	1 737	2 101	2 875	3 984	7 527
Profit after tax	890	1 371	1 642	2 261	3 125	5 874
Earnings per share, SEK	5.5	8.5	10.1	14.0	19.3	36.3
Operating margin, %*	20	28	34	24	31	30
Cash flow before investments and change in working capital	1 289	2 299	2 196	3 588	4 121	6 768
Debt/equity ratio, %	5	1	7	5	7	4

*Excl. item affecting comparability 2022; see page 15.

- Operating profit for January-June 2023 was SEK 2 875 million (January-June 2022: SEK 3 984 million). Excluding items affecting comparability last year, operating profit decreased by SEK 844 million due to lower wood product prices.
- Compared with the first quarter, the second quarter operating profit decreased by SEK 599 million to SEK 1 138 million as a result of a major maintenance shutdown in Workington and that previous quarter benefitted from electricity price hedges.
- Profit after tax for January-June amounted to SEK 2 261 million (3 125), which corresponds to earnings per share of SEK 14.0 (19.3).
- In the second quarter, a total of SEK 2 592 million of ordinary and extra dividends were paid and own shares were bought back for SEK 967 million.



*Excl. items affecting comparability.

CEO comments

Demand for forest industry products weakened as the central banks' interest rate hikes slowed the rate of new construction and dampened the consumption of goods. Our profit decreased in the second quarter, but remained at a historically good level, at SEK 1 138 million, nearly half of which came from forests and renewable energy. Thanks to our strong cash flow, we were able to pay out an extra dividend and buy back 1.5 per cent of outstanding shares while maintaining a low indebtedness.

Despite the economic slowdown there are not enough supply of forest raw materials. Competition on the wood market remained strong in the Nordics during the quarter and prices increased further. Wood prices are now 30 per cent above their historical level, which increased profit from forests to SEK 390 million. Our position on the wood market, with good control over raw materials and the entire value chain, ensures the long-term security of our raw material supplies and gives us good opportunities to continue developing our industries.

Demand for paperboard for consumer packaging was lower than normal as customers continued to destock and the economy weakened. Prices were stable after the increases introduced last year. The profit for the quarter was burdened by SEK 140 million following a major maintenance shutdown in Workington. Together with lower revenue from sales of excess electricity and weaker market conditions, this means that profit decreased to SEK -49 million. The investment programme to increase capacity at Iggesund Mill has begun and will enable a gradual increase in sales to the customer segments with the highest quality requirements.

The market balance for paper was weak, which drove down prices, although they remained at historically high levels. We are continuing to advance our market positions, but we have also been forced to make significant production curtailments. Despite lower selling prices, second quarter earnings were very high, at SEK 659 million. We are continually developing our book and magazine paper while also investing to enable an increased production of our new packaging products in a little over a year from now.

There is strong interest in large-scale building in wood, but demand from other segments of the construction market is currently low due to high interest rates and inflation. After a considerable price drop in the second half of 2022 the price stabilised at a historically good level because of a shortage of raw materials in several high production countries. However, the high cost of logs limited the profit from wood products to SEK 55 million. With a strong position in the wood market, we continue to see good opportunities to develop the wood products business in pace with an increasing demand for sustainable building materials.

The energy situation in Europe has improved, but there is a continued shortage of energy over both the short and the long term. Electricity prices in northern Sweden decreased during the quarter. Together with weaker winds and lower precipitation than normal this means that profit from renewable energy decreased to SEK 135 million, which is a good level from a historical perspective, however. In June we were granted environmental permits for 14 wind turbines in Blisterliden outside Skellefteå and we are now preparing for an investment decision in 2024.

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 forest residues. Our strong financial position makes us well equipped to exploit the opportunities opening up in a world that is striving towards a sustainable society where raw materials and energy are in short supply.

Key figures Q2 2023

Operating profit, SEKm

1 138

Operating margin, %

20

Debt/equity ratio, %

5

Forest

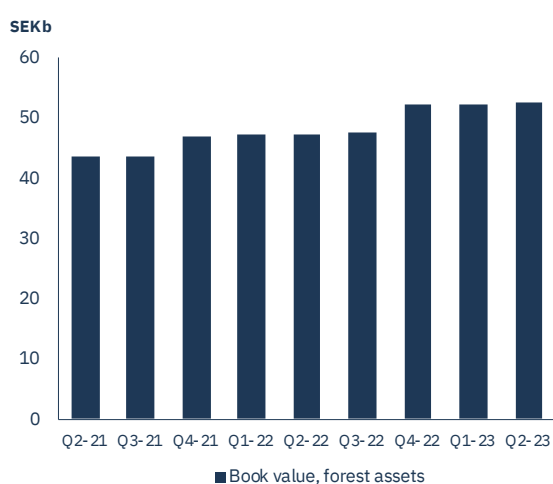
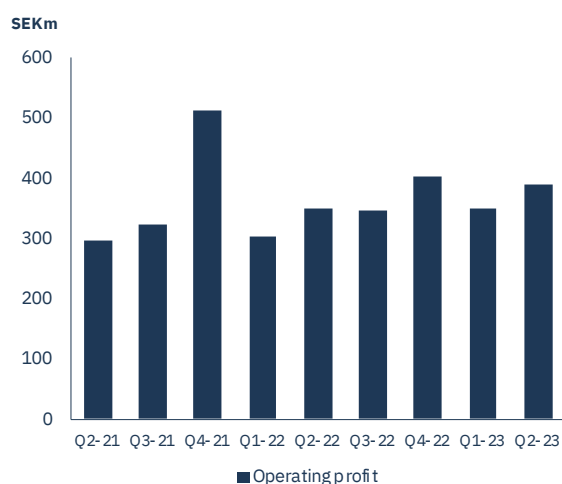
Holmen carries out active and sustainable forestry on over 1 million hectares of its own productive forest land. The annual harvest from own forest amounts to 2.8 million m³sub.

	Quarter			Jan-Jun	Full year	
SEKm	2-23	1-23	2-22	2023	2022	2022
Net sales	2 073	2 105	1 810	4 178	3 618	7 342
Of which from own forests	510	384	427	894	757	1 524
Operating costs	-1 777	-1 865	-1 530	-3 642	-3 130	-6 363
Change in biological assets	106	133	88	239	205	509
EBITDA	402	373	368	775	693	1 488
Depreciation and amortisation according to plan	-11	-22	-20	-33	-40	-87
Operating profit	390	351	349	742	653	1 401
Book value, forest assets	52 459	52 308	47 396	52 459	47 396	52 151
Deliveries, own forests, '000 m ³ sub	788	620	820	1 408	1 494	2 813

Competition for pulpwood and logs was high in the second quarter and prices increased.

Operating profit for January-June was SEK 742 million (653). The improved profits are due to the increased price of logs and pulpwood, but the effect is partly offset by increased costs and the fact that last year's earnings included revenue from property sales.

Compared with the first quarter, second quarter earnings increased by SEK 39 million to SEK 390 million as a result of price increases and a seasonally higher share of logs.



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	2-23	1-23	2-22	2023	2022	2022
Net sales	1 748	1 811	1 692	3 559	3 271	6 735
Operating costs	-1 632	-1 345	-1 269	-2 977	-2 443	-5 055
EBITDA*	116	466	423	582	828	1 680
Depreciation and amortisation according to plan	-165	-167	-149	-332	-298	-599
Operating profit*	-49	299	274	250	530	1 081
Investments	176	151	99	326	177	555
Capital employed	6 140	6 053	5 506	6 140	5 506	5 632
EBITDA margin, %*	7	26	25	16	25	25
Operating margin, %*	-3	17	16	7	16	16
Return on capital employed, %*				8	20	20
Deliveries, '000 tonnes	113	122	129	235	255	503

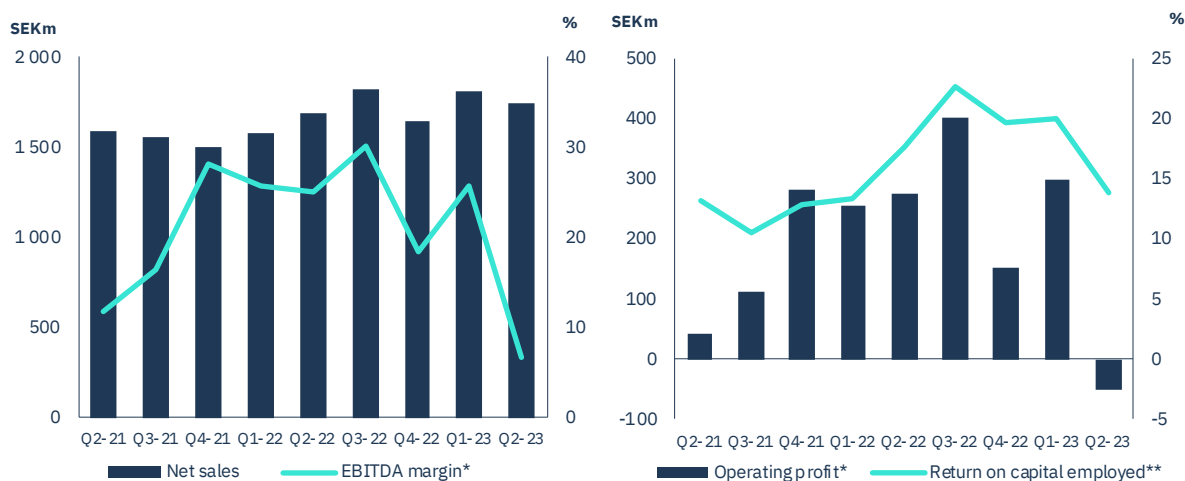
*Excl. item affecting comparability 2022; see page 15.

Demand for paperboard was lower than normal in the second quarter. Market prices were stable.

Operating profit for January-June was SEK 250 million (530), excluding items affecting comparability. The decrease in profits is attributable to a maintenance shutdown and weaker markets. Higher selling prices and revenue from sales of excess electricity made a positive contribution, but this was offset by increased costs for chemicals and wood.

Compared with the first quarter, second quarter earnings decreased by SEK 348 million to SEK -49 million. The lower profit is attributable to a maintenance shutdown in Workington, which had a negative impact of SEK 140 million, lower sales of excess electricity and weaker market conditions.

The annual maintenance shutdown at Iggesund Mill is planned for the fourth quarter, with an expected negative impact on earnings of around SEK 200 million.



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

Paper

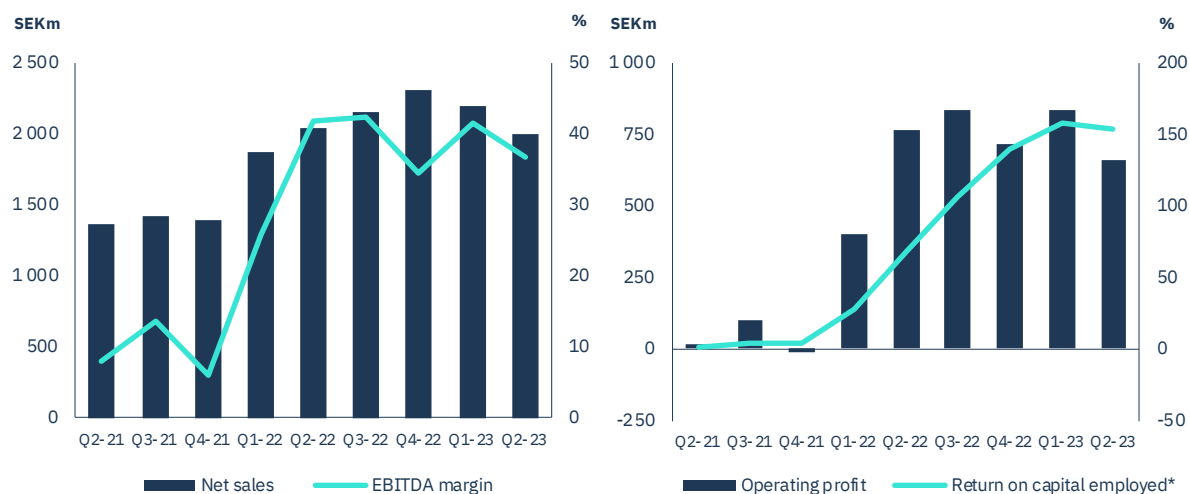
Holmen produces paper that utilises the properties of fresh fibre to provide cost-effective alternatives to traditional products for books, packaging and graphical publications. Production amounts to 1 million tonnes a year at two Swedish mills.

	Quarter			Jan-Jun	Full year	
SEKm	2-23	1-23	2-22	2023	2022	2022
Net sales	1 992	2 194	2 032	4 186	3 903	8 370
Operating costs	-1 260	-1 285	-1 184	-2 545	-2 576	-5 337
EBITDA	732	909	848	1 641	1 327	3 033
Depreciation and amortisation according to plan	-73	-72	-81	-145	-161	-319
Operating profit	659	836	767	1 496	1 167	2 714
Investments	62	51	50	112	78	186
Capital employed	1 821	1 996	2 000	1 821	2 000	1 939
EBITDA margin, %	37	41	42	39	34	36
Operating margin, %	33	38	38	36	30	32
Return on capital employed, %				154	125	139
Deliveries, '000 tonnes	210	216	244	426	497	995

Demand for paper was weak in the second quarter. Prices decreased from historically high levels.

Operating profit for January-June was SEK 1 496 million (1 167). The increase in profit is due to higher selling prices, which is partly offset by significant production curtailments. Chemical and wood costs increased, but this was cancelled out by favourable electricity price hedges.

Compared with the first quarter, second quarter earnings decreased by SEK 177 million to SEK 659 million as a result of lower prices and the increase in electricity costs from a low level in the first quarter.



*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.

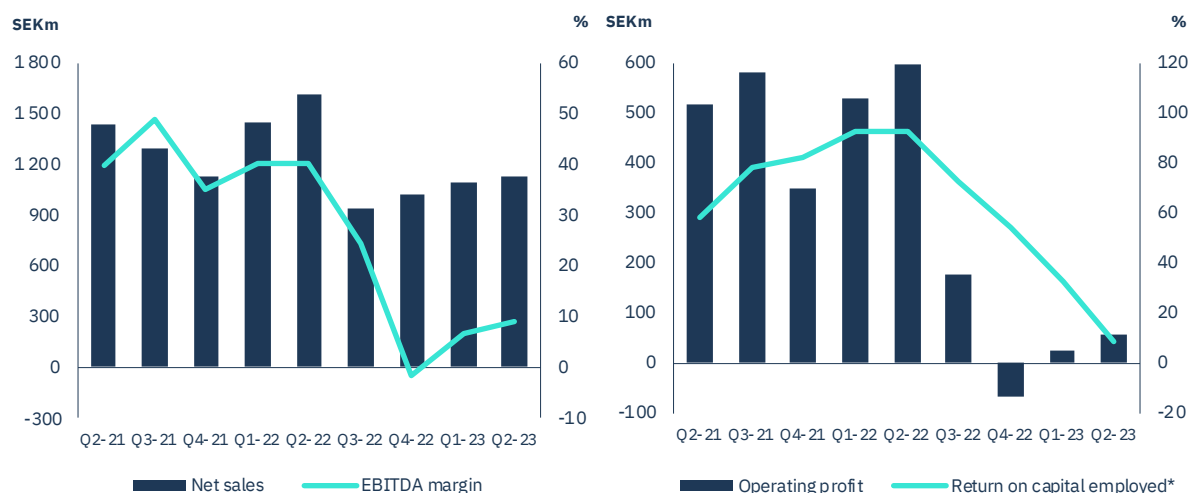
SEKm	2-23	Quarter 1-23	2-22	Jan-Jun 2023	2022	Full year 2022
Net sales	1 124	1 087	1 614	2 211	3 059	5 015
Operating costs	-1 022	-1 017	-966	-2 039	-1 831	-3 574
EBITDA	102	70	648	172	1 228	1 441
Depreciation and amortisation according to plan	-48	-48	-50	-95	-101	-204
Operating profit	55	23	598	77	1 127	1 237
Investments	99	75	39	173	65	122
Capital employed	2 218	2 193	2 383	2 218	2 383	2 067
EBITDA margin, %	9	6	40	8	40	29
Operating margin, %	5	2	37	3	37	25
Return on capital employed, %				7	97	54
Deliveries, '000 m ³	388	397	374	786	755	1 435

Demand for wood products was lower than normal, but prices increased somewhat in the second quarter due to supply curtailments in several countries.

Operating profit for January-June was SEK 77 million (1 127). The decrease in profit was due to lower selling prices. The cost of logs increased, but this was offset by higher revenue from sales of wood chips and wood fuel.

Compared with the first quarter, second quarter earnings increased by SEK 32 million to SEK 55 million as a result of somewhat higher selling prices.

Ongoing investment projects to increase value added and capacity at Iggesund Sawmill mean that a longer production stoppage will be taken in the fourth quarter, with an expected negative impact on earnings of SEK 30 million.



*Twelve-month rolling average.

Renewable Energy

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

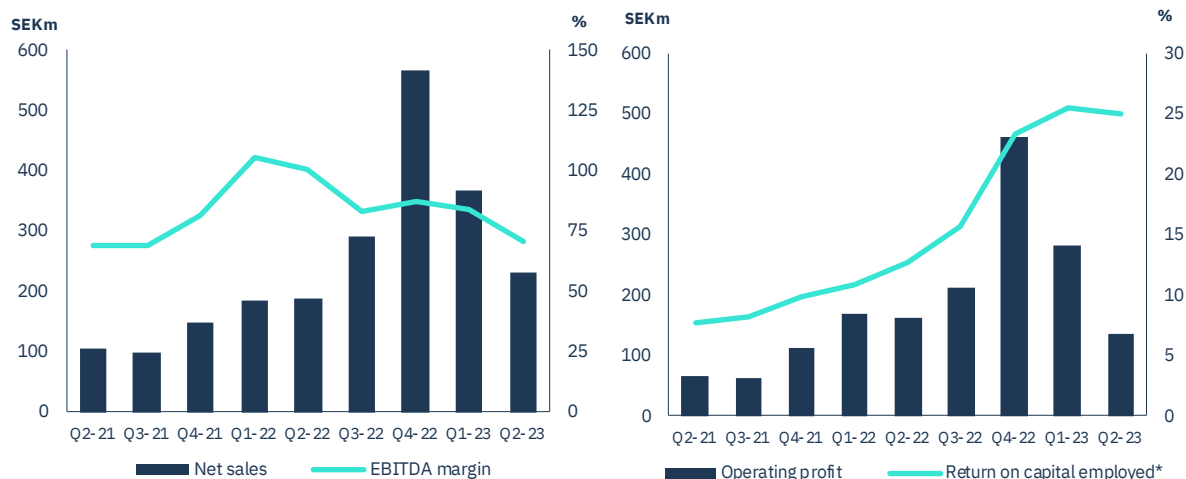
	Quarter			Jan-Jun	Full year	
SEKm	2-23	1-23	2-22	2023	2022	2022
Net sales	231	368	188	599	371	1 226
Operating costs*	-68	-60	0	-128	10	-114
EBITDA	163	309	188	471	381	1 112
Depreciation and amortisation according to plan	-27	-27	-27	-55	-51	-106
Operating profit	135	282	162	417	330	1 006
Investments	13	9	143	22	199	237
Capital employed	4 201	4 319	4 280	4 201	4 280	4 618
EBITDA margin, %	70	84	100	79	103	91
Operating margin, %	59	76	86	70	89	82
Return on capital employed, %				19	16	23
Deliveries hydro and wind power, GWh	334	517	376	851	778	1 639

*Incl. other operating income.

The energy situation in Europe has improved, but electricity prices on the continent were still high. The electricity price in northern Sweden, where Holmen has most of its production, decreased to just under SEK 500/MWh in the second quarter.

Operating profit for January-June was SEK 417 million (330). The improvement in earnings is attributable to higher electricity prices, increased compensation to stabilise the electricity grid and new wind power capacity. Compared with the first quarter, second quarter earnings decreased by SEK 147 million to SEK 135 million as a result of low production of both wind and hydro power and lower electricity prices.

Permits to install 14 wind turbines in Blisterliden outside Skellefteå were granted in June. Investment decisions may be made in 2024.



*Twelve-month rolling average.

Cash flow, financing and net financial items

Cash flow from operating activities for January-June totalled SEK 4 002 million (3 141) and cash flow from investing activities totalled SEK -719 million (-660).

A dividend of SEK 2 592 million (1 862) was paid in the second quarter and SEK 967 million of shares were bought back.

The Group's net financial debt increased by SEK 476 million to SEK 2 621 million in the first half of the year. Net debt was 5 per cent of equity.

At 30 June, the Group's long-term borrowing amounted to SEK 2.9 billion and short-term borrowing was SEK 0.5 billion. Cash and cash equivalents totalled SEK 1.2 billion. Contractual credit commitments amounted to SEK 5 billion, of which SEK 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 January-June amounted to SEK -20 million (-57).

Tax

Recognised tax for January-June amounted to SEK -595 million (-802). Recognised tax as a proportion of profit before tax was 21 per cent (20).

Equity

In January-June, the Group's equity decreased by SEK 3 920 million in to SEK 53 030 million. Profit for the period totalled SEK 2 261 million (3 125). Other comprehensive income totalled SEK -2 628 million (3 001), which mainly relates to the change in fair value of hedge-accounted electricity derivatives. A dividend of SEK 2 592 million was paid during the quarter and SEK 967 million of shares were bought back.

Hedging of exchange rates

The Group hedges parts of its future estimated net flows in foreign currencies. The operating profit for January-June includes currency hedges of SEK -185 million (102). For EUR/SEK, more than 2 years of expected net flows are hedged at an average of 10.75. 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.

During the first half-year all consumption was hedged. For the remainder of 2023, expected electricity consumption is hedged. For 2024, price hedges are in place covering 65 per cent of full production. 35 per cent is hedged for 2025 and 10 per cent for 2026.

The Group delivers 1.8 TWh of hydro and wind power in a normal year. For the remainder of 2023, 20 per cent is hedged. There are no price hedges in place beyond 2023.

Personnel

The average number of employees (FTE) in the Group was 3 503 (3 372).

Share buy-backs

Holmen's Board of Directors decided on 3 May 2023 to exercise its authorisation from the 2023 Annual General Meeting to repurchase own shares. A maximum of 3 million class B shares may be bought back. In the second quarter, 2 389 323 class B shares were bought back for SEK 967 million, equal to an average price of SEK 405/share. The buy-backs correspond to 1.5 per cent of the total number of shares. The company already owned 0.3 per cent of its own shares, meaning that at 30 June 2023 Holmen held 1.8 per cent of the total number of shares.

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, 17 August 2023
Holmen AB (publ)

Fredrik Lundberg

Chairman

Lars Josefsson

Board member

Alice Kempe

Board member

Louise Lindh

Board member

Ulf Lundahl

Board member

Fredrik Persson

Board member

Henriette Zeuchner

Board member

Carina Åkerström

Board member

Henrik Sjölund

Board member and
Chief Executive Officer

Ari Aula

Board member,
employee representative

Christer 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	
Condensed income statement, SEKm	2-23	1-23	2-22	2023	2022	2022
Net sales	5 754	6 223	6 173	11 977	11 923	23 952
Other operating income	439	487	556	925	1 397	2 743
Change in inventories	60	83	136	143	124	364
Raw materials and consumables	-2 734	-2 823	-2 600	-5 557	-5 373	-11 078
Personnel costs	-894	-826	-780	-1 720	-1 503	-2 956
Other operating costs	-1 261	-1 204	-1 139	-2 466	-2 131	-4 672
Change in value of biological assets	106	133	88	239	205	509
Profit from investments in associates and joint ventures	1	8	0	9	8	10
Depreciation and amortisation according to plan	-332	-343	-333	-675	-665	-1 345
Operating profit	1 138	1 737	2 101	2 875	3 984	7 527
Finance income	10	16	0	26	2	12
Finance costs	-19	-26	-19	-46	-58	-99
Profit before tax	1 129	1 727	2 083	2 855	3 927	7 441
Tax	-239	-356	-441	-595	-802	-1 567
Profit for the period	890	1 371	1 642	2 261	3 125	5 874
Earnings per share, SEK						
Basic	5.5	8.5	10.1	14.0	19.3	36.3
Diluted	5.5	8.5	10.1	14.0	19.3	36.3
Operating margin, %*	20	28	34	24	31	30
Return on capital employed, %*				10	14	13
Return on equity, %				8	13	11

*Excl. item affecting comparability.

	Quarter			Jan-Jun	Full year	
Condensed statement of comprehensive income, SEKm	2-23	1-23	2-22	2023	2022	2022
Profit for the period	890	1 371	1 642	2 261	3 125	5 874
Other comprehensive income						
Revaluation of forest land	-	-	-	-	-	4 373
Revaluations of defined benefit pension plans	-18	11	-11	-8	-32	-6
Tax attributable to items that will not be reclassified to profit for the period	4	-2	17	2	22	-899
Items that will not be reclassified to profit for the period	-14	9	6	-6	-11	3 469
Cash flow hedging	-636	-2 789	2 740	-3 425	3 734	3 037
Translation difference on foreign operation	161	48	57	209	55	72
Hedging of currency risk in foreign operation	-107	-33	-27	-140	-19	-28
Tax attributable to items that will be reclassified to profit for the period	153	581	-559	734	-758	-612
Items that will be reclassified to profit for the period	-429	-2 193	2 212	-2 622	3 012	2 469
Total other comprehensive income after tax	-444	-2 184	2 218	-2 628	3 001	5 938
Total comprehensive income	446	-813	3 860	-367	6 126	11 812

	Jan-Jun	
Condensed change in equity in summary, SEKm	2023	2022
Opening equity	56 950	46 992
Profit for the period	2 261	3 125
Other comprehensive income	-2 628	3 001
Total comprehensive income	-367	6 126
Share saving program	7	0
Buy-back of own shares	-967	-
Dividend	-2 592	-1 862
Closing equity	53 030	51 256

Group

	2023	2023	2022
Condensed balance sheet, SEKm	30 Jun	31 Mar	31 Dec
Non-current assets			
Forest assets			
Biological assets	30 165	30 015	29 867
Forest land	22 294	22 294	22 284
Intangible non-current assets	426	427	427
Property, plant and equipment	10 241	10 046	10 124
Right-of-use assets	250	244	242
Investments in associates and joint ventures	1 689	1 688	1 680
Other shares and participating interests	2	2	2
Non-current financial receivables	92	105	97
Deferred tax assets	3	3	2
Total non-current assets	65 161	64 822	64 726
Current assets			
Inventories	5 317	5 132	4 838
Trade receivables	2 919	3 001	2 929
Current tax receivable	63	70	589
Other operating receivables*	2 446	2 981	6 402
Current financial receivables	8	12	18
Cash and cash equivalents	1 245	3 214	1 935
Total current assets	11 997	14 409	16 710
Total assets	77 158	79 232	81 436
Equity	53 030	53 547	56 950
Non-current liabilities			
Non-current financial liabilities	2 902	2 902	2 902
Non-current liabilities relating to right-of-use assets	164	161	158
Pension obligations	8	10	7
Non-current provisions	433	435	441
Deferred tax liabilities	13 035	13 105	13 490
Total non-current liabilities	16 542	16 613	16 998
Current liabilities			
Current financial liabilities	800	546	1 039
Current liabilities relating to right-of-use assets	92	89	89
Trade payables	3 531	3 182	3 848
Current tax liability	212	131	118
Other operating liabilities	2 952	5 123	2 395
Total current liabilities	7 586	9 072	7 488
Total liabilities	24 128	25 684	24 486
Total equity and liabilities	77 158	79 232	81 436
Debt/equity ratio, %	5	1	4
Equity/assets ratio, %	69	68	70
Capital employed	55 651	53 924	59 095
Net financial debt	2 621	376	2 145

*The fair value of electricity derivatives is included at SEK 1 670 (31 Mar 2023: 1 947, 31 Dec 2022: 4 844) million.

Group

Condensed cash flow statement, SEKm	2-23	Quarter 1-23	2-22	Jan-Jun 2023	2022	Full year 2022
Operating activities						
Profit before tax	1 129	1 727	2 083	2 855	3 927	7 441
Adjustments for non-cash items						
Depreciation and amortisation according to plan	332	343	333	675	665	1 345
Change in value of biological assets	-106	-133	-88	-239	-205	-509
Other*	9	-5	51	4	35	131
Paid income taxes	-75	367	-182	292	-301	-1 639
Cash flow from operating activities before changes in working capital	1 289	2 299	2 196	3 588	4 121	6 768
Cash flow from changes in working capital						
Change in inventories	-217	-61	-279	-278	-333	-1 007
Change in trade receivables and other operating receivables	415	451	-280	865	-1 081	-1 284
Change in trade payables and other operating liabilities	366	-540	122	-174	434	1 007
Cash flow from operating activities	1 853	2 149	1 759	4 002	3 141	5 484
Investing activities						
Acquisition of non-current assets	-404	-319	-463	-723	-671	-1 401
Disposal of non-current assets	3	1	4	4	8	49
Change in non-current financial receivables	-	-	-	-	3	3
Cash flow from investing activities	-400	-319	-459	-719	-660	-1 349
Financing activities						
Amortization of liabilities associated with to right-of-use assets	-21	-31	-21	-53	-41	-90
Change in financial liabilities and current financial receivables	-63	-521	-1 198	-583	-624	-761
Buy-back of own shares**	-754	-	-	-754	-	-
Dividends paid to the shareholders of the parent company	-2 592	-	-1 862	-2 592	-1 862	-1 862
Cash flow from financing activities	-3 430	-552	-3 081	-3 981	-2 528	-2 713
Cash flow for the period	-1 977	1 279	-1 781	-698	-46	1 422
Opening cash and cash equivalents	3 214	1 935	2 243	1 935	507	507
Exchange difference in cash and cash equivalents	7	1	2	8	2	5
Closing cash and cash equivalents	1 245	3 214	464	1 245	464	1 935

Change in net financial debt, SEKm	2-23	Quarter 1-23	2-22	Jan-Jun 2023	2022	Full year 2022
Opening net financial debt	-376	-2 145	-3 184	-2 145	-4 101	-4 101
Cash flow from operating activities	1 853	2 149	1 759	4 002	3 141	5 484
Cash flow from investing activities (excl financial receivables and acquisition)	-400	-319	-459	-719	-661	-1 350
Buy-back of own shares**	-967	-	-	-967	-	-
Acquisition	-	-	-	-	-267	-270
Dividend paid	-2 592	-	-1 862	-2 592	-1 862	-1 862
Liabilities arising from new right-of-use agreements	-28	-34	-14	-62	-53	-93
Revaluations of defined benefit pension plans	-15	9	-10	-6	-27	-7
Foreign exchange effects and changes in fair value	-95	-36	-10	-132	50	53
Closing net financial debt	-2 621	-376	-3 780	-2 621	-3 780	-2 145

*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.

** In the second quarter, shares were repurchased for SEK 967 million. SEK 754 million were paid and the remaining part was recognised as a financial liability.

Parent company

		Quarter		Jan-Jun		Full year
Condensed income statement, SEKm	2-23	1-23	2-22	2023	2022	2022
Operating income	5 496	5 699	5 989	11 195	11 472	23 257
Operating costs	-4 721	-4 780	-4 374	-9 500	-8 859	-18 245
Operating profit	775	919	1 616	1 695	2 613	5 012
Net financial items	195	-37	383	158	380	448
Profit after net financial items	970	882	1 999	1 853	2 992	5 459
Appropriations	150	-189	-153	-39	-268	-511
Profit before tax	1 120	693	1 846	1 814	2 725	4 948
Tax	-166	-143	-293	-309	-476	-930
Profit for the period	954	550	1 553	1 504	2 248	4 019

		Quarter		Jan-Jun		Full year
Condensed statement of comprehensive income, SEKm	2-23	1-23	2-22	2023	2022	2022
Profit for the period	954	550	1 553	1 504	2 248	4 019
Other comprehensive income						
Cash flow hedging	-635	-2 672	2 910	-3 307	3 925	2 885
Tax attributable to other comprehensive income	131	550	-599	681	-808	-594
Items that will be reclassified to profit for the period	-504	-2 121	2 310	-2 625	3 117	2 291
Total comprehensive income	450	-1 571	3 863	-1 121	5 365	6 310

	2023	2023	2022
Condensed balance sheet, SEKm	30 Jun	31 Mar	31 Dec
Non-current assets	18 416	18 271	18 537
Current assets	10 106	12 606	14 941
Total assets	28 522	30 877	33 478
Restricted equity	5 915	5 915	5 915
Non-restricted equity	6 859	7 373	11 533
Untaxed reserves	4 345	4 185	4 053
Provisions	1 331	1 476	2 011
Liabilities	10 072	11 927	9 966
Total equity and liabilities	28 522	30 877	33 478

Sales to Group companies accounted for SEK 194 million (225) of operating income in January-June.

Appropriations include net Group contributions totalling SEK 252 million (320).

The parent company's investments in property, plant and equipment and intangible assets totalled SEK 20 million (36).

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

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. Forest assets are usually valued at year-end. The total value of the forest assets is allocated across growing trees and forest land. The value of the growing trees, which is 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 annual value of the forest assets is calculated, and when there are acquisitions or disposals. Changes in the value of forest land are recognised in other comprehensive income.

The value of the biological assets at 30 June was SEK 30 165 million (31 Dec. 2022: 29 867). The change in value of biological assets, calculated as the net sum of the change as a result of harvesting and the unrealised change in fair value, totalled SEK 239 million for the period January-June and is recognised in the Group's operating profit. The book value of forest land at 30 June was SEK 22 294 million (31 Dec. 2022: 22 284).

3. External net sales by market

	Forest	Paperboard	Paper	Wood Products	Renewable Energy	Group
Jan-Jun 2023						
Scandinavia	1 425	123	317	872	596	3 332
Rest of Europe	1	2 513	3 416	769	-	6 699
Asia	-	713	274	175	-	1 161
Rest of the world	-	211	179	395	-	785
Total Net sales	1 426	3 559	4 186	2 211	596	11 977

	Forest	Paperboard	Paper	Wood Products	Renewable Energy	Group
Jan-Jun 2022						
Scandinavia	1 317	125	317	1 360	371	3 490
Rest of Europe	2	2 352	3 183	965	-	6 502
Asia	-	596	226	187	-	1 008
Rest of the world	-	199	176	547	-	922
Total Net sales	1 319	3 271	3 903	3 059	371	11 923

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		-2 899 969	-2 899 969		
Total number of shares issued		159 612 355	566 830 567		

5. Financial instruments

SEKm	Book value		Fair value	
	2023	2022	2023	2022
	30 Jun	31 Dec	30 Jun	31 Dec
Assets at fair value	1 814	5 020	1 814	5 020
Assets at acquisition cost	4 189	4 893	4 189	4 893
Liabilities at fair value	1 494	1 187	1 494	1 187
Liabilities at acquisition cost	7 174	7 782	7 174	7 782

Holmen measures financial instruments at fair value or cost in the balance sheet depending on their classification. In addition to items of 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 30 June was SEK 320 million, which is SEK 3 513 million lower than at year-end, mainly due to the lower fair 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, disposals, closures, major restructuring measures and breakdowns, as well as changes 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 items affecting comparability. Operating profit for the previous year includes the net sum of SEK +266 million relating to insurance compensation and costs and the loss of revenue associated with the turbine breakdown at the paperboard mill in Workington. A description of the items that are recognised as affecting comparability in previous periods is provided on page 102 of Holmen's annual report for 2022.

SEKm	Quarter			Jan-Jun		Full year
	2-23	1-23	2-22	2023	2022	2022
EBITDA	1 471	2 080	2 434	3 550	4 384	8 607
Depreciation and amortisation according to plan	-332	-343	-333	-675	-665	-1 345
Operating profit excl. items affecting comp.	1 138	1 737	2 101	2 875	3 719	7 262
Items affecting comparability	-	-	-	-	266	266
Operating profit	1 138	1 737	2 101	2 875	3 984	7 527

Measure of margin, return and indebtedness

Operating profit, excluding items affecting comparability, as a proportion of sales, is known as the operating margin. Earnings before depreciation/amortisation as a proportion of sales are 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	2023	2023	2022
	30 Jun	31 Mar	31 Dec
Fixed assets*	65 066	64 715	64 626
Working capital**	3 617	2 311	7 957
Deferred tax assets	3	3	2
Deferred tax liabilities	-13 035	-13 105	-13 490
Capital employed	55 651	53 924	59 095

*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, non-current 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:

	2023	2023	2022
SEKm	30 Jun	31 Mar	31 Dec
Non-current financial liabilities	2 902	2 902	2 902
Non-current liabilities relating to right-of-use assets	164	161	158
Current financial liabilities	800	546	1 039
Current liabilities relating to right-of-use assets	92	89	89
Pension obligations	8	10	7
Non-current financial receivables	-92	-105	-97
Current financial receivables	-8	-12	-18
Cash and cash equivalents	-1 245	-3 214	-1 935
Net financial debt	2 621	376	2 145

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. For a more detailed description of the material risks and uncertainties, see Holmen's annual report for 2022, pages 53–57, and Note 27.

Group

Quarterly figures, SEKm	2023		2022				Jan-Jun		Full year
	Q2	Q1	Q4	Q3	Q2	Q1	2023	2022	2022
Income statement									
Net sales	5 754	6 223	6 245	5 784	6 173	5 750	11 977	11 923	23 952
Operating costs	-4 391	-4 284	-4 429	-3 684	-3 827	-3 925	-8 675	-7 752	-15 865
Change in value of forests	106	133	148	156	88	117	239	205	509
Profit from associates and JV	1	8	1	1	0	8	9	8	10
EBITDA*	1 471	2 080	1 965	2 258	2 434	1 950	3 550	4 384	8 607
Depreciation and amortisation according to plan	-332	-343	-343	-336	-333	-332	-675	-665	-1 345
Operating profit excl. item affecting comparability	1 138	1 737	1 622	1 921	2 101	1 617	2 875	3 719	7 262
Item affecting comparability	-	-	-	-	-	266	-	266	266
Operating profit	1 138	1 737	1 622	1 921	2 101	1 883	2 875	3 984	7 527
Net financial items	-10	-10	-14	-16	-19	-38	-20	-57	-87
Profit before tax	1 129	1 727	1 608	1 905	2 083	1 844	2 855	3 927	7 441
Tax	-239	-356	-340	-424	-441	-361	-595	-802	-1 567
Profit for the period	890	1 371	1 268	1 482	1 642	1 483	2 261	3 125	5 874
Earnings per share, SEK	5.5	8.5	7.8	9.1	10.1	9.2	14.0	19.3	36.3
Net sales									
Forest	2 073	2 105	1 969	1 755	1 810	1 809	4 178	3 618	7 342
Paperboard	1 748	1 811	1 640	1 824	1 692	1 579	3 559	3 271	6 735
Paper	1 992	2 194	2 311	2 156	2 032	1 871	4 186	3 903	8 370
Wood Products	1 124	1 087	1 019	937	1 614	1 445	2 211	3 059	5 015
Renewable Energy	231	368	565	290	188	183	599	371	1 226
Elimination of intra-group net sales	-1 413	-1 342	-1 260	-1 177	-1 163	-1 137	-2 756	-2 300	-4 737
Group	5 754	6 223	6 245	5 784	6 173	5 750	11 977	11 923	23 952
EBITDA by business area*									
Forest	402	373	427	368	368	325	775	693	1 488
Paperboard	116	466	302	549	423	406	582	828	1 680
Paper	732	909	795	911	848	479	1 641	1 327	3 033
Wood Products	102	70	-15	228	648	580	172	1 228	1 441
Renewable Energy	163	309	491	240	188	193	471	381	1 112
Group-wide	-44	-47	-35	-39	-41	-32	-92	-74	-148
Group	1 471	2 080	1 965	2 258	2 434	1 950	3 550	4 384	8 607
Operating profit/loss by business area*									
Forest	390	351	402	346	349	305	742	653	1 401
Paperboard	-49	299	152	400	274	256	250	530	1 081
Paper	659	836	716	832	767	399	1 496	1 167	2 714
Wood Products	55	23	-67	177	598	529	77	1 127	1 237
Renewable Energy	135	282	463	214	162	168	417	330	1 006
Group-wide	-52	-54	-44	-46	-48	-40	-107	-88	-178
Group	1 138	1 737	1 622	1 921	2 101	1 617	2 875	3 719	7 262
Operating margin, %*									
Paperboard	-3	17	9	22	16	16	7	16	16
Paper	33	38	31	39	38	21	36	30	32
Wood Products	5	2	-7	19	37	37	3	37	25
Group	20	28	26	33	34	28	24	31	30
Return on capital employed, %*									
Industry (Paperboard, Paper & Wood Products)	26	47	33	57	67	51	36	59	52
Group	8	12	11	14	16	13	10	14	13
Return on equity, %									
Group	7	10	9	11	13	13	8	13	11
Deliveries									
Own forests, '000 m ³ sub	788	620	692	627	820	674	1 408	1 494	2 813
Paperboard, '000 tonnes	113	122	116	131	129	126	235	255	503
Paper, '000 tonnes	210	216	248	250	244	253	426	497	995
Wood products, '000 m ³	388	397	401	277	374	381	786	755	1 435
Hydro- and windpower, GWh	334	517	437	424	376	402	851	778	1 639

*Excl. item affecting comparability 2022.

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 m³sub	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 m³	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.

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 09.00 CEST on Thursday 17th of 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/reports

You may also participate in the conference by telephone, by calling no later than 08.55 CEST 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

25 October 2023	Interim report January-September 2023
31 January 2024	Year-end report 2023
26 April 2024	Interim report January-March 2024
15 August 2024	Interim report January-June 2024
24 October 2024	Interim report January-September 2024

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 07:30 CEST on Thursday, 17 August 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.