



storaenso

# Stora Enso Half-year financial report

January–June 2022

## Q2

Our purpose:

**Do good for people and the planet.  
Replace non-renewable materials  
with renewable products.**

# Strong execution underpins outstanding performance

## Quarterly financial highlights

- Sales increased by 18% to EUR 3,054 (2,592) million. Sales excluding Paper increased by 21%.
- Operational EBIT increased by 39% to EUR 505 (364) million. Operational EBIT excluding Paper increased to EUR 455 (413) million.
- Operational EBIT margin increased to 16.5% (14.0%).
- Operating profit (IFRS) increased to EUR 399 (182) million.
- EPS was EUR 0.38 (0.26) and EPS excl. fair valuations (FV) was EUR 0.42 (0.27).
- The value of the forest assets increased to EUR 8.2 (7.4) billion, equivalent to EUR 10.40 per share.
- Cash flow from operations amounted to EUR 404 (463) million. Cash flow after investing activities was EUR 247 (339) million.
- Net debt decreased by EUR 541 million to EUR 2,434 (2,975) million.
- The net debt to operational EBITDA ratio improved to 1.0 (1.8). The target is to keep the ratio below 2.0.
- Operational ROCE excluding the Forest division increased to 22.8% (18.1%), the target being >13%.

## January–June result

- Sales were EUR 5,852 (4,868) million.
- Operational EBIT was EUR 1,008 (692) million.
- Cash flow from operations amounted to EUR 806 (648) million. Cash flow after investing activities was EUR 471 (330) million.
- Operational ROCE excluding the Forest division increased to 23.2% (15.2%).

## Key highlights

- A feasibility study was launched at the Langerbrugge site in Belgium for the conversion of one of the two paper lines into a high-volume recycled containerboard line.
- A feasibility study for the conversion of an idle paper machine at the Oulu site, Finland is ongoing to explore expansion in renewable packaging board with an additional capacity of 750,000 tonnes.
- Stora Enso and Northvolt, the battery cells and systems supplier, have entered into a Joint Development Agreement to create a battery with wood-based components sourced sustainably and locally in the Nordic countries.
- Stora Enso's three packaging sites in Russia were divested to local management. The divestment of the Group's two sawmills in Russia to local management has been completed. Minor formalities for the Russian legal entities in the wood supply operations, are expected to be completed during H2/2022. After the completion of these divestments, Stora Enso will no longer have any exposure to Russia.
- The sales process is ongoing to divest four out of five paper production sites to focus on growth in the key strategic areas: renewable packaging, building solutions and biomaterials innovations.

**Sales**  
**EUR 3,054 million**  
(Q2/2021: 2,592)

**Operational EBIT margin**  
**16.5%**  
(Q2/2021: 14.0%)

**Operational ROCE excl. the Forest division**  
**22.8%**  
(Q2/2021: 18.1%)

**Net debt to operational EBITDA**  
**1.0**  
(Q2/2021: 1.8)

**EPS (basic)**  
**0.38**  
(Q2/2021: 0.26)

**Cash flow from operations**  
**EUR 404 million**  
(Q2/2021:463)

## Outlook

Global megatrends such as an increased awareness of sustainability, an accelerated focus on combatting climate change, and digitalisation underpin Stora Enso's business strategy and the demand for its renewable and eco-friendly products, both short and long term.

Stora Enso remains mindful of the heightened market disruptions and uncertainties such as increased geopolitical risk, the rapidly changing macroeconomic environment, inflationary pressures, logistical constraints, material shortages and the pandemic. To manage volatility, measures such as pricing, flexibility in sourcing and logistics, as well as hedging are in place.

There is sustained solid demand for Stora Enso's products. In consumer board, demand remains strong and the

demand for corrugated packaging in Europe is expected to remain stable. The strong demand in pulp is expected to continue both in Europe and China. However, Stora Enso enters the third quarter seeing early indications of a normalisation of demand in containerboard and also in traditional sawn goods, albeit from peak levels. Our full year 2022 guidance remains unchanged from the updated guidance communicated in June 2022.

## Guidance

On 13 June, Stora Enso raised its guidance for the full year 2022 operational EBIT due to sustained strong market conditions. Stora Enso's full-year 2022 operational EBIT is estimated to be higher than the full year operational EBIT for 2021 (EUR 1,528 million).

## Key figures

EUR million	Q2/22	Q2/21	Change %		Change %		Change %		2021
			Q2/22– Q2/21	Q1/22	Q2/22– Q1/22	Q1-Q2/22	Q1-Q2/21	Q1-Q2/22– Q1-Q2/21	
Sales	3,054	2,592	17.8%	2,798	9.2%	5,852	4,868	20.2%	10,164
Operational EBITDA	663	524	26.6%	662	0.1%	1,325	1,011	31.0%	2,184
Operational EBITDA margin	21.7%	20.2%		23.7%		22.6%	20.8%		21.5%
Operational EBIT	505	364	38.9%	503	0.5%	1,008	692	45.7%	1,528
Operational EBIT margin	16.5%	14.0%		18.0%		17.2%	14.2%		15.0%
Operating profit (IFRS)	399	182	119.6%	394	1.5%	793	343	131.2%	1,568
Profit before tax (IFRS)	370	152	144.0%	374	-1.1%	745	277	168.7%	1,419
Net profit for the period (IFRS)	299	207	44.1%	287	4.2%	586	353	66.0%	1,268
Cash flow from operations	404	463	-12.8%	403	0.3%	806	648	24.4%	1,752
Cash flow after investing activities	247	339	-27.1%	224	10.3%	471	330	42.7%	1,101
Capital expenditure	161	130	24.3%	85	89.0%	246	254	-3.0%	666
Capital expenditure excluding investments in biological assets	139	114	22.3%	71	94.9%	210	225	-6.6%	609
Depreciation and impairment charges excl. IAC	131	135	-2.7%	135	-2.4%	266	274	-2.8%	555
Net interest-bearing liabilities	2,434	2,975	-18.2%	2,593	-6.2%	2,434	2,975	-18.2%	2,309
Forest assets <sup>1</sup>	8,161	7,409	10.1%	7,965	2.5%	8,161	7,409	10.1%	7,966
Operational return on capital employed (ROCE), %	14.9%	12.1%		15.3%		15.1%	11.6%		12.4%
Operational ROCE excl. Forest division	22.8%	18.1%		23.6%		23.2%	15.2%		17.8%
Earnings per share (EPS) excl. FV, EUR	0.42	0.27	55.4%	0.35	22.9%	0.77	0.50	55.2%	1.19
EPS (basic), EUR	0.38	0.26	47.0%	0.37	4.8%	0.75	0.44	69.3%	1.61
Return on equity (ROE)	10.9%	9.3%		10.7%		10.7%	7.8%		13.0%
Net debt/equity ratio	0.21	0.32		0.24		0.21	0.32		0.22
Net debt to last 12 months' operational EBITDA ratio	1.0	1.8		1.1		1.0	1.8		1.1
Equity per share, EUR	14.39	11.68	23.3%	13.60	5.8%	14.39	11.68	23.3%	13.55
Average number of employees (FTE)	22,327	23,509	-5.0%	22,211	0.5%	22,248	23,293	-4.5%	23,071
TRI rate <sup>2</sup>	4.4	6.0	-26.7%	6.5	-32.3%	5.6	5.9	-5.1%	6.2

**Operational key figures, items affecting comparability and other non-IFRS measures:** The list of Stora Enso's non-IFRS measures, and the calculation and definitions of the key figures are presented at the end of this report. See also the section *Non-IFRS measures* at the beginning of the Financials section.

<sup>1</sup> Total forest assets value, including leased land and Stora Enso's share of Tornator.

<sup>2</sup> Historical figures for TRI rate recalculated due to additional data received after the previous Interim Reports.

## Production and external deliveries

	Q2/22	Q2/21	Change %		Change %		Change %		2021
			Q2/22– Q2/21	Q1/22	Q2/22– Q1/22	Q1-Q2/22	Q1-Q2/21	Q1-Q2/22– Q1-Q2/21	
Board deliveries <sup>1</sup> , 1,000 tonnes	1,113	1,099	1.3%	1,081	3.0%	2,195	2,107	4.2%	4,258
Board production <sup>1</sup> , 1,000 tonnes	1,204	1,168	3.1%	1,244	-3.2%	2,448	2,307	6.1%	4,685
Corrugated packaging European deliveries, million m <sup>2</sup>	195	242	-19.7%	224	-13.2%	419	479	-12.6%	949
Corrugated packaging European production, million m <sup>2</sup>	203	270	-24.7%	236	-13.8%	439	533	-17.6%	1,049
Market pulp deliveries, 1,000 tonnes	592	634	-6.6%	580	2.1%	1,172	1,270	-7.7%	2,495
Wood products deliveries, 1,000 m <sup>3</sup>	1,163	1,347	-13.7%	1,219	-4.6%	2,382	2,539	-6.2%	4,803
Wood deliveries, 1,000 m <sup>3</sup>	4,633	3,042	52.3%	3,091	49.9%	7,724	6,087	26.9%	12,091
Paper deliveries, 1,000 tonnes	517	767	-32.7%	535	-3.4%	1,052	1,509	-30.3%	2,872
Paper production, 1,000 tonnes	526	741	-29.1%	533	-1.4%	1,058	1,484	-28.7%	2,776

<sup>1</sup> Includes consumer board and containerboard volumes  
The comparative Q2/2021 market pulp figures have been adjusted.

## Total maintenance impact

Expected and historical impact as lost value of sales and maintenance costs

EUR million	Q3/2022 <sup>1</sup>	Q2/2022 <sup>2</sup>	Q1/2022	Q4/2021	Q3/2021	Q2/2021
Total maintenance impact	132	120	107	146	169	136

<sup>1</sup> Estimated

<sup>2</sup> The estimate for Q2/2022 was EUR 113 million.

## CEO comment

I am happy to report that our very strong start of the year continued in the second quarter, despite persisting macroeconomic and geopolitical turmoil. We once again demonstrate the agility and commitment of our organisation, our differentiated customer and product portfolio, and the power of the synergies across the breadth of the business. Our commitment to leverage the potential of our renewable materials and solutions has never been stronger.

We continue to grow by 21% excluding Paper year-on-year in our core businesses with margins and returns well above our long-term targets. During the quarter, the demand has been robust for our main segments but logistical challenges with low long haul vessel reliability and poor container availability has had an impact on our ability to fully serve our customers. We have high self-sufficiency in energy and wood supply which has supported and allowed us to secure our key raw materials and energy needs. Our pricing power allows us to mitigate inflationary pressures and our key priorities remain; to support our customers through inventory management and handling continued supply chain and logistical disruptions.

The humanitarian crisis in Ukraine and the horrors of war have undeniably come closer to all of us and our response was swift and necessary. The divestment of the Russian industrial operations to local management has been completed. Minor formalities are left for the wood supply legal entities, and the process will be completed latest in Q4 this year. After that, we will no longer have any exposure to Russia.

In all this, I am pleased to have found a safe and sustainable long-term solution for these businesses and our former employees. We stay true to our values and responsible business is an integral part of our day-to-day decision making.

We managed to achieve the highest quarterly result since the early 2000s, with an operational EBIT of 505 million Euros, a year-on-year increase of 39% with an operational EBIT margin of 16.5%. The valuation of our forest assets reached 8.2 billion Euros, corresponding to 10.40 Euro per share. We have also prepared ourselves for tougher economic environment by good cost control, increased liquidity, and reduced debt. For the first time, we reached a net debt to operational EBITDA ratio of 1, below our target of 2 creating resilience and headroom to sustain our growth journey both organically and through selective M&As. I am very proud of these results; they have taken a lot of effort to achieve.

In June, we raised our full year guidance to be higher than our record year 2021 results. Stora Enso reiterates the updated guidance. In Packaging, we see stable demand in consumer packaging, liquid, and food, and are sold out in this segment. Demand for containerboard is normalising due to seasonally slow summer months and customer inventory reductions. Demand is also stable for corrugated box packaging in Europe. For agricultural and food packaging end-uses demand remains solid, while e-commerce, industrials, and the consumer durables end-uses demand are normalising from very high levels.

In Wood Products, we have passed the demand peak from historically high levels for traditional sawn products. The construction market is slowing down due to elevated inflation and availability of other building components. However, our Building Solutions segment is benefiting from

long projects and governmental policies and sees sustained strong demand for both cross laminated timber and laminated veneer lumber. In our Paper division, we have full orderbooks, the market remains tight, and there is continued price momentum. We are also fully booked in our Biomaterials division, with a sustained positive sentiment and a continued tight market situation. The tissue, paper, and packaging end-use segments demand remain strong in both Europe and China. Lastly, as a result of the above, the Forest division sees high demand for pulpwood and stable demand for sawn timber.

Renewable packaging is one of our growth areas where we prioritise conversions of existing assets and incremental improvements of environmental performance, production efficiency and quality. In line with this, we initiated a feasibility study in our retained paper site in Belgium for conversion into a cost leading, high-volume recycled containerboard line. We also support our customers becoming fully circular and reducing their carbon footprint. At the same site, we partnered in a feasibility study with Tetra Pak, for a recycling facility serving the Benelux market. This builds on the experiences and learnings of a similar joint project in Poland, for enabling recycling in Eastern Europe.

We are constantly broadening our partnerships and collaborations in the value chain of wooden-based solutions for efficient and low-carbon construction. The French market is the biggest in growth and opportunities, supported by ambitious governmental policies to promote wooden based construction. Latest examples of our progress are our 35% shareholding in a wood processing company and business partnership with an industrial group, both in France.

Lastly, to make a difference and a positive climate impact, we must constantly innovate and challenge ourselves, pushing the boundaries of "what a tree can do". In Biomaterials Innovations, I am therefore very pleased that we now have our first partnership in place, a joint development agreement with Northvolt, one of Europe's largest battery makers. We will together create the world's greenest battery using our anode material Lignode, homegrown in our Nordic forests. We have also teamed up with the Swedish company Modvion to create 100+ meter tall wooden wind turbine towers. The aim is to reduce the carbon footprint of steel-based wind turbine towers by using wood as the material of choice. Imagine: renewable energy production using renewable construction materials, what a win for the climate.

Our decisions are guided by our purpose: to do what is right for people and the planet by replacing fossil-based materials with renewable ones. We will continue our efforts to help our customers become 100% climate positive and circular, creating value for all our stakeholders long-term. We are committed to build the right ecosystem of customers, partners and passionate people that will deliver sustainable and profitable growth.

The renewable future grows in the forest.

**Annica Bresky**  
President and CEO

## Market dynamics

Global megatrends such as urbanisation, digitalisation, global warming and eco and brand awareness all underpin Stora Enso's growth opportunities. Regulation promoting a circular economy further supports growth. Stora Enso creates renewable, sustainable and circular products which respond to its customers' need to substitute fossil-based materials, helping combat climate change. The global increased focus on sustainability provides us with several long-term growth opportunities and enables us to lead the green materials transition. There is strong drive to maximise the efficient use of raw materials and to make the value chains circular. This is supported by lifecycle thinking, hand in hand with rising consumer demand for eco-friendly products that enable a reduced carbon footprint. Stora Enso foresees strong, long-term, and accelerating demand for renewable, recyclable and 'net positive' products. The Company sees significant prospects to expand its total addressable market and aim to grow by >5% (excl. Paper) per year over the cycle.

## Stora Enso's strategy

Sustainability is driving Stora Enso's strategy and is a natural part of its business conduct. The Company's forest holding is a real asset which both initiates the integrated value chain and sustainability credentials throughout the whole product line. Stora Enso's products store CO<sub>2</sub>, and substitute and displace fossil-based products. The Company creates value by focusing on growing its leading positions in: renewable packaging, building solutions and biomaterials innovations. It also ensures maximising value creation in the foundation businesses: forest, biomaterials and wood products. Stora Enso helps drive the green revolution by investing in innovation, helping its customers reach their sustainability targets regarding climate impact and circular solutions. Stora Enso drives a performance culture through its business-specific processes to grow profitability long term. Responsible leadership based on a diverse and inclusive culture is a top priority and the strongest driver for performance, company culture and personal well-being.

## Events and product update

### Assessing growth opportunities in packaging materials

Stora Enso started a feasibility study at its paper production site in Langerbrugge, Belgium, for the conversion of one of the two paper lines into a high-volume recycled containerboard line. Aligned with Stora Enso's strategic focus on renewable materials, the investment would support the growth opportunity created by the increasing demand for recycled packaging board. The study is expected to be finalised in H1/2023. On a positive investment decision, the converted line could be in production during 2025. The total investment is estimated to be approximately EUR 400 million.

Linked to this feasibility study, Stora Enso and Tetra Pak are jointly examining a shared beverage carton recycling solution to meet the growing recycling need in Benelux. The plan includes a comprehensive beverage carton recycling facility at Stora Enso's Langerbrugge site.

The feasibility study for the possible conversion to a consumer board line of an idle paper machine at the Oulu site, Finland, which commenced during Q1/2022, is ongoing. An investment decision could be made by the end of 2022, with start-up in 2025. Capital expenditure is estimated to range between EUR 900–1,000 million.

### Strengthened presence in French wood products markets

Stora Enso became a 35% shareholder of the French wood processing company ACDF Industrie SAS. The investment is in line with Stora Enso's growth strategy for mass timber building elements, enabling value-added, bespoke CLT (cross-laminated timber) solutions to its long-term French partners. In addition, Stora Enso advances its strong partnership network in France by signing a business partnership with Bouygues S.A., securing a stable delivery of CLT to their building projects.

### Wood for wind turbine towers

Stora Enso and the Swedish wood technology company Modvion, are partnering to establish wood as the material of choice for wind turbine towers. The collaboration's purpose is to demonstrate the vast possibilities in using wood in demanding constructions.

### New plastic-free packaging

The new 100% virgin fiber-based kraftliner, AvantForte WhiteTop by Stora Enso, was launched targeting demanding premium segments, such as fresh food, e-commerce, and

shelf-ready packaging. The accelerating shift from plastic to renewable packaging in fresh foods and e-commerce is increasing the demand for high performing kraftliners.

### New operators at the former paper site

The former paper machinery hall at Stora Enso's Veitsiluoto site in Finland was leased to the textile technology company Infinited Fiber Company. The district heating business at Veitsiluoto was sold to the energy infrastructure company Nevel who will continue to produce heat for the needs of the mill site and nearby residents.

### Exiting Russian operations

Stora Enso divested its packaging operations in Russia to local management. Stora Enso assesses that due to the uncertainties in the Russian market, local ownership and operation can provide a more sustainable long-term solution for these business operations and the employees. Stora Enso halted all import and export activities from and to Russia in March, due to the Russian invasion of Ukraine. In 2021, sales in Russia were approx. 3% of total Group revenues.

### Paper divestment

The sales process to divest four of the five paper production sites, announced in Q1/2022, is ongoing. There is no immediate financial or operational effect on the Group or its paper operations. Stora Enso is looking for new ownership for these high-quality assets that will provide a sustainable long-term future for the sites and their people. There is no committed deadline for the divestment process.

## Events after the quarter

### Partnership to develop wood-based batteries

Stora Enso and Northvolt, battery cells and systems supplier, join forces to create sustainable batteries, using lignin-based hard carbon, Lignode<sup>®</sup> by Stora Enso produced with renewable wood from Nordic forests. The aim is to develop the world's first industrialised battery fully based on European strategic raw materials, both lowering the carbon footprint and increasing the quality and value.

### Divestment of Russian sawmills

The divestment of the Group's two sawmills in Russia to local management has been completed. Minor formalities for the Russian legal entities in the wood supply operations, are expected to be completed during H2/2022.

## Key sustainability targets and performance

Stora Enso focuses its efforts towards a sustainable future concentrating on the three areas in which it has the biggest impact and opportunities: climate change, biodiversity and circularity.

### Climate change

Stora Enso's science-based target is to reduce absolute scope 1, 2 and 3 greenhouse gas (GHG) emissions by 50% by 2030 from the 2019 base year, in line with the 1.5-degree scenario.

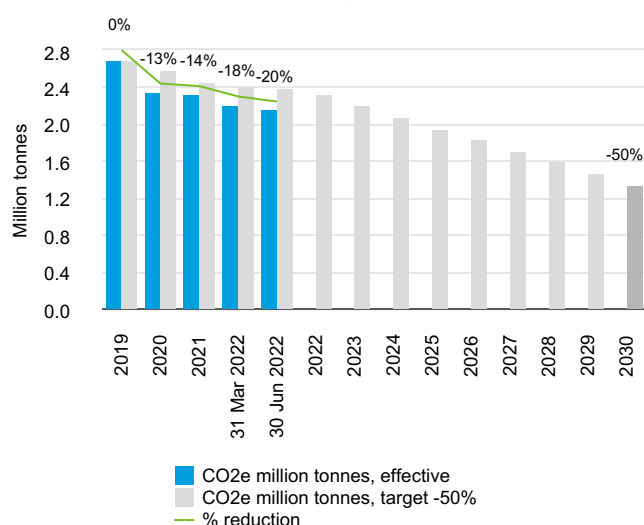
By the end of the quarter, the scope 1 and 2 GHG emissions were 2.16 million tonnes or 20% less than in the base year. Several units continued to reduce scope 1 emissions contributing to the Group-level improvement. Ceasing operations at the Veitsiluoto site also contributed to the emissions reductions.

Stora Enso will reduce scope 1 and 2 emissions from operations by investing in energy efficiency, and by further

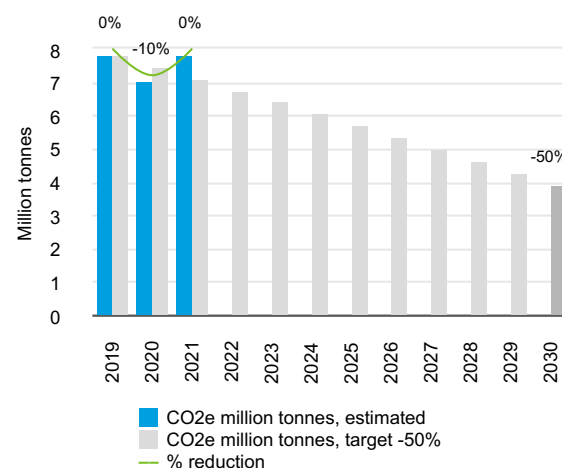
increasing the share of clean energy sources, including wood-based biofuels from sustainable sources.

In 2021, Stora Enso's estimated scope 3 GHG emissions along the value chain were 7.83 million tonnes or at the same level as in the base year (2020: 7.06 million tonnes or 10% less). The emissions increased year-on-year partly due to recovered production. During 2022, Stora Enso is continuing to identify scope 3 emission reduction potential and take appropriate action.

#### Direct and indirect GHG emissions (scope 1+2, last four quarters)<sup>1</sup>



#### GHG emissions along the value chain (scope 3)<sup>1</sup>



<sup>1</sup> For definitions, see the section [Calculation of key figures..](#)

### Biodiversity

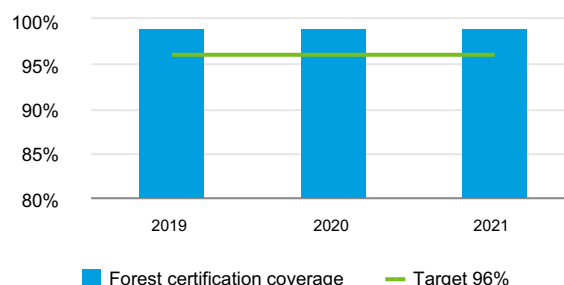
Biodiversity is an integral part of forest certifications including protection of valuable ecosystems. Stora Enso is committed to achieving a net-positive impact on biodiversity in its own forests and plantations by 2050 through active biodiversity management.

During the quarter, Stora Enso announced actions and targets until 2030 related to the new biodiversity programme for its own forests in Sweden. In Finland, a three-year partnership was started with WWF and Tornator to improve the condition of small water bodies and to conserve and protect their species.

Forest certification ensures that the raw material used in wood-based products comes from responsibly managed forests. Stora Enso's target is to maintain the forest certification coverage level of at least 96% for the company's own and leased forest lands.

The forest certification coverage for Stora Enso's owned and leased lands has remained stable. In 2021, the coverage amounted to 99% (2020: 99%).

#### Biodiversity: forest certification coverage<sup>1</sup>



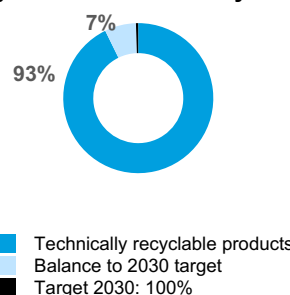
<sup>1</sup> For definitions, see the section [Calculation of key figures.](#)

## Circularity

By the end of 2021, 93% of Stora Enso's products, such as paper and packaging products, were recyclable and the target is to reach 100% by 2030. Stora Enso aims to ensure the recyclability of products through an increased focus on circularity in the innovation processes. Stora Enso collaborates actively with customers and partners to set up the infrastructure to enable 100% circularity in its markets.

During the quarter, Stora Enso continued to work with CEPI and 4evergreen to develop a harmonised methodology for testing the recyclability of fiber-based packaging.

### Circularity: share of technically recyclable products<sup>1 2</sup>



<sup>1</sup> As of 31 December 2021

<sup>2</sup> For definitions, see the section [Calculation of key figures](#).

## Responsible business practices

	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Jun 2021	Target
<b>Occupational safety:</b> TRI rate, year-to-date	5.6	6.5	6.2	5.9	5.3 by the end of 2022
<b>Gender balance:</b> % of female managers among all managers	24%	23%	23%	23%	25% by the end of 2024
<b>Water:</b> total water withdrawal per saleable tonne (m <sup>3</sup> /tonne)	61	60	60	62	Decreasing trend
<b>Water:</b> process water discharges per saleable tonne, (m <sup>3</sup> /tonne)	31	31	31	31	Decreasing trend
<b>Sustainable sourcing:</b> % of supplier spend covered by the Supplier Code of Conduct (SCoC)	95%	96%	96%	95%	95%

For definitions, see the section [Calculation of key figures](#).

The safety milestone for 2022 is 5.3. The key areas of improvement are defined in Stora Enso's Strategic Safety Roadmap from 2021. During the quarter, the focus was on challenging leadership responsibility in safety. The Safety Roadmap was strengthened to further improve the safety culture and performance initiatives.

Water performance remained stable during the quarter. Stora Enso strives for constantly improving its water performance through targeted investments. Stora Enso will introduce new targets for water performance by the end of 2022.

The KPI for sustainable sourcing measures the proportion of total supplier spend covered by the SCoC. By the end of the quarter, 95% of the spend on materials, goods, and services was covered by the SCoC.

The KPI for diversity and inclusion measures the proportion of female managers among all managers. At the end of the quarter, the proportion was 24%. The target is 25% by the end of 2024. Among all employees, the proportion of female employees was 25%. In the Group's Leadership Team, 5 out of 13 members were women at the end of Q2/2022.

## ESG assessments and external recognition

Stora Enso actively participates in the following ESG assessment schemes:

ESG rating	Stora Enso score	Change vs previous score	Rating against peers	Last update
<b>CDP</b>	Climate A- Forest A- Water B	Unchanged	Clearly above the industry average level	Q4/2021
<b>FTSE Russell</b>	4.4 out of 5.0	Improved from 4.2 to 4.4	Clearly above the industry average level	Q2/2022
<b>ISS Corporate Rating</b>	B- / A+	No change	Among highest decile rank in the industry sector	Q2/2022
<b>ISS QualityScore</b>	Governance 4 Social 1 Environment 1	Deteriorated in Governance from 3 to 4*	Clearly above the industry average level	Q2/2022
<b>MSCI</b>	AAA / AAA	Improved from AA to AAA	Clearly above the industry average level	Q3/2021
<b>Sustainalytics</b>	15.9 out of 100	Improved from 18.0 to 15.9**	Clearly above the industry average level	Q1/2022
<b>VigeoEiris***</b>	73 out of 100	Improved from 68 to 73	Highest ranked company in the industry	Q3/2021

\* 1 indicating the lowest risk \*\* 0 indicating the lowest risk \*\*\* V.E. part of Moody's ESG solutions

## Other

Stora Enso was awarded a platinum level rating by the global sustainability rating organisation EcoVadis. The Group's total score was 79/100, the same as last year. Since 2017, Stora Enso has been included in the top 1% of industry supplier performers in sustainability.

Ecogain Biodiversity Index 2022 ranked Stora Enso among the top three companies in Europe in biodiversity reporting. The Ecogain audit includes the 400 largest companies in Europe.

## Second quarter 2022 results (compared with Q2/2021)

Sales increase  
**18%**

Operational EBIT increase  
**39%**

Earnings per share  
**EUR 0.38**  
(Q2/2021: 0.26)

Group sales increased by 18%, or EUR 462 million, to EUR 3,054 (2,592) million. This was the highest quarterly level since the first quarter of 2008. Group sales excluding the Paper division increased by 21%. Higher sales prices in all divisions together with active mix management improved topline clearly. Positive impact from foreign exchange rates and other sales was offset by the negative effect of structural changes, mainly related to paper site closures at Veitsiluoto in Finland and Kvarnsveden in Sweden.

Group operational EBIT increased by 39%, or EUR 141 million to EUR 505 (364) million. This was the highest quarterly profitability since the early 2000s and the operational EBIT margin increased to 16.5% (14.0%). Margins improved on the back of higher sales prices, especially in Packaging Materials, Paper and Wood Products. The volume impact was negative EUR 39 million, especially due to lower volumes in Biomaterials and Wood Products. Variable costs had a EUR 284 million negative impact, as all input costs continued to increase. Fixed costs increased by EUR 39 million, partly due to changed annual maintenance schedule. The impact from the closed units was positive EUR 13 million and net foreign exchange rates had a positive impact of EUR 20 million on operational EBIT.

Fair valuations and non-operational items had a negative net impact on the operating profit of EUR 45 (negative 11) million. The impact came mainly from the valuation of biological assets.

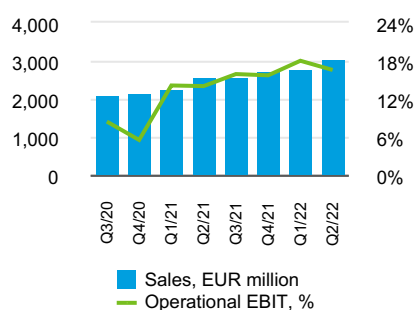
The Group recorded items affecting comparability (IAC) with a negative impact of EUR 61 (negative 171) million on its operating profit. The related tax impact was positive EUR 1 (positive 31) million. The IACs relate mainly to the disposal of the Russian operation in Packaging Solutions.

Net financial expenses of EUR 29 million were EUR 1 million lower than a year ago. Net interest expenses of EUR 27 million decreased by EUR 4 million, mainly as a result of lower interest-bearing liabilities and higher interest income on deposits and cash. Other net financial expenses of EUR 2 million were at same level as the previous year. The net foreign exchange impact in respect of cash equivalents, interest-bearing assets and liabilities and related foreign-currency hedges amounted to EUR 0 (gain of EUR 3) million.

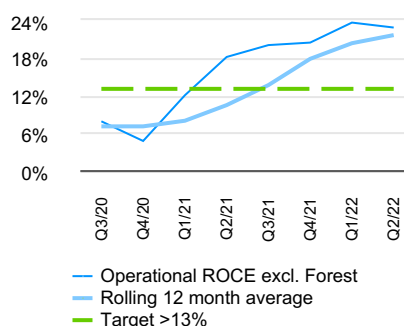
Earnings per share increased by 47% to EUR 0.38 (0.26), and earnings per share excluding fair valuations increased by 55% to EUR 0.42 (0.27).

The operational return on capital employed (ROCE) was 14.9% (12.1%). Operational ROCE excluding the Forest division was 22.8% (18.1%).

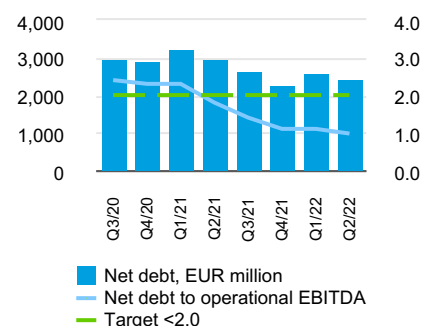
### Sales and operational EBIT



### ROCE excluding Forest



### Net debt to operational EBITDA





**Breakdown of change in sales**

Sales Q2/2021, EUR million	2,592
Price and mix	18%
Currency	1%
Volume	0%
Other sales <sup>1</sup>	2%
Total before structural changes	21%
Structural changes <sup>2</sup>	-4%
Total	18%
Sales Q2/2022, EUR million	3,054

<sup>1</sup> Energy, paper for recycling (PFR), by-products etc.

<sup>2</sup> Asset closures, major investments, divestments and acquisitions

**Breakdown of change in capital employed**

Capital employed 30 June 2021, EUR million	12,169
Capital expenditure excl. investments in biological assets less depreciation	48
Investments in biological assets less depletion of capitalised silviculture costs	-8
Impairments and reversal of impairments	-87
Fair valuation of forest assets	841
Unlisted securities (mainly PVO)	413
Equity accounted investments	148
Net liabilities in defined benefit plans	194
Operative working capital and other interest-free items, net	287
Emission rights	90
Net tax liabilities	-362
Translation difference	66
Other changes	-39
Capital employed 30 June 2022	13,759

**January–June results 2022 (compared with January–June 2021)**

Group sales increased by 20%, or EUR 984 million to EUR 5,852 (4,868) million. This was the highest H1 sales since 2008. Sales excluding the Paper division increased by 25%. Clearly higher sales prices were only partly offset by the negative impact from the structural changes, mainly related to the paper site closures at Veitsiluoto in Finland and Kvarnsveden in Sweden.

Operational EBIT grew by 46% or EUR 316 million to EUR 1,008 (692) million. Clearly higher sales prices in all divisions were only partly offset by EUR 564 million higher variable cost and EUR 66 million higher fixed costs. The positive impact from net foreign exchange rate was EUR 35 million, and volumes improved profitability by EUR 6 million. The impact from the closed units was positive EUR 35 million.

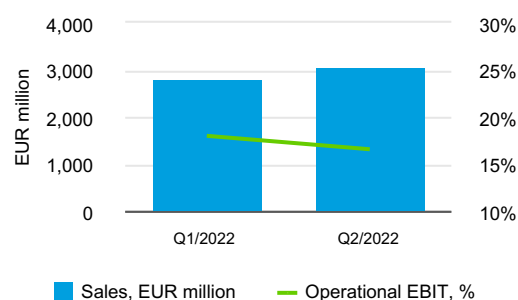
**Sales**  
**EUR 5,852**  
**million**  
(H1/2021: 4,868)

**Operational EBIT**  
**17.2%**  
(H1/2021: 14.2%)

**Second quarter 2022 results (compared with Q1/2022)**

Group sales increased by 9%, or EUR 256 million, to EUR 3,054 (2,798) million, driven by higher sales prices in all divisions, and deliveries in Packaging Materials and Biomaterials.

Operational EBIT increased by EUR 2 million to EUR 505 (503) million. The positive impact from higher sales prices was only partly offset by seasonally higher fixed cost, impacted by higher maintenance activity. Variable costs were EUR 67 million higher, especially logistics and energy. Volume impact was EUR 26 million negative, especially due to increased maintenance impacting Biomaterials production as well as exit of Russian operations.

**Sales and operational EBIT**

## Packaging Materials

- Strong continued financial performance driven by higher prices and added containerboard capacity.
- Variable cost escalation mitigated by higher prices.
- Stable demand within the consumer board segment in the quarter.
- Normalised demand for containerboard towards the end of the quarter.



### Operational ROOC

# 22.2%

(Target: >20%)

### Sales increase

# 24%

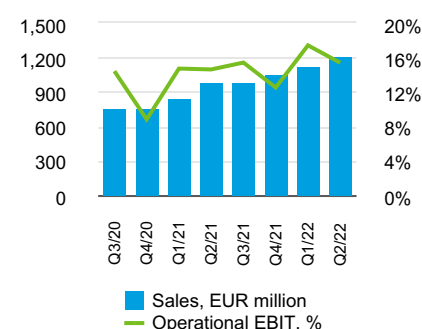
### Operational EBIT margin

# 15.4%

(Q2/2021: 14.6%)

- Sales increased by 24% or EUR 235 million to an all-time high of EUR 1,222 million. The topline increase was driven by higher sales prices and delivery volumes, supported by the containerboard site ramp-up in Oulu, Finland.
- Operational EBIT increased by EUR 44 million to EUR 188 million, driven by improved containerboard performance. Higher sales prices and volumes more than offset higher variable costs such as energy, pulp, chemicals and logistics.
- Operational ROOC was 22.2% (18.4%), exceeding the long-term target of >20%.

### Sales and operational EBIT



EUR million	Q2/22	Q2/21	Change % Q2/22– Q2/21	Q1/22	Change % Q2/22– Q1/22	Q1-Q2/22	Q1-Q2/21	Change % Q1-Q2/22– Q1-Q2/21	2021
Sales	1,222	987	23.8%	1,132	7.9%	2,353	1,849	27.3%	3,898
Operational EBITDA	265	215	22.9%	273	-3.1%	538	411	30.8%	846
Operational EBITDA margin	21.7%	21.8%		24.1%		22.9%	22.2%		21.7%
Operational EBIT	188	144	30.7%	196	-4.4%	384	271	42.0%	556
Operational EBIT margin	15.4%	14.6%		17.4%		16.3%	14.6%		14.3%
Operational ROOC	22.2%	18.4%		24.0%		23.2%	17.8%		18.0%
Cash flow from operations	169	219	-22.8%	155	9.3%	324	345	-6.2%	807
Cash flow after investing activities	103	141	-27.3%	74	38.4%	177	161	9.7%	459
Deliveries, 1,000 tonnes	1,193	1,188	0.5%	1,160	2.9%	2,353	2,285	3.0%	4,616
Production, 1,000 tonnes	1,204	1,168	3.1%	1,244	-3.2%	2,448	2,307	6.1%	4,685

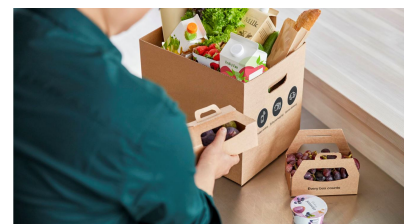
### Market development during Q2

Product	Market	Demand Q2/22 compared with Q2/21	Demand Q2/22 compared with Q1/22	Price Q2/22 compared with Q2/21	Price Q2/22 compared with Q1/22
Consumer board (FBB)	Europe	Slightly stronger	Slightly stronger	Significantly higher	Significantly higher
Virgin fiber-based containerboard	Global	Slightly stronger	Stable	Significantly higher	Slightly higher
Recycled fiber based (RCP) containerboard	Europe	Stable	Slightly weaker	Significantly higher	Slightly higher

Source: Fastmarket RISI, Fastmarket FOEX, CEPI, Numera Analytics

## Packaging Solutions

- Higher corrugated packaging prices and growing new businesses contributed to a rise in sales.
- Profitability impacted by the divestment of the three packaging plants in Russia and investments in new businesses.



### Operational ROOC

**-4.7%**

(Target: >25%)

### Sales increase

**11%**

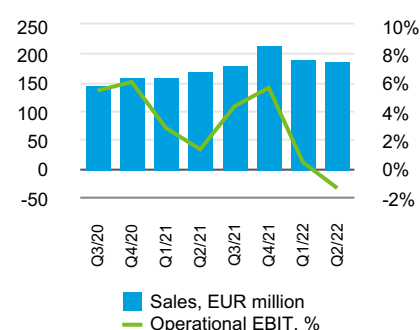
### Operational EBIT margin

**-1.4%**

(Q2/2021: 1.3%)

- Sales increased by 11% to or EUR 19 million, to EUR 189 million due to higher price levels and higher sales as result of continued ramp-up of the innovation and service led businesses, including e.g. Formed Fiber and Circular Solutions.
- Operational ROOC ended up at -4.7%, below the long-term target of >25%.
- Operational EBIT decreased by EUR 5 million to EUR -3 million, due to the impacts from exiting Russia. The increased costs from new business ramp-up were compensated by improved results in corrugated packaging

### Sales and operational EBIT



EUR million	Q2/22	Q2/21	Change % Q2/22– Q2/21	Q1/22	Change % Q2/22– Q1/22	Q1-Q2/22	Q1-Q2/21	Change % Q1- Q2/22– Q1-Q2/21	2021
Sales	189	170	10.9%	191	-1.0%	379	329	15.2%	723
Operational EBITDA	4	10	-55.9%	8	-48.3%	13	21	-41.1%	56
Operational EBITDA margin	2.3%	5.7%		4.3%		3.3%	6.4%		7.8%
Operational EBIT	-3	2	-222.7%	1	n/m	-2	7	-128.4%	26
Operational EBIT margin	-1.4%	1.3%		0.4%		-0.5%	2.0%		3.6%
Operational ROOC	-4.7%	3.6%		1.3%		-1.6%	5.5%		10.8%
Cash flow from operations	-2	6	-139.2%	-6	59.4%	-9	26	-133.2%	56
Cash flow after investing activities	-9	2	n/m	-14	35.9%	-23	14	-260.3%	26
Corrugated packaging European deliveries, million m <sup>2</sup>	202	267	-24.3%	232	-12.7%	434	530	-18.1%	1,046
Corrugated packaging European production, million m <sup>2</sup>	203	270	-24.7%	236	-13.8%	439	533	-17.6%	1,049

### Market development during Q2

Product	Market	Demand Q2/22 compared with Q2/21	Demand Q2/22 compared with Q1/22	Price Q2/22 compared with Q2/21	Price Q2/22 compared with Q1/22
Corrugated packaging	Europe	Stable	Stable	Significantly higher	Higher

Source: Fastmarket RISI

## Biomaterials

- Sales increase driven by higher prices for all products, partly offset by operational and logistical constraints and wood availability.
- The quarter was fully booked with continued market tightness.



### Operational ROOC

# 18.4%

(Target: >15%)

### Sales increase

# 15%

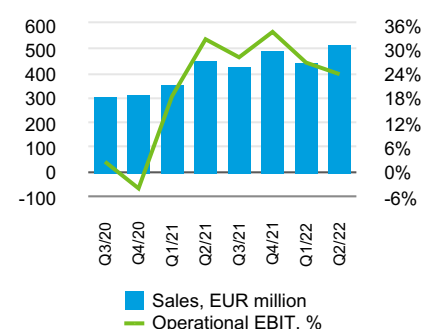
### Operational EBIT margin

# 23.6%

(Q2/2021: 32.1%)

- Sales increased by 15%, or EUR 69 million, to EUR 522 million. The record-high second-quarter sales were mainly driven by strong prices in pulp in Europe and China, supported by good performance in by-products sales.
- Operations and market pulp deliveries continued to be negatively impacted from logistical constraints and wood availability.
- Operational EBIT decreased by EUR 22 million to EUR 123 million. Higher sales prices were not fully offsetting the negative impacts from higher variable costs, annual maintenance costs and lower volumes.
- Operational ROOC was 18.4%, above the long-term target of 15%.

### Sales and operational EBIT



EUR million	Q2/22	Q2/21	Change % Q2/22– Q2/21	Q1/22	Change % Q2/22– Q1/22	Q1–Q2/22	Q1–Q2/21	Change % Q1– Q2/22– Q1–Q2/21	2021
Sales	522	453	15.3%	442	18.1%	964	808	19.4%	1,728
Operational EBITDA	155	174	-10.5%	149	4.4%	304	267	14.1%	618
Operational EBITDA margin	29.8%	38.3%		33.7%		31.6%	33.0%		35.7%
Operational EBIT	123	145	-15.2%	117	5.4%	240	210	14.4%	495
Operational EBIT margin	23.6%	32.1%		26.4%		24.9%	26.0%		28.7%
Operational ROOC	18.4%	24.4%		18.2%		18.3%	18.0%		20.8%
Cash flow from operations	145	115	26.6%	136	6.9%	281	154	82.1%	490
Cash flow after investing activities	114	101	13.5%	97	17.5%	212	115	83.8%	391
Pulp deliveries, 1,000 tonnes	639	659	-3.1%	611	4.5%	1,250	1,300	-3.8%	2,576

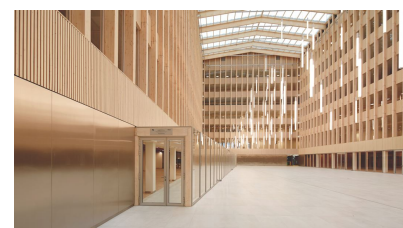
### Market development during Q2

Product	Market	Demand Q2/22 compared with Q2/21	Demand Q2/22 compared with Q1/22	Price Q2/22 compared with Q2/21	Price Q2/22 compared with Q1/22
Softwood pulp	Europe	Slightly stronger	Slightly stronger	Significantly higher	Higher
Hardwood pulp	Europe	Slightly stronger	Stronger	Significantly higher	Higher
Hardwood pulp	China	Slightly stronger	Slightly stronger	Slightly higher	Significantly higher

Source: PPPC, Fastmarket FOEX, Fastmarket RISI, Stora Enso

## Wood Products

- All time-high in both sales and operational EBIT with historically high price levels.
- Strong demand in Building Solutions products in the quarter.
- Good sawn wood market continued.



### Operational ROOC

# 74.9%

(Target: >20%)

### Sales increase

# 32%

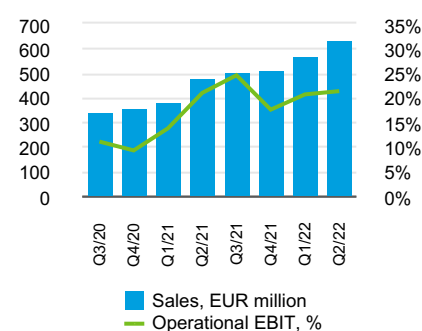
### Operational EBIT margin

# 21.3%

(Q2/2021: 20.9%)

- Sales increased by 32%, or EUR 154 million, to EUR 631 million supported by higher sales prices.
- Operational EBIT increased by EUR 34 million to an all-time high quarterly level of EUR 134 million. High profitability continued driven by higher sales prices, which more than offset the increase in costs, especially for raw materials.
- Operational ROOC remained above the long-term target of >20% at 74.9% (65.8%). All-time high profitability compensated for the impact of the increase in operating capital. The increase was driven by ongoing investments and an increase in working capital, due to higher business volume.

### Sales and operational EBIT



EUR million	Q2/22	Q2/21	Change % Q2/22– Q2/21	Q1/22	Change % Q2/22– Q1/22	Q1-Q2/22	Q1-Q2/21	Change % Q1- Q2/22– Q1-Q2/21	2021
Sales	631	477	32.1%	573	10.2%	1,204	859	40.1%	1,872
Operational EBITDA	146	111	31.2%	130	12.2%	275	175	57.6%	410
Operational EBITDA margin	23.1%	23.2%		22.7%		22.9%	20.3%		21.9%
Operational EBIT	134	100	34.5%	118	13.7%	252	152	65.7%	364
Operational EBIT margin	21.3%	20.9%		20.6%		21.0%	17.7%		19.5%
Operational ROOC	74.9%	65.8%		67.8%		72.2%	51.9%		59.4%
Cash flow from operations	141	77	83.3%	78	82.1%	219	111	96.9%	313
Cash flow after investing activities	124	70	75.9%	55	124.2%	179	84	112.3%	252
Wood products deliveries, 1,000 m <sup>3</sup>	1,123	1,247	-9.9%	1,178	-4.7%	2,300	2,360	-2.5%	4,508

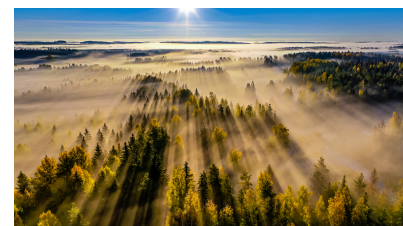
### Market development during Q2

Product	Market	Demand Q2/22 compared with Q2/21	Demand Q2/22 compared with Q1/22	Price Q2/22 compared with Q2/21	Price Q2/22 compared with Q1/22
Wood products	Europe	Significantly weaker	Weaker	Significantly higher	Significantly higher

Source: Stora Enso

## Forest

- Stable financial results for the division continued with strong demand for saw logs and pulpwood.
- Wood prices increased, wood availability was impacted by discontinued Russian wood imports.



### Operational ROCE

## 3.4%

(Target: >3.5%)

### Total value of forest assets

## EUR 8.2 billion

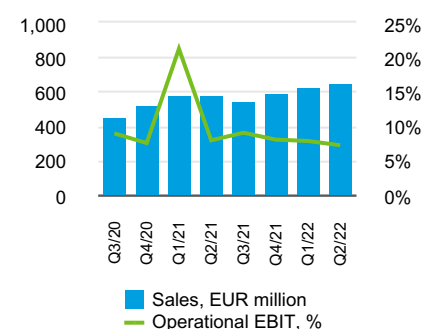
(Q2/2021: EUR 7.4 billion)

### Sales increase

## 11%

- Sales increased by 11%, or EUR 63 million, to EUR 649 million, due to higher wood prices driven by tight wood market.
- Operational EBIT of EUR 47 million continued at a stable level reflecting good operational performance.
- Operational ROCE was in line with the 3.5% long-term target at 3.4% (3.7%) showing a stable performance despite the increasing fair value of Stora Enso's forest assets in the Nordics.

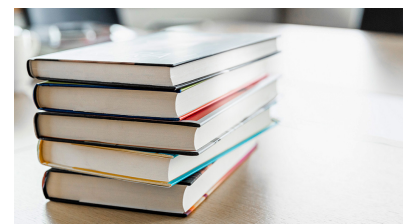
### Sales and operational EBIT



EUR million	Q2/22	Q2/21	Change % Q2/22– Q2/21	Q1/22	Change % Q2/22– Q1/22	Q1-Q2/22	Q1-Q2/21	Change % Q1- Q2/22– Q1-Q2/21	2021
Sales	649	586	10.7%	626	3.8%	1,275	1,168	9.1%	2,311
Operational EBITDA	59	60	-2.4%	58	0.9%	117	194	-39.7%	318
Operational EBITDA margin	9.1%	10.3%		9.3%		9.2%	16.6%		13.7%
Operational EBIT	47	46	0.7%	49	-4.7%	96	170	-43.7%	267
Operational EBIT margin	7.2%	7.9%		7.8%		7.5%	14.5%		11.5%
Operational ROCE	3.4%	3.7%		3.6%		3.5%	6.7%		5.1%
Cash flow from operations	23	61	-63.3%	45	-49.5%	67	73	-7.7%	158
Cash flow after investing activities	11	52	-79.8%	34	-69.2%	45	48	-5.3%	112
Wood deliveries, 1,000 m <sup>3</sup>	11,147	10,335	7.9%	10,224	9.0%	21,371	20,486	4.3%	39,652
Operational fair value change of biological assets	20	22	-9.3%	22	-10.4%	42	41	4.0%	82

## Paper

- Strong demand continued with tight markets and full orderbooks.
- Sales from the retained businesses rose by 62% and cash flow remained positive QoQ.



### Cash flow after investing activities to sales ratio

**0.8%**

(Target: >7%)

### Sales increase in retained businesses

**62%**

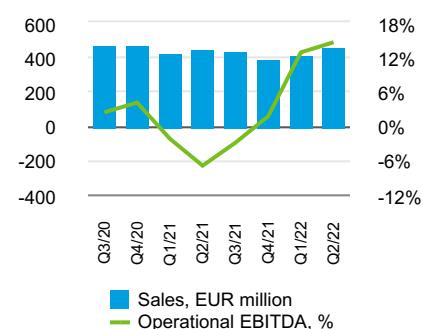
### Operational EBITDA margin

**14.5%**

(Q2/2021: -7.0%)

- Sales increased by 4% or EUR 16 million, to EUR 462 million, supported by higher sales prices from the retained business after the closures of the Veitsiluoto site in Finland and the Kvarnsveden site in Sweden during Q3/2021. Sales from retained business increased by 62%.
- Operational EBIT increased by EUR 100 million to EUR 51 million, resulting in an EBIT margin of 10.9% (-11.1%). Higher paper prices were partly offset by higher variable costs, mainly in energy, chemicals and logistics. Structural changes reduced fixed costs and volumes.
- Cash flow after investing activities to sales ratio improved and stood at 0.8% (-2.7%). This was due to improved profitability and working capital efficiency. It remained, however, clearly below the long-term target due to provision payments related to the paper site closures. The cash flow to sales ratio for the retained business improved to 3.7% (-6.6%).

### Sales and operational EBITDA



EUR million	Q2/22	Q2/21	Change % Q2/22- Q2/21	Q1/22	Change % Q2/22- Q1/22	Q1-Q2/22	Q1-Q2/21	Change % Q1- Q2/22- Q1-Q2/21	2021
Sales	462	446	3.6%	416	11.1%	878	873	0.5%	1,703
Operational EBITDA	67	-31	n/m	53	26.5%	120	-41	n/m	-48
Operational EBITDA margin	14.5%	-7.0%		12.8%		13.7%	-4.7%		-2.8%
Operational EBIT	51	-49	202.4%	36	38.5%	87	-83	204.3%	-124
Operational EBIT margin	10.9%	-11.1%		8.8%		9.9%	-9.6%		-7.3%
Operational ROOC	84.3%	-72.4%		90.8%		86.2%	-48.7%		-40.3%
Cash flow from operations	20	-4	n/m	2	n/m	22	-8	n/m	-25
Cash flow after investing activities	4	-12	129.8%	-12	128.5%	-9	-32	71.8%	-77
Cash flow after investing activities to sales, %	0.8%	-2.7%		-3.0%		-1.0%	-3.6%		-4.5%
Paper deliveries, 1,000 tonnes	517	767	-32.7%	535	-3.4%	1,052	1,509	-30.3%	2,872
Paper production, 1,000 tonnes	526	741	-29.1%	533	-1.4%	1,058	1,484	-28.7%	2,776

### Market development during Q2

Product	Market	Demand Q2/22 compared with Q2/21	Demand Q2/22 compared with Q1/22	Price Q2/22 compared with Q2/21	Price Q2/22 compared with Q1/22
Paper	Europe	Significantly weaker	Weaker	Significantly higher	Significantly higher

Source: PPPC

## Segment Other

The segment Other includes Stora Enso's shareholding in the energy company Pohjolan Voima (PVO), and the Group's shared services and administration.

EUR million	Q2/22	Q2/21	Change % Q2/22– Q2/21	Q1/22	Change % Q2/22– Q1/22	Q1-Q2/22	Q1-Q2/21	Change % Q1-Q2/22– Q1-Q2/21	2021
Sales	290	265	9.4%	236	22.7%	526	504	4.3%	1,092
Operational EBITDA	-18	-7	-147.9%	-9	-103.6%	-27	-10	-183.1%	-9
Operational EBITDA margin	-6.3%	-2.8%		-3.8%		-5.1%	-1.9%		-0.8%
Operational EBIT	-19	-16	-20.4%	-14	-35.7%	-34	-27	-24.5%	-48
Operational EBIT margin	-6.7%	-6.1%		-6.1%		-6.4%	-5.4%		-4.4%
Cash flow from operations	-92	-12	n/m	-7	n/m	-99	-53	-86.6%	-48
Cash flow after investing activities	-99	-16	n/m	-11	n/m	-110	-61	-80.6%	-62

- Sales increased to EUR 290 million, mainly due to higher energy sales.
- Operational EBIT decreased by EUR 3 million to EUR -19 million. A higher energy and logistic services result driven by increased electricity and transportation prices was more than offset by higher costs.

## Capital structure in the second quarter of 2022 (compared with Q1/2022)

EUR million	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Jun 2021
Operative fixed assets <sup>1</sup>	13,891	13,800	13,696	12,687
Equity accounted investments	608	578	580	462
Operative working capital, net	936	617	448	643
Non-current interest-free items, net	-243	-331	-417	-465
<b>Operating Capital Total</b>	<b>15,192</b>	<b>14,664</b>	<b>14,307</b>	<b>13,326</b>
Net tax liabilities	-1,433	-1,364	-1,331	-1,158
<b>Capital Employed</b>	<b>13,759</b>	<b>13,300</b>	<b>12,976</b>	<b>12,169</b>
Equity attributable to owners of the Parent	11,350	10,726	10,683	9,207
Non-controlling interests	-25	-19	-16	-13
Net interest-bearing liabilities	2,434	2,593	2,309	2,975
<b>Financing Total</b>	<b>13,759</b>	<b>13,300</b>	<b>12,976</b>	<b>12,169</b>

<sup>1</sup> Operative fixed assets include goodwill, other intangible assets, property, plant and equipment, right-of-use assets, forest assets, emission rights, and unlisted securities.

Cash and cash equivalents net of overdrafts increased by EUR 352 million to EUR 1,329 million.

Net debt decreased by EUR 159 million to EUR 2,434 (EUR 2,593) million during the second quarter. The ratio of net debt to the last 12 months' operational EBITDA was at slightly lower level at 1.0 (1.1). The net debt/equity ratio on 30 June 2022 decreased to 0.21 (0.24). The average interest expense rate on borrowings was at reporting date 3.3% (3.1%).

During the quarter, Stora Enso entered into two long-term credit-institution bullet loans with a nominal of EUR 250 million in total. Maturity dates for both loans are in the last quarter of 2023. Additionally, the Group signed a new credit facility of EUR 200 million (undrawn) with a maturity in the last quarter of 2023. Stora Enso has, including the new committed credit facility, EUR 900 million committed fully undrawn credit facilities as per 30 June 2022.

### Credit ratings

Rating agency	Long/short-term rating	Valid from
Fitch Ratings	BBB- (stable)	8 August 2018
Moody's	Baa3 (stable) / P-3	1 November 2018

### Valuation of forest assets

The value of total forest assets, including leased land and Stora Enso's share of Tornator's forest assets, increased by EUR 196 million to EUR 8,161 (7,965) million. The increase is mainly a result of increased market transaction prices in the Swedish forest assets, even though the impact from foreign exchange decreased the forest asset value by EUR 184 million. The fair value of biological assets, including Stora Enso's share of Tornator, decreased by EUR 158 million to EUR 5,299 (5,457) million. The value of forest land, including leased land and Stora Enso's share of Tornator, increased by EUR 354 million to EUR 2,861 (2,507) million.

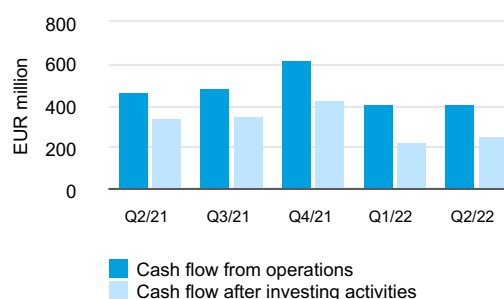


## Cash flow in the second quarter of 2022 (compared with Q1/2022)

### Operative cash flow

EUR million	Q2/22	Q2/21	Change % Q2/22- Q2/21	Q1/22	Change % Q2/22- Q1/22	Q1-Q2/22	Q1-Q2/21	Change % Q1-Q2/22- Q1-Q2/21	2021
Operational EBITDA	663	524	26.6%	662	0.1%	1,325	1,011	31.0%	2,184
IAC on operational EBITDA	-60	-151	60.4%	-61	2.3%	-121	-167	27.6%	-213
Other adjustments	27	-25	210.3%	13	112.8%	40	-108	137.1%	-194
Change in working capital	-227	115	-296.9%	-211	-7.4%	-438	-88	n/m	-25
<b>Cash flow from operations</b>	<b>404</b>	<b>463</b>	<b>-12.8%</b>	<b>403</b>	<b>0.3%</b>	<b>806</b>	<b>648</b>	<b>24.4%</b>	<b>1,752</b>
Cash spent on fixed and biological assets	-153	-122	-25.5%	-177	13.2%	-330	-314	-5.0%	-645
Acquisitions of equity accounted investments	-3	-2	-64.3%	-2	-70.7%	-5	-4	-30.5%	-6
<b>Cash flow after investing activities</b>	<b>247</b>	<b>339</b>	<b>-27.1%</b>	<b>224</b>	<b>10.3%</b>	<b>471</b>	<b>330</b>	<b>42.7%</b>	<b>1,101</b>

Cash flow after investing activities was at EUR 247 million. Working capital increased by EUR 227 million, mainly due to increased inventories and trade receivables. Cash spent on fixed and biological assets was EUR 153 million. Payments related to the previously announced provisions amounted to EUR 32 million.



## Capital expenditure in the second quarter of 2022 (compared with Q2/2021)

Additions to fixed and biological assets totalled EUR 161 (130) million, of which EUR 139 (114) million were fixed assets and EUR 22 (16) million biological assets.

Depreciations and impairment charges excluding IACs totalled EUR 131 (135) million. Additions in fixed and biological assets had a cash outflow impact of EUR 153 (122) million.

### Capital expenditure by division

EUR million	Q2/22	Q1-Q2/22	
Packaging Materials	77	108	including the wood handling upgrade at Imatra and the Skoghall board machine 8 capacity increase in Sweden.
Packaging Solutions	6	9	
Biomaterials	33	59	including the lignin related investments at Sunila in Finland and replacement of the recovery boiler economiser at Enocell in Finland.
Wood Products	19	32	including the cross laminated timber (CLT) investment at Ždírec in the Czech Republic
Forest	8	12	
Paper	15	19	
<b>Total</b>	<b>161</b>	<b>246</b>	

### Capital expenditure and depreciation forecast 2022

EUR million	Forecast 2022
Capital expenditure	700–750
Depreciation and depletion of capitalised silviculture costs	610–650

The capital expenditure forecast for 2022 is increased partly due to costs inflation and additional investments, such as energy investments, to mitigate the impacts of the war in Ukraine.

Stora Enso's capital expenditure forecast includes approximately EUR 70 million for the Group's forest assets. The depletion of capitalised silviculture costs is forecast to be EUR 65–80 million.

## Short-term risks and uncertainties

Risk is characterised by both threats and opportunities, which may have an impact on future performance and the financial results of Stora Enso, as well as on its ability to meet certain social and environmental objectives.

The rapidly changing macroeconomic and geopolitical disruption caused by the war in Ukraine is increasing complexity. The sanctions on Russia, retaliatory measures as well as conflict-related risks to people, operations, trade credit, cyber security, supply, and demand, could all have an adverse impact on the Group.

There is a risk of continuously higher cost inflation and increased price volatility for raw materials such as wood, components and energy in Europe, as well as continued logistical disruptions across the markets. The logistical infrastructure challenges to transporting wood in Finland, could cause disruptions such as delays and/or lack of wood supply to the Group's production sites. The war in Ukraine has also increased the risk of a global economic downturn and recession, as well as sudden interest rate increases and currency fluctuations, which could all affect the Group's profits, cash flow and financial position negatively.

The Covid-19 pandemic continues to cause uncertainty in the world and Stora Enso's business environment. New lockdowns and restrictions in many countries increase the risk; of social inequality, supply chain and logistics disruptions, and to global economic recovery and demand.

Other risks and uncertainties include, but are not limited to; general industry conditions, unanticipated expenditures related to the cost of compliance with existing and new environmental and other governmental regulations, and related to actual or potential litigation; material process disruption at one of Stora Enso's manufacturing facilities with operational or environmental impacts; risks inherent in conducting business through joint ventures; and other factors that can be found in Stora Enso's press releases and disclosures.

Stora Enso has been granted various investment subsidies and has given certain investment commitments in several countries e.g. Finland, China and Sweden. If commitments to planning conditions are not met, local officials may pursue administrative measures to reclaim some of the formerly granted investment subsidies or to impose penalties on Stora Enso, and the outcome of such a process could result in adverse financial impact on Stora Enso.

A more detailed description of risks is included in Stora Enso's Annual Report 2021 [storaenso.com/annualreport](https://storaenso.com/annualreport).

## Legal proceedings

### Contingent liabilities

Stora Enso has undertaken significant restructuring actions in recent years which have included the divestment of companies, sale of assets and mill closures. These transactions include a risk of possible environmental or other obligations the existence of which would be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A provision has been recognised for obligations for which the related amount can be estimated reliably and for which the related future cost is considered to be at least probable.

### Sensitivity analysis

Energy sensitivity analysis: the direct effect of a 10% increase in electricity and fossil fuel market prices would have a negative impact of approximately EUR 41 million on operational EBIT for the next 12 months.

Wood sensitivity analysis: the direct effect of a 10% increase in wood prices would have a negative impact of approximately EUR 233 million on operational EBIT for the next 12 months.

Pulp sensitivity analysis: the direct effect of a 10% increase in pulp market prices would have a positive impact of approximately EUR 150 million on operational EBIT for the next 12 months.

Chemical and filler sensitivity analysis: the direct effect of a 10% increase in chemical and filler prices would have a negative impact of approximately EUR 56 million on operational EBIT for the next 12 months.

A decrease of energy, wood, pulp or chemical and filler prices would have the opposite impact.

Forest assets interest rate sensitivity analysis based on a total forest assets value of EUR 7,966 million (2021): A +1% change in interest rates would have a negative impact of approximately EUR 200 million on the Group's forest assets.

Foreign exchange rates transaction risk sensitivity analysis for the next twelve months: the direct effect on operational EBIT of a 10% strengthening in the value of the US dollar, Swedish krona and British pound would be approximately positive EUR 110 million, negative EUR 11 million and positive EUR 25 million annual impact, respectively. Weakening of the currencies would have the opposite impact. These numbers are net of hedges and assuming no changes occur other than a single currency exchange rate movement in an exposure currency.

The Group's consolidated income statement on operational EBIT level is exposed to a foreign-currency translation risk worth approximately EUR 111 million expense exposure in Brazilian real (BRL) and approximately EUR 83 million income exposure in Chinese Renminbi (CNY). These exposures arise from the foreign subsidiaries and joint-operations located in Brazil and China, respectively. For these exposures a 10% strengthening in the value of a foreign currency would have a negative EUR 11 million and a positive EUR 8 million impact on operational EBIT, respectively.

Stora Enso is party to legal proceedings that arise in the ordinary course of business and which primarily involve claims arising out of commercial law. The management does not consider that liabilities related to such proceedings before insurance recoveries, if any, are likely to be material to the Group's financial condition or results of operations.

## European Commission inspection

As announced in Stora Enso's stock exchange release on 12 October 2021, the European Commission has conducted unannounced inspections in locations at several member states at the premises of companies active in the wood pulp sector. Stora Enso was included in the European Commission's inspection at its headquarters in Kanavaranta, Finland.

Stora Enso is cooperating fully with the authorities. As stated by the Commission, the fact that they carry out such inspections does not mean that the companies are guilty of anti-competitive behaviour nor does it prejudice the outcome of the investigation itself.

Stora Enso is under strict confidentiality rules regarding the details of the ongoing European Commission investigation and cannot pre-empt or speculate regarding the next steps or eventual outcome of the investigation.

## Legal proceedings in South America

### Veracel

On 11 July 2008, Stora Enso announced that a federal judge in Brazil had issued a decision claiming that the permits issued by the State of Bahia for the operations of Stora Enso's joint operations company Veracel were not valid. The judge also ordered Veracel to take certain actions, including reforestation with native trees on part of Veracel's plantations and a possible fine of, at the time of the decision, BRL 20 (EUR 3) million. Veracel disputes the decision and has filed an appeal against it. Veracel operates in full compliance with all Brazilian laws and has obtained all the necessary environmental and operating licences for its industrial and forestry activities from the relevant authorities. In November 2008, a Federal Court suspended the effects of the decision. No provisions have been recorded in Veracel's or Stora Enso's accounts for the reforestation or the possible fine.

## Changes in Group management

**Kati ter Horst**, Executive Vice President, Paper division and a member of the Group Leadership Team left her position at Stora Enso on 1 July 2022.

In addition to his other duties, **Seppo Parvi**, CFO, will assume acting responsibility for the Paper division.

## Annual General Meeting in 2022

Stora Enso's Annual General Meeting (AGM) was held on 15 March 2022 at the Company's Head Office in Helsinki, Finland. In order to prevent the spread of the Covid-19 pandemic, a shareholder or his/her proxy representative could not be present at the venue of the meeting.

The AGM approved the proposal by the Board of Directors that the Company distribute a dividend of EUR 0.55 per share for the year 2021. The dividend was paid on 24 March 2022.

**Kari Jordan** was elected as a new member of the Board of Directors. **Mikko Helander** had announced that he was not available for re-election to the Board of Directors.

More information about the AGM in 2022 is available in the release [Stora Enso's Annual General Meeting and decisions by the Board of Directors](#).

*This report has been prepared in English, Finnish, and Swedish. If there are any variations in the content between the versions, the English version shall govern. This report is unaudited.*

Helsinki, 22 July 2022  
Stora Enso Oyj  
Board of Directors

# Financials

## Basis of Preparation

This unaudited interim financial report has been prepared in accordance with the accounting policies set out in International Accounting Standard 34 on Interim Financial Reporting and in the Group's Financial Report for 2021 with the exception of new and amended standards applied to the annual periods beginning on 1 January 2022 and changes in accounting principles described below.

All figures in this Interim Report have been rounded to the nearest million, unless otherwise stated. Therefore, percentages and figures in this report may not add up precisely to the totals presented and may vary from previously published financial information.

## Accounting considerations relating to Russian operations

Stora Enso had three corrugated packaging plants, two wood products sawmills and forest operations in Russia, employing around 1,100 people. In 2021, sales in Russia represented about 3% of total Group revenues. As announced in March 2022, all import and export activities from and to Russia were halted, and the sawmills and wood supply in Russia stopped. As a result of the worsened business outlook, in Q1/2022 the Group recognised fixed assets impairments and write-downs in inventories and trade receivables of EUR 112 million related to its Russian operations and customers. During the second quarter, Stora Enso divested its corrugated packaging plants in Russia to local management for an undisclosed sale consideration, receivable in instalments at future dates.

The loss on disposal recorded in second quarter was EUR 54 million, consisting mainly of cumulative translation adjustments (CTA) being released from equity to income statement at closing.

As an event after the balance sheet date, during the third quarter, the Group finalised the divestment of its two sawmills and the major part of its forest operations in Russia to local management, with the remainder expected to be completed during the second half of the year.

The sanctions imposed on Russia could directly affect the Group's ability to use or withdraw cash or cash equivalents. The amount of cash or cash equivalents in Russian units at the end of June 2022 was EUR 71 million.

## Non-IFRS measures

The Group's key non-IFRS performance metric is operational EBIT, which is used to evaluate the performance of its operating segments and to steer allocation of resources to them.

Operational EBIT comprises the operating profit excluding items affecting comparability (IAC) and fair valuations from the segments and Stora Enso's share of the operating profit of equity accounted investments (EAI), also excluding items affecting comparability and fair valuations.

Items affecting comparability are exceptional transactions that are not related to recurring business operations. The most common IAC are capital gains and losses, impairments or impairment reversals, disposal gains and losses relating to Group companies, provisions for planned restructurings, environmental provisions, changes in depreciation due to restructuring and penalties. Items affecting comparability are normally disclosed individually if they exceed one cent per share.

Fair valuations and non-operational items include CO<sub>2</sub> emission rights, non-operational fair valuation changes of biological assets, adjustments for differences between fair value and acquisition cost of forest assets upon disposal and the Group's share of income tax and net financial items of EAI. Non-operational fair value changes of biological assets reflect changes made to valuation assumptions and parameters. Operational fair value changes of biological assets contain all other fair value changes, mainly due to inflation and differences in actual harvesting levels compared to the harvesting plan. The adjustments for differences between fair value and acquisition cost of forest assets upon disposal are a result of the fact that the cumulative non-operational fair valuation changes of disposed forest assets were included in previous periods in IFRS operating profit (biological assets) and other

comprehensive income (forest land) and are included in operational EBIT only at the disposal date.

Cash flow after investing activities (non-IFRS) is calculated as follows: cash flow from operations (non-IFRS) excluding cash spent on intangible assets, property, plant and equipment, and biological assets and acquisitions of EAIs.

Capital expenditure on fixed assets includes investments in and acquisitions of tangible and intangible assets as well as internally generated assets and capitalised borrowing costs, net of any related subsidies. Capital expenditure on leased assets includes new capitalised leasing contracts. Capital expenditure on biological assets consists of acquisitions of biological assets and capitalisation of costs directly linked to growing trees in plantation forests. The cash flow impact of capital expenditure is presented in cash flow from investing activities, excluding lease capex, where the cash flow impact is based on paid lease liabilities and presented in cash flow from financing and operating activities.

The full list of the non-IFRS measures is presented at the end of this report.

### The following new and amended standards are applied to the annual periods beginning on 1 January 2022

- Amended standards and interpretations did not have material effect on the Group.

### Future standard changes endorsed by the EU but not yet effective in 2022

- No future standard changes endorsed by the EU which would have material effect on the Group.

## Condensed consolidated income statement

EUR million	Q2/22	Q2/21	Q1/22	Q1-Q2/22	Q1-Q2/21	2021
<b>Sales</b>	<b>3,054</b>	<b>2,592</b>	<b>2,798</b>	<b>5,852</b>	<b>4,868</b>	<b>10,164</b>
Other operating income	80	46	89	168	124	345
Change in inventories of finished goods and WIP	92	-13	89	181	43	122
Materials and services	-1,831	-1,436	-1,682	-3,514	-2,804	-5,936
Freight and sales commissions	-298	-242	-245	-543	-457	-939
Personnel expenses	-355	-373	-324	-679	-711	-1,351
Other operating expenses	-174	-230	-135	-309	-320	-610
Share of results of equity accounted investments	28	10	20	48	19	143
Change in net value of biological assets	-64	-18	-12	-76	-16	328
Depreciation, amortisation and impairment charges	-132	-155	-204	-336	-404	-697
<b>Operating profit</b>	<b>399</b>	<b>182</b>	<b>394</b>	<b>793</b>	<b>343</b>	<b>1,568</b>
Net financial items	-29	-30	-19	-48	-66	-149
<b>Profit before tax</b>	<b>370</b>	<b>152</b>	<b>374</b>	<b>745</b>	<b>277</b>	<b>1,419</b>
Income tax	-71	56	-88	-159	76	-151
<b>Net profit for the period</b>	<b>299</b>	<b>207</b>	<b>287</b>	<b>586</b>	<b>353</b>	<b>1,268</b>
<b>Attributable to</b>						
Owners of the Parent	303	206	289	592	349	1,266
Non-controlling interests	-4	2	-2	-6	4	3
<b>Net profit for the period</b>	<b>299</b>	<b>207</b>	<b>287</b>	<b>586</b>	<b>353</b>	<b>1,268</b>
<b>Earnings per share</b>						
Basic earnings per share, EUR	0.38	0.26	0.37	0.75	0.44	1.61
Diluted earnings per share, EUR	0.38	0.26	0.37	0.75	0.44	1.60

## Consolidated statement of comprehensive income

EUR million	Q2/22	Q2/21	Q1/22	Q1-Q2/22	Q1-Q2/21	2021
<b>Net profit for the period</b>	<b>299</b>	<b>207</b>	<b>287</b>	<b>586</b>	<b>353</b>	<b>1,268</b>
<b>Other comprehensive income (OCI)</b>						
<b>Items that will not be reclassified to profit and loss</b>						
Equity instruments at fair value through OCI	-98	48	68	-30	63	501
Actuarial gains and losses on defined benefit plans	107	40	77	184	115	126
Revaluation of forest land	414	140	0	414	140	225
Share of OCI of Equity accounted investments (EAI)	0	-1	0	-1	-1	16
Income tax relating to items that will not be reclassified	-98	-35	-10	-108	-47	-68
	<b>325</b>	<b>192</b>	<b>135</b>	<b>460</b>	<b>269</b>	<b>800</b>
<b>Items that may be reclassified subsequently to profit and loss</b>						
Cumulative translation adjustment (CTA)	15	84	25	40	41	56
Net investment hedges and loans	-14	4	2	-12	4	14
Cash flow hedges and cost of hedging	-12	16	32	20	-34	-35
Share of OCI of Non-controlling Interests (NCI)	-1	0	-1	-2	0	-3
Income tax relating to items that may be reclassified	5	-4	-5	0	8	9
	<b>-7</b>	<b>100</b>	<b>52</b>	<b>46</b>	<b>19</b>	<b>42</b>
<b>Total comprehensive income</b>	<b>617</b>	<b>499</b>	<b>474</b>	<b>1,091</b>	<b>641</b>	<b>2,110</b>
<b>Attributable to</b>						
Owners of the Parent	623	497	477	1,099	637	2,110
Non-controlling interests	-5	2	-3	-8	3	0
<b>Total comprehensive income</b>	<b>617</b>	<b>499</b>	<b>474</b>	<b>1,091</b>	<b>641</b>	<b>2,110</b>

CTA = Cumulative translation adjustment

OCI = Other comprehensive income

EAI = Equity accounted investments

## Condensed consolidated statement of financial position

EUR million		30 Jun 2022	31 Dec 2021	30 Jun 2021
<b>Assets</b>				
Goodwill	O	283	282	279
Other intangible assets	O	124	124	133
Property, plant and equipment	O	5,038	5,060	4,908
Right-of-use assets	O	438	441	449
		<b>5,883</b>	<b>5,907</b>	<b>5,769</b>
Forest assets	O	6,925	6,747	6,337
Biological assets	O	4,381	4,547	4,201
Forest land	O	2,544	2,201	2,135
Emission rights	O	206	137	117
Equity accounted investments	O	608	580	462
Listed securities	I	10	13	16
Unlisted securities	O	876	905	464
Non-current interest-bearing receivables	I	124	51	94
Deferred tax assets	T	95	143	184
Other non-current assets	O	80	34	31
<b>Non-current assets</b>		<b>14,808</b>	<b>14,517</b>	<b>13,474</b>
Inventories	O	1,719	1,478	1,338
Tax receivables	T	29	17	22
Operative receivables	O	1,662	1,449	1,432
Interest-bearing receivables	I	100	84	30
Cash and cash equivalents	I	1,358	1,481	1,313
<b>Current assets</b>		<b>4,867</b>	<b>4,509</b>	<b>4,135</b>
<b>Total assets</b>		<b>19,675</b>	<b>19,026</b>	<b>17,609</b>
<b>Equity and liabilities</b>				
Owners of the Parent		11,350	10,683	9,207
Non-controlling Interests		-25	-16	-13
<b>Total equity</b>		<b>11,325</b>	<b>10,666</b>	<b>9,194</b>
Post-employment benefit obligations	O	218	347	371
Provisions	O	92	91	112
Deferred tax liabilities	T	1,450	1,430	1,343
Non-current interest-bearing liabilities	I	3,039	3,313	3,520
Non-current operative liabilities	O	13	13	13
<b>Non-current liabilities</b>		<b>4,813</b>	<b>5,195</b>	<b>5,360</b>
Current portion of non-current debt	I	488	180	490
Interest-bearing liabilities	I	470	444	404
Bank overdrafts	I	29	1	12
Provisions	O	103	139	120
Operative liabilities	O	2,342	2,339	2,008
Tax liabilities	T	106	61	20
<b>Current liabilities</b>		<b>3,537</b>	<b>3,165</b>	<b>3,055</b>
<b>Total liabilities</b>		<b>8,350</b>	<b>8,360</b>	<b>8,415</b>
<b>Total equity and liabilities</b>		<b>19,675</b>	<b>19,026</b>	<b>17,609</b>

Items designated with "O" comprise Operating Capital

Items designated with "I" comprise Net Interest-bearing Liabilities

Items designated with "T" comprise Net Tax Liabilities

## Condensed consolidated statement of cash flows

EUR million	Q1-Q2/22	Q1-Q2/21
<b>Cash flow from operating activities</b>		
Operating profit	793	343
Adjustments for non-cash items	451	393
Change in net working capital	-438	-88
<b>Cash flow from operations</b>	<b>806</b>	<b>648</b>
Net financial items paid	-66	-73
Income taxes paid, net	-100	-74
<b>Net cash provided by operating activities</b>	<b>640</b>	<b>501</b>
<b>Cash flow from investing activities</b>		
Acquisitions of equity accounted investments	-5	-4
Acquisitions of unlisted securities	0	-1
Cash flow on disposal of subsidiary shares and business operations, net of disposed cash	-20	5
Cash flow on disposal of forest and intangible assets and property, plant and equipment	7	97
Capital expenditure	-330	-314
Proceeds from non-current receivables, net	-5	-2
<b>Net cash used in investing activities</b>	<b>-354</b>	<b>-219</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of new long-term debt	259	14
Repayment of long-term debt and lease liabilities	-278	-358
Change in short-term borrowings	-17	-55
Dividends paid	-434	-237
Purchase of own shares <sup>1</sup>	-1	-3
<b>Net cash provided by financing activities</b>	<b>-471</b>	<b>-639</b>
<b>Net change in cash and cash equivalents</b>	<b>-185</b>	<b>-357</b>
Translation adjustment	34	3
Net cash and cash equivalents at the beginning of period	1,480	1,655
<b>Net cash and cash equivalents at period end</b>	<b>1,329</b>	<b>1,301</b>
<b>Cash and cash equivalents at period end</b>	<b>1,358</b>	<b>1,313</b>
<b>Bank overdrafts at period end</b>	<b>-29</b>	<b>-12</b>
<b>Net cash and cash equivalents at period end</b>	<b>1,329</b>	<b>1,301</b>
<b>Disposal of Group companies and business operations</b>		
Cash and cash equivalents, net of bank overdrafts	38	0
Intangible assets, property, plant and equipment and biological assets	3	4
Working capital	5	-1
Tax assets and liabilities	1	0
<b>Net Assets in Divested Companies</b>	<b>47</b>	<b>4</b>
Gain/loss on sale, excluding CTA release and transaction costs	-14	2
<b>Total fair value of disposal consideration</b>	<b>33</b>	<b>5</b>
Cash part of consideration	5	5
Cash and cash equivalents in divested companies	-25	0
<b>Net cash flow from disposal</b>	<b>-20</b>	<b>5</b>

<sup>1</sup> Own shares purchased for the Group's share award programme. The Group did not hold any of its own shares on 30 June 2022.

## Statement of changes in equity

EUR million	Fair Value Reserve											Total	
	Share Capital	Share Premium and Reserve fund	Invested Non-Restricted Equity Fund	Treasury Shares	Equity instruments through OCI	Cash Flow Hedges	Revaluation reserve	OCI of Equity Accounted Investments	CTA and Net Investment Hedges and loans	Retained Earnings	Attributable to Owners of the Parent		Non-controlling Interests
<b>Balance at 1 January 2021</b>	<b>1,342</b>	<b>77</b>	<b>633</b>	—	<b>277</b>	<b>23</b>	<b>1,195</b>	<b>12</b>	<b>-267</b>	<b>5,518</b>	<b>8,809</b>	<b>-16</b>	<b>8,793</b>
Net profit for the period	—	—	—	—	—	—	—	—	—	349	349	4	353
OCI before tax	—	—	—	—	63	-34	140	-1	45	115	327	—	327
Income tax relating to OCI	—	—	—	—	—	8	-29	—	1	-19	-39	—	-39
<b>Total Comprehensive Income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>63</b>	<b>-27</b>	<b>111</b>	<b>-1</b>	<b>46</b>	<b>446</b>	<b>637</b>	<b>3</b>	<b>641</b>
Dividend	—	—	—	—	—	—	—	—	—	-237	-237	—	-237
Acquisitions and disposals	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	-3	—	—	—	—	—	—	-3	—	-3
Share-based payments	—	—	—	3	—	—	—	—	—	-2	1	—	1
<b>Balance at 30 June 2021</b>	<b>1,342</b>	<b>77</b>	<b>633</b>	—	<b>339</b>	<b>-4</b>	<b>1,305</b>	<b>11</b>	<b>-221</b>	<b>5,724</b>	<b>9,207</b>	<b>-13</b>	<b>9,194</b>
Net profit for the period	—	—	—	—	—	—	—	—	—	916	916	-1	915
OCI before tax	—	—	—	—	438	—	85	17	25	11	576	-2	574
Income tax relating to OCI	—	—	—	—	—	—	-18	—	1	-4	-20	—	-20
<b>Total Comprehensive Income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>439</b>	<b>—</b>	<b>68</b>	<b>17</b>	<b>26</b>	<b>923</b>	<b>1,473</b>	<b>-3</b>	<b>1,469</b>
Dividend	—	—	—	—	—	—	—	—	—	—	—	—	—
Acquisitions and disposals	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	—	—	—	—	—	—	—	—	—	—
Share-based payments	—	—	—	—	—	—	—	—	—	3	3	—	3
<b>Balance at 31 December 2021</b>	<b>1,342</b>	<b>77</b>	<b>633</b>	—	<b>778</b>	<b>-4</b>	<b>1,373</b>	<b>29</b>	<b>-195</b>	<b>6,650</b>	<b>10,683</b>	<b>-16</b>	<b>10,666</b>
Net profit for the period	—	—	—	—	—	—	—	—	—	592	592	-6	586
OCI before tax	—	—	—	—	-30	20	414	-1	28	184	615	-2	613
Income tax relating to OCI	—	—	—	—	1	-3	-85	—	4	-23	-108	—	-108
<b>Total Comprehensive Income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-30</b>	<b>17</b>	<b>329</b>	<b>-1</b>	<b>31</b>	<b>753</b>	<b>1,099</b>	<b>-8</b>	<b>1,091</b>
Dividend	—	—	—	—	—	—	—	—	—	-434	-434	—	-434
Acquisitions and disposals	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	-1	—	—	—	—	—	—	-1	—	-1
Share-based payments	—	—	—	1	—	—	—	—	—	2	3	—	3
<b>Balance at 30 June 2022</b>	<b>1,342</b>	<b>77</b>	<b>633</b>	—	<b>748</b>	<b>12</b>	<b>1,702</b>	<b>28</b>	<b>-164</b>	<b>6,971</b>	<b>11,350</b>	<b>-25</b>	<b>11,325</b>

CTA = Cumulative Translation Adjustment    OCI = Other Comprehensive Income    NCI = Non-controlling Interests



**Goodwill, other intangible assets, property, plant and equipment, right-of-use assets and forest assets**

EUR million	Q1-Q2/22	Q1-Q2/21	2021
<b>Carrying value at 1 January</b>	<b>12,654</b>	<b>12,130</b>	<b>12,130</b>
Additions in tangible and intangible assets	199	208	576
Additions in right-of-use assets	11	17	33
Additions in biological assets	36	29	58
Depletion of capitalised silviculture costs	-36	-31	-68
Disposals	0	-68	-76
Disposals of subsidiary companies	-5	-4	-30
Depreciation and impairment	-341	-404	-697
Fair valuation of forest assets	375	155	621
Translation difference and other	-85	74	108
<b>Statement of Financial Position Total</b>	<b>12,808</b>	<b>12,106</b>	<b>12,654</b>

**Borrowings**

EUR million	30 Jun 2022	30 Jun 2021	31 Dec 2021
Bond loans	2,490	2,790	2,497
Loans from credit institutions	615	789	577
Lease liabilities	392	403	387
Long-term derivative financial liabilities	27	23	30
Other non-current liabilities	2	6	4
<b>Non-current interest bearing liabilities including current portion</b>	<b>3,527</b>	<b>4,011</b>	<b>3,493</b>
Short-term borrowings	370	361	372
Interest payable	21	22	34
Short-term derivative financial liabilities	79	21	38
Bank overdrafts	29	12	1
<b>Total Interest-bearing Liabilities</b>	<b>4,026</b>	<b>4,427</b>	<b>3,938</b>

EUR million	Q1-Q2/22	Q1-Q2/21	2021
<b>Carrying value at 1 January</b>	<b>3,938</b>	<b>4,756</b>	<b>4,756</b>
Proceeds of new long-term debt	259	14	19
Additions in lease liabilities	11	17	33
Repayment of long-term debt	-256	-331	-870
Repayment of lease liabilities and interest	-31	-37	-88
Change in short-term borrowings and interest payable	-16	-64	-42
Change in derivative financial liabilities	39	14	38
Translation differences and other	82	58	92
<b>Total Interest-bearing Liabilities</b>	<b>4,026</b>	<b>4,427</b>	<b>3,938</b>

## Commitments and contingencies

EUR million	30 Jun 2022	31 Dec 2021	30 Jun 2021
<b>On Own Behalf</b>			
Other commitments	15	15	14
<b>On Behalf of Equity Accounted Investments</b>			
Guarantees	5	0	2
<b>On Behalf of Others</b>			
Guarantees	6	6	6
Other commitments	36	36	36
<b>Total</b>	<b>61</b>	<b>57</b>	<b>58</b>
Guarantees	11	6	8
Other commitments	51	51	50
<b>Total</b>	<b>61</b>	<b>57</b>	<b>58</b>

## Capital commitments

EUR million	30 Jun 2022	31 Dec 2021	30 Jun 2021
<b>Total</b>	<b>247</b>	<b>220</b>	<b>219</b>

The Group's direct capital expenditure contracts include the Group's share of direct capital expenditure contracts in joint operations.

## Reconciliation of operational profitability

EUR million	Q2/22	Q2/21	Change % Q2/22– Q2/21	Q1/22	Change % Q2/22– Q1/22	Q1-Q2/22	Q1-Q2/21	Change % Q1-Q2/22– Q1-Q2/21	2021
<b>Operational EBITDA</b>	<b>663</b>	<b>524</b>	<b>26.6%</b>	<b>662</b>	<b>0.1%</b>	<b>1,325</b>	<b>1,011</b>	<b>31.0%</b>	<b>2,184</b>
Depreciation and silviculture costs of EAI	-2	-2	2.0%	-2	-19.7%	-4	-5	7.2%	-11
Silviculture costs <sup>1</sup>	-24	-22	-6.8%	-23	-5.2%	-46	-41	-12.1%	-89
Depreciation and impairment excl. IAC	-131	-135	2.7%	-135	2.4%	-266	-274	2.8%	-555
<b>Operational EBIT</b>	<b>505</b>	<b>364</b>	<b>38.9%</b>	<b>503</b>	<b>0.5%</b>	<b>1,008</b>	<b>692</b>	<b>45.7%</b>	<b>1,528</b>
Fair valuations and non-operational items <sup>2</sup>	-45	-11	-297.3%	21	n/m	-24	-52	53.5%	394
Items affecting comparability (IAC) <sup>2</sup>	-61	-171	64.3%	-130	53.2%	-191	-297	35.7%	-354
<b>Operating profit (IFRS)</b>	<b>399</b>	<b>182</b>	<b>119.6%</b>	<b>394</b>	<b>1.5%</b>	<b>793</b>	<b>343</b>	<b>131.2%</b>	<b>1,568</b>

<sup>1</sup> Including damages to forests

<sup>2</sup> See section [Non-IFRS measures](#) for IAC and fair valuations and non-operational items definitions.

## Sales by segment – total

EUR million	Q2/22	Q1/22	2021	Q4/21	Q3/21	Q2/21	Q1/21
Packaging Materials	1,222	1,132	3,898	1,062	988	987	862
Packaging Solutions	189	191	723	214	180	170	159
Biomaterials	522	442	1,728	494	427	453	355
Wood Products	631	573	1,872	510	503	477	382
Forest	649	626	2,311	597	546	586	582
Paper	462	416	1,703	389	441	446	428
Other	290	236	1,092	285	302	265	240
Inter-segment sales	-910	-817	-3,163	-831	-809	-792	-732
<b>Total</b>	<b>3,054</b>	<b>2,798</b>	<b>10,164</b>	<b>2,719</b>	<b>2,577</b>	<b>2,592</b>	<b>2,276</b>

## Sales by segment – external

EUR million	Q2/22	Q1/22	2021	Q4/21	Q3/21	Q2/21	Q1/21
Packaging Materials	1,163	1,078	3,715	1,006	937	945	827
Packaging Solutions	182	186	704	209	175	166	155
Biomaterials	435	370	1,499	424	364	393	318
Wood Products	595	540	1,766	479	481	450	355
Forest	219	211	781	208	180	197	196
Paper	443	399	1,644	373	425	431	413
Other	17	14	55	20	14	10	12
<b>Total</b>	<b>3,054</b>	<b>2,798</b>	<b>10,164</b>	<b>2,719</b>	<b>2,577</b>	<b>2,592</b>	<b>2,276</b>

## Disaggregation of revenue

EUR million	Q2/22	Q1/22	2021	Q4/21	Q3/21	Q2/21	Q1/21
Product sales	3,000	2,753	10,047	2,670	2,539	2,581	2,257
Service sales	54	45	117	49	38	11	18
<b>Total</b>	<b>3,054</b>	<b>2,798</b>	<b>10,164</b>	<b>2,719</b>	<b>2,577</b>	<b>2,592</b>	<b>2,276</b>

## Operational EBIT by segment

EUR million	Q2/22	Q1/22	2021	Q4/21	Q3/21	Q2/21	Q1/21
Packaging Materials	188	196	556	133	153	144	127
Packaging Solutions	-3	1	26	12	8	2	4
Biomaterials	123	117	495	167	118	145	65
Wood Products	134	118	364	89	123	100	52
Forest	47	49	267	48	49	46	123
Paper	51	36	-124	-10	-31	-49	-34
Other	-19	-14	-48	-17	-3	-16	-11
Inter-segment eliminations	-15	0	-8	5	-7	-8	1
<b>Operational EBIT</b>	<b>505</b>	<b>503</b>	<b>1,528</b>	<b>426</b>	<b>410</b>	<b>364</b>	<b>328</b>
Fair valuations and non-operational items <sup>1</sup>	-45	21	394	437	8	-11	-40
Items affecting comparability <sup>1</sup>	-61	-130	-354	-25	-32	-171	-126
<b>Operating Profit (IFRS)</b>	<b>399</b>	<b>394</b>	<b>1,568</b>	<b>839</b>	<b>386</b>	<b>182</b>	<b>161</b>
Net financial items	-29	-19	-149	-46	-37	-30	-36
<b>Profit before Tax</b>	<b>370</b>	<b>374</b>	<b>1,419</b>	<b>793</b>	<b>349</b>	<b>152</b>	<b>125</b>
Income tax expense	-71	-88	-151	-177	-50	56	20
<b>Net Profit</b>	<b>299</b>	<b>287</b>	<b>1,268</b>	<b>616</b>	<b>299</b>	<b>207</b>	<b>145</b>

<sup>1</sup> See section [Non-IFRS measures](#) for IAC and fair valuations and non-operational items definitions.

## Items affecting comparability (IAC), fair valuations and non-operational items

EUR million	Q2/22	Q1/22	2021	Q4/21	Q3/21	Q2/21	Q1/21
Impairments and impairment reversals	-2	-111	-141	-12	0	-20	-110
Restructuring costs excluding impairments	-3	-6	-227	-31	-30	-145	-21
Acquisitions and disposals	-56	0	11	16	-5	0	0
Other	0	-13	4	2	3	-6	5
<b>Total IAC on Operating Profit</b>	<b>-61</b>	<b>-130</b>	<b>-354</b>	<b>-25</b>	<b>-32</b>	<b>-171</b>	<b>-126</b>
Fair valuations and non-operational items	-45	21	394	437	8	-11	-40
<b>Total</b>	<b>-106</b>	<b>-109</b>	<b>40</b>	<b>413</b>	<b>-24</b>	<b>-182</b>	<b>-167</b>

Items affecting comparability had a negative impact on the operating profit of EUR 61 (negative EUR 171) million. The IACs relate mainly to the disposal of the Russian operation in Packaging Solutions. Fair valuation and non-operational items had a negative impact on the operating profit of EUR 45 (negative EUR 11) million. The impact came mainly from the valuation of biological assets.

## Items affecting comparability (IAC) by segment

EUR million	Q2/22	Q1/22	2021	Q4/21	Q3/21	Q2/21	Q1/21
Packaging Materials	1	-5	-12	-11	2	-3	0
Packaging Solutions	-57	-36	-4	-2	-1	0	0
Biomaterials	0	-2	-5	0	1	-1	-5
Wood Products	-2	-27	-1	-1	0	0	0
Forest	0	-43	17	17	0	0	0
Paper	-1	-4	-304	-11	-31	-136	-126
Other	-2	-14	-46	-16	-4	-31	5
<b>IAC on Operating Profit</b>	<b>-61</b>	<b>-130</b>	<b>-354</b>	<b>-25</b>	<b>-32</b>	<b>-171</b>	<b>-126</b>
IAC on tax	1	4	58	2	0	31	26
<b>IAC on Net Profit</b>	<b>-60</b>	<b>-126</b>	<b>-296</b>	<b>-23</b>	<b>-33</b>	<b>-139</b>	<b>-101</b>

## Fair valuations and non-operational items by segment

EUR million	Q2/22	Q1/22	2021	Q4/21	Q3/21	Q2/21	Q1/21
Packaging Materials	2	-12	8	7	0	0	0
Packaging Solutions	0	0	0	0	0	0	0
Biomaterials	-6	-2	16	16	0	0	0
Wood Products	0	0	0	0	0	0	0
Forest	-47	10	338	412	-5	-21	-48
Paper	0	11	6	-3	7	1	1
Other	6	14	27	6	6	9	6
<b>FV on Operating Profit</b>	<b>-45</b>	<b>21</b>	<b>394</b>	<b>437</b>	<b>8</b>	<b>-11</b>	<b>-40</b>
FV on tax	13	-4	-64	-72	-2	2	8
<b>FV on Net Profit</b>	<b>-32</b>	<b>17</b>	<b>330</b>	<b>366</b>	<b>6</b>	<b>-10</b>	<b>-32</b>

## Operating profit/loss by segment

EUR million	Q2/22	Q1/22	2021	Q4/21	Q3/21	Q2/21	Q1/21
Packaging Materials	191	179	552	129	155	141	127
Packaging Solutions	-59	-35	23	10	7	2	4
Biomaterials	117	113	506	182	119	144	60
Wood Products	133	91	363	88	123	100	52
Forest	0	16	622	477	44	25	75
Paper	49	43	-423	-24	-55	-185	-159
Other	-15	-13	-67	-28	-1	-38	0
Inter-segment eliminations	-15	0	-8	5	-7	-8	1
<b>Operating Profit (IFRS)</b>	<b>399</b>	<b>394</b>	<b>1,568</b>	<b>839</b>	<b>386</b>	<b>182</b>	<b>161</b>
Net financial items	-29	-19	-149	-46	-37	-30	-36
<b>Profit before Tax</b>	<b>370</b>	<b>374</b>	<b>1,419</b>	<b>793</b>	<b>349</b>	<b>152</b>	<b>125</b>
Income tax expense	-71	-88	-151	-177	-50	56	20
<b>Net Profit</b>	<b>299</b>	<b>287</b>	<b>1,268</b>	<b>616</b>	<b>299</b>	<b>207</b>	<b>145</b>

## Key exchange rates for the euro

One Euro is	Closing Rate		Average Rate (Year-to-date)	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
SEK	10.7300	10.2503	10.4753	10.1448
USD	1.0387	1.1326	1.0940	1.1835
GBP	0.8582	0.8403	0.8422	0.8600

## Transaction risk and hedges in main currencies as at 30 June 2022

EUR million	EUR	USD	SEK	GBP
Estimated annual operative transaction risk exposure from cash flows for the next 12 months <sup>1</sup>	1,117	1,971	-223	336
Cash flow hedges for the next 12 months as at 30 June 2022	-579	-872	116	-83
Estimated annual net cash flow exposure, net of hedges <sup>2</sup>	538	1,100	-106	253
<b>Hedge ratio for the next 12 months as at 30 June 2022</b>	<b>52%</b>	<b>44%</b>	<b>52%</b>	<b>25%</b>
Effect of 10% currency strengthening on Operational EBIT	54	110	-11	25

<sup>1</sup> Cash flows are forecasted highly probable foreign exchange net operating cash flows. The exposure presented in the EUR column relates to operative transaction risk exposure from EUR denominated cash flows in Group companies located in Sweden, Czech Republic and Poland with functional currency other than EUR.

<sup>2</sup> The estimated annual net cash flow exposure, net of hedges calculation is based on the assumption the cash flows are hedged only with foreign currency forwards.

## Fair Values of Financial Instruments

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques, for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: techniques which use inputs that have a significant effect on the recorded fair values that are not based on observable market data.

The valuation techniques are described in more detail in the Group's Financial Report. The instruments carried at fair value in the following tables are measured at fair value on a recurring basis.

## Carrying amounts of financial assets and liabilities by measurement and fair value categories: 30 June 2022

EUR million	Amortised cost	Fair value			Fair value	Fair value hierarchy		
		Fair value through OCI	through income statement	Total carrying amount		Level 1	Level 2	Level 3
<b>Financial assets</b>								
Listed securities	—	10	—	10	10	10	—	—
Unlisted securities	—	873	4	876	876	—	—	876
Non-current interest-bearing receivables	82	42	—	124	124	—	42	—
Derivative assets	—	42	—	42	42	—	42	—
Loan receivables	82	—	—	82	82	—	—	—
Trade and other operative receivables	1,296	43	—	1,339	1,339	—	43	—
Current interest-bearing receivables	53	44	4	100	100	—	47	—
Derivative assets	—	44	4	47	47	—	47	—
Other short-term receivables	53	—	—	53	53	—	—	—
Cash and cash equivalents	1,358	—	—	1,358	1,358	—	—	—
<b>Total</b>	<b>2,788</b>	<b>1,012</b>	<b>7</b>	<b>3,807</b>	<b>3,807</b>	<b>10</b>	<b>133</b>	<b>876</b>

EUR million	Amortised cost	Fair value			Fair value	Fair value hierarchy		
		Fair value through OCI	through income statement	Total carrying amount		Level 1	Level 2	Level 3
<b>Financial liabilities</b>								
Non-current interest-bearing liabilities	3,012	—	27	3,039	3,080	—	27	—
Derivative liabilities	—	—	27	27	27	—	27	—
Non-current debt	3,012	—	—	3,012	3,053	—	—	—
Current portion of non-current debt	488	—	—	488	488	—	—	—
Current interest-bearing liabilities	388	70	12	470	470	—	82	—
Derivative liabilities	—	70	12	82	82	—	82	—
Current debt	388	—	—	388	388	—	—	—
Trade and other operative payables	1,928	—	—	1,928	1,928	—	—	—
Bank overdrafts	29	—	—	29	29	—	—	—
<b>Total</b>	<b>5,845</b>	<b>70</b>	<b>39</b>	<b>5,954</b>	<b>5,995</b>	<b>—</b>	<b>109</b>	<b>—</b>

In accordance with IFRS, derivatives are classified as fair value through income statement. In the above tables for financial assets and liabilities the cash flow hedge accounted derivatives are however presented as fair value through OCI, in line with how they are booked for the effective portion.

## Carrying amounts of financial assets and liabilities by measurement and fair value categories: 31 December 2021

EUR million	Amortised cost	Fair value through OCI	Fair value through income statement	Total carrying amount	Fair value	Fair value hierarchy		
						Level 1	Level 2	Level 3
<b>Financial assets</b>								
Listed securities	—	13	—	13	13	13	—	—
Unlisted securities	—	900	5	905	905	—	—	905
Non-current interest-bearing receivables	45	6	—	51	51	—	6	—
Derivative assets	—	6	—	6	6	—	6	—
Loan receivables	45	—	—	45	45	—	—	—
Trade and other operative receivables	1,110	39	—	1,149	1,149	—	39	—
Current interest-bearing receivables	52	31	1	84	84	—	32	—
Derivative assets	—	31	1	32	32	—	32	—
Other short-term receivables	52	—	—	52	52	—	—	—
Cash and cash equivalents	1,481	—	—	1,481	1,481	—	—	—
<b>Total</b>	<b>2,687</b>	<b>990</b>	<b>6</b>	<b>3,683</b>	<b>3,683</b>	<b>13</b>	<b>77</b>	<b>905</b>

EUR million	Amortised cost	Fair value through OCI	Fair value through income statement	Total carrying amount	Fair value	Fair value hierarchy		
						Level 1	Level 2	Level 3
<b>Financial liabilities</b>								
Non-current interest-bearing liabilities	3,284	7	23	3,313	3,618	—	30	—
Derivative liabilities	—	7	23	30	30	—	30	—
Non-current debt	3,284	—	—	3,284	3,589	—	—	—
Current portion of non-current debt	180	—	—	180	180	—	—	—
Current interest-bearing liabilities	403	35	7	444	444	—	42	—
Derivative liabilities	—	35	7	42	42	—	42	—
Current debt	403	—	—	403	403	—	—	—
Trade and other operative payables	1,960	—	—	1,960	1,960	—	—	—
Bank overdrafts	1	—	—	1	1	—	—	—
<b>Total</b>	<b>5,827</b>	<b>42</b>	<b>29</b>	<b>5,899</b>	<b>6,204</b>	<b>—</b>	<b>71</b>	<b>—</b>

In accordance with IFRS, derivatives are classified as fair value through income statement. In the above tables for financial assets and liabilities the cash flow hedge accounted derivatives are however presented as fair value through OCI, in line with how they are booked for the effective portion.

## Reconciliation of level 3 fair value measurement of financial assets and liabilities: 30 June 2022

EUR million	Q1-Q2/22	2021	Q1-Q2/21
<b>Financial assets</b>			
Opening balance at 1 January	905	401	401
Reclassifications	-1	0	0
Gains/losses recognised in other comprehensive income	-28	504	63
Additions	0	1	1
<b>Closing balance</b>	<b>876</b>	<b>905</b>	<b>464</b>

The Group did not have level 3 financial liabilities as at 30 June 2022.

## Level 3 Financial Assets

At period end, Level 3 financial assets included EUR 873 million of Pohjolan Voima Oy (PVO) shares for which the valuation method is described in more detail in the Annual Report. The valuation is most sensitive to changes in electricity prices and discount rates. The discount rate of 6.18% used in the valuation model is determined using the weighted average cost of capital method. A +/- 5% change in the electricity price used in the DCF would change the valuation by EUR +97 million and -97 million, respectively. A +/- percentage point change in the discount rate would change the valuation by EUR -64 million and +86 million, respectively.

## Stora Enso shares

During the second quarter of 2022, the conversions of 1,974 A shares into R shares were recorded in the Finnish trade register.

On 30 June 2022, Stora Enso had 176,240,098 A shares and 612,379,889 R shares in issue. The company did not hold its own shares. The total number of Stora Enso shares in issue was 788,619,987 and the total number votes at least 237,478,086.

On 15 July, the conversion of 110 A shares into R shares was recorded in the Finnish trade register.

### Trading volume

	Helsinki		Stockholm	
	A share	R share	A share	R share
April	86,529	45,859,646	254,541	7,428,438
May	65,691	43,810,399	209,834	9,463,101
June	75,482	40,755,053	169,381	7,726,855
<b>Total</b>	<b>227,702</b>	<b>130,425,098</b>	<b>633,756</b>	<b>24,618,394</b>

### Closing price

	Helsinki, EUR		Stockholm, SEK	
	A share	R share	A share	R share
April	19.55	18.90	201.00	195.00
May	17.00	18.02	193.60	188.30
June	15.25	14.97	162.80	160.50

### Number of shares

Million	Q2/22	Q2/21	Q1/22	2021
At period end	788.6	788.6	788.6	788.6
Average	788.6	788.6	788.6	788.6
Average, diluted	789.6	789.3	789.5	789.1

## Calculation of key figures

<b>Operational return on capital employed, operational ROCE (%)</b>	100 x	$\frac{\text{Annualised operational EBIT}}{\text{Capital employed}^{1,2}}$
<b>Operational return on operating capital, operational ROOC (%)</b>	100 x	$\frac{\text{Annualised operational EBIT}}{\text{Operating capital}^2}$
<b>Return on equity, ROE (%)</b>	100 x	$\frac{\text{Net profit/loss for the period}}{\text{Total equity}^2}$
<b>Net interest-bearing liabilities</b>		Interest-bearing liabilities – interest-bearing assets
<b>Net debt/equity ratio</b>		$\frac{\text{Net interest-bearing liabilities}}{\text{Equity}^3}$
<b>Earnings per share (EPS)</b>		$\frac{\text{Net profit/loss for the period}^3}{\text{Average number of shares}}$
<b>Operational EBIT</b>		Operating profit/loss excluding items affecting comparability (IAC) and fair valuations of the segments and Stora Enso's share of operating profit/loss excluding IAC and fair valuations of its equity accounted investments (EAI)
<b>Operational EBITDA</b>		Operating profit/loss excluding silviculture costs and damage to forests, fixed asset depreciation and impairment, IACs and fair valuations. The definition includes the respective items of subsidiaries, joint arrangements and equity accounted investments.
<b>Net debt/last 12 months' operational EBITDA ratio</b>		$\frac{\text{Net interest-bearing liabilities}}{\text{LTM operational EBITDA}}$
<b>Fixed costs</b>		Maintenance, personnel and other administration type of costs, excluding IAC and fair valuations.
<b>Last 12 months (LTM)</b>		12 months prior to the end of reporting period

<sup>1</sup> Capital employed = Operating capital – Net tax liabilities

<sup>2</sup> Average for the financial period

<sup>3</sup> Attributable to the owners of the Parent

### List of non-IFRS measures

Operational EBITDA	Depreciation and impairment charges excl. IAC
Operational EBITDA margin	Operational ROCE
Operational EBIT	Earnings per share (EPS), excl. FV
Operational EBIT margin	Net debt/last 12 months' operational EBITDA ratio
Capital expenditure	Operational ROOC
Capital expenditure excl. investments in biological assets	Cash flow after investing activities
Capital employed	

### Definitions and calculation of key sustainability figures

<b>GHG emissions, scope 1 + 2</b>	Direct fossil CO <sub>2</sub> e emissions from production (scope 1) and indirect fossil CO <sub>2</sub> e emissions related to purchased electricity and heat (scope 2). Excluding joint operations. Reported as last four quarters. Calculated in accordance with the Greenhouse Gas Protocol.
<b>GHG emissions, scope 3</b>	Fossil CO <sub>2</sub> e emissions from supply chain, transportation and customer operations are estimated based on the most recent methodology. Joint operations included as suppliers. Currently, material emission categories for Scope 3 emissions are updated annually or every second year. Accounting based on guidelines provided by the Greenhouse Gas Protocol of the World Resource Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).
<b>Forest certification coverage</b>	The proportion of land in wood production and harvesting owned or leased by Stora Enso that is covered by forest certification schemes. Reporting on total land area and its forest certification coverage aligned with financial reporting on forests assets. Historical figures have been recalculated for comparability.
<b>Share of technically recyclable products</b>	The proportion of technically recyclable products based on production volumes as tonnes. Technical recyclability is defined by international standards and tests when available, such as PTS and CTP, and in the absence of these, by Stora Enso's own tests that prove recyclability. The reporting scope includes Stora Enso's packaging, pulp, paper and solid wood products as well as biochemical by-products. The recyclability of corrugated packaging is estimated in 2021 reporting and will be confirmed by further testing.
<b>TRI (Total recordable incidents) rate</b>	Number of incidents per one million hours worked. The figure represents own employees, including employees of the joint operations Veracel and Montes del Plata.
<b>Gender balance</b>	Calculated based on the headcount of permanent and temporary employees, including both fulltime and part-time employees.
<b>Total water withdrawal and Process water discharges per saleable tonne</b>	Last four quarters for board, pulp and paper units. Excluding joint operations. Excluding mechanical wood product units and packaging converting units due to their low impact on the Group's consolidated water use and different metrics for sales production (cubic metre and square metre) compared to board, pulp and paper units (tonnes).
<b>Supplier Code of Conduct (SCoC) coverage</b>	% of supplier spend (last 12 months) covered by the Supplier Code of Conduct (SCoC). Excludes joint operations, intellectual property rights, leasing fees, financial trading, government fees such as customs, and wood purchases from private individual forest owners.



## Divisions in brief

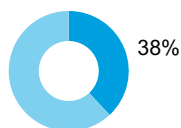
Stora Enso's diversified business portfolio creates resilience to changing market dynamics and fluctuations in demand, while enabling flexibility for evolving transformation.



### Packaging Materials

Leading the development of circular packaging, providing premium packaging materials based on virgin and recycled fiber.

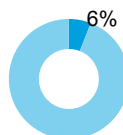
Share of Group external sales



### Packaging Solutions

Developing and selling premium fiber-based packaging products and services.

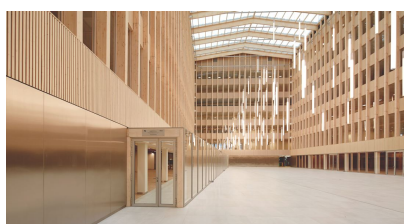
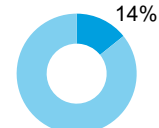
Share of Group external sales



### Biomaterials

Meeting the growing demand for bio-based solutions to replace fossil-based and hazardous materials.

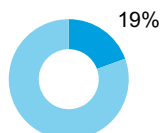
Share of Group external sales



### Wood Products

One of the largest sawn wood producers in Europe and a global leading provider of renewable wood-based solutions.

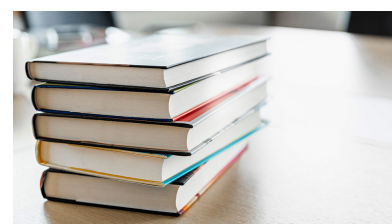
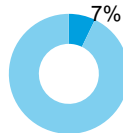
Share of Group external sales



### Forest

Creating value through sustainable forest management, competitive wood supply and innovation.

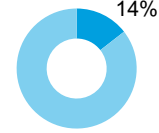
Share of Group external sales



### Paper

A major paper producer in Europe with a wide product portfolio for print and office use.

Share of Group external sales



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## Capital Markets Day 13 September 2022

### January–September 2022 results 21 October 2022

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Part of the global bioeconomy, Stora Enso is a leading provider of renewable products in packaging, biomaterials, wooden construction and paper, and one of the largest private forest owners in the world. We believe that everything that is made from fossil-based materials today can be made from a tree tomorrow. Stora Enso has approximately 22,000 employees and Group sales in 2021 of EUR 10.2 billion. Stora Enso shares are listed on Nasdaq Helsinki Oy (STEAV, STERV) and Nasdaq Stockholm AB (STE A, STE R). In addition, the shares are traded in the USA as ADRs (SEOAY). [storaenso.com/investors](https://www.storaenso.com/investors)

It should be noted that Stora Enso and its business are exposed to various risks and uncertainties and certain statements herein which are not historical facts, including, without limitation those regarding expectations for market growth and developments; expectations for growth and profitability; and statements preceded by "believes", "expects", "anticipates", "foresees", or similar expressions, are forward-looking statements. Since these statements are based on current plans, estimates and projections, they involve risks and uncertainties, which may cause actual results to materially differ from those expressed in such forward-looking statements. Such factors include, but are not limited to: (1) operating factors such as continued success of manufacturing activities and the achievement of efficiencies therein, continued success of product development, acceptance of new products or services by the Group's targeted customers, success of the existing and future collaboration arrangements, changes in business strategy or development plans or targets, changes in the degree of protection created by the Group's patents and other intellectual property rights, the availability of capital on acceptable terms; (2) industry conditions, such as strength of product demand, intensity of competition, prevailing and future global market prices for the Group's products and the pricing pressures thereto, price fluctuations in raw materials, financial condition of the customers and the competitors of the Group, the potential introduction of competing products and technologies by competitors; and (3) general economic conditions, such as rates of economic growth in the Group's principal geographic markets or fluctuations in exchange and interest rates. All statements are based on management's best assumptions and beliefs in light of the information currently available to it and Stora Enso assumes no obligation to publicly update or revise any forward-looking statement except to the extent legally required.