

Press release

Norske Skog Golbey start-up paves the way for future growth

Norske Skog reported an EBITDA of NOK 106 million in the second quarter of 2025 down from NOK 612 million in the previous quarter, mainly due to the final insurance settlement of NOK 560 million at Norske Skog Saugbrugs in the previous quarter. Despite continued challenges in the global pulp and paper markets and low industry utilisation rates, Norske Skog continues to increase its market share across publication and packaging paper segments and marked the successful start-up of containerboard production at Norske Skog Golbey PM1 in France.

The major highlight of the quarter was the commissioning of PM1 at the Norske Skog Golbey mill. The machine produced its first paper reel at the end of May, with approximately 4 000 tonnes produced during the quarter. The ramp-up will involve continued customer testing, trial deliveries, and exports in the initial phase. Utilisation is expected to reach 20-30% in the third quarter of 2025.

“The start-up of PM1 at Golbey marks a key strategic milestone for Norske Skog. Despite encountering some project-related challenges, we have now successfully entered the ramp-up phase. We are confident that the machine will follow its planned utilisation curve and reach full capacity during the first half of 2027. This project strengthens our position in the containerboard market and represents an important step in our long-term transformation. In addition, the investment to convert one machine at Norske Skog Skogn from newsprint to book paper is part of our long-term transformation process of not being a pure publication paper supplier,” says Geir Drangslund, CEO of Norske Skog.

In the second quarter of 2025, Norske Skog had total operating income of NOK 2 389 million down from NOK 3 101 million in the previous quarter. Operating earnings of NOK 74 million down from NOK 489 million in the previous quarter, and profit before income taxes of NOK 49 million down from NOK 442 million in the previous quarter. Equity increased from NOK 5 646 million in the previous quarter to NOK 5 877 million in the current quarter. This resulted in the equity ratio increasing from 39% to 42%. Net interest-bearing debt decreased from NOK 4 087 million in the previous quarter to NOK 3 960 million in the current quarter.

In publication paper, lower deliveries due to planned and unplanned stops and slightly weaker prices were offset by lower cost of materials.

In packaging paper, Norske Skog Bruck PM3 continued to perform well and delivered an EBITDA of NOK 26 million. The segment had a negative EBITDA of NOK 52 million due to relatively high fixed costs during the ramp-up phase at Norske Skog Golbey.

Norske Skog maintains a strong capital position. Proceeds from the sale of Boyer, sale of CO₂ allowances, and energy refund were received during the quarter. An agreement with lenders was reached to revise certain loan repayment schedules and release restricted cash accounts, supporting liquidity.

Norske Skog continues to evaluate strategic options at Norske Skog Saugbrugs, including a potential restart of PM6, closure of PM4 and PM5, and an increase in production capacity from 200 000 to 240 000 tonnes. A final decision is expected in the second half of 2025. The BCTMP project has been put on hold due to high investment requirements and challenging market conditions.

Geir Drangslund, CEO of Norske Skog, says: *“Together with the management at Norske Skog Saugbrugs, we have thoroughly reviewed all strategic opportunities for the mill. The ongoing review of a potential restart of PM6 reflects*

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our continued commitment to long-term industrial operations at Norske Skog Saugbrugs, while weighing sound financial discipline and a strong focus on future profitability.”

At Norske Skog Skogn, modifications on PM1 are underway to enable flexible switching between newsprint and book paper from 2026, ensuring continued responsiveness to evolving market needs.

Norske Skog has appealed the decision to the Norwegian Environment Agency of excluding Norske Skog Skogn and Norske Skog Saugbrugs from the EU Emissions Trading System (EU ETS) for the period 2026 to 2030 due to revised qualification criteria to the Ministry of Climate and Environment. Facilities exceeding 95% of emissions deriving from sustainable biomass will no longer qualify for free CO₂ allowances. Norske Skog is actively working to reverse this decision.

Outlook

Uncertainty and profitability pressure in both the market for publication paper and packaging paper is expected to continue due to raw material price volatility, excess production capacity, and constantly changing operating conditions. Norske Skog maintains significant emphasis on reducing the production costs and working capital to maintain its competitive position in this environment.

The remaining gross investment at Norske Skog Golbey is expected to be EUR 20-25 million, and the mill is expected to receive additional EUR 52 million in investment grants and energy certificates during 2025 to 2027. Production of recycled containerboard at Norske Skog Golbey (PM1) is expected to reach full utilisation during the first half of 2027. Norske Skog monitors its capital and liquidity position closely and has several ongoing initiatives to secure financial performance and competitive position going forward.

About Norske Skog

Norske Skog is a producer of packaging paper and publication paper across four mills in Europe. Packaging paper includes testliner and fluting and publication paper includes newsprint and magazine paper. The annual production capacity of packaging paper is 0.8 million tonnes, and the annual production capacity of publication paper is 1.3 million tonnes. Packaging paper and publication paper are sold through sales offices and agents. Norske Skog has approximately 1 700 employees and the parent company, Norske Skog ASA, a public limited liability company, is incorporated in Norway and has its head office in Oslo. The company is listed on Oslo Stock Exchange with the ticker NSKOG.

Presentation and quarterly material

The company will arrange a Teams-webinar today at 08:30 CEST, which can be attended by clicking the webinar link on the front page of the www.norskeskog.com.

The quarterly board of directors report, the presentation, the financial statements and the press releases are available on www.norskeskog.com, and published on www.newsweb.no under the ticker NSKOG. If you want to receive future Norske Skog press releases, please subscribe through the website of the Oslo Stock Exchange www.newsweb.no.

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