

Södra's year-end report with interim report

1 October – 31 December 2024

Q4

- » Net sales amounted to SEK 7,403 million (7,028)
- » Operating profit before depreciation, amortisation and impairment amounted to SEK 1,123 million (676)
- » Operating profit totalled SEK 726 million (267).
- » The operating margin was 10 percent (4).
- » Cash flow after investments was SEK 555 million (neg: 1,709)

2024 in brief

- » Net sales amounted to SEK 29,487 million (28,896)
- » Operating profit before depreciation, amortisation and impairment amounted to SEK 4,155 million (3,677)
- » Operating profit totalled SEK 2,630 million (2,226)
- » The operating margin was 9 percent (8).
- » Cash flow after investments was SEK 1,820 million (79)
- » The Board proposes a profit distribution of SEK 1,753 million

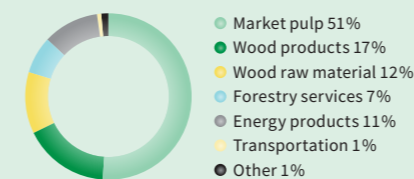
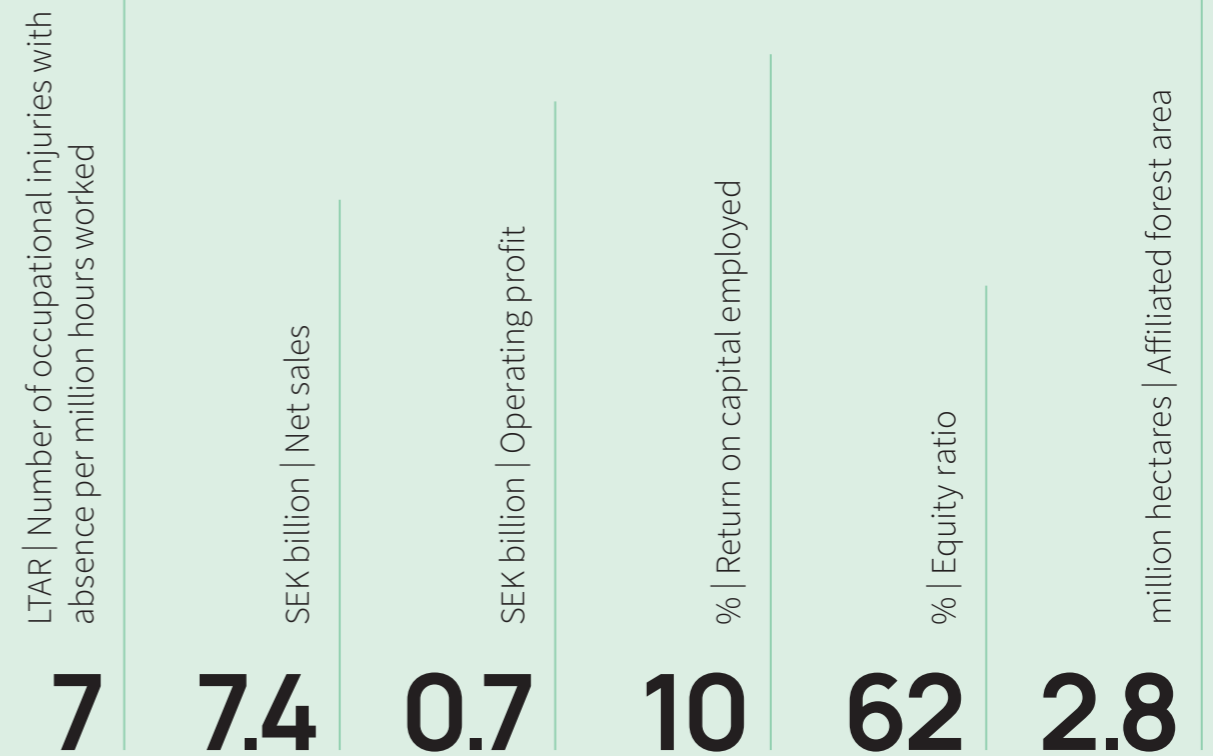
Key indicators	2024	2023	2024	2023
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net sales, SEK million	7,403	7,028	29,487	28,896
Operating profit before depreciation, amortisation and impairment, SEK million	1,123	676	4,155	3,677
Operating profit, SEK million	726	267	2,630	2,226
EBITDA margin	15%	10%	14%	13%
Operating margin	10%	4%	9%	8%
Return on capital employed	–	–	10%	9%
Equity ratio	–	–	62%	64%
Cash flow after investments, SEK million	555	-1,709	1,820	79
No. of members	–	–	52,116	51,774
Affiliated forest area, million hectares	–	–	2.83	2.81
Average no. of employees ¹⁾	3,184	–	3,195	3,251
Positive climate effect ²⁾ , Mt CO ₂ eq	–	–	10.4	11.4
Lost time accidents (LTA) ³⁾ , no.	11	10	44	38
Lost time accident rate (LTAR) ⁴⁾	7	7	8	7

¹⁾ New definition from 2024: comprises actual hours worked divided by scheduled hours for a full-time employee. As of the second quarter of 2024, the average number of employees per quarter is also reported. The comparative figures for full-year 2023 have been restated.
²⁾ CO₂eq=carbon dioxide equivalents. This key indicator is calculated on an annual basis.
³⁾ LTA (lost time accident): occupational injury with absence.
⁴⁾ LTAR (lost time accident rate): number of occupational injuries with absence per million hours worked.

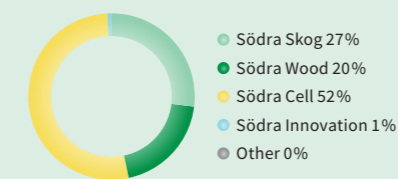
This is a translation of the year-end report with the interim report. This translation does not replace the original report. In the event of any lack of clarity or disparity between this translation and the year-end report, the year-end report will always take precedence.

The quarter in figures

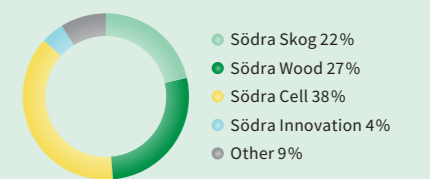
Some of our most important figures and key indicators for the fourth quarter of 2024.



Net sales per revenue category. SEK 7,403 million in total, excluding internal deliveries.



Net sales per revenue category. SEK 7,403 million in total, excluding internal deliveries.



Average no. of employees per business area, 3,184 in total.

A few highlights from the quarter to show how we are increasing member value and strengthening the Södra brand, always with our mission in focus – to refine and renew the value of family forestry.

The quarter in brief



First electric truck for pulp transportation

During the quarter, the first electric truck for pulp transportation was deployed in collaboration with DFDS. The truck transports pulp between the mill at Värö and ports in Gothenburg and Varberg and is expected to save 48 tonnes of CO₂ per year compared with a diesel truck.

“The electrification of our transport is a natural part of our strategy to achieve our goal of net zero emissions of fossil greenhouse gases by 2040. It is also an important step in offering our customers more sustainable transport solutions and thus becoming a more attractive supplier,” said Catrin Gustavsson, President of the Södra Cell business area.



Södra in collaboration for Swedish electricity supply

We were one of 17 Swedish industrial companies to join Industrikraft, which aims to ensure long-term electricity security in Sweden. Industrikraft provides a common platform for making constructive contributions to industrial perspectives and expertise in energy-related issues.

“Industrikraft has given us a new arena for collaboration and influence in issues related to the Swedish power supply. This is an important future issue for our competitiveness and for members of Södra – as both landowners and industrial owners,” said President and CEO Lotta Lyrå.

Further adjustment of wood prices

In a market characterised by raw material shortages and global uncertainty, we adjusted wood prices for the fifth time in 2024. On 21 October, prices for saw logs and small-diameter sawable ranges were raised as follows:

- » The basic price for standard saw logs of spruce was raised by SEK 100/m³sub (solid under bark).
- » The basic price for standard saw logs of pine was raised by SEK 70/m³sub.
- » The basic price for small-diameter wood and sawlogs was raised by SEK 70/m³sub.



New pricing terms for a secure transaction

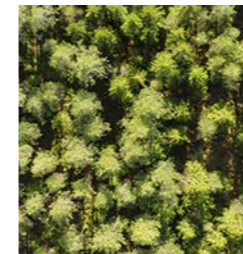
We continued to present initiatives that strengthen the long and short-term profitability and conditions for forest estates. Highest Price, 60 Days means that forest owners will be paid the new higher price if the price has been raised within 60 days of signing the agreement. There are times when we have to prioritise, which means that harvesting may be postponed, and have therefore introduced Price Compensation for Delayed Harvesting. This means that a harvesting operation that has not commenced within one year of signing the agreement will be paid the wood price that applies 12 months after signing the agreement, if it is higher than on the date of signing.



Södra among initiators of a global standard for biocredits

In collaboration with the Swedish Biocredit Alliance, and together with the World Forest Forum, Qarlbo Biodiversity, Norra Skog and Umeå Municipality, we have produced a standard for biocredits. The standard will apply globally and ensure quality and transparency for both buyers and sellers by requiring, for example, third-party verification.

Södra is working to ensure that rich biodiversity becomes an asset that can strengthen the profitability of forest estates. Biocredits are a way for businesses to contribute to richer biodiversity, while also creating new business opportunities for landowners.



The Foundation for Research distributed SEK 12.5 million

The Södra Foundation for Research, Development and Education granted total funding of SEK 12.5 million to 11 different research projects. The research carried out by these projects will pave the way for future forestry as well as new products with a low climate impact, sustainable production and, eventually, jobs.



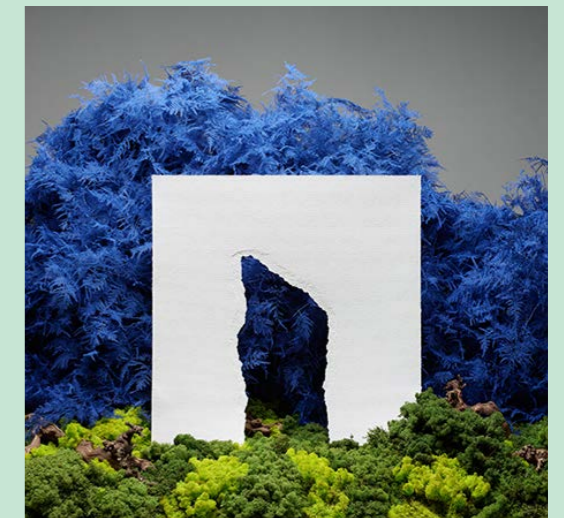
Södra once again recognised as an attractive employer

Every year, Karriärföretagen ranks Sweden's most attractive employers, i.e. those that offer unique career and development opportunities for their employees. In intense competition from more than 1,000 companies, municipalities and authorities, we were ranked one of Sweden's most attractive employers for the third time and awarded the distinction of Karriärföretag 2025 (Career Company 2025).



AI system for operator support during harvesting

In collaboration with Nordic Forestry Automation, we issued a statement of intent to implement operator support for thinning carried out under Södra's supervision. The operator support makes it easier to carry out forest management correctly and thereby promote growth and increased profitability. It also creates opportunities for effective protection of valuable environmental and cultural heritage sites. The system will also be able to collect data for each tree for future planning and analysis. Implementation and installations are planned to commence in the second half of 2025.



OnceMore® celebrated fifth anniversary with a new initiative

On 28 October, Södra's OnceMore® innovation, the world's first large-scale process for recycling blended fabrics, celebrated its fifth anniversary. When the initiative was launched in 2019, the patented dissolving pulp contained both wood and 3 percent textile waste. In 2022, the corresponding amount of textile waste was 20 percent. We are now working to increase the amount of textile waste to 50 percent.

On the occasion of the anniversary, OnceMore® Together was launched – a collective of innovative yarn and textile suppliers who are dedicated to transforming the textile industry.



We stand stable but never still

Lotta Lyrå
President & CEO

Our mission is to refine and renew the value of family forestry together. This benefits our customers, helps society in the green transition and builds profitability for family forestry today and tomorrow. As we look back on 2024, it was a year in which we maintained a high pace of change to take advantage of the forest's many opportunities, while also handling external factors that affect our business in both the long and short term. As a cooperative and an industrial group, we stand stable but never still. Due to sound decision-making and hard work, Södra's liquidity position and balance sheet are strong, which means we can invest in line with our strategy.

Södra puts safety first and works actively and consciously to eliminate risks, reduce accidents and create a safety culture that permeates the entire operation. This is a never-ending process. Despite major efforts and initiatives in the operations, we did not achieve our target for 2024 and our LTAR ended at 8. Towards the end of the year, we took additional measures that we are now continuing to develop and monitor during the spring. Our efforts to increase safety in the forest are also aimed at improving safety for members and contractors. There are no compromises for us in this area. Safety comes first.

Challenging business environment

In 2024, we expected challenges and continued market uncertainty due to geopolitical volatility, the economic situation and a raw material shortage in the market. The economic recovery that has begun with falling inflation and lower interest rates has not made itself felt and geopolitical unrest, with wars in Europe and the Middle East, is affecting consumption. Given these conditions, Södra delivered a very stable result. During the year, the weak SEK benefited Södra, whose exports account for around 80 percent of production. Our sales amounted to SEK 29,487 million and we achieved operating profit of SEK 2,630 million. On this basis, the Board proposes a profit distribution of SEK 1,753 million to members.

Södra's product portfolio is evolving as we make more from every tree. That is strengthening our competitiveness and reducing our vulnerability to market fluctuations. During the year, demand for paper pulp was predominantly positive in relation to supply and this was reflected in favourable prices. Our scheduled maintenance shutdowns led to lower production, however, which affected the result. The assessment now is that price levels have fallen to a plateau that will continue into 2025. The economic situation challenged the sawn timber market during the year and, combined with higher prices for saw logs, the business has been under pressure. We are working to strengthen our competitiveness and our industrial adaptation of the sawmill operations in 2024 was successful and will strengthen us in the new year, when we are expecting a brighter market. The CLT (cross-laminated timber) business was also affected by the slow pace of construction, but ramping up of the facility means that we will be ready when the market recovers. 2024 was a good year for Södra's biomethanol, biofuel and dissolving pulp, while low electricity prices and slow demand for tall oil led to lower prices. Overall, we expect that 2025 will also be a challenging year because the economic recovery will take time.

Fourth quarter

Sales for the fourth quarter amounted to SEK 7,403 million and operating profit totalled SEK 726 million. The result was in line with expectations and an effect of market price levels, favourable exchange rates and improved efficiency.

High demand for forest raw material

In forests, the year was characterised by high demand and intense competition in a wood market with a structural deficit. Prices have reached historical high levels, with Götaland now at the top tier of northern Europe. This is positive for the profitability of forest estates and completely in line with Södra's mission. Our assessment is that demand is long-term. At the same time, the business environment and market are bringing greater uncertainty and faster fluctuations for individual forest owners. Therefore, in addition to several price adjustments during the year, Södra also invested in strengthening both the market position for forest owners, and Södra's business relationships with members. As a cooperative, we want to continuously improve the member experience and have developed our business conditions and business forms to increase security in relation to wood sales, while adapting the forestry organisation and our advisory services to meet the needs and goals of members in the best possible way. As Sweden's largest forest-owner association, we have remained a driving

market player by increasing the transparency of pricing terms. Based on our cooperative principles where transparency, fair treatment and increased security for individuals are important, we are continuing our efforts to be an attractive choice for forest owners.

We make more from every tree and process

Record-high wood prices are increasing pressure on the industrial facilities owned jointly by members of Södra. Our strategic focus on making more from each tree is therefore highly relevant and requires innovation, investments and courage. During the year, we presented several initiatives in this direction. Our new businesses for kraft lignin and tannin are creating added value from the raw material, while we are broadening our range and establishing new customer relationships. The fact that Södra has already signed agreements for kraft lignin with two customers is an important milestone for our initiative, but also a signal to the market that this is a fossil-free product to be reckoned with. Another initiative aimed at accelerating the development and strengthening our competitiveness is our work with increased digitisation and artificial intelligence (AI) across the value chain. During the year, our AI chatbot for health and safety, Jörgen, was rolled out. Jörgen helps managers and employees in the important process of analysing data and giving insights and trends, which helps us to predict and avoid accidents. New forecasting tools and use of data across the business areas are further examples of how we are gradually allowing digitisation and AI to help us in our day-to-day operations in efforts to make more from every tree and process, the development of our existing operations is an equally important focus. Our investment in a new condensing turbine is making further use of our pulping processes and producing more green electricity for our industrial operations and market. Our ongoing efforts to improve efficiency, which have been ongoing for several years now, will continue with a high degree of commitment, and are highly significant for our underlying profitability. During the year, we had already achieved our target of SEK 434 million in cost-efficiencies by the second quarter and the year closed with SEK 613 million. This contributed to the result and will generate a long-term effect to be proud of.

In 2020, Södra became a signatory to the UN Global Compact. We have committed to the Ten Principles for corporate sustainability and report our sustainability performance every year.

An active voice for forests

As an important part of the forest industry in Sweden, family forestry's Södra generates great value. From jobs in rural areas and tax revenue for welfare to renewable products that store carbon dioxide, replace fossil materials and benefit society and consumers. We are proud but also know that this value can grow. Policy and society need to do their part to promote investments, create a level playing field and give family forestry the conditions for both active management and nature conservation. The rotation period of a tree is equal to 20 election cycles, so forests and the forest industry need a long-term approach and stability. In this process, Södra – as a forest-owner association and an industrial group – must be active and share knowledge and perspectives at both national and EU level. During the year, we were able to participate in and host important meetings that were focused on forests with, among others, the President of the European Commission and the Swedish Prime Minister. Our efforts to achieve a more legally secure, efficient and predictable management of species protection and strengthened property rights are now being reviewed by two public inquiries, where our active engagement has continued. Södra is also one of the initiators of a global standard for biocredits, a first important step for a functional market in the future.

Södra was founded on the conviction that we will be stronger together. This is evident every day when more than 50,000 family forest owners, 3,500 employees, hundreds of elected representatives, contractors, suppliers, customers and partners all work in their own way to make the most of the many opportunities that forests offer. It is a fantastic starting point as we now enter a new and exciting year.



The period in brief

Net sales for the full-year amounted to SEK 29,487 million (28,896), with operating profit of SEK 2,630 million (2,226). Sales for the fourth quarter amounted to SEK 7,403 million (7,028). Operating profit totalled SEK 726 million (267). Return on capital employed was 10 percent (9). At year-end, the equity ratio was 62 percent (64). The Board proposes a profit distribution of SEK 1,753 million.

Market conditions

The global economy remained subdued in the fourth quarter. Economic growth continues to vary across countries and regions, especially between the US and Europe, which contributed to uncertainty about the direction of the economy. The continued geopolitical uncertainty has not yet had any significant effect on the global economy.

As expected, the US presidential election attracted considerable attention during the quarter. Despite ending in a decisive Republican victory, there is still uncertainty about when the reforms will happen and their actual scope. The reforms that were announced in advance were deemed to increase the risk of sustained inflation. Despite signs of a slowdown, the US economy continued to show relative strength compared with Europe. Economic growth in Europe remained challenging and varied considerably across countries.

In light of the economic slowdown, both the Federal Reserve and the European Central Bank cut their interest rates in the

fourth quarter. The Riksbank followed suit with interest rate cuts in the fourth quarter as the Swedish economy and the jobs market continued to weaken.

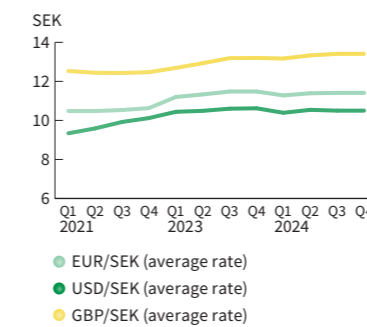
Recovery of the Swedish economy is projected to take time. The NIER's Economic Tendency Survey signalled weaker sentiment than normal in the Swedish economy. The manufacturing industry appeared particularly weak, despite small glimmers of improvement towards the end of the quarter.

In the fourth quarter, the SEK weakened against the USD, EUR and the GBP compared with the preceding quarter. Year-on-year, the SEK was weaker in relation to the USD, EUR and GBP on average.

Wood supply

Demand for raw material from the forest remained high during the quarter, in all ranges. Forest production was slightly lower year-on-year. The conditions for harvesting were relatively favourable, but also more challenging at the end of the period. The intense competition for wood raw material continued.

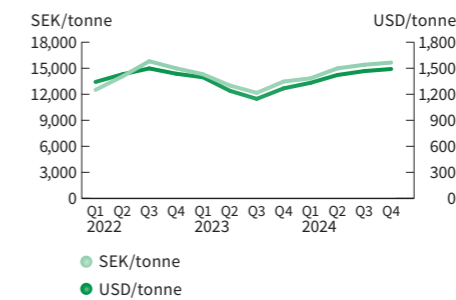
Foreign exchange rates



The diagram shows the annual average exchange rate.

Source: ECB

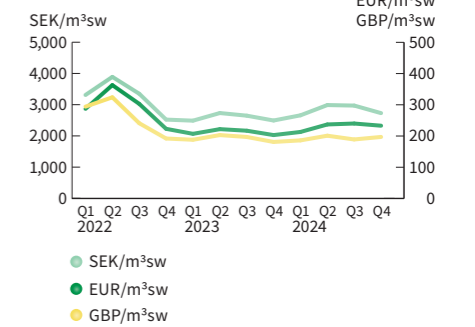
Pulp prices



The price of bleached softwood sulphate pulp in USD rose during the quarter. The diagram shows the average prices for softwood sulphate pulp delivered to European customers.

Source: FOEX PIX and Södra

Delivery prices for sawn timber



The diagram shows delivery prices for sawn timber in the most important currencies.

Source: Södra

Sawn timber

During the quarter, the sawn timber market was characterised by improved demand from our industrial customers in Europe, while demand in the construction industry remained low. Prices began to rise slightly during the quarter, which is expected to continue as demand increases. In the US, prices increased during the quarter, but uncertainty is great. Demand remained weak in China, but started to improve in other parts of Asia. Delivery volumes were slightly higher year-on-year.

Pulp market

At the end of the quarter, the European market for softwood sulphate pulp continued to fall, but at a lower pace. We are seeing signs of a better balance in the market. Price increases have now been announced, which is positive. The global economy remained relatively weak. Transport restrictions due to unrest around the Red Sea remained in place, making transportation more expensive both to and from Asia. In China, market conditions improved slightly during the quarter with higher delivery volumes.

Södra Cell's inventory level increased during the quarter. Delivery volumes were lower year-on-year. The market for dissolving pulp remained stable during the quarter.

Net sales

During the quarter, consolidated net sales amounted to SEK 7,403 million (7,028), up 5 percent. The positive sales trend for the quarter was primarily due to higher price levels for Södra's core products and continued favourable exchange rates.

Net sales for the full-year amounted to SEK 29,487 million (28,896), up 2 percent.

Result

Operating profit for the quarter totalled SEK 726 million (267), representing an operating margin of 10 percent (4). Södra posted improved operating profit for the quarter, mainly

attributable to higher delivery prices and favourable exchange rates combined with higher raw material costs for saw logs and slightly lower delivery volumes. The earnings improvement shows that Södra can deliver high profitability despite challenges and continued market uncertainty in terms of geopolitical volatility, the economic situation and a raw material shortage in the market.

Operating profit for the full-year totalled SEK 2,630 million (2,226), representing an operating margin of 9 percent (8). Return on capital employed was 10 percent (9).

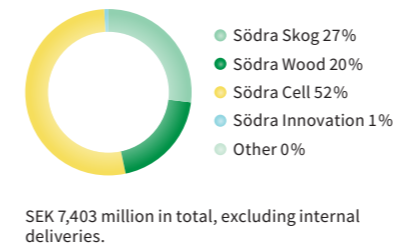
Profit before tax was SEK 768 million (320). Tax income for the period was SEK 59 million (231).



BUSINESS AREAS

SEK million	Net sales				Operating profit			
	2024 Oct-Dec	2023 Oct-Dec	2024 Jan-Dec	2023 Jan-Dec	2024 Oct-Dec	2023 Oct-Dec	2024 Jan-Dec	2023 Jan-Dec
Södra Skog	2,005	1,687	6,817	6,260	490	327	513	367
Södra Wood	1,464	1,295	6,258	6,083	-54	-201	23	-175
Södra Cell	3,880	3,929	16,121	16,142	656	442	2,867	2,631
Södra Innovation	54	117	291	411	-113	-122	-268	-227
Other	—	—	—	—	-253	-179	-505	-370
Group	7,403	7,028	29,487	28,896	726	267	2,630	2,226

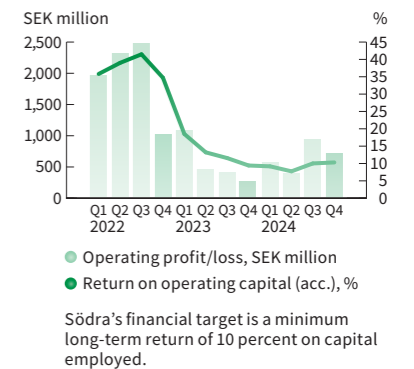
Sales per business area



Net sales and operating margin



Operating profit/loss and return on capital employed



Business areas

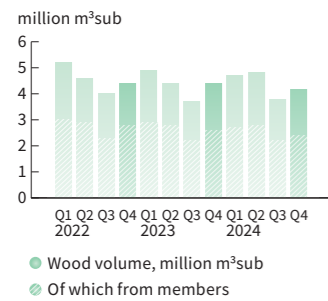
Södra Skog

Södra Skog's operating profit for the quarter totalled SEK 490 million (327). The remeasurement effect for biological assets amounted to SEK 631 million (394). Sales for the quarter amounted to SEK 2,005 million (1,687), an effect of continued price increases combined with a stable delivery volume. Demand for all ranges, including energy products, was favourable. Outbound deliveries of

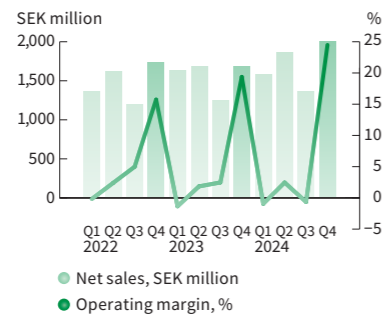
saw logs, pulpwood and energy products totalled 4.3 million m³sub (4.4) for the quarter. The earnings trend for the quarter, excluding remeasurement of biological assets, was primarily due to the fact that price increases for saw logs led to a slightly lower margin.

Sales for the full-year amounted to SEK 6,817 million (6,260) and operating profit totalled SEK 513 million (367).

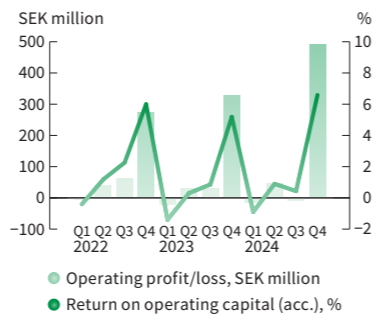
Wood volume



Net sales and operating margin



Operating profit/loss and return on operating capital



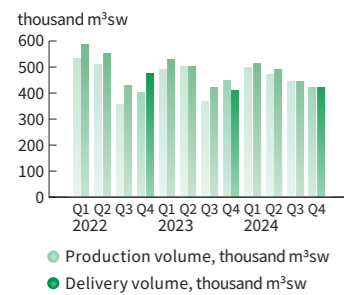
Södra Wood

Södra Wood's operating loss for the quarter totalled SEK 54 million (loss: 201). Sales for the quarter amounted to SEK 1,464 million (1,295), mainly an effect of higher delivery prices. The production volume for the quarter amounted to 439 thousand m³sw, down 9 thousand m³sw compared with the year-earlier period. Outbound deliveries of sawn timber for the quarter were 423 thousand m³sw, up 12 thousand m³sw compared with the

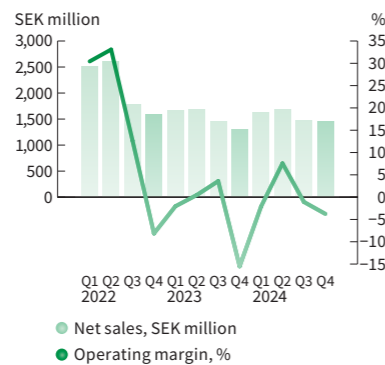
year-earlier period. The earnings trend during the quarter was primarily attributable to higher margins due to higher delivery prices, despite higher saw log costs and improved efficiency in execution. The fourth quarter of 2023 also contained restructuring costs related to structural changes in the business area.

Sales for the full-year amounted to SEK 6,258 million (6,083) and operating profit totalled SEK 23 million (loss: 175).

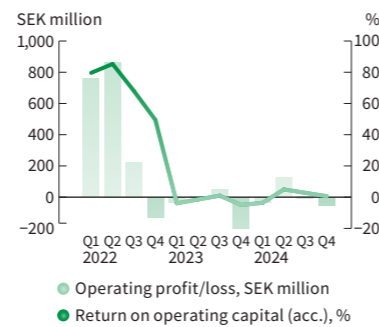
Production and delivery volume, sawn timber



Net sales and operating margin



Operating profit/loss and return on operating capital



Södra Cell

Södra Cell's operating profit for the quarter totalled SEK 656 million (442). Sales for the quarter amounted to SEK 3,880 million (3,929), due to the fact that a longer scheduled maintenance shutdown led to lower delivery volumes compared with the year-earlier period. During the quarter, the production volume totalled 436 ktonnes (516), comprising 382 ktonnes (456) of softwood sulphate pulp, 12 ktonnes (15) of hardwood sulphate pulp and 42 ktonnes (44) of dissolving pulp. Outbound deliveries of pulp for the quarter were 429 ktonnes, down 71 ktonnes compared with the year-earlier period. Outbound deliveries of liquid bioproducts for the quarter amounted to 5 ktonnes,

down 7 ktonnes compared with the year-earlier period. The earnings trend during the quarter was mainly attributable to higher pulp prices and a continued favourable exchange rate for the USD (USD).

Sales for the full-year amounted to SEK 16,121 million (16,142) and operating profit totalled SEK 2,867 million (2,631).

During the quarter, electricity generated by the pulp mills, wind turbines and hydropower plants was 360 GWh. Excess electricity amounted to 52 GWh. The excess represented about 14 percent of the generated volume and was sold both within Södra and on the open market.

Production and delivery volume, pulp



Net sales and operating margin



Operating profit/loss and return on operating capital



Södra Innovation

Södra Innovation's operating loss for the quarter totalled SEK 113 million (loss: 122). Sales for the quarter amounted to SEK 54 million (117), attributable to the current situation in the construction market and effects of Innovation's subsidiaries. The earnings trend during the quarter was mainly due to continued weak

construction activity and slightly lower shares in associates. Ongoing innovation initiatives are progressing as planned.

Sales for the full-year amounted to SEK 291 million (411) and operating loss totalled SEK 268 million (loss: 227).

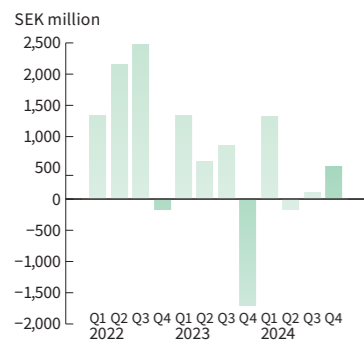
Net financial items

Net financial income for the quarter amounted to SEK 42 million (53), mainly due to positive net interest of SEK 49 million and financial expenses of SEK 5 million.

Cash flow

Cash flow before investments for the quarter was SEK 928 million (neg: 1,397). Cash flow after investments was SEK 555 million (neg: 1,709), mainly due to improved margins for Södra's core products, lower stock levels and improved capital tied up. At the end of the quarter, cash and cash equivalents and current investments amounted to SEK 11,728 million (9,723).

Cash flow after investments



During the quarter, cash flow after investments was SEK 555 million.

Financial position

At 31 December 2024, equity amounted to SEK 27,803 million (26,083), of which paid-up and issued contributed capital accounted for SEK 6,476 million (6,145). Total assets amounted to SEK 45,034 million (40,494). At 31 December 2024, the equity ratio was 62 percent (64).

Södra's borrowing comprised loans of SEK 9,755 million (8,322) from members and a loan of SEK 200 million (333) from the Nordic Investment Bank that matures in April 2026. Södra has a credit agreement in the form of a club agreement, enabling Södra to borrow up to SEK 3,000 million until December 2029. The debt/equity ratio was -0.1 times (0.0).

Investments, acquisitions and divestments

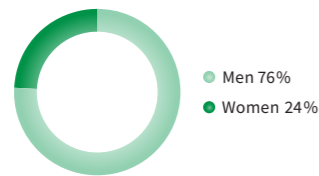
Investments for the quarter totalled SEK 430 million (438), of which SEK 72 million (95) pertained to Södra Skog, SEK 105 million (91) to Södra Wood, SEK 249 million (198) to Södra Cell and SEK 3 million (49) to Södra Innovation. The investments were mainly focused on energy, productivity and the environment.

Events after the close of the period

No significant events occurred after the balance-sheet date.

Employees

The average number of employees for the full-year was 3,195 (3,251) of which 24 percent (25) were women.



Proposed appropriation of profits

The Board proposes a profit distribution of SEK 1,753 million, corresponding to a dividend of up to SEK 979 million on wood deliveries, comprising SEK 351 million (SEK 130/m³sub) for standard saw logs, SEK 298 million (SEK 75/m³sub) for pulpwood, and SEK 330 million (12%) for other wood deliveries. A total dividend of SEK 647 million on contributed capital (10%) and a bonus issue of SEK 127 million (5%) are proposed.

Future outlook

Inflation continued to fall in the fourth quarter, enabling continued rate cuts in Sweden. Uncertainty about the future is slightly lower and the assessment is that a continued decline in inflation will allow for further interest rate cuts. This should have a positive effect on economic growth, but from a low level. Electricity prices remained relatively low during the fourth quarter and continue to show more stability than in recent years. However, it is difficult to estimate the long-term trend for prices.

Pulp prices were slightly lower in the fourth quarter and demand varied across market regions. The price level appeared to stabilise in the latter part of the quarter. For sawn timber, uncertainty is greater with regard to demand and price trends. While short-term demand is affected by the decline in residential construction, the assessment is that we are heading into a balanced market now that supply has also decreased. Prices remained relatively stable in the fourth quarter, although they varied more than usual across markets in Europe.

In terms of earnings, full-year 2024 was a stable year with an historically high pulp price in USD and a relatively stable SEK that continued to weaken towards the end of the year. From lower price levels for Södra's core products towards the end of 2024, there are now signs that prices will rise in early 2025. The long-term outlook for Södra's core products is considered favourable. Global economic growth will bolster the underlying demand for sustainable forest-based products. Tightened emissions-reduction targets are also driving the transition towards a more sustainable bioeconomy.

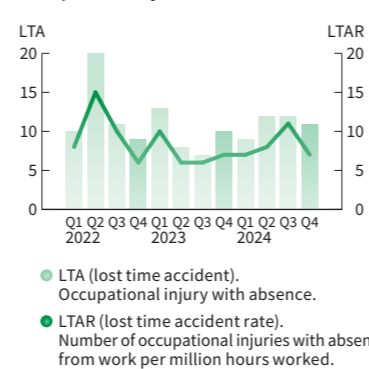
Sustainability

Sustainability permeates Södra's Group-wide strategy. Key areas are people and culture at the centre, and sustainable use of the forest and earth's resources.

People and culture at the centre

The health and safety of our employees is a top priority. Södra shall offer a safe and secure workplace for employees and contractors, with a zero accident vision. The target is a lost time accident rate (LTAR) of less than 6 in 2024, and 2 or less by 2032. In the fourth quarter of 2024, the number of lost time accidents (LTA) was 11 (10) and the LTAR was 7 (7). The full-year outcome for 2024 was 44 lost time accidents (38) and a lost time accident rate of 8 (7).

Occupational injuries



The number of lost time accidents and the lost time accident rate were higher in 2024 compared with the preceding year, but lower compared with 2020–2022. The results show the importance of a continuous, proactive and systematic approach to health and safety. Work with behaviour-based safety continued, in order to become an integral part of systematic health and safety management.

At the end of the year, the Safety Culture Index was measured for the second time. The aim is to enable us to follow the cultural shift that is required to achieve our zero accident vision. The result was an index score of 3.21, which is a decline since the zero point survey in 2022 when the score was 3.38. The maximum score is 4. Positive observations were that employees feel they can speak freely and openly about health and safety, and that there is a high level of care for each other in working groups. Areas for improvement include the management's involvement of employees in the investigation of accidents, and in decisions related to health and safety.

In 2022, two fatal accidents occurred at Södra's workplaces during the year, one at Orrefors, and one at Värö. The investigation of the accident at Orrefors was concluded in early 2024 and Södra accepted the corporate fine recommended by the prosecutor. The corporate fine was imposed by Kalmar District Court on 29 February 2024. The Accident Investigation Authority delivered its report and the Swedish Work Environment Authority concluded its inspection due to the accident at Värö. An investigation into a breach of the Work Environment Act is ongoing.

We are working in several ways to break traditional cultural barriers by increasing diversity, equality and inclusion. Södra's target is that 50 percent of newly appointed managers will be women by 2025. In 2024, 35 percent (36) of newly appointed managers were women.

A zero point survey was conducted at the end of 2023 to gain insight into how Södra's employees experience efforts to promote diversity, equality and inclusion. The survey showed, for example, that 77 percent felt that their immediate manager takes responsibility for issues related to diversity, equality and inclusion. 12 percent say the workplace is not free from exclusive jargon, such as condescending jokes and comments, and 5 percent say there are restrictive norms governing different forms of expression in relation to lifestyle, interests, clothing, appearance, religion or views.

Sustainable use of the forest and earth's resources

Sustainable forestry involves increasing the rate of forest growth responsibly, using forests in line with their long-term production capacity, and preserving and promoting the environmental, cultural and social values of forests.

Södra's target is that the annual rate of forest growth on members' estates shall be 20 percent higher in 2050 compared with the base year of 2015. We have introduced many initiatives to increase forest growth responsibly:

- » Tree breeding projects to adapt seedlings to changing climate conditions, promote higher growth and improve pest resistance.
- » Development of a concept for nutrient recycling with bio-ash.
- » Development of tomorrow's system for effective and low-intensity forest regeneration.

- » Support for research into forest management and forest technology for higher efficiency and low intensity.
- » Advisory services for members, where effective forest management with control over wildlife damage are key elements.
- » Active wildlife control measures.
- » Adaptation of tree species to climate change, which is leading to a higher proportion of pine, spruce on suitable sites and well-managed forests with the aim of being better equipped for a warmer climate and longer dry periods.

Important activities during the year:

- » Continuation of projects related to vegetative propagation, aimed at faster exploitation of the latest knowledge in plant breeding.
- » Continued investment in indoor seed orchards for birch and spruce. The aim is to increase genetic variation and exploit traits such as disease and pest resistance and faster growth.
- » Continued focus on a new forest regeneration method (soil scarification and planting) under Södra's management with a focus on technological advancement and the development of a partnership (*BraSatt*).
- » Participation in the joint Autoplant project together with ten other players in the forest industry with the aim of developing autonomous soil scarification and planting.
- » Launch of a new app to make it easier to follow up the quality of plantings.
- » Investment in a startup company, Nordluft Automation, through Södra Ädla to enable nutrient recycling of bio-ash with an efficient and fossil-fuel free method.
- » Development of a new technology with terrestrial laser scanning for higher precision in thinning, in a collaboration between Södra Ädla and Nordic Forestry Automation (NFA).
- » New collaborations were initiated with the Mistra Digital Forest research programme in the field of automation, with links to low-intensity harvesting and forest regeneration.
- » Start of a PhD project in collaboration with the Swedish University of Agricultural Sciences (SLU) and Sveaskog focused on forest management of Douglas fir.

Södra works to preserve and promote biodiversity – a process under continuous development. The aim is that Södra will pursue a richer biodiversity for future generations. In Götaland, nature-conservation measures are important for the preservation and promotion of biodiversity. Södra's target for nature conservation measures is an area corresponding to 3,000 hectares per year until 2025. The outcome for 2024 was 2,310 hectares (2,010). More key indicators for measuring the effects of measures to preserve and promote biodiversity are under development.

To increase the focus on, and quality of, nature conservation measures, about 85 people from Södra's own field organisation and contractors underwent training during the year.

The preservation of high-conservation-value forests is important for Södra. To reward the value of members' contri-

butions to biodiversity, Södra applies a nature conservation premium, whereby an extra bonus is paid for the yield of wood from their entire estate. Södra has noticed a growing interest in increasing the proportion of voluntary set-asides.

In its nature conservation activities, Södra has historically worked with a variety of environments, substrates and structures to protect the various species that live in forest environments. Södra has developed a tool for the inclusion of known species in nature conservation activities.

Södra's total climate impact is illustrated in a model with three input parameters: net change in forest carbon stock, fossil GHG emissions in the value chain and the potential for avoided fossil emissions due to substitution when products based on renewable forest raw material replace products with higher climate impact. Södra's target is to increase the positive climate effect to 13.5 million tonnes of CO₂eq by 2032. The outcome for 2024 was a positive climate effect of 10.4 million tonnes of CO₂eq (11.4). This result was due to a lower net change in forest carbon stock and lower harvest rates year-on-year, while fossil emissions in the value chain were higher.

Due to ambitious forest management, the rate of forest growth on members' estates has increased since the beginning of the 1900s and also, therefore, carbon sequestration. In recent years, however, growth has slowed while the harvest rate has remained high. The long-term trend is an average CO₂ uptake of 4.0 million tonnes of CO₂eq per year (4.7) (linear trend for ten years, five-year averages). For 2024, calculated as the difference between the two latest available five-year averages for growing stock, the growing stock decreased, which led to net emissions of 3.9 million tonnes of CO₂eq per year (the CO₂ uptake in 2023 was 2.8). The net change in forest carbon stock in the Group's forests was 0.5 million tonnes of CO₂eq (0.4).

Avoided fossil emissions due to substitution amounted to 8.4 million tonnes of CO₂eq (8.8). The substitution effect should be seen as a potential where the reduction occurs in other sectors. The outcome is due to a lower harvest rate year-on-year.

Södra's target for reduced GHG emissions was validated by the Science Based Targets initiative (SBTi). Total fossil GHG emissions in Scopes 1, 2 and 3 were 2,473 ktonnes of CO₂eq (2,432).

- » The target is that GHG emissions in Scopes 1 and 2 shall be 50 percent lower in 2030 compared with the base year of 2020*. The outcome for 2024 was 85 ktonnes of CO₂eq (94), up 9 percent compared with base year 2020. In 2024, total oil consumption in the pulp mills was lower year-on-year, due to fewer and shorter disruptions. The share of fossil fuel oil was lower, which led to lower emissions.
- » The target is that customers corresponding to 70 percent of Södra's GHG emissions in Scope 3, Category 10 (Processing of Sold Products) will have set their own science-based targets by 2027. The outcome for 2024 was that 41 percent (34) of the emissions were derived from customers who have either set their own science-based

targets, or have committed to setting their own targets.

The result reflects the fact that a higher share of paper and dissolving pulp was sold in Europe, where the proportion of customers who have set their own targets is higher.

- » The target is that other indirect (Scope 3) GHG emissions (excluding Category 2: Capital goods, and Category 10: Processing of sold products) shall be halved by 2030*. The outcome for 2024 was 718 ktonnes of CO₂eq (667), up 16 percent compared with base year 2020. Emissions were higher year-on-year due to a lowering of the biofuel blending obligation in Sweden, which affected emissions from transportation by truck and forest machinery. In addition, the need for imported wood raw material was higher, which led to longer transportation distances for wood raw material.
- » In the fourth quarter, Scope 1 and 2 emissions were 25 ktonnes of CO₂eq (21).

Several activities were carried out during the year that will reduce GHG emissions in both Södra and our value chain in the long and the short term:

- » Investment in a battery-electric long-haul truck for wood chip transportation. The battery-electric wood chip truck will be delivered by Scania in 2025 as part of the TREE (Transition to efficient electrified forestry transport) project. At the same time, investments are being made in charging infrastructure at several of Södra's units.
- » The first electric truck in a Group-wide collaboration with DFDS will transport pulp between the mill at Värö and the ports in Gothenburg and Varberg.
- » A new logistics arrangement, where pulp is shipped from all three pulp mills to the Port of Gothenburg, is enabling more efficient transportation and reducing the climate impact of the transport.
- » Work on the Conscious Delivery initiative continued together with suppliers and customers. Several deliveries to customers by both road and sea were carried out with biofuels or liquid biofuels using the mass balance concept.
- » Södra and Verdane Capital formed a joint venture, Njord Carbon, to explore opportunities for negative CO₂ emissions (bioenergy with carbon capture and storage, BECCS).
- » The RSI Green Fleet project concluded during the year. The aim was to reduce GHG emissions from shipping.

A continued focus on strategic system changes, efficiencies and substitution is of the utmost importance for achieving the GHG emissions-reduction targets.

*The target covers land use-related biogenic emissions from biomass combustion and uptake from the production of biomass that is combusted. These emissions and uptake are assumed to offset each other based on the fact that we have a net increase in forest carbon stock in Sweden's forests and that purchased solid and liquid biofuels have a certificate of sustainability.

On behalf of the Board of Directors

Växjö, 12 February 2025

Lotta Lyrå
President and CEO

Assurance report

This interim report has not been audited.



Carbon dioxide equivalents (CO₂e) is a standard unit for measuring greenhouse gas emissions. Each type of greenhouse gas has a different global warming effect. When emissions are reported as CO₂e, all greenhouse gases are included as if they were carbon dioxide. Scope 1 refers to direct GHG emissions that occur from sources that are financially controlled by Södra. Scope 2 refers to indirect emissions associated with the purchase of energy. Scope 3 refers to other indirect emissions. The greenhouse gases in Scope 1, 2 and 3 are fossil carbon dioxide, methane, nitrous oxide and refrigerants.

Condensed consolidated statement of comprehensive income

SEK million	2024 Oct-Dec	2023 Oct-Dec	2024 Jan-Dec	2023 Jan-Dec
Net sales	7,403	7,028	29,487	28,896
Other revenue	880	345	1,057	598
Operating expenses	-7,160	-6,697	-26,389	-25,817
Depreciation, amortisation and impairment	-397	-409	-1,525	-1,451
Operating profit	726	267	2,630	2,226
Net financial items	42	53	98	46
Profit before income tax	768	320	2,728	2,272
Income tax	59	231	-240	-151
Profit for the period	827	551	2,488	2,121
Other comprehensive income				
Items that will not be reclassified to profit or loss	37	-158	107	-114
Items that will be reclassified to profit or loss	148	-322	264	-96
Other comprehensive income for the period	185	-480	371	-210
Total comprehensive income for the period	1,012	71	2,859	1,911
Profit attributable to				
Owners of the Parent	827	551	2,488	2,121
Profit for the period	827	551	2,488	2,121
Comprehensive income attributable to				
Owners of the Parent	1,012	71	2,859	1,911
Comprehensive income for the period	1,012	71	2,859	1,911

Condensed consolidated statement of financial position

SEK million	31 Dec 2024	31 Dec 2023
ASSETS		
Intangible assets	68	68
Property, plant and equipment	16,988	16,503
Biological assets	5,355	4,650
Shares and participations in associates	312	339
Surplus in funded pension plans	298	138
Financial investments	44	39
Non-current financial receivables	9	—
Other non-current receivables	43	53
Deferred tax assets	4	4
Total non-current assets	23,121	21,794
Inventories	5,155	3,965
Tax assets	257	668
Operating receivables	4,773	4,344
Current investments	8,523	6,361
Cash and cash equivalents	3,205	3,362
Total current assets	21,913	18,700
TOTAL ASSETS	45,034	40,494
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent	27,803	26,083
Total equity	27,803	26,083
Non-current interest-bearing financial liabilities	592	1,131
Non-current interest-bearing operating liabilities	143	125
Provisions for pensions	—	25
Non-current provisions	527	540
Deferred tax liabilities	2,066	1,922
Other non-current operating liabilities	5	13
Total non-current liabilities	3,333	3,756
Current interest-bearing financial liabilities	9,362	7,524
Current interest-bearing operating liabilities	108	98
Income tax liabilities	53	22
Other current operating liabilities	4,375	3,011
Total current liabilities	13,898	10,655
Total liabilities	17,231	14,411
TOTAL EQUITY AND LIABILITIES	45,034	40,494

Condensed consolidated statement of changes in equity

SEK million	Total equity
Opening balance, 1 January 2024	26,083
Comprehensive income for the year	2,864
Contributed capital, paid-up by members	250
Contributed capital, paid-out to members	-58
Dividends to members	-1,336
Closing balance, 31 December 2024	27,803
Opening balance, 1 January 2023	27,065
Comprehensive income for the year	1,911
Contributed capital, paid-up by members	233
Contributed capital, paid-out to members	-94
Dividends to members	-3,032
Closing balance, 31 December 2023	26,083

Condensed consolidated statement of cash flows

SEK million	2024 Jan-Dec	2023 Jan-Dec
Profit before tax	2,728	2,272
Adjustment for non-cash items and change in provisions	656	886
Income tax paid	316	-1,024
Cash flow from operating activities before change in working capital	3,700	2,134
Change in inventories (decrease +/increase -)	-1,179	210
Change in operating receivables (decrease +/increase -)	-122	890
Change in operating liabilities (increase +/decrease -)	1,148	-1,344
Cash flow from operating activities	3,547	1,890
Cash flow from investing activities	-1,727	-1,811
Cash flow after investing activities	1,820	79
Change in contributed capital	192	139
Dividends paid	-1,336	-3,032
Change in loans from members	1,432	1,892
Change in loans	-133	-133
Dividends received	-14	25
Change in current investments with maturity > 90 days	-2,155	-594
Cash flow from financing activities	-2,014	-1,703
CASH FLOW FOR THE PERIOD	-194	-1,624
Cash and cash equivalents at beginning of period	3,362	5,004
Exchange gains/losses on cash and cash equivalents	37	-18
Cash and cash equivalents at end of period	3,205	3,362

Parent Company

Result and financial position

Net sales for the quarter amounted to SEK 6,722 million (6,644) and operating profit increased to SEK 106 million (loss: 108). The positive sales trend for the quarter was primarily due to higher price levels for Södra's core products and continued favourable exchange rates.

Södra posted improved operating profit for the quarter, mainly attributable to higher delivery prices and favourable exchange rates combined with higher raw material costs for saw logs and slightly lower delivery volumes. The earnings improvement shows that Södra can deliver high profitability despite challenges and continued market uncertainty in terms of geopolitical volatility,

the economic situation and a raw material shortage in the market.

Net financial income for the quarter was SEK 65 million (153). Profit after net financial items for the quarter totalled SEK 171 million (45).

Net sales for the full-year amounted to SEK 27,326 million (26,584) and operating profit totalled SEK 1,698 million (1,565).

Members

The number of members was 52,116 (51,774 at the end of the preceding year). The affiliated forest area increased by approximately 27,000 hectares to 2.83 million hectares (2.81 at the end of the preceding year).

Parent Company income statement, condensed

SEK million	2024 Oct-Dec	2023 Oct-Dec	2024 Jan-Dec	2023 Jan-Dec
Net sales	6,722	6,644	27,326	26,584
Other revenue	253	-58	446	199
Operating expenses	-6,511	-6,314	-24,696	-23,900
Depreciation, amortisation and impairment	-358	-380	-1,378	-1,318
Operating profit/loss	106	-108	1,698	1,565
Net financial items	65	153	118	185
Profit after financial items	171	45	1,816	1,750
Appropriations	281	799	281	799
Profit before income tax	452	844	2,097	2,549
Income tax	151	124	-102	-133
Profit for the period	603	968	1,995	2,416

Parent Company balance sheet, condensed

SEK million	31 Dec 2024	31 Dec 2023
ASSETS		
Intangible assets	0	1
Property, plant and equipment	14,794	14,518
Shares and participations in Group companies	4,485	4,485
Shares and participations in associates	99	99
Surplus in funded pension plans	11	11
Other non-current investments	35	31
Non-current financial receivables	9	—
Other non-current receivables	43	53
Deferred tax assets	26	42
Total non-current assets	19,502	19,240
Inventories	4,334	3,418
Current interest-bearing receivables from Group companies	321	258
Deferred tax assets	238	643
Current receivables	4,519	4,268
Current financial investments	10,122	7,277
Cash and bank balances	1,299	2,196
Total current assets	20,833	18,060
TOTAL ASSETS	40,335	37,300
EQUITY AND LIABILITIES		
Restricted equity	7,889	7,558
Non-restricted equity	9,617	9,096
Total equity	17,506	16,655
Untaxed reserves	7,367	7,637
Provisions	538	551
Non-current interest-bearing liabilities from Group companies	8	7
Non-current interest-bearing liabilities	592	1,131
Total non-current liabilities	600	1,138
Current interest-bearing liabilities from Group companies	572	810
Current interest-bearing liabilities	9,362	7,524
Current operating liabilities and provisions	4,390	2,985
Total current liabilities	14,324	11,319
TOTAL EQUITY AND LIABILITIES	40,335	37,300

Notes

Note 1 | Accounting policies

Södra applies International Financial Reporting Standards (IFRS[®]), as adopted by the EU. This interim report for the Group was prepared in accordance with IAS[®] 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company applies Recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board, and the Swedish Annual Accounts Act.

The accounting policies applied are consistent with those presented in the 2023 Annual Report, except for new standards and revisions of standards and interpretations applicable to annual periods beginning on or after 1 January 2024 and that have not already been applied in the preparation of the 2023 Annual Report.

A number of new or revised standards and interpretations are not yet effective, and have not been applied in advance in the preparation of these financial statements. No early adoption of updates or amendments that take effect after the 2024 financial year has been planned, and none of these are expected to have any material impact on the consolidated financial statements.

In December 2021, the OECD released a Pillar Two framework: Inclusive Framework on BEPS. These rules are designed to ensure

that large multinational enterprises pay a minimum level of tax on the income arising in each of the jurisdictions where they operate. Södra has elected to apply the Grace Period developed by the OECD and Inclusive Framework that is intended to allow for a gradual inclusion. For Södra, this means that current and deferred tax is calculated in the same way as before. The assessment of the Group's Pillar Two exposure based on its latest financial statements per country is that there is no significant exposure to extra taxation in 2025. The rules for economic associations were applied for the calculation of current tax. These mean that the dividend proposal for the financial year (which will be paid out in the following year) is tax deductible in the current year and has been treated as a deduction in the calculation of current tax. The deduction has affected the tax expense recognised in net profit or loss for the year.

All figures in the report have been rounded off to the nearest million, unless otherwise stated. As a result, some percentages and figures in the report may not correspond with the total shown, and may also differ from previously published information.

Note 2 | Risk and uncertainties

No additional material risks have been identified since the 2023 Annual Report. For a description of risks and uncertainties, refer to Södra's 2023 Annual Report under 'Risks and risk management' on pages 50–51. An overall description of a selection of such risk areas, and the key measures for control and management, are presented below.

Södra operates in a global market and is impacted by general economic trends and currency fluctuations, as well as more industry and company-specific factors. The most significant risk areas for Södra's ability to achieve the Group's set targets and the management of each risk area are presented below.

Södra applies a systematic approach to risk management with the aim of protecting the Group from damage, uncertainty and lost opportunities.

Efforts to identify, assess and manage risks are an integral and key component of Södra's business management. Strategic risks are assessed and managed by the Board, Group Senior Management, the Strategy function and the business planning process. Södra Finance Function is responsible for managing financial risk, based on a Financial Policy established by the Board. Operational risks are controlled and managed by the President, management team and employees, in accordance with central policies and guidelines.

Note 3 | Related parties

There were no transactions between Södra and related parties with any significant effect on the company's financial position or result. The nature and scope of transactions with related parties are consistent with those that existed in 2023.

Note 4 | Revenue

The following table shows Södra's net sales per revenue category:

SEK million	October-December									
	Södra Skog		Södra Wood		Södra Cell		Södra Innovation		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Wood raw material	895	581	—	—	—	—	—	—	895	581
Wood products	—	—	1,210	1,157	—	—	28	83	1,238	1,240
Pulp	—	—	—	—	3,785	3,605	—	—	3,785	3,605
Energy products	420	374	254	134	95	324	25	34	794	866
Forestry services	531	603	—	—	—	—	—	—	531	603
Transportation	69	133	—	—	—	—	—	—	69	133
Other	90	-4	—	4	—	—	1	—	91	0
Net sales, goods and services	2,005	1,687	1,464	1,295	3,880	3,929	54	117	7,403	7,028

Note 5 | Financial instruments

Financial assets and liabilities are substantially the same as in the most recently published annual report.

Group, SEK million	31 December 2024		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial investments	44	44	39	39
Operating receivables	3,784	3,784	3,327	3,327
Current investments	8,523	8,523	6,361	6,361
Cash and cash equivalents	3,205	3,205	3,362	3,362
Total assets, financial instruments	15,556	15,556	13,089	13,089
Other assets, non-financial instruments	29,478	—	27,405	—
Total assets	45,034	—	40,494	—
Non-current liabilities	741	819	1,270	1,395
Current interest-bearing liabilities	9,470	9,719	7,622	7,868
Current operating liabilities	2,764	2,764	1,604	1,604
Total liabilities, financial instruments	12,975	13,302	10,496	10,867
Other liabilities, non-financial instruments	4,256	—	3,915	—
Total liabilities	17,231	—	14,411	—

The following tables present information about how fair value is determined for the financial instruments that are measured at fair value in the statement of financial position. Fair value measurements are categorised into a three-level hierarchy:

Level 1: Based on prices quoted in active markets for identical instruments.

Level 2: Based on direct or indirect observable market data not included in level 1.

Level 3: Based on inputs that are unobservable in the market.

Group, 31 December 2024					Group, 31 December 2023				
SEK million	Level 1	Level 2	Level 3	Total	SEK million	Level 1	Level 2	Level 3	Total
Assets	8,523	—	44	8,567	Assets	6,361	—	40	6,401
Liabilities	—	—	21	21	Liabilities	—	—	25	25

The fair value of financial instruments is measured on the basis of quoted market prices at the balance-sheet date. Derivatives are measured on the basis of published price quotations in an active market. For unquoted shares where a reliable market value cannot

be determined, the carrying amount is used as an indicator of fair value. The fair value of debt instruments is measured using techniques such as discounting expected future cash flows at quoted market interest rates for each duration.

Note 6 | Standing timber

At 31 December 2024, the estimated fair value of Södra's standing timber was SEK 5,355 million (4,650). The change in the balance sheet amounted to SEK 705 million (674), and was mainly related to fair value remeasurement and acquisitions of standing timber of SEK 76 million (280).

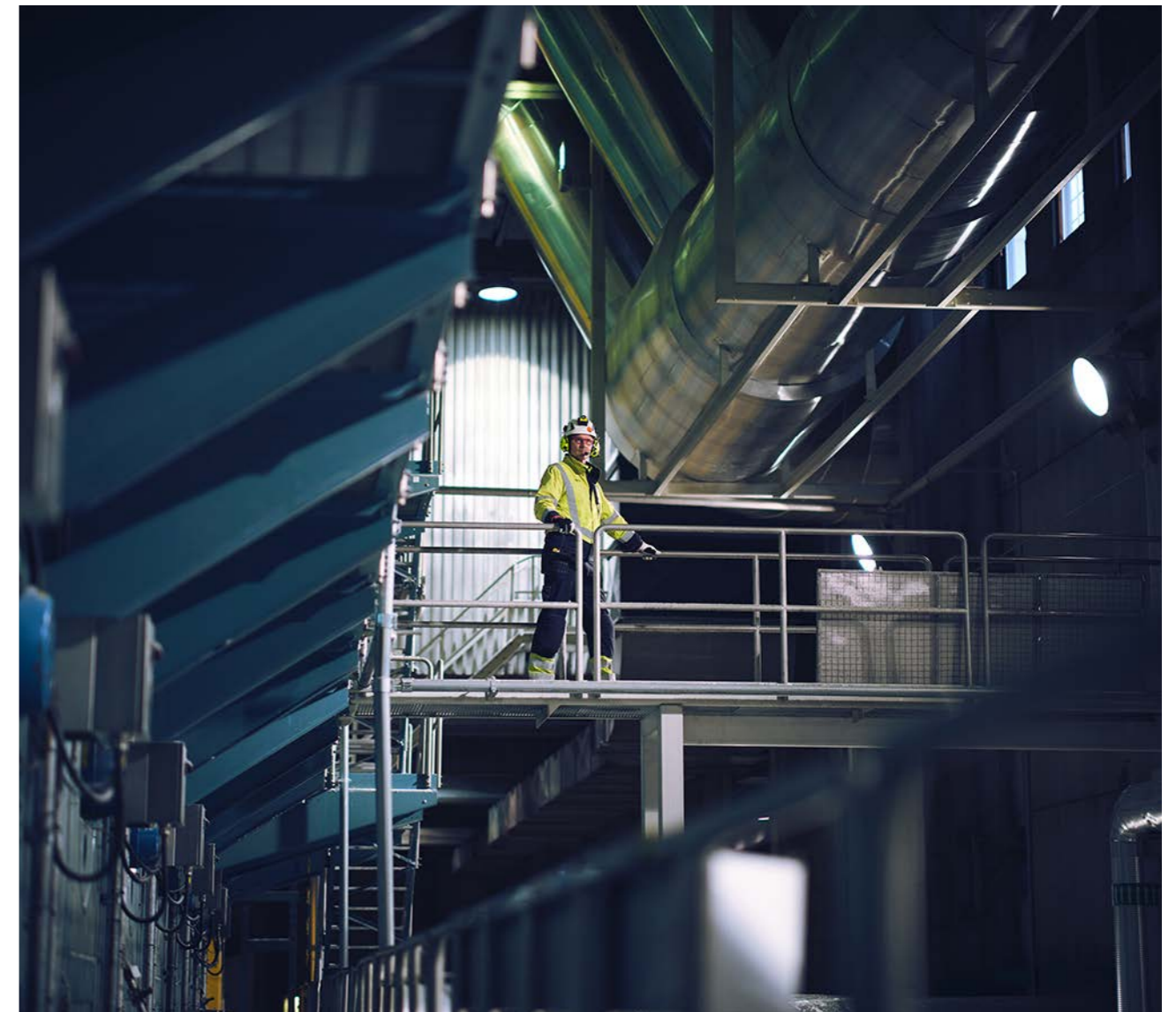
Note 7 | Scheduled maintenance shutdowns

At Södra Cell, in addition to routine maintenance during normal operations, there are also scheduled maintenance shutdowns to perform more extensive maintenance, whereby pulp production is stopped.

The earnings impact of the maintenance shutdowns varies, depending on the extent and nature of the maintenance measures

and the duration of the shutdowns. The cost comprises loss of revenue from production losses, and the direct costs of the maintenance.

In the fourth quarter, costs for scheduled maintenance shutdowns amounted to SEK 206 million (0). For the full-year, costs amounted to SEK 528 million (283).



Quarterly data and segment information

	2024 Oct-Dec	2023 Oct-Dec	2024 Jan-Dec	2023 Jan-Dec
NET SALES, SEK MILLION				
Södra Skog	2,005	1,687	6,817	6,260
Södra Wood	1,464	1,295	6,258	6,083
Södra Cell	3,880	3,929	16,121	16,142
Södra Innovation	54	117	291	411
Other	—	—	—	—
Group	7,403	7,028	29,487	28,896
OPERATING PROFIT/LOSS BEFORE DEPRECIATION, AMORTISATION AND IMPAIRMENT, SEK MILLION				
Södra Skog	518	349	611	446
Södra Wood	0	-108	236	78
Södra Cell	944	710	3,980	3,693
Södra Innovation	-89	-100	-179	-182
Other	-250	-175	-493	-358
Group	1,123	676	4,155	3,677
OPERATING PROFIT/LOSS, SEK MILLION				
Södra Skog	490	327	513	367
Södra Wood	-54	-201	23	-175
Södra Cell	656	442	2,867	2,631
Södra Innovation	-113	-122	-268	-227
Other	-253	-179	-505	-370
Group	726	267	2,630	2,226
OPERATING MARGIN				
Södra Skog	24%	8%	7%	2%
Södra Wood	neg.	neg.	0%	neg.
Södra Cell	17%	11%	18%	16%
Södra Innovation	neg.	neg.	neg.	neg.
Group	10%	4%	9%	8%
OPERATING ASSETS, SEK MILLION				
Södra Skog	—	—	9,936	8,961
Södra Wood	—	—	4,678	4,158
Södra Cell	—	—	16,350	15,088
Södra Innovation	—	—	1,468	1,452
Other	—	—	945	980
Financial assets	—	—	11,657	9,855
Total consolidated assets	—	—	45,034	40,494

	2024 Oct-Dec	2023 Oct-Dec	2024 Jan-Dec	2023 Jan-Dec
AVERAGE OPERATING CAPITAL, SEK MILLION				
Södra Skog	—	—	7,779	7,075
Södra Wood	—	—	3,813	3,509
Södra Cell	—	—	14,621	14,344
Södra Innovation	—	—	1,274	1,169
Other	—	—	60	119
Group, average capital employed	—	—	25,508	24,089
RETURN ON OPERATING CAPITAL				
Södra Skog	—	—	7%	5%
Södra Wood	—	—	1%	neg.
Södra Cell	—	—	20%	18%
Södra Innovation	—	—	neg.	neg.
Consolidated return on capital employed	—	—	10%	9%
CASH FLOW AFTER INVESTMENTS, SEK MILLION				
Södra Skog	-930	-1,499	472	-942
Södra Wood	-200	-287	-330	-329
Södra Cell	1,012	137	2,150	2,780
Södra Innovation	-243	-51	-411	-292
Other	916	-9	-61	-1,138
Group	555	-1,709	1,820	79
INVESTMENTS, SEK MILLION				
Södra Skog	72	95	253	608
Södra Wood	105	91	348	351
Södra Cell	249	198	1,290	886
Södra Innovation	3	49	46	146
Other	1	5	11	16
Group	430	438	1,948	2,007
AVERAGE NO. OF EMPLOYEES¹⁾				
Södra Skog	694	—	688	702
Södra Wood	853	—	868	876
Södra Cell	1,221	—	1,220	1,239
Södra Innovation	144	—	140	148
Other	272	—	279	286
Group	3,184	—	3,195	3,251

¹⁾ New definition from 2024: comprises actual hours worked divided by scheduled hours for a full-time employee. As of the second quarter of 2024, the average number of employees per quarter is also reported. The comparative figures for full-year 2023 have been restated.

Alternative performance measures

NET SALES, CHANGE

	2024 Jan-Dec	2023 Jan-Dec
Opening net sales	28,896	33,367
Closing net sales	29,487	28,896
Change	2%	-13%

Shows Södra's growth.

OPERATING PROFIT BEFORE DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES, SEK MILLION

	2024 Jan-Dec	2023 Jan-Dec
Operating profit	2,630	2,226
Depreciation, amortisation and impairment of assets	1,525	1,451
Operating profit before depreciation, amortisation and impairment	4,155	3,677

A complement to operating profit/loss, which shows the items on the income statement that affect cash flow.

OPERATING PROFIT BEFORE DEPRECIATION, AMORTISATION AND IMPAIRMENT MARGIN

	2024 Jan-Dec	2023 Jan-Dec
Operating profit before depreciation, amortisation and impairment	4,155	3,677
Net sales	29,487	28,896
EBITDA margin	14%	13%

The EBITDA margin shows the percentage of surplus on each SEK earned less operating costs, but before depreciation, amortisation and impairment. This measure gives an overall view of the cash flow generated. The measure is used to produce an overall trend analysis of Södra's performance, and for comparison with other companies.

OPERATING PROFIT/LOSS, SEK MILLION

	2024 Jan-Dec	2023 Jan-Dec
Net sales	29,487	28,896
Other revenue and profit from shares in associates	1,057	598
Operating expenses	-26,389	-25,817
Depreciation, amortisation and impairment	-1,525	-1,451
Operating profit	2,630	2,226

Operating profit shows the surplus on sales less operating costs, including depreciation, amortisation and impairment. This is an essential measure for producing a trend analysis of Södra's performance, and for comparison with other companies.

OPERATING MARGIN

	2024 Jan-Dec	2023 Jan-Dec
Operating profit	2,630	2,226
Net sales	29,487	28,896
Operating margin	9%	8%

The operating margin is a measurement of the proportion of surplus on each sales SEK less operating costs, including depreciation, amortisation and impairment. This surplus is used to cover interest expense and tax, and to generate an acceptable profit. The measure is used to produce an overall trend analysis of Södra's performance, and for comparison with other companies.

Södra manages its operations by analysing key indicators. Some of these financial key indicators are defined or specified in applicable regulations for financial information, or by other applicable laws. All others are referred to as alternative performance measures. Södra uses the following alternative performance measures and believes they provide valuable complementary information for analysing Södra's performance.

The effect of assets held for sale is presented in the Consolidated statement of comprehensive income and Consolidated statement of financial position. The effect of assets held for sale is not included in the Consolidated statement of cash flows nor is it taken into account in calculated key indicators, which is not directly apparent from the income statement and balance sheet presented, since Södra uses these factors to manage all of its operations. Comparative figures for prior years have not been restated for the above-mentioned effect (from 2021 and earlier), but are reconcilable with historical reports.

NET DEBT, SEK MILLION

	2024 Jan-Dec	2023 Jan-Dec
Interest-bearing liabilities	10,205	8,878
Financial receivables	9	0
Current investments and cash and cash equivalents	-11,728	-9,723
Net debt	-1,514	-845

Shows Södra's financial strength.

DEBT/EQUITY RATIO, TIMES

	2024 Jan-Dec	2023 Jan-Dec
Net debt	-1,514	-845
Equity	27,803	26,083
Debt/equity ratio	-0.1	0.0

The debt/equity ratio is used to measure Södra's financial strength and, in combination with the equity ratio, is the measurement most frequently used by management to monitor the Group's financial leverage.

CAPITAL EMPLOYED, SEK MILLION

	2024 Jan-Dec	2023 Jan-Dec
Assets	45,034	40,494
Surplus in funded pension plans	-298	-138
Financial assets	-11,781	-9,762
Provisions*	-527	-540
Income tax*	-2,119	-1,944
Non-interest-bearing operating liabilities	-4,380	-3,024
Capital employed	25,929	25,086
Average	25,508	24,089

* Not considered in the calculation of Operating capital.

Capital employed shows the capital used by Södra and is a component of Return on capital employed.

RETURN ON CAPITAL EMPLOYED

	2024 Jan-Dec	2023 Jan-Dec
Average capital employed	25,508	24,089
Operating profit	2,630	2,226
Return	10%	9%

Return on capital employed is a measure of the interest that Södra pays on capital tied up in operations.

EQUITY RATIO

	2024 Jan-Dec	2023 Jan-Dec
Equity	27,803	26,083
Assets	45,034	40,494
Equity ratio	62%	64%

An established and key measure of Södra's financial strength. Shows the proportion of total assets financed by equity. The measure indicates the ability to pay long-term liabilities, since any future losses will be deducted from equity.

DEFINITIONS

Operating profit before depreciation, amortisation and impairment, SEK million

Operating profit/loss excluding depreciation, amortisation and impairment of property, plant and equipment and intangible assets.

EBITDA margin, %

Operating profit/loss excluding depreciation and amortisation of property, plant and equipment and intangible assets expressed as a percentage of net sales.

Operating profit, SEK million

Net sales and other revenue less operating costs including depreciation, amortisation and impairment.

Operating margin, %

Operating profit/loss expressed as a percentage of net sales.

Net debt, SEK million

Interest-bearing liabilities less interest-bearing assets and cash and cash equivalents.

Debt/equity ratio, times

Net debt in relation to equity.

Capital employed, SEK million

Assets excluding surplus in funded pension plans, interest-bearing assets, provisions and liabilities.

Return on capital employed, %

Full-year operating profit/loss expressed as a percentage of average capital employed.

Equity ratio, %

Equity expressed as a percentage of assets.

Financial statements

- » The interim report for January–March will be published on 24 April 2025.
- » Interim reports can be downloaded from sodra.com/financials

This is Södra

Södra was founded in 1938 on the idea that we are stronger together. Södra is now the largest forest-owner association in Sweden, with more than 50,000 family forest owners as members. Together, the members of Södra own a world-leading industrial operation that processes forest raw material into renewable products such as pulp, timber, building systems, energy and biochemicals. **Rooted in the forest, we grow the future.**

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