



4th Quarter 2024

Oslo, 29 January 2025

Agenda

Per A Sørli, President & CEO

- Highlights
- Proposed dividend
- Business segments
- Environmental investment
- Outlook

Per Bjarne Lyngstad, CFO

- Financial performance



Highlights – 4th quarter 2024

- EBITDA¹ NOK 398 million (NOK 327 million)
- Increased sales and strong result in BioSolutions
- Higher deliveries and improved product mix, offset by increased wood costs in BioMaterials
- Lower deliveries in Fine Chemicals
- Positive net currency effects



¹ Alternative performance measure, see Appendix for definition

Highlights – full year 2024

- All-time high EBITDA¹ 1,874 mNOK (1,781 mNOK)
- Strong result in BioSolutions driven by increased specialisation
- Increased sales more than offset by higher costs for BioMaterials
- Fine Chemicals in line with 2023
- Slightly negative FX impact
- ROCE¹ 17.1% pre-tax (18.3%)



¹ Alternative performance measure, see Appendix for definition

Dividend proposal for 2024

Borregaard's dividend policy

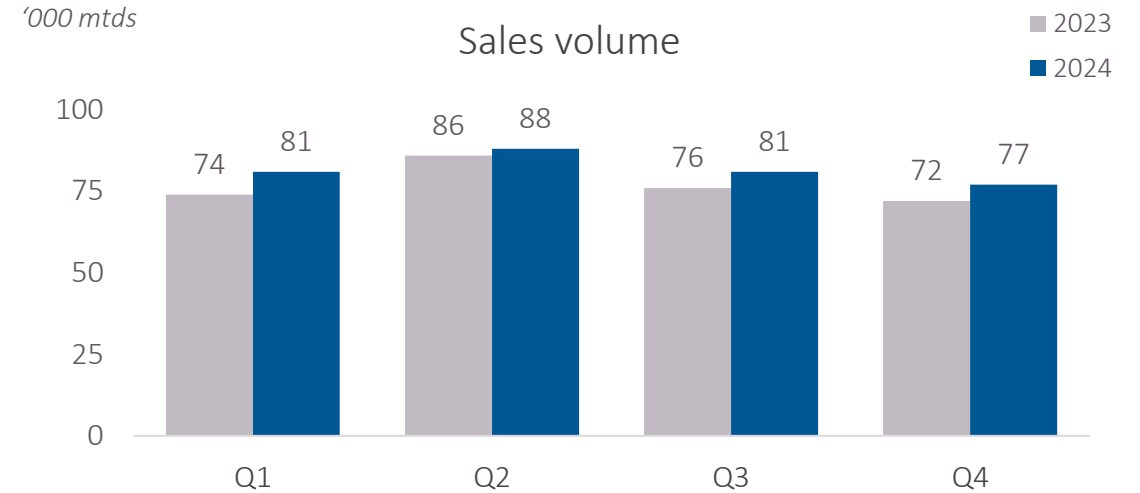
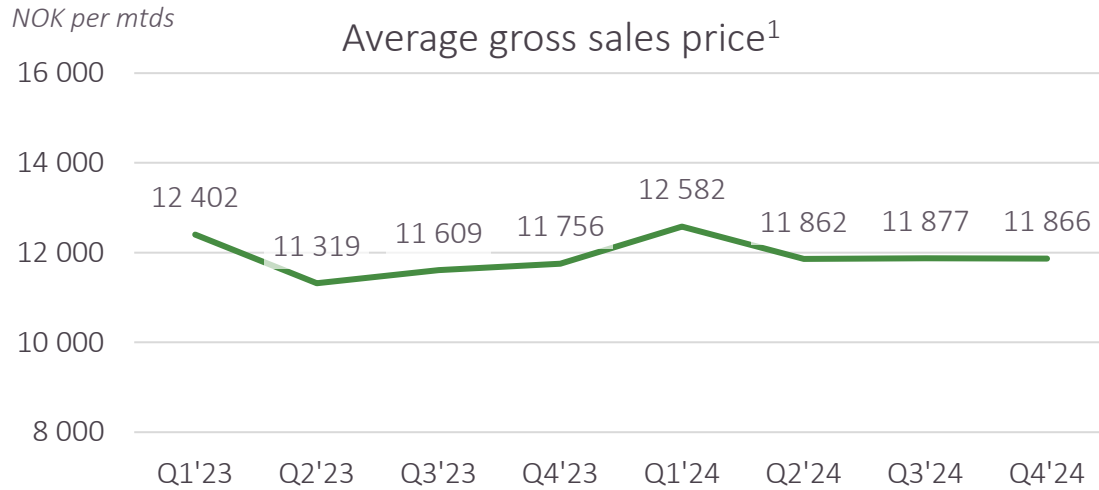
- To pay regular and progressive dividends reflecting expected long-term earnings and cash flows
- Dividend targeted between 30% and 50% of net profit

A dividend proposal of NOK 4.25 per share proposed by the Board of Directors

- NOK 0.50 increase in ordinary dividend (+13%)
- 52% of net earnings
- Dividend yield of 2.3% (share price at year-end)
- Total dividend payment of 423 mNOK



BioSolutions markets – Q4



Sales price and sales volume include lignin-based biopolymers and biovanillin

Increased sales volume, 7% above Q4-23

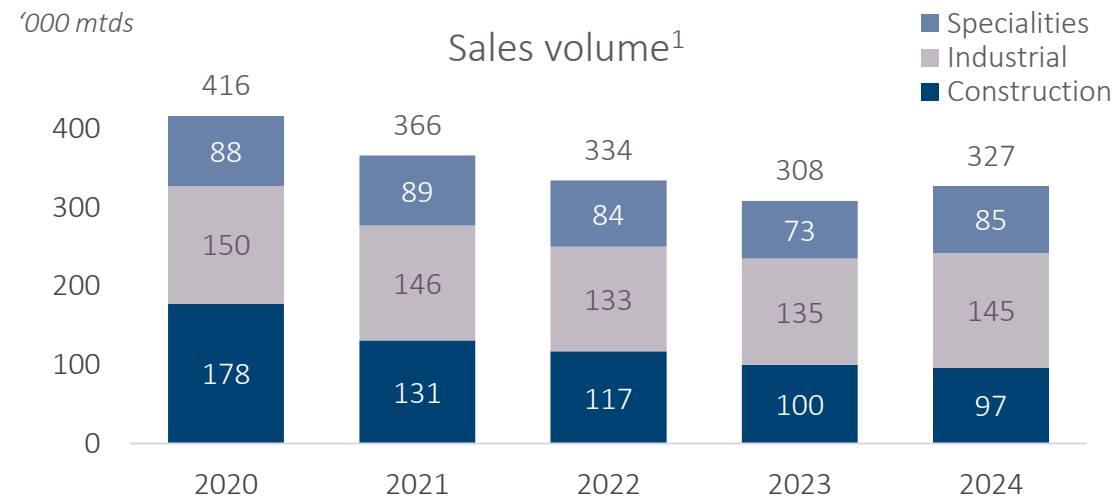
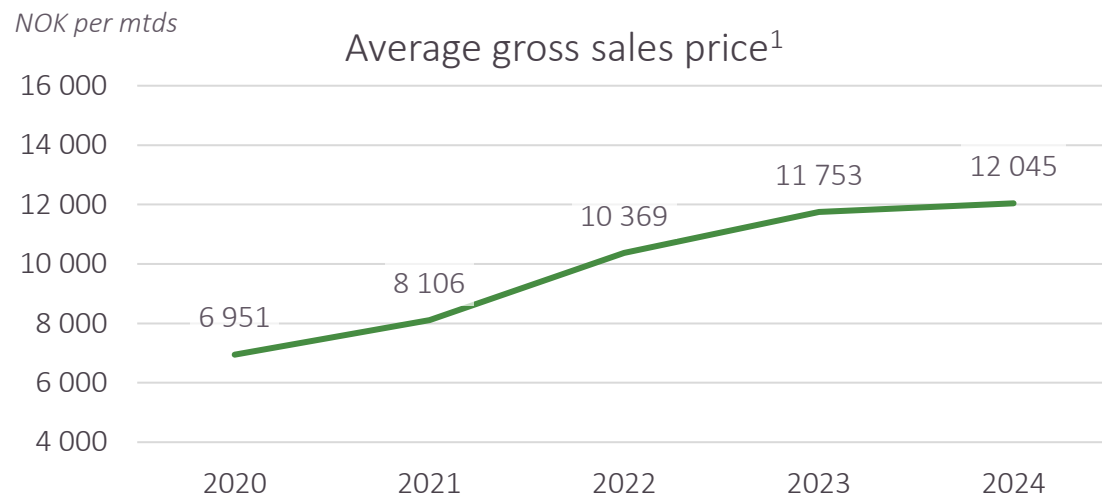
- Higher sales to agriculture

Average price in sales currency in line with Q4-23

Positive net FX impact

¹ Average sales price is calculated using actual FX rates, excluding hedging impact

BioSolutions markets – full year



Sales price and sales volume include lignin-based biopolymers and biovanillin

Sales volume 6% higher vs 2023

- Specialities 16% volume increase
- Broad-based growth in agricultural applications like crop protection, plant nutrition and animal feed
- Strong growth to batteries and oil field chemicals

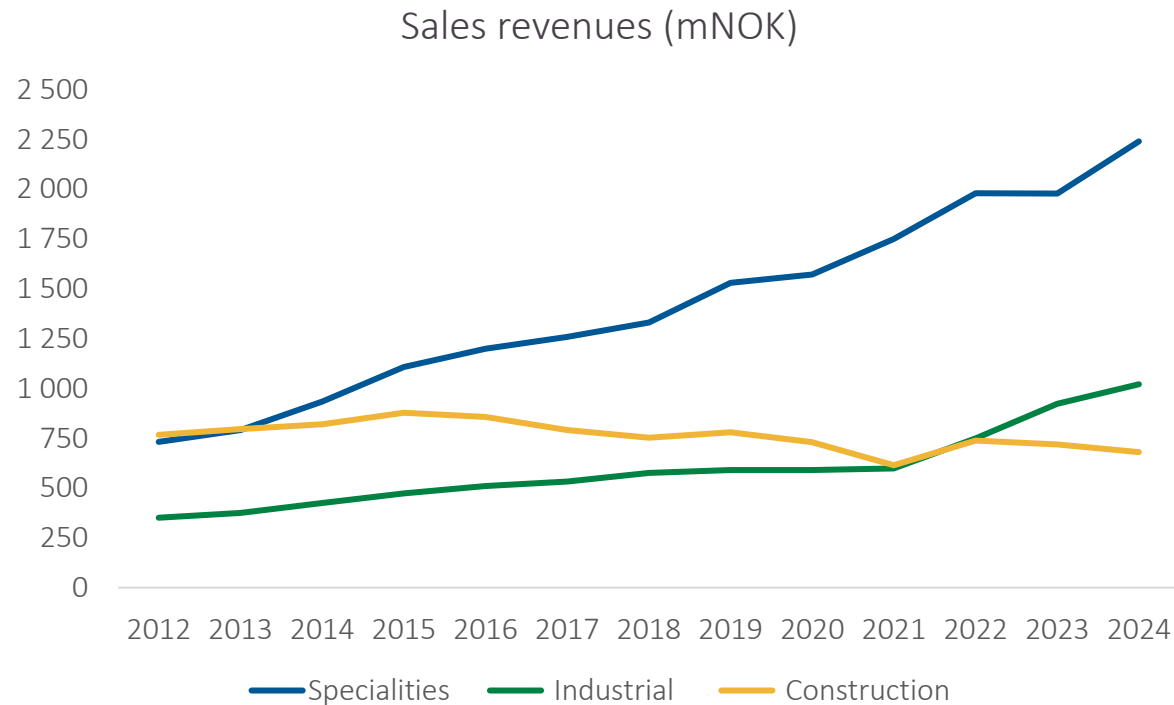
Average price in sales currency 1% above 2023

- Improved product mix

Biovanillin market continued to be impacted by high supply of synthetic products

¹ Average sales price is calculated using actual FX rates, excluding hedging impact.

BioSolutions – Significant specialisation and value growth over time



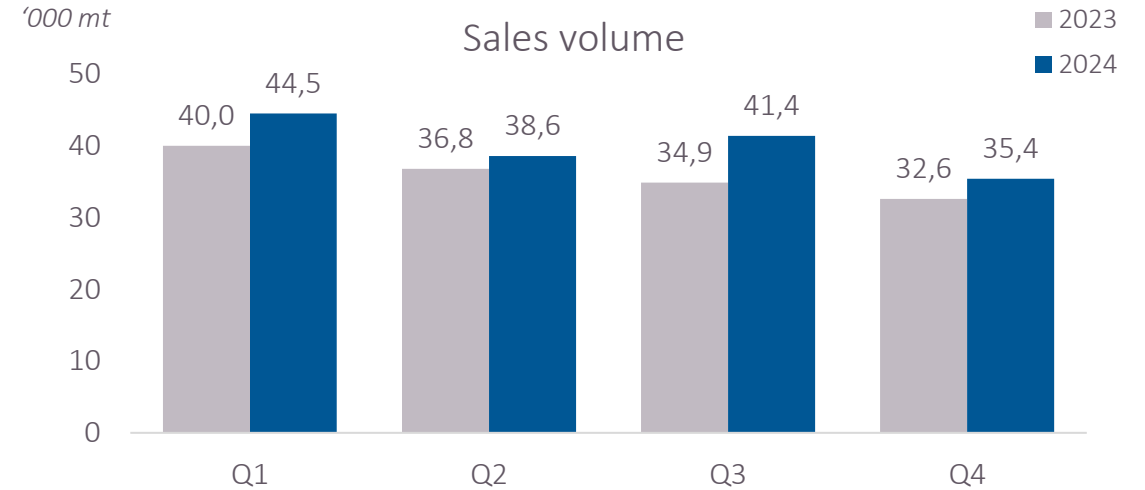
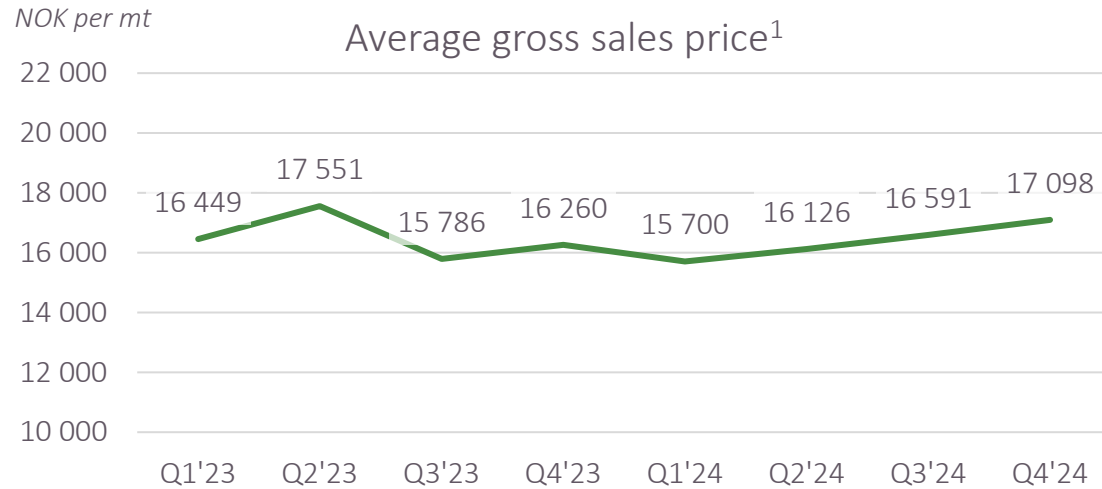
Strong development in sales to Specialities and Industrial

- Gross sales trebled from 2012

Significant portfolio optimisation

- Increased specialisation
- Reduced exposure to low-value markets
- Less cyclicality

BioMaterials markets – Q4



Sales price and sales volume include speciality cellulose and cellulose fibrils

Average price in sales currency 4% above Q4-23

- Improved product mix
- Sales prices in line with previous quarter

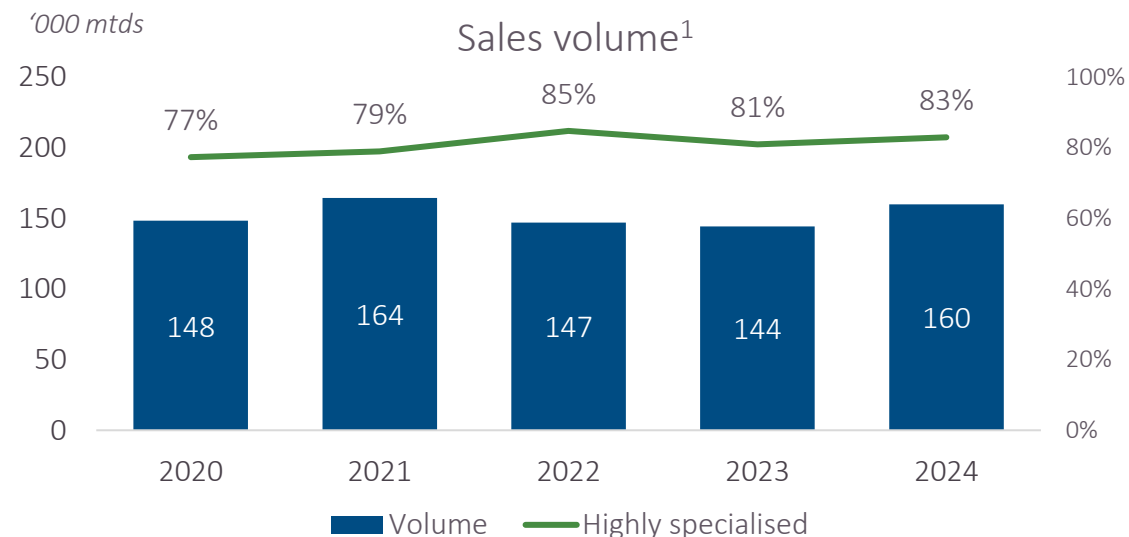
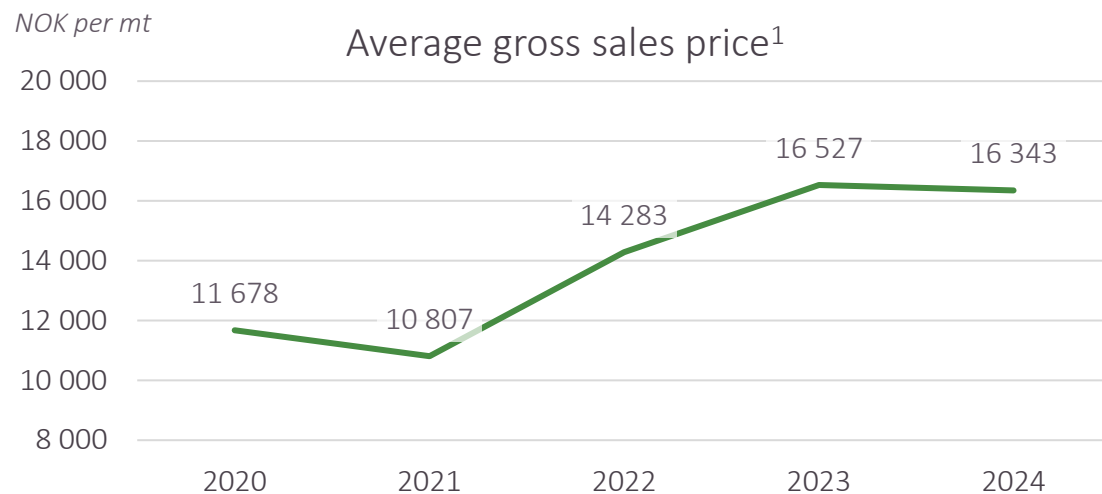
Higher sales volume vs Q4-23

- Increased sales of high-purity cellulose grades

Insignificant FX impact

¹ Average sales price is calculated using actual FX rates, excluding hedging impact

BioMaterials markets – full year



Sales price and sales volume include speciality cellulose and cellulose fibrils

Sales volume 11% higher than 2023

- Increased sales to high-purity casings and cellulose ether grades for regulated applications in food and pharma
- Closure of Georgia Pacific's plant in Florida and suspension of RYAM's plant in Quebec contributed to sales growth

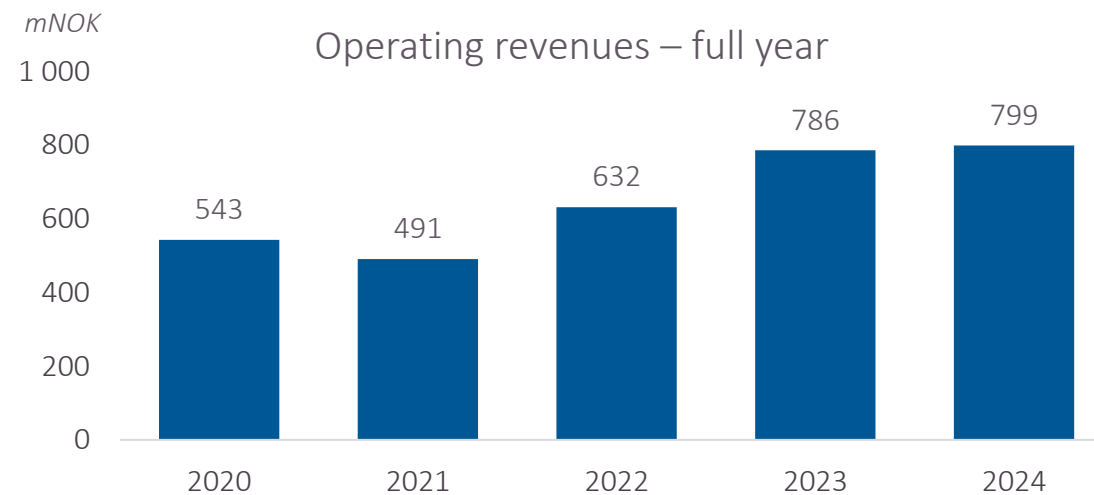
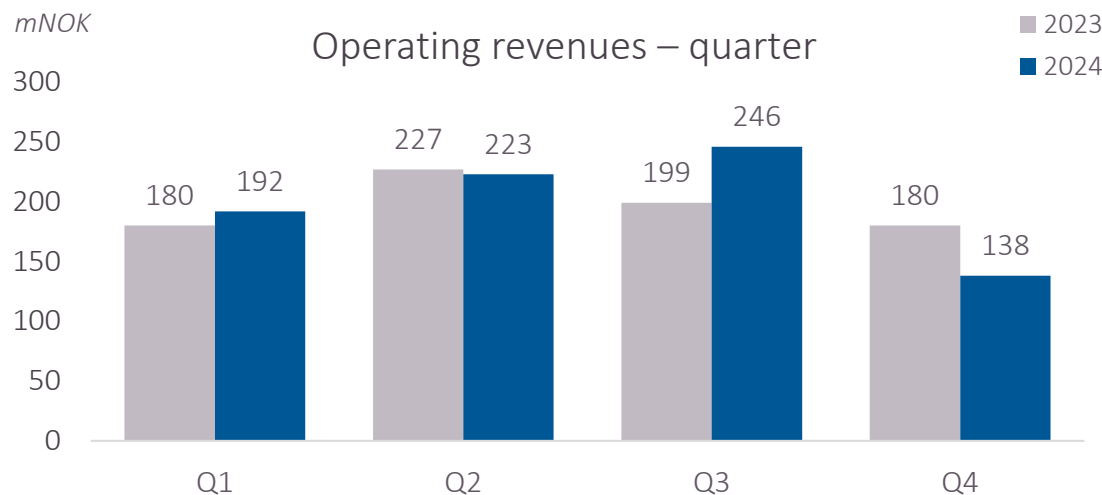
Average price in sales currency 3% below 2023

- Improved product mix partly compensated for slightly lower sales prices

Negative net currency effects

¹ Average sales price is calculated using actual FX rates, excluding hedging impact

Fine Chemicals markets – Q4 & full year



Sales revenues include fine chemical intermediates and bioethanol

Fine chemical intermediates

- Improved product mix but lower deliveries

Bioethanol

- Lower deliveries

Positive net FX impact

Fine chemical intermediates

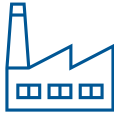
- Higher sales volume
- Reduced sales prices for key products as a result of price reduction for the main raw material

Bioethanol

- Increased sales volume

Slightly positive net FX impact

Environmental investment at the Sarpsborg biorefinery



Environmental investment of 55 mNOK

- Installation of air preheater technology in existing bio-boiler
- Enhanced efficiency and reduced dependency on LNG
- Part of transition plan to reduce CO₂ emissions towards 2030



Highly profitable investment

- Reduced energy costs
- Lower EU ETS exposure (CO₂ quotas)
- IRR well above 15%



Expected reduction of CO₂ emissions > 7,000 tonnes p.a.

- Effect from Q4-25



Outlook

BioSolutions

- Sales volume in 2025 forecast to be ≈330,000 tonnes with continued strong sales to agriculture
- Sales volume in Q1 expected to be ≈80,000 tonnes
- US authorities announced preliminary antidumping duties on vanillin from China – expect positive, but limited impact for Borregaard

BioMaterials

- Sales volume in 2025 forecast to be 150,000–155,000 tonnes
- Sales volume of highly specialised grades expected to be higher than in 2024
- The average price in sales currency expected to be 8-10% higher in H1-25 vs H1-24
- Sales volume in Q1 expected to be ≈38,000 tonnes

Fine Chemicals

- Favourable incentives for advanced bioethanol in Europe have recently triggered substantial new supply from agricultural waste and other sources
- Sales prices for Borregaard's bioethanol expected to be lower than in 2024, and more in line with prices achieved in 2022
- Sales volume for fine chemical intermediates expected to increase vs 2024

Costs, maintenance stop and seasonality

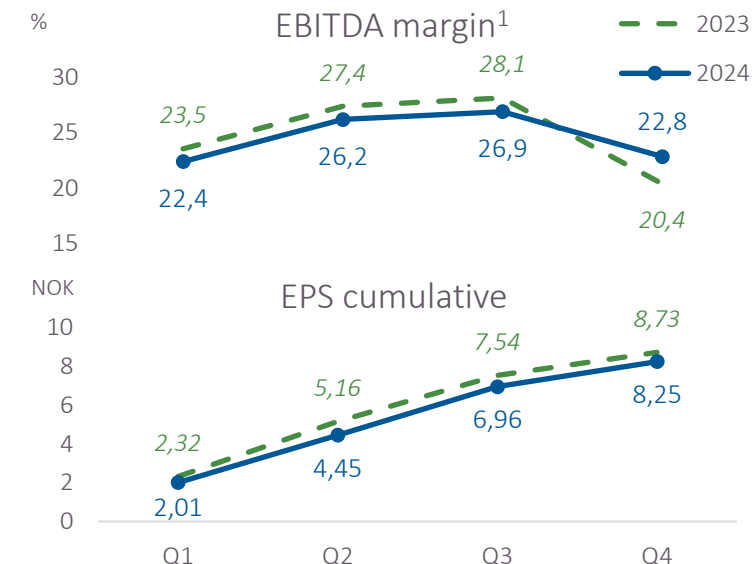
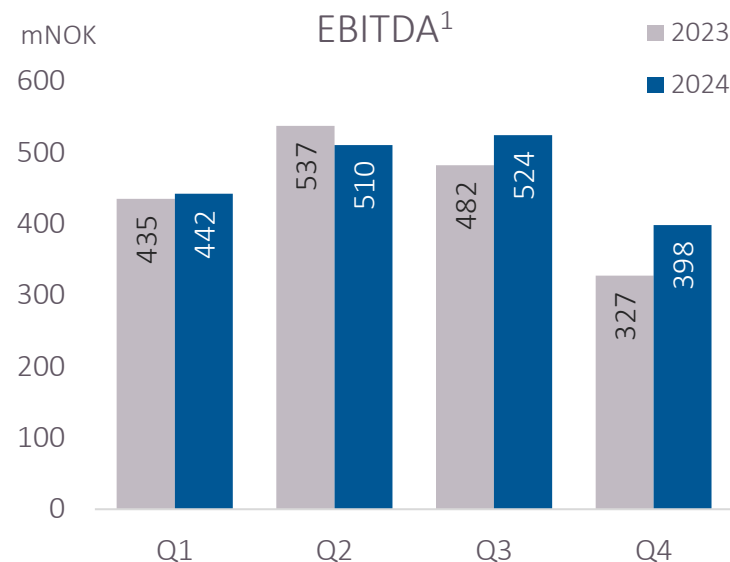
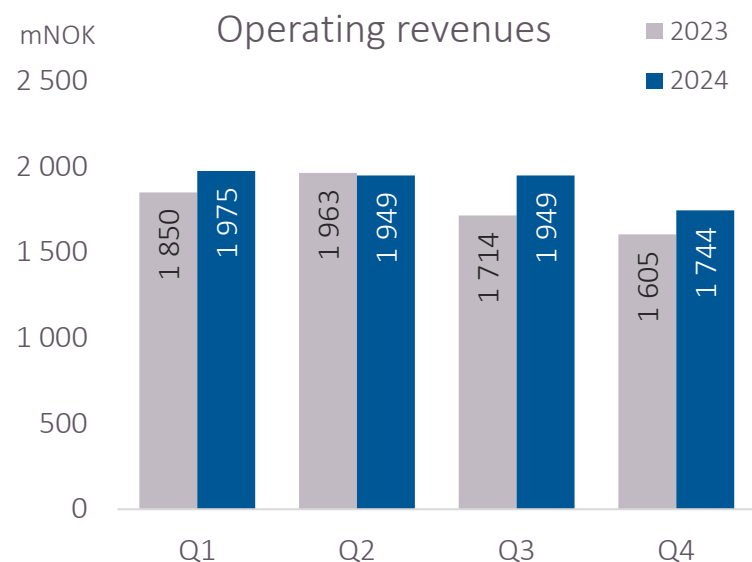
- Wood costs in H1-25 expected to be largely in line with H2-24
- Full year impact from recent investments will reduce energy costs and CO₂ emissions in Sarpsborg

Wars and conflicts as well as uncertainty in the global economy may impact Borregaard's markets and costs

Financial performance Q4-24



Borregaard key figures – Q4



Revenues 9% above Q4-23

EBITDA¹ 398 mNOK for the Group

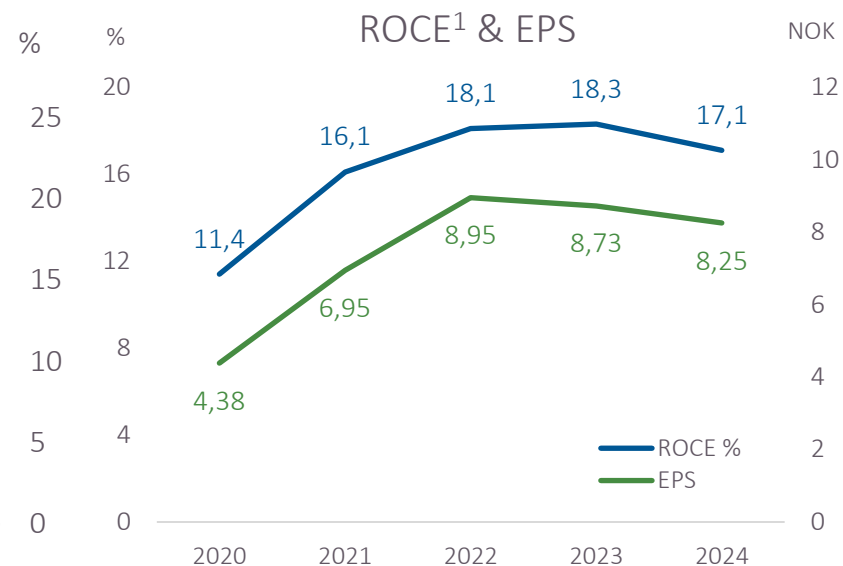
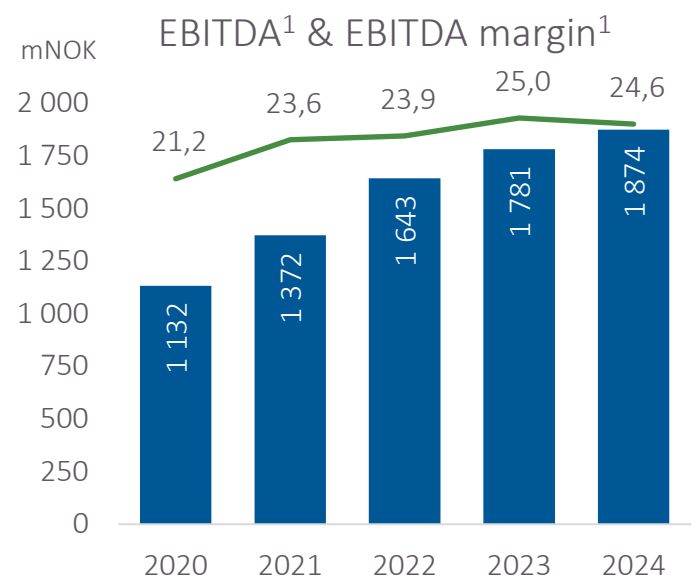
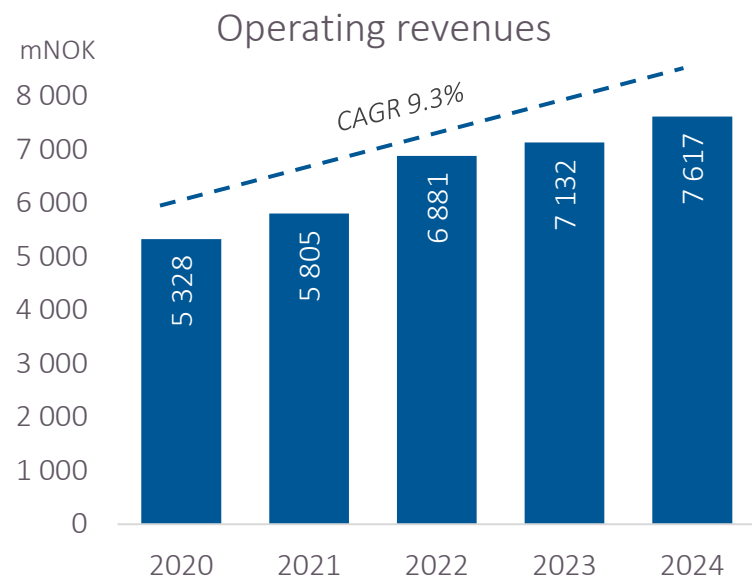
- Increased results in BioSolutions, BioMaterials at the same level, lower result in Fine Chemicals

Earnings per share (EPS) NOK 1.30 (NOK 1.20)

- Other income and expenses -30 mNOK – accrual for remediation of contaminated soil

¹ Alternative performance measure, see Appendix for definition

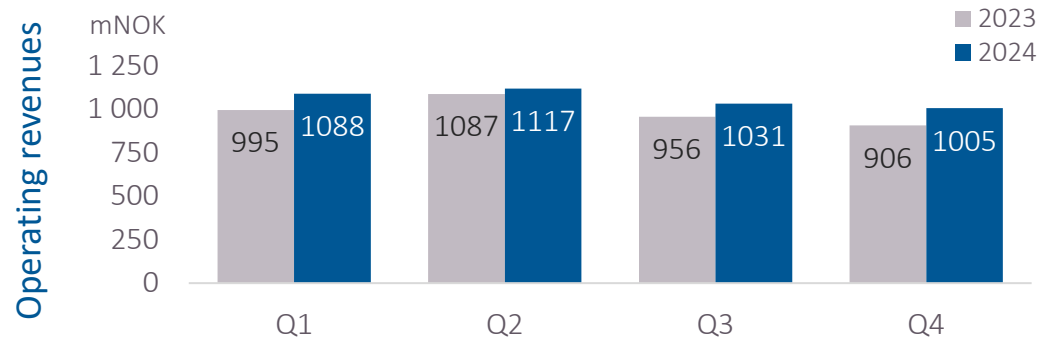
Borregaard key figures – full year



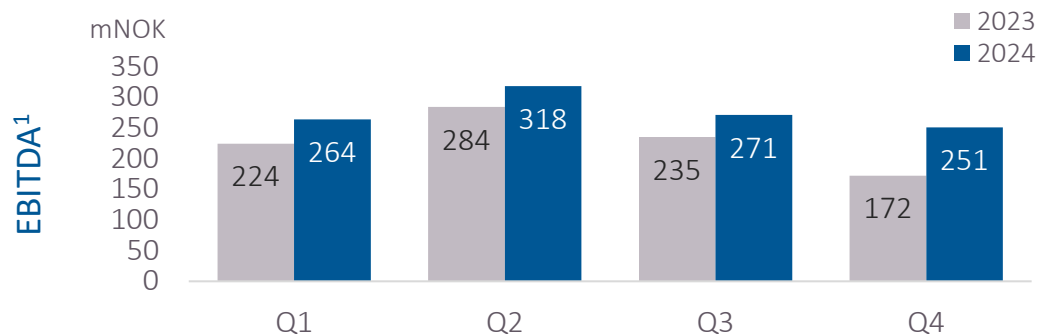
- Revenues increased by 7% vs 2023
- All-time high EBITDA¹ of 1,874 mNOK for the Group
 - Strong improvement for BioSolutions, Fine Chemicals in line with 2023 and lower result in BioMaterials
 - Higher sales in all segments
 - Reduced energy costs, but higher wood costs and cost inflation in general
- Earnings per share NOK 8.25
- ROCE¹ 17.1% pre-tax, above target level of minimum 15%

¹ Alternative performance measure, see Appendix for definition

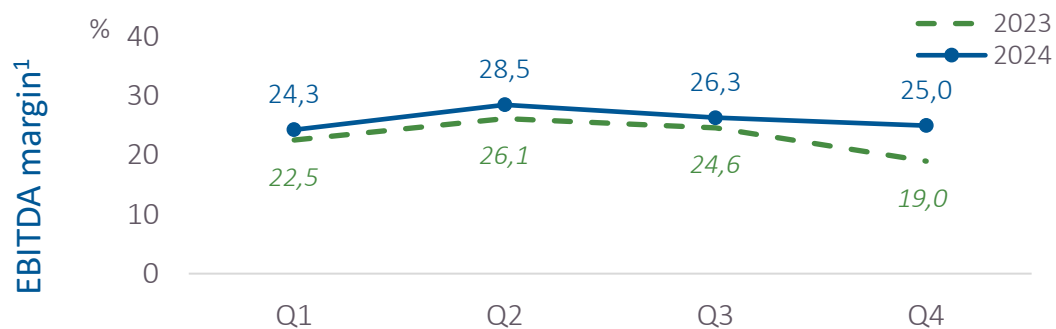
BioSolutions key figures – Q4



- Revenues 11% above Q4-23
- Higher sales volume
- *Full year growth 8%*



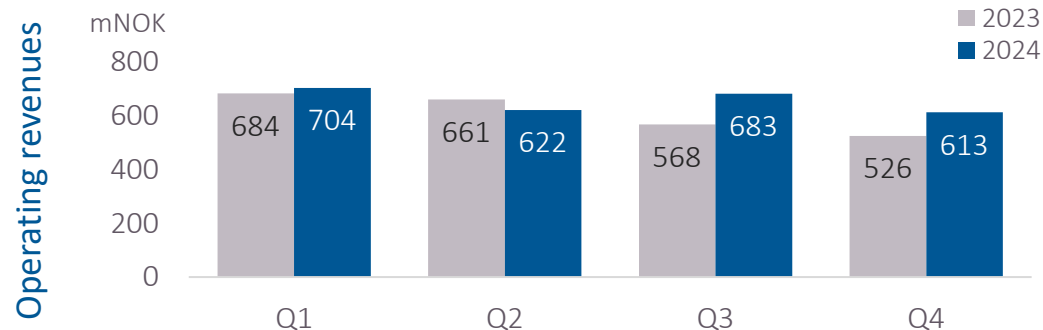
- Higher sales volume, mainly to agriculture
- Positive net currency
- *Full year EBITDA¹ 1,104 mNOK (915 mNOK)*



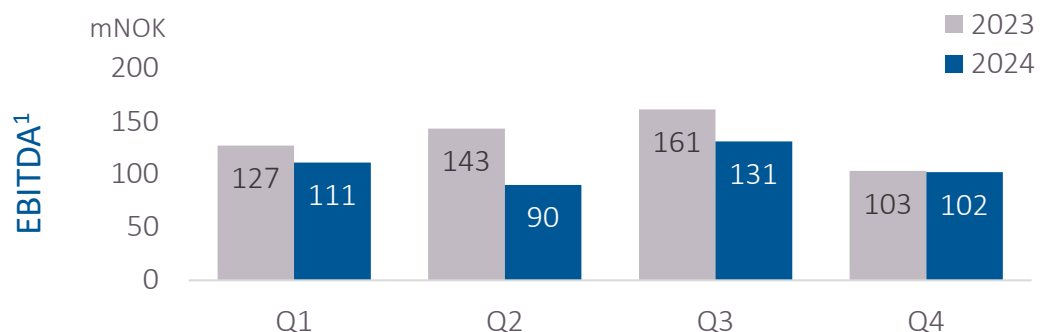
- Strong EBITDA margin¹
- *Full year EBITDA¹ margin 26.0% (23.2%)*

¹ Alternative performance measure, see Appendix for definition

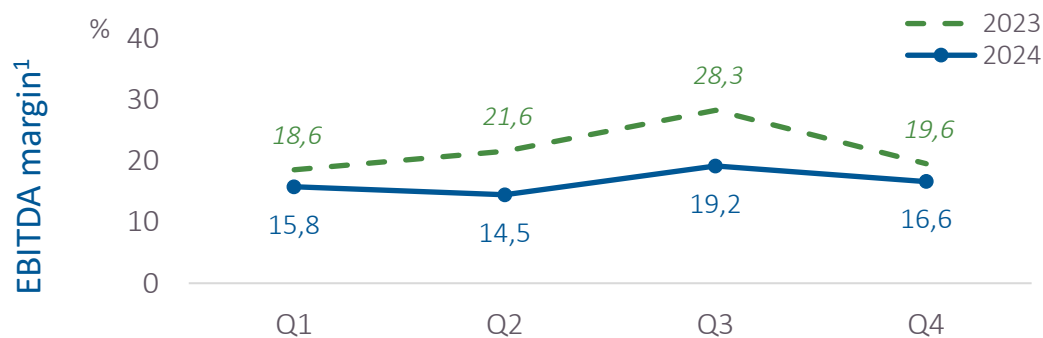
BioMaterials key figures – Q4



- Revenues 17% above Q4-23
- Higher sales volume
- *Full year growth 8%*



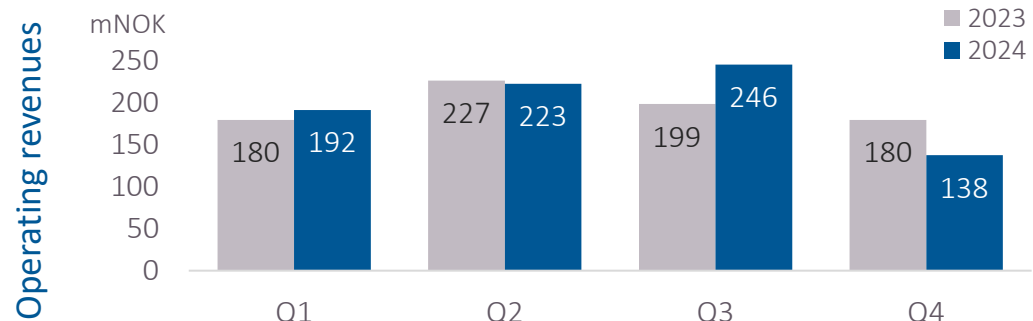
- Higher sales volume, increased sales prices and improved product mix
- Increased wood costs
- Insignificant net FX effects
- *Full year EBITDA¹ 434 mNOK (534 mNOK)*



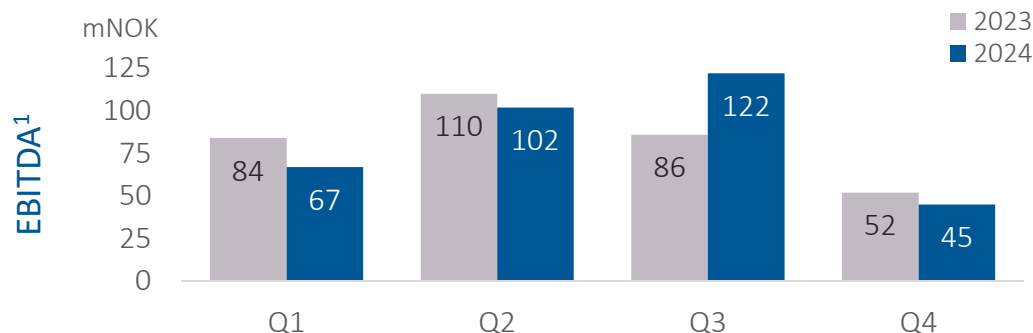
- EBITDA margin¹ ≈3%-points below Q4-23
- *Full year EBITDA¹ margin 16.6% (21.9%)*

¹ Alternative performance measure, see Appendix for definition

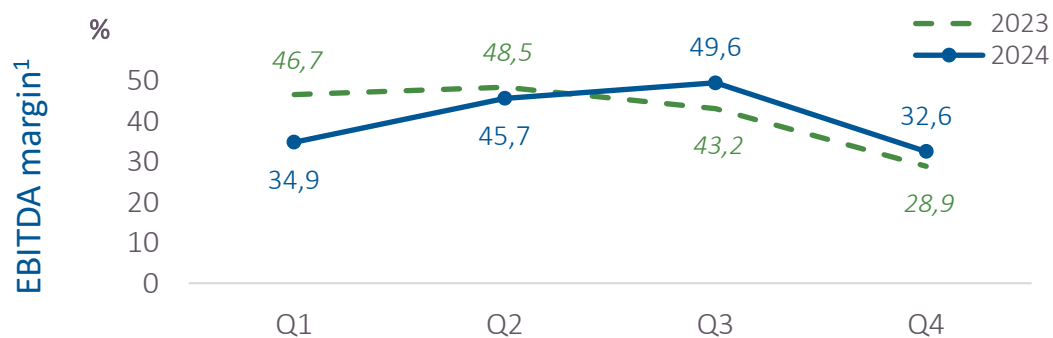
Fine Chemicals key figures – Q4



- Revenues 23% below Q4-23
- Lower deliveries
- *Full year increase 2%*



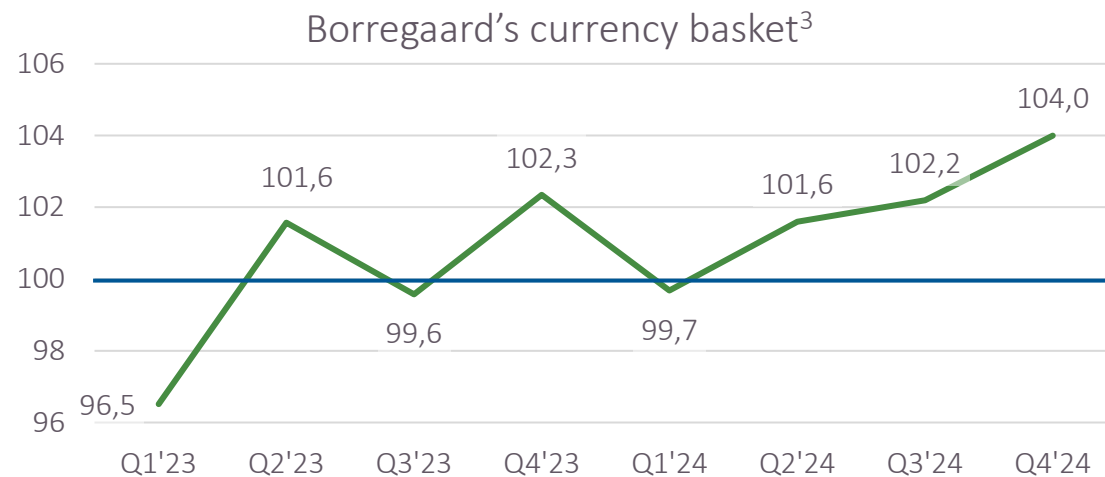
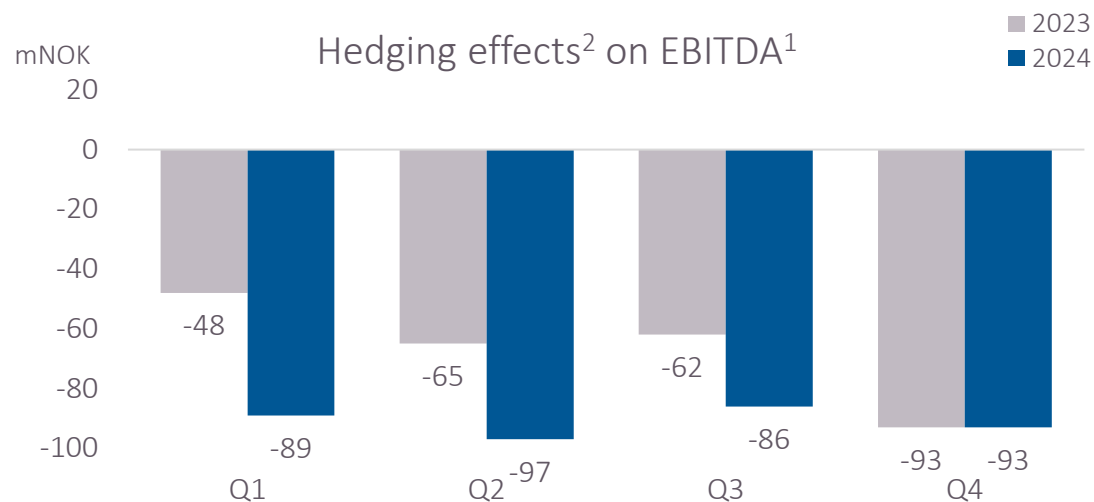
- *Fine chemical intermediates*: Lower deliveries, improved product mix
- *Bioethanol*: Lower deliveries
- Positive net FX effects
- *Full year EBITDA¹ 336 mNOK (332 mNOK)*



- Solid EBITDA margin¹
- *Full year EBITDA¹ margin 42.1% (42.2%)*

¹ Alternative performance measure, see Appendix for definition

Currency impact



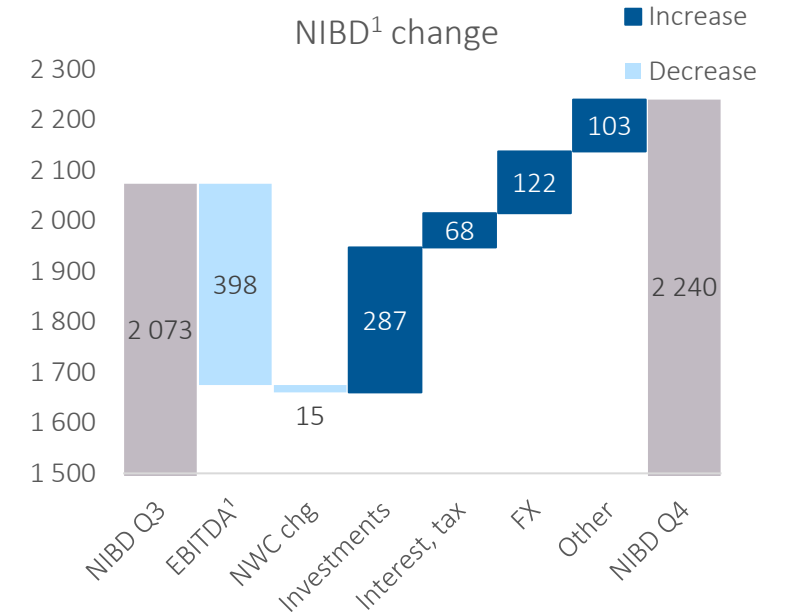
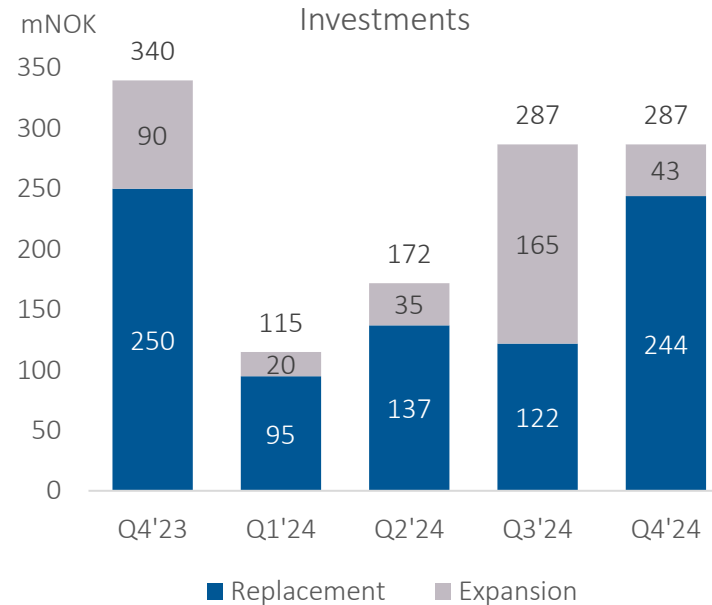
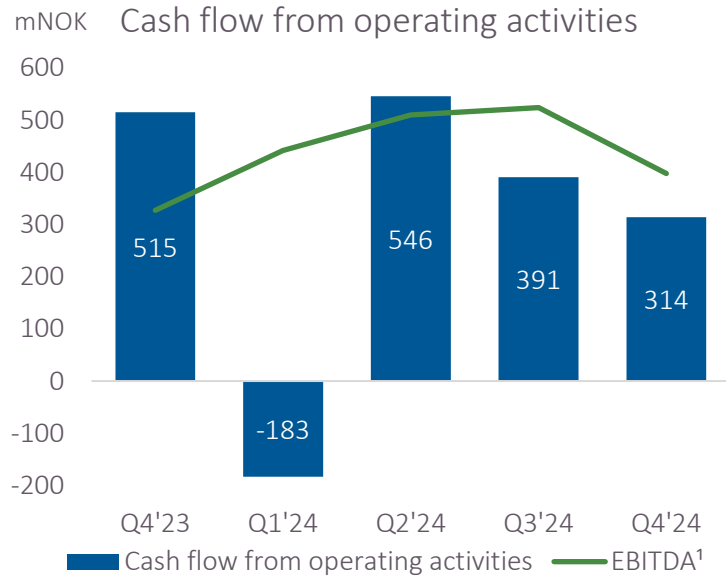
- **Net FX EBITDA¹ impact \approx +20 mNOK vs Q4-23**
 - Includes change in hedging effects and based on estimated FX exposure
 - Net FX EBITDA¹ impact YTD \approx -10 mNOK
- **Net FX EBITDA¹ impact in 2025 estimated to be \approx +220 mNOK vs 2024**
 - Assuming rates as of 28 January (USD 11.30 and EUR 11.78) on expected FX exposure
 - Net FX EBITDA¹ impact in Q1 estimated to be \approx +50 mNOK vs Q1-24
- **Significant FX exposure, but delayed impact of FX rate fluctuations due to hedging policy**

¹ Alternative performance measure, see Appendix for definition

² See Appendix for currency hedging strategy, future hedges and hedging effects by segment

³ Currency basket based on Borregaard's net exposure on EBITDA¹ in 2023 (=100): USD 60% (\approx 232 mUSD), EUR 42% (\approx 149 mEUR), Other -2% (GBP, BRL, SGD, SEK)

Cash flow, investments and NIBD



Cash flow in Q4

- Cash effect from a high EBITDA¹ and a slight decrease in net working capital

Total investments 287 mNOK

- Generally higher replacement investment in Q4 related to annual maintenance

NIBD¹ increased 167 mNOK in Q4

- Leverage ratio¹ 1.20 (1.01)

Equity ratio¹ 53% (54%)

¹ Alternative performance measure, see Appendix for definition

Questions?

Per A Sørli, President & CEO

Per Bjarne Lyngstad, CFO

Please note that you can submit questions online during the webcast



Appendix



Borregaard – key figures

Amounts in NOK million	Q4-24	Q4-23	Change	FY-24	FY-23	Change
Operating revenues	1 744	1 605	9 %	7 617	7 132	7 %
EBITDA ¹	398	327	22 %	1 874	1 781	5 %
Depreciation property, plant and equipment	-151	-134		-556	-485	
Amortisation intangible assets	-1	-1		-5	-5	
Other income and expenses ¹	-30	0		-30	0	
Operating profit	216	192	13 %	1 283	1 291	-1 %
Financial items, net	-46	-57		-204	-167	
Profit before taxes	170	135	26 %	1 079	1 124	-4 %
Income tax expenses	-34	-30		-250	-268	
Profit for the period	136	105	30 %	829	856	-3 %
Profit attributable to non-controlling interests	7	-14		6	-14	
Profit attributable to owners of the parent	129	119		823	870	
Cash flow from operating activities (IFRS)	314	515		1 068	1 563	
Earnings per share	1,30	1,20	8 %	8,25	8,73	-5 %
EBITDA margin ¹	22,8 %	20,4 %		24,6 %	25,0 %	

¹ Alternative performance measure, see Appendix for definition

Operating revenues and EBITDA¹ per segment

Amounts in NOK million

Operating revenues	Q4-24	Q4-23	Change
Borregaard	1 744	1 605	9 %
BioSolutions	1 005	906	11 %
BioMaterials	613	526	17 %
Fine Chemicals	138	180	-23 %
Eliminations	-12	-7	

Amounts in NOK million

EBITDA ¹	Q4-24	Q4-23	Change
Borregaard	398	327	22 %
BioSolutions	251	172	46 %
BioMaterials	102	103	-1 %
Fine Chemicals	45	52	-13 %

Amounts in NOK million

Operating revenues	FY-24	FY-23	Change
Borregaard	7 617	7 132	7 %
BioSolutions	4 241	3 944	8 %
BioMaterials	2 622	2 439	8 %
Fine Chemicals	799	786	2 %
Eliminations	-45	-37	

Amounts in NOK million

EBITDA ¹	FY-24	FY-23	Change
Borregaard	1 874	1 781	5 %
BioSolutions	1 104	915	21 %
BioMaterials	434	534	-19 %
Fine Chemicals	336	332	1 %

¹ Alternative performance measure, see Appendix for definition

Balance sheet

Amounts in NOK million	31.12.2024	30.9.2024	31.12.2023
Assets:			
Intangible assets	88	76	84
Property, plant and equipment	5 026	4 801	4 661
Right-of-use assets	508	483	527
Other assets	524	354	437
Investments in joint venture/associate companies	417	424	289
Non-current assets	6 563	6 138	5 998
Inventories	1 498	1 360	1 447
Receivables	1 441	1 563	1 201
Cash and cash deposits	82	172	469
Current assets	3 021	3 095	3 117
Total assets	9 584	9 233	9 115
Equity and liabilities:			
Group equity	5 041	5 098	4 855
Non-controlling interests	49	39	39
Equity	5 090	5 137	4 894
Provisions and other liabilities	591	400	401
Interest-bearing liabilities	2 035	1 938	2 016
Non-current liabilities	2 626	2 338	2 417
Interest-bearing liabilities	288	309	246
Other current liabilities	1 580	1 449	1 558
Current liabilities	1 868	1 758	1 804
Equity and liabilities	9 584	9 233	9 115
Equity ratio ¹ (%):	53,1 %	55,6 %	53,7 %

¹ Alternative performance measure, see Appendix for definition

Cash flow

Amounts in NOK million	Q4-24	Q4-23	FY-24	FY-23
Amounts in NOK million				
Profit before taxes	170	135	1 079	1 124
Amortisation, depreciation and impairment charges	152	135	561	490
Change in net working capital, etc	15	292	-326	205
Dividend/share of profit from JV & associate companies	6	-	22	9
Taxes paid	-29	-47	-268	-265
Cash flow from operating activities	314	515	1 068	1 563
Investments property, plant and equipment and intangible assets *	-287	-293	-711	-667
Investment in associate companies & bio-based start-ups*	-	-47	-150	-171
Other capital transactions	9	2	19	9
Cash flow from Investing activities	-278	-338	-842	-829
Dividends	-	-	-374	-324
Proceeds from exercise of options/shares to employees	1	4	52	49
Buy-back of treasury shares	-39	-43	-98	-92
Gain/(loss) on hedges for net investments in subsidiaries	-74	38	-109	-38
Net paid to/from shareholders	-112	-1	-529	-405
Proceeds from interest-bearing liabilities	-	-	500	800
Repayment from interest-bearing liabilities	-30	-355	-724	-843
Change in interest-bearing liabilities/other instruments	47	-18	74	33
Change in net interest-bearing liabilities	17	-373	-150	-10
Cash flow from financing activities	-95	-374	-679	-415
Change in cash and cash equivalents	-59	-197	-453	319
Cash and cash equivalents at beginning of period	45	645	429	111
Change in cash and cash equivalents	-59	-197	-453	319
Currency effects cash and cash equivalents	11	-19	21	-1
Cash and cash equivalents at the close of the period	-3	429	-3	429
* Investment by category				
Replacement Investments	244	250	598	550
Expansion investments including investment in associate companies and bio-based start-ups	43	90	263	288
Total investments including investment in associate companies and bio-based start-ups	287	340	861	838

¹ Alternative performance measure, see Appendix for definition

Net financial items & net interest-bearing debt¹

Amounts in NOK million

Net financial items	Q4-24	Q4-23	FY-24	FY-23
Net interest expenses	-39	-40	-160	-141
Currency gain/loss	-6	-16	-17	-15
Share of profit/-loss from an associate	-6	-4	-22	-9
Other financial items, net	5	3	-5	-2
Net financial items	-46	-57	-204	-167

Amounts in NOK million

Net interest-bearing debt ¹ (NIBD)	31.12.2024	30.9.2024	31.12.2023
Non-current interest-bearing liabilities	2 035	1 938	2 016
Current interest-bearing liabilities including overdraft	288	309	246
Non-current interest-bearing receivables (included in "Other Assets")	-1	-2	-2
Cash and cash deposits	-82	-172	-469
Net interest-bearing debt¹ (NIBD)	2 240	2 073	1 791
- of which impact from IFRS 16 leases	554	527	563

¹ Alternative performance measure, see Appendix for definition

Currency hedging strategy

Purpose is to delay effects of currency fluctuations and secure competitiveness

Hedging based on expected EBITDA¹ impact²

- **Base hedge:** 75%/50% on a rolling basis for 6/9 months for major currencies
- **Extended hedge:** 75%/50% of the next 24/36 months if USD and EUR are above defined levels
 EUR; gradually increased at effective rates from 10.50 to 11.00
 USD; gradually increased at effective rates from 9.50 to 10.00
- **Contracts³:** 100% hedged

Balance sheet exposure hedged 100%

Net investments in subsidiaries hedged up to 90% of book value in major currencies

Contracted FX hedges with EBITDA impact (as of 28.01.25)

	USD million	USD rate	EUR million	EUR rate
Q1-2025	39	9.40	32	10.67
Q2-2025	39	9.97	32	11.05
Q3-2025	40	10.18	31	10.93
Q4-2025	40	10.13	30	10.93
2025	158	9.92	125	10.89
2026	150	10.44	119	11.72
2027	105	10.62	90	12.02
2028	8	11.11	7	12.33

Hedging effects by segment

NOK million	FY-24	FY-23	Q4-24	Q4-23
BioSolutions	-172	-129	-43	-44
BioMaterials	-150	-104	-42	-37
Fine Chemicals	-43	-35	-8	-12
Borregaard	-365	-268	-93	-93

¹ Alternative performance measure, see Appendix for definition

² Hedging done mainly in the Norwegian company

³ Strict definition of contracts applied for 100% hedging (mutually binding agreement in which price, currency, volume and time are defined)

Credit facilities, solidity and debt

Long-term credit facilities

- 1,500 mNOK revolving credit facilities, maturity 2027, margin linked to sustainability targets
- 500 mNOK 5-year green bonds, maturity 2028 (issued June 2023)
- 50 mUSD 10-year loan, maturity 2032
- 60 mUSD term loan for LT Florida, maturity 2027

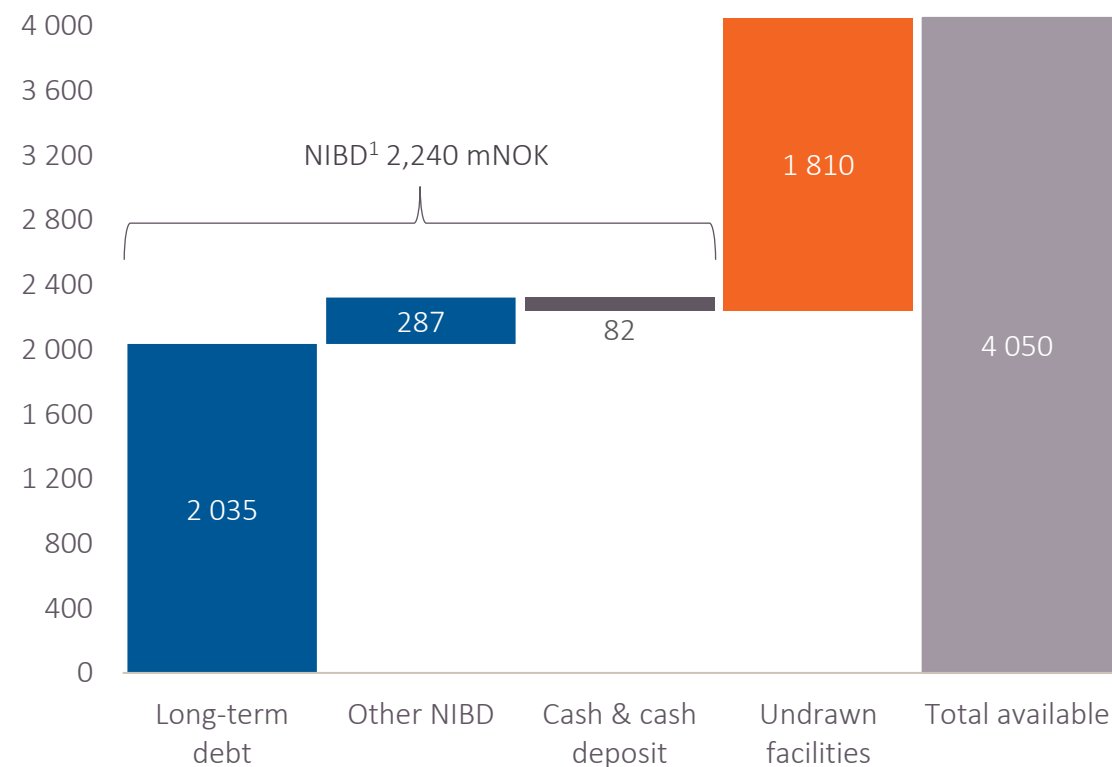
Short-term credit facilities

- 225 mNOK overdraft facilities
- 15 mUSD overdraft facility in LignoTech Florida

Solidity

- Equity ratio¹ 53.1%
- Leverage ratio¹ LTM 1.20 (covenant < 3.50)

Debt and undrawn facilities
31.12.2024



Alternative performance measures

In the discussion of the reported operating results, financial position and cash flows, Borregaard refers to certain measures which are not defined by generally accepted accounting principles (GAAP) such as IFRS. Borregaard management makes regular use of these Alternative performance measures and is of the opinion that this information, along with comparable GAAP measures, is useful to investors who wish to evaluate the company's operating performance, ability to repay debt and capability to pursue new business opportunities. Such Alternative performance measures should not be viewed in isolation or as an alternative to the equivalent GAAP measure.

- EBITDA: Operating profit before depreciation, amortisation and other income and expenses.
- EBITDA margin: EBITDA divided by operating revenues.
- Equity ratio: Equity (including non-controlling interests) divided by equity and liabilities.
- Expansion investments: Investments made in order to expand production capacity, produce new products or to improve the performance of existing products. Such investments include business acquisitions, investments in bio-based start-ups, pilot plants, capitalised R&D costs and new distribution set-ups.
- Other income and expenses: Non-recurring items or items related to other periods or to a discontinued business or activity. These items are not viewed as reliable indicators of future earnings based on the business areas' normal operations. These items will be included in the Group's operating profit.
- Leverage ratio: Net interest-bearing debt divided by last twelve months' (LTM) EBITDA.
- Net interest-bearing debt (NIBD): Interest-bearing liabilities minus interest-bearing assets.
- Return on capital employed (ROCE): Last twelve months' (LTM) capital contribution (operating profit before amortisation and other income and expenses) divided by average capital employed based on the ending balance of the last five quarters. Capital employed is defined by Borregaard as the total of net working capital, intangible assets, property, plant and equipment, right-of-use assets minus net pension liabilities.

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