



Navigating the European pulp market

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Metsä Fibre – sustainable growth from renewable wood raw material



#1 Leading producer of bleached market softwood pulp and a significant sawn timber producer



Our products

Our main products are high-quality bleached softwood and birch **pulp**, as well as spruce and pine **sawn timber** made from northern wood. We also produce **bioenergy** and **other bioproducts**.

Our products replace fossil raw materials and have a long-term carbon sequestration effect.



1,400
professionals

4 Pulp / Bioproduct mills
4 Sawmills

Our sales in 2025
EUR
2.6 billion

Our pulp and bioproduct mills

Total capacity

4 million tonnes

Market softwood pulp

3 million tonnes

Metsä Group owned by

90,000

private Finnish forest owners
who ensure stable availability of
high-quality wood raw material



Kemi bioproduct mill

1.5 million tonnes softwood and
hardwood pulp

80,000 tonnes biochemicals

2,000 GWh renewable electricity*



Äänekoski bioproduct mill

1.3 million tonnes softwood and
hardwood pulp

50,000 tonnes biochemicals

1,800 GWh renewable electricity*



Joutseno pulp mill

690,000 tonnes softwood pulp

30,000 tonnes biochemicals

780 GWh renewable electricity*



Rauma pulp mill

650,000 tonnes softwood pulp

25,000 tonnes biochemicals

600 GWh renewable electricity*

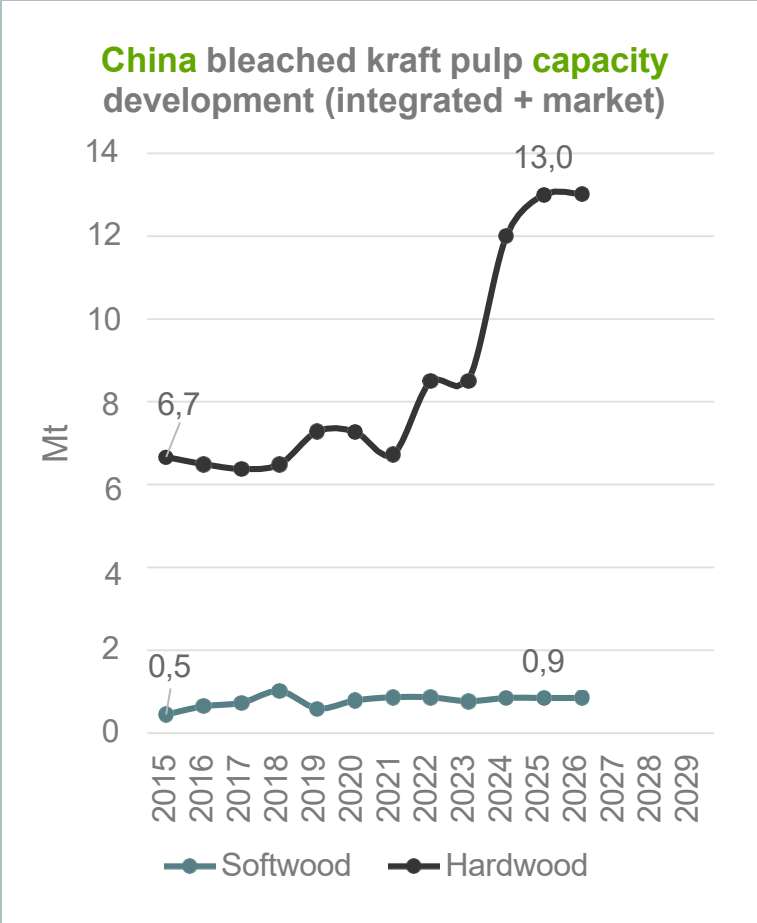
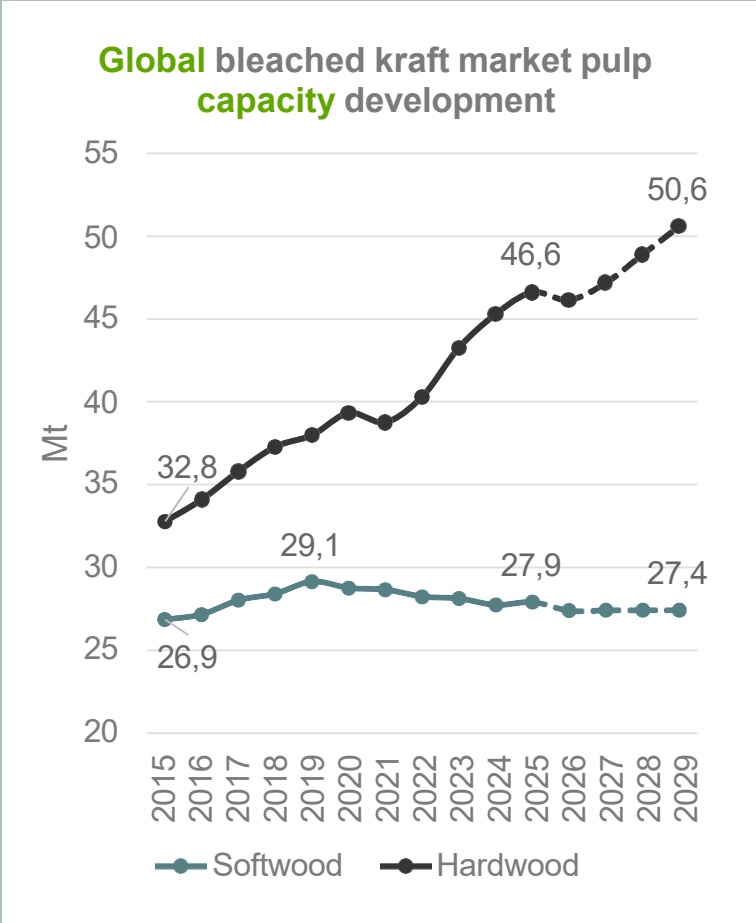
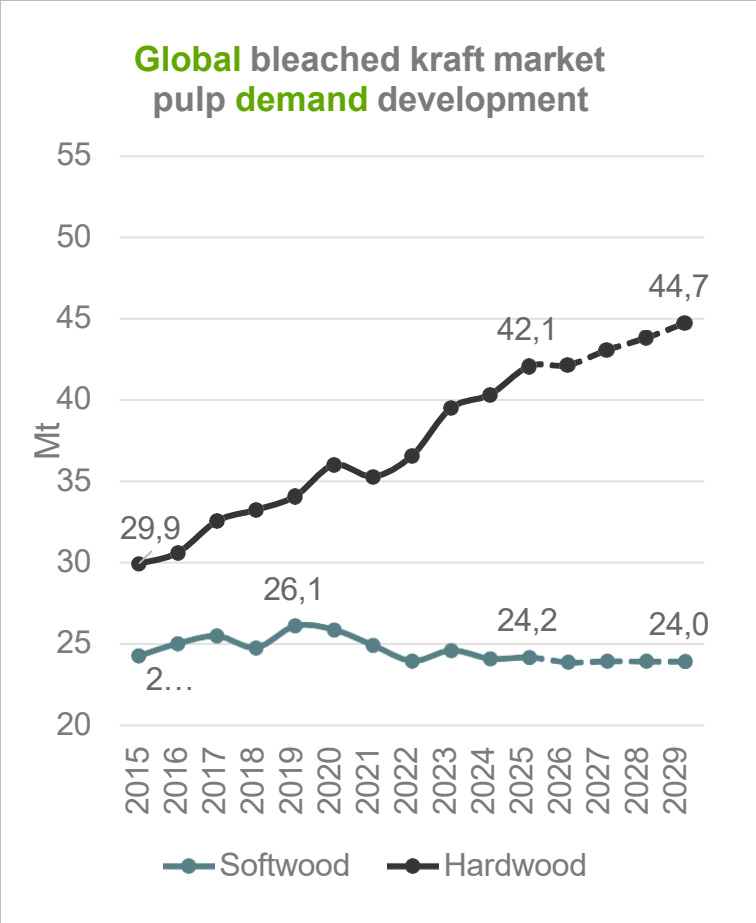


*Produced with bioenergy, annual production capacity

1 Insight into softwood pulp markets



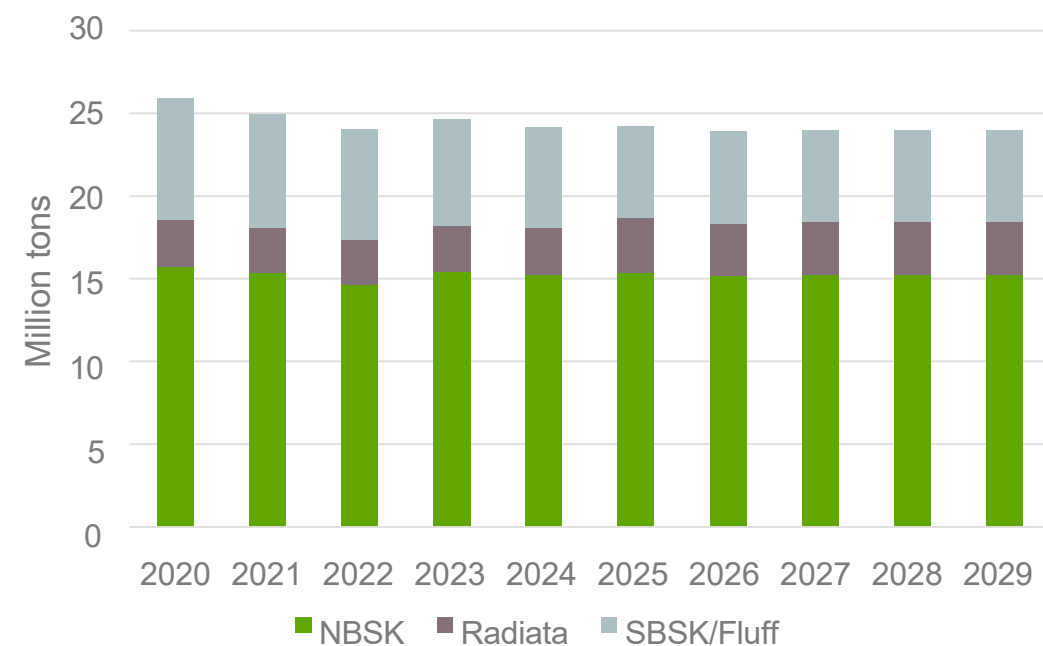
Hardwood pulp capacity and demand are growing over 1Mt annually while softwood has declined since 2019 peak – at the same time China has increased BKP capacity



Fluff demand growing – role of NBSK increases in paper grade pulp

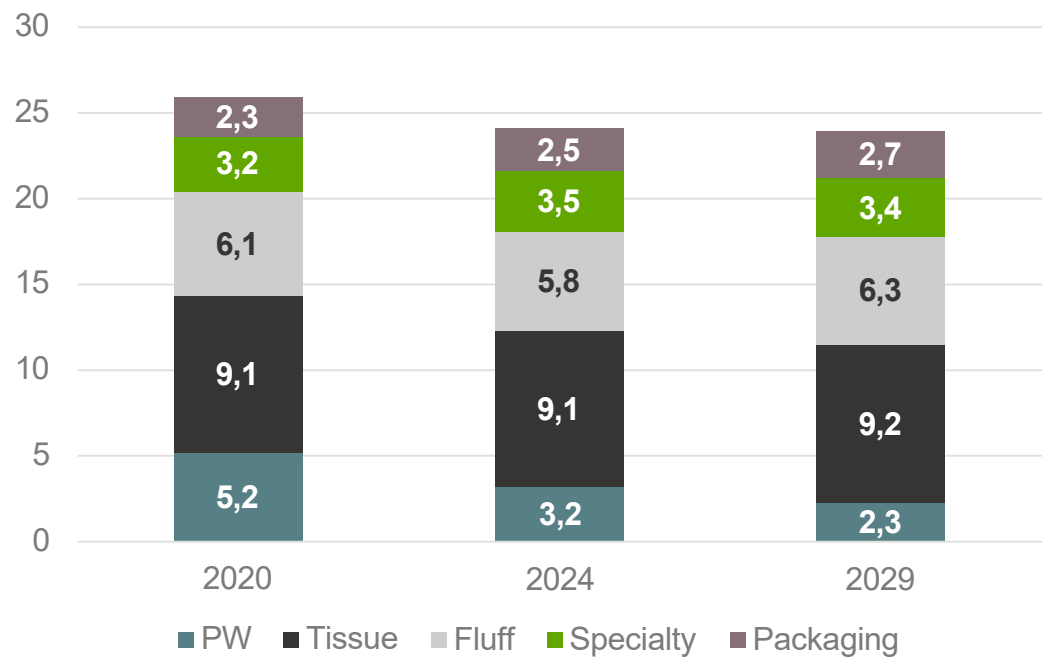
In softwood pulp consumption the role of NBSK is growing

BSKP Shipments by Grade

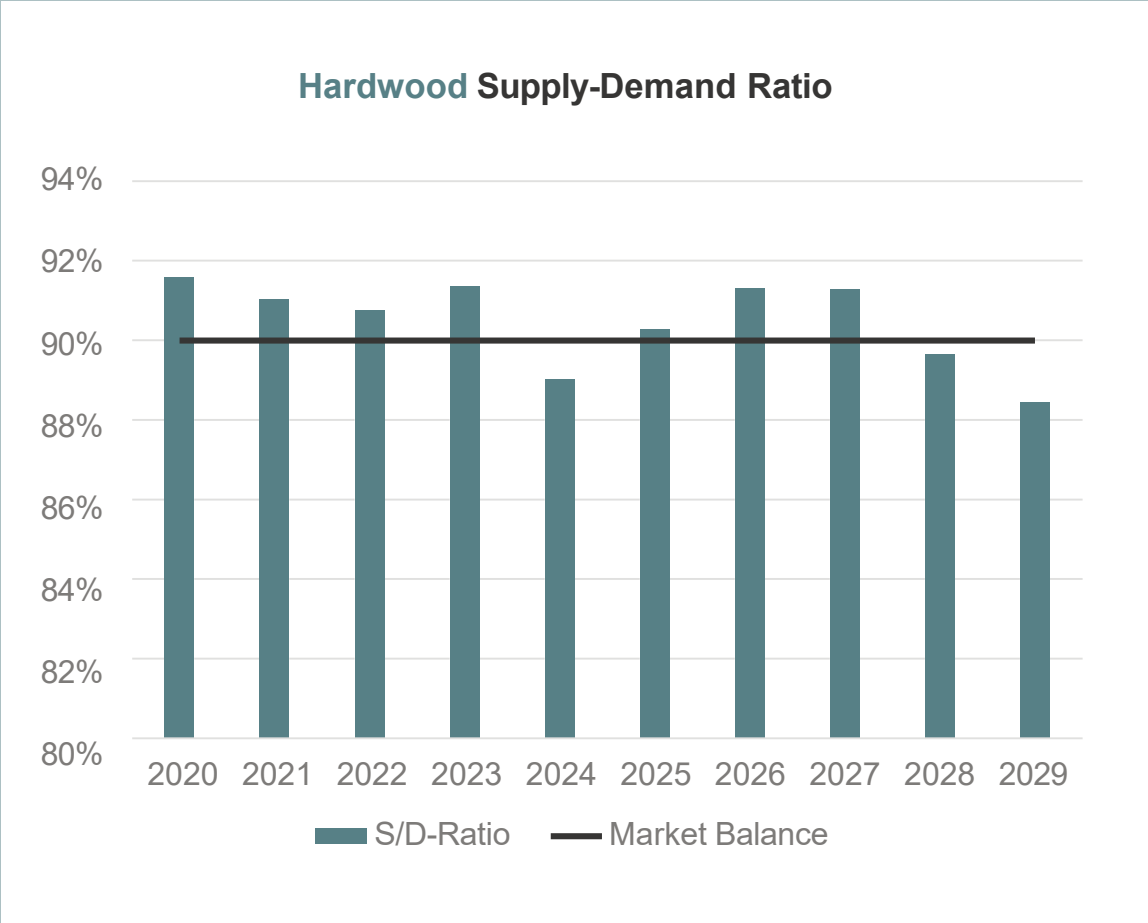
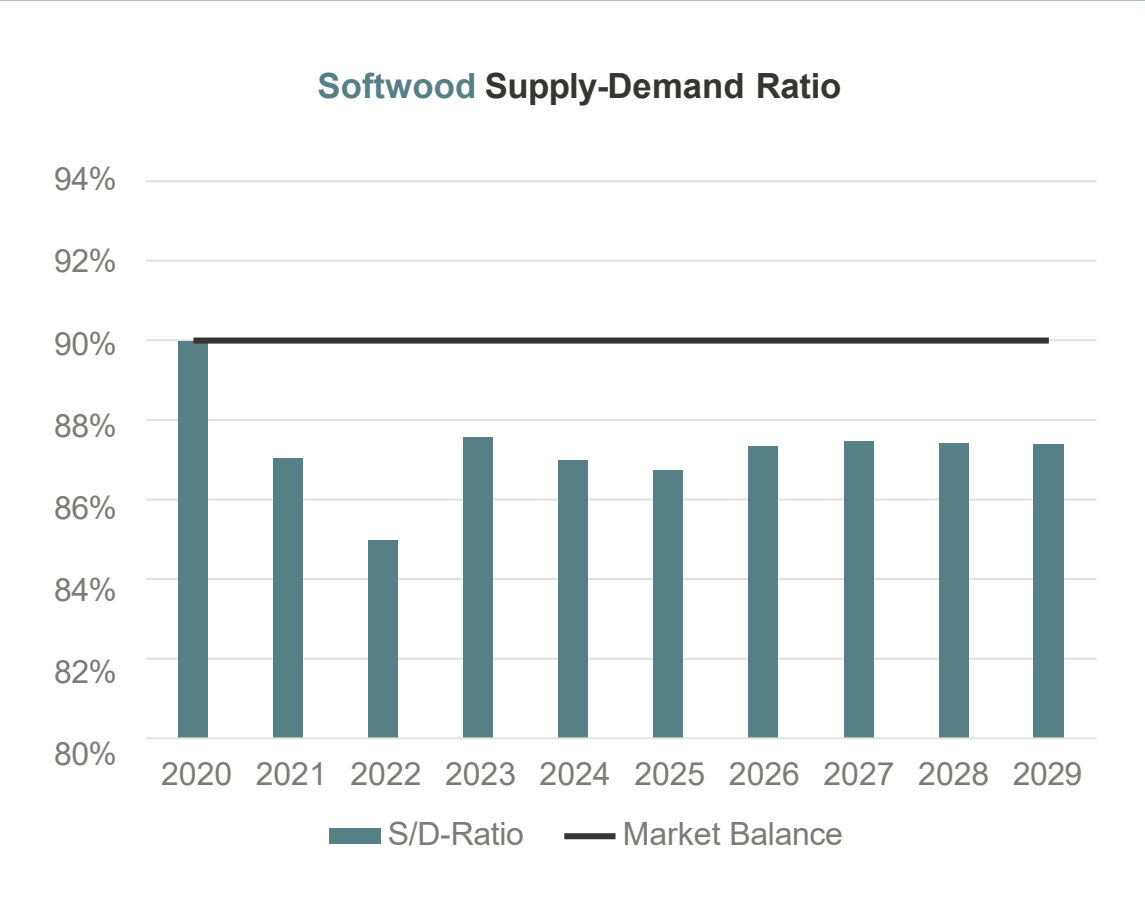


Tissue & Fluff will present 2/3 of softwood pulp demand by 2029

Softwood Demand by End-Use Segment (Mt)



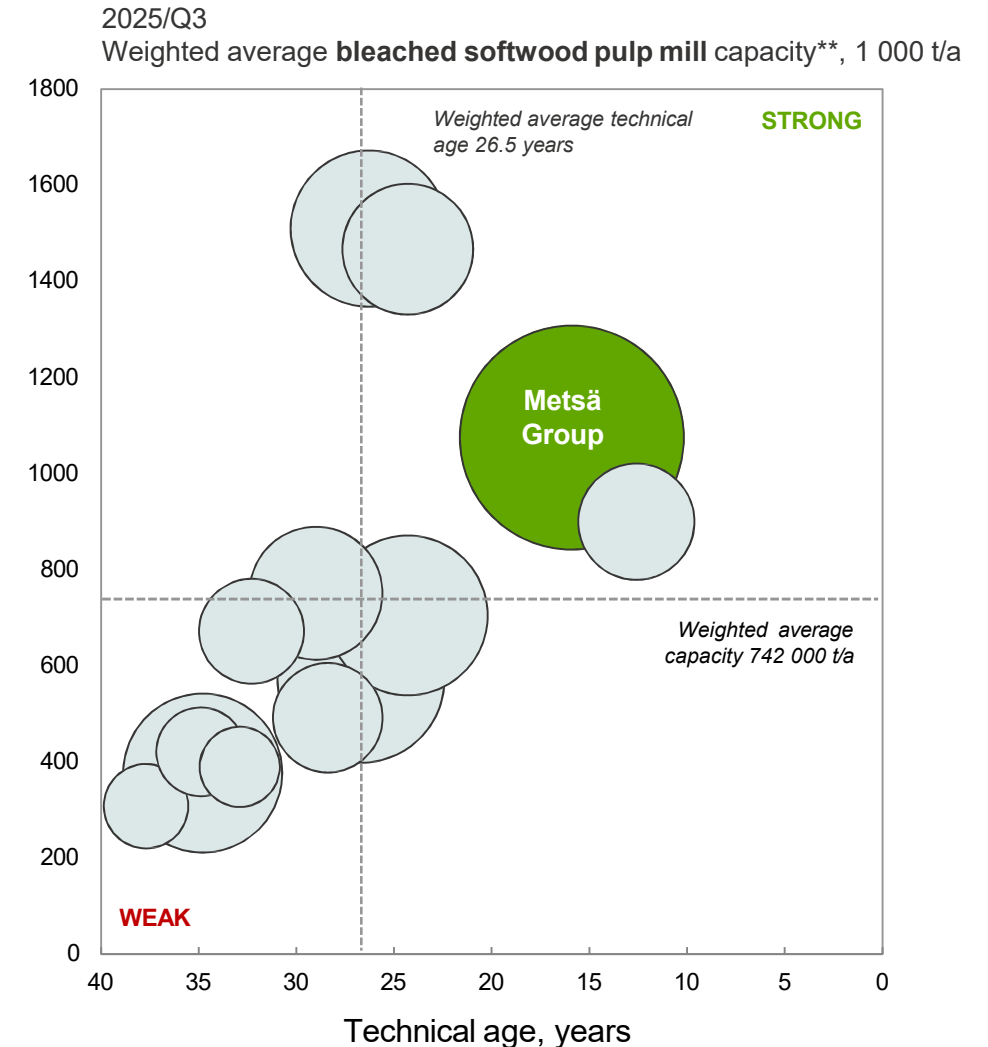
Demand-capacity ratio is healthier in hardwood side, softwood requires 0.6Mt capacity reduction to reach market balance



High technical age and wood availability restrictions makes some mills vulnerability to closure

Declined softwood pulp prices and increased wood raw material costs are putting **pressure on producers' financial performance**

The high technical age of softwood pulp capacity is driving up maintenance needs, **reducing production efficiency and lowering mill availability**



** = based on the grade allocation in AFRY Smart

 Bubble size reflects the allocated grade capacity

Source: Afry (Nov-25)

2 Wood raw material availability in Europe



Forest area in the EU

In the EU, Finland has the largest share of forest in total area, 67%.

In fact, forests cover more than 75% of Finland's land area. Finland is, relative to its size, the most forested country in the Europe.

In Finland, sustainable forest management has been practised for decades, supported by over a century of reliable data on our total forest growing stock and growth.



Key factors influencing Europe's wood raw material market

Geopolitical developments have halted the flow of wood from Russia to Europe, reducing the overall availability and driving prices higher, particularly in Scandinavia

Forest disturbances – including forest fires, flooding, drought and pine beetle damages – continue to weaken the supply of coniferous raw material in Central Europe

EU regulations on forest management, harvesting practices and biodiversity



The **availability of coniferous wood raw material will shape future pulp capacity** and is likely to lead to capacity closures in mills that are less cost-competitive

Our 3 key success factors



Metsä Fibre's key success factors in the changing pulp market environment

Reliable high-
quality raw
material base



Efficient global
logistics
& delivery
reliability



High-quality
pulp products and
services

Modern,
sustainable
mill fleet



Sustainability
excellence



Conclusions

1

Regardless of substitution, Northern softwood keeps on holding a critical role both in end-product quality and in production efficiency.

2

Long-term partnerships become more and more critical. With a secure long-fiber wood supply and state-of-the-art mill fleet, we support our customers' business also in the long run.

3

We in Metsä Fibre support our customers with high standards and future-ready operations helping you to fulfill all sustainability requirements.