

Södra's interim report

1 April – 30 June 2025

- » Net sales amounted to SEK 7,193 million (7,527).
- » Operating profit before depreciation, amortisation and impairment amounted to SEK 15 million (773).
- » Operating loss totalled SEK 389 million (profit: 398).
- » The operating margin was neg. 5 percent (pos. 5).
- » Cash flow after investments was neg. SEK 1,155 million (neg. 166).

Key indicators	2025 Apr–Jun	2024 Apr–Jun	2025 Jan–Jun	2024 Jan–Jun	2024 Jan–Dec
Net sales, SEK million	7,193	7,527	15,348	15,140	29,487
Operating profit before depreciation, amortisation and impairment, SEK million	15	773	851	1,716	4,155
Operating profit/loss, SEK million	-389	398	50	966	2,630
EBITDA margin	0%	10%	6%	11%	14%
Operating margin	-5%	5%	0%	6%	9%
Return on capital employed ¹⁾	—	—	7%	7%	10%
Equity ratio	—	—	57%	60%	62%
Cash flow after investments, SEK million	-1,155	-166	-687	1,161	1,820
No. of members	—	—	52,332	52,100	52,116
Affiliated forest area, million hectares	—	—	2.84	2.82	2.83
Average no. of employees	3,231	3,212	3,196	3,170	3,195
Fossil emissions in the value chain ²⁾ , Mt CO ₂ e	—	—	—	—	2.5
Lost time accidents (LTA) ³⁾ , no.	14	12	19	21	44
Lost time accident rate (LTAR) ⁴⁾	10	8	7	7	8

¹⁾ As of the current financial year, average capital employed is calculated on the basis of the current and previous four quarters.
Adjusted operating profit is calculated on the current and previous three quarters. Comparative figures for previous periods have been restated.

²⁾ CO₂e=carbon dioxide equivalents. This key indicator is calculated on an annual basis.

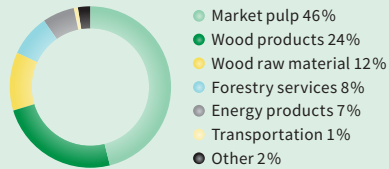
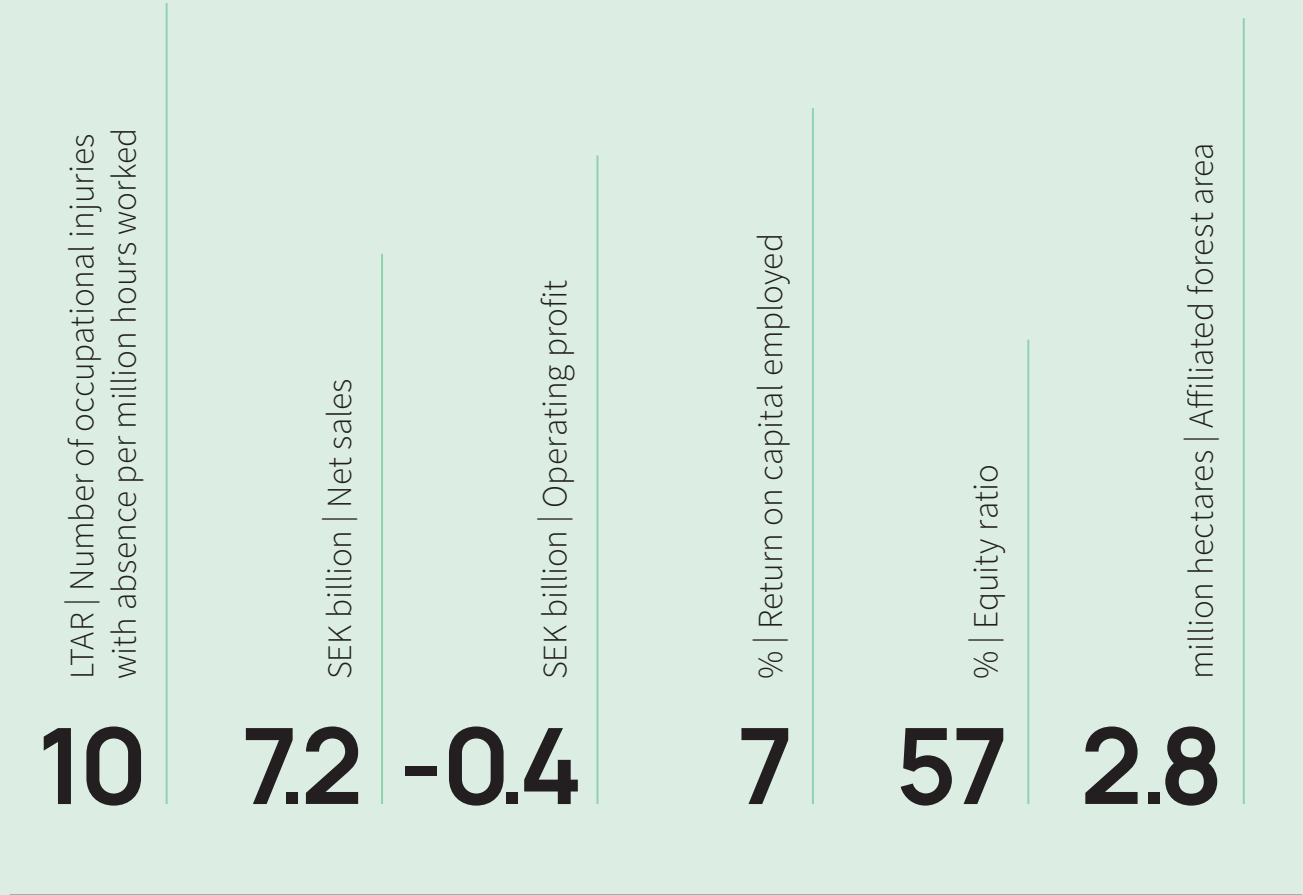
³⁾ LTA (lost time accident): occupational injury with absence.

⁴⁾ LTAR (lost time accident rate): number of occupational injuries with absence per million hours worked.

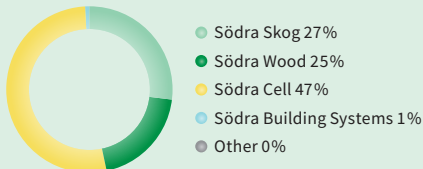
This is a translation of the interim report. This translation does not replace the original report.
In the event of any lack of clarity or disparity between this translation and the interim report, the interim report will always take precedence.

The quarter in figures

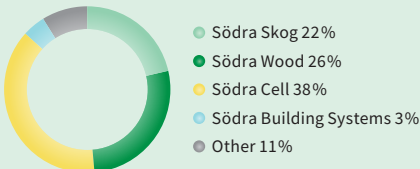
Some of our most important figures and key indicators for the second quarter of 2025.



Net sales per revenue category.
SEK 7,193 million in total, excluding internal deliveries.



Net sales per business area.
SEK 7,193 million in total, excluding internal deliveries.
Södra Bioproducts is included in Södra Skog, Södra Wood and Södra Cell in the amount of SEK 704 million.



Average no. of employees per business area, 3,231 in total.
Södra Bioproducts' employees are included under Södra Cell.

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 family forestry.

The quarter in brief



SEK 9 million to carbon balance research

The Södra Foundation for Research, Development and Education approved investments of SEK 8.75 million in seven research projects with the goal of strengthening the forest's role in climate transition. The projects range from soil and growing forests to innovative solutions contributing to the green transition.

“For forests and forest-based products to play an even bigger role in the climate transition, we need both new knowledge and innovation. By supporting research, we can contribute to solutions that benefit both the climate and members of Södra,” said Henric Brage, Board member of the foundation and Head of Innovation and Strategy at Södra.



Södra attracted young and old at Elmia Wood

Many of the 27,500 people who visited the Elmia Wood international forestry trade fair in early June found their way to Södra's stand. The theme of the trade fair was AI and innovations for tomorrow's forestry and we showcased the BraSatt planting machine and the NFA thinning support. Family forestry products and the benefits of the cooperative were other features, and many children took their first “chainsaw licence” and tested the storm simulator.

The aim of the trade fair was to make members feel proud of their association – and it succeeded. 95 percent of members who participated in bus trips organised by Södra stated in a survey that they felt proud after visiting the stand.



Profit distribution of SEK 1.75 billion to members

Södra's Annual General Meeting (AGM) in Växjö on 3 June resolved to distribute profit of SEK 1,753 million to members. The total corresponds to an average distribution of SEK 33,642 per member and 64 percent of profit before tax. The profit distribution comprises:

- A dividend of up to SEK 979 million on wood deliveries, comprising SEK 351 million (SEK 130/m³sub – cubic metres solid volume under bark) for standard saw logs, SEK 298 million (SEK 75/m³sub) for pulpwood, and SEK 330 million (12 percent) for other wood deliveries.
- A dividend on contributed capital totalling SEK 647 million (10 percent).
- A bonus issue of SEK 127 million (5 percent).



New Board members

Södra's AGM elected Charlotte Eriksson and Leif Hultman as new members of Södra's Board. Magnus Hall, Kristina Alsér, Paul Christensson, Carina Olson, Hans Berggren, Mikaela Johnsson, Pål Börjesson and Håkan Larsson were re-elected and Magnus Hall is to continue as the Chairman of the Board.



New technology for future forest management plans

In collaboration with the AI company Terra Labs, Södra is launching an initiative to ensure that members have continuous access to regularly updated insights about their forests. Broad knowledge of forest owners' needs is being combined with AI, automated data, and new working methods to provide members with the best possible decision-making support regarding their forest.

“We are now on the brink of a technological leap that will give us access to automated forestry data in a new way. Empowering our members in their forest ownership and decision-making is a key part of our mission, and we aim to create even better decision support for forest owners,” said Peter Karlsson, Head of Södra Skog.



Södra delivers CLT to Gothenburg Grand Central

During the quarter, the last elements were delivered of the timber structure to Gothenburg Grand Central, the new station building in Gothenburg. Over the past six months, we have delivered a total of 9,100 square meters of cross-laminated timber (CLT) for the building's frame. The majority of the building's structure is made of wood, which is combined with recycled bricks, climate-improved concrete, and recycled steel – choices that help to reduce the building's overall climate impact.

There are many benefits to using CLT from Södra for all or parts of the frame. In addition to reduced climate impact, benefits include easy and safe installation, a pleasant working environment, fewer shipments due to the material's low weight, and the good properties also remain long after the construction is completed. The wood provides a pleasant environment to be in and continues to store carbon dioxide throughout the building's lifetime.



Construction commences on new kraft lignin plant

On 28 May, a ceremony was held at the combined facility in Mönsterås to mark the start of construction of Södra's new kraft lignin plant. The facility is an important step in Södra's strategy to make more from every tree and develop its business by adding new bio-based products. The plant will play a part in the green transition and strengthen the labour market in the region.

The new plant is scheduled for completion in 2027 and will then be the first commercial plant of its kind in Sweden and the world's largest producer of kraft lignin.



Södra meets with government to discuss tariffs

In April, CEO Lotta Lyrå took part in a meeting convened by the Swedish government in response to the decision by the US to raise tariffs. The aim was to bring together representatives from politics, business and trade unions to discuss the situation and potential actions. The government was represented by the Prime Minister, the Minister for Finance and the Minister for Foreign Trade and International Development Cooperation.

“My message was that Sweden and the EU should protect their industries and trade, but be open to seeking solutions that do not involve an escalation of the trade war,” said CEO Lotta Lyrå.

Global turbulence makes for a challenging quarter

Lotta Lyrå
President & CEO



For Södra, the second quarter entailed significant challenges. The global turbulence had a significant impact on both demand and pricing for all products. Profitability and earnings were also negatively impacted by rapid currency fluctuations and high raw material prices. Given the assessment that these external conditions are set to continue, it is critical that we focus our resources to meet the future. Based on our established strategy, to make more from every tree, we are initiating an action programme to raise our competitiveness to a new level.

Södra's operating loss in the second quarter was SEK 389 million. The change in earnings compared with the year-earlier period is largely attributable to currency effects of about SEK 580 million. During the quarter, scheduled maintenance shutdowns took place at Södra Cell which were charged to earnings in the amount of approximately SEK 240 million. Sales amounted to SEK 7,193 million. Return on capital employed was 7 percent, rolling 12-month, and the equity ratio was 57 percent, implying that Södra has a strong financial foundation. This will be important as we expect a challenging time ahead. But creating value given these external conditions requires initiatives in all areas that we can influence ourselves. We must therefore intensify our efforts in response to these developments.

Action programme to strengthen Södra in the long term

We are initiating an action programme to limit the negative impact on our profitability and strengthen us in the long term. This work will involve tough priorities, increased cost focus in operations and bold steps forward in line with our strategy – to make more from every tree. Always with health and safety top of mind and additional focus on digitisation and AI as strong enablers.

We have chosen to mobilise our resources in all areas that we can influence and further strengthen our World-class Efficiency programme, which already plays an important role in our underlying competitiveness. During the quarter, this programme delivered SEK 115 million in efficiency gains and improvements and the total effect since the start in 2021 has been SEK 1,671 million.

Challenges in the market and the business environment

The second quarter has been challenging in the markets for Södra's products, which were affected by the current recession, concerns about trade tariffs, rapid currency fluctuations and an imbalance between the price of raw materials and the price of finished goods. The price trend for raw material is highly positive for members and the average price for delivered volume of spruce logs has increased by 60 percent compared to the corresponding period in 2023. For softwood pulpwood, the figure is 45 percent. A strong SEK is fundamentally good for Sweden, but the rapid changes we have seen in the USD exchange rate during the spring have a substantial translation effect that has a direct impact on Södra's earnings, since we do not hedge.

This applies in particular to our pulp business. We can look back on a challenging quarter with a market that showed weaker demand and furthermore, we were affected by production losses in connection with two scheduled maintenance shutdowns. Sawm timber is still facing high raw material prices but seasonal effects and price adjustments in several markets have added a degree of balance.

The pace of the construction market remains low, but sales and production of the CLT that Södra produces itself increased during the quarter. We are seeing an increase in the share of wood in construction projects, which is reflected in a positive order trend for the autumn. Sales of Södra's bioproducts are affected when the need for solid fuels and district heating decreases during the spring, and unplanned disruptions in electricity generation have resulted in lower deliveries.

However, biomethanol has demonstrated stability both in terms of production and market. In relation to raw materials, the market as a whole is characterised by continued high demand with the tendency of a slow down moving forward due to the global situation. The market for spruce logs is good, while supply on the energy side is impacted by the season.

A competitive Södra

Our mission to harness the many values of the forest is continuing in line with our strategy. The start of construction of our lignin plant in Mönsterås demonstrates – through our actions – how the green transition can strengthen both the environment and business. Our collaboration with AI companies leverages the potential of technology to provide members with new and better decision-making tools in forestry. Our discussions with government representatives and EU Commissioners have highlighted the importance of the forest in phasing out fossil fuels. And our customer partnerships increase transparency and climate benefit across the value chain. These efforts are good for the profitability of forest estates and for society, which needs our products based on family forestry's renewable raw material.

We can look back on a quarter that has presented us with difficult priorities to make and actions to be taken – now and in the future. Our action programme will enable us to unlock a new level of competitiveness to face the tough external conditions that we expect to persist in 2025 and 2026. It will require leadership and courage in day-to-day operations, without losing sight of the horizon. Because our mission stands firm – to refine and renew family forestry. A competitive Södra has a crucial role to play in this.

The period in brief

Operating loss for the quarter totalled SEK 389 million, compared with a profit of SEK 398 million in the year-earlier period. Sales declined 4 percent to SEK 7,193 million (7,527). Return on capital employed was 7 percent (7), rolling 12-month, and the equity ratio was 57 percent (60).

Market conditions

Substantial uncertainty remained about trade tariffs and the global economy. The global economic outlook gradually deteriorated during the year. However, hopes of progress in trade policy, particularly between the US and China, have resulted in slightly greater optimism about future growth. However, as uncertainty remains there is still a risk that trade conflicts could re-escalate.

The US economy is continuing to slow, partly as a result of trade disputes. Rising import prices and disruptions in the production of goods and services has continued to drive inflation. This has also impacted private consumption, which continued to weaken. The deteriorating outlook for US foreign trade and the associated uncertainty have sharply curtailed the investment plans of companies.

The European economy is not slowing as significantly as the US economy. In contrast to the US, inflation in Europe has continued to fall. In addition, the European growth prospects have improved, in part driven by a general increase in defence spending. This especially applies to Germany, which presented spending plans that contravene its previous principles of low borrowing.

The tentative recovery in the Swedish economy has stagnated further. Households have become more pessimistic and the slowdown is probably linked to the uncertain global environment in the wake of US trade policy. An assessment by the National Institute of Economic Research (NIER) suggests that the tariffs will have a material impact on Swedish production from the second half of 2025.

Compared with the preceding quarter, the SEK strengthened against the USD, EUR and GBP in the second quarter. Year-on-year, the SEK was stronger than average against the USD, EUR and GBP.

Wood supply

Demand for sawlogs and pulpwood remained favourable during the quarter, while demand for energy ranges was weaker. Forest production was in line with the year-earlier period. Deliveries were slightly lower, mainly due to planned stoppages at Södra Cell.

Raw material supplies were slightly higher compared with the year-on-year period, but competition for wood raw material continued. Bark beetle swarming has been at a relatively low level with the exception of the north-eastern parts of Götaland.

Wood products market

The sawn timber market was characterised by increased activity among certain customers in Europe. Prices continued to rise but developments are difficult to assess. The building materials trade in Sweden is normalising from a low level.

In the US, prices decreased during the quarter and uncertainty is high. Demand remained weak in China, but improved in other parts of Asia, primarily in Japan. Delivery volumes were slightly lower compared with the year-earlier period, but higher than in the second half of 2024.

The CLT market remains challenging, though with a slight recovery in the housing segment. The proportion of new build-ings with wooden frames has risen steadily in recent years and inquiries are increasing.

Paper pulp market

The economy remained weak as did demand for paper and board, leading to weak demand for paper pulp. Paper pulp prices in USD rose in all markets in the second quarter, but developments moving forward are uncertain. The geopolitical situation has led to uncertainty regarding paper pulp flows, not least to and from the US.

Södra Cell's inventory level increased slightly during the quarter. Delivery volumes were somewhat lower compared with the year-earlier period. Production of softwood pulp and dissolving pulp was slightly higher compared with the year-earlier period, but production of hardwood pulp was slightly lower.

Bioproducts market

In general, there is a surplus of solid biofuels in the market, which is challenging price levels. Electricity prices were less volatile during the quarter. The market for biomethanol and turpentine remained strong during the period.

Supply increased in the dissolving pulp market due to large production in South America. This resulted in price pressure during the quarter, though this stabilised at the end of the period.

Net sales

During the quarter, consolidated net sales amounted to SEK 7,193 million (7,527), down 4 percent, mainly due to an unfavourable trend for SEK/USD and slightly lower delivery volumes.

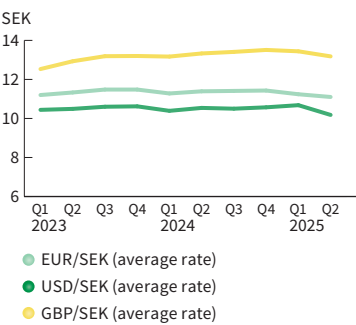
Net sales for the first half-year amounted to SEK 15,348 million (15,140), up 1 percent.

Result

Operating loss for the quarter totalled SEK 389 million (profit: 398), representing an operating margin of -5 percent (5). Loss before tax was SEK 356 million (profit: 418). Tax expense for the period was SEK 35 million (102). The operating loss for the quarter was mainly a result of unfavourable exchange rate developments, higher price of saw logs and two scheduled maintenance shutdowns in the period.

Operating profit for the first half-year totalled SEK 50 million (966). Return on capital employed was 7 percent (7), rolling 12-month.

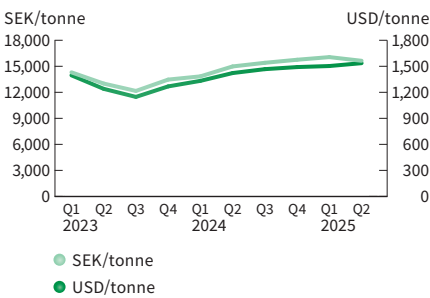
Foreign exchange rates



The diagram shows the annual average exchange rate.

Source: ECB

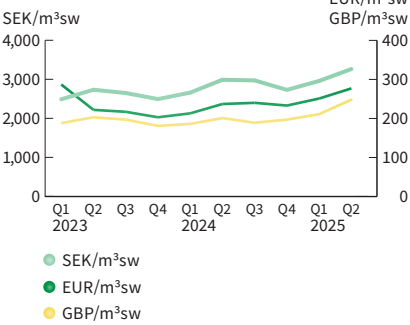
Delivery prices for bleached softwood sulphate pulp



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.

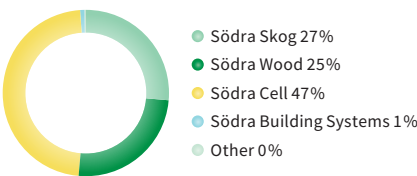
Source: Södra

BUSINESS AREAS

SEK MILLION	Net sales					Operating profit/loss				
	2025 Apr-Jun	2024 Apr-Jun	2025 Jan-Jun	2024 Jan-Jun	2024 Jan-Dec	2025 Apr-Jun	2024 Apr-Jun	2025 Jan-Jun	2024 Jan-Jun	2024 Jan-Dec
Södra Skog	1,913	1,867	3,684	3,452	6,817	7	46	40	32	513
Södra Wood	1,787	1,691	3,566	3,312	6,258	3	128	17	93	23
Södra Cell	3,418	3,884	7,930	8,186	16,121	-221	380	318	1,160	2,867
Södra Building Systems	63	70	120	137	207	-44	-26	-82	-65	-157
Other	12	15	48	53	84	-134	-130	-243	-254	-616
Group	7,193	7,527	15,348	15,140	29,487	-389	398	50	966	2,630

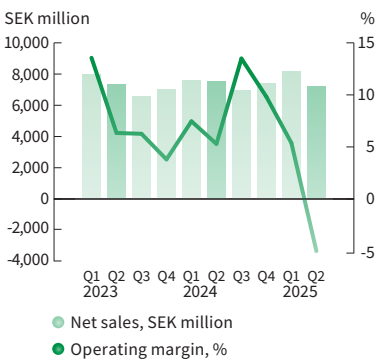
Södra Bioproducts' revenue of SEK 704 million (800) for the quarter, and SEK 3,818 million for the preceding full-year is included in Södra Skog, Södra Wood and Södra Cell.

Sales per business area

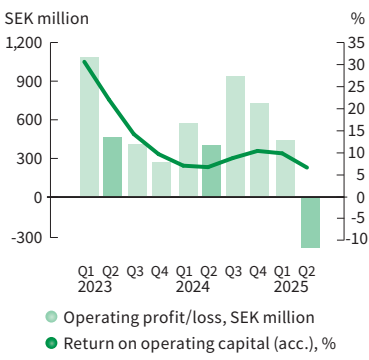


SEK 7,193 million in total, excluding internal deliveries. Södra Bioproducts is included in Södra Skog, Södra Wood and Södra Cell in the amount of SEK 704 million.

Net sales and operating margin



Operating profit/loss and return on capital employed



Södra's financial target is a minimum long-term return of 10 percent on capital employed.

Business areas

Södra is a forest industry group that offers forestry services, sawn timber, timber building systems, energy, biochemicals and pulp for the pulp market. As of the current financial year, the Group consists of five business areas: Södra Skog, Södra Wood, Södra Cell, Södra Building Systems and Södra Bioproducts.

Södra Innovation was previously reported as a business area and included the operations for timber building systems and research and development. As of this year, the operations for timber building systems are reported in the Södra Building Systems business area, and the remaining operations in Group-wide functions. Comparative figures for previous periods have been restated.

Södra Bioproducts is monitored solely based on turnover and delivered volumes for bioproducts. Turnover, costs and results for bioproducts continue to be included within Södra Skog, Södra Wood and Södra Cell.

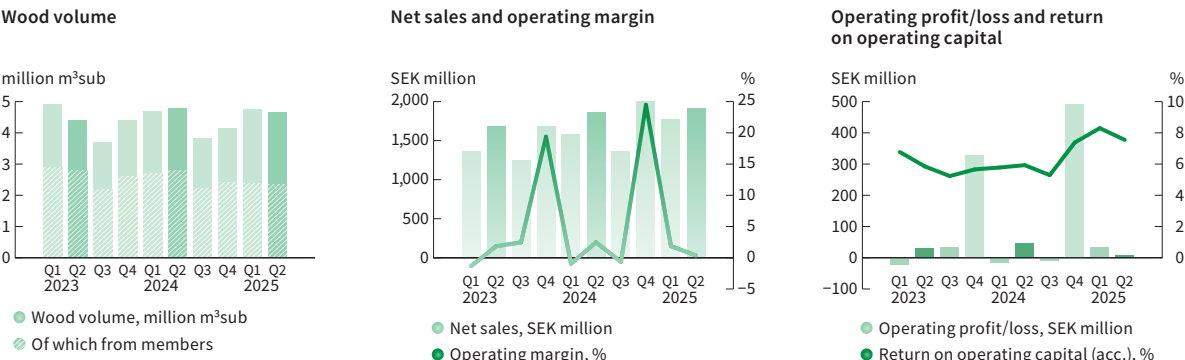
Södra Skog

Södra Skog's operating profit for the quarter totalled SEK 7 million (46). Sales for the quarter amounted to SEK 1,913 million (1,867), an effect of continued price increases combined with a relatively stable delivery volume. Demand for all ranges, excluding energy products, was favourable.

Total deliveries of saw logs, pulpwood and energy products totalled 4.3 million m³sub (4.8).

The earnings trend for the quarter was primarily due to improved revenue from external sales and increased service sales. However, increased IT and digitisation initiatives impacted earnings more than in the year-earlier period, and volume development for the energy area was more challenging.

Cumulative sales amounted to SEK 3,684 million (3,452) and operating profit totalled SEK 40 million (32).



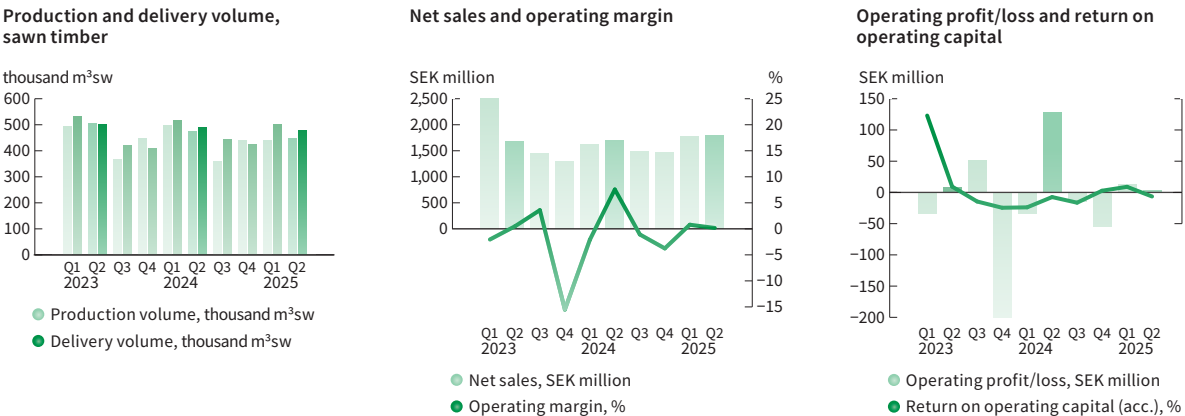
Södra Wood

Södra Wood's operating profit for the quarter totalled SEK 3 million (128). Sales for the quarter amounted to SEK 1,787 million (1,691), an effect of higher delivery prices and slightly lower delivery volume.

The production volume amounted to 446 thousand m³sw, down 27 thousand m³sw compared with the year-earlier period. Outbound deliveries of sawn timber were 480 thousand m³sw, down 11 thousand m³sw compared with the year-earlier period.

The earnings trend during the quarter was mainly due to significantly higher saw log costs, partly offset by higher delivery prices. Negative exchange-rate effects were also charged to earnings.

Cumulative sales amounted to SEK 3,566 million (3,312) and operating profit totalled SEK 17 million (93).



Södra Cell

Södra Cell's operating loss for the quarter totalled SEK 221 million (profit: 380). Sales for the quarter amounted to SEK 3,418 million (3,884), mainly an effect of an unfavourable trend for SEK/USD compared with the year-earlier period.

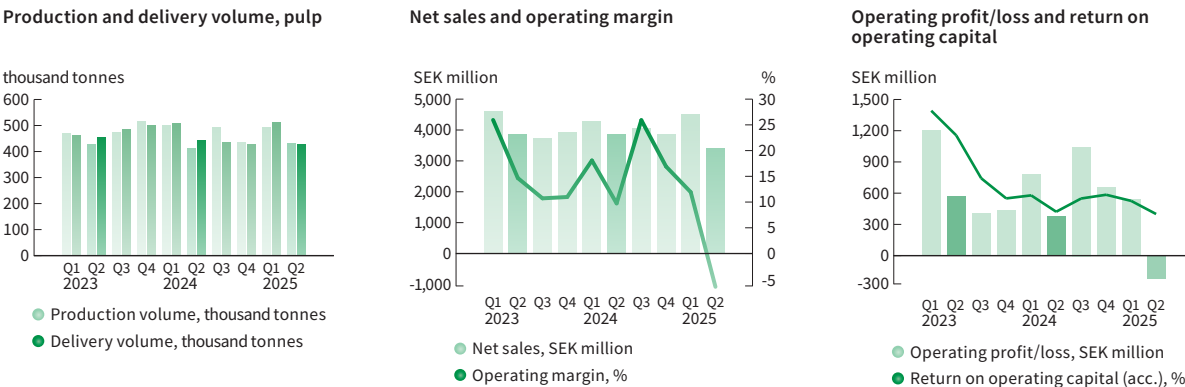
The production volume totalled 432 ktonnes (413), comprising 375 ktonnes (362) of softwood sulphate pulp, 25 ktonnes (29) of hardwood sulphate pulp and 32 ktonnes (22) of dissolving pulp. Outbound deliveries of pulp were 428 ktonnes, down 12 ktonnes compared with the year-earlier period.

The earnings trend during the quarter was mainly due to

negative exchange rate effects, higher raw material costs that were partly offset by higher market prices in USD, and that two major scheduled maintenance shutdowns were carried out.

Cumulative sales amounted to SEK 7,930 million (8,186) and operating profit totalled SEK 318 million (1,160).

During the quarter, electricity generated by the pulp mills, wind turbines and the hydropower plant was 337 GWh. Excess electricity amounted to 37 GWh. The excess represented about 11 percent of the generated volume and was sold both within Södra and on the open market.

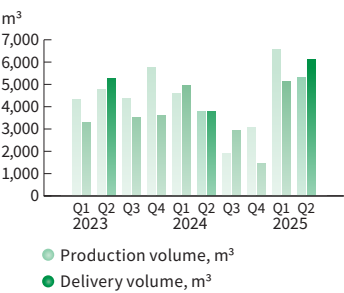


Södra Building Systems

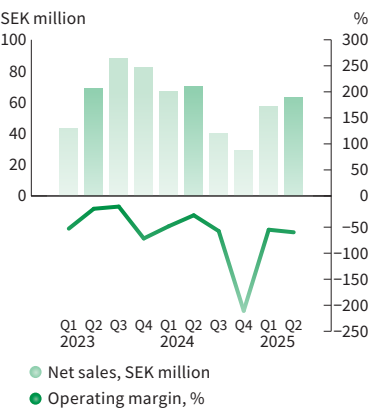
Södra Building Systems’ operating loss for the quarter totalled SEK 44 million (loss: 26). Sales for the quarter amounted to SEK 63 million (70), with increased sales of own-produced products and decreased sales of purchased goods. The production volume amounted to 5,315 m³ (3,784). Outbound deliveries of CLT amounted to 6,122 m³ (3,798). The earnings trend for the quarter was mainly due to lower sales

and increased depreciation, that was partly offset by a higher gross margin (mix) and good cost control. CLT’s share of sales and the order book increased compared with the year-earlier period and the beginning of the year. Cumulative sales amounted to SEK 120 million (137), and operating loss to SEK 82 million (loss: 65).

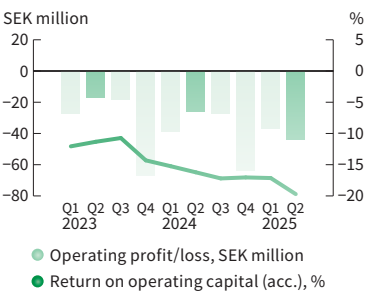
Production and delivery volume, CLT



Net sales and operating margin



Operating profit/loss and return on operating capital



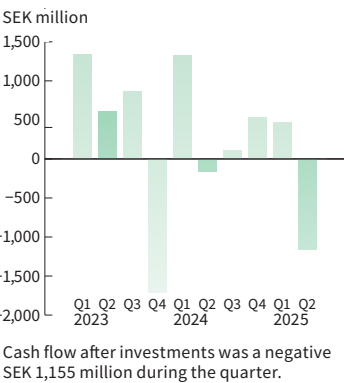
Net financial items

Net financial income for the quarter amounted to SEK 33 million (20).

Cash flow

Cash flow before investments for the quarter was a negative SEK 658 million (pos: 324). Cash flow after investments for the quarter was a negative SEK 1,155 million (neg: 166). At the end of the quarter, cash and cash equivalents and current investments amounted to SEK 11,223 million (11,728 at 31 December 2024).

Cash flow after investments



Cash flow after investments was a negative SEK 1,155 million during the quarter.

Financial position

At 30 June 2025, equity amounted to SEK 26,151 million (27,803 at 31 December 2024), of which paid-up and issued contributed capital accounted for SEK 6,717 million (6,476 at 31 December 2024). Total assets amounted to SEK 45,715 million (45,034 at 31 December 2024). At 30 June 2025, the equity ratio was 57 percent (62 at 31 December 2024).

Södra’s borrowings comprised loans of SEK 11,544 million (9,755 at 31 December 2024) from members and a loan of SEK 133 million (200 at 31 December 2024) 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 0.0 times (–0.1 at 31 December 2024).

Investments, acquisitions and divestments

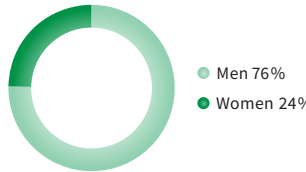
Investments for the quarter totalled SEK 513 million (482), of which SEK 409 million (302) pertained to Södra Cell, SEK 90 million (93) to Södra Wood, SEK 5 million (66) to Södra Skog and SEK 0 million (16) to Södra Building Systems. The investments mainly relate to new markets and technology.

Events after the close of the period

No significant events occurred after the balance-sheet date.

Employees

The average number of employees was 3,196 (3,195 for full-year 2024), of whom 24 percent were women (24).



Future outlook

Inflation was slightly lower in the second quarter, making a rate cut possible, but uncertainty about the future rate path remains relatively high. A continued decline in inflation would enable a further reduction in interest rates. This would have a positive effect on economic growth and demand, but from a low level. Electricity prices remained relatively low during the quarter and continued to show more stability than in recent years. However, it is difficult to estimate the long-term trend for prices.

Pulp prices decreased in the second quarter due to slightly lower demand. Looking ahead, the price level in USD appears to be relatively stable with some downward indication. The price trend for sawn timber was positive in the quarter, driven by rising raw material costs and supply that is now more in balance with demand. The price trend was similar across various markets in Europe. Demand is affected by residential construction in the short term and the market is cautious, but demand for timber construction is on the increase.

During the quarter, the operating result was negatively impacted by a stronger SEK, though prices in USD were relatively stable. There is considerable uncertainty about demand and price developments in each region in the future. The reasons include uncertainty in economic trends and the introduction of tariffs that could affect the flow of goods. 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 emissionsreduction targets are also driving the transition towards a more sustainable bioeconomy.

Sustainability

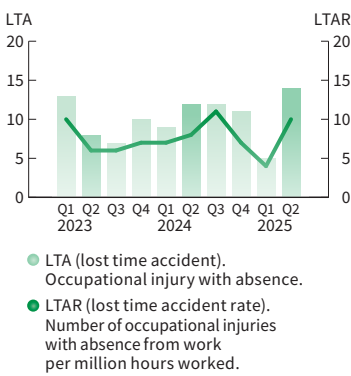
Sustainability permeates Södra’s Group-wide strategy. Key areas are people and culture at the centre, and sustainable use of the forest and earth’s resources.

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, and we have a zero accident vision. The target is a lost time accident rate (LTAR) lower than 6 in 2025, and 2 or less by 2032. We are working in several ways to break down traditional cultural barriers by promoting diversity, equity and inclusion. Södra’s target is that 35 percent of managers will be women by 2028. Södra has zero tolerance of victimisation and all forms of discrimination.

During the second quarter, Södra continued to work on structural and cultural shifts in order to create conditions to achieve its zero accident vision. Policies, directives, guidelines and shared working methods for behaviour-based safety were prioritised activities.

Occupational injuries



A new training course on organisational and social work environment (abbreviated in Swedish to OSA) was launched and the OSA question of the month was introduced to increase focus on health and mental well-being and to facilitate discussion and conversation around these issues.

In the second quarter of 2025, the number of lost time accidents (LTA) was 14 (12) and the LTAR was 10 (8).

In the second quarter, more than 20 workshops were held across the organisation that focused on raising awareness on the issues of diversity, equity and inclusion. Training in this area continued and about 60 percent of Södra's employees have now completed the digital training course *Södra's view of diversity, equity and inclusion*, which was launched in the preceding quarter. Group-wide guidelines were adopted regarding:

- Suspected Victimisation, Discrimination, Threats, Violence and Extortion,
- Unionisation,
- Active measures requirements in the Swedish Discrimination Act.

As part of the work on LGBTQI¹⁾ inclusion, the *International Day Against Homophobia* was recognised and Södra participated in the pride parades at local pride festivals in Växjö and Varberg and arranged awareness-raising activities focusing on an inclusive work environment.

During the quarter, Södra participated in several external events to promote our efforts in the area of diversity, equity and inclusion: a presentation for students at the Swedish University of Agricultural Sciences in Alnarp, a site visit by the Swedish Association of Industrial Employers, participation in the annual *Network of Women and Non-Binary Professionals in the Forest Sector* (Sw: Nätverket för yrkesverksamma kvinnor och icke-binära i skogsbranschen) conference and a panel discussion with forestry students in Skinnkatteberg.

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 its members' estates shall be 20 percent higher in 2050 compared with the base year of 2015. Key measures for the achievement of this target include effective and active forest management, nutrient recycling, forest tree breeding and damage reduction.

During the second quarter, work continued on developing a more efficient forest regeneration method as part of the BraSatt project. Cooperation was intensified with machine manufacturers and forestry contractors. A collaboration was discussed with the Forestry Research Institute of Sweden on future breeding material in southern Sweden. The aim is to create climate-adapted forest management practices to ensure

high growth in tomorrow's forests, for example by testing pine and spruce seedlings in areas where the climate is similar to the future climate in southern Sweden.

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.

In the second quarter, work continued to promote biodiversity. Activities included calibration exercises for forestry workers relating to conservation value assessments, digital seminars for customers on the theme of nature conservation, and an investment in an industrial PhD student together with the Swedish University of Agricultural Sciences with a focus on the response of species to even-aged forest management and continuous cover forestry.

Södra's short-term climate targets for reduced greenhouse gas (GHG) emissions have been validated by the Science Based Targets initiative (SBTi). The targets are to reduce GHG emissions by 50 percent by 2030, compared with the base year of 2020. For emissions from processing of sold products, the target is an engagement strategy whereby customers corresponding to 70 percent of the emissions will have set their own science-based targets by 2027. In the second quarter, Scope 1 and 2 emissions were 19 ktonnes CO₂e (22).

During the second quarter, three charging stations for Södra's battery-electric woodchip truck were installed at the sawmills in Långasjö and Orrefors and at the pulp mill in Mönsterås. Work to reduce the climate impact of transportation in the logistics chain to customers continued as part of the *Conscious Delivery* customer offer with deliveries of products to several customers by road freight where biofuels are used through a mass balance system. In connection with Södra's emissions-reduction target from processing of sold products, Södra's customers of paper and dissolving pulp were asked about their GHG emissions and their ambitions and targets to reduce them.

CO₂ 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.

On behalf of the Board of Directors

Växjö, 17 July 2025

Lotta Lyrå
President and CEO

Assurance report

This interim report has not been audited.



¹⁾ LGBTQI is a collective term for lesbian, gay, bisexual, transgender, queer and intersex people.

Condensed consolidated statement of comprehensive income

SEK MILLION	2025 Apr–Jun	2024 Apr–Jun	2025 Jan–Jun	2024 Jan–Jun	2024 Jan–Dec
Net sales	7,193	7,527	15,348	15,140	29,487
Other revenue	57	56	89	194	1,057
Operating expenses	-7,235	-6,810	-14,586	-13,618	-26,389
Earnings before depreciation, amortisation and impairment	15	773	851	1,716	4,155
Depreciation, amortisation and impairment	-404	-375	-801	-750	-1,525
Operating profit/loss	-389	398	50	966	2,630
Net financial items	33	20	49	54	98
Profit/loss before income tax	-356	418	99	1,020	2,728
Income tax	35	-102	-61	-166	-240
Profit/loss for the period	-321	316	38	854	2,488
Other comprehensive income					
Items that will not be reclassified to profit or loss	—	—	-1	—	107
Items that will be reclassified to profit or loss	152	-84	-171	152	264
Other comprehensive income for the period	152	-84	-172	152	371
Total comprehensive income for the period	-169	232	-134	1,006	2,859
Profit/loss attributable to Owners of the Parent	-321	316	38	854	2,488
Profit/loss for the period	-321	316	38	854	2,488
Comprehensive income/loss attributable to Owners of the Parent	-169	232	-134	1,006	2,859
Comprehensive income/loss for the period	-169	232	-134	1,006	2,859

Condensed consolidated statement of financial position

SEK MILLION	30 June 2025	30 June 2024	31 Dec 2024
ASSETS			
Intangible assets	93	69	68
Property, plant and equipment	17,189	16,607	16,988
Biological assets	5,293	4,702	5,355
Shares and participations in associates	342	346	312
Surplus in funded pension plans	355	150	298
Financial investments	44	44	44
Non-current financial receivables	8	10	9
Other non-current receivables	43	43	43
Deferred tax assets	—	3	4
Total non-current assets	23,367	21,974	23,121
Inventories	5,415	4,376	5,155
Tax assets	288	1,000	257
Current financial receivables	2	—	—
Operating receivables	5,420	5,635	4,773
Current investments	9,145	7,164	8,523
Cash and cash equivalents	2,078	3,177	3,205
Total current assets	22,348	21,352	21,913
TOTAL ASSETS	45,715	43,326	45,034
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent	26,151	25,839	27,803
Total equity	26,151	25,839	27,803
Non-current interest-bearing financial liabilities	320	679	592
Non-current interest-bearing operating liabilities	104	97	143
Provisions for pensions	85	13	—
Non-current provisions	523	523	527
Deferred tax liabilities	2,052	1,920	2,066
Other non-current operating liabilities	—	12	5
Total non-current liabilities	3,084	3,244	3,333
Current interest-bearing financial liabilities	11,357	8,641	9,362
Current interest-bearing operating liabilities	105	81	108
Income tax liabilities	50	68	53
Other current operating liabilities	4,968	5,453	4,375
Total current liabilities	16,480	14,243	13,898
Total liabilities	19,564	17,487	17,231
TOTAL EQUITY AND LIABILITIES	45,715	43,326	45,034

Condensed consolidated statement of changes in equity

SEK MILLION	Total equity
Opening balance, 1 January 2025	27,803
Comprehensive income/loss for the year	-134
Contributed capital, paid-up by members	117
Contributed capital, paid-out to members	-4
Dividends to members	-1,631
Closing balance, 30 June 2025	26,151
Opening balance, 1 January 2024	26,083
Comprehensive income/loss for the year	1,006
Contributed capital, paid-up by members	95
Contributed capital, paid-out to members	-2
Dividends to members	-1,343
Closing balance, 30 June 2024	25,839

Condensed consolidated statement of cash flows

SEK MILLION	2025 Jan–Jun	2024 Jan–Jun	2024 Jan–Dec
Profit before tax	99	1,020	2,728
Adjustment for non-cash items and change in provisions	687	1,122	656
Income tax paid	-108	-458	316
Cash flow from operating activities before change in working capital	678	1,684	3,700
Change in inventories (decrease +/increase -)	-319	-425	-1,179
Change in operating receivables (decrease +/increase -)	-506	-847	-122
Change in operating liabilities (increase +/decrease -)	546	1,537	1,148
Cash flow from operating activities	399	1,949	3,547
Cash flow from investing activities	-1,086	-788	-1,727
Cash flow after investing activities	-687	1,161	1,820
Change in contributed capital	114	94	192
Dividends paid	-1,627	-1,343	-1,336
Change in loans from members	1,790	732	1,432
Change in loans	-67	-67	-133
Dividends received	0	0	-14
Change in current investments with maturity > 90 days	-617	-789	-2,155
Cash flow from financing activities	-407	-1,373	-2,014
CASH FLOW FOR THE PERIOD	-1,094	-212	-194
Cash and cash equivalents at beginning of period	3,205	3,362	3,362
Exchange gains/losses on cash and cash equivalents	-33	27	37
Cash and cash equivalents at end of period	2,078	3,177	3,205

Parent Company

Result and financial position

Net sales for the quarter amounted to SEK 6,688 million (7,233) and operating loss to SEK 520 million (profit: 285). The sales development for the quarter was largely explained by the unfavourable development of SEK/USD and a slightly lower delivery volume.

The operating loss for the quarter was mainly a result of unfavourable exchange rate movements, higher price of saw logs and two scheduled maintenance shutdowns in the period.

Net financial income for the quarter was SEK 39 million (17). Loss after net financial items for the quarter totalled SEK 481 million (profit: 302).

Cumulative sales amounted to SEK 14,241 million (14,227) and operating loss totalled SEK 53 million (profit: 780).

Members

The number of members was 52,332 (52,116 at 31 December 2024). The affiliated forest area increased by approximately 5,000 hectares to 2.84 million hectares (2.83 at 31 December 2024).

Parent Company income statement, condensed

SEK MILLION	2025 Apr–Jun	2024 Apr–Jun	2025 Jan–Jun	2024 Jan–Jun	2024 Jan–Dec
Net sales	6,688	7,233	14,241	14,227	27,326
Other revenue	47	81	98	218	446
Operating expenses	-6,888	-6,689	-13,665	-12,984	-24,696
Earnings/loss before depreciation, amortisation and impairment	-153	625	674	1,461	3,076
Depreciation, amortisation and impairment	-367	-340	-727	-681	-1,378
Operating profit/loss	-520	285	-53	780	1,698
Net financial items	39	17	264	40	118
Profit/loss after financial items	-481	302	211	820	1,816
Appropriations	—	—	—	—	281
Profit/loss before income tax	-481	302	211	820	2,097
Income tax	67	-48	-38	-126	-102
Profit/loss for the period	-414	254	173	694	1,995

Parent Company balance sheet, condensed

SEK MILLION	30 June 2025	30 June 2024	31 Dec 2024
ASSETS			
Intangible assets	0	1	0
Property, plant and equipment	15,113	14,570	14,794
Shares and participations in Group companies	4,518	4,485	4,485
Shares and participations in associates	99	99	99
Surplus in funded pension plans	69	11	11
Other non-current investments	35	32	35
Non-current financial receivables	8	10	9
Other non-current receivables	43	43	43
Deferred tax assets	24	42	26
Total non-current assets	19,909	19,293	19,502
Inventories	4,461	3,655	4,334
Current interest-bearing receivables from Group companies	287	275	321
Deferred tax assets	270	975	238
Current receivables	5,305	5,418	4,519
Current financial investments	9,676	7,903	10,122
Cash and bank balances	1,234	2,202	1,299
Total current assets	21,233	20,428	20,833
TOTAL ASSETS	41,142	39,721	40,335
EQUITY AND LIABILITIES			
Restricted equity	8,130	7,791	7,889
Non-restricted equity	8,037	8,309	9,617
Total equity	16,167	16,100	17,506
Untaxed reserves	7,367	7,637	7,367
Provisions	523	532	538
Non-current interest-bearing liabilities from Group companies	8	8	8
Non-current interest-bearing liabilities	319	679	592
Total non-current liabilities	327	687	600
Current interest-bearing liabilities from Group companies	651	854	572
Current interest-bearing liabilities	11,358	8,641	9,362
Current operating liabilities and provisions	4,749	5,270	4,390
Total current liabilities	16,758	14,765	14,324
TOTAL EQUITY AND LIABILITIES	41,142	39,721	40,335

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 2024 Annual Report, except for new standards and revisions of standards and interpretations applicable to annual periods beginning on or after 1 January 2025 and that have not already been applied in the preparation of the 2024 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.

On 1 January 2024, Sweden introduced a new law on top-up tax for companies in multinational groups to ensure they are taxed

at a minimum effective tax rate of 15 percent in any jurisdiction in which the group has a subsidiary or branch. The law is based on an EU directive which, in turn, is based on a global treaty between over 130 countries in the OECD/G20 Inclusive Framework (IF). In the first quarter, Södra recognised an effective tax expense in all jurisdictions in which it operates that exceeds the threshold for top-up tax.

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 2024 Annual Report. For a description of risks and uncertainties, refer to Södra’s 2024 Annual Report under ‘Risks and risk management’ on pages 149–151. 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’s Finance Centre 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

Södra conducted a bolt-on acquisition of the remaining 85 percent of Smartt Timber Holding B.V., which was consolidated into the Group on 6 May 2025. Smartt Timber is a sales company with only a small number of employees. The nature and scope of other transactions with related parties are consistent with those that existed in 2024.

Note 4 | Revenue

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

SEK MILLION	April–June											
	Södra Skog		Södra Wood		Södra Cell		Södra Building Systems		Other		Group	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Wood raw material	849	801	—	—	—	—	—	—	—	—	849	801
Wood products	—	—	1,678	1,587	—	—	61	68	—	—	1,739	1,655
Pulp	—	—	—	—	3,325	3,708	—	—	—	—	3,325	3,708
Energy products	248	246	108	106	93	176	—	—	12	15	461	543
Forestry services	587	582	—	—	—	—	—	—	—	—	587	582
Transportation	64	83	—	—	—	—	—	—	—	—	64	83
Other	165	155	1	–2	—	0	2	2	—	—	168	155
Net sales, goods and services	1,913	1,867	1,787	1,691	3,418	3,884	63	70	12	15	7,193	7,527

Södra Bioproducts’ revenue of SEK 704 million (800) is included in Södra Skog, Södra Wood and Södra Cell.

Note 5 | Financial instruments

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

Group, SEK million	30 June 2025		31 December 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial investments	44	44	44	44
Operating receivables	4,027	4,027	3,784	3,784
Current investments	9,145	9,145	8,523	8,523
Cash and cash equivalents	2,078	2,078	3,205	3,205
Total assets, financial instruments	15,294	15,294	15,556	15,556
Other assets, non-financial instruments	30,421		29,478	
Total assets	45,715		45,034	
Non-current liabilities	424	447	741	819
Current interest-bearing liabilities	11,463	11,684	9,470	9,719
Current operating liabilities	3,336	3,336	2,764	2,764
Total liabilities, financial instruments	15,222	15,467	12,975	13,302
Other liabilities, non-financial instruments	4,343		4,256	
Total liabilities	19,565		17,231	

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, 30 June 2025				
SEK MILLION	Level 1	Level 2	Level 3	Total
Assets	9,145	—	44	9,189
Liabilities	—	—	11	11

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

Group, 31 December 2024				
SEK MILLION	Level 1	Level 2	Level 3	Total
Assets	8,523	—	44	8,567
Liabilities	—	—	21	21

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 30 June 2025, the estimated fair value of Södra’s standing timber was SEK 5,293 million (5,355 at 31 December 2024). The change in the balance sheet amounted to a loss of SEK 62 million (profit: 52), which was mainly related to exchange-rate effects.

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.

During the quarter, costs for scheduled maintenance shutdowns amounted to SEK 240 million (278).



Quarterly data and segment information

	2025 Apr–Jun	2024 Apr–Jun	2025 Jan–Jun	2024 Jan–Jun	2024 Jan–Dec
NET SALES, SEK MILLION					
Södra Skog	1,913	1,867	3,684	3,452	6,817
Södra Wood	1,787	1,691	3,566	3,312	6,258
Södra Cell	3,418	3,884	7,930	8,186	16,121
Södra Building Systems	63	70	120	137	207
Other	12	15	48	53	84
Group	7,193	7,527	15,348	15,140	29,487
OPERATING PROFIT/LOSS BEFORE DEPRECIATION, AMORTI- SATION AND IMPAIRMENT, SEK MILLION					
Södra Skog	33	68	92	75	611
Södra Wood	62	180	131	200	236
Södra Cell	71	655	898	1,711	3,980
Södra Building Systems	–20	–7	–34	–25	–75
Other	–131	–123	–236	–245	–597
Group	15	773	851	1,716	4,155
OPERATING PROFIT/LOSS, SEK MILLION					
Södra Skog	7	46	40	32	513
Södra Wood	3	128	17	93	23
Södra Cell	–221	380	318	1,160	2,867
Södra Building Systems	–44	–26	–82	–65	–157
Other	–134	–130	–243	–254	–616
Group	–389	398	50	966	2,630
OPERATING MARGIN					
Södra Skog	0%	2%	1%	1%	8%
Södra Wood	0%	6%	0%	3%	0%
Södra Cell	neg.	10%	4%	14%	18%
Södra Building Systems	neg.	neg.	neg.	neg.	neg.
Group	–5%	5%	0%	6%	9%
OPERATING ASSETS, SEK MILLION					
Södra Skog	—	—	9,952	9,453	9,936
Södra Wood	—	—	5,079	4,589	4,678
Södra Cell	—	—	16,818	15,811	16,350
Södra Building Systems	—	—	927	1,008	974
Other	—	—	1,546	1,406	1,439
Financial assets	—	—	11,393	11,059	11,657
Total consolidated assets	—	—	45,715	43,326	45,034

	2025 Apr–Jun	2024 Apr–Jun	2025 Jan–Jun	2024 Jan–Jun	2024 Jan–Dec
AVERAGE OPERATING CAPITAL, SEK MILLION					
Södra Skog	—	—	6,903	6,568	6,949
Södra Wood	—	—	4,075	3,747	3,863
Södra Cell	—	—	15,197	14,297	14,710
Södra Building Systems	—	—	880	924	919
Group, average capital employed*	—	—	25,665	24,231	25,163
* As of the current financial year, average capital employed is calculated on the basis of the current and previous four quarters. Comparative figures for previous periods have been restated.					
RETURN ON OPERATING CAPITAL					
Södra Skog	—	—	8%	6%	7%
Södra Wood	—	—	neg.	neg.	1%
Södra Cell	—	—	13%	14%	19%
Södra Building Systems	—	—	neg.	neg.	neg.
Consolidated return on capital employed*	—	—	7%	7%	10%
* As of the current financial year, adjusted operating profit is calculated on the basis of the current and previous three quarters. Comparative figures for previous periods have been restated.					
CASH FLOW AFTER INVESTMENTS, SEK MILLION					
Södra Skog	–264	–100	674	1,359	472
Södra Wood	–149	72	–385	–190	–330
Södra Cell	–230	447	–310	959	2,150
Södra Building Systems	–335	–9	2	–70	–198
Other	–177	–576	–668	–897	–274
Group	–1,155	–166	–687	1,161	1,820
INVESTMENTS, SEK MILLION					
Södra Skog	5	66	34	95	253
Södra Wood	90	93	138	159	348
Södra Cell	409	302	923	496	1,290
Södra Building Systems	–2	16	–12	35	46
Other	11	5	26	6	11
Group	513	482	1,109	791	1,948
AVERAGE NO. OF EMPLOYEES					
Södra Skog	707	686	697	667	688
Södra Wood	850	885	847	872	868
Södra Cell	1,239	1,214	1,224	1,208	1,220
Södra Building Systems	86	85	84	84	83
Other	349	342	344	339	336
Group	3,231	3,212	3,196	3,170	3,195

Alternative performance measures

NET SALES, CHANGE

	2025 Jan–Jun	2024 Jan–Jun	2024 Jan–Dec
Opening net sales	15,140	15,323	28,896
Closing net sales	15,348	15,140	29,487
Change	1%	–1%	2%

Change in net sales shows Södra’s growth.

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

	2025 Jan–Jun	2024 Jan–Jun	2024 Jan–Dec
Operating profit	50	966	2,630
Depreciation, amortisation and impairment of assets	801	750	1,525
Operating profit before- depreciation, amortisation and impairment	851	1,716	4,155

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
IMPAIRMENT MARGIN

	2025 Jan–Jun	2024 Jan–Jun	2024 Jan–Dec
Operating profit before- depreciation, amortisation and impairment	851	1,716	4,155
Net sales	15,348	15,140	29,487
EBITDA margin	6%	11%	14%

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

	2025 Jan–Jun	2024 Jan–Jun	2024 Jan–Dec
Net sales	15,348	15,140	29,487
Other revenue and profit from shares in associates	89	194	1,057
Operating expenses	–14,586	–13,618	–26,389
Depreciation, amortisation and impairment	–801	–750	–1,525
Operating profit	50	966	2,630

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

	2025 Jan–Jun	2024 Jan–Jun	2024 Jan–Dec
Operating profit	50	966	2,630
Net sales	15,348	15,140	29,487
Operating margin	0%	6%	9%

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.

NET DEBT, SEK MILLION

	2025 Jan–Jun	2024 Jan–Jun	2024 Jan–Dec
Interest-bearing provisions	—	0	—
Interest-bearing liabilities	11,886	9,498	10,205
Financial receivables	–8	–10	–9
Current investments and cash and cash equivalents	–11,223	–10,341	–11,728
Net debt	655	–853	–1,532

Shows Södra’s financial strength.

DEBT/EQUITY RATIO, TIMES

	2025 Jan–Jun	2024 Jan–Jun	2024 Jan–Dec
Net debt	655	–853	–1,532
Equity	26,151	25,839	27,803
Debt/equity ratio	0.0	0.0	–0.1

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

	2025 Jan–Jun	2024 Jan–Jun	2024 Jan–Dec
Assets	45,715	43,326	45,034
Surplus in funded pension plans	–355	–150	–298
Financial assets	–11,277	–10,395	–11,781
Provisions*	–523	–523	–527
Income tax*	–2,102	–1,988	–2,119
Non-interest-bearing operating liabilities	–4,968	–5,465	–4,380
Capital employed	26,490	24,805	25,929
Average**	25,665	24,231	25,163

* Not considered in the calculation of Operating capital.
**As of the current financial year, average capital employed is calculated on the basis of the current and previous four quarters. Comparative figures for previous periods have been restated.

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

RETURN ON CAPITAL EMPLOYED

	2025 Jan–Jun	2024 Jan–Jun	2024 Jan–Dec
Average capital employed	25,665	24,231	25,163
Operating profit	50	966	2,630
Adjusted operating profit*	1,714	1,643	2,630
Return	7%	7%	10%

* As of the current financial year, adjusted operating profit is calculated on the basis of the current and previous three quarters. Comparative figures for previous periods have been restated.

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

EQUITY RATIO

	2025 Jan–Jun	2024 Jan–Jun	2024 Jan–Dec
Equity	26,151	25,839	27,803
Assets	45,715	43,326	45,034
Equity ratio	57%	60%	62%

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, amortisation and impairment of property, plant and equipment and intangible assets expressed as a percentage of net sales.

Operating profit/loss, 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, %
Adjusted 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 July–September will be published on 23 October 2025 at 11 a.m.
- » 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.**

Contact information and address

Magnus Örnberg, CFO
TELEPHONE +46 (0)470-894 45
E-MAIL magnus.ornberg@sodra.com

Södra Skogsägarna ekonomisk förening
ADDRESS SE-351 89 Växjö
TELEPHONE +46 (0)470-890 00
E-MAIL info@sodra.com
WEBSITE sodra.com