Mepco appoints new CEO, new PMs making progress

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Saudi Arabian paper producer Mepco (Middle East Paper Company) appointed a new head at the start of the year. Mr Faisal Alawi Haddawi was appointed in January as the company's new CEO and took the new charge as of mid-February. Mr Haddawi succeeds Rob Jan Renders, who headed the company on an interim basis from June 2024.

As under his predecessor, the company's focus under the new CEO will lie on expanding available capacity. Mepco last year made a sizeable investment for two new paper machines which are meant to enhance the company's presence in the market segments of tissue and corrugated case material. The expansion seems to be of strategic importance and is co-funded by the Saudi Arabian government. In the beginning of 2024, Mepco increased its capital base and sold 23 per cent of its shares for SAR 31.50 each to state-owned investor Public Investment Fund.

The expansion project PM 5 involves building a new machine designed to produce 450,000 tpy of lightweight recycled containerboard. The new PM with a wire width of 7.95m and a maximum rated speed of 1,600 m/min will be delivered by German engineering company Voith. Mepco signed the contract with Voith in April last year and began preparatory works at its existing site in Jeddah in the third quarter of 2024. Mepco puts the building time at 42 months, meaning that the new paper machine will be ready for commissioning in the fourth quarter of 2027. Total capital spending on the machine will amount to SAR 1.78bn (€455m). Mepco estimates that PM 5 will need 535,000 tpy of recovered paper.

The new paper machine will more than double Mepco's current packaging paper capacity. The company already operates three paper machines with a combined capacity of 420,000 tpy of corrugated case material, coreboard, gypsum board and saturating kraft paper.

Last summer, Mepco also took the decision to expand its tissue paper capacity. At the end of 2024, the company signed a contract with Andritz to deliver, build and commission the new tissue machine TM 6 to the company's subsidiary Juthor. According to Andritz, TM 6 is rated for a design speed of 2,200 m/min for reels up to 5.47 m wide. The new tissue machine is expected to start up in the fourth quarter of this year.

Mepco reports an investment volume of SAR345m (€88m) for the TM 6 expansion project. Andritz did not announce the value of the order.

Mepco's tissue subsidiary Juthor was founded in 2023. It already operates one TM capable of producing 60,000 tpy. The company so far does not have a converting facility and sells only parent reels.

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Oji Fibre Solutions confirms decision to close Kinleith PM 6

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Oji Fibre Solutions (OjiFS), a subsidiary of Japan's Oji group, has announced the outcome of a consultation process with employee representatives, confirming its decision to close the PM 6 and simplify operations at the company's Kinleith pulp and paper mill in New Zeeland. The closure will result in a loss of 230 jobs at the site.

PM 6 has a production capacity of 325,000 tpy and produces primary and secondary fibre-based corrugated case material. The company said it would permanently cease loss-making paper production at the Kinleith mill at the end of June this year and "move to a paper import model" to supply its packaging operations.

"After extensive work and considering a variety of options and feedback from Unions and our team, we see no feasible alternative to our proposal to simplify operations, which will keep Kinleith Mill operating, maintain jobs in the region and continue reliable supply of product to our customers," the company's CEO Jon Ryder said.

After the closure of PM 6, Oji Fibre Solutions intends to focus its operations in Kinleith exclusively on the production of market pulp and is aiming for an annual capacity of 275,000 tpy.

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Kanzan to build new power plant at Düren mill

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German specialty paper manufacturer Kanzan Spezialpapiere, subsidiary of Japanese Oji group, plans to renew and upgrade its energy supply at the Düren paper mill by investing in a new biomass power plant. According to information on the company's website, the biomass necessary for the plant will be obtained from landscaping, sawmill residues and waste wood. Commissioning is scheduled for next year.

The new biomass power plant would be built in cooperation with an energy industry partner, the company explained to EUWID.

Kanzan is making the investment in renewableenergies to "replace the fossil primary energy sources currently in use" and make power supply to the Düren site more sustainable by reducing CO_2 emissions. The company currently producesthe electricity and steam needed for paper production in its own cogeneration power plant fuelled by enhanced lignite dust.

Kanzan operates one paper machine, two coating plants and a reel cutter in Düren. The company produces thermal and other speciality papers with a staff of 330.

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Scalderhurst has become the exclusive distributor of April folding boxboard products in the UK and Ireland

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British paper and board merchant **Scalderhurst** has started a partnership with Indonesian pulp and paper manufacturer **April** for the sales of its GC 1 and GC 2 folding boxboard range, along with art board, cup stock and board approved for food contact, in the UK. In 2024, April commissioned a new board machine with the capacity to produce 1.2 million tpy of paperboard. Scalderhurst has in-house conversion facilities at its site near Ashford, among them three high-speed sheeters, a mill winder and a guillotine.

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David Robbie new board member at International Paper, Richard Pike leaves company

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International Paper (IP) has announced the appointment of **David Robbie** to the Board of Directors and member of the Audit and Finance and Public Policy and Environment committees with effect from 11 February 2025. Mr Robbie joins the IP Board after serving on DS Smith's Board of Directors since 2019. **DS Smith**'s former Group Chief Financial Officer **Richard Pike** has left the company in February 2025 and taken up the role of Group CFO at technology company Johnson Matthey.

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DS Smith Kemsley and Voith extend service agreement

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DS Smith Kemsley has renewed its service level agreement with **Voith** for another three years. The agreement covers the entire stock preparation across four production lines, ensuring optimal maintenance and high-quality stock through regular inspections. This collaboration supports DS Smith's sustainability goals and includes the installation of a new drum pulper as part of ongoing modernisation efforts.

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Heinzel announces price increase for Starkraft

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Heinzel Group has announced plans to hike prices for its Starkraft brand of kraft papers by 5-8 per cent from 1 April 2025. This is in response to constantly elevated cost levels of major input factors, the company said. Starkraft is one of the largest and most advanced producers of high-quality kraft papers and produces 350,000 tpy of bleached and unbleached kraft papers.

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Hinojosa buys Envases Toledo

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Corrugated products company **Hinojosa** has acquired **Envases Toledo** in order to expand its production platform in Spain.

Envases Toledo, based in Aldaia near Valencia, produces corrugated boxes and displays and had sales of €5.5m in 2024.

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Stora Enso improves results and performance but continues to spur red ink in 2024

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2024 was an eventful and challenging year for Finnish forestry group Stora Enso, which succeeded in increasing its performance in a difficult environment and substantially improving a number of important key indicators. Adjusted Ebitda was 24 per cent higher and adjusted Ebit was even 75 per cent higher than in the preceding year. On balance, Stora Enso was able to cut its net loss to -€183m (2023: -€431m) but failed to bounce back into the black.

After the poor performance seen in 2023, Stora Enso started the implementation of a cost-saving and efficiency enhancement programme in the first quarter of 2024, thereby cutting fixed costs by €110m by the end of the year. Total expenditure for materials and services, freight and sales commissions, personnel as well as other operating expenses summed up to €8.56bn in 2024, which was around €372m below the figure of the preceding year. However, group sales also went down by 4 per cent, or €347m against 2023.

Reduced costs, higher prices in some divisions and growth in production and deliveries from the remaining plants were not sufficient to fully offset the negative impact of capacity closures and the sale of plants. Like in the previous year, these one-off effects had a significant influence on the consolidated balance sheet. Non-recurring charges of €870m (€895m) resulted primarily from impairment and depreciation in the Packaging Materials, Packaging Solutions and Wood Products divisions and were also caused by costs associated with the restructuring process initiated. On the positive side, the fair value of the group's total forest assets increased year-on-year by €163m to €8,89bn.

In the Packaging Materials division, Stora Enso sold more consumer board and containerboard at higher prices in 2024. In contrast, the volume of paper sales was far lower, due primarily to capacity closures and divestment of mills.

The Packaging Solutions division suffered from a weaker market last year. Although Stora Enso succeeded in raising deliveries, higher containerboard prices and existing overcapacities caused a decline in selling prices and burdened margins, reports the group.

Stora Enso's Biomaterials division benefitted above all from higher selling prices in Europe. However, the volume of biomaterials sales was down by 9 per cent, not least because of reduced capacity due to the closure of Sunila pulp mill at the end of 2023. The market conditions were better, primarily in the first half of the year, where-as market activities slowed down increasingly towards the end of the year.

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Higher demand and higher prices led to record results in the Forest division, while Stora Enso's Wood Products division still had to cope with weak demand, e. g. from the construction industry. The company curtailed production to balance lower demand and cost-cutting measures helped to minimise operating losses.

Stora Enso expects that – affected by the lack of macroeconomic confidence and continued geopolitical uncertainty – the demand for many products will remain subdued and volatile in 2025. The company says that this is likely to influence the demand for pulpwood, but wood prices will probably remain at a high level despite lower demand. Against this background, Stora Enso plans to continue to carry out its cost-cutting measures and seek to improve its competitiveness throughout 2025.

The ramp-up of the new board machine in Oulu in the first half of 2025 will be a major event for Stora Enso, and is expected to burden the group's adjusted Ebit by around €100m, primarily in the first half of the year. The group has concluded an agreement for the acquisition of the Junikkala sawmill company in order to secure a cost-efficient wood supply to the board mill in Oulu and support the wood products business with new production assets. In contrast, Stora Enso intends to sell about 12 per cent of its 1.4 million ha of forest assets in Sweden. The proceeds from the sale are to be used to reduce debt and improve the company's balance sheet, Stora Enso says.

Net debt increased by €540m to €3.71bn at the end of 2024. This increase was mainly driven by significant investments such as the rebuilding and capacity increasing project at the Oulu site, on which Stora Enso reports to spend around €1bn in the aggregate.

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Stora Enso results

million €	October - December 2024	October - December 2023	January - December 2024	January - December 2023
Key figures				
Sales	2,322	2,174	9,049	9,396
Adjusted EBITDA	285	212	1,233	989
Operating result	-279	-326	93	-322
Net result	-379	-325	-183	-431
Business area review				
Packaging Materials				
Sales	1,095	1,045	4,502	4,557
Adjusted EBITDA	71	35	472	267
Operating result	-303	-504	-169	-642
Consumer board deliveries*, 1,000 t	677	634	2,778	2,691
Containerboard deliveries*, 1,000 t	286	257	1,242	1,236
Paper deliveries*, 1,000 t	140	173	611	761
Packaging Solutions				
Sales	247	247	987	1,077
Adjusted EBITDA	12	25	62	111
Operating result	-379	5	-394	17
Corrugated packaging European deliveries*, million m^2	287	279	1,205	1,167
Biomaterials				
Sales	419	375	1,587	1,587
Adjusted EBITDA	109	70	372	256
Operating result	86	-46	256	-81
Market pulp deliveries*, 1,000 t	588	550	2,029	2,220
Wood Products				
Sales	400	341	1,522	1,580
Adjusted EBITDA	0	-15	27	-17
Operating result	-68	-40	-73	-86
Wood products deliveries*, 1,000 m^3	1,023	957	3,892	3,897
Forest division				
Sales	784	650	2,827	2,490
Adjusted EBITDA	94	90	364	305
Operating result	466	300	648	461
Wood deliveries*, 1,000 m^3	3,559	3,435	13,451	13,667

*external deliveries

Source: Stora Enso

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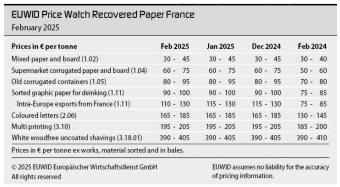
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Recovered paper prices in France still moving sideways

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EUWID Price Watch Recovered Paper France
February 2025

Prices in € per tonne	Feb 2025	Jan 2025	Dec 2024	Feb 2024
Mixed paper and board (1.02)	30 - 45	30 - 45	30 - 45	30 - 40
Supermarket corrugated paper and board (1.04)	60 - 75	60 - 75	60 - 75	50 - 60
Old corrugated containers (1.05)	80 - 95	80 - 95	80 - 95	70 - 80
Sorted graphic paper for deinking (1.11)	90 - 100	90 - 100	90 - 100	75 - 85
Intra-Europe exports from France (1.11)	110 - 130	115 - 130	115 - 130	75 - 85
Coloured letters (2.06)	165 - 185	165 - 185	165 - 185	130 - 145
Multi printing (3.10)	195 - 205	195 - 205	195 - 205	185 - 200
White woodfree uncoated shavings (3.18.01)	390 - 405	390 - 405	390 - 405	390 - 410

Prices in € per tonne ex works, material sorted and in bales.

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Overall, supply and demand on the recovered paper market in France remain balanced. Despite fetching high prices on the Far East export market, the ordinary grades did not become any more expensive for domestic buyers in February, nor were there any decreases reported. Sorted graphic paper for deinking was readily available, according to market participants, but only prices for exports to neighbouring countries declined in some cases. Prices of the higher recovered paper grades were usually stable in February.

There is still a quite considerable gap between the recovered paper prices in France and those on the Asian export market. Nevertheless, prices being paid in France for mixed paper and board (1.02), supermarket paper and board (1.04) and old corrugated containers (OCC; 1.05) held steady yet again in February. Suppliers had sometimes tried to raise prices but were unsuccessful, according to several buyers.

The producers of corrugated case material surveyed by EUWID had good supplies of recovered paper and saw no reason to pay more for recovered fibre. Suppliers also confirm that paper mills seem to have abundant inventories of recovered paper on hand. They repeatedly stress that collection volumes within France are not high, but point out that some customers are still drawing down the recovered paper stocks that they built up over the year-end period. One paper producer also noted that the order situation in the packaging segment continues to be weak and thus the demand for lower grades of recovered paper is not especially high.

Waste management companies, for their part, say they had no problem moving volumes and report low inventories of recovered paper. Anything that comes in gets sold, said one respondent. In general, the export business to Asia is still going well, EUWID was told. And in France, the order books at paper and board producers – and thus their demand for ordinary recovered paper grades – are low compared with historical levels but relatively stable compared with those in recent months, various insiders point out. Overall, supply and demand were balanced.

Stable or slightly rising prices expected in March

As of mid-February, it did not look like the situation would change much in March. In the Far East export business, there could still be some slight downward price adjustments in February, insiders believe. But even if exports became somewhat cheaper, the gap to prices on the French market was still too large, said one respondent. Some suppliers are already stressing that upcoming school and public holidays in April and May will reduce collection volumes. Many buyers felt it was too early to cite

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this as an argument for hikes. They expect that their recovered paper inventories will still be quite abun-dant or at least sufficient at the end of February.

Against this backdrop, many of the market participant surveyed by EUWID expect either stable or slightly rising prices for ordinary recovered paper grades in March. A price hike due to the significant gap to export prices cannot be ruled out, as one paper producer also confirmed.

On the Far East export market, merchants can currently charge approximately €30 more than on the French market. The price for OCC shipped to Asia was around €110-125/t ex works in mid-February. Compared with January, this price level was more or less unchanged. Depending on the timing of the contract signing, however, there were sometimes smaller changes. In a few cases, merchants reported mark-downs of €5/t, which had already been implemented in some cases or were expected in the second half of the month.

Market participants described demand from Asia as steady and quite good. Material was frequently shipped to Indonesia, but Malaysia and Vietnam were also often named as destination countries. Many players are closely watching the USA and the country's import tariffs. According to insiders, events in the USA are creating uncertainty on Asian markets, which could benefit European suppliers of recovered paper.

Some reductions in export prices for sorted graphic paper for deinking

There were also no changes reported on the French market for sorted graphic paper for deinking (1.11). February prices for this grade were the same as those in January. Exports to neighbouring countries, on the other hand, sometimes became cheaper, depending on the starting price. In general, this level shifted slightly more towards the prices being paid in France, which are lower. Some suppliers and buyers reported price reductions of €5-10, or occasionally more. Meanwhile, others reported trading at unchanged prices. Some buyers in France and from abroad said that material availability was sufficient or even abundant. They attributed this less to collection volumes, which are structurally low, than to weak demand from the newsprint industry. However, there had been no downtimes in this paper segment, EUWID was told.

Once again, French prices for coloured letters (2.06) were flat in February. There were regular customers from the tissue industry who currently had stable and recurring demand, noted one merchant.

Quotes for multi printing (3.10) were likewise unchanged in February. Demand was not good, but still decent, said one supplier. This was confirmed by a paper producer, who added that not much material was being collected on the supply side, either.

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Similarly, white woodfree uncoated shavings (3.18.01) are hard to find in France. On the other hand, it is also difficult to find buyers, so supply and demand are usually balanced. As this grade is generally not traded much, it can happen that special prices are agreed for individual shipments. Therefore, occasional price reductions were agreed in February. On the whole, however, prices for this grade were stable, after falling at the end of 2024.

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Carrefour is bringing forward the end of printed non-adressed advertising flyers in France

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The French supermarket chain Carrefour has brought forward the planned discontinuation of the distribution of non-addressed printed advertising brochures and announced that it will no longer be sending out such advertising material in France from 31 March this year. In a post on the social media channel Linkedin, the CEO of Carrefour, Alexandre Bompard, explained that Carrefour advertising brochures would no longer be distributed to consumers' homes from the end of March. From 2022, the company has digitised its advertising and distributed it via the Carrefour app, email and WhatApp. This has saved 15,000 t of printed paper per year, he says.

Carrefour announced in 2022 that it would fully digitise its advertising brochures by 2026 and has since gradually reduced the number of printed mailing brochures and increased the use of digital media. According to various reports in the trade press, the Carrefour retail chain reduced the volumeof its printed distribution brochures by 80 per cent between 2022 and the end of 2024. According to information from the paper market, Carrefour's latest announcement will not be the complete end of the retailer's print advertising. Some direct marketing including print advertising will continue.

Leclerc, another heavyweight in the French retail sector, had already announced in 2023 that it would stop distributing printed flyers and brochures in the same year, claiming that this would save around 50,000 t of paper per year.

This was preceded by an announcement by the retailer Cora that it would no longer distribute printed advertising brochures in its shops. Cora claimed that this would reduce paper consumption by 15,500 tpy.

The recently published results of the "Oui Pub" study carried out in France (distribution of printed brochures to private households only with corresponding labelling on the letterbox) showed that large retailers in the test areas did not record any significant economic losses, although the number of printed brochures distributed there fell significantly during the test period.

The retail chain Monoprix had already given up distributing printed brochures in 2019. Other retailers such as Intermarché and Système U (Super U, Hyper U) have taken a more differentiated approach and have retained unaddressed advertising brochures in small towns and rural areas because they are read more there than in large urban centres.

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Metsä Group reports “exceptionally weak” year 2024

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According to President Illkka Hämälä, the Finnish Metsä Group is looking back on an “exceptionally weak financial year 2024”. Sales revenues fell from €6.1bn to €5.7bn and operating profit from €845m to €654m. Net profit was €109m, compared to €384m in the previous year.

According to Hämälä, demand for most of the company’s products was weak. In addition, the port strikes in Finland at the beginning of 2024 resulted in a loss of €60m. The gas explosion in Kemi reduced operating income by approximately €100m, which could not be fully offset by insurance compensation of €82.5m.

Major development investments in recent years have significantly increased depreciation. At the same time, the positive effects of the new capacities are not yet noticeable, partly because they are still in the ramp-up phase, but also due to weak demand. However, current and planned investments will help to strengthen the group’s competitiveness in the medium term, Hämälä said.

Pulp sales in China down

During the reporting period, the pulp market in China, which is important for Metsä Fibre, was highly volatile. Overall, deliveries to China decreased, while selling prices on the Chinese market rose by 2 per cent. Prices increased a lot more in Europe (+18 per cent) and North America (+14 per cent), and sales volumes in these regions also went up. The gas explosion in Kemi and the market-driven closure of the Joutseno pulp mill had a negative impact on the division’s performance.

Lower prices and higher costs in the board segment

Despite the continued increase in demand for sustainable packaging, the growing overcapacity for board in the EMEA region is having an impact. Accordingly, the Metsä Board division was able to increase its sales in 2024 compared to the previous year, but prices, especially for folding boxboard, were significantly lower than in the previous year. In addition, there were higher costs for pulp and logistics.

In January 2025, Metsä Board announced the closure of the Tako mill and the implementation of efficiency measures at the Kyro mill. At the Husum mill, Metsä Board will evaluate the possible conversion of BM 2 production to food service packaging and greaseproof papers.

New capacities in the tissue sector

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A decline in sales volumes, lower prices and higher costs affected the performance of the tissue business. Nevertheless, the company considers itself well positioned throughout Europe and intends to strengthen its position with the new plant in Goole, England, and the expansion in Mariestad, Sweden. However, in January 2025, Metsä Tissue announced plans to adjust capacity at its German plant in Kreuzau.

Metsä also sees good growth prospects for the currently still very small cooking paper product segment (sales approximately €150m) due to increasing demand from the food sector.

The forecast for the current year is cautious. Metsä expects a stable development in softwood pulp, not least thanks to the capacity closures in North America. Whether the packaging sector will develop positively depends above all on the development of consumer purchasing power. In addition, the company sees a risk of an imbalance in the board market, as capacity is currently growing faster than demand.

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Metsä Group results

million €	October - December 2024	October - December 2023	January - December 2024	January - December 2023
Key figures				
Sales	1,475	1,486	5,747	6,110
EBITDA	162	172	654	845
Operating result	29	55	186	498
Net result	11	41	109	384
Business area review				
Paperboard Industry (Metsä Board)				
Sales	446	423	1,939	1,942
EBITDA	27	25	176	215
Operating result	-2	0	62	121
Net result	-2	1	39	102
Deliveries, 1,000 t				
Folding boxboard	222	188	992	906
White Kraftliner	120	111	480	467
Market Pulp	87	120	400	394
Pulp and Sawn Timber Industry (Metsä Fibre)				
Sales	643	649	2,328	2,499
EBITDA	65	52	253	274
Operating result	-2	-14	6	115
Pulp deliveries, 1,000 t	726	766	2,484	2,747
Sawn timber deliveries, 1,000 t	257	358	1,194	1,445
Tissue and Greaseproof Papers (Metsä Tissue)				
Sales	290	304	1,153	1,250
EBITDA	40	71	149	243
Operating result	28	60	102	199
Tissue paper deliveries, 1,000 t	114	119	458	476
Wood Supply and Forest Services (Metsä Forest)				
Sales	603	605	2,360	2,222
EBITDA	8	14	37	35
Operating result	7	12	33	29
Wood deliveries (1,000 m^3)	7,246	8,072	29,757	30,412
Wood Products Industry (Metsä Wood)				
Sales	132	130	554	592
EBITDA	9	16	44	87
Operating result	-10	10	8	65
Engineered wood products deliveries (1,000 m^3)	103	97	407	418
Other operations				
Sales	18	5	78	18
EBITDA	-2	-8	-5	-14
Operating result	-5	-13	-17	-31

Source: Metsä Group

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Billerud posts strong earnings for 2024

EUWID + 19 February 2025 | ~ 2 min | Published in issue 8/2025

Billerud delivered robust financial performance in the fourth quarter of 2024 to conclude the year successfully. Despite the challenges thrown up by rapidly changing market conditions, the company significantly improved earnings compared with 2023, company CEO Ivar Vatne observes. From the fourth quarter of 2023, when Billerud posted an operating loss, the company's results have improved almost on a continuous basis.

Billerud concluded the 2024 business year with net profit of SEK1.75bn against SEK484m in the previous year. Operating profit at SEK2.56bn also improved considerably and was almost five times as high as in 2023. Sales increased by 5 per cent year-on-year to SEK43.45bn.

The company attributes last year's robust performance to disciplined cost control, amongst others. The increase in fixed costs remained below the inflation rate, the company writes. Billerud also improved its product mix and its sales volumes in North America as well as Europe increased.

The fourth quarter was particularly lucrative for Billerud compared with other quarters of the reporting year. Delivery growth in the final months of the year had been better than expected, the company said. Mr Vatne was impressed with the strong growth from operations in North America. But also in Europe, where the market was reportedly weaker, the company booked significant growth. Billeruf moreover said that selling prices had been higher than in the previous year.

Demand for cartonboard and liner weak, many prices stable in Q4

Billerud's Region Europe division benefited amongst others from higher sales volumes. The company said it had sold more pulp than usual in the fourth quarter. Demand for liquid packaging board, kraft paper and sack kraft paper was reportedly stable in the last quarter at average levels, while the markets for cartonboard and coated liner were weaker. However, selling prices for all products of the division were largely unchanged, Billerud writes.

Billerud's fourth quarter results for the North America division were far better than in the previous year. Although capacities were not fully utilised, the company's sales volumes increased by 15 per cent year-on-year. Moreover, costs for energy and wood were lower, Billerud adds. The price of market pulp receded during the quarter.

As to further development of its markets, Billerud sees better times slowly approaching. "In Europe [...] we seem to have passed the bottom of the curve and are starting to see early signs of improved market sentiment in many of our pro-duct categories," the company wrote in early February. Cartonboard and liner are an exception in this respect. For these, Billerud expects that

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demand will remain weak. For Region Europe, the group expects sales volumes in the first quarter of 2025 to recede by 30,000-60,000 t compared with the fourth quarter of 2024.

In North America, market conditions remain solid, Billerud writes. The company believes that its capacity utilisation and sales volumes in the US will likely increase due to already introduced or future increases in import tariffs.

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Billerud results

million SEK	October - December 2024	October - December 2023	January - December 2024	January - December 2023
Key figures				
Sales	11,468	9,566	43,453	41,224
EBITDA	1,816	1,555	5,421	3,314
Operating result	1,091	-191	2,561	534
Net result	806	-330	1,747	484
Business area review				
Region Europe				
Sales	7,431	6,388	28,342	27,114
liquid packaging board	2,567	2,260	10,111	9,396
containerboard	1,401	1,304	5,470	5,347
kraft and specialty paper	1,100	889	4,081	3,841
sack paper	853	620	3,240	2,912
cartonboard	648	596	2,740	2,793
pulp	789	635	2,437	2,553
EBITDA	888	700	3,408	2,753
Operating result	408	216	1,511	925
Deliveries, 1,000 t	706	668	2,752	2,697
Region North America				
Sales	3,175	2,706	12,122	11,511
graphic paper	2,128	1,943	8,360	8,342
specialty paper	631	424	2,194	1,605
pulp	415	339	1,568	1,564
EBITDA	606	306	2,191	1,618
Operating result	406	97	1,442	808
Deliveries, 1,000 t	234	204	902	839
Solutions & Other				
Sales	862	472	2,989	2,599
managed packaging	-	-	-	420
EBITDA	322	-476	-178	-1,057
Operating result	277	-504	-392	-1,199

Source: Billerud

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Felix Schoeller to shut down Penig mill in Germany

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Germany's speciality paper manufacturer Felix Schoeller Group will shut down its paper mill in Penig, Germany in the coming months. With the closure, the company intends to adapt its decor paper production capacities in Europe to the reduced level of demand prevailing for a considerable period now. The timing of the closure depends on the progress of negotiations with the works council concerning the social plan – which are just beginning now – and on the necessary relocation of production.

The closure of the Penig affects a total of around 110 employees. In principle, there was the possibility of continued employment at other locations of Felix Schoeller's Decor division, in particular in southern Germany and Canada. However, due to the great distances involved, this possibility will only be considered for a few employees.

The mill in Penig operates one paper machine with a working width of 2.60 m and a production capacity of 30,000 tpy. Since the reorganisation measures implemented in 2005 – which helped to avert the closure of decor paper production at the Penig site at that time – the PM 16 produces primarily backing papers and dark decor papers. Over the past three years, however, capacity utilisation of PM 16 has gradually deteriorated due to poor demand, according to the company. The ensuing declines in profits have been exacerbated by increasing costs in the same period. As a consequence, Felix Schoeller no longer considers the continuation of operations to be possible in the longer term.

The shutdown will see production of the PM 16 moved to Felix Schoeller's headquarters in Osnabrück, which already houses two decor paper machines. The first test runs for black decor papers were already carried out on PM 15 in Osnabrück in the fourth quarter last year. Backing paper is to be produced on the mill's PM 1, which, in addition to large-volume decor paper orders, also produces wallpaper base papers, non-woven papers and base papers for release liners and sublimation papers.

Felix Schoeller will reportedly also have to implement adjustments and cut jobs at its Weißenborn site, which is situated some 60 km east of Penig and is allocated to the company's imaging business division.

Felix Schoeller sells share in Chinese JV in exchange for Longyou decor paper mill

The planned shutdown of the Penig mill is part of an ongoing production optimisation programm being pursued by the company under the name of "Reinvent". The programme will also see Felix Schoeller completely taking over the decor paper activities of Winbon Schoeller New Materials, a joint venture founded with Zhejiang Welbon Pulp & Paper Group in China at the beginning of 2017. Felix Schoeller will transfer its shares in Winbon Schoeller New Materials to Zhejiang Welbon Pulp & Paper Group and in return take over the decor paper mill in Longyou acquired via the joint venture at the beginning of 2018.

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Smurfit Westrock drives transformation and integration

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Smurfit Westrock's 2024 financial results show significant growth and strategic transformation compared to 2023, mainly driven by the merger with Westrock. Tony Smurfit, President and CEO, stated: "We are at the beginning of our journey, and I am proud of our teams' achievements in the first six months as Smurfit Westrock."

In July 2024, Smurfit Westrock's sales for the legacy company Smurfit Kappa (from July 2024: Smurfit Westrock) stood at $21bn, while the combined sales for both companies amounted to $30.9bn. The net result was $319m, down from $826m in 2023. This decrease was mainly due to higher transaction and integration costs of $395m in 2024 compared to $78m in 2023, associated with the Westrock merger.

The surge in adjusted Ebitda to $3.5bn is an indication of enhanced operational scale, cost synergies, and efficiency improvements from the merger, according to Smurfit Westrock. Ebitda was negatively impacted by inflationary pressures and integration costs.

The combined full-year margin slightly declined due to higher integration costs.

The company's new reporting segments are North America, which includes operations in the USA, Canada and Mexico; Europe, the Middle East and Africa (MEA), and Asia-Pacific (APAC); as well as Latin America (LATAM), which includes operations in Central America and Caribbean, Argentina, Brazil, Chile, Colombia, Ecuador and Peru.

The North American region experienced significant growth in sales and adjusted Ebitda due to the expanded footprint post-merger.

In Europe, the Middle East and Asia, strong operational performance was maintained, but adjusted Ebitda did experience a decrease influenced by inflation and currency fluctuations.

In the LATAM region, both sales and adjusted Ebida increased, driven by strategic cost optimisation and a value-over-volume approach.

Mr Smurfit confirmed that the $400m synergy programme was on track and would be completed by the end of the year. He also highlighted significant operational and commercial opportunities worth approximately at least another $400m. Since 2023, the company has closed 32 packaging plants and three mills, and divested four more paper mills.

In 2025, Smurfit Westrock expects to invest $2.2-2.4bn, more than $750m of which will be dedicated to cut costs and enhance efficiency at the packaging plant and paper mill network, among them the following European sites: Facture and Rethel in

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France, Brühl in Germany, Pruskzow in Poland and Mold in the UK.

Smurfit Westrock results

million $	October - December		January - December	
	2024	2023	2024	2023
Key data				
Sales	7,539	2,862	21,109	12,093
Adjusted EBITDA	1,202	483	3,517	2,239
Operating result	401	181	1,007	1,372
Net result	146	50	319	826
Sales by geographical area				
North America	4,593	384	10,092	1,624
Europe, MEA and APAC	2,521	2,147	9,577	9,193
LATAM	524	343	1,711	1,344
Adjusted EBITDA by geographical area				
North America	710	72	1,610	281
Europe, MEA and APAC	371	354	1,529	1,684
LATAM	121	57	378	274

2024 results reflect the historical financial results of legacy Smurfit Kappa Group plc, accounting acquirer in the combination between Smurfit Kappa Group plc and WestRock Company, which closed on 5 July, 2024.

Source: Smurfit Westrock

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German paper markets still struggling to turn the page as 2025 begins

Average prices for fine paper remain on a downward path

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The new year has not ushered in any changes to market conditions in Germany. Fine paper suppliers are vying for market share, with project prices still proving customary. In many cases, businesses are apparently putting sales volumes ahead of price, meaning that average prices remain on a downward trajectory. By contrast, price hikes are currently leaving their mark on the corrugated case material market, as many producers are in the red.

Prices for recycled corrugated case material edged higher across the board on the German market in February despite surplus capacity. Kraftliner producers want to follow in these footsteps in March. In the aftermath of EUWID research for January's report, it became clear that brown kraftliner and recycled corrugated case material prices actually decreased again in January after December's pricecuts. In some cases, credit notes were offered in February.

Competition heats up pressure on woodfree paper prices

The traditionally strong fourth quarter dashed the hopes of many companies involved in Germany's woodfree coated and uncoated paper market in 2024. Demand cooled more than expected last year in a trend that appears to be continuing in 2025, according to many a market insider.

Many printers are not busy. There is fierce competition among manufacturers and wholesalers, along with persistent pressure on prices. The digital transition has been fuelling a structural de-cline in demand and culminating in paper machines operating at inadequate capacity utilisation, especially those making commodity grades. In many instances, observers note that paper suppliers' selling strategies are putting sales ahead of prices, meaning that special or project prices are everywhere.

Pressure on prices was omnipresent as a result, experts said, adding that this was leading to absurd results in some cases, not least in the copy paper business. Paper mills were reportedly in a tight spot because their machines were operating at poor workloads, and prices had subsided over the past year.

Both rock-bottom and average prices have dropped significantly for regular sales. Multiple sources confirmed that sheets and reel buyers had secured mark-downs reaching up to €50/t within the span of a year. As a result, lower prices have become more common within the prevailing price bracket.

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Copy paper prices have reportedly dropped even more. Sources said that it was now not unusual for C-grade copy paper to fetch below €900/t. Compounding matters, much lower offers have been doing the rounds for a few weeks now. A and B grade copy paper prices appear to have come under less pressure, although suppliers are far from pleased and lack a reliable basis for making plans. Prices for these grades pointed lower in recent weeks as a result.

Market players are seemingly adopting varying strategies in response to falling demand and prices for woodfree paper. Experts noted that small producers had different problems than their large counterparts. After all, order books and portfolios varied significantly from one company to another. This meant, for instance, that not all suppliers were competing for large orders of standard grades.

Several paper mills are exploring the export business or developing niches, which sources said was proving challenging given the cost burden that paper mills faced. Nonetheless, competitioncontinued to play out among copy paper and folio sheet suppliers, insiders noted, adding that overseas imports were sometimes playing a role.

In light of this situation, industry experts told EUWID that downward price pressure on primary fibre-based offset and copy paper posed risks for other segments, too, such as graphic recycled paper.

A similar situation applied to digital printing paper. This market promised long-term growth, with opportunities emerging for high-speed inkjet (HSI), in particular, as print runs for many offset printing jobs tend to be in decline. Printers were undergoing a change in technology, with the aim to digitise the entire workflow. However, market players said that competition among paper suppliers had intensified in this segment, which might put pressure on margins.

Among paper wholesalers, Inapa's insolvency filing does not seem to have calmed matters. In fact, it appeared to have given ideas to one or two wholesalers. Experts said that the German market was expected to create economic opportunities and attract investment as a result.

For instance, Europapier recently established a German subsidiary. Papyrus had already started offering copy paper in Germany, too. Suppliers already active in Germany are not sitting on their hands, either. Experts reported that Ovol's acquisition of Inapa and the restructuring process that has been set in motion is having ramifications for the entire market.

Many insiders had not expected that a long-term solution would be found to keep Inapa going. Observers described Ovol as a company with a broad footing that provided financial security. Initial concerns that the arrival of a Japanese company would mean additional paper imports from South-East Asia do not appear to be proving true. Its portfolio seems to be changing little in some areas.

Kraftliner producers ride wave of price momentum

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German kraftliner prices have been consistently falling over the last few months, but producers have recently unveiled plans to charge more in March. Manufacturers announced mark-ups of €90-100/t, in line with those sought for recycled paper. Kraftliner evidently dropped by another €20 as a rule in January. Altogether, prices had fallen by €40 in December and January combined.

Demand is not underpinning the latest request for price increases. Sources described demand as “not exactly lively” in January and early February, even though manufacturers have reaped the rewards of converters replenishing their stocks. All things considered, market conditions remain more balanced than in the recycled corrugated case material business.

Kraftliner manufacturers pointed to hefty costs, especially for wood but also for energy, by way of rationale for their price plans. Observers are critical of this move, especially how much producers want to tack on. They point out that last year’s price cuts were much smaller than those seen for recycled corrugated case material. What’s more, these producers are considered to be facing a much smaller cost burden.

Kraftliner manufacturers are taking a rigorous approach for the requested increases, also because competition is nowhere near as fierce in as it is for recycled grades. Moreover, they were feeling a tailwind since higher prices were looming across the board for recycled paper in February. Kraftliner producers underscore that they “desperately need this price increase.”

The corrugated board industry in Germany is displaying little sympathy. Corrugated board producers say that absorbing these price increases is impossible as they are also struggling with higher costs. They could not pass on a 10 per cent hike that was needed to their own customers.

Observers anticipate that the kraftliner market will not become stronger in the first quarter. EUWID contacts largely expect that sales will decline. This gloomy outlook might have prompted Metsä Group to look for product options for its BM 2 in Husum.

Rapid turnaround on the German recycled corrugated case material market

By the end of January when the last EUWID market report was published, gaining a consistent snapshot of what was happening in the market was not possible based on conversations with insiders. Some companies – both paper mills and corrugated board manufacturers alike – reported that there were price decreases to the tune of €20/t in December but nothing more in January. Others said that there were price cuts of €20/t in both December and January.

It was the start of February before a clear picture emerged of what actually happened in January. It became clear that the bulk of buyers secured price cuts of €20/t in both December and January. Sources said that prices had tumbled by €100/t last year and until the end of January. For its part, the paper industry had achieved price increases reaching €140/t at times in several increments starting in spring 2024, primarily on the back of the continuous climb in recovered paper prices.

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While price cuts had still been made for January, notices informing customers of price increases were sent only a short time later. Producers sought to tack on up to €100/t with effect from 1 February because of high costs. Some respondents said that they could no longer work cost-effectively at prevailing prices. However, buyers criticised the fact that, at the time that producers unveiled these plans, there were no verifiable mark-ups for recovered paper, which was the paper industry's most important raw material.

Nonetheless, the paper industry is displaying hardly any willingness to compromise in February talks. In recent years, producers have been forced to "keep the market in check" by taking downtime and have learned from the experience. Companies would rather shut down and turn away business than accept unprofitable orders. A few paper manufacturers have already planned for reduced tonnage because of customers who were withdrawing orders and looking to place them elsewhere.

Negotiations about producers' plans for white coated and uncoated testliner are not the focus of attention at the moment. While a few companies have already announced their intention to raise prices by €100/t from various dates in February, not all manufacturers of these grades have done so.

All things considered, paper mills appear to be operating at somewhat stable but not good capacity utilisation. Backlogs from last year, good overseas business at more attractive prices and reasonable demand from Europe are shaping business. That being said, Germany remained a cause for concern, sources told EUWID.

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High energy costs threaten German paper industry, association warns ahead of elections

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With early German elections just around the corner, all political parties have one common theme in their programmes: energy prices in Germany are far too high and jeopardise the industry's competitivity, especially due to additional national levies. Paper industry association Die Papierindustrie in a statement expressly welcomes promises to reduce electricity taxes and grid fees to make electricity affordable.

However, these measures alone will not be enough: just tweaking electricity prices ignores the reality of many companies who also rely on natural gas as they transition, the association underscored in a press statement from 11 February.

Electricity is the energy source of the future and already accounts for roughly 30 per cent of total consumption. But until renewable energy is widespread and storage solutions and robust infrastructure are available, companies must rely on interim solutions that accompany flexible upscaling of renewables and enable the industry to transition smoothly, the association says

One such solution is natural gas, the association observes. Additional burdens such as the increase in gas grid charges and natural gas tax for manufacturing industries will weaken the ability of German industries to compete internationally. Especially the gas storage levy that is paid only by companies in Germany from 1 January 2025, represents a significant burden, Die Papierindustrie writes. Although the levy is used to realise European storage targets, the costs are borne exclusively by German consumers – a distortion of competition that undermines the solidarity principle.

These additional burdens not only weaken companies who are transitioning but also make electricity more expensive. The merit order principle further raises the price of gas 2.5 times the exchange price, creating an inordinate burden on industries.

"Anyone who rightly reduces the electricity price but ignores the entirety of energy costs, stops running at the 80-metre mark of the 100-metre sprint," said Hans-Christoph Gallenkamp, CEO of Germany's speciality paper manufacturer Felix Schoeller and president of Die Papierindustrie.

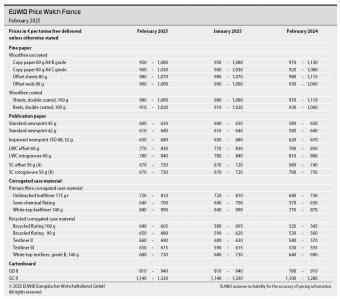
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Prices for brown recycled corrugated case material are rising on the French market

Producers of GD board still trying to raise prices

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EUWID Price Watch France
February 2025

Prices in € per tonne free delivered unless otherwise stated	February 2025	January 2025	February 2024
Fine paper			
Woodfree uncoated			
Copy paper 80 g A4 B grade	950 - 1,080	950 - 1,080	970 - 1,130
Copy paper 80 g A4 C grade	900 - 1,030	900 - 1,030	920 - 1,080
Offset sheets 80 g	980 - 1,070	980 - 1,070	998 - 1,110
Offset reels 80 g	900 - 1,000	900 - 1,000	930 - 1,060
Woodfree coated			
Sheets, double-coated, 150 g	980 - 1,080	980 - 1,080	970 - 1,110
Reels, double-coated, 100 g	910 - 1,020	910 - 1,020	930 - 1,060
Publication paper			
Standard newsprint 45 g	600 - 630	600 - 630	580 - 630
Standard newsprint 42 g	610 - 640	610 - 640	590 - 640
Improved newsprint ISO 60, 52 g	650 - 680	650 - 680	628 - 670
LWC, offset 60 g	770 - 830	770 - 830	790 - 850
LWC, rotogravure 49 g	780 - 840	780 - 840	818 - 880
SC, offset 50 g (A)	670 - 720	670 - 720	690 - 740
SC, rotogravure 56 g (A)	670 - 720	670 - 720	700 - 750
Corrugated case material			
Primary fibre corrugated case material			
Unbleached kraftliner 175 g+	720 - 810	720 - 810	648 - 730
Semi-chemical fluting	640 - 700	640 - 700	578 - 630
White-top kraftliner 140 g	840 - 990	840 - 990	778 - 870
Recycled corrugated case material			
Recycled fluting 100 g	640 - 665	580 - 665	528 - 545
Recycled fluting 80 g	650 - 680	590 - 620	538 - 560
Testliner II	660 - 690	600 - 630	548 - 570
Testliner III	690 - 675	590 - 615	538 - 555
White-top testliner, grade B, 140 g	680 - 730	680 - 730	648 - 690
Cartonboard			
GD B	890 - 940	890 - 940	760 - 990
GC B	1,140 - 1,330	1,140 - 1,330	1,108 - 1,280

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Prices in paper and board markets in France were largely unchanged in February – with the exception of brown recycled corrugated case material. Quotes here rose by €60/t in most cases, while hikes envisaged for 1 March are now being discussed for the other corrugated case material grades.

In the cartonboard market, producers of GD (WLC) are still trying to negotiate higher prices but with mixed success. Following the negotiation of new quarterly prices for publication paper and price adjustments for fine paper in January, the printing and writing paper market has calmed down for the time being. Producers of fine papers and publication papers said demand was within the expected modest ranges. Newsprint producers are the only ones to report relatively good utilisation on their paper machines.

Demand remains subdued in fine paper market

Demand for woodfree coated and uncoated papers in France was rather subdued in the first weeks of the new year. Order intake is not catastrophic but not good either, one producer told EUWID. Following the capacity closures at Fedrigoni (150,000 tpy) and PM Nordland (280,000 tpy), machine bookings have improved, reports one producer. This is confirmed by other market participants, yet there is definitely not full capacity utilisation across the entire industry. There is still a capacity overhang in the coated paper segment in particular, as the most recent measures mainly affected the uncoated papers. It is believed that current average machine bookings in Europe barely exceed 75 per cent for fine papers. In individual cases, however, there can be significant differences.

In the first month of the year, the European market for woodfree uncoated paper saw a roughly 10 per cent drop in deliveries, while delivery volumes of woodfree coated paper were down by around 15 per cent. Sentiment among printing companies in France is rather gloomy, as average activity levels are not good and the market outlook is discouraging, according to insiders.

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The ripple effects of the Inapa group insolvencies left their mark on the French market in the second half of last year. There were shifts in market share amongst merchants in France, say insiders, who report that Inapa is now attempting to regain some of the market share it lost. Consequently, there is fierce competitive pressure in the French paper merchant sector right now.

In February, there was little change in prices compared with January. The price pressure seen at the beginning of the year has since eased somewhat following the price reductions, say respondents. Quotes for February were usually at the level of the previous month, but the range of prices continues to be wide. In addition to list prices, there are still low-priced offerings of all kinds, and a single grade of paper can sell for prices that differ by more than €100/t. However, EUWID respondents believe that prices have bottomed out for now. Some suppliers cannot afford to cut prices any further, also because pulp prices may rise again.

Forecasts for fine paper demand in France do not currently contain any elements suggesting that demand will stabilise or improve. The sluggish macroeconomic growth and political uncertainty in the country are not conducive to booming business, say market insiders in France.

Demand for publication paper within expected range

In February, demand for publication paper in France was in line with expectations and corresponded to the volumes paper producers had budgeted with their customers.

However, there can be significant differences from segment to segment. Once again, the most upbeat comments are coming from producers in the newsprint market, who say they are busy and have relatively good – although not necessarily full – capacity utilisation on their machines. Compared with the magazine paper segment newsprint machines are definitely much busier. Publishing houses had budgeted cautiously in their planning for 2025 but were now calling off the agreed volumes, explained one paper producer. Demand for newsprint for advertising flyers had stabilised last year and this stability persists today, EUWID was told.

In the SC paper segment – the type of paper used for most retailers' printed flyers in France – the recent announcement by supermarket chain Carrefour marked another milestone in the development of the market. Carrefour will stop distributing non-addressed advertising flyers to private households at the end of March 2025, approximately one year earlier than originally planned. Savings of 15,000 tpy of printing paper can be seen, Carrefour's CEO announced in a Linkedin message. The retailer will continue direct marketing with printed advertising, according to sources in the paper market.

Nevertheless, this move is seen as indicative of where the market for printed advertising flyers in France is heading. Other applications for SC paper are also showing downward tendencies. There are still numerous TV magazines, but this segment comes nowhere close to reaching the circulation figures seen 20 years ago.

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The greatest imbalance between supply and demand is seen in the LWC paper segment. Even though players here also described demand in February as in line with expectations. Due to the collapse in consumption in the past years and the relatively few capacity closures to rebalance the market, this segment has the greatest mismatch between production capacity and paper consumption.

Market insiders estimate that average machine capacity utilisation in the LWC segment is around 60-65 per cent right now, while levels in the SC paper segment are between 65-75 per cent, though in both cases machine workloads may vary at individual mills. In the SC paper market, average capacity utilisation has improved somewhat following the cessation of production at Heinzel's Laakirchen site, but it remains considerably below the levels producers would consider satisfactory. In the newsprint segment, the estimated average capacity utilisation is around 75-85 per cent.

Prices for all newsprint and magazine paper grades in France were largely unchanged in February. Starting in March, players will kick off the next round of negotiations to set the quarterly prices. Producers stress they urgently need a price hike, but at the moment, the likelihood of such a move is currently uncertain, with possible exception of in the newsprint market. As of mid-February, no decision had been made in this matter.

Prices for brown recycled corrugated case material rise in February

The price hikes for brown recycled corrugated case material that were announced on short notice have now been partially implemented in France. Instead of the originally targeted €100/t, an increase of €60 was introduced throughout most of the market from the beginning of February. Producers say they were forced to take this step, as some mills were close to or already spilling red ink in January due to higher costs. Although recovered paper prices were largely sta-ble in February, the cost of natural gas, for example, had roughly doubled since September, one paper producer explained.

This upward price movement in France takes a different form than in some neighbouring markets. In Spain, for example, there are no reports of price increases yet. In Germany, even larger mark-downs were apparently implemented in some instances after price sliding in January.

Market participants do not anticipate that prices for brown recycled grades should or will rise further in March. It is a different story for all other corrugated case material grades: Players say they are in the midst of negotiating similar demands for white-top testliner, brown kraftliner and white-top kraftliner. For white-top testliner, sellers are looking to lift prices by €80-100/t from 1 March. For brown and white kraftliner, producers are aiming for a hike of €80/t as of the same date. At the time of the EUWID survey in mid-February, negotiations were still underway, but producers said they were determined to implement price hikes here, too, and optimistic about their chances of success.

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The latest price step is quite hefty and some sceptical voices in the market say it remains to be seen whether these higher prices can be maintained. They acknowledge the cost pressure paper mills are facing but say it is still unclear whether the market can support such an increase in the longer term. Producers say that demand for corrugated case material in general has been relatively good in France in January and February. But even they admit that the improved order intake is partially due to orders being moved forward in reaction to the latest hike announcement. It is impossible to pinpoint where this uptick originally comes from, one producers told EUWID.

At the moment, there is not (yet) an underlying rise in demand for corrugated board in France, say market insiders. The corrugated board market in France barely grew last year and there are currently no signs of noticeable growth drivers in the coming months, either.

For producers of corrugated case material, this poses a problem, as growth in the market is desperately needed to achieve sustained good utilisation of the existing and soon-to-be-commissioned production capacities. There have been some machines decommissioned in the recent past (Meldorf, Papeterie Saint-Michel, Heinzel Raubling, Smurfit Kappa Alfa d'Avignon, Stora Enso De Hoop, Ostrołęka) and projects have been cancelled (Trebsen).

However, these are more than offset by significant capacity additions already in the market or poised to start up soon. At Model's Eilenburg site, the new machine (600,000 tpy) has been up and running since autumn 2024. Norske Skog intends to commission its rebuilt PM (550,000 tpy) in Golbey by the end of the first quarter of this year. In the first half of 2025, planned start-ups include the rebuilt PM at Heinzel Laakirchen (500,000 tpy) and the PM at Mondi's Duino mill (420,000 tpy). Towards the end of 2025 or in early 2026, it is expected that the new PM at DS Smith's Porcari site (450,000 tpy) will begin operations, replacing an older PM with 175,000 tpy.

In addition, Kipas Kagit has commenced production on its new PM (650,000 tpy) at the Söke mill in Turkey, as has Partek at its Kayseri facility in central Turkey, where a new PM (240,000 tpy) replaces two older machines with a combined capacity of 50,000 tpy. Eren Paper wants to ramp up production on its new machine at the Shotton mill (750,000 tpy) in Wales next year.

Moreover, there are rebuilds, such as DS Smith's Viana site in Portugal, where kraftliner capacity is increasing by 30,000 tpy, and Mondi's Świecie site, which can also produce more kraftliner (55,000 tpy).

Discussions about higher GD board prices still ongoing

Players on the French cartonboard market are becoming slightly more optimistic about the future in some cases. Despite the weak economy, some of them have been seeing a few positive demand signals for both fresh fibre board (folding boxboard) as well as recycled board (white-lined chipboard) – but warn these must be interpreted with caution. There has not been much price movement, but the two sides of the GD market continue to discuss potential price hikes.

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A few GD suppliers had announced price increases of €50-80/t for GD in recent months and they have been trying to implement these ever since. On occasion, they were reportedly successful. Two producers say they agreed to mark-ups of €40-50/t with some customers in February. However, this price increase has not been implemented throughout the market. Most volumes of GD 2 were selling at stable prices.

Yet, some suppliers seem very determined to implement their demands in the coming weeks or months. One supplier reported turning down orders with unchanged prices, saying he was rather accepting the loss of a few volumes. “We will remain resolute,” he said. Producers insist the mark-up is urgently needed due to cost trends: Energy has become more expensive and recovered paper prices also remain high. A different producer said it was very difficult to introduce higher prices right now, but if demand remained satisfactory, it might be possible to launch another attempt as of March.

The closure of Reno de Medici’s cartonboard mill in Barcelona could play into the hands of suppliers. “Customers are seeing what can happen if operations are unprofitable,” commented one respondent. Some customers reportedly were in a bit of a scramble following this news because there are not that many alternatives left for customers in France and the Iberian Peninsula, since RDM also closed its Blendecques mill in France last year.

By contrast, other market participants do not see any scope for a price hike for GD board in March. For one thing, quarterly contracts were signed with unchanged prices until the end of March, they point out. Moreover, the demand situation was not conducive to a hike. Nevertheless, the announcements had lessened some of the downward price pressure. In April, the cards will be reshuffled. A different producer, who has not yet announced any price hikes, did not rule out making such a move in April. Much will depend on how demand develops. And energy prices are becoming more of an issue again following the latest price surges.

Some cartonboard producers said they had seen signs of a slight improvement in demand for both GD and GC in February. This trend had started in January in some cases and has reportedly continued. The respondents who did not see an improvement said they were nevertheless quite satisfied with their order intake. Demand from the food industry is reported to be slowly ticking higher again. One packaging producer was less happy with the order situation, saying it was not meeting expectations. Otherwise, players had a cautiously optimistic outlook. However, nobody dares yet to call this a true rebound in demand. The trend must solidify first, explains one market participant. Temporary effects, such as customers restocking after clearing out inventories for year-end accounting, could create the impression that demand is growing.

Most respondents describe delivery times as stable. In a few cases, players reported slightly longer lead times. In general, these amounted to 3-4 weeks for GD board and 3-6 weeks for GC board.

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On the market for GC board, there were no price changes. After the increases that were gradually implemented with great effort last year, prices for GC 2 were stable in February, as they had been in January as well. Market participants also do not expect this to change in March. Currently, players are monitoring developments on the GD market to assess the feasibility off implementing price hikes and the potential amount of such adjustments. As of mid-February, the market was not discussing potential price increase announcements for GC in the second quarter – but this does not mean that such a step is not being considered. "We have to wait and see how pulp and energy prices develop," said one respondent.

Insiders are also keeping an eye on the sporadic strikes by transport workers in Finland. So far, the workers have only struck at a few companies to show solidarity with the industrial action in other segments. However, new collective agreements are also due in the transport sector, as collective agreements expired on 31 January, and a willingness to strike has already been announced.

France: pulp and paper production

January - December 2024

1,000 t	December			Jan - Dec	
	2024	2023	%	2024	%
Total paper and board	**499.9**	**486.4**	**+ 2.8**	**6,532.8**	**+ 6.3**
thereof:					
Graphic paper	66.6	62.2	+ 7.0	788.1	+ 3.5
thereof uncoated woodfree	37.1	34.4	+ 7.9	439.1	+ 7.1
Packaging paper and board	344.8	343.0	+ 0.5	4,570.9	+ 6.5
Corrugated case material	308.2	302.8	+ 1.8	3,865.8	+ 6.1
Paper for flexible packaging	15.2	13.8	+ 10.1	219.7	+ 24.3
Cartonboard	21.4	26.4	- 19.0	485.4	+ 2.9
Sanitary paper	66.4	58.7	+ 13.0	826.7	+ 5.5
Total Pulp	**122.7**	**112.9**	**+ 8.7**	**1,414.1**	**+ 12.0**
Recovered paper consumption	**389.3**	**381.7**	**+ 2.0**	**5,011.6**	**+ 6.2**

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Eren Paper's new mill project and industry trends take centre stage at 110th SPA conference

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The 110th conference of the British Sheet Plant Association (SPA) in Daventry at the beginning of February 2025 once again provided an overview of the current situation in the British corrugated board industry. 176 delegates attended the conference, which entered its 40th year.

In his welcoming address, Tim Gray, Chairman of the SPA, spoke about the development of the last 40 years, which has been characterised by technological progress and strong consolidation: of the more than 600 companies in the 1980s, only around 200 remain today.

Keynote speaker Bernard Marr, futurist and strategic business and technology advisor, delivered a presentation on the technology trends shaping the future of business, with a strong focus on Artificial Intelligence (AI). Mr Marr said: "AI is going to transform your organisation. If you don't see yourself as an AI company, or an AI-enabled business, you will face serious challenges over the next 10 years."

Eren Paper to launch UK's largest recycled containerboard machine in 2025

The highlight of the conference was the presentation by Dr Sabri Çimen, CEO and board member of Eren Paper, on the status of development of the new plant in Shotton, Wales. The new machine, with a capacity of 750,000 tpy of corrugated base paper based on recovered paper, is scheduled to start up at the end of 2025, with the ramp-up phase planned for 2026, explained Dr Çimen.

The new corrugated base paper machine will produce up to 750,000 tpy of 100 per cent recycled containerboard in grammages between 70 and 100 gsm. It will use around 830,000 tpy of recovered paper, according to Dr Çimen. With a design speed of 2,000 m/min and a wire width of 10.9 m, it will be the largest and fastest machine of its kind in the UK and one of the largest in Europe.

When the machine reaches full capacity, the UK will become a net exporter of recycled corrugated case material (2023: net imports of about 600,000 t). In addition, significantly more recovered paper will be processed domestically. In 2023, the UK exported 4 million t out of a total collection volume of 6.4 million t.

Eren also plans to build a new CHP plant with a capacity of 60 MWe to generate electricity and steam for paper production at the site. In combination with the existing biomass power plant with a capacity of 20 MWe, the new CHP plant will make the mill

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energy self-sufficient. The biomass power plant currently continues to run and feeds electricity into the UK grid.

In his speech, Dr Çimen introduced Eren Holding, one of the largest industrial conglomerates in Turkey, with 27 individual companies and a total of 8,000 employees. The company operates in multiple segments: paper and packaging, energy generation, cement, and textile and retail.

The Eren subsidiary Modern Karton is the largest paper manufacturer in Turkey, with a capacity of 1.2 million tpy and over 700 employees. The company's business model is highly integrated. In addition to paper and packaging production, Modern Karton is also active in waste paper recycling and energy production. The company has also built a new starch factory in Çorlu with a capacity of 138,000 tpy, which covers the starch needs of Modern Karton and Modern Ambalaj. Paper production capacity is also being expanded in Turkey: in Zonguldak, in north-west Turkey, Eren has started up a new paper machine (PM 6) with a capacity of 600,000 tpy of recycled containerboard.

The construction of the plant in Shotton represents the division's first major foreign investment. Originally, Eren was interested in possible locations in Italy and Poland, but the rich industrial heritage of the former steelworks, as well as the continuous financial and operational support from the UK and Welsh governments and local authorities, tipped the balance in favour of the site in North Wales.

In 2021, Eren acquired the then UPM Shotton mill, which at that time produced graphic paper. In 2022, UPM's activities were discontinued and the site was decommissioned and demolished. In 2023, Eren received the building permit and began construction. In addition to the new containerboard paper machine, Eren will also start up a tissue production line with a capacity to produce 69,000 tpy of tissue.

UK corrugated market shows signs of recovery in 2024

The UK corrugated packaging market demonstrated modest growth in 2024, rebounding from a challenging 2023. According to data presented by Neil Osment, owner and managing director of market research institute NOA, UK corrugated volumes increased by 1.8 per cent in 2024, marking a positive shift following a 6.3 per cent decline the previous year.

The slight uptick in volume indicates a recovering market environment, despite economic challenges such as inflationary pressures and fluctuating demand, said Mr Osment.

He also highlighted cautious optimism for the short term, with expectations of continued volume growth. With new price increases for containerboard on the horizon, the value decline may have levelled off, according to Mr Osment. However, potential impacts from the October Budget and changes in purchasing power are likely to influence demand dynamics.

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In the medium term, corrugated demand is expected to maintain an upward trend, partly driven by environmental factors and regulatory changes, e. g. the Extended Producer Responsibility Regulation (EPR) in the UK or the EU's Paper and Packaging Waste Regulations (PPWR).

One of the most significant growth areas for the UK market is the ongoing substitution of plastic packaging with sustainable paper-based alternatives, according to Mr Osment. He emphasised opportunities in the rigid pots, tubs, and trays sector, where paper-based solutions are increasingly replacing traditional plastic containers. Despite this, challenges remain, particularly in competing with the cost-efficiency of plastics.

The market is also seeing the emergence of new players and technologies, including sustainable solutions from companies like Notpla and Xampla, which are innovating with biodegradable and plant-based packaging materials.

Containerboard market faces volatility and uncertain growth in 2025

Frauke Schmidt of EUWID Pulp and Paper provided an analysis of the European containerboard market, detailing trends and projections up to 2025. Ms Schmidt outlined the market turbulence of recent years, citing key factors such as the post-Covid boom, which came to a halt after war in Ukraine broke out. The subsequent inflationary shock led to a slump in demand and later to two cost-driven price increases in the first half of 2024. A third planned increase, however, was not implemented in the UK and the market experienced a price reversal in the second half of 2024.

Paper mills face rising operational costs while market prices for finished paper products continue to fall. The price for the main raw material, recovered fibre, remains volatile due to declining collection volumes and the British market's high export exposure. Additionally, energy costs, particularly natural gas prices, have also been showing an upward trend toward the end of 2024.

2025 will be marked by significant new production capacity, led by Eren Paper's Shotton mill in the UK – Europe's largest new project, which is expected to reshape the British containerboard market.

In the medium term, the containerboard market is likely to face challenges due to high costs and a sluggish recovery, which could lead to capacity shutdowns, increased M&A activity, and potentially even insolvencies. The trading environment is expected to be marked by heightened uncertainty, driven by potential tariffs and the risk of a trade war, although there is also the possibility of lower energy costs.

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German recovered paper prices broadly stable in February

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Recovered Paper Germany
January 2025

Monthly changes in €/t	Jan 2025	Dec 2024	Nov 2024	Jan 2024
Mixed paper and board (1.02)	± 0.00 €	- 16.50	- 16.50	- 0.50 €
Supermarket corrugated paper and board (1.04)	+ 6.50 €	- 15.50	- 19.00	- 0.50 €
Used corrugated kraft II (4.03)	+ 8.00 €	- 14.50	- 20.50	- 3.00 €
Sorted graphic paper for deinking (1.11)	- 5.50 €	- 7.50	- 5.00	+ 4.50 €
Coloured letters (2.06)	+ 4.50 €	- 6.00	- 7.00	+ 0.50 €
Multi printing (3.10)	+ 5.00 €	- 11.00	- 11.00	- 2.00 €
White newsprint/magazine paper (3.14/3.15)	+ 13.50 €	- 11.00	- 9.50	+ 5.50 €
White woodfree uncoated shavings (3.18.01)	- 1.50 €	- 8.50	- 4.00	- 1.50 €

Changes based on free delivered prices within Germany.

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Germany's recovered paper market is largely experiencing a period of inertia, with prices for mixed paper and board (1.02) and supermarket paper and board (1.04) staying mostly unchanged in February. Sellers can secure slightly higher prices for 1.04, in particular, especially in areas close to deep-sea ports. On the other hand, prices for graphic recovered paper grades remain under pressure.

Price trends for the different recovered paper grades varied at the start of 2025. An analysis of information provided by recovered paper suppliers and consumers reveals that mixed paper prices moved sideways in January. By contrast, supermarket paper and board became €6.50/t more expensive in the first month of the year. Used corrugated kraft II (4.03) cost €8.50/t more than in December.

Sorted graphic paper for deinking (1.11) became cheaper again, with prices falling by €5.50/t. Medium and high recovered paper grades became more expensive in most cases. Buyers handed over €4.50/t more for coloured letters (2.06) and €5.00/t more for multi printing (3.10) in January. White newsprint/magazine paper (3.14/3.15) prices jumped by as much as €13.50/t. On the other hand, white woodfree uncoated shavings (3.18.01) prices softened by €1.50/t.

The market is proving particularly well-balanced for 1.02 and 1.04 in February. Sources described demand from German paper mills as still subdued in most cases. Hardly any paper machines are offline at the moment, but sources estimated that they are operating at an average of just 80 per cent of their capacity.

An expected sharp rise in finished paper prices is easing the strain for mills a little. Nevertheless, paper industry insiders continue to complain that margins are razor-thin.

Citing higher collection volumes at the start of the year, buyers sought to secure mark-downs for recovered paper in February, albeit without any success. Recycling and waste management companies in Germany are not currently under any pressure when selling their recovered paper. Collection volumes on the market in Germany are much lower again after January brought its traditionally high arisings. A few market players believe that the slump in volumes is even more pronounced than usual in February.

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What's more, supermarket paper and board collected in Germany continues to flow onto export markets. EUWID sources mostly listed South-East Asia and India as destinations, but repeatedly made mention of Turkey, too. All in all, demand and, in some cases, sales prices are said to have fallen somewhat on the export market of late, impacted in part by the ongoing preparations for Ramadan and the end of the Chinese New Year festivities.

Nonetheless, export prices reportedly remain competitive with domestic prices. Observers said that export markets remained a viable alternative sales outlet for recovered paper, meaning that domestic prices for supermarket paper and board sometimes rose again in the north and west of Germany. Insiders put the scale of this hike in February at €5 to a maximum of €10/t in most cases.

With the volumes exported from Europe to the Far East relatively stable, less recovered paper was entering the German market from the Benelux region and France. The reduction in imports is further limiting availability within Germany. Accordingly, waste management companies are reporting low inventory levels and are sometimes having a hard time fulfilling their contractual obligations. The hectic rush in sales seen at the start of the year had calmed down, contacts told EUWID.

The same is now true of mixed paper and board, too. Sources had reported a significant surplus supply of this grade, at least in part, at the start of the year. Waste management companies in eastern Germany especially had to cut their prices in January in order to reduce the inventories built up over the festive period. Observers expect stable to slightly higher prices for 1.02 in February, too.

Sorted graphic paper prices still under pressure

In the sorted graphic paper for deinking (1.11) segment, downward pressure on prices continues in February. Market players reported another decrease in sales volumes for this grade, as newsprint sales were "disastrously bad". Slack demand for 1.11 was apparently coinciding with much more plentiful supply, something that sources also attributed to the gap to mixed paper prices having widened last year.

As previously reported, the price difference between the two grades increased by almost €60/t in 2024. This had made sorting more attractive and had increased the availability of sorted graphic recovered paper, insiders pointed out. Compounding matters, mixed paper arisings were higher on the whole at the start of the year. Market players said that sorted graphic paper for deinking had become €10-15 cheaper in February, narrowing the gap between mixed paper and 1.11 prices. Insiders expect this trend to continue in March, as well.

Observers report largely stable prices for medium and high grades in February, with a few prices said to have risen.

Near-term uncertainty

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The outlook is shrouded in gloom and uncertainty. The mood within the paper industry reportedly remains downbeat, with no signs of an improvement in ordering. Market players are pinning their hopes on upcoming parliamentary elections in Germany.

That being said, there are no signs of an immediate improvement in macroeconomic conditions. Industry sources said that German paper mills were not expected to see an upturn in their workloads until the year's end or even 2026. Other sources have faint hopes of a recovery in the global economy, although many uncertainties remain, especially with regard to the actions taken by the US government.

Most market players expect a balanced market for paper for recycling in March. However, higher prices were conceivable for mixed paper and board, and, above all, for supermarket paper and board, given limited arisings and rising finished paper prices.

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Decor paper market got off to a sluggish start in 2025

Buyers scale back Chinese imports due to AD duties

EUWID + 19 February 2025 | ~ 2 min | Published in issue 8/2025



After a slow December 2024, demand for decor paper and pre-impregnated paper did not pick up as much as manufacturers had expected in January. Customers placed hardly any additional orders in the first few weeks of 2025. In many instances, order intake was even somewhat weaker than the unsatisfactory level seen from September to November. Nevertheless, decor paper manufacturers reported no significant inventory effects at customers despite extended downtime at melamine paper machines in the fourth quarter and over the Christmas and New Year's holidays.

But, since most decor paper manufacturers continued production without any major disruption after resuming operations in the second or third week of January, decor paper mills have recently seen their inventories rise. If inventory building continues, mills may reduce their output in the coming weeks. Until now, companies had not planned to carry out the next major shutdowns until April.

The pre-impregnated paper business, which had been relatively good last year until November, has recently weakened unexpectedly. One of the explanations given was the interruption of production at Schattdecor's Głuchołazy paper mill in Poland, caused by the floods in mid-September, to which many converters responded by placing additional orders at other suppliers. However, Schattdecor was able to restore supply relatively quickly through a variety of measures. Consequently, other coated pre-impregnated paper producers only had limited opportunities to make replacement deliveries.

Provisional anti-dumping duties on decor paper imports from China announced by the European Commission in mid-January have so far had little impact on the decor paper markets. Most customers have scaled back their procurement from China, which was already somewhat restricted last year, even further in recent weeks. In some ca-ses, buyers are waiting to see how Chinese suppliers respond. European manufacturers have tended to hold back so far.

Decor paper prices tend to remain largely unchanged in the first quarter of 2025. Fresh demands for price hikes made in negotiations about first-quarter deliveries have probably only been successful for prices that had been on the low side. Buyers also report some price reductions for standard grades. Talks about second-quarter terms will probably start relatively late. Manufacturers aim to charge more once again, citing slightly higher pulp costs, high energy costs and potential hikes in titanium dioxide by way of explanation.

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Stora Enso Packaging Materials concludes statutory negotiations on temporary layoffs in Finland

EUWID + 18 February 2025 Igor Dugandzic | ~ 1 min | Published in issue 8/2025



Stora Enso has completed statutory negotiations with employee representatives on possible temporary layoffs in the Packaging Materials division in Finland. The agreement encompasses approximately 2,400 employees at the mills in Imatra, Varkaus, Oulu, Heinola and Anjalankoski, and cover a period of maximum 90 days in 2025.

A spokesperson for Stora Enso confirmed to EUWID that the group had entered into negotiations with the employee representatives in January, and that the talks had been concluded in February. The temporary layoffs were a precautionary measure to mitigate effects of weakened demand and could be implemented in several tranches. There were no immediate plans for implementing temporary layoffs at any of the mills affected, the spokesperson said.

The consumer board mills in Ingerois, part of the Anjalankoski industrial complex, and Imatra feature an installed capacity of 1.55 million tpy of folding boxboard (FBB), solid bleached sulphate (SBS) board and liquid packaging board (LPB). The semi-chemical fluting mill in Heinola and the two kraftliner mills in Oulu and Varkaus have a combined production capacity of 1.16 milion tpy.

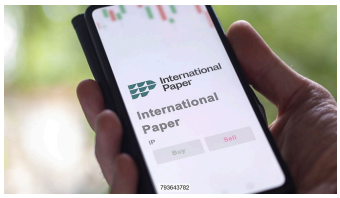
The Anjala paper mill is also part of the Anjalankoski industrial complex and produces book paper, magazine paper and improved newsprint with a capacity of 185,000 tpy.

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IP to shut down Red River containerboard mill

14 February 2025 Igor Dugandzic | ~ 1 minPublished in issue 8/2025



International Paper (IP) will close four US facilities by the end of April this year, including the Red River corrugated case material and kraft paper mill in Campti/Louisiana. The closures are said to affect almost 680 employees.

The Red River mill is an integrated pulp and paper mill producing corrugated case material as well as kraft paper for paper bags. The company puts the mill's annual containerboard production capacity at 725,000 t (800,000 sh.t).

Besides the Red River mill in Campti, IP also announced the closure the recycling plant in Phoenix/Arizona, the sheet feeder facility in St. Louis/Missouri, and the Hazleton box plant in Pennsylvania.

"International Paper is undergoing a transformational journey to become a stronger sustainable packaging solutions company. A critical step in this journey is to streamline IP's footprint to focus investments on facilities that will best serve customers and accelerate strategic initiatives to improve quality, reliability and service delivery," the company explained.

Last year, the company had already closed the Georgetown pulp and paper mill and five packaging facilities across the US, and restructured its corporate overhead structure, cutting more than 1,800 jobs across different divisions.

At the end of January, IP has completed the acquisition of British packaging group DS Smith to create an industry leader with a focus on the growing markets in North American and EMEA regions.

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Another Italian producer demands higher prices for coreboard

14 February 2025 Valeria Buß | ~ 1 minPublished in issue 8/2025



Another coreboard manufacturer in Italy has announced a price increase. After the Paper Board Alliance and Cartiera Merati issued their demands in January, Cartiera Olona has now also announced higher prices.

From 3 March, the company wants to charge €65/t more for all deliveries of coreboard and greyboard. Cartiera Olona cites the sharp rise in costs for energy, recovered paper and chemicals.

Cartiera Olona, based near Milan, operates one machine with a capacity of 60,000 tpy. It produces board with different scot-bonds of up to 300 J/m² for the production of cores and edge protectors.

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Metsä submits full planning application for tissue mill in the UK

13 February 2025 | ~ 1 minPublished in issue 8/2025

Metsä Group's tissue paper division, Metsä Tissue, has submitted a full planning application for a new tissue paper mill in Goole, Britain.



Metsä Tissue pushes ahead with its plans for a new tissue mill in Goole

If approved, the new tissue mill would produce 240,000 tpy of primary fibre-based tissue paper, covering about 20 per cent of the UK's current demand and increasing the country's self-sufficiency in tissue paper to around 85 per cent. The mill would offer more than 400 jobs.

Metsä Tissue has held two public consultations for the construction of the mill, in March and November 2024.

The project is part of Metsä Tissue's broader Future Mill programme to enhance environmental and operational efficiencies across Europe.

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Metsä Fibre considers temporary layoffs at several sawmills

12 February 2025 | ~ 1 minPublished in issue 8/2025

Metsä Fibre may curtail production at some of its sawmills and implement temporary layoffs in the process. The company said it would start change negotiations on possible temporary layoffs at its sawmills in Lappeenranta, Renko and Vilppula in Finland.



Construction activity remains weak and so does demand for sawn timber

The company is preparing for the possible need to temporarily curtail production at the sites. The market environment was challenging and the order backlog not satisfactory, Metsä Fibre explained. If production is curtailed, this could lead to the temporary layoff of all personnel at the sawmills concerned for a maximum of 90 days during 2025. According to the company, the three sites employ a total of 245 people.

Metsä Fibre has had a difficult year of 2024. The pulp and sawn timber division of the Metsä Group booked a considerably lower profit last year than in 2023. The operating result stood at €6m, down from €115m in the year before. Metsä complained of weaker-then-usual sawn timber demand throughout the year, which also led to production curtailments. And things are not expected to change much in the first quarter of 2025. The group said in early February that construction was not expected to recover. Sawn timber demand would probably remain stable, but might increase slightly in the second quarter, it added.

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Norske Skog sells Boyer newsprint and LWC mill in Tasmania to Boyer Capital

11 February 2025 Bernd Hecht | ~ 3 minPublished in issue 8/2025



Norske Skog will sell its last publication paper mill in the Australasian region to Boyer Capital Pty Ltd, a local private equity investment company. The purchase price is based on an enterprise value of NOK190m. The transaction is scheduled to be completed during the first quarter of this year.

The mill is Norske Skog's last remaining production site for publication paper in the Australasian region after it closed down its Tasman paper mill in 2021 and sold it to Oji Fibre two years later. The Norske Skog Boyer mill is situated in Tasmania and is geared for a production of 150,000 tpy of newsprint and 135,000 tpy of LWC magazine paper. Norske Skog reports that the mill has contributed an average of approximately NOK60m in Ebitda to Norske Skog in the period from 2022 to 2024.

After the sale of the Boyer mill, Norske Skog will have four mills in Europe (Skogn and Saugbrugs in Norway, Golbey in France and Bruck in Austria). They have a total combined output capacity of 760,000 tpy of containerboard, 840,000 tpy of newsprint, 200,000 tpy of SC magazine paper and 265,000 tpy of LWC magazine paper.

Norske Skog said that the mill would continue its operations under the new ownership. The new owner Boyer Capital says that it sees significant potential to expand and diversify the industrial activities at the Boyer mill. The site has a total area of 565 hectares, "offering significant opportunities for future developments, and good acces to raw materials and logistics infrastructure."

The transaction is a sale of 100 per cent of the share capital in Norske Skog Industries Australia Limited, the holding company for of Norske Skog's Australasian activities. Norske Skog said it would discontinue the reporting segment publication paper Australasia in its results for the fourth quarter of 2024. No gain or loss is expected to be recognised in the company's first quarter results as a result of the transaction.

Norske Skog says the transaction strengthens its balance sheet and liquidity positions towards ongoing strategic projects. It will now focus fully on the successful ramp-up of containerboard production at its Golbey mill in France and completing the BCTMP study at the Saugbrugs mill. The ramp-up of the containerboard machine at the Golbey mill is expected to start in the first quarter of this year. At its Saugbrugs mill, Norske Skog is carrying out a study on the possible production of BCTMP at the site. A final decision on the project is expected to be made in the first half of this year.

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Final settlement on Saugbrugs mill insurance payments

Norske Skog Saugbrugs and its insurance company agreed on a final settlement of all remaining insurance claims related to the rockslide at the Saugbrugs site on 27 April 2023. The settlement amount of NOK540m will be jointly covered by the insurance company, the Norwegian Natural Perils Pool and the reinsurers, the company says.

"We are pleased to have reached a final settlement with our insurance company regarding the remaining property damage claims at Saugbrugs. The dialogue with the insurance company has since the incident been very open, fair and professional. This settlement provides time and flexibility to invest and develop Saugbrugs for the future", says Geir Drangsland, CEO of Norske Skog.

The settlement amount represents a discount to prior estimates of remaining insurance compensation related to the property damage but enables Saugbrugs to freely determine the time at which compensation is utilised in its business activities as well as the nature of such activities. Payment of the full settlement amount is expected during the first quarter of 2025 and will thus be recognised in Ebitda in the first quarter of 2025.

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