

# 4<sup>th</sup> Quarter 2022

Oslo, 2 February 2023



# Agenda

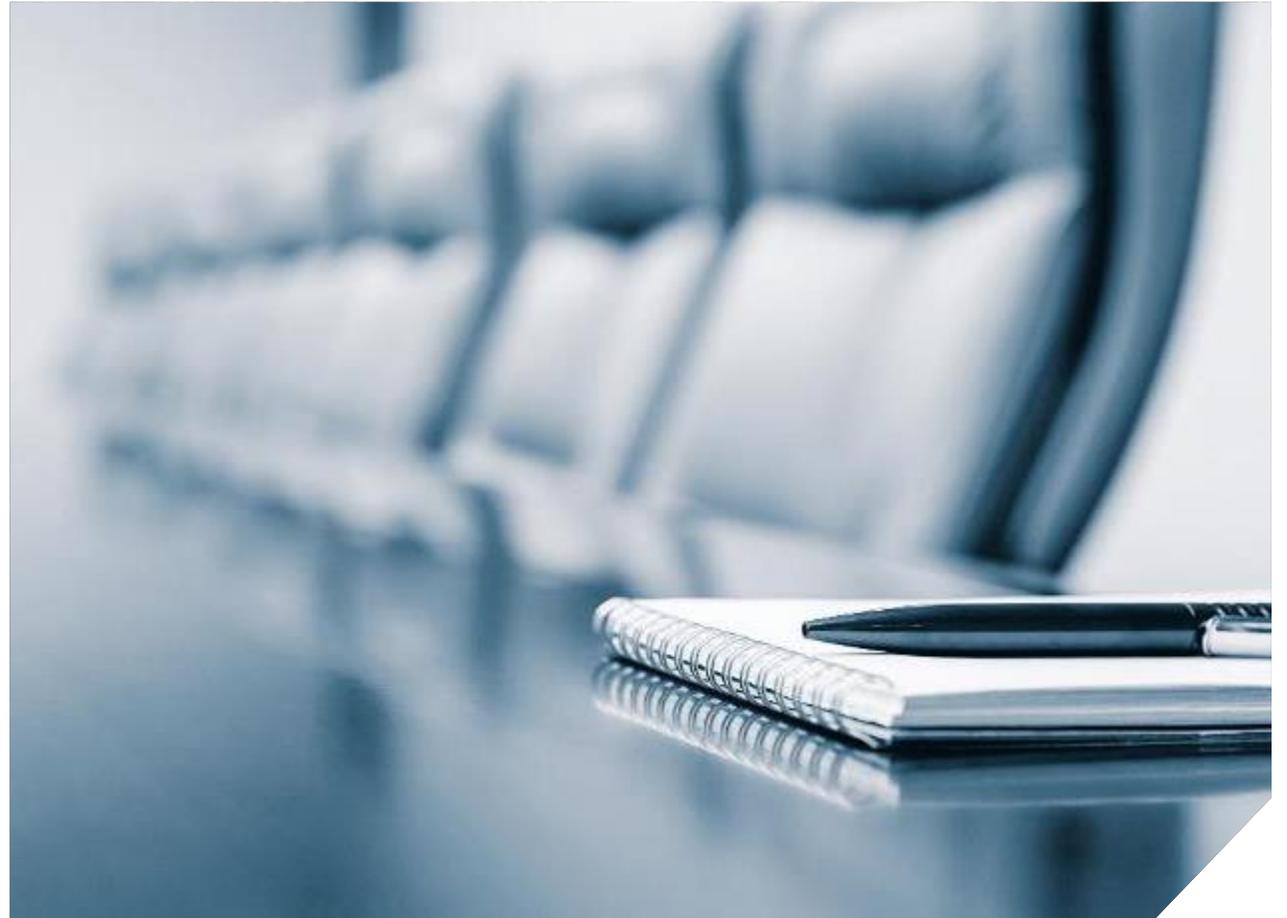
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## Per A Sørli, President & CEO

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

## Per Bjarne Lyngstad, CFO

- Financial performance



# Highlights – 4<sup>th</sup> quarter 2022

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- EBITDA<sup>1</sup> NOK 364 million (NOK 263 million)
- Significant improvement in BioMaterials and Fine Chemicals
- Reduced margin on traded vanillin products in BioSolutions
- Increased sales prices offset cost increases
- Positive net FX effects



<sup>1</sup> Alternative performance measure, see Appendix for definition

# Highlights – full year 2022

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- All-time high EBITDA<sup>1</sup> 1,643 mNOK (1,372 mNOK)
- Higher sales prices and improved product mix in BioSolutions and BioMaterials
- Increased sales prices and higher bioethanol sales volume in Fine Chemicals
- Substantial cost increases affected all business areas
- Positive net FX impact
- Cash flow affected by increase in net working capital
- ROCE<sup>1</sup> 18.1% pre-tax (16.1%)



<sup>1</sup> Alternative performance measure, see Appendix for definition

# Dividend proposal for 2022

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## Borregaard's dividend policy

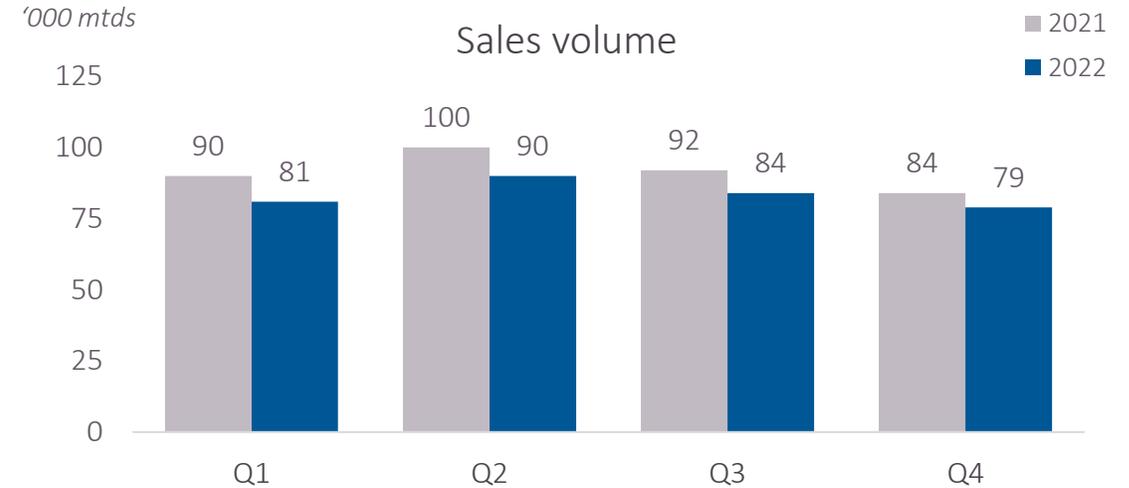
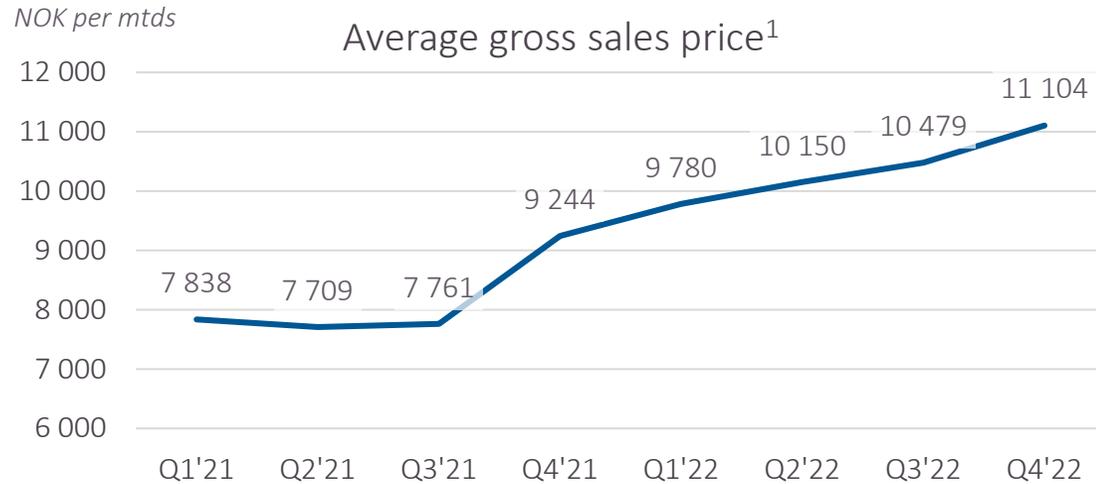
- To pay regular and progressive dividends reflecting expected long-term earnings and cash flows
- Dividend targeted between 30% and 50% of net profit

## A dividend proposal of NOK 3.25 per share proposed by the Board of Directors

- NOK 0.50 increase in ordinary dividend
- 36% of net earnings
- Dividend yield of 2.1% (share price at year-end)
- Total dividend payment of 324 mNOK



# BioSolutions markets – Q4



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

## Average price in sales currency 7% above Q4-21

- Positive development for applications within oilfield chemicals and construction
- In Q4-21, average price positively influenced by extraordinarily high deliveries of wood-based vanillin

## Sales volume 6% lower vs Q4-21

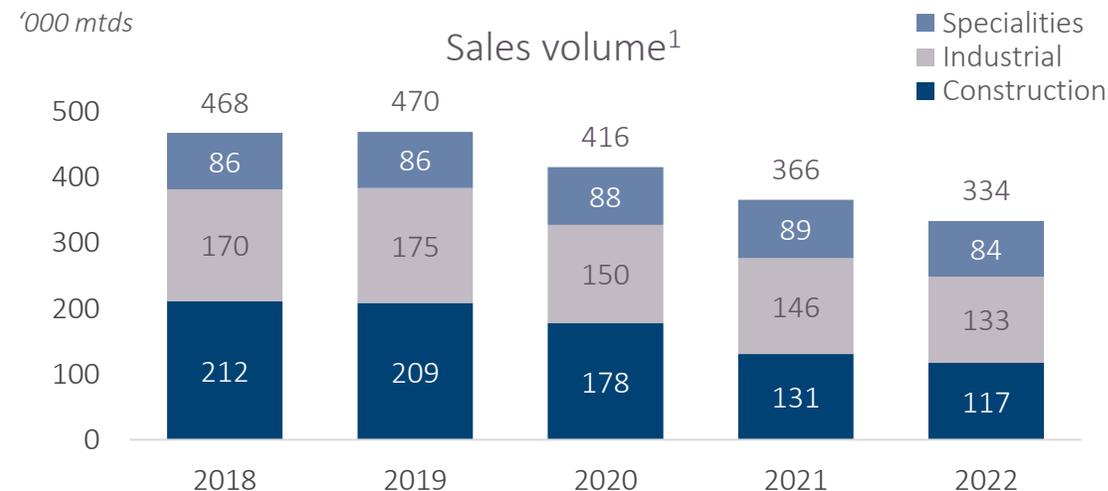
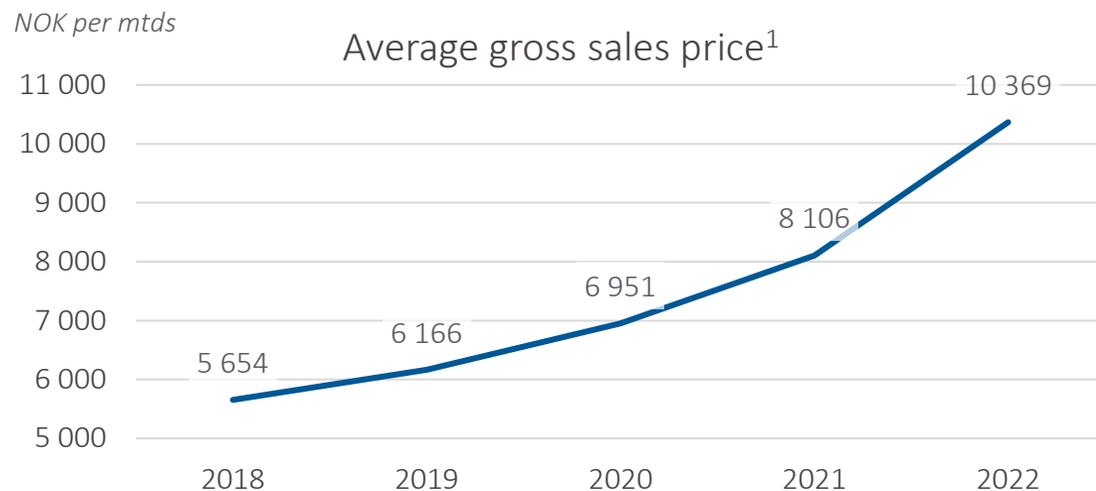
- In line with outlook for Q4
- Lower raw material supply affected deliveries to low-value markets

## Increased global supply and significant price decline for synthetic vanillin and ethyl vanillin

- Borregaard's sales volume and trading margins for these products negatively affected
- Strong deliveries of wood-based vanillin in the quarter

<sup>1</sup> Average sales price is calculated using actual FX rates, excluding hedging impact

# BioSolutions markets – full year



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

## Average price in sales currency 20% above 2021

- Price increases and optimisation of product mix main drivers
- Market introduction of new biovanillin capacity on track

## Sales volume 9% lower vs 2021

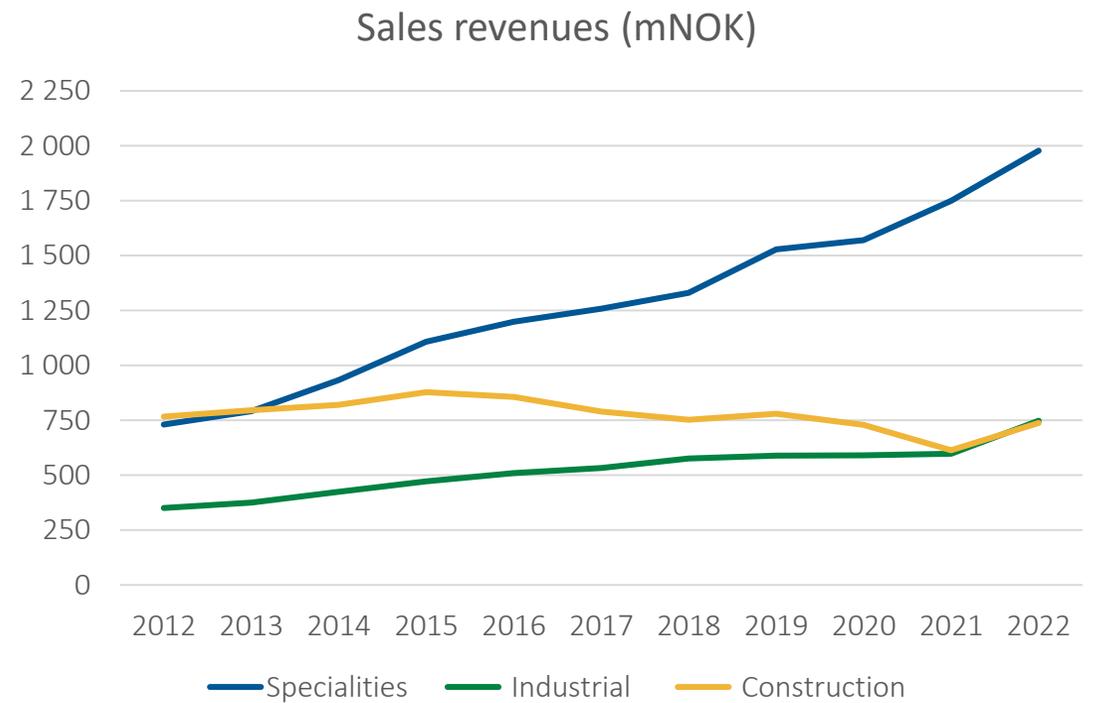
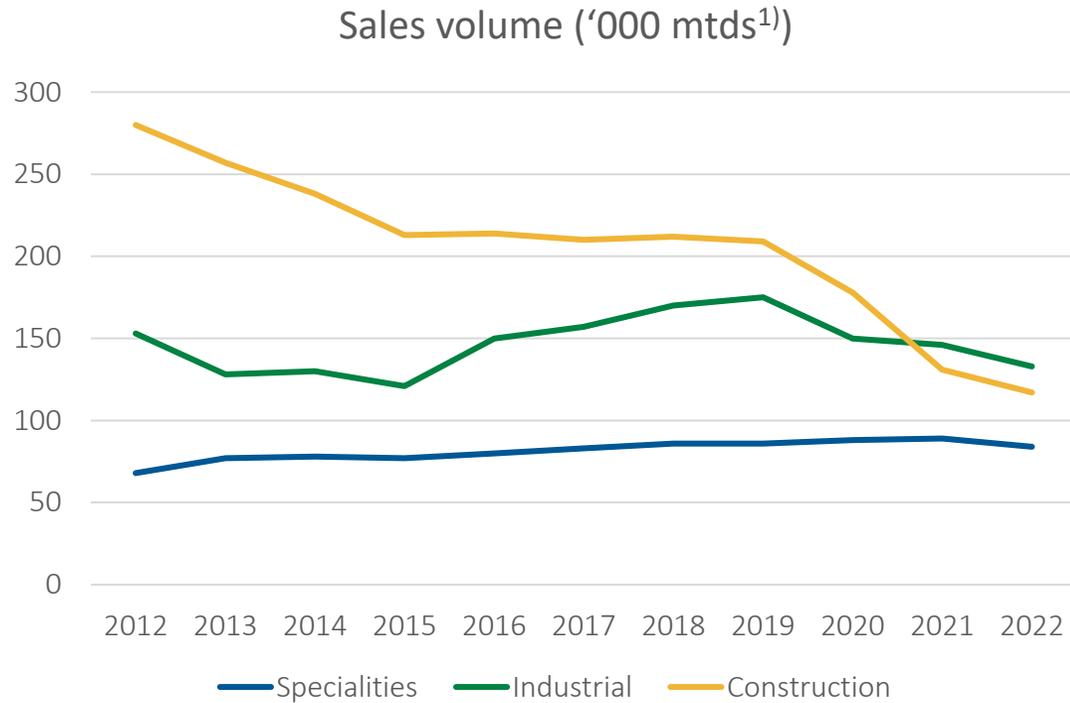
- Lower raw material supply in 2022 and sales from inventories in 2021
- Demand for lignin-based biopolymers generally strong
- Volumes optimised based on value within all market segments

## Borregaard's trading of vanillin products peaked during H1-22 with higher sales prices and margins

- Market normalised late 2022

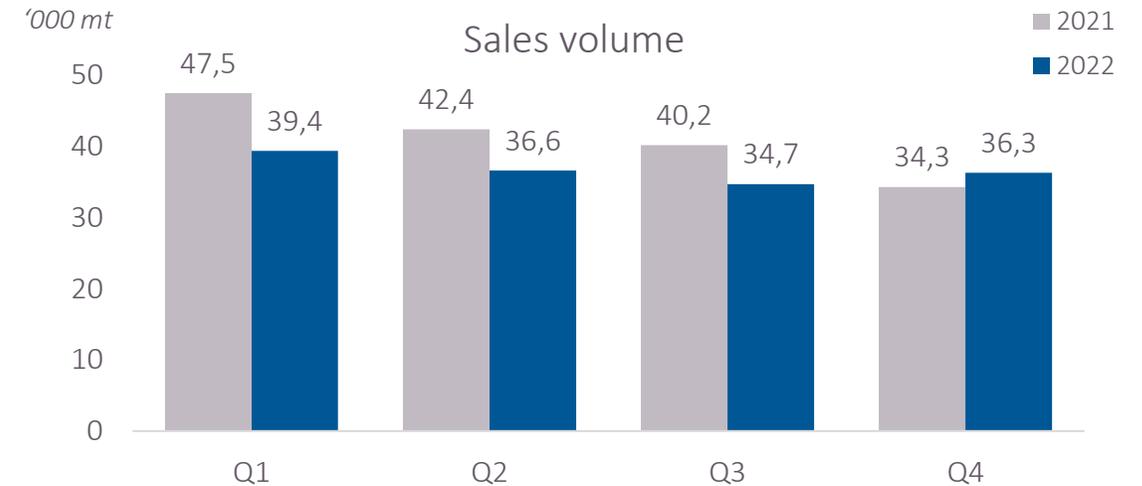
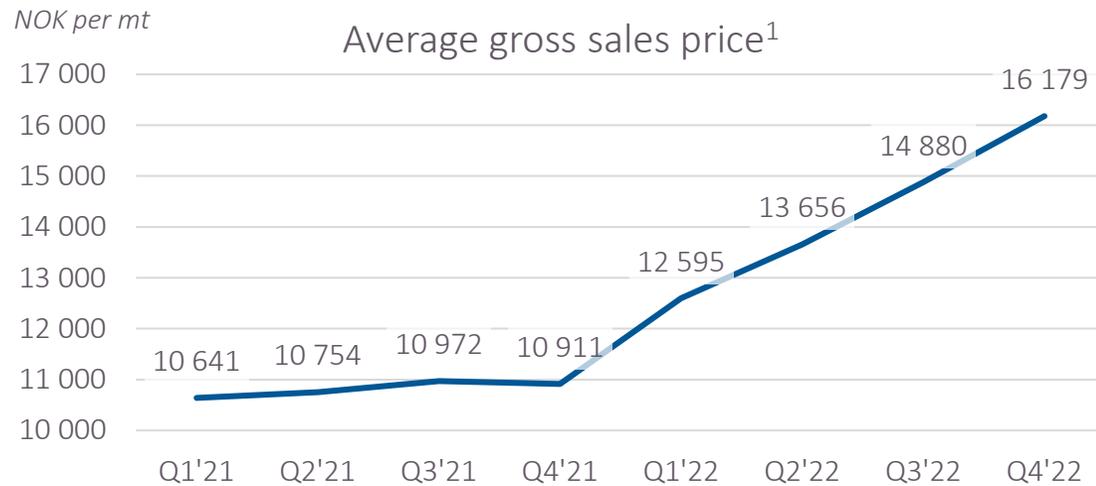
<sup>1</sup> Includes 100% of sales volume from the J/V in South Africa till mid-2020. Average sales price is calculated using actual FX rates, excluding hedging impact.

# Significant specialisation and value growth over time



- Gross sales doubled in Industrial and nearly trebled in Specialities from 2012
- Reduced exposure to low-value applications, less cyclicity
- New supply situation in 2020 – focus on value and portfolio optimisation

# BioMaterials markets – Q4



Sales price and sales volume include speciality cellulose and cellulose fibrils

## Average price in sales currency 39% higher than Q4-21

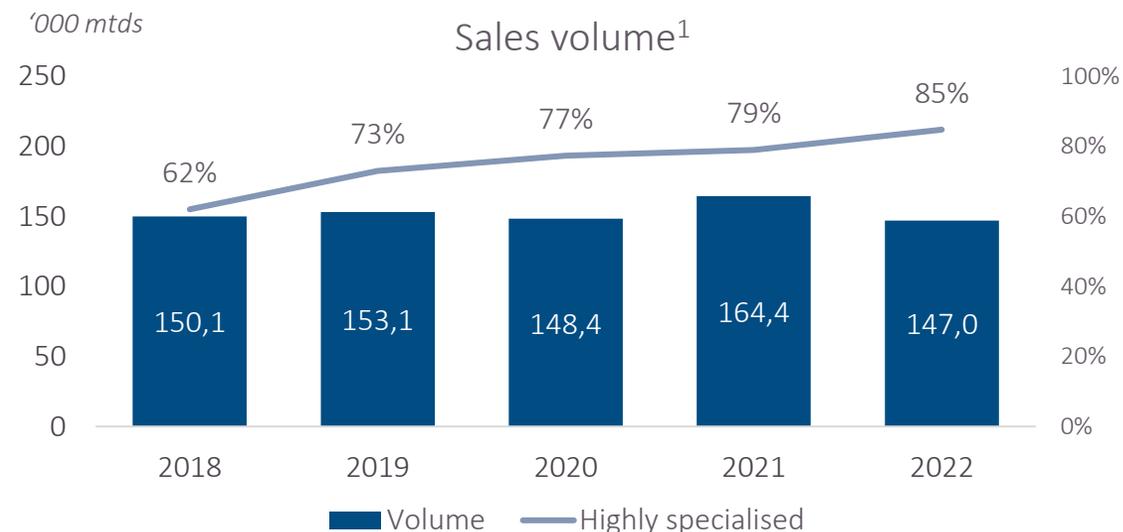
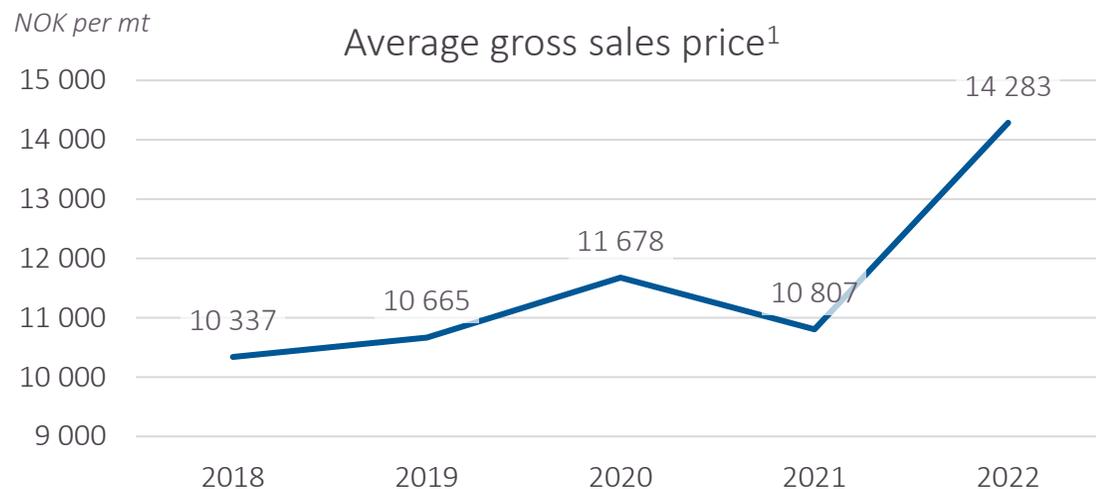
- Price increases and surcharges for speciality cellulose
- Favourable product mix in Speciality cellulose, increased sales volume and sales prices for Cellulose fibrils

## Higher deliveries of speciality cellulose

- In total, strong demand in the quarter
- Slight slowdown in orders from the construction market for cellulose ethers

<sup>1</sup> Average sales price is calculated using actual FX rates, excluding hedging impact

# BioMaterials markets – full year



Sales price and sales volume include speciality cellulose and cellulose fibrils

## Average price in sales currency 28% above 2021

- Price increases, surcharges and improved product mix
- Sales of highly specialised grades increased to 85% (79%)

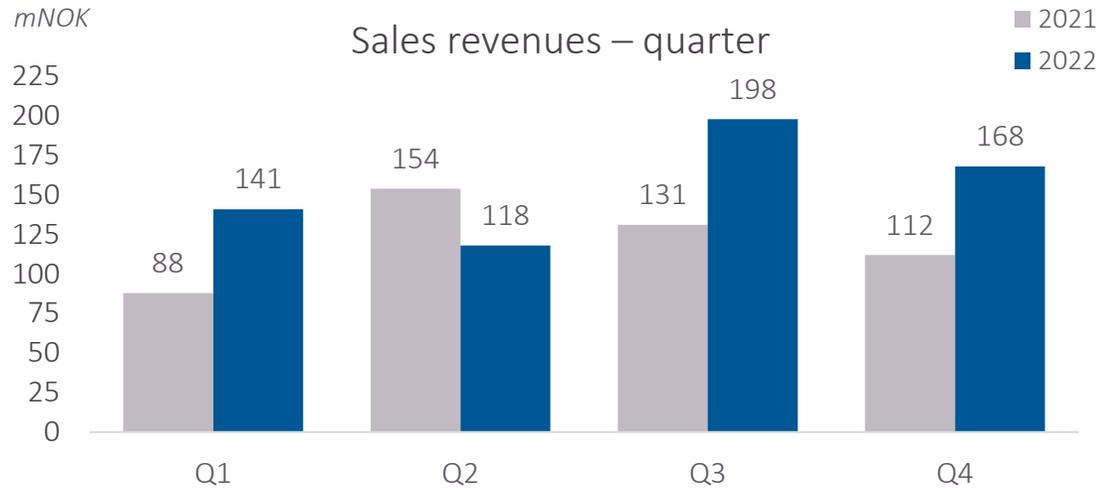
## Significantly lower deliveries of speciality cellulose

- Inventories increased from a low level in 2021
- Strong demand for speciality cellulose, slight slowdown in orders from the construction market for cellulose ethers in Q4-22

## Sales volume and sales prices increased for cellulose fibrils

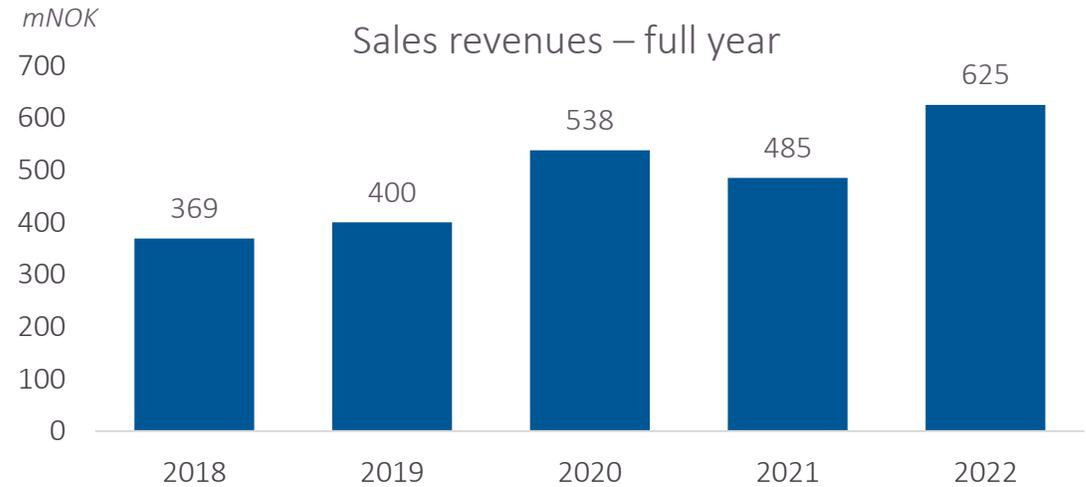
<sup>1</sup> Average sales price is calculated using actual FX rates, excluding hedging impact

# Fine Chemicals markets – Q4 & full year



*Sales revenues include fine chemical intermediates and bioethanol*

- Higher sales volume and sales prices for bioethanol
- Increased sales prices for fine chemical intermediates



*Sales revenues include fine chemical intermediates and bioethanol*

- Increased sales prices and higher sales volume for bioethanol, bioethanol sales mainly to biofuels
- Increased sales prices for fine chemical intermediates
- Positive net FX impact

# Climate change and the environment – targets and ratings



## Science Based Targets for GHG emissions approved by SBTi

- Targeted reductions in GHG emissions (scope 1 and 2):
  - *42% absolute reduction by 2030 (base year = 2020)*
  - *Net-zero target, 90% absolute reduction by 2050*
- Targets in line with 1.5°C goal in Paris Agreement and Norwegian Climate Law

## Highlighted as a global leader in corporate climate action by CDP

- Borregaard among top 20 out of 15,000 reporting companies
  - *A score within Climate Change (5 years in a row) and Forests*
  - *A- score within Water security*

## Platinum status in EcoVadis Supply Chain

- Top 1% of 90,000 reporting companies



As a **double A List** company, we are leaders in corporate transparency and action on climate change and deforestation.



# Continuous reduction of emissions and effluents

## 2030 environmental targets

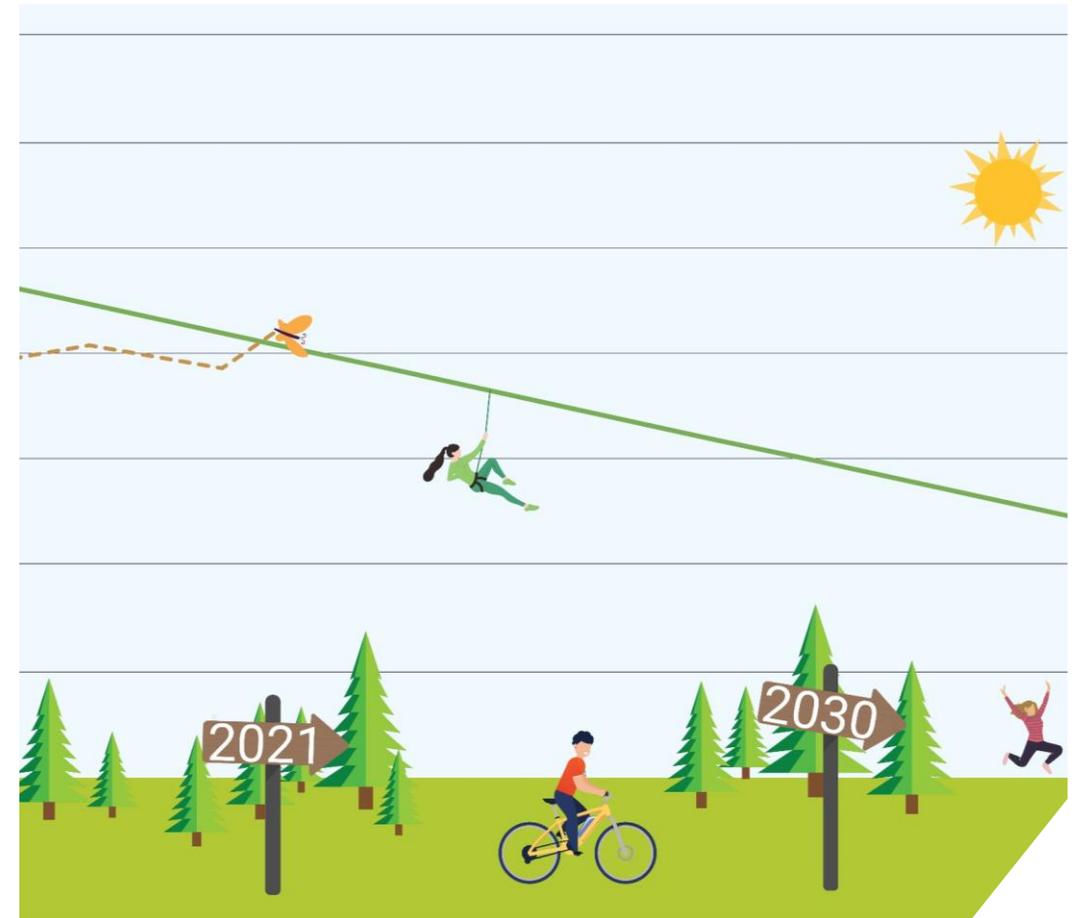
- 42% reduction in CO<sub>2</sub> emissions from 2020
  - *Electrification, energy conservation, innovative heat recovery*
- 30-50% reduction in effluents to water (COD) from 2020
  - *Process improvements and wastewater incineration technology*

## Financial consequences and strategic considerations

- Preliminary investment estimate 650-850 mNOK for 2023 to 2025
- Supporting specialisation and value growth investments
- Increased flexibility between energy sources
- Improved environmental footprint
- Increased barriers to entry and strengthened competitive position

*Sustainability offering new opportunities*

Environmental investments will improve competitive position



# Environmental investment of 230 mNOK at the biorefinery in Norway

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## Improved environmental footprint

- Removing absolute dependency on LNG
- 30,000 tonnes annual reduction of CO<sub>2</sub> emissions
- Part of investment plan announced at CMD

## Increased energy flexibility and efficiency

- Significant cost reduction potential
- Introducing more options to switch between alternative energy sources
- Improved energy efficiency

Completion in H1-24



# Outlook

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## BioSolutions

- Total sales volume forecast to be approx. 350,000 tonnes, depending on raw material supply and global economic development
- Sales volume in Q1-23 expected to be in line with Q4-22
- Portfolio optimisation within biopolymer applications will continue
- Market for synthetic vanillin and ethyl vanillin expected to remain normalised in 2023

## BioMaterials

- Total sales volume forecast to be higher than production output
- Sales volume of highly specialised grades expected to increase
- In Q1-23, the average price in sales currency expected to be largely in line with Q4-22
- Construction market for cellulose ethers the main uncertainty, other applications expected to largely compensate for a potential slowdown
- Sales growth will continue for cellulose fibrils

## Fine Chemicals

- Sales volume and product mix for fine chemical intermediates expected to improve
- Favourable market conditions for advanced biofuels in several European countries, sales prices for bioethanol expected to increase vs 2022

## Energy and raw material costs

- Wood costs will increase 10-15% in H1-23 vs H2-22
- In Q1-23, energy and other raw material costs expected to be slightly below Q4-22, energy spot prices represent the largest uncertainty
- Borregaard will benefit from its ability to switch between electricity, LNG and light oil to minimise energy costs

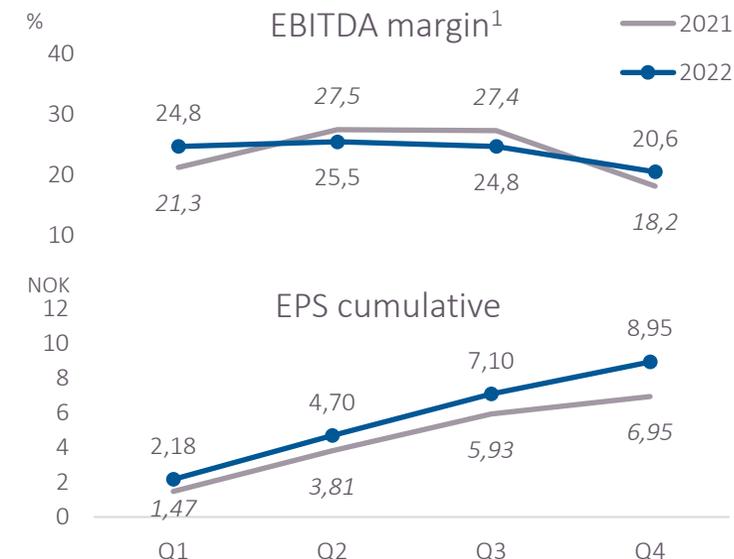
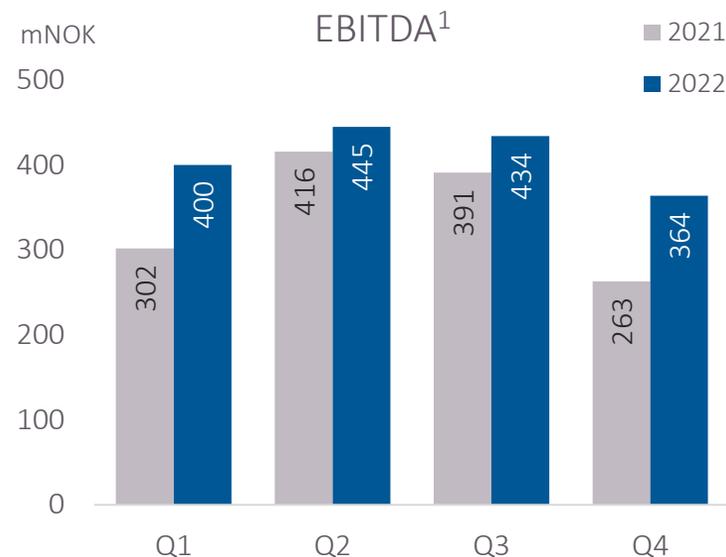
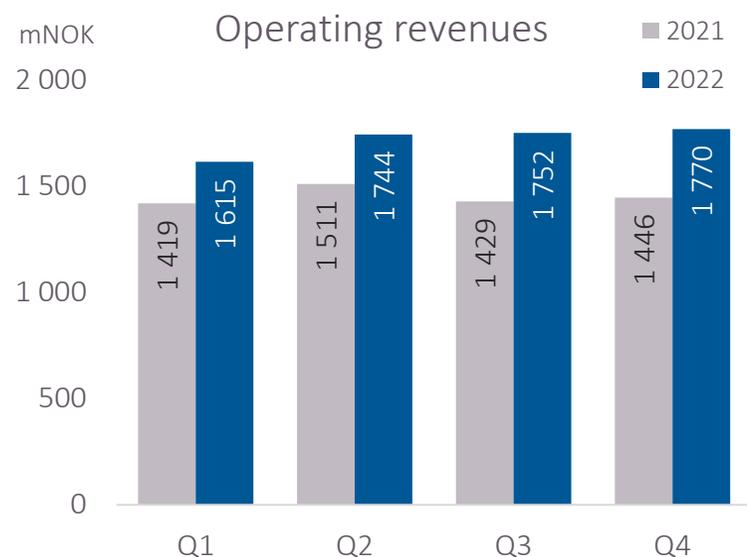
Cost inflation and consequences of the war in Ukraine may impact the global economy and Borregaard's markets

# Financial performance Q4-22

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# Borregaard key figures – Q4



Revenues 22% above Q4-21

EBITDA<sup>1</sup> 364 mNOK for the Group

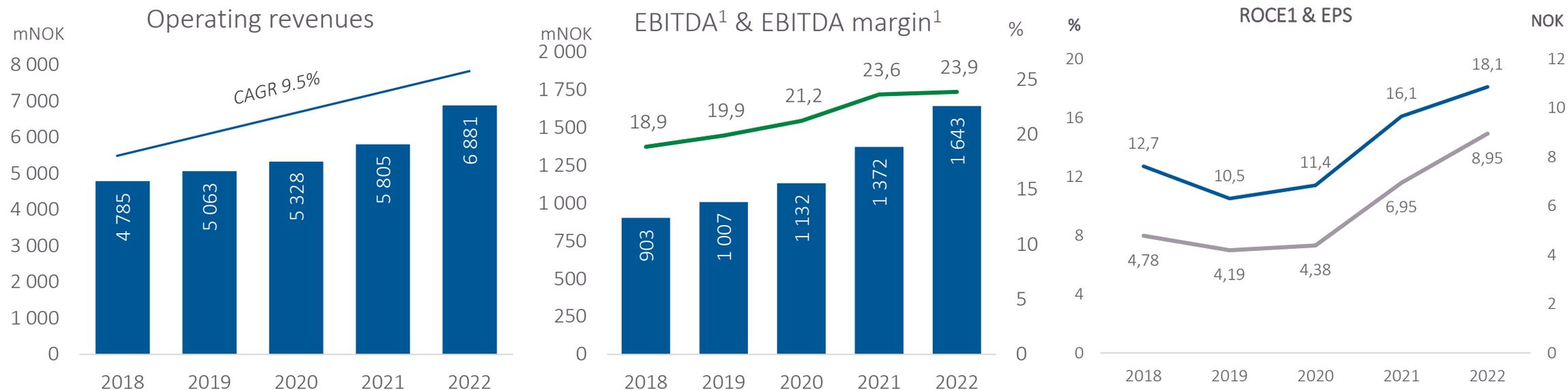
- Significant improvement in BioMaterials and Fine Chemicals, decrease in BioSolutions
- Increased sales prices, higher volume and positive net FX effect more than offset cost increases and reduced margin on traded vanillin products
- EBITDA<sup>1</sup> margin above Q4-21

Earnings per share (EPS) NOK 1.85 (NOK 1.02)

- Other income and expenses -20 mNOK accrual for precautionary measures related to ground conditions at the site in Norway

<sup>1</sup> Alternative performance measure, see Appendix for definition

# Borregaard key figures – full year



## Revenues increased by 19% vs 2021

- All-time high EBITDA<sup>1</sup> of 1,643 mNOK for the Group
- All business areas improved

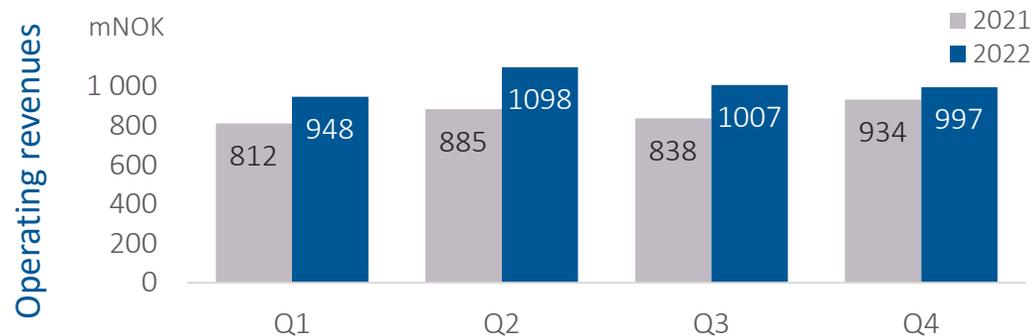
Price increases and positive net FX effects more than compensated for substantial cost increases

Earnings per share (EPS) NOK 8.95 (NOK 6.95)

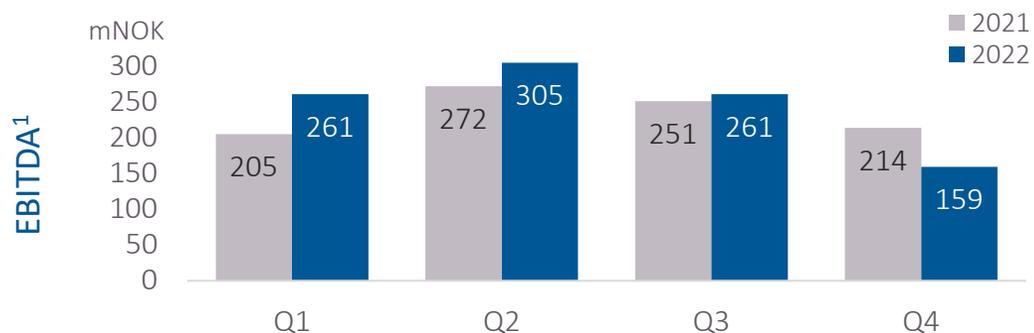
ROCE<sup>1</sup> 18.1% pre-tax (16.1%), well above target level

<sup>1</sup> Alternative performance measure, see Appendix for definition

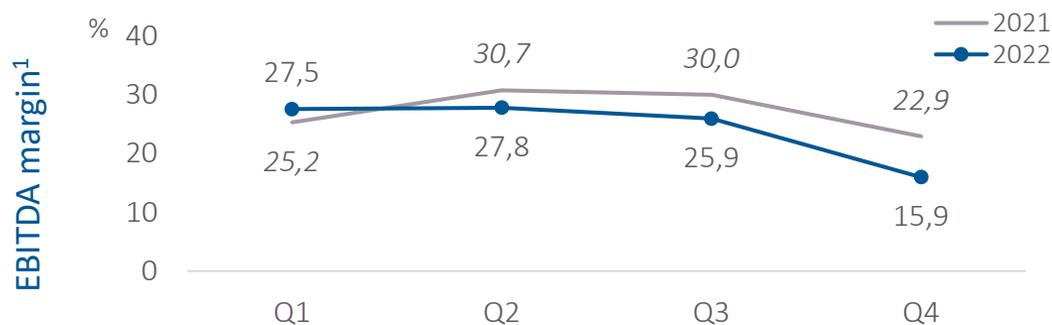
# BioSolutions key figures – Q4



- Revenues 7% above Q4-21
- Increased sales prices and positive FX impact
- Lower sales volume
- *Full year growth 17%*



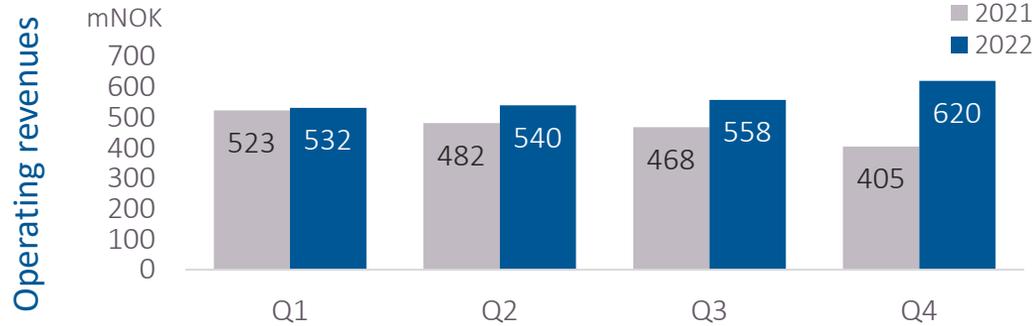
- Reduced margin and volume for traded vanillin products
- Increased sales prices and positive net FX effects offset cost increases for lignin-based biopolymers
- *Full year EBITDA<sup>1</sup> 986 mNOK (942 mNOK)*



- Lower EBITDA margin<sup>1</sup> vs Q4-21
- *Full year EBITDA<sup>1</sup> margin 24.3 (27.2)*

<sup>1</sup> Alternative performance measure, see Appendix for definition

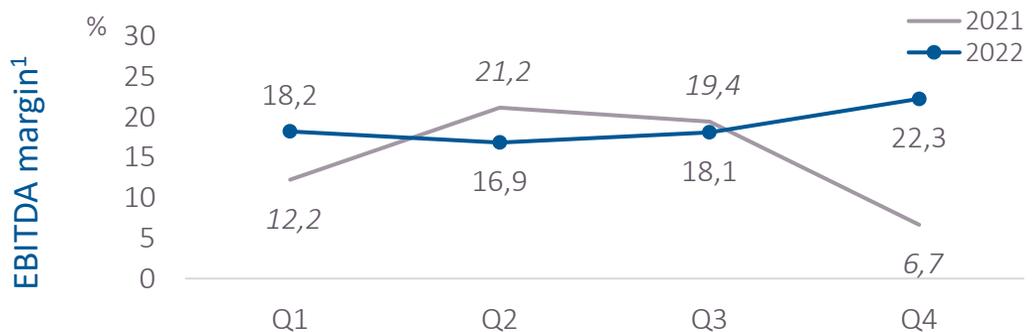
# BioMaterials key figures – Q4



- Revenues increased 53% vs Q4-21
- Increased sales prices for speciality cellulose
- Higher deliveries
- Positive FX impact
- *Full year growth 20%*



- Increased sales prices and surcharges, positive net FX impact, higher sales volume and favourable product mix
- Higher production output, shorter annual maintenance stop and lower maintenance costs
- Increased raw material and energy costs
- *Full year EBITDA<sup>1</sup> 427 mNOK (284 mNOK)*



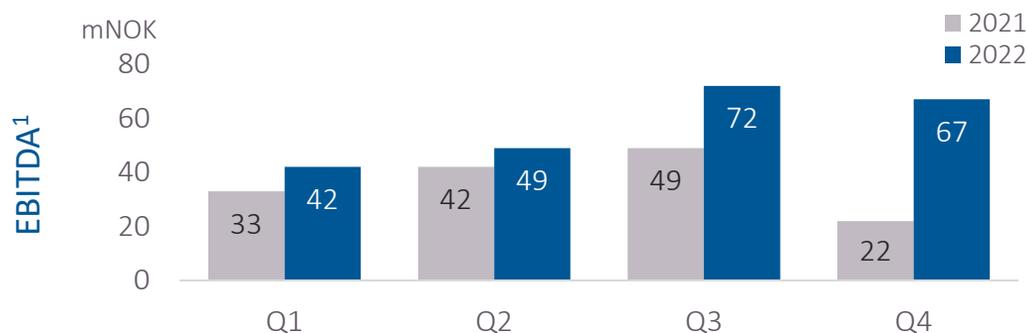
- EBITDA margin<sup>1</sup> significantly above Q4-21
- *Full year EBITDA<sup>1</sup> margin 19.0 (15.1)*

<sup>1</sup> Alternative performance measure, see Appendix for definition

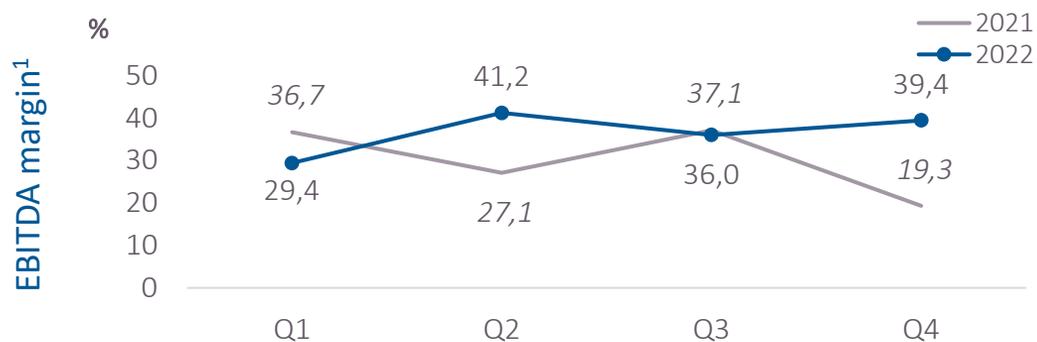
# Fine Chemicals key figures – Q4



- Revenues increased 49% vs Q4-21
- Increased sales prices and higher bioethanol deliveries
- *Full year increase 29%*



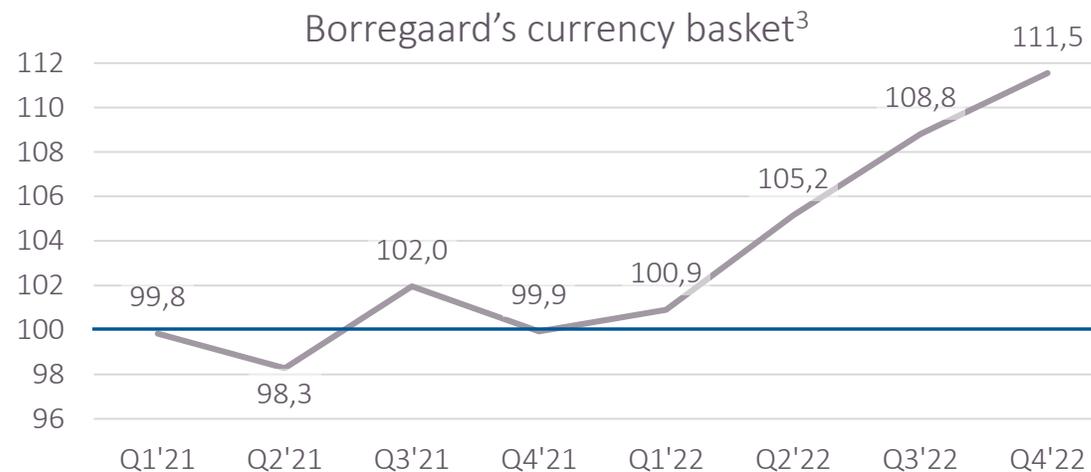
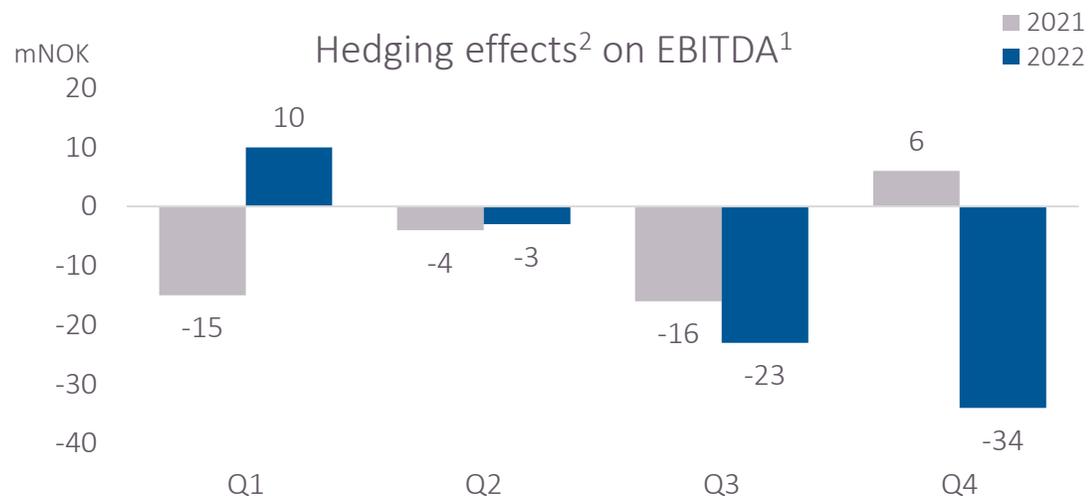
- Increased sales prices and high production output for fine chemical intermediates, partly offset by increased costs
- Higher sales prices and sales volume for bioethanol, partly offset by increased costs
- *Full year EBITDA<sup>1</sup> 230 mNOK (146 mNOK)*



- EBITDA margin<sup>1</sup> significantly above Q4-21
- *Full year EBITDA<sup>1</sup> margin 36.4 (29.7)*

<sup>1</sup> Alternative performance measure, see Appendix for definition

# Currency impact



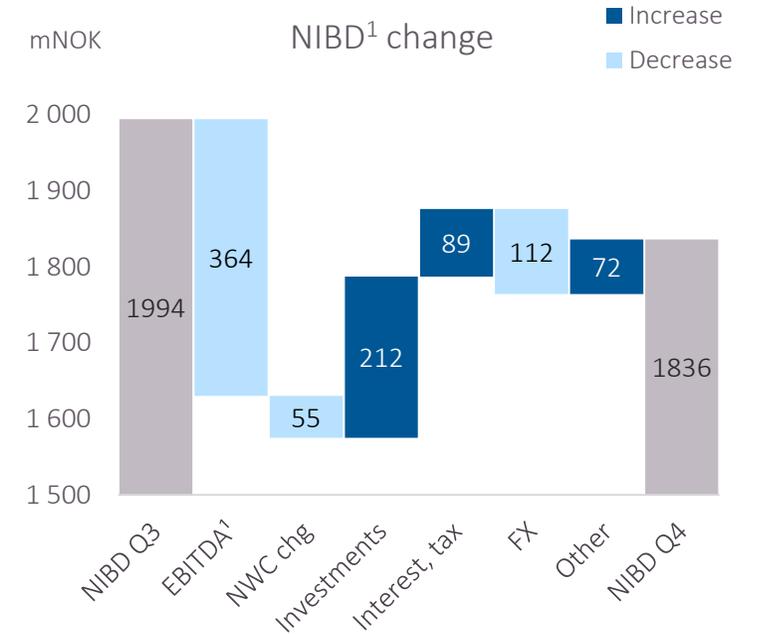
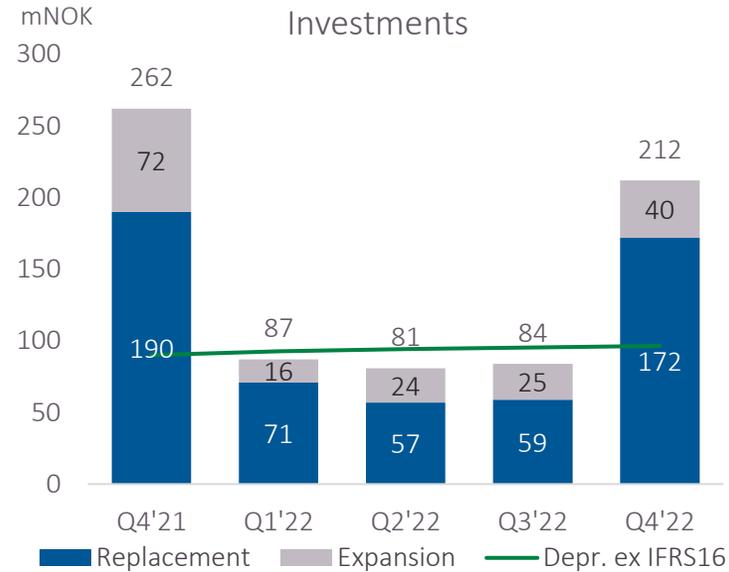
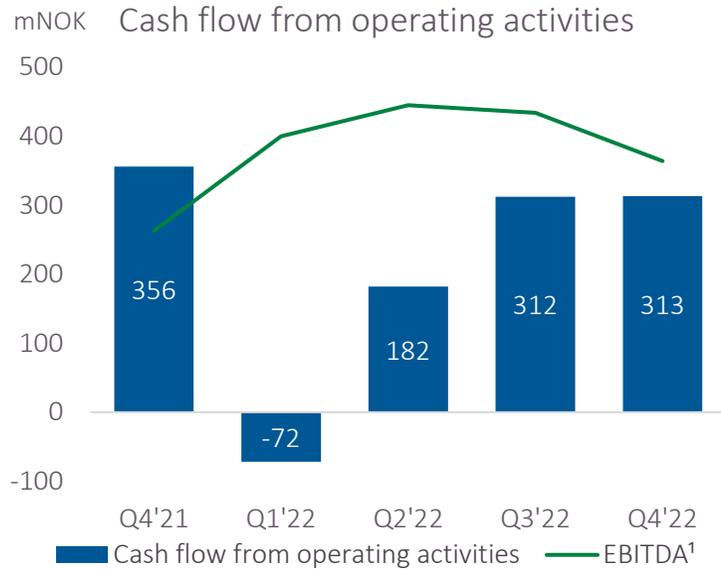
- **Net FX EBITDA<sup>1</sup> impact ≈55 mNOK vs Q4-21**
  - Includes change in hedging effects and based on estimated FX exposure
  - Net FX EBITDA<sup>1</sup> impact YTD ≈195 mNOK
- **Net FX EBITDA<sup>1</sup> impact in 2023 estimated to be ≈135 mNOK vs 2022**
  - Assuming rates as of 1 February (USD 9.97 and EUR 10.86) on expected FX exposure
  - Net FX EBITDA<sup>1</sup> impact in Q1 estimated to be ≈50 mNOK vs Q1-22
- **Significant FX exposure, but delayed impact of FX rate fluctuations due to hedging policy**

<sup>1</sup> Alternative performance measure, see Appendix for definition

<sup>2</sup> See Appendix for currency hedging strategy, future hedges and hedging effects by segment

<sup>3</sup> Currency basket based on Borregaard's net exposure on EBITDA<sup>1</sup> in 2021 (=100): USD 53% (≈198 mUSD), EUR 44% (≈139 mEUR), Other 3% (GBP, BRL, JPY, SEK)

# Cash flow, investments and NIBD



Cash flow in Q4 positively affected by strong EBITDA and reduction in net working capital

High investments in Q4, mainly related to equipment installed during the annual maintenance stop in October

NIBD<sup>1</sup> decreased 158 mNOK in Q4

- Leverage ratio<sup>1</sup> 1.12 (1.03)

Equity ratio<sup>1</sup> 55% (60%)

<sup>1</sup> Alternative performance measure, see Appendix for definition

# Questions?

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Per A Sørli, President & CEO

Per Bjarne Lyngstad, CFO

***Please note that you can submit questions through the webcast solution***



# Appendix



# Borregaard – key figures

Amounts in NOK million	Q4-22	Q4-21	Change	FY-22	FY-21	Change
Operating revenues	1 770	1 446	22 %	6 881	5 805	19 %
EBITDA <sup>1</sup>	364	263	38 %	1 643	1 372	20 %
Depreciation property, plant and equipment	-114	-106		-444	-416	
Amortisation intangible assets	-2	-1		-5	-4	
Other income and expenses <sup>1</sup>	-20	0		-8	0	
<b>Operating profit</b>	<b>228</b>	<b>156</b>	<b>46 %</b>	<b>1 186</b>	<b>952</b>	<b>25 %</b>
Financial items, net	-18	-24		-68	-79	
<b>Profit before taxes</b>	<b>210</b>	<b>132</b>	<b>59 %</b>	<b>1 118</b>	<b>873</b>	<b>28 %</b>
Income tax expenses	-47	-39		-267	-213	
<b>Profit for the period</b>	<b>163</b>	<b>93</b>	<b>75 %</b>	<b>851</b>	<b>660</b>	<b>29 %</b>
Profit attributable to non-controlling interests	-21	-9		-41	-32	
Profit attributable to owners of the parent	184	102		892	692	
<b>Cash flow from operating activities (IFRS)</b>	<b>313</b>	<b>356</b>		<b>735</b>	<b>1 431</b>	
<b>Earnings per share</b>	<b>1,85</b>	<b>1,02</b>	<b>81 %</b>	<b>8,95</b>	<b>6,95</b>	<b>29 %</b>
EBITDA margin <sup>1</sup>	20,6 %	18,2 %		23,9 %	23,6 %	

<sup>1</sup> Alternative performance measure, see Appendix for definition

# Operating revenues and EBITDA<sup>1</sup> per segment

Amounts in NOK million

Operating revenues	Q4-22	Q4-21	Change
Borregaard	1 770	1 446	22 %
BioSolutions	997	934	7 %
BioMaterials	620	405	53 %
Fine Chemicals	170	114	49 %
Eliminations	-17	-7	

Amounts in NOK million

EBITDA <sup>1</sup>	Q4-22	Q4-21	Change
Borregaard	364	263	38 %
BioSolutions	159	214	-26 %
BioMaterials	138	27	411 %
Fine Chemicals	67	22	205 %

Amounts in NOK million

Operating revenues	FY-22	FY-21	Change
Borregaard	6 881	5 805	19 %
BioSolutions	4 050	3 469	17 %
BioMaterials	2 250	1 878	20 %
Fine Chemicals	632	491	29 %
Eliminations	-51	-33	

Amounts in NOK million

EBITDA <sup>1</sup>	FY-22	FY-21	Change
Borregaard	1643	1372	20 %
BioSolutions	986	942	5 %
BioMaterials	427	284	50 %
Fine Chemicals	230	146	58 %

<sup>1</sup> Alternative performance measure, see Appendix for definition

# Cash flow

Amounts in NOK million	Q4-22	Q4-21	FY-22	FY-21
<b>Amounts in NOK million</b>				
Profit before taxes	210	132	1 118	873
Amortisation, depreciation and impairment charges	116	107	449	420
Change in net working capital, etc	55	174	-658	256
Dividend/share of profit from JV & associate company	3	6	34	6
Taxes paid	-71	-63	-208	-124
<b>Cash flow from operating activities</b>	<b>313</b>	<b>356</b>	<b>735</b>	<b>1 431</b>
Investments property, plant and equipment and intangible assets *	-212	-227	-464	-556
Investment in associate company	-	-35	-	-145
Other capital transactions	4	4	9	9
<b>Cash flow from Investing activities</b>	<b>-208</b>	<b>-258</b>	<b>-455</b>	<b>-692</b>
Dividends	-	-	-499	-249
Proceeds from exercise of options/shares to employees	7	4	41	59
Buy-back of shares	-45	-7	-68	-118
Gain/(loss) on hedges for net investments in subsidiaries	77	-25	-79	-14
<b>Net paid to/from shareholders</b>	<b>39</b>	<b>-28</b>	<b>-605</b>	<b>-322</b>
Proceeds from interest-bearing liabilities	-	-	837	300
Repayment from interest-bearing liabilities	-43	-146	-512	-814
Change in interest-bearing receivables/other liabilities	-41	4	78	-1
<b>Change in net interest-bearing liabilities</b>	<b>-84</b>	<b>-142</b>	<b>403</b>	<b>-515</b>
<b>Cash flow from financing activities</b>	<b>-45</b>	<b>-170</b>	<b>-202</b>	<b>-837</b>
<b>Change in cash and cash equivalents</b>	<b>60</b>	<b>-72</b>	<b>78</b>	<b>-98</b>
Cash and cash equivalents at beginning of period	76	76	5	96
Change in cash and cash equivalents	60	-72	78	-98
Currency effects cash and cash equivalents	-25	1	28	7
<b>Cash and cash equivalents at the end of the period</b>	<b>111</b>	<b>5</b>	<b>111</b>	<b>5</b>
<b>* Investment by category</b>				
Replacement Investments	172	190	359	398
Expansion investments <sup>1</sup> including investment in associate company	40	72	105	303
Total investments including investment in associate company	212	262	464	701

<sup>1</sup> Alternative performance measure, see Appendix for definition

# Balance sheet

Amounts in NOK million	31.12.2022	30.09.2022	31.12.2021
<b>Assets:</b>			
Intangible assets	82	84	89
Property, plant and equipment	4 371	4 339	4 191
Right-of-use assets	345	342	351
Other assets	254	240	339
Investments in joint venture/associate company	142	143	173
<b>Non-current assets</b>	<b>5 194</b>	<b>5 148</b>	<b>5 143</b>
Inventories	1 299	1 230	792
Receivables	1 387	1 495	1 107
Cash and cash deposits	234	167	124
<b>Current assets</b>	<b>2 920</b>	<b>2 892</b>	<b>2 023</b>
<b>Total assets</b>	<b>8 114</b>	<b>8 040</b>	<b>7 166</b>
<b>Equity and liabilities:</b>			
Group equity	4 394	3 929	4 222
Non-controlling interests	51	79	84
<b>Equity</b>	<b>4 445</b>	<b>4 008</b>	<b>4 306</b>
Provisions and other liabilities	295	438	257
Interest-bearing liabilities	1 370	1 523	1 320
<b>Non-current liabilities</b>	<b>1 665</b>	<b>1 961</b>	<b>1 577</b>
Interest-bearing liabilities	702	641	224
Other current liabilities	1 302	1 430	1 059
<b>Current liabilities</b>	<b>2 004</b>	<b>2 071</b>	<b>1 283</b>
<b>Equity and liabilities</b>	<b>8 114</b>	<b>8 040</b>	<b>7 166</b>
Equity ratio <sup>1</sup> (%):	54,8 %	49,9 %	60,1 %

<sup>1</sup> Alternative performance measure, see Appendix for definition

# Net financial items & net interest-bearing debt<sup>1</sup>

Amounts in NOK million

Net financial items	Q4-22	Q4-21	FY-22	FY-21
Net interest expenses	-26	-13	-76	-59
Currency gain/loss	10	-7	6	-8
Share of profit/-loss from an associate	0	-2	-3	-2
Other financial items, net	-2	-2	5	-10
<b>Net financial items</b>	<b>-18</b>	<b>-24</b>	<b>-68</b>	<b>-79</b>

Amounts in NOK million

Net interest-bearing debt <sup>1</sup> (NIBD)	31.12.2022	30.09.2022	31.12.2021
Non-current interest-bearing liabilities	1 370	1 523	1 320
Current interest-bearing liabilities including overdraft of cashpool	702	641	224
Non-current interest-bearing receivables (included in "Other Assets")	-2	-3	-3
Cash and cash deposits	-234	-167	-124
<b>Net interest-bearing debt<sup>1</sup> (NIBD)</b>	<b>1 836</b>	<b>1 994</b>	<b>1 417</b>
- of which impact from IFRS 16 leases	371	367	371

<sup>1</sup> Alternative performance measure, see Appendix for definition

# Currency hedging strategy

*Purpose is to delay effects of currency fluctuations and secure competitiveness*

Hedging based on expected EBITDA<sup>1</sup> impact<sup>2</sup>

- Base hedge: 75%/50% on a rolling basis for 6/9 months for major currencies
- Extended hedge: 75%/50% of the next 24/36 months if USD and EUR are above defined levels  
 EUR; gradually increased at effective rates from 9.25 to 9.75  
 USD; gradually increased at effective rates from 8.00 to 8.50
- Contracts<sup>3</sup>: 100% hedged

Balance sheet exposure hedged 100%

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

Contracted FX hedges with EBITDA impact (as of 01.02.23)

	USD million	USD rate	EUR million	EUR rate
Q1-2023	36	9.20	35	10.74
Q2-2023	35	9.53	36	10.81
Q3-2023	36	9.14	35	10.76
Q4-2023	36	8.96	35	10.71
2023	143	9.21	141	10.76
2024	141	9.03	122	10.57
2025	97	9.56	90	10.60
2026	8	9.56	7	10.78

Hedging effects by segment

NOK million	FY-22	FY-21	Q4-22	Q4-21
BioSolutions	-44	-11	-23	1
BioMaterials	-7	-15	-9	4
Fine Chemicals	1	-3	-2	1
<b>Borregaard</b>	<b>-50</b>	<b>-29</b>	<b>-34</b>	<b>6</b>

<sup>1</sup> Alternative performance measure, see Appendix for definition

<sup>2</sup> Hedging done mainly in the Norwegian company

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

# Credit facilities, solidity and debt

## Long-term credit facilities

- 1,500 mNOK revolving credit facilities, maturity 2024 and 2026, margin linked to sustainability targets
- 400 mNOK 5-year bond issue, maturity 2023
- 40 mEUR 10-year loan, maturity 2024
- 50 mUSD 10-year loan, maturity 2032 (drawn in April 2022)
- 60 mUSD term loan for LT Florida, tenor 8.5 years from completion

## Short-term credit facilities

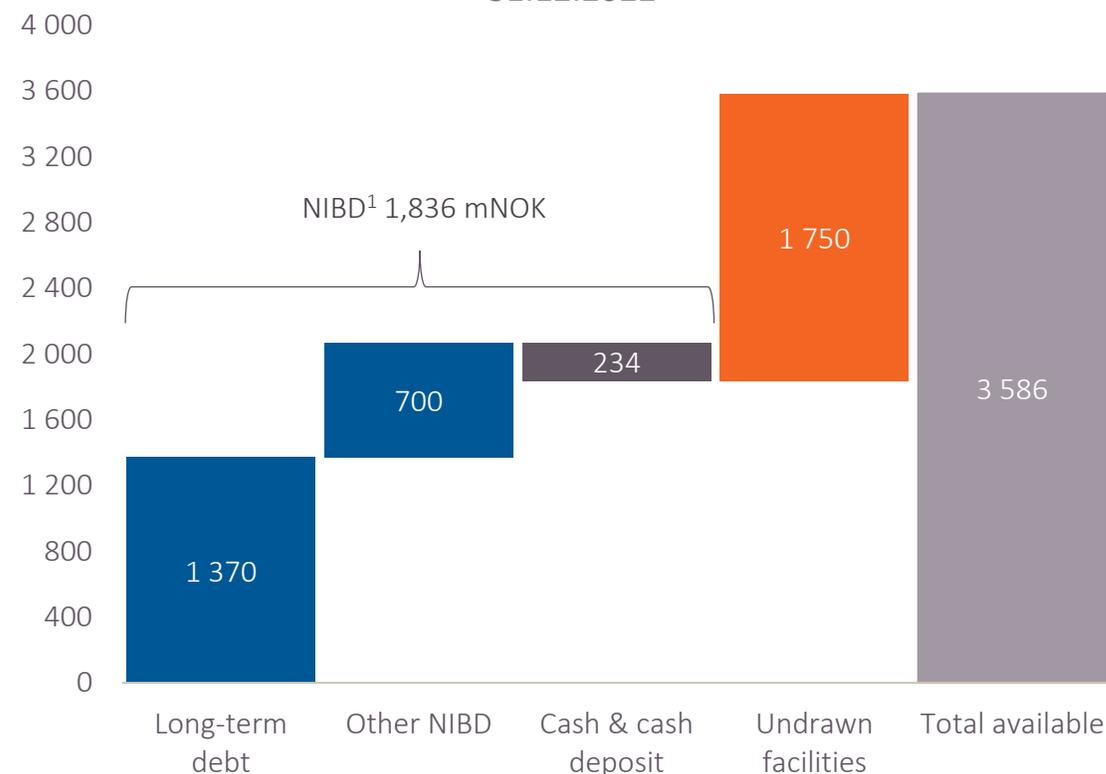
- 225 mNOK overdraft facilities
- 15 mUSD overdraft facility in LignoTech Florida

## Solidity

- Equity ratio<sup>1</sup> 55%
- Leverage ratio<sup>1</sup> LTM 1.12 (covenant < 3.50)

## Debt and undrawn facilities

31.12.2022



# Alternative performance measures

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

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

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