

# Södra's interim report

1 January – 31 March 2026

- » Net sales amounted to SEK 6,604 million (8,154).
- » Operating profit before depreciation, amortisation and impairment amounted to SEK 1,307 million (836).
- » Operating profit totalled SEK 895 million (439).
- » The operating margin was 14 percent (5%).
- » Cash flow after investments was SEK 6,900 million (468).

Key indicators	2026 Jan–Mar	2025 Jan–Mar	2025 Jan–Dec
Net sales, SEK million	6,604	8,154	28,302
Operating profit before depreciation, amortisation and impairment, SEK million	1,307	836	352
Operating profit/loss, SEK million	895	439	-1,290
EBITDA margin	20%	10%	1%
Operating margin	14%	5%	-5%
Return on capital employed <sup>1)</sup>	-3%	10%	-5%
Equity ratio	57%	61%	56%
Cash flow after investments, SEK million	6,900	468	-1,921
No. of members	52,197	52,285	52,262
Affiliated forest area, million hectares	2.86	2.84	2.86
Average no. of employees	3,023	3,209	3,234
No. of employees	3,345	3,513	3,486
Positive climate effect <sup>2)</sup> , Mt CO <sub>2</sub> eq	—	—	2.5
Lost time accidents (LTA) <sup>3)</sup> , no.	7	5	41
Lost time accident rate (LTAR) <sup>4)</sup>	5	4	8

<sup>1)</sup> Average capital employed is calculated on the basis of the current and previous four quarters. Adjusted operating profit is calculated on the current and previous three quarters.

<sup>2)</sup> CO<sub>2</sub>eq=carbon dioxide equivalents. This key indicator is calculated on an annual basis.

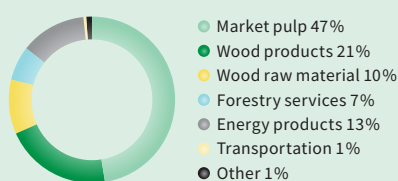
<sup>3)</sup> LTA (lost time accident): occupational injury with absence.

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

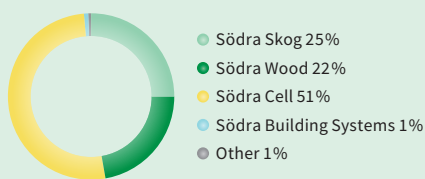
This is a translation of the year-end report with the interim report. This translation does not replace the original report. In the event of any lack of clarity or disparity between this translation and the year-end report, the year-end report will always take precedence.

# The quarter in figures

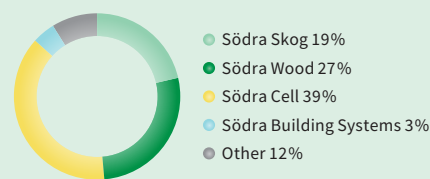
Some of our most important figures and key indicators for the first quarter of 2026.



Net sales per revenue category.



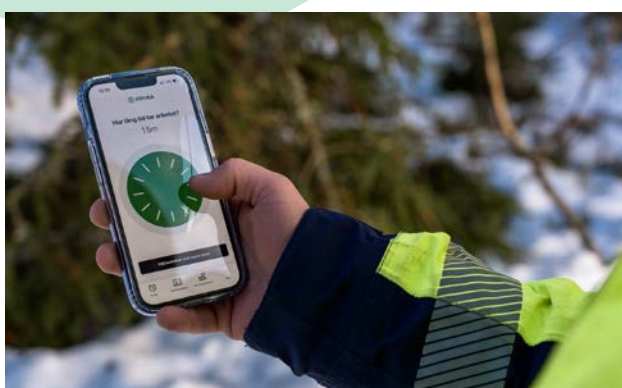
Sales per business area.  
SEK 6,604 million in total. Södra Bioproducts is included in the other business areas in the amount of SEK 1,080 million.



Average no. of employees per business area, 3,023 in total. Södra Bioproducts' employees are included under Södra Cell.

A challenging start to the year that will require us to remain collectively strong and focused on what we ourselves can influence. The following are a selection of key events from the first quarter.

# The quarter in brief



## Tryggve app strengthens safety for lone working

Södra has taken the next step in its safety work with the launch of the Tryggve app – basic support for people who sometimes work alone, for example in the forest or on the roads. The app has a safety timer and an alert is sent to selected emergency contacts so that help can be provided quickly if something unexpected happens. Tryggve was launched for employees in February and was made available to forest owners and contractors in April.



## Divestment completed of forest in the Baltics

The agreement between Södra and Ingka Investments on the sale of Södra's forest holdings in Latvia and Estonia has now been approved and finalised. The purchase price was EUR 720 million. The decision to sell the forest holdings in the Baltics is aligned with our mission to focus on the members' forests and strengthens both our long-term competitiveness and our balance sheet.

## New collaboration to reduce emissions from shipping

Södra has entered into a long-term partnership in maritime transport with the German shipping company Navalis that will reduce value chain emissions. The partnership includes investments in more fuel-efficient vessels and in technical improvements with the aim of achieving a 30-percent reduction in fuel consumption by 2030. The partnership will support Södra's climate targets while ensuring an efficient and robust supply chain.



## Price adjustments during the quarter

Södra introduced two price reductions on wood raw material during the first quarter of 2026. On 3 February, prices were reduced for all ranges due to an increase in supply and a drop in demand. A further reduction in the price of sawable ranges and pulpwood followed on 20 March, while the price of the fuel range was left unchanged. The background is the continued sluggish demand for sawlogs and high supply of pulpwood in the market.



### Feasibility study for e-NG production at Värö

Södra, OX2 and TES are starting an in-depth feasibility study on e-NG production at Värö. With support from The Industrial Leap, the technical, legal and commercial conditions for a facility that can convert biogenic CO<sub>2</sub> into renewable gas are now being investigated. The need for fossil-free energy carriers is growing rapidly, and Värö's stable CO<sub>2</sub> flows, access to renewable electricity and close proximity to the gas grid make the site particularly promising.



Swedish Energy Agency

*The investment has been funded with support from The Industrial Leap, which is part of the EU's Recovery and Resilience Facility (RRF), the centrepiece of the NextGenerationEU package. The Industrial Leap is a government initiative run by the Swedish Energy Agency.*



### VIOL 3 fully implemented – stable operation and continued development

The planned implementation of VIOL 3 has now been completed – the new industry-wide system for measuring forest raw material. The old system was shut down at the end of the year and responsibility has been handed over to operations. For Södra, the transition will lead to more efficient flows, higher data quality and increased security throughout the value chain. Work will continue in 2026 to further develop work methods together with other stakeholders in the forest industry.

### Södra divests ownership in Sunpine

In February, Södra reached an agreement to divest its 25-percent ownership stake in Sunpine to VAROPreem, together with shareholders Sveaskog and Lawter. The deal has moved to the next stage for the necessary approvals and the impact on earnings will be recognised in the second quarter of 2026. The reason for the divestment is that Sunpine has entered a new phase that requires a different ownership structure. Södra's tall oil business remains an important element of the product portfolio.



### Talc-free production at all pulp mills

During the quarter, Södra Cell Mönsterås transitioned to talc-free production following successful tests. As a result, talc has now been completely eliminated from production at all of Södra's pulp mills. The change was in response to customer demand and means talc has been replaced with a polymer, without impacting pulp grade or performance. The talc-free pulps have been tested and approved for use in applications with food contact and are well aligned with possible future EU regulations.

### Strong engagement at local annual meetings

Local annual meetings have taken place in Södra's 36 forestry districts. Many members took the opportunity to put their views forward, ask questions and take part in discussions about the association's development. For the first time, no physical copies of annual meeting documentation were distributed to members prior to the events. Instead, all documents were available digitally on the web.





**Lotta Lyrå**  
President & CEO

# Hard work in a challenging environment

The first quarter of 2026 has confirmed the challenging start to the year, following on from the weak end to 2025. Södra reported negative underlying profitability for the quarter, with external conditions continuing to have a strong impact on our business. Geopolitics, currency, trade barriers and regulations mean that we must adapt to both structural and cyclical changes. In an already challenging situation, developments in the Middle East have added additional difficulties with the closure of shipping lanes and through direct cost increases, particularly for logistics and input products. Our focus is on working hard with everything we can influence and we can see that our actions are having an impact.

The results for the quarter reflect the difficult nature of the current situation. Excluding the divestment in the Baltics, operating loss was SEK 578 million and net sales amounted to SEK 6,604 million. The operating margin was 14 percent, return on capital employed a negative 3 percent and the equity ratio 57 percent. The divestment of forest operations in the Baltics was recognised during the quarter, which explains the positive result. The imbalance between the raw materials market and markets for our products narrowed slightly during the quarter but remains a significant challenge that has led to a lower contribution margin than is sustainable in the long term. The assessment is that by the end of the year, our contribution margin will stabilise and be more in balance, albeit below the historical average. We are therefore also conducting a strategic review to identify the right future development initiatives that will enhance operating margins and returns.

### Working on what we ourselves can influence

In the current situation, it is crucial that we consistently focus on what we ourselves can influence through actions and initiatives targeting both overheads and revenue. These efforts address short-term needs but also strengthen us in the long term. Health and safety is an essential component of a sustainable Södra. During the quarter, we noted an increase in the lost time accident rate compared with the year-earlier period. This highlights the importance of continued work that must never stop. The action programme we launched last year is now having a clear impact on both earnings and overheads, and we are continuing to consistently improve our efficiency, adjust our working methods and identify cost savings across our operations. Our World-class Efficiency programme is an integral part of day-to-day operations and generates lasting improvements. During the first quarter, we implemented efficiency gains and improvements yielding SEK 233 million. For revenue, we are taking additional measures to address the tougher market environment. We are concentrating our commercial resources by making clear market choices and by reviewing and developing our product portfolio, in existing offerings and for new products. In the near future, we are planning to launch tannin and in the years ahead lignin will become a major product. These play a crucial role in our long-term endeavour to add further sales and profit, while we make more from every tree.

### Challenging market with some positive signals

While the markets for our products are impacted by the current uncertainty in our business environment, we can also see healthy demand for certain products and the exchange rate effect from a weaker SEK, with these positively impacting earnings towards the end of the quarter. Products such as electricity, biomethanol and tall oil all performed well during the quarter. Södra's building systems demonstrated continued growth during the quarter and the order book has grown. It is still a challenge to fully balance increased raw material costs by raising prices, but earnings improved in the quarter due to growth and certain non-recurring effects.

For sawn timber, transportation costs increased and restric-

tions on deliveries to certain geographies have created movement in the market while also placing demands on adaptability and flexibility. The paper pulp business noted a slight price increase towards the end of the quarter. However, the continued shipment of large volumes to Asia is impacting the average price level. In pulp production, one scheduled maintenance shutdown took place during the quarter. The raw material market is also affected by the global turbulence and lower activity was noted in the forest during the quarter. In early April, Storm Dave affected members in Södra's geography and required active efforts to move resources to support processing of storm-damaged trees.

### Important decisions in a changed situation

In the current situation, it is essential that we can reassess and adapt to changing conditions. The decisions we took during the quarter reflect this. Our decision to divest ownership in Sunpine was because we have achieved our ambition to promote the development and the market for renewable products based on tall oil. The company now requires a different type of ownership and expertise, and we are therefore stepping aside. The transaction will be reported in the quarter in which it is finalised. The same logic lies behind Södra Ädla, which is now entering a new phase and will be transferred to and become part of Södra's normal innovation activities, providing an injection of working methods, experiences and networks. In this way, we can strengthen our innovative capacity while clarifying our focus. A third decision concerns our investment in the Kinda sawmill. A cumulative assessment on account of the uncertainties in our external environment with cost increases and permit processes means we have extended the time plan.

### Considerable membership engagement

Södra has a firm foundation in its business model as an economic association, made up of more than 50,000 family forest owners. A high level of engagement among members was demonstrated during the 36 local annual meetings during the quarter, and we are building on this resource. We also have a robust starting position, with our financial stability resting on three pillars: a strong balance sheet with a high equity ratio and liquidity; a strong credit rating; and a conservative Financial Policy that guides how we prudently manage our liquidity and members' money. This also means we can manage fluctuations and continue to make decisions that focus on long-term member value.

In the long term, demand for forest-based products and solutions will not only continue, it will increase. The forest is a cornerstone of sustainable development and wood fibre is needed in both established segments and in new ranges of applications. However, if we are to capitalise on this demand, we must be competitive here and now. That is why we are continuing to work with great vigour on what we ourselves can influence: efficiency gains, cost reductions, digitisation and AI. In parallel, we are building future added value and making more from every tree, based on raw materials from the diverse ways the members manage their forests.

# The period in brief

It has been a challenging start to the year. Operating profit for the first quarter amounted to SEK 895 million, compared with SEK 439 million for the corresponding year-on-year period. The divestment of the forest operations in the Baltics had a positive impact on operating profit, generating a capital gain of SEK 1,473 million. Excluding the divestment, the operating loss was SEK 578 million. Sales declined 19 percent to SEK 6,604 million (8,154). Return on capital employed was negative 3 percent (pos: 10) and the equity ratio declined to 57 percent (61).

## Market conditions

Despite significant uncertainty, to date in 2026 the global economy has demonstrated resilience. However, the war in the Middle East has resulted in widespread disruption to international energy markets, leading to a sharp rise in oil prices. This may contribute to higher energy prices in several countries and dampen global economic growth.

Uncertainty surrounding US trade policy has remained high. The US Supreme Court ruled that the Trump administration's previously imposed tariffs were unlawful, after which the administration's response was to introduce new general tariffs. In the US, demand for labour has fallen while the rise in unemployment has slowed. Household consumption in the US continued to support growth, but the trend remained weak.

In Europe, growth was mainly fuelled by countries in southern Europe, particularly Spain. On the other hand, Germany was still characterised by stagnation, due to weak export demand and high energy prices. Inflation increased slightly, mainly due to rising global energy prices linked to the war in the Middle East.

The Swedish economy slowed during the first quarter of the year. Household consumption was negatively impacted by higher prices, such as on fuel. According to the National Institute of Economic Research, business sentiment has weakened slightly in recent months. However, the level does not stand out negatively from a longer historical perspective.

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

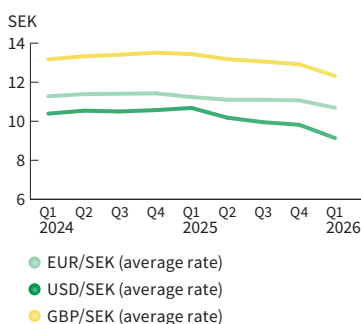
## Wood supply

Demand for spruce logs was weaker during the quarter due to the market situation for sawn timber, while demand for softwood pulp remained high. Forest production and deliveries were slightly lower year-on-year. The market situation for energy products noted a positive trend. Raw material supplies were significantly lower year-on-year.

## Wood products market

The market for sawn timber was weak during the quarter, mainly in major markets such as the UK (Great Britain and Northern Ireland) and the US, while several markets in Europe noted higher activity. While prices during the quarter were slightly higher year-on-year, there is great uncertainty surrounding demand moving forward. Activity in the building materials trade in Sweden was low, mainly due to weather conditions. Price formation remained very challenging in the UK and US. Demand remained weak in China, but was more stable in other parts of Asia, primarily in Japan. Delivery volumes were considerably lower compared with the year-earlier period, but higher than in the fourth quarter of 2025.

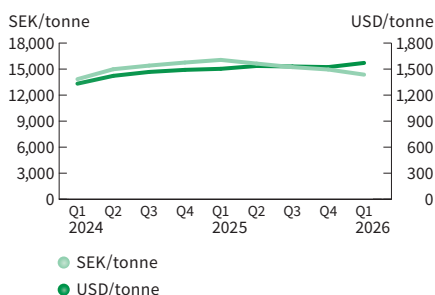
Foreign exchange rates



The diagram shows the annual average exchange rate.

Source: ECB

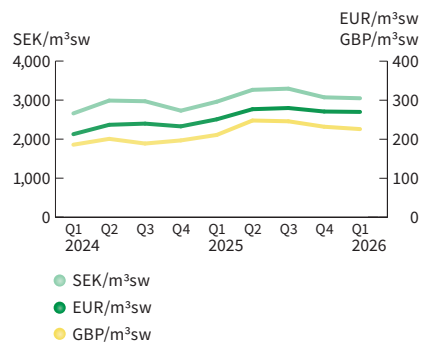
Delivery prices for bleached softwood sulphate pulp



The price of bleached softwood sulphate pulp in USD rose during the quarter. The diagram shows the average prices for softwood sulphate pulp delivered to European customers.

Source: FOEX PIX and Södra

Delivery prices for sawn timber



The diagram shows delivery prices for sawn timber in the most important currencies.

Source: Södra

The CLT market remains challenging, but there are signs of recovery in the housing sector. The proportion of new buildings with wooden frames is also rising steadily. Order intake increased at the end of the quarter and the order book grew compared with the end of 2025. Delivery volumes were higher year-on-year.

### Pulp market

The economy remained weak as did demand for paper and board, leading to continued soft demand for paper pulp in Europe. There is still a slight imbalance between supply and demand worldwide. Softwood pulp prices are rising in Europe and the US, but at a slow rate. The price level in Asia is flat. The geopolitical situation has led to uncertainty regarding paper pulp flows. Hardwood pulp prices are rising globally and the price gap with softwood pulp narrowed during the quarter. Delivery volumes were slightly lower year-on-year.

The production of softwood pulp was lower than in the year-earlier period, while production of hardwood pulp was higher and the production of dissolving pulp was in line with the year-earlier period.

### Energy products market

The list price for dissolving pulp rose during the quarter, supported by higher paper pulp prices. Optimism and higher demand characterised the tall oil market in 2026. This development is supported by increased demand for HVO and a higher crude oil price. Demand for turpentine remained high and prices continued to rise. The underlying index in biomethanol

transactions has been positively impacted by high gas prices, since natural gas is the primary raw material for methanol.

Electricity prices were very high at the beginning of the year, particularly in electricity areas that are more exposed to the gas-dependent electricity market in Europe. The market for solid bioproducts improved slightly during the quarter. The clearest impact was noted on pellets, where stock levels are now low and spot prices high.

### Net sales

During the quarter, consolidated net sales amounted to SEK 6,604 million (8,154), down 19 percent. The sales trend is mainly attributable to a deterioration in the SEK/USD exchange rate and lower delivery volume of sawn timber compared with the year-earlier period.

### Result

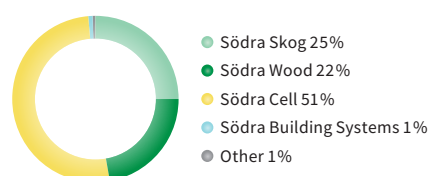
Operating profit for the quarter totalled SEK 895 million (439), representing an operating margin of 14 percent (5). The divestment of the forest operations in the Baltics had a positive impact on operating profit, generating a capital gain of SEK 1,473 million. Excluding the divestment, the operating loss for the quarter amounted to SEK 578 million. The trend in operating profit compared with the year-earlier period is also attributable primarily to the stronger SEK, lower delivery volumes of sawn timber and higher raw material costs, which were partly offset by lower overheads. Profit before tax was SEK 864 million (455). Tax income for the period was SEK 256 million (expense: 96).

## BUSINESS AREAS

SEK MILLION	Net sales			Operating profit/loss		
	2026 Jan-Mar	2025 Jan-Mar	2025 Jan-Dec	2026 Jan-Mar	2025 Jan-Mar	2025 Jan-Dec
Södra Skog	1,661	1,770	6,606	4	33	-14
Södra Wood	1,459	1,779	6,458	-315	14	-463
Södra Cell	3,401	4,512	14,919	-158	538	-258
Södra Building Systems	63	57	235	-22	-37	-168
Other	20	36	84	1,386	-109	-387
<b>Group</b>	<b>6,604</b>	<b>8,154</b>	<b>28,302</b>	<b>895</b>	<b>439</b>	<b>-1,290</b>

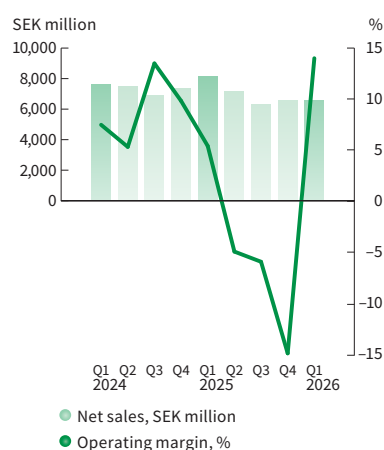
Södra Bioproducts' revenue is included in the other business areas in the amount of SEK 1,080 million (1,249) for the quarter and SEK 3,553 million for the preceding full year.

### Sales per business area

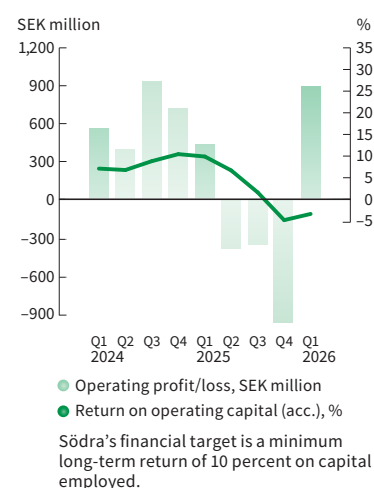


SEK 6,604 million in total. Södra Bioproducts is included in the other business areas in the amount of SEK 1,080 million.

### Net sales and operating margin



### Operating profit/loss and return on capital employed



# Business areas

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

Södra Bioproducts is monitored solely based on sales and delivered volumes for bioproducts. Sales, costs and results for bioproducts continue to be included in the other business areas.

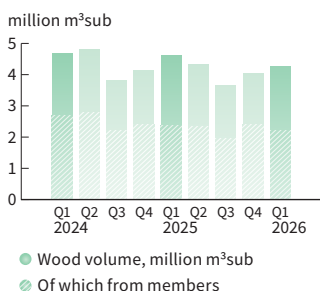
## Södra Skog

**Södra Skog's** sales for the quarter amounted to SEK 1,661 million (1,770), which was primarily an effect of lower delivery volumes. Demand for spruce logs was lower, while demand for softwood pulp and energy products was at a stable level compared with the year-earlier period.

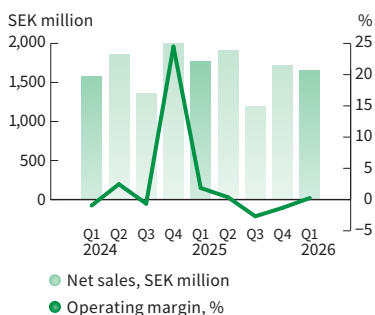
Outbound deliveries of sawlogs, pulpwood and energy products for the quarter were 4.3 million m<sup>3</sup>sub (4.6).

Operating profit for the quarter totalled SEK 4 million (33) and was primarily due to lower delivery volumes and reduced revenue, mainly for spruce logs.

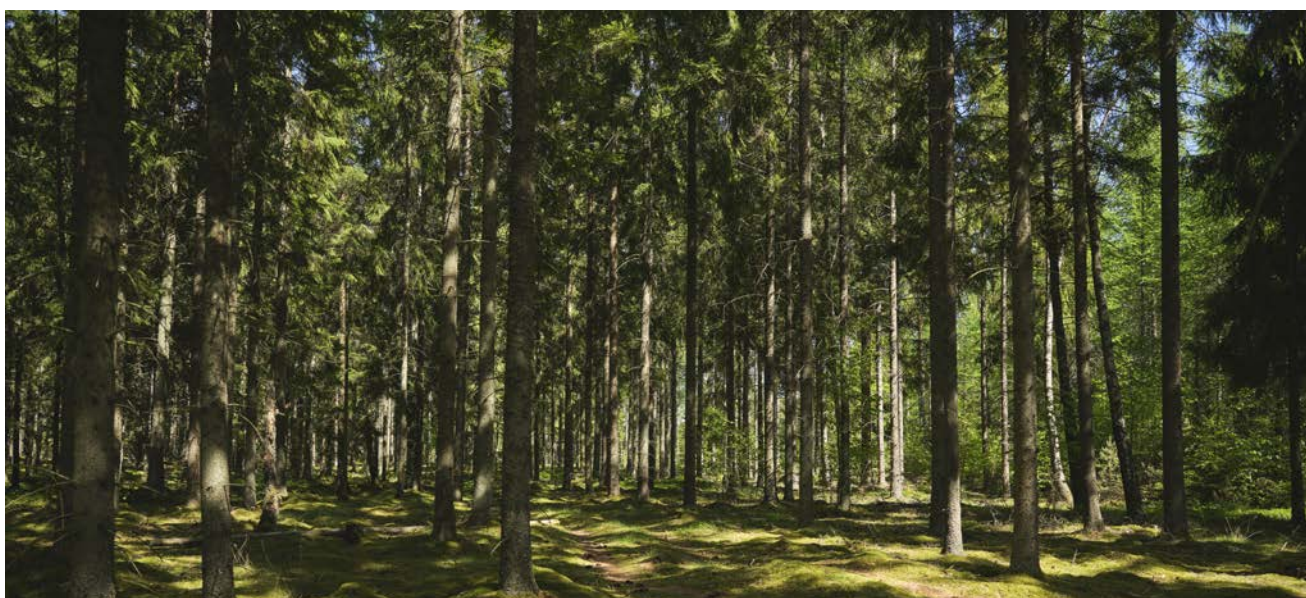
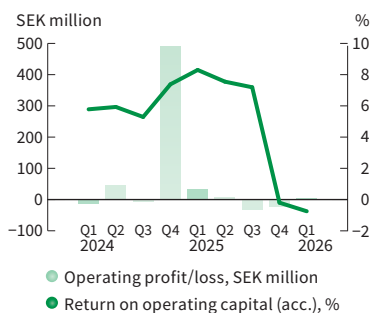
Wood volume



Net sales and operating margin



Operating profit/loss and return on operating capital



## Södra Wood

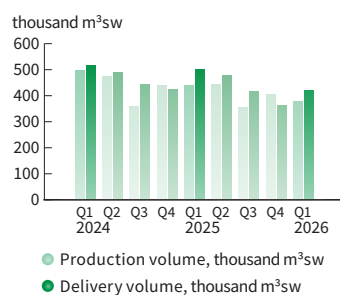
**Södra Wood's** sales for the quarter amounted to SEK 1,459 million (1,779), which was primarily an effect of lower delivery volumes and weaker exchange rates.

The production volume for the quarter amounted to 378 thousand m<sup>3</sup>sw, down 61 thousand m<sup>3</sup>sw compared with the year-earlier period.

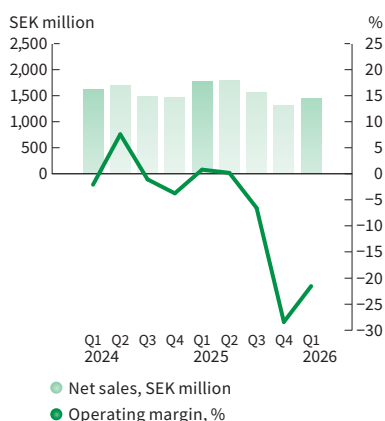
Outbound deliveries of sawn timber for the quarter were 419 thousand m<sup>3</sup>sw, down 83 thousand m<sup>3</sup>sw compared with the year-earlier period.

Operating loss for the quarter totalled SEK 315 million (profit: 14) and was primarily due to lower delivery volumes and higher raw material costs.

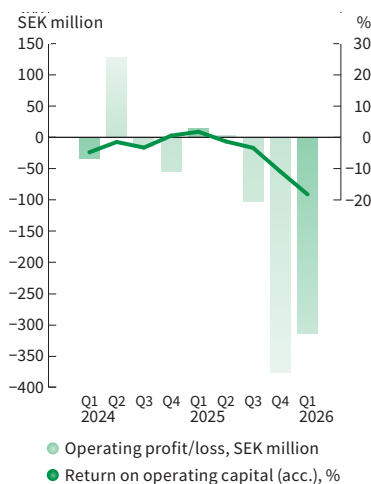
**Production and delivery volume, sawn timber**



**Net sales and operating margin**



**Operating profit/loss and return on operating capital**



## Södra Cell

**Södra Cell's** sales for the quarter amounted to SEK 3,401 million (4,512), which was an effect of weaker exchange rates and slightly lower delivery volumes.

During the quarter, the production volume was 463 ktonnes (492), comprising 399 ktonnes (437) of softwood sulphate pulp, 25 ktonnes (17) of hardwood sulphate pulp and 39 ktonnes of dissolving pulp (39).

Outbound deliveries of pulp for the quarter were 492 ktonnes, down 22 ktonnes compared with the year-earlier period.

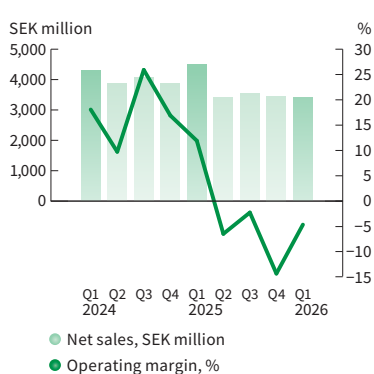
Operating loss for the quarter totalled SEK 158 million (profit: 538) and was primarily due to weaker exchange rates as well as higher raw material costs.

During the quarter, electricity generated by the pulp mills, wind turbines and the hydropower plant totalled 472 GWh. Excess electricity amounted to 142 GWh. The excess represented about 30 percent of the generated volume and was sold to other business areas within Södra and on the open market.

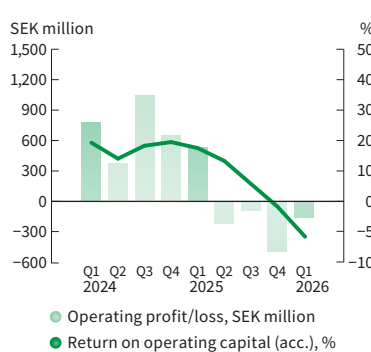
**Production and delivery volume, pulp**



**Net sales and operating margin**



**Operating profit/loss and return on operating capital**

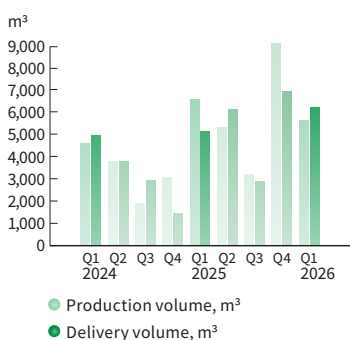


## Södra Building Systems

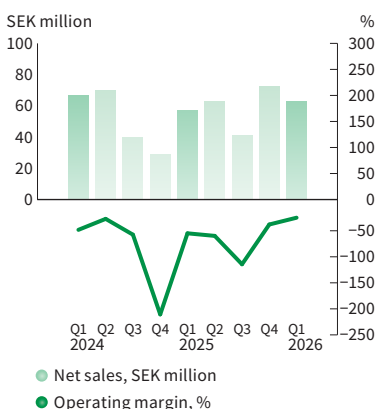
**Södra Building Systems'** sales for the quarter amounted to SEK 63 million (57), the effect of a slightly higher order book for delivery during the quarter. The production volume during the quarter amounted to 5,624 m<sup>3</sup> (6,548). Outbound deliveries of CLT for the quarter amounted to 6,218 m<sup>3</sup> (5,140).

Operating loss for the quarter totalled SEK 22 million (loss: 37) and was primarily due to slightly higher sales and the possibility to dissolve project provisions. CLT's share of sales increased and the order book rose significantly during the quarter.

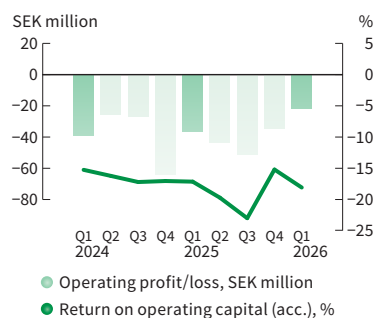
Production and delivery volume, CLT



Net sales and operating margin



Operating profit/loss and return on operating capital

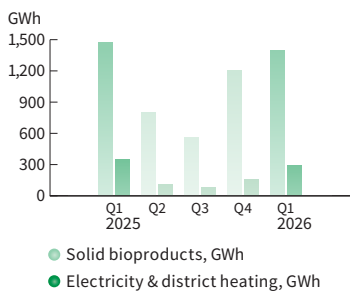


## Södra Bioproducts

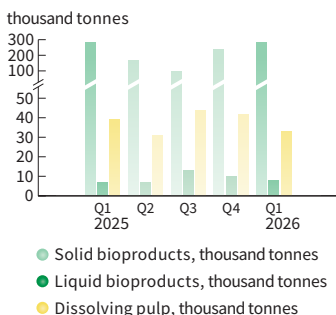
**Södra Bioproducts'** sales for the quarter amounted to SEK 1,080 million (1,249). Sales of solid bioproducts decreased, since prices were lower during the quarter. Outbound deliveries of dissolving pulp decreased in volume during the quarter compared with the year-earlier period, at the same time as the market was characterised by price pressure. The electricity business improved during the quarter, and prices were higher

during the period. Outbound deliveries of tall oil increased significantly in the quarter compared with the year-earlier period, while volumes of turpentine and biomethanol were in line with the year-earlier period, leading to an overall increase for liquid bioproducts. The district heating business grew slightly during the quarter, based on a higher volume.

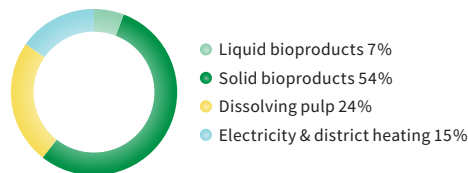
Delivery volume, bioproducts



Delivery volume, bioproducts



Sales of bioproducts



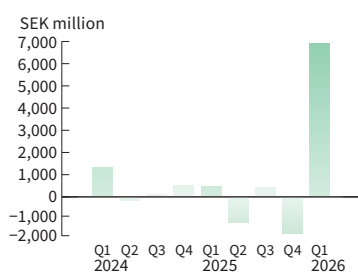
## Net financial items

Net financial expense for the quarter amounted to SEK 31 million (income: 16).

## Cash flow

Cash flow before investments for the quarter was SEK 96 million (1,056). Cash flow after investments was SEK 6,900 million (468) where the divestment of subsidiaries in the Baltics had an impact of SEK 7,523 million. At the end of the quarter, cash and cash equivalents and current investments amounted to SEK 17,726 million (10,632 at 31 December 2025).

### Cash flow after investments



Cash flow after investments was SEK 6,900 million for the quarter.

## Financial position

At 31 March 2026, equity amounted to SEK 25,827 million (24,910 at 31 December 2025), of which paid-up and issued contributed capital accounted for SEK 6,889 million (6,842 at 31 December 2025). Total assets amounted to SEK 45,540 million (44,634 at 31 December 2025). At 31 March 2026, the equity ratio was 57 percent (56 at 31 December 2025).

Södra's borrowings comprised loans of SEK 12,295 million (12,433 at 31 December 2025) from members and a loan of SEK 67 million (68 at 31 December 2025) from the Nordic Investment Bank that matures in April 2026. Södra has a credit agreement in the form of a club agreement, enabling Södra to borrow up to SEK 3,000 million until December 2030. The debt/equity ratio was -0.2 times (0.1 at 31 December 2025).

## Investments, acquisitions and divestments

Investments for the quarter totalled SEK 687 million (595), of which SEK 613 million (514) pertained to Södra Cell, SEK 71 million (47) to Södra Wood, SEK 2 million (29) to Södra Skog and SEK 1 million (3) to Södra Building Systems. The investments were mainly focused on new technologies and productivity.

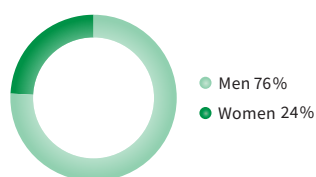
During the quarter, the Group divested the majority of its Baltic subsidiaries including biological assets associated with these operations.

## Events after the close of the period

Södra mark och hus AB has been merged with the Parent Company. The merger was registered with the Swedish Companies Registration Office on 8 April 2026. No significant events occurred after the balance-sheet date.

## Employees

The average number of employees was 3,023 (3,234 for full-year 2025), of whom 24 percent were women (25).



## Future outlook

The rate of inflation, and thus interest rates, remained relatively stable in the first quarter. While uncertainty about the interest rate trajectory moving forward has increased slightly, inflation is expected to remain relatively stable. A continued decline in inflation would allow interest rate cuts and thereby have a positive effect on economic growth and demand, albeit from low levels. Electricity prices were higher than in the preceding quarter, and were also more stable than in recent years. However, it is difficult to estimate the price trend in the long term.

Pulp prices increased in the first quarter and demand remained relatively stable. Moving forward, the price level in USD is expected to remain relatively stable, with indications of some upward movement. For sawn timber, the price scenario remained weak, particularly in some geographical markets, while other products showed a more stable trend. Rising raw material costs and supply that now better matches demand support the premise that price levels will increase slightly on a seasonal basis. Demand is affected by residential construction in the short term and the market is cautious. In parallel, there has been increased demand for timber construction.

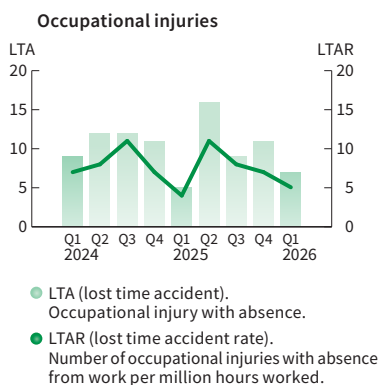
Operating profit was negatively impacted during the quarter. This was due to the continued imbalance between raw material costs and product prices in SEK, stemming from the relatively weak demand in Europe. The imbalance narrowed slightly, which could suggest continued improvement in the future. However, demand and price developments are difficult to assess due to the significant geopolitical uncertainty. The long-term outlook for Södra's core products is considered favourable. Global economic growth will bolster the underlying demand for sustainable forest-based products. Tightened emissions reduction targets are also driving the transition towards a more sustainable bioeconomy.

## Sustainability

Sustainability permeates Södra's Group-wide strategy. Two key areas are people and culture at the centre as well as sustainable use of the forest and earth's resources.

### People and culture at the centre

The health and safety of our employees is a top priority. Södra shall offer a safe and secure workplace for employees and contractors, and we have a zero accident vision. The target is a lost time accident rate (LTAR) of 5 or less in 2026, and 2 or less by 2032. In the first quarter, the number of lost time accidents (LTA) was 7 (5) and the LTAR was 5 (4).



In the first quarter, we continued to strengthen our safety culture through behaviour-based safety (BBS). We conducted several pilot projects and developed a joint structure for this work. The number of positive observations reported, such as safe behaviour, good working practices and positive working conditions, exceeded the number of near-misses reported during the quarter.

During the quarter, the Tryggve app was launched for employees, offering support to people who work alone in the forest or on roads. We also launched an internal training course for health and safety specialists and, with our external environment in mind, a security team was created to work on continuity and preparedness in the event of a crisis or war.

We are continuing work to break down traditional cultural barriers and increasing diversity, equity and inclusion (DEI). Södra strives to achieve greater gender balance in the organisation and the target is that 35 percent of managers will be women by 2028.

During the first quarter, several initiatives were launched to strengthen DEI. We conducted workshops to raise awareness on the work environment and macho culture at several units in the Wood business area. We also held several targeted activities for managers, that covered master suppression techniques and how to deal with suspected victimisation and discrimination. An internal seminar was held to increase understanding of an LGBTQI+ inclusive work environment.

During the quarter, Södra took part in several external events. At Forum Jämställdhet, which is Sweden's largest gender equality conference, we participated in the seminar *Gender equality in the forest – a matter of democracy? (Sw: Jämställdhet*

*i skogen – en demokratifråga?)* and also discussed our work with DEI in a male-dominated industry. We also took part in the gender equality network in Kalmar County, where the meeting focused on economic equality.

Södra has zero tolerance of victimisation and all forms of discrimination. An employee survey was conducted during the quarter with a response rate of 86 percent. 166 people, corresponding to 6 percent of the number of respondents, reported experiencing some form of bullying in the past six months.

### Sustainable use of the forest and earth's resources

Sustainable forestry involves increasing forest growth responsibly, using forests in line with their long-term production capacity, and preserving and promoting the environmental, cultural and social values of forests. Södra's target is that the annual rate of forest growth on its members' estates shall be 20 percent higher in 2050 compared with the base year of 2015. Key measures for the achievement of this target include effective and active forest management, nutrient recycling, forest tree breeding and damage reduction.

In the first quarter, work on the seed orchard programme continued together with the Forestry Research Institute of Sweden. The aim of new seed orchards is to take advantage of the latest advances in breeding in terms of growth, wood quality and vitality to produce spruce and pine seedlings with enhanced characteristics. An increasingly important factor for the future is to ensure that breeding also takes into account resistance to drought and pests. We actively collaborate with the industry and work operationally to establish new seed orchards.

Södra's second indoor seed orchard for birch is ready for planting of grafts, which means that the capacity for cultivated birch seedlings will increase over time.

Södra works to preserve and promote biodiversity – a process under continuous development. Södra's aim is to promote richer biodiversity for future generations. In Götaland, nature conservation measures are important for the preservation and promotion of biodiversity. Södra's target for its nature conservation measures is an area corresponding to 3,000 hectares in 2026.

Nature conservation measures continued in the first quarter. A PhD student in the Wallenberg Initiatives in Forest Research (WIFORCE) programme began working at Södra. The programme aims to increase understanding of processes that impact forest growth, survival and biodiversity. In collaboration with the Swedish University of Agricultural Sciences (SLU), Södra will study how different forestry practices impact microclimate and thereby forest species. During the quarter, we produced an online training course on biodiversity for forest owners.

Södra's target for reduced GHG emissions has been approved by the Science Based Targets initiative (SBTi). The targets are to reduce GHG emissions by 50 percent by 2030, compared with the base year of 2020\*. For emissions from processing of sold products, the target is an engagement strategy whereby customers corresponding to 70 percent of the

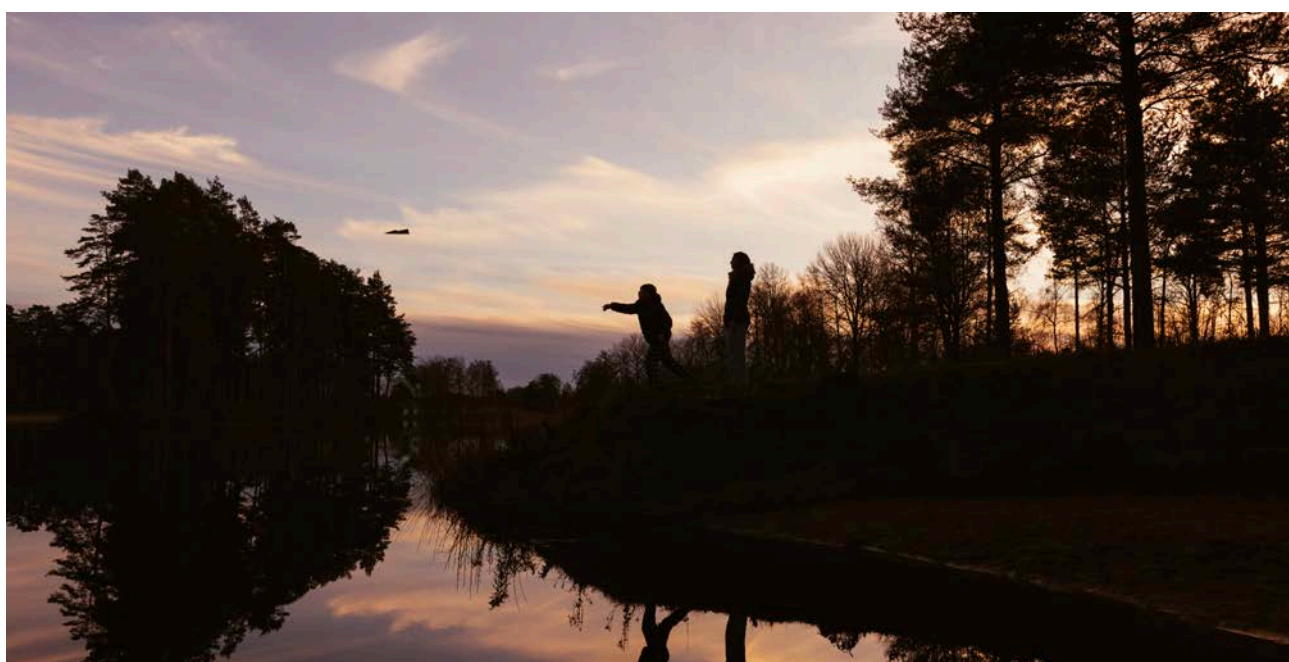
emissions will have set their own science-based targets by 2027. In the first quarter, Scope 1 and 2 emissions were 16 ktonnes CO<sub>2</sub>eq (16).

During the first quarter, Södra launched a pilot project to capture biogenic CO<sub>2</sub> in the pulp mill at Värö. The project will continue until the summer and is using technology from the Canadian company Svante. We also initiated a feasibility study, together with OX2 and TES, for a future facility to produce electro-methane (e-NG) from biogenic CO<sub>2</sub> and hydrogen. Both initiatives are part-funded by The Industrial Leap.

Work on the Conscious Delivery initiative continued during the quarter, which aims to reduce the use of fossil fuels in the logistics chain to customers. We implemented a transport solution for a customer in the Wood business area in which liquid biofuel was used to transport goods from Sweden to Eastern Europe.

\*The target covers land use-related biogenic emissions from biomass combustion and uptake from the production of biomass that is combusted. These emissions and uptake are assumed to offset each other based on the fact that we have a positive net change in forest carbon stock in Sweden's forests and that purchased solid and liquid biofuels have a certificate of sustainability.

CO<sub>2</sub> equivalents (CO<sub>2</sub>eq) is a standard unit for measuring greenhouse gas emissions. Each type of greenhouse gas has a different global warming effect. When emissions are reported as CO<sub>2</sub>eq, all greenhouse gases are included as if they were carbon dioxide. Scope 1 refers to direct GHG emissions that occur from sources that are financially controlled by Södra. Scope 2 refers to indirect emissions associated with the purchase of energy. Scope 3 refers to other indirect emissions. The greenhouse gases in Scope 1, 2 and 3 are fossil carbon dioxide, methane, nitrous oxide and refrigerants.



On behalf of the Board of Directors

Växjö, 21 April 2026

Lotta Lyrå  
*President and CEO*

### Assurance report

This interim report has not been audited.

# Condensed consolidated statement of comprehensive income

SEK MILLION	2026 Jan-Mar	2025 Jan-Mar	2025 Jan-Dec
Net sales	6,604	8,154	28,302
Capital gain on divestment of subsidiaries in Baltics	1,473	—	—
Other revenue	94	10	221
Share of profit of associates	1	22	74
Operating expenses	-6,865	-7,350	-28,245
<b>Earnings before depreciation, amortisation and impairment</b>	<b>1,307</b>	<b>836</b>	<b>352</b>
Depreciation, amortisation and impairment	-412	-397	-1,642
<b>Operating profit/loss</b>	<b>895</b>	<b>439</b>	<b>-1,290</b>
Net financial items	-31	16	84
<b>Profit/loss before income tax</b>	<b>864</b>	<b>455</b>	<b>-1,206</b>
Income tax	256	-96	-117
<b>Profit/loss for the period</b>	<b>1,120</b>	<b>359</b>	<b>-1,323</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss	9	-1	30
Items that will be reclassified to profit or loss	-259	-323	-213
<b>Other comprehensive income for the period</b>	<b>-250</b>	<b>-324</b>	<b>-183</b>
<b>Total comprehensive income for the period</b>	<b>870</b>	<b>35</b>	<b>-1,506</b>
<b>Profit/loss attributable to</b>			
Owners of the Parent	1,120	359	-1,323
<b>Profit/loss for the period</b>	<b>1,120</b>	<b>359</b>	<b>-1,323</b>
<b>Comprehensive income/loss attributable to</b>			
Owners of the Parent	870	35	-1,506
<b>Comprehensive income for the period</b>	<b>870</b>	<b>35</b>	<b>-1,506</b>

# Condensed consolidated statement of financial position

SEK MILLION	31 March 2026	31 March 2025	31 Dec 2025
<b>ASSETS</b>			
Intangible assets	93	67	94
Property, plant and equipment	15,983	17,036	15,702
Biological assets	820	5,234	820
Shares and participations in associates	359	321	358
Surplus in funded pension plans	461	377	448
Financial investments	42	45	44
Non-current financial receivables	8	8	8
Other non-current receivables	0	43	0
Deferred tax assets	—	4	0
<b>Total non-current assets</b>	<b>17,766</b>	<b>23,135</b>	<b>17,474</b>
Inventories	5,124	4,998	5,430
Tax assets	94	160	49
Operating receivables	4,828	5,355	4,481
Current financial receivables	2	—	4
Current investments	11,747	7,037	8,369
Cash and cash equivalents	5,979	4,897	2,263
<b>Total current assets</b>	<b>27,774</b>	<b>22,447</b>	<b>20,596</b>
Assets held for sale	—	—	6,564
<b>TOTAL ASSETS</b>	<b>45,540</b>	<b>45,582</b>	<b>44,634</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to owners of the Parent	25,827	27,887	24,910
<b>Total equity</b>	<b>25,827</b>	<b>27,887</b>	<b>24,910</b>
Non-current interest-bearing financial liabilities	197	396	312
Non-current interest-bearing operating liabilities	59	110	70
Provisions for pensions	39	100	42
Non-current provisions	562	524	533
Deferred tax liabilities	1,754	2,049	2,169
Other non-current operating liabilities	—	1	—
<b>Total non-current liabilities</b>	<b>2,611</b>	<b>3,180</b>	<b>3,126</b>
Current interest-bearing financial liabilities	12,165	9,310	12,189
Current interest-bearing operating liabilities	104	102	112
Income tax liabilities	310	57	106
Other current operating liabilities	4,523	5,046	4,169
<b>Total current liabilities</b>	<b>17,102</b>	<b>14,515</b>	<b>16,576</b>
<b>Total liabilities</b>	<b>19,713</b>	<b>17,695</b>	<b>19,702</b>
Liabilities attributable to assets held for sale	—	—	22
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>45,540</b>	<b>45,582</b>	<b>44,634</b>

# Condensed consolidated statement of changes in equity

SEK MILLION	Total equity
Opening balance, 1 January 2026	24,910
Comprehensive income for the year	870
Contributed capital, paid-up by members	47
Contributed capital, paid-out to members	0
<b>Closing balance, 31 March 2026</b>	<b>25,827</b>
Opening balance, 1 January 2025	27,803
Comprehensive income for the year	35
Contributed capital, paid-up by members	49
Contributed capital, paid-out to members	0
<b>Closing balance, 31 March 2025</b>	<b>27,887</b>

# Condensed consolidated statement of cash flows

SEK MILLION	2026 Jan-Mar	2025 Jan-Mar	2025 Jan-Dec
Profit/loss before tax	864	455	-1,206
Adjustment for non-cash items and change in provisions	-775	523	1,423
Income tax paid	-1	-13	210
<b>Cash flow from operating activities before change in working capital</b>	<b>88</b>	<b>965</b>	<b>427</b>
Change in inventories (decrease +/increase -)	325	104	-303
Change in operating receivables (decrease +/increase -)	-809	-594	61
Change in operating liabilities (increase +/decrease -)	492	581	57
<b>Cash flow from operating activities</b>	<b>96</b>	<b>1,056</b>	<b>242</b>
Cash flow from divestment of Baltics subsidiaries	7,523	-	-
Cash flow from other investing activities	-719	-588	-2,163
<b>Cash flow after investing activities</b>	<b>6,900</b>	<b>468</b>	<b>-1,921</b>
Change in contributed capital	47	47	239
Dividends paid	-	-	-1,626
Change in loans from members	-138	-248	2,679
Change in loans	-1	0	-133
Dividends received	0	0	58
Change in current investments with maturity > 90 days	-3,384	1,483	117
<b>Cash flow from financing activities</b>	<b>-3,476</b>	<b>1,282</b>	<b>1,334</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>3,424</b>	<b>1,750</b>	<b>-587</b>
Cash and cash equivalents at beginning of period	2,548	3,205	3,205
Exchange gains/losses on cash and cash equivalents	7	-58	-70
<b>Cash and cash equivalents at end of period</b>	<b>5,979</b>	<b>4,897</b>	<b>2,548</b>

# Parent Company

## Result and financial position

Net sales for the quarter amounted to SEK 6,131 million (7,553) and the operating loss was SEK 575 million (profit: 468). The sales trend for the quarter was mainly attributable to a weaker SEK/USD exchange rate and a lower delivery volume of sawn timber.

The deterioration in operating result for the quarter is primarily attributable to the stronger SEK, lower delivery volumes of sawn timber and higher raw material costs, which were partly offset by lower overheads. Capital gain on the divestment of subsidiaries in the Baltics is recognised in the Parent Company

as net financial income of SEK 3,820 million. Financial income and expenses for the quarter amounted to an expense of SEK 35 million (income: 225). Profit after net financial items for the quarter totalled SEK 3,210 million (693).

## Members

The number of members was 52,197 (52,262 at 31 December 2025). The affiliated forest area increased by approximately 3,000 hectares to 2.86 million hectares (2.86 at 31 December 2025).

# Parent Company income statement, condensed

SEK MILLION	2026 Jan-Mar	2025 Jan-Mar	2025 Jan-Dec
Net sales	6,131	7,553	26,038
Other revenue	87	51	211
Operating expenses	-6,417	-6,776	-26,497
<b>Earnings/loss before depreciation, amortisation and impairment</b>	<b>-199</b>	<b>828</b>	<b>-248</b>
Depreciation, amortisation and impairment	-376	-360	-1,491
<b>Operating profit/loss</b>	<b>-575</b>	<b>468</b>	<b>-1,739</b>
Capital gain on divestment of subsidiaries in Baltics	3,820	—	—
Financial income and expense	-35	225	201
<b>Profit/loss after financial items</b>	<b>3,210</b>	<b>693</b>	<b>-1,538</b>
Appropriations	—	—	23
<b>Profit/loss before income tax</b>	<b>3,210</b>	<b>693</b>	<b>-1,515</b>
Income tax	-169	-105	-10
<b>Profit/loss for the period</b>	<b>3,041</b>	<b>588</b>	<b>-1,525</b>

# Parent Company balance sheet, condensed

SEK MILLION	31 March 2026	31 March 2025	31 Dec 2025
<b>ASSETS</b>			
Intangible assets	—	0	—
Property, plant and equipment	15,648	15,024	15,344
Shares and participations in Group companies	553	4,490	4,297
Shares and participations in associates	98	99	99
Surplus in funded pension plans	12	91	12
Other non-current investments	33	36	35
Non-current financial receivables	8	8	8
Other non-current receivables	0	43	0
Deferred tax assets	13	25	21
<b>Total non-current assets</b>	<b>16,365</b>	<b>19,816</b>	<b>19,816</b>
Inventories	4,378	4,164	4,625
Current interest-bearing receivables from Group companies	118	280	300
Deferred tax assets	—	146	—
Current receivables	4,726	5,166	4,467
Current financial investments	15,482	10,353	9,131
Cash and bank balances	2,194	1,296	1,463
<b>Total current assets</b>	<b>26,898</b>	<b>21,405</b>	<b>19,986</b>
<b>TOTAL ASSETS</b>	<b>43,263</b>	<b>41,221</b>	<b>39,802</b>
<b>EQUITY AND LIABILITIES</b>			
Restricted equity	8,302	7,936	8,255
Non-restricted equity	9,378	10,205	6,337
<b>Total equity</b>	<b>17,680</b>	<b>18,141</b>	<b>14,592</b>
Untaxed reserves	7,347	7,367	7,347
Provisions	579	523	545
Non-current interest-bearing liabilities from Group companies	8	8	8
Non-current interest-bearing liabilities	197	396	312
<b>Total non-current liabilities</b>	<b>205</b>	<b>404</b>	<b>320</b>
Current interest-bearing liabilities from Group companies	738	654	746
Current interest-bearing liabilities	12,164	9,310	12,188
Current tax liabilities	171	—	0
Current operating liabilities and provisions	4,379	4,822	4,064
<b>Total current liabilities</b>	<b>17,452</b>	<b>14,786</b>	<b>16,998</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>43,263</b>	<b>41,221</b>	<b>39,802</b>

# Notes

## Note 1 | Accounting policies

Södra applies International Financial Reporting Standards (IFRS), as adopted by the EU. This interim report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company applies Recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board, and the Swedish Annual Accounts Act.

The accounting policies applied are consistent with those presented in the 2025 Annual Report, except for new standards and revisions of standards and interpretations applicable to annual periods beginning on or after 1 January 2026 and that have not already been applied in the preparation of the 2025 Annual Report.

A number of new or revised standards and interpretations are not yet effective, and have not been applied in advance in the preparation of these financial statements. No early adoption of updates or amendments that take effect after the 2025 financial year has been planned, and none of these are expected to have any material impact on the consolidated financial statements.

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

minimum effective tax rate of 15 percent in any jurisdiction in which the group has a subsidiary or branch. Some elements of the regulation, such as the Qualified Domestic Minimum Top-Up Tax (QDMTT), are not yet applicable in all jurisdictions. The law is based on an EU directive which, in turn, is based on a global treaty in the OECD/G20 Inclusive Framework (IF). The Group recognised an effective tax expense that exceeds the threshold for top-up tax. In the first quarter, Södra recognised an effective tax expense in all jurisdictions in which it operates that exceeds the threshold for top-up tax.

The rules for economic associations were applied for the calculation of current tax. These mean that the dividend proposal for the financial year (which will be paid out in the following year) is tax deductible in the current year and has been treated as a deduction in the calculation of current tax. The deduction has affected the tax expense recognised in net profit or loss for the year.

All figures in the report have been rounded off to the nearest million, unless otherwise stated. As a result, some percentages and figures in the report may not correspond with the total shown, and may also differ from previously published information.

## Note 2 | Risk and uncertainties

No additional material risks have been identified since the 2025 Annual Report. For a description of risks and uncertainties, refer to Södra's 2025 Annual Report under 'Risks and risk management' on pages 153–155. An overall description of a selection of such risk areas, and the key measures for control and management, are presented below.

Södra operates in a global market and is impacted by general economic trends and currency fluctuations, as well as more industry and company-specific factors. The most significant risk areas for Södra's ability to achieve the Group's set targets and the management of each risk area are presented below.

Södra applies a systematic approach to risk management with the aim of protecting the Group from damage, uncertainty and lost opportunities.

Efforts to identify, assess and manage risks are an integral and key component of Södra's business management. Strategic risks are assessed and managed by the Board, Group Senior Management, the Strategy function and the business planning process. Södra Finance Centre is responsible for managing financial risk, based on a Financial Policy established by the Board. Operational risks are controlled and managed by the President, management team and employees, in accordance with central policies and guidelines.

## Note 3 | Related parties

There were no transactions between Södra and related parties with any significant effect on the company's financial position or result. The nature and scope of transactions with related parties are consistent with those that existed in 2025.

## Note 4 | Revenue

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

SEK MILLION	January–March											
	Södra Skog		Södra Wood		Södra Cell		Södra Building Systems		Other		Group	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Wood raw material	689	705	—	—	—	—	—	—	—	—	689	705
Wood products	—	—	1,330	1,603	—	—	62	55	—	—	1,392	1,658
Pulp	—	—	—	—	3,138	4,293	—	—	—	—	3,138	4,293
Energy products	442	483	122	176	263	219	—	—	20	36	847	914
Forestry services	435	483	—	—	—	—	—	—	—	—	435	483
Transportation	45	58	—	—	—	—	—	—	—	—	45	58
Other	50	41	7	—	—	—	1	2	—	—	58	43
<b>Net sales, goods and services</b>	<b>1,661</b>	<b>1,770</b>	<b>1,459</b>	<b>1,779</b>	<b>3,401</b>	<b>4,512</b>	<b>63</b>	<b>57</b>	<b>20</b>	<b>36</b>	<b>6,604</b>	<b>8,154</b>

Södra Bioproducts' revenue of SEK 1,080 million (1,249) is included in the other business areas.

## Note 5 | Financial instruments

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

Group, SEK million	31 March 2026		31 December 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial investments	42	42	44	44
Operating receivables	3,819	3,819	3,471	3,471
Current investments	11,747	11,747	8,369	8,369
Cash and cash equivalents	5,979	5,979	2,263	2,263
<b>Total assets, financial instruments</b>	<b>21,587</b>	<b>21,587</b>	<b>14,147</b>	<b>14,147</b>
Other assets, non-financial instruments	23,953		30,487	
<b>Total assets</b>	<b>45,540</b>		<b>44,634</b>	
Non-current liabilities	257	272	382	403
Current interest-bearing liabilities	12,269	12,438	12,302	12,472
Current operating liabilities	3,037	3,037	2,849	2,849
<b>Total liabilities, financial instruments</b>	<b>15,563</b>	<b>15,746</b>	<b>15,532</b>	<b>15,724</b>
Other liabilities, non-financial instruments	4,150		4,170	
<b>Total liabilities</b>	<b>19,713</b>		<b>19,702</b>	

The following tables present information about how fair value is determined for the financial instruments that are measured at fair value in the statement of financial position. Fair value measurements are categorised into a three-level hierarchy:

Level 1: Based on prices quoted in active markets for identical instruments.

Level 2: Based on direct or indirect observable market data not included in level 1.

Level 3: Based on inputs that are unobservable in the market.

### Group, 31 March 2026

SEK MILLION	Level 1	Level 2	Level 3	Total
Assets	11,747	—	44	11,791
Liabilities	—	—	7	7

### Group, 31 December 2025

SEK MILLION	Level 1	Level 2	Level 3	Total
Assets	8,369	-	44	8,413
Liabilities	-	-	4	4

The fair value of financial instruments is measured on the basis of quoted market prices at the balance-sheet date. Derivatives are measured on the basis of published price quotations in an active market. For unquoted shares where a reliable market value cannot

be determined, the carrying amount is used as an indicator of fair value. The fair value of debt instruments is measured using techniques such as discounting expected future cash flows at quoted market interest rates for each duration.

## Note 6 | Standing timber

At 31 March 2026, the estimated fair value of Södra's standing timber was SEK 820 million (820 at 31 December 2025).

During the quarter, Södra divested its entire holding of standing

timber in the Baltics in an amount of SEK 4,612 million, and the holding recognised on the reporting date consists solely of Swedish forest.

## Note 7 | Scheduled maintenance shutdowns

At Södra Cell, in addition to routine maintenance during normal operations, there are also scheduled maintenance shutdowns to perform more extensive maintenance, whereby pulp production is stopped.

The earnings impact of the maintenance shutdowns varies, depending on the extent and nature of the maintenance measures

and the duration of the shutdowns. The cost comprises loss of revenue from production losses, and the direct costs of the maintenance.

In the first quarter, costs for scheduled maintenance shutdowns amounted to SEK 83 million (0).



# Quarterly data and segment information

	2026 Jan-Mar	2025 Jan-Mar	2025 Jan-Dec
<b>NET SALES, SEK MILLION</b>			
Södra Skog	1,661	1,770	6,606
Södra Wood	1,459	1,779	6,458
Södra Cell	3,401	4,512	14,919
Södra Building Systems	63	57	235
Other	20	36	84
<b>Group</b>	<b>6,604</b>	<b>8,154</b>	<b>28,302</b>
<b>OPERATING PROFIT/LOSS BEFORE DEPRECIATION, AMORTISATION AND IMPAIRMENT, SEK MILLION</b>			
Södra Skog	28	60	86
Södra Wood	-247	69	-206
Södra Cell	134	827	916
Södra Building Systems	2	-14	-73
Other	1,390	-106	-371
<b>Group</b>	<b>1,307</b>	<b>836</b>	<b>352</b>
<b>OPERATING PROFIT/LOSS, SEK MILLION</b>			
Södra Skog	4	33	-14
Södra Wood	-315	14	-463
Södra Cell	-158	538	-258
Södra Building Systems	-22	-37	-168
Other	1,386	-109	-387
<b>Group</b>	<b>895</b>	<b>439</b>	<b>-1,290</b>
<b>OPERATING MARGIN</b>			
Södra Skog	0%	2%	neg.
Södra Wood	neg.	1%	neg.
Södra Cell	neg.	12%	neg.
Södra Building Systems	neg.	neg.	neg.
<b>Group</b>	<b>14%</b>	<b>5%</b>	<b>-5%</b>
<b>OPERATING ASSETS, SEK MILLION</b>			
Södra Skog	3,585	9,570	10,014
Södra Wood	5,074	4,901	4,964
Södra Cell	16,920	16,949	16,530
Södra Building Systems	859	994	882
Other	1,233	1,077	1,246
Financial and tax-related assets	17,869	12,091	10,998
<b>Total consolidated assets</b>	<b>45,540</b>	<b>45,582</b>	<b>44,634</b>

	2026 Jan-Mar	2025 Jan-Mar	2025 Jan-Dec
<b>AVERAGE OPERATING CAPITAL, SEK MILLION</b>			
Södra Skog	5,854	6,759	7,220
Södra Wood	4,329	3,984	4,232
Södra Cell	15,546	14,978	15,401
Södra Building Systems	843	907	860
<b>Group, average capital employed*</b>	<b>24,810</b>	<b>25,254</b>	<b>25,965</b>
*Average capital employed is calculated on the basis of the current and previous four quarters.			
<b>RETURN ON OPERATING CAPITAL</b>			
Södra Skog	neg.	8%	neg.
Södra Wood	neg.	2%	neg.
Södra Cell	neg.	18%	neg.
Södra Building Systems	neg.	neg.	neg.
<b>Consolidated return on capital employed*</b>	<b>-3%</b>	<b>10%</b>	<b>-5%</b>
*Average capital employed is calculated on the basis of the current and previous four quarters. Adjusted operating profit is calculated on the current and previous three quarters.			
<b>CASH FLOW AFTER INVESTMENTS, SEK MILLION</b>			
Södra Skog	-45	938	15
Södra Wood	-470	-236	-897
Södra Cell	-555	-80	-644
Södra Building Systems	-9	71	-21
Other*	7,979	-225	-374
<b>Group</b>	<b>6,900</b>	<b>468</b>	<b>-1,921</b>
*Cash flow effects relating to the divestment of the Baltics subsidiaries are recognised in their entirety under Other.			
<b>INVESTMENTS, SEK MILLION</b>			
Södra Skog	2	29	138
Södra Wood	71	47	339
Södra Cell	613	514	1,734
Södra Building Systems	1	3	23
Other	0	2	14
<b>Group</b>	<b>687</b>	<b>595</b>	<b>2,248</b>
<b>AVERAGE NO. OF EMPLOYEES</b>			
Södra Skog	579	677	699
Södra Wood	812	864	851
Södra Cell	1,184	1,238	1,256
Södra Building Systems	81	84	82
Other	367	346	346
<b>Group</b>	<b>3,023</b>	<b>3,209</b>	<b>3,234</b>

# Alternative performance measures

## NET SALES, CHANGE

	2026 Jan-Mar	2025 Jan-Mar	2025 Jan-Dec
Opening net sales	8,154	7,613	29,487
Closing net sales	6,604	8,154	28,302
<b>Change</b>	<b>-19%</b>	<b>7%</b>	<b>-4%</b>

Change in net sales shows Södra's growth.

## OPERATING PROFIT/LOSS BEFORE DEPRECIATION, AMORTISATION AND IMPAIRMENT IMPAIRMENT LOSSES, SEK MILLION

	2026 Jan-Mar	2025 Jan-Mar	2025 Jan-Dec
Operating profit/loss	895	439	-1,290
Depreciation, amortisation and impairment of assets	412	397	1,642
<b>Operating profit before depreciation, amortisation and impairment</b>	<b>1,307</b>	<b>836</b>	<b>352</b>

A complement to operating profit/loss, which shows the items on the income statement that affect cash flow.

## OPERATING PROFIT/LOSS BEFORE DEPRECIATION, AMORTISATION AND IMPAIRMENT IMPAIRMENT MARGIN

	2026 Jan-Mar	2025 Jan-Mar	2025 Jan-Dec
Operating profit before depreciation, amortisation and impairment	1,307	836	352
Net sales	6,604	8,154	28,302
<b>EBITDA margin</b>	<b>20%</b>	<b>10%</b>	<b>1%</b>

The EBITDA margin shows the percentage of surplus on each SEK earned less operating costs, but before depreciation, amortisation and impairment. This measure gives an overall view of the cash flow generated. The measure is used to produce an overall trend analysis of Södra's performance, and for comparison with other companies.

## OPERATING PROFIT/LOSS, SEK MILLION

	2026 Jan-Mar	2025 Jan-Mar	2025 Jan-Dec
Net sales	6,604	8,154	28,302
Other revenue and profit from shares in associates	1,568	32	295
Operating expenses	-6,865	-7,350	-28,245
Depreciation, amortisation and impairment	-412	-397	-1,642
<b>Operating profit/loss</b>	<b>895</b>	<b>439</b>	<b>-1,290</b>

Operating profit shows the surplus on sales less operating costs, including depreciation, amortisation and impairment. This is an essential measure for producing a trend analysis of Södra's performance, and for comparison with other companies.

## OPERATING MARGIN

	2026 Jan-Mar	2025 Jan-Mar	2025 Jan-Dec
Operating profit/loss	895	439	-1,290
Net sales	6,604	8,154	28,302
<b>Operating margin</b>	<b>14%</b>	<b>5%</b>	<b>-5%</b>

The operating margin is a measurement of the proportion of surplus on each sales SEK less operating costs, including depreciation, amortisation and impairment. This surplus is used to cover interest expense and tax, and to generate an acceptable profit. The measure is used to produce an overall trend analysis of Södra's performance, and for comparison with other companies.

Södra manages its operations by analysing key indicators. Some of these financial key indicators are defined or specified in applicable regulations for financial information, or by other applicable laws. All others are referred to as alternative performance measures. Södra uses the following alternative performance measures and believes they provide valuable complementary information for analysing Södra's performance.

**NET DEBT, SEK MILLION**

	2026 Jan-Mar	2025 Jan-Mar	2025 Jan-Dec
Interest-bearing liabilities	12,525	9,918	12,684
Financial receivables	-10	-8	-13
Current investments and cash and cash equivalents	-17,726	-11,934	-10,917
<b>Net debt*</b>	<b>-5,211</b>	<b>-2,024</b>	<b>1,754</b>

\*Reclassification of assets and liabilities in accordance with IFRS 5\* has not been taken into account in the calculation of Net debt. The calculation is made on the entire Group.

Shows Södra's financial strength.

**DEBT/EQUITY RATIO, TIMES**

	2026 Jan-Mar	2025 Jan-Mar	2025 Jan-Dec
Net debt	-5,211	-2,024	1,754
Equity	25,827	27,887	24,910
<b>Debt/equity ratio*</b>	<b>-0.2</b>	<b>-0.1</b>	<b>0.1</b>

\*Reclassification of assets and liabilities in accordance with IFRS 5\* has not been taken into account in the calculation of the debt/equity ratio.

The calculation is made on the entire Group.

The debt/equity ratio is used to measure Södra's financial strength and, in combination with the equity ratio, is the measurement most frequently used by management to monitor the Group's financial leverage.

**CAPITAL EMPLOYED, SEK MILLION**

	2026 Jan-Mar	2025 Jan-Mar	2025 Jan-Dec
Assets	45,540	45,582	44,634
Surplus in funded pension plans	-461	-377	-448
Financial assets	-17,778	-11,987	-10,974
Provisions*	-562	-524	-533
Income tax*	-2,064	-2,106	-2,275
Non-interest-bearing operating liabilities	-4,522	-5,047	-4,191
<b>Capital employed**</b>	<b>20,153</b>	<b>25,541</b>	<b>26,215</b>
<b>Average***</b>	<b>24,810</b>	<b>25,254</b>	<b>25,965</b>

\*Not considered in the calculation of Operating capital.

\*\*Reclassification of assets and liabilities in accordance with IFRS 5\* has not been taken into account in the calculation of Capital employed.

The calculation is made on the entire Group.

\*\*\*Average capital employed is calculated on the basis of the current and previous four quarters.

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

**RETURN ON CAPITAL EMPLOYED**

	2026 Jan-Mar	2025 Jan-Mar	2025 Jan-Dec
Average capital employed	24,810	25,254	25,965
Operating profit/loss	895	439	-1,290
Adjusted operating profit/loss*	-835	2,501	-1,290
<b>Return</b>	<b>-3%</b>	<b>10%</b>	<b>-5%</b>

\*Average capital employed is calculated on the basis of the current and previous four quarters. Adjusted operating profit is calculated on the current and previous three quarters.

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

**EQUITY RATIO**

	2026 Jan-Mar	2025 Jan-Mar	2025 Jan-Dec
Equity	25,827	27,887	24,910
Assets	45,540	45,582	44,634
<b>Equity ratio</b>	<b>57%</b>	<b>61%</b>	<b>56%</b>

An established and key measure of Södra's financial strength. Shows the proportion of total assets financed by equity. The measure indicates the ability to pay long-term liabilities, since any future losses will be deducted from equity.

**DEFINITIONS****Operating profit/loss before depreciation, amortisation and impairment, SEK million**

Operating profit/loss excluding depreciation, amortisation and impairment of property, plant and equipment and intangible assets.

**EBITDA margin, %**

Operating profit/loss excluding depreciation, amortisation and impairment of property, plant and equipment and intangible assets expressed as a percentage of net sales.

**Operating profit/loss, SEK million**

Net sales and other revenue less operating costs including depreciation, amortisation and impairment.

**Operating margin, %**

Operating profit/loss expressed as a percentage of net sales.

**Net debt, SEK million**

Interest-bearing liabilities less interest-bearing assets and cash and cash equivalents.

**Debt/equity ratio, times**

Net debt in relation to equity.

**Capital employed, SEK million**

Assets excluding surplus in funded pension plans, interest-bearing assets, provisions and liabilities.

**Return on capital employed, %**

Adjusted operating profit/loss expressed as a percentage of average capital employed.

**Equity ratio, %**

Equity expressed as a percentage of assets.

# Financial statements

- » The interim report for April–June will be published on 17 July 2026 at 11 a.m.
- » The Annual General Meeting will be held on 2 June 2026.
- » Interim reports can be downloaded from [sodra.com/financials](https://sodra.com/financials)

## This is Södra

Södra was founded in 1938 on the idea that we are stronger together. Södra is now the largest forest-owner association in Sweden, with more than 50,000 family forest owners as members. Together, the members of Södra own a world-leading industrial operation that processes forest raw material into renewable products such as pulp, timber, building systems, energy and biochemicals. **Rooted in the forest, we grow the future.**

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