VALUATUM

24.8.2026

Stora Enso Oyj

STERV.HE • NASDAQ Helsinki • Packaging & Containers • Finland

COMPANY PROFILE

Stora Enso is a Nordic forest-products group producing consumer board, containerboard, corrugated packaging, market pulp, biomaterials, sawn wood and engineered-wood solutions. It also owns substantial Swedish forest assets and a 41% interest in Tornator. The group is preparing to separate most of its Swedish forest estate into Bergslagets Skogar.

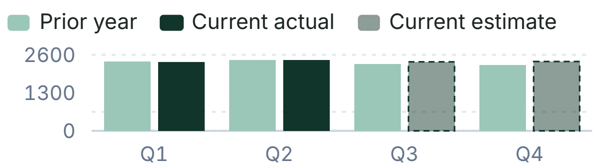
RECOMMENDATION	CURRENT PRICE	TARGET PRICE
HOLD	**9.82 EUR**	**9.50 EUR**
12-month horizon	as of report date	12-month fundamental

IMPLIED UPSIDE	MARKET CAP	ENTERPRISE VALUE
−3.3%	**EUR 7.7 bn**	**EUR 11.4 bn**
vs. current price	shares × price	mcap + EV adjustments

P/E 2026E	EV/EBITDA 2026E	FCF YIELD 2026E	DIVIDEND YIELD 2026E	EQUITY BOOK VALUE 2026E
34.0×	8.0×	0.1%	2.4%	EUR 10.7 bn

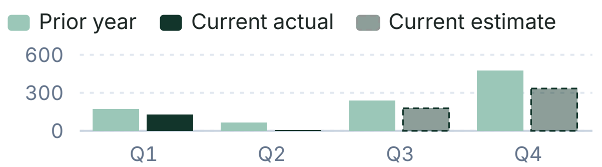
Quarterly net sales

EUR millions · prior year vs current year



Quarterly EBIT

EUR millions · prior year vs current year



RESEARCH SNAPSHOT

The call, the math, and the three reasons why

02

A one-page summary of the recommendation and the evidence behind it; the following pages provide the detail.

RECOMMENDATION **HOLD** 12-month horizon	TARGET PRICE **9.50 EUR** 12-month fundamental	CURRENT PRICE **9.82 EUR** as of report date	IMPLIED UPSIDE **−3.3%** vs. current price
MARKET CAP **EUR 7.7 bn** shares × price	ENTERPRISE VALUE **EUR 11.4 bn** mcap + EV adjustments	P/E · EV/EBITDA 2026E **34.0× · 8.0×** own history + peers, see Valuation	DIVIDEND YIELD 2026E **2.4%**

01 **Forest value is real but not fully distributable**

The EUR 8.5 billion reported forest fair value and the EUR 900 million arm's-length sale provide strong asset evidence, but the target applies explicit discounts for separation, liquidity and cash-yield uncertainty.

EUR 8.5bn fair value

02 **Oulu determines the industrial rerating**

The 750,000-tonne line can generate about EUR 800 million of annual sales, yet value depends on qualified saleable output, mix and efficiency rather than nameplate capacity alone.

750kt capacity

03 **Cash conversion remains the constraint**

The maintained model forecasts only EUR 6 million of 2026 free cash flow to firm as capital expenditure absorbs operating cash flow, limiting tolerance for another operational setback.

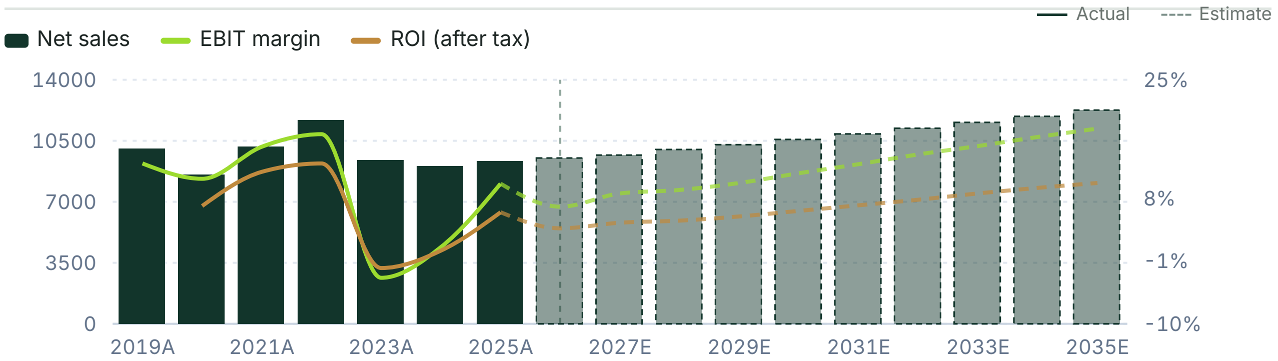
EUR 6m 2026 FCFF

THESIS BREAKER

The HOLD thesis breaks positively if Oulu reaches normal efficiency and the forest demerger crystallises value near disclosed fair value without material debt or tax leakage.

Net sales, EBIT margin and ROI

EUR millions; EBIT margin and ROI on right axis



SHARE PRICE DEVELOPMENT

Price trajectory and valuation anchors

03

Weekly closing prices over 36 months with the 12-month target price, alongside key market data.

Share price — last 36 months

EUR per share, with 12-month target line

CURRENT PRICE **9.82 EUR** 24 August 2026	TARGET PRICE **9.50 EUR** 12-month	IMPLIED UPSIDE **−3.3%** vs. current	REPORT DATE **24 August 2026**
52-WEEK HIGH **12.26 EUR** past 12m	52-WEEK LOW **8.50 EUR** past 12m	1-YEAR CHANGE **−6.0%** price only	3-YEAR CHANGE **−10.6%** price only

READING THE MOVE

Aug 2023 – Nov 2024 — -22.3%: A post-COVID customer destocking cycle and the Ukraine-war demand shock pushed industry utilisation below 70%, described by MOI Global as a forty-year low.

Nov 2024 – Feb 2025 — +16.2%: Q4 2024 adjusted EBIT increased 139% to EUR 121 million as customer destocking ended, supporting expectations that volumes and mill utilisation had passed their trough.

Feb–Apr 2025 — -31.4%: A profit warning from peer Rottneros reinforced Stora Enso's warnings about weak macroeconomic conditions and volatile pulp markets, reversing the early-cycle recovery trade.

Apr 2025 – Feb 2026 — +63.1%: The EUR 900 million Swedish forest sale and proposed Bergslagets Skogar demerger shifted attention from depressed industrial earnings to the value of the underlying forest estate.

Feb–Aug 2026 — -18.3%: Q2 2026 adjusted EBIT missed consensus by 10%, while management guided to EUR 40–50 million of Q3 maintenance costs, reviving concerns over Oulu execution and cash conversion.

VALUE BREAKDOWN · PART 1

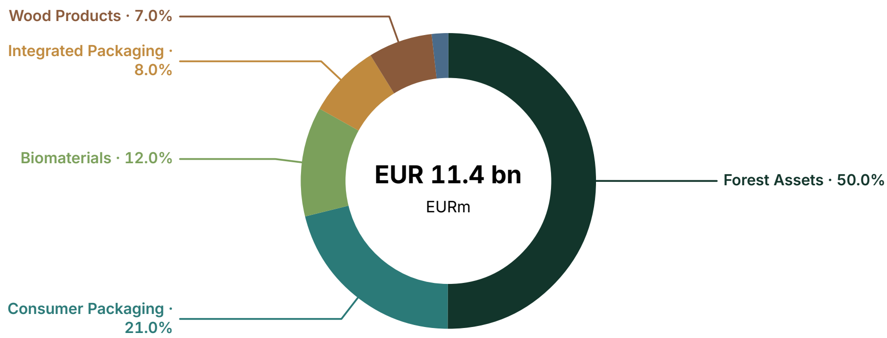
How the market prices the divisions today

04

The market's own enterprise value today, split across the divisions. The parts sum to the whole by construction, so a larger share for one division is a smaller share for another. What each division is worth on this report's own forecasts is a different question, answered in the target-price bridge.

Enterprise value by business division

EUR millions · current analytical allocation



VALUE AND EARNINGS BY BUSINESS DIVISION

Analytical enterprise-value allocation against reported economics. “Reported” rows match a verified company-reported segment; “Modelled allocation” rows are model-side splits. Business divisions may differ from company-reported accounting segments.

	EV	EV %	REVENUE	REV %	COMP. EBIT	COMP. EBIT % OF TOTAL	BASIS
Forest Assets	5,680	50.0%	788	8.4%	133	25.2%	Modelled allocation
Consumer Packaging	2,385	21.0%	3,510	37.6%	129	24.4%	Reported
Biomaterials	1,363	12.0%	1,233	13.2%	185	35.0%	Reported
Integrated Packaging	909	8.0%	2,274	24.4%	74	14.0%	Reported
Wood Products	795	7.0%	1,522	16.3%	5	0.9%	Modelled allocation
Lignode Battery-Anode Optionality	227	2.0%	0	0.0%	—	—	Modelled allocation
Total	**11,359**	**100.0%**	**9,326**	**100.0%**	**528**	**99.6%**	

VALUE BREAKDOWN · PART 2

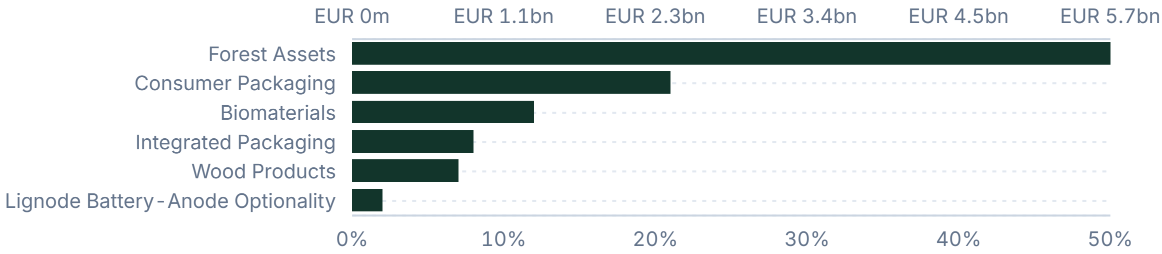
Where value sits versus where money is earned

05

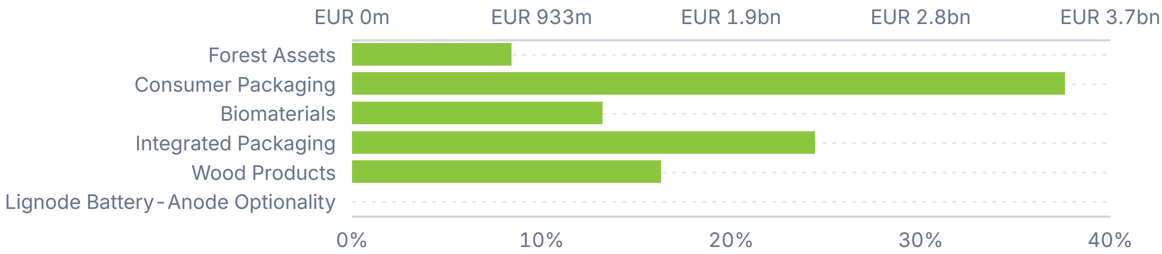
Each division's share of enterprise value, of revenue and of profit. One panel per measure: the three divide by different totals, so percentages read below each panel and the same bars in absolute terms above.

Enterprise value

Share of group total below, absolute value above

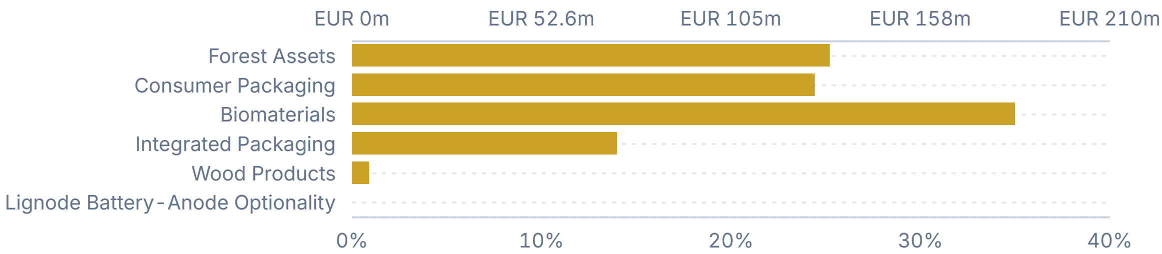


Revenue



Segment profit

comparable EBIT basis



INTERPRETATION

Half of the EUR 11.4 billion control enterprise value resides in Forest Assets, while Consumer Packaging contributes a further 21%. The reported-segment revenue mix therefore understates where asset value forms: Biomaterials earns 35.0% of group comparable EBIT on 13.2% of external revenue, while Oulu's future economics matter more than Consumer Packaging's current 3.5% margin.

INVESTMENT CASE

The call and how the business creates value

06/07

Why the valuation and operating evidence point to the recommendation, and the map for the business division analysis that follows.

RECOMMENDATION CASE

HOLD. The 12-month target price is EUR 9.5, implying 3.3% downside from the current price of EUR 9.82.

The current price effectively assumes that near-term industrial returns remain depressed even while the forest estate retains substantial value. The reverse model requires EBIT margins of only 4.0% in 2026 and 3.1% in 2027, compared with the maintained model at 6.8% and 8.7%. That market scepticism is understandable because 2026 free cash flow to firm is forecast at only EUR 6 million and net debt rises to EUR 3.7 billion.

Evidence is mixed rather than uniformly negative. Q2 2026 sales were stable at EUR 2.4 billion while adjusted EBIT rose 27% to EUR 160 million, but the result missed consensus and management identified EUR 40–50 million of Q3 maintenance costs. Oulu offers approximately EUR 800 million of annual sales at full capacity, Biomaterials is shifting Skutskär toward fluff pulp, and the forest demerger could expose an asset previously obscured inside a low-return industrial conglomerate.

The strongest argument against HOLD is that EUR 8.5 billion of reported forest fair value alone equals EUR 10.80 per share before assigning value to packaging, pulp or wood products. That observation is economically important but not an immediate equity-value identity: group debt, separation costs, taxes, protection constraints, minority interests, wood-supply commitments and the market discount applied to listed forest cash flows all sit between appraisal value and distributable shareholder value.

A BUY would require qualified Oulu volumes approaching the 750,000-tonne design rate, visible Consumer Packaging margins above 8%, and demerger terms that preserve most of the disclosed forest value without loading the new entity with excessive debt. A SELL would follow if Oulu remains structurally below 6% margin, European corrugated spreads deteriorate, and pulp weakness prevents net debt from falling below 2.5 times EBITDA through 2027.

ECONOMIC MAP

Value formation is concentrated rather than proportional to sales. Forest Assets account for 50% of enterprise value because the EUR 8.5 billion reported fair value is supported by an arm's-length EUR 900 million transaction. The decisive number is the 30.4% discount required to bridge appraisal value to investable value.

Consumer Packaging contributes 21% of enterprise value and is the main industrial rerating lever. The decisive number is not Oulu's 750,000-tonne nameplate but the approximately EUR 1,067 per tonne implied by EUR 800 million of full-capacity sales. Biomaterials contributes 12%, where EUR 200 million of through-cycle EBITDA depends on delivered pulp cost. Integrated Packaging and Wood Products together contribute 15%, both governed by price-cost spreads.

Lignode contributes only 2% of control enterprise value and is treated as an option. The decisive number is a 4% share of the USD 7.5 billion hard-carbon market by 2030, conditional on qualification, yield and commercial-scale investment.

ANALYTICAL ANCHOR

The share is not primarily a call on group revenue growth. It is a call on converting EUR 8.5 billion of forest appraisal value and EUR 1.7 billion of Oulu investment into observable cash returns.

CORE ANALYSIS · BUSINESS DIVISION DEEP DIVES

08.1 Forest Assets

Business division deep dive — Backed profit engine.

THE ANNUAL SPEND AND ASSET MARKET

Forest Assets supplies the renewable raw material that competes with fossil-based packaging and carbon-intensive construction materials. The broad downstream displaced spends are USD 509.4 billion for plastic packaging in 2026 and USD 1.48 trillion for construction materials, according to Mordor Intelligence and Fortune Business Insights. The global forestry and logging market itself is estimated at either USD 1.13 trillion for 2026 or only USD 188.3 billion for 2025. That sixfold conflict makes the global market label unusable for valuation. Forest ownership is local, heterogeneous and constrained by species, age class, road access, protection and harvesting rights.

The valuation therefore begins with Stora Enso's reported EUR 8.5 billion forest fair value at 30 June 2026, including its Tornator interest, rather than applying a revenue share to global forestry spend. This amount equals EUR 10.80 per share before debt and other claims. It was EUR 9.0 billion in the prior-year comparison period and EUR 8.9 billion at the end of 2024, with the decline substantially explained by the 2025 Swedish divestment. The key question is not whether the estate exists. It is what portion can be realised or supported by sustainable cash yield after separation constraints.

TRANSLATING APPRAISAL VALUE INTO REACHABLE EQUITY VALUE

This report applies a 30.4% discount to the EUR 8.5 billion reported fair value, producing approximately EUR 5.92 billion for the forest part in the target SOTP. The discount explicitly covers appraisal-to-market uncertainty, tax and transaction leakage, protected acreage, minority and ownership complexity, listed-company liquidity, the 18-year wood-supply commitment and the possibility that debt is allocated to Bergslagets Skogar. It is not a claim that the reported valuation is overstated by 30.4%. It is the haircut required before treating appraisal value as present investable enterprise value.

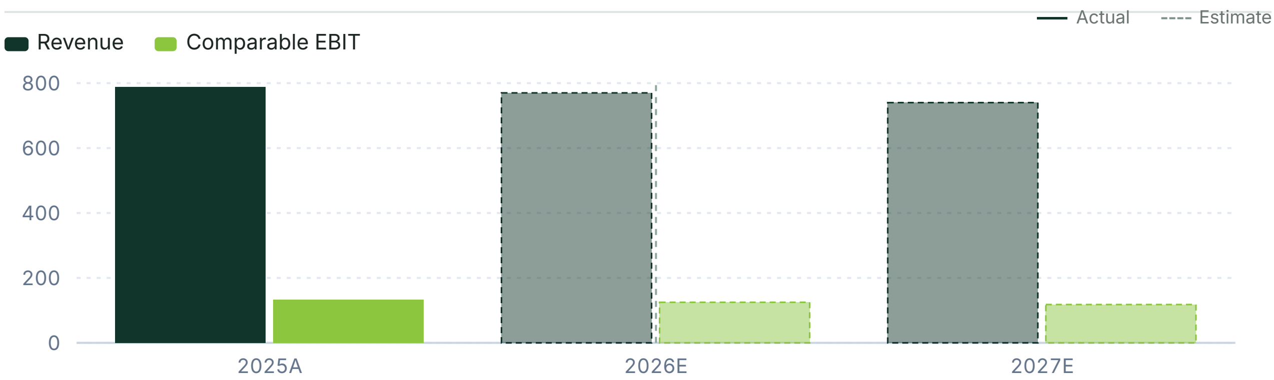
FOREST ASSETS FACT SHEET

BACKED PROFIT ENGINE

MODEL ESTIMATE REVENUE	**EUR 788m**
MODEL ESTIMATE COMPARABLE EBIT	**EUR 133m**
TOTAL FOREST FAIR VALUE	**EUR 8.5bn at Q2 2026**
BERGSLAGETS SKOGAR LAND	**More than 1.2m hectares**
DEMERGER-ASSET FAIR VALUE	**EUR 5.7bn at Sep 2025**
SUSTAINABLE ANNUAL HARVEST	**About 3.5m cubic metres**
RECENT TRANSACTION VALUE	**EUR 5,142/hectare**
APPLIED VALUATION DISCOUNT	**30.4% to EUR 8.5bn**
TARGET SOTP VALUE	**EUR 5.9bn**

Forest Assets — modelled revenue and profit

EUR millions · 2025 reported, later years this report's own forecast



CORE ANALYSIS · BUSINESS DIVISION DEEP DIVES

08.1 Forest Assets (continued)

Business division deep dive — Backed profit engine.

The discount sits inside a broad 20–35% analytical range used in this report for assets that are appraised but not yet separately traded. At a 20% discount, the estate would be worth EUR 6.8 billion, adding about EUR 1.1 per Stora Enso share relative to the base. At 35%, value falls to EUR 5.53 billion, subtracting roughly EUR 0.5 per share. The recent transaction supports the upper half of the valuation range, but the unknown debt allocation and tax terms support retaining a material discount until the formal demerger plan and November 2026 Capital Markets Day provide more detail.

THE ARM'S-LENGTH TRANSACTION IS THE STRONGEST EVIDENCE

Stora Enso sold 175,000 hectares, equal to 12.4% of its Swedish forest holdings, for an enterprise value of EUR 900 million in September 2025. That implies approximately EUR 5,142 per hectare. The transaction reduced net debt by EUR 790 million, demonstrating that enterprise value does not translate one-for-one into cash available to shareholders. Stora Enso retained a 15% interest in the divested forest entity, adding another layer between headline transaction value and fully monetised proceeds.

Applying EUR 5,142 per hectare mechanically to the more than 1.2 million hectares planned for Bergslagets Skogar would imply over EUR 6.17 billion. That is above the EUR 5.7 billion disclosed fair value for the demerger assets at 30 September 2025. The difference may reflect estate quality, productive versus protected land, standing stock, transaction control, tax attributes and market timing. This report gives greater weight to the disclosed EUR 5.7 billion portfolio appraisal than to a simple per-hectare extrapolation because hectares are not homogeneous. The transaction remains powerful evidence that a multi-billion-euro market exists for institutional-quality Swedish forest.

BIOLOGICAL INVENTORY AND HARVEST ECONOMICS

Before the 12.4% sale, Stora Enso's Swedish standing timber stock was approximately 150.5 million cubic metres. A precise post-divestment standing-stock figure is not disclosed. The Swedish estate's annual biological growth is approximately 1%, while the sustainable annual harvest for Bergslagets Skogar is reported at about 3.5 million cubic metres. These figures should not be equated: biological value growth includes age-class and price effects, while sustainable harvest is a physical flow shaped by silviculture and estate structure.

Using the report's EUR 5.7 billion demerger-asset value and 3.5 million cubic metres of annual sustainable harvest produces EUR 1,629 of asset value per annual harvested cubic metre. That is an asset-intensity ratio, not a timber price. At an illustrative net stumpage contribution of EUR 35–50 per harvested cubic metre, explicitly an analytical assumption rather than a reported figure, annual harvest cash contribution would be approximately EUR 123–175 million before central costs and investment. A 4% required unlevered cash yield on EUR 5.7 billion would require EUR 228 million, demonstrating why biological appreciation and long-duration land value are essential to the appraisal.

CORE ANALYSIS · BUSINESS DIVISION DEEP DIVES

08.1

Forest Assets (continued)

Business division deep dive — Backed profit engine.

LAND QUALITY, PROTECTION AND OWNERSHIP COMPLEXITY

The demerger includes more than 1.2 million hectares of Swedish land, while productive forest is estimated at approximately 1.0 million hectares. Stora Enso reports 448,000 hectares set aside for nature conservation across its Swedish holdings. These categories may overlap with total-area definitions and should not be subtracted mechanically from demerger hectares, but they show why per-hectare comparisons can mislead. Protected land may generate ecosystem and certification value while restricting harvest cash flow. Productive hectares, standing stock by age class and allowable cut are more economically relevant than gross area.

Stora Enso also owns 41% of Tornator, which holds more than 800,000 hectares in Finland, Estonia and Romania. The EUR 8.5 billion total forest fair value includes the Tornator interest, whereas the Bergslagets Skogar disclosure concerns remaining Swedish assets. A clean SOTP must therefore avoid treating all EUR 8.5 billion as the demerger distribution. This report values the entire forest pool together and applies the 30.4% discount partly to reflect that mixed ownership structure. The eventual distribution and retained interests will determine where shareholders receive the value.

COMPETITIVE BENCHMARKS

SCA is Europe's largest private forest owner, with approximately 2.7 million hectares, including 2.1 million productive hectares and 277 million cubic metres of standing volume at Q2 2026. Its forest valuation used a three-year average market price of SEK 372 per forest cubic metre at the end of 2025. Holmen owns 1.3 million hectares, including more than 1.0 million productive hectares and 128 million cubic metres of standing stock; its forest assets carried SEK 56.7 billion of book value at year-end 2025. These operators provide listed reference points but differ in accounting, species, geography and integration.

- Stora Enso: EUR 8.5 billion total forest fair value, more than 1.2 million Swedish hectares for demerger and about 3.5 million cubic metres of sustainable annual harvest.
- SCA: approximately 2.7 million hectares, 277 million cubic metres of standing volume and a 32.1% group EBITDA margin in 2025.
- Holmen: 1.3 million hectares, 128 million cubic metres of standing stock and SEK 56.7 billion forest book value at year-end 2025.
- Tornator: more than 800,000 hectares across Finland, Estonia and Romania; Stora Enso owns 41%.
- Sveaskog: 14% of Swedish productive forest land and a 26% operating margin in 2025.

The operating benchmarks reinforce that forests can support high margins when accounting is viewed at the forest-segment level. Sveaskog generated SEK 2.3 billion of operating profit on SEK 8.7 billion of 2025 sales, a 26% margin. SCA reported a 32.1% EBITDA margin for 2025, while Holmen's forest segment generated SEK 460 million of Q2 2026 operating profit. These figures are not directly transferrable to Stora Enso because internal wood transfer prices and fair-value accounting differ. They show, however, that a separated forest company should be judged on harvest cash flow, biological growth and asset return rather than industrial group margin.

CORE ANALYSIS · BUSINESS DIVISION DEEP DIVES

08.1

Forest Assets (continued)

Business division deep dive — Backed profit engine.

SEPARATION MECHANICS AND THE WOOD-SUPPLY AGREEMENT

Stora Enso plans a statutory partial cross-border demerger of the remaining Swedish forest assets into Bergslagets Skogar, with completion expected in the first half of 2027. Tuomas Hallenberg became chief executive of the future entity at the start of 2026. A Capital Markets Day is scheduled for 3 November 2026, when investors should expect strategy, financial profiles and potentially more detail on capital structure. Until the formal demerger plan is published, debt allocation, tax leakage and exact transaction costs remain unknown.

An expected 18-year wood-supply agreement will cover approximately 9% of Stora Enso's Nordic wood and fibre requirements. The contract supports demand visibility for Bergslagets Skogar and supply security for the remaining industrial group. It may also constrain both parties: the forest company could sacrifice spot-market upside if pricing formulas lag, while Stora Enso could face contractual costs if mill demand changes. The agreement's indexation, minimum volumes and reset clauses therefore affect both forest yield and industrial margins. No precise terms are available in the evidence.

CASH-FLOW IMPLICATIONS FOR REMAINING STORA ENSO

The 2025 sale reduced annual adjusted EBITDA by approximately EUR 25 million, of which EUR 15 million was cash-related. Relative to EUR 900 million of enterprise value, that is a 2.8% reported EBITDA yield and a 1.7% cash-related yield. Those low percentages help explain investor appetite for monetisation: the asset value was large relative to the earnings recognised inside Stora Enso. They also warn against treating divestment proceeds as free value, because selling forests removes future wood economics and biological appreciation.

After demerger, the remaining group will lose the direct earnings and balance-sheet support of Swedish forests while retaining an industrial wood requirement. The market may award the pure-play forest company a higher asset multiple and the industrial company a lower conglomerate discount, but total value can still fall if debt, tax or contract terms are unfavourable. Scenario analysis therefore changes net debt with the transaction rather than holding it constant. The bull case assumes strong investment-grade balance sheets on both sides; the bear case assumes value leakage and higher industrial input costs.

CORE ANALYSIS · BUSINESS DIVISION DEEP DIVES

08.1

Forest Assets (continued)

Business division deep dive — Backed profit engine.

VALUATION AND WHAT WOULD BREAK IT

The target bridge values Forest Assets at EUR 5.92 billion, using the EUR 8.5 billion reported fair value less a 30.4% discount. For bridge grammar, this is represented by EUR 592.4 million of asset-equivalent normalised EBITDA at 10.0 times, matching the same enterprise value. The EBITDA proxy is not reported operating profit and should not be used to forecast cash flow; the asset-value method remains economically primary. The current-control EV allocation is EUR 5.68 billion, exactly 50% of group enterprise value.

The assumption is that disclosed fair value is broadly supportable and that approximately 70% is investable after all discounts. The case breaks if the formal plan allocates disproportionate debt to Bergslagets Skogar, reveals material tax leakage, restricts distributions, or shows a sustainable cash yield materially below listed peers. It also breaks if protection requirements or lower timber prices reduce appraisal value. It strengthens if the November Capital Markets Day confirms low leverage, transparent harvest economics and a distribution structure that lets existing shareholders receive the asset directly.

The next three events are unusually decision-useful. The formal demerger plan must disclose the legal perimeter and balance sheets. The 3 November 2026 Capital Markets Day should provide harvest, cost and capital-allocation targets. Completion in the first half of 2027 should create separately observable market values. Until then, EUR 8.5 billion is strong evidence of asset backing but not a substitute for the missing bridge from appraisal to distributable equity.

NORDIC FOREST OWNERSHIP, INVENTORY AND CASH-FLOW BENCHMARKS

OWNER	LAND AND STANDING STOCK	ASSET-VALUE EVIDENCE	CASH-FLOW BENCHMARK
Stora Enso	>1.2m ha; stock not split	EUR8.5bn Q2 2026	3.5m m3 annual harvest
SCA	2.7m ha; 277m m3	SEK372/m3fo (2025)	32.1% EBITDA FY2025
Holmen	1.3m ha; 128m m3	SEK56.7bn book value	SEK460m EBIT Q2 2026
Tornator	>800k ha (2026)	41% owned by Stora Enso	Not split in register
Sveaskog	14% Swedish productive land	State-owned benchmark	26% operating margin 2025

CORE ANALYSIS · BUSINESS DIVISION DEEP DIVES

08.2 Consumer Packaging

Business division deep dive — Profit engine.

THE SIZE OF THE PRIZE

Consumer Packaging competes for a portion of the USD 451.11 billion annual plastic-packaging spend projected for 2026 by Precedence Research, rather than merely for sales inside the existing paperboard category. That displaced spend is the relevant strategic prize because liquid-packaging board, folding boxboard and food-service materials are purchased when brand owners replace rigid or flexible fossil-based structures with recyclable fibre-based formats. The conventional consumer-packaging market is also enormous: Grand View Research estimated USD 708.7 billion for 2026 and 3.7% annual growth through 2030. These figures are not used mechanically to value Stora Enso because packaging formats, barrier requirements and filling systems prevent most plastic spend from being immediately addressable. They establish that demand availability is not the binding constraint; qualification, conversion economics and reliable board performance are.

The narrower category provides a more useful test of attainable share. Future Market Insights valued liquid-packaging board at USD 18.33 billion in 2025 and estimated Stora Enso's global share at 18.0%, making it the market leader. The broader 2025 consumer-packaging estimates conflict, with Towards Packaging at USD 690.23 billion and Mordor Intelligence at USD 658.76 billion. This report gives neither estimate valuation weight because both include formats Stora Enso does not manufacture. The valuation instead begins with the company's verified FY2025 external sales of EUR 3.5 billion and asks whether Oulu can add saleable volume without destroying the European price-cost balance. That route avoids translating a spectacular total-addressable-market headline into an implausible share assumption.

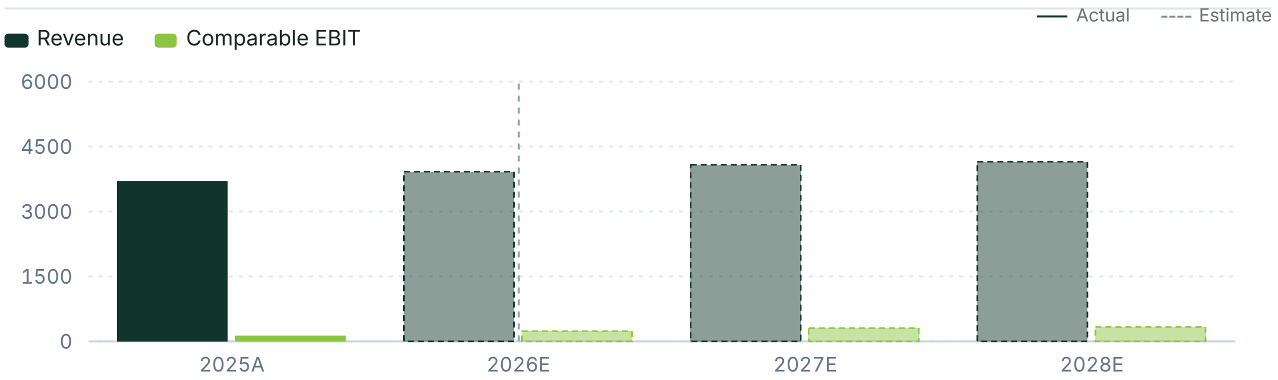
CONSUMER PACKAGING FACT SHEET

PROFIT ENGINE

FY2025A REVENUE	EUR 3,510m
FY2025A COMPARABLE EBIT	EUR 129m
FY2025 COMPARABLE EBIT MARGIN	3.5% of total segment sales
OULU DESIGN CAPACITY	750,000 tonnes/year by 2027
OULU FULL-CAPACITY SALES	About EUR 800m/year
IMPLIED FULL-CAPACITY REVENUE	EUR 1,067/tonne
LIQUID-PACKAGING-BOARD POSITION	#1 globally; estimated 18% share
Q2 2026 ADJUSTED EBIT MARGIN	6.5%
VALUATION BASIS	EUR 312.5m EBITDA × 8.0x

Consumer Packaging — modelled revenue and profit

EUR millions · 2025 reported, later years this report's own forecast



CORE ANALYSIS · BUSINESS DIVISION DEEP DIVES

08.2

Consumer Packaging (continued)

Business division deep dive — Profit engine.

FROM MARKET OPPORTUNITY TO STORA ENSO'S CAPTURE

The required capture is concrete: management expects Oulu BM6 to produce 750,000 tonnes annually and generate approximately EUR 800 million of sales at full capacity during 2027. Dividing EUR 800 million by 750,000 tonnes gives this report's implied average revenue of EUR 1,067 per tonne. That is above the approximately EUR 900 per tonne average realised by European paper mills in 2024, but the comparison is not like-for-like because Oulu targets higher-value folding boxboard and coated unbleached kraft rather than an undifferentiated paper average. The necessary commercial achievement is therefore not 750,000 tonnes of any board. It is a qualified product mix capable of sustaining roughly four-digit revenue per tonne while competing against existing European and North American capacity.

At full sales, Oulu would equal about 22.8% of Consumer Packaging's FY2025 external revenue before accounting for cannibalisation, price changes or displaced production elsewhere. The valuation does not add the entire EUR 800 million to FY2025 sales because first deliveries began in Q2 2025, meaning the base already contains some Oulu contribution. This report models Consumer Packaging total sales reaching approximately EUR 4.2 billion by 2028, with comparable EBIT of EUR 332 million and an 8.0% margin. The bridge then values EUR 312.5 million of normalised EBITDA at 8.0 times, producing EUR 2.5 billion of target enterprise value before the control-value allocation. A reader who believes normalised EBITDA is only EUR 250 million can reproduce EUR 2 billion at the same multiple.

PRODUCT POSITION AND COMPETITIVE STRUCTURE

Stora Enso enters the ramp from genuine positions of strength rather than from commodity anonymity. The company reports European number-one positions in food-service board and coated unbleached kraft and number two in folding boxboard. Future Market Insights separately estimates an 18.0% global share in liquid-packaging board. Metsä Board accounts for approximately 32% of European folding-boxboard capacity, while Billerud has total production capacity of 4.2 million tonnes, including 3.1 million tonnes in Europe. International Paper and Smurfit Westrock were estimated at 15.2% and 12.7% respectively in the global boxboard category, although those market definitions are broader than Stora Enso's board-only addressable market.

- Stora Enso: 750,000 tonnes of new Oulu capacity, approximately EUR 800 million of full-capacity sales and leading positions in three European consumer-board grades.
- Metsä Board: approximately 32% of European folding-boxboard capacity in 2026, creating direct exposure to the same regional price and utilisation cycle.
- Billerud: 4.2 million tonnes of total annual capacity, of which 3.1 million tonnes is in Europe, providing a scale benchmark for board supply.
- Smurfit Westrock: 14.2% adjusted EBITDA margin in Q2 2026, although its downstream corrugated mix limits direct margin comparability.
- Mondi: 13.1% underlying EBITDA margin on EUR 7.6 billion of 2025 revenue, again across a broader packaging portfolio.

CORE ANALYSIS · BUSINESS DIVISION DEEP DIVES

08.2 Consumer Packaging (continued)

Business division deep dive — Profit engine.

QUALIFICATION IS THE REAL CAPACITY GATE

Nameplate tonnes have no value until customers qualify the board for printing, converting, filling, sealing, transport and food-contact performance. Oulu started its BM6 ramp in early 2025 and made first customer deliveries in Q2 2025. The machine produces folding boxboard and coated unbleached kraft using FiberLight Tec and targets frozen, chilled, dry-food, beverage and fast-food applications in Europe and North America. These applications demand repeatable stiffness, surface quality, barrier compatibility and runnability. A failed trial can delay recurring orders even while the mill reports higher gross production, which is why reported production alone would be a weak leading indicator.

Food-safety certification removes one important obstacle. The board line had FSSC 22000 certification from production start, and by May 2026 the certification covered the full Oulu chain, including pulp production, board machines and sheeting. That does not prove customer qualification, but it reduces the risk that integrated process controls prevent access to food applications. The next evidence must be commercial: increasing qualified saleable tonnes, fewer off-specification reels, a mix weighted toward higher-value FBB and CUK, and customer retention through repeat production campaigns. The absence of disclosed customer-specific qualification schedules remains a material research gap.

WHAT CURRENT MARGINS REVEAL

FY2025 Consumer Packaging external sales were EUR 3.5 billion, total segment sales including intersegment activity were EUR 3.7 billion, and comparable EBIT was EUR 129 million. Comparable EBIT margin must therefore be calculated on total segment sales, yielding 3.5%, not on external revenue. Q1 2026 sales were reported at EUR 970 million with a 5% adjusted EBIT margin, and Q2 margin improved to 6.5%. The direction is encouraging, but the division remains below the level needed to earn an adequate return on the capital committed to Oulu. For context, the full Oulu conversion was estimated at EUR 1.7 billion across both phases.

The earnings progression is also noisy because ramp and maintenance costs move between quarters. Oulu reduced adjusted EBIT by approximately EUR 45 million in Q3 2025, while management expected a further EUR 15–30 million drag in Q1 2026. A longer shutdown in Q3 2026 will install efficiency equipment and is expected to cost EUR 40–50 million. These are not all recurring costs, but investors should not automatically add them back: part of a ramp's economic cost is the time and cash required to reach specification. The base valuation assumes those exceptional burdens diminish during 2027 and that the segment settles at an 8% comparable EBIT margin by 2028.

CORE ANALYSIS · BUSINESS DIVISION DEEP DIVES

08.2

Consumer Packaging (continued)

Business division deep dive — Profit engine.

PRICE, VOLUME AND COST REQUIREMENTS

The value case can be reduced to three operating requirements. First, Oulu must approach the 750,000-tonne design rate during 2027 without flooding the market with discounted tonnes. Second, average mix must support approximately EUR 1,067 per tonne implied by the company's EUR 800 million sales objective. Third, variable and fixed conversion costs must fall enough for incremental revenue to carry a double-digit incremental margin. If EUR 600 million of net incremental sales from the partially represented FY2025 base earns a 15% incremental comparable EBIT margin, it contributes EUR 90 million. Adding that to the FY2025 EUR 129 million and allowing EUR 110 million for recovery elsewhere produces approximately EUR 329 million, close to the report's EUR 332 million 2028 estimate.

The principal external variable is utilisation across the industry. Solid bleached sulphate board utilisation fell to 83.1% in Q2 2025 amid oversupply, demonstrating that capacity can ramp into a weak spread environment. European mill revenue had already fallen from approximately EUR 1,200 per tonne in 2022 to EUR 900 in 2024. Oulu's lightweight technology may reduce fibre consumption per package, but no segment cost per tonne is disclosed, so this report does not claim a proprietary cost advantage. The investment succeeds if lower basis weight, integrated pulp and qualified premium grades together protect contribution per tonne; it fails if volume growth requires persistent discounting.

REGULATION EXPANDS OPPORTUNITY BUT DOES NOT GUARANTEE PROFIT

The EU Packaging and Packaging Waste Regulation became applicable across all 27 Member States on 12 August 2026. Its recyclability requirements and modulated extended-producer-responsibility fees should increase the economic pressure on poorly recyclable packaging structures. Trayforma Brown, an unbleached tray-board range launched in May 2026, is directionally aligned with material efficiency and fibre substitution. Regulation can improve the customer's relative cost calculation, particularly where a fibre tray can avoid complex plastics or reduce material weight. It cannot remove the need for barrier performance, food safety, conversion speed or competitive pricing.

CORE ANALYSIS · BUSINESS DIVISION DEEP DIVES

08.2 Consumer Packaging (continued)

Business division deep dive — Profit engine.

The jurisdictional position is straightforward rather than permission-dependent. PPWR is applicable throughout the EU, Oulu's chain holds FSSC 22000 certification, and North American market access remains dependent on customer and product requirements rather than one disclosed pending group-level approval. The next regulatory-commercial gate is evidence that customers convert compliance pressure into contracted volumes. If producers redesign toward reusable systems or competing mono-material plastics instead, the regulation may redistribute packaging demand without materially benefiting coated board. The valuation consequently treats regulation as a demand tailwind, not as a separate premium multiple.

VALUATION AND WHAT WOULD BREAK IT

This report values Consumer Packaging at EUR 2.5 billion in the target SOTP, using EUR 312.5 million of modelled 2028 EBITDA and an 8.0 times multiple. The multiple sits close to Stora Enso's normalised historical EV/EBITDA average of 7.90 times, below the 2026 peer median of 9.7 times, and below the premium that a fully de-risked specialty-packaging asset might command. It is deliberately not applied to FY2025 earnings because those earnings contain an immature Oulu ramp. The current-control EV allocation is EUR 2.4 billion, or 21% of group enterprise value.

The assumption that matters is an 8% comparable EBIT margin on approximately EUR 4.2 billion of 2028 total sales. At 6%, comparable EBIT would be roughly EUR 249 million, reducing EBITDA and value by about EUR 500–650 million depending on depreciation and the multiple. At 10%, the division could exceed EUR 400 million of comparable EBIT and justify a value above EUR 3 billion. The case breaks if qualification delays persist into 2028, if saleable output approaches nameplate only through price concessions, or if maintenance and yield losses remain structural. It strengthens materially when management discloses qualified tonnage, product mix and normal operating efficiency rather than only gross production.

CONSUMER-BOARD COMPETITIVE SCALE AND PROFITABILITY

OPERATOR	DECISIVE SCALE OR SHARE	PROFITABILITY	RELEVANT POSITION
Stora Enso	750kt Oulu by 2027	6.5% adj. EBIT Q2 2026	#1 LPB; #2 European FBB
Metsä Board	32% EU FBB capacity (2026)	Not comparable in register	European FBB leader
Billerud	4.2mt capacity (2025)	Not comparable in register	3.1mt capacity in Europe
Mondi	EUR 7.6bn revenue (2025)	13.1% EBITDA margin	Integrated packaging peer
Smurfit Westrock	12.7% boxboard share est.	14.2% EBITDA Q2 2026	Global packaging scale

CORE ANALYSIS · BUSINESS DIVISION DEEP DIVES

08.3 Biomaterials

Business division deep dive — Commodity.

THE DISPLACED SPEND AND THE RELEVANT PULP MARKET

Biomaterials ultimately competes for portions of the USD 963.7 billion annual fossil-based plastics market estimated for 2025 by Grand View Research, because bio-based fibres, lignin products and specialty materials can replace petroleum-derived inputs. That is the strategic prize, but it is far broader than the revenue pool available to Stora Enso's current assets. The operating division today is predominantly exposed to market pulp and established bio-based materials. Estimates of the 2025 global wood-pulp market are much tighter, at USD 169.6 billion from TMR and Mordor Intelligence versus USD 171.15 billion from Expert Market Research. This report weights the pulp market because it matches current earnings, while treating advanced biomaterial substitution as long-duration upside.

Even the label biomaterials is inconsistently defined. Grand View Research estimated a USD 274.6 billion market in 2026, while Coherent Market Insights estimated USD 189.34 billion. The difference is too large to use either figure as a valuation denominator, and likely reflects differing inclusion of medical, construction and polymer applications. The narrower bioplastics estimates also conflict at USD 28.08 billion and USD 21.3 billion for 2026. These ranges show opportunity but do not establish Stora Enso's reachable share. The SOTP therefore values cash earnings from pulp, fluff and existing products and assigns Lignode separately as optionality.

WHAT STORA ENSO MUST CAPTURE

FY2025 external sales were EUR 1.2 billion, total segment sales including intersegment deliveries were EUR 1.6 billion, and comparable EBIT was EUR 185 million. The resulting 11.9% comparable EBIT margin made Biomaterials the strongest disclosed profit pool despite representing only 13.2% of group external revenue. The value case does not require major revenue growth. This report models total sales near EUR 1.6 billion and comparable EBIT around EUR 210 million by 2028, with the mix shifting from commodity softwood pulp toward fluff pulp and other higher-value output.

The bridge applies 7.0 times to EUR 200 million of normalised EBITDA, yielding EUR 1.4 billion of target enterprise value. The current-control allocation is EUR 1.4 billion, or 12% of group enterprise value. The modest uplift reflects the fact that FY2025 profitability was already respectable and that global pulp capacity can overwhelm company-specific mix actions. At EUR 150 million of through-cycle EBITDA, value falls to EUR 1.1 billion; at EUR 250 million, it rises to EUR 1.8 billion. Delivered cost position, not the size of the biomaterials headline market, decides which outcome is credible.

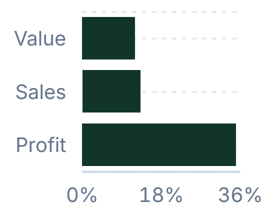
BIOMATERIALS FACT SHEET

COMMODITY

FY2025A REVENUE	EUR 1,233m
FY2025A COMPARABLE EBIT	EUR 185m
FY2025 COMPARABLE EBIT MARGIN	11.9% of total segment sales
SKUTSKÄR FLUFF CAPACITY	440,000 tonnes/year
SOFTWOOD LINE CLOSURE	100,000 tonnes/year in Q3 2026
FLUFF EXPANSION INVESTMENT	EUR 19m
SUZANO GLOBAL MARKET-PULP SHARE	Estimated 19% in 2025
VALUATION BASIS	EUR 200m EBITDA × 7.0x

Share of the group

Per cent of group total



CORE ANALYSIS · BUSINESS DIVISION DEEP DIVES

08.3 Biomaterials (continued)

Business division deep dive — Commodity.

COST-CURVE POSITION IS THE DECISIVE VARIABLE

Suzano is estimated to hold 19% of global market pulp and 36% of hardwood pulp after ramping Ribas do Rio Pardo. It sold a record 14.2 million tonnes in 2025 and reported cash pulp-production costs of BRL 817 per tonne for 2025, increasing to BRL 843 per tonne in Q2 2026 excluding downtime. UPM has 5.8 million tonnes of global pulp capacity and has targeted USD 280 per delivered tonne for new operations. Currency, wood species, freight and accounting definitions prevent direct conversion into a clean Stora Enso comparison, but the figures show the scale and cost benchmark established by South American and modern global assets.

- Stora Enso: EUR 1.6 billion FY2025 total sales, EUR 185 million comparable EBIT and an 11.9% margin.
- Suzano: 14.2 million tonnes sold in 2025, 19% estimated market-pulp share and BRL 843 per tonne Q2 2026 cash cost excluding downtime.
- UPM: 5.8 million tonnes of annual pulp capacity and a USD 280 per delivered tonne target for new operations.
- Sappi: estimated 12% of the dissolving-pulp market in 2025, focused on specialty textile and pharmaceutical applications.
- Rayonier Advanced Materials: estimated 10% dissolving-pulp share, providing another specialty-pulp benchmark.

Stora Enso does not disclose a directly comparable delivered cash cost, mill-by-mill utilisation or average selling price. That gap matters because Nordic mills typically carry higher wood costs but can benefit from integrated energy, softwood quality and proximity to European customers. The division's 11.9% margin indicates that the portfolio is not at the extreme high-cost end under FY2025 conditions, yet it does not prove resilience through a China-led price downturn. The key signal is the margin response when pulp prices weaken: stable margin would validate mix and integration; a sharp compression would reveal commodity exposure.

SKUTSKÄR IS A PORTFOLIO-QUALITY TEST

The EUR 19 million Skutskär investment increases fluff-pulp capacity by 10% to 440,000 tonnes per year. At the same time, Stora Enso will permanently close the 100,000-tonne-per-year L3 softwood-pulp line in Q3 2026. This is a targeted reallocation rather than simple capacity growth: lower-attractiveness softwood tonnes are removed while capital is directed toward fluff pulp used in hygiene applications. The investment equals only about EUR 43 per tonne of resulting fluff nameplate capacity, although that ratio is not an incremental-capacity cost because the project upgrades an existing mill.

The strategic logic is that hygiene demand should be less cyclical than printing-paper demand and may support better customer qualification and margin. However, the closure also removes fixed-cost absorption and can create transition costs before fluff volumes fill the upgraded capacity. The report assumes the net effect is mildly positive from 2027, contributing to a comparable EBIT margin around 13% by 2028. It does not assume the entire 440,000 tonnes earns a specialty premium immediately. Evidence required includes stable production, customer-qualified fluff volume and a segment margin that remains above 10% through a weaker pulp-price quarter.

CORE ANALYSIS · BUSINESS DIVISION DEEP DIVES

08.3 Biomaterials (continued)

Business division deep dive — Commodity.

DEMAND, CHINA AND NEW CAPACITY

China remains central to pulp clearing prices: the country produced more than 106 million tonnes of machine-made paper and paperboard during the first eight months of 2025. Changes in Chinese packaging, tissue and paper demand can therefore move global pulp inventories and prices even when European end-markets are stable. New low-cost capacity from Suzano and other producers intensifies this sensitivity. A Nordic producer can maintain volumes by discounting, but that is not the same as maintaining economic profit.

The base case assumes neither a supercycle nor a collapse. It assumes volume stability, modest specialty-mix improvement and enough cost discipline for EBITDA near EUR 200 million. The bear path is a simultaneous Chinese demand slowdown and new-capacity ramp that compresses prices below Stora Enso's delivered-cost advantage, taking EBITDA toward EUR 120–150 million. The bull path requires disciplined global supply and successful fluff conversion, supporting EBITDA of EUR 240–260 million. Those ranges are intentionally wider than the revenue range because pulp earnings have high operating leverage.

ESTABLISHED BIOMATERIALS VERSUS LIGNODE

The division also provides lignin feedstock and development capabilities, but Lignode is valued separately because it is pre-revenue and depends on cell qualification. The global lignin-products market estimates conflict at USD 1.1 billion and USD 755.44 million for 2026. Those figures are small beside pulp and should not be confused with the much larger anode market that upgraded lignin could address. Keeping Lignode outside Biomaterials prevents a probability-weighted technology option from inflating the multiple on current pulp EBITDA.

CORE ANALYSIS · BUSINESS DIVISION DEEP DIVES

08.3 Biomaterials (continued)

Business division deep dive — Commodity.

Stora Enso and Altris demonstrated European-produced sodium-ion cell prototypes using Lignode in 2025, showing technical progress beyond laboratory powder. The EU Batteries Regulation establishes battery passports and content reporting, potentially improving the strategic value of locally sourced bio-based material. Yet the Lignode One commercial-scale project was listed as withdrawn from the EU Innovation Fund grant process in June 2026. The evidence therefore supports optionality, not a current Biomaterials earnings premium. The pulp division must stand on its own cost curve.

VALUATION AND WHAT BREAKS IT

Biomaterials is valued at EUR 1.4 billion, using EUR 200 million of modelled normalised EBITDA and a 7.0 times multiple. That is above Suzano's 4.6 times 2026 EV/EBITDA because Stora Enso's division has a different specialty mix and lower pure commodity concentration, but below UPM's 8.5 times and the peer median of 9.7 times. The multiple is also below Stora Enso's 7.90 times normalised historical average. It therefore gives credit for current profitability without assuming that Nordic pulp deserves a scarcity premium.

The assumption rests on maintaining roughly EUR 200 million of EBITDA through the cycle. It breaks if delivered wood and energy costs rise while Chinese demand and pulp prices fall, forcing curtailments or low-margin production. It also breaks if closing the softwood line fails to improve mix because fluff qualification or customer uptake lags. The upside trigger is evidence that 440,000 tonnes of fluff capacity operates reliably and that comparable EBIT stays above EUR 200 million during ordinary maintenance. Investors should monitor cost-curve evidence, not broad biomaterials-market forecasts.

PULP SCALE, COST-CURVE EVIDENCE AND SPECIALTY POSITIONING

OPERATOR	SCALE OR SHARE	UNIT-COST EVIDENCE	STRATEGIC POSITION
Stora Enso	440kt fluff capacity	Not disclosed	Nordic pulp and fluff
Suzano	14.2mt sales (2025)	BRL843/t Q2 2026	19% market-pulp share
UPM	5.8mt capacity (2025)	USD280/t target	Global integrated peer
Sappi	12% dissolving share est.	Not in register	Specialty dissolving pulp
Rayonier AM	10% dissolving share est.	Not in register	Specialty-pulp benchmark

CORE ANALYSIS · BUSINESS DIVISION DEEP DIVES

08.4 Integrated Packaging

Business division deep dive — Commodity.

THE SPEND INTEGRATED PACKAGING CAN DISPLACE

Integrated Packaging competes against the full packaging bill where fibre-based transport and retail formats can replace plastic or less recyclable structures. GMI Research valued the total global packaging market at more than USD 1.05 trillion in 2024, which is the broad displaced-spend opportunity. The narrower paper-packaging market is estimated at either USD 448.9 billion by IMARC or USD 392.28 billion by Fortune Business Insights for 2025. The conflict reflects category definitions, geography and inclusion of converted products. This report uses neither headline as a direct revenue base; it values the division from disclosed sales and sustainable European spread economics.

The practical market is containerboard and corrugated packaging sold into regional customer networks. Asia Pacific represented 43.80% of global containerboard revenue in 2025, but Stora Enso's value is primarily determined by Europe, where transport distances, recovered-fibre flows and local converting assets matter more than global market share. An estimate places Stora Enso at 2–4% of European sustainable-packaging revenue, versus 4–7% for Mondi, 6–9% for Smurfit Westrock and 7–10% for Amcor. Definitions are broad, so these shares establish relative scale rather than precise addressable-market capture.

THE VALUE-RELEVANT CAPTURE REQUIREMENT

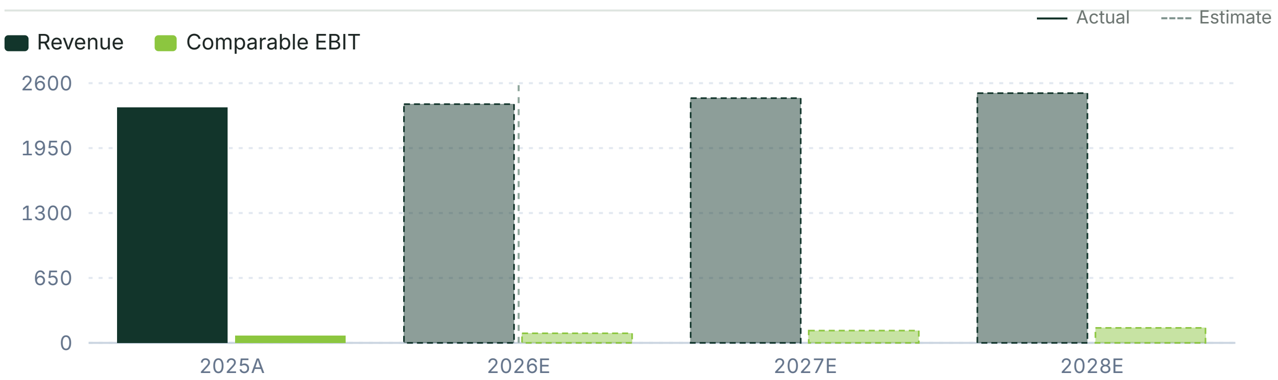
FY2025 external sales were EUR 2.3 billion, total segment sales were EUR 2.4 billion and comparable EBIT was EUR 74 million. The correct margin denominator is total segment sales, producing a 3.1% comparable EBIT margin. This report does not require heroic market-share gains. It models total sales of approximately EUR 2.5 billion by 2028 and comparable EBIT of EUR 150 million, a 6.0% margin. That requires roughly EUR 141 million of additional profit relative to maintaining the 2025 margin on the higher revenue base, achieved through price-cost spread normalisation, better converting utilisation and a lower loss burden in packaging solutions.

INTEGRATED PACKAGING FACT SHEET
COMMODITY

FY2025A REVENUE	EUR 2,274m
FY2025A COMPARABLE EBIT	EUR 74m
FY2025 COMPARABLE EBIT MARGIN	3.1% of total segment sales
DE LIER CAPACITY INCREASE	20% in 2026
EUROPEAN SUSTAINABLE-PACKAGING SHARE	Estimated 2–4%
MARKET STRUCTURE	Top five global corrugated players: 22%
PPWR STATUS	Applicable EU-wide from 12 Aug 2026
VALUATION BASIS	EUR 128.6m EBITDA × 7.0x

Integrated Packaging — modelled revenue and profit

EUR millions · 2025 reported, later years this report's own forecast



CORE ANALYSIS · BUSINESS DIVISION DEEP DIVES

08.4 Integrated Packaging (continued)

Business division deep dive — Commodity.

The SOTP uses EUR 128.6 million of normalised EBITDA at 7.0 times, generating EUR 900 million of enterprise value. The EBITDA figure is intentionally conservative relative to the modelled EUR 150 million comparable EBIT because segment accounting and group depreciation allocation are not fully disclosed; the bridge therefore should be read as a through-cycle cash-earnings proxy rather than a mechanical reconciliation to IFRS depreciation. At the current-control allocation, Integrated Packaging represents EUR 909 million, or 8% of enterprise value. A sustainable margin of only 4% would leave value closer to EUR 650–750 million.

INDUSTRY STRUCTURE AND PRICE DISCIPLINE

Corrugated packaging remains fragmented globally even after major consolidation. Global Market Insights estimates that the five largest players held only 22% in 2025 and that Smurfit Westrock, created by the 2024 merger, held approximately 8%. International Paper and Mondi are cited as leading containerboard manufacturers, while Smurfit Westrock reported USD 4.7 billion of adjusted EBITDA for 2024. Its merger synergy programme targeted USD 400 million by the end of 2025, increasing the competitive cost benchmark against which regional operators must perform.

- Stora Enso: EUR 2.4 billion of FY2025 total segment sales, EUR 74 million of comparable EBIT and a 3.1% comparable EBIT margin.
- Smurfit Westrock: approximately 8% global corrugated share in 2025 and a 14.2% adjusted EBITDA margin in Q2 2026.
- Mondi: estimated 4–7% European sustainable-packaging revenue share and a 13.1% 2025 underlying EBITDA margin.
- Amcor: estimated 7–10% European sustainable-packaging revenue share, although its material mix differs materially.
- International Paper: identified with Mondi as a leading global containerboard producer, but no comparable 2026 share was available.

The implication is that Stora Enso cannot dictate European prices alone. Returns depend on capacity closures, operating rates, recycled-fibre availability and the speed with which converters pass board-cost changes to customers. Integrated ownership helps when external board prices rise faster than converted-box prices because internal transfer economics retain part of the uplift. It hurts when mills run for volume to absorb fixed cost while downstream demand remains weak. The decisive indicator is therefore not headline box shipments but the realised spread between corrugated selling prices, containerboard transfer prices, recovered fibre, energy and logistics.

OPERATING EVIDENCE AND ASSET ACTIONS

The division's predecessor disclosures show why a normalisation thesis is plausible but not assured. Packaging Materials generated EUR 4.5 billion of 2024 sales and EUR 231 million of adjusted EBIT, while Packaging Solutions generated EUR 987 million and an adjusted EBIT loss of EUR 15 million. The new Integrated Packaging division combines the relevant containerboard and corrugated activities, but historical figures cannot be added directly to recreate the restated segment because Consumer Packaging was also reorganised. They nevertheless demonstrate that downstream solutions had been a drag and that spread repair can create disproportionate profit improvement.

CORE ANALYSIS · BUSINESS DIVISION DEEP DIVES

08.4 Integrated Packaging (continued)

Business division deep dive — Commodity.

Stora Enso is expanding De Lier, which is expected to increase total corrugated capacity by 20% in 2026. Capacity growth is valuable only if it serves contracted regional demand and raises network utilisation; otherwise it adds fixed cost to an already oversupplied system. Retaining the Beihai packaging site after determining that value in use exceeded sale proceeds is another capital-allocation decision that requires monitoring. Retention may preserve long-term customer value, but it also means management must earn a return from an asset the market had expected to be sold.

REGULATION AND CUSTOMER ECONOMICS

The EU Packaging and Packaging Waste Regulation became fully applicable across all 27 Member States on 12 August 2026. Its recyclability framework and modulated extended-producer-responsibility fees can improve the relative economics of corrugated and other fibre formats. The regulatory state is therefore approved and applicable in the EU rather than pending. Outside the EU, the evidence register does not identify an equivalent single approval gate for the division; adoption remains customer- and jurisdiction-specific.

Regulation does not automatically improve the spread. If customers demand lighter boxes and more recycled content, tonnes sold can fall even while packaging units increase. If recovered-fibre demand tightens supply, input prices can rise before converters recover them. Conversely, better box design can reduce material per shipment while preserving value per package and strengthening customer retention. The report assumes PPWR supports demand quality and innovation but assigns no separate regulatory value. The next proof point is pricing and mix after the regulation's application, not simply the legal milestone itself.

UNIT ECONOMICS THAT MUST BE ACHIEVED

No exact cost per tonne or utilisation rate is disclosed for Integrated Packaging, so this report derives the required economics from the profit bridge. Moving from EUR 74 million of comparable EBIT on EUR 2.4 billion of sales to EUR 150 million on EUR 2.5 billion requires a 2.9 percentage-point margin gain. If half comes from price-cost spread and half from utilisation and cost actions, each channel must contribute about EUR 38 million. On an assumed 2.5 million-tonne equivalent output base, used only as a modelling convention rather than a reported volume, EUR 38 million equates to approximately EUR 15 per tonne.

CORE ANALYSIS · BUSINESS DIVISION DEEP DIVES

08.4 Integrated Packaging (continued)

Business division deep dive — Commodity.

That arithmetic illustrates the sensitivity without pretending to know the internal tonnage mix. A EUR 30-per-tonne adverse movement across the same assumed base would erase approximately EUR 75 million, effectively removing the entire modelled recovery. The key external indicators are European containerboard prices, recovered-paper costs, energy prices and announcements of capacity additions or closures. Internally, investors need evidence of higher converting utilisation, reduced packaging-solutions losses and disciplined operation of De Lier. The absence of disclosed utilisation and unit costs remains a limitation of any precise margin forecast.

VALUATION AND FAILURE CONDITIONS

Integrated Packaging is valued at EUR 900 million using EUR 128.6 million of normalised EBITDA and a 7.0 times multiple. The multiple is below Stora Enso's 7.90 times normalised historical average, below the 9.7 times 2026 peer median and above Mayr-Melnhof's 6.3 times 2026 estimate. The discount reflects weaker current margins, commoditised containerboard exposure and incomplete evidence that downstream assets can reach peer efficiency. It also avoids awarding the division the premium multiples of larger global corrugated networks.

The assumption is that comparable EBIT margin reaches 6% rather than immediately converging with Smurfit Westrock's 14.2% EBITDA margin or Mondi's 13.1%. The case breaks if European capacity remains excessive, recovered fibre tightens, or converting prices lag board inflation for several quarters. It strengthens if capacity exits restore operating rates and Stora Enso demonstrates that De Lier fills with profitable customer volumes. Because a EUR 15–30 per tonne spread movement can decide much of the recovery, this division should be traded on spread evidence rather than broad sustainable-packaging growth forecasts.

INTEGRATED-PACKAGING SCALE, SHARE AND PROFITABILITY

OPERATOR	SCALE OR SHARE	LATEST PROFITABILITY	COMPETITIVE RELEVANCE
Stora Enso	EUR 2.36bn sales FY2025	3.1% comparable EBIT	EU board plus converting
Smurfit Westrock	8% global share (2025)	14.2% EBITDA Q2 2026	Global corrugated leader
Mondi	4–7% EU share est.	13.1% EBITDA FY2025	Integrated European peer
Amcor	7–10% EU share est.	Not comparable in register	Broad sustainable packaging
Top five globally	22% combined (2025)	Not applicable	Fragmented market structure

CORE ANALYSIS · BUSINESS DIVISION DEEP DIVES

08.5 Wood Products

Business division deep dive — Commodity.

OPPORTUNITY, SCALE AND REVENUE RECONSTRUCTION

Wood Products competes against portions of the USD 2.33 trillion global construction market estimated for 2026 by Straits Research, because mass timber and engineered wood can substitute for concrete and steel. The narrower mass-timber construction market was only USD 1.07 billion, while estimates for the broad wood-and-timber-products market range from USD 992.4 billion in 2024 to USD 1.05 trillion in 2025. The valuation uses none of these totals directly. It starts from Stora Enso's FY2024 Wood Products sales of EUR 1.5 billion and deliveries of 3.897 million cubic metres, implying approximately EUR 391 of revenue per cubic metre.

Stora Enso discontinued Wood Products as a separate reported segment from 1 January 2026. Northern European operations were integrated into packaging and biomaterials, while Central European operations entered Other. Because FY2025 standalone revenue and comparable EBIT are not reported, this report uses EUR 1.5 billion as a modelled FY2025 revenue proxy and assigns EUR 5 million of Other's comparable EBIT to Wood Products. These are analytical estimates, not reported segment figures. Intercompany wood and logistics sales are eliminated directly from Other under the new reporting structure, limiting any mechanical reconciliation.

COMPETITIVE POSITION AND CYCLE

Stora Enso is Europe's second-largest sawn-wood producer at 4.0 million cubic metres of annual capacity, behind Binderholz at 4.5 million cubic metres. The industry remains fragmented and exposed to construction demand, sawlog costs and curtailment discipline. SCA's Wood EBITDA margin fell from 16.9% in Q2 2025 to 4.9% in Q2 2026 as log costs rose and deliveries weakened. That deterioration is directly relevant: even efficient Nordic sawmills can lose most of their margin when timber inputs outrun lumber prices.

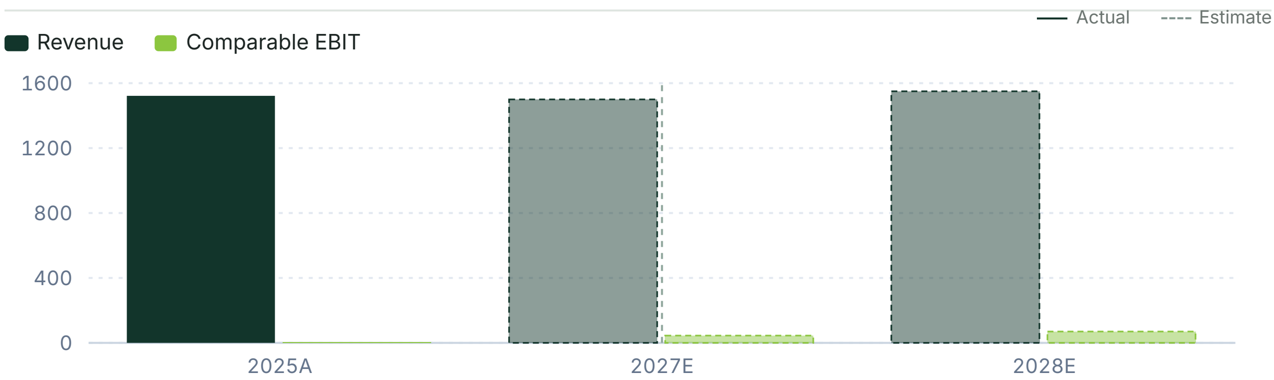
WOOD PRODUCTS FACT SHEET

COMMODITY

MODEL ESTIMATE REVENUE	EUR 1,522m
MODEL ESTIMATE COMPARABLE EBIT	EUR 5m
MODELLED FY2025 REVENUE	EUR 1,522m proxy from FY2024
FY2024 DELIVERIES	3.897m cubic metres
IMPLIED REVENUE PER CUBIC METRE	EUR 391
EUROPEAN PRODUCTION RANK	#2; 4.0m cubic metres/year
CENTRAL EUROPEAN REVIEW	About 50% of former segment sales
VALUATION BASIS	EUR 87.5m EBITDA × 8.0x

Wood Products — modelled revenue and profit

EUR millions · 2025 reported, later years this report's own forecast



CORE ANALYSIS · BUSINESS DIVISION DEEP DIVES

08.5

Wood Products (continued)

Business division deep dive — Commodity.

Central European cross-laminated timber prices reached EUR 385–445 per cubic metre in Q4 2025, while Stora Enso's broad implied revenue per delivered cubic metre is EUR 391. The comparison is illustrative, not like-for-like, because segment deliveries include commodity sawn wood and higher-value engineered products. Stora Enso is reviewing Central European sawmills and building solutions representing about 50% of former segment sales, while the planned closure of Veitsiluoto and concentration at Oulu and Kalajoki indicate continued footprint rationalisation. Junnikkala adds Northern European volume, but value depends on purchased-log economics.

VALUATION AND BREAK CONDITIONS

The target SOTP assigns EUR 700 million using EUR 87.5 million of normalised EBITDA at 8.0 times; the current-control allocation is EUR 795 million. Normalised EBITDA assumes construction recovery and restructuring restore a mid-single-digit cash margin, not a return to the strongest historical lumber cycle. The 8.0 times multiple is above cyclical sawmill trough multiples but reflects engineered-wood exposure and strategic-review optionality. A disposal could reveal value, while retaining structurally subscale Central European assets would justify a lower multiple.

The case breaks if sawlog prices remain near Q1 2026 Swedish levels of EUR 88 per cubic metre for pine and EUR 104 for spruce while lumber and engineered-product demand stays weak. It improves if European renovation and construction recover, curtailments restore balance and the strategic review removes loss-making capacity. The most useful evidence is EBITDA per delivered cubic metre, which is not disclosed. Until it is, SCA margins, Stora Enso delivery volumes and announced closures provide the best available operating signals.

WOOD-PRODUCTS SCALE AND CYCLICAL PROFITABILITY

OPERATOR	PRODUCTION SCALE	LATEST PROFITABILITY	RELEVANT SIGNAL
Stora Enso	4.0m m3/year (2025)	Modelled near breakeven	#2 European producer
Binderholz	4.5m m3/year (2025)	Not in register	Largest European group
SCA Wood	Not in register	4.9% EBITDA Q2 2026	Log-cost margin squeeze
West Fraser	Not comparable	USD41m EBITDA Q2 2026	North American cycle
Canfor	Not comparable	CAD4.8m profit Q2 2026	Closures restored profit

CORE ANALYSIS · BUSINESS DIVISION DEEP DIVES

08.6 Lignode Battery-Anode Optionality

Business division deep dive — Emerging option.

OPPORTUNITY AND REQUIRED SHARE

Lignode seeks to displace battery-grade graphite rather than merely participate in a niche lignin market. Estimates place the 2026 graphite market at USD 14.1 billion, the lithium-ion anode market at USD 11.03 billion and the European graphite market at USD 2.24 billion. Hard-carbon estimates conflict sharply: Future Market Insights projects USD 7.5 billion for 2026, while 2025 estimates range from USD 1.8 billion to USD 6.3 billion. This report uses the USD 7.5 billion hard-carbon figure only to frame share requirements, not to value pre-revenue powder on a sales multiple today.

The base success leg assumes EUR 300 million of 2030 revenue, approximately 4% of a EUR 7.5 billion market convention after treating USD and EUR as broadly comparable for scenario sizing. At a 15% EBITDA margin, that produces EUR 45 million of EBITDA. The upside leg assumes EUR 496 million of revenue and the same margin, producing EUR 74.3 million. Both shares are far below Shanshan's 21.4% and BTR's 18.1% positions in total anode-material shipments, but they would still require industrial-scale qualification and supply contracts.

TECHNOLOGY EVIDENCE AND COMMERCIAL GAP

The EUR 10 million Sunila pilot began operating in 2021, and Stora Enso and Altris demonstrated a 20Ah, 3V sodium-ion cell using Lignode produced on industrial equipment in May 2025. Stora Enso claims charging as fast as eight minutes, while a separate secondary claim suggests under four minutes; the report gives greater weight to the company's eight-minute claim because the under-four-minute item is not supported by a resolved primary source. Prototype capability is meaningful, but cycle life, initial Coulombic efficiency, manufacturing yield and cost at scale remain undisclosed.

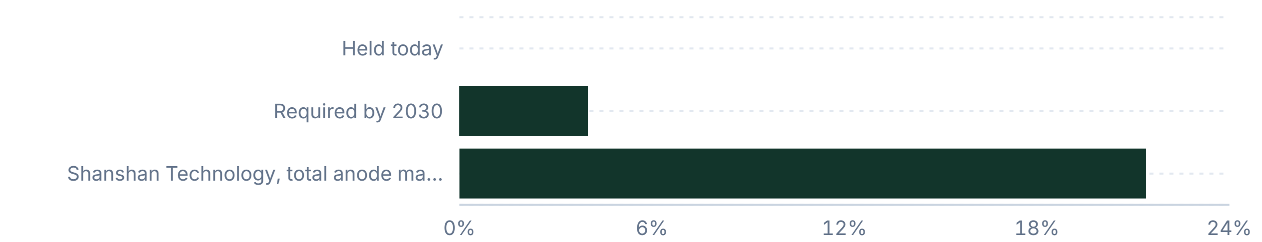
LIGNODE BATTERY-ANODE OPTIONALITY FACT SHEET

EMERGING OPTION

REVENUE	Not separately reported
COMPARABLE EBIT	Not separately reported
SHARE OF GROUP	2.0% of enterprise value · no sales or profit today
2026 HARD-CARBON MARKET ESTIMATE	USD 7.5bn
INCUMBENT SYNTHETIC-GRAPHITE SHARE	85–95%
PROTOTYPE MILESTONE	20Ah, 3V sodium-ion cell in 2025
SUNILA PILOT INVESTMENT	EUR 10m; operating since 2021
INDUSTRY HARD-CARBON PRICE	USD 8–25/kg range
BASE SUCCESS REQUIREMENT	EUR 300m revenue by 2030
NEXT GATE	Tier-1 qualification and commercial FID

The share this valuation requires

Per cent of Global hard-carbon anode materials market, USD 7.5bn in 2026



CORE ANALYSIS · BUSINESS DIVISION DEEP DIVES

08.6 Lignode Battery-Anode Optionality (continued)

Business division deep dive — Emerging option.

Industry hard-carbon prices range from USD 8–20 per kilogram in one estimate and USD 15–25 in another. This report treats USD 8–25 as the observable range and assumes commercial pricing must move toward its lower half as supply expands. Sunila has approximately 50,000 tonnes of kraft-lignin precursor capacity, and a supply agreement could provide up to 250,000 tonnes annually from Södra from 2027. Feedstock availability is therefore less obviously limiting than carbonisation yield, consistency, energy cost and cell qualification.

REGULATION, COMPETITION AND VALUATION

The EU Batteries Regulation is approved and applicable, with component and recycled-content labelling requirements beginning in 2026 and battery-passport obligations creating a framework for traceable European material. This is supportive but not product approval. Qualification remains with cell manufacturers and OEMs. Shanshan and BTR dominate conventional anodes, Kuraray is identified as a hard-carbon leader, and Chengdu Baisige had 10,000 tonnes of hard-carbon capacity in 2024. CATL and BYD together held 55.6% of EV-battery supply in 2025, concentrating customer qualification power.

The option bridge assigns 35% probability to the EUR 45 million EBITDA base-success leg and 9% to the EUR 74.3 million upside leg, both valued at 9.0 times and discounted from 2030. The 56% failure remainder reflects the absence of a disclosed final investment decision, qualified tier-one supply award and manufacturing yield, reinforced by the withdrawal of Lignode One from the EU Innovation Fund process in June 2026. The option is worth about EUR 154 million in the target bridge before presentation differences, while the current-control allocation is EUR 227 million. Failure means zero commercial value beyond existing pilot assets.

CORE ANALYSIS · CROSS-DIVISION BRIDGE

09

Putting the divisions back together

How the business division valuations aggregate to the group. The chart sets today's market value for each division against what this report's own forecasts support: a longer pale bar means the market pays more than the analysis justifies.

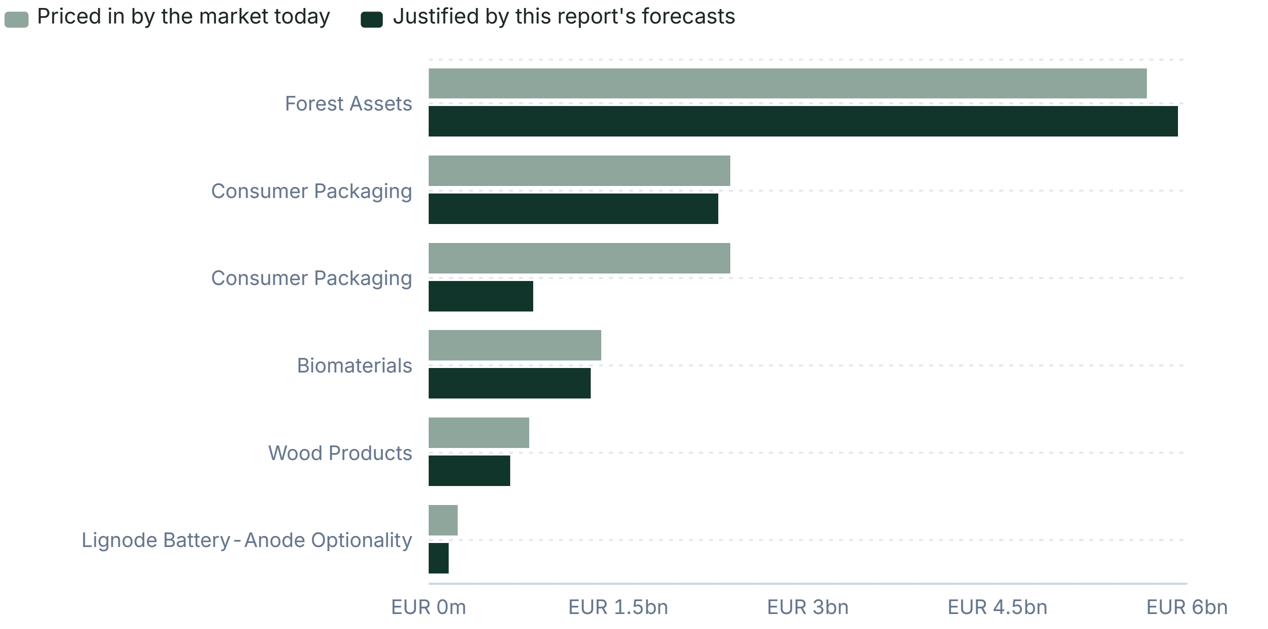
Forest ownership historically supplied wood security and balance-sheet support to packaging, pulp and sawmills. The demerger may expose asset value, but the remaining group substitutes an 18-year contract for ownership and could face higher indexed input costs.

Biomaterials and Wood Products share wood procurement and energy economics. Sawmill residues and pulp integration can lower system cost, while weak lumber markets or pulp curtailments reduce fixed-cost absorption across the network.

Packaging cash flow must fund Oulu completion and any Lignode commercialisation. Lignode is therefore not independent optionality: weak board spreads or pulp prices raise the financing hurdle and increase the probability that the option remains at pilot scale.

Market value versus justified value, by division

Enterprise value in EUR; the axis abbreviates to bn



BRIDGE MECHANICS

The bridge values each profit engine on its own normalised earnings or disclosed asset value, then probability-weights Lignode. Net debt of EUR 3.7 billion and the locked EUR -105 million adjustment convert enterprise value to equity.

CORE ANALYSIS · CROSS-DIVISION BRIDGE

09

What today’s price already assumes

The group multiple and the reverse valuation read against the division economics above, then every division's modelled profit on one axis so they can be compared rather than read one page at a time. A pre-revenue division has no profit path; its case is the required-share chart on its own deep-dive page.

At EUR 9.822, Stora Enso trades at 8.01 times 2026 EBITDA, 17.49 times EBIT and 0.72 times book. The high earnings multiples reflect a depressed 2026 profit base rather than an expensive asset valuation.

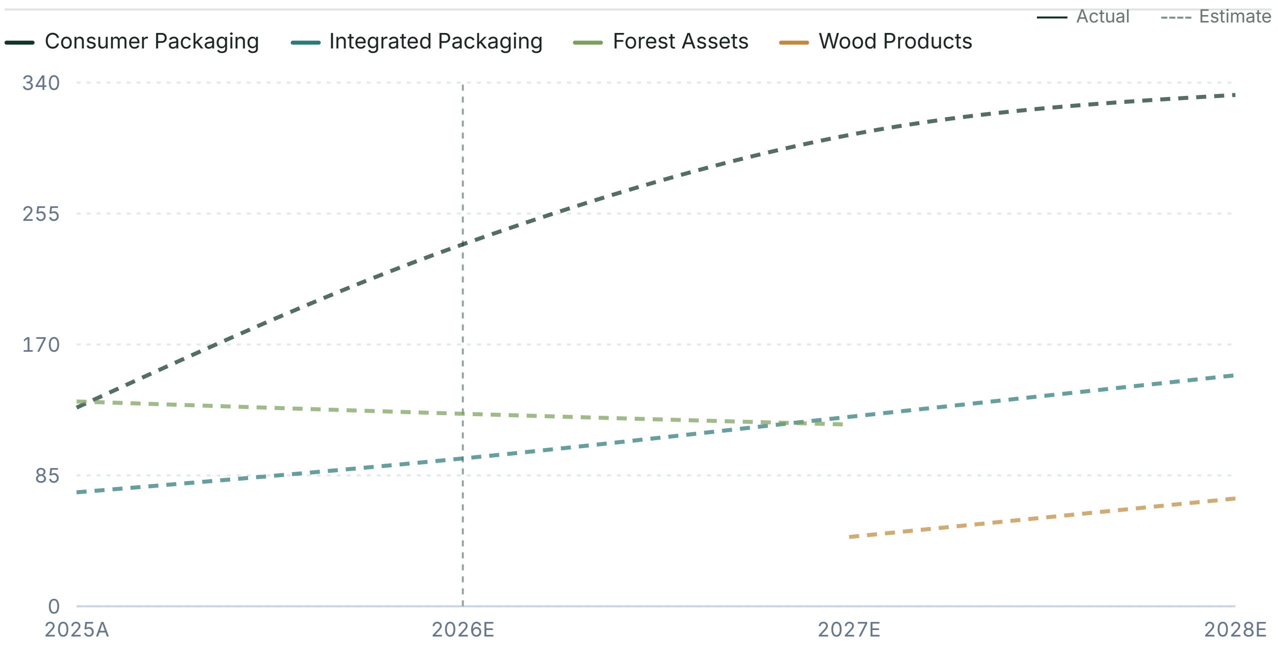
The reverse model requires EBIT margins of 4.0% in 2026 and 3.1% in 2027, versus maintained forecasts of 6.8% and 8.7%. It then assumes margin recovery to 11.2% by 2034.

Peer medians are 9.7 times 2026 EBITDA and 0.9 times book, but direct comparison overstates value because forest-heavy peers and global packaging operators have different mixes. Stora Enso's normalised historical EV/EBITDA average is 7.90 times.

The market is already assigning substantial value to the forest estate while heavily discounting industrial recovery. The EUR 10.10 target rejects neither side strongly enough to support a directional rating.

Modelled profit by business division

EUR millions · all 4 divisions with a modelled path, by final-year profit



CORE ANALYSIS · SCENARIOS & VERDICT

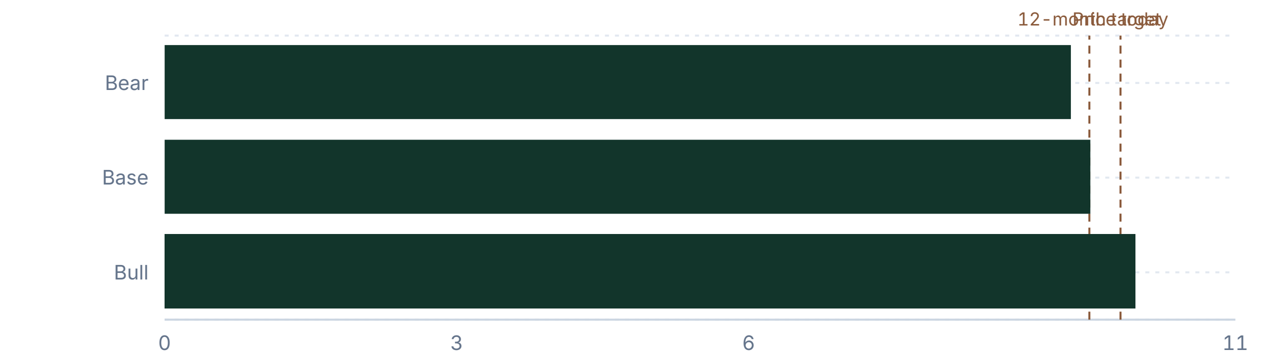
Scenario logic and the bottom-line judgment

10

How the conclusion changes under less favourable scenarios. The chart is the judgment itself: what a share is worth if each scenario happens, against what it costs today.

What a share is worth in each scenario

EUR per share · dashed lines mark today's price and the 12-month target



The bear case holds revenue near EUR 9.2 billion and EBITDA at EUR 1.10 billion, a 12.0% margin. Oulu remains inefficient, corrugated spreads weaken, pulp prices fall and separation leakage reduces forest value. Lignode is valued at zero, while weaker cash flow leaves higher net debt.

The base case uses EUR 9.68 billion of revenue and EUR 1.47 billion of EBITDA, a 15.2% margin. Oulu qualifications progress, Biomaterials protects mix, Integrated Packaging recovers modestly and the forest discount remains material. Lignode retains probability-weighted value.

The bull case assumes EUR 10.3 billion of revenue and EUR 1.86 billion of EBITDA, an 18.1% margin. Oulu reaches design economics, packaging spreads normalise, fluff pulp succeeds and the forest demerger preserves most appraisal value. Stronger cash generation reduces net debt rather than carrying the base balance unchanged.

BOTTOM LINE

Forest backing makes a deep industrial-cycle discount difficult to sustain indefinitely, but the target price is only EUR 10.10 because appraisal value is not yet distributable and the maintained model produces almost no 2026 free cash flow. The most profitable strategy may be event-driven: own more only when Oulu operating evidence or demerger terms reduce one of those discounts.

FINANCIAL BRIDGE · PART 1

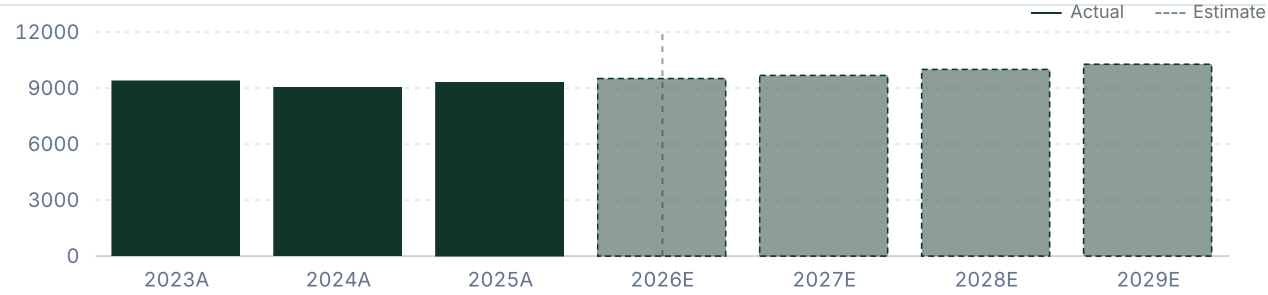
Net sales, EBITDA / EBIT, EBIT margin

14

Group-level trajectory for sales, earnings and margin; shaded bands mark forecast periods.

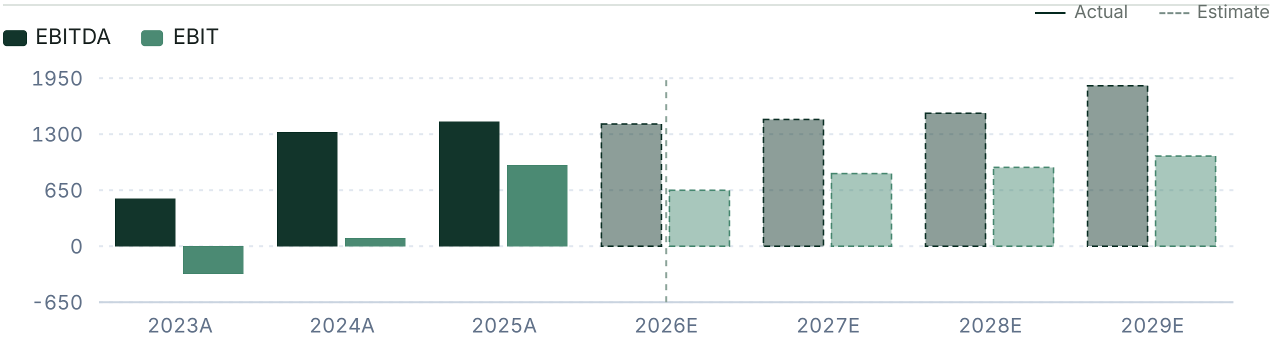
Net sales

EUR millions



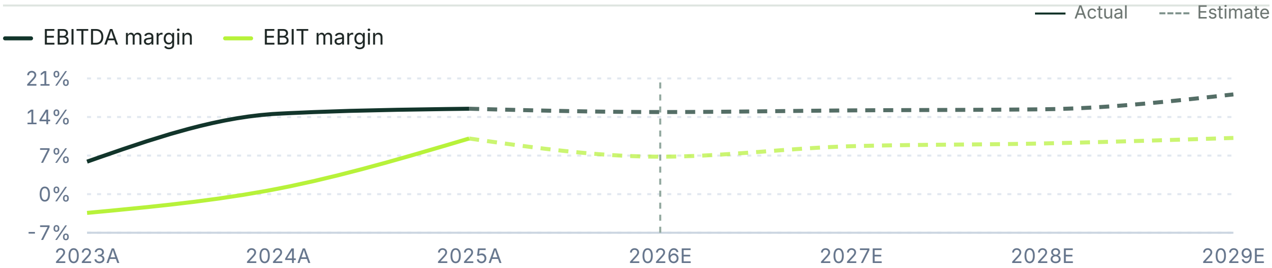
EBITDA & EBIT

EUR millions



EBIT and EBITDA margin

% of net sales



FINANCIAL BRIDGE · PART 2

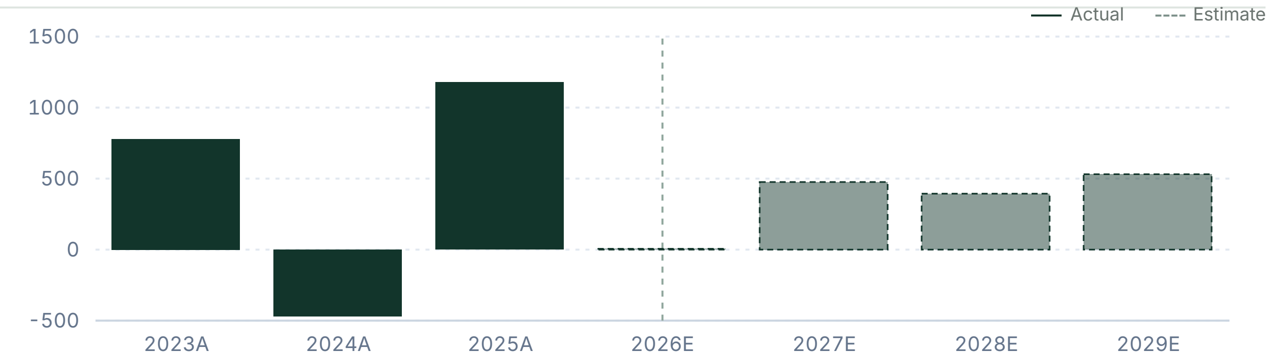
15

Free cash flow, leverage, and key financials

Cash generation and balance-sheet capacity.

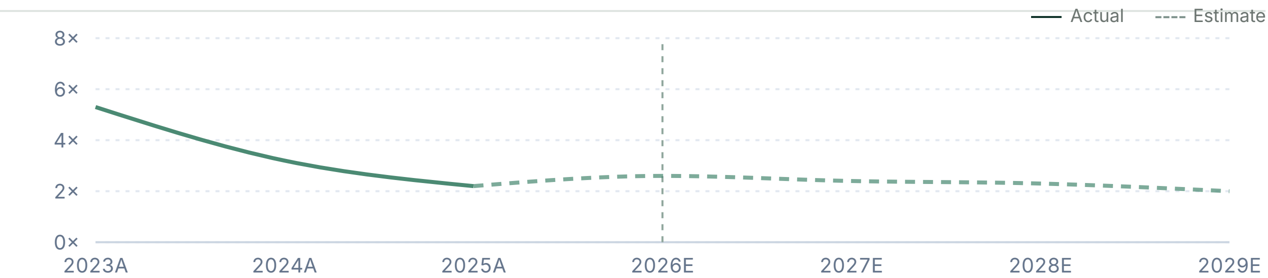
Free cash flow

EUR millions



Net debt / EBITDA

Ratio



KEY FINANCIALS

	2025 *A*	2026 *E*	2027 *E*	2028 *E*	2029 *E*
Net Sales	9,326	*9,512*	*9,679*	*10,001*	*10,277*
EBITDA	1,449	*1,418*	*1,471*	*1,543*	*1,862*
Comparable EBIT	942	*649*	*843*	*915*	*1,046*
Net Earnings	**686**	***228***	***539***	***601***	***607***
EPS (EUR)	0.9	*0.3*	*0.7*	*0.8*	*0.8*
DPS (EUR)	0.3	*0.2*	*0.6*	*0.6*	*0.6*

E = Valuatum estimate (not yet actualised)

VALUATION

Target price derivation

16

The rationale for the chosen valuation method and multiple, with the company's historical multiples.

SOTP is primary because half of enterprise value is tied to appraised forests while packaging, pulp, wood products and Lignode have different cash-flow and risk profiles. Profit engines use normalised EBITDA multiples within Stora Enso's 7.90x history and the 7.5–9.7x peer range; forests use disclosed fair value with a 30.4% discount. Lignode is probability-weighted and discounted from 2030. The sensitivity below varies the largest option division's combined success probability and its blended exit EV/EBITDA multiple; the separate profit-engine grid varies profit-engine EBITDA and EV/EBITDA.0–9.0x to show that ordinary industrial assumptions can move value materially even before changing forest NAV.

What the market is pricing.

The EUR 9.822 price represents EUR 11.4 billion of EV. Against EUR 11.4 billion of undiscounted profit-engine value in this framework, the market assigns effectively no net value to Lignode and applies a small offsetting discount to the industrial and forest parts. Our EUR 10.10 target adds about EUR 154m of discounted Lignode expectation and modestly higher total parts value.

The market assumes Lignode has effectively no expected commercial value. We assign a different reading: A 35% base-success probability and 9% upside probability add about EUR 154m after discounting, but remain immaterial to the rating. (Stora Enso and Altris prototype demonstration, 2 June 2025; EU Innovation Fund withdrawal, 19 June 2026)

The market assumes Near-term depressed industrial margins persist without meaningful Oulu recovery. We assign a different reading: Q2 Consumer Packaging margin of 6.5% supports some improvement, but the target stops well short of full peer profitability. (Stora Enso Half-year Report and Q2 earnings analysis, 23 July 2026)

The market assumes Forest appraisal value cannot be crystallised above the current conglomerate discount. We assign a different reading: The EUR 900m arm's-length sale supports value, but a 30.4% discount remains until debt, tax and distribution terms are disclosed. (Stora Enso forest divestment completion, 30 September 2025; demerger update, 23 July 2026)

Two enterprise values, two questions. The division pages allocate today's market enterprise value across the divisions; the target-price bridge states what each is worth on this report's own estimates. For Lignode Battery-Anode Optionality the two readings are 227 m allocated and 155 m warranted.

HISTORICAL AND FORECAST MULTIPLES

METRIC	2020A	2021A	2022A	2023A	2024A	2025A	2026E	NORM. AVG. 2020–2025 (OUTLIERS DROPPED)
P/E	20.04x	10.03x	6.75x	-22.93x	-41.89x	12.31x	*34.04x*	12.28x
P/E adj.	20x	10x	7x	-23x	-42x	12x	*34x*	12x
EV/EBITDA	10.44x	7.16x	4.98x	22.89x	8.93x	8.00x	*8.01x*	7.90x
EV/EBIT	16.77x	9.67x	6.33x	-39.52x	127.18x	12.30x	*17.49x*	11.27x
EV/Sales	1.81x	1.49x	1.09x	1.35x	1.31x	1.24x	*1.19x*	1.38x
P/FCF	-262.20x	58.89x	-108.97x	12.68x	-16.35x	7.16x	*1316.11x*	9.92x
P/BV	1.40x	1.19x	0.83x	0.90x	0.76x	0.78x	*0.72x*	0.98x
P/S	1.44x	1.25x	0.89x	1.05x	0.85x	0.91x	*0.81x*	1.06x
Dividend yield	1.9%	1.9%	4.2%	4.8%	2.1%	2.3%	*2.4%*	2.5%

VALUATION

Peers and target price bridge

17

Validated peer multiples, each method's implied price and weight, and the sensitivity of the target.

PEER COMPARISON

COMPANY	COUNTRY	MKT CAP	P/E 2026E	P/E 2027E	EV/EBITDA 2026E	EV/EBITDA 2027E	P/BV 2026E	EBIT MARGIN 2026E	ROE 2026E	DIV YIELD 2026E
Stora Enso Oyj (subject)	—	7.7 EURbn	34.0x	14.4x	8.0x	7.6x	0.7x	6.8%	2.1%	2.4%
UPM	Finland	12.5 EURbn	13.9x	11.6x	8.5x	8.2x	1.2x	11.1%	9.0%	5.8%
Holmen AB (publ)	Sweden	49.2 SEKbn	21.3x	18.8x	10.3x	11.2x	0.9x	14.3%	4.1%	3.0%
Svenska Cellulosa Aktiebolaget SCA (publ)	Sweden	75.3 SEKbn	35.7x	34.1x	12.2x	13.4x	0.7x	13.6%	2.1%	1.7%
Mayr-Melnhof Karton AG	Austria	1.5 EURbn	10.0x	8.1x	6.3x	5.6x	0.7x	4.9%	6.8%	5.5%
Smurfit Westrock Plc	Ireland	22.0 USDbn	14.5x	12.1x	9.1x	7.9x	1.1x	8.7%	5.7%	n/a
Suzano S.A.	Brazil	11.0 BRLbn	1.3x	1.2x	4.6x	4.6x	0.3x	27.5%	19.6%	n/a
West Fraser Timber Co. Ltd.	Canada	5.2 USDbn	-67.1x	16.3x	13.7x	5.8x	0.8x	-0.1%	-1.3%	n/a
Weyerhaeuser Company	United States	18.1 USDbn	19.0x	17.3x	11.8x	11.2x	1.6x	15.4%	8.8%	n/a
Peer median	—	—	14.2x	12.1x	9.7x	8.1x	0.9x	12.3%	6.3%	4.3%
Peer average	—	—	13.3x	12.2x	9.6x	8.5x	0.9x	11.3%	6.1%	4.0%

TARGET PRICE BRIDGE

METHOD	FORECAST METRIC	METRIC VALUE	SELECTED MULTIPLE	IMPLIED PRICE (12M DISC.)	WEIGHT
· Consumer Packaging	2028E Modelled EBITDA	312.5	8.0x	3.2 → 2.9 EUR	
· Integrated Packaging	2028E Modelled EBITDA	128.571	7.0x	1.1 → 1.0 EUR	
· Biomaterials	2028E Modelled EBITDA	200	7.0x	1.8 → 1.6 EUR	
· Wood Products	2028E Modelled EBITDA	87.5	8.0x	0.9 → 0.8 EUR	
· Forest Assets	2027E Asset-equivalent EB...	592.4	10.0x	7.5 EUR	
· Lignode Battery-Anode Optionality (probability-weighted)	Expected enterprise value	n/a	n/a	0.2 EUR	
· · base success	2030E Modelled EBITDA at ...	45	9.0x	0.5 → 0.1 EUR	35% prob.
· · upside success	2030E Modelled EBITDA at ...	74.335	9.0x	0.8 → 0.1 EUR	9% prob.
Sum of the parts	2026E Expected parts enter...	n/a	n/a	9.5 EUR	100%
Weighted target price				9.5 EUR	100%

SENSITIVITY — IMPLIED SHARE PRICE

SUCCESS PROBABILITY ↓ / BLENDED OPTION EV/EBITDA →	6.3X	7.7X	9.0X	10.4X	11.7X
22%	9.4	9.4	9.4	9.4	9.4
33%	9.4	9.4	9.5	9.5	9.5
44% (bridge case)	9.5	9.5	9.5	9.5	9.6
55%	9.5	9.5	9.6	9.6	9.6
66%	9.5	9.6	9.6	9.7	9.7

VALUATION MAP

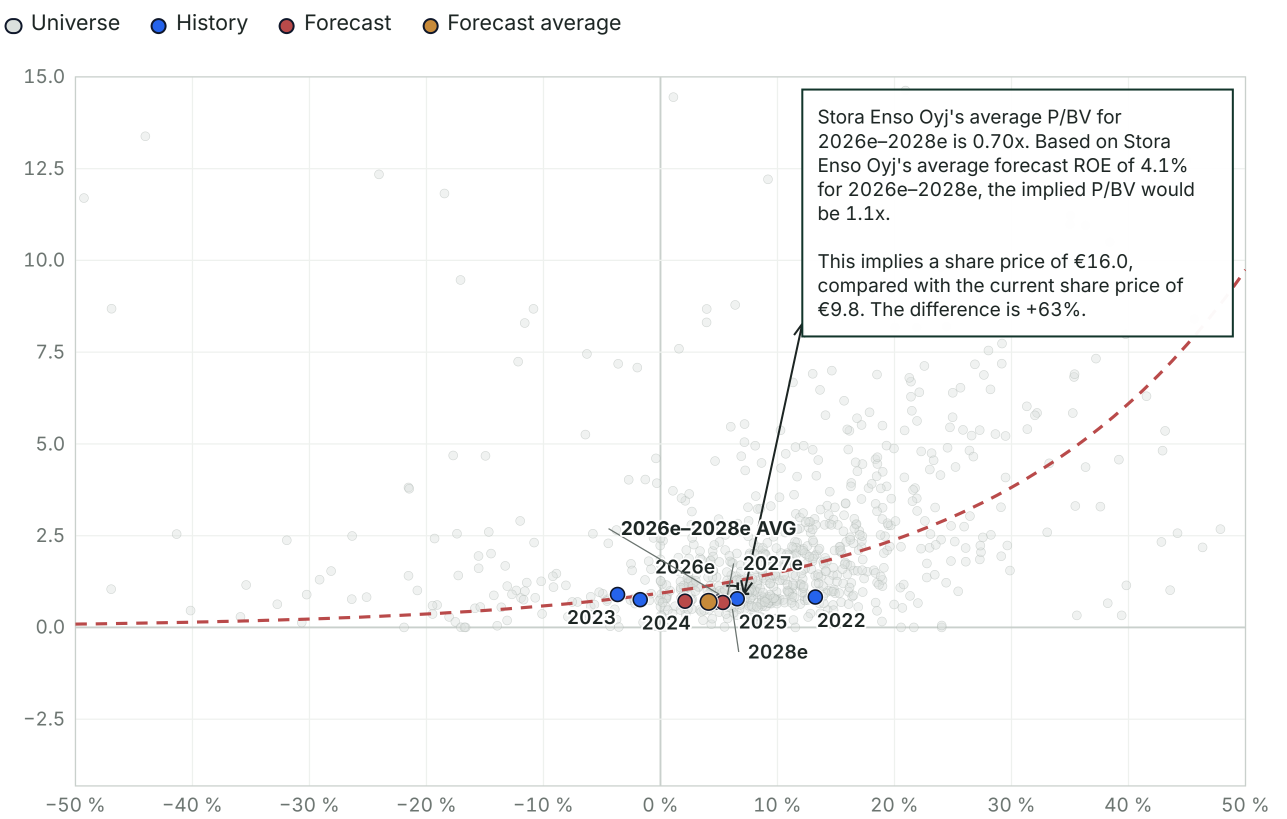
ROE vs P/BV — pricing versus profitability

18

The whole Wisdom universe as context: how the market prices profitability on average, and what the company's forecast position would imply for the share price.

ROE 2025 vs P/BV 2025

Stora Enso Oyj in the Wisdom universe (4 632 companies)



Stora Enso's forecast-average 4.1% ROE and 0.7 times P/BV sit below the 1.1 times value implied by the 4,632-company universe curve. Applying that curve to EUR 14.1 of average forecast book value gives approximately EUR 16 per share, 63% above EUR 9.82. The gap is not a free arbitrage: the market discounts low industrial returns, forest-value separation risk and weak near-term cash conversion.

MULTIPLES & SENSITIVITY

19

Forward multiples and EBITDA × multiple grid

How the implied valuation responds to changes in EBITDA and the applied multiple.

FORWARD MULTIPLES

	2026 *E*
P/E	*34.0×*
EV/EBITDA	*8.0×*
EV/EBIT	*17.5×*
P / Valuatum FOCF	*1316.1×*
P/BV	*0.7×*
Dividend Yield	*2.4%*
Net Debt / EBITDA	*2.6×*

E = Valuatum estimate (not yet actualised)

EBITDA × EV/EBITDA sensitivity

2027E GROUP EBITDA, EURM EV/EBITDA multiple →	7.0×	7.5×	8.0×	8.5×	9.0×
−20% **EUR 1,134m**	EUR 7,938m EUR 5.50 / sh	EUR 8,505m EUR 6.20 / sh	EUR 9,072m EUR 6.90 / sh	EUR 9,639m EUR 7.60 / sh	EUR 10,206m EUR 8.40 / sh
−10% **EUR 1,276m**	EUR 8,932m EUR 6.70 / sh	EUR 9,570m EUR 7.60 / sh	EUR 10,208m EUR 8.40 / sh	EUR 10,846m EUR 9.20 / sh	EUR 11,484m EUR 10.00 / sh
Base **EUR 1,418m**	EUR 9,926m EUR 8.00 / sh	EUR 10,635m EUR 8.90 / sh	EUR 11,344m EUR 9.80 / sh	EUR 12,053m EUR 10.70 / sh	EUR 12,762m EUR 11.60 / sh
+10% **EUR 1,560m**	EUR 10,920m EUR 9.30 / sh	EUR 11,700m EUR 10.30 / sh	EUR 12,480m EUR 11.20 / sh	EUR 13,260m EUR 12.20 / sh	EUR 14,040m EUR 13.20 / sh
+20% **EUR 1,702m**	EUR 11,914m EUR 10.50 / sh	EUR 12,765m EUR 11.60 / sh	EUR 13,616m EUR 12.70 / sh	EUR 14,467m EUR 13.80 / sh	EUR 15,318m EUR 14.80 / sh

SCENARIO VALUATION

20 Bear / Base / Bull bridge

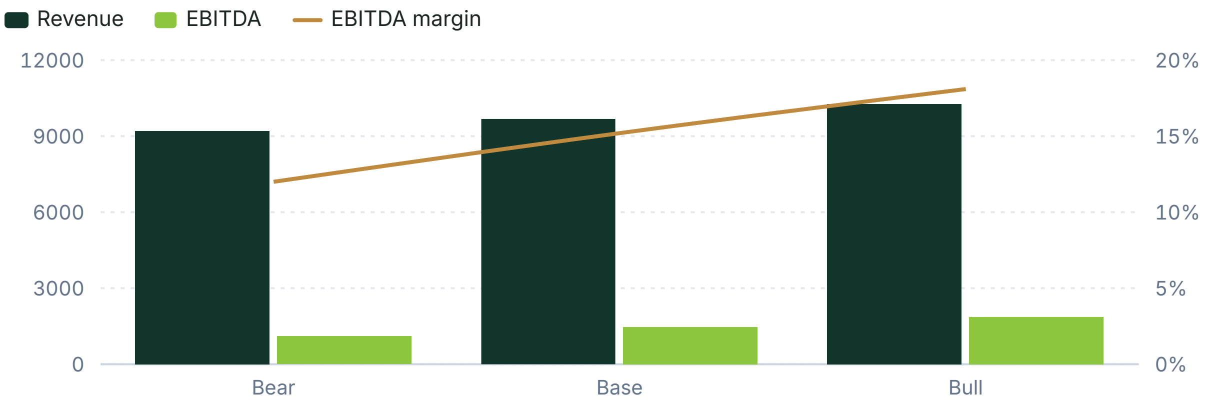
Revenue, EBITDA, multiple, EV, equity, value-per-share and upside in each scenario.

SCENARIO BRIDGE

	REVENUE	EBITDA	MARGIN	MULTIPLE	EV	EQUITY	VALUE / SHARE	UPSIDE
Bear	9,200	1,104	12.0%	9.9×	10,958	7,346	EUR 9.31	−5.1%
Base	9,679	1,471	15.2%	7.6×	11,113	7,500	EUR 9.51	−3.1%
Bull	10,277	1,862	18.1%	6.2×	11,471	7,859	EUR 9.97	+1.5%

What each scenario asks the business to do

Revenue and EBITDA in EUR millions on the left axis, EBITDA margin on the right



KEY CONDITIONS

Bear assumes no Lignode value, persistent Oulu inefficiency and a larger forest discount, with weak cash generation increasing debt. Base probability-weights Lignode and applies a 30.4% forest discount. Bull uses the successful Lignode leg, stronger packaging and pulp earnings, a smaller forest discount and lower net debt from higher free cash flow. Each scenario is priced in the target-price bridge's own grammar: the profit engines as modelled plus Lignode Battery-Anode Optionality at zero (Bear), at the bridge's probability weighting (Base) and at the best single scenario leg with certainty (Bull). The multiple column is therefore the implied group EV/EBITDA at that value, not a selected multiple. The code-verified 12-month target of EUR 9.5 sits between Bear and Base (Bear EUR 9.3, Base EUR 9.5, Bull EUR 10.0); its method weights are shown in the Target Price Bridge.

THESIS BREAKER

A combined failure of Oulu economics and forest-value crystallisation would invalidate the asset-backed recovery thesis.

CATALYSTS

21

Monitoring checklist

Near-, medium- and long-term events that could change the recommendation.

CATALYST REGISTER

	TIMING	SEGMENT	INDICATOR	VALUATION IMPACT
Q3 maintenance and Oulu efficiency installation	NEAR-TERM	Consumer Packaging	Cost within EUR 40–50m and cleaner Q4 output	De-risks normalised Oulu margin
Q3 2026 interim report	NEAR-TERM	Integrated Packaging	Containerboard and corrugated spread direction	Tests EUR 150m EBIT path
Bergslagets Skogar Capital Markets Day	NEAR-TERM	Forest Assets	Debt, harvest, tax and distribution terms	Could narrow 30.4% discount
Skutskär softwood closure and fluff ramp	NEAR-TERM	Biomaterials	Fluff qualification and margin above 10%	Supports EUR 200m EBITDA
Central European strategic-review outcome	MEDIUM-TERM	Wood Products	Sale, closure or return threshold	Removes low-return capital
Oulu reaches full design capacity	MEDIUM-TERM	Consumer Packaging	750kt qualified saleable mix in 2027	Main industrial rerating trigger
Bergslagets Skogar demerger completion	MEDIUM-TERM	Forest Assets	Separate listing in H1 2027	Creates observable forest value
Tier-one cell qualification and commercial FID	LONG-TERM	Lignode Battery-Anode Optionality	Named award, yield and plant financing	Moves option beyond pilot value

READ-THROUGH

The most important near-term catalyst is the 3 November 2026 Bergslagets Skogar Capital Markets Day because it can replace a broad appraisal discount with auditable harvest, leverage and distribution terms. Q3 results on 30 October arrive first and will show whether the EUR 40–50 million maintenance burden masks or improves Oulu's underlying trajectory. Industrial rerating requires operating evidence rather than announcements. Oulu must show qualified saleable tonnes, Skutskär must protect Biomaterials margins, and Integrated Packaging needs sustained spread improvement. Lignode remains a long-term catalyst until a named qualification, final investment decision and commercial yield are disclosed.

RISKS

Risk register

22

Each risk's business division, mechanism, early-warning trigger, impact band and structural type.

	SEGMENT	MECHANISM	EARLY WARNING	IMPACT	TYPE
Oulu qualification or yield delays	Consumer Packaging	Low saleable output keeps fixed cost and discounting high	Margin remains below 6% after shutdown	HIGH	THESIS BREAKER
Forest demerger value leakage	Forest Assets	Debt, tax or protection terms reduce distributable NAV	Net debt allocation exceeds expectations	HIGH	THESIS BREAKER
Pulp capacity outruns Chinese demand	Biomaterials	Prices fall toward high-cost delivered supply	Segment margin falls below 10%	HIGH	MANAGEABLE
European corrugated spread compression	Integrated Packaging	Recovered fibre and energy rise before box prices	Sequential EBIT decline on stable volumes	MEDIUM	MANAGEABLE
Sawlog inflation persists	Forest Assets	Sawmill margins fall while internal transfer tension rises	Peer wood margins remain near 5%	MEDIUM	STRUCTURAL
Lignode fails cell qualification	Lignode Battery-Anode Optionality	Cycle life, yield or cost prevents commercial awards	No named FID or tier-one award by 2027	LOW	MANAGEABLE
Capital expenditure crowds out deleveraging	Biomaterials	Weak cash conversion keeps leverage above target	FCFF remains near zero through 2027	HIGH	THESIS BREAKER

READ-THROUGH

The two risks that can break the thesis in combination are Oulu underperformance and forest-value leakage. Either alone is partly buffered by the other business division; together they remove both the industrial recovery and the asset-backing argument. Near-zero 2026 free cash flow reduces the time available to absorb that combination. Commodity risks are more tradable. Pulp prices, recovered fibre, energy and sawlogs produce visible warnings through peer margins and Stora Enso's quarterly segment results. Lignode failure would be disappointing but is not a group thesis-breaker because only probability-weighted option value is included.

23

APPENDIX

Income statement

INCOME STATEMENT — EUR MILLIONS	2023 *A*	2024 *A*	2025 *A*	2026 *E*	2027 *E*	2028 *E*
Net Sales	**9,396**	**9,049**	**9,326**	*9,512*	*9,679*	*10,001*
EBITDA	**556**	**1,324**	**1,449**	*1,418*	*1,471*	*1,543*
EBITDA margin	5.9%	14.6%	15.5%	*14.9%*	*15.2%*	*15.4%*
Depreciation	-878	-1,231	-507	*-769*	*-628*	*-628*
Operating Profit (EBIT)	**-322**	**93**	**942**	*649*	*843*	*915*
EBIT margin	-3.4%	1.0%	10.1%	*6.8%*	*8.7%*	*9.2%*
Net financial items	-173	-211	-159	*-352*	*-114*	*-103*
Pre-tax Profit	**-495**	**-118**	**783**	*297*	*729*	*812*
Net Earnings	**-431**	**-183**	**686**	*228*	*539*	*601*
PER SHARE						
EPS	-0.6	-0.2	0.9	*0.3*	*0.7*	*0.8*
DPS	0.6	0.2	0.3	*0.2*	*0.6*	*0.6*
Payout ratio	-109.8%	-86.2%	28.7%	*80.0%*	*80.0%*	*80.0%*

E = Valuatum estimate (not yet actualised)

24

APPENDIX

Balance sheet

BALANCE SHEET — EUR MILLIONS	2023 A	2024 A	2025 A	2026 E	2027 E	2028 E
ASSETS						
Tangible assets	7,135	7,489	7,122	*7,477*	*7,608*	*7,861*
Intangibles	392	350	295	*301*	*306*	*316*
Goodwill	505	162	171	*171*	*171*	*171*
Non-current assets	**14,565**	**14,877**	**14,858**	***15,219***	***15,355***	***15,619***
Inventories	1,413	1,585	1,802	*1,778*	*1,809*	*1,869*
Receivables	2,177	1,132	965	*1,002*	*1,020*	*1,054*
Cash & equivalents	2,464	1,999	1,212	*1,539*	*1,566*	*1,618*
Current assets	**6,054**	**4,716**	**3,979**	***4,319***	***4,395***	***4,541***
Total Assets	**20,754**	**19,802**	**19,059**	***19,760***	***19,972***	***20,382***
EQUITY & LIABILITIES						
Equity	10,888	9,988	10,649	*10,679*	*11,037*	*11,206*
Long-term debt	4,183	3,889	3,093	*2,398*	*2,302*	*2,379*
Short-term debt	691	1,841	913	*2,398*	*2,302*	*2,380*
Long-term liabilities	**4,238**	**3,621**	**3,356**	***2,661***	***2,565***	***2,642***
Current liabilities	**3,674**	**4,232**	**3,277**	***4,644***	***4,587***	***4,738***
Total liabilities & equity	**20,754**	**19,802**	**19,059**	***19,760***	***19,972***	***20,382***
CAPITAL STRUCTURE & RATIOS						
Net debt	2,930	4,276	3,257	*3,718*	*3,508*	*3,622*
Capital invested	13,298	13,719	13,443	*13,936*	*14,075*	*14,347*
Equity ratio	52.5%	50.4%	55.9%	*54.0%*	*55.3%*	*55.0%*
Gearing	26.9%	42.8%	30.6%	*34.8%*	*31.8%*	*32.3%*
Net debt / EBITDA	5.3×	3.2×	2.2×	*2.6×*	*2.4×*	*2.3×*
Current ratio	1.7	1.1	1.2	*0.9*	*1*	*1*

E = Valuatum estimate (not yet actualised)

25

APPENDIX

Cash flow

CASH FLOW — EUR MILLIONS	2023 A	2024 A	2025 A	2026 E	2027 E	2028 E
OPERATIONS						
Cash from operations (model)	917	1,329	1,116	*866*	*1,157*	*1,208*
Operating cash flow (Valuatum calculation)	999	1,397	1,136	*1,135*	*1,241*	*1,285*
Change in working capital	-474	-281	77	*131*	*11*	*20*
INVESTING & FREE CASH						
Gross capex	397	1,543	488	*1,129*	*765*	*891*
Capex (ex. M&A)	-397	-1,543	-488	*-1,129*	*-765*	*-891*
Cash after capex (CFO - gross capex)	**520**	**-214**	**628**	***-264***	***392***	***317***
Free operating cash flow (Valuatum def.)	**779**	**-469**	**1,179**	***6***	***476***	***394***
Free cash flow to firm	**779**	**-469**	**1,179**	***6***	***476***	***394***
FINANCING						
CF from financing	92	-159	-1,300	*591*	*-365*	*-265*
Dividends paid	-434	-473	-158	*-197*	*-182*	*-432*
Net change in cash	**612**	**-373**	**-672**	***327***	***27***	***52***

E = Valuatum estimate (not yet actualised)

26

APPENDIX

Quarterly snapshot

HISTORICAL QUARTERS — LAST TWO COMPLETED YEARS, EUR MILLIONS

	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25	Q2/25	Q3/25	Q4/25
Net Sales	2,164	2,301	2,261	2,322	2,362	2,426	2,283	2,254
EBITDA	263	274	265	582	288	194	358	615
EBITDA margin	12.2%	11.9%	11.7%	25.1%	12.2%	8.0%	15.7%	27.3%
Comparable EBIT	145	148	139	-279	171	64	237	476
EBIT margin	6.7%	6.4%	6.1%	-12.0%	7.2%	2.6%	10.4%	21.1%
Net Earnings	72	38	84	-379	107	15	201	364
EPS	0.1	0.1	0.1	-0.5	0.1	0	0.3	0.5

CURRENT YEAR — QUARTERLY, EUR MILLIONS

	Q1/26	Q2/26	Q3/26 *E*	Q4/26 *E*
Net Sales	2,358	2,423	*2,360*	*2,371*
EBITDA	270	185	*373*	*590*
EBITDA margin	11.5%	7.6%	*15.8%*	*24.9%*
Comparable EBIT	130	7	*178*	*334*
EBIT margin	5.5%	0.3%	*7.6%*	*14.1%*
Net Earnings	35	-11	*69*	*139*
EPS	0	-0	*0.1*	*0.2*

E = Valuatum estimate (not yet actualised)

27

SOURCES & DISCLAIMER

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Stora Enso Half-year Report January–June 2026	www.storaenso.com/.../storaenso_results_q226_eng.pdf	OFFICIAL SOURCE	Reported segment table
Stora Enso's Q3 2026 interim report is scheduled to be publ...	www.storaenso.com/.../investor-calendar	OFFICIAL SOURCE	Catalysts and risks
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27

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Stora Enso announced the separation of its Swedish forest a...	www.storaenso.com/.../stora-enso-introduces-bergslagets-skogar	MARKET DATA	Catalysts and risks
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27

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27

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27

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27

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27

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