

Press release

Improved results and strengthened financial position

Norske Skog delivered EBITDA of NOK 448 million and a profit before income taxes of NOK 251 million in the third quarter of 2026. The results were positively impacted by a gain of NOK 338 million from the sale of property to Norwegian Nuclear Decommissioning (NND). Higher prices and deliveries supported publication paper, while production challenges at Norske Skog Golbey PM1 reduced packaging paper volumes. The production challenges are expected to be improved during the fourth quarter of 2026. Following the quarter, liquidity was strengthened by NOK 770 million from receipt of proceeds from the NND transaction.

“The third quarter reflects resilient operations in challenging markets. Price increases and cost-reduction initiatives partly mitigated higher costs for energy, fuel and chemicals, while the NND transaction significantly strengthened our financial flexibility through receipt of NOK 770 million following the quarter. Our priorities remain to improve profitability, maintain disciplined working capital and complete the operational ramp-up at Golbey,” says Geir Drangslund, CEO of Norske Skog.

In the third quarter of 2026, total operating income was NOK 3 015 million, compared with NOK 2 584 million in the previous quarter. Norske Skog reported EBITDA of NOK 448 million and a profit before income taxes of NOK 251 million, compared with EBITDA of NOK 73 million and a loss before income taxes of NOK 163 million in the second quarter of 2026. The EBITDA margin increased to 15% from 3%. The equity ratio was 41%, cash was NOK 577 million and net interest-bearing debt was NOK 4 428 million at the end of the quarter.

The sale of property to NND contributed a gain of NOK 338 million in the quarter. Norske Skog received cash proceeds of NOK 770 million in early October, of which approximately NOK 50 million is allocated to dismantling. The company has scheduled significant debt repayments during the fourth quarter of 2026.

Market segments

The publication paper segment delivered EBITDA of NOK 431 million in the third quarter, compared with NOK 86 million in the previous quarter. Deliveries increased to 282 thousand tonnes from 280 thousand tonnes, while operating revenue increased to NOK 1 947 million from NOK 1 898 million. Slightly higher prices and deliveries, the NND gain and continued efficiency improvements supported the result. These effects were partly offset by higher costs of materials, particularly energy.

The packaging paper segment delivered EBITDA of NOK 0 million, compared with NOK 1 million in the previous quarter. Operating revenue increased to NOK 535 million from NOK 516 million, supported by higher prices, while deliveries decreased to 115 thousand tonnes from 122 thousand tonnes. Production at Golbey PM1 was affected by regional drought, unplanned maintenance at the water effluent treatment facility and press crushing issues. The challenges are expected to improve during the fourth quarter. Norske Skog Bruck PM3 operated at full capacity, delivering 55 thousand tonnes and EBITDA of NOK 40 million, while Golbey PM1 delivered 60 thousand tonnes and EBITDA of NOK -40 million. Depending on CEE certificate prices, the group expects energy certificates with an estimated market value of approximately EUR 23 million in 2027 and EUR 52 million in 2029.

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Projects and other initiatives

At Norske Skog Saugbrugs, Norske Skog plans to rebuild PM6 for flexible production of 300 000 tonnes of TMP-based kraftliner or 230 000 tonnes of SC magazine paper. The estimated investment is around NOK 850 million, with start-up expected in the first half of 2028. The project is intended to restore profitability and provide a long-term growth outlook for the mill. The rock wall has been secured and the PM6 building restored, with only limited works remaining. The rebuild will utilise existing TMP capacity, energy infrastructure and fibre-processing competence.

Saugbrugs is also evaluating an opportunity to establish an 80-100 MW data centre. The site is adjacent to the Halden transformer station and has an existing grid agreement supported by high-capacity power lines. The site also offers fibre-network access, freshwater infrastructure and road, rail and sea connections. The zoning process is expected to restart during the fourth quarter of 2026.

At Bruck, a 20 MW Battery Energy Storage System is being installed to support grid services and optimise the mill's energy position. At Norske Skog Skogn, the successful launch of NOR Book and the development of NOR Strato packaging paper support continued product diversification. At Golbey, the focus remains on improving PM1 operations and reaching full utilisation during 2027.

Outlook

Norske Skog remains focused on increasing market share despite an uncertain operating environment and challenging market conditions. Price increases implemented during the year are expected to deliver their full effect in the coming quarters. The company continues to prioritise cost reductions and strict working capital discipline to maintain competitiveness. Energy cost surcharges will be considered if necessary, while market-related downtime is being assessed to address cost pressures and safeguard profitability.

Across all mills, Norske Skog is evaluating profitable growth projects to further diversify revenue streams, with particular emphasis on the ramp-up of PM1 at Norske Skog Golbey and the achievement of full utilisation during 2027. At Norske Skog Saugbrugs, profitability is expected to be restored following the rebuild of PM6, which is scheduled for completion in the first half of 2028.

Norske Skog continues to closely monitor the capital and liquidity position and is pursuing several initiatives to strengthen the financial performance and competitive position going forward.

About Norske Skog

Norske Skog is a producer of packaging paper and publication paper across four mills in Europe. Packaging paper includes testliner and fluting and publication paper includes newsprint and magazine paper. The annual production capacity of packaging paper is 0.8 million tonnes, and the annual production capacity of publication paper is 1.2 million tonnes. Packaging paper and publication paper are sold through sales offices and agents. Norske Skog has approximately 1 650 employees and the parent company, Norske Skog ASA, a public limited liability company, is incorporated in Norway and has the head office in Oslo. The company is listed on Oslo Stock Exchange with the ticker NSKOG.

Presentation and quarterly material

The company will arrange a Teams-webinar today at 08:30 CET, which can be attended by clicking the webinar link on the front page of the www.norskeskog.com.

The quarterly board of directors' report, the presentation, the financial statements and the press releases are available on www.norskeskog.com, and published on www.newsweb.no under the ticker NSKOG. If you want to receive future Norske Skog press releases, please subscribe through the website of the Oslo Stock Exchange www.newsweb.no.

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