

An important step in the implementation of the group's strategy, which includes a focus on packaging paper and board and growth in the North American market, was the completion of the acquisition of US paper producer Verso on 31 March 2022. That date also marked the consolidation of Verso into Billerud Korsnäs – as part of the Paper division.

Billerud Korsnäs' plan is to expand Verso's pulp production during 2023 and 2024 and make the company's mills self-sufficient in pulp. The conversion of certain Verso assets from graphic to packaging grades is to start in 2025, initially with one machine. A second machine is to follow in 2029. The two machines will have a total capacity of 1.1 million t of board. A detailed study on the measures will be completed in 2023 and will serve as the basis for a final investment decision. □

Billerud Korsnäs results

million SEK	January - March	
	2022	2021
Key figures		
Sales	7,397	6,520
Operating result	1189	528
Net result	884	377
Business area review		
Board		
Sales	4,375	3,785
of which		
liquid packaging board	2,218	2,073
cartonboard	775	529
containerboard	1,296	1,077
Operating result	725	380
Deliveries, 1,000 t	495	521
Paper		
Sales	2,219	1,903
of which		
sack paper	827	628
kraft paper	877	836
pulp	504	426
Operating result	583	145
Deliveries, 1,000 t	219	255
Solutions		
Sales	803	832
of which		
Managed Packaging	188	144
Operating result	-119	3
Verso*		
Sales	2,981	n.a.
of which		
graphic paper	2,127	n.a.
specialty paper	546	n.a.
pulp	278	n.a.
Adjusted Ebitda**	738	n.a.

* derived from Verso's internal reporting systems, not audited by the company's auditors
** excluding transaction costs and severance payments

Source: Billerud Korsnäs

Strikes and protests in Chile: CMPC announces production stop at three pulp mills

Against the backdrop of ongoing protests and blockades in the southern and central parts of Chile, pulp producer Empresas CMPC has stopped production at its three Chilean pulp mills. Pulp lines with a total capacity of 2.3 million t are currently at a standstill.

According to the company, operations at the largest Chilean CMPC mill, Santa Fe in Nacimientito, were suspended on 7 May because normal passenger traffic and the regular import of raw materials became impossible. The mill has a capacity of 1.5 million t of bleached eucalyptus pulp.

On 9 May, the plants at the Pacifico site in Angol and in Laja were also stopped. At the Pacifico mill, CMPC can produce 500,000 tpy of bleached softwood sulphate pulp and at Laja 260,000 tpy

of bleached and unbleached pulp and 70,000 tpy of sack kraft paper.

Chilean truck drivers have been on strike since the end of April in protest against crime and the increase in road tolls. They are demanding more road safety, better working conditions and a reduction in fuel and toll prices.

"There is an urgent need for the representatives of the truckers and the authorities to reach a quick agreement to effectively end this industrial action, which affects the population in general and, in the case of CMPC, more than 3,000 workers in the above-mentioned plants," CMPC explained.

The production disruption also affects sawmills and plywood plants that the group operates in Chile. □

Mondi to sell Syktyvkar paper mill in Russia

After examining all options for several weeks, paper and packaging manufacturer Mondi has decided to sell its assets in Russia. In a statement on 4 May, Mondi said: "The divestment process for these significant assets is operationally and structurally complex and is being undertaken in an evolving political and regulatory environment. Accordingly, there can be no certainty when a transaction will be completed or as to the structure of any possible transaction. As of 31 December 2021, the net asset value of the Russian operations was €687m."

Mondi operates an integrated pulp and paper mill in Syktyvkar in Russia's Komi Republic. The Syktyvkar mill can produce 1.2 million t of market pulp and paper, including containerboard, woodfree uncoated paper and newsprint. The company declined to provide details on the share of each product in total output. Mondi had earlier said that the mill produced 300,000 t of kraftliner, 200,000 t of fine paper and 180,000 t of newsprint.

In addition, Mondi also runs three converting plants in the country. The group employs 5,300 persons in Russia.

"The Russian businesses have, to date, managed supply chain constraints. However, the situation remains fluid, with interruptions to pulp and paper production possible going forward," the company informs.

Mondi suspended all key investment projects in Russia when war broke out. The company's activities in country accounted for roughly 12 per cent of group sales by site and generated close to 20 per cent of the group's underlying EBITDA in the last three years. Mondi has been active for

22 years in Russia. The group had first announced a possible divestment of its Russian operations on 10 March.

Mondi posts strong results in the first quarter of 2022

Mondi reported strong results for the first quarter 2022. Results for the quarter were driven by high demand in all segments and higher average selling prices. Input costs in the first quarter were significantly higher compared with the previous year as well as the previous quarter, resulting from higher costs of energy, resins, transport, wood and chemicals. However, the higher average selling prices more than offset continued cost pressure, Mondi explained in its trading update on 4 May.

Mondi's adjusted EBITDA for the first quarter 2022 amounted to €574m, 63 per cent higher than in the same quarter of the previous year (Q1 2021: €353m). Under the current circumstances, the group's adjusted EBITDA excludes Russian operations, which amounted to around €460m, representing an increase of roughly 70 per cent compared with last year's first quarter.

Uncoated fine paper markets in Europe remain tight in Europe due to good demand and limited supply, Mondi informs. Average uncoated fine paper prices were reportedly higher as a result of price increases implemented during 2021 and 2022. The Richards Bay mill (South Africa) is performing well following the recent upgrade of the energy and chemical plants. Operations at Mondi's Merebank uncoated fine paper mill in South Africa are currently suspended due to

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