



Stora Enso evaluates expansion in Wood Products

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Stora Enso has initiated feasibility studies for a possible cross laminated timber (CLT) unit in connection with its Ždírec mill in the Czech Republic and a new construction beam unit to be located at the Ybbs mill in Austria. Stora Enso also plans to consolidate production to increase focus on efficiency and to streamline the asset base.

Stora Enso continues its transformation into a leading provider of innovative wood-based solutions. The transformation in Wood Products includes both selected growth in added-value businesses and consolidation of production to increase focus on efficient integrated production.

The proposed expansion in Ždírec would add a total annual capacity of approximately 120 000 m³ of CLT. It would be Stora Enso's fourth CLT unit, following the inauguration of the Gruvön CLT unit in Sweden earlier this year. The study is expected to be completed by the end of 2019.

In Ybbs, the planned expansion would add a total annual capacity of 60 000 m³ of construction beams. The new beam product would be offered to Building Solutions' customers and sold as a solution together with CLT and LVL. The feasibility study is expected to be completed by the end of the first quarter of 2020.

If the investments are approved following the feasibility studies, the capital expenditure is estimated to be approximately EUR 90 million. The transformation in Wood Products also includes the earlier announced plans to close the Kitee sawmill with a possible consolidation of spruce production to Varkaus, as well as the divestment of assets related to Thermowood production at Uimaharju sawmill in Finland. Stora Enso will consolidate the Thermowood production to Launkalne mill in Latvia.

"We see extensive potential for our engineered wooden materials in the market, and an opportunity for further growth in the multi-storey building segment. Our products substitute fossil-based materials and demand for our premium, renewable products, our proven massive wood components as well as our building concepts is constantly increasing. Consolidation would enhance cost efficiency, optimised raw material usage, efficient automatised production, synergies between mills and a strong market driven portfolio of products and services," says **Jari Suominen**, Executive Vice President of Stora Enso's Wood Products division.

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Part of the bioeconomy, Stora Enso is a leading global provider of renewable solutions in packaging, biomaterials, wooden constructions and paper. We believe that everything that is made from fossil-based materials today can be made from a tree tomorrow. Stora Enso has some 26 000 employees in over 30 countries. Our sales in 2018 were EUR 10.5 billion. Stora Enso shares are listed on Nasdaq Helsinki (STEAV, STERV) and Nasdaq Stockholm (STE A, STE R). In addition, the shares are traded in the USA as ADRs (SEOAY). [storaenso.com](https://www.storaenso.com)

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