



BILLERUDKORSNÄS

WE CHALLENGE CONVENTIONAL PACKAGING FOR A SUSTAINABLE FUTURE

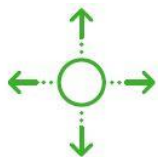
Annual General Meeting 2017 – CEO presentation
2017-05-10 Per Lindberg, CEO & President





2016

2016 – A STRONG YEAR



- All financial targets, except the growth target, were fulfilled



- Production and sales records
 - Despite that, growth below target due to quality and production start-up issues
- Historic investment decisions
 - Skärblacka
 - Gruvön



- Sustainability work that matters

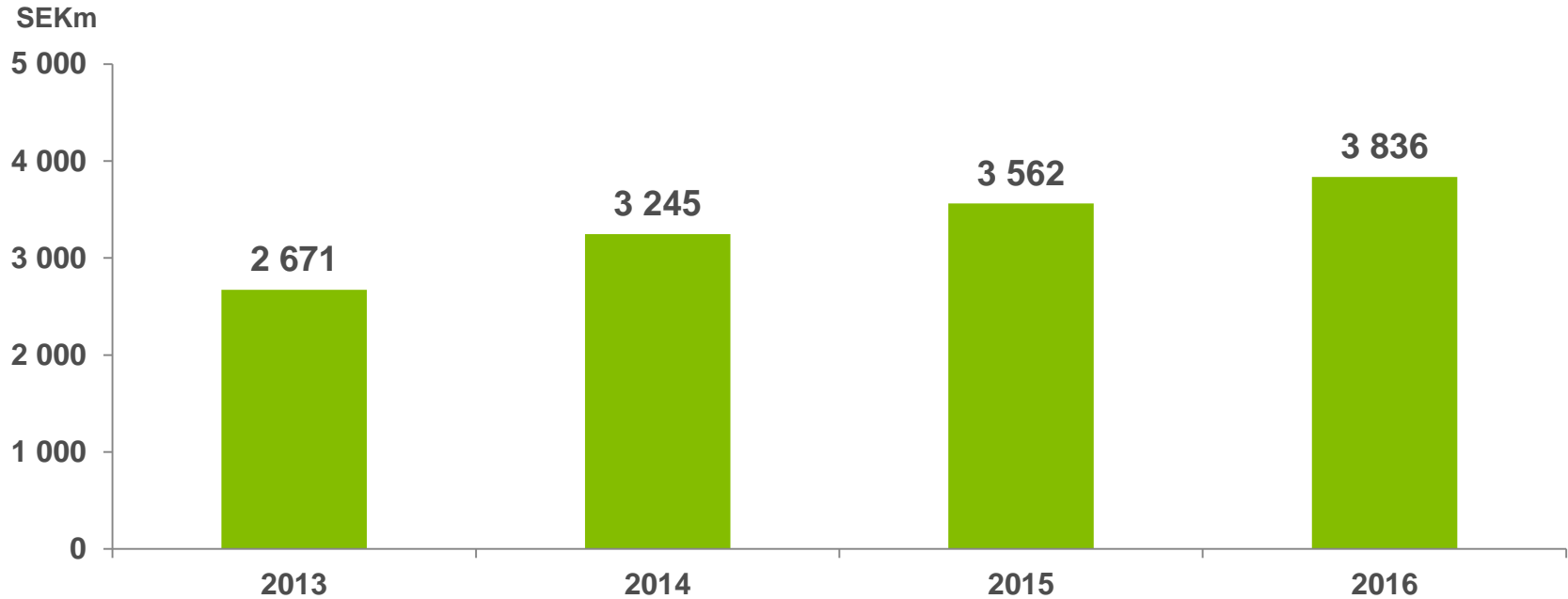
QUALITY AND PRODUCTION START-UPS IN FOCUS

- Challenge – recurring issues during production start-ups
 - Solution – Better preparation in projects
- Stable quality increasingly important
 - Solution – Balanced view on volume / quality and "Secure-Quality-initiative"
- With robust quality and stable start-ups we deliver growth according to our target

2016 – BILLERUDKORSNÄS IN FIGURES

	Target	2016
Net sales, SEKm	~ 23 000 (2018)	21 657
EBITDA, SEKm	> 3 900	3 606
EBITDA margin	> 17%	17%
Return on capital employed %*	> 13%	12%
Operating cash flow, SEK	n/a	2 101
Net Debt/EBITDA, multiple	< 2.5	1.08
Dividend	50% of net profit	4.30 (59%)**

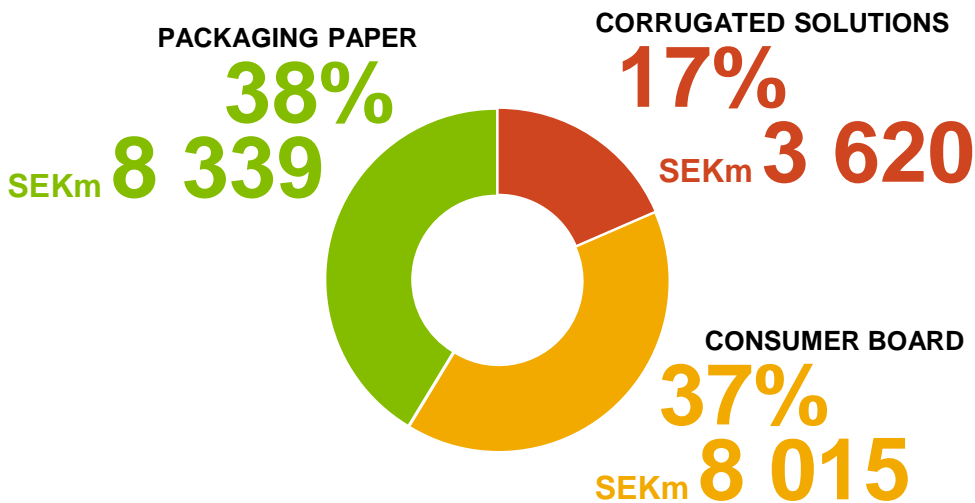
EBITDA*



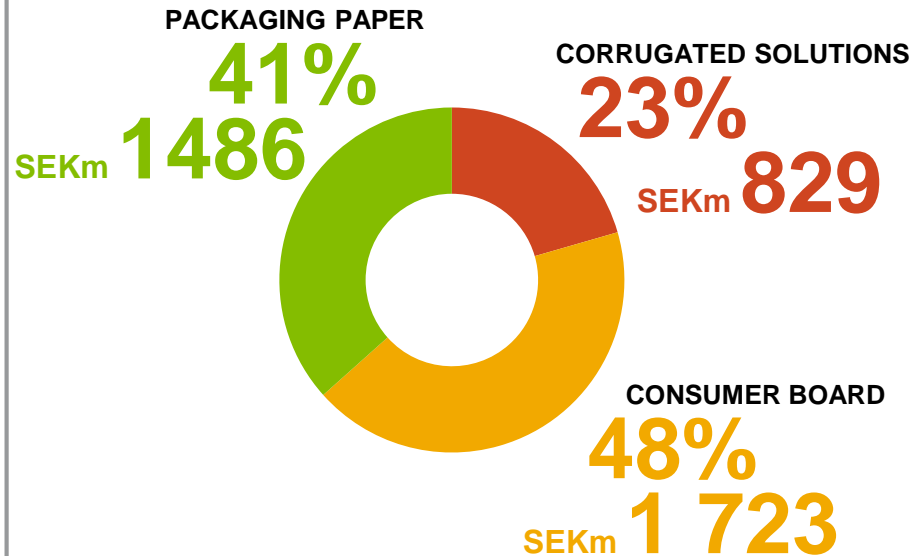
*Excluding non-recurring items and divested operations (Latgran)

BUSINESS AREAS

Share of Group net turnover



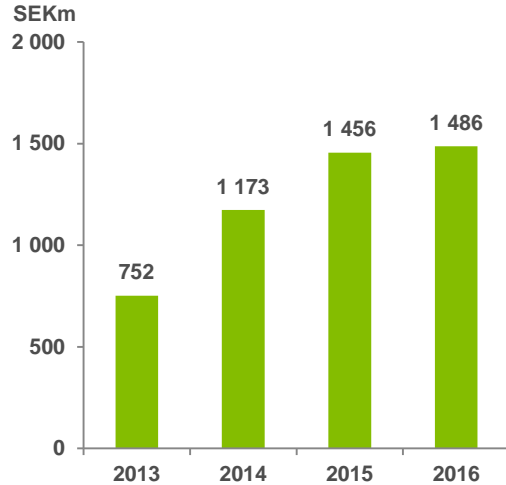
Share of Group EBITDA



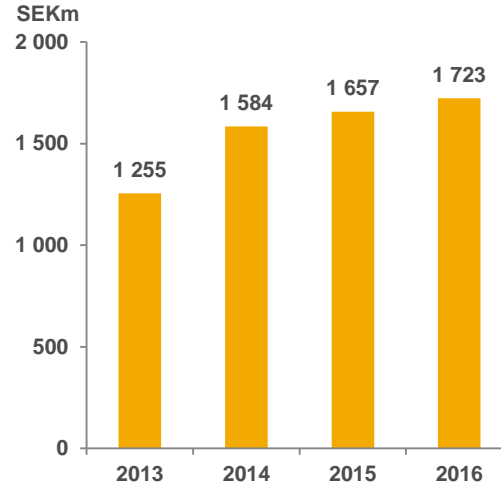
Only numbers for Business Areas, the total does not add up to 100%

EBITDA PER BUSINESS AREA

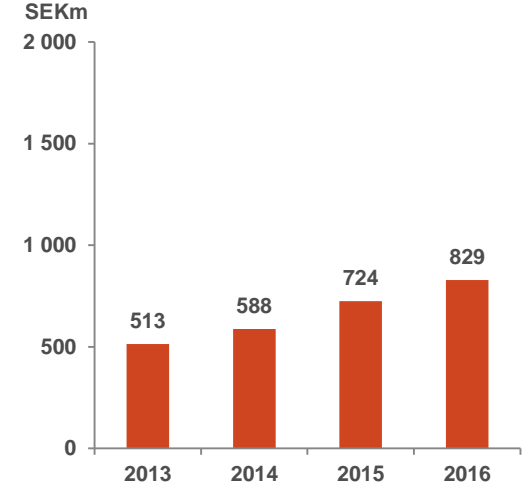
Packaging Paper



Consumer Board

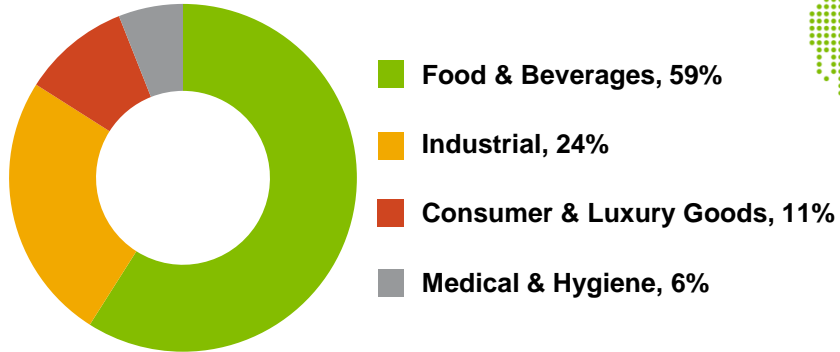


Corrugated Solutions

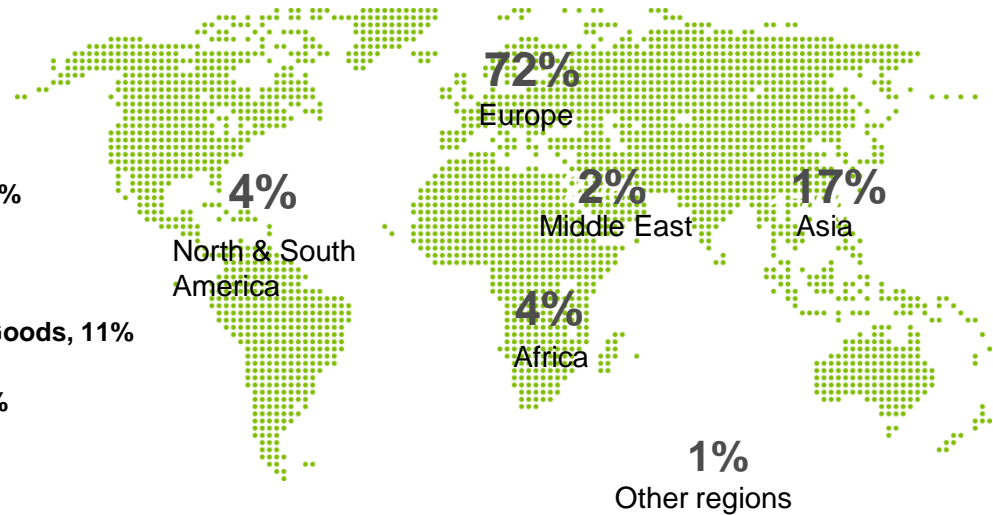


MARKET SEGMENTS AND REGIONS

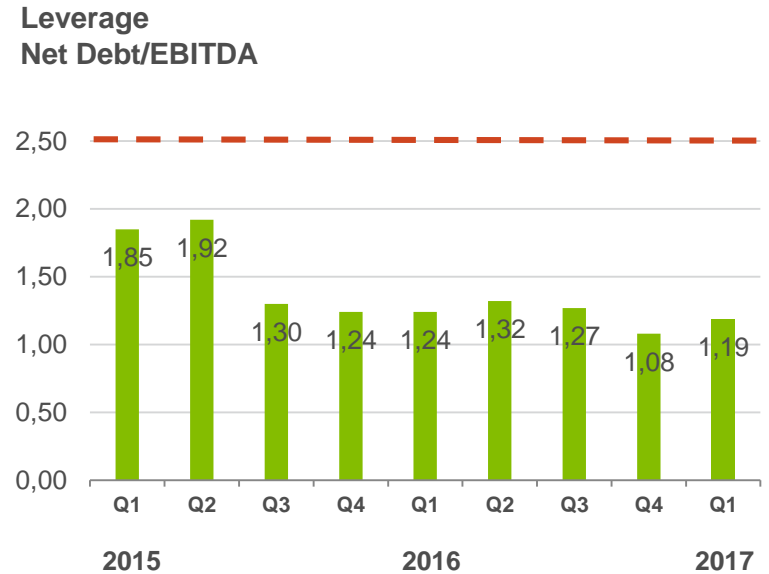
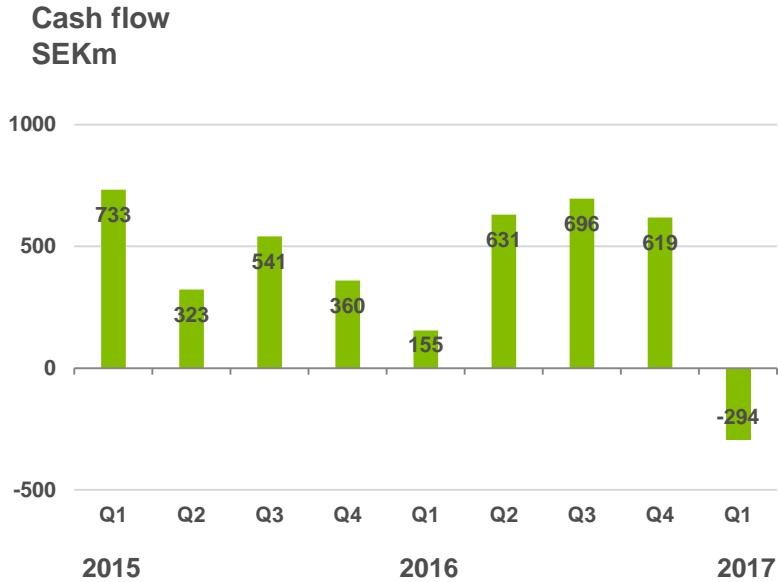
NET SALES BY MARKET SEGMENT



NET SALES PER REGION

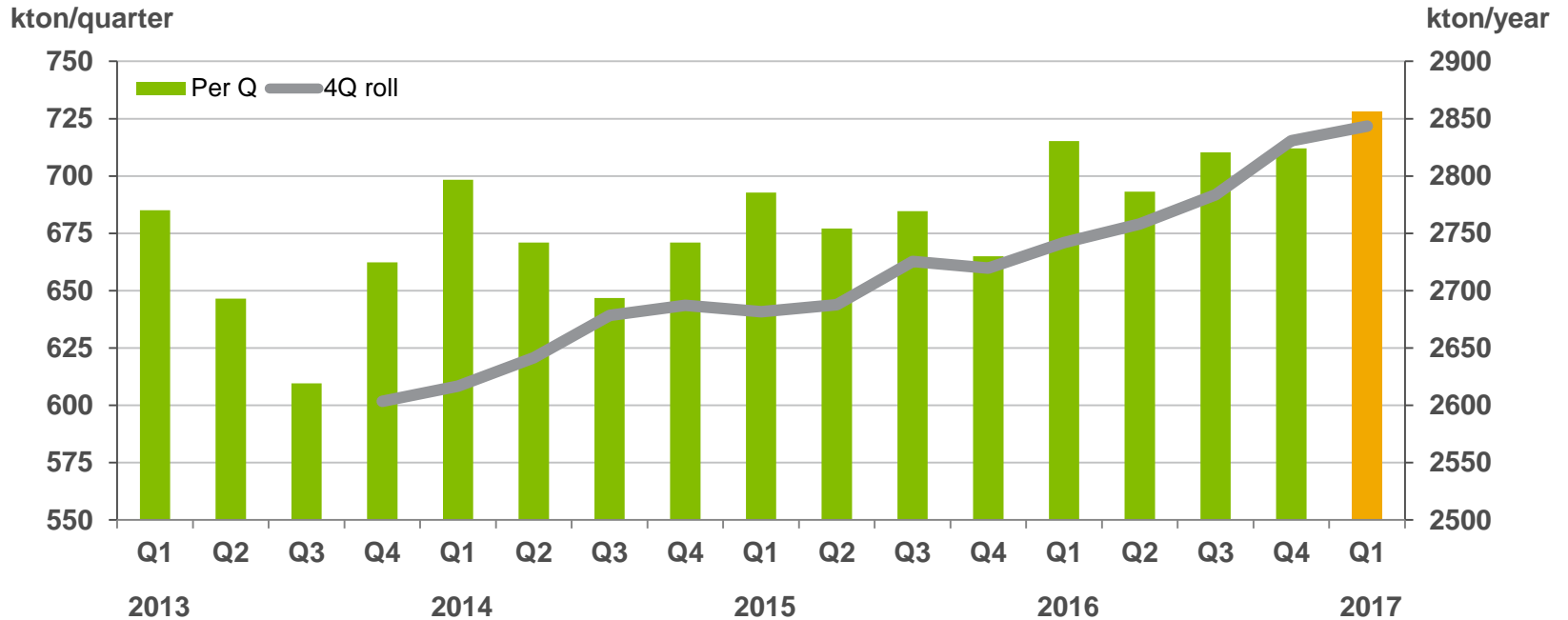


CASH FLOW & LEVERAGE

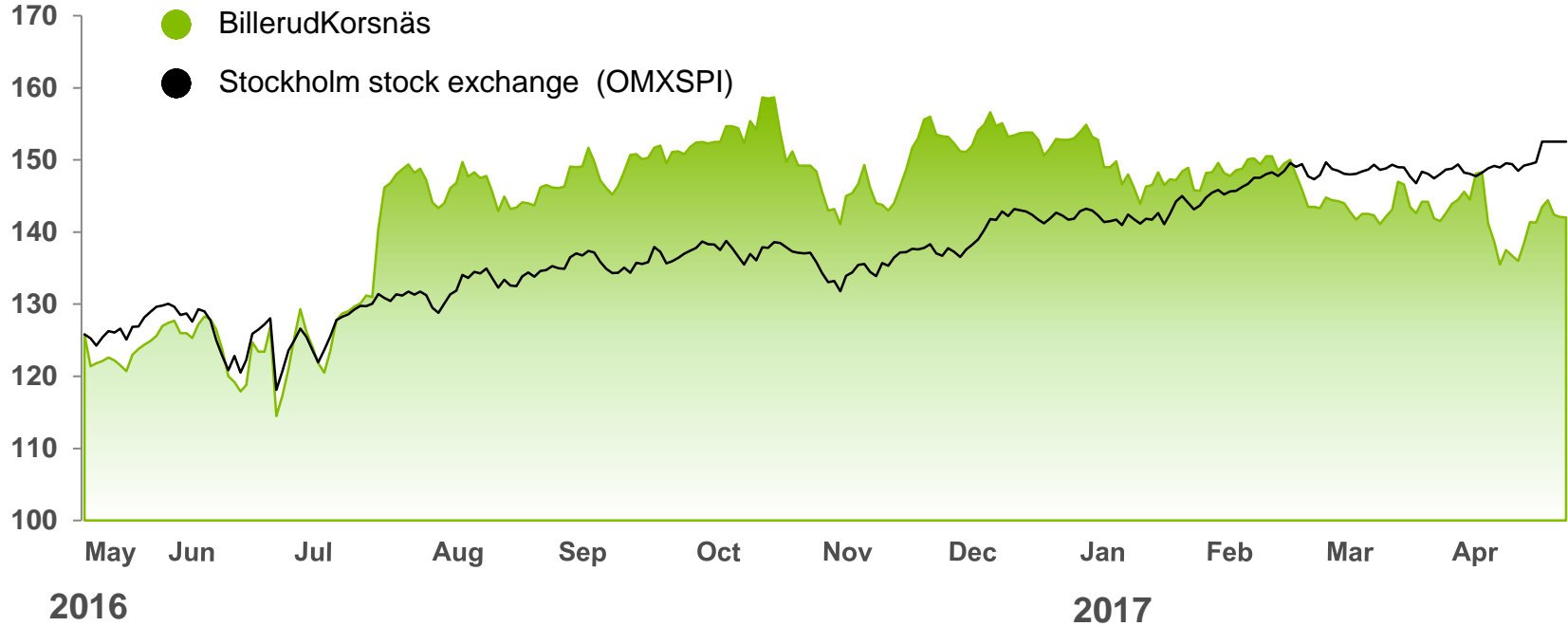


RECORD HIGH PRODUCTION

+10% OVER 3 YEARS



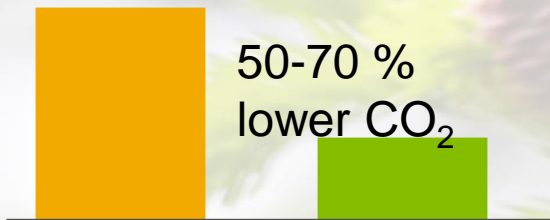
SHARE PRICE SINCE LAST AGM



SUSTAINABILITY THAT MAKES DIFFERENCE

Through our products...

Environmental impact paper vs plastic¹



... and through our actions



MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM 

¹ Life cycle assessment, Comparative study of virgin fibre based packaging products with competing plastic materials. IVL, 2015.



WE BREAK NEW GROUND

WE BREAK NEW GROUND

- Investing in new capacity
- Developing and introducing sustainable solutions
- Venturing – a tool for groundbreaking innovations
- Looking at possible acquisitions



A WORLD LEADING MG-CENTER - SKÄRBLACKA

- Tervasaari closed
- Relocation of MG-machine to Skärblacka
- Rebuild of PM7 Skärblacka
- Production start-up 2018
- Enhanced cooperation Skärblacka - Beetham



OUR LARGEST INVESTMENT EVER - GRUVÖN

- New board machine, KM7 Gruvön
 - One of the largest investments in Sweden in recent years
 - 5.7 billions SEK
 - Production capacity ~ 550 000 tonnes LPB, cartonboard, food service board and liner
 - Production start-up early 2019
 - Full capacity utilisation by 2023



PLATFORM FOR GROWTH

- Vi take advantage of the market opportunities
 - Market growth creates demand for new capacity
- We optimise our production structure
 - We transfer volumes within the Group and improve product mix



SUSTAINABLE PACKAGING IS IN DEMAND

WE DEVELOP AND INTRODUCE NEW TOTAL SOLUTIONS

- Sustainability increasingly important sales argument
- Total solutions facilitate growth
 - Managed Packaging
 - Sack Sales
 - System Sales, e.g. Axello Zap



GROUNDBREAKING INNOVATIONS IN SIGHT

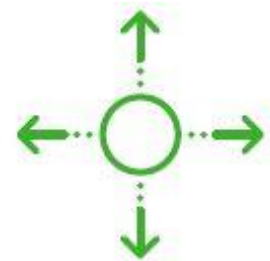
VENTURING AS A TOOL

- Complementing competence and technology
- Currently three areas:
 - The paper bottle
 - "Internet of Packaging"
 - Cold chain solutions
- Smaller acquisitions in development phase
 - EcoXpac
 - Kezzler
 - Hanhaa



ACQUISITIONS STILL ON THE AGENDA

- We have the financial capacity
- We have proved our ability to integrate businesses and quickly extract synergies
- Bolt-on acquisitions with synergy potential are currently the most interesting candidates
- Right valuation and availability are prerequisites for larger acquisitions





BILLERUDKORSNÄS