

INTERIM REPORT JANUARY-JUNE 2016

2016-07-20 Per Lindberg, CEO and President, and Susanne Lithander, CFO



STABILITY AND PRODUCTION PLATFORM INVESTMENT

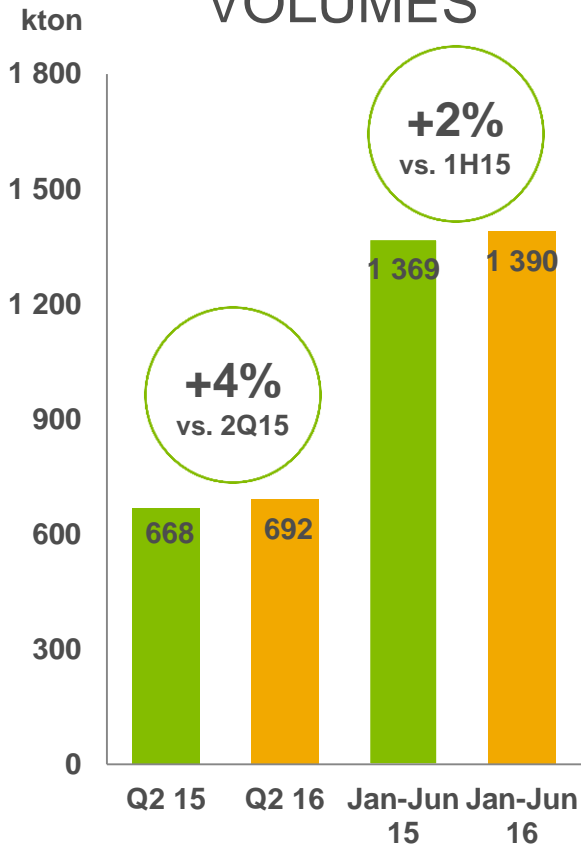
- Adjusted EBITDA reached SEK 884 million and EBITDA margin 16%
- Sales volumes increased with 4% compared to Q2 last year
- Production running according to plan towards the end of the quarter
- Investment decisions during the quarter to strengthen position within MG kraft paper
- Stable markets in general, with exception for some segments



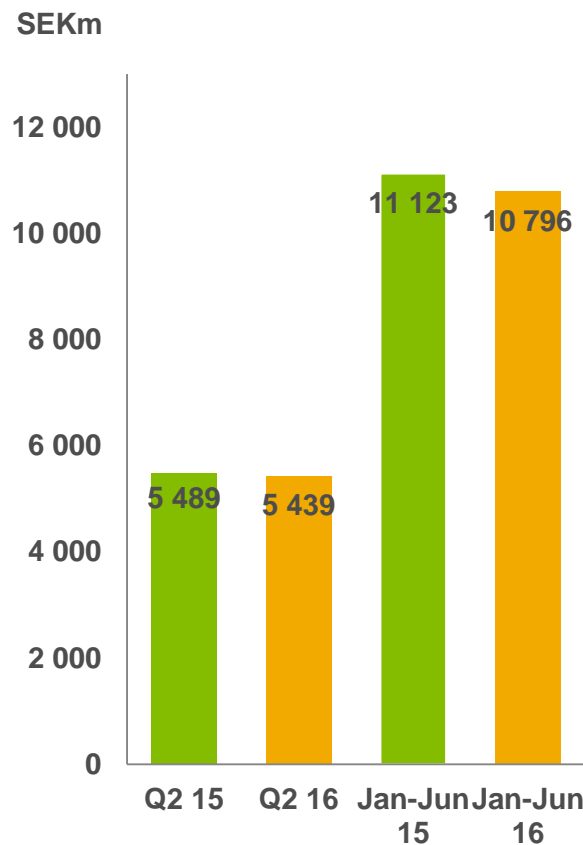
IMPROVING VOLUMES AND SALES

2% VOLUME GROWTH AND INCREASED SALES FOR COMPARABLE UNITS

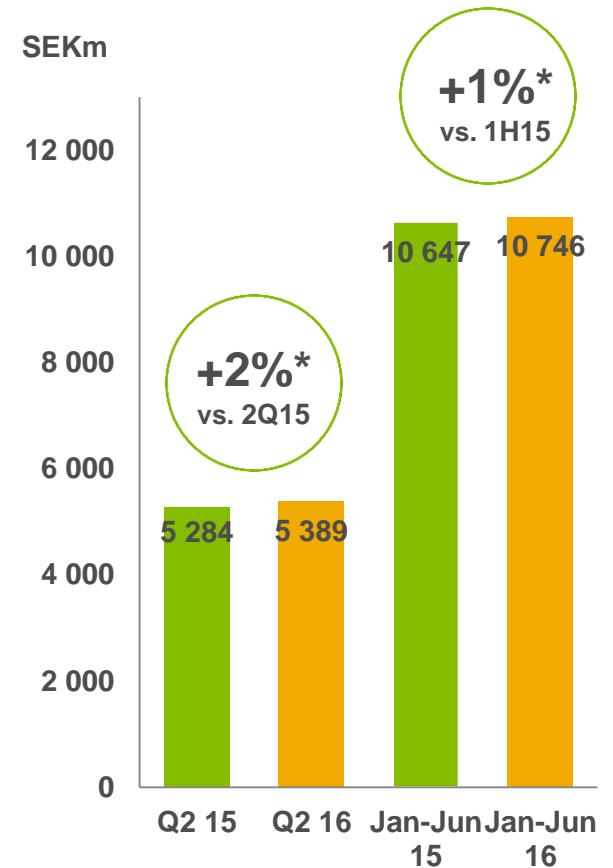
SALES VOLUMES



NET SALES



NET SALES*



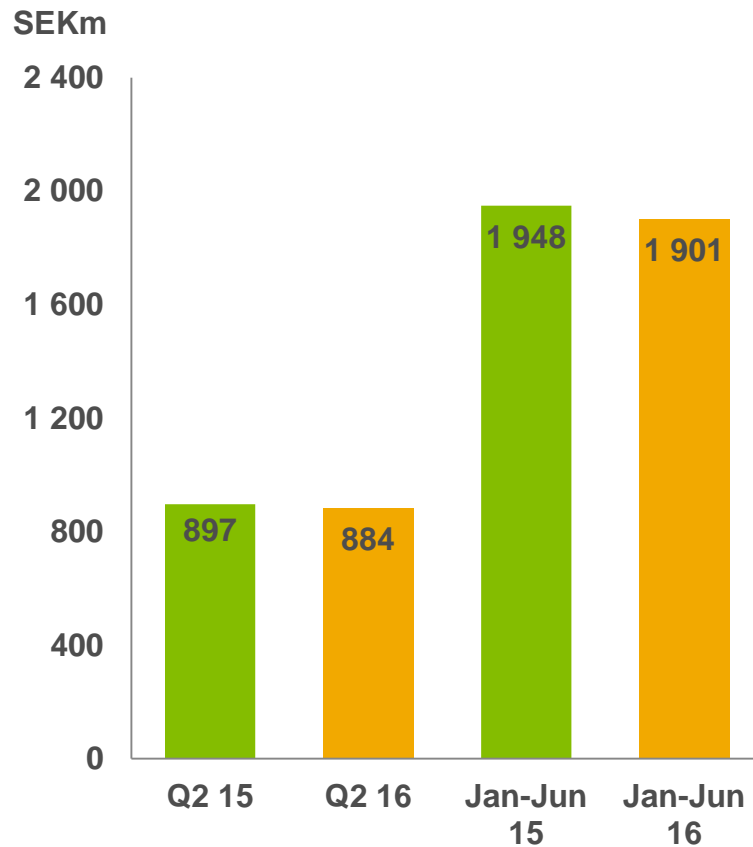
* Excluding divested and acquired operations



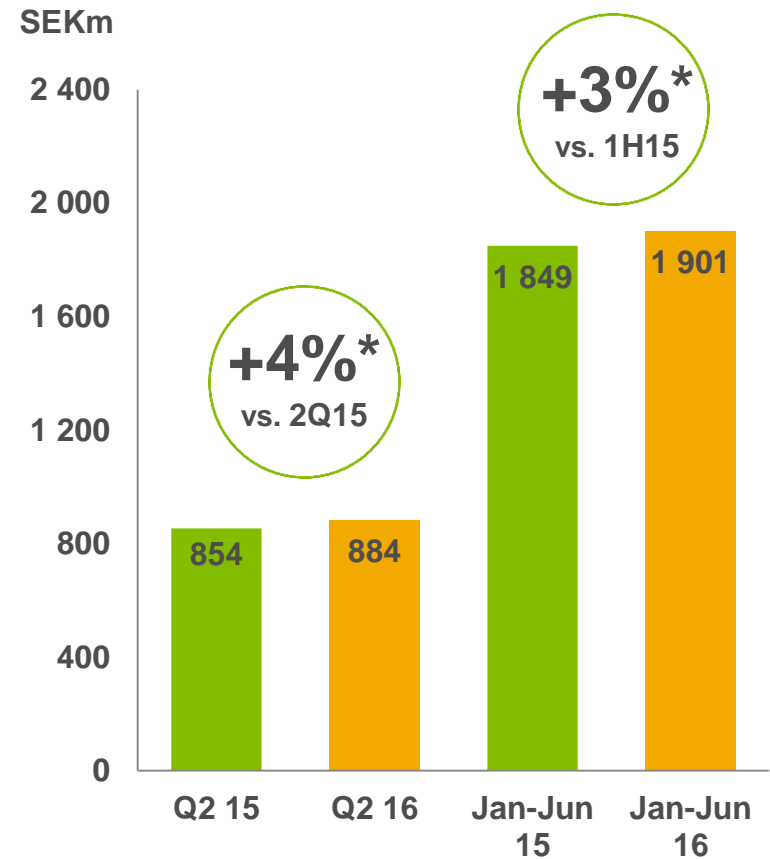
IMPROVING PROFITABILITY

YTD EBITDA MARGIN ON TARGET

Adjusted EBITDA



Adjusted EBITDA*



* Excluding divested and acquired operations



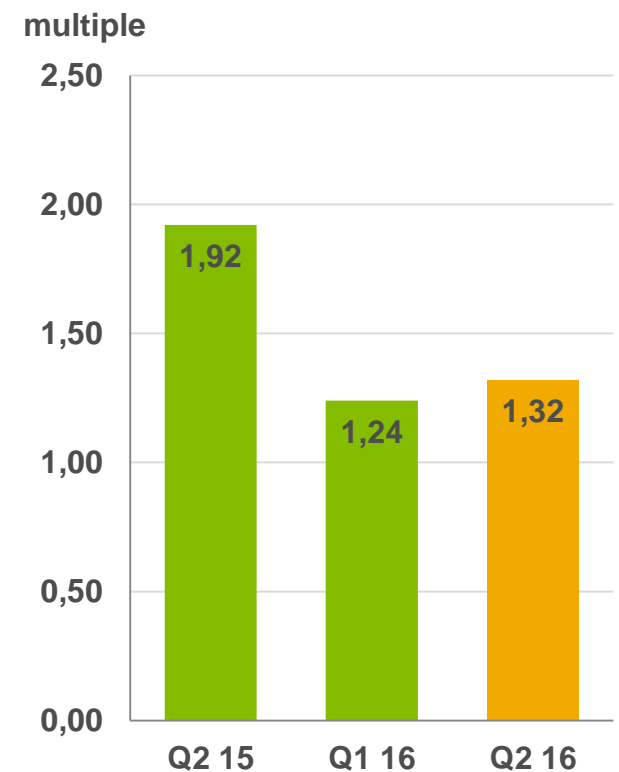
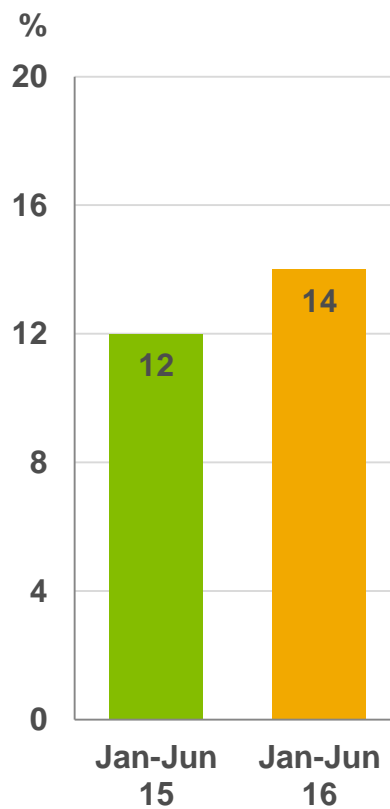
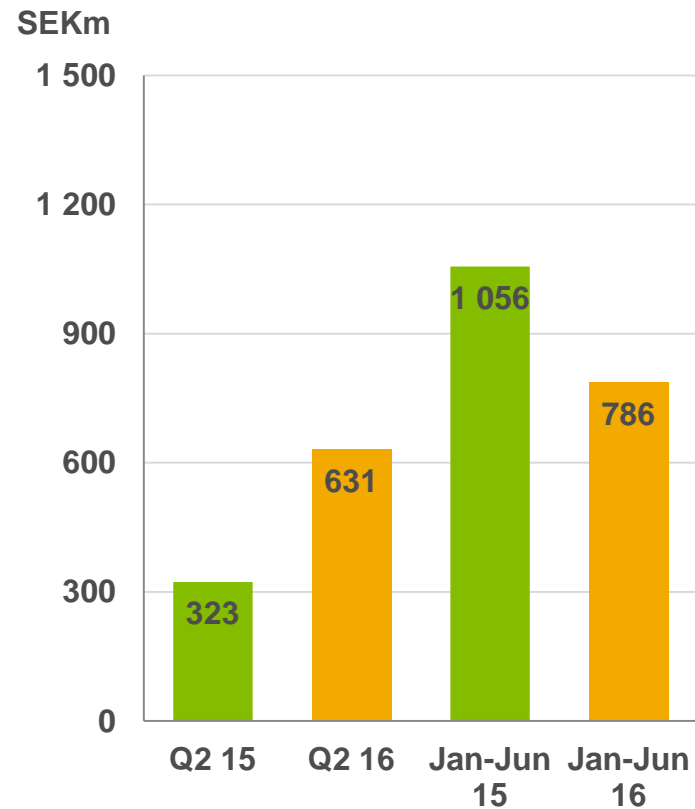
MEETING OUR FINANCIAL TARGETS

STRONG OP. CASH FLOW, ROCE ABOVE TARGET, NET DEBT/EBITDA INCREASE DUE TO DIVIDEND PAYOUT

OP. CASH FLOW

ROCE

NET DEBT/EBITDA

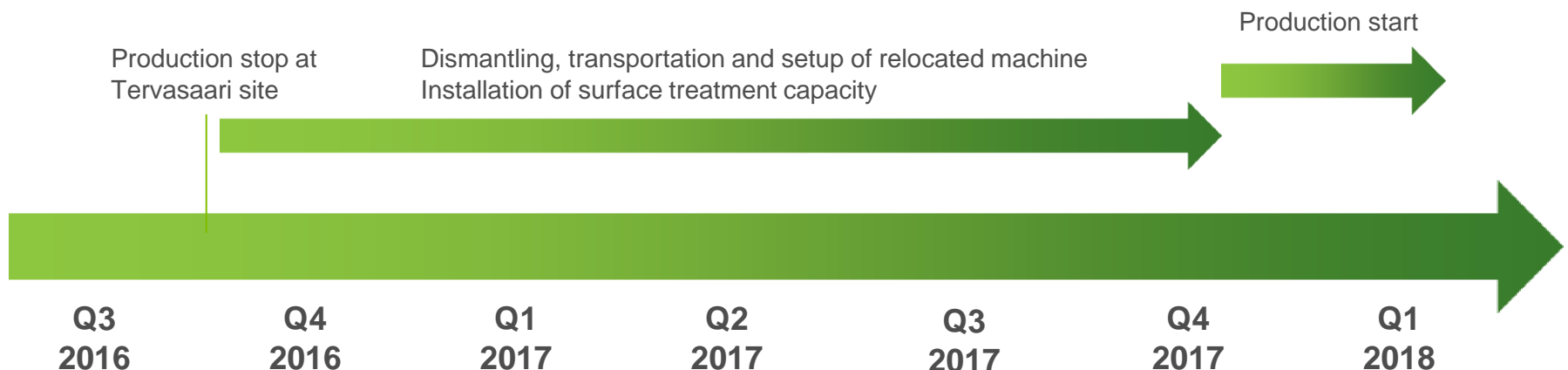


ROCE based on rolling 12 months



STRENGTHENING BILLERUDKORSNÄS POSITION IN MG KRAFT PAPER

- Skärblacka production unit to become world leading center for MG kraft paper production
- Total CAPEX of SEK 1 280 million over three years
 - CAPEX guidance for 2016: 1 300 + 120 SEKm
- Considerable improvement of production efficiency and margins within Packaging Paper business area





PACKAGING PAPER BUSINESS AREA Q2 2016

- Maintenance shutdowns and lower prices impact profitability
- Net sales SEK 2 085 million, -4% Q2-15
- EBITDA SEK 266 million, -27% Q2-15
- EBITDA margin 13%
- Markets
 - Stable prices in local currencies, except for weaker brown sack paper market
 - Seasonally improved order situation for brown sack paper despite some current market weakness
 - Stable order situation for white sack and kraft paper markets



Selective growth



CONSUMER BOARD BUSINESS AREA Q2 2016

- Improving production rates to provide volume growth in H2
- Net sales SEK 2 028 million, -1% Q2-15
- EBITDA SEK 479 million, -1% Q2-15
- EBITDA margin 24%
- Markets
 - Stable order situation and pricing in local currencies
 - Sales volumes lower than previous year due to production issues in Q4-15 and Q1-16



Volume growth



CORRUGATED SOLUTIONS BUSINESS AREA Q2 2016

- Continued strong performance despite temporarily lower fluting demand
- Net sales SEK 839 million, +16% Q2-15
- EBITDA SEK 130 million, +38% Q2-15
- EBITDA margin 15%
- Markets
 - Stable pricing and order books for liner
 - Temporarily lower seasonal demand and poor harvest season impact fluting prices



Value growth



OUTLOOK

- Demand and order situation for the third quarter is expected to be stable with normal seasonal variances for all business areas.
- Average prices in local currency in the third quarter are in general anticipated to be stable with exceptions for some segments.
- No changes to wood prices are anticipated for the third quarter.
- Gävle and Karlsborg production units will have planned maintenance shutdowns during the third quarter.

Q&A

**WE CHALLENGE CONVENTIONAL
PACKAGING FOR A
SUSTAINABLE FUTURE**





BILLERUDKORSNÄS

