



# BILLERUDKORSNÄS



# Q1

January – March 2017

## INTERIM REPORT JANUARY-MARCH 2017

### Key highlights

- BillerudKorsnäs reached all-time high sales- and production volumes for a single quarter.
- Net sales have increased with 5% compared to the same period previous year as a result of volume growth.
- EBITDA margin for the quarter was 16% which is lower than the previous year's 19%. EBITDA was burdened with SEK 80 million of one-off costs for quality issues and extra costs for mill re-build.
- EBITDA was also impacted by SEK 75 million costs for maintenance shutdown that was not included in Q1 in the previous year.
- Earnings per share for the quarter amounted to SEK 1.94 (2.33).

### Outlook

- Demand and order situation for the second quarter is expected to be strong with normal seasonal variances for all business areas.
- For business areas Packaging Paper and Corrugated Solutions there are potential for local price increases in the coming quarter.
- No changes are anticipated for the wood costs or wood prices in the second quarter compared to the first quarter.
- The production unit in Rockhammar may incur additional costs in Q2, approximately SEK 5-10 million.
- Costs for planned maintenance shutdown in Q2 are estimated to SEK 205 million.

## KEY FIGURES

SEKm	Q1 2017	Q4 2016	Change	Q1 2016	Change
Net sales	5 636	5 468	3%	5 357	5%
EBITDA	923	693	33%	1 017	-9%
EBITDA, %	16%	13%		19%	
Operating profit	550	211	161%	658	-16%
Operating margin, %	10%	4%		12%	
Net profit/loss for the period	401	137	193%	481	-17%
Earnings per share, SEK	1.94	0.66	194%	2.33	-17%
Operating cash flow	-294	619	-147%	155	-290%
ROCE, %	11%	12%		15%	
Adjusted ROCE, %	13%	14%		13%	
Working Capital, % of net sales	11%	11%		12%	
Interest-bearing net debt / EBITDA, multiple	1.19	1.08	-0.11	1.24	0.05

For key figures and reconciliation alternative performance measures, see pages 17-19.

**For further information, please contact** Per Lindberg, CEO or Susanne Lithander, CFO, +46 (0)8 553 335 00

This information constituted inside information before publication. This is information that BillerudKorsnäs AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 07.00 CET on 20 April 2017.



COMMENTS BY CEO

## Growing again



Per Lindberg,  
President and CEO

**SEK 5 636 m**

Net sales

**SEK 923 m**

EBITDA

**16%**

EBITDA MARGIN

“The first quarter of 2017 saw growth on the back of high demand in the markets across all business areas. Sales are showing better than expected growth, and our production is in fact at an all-time high for a single quarter. However, our operating profit during the quarter suffered from spillover effects from 2016, and we have as a consequence undertaken significant measures to address both our start-up performance as well as quality performance.

Two of the key elements in our growth strategy and production capacity are our major ongoing investments in Skärblacka and Gruvön. We are glad to see that the start-up of these projects has been successful and that they are well under way. Together with new solution sales initiatives we have laid a strong foundation for continued growth.”

### The result

Our operating profit SEK 550 million falls short of our expectations. This is due to the ramp up of Rockhammar after the rebuild in 2016 and quality costs emanating from production disturbances during the second half of 2016. Even if the situation has improved and stabilized in Rockhammar, we may experience some minor costs also in the upcoming quarter.

However, looking at the current market, we see an overall positive development across the board and a solid performance in terms of sales growth, 5% during the first quarter compared to the same quarter last year. Within Consumer Board we even exceeded our expectations during the beginning of the year, driven by strong sales to all major liquid packaging board customers. During the quarter we were subject to an unexpected inspection under EU competition rules as part of a larger investigation of the market for bleached and unbleached kraft papers. We have no indications of the outcome from the inspection.

### Market outlook

All of our business areas are currently showing a favourable development, partly due to underlying strong demand but also some seasonal improvement in Packaging Paper. We believe this will continue also in the second quarter and we now need to meet this strong demand with high production volume and quality.

The growing demand for sustainable packaging does not only drive demand for sustainable materials. We can also detect an increasing need for holistic packaging solutions throughout the whole value chain of the packaged product, especially in developing markets. Such solutions are necessary to enable a shift toward packaging that help create better packaging performance, especially in terms of sustainability. We are already in a position where we can offer such solutions – Managed Packaging within Corrugated Solutions, Sack Sales and system sales such as Axello Zap within Packaging Paper to name a few. Today these new solutions offerings still constitute a small part of our total business but they are growing more rapidly than material sales and we expect that development to continue and accelerate.

### Strategy

Our target is to deliver profitable growth through offering both materials and solutions. Sustainability is becoming an increasingly integrated part of our core offer along with cost, protective and appearance performance criteria. It is often an entry ticket to new business and a result of our efforts to challenge customers to choose more sustainable alternatives, BillerudKorsnäs alternatives. One clear example of this is the launch in March of a Sack Sales partnership in Malaysia to serve the market throughout South East Asia. We can through delivering a complete packaging solution based on our material, but by sourcing the converting, provide the market with a product that replaces less sustainable solutions made of plastic. Our solution provides a better carbon footprint but also a much better working environment for the end user which for instance can be cement. Such examples of new sustainable solutions and business models in combination with the growth in production of sustainable materials generated by the large investments in our production structure show that we have the ability to deliver on our strategy for profitable growth.

# Sales and results

EBITDA increased by 33% compared to Q4. This was an effect of the provisions in Q4, increased sales in Q1 and reduced cost for maintenance shutdowns.

EBITDA decreased with 9%, following slightly lower prices and cost increases. This was somewhat mitigated by a favourable currency development.

## Q1 2017 compared to Q4 2016

Net sales for the first quarter were 3% higher than the previous quarter as a result of increased sales volume of 5%, which was to some extent negatively counteracted by an unfavourable currency development. The group recorded increased sales volumes for Packaging Paper, with strong demands from China and the rest of Asia as well as for Europe, and for Consumer Board with China and Europe taking the lead. Corrugated Solutions showed a slight decrease, partly in connection to limitation in shipping capacity. Despite the negative impact from the maintenance stop in Gruvön during Q1, Packaging Paper could benefit from a strong market situation for all Kraft and Sack segments. Following the maintenance stop in Frövi during Q4 Consumer Board saw a seasonally strong rebound and sales volumes were up 11%. Volumes for Corrugated Solutions were in line with expectations following the maintenance stop in Gruvön during Q4.

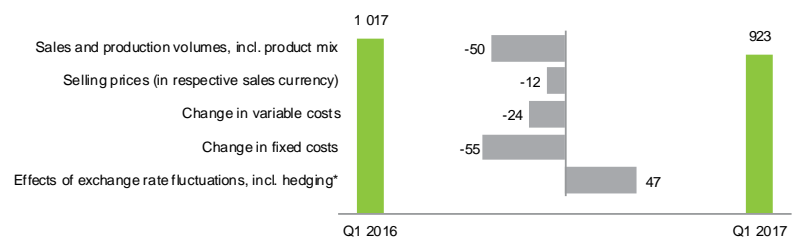
EBITDA increased by 33% or SEK 230 million compared to Q4. This was primarily an effect of the provisions in Q4 amounting to SEK 205 million related to the new Board machine in Gruvön. Q1 also showed increased sales and reduced cost for planned maintenance shutdowns of SEK 60 million which also explains the improvement compared to last quarter. The positive development was further improved by a record high production level (excluding the closed mill in Tervasaari). Q1 was burdened with one-off costs for quality-, and rebuild issues of SEK 80 million.

## Q1 2017 compared to Q1 2016

Net sales for the quarter were 5% higher than the corresponding period last year and the underlying organic sales increase was 3%. Sales volumes were 3% above previous year and this combined with the inclusion of Scandifibre Logistics and a strong growth for Managed Packaging explain most parts of the positive net sales development. Sales volumes for Business Area Consumer Board increased by 8%, with Liquid Packaging Board showing the strongest growth, Corrugated Solutions grew by 4%, mainly for Fluting and Coated Liner, and Packaging Paper was on par with last year. This positive development was accomplished in spite of the volume losses incurred in connection to the maintenance stop in Gruvön affecting all three business areas.

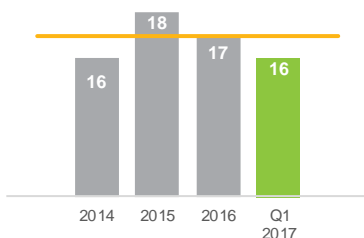
EBITDA decreased with 9%, driven by slightly lower average local prices mainly for Fluting, additional costs for the maintenance shutdown in Gruvön and increased costs for quality issues and externally purchased pulp related to the rebuild issues at Rockhammar. This was somewhat mitigated by a favourable currency development.

## Change in EBITDA Q1 2017 compared to Q1 2016, SEKm



\* Effects of exchange rate fluctuations totalling SEK 47 million comprise the following components: change in spot rates SEK 81 million, currency hedging SEK -42 million and currency effects from revaluation of trade receivables and payments from customers SEK 8 million.

EBITDA margin  
Target level >17%



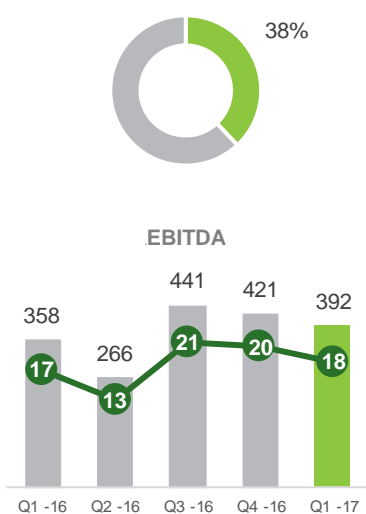
SEKm	Q1 -17	Q1 -16
Net sales	5 636	5 357
ScandFibre Logistics AB	-96	-
SIA Freja	-1	-3
<b>Net sales comparable units</b>	<b>5 539</b>	<b>5 354</b>
EBITDA	923	1 017
ScandFibre Logistics AB	-	-
SIA Freja	-	-
<b>EBITDA comparable units</b>	<b>923</b>	<b>1 017</b>

## Packaging Paper business area

### KRAFT AND SACK PAPER FOR CUSTOMERS WITH TOUGH DEMANDS

Packaging Paper offers kraft and sack paper of premium quality plus smart solutions for customers in the industrial, medical equipment and consumer segments. The business area also sells surplus pulp that BillerudKorsnäs does not use in its own production. The Group's net exposure in market pulp is estimated to average approximately 210 ktonnes for 2017, 80 ktonnes 2018 and 0 ktonnes in 2021.

Share of Group's Net sales Q1 2017



### Key figures

SEKm	Q1 2017	Q4 2016	Q1 2016	Full year 2016
Net sales	2 141	2 067	2 087	8 339
Net operating expenses, other	-1 749	-1 646	-1 729	-6 853
<b>EBITDA</b>	<b>392</b>	<b>421</b>	<b>358</b>	<b>1 486</b>
EBITDA, %	18%	20%	17%	18%
Operating profit/loss	276	298	233	990
Operating margin, %	13%	14%	11%	12%
Sales volumes, ktonnes	293	285	295	1 167
whereof packaging paper	191	186	186	746

### Q1 2017 compared to Q1 2016

As a result of good sales mix and slightly higher prices, net sales increased by 3% compared to Q1 2016.

EBITDA increased with 9% compared to the same period last year thanks to better sales mix and slightly increased prices as well as favourable exchange rates, despite of the closure of the Tervasaari mill in September 2016. Higher pulp costs in non-integrated mills due to unfavourable exchange rates had a negative impact on EBITDA for the Q1 2017 compared to Q1 2016.

### Market development

The market situation was good during the quarter. The market improved compared to previous quarters for all sack and kraft papers. Prices in local currency increased slightly for sack papers and remained stable for kraft papers compared to previous quarters. The market for NBSK pulp remained stable in the quarter compared to the previous quarter. Prices remained on the level of approximately USD 820 per tonne at the end of the quarter compared to USD 810 at end of previous quarter. Price level on pulp at the end of Q1 2016 was USD 790 per tonne.

### Outlook

During the next quarter the overall Packaging Paper sales are expected to be on par with the previous quarter. Kraft and sack paper markets remain solid and seasonally strong with potential to increase prices in local currency.

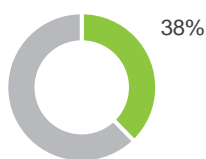


# Consumer Board business area

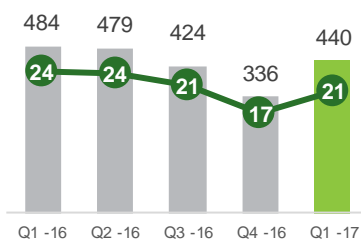
## LIQUID PACKAGING BOARD AND CARTONBOARD WITH UNIQUE PROPERTIES

Consumer Board delivers packaging materials in high-quality board made from primary fibre for beverages, food products and various other consumer goods. Smart solutions in terms of function, design and material selection create added value for customers.

Share of Group's Net sales  
Q1 2017



EBITDA



### Key figures

SEKm	Q1 2017	Q4 2016	Q1 2016	Full year 2016
Net sales	2 128	1 988	2 024	8 015
Net operating expenses, other	-1 688	-1 652	-1 540	-6 292
<b>EBITDA</b>	<b>440</b>	<b>336</b>	<b>484</b>	<b>1 723</b>
EBITDA, %	21%	17%	24%	21%
Operating profit/loss	246	148	295	964
Operating margin, %	12%	7%	15%	12%
Sales volumes, ktonnes	285	257	265	1 051

### Q1 2017 compared to Q1 2016

The first quarter of the year is seasonally strong. In relation to Q1 2016, sales increased by 5% and sales volumes by 8%, primarily driven by increased sales across the line for liquid packaging board.

EBITDA decreased with 9% compared to Q1 2016. The decrease was primarily due to quality costs emanating from production during the second half of 2016 and start-up costs for the Rockhammar rebuild that was made late 2016. Total impact on the business area from these two issues amounted to SEK 80 million.

### Market development

We see growth in all parts of the Consumer Board business area. The deliveries for liquid packaging board in the first quarter had the strongest growth and were above anticipated growth rate. Prices in local currency were unchanged compared to the previous quarter.

### Outlook

Order situation for liquid packaging board is expected to continue to be firm and satisfactory with normal seasonal variances. Order situation for cartonboard is expected to improve further.

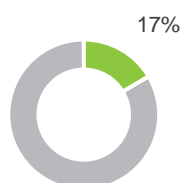


## Corrugated Solutions business area

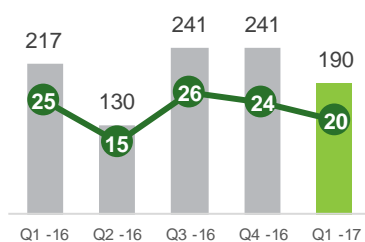
### STRONG FLUTING AND LINER ADD VALUE

Corrugated Solutions supplies materials to corrugated board manufacturers and packaging solutions to brand owners. The strong and light materials – fluting and liner – are used in corrugated boxes for fragile goods and demanding distribution systems. Smart packaging is delivered via the Managed Packaging concept, which delivers supply chain solutions and packaging optimisations for brand owners, with a view to challenging conventional solutions.

Share of Group's Net sales  
Q1 2017



EBITDA



### KEY FIGURES

SEKm	Q1 2017	Q4 2016	Q1 2016	Full year 2016
Net sales	931	989	879	3 620
Net operating expenses, other	-741	-748	-662	-2 791
<b>EBITDA</b>	<b>190</b>	<b>241</b>	<b>217</b>	<b>829</b>
EBITDA, %	20%	24%	25%	23%
Operating profit/loss	145	194	172	647
Operating margin, %	16%	20%	20%	18%
Sales volumes, ktonnes	144	147	138	554

### Q1 2017 compared to Q1 2016

Net sales increased 6% compared to the same quarter in 2016 as a result of increased capacity and consistent order book for liner and fluting. Managed Packaging delivered a strong sales increase of 30% over same quarter in 2016.

EBITDA was 12% lower than the same quarter in 2016 mainly because of delivery issues related to the harbour strike in Gothenburg, as well as impact from the maintenance shutdown at Gruvön in Q1 resulting in lower produced and sold volumes and higher fixed costs during the quarter.

### Market development

Order books and sales volumes for liner and fluting are strong with stable prices. Managed Packaging continues to deliver strong revenue growth.

### Outlook

The demand for fluting and liner will continue at strong levels for the coming quarter, with potential for price increases for fluting and liner. Packaging is forecasted to continue delivering consistently strong sales growth.



## Currency hedging

SEK -11 million net sales impact for the quarter.

Currency hedging had an overall net sales impact of SEK -11 million (31) for the first quarter.

The outstanding forward exchange contracts at 31 March 2017 had a market value of SEK -6 million, whereof SEK -11 million is the part of the contracts matched by trade receivables that has affected earnings in the first quarter. Accordingly, other contracts had a market value of SEK 5 million.

### Hedged portion of the forecasted currency flows\*\* for EUR, USD AND GBP and exchange rates against SEK (31 March 2017)

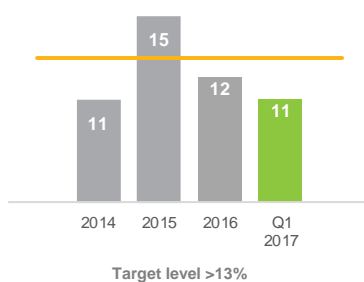
Currency		Q2-17	Q3-17	Q4-17	Q1-18	Q2-18	Total 15 months
EUR	Share of net flow	90%	88%	83%	77%	47%	77%
	Rate	9.50	9.54	9.55	9.62	9.56	9.55
USD	Share of net flow	80%	72%	67%	54%	-	55%
	Rate	8.62	8.66	8.89	9.05	-	8.78
GBP	Share of net flow	30%	-	-	-	-	6%
	Rate	11.00	-	-	-	-	11.00
<b>Market value of currency contracts*</b>		<b>-17</b>	<b>-8</b>	<b>3</b>	<b>15</b>	<b>1</b>	<b>-6</b>

\*On 31 March 2017

\*\* Excluding currency flows from investment in a new board machine at the Gruvön site

The currency hedging policy is to hedge 0-80% of forecasted net flows over the coming 15 months. Any deviation from the policy must be approved by the Board of Directors.

### Return on capital employed



## Investments and capital employed

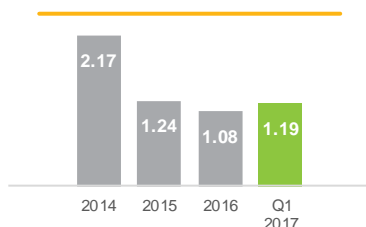
Gross investments amounted to SEK 555 million (254) for the first quarter 2017.

Capital employed at 31 March 2017 amounted to SEK 17 586 million (17 726). Return on capital employed (ROCE), calculated over the past 12-month period, amounted to 11% (15%). The last 12-months is influenced by restructuring costs in Gruvön. The 12-month figure for March 2016 was influenced by the capital gain from the Latgran divestiture. ROCE calculated with adjusted operating profit amounted to 13% (13%).

Return on equity was 11% (15%).

## Cash flow and financial position

Net debt/EBITDA  
target level <2.5



### Summary cash flow statement

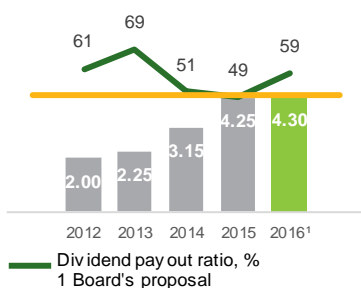
SEKm	Quarter	
	Q1 -17	Q1 -16
Operating surplus, etc.	895	996
Change in working capital, etc.	-485	-404
Net financial items, taxes, etc.	-149	-183
<b>Cash flow from operating activities</b>	<b>261</b>	<b>409</b>
Current net investments	-555	-254
<b>Operating cash flow</b>	<b>-294</b>	<b>155</b>

Operating cash flow during the first quarter 2017 amounted to SEK -294 million (155). The decrease was mainly due to an increased investment level, due to investments in Gruvön and Skärblacka. Working capital in relation to sales was 11% for the quarter, which is on the same level as previous quarter.

Interest-bearing net debt on 31 March 2017 amounted to SEK 4 165 million (4 911). The Group's interest-bearing net debt in relation to EBITDA at the end of the period was 1.19 (1.24). The target is to have a ratio below 2.5.

## Financing

Dividend policy  
Target level 50%



Interest-bearing debt amounted to SEK 5 020 million, an increase with SEK 1 191 million from the previous quarter. The change was mainly related to issuance of bond loans during the quarter. Compared to end of previous quarter, bond loans increased with SEK 1 700 million and commercial papers with SEK 300 million. A term loan amounting to SEK 800 million was repaid during the quarter. Compared to previous year, the interest-bearing debt increased with SEK 614 million.

The syndicated revolving credit facility of SEK 5 500 million matures in 2019.

Loan	Limit, SEKm	Maturity, years			Total utilized
		0-1	1-2	2-	
Syndicated credit facilities	5 500				-
Term loans				700	700
Bond loans within MTN program	5 000	1 800		1 700	3 500
Commercial paper	3 000	300			300
Term loan, Bomhus Energi AB		43	43	434	520
<b>Group total</b>		<b>2 143</b>	<b>43</b>	<b>2 834</b>	<b>5 020</b>

The Board of Directors proposes a dividend of SEK 4.30 per share for 2016.



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## Taxes

The tax cost for the first quarter 2017 amounted to SEK 111 million (139), equal to approximately 22% (22%) of profit before tax.

## Parent company

The parent company BillerudKorsnäs AB includes the sales organisation for the Nordic market and markets outside Europe, and the head office functions.

Operating profit for the first quarter 2017 amounted to SEK -42 million compared with SEK 7 million for the first quarter 2016. The decrease is mainly due to negative impact from hedging contracts and revaluations of accounts receivable.

The parent company hedges both its' own and the Group's net currency flows. The parent company's earnings include the results of these hedging measures. This result amounted for the first quarter to SEK -11 million (31).

The average number of employees was 100 (103). Cash and bank balances and short-term investments amounted to SEK 1 448 million (70).

## Seasonal effects



BillerudKorsnäs' business is to a relatively limited extent subject to seasonal fluctuations. The greatest impact is from periodic maintenance shutdowns, during which the unit concerned is idle for approximately a week. The loss of production results in somewhat lower deliveries over an extended period before, during and after the shutdown. It should also be noted that the Group in Q4 normally tend to carry a somewhat higher cost level than the previous quarters.

### Planned maintenance shutdowns

In addition to on-going maintenance during production, BillerudKorsnäs' production units normally also require more extensive maintenance at some time during the year. In order to carry out maintenance, production of pulp, paper and board is stopped. The cost of a maintenance shutdown mainly comprises the loss of volume related to the shutdown and fixed costs, mainly in the form of costs of maintenance and overtime work, as well as - to some extent - variable costs such as higher consumption of electricity and wood when production is restarted. The effects of shutdowns on earnings vary depending on the extent of measures carried out, their nature and the actual length of the shutdown. The estimated cost of shutdown is an assessment of the impact on earnings of a normal shutdown, compared to a quarter during which no periodic maintenance shutdown takes place.

### Estimated maintenance shutdown cost

Production units	Estimated shutdown cost <sup>1</sup>	Estimated breakdown of shutdown cost by business area			Planned dates of maintenance shutdown		
		SEKm	Packaging Paper	Consumer Board	Corrugated Solutions	2017	2016
Gävle	~ 140	~ 5%	~ 80%	~ 15%	Q3	Q3	Q3
Gruvön*	~ 140	~ 40%	~ 10%	~ 50%	Q2	Q2	Q2
Frövi	~ 90	0%	100%	0%	Q4	Q4	Q4
Skärblacka	~ 120	~ 85%	0%	~ 15%	Q2	Q2	Q4
Skärblacka**	~ 20	100%	0%	0%	Q3	-	-
Karlsborg	~ 55	100%	0%	0%	Q3	Q3	Q3
Pietarsaari	~ 15	100%	0%	0%	Q2	-	Q4
Rockhammar	~ 15	0%	100%	0%	Q3	Q4	-

<sup>1</sup> Maintenance shutdowns at Beetham have an insignificant effect on BillerudKorsnäs' total earnings.

\*Gruvön had a maintenance shutdown end of March 2017, affecting both Q1 and Q2 financial statement. In Q1 the cost is SEK 75 million and in Q2 SEK 70 million.

\*\*Skärblacka will have an additional maintenance shutdown at PM7, end of September 2017, affecting both Q3 and Q4 financial statement. In Q3 the estimated cost is SEK 5 million and in Q4 SEK 15 million, all affecting business area Packaging Paper.

Costs for planned maintenance shutdown reflect estimated cost impact for 2017. In Q1 2017, Gruvön carried out a planned maintenance shutdown. Total cost for this shutdown amounted to SEK 75 million which was SEK 15 million more than estimated, mainly due to reallocation of costs between first and second quarter.

## Largest shareholders

### Billerudkorsnäs' ten largest shareholders (31 March 2017)

Shareholder	Number of shares	Number of votes, %
FRAPAG Beteiligungsholding AG	31,300,000	15.1
AMF Insurance & Funds	20,672,421	10.0*
Swedbank Robur Funds	8,791,503	4.2
Fourth Swedish National Pension Fund	6,263,902	3.0
Alecta	6,148,000	3.0
Handelsbanken Funds	4,011,994	1.9
Norges Bank Investment Management	3,859,774	1.9
DFA Funds (USA)	3,725,579	1.8
Vanguard	3,128,510	1.5
Folksam	1,723,442	0.8
<b>Total 10 largest shareholders</b>	<b>89,625,125</b>	<b>33.2</b>
<b>Total number of shares in the market</b>	<b>207,094,790</b>	<b>100.0</b>

\*9.98%

## Distribution of shares

### Distribution of shares (31 March 2017)

Registered number of shares	208 219 834
Bought back shares	-1 125 044
<b>Total number of shares in the market</b>	<b>207 094 790</b>

## Significant risks and uncertainties

BillerudKorsnäs' products are generally dependent on the business cycle, in terms of both price development and potential sales volumes. The Group is exposed to currency fluctuations, since most revenues are invoiced in foreign currency, while a large part of operating expenses are in SEK. A more in-depth description of risks and a sensitivity analysis is provided on pages 84-91 of the 2016 Annual and Sustainability Report.

## Related party transactions

No transactions have taken place between BillerudKorsnäs and related parties that significantly affect the company's position and earnings.



## Events after the end of the quarter

During April BillerudKorsnäs Venture AB has increased their ownership in the IoP company Kezzler to slightly above 10%.

On April 7 the company distributed a press release regarding the preliminary first quarter results.

Solna, 19 April 2017

Per Lindberg, CEO

## FINANCIAL CALENDAR

2017 Annual general Meeting – 10 May 2017

Q2 2017 – 18 July 2017

Q3 2017 – 17 October 2017

This information constituted inside information before publication. This is information that BillerudKorsnäs AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. This information has been prepared in both a Swedish and an English version. The report has not been reviewed by the company's auditors.

# BillerudKorsnäs Group

## Summarised income statement

SEKm	Quarter			Full year
	Q1 -17	Q4 -16	Q1 -16	2016
Net sales	5 636	5 468	5 357	21 657
Other income	59	48	30	155
<b>Operating income</b>	<b>5 695</b>	<b>5 516</b>	<b>5 387</b>	<b>21 812</b>
Change in inventories	-160	76	101	300
Raw materials and consumables	-2 606	-2 670	-2 624	-10 457
Other external costs	-1 154	-1 211	-1 008	-4 574
Employee benefits expense	-851	-1 017	-839	-3 474
Depreciation and impairment of non-current assets	-373	-482	-359	-1 561
Profit/Loss from participations in associated companies	-1	-1	-	-1
<b>Operating expenses</b>	<b>-5 145</b>	<b>-5 305</b>	<b>-4 729</b>	<b>-19 767</b>
<b>Operating profit/loss</b>	<b>550</b>	<b>211</b>	<b>658</b>	<b>2 045</b>
Financial income and expenses	-38	-36	-38	-108
<b>Profit/Loss before tax</b>	<b>512</b>	<b>175</b>	<b>620</b>	<b>1 937</b>
Taxes	-111	-38	-139	-419
<b>Net profit/loss for the period</b>	<b>401</b>	<b>137</b>	<b>481</b>	<b>1 518</b>
<b>Profit/Loss attributable to:</b>				
Owners of the parent company	401	137	481	1 518
Non-controlling interests	-	-	-	-
<b>Net profit/loss for the period</b>	<b>401</b>	<b>137</b>	<b>481</b>	<b>1 518</b>
<b>Earnings per share, SEK</b>	<b>1.94</b>	<b>0.66</b>	<b>2.33</b>	<b>7.33</b>
<b>Diluted earnings per share, SEK</b>	<b>1.93</b>	<b>0.65</b>	<b>2.32</b>	<b>7.31</b>

## Summarised statement of comprehensive income

SEKm	Quarter			Full year
	Q1 -17	Q4 -16	Q1 -16	2016
<b>Net profit/loss for the period</b>	<b>401</b>	<b>137</b>	<b>481</b>	<b>1 518</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Actuarial gains or losses on defined benefit pension plans	-	51	-	-12
Tax attributable to items not to be reclassified to profit or loss	-	-11	-	3
<b>Total items never reclassified to profit or loss</b>	<b>-</b>	<b>40</b>	<b>-</b>	<b>-9</b>
<b>Items that have been or may be reclassified subsequently to profit or loss</b>				
Differences arising from the translation of foreign operations' accounts	-7	-4	4	53
Change in fair value of shareholding in Bergvik Skog	9	46	1	16
Change in fair value of cash flow hedges	-11	83	14	76
Tax attributable to items that have been or may be reclassified subsequently to profit or loss	2	-19	-3	-17
<b>Total items that have been or may be reclassified subsequently to profit or loss</b>	<b>-7</b>	<b>106</b>	<b>16</b>	<b>128</b>
<b>Total comprehensive income for the period</b>	<b>394</b>	<b>283</b>	<b>497</b>	<b>1 637</b>
<b>Attributable to:</b>				
Owners of the parent company	394	283	497	1 637
Non-controlling interests	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>394</b>	<b>283</b>	<b>497</b>	<b>1 637</b>



## Summarised balance sheet

SEKm	31 Mar 2017	31 Mar 2016	31 Dec 2016
Intangible assets	2 310	2 361	2 335
Property, plant and equipment	15 104	14 734	14 937
Other non-current assets	1 472	1 343	1 439
<b>Total non-current assets</b>	<b>18 886</b>	<b>18 438</b>	<b>18 711</b>
Inventories	3 003	2 921	3 142
Accounts receivable	2 588	2 587	2 612
Other current assets	869	854	681
Cash and cash equivalents	1 617	257	708
<b>Total current assets</b>	<b>8 077</b>	<b>6 619</b>	<b>7 143</b>
<b>Total assets</b>	<b>26 963</b>	<b>25 057</b>	<b>25 854</b>
Equity attributable to owners of the parent company	13 419	12 752	13 021
Non-controlling interests	1	62	1
<b>Total equity</b>	<b>13 420</b>	<b>12 814</b>	<b>13 022</b>
Interest-bearing liabilities	2 878	3 019	2 687
Provisions for pensions	778	773	778
Other provisions	251	146	252
Deferred tax liabilities	3 396	3 185	3 410
<b>Total non-current liabilities</b>	<b>7 303</b>	<b>7 123</b>	<b>7 127</b>
Interest-bearing liabilities	2 142	1 387	1 142
Accounts payables	2 454	2 293	3 049
Other liabilities and provisions	1 644	1 440	1 514
<b>Total current liabilities</b>	<b>6 240</b>	<b>5 120</b>	<b>5 705</b>
<b>Total equity and liabilities</b>	<b>26 963</b>	<b>25 057</b>	<b>25 854</b>

## Summarised statement of changes in equity

SEKm	Quarter		Full year
	Q1 -17	Q1 -16	2016
<b>Opening balance</b>	<b>13 022</b>	<b>12 418</b>	<b>12 418</b>
Comprehensive income for the period	394	497	1 637
Share-based payment to be settled in equity instruments	4	2	11
Dividend to owners of the parent company	-	-	-880
Dividend to non-controlling interests	-	-103	-164
<b>Closing balance</b>	<b>13 420</b>	<b>12 814</b>	<b>13 022</b>
<b>Equity attributable to:</b>			
Owners of the parent company	13 419	12 752	13 021
Non-controlling interests	1	62	1
<b>Closing balance</b>	<b>13 420</b>	<b>12 814</b>	<b>13 022</b>

## Summarised statement of cash flow

SEKm	Quarter			Full year
	Q1 -17	Q4 -16	Q1 -16	2016
Operating surplus, etc.*	895	931	996	3 781
Change in working capital, etc.	-485	548	-404	332
Net financial items, taxes, etc.	-149	-117	-183	-371
<b>Cash flow from operating activities</b>	<b>261</b>	<b>1 362</b>	<b>409</b>	<b>3 742</b>
Investments in intangible assets, property, plant and equipment	-533	-708	-254	-1 607
Acquisition of financial assets	-22	-38	-	-38
Sales of subsidiary	15	-	-	-
Business combinations	-	-	-	-6
Disposal of property, plant and equipment	-	3	-	4
<b>Cash flow from investing activities</b>	<b>-540</b>	<b>-743</b>	<b>-254</b>	<b>-1 647</b>
Change in interest-bearing receivables	-	-4	-	2
Change in interest-bearing liabilities	1 191	-411	12	-564
Dividend to owners of the parent company	-	-	-	-880
Dividend to non-controlling interests	-	-	-103	-165
<b>Cash flow from financing activities</b>	<b>1 191</b>	<b>-415</b>	<b>-91</b>	<b>-1 607</b>
<b>Total cash flow (=change in cash and cash equivalents)</b>	<b>912</b>	<b>204</b>	<b>64</b>	<b>488</b>
<b>Cash and cash equivalents at start of period</b>	<b>708</b>	<b>503</b>	<b>188</b>	<b>188</b>
<b>Translation differences in cash and cash equivalents</b>	<b>-3</b>	<b>1</b>	<b>5</b>	<b>32</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1 617</b>	<b>708</b>	<b>257</b>	<b>708</b>

\* The amount for the period January-March 2017 takes into account operating profit of SEK 550 million, reversed depreciation SEK 373 million, result from sale of businesses -5, result from associated companies SEK 1 million, decrease in pension liabilities SEK -5 million, other provisions SEK -13 million, net of produced and sold electricity certificates and sold emission rights SEK -10 million and incentive programmes SEK 4 million. The amount for the period January-March 2016 takes into account operating profit of SEK 658 million, reversed depreciation SEK 359 million, decrease in pension liabilities SEK -15 million, other provisions SEK -13 million, net of produced and sold electricity certificates and sold emission rights SEK 5 million and incentive programmes SEK 2 million.



## Note 1 Accounting principles

The interim report for the Group is prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The accounting principles applied in this interim report are the same as those used in the most recent annual report for 2016, see pages 101-107 and page 134 for definitions of key indicators. The interim report for the parent company is prepared in accordance with the Swedish Annual Accounts Act. Key figure definitions are provided on page 19 of this report.

In addition to the financial measures defined in IFRS, certain key figures, which qualify as alternative performance measures (APMs) are presented to reflect the underlying business performance and enhance comparability from period to period. These APMs should not be considered as a substitute for measures in accordance with IFRS.

## Note 2 Financial assets and liabilities

	Derivatives in hedge accounting	Accounts and loan receivables	Available for- sale financial assets	Financial liabilities measured at amortised costs	Total carrying amount	Fair value
Valuation classification	Level 2		Level 3			
<b>Group 31 March 2017</b>						
Other shares and participations	-	-	1 372	-	1 372	1 372
Long-term receivables	-	21	-	-	21	21
Accounts receivable	-	2 588	-	-	2 588	2 588
Other receivables	60	570	-	-	630	630
Cash and cash equivalents <sup>1</sup>	-	1 617	-	-	1 617	1 617
<b>Total</b>	<b>60</b>	<b>4 796</b>	<b>1 372</b>	<b>-</b>	<b>6 228</b>	<b>6 228</b>
Non-current interest-bearing liabilities	-	-	-	4 377	4 377	4 401
Current interest-bearing liabilities	-	-	-	643	643	643
Accounts payables	-	-	-	2 454	2 454	2 454
Other liabilities	80	-	-	274	354	354
<b>Total</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>7 748</b>	<b>7 828</b>	<b>7 852</b>

	Derivatives in hedge accounting	Accounts and loan receivables	Available for- sale financial assets	Financial liabilities measured at amortised costs	Total carrying amount	Fair value
Valuation classification	Level 2		Level 3			
<b>Group 31 December 2016</b>						
Other shares and participations	-	-	1 343	-	1 343	1 343
Long-term receivables	-	21	-	-	21	21
Accounts receivable	-	2 612	-	-	2 612	2 612
Other receivables	107	378	-	-	485	485
Cash and cash equivalents <sup>1</sup>	-	708	-	-	708	708
<b>Total</b>	<b>107</b>	<b>3 719</b>	<b>1 343</b>	<b>-</b>	<b>5 169</b>	<b>5 169</b>
Non-current interest-bearing liabilities	-	-	-	2 687	2 687	2 731
Current interest-bearing liabilities	-	-	-	1 142	1 142	1 142
Accounts payables	-	-	-	3 049	3 049	3 049
Other liabilities	129	-	-	193	322	322
<b>Total</b>	<b>129</b>	<b>-</b>	<b>-</b>	<b>7 071</b>	<b>7 200</b>	<b>7 244</b>

<sup>1</sup> Short-term investments are classified as "Cash and cash equivalents" when they mature less than three months after the acquisition date and are exposed to only a minor risk of fluctuation in value.

## Note 3 Other disclosures

Other disclosures in accordance with IAS 34.16A are disclosed on the pages prior the Income statement and the Statement of comprehensive income. Business area/segment information is disclosed on the pages 4-6, Financing information on page 8, Seasonal effects are disclosed on page 10 and Events after the end of the quarter on page 12.



## Key figures

	Jan-Mar		Full year
	2017	2016	2016
<b>Margins</b>			
EBITDA, %	16	19	17
Operating margin, %	10	12	9
<b>Return (rolling 12 months)</b>			
Return on capital employed, %	11	15	12
Return on equity, %	11	15	12
<b>Capital structure at end of period</b>			
Capital employed, SEKm	17 586	17 726	16 906
Working capital, SEKm	2 486	2 667	1 957
Equity, SEKm	13 420	12 814	13 022
Interest-bearing net debt, SEKm	4 165	4 911	3 884
Net debt/equity ratio	0.31	0.38	0.30
Interest-bearing net debt / EBITDA, multiple	1.19	1.24	1.08
<b>Key figures per share</b>			
Earnings per share, SEK	1.94	2.33	7.33
Dividend (for the financial year) per share, SEK	-	-	4.30*
<b>Other key figures</b>			
Working capital as percentage of net sales, %	11	12	11
Gross investments, SEKm	555	254	1 645
Average number of employees	4 327	4 214	4 274

\*Board's proposal.



## Reconciliation alternative performance measures key figures

	Quarter		Full year	
	Q1 - 17	Q4 - 16	Q1 - 16	2016
<b>Adjusted EBITDA, SEKm</b>				
Operating profit	550	211	658	2 045
Depreciation and impairment of non-current assets	373	482	359	1 561
<b>EBITDA</b>	<b>923</b>	<b>693</b>	<b>1 017</b>	<b>3 606</b>
Items affecting comparability	-	205	-	230
<b>Adjusted EBITDA</b>	<b>923</b>	<b>898</b>	<b>1 017</b>	<b>3 836</b>
<b>Adjusted Operating profit, SEKm</b>				
Operating profit	550	211	658	2 045
Items affecting comparability	-	325	-	350
<b>Adjusted Operating profit</b>	<b>550</b>	<b>536</b>	<b>658</b>	<b>2 395</b>
<b>Adjusted earnings per share, SEK</b>				
Profit attributed to owners of the parent company, SEKm	401	137	481	1 518
Items affecting comparability, attributed to owners of the parent company, SEKm	-	248	-	273
Adjusted profit attributed to owners of the parent company, SEKm	401	385	481	1 791
Weighted number of outstanding shares, thousands	207 095	207 089	206 951	207 037
<b>Adjusted earnings per share</b>	<b>1.94</b>	<b>1.86</b>	<b>2.33</b>	<b>8.65</b>
<b>Adjusted Return on capital employed (ROCE), SEKm</b>				
Adjusted Operating profit over 12 months *	2 287	2 395	2 204	2 395
Average capital employed over 12 months	17 388	17 350	17 518	17 350
<b>Adjusted Return on capital employed</b>	<b>13%</b>	<b>14%</b>	<b>13%</b>	<b>14%</b>
<b>Items affecting comparability, SEKm</b>				
Fraud (Operating expenses)				25
New board machine, KM7 - restructuring (Operating expenses)		205		205
New board machine, KM7 - write-down (Impairment of non-current assets)		120		120
<b>Items affecting comparability</b>	<b>-</b>	<b>325</b>	<b>-</b>	<b>350</b>

\* 12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date.

	31 Mar	31 Mar	31 Dec
	2017	2016	2016
<b>Capital employed, SEKm</b>			
Total assets	26 963	25 057	25 854
Accounts payables	-2 454	-2 293	-3 049
Other liabilities and provisions	-1 644	-1 439	-1 514
Other provisions	-251	-146	-252
Deferred tax liabilities	-3 396	-3 185	-3 410
Interest-bearing non-current assets	-15	-11	-15
Cash and Cash equivalents	-1 617	-257	-708
<b>Capital employed</b>	<b>17 586</b>	<b>17 726</b>	<b>16 906</b>
<b>Working capital, SEKm</b>			
Inventories	3 003	2 921	3 142
Accounts receivables	2 588	2 587	2 612
Other operating receivables	869	854	681
Accounts payables	-2 454	-2 293	-3 049
Other operating liabilities (excl provisions)	-1 569	-1 440	-1 428
Tax liabilities	49	38	-1
<b>Working capital</b>	<b>2 486</b>	<b>2 667</b>	<b>1 957</b>
<b>Interest-bearing net debt, SEKm</b>			
Interest bearing provisions	778	773	778
Interest bearing non-current liabilities	2 878	3 019	2 687
Interest bearing current liabilities	2 141	1 387	1 142
Interest-bearing non-current assets	-15	-11	-15
Cash and Cash equivalents	-1 617	-257	-708
<b>Interest-bearing net debt</b>	<b>4 165</b>	<b>4 911</b>	<b>3 884</b>

# Definition

## **ADJUSTED KEY FIGURES**

Adjusted key figures on EBITDA, Operating profit, Return on capital employed and Earnings per share provide a better understanding of the underlying business performance and enhance comparability from period to period, when the effect of items affecting comparability are adjusted for.

## **ADJUSTED EBITDA**

Operating profit before depreciation and amortisation adjusted for items affecting comparability.

## **ADJUSTED EARNINGS PER SHARE**

Earnings per share adjusted for items affecting comparability after tax attributable to owners of the parent company.

## **ADJUSTED OPERATING PROFIT**

Operating profit adjusted for items affecting comparability.

## **CAPITAL EMPLOYED**

Total assets less non-interest bearing liabilities, non-interest bearing provisions and interest-bearing assets. The measure is used to quantify the net total assets used in the operating business, and is used as a component in measuring operating profitability.

## **EARNINGS PER SHARE**

Profit for the period, attributable to owners of the parent, divided by the average number of shares in the market.

## **EQUITY**

Equity at the end of the period.

## **EBITDA**

Operating profit before depreciation and amortisation (EBITDA = Earnings before Interest, Taxes, Depreciation and Amortisation). EBITDA is a measure of operating performance. It is a profit measure that is close to the operating cash flow.

## **EBITDA, %**

Operating profit before depreciation (EBITDA = Earnings before Interest, Taxes, Depreciation and Amortisation) as a percentage of net sales. The measure is used in business review as well as for benchmarking with peer companies.

## **INTEREST-BEARING NET DEBT**

Interest-bearing provisions and liabilities less interest-bearing assets. The measure is used to quantify the debt financing, taken the amount of financial assets into account. The measure is used as a component in measuring financial risk.

## **INTEREST-BEARING NET DEBT/ EBITDA**

Interest bearing net debt at the end of the period divided by EBITDA for the last twelve months. The measure shows the size of the interest-bearing net debt compared to the repayment capacity. A higher (lower) ratio indicates a higher (lower) risk.

## **MF KRAFT PAPER**

Machine Finished kraft paper.

## **MG KRAFT PAPER**

Machine Glazed kraft paper.

## **NBSK**

Northern Bleached Softwood Kraft.

## **NET DEBT/EQUITY RATIO**

Interest-bearing net debt divided by equity. The ratio shows the mix between interest-bearing net debt and equity financing. A higher ratio means higher financial leverage and may have positive effects on return on equity, but imply a higher financial risk.

## **OPERATING CASH FLOW**

Cash flow from operating activities including net investments in property, plant and equipment and acquisition of financial assets. The measure shows cash flow generated in the operating business, which provides the amount of cash flows available to repay debt and pay dividends to the shareholders.

## **OPERATING MARGIN**

Operating profit as a percentage of net sales. Operating margin shows the percentage of revenue remaining as operating profit after deducting all operating expenses. The measure is used in business review as well as for benchmarking with peer companies.

## **RETURN ON CAPITAL EMPLOYED (ROCE)**

Operating profit calculated over 12 months as a percentage of average capital employed calculated per quarter. The return on capital employed is a measure that shows how effectively total net operating assets are used in order to generate return in the operating business. The measure takes capital invested in the operating activities into account and is used in business review and benchmarking with peer companies.

## **RETURN ON EQUITY**

Profit calculated over 12 months, attributable to owners of the parent company, as a percentage of average shareholders' equity calculated per quarter, attributable to owners of the parent company. The measure represents total profitability compared to the equity invested by the parent company's shareholders.

## **WORKING CAPITAL**

Inventories, accounts receivables and other operating receivables less accounts payables and other operating liabilities. The measure shows the amount of current net assets that is tied up in the business. Together with non-current assets, working capital constitutes the operating capital employed to generate operating returns.

## **WORKING CAPITAL AS PERCENTAGE OF NET SALES**

Average working capital for the last three months, divided by annual net sales at year end or annualised net sales during interim-quarter (net sales for the quarter multiplied by four). Working capital in relation to net sales shows how effectively the working capital is used. A lower percentage means less capital is tied up to generate a given amount of revenue, and an increased ability to internally finance growth and return to shareholders.



## Parent Company

### Summarised income statement

SEKm	Quarter		Full year
	Q1 -17	Q1 -16	2016
Operating income	90	126	482
Operating expenses	-132	-119	-509
<b>Operating profit/loss</b>	<b>-42</b>	<b>7</b>	<b>-27</b>
Financial income and expenses	-32	-37	-121
<b>Profit/Loss after financial income and expenses</b>	<b>-74</b>	<b>-30</b>	<b>-148</b>
Appropriations	-	-	1 291
<b>Profit/loss before tax</b>	<b>-74</b>	<b>-30</b>	<b>1 143</b>
Taxes	19	7	-245
<b>Net profit/loss for the period</b>	<b>-55</b>	<b>-23</b>	<b>898</b>

### Summarised balance sheet

SEKm	31 Mar	31 Mar	31 Dec
	2017	2016	2016
Non-current assets	10 760	10 765	10 754
Current assets	6 633	4 254	5 747
<b>Total assets</b>	<b>17 393</b>	<b>15 019</b>	<b>16 501</b>
Shareholders' equity	7 241	7 242	7 292
Untaxed reserves	1 031	660	1 031
Provisions	203	200	204
Interest-bearing liabilities	8 474	6 482	7 081
Other liabilities	444	435	893
<b>Total equity and liabilities</b>	<b>17 393</b>	<b>15 019</b>	<b>16 501</b>

## Quarterly data

The Group's business is controlled and reported according to BillerudKorsnäs' three business areas. Starting in Q1 2017, Other includes former Other units and Group Staff and eliminations. Other units included results from wood supply, Nine AB, Scandfibre Logistics AB, rental operations, dormant companies and items affecting comparability. Group staff and eliminations included Group-wide functions, Group elimination, shares in profits/losses from participations in associated companies. Comparable periods have been adjusted. For periods until Q2 2015, Other units included results from SIA Latgran. Currency hedging etc. includes results from hedging of the Group's net currency flows, revaluation of accounts receivable and payments from customers. The part of currency exposure relating to changes in invoicing rates is included in the business area's profit or loss.

### Net sales quarterly per business area and for the group

SEKm	Q1 -17	Q4 -16	Q3 -16	Q2 -16	Q1 -16	Q4 -15	Q3 -15	Q2 -15
Packaging Paper	2 141	2 067	2 100	2 085	2 087	2 020	2 174	2 176
Consumer Board	2 128	1 988	1 975	2 028	2 024	1 933	2 006	2 044
Corrugated Solutions	931	989	913	839	879	880	926	722
Other	465	463	400	421	363	387	368	596
Currency hedging, etc.	-29	-39	5	66	4	-7	4	-49
<b>Total Group</b>	<b>5 636</b>	<b>5 468</b>	<b>5 393</b>	<b>5 439</b>	<b>5 357</b>	<b>5 213</b>	<b>5 478</b>	<b>5 489</b>

### EBITDA quarterly per business area and for the group

SEKm	Q1 -17	Q4 -16	Q3 -16	Q2 -16	Q1 -16	Q4 -15	Q3 -15	Q2 -15
Packaging Paper	392	421	441	266	358	252	406	363
Consumer Board	440	336	424	479	484	295	410	486
Corrugated Solutions	190	241	241	130	217	204	249	94
Other	-70	-267	-74	-82	-46	-73	315	3
Currency hedging, etc.	-29	-38	5	66	4	-7	4	-49
<b>Total Group</b>	<b>923</b>	<b>693</b>	<b>1 037</b>	<b>859</b>	<b>1 017</b>	<b>671</b>	<b>1 384</b>	<b>897</b>

### EBITDA<sup>1</sup> quarterly per business area and for the group

SEKm	Q1 -17	Q4 -16	Q3 -16	Q2 -16	Q1 -16	Q4 -15	Q3 -15	Q2 -15
Packaging Paper	420	421	502	415	358	370	458	422
Consumer Board	446	471	544	495	484	472	526	500
Corrugated Solutions	231	241	254	209	217	219	260	191
Other	-70	-62	-74	-57	-46	-72	-28	3
Currency hedging, etc.	-29	-38	5	66	4	-7	4	-49
<b>Total Group</b>	<b>998</b>	<b>1 033</b>	<b>1 231</b>	<b>1 128</b>	<b>1 017</b>	<b>982</b>	<b>1 220</b>	<b>1 067</b>
Costs for maint. shutdowns	-75	-135	-194	-244	-	-310	-179	-170
Items affecting comparability	-	-205	-	-25	-	-1	343	-
<b>EBITDA</b>	<b>923</b>	<b>693</b>	<b>1 037</b>	<b>859</b>	<b>1 017</b>	<b>671</b>	<b>1 384</b>	<b>897</b>

### EBITDA margin<sup>1</sup> quarterly per business area and for the group

%	Q1 -17	Q4 -16	Q3 -16	Q2 -16	Q1 -16	Q4 -15	Q3 -15	Q2 -15
Packaging Paper	20	20	24	20	17	18	21	19
Consumer Board	21	24	28	24	24	24	26	24
Corrugated Solutions	25	24	28	25	25	25	28	26
<b>Group</b>	<b>18</b>	<b>19</b>	<b>23</b>	<b>21</b>	<b>19</b>	<b>19</b>	<b>22</b>	<b>19</b>

### Sales volumes quarterly per business area and for the group

ktonne	Q1 -17	Q4 -16	Q3 -16	Q2 -16	Q1 -16	Q4 -15	Q3 -15	Q2 -15
Packaging Paper	293	285	292	295	295	281	294	288
Consumer Board	285	257	261	268	265	257	262	274
Corrugated Solutions	144	147	140	129	138	132	139	106
<b>Total Group</b>	<b>722</b>	<b>689</b>	<b>693</b>	<b>692</b>	<b>698</b>	<b>670</b>	<b>695</b>	<b>668</b>

<sup>1</sup> EBITDA and margin are adjusted for the effects of periodical maintenance shutdowns and for items affecting comparability.

# This is BillerudKorsnäs

BillerudKorsnäs is one of **the world's leading suppliers of high-quality, packaging materials** based on renewable raw material. Our wood raw material comes from sustainable managed forests and manufacturing takes place at resource-efficient, integrated production units.

Our customers are packaging manufacturers, brand owners and large retail and supermarket chains. Through close collaboration with customers and partners all over the world, we are able to offer a customised and broad product portfolio that features a high degree of innovation.

Demand is driven by global megatrends, particularly rising urbanisation, a greater focus on sustainability and changing consumption patterns. Consumer segments, primarily food and beverages, account for 74% of sales. While Europe is the core market, BillerudKorsnäs is gradually strengthening its presence in the leading growth markets of Asia.

Smart packaging solutions using paper or board from BillerudKorsnäs reduce the impact on the climate, cut the use of resources along the whole value chain and contribute to a sustainable future.

## **BUSINESS MODEL**

Our business model is based on high-performance materials from forests in the north, advice, service and the collective knowledge held by a global network of machine suppliers, packaging manufacturers, researchers and design agencies. Innovative packaging solutions are developed in close collaboration with customers all over the world that demand the highest standards of quality, performance and sustainability.

## **STRATEGIC FOCUS**

BillerudKorsnäs' overall objective is sustainable and profitable growth. The target is to grow by 3-4% per year. Our strategy is based on five areas that all interact: **Position, Innovation, Sustainability, Efficiency and Employees**. Read more at [billerudkorsnas.com](http://billerudkorsnas.com)

## **VALUE DRIVERS**

High-performance material based on renewable raw material from responsibly managed forests. Smarter solutions that optimise our customers' business. Leading positions in the growing global packaging market. A holistic approach to the entire packaging value chain from raw material all the way to the end-customer and recycling.



# **BILLERUDKORSNÄS**

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