



BILLERUDKORSNÄS

CEO's presentation





BILLERUDKORSNÄS

The challenge
conv... packaging
for a... able future

rud

World-leading packaging company

Net sales 2018

23.7

Billion SEK



Employees

4 500



Operating profit* 2018

2.0

Billion SEK

EBITDA margin* 2018

15%

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM



8

Production units

- Beetham
- Frövi
- Rockhammar
- Gruvön
- Gävle
- Jakobstad
- Karlsborg
- Skärblacka

3 Divisions

57%

Board

Share of net sales**

39%

Paper

Share of net sales**

4%

Solutions

Share of net sales**

* Excl items affecting comparability

** Excl Other and Currency Hedging etc

...with material that creates clear customer value



Fluting



Liner



Cartonboard



Kraft paper



Sack paper



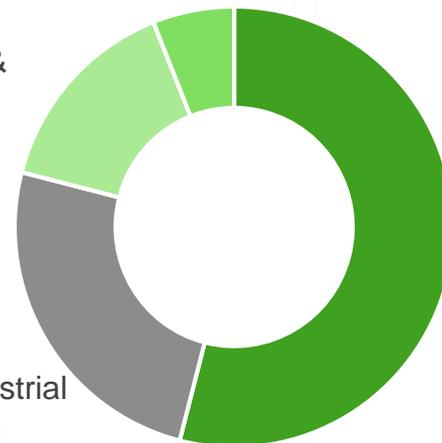
Liquid packaging board

Net sales by market segment



Consumer & Luxury 15%

Medical & Hygiene 6%



Food & Beverages 54%

Megatrends driving growth



Demographics and urbanisation



Sustainability awareness



Digitalisation

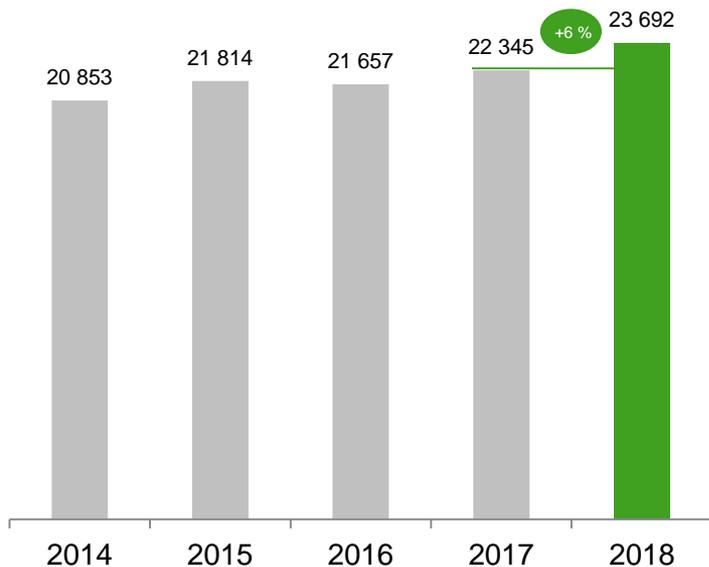


Globalisation

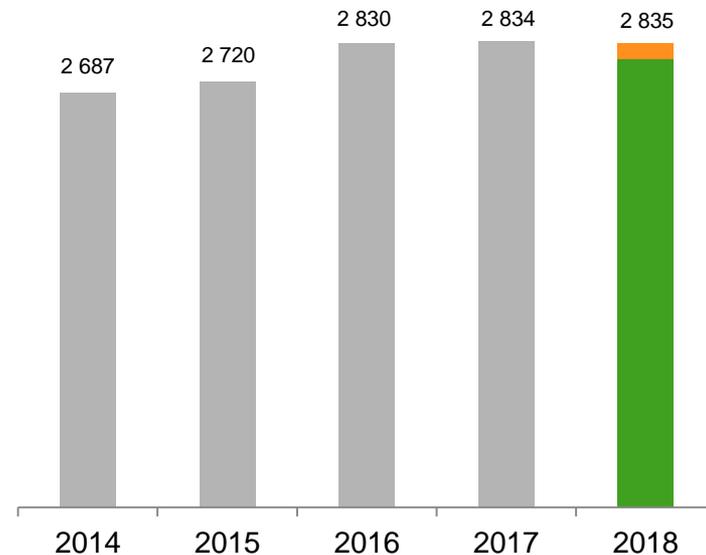


Continued strong demand and stable production

Net sales, SEK m



Production volume, ktonnes

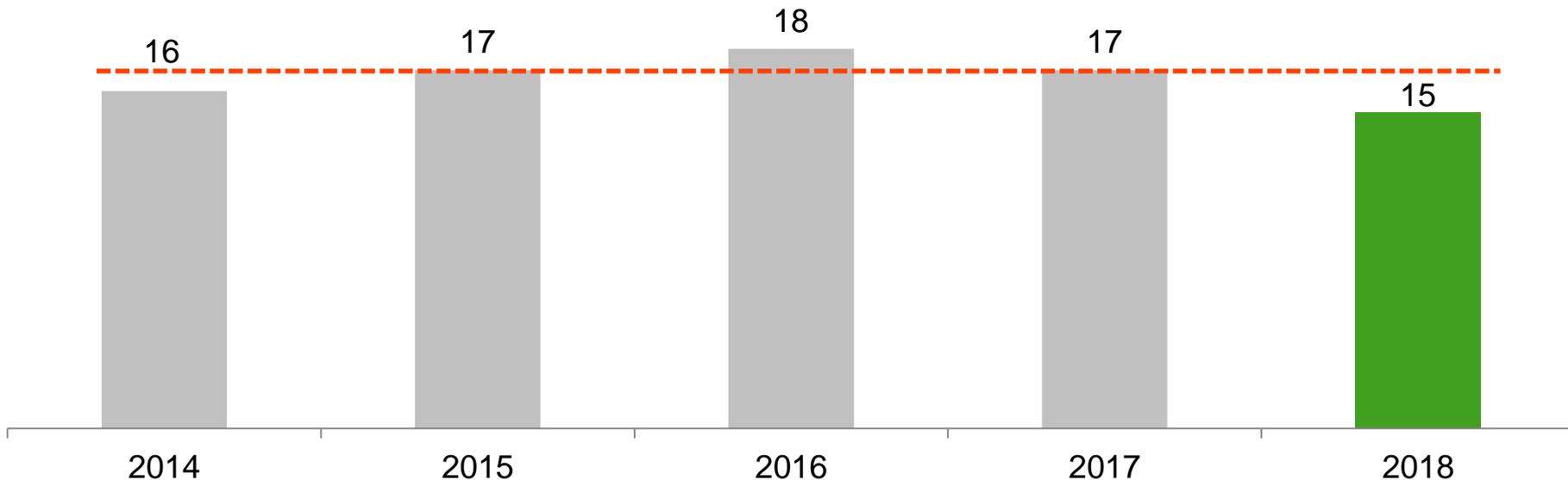


■ Lost volumes related to weather-related wood shortage

Higher raw material costs reduced profitability

Adjusted EBITDA margin, %

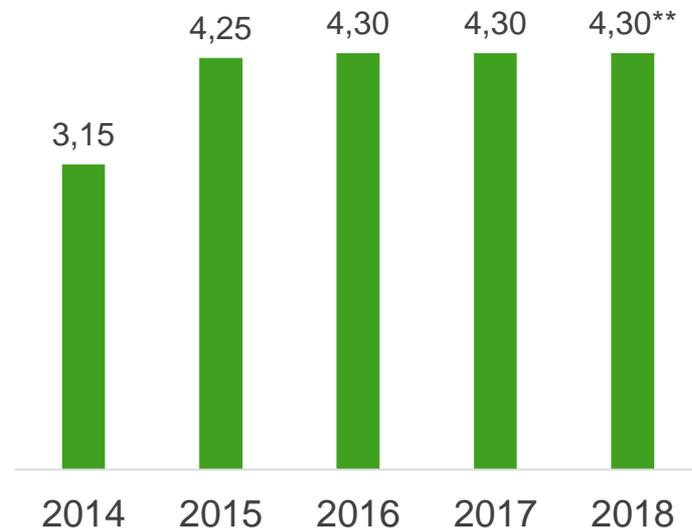
Target 17 %



Result in line with expectations and stable dividends

	FY target	Full year 2018	
Growth	3-4%	6%	✓
EBITDA margin*	>17%	15%	
ROCE*	>13%	9%	
Net debt/EBITDA*	<2.5	2.68	
Dividend*	50%	59%**	✓

Dividend per share, SEK



* Adjusted for items affecting comparability

** Board's proposal

Foundation for value creation has been laid

- ④ Focus on safety and stability
- ④ New divisional organisation
- ④ Intensive work with KM7 at Gruvön
- ④ World-leading MG centre at Skärblacka
- ④ Agreement to acquire Bergvik Öst
- ④ Flagship in research identified



We will capture the potential for creating shareholder value

SECURE



- ⌚ Successful ramp-up of KM7
- ⌚ Competitive wood supply

IMPROVE



- ⌚ A safe company is a well-run company
- ⌚ Stabilise production

ACCELERATE



- ⌚ Innovate for growth
- ⌚ Capture new solutions sales

The most modern board machine

350 m

Machine length

SEK 7,6 bn

Project cost

17 000 tonnes

Machine weight

8 000

Concrete piles

> 600 km

Cable length

550 000 tonnes

Production capacity

Positioned to capture customer demand



Liquid packaging board



Cartonboard



Liner



Cup stock



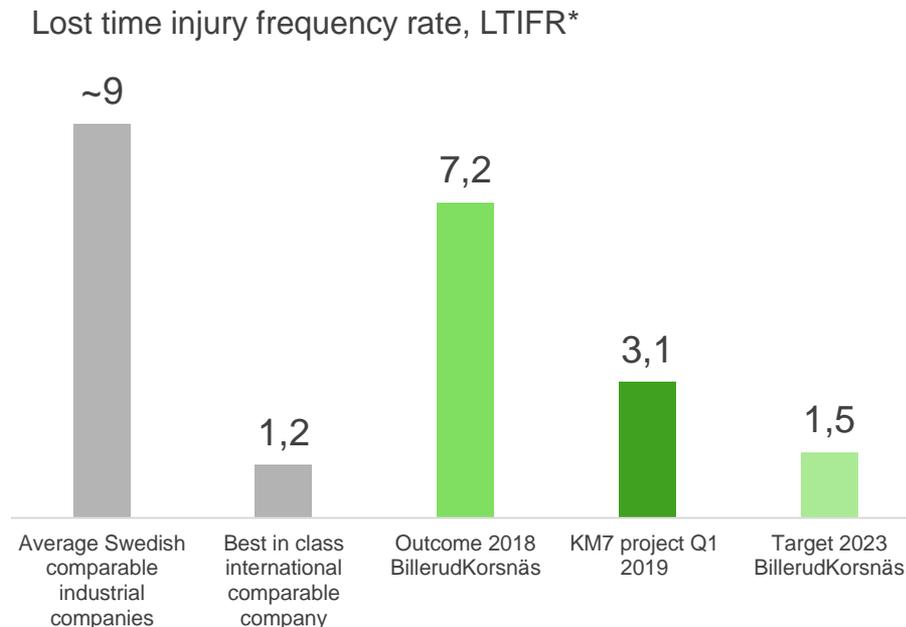
Competitive wood supply

- ④ Agreement to acquire Bergvik Skog Öst in November 2018
- ④ The transaction expected to be completed in late May or early June
- ④ The financing is in place
- ④ The intention is to find suitable investors for a significant part of the forest land
- ④ This process is ongoing and interest is high



A safe company is a well-run company

- ④ Unacceptable that around 100 persons per year hurt themselves so severe that they cannot work the following day
- ④ All accidents are preventable – zero vision
- ④ Cultural change is needed – never walk by
- ④ Focus on structure, engagement and predictability



* Number of injuries per 1 000 000 worked hours
 Source: Company reports

Production stability in focus

- ⌚ Improvement program at all mills is in place
 - › Focus on minimizing losses
 - › Exchange of best practice between mills
 - › Standardized work methods for enhanced productivity
 - › Ambitious performance targets to drive change
- ⌚ The aim is to increase availability in production by 4 percentage points by the end of 2020



”Production problems again”

ABGSC januari 2018

Increased innovation through partnership

Research platforms

- ④ Strength
- ④ Barrier
- ④ Formability
- ④ New concepts

Flagship projects



Paper bottle



Paper battery



Liquid packaging board of the future

Expansion in the value chain

- ④ Growth through customized packaging solutions for global brand owners
- ④ New solutions
 - > Formable paper
 - > Solutions that challenge plastic
 - > Brand new solutions
- ④ Investing in the future solutions
- ④ Award-winning packaging solutions

