



BILLERUDKORSNÄS



YEAR-END REPORT JANUARY-DECEMBER 2015

2016-02-10 Per Lindberg, CEO and President, and Susanne Lithander, CFO



WHAT HAPPENED IN Q4 2015?

	SEKm
Planned maintenance costs in quarter	-156
Rebuild related costs and start-up delays	-154
Additional unexpected maintenance costs and production losses	-95
Total impact on quarterly results	-405

Approximate impact per business area	SEKm
Packaging Paper	-142
Consumer Board	-238
Containerboard	-25
	-405

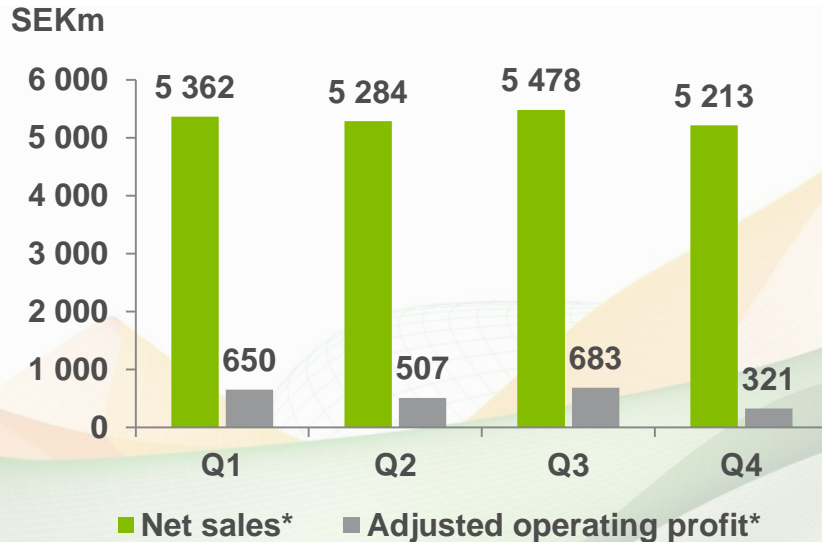


DECIDED ACTIONS

- 2016 final rebuild stage of KM5 in Frövi postponed
- Investments for 2016 estimated to SEK 1 300 million, excluding future restructuring projects in Gruvön and Skärblacka.
- Focus on stability and cost efficiency in production



2015 IN SUMMARY



- 2015 a strong year in spite of weak Q4
- All financial targets met
- Growth on target but hampered by production problems
- Significant tailwind from currency
- Several production units reached production records
 - Gruvön, Gävle, Skärblacka, Karlsborg
- The Board of Directors proposes a dividend of SEK 4.25 per share for 2015



KEY MARKETS STABLE IN Q4

- Operating profit reached SEK 320 million and operating margin 6%
- Underlying markets were in general stable
- Production input costs remained stable

- Packaging Paper
 - Brown sack paper market weaker than normal, all other segments stable with normal seasonal variance

- Consumer Board
 - 6% y-o-y volume growth, stable market situation, continued tight delivery situation

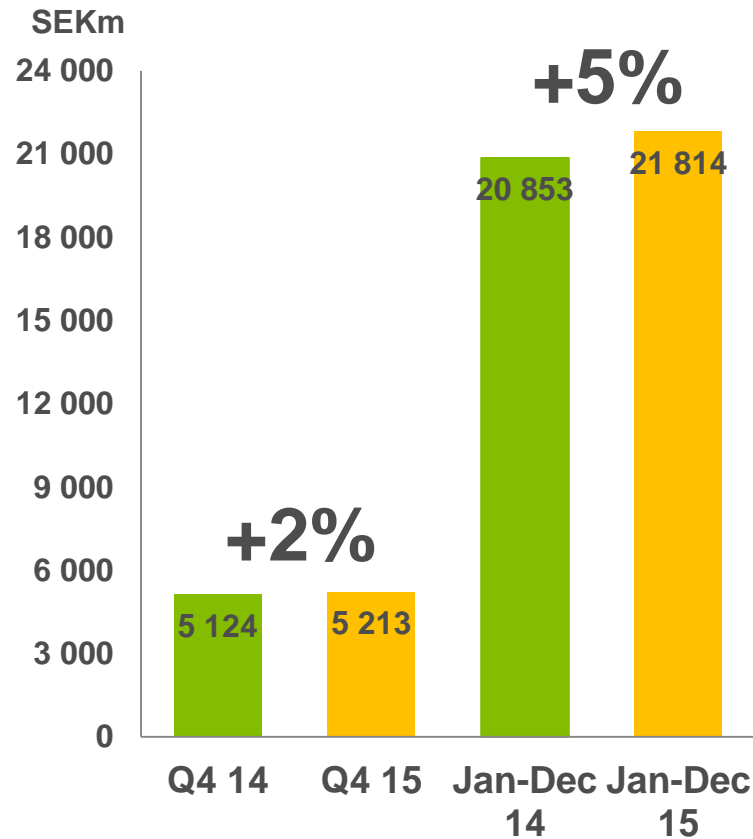
- Containerboard
 - Stable market situation for fluting and liner



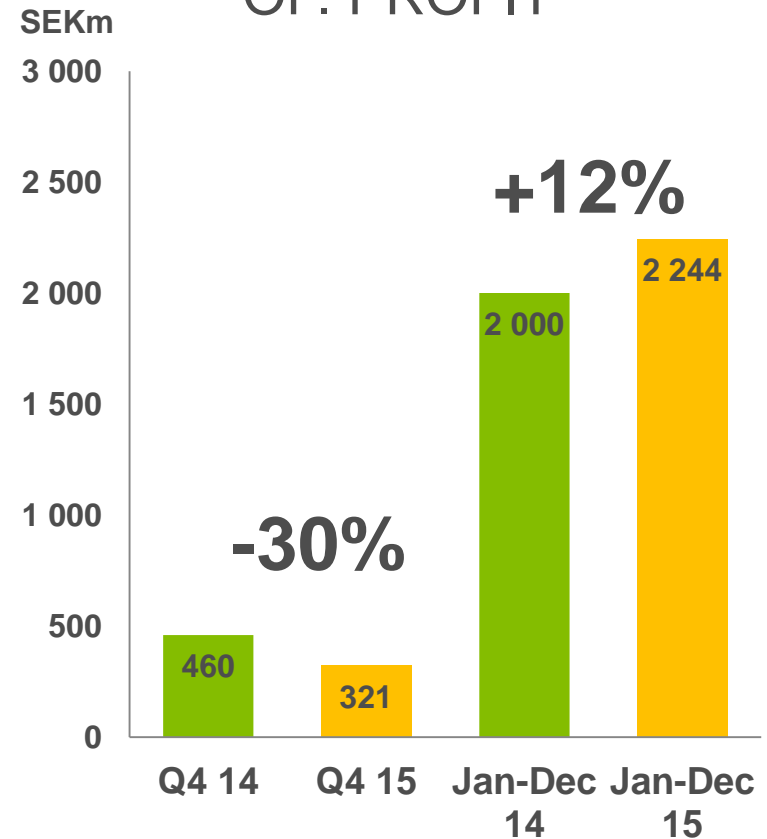
MEETING OUR TARGETS

NET SALES GROWTH 5% YOY, ADJUSTED OPERATING PROFIT +12% YOY

NET SALES



ADJUSTED OP. PROFIT

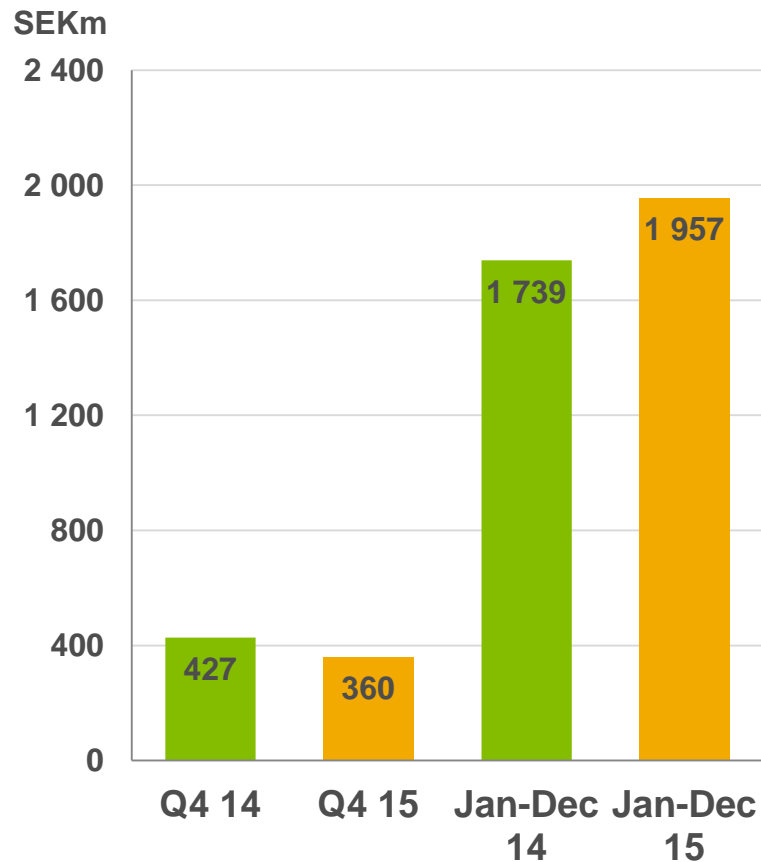




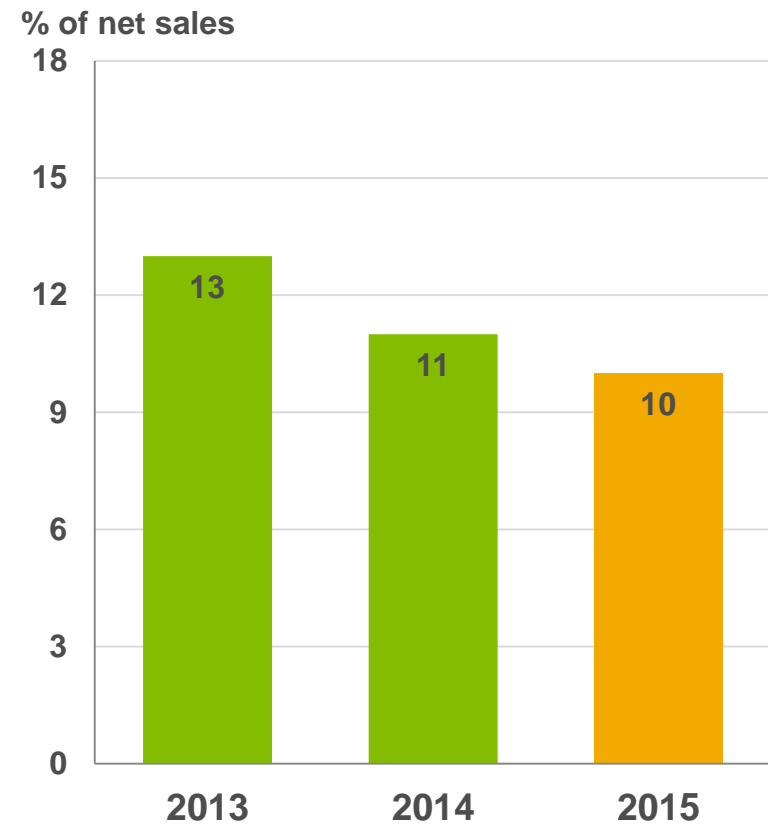
MEETING OUR TARGETS

STRONG CASH FLOW, REDUCED WORKING CAPITAL

OPERATING CASH FLOW



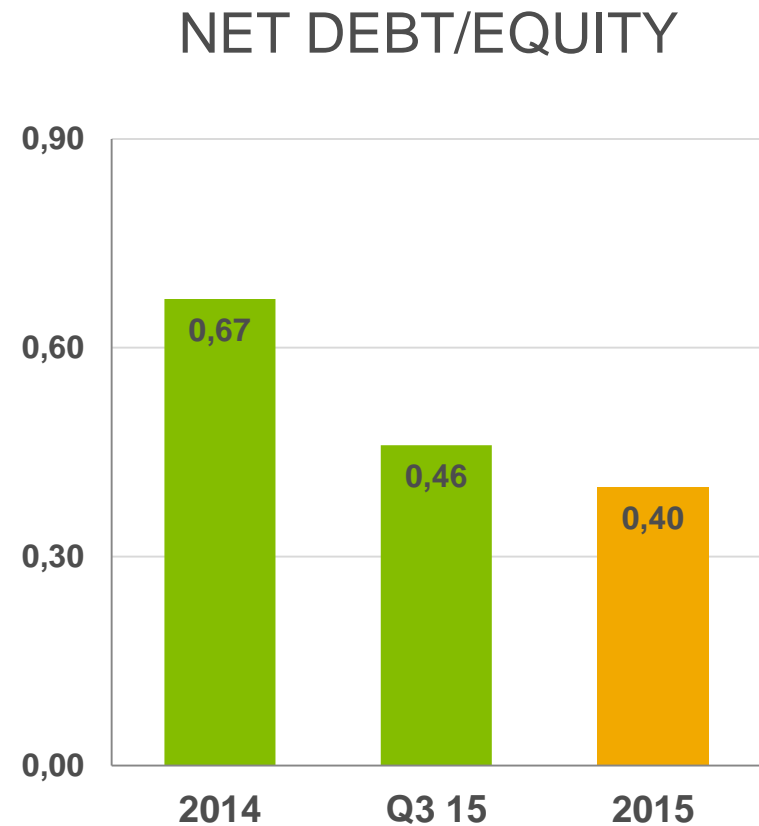
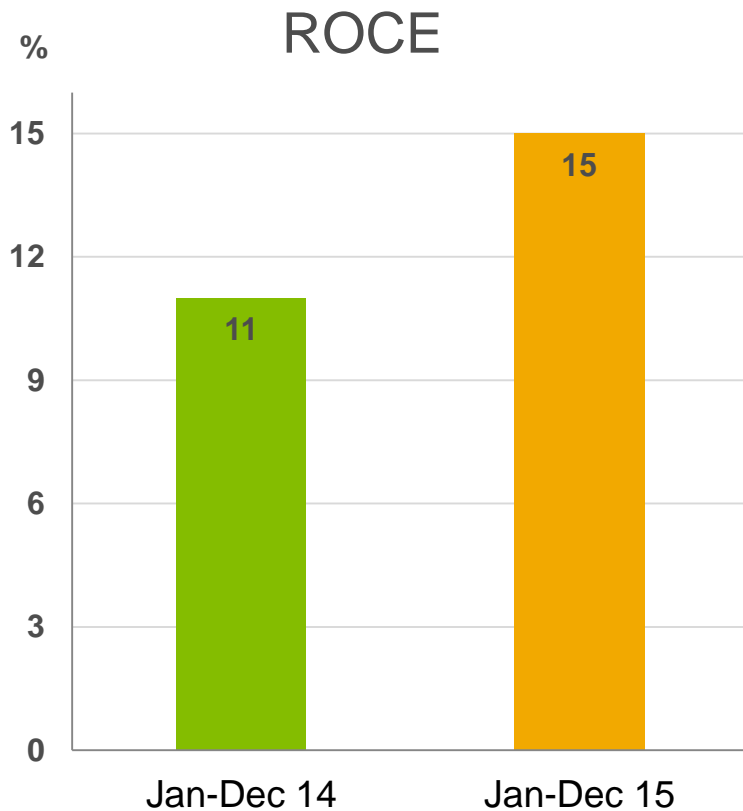
WORKING CAPITAL





MEETING OUR TARGETS

REACHING ROCE TARGET AND DECREASING ND/E





PACKAGING PAPER BUSINESS AREA Q4 2015

- Stable demand for white sack and kraft paper
- Net sales SEK 2 202 million, +3% Q4-14
- Operating profit SEK 131 million, -28% Q4-14
 - Shutdown and rebuild costs SEK 118 million
 - Additional costs SEK 24 million
- Operating margin 6%
- Markets
 - Stable prices in local currencies except for weaker brown sack paper market
 - Stable order situation for white sack and kraft paper markets, weaker than normal for brown sack paper



Selective growth priorities for 2016:

- Increase sales on markets outside Europe
- Increase sales of complete packaging systems



CONSUMER BOARD BUSINESS AREA Q4 2015

- Stable and satisfactory market situation with normal seasonal variances
- Net sales SEK 1 933 million, +9% Q4-14
- Operating profit SEK 120 million, -35% Q4-14
 - Shutdown and rebuild costs SEK 177 million
 - Additional costs SEK 61 million
- Operating margin 6%
- Markets
 - Stable order situation and pricing in local currencies
 - Continued delivery pressure from main markets



Volume growth priorities for 2016:

- Stabilise production and continue capacity ramp-up in Frövi and Gävle



CONTAINERBOARD BUSINESS AREA Q4 2015

- Stable demand for fluting and liner
- Net sales SEK 880 million, +8% Q4-14
- Operating profit SEK 160 million, +33% Q4-14
 - Maintenance shutdown costs SEK 15 million
 - Additional costs SEK 10 million
- Operating margin 18%
- Markets
 - Stable order situation for fluting and liner
 - Slightly increased prices for fluting, stable liner prices



Value growth priorities for 2016:

- Continue roll-out of value based solutions



OUTLOOK

- › Demand and orders situation for the first quarter is expected to be stable with normal seasonal variances for all business areas.
- › Average prices in local currency in the first quarter are anticipated to be stable.
- › No changes to wood prices are anticipated for the first quarter.
- › Investment level in 2016 will be lowered to a level of SEK 1 300 million in current production structure, excluding future restructuring projects in Gruvön and Skärblacka.

Q&A

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





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