



Q1

January – March 2017

INTERIM REPORT JANUARY-MARCH 2017

2017-04-20 Per Lindberg, CEO and President, and Susanne Lithander, CFO



Q1 2017 RESULTS AT A GLANCE

NET SALES

5,636
SEK million

5%

GROWTH

EBITDA

923
SEK million

16%

MARGIN

OTHER

CONSUMER BOARD

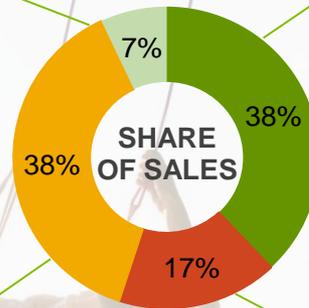
Liquid packaging board
Cartonboard

PACKAGING PAPER

Kraft paper
Sack paper
Market pulp

CORRUGATED SOLUTIONS

Fluting
Liner
Managed Packaging





Q1 2017 KEY HIGHLIGHTS

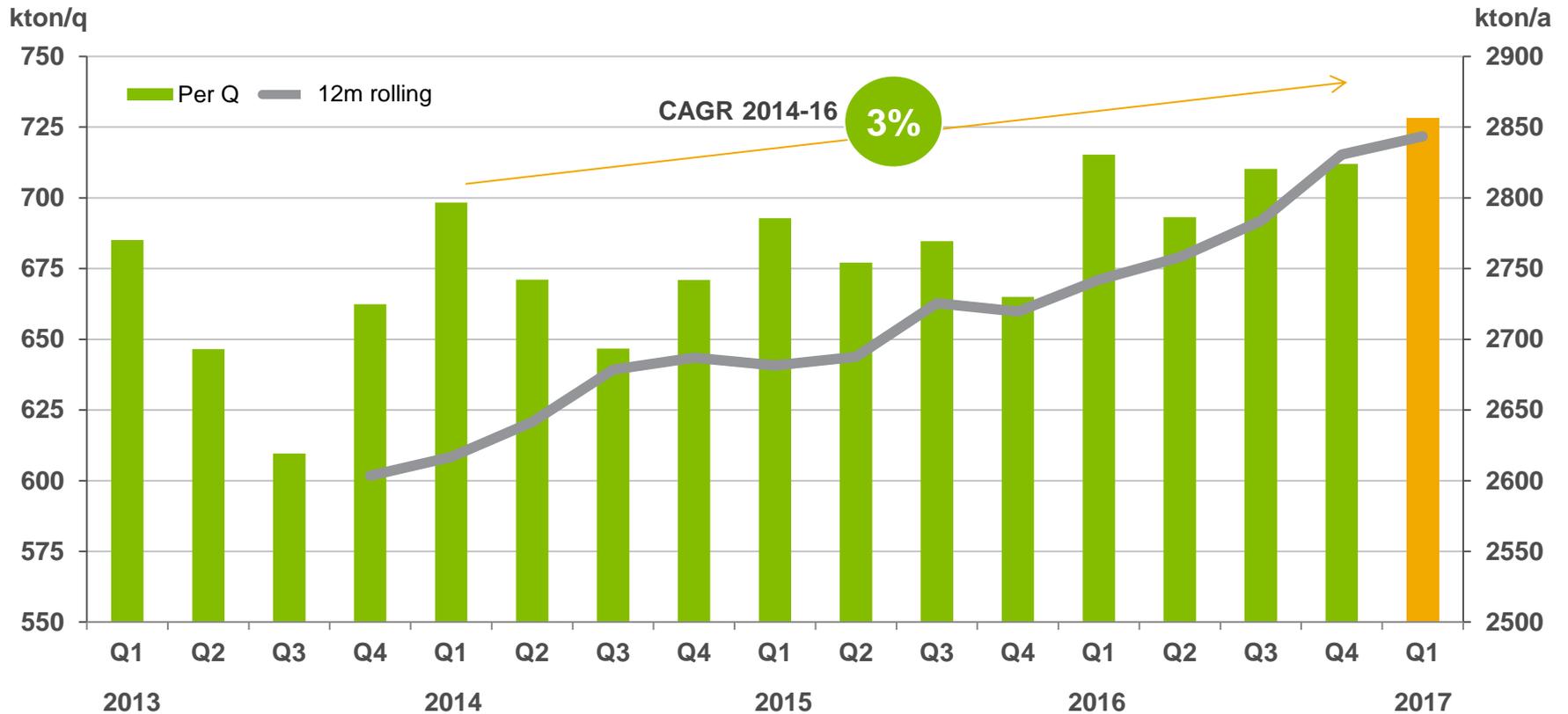
GROWING AGAIN

- High demand across all business areas
- All-time high quarterly sales and production volumes
- EBITDA burdened by one-off costs of SEK 80 million and maintenance shutdown costs of SEK 75 million
- Skärblacka and Gruvön projects well under way



PRODUCTION ON ALL-TIME HIGH

EXCLUDING TERVASAARI, INCLUDING PULP TO PM2



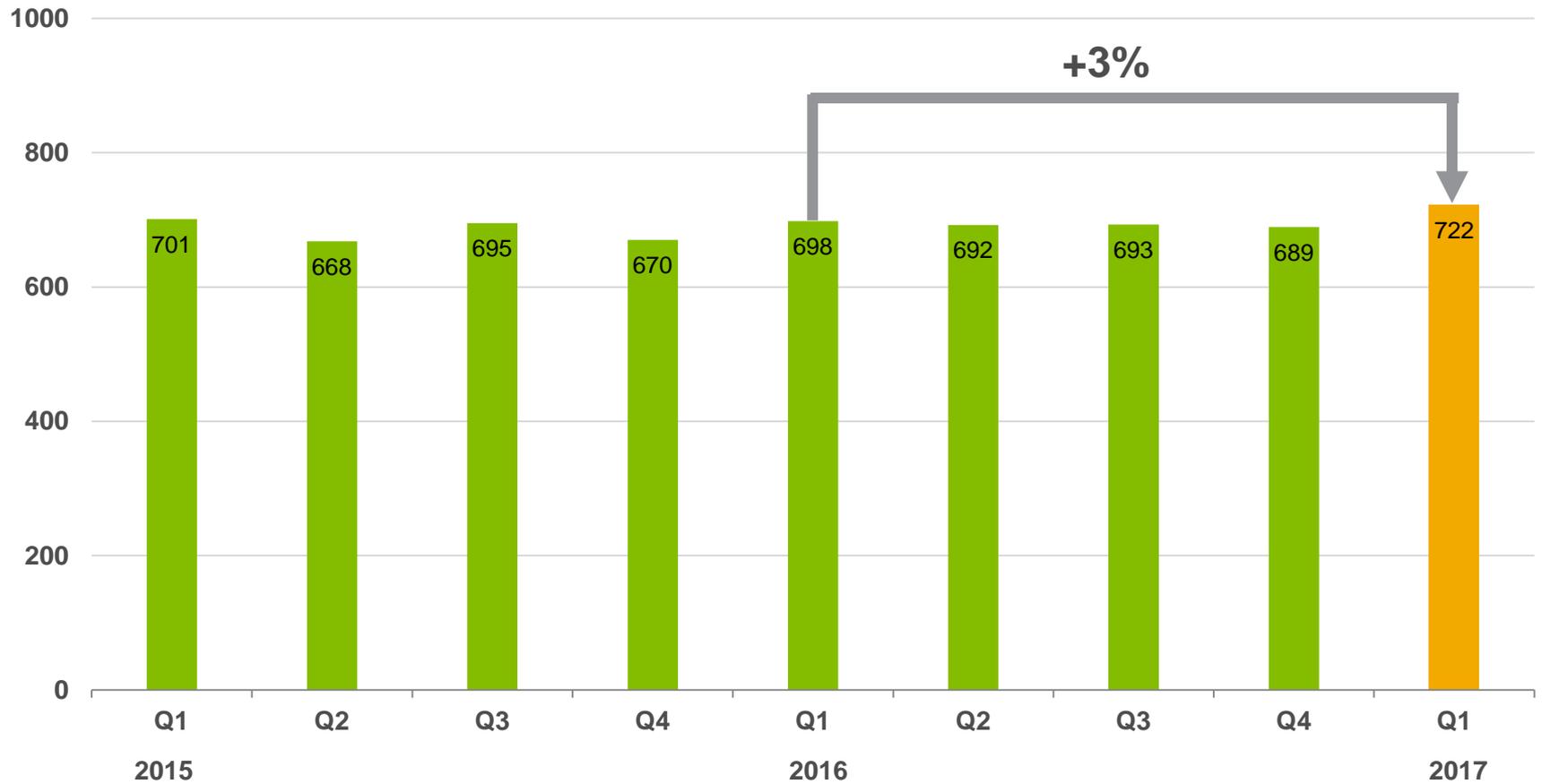


FINANCIAL DEVELOPMENT



SALES VOLUMES

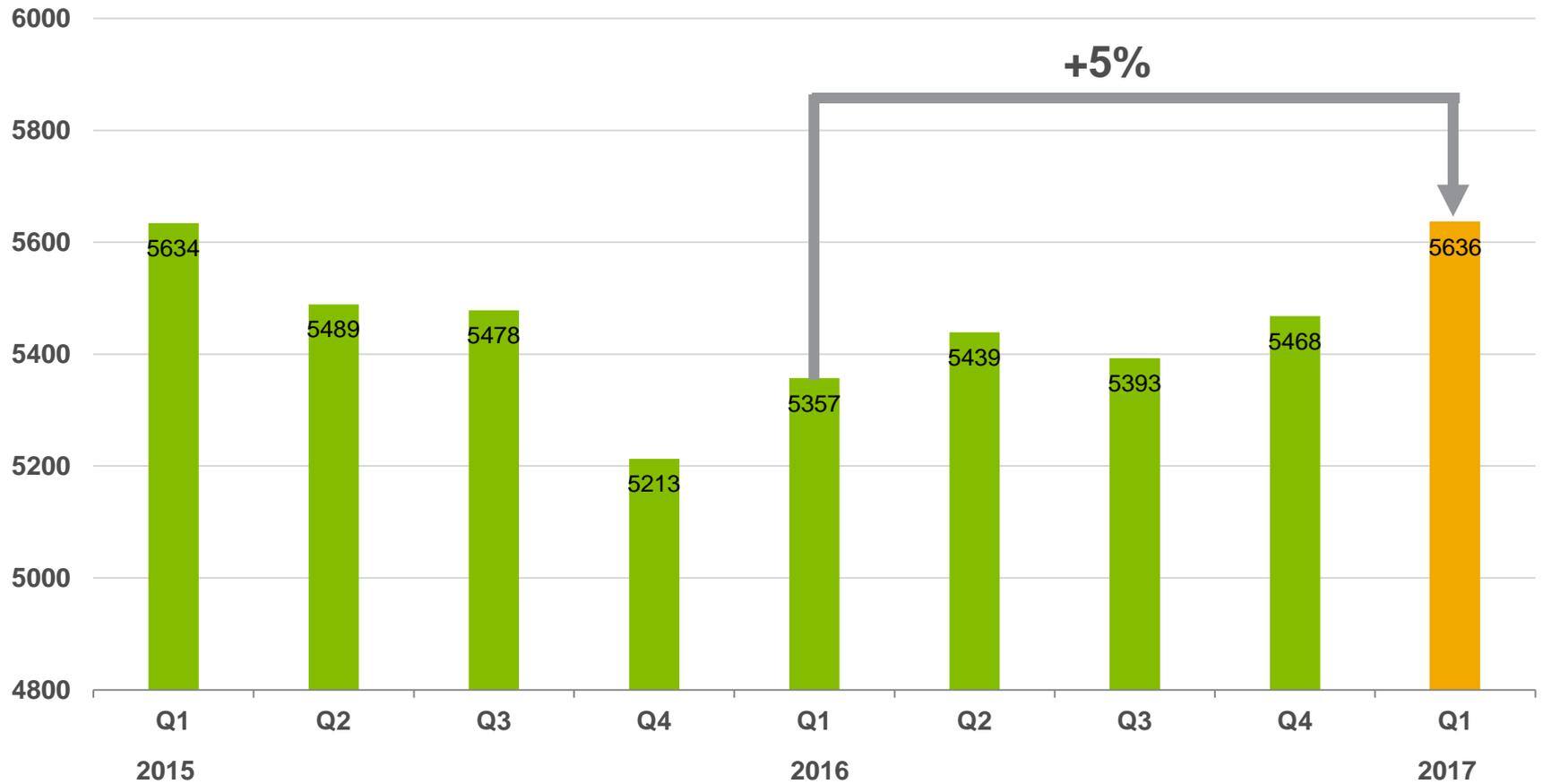
KTON





NET SALES

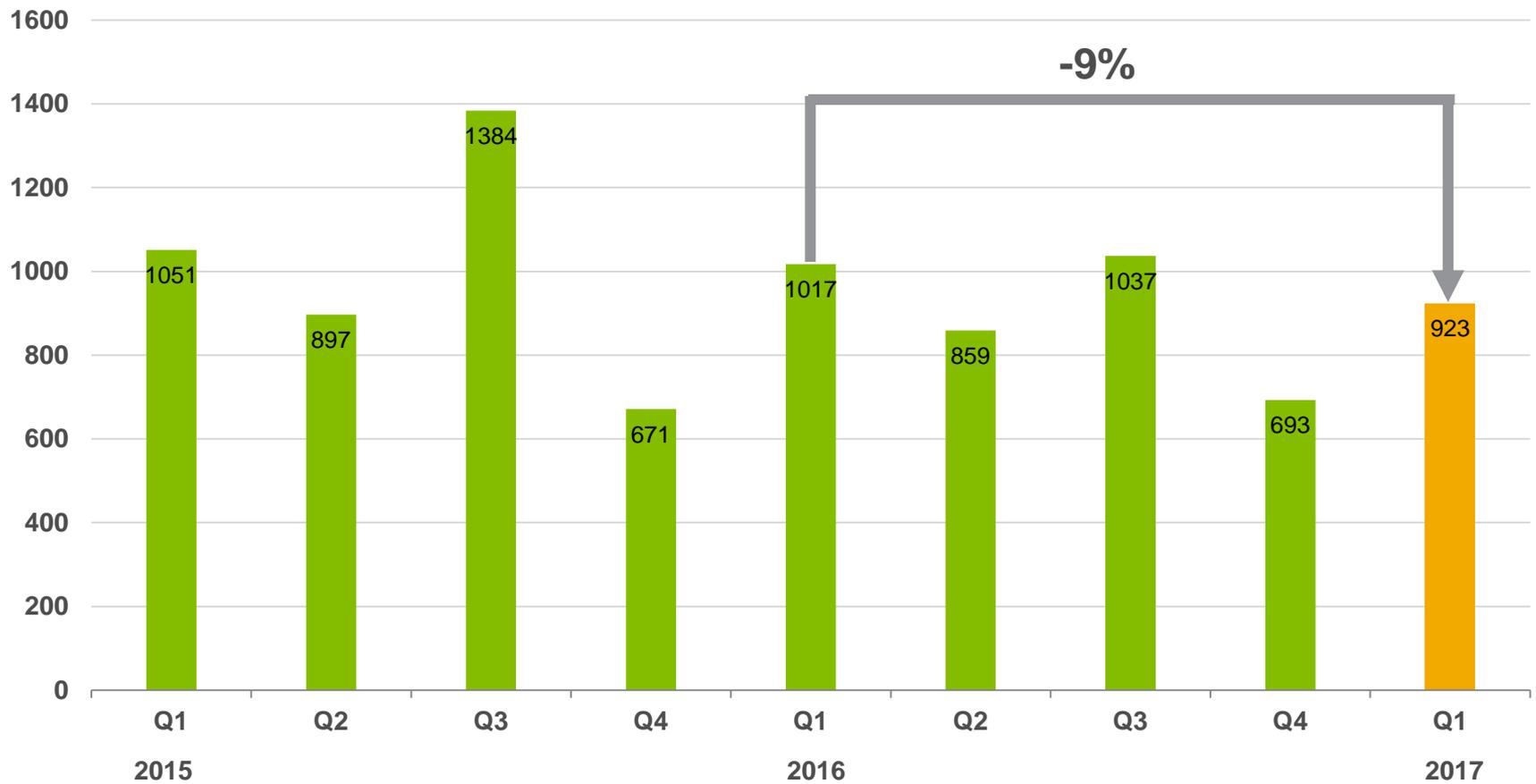
SEK MILLION





EBITDA

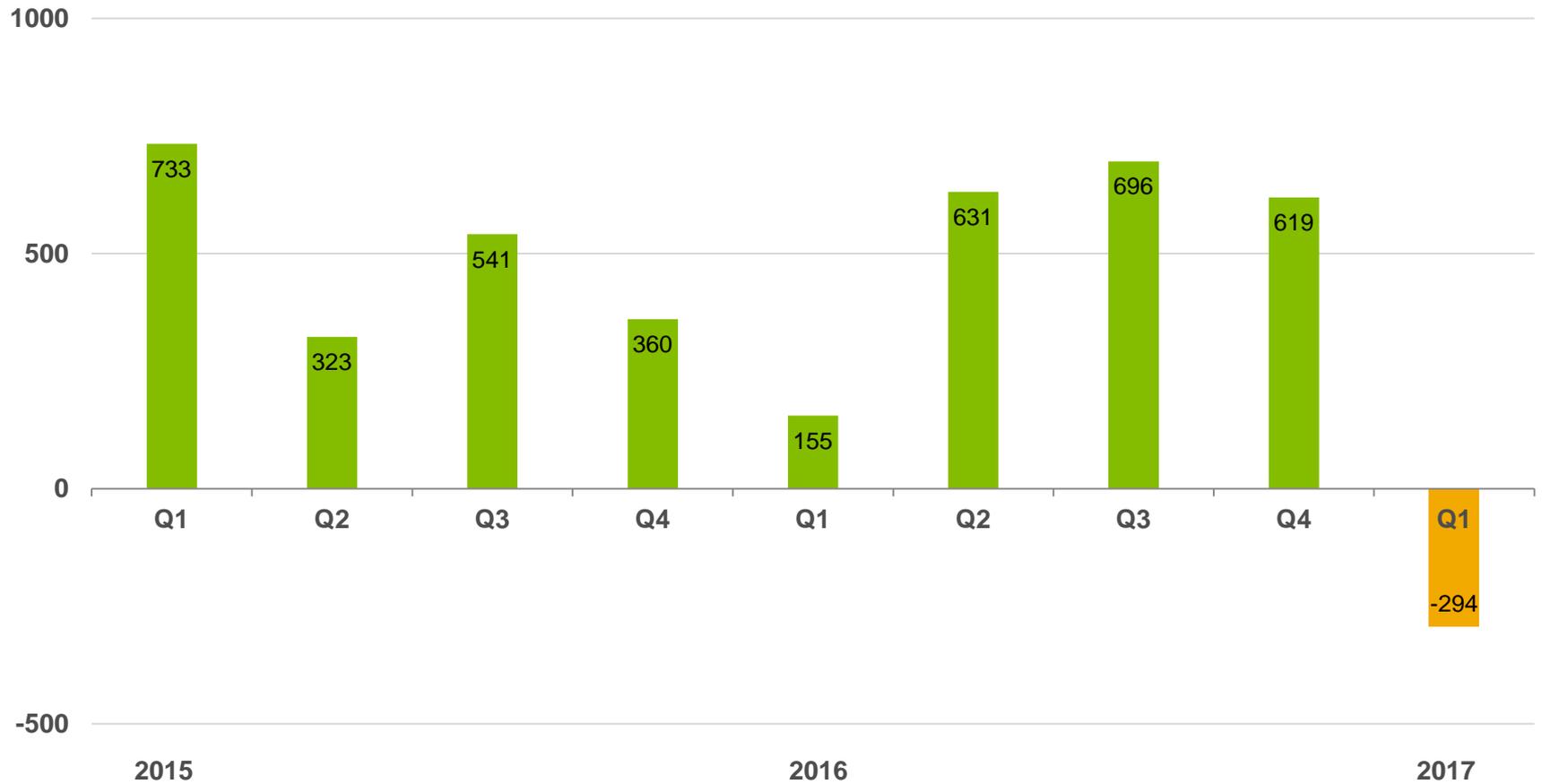
SEK MILLION





OPERATING CASH FLOW

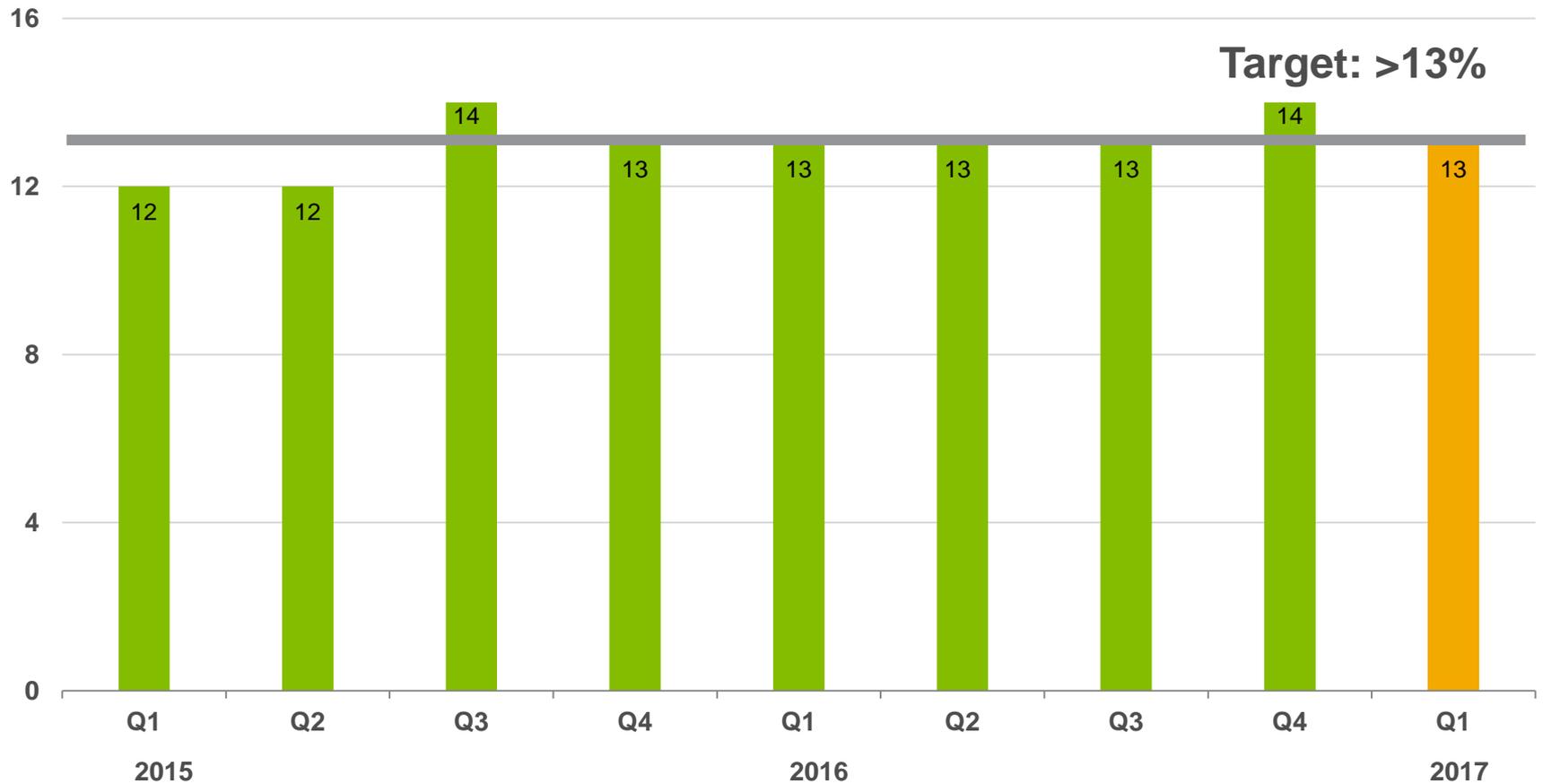
SEK MILLION





RETURN ON CAPITAL EMPLOYED

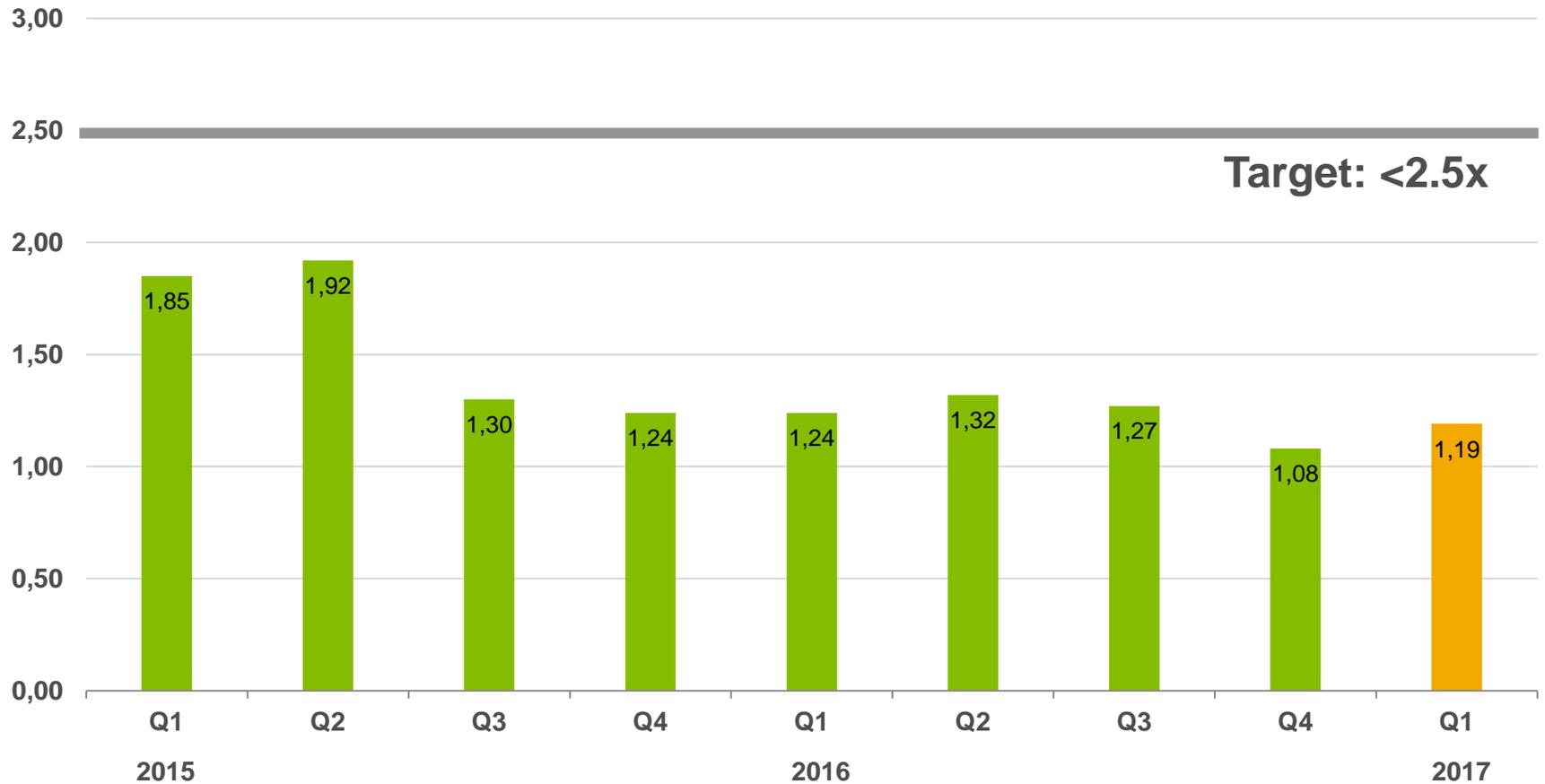
ADJUSTED, ROLLING 12 MONTHS (%)





LEVERAGE

NET DEBT/EBITDA (X)





BUSINESS AREAS



PACKAGING PAPER BUSINESS AREA

KRAFT AND SACK PAPER FOR CUSTOMERS WITH TOUGH DEMANDS



- *Packaging for flour, sugar, carrier bags, medical packaging, building materials, chemicals and more*
- *Growth driven by population growth in emerging markets, ageing population, increasing environmental awareness and more*

SELECTIVE GROWTH



Asset transformation for increased profitability

Development of new business models

Expansion to growing markets





PACKAGING PAPER BUSINESS AREA

Q1 DEVELOPMENT

- Strong performance despite Tervasaari closure
- Net sales +3% vs Q1-16
 - Good sales mix and slightly higher prices
- EBITDA +9% vs Q1-16
- Improved market for all kraft and sack papers
- Q2 sales expected to be on par with Q1
- Kraft and sack paper markets expected to remain solid and seasonally strong with potential to increase prices in local currency

2,141

NET SALES SEK MILLION

392

EBITDA SEK MILLION

18%

EBITDA MARGIN



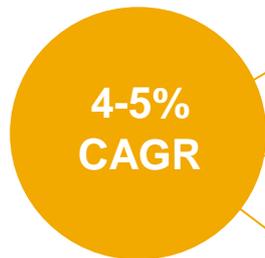
CONSUMER BOARD BUSINESS AREA

LIQUID PACKAGING BOARD AND CARTONBOARD WITH UNIQUE PROPERTIES



- *Packaging for milk, juice, preserved foods, beauty and healthcare products, confectionery and more*
- *Growth driven by high urbanization rate, change in consumer behavior and more*

VOLUME GROWTH



Attractive market providing growth opportunities

Investments for volume growth

Innovation with customers and brand owners





CONSUMER BOARD BUSINESS AREA

Q1 DEVELOPMENT

- › Seasonally strong quarter
- › Net sales +5% vs Q1-16
 - › Increased sales across the line for liquid packaging board
- › EBITDA -9% vs Q1-16
 - › Spillover effects from 2016
- › Growth in all parts with particular strength in liquid packaging board
- › Expected continued firm order situation for liquid packaging board and further improved order situation for cartonboard

2,128

NET SALES SEK MILLION

440

EBITDA SEK MILLION

21%

EBITDA MARGIN

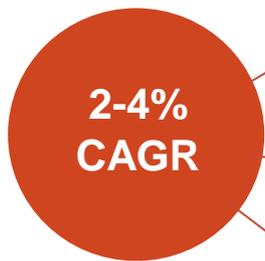
CORRUGATED SOLUTIONS BUSINESS AREA

FLUTING AND LINER ADD VALUE



- *Packaging for fruit and vegetables, white goods and electronics, exclusive drinks and more*
- *Supply chain solutions and packaging optimisations for brand owners*
- *Growth driven by increasing e-commerce and fresh food consumption, package differentiation and changing supply chains*

VALUE GROWTH



Strong product portfolio setting market standard

Integrating new business model

Increasing sales to brand owners





CORRUGATED SOLUTIONS BUSINESS AREA

Q1 DEVELOPMENT

- Strong quarter
- Net sales +6% vs Q1-16
 - Managed Packaging +30%
- EBITDA -12% vs Q1-16
 - Harbour strike in Gothenburg
- Strong order books and sales volumes with stable prices
- Expected continued strong demand for fluting and liner with potential for price increases
- Managed Packaging is forecasted to continue delivering consistently strong sales growth

931

NET SALES SEK MILLION

190

EBITDA SEK MILLION

20%

EBITDA MARGIN



OUTLOOK



OUTLOOK

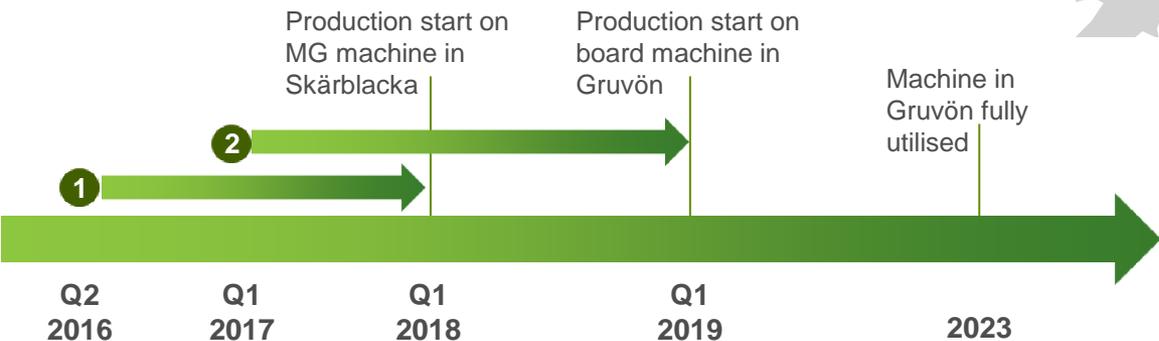
- Demand and order situation for the second quarter is expected to be strong with normal seasonal variances for all business areas.
- For business areas Packaging Paper and Corrugated Solutions there are potential for local price increases in the coming quarter.
- No changes are anticipated for the wood 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.



SKÄRBLACKA AND GRUVÖN WELL UNDER WAY

IMPROVING EFFICIENCY AND SECURING GROWTH

- 1 Investing in MG integrated to pulp production in Skärblacka, Sweden; **SEK 1,3 billion investment.**
- 2 New board machine in Gruvön, Sweden with capacity of approx. 550 000 t/a; **SEK 5,7 billion investment.**





CAPITAL MARKETS DAY ON 15 NOVEMBER 2017

Capital Markets Day in Stockholm on 15 November 2017.
More info will be published on www.billerudkorsnas.com



Q&A

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



BILLERUDKORSNÄS