BILDERUDKORSNÄS – FIVE YEAR ANNIVERSARY

- Stable underlying earnings
- Average TSR of 23% per year for past 5 years
- Proven track record of accretive M&A
- Recognised as a leader in sustainability

1 Growth for comparable units
2 Adjusted to non-recurring items
PRODUCTION DEVELOPMENT

kton/a (12 months rolling)*

Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 2013 2014 2015 2016 2017 Q3

CAGR 3.3%

*Excluding Tervasaari
SAFETY, STABILITY & PRODUCT QUALITY IN FOCUS TO SUPPORT LONG TERM GROWTH OF THE COMPANY
THREE LARGE CHANGE INITIATIVES UNDER IMPLEMENTATION

**Occupational Heath and Safety**
A culture based upon health and safety is the foundation for stability
Behaviour based safety programme under implementation

**Production Stability**
Increase stability in core processes; pulp, paper/board and maintenance
Company specialists to support and increase focus in our cross-mills team

**Secure Product Quality**
A systematic, customer centric, quality programme under implementation
TPM based approach to eradicate losses permanently, while keeping customer involved
Q3 2017 RESULTS AT A GLANCE

NET SALES
5,544 SEK million
3% GROWTH

EBITDA
1,051 SEK million
19% MARGIN

SHARE OF SALES
PACKAGING PAPER
38%
- Kraft paper
- Sack paper
- Market pulp

CONSUMER BOARD
36%
- Liquid packaging board
- Cartonboard

CORRUGATED SOLUTIONS
18%
- Fluting
- Liner
- Managed Packaging

OTHER
8%
Q3 2017 KEY HIGHLIGHTS

- Very strong market and continued high demand across all business areas
- EBITDA affected by SEK 35 million for production shutdown in Karlsborg
- New organisation to work with availability and quality in production units
- Stable earnings in all business areas
- Favourable outlook on both short and long term
FINANCIAL DEVELOPMENT
NET SALES
SEK MILLION

+3%
EBITDA
SEK MILLION

*Q3 2015 shows adjusted EBITDA
OPERATING CASH FLOW
SEK MILLION

Q3 2016: 541
Q4 2016: 360
Q1 2017: 155
Q2 2017: 631
Q3 2017: 696
Q4 2017: 619
Q1 2018: -294
Q2 2018: 314
Q3 2018: -202

2015
-500
2016
2017
1000
RETURN ON CAPITAL EMPLOYED
ADJUSTED, ROLLING 12 MONTHS (%)

Target: >13%
LEVERAGE
NET DEBT/EBITDA (X)

Target: <2.5x
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

2-4% CAGR

KRAFT PAPER
#1 GLOBALLY

SACK PAPER
#2 GLOBALLY
Packaging Paper Business Area

Q3 Development

- Net sales unchanged vs Q3-16
  - Increased prices in local currency but lower production volumes

- EBITDA -11% vs Q3-16
  - Lower production volumes and cost impact from Karlsborg, but increased paper prices

- Improved market for all kraft and sack papers

- Kraft and sack paper markets expected to remain solid with potential to increase prices in local currency
CONSUMER BOARD BUSINESS AREA
LIQUID PACKAGING BOARD AND CARTONBOARD WITH UNIQUE PROPERTIES

Packaging for milk, juice, preserved foods, beauty and healthcare products, confectionary 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
Continued high demand

Net sales +2% vs Q3-16

EBITDA +10% vs Q3-16
  › Increased sales volumes and lower variable costs

Overall volume growth somewhat lower due to production disturbances
  › Highest sales volumes of cartonboard since merger of Billerud and Korsnäs

Expected continued stable order situation with normal season variations
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

2-4% CAGR
Net sales +11% vs Q3-16
  - Higher sales volumes and improved prices in local currency

EBITDA +12% vs Q3-16
  - Increased sales supported by increased prices in local currency and favourable product mix

Strong order books and increased prices in Europe

Managed Packaging ~50% sales growth

Expected continued strong demand for fluting and liner
  - Expansion to new regions
OUTLOOK
Demand and order situation are expected to be strong in the fourth quarter with normal seasonal variances for all business areas.

The Packaging Paper and Corrugated Solutions business areas see opportunities for local price increases in the next quarter.

Wood costs for Q4 are expected to be unchanged.

Costs for planned maintenance shutdowns in the fourth quarter are estimated at SEK 120 million.

Additional non-recurring costs at Gruvön of around SEK 30 million for training and temporary staff are expected to impact the fourth quarter.
## 2018 OUTLOOK
INCLUDING IMPACT FROM TRANSFORMATION PROJECTS

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper prices in local currency</td>
<td></td>
</tr>
<tr>
<td>Raw material cost</td>
<td>Impact from increased demand</td>
</tr>
<tr>
<td>Pulp pricing</td>
<td></td>
</tr>
<tr>
<td>Production capacity overall</td>
<td>+ ~1% compared to 2017</td>
</tr>
<tr>
<td>Capacity PM10 Skärblacka</td>
<td>40 ktonnes</td>
</tr>
<tr>
<td>Stock buildup Gruvön</td>
<td>- 20 ktonnes</td>
</tr>
<tr>
<td>One-off project costs</td>
<td>- 150 SEKm</td>
</tr>
<tr>
<td>Net exposure market pulp</td>
<td>125 ktonnes</td>
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</tbody>
</table>
SKÄRBLACKA AND GRUVÖN PROGRESS AS PLANNED
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.
CAPEX 2015-2019
IN LINE WITH PREVIOUS GUIDANCE

<table>
<thead>
<tr>
<th>Year</th>
<th>CAPEX (SEKm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1,300</td>
</tr>
<tr>
<td>2016</td>
<td>1,420</td>
</tr>
<tr>
<td>2017</td>
<td>4,300</td>
</tr>
<tr>
<td>2018</td>
<td>4,700</td>
</tr>
<tr>
<td>2019</td>
<td>1,500</td>
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CONTINUED INVESTMENTS IN SOLUTIONS

Packaging Solutions
Ready-to-use packaging solutions
- BillerudKorsnäs sells ready-made packaging
- May use BillerudKorsnäs material
- Examples:
  - Managed Packaging
  - Sack Sales

Systems Solutions
Product solutions including both materials and machine (and machine service)
- Products using BillerudKorsnäs material
- Examples:
  - Axello ZAP
  - Formable Solutions

Venturing
Moving further down the packaging value chain
- Three focus areas:
  - Paper based bottles
  - Cold chain solutions
  - Internet of packaging
MANAGED PACKAGING LEADING THE WAY
LONG-TERM TARGET OF 25% GROWTH AND EBIT MARGIN OF 5-10%

Sales
SEKm

CAGR 29%
WE CHALLENGE CONVENTIONAL PACKAGING FOR A SUSTAINABLE FUTURE