WHAT IF packaging could make a difference?
Key highlights

- Production levels in line with expectations
- Continued headwind from higher raw material costs
- Renewed long-term contracts within Liquid Packaging Board
- KM7 progressing according to plan, start-up in March/April 2019
- Bergvik Öst; process of finding suitable investors continues as planned
- Board proposes dividend of SEK 4,30 per share
Record full year results

PACKAGING PAPER Q4 DEVELOPMENT

- Net sales + 5% vs Q4-17
  - Increased sales prices
  - Positive currency effects
- EBITDA + 2% vs Q4-17
  - Better product mix
- Market expected to remain good
  - Kraft and sack paper to remain good in next quarter

2,264
NET SALES SEK MILLION

411
EBITDA SEK MILLION

18%
EBITDA MARGIN
Renewed agreements

**CONSUMER BOARD Q4 DEVELOPMENT**

- **EBITDA** -20% vs Q4-17
  - Increased raw material costs
  - Unchanged prices

- The long-term agreements with our largest customers within liquid packaging board have been renewed, which will have positive effects on margins.

- Market expected to remain good with normal seasonal variations
Strong result
CORRUGATED SOLUTIONS Q4 DEVELOPMENT

- Net sales +15% vs Q4-17
  - Increased sales prices
  - Positive currency effects
  - Slightly increased volumes

- EBITDA +31% vs Q4-17
  - Increased sales prices and higher result for Managed Packaging

- Market expected to remain good
  - Growth in Managed Packaging expected to remain strong

1,161
NET SALES SEK MILLION

278
EBITDA SEK MILLION

24%
EBITDA MARGIN
Unlocking the Potential

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
On schedule towards start-up March-April

Civil Construction Finalised*

Machine Assembled

Machine run with water

Apr – Second grade
May – Liner
Oct - Certification material
Oct - Inauguration

Stock on wire

240 ktonnes

390 ktonnes

EBITDA Neutral 2021

Ramp-up

* Final inspection Mar 2019
Strategically important agreement

- Finding suitable investors continuing as planned
- The strongly competitive situation continues
- Wood costs expected to flatten out
- Sufficient inventory levels after a challenging year
- Ongoing activities to strengthen the supply base – both domestic and through import
A paradigm shift in safety

- All accidents are preventable
- Focus on structure, engagement and predictability
- Cultural changes – never walk by
- A safe company is a well run company
- Next generation program LTIFR* ~ 5

Lost time injuries frequency rate, LTIFR*

<table>
<thead>
<tr>
<th>Year</th>
<th>LTIFR*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>7.7</td>
</tr>
<tr>
<td>2018</td>
<td>7.2</td>
</tr>
<tr>
<td>Target</td>
<td>1.5</td>
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</tbody>
</table>

*Number of injuries per 1 000 000 worked hours

-25% CAGR
Production stability is a key focus

Production levels in line with expectations

<table>
<thead>
<tr>
<th>Year</th>
<th>ktonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>2,604</td>
</tr>
<tr>
<td>2014</td>
<td>2,687</td>
</tr>
<tr>
<td>2015</td>
<td>2,720</td>
</tr>
<tr>
<td>2016</td>
<td>2,830</td>
</tr>
<tr>
<td>2017</td>
<td>2,834</td>
</tr>
<tr>
<td>2018</td>
<td>2,835</td>
</tr>
<tr>
<td>2019</td>
<td>~2,900</td>
</tr>
</tbody>
</table>

Lost volumes from wood shortage
FibreForm® Cap, made from formable 3D paper, replaces traditional aluminium laminates for sparkling wine.
New organisation and management team in place

CEO
Petra Einarsson

Innovation
Magnus Wikström

CTO
Ulf Eliasson

CFO
Ivar Vatne

HR
Paulina Ekvall

Legal
Andreas Mattisson

Communication
Christopher Casselblad

Division Paper
Helene Biström

Division Board
Mikael Andersson

Division Solutions
Anders Lundin
## Long-term financial targets

<table>
<thead>
<tr>
<th>Area</th>
<th>FY target</th>
<th>Full year 2018</th>
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</thead>
<tbody>
<tr>
<td>Net sales growth</td>
<td>3-4%</td>
<td>6%</td>
</tr>
<tr>
<td>EBITDA-margin*</td>
<td>&gt;17%</td>
<td>15%</td>
</tr>
<tr>
<td>ROCE*</td>
<td>&gt;13%</td>
<td>9%</td>
</tr>
<tr>
<td>Net debt/EBITDA*</td>
<td>&lt;2.5</td>
<td>2.68</td>
</tr>
<tr>
<td>Dividend policy*</td>
<td>50%</td>
<td>59%*</td>
</tr>
</tbody>
</table>

*Adjusted for items affecting comparability

** Board’s proposal
WHAT IF paper packaging could push new boundaries
Solid underlying top-line growth

- Net sales +5% compared with Q4 2017
- Increased sales price within Packaging Paper and Corrugated Solutions
- Positive currency effects
- Negative effect in Q4 from lower sales volumes due to seasonal fluctuations and inventory build-up
Continued headwinds from higher raw material costs

*Transport, energy and fixed costs
Wood cost increase expected to flatten out

- Costs for pulpwood continued to increase in Q4
  - ~ +25% 2018

- Caustic soda flattening out on high levels
  - ~ +20% 2018
Next Generation program close to completion

- Net debt expected to peak in Q2 2019
- Clear focus on fast deleveraging after completion of investment programmes
- Net debt MSEK 9 333 (5 737)
- Finding suitable investors for Bergvik Öst continues as planned

**Net debt / EBITDA**

- Target: <2.5x

*Adjusted for items affecting comparability*
Outlook 2019

- Focus on safeguarding price levels achieved during 2018
- Wood cost increase expected to flatten out
Summary

- Production levels in line with expectations
- Continued headwind from higher raw material costs
- Renewed long-term contracts within Liquid Packaging Board
- KM7 progressing according to plan, start up in March/April 2019
- Bergvik Öst; process of finding suitable investors continues as planned
- Pro forma figures for new organisational structure will be published in w/c 11 March, 2019
WHAT IF more packaging cared about the planet
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