KEY HIGHLIGHTS

- **Stable production**
- **Strong results** - adjusted EBITDA margin 19%
- **High demand** - net sales up 5%
- Investments progressing **according to plan**
- **Positive market outlook** in both the short and long term
**STRONG DEMAND**

**PACKAGING PAPER Q1 DEVELOPMENT**

- **Net sales + 6% vs Q1-17**
  - Increased prices
  - Improved product mix
  - Lower production volumes

- **EBITDA + 19% vs Q1-17**
  - Wood and pulp prices continues to increase

- **Market expected to remain solid**
  - Potential to increase prices

- **Successful relaunch for D-sack**

**2,276**

NET SALES SEK MILLION

**467**

EBITDA SEK MILLION

**21%**

EBITDA MARGIN
STABLE PRODUCTION

CONSUMER BOARD Q1 DEVELOPMENT

- Net sales +2% vs Q1-17
  - Stable production
  - Improved product mix
- EBITDA +8% vs Q1-17
  - Cost inflation
- Market expected to remain solid
- Tetra Recart challenges other packaging materials
SOLID RESULT
CORRUGATED SOLUTIONS Q1 DEVELOPMENT

- Net sales +2% vs Q1-17
  - Increased prices
  - Improved product mix
  - Lower production volumes
- EBITDA +11% vs Q1-17
  - Lower fixed costs
- Market expected to remain solid
  - Potential to increase prices
- The world’s strongest fluting

953
NET SALES SEK MILLION

210
EBITDA SEK MILLION

22%
EBITDA MARGIN
STRONG POTENTIAL IN NEXT GENERATION

- New capacity to capture growth
- Streamlined product portfolio
- More focused production units
- Reduced risks and volatility
GRUVÖN PROGRESSING ACCORDING TO PLAN

- Keeping time frame
- Reinforced organisation
  - Programme management office
    - Machine ready
    - Mill ready
    - Product ready
    - Business ready

- Certification material and simpler filler material
  - ~300 ktonnes
- Commercial paper
  - Construction
- Fully ramped up
  - ~550 ktonnes
WORLD-LEADING MG CENTRE IN SKÄRBLACKA

- Project on track
- The Tervarsaari machine is under start-up in Skärblacka (PM10)
- The machine is expected to produce ~40 ktonnes this year
- When fully ramped late 2019 PM10 will produce ~90 ktonnes MG paper*

*Machine Glazed – high-gloss paper
FOCUS ON OPERATIONAL EXCELLENCE

- Safety culture programme
- A customer-centric quality process
- Production stability roadmaps
## Financial Targets

<table>
<thead>
<tr>
<th>Area</th>
<th>FY Target</th>
<th>Outcome Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Growth</strong></td>
<td>3-4%</td>
<td>5%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>&gt;17%</td>
<td>18%</td>
</tr>
<tr>
<td><strong>ROCE</strong></td>
<td>&gt;13%</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Net debt/EBITDA</strong></td>
<td>&lt;2.5</td>
<td>1.55</td>
</tr>
</tbody>
</table>
HIGHER SALES PRICES DRIVE EBITDA
INCREASED NET SALES

- Continued strong demand in all business areas
- Increased sales prices
- Stable production
- Negative effect from shortage of wood
- Positive currency effects
NEGATIVE EFFECTS FROM COST INCREASES

- Demand-driven price increase for wood
- Pulp prices at all-time high levels
- Increased chemical prices

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**Wood Cost Index**

Source: BillerudKorsnäs – Total consumption hard and soft wood

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**Caustic Soda, EUR/dmt**

Source: IHS
STRONG UNDERLYING CASH FLOW

- Solid cash flow from operations to handle investments
- ROCE in line with target despite increased capital employed
- Net debt increased to MSEK 6,056 (4,165)
- High interest from debt investors
- Bergvik Öst deal expected to be finalised end of 2018
2018 OUTLOOK

- Demand and order situation are expected to be strong with normal seasonal variations for all business areas
- Demand-driven cost increases expected to continue
- The financial impact on Q2 2018 from wood shortage is estimated to MSEK 50-75
- Overall capacity will remain at 2017 level
  - Increased volume for Consumer Board
  - Reduced volumes for Corrugated Solutions and Packaging Paper due to impact from Gruvön investment
- One-off impact on EBIT from investment project will be SEK ~210 million
  - SEK 75 million due to longer stop in Gruvön
  - SEK 75 million due to education, extra personnel etc.
  - Increased depreciation SEK 60 million
SUMMARY

- Stable production
- **Strong results** - adjusted EBITDA margin 19%
- **High demand** - net sales up 5%
- Investments progressing **according to plan**
- **Positive market outlook** in both the short and long term
SAVE THE DATE

- Capital Markets Day: Stockholm – Monday 17 September
- Capital Markets Briefing: London – Tuesday 18 September

More info will be posted on www.billerudkorsnas.com
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