KEY HIGHLIGHTS

- Continued **strong demand** driving increased sales prices
- **Production records** reached at four mills
- **Start-up issues** related to planned maintenance stops
- Negative impact on earnings from increased **wood costs and wood shortage**
- **Strong progress** in ongoing changes
- Provision for strengthening the **workplace environment** and unified accounting principles
- Strategic investments are **progressing according to plan**
STRONG PERFORMANCE
PACKAGING PAPER Q2 DEVELOPMENT

- Net sales + 7% vs Q2-17
  - Increased sales prices
  - Better sales mix
  - Positive currency effects

- EBITDA + 2% vs Q2-17
  - Impact from maintenance shutdown and wood shortage

- Market expected to remain strong
  - Potential for selected prices increases

- 2,292
  NET SALES SEK MILLION

- 317
  EBITDA SEK MILLION

- 14%
  EBITDA MARGIN
HIGH DEMAND
CONSUMER BOARD Q2 DEVELOPMENT

- Net sales +2% vs Q2-17
  - Continued strong demand
  - High availability in production
- EBITDA -35% vs Q2-17
  - Increased raw material costs
  - Unchanged prices
- Market expected to remain stable
INCREASED PRICING
CORRUGATED SOLUTIONS Q2 DEVELOPMENT

- Net sales +11% vs Q2-17
  - Increased sales prices
  - Positive currency effects
  - Strong sales within Managed Packaging
- EBITDA -26% vs Q2-17
  - Increased costs for planned maintenance shutdowns
  - Positive contribution from Managed Packaging
- Market expected to remain stable on a high level
- Managed Packing expected to continue strong growth
INVESTMENTS PROGRESSING ACCORDING TO PLAN

- Gruvön KM7 keeping time frame – start-up March 2019
- Skärblacka PM10 successfully started in Q2
FOCUS ON OPERATIONAL EXCELLENCE

Production stability
Product quality
Environmental performance
Occupational Health & Safety

Digitally enabled
STRENGTHENING WOOD SOURCING

- Domestic purchases
  - Bergvik Öst
  - Private forest owners
  - New sourcing

- Import
  - Baltic sea region
  - Balance with volumes from remote areas

- Logistic system
NEW DIVISIONALISED ORGANISATION
## FINANCIAL TARGETS

<table>
<thead>
<tr>
<th>Area</th>
<th>FY target</th>
<th>Outcome Q2 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>3-4%</td>
<td>5%</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>&gt;17%</td>
<td>11%</td>
</tr>
<tr>
<td>ROCE*</td>
<td>&gt;13%</td>
<td>12%</td>
</tr>
<tr>
<td>Net debt/EBITDA*</td>
<td>&lt;2.5</td>
<td>2.15</td>
</tr>
</tbody>
</table>

*Adjusted for items affecting comparability
INCREASED NET SALES

- Strong demand in all business areas
- Positive currency effects
- Increased sales prices
  - Unchanged in Consumer Board
- Lower sales volumes
  - Wood shortage
  - Planned maintenance shutdowns
  - Negative mix

### Net sales, SEKm

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>5,600</td>
<td>5,898</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Sales volumes, ktonnes

- **Packaging Paper**
  - January-June 2017: 600 ktonnes
  - January-June 2018: 600 ktonnes
- **Consumer Board**
  - January-June 2017: 500 ktonnes
  - January-June 2018: 500 ktonnes
- **Corrugated Solutions**
  - January-June 2017: 100 ktonnes
  - January-June 2018: 100 ktonnes
HIGHER RAW MATERIAL COSTS

- Wood prices continue to increase
- Caustic soda stable on high level

Wood Cost Index

Caustic Soda, EUR/dmt

Source: BillerudKorsnäs – Total consumption hard and soft wood
Source: IHS
INCREASED SALES PRICES COMPENSATE FOR HIGHER WOOD COSTS
INCREASED NET DEBT

- Increased net debt driven by strategic investments
  - Net debt MSEK 8 166 (4 734)
- Adjusted Net debt/EBITDA 2,15
- Bergvik Öst deal expected to be finalised end of 2018

Net debt/EBITDA

Target: <2.5x

<table>
<thead>
<tr>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,3</td>
<td>1,3</td>
<td>1,1</td>
<td>1,2</td>
<td>1,4</td>
<td>1,4</td>
<td>1,5</td>
<td>1,6</td>
<td>2,2</td>
</tr>
</tbody>
</table>
2018 OUTLOOK

- Demand and order situation are expected to be strong with normal seasonal variations for all business areas
- Possibilities to selected sales price increases
- Demand-driven wood cost increases expected to continue
- One-off impact on EBIT 2018 from investment project
  - Training, extra personnel etc SEK 75 million
  - Increased depreciations SEK 60 million
Continued strong demand in all business areas
Increased sales prices
Production records reached at four mills
Negative effect on sales volumes from start-up issues related to planned maintenance stops and wood shortage
Strategic investments are progressing according to plan
Strong progress in ongoing changes
WELCOME TO OUR CMD

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

More info is available on www.billerudkorsnas.com
Disclaimer statement

This presentation may contain forward-looking statements. Such statements are based on our current expectations and BillerudKorsnäs does not give any assurances that such statements will materialise. Because these forward-looking statements involve both known and unknown risks and uncertainties, the outcome could differ materially from the information set out in the forward-looking statements. These risks and uncertainties include, but are not limited to, those described in BillerudKorsnäs’ most recent annual report, which is available at www.billerudkorsnas.com. The forward-looking statements included in this presentation apply only as of the date of the presentation and are subject to change without notice. BillerudKorsnäs undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law.