INVESTING TO CAPTURE GROWTH OPPORTUNITIES IN CONSUMER PACKAGING
Capital Markets Day 2015 – Business Area Consumer Board
2015-11-12 | Ulf Eliasson, SVP Business Area Consumer Board
CONSUMER BOARD HAS AN EXCELLENT POSITION FOR GLOBAL GROWTH

Global leader in ambient liquid packaging board

Excellent position in premium cartonboard segments
INVESTING TO INCREASE VOLUME GROWTH

Attractive market opportunities

Investments for growth

Innovations together with customers and brand owners

Volume growth
4-5% CAGR
CONSUMER BOARD IN BRIEF

Rolling 12 months September 2015

NET SALES
MSEK
7 841

EBIT
MSEK
1 020

SALES VOLUME
kTON
1 043

% of Group
36%

SALES BY MARKET SEGMENT
- Food & Beverages, 90%
- Consumer & Luxury goods, 9%
- Medical & Hygiene, 1%

SALES PER REGION
- Europe 67%
- Asia 24%
- Middle East 5%
- Africa 2%
- South America 1%
- Other 1%
DELIVERING ON OUR VOLUME GROWTH STRATEGY

Sales volume

- 2013: 1,200
- 2014: 1,300 (+5%)
- R12M Sep 2015: 1,350 (+4%)

Net sales

- 2013: 8,000
- 2014: 8,600 (+7%)
- R12M Sep 2015: 8,900 (+5%)

EBITDA margin

- 2013: 18%
- 2014: 21%
- R12M Sep 2015: 22%

Volume growth: 4-5% CAGR
GLOBAL MEGATRENDS DRIVE DEMAND FOR VIRGIN FIBRE CONSUMER BOARD

Global economy
- Economic growth especially in emerging markets
- Share of middle class is expanding

Demographic
- High urbanization rates especially in Asia

Life style
- Change in consumer behavior

Sustainability
- Increased environmental awareness
- Increased focus on product safety
GROWING GLOBAL TREND FOR BEVERAGES PACKED IN CARTONS

- Other beverages: 4-4.5% CAGR
- Juice: 3-3.5% CAGR
- Dairy products: 3-3.5% CAGR

Source: CAGR% 2015-2025, BillerudKorsnäs analysis on Zenith International 2015 and Pöyry data 2015
GLOBAL DEMAND GROWTH FOR LIQUID PACKAGING BOARD SUPPORTS OUR INVESTMENTS

North America: 0.5-1%
Central & South America: 3-3.5%
Europe: 1-1.5%
Africa: 3-3.5%
Middle East: 6.5-7%
Central Asia: 1-1.5%
South & South East Asia: 6.5-7%
China: >3%

Global supply gap: >1 MTON 2014-2025

Source: CAGR% 2015-2025, BillerudKorsnäss analysis on Zenith International 2015 and Pöyry data 2015
WE TARGET PREMIUM SEGMENTS IN VIRGIN FIBRE CARTONBOARD

Market size and growth per region

Market size and growth per end use

Source: BillerudKorsnäs analysis on Vision Hunter 2015
WE ARE INVESTING FOR FUTURE CAPACITY INCREASES
SEK 1.6 BILLION INVESTED IN BOARD MACHINES AT GÄVLE & FRÖVI DURING 2012-2017

GÄVLE
+45 000 ton/year to 670 000 ton/year
MSEK 490 investments in 2012-2014

FRÖVI
+155 000 ton/year to 550 000 ton/year
MSEK 1 150 investments in 2013-2017

20% in annual board production capacity (2018 vs 2013)
WE HAVE A STRONG ASSET BASE TO CAPTURE GROWTH IN CONSUMER PACKAGING

<table>
<thead>
<tr>
<th></th>
<th>Liquid Packaging Board capacity</th>
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<tbody>
<tr>
<td>1</td>
<td>BillerudKorsnäs, PM5 Frövi</td>
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<td>2</td>
<td>Competitor, PMA</td>
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<td>Competitor, PMD</td>
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<td>Competitor, PMG</td>
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<td>10</td>
<td>BillerudKorsnäs, PM4 Gävle</td>
<td>305</td>
</tr>
</tbody>
</table>

* Integrated to chemical pulp

Source: BillerudKorsnäs analysis on Pöyry and Vision Hunter 2015
NEW CAPACITY IN GRUVÖN FOR CONTINUING GROWTH

- Targeting long-term growth for liquid packaging board and premium cartonboard segments
- Cost-efficient board machine with state-of-the-art technology designed for premium products
- Good asset quality in pulp mill for cost-efficient pulp production
- Long production experience in Gruvön of consumer board products
INNOVATIONS IS KEY TO STAYING COMPETITIVE

- Sustainable material solutions
- Advanced production technologies
- New emerging technologies
JACQUART CHAMPAGNE – A PERFECT FIT FOR BILLERUDKORSNÄS

The relations

The products

The know-how

The reliability
INVESTING TO INCREASE VOLUME GROWTH

Attractive market opportunities
- Be the global leader in ambient liquid packaging board
- Develop an excellent position in premium cartonboard segments

Investments for growth
- Invest in existing infrastructure for increased capacity
- Pre-feasibility study for new board machine for additional capacity

Innovations together with customers and brand owners
- Focused resources for long-term innovations
- Continuous innovations to add value to customers and brand owners

Volume growth 4-5% CAGR