ACCELERATING OUR TRANSFORMATION FOR CONTINUED VALUE GROWTH
Capital Markets Day 2015 – Business Area Containerboard
2015-11-12 | Lennart Eberleh, SVP Business Area Containerboard
MORE OPPORTUNITIES FOR VALUE GROWTH UP THE VALUE CHAIN

Packaging material 50-85% of the cost

- Price
- Payment terms
- Runability
- Delivery terms

Packaging material 2-5% of the cost

- Brand image
- Package solution
- Sustainability
- Shelf appearance
ELEMENTS FOR CONTINUOUS VALUE GROWTH

Strong product portfolio

Integrating new business model

Focusing on brand owners in attractive markets

Value growth 2-4% CAGR
CONTAINERBOARD IN BRIEF

NET SALES
MSEK
3 265

EBIT
MSEK
511

SALES VOLUME
KTON
508

% of Group

15%
19%
19%

SALES BY MARKET SEGMENT
- Food & Beverages, 83%
- Consumer & Luxury goods, 10%
- Industrial, 6%
- Medical & Hygiene, 1%

SALES PER REGION
- Europe 76%
- Asia 12%
- Africa 6%
- South America 1%
- Other 5%

Rolling 12 months September 2015
DELIVERING ON OUR VALUE GROWTH STRATEGY

Value growth 2-4% CAGR
COMBINING MATERIALS AND SOLUTIONS

Global provider of market-leading virgin fibre fluting and liner

Global provider of managed packaging solutions

90% of sales

10% of sales
GLOBAL DEMAND FOR CONTAINERBOARD IS GROWING BY 2.6%

70% of market dominated by recycled fibres

KEY DRIVERS WITHIN CORRUGATED PACKAGING
INCREASING TRADE AND PACKAGE DIFFERENTIATION

- E-commerce
- Fresh food consumption
- Shelf-ready packaging
- Premiumisation
- Consumer electronics
- Alcohol and wine consumption
- Point-of-sale displays
KEEPING THE PREMIUM POSITION

**LINER**
- Coated white top kraftliner
- White top kraftliner
- Coated testliner
- Unbleached kraftliner
- White testliner
- Brown testliner

**FLUTING**
- Premium
- Billed Flute
- Scandinavian SC
- Continental SC
- High performance Flute
- Recycled medium
THE ART OF TRUE PERFORMANCE
THE NEW BILLERUD FLUTE®

THE ART OF ATTRACTION
THE NEW BILLERUDKORSNÄS COATED LINER
MANAGED PACKAGING
SAVING BRANDS MONEY THROUGH BETTER PACKAGING

Operational savings
Management simplicity
Sustainability performance
Revenue generation

1. ANALYSIS
2. PILOT
3. IMPLEMENTATION
4. STEADY STATE

2,000+ OEM factories in 20+ countries

$1 invested gets you $10 in return
2 BUSINESS MODELS WITH CLEAR SYNERGIES

Material Sales
Solution Sales

GLOBAL                      LOCAL / REGIONAL

2 BUSINESS MODELS WITH CLEAR SYNERGIES

GLOBAL                      GLOCAL

Material Sales

Solution Sales

BUSINESS OFFER
GLOBALLY MANAGED PACKAGING

GLOBAL

LOCAL / REGIONAL

GLOBAL

GLOCAL
Containerboard + Paccess = “Corrugated Solutions”

Synergies:
- Common Segments
  - Visual, Industrial and Food Packaging
- Competence
- Network

One strong organization
- Scalable
- Common focus
- Outside in-oriented structure

FOR CONTINUED VALUE GROWTH WE CREATE CORRUGATED SOLUTIONS
GLOBAL ORGANISATION WITH FOCUS ON GROWING MARKETS

- Material & Solution Sales
- Regional Design Centers
- Growing Production Partner network
ACCELERATING OUR TRANSFORMATION FOR CONTINUED VALUE GROWTH

Strong product portfolio
- World-class fluting and liner for tough requirements
- Solution services adding value

Integrating new business model
- Investing in managed packaging
- Growing our business with brand owners

Focusing on brand owners in attractive markets
- Providing services to large brand owners
- Global presence to offer best possible service

Value growth 2-4% CAGR