

Billerud decides on a new direction to transform production in the US towards packaging materials

Billerud’s Board of Directors has decided to not proceed with plans to convert its Escanaba mill to cartonboard production. Instead, the company will target to shift its product mix gradually towards packaging materials in North America with a moderate investment level.

“After in-depth feasibility studies, evaluations, and supplier discussions, we have concluded that the projected return on investment is not sufficiently attractive to proceed with the conversion of Escanaba to cartonboard production. During the process, conditions have changed and the cost of equipment and services necessary to transform the operations have greatly increased. Instead, we will pursue a higher returning and more moderate investment strategy for our North American mills going forward,” says Ivar Vatne, President and CEO of Billerud.

“Billerud North America operations are an integral part of Billerud, and we remain committed to the North American market. Since the acquisition in 2022, the organizational fit, access to cost competitive fiber and the financial performance of the region have exceeded our expectations. The long-term market outlook for paper and packaging material in North America is promising. With better-than-expected machine flexibility we see great potential to diversify our product portfolio towards packaging grades – fully in line with our strategy,” says Ivar Vatne.

Billerud will continue to serve the North American markets with its high quality cartonboard produced at its European mills.

Costs of around SEK 200 million for the US transformation program will be recognized in the 2024 second quarter result, reported as an item affecting comparability.

Press and analyst conference

A webcasted conference call for press and analysts will be held today, Tuesday 21 May, at 14:00 CEST and can be followed on: <https://billerud.videosync.fi/2024-05-21-press>

To participate and be able to ask questions, please register here:

<https://service.flikmedia.se/teleconference/?id=100411>

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