

WE CHALLENGE CONVENTIONAL PACKAGING FOR A SUSTAINABLE FUTURE



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PURE PLAY PACKAGING MATERIALS COMPANY

High performance packaging materials

➤ Target customer segments requiring strong, light and/or pure packaging

Stable product portfolio

➤ 74% of sales going to consumer sectors

Sustainable alternatives through innovation

➤ Innovation challenging other materials and solutions

Strong financial position

➤ Well-positioned for profitable growth investments

BILLERUDKORSNÄS IN BRIEF

NET SALES*



- Europe 73%
- Asia 17%
- Africa 4%
- South America 3%
- Middle East 2%
- Other 1%

OPERATING PROFIT*



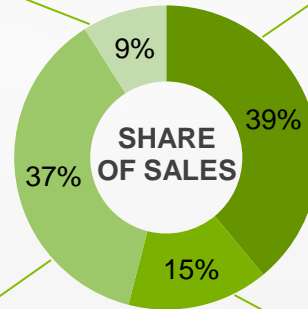
OTHER

CONSUMER BOARD

Liquid packaging board
Cartonboard

PACKAGING PAPER

Kraft paper
Sack paper
Market pulp



CORRUGATED SOLUTIONS

Fluting
Liner
Managed packaging

8

PRODUCTION UNITS
(SWE, FI, UK)

2.9

PRODUCTION CAPACITY
(MILLION TONNES)

4 200

NUMBER OF EMPLOYEES

*Full year 2015. Excluding non-recurring items



FINANCIAL TARGETS AND TARGET FULFILLMENT

AFTER SECOND QUARTER 2016

**ORGANIC GROWTH 3-4 %
PER YEAR**



**EBITDA > 17%
17%**



**ROCE > 13%
14%**

**Net Debt / EBITDA < 2.5
1.32**

**DIVIDEND POLICY: 50% OF NET PROFIT
49% FOR 2015**



AIMING TO CAPTURE GROWTH FROM GLOBAL MEGATRENDS



**DEMOGRAPHIC SHIFTS AND
A CHANGING WORLD MAP**



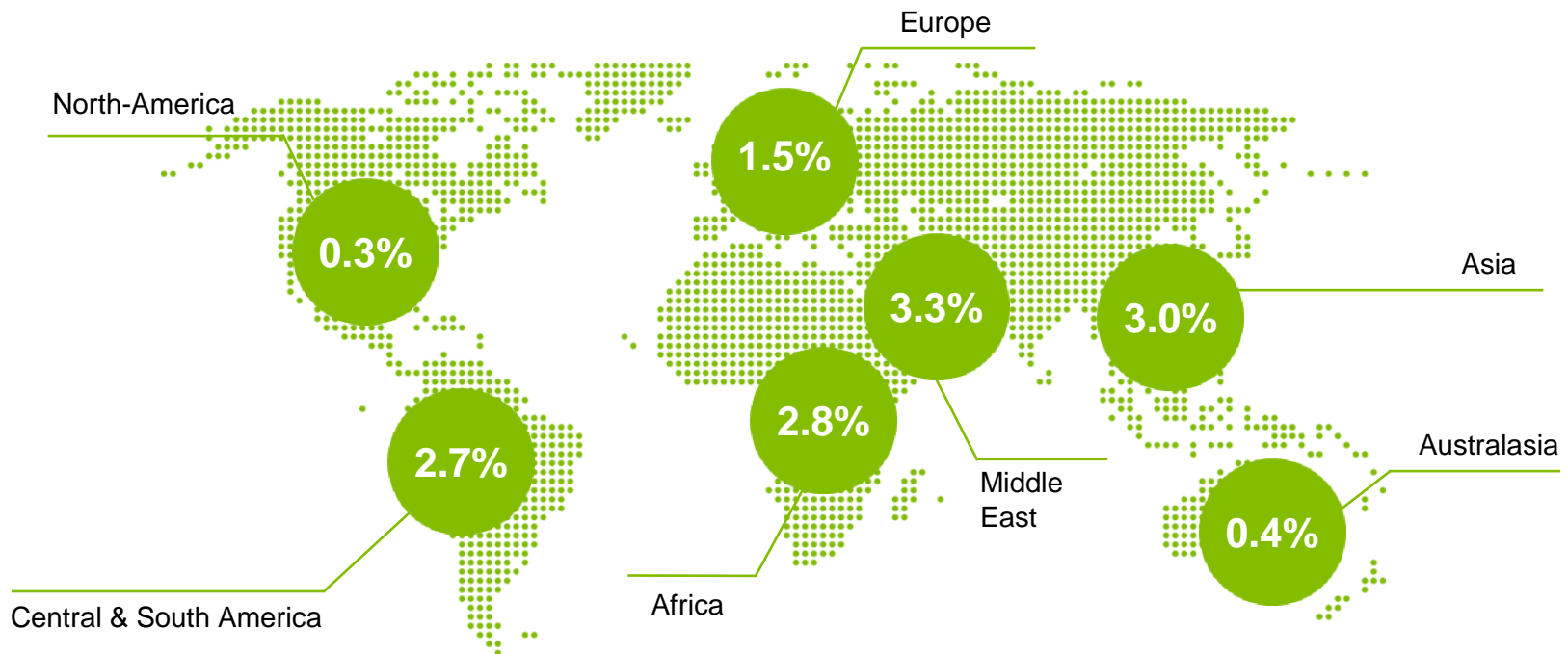
**SUSTAINABILITY CONNECTING
SEVERAL SUBTRENDS**



**CONSUMERS AND SUPPLY
CHAINS ARE CHANGING**

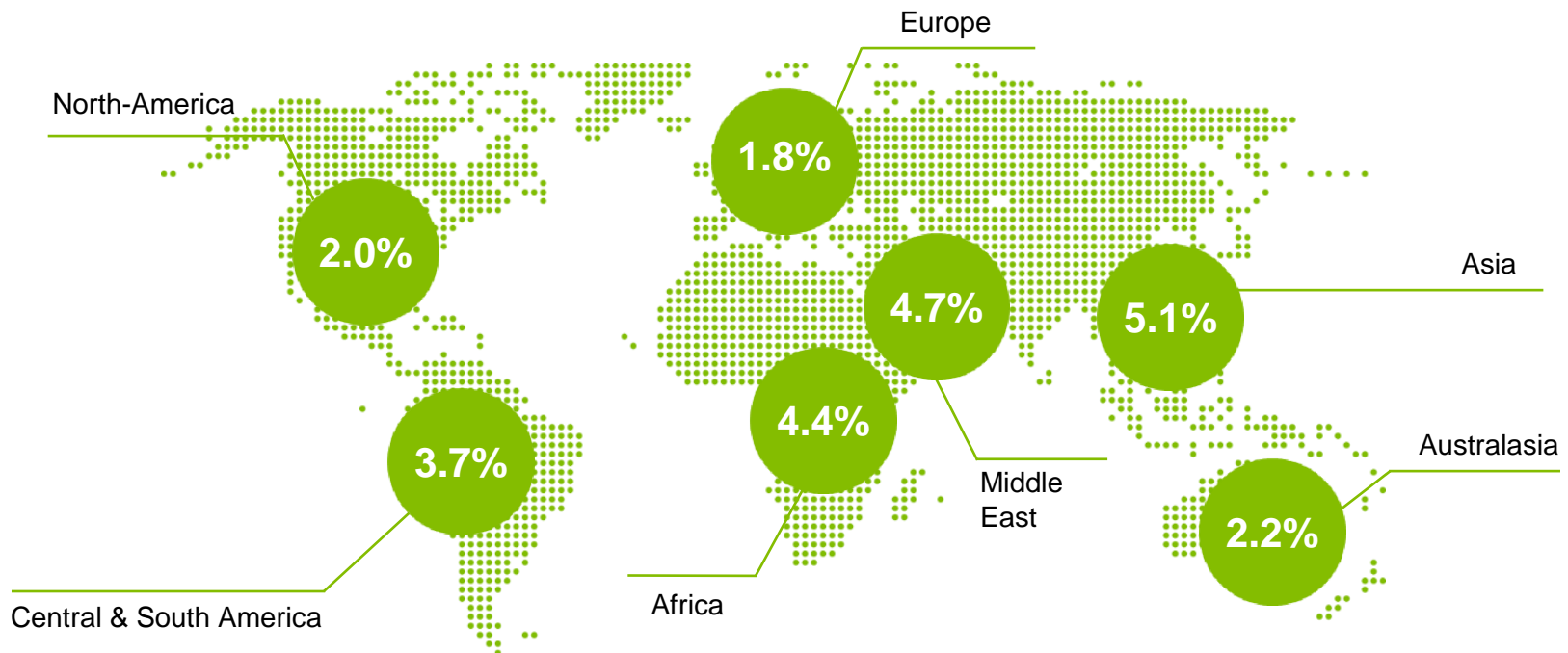


PACKAGING PAPER & BOARD MARKET IS GROWING BY 2.2%





WE TARGET GLOBAL PACKAGING MARKET GROWING BY 3.4%





WE HAVE ESTABLISHED A CLEAR GROWTH STRATEGY



WE ARE INVESTING TO MOVE FURTHER UP THE VALUE CHAIN TOWARDS BRAND OWNERS





WE ARE EXPANDING THE REACH OF OUR OFFERING

OUR PRESENCE **2013** AND NEW SALES HUBS **2015**



- Sweden
- Finland
- Germany
- UK
- France
- Spain
- Italy
- UAE
- China
- Singapore**
- Thailand**
- US**
- India**
- Turkey**
- South Africa**

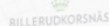
WE HAVE INVESTED SEK 2 BILLION SINCE 2012 TO INCREASE CAPACITY AND QUALITY LEAD

PACKAGING PAPER

260 SEKm

Brown sack paper

- Improved paper quality restoring leadership
- Increased capacity by 20 000 tonnes



CONSUMER BOARD

1600 SEKm

Liquid Packaging Board
Cartonboard

- Improved quality
- Increased capacity by 200 000 tonnes

CORRUGATED SOLUTIONS

180 SEKm

S/C fluting

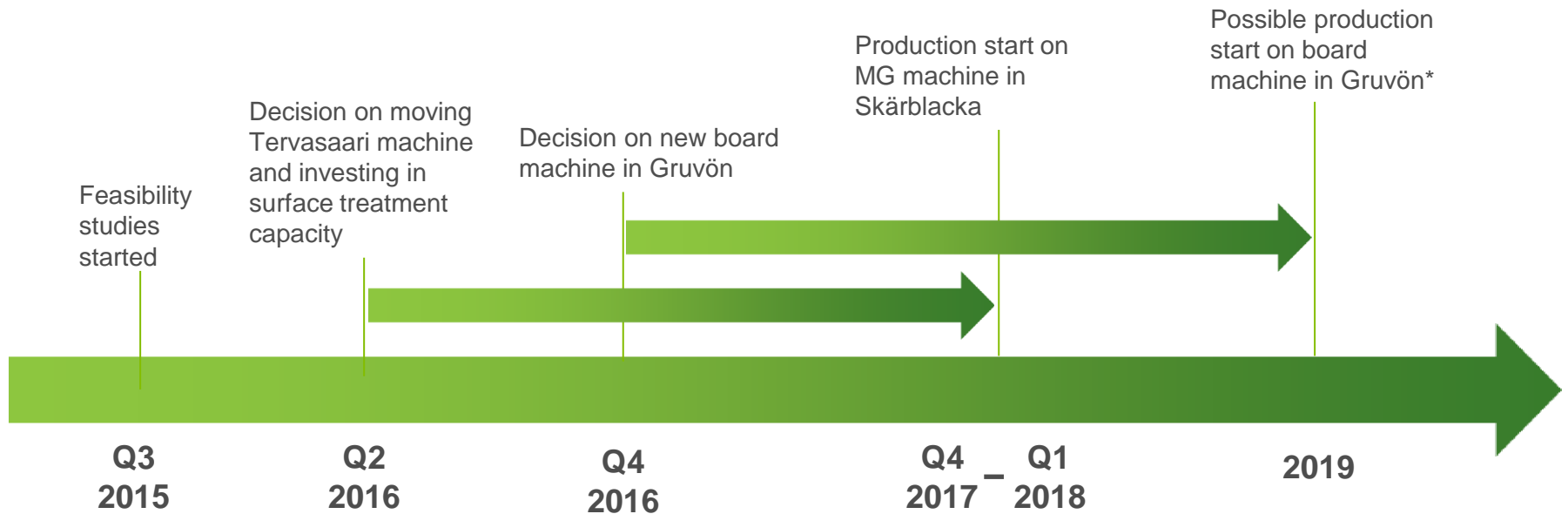
- Improved quality enhancing leadership
- Increased capacity by 40 000 tonnes



+260 000 tonnes

WE ARE PLANNING TO INVEST MORE THAN SEK 5 BILLION...

- Moving unintegrated MG paper machine from Tervasaari, Finland to Skärblacka, Sweden and making it integrated to the pulp production.
- Building new board machine at the production unit in Gruvön with capacity of approx. 500 000 t/a of liquid packaging board, cartonboard, food service board and white kraftliner.



*Subject to feasibility study results

...TO IMPROVE UNDERLYING PROFITABILITY AND SECURE ORGANIC GROWTH

PACKAGING PAPER

Focusing on growth segments growing by 2-4% per year

Decreasing volumes on oversupplied markets

SELECTIVE GROWTH

CONSUMER BOARD

Increasing volumes on growing Liquid Packaging Board and Cartonboard markets

VOLUME GROWTH

CORRUGATED SOLUTIONS

Expanding solution based sales to brand owners

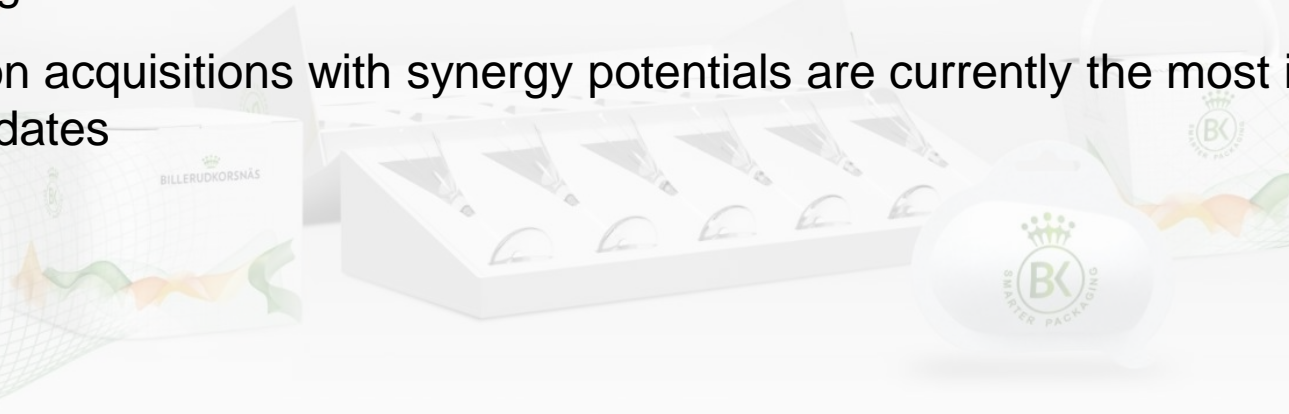
Exiting oversupplied white liner market

VALUE GROWTH

Improved underlying EBITDA > **1000 SEKm** when fully implemented
Continued organic growth with **3-4%** per year

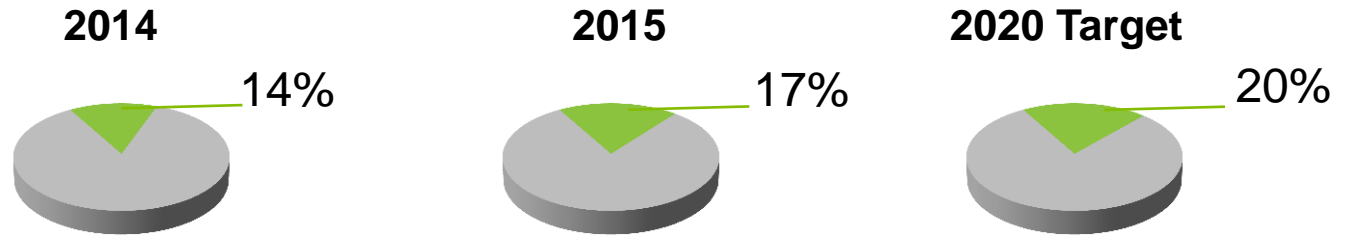
M&A MAY BOOST LONG-TERM GROWTH

- We have the financial capacity to add M&A growth to organic growth
- We have proven experience in merging businesses and quickly extracting synergies
- Bolt-on acquisitions with synergy potentials are currently the most interesting candidates

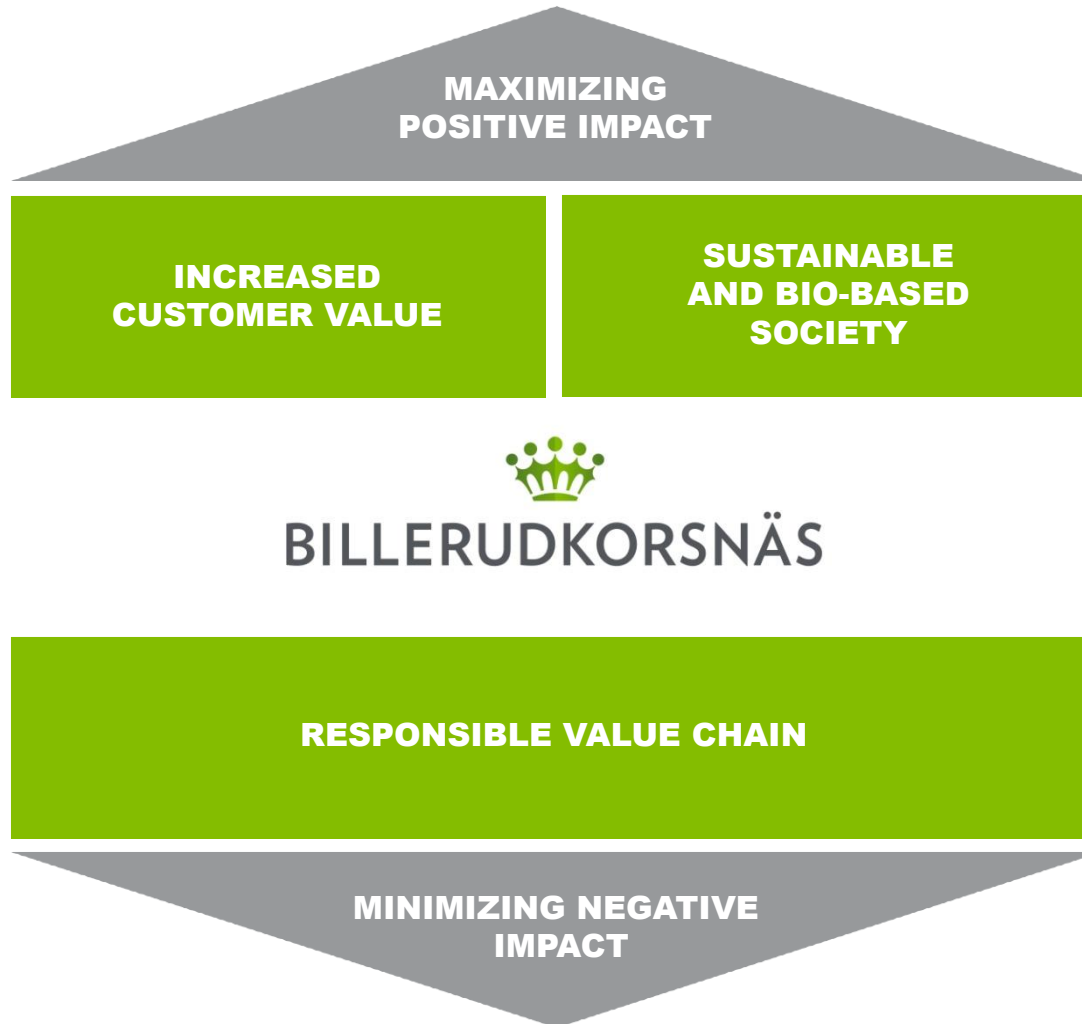


INNOVATION WILL FURTHER BOOST TOP LINE AND MARGINS

Proportion of sales accounted for by new products



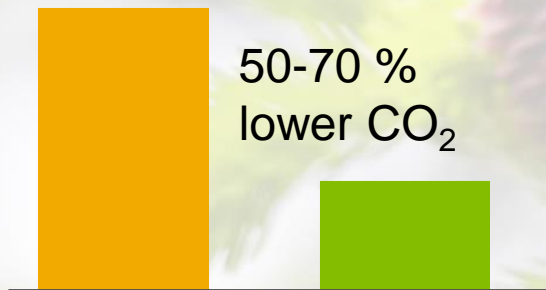
SUSTAINABILITY AS A BUSINESS OPPORTUNITY



WE PROVIDE SUSTAINABLE SOLUTIONS

Through our products...

Environmental impact paper vs plastic¹



... and through our actions



¹ Life cycle assessment, Comparative study of virgin fibre based packaging products with competing plastic materials. IVL, 2015.



SUMMARY

- BillerudKorsnäs – pure play packaging materials company
- Global trends imply major growth opportunities
 - Sustainability, demographic shifts, digitalization and changed consumer behavior
- We invest in all of our four strategic pillars:
 - Position expansion, Innovation, Sustainability and Efficiency
- We have set out plans to increase profitability and secure growth



BILLERUDKORSNÄS

