

BillerudKorsnäs completes acquisition of Verso

BillerudKorsnäs announces the completion of its acquisition of Verso for a purchase price of approximately USD 825 million in cash. Verso is a leading producer of coated paper in North America, with 2021 net sales of USD 1 278 million and adjusted EBITDA of USD 223 million.

The acquisition of Verso reinforces BillerudKorsnäs' strategy to drive profitable and sustainable growth and its ambition to accelerate its growth in North America. As a result of the acquisition of Verso, BillerudKorsnäs is now one of the largest providers of virgin paper and packaging materials with a cost and quality advantage. Combined 2021 net sales for BillerudKorsnäs and Verso amounted to approximately SEK 37.2 billion.¹

BillerudKorsnäs is committed to continuing to serve Verso's customers across all segments and realising its previously announced plans to convert several of Verso's assets into paperboard machines, while maintaining Verso's position as a quality and cost leader in speciality and coated paper. Effective 1 April 2022, Rob Kreizenbeck, Verso's SVP of Operations, assumes the position of President, North America in BillerudKorsnäs' Executive Management Team. Going forward, BillerudKorsnäs intends to simplify its company name and brand to "Billerud", which it will operate under in all markets, including the U.S. The Board of Directors will propose at the 2022 Annual General Meeting to amend the company's name to Billerud AB (publ), and the change will be successively implemented thereafter.

"I am very glad to welcome the entire Verso team to BillerudKorsnäs. Our combined assets and expertise in high-quality virgin fibre paper and board packaging materials create an excellent platform for sustainable and profitable growth. Integration work starts immediately, and we look forward to working together, sharing knowledge, initiating preparations for the conversion project and realizing a successful development," comments Christoph Michalski, President and CEO of BillerudKorsnäs.

"We are excited to join forces with BillerudKorsnäs and become a larger, stronger organization. Together, we are building a company that is passionately committed to a strong safety culture, sustainability, superior quality and delivering value to our customers," says Rob Kreizenbeck.

The negative cash flow effect of the acquisition for BillerudKorsnäs amounts to approximately SEK 6.0 billion. The transaction was financed by bank loans, which BillerudKorsnäs plans to refinance through the issuance of debt instruments and an equity rights issue during 2022.

¹ Reported net sales for 2021. Calculation based on USD/SEK 8.58 (average 2021).





Verso will be consolidated in BillerudKorsnäs' accounts from today and will be reported in the product area Paper. BillerudKorsnäs expects the acquisition to be accretive to earnings per share immediately and to create significant shareholder value over time with a more profitable product mix.

The date of publication of BillerudKorsnäs' interim report for the first quarter 2022 has been changed to 5 May 2022.

As a result of the transaction, Verso common stock ceased trading on the New York Stock Exchange prior to the opening of trading today.

For more information, please contact:

Christoph Michalski, President and CEO, +46 703 553 098

Ivar Vatne, CFO, +46 8 553 335 07

This information constituted inside information prior to publication. This is information that BillerudKorsnäs AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 16.10 on 31 March 2022.

Forward-looking statements

This press release contains forward-looking statements that reflect BillerudKorsnäs' current expectations and views of future events and developments. The forward-looking statements include statements relating to the expected benefits of the proposed transaction; BillerudKorsnäs' plans with respect to Verso and its assets; BillerudKorsnäs' plans to refinance certain indebtedness; and the implementation of the company's name change. The forward-looking statements should be read in conjunction with the other cautionary statements that are included elsewhere, including BillerudKorsnäs' most recent annual and quarterly reports available at www.billerudkorsnas.com and any other documents that BillerudKorsnäs has made publicly available. Any forward-looking statements made in this release are qualified in their entirety by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by us will be realised or, even if substantially realised, that they will have the expected consequences to, or effects on, us or our business or operations. Except as required by law, BillerudKorsnäs undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.