



# INTERIM REPORT JANUARY-SEPTEMBER 2014

2014-10-28 Per Lindberg, CEO and President, and Susanne Lithander, CFO



## CONTINUED EVIDENCE OF STRENGTH IN Q3

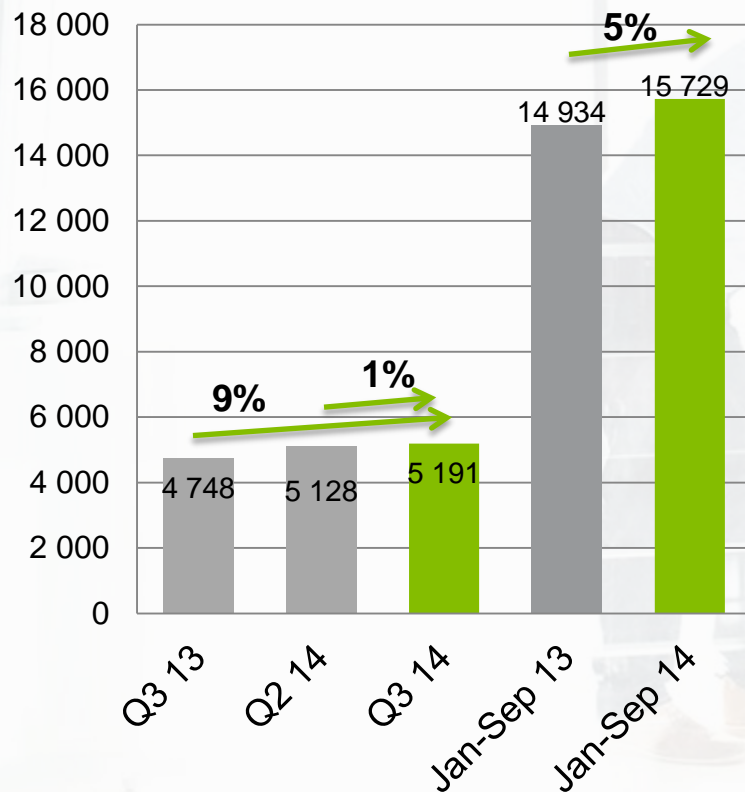
- **Packaging Paper**
  - Normal market situation for sack and kraft paper
    - Solid demand absorbed increased market capacity
    - Price increases implemented on sack paper
- **Consumer Board**
  - As expected a solid market situation with stable prices for liquid packaging board
    - Price increases on cartonboard
- **Containerboard**
  - Stable order books for fluting, white liner weaker
    - Increased capacity on the white liner market
    - Stable prices for fluting, weaker for liner
- Synergy target of SEK 530 million reached, program will be closed



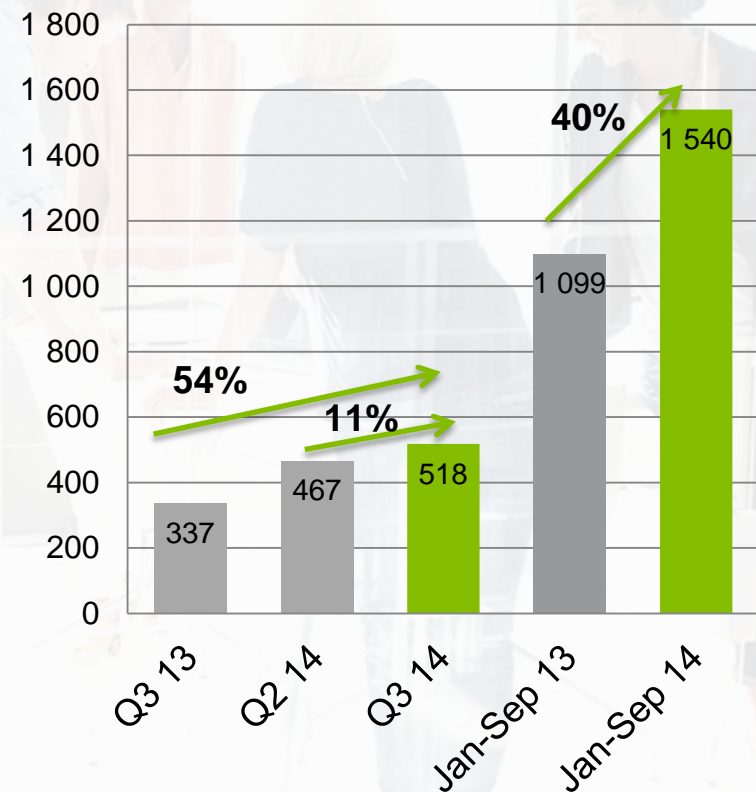
# WE DELIVER AS PROMISED

NET SALES GROWTH 5%, ADJUSTED OPERATING PROFIT +40% YOY

## Net sales, SEKm



## Adj. op. profit, SEKm

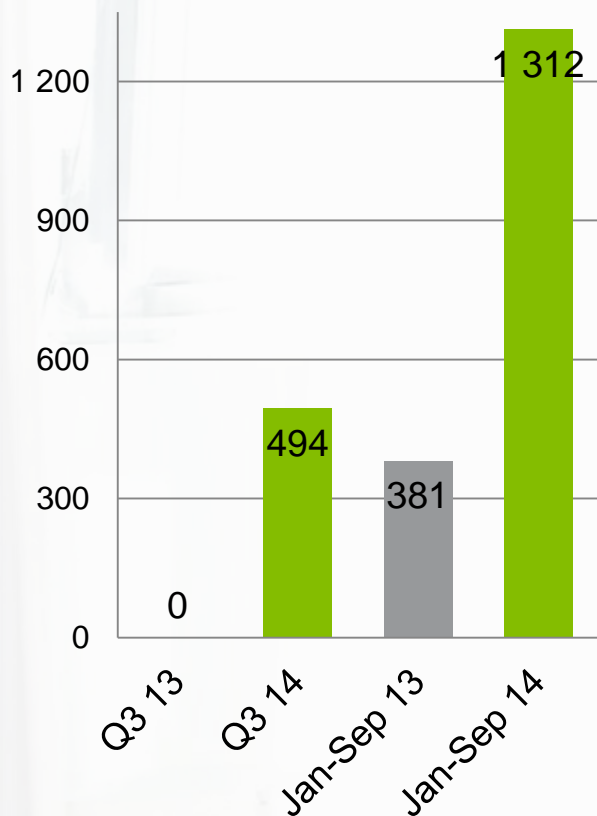




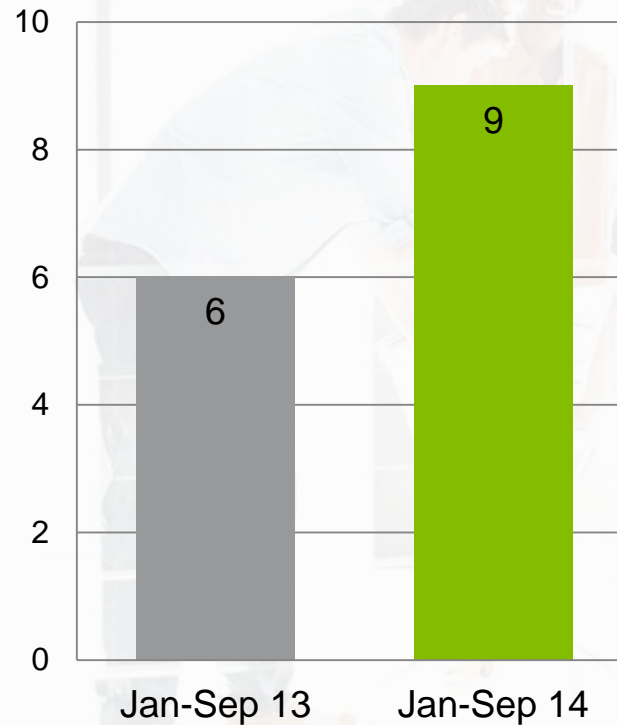
# WE DELIVER AS PROMISED

EXCELLENT CASH FLOW, IMPROVED ROCE AND STRENGTHENED BALANCE SHEET

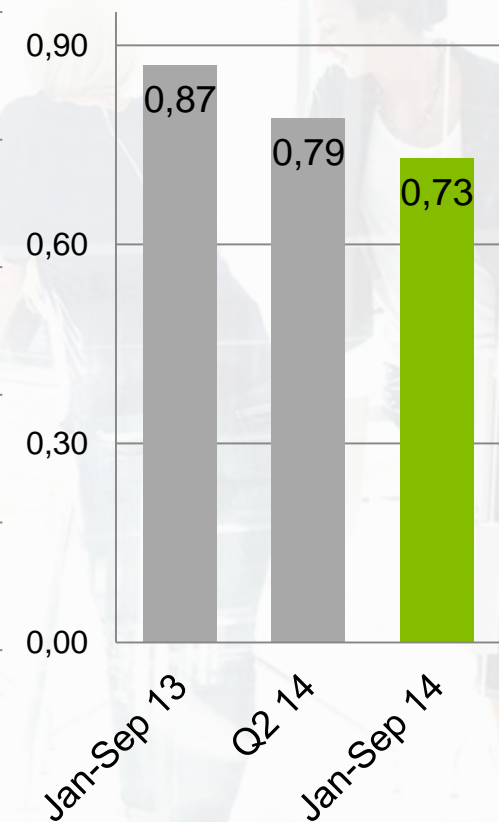
### Op. cash flow, SEKm



### ROCE, %



### Net debt/equity







# BUSINESS AREA PACKAGING PAPER

## Q3 2014

- Normal market situation for sack and kraft paper
  - Solid demand absorbed increased market capacity
- Net sales MSEK 2 058, +2% Q2-14
- Operating profit MSEK 158
- Operating margin 8%
- Key take-away
  - The order situation for sack and kraft paper was normal
  - Prices in local currency were on the same level as previous quarter
  - Price increases on sack paper realised
- **Selective growth** strategic action points
  - Investment for growth of MSEK 260 in sack paper machine in Skärblacka
  - Intense work with increasing sales and support resources outside Europe



## BUSINESS AREA CONSUMER BOARD Q3 2014

- Stable and satisfactory market situation with normal seasonal variances
- Net sales MSEK 1 897, +4% Q2-14
- Operating profit MSEK 243
- Operating margin 13%
- Key take-away
  - Stable demand and continued global growth
  - Price increases on cartonboard
- **Volume growth** strategic action points
  - Investments for growth of SEK 900 million announced
    - Board machine in Frövi to be largest of its kind in the world





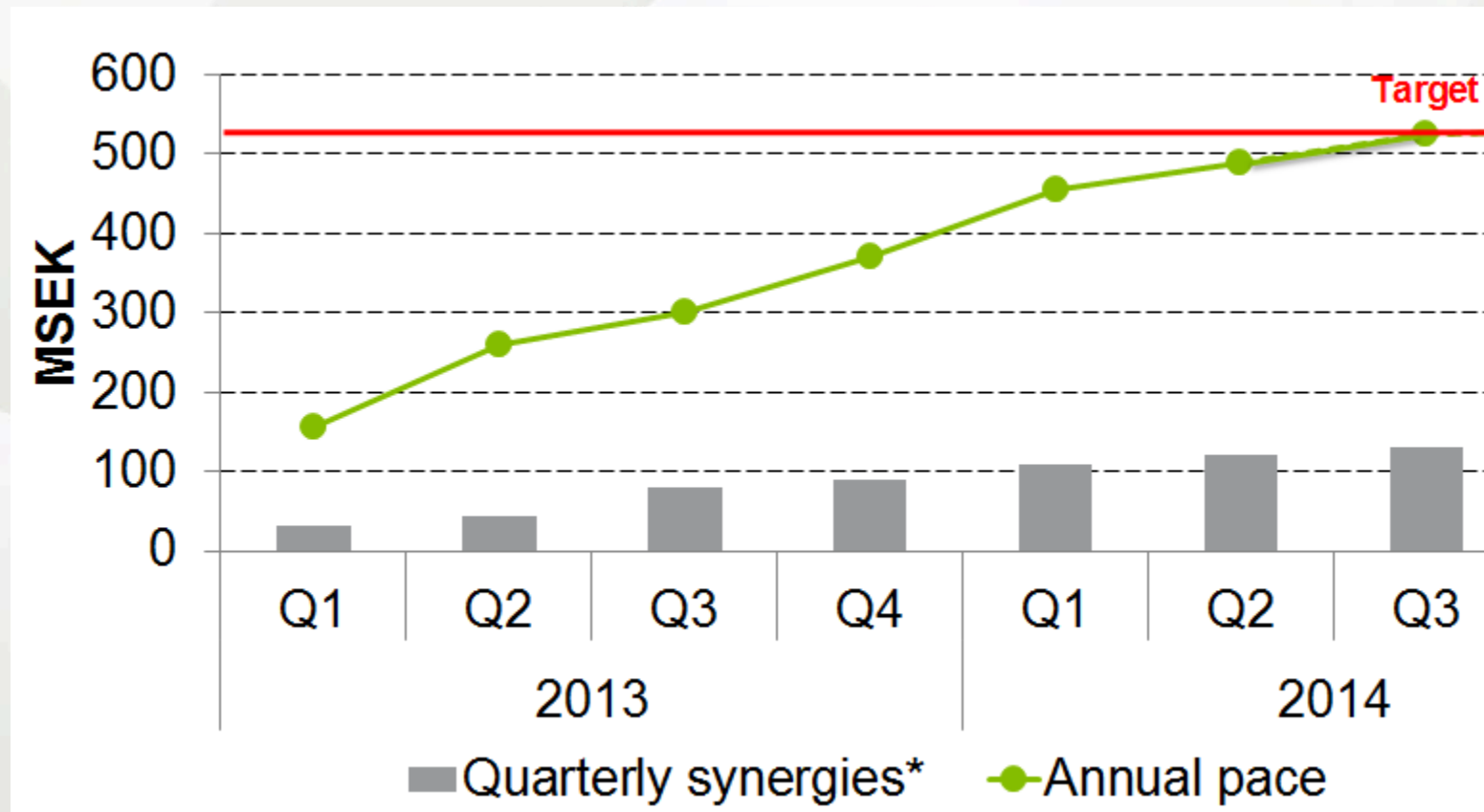
## BUSINESS AREA CONTAINERBOARD Q3 2014

- Stable order book except for order intake on white liner
- Net sales MSEK 773, +1% Q2-14
- Operating profit MSEK 120
- Operating margin 16%
- Key take-away
  - Stable order intake except for white liner, which was weaker due to increased market competition
  - Prices in local currency were stable during the quarter, despite increased supply capacity and pressure from price reductions on recycled based paper
- **Value growth** strategic action points
  - Continued focus on creating value, operating margin 16% in the quarter
  - Focusing on growing the Paccess business



# SYNERGY TARGETS REACHED WAY AHEAD OF PLAN, MSEK 530

SYNERGY PROGRAM WILL BE CLOSED



\*Synergies and savings realised in the quarter, compared to if the synergy and savings programme had not been initiated.



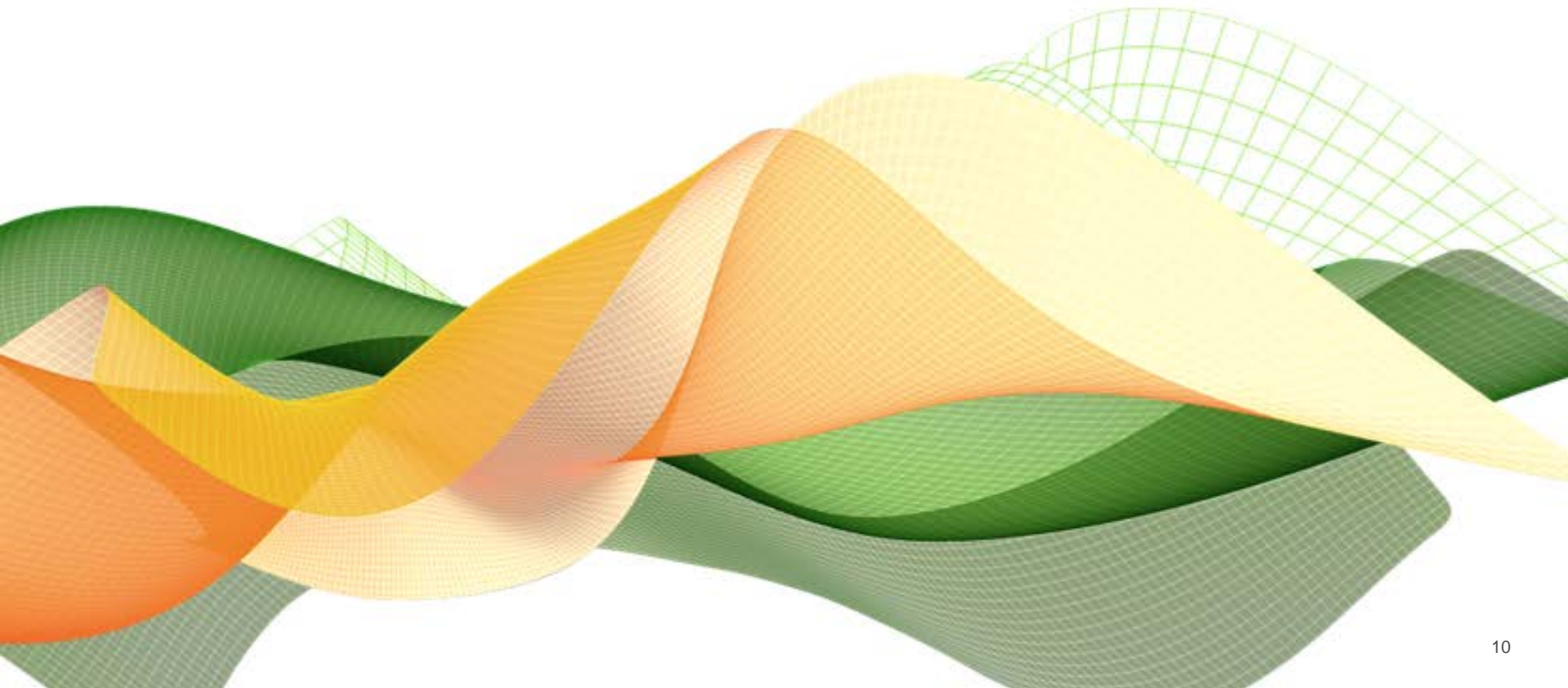


## OUTLOOK

- ▶ Demand and order situation is expected to decline temporarily for business areas Consumer Board and Packaging Paper in the fourth quarter. The decline is due to seasonal variations. Business area Containerboard is expected to stay on the same level as in the third quarter. In addition, December 2014 is an unusually short delivery month.
- ▶ Average prices in local currency are anticipated to be stable.
- ▶ Wood prices are expected to stay on current level for the fourth quarter of 2014.
- ▶ Capital expenditures is estimated to be approximately SEK 1 550 million in 2014, which is SEK 150 million above the depreciation level. The capex level for 2015 will also be above the depreciation level.
- ▶ Full synergies have been reached as of quarter three 2014.



# Q&A





# BILLERUDKORSNÄS

