



## PRESS RELEASE

17 October 2017, Solna

### Good demand and stable results

CEO Per Lindberg comments on the development during Q3 2017:

“We experienced a very strong market in the quarter, resulting in positive sales performance. Net sales were up 3% and volumes were up 1% on last year. Overall, we have had some difficulties with production availability in recent quarters, so we have established a new organisation to work proactively on both availability and quality at our facilities. I am confident that this will generate results over the coming years.

Looking ahead, market conditions appear encouraging, and we see good opportunities for continued growth. In the longer term, we will have additional support from increasing demand for sustainable packaging solutions. In this respect, our major investments, which will start to deliver in 2018 and 2019, will make a significant positive contribution to our growth on this market.”

### THE RESULT

EBITDA in the quarter was SEK 1 051 million and we experienced positive sales performance on the back of a strong market in Europe and increased demand in China and the rest of Asia. The slightly higher volumes, combined with higher prices, offset negative currency movements. During the quarter, our Karlsborg production unit was affected by a production shutdown due to a fire, which had an approximately SEK 35 million impact on earnings. The fire was put out quickly and there were no injuries to personnel, but it caused extensive damage to cabling in an adjacent area. The damage has been repaired and Karlsborg's production is running according to plan once again.

The business areas delivered stable earnings. Consumer Board recorded its highest cartonboard sales volumes since Billerud and Korsnäs merged. Within Corrugated Solutions, Managed Packaging posted sales growth of almost 50 percent compared to last year.

### MARKET OUTLOOK

The market for all business areas is expected to remain strong over the next quarter. We are seeing favourable order levels and opportunities for further price increases. It is uncertain, however, how large the price increases may be.

In the longer term, this positive picture is being further strengthened by growing demand for sustainable packaging solutions, particularly regarding alternatives to plastic. Plastic waste is one of the greatest environmental challenges of our time and we are therefore seeing a greater focus on



regulation to counter unnecessary use of plastic. This is strengthening our competitiveness as opportunities to replace less sustainable solutions are growing.

## **STRATEGY**

Efficiency is a cornerstone of our strategy. Our approach to efficiency is about doing things right, and having efficient processes and practices. It is our customers who principally determine what are the right things to do. That's why we are increasingly focusing on developing and harmonising our working practices by strengthening group-wide functions within our production organisation. This relates in particular to minimising production disruptions and ensuring our products maintain consistently high quality.

Another aspect of this is structural. Our two major investment projects, a new board machine at Gruvön and a world-leading MG centre at Skärblacka, not only demonstrate our ambition of meeting the market's growing needs with efficient board and paper machines. We have also demonstrated our ability to create a production system that is efficient both in terms of its overall structure and its constituent parts. This is in order to supply our current and future customers with the highest-quality sustainable packaging materials and solutions. These projects are proceeding to schedule and we are looking forward to the start-ups; spring 2018 for Skärblacka and spring 2019 for Gruvön.

### **For further information, please contact:**

Per Lindberg, President and CEO +46 (0)8 553 335 00

Susanne Lithander, CFO, +46 (0)8 553 335 00

This information constituted inside information before 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 07.02 CET on 17 October 2017.