



BILLERUDKORSNÄS

Interim report January–June 2021

Continued profitable growth and strong cash generation

Q2 2021

KEY HIGHLIGHTS

- High sales growth driven by strong demand
- Profit improvement
- Strong cash generation
- First deliveries of liquid packaging board from Gruvön

QUARTERLY DATA

- Net sales grew by 6% to SEK 6 504 million (6 156) Excluding currency effects net sales grew by 9%
- Adjusted EBITDA* increased by 14% to SEK 883 million (774)
- Operating profit amounted to SEK 404 million (245)
- Net profit was SEK 311 million (202)
- Earnings per share amounted to SEK 1.50 (0.98)

OUTLOOK

- Continued strong market conditions
- Good availability of pulp wood
- Higher input costs compensated by price increases

KEY FIGURES*

SEKm	Q2	Q2	Change	Jan-Jun	Jan-Jun	Change
	2021	2020		2021	2020	
Net sales	6 504	6 156	6%	13 024	12 520	4%
Adjusted EBITDA	883	774	14%	1 886	1 565	21%
Operating profit	404	245	65%	932	525	78%
Adjusted operating profit	404	284	42%	932	589	58%
Net profit	311	202	54%	688	366	88%
Adjusted EBITDA, %	14%	13%		14%	13%	
Adjusted operating profit margin, %	6%	5%		7%	5%	
Adjusted ROCE, %	4%	4%		4%	4%	
Operating cash flow after operative investments	850	156		1 015	-282	
Interest-bearing net debt/adjusted EBITDA, multiple	1.7	2.4		1.7	2.4	

* For key figures and a reconciliation of alternative performance measures including adjusted EBITDA, adjusted operating profit, adjusted EBITDA margin, adjusted operating profit margin, adjusted ROCE and interest-bearing net debt/adjusted EBITDA, see pages 17-19 and pages 6-7 for operating cash flow after operative investments.

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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 07.00 CET on 20 July 2021.

Comments by the CEO



SEK 6 504 million

Net sales

SEK 883 million

Adjusted EBITDA

14%

Adjusted EBITDA margin

Strong sales growth continued throughout the second quarter, driven by volume growth, product mix and higher prices. Sales volumes increased compared to the same period last year despite different timing in the maintenance schedule. Profitability continued to strengthen with excellent cash flow delivery in the second quarter.

Halfway into 2021, we experienced strong demand and a good sales momentum for all our product segments. The positive market outlook is expected to remain throughout the year. We are implementing additional price increases in several of our segments to counterbalance cost increases in chemicals, energy, market pulp and logistics. Pulp wood supply in our regions remains good and at relatively stable price levels.

In April, we had a production incident at our Gävle mill. Fortunately, no one was injured, but our board production was disrupted for a few weeks and I would like to take this opportunity to apologize to all our customers affected. I assure you that we will do our utmost to ensure stable deliveries going forward.

Our new board machine at Gruvön, KM7, produced its first commercial output of liquid packaging board in May, ahead of schedule. The ramp-up and certification work will continue, and we expect gradually increasing deliveries of both liquid packaging board and carton board from Gruvön. This will allow further mix improvements by reallocating production across mills as well as the acceleration of KM7 over the next few years.

Pandemic restrictions are easing. We remain cautiously optimistic of a return to normality but will continue to keep safeguards in place for our planned maintenance shutdowns in the autumn. Office restrictions will be lifted in stages over the coming months pandemic restrictions permitting.

BillerudKorsnäs is dedicated to help limit climate change. 97% of our production is fossil free and we have developed a strong step by step plan to achieve our science-based targets by 2030. We remain committed to active and responsible forestry practice that increases the absorption of CO₂ from the atmosphere. Our bio-based products can replace fossil-based materials and by developing new, climate smart applications, we can further enhance the beneficial effect for the climate. For example, online packaging made from our strong Xpression e-com paper reduces CO₂ emissions over the packaging's life cycle compared to a plastic-based alternative, according to the Swedish research institute RISE.

Our current business priorities remain the same: health and safety, stable production, the ramp up of Gruvön, a competitive wood supply as well as delivering our cost and efficiency programme. Good performance in these areas will bring profitable growth over the next few years.

At the same time, we are reviewing the company's longer-term strategic direction. The markets in which we operate, particularly primary fibre carton and container board, are indicating strong growth opportunities for the foreseeable future. We are starting to investigate additional supply capacity post 2024 assuming full capacity utilisation by then.

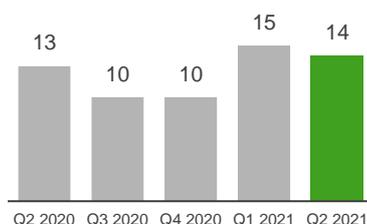
Christoph Michalski
President and CEO

The quarter in review

The EBITDA margin was affected by scheduled maintenance costs

Adjusted EBITDA margin

Target level >17%



SALES AND RESULTS

Net sales for the second quarter grew by 6% to SEK 6 504 million (6 156). Excluding currency effects sales increased by 9%, driven by higher sales prices, an improved sales mix and increased volumes.

Adjusted EBITDA increased to SEK 883 million (774), mainly due to the positive sales mix and volume development. The comparison with the same period last year is affected by the change in the maintenance schedule.

No items affecting comparability impacted the results for the second quarter (-39).

MARKET DEVELOPMENT AND OUTLOOK

During the second quarter of 2021, market conditions for most segments improved with high demand and increasing price levels. The exception being liquid packaging board, where market conditions were stable.

The market outlook for 2021 is positive. Demand is expected to remain strong in all segments and the conditions for liquid packaging board is expected to be stable. Higher input costs in some categories are expected to be compensated by price increases.

EVENTS IN THE QUARTER

Annual maintenance was carried out at Gruvön in April, under extensive precautionary measures due to the coronavirus pandemic. The total maintenance shutdown costs amounted to approximately SEK 200 million.

An incident at the Gävle mill in April damaged equipment connected to the digester in the bleached pulp mill. Repair work was carried out and production ran at a slower pace during a couple of weeks, implying a volume loss of 22 000 tonnes. The financial impact of the incident will partly be covered by insurance compensation and the net effect amounted to approximately SEK 75 million in the second quarter.

BillerudKorsnäs' board machine at Gruvön, KM7, started to deliver its first grades of liquid packaging board to customers in May, ahead of time schedule. The qualification of board grades for one litre and portion sized aseptic liquid packaging for one filling system was completed faster than planned, thanks to excellent customer collaboration.

On 15 April, Matthew Hirst was appointed new EVP, Commercial. He will take office on 16 August and has previously held various senior sales and commercial development roles in Essity's professional hygiene business unit. Helene Biström, previous EVP Commercial, left at the end of April to pursue opportunities outside BillerudKorsnäs.

BillerudKorsnäs awarded Andritz the contract for a new recovery boiler at the Frövi mill, to be assembled during 2022. The groundwork has been initiated and the new recovery boiler is planned to be in operation by the end of 2023.

BillerudKorsnäs introduced Pure DecorX™ – a new generation of coated white top kraft liner with a 3-ply construction, light-weighting opportunities, high runnability in converting machines and enhanced packaging performance. Pure DecorX™ yields excellent print results which makes it very competitive in applications such as shelf ready packaging, displays and packaging of food, beverage, and premium consumer goods.

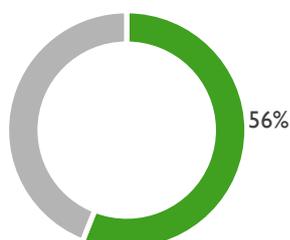
EVENTS AFTER THE QUARTER

In July, BillerudKorsnäs initiated a marketing campaign connected to the launch of two low grammages of the flagship cartonboard product CrownBoard Prestige®. With this addition, the CrownBoard Prestige range comprises ten grammages. It is developed to meet the needs of discerning brands for packaging premium consumer goods.

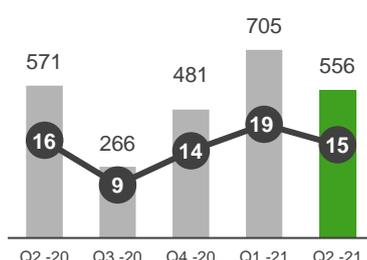


Product area Board

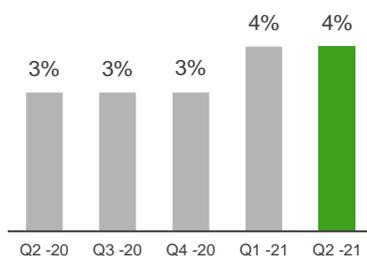
Share of Group's net sales
Q2 2021



EBITDA



ROCE



About Product area Board

The Board product area includes liquid packaging board, cartonboard and containerboard, which are mainly used to produce packaging for liquid food, consumer products and fragile industrial products and food. The mills at Gävle, Gruvön and Frövi/Rockhammar belong to this product area.

KEY FIGURES

SEKm	Quarter		Jan-Jun		Full year
	Q2 -21	Q2 -20	2021	2020	2020
Net sales	3 642	3 571	7 427	7 171	13 600
of which liquid packaging board	2 009	2 076	4 082	4 136	7 745
of which cartonboard	554	431	1 083	830	1 659
of which containerboard	984	1 009	2 061	2 026	3 886
Net operating expenses	-3 086	-3 000	-6 166	-6 063	-11 745
EBITDA	556	571	1 261	1 108	1 855
EBITDA, %	15%	16%	17%	15%	14%
Operating profit/loss	231	233	611	434	516
Operating margin, %	6%	7%	8%	6%	4%
ROCE, %	4%	3%	4%	3%	3%
Sales volumes, ktonnes	474	472	995	963	1 842

SALES AND RESULTS

Net sales for the second quarter increased by 2% to SEK 3 642 million (3 571). Excluding currency effects sales grew by 6%, driven by higher sales of cartonboard. The production incident at the Gävle mill resulted in delivery disruptions across all board categories in the second quarter. The maintenance shutdown at Gruvön had a negative impact on containerboard sales volumes.

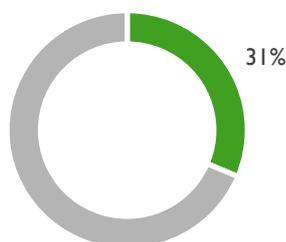
EBITDA declined to SEK 556 million (571), negatively affected by the maintenance shutdown at Gruvön and the production incident at the Gävle mill. Higher prices and a favourable change in the product mix with a larger share of coated material and savings from the cost and efficiency programme were the main positive drivers.

MARKET DEVELOPMENT

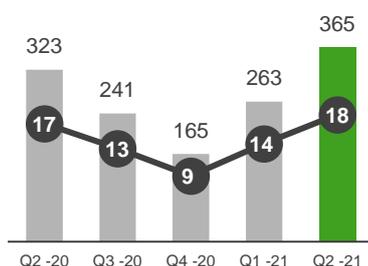
In the second quarter of 2021, market conditions for liquid packaging board were stable while the conditions for containerboard and cartonboard improved. Higher sales prices for containerboard and cartonboard were realized in a very dynamic market.

Product area Paper

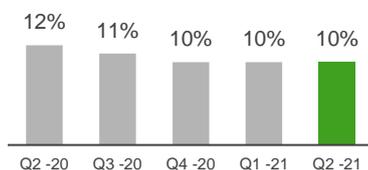
Share of Group's net sales
Q2 2021



EBITDA



ROCE



About Product area Paper

The Paper product area includes premium quality kraft and sack paper, which is mainly used in packaging for medical applications, dry food and the construction industry. The mills at Skärblacka, Karlsborg, Pietarsaari and Beetham belong to this product area.

KEY FIGURES

SEKm	Quarter		Jan-Jun		Full year
	Q2 -21	Q2 -20	2021	2020	2020
Net sales	2 039	1 940	3 942	3 964	7 576
of which sack paper	630	632	1 258	1 264	2 442
of which kraft paper	920	888	1 756	1 813	3 435
of which pulp	480	411	906	871	1 669
Net operating expenses	-1 674	-1 617	-3 314	-3 335	-6 541
EBITDA	365	323	628	629	1 035
EBITDA, %	18%	17%	16%	16%	14%
Operating profit/loss	244	202	389	387	558
Operating margin, %	12%	10%	10%	10%	7%
ROCE, %	10%	12%	10%	12%	10%
Sales volumes, ktonnes	245	231	500	481	946

SALES AND RESULTS

Net sales for the second quarter increased by 5% to SEK 2 039 million (1 940). Excluding currency effects sales grew by 12%. Sales volumes of both sack paper and kraft paper increased, while pulp volumes were unchanged.

EBITDA increased to SEK 365 million (323), positively impacted by higher volumes, net exposure on pulp and the cost and efficiency programme. Currency effects had a negative impact.

MARKET DEVELOPMENT

In the second quarter of 2021, market conditions improved for BillerudKorsnäs' segments in sack and kraft paper. Prices for brown sack paper and several kraft paper segments were increased.

Solutions and Other

SALES AND RESULTS

Net sales for the second quarter amounted to SEK 823 million (645). The increase in sales was mainly due to positive currency hedging effects. Net sales in Managed Packaging increased against the comparison period.

EBITDA amounted to SEK -38 million (-159). The profit improvement was mainly a result of positive currency hedging effects. Managed Packaging recorded a break even result, unchanged from previous year.

KEY FIGURES (INCLUDING CURRENCY HEDGING ETC)

SEKm	Quarter		Jan-Jun		Full year
	Q2 -21	Q2 -20	2021	2020	2020
Net sales	823	645	1 655	1 385	2 708
<i>of which Managed Packaging</i>	189	151	333	298	635
Net operating expenses	-861	-804	-1 658	-1 621	-2 886
EBITDA	-38	-159	-3	-236	-178
Operating profit	-71	-190	-68	-296	-300

January – June, consolidated

SALES AND RESULTS

Net sales for the first six months increased by 4% to SEK 13 024 million (12 520). Net sales in Product area Board increased and net sales in Product area Paper was flat.

Adjusted EBITDA improved by 21% to SEK 1 886 million (1 565), mainly due to the positive trend of the ramp-up of the new board machine at Gruvön, higher volumes and increased prices. The comparison with the first half year of 2020 is affected by the changed maintenance schedule.

No items affecting comparability impacted the results for January–June 2021 (-64).

Cash flow and financial position

SUMMARISED CASH FLOW STATEMENT

SEKm	Quarter		Jan-Jun	
	Q2 -21	Q2 -20	2021	2020
Operating surplus, etc.	769	529	1 698	1 254
Change in working capital, etc.	560	94	79	-696
Net financial items, taxes, etc.	-28	-75	-111	-166
Cash flow from operating activities	1 301	548	1 666	392
Operative investments	-451	-392	-651	-674
Operating cash flow after operative investments	850	156	1 015	-282

Operating cash flow after operative investments amounted to SEK 850 million (156) for the second quarter and to SEK 1 015 million (-282) for the first half of 2021. The improved cash flow was mainly due to improved operating surplus and changes in working capital compared to prior year.



Operating cash flow after operative investments include all gross investments in property, plant and equipment, and intangible assets.

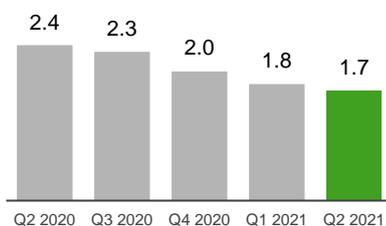
FINANCING

On 30 June 2021, interest-bearing debt amounted to SEK 6 485 million (7 399). Interest-bearing debt decreased with SEK 307 million during the second quarter mainly due to repayment of bond loan within MTN program of SEK 300 million.

Debt portfolio and maturity profile on 30 June 2021

Loan	Limit, SEKm	Maturity, years			Total utilised
		0-1	1-2	2-	
Syndicated credit facilities	5 500				-
Term loans		90	90	1 205	1 385
Bond loans within MTN program	7 000	1 700	1 800		3 500
Other bond loans				1 600	1 600
Commercial paper	4 000				-
Group total		1 790	1 890	2 805	6 485

Net debt/Adjusted EBITDA target level <2.5



The interest-bearing net debt on 30 June 2021 amounted to SEK 5 290 million (6 710).

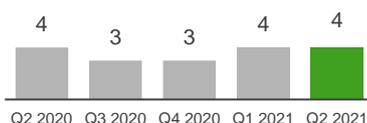
The net interest-bearing debt in relation to EBITDA at the end of the period was 1.7 (2.5). The ratio of net interest-bearing debt to adjusted EBITDA was also 1.7 (2.4).

INVESTMENTS AND CAPITAL EMPLOYED

Operative investments in property, plant, equipment and intangible assets amounted to SEK 651 million (674) for the first half of 2021.

An investment in a new recovery boiler at the Frövi mill has been initiated in 2021. The new boiler will improve environmental performance and provide opportunities for enhanced efficiency and is planned to be in operation by the end of 2023. The investment is estimated to total SEK 2.6 billion. For 2021 the capital expenditure is estimated to SEK 500 million.

Adjusted return on capital employed Target level >13%



Capital employed on 30 June 2021 amounted to SEK 24 412 million (25 589). Return on capital employed (ROCE) for the last twelve months amounted to 5% (3), and 4% (4) if adjusted operating profit was used in the calculation.

Return on equity was 5% (36) for the last twelve-months period. Return on equity during the comparison period was affected by the sale of BSÖ Holding AB Group in August 2019.

The coronavirus pandemic

BillerudKorsnäs has since the outbreak of the coronavirus pandemic run its operations without any major disruptions. Precautionary measures have been taken to safeguard the health of individuals, secure deliveries, support customers and develop contingency plans with regards to critical resources.

The financial effects of the coronavirus pandemic in the first half year of 2021 were limited. Some outbound logistical challenges have been faced, but they have been overcome in a satisfactory way. There have been no increases of credit losses.

Additional costs for the maintenance shutdown at Gruvön in April 2021 related to coronavirus pandemic precautions, were around SEK 10 million. The annual maintenance shutdown at Skärblacka was in the first quarter postponed from the second quarter to the fourth quarter of 2021 due to the pandemic.

Read more about risks and uncertainties on page 10.



Cost and efficiency programme

BillerudKorsnäs introduced a cost and efficiency programme in 2019 with measures including employee reductions, purchasing savings and efficiency improvements throughout the business. The target of the cost and efficiency programme is structural savings of SEK 650 million effective during 2022. Accumulated the programme has delivered SEK 475 million of savings. The estimated accumulated delivery by the end of 2021 is SEK 600 million and the last 50 million in the beginning of 2022.

Currency hedging

Currency hedging had a net sales impact of SEK 94 million (51) in the second quarter of 2021 and SEK 136 (-62) for the first half of 2021 compared with no currency hedging.

Outstanding forward exchange contracts on 30 June 2021 had a market value of SEK 74 million, SEK 41 million of which is the portion of the contracts matched by trade receivables that affected earnings in the second quarter. Accordingly, other contracts had a market value of SEK 33 million.

Hedged portion of forecast currency flows for EUR, USD and GBP and exchange rates against SEK (30 June 2021)

Currency	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22	Total 15 months
EUR Share of net flow	80%	80%	80%	79%	-	65%
Rate	10.70	10.38	10.22	10.17	-	10.37
USD Share of net flow	57%	56%	57%	54%	-	45%
Rate	9.20	8.59	8.50	8.37	-	8.67
GBP Share of net flow	36%	-	-	-	-	7%
Rate	11.77	-	-	-	-	11.77
Market value of currency contracts*	54	20	4	-4	-	74

*On 30 June 2021.

Taxes

The tax cost for the first half year 2021 amounted to SEK 180 million (73), equal to approximately 21% (16) of profit before tax. The low tax rate in 2020 was mainly due to revaluation of deferred tax receivables related to losses carry forwards in Finland.

Parent company

The parent company BillerudKorsnäs AB includes head office and support functions.

Operating profit/loss for the first half year 2021 was SEK 131 million (-98). The operating result includes the effects of hedging contracts and revaluations of trade receivables.

The parent company hedges both its own and the Group's net currency flows. The parent company's earnings include the results of these hedging measures. These earnings were SEK 136 million (-62) for the first half year 2021.

The average number of employees at 30 June 2021 was 135 (135).

Cash and bank balances, and short-term investments amounted to SEK 2 045 million (1 610).

Sustainability

Sustainability KPIs, rolling 12 months (R12M)

	Q2 -21	Q1 -21	2021 target
Energy consumption ¹	5.22	5.29	5.2
Emissions of fossil CO ₂ ²	31.3	29.4	29
Gender equality ³	24.0	24.1	24

¹ Defined as preliminary energy consumption (MWh/tonne product), R12M.

² Defined as preliminary emissions of fossil CO₂ in the manufacturing process (kg/tonne product), R12M.

³ Defined as average number of female employees (%), R12M.

ENVIRONMENT

BillerudKorsnäs is working towards a vision of fossil-free production and achieving science-based targets for 2030 and 2050. This work is mainly aimed at phasing out fossil fuels from production, along with investments in energy efficiency and reducing indirect emissions. Preliminary fossil CO₂-emissions in production amounted to 31.3 kg/tonnes in the last twelve months, negatively impacted by production disturbances during the first half of 2021. Preliminary energy consumption was 5.22 MWh/tonne in the same period. We have developed a plan to achieve our science-based targets by 2030, systematically making all mills fossil free over the period.

GENDER EQUALITY

BillerudKorsnäs' aims to increase the share of women, both overall in the Group and at managerial level. This is challenging in an industry that is traditionally dominated by men. BillerudKorsnäs has undertaken several initiatives aimed at addressing the under-representation of women in operational activities and at senior levels. The share of average female employees in the last twelve months was stable at 24.0%.

QUARTERLY HIGHLIGHTS

BillerudKorsnäs maintained the highest ranking in EcoVadis' annual evaluation of the company's sustainability work. Through improved outcomes in several categories, BillerudKorsnäs maintained the Platinum ranking, which means that it is among the best 1% of all evaluated companies.

The ESG ratings from Sustainalytics and MSCI have been upgraded. Sustainalytics rated BillerudKorsnäs as having a negligible ESG risk exposure. As of 2021, BillerudKorsnäs received an MSCI ESG rating of A.



Transfer of treasury shares

During the second quarter, BillerudKorsnäs transferred 38 875 shares under the long-term incentive program resolved by the 2018 Annual General Meeting. The amount of treasury shares was 1 387 922 on 31 March, and at the end of June, the holding of treasury shares was 1 349 047. On 30 June, the total amount of shares in BillerudKorsnäs was 208 219 834 and the number of shares on the market was 206 870 787.

Long-term incentive program

The 2021 Annual General Meeting resolved to implement a performance based long-term share program for 2021 (Share program 2021) with the objective to create incentives for the participants and to align the interests of the participants with the interests of the shareholders. Participants are given the opportunity to be allotted performance shares in BillerudKorsnäs subject to the fulfillment of a required shareholding and continued employment during the vesting period and depending on the level of fulfilment of a financial performance condition for 2021-2023. The program comprises up to 60 participants including the Executive Management Team and key persons within the BillerudKorsnäs Group.

Risks and uncertainties

BillerudKorsnäs' products are generally dependent on the business cycle, in terms of both price development and potential sales volumes. The Group is exposed to currency fluctuations, since most revenues are invoiced in foreign currency, while a large part of operating expenses is in SEK. A more detailed description of risks and a sensitivity analysis is provided on pages 63-69 in the 2020 Annual and Sustainability Report.

Direct risks of the coronavirus pandemic for BillerudKorsnäs are related to supply chain disruptions, and to local outbreaks near our production sites, which can lead to production issues or that it becomes impossible to perform necessary repair and maintenance work. Indirect risks of the coronavirus pandemic are related to lower demand for the company's products and services. BillerudKorsnäs monitors the development of the coronavirus pandemic closely and takes measures to follow the authorities' recommendations. Contingency plans have been created and are regularly being updated.

In the EU countries, the EU Directive on Single Use Plastic will result in a changed regulatory landscape for packaging. There are also EU policy initiatives that may affect forestry in the member states. Changes in legislation and its implications for BillerudKorsnäs are monitored closely.

Related-party transactions

No transactions took place between BillerudKorsnäs and related parties that significantly affected the Group's position and earnings.

Financial calendar

Q3 2021 report – 22 October 2021



The undersigned hereby confirm that this mid-year report provides a true and fair view of the parent company's and Group's operations, position and performance, and describes material risks and uncertainties faced by the parent company and Group companies.

Solna, 20 July 2021

BillerudKorsnäs AB (publ)

Jan Svensson
Chairman of the Board

Michael M.F. Kaufmann
Board member

Jan Åström
Board member

Andrea Gisle Joosen
Board member

Bengt Hammar
Board member

Kristina Schaumann
Board member

Tobias Auchli
Board member

Victoria Van Camp
Board member

Per Bertilsson
Board member

Nicklas Johansson
Board member

Christoph Michalski
President and CEO

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. This report has been prepared in both a Swedish and an English version. The report has not been reviewed by the company's auditors.



SUMMARISED INCOME STATEMENT

SEKm	Quarter		Jan-Jun		Full year
	Q2 -21	Q2 -20	2021	2020	2020
Net sales	6 504	6 156	13 024	12 520	23 884
Other income	82	61	117	105	199
Change in inventories	-153	14	-206	-53	-76
Raw materials and consumables	-3 130	-3 390	-6 375	-6 691	-12 637
Other external costs	-1 350	-1 259	-2 620	-2 565	-5 293
Employee benefits expense	-1 069	-978	-2 052	-1 959	-3 586
Depreciation and impairment of non-current assets	-479	-490	-954	-976	-1 938
Change in value of biological assets	-	132	-	132	132
Profit/Loss from participations in associated companies	-1	-1	-2	12	89
Operating profit/loss	404	245	932	525	774
Financial income and expenses	-22	8	-64	-70	-95
Profit/Loss before tax	382	253	868	455	679
Taxes	-71	-35	-180	-73	-3
Profit/Loss from continuing operations	311	218	688	382	676
Discontinued operations					
Profit/loss from discontinued operations, net of tax	-	-16	-	-16	-16
Profit/loss for the period	311	202	688	366	660
Profit/Loss attributable to:					
Owners of the parent company	311	202	688	366	660
Non-controlling interests	-	-	-	-	-
Net profit/loss for the period	311	202	688	366	660
Earnings per share, SEK	1,50	0,98	3,32	1,77	3,19
Diluted earnings per share, SEK	1,50	0,97	3,32	1,76	3,19

SUMMARISED STATEMENT OF COMPREHENSIVE INCOME

SEKm	Quarter		Jan-Jun		Full year
	Q2 -21	Q2 -20	2021	2020	2020
Net profit/loss for the period	311	202	688	366	660
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Revaluation of forest land	-	148	-	148	148
Actuarial gains or losses on defined benefit pension plans	-	-	-	-	-4
Change in fair value of shareholding in Other holdings	2	-	-2	-21	-28
Tax attributable to items not to be reclassified to profit or loss	-	-30	-	-30	-30
Total items never reclassified to profit or loss	2	118	-2	97	86
Items that have been or may be reclassified subsequently to profit or loss					
Differences arising from the translation of foreign operations' accounts	-15	-75	21	-3	-63
Change in fair value of cash flow hedges	116	473	11	-199	40
Tax attributable to items that have been or may be reclassified subsequently to profit or loss	-24	-102	-2	42	-8
Total items that have been or may be reclassified subsequently to profit or loss	77	296	30	-160	-31
Total comprehensive income for the period	390	616	716	303	715
Attributable to:					
Owners of the parent company	390	616	716	303	715
Non-controlling interests	-	-	-	-	-
Total comprehensive income for the period	390	616	716	303	715

SUMMARISED BALANCE SHEET

SEKm	30 Jun 2021	30 Jun 2020	31 Dec 2020
Intangible assets	1 958	1 995	1 960
Property, plant and equipment, including Right of use assets	22 769	23 310	22 988
Other non-current assets	1 253	1 204	1 279
Total non-current assets	25 980	26 509	26 227
Inventories	3 339	3 711	3 629
Accounts receivable	2 842	2 749	2 350
Other current assets	1 178	1 719	1 118
Cash and cash equivalents	2 289	1 799	3 036
Total current assets	9 648	9 978	10 133
Total assets	35 628	36 487	36 360
Equity attributable to owners of the parent company	19 122	18 879	19 294
Non-controlling interests	-	-	-
Total equity	19 122	18 879	19 294
Interest-bearing liabilities	4 875	6 671	6 605
Provisions for pensions	828	867	836
Other liabilities and provisions	96	222	146
Deferred tax liabilities	3 590	3 634	3 609
Total non-current liabilities	9 389	11 394	11 196
Interest-bearing liabilities	1 894	990	984
Accounts payables	3 261	3 277	3 129
Other liabilities and provisions	1 962	1 947	1 757
Total current liabilities	7 117	6 214	5 870
Total equity and liabilities	35 628	36 487	36 360

SUMMARISED STATEMENT OF CHANGES IN EQUITY

SEKm	Jan-Jun		Full year
	2021	2020	2020
Opening balance	19 294	19 462	19 462
Comprehensive income for the period	716	303	715
Share-based payment to be settled in equity instruments	2	3	6
Dividend to owners of the parent company	-890	-889	-889
Closing balance	19 122	18 879	19 294
Equity attributable to:			
Owners of the parent company	19 122	18 879	19 294
Non-controlling interests	-	-	-
Closing balance	19 122	18 879	19 294



SUMMARISED CASH FLOW STATEMENT

SEKm	Quarter		Jan-Jun		Full year
	Q2 -21	Q2 -20	2021	2020	2020
Operating surplus, etc. *	769	529	1 698	1 254	2 406
Net financial items, taxes, etc.	-28	-75	-111	-166	-22
Change in working capital, etc.	560	94	79	-696	-53
Cash flow from operating activities	1 301	548	1 666	392	2 331
Investments in intangible assets, property, plant and equipment	-451	-392	-651	-674	-1 250
Acquisition of financial assets / contribution associated companies	-	-	-19	-2	-2
Disposal/repayment of financial assets/other holdings **	-	24	30	24	24
Dividend from associated companies	10	4	10	4	4
Disposal of property, plant and equipment	-	-	-	-	3
Cash flow from investing activities	-441	-364	-630	-648	-1 221
Change in interest-bearing receivables	2	-1	3	-	-6
Change in interest-bearing liabilities	-330	-424	-904	-502	-602
Dividend to owners of the parent company	-890	-889	-890	-889	-889
Cash flow from financing activities	-1 218	-1 314	-1 791	-1 391	-1 497
Total cash flow (=change in cash and cash equivalents)	-358	-1 130	-755	-1 647	-387
Cash and cash equivalents at start of period	2 651	2 963	3 036	3 450	3 450
Translation differences in cash and cash equivalents	-4	-34	8	-4	-27
Cash and cash equivalents at the end of the period	2 289	1 799	2 289	1 799	3 036

** Includes the sale of BioBag of SEK 30 million in first half of 2021 and dividend from Bergvik Skog AB of SEK 24 million in 2020.

*RECONCILIATION OF OPERATING SURPLUS

SEKm	Quarter		Jan-Jun		Full year
	Q2 -21	Q2 -20	2021	2020	2020
Operating profit	404	245	932	525	774
Reversed depreciation	479	490	954	976	1 938
Earnings from associated companies	1	1	2	-12	-89
Pension liabilities	-9	-9	-16	-13	-48
Other provisions	-27	-4	-51	8	-36
Net of produced and sold electricity certificates and sold emission rights	-81	-63	-125	-101	-5
Incentive programmes	2	1	2	3	6
Scrapping of fixed assets	-	-	-	-	-2
Revaluation of biological assets	-	-132	-	-132	-132
Operating surplus, etc	769	529	1 698	1 254	2 406



NOTE 1 ACCOUNTING POLICIES

The interim report for the Group is prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The accounting policies applied in this interim report are the same as those used in the most recent annual report for 2020, see pages 78-84 and page 129 for definitions of key figures. The interim report for the parent company is prepared in accordance with the Swedish Annual Accounts Act.

NOTE 2 FINANCIAL ASSETS AND LIABILITIES

	Fair value through profit or loss - hedge accounting	Amortised cost	Fair value through other compre- hensive income	Financial liabilities measured at amortised costs	Total carrying amount	Fair value
<i>Valuation classification</i>	<i>Level 2</i>		<i>Level 3</i>			
Group 30 June 2021						
Other shares and participations	-	-	74	-	74	74
Long-term receivables	23	25	-	-	48	48
Accounts receivable	-	2 842	-	-	2 842	2 842
Other receivables	176	423	-	-	599	599
Cash and cash equivalents	-	2 289	-	-	2 289	2 289
Total	199	5 579	74	-	5 852	5 852
Non-current interest-bearing liabilities	-	-	-	4 875	4 875	4 893
Current interest-bearing liabilities	-	-	-	1 894	1 894	1 897
Accounts payables	-	-	-	3 261	3 261	3 261
Other liabilities	14	-	-	291	305	305
Total	14	-	-	10 321	10 335	10 356

	Fair value through profit or loss - hedge accounting	Amortised cost	Fair value through other compre- hensive income	Financial liabilities measured at amortised costs	Total carrying amount	Fair value
<i>Valuation classification</i>	<i>Level 2</i>		<i>Level 3</i>			
Group 31 December 2020						
Other shares and participations	-	-	108	-	108	108
Long-term receivables	-	26	-	-	26	26
Accounts receivable	-	2 350	-	-	2 350	2 350
Other receivables	295	392	-	-	687	687
Cash and cash equivalents	-	3 036	-	-	3 036	3 036
Total	295	5 804	108	-	6 207	6 207
Non-current interest-bearing liabilities	-	-	-	6 605	6 605	6 634
Current interest-bearing liabilities	-	-	-	984	984	984
Accounts payables	-	-	-	3 129	3 129	3 129
Other liabilities	96	-	-	238	334	334
Total	96	-	-	10 956	11 052	11 081

NOTE 3 OTHER DISCLOSURES

Other disclosures in accordance with IAS 34.16A can be found on the pages prior to the income statement and the statement of comprehensive income. Information regarding product areas/segments can be found on pages 4-6, information regarding financing on page 7, seasonal effects on page 20 and events after the end of the quarter on page 3.



KEY FIGURES

	Jan-Jun		Full year
	2021	2020	2020
Margins			
EBITDA, %	14	12	11
Operating margin, %	7	4	3
Return (rolling 12 months)			
Return on capital employed, %	5	3	3
Return on equity, %	5	36	3
Capital structure at end of period			
Capital employed, SEKm	24 412	25 589	24 667
Working capital, SEKm	2 318	2 835	2 292
Equity attributable to owners of the parent company, SEKm	19 122	18 879	19 294
Interest-bearing net debt, SEKm	5 290	6 710	5 373
Net debt/equity ratio	0.28	0.36	0.28
Interest-bearing net debt / EBITDA, multiple	1.7	2.5	2.0
Key figures per share			
Earnings per share, SEK	3.32	1.77	3.19
Dividend (for the financial year) per share, SEK	-	-	4.30
Other key figures			
Working capital as percentage of net sales, %	8	10	11
Operative investments, SEKm	651	674	1 250
Average number of employees	4 406	4 495	4 468



RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

	Quarter			Jan-Jun		Full year
	Q2 - 21	Q1 - 21	Q2 - 20	2021	2020	2020
Adjusted EBITDA, SEKm						
Operating profit	404	528	245	932	525	774
Depreciation and impairment of non-current assets	479	475	490	954	976	1 938
EBITDA	883	1 003	735	1 886	1 501	2 712
Items affecting comparability **	-	-	39	-	64	-9
Adjusted EBITDA	883	1 003	774	1 886	1 565	2 703
Adjusted Operating profit, SEKm						
Operating profit	404	528	245	932	525	774
Items affecting comparability **	-	-	39	-	64	-9
Adjusted Operating profit	404	528	284	932	589	765
Adjusted earnings per share, SEK						
Profit attributed to owners of the parent company, SEKm	311	377	202	688	366	660
Items affecting comparability, attributed to owners of the parent company, SEKm **	-	-	32	-	52	-5
Adjusted profit attributed to owners of the parent company, SEKm	311	377	234	688	418	655
Weighted number of outstanding shares, thousands	206 859	206 832	206 809	206 846	206 799	206 816
Adjusted earnings per share	1.50	1.82	1.13	3.32	2.02	3.17
Adjusted Return on capital employed (ROCE), SEKm						
Adjusted Operating profit over 12 months *	1 108	988	869	1 108	869	765
Average capital employed over 12 months	24 961	25 099	24 790	24 961	24 790	25 116
Adjusted Return on capital employed	4%	4%	4%	4%	4%	3%
Interest-bearing net debt / Adjusted EBITDA, multiple						
Interest-bearing net debt	5 290	5 234	6 710	5 290	6 710	5 373
Adjusted EBITDA over 12 months*	3 024	2 915	2 822	3 024	2 822	2 703
Interest-bearing net debt / Adjusted EBITDA	1.7	1.8	2.4	1.7	2.4	2.0
Items affecting comparability**, SEKm						
Restructuring (Operating expenses)	-	-	11	-	36	36
Revaluation of biological assets (Change in value of biological assets)	-	-	-132	-	-132	-132
UPM - compensation (Raw materials and consumables)	-	-	160	-	160	160
Revaluation of biological assets in associated companies (Profit from participations in associated companies)	-	-	-	-	-	-73
Items affecting comparability	-	-	39	-	64	-9

*12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date.

** Revenue = -, Cost = +



RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES (CONT.)

	30 Jun 2021	30 Jun 2020	31 Dec 2020
Capital employed, SEKm			
Total assets	35 628	36 487	36 360
Accounts payables	-3 261	-3 277	-3 129
Other liabilities and provisions	-2 058	-2 169	-1 903
Deferred tax liabilities	-3 590	-3 634	-3 609
Interest-bearing non-current assets	-18	-19	-16
Cash and Cash equivalents	-2 289	-1 799	-3 036
Capital employed	24 412	25 589	24 667
Working capital, SEKm			
Inventories	3 339	3 711	3 629
Accounts receivables	2 842	2 749	2 350
Other operating receivables	1 178	1 719	1 118
Accounts payables	-3 261	-3 277	-3 129
Other operating liabilities (excl provisions)	-1 920	-1 873	-1 690
Tax liabilities	140	-194	14
Working capital	2 318	2 835	2 292
Interest-bearing net debt, SEKm			
Interest bearing provisions	828	867	836
Interest bearing non-current liabilities	4 875	6 671	6 605
Interest bearing current liabilities	1 894	990	984
Interest-bearing non-current assets	-18	-19	-16
Cash and Cash equivalents	-2 289	-1 799	-3 036
Interest-bearing net debt	5 290	6 710	5 373

Seasonal effects

BillerudKorsnäs' business is subject to seasonal fluctuations to a relatively limited extent. Periodical maintenance shutdowns have the largest impact, as they involve each unit stopping production for around one week. The loss of production results in somewhat lower deliveries over an extended period before, during and after the shutdown. It should also be noted that the Group usually has a somewhat higher cost level in the fourth quarter than in previous quarters.

PLANNED MAINTENANCE SHUTDOWNS

In addition to ongoing maintenance during production, BillerudKorsnäs' production units normally also require more extensive maintenance at some time during the year. Maintenance requires the production of pulp, paper and board to stop. The principal cost items in a maintenance shutdown are loss of volumes arising from the shutdown and fixed costs, mainly maintenance and overtime costs, as well as a certain portion of variable costs including higher consumption of electricity and wood when production is restarted. The effects of shutdowns on earnings vary depending on the extent of the measures carried out, their nature and the actual length of the shutdown. The estimated cost of shutdown involves an assessment of the impact on earnings of a normal shutdown compared with a quarter during which no periodic maintenance shutdown takes place.

In the second quarter of 2021 planned maintenance shutdown was carried out at Gruvön. The total cost amounted to approximately SEK 200 million. In the first quarter report the costs were estimated to SEK 190 million.

ESTIMATED MAINTENANCE SHUTDOWN COST

Production units	Estimated shutdown cost ¹	Estimated breakdown of shutdown cost		Planned dates of maintenance shutdown		
	SEKm	Board	Paper	2021	2020	2019
Gävle	~ 165	~ 94%	~ 6%	Q3	Q3	Q2
Gruvön	~ 170	~ 92%	~ 8%	Q2	Q3	Q3
Frövi	~ 115	100%		Q4	Q4	Q4
Skärblacka	~ 120	~ 12%	~ 88%	Q4	Q4	Q2
Karlsborg	~ 80		100%	Q3	Q3	Q3
Pietarsaari	~ 15		100%	-	Q4	-
Rockhammar	~ 15	100%		Q3	Q4	Q4

¹ Maintenance shutdowns at Beetham have an insignificant effect on BillerudKorsnäs' total earnings.

Definitions

ADJUSTED KEY FIGURES

Adjusted key figures on EBITDA, Operating profit, Return on capital employed and Earnings per share provide a better understanding of the underlying business performance and enhance comparability from period to period, when the effect of items affecting comparability are adjusted for. Items affecting comparability can include additional project costs for major projects, major restructuring/write-downs/revaluations, litigations, specific impact due to strategic decisions, and significant earnings effects from acquisition and disposals.

ADJUSTED EBITDA

Operating profit before depreciation and amortisation adjusted for items affecting comparability.

ADJUSTED EARNINGS PER SHARE

Earnings per share adjusted for items affecting comparability after tax attributable to owners of the parent company.

ADJUSTED OPERATING PROFIT

Operating profit adjusted for items affecting comparability.

CAPITAL EMPLOYED

Total assets less non-interest bearing liabilities, non-interest bearing provisions and interest-bearing assets. The measure is used to quantify the net total assets used in the operating business, and is used as a component in measuring operating profitability.

EARNINGS PER SHARE

Profit for the period, attributable to owners of the parent, divided by the average number of shares in the market.

EQUITY

Equity at the end of the period.

EBITDA

Operating profit before depreciation and amortisation (EBITDA = Earnings before Interest, Taxes, Depreciation and Amortisation). EBITDA is a measure of operating performance. It is a profit measure that is close to the cash flow from operating activities.

EBITDA, %

Operating profit before depreciation (EBITDA = Earnings before Interest, Taxes, Depreciation and Amortisation) as a percentage of net sales. The measure is used in business review as well as for benchmarking with peer companies.

INTEREST-BEARING NET DEBT

Interest-bearing provisions and liabilities less interest-bearing assets. The measure is used to quantify the debt financing, taken the amount of financial assets into account. The measure is used as a component in measuring financial risk.

INTEREST-BEARING NET DEBT/ EBITDA

Interest bearing net debt at the end of the period divided by EBITDA for the last twelve months. The measure shows the size of the interest-bearing net debt compared to the repayment capacity. A higher (lower) ratio indicates a higher (lower) risk.

INTEREST-BEARING NET DEBT/ADJUSTED EBITDA

Interest bearing net debt at the end of the period divided by EBITDA for the last twelve months adjusted for items affecting comparability.

NET DEBT/EQUITY RATIO

Interest-bearing net debt divided by equity. The ratio shows the mix between interest-bearing net debt and equity financing. A higher ratio means higher financial leverage and may have positive effects on return on equity, but imply a higher financial risk.

OPERATING CASH FLOW AFTER OPERATIVE INVESTMENTS

Cash flow from the operating activities, including gross investments in property, plant and equipment, and intangible assets. The measure shows cash flow generated in the operating business, which provides the amount of cash flows available to repay debt, acquire and invest in other businesses and pay dividends to the shareholders.

OPERATING MARGIN

Operating profit as a percentage of net sales. Operating margin shows the percentage of revenue remaining as operating profit after deducting all operating expenses. The measure is used in business review as well as for benchmarking with peer companies.

RETURN ON CAPITAL EMPLOYED (ROCE)

Operating profit calculated over 12 months as a percentage of average capital employed calculated per quarter. The return on capital employed is a measure that shows how effectively total net operating assets are used in order to generate return in the operating business. The measure takes capital invested in the operating activities into account and is used in business review and benchmarking with peer companies.

RETURN ON EQUITY

Profit calculated over 12 months, attributable to owners of the parent company, as a percentage of average shareholders' equity calculated per quarter, attributable to owners of the parent company. The measure represents total profitability compared to the equity invested by the parent company's shareholders.

WORKING CAPITAL

Inventories, accounts receivables and other operating receivables less accounts payables and other operating liabilities. The measure shows the amount of current net assets that is tied up in the business. Together with non-current assets, working capital constitutes the operating capital employed to generate operating returns.

WORKING CAPITAL AS PERCENTAGE OF NET SALES

Average working capital for the last three months, divided by annual net sales at year end or annualised net sales during interim-quarter (net sales for the quarter multiplied by four). Working capital in relation to net sales shows how effectively the working capital is used. A lower percentage means less capital is tied up to generate a given amount of revenue, and an increased ability to internally finance growth and return to shareholders.



Parent company

SUMMARISED INCOME STATEMENT

SEKm	Quarter		Jan-Jun		Full Year
	Q2 -21	Q2 -20	2021	2020	2020
Operating income*	154	41	391	183	402
Operating expenses	-130	-143	-260	-281	-531
Operating profit/loss	24	-102	131	-98	-129
Financial income and expenses	5	26	-36	-53	-84
Profit/Loss after financial income and expenses	29	-76	95	-151	-213
Appropriations	-	-	-	-	606
Profit/loss before tax	29	-76	95	-151	393
Taxes	-1	17	-15	35	-89
Net profit/loss for the period	28	-59	80	-116	304

* Including currency hedging etc.

SUMMARISED BALANCE SHEET

SEKm	30 Jun	30 Jun	31 Dec
	2021	2020	2020
Non-current assets	10 695	10 689	10 695
Current assets	16 023	17 395	16 706
Total assets	26 718	28 084	27 401
Shareholders' equity	7 150	7 535	7 957
Untaxed reserves	1 516	1 512	1 516
Provisions	225	239	231
Liabilities	17 827	18 798	17 697
Total equity and liabilities	26 718	28 084	27 401



QUARTERLY DATA

The Group's business is organized on the basis of the functional areas Wood Supply, Operations and Commercial and is governed by two product areas Board and Paper.

Solutions and Other includes Wood Supply, Scandfibre Logistics AB, Managed Packaging, rental operations, dormant companies, income from the sale of businesses, items affecting comparability and costs due to increased investments in the production structure. Other also includes Group-wide functions, Group eliminations (including IFRS 16) and profit/loss from participation in associated companies. Currency hedging etc. includes results from hedging of the Group's net currency flows and revaluation of accounts receivables and payments from customers. The part of the currency exposure that relates to changes in exchange rates for invoicing is included in the product area's profit/loss.

Quarterly net sales per product area and for the Group

SEKm	2021		2020				2019		2021	2020
	Q2 -21	Q1 -21	Q4 -20	Q3 -20	Q2 -20	Q1 -20	Q4 -19	Q3 -19	Jan-Jun	Jan-Jun
Product area Board	3 642	3 785	3 370	3 059	3 571	3 600	3 291	3 063	7 427	7 171
Product area Paper	2 039	1 903	1 777	1 835	1 940	2 024	1 890	2 116	3 942	3 964
Solutions & Other	772	696	667	637	722	724	706	674	1 468	1 446
Currency hedging, etc.	51	136	-11	30	-77	16	-72	-20	187	-61
Total Group	6 504	6 520	5 803	5 561	6 156	6 364	5 815	5 833	13 024	12 520

Quarterly EBITDA per product area and for the Group

SEKm	2021		2020				2019		2021	2020
	Q2 -21	Q1 -21	Q4 -20	Q3 -20	Q2 -20	Q1 -20	Q4 -19	Q3 -19	Jan-Jun	Jan-Jun
Product area Board	556	705	481	266	571	537	493	374	1 261	1 108
Product area Paper	365	263	165	241	323	306	243	283	628	629
Solutions & Other	-89	-101	6	33	-83	-92	-69	-2	-190	-175
Currency hedging, etc.	51	136	-11	30	-76	15	-73	-20	187	-61
Total Group	883	1 003	641	570	735	766	594	635	1 886	1 501

Quarterly EBITDA margin per product area and for the Group

%	2021		2020				2019		2021	2020
	Q2 -21	Q1 -21	Q4 -20	Q3 -20	Q2 -20	Q1 -20	Q4 -19	Q3 -19	Jan-Jun	Jan-Jun
Product area Board	15	19	14	9	16	15	15	12	17	15
Product area Paper	18	14	9	13	17	15	13	13	16	16
Group	14	15	11	10	12	12	10	11	14	12

Adjusted quarterly EBITDA, including maintenance shutdowns, per product area and for the Group

SEKm	2021		2020				2019		2021	2020
	Q2 -21	Q1 -21	Q4 -20	Q3 -20	Q2 -20	Q1 -20	Q4 -19	Q3 -19	Jan-Jun	Jan-Jun
Product area Board	744	705	645	577	571	537	619	503	1 449	1 108
Product area Paper	381	263	296	329	323	306	243	348	644	629
Solutions & Other	-89	-101	-67	33	-44	-67	-45	2	-190	-111
Currency hedging, etc.	51	136	-11	30	-76	15	-73	-20	187	-61
Total Group	1 087	1 003	863	969	774	791	744	833	2 090	1 565
Costs for maint. shutdowns	-204	-	-295	-399	-	-	-126	-194	-204	-
Items affecting comparability	-	-	73	-	-39	-25	-24	-4	-	-64
EBITDA	883	1 003	641	570	735	766	594	635	1 886	1 501

Adjusted quarterly EBITDA margin, including maintenance shutdowns, per product area and for the Group

%	2021		2020				2019		2021	2020
	Q2 -21	Q1 -21	Q4 -20	Q3 -20	Q2 -20	Q1 -20	Q4 -19	Q3 -19	Jan-Jun	Jan-Jun
Product area Board	20	19	19	19	16	15	19	16	20	15
Product area Paper	19	14	17	18	17	15	13	16	16	16
Total Group	17	15	15	17	13	12	13	14	16	13



Quarterly operating profit/loss, per product area and for the group

SEKm	2021		2020				2019		2021	2020
	Q2 -21	Q1 -21	Q4 -20	Q3 -20	Q2 -20	Q1 -20	Q4 -19	Q3 -19	Jan-Jun	Jan-Jun
Product area Board	231	380	149	-67	233	201	158	48	611	434
Product area Paper	244	145	51	120	202	185	119	152	389	387
Solutions & Other	-122	-133	-26	3	-113	-122	-101	-31	-255	-235
Currency hedging, etc.	51	136	-11	30	-77	16	-73	-20	187	-61
Total Group	404	528	163	86	245	280	103	149	932	525

Quarterly operating margin per product area and for the group

%	2021		2020				2019		2021	2020
	Q2 -21	Q1 -21	Q4 -20	Q3 -20	Q2 -20	Q1 -20	Q4 -19	Q3 -19	Jan-Jun	Jan-Jun
Product area Board	6	10	4	-2	7	6	5	2	8	6
Product area Paper	12	8	3	7	10	9	6	7	10	10
Total Group	6	8	3	2	4	4	2	3	7	4

Quarterly sales volumes per product area

ktonnes	2021		2020				2019		2021	2020
	Q2 -21	Q1 -21	Q4 -20	Q3 -20	Q2 -20	Q1 -20	Q4 -19	Q3 -19	Jan-Jun	Jan-Jun
Product area Board	474	521	460	419	472	491	432	404	995	963
Product area Paper	245	255	227	238	231	250	224	255	500	481
Total Group	719	776	687	657	703	741	656	659	1 495	1 444

This is BillerudKorsnäs

BillerudKorsnäs' mission is to **challenge conventional packaging for a sustainable future**. As a leading supplier of innovative packaging solutions and high-quality packaging material based on renewable raw material, sustainability forms the foundation for continued profitable growth. Our wood raw material comes from sustainable managed forests and manufacturing takes place at resource-efficient, integrated production units.

Our customers are packaging manufacturers, brand owners and large retail and supermarket chains. Through close collaboration with customers and partners all over the world, we are able to offer a customised and broad product portfolio that features a high degree of innovation and a clear sustainability focus.

Demand is driven by global megatrends, particularly a significantly greater awareness of sustainability, rising urbanisation and changing consumption patterns. Consumer segments, account for about three-quarters of sales. While Europe is the core market, BillerudKorsnäs is gradually strengthening its presence in the leading growth markets of Asia, as well as in the Americas.

Innovative packaging solutions and renewable packaging materials from BillerudKorsnäs reduce the impact on the climate, cut the use of resources along the whole value chain and contribute to a sustainable future.

BUSINESS MODEL

Our business model is based on high-performance materials from forests in the north, advice, service and the collective knowledge held by a global network of machine suppliers, packaging manufacturers, researchers and design agencies. Innovative and sustainable packaging solutions are developed in close collaboration with customers all over the world that demand the highest standards of quality, performance and sustainability.

STRATEGIC FOCUS

BillerudKorsnäs' overall objective is sustainable and profitable growth. Our strategy is based on four priorities: **Drive performance, Profitable growth by creating customer value, Accelerate speed in innovation and Expand in the value chain**. In addition we view our employees as our most important resource in terms of driving change and realising our strategy and vision.

VALUE DRIVERS

- Smarter packaging solutions that optimise our customers' offering.
- High-performance materials based on renewable raw material from responsibly managed forests.
- Leading position in the growing global packaging market.
- A sustainability-focused holistic approach to the entire packaging value chain, from raw material all the way to the end-customer and recycling.

Find out more at billerudkorsnas.com

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