



INTERIM REPORT JANUARY-SEPTEMBER 2016

2016-10-21 Per Lindberg, CEO and President, and Susanne Lithander, CFO



FIRM PERFORMANCE IN LINE WITH PLANS

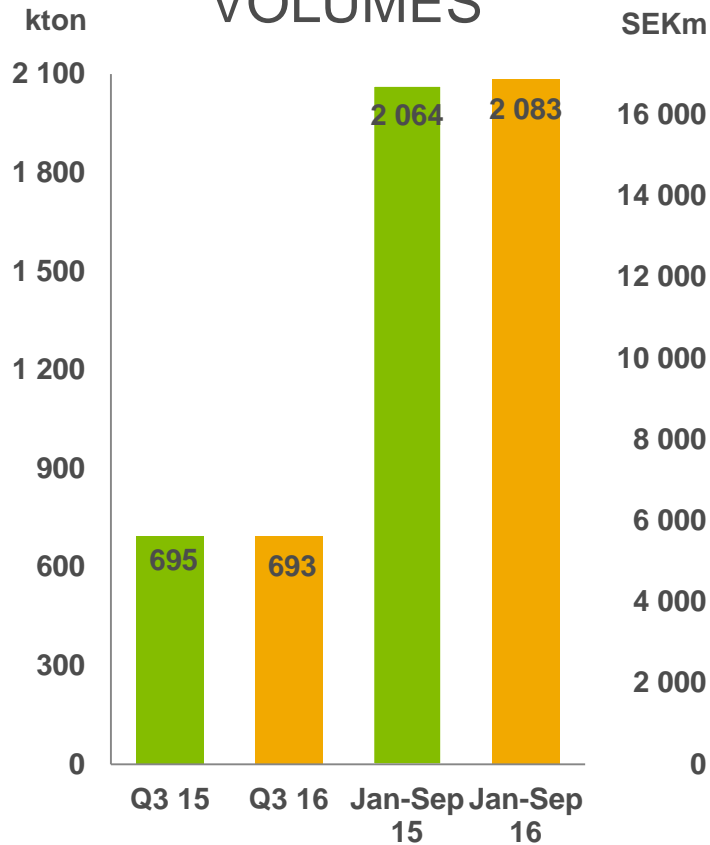
- EBITDA reached SEK 1 037 million and EBITDA margin 19%
- Stable markets in general
 - Consumer Board's market is firm
 - Packaging Paper's market is stable with improved sack market
 - Corrugated Solutions' market improved for fluting
- Production disturbances related to last year's rebuild definitely behind us
- Awarded Dow Jones Sustainability Index. Investment in Kezzler
- Sales volumes on the same level as Q3 last year, but sales growth an issue
- Production ran according to plans, but recovery boiler in Frövi under repair, cost up to SEK 100 million in Q4



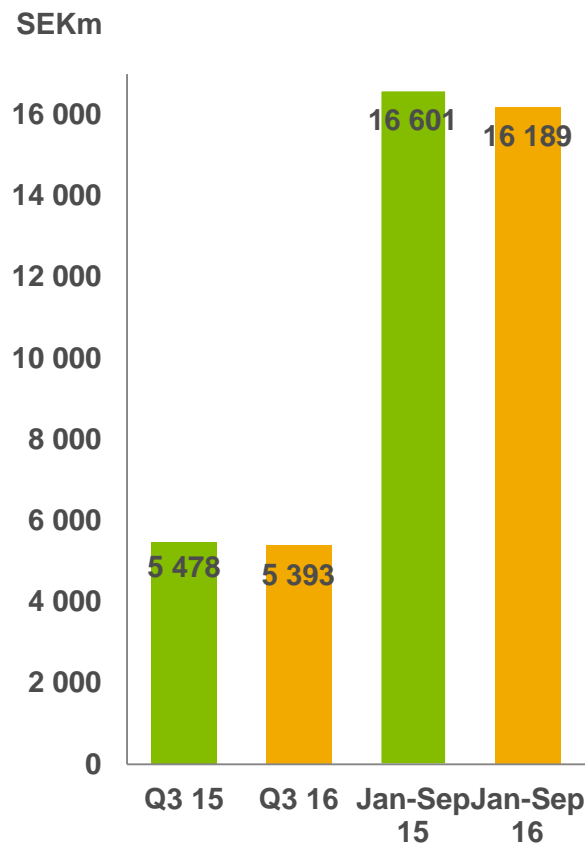
VOLUMES AND SALES

BELOW EXPECTATIONS

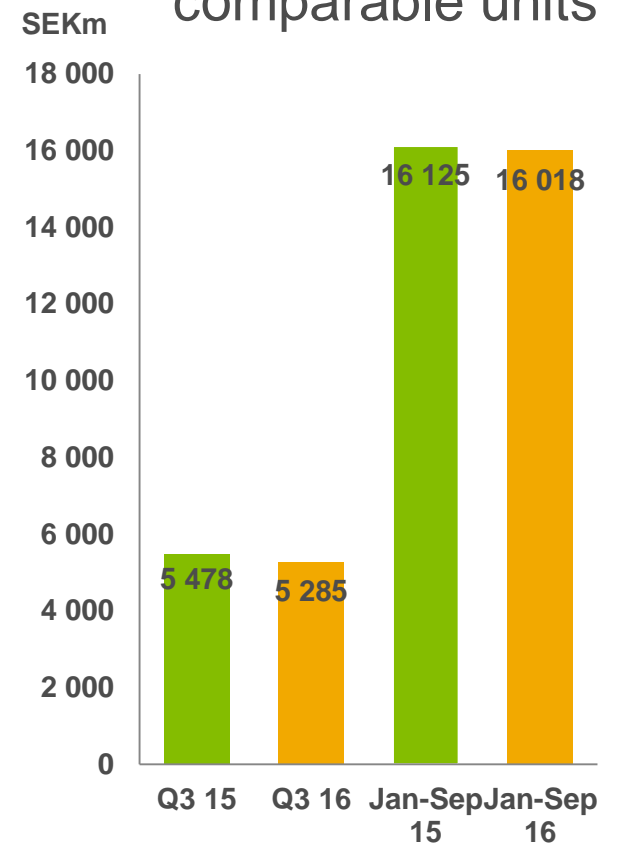
SALES VOLUMES



NET SALES



NET SALES* comparable units



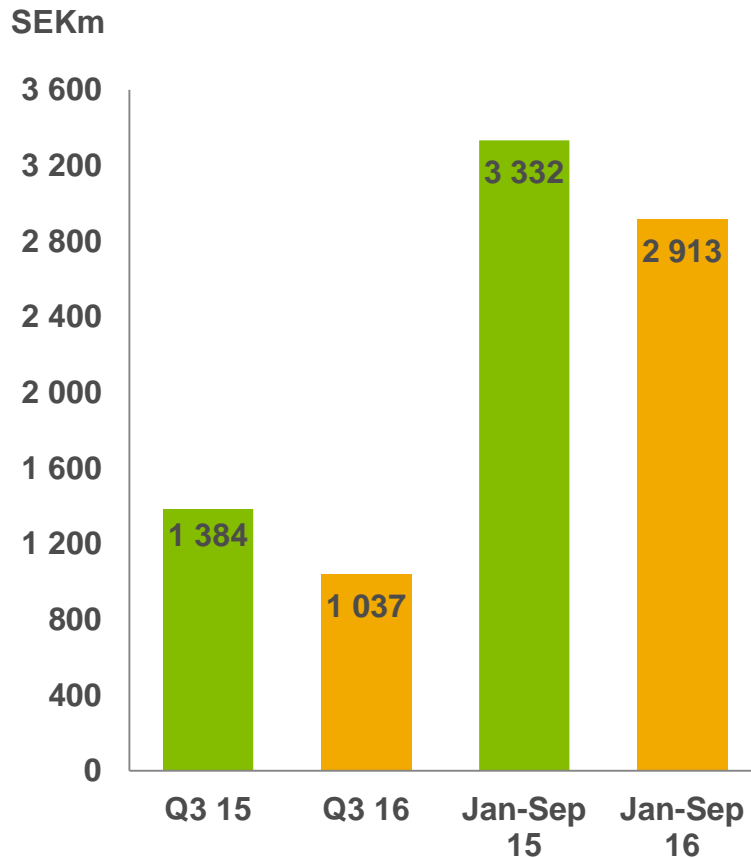
* Excluding divested and acquired operations



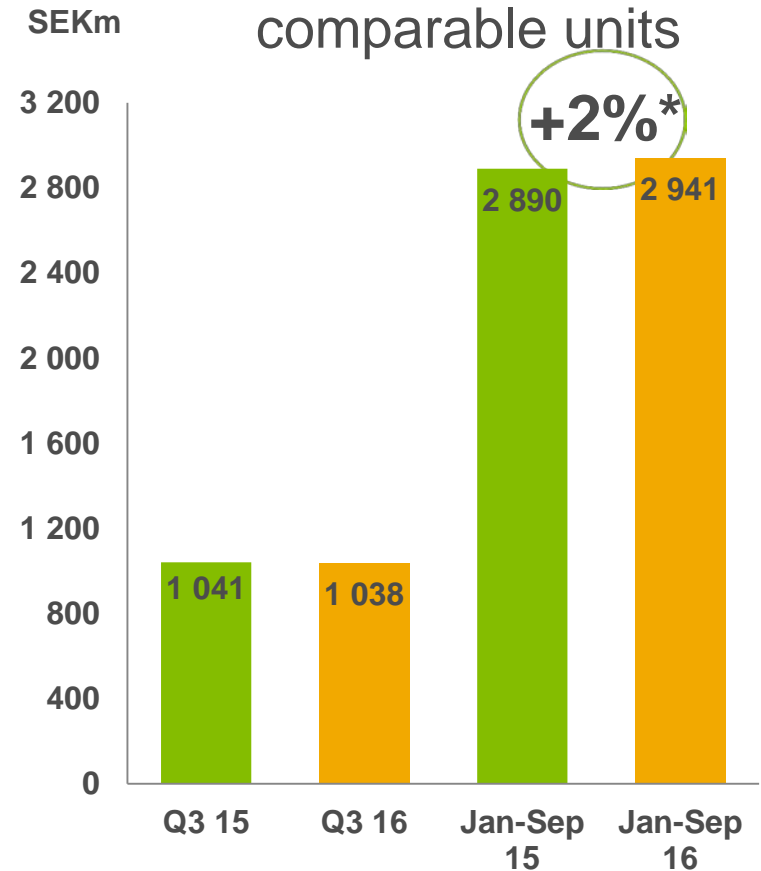
PROFITABILITY IMPROVED

ACCORDING TO EXPECTATION

EBITDA



Adjusted EBITDA* comparable units

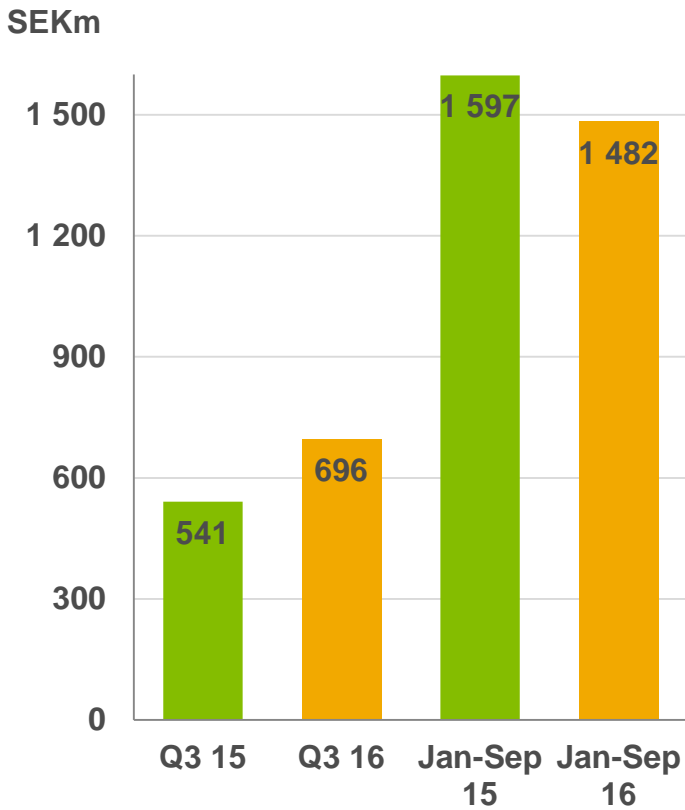


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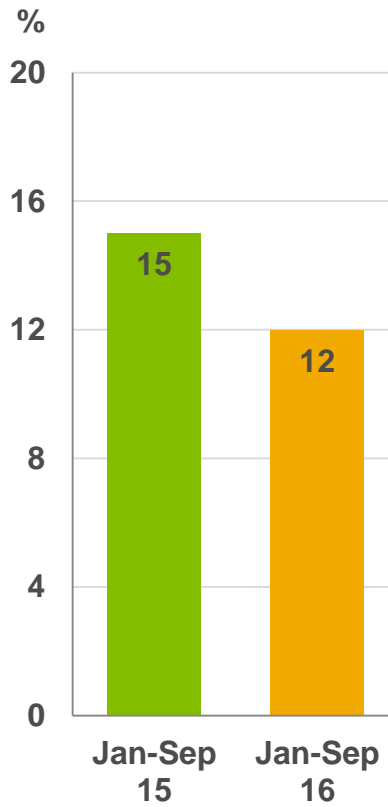


FINANCIAL TARGETS

OP. CASH FLOW

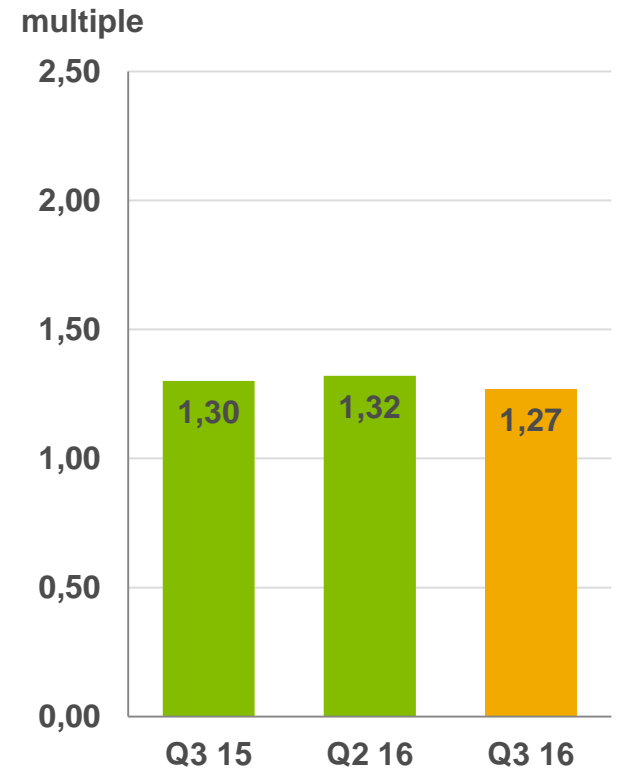


ROCE



ROCE based on rolling 12 months

NET DEBT/EBITDA





PACKAGING PAPER BUSINESS AREA Q3 2016

- Strong performance due to high production
- Net sales SEK 2 100 million, -3% Q3-15
 - Unfavourable sales mix
 - Lower pulp price
- EBITDA SEK 441 million, +9% Q3-15
- EBITDA margin 21%
- Markets
 - Unchanged paper prices in local currencies
 - Improved order situation for brown sack paper
 - Stable order situation for white sack and kraft paper markets



Selective growth



CONSUMER BOARD BUSINESS AREA Q3 2016

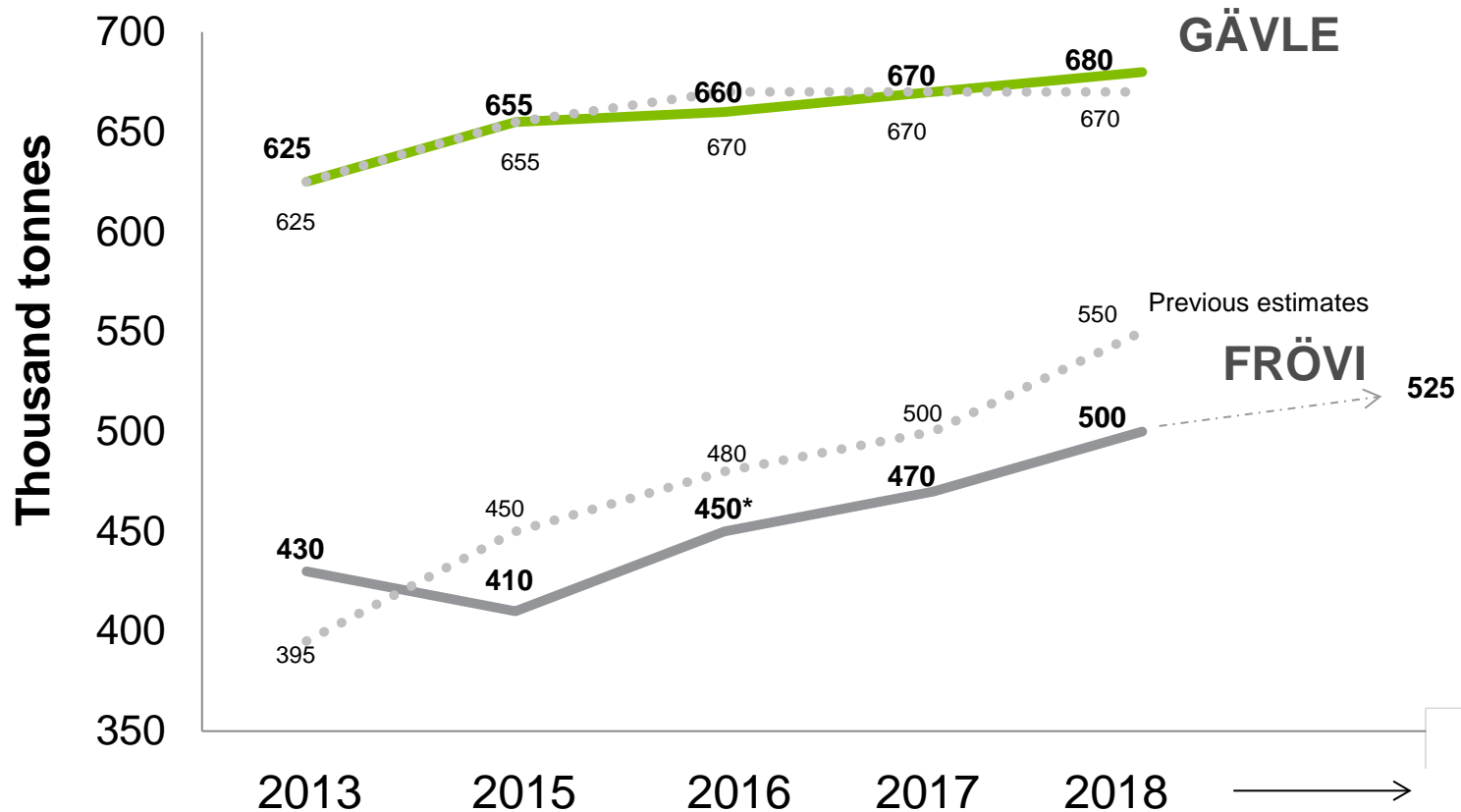
- Stable quarter, but lack of growth
- Net sales SEK 1 975 million, -2% Q3-15
 - Product mix
 - Currency exchange rates
- EBITDA SEK 424 million, +3% Q3-15
- EBITDA margin 21%
- Markets
 - Stable order situation and pricing in local currencies



Volume growth



SLOWER RAMP UP IN FRÖVI THAN EXPECTED



* exl. recovery boiler incident



CORRUGATED SOLUTIONS BUSINESS AREA Q3 2016

- Continued strong performance
- Net sales SEK 913 million, -1% Q3-15
 - Lower prices
 - Currency effect
- EBITDA SEK 241 million, -3% Q3-15
- EBITDA margin 26%
- Markets
 - Stable pricing and order books for liner
 - Order book for fluting has become stronger with stable prices and volumes
 - Managed Packaging continue to deliver strong growth



Value growth



OUTLOOK

- Demand and order situation for the fourth quarter is expected to be stable with normal seasonal variances for all business areas.
- Average prices in local currency in the fourth quarter are anticipated to be unchanged in all segments except for brown sack where a slight increase is expected.
- No changes to wood prices are expected for the fourth quarter.
- The production unit in Frövi will have planned maintenance shutdown in the fourth quarter estimated to cost SEK 90 million.
- The recovery boiler incident in Frövi will negatively impact growth for Consumer Board in quarter four.
- Additional cost in Q4, up to SEK 100 million, for repair of the recovery boiler in Frövi



Q&A



We challenge conventional packaging
for a sustainable future



BILLERUDKORSNÄS