



BILLERUDKORSNÄS

GREATER RESULTS



Nordea Forest Products & Paper Seminar | May 2014

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WE CHALLENGE CONVENTIONAL PACKAGING FOR A SUSTAINABLE FUTURE





BILLERUDKORSNÄS IN FACTS & FIGURES

NET SALES
(2013)

20

Billion SEK

OPERATING PROFIT
(2013)

1.1

Billion SEK

8

PRODUCTION UNITS

(packaging paper, consumer board,
containerboard and pulp)

Beetham
Frövi/Rockhammar
Gruvön
Gävle
Karlsborg
Pietarsaari
Skärblacka
Tervasaari

BUSINESS AREAS

37%

PACKAGING PAPER

Share net sales
(2013)

36%

CONSUMER BOARD

Share net sales
(2013)

16%

CONTAINERBOARD

Share of net sales
(2013)

A STRONGER PLATFORM
FOR GROWTH AND
PROFITABILITY

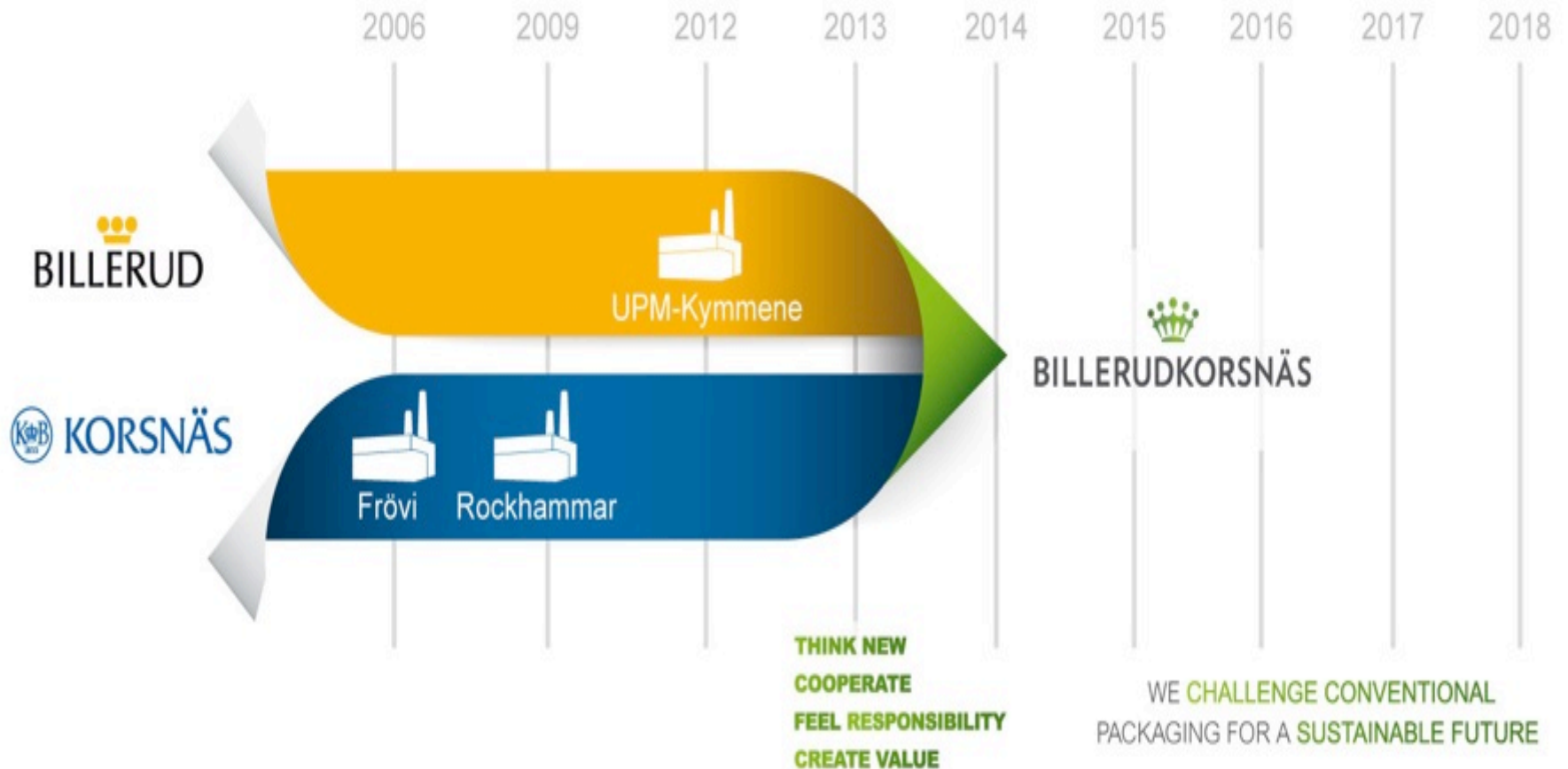
WITH A FOCUS ON
CUSTOMER VALUE,
INNOVATION AND
SUSTAINABILITY

CREATING NETWORKS
WITH AN OPEN MIND

4 300

NUMBER OF EMPLOYEES

CREATING A PLATFORM FOR THE FUTURE





FOCUSING ON PRIMARY FIBRE-BASED PACKAGING MATERIALS



- High performance packaging materials
 - Target customer segments requiring strong, light and/or pure packaging



- Smarter solutions
 - Focus on value added to customers rather than price



- 75% of sales going to consumer sectors
 - Food & Beverages is largest market segment with ~60% of sales



- Sustainable innovation is key
 - Consumers prefer paper over plastics*

*IPSOS, 2007.



LEADING POSITIONS

PACKAGING PAPER



CONSUMER BOARD



CONTAINERBOARD



KRAFT PAPER

#1

EUROPE

SACK PAPER

#2

EUROPE

LIQUID PACK. BOARD
- ASEPTIC

#1

EUROPE

LIQUID PACK. BOARD
- ALL TYPES

#2

EUROPE

NSSC FLUTING

#1

EUROPE

PURE WHITE LINER

#1

EUROPE

SACK PAPER

#2

GLOBALLY*

LIQUID PACK. BOARD
- ASEPTIC

#1

GLOBALLY

LIQUID PACK. BOARD
- ALL TYPES

#2

GLOBALLY

COATED WHITE TOP
LINER

#2

EUROPE

* For High-Porosity Sack Paper



OUR MARKETS ARE GROWING FASTER THAN THE AVERAGE PACKAGING MARKET

BILLERUDKORSNÄS MARKETS GLOBAL MARKET

Liquid packaging board

➤ CAGR **5%**

Cartonboard

➤ CAGR **5%**

Brown sack paper (premium grade)

➤ CAGR **4%**

Containerboard

➤ CAGR **3%**

Packaging

➤ CAGR **3%**

Paper and Board

➤ CAGR **3%**



OUR ROAD MAP TO SUSTAINABLE PROFITABLE GROWTH

GROW IN LINE WITH THE MARKET

Building a strong platform for growth

Using innovation to drive competitiveness

Accelerating growth through strategic investments

15-20% organic growth by 2018





ACHIEVING 15-20% ORGANIC GROWTH BY 2018

CONTAINERBOARD



BA market CAGR

2-4% CAGR

- Value growth
 - Increase margins on existing portfolio

PACKAGING PAPER



0-4% CAGR

- Selective growth
 - Target growth in selected segments, balancing additional capacity

CONSUMER BOARD



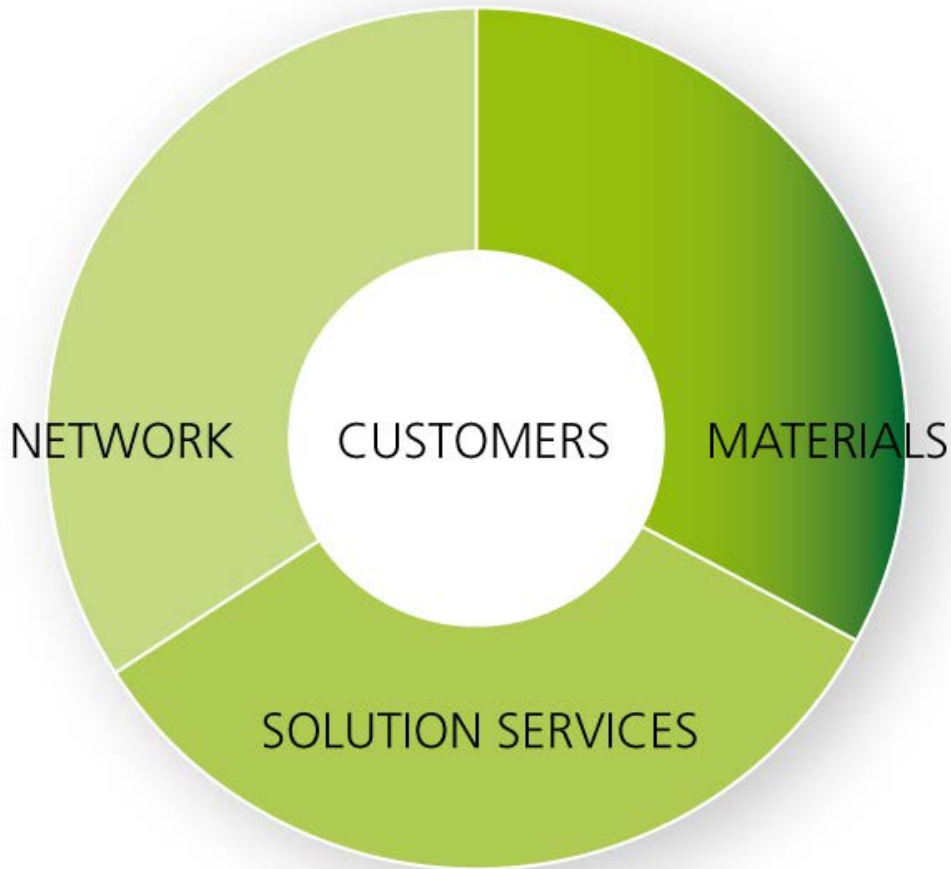
4-5% CAGR

- Volume growth
 - Increase volume in key markets



BUSINESS MODEL

A HOLISTIC APPROACH TO CUSTOMER NEEDS



MATERIAL



SOLUTION SERVICES



GLOBAL NETWORK



WORLD-CLASS PACKAGING MATERIALS

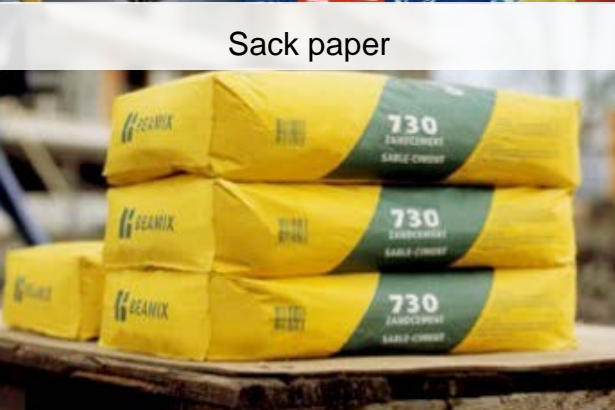


MATERIAL

PACKAGING PAPER



Kraft paper

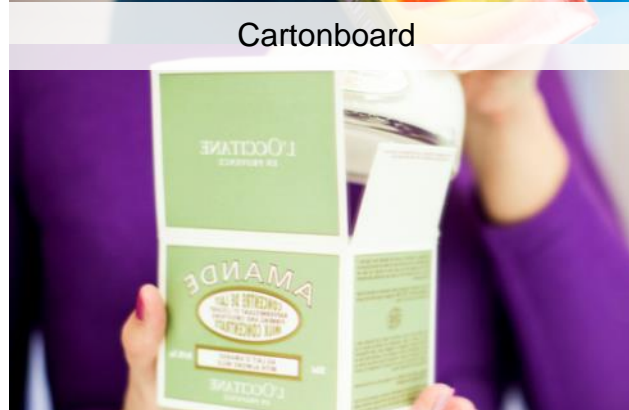


Sack paper

CONSUMER BOARD



Liquid Packaging Board

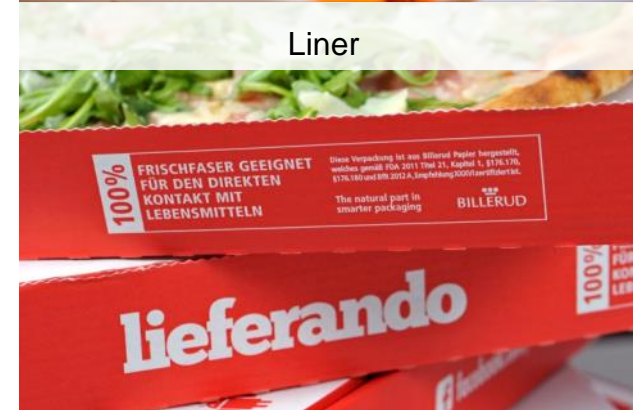


Cartonboard

CONTAINERBOARD



Fluting



Liner



SOLUTION SERVICES



SOLUTION
SERVICES

- Comprehensive knowledge of the whole value chain
- Strong technical knowledge of packaging design
 - Expert assistance in the areas of packaging optimisation, print support and conversion support



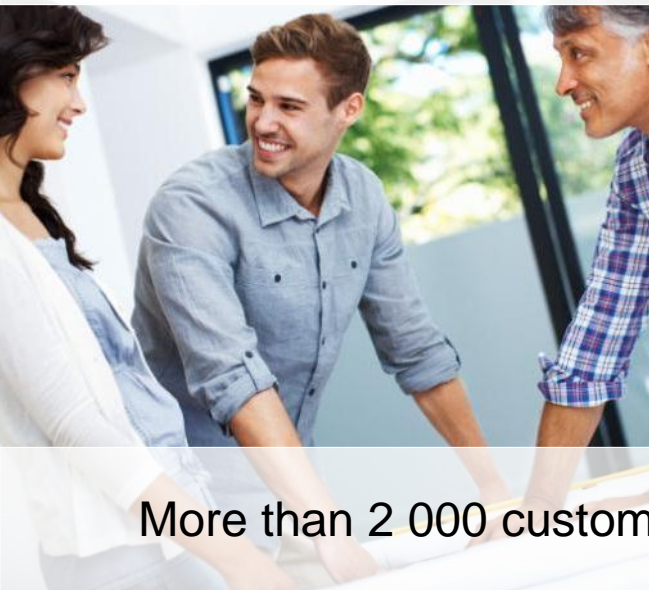


GLOBAL NETWORK



GLOBAL
NETWORK

Packaging manufacturers



Machine manufacturers



Research institutes



More than 2 000 customers and packaging partners in more than 100 countries



BILLERUDKORSNÄS

STRONG DEMAND FOR HIGH PERFORMANCE MOVING FORWARD



BILLERUDKORSNÄS



BRAND OWNERS



CONSUMERS



PACKAGING
MANUFACTURERS

(procurement, sales,
production, r&d)



BRAND OWNER **BENEFITS**

Stretch boundaries

FRESHER THINKING

Lower transport costs

SMOOTHER JOURNEYS



Increase productivity

GREATER RESULTS

Reduce environmental impact

BRIGHTER FUTURES

Boost brands. Attract consumers

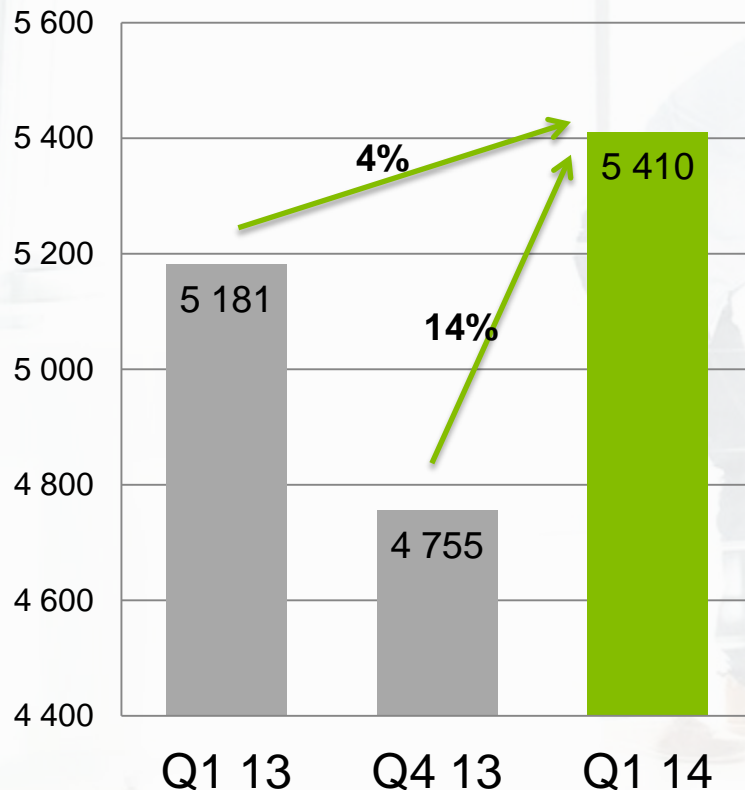
SHARPER BRANDS



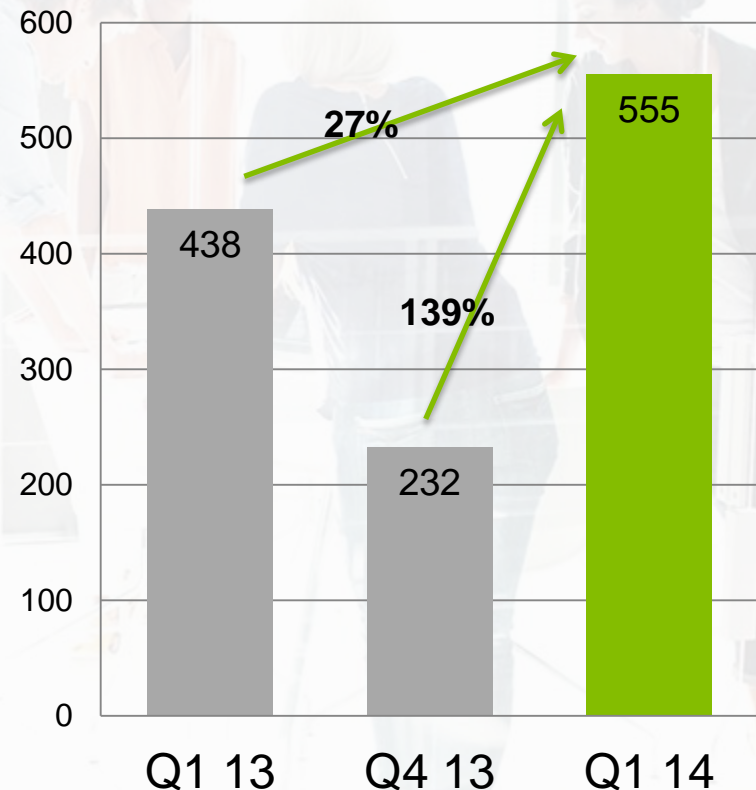
KEY HIGHLIGHTS Q1 2014 INTERIM REPORT

NET SALES SEK 5 410 MILLION. ADJUSTED OPERATING PROFIT SEK 555 MILLION

Net sales, SEKm



Adj. op. profit, SEKm

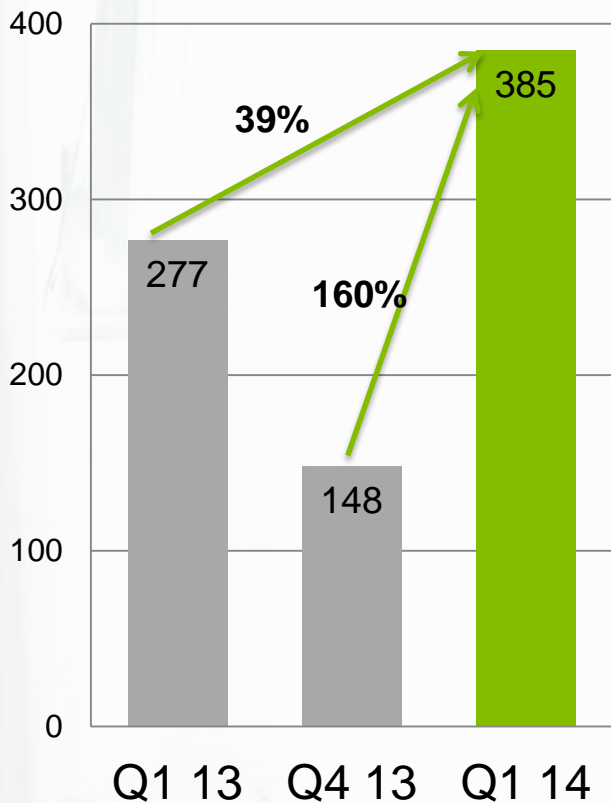




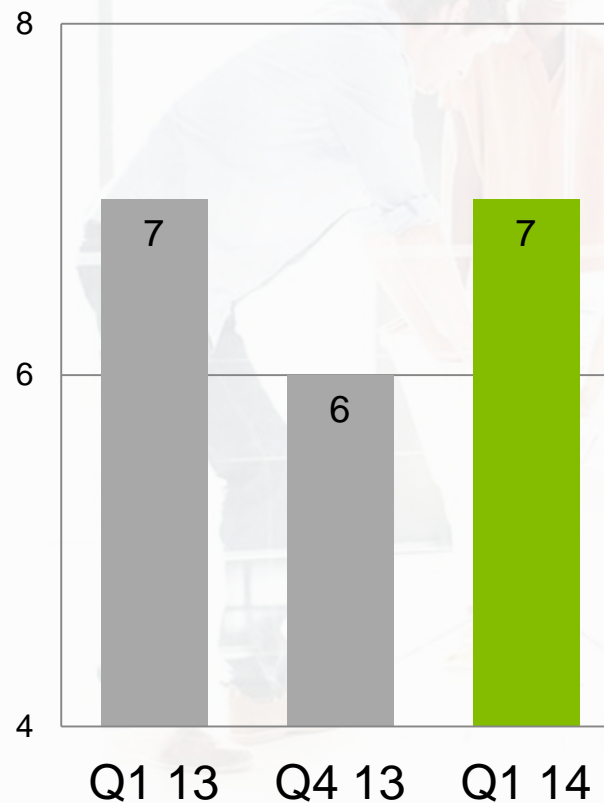
KEY HIGHLIGHTS Q1 2014 INTERIM REPORT

CASH FLOW SEK 385 MILLION. ROCE 7%, NET DEBT/EQUITY 0.78

Op. cash flow, SEKm



ROCE, %



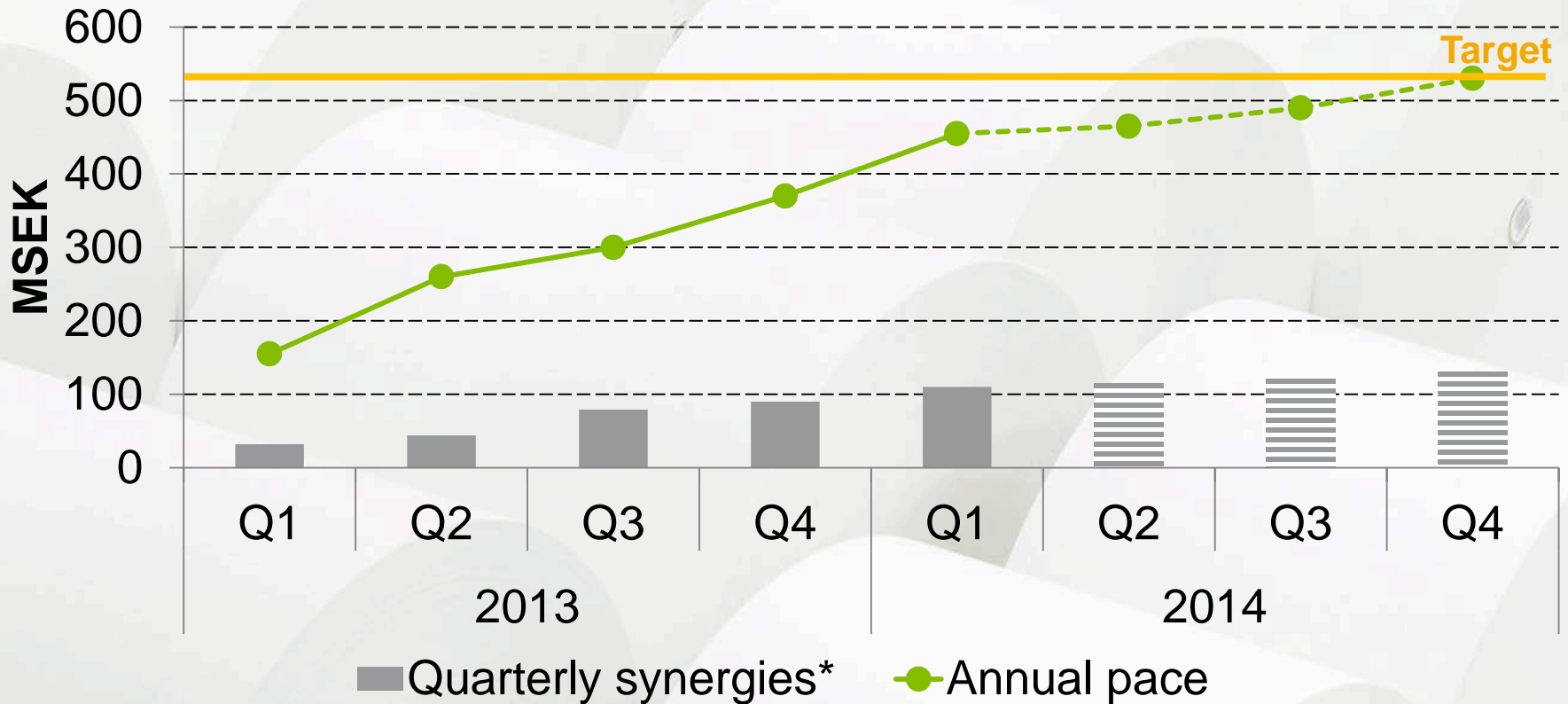
Net debt/equity





ON TRACK TO REACH SYNERGY TARGETS AHEAD OF PLAN

ANNUAL PACE OF MSEK ~445 AS PER END OF Q1 2014



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



FOUR FINANCIAL TARGETS

Operating margin $> 10\%^*$

Return on Capital
Employed $> 13\%^*$

Net debt/Equity ratio
 < 0.9

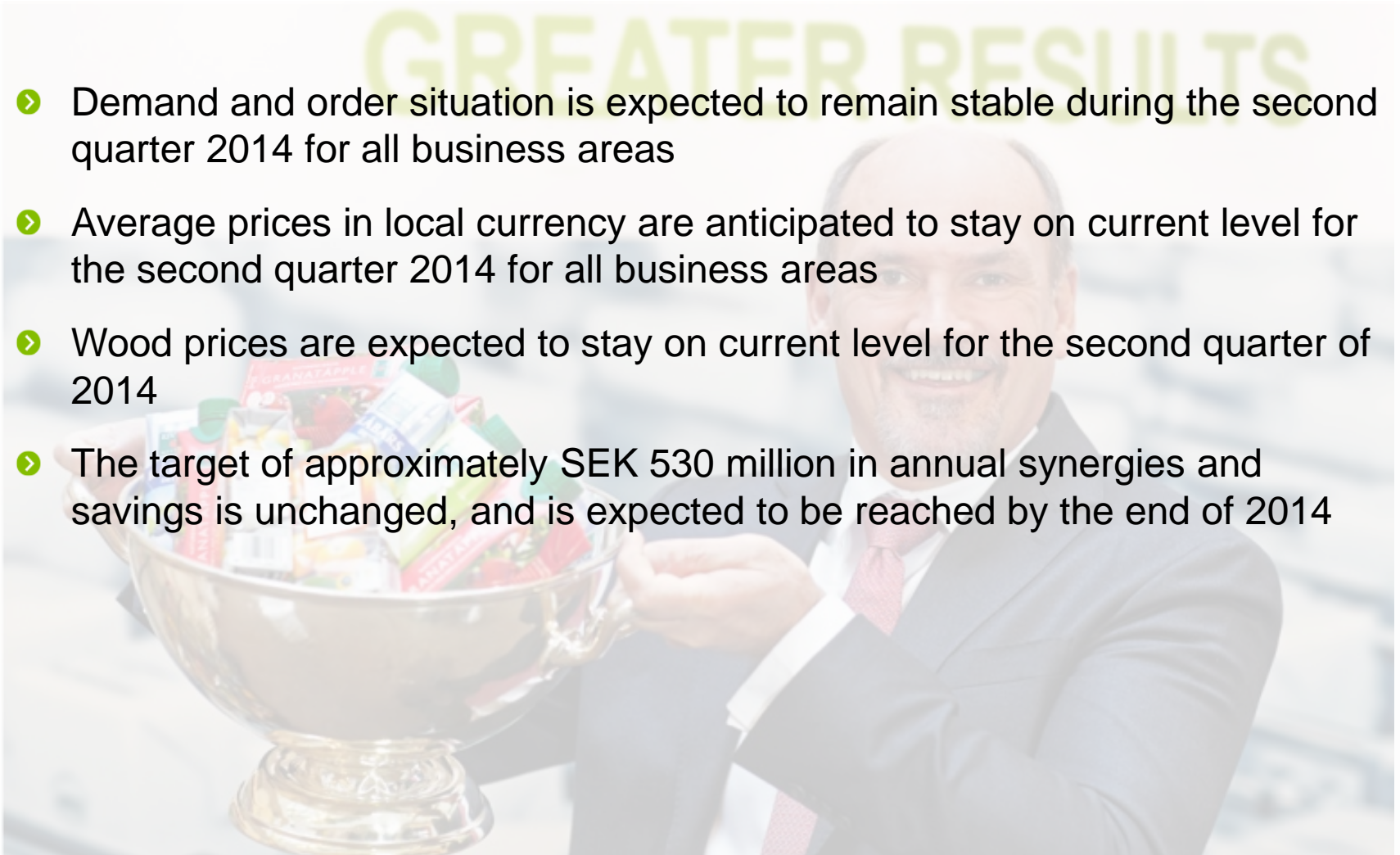
Dividend policy:
50% of net profit*



OUTLOOK

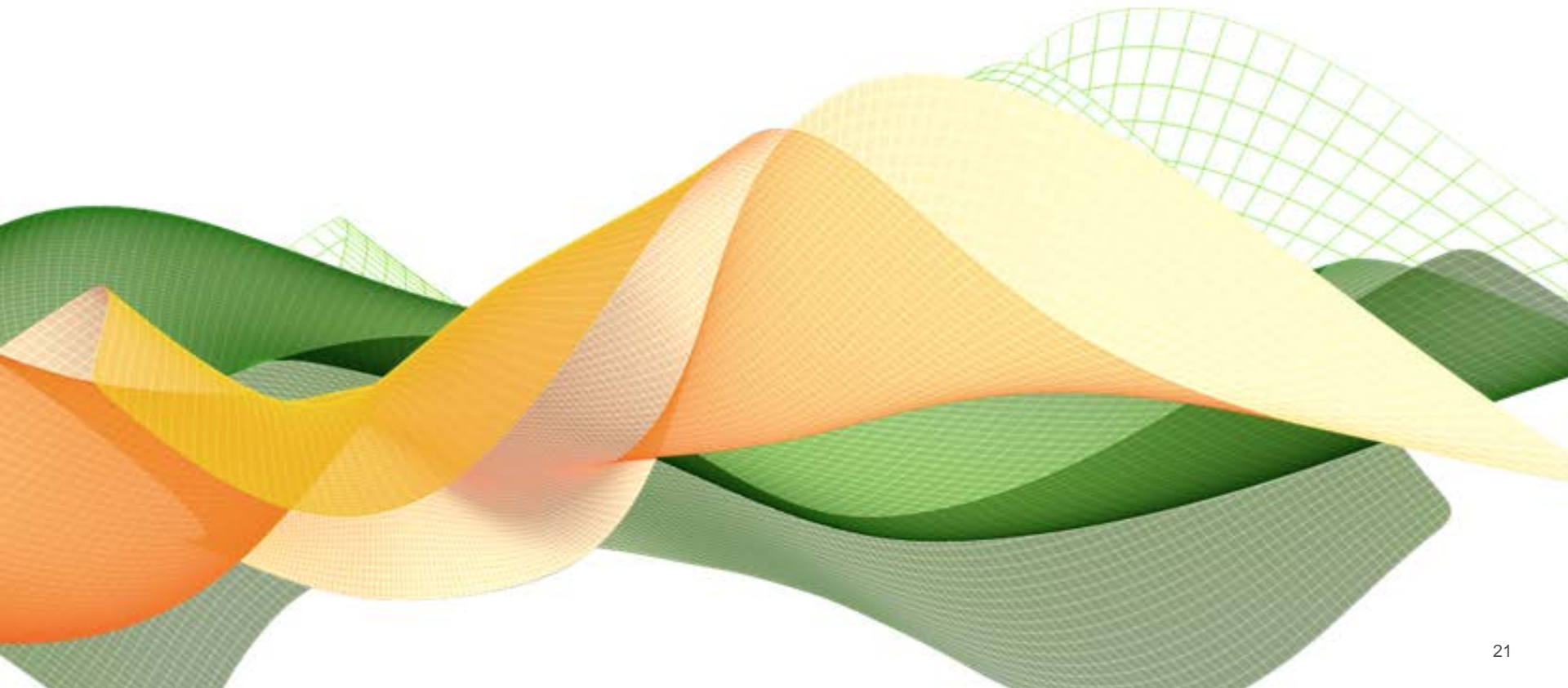
- Demand and order situation is expected to remain stable during the second quarter 2014 for all business areas
- Average prices in local currency are anticipated to stay on current level for the second quarter 2014 for all business areas
- Wood prices are expected to stay on current level for the second quarter of 2014
- The target of approximately SEK 530 million in annual synergies and savings is unchanged, and is expected to be reached by the end of 2014

GREATER RESULTS





Q&A





BILLERUDKORSNÄS

