

WE CHALLENGE CONVENTIONAL PACKAGING FOR A SUSTAINABLE FUTURE



INVESTING FOR SUSTAINABLE AND PROFITABLE GROWTH

Capital Markets Day 2015

2015-11-12 | Stockholm

WELCOME TO BILLERUDKORSNÄS' CAPITAL MARKETS DAY

13:00	Investing for sustainable and profitable growth	Per Lindberg , CEO & President
13:40	Innovation is a key driver of growth	Magnus Wikström , SVP Technology & Strategic Development
14:00	Focusing on selective growth to improve profitability	Johan Nellbeck , SVP Business Area Packaging Paper
14:30	Break	
15:00	Investing to capture growth opportunities in consumer packaging	Ulf Eliasson , SVP Business Area Consumer Board
15:30	Accelerating our transformation for continued value growth	Lennart Eberleh , SVP Business Area Containerboard
16:00	Continuing to deliver stable shareholder returns	Susanne Lithander , CFO
16:40	CEO's concluding remarks	Per Lindberg , CEO & President
16:45	Drinks & Exhibition	



DISCLAIMER

This presentation has been prepared by BillerudKorsnäs AB (publ) (the “Company”) solely for use at this presentation and is furnished to you solely for your information and may not be reproduced or redistributed, in whole or in part, to any other person. The presentation does not constitute an invitation or offer to acquire, purchase or subscribe for securities and does not constitute investment, legal, accounting, regulatory, taxation or other advice and does not take into account investment objectives or the legal, accounting, regulatory, taxation or financial situation or particular needs of the recipients. The material contained in this presentation may include information derived from publicly available sources that have not been independently verified. By attending the meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by these limitations.

This presentation is not for presentation or transmission into the United States or to any U.S. person, as that term is defined under Regulation S promulgated under the Securities Act of 1933, as amended.

This presentation contains various forward-looking statements that reflect management’s current views with respect to future events and financial and operational performance. The words “believe,” “expect,” “anticipate,” “intend,” “may,” “plan,” “estimate,” “should,” “could,” “aim,” “target,” “might,” or, in each case, their negative, or similar expressions identify certain of these forward-looking statements. Others can be identified from the context in which the statements are made. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which are in some cases beyond the Company’s control and may cause actual results or performance to differ materially from those expressed or implied from such forward-looking statements. These risks include but are not limited to the changes in the global, political, economic, business, competitive, market and regulatory environment, future exchange and interest rates, changes in tax rates and future business combinations or disposals. A summary of some of the potential risks faced by the Company is set out in its most recent Annual Report.

The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice.

No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information contained herein. Accordingly, none of the Company, or any of its principal shareholders or subsidiary undertakings or any of such person’s officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.



SPEAKERS



PER LINDBERG

- › CEO & President
- › M.Sc and PhD, Chalmers University of Technology, Gothenburg
- › Joined the company in 2005
- › Background: Managing Director, Korsnäs AB. Vice President, Investment AB Kinnevik. Management and strategy consultant, Applied Value Corporation, US.



MAGNUS WIKSTRÖM

- › Senior Vice President Technology & Strategic Development
- › MSc and PhD in Engineering, Royal Institute of Technology, Stockholm and Executive MBA, Mgruppen
- › Joined the company in 2006
- › Background: R&D Director, Korsnäs AB. Research manager, Korsnäs Development. Project area manager, STFI.



SPEAKERS



JOHAN NELLBECK

- Senior Vice President Packaging Paper
- MSc in Economics and Business, Uppsala University and Executive MBA, Mgruppen
- Joined the company in 2006
- Background: Regional Sales Director Stockholm, Tele2. Managing Director, AssiDomän Kraft Products Sales AB. Sales Manager, AssiDomän.



ULF ELIASSON

- Senior Vice President Consumer Board
- MSc in Engineering, Chalmers University of Technology, Gothenburg
- Joined the company in 2009
- Background: Mill Director, Korsnäs AB. Vice President & Site Manager, Rolls-Royce AB. Senior Vice President & CEO, Stora Enso Skoghall AB.



SPEAKERS



LENNART EBERLEH

- Senior Vice President Containerboard
- MSc in Engineering, Technische Universität Carolo Wilhelmina Braunschweig, Germany and executive MBA, Mgruppen
- Joined the company in 2001
- Background: Sales Manager, Stora Enso Gruvön. Stora Support Team, Stora Kopparberg Bergslags AB. Product Manager, Stora Gruvön.



SUSANNE LITHANDER

- CFO
- MSc in Economics and Business, School of Business, Economics and Law, Gothenburg
- Joined the company in 2011
- Background: CEO, Mercuri International Group. Executive Vice President & Head of Advisory Services, BU Global Services, Ericsson AB. Executive Vice President Finance & Operational Development, BU Global Services, Ericsson AB. Executive Vice President & Head of Business Operations, Ericsson Inc., TX, USA.

WE **CHALLENGE CONVENTIONAL**
PACKAGING FOR A
SUSTAINABLE FUTURE



INVESTING FOR SUSTAINABLE AND PROFITABLE GROWTH

Capital Markets Day 2015

2015-11-12 | Per Lindberg, CEO & President

INVESTING FOR SUSTAINABLE AND PROFITABLE GROWTH



Investing in market position



Investing in structure and efficiency



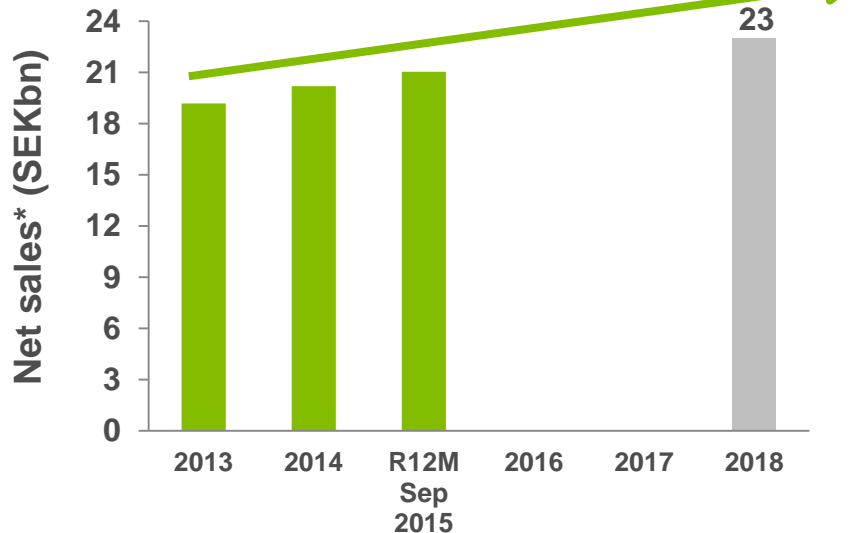
Investing in innovation and sustainability



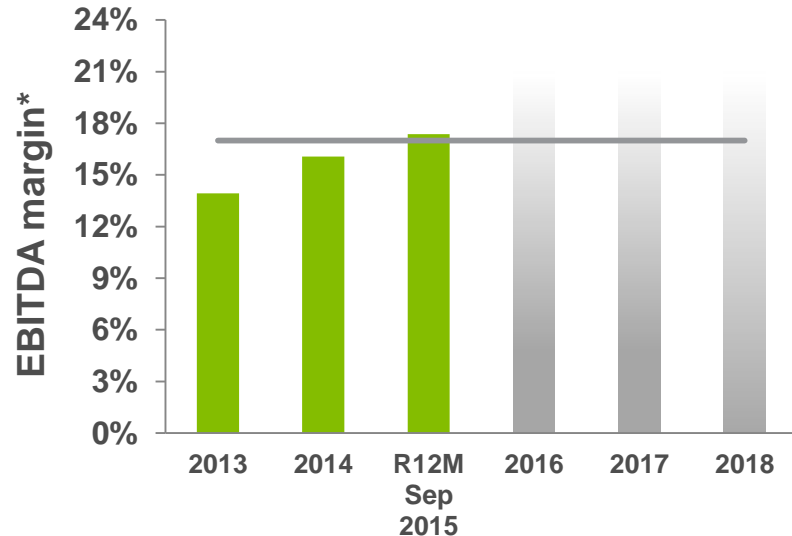


AIMING TO SECURE LONG-TERM GROWTH AND PROFITABILITY

Securing long-term growth

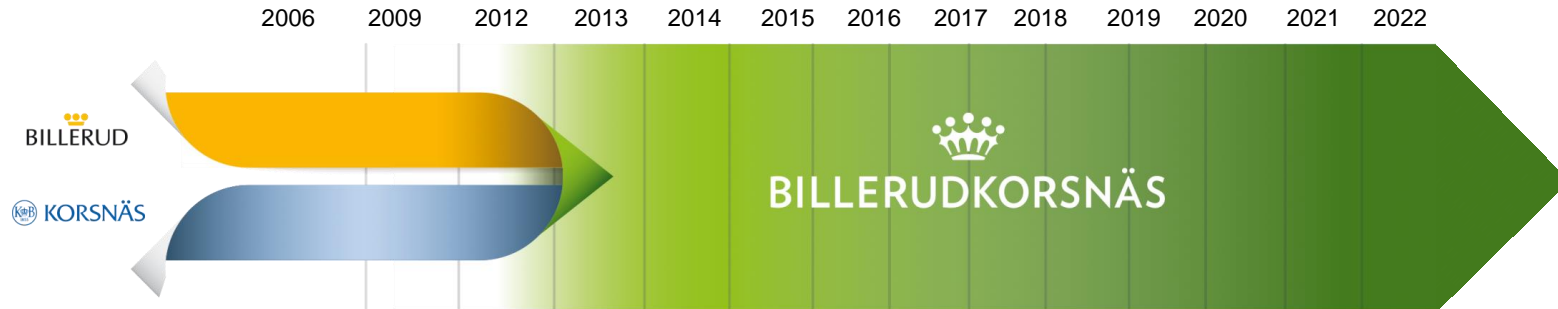


Securing long-term profitability



*Excluding divested operations and non-recurring items

WE ARE WELL-POSITIONED FOR PROFITABLE GROWTH INVESTMENTS



- Packaging focused materials and solutions provider
- Broader product portfolio
- Higher portion of sales to consumer segments
- Annual synergies of approximately SEK 530 million
- Sharply reduced pulp market exposure
- Lower relative currency exposure



AIMING TO CAPTURE GROWTH FROM GLOBAL MEGATRENDS



**DEMOGRAPHIC SHIFTS AND
A CHANGING WORLD MAP**



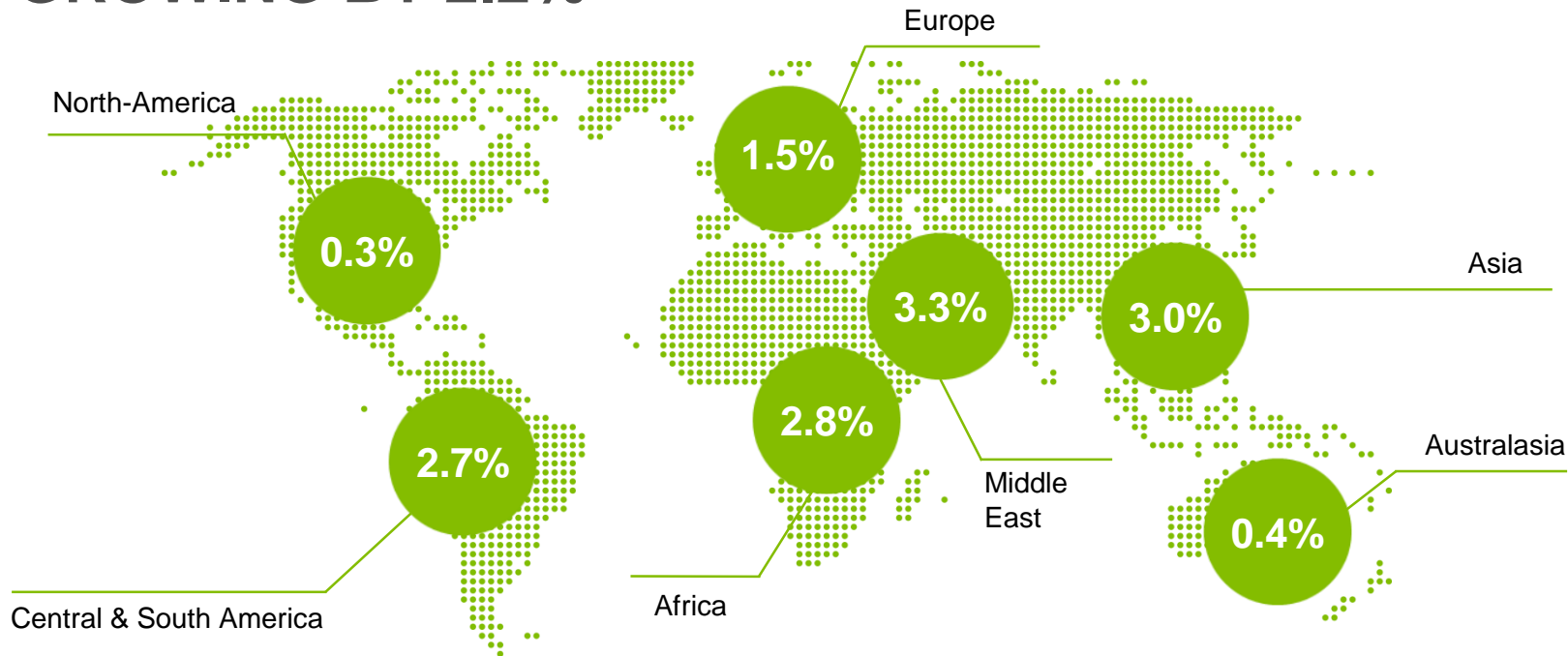
**SUSTAINABILITY CONNECTING
SEVERAL SUBTRENDS**



**CONSUMERS AND SUPPLY CHAINS
ARE CHANGING**

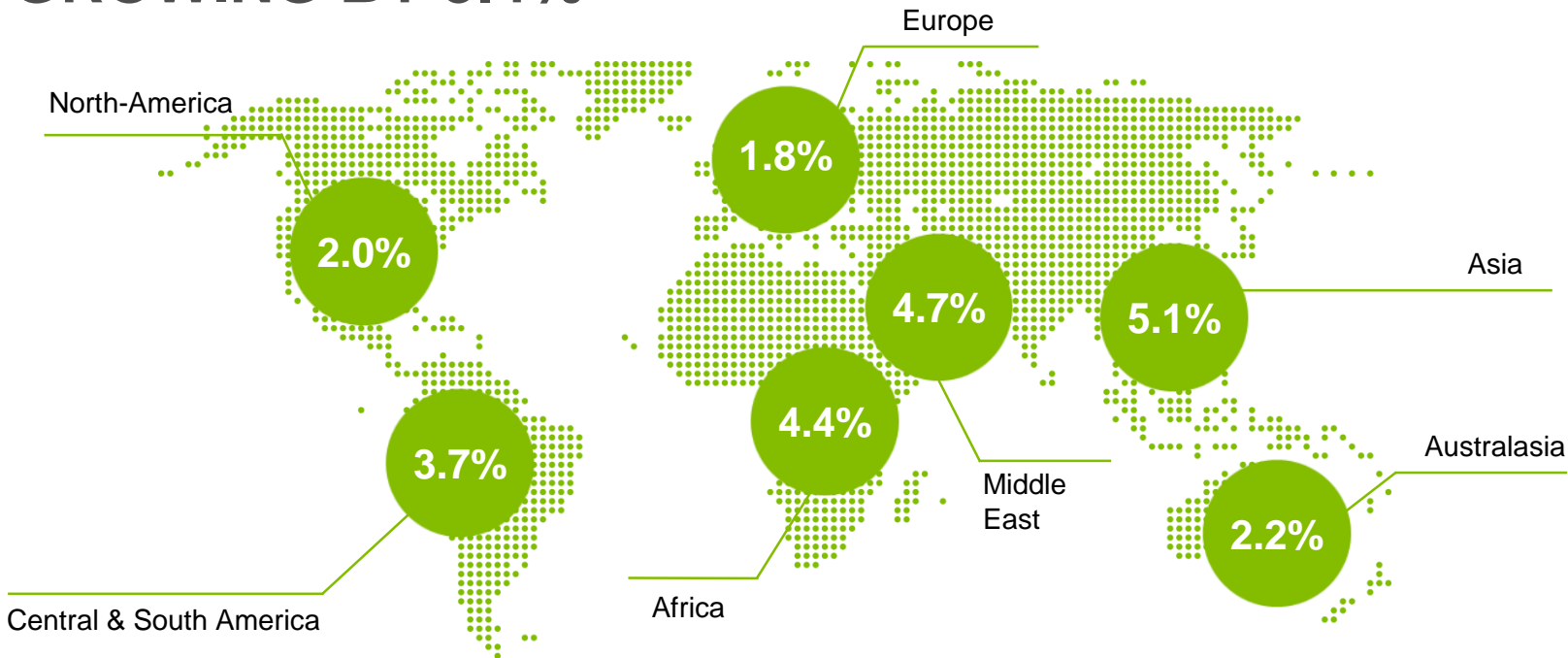


PACKAGING PAPER & BOARD MARKET IS GROWING BY 2.2%





WE TARGET GLOBAL PACKAGING MARKET GROWING BY 3.4%





WE HAVE ESTABLISHED A CLEAR GROWTH STRATEGY

**WE CHALLENGE
CONVENTIONAL PACKAGING FOR
A SUSTAINABLE FUTURE**

PROFITABLE GROWTH

POSITION

Expand geographically
and in value chain.



INNOVATION

Increase industry lead.



SUSTAINABILITY

Drive throughout
value chain.



EFFICIENCY

Improve continuously.



PEOPLE DRIVE CHANGE

Think new – Feel responsibility – Cooperate – Create value

WE ARE INVESTING TO MOVE FURTHER UP THE VALUE CHAIN TOWARDS BRAND OWNERS



WE ARE EXPANDING THE REACH OF OUR OFFERING

OUR PRESENCE **2013** AND NEW SALES HUBS **2015**



- Sweden
- Finland
- Germany
- UK
- France
- Spain
- Italy
- UAE
- China
- Singapore**
- Thailand**
- US**
- India**
- Turkey**
- South Africa**

WE HAVE INVESTED SEK 2 BILLION SINCE 2012 TO INCREASE CAPACITY AND QUALITY LEAD

PACKAGING PAPER

260 SEKm

Brown sack paper

- Improved paper quality restoring leadership
- Increased capacity by 20 000 tonnes



CONSUMER BOARD

1600 SEKm

**Liquid Packaging Board
Cartonboard**

- Improved quality
- Increased capacity by 200 000 tonnes

CONTAINERBOARD

180 SEKm

S/C fluting

- Improved quality enhancing leadership
- Increased capacity by 40 000 tonnes



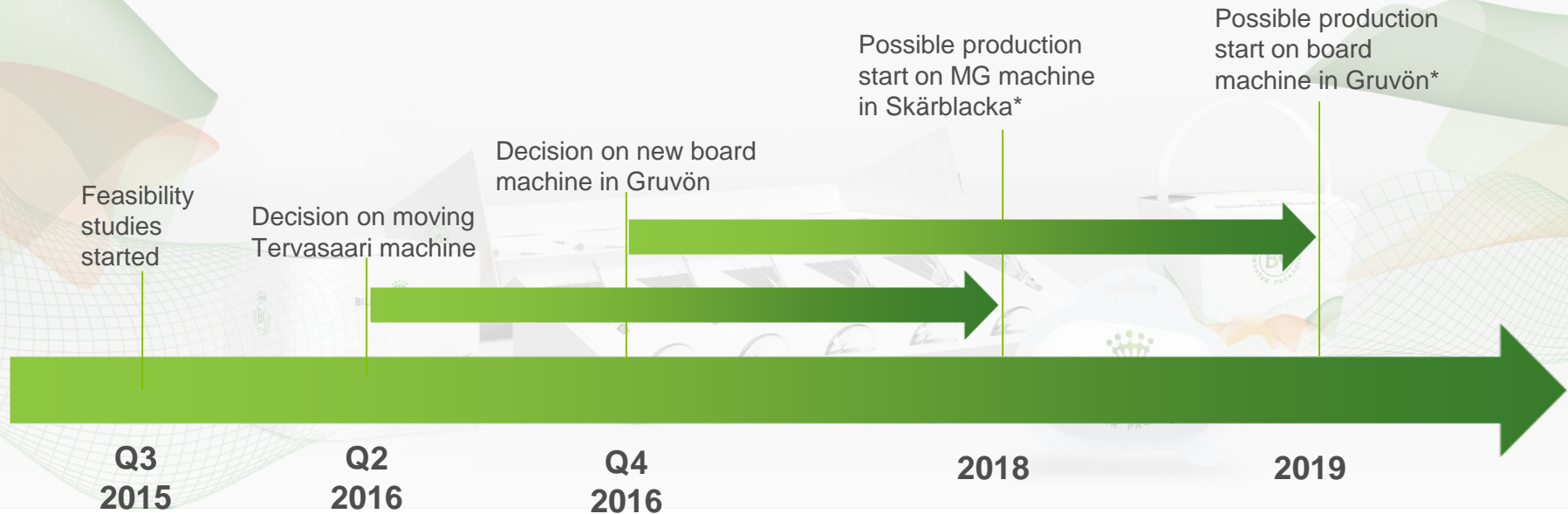
WE ARE PLANNING TO INVEST MORE THAN SEK 5 BILLION...

- 1 Moving unintegrated Tervasaari MG paper machine to Skärblacka and making it integrated to the pulp production.
- 2 Investing in value adding surface treatment capacity at existing MG paper production in Skärblacka.
- 3 a) Building new board machine at the production unit in Gruvön with capacity of approx. 500 000 t/a of liquid packaging board, cartonboard, food service board and white kraftliner.
b) Closing paper mill with current capacity of approx. 300 000 t/a* of kraft paper and liner.
- 4 Moving production of white kraftliner from Gävle to new board machine in Gruvön.
- 5 Shifting profitable kraft paper volumes from Gruvön to Karlsborg, Skärblacka and Pietarsaari to strengthen product mix.



* Approximately 40% kraft paper and 60% liner.

...DURING NEXT THREE YEARS...



*Subject to feasibility study results

...TO IMPROVE UNDERLYING PROFITABILITY AND SECURE ORGANIC GROWTH

PACKAGING PAPER

Focusing on growth segments growing by 2-4% per year

Decreasing volumes on oversupplied markets

SELECTIVE GROWTH

CONSUMER BOARD

Increasing volumes on growing Liquid Packaging Board and Cartonboard markets

VOLUME GROWTH

CONTAINERBOARD

Expanding solution based sales to brand owners

Exiting oversupplied white liner market

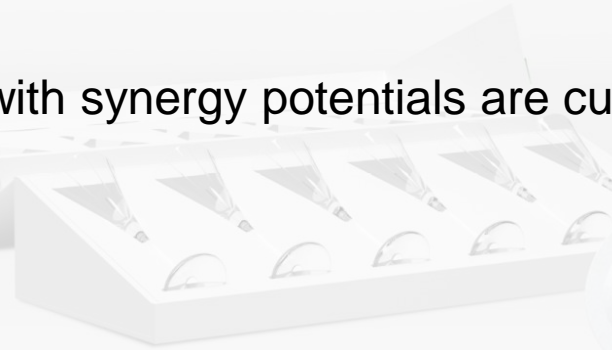
VALUE GROWTH

Improved underlying EBITDA > **1000 MSEK** when fully implemented

Continued organic growth with **3-4%** per year

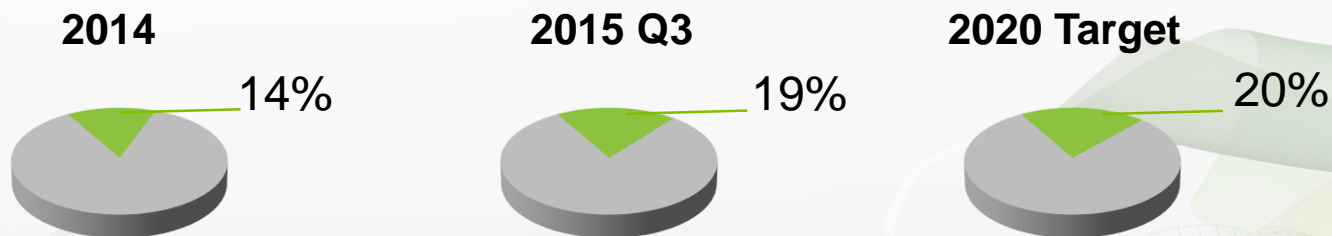
M&A MAY BOOST LONG-TERM GROWTH

- We have the financial capacity to add M&A growth to organic growth
- We have proven experience in merging businesses and quickly extracting synergies
- Bolt-on acquisitions with synergy potentials are currently the most interesting candidates



INNOVATION WILL FURTHER BOOST TOP LINE AND MARGINS

Proportion of sales accounted for by new products



+2% average margin improvement on new products

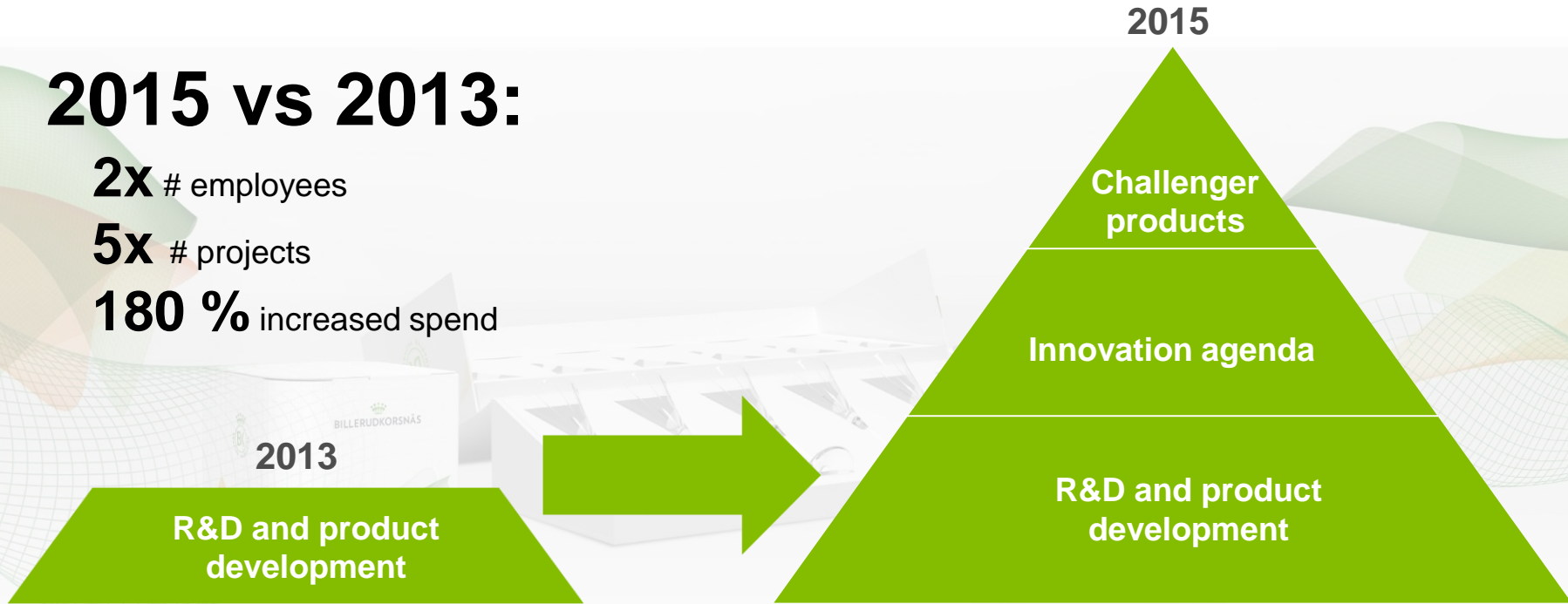
INVESTING IN INNOVATION – ON THREE LEVELS

2015 vs 2013:

2x # employees

5x # projects

180 % increased spend

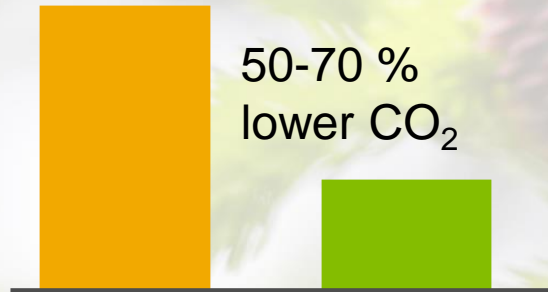


INNOVATION PROVIDES WORLD LEADING SUSTAINABLE ALTERNATIVES

Through our products...

... and through our actions

Environmental impact paper vs plastic¹



¹ Life cycle assessment, Comparative study of virgin fibre based packaging products with competing plastic materials. IVL, 2015.

INVESTING FOR SUSTAINABLE AND PROFITABLE GROWTH



Investing in market position

Offering solutions along value chain
Targeting growth markets



Investing in structure and efficiency

Capacity and capability for capturing growth
More efficient production structure improving returns



Investing in innovation and sustainability

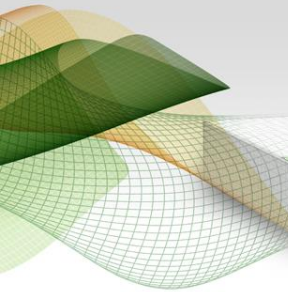
Enhancing top line and margin growth
Offering sustainable alternatives

Underlying EBITDA
> + 1 000 SEKm

Organic growth
3-4% CAGR

Q&A

WE **CHALLENGE CONVENTIONAL**
PACKAGING FOR A
SUSTAINABLE FUTURE





BILLERUDKORSNÄS

