

# WE CHALLENGE CONVENTIONAL PACKAGING FOR A SUSTAINABLE FUTURE



**Nordea Small & Mid Cap Seminar | August 2015**

**Per Lindberg, CEO and President**

## PRIMARY FIBRE-BASED PACKAGING MATERIALS



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



- ▶ Smarter solutions and sustainable innovation
  - 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

# BILLERUDKORSNÄS IN BRIEF

## NET SALES

2014

**21**

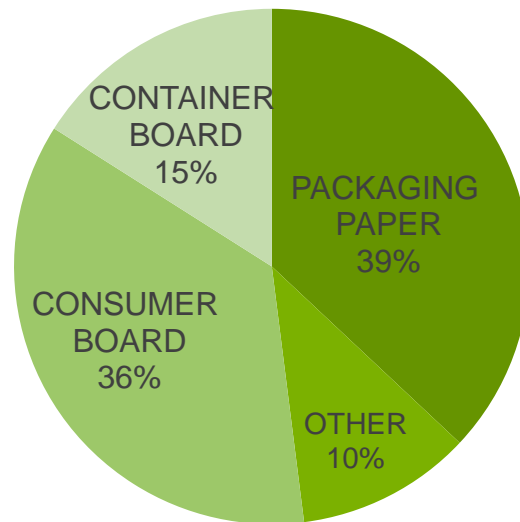
Billion SEK

## OPERATING PROFIT

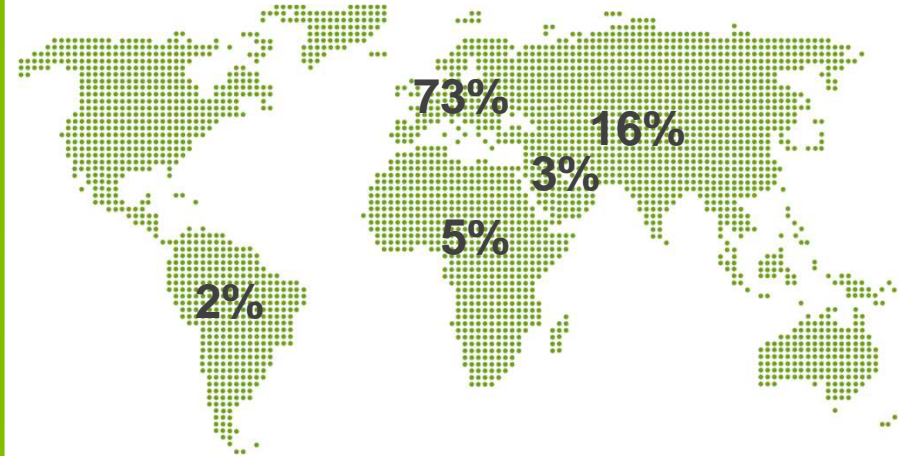
2014

**1.9**

Billion SEK



SHARE OF SALES



SHARE OF SALES

**4 300**

NUMBER OF EMPLOYEES

**8**

PRODUCTION UNITS

(SWE, FI, UK)

Beetham  
Frövi/Rockhammar  
Gruvön  
Gävle  
Karlsborg  
Pietarsaari  
Skärblacka  
Tervasaari

## MEGA TRENDS IN OUR FAVOR



**DEMOGRAPHIC SHIFTS AND A  
CHANGING WORLD MAP**

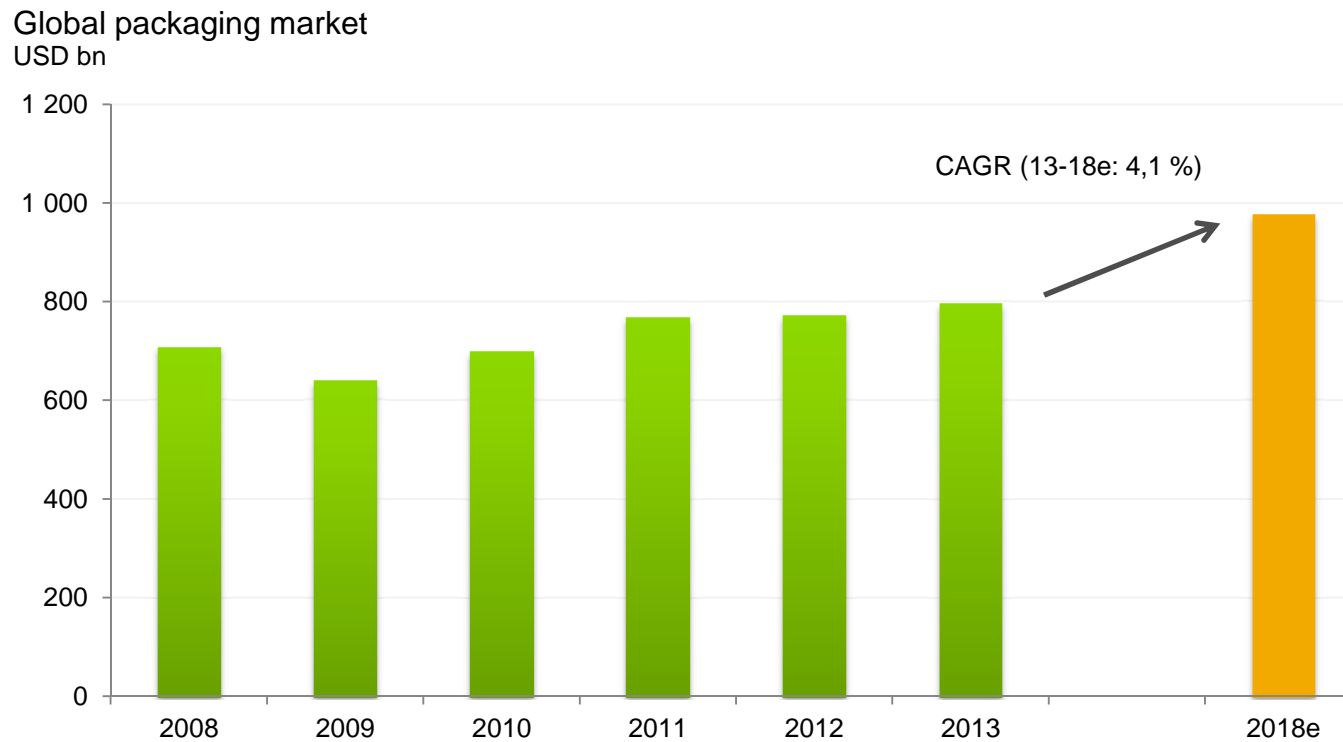


**SUSTAINABILITY CONNECTING  
SEVERAL SUBTRENDS**



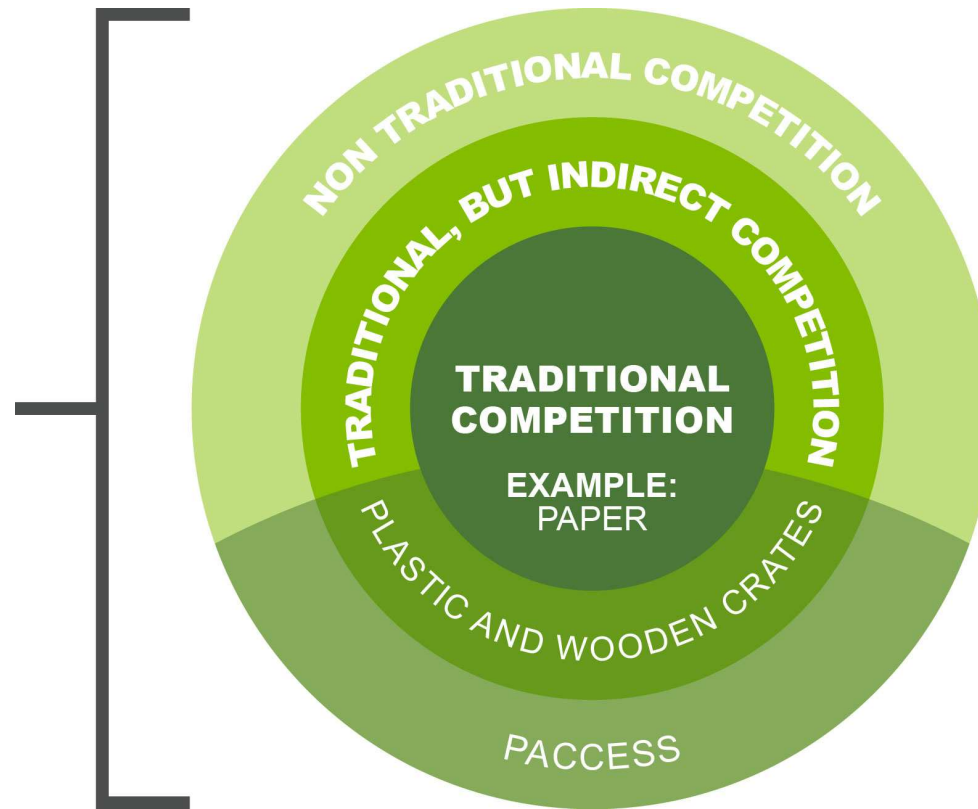
**CONSUMER BEHAVIOUR  
IS CHANGING**

# THE PACKAGING MARKET IN OUR FAVOR

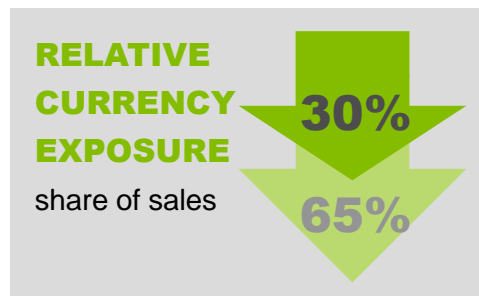
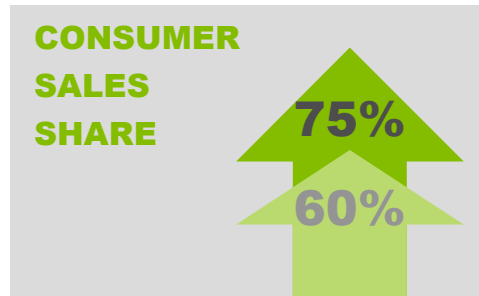
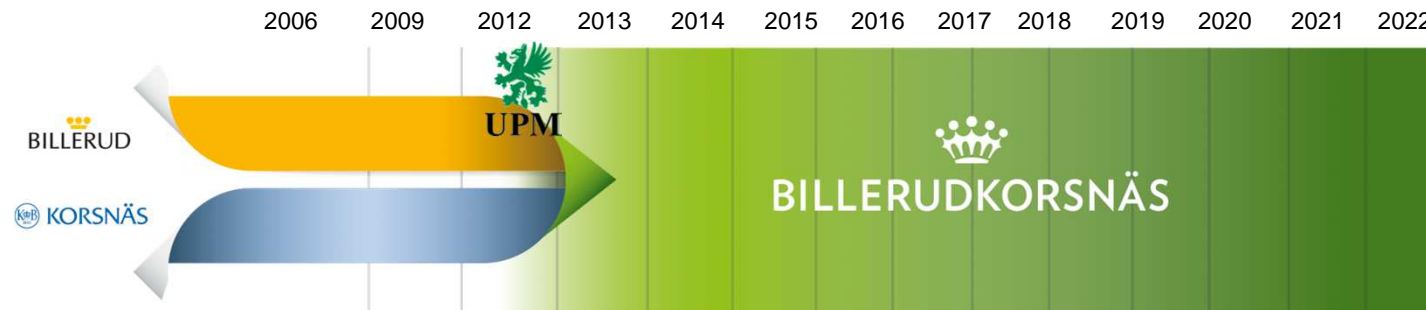


# WE LOOK BEYOND TRADITIONAL MARKETS

SMARTER  
PACKAGING  
SOLUTIONS



# SUCCESSFUL INTEGRATION HAS ENABLED A STRONG PLATFORM FOR GROWTH



**STRONG AND STABLE PLATFORM FOR GROWTH**



530 MSEK in yearly synergy savings. Targets reached way ahead of plan.

## OUR BUSINESS MODEL



### ➤ NETWORK

- Packaging and manufacturers
- Research institutes
- >2000 customers and packaging partners in more than 100 countries

### ➤ MATERIALS

- World-class packaging materials
- Kraft- and sack paper
- Liquid packaging board and cartonboard
- Fluting and liner

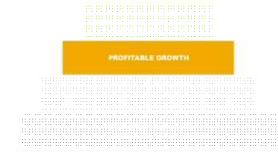
### ➤ SOLUTION SERVICES

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

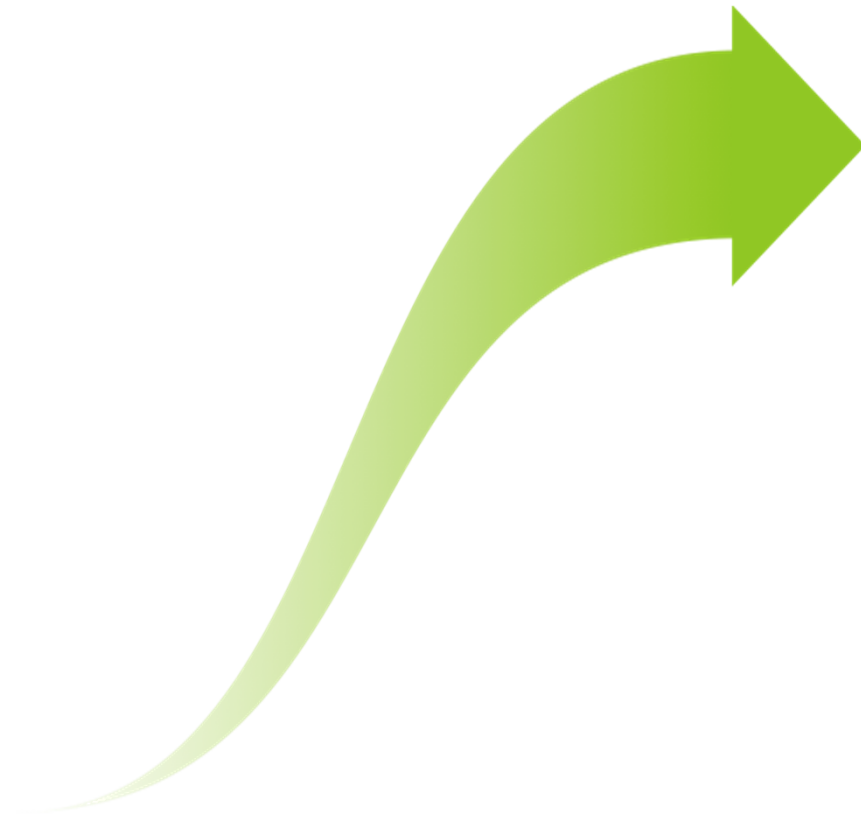


# OUR STRATEGIC STEPSTONES



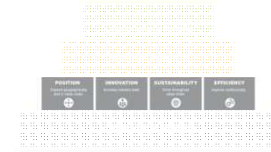


## WE HAVE AN AMBITIOUS GROWTH AGENDA



**TARGET 2018  
TURNOVER: ~24 BSEK  
ORGANIC PROFITABLE  
GROWTH: 15 – 20 %\***

\* Base year 2013




# OUR FOUR STRATEGIC PILLARS

## HOW TO ACHIEVE OUR GROWTH AMBITIONS

**POSITION**  
Expand geographically  
and in value chain.





**INNOVATION**  
Increase  
industry lead.



INNOVATION AGENDA

- GREENER MATERIAL TECHNOLOGY
- BUSINESS MODEL INNOVATION
- SERVICE AND LOGISTICS

**SUSTAINABILITY**  
Drive throughout  
value chain.

**EFFICIENCY**  
Improve  
continuously.



INVESTMENTS  
+  
OPERATIONAL  
EXCELLENCE



## WE ARE INVESTING

SUPPORTING OUR GROWTH AMBITIONS.



### INVESTMENT DECISIONS 2014

#### ➤ BOARD MACHINE (FRÖVI)

To be largest of its kind in the world  
450 kton → 550 kton 2017

#### ➤ FLUTING MACHINE (GRUVÖN)

To strengthen leading position  
+ 40 kton 2016

#### ➤ SACK PAPER MACHINE (SKÄRBLACKA)

To increase volume and improve quality  
+ 20 kton 2016

#### ➤ ENVIRONMENTAL IMPROVEMENTS (GÄVLE)

to ensure that our products have a minimal environmental  
impact and increase quality of products

# THREE BUSINESS AREAS

## PACKAGING PAPER



Kraft paper  
Sack paper

## CONSUMER BOARD



Liquid packaging board  
Carton board  
Cup stock

## CONTAINERBOARD



Fluting  
Liner

**NET SALES  
MSEK**



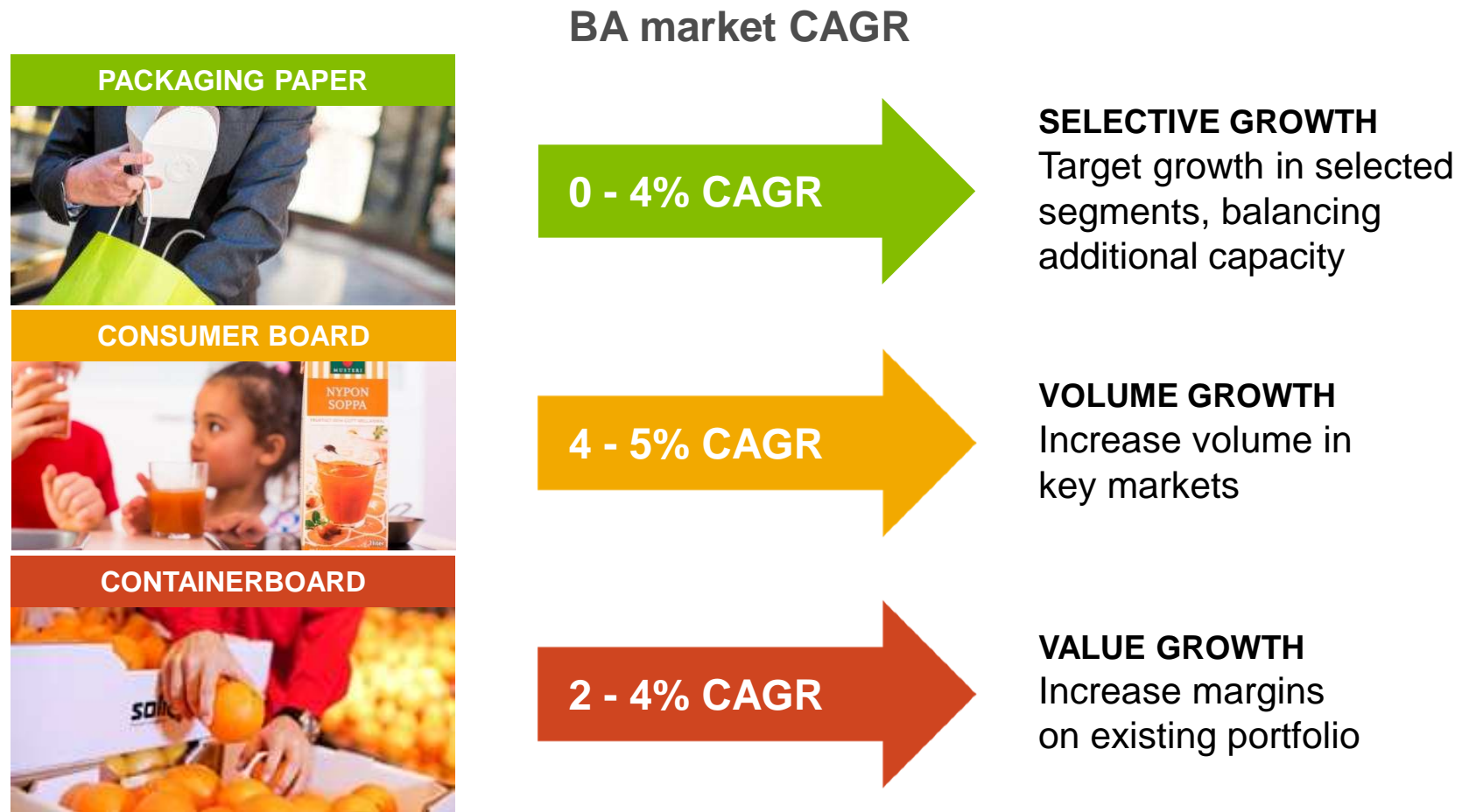
**EBIT  
MSEK**



**SALES VOLUME  
KTON**

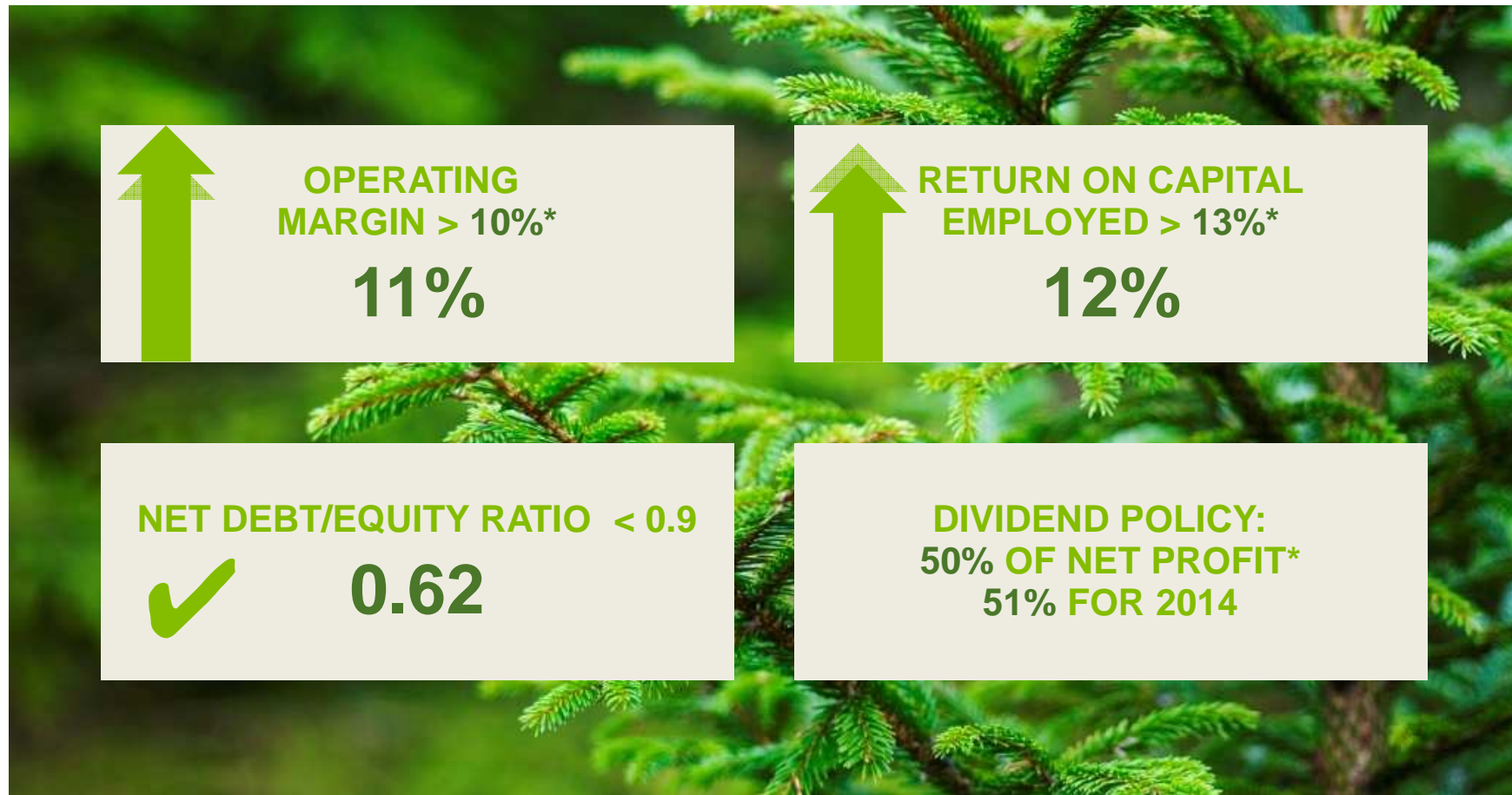


# STRATEGIES PER BUSINESS AREA TO ACHIEVE 15-20%\* ORGANIC GROWTH BY 2018



\* Base year 2013  
CAGR (Compound Annual Growth Rate)

## FINANCIAL TARGETS AND TARGET FULFILLMENT AFTER H1 2015





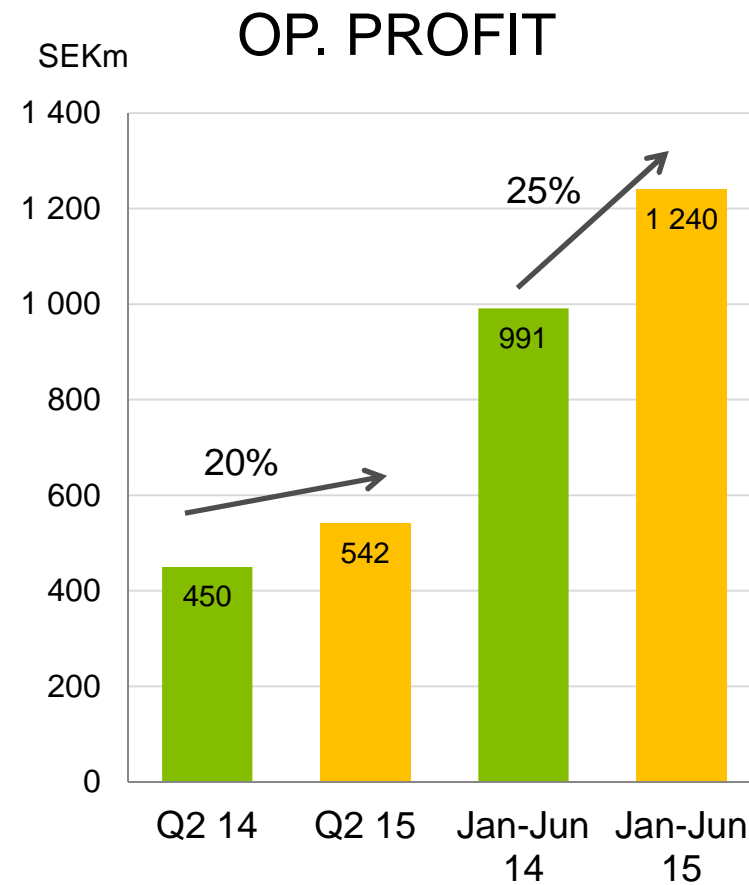
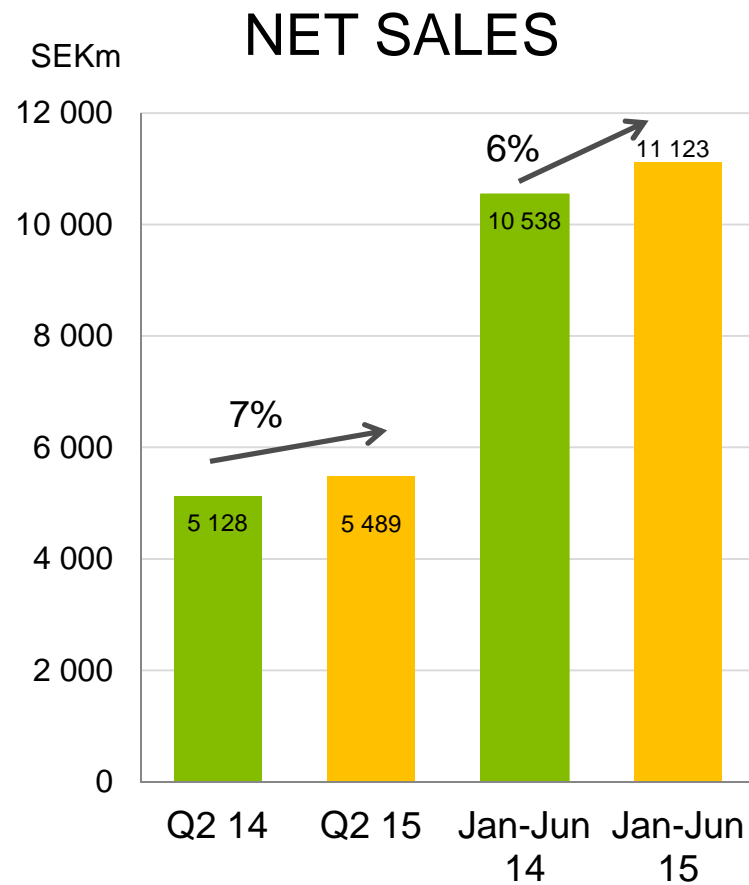
## Q2 2015 HIGHLIGHTS - STRONG RESULT IMPACTED BY EXTRA COSTS FROM UPGRADE

- Operating profit reached SEK 542 million and operating margin 10%
- Quarter negatively impacted by the planned maintenance shutdown in Gruvön, however upgrade is a success and the quality improvements are above expectations
- **Packaging Paper**
  - Normal market situation for sack and kraft paper for the season
- **Consumer Board**
  - As expected a solid market situation with stable prices for liquid packaging board and cartonboard
- **Containerboard**
  - Strong order books for fluting, white liner stable



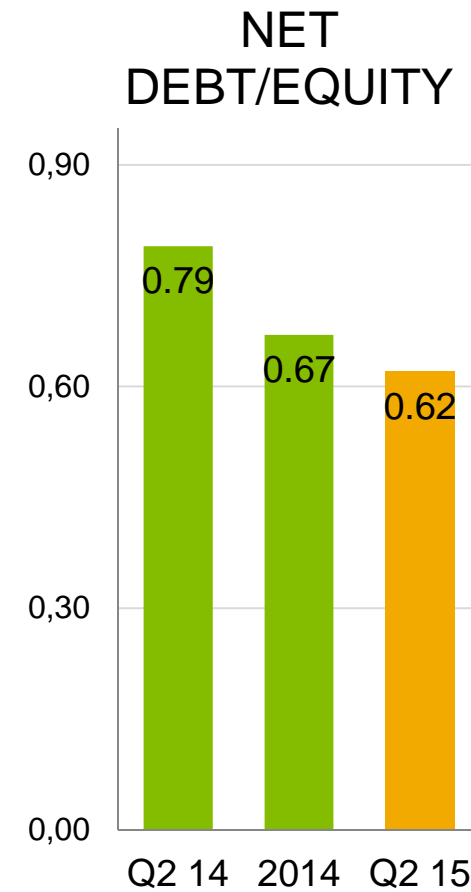
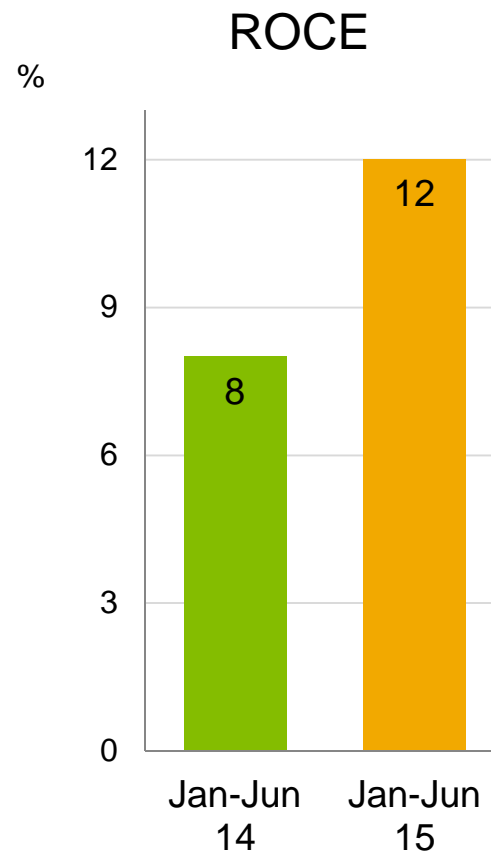
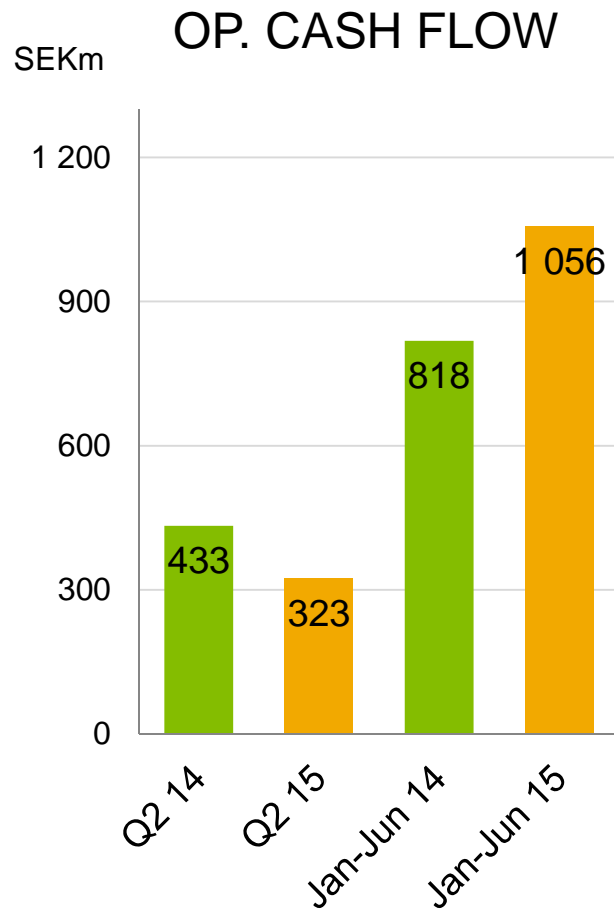
## KEY HIGHLIGHTS Q2 2015

NET SALES GROWTH 6% YOY, OPERATING PROFIT +25% YOY

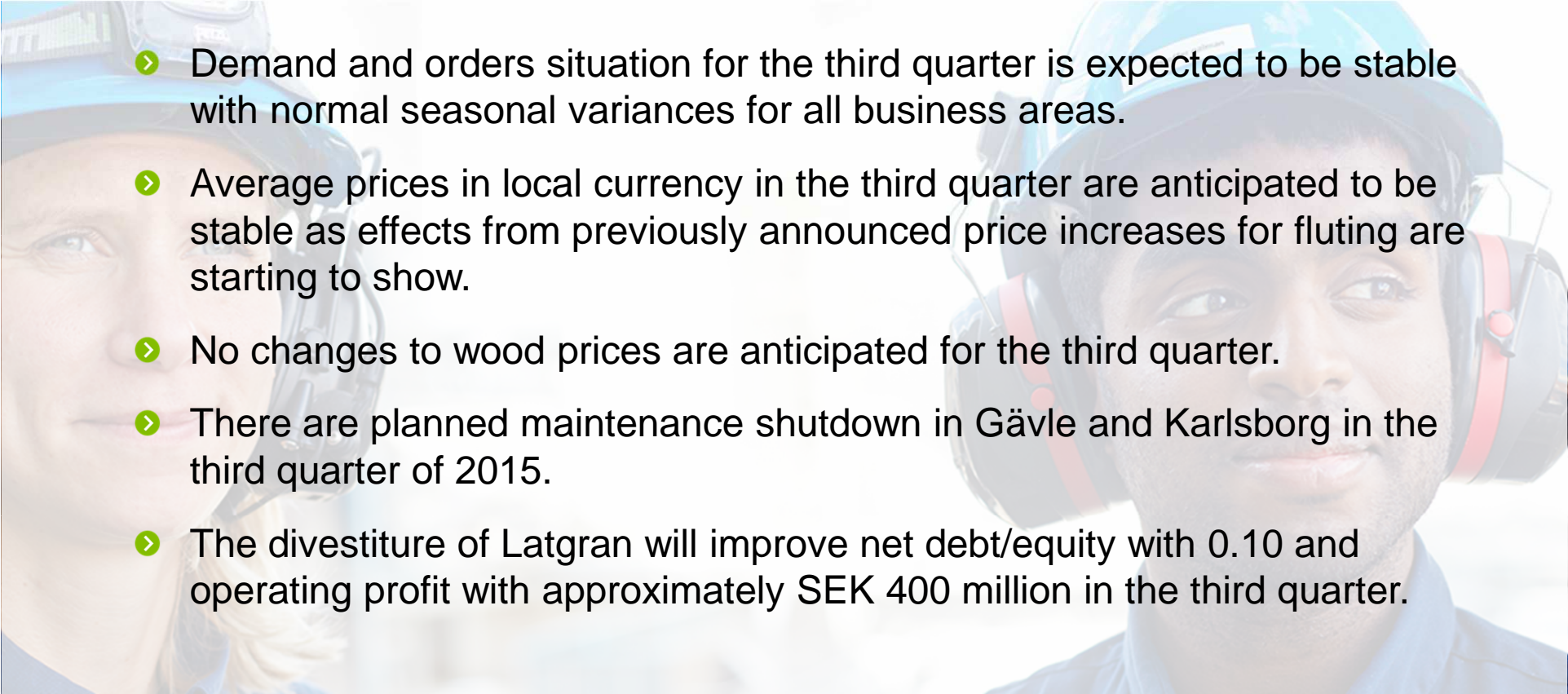


# KEY HIGHLIGHTS Q2 2015

STRONG CASH FLOW, IMPROVED ROCE AND ND/E IMPACTED BY DIVIDEND

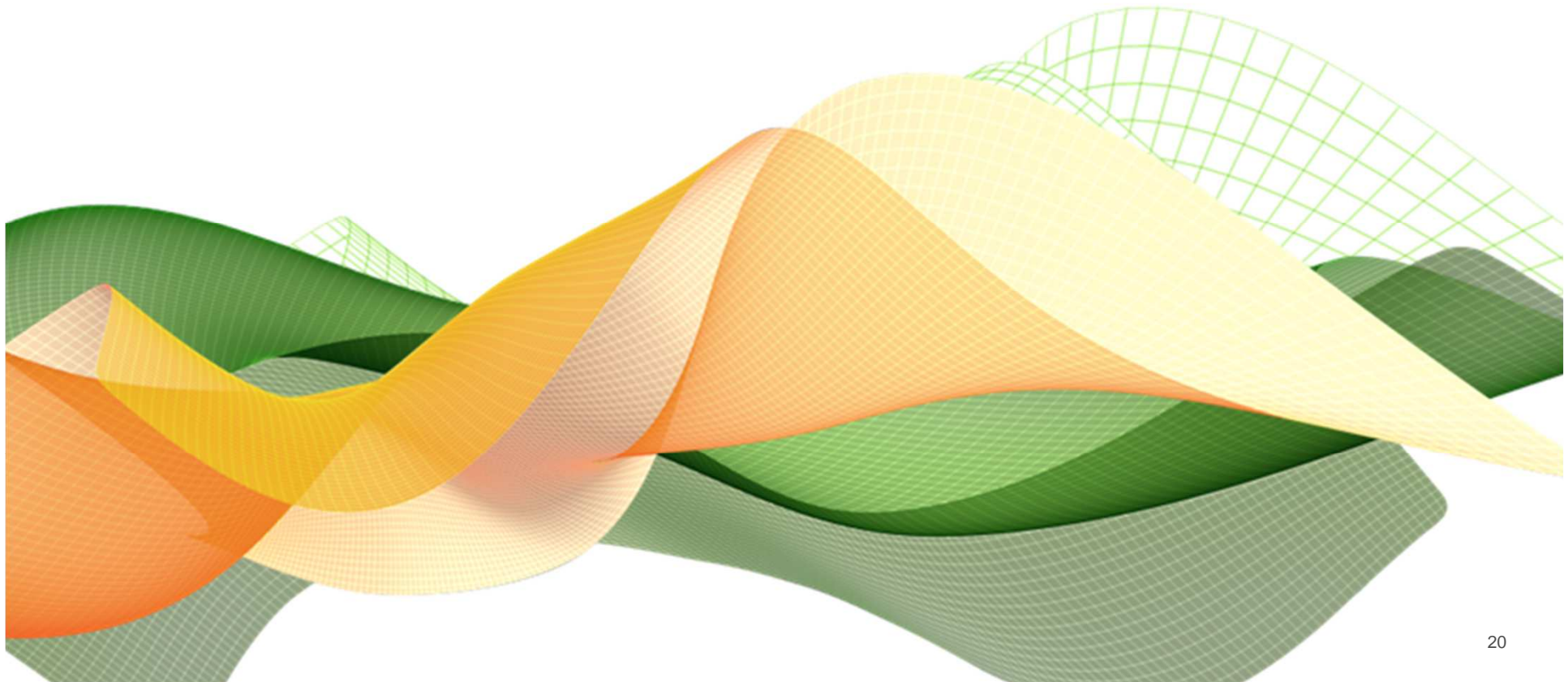


## OUTLOOK

- 
- › Demand and orders situation for the third quarter is expected to be stable with normal seasonal variances for all business areas.
  - › Average prices in local currency in the third quarter are anticipated to be stable as effects from previously announced price increases for fluting are starting to show.
  - › No changes to wood prices are anticipated for the third quarter.
  - › There are planned maintenance shutdown in Gävle and Karlsborg in the third quarter of 2015.
  - › The divestiture of Latgran will improve net debt/equity with 0.10 and operating profit with approximately SEK 400 million in the third quarter.

## CAPITAL MARKETS DAY ON 12 NOVEMBER 2015

Capital Markets Day in Stockholm on 12 November 2015.  
More info will be published on [www.billerudkorsnas.com](http://www.billerudkorsnas.com)



## Q&A

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