



YEAR-END REPORT JANUARY-DECEMBER 2016

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PREPARING FOR THE FUTURE

2016

- All-time high production
 - Five production records
- All-time high sales volumes
 - Growth under target
- All-time high cash-flow
 - Debt level at 1.08
- All-time low working capital
 - End of 2016

Q4

- Stable markets in general
- Adj EBITDA reached SEK 898 million and adj EBITDA margin 16%
- Decision to build a new board machine in Gruvön



VOLUMES AND SALES

SALES VOLUMES REACHED ALL-TIME HIGH. NET SALES ON THE SAME LEVEL



* Excluding divested and acquired operations

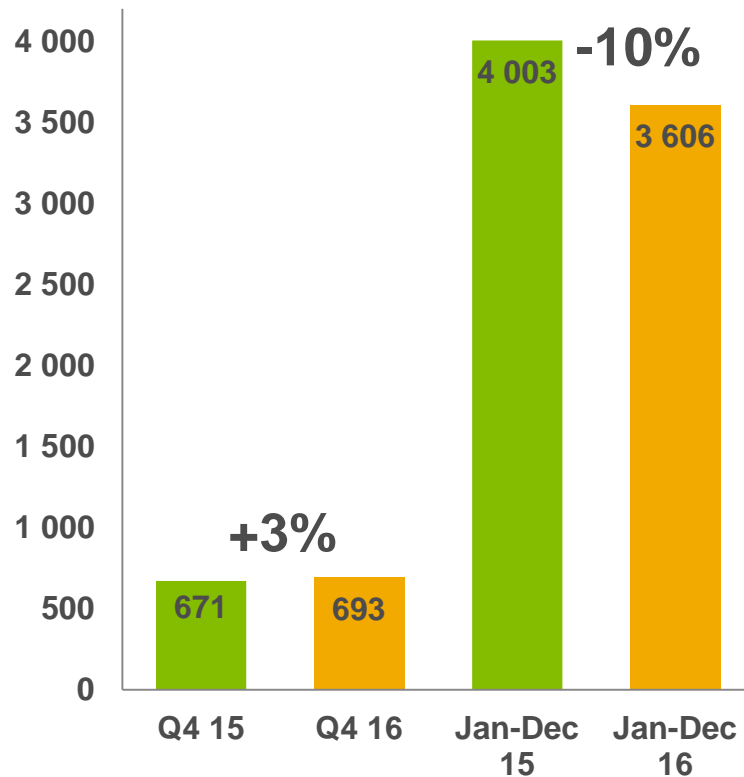


IMPROVED PROFITABILITY

ONE-OFF COSTS IN Q4 AND LATGRAN DIVESTITURE PREVIOUS YEAR

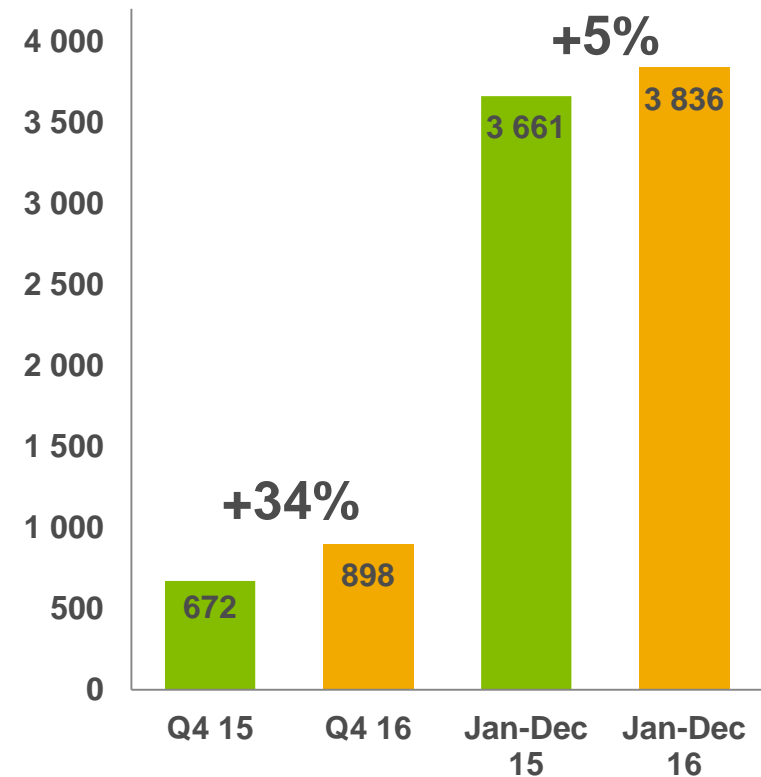
EBITDA

SEKm



Adjusted EBITDA*

SEKm

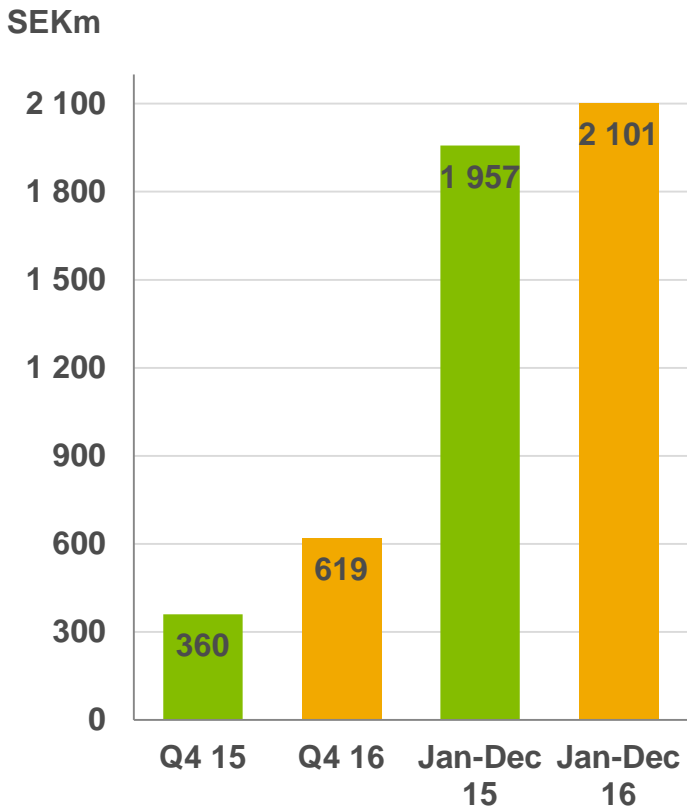


* Adjusted EBITDA is adjusted for items affecting comparability

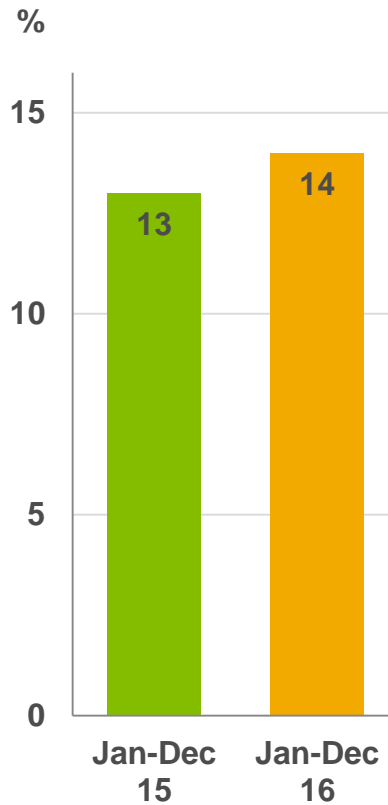


FINANCIAL TARGETS

OP. CASH FLOW

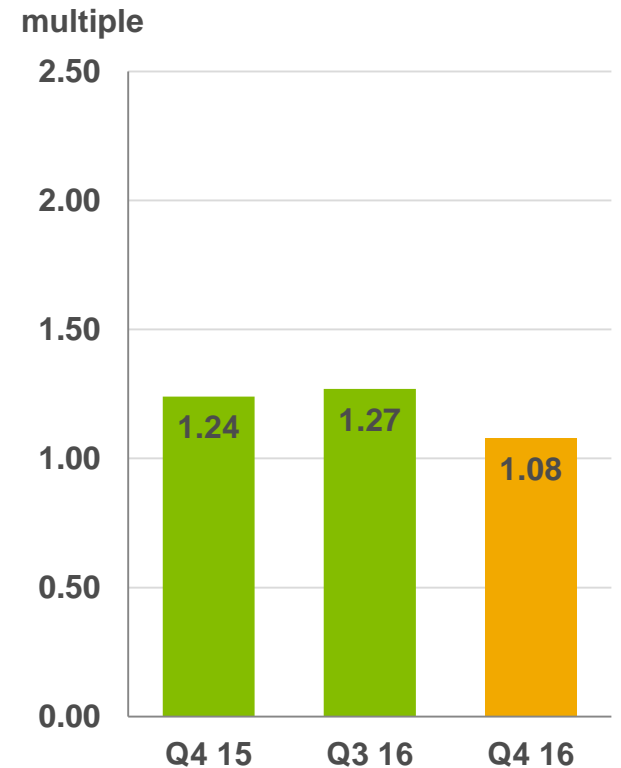


Adjusted ROCE



ROCE based on rolling 12 months

NET DEBT/EBITDA





PACKAGING PAPER BUSINESS AREA Q4 2016

- Strong performance
- Net sales SEK 2 067 million, +2% vs. Q4-15
 - Good sales mix and high production in integrated mills
 - Favourable exchange rates
- EBITDA SEK 421 million, +67% vs. Q4-15
- EBITDA margin 20%
- Markets
 - Unchanged paper prices in local currencies, except for sack paper where a slight increase is expected
 - Improved order situation for brown sack paper
 - Stable order situation for white sack and kraft paper markets



Selective growth



CONSUMER BOARD BUSINESS AREA Q4 2016

- Stable quarter, but lack of growth
- Net sales SEK 1 988 million, +3% vs. Q4-15
 - Product mix
 - Hampered by production disturbances
- EBITDA SEK 336 million, +14% vs. Q4-15
- EBITDA margin 17%
- Markets
 - Stable order situation and pricing in local currencies



Volume growth



CORRUGATED SOLUTIONS BUSINESS AREA Q4 2016

- Continued strong performance
- Net sales SEK 989 million, +12% vs. Q4-15
 - Strong demand for liner, fluting back on track
 - Positive currency effect
- EBITDA SEK 241 million, +18% vs. Q4-15
- EBITDA margin 24%
- Markets
 - Stable pricing and order books for liner and fluting
 - Managed Packaging continue to deliver strong growth



Value growth



THE LARGEST INVESTMENT IN BILLERUDKORSNÄS' HISTORY

- One of the largest investments in Sweden in recent years
- The investment will streamline BillerudKorsnäs' production structure
- New board machine, KM7
 - SEK 5,7 billion investment
 - Production capacity ~550 000 t/a of liquid packaging board, cartonboard, food service board and liner
 - Start up early 2019
 - Fully utilised by 2023
 - Machine EBITDA positive by 2020
- One-off costs taken i Q4 2016 of SEK 325 million



OUTLOOK

- Demand and order situation for the first quarter is expected to be stable with normal seasonal variances for all business areas
- Average prices in local currency in the first quarter are anticipated to be unchanged in all segments except for the impact of previously announced price increases in the sack segment
- For the coming quarter the wood cost is expected to increase approximately 3% due to higher transportation cost. However no changes to wood prices are expected
- Investment level 2017 will be approximately SEK 4 300 million
- The Board of Directors proposes a dividend of SEK 4.30 per share for 2016



Q&A



We challenge conventional packaging
for a sustainable future



BILLERUDKORSNÄS