



## SEB NORDIC SEMINAR | January 2013

Per Lindberg, CEO and President, and Sophie Arnius, IRO

# BILLERUDKORSNÄS IN BRIEF

Leading position



High performance materials



Smarter solutions



Sustainable innovation



Growing markets



Combined financials 2011\*

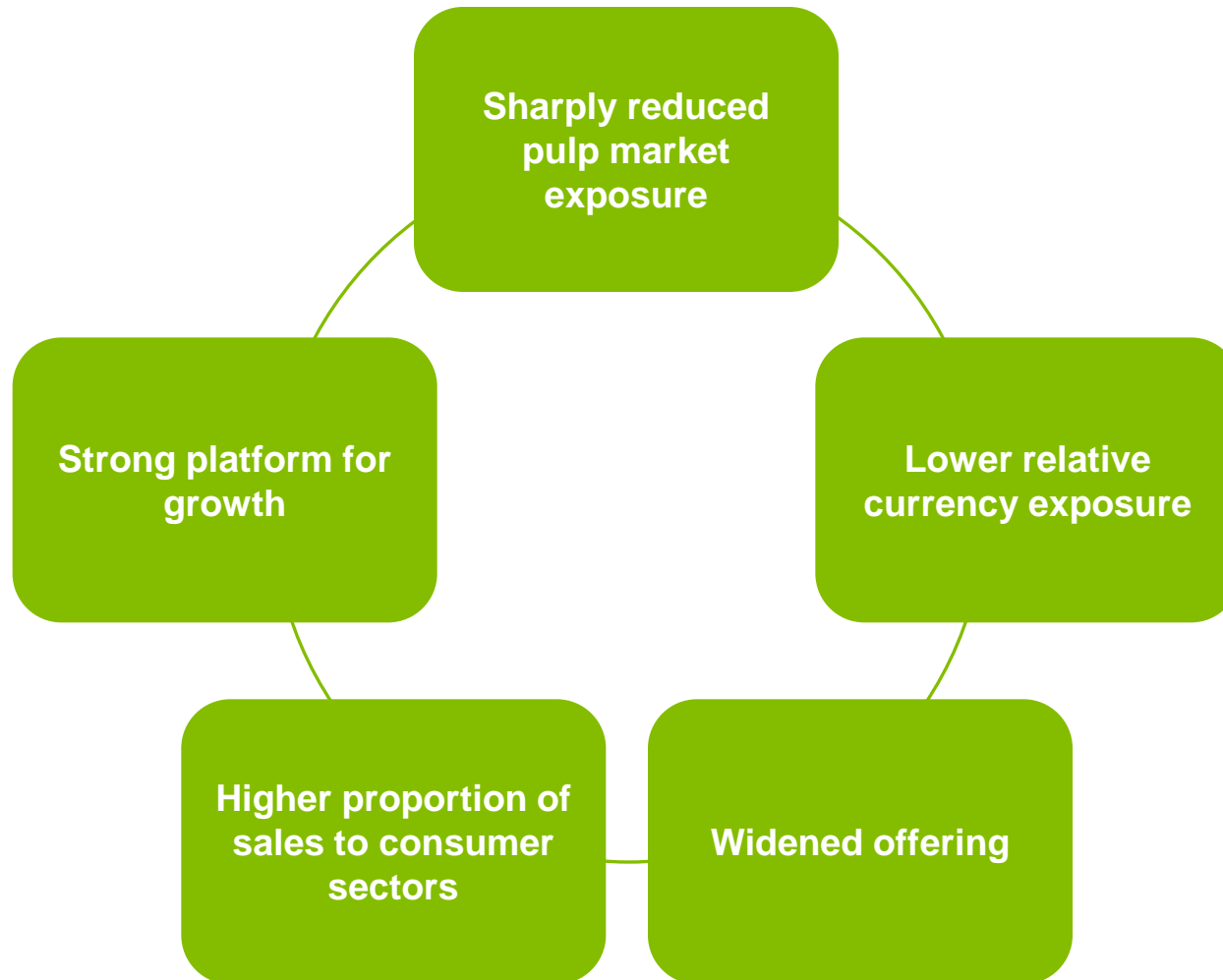
Net sales:	SEK 20bn
EBITDA:	SEK 3.4bn
EBITDA margin:	17%

\*The combined financial information is not financial pro forma information and has not been audited or otherwise reviewed by the company's auditor.



# BILLERUDKORSNÄS VS BILLERUD A YEAR AGO

A STABLE AND STRONGER COMPANY





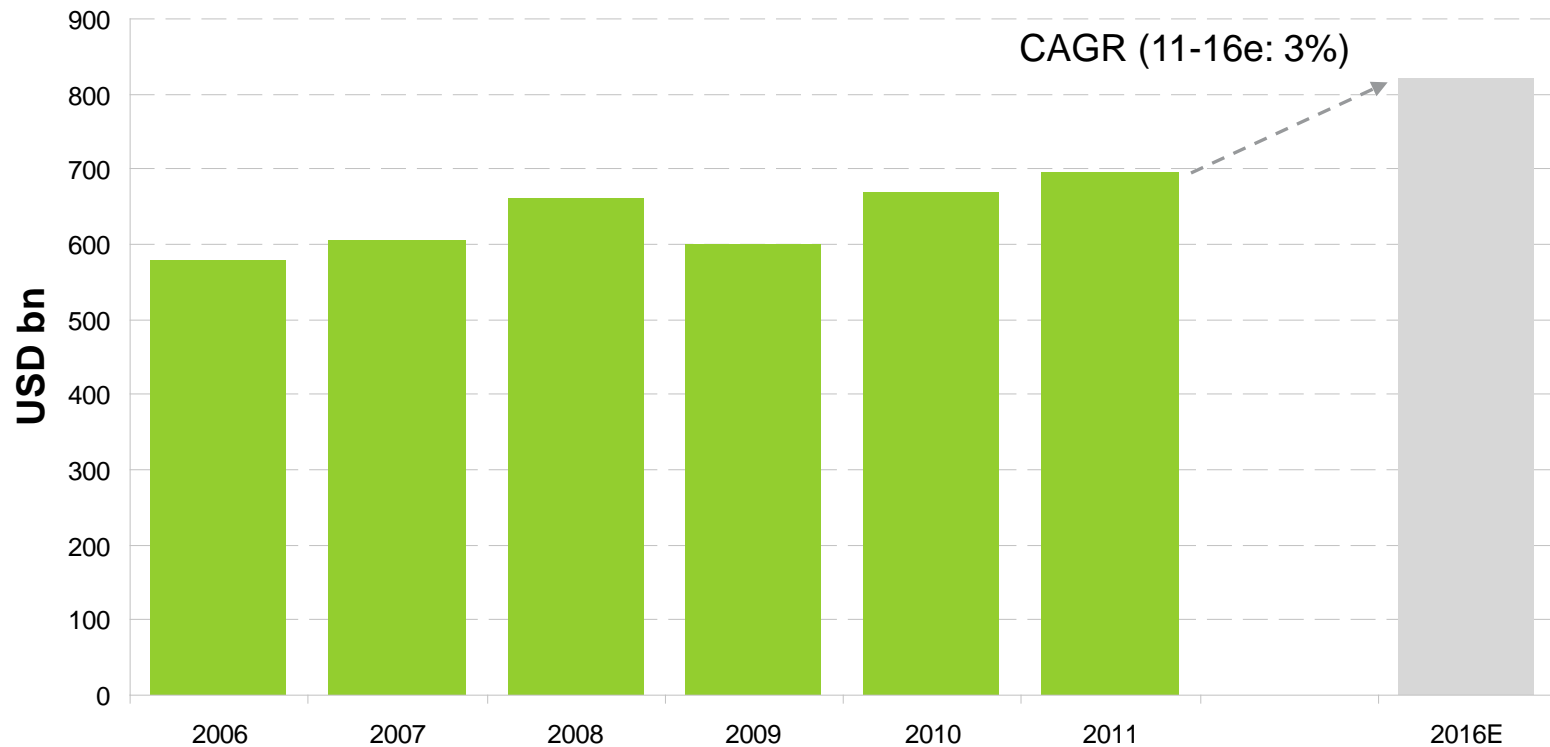
# STRATEGY





# STEADY GROWTH FOR PACKAGING

## GLOBAL PACKAGING MARKET







# CUSTOMERS WANT SMARTER PACKAGING



Attracts consumers



Increases productivity



Lowers transportation costs



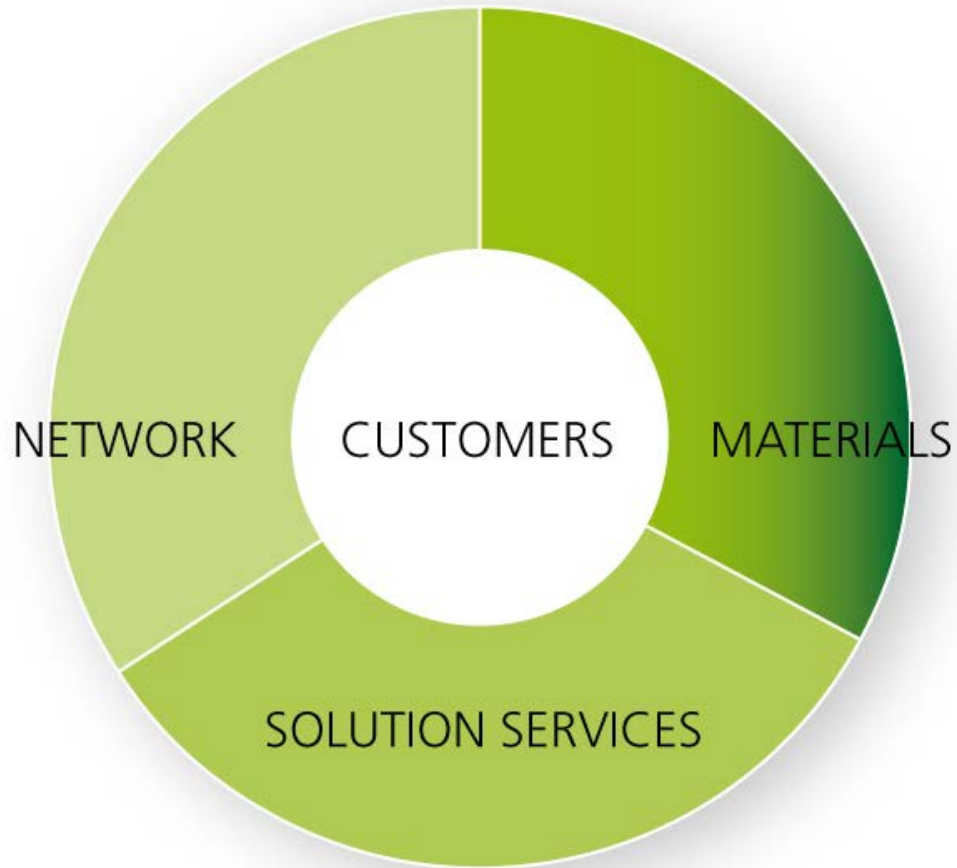
Reduces waste



Lowers environmental impact



# BUSINESS MODEL





# WORLD-CLASS PACKAGING MATERIALS

WORLD-CLASS  
PACKAGING  
MATERIALS

SOLUTION  
SERVICES

GLOBAL  
NETWORK OF  
CUSTOMERS  
AND PARTNERS

## PACKAGING PAPER

Kraft paper



Sack paper



## CONSUMER BOARD

Liquid Packaging Board



Cartonboard



## CONTAINERBOARD

Fluting



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 support and conversion support





# GLOBAL NETWORK

WORLD-CLASS  
PACKAGING  
MATERIALS

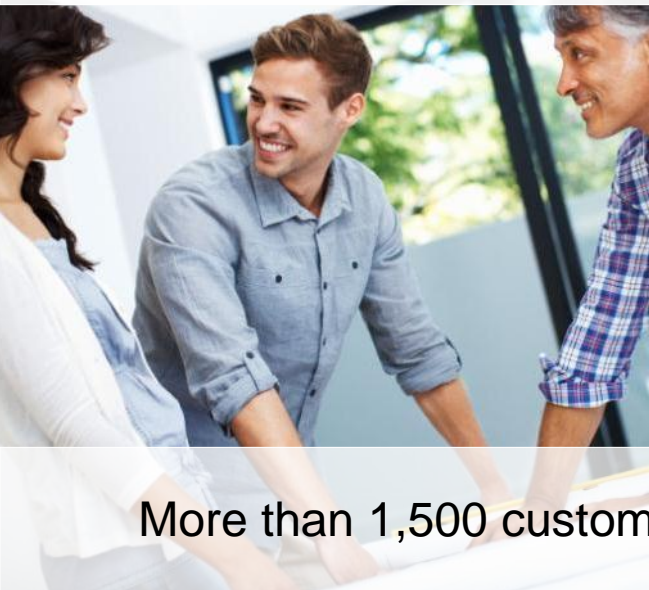
SOLUTION  
SERVICES

GLOBAL  
NETWORK OF  
CUSTOMERS  
AND PARTNERS

Packaging manufacturers

Machine manufacturers

Research institutes



More than 1,500 customers and packaging partners in more than 100 countries



# BILLERUDKORSNÄS

A LEADING COMPANY WITH A STRONG PLATFORM FOR GROWTH & PROFITABILITY

- Leading positions in packaging paper, consumer board and containerboard
  - Expanded offering in primary fibre-based packaging material
  - Good opportunities for cross-selling
- A strong platform for growth and international expansion
  - Increased share of sales to consumer related businesses
  - Extended knowledge base enables a higher pace of innovation
- Improved conditions for sustainable profitability
  - Annual expected synergies of SEK ~300 million identified
  - Lower relative currency exposure





# BILLERUDKORSNÄS

## Billerud (incl. Finnish acquisition)

Net sales

11.36

EBITDA

1.79

## Korsnäs (incl. Latgran)

Net sales

8.57

EBITDA

1.56

## BillerudKorsnäs (combined)

Net sales

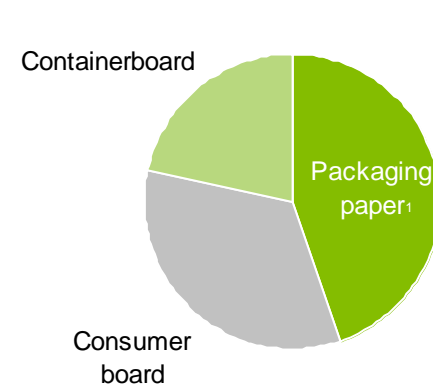
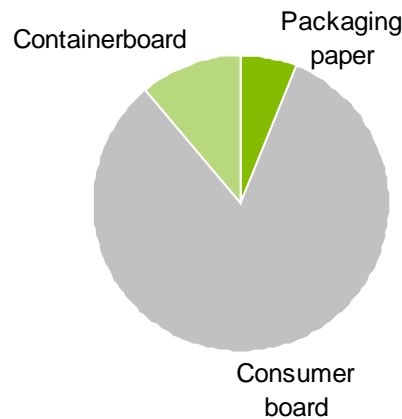
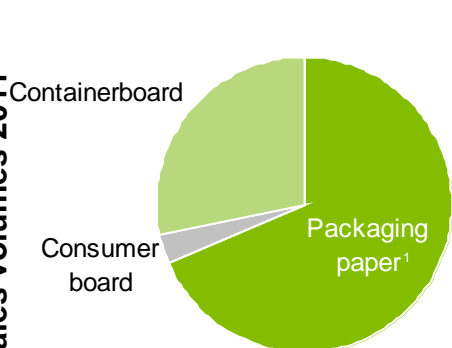
19.93

EBITDA

3.35

(Figures in SEK billion refer to 2011)

Sales volumes 2011



The combined financial information on this slide is not financial pro forma information, and has not been audited or otherwise reviewed by the companies' auditors.

1) Includes sales volumes totalling 343 ktonnes of market pulp.



# THREE BUSINESS AREAS

## PACKAGING PAPER *Kraft and sack paper*



Net sales: SEK 8.5 billion  
 EBTDA: SEK 1.2 billion  
 Sales volume: 1,200 ktonnes

## CONSUMER BOARD *Liquid packaging board, cartonboard and Cup Stock*



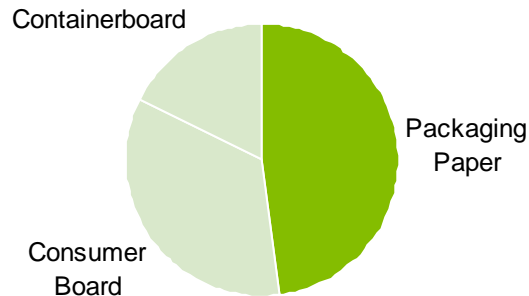
Net sales: SEK 6.1 billion  
 EBITDA: SEK 1.3 billion  
 Sales volume: 870 ktonnes

## CONTAINERBOARD *Fluting and liner*

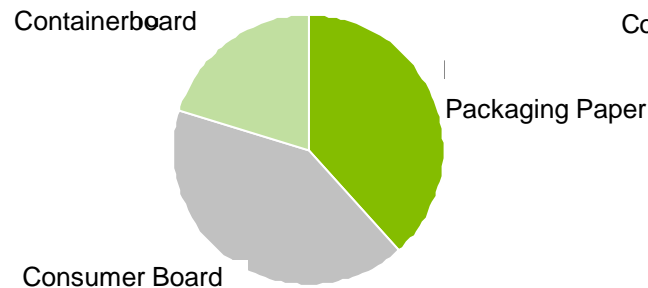


Net sales: SEK 3.1 billion  
 EBITDA: SEK 0.6 billion  
 Sales volume: 570 ktonnes

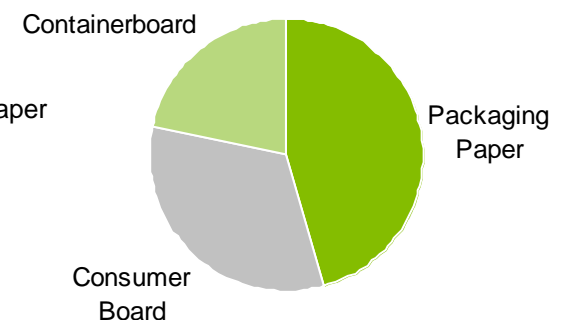
**Net sales**



**EBITDA**



**Sales volumes**



The combined financial information on this slide is not financial pro forma information, and has not been audited or otherwise reviewed by the companies' auditors. Combined net sales for BillerudKorsnäs in 2011 includes the packaging paper business of UPM. Other activities include external sales of forest raw material and pellets, as well as currency hedges. Packaging paper includes market pulp, which accounts for approximately SEK 1.8 billion of combined net sales of packaging paper in 2011 and 343 ktonnes of the sales volume.



## INCREASED FOCUS ON CONSUMER SECTORS



**Food &  
Beverages**

**58%**



**Industrial**

**25%**



**Consumer &  
Luxury Goods**

**11%**



**Medical &  
Hygiene**

**6%**

**Billerud pre transaction**

**40%**

**41%**

**7%**

**12%**

Note. Percentage of net sales in 2011. Breakdown of sales for Korsnäs, estimated, excluding Latgran and Korsnäs Skog. Breakdown of sales for Billerud, excluding the packaging paper business of UPM



## FINANCIAL TARGETS

BILLERUDKORSNÄS' FINANCIAL TARGETS OVER A BUSINESS CYCLE ARE:

**Operating margin > 10%**

**Return on Capital  
Employed > 13%**

**Net debt/Equity ratio  
< 0.9**

**Dividend policy 50%**

## Q&A







# BILLERUDKORSNÄS

