



INVESTING TO CAPTURE GROWTH OPPORTUNITIES IN CONSUMER PACKAGING

Capital Markets Day 2015 – Business Area Consumer Board

2015-11-12 | Ulf Eliasson, SVP Business Area Consumer Board

CONSUMER BOARD HAS AN EXCELLENT POSITION FOR GLOBAL GROWTH

Global leader in ambient liquid packaging board

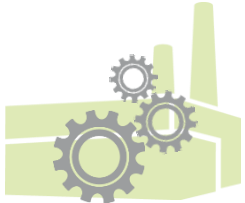
Excellent position in premium cartonboard segments



INVESTING TO INCREASE VOLUME GROWTH



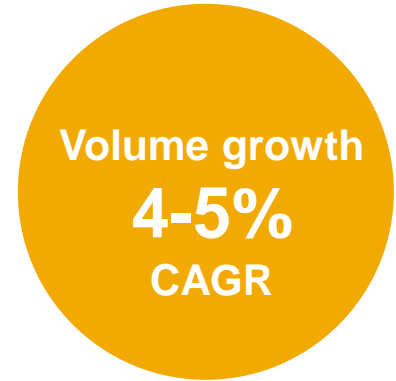
Attractive market opportunities



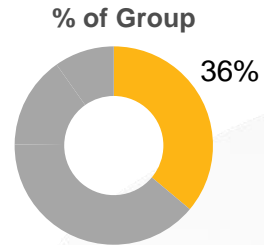
Investments for growth



Innovations together with customers and brand owners



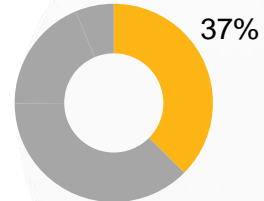
CONSUMER BOARD IN BRIEF



NET SALES

MSEK

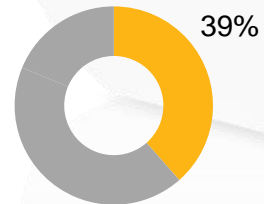
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EBIT

MSEK

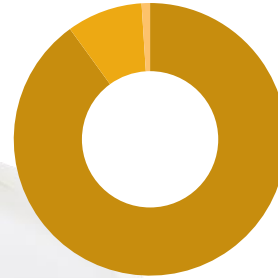
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SALES VOLUME

kTON

1 043



SALES BY MARKET SEGMENT

- Food & Beverages, 90%
- Consumer & Luxury goods, 9%
- Medical & Hygiene, 1%

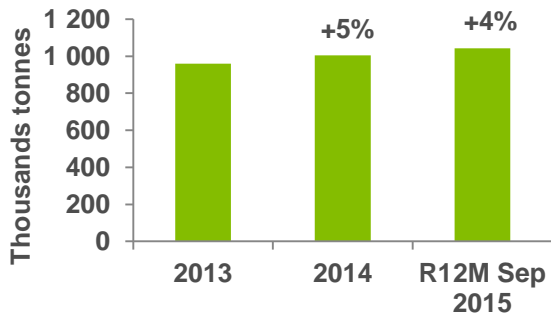
SALES PER REGION

- Europe 67%
- Asia 24%
- Middle East 5%
- Africa 2%
- South America 1%
- Other 1%



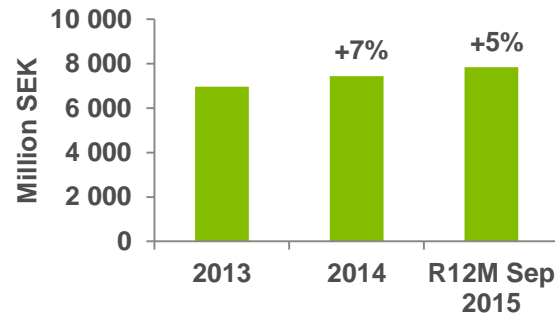
DELIVERING ON OUR VOLUME GROWTH STRATEGY

Sales volume

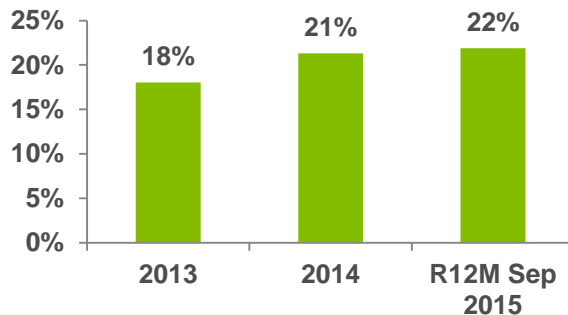


Volume growth
4-5%
CAGR

Net sales



EBITDA margin





GLOBAL MEGATRENDS DRIVE DEMAND FOR VIRGIN FIBRE CONSUMER BOARD

Global economy

- Economic growth especially in emerging markets
- Share of middle class is expanding

Life style

- Change in consumer behavior

Demographic

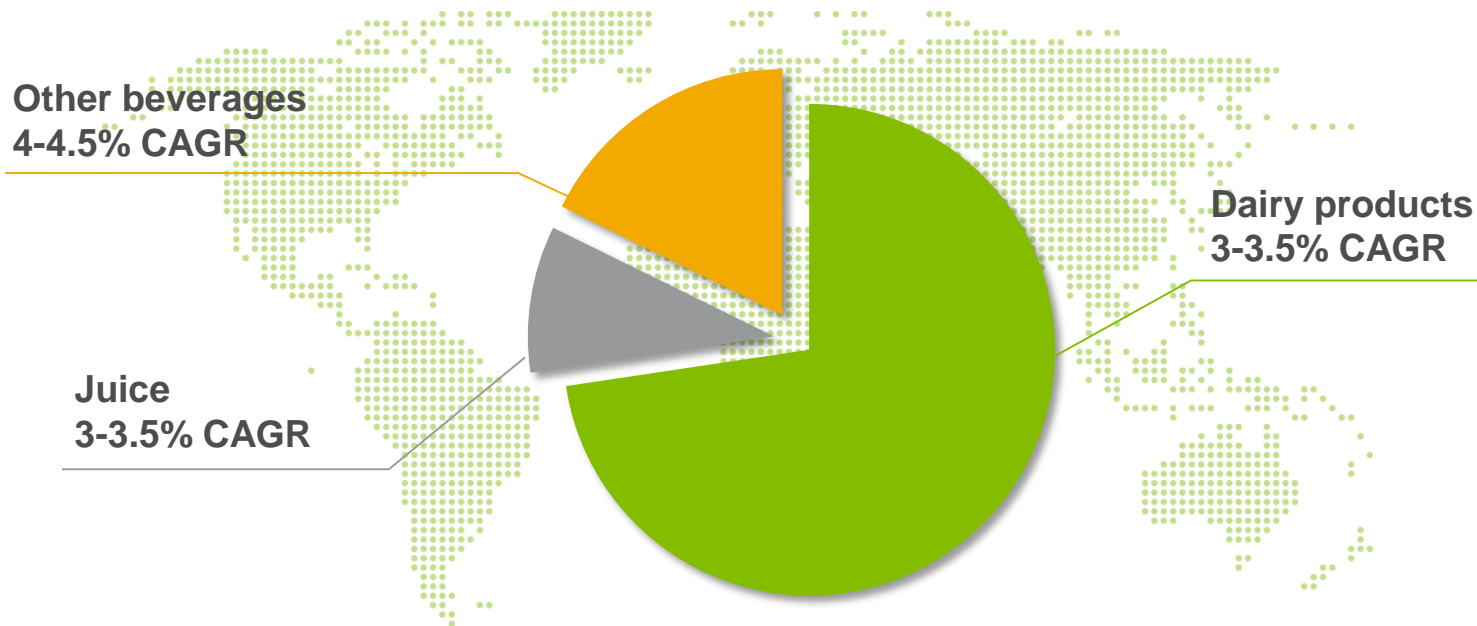
- High urbanization rates especially in Asia

Sustainability

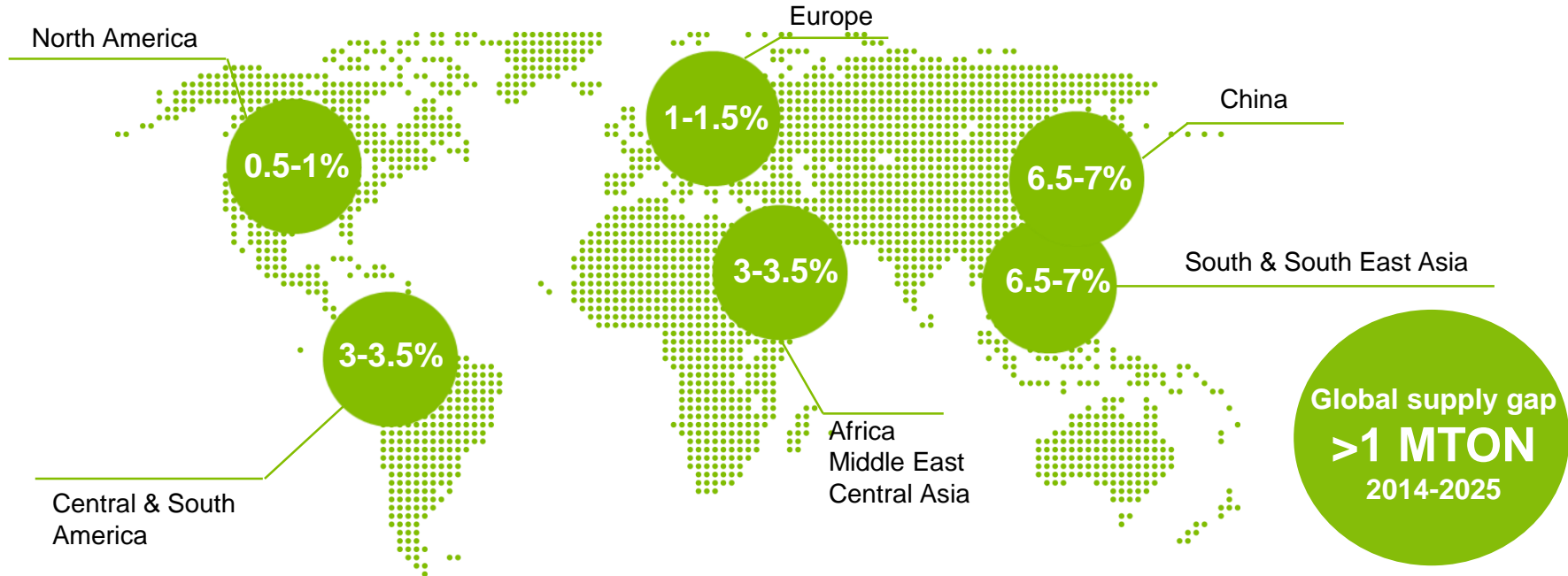
- Increased environmental awareness
- Increased focus on product safety



GROWING GLOBAL TREND FOR BEVERAGES PACKED IN CARTONS

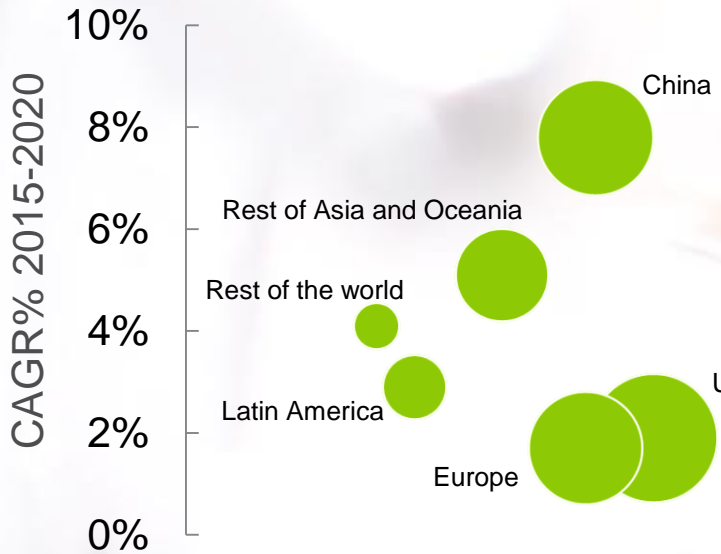


GLOBAL DEMAND GROWTH FOR LIQUID PACKAGING BOARD SUPPORTS OUR INVESTMENTS

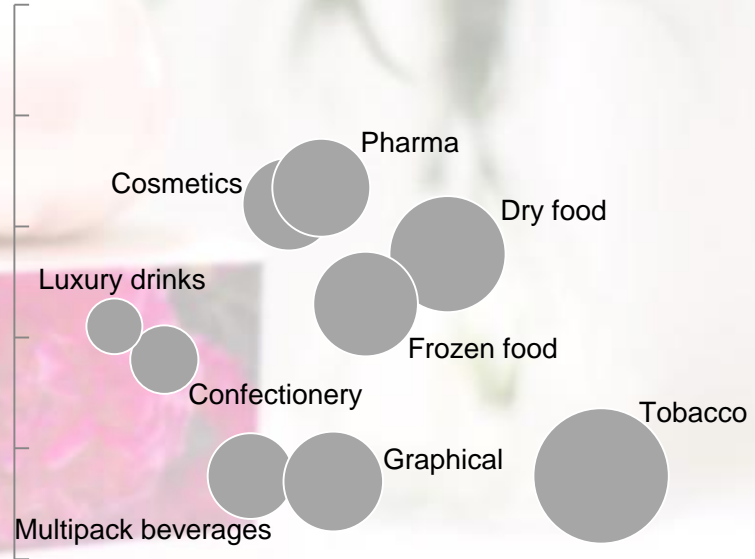


WE TARGET PREMIUM SEGMENTS IN VIRGIN FIBRE CARTONBOARD

Market size and growth per region



Market size and growth per end use





WE ARE INVESTING FOR FUTURE CAPACITY INCREASES

SEK 1.6 BILLION INVESTED IN BOARD MACHINES AT
GÄVLE & FRÖVI DURING 2012-2017

GÄVLE

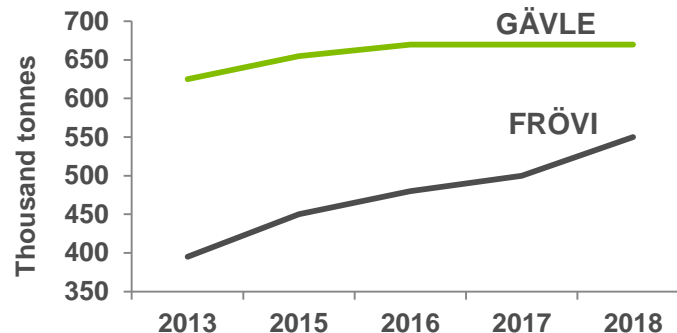
+45 000 ton/year to 670 000 ton/year
MSEK 490 investments in 2012-2014

FRÖVI

+155 000 ton/year to 550 000 ton/year
MSEK 1 150 investments in 2013-2017

20%

in annual board production capacity
(2018 vs 2013)



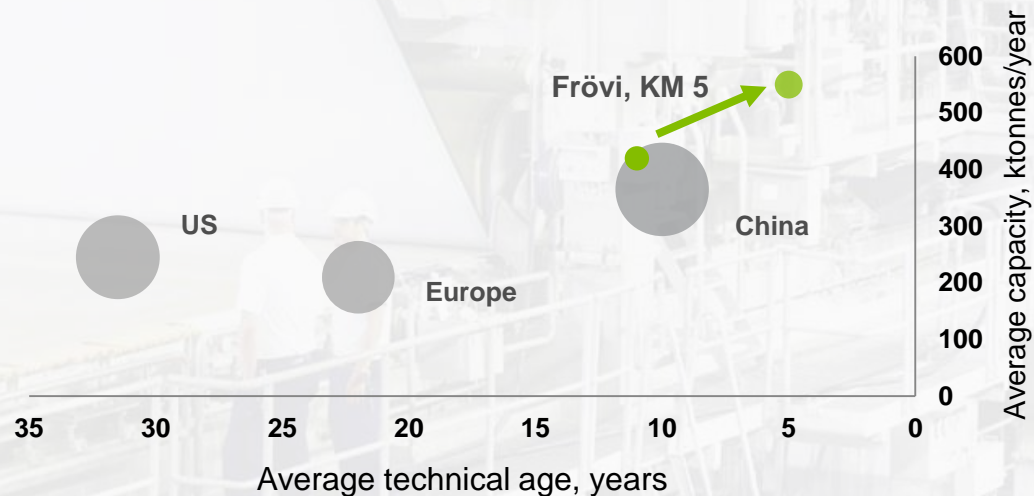
WE HAVE A STRONG ASSET BASE TO CAPTURE GROWTH IN CONSUMER PACKAGING

Liquid Packaging Board capacity thousands tonnes per year*

1	BillerudKorsnäs, PM5 Frövi	480
2	Competitor, PMA	450
3	Competitor, PMB	445
4	Competitor, PMC	435
5	BillerudKorsnäs, PM5 Gävle	365
6	Competitor, PMD	355
7	Competitor, PME	320
8	Competitor, PMF	315
9	Competitor, PMG	310
10	BillerudKorsnäs, PM4 Gävle	305

* Integrated to chemical pulp

Asset quality and capacity, virgin fibre cartonboard



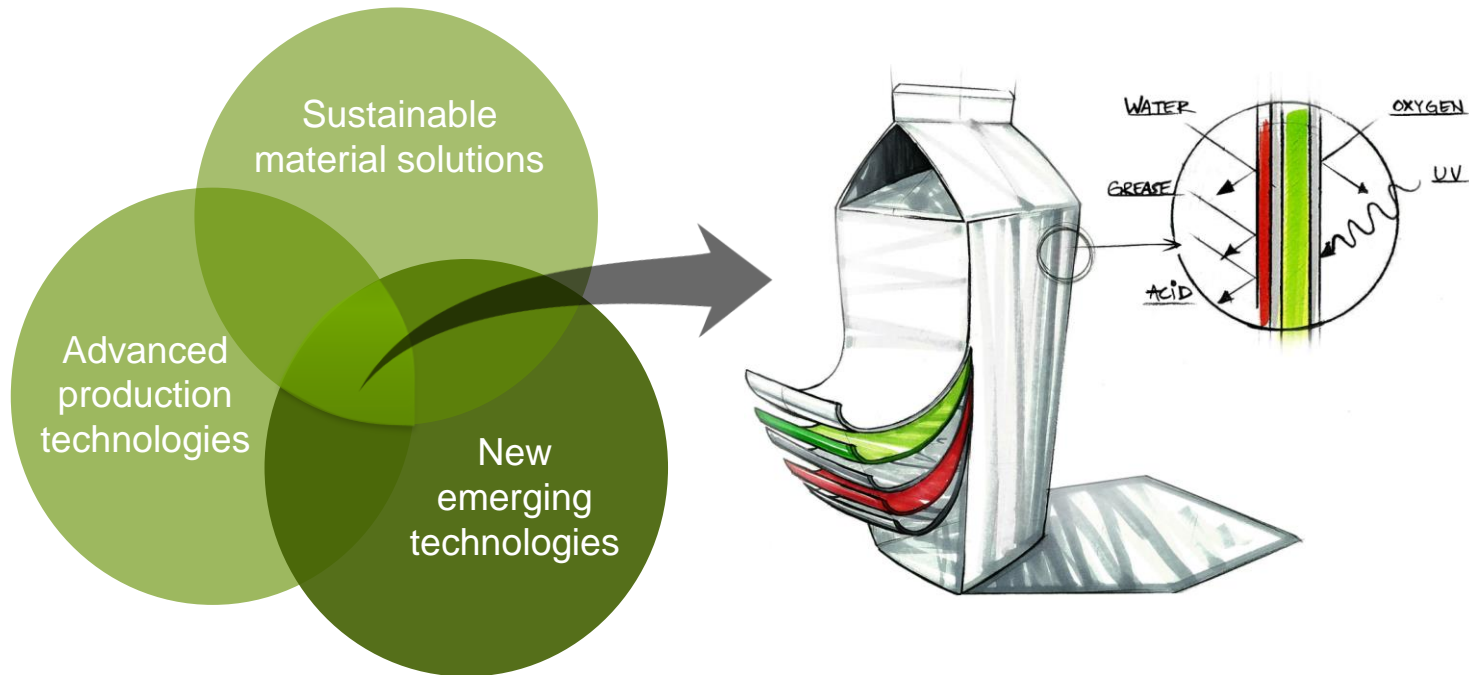


NEW CAPACITY IN GRUVÖN FOR CONTINUING GROWTH

- Targeting long-term growth for liquid packaging board and premium cartonboard segments
- Cost-efficient board machine with state-of-the-art technology designed for premium products
- Good asset quality in pulp mill for cost-efficient pulp production
- Long production experience in Gruvön of consumer board products



INNOVATIONS IS KEY TO STAYING COMPETITIVE



JACQUART CHAMPAGNE – A PERFECT FIT FOR BILLERUDKORSNÄS



The relations



The know-how



The products



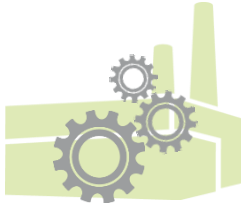
The reliability

INVESTING TO INCREASE VOLUME GROWTH



Attractive market opportunities

- Be the global leader in ambient liquid packaging board
- Develop an excellent position in premium cartonboard segments



Investments for growth

- Invest in existing infrastructure for increased capacity
- Pre-feasibility study for new board machine for additional capacity



Innovations together with customers and brand owners

- Focused resources for long-term innovations
- Continuous innovations to add value to customers and brand owners

Volume growth
4-5%
CAGR



Q&A





BILLERUDKORSNÄS

