



BILLERUD

# Kepler Cheuvreux Autumn Conference 2025, Paris

2025-09-10

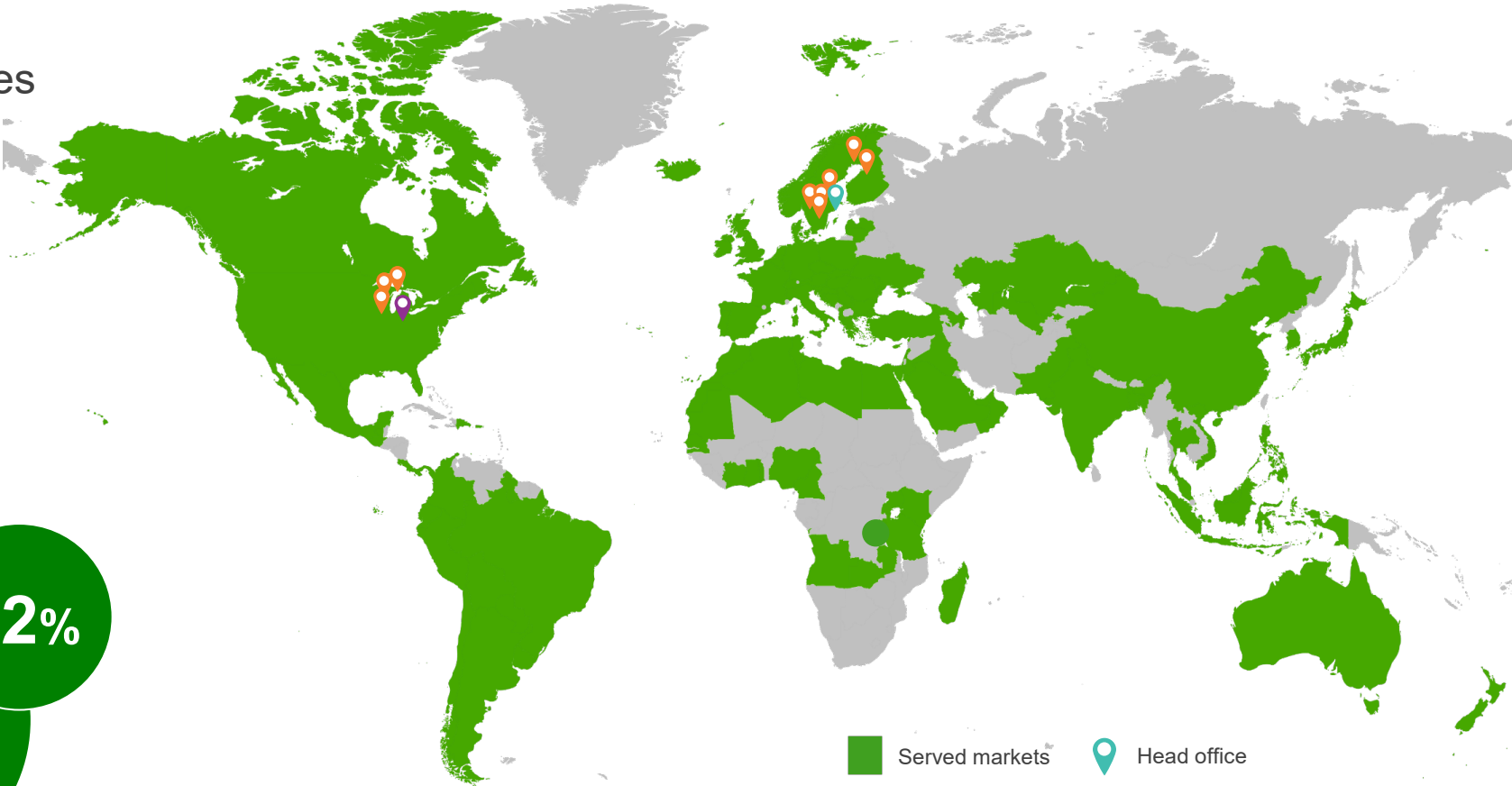
Andrei Krés, CFO & Lena Schattauer, IR Director



# Leader in high performance paper and packaging materials

Serving customers in 100+ countries on six continents

Industry know-how and production expertise to develop and produce outstanding material quality



Net sales

43.5  
SEKbn

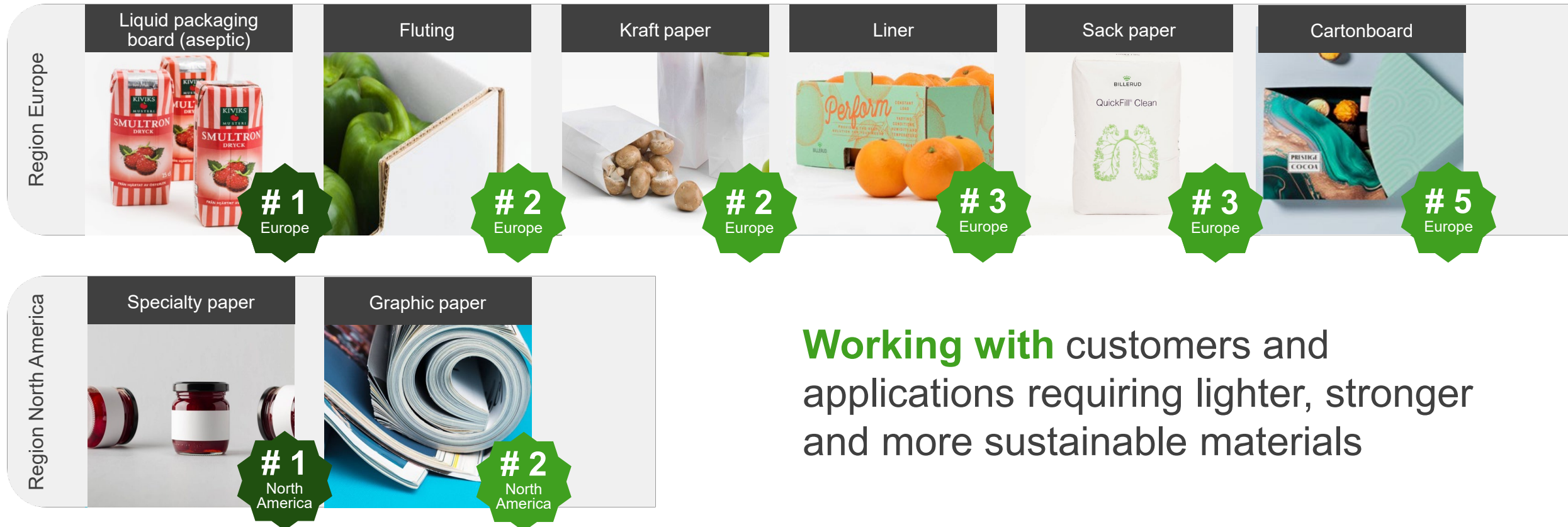
EBITDA

5.2  
SEKbn

12%



# Strong positions in core markets due to our superior product performance and manufacturing expertise



**Working with** customers and applications requiring lighter, stronger and more sustainable materials



# Financial goals with focus on profitability and asset efficiency

## FINANCIAL GOALS



ROCE

>11%



EBITDA  
margin

>15%



Cash  
conversion

>80%

## POLICY



Net debt /  
EBITDA

<2.5



Dividend ratio

>50% of net  
profit

## SAFETY & CLIMATE IMPACT



LTIFR

<1.5



CO<sub>2</sub>e reduction  
by 2030

42% reduction\*



# Billerud's strategy – Our Way Forward

- **Safety first:** We choose to be safe every day
- **Our purpose guides us:** *We make high performance packaging materials for a low carbon society*
- **We lean on our values:** “We care for each other” and “We do what we say”



# World leading producer of premium board and paper made of fresh fibers in six integrated mills

**SEK 28.3 bn**  
Net sales<sup>1</sup>



## Net sales by product category<sup>1</sup>

- Liquid packaging board, 36%
- Containerboard, 19%
- Kraft & specialty paper, 14%
- Sack paper, 12%
- Cartonboard, 10%
- Market pulp, 5%

**12%**  
EBITDA margin<sup>1</sup>



### Frövi/Rockhammar, SE

**500 ktons**  
Capacity per year



### Gruvön, SE

**870 ktons**  
Capacity per year



### Skärblacka, SE

**460 ktons**  
Capacity per year



### Karlsborg, SE

**335 ktons**  
Capacity per year



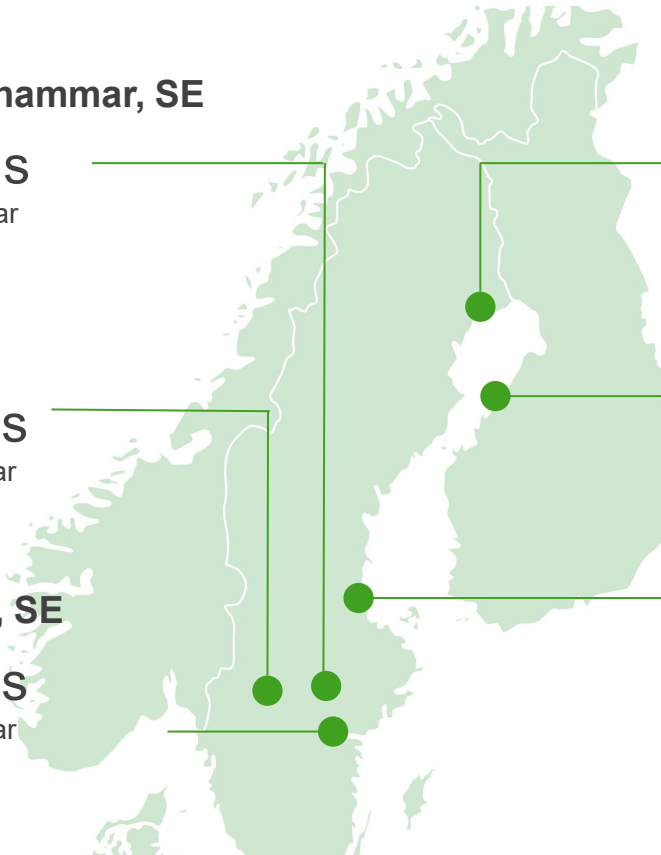
### Pietarsaari, FI

**200 ktons**  
Capacity per year




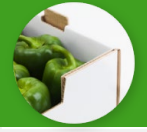







### Gävle, SE

**755 ktons**  
Capacity per year



# We have clarified roles for each product category

<b>Focused category positions</b> 		<b>Liquid packaging board</b>	Maintain strong position
		<b>Cartonboard and coated liner</b>	Accelerate growth
		<b>SC fluting</b>	Drive value in selected applications
		<b>MG paper</b>	Drive value with focus on medical/hygiene
		<b>Sack paper</b>	Optimize target applications
<b>Key for maximizing the business over the cycle</b> 		<b>Uncoated liner</b>	
		<b>Other kraft and specialty applications</b>	



# To strengthen our performance we will focus on four selective levers

01

Secure cost competitive access to fiber in the Nordics

02

Step change in mill operating efficiency

03

Fuel momentum from efficiency enhancement program

04

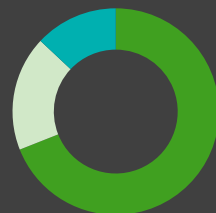
Be the preferred choice for our customers

Region Europe  
EBITDA >15% over  
a business cycle



# A leading domestic supplier with attractive location and cost position

**SEK 12.1 bn**  
Net sales<sup>1</sup>



Split by product category<sup>1</sup>

- Graphic paper, 69%
- Specialty paper, 18%
- Market pulp, 13%

**18%**  
EBITDA margin<sup>1</sup>



**Wisconsin Rapids, WI**

**320 ktons**  
Sheeting capacity per year



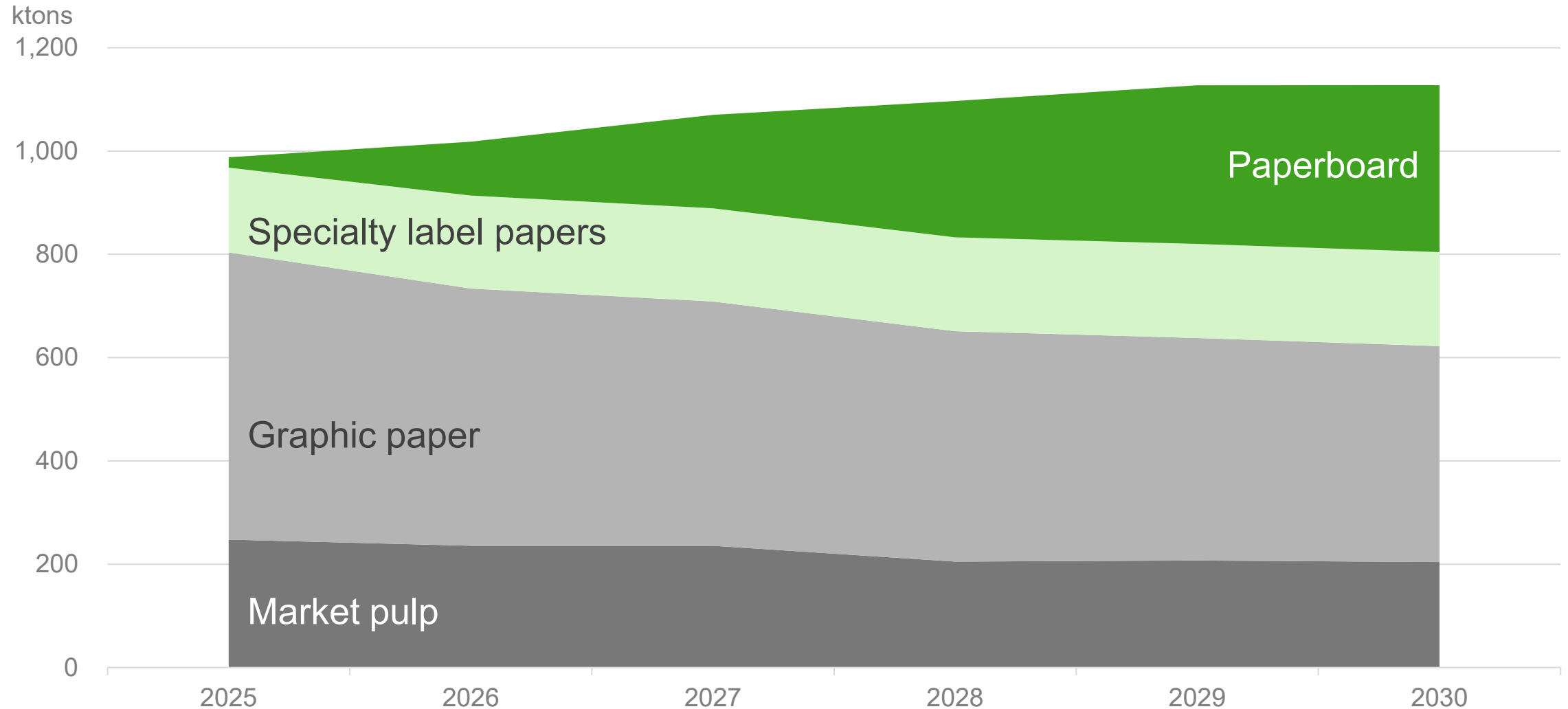
**Escanaba, MI**  
**660 ktons**  
Capacity per year



**Quinnesec, MI**  
**430 ktons**  
Paper capacity per year  
**210 ktons**  
Market pulp capacity per year



# Increasing capacity utilization by expanding into paperboard





# Our capability, unique geography and industry structure give us the right to win in North America





# Q2 2025: Continued outstanding performance in the US while navigating weakening market in Europe

Flat currency-neutral net sales development

EBITDA margin of 22% in North America, highest since Q4'22

Challenging earnings in Europe due to weakening demand

Excellent cash conversion

Evolution program in North America exceeding expectations

SEKm	Q2-25	Change vs Q1-25	Change vs Q2-24
<b>Net sales</b>	<b>10,244</b>	<b>-8%</b>	<b>-5%</b>
<b>Adjusted EBITDA</b>	<b>912</b>	<b>-34%</b>	<b>-9%</b>
<i>Adjusted EBITDA margin</i>	9%	-4 pp	0 pp
<b>Adjusted operating profit (EBIT)</b>	<b>188</b>	<b>-71%</b>	<b>-35%</b>
<i>Adjusted operating margin</i>	2%	-4 ppt	-1 pp
<b>Cash flow from operating activities</b>	<b>1,193</b>	<b>+108%</b>	<b>+76%</b>
<i>Cash conversion</i>	131%	+90 pp	+54 pp
<b>EPS (SEK)</b>	<b>0.22</b>	<b>-87%</b>	<b>-12%</b>

# Q2 2025: Excellent cash conversion in the quarter

Cash flow from operating activities more than doubled vs year ago

Leverage maintained at low level  
1.1x EBITDA after dividend payout

Capex guidance for 2025 reduced to SEK 3.1 bn

## CAPEX of SEK 3.1 bn in 2025

Strategic capex: SEK 0.9 bn

Base capex: SEK 2.2 bn





SEKm	Q2 2025	Q2 2024	Jan-Jun 2025	Jan-Jun 2024
Profit before tax	77	87	604	473
Adjustments for non-cash items	603	717	1,178	1,186
Tax paid	-211	-194	-244	-329
Cash flow from changes in working capital	724	68	228	-457
<b>Cash flow from operating activities</b>	<b>1,193</b>	<b>678</b>	<b>1,766</b>	<b>873</b>
Investments in tangible and intangible assets	-640	-629	-1,034	-1,315
<b>Operating cash flow after investments in tangible and intangible assets</b>	<b>553</b>	<b>49</b>	<b>732</b>	<b>-442</b>
Cash conversion	131%	77%	77%	43%

SEKm	Q2 2025	Q2 2024
Net debt	5,845	6,629
Net debt / adjusted EBITDA	1.1	1.6
Adjusted ROCE	7%	4%



# Q2: Solid situation in US, while weakened conditions in Europe

## Not expecting recovery in the coming quarter (Q3)

Sales split, % <sup>1</sup>	 <b>Food &amp; Drink</b>	 <b>Printing &amp; Publishing Papers</b>	 <b>Consumer &amp; Luxury</b>	 <b>Industrial</b>
LPB (10.1bn)	100%			
Cartonboard (2.7bn)	25%		75%	
Containerboard (5.5bn)	80%		10%	10%
Kraft & Specialty Paper (5.1bn) <sup>2</sup>	50%		30%	10%
Sack Paper (3.2bn)	15%			85%
Graphical Paper (8.4bn)		100%		
<b>Share of Group Net Sales<sup>3</sup></b>	<b>~40%</b>	<b>~20%</b>	<b>~10%</b>	<b>~10%</b>
Billerud Market status Q2	Weakened	Normal	Weakened	Weakened
Billerud Market trend outlook Q3	Stable/Weak	Stable	Weak	Weak

1) 2024 Net Sales in bn SEK. 2) Excluding medical paper. 3) Total Group Net Sales include Currency hedging and Solutions & Other, not allocated to end-use segments

# Outlook for Q3 2025



Continued solid conditions in Region North America



Weak conditions in Region Europe



Stable input costs







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