



DELIVERING SUSTAINABLE PROFITABLE GROWTH

Capital Markets Day 2013

2013-11-14 | Stockholm



WELCOME TO BILLERUDKORSNÄS' CAPITAL MARKETS DAY

13.00	Delivering sustainable profitable growth	Per Lindberg, CEO & President
13.30	Transforming our business through smarter packaging	Lennart Eberleh, SVP BA Containboard
14.00	Q&A	
14.15	Break and Exhibition	
14.45	Focusing growth on selected end markets	Johan Nellbeck, SVP BA Packaging Paper
15.20	Expanding footprint in consumer packaging	Christer Simrén, COO, SVP BA Consumer Board
15.55	Q&A	
16.10	Creating long-term shareholder value	Per Lindberg, CEO & President
16.30	Q&A and Chairman's concluding remarks	
16.50	Drinks and Exhibition	

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SPEAKERS



PER LINDBERG

- ▶ President and CEO
- ▶ MSc and PhD, Chalmers University of Technology
- ▶ Joined the company in 2005
- ▶ Background: President, Korsnäs AB. EVP, Investment AB Kinnevik. Management and strategy consultant, Applied Value Corporation, US



LENNART EBERLEH

- ▶ Senior Vice President Containerboard
- ▶ MSc, Technische Universität Carolo Wilhelmina Braunschweig, Germany and Executive MBA, Mgruppen
- ▶ Joined the company in 2001
- ▶ Background: Sales manager, Stora Enso Gruvön. Stora Support Team, Stora Kopparberg Bergslags AB. Product manager, Stora Gruvön



SPEAKERS



JOHAN NELLBECK

- ▶ Senior Vice President Packaging Paper
- ▶ MSc Business Administration, Uppsala University and Executive MBA, Mgruppen
- ▶ Joined the company in 2006
- ▶ Background: Sales Manager, Tele2 Stockholm. MD, AssiDomän Kraft Products Nordic Sales AB. Sales Director, AssiDomän Scandinavia



CHRISTER SIMRÉN

- ▶ Executive Vice President, COO and Senior Vice President Consumer Board
- ▶ MSc and PhD, Chalmers University of Technology MBA, School of Business, Economics and Law, Gothenburg University.
- ▶ Joined the company in 2012
- ▶ Background: President and CEO, Korsnäs AB and Wermland Paper AB. Member of Senior Management Group at Kinnevik. Chairman, Grycksbo Paper Holding AB



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2013-11-14 | Per Lindberg, CEO and President



OUR ROAD MAP TO SUSTAINABLE PROFITABLE GROWTH

GROW IN LINE WITH THE MARKET

Building a strong platform for growth

Using innovation to drive competitiveness

Accelerating growth through strategic investments

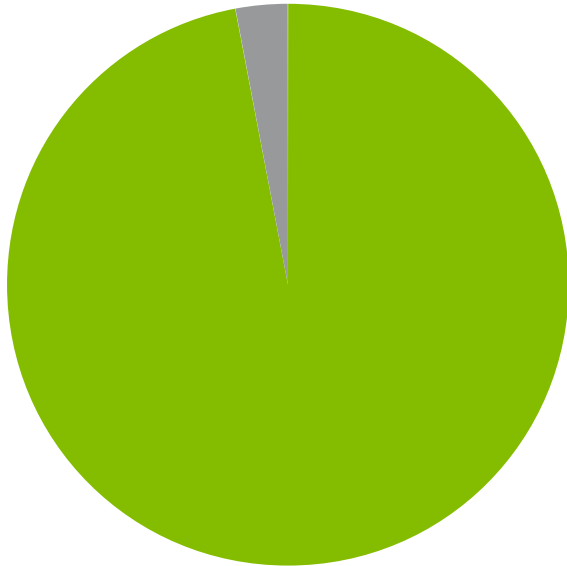
15-20% organic growth by 2018





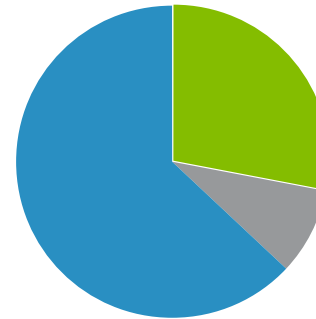
PURE PLAY PACKAGING MATERIALS COMPANY

BillerudKorsnäs

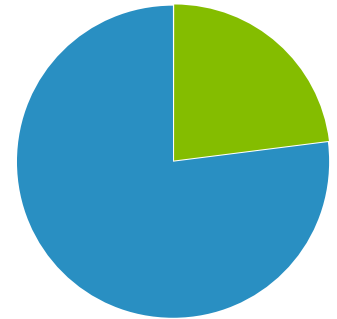


- Sales of SEK 20 bn
- 1 500 customers in 100 countries
- Europe main market

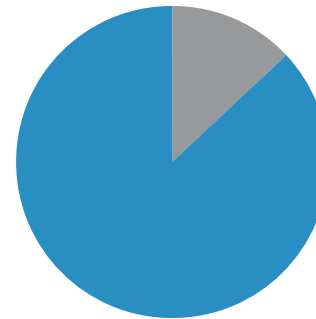
Stora Enso



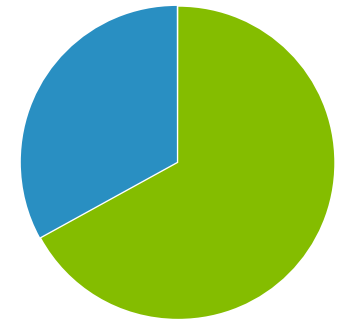
Holmen



UPM



Mondi



■ Packaging ■ Pulp
■ Publication & Writing



FOCUSING ON PRIMARY FIBRE-BASED PACKAGING MATERIALS



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



- Smarter solutions
 - 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



- Sustainable innovation is key
 - Consumers prefer paper over plastics*

*IPSOS, 2007.



OUR MARKETS ARE GROWING FASTER THAN THE AVERAGE PACKAGING MARKET

BILLERUDKORSNÄS MARKETS GLOBAL MARKET

Liquid packaging board > CAGR **5%**

Cartonboard > CAGR **5%**

Brown sack paper (premium grade) > CAGR **4%**

Containerboard > CAGR **3%**

Packaging > CAGR **3%**

Paper and Board > CAGR **3%**



LEADING POSITIONS IN GROWING MARKETS

PACKAGING PAPER



BA market: CAGR 0-4%

Kraft paper:
#1 – Europe

Sack paper:
#2 – Europe
#2 – Globally*

CONSUMER BOARD



CAGR: 4-5%

Liquid packaging board –
Aseptic packages:
#1 – Europe
#1 – Globally

Liquid packaging board –
All package types:
#2 – Europe
#2 – Globally

CONTAINERBOARD



CAGR: 2-4%

NSSC Fluting:
#1 – Europe

Pure white liner:
#1 – Europe

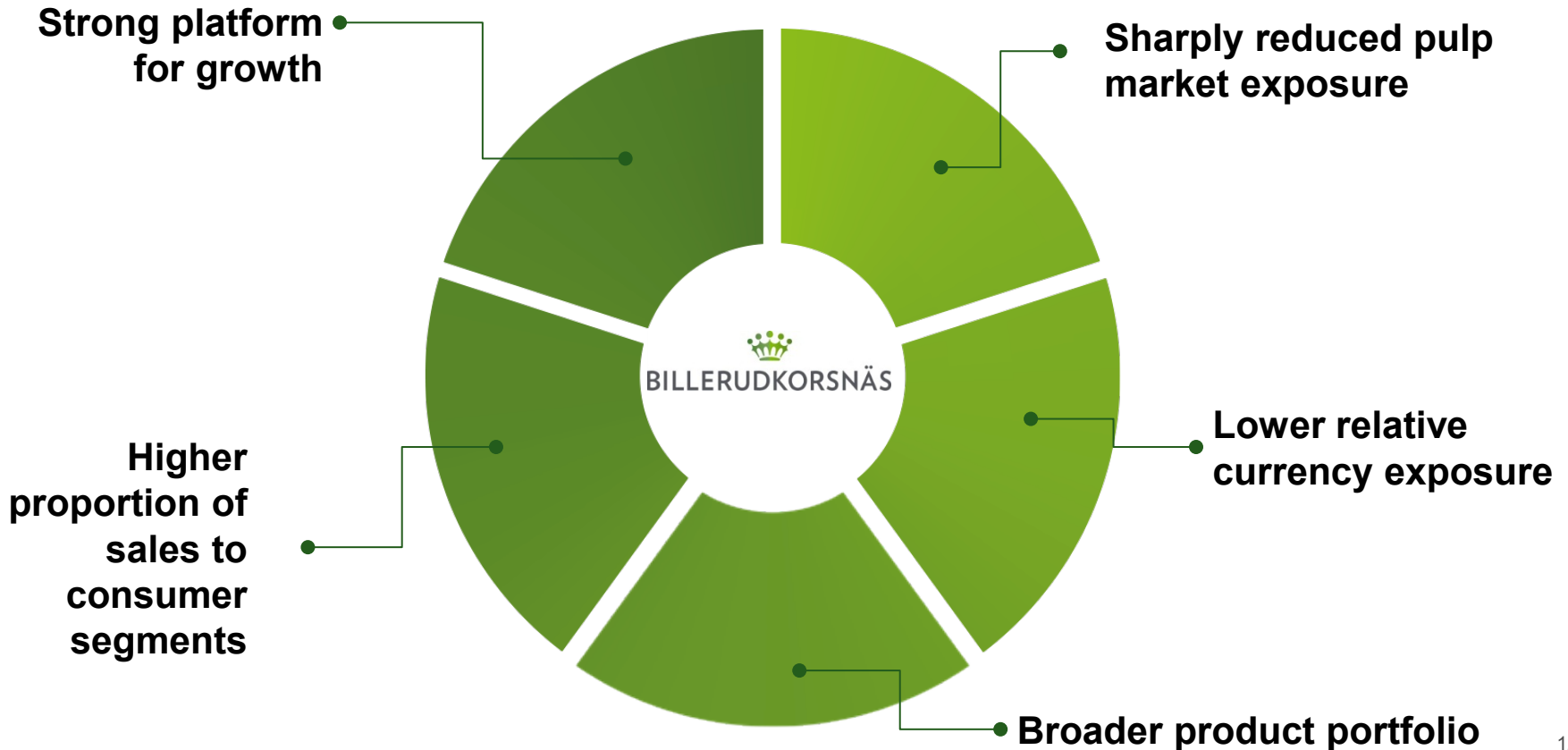
Coated white top liner:
#2 – Europe

*For high porosity sack paper.



CREATING A STABLE AND STRONGER COMPANY

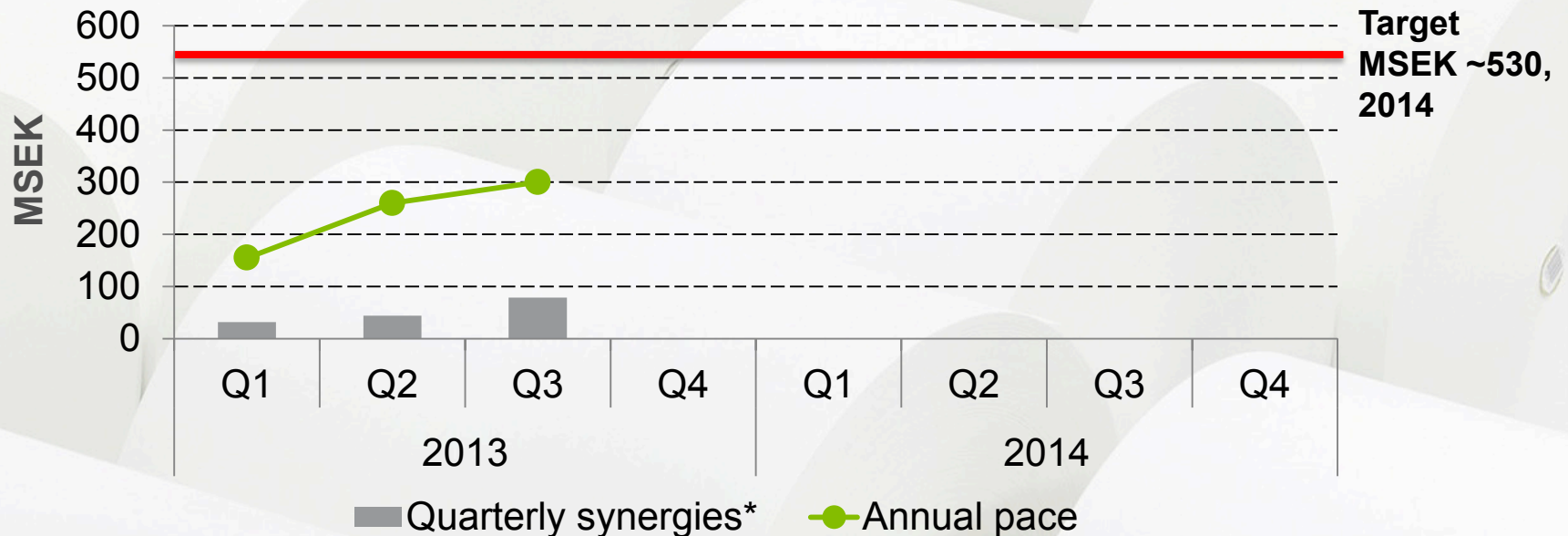
- 2 major acquisitions in 2012
 - > 1 June 2012 UPM's packaging paper operation in Finland was acquired. Sales of MEUR ~220
 - > 29 November 2012 merger with Korsnäs. Sales of SEK ~9bn





ON TRACK TO REACH SYNERGY TARGETS AHEAD OF PLAN

ANNUAL PACE OF MSEK ~300 AS PER END OF Q3 2013



- Synergies derived from
 - Sourcing
 - Sales, admin and general costs
 - Production optimisation
- ~200 milestones for synergy and savings realisation identified
 - Whereof half achieved as per 30 September 2013

*Synergies and savings realised in the quarter, compared to if the synergy and savings programme had not been initiated.



WE CHALLENGE CONVENTIONAL PACKAGING FOR A SUSTAINABLE FUTURE





RESPONDING TO A CHANGING MARKET FOR SMARTER PACKAGING



Packaging without boundaries



Packaging that lowers transport costs



Packaging that increases productivity



Packaging that boosts brands and attracts consumers



Packaging that reduces environmental impact





UNDERSTANDING OUR CUSTOMERS BETTER

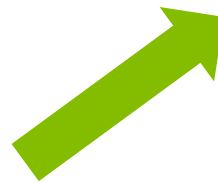




MOVING CLOSER TO THE END-CUSTOMER



BILLERUDKORSNÄS



Brand owners

Packaging material
2–5% of the cost



Consumers



Packaging material
50–85% of the cost



INNOVATION – AT HEART OF OUR SKILL SET

Success stories

Understanding customers' needs and meeting changing demands and requirements



Product innovation – FibreForm, Tetra Recart, SoliQ, QuickFill, etc



Business innovation – Bosch packaging concept, FibreForm Packaging, etc



Service innovation – Box Lab, Sack Lab, Design Center, etc



INNOVATING TO DRIVE GROWTH AND HIGHER MARGINS

R&D

Product development

New business lab

Next generation of packaging

Business applications

- FTE growing more than 60% during 2013
- Building an innovation culture
- Focusing both on short-term and long-term innovation
- Innovation enables growth faster than market
- Creating long-term, profitable differentiation
- Strengthening market positions



ACHIEVING 15-20% ORGANIC GROWTH BY 2018

CONTAINERBOARD



BA market CAGR

2-4% CAGR

- Value growth
 - Increase margins on existing portfolio

PACKAGING PAPER



0-4% CAGR

- Selective growth
 - Target growth in selected segments, balancing additional capacity

CONSUMER BOARD



4-5% CAGR

- Volume growth
 - Increase volume in key markets



FURTHER PROFITABLE GROWTH OPPORTUNITIES

- Growing in line with the market, i.e. organic growth of 15-20% up to 2018
- Additional growth requires M&A

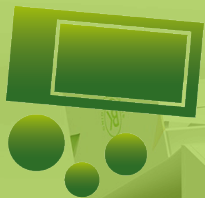


INNOVATION



CAPACITY
MANAGEMENT

**Sustainable
profitable
growth**



INVESTMENTS



GEOGRAPHY





BILLERUDKORSNÄS

