



Well positioned for further profitable growth

Gilles van Nieuwenhuyzen
EVP, Packaging Solutions division

We are a strong regional and global partner



1 255 MEUR sales 2017
+4% Q3 YoY 2018

1 Innovation centre
10 DesignStudios



Design experts
Material experts
Packing process experts
Intelligent packaging experts



3 containerboard mills
4 rigid box plants
17 corrugated box plants



186 MEUR EBIT
Q1–Q3/18



30.4 % ROOC
Q3/18

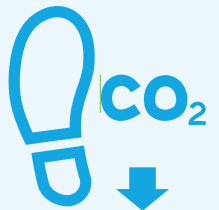
LTM production
>1.3 Mt Board
>1.1 Bn m² Corrugated



>2 000 customers



Renewable and
recyclable raw
material



Positive growth trends

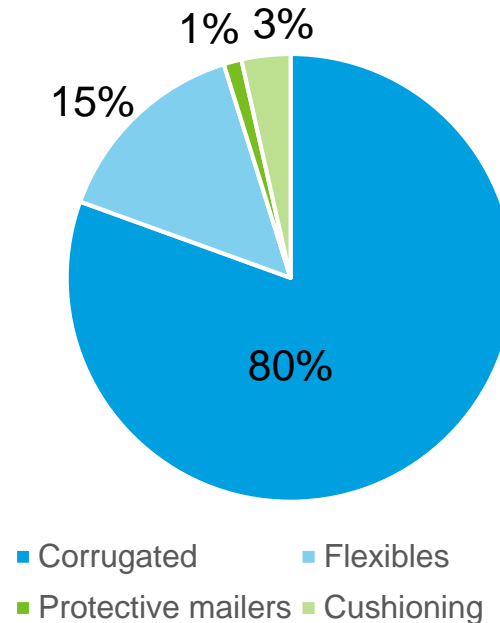


E-commerce is driving growth in packaging...



E-commerce packaging by materials

(Global market value share, 2017)



Corrugated packaging growth in E-commerce

- ~15% CAGR (2017–2021)
- ~33 BEUR market value globally and ~6 BEUR in Europe in 2021
- ~13 BEUR market value added in E-commerce segment globally until 2021

Note: Market values for Global and Europe (Western, Central and Eastern) in 2021. 0,85 USD/EUR average exchange rate used in calculations.

Source: Statista 2018; Smithers Pira – Future of e-commerce packaging to 2022

...our successful collaboration with online retailer Zalando



Zalando in numbers

- Presence in 17 countries
- 23 million active customers
- 200 million visits per month
- 2 000 brands
- 50% return rate



Stora Enso – Zalando

- First deliveries of corrugated cases (March 2017)
- First deliveries of boxes with glue and tear tape (June 2017)
- Zalando invests in its operations in the Nordics and the business is extended (June 2018)

How packaging adds value

Efficient packing at Zalando



Easy opening / easy returns



Sustainability is a growth driver for fibre-based packaging



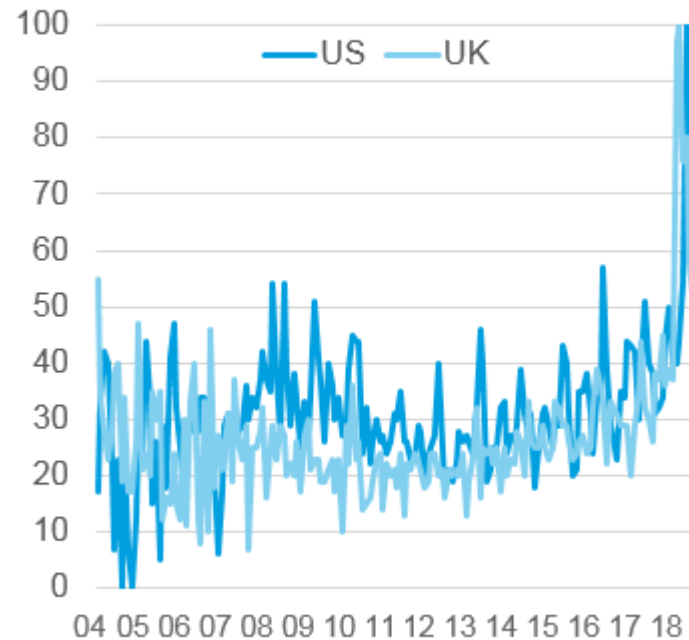
Plastic waste engages consumers



Ocean plastic a 'planetary crisis' - UN



(Indexed Google searches for "plastic waste" 2004–2018)



Companies are taking action

By 2025, **Tesco** wants all its packaging to be recyclable or compostable and its total packaging weight to be halved compared to 2007.

Carrefour is the first French retailer to commit to “100% recyclable, reusable or compostable packaging”

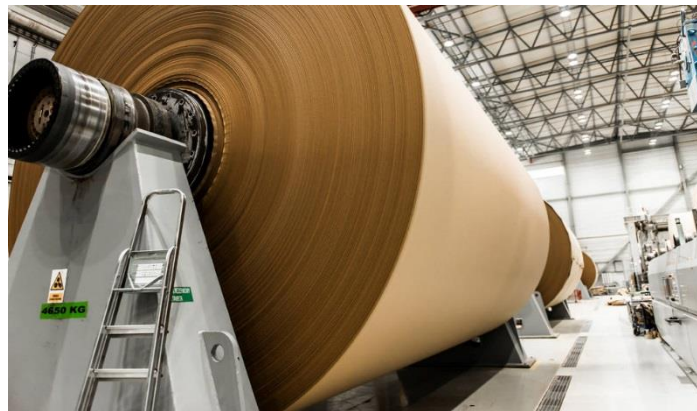
Nestlé aiming at 100% recyclable or reusable packaging by 2025



Positive market fundamentals particularly in virgin fibre



Trends fuel growth in corrugated .. and demand for containerboard



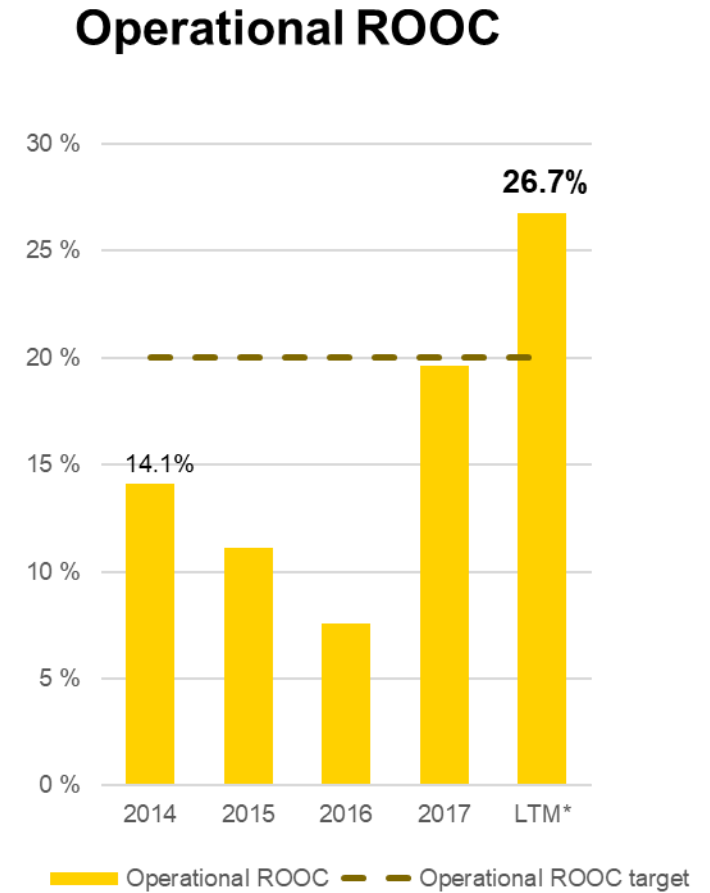
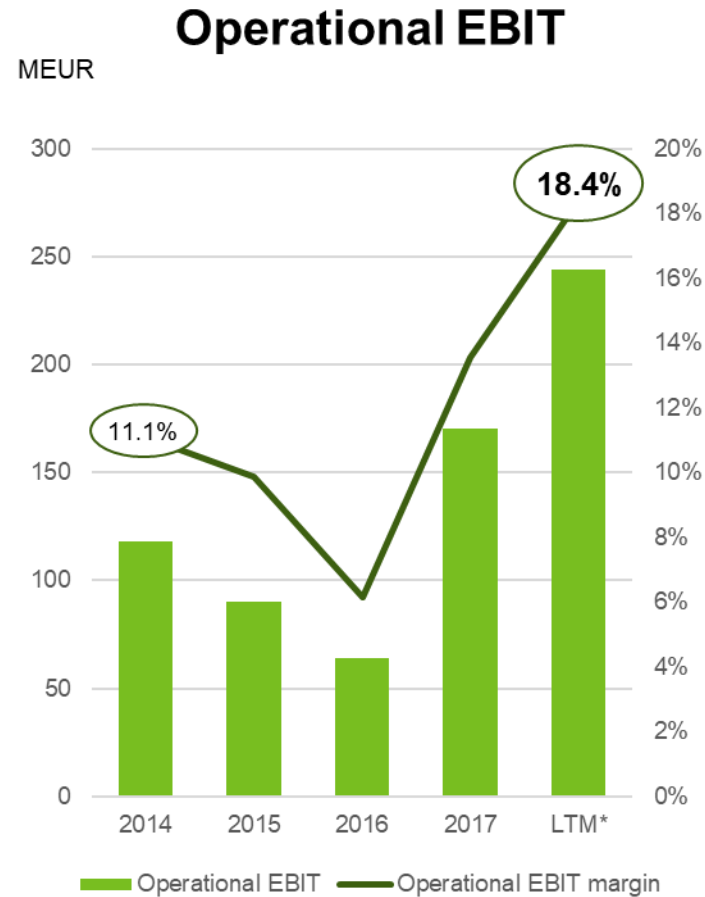
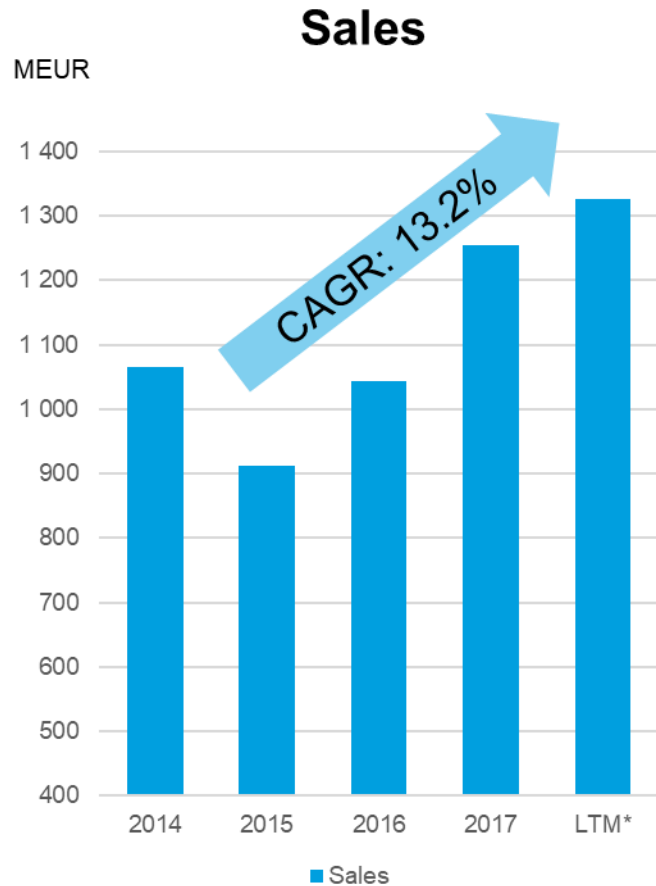
Virgin fibre containerboard market fundamentals

- High barriers to entry
- Scarce access to virgin fibre raw materials
- Balanced capacity additions

Recycled fibre containerboard market fundamentals

- Good market growth
- Significant capacity additions

Strong performance and record high Q3 profit



Operations divested:
 - Corenso in December 2014
 - Komárom packaging plant in September 2015

We have a clear Packaging Solutions strategy...



Grow in attractive product segments



Innovate and create customer value



Drive operational, supply chain and sourcing excellence



Digitalisation

Customer engagement

New products, services and business models

Operations

End-to-end supply chain

Back office

...with a roadmap for profitable growth



Delivered since 2015

- Varkaus Mill conversion
- Heinola Mill upgrade
- E-commerce portfolio
- Consolidation corrugated Finland
- Small divestments and closures

Announced activities

- Study of Oulu mill conversion
- Corrugated growth investments in Poland, Sweden, Russia and Baltics
- China Packaging capacity expansion
- Intelligent packaging

Future growth and innovation

- Continuous innovations
- Containerboard focused growth
- Growth in packaging markets
- Digitalisation initiatives



Oulu Mill – Significant potential for kraftliner



- Feasibility study to convert to board grades ongoing
- Building on successful Varkaus conversion
- Target to meet customer demand for high quality kraftliner products
- Room to grow in large kraftliner market
 - 31 Mt total market size
 - 2–3% annual growth
- Strong customer base and good understanding of the market
- Can leverage experience from Varkaus conversion project



Strong position and growth in our home box markets



Key box segments:

Food



Retail



Industrial goods



E-commerce



Consumer electronics



Key box markets:

Nordics (#1)

0.7 BEUR
1–2% CAGR

Poland & Baltics (#2)

1.9 BEUR
3–5% CAGR

Russia (#5)

2.4 BEUR
3% CAGR

China (#3)*

1.8 BEUR
7% CAGR

*Position in rigid box market

Stora Enso named Husqvarna's most innovative supplier

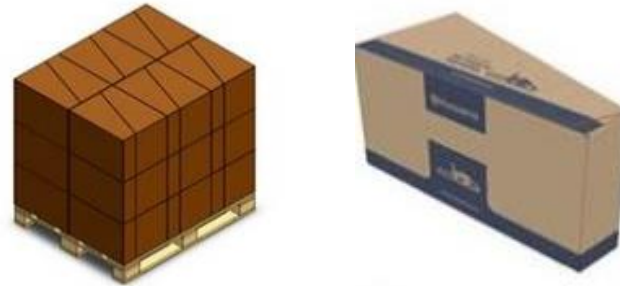


Long term collaboration between Stora Enso and Husqvarna Group

Motivation for the award:

Stora Enso invests for the long term in competence, resources and proactive involvement in order to understand its customers' needs. Through this initiative, Stora Enso has enabled Husqvarna to sustainably achieve its ambitious goals concerning development and innovations in the supply chain.

New packaging for chain saws reduces cost and CO₂ emissions



- + 37% capacity fill
- 5 300 pallets/year
- 180 containers/year
- 190 000 kg CO₂/year

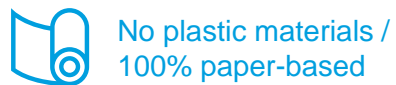


New sustainable RFID tag technology, ECO™



Innovation in RFID technology

- *Sustainable materials:* Renewable and recyclable paper substrate replacing plastic inlay
- *High reliability and performance:* ECO™ RFID tag passes all industry tests
- *Cost efficient:* Simplified manufacturing process and label structure compared to traditional alternatives
- Part of intelligent packaging offering



No plastic materials /
100% paper-based



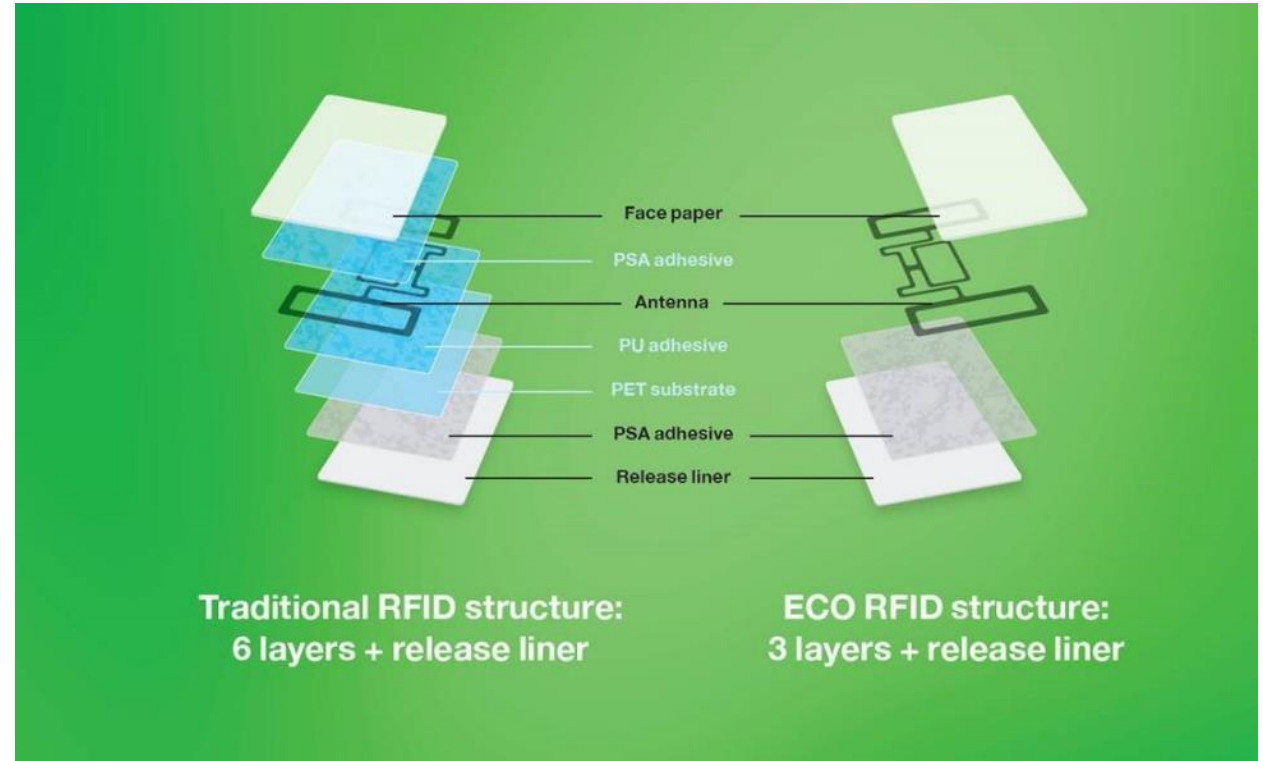
Clean & green
manufacturing



Low carbon
footprint



Recyclable



Well positioned for further profitable growth



- Strong financial track record
- Attractive growth opportunities
- Taking innovation to next level in products and services



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THE RENEWABLE MATERIALS COMPANY



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