



storaenso

Wood Products – accelerating growth

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Do you know?



We are the **largest supplier** of wooden construction material in Europe



We are the fourth largest supplier of wooden construction material in the world

16% of total Stora Enso LTM sales (1 595 MEUR)



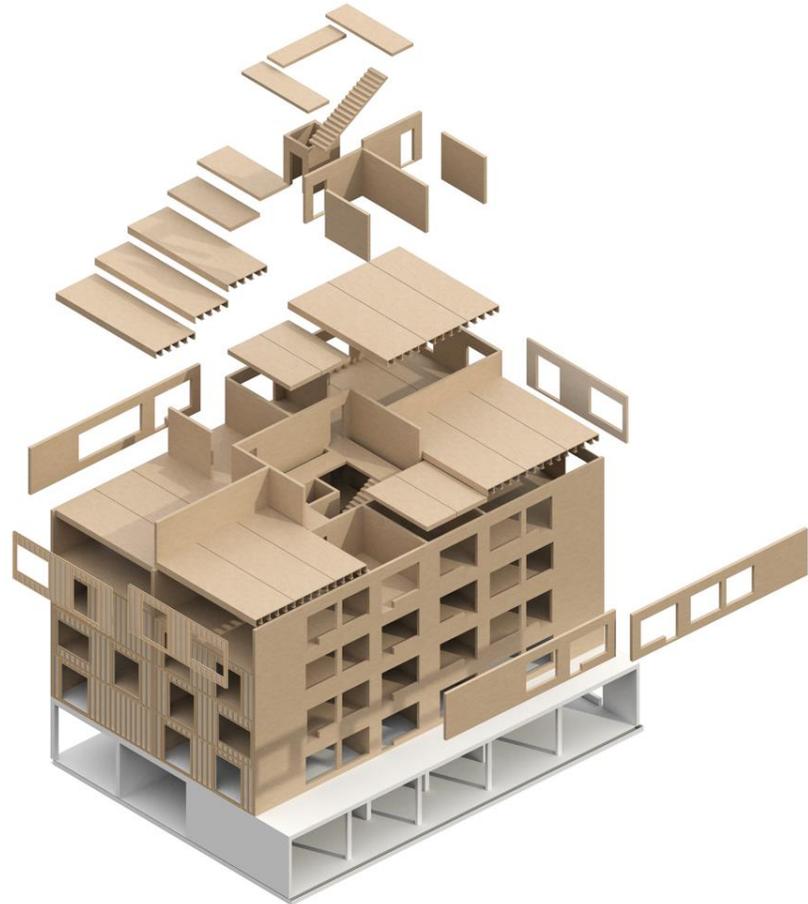
Year to date **ROOC** on targeted level of 18%



We have **outperformed** our Nordic peers on operating profit margin since 2014



Accelerating growth



- Leader in building components and systems
 - Target 750 MEUR sales
 - Annual growth 15%
- Leader in digitalised business processes in our industry
 - World class comparison
- Focus on value creation
 - Outperforming the industry since 2014

The world is changing – unique opportunity for wood



Global warming



Urbanisation



Digitalisation



Income growth



Growing population



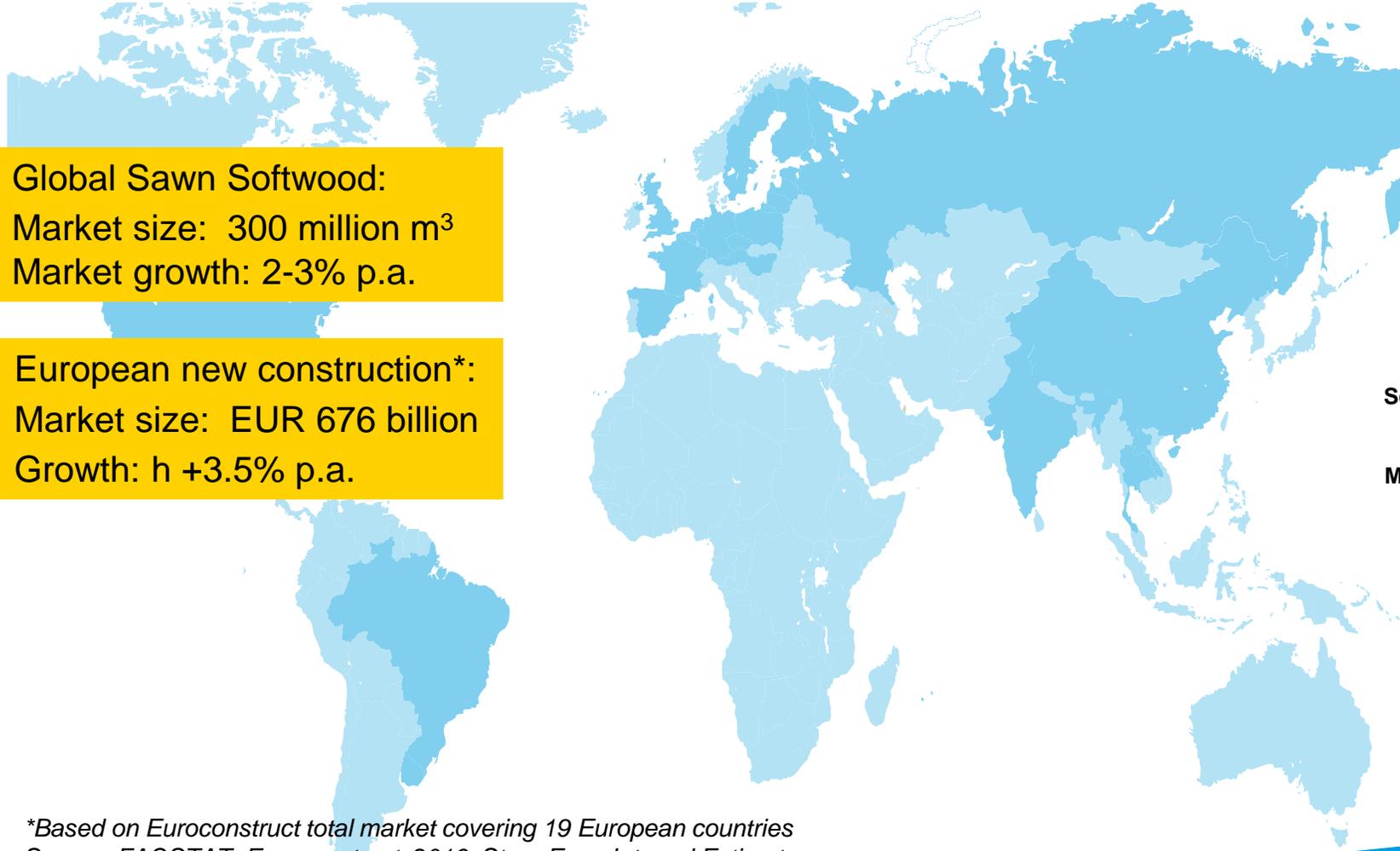
Changing lifestyles



Eco awareness



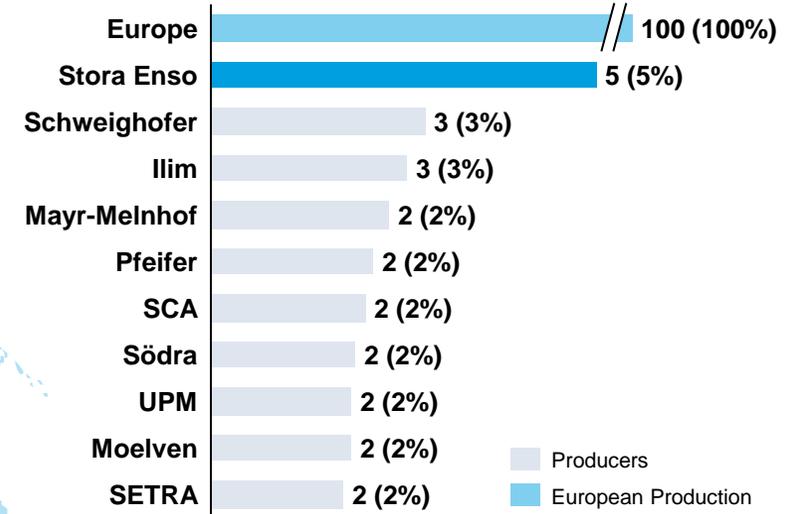
A fragmented global market with growth potential



Global Sawn Softwood:
 Market size: 300 million m³
 Market growth: 2-3% p.a.

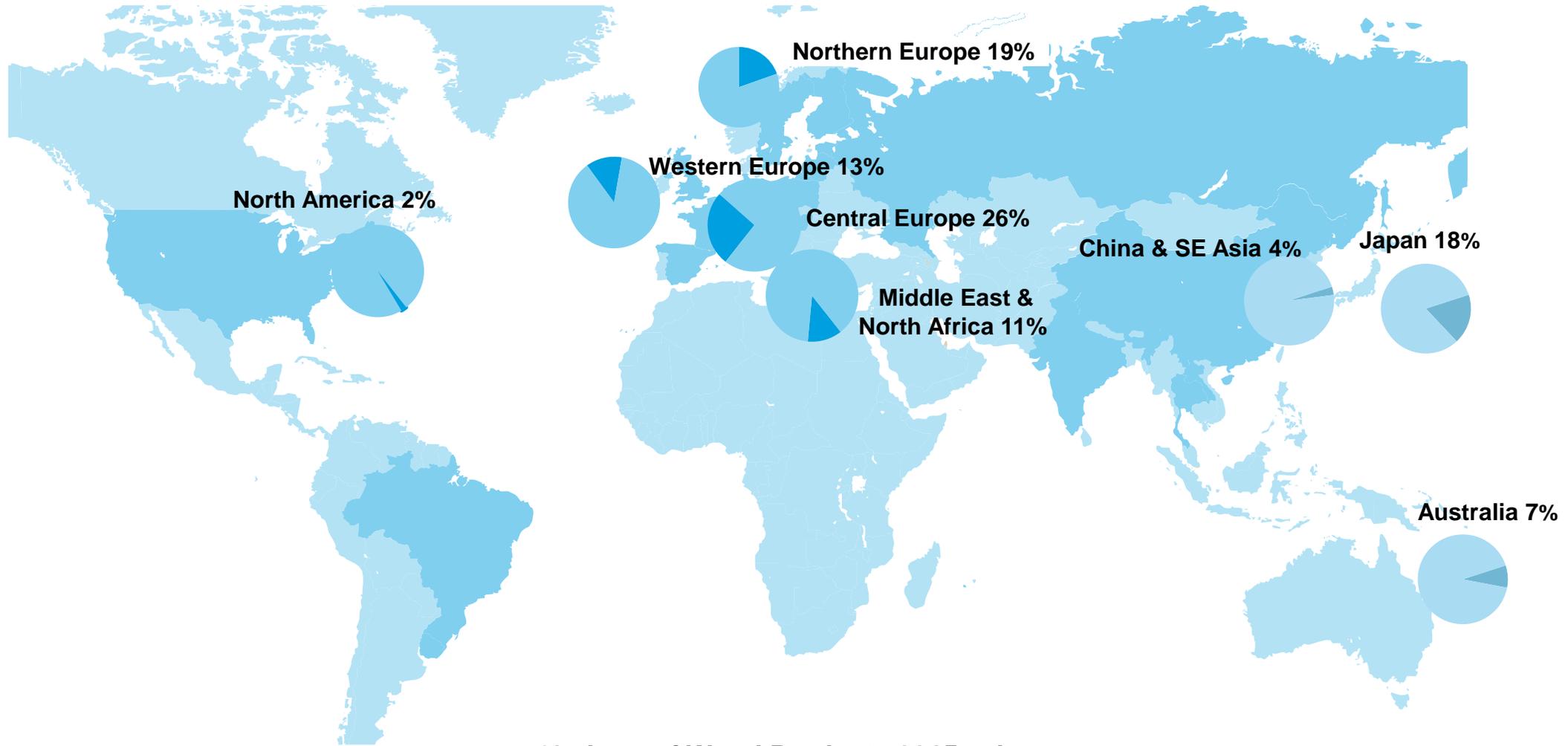
European new construction*:
 Market size: EUR 676 billion
 Growth: h +3.5% p.a.

Top European producers
 Million m³; % of European production est. 2015



*Based on Euroconstruct total market covering 19 European countries
 Source: FAOSTAT, Euroconstruct 2016, Stora Enso Internal Estimates

Well positioned for further growth



% share of Wood Products 2015 sales

Our operations are well positioned in Europe



3 800



20



EUR 1.6 billion



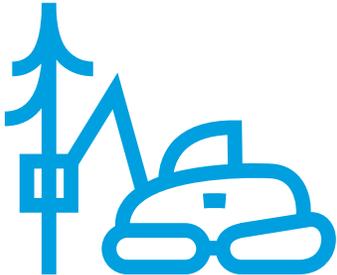
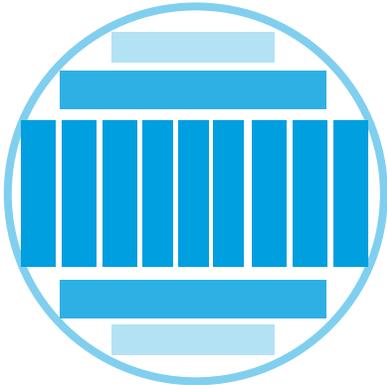
5.2 Mm³

x Number of mills

Getting the right log is critical for profitability



Customer demand Sawing pattern Log pricing Cutting Purchasing



From a classic sawn producer to a leading provider of innovative wood-based solutions



Classic sawn



CLT (Cross Laminated Timber)



LVL (Laminated Veneer Lumber)



Building Solutions



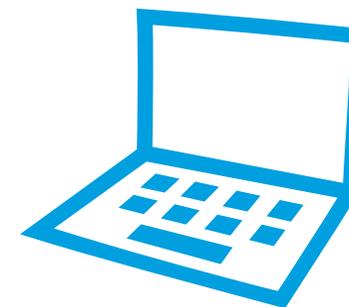
Industrial components



Construction beams



Pellets

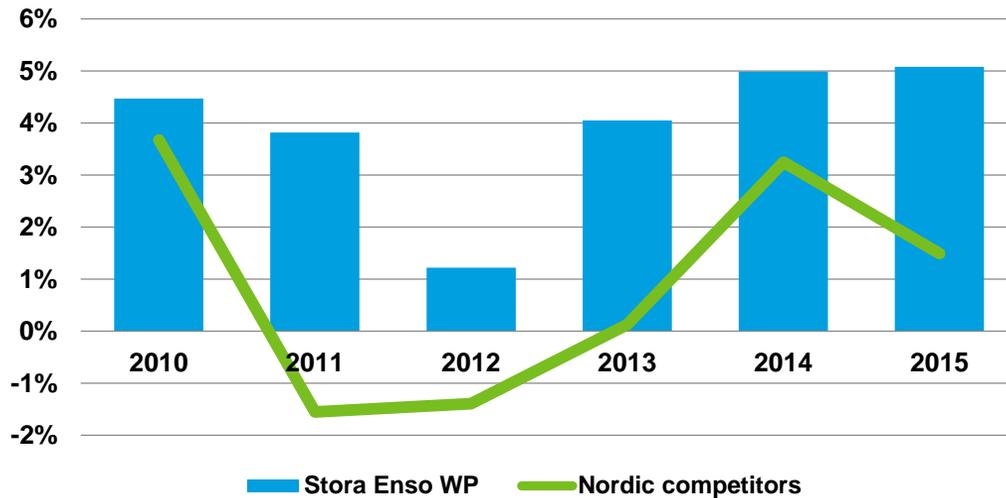


Online services and e-business

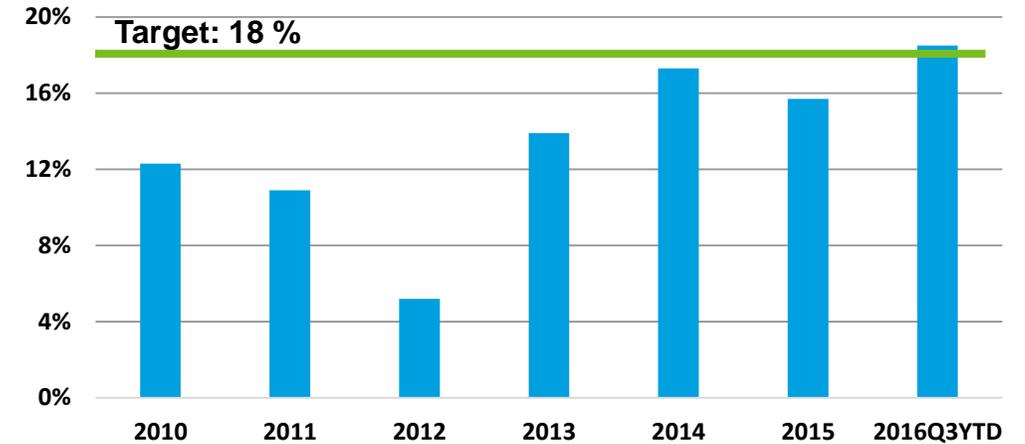
Solid performance – on track for 18% ROOC target



EBIT-% comparison



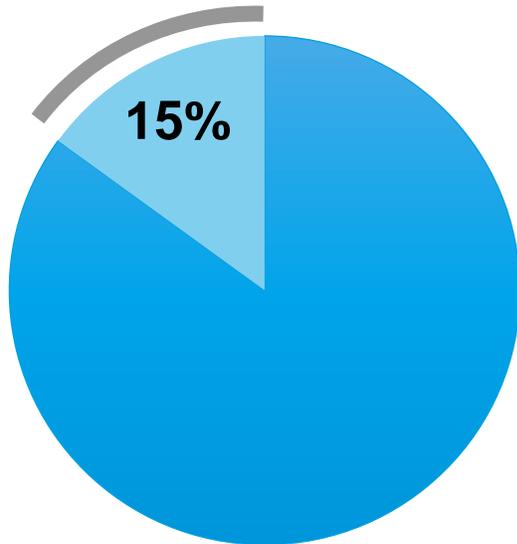
ROOC-%



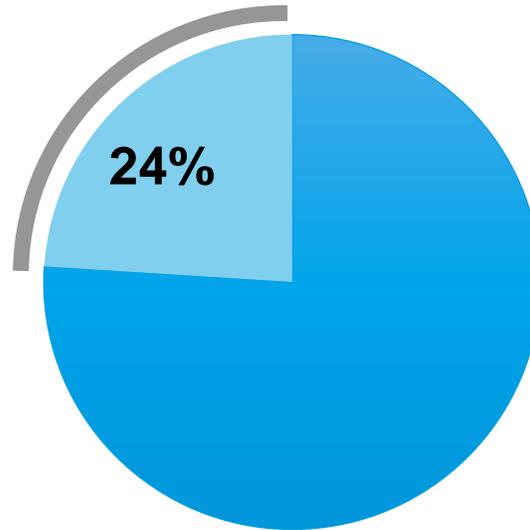
Transformation continues towards higher margin innovative solutions



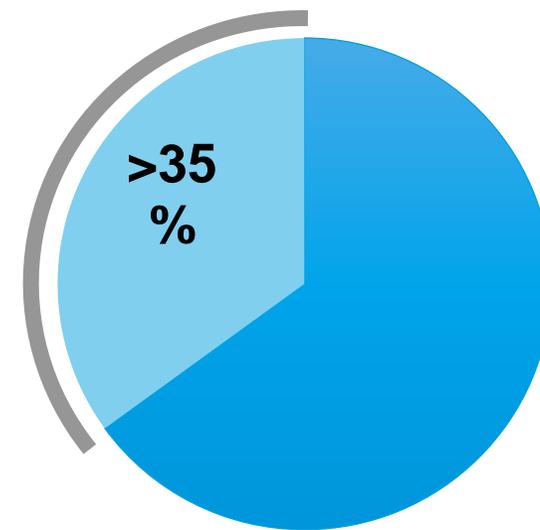
Sales 2006



Sales 2015



Target 2021

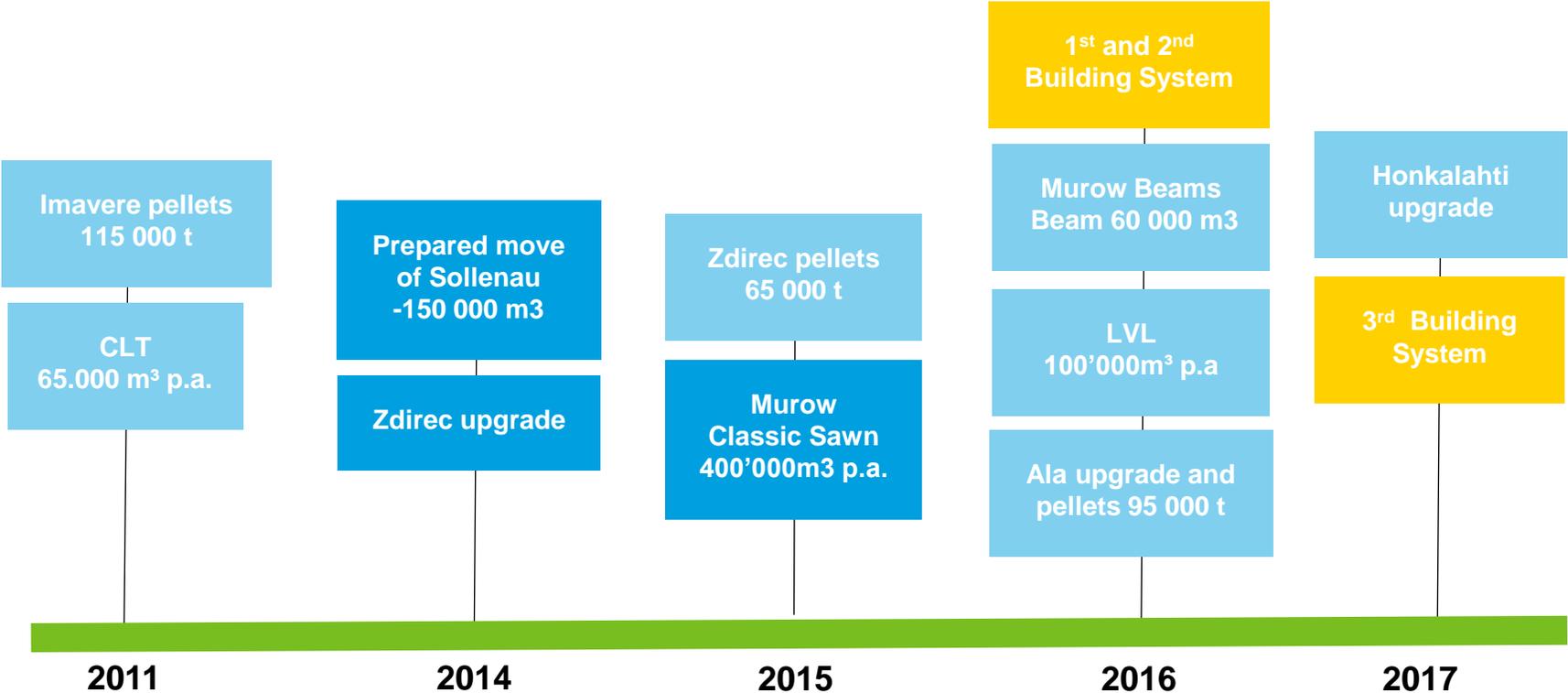


■ Classic sawn

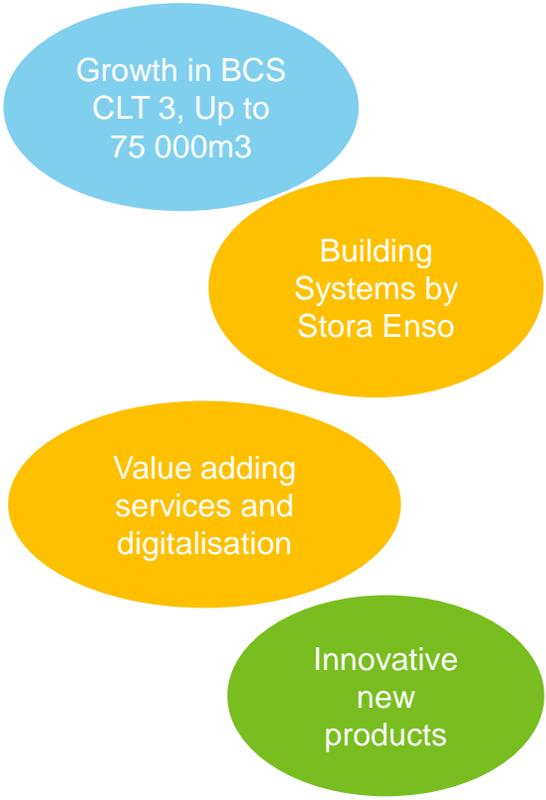
■ Building Components and System

% share of Wood Products sales

Robust pipeline of growth



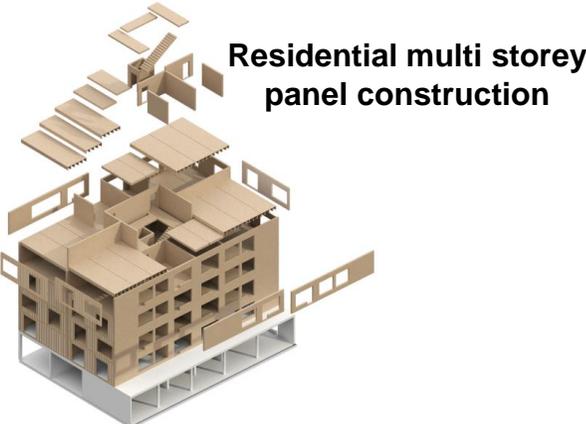
Future growth options



* Wood Products continuously invest in operational improvements and debottlenecking

■ Classic sawn ■ Building Components and System ■ Services

Building Systems driving growth



New ways of improving efficiency through digitalisation – supply chain “MySupply”



The screenshot shows the MySupply UK website. At the top left is the StoraEnso logo and the text "MySupply UK". To the right are links for "News", "Links", and "FAQ". Below this is a navigation bar with "Products", "Orders", and "Documents" on the left, and a user profile "Tina Nykanen" with a shopping cart icon on the right. A "COMPANY PROFILE" section displays "Credit Limit:", "Free Credit:", "Sales Block:", and "Free". A search bar labeled "Search Product" is also visible. Below the profile are six product category tiles: "Joinery Redwood" (stacked lumber), "Joinery Whitewood" (lumber planks), "ThermoWood" (lumber with a book), "TR28" (wooden roof truss), "CL5" (lumber planks), and "Special Offers" (a man reading).

Truck Number: 1.



More than 1 pack can still be loaded.

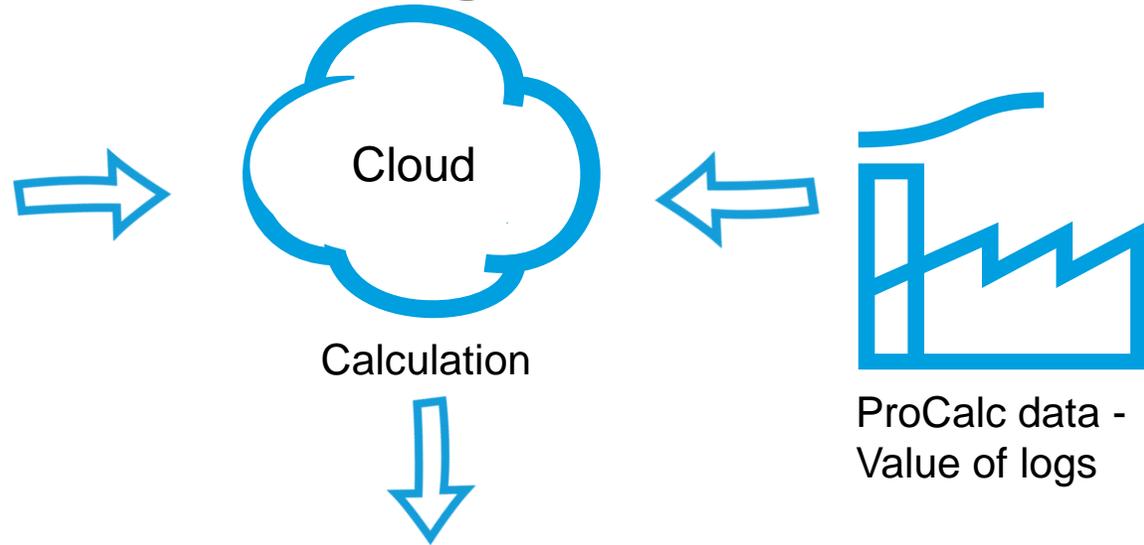
New ways of improving efficiency through digitalisation – Forest categorisation & log value



Buyer takes pictures



Pictures to cloud service



Results

- Quality class
- Value for sawmills
- Pricing proposal for buyer



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Thank you!