



Delivering sustainable profitable growth

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Our road to success in the bioeconomy

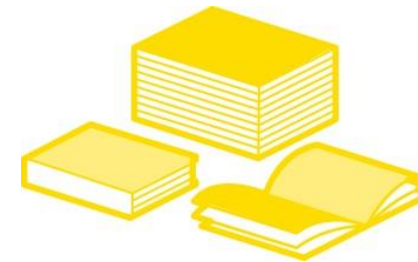
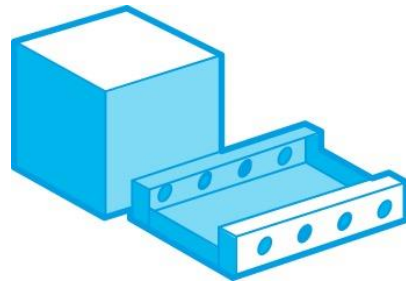


Introducing
new products
and services

Addressing
attractive
end-use
segments

Delivering
sustainable
profitable
growth

Generating
superior
ROCE



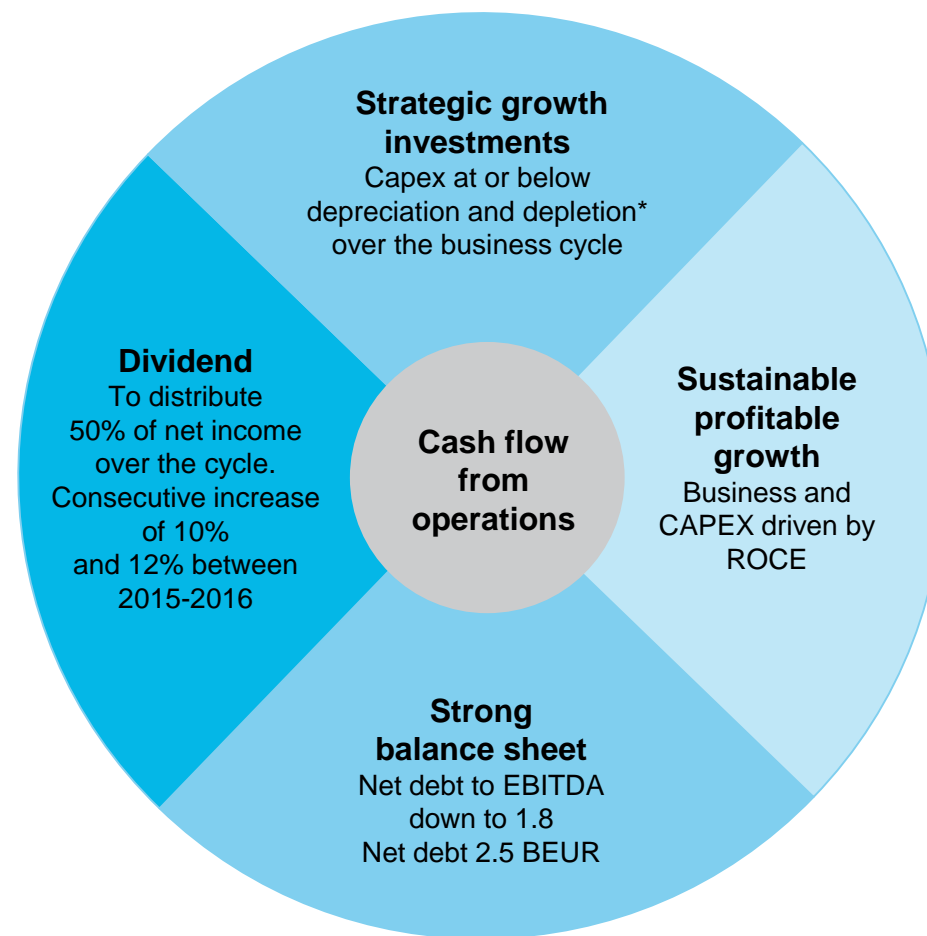
Our road to success

Sustainable profitable growth



Our road to success

Sustainable profitable growth

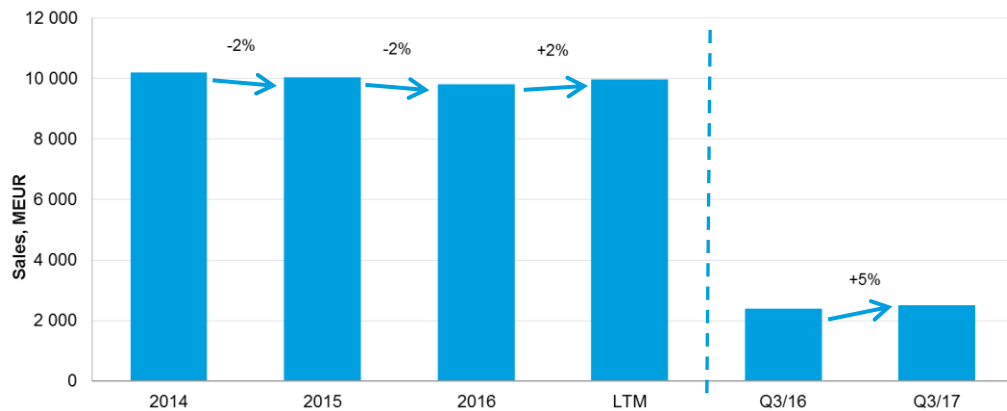


*Operational decrease in the value of biological assets

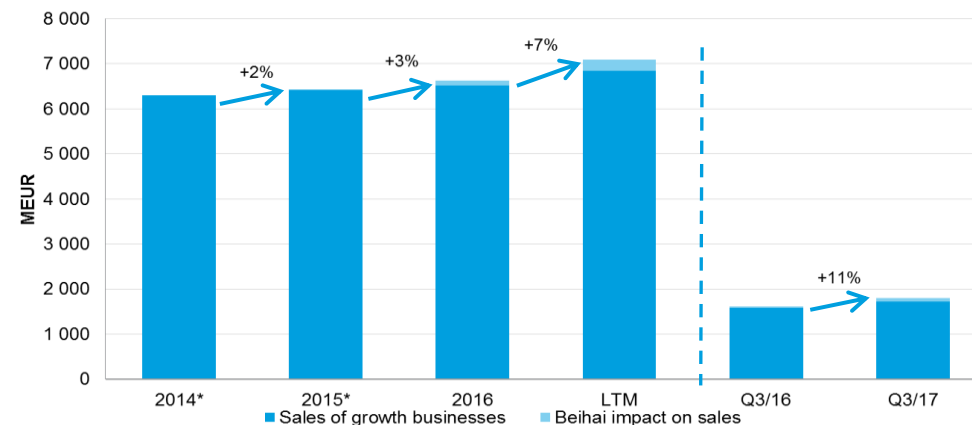
Improving performance across the group



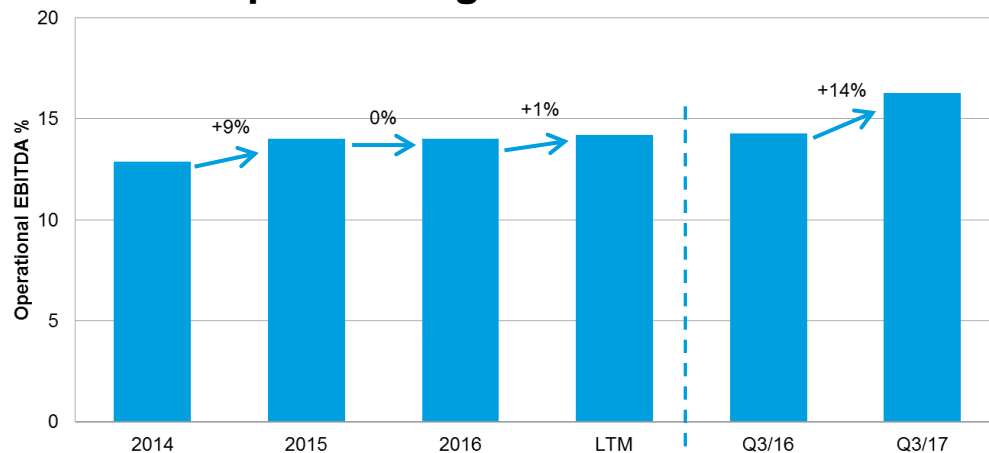
Strategic investments coming through



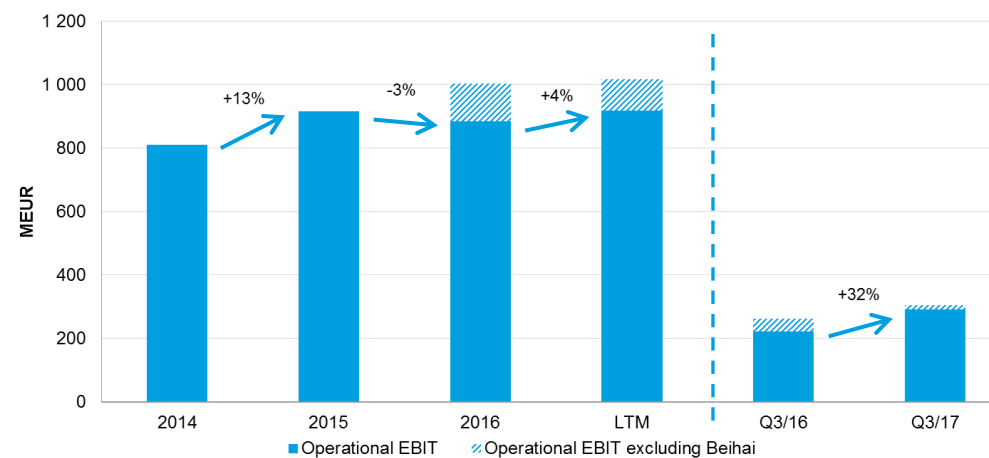
Accelerating growth



Sustainable profitable growth



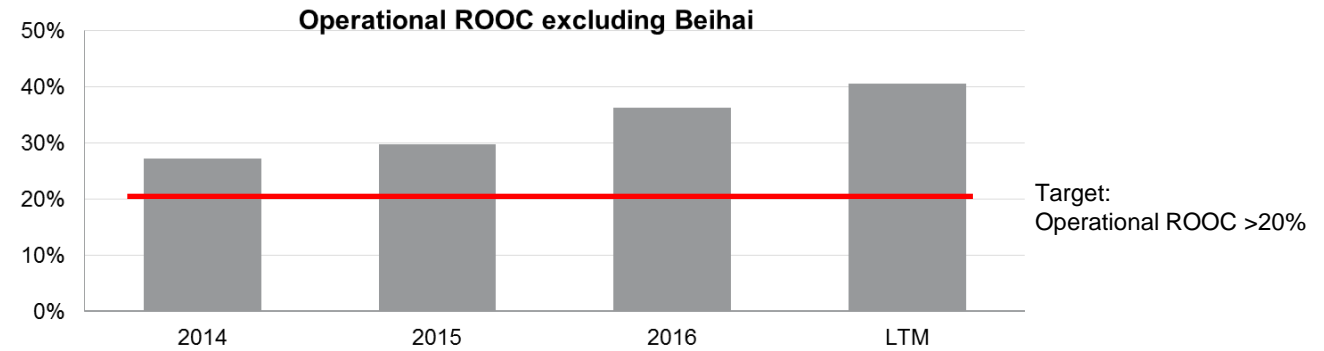
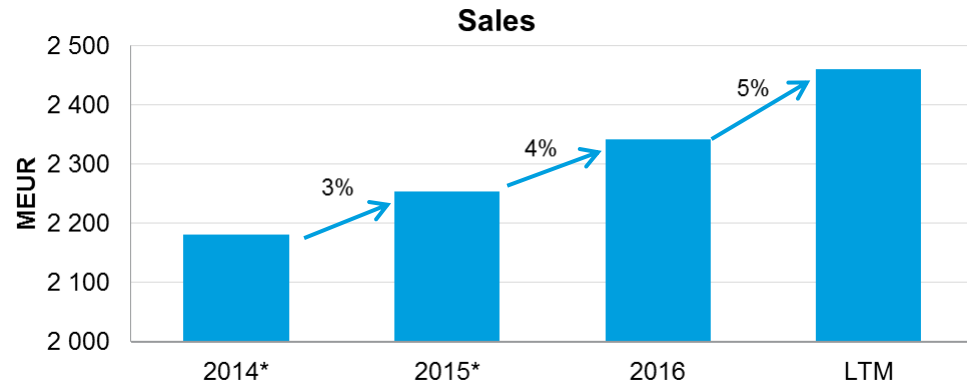
Operational EBIT reaching new level



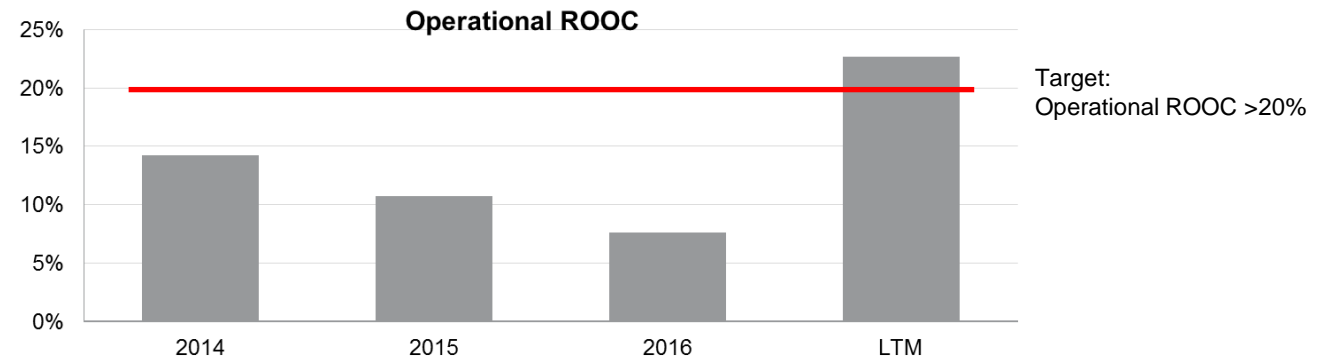
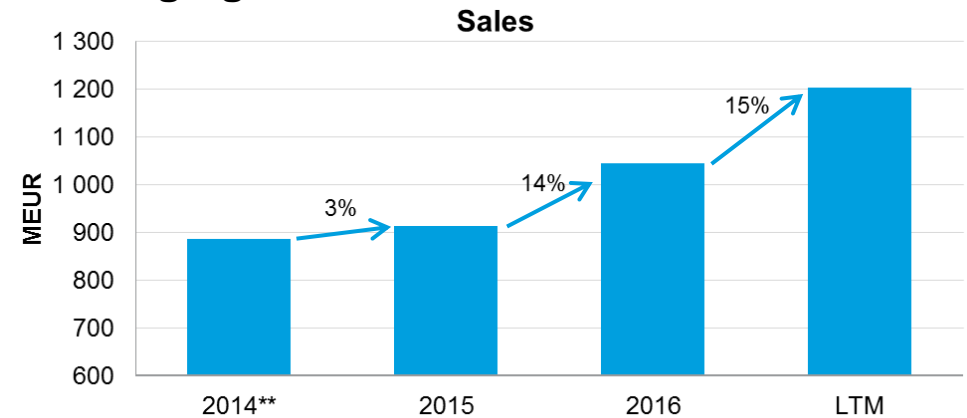
Accelerating sustainable profitable growth



Consumer Board – transformation is delivering



Packaging Solutions – transformation is delivering



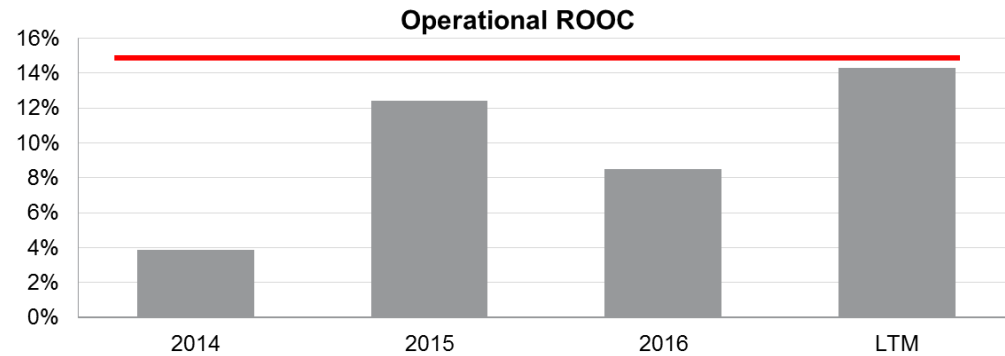
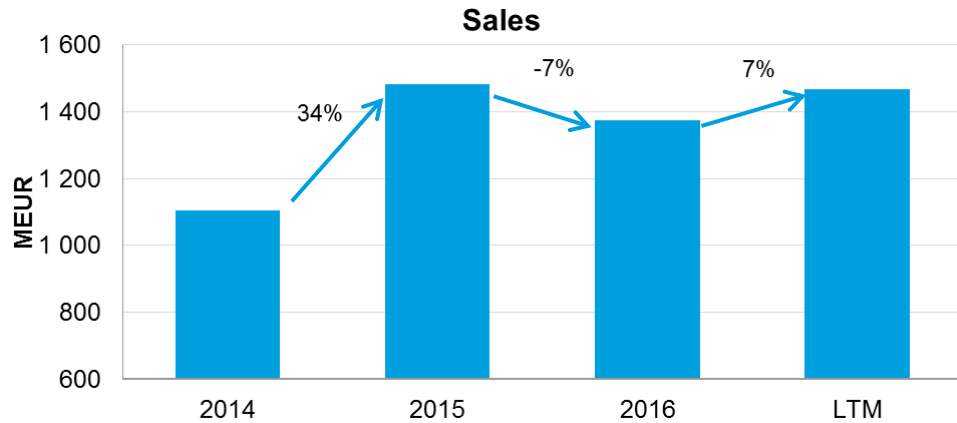
* Excluding Barcelona

** Excluding Corenso

Improving performance

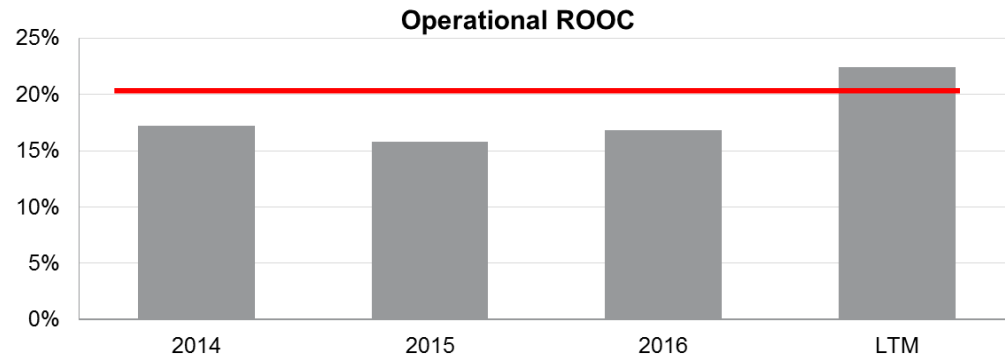
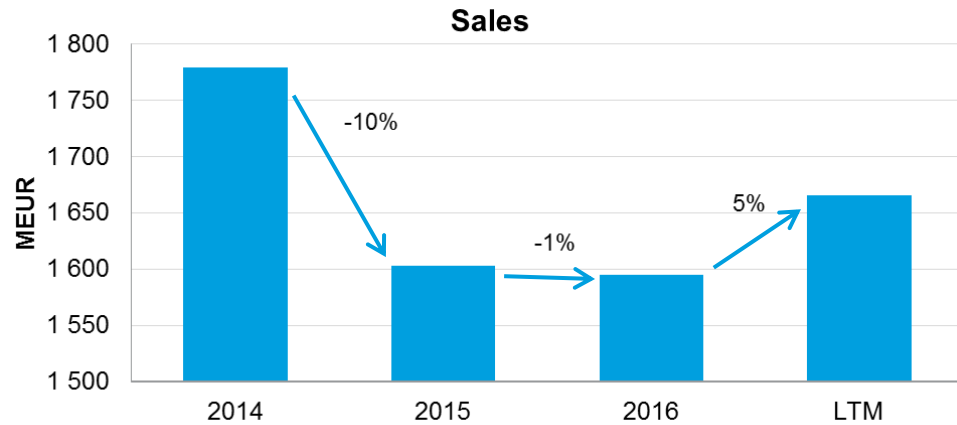


Biomaterials – strong market conditions supporting transformation



Target:
Operational ROOC >15%

Wood Products – transformation is delivering

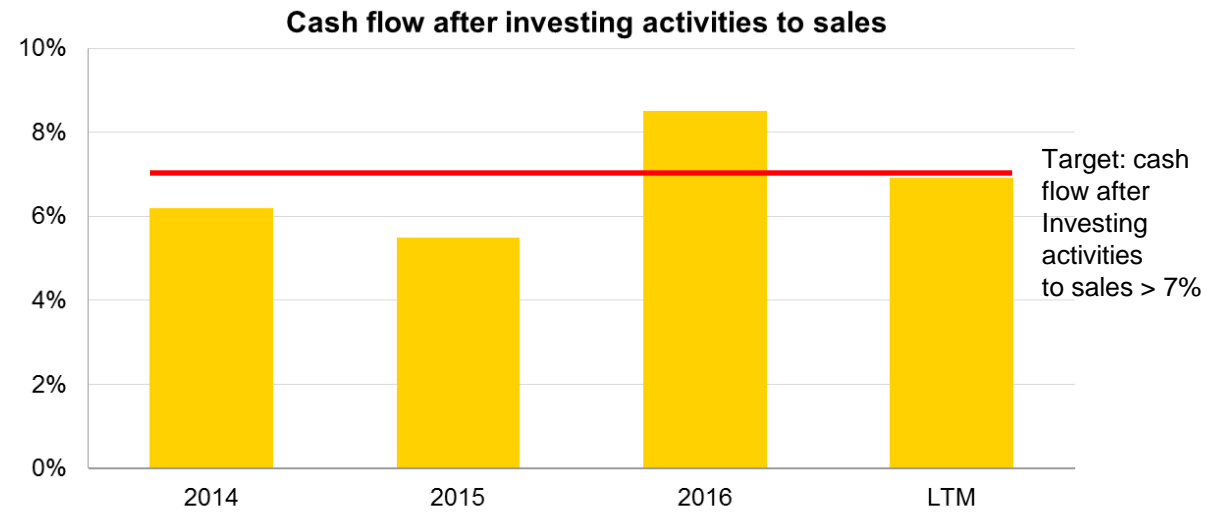
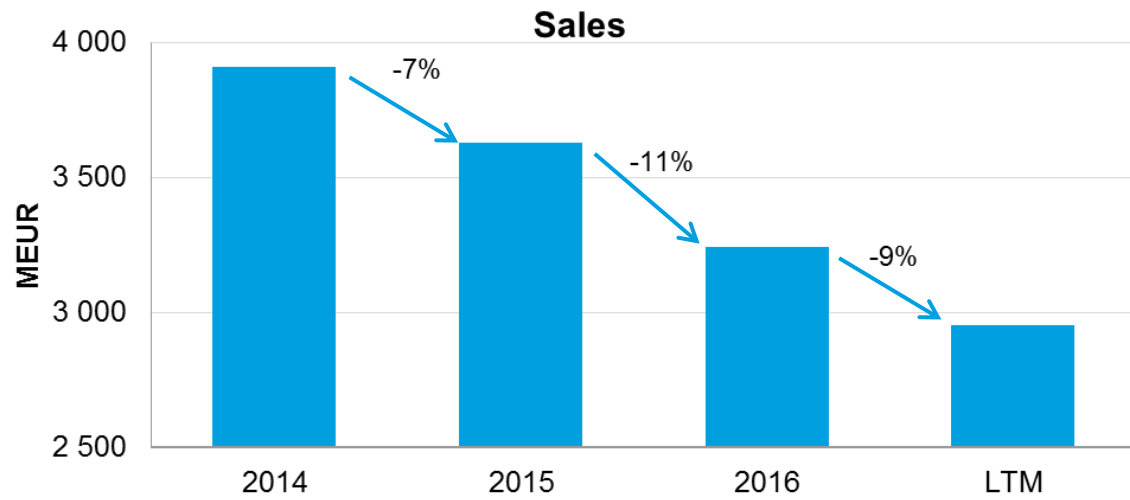


Target:
Operational ROOC >20%

Stable cash flow continues



Paper



Walking the talk

Wood Products operational ROOC target increased to 20%

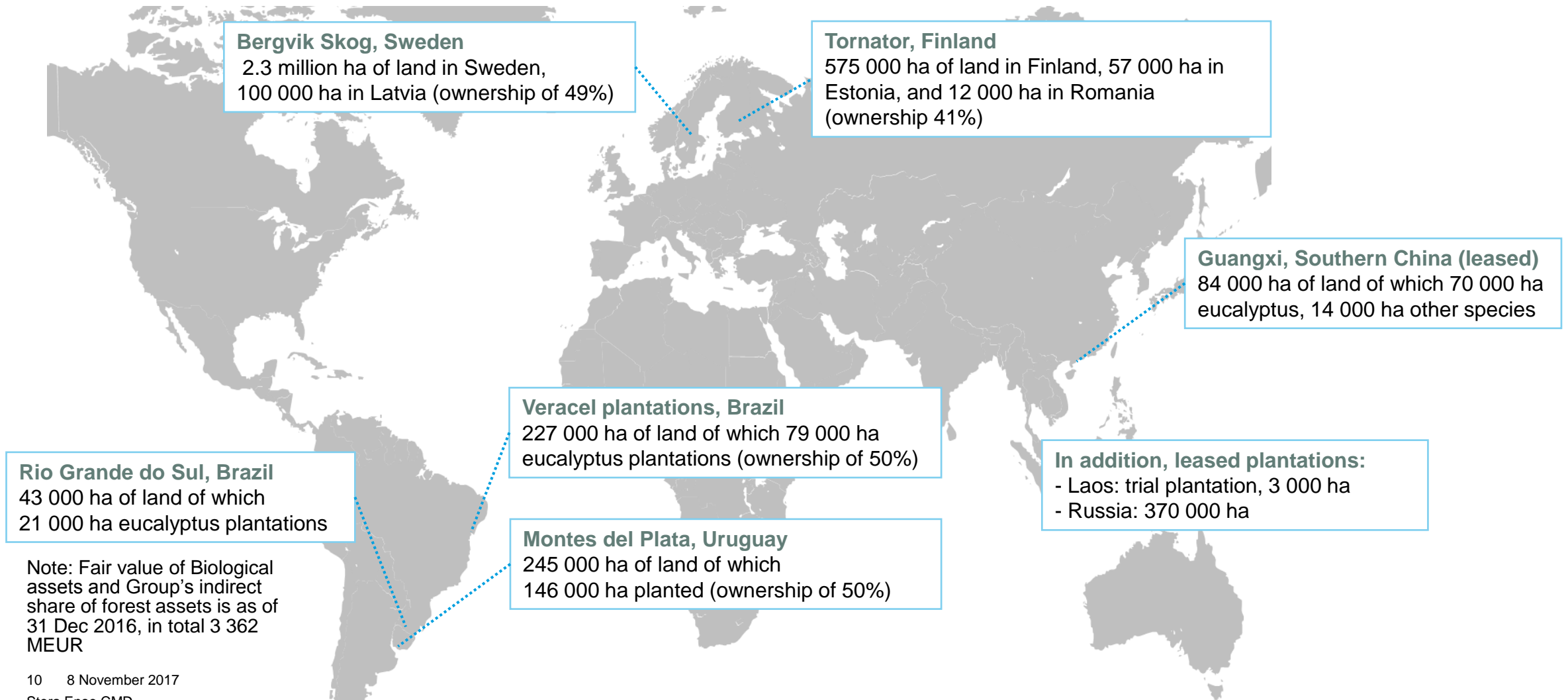


Group targets		Q1/15		Q3/17	
Dividend	To distribute 50% of net income over the cycle		●		●
Growth*	To grow faster than the relevant market	3.0% (YoY)	●	11.3% (YoY)	●
Net debt to operational EBITDA	<3.0x	2.6	●	1.8	●
Fixed costs to sales	<20%	24.2%	●	23.8%	●
Debt to equity	<80%	65%	●	43%	●
Operational ROCE	>13%	10.1%	●	13.9%	●
<i>Operational ROCE excl. Beihai</i>		11.3%**	●	16.3%	●

Divisional targets		Q1/15		Q3/17	
Consumer Board	Operational ROOC > 20%	17.3%	●	17.7%	●
<i>Consumer Board excl. Beihai</i>		30.0%	●	40.5%	●
Packaging Solutions	Operational ROOC > 20%	12.9%	●	22.4%	●
Biomaterials	Operational ROOC > 15%	11.4%	●	14.8%	●
Wood Products	Operational ROOC > 20%	11.7%	●	21.3%	●
Paper	Cash flow after investing activities to sales > 7%	5.9%	●	0.8%	●

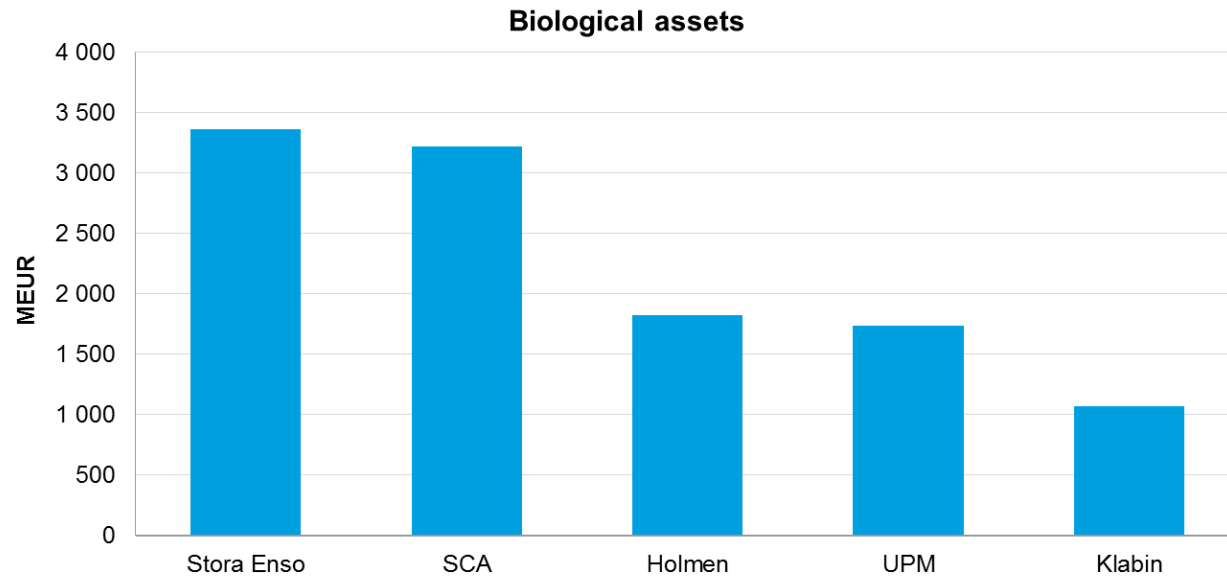
Forest assets – Northern and Southern hemisphere

Fair value of 3.4 BEUR



Note: Fair value of Biological assets and Group's indirect share of forest assets is as of 31 Dec 2016, in total 3 362 MEUR

Forests are a strategic asset for the future



31 Dec 2016	Biological assets
Stora Enso	3.4 BEUR
SCA	3.2 BEUR
Holmen	1.8 BEUR
UPM	1.7 BEUR
Klabin	1.1 BEUR

Exchange rates, European central bank 31 Dec 2016

SEK/EUR 9.5525
BRL/EUR 3.4305

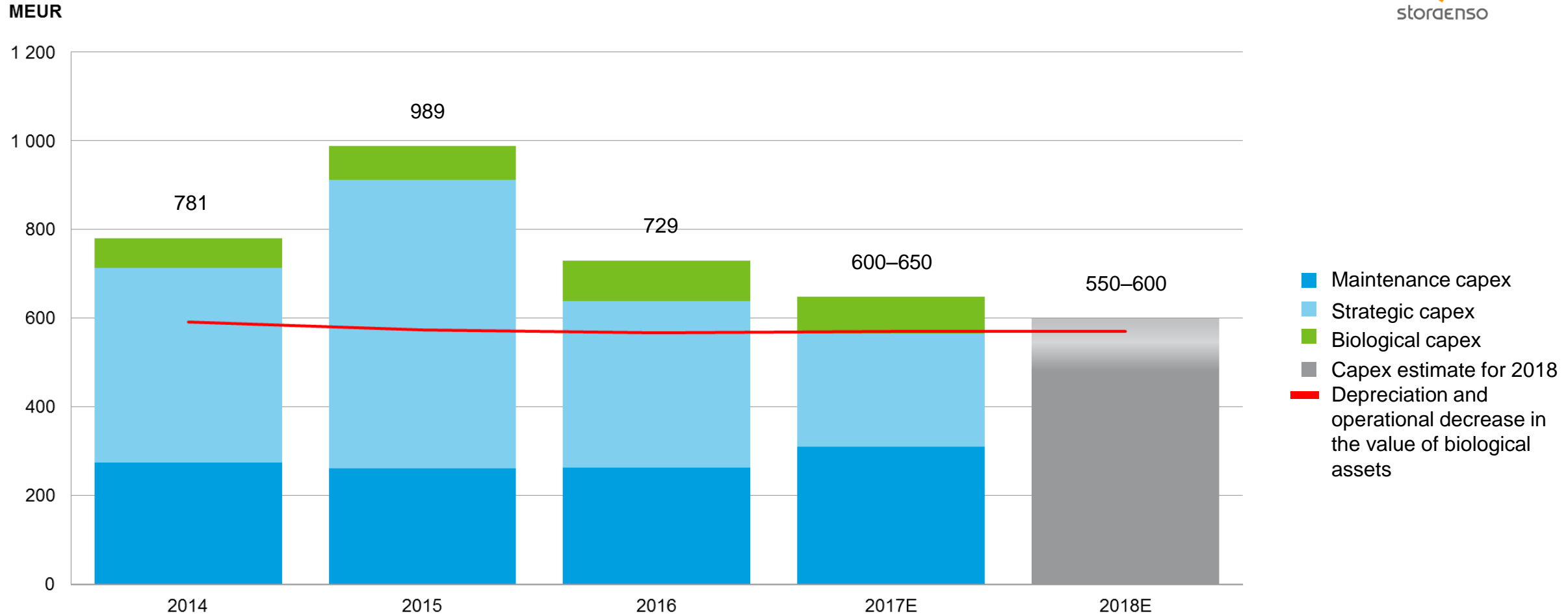
Capex level supporting our transformation strategy



- Capex at or below depreciation and operational decrease in value of biological assets over the business cycle
- Capex to biological assets approximately 100 MEUR
- Maintenance capex approximately 200-250 MEUR
- Strategy capex 250-300 MEUR
 - To continue the growth
 - Enables growth businesses to grow faster than the relevant market

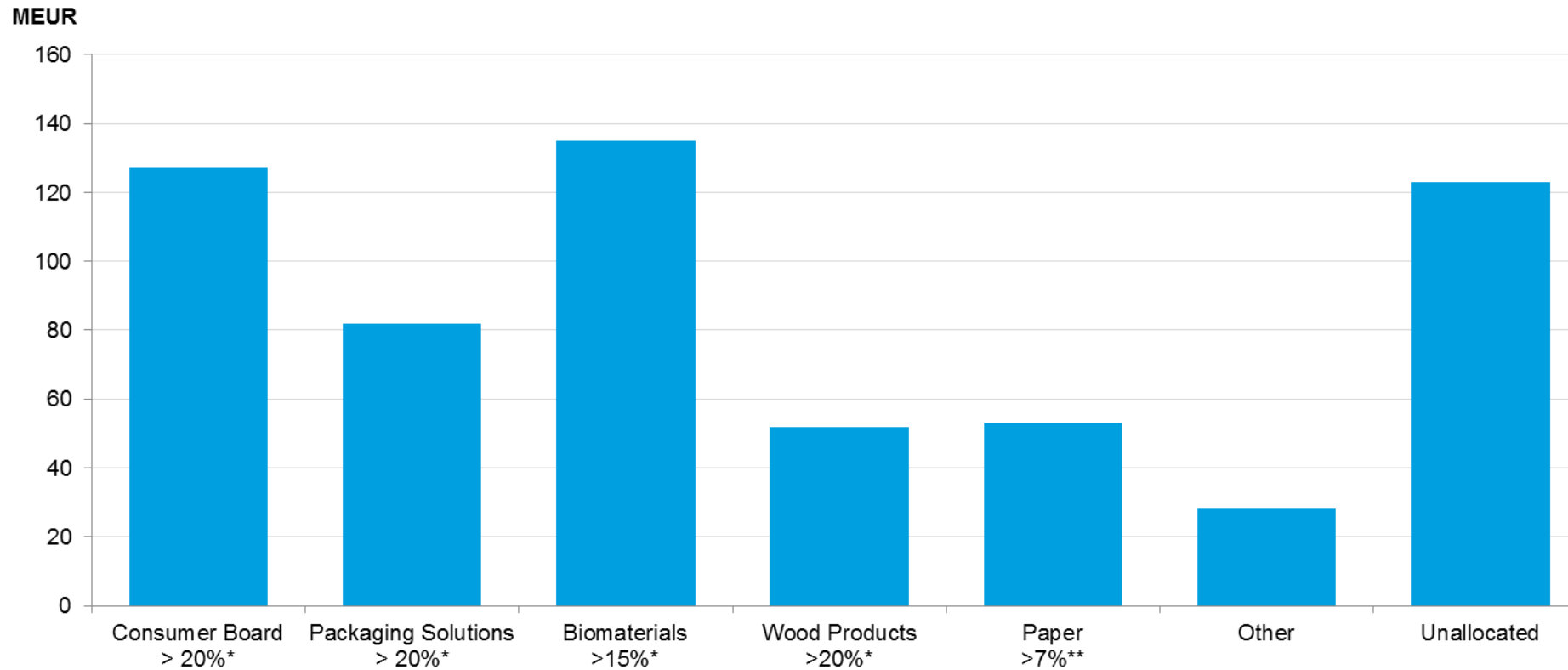


Capex is moving towards targeted level



Targeted ROOC is driving CAPEX allocation

Capex forecast in 2018



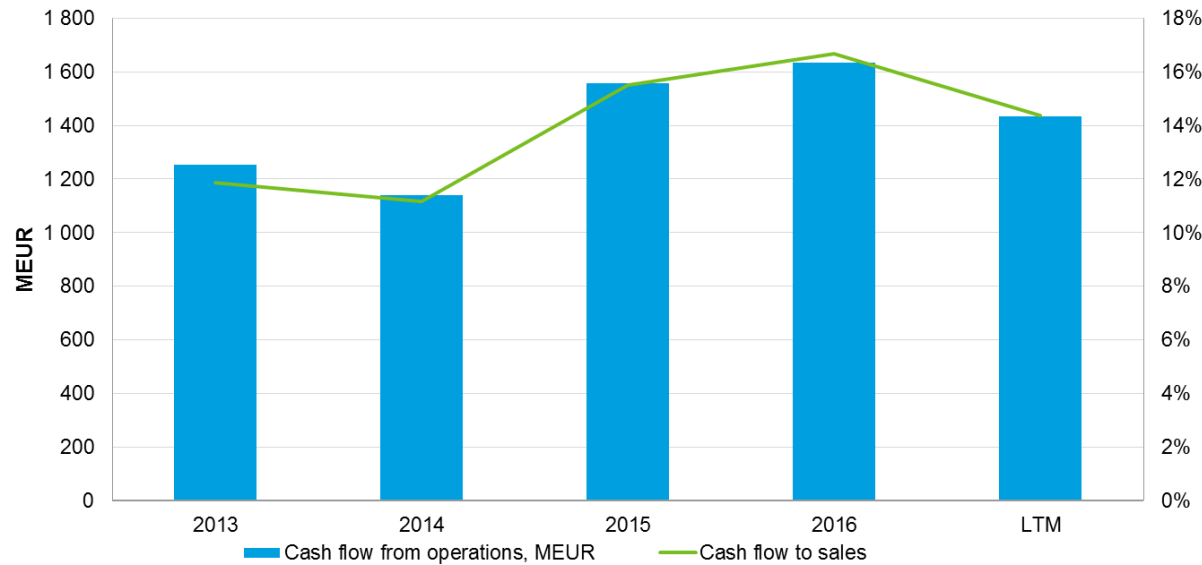
*Operational ROOC target

** Cash flow after investing activities to sales target

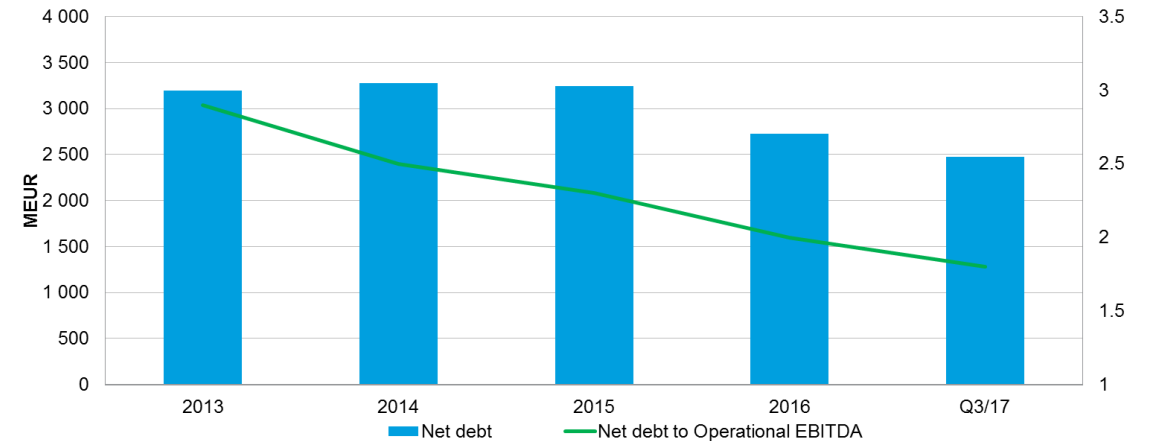
Strong cash flow continues...



Good cash flow from operations



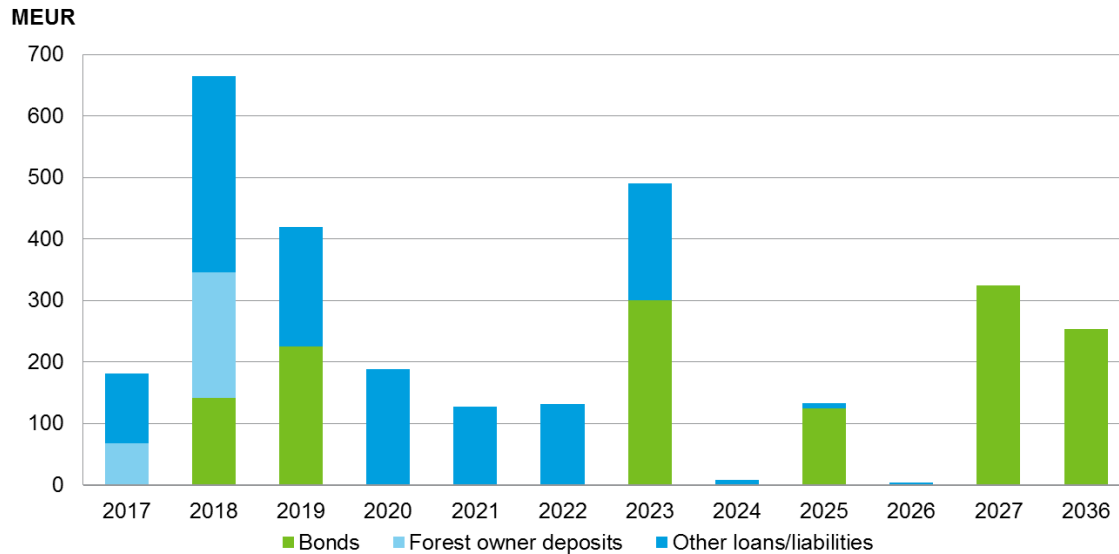
Net debt to Operational EBITDA strengthening



...and we have good access to debt markets



Maturity profile Q3/17



Revolving Credit Facility 700 MEUR matures in January 2019 and is fully undrawn

Stora Enso successfully issued a new 300 MEUR bond, under its Euro Medium Term Note (EMTN) programme on 31 May 2017

- 10 year bond
- Pays a fixed coupon of 2.5%

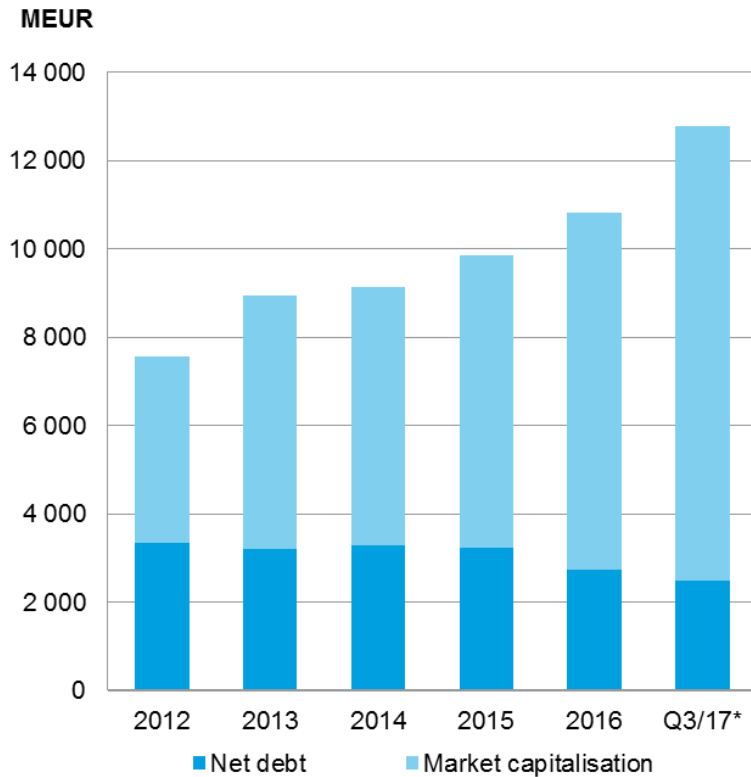
Improving credit ratings

Rating agency	Long / Short-term rating	Valid from
Standard & Poor's	BB+ (stable) / B	21 August 2017
Moody's	Ba2 (positive) / NP	4 August 2016

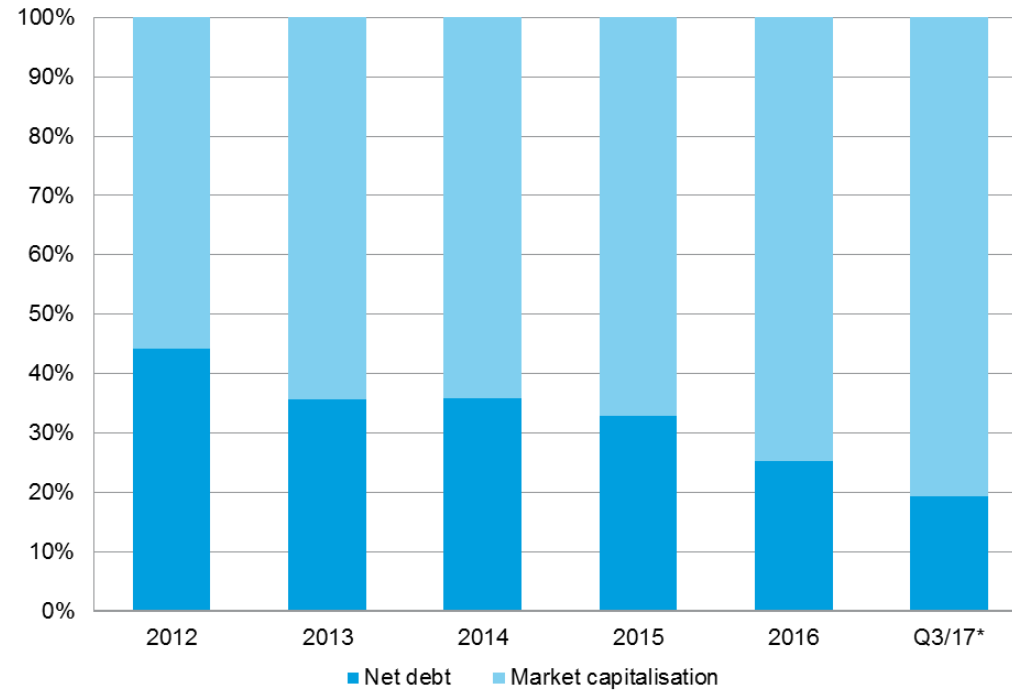
Enterprise value increased by 51% since 2012



Enterprise value



Distribution of the enterprise value



* Market capitalisation as of 25 October 2017

We are recalculating EBITDA to better reflect our cash generating ability



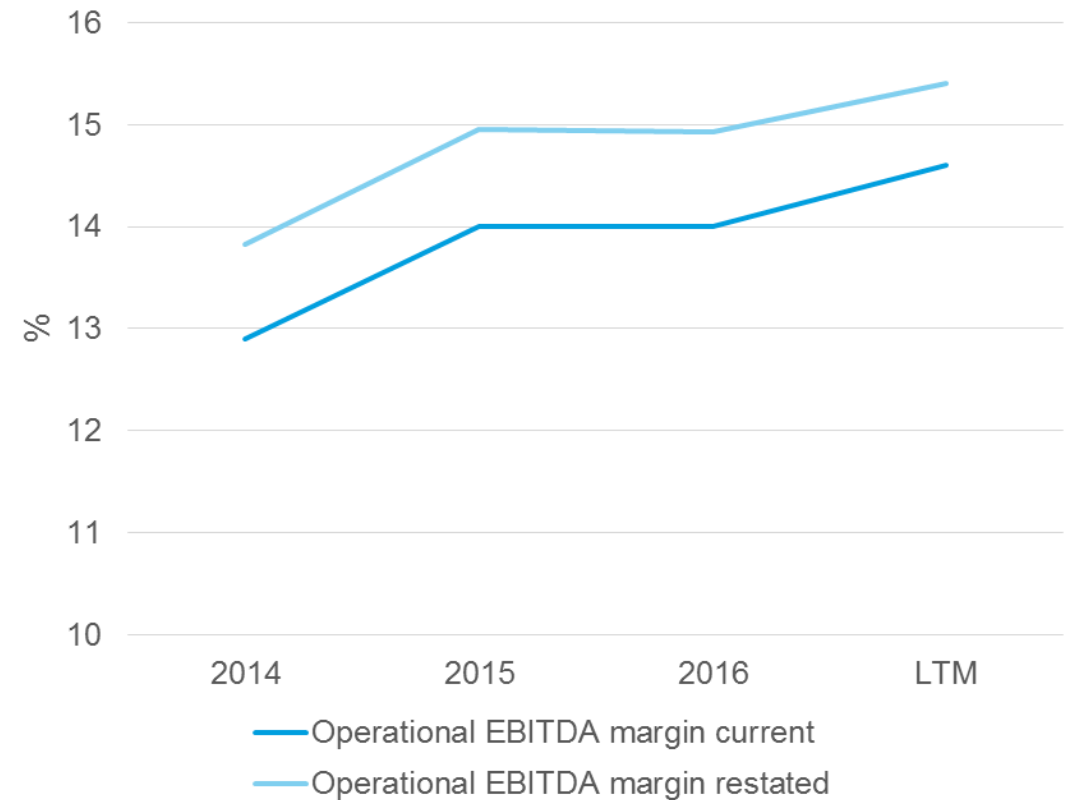
- Equity accounted investments (EAI) results currently included in Operational EBIT, but excluded in Operational EBITDA
- EAIs are mainly Bergvik Skog and Tornator
- Market practise is to include forest holdings in their EBITDA
- To be implemented in Q4/17
- Recalculated historical figures published on 7 November



This is how our operational EBITDA changes due to EAI calculation



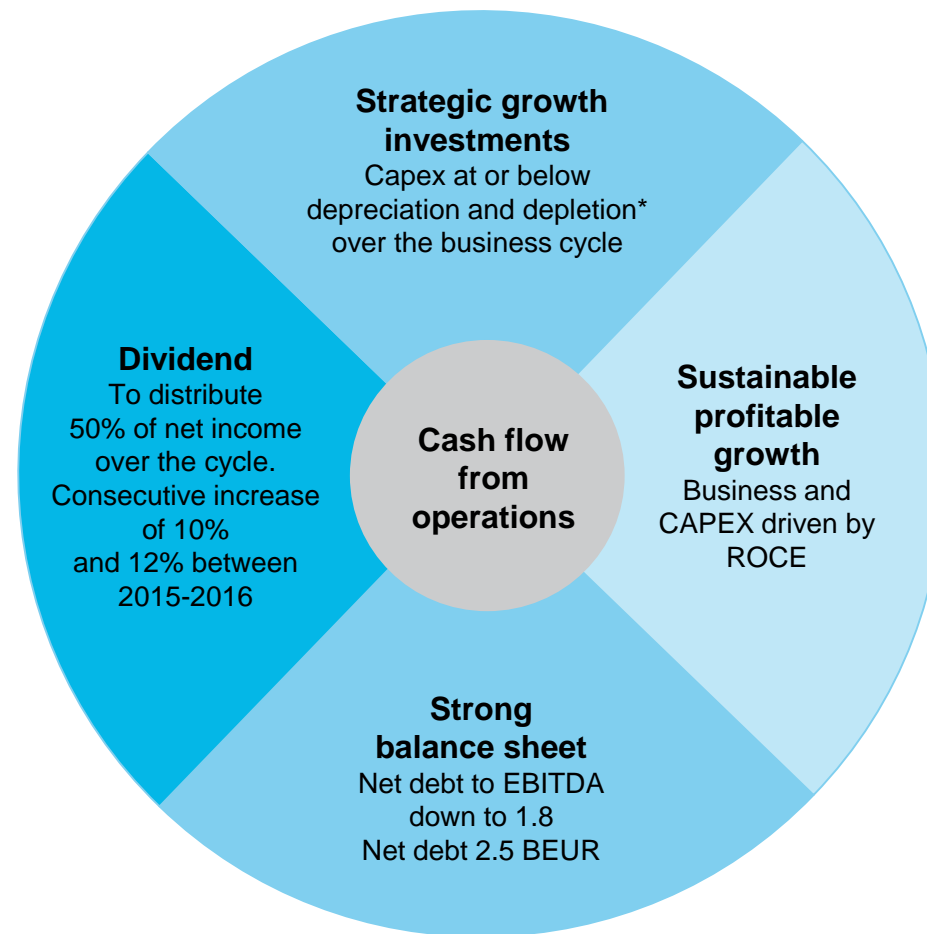
MEUR	2014	2015	2016	Q1-Q3/17
Current Operational EBITDA	1 314	1 408	1 371	1 103
Restated operational EBITDA	1 412	1 501	1 463	1 160
Difference	98	93	92	57



Management incentive plan for 2017 will be adjusted accordingly

Our road to success

Sustainable profitable growth



*Operational decrease in the value of biological assets

Disclaimer



It should be noted that Stora Enso and its business are exposed to various risks and uncertainties and certain statements herein which are not historical facts, including, without limitation those regarding expectations for market growth and developments; expectations for growth and profitability; and statements preceded by “believes”, “expects”, “anticipates”, “foresees”, or similar expressions, are forward-looking statements. Since these statements are based on current plans, estimates and projections, they involve risks and uncertainties which may cause actual results to materially differ from those expressed in such forward-looking statements. Such factors include, but are not limited to: (1) operating factors such as continued success of manufacturing activities and the achievement of efficiencies therein, continued success of product development, acceptance of new products or services by the group’s targeted customers, success of the existing and future collaboration arrangements, changes in business strategy or development plans or targets, changes in the degree of protection created by the group’s patents and other intellectual property rights, the availability of capital on acceptable terms; (2) industry conditions, such as strength of product demand, intensity of competition, prevailing and future global market prices for the group’s products and the pricing pressures thereto, price fluctuations in raw materials, financial condition of the customers and the competitors of the group, the potential introduction of competing products and technologies by competitors; and (3) general economic conditions, such as rates of economic growth in the group’s principal geographic markets or fluctuations in exchange and interest rates. All statements are based on management’s best assumptions and beliefs in light of the information currently available to it and Stora Enso assumes no obligation to publicly update or revise any forward-looking statement except to the extent legally required.

THE RENEWABLE MATERIALS COMPANY



storaenso