

Income Statement Borregaard Group Q3 2018

<i>Amounts in NOK million</i>	1.7-30.9		1.1-30.9		1.1-31.12
	2018	2017	2018	2017	2017
Operating revenues	1 150	1 089	3 566	3 481	4 618
Operating expenses	-921	-817	-2 846	-2 617	-3 563
EBITDA adj.	229	272	720	864	1 055
Depreciation property, plant and equipment	-84	-75	-234	-224	-306
EBITA adj.	145	197	486	640	749
Amortisation intangible assets	-1	-1	-3	-3	-4
Other income and expenses	0	0	0	0	-9
Operating profit	144	196	483	637	736
Financial items, net	6	-6	-5	-11	-21
Profit before taxes	150	190	478	626	715
Income tax expense	-45	-45	-118	-153	-157
Profit for the period	105	145	360	473	558
Profit attributable to non-controlling interests	-22	-2	-36	-3	-8
Profit attributable to owners of the parent	127	147	396	476	566
Earnings per share (NOK)	1,27	1,47	3,96	4,76	5,66
<i>EBITDA adj. margin</i>	<i>19,9 %</i>	<i>25,0 %</i>	<i>20,2 %</i>	<i>24,8 %</i>	<i>22,8 %</i>
<i>EBITA adj. margin</i>	<i>12,6 %</i>	<i>18,1 %</i>	<i>13,6 %</i>	<i>18,4 %</i>	<i>16,2 %</i>

Interim condensed statement of financial position Borregaard Group

	30.9. 2018	30.6. 2018	31.12. 2017
<i>Amounts in NOK million</i>			
Assets:			
Intangible assets	99	103	111
Property, plant and equipment	3 450	3 345	3 126
Other assets	101	89	93
Investments in joint venture	96	102	118
Non-current assets	3 746	3 639	3 448
Inventories	846	784	734
Receivables	952	1 004	971
Cash and cash deposits	231	90	180
Current assets	2 029	1 878	1 885
Total assets	5 775	5 517	5 333
Equity and debt:			
Group equity	3 109	2 978	2 889
Non-controlling interests	116	137	107
Equity	3 225	3 115	2 996
Provisions and other liabilities	246	250	277
Interest-bearing liabilities	1 061	1 011	743
Non-current liabilities	1 307	1 261	1 020
Interest-bearing liabilities	270	273	283
Other current liabilities	973	868	1 034
Current liabilities	1 243	1 141	1 317
Equity and liabilities	5 775	5 517	5 333
Equity ratio (%):	55,8 %	56,5 %	56,2 %

Interim condensed cash flow statement Borregaard Group Q3 2018

<i>Amounts in NOK million</i>	1.7-30.9		1.1-30.9		1.1-31.12
	2018	2017	2018	2017	2017
Profit before taxes	150	190	478	626	715
Amortisation, depreciation and impairment charges	85	76	237	227	316
Change in net working capital, etc	43	101	-92	-172	-92
Dividend (share of profit) from JV	3	1	6	-2	11
Taxes paid	-3	-4	-141	-75	-170
Cash flow from operating activities	278	364	488	604	780
Investments property, plant and equipment and intangible assets *	-185	-255	-549	-629	-968
Other capital transactions	2	1	11	8	10
Cash flow from Investing activities	-183	-254	-538	-621	-958
Dividends	0	0	-199	-349	-349
Proceeds from exercise of options/shares to employees	1	0	22	11	11
Buy-back of shares	-2	0	-32	-29	-29
Gain/(loss) on hedges for net investments in subsidiaries	5	45	18	43	8
Net paid to/from shareholders	4	45	-191	-324	-359
Proceeds from interest-bearing liabilities	51	117	1 253	380	668
Repayment of interest-bearing liabilities	-3	-103	-936	-132	-258
Change in interest-bearing receivables/other liabilities	-5	-4	-16	34	46
Change in net interest-bearing liabilities	43	10	301	282	456
Cash flow from financing activities	47	55	110	-42	97
Change in cash and cash equivalents	142	165	60	-59	-81
Cash and cash equivalents at beginning of period	90	43	180	265	265
Change in cash and cash equivalents	142	165	60	-59	-81
Currency effects cash and cash equivalents	-1	-10	-9	-8	-4
Cash and cash equivalents at the end of the period	231	198	231	198	180
* Investment by category:					
Replacement investments	74	76	157	200	344
Expansion investments	111	179	392	429	624

Quarterly segment information Borregaard Group

Operating revenues

	1.1-31.12 2014	1.1-31.12 2015	1.1-31.3 2016	1.4-30.6 2016	1.7-30.9 2016	1.10-31.12 2016	1.1-31.12 2016	1.1-31.3 2017	1.4-30.6 2017	1.7-30.9 2017	1.10-31.12 2017	1.1-31.12 2017	1.1-31.3 2018	1.4-30.6 2018	1.7-30.9 2018	1.1-30.9 2018
<i>Amounts in NOK million</i>																
Borregaard	3 939	4 164	1 113	1 167	1 102	1 110	4 492	1 136	1 256	1 089	1 137	4 618	1 217	1 199	1 150	3 566
Performance Chemicals	1 822	2 008	550	584	515	512	2 161	550	582	523	521	2 176	555	571	559	1 685
Speciality Cellulose	1 459	1 436	383	385	416	406	1 590	412	468	383	435	1 698	434	427	381	1 242
Other Businesses	682	755	190	206	179	201	776	183	213	197	190	783	239	212	223	674
Eliminations	-24	-35	-10	-8	-8	-9	-35	-9	-7	-14	-9	-39	-11	-11	-13	-35

EBITDA adj.

	1.1-31.12 2014	1.1-31.12 2015	1.1-31.3 2016	1.4-30.6 2016	1.7-30.9 2016	1.10-31.12 2016	1.1-31.12 2016	1.1-31.3 2017	1.4-30.6 2017	1.7-30.9 2017	1.10-31.12 2017	1.1-31.12 2017	1.1-31.3 2018	1.4-30.6 2018	1.7-30.9 2018	1.1-30.9 2018
<i>Amounts in NOK million</i>																
Borregaard	730	758	236	269	283	233	1 021	274	318	272	191	1 055	252	239	229	720
Performance Chemicals	410	474	146	147	141	115	549	141	151	111	90	493	128	115	77	320
Speciality Cellulose	248	193	76	91	105	72	344	112	127	114	89	442	89	92	102	283
Other Businesses	72	91	14	31	37	46	128	21	40	47	12	120	35	32	50	117

Depreciations and write downs

	1.1-31.12 2014	1.1-31.12 2015	1.1-31.3 2016	1.4-30.6 2016	1.7-30.9 2016	1.10-31.12 2016	1.1-31.12 2016	1.1-31.3 2017	1.4-30.6 2017	1.7-30.9 2017	1.10-31.12 2017	1.1-31.12 2017	1.1-31.3 2018	1.4-30.6 2018	1.7-30.9 2018	1.1-30.9 2018
<i>Amounts in NOK million</i>																
Borregaard	-244	-261	-65	-69	-67	-73	-274	-74	-75	-75	-82	-306	-75	-75	-84	-234
Performance Chemicals	-22	-27	-8	-7	-9	-8	-32	-9	-10	-11	-14	-44	-13	-13	-22	-48
Speciality Cellulose	-85	-89	-23	-23	-23	-25	-94	-23	-24	-23	-22	-92	-25	-25	-26	-76
Other Businesses	-137	-145	-34	-39	-35	-40	-148	-42	-41	-41	-46	-170	-37	-37	-36	-110

EBITA adj.

	1.1-31.12 2014	1.1-31.12 2015	1.1-31.3 2016	1.4-30.6 2016	1.7-30.9 2016	1.10-31.12 2016	1.1-31.12 2016	1.1-31.3 2017	1.4-30.6 2017	1.7-30.9 2017	1.10-31.12 2017	1.1-31.12 2017	1.1-31.3 2018	1.4-30.6 2018	1.7-30.9 2018	1.1-30.9 2018
<i>Amounts in NOK million</i>																
Borregaard	486	497	171	200	216	160	747	200	243	197	109	749	177	164	145	486
Performance Chemicals	388	447	138	140	132	107	517	132	141	100	76	449	115	102	55	272
Speciality Cellulose	163	104	53	68	82	47	250	89	103	91	67	350	64	67	76	207
Other Businesses	-65	-54	-20	-8	2	6	-20	-21	-1	6	-34	-50	-2	-5	14	7

Amortisation

	1.1-31.12 2014	1.1-31.12 2015	1.1-31.3 2016	1.4-30.6 2016	1.7-30.9 2016	1.10-31.12 2016	1.1-31.12 2016	1.1-31.3 2017	1.4-30.6 2017	1.7-30.9 2017	1.10-31.12 2017	1.1-31.12 2017	1.1-31.3 2018	1.4-30.6 2018	1.7-30.9 2018	1.1-30.9 2018
<i>Amounts in NOK million</i>																
Borregaard	0	-1	-1	-1	-1	-1	-4	-1	-1	-1	-1	-4	-1	-1	-1	-3
Performance Chemicals	0	-1	-1	-1	-1	-1	-4	-1	-1	-1	-1	-4	-1	-1	-1	-3
Speciality Cellulose	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Businesses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Other income and expenses

	1.1-31.12 2014	1.1-31.12 2015	1.1-31.3 2016	1.4-30.6 2016	1.7-30.9 2016	1.10-31.12 2016	1.1-31.12 2016	1.1-31.3 2017	1.4-30.6 2017	1.7-30.9 2017	1.10-31.12 2017	1.1-31.12 2017	1.1-31.3 2018	1.4-30.6 2018	1.7-30.9 2018	1.1-30.9 2018
<i>Amounts in NOK million</i>																
Borregaard	-30	37	0	13	0	0	13	0	0	0	-9	-9	0	0	0	0
Performance Chemicals	0	-9	0	0	0	0	0	0	0	0	-9	-9	0	0	0	0
Speciality Cellulose	0	46	0	73	0	0	73	0	0	0	0	0	0	0	0	0
Other Businesses	-30	0	0	-60	0	0	-60	0	0	0	0	0	0	0	0	0

Operating profit (EBIT)

	1.1-31.12 2014	1.1-31.12 2015	1.1-31.3 2016	1.4-30.6 2016	1.7-30.9 2016	1.10-31.12 2016	1.1-31.12 2016	1.1-31.3 2017	1.4-30.6 2017	1.7-30.9 2017	1.10-31.12 2017	1.1-31.12 2017	1.1-31.3 2018	1.4-30.6 2018	1.7-30.9 2018	1.1-30.9 2018
<i>Amounts in NOK million</i>																
Borregaard	456	533	170	212	215	159	756	199	242	196	99	736	176	163	144	483
Performance Chemicals	388	437	137	139	131	106	513	131	140	99	66	436	114	101	54	269
Speciality Cellulose	163	150	53	141	82	47	323	89	103	91	67	350	64	67	76	207
Other Businesses	-95	-54	-20	-68	2	6	-80	-21	-1	6	-34	-50	-2	-5	14	7

Quarterly segment information Borregaard Group
Hedging effects & currency exposure

	1.1-31.12 2014	1.1-31.12 2015	1.1-31.3 2016	1.4-30.6 2016	1.7-30.9 2016	1.10-31.12 2016	1.1-31.12 2016	1.1-31.3 2017	1.4-30.6 2017	1.7-30.9 2017	1.10-31.12 2017	1.1-31.12 2017	1.1-31.3 2018	1.4-30.6 2018	1.7-30.9 2018	1.1-30.9 2018
<i>Amounts in NOK million</i>																
Borregaard - EBITA hedging gains & losses	-51	-241	-43	-24	-24	-24	-115	-22	-35	-5	-10	-72	3	-6	-7	-10
Performance Chemicals	-12	-76	-12	-7	-7	-6	-32	-6	-12	0	0	-18	2	0	0	2
Speciality Cellulose	-32	-129	-22	-11	-13	-13	-59	-10	-17	-3	-6	-36	2	-2	-2	-2
Other Businesses	-7	-36	-9	-6	-4	-5	-24	-6	-6	-2	-4	-18	-1	-4	-5	-10
Borregaard - USD EBITA currency exposure (approx)	250	214					208					206				
Borregaard - EUR EBITA currency exposure (approx)	89	78					92					84				

Sales revenues

	1.1-31.12 2014	1.1-31.12 2015	1.1-31.3 2016	1.4-30.6 2016	1.7-30.9 2016	1.10-31.12 2016	1.1-31.12 2016	1.1-31.3 2017	1.4-30.6 2017	1.7-30.9 2017	1.10-31.12 2017	1.1-31.12 2017	1.1-31.3 2018	1.4-30.6 2018	1.7-30.9 2018	1.1-30.9 2018
<i>Amounts in NOK million</i>																
Borregaard	3 848	4 075	1 082	1 145	1 076	1 088	4 391	1 110	1 225	1 071	1 116	4 522	1 195	1 179	1 131	3 505
Performance Chemicals	1 779	1 952	531	569	494	500	2 094	535	566	508	508	2 117	542	557	547	1 646
Cellulose	1 344	1 339	345	363	388	376	1 472	379	432	357	398	1 566	406	396	347	1 149
Bioethanol	112	90	32	21	29	28	110	30	28	26	37	121	28	31	32	91
Fine Chemicals	185	217	54	68	47	84	253	49	85	56	52	242	73	54	55	182
Ingredients	328	351	89	88	87	71	335	86	83	94	95	358	116	104	113	333
Other	100	126	31	36	31	29	127	31	31	30	26	118	30	37	37	104

Performance Chemicals

	1.1-31.12 2014	1.1-31.12 2015	1.1-31.3 2016	1.4-30.6 2016	1.7-30.9 2016	1.10-31.12 2016	1.1-31.12 2016	1.1-31.3 2017	1.4-30.6 2017	1.7-30.9 2017	1.10-31.12 2017	1.1-31.12 2017	1.1-31.3 2018	1.4-30.6 2018	1.7-30.9 2018	1.1-30.9 2018
Average gross sales price NOK per mtds	4 539	5 500	5 669	5 191	5 196	5 272	5 331	5 598	5 317	5 007	5 032	5 229	5 444	5 022	4 943	5 124
Volume ('000 mtds)	446	410	107	122	108	106	443	106	118	112	113	449	107	122	122	351
Specialities volume ('000 mtds)	78	76					79					82				
Construction volume ('000 mtds)	238	213					214					210				
Industrial volume ('000 mtds)	130	121					150					157				

Speciality Cellulose

	1.1-31.12 2014	1.1-31.12 2015	1.1-31.3 2016	1.4-30.6 2016	1.7-30.9 2016	1.10-31.12 2016	1.1-31.12 2016	1.1-31.3 2017	1.4-30.6 2017	1.7-30.9 2017	1.10-31.12 2017	1.1-31.12 2017	1.1-31.3 2018	1.4-30.6 2018	1.7-30.9 2018	1.1-30.9 2018
Average gross sales price NOK per mt	9 144	9 546	10 150	9 912	9 830	10 068	9 986	10 555	10 889	10 524	10 315	10 575	10 105	10 179	10 473	10 240
Volume ('000 mt)	149,4	153,6	36,0	37,4	40,6	38,3	152,3	36,6	40,5	34,4	39,2	150,7	40,0	39,1	33,2	112,3
High specialised as % of total cellulose product sales volum	63 %	57 %					64 %					72 %				