

Income Statement Borregaard Group Q3 2019

<i>Amounts in NOK million</i>	1.7-30.9		1.1-30.9		1.1-31.12
	2019	2018	2019	2018	2018
Operating revenues	1 239	1 150	3 829	3 566	4 785
Operating expenses	-953	-921	-3 005	-2 846	-3 882
EBITDA adj.	286	229	824	720	903
Depreciation property, plant and equipment	-106	-84	-308	-234	-323
EBITA adj.	180	145	516	486	580
Amortisation intangible assets	-1	-1	-3	-3	-4
Other income and expenses	0	0	-16	0	0
Operating profit	179	144	497	483	576
Financial items, net	-23	6	-60	-5	-14
Profit before taxes	156	150	437	478	562
Income tax expense	-38	-45	-104	-118	-137
Profit for the period	118	105	333	360	425
Profit attributable to non-controlling interests	-13	-22	-46	-36	-51
Profit attributable to owners of the parent	131	127	379	396	476
Earnings per share (NOK)	1,31	1,27	3,79	3,96	4,76
<i>EBITDA adj. margin</i>	23,1 %	19,9 %	21,5 %	20,2 %	18,9 %
<i>EBITA adj. margin</i>	14,5 %	12,6 %	13,5 %	13,6 %	12,1 %

Interim condensed statement of financial position Borregaard Group

	30.9. 2019	30.6. 2019	31.12. 2018
<i>Amounts in NOK million</i>			
Assets:			
Intangible assets	90	92	100
Property, plant and equipment	4 164	4 102	3 623
Other assets	226	225	230
Investments in joint venture	96	100	100
Non-current assets	4 576	4 519	4 053
Inventories	955	907	856
Receivables	1 051	1 092	956
Cash and cash deposits	127	77	86
Current assets	2 133	2 076	1 898
Total assets	6 709	6 595	5 951
Equity and debt:			
Group equity	3 145	3 189	3 123
Non-controlling interests	178	172	198
Equity	3 323	3 361	3 321
Provisions and other liabilities	308	240	271
Interest-bearing liabilities	1 554	1 526	1 115
Non-current liabilities	1 862	1 766	1 386
Interest-bearing liabilities	548	580	272
Other current liabilities	976	888	972
Current liabilities	1 524	1 468	1 244
Equity and liabilities	6 709	6 595	5 951
Equity ratio (%):	49,5 %	51,0 %	55,8 %

Interim condensed cash flow statement Borregaard Group Q3 2019

<i>Amounts in NOK million</i>	1.7-30.9		1.1-30.9		1.1-31.12
	2019	2018	2019	2018	2018
Profit before taxes	156	150	437	478	562
Amortisation, depreciation and impairment charges	107	85	311	237	327
Change in net working capital, etc	-37	43	-256	-92	-194
Dividend (share of profit) from JV	3	3	3	6	6
Taxes paid	3	-3	-86	-141	-143
Cash flow from operating activities	232	278	409	488	558
Investments property, plant and equipment and intangible assets *	-101	-185	-370	-549	-762
Other capital transactions	10	2	21	11	13
Cash flow from Investing activities	-91	-183	-349	-538	-749
Dividends	0	0	-224	-199	-199
Proceeds from exercise of options/shares to employees	4	1	34	22	23
Buy-back of shares	-8	-2	-56	-32	-32
Gain/(loss) on hedges for net investments in subsidiaries	-40	5	-31	18	-22
Net paid to/from shareholders	-44	4	-277	-191	-230
Proceeds from interest-bearing liabilities	351	51	1 698	1 253	1 292
Repayment of interest-bearing liabilities	-425	-3	-1 478	-936	-960
Change in interest-bearing receivables/other liabilities	5	-5	-2	-16	-2
Change in net interest-bearing liabilities	-69	43	218	301	330
Cash flow from financing activities	-113	47	-59	110	100
Change in cash and cash equivalents	28	142	1	60	-91
Cash and cash equivalents at beginning of period	59	90	86	180	180
Change in cash and cash equivalents	28	142	1	60	-91
Currency effects cash and cash equivalents	5	-1	5	-9	-3
Cash and cash equivalents at the end of the period	92	231	92	231	86
* Investment by category:					
Replacement investments	58	74	188	157	346
Expansion investments	43	111	182	392	416

Quarterly segment information Borregaard Group

Operating revenues

	1.1-31.12 2015	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	1.10-31.12 2018	1.1-31.12 2018	1.1-31.3 2019	1.4-30.6 2019	1.7-30.9 2019	1.1-30.9 2019
<i>Amounts in NOK million</i>																
Borregaard	4 164	4 492	1 136	1 256	1 089	1 137	4 618	1 217	1 199	1 150	1 219	4 785	1 250	1 340	1 239	3 829
Performance Chemicals	2 008	2 161	550	582	523	521	2 176	555	571	559	552	2 237	600	618	564	1 782
Speciality Cellulose	1 436	1 590	412	468	383	435	1 698	434	427	381	427	1 669	392	482	425	1 299
Other Businesses	755	776	183	213	197	190	783	239	212	223	253	927	274	256	266	796
Eliminations	-35	-35	-9	-7	-14	-9	-39	-11	-11	-13	-13	-48	-16	-16	-16	-48

EBITDA adj.

	1.1-31.12 2015	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	1.10-31.12 2018	1.1-31.12 2018	1.1-31.3 2019	1.4-30.6 2019	1.7-30.9 2019	1.1-30.9 2019
<i>Amounts in NOK million</i>																
Borregaard	758	1 021	274	318	272	191	1 055	252	239	229	183	903	255	283	286	824
Performance Chemicals	474	549	141	151	111	90	493	128	115	77	65	385	116	138	103	357
Speciality Cellulose	193	344	112	127	114	89	442	89	92	102	75	358	62	77	110	249
Other Businesses	91	128	21	40	47	12	120	35	32	50	43	160	77	68	73	218

Depreciation and write down

	1.1-31.12 2015	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	1.10-31.12 2018	1.1-31.12 2018	1.1-31.3 2019	1.4-30.6 2019	1.7-30.9 2019	1.1-30.9 2019
<i>Amounts in NOK million</i>																
Borregaard	-261	-274	-74	-75	-75	-82	-306	-75	-75	-84	-89	-323	-98	-104	-106	-308
Performance Chemicals	-27	-32	-9	-10	-11	-14	-44	-13	-13	-22	-23	-71	-29	-31	-36	-96
Speciality Cellulose	-89	-94	-23	-24	-23	-22	-92	-25	-25	-26	-25	-101	-27	-29	-28	-84
Other Businesses	-145	-148	-42	-41	-41	-46	-170	-37	-37	-36	-41	-151	-42	-44	-42	-128

EBITA adj.

	1.1-31.12 2015	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	1.10-31.12 2018	1.1-31.12 2018	1.1-31.3 2019	1.4-30.6 2019	1.7-30.9 2019	1.1-30.9 2019
<i>Amounts in NOK million</i>																
Borregaard	497	747	200	243	197	109	749	177	164	145	94	580	157	179	180	516
Performance Chemicals	447	517	132	141	100	76	449	115	102	55	42	314	87	107	67	261
Speciality Cellulose	104	250	89	103	91	67	350	64	67	76	50	257	35	48	82	165
Other Businesses	-54	-20	-21	-1	6	-34	-50	-2	-5	14	2	9	35	24	31	90

Amortisation

	1.1-31.12 2015	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	1.10-31.12 2018	1.1-31.12 2018	1.1-31.3 2019	1.4-30.6 2019	1.7-30.9 2019	1.1-30.9 2019
<i>Amounts in NOK million</i>																
Borregaard	-1	-4	-1	-1	-1	-1	-4	-1	-1	-1	-1	-4	-1	-1	-1	-3
Performance Chemicals	-1	-4	-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 2015	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	1.10-31.12 2018	1.1-31.12 2018	1.1-31.3 2019	1.4-30.6 2019	1.7-30.9 2019	1.1-30.9 2019
<i>Amounts in NOK million</i>																
Borregaard	37	13	0	0	0	-9	-9	0	0	0	0	0	0	-16	0	-16
Performance Chemicals	-9	0	0	0	0	-9	-9	0	0	0	0	0	0	-16	0	-16
Speciality Cellulose	46	73	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Businesses	0	-60	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Operating profit (EBIT)

	1.1-31.12 2015	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	1.10-31.12 2018	1.1-31.12 2018	1.1-31.3 2019	1.4-30.6 2019	1.7-30.9 2019	1.1-30.9 2019
<i>Amounts in NOK million</i>																
Borregaard	533	756	199	242	196	99	736	176	163	144	93	576	156	162	179	497
Performance Chemicals	437	513	131	140	99	66	436	114	101	54	41	310	86	90	66	242
Speciality Cellulose	150	323	89	103	91	67	350	64	67	76	50	257	35	48	82	165
Other Businesses	-54	-80	-21	-1	6	-34	-50	-2	-5	14	2	9	35	24	31	90

Quarterly segment information Borregaard Group

Hedging effects & currency exposure

	1.1-31.12 2015	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	1.10-31.12 2018	1.1-31.12 2018	1.1-31.3 2019	1.4-30.6 2019	1.7-30.9 2019	1.1-30.9 2019
<i>Amounts in NOK million</i>																
Borregaard - EBITA hedging gains & losses	-241	-115	-22	-35	-5	-10	-72	3	-6	-7	-1	-11	-8	-13	-23	-44
Performance Chemicals	-76	-32	-6	-12	0	0	-18	2	0	0	-1	1	-2	-3	-6	-11
Speciality Cellulose	-129	-59	-10	-17	-3	-6	-36	2	-2	-2	-1	-3	-4	-7	-11	-22
Other Businesses	-36	-24	-6	-6	-2	-4	-18	-1	-4	-5	1	-9	-2	-3	-6	-11
Borregaard - USD EBITA currency exposure (approx)	214	208					206					190				
Borregaard - EUR EBITA currency exposure (approx)	78	92					84					84				

Sales revenues

	1.1-31.12 2015	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	1.10-31.12 2018	1.1-31.12 2018	1.1-31.3 2019	1.4-30.6 2019	1.7-30.9 2019	1.1-30.9 2019
<i>Amounts in NOK million</i>																
Borregaard	4 075	4 391	1 110	1 225	1 071	1 116	4 522	1 195	1 179	1 131	1 200	4 705	1 222	1 311	1 214	3 747
Performance Chemicals	1 952	2 094	535	566	508	508	2 117	542	557	547	537	2 183	576	591	544	1 711
Cellulose	1 339	1 472	379	432	357	398	1 566	406	396	347	399	1 548	364	406	399	1 201
Bioethanol	90	110	30	28	26	37	121	28	31	32	29	120	27	45	25	97
Fine Chemicals	217	253	49	85	56	52	242	73	54	55	65	247	80	50	69	199
Ingredients	351	335	86	83	94	95	358	116	104	113	138	471	139	146	139	424
Other	126	127	31	31	30	26	118	30	37	37	32	136	36	41	38	115

Performance Chemicals

	1.1-31.12 2015	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	1.10-31.12 2018	1.1-31.12 2018	1.1-31.3 2019	1.4-30.6 2019	1.7-30.9 2019	1.1-30.9 2019
Average gross sales price NOK per mtds	5 500	5 331	5 598	5 317	5 007	5 032	5 229	5 444	5 022	4 943	5 125	5 124	5 608	5 227	5 168	5 330
Volume ('000 mtds)	410	443	106	118	112	113	449	107	122	122	116	467	114	125	119	358
Specialities volume ('000 mtds)	76	79					82					85				
Construction volume ('000 mtds)	213	214					210					212				
Industrial volume ('000 mtds)	121	150					157					170				

Speciality Cellulose

	1.1-31.12 2015	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	1.10-31.12 2018	1.1-31.12 2018	1.1-31.3 2019	1.4-30.6 2019	1.7-30.9 2019	1.1-30.9 2019
Average gross sales price NOK per mt	9 546	9 986	10 555	10 889	10 524	10 315	10 575	10 105	10 179	10 473	10 485	10 301	10 645	10 439	10 908	10 655
Volume ('000 mt)	153,6	152,3	36,6	40,5	34,4	39,2	150,7	40,0	39,1	33,2	37,7	150,0	34,5	42,4	37,6	114,5
High specialised as % of total cellulose product sales volum	57 %	64 %					72 %					62 %				