



SCA Year-end report 2012

1 January – 31 December 2012



2012

Macro update



- **Global economy**
 - ◆ Weak Western Europe
 - ◆ US showed some growth
 - ◆ China still good growth
- **Tissue**
 - ◆ Strong growth in emerging markets
 - ◆ Some growth in Western Europe and North America
- **Personal Care**
 - ◆ Good demand for incontinence products in Europe
 - ◆ Stable demand for baby diapers and feminine care in Western Europe
 - ◆ Strong growth in emerging markets
- **Forest Products**
 - ◆ European demand for publication papers decreased
 - ◆ Continued weak demand for solid-wood products
 - ◆ Improved market balance for kraftliner

Key events 2012

- Divestment of the Packaging business, excluding the two kraftliner mills
- Acquisition of Georgia-Pacific's European tissue operations
- Strengthened positions in emerging markets
 - ◆ Acquisition of Everbeauty in Asia
 - ◆ Increased shareholding in Vinda
 - ◆ Acquisition of PISA in Chile
- Joint venture in Australia/New Zealand
- Divestment of Aylesford Newsprint and Laakirchen publication paper mills
- Efficiency programs
- New hygiene organization



SCA Group's Priorities



Efficiency



- 2012 Cost and productivity program
 - ◆ Annual cost saving: EUR 300m
 - ◆ Full effect in 2015
- Georgia-Pacific synergies
 - ◆ Annual cost saving: EUR 125m
 - ◆ Full effect in 2016
- Efficiency program in Forest Products
 - Annual earnings improvement: SEK 1,300m
 - Full effect in 2015



Innovation drives Profitable growth

Strengthens market positions and profitability



Growth

- Sales growth of 11%*
- High growth in emerging markets
- Acquisition of Georgia-Pacific's European tissue operations
- Acquisition of Everbeauty, an Asian personal care company
- Acquisition of PISA, a Chilean tissue company



** 2012 compared with 2011, excluding exchange rate movements and divestments*

Summary

Full year 2012 vs full year 2011



- Sales growth 11%*
 - Hygiene business, 15%*
 - ◆ Higher volumes
 - ◆ Improved product mix
 - ◆ Acquisitions
 - ◆ Strong growth in emerging markets
 - Forest Products, -8%*
 - ◆ Lower prices, currency impact
- EBIT increased 17%**
 - Higher volumes
 - Lower raw material costs
 - Positive price/mix in Hygiene business, negative in Forest Products
 - Cost savings
 - Acquisition
- Operating cash flow increased 30%



* Excluding exchange rate movements and divestments

** Excluding items affecting comparability, exchange rate movements and divestments

Full year 2012 results



SEK millions unless otherwise stated	2012	2011	Change, %	Change, % **
Net sales	85,408	81,337	5	11
EBIT*	8,646	7,738	12	17
EBIT margin* (%)	10.1	9.5		
Profit before tax*	7,382	6,413	15	21
Earnings per share (SEK)	7.06	0.78		
Operating cash flow	9,644	7,418	30	
Debt/Equity ratio	0.55	0.60		



* Excluding items affecting comparability

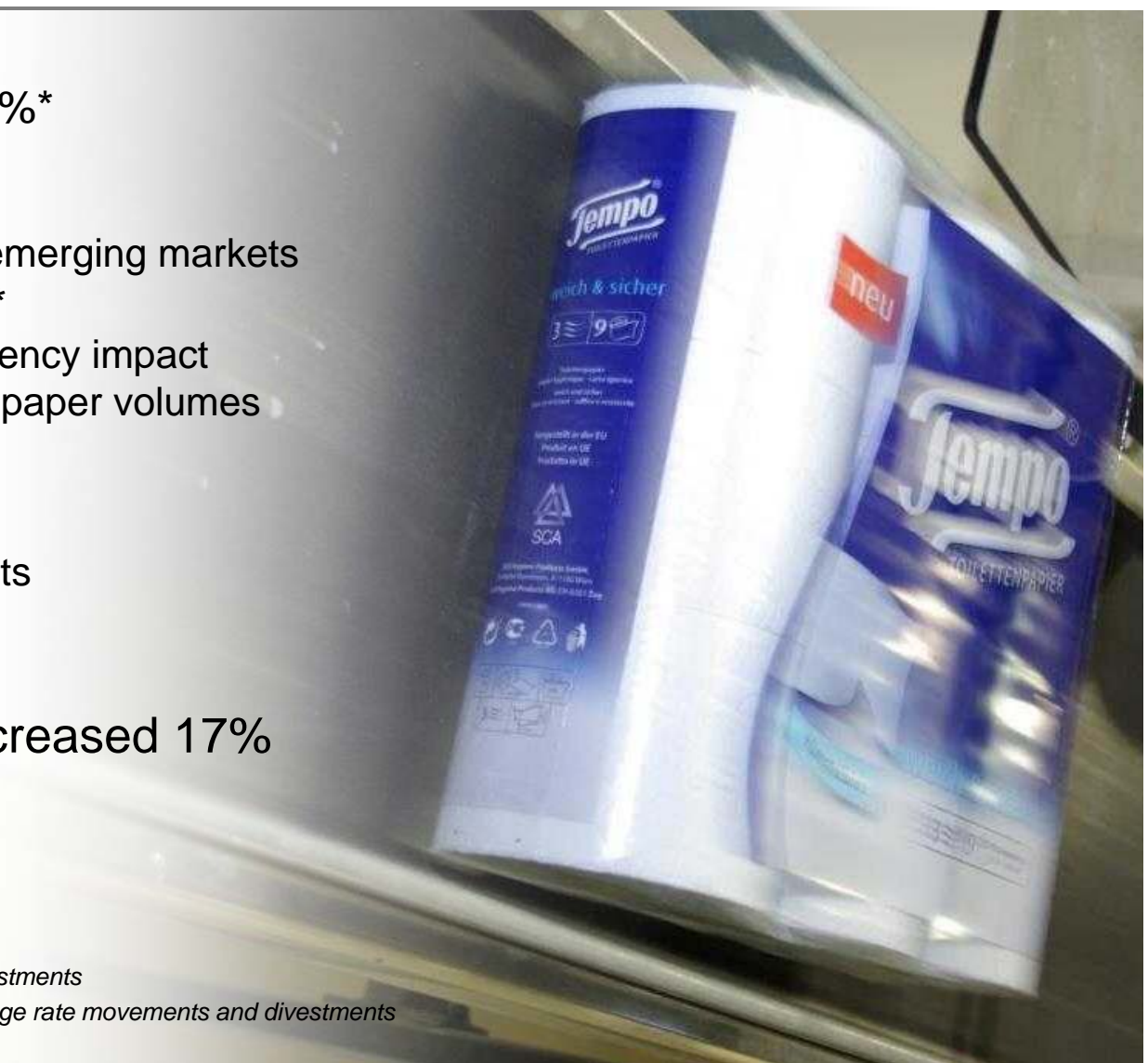
** Excluding exchange rate movements and divestments

Summary

Q4 2012 vs Q4 2011



- Sales growth 21%*
 - Hygiene business, 25%*
 - ◆ Higher volumes
 - ◆ Acquisitions
 - ◆ Strong growth in emerging markets
 - Forest Products, -9%*
 - ◆ Lower prices, currency impact
 - ◆ Lower publication paper volumes
- EBIT increased 16%**
 - Higher volumes
 - Lower raw material costs
 - Acquisition
 - Cost savings
- Operating cash flow increased 17%



* Excluding exchange rate movements and divestments

** Excluding items affecting comparability, exchange rate movements and divestments

Q4 2012 results

SEK millions unless otherwise stated	Q4 2012	Q4 2011	Change, Q4/Q4,%	Change, Q4/Q4,%**
Net sales	23,445	20,935	12	21
EBIT*	2,422	2,139	13	16
EBIT margin* (%)	10.3%	10.2%		
Profit before tax*	2,129	1,772	20	24
Earnings per share (SEK)	2.97	-4.88		
Operating Cash flow	2,446	2,092	17	

* Excluding items affecting comparability

** Adjusted for exchange rate movements and excluding divestments



Q4 2012 vs. Q3 2012

Summary



■ Group

- ◆ Sales growth 6%
- ◆ EBIT increased 6%*

■ Business areas

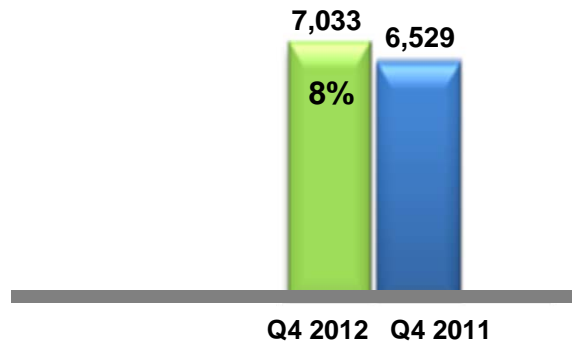
- ◆ Personal Care, EBIT increased 4%*
 - Higher volumes
 - Lower raw material costs
 - Improved price/mix
- ◆ Tissue, EBIT increased 11%*
 - Lower raw material costs
 - Higher volumes
 - Improved price/mix
- ◆ Forest Products, EBIT increased 13%*
 - Lower raw material costs



* Excluding exchange rate movements and items affecting comparability

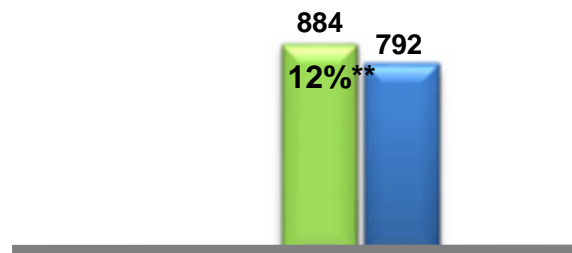
Personal Care

Q4 2012 vs Q4 2011



- **Sales growth 8% (15%*)**

- ◆ Incontinence care increased 9%*
- ◆ Baby diapers increased 17%*
- ◆ Feminine care increased 11%*
- ◆ Emerging markets increased 21%*



- **EBIT increased 12%** (16%***)**

- ◆ Higher volumes
- ◆ Lower raw material costs
- ◆ Cost savings

EBIT** SEKm Q4 2012 Q4 2011

EBIT margin** 12.6% 12.1%



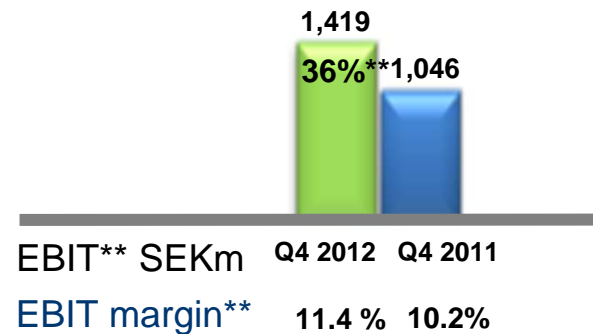
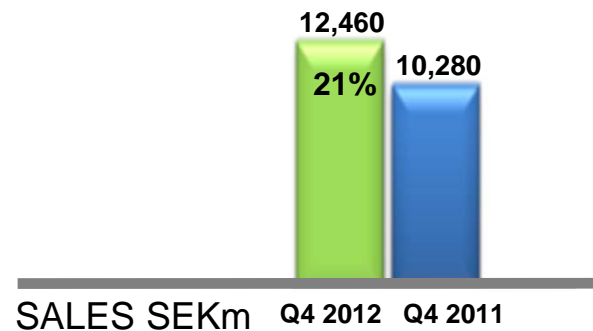
* Excluding exchange rate movements and divestments

** Excluding items affecting comparability

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Tissue

Q4 2012 vs Q4 2011



- **Sales growth 21% (32%*)**
 - ◆ Consumer tissue increased 38%*
 - ◆ AFH tissue increased 28%*
 - ◆ Emerging markets increased 23%*

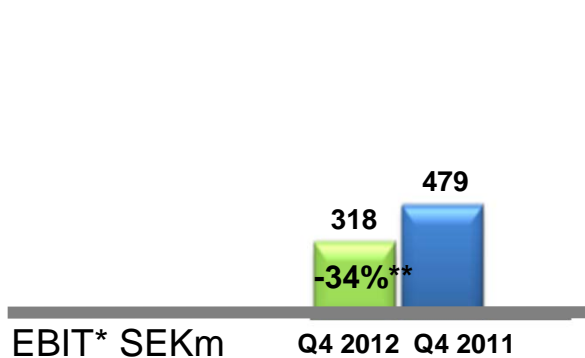
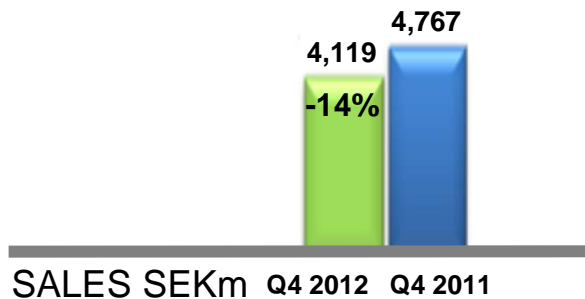
- **EBIT increased by 36%** (41%***)**
 - ◆ Higher volumes
 - ◆ Lower raw material costs
 - ◆ Cost savings



* Excluding exchange rate movements and divestments
 ** Excluding items affecting comparability
 *** Excluding items affecting comparability, exchange rate movements and divestments

Forest Products

Q4 2012 vs Q4 2011



EBIT margin* 7.7% 10.0%

■ Sales decreased 14% (9%*)

- ◆ Publication papers, decreased sales
 - Lower prices and volumes
- ◆ Solid-wood products, decreased sales
 - Higher volumes
 - Lower prices
- ◆ Kraftliner, flat sales
- ◆ Pulp, flat sales

■ EBIT decreased 34%**

- ◆ Lower prices
- ◆ Negative currency impact
- ◆ Lower publication paper volumes



* Excluding exchange rate movements and divestments

** Excluding items affecting comparability

Dividend



**Proposed 7.1% increase of the
dividend to SEK 4.50 (4.20)
per share**

Summary

- Transformation of SCA
- Substantial efficiency programs launched
- New hygiene organization
- Good sales and earnings growth in the hygiene business
- Lower profitability in Forest Products
- Strong cash flow generation
- Dividend increase



Q&A



SCA
c/o Life

