

January–September 2023 compared with January–September 2022

- Net sales decreased to SEK 13,697m (15,921). The decline was mainly related to lower selling prices, which was partly offset by positive exchange rate effects and higher delivery volumes.
- EBITDA amounted to SEK 5,172m (8,213). The change was mainly attributable to lower selling prices. A strong result in the Forest segment and good growth in the Renewable Energy segment had a positive impact on earnings. EBITDA margin was 37.8% (51.6).
- Operating profit declined to SEK 3,738m (7,052).
- Operating cash flow was SEK 3,040m (4,958).
- Earnings per share was SEK 4.02 (7.85).

July–September 2023 compared with July–September 2022

- Net sales amounted to SEK 4,302m (5,007). The change was mainly attributable to lower selling prices, which were offset by higher delivery volumes.
- EBITDA declined to SEK 1,417m (2,484) and EBITDA margin was 32.9% (49.6). Lower selling prices were offset by effective cost control due to the high rate of self-sufficiency in primarily wood raw material but also energy and logistics.

July–September 2023 compared with April–June 2023

- Net sales decreased to SEK 4,302m (4,582). The decline was mainly attributable to lower selling prices for pulp and solid-wood products.
- EBITDA amounted to SEK 1,417m (1,700). The change was mainly attributable to lower selling prices for pulp and solid-wood products. EBITDA margin was 32.9% (37.1).

KEY FIGURES

SEKm	Quarter					Jan-Sep		
	2023:3	2022:3	%	2023:2	%	2023	2022	%
Net sales	4,302	5,007	-14	4,582	-6	13,697	15,921	-14
EBITDA	1,417	2,484	-43	1,700	-17	5,172	8,213	-37
<i>EBITDA margin, %</i>	32.9	49.6		37.1		37.8	51.6	
Operating profit	913	2,094	-56	1,229	-26	3,738	7,052	-47
Net Profit	663	1,666	-60	916	-28	2,792	5,606	-50
<i>Earnings per share SEK</i>	0.96	2.35		1.32		4.02	7.85	
Operating cash flow	1,189	1,873		648		3,040	4,958	
Net Debt / EBITDA (LTM)	1.4x	0.8x		1.3x		1.4x	0.8x	

SUMMARY OF THE THIRD QUARTER OF 2023

Due to the high rate of self-sufficiency in wood raw material, energy, and logistics, SCA generated good profitability and strong operating cash flow during the quarter, despite lower selling prices and higher costs for wood raw material. The new paper machine in Obbola and the new CTMP facility at the Ortviken site contributed to higher delivery volumes.

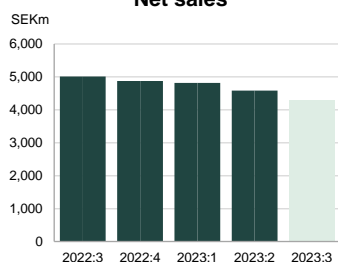
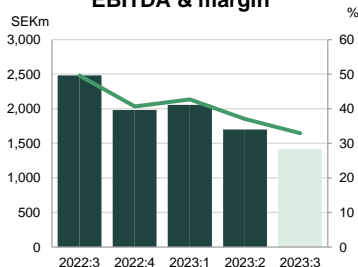
The supply of wood raw material to SCA's industries was stable during the quarter. The price of pulpwood continued to rise while the price of sawlogs was stable compared with the preceding quarter.

Selling prices for solid-wood products decreased compared with the preceding quarter due to lower demand in most customer segments and regions.

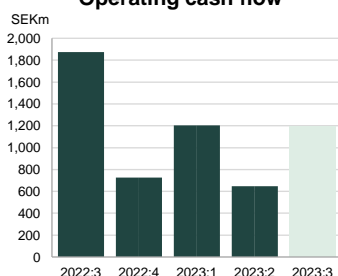
Demand in the Pulp segment was weak for both northern bleached softwood kraft pulp (NBSK) and chemi-thermomechanical pulp (CTMP), which resulted in lower selling prices in all regions.

Low demand for packaging material contributed to continued weak demand for kraftliner and selling prices were in line with the preceding quarter.

The wind power business continued to grow in the Renewable Energy segment. At the end of the third quarter of 2023, 743 wind turbines were operating on SCA's land with an combined annual production capacity of 8.3 TWh. After the end of the quarter, a decision was taken to invest in a wind power project located on SCA's land in Bräcke Municipality with construction scheduled to start at the end of the year. The investment will ensure profitable growth in the wind power business and SCA's future self-sufficiency in electricity. Lower energy prices had a negative impact on earnings compared with the preceding quarter.

Net sales**EBITDA & margin****Change in net sales (%)**

	2309 vs 2209	2023:3 vs 2022:3	2023:3 vs 2023:2
Total	-14	-14	-6
Price/mix	-22	-30	-6
Volume	2	9	-3
Currency	6	7	3
Acquisition	0	0	0

Operating cash flow**GROUP****SALES AND OPERATING PROFIT****January–September 2023 compared with January–September 2022**

Net sales amounted to SEK 13,697m (15,921), a change of -14%, of which price/mix accounted for -22%, currency +6% and volume +2%. The decline was mainly related to lower selling prices, which was partly offset by positive exchange rate effects and higher delivery volumes.

EBITDA decreased to SEK 5,172m (8,213), corresponding to an EBITDA margin of 37.8% (51.6). The change was mainly attributable to lower selling prices. Higher earnings for the Forest segment, growth in renewable energy and exchange rate effects had a positive earnings effect. The cost of planned maintenance stops was SEK 230m (155).

Operating profit amounted to SEK 3,738m (7,052). Depreciation increased to SEK 1,434m (1,161) due to commissioned strategic capital expenditures.

July–September 2023 compared with July–September 2022

Net sales declined to SEK 4,302m (5,007), a change of -14%, of which price/mix accounted for -30%, volume +9% and currency +7%. The change was mainly attributable to lower selling prices. Higher delivery volumes and exchange rate effects had a positive effect on net sales.

EBITDA amounted to SEK 1,417m (2,484), corresponding to an EBITDA margin of 32.9% (49.6). Lower selling prices were offset by effective cost control due to the high rate of self-sufficiency in primarily wood raw material but also energy and logistics. The cost of planned maintenance stops amounted to SEK 115m (88).

Operating profit amounted to SEK 913m (2,094).

July–September 2023 compared with April–June 2023

Net sales decreased to SEK 4,302m (4,582), a change of -6%, of which price/mix accounted for -6%, currency +3% and volume -3%. The decline was attributable to lower selling prices for pulp and solid-wood products and lower delivery volumes, which were offset by positive exchange rate effects.

EBITDA amounted to SEK 1,417m (1,700), corresponding to an EBITDA margin of 32.9% (37.1). The decline was mainly related to lower selling prices for pulp and solid-wood products. The cost of planned maintenance stops amounted to SEK 115m (94).

Operating profit amounted to SEK 913m (1,229).

CASH FLOW**January–September 2023 compared with January–September 2022**

The operating cash surplus amounted to SEK 3,707m (6,809). The cash flow effect of changes in working capital was SEK 551m (-724). Current capital expenditures, net, totaled SEK -1,065m (-997). Operating cash flow was SEK 3,040m (4,958) (see Note 9).

Strategic capital expenditures totaled SEK -1,133m (-2,092) and company and asset acquisitions totaled SEK -138m (-751). Paid tax amounted to SEK -294m (-596). Cash flow for the period was SEK 86m (297) (see page 15).

FINANCING**January–September 2023**

At September 30, 2023, net debt totaled SEK 10,119m, an increase during the year of SEK 130m. Operating cash flow has financed strategic investments and dividends during the period. Net debt in relation to EBITDA amounted to 1.4x compared with 1.0x at the end of 2022.

At September 30, 2023, gross debt amounted to SEK 13,423m with an average maturity of 3.9 years (including the lease liability). The loan structure consists of bilateral bank loans and bonds. Unutilized credit facilities amounted to approximately SEK 6.3bn at September 30, 2023.

Financial items increased to SEK -273m (-17). The change was attributable to higher average net debt and higher market rates.

TAX

January–September 2023 compared with January–September 2022

The Group's tax expense amounted to SEK 673m (1,429), corresponding to an effective tax rate of 19.4% (20.3).

EQUITY

January–September 2023

Equity increased by SEK 859m during the period, to SEK 97,217m at September 30, 2023. Equity increased due to comprehensive income for the period of SEK 2,627m, decreased by SEK 1,756m due to the dividend payment and decreased due to other items by SEK 12m.

CURRENCY EXPOSURE AND CURRENCY HEDGING

Due to a high proportion of exports, SCA's operations are exposed to various currencies. About 90% of sales are priced in currencies other than SEK, primarily EUR and USD. Most purchasing is conducted in SEK.

To reduce the risk of a weaker SEK, balance sheet items in foreign currency are hedged, as well as major decided and contracted expenses in foreign currency for investments in non-current assets. Added to this, a share of future net flows in the main currencies is hedged and, in some cases, for special order flows. At September 30, the company had hedged roughly the following shares of the expected net exposure from sales minus purchases.

Currency	Average rate	Share of expected net exposure, %					
		2023:4	2024:1	2024:2	2024:3	2024:4	2025:1
EUR	11.42	75	65	50	25	5	5
USD	10.63	75	75	60	35	15	5

PLANNED MAINTENANCE STOPS

In the third quarter of 2023, one planned maintenance stop was carried out at the paper mill in Munksund (Containerboard). One planned maintenance stop at the pulp mill in Östrand (Pulp) began at the end of the quarter.

The estimated effect of the planned maintenance stops on earnings, calculated as the sum of the direct cost of the maintenance and lower fixed cost coverage from reduced capacity utilization during the stops, is shown in the table below.

SEKm	Actual				Total
	2022:1	2022:2	2022:3	2022:4	
Pulp	0	0	26	145	171
Containerboard	0	67	62	0	129
Total	0	67	88	145	300

SEKm	Actual			Forecast	
	2023:1	2023:2	2023:3	2023:4	Total
Pulp	0	0	47	135	182
Containerboard	21	94	68	0	183
Total	21	94	115	135	365

STRATEGIC CAPITAL EXPENDITURES

SCA invests in the Obbola kraftliner mill

The new paper machine began operating in Obbola in the fourth quarter of 2022, which was one quarter ahead of schedule. The ramp up of the paper machine is proceeding according to plan.

SCA invests in the production and development of liquid biofuels

SCA is investing in a jointly owned biorefinery in Gothenburg. The biorefinery is under construction and the project is progressing according to plan. Operations are expected to commence at the end of 2023.

EVENTS AFTER THE END OF THE QUARTER

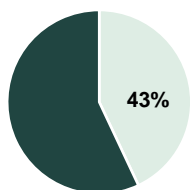
SCA constructs new wind farm and increases rate of self-sufficiency in electricity

SCA decided in October to acquire Fasikan Vind AB, a wind farm project located on SCA's land in Bräcke Municipality, in the county of Jämtland, from Arise AB.

Construction of the wind farm will begin at the end of 2023 and the wind farm is scheduled to begin operating in early 2026. The total investment is estimated at SEK 1.7bn. Annual production is expected to be 333 GWh, corresponding to the additional demand if SCA is to be self-sufficient in electricity after the completed ramp up of kraftliner in Obbola and pulp at the Ortviken site. Good wind conditions, high tip heights and efficient turbines secure low production cost.

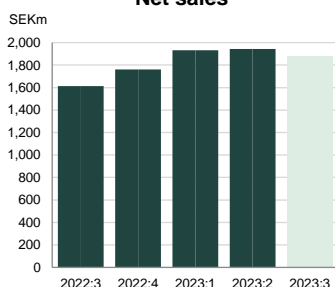
The investment is in line with SCA's wind power strategy, which consists of leasing land to wind power operators, operation of own wind farms and project development for own operation or divestment.

Share of EBITDA Jan-Sep 2023*

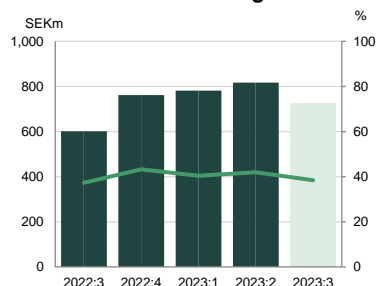


* share calculated of total EBITDA excluding central costs

Net sales



EBITDA & margin



FOREST

SCA is Europe's largest private forest owner with a holding of 2.7 million hectares of forest land in Northern Sweden and the Baltic region. SCA's unique forest holding is a growing resource that provides access to high-quality forest raw materials while absorbing a net of more than 10% of Sweden's fossil CO₂ emissions.

SEKm	Quarter				Jan-Sep			
	2023:3	2022:3	%	2023:2	%	2023	2022	%
Net sales	1,878	1,612	17	1,945	-3	5,754	4,945	16
EBITDA	724	601	20	817	-11	2,322	1,841	26
Depreciation	-58	-57	2	-56	4	-172	-167	3
Operating profit	666	544	22	761	-12	2,150	1,674	28
EBITDA margin, %	38.5	37.3		42.0		40.4	37.2	
Operating margin, %	35.4	33.7		39.1		37.4	33.9	
Return on capital employed, %	3.3	3.0		3.8		3.6	3.6	
Harvesting of own forest, thousand m ³ sub	1,127	917	23	1,383	-19	3,433	2,925	17
Revaluation of biological assets ¹	462	449	3	463	0	1,387	1,350	3

¹ Revaluation of biological assets are included in EBITDA.

The Forest segment includes net sales from timber sourced from SCA's own forests, and from timber purchased from other forest owners, which is sold internally to SCA's industrial operations. The pricing is based on an average of SCA's externally sourced timber prices.

Harvesting of own forest

During the third quarter, the volume of timber harvested from SCA-owned forest was 1.1 million m³sub. The planned annual level of timber harvested in SCA-owned forest is expected to gradually increase from approximately 4.3 m³sub to approximately 5.4 million m³sub in 2025.

Revaluation of forest assets

The revaluation of biological assets was SEK 462m in the third quarter of 2023. The revaluation of the total forest assets is determined by the annual increase in standing volume (net growth) and the change in market price of forest land (see Note 3).

January–September 2023 compared with January–September 2022

Net sales increased 16% to SEK 5,754m (4,945), primarily related to higher selling prices for sawlogs and pulpwood.

EBITDA increased 26% to SEK 2,322m (1,841). This increase was primarily attributable to a higher share of harvesting from SCA-owned forest and higher selling prices for sawlogs and pulpwood.

July–September 2023 compared with July–September 2022

Net sales increased 17% to SEK 1,878m (1,612), primarily related to higher selling prices for sawlogs and pulpwood.

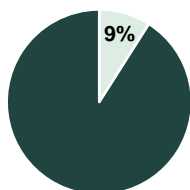
EBITDA increased 20% to SEK 724m (601). This increase was primarily attributable to higher selling prices for sawlogs and pulpwood and a higher share of harvesting from SCA-owned forest.

July–September 2023 compared with April–June 2023

Net sales decreased 3% to SEK 1,878m (1,945). The change was primarily related to lower delivery volumes to SCA's industries due to planned maintenance stops in the Containerboard and Pulp segments which was offset by higher selling prices for pulpwood.

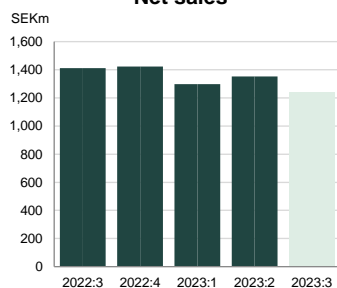
EBITDA declined 11% to SEK 724m (817). The decrease was primarily attributable to a seasonably lower share of harvesting from SCA-owned forest and seasonably higher costs for silviculture.

Share of EBITDA Jan-Sep 2023*

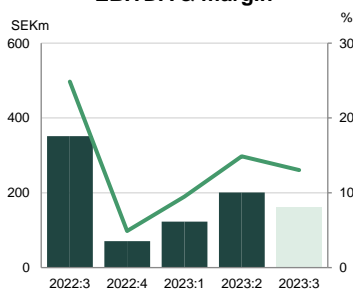


* share calculated of total EBITDA excluding central costs

Net sales



EBITDA & margin



WOOD

SCA is one of Europe's leading suppliers of wood-based products for the wood industry and building materials trade, with an annual production capacity of 2.2 m³ of solid-wood products. SCA has five cost-efficient sawmills located close to its forest holdings in Northern Sweden, as well as wood processing and distribution to the building materials trade in Scandinavia and France.

SEKm	Quarter					Jan-Sep		
	2023:3	2022:3	%	2023:2	%	2023	2022	%
Net sales	1,244	1,412	-12	1,353	-8	3,894	5,331	-27
EBITDA	161	351	-54	201	-20	485	1,874	-74
Depreciation	-56	-54	4	-50	12	-158	-167	-5
Operating profit	105	297	-65	151	-30	327	1,707	-81
EBITDA margin, %	13.0	24.9		14.9		12.5	35.2	
Operating margin, %	8.5	21.0		11.2		8.4	32.0	
Return on capital employed, %	11.9	33.1		16.9		9.8	68.7	
Deliveries, wood products, thousand m ³	469	436	8	483	-3	1,442	1,481	-3

January–September 2023 compared with January–September 2022

Net sales declined 27% to SEK 3,894m (5,331). The change was primarily attributable to lower selling prices.

EBITDA declined 74% to SEK 485m (1,874), which was mainly attributable to lower selling prices. Exchange rate effects had a positive impact on earnings.

July–September 2023 compared with July–September 2022

Net sales declined 12% to SEK 1,244m (1,412). The decrease was mainly related to lower selling prices, which was partly offset by higher delivery volumes.

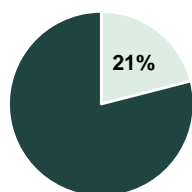
EBITDA declined 54% to SEK 161m (351), which was mainly attributable to lower selling prices.

July–September 2023 compared with April–June 2023

Net sales declined 8% to SEK 1,244m (1,353), driven by lower selling prices and lower delivery volumes.

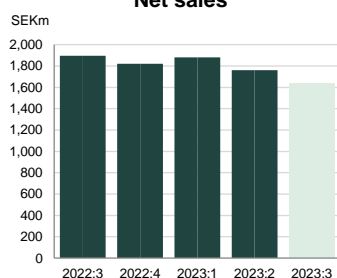
EBITDA declined 20% to SEK 161m (201). The change was mainly attributable to lower selling prices and lower delivery volumes.

Share of EBITDA Jan-Sep 2023*

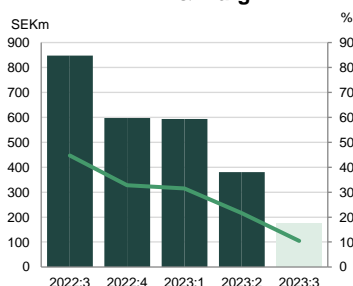


* share calculated of total EBITDA
excluding central costs

Net sales



EBITDA & margin



PULP

SCA produces Northern bleached softwood kraft pulp (NBSK) at Östrand pulp mill and chemi-thermomechanical pulp (CTMP) at the Ortviken site in Sundsvall with a total capacity of 1 million tonnes per year which is expected to increase to 1,2 million tonnes in 2025. The Östrand pulp mill is one of the largest and most cost-efficient production lines for NBSK in the world and is also a net producer of green electricity and produces biochemicals such as tall oil and turpentine.

SEKm	Quarter					Jan-Sep		
	2023:3	2022:3	%	2023:2	%	2023	2022	%
Net sales	1,636	1,897	-14	1,760	-7	5,277	5,387	-2
EBITDA	173	848	-80	380	-54	1,146	2,285	-50
Depreciation	-167	-147	14	-168	-1	-490	-440	11
Operating profit	6	701	-99	212	-97	656	1,845	-64
EBITDA margin, %	10.5	44.7		21.6		21.7	42.4	
Operating margin, %	0.3	37.0		12.1		12.4	34.2	
Return on capital employed, %	0.2	34.3		8.5		12.1	26.0	
Deliveries, pulp, thousand tonnes	246	210	17	242	2	713	664	7

January–September 2023 compared with January–September 2022

Net sales declined 2% to SEK 5,277m (5,387). Lower selling prices were offset by higher delivery volumes and positive exchange rate effects.

EBITDA declined 50% to SEK 1,146m (2,285). EBITDA margin was 21.7% (42.4). Lower selling prices and higher raw material costs were somewhat offset by positive exchange rate effects. The cost of planned maintenance stops amounted to SEK 47m (26).

July–September 2023 compared with July–September 2022

Net sales decreased by 14% to SEK 1,636m (1,897). The decline was attributable to lower selling prices, which were offset by higher delivery volumes from the new CTMP facility and positive exchange rate effects.

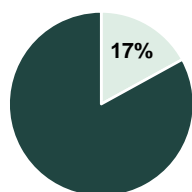
EBITDA declined 80% to SEK 173m (848). The EBITDA margin decreased to 10.5% (44.7). Lower selling prices and higher raw material costs were offset by positive exchange rate effects. The cost of planned maintenance stops amounted to SEK 47m (26).

July–September 2023 compared with April–June 2023

Net sales declined 7% to SEK 1,636m (1,760). The decrease was primarily attributable to lower selling prices.

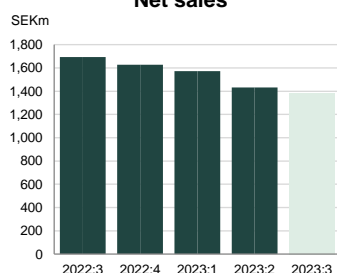
EBITDA declined 54% to SEK 173m (380). The change was primarily attributable to lower selling prices, negative mix effects and lower revenues for energy. The cost of planned maintenance stops was SEK 47m (0).

Share of EBITDA Jan-Sep 2023*

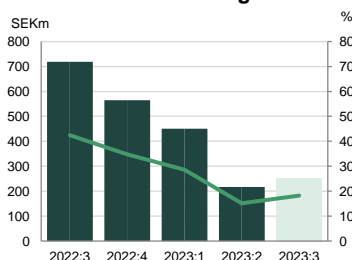


* share calculated of total EBITDA
excluding central costs

Net sales



EBITDA & margin



CONTAINERBOARD

SCA produces kraftliner, renewable packaging paper, at the paper mills in Munksund and Obbola. SCA is Europe's largest independent producer of kraftliner, with a total capacity of 865,000 tonnes per year, which is expected to increase to 1,140,000 tonnes by 2026.

SEKm	Quarter				Jan-Sep			
	2023:3	2022:3	%	2023:2	%	2023	2022	%
Net sales	1,385	1,694	-18	1,432	-3	4,390	5,197	-16
EBITDA	253	719	-65	217	17	920	2,227	-59
Depreciation	-191	-111	72	-171	12	-530	-323	64
Operating profit	62	608	-90	46	35	390	1,904	-80
EBITDA margin, %	18.3	42.4		15.2		21.0	42.9	
Operating margin, %	4.4	35.9		3.2		8.9	36.6	
Return on capital employed, %	2.3	64.0		1.7		10.5	64.6	
Deliveries, kraftliner, thousand tonnes	198	184	8	218	-9	617	589	5

January–September 2023 compared with January–September 2022

Net sales declined 16% to SEK 4,390m (5,197). The decrease was primarily attributable to lower selling prices. Exchange rate effects and higher delivery volumes from the new paper machine in Obbola, that began operating at the end of the preceding year, had a positive impact on net sales.

EBITDA declined 59% to SEK 920m (2,227). The decrease was mainly attributable to lower selling prices. The cost of planned maintenance stops was SEK 183m (129).

July–September 2023 compared with July–September 2022

Net sales decreased by 18% to SEK 1,385m (1,694). The decrease was primarily attributable to lower selling prices. Exchange rate effects and higher delivery volumes had a positive effect on net sales.

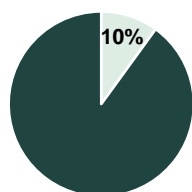
EBITDA declined 65% to SEK 253m (719). The decrease was mainly attributable to lower selling prices. The cost of planned maintenance stops amounted to SEK 68m (62).

July–September 2023 compared with April–June 2023

Net sales decreased 3% to SEK 1,385m (1,432), mainly due to lower delivery volumes.

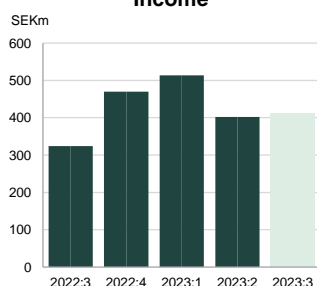
EBITDA increased 17% to SEK 253m (217). Lower energy costs and lower costs for planned maintenance stops of SEK 68m (94) had a positive impact on earnings.

Share of EBITDA Jan-Sep 2023*

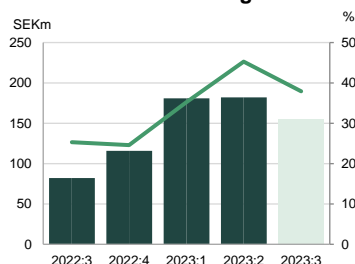


* share calculated of total EBITDA
excluding central costs

Income



EBITDA & margin



RENEWABLE ENERGY

SCA produces tall oil, green electricity, refined and unrefined biofuels and is investing in the production of liquid biofuels. SCA is one of Europe's largest producers of bioenergy, with annual production of about 11 TWh. SCA's industries and its own wind power produce green electricity corresponding to approximately 1% of Swedish electricity consumption. SCA also leases out land for the production of wind power and invests in a biorefinery for production of liquid biofuels.

SEKm	Quarter					Jan-Sep		
	2023:3	2022:3	%	2023:2	%	2023	2022	%
Income ¹	411	324	27	402	2	1,327	1,080	23
EBITDA	155	82	89	182	-15	518	239	117
Depreciation	-22	-4	450	-18	22	-58	-12	383
Operating profit	133	78	71	164	-19	460	227	103
EBITDA margin, % ²	37.9	25.3		45.3		39.0	22.2	
Operating margin, % ²	32.5	24.1		40.8		34.7	21.0	
Return on capital employed, %	28.5	37.9		36.6		34.3	47.1	
Deliveries, renewable electricity from own wind production, GWh	26	-	-	30	-13	119	-	-

¹ Income consists of net sales and other operating income

² EBITDA and operating profit as share of income

January–September 2023 compared with January–September 2022

Income increased 23% to SEK 1,327m (1,080). The increase was primarily related to higher selling prices.

EBITDA increased 117% to SEK 518m (239). The increase was mainly due to continued growth in the energy business and higher selling prices. The wind farm in Markbygden, which was acquired at the beginning of the year, made a positive contribution to the earnings trend.

July–September 2023 compared with July–September 2022

Income increased 27% to SEK 411m (324). The increase was primarily related to higher selling prices.

EBITDA increased 89% to SEK 155m (82). The increase was mainly due to higher selling prices and continued growth in the energy business. EBITDA margin increased to 37.9% (25.3).

July–September 2023 compared with April–June 2023

Income was in line with the preceding quarter and amounted to SEK 411m (402).

EBITDA totaled SEK 155m (182). The decrease was primarily attributable to lower energy prices.

SHARE DISTRIBUTION

September 30, 2023	Class A	Class B	Total
Registered number of shares	64,581,994	637,760,495	702,342,489

At the end of the period, the proportion of Class A shares was 9.2%. No change was made to Class A and Class B shares during the third quarter. In the first nine months of the year, no shareholder has requested any conversion of shares. The total number of votes in the company amounts to 1,283,580,435.

FUTURE EVENTS

- The year-end report will be published on January 26, 2024
- The Annual General Meeting will be held on March 22, 2024
- The interim report for the first quarter will be published on April 26, 2024

INVITATION TO PRESS CONFERENCE ON INTERIM REPORT FOR THE THIRD QUARTER OF 2023

Members of the media and analysts are hereby invited to attend a press conference where this interim report will be presented by the President and CEO, Ulf Larsson, and by the CFO, Andreas Ewertz.

Time: Friday, October 27, 2023 at 10:00 a.m.

The press conference will be webcast live at www.sca.com. It is also possible to participate by telephone by calling:

Sweden: +46 (0)8 505 204 24
UK: +44 (0) 33 0551 0200
US: +1 786 697 3501

Specify "SCA Q3".

Sundsvall, October 27, 2023

SVENSKA CELLULOSA AKTIEBOLAGET SCA (publ)

Ulf Larsson
President and CEO

For further information, please contact

Andreas Ewertz, CFO, +46 (0)60 19 31 97
Josefine Bonnevier, Investor Relations Director, +46 (0)60 19 33 90
Anders Edholm, SVP Sustainability and Communications, +46 (0)60 19 32 12

Please note:

This is information that SCA is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. This report has been prepared in both Swedish and English versions. In case of variations in the content between the two versions, the Swedish version shall govern. The information was submitted for publication, through the agency of the contact person set out below, on October 27, 2023 at 8:00 a.m. CEST. The report has not been reviewed by the company's auditors.
Anders Edholm, SVP Sustainability and Communications, +46 (0)60 19 32 12

GROUP

CONDENSED INCOME STATEMENT

SEKm	Quarter					Jan-Sep		
	2023:3	2022:3	%	2023:2	%	2023	2022	%
Net sales	4,302	5,007	-14	4,582	-6	13,697	15,921	-14
Other income	689	767	-10	812	-15	2,456	2,312	6
Change in inventories	-173	163		-41		-250	73	
Change in value in biological assets	462	449	3	463	0	1,387	1,350	3
Raw materials and consumables	-862	-1,152	-25	-1,217	-29	-3,207	-3,558	-10
Personnel costs	-614	-601	2	-710	-14	-1,985	-1,946	2
Other operating expenses	-2,417	-2,122	14	-2,211	9	-6,972	-5,938	17
Result from associated companies and JV	30	-27		22		46	-1	
EBITDA	1,417	2,484	-43	1,700	-17	5,172	8,213	-37
Depreciation, amortization and impairment	-504	-390	29	-471	7	-1,434	-1,161	24
Operating profit	913	2,094	-56	1,229	-26	3,738	7,052	-47
Financial items	-111	3		-103		-273	-17	
Profit before tax	802	2,097	-62	1,126	-29	3,465	7,035	-51
Income tax	-139	-431		-210		-673	-1,429	
Net Profit for the period	663	1,666	-60	916	-28	2,792	5,606	-50
Earnings attributable to:								
Owners of the parent	674	1,649		927		2,821	5,510	
Non-controlling interests	-11	17		-11		-29	96	
Earnings per share SEK - owners of the parent¹	0.96	2.35		1.32		4.02	7.85	
Average number of shares, millions	702.3	702.3		702.3		702.3	702.3	
Margins, %								
EBITDA margin	32.9	49.6		37.1		37.8	51.6	
Operating margin	21.2	41.8		26.8		27.3	44.3	
Net margin	15.4	33.3		20.0		20.4	35.2	

¹ There are no dilution effects.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	Quarter			Jan-Sep	
	2023:3	2022:3	2023:2	2023	2022
Profit for the period	663	1,666	916	2,792	5,606
Other comprehensive income for the period:					
Items that may not be reclassified to the income statement					
Change in value land assets	-230	1,619	-335	-565	3,590
Revaluation of defined benefit pension plans	-122	245	344	444	188
Income tax attributable to components of other comprehensive income	72	-385	-1	25	-779
Total	-280	1,479	8	-96	2,999
Items that have been or may be reclassified subsequently to the income statement					
Cash flow hedges	18	3	-241	-233	69
Hedge cost	-1	1	2	1	-3
Translation differences in foreign operations	-70	46	117	86	136
Income tax attributable to components of other comprehensive income	-3	-1	49	48	-23
Total	-56	49	-73	-98	179
Other comprehensive income for the period, net of tax	-336	1,528	-65	-194	3,178
Total comprehensive income for the period	327	3,194	851	2,598	8,784
Total comprehensive income attributable to:					
Owners of the parent	338	3,177	862	2,627	8,688
Non-controlling interests	-11	17	-11	-29	96

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	Jan-Sep	
	2023	2022
Attributable to owners of the parent		
Value, January 1	96,358	83,055
Total comprehensive income for the period	2,627	8,688
Cash flow hedge transferred to cost of hedged investments	-15	2
Tax on cash flow hedge transferred to cost of hedged investments	3	0
Cash dividend	-1,756	-2,282
Acquisition of non-controlling interests	0	-148
Value, September 30	97,217	89,315
Non-controlling interests		
Value, January 1	-	-
Total comprehensive income for the period	-29	96
Acquisition of non-controlling interests	29	-96
Value, September 30	-	-
Total equity, value September 30	97,217	89,315

CONDENSED CONSOLIDATED BALANCE SHEET

SEKm	Sep 30, 2023	Dec 31, 2022
ASSETS		
Non-current assets		
Intangible assets	807	731
Buildings, land, machinery and equipment	24,895	24,800
Forest assets	99,208	97,882
<i>of which land assets</i>	41,791	42,201
<i>of which biological assets</i>	57,417	55,681
Right-of-use assets	568	561
Other non-current assets	3,563	3,158
Total non-current assets	129,041	127,132
Current assets		
Inventories	5,118	4,856
Trade receivables	2,558	3,007
Other current receivables	872	1,524
Cash and cash equivalents	925	836
Total current assets	9,473	10,223
Total assets	138,514	137,355
EQUITY AND LIABILITIES		
Equity		
Owners of the Parent		
Share capital	2,350	2,350
Share premium	6,830	6,830
Reserves	31,274	31,833
Retained earnings including net profit for the period	56,763	55,345
Non-controlling interests	-	-
Total equity	97,217	96,358
Non-current liabilities		
Non-current financial liabilities	11,701	10,751
Provisions for pensions	223	245
Deferred tax liabilities	22,526	22,117
Other non-current liabilities and other provisions	58	114
Total non-current liabilities	34,508	33,227
Current liabilities		
Current financial liabilities	1,499	1,789
Trade payables	3,624	3,622
Other current liabilities and other provisions	1,666	2,359
Total current liabilities	6,789	7,770
Total liabilities and equity	138,514	137,355

CONSOLIDATED CASH FLOW STATEMENT

SEKm	Jan-Sep	
	2023	2022
Operating activities		
Profit before tax	3,465	7,035
Adjustment for non-cash items ¹	-144	-255
Change in liabilities regarding restructuring costs	-9	-38
Paid tax	-294	-596
Cash flow from operating activities before changes in working capital	3,018	6,146
Cash flow from changes in working capital		
Change in inventories	-260	-424
Change in operating receivables	1,097	-1,212
Change in operating liabilities	-286	912
Cash flow from operating activities	3,569	5,422
Investing activities		
Company and asset acquisitions	-138	-751
Divestments	-	18
Current capital expenditures in non-current assets, net	-922	-932
Strategic capital expenditures in non-current assets	-1,133	-2,092
Loans granted to external parties	0	-1
Acquisition of financial asset	-25	-19
Cash flow from investing activities	-2,218	-3,777
Financing activities		
Loans raised	1,594	2,773
Amortization of debt	-952	-1,703
Amortization of debt, leasing	-151	-136
Dividend	-1,756	-2,282
Cash flow from financing activities	-1,265	-1,348
Net cash flow for the period	86	297
Cash and cash equivalents at the beginning of the period	836	1,056
Translation differences in cash and cash equivalents	3	10
Cash and cash equivalents at the end of the period	925	1,363
Cash flow from operating activities per share SEK	5.08	7.72
¹ Depreciation/amortization and impairment of non-current assets	1,434	1,161
Fair-value measurement of biological assets	-1,388	-1,350
Gains/loss on assets sales and swaps of assets	-34	-45
Resolution of provision	-	-11
Other	-156	-10
Total	-144	-255

NOTES

1. ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 and recommendation RFR 1 of the Swedish Financial Reporting Board, and with regards to the Parent Company, RFR 2. Applied accounting principles are described in detail in SCA's Annual and Sustainability Report for 2022. New or revised IFRSs and interpretations from IFRIC have not had any material effect on the Group's or the Parent Company's financial statements. As of the first quarter of 2023, SCA is reporting Renewable Energy as a new segment. Due to the new segment, comparative periods have been recalculated. The previous segmentation is described in the Board of Directors' Report on page 60 of SCA's Annual and Sustainability Report for 2022.

2. REVENUE FROM CONTRACTS WITH CUSTOMERS

Net sales by segment

SEKm	Jan-Sep 2023							
	Forest	Wood	Pulp	Containerboard	Renewable Energy	Other	Eliminations	Total
Sweden	5,659	1,053	831	344	43	-	-5,661	2,269
USA	-	399	1,045	75	-	-	-	1,519
Germany	-	105	419	1,050	-	-	-	1,574
United Kingdom	-	401	190	767	-	-	-	1,358
Rest of Europe	95	908	1,588	1,824	-	-	-	4,415
Asia	-	549	1,110	181	-	-	-	1,840
Rest of world	-	479	94	149	-	-	-	722
Total Group	5,754	3,894	5,277	4,390	43	-	-5,661	13,697

SEKm	Jan-Sep 2022							
	Forest	Wood	Pulp	Containerboard	Renewable Energy	Other	Eliminations	Total
Sweden	4,939	1,689	868	510	-	-	-4,939	3,067
USA	-	408	1,414	104	-	-	-	1,926
Germany	-	118	424	1,178	-	-	-	1,720
United Kingdom	-	499	209	841	-	-	-	1,549
Rest of Europe	6	1,301	2,104	2,377	-	-	-	5,788
Asia	-	947	139	45	-	-	-	1,131
Rest of world	-	369	229	142	-	-	-	740
Total Group	4,945	5,331	5,387	5,197	-	-	-4,939	15,921

3. FOREST VALUATION

Accounting principles

The accounting principles for forest assets are described on page 109, Note D3, of SCA's Annual and Sustainability Report for 2022.

Key assessments and assumptions

SCA bases its valuation of forest assets in Sweden on forest transactions in the areas where SCA owns forest assets. The market prices applied by SCA comprise a weighted average based on forest transactions over the last three years and is updated every six months. When establishing the change in value of biological assets, the valuation model used has a return requirement of 3.6% (3.5) after tax. The value of land assets constitutes the residual amount between the total value in accordance with market price based on forest transactions and the value of the biological assets. At December 31, 2022, the total standing timber volume was estimated at approximately 267 million m³fo, of which 7 million m³fo is in the Baltic region. The market price applied by SCA was SEK 366/m³fo and the total value of the forest assets was SEK 97,882m. At December 31, 2023, the standing volume of the forest holding is estimated at approximately 271 million m³fo, of which about 7 million m³fo in the Baltic region. At September 30, 2023, the applied market price was SEK 366/m³fo. The estimated change in value for biological assets is accrued over the course of the year and is based on discounted cash flows. At September 30, 2023, approximately three-quarters of the expected annual change in value was recognized with a total value of SEK 99,208m for the forest assets. The change in value of biological assets was SEK 1,387m at September 30, 2023 and is recognized in the income statement on the line item for change in value in biological assets. The change in value pertaining to land amounted to SEK -565m and is recognized as other comprehensive income with no effect on profit for the year.

Forest assets

SEKm	Sep 30, 2023	Dec 31, 2022
Forest assets in Sweden	96,063	95,206
Forest assets in the Baltic states	3,145	2,676
Total value of forest assets	99,208	97,882
Deferred tax on forest assets	19,630	19,468

4. OTHER PROVISIONS

Accounting principles

The accounting principles for other provisions are described in detail on page 115, Note D8, of SCA's Annual and Sustainability Report for 2022.

SEKm	Environment	Discontinuation publication paper	Other	Total
Value, January 1	66	86	4	156
Provisions	64	-	0	64
Utilization	-26	-45	-	-71
Dissolutions	-	-5	-	-5
Translation differences	0	0	-	0
Value, September 30	104	36	4	144
Provisions comprise:				
Long-term component				46
Short-term component				98

5. RISKS AND UNCERTAINTIES

SCA's risk exposure and risk management are described on pages 65–73 of SCA's Annual and Sustainability Report 2022.

6. RELATED PARTY TRANSACTIONS

During the period, no transactions took place between SCA and related parties with any material impact on the company's financial position or results.

7. FINANCIAL INSTRUMENTS BY CATEGORY

SEKm	Measure- ment level	Sep 30, 2023	Dec 31, 2022
Financial assets measured at fair value in the income statement			
Derivatives - Current financial assets	2	4	5
Derivatives - Other current receivables	2	17	102
Total		21	107
Financial liabilities measured at fair value in the income statement			
Derivatives - Current financial liabilities	2	9	5
Derivatives - Other current liabilities	2	53	143
Total		62	148
Financial assets measured at fair value through other comprehensive income			
Equity instruments	3	14	14
Total		14	14
Financial liabilities measured at amortized cost			
Non-current financial liabilities excluding leasing	-	11,252	10,312
Non-current financial liabilities, leasing	-	448	439
Current financial liabilities excluding leasing	-	1,340	1,635
Current financial liabilities, leasing	-	150	149
Total		13,190	12,535
Derivatives used for hedge accounting			
Non-current financial assets	2	72	80
Other non-current assets	2	20	175
Other current receivables	2	43	373
Total		135	628
Derivatives used for hedge accounting			
Non-current financial liabilities	2	-	-
Other non-current liabilities	2	12	66
Other current liabilities	2	148	341
Total		160	407

The fair value of trade receivables, other current and non-current receivables, cash and cash equivalents, and trade payables is estimated to be equal to their carrying amount. The total fair value of current and non-current financial liabilities, excluding lease liabilities, was SEK 12,321m (11,625). The value of electricity derivatives is based on published prices in an active market. Other financial instruments are marked to market, based on prevailing currency and interest rates on the balance sheet date. The fair value of debt instruments is determined using valuation models, such as discounting future cash flows at quoted market rates for the respective maturity.

8. CONTINGENT LIABILITIES AND COMMITMENTS

SEKm	Parent		Group	
	Sep 30, 2023	Dec 31, 2022	Sep 30, 2023	Dec 31, 2022
Contingent liabilities				
Guarantees for				
subsidiaries	484	711	-	-
associates	-	-	5	5
customers and others	-	-	28	28
Other contingent liabilities	2	1	22	19
Total	486	712	55	52

9. ALTERNATIVE PERFORMANCE MEASURES

For definitions of alternative performance measures, refer to SCA's 2022 Annual and Sustainability Report, pages 93–95.

Operating cash flow

SEKm	Quarter			Jan-Sep	
	2023:3	2022:3	2023:2	2023	2022
EBITDA	1,417	2,484	1,700	5,172	8,213
Changes in biological assets and other non cash flow items	-516	-432	-491	-1,465	-1,404
Operating cash surplus	901	2,052	1,209	3,707	6,809
Change in working capital	700	269	1	551	-724
Current capital expenditures, net ¹	-436	-398	-350	-1,065	-997
Other operating cash flow	24	-50	-212	-153	-130
Operating cash flow	1,189	1,873	648	3,040	4,958
¹ Including following values from new leasing contracts:	-32	-12	-62	-143	-65

Capital structure

SEKm	Sep 30, 2023	Dec 31, 2022
Forest assets	99,208	97,882
Working capital	3,587	4,138
Deferred tax relating to forest assets	-19,630	-19,468
Other capital employed, net	24,171	23,795
Total capital employed	107,336	106,347
Net debt, SEKm	10,119	9,989
Net debt/EBITDA (LTM) ¹	1.4x	1.0x
Equity, SEKm	97,217	96,358
Net debt/Equity (%)	10.4	10.4

¹ Last Twelve Months.

Return on capital employed

%	Quarter			LTM ¹	
	2023:3	2022:3	2023:2	Sep 30, 2023	Sep 30, 2022
<i>Return on capital employed</i>	3.4	8.7	4.6	5.1	10.3
<i>Return on capital employed, industrial</i>	4.2	40.0	8.0	12.1	44.0

¹ Last Twelve Months.

Working capital

SEKm	Sep 30, 2023	Dec 31, 2022
Inventories	5,118	4,856
Trade receivable	2,558	3,007
Other current receivables	768	1,412
Trade payable	-3,596	-3,404
Other current liabilities	-1,250	-1,684
Other short term provisions	-11	-49
Working capital	3,587	4,138

Net debt

SEKm	Sep 30, 2023	Dec 31, 2022
Surplus in funded pension plans	2,100	1,689
Non-current financial assets	182	165
Current financial assets	97	106
Cash and cash equivalents	925	836
Financial receivables	3,304	2,796
Non-current financial liabilities	11,701	10,751
Provisions for pensions	223	245
Current financial liabilities	1,499	1,789
Financial liabilities	13,423	12,785
Net debt	-10,119	-9,989

10. QUARTERLY DATA BY SEGMENT**NET SALES**

SEKm	Quarter					
	2023:3	2023:2	2023:1	2022:4	2022:3	2022:2
Forest	1,878	1,945	1,931	1,760	1,612	1,642
Wood	1,244	1,353	1,297	1,422	1,412	2,202
Pulp	1,636	1,760	1,881	1,822	1,897	1,926
Containerboard	1,385	1,432	1,573	1,626	1,694	1,772
Renewable energy ¹	5	9	29	-	-	-
Other	-	-	-	0	1	-1
Intra-group deliveries	-1,846	-1,917	-1,898	-1,757	-1,609	-1,642
Total net sales	4,302	4,582	4,813	4,873	5,007	5,899

EBITDA

SEKm	Quarter					
	2023:3	2023:2	2023:1	2022:4	2022:3	2022:2
Forest	724	817	781	761	601	654
Wood	161	201	123	71	351	913
Pulp	173	380	593	598	848	845
Containerboard	253	217	450	565	719	742
Renewable energy ¹	155	182	181	116	82	72
Other	-49	-97	-73	-130	-117	-105
Total EBITDA	1,417	1,700	2,055	1,981	2,484	3,121

EBITDA MARGIN

%	Quarter					
	2023:3	2023:2	2023:1	2022:4	2022:3	2022:2
Forest	38.5	42.0	40.4	43.2	37.3	39.8
Wood	13.0	14.9	9.5	4.9	24.9	41.5
Pulp	10.5	21.6	31.5	32.8	44.7	43.9
Containerboard	18.3	15.2	28.6	34.7	42.4	41.9
Renewable energy ^{1,2}	37.9	45.3	35.2	24.6	25.3	21.7
EBITDA margin	32.9	37.1	42.7	40.7	49.6	52.9

EBIT

SEKm	Quarter					
	2023:3	2023:2	2023:1	2022:4	2022:3	2022:2
Forest	666	761	723	704	544	599
Wood	105	151	71	15	297	859
Pulp	6	212	438	452	701	698
Containerboard	62	46	282	455	608	634
Renewable energy ¹	133	164	163	111	78	68
Other	-59	-105	-81	-147	-134	-123
Total EBITDA	913	1,229	1,596	1,590	2,094	2,735

¹ Renewable energy is a new segment from January 1, 2023. Year 2022 is recalculated.

² EBITDA as share of Income.

Renewable energy's income amounted to	411	402	514	470	324	330
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PARENT COMPANY

CONDENSED INCOME STATEMENT

SEKm	Jan-Sep	
	2023	2022
Other operating income	225	207
Other operating expenses	-157	-135
Personnel costs	-75	-85
EBITDA	-7	-13
Depreciation and impairment	-70	-67
Operating profit	-77	-80
Financial items	199	139
Profit after financial items	122	59
Appropriations	732	3,217
Profit before tax	854	3,276
Income tax	-177	-676
Profit for the period	677	2,600

Other operating income was mainly related to remuneration for the granting of felling rights for the Parent Company's forest assets. Other comprehensive income was the same as profit for the period.

CONDENSED BALANCE SHEET

SEKm	Sep 30, 2023	Dec 31, 2022
Tangible non-current assets	9,151	9,072
Financial non-current assets	11,904	11,962
Total non-current assets	21,055	21,034
Current assets	16,038	17,221
Total assets	37,093	38,255
Restricted equity	11,373	11,373
Non-restricted equity	9,587	10,666
Total equity	20,960	22,039
Provisions	1,724	1,710
Non-current liabilities	11,281	10,553
Current liabilities	3,128	3,953
Total equity, provisions and liabilities	37,093	38,255