



Interim Report Presentation Q2 2022

July 22, 2022



An aerial photograph of a large, deep blue lake surrounded by dense, lush green forests. The lake is the central focus, with its water reflecting the sky. The surrounding forest is thick and extends to the edges of the frame. In the distance, some low hills are visible under a clear sky.

Ulf Larsson, CEO



Summary Q2 2022

Record result

Favored by high degree of self sufficiency

Sales increased 23% vs Q2 2021

EBITDA increased 38% vs Q2 2021

Increased forest land values

Obbola expansion on budget and ahead of time

CTMP expansion on budget and on time



SCA's performance Q2 2022

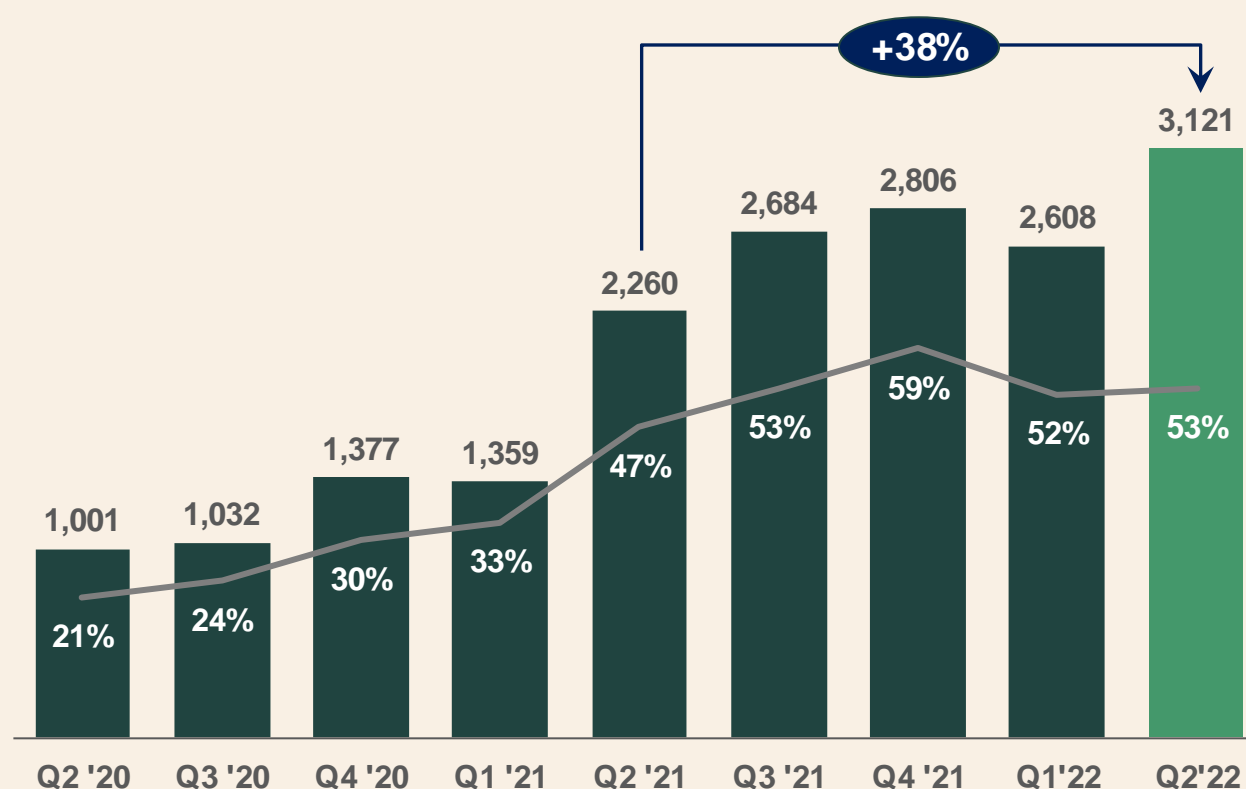
EBITDA (SEKm)

3,121

Industrial ROCE ¹

46%

EBITDA (SEKm) and EBITDA margin



EBITDA margin

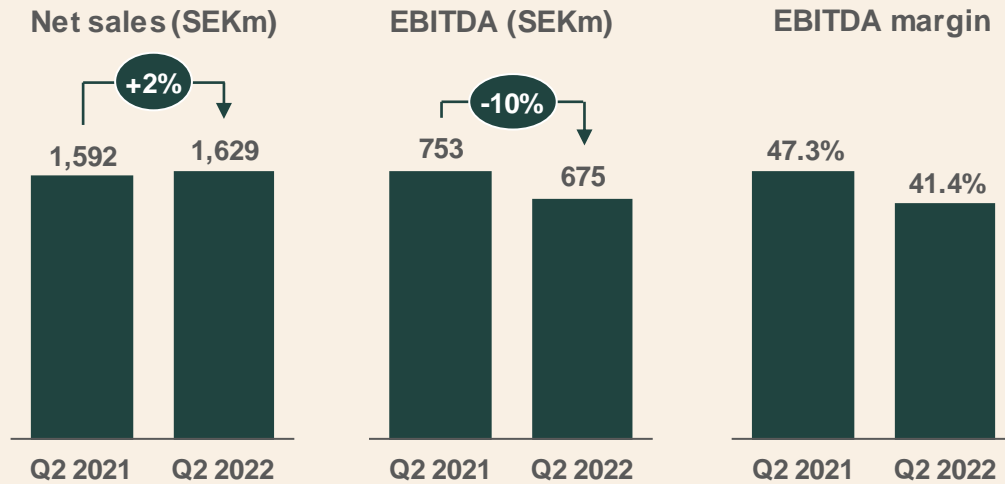
53%

Net debt/EBITDA

0.8x

1. LTM
 Note: EBITDA excluding effect of one-off items related to discontinuation of publication paper in Q3 2020 and Q4 2020.

Forest Q2 2022 vs. Q2 2021

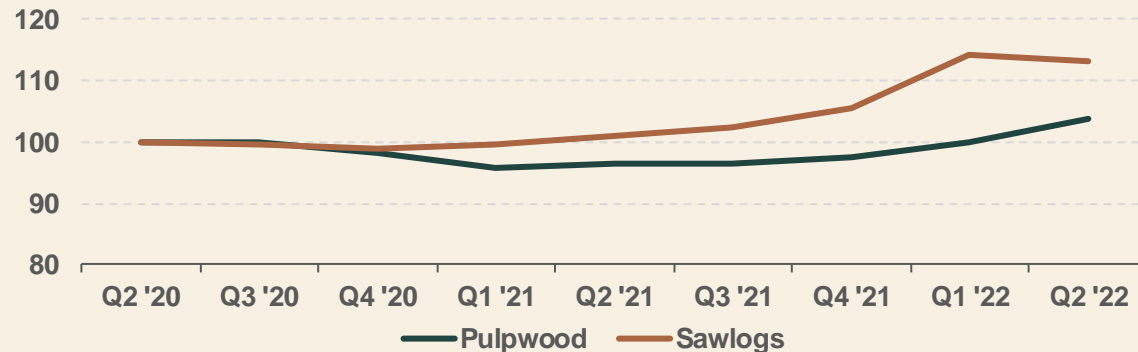


Stable wood supply to industries

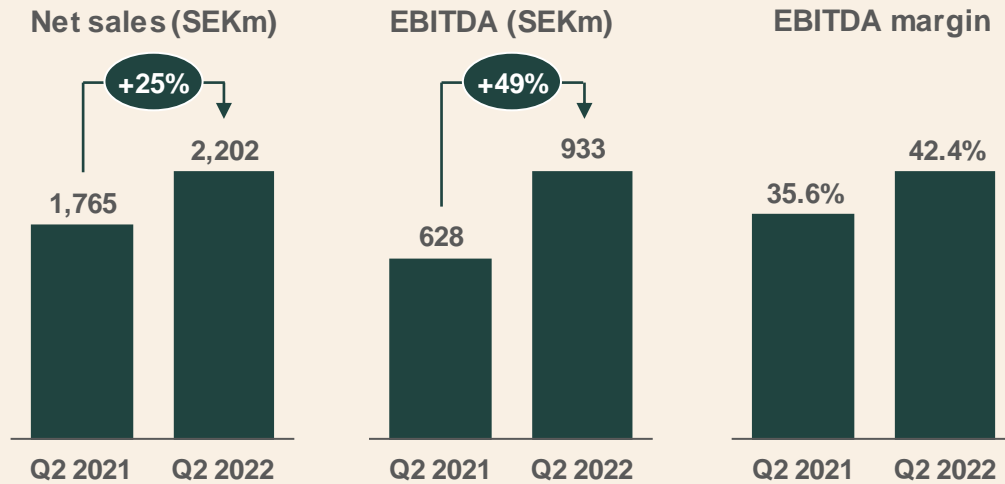
EBITDA down 10%

- Lower harvesting level of own forest
- Higher transportation and harvesting costs, driven by higher fuel prices

Price development – Pulpwood and Sawlogs



Wood Q2 2022 vs. Q2 2021



Stable deliveries

Sales up 25%

- + Higher prices
- Lower volumes

EBITDA up 49%

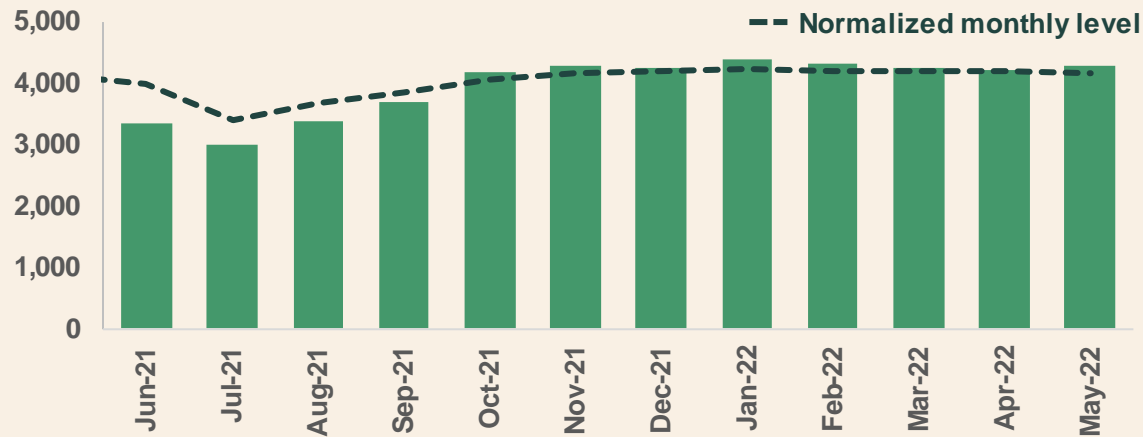
- + Higher prices
- + Positive currency effects
- Higher wood raw material cost
- Lower delivery volumes

Price development – Solid Wood Products

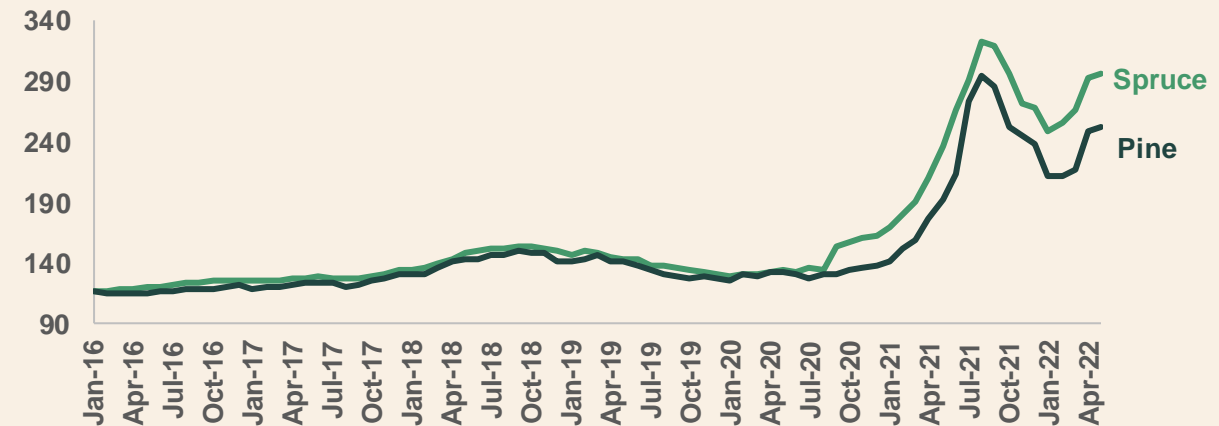


Wood market development

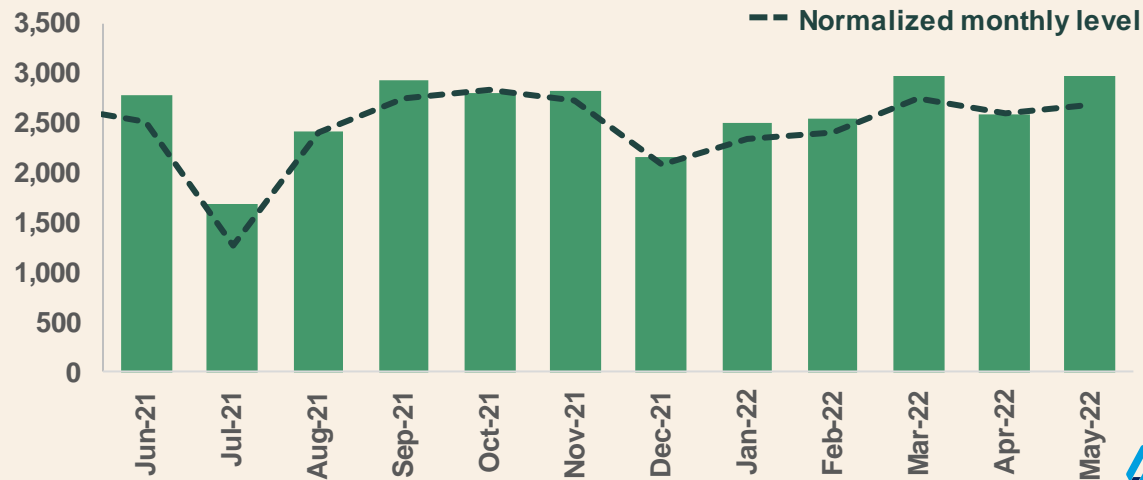
Stock of sawn pine and spruce wood, Sweden and Finland (k m³)



Price development sawn pine and spruce, Sweden (index)



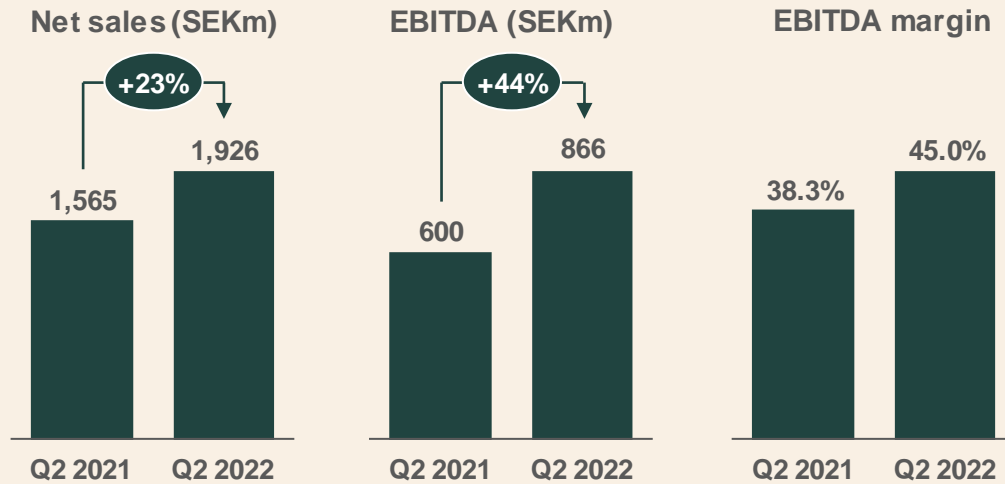
Production of sawn pine and spruce wood, Sweden and Finland (k m³)



- Sanction of Russian and Belarus imports effective from July
- Scandinavian stock levels and production on normalized levels

Note: Normalized monthly level 2012-2022.

Pulp Q2 2022 vs. Q2 2021



Continued strong market

CTMP project at Ortviken on time and on budget

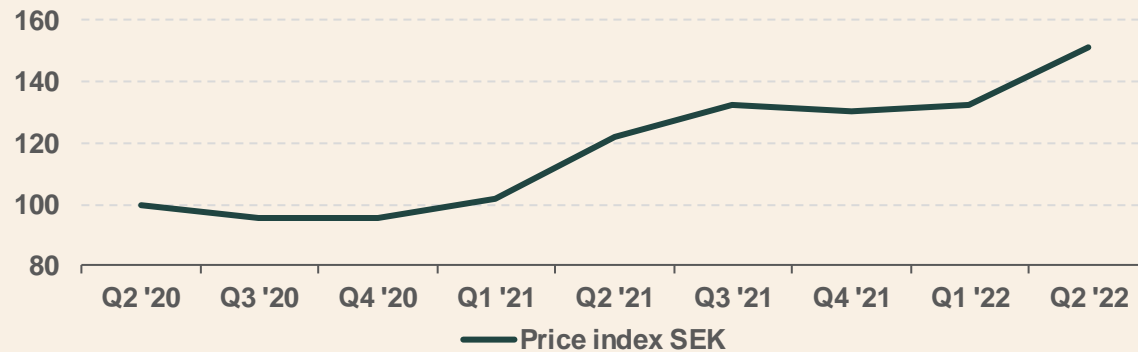
Sales up 23%

- + Higher prices
- + Positive currency effects

EBITDA up 44%

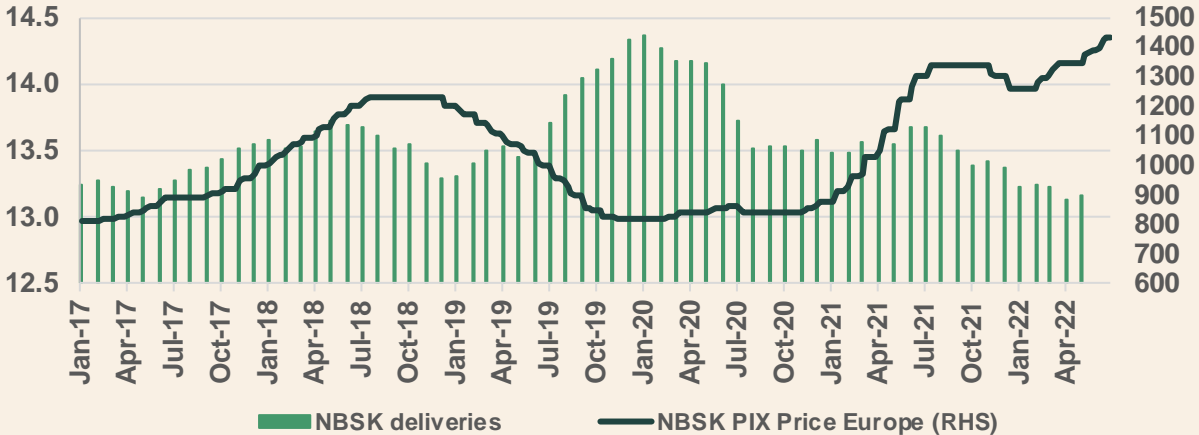
- + Higher prices
- + Positive currency effects
- + Increased earnings from renewable by-products
- Higher wood raw material cost

Price development – NBSK Pulp

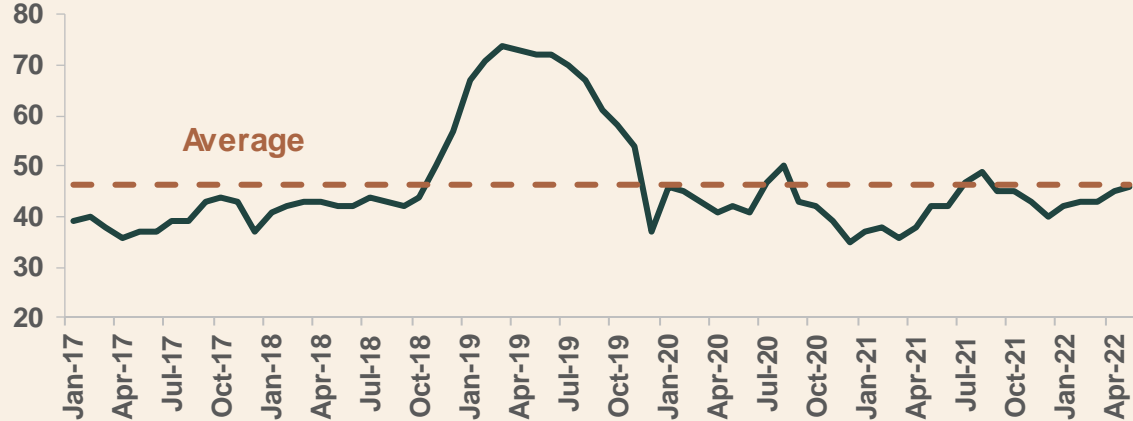


Pulp market development

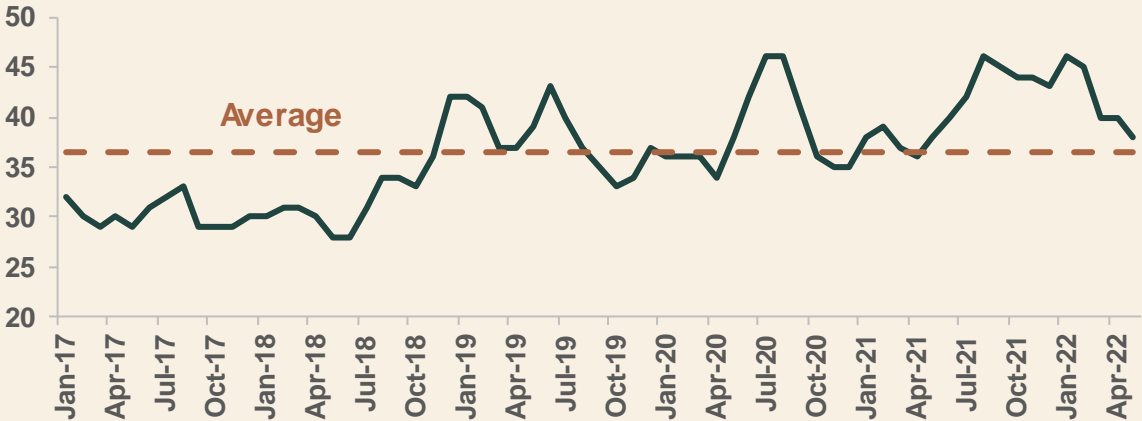
NBSK pulp price (USD/t) vs deliveries (Mt)



Hardwood pulp inventories (days of supply)



Softwood pulp inventories (days of supply)



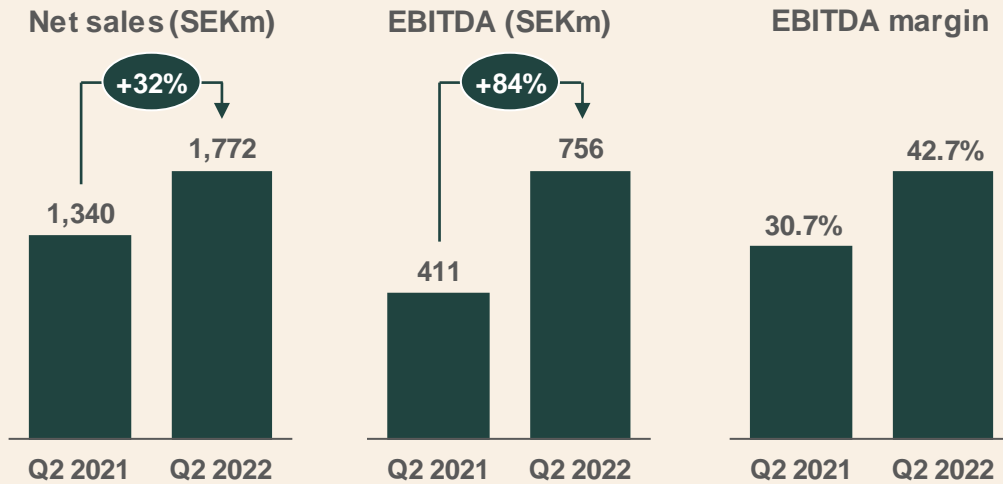
Continued strong European demand

- Inventories on a normal level
- Supply impacted by global logistic challenges
- Pending prices in China but positive price development in Europa and US

Source: PIX, PPPC.



Containerboard Q2 2022 vs. Q2 2021



Planned maintenance stop in Obbola

Sales up 32%

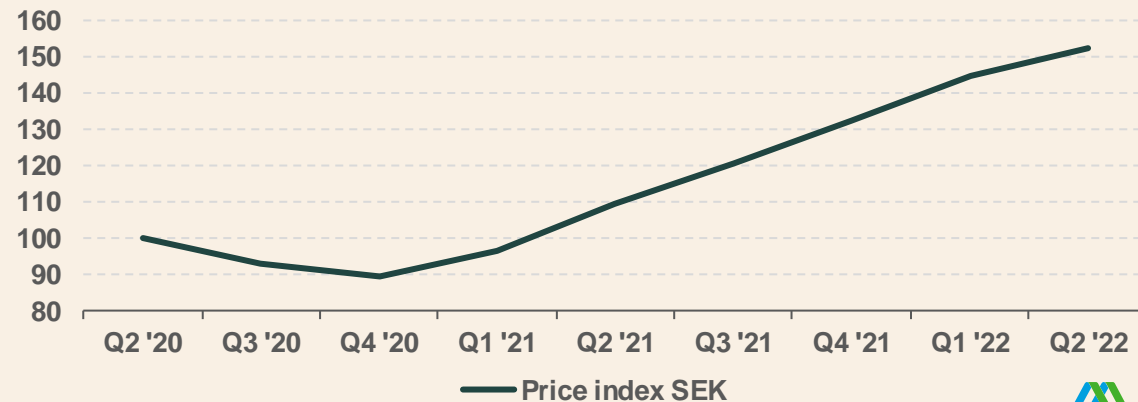
+ Higher prices

EBITDA up 84%

+ Higher prices

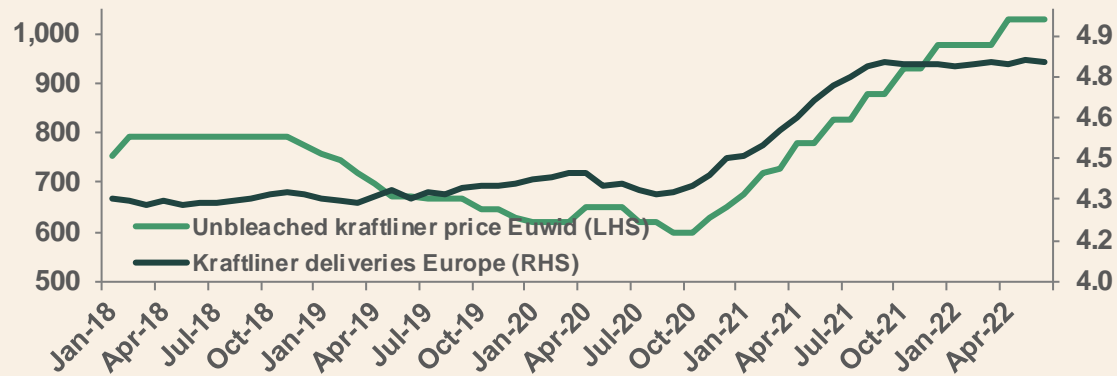
- Maintenance stop

Price development – Kraftliner

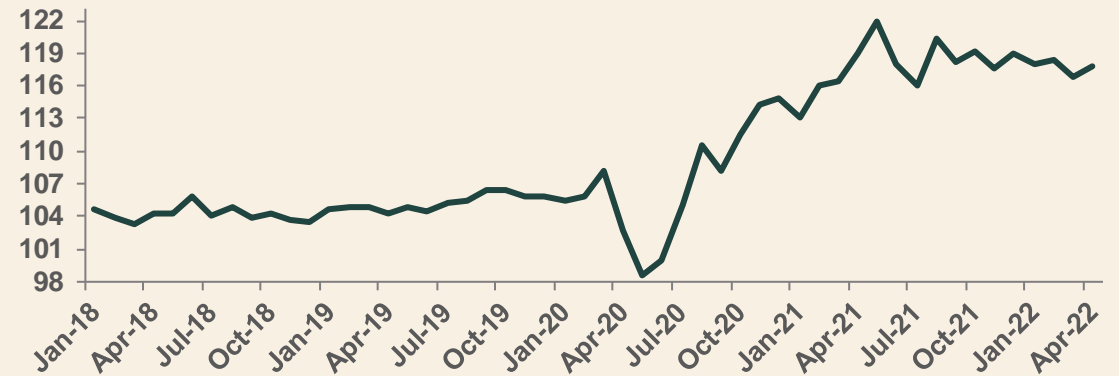


Containerboard market development

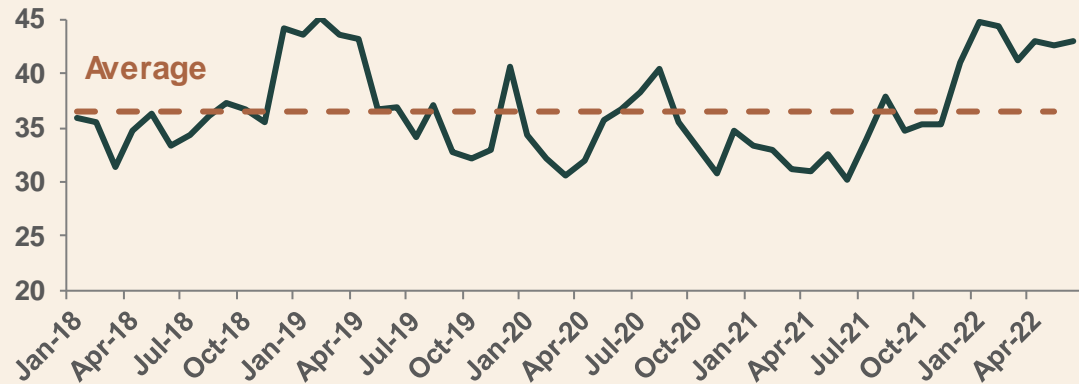
Price (EUR/t) vs Kraftliner deliveries (Mt)



European Box demand (index)



Kraftliner inventories (days of supply)

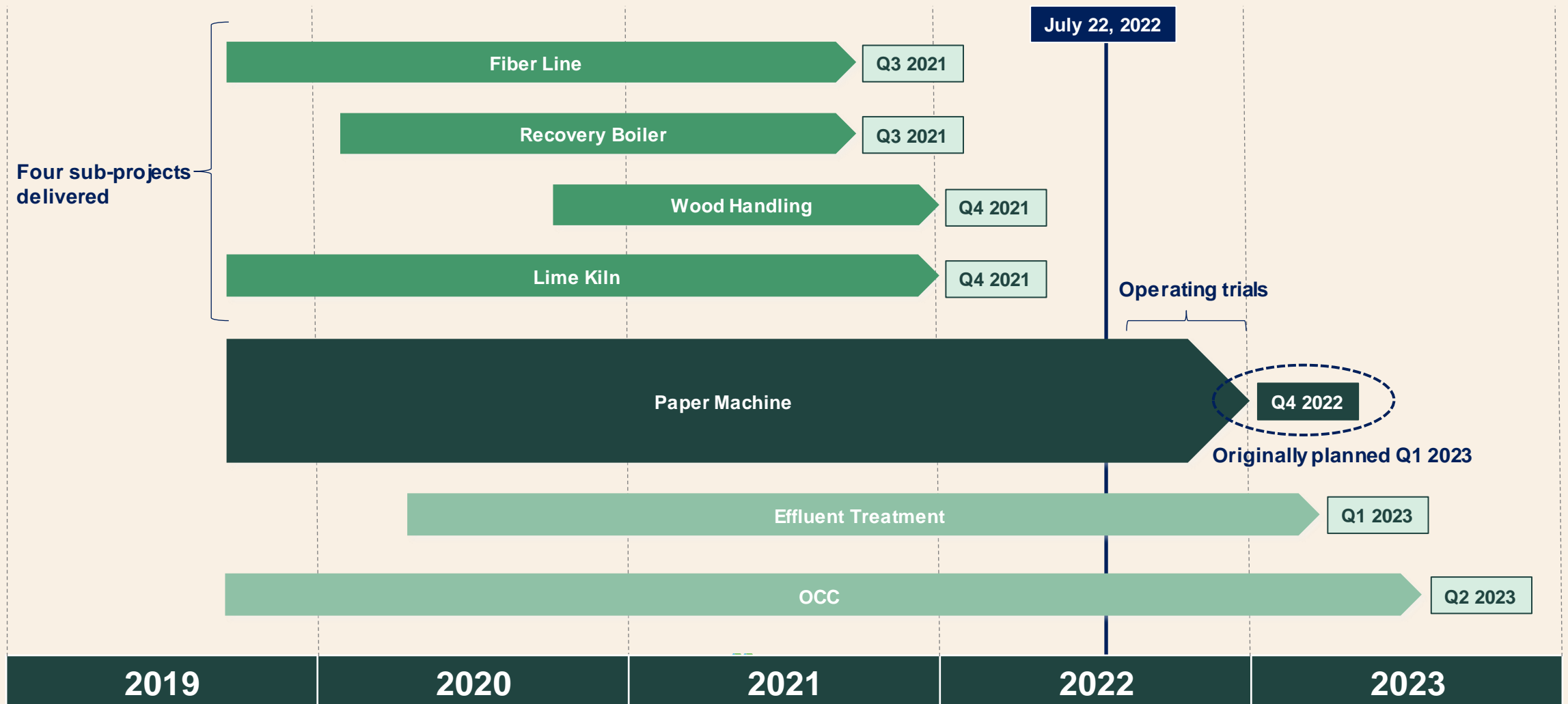


Stable deliveries

- Long term growth of European deliveries
- Supply disturbances increase inventory days
- Prices increased in Q2
- Box demand flatten out on a high level

Source: Euwid, Numera, Cepi.
Note: Russia removed from statistics.

Obbola expansion is on budget and ahead of time





Andreas Ewertz, CFO

Higher transaction prices for forest assets

Higher transaction prices for forest assets in Northern Sweden

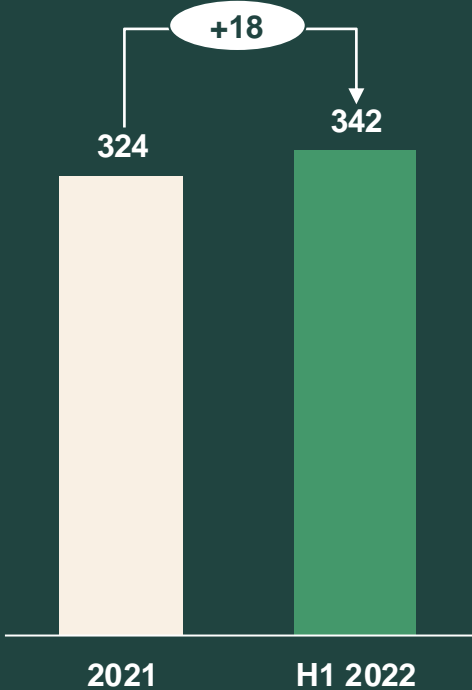
SEK 342/m³fo at June 30 2022

- Average three year transaction price in SCAs region

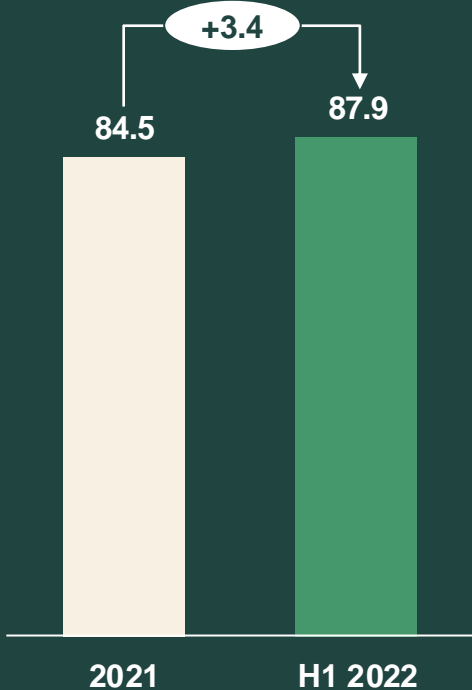
SCAs forest assets valued SEK ~88bn

- Value increase of SEK 3.4bn since year-end

Market price (SEK/m³fo)



Forest asset (SEK bn)



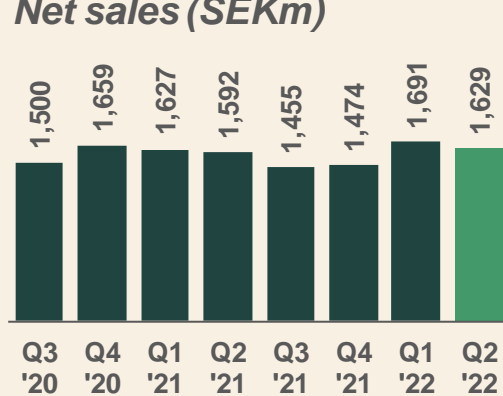
Income statement

SEKm	Quarter		
	Q2 2022	Q2 2021	Change
Net sales	5,899	4,810	23%
EBITDA	3,121	2,260	38%
<i>EBITDA margin</i>	52.9%	47.0%	5.9 p.p.
EBIT	2,735	1,881	45%
<i>EBIT margin</i>	46.4%	39.1%	7.3 p.p.
Financial items	-5	-26	
Profit before tax	2,730	1,855	47%
Tax	-550	-372	
Profit for the period	2,180	1,483	47%
Earnings per share, SEK	3.05	2.06	

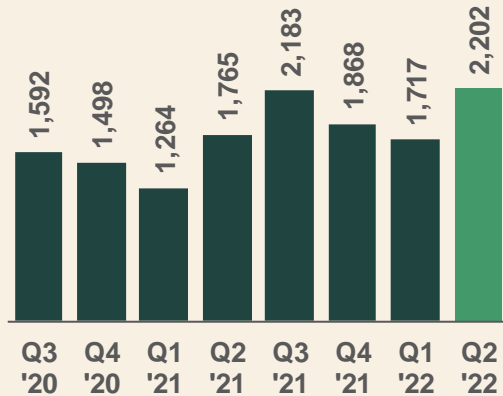
Contribution by segment and quarter

Forest

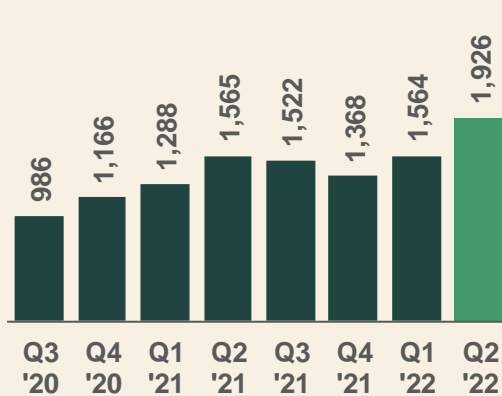
Net sales (SEKm)



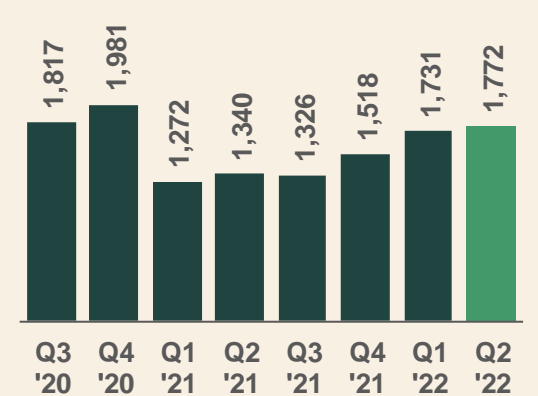
Wood



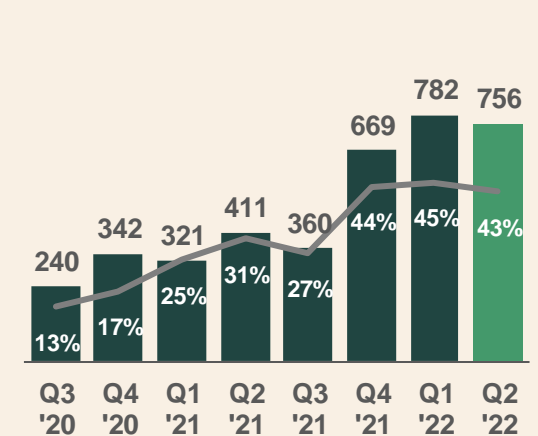
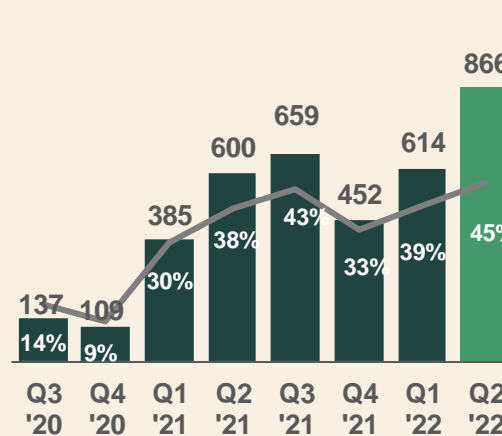
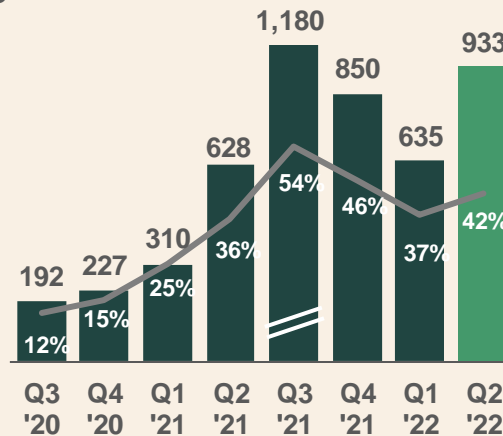
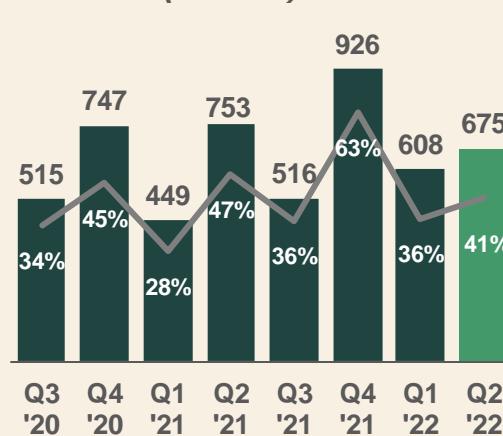
Pulp



Containerboard/Paper¹

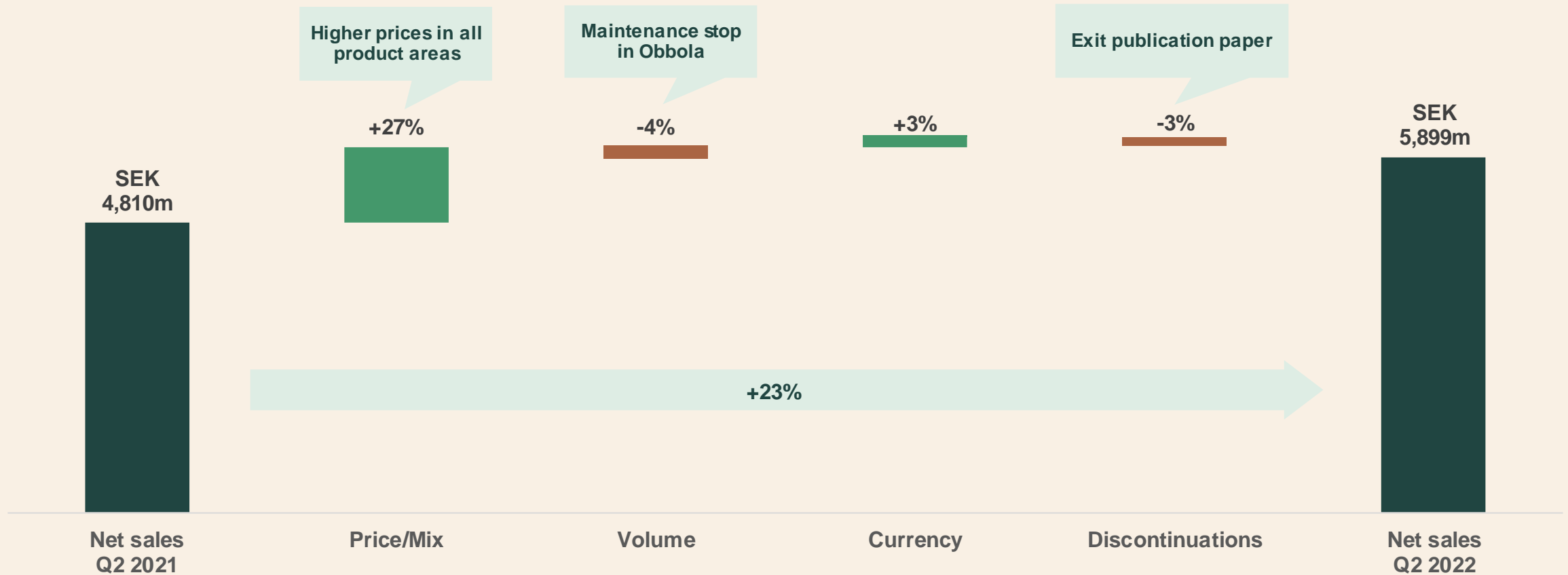


EBITDA (SEKm) and EBITDA margin

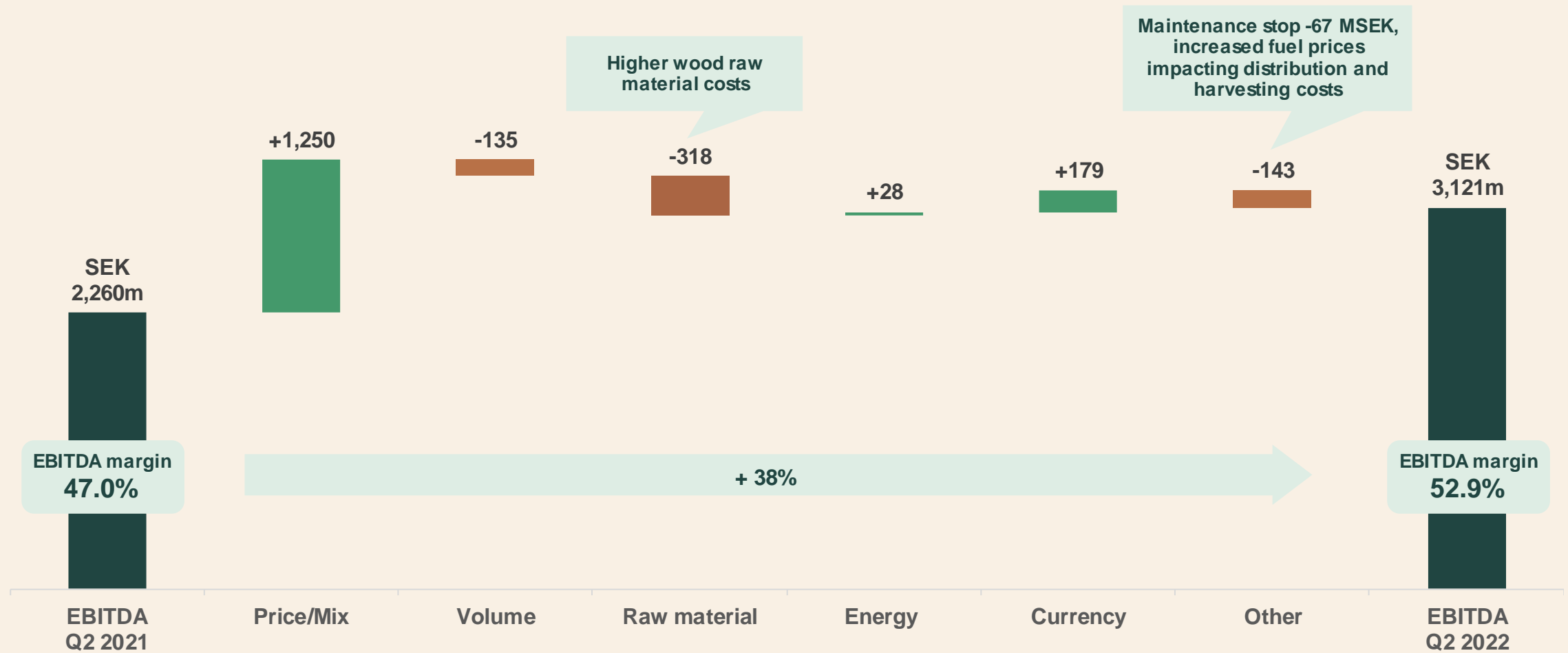


1. Segment Paper changed name to Containerboard from 1st of January 2021. Publication Paper included in figures up to and including Q4 2020.

Net sales Q2 2022 vs. Q2 2021



EBITDA Q2 2022 vs. Q2 2021



Cash flow

SEKm	Quarter		Jan - June	
	Q2 2022	Q2 2021	2022	2021
EBITDA	3,121	2,260	5,729	3,619
Revaluation of biological assets and other non cash flow items	-481	-362	-972	-682
Operating cash surplus	2,640	1,898	4,757	2,937
Change in working capital	-369	-401	-993	-691
Restructuring costs	-6	-148	-33	-271
Current capital expenditures	-351	-230	-599	-439
Other operating cash flow	28	-13	-47	45
Operating cash flow	1,942	1,106	3,085	1,581
Strategic capital expenditures	-1,013	-1,168	-1,610	-1,679

Balance sheet

SEKm	June 30, 2022	Dec 31, 2021
Forest assets	87,899	84,497
Working capital	3,820	2,823
Deferred tax relating to forest assets	-17,499	-16,905
Other capital employed	21,429	20,392
Total capital employed	95,649	90,807
Net debt	9,511	7,752
<i>Net debt/EBITDA</i>	<i>0.8x</i>	<i>0.9x</i>
Equity	86,138	83,055
<i>Net debt/Equity</i>	<i>11%</i>	<i>9%</i>
<i>Market price applied on forest assets (SEK/m³fo)</i>	<i>342</i>	<i>324</i>

Summary

Ulf Larsson, CEO

Summary Q2 2022

Record result

Favored by high degree of self sufficiency

Sales increased 23% vs Q2 2021

EBITDA increased 38% vs Q2 2021

Increased forest land values

Obbola expansion on budget and ahead of time

CTMP expansion on budget and on time



Q&A





Europe's largest private forest owner

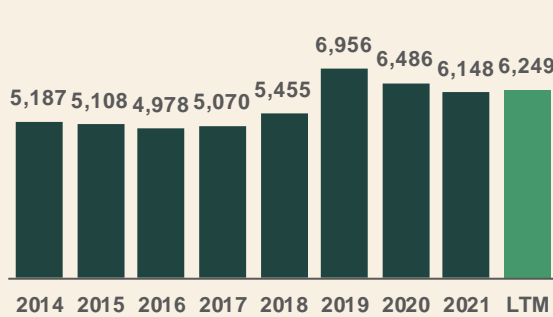
This presentation may contain forward-looking statements. Such statements are based on our current expectations and are subject to certain risks and uncertainties that could negatively affect our business. Please read SCA's most recent annual report for a better understanding of these risks and uncertainties.

Appendix

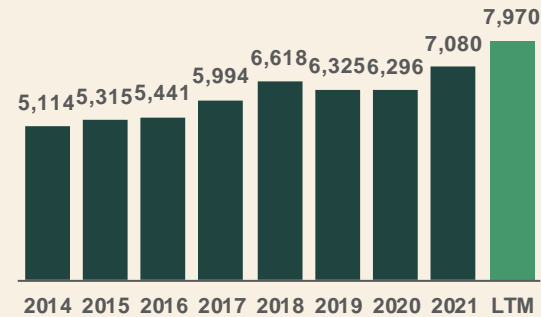
Contribution by segment

Forest

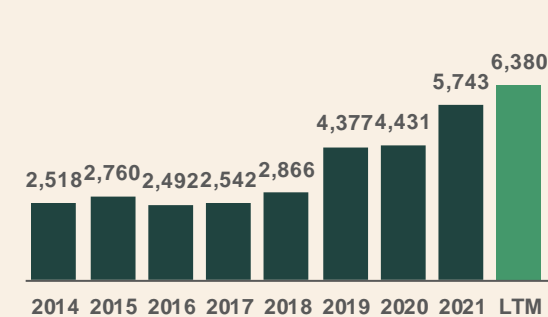
Net sales (SEKm)



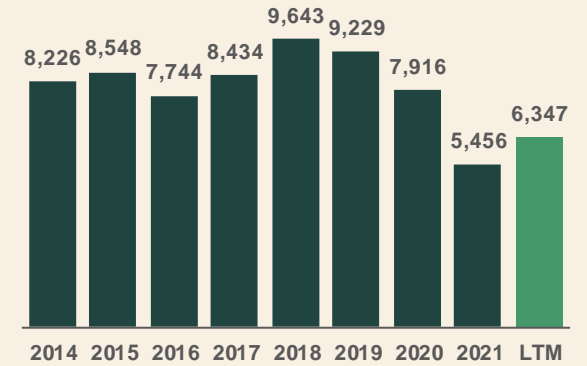
Wood



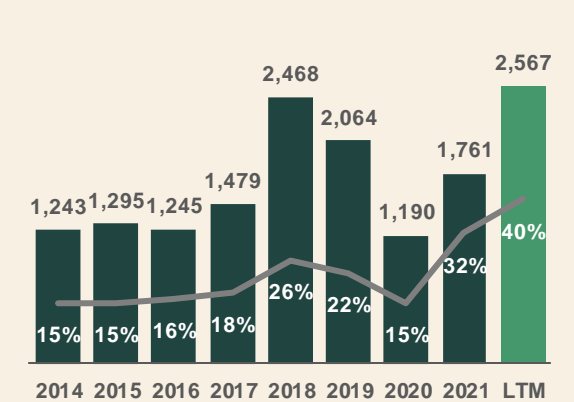
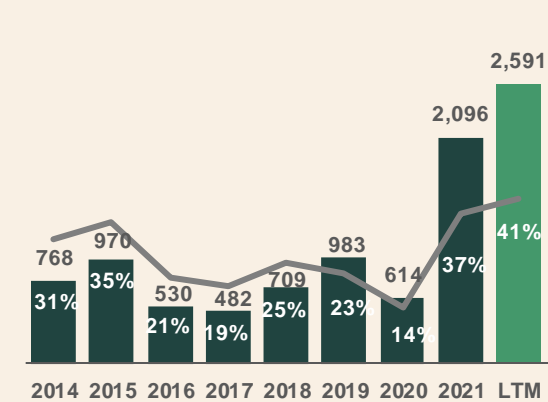
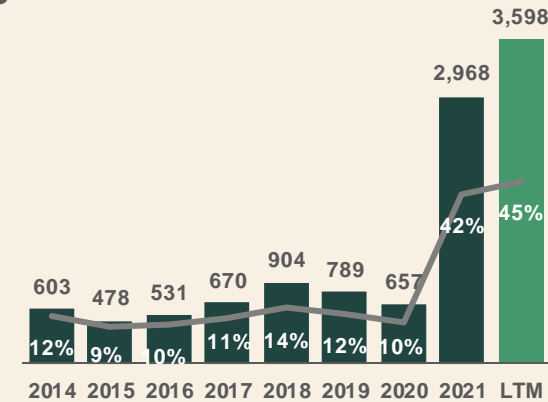
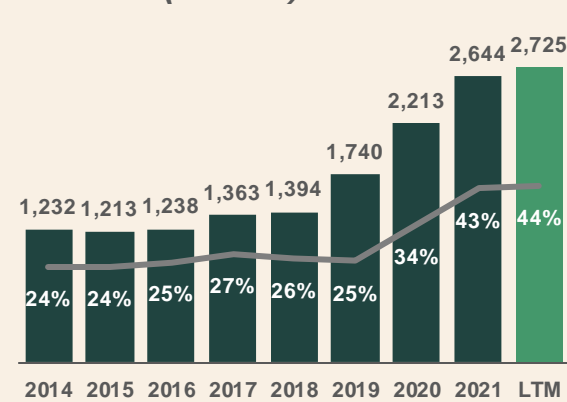
Pulp



Containerboard/Paper¹



EBITDA (SEKm) and EBITDA margin



Note: 2014 and 2015 EBITDA refer to adjusted figures. 2016 and forward refer to unadjusted figures.

1. Segment Paper changed name to Containerboard from 1st of January 2021. Publication Paper included in figures up to and including 2020.

