



Interim Report Presentation Q2 2023

July 21, 2023



An aerial photograph of a wind farm. The landscape is a dense, green forest with rolling hills. Numerous white wind turbines are scattered across the terrain, extending towards the horizon. The sky is a clear, bright blue. The text 'Ulf Larsson, CEO' is overlaid in white, bold font in the center of the image.

Ulf Larsson, CEO

Summary Q2 2023

Strong profitable growth in energy and forest but continued weak demand in wood, pulp and containerboard

EBITDA margin of 37 %

Sales decreased 22% vs Q2 2022

- Price/mix -25%, currency 8%, volume -5%

EBITDA decreased 46% vs Q2 2022

- Lower prices
- Lower volumes solid wood products
- + Higher result from forest
- + Growth renewable energy
- + Positive currency effects



SCA's performance Q2 2023

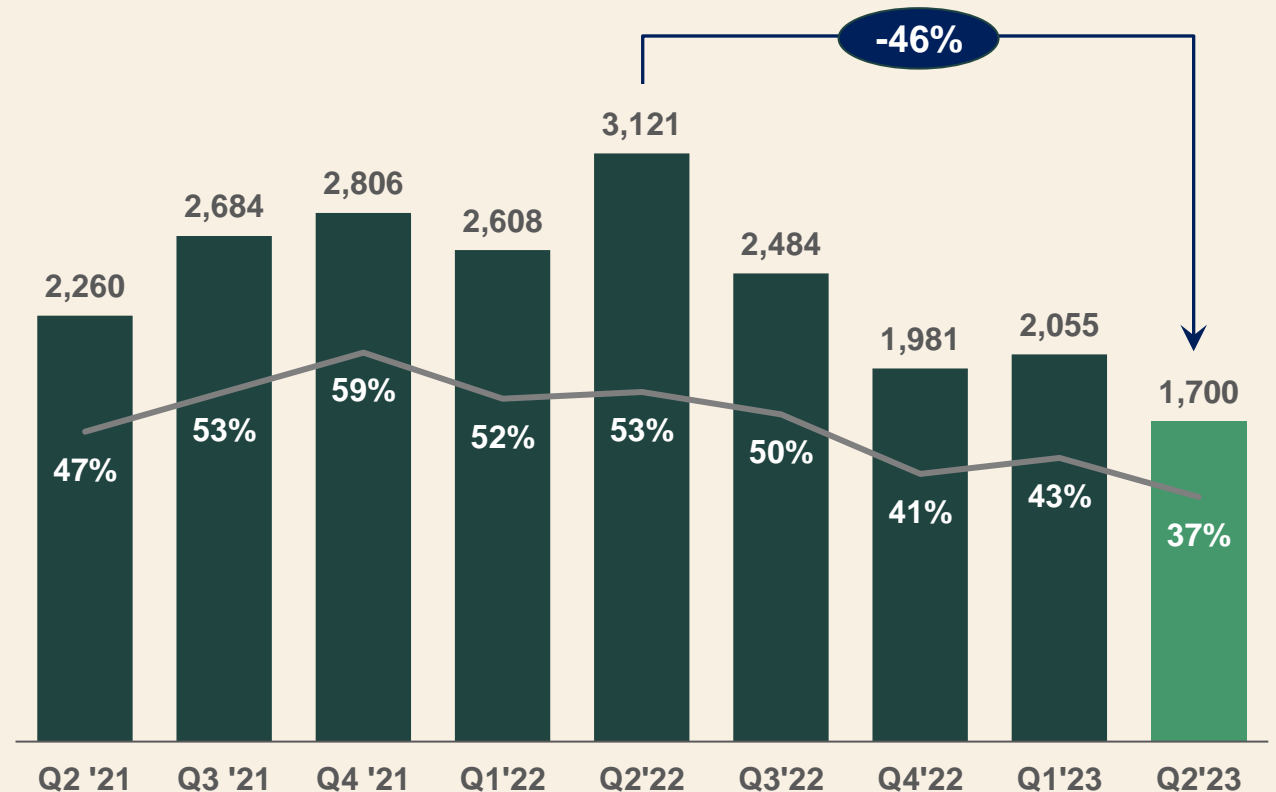
EBITDA (SEKm)

1,700

Industrial ROCE ¹

20%

EBITDA (SEKm) and EBITDA margin



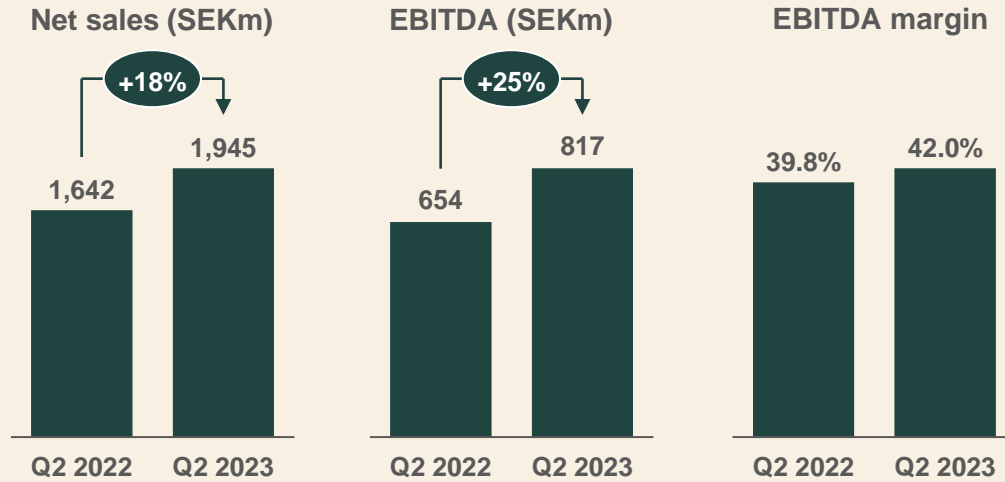
EBITDA margin

37.1%

Net debt/EBITDA

1.3x

Forest Q2 2023 vs. Q2 2022



Stable wood supply to industries

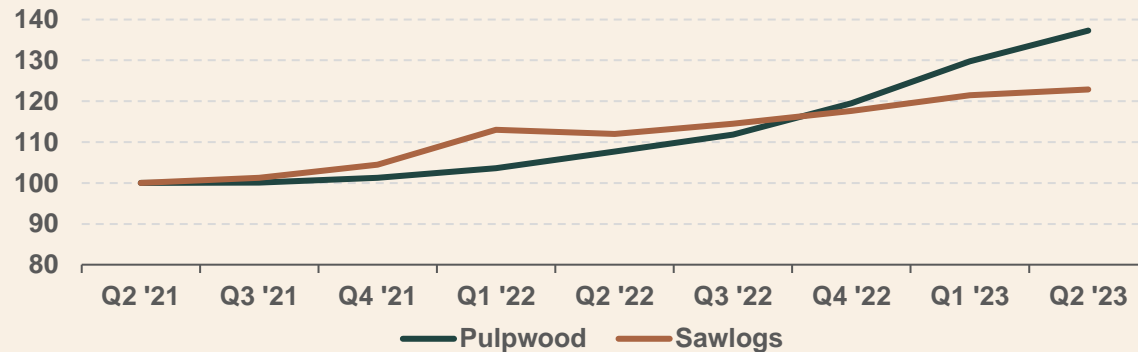
Sales up 18%

- + Higher prices

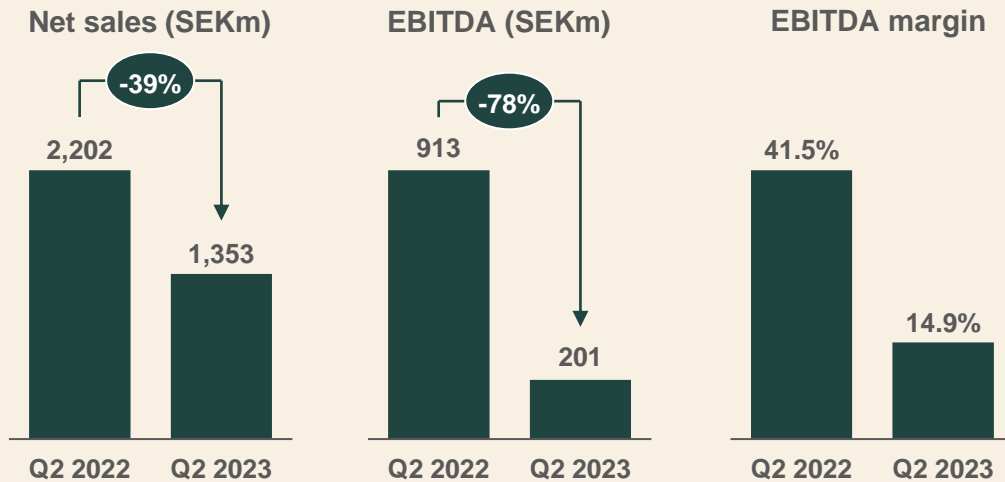
EBITDA up 25%

- + Higher harvesting level own forest
- + Higher prices

Price development – Pulpwood and Sawlogs



Wood Q2 2023 vs. Q2 2022



Weak, but seasonally stronger, demand

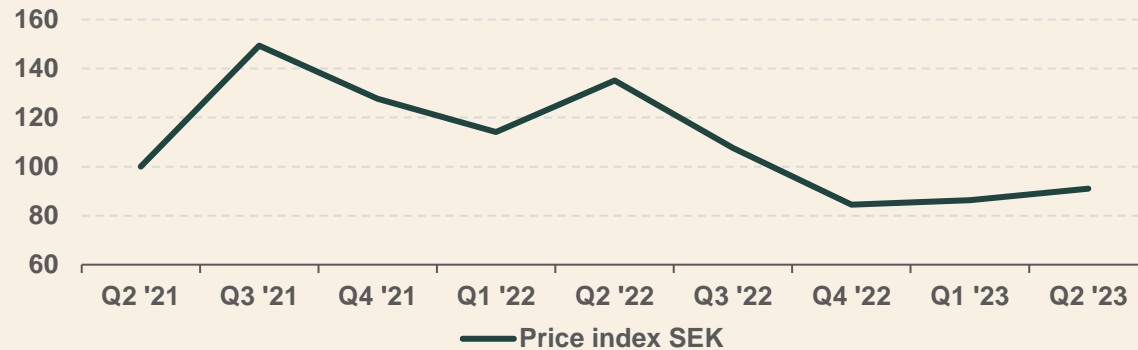
Sales down 39%

- Lower prices
- Lower volumes

EBITDA down 78%

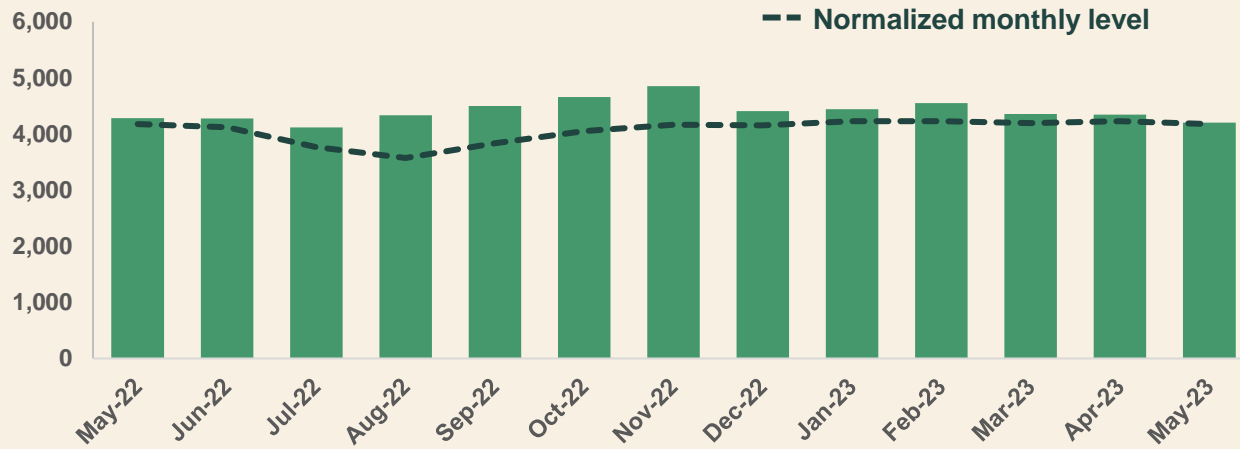
- Lower prices
- Lower volumes
- Higher wood raw material costs

Price development – Solid Wood Products

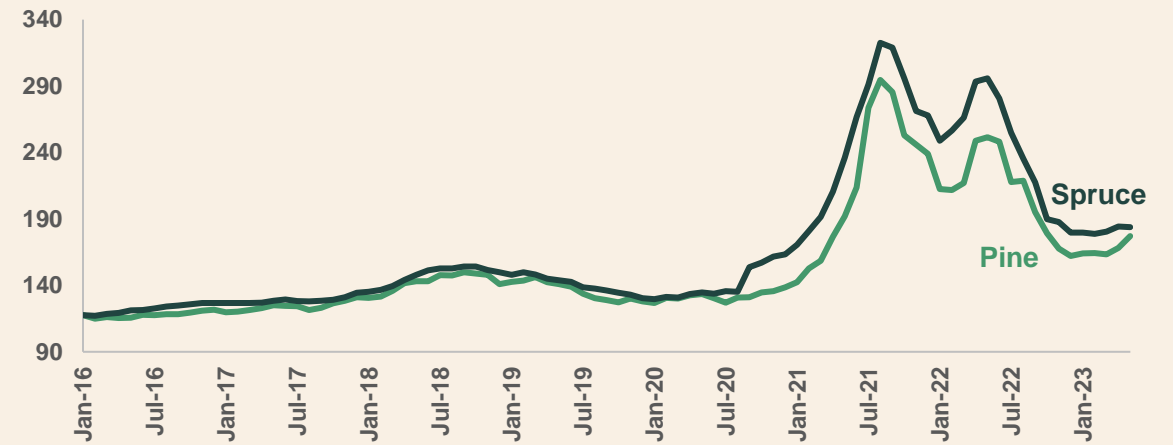


Wood market development

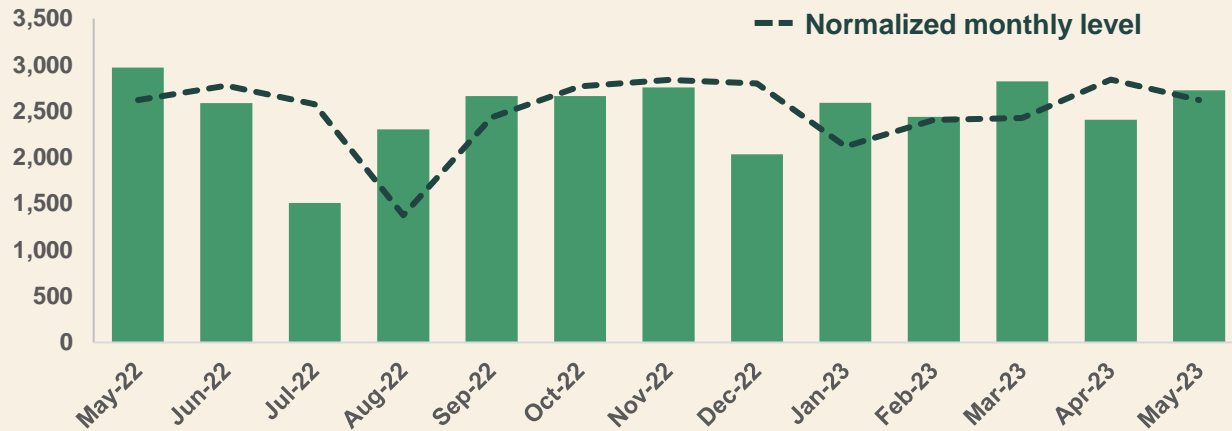
Stock of sawn pine and spruce wood, Sweden and Finland (k m³)



Price development sawn pine and spruce, Sweden (index)



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

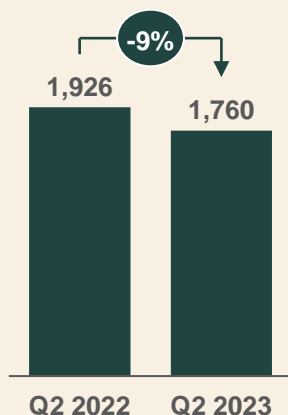


- Low consumption but balanced stock levels
- Further production curtailments expected

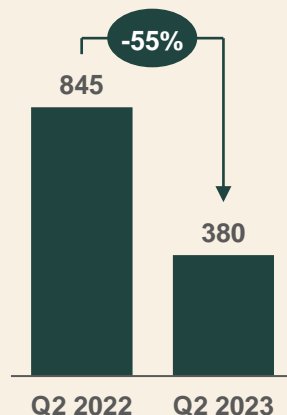
Note: Normalized monthly level 2016-2022.
Source: Skogsindustrierna.

Pulp Q2 2023 vs. Q2 2022

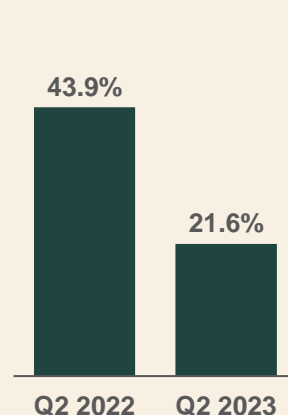
Net sales (SEKm)



EBITDA (SEKm)



EBITDA margin



Ongoing ramp up of new CTMP line

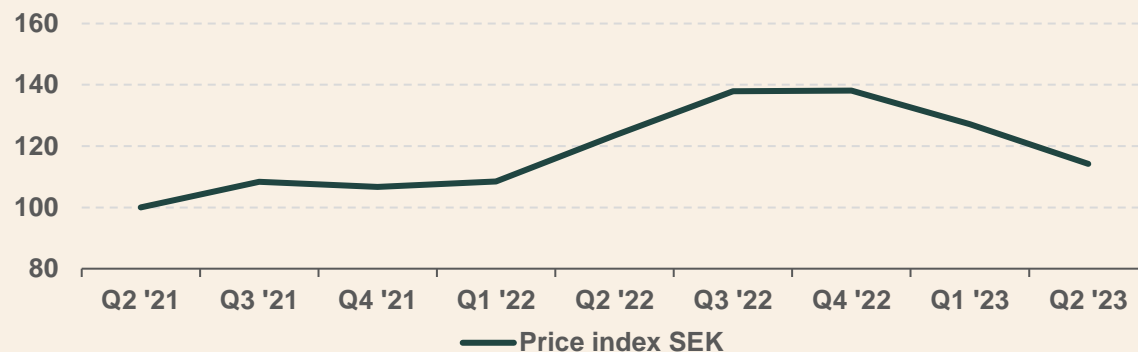
Sales down 9%

- Lower prices
- + Positive currency effects

EBITDA down 55%

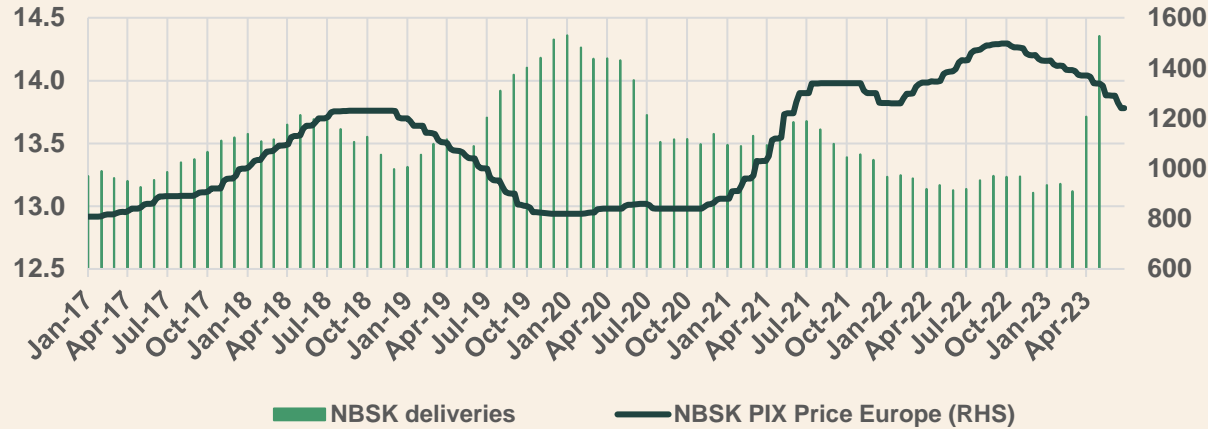
- Lower prices
- Higher wood raw material costs
- + Positive currency effects

Price development – NBSK

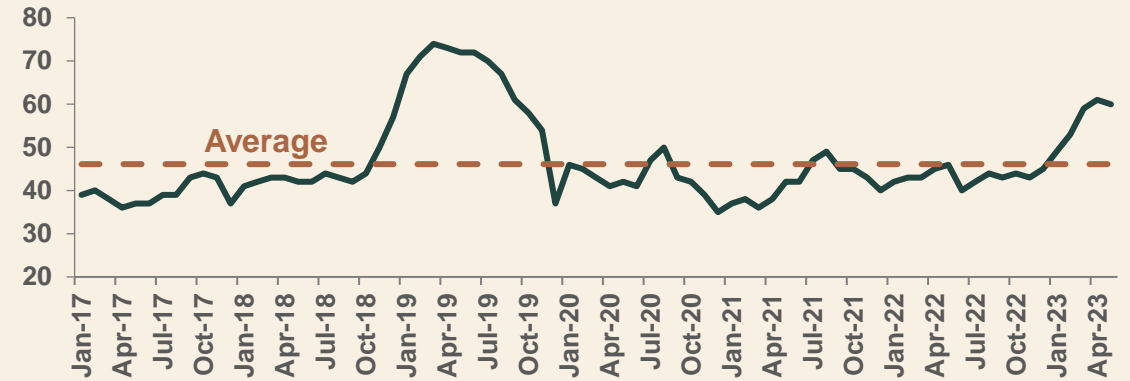


Pulp market development

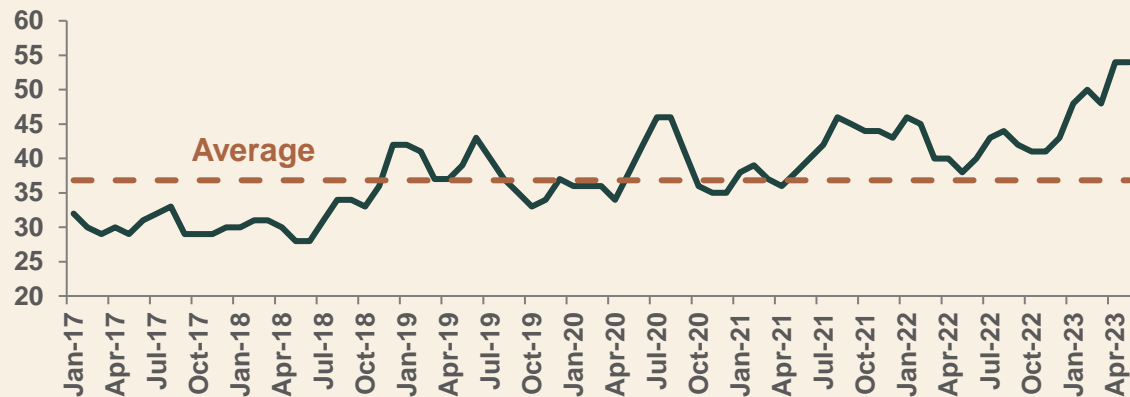
NBSK pulp price (USD/t) vs deliveries (Mt)



Hardwood pulp inventories (days of supply)

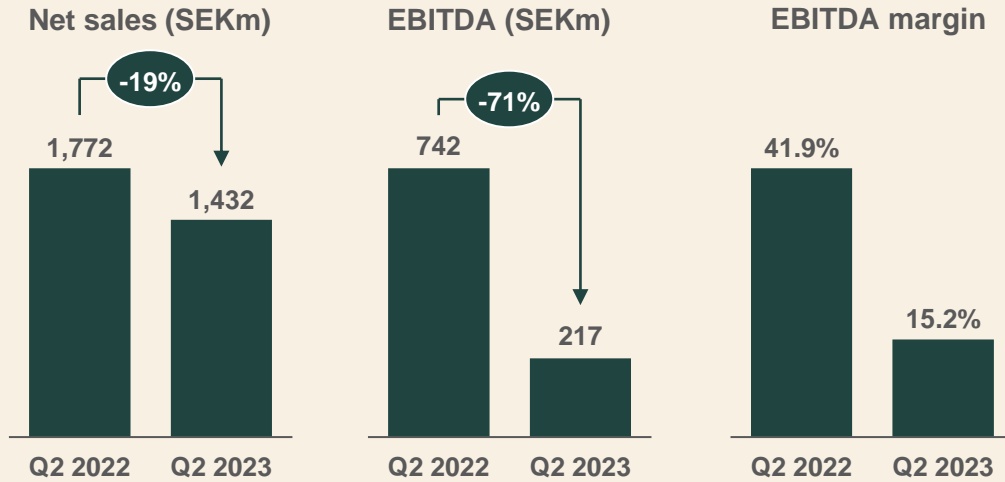


Softwood pulp inventories (days of supply)



- Weak demand in Europe and US, improving demand in China since May
- Several mills are taking market related downtime
- Inventories on record high levels

Containerboard Q2 2023 vs. Q2 2022



Ramp up new paper machine Obbola according to plan

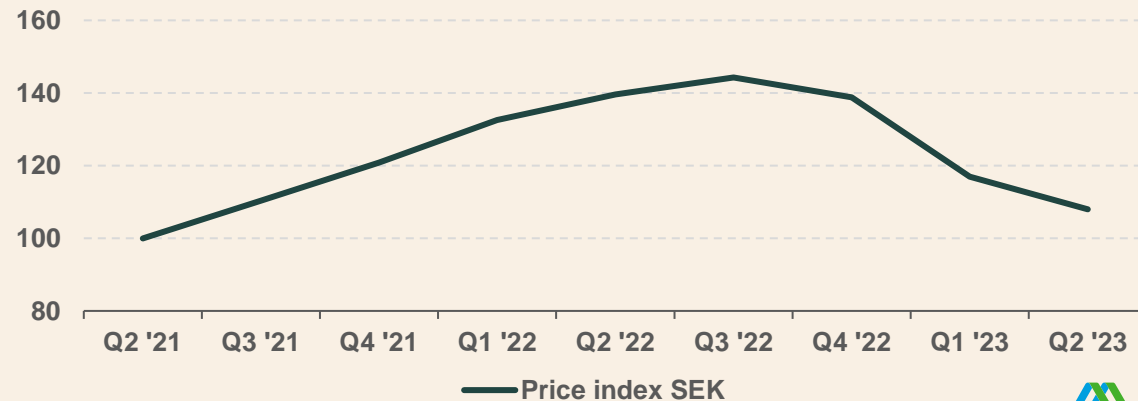
Sales down 19%

- Lower prices
- + Higher volumes

EBITDA down 71%

- Lower prices
- + Higher volumes

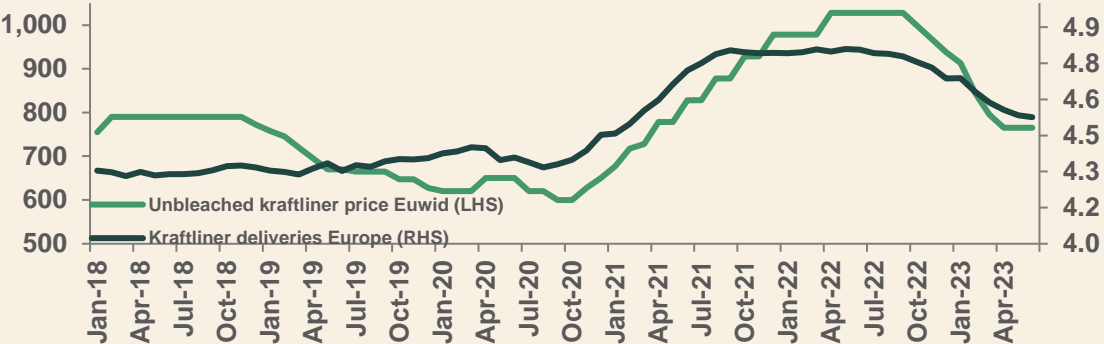
Price development – Kraftliner



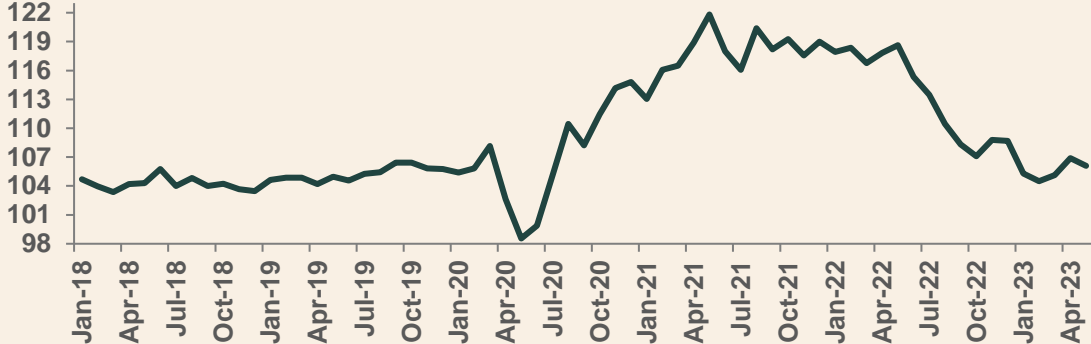
Planned maintenance stop in Obbola

Containerboard market development

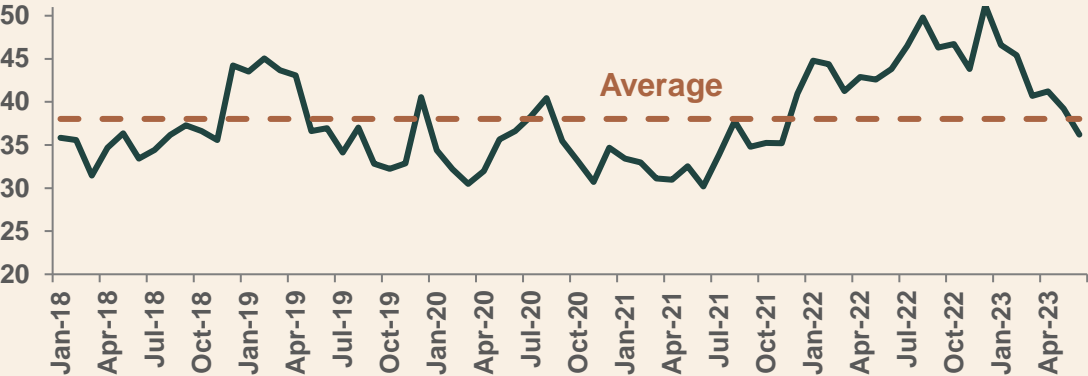
Price (EUR/t) vs Kraftliner deliveries (Mt)



European Box demand (index)



Kraftliner inventories (days of supply)

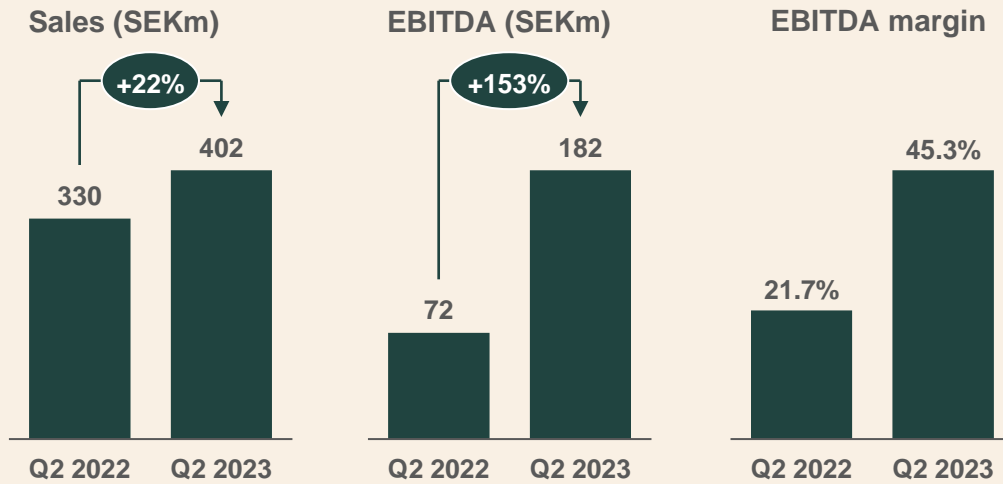


- Box demand decline mainly due to weakening retail demand
- Containerboard prices declined slightly in Q2 but unchanged prices in May and June
- Inventories of Kraftliner slowly decreasing due to production curtailments, and now on historical average levels

Figures excluding Russia.
Source: Euwid, Numera, Cepi.



Renewable energy Q2 2023 vs. Q2 2022



Strong profitable growth

Sales up 22%

+ Higher prices

EBITDA up 153%

+ Higher prices

An aerial photograph of a shipyard at sunset. A large white and blue ship is docked at a pier. The sun is low on the horizon, casting a golden glow over the scene. The sky is filled with colorful clouds. The water reflects the sunset colors. In the foreground, there are industrial buildings and a green barge.

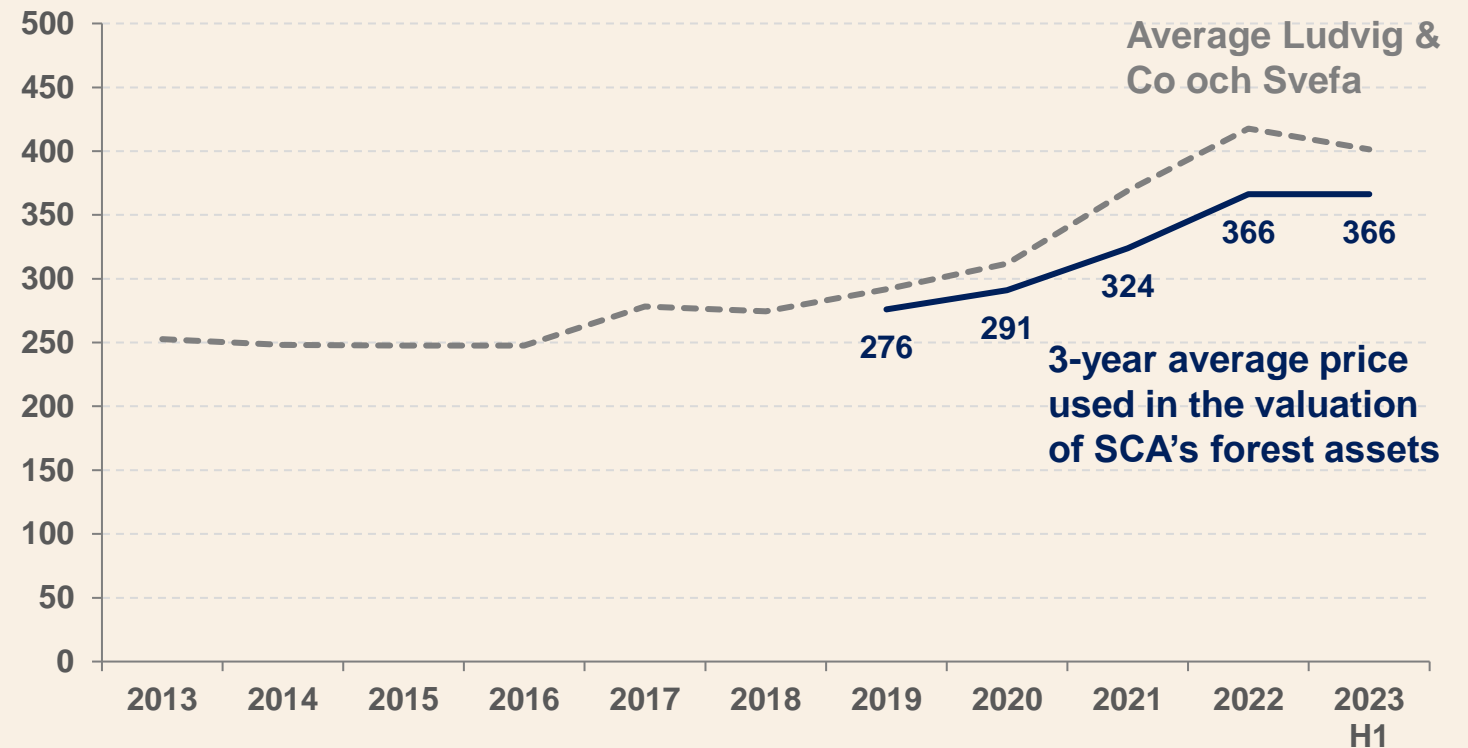
Andreas Ewertz, CFO

Forest prices in Northern Sweden

Value of forest assets increased to SEK 99bn

- Value of biological assets increased SEK 925m
- Applied market price kept stable due to low number of transactions

Forest land prices – average in areas where SCA owns forest (SEK/m³)



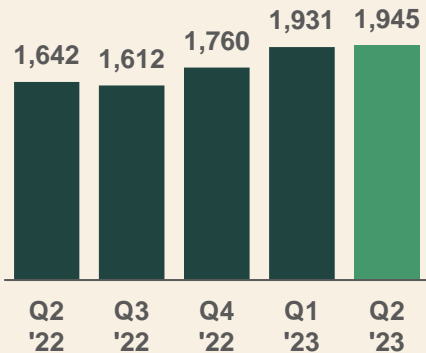
Income statement

SEKm	Quarter		
	Q2 2023	Q2 2022	Change
Net sales	4,582	5,899	-22%
EBITDA	1,700	3,121	-46%
<i>EBITDA margin</i>	37.1%	52.9%	-15.8 p.p.
Depreciation and impairment	-471	-386	22%
EBIT	1,229	2,735	-55%
<i>EBIT margin</i>	26.8%	46.4%	-19.6 p.p.
Financial items	-103	-5	
Profit before tax	1,126	2,730	-59%
Tax	-210	-550	
Profit for the period	916	2,180	-58%
Earnings per share, SEK	1.32	3.05	

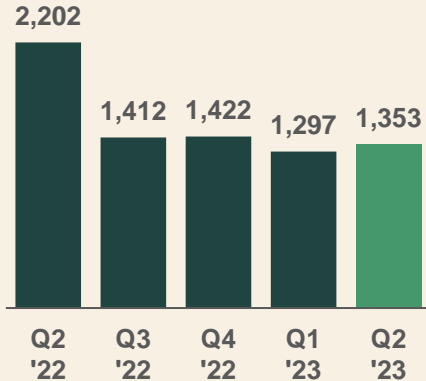
Development per segment and quarter

Forest

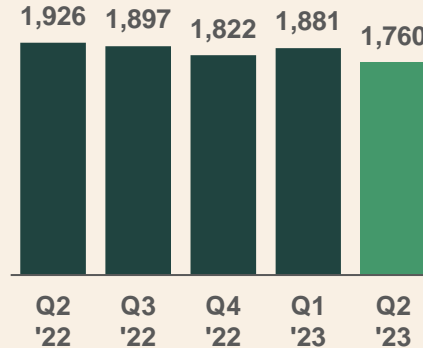
Net Sales (SEKm)



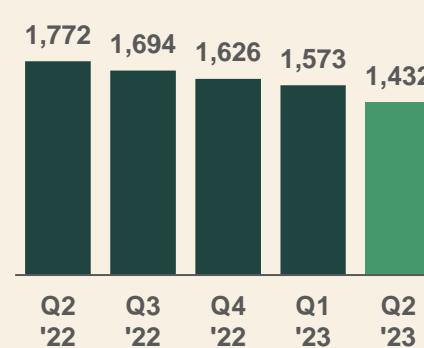
Wood



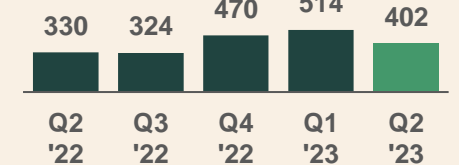
Pulp



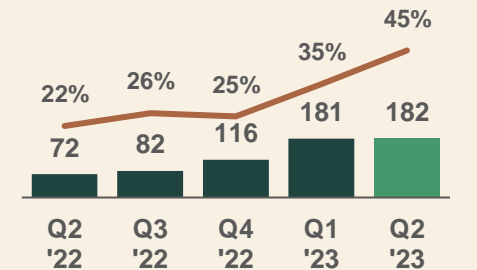
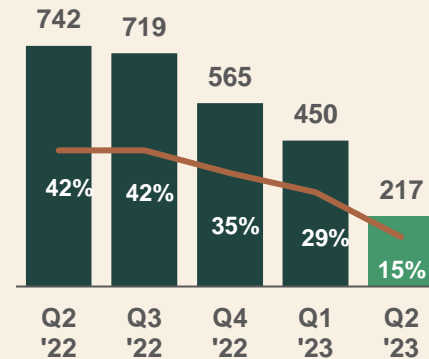
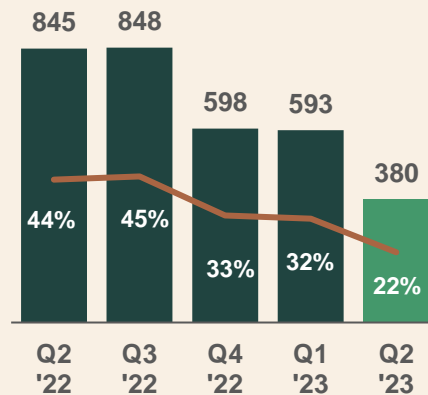
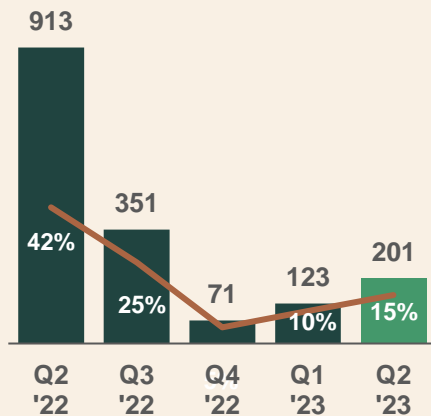
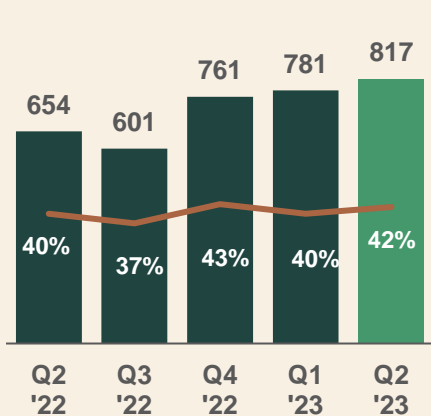
Containerboard



Renewable Energy

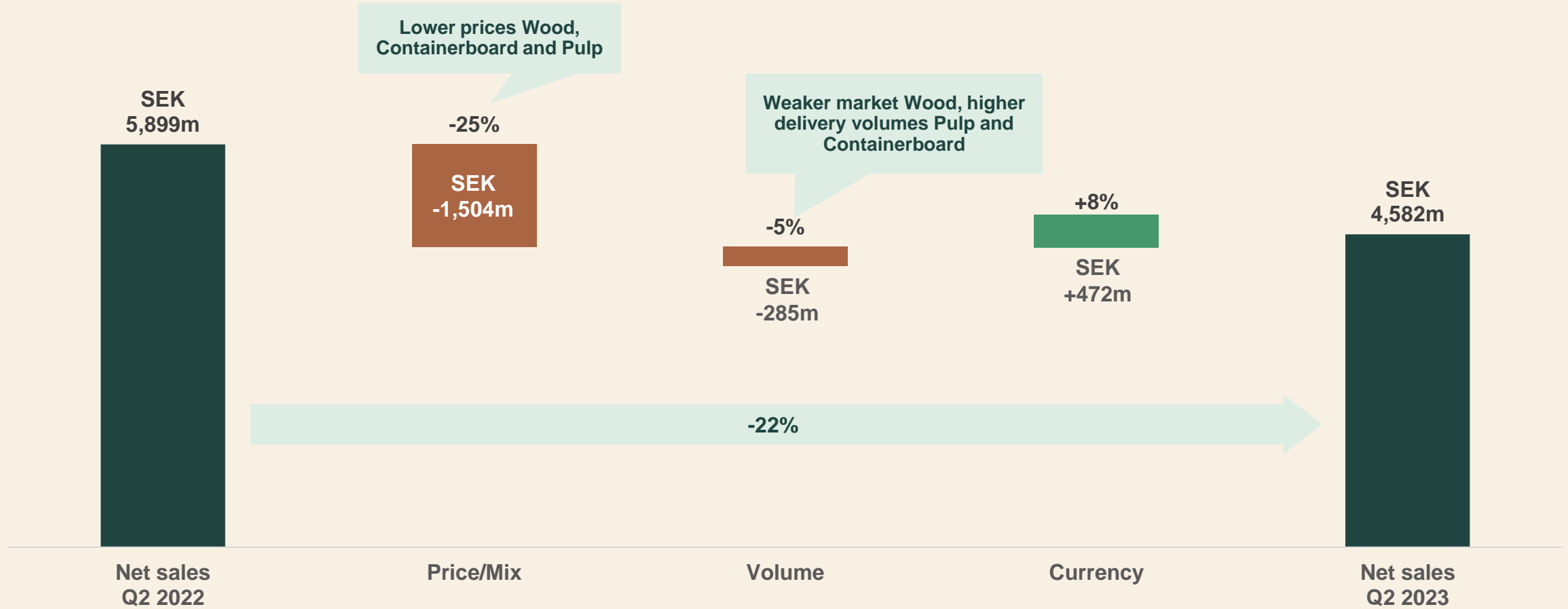


EBITDA (SEKm) and EBITDA margin

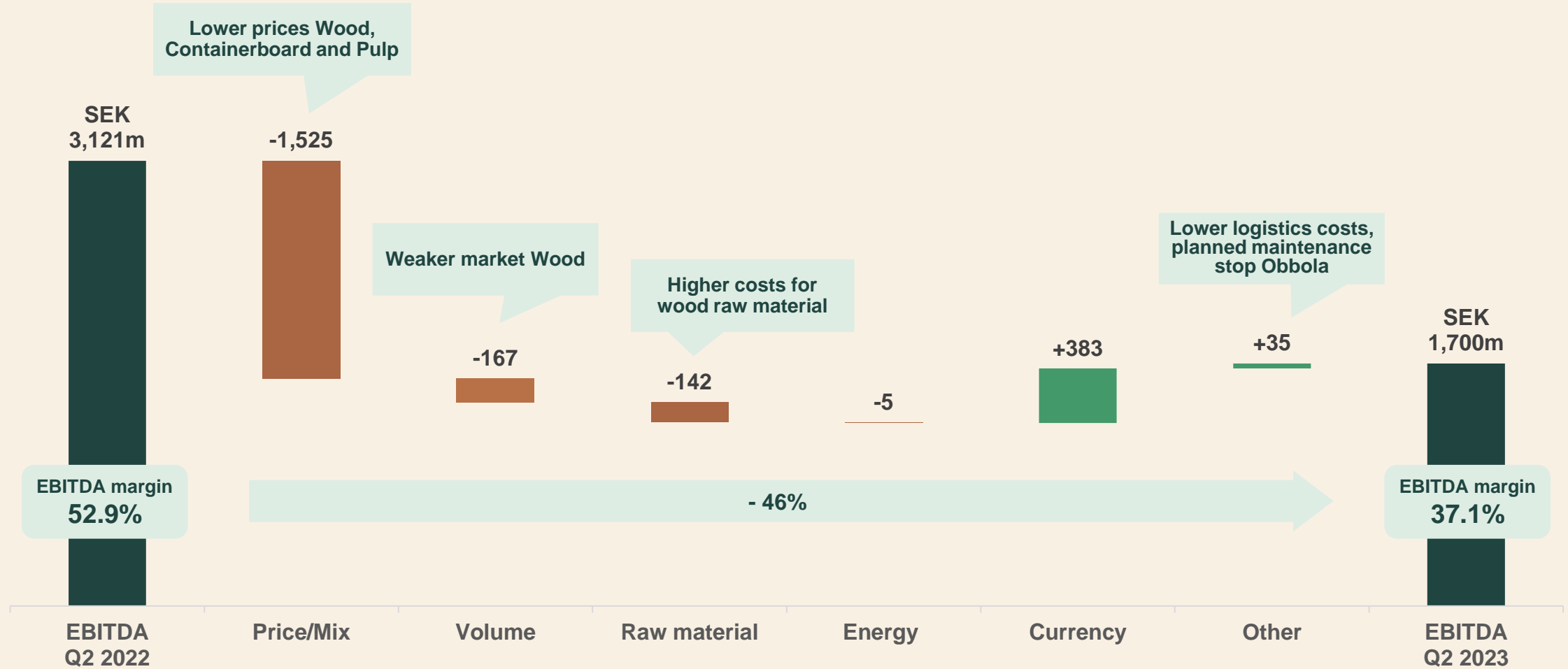


Note: Renewable energy is new segment from January 1, 2023. Year 2022 is recalculated. Renewable Energy includes both net sales and other operating income.

Net sales Q2 2023 vs. Q2 2022



EBITDA Q2 2023 vs. Q2 2022



Cash flow

SEKm	Quarter		Jan - June	
	Q2 2023	Q2 2022	2023	2022
EBITDA	1,700	3,121	3,755	5,729
Revaluation of biological assets and other non cash flow items	-491	-481	-949	-972
Operating cash surplus	1,209	2,640	2,806	4,757
Change in working capital	1	-369	-149	-993
Current capital expenditures	-350	-351	-629	-599
Other operating cash flow	-212	22	-177	-80
Operating cash flow	648	1,942	1,851	3,085
Strategic capital expenditures	-403	-1,013	-938	-1,610

Balance sheet

SEKm	Jun 30, 2023	Dec 31, 2022
Forest assets	98,891	97,882
Working capital	4,290	4,138
Deferred tax relating to forest assets	-19,578	-19,468
Other capital employed	24,089	23,795
Total capital employed	107,692	106,347
Net debt	10,809	9,989
<i>Net debt/EBITDA</i>	1.3x	1.0x
Equity	96,833	96,358
<i>Net debt/Equity</i>	11%	10%

Summary

Ulf Larsson, CEO

Summary Q2 2023

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EBITDA margin of 37 %

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- Price/mix -25%, currency 8%, volume -5%

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Q&A



Europe's largest private forest owner

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