



# Year-end Presentation 2023

January 26, 2024





A winter landscape featuring snow-covered evergreen trees in the foreground and a misty, hazy background. The scene is captured in a cool, blue-toned light, suggesting a clear but cold day. The trees are heavily laden with snow, and the overall atmosphere is serene and quiet.

# Ulf Larsson, CEO



# Summary 2023

## EBITDA (SEKm) and EBITDA margin

Higher delivery volumes due to strategic investments

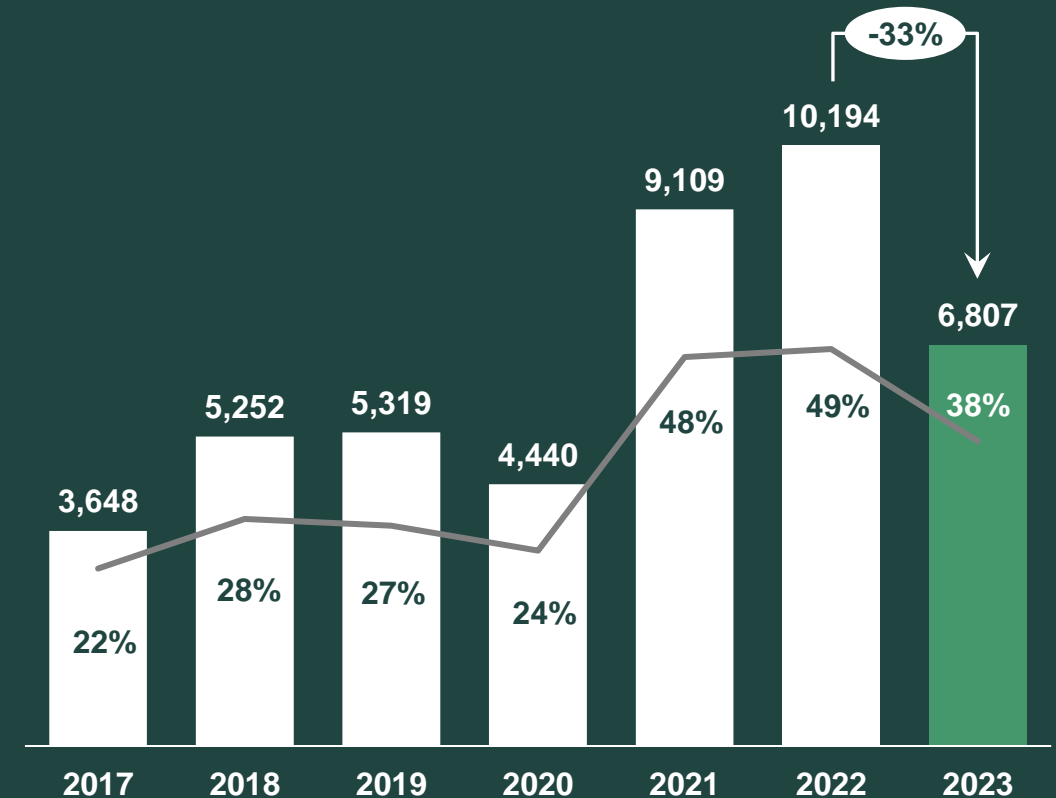
Doubled EBITDA from Renewable Energy – new segment in 2023

Record high harvesting volumes from own forest

Lower but solid profitability

- EBITDA down 33% to SEK 6.8bn
- EBITDA margin of 37.6%
- Lower prices and higher wood raw material costs
- Good cost control and high degree of self sufficiency

Increased forest land values





# SCA's performance 2023

EBITDA (SEKm)

**6,807**  
(10,194)

Industrial ROCE <sup>1</sup>

**7%**  
(40%)

Proposed dividend (SEK)

**2.75**  
(2.50)

EBITDA margin

**38%**  
(49%)

Net debt/EBITDA

**1.6x**  
(1.0x)

EPS (SEK)

**5.23**  
(9.61)

Note: Figures in brackets refer to 2022.

1. ROCE for the industrial segments; Wood, Pulp, Containerboard and Renewable Energy.



# SCA's performance Q4 2023

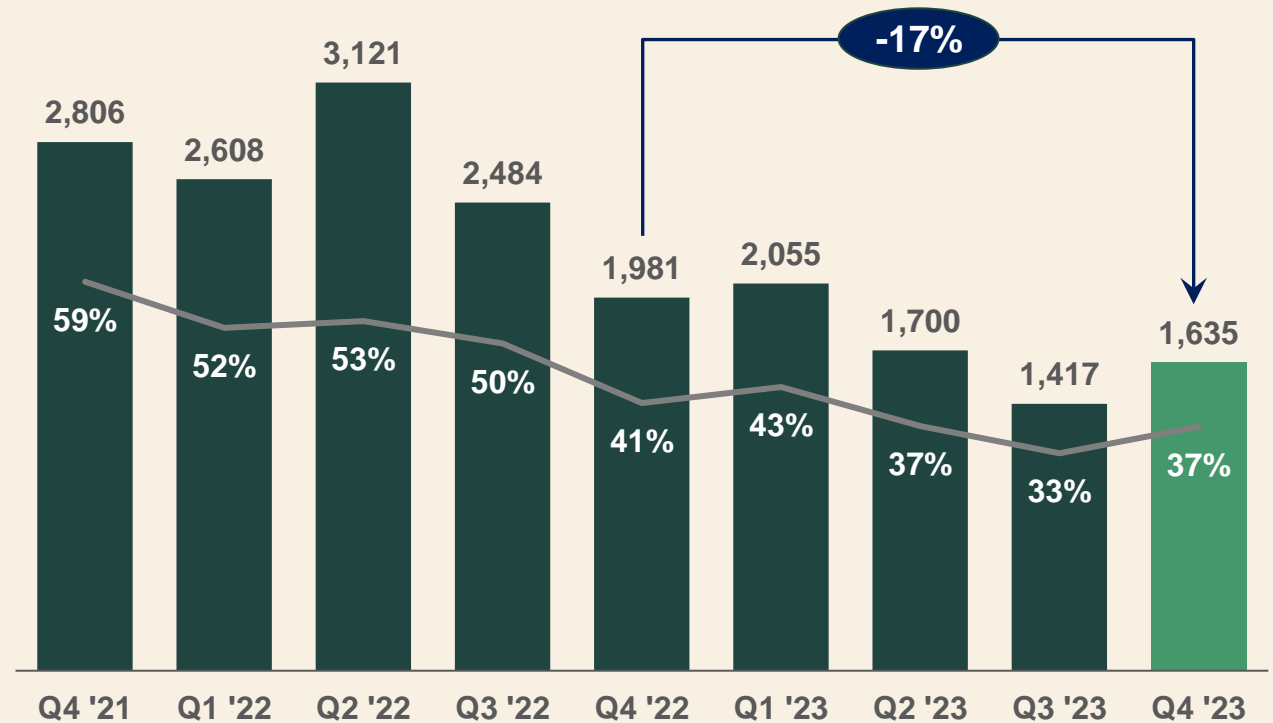
EBITDA (SEKm)

**1,635**

Net Debt/Equity

**10%**

EBITDA (SEKm) and EBITDA margin



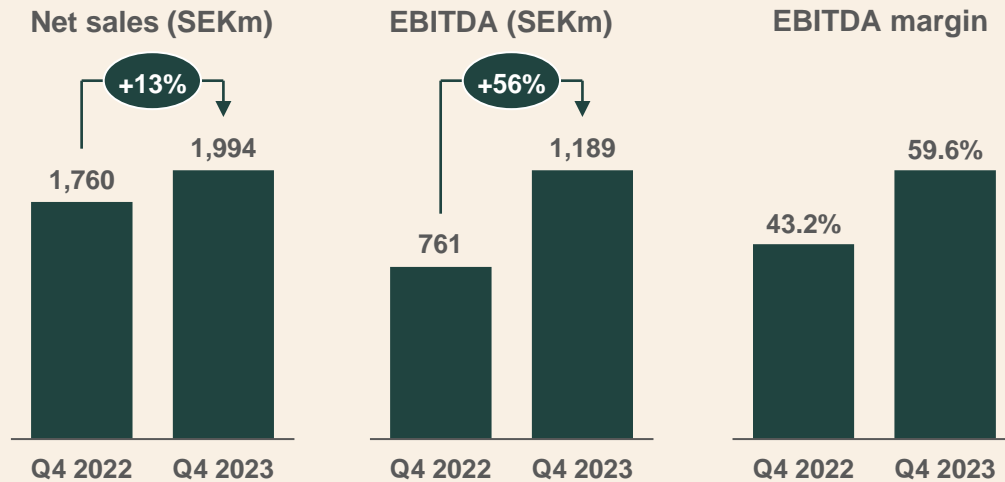
EBITDA margin

**37.3%**

Net debt/EBITDA

**1.6x**

# Forest Q4 2023 vs. Q4 2022



Stable wood supply to industries

Continued price increase for wood raw material

**Sales up 13%**

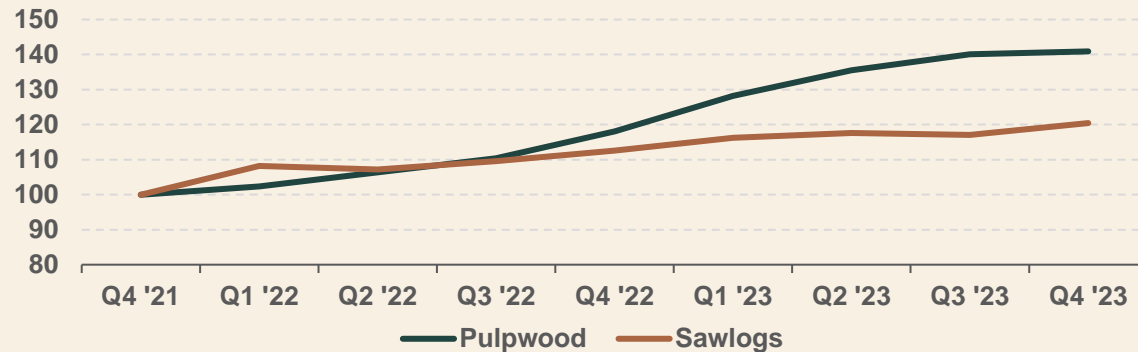
- + Higher prices

**EBITDA up 56%**

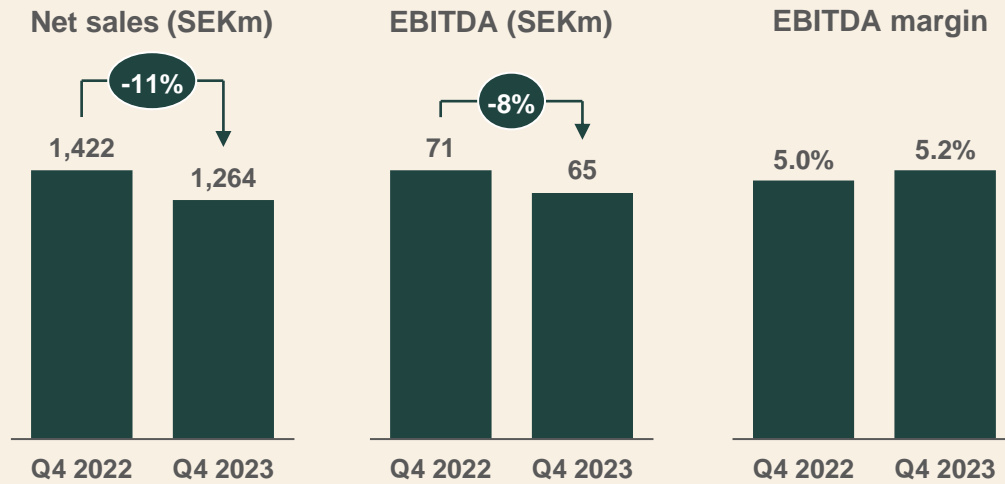
- + Higher prices

- + Higher revaluation biological assets

Price development – Pulpwood and Sawlogs



# Wood Q4 2023 vs. Q4 2022



**Higher wood raw material costs**

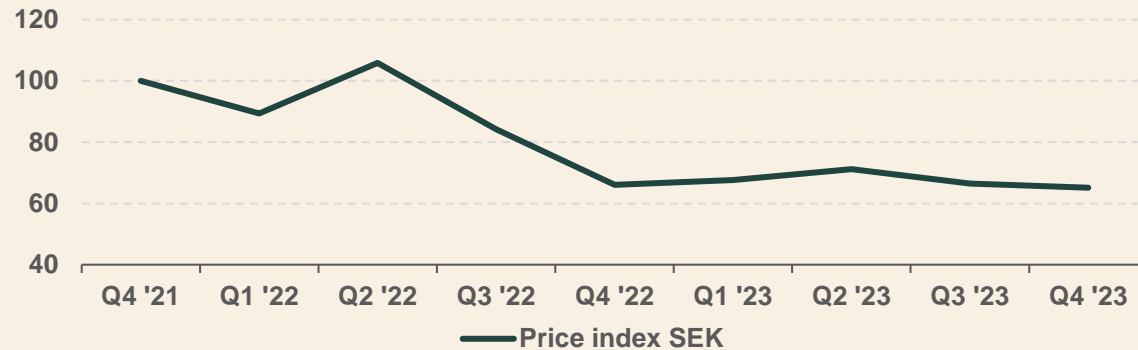
**Sales down 11%**

- Lower prices
- Lower volumes

**EBITDA down 8%**

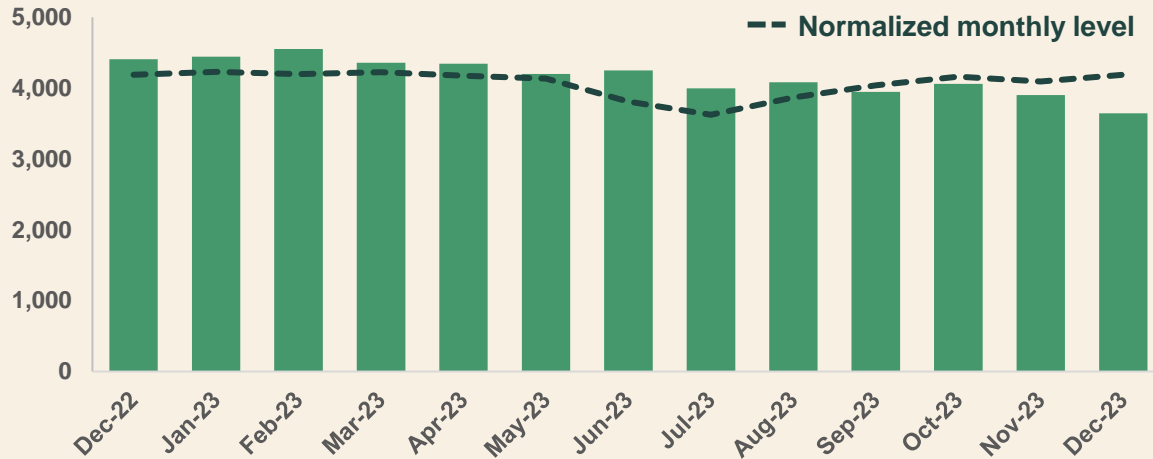
- Lower prices
- Higher wood raw material cost
- + Positive currency effects

**Price development – Solid Wood Products**

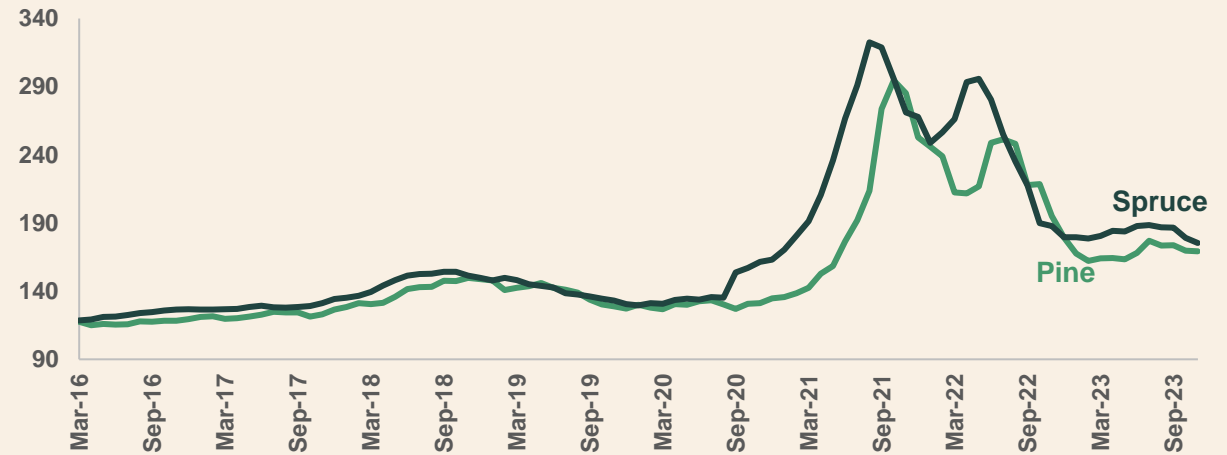


# Wood market development

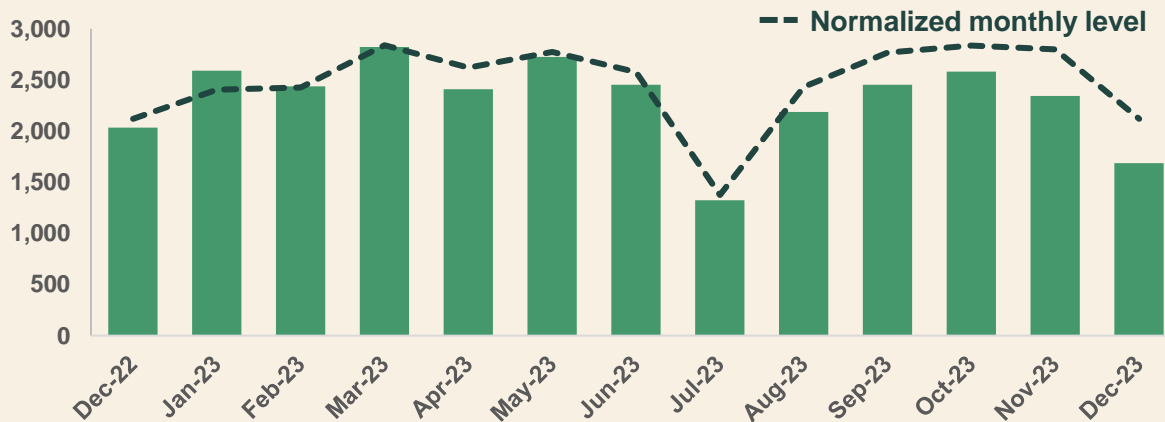
Stock of sawn pine and spruce wood, Sweden and Finland (k m<sup>3</sup>)



Price development sawn pine and spruce, Sweden (index)



Production of sawn pine and spruce wood, Sweden and Finland (k m<sup>3</sup>)

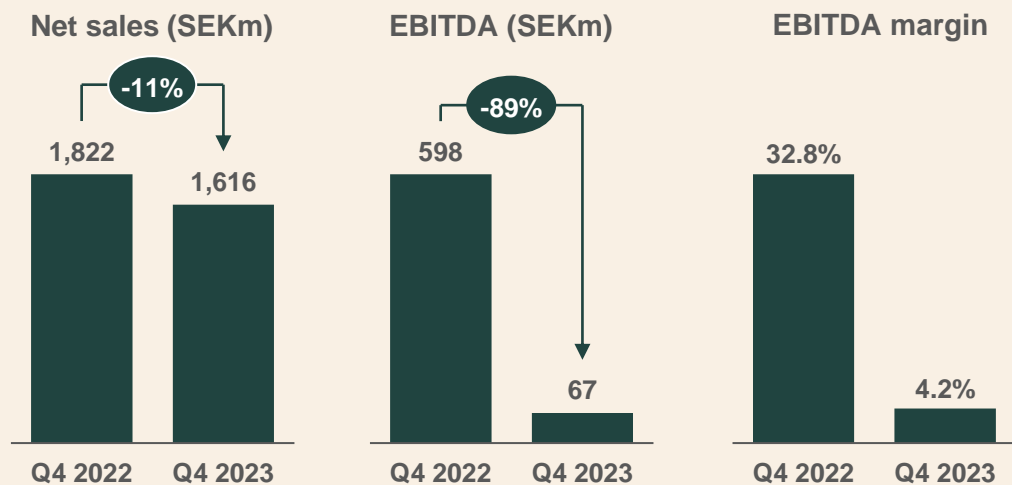


- Low consumption
- Lower production in all regions
- Very low producer stock levels

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



# Pulp Q4 2023 vs. Q4 2022



Ramp up of new CTMP line according to plan

## Sales down 11%

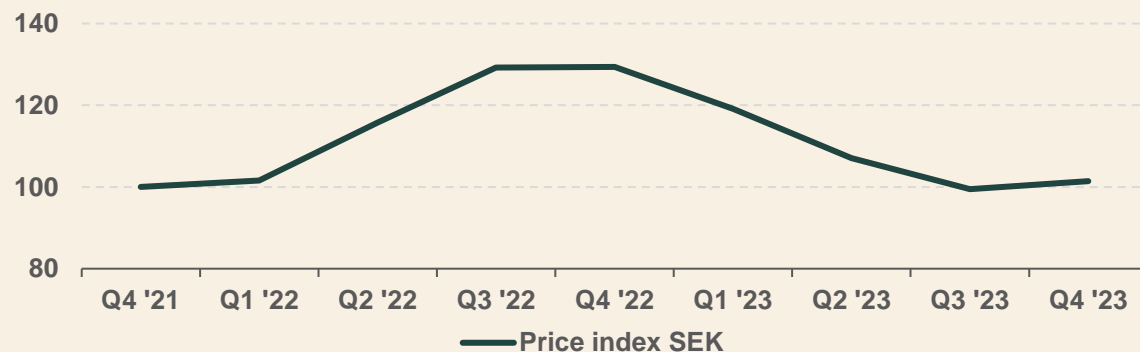
- Lower prices
- + Higher volumes
- + Positive currency effects

## EBITDA down 89%

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

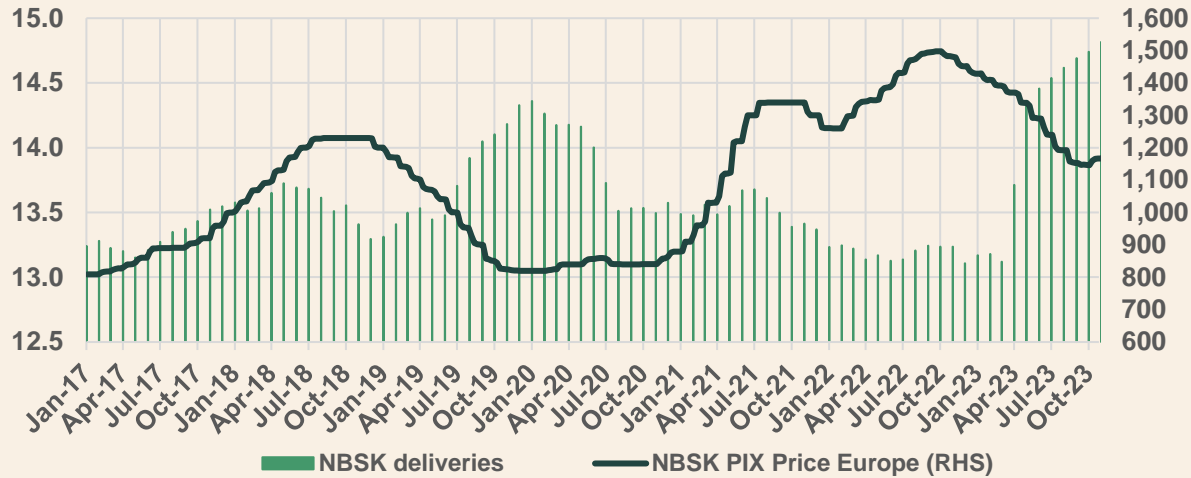
Planned maintenance stop in Östrand

Price development – NBSK

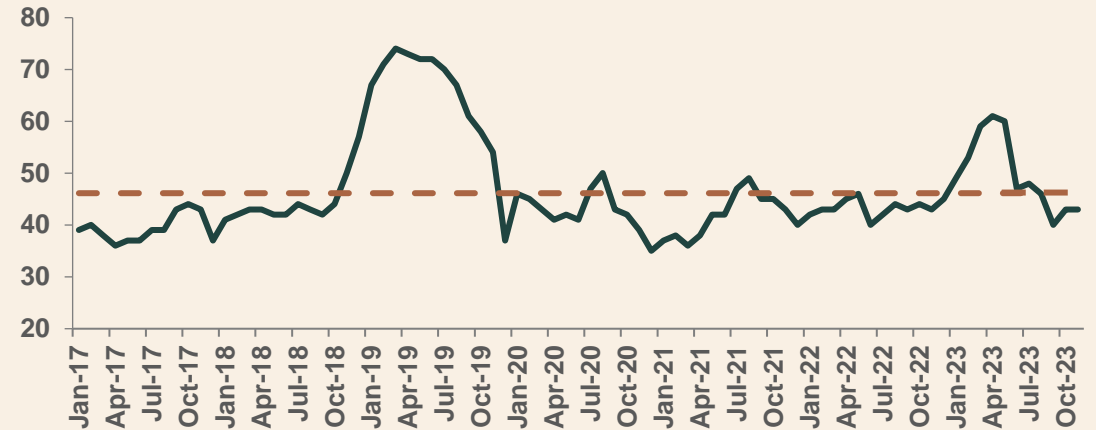


# Pulp market development

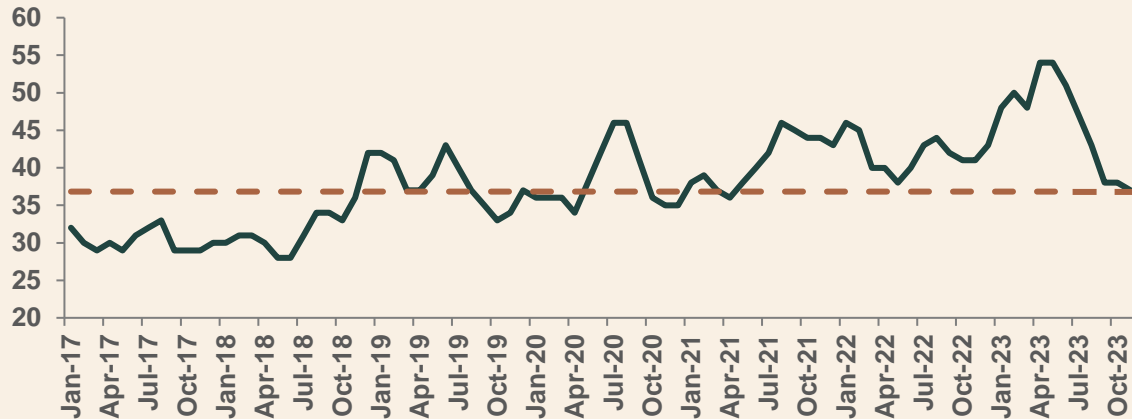
NBSK pulp price (USD/t) vs deliveries (Mt)



Hardwood pulp inventories (days of supply)

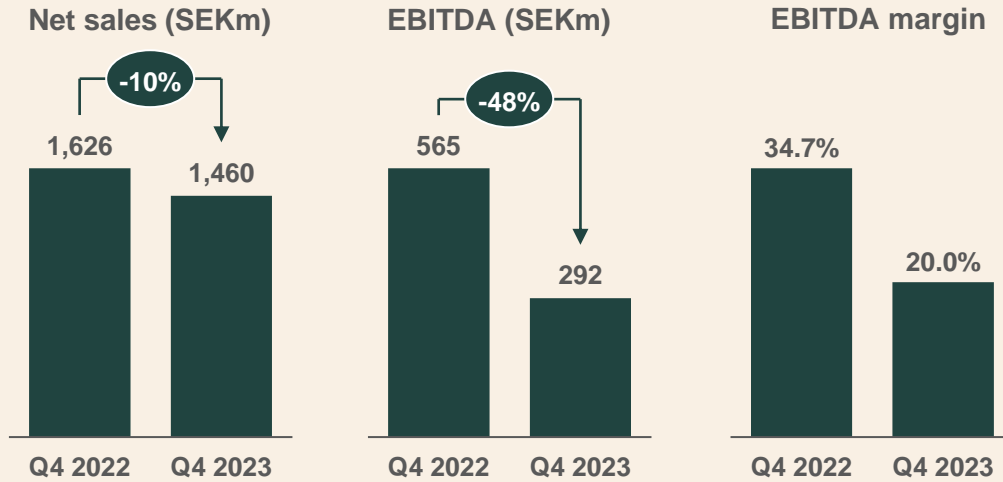


Softwood pulp inventories (days of supply)



- European price reached bottom in Q3, price increases from Q4
- Inventories at normal to low levels

# Containerboard Q4 2023 vs. Q4 2022



Ramp up new paper machine Obbola according to plan

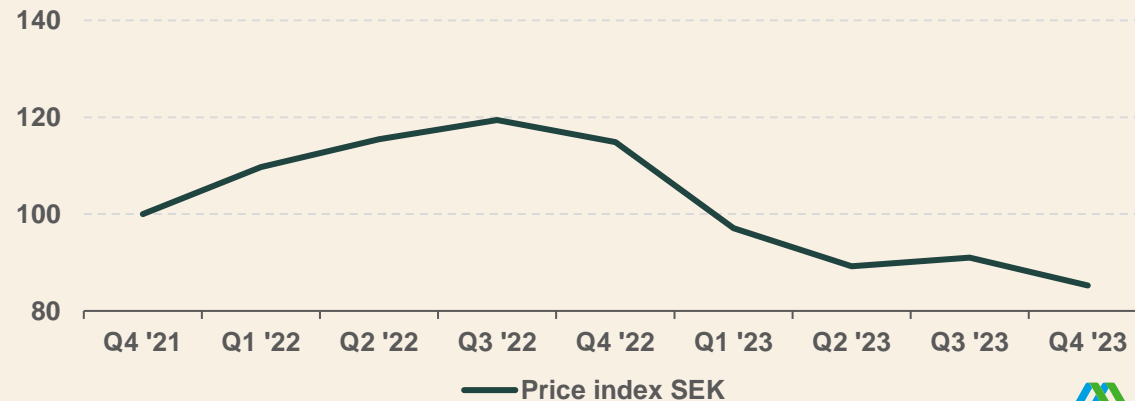
## Sales down 10%

- Lower prices
- + Higher volumes
- + Positive currency effects

## EBITDA down 48%

- Lower prices
- Higher raw material costs

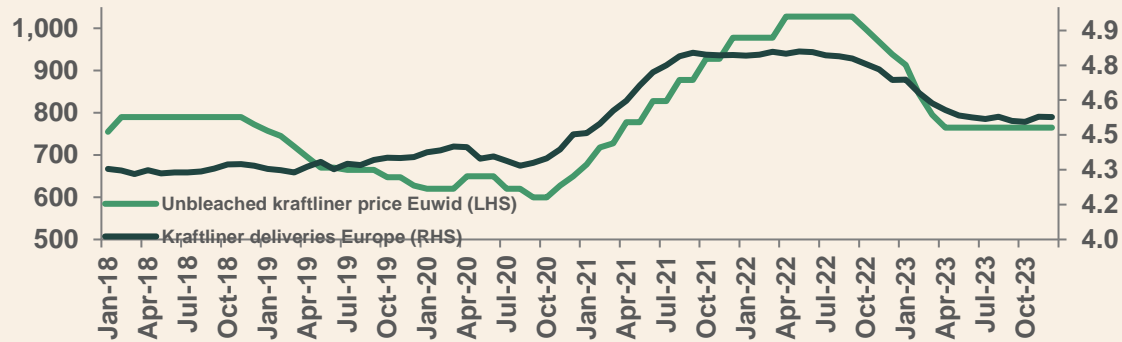
Price development – Kraftliner



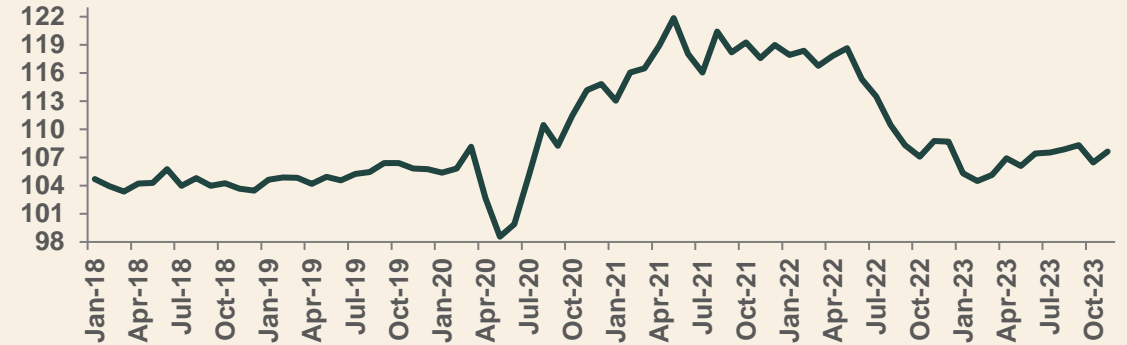


# Containerboard market development

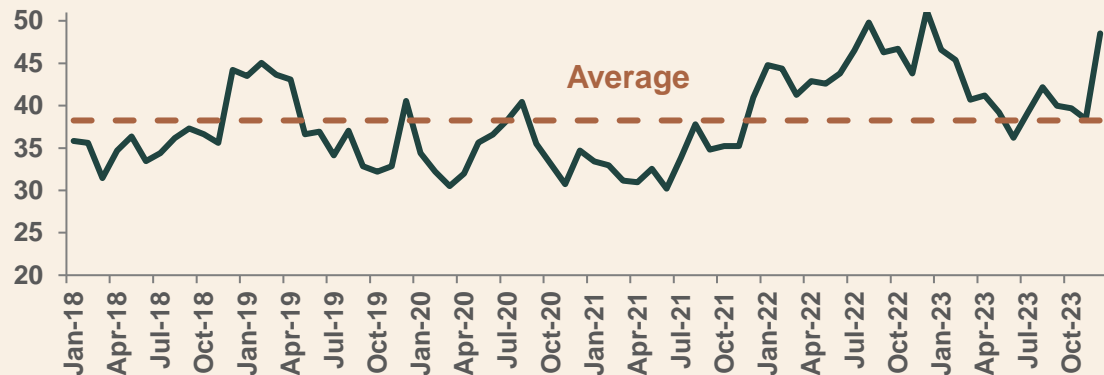
Price (EUR/t) vs Kraftliner deliveries (Mt)



European Box demand (index)



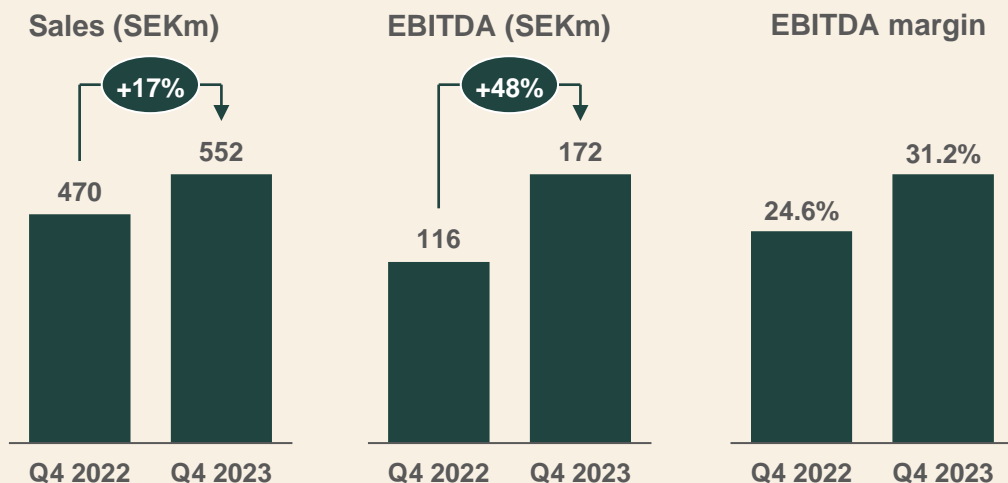
Kraftliner inventories (days of supply)



- Stabilized box demand back on pre-pandemic levels
- Containerboard prices stable during Q4
- Well managed Kraftliner stocks with production curtailments have kept Inventories on an average level

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

# Renewable energy Q4 2023 vs. Q4 2022



## Sales up 17%

- + Higher prices

## EBITDA up 48%

- + Higher prices
- + Profitable growth

9 TWh installed capacity of wind power on SCA land

Biorefinery in Gothenburg commissioned at year end – first product to tank

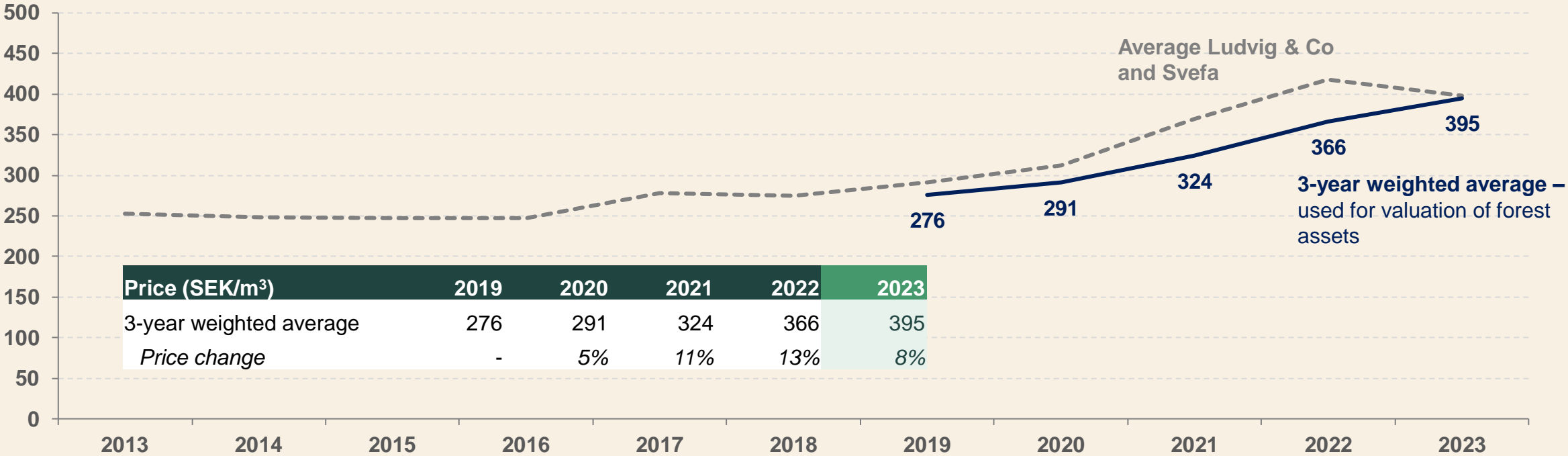


# Andreas Ewertz, CFO



# Slightly decreasing forest prices in 2023 while 3-year average price increased to 395 SEK/m<sup>3</sup>

Forest land values – average in areas where SCA owns forest land (SEK/m<sup>3</sup>)



Price (SEK/m <sup>3</sup> )	2019	2020	2021	2022	2023
3-year weighted average	276	291	324	366	395
Price change	-	5%	11%	13%	8%



# Value of forest assets increased to SEK 107 bn

## - increase of SEK ~10bn since 2022

### Average three year transaction price

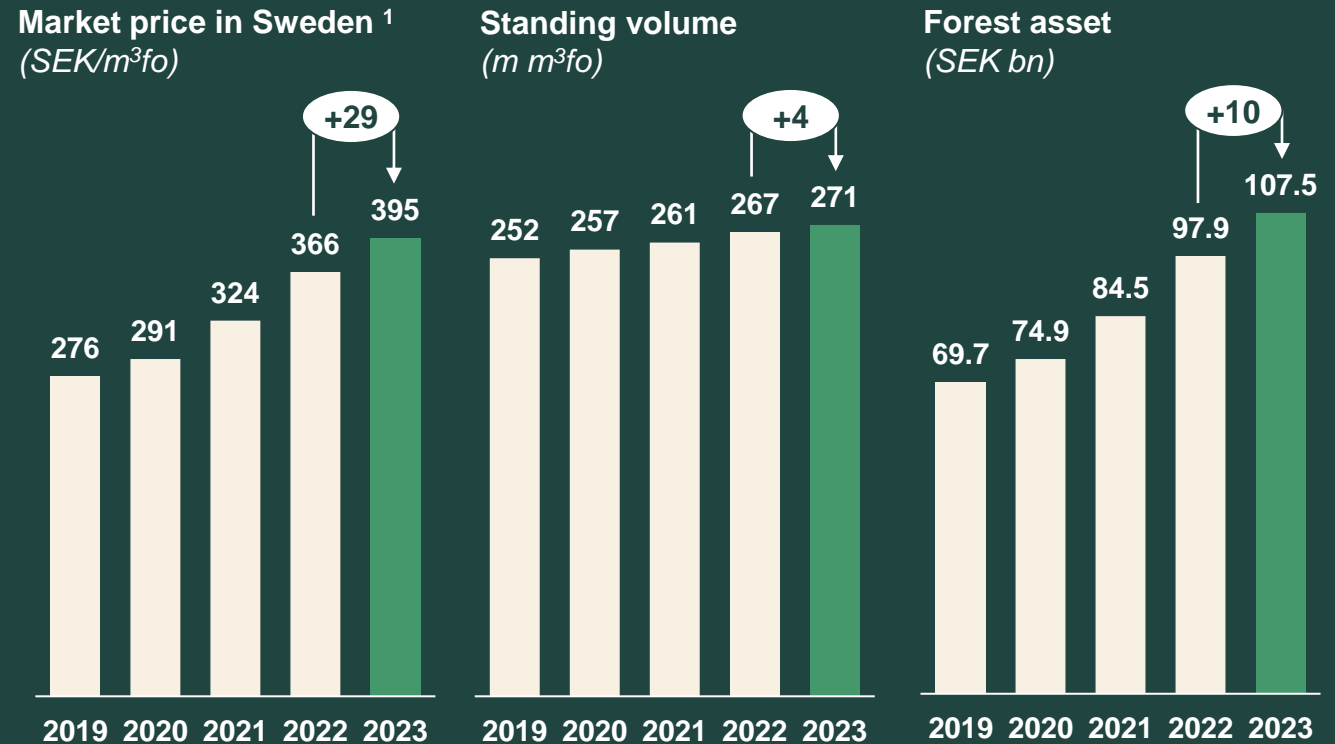
- 395 SEK/m<sup>3</sup>fo in Sweden at Dec 31 2023
- 40.5 EUR/m<sup>3</sup>fo in Baltics at Dec 31 2023

### Standing volume increased to 271m m<sup>3</sup>fo

- Net growth of more than 3m m<sup>3</sup>fo

### SCAs forest assets valued SEK 107.5bn

- Value increase of 9.6bn of which 2.2bn biological assets



1. Three-year average in SCAs region in Sweden

# Income statement

SEKm	Quarter			Full year		
	Q4 2023	Q4 2022	Change	2023	2022	Change
Net sales	4,384	4,873	-10%	18,081	20,794	-13%
<b>EBITDA</b>	<b>1,635</b>	<b>1,981</b>	<b>-17%</b>	<b>6,807</b>	<b>10,194</b>	<b>-33%</b>
<i>EBITDA margin</i>	37.3%	40.6%	-3.3 p.p.	37.6%	49.0%	-11.4 p.p.
<b>EBIT</b>	<b>1,119</b>	<b>1,590</b>	<b>-30%</b>	<b>4,857</b>	<b>8,642</b>	<b>-44%</b>
<i>EBIT margin</i>	25.5%	32.6%	-7.1 p.p.	26.9%	41.6%	-14.7 p.p.
Financial items	-141	-22		-414	-39	
<b>Profit before tax</b>	<b>978</b>	<b>1,568</b>	<b>-38%</b>	<b>4,443</b>	<b>8,603</b>	<b>-48%</b>
Tax	-145	-353		-818	-1,782	
<b>Profit for the period</b>	<b>833</b>	<b>1,215</b>	<b>-31%</b>	<b>3,625</b>	<b>6,821</b>	<b>-47%</b>
Earnings per share, SEK	1.22	1.76		5.23	9.61	



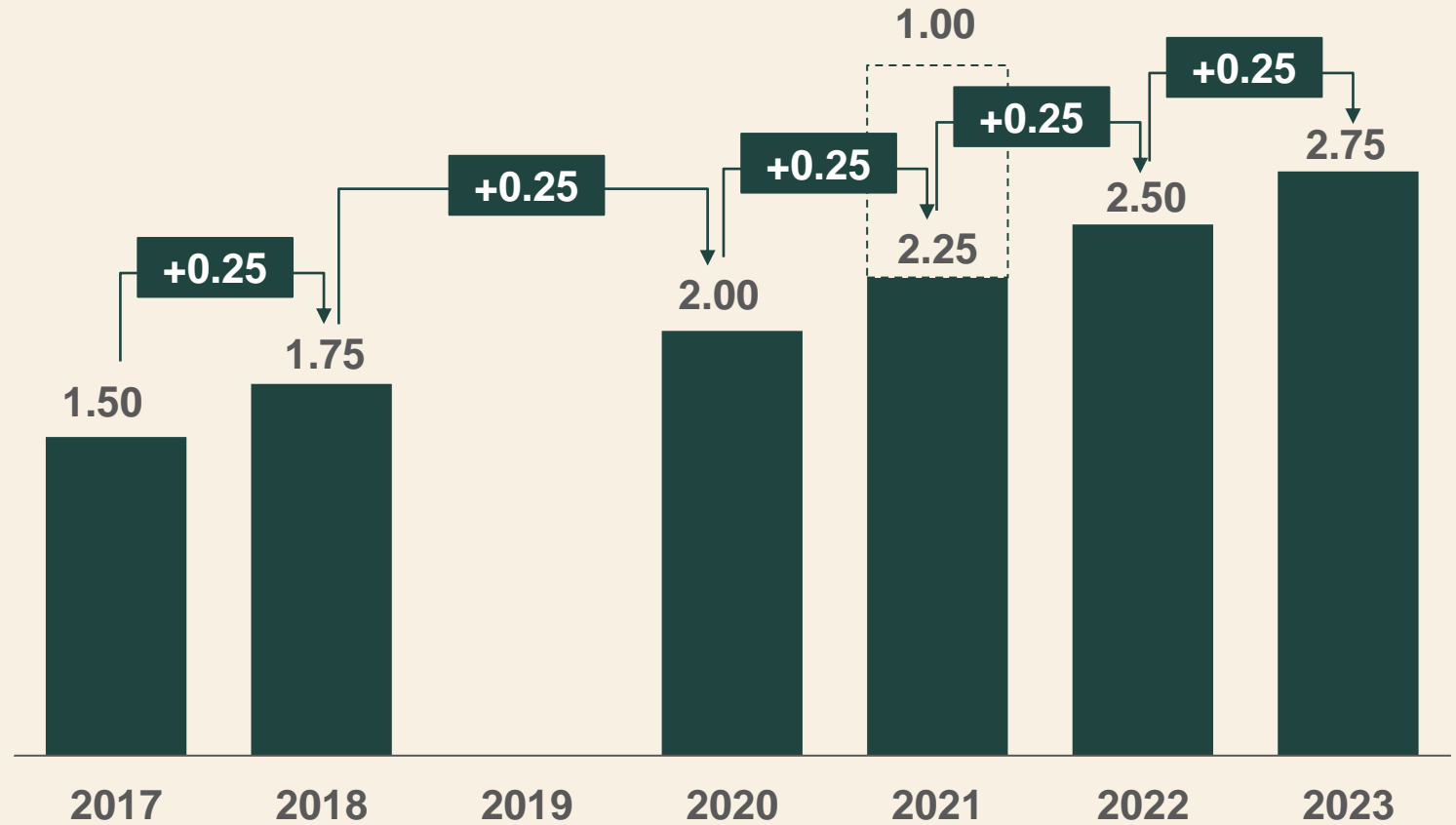
# Proposed Dividend

Proposed dividend (SEK)

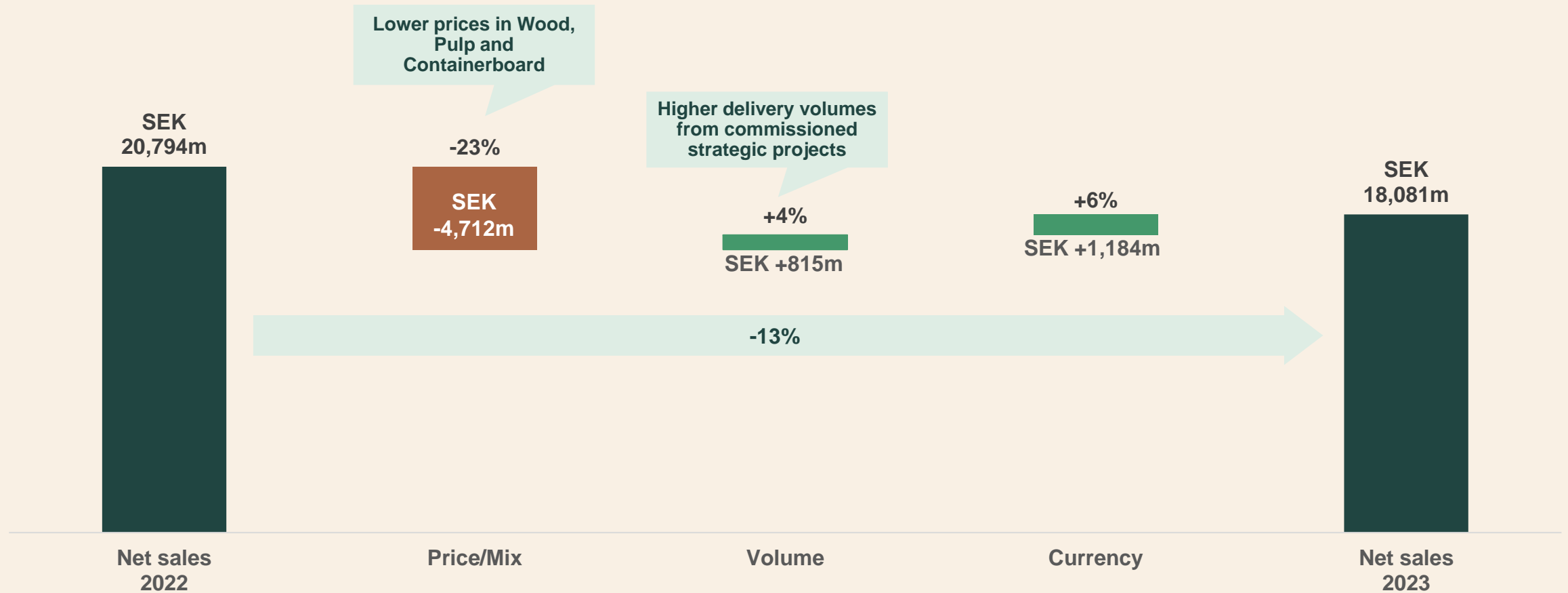
**2.75**  
(2.50)

EPS (SEK)

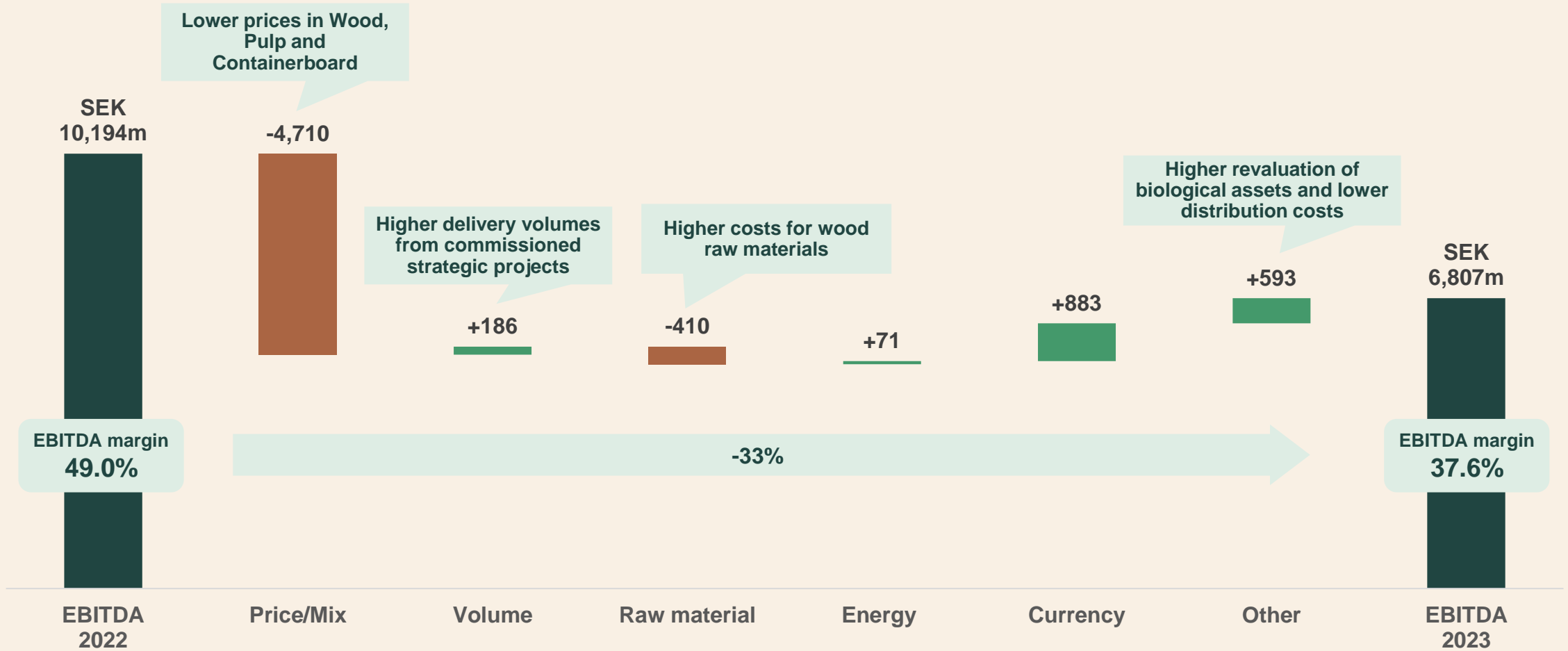
**5.23**  
(9.61)



# Net sales 2023 vs. 2022



# EBITDA 2023 vs. 2022

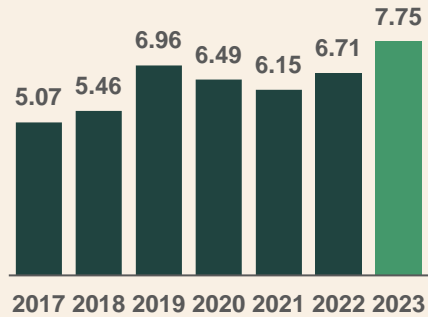




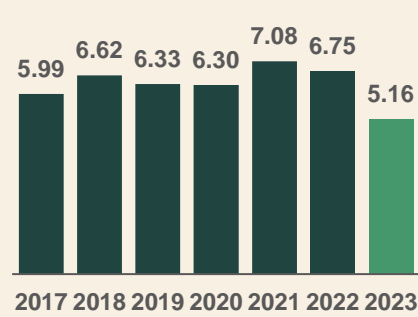
# Contribution by segment

## Forest

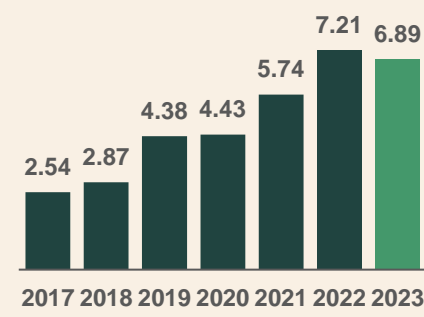
Net sales (SEKbn)



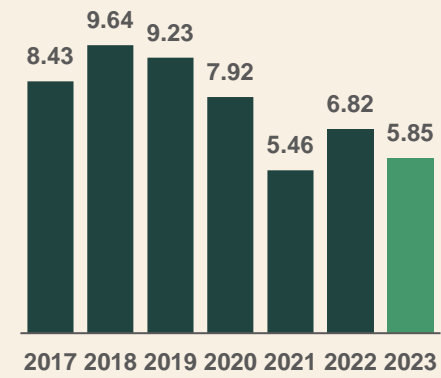
## Wood



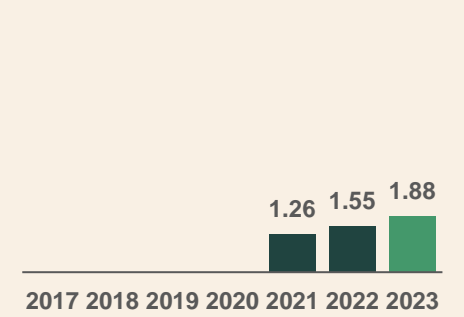
## Pulp



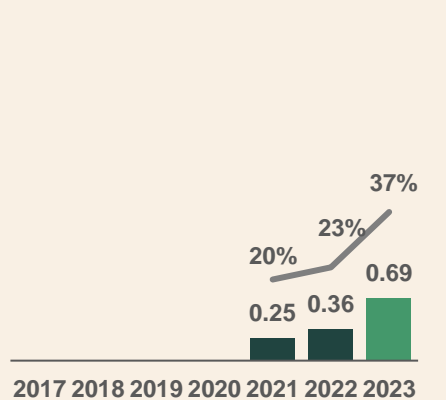
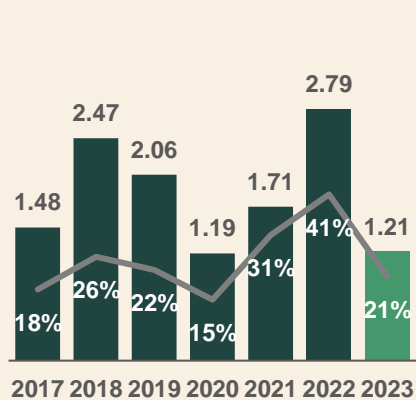
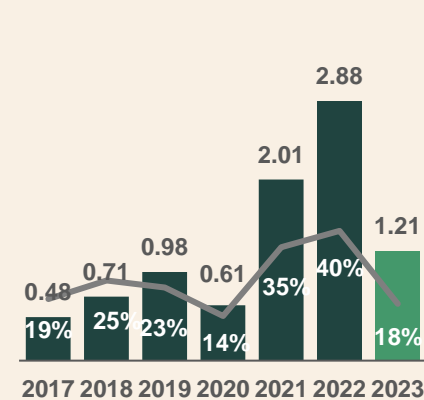
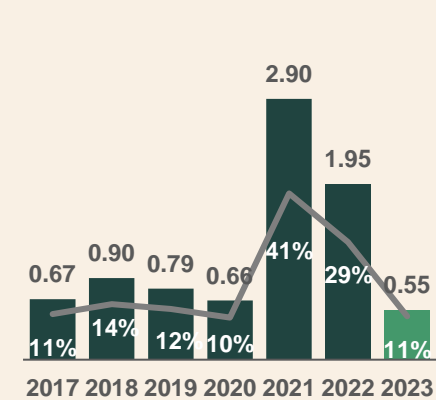
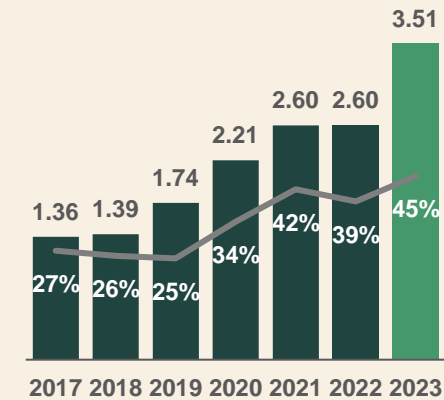
## Containerboard



## Renewable Energy



EBITDA (SEKbn) and EBITDA margin



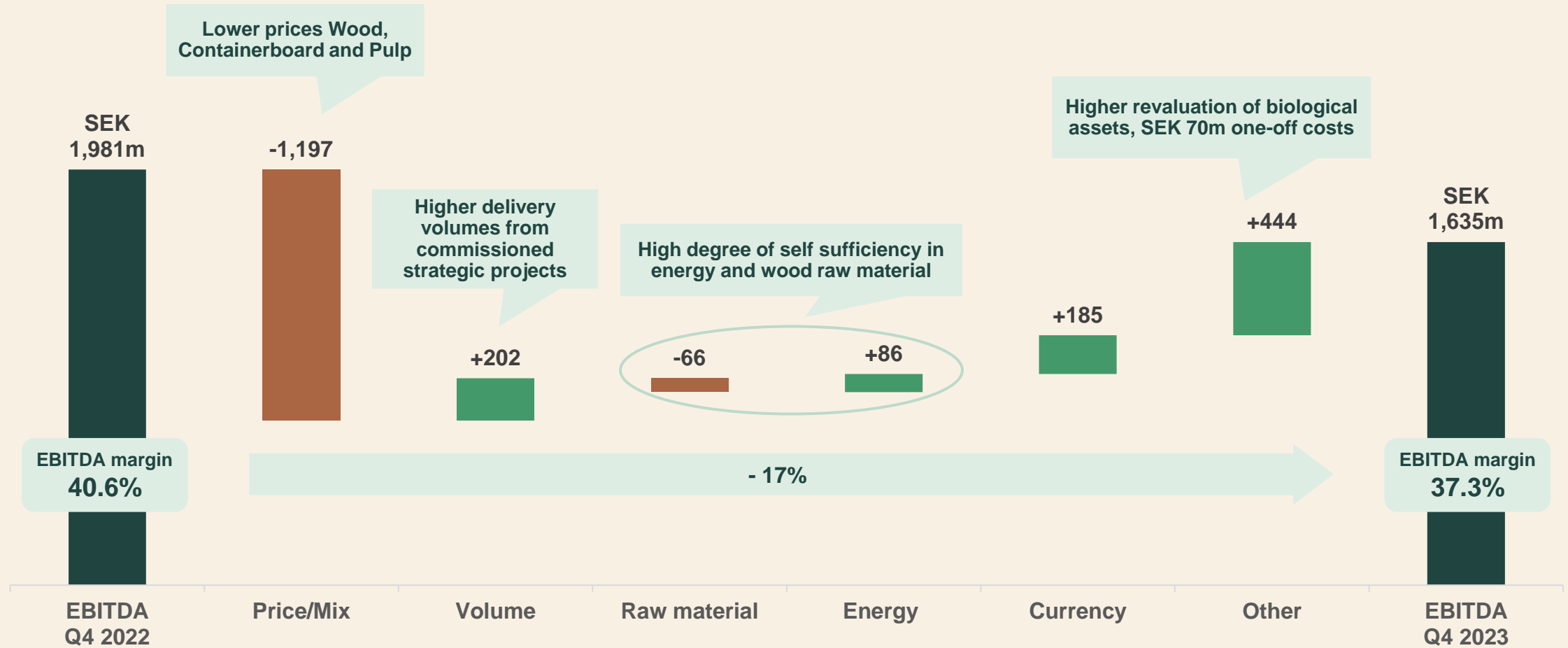
Note: Publication Paper included in Containerboard figures up to and including 2020. Renewable Energy is a new segment from January 1, 2023 and includes both net sales and other operating income. Forest, Wood, Pulp and Kraftliner for years 2015-2020 includes comparative Energy operations moved 2021-2023.



# Net sales Q4 2023 vs. Q4 2022



# EBITDA Q4 2023 vs. Q4 2022



# Cash flow

SEKm	Quarter		Full Year	
	Q4 2023	Q4 2022	2023	2022
EBITDA	1,635	1,981	6,807	10,194
Revaluation of biological assets and other non cash flow items	-840	-459	-2,305	-1,863
<b>Operating cash surplus</b>	<b>795</b>	<b>1 522</b>	<b>4,502</b>	<b>8,331</b>
Change in working capital	-710	-604	-159	-1,328
Current capital expenditures	-538	-439	-1,603	-1,436
Other operating cash flow	398	248	245	118
<b>Operating cash flow</b>	<b>-55</b>	<b>727</b>	<b>2,985</b>	<b>5,685</b>
Strategic capital expenditures	-377	-2,260	-1,510	-4,351



# Balance sheet

SEKm	Dec 31, 2023	Dec 31, 2022
Forest assets	107,481	97,882
Working capital	4,322	4,138
Deferred tax relating to forest assets	-21,277	-19,468
Other capital employed	24,524	23,795
<b>Total capital employed</b>	<b>115,050</b>	<b>106,347</b>
<b>Net debt</b>	<b>10,765</b>	<b>9,989</b>
<i>Net debt/EBITDA</i>	1.6x	1.0x
<b>Equity</b>	<b>104,284</b>	<b>96,358</b>
<i>Net debt/Equity</i>	10%	10%

# Summary

## Ulf Larsson, CEO

# Clarification

## Forest assets

- Standing volume on SCA's land is in line with statistics from Swedish National Forest Inventory (Riksskogstaxeringen)
- Forest valuation is based on official price statistics in areas where SCA holds forest
- Prices for wood raw material has increased

## Harvesting rate

- SCA harvests less than 70% of available annual growth
- SCA manages its forest asset to never have to reduce the annual harvesting level

## Net debt

- Utilized commercial papers are reported in net debt as Current financial liabilities
- Utilized credit facilities are reported in net debt as Non-current financial liabilities and Current financial liabilities

# Summary 2023

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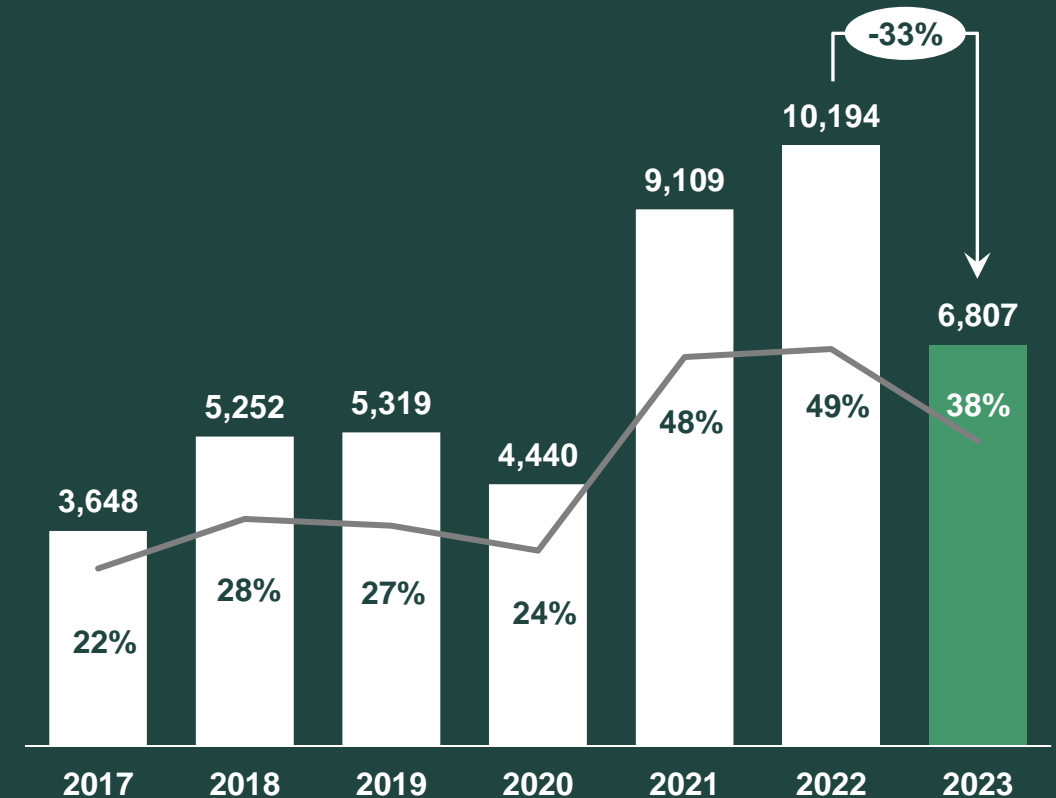
Doubled EBITDA from Renewable Energy – new segment in 2023

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Increased forest land values





# Q&A







# Europe's largest private forest owner

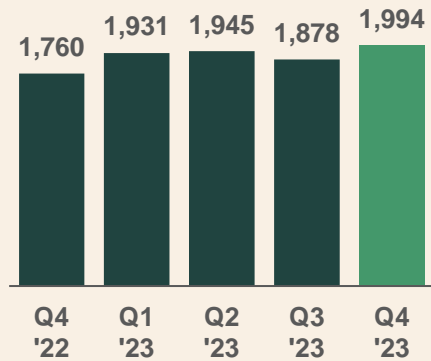
This presentation may contain forward-looking statements. Such statements are based on our current expectations and are subject to certain risks and uncertainties that could negatively affect our business. Please read SCA's most recent annual report for a better understanding of these risks and uncertainties.



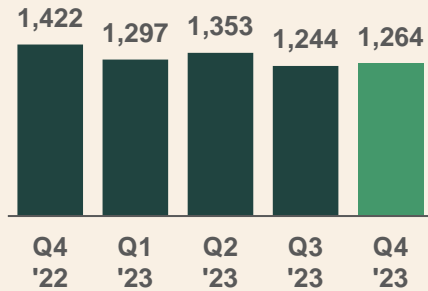
# Development per segment and quarter

## Forest

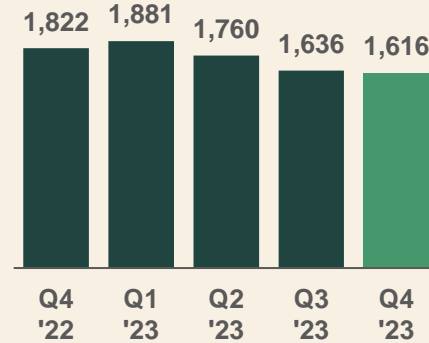
### Net Sales (SEKm)



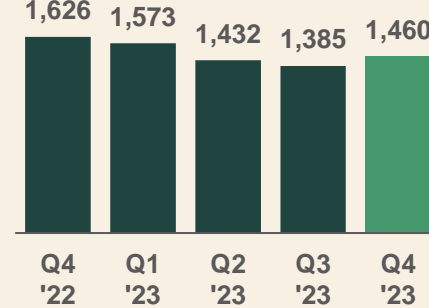
## Wood



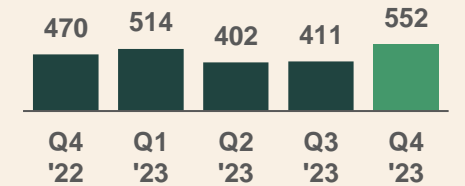
## Pulp



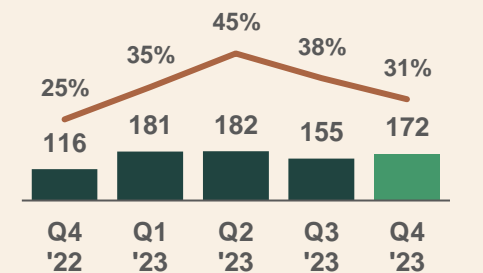
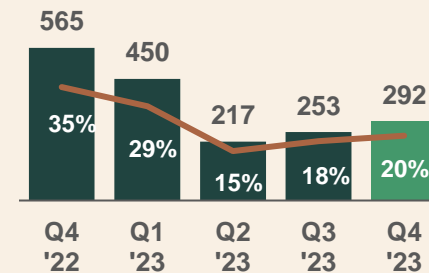
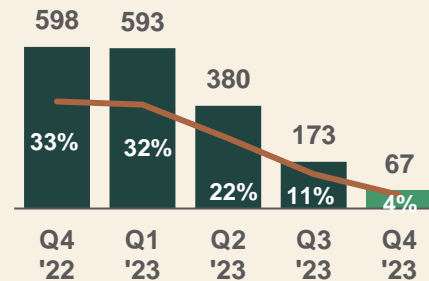
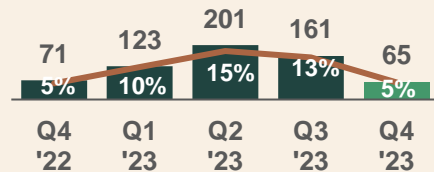
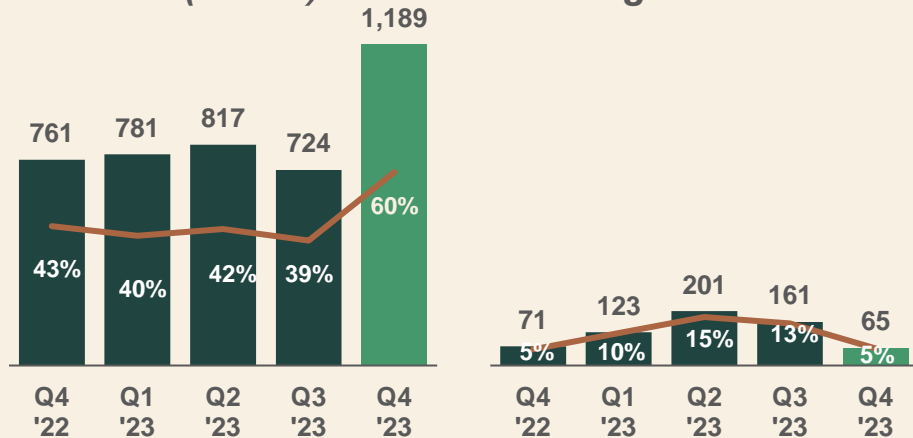
## Containerboard



## Renewable Energy



### EBITDA (SEKm) and EBITDA margin



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