



Interim Report Presentation Q3 2021

October 29, 2021



A scenic landscape featuring a dense forest of trees with vibrant autumn foliage in shades of yellow, orange, and green. The forest is reflected in a calm body of water in the foreground. The text "Ulf Larsson, CEO" is overlaid in white on the center of the image.

Ulf Larsson, CEO

Summary Q3 2021

Record result

EBITDA up 160%¹ vs Q3 2020

- + Higher prices on solid wood, pulp and kraftliner
- + Stable cost base
- Negative currency effects
- Maintenance stops

Net sales up 17% vs Q3 2020

- Price/mix 44%, volume 3%
- Exit publication paper -16%, divestment Wood Supply UK -11%, currency -3%

Investment in JV with St1 to produce and develop biofuels

Kraftliner and CTMP expansion projects on time and budget



1. Effect of one-off items related to discontinuation of publication paper excluded in Q3 2020

SCA's performance Q3 2021

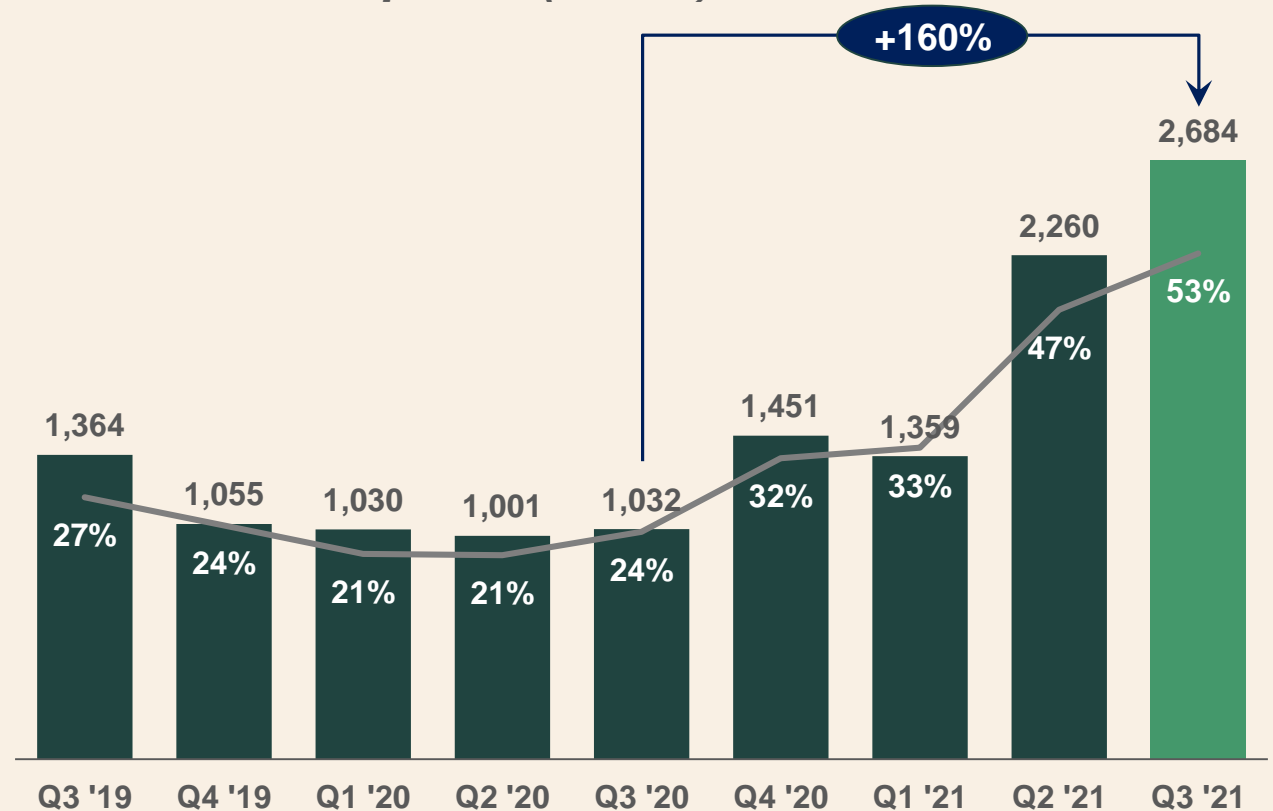
EBITDA (SEKm)

2,684

Industrial ROCE ¹

25%

EBITDA development (SEKm)



EBITDA margin

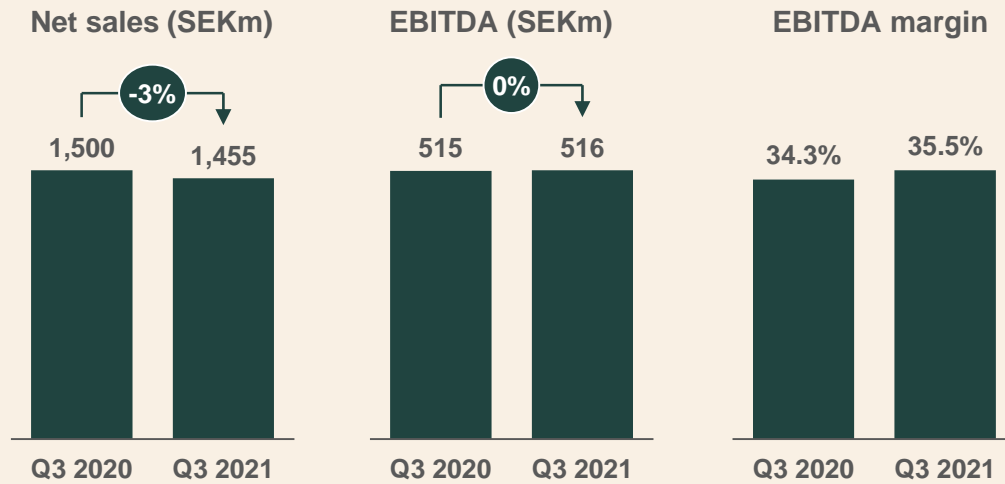
53%

Net debt/EBITDA

1.0x

1. LTM
 Note: EBITDA excluding effects from changed accounting method for valuation of forest assets in Q4 2019.
 Effect of one-off items related to discontinuation of publication paper excluded in Q3 2020 and Q4 2020.

Forest Q3 2021 vs. Q3 2020

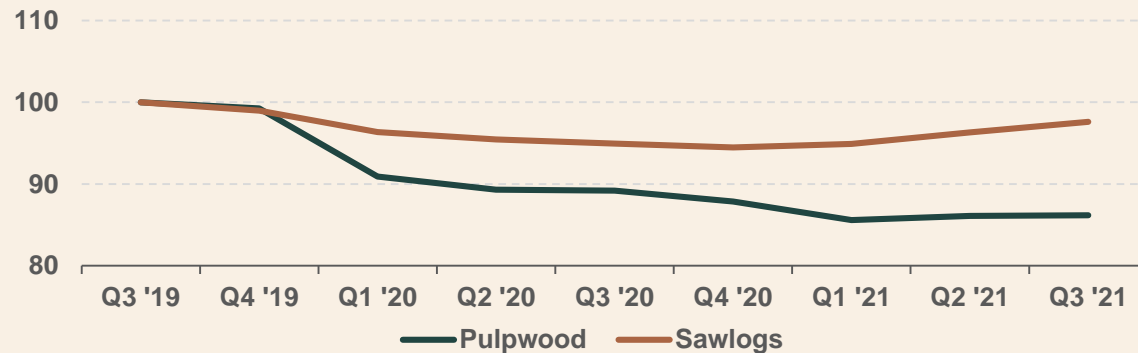


Stable wood supply to industries

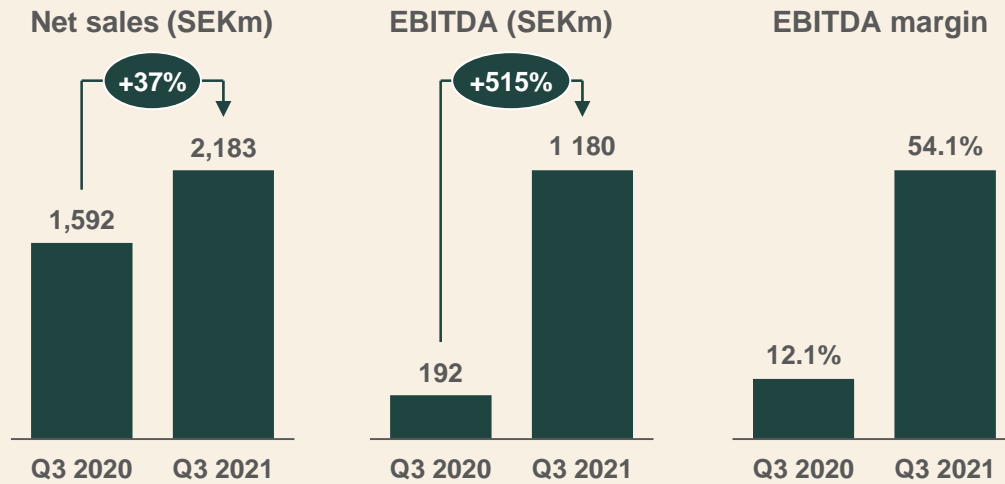
EBITDA in line with Q3 2020

- + Higher revaluation of biological assets
- Lower harvesting level of own forest

Price development – Pulpwood and Sawlogs



Wood Q3 2021 vs. Q3 2020



High level of global demand

Significant price increases

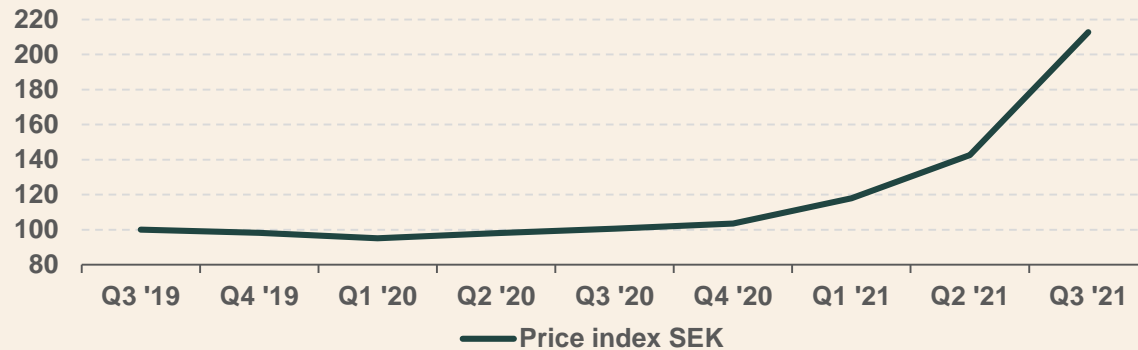
Sales up 37%

- + Higher prices
- Divestment of Wood Supply UK

EBITDA up 515%

- + Higher prices

Price development – Solid Wood Products

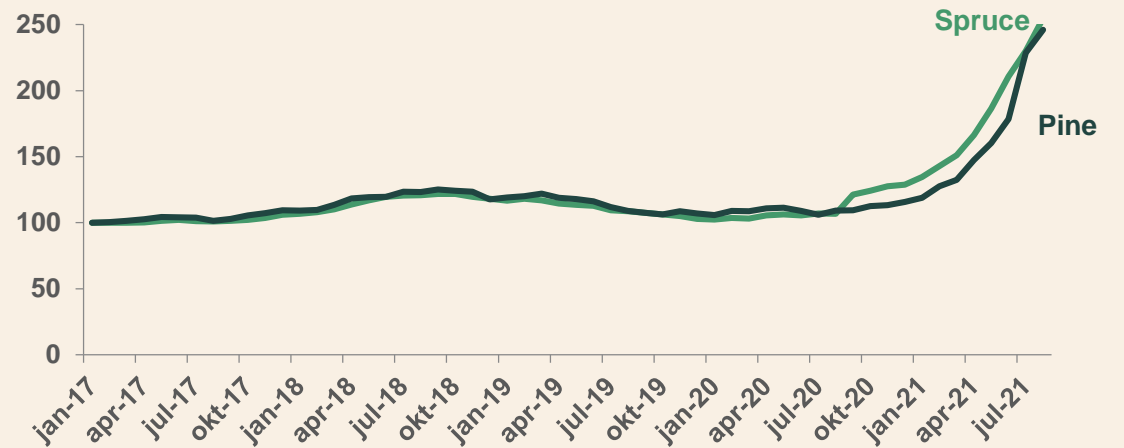


Wood market development

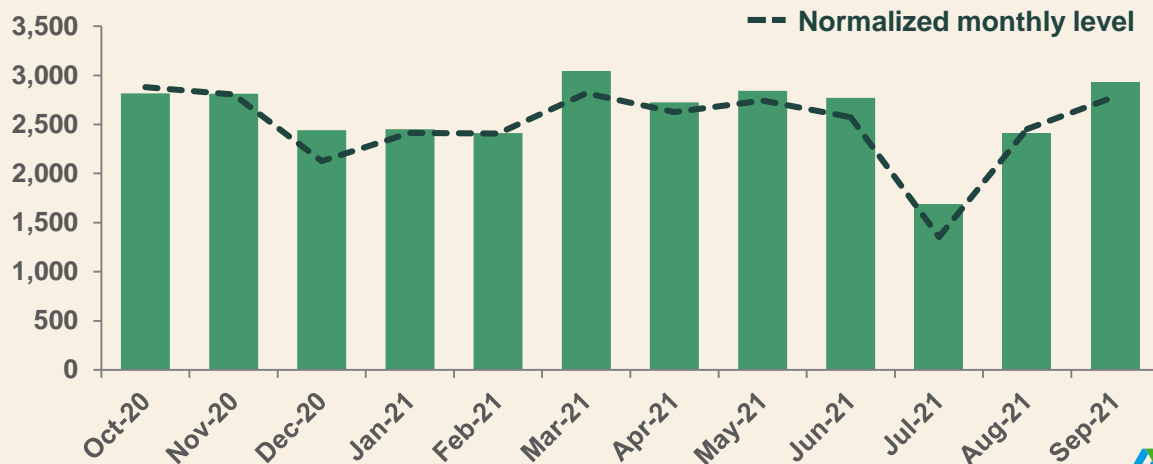
Stock of sawn pine and spruce wood, Sweden and Finland (k m³)



Price development sawn pine and spruce, Sweden (index)



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

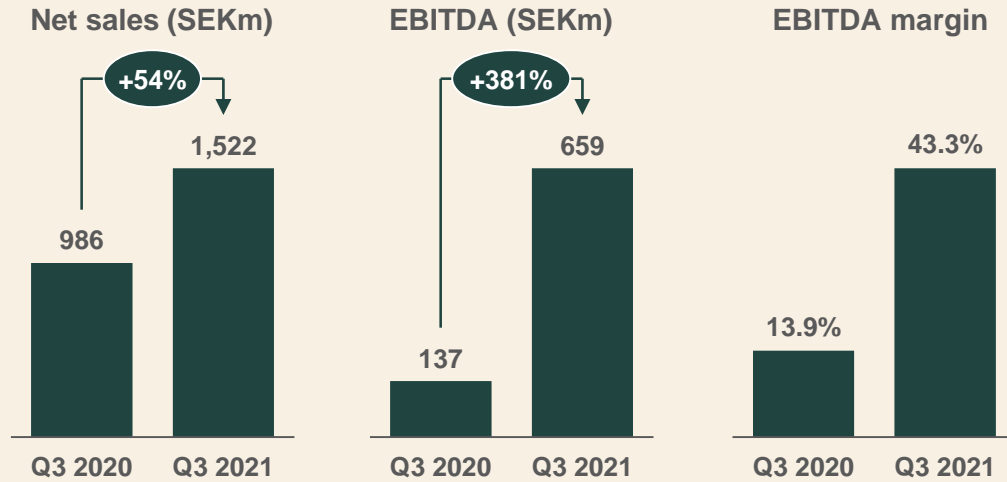


Continued strong market

- Stock levels back closer to normal
- Production on a normalized level
- Prices at all time high

Note: Normalized monthly level 2016-2021.

Pulp Q3 2021 vs. Q3 2020



Sales up 54%

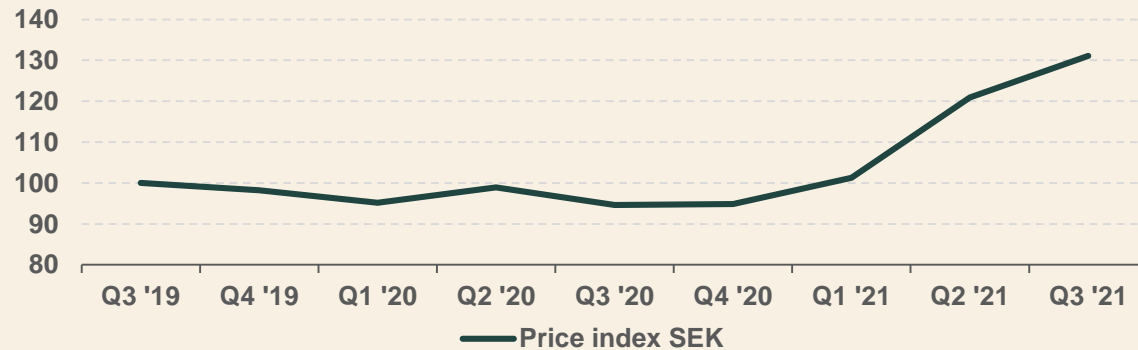
- + Higher prices
- + Higher volumes
- Negative currency effects

EBITDA up 381%

- + Higher prices
- + Higher volumes
- Negative currency effects

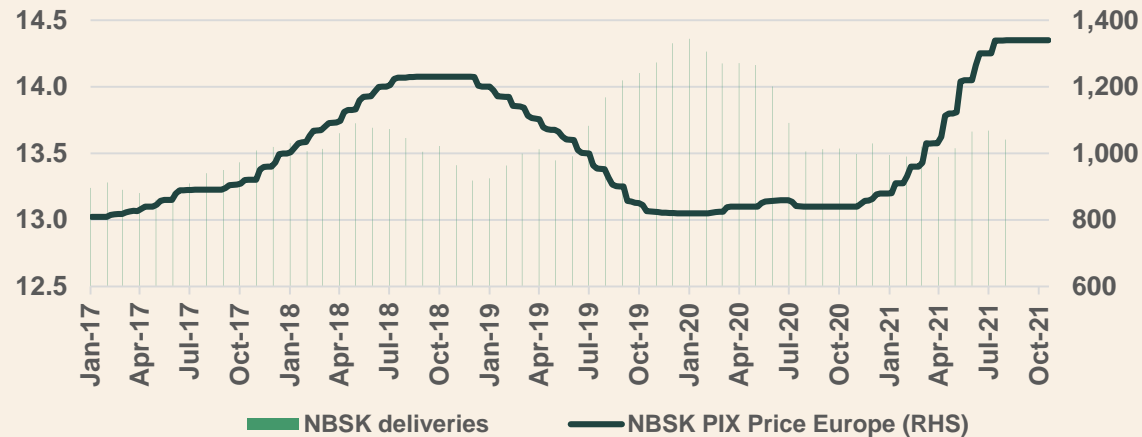
Planned maintenance stop started at end of quarter

Price development – NBSK Pulp

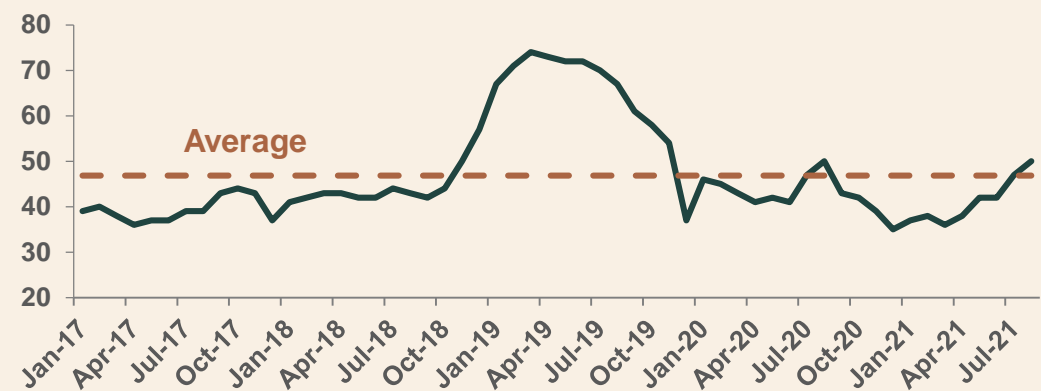


Pulp market development

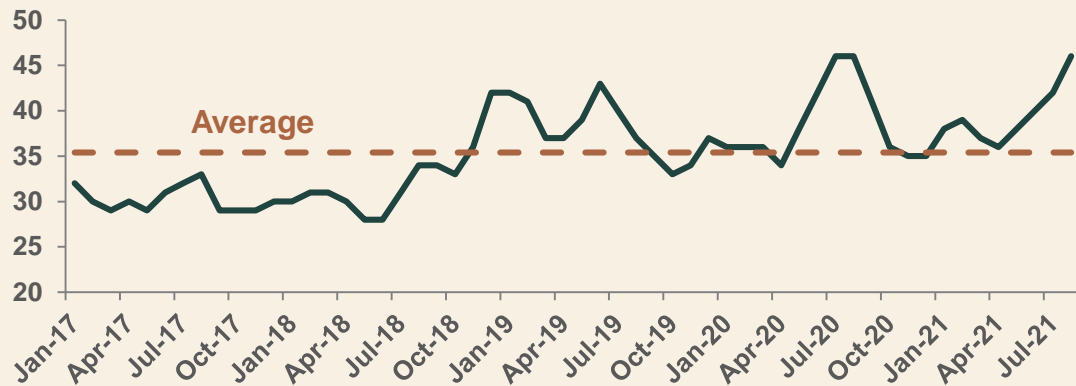
NBSK pulp price (USD/t) vs deliveries (Mt)



Hardwood pulp inventories (days of supply)



Softwood pulp inventories (days of supply)

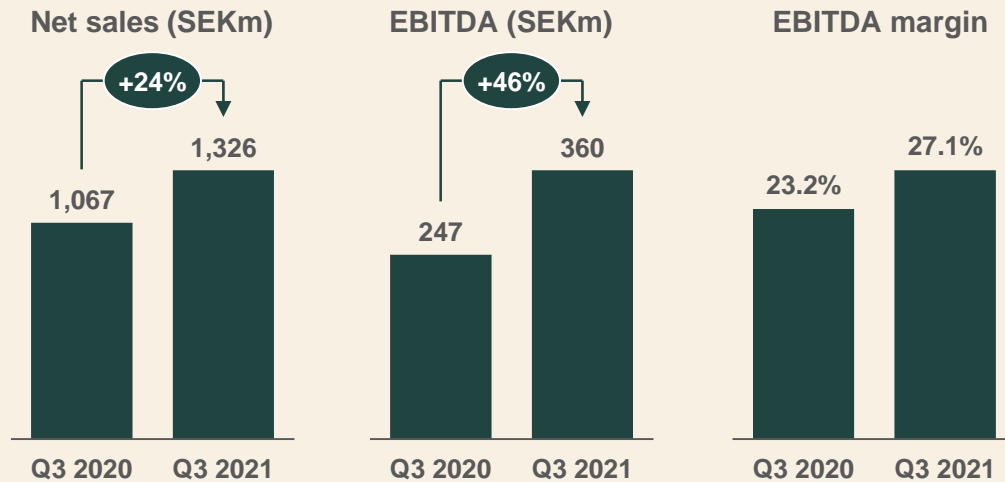


Continued stable prices in Europe

- Decreasing prices in China and US, European prices stable for fourth month in a row
- Inventories on a normal to high level in August
- Autumn maintenance stops
- Supply impacted by global logistic challenges

Source: PIX, PPPC.

Containerboard Q3 2021 vs. Q3 2020



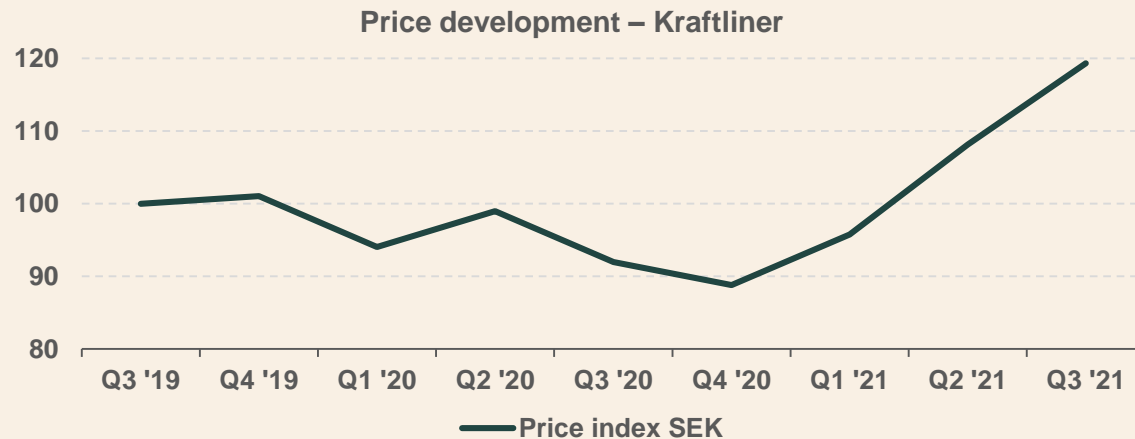
Planned maintenance stops in Obbola and Munksund

Sales up 24%

- + Higher prices
- Lower volumes
- Negative currency effects

EBITDA up 46%

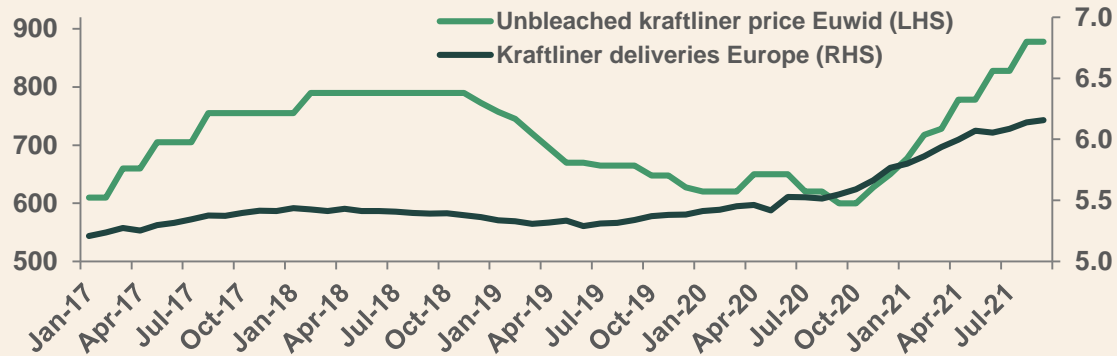
- + Higher prices
- Planned maintenance stops
- Negative currency effects



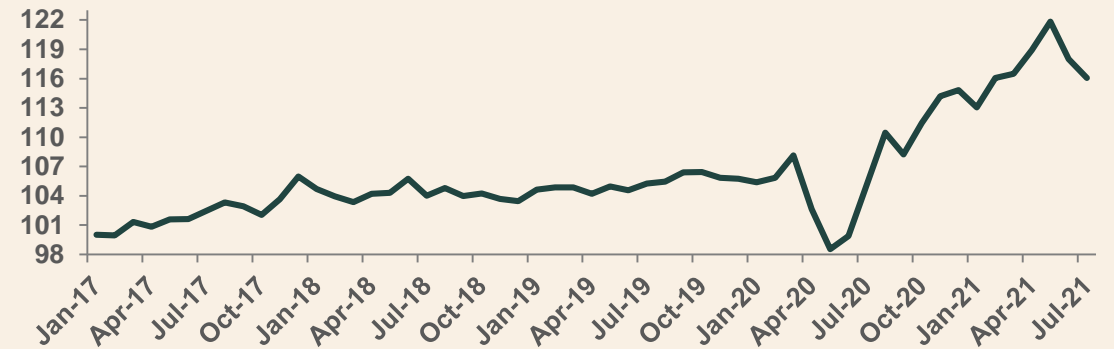
Note: Figures refer only to Containerboard.

Containerboard market development

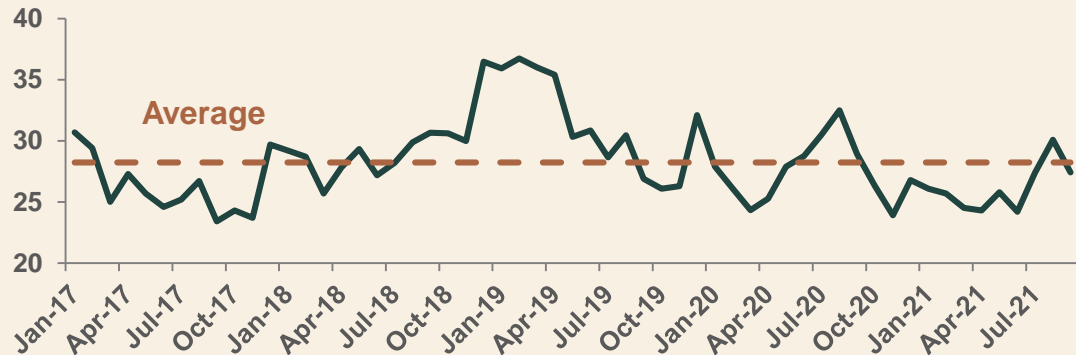
Price (EUR/t) vs Kraftliner deliveries (Mt)



European Box demand (index)



Kraftliner inventories (days of supply)



Strong demand and increasing prices

- Steady growth of European deliveries
- Inventory days below average
- Prices continue to rise in Q3 and further increases announced in Q4
- Strong box demand continue well above trend



Toby Lawton, CFO

Income statement

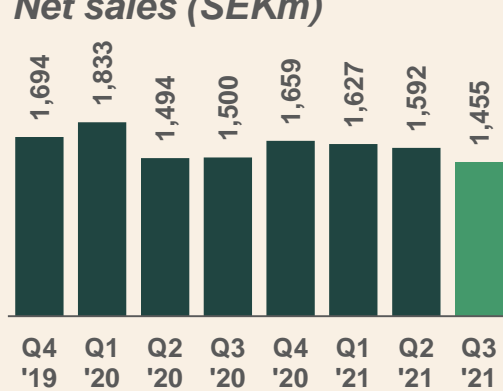
| SEKm | Quarter | | |
|------------------------------|--------------|--------------|-------------|
| | Q3 2021 | Q3 2020 | Change |
| Net sales | 5,077 | 4,338 | 17% |
| EBITDA | 2,684 | 1,032 | 160% |
| <i>EBITDA margin</i> | 52.9% | 23.8% | 29.1 p.p. |
| EBIT | 2,298 | 624 | 268% |
| <i>EBIT margin</i> | 45.3% | 14.4% | 30.9 p.p. |
| Financial items | -24 | -28 | |
| Profit before tax | 2,274 | 596 | 282% |
| Tax | -453 | -121 | |
| Profit for the period | 1,821 | 475 | 283% |
| Earnings per share, SEK | 2.59 | 0.68 | |

Note: Excluding effect of one-off items related to discontinuation of publication paper in Q3 2020.

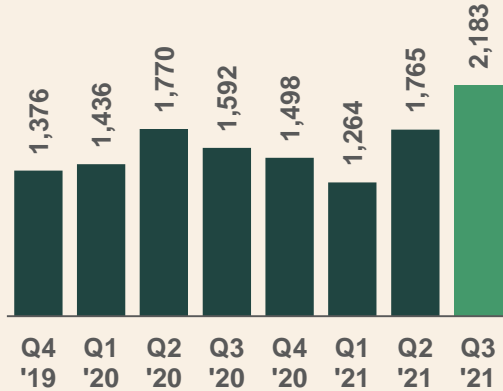
Contribution by segment and quarter

Forest

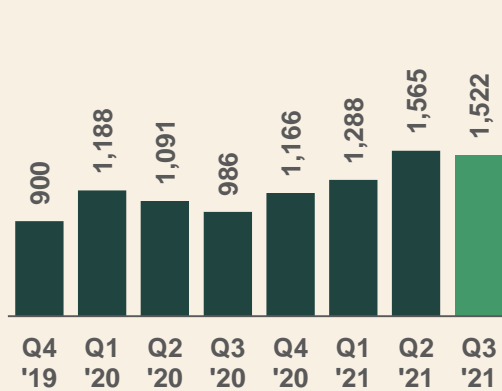
Net sales (SEKm)



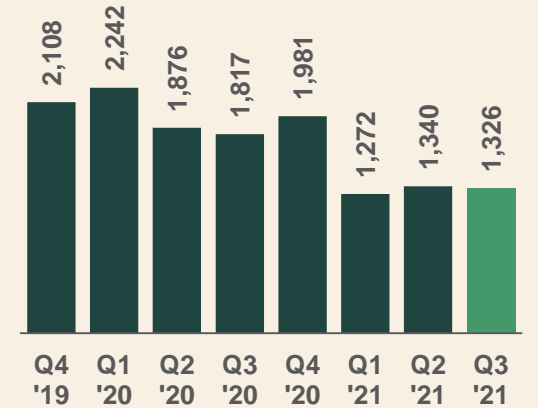
Wood



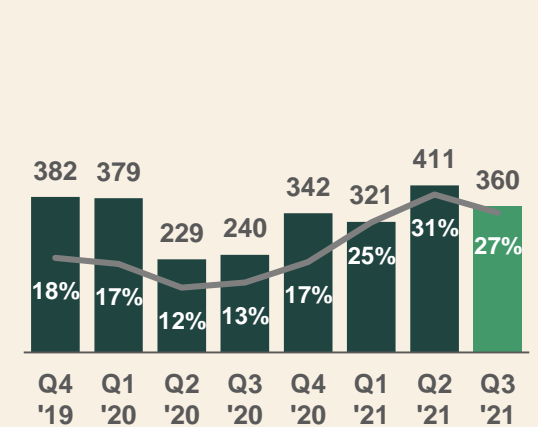
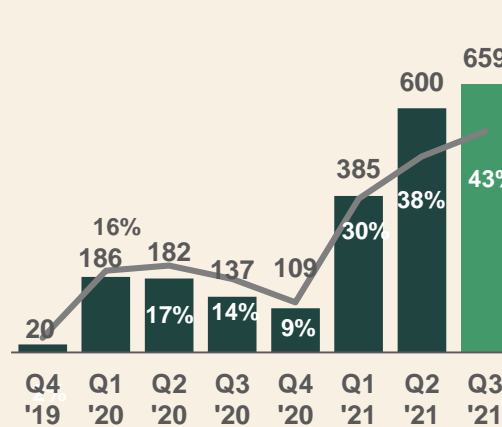
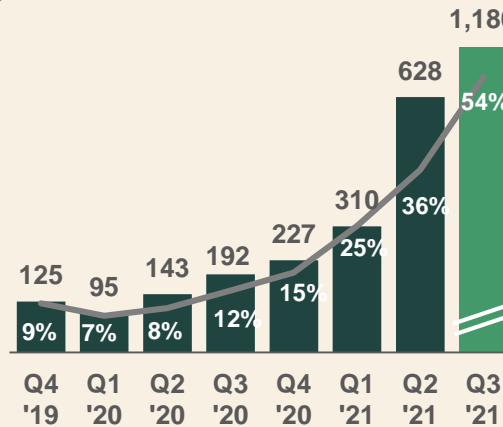
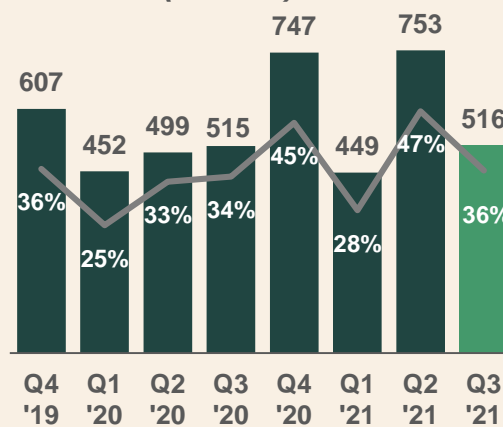
Pulp



Containerboard/Paper¹

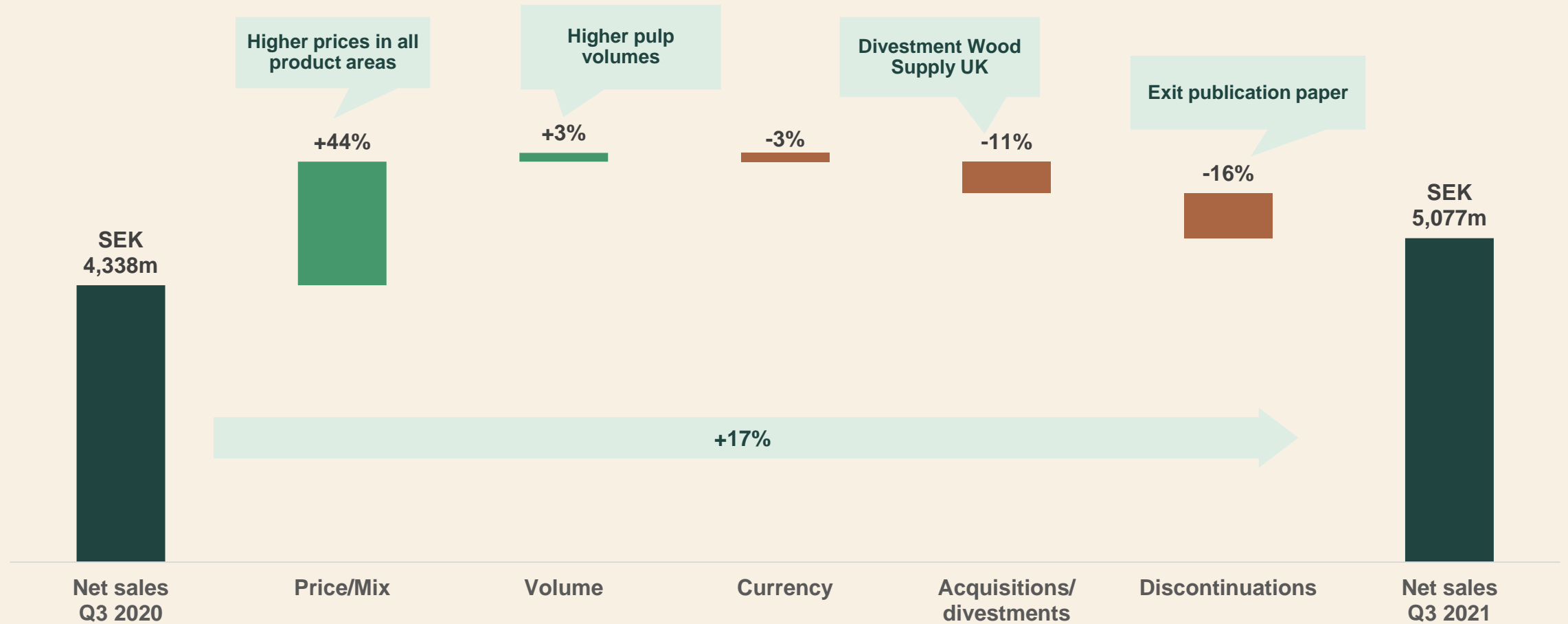


EBITDA (SEKm) and EBITDA margin

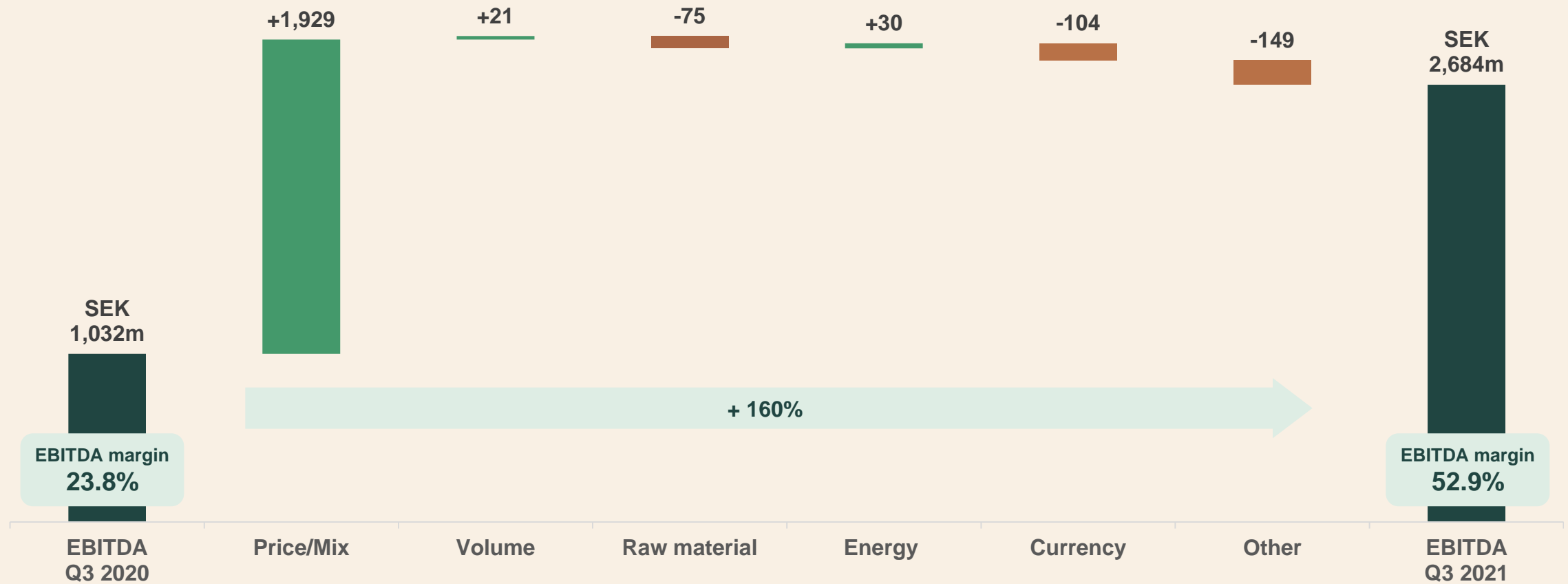


1. Segment Paper changed name to Containerboard from 1st of January 2021.
Publication Paper included in figures up to and including Q4 2020.

Net sales Q3 2021 vs. Q3 2020



EBITDA Q3 2021 vs. Q3 2020



Note: Excluding effect of one-off items related to discontinuation of publication paper in Q3 2020.

Cash flow

| SEKm | Quarter | | Jan - Sept | |
|--|--------------|--------------|--------------|--------------|
| | Q3 2021 | Q3 2020 | 2021 | 2020 |
| EBITDA | 2,684 | 1,032 | 6,303 | 3,063 |
| Revaluation of biological assets and other non cash flow items | -457 | -322 | -1,139 | -895 |
| Operating cash surplus | 2,227 | 710 | 5,164 | 2,168 |
| Change in working capital | 61 | 821 | -630 | 523 |
| Restructuring costs | -65 | - | -336 | 0 |
| Current capital expenditures | -365 | -413 | -804 | -926 |
| Other operating cash flow | 14 | 0 | 59 | -34 |
| Operating cash flow | 1,872 | 1,118 | 3,453 | 1,731 |
| Strategic capital expenditures | -560 | -314 | -2,239 | -1,157 |

Note: Excluding effect of one-off items related to discontinuation of publication paper in Q3 2020.

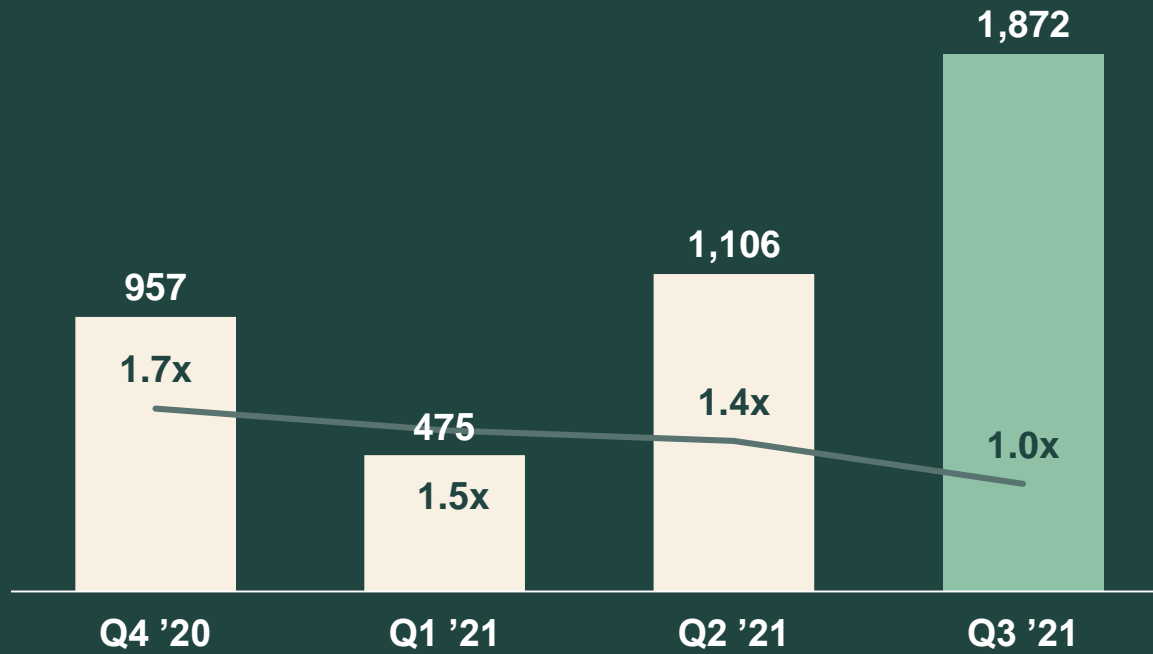
Balance sheet

| SEKm | Sep 30, 2021 | Dec 31, 2020 |
|--|---------------|---------------|
| Forest assets | 77,493 | 74,900 |
| Working capital | 3,189 | 2,759 |
| <i>Working capital/Net sales ¹</i> | 16% | 18% |
| Deferred tax relating to forest assets | -15,478 | -14,977 |
| Other capital employed | 18,579 | 17,152 |
| Total capital employed | 83,783 | 79,834 |
| Net debt | 7,631 | 7,671 |
| <i>Net debt/EBITDA ²</i> | 1.0x | 1.7x |
| Equity | 76,152 | 72,163 |
| <i>Net debt/Equity</i> | 10% | 11% |
| <i>Market price applied on forest assets (SEK/m³fo)</i> | 300 | 291 |

1. Average working capital for 13 months as a percentage of 12-month rolling net sales.
 2. Excluding the effect of one-off items related to discontinuation publication paper operations in Q3 2020 and Q4 2020.

Strong operating cash flow

Operating Cash Flow and Net Debt to EBITDA development



Summary

Ulf Larsson, CEO

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Q&A





Europe's largest private forest owner

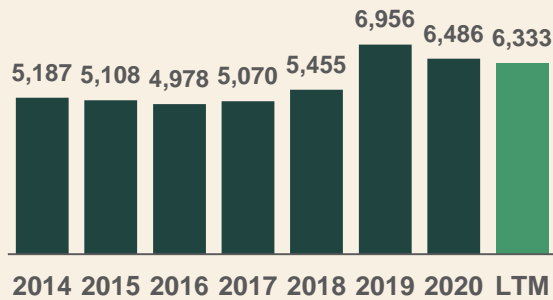
This presentation may contain forward-looking statements. Such statements are based on our current expectations and are subject to certain risks and uncertainties that could negatively affect our business. Please read SCA's most recent annual report for a better understanding of these risks and uncertainties.

Appendix

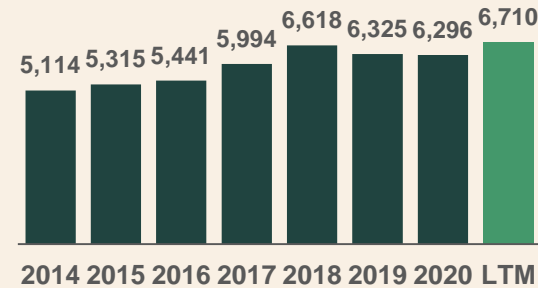
Contribution by segment

Forest

Net sales (SEKm)



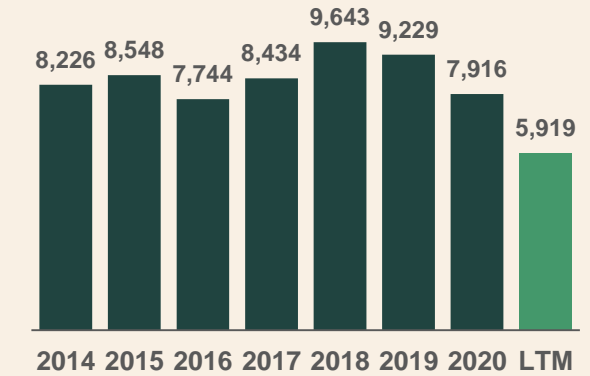
Wood



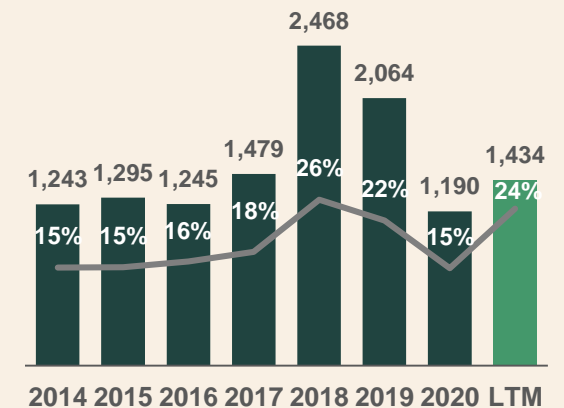
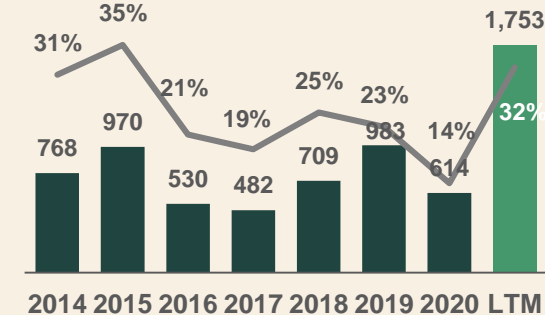
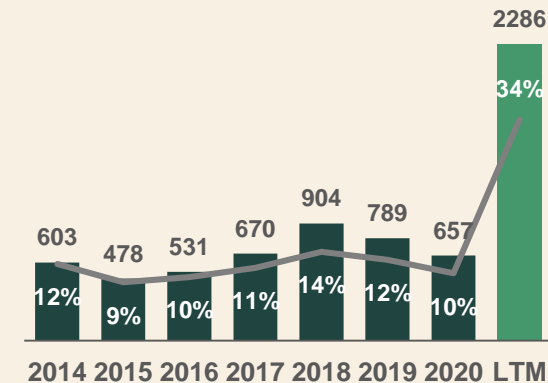
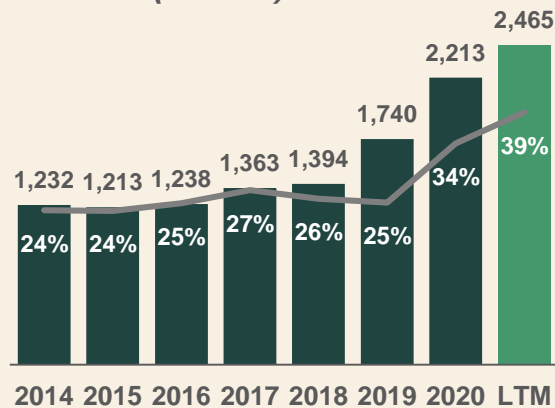
Pulp



Containerboard/Paper 1



EBITDA (SEKm) and EBITDA margin 1)

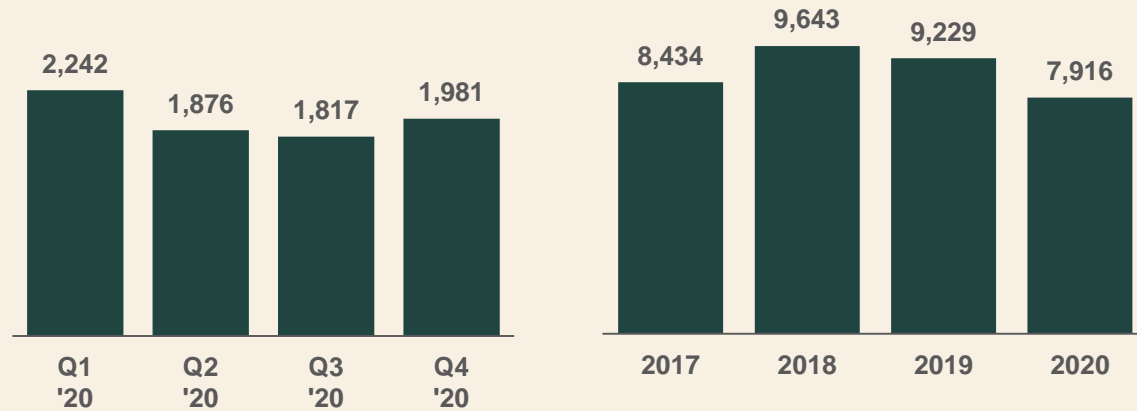


Note: 2014 and 2015 EBITDA refer to adjusted figures. 2016 and forward refer to unadjusted figures.
 1. Segment Paper changed name to Containerboard from 1st of January 2021. Publication Paper included in figures up until Q1 2021. For further details see the quarterly report Q4 2020.

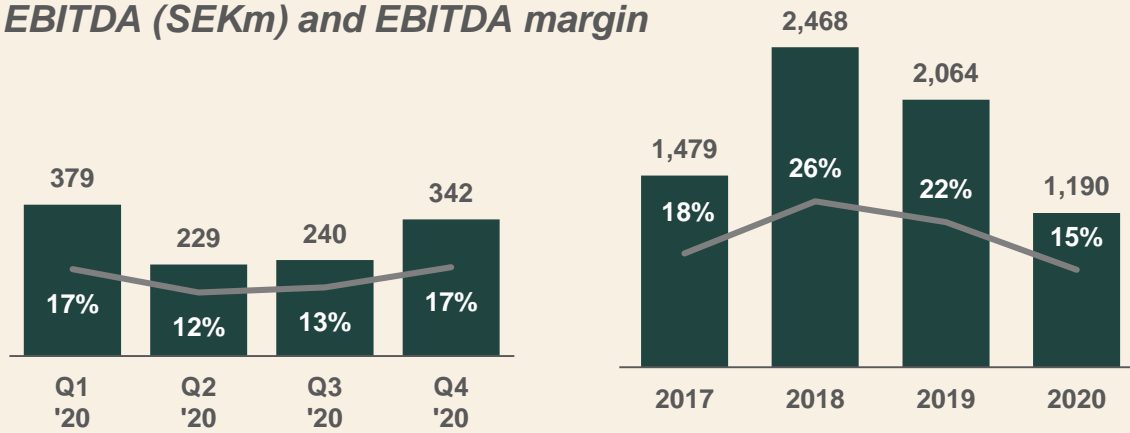
Historical contribution by Containerboard and Paper

Containerboard/Paper ¹

Net sales (SEKm)

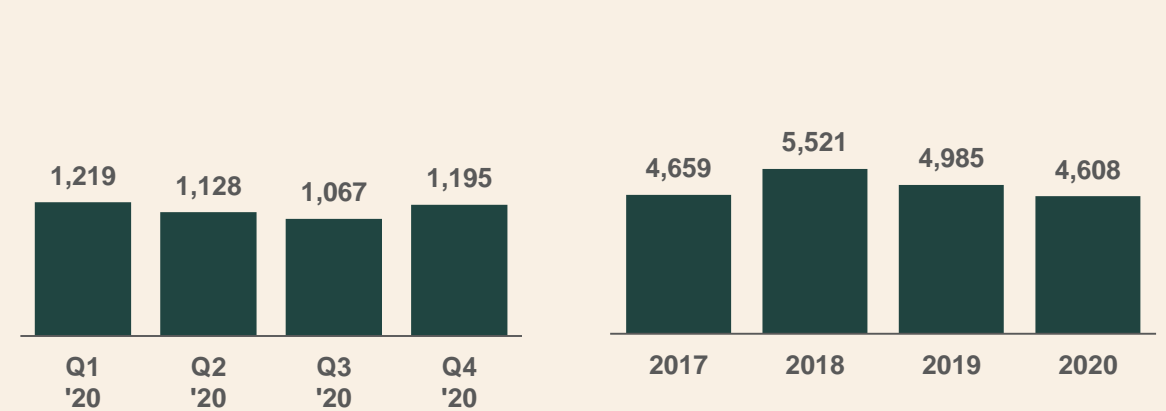


EBITDA (SEKm) and EBITDA margin

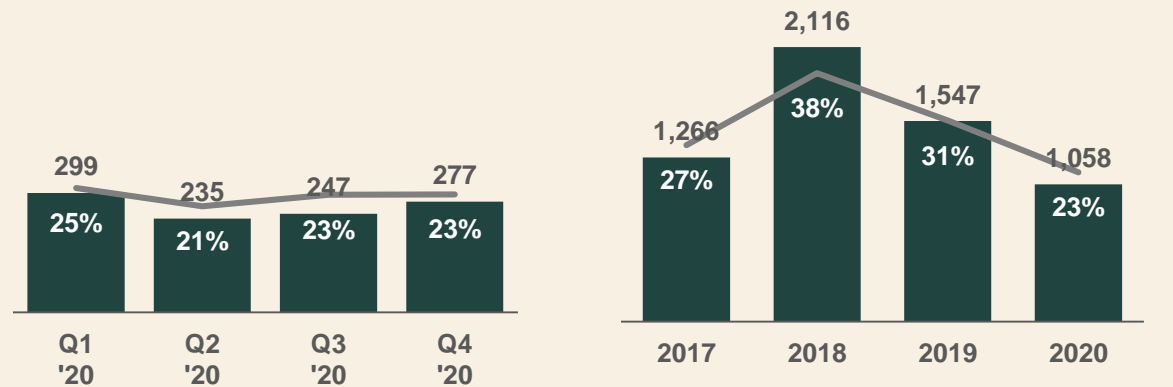


Containerboard

Net sales (SEKm)



EBITDA (SEKm) and EBITDA margin



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