



# Year-end Presentation 2021

January 28, 2022





# Ulf Larsson, CEO





# Summary 2021

## Best result ever

- Exit publication paper
- Strong market and high prices
- Good production and stable cost base

## EBITDA increased 105% vs 2020

- + Higher selling prices
- + Stable cost base
- Negative currency effects

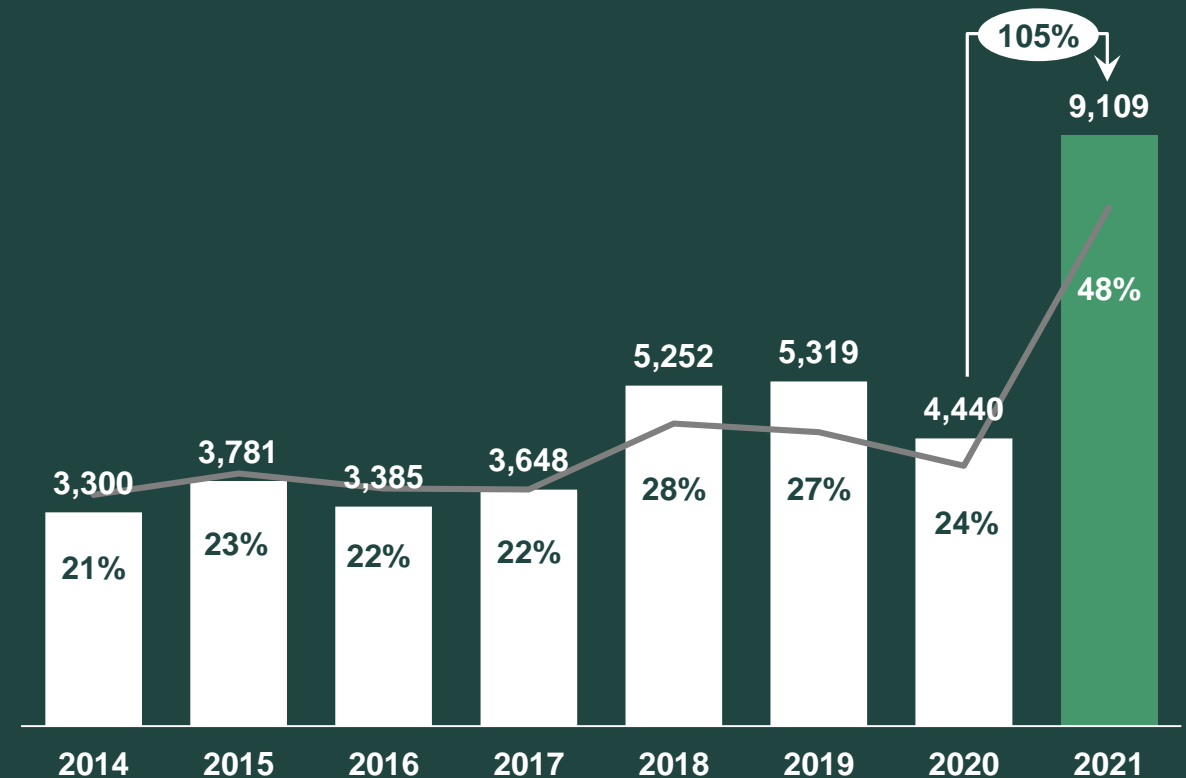
## Sales increased 2% vs 2020

- Price/mix 28%, volume 1%
- Exit publication paper -15%, divestment Wood Supply UK -9%, currency -3%

## Increased forest land values

## Investment projects on time and on budget

EBITDA (SEKm) and EBITDA margin



# SCA's performance 2021

EBITDA (SEKm)

**9,109**  
(4,440)

Industrial ROCE <sup>1</sup>

**33%**  
(5%)

Proposed dividend (SEK)

**2.25 + 1.00**  
ordinary                      extra  
(2.00)                      (0.00)

EBITDA margin

**48%**  
(24%)

Net debt/EBITDA

**0.9x**  
(1.7x)

EPS (SEK)

**8.69**  
(3.19)

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

1. ROCE for the industrial segments; Wood, Pulp and Paper.

# SCA's performance Q4 2021

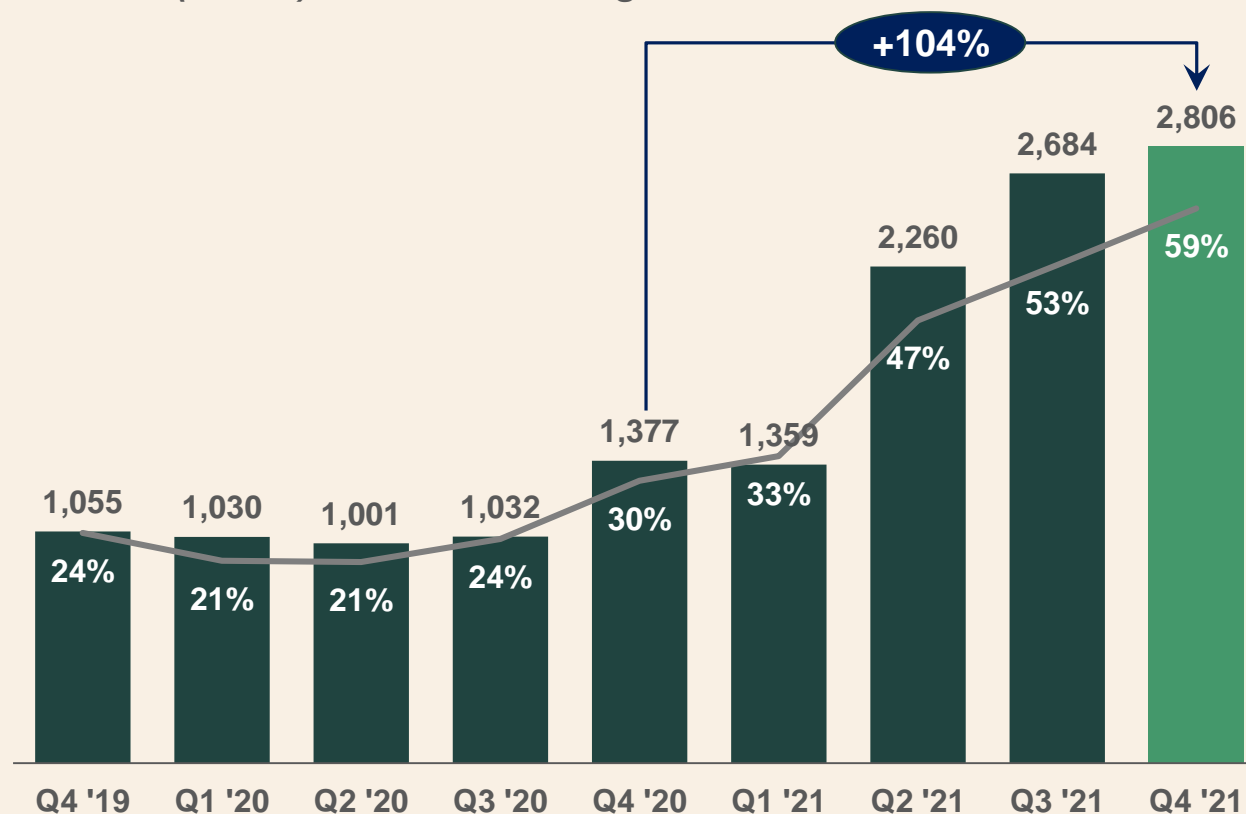
EBITDA (SEKm)

**2,806**

Industrial ROCE <sup>1</sup>

**40%**

EBITDA (SEKm) and EBITDA margin



EBITDA margin

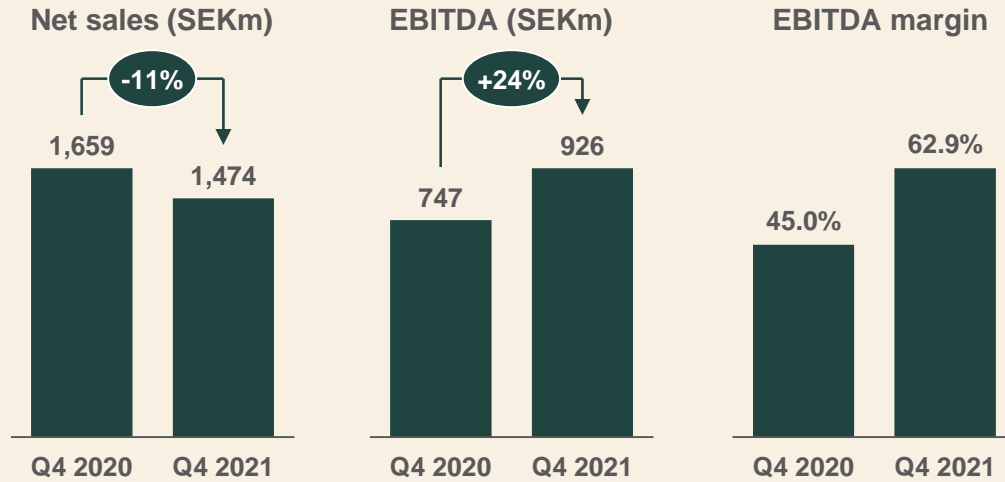
**59%**

Net debt/EBITDA

**0.9x**

1. Q4 2021  
 Note: EBITDA excluding effects from changed accounting method for valuation of forest assets in Q4 2019 and effect of one-off items related to discontinuation of publication paper in Q3 2020 and Q4 2020.

# Forest Q4 2021 vs. Q4 2020



**Stable wood supply to industries**

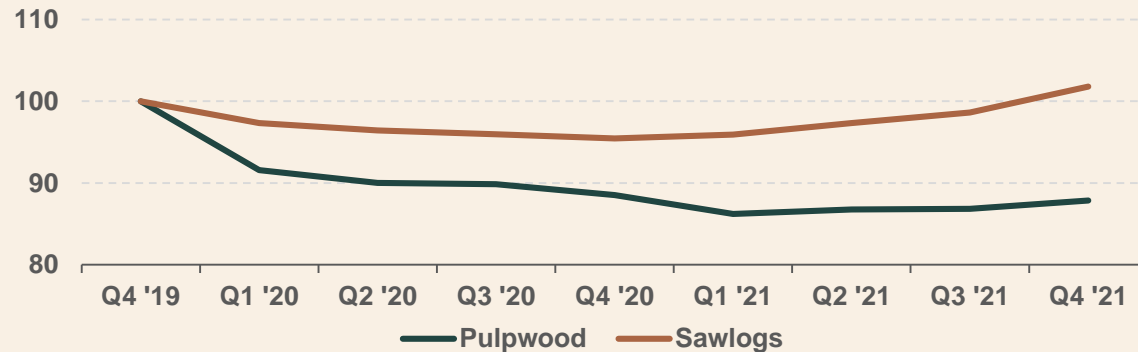
**Sales down 11%**

- Lower deliveries to industries

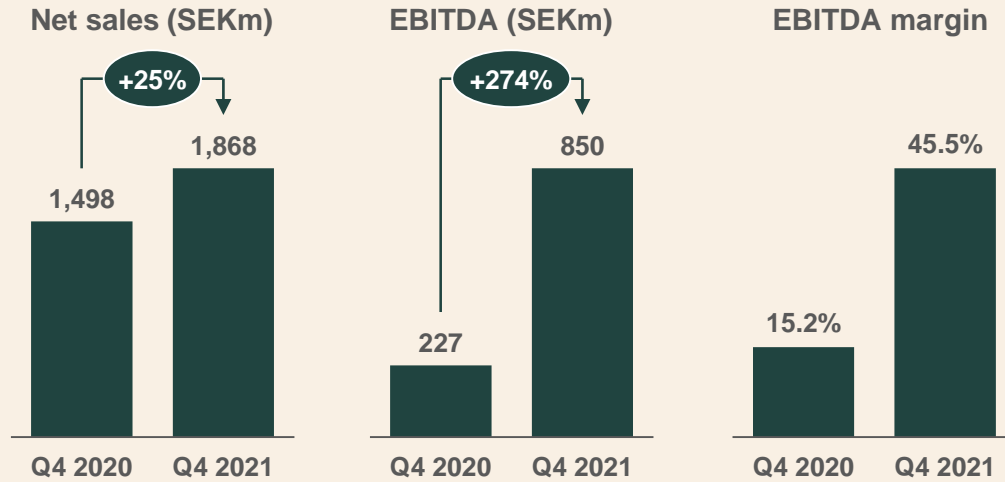
**EBITDA up 24%**

- + Higher revaluation of biological assets

**Price development – Pulpwood and Sawlogs**



# Wood Q4 2021 vs. Q4 2020



**Strong production and seasonally high deliveries**

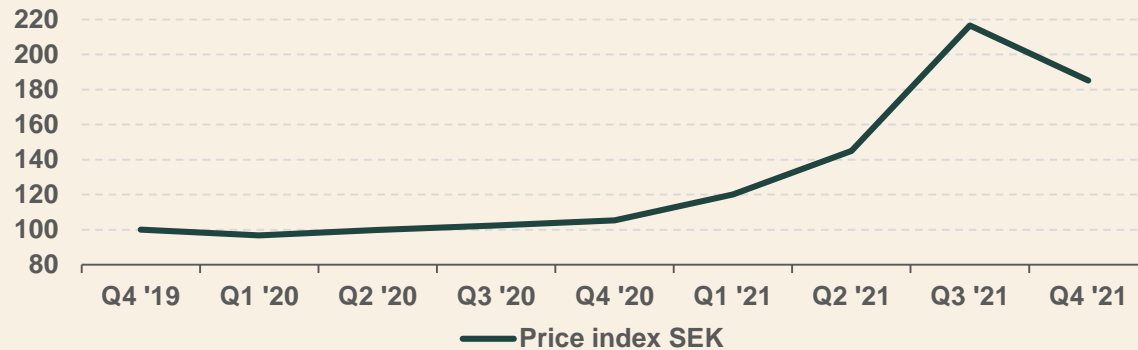
**Sales up 25%**

- + Higher prices
- Divestment of Wood Supply UK

**EBITDA up 274%**

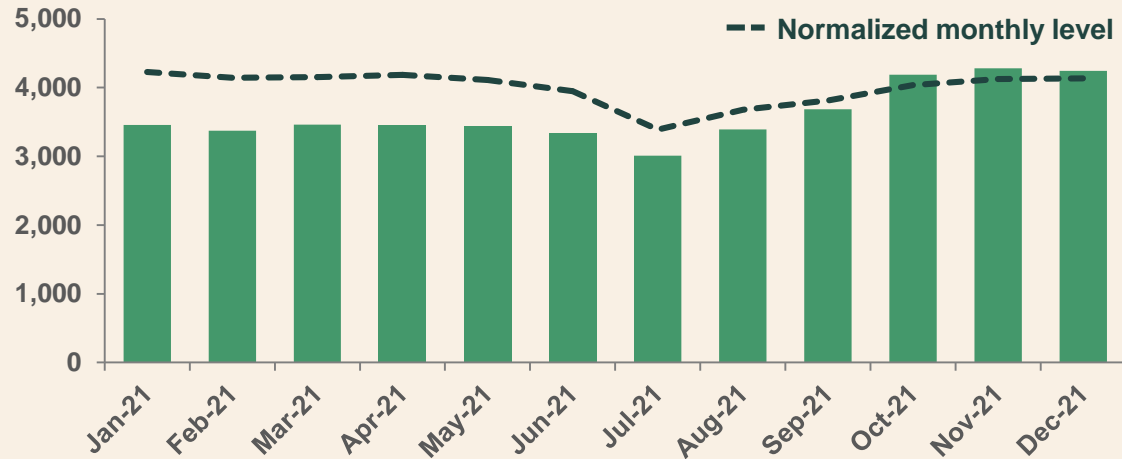
- + Higher prices
- Higher wood raw material cost

Price development – Solid Wood Products

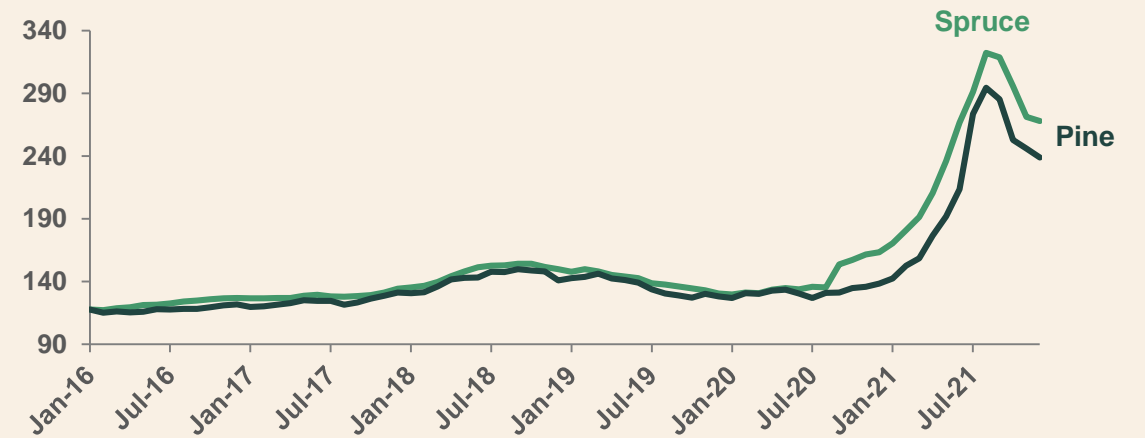


# Wood market development

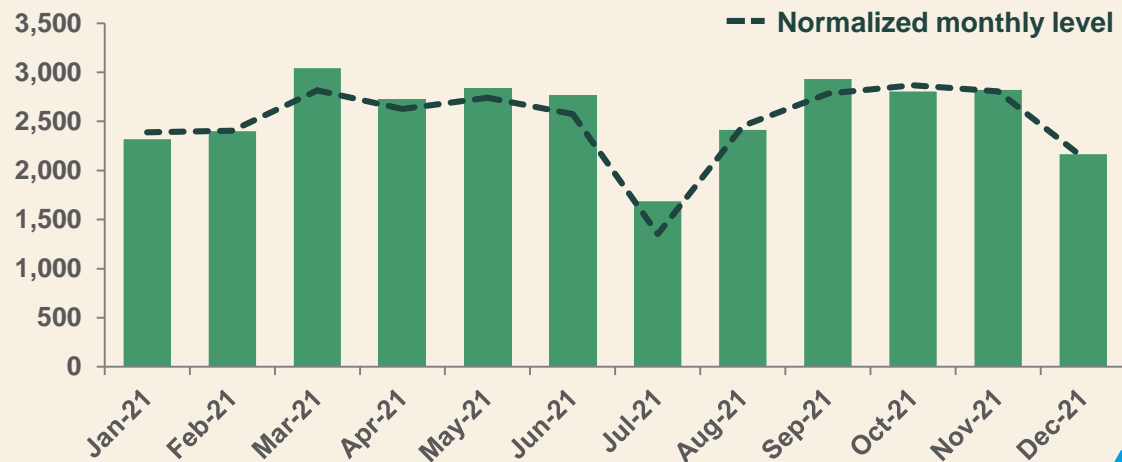
Stock of sawn pine and spruce wood, Sweden and Finland (k m<sup>3</sup>)



Price development sawn pine and spruce, Sweden (index)



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



## Good underlying, but seasonally lower demand

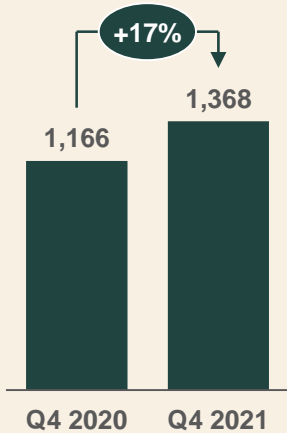
- Stock levels back on normalized levels
- Scandinavian production back on normalized level
- Limited production in Canada and Central Europe

Note: Normalized monthly level 2016-2021.

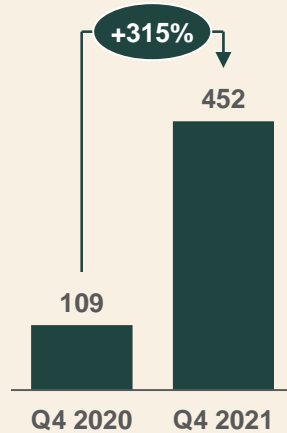


# Pulp Q4 2021 vs. Q4 2020

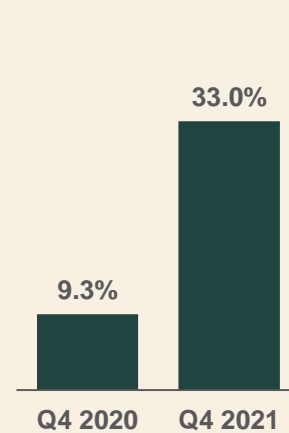
Net sales (SEKm)



EBITDA (SEKm)



EBITDA margin



**CTMP expansion on time and on budget**

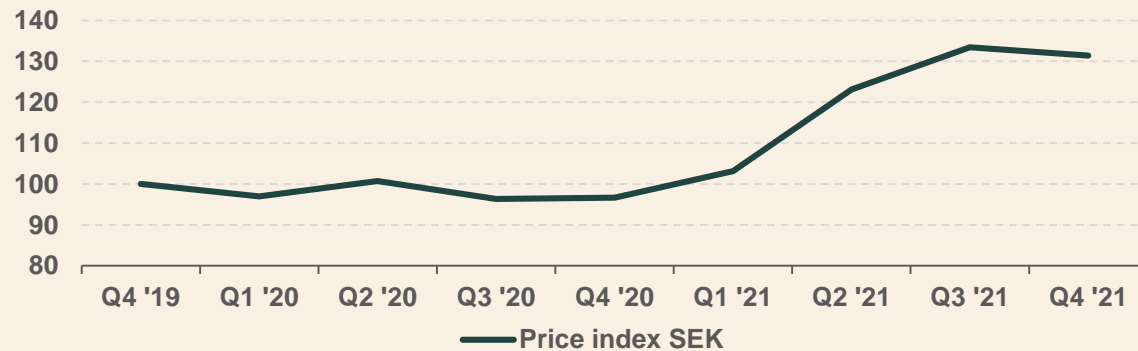
**Sales up 17%**

- + Higher prices
- Lower volumes
- Negative currency effects

**EBITDA up 315%**

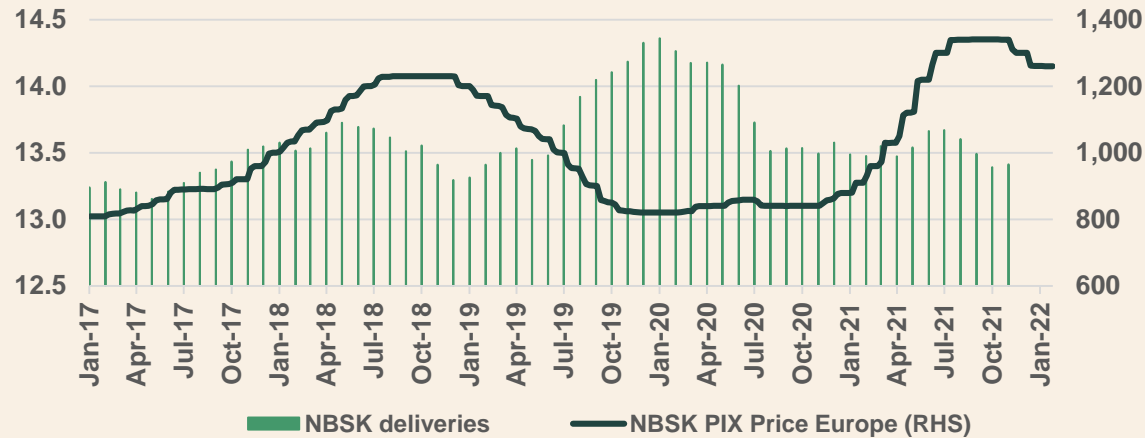
- + Higher prices
- Lower volumes
- Negative currency effects
- Logistics costs
- Planned maintenance stop

Price development – NBSK Pulp

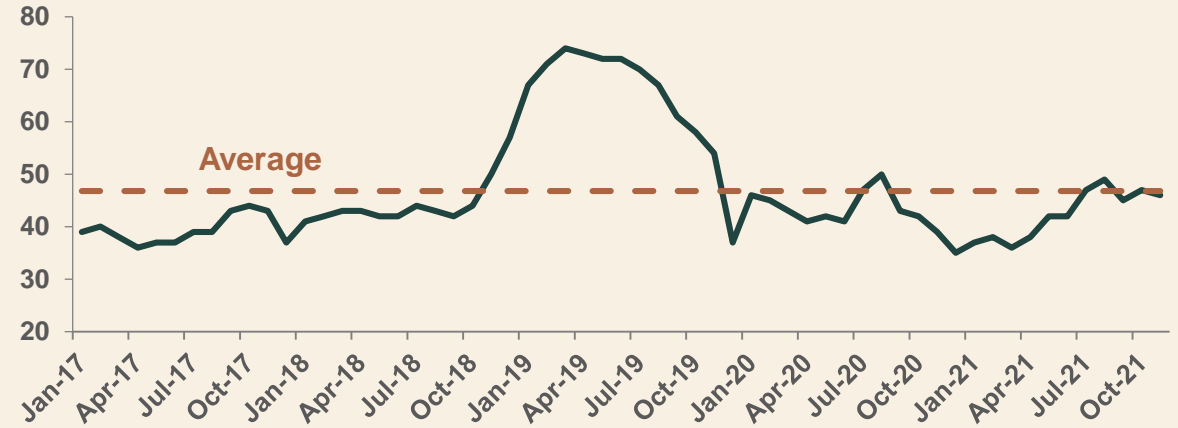


# Pulp market development

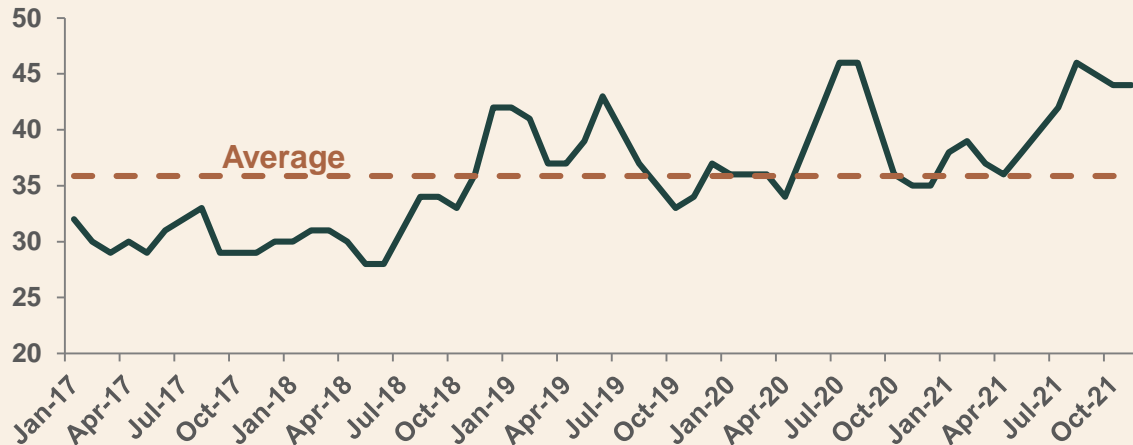
NBSK pulp price (USD/t) vs deliveries (Mt)



Hardwood pulp inventories (days of supply)

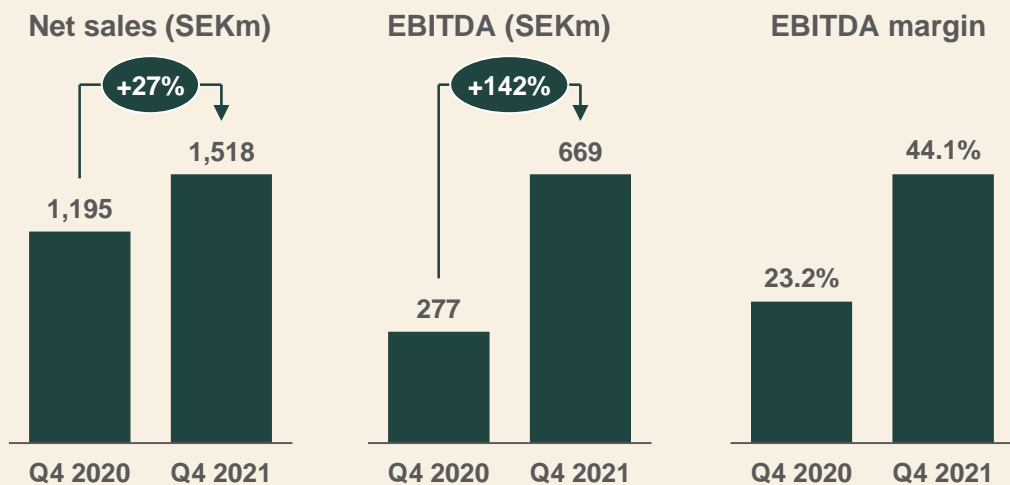


Softwood pulp inventories (days of supply)



- Prices have bottomed out for time-being
- Equalized prices between Asia, Europe and US
- Supply impacted by global logistic challenges

# Containerboard Q4 2021 vs. Q4 2020



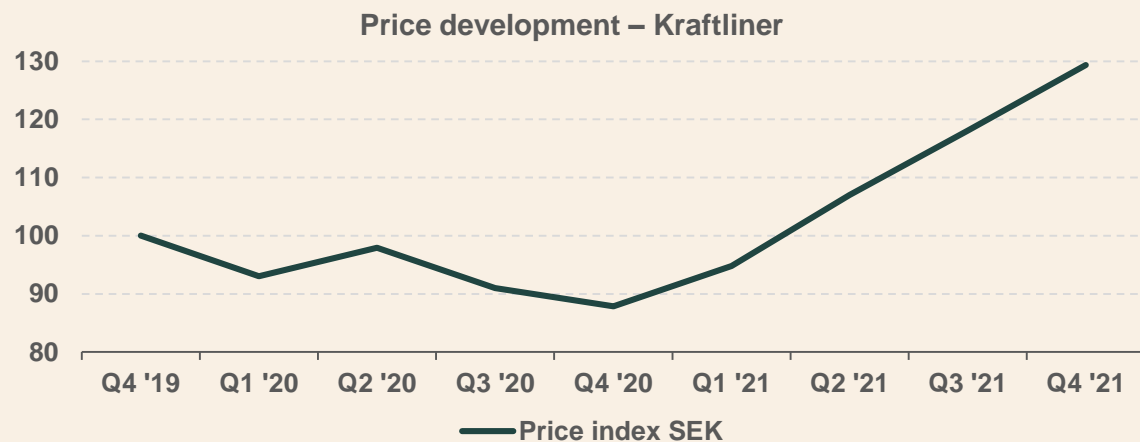
Expansion in Obbola on time and on budget

## Sales up 27%

- + Higher prices
- Lower volumes
- Negative currency effects

## EBITDA up 142%

- + Higher prices
- Lower volumes
- Negative currency effects

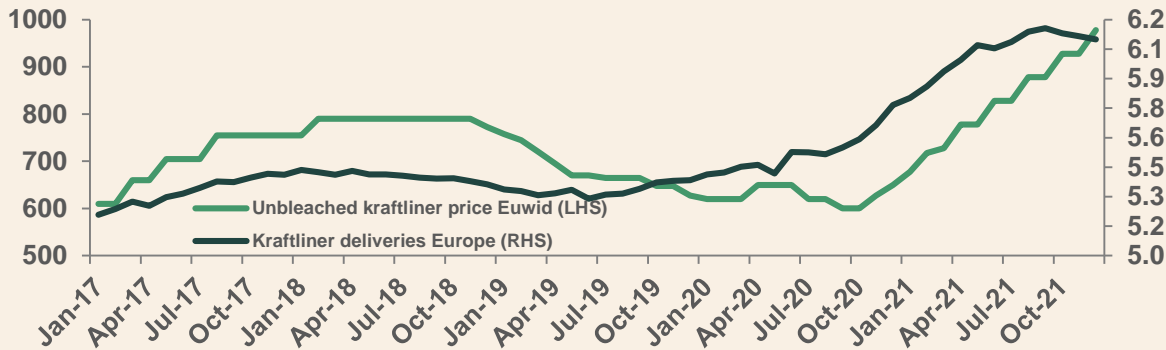


Note: All figures refer only to Containerboard, Publication Paper figures excluded from 2020.

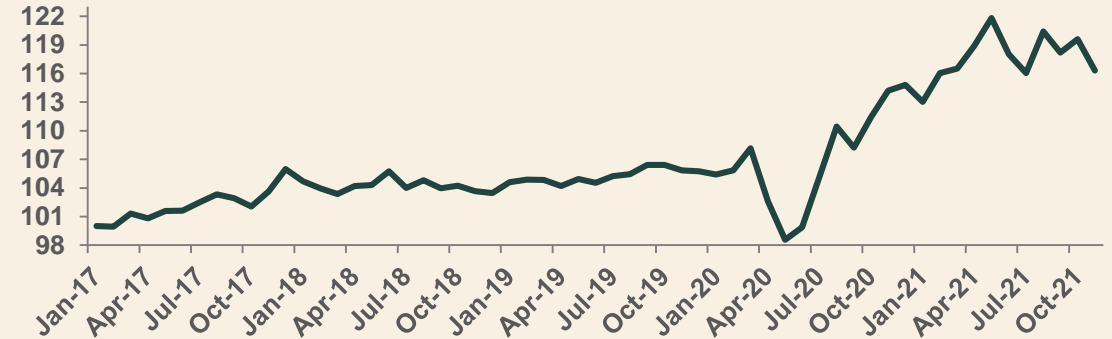


# Containerboard market development

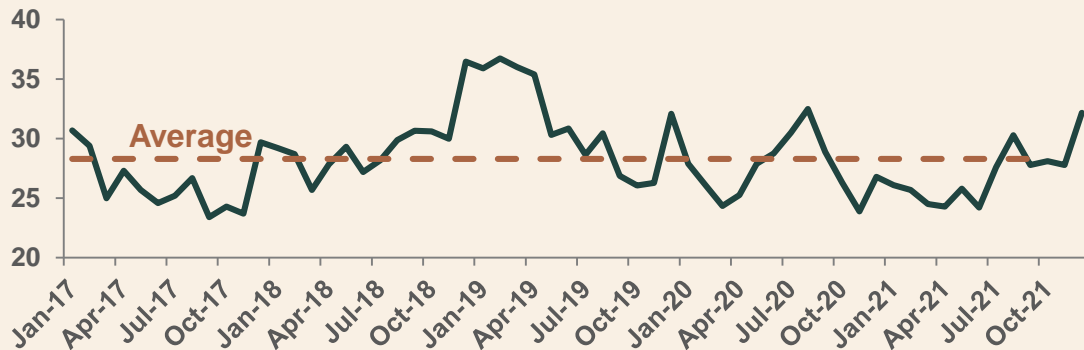
Price (EUR/t) vs Kraftliner deliveries (Mt)



European Box demand (index)



Kraftliner inventories (days of supply)



## Solid demand and prices on the rise

- Long term growth of European deliveries
- Inventory days on historical levels, seasonal increase in December
- Prices continue to rise in Q4
- Strong box demand continue well above trend



# Toby Lawton, CFO

# Higher transaction prices for forest assets

## -transaction price increased over 10% in 2021

### Higher transaction prices for forest assets in Northern Sweden

**SEK 324/m<sup>3</sup>fo at Dec 31 2021**

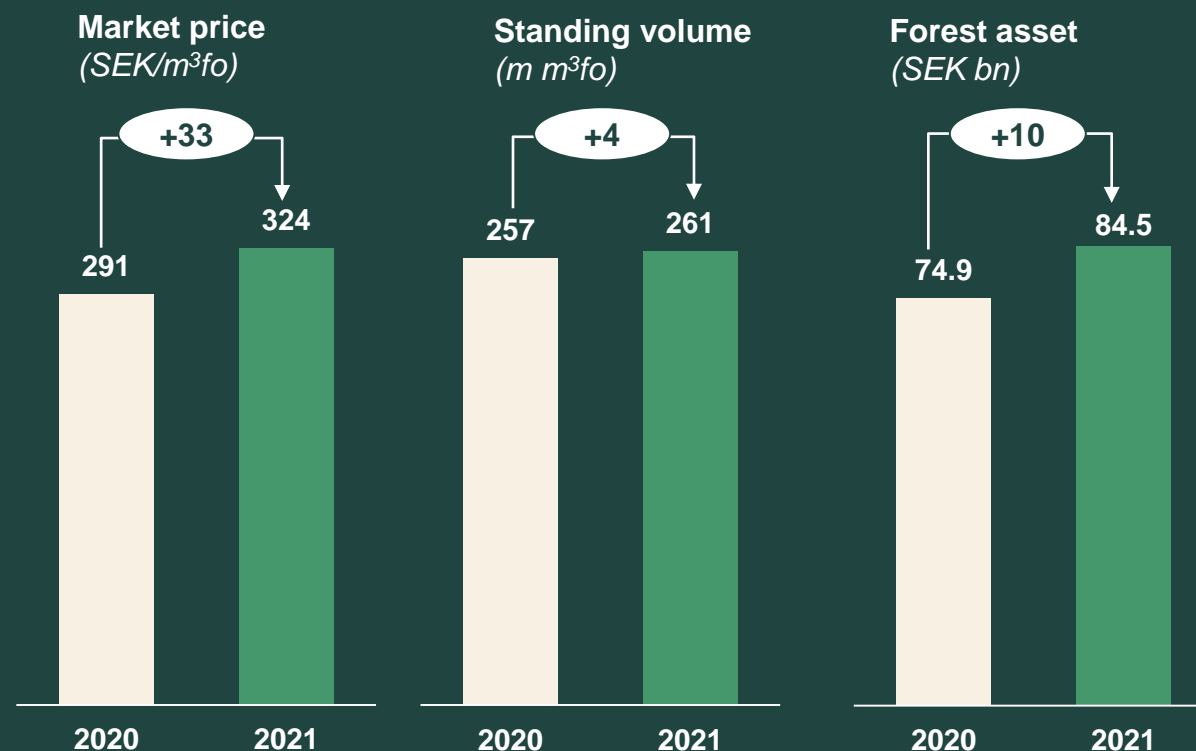
- Average three year transaction price in SCAs region

### Value increase of SEK 9.6 bn

- Biological assets SEK 1.8 bn
- Land assets SEK 7.5 bn
- Net acquisitions SEK 0.4 bn

**3.9 m<sup>3</sup>fo net growth in 2021**

**SCAs forest assets valued SEK ~84bn**





# Income statement

SEKm	Quarter			Full year		
	Q4 2021	Q4 2020	Change	2021	2020	Change
Net sales	4,763	4,592	4%	18,822	18,410	2%
<b>EBITDA</b>	<b>2,806</b>	<b>1,377</b>	<b>104%</b>	<b>9,109</b>	<b>4,440</b>	<b>105%</b>
<i>EBITDA margin</i>	58.9%	30.0%	28.9 p.p.	48.4%	24.1%	24.3 p.p.
<b>EBIT</b>	<b>2,408</b>	<b>986</b>	<b>144%</b>	<b>7,634</b>	<b>2,839</b>	<b>169%</b>
<i>EBIT margin</i>	50.5%	21.5%	29.0 p.p.	40.6%	15.4%	25.2 p.p.
Financial items	-28	-34		-107	-117	
<b>Profit before tax</b>	<b>2,380</b>	<b>952</b>	<b>150%</b>	<b>7,527</b>	<b>2,722</b>	<b>177%</b>
Tax	-385	-131		-1,426	-483	
<b>Profit for the period</b>	<b>1,995</b>	<b>821</b>	<b>143%</b>	<b>6,101</b>	<b>2,239</b>	<b>172%</b>
Earnings per share, SEK	2.84	1.17		8.69	3.19	

Note: Excluding effect of one-off items related to discontinuation of publication paper in Q3 and Q4 2020.

# Proposed Dividend

Proposed dividend (SEK)

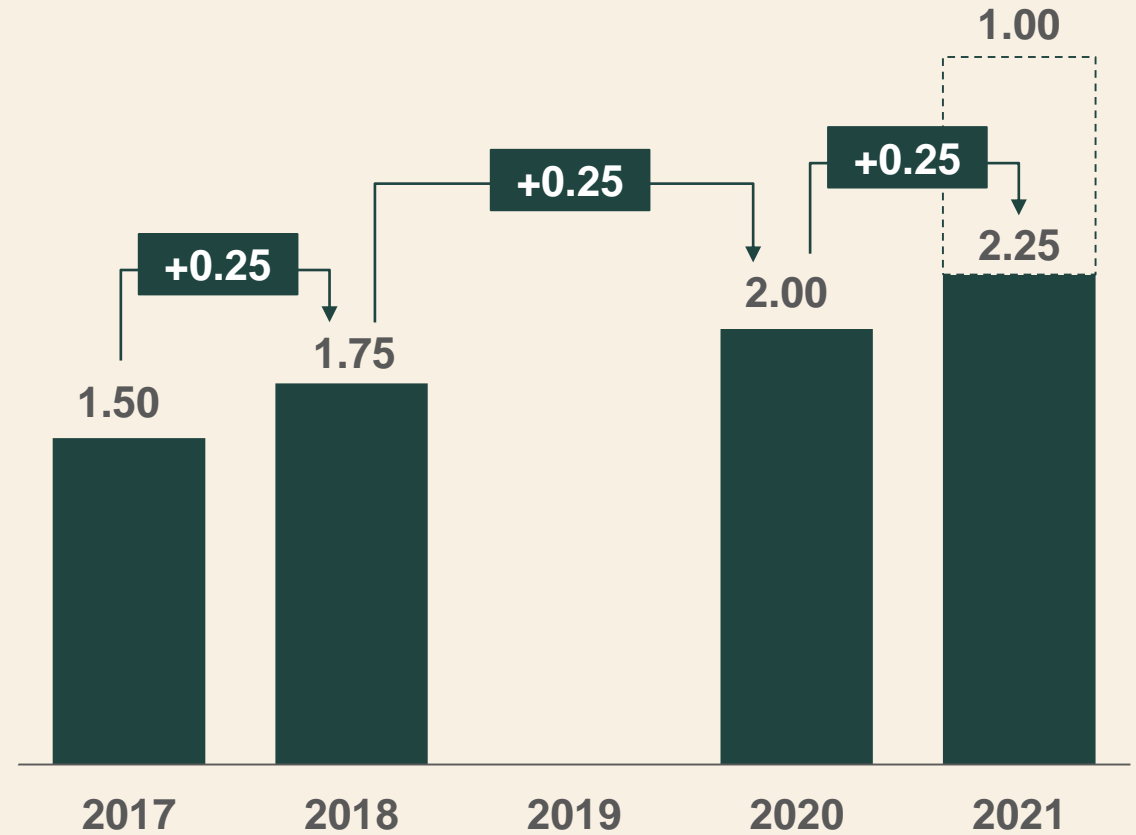
**2.25**  
(2.00)

Proposed extra dividend (SEK)

**1.00**  
(0.00)

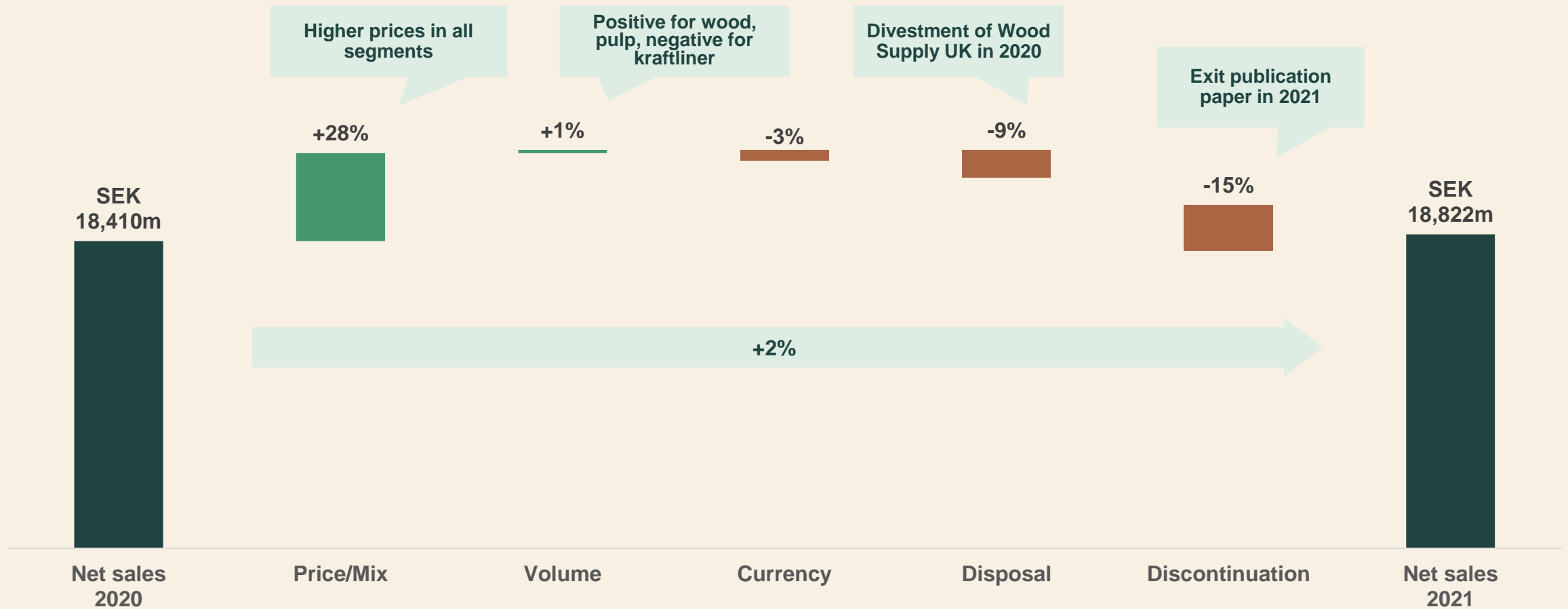
EPS (SEK)

**8.69**  
(3.19<sup>1</sup>)



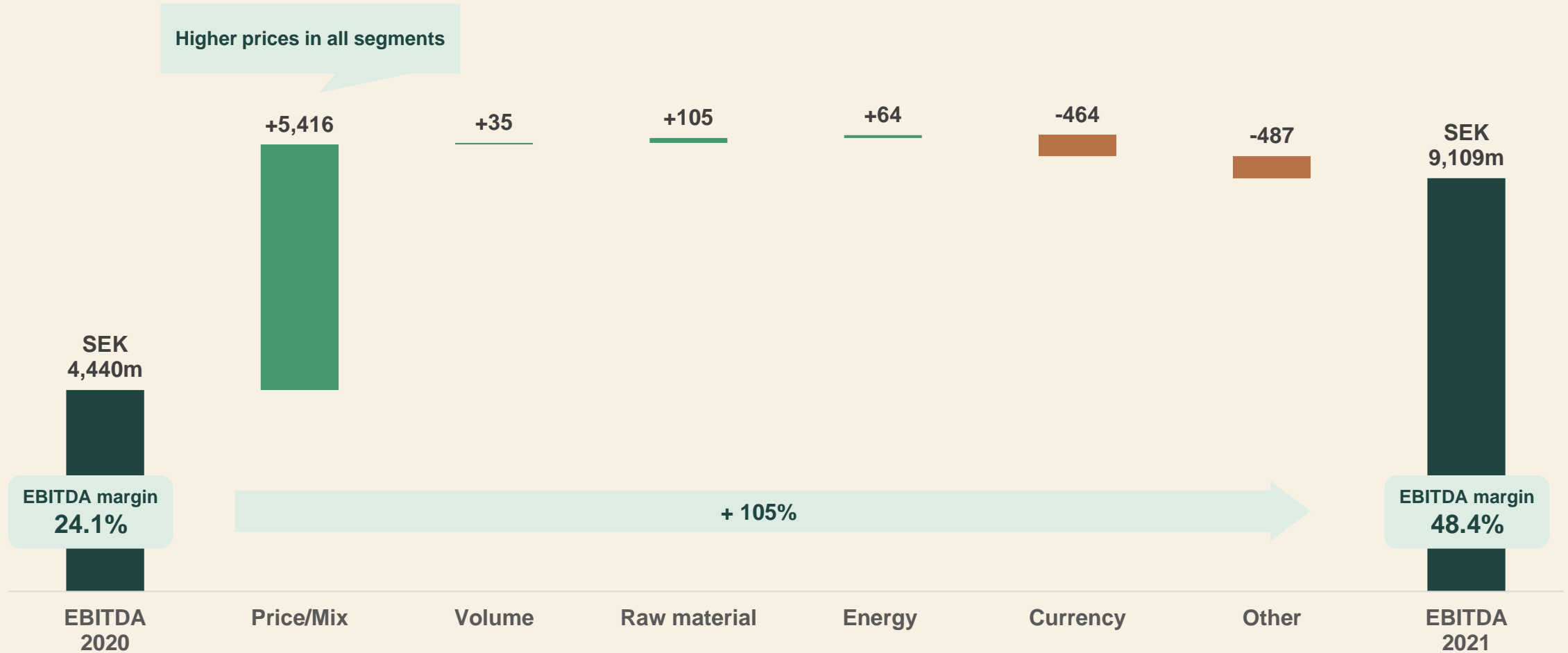
1. Excluding effect of one-off items related to discontinuation of publication paper in 2020.

# Net sales 2021 vs. 2020





# EBITDA 2021 vs. 2020

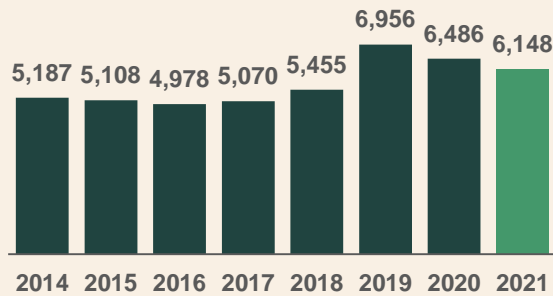


Note: Excluding effect of one-off items related to discontinuation of publication paper in 2020.

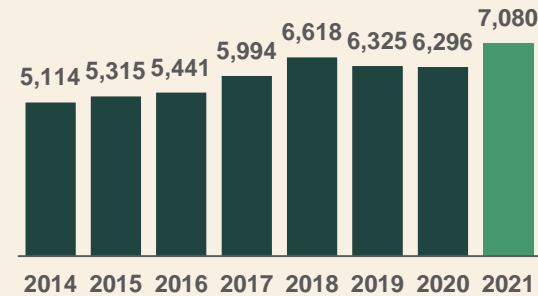
# Contribution by segment

## Forest

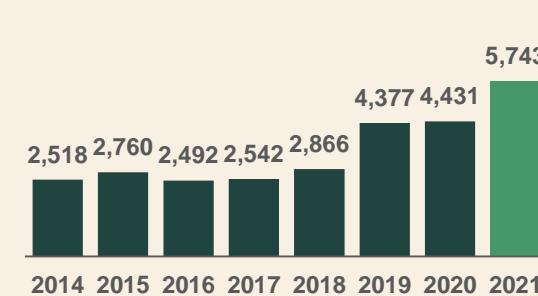
Net sales (SEKm)



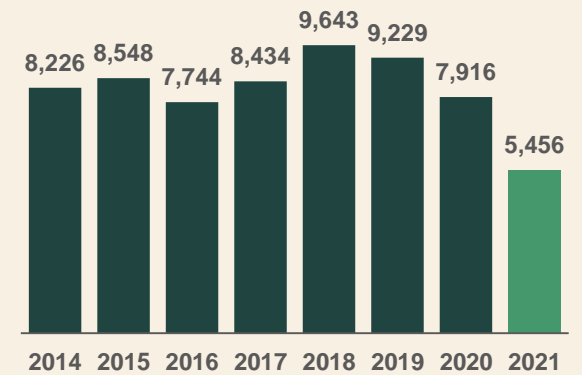
## Wood



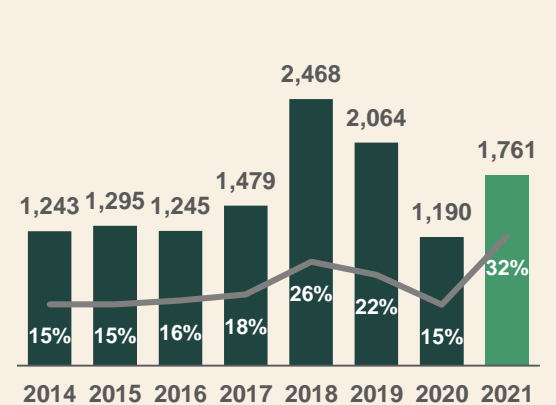
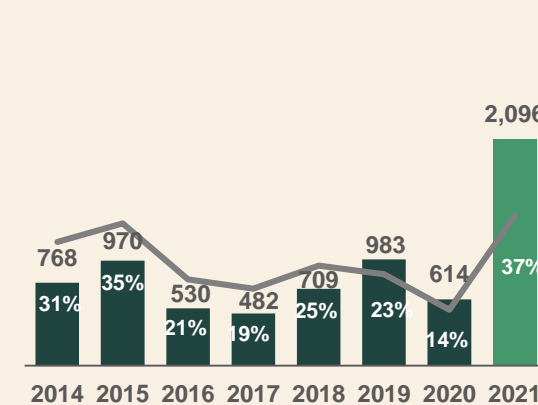
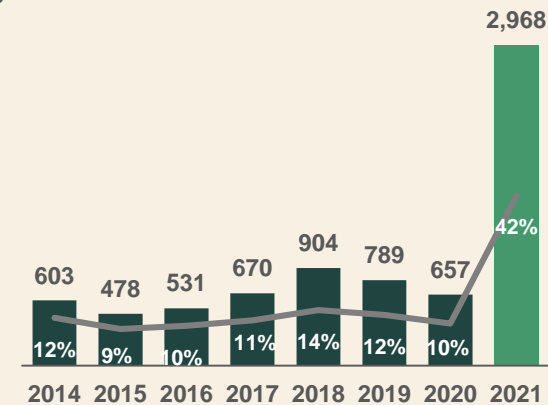
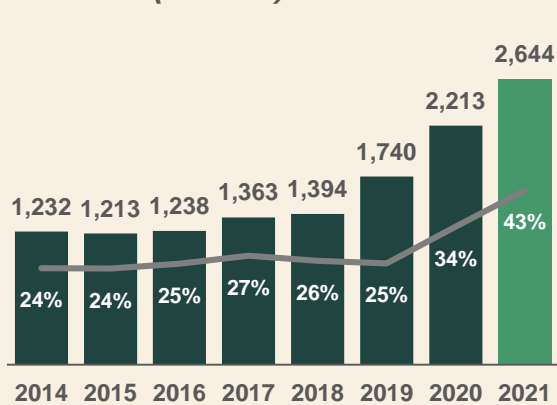
## Pulp



## Containerboard/Paper<sup>1</sup>



EBITDA (SEKm) and EBITDA margin

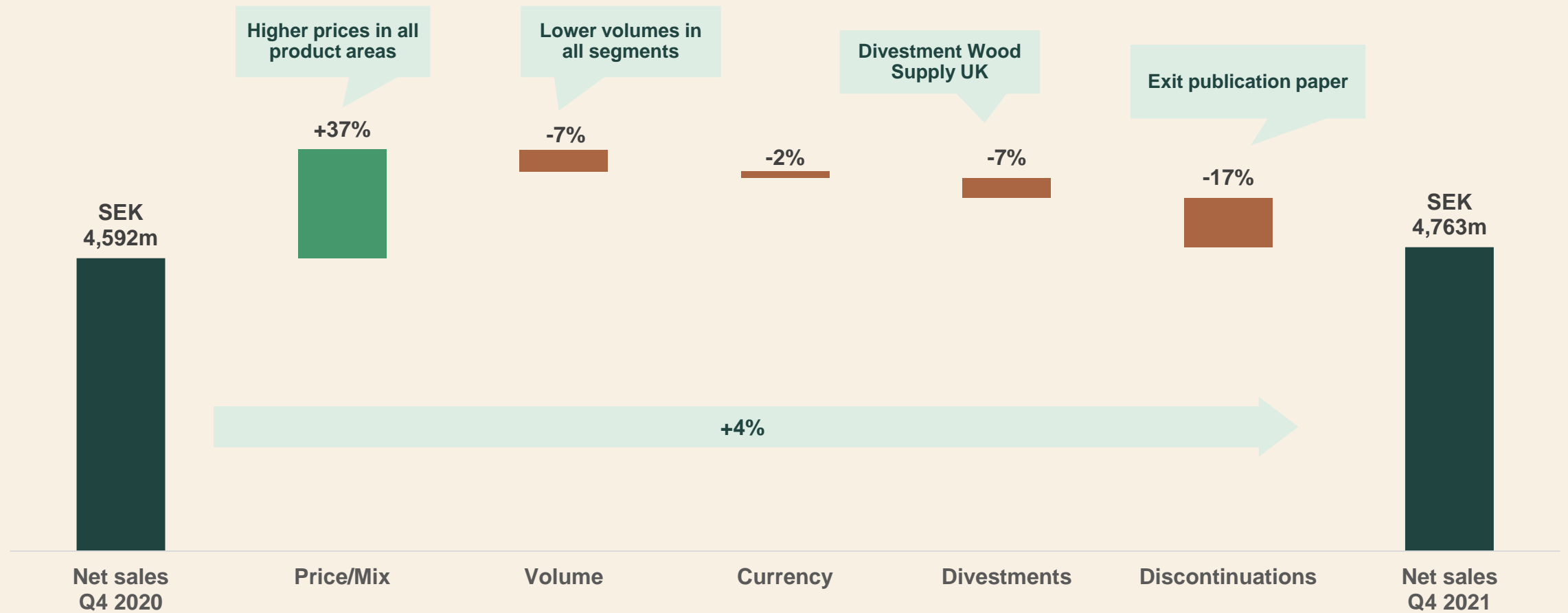


Note: 2014 and 2015 EBITDA refer to adjusted figures. 2016 and forward refer to unadjusted figures.

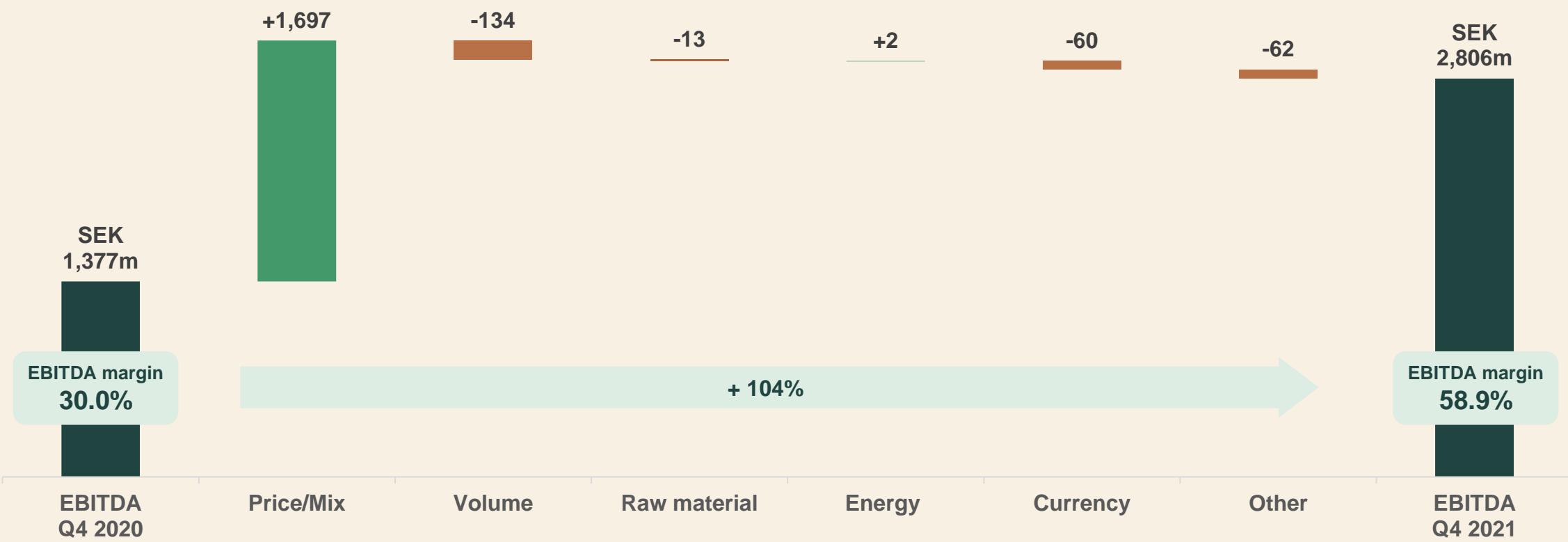
1. Segment Paper changed name to Containerboard from 1<sup>st</sup> of January 2021. Publication Paper included in figures up to and including 2020.



# Net sales Q4 2021 vs. Q4 2020



# EBITDA Q4 2021 vs. Q4 2020



Note: Excluding effect of one-off items related to discontinuation of publication paper in Q4 2020.

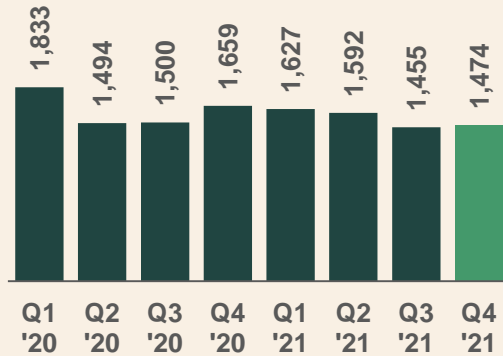




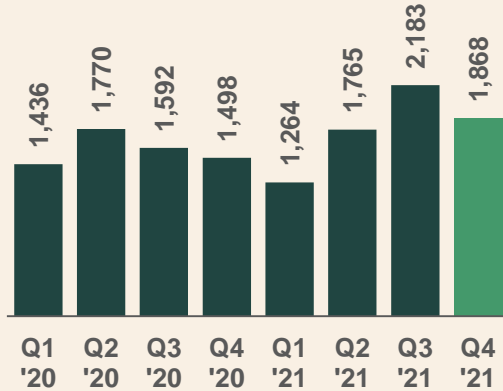
# Contribution by segment and quarter

## Forest

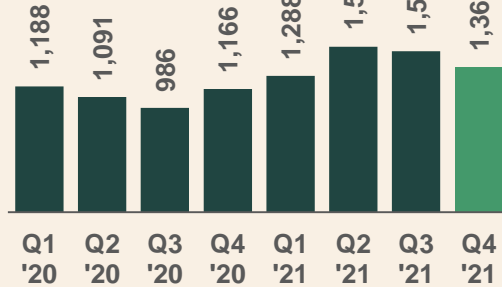
### Net sales (SEKm)



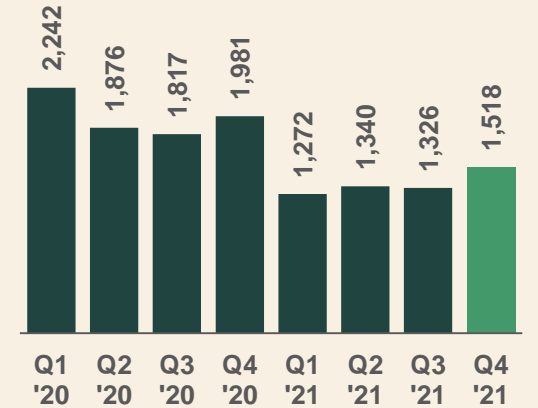
## Wood



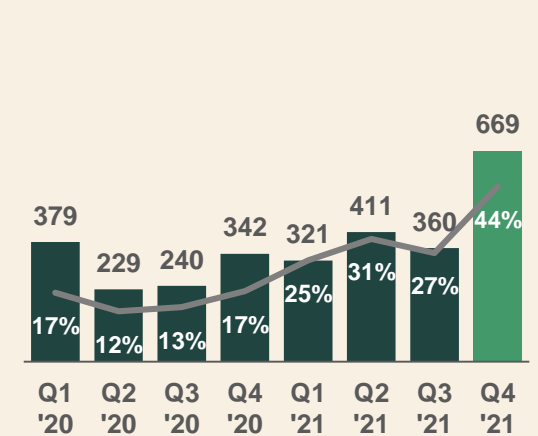
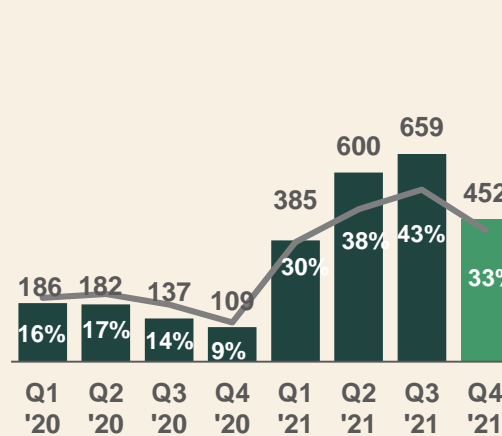
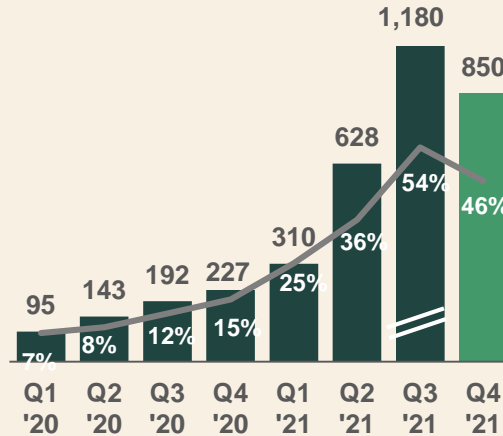
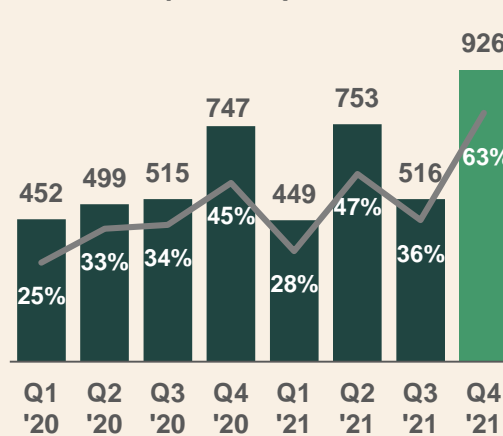
## Pulp



## Containerboard/Paper<sup>1</sup>



### EBITDA (SEKm) and EBITDA margin



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

# Cash flow

SEKm	Quarter		Full Year	
	Q4 2021	Q4 2020	2021	2020
EBITDA	2,806	1,451	9,109	3,393
Revaluation of biological assets and other non cash flow items	-744	-510	-1,883	-601
<b>Operating cash surplus</b>	<b>2,062</b>	<b>941</b>	<b>7,226</b>	<b>2,792</b>
Change in working capital	324	275	-306	1,131
Restructuring costs	-58	-	-394	-
Current capital expenditures	-432	-298	-1,236	-1,224
Other operating cash flow	-133	39	-74	-11
<b>Operating cash flow</b>	<b>1,763</b>	<b>957</b>	<b>5,216</b>	<b>2,688</b>
Strategic capital expenditures			-3,723	-1,414

Note: Excluding effect of one-off items related to discontinuation of publication paper in Q3 and Q4 2020.

# Balance sheet

SEKm	Dec 31, 2021	Dec 31, 2020
Forest assets	84,497	74,900
Working capital	2,823	2,759
<i>Working capital/Net sales</i>	16%	18%
Deferred tax relating to forest assets	-16,905	-14,977
Other capital employed	20,392	17,152
<b>Total capital employed</b>	<b>90,807</b>	<b>79,834</b>
<b>Net debt</b>	<b>7,752</b>	<b>7,671</b>
<i>Net debt/EBITDA (LTM) <sup>1</sup></i>	0.9x	1.7x
<b>Equity</b>	<b>83,055</b>	<b>72,163</b>
<i>Net debt/Equity</i>	9%	11%
<i>Market price applied on forest assets (SEK/m<sup>3</sup>fo)</i>	324	291

1. Rolling 12 months, excluding the effect of one-off items related to discontinuation publication paper operations in Q3 2020 and Q4 2020.



# Ulf Larsson, CEO





# Strategy for profitable growth

**Increased value  
from each tree**

**Growing  
renewable forest  
asset**



## **Invest in integrated value chain:**

- Grow pulp, containerboard and wood
- Realize business opportunities within renewable energy



## **Increase forest holding:**

- Increased growth and harvesting level
- Continued acquisitions of forest land in Nordics and Baltics

# Strong project portfolio - generates long term value





# Summary 2021

## Best result ever

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## Sales increased 2% vs 2020

- Price/mix 28%, volume 1%
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## Increased forest land values

## Investment projects on time and on budget





# 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.

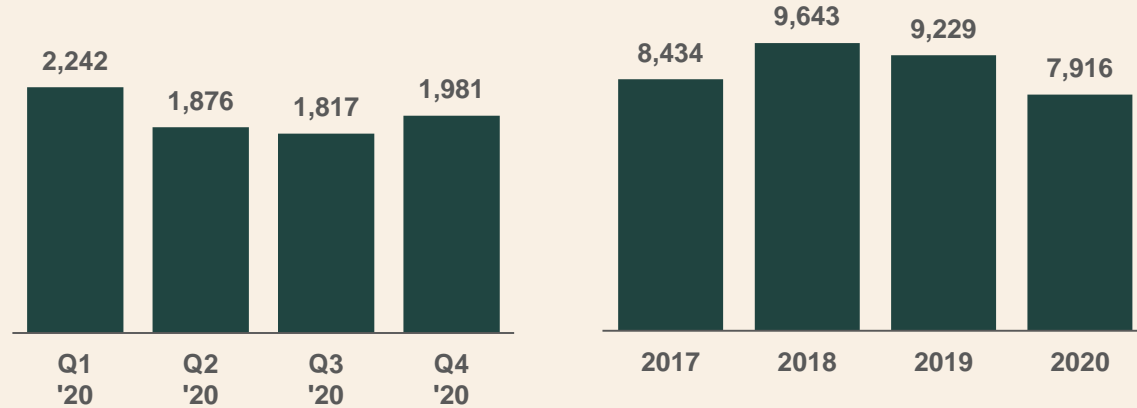


# Appendix

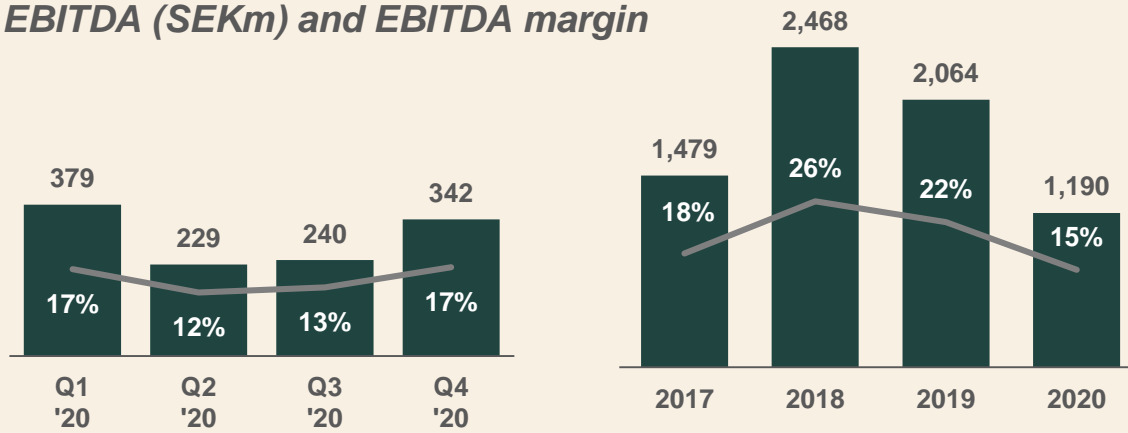
# Historical contribution by Containerboard and Paper

## Containerboard/Paper <sup>1</sup>

Net sales (SEKm)

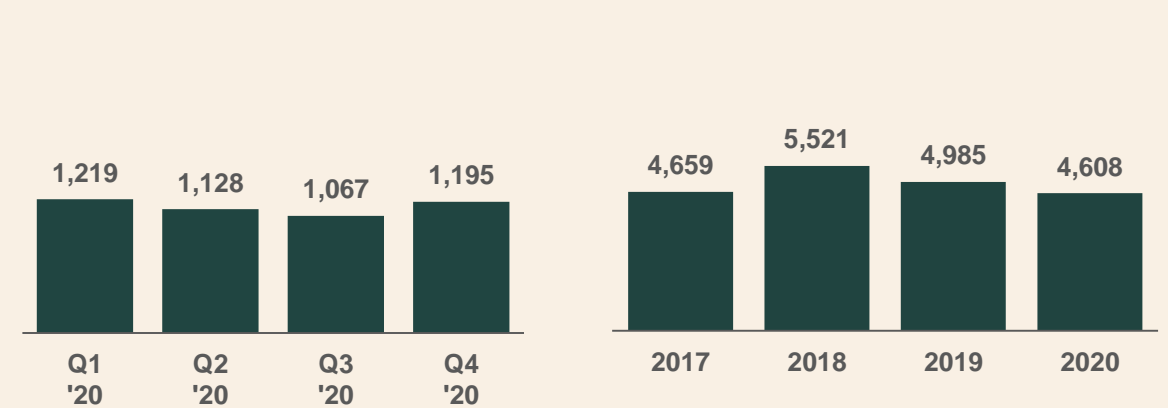


EBITDA (SEKm) and EBITDA margin

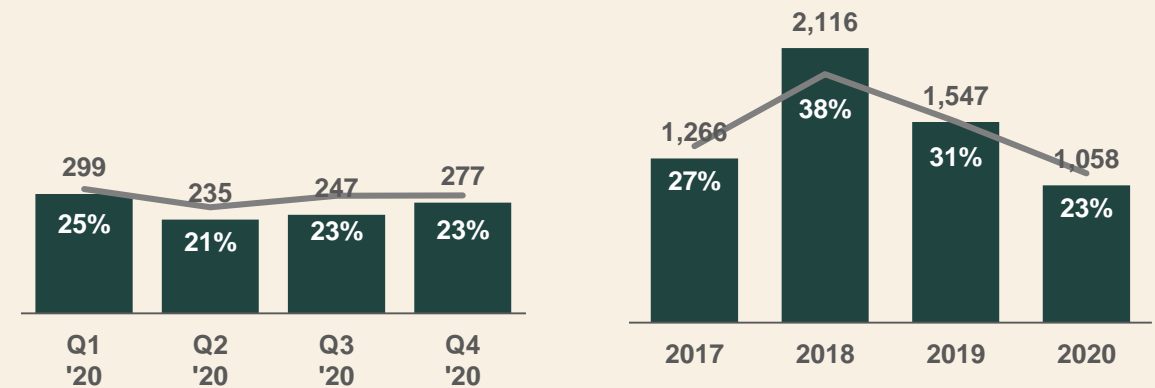


## Containerboard

Net sales (SEKm)



EBITDA (SEKm) and EBITDA margin



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Publication Paper included in figures up to and including Q4 2020.