



Interim Report Presentation Q1 2021

April 30, 2021



A photograph of several blue wind turbines in a field during sunset. The sky is a mix of orange, yellow, and grey, with some clouds. The turbines are silhouetted against the bright sky. In the foreground, there are dark evergreen trees.

Ulf Larsson, CEO

Summary Q1 2021

Strong market and increasing prices

EBITDA up 32% vs Q1 2020

- + Higher prices on solid wood, pulp and kraftliner
- Negative currency effects

Sales vs Q1 2020 impacted by exit publication paper

- Exit publication paper -14%, sale Wood Supply UK -7%
- Price/mix 7%, volume 4%, currency -3%

Exit publication paper according to plan

Kraftliner and CTMP expansion projects on time and on budget



SCA's performance Q1 2021

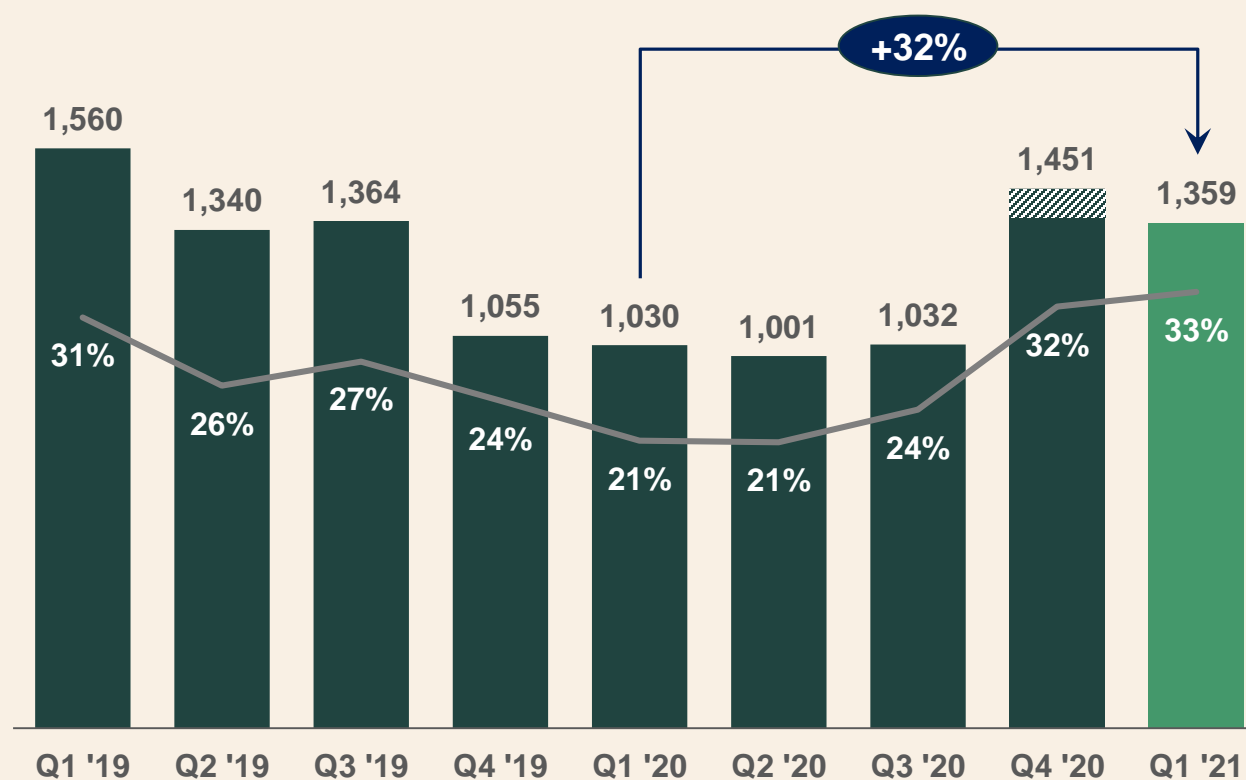
EBITDA (SEKm)

1,359

Industrial ROCE

8%¹ (**16%**)²

EBITDA development (SEKm)



EBITDA margin

33%

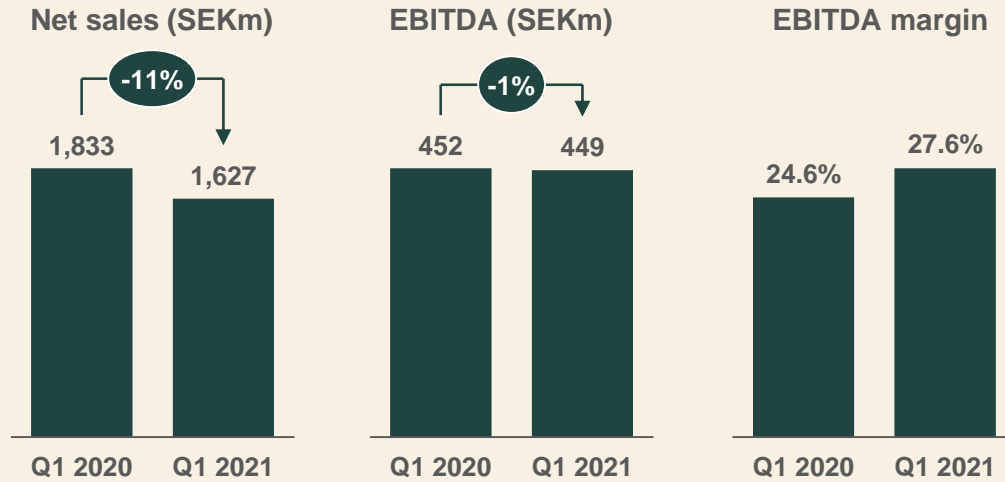
Net debt/EBITDA

1.5x

1) LTM 2) Quarterly

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 both excluded and included in Q4 2020 where one-off items affecting EBITDA amounted to SEK 73m.

Forest Q1 2021 vs. Q1 2020



Stable wood supply to industries

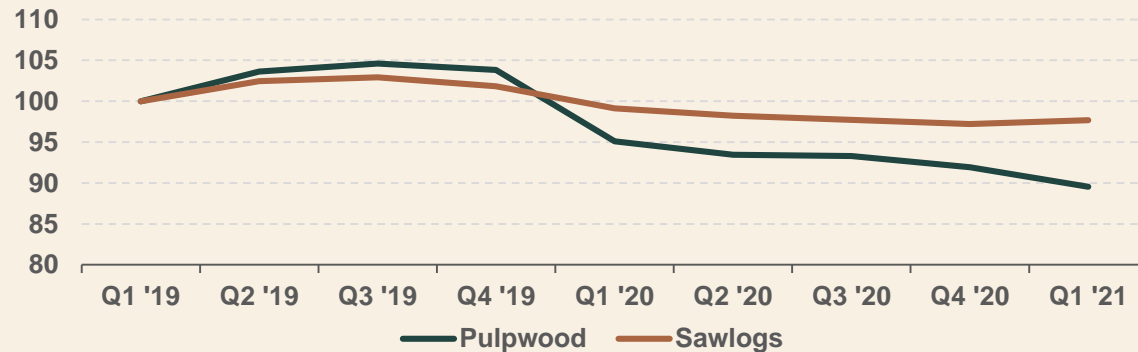
Sales down 11%

- Lower volumes to Ortviken
- Lower pulpwood price

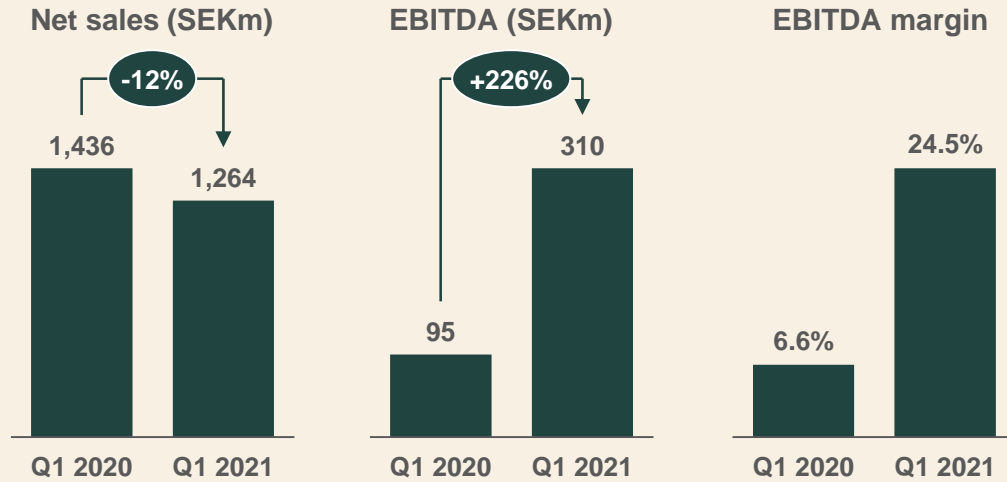
EBITDA down 1%

- Lower pulpwood price
- + Lower imported volumes

Price development – Pulpwood and Sawlogs



Wood Q1 2021 vs. Q1 2020



Continued strong demand and sharply increasing prices

Sales down 12%

- Divestment of Wood Supply UK
- + Higher prices

EBITDA up 226%

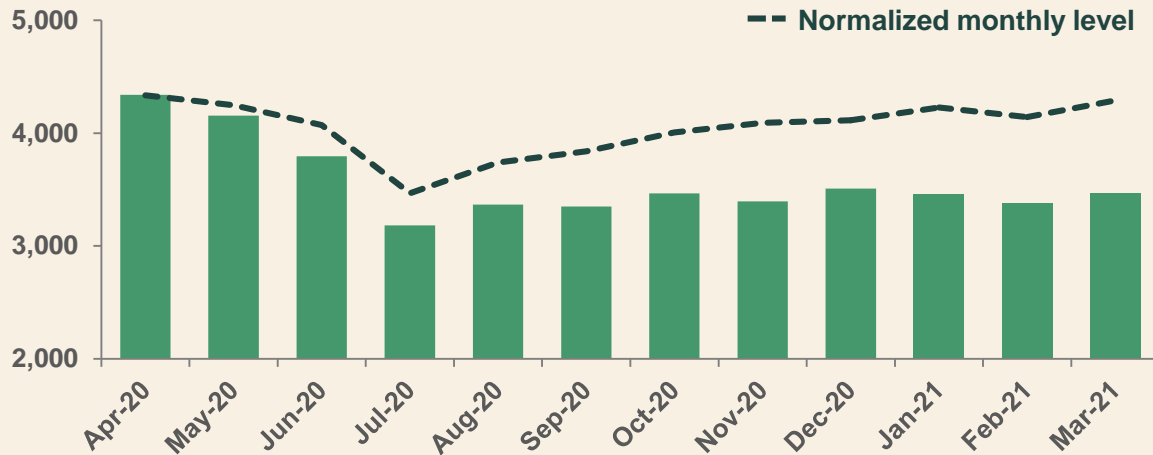
- + Higher prices

Price development – Solid Wood Products



Wood market development

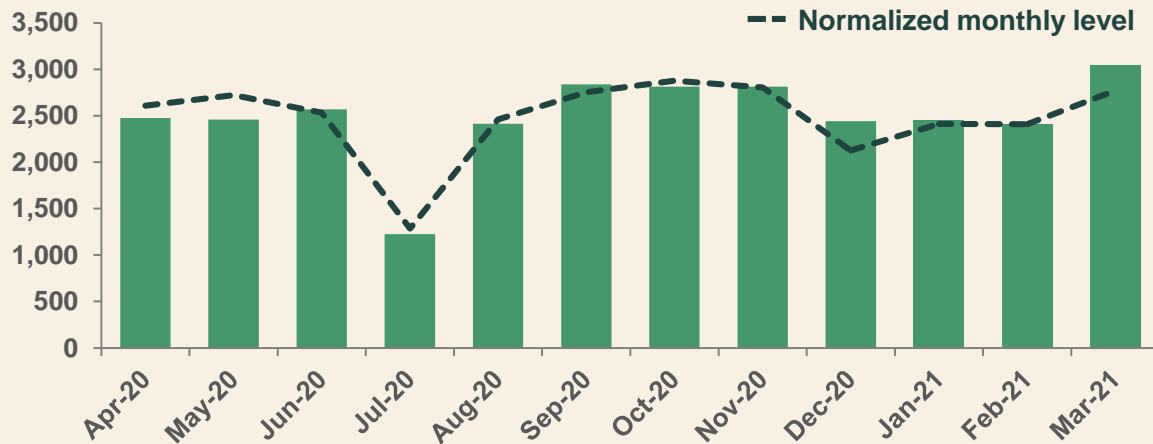
Stock of sawn pine and spruce wood, Sweden and Finland (k m³)



Continued strong market

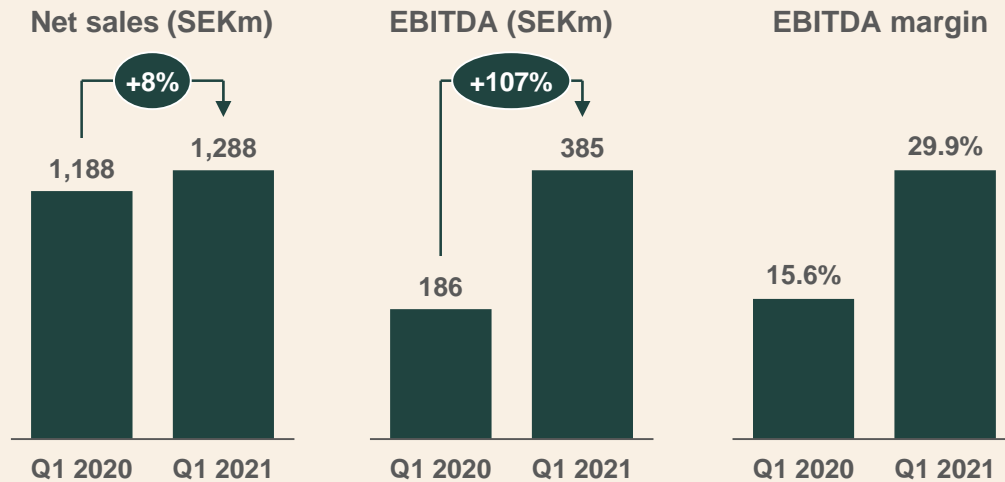
- Stock levels low to very low
- Good consumption, clear signs of shortages
- Logistical situation challenging on containers
- Producers run at full capacity in strong market

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



Note: Normalized monthly level 2016-2021.

Pulp Q1 2021 vs. Q1 2020



Continued strong market

CTMP project at Ortviken on time and on budget

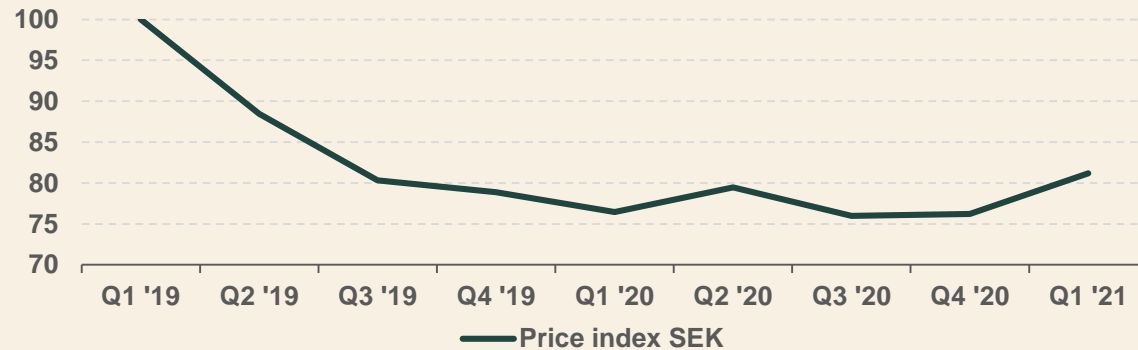
Sales up 8%

- + Higher prices
- Negative currency effects

EBITDA up 107%

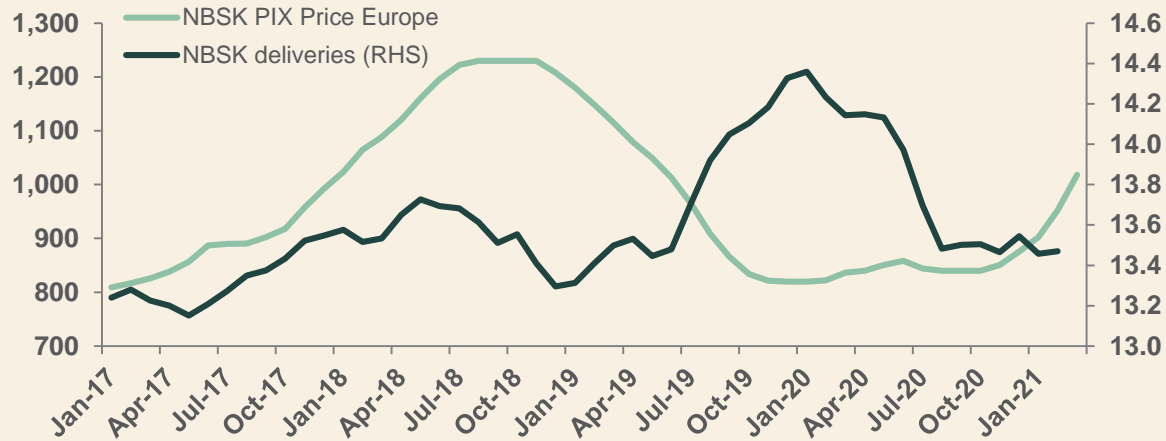
- + Higher prices
- + Lower costs for wood raw material
- + Better yield
- Negative currency effects

Price development – NBSK Pulp

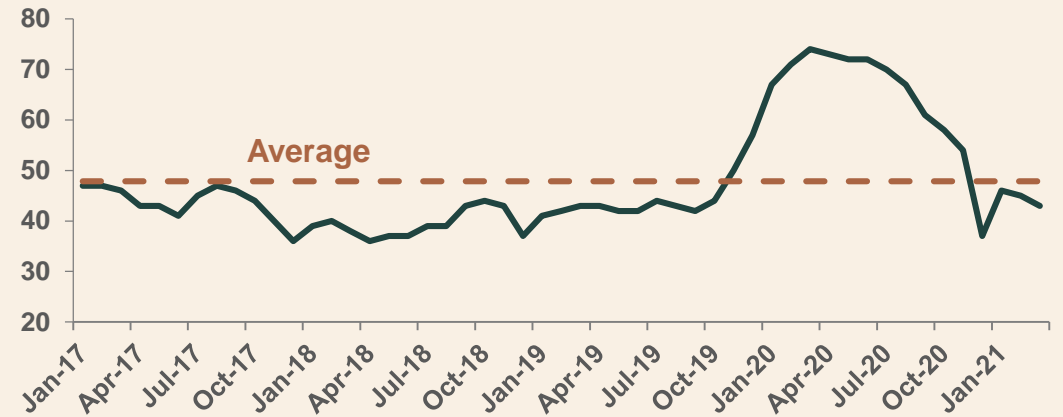


Pulp market development

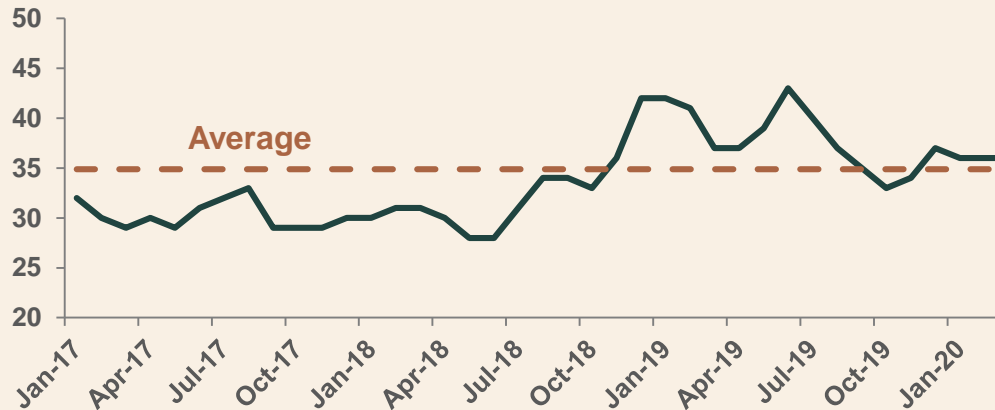
NBSK pulp price (USD/t) vs deliveries (Mt)



Hardwood pulp inventories (days of supply)



Softwood pulp inventories (days of supply)



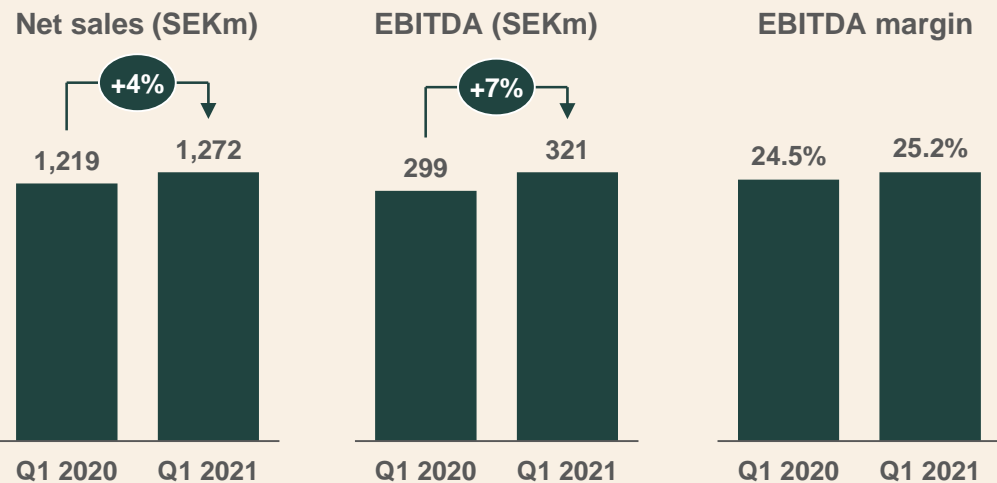
Continued strong market

- Inventories normalized
- Supply impacted by global logistic problems
- Upcoming maintenance stops

Still positive price signals

- Higher net prices in China and US indicates further European price increases

Containerboard Q1 2021 vs. Q1 2020



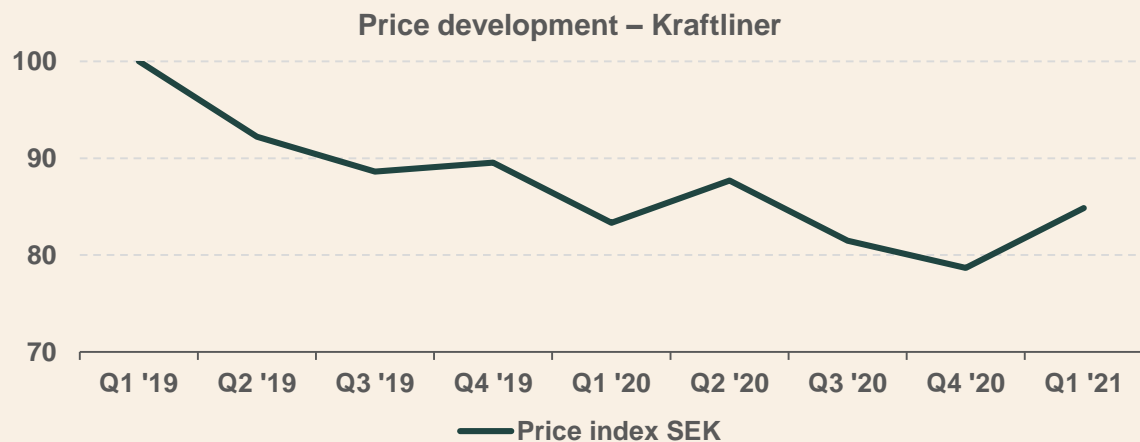
Obbola expansion on time and on budget

Sales up 4%

- + Higher prices
- Negative currency effects

EBITDA up 7%

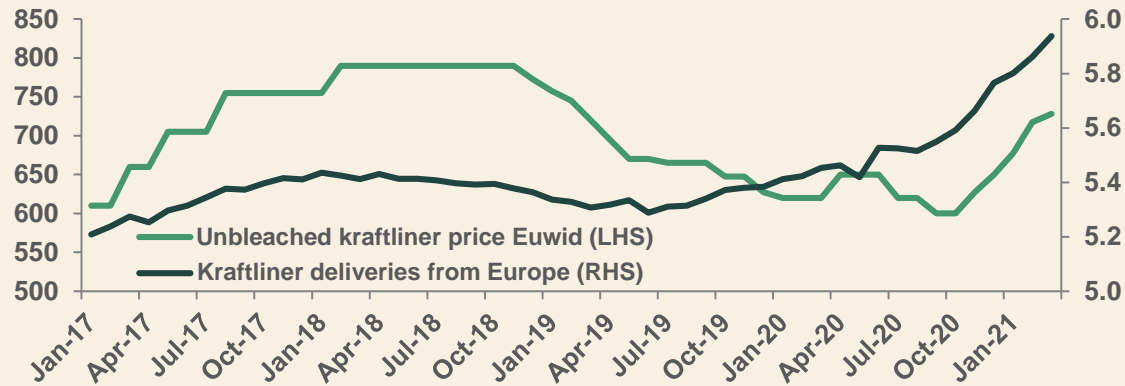
- + Higher prices
- Higher costs for raw material
- Negative currency effects



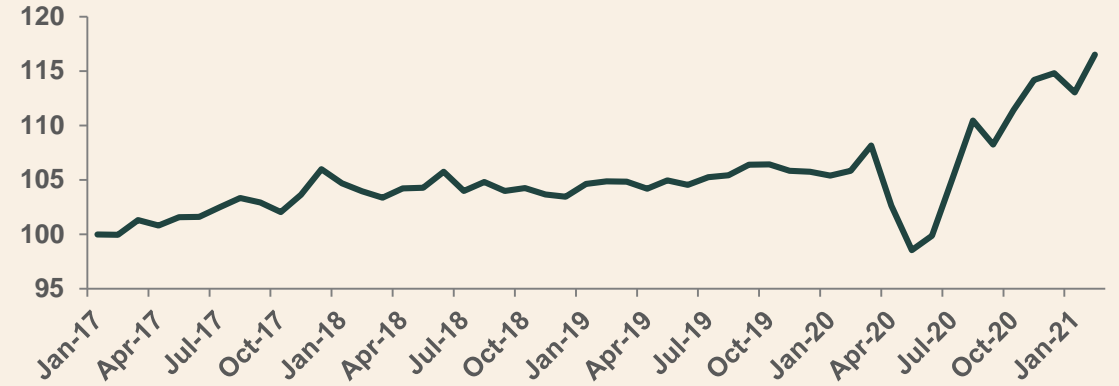
Note: Figures refer only to Containerboard.

Containerboard market development

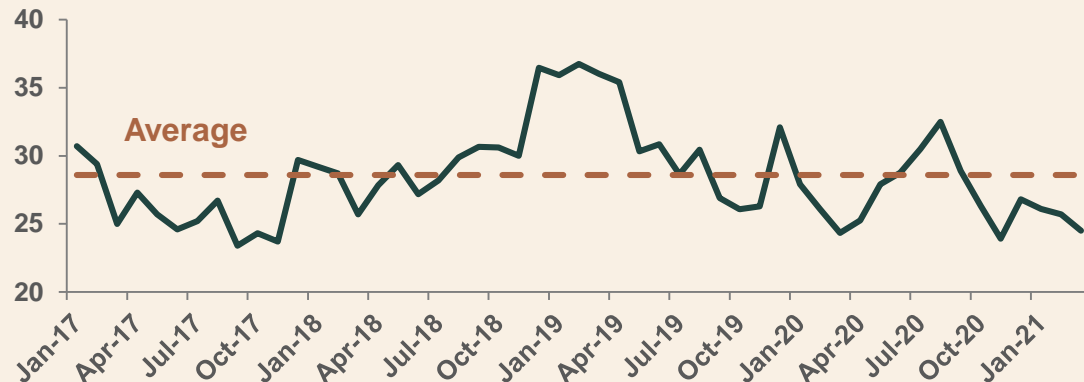
Price (EUR/t) vs Kraftliner deliveries (Mt)



European Box demand (index)



Kraftliner inventories (days of supply)



Strong demand and prices on the rise

- Long term growth of European deliveries
- Inventories days continue to decline
- Prices on the rise in both Q4 and Q1
- Strong box demand continue in Q1

A black grouse is shown in profile, facing right. It has a bright red comb on its head and a tail with prominent white feathers. The background is a blurred natural landscape with green and brown tones.

Toby Lawton, CFO

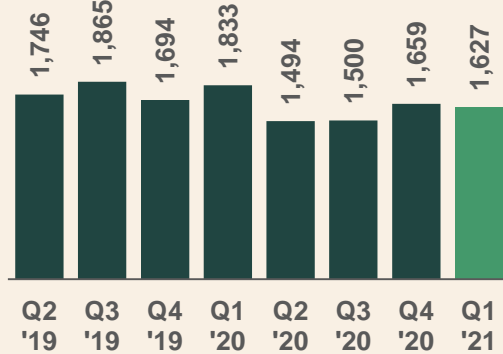
Income statement

SEKm	Quarter		
	Q1 2021	Q1 2020	Change
Net sales	4,172	4,793	-13%
EBITDA	1,359	1,030	32%
<i>EBITDA margin</i>	32.6%	21.5%	11.1 p.p.
EBIT	1,046	628	67%
<i>EBIT margin</i>	25.1%	13.1%	12.0 p.p.
Financial items	-28	-24	
Profit before tax	1,018	604	69%
Tax	-216	-121	
Profit for the period	802	483	66%
Earnings per share, SEK	1.14	0.69	

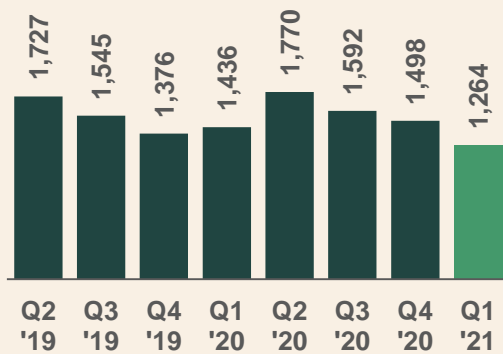
Contribution by segment and quarter

Forest

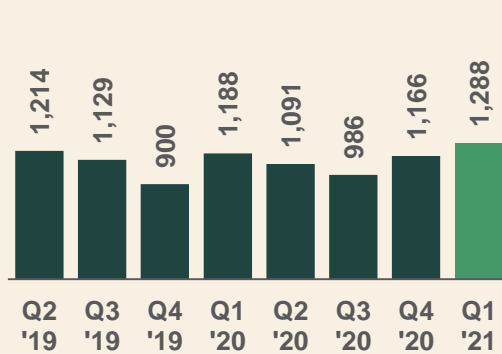
Net sales (SEKm)



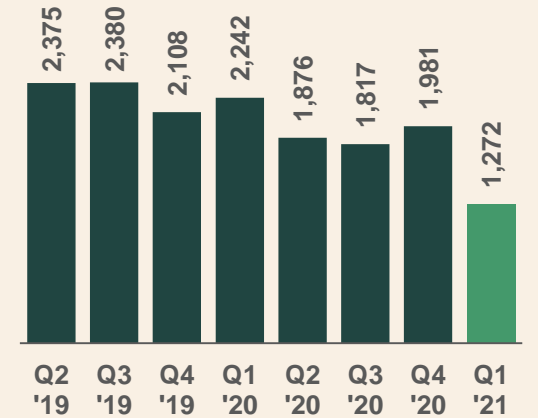
Wood



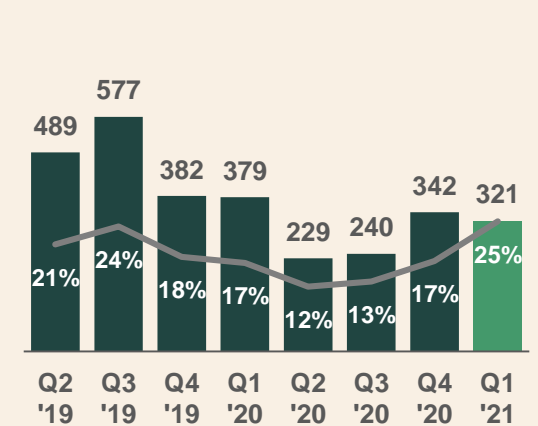
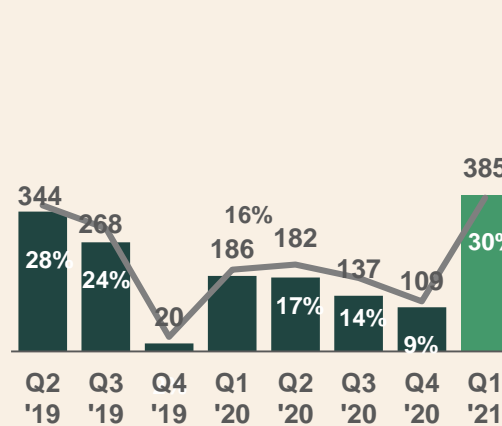
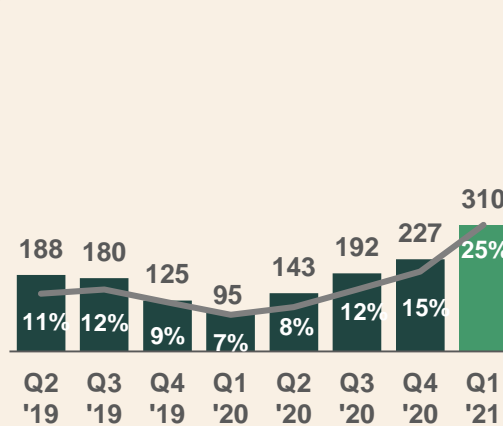
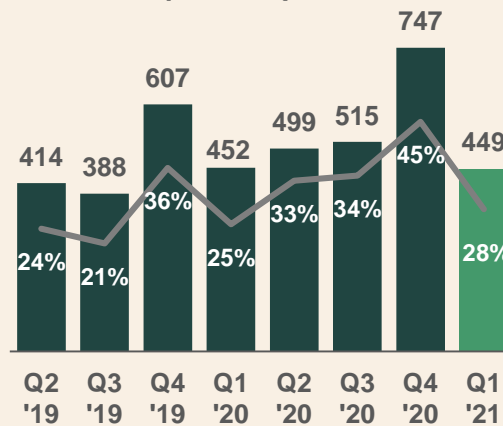
Pulp



Containerboard/Paper¹

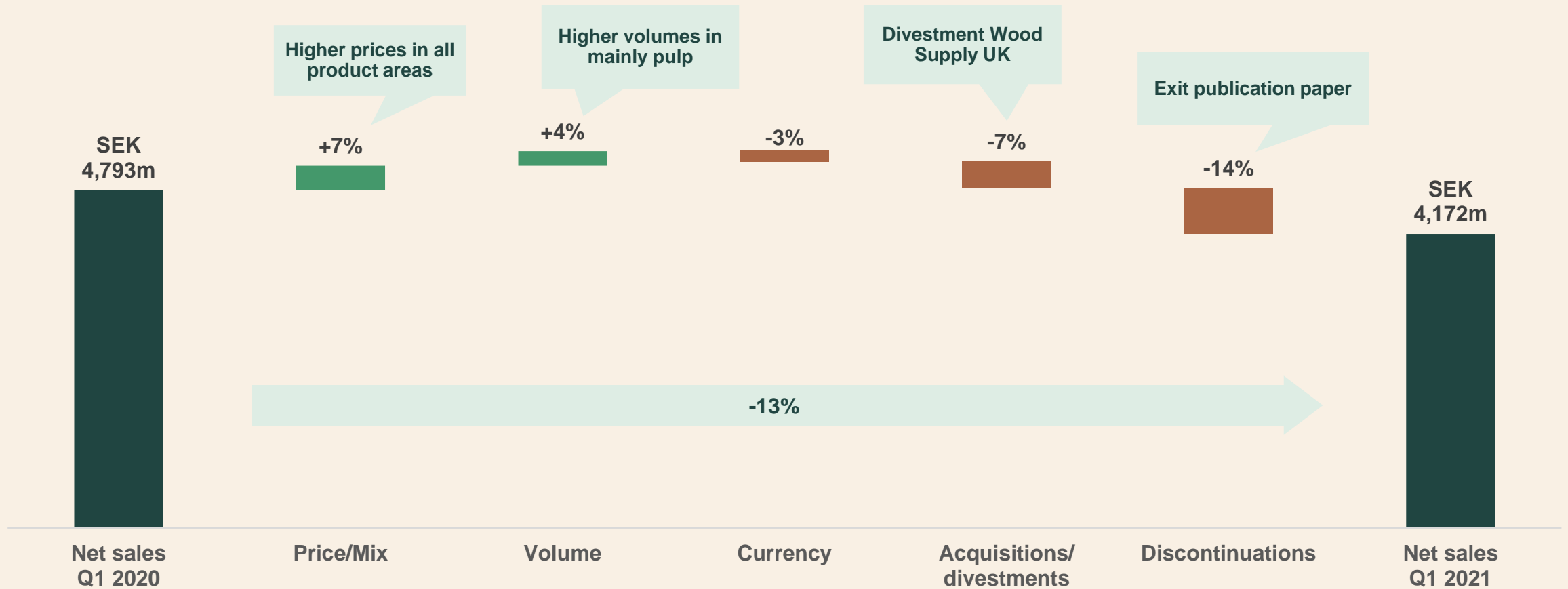


EBITDA (SEKm) and EBITDA margin

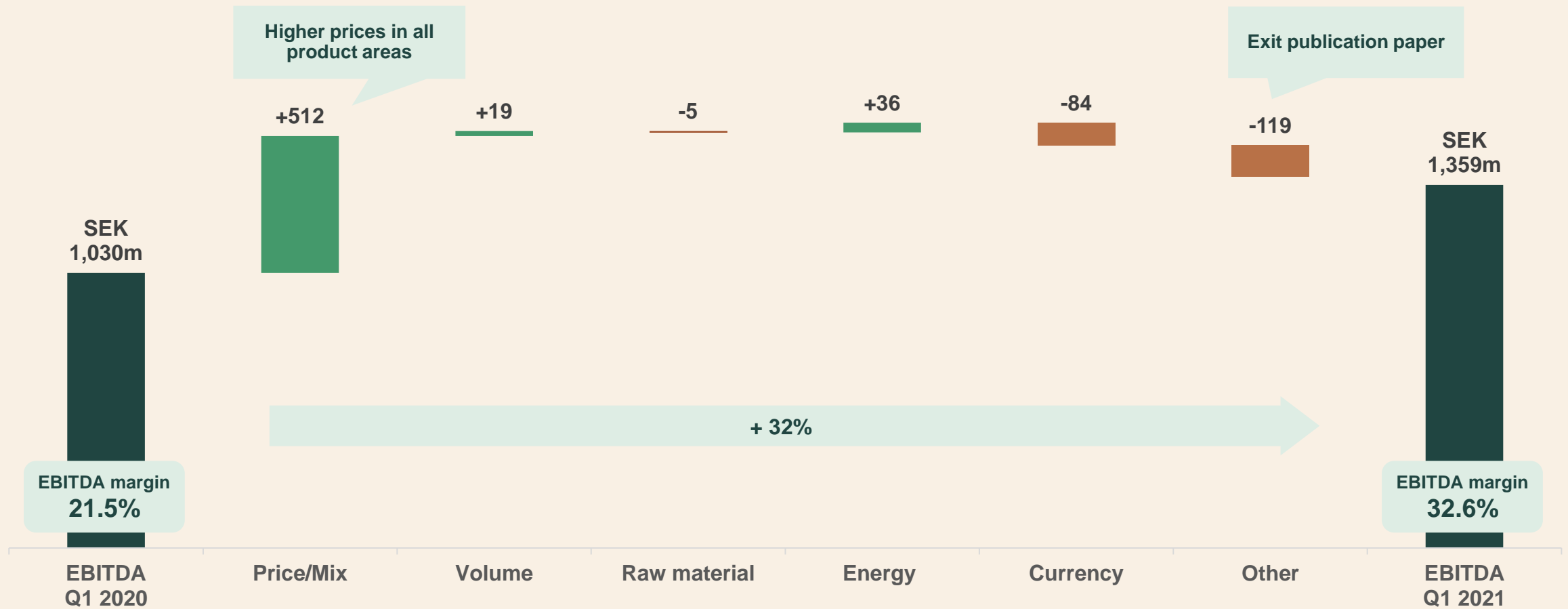


1) Segment Paper changed name to Containerboard from 1st of January 2021.
Publication Paper included in figures up to and including Q4 2020.

Net sales Q1 2021 vs. Q1 2020



EBITDA Q1 2021 vs. Q1 2020

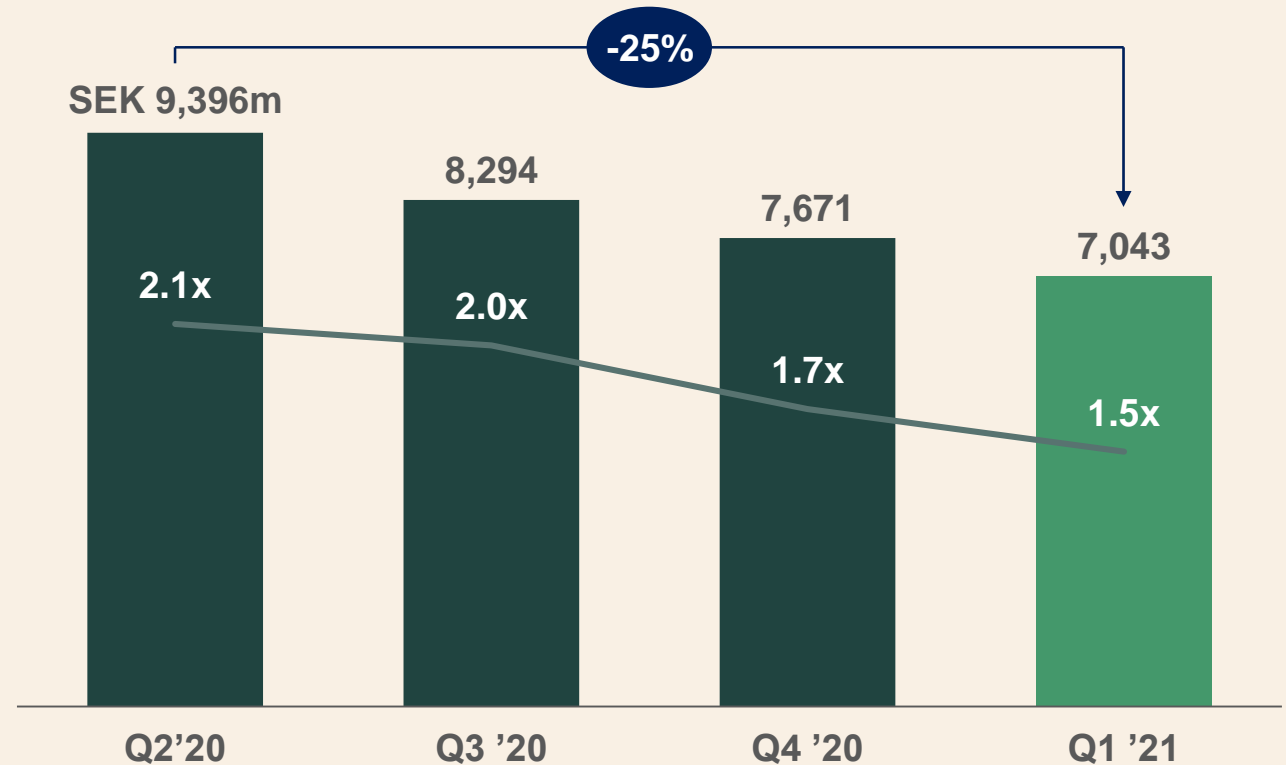


Cash flow

SEKm	Quarter	
	Q1 2021	Q1 2020
EBITDA	1,359	1,030
Revaluation of biological assets and other non cash flow items	-320	-340
Operating cash surplus	1,039	690
Change in working capital	-290	-146
Restructuring costs	-123	-
Current capital expenditures	-209	-175
Other operating cash flow	58	-28
Operating cash flow	475	341
Strategic capital expenditures	-511	-189

Net Debt

Net Debt and Net Debt to EBITDA development



Strong focus on cash flow

- Q1 operating cash flow SEK 475m

Investments in Obbola and CTMP

- Q1 strategic capex SEK 511m
- Unutilized credit facilities SEK ~9 bn

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

Balance sheet

SEKm	Mar 31, 2021	Dec 31, 2020
Forest assets	75,282	74,900
Working capital	2,862	2,759
<i>Working capital/Net sales ¹</i>	18%	18%
Deferred tax relating to forest assets	-15,052	-14,977
Other capital employed	17,382	17,152
Total capital employed	80,474	79,834
Net debt	7,043	7,671
<i>Net debt/EBITDA ²</i>	1.5x	1.7x
Equity	73,431	72,163
<i>Net debt/Equity</i>	10%	11%

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.

Summary

Ulf Larsson, CEO

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Exit publication paper according to plan

Kraftliner and CTMP expansion projects on time and on budget



Q&A





Europe's largest private forest owner

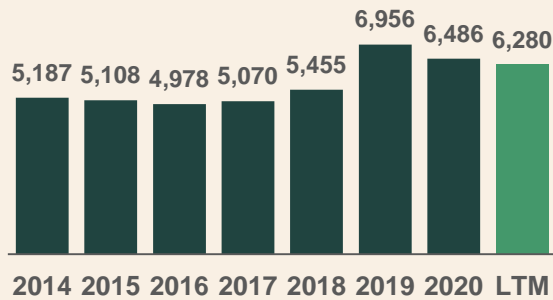
This presentation may contain forward-looking statements. Such statements are based on our current expectations and are subject to certain risks and uncertainties that could negatively affect our business. Please read SCA's most recent annual report for a better understanding of these risks and uncertainties.

Appendix

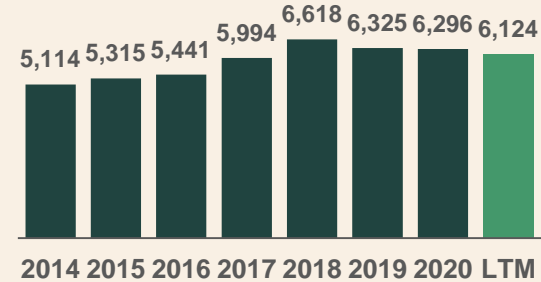
Contribution by segment

Forest

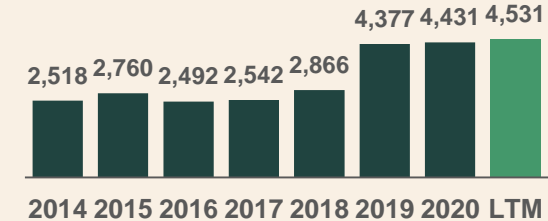
Net sales (SEKm)



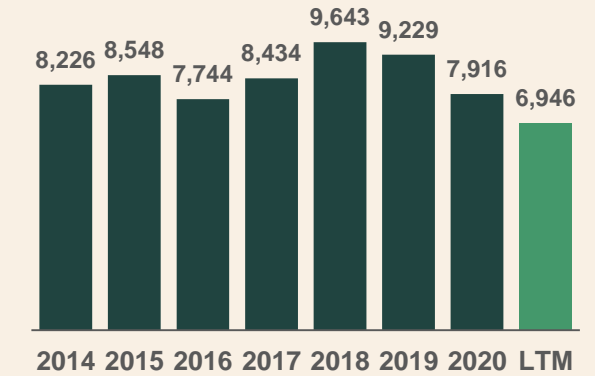
Wood



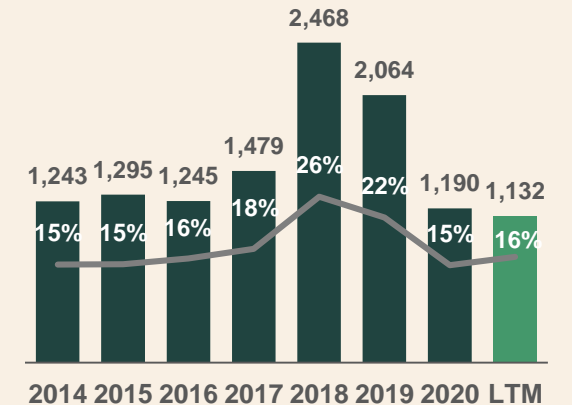
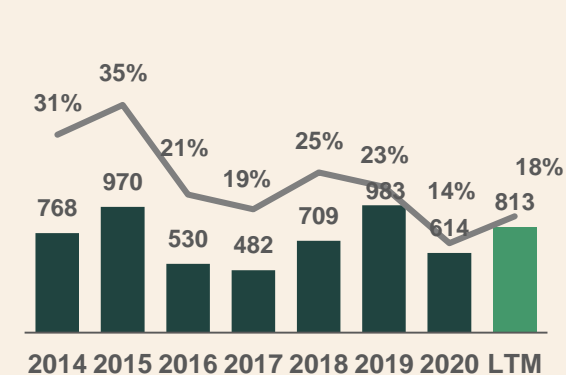
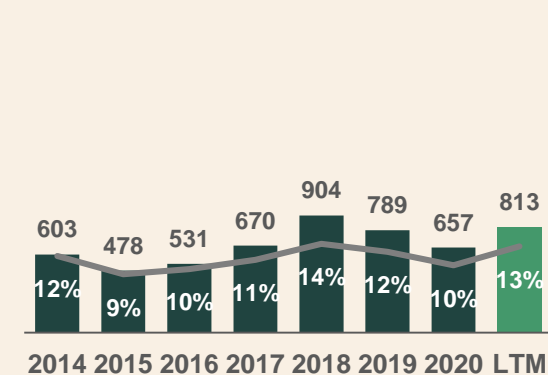
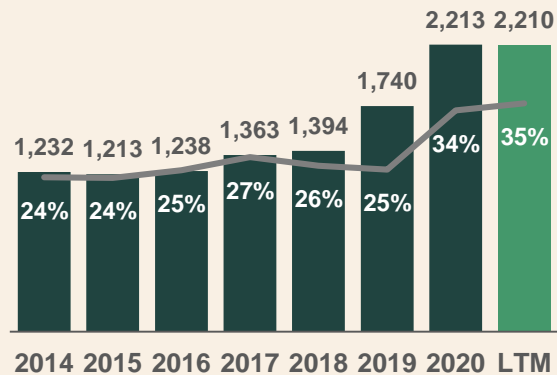
Pulp



Containerboard/Paper 1



EBITDA (SEKm) and EBITDA margin 1)

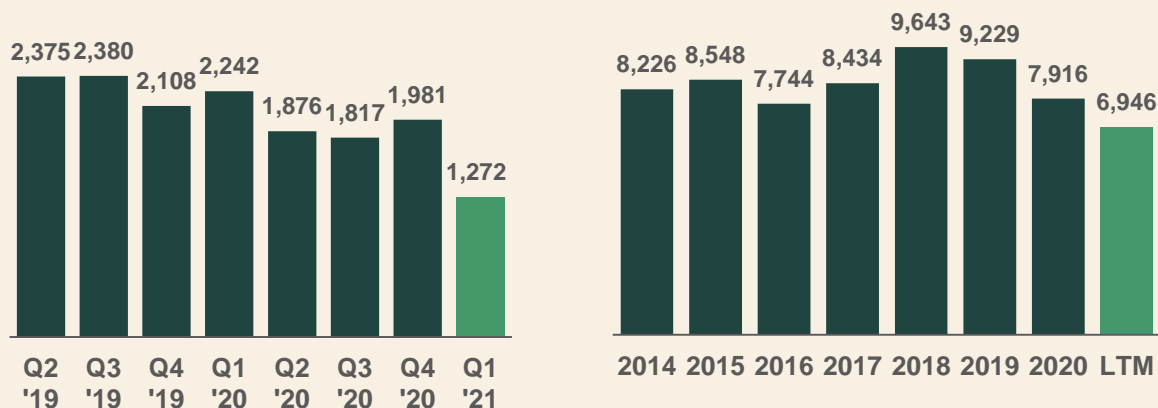


Note: 2014 and 2015 EBITDA refer to adjusted figures. 2016 and forward refer to unadjusted figures.
 1) Segment Paper changed name to Containerboard from 1st of January 2021. Publication Paper included in figures up until Q1 2021. For further details see the quarterly report Q4 2020.

Contribution by Containerboard and Paper

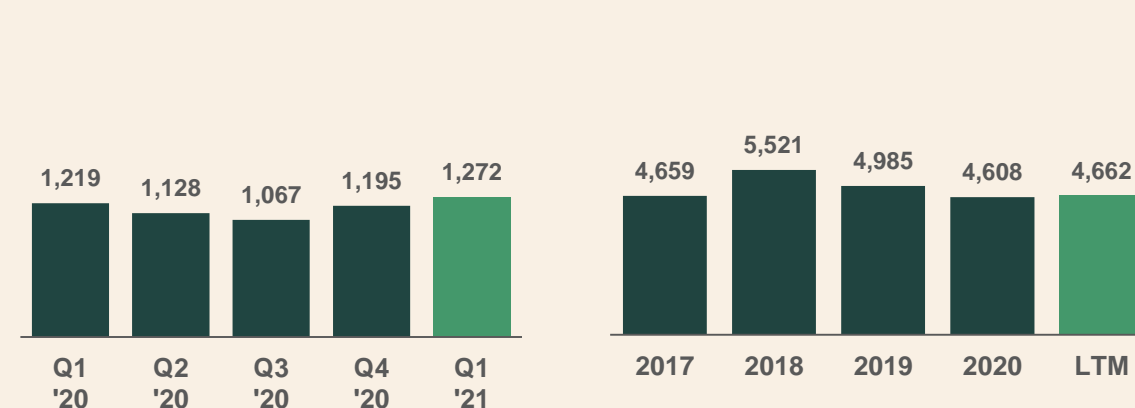
Containerboard/Paper ¹

Net sales (SEKm)

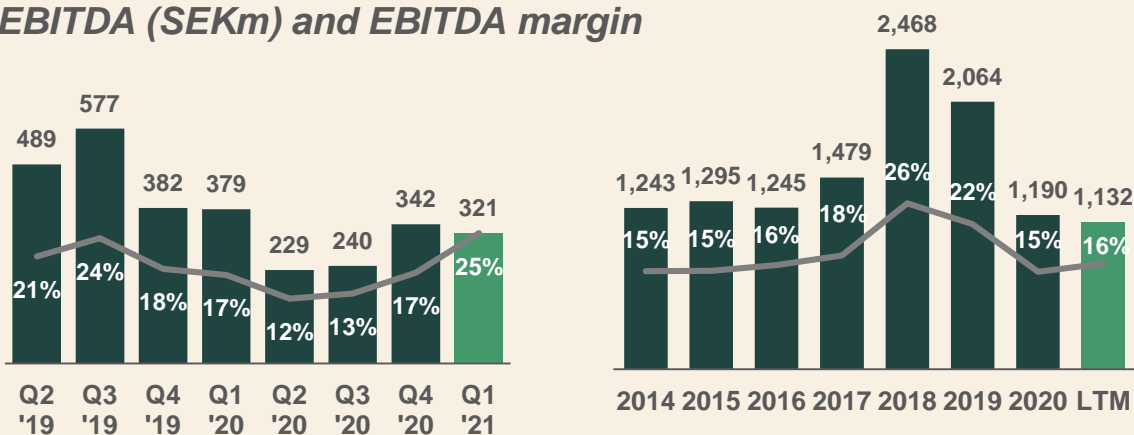


Containerboard

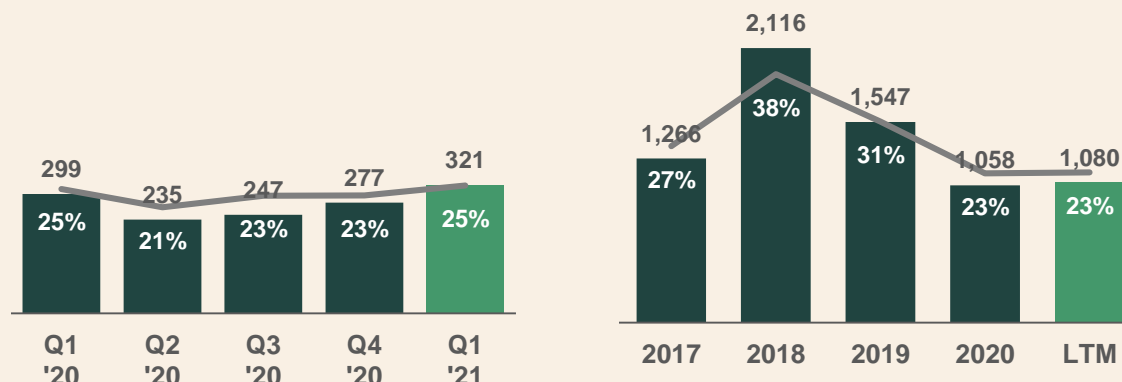
Net sales (SEKm)



EBITDA (SEKm) and EBITDA margin



EBITDA (SEKm) and EBITDA margin



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