

# SCA Interim Report

1 January – 30 June 2013



# Macro update

- Weak global growth
  - Weak Western Europe
  - Increased confidence in some recovery in the US
- Tissue
  - Some growth in Europe and North America
  - High growth in Emerging markets
- Personal Care
  - Good demand for incontinence products in Europe
  - Stable demand for baby diapers and feminine care in Western Europe
  - Good growth in Emerging markets
- Forest Products
  - Improved global market for solid-wood products
  - Improved European market for kraftliner
  - Decreased demand for publication paper

# Summary

Q2 2013 vs. Q2 2012



- Sales growth 18%\*
  - Hygiene business, 21%\*\*
    - Acquisitions
    - Higher volumes
    - Good growth in Emerging markets
  - Forest Products, -4%\*\*\*
    - Lower prices including currency effects
    - Higher volumes
- EBIT increased 5%\*\*\*\*
  - Acquisitions
  - Higher volumes
  - Cost savings
- Operating cash flow decreased 37%



\* Excluding exchange rate effects and divestments

\*\* Excluding exchange rate effects

\*\*\* Excluding divestments

\*\*\*\* Excluding items affecting comparability and exchange rate effects

# Efficiency programs

- Hygiene business cost and productivity program
  - Achieved cost savings Q2 2013: SEK 231m
  - Annualized cost savings in Q2 2013: EUR 110m
  - Total annual cost savings of EUR 300m, full effect in 2015
- Georgia-Pacific synergies
  - Achieved cost savings Q2 2013: SEK 87m
  - Annualized cost savings in Q2 2013: EUR 40m
  - Total annual cost savings of EUR 125m, full effect in 2016
- Forest Products efficiency program
  - Achieved earnings improvement Q2 2013: SEK 110m
  - Annualized earnings improvement in Q2 2013: SEK 440m
  - Total annual earnings improvement of SEK 1,300m, full effect in 2015



# Q2 2013 Results

SEK millions unless otherwise stated	Q2 2013	Q2 2012	Change, %	Change, %
Net sales	22,145	20,273	9	18 **
EBIT*	2,156	2,105	2	5 ***
EBIT margin* (%)	9.7	10.4		
Profit before tax*	1,943	1,789	9	11 ***
Earnings per share (SEK)	1.63	1.85		
Operating cash flow	1,499	2,391	-37	
Debt/Equity ratio	0.55	0.41		



\* Excluding items affecting comparability

\*\* Excluding exchange rate effects and divestments

\*\*\* Excluding items affecting comparability and exchange rate effects



# Q2 2013 vs. Q1 2013

## Summary



- Group
  - Sales increased 4%\*
  - EBIT increased 3%\*\*
  
- Business areas
  - Personal Care, EBIT flat\*\*\*
    - Higher volumes
    - Cost savings
    - Higher raw material costs
  - Tissue, EBIT increased 11%\*\*
    - Higher volumes
    - Cost savings
    - Higher raw material costs
  - Forest Products, EBIT increased 9%\*\*
    - Higher prices
    - Cost savings
    - Costs for maintenance stops

\* Excluding divestments

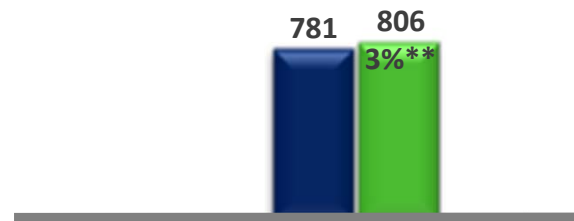
\*\* Excluding items affecting comparability and divestments

\*\*\* Excluding items affecting comparability



# Personal Care

## Q2 2013 vs. Q2 2012



EBIT\*\* SEKm Q2 2012 Q2 2013

EBIT margin\*\* 12.0% 11.9%

\* Excluding exchange rate effects

\*\* Excluding items affecting comparability

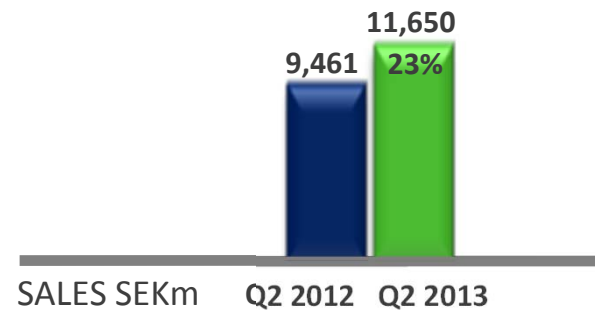
\*\*\* Excluding items affecting comparability and exchange rate effects

- **Sales growth 4% (10%\*)**
  - ◆ Incontinence products increased 6%\*
  - ◆ Baby diapers increased 7%\*
  - ◆ Feminine care increased 8%\*
  - ◆ Emerging markets increased 16%\*
  
- **EBIT increased 3%\*\* (3%\*\*\*)**
  - ◆ Higher volumes
  - ◆ Acquisitions
  - ◆ Cost savings
  - ◆ Increased marketing activities
  - ◆ Higher raw material costs



# Tissue

Q2 2013 vs. Q2 2012



\* Excluding exchange rate effects

\*\* Excluding items affecting comparability

\*\*\* Excluding items affecting comparability and exchange rate effects

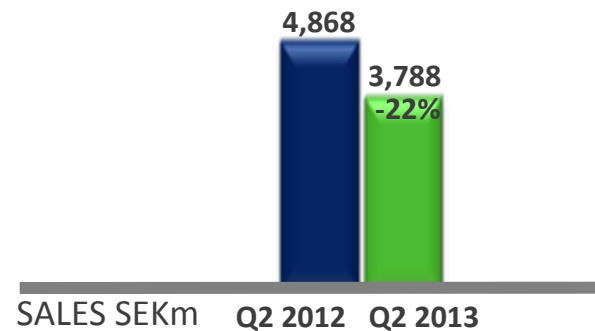
- **Sales growth 23% (28%\*)**
  - ◆ Consumer tissue increased 30%\*
  - ◆ AFH tissue increased 26%\*
  - ◆ Emerging markets increased 14%\*
- **EBIT increased by 27%\*\* (33%\*\*\*)**
  - ◆ Acquisitions
  - ◆ Cost savings
  - ◆ Higher volumes





# Forest Products

Q2 2013 vs. Q2 2012



EBIT margin\*\*      8.9%    6.6%

\* Excluding divestment

\*\* Excluding items affecting comparability

## ▪ Sales decreased 22% (-4%\*)

- ◆ Publication papers, decreased sales
  - Lower prices
  - Divestments
- ◆ Solid-wood products, increased sales
  - Higher volumes
- ◆ Kraftliner, decreased sales
  - Lower volumes
  - Higher prices
- ◆ Pulp, decreased sales
  - Lower prices

## ▪ EBIT decreased 42%\*\*

- ◆ Lower prices
- ◆ Negative currency effects
- ◆ Costs for maintenance stops
- ◆ Cost savings
- ◆ Lower raw material costs



# Summary

- Higher sales and profit for the hygiene businesses
- Good growth rates in Emerging markets
- Lower profit in Forest Products
- Efficiency programs delivering according to plan





# Q&A



**SCA**  
*Care of Life*

