



Interim Report Presentation Q3 2022

October 28, 2022



An aerial photograph of a vast forested landscape. In the foreground, a large, dark blue lake is surrounded by a mix of green and brown trees, suggesting a transition in seasons. The lake is connected to a larger body of water in the background by a narrow channel. The background shows rolling hills and more forested areas under a clear sky.

Ulf Larsson, CEO



Summary Q3 2022

5th quarter in a row with 50% EBITDA margin

Strong operating cash flow financing strategic investments

Both Obbola and CTMP expansion projects on budget and ahead of time

- New paper machine in Obbola running 24/7

Sales in line with Q3 2021

- Volume -6%, currency +5%, price/mix +1%, exit publication paper -1%

EBITDA decreased 7% vs Q3 2021

- Lower prices on wood products
- Lower delivery volumes
- Higher distribution and raw material costs
- + Higher pulp and containerboard prices
- + Lower energy costs

Renewable energy new segment from 1st of January 2023



SCA's performance Q3 2022

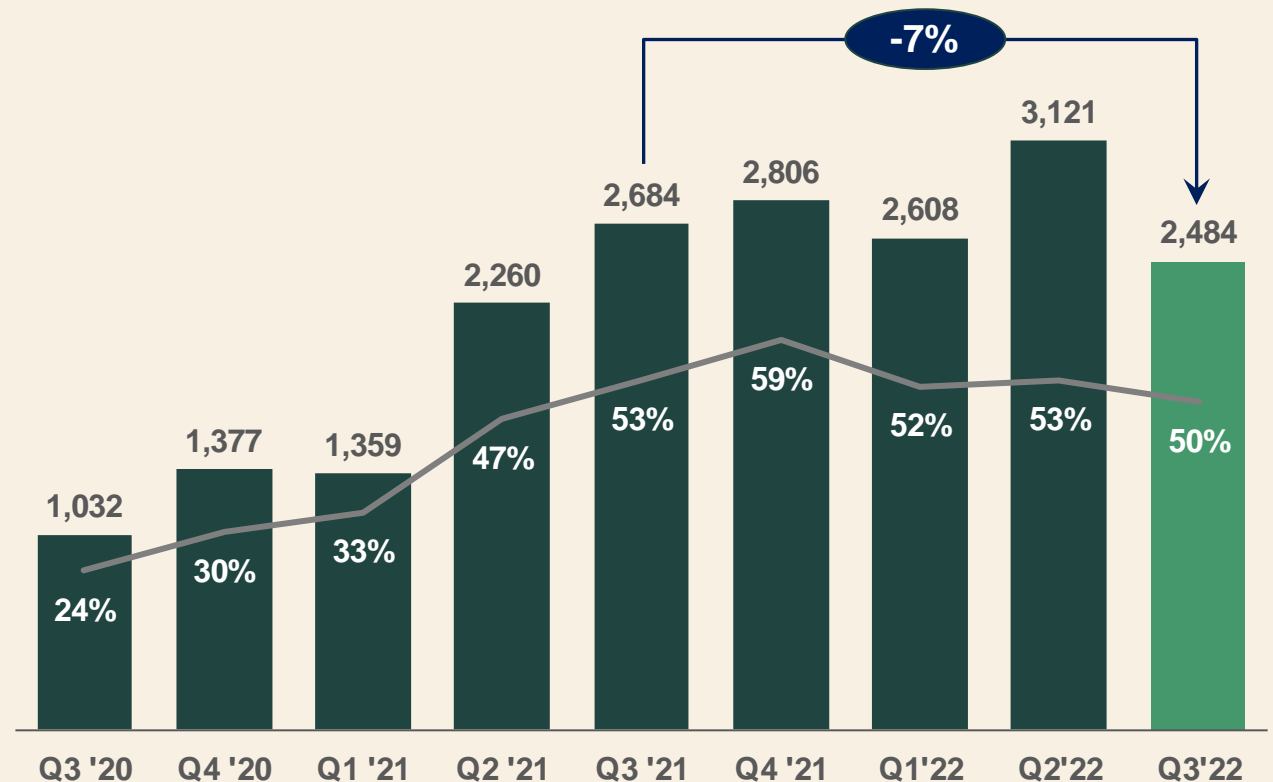
EBITDA (SEKm)

2,484

Industrial ROCE ¹

44%

EBITDA (SEKm) and EBITDA margin



EBITDA margin

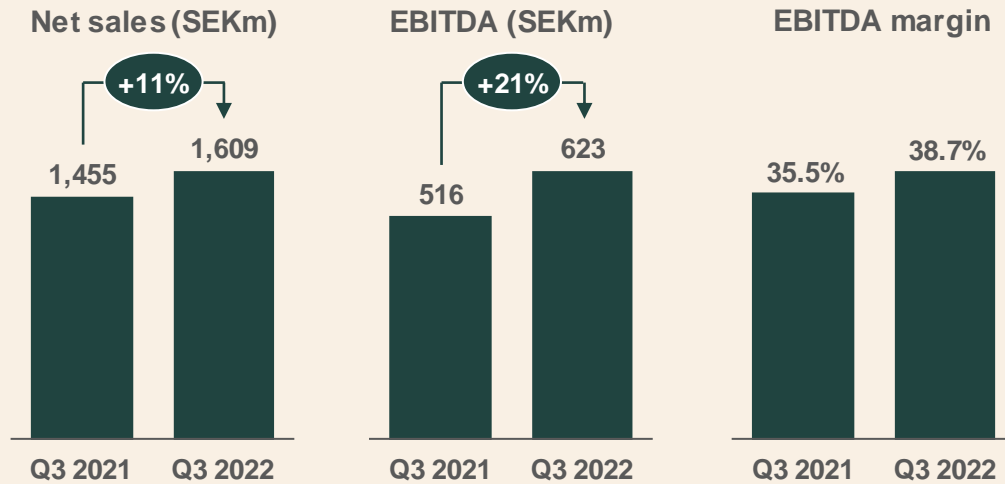
50%

Net debt/EBITDA

0.8x

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

Forest Q3 2022 vs. Q3 2021



Stable wood supply to industries

Increasing wood prices

Sales up 11%

- + Higher prices

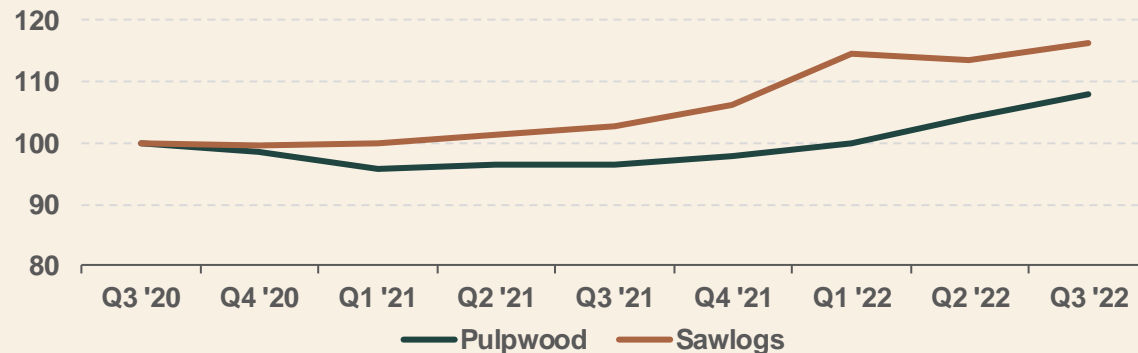
EBITDA up 21%

- + Higher revaluation of biological assets

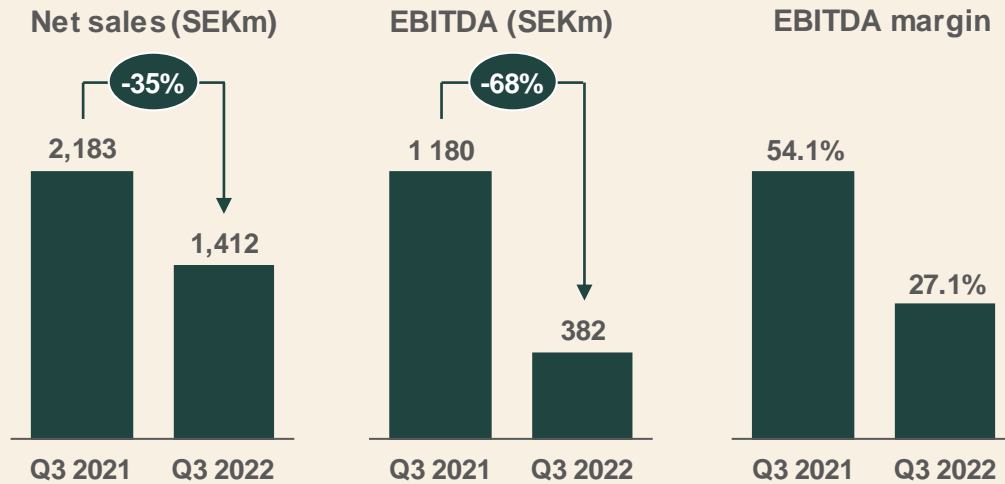
- + Higher harvesting level own forest

- Higher transportation and harvesting costs, driven by higher fuel prices

Price development – Pulpwood and Sawlogs



Wood Q3 2022 vs. Q3 2021



Low global demand and reduced deliveries

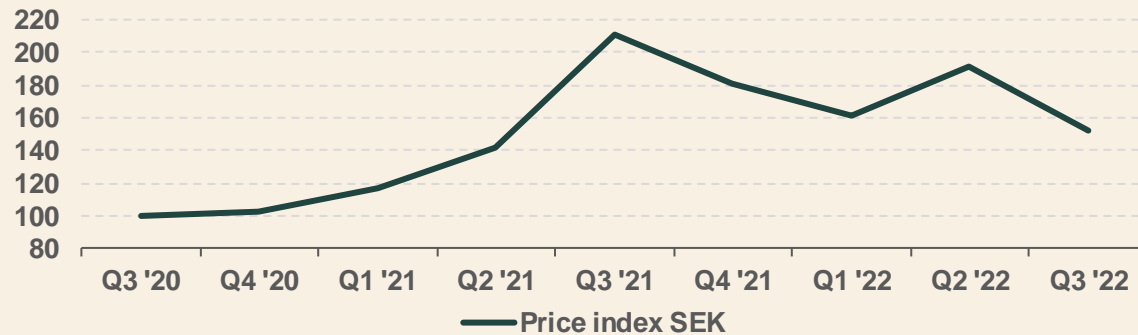
Sales down 35%

- Lower prices
- Lower volumes

EBITDA down 68%

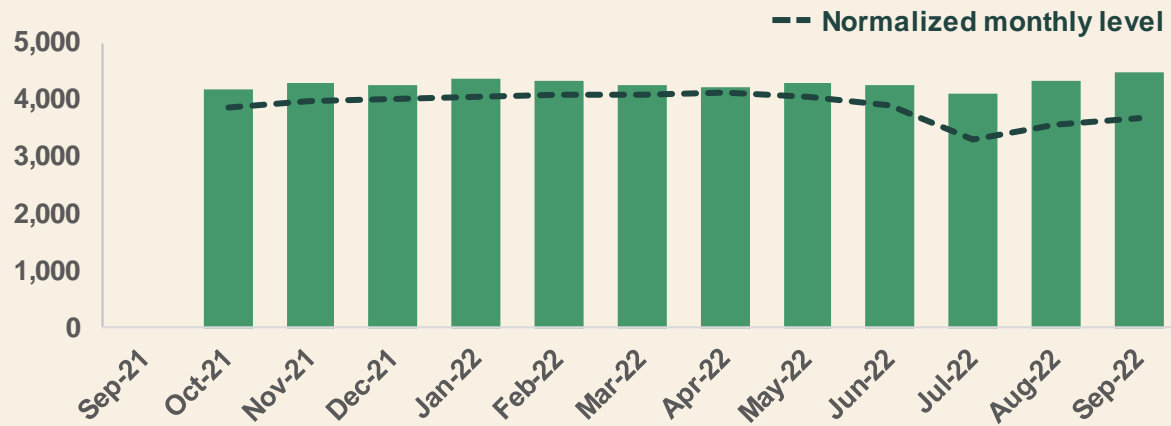
- Lower prices
- Lower volumes
- Higher wood raw material cost

Price development – Solid Wood Products

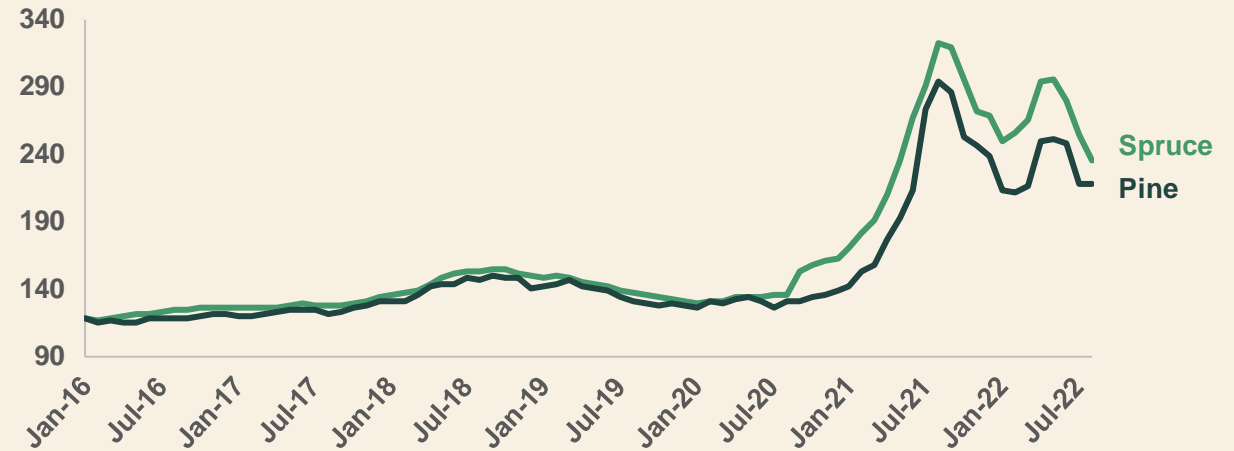


Wood market development

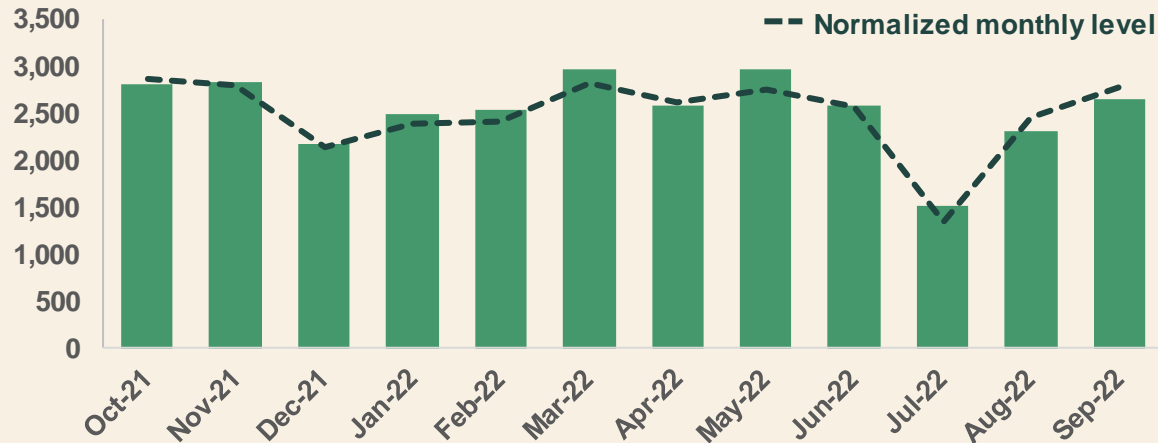
Stock of sawn pine and spruce wood, Sweden and Finland (k m³)



Price development sawn pine and spruce, Sweden (index)



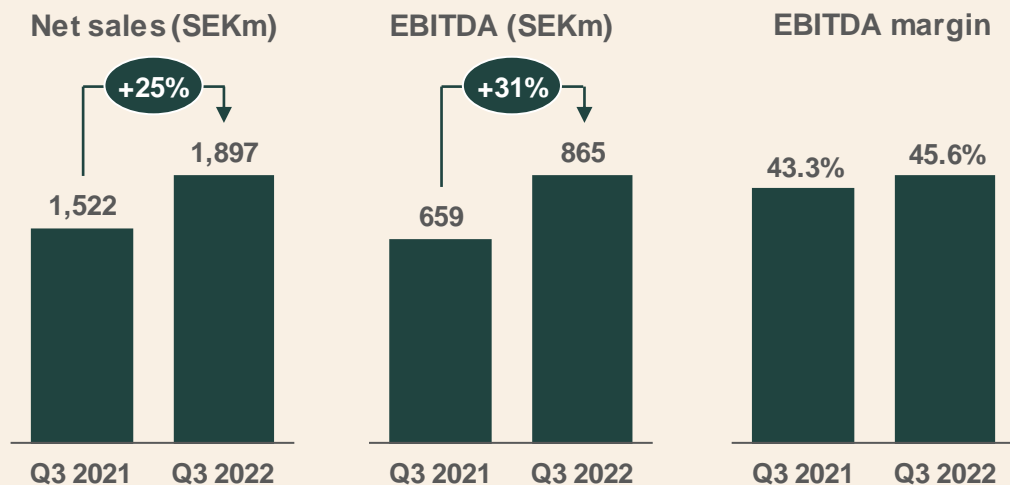
Production of sawn pine and spruce wood, Sweden and Finland (k m³)



- Sanction of Russian and Belarus imports effective from July
- High Scandinavian stock levels
- Decreasing production in most regions

Note: Normalized monthly level 2016-2021.
Source: Skogsindustriema,

Pulp Q3 2022 vs. Q3 2021



CTMP project at Ortviken on budget and ahead of time

Sales up 25%

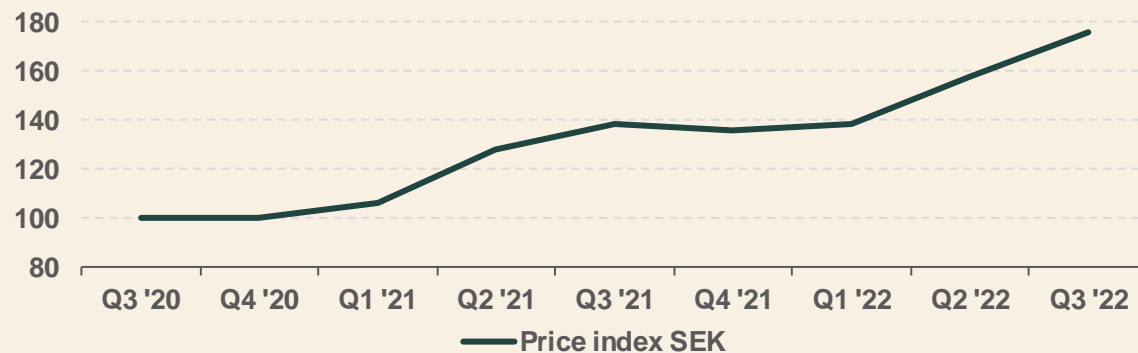
- + Higher prices
- + Positive currency effects

EBITDA up 31%

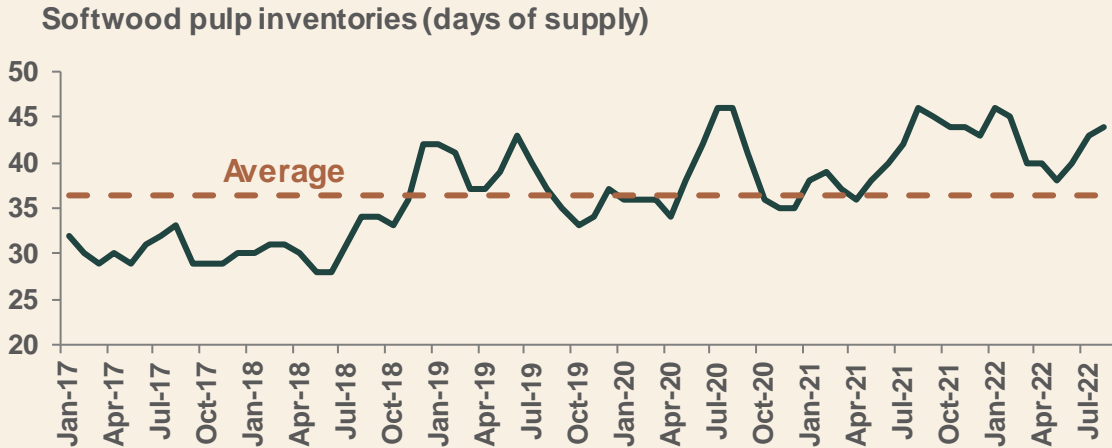
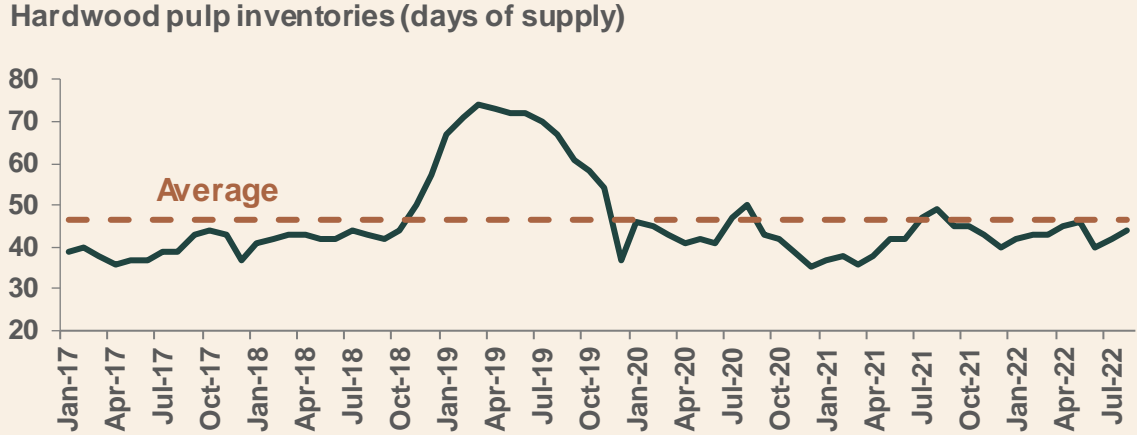
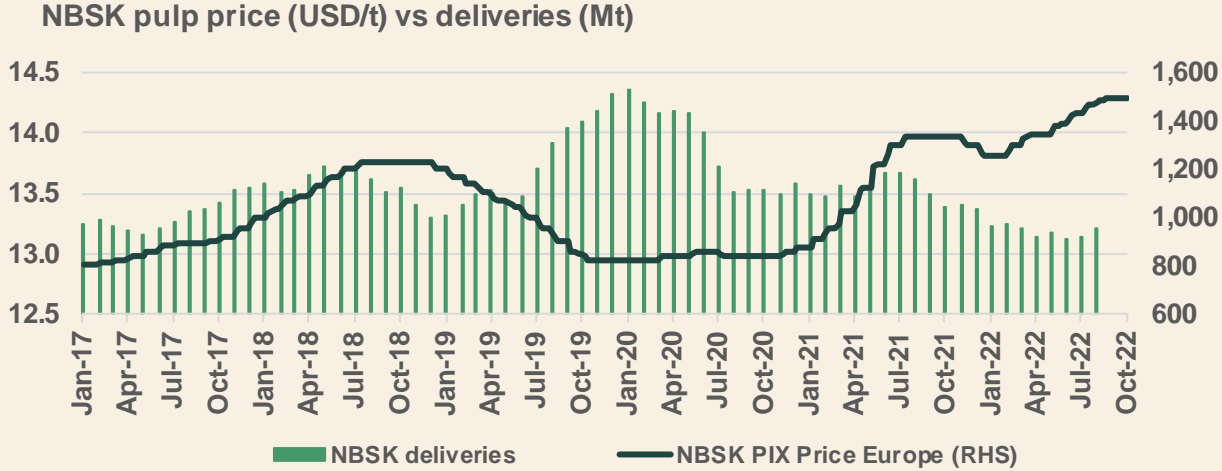
- + Higher prices
- + Positive currency effects
- Higher wood raw material cost

Planned maintenance stop started at end of quarter

Price development – NBSK Pulp



Pulp market development

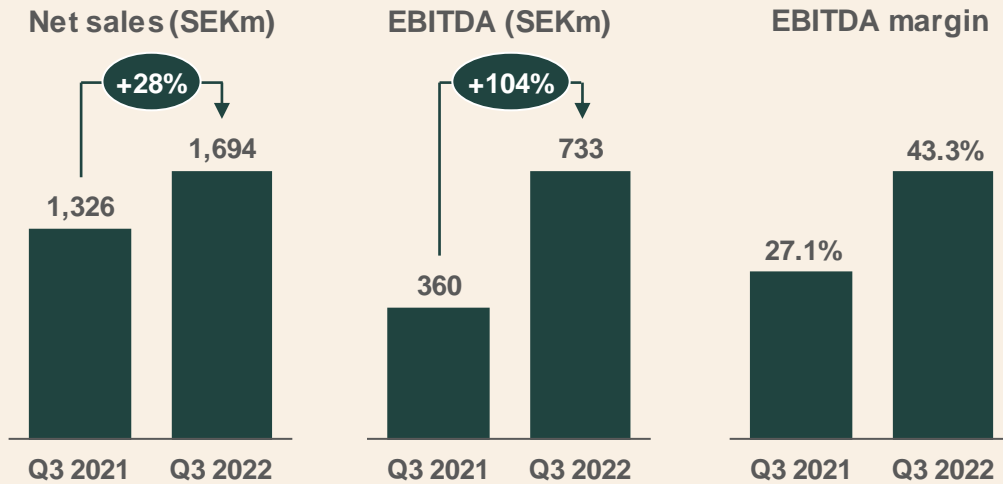


- Record high prices in Q3
- Less supply chain disturbances
- Increasing inventories in Softwood
- Uncertainty from energy crisis in Europe and continued lock downs in China

Source: PIX, PPPC.



Containerboard Q3 2022 vs. Q3 2021



Expansion project in Obbola on budget and ahead of time

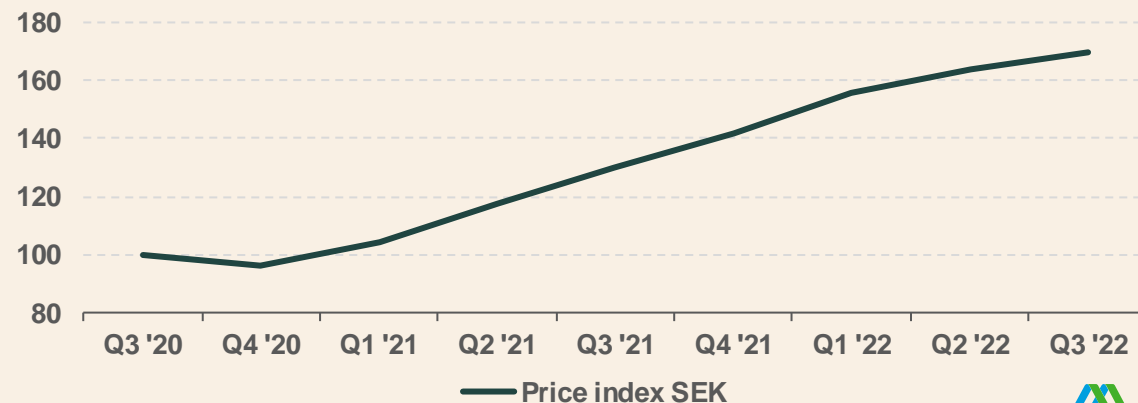
Sales up 28%

- + Higher prices

EBITDA up 104%

- + Higher prices
- Higher wood raw material cost

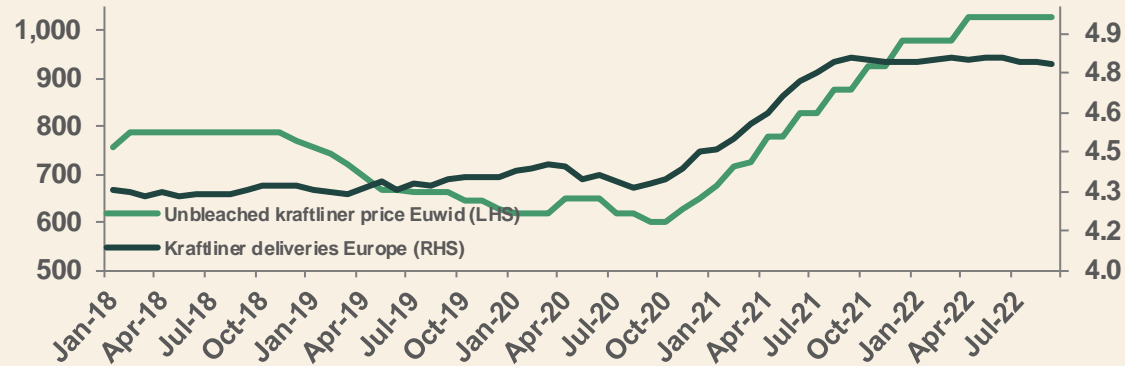
Price development – Kraftliner



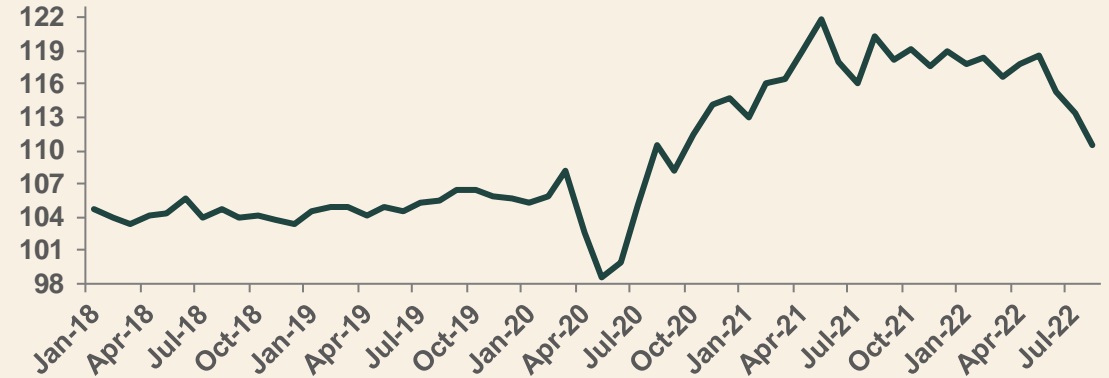
Planned maintenance stop in Munksund

Containerboard market development

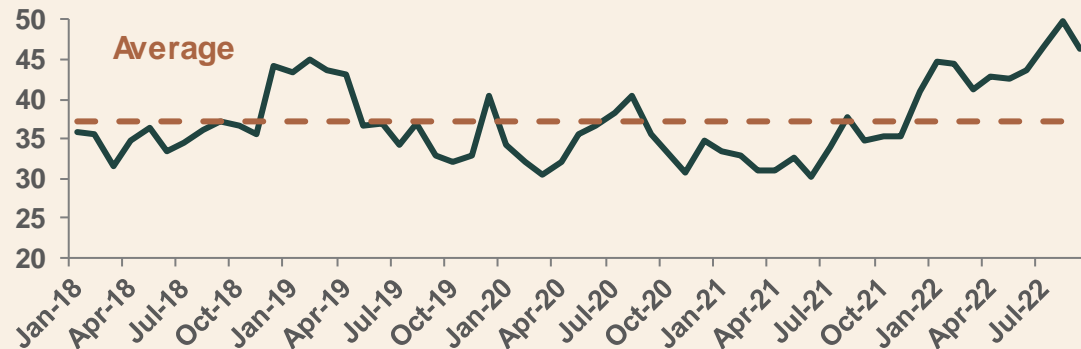
Price (EUR/t) vs Kraftliner deliveries (Mt)



European Box demand (index)



Kraftliner inventories (days of supply)



- Record high prices in Q3
- Box demand under pressure due to weakening retail demand
- Increasing Kraftliner inventories

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

Renewable Energy new segment

New reporting segment from 1st of January 2023

SCA well positioned to capture growth in renewable energy

- Transition towards fossil free Europe
- Significant increase in demand for green electricity and renewable biofuels

SCA is today a leading producer of renewable energy

- 20% of Sweden's wind power capacity installed at SCA's land
- Leading European producer of bioenergy – annual production of 12 TWh
- Produced ~1% of Sweden's total electricity consumption in 2021 – 1.4 TWh green electricity



An aerial photograph of a logging yard. In the center, a white truck with a green trailer is driving on a dirt road, carrying a load of logs. The yard is filled with numerous large stacks of logs, arranged in neat rows. The background shows a line of green trees under a clear sky.

Andreas Ewertz, CFO



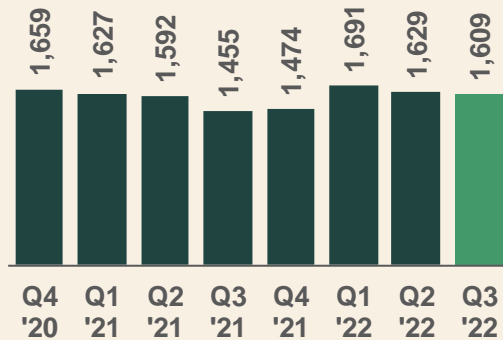
Income statement

SEKm	Quarter		
	Q3 2022	Q3 2021	Change
Net sales	5,007	5,077	-1%
EBITDA	2,484	2,684	-7%
<i>EBITDA margin</i>	49.6%	52.9%	-3.3 p.p.
EBIT	2,094	2,298	-9%
<i>EBIT margin</i>	41.8%	45.3%	-3.5 p.p.
Profit for the period	1,666	1,821	-9%
Earnings per share, SEK	2.35	2.49	

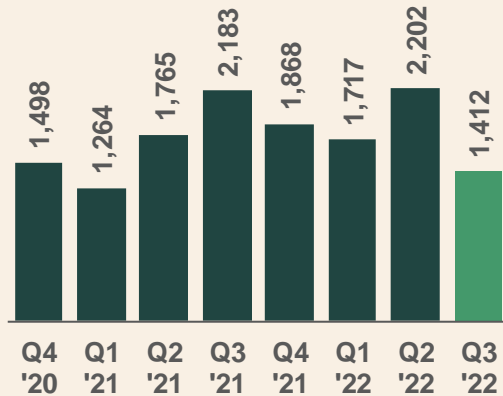
Contribution by segment and quarter

Forest

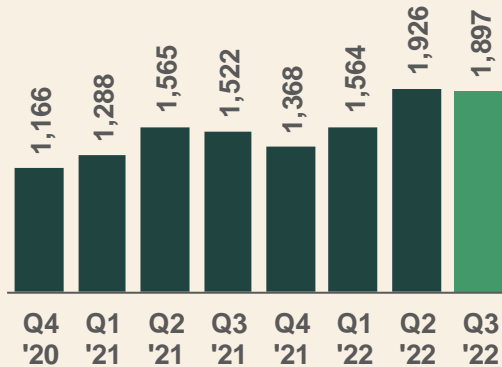
Net sales (SEKm)



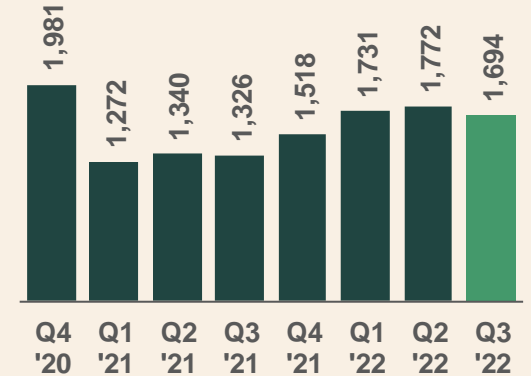
Wood



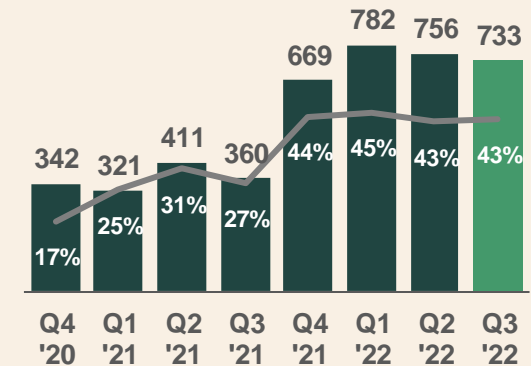
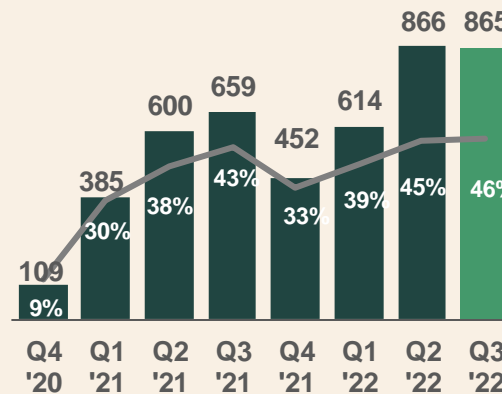
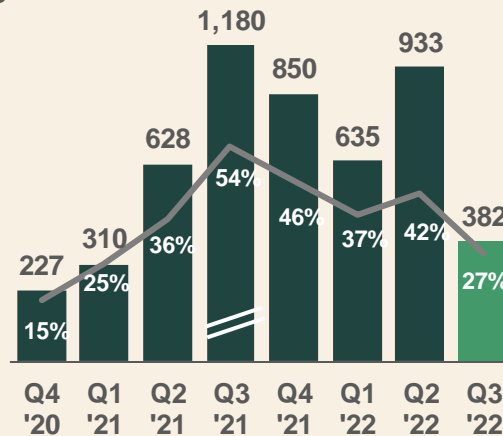
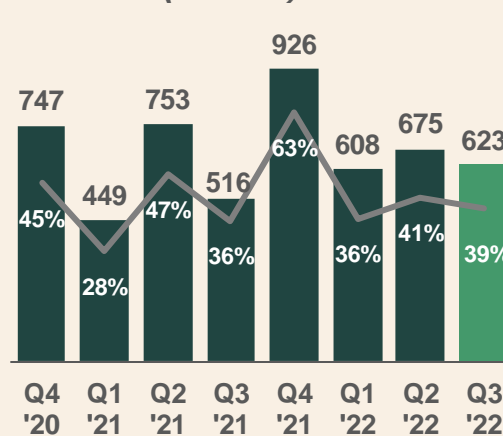
Pulp



Containerboard/Paper¹

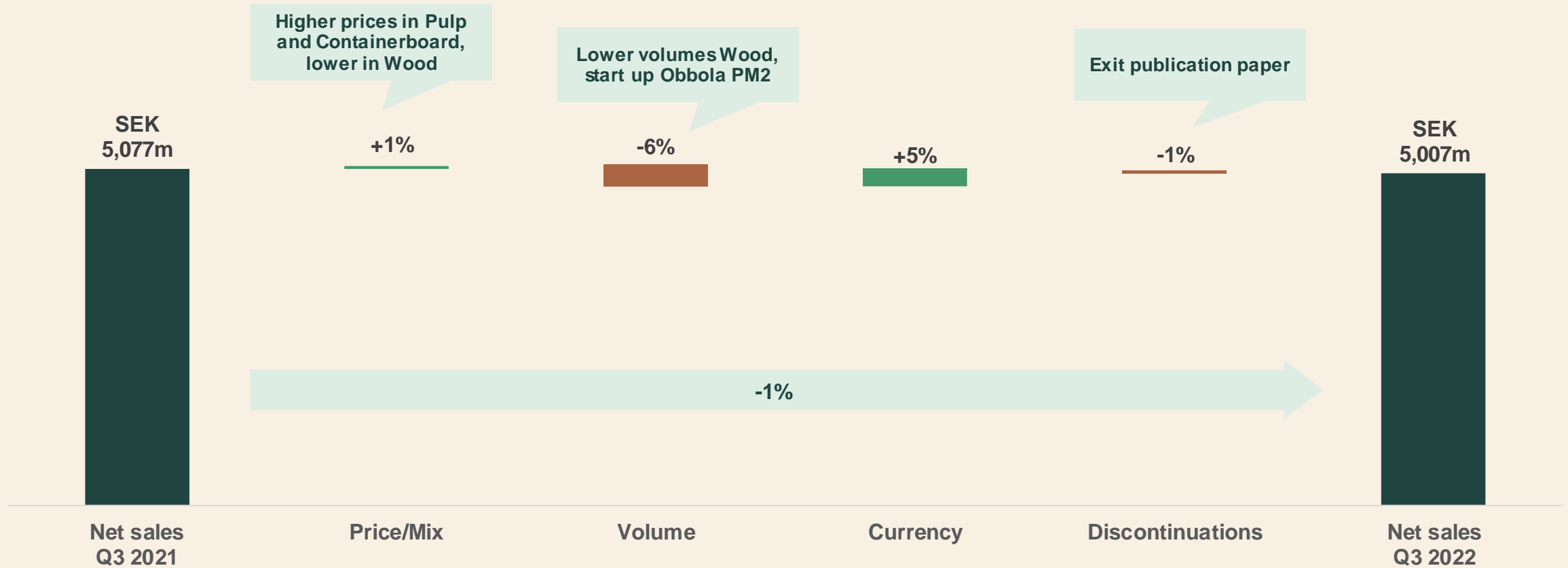


EBITDA (SEKm) and EBITDA margin

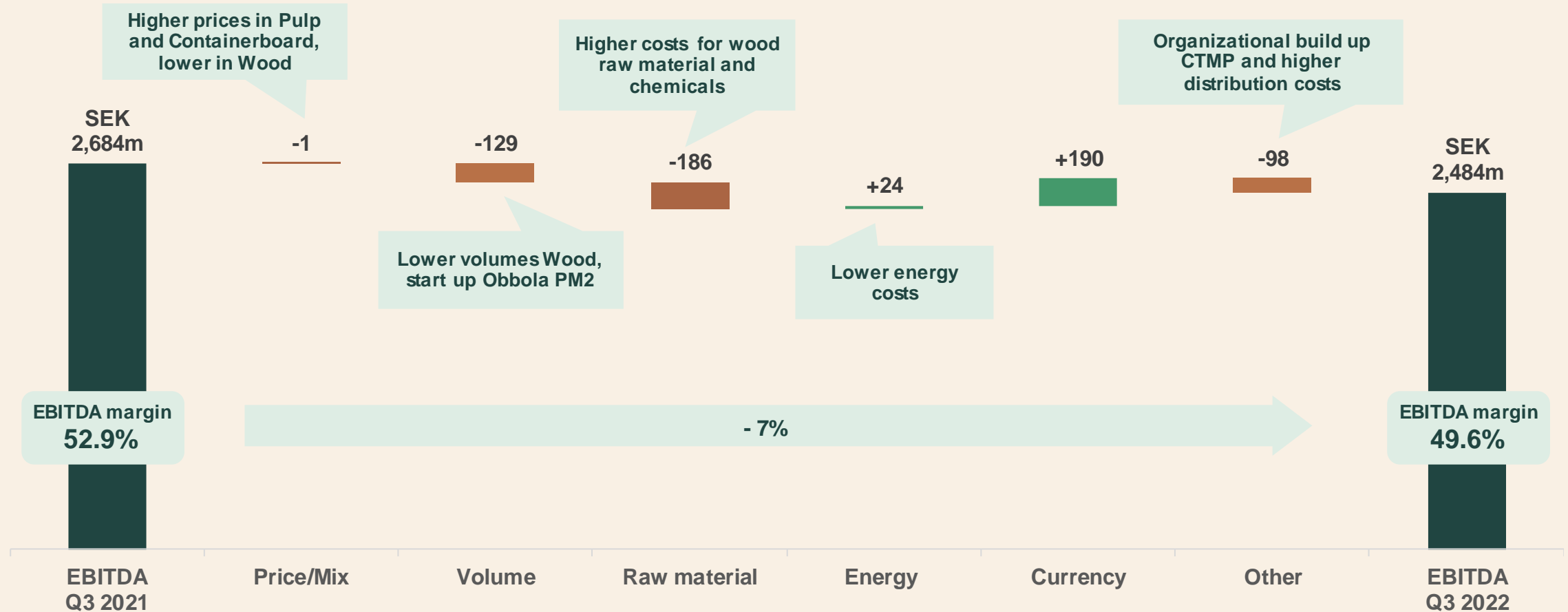


1. Segment Paper changed name to Containerboard from 1st of January 2021. Publication Paper included in figures up to and including Q4 2020.

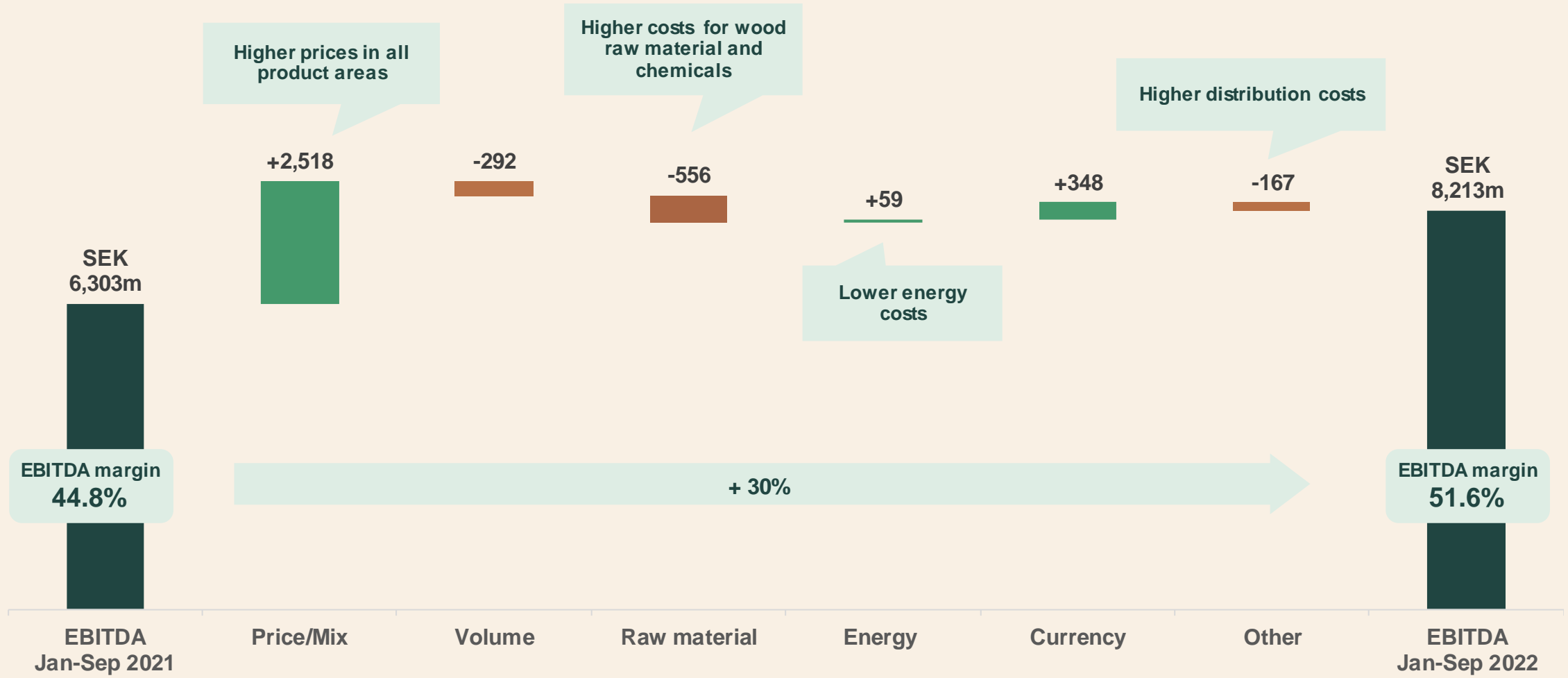
Net sales Q3 2022 vs. Q3 2021



EBITDA Q3 2022 vs. Q3 2021



EBITDA Jan-Sep 2022 vs. Jan-Sep 2021



Cash flow

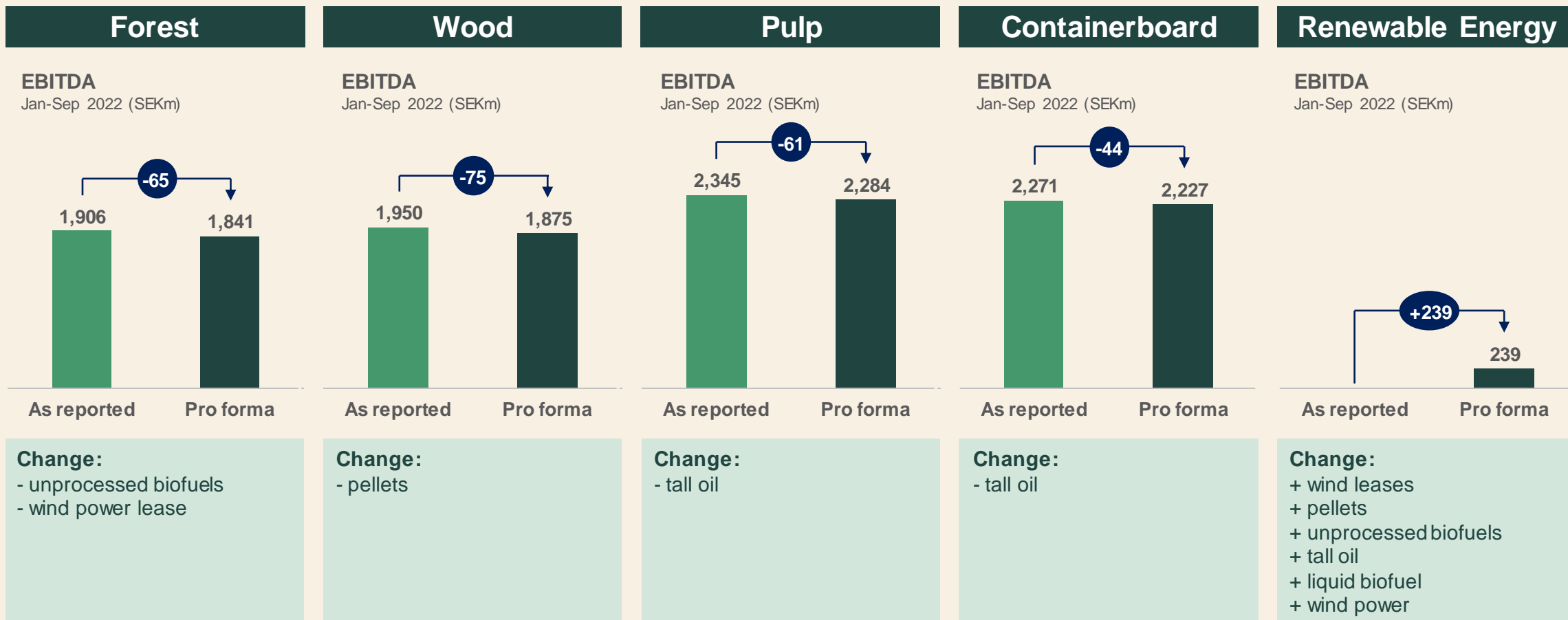
SEKm	Quarter		Jan - Sep	
	Q3 2022	Q3 2021	2022	2021
EBITDA	2,484	2,684	8,213	6,303
Revaluation of biological assets and other non cash flow items	-432	-457	-1,404	-1,139
Operating cash surplus	2,052	2,227	6,809	5,164
Change in working capital	269	61	-724	-630
Restructuring costs	-5	-65	-38	-336
Current capital expenditures	-398	-365	-997	-804
Other operating cash flow	-45	14	-92	59
Operating cash flow	1,873	1,872	4,958	3,453
Strategic capital expenditures	-482	-560	-2,092	-2,239

Balance sheet

SEKm	Sep 30, 2022	Dec 31, 2021
Forest assets	90,220	84,497
Working capital	3,548	2,823
Deferred tax relating to forest assets	-17,942	-16,905
Other capital employed	21,770	20,392
Total capital employed	97,596	90,807
Net debt	8,281	7,752
<i>Net debt/EBITDA</i>	<i>0.8x</i>	<i>0.9x</i>
Equity	89,315	83,055
<i>Net debt/Equity</i>	<i>9%</i>	<i>9%</i>

Renewable Energy new segment from 2023

Financial impact on segments



Segment Other: Asreported -259 SEKm, Pro forma -253 SEKm.

Summary

Ulf Larsson, CEO

SCA is well positioned for the future

Strong project portfolio starting to contribute during next year

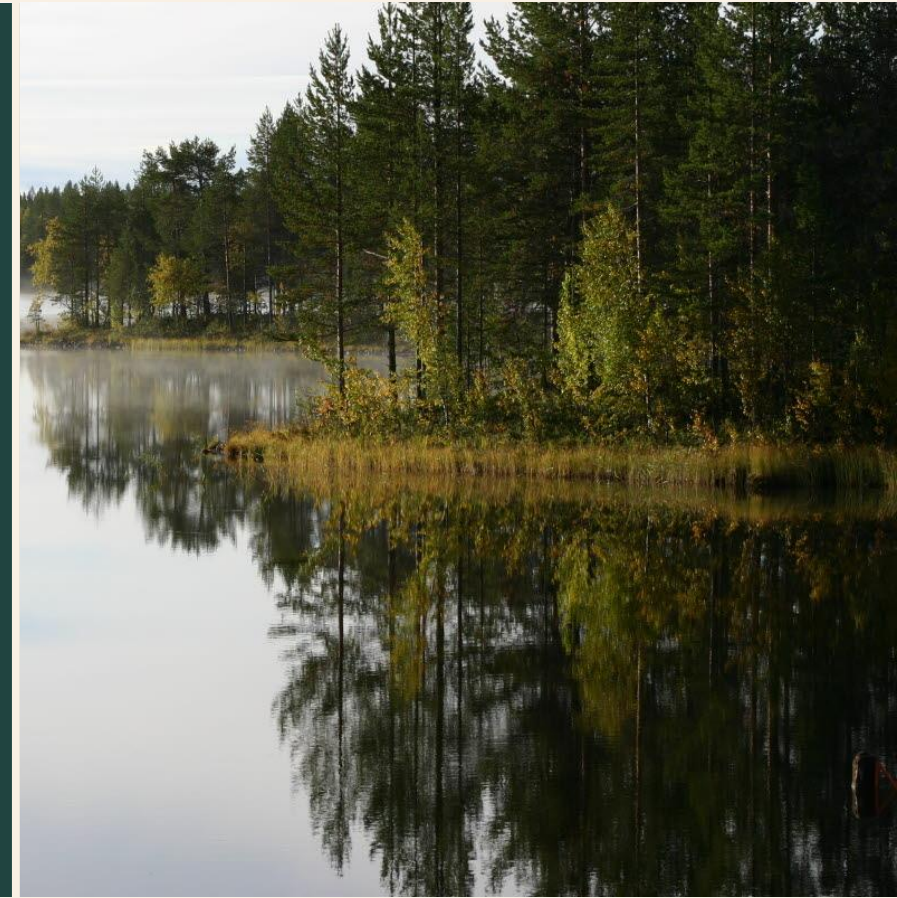
- Kraftliner expansion in Obbola
- CTMP expansion at Ortviken
- Bollsta sawmill
- Biorefinery in Gothenburg

High degree of self sufficiency in wood raw material, energy and logistics

Well invested and structured asset base with competitive cost position

Growing forest asset

Strong balance sheet



Q&A



Europe's largest private forest owner

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