

Press release

Sundsvall, January 31, 2025

Year-end Report Q4 2024

January–December 2024 compared with January–December 2023

- Net sales increased to SEK 20,232m (18,081). The sales increase was mainly as a result of higher selling prices and higher delivery volumes driven by the continued ramp-up of commissioned investments.
- EBITDA amounted to SEK 7,143m (6,807). Higher selling prices, positive exchange rate effects and higher delivery volumes had a positive impact on earnings. Higher harvesting volume in own forest reduced the impact of rising costs for forest raw material in SCA's industries.
- EBITDA margin was 35.3% (37.6).
- Operating profit increased to SEK 5,027m (4,857).
- Operating cash flow amounted to SEK 3,187m (2,985).
- Earnings per share was SEK 5.18 (5.23).
- The Board of Directors proposes a dividend of SEK 3.00 (2.75) per share.

October–December 2024 compared with October–December 2023

- Net sales increased to SEK 5,135m (4,384), mainly attributable to higher selling prices.
- EBITDA amounted to SEK 1,649m (1,635) and EBITDA margin was 32.1% (37.3). Higher selling prices were offset by higher costs for raw materials.

October–December 2024 compared with July–September 2024

- Net sales amounted to SEK 5,135m (5,248). The decrease was mainly attributable to lower selling prices.
- EBITDA declined to SEK 1,649m (2,010) and the EBITDA margin was 32.1% (38.3). The change was primarily attributable to higher costs for planned maintenance stops of SEK 338m (122) and lower selling prices.

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2024 the forest products company SCA had approximately 3,400 employees and sales amounted to approximately SEK 20 bn. SCA was founded in 1929 and has its headquarters in Sundsvall, Sweden. For more information, visit

www.sca.com

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KEY FIGURES

SEKm	Quarter					Jan-Dec		
	2024:4	2023:4	%	2024:3	%	2024	2023	%
Net sales	5,135	4,384	17	5,248	-2	20,232	18,081	12
EBITDA	1,649	1,635	1	2,010	-18	7,143	6,807	5
<i>EBITDA margin, %</i>	<i>32.1</i>	<i>37.3</i>		<i>38.3</i>		<i>35.3</i>	<i>37.6</i>	
Operating profit	1,113	1,119	-1	1,476	-25	5,027	4,857	4
Net Profit	820	833	-2	1,070	-23	3,639	3,625	0
<i>Earnings per share SEK</i>	<i>1.17</i>	<i>1.22</i>		<i>1.52</i>		<i>5.18</i>	<i>5.23</i>	
Operating cash flow	1,276	-55		708		3,187	2,985	
Net Debt / EBITDA (LTM)	1.5x	1.6x		1.6x		1.5x	1.6x	

COMMENTS ON THE FINANCIAL STATEMENTS

Summary of the year

In a challenging market, SCA reported an EBITDA margin of 35.3% (37.6) for 2024. SCA's competitive advantage lies in the combination of a well-invested and thereby competitive industrial business and a high rate of self-sufficiency in strategically important areas such as wood raw material, energy and logistics. A steady increase in harvesting from SCA-owned forest according to plan has contributed to the result and offset the effects of rising global raw material costs. This strength enables SCA to deliver strong earnings even in a weaker economy and in an uncertain international situation.

During the year, there was a determined effort to gradually ramp up production in the mills where SCA has made strategic capital expenditures. This led to higher delivery volumes than in the preceding year driven by the new paper machine in Obbola and the new CTMP facility at the Ortviken site. The investments made are expected to gradually contribute to increased productivity and strengthened cash flow generation also in the years ahead.

The carrying amount of SCA's forest assets was in line with the preceding year and amounted to SEK 107.3bn (107.5). SCA bases its valuation of forest assets on forest transactions in the areas where SCA owns forest. The three-year average market price used in valuation of SCA's Swedish forest assets was SEK 388/m³fo at December 31, 2024, compared with SEK 395/m³fo in the year-earlier period. The price decrease was offset by higher standing volume from continued net growth in SCA's forests.

The market for forest transactions in northern Sweden was tentative during the first half of the year, but market activity and price levels increased during the second half of the year. In parallel, timber prices continued to rise.

Summary of the quarter

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2024 the forest products company SCA had approximately 3,400 employees and sales amounted to approximately SEK 20 bn. SCA was founded in 1929 and has its headquarters in Sundsvall, Sweden. For more information, visit

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SCA's earnings for the fourth quarter of 2024 increased slightly compared with the year-earlier quarter, but decreased compared with the preceding quarter.

The supply of wood raw material to SCA's industries was stable. The global and European supply of wood raw material has been restricted for some time due to the cutoff of import volumes from Russia, infestation by pests in Central Europe, and reduced harvesting in Canada. Together with high global demand, this has led to a gradual increase in prices for sawlogs and pulpwood.

Demand for solid-wood products remained cautious, which can be explained by the uncertain construction and real estate market in the current economic climate. Selling prices were largely unchanged compared with the preceding quarter. Producer stocks in Sweden were at a normal level while customer stocks were low.

Selling prices in the Pulp segment decreased compared with the preceding quarter. The price of NBSK in Europe peaked in July and has since fallen. Price developments in the US were similar but with some delay. In China, demand and prices declined over the summer, but have picked up again in the autumn. Global producer stocks were at a normal level. SCA's delivery volumes increased slightly during the quarter, despite planned maintenance stop.

Demand for packaging material weakened during the quarter. Weak growth in European manufacturing had a negative impact on demand, resulting in declining selling prices during the quarter. European producer stocks were at a normal level.

Market prices for tall oil and liquid biofuels remained low, mainly due to lower blending requirements in Sweden and increased imports from China, which has created an imbalance in the market for renewable fuels. The market for solid biofuels was stable in the fourth quarter, and delivery volumes were seasonally higher compared with the preceding quarter. Electricity prices in northern Sweden were low during the fourth quarter. SCA continued to grow its leasehold business in wind power and at the end of the fourth quarter, 809 wind turbines were operating on SCA's land with an annual production capacity of 9.7 TWh, equivalent to about 20% of installed wind power capacity in Sweden.

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INVITATION TO PRESS CONFERENCE ON THE 2024 YEAR-END REPORT

A webcast press conference will be held where this interim report will be presented by the President and CEO, Ulf Larsson, and by the CFO, Andreas Ewertz, on Friday, January 31 starting at 10:00 CET.

The press conference will be webcast live at www.sca.com. It is also possible to participate by telephone by calling:

Sweden: +46 (0)8 505 204 24
UK: +44 (0)33 0551 0200
US: +1 786 697 3501

Specify "SCA Q4".

Sundsvall, January 31, 2025

SVENSKA CELLULOSA AKTIEBOLAGET SCA (publ)

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Please note:

This is information that SCA is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. This report has been prepared in both Swedish and English versions. In case of variations in the content between the two versions, the Swedish version shall govern. The information was submitted for publication, through the agency of the contact person set out below, on January 31, 2025 at 08:00 a.m. CET. The report has not been reviewed by the company's auditors.

Anders Edholm, SVP Sustainability and Communications, +46 (0)60 19 32 12

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