

# Interim Report



Q1 2016



# Magnus Groth

President and CEO

# Summary Q1 2016

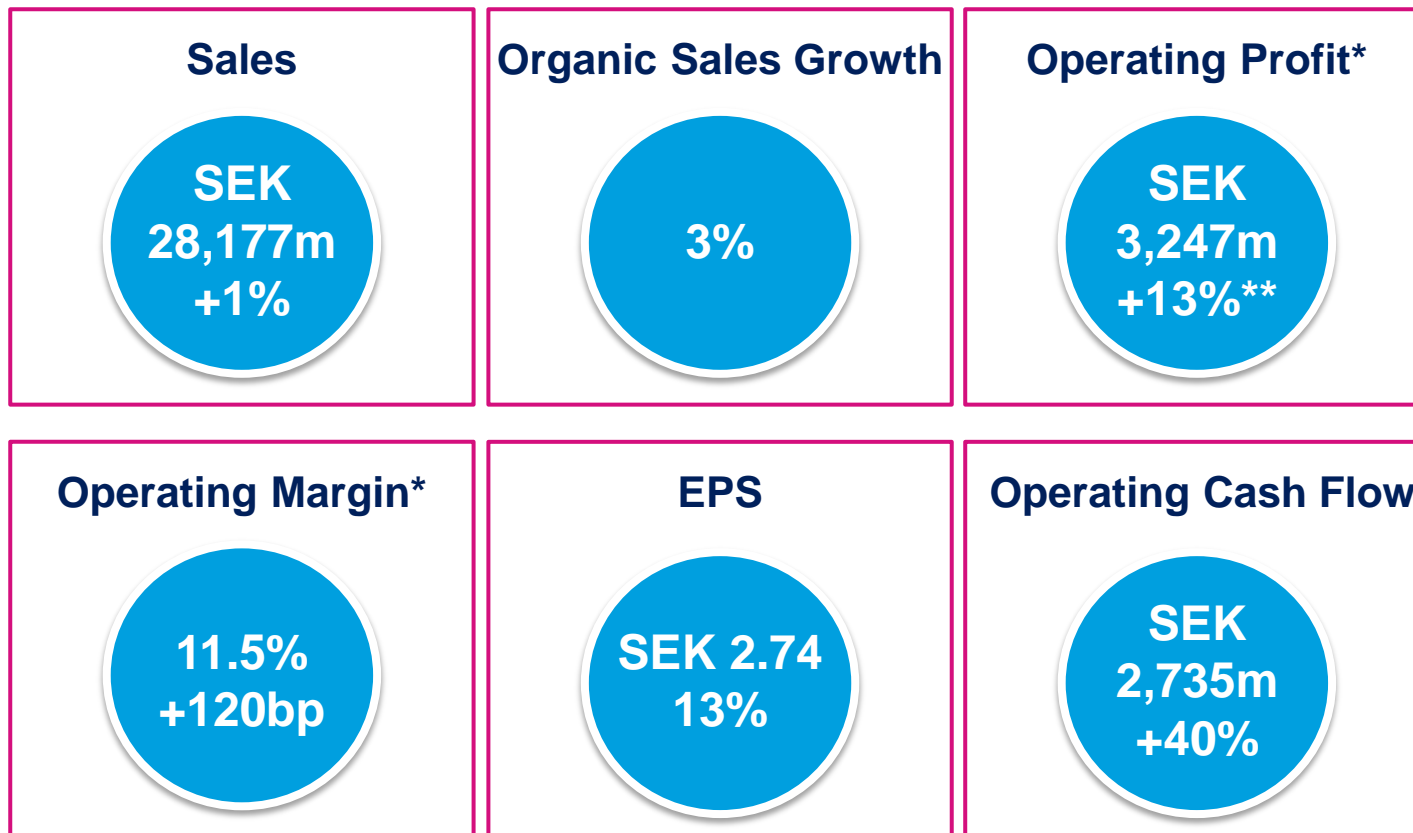


- Good organic growth in sales and operating profit
- Strong organic sales growth in emerging markets
- Strong cash flow
- Good contribution from efficiency gains
- Introduced 10 innovations
  - ◆ For example Libero, Libresse, Lotus, TENA and Tork
- Completed the acquisition of Wausau Paper Corp. on January 21
- Divestment of business in South East Asia, Taiwan and South Korea for integration with Vinda closed on April 1



# Group

Q1 2016 vs. Q1 2015



\* Excluding items affecting comparability

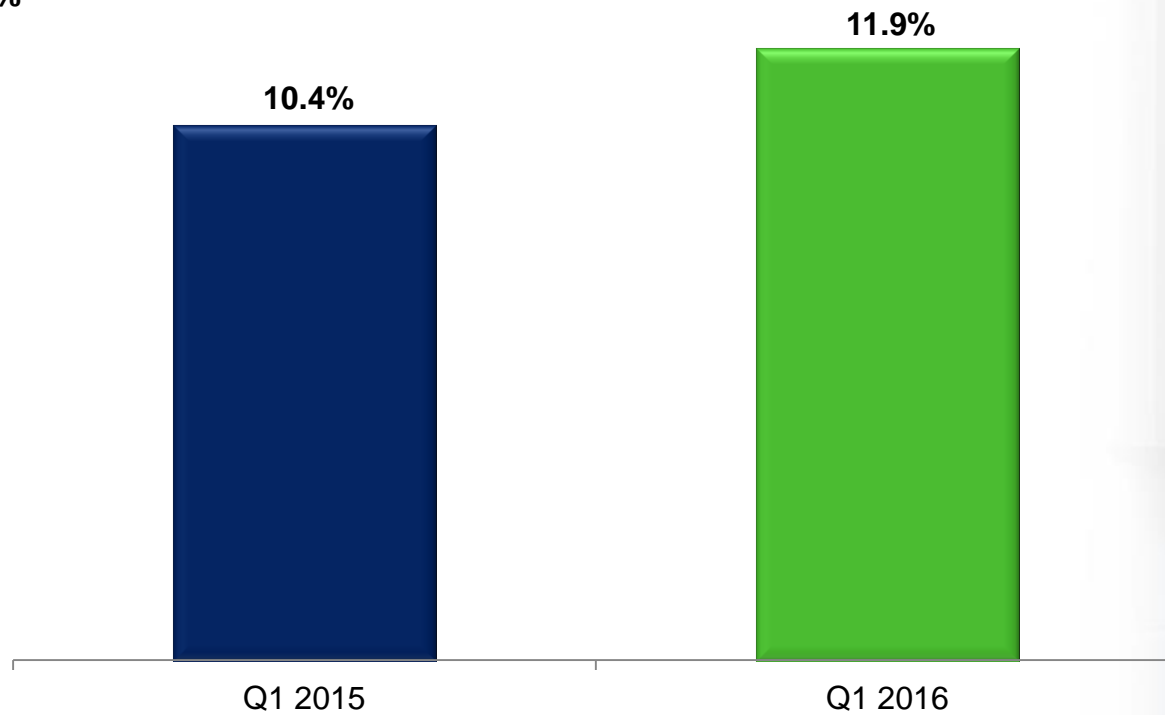
\*\* Excluding items affecting comparability, currency translation effects, acquisitions and divestments

# SCA Group ROCE\*



## ROCE\*

Target 13%



*\*Return on capital employed excluding items affecting comparability*

# Innovations

## Q1 2016



### Libero Comfort



Libero Comfort range is improved with a new super soft anti-leakage barrier

### Libero Newborn



Premium assortment of Libero diapers, Newborn range open diapers

### Libresse liners with ProSkin Formula



Libresse upgrades its full premium liners range with the new ProSkin formula that not only protects the underwear, but also cares for women's sensitive intimate skin

### Feminine Ultra-Thin towels



Upgrade of premium assortment of Ultra-Thin towels in Europe and MEIA, with New Triple Protection Design, building on our unique SecureFit™ proposition of performance through superior fit and absorption for great comfort and security

# Innovations

## Q1 2016



lights by TENA®



Upgrade of the TENA portfolio of liners for better performance and comfort. New lights by TENA light liners are now 5x drier than a regular liner, so you feel fresher and drier every day.

TENA Lady Pants



A new and unique, underwear-like product. Looks like underwear, feels like cotton

Tork SmartOne®



Tork SmartOne dispenser system for toilet paper is now upgraded and integrated in the well recognized and awarded Tork Elevation design family. The dispensers are now prepared for use with the Tork EasyCube™ system, expanding our offer in Tork Solutions

Lotus® papier toilette humide



Premium assortment of Lotus® Moist Toilet Tissue in four different variants

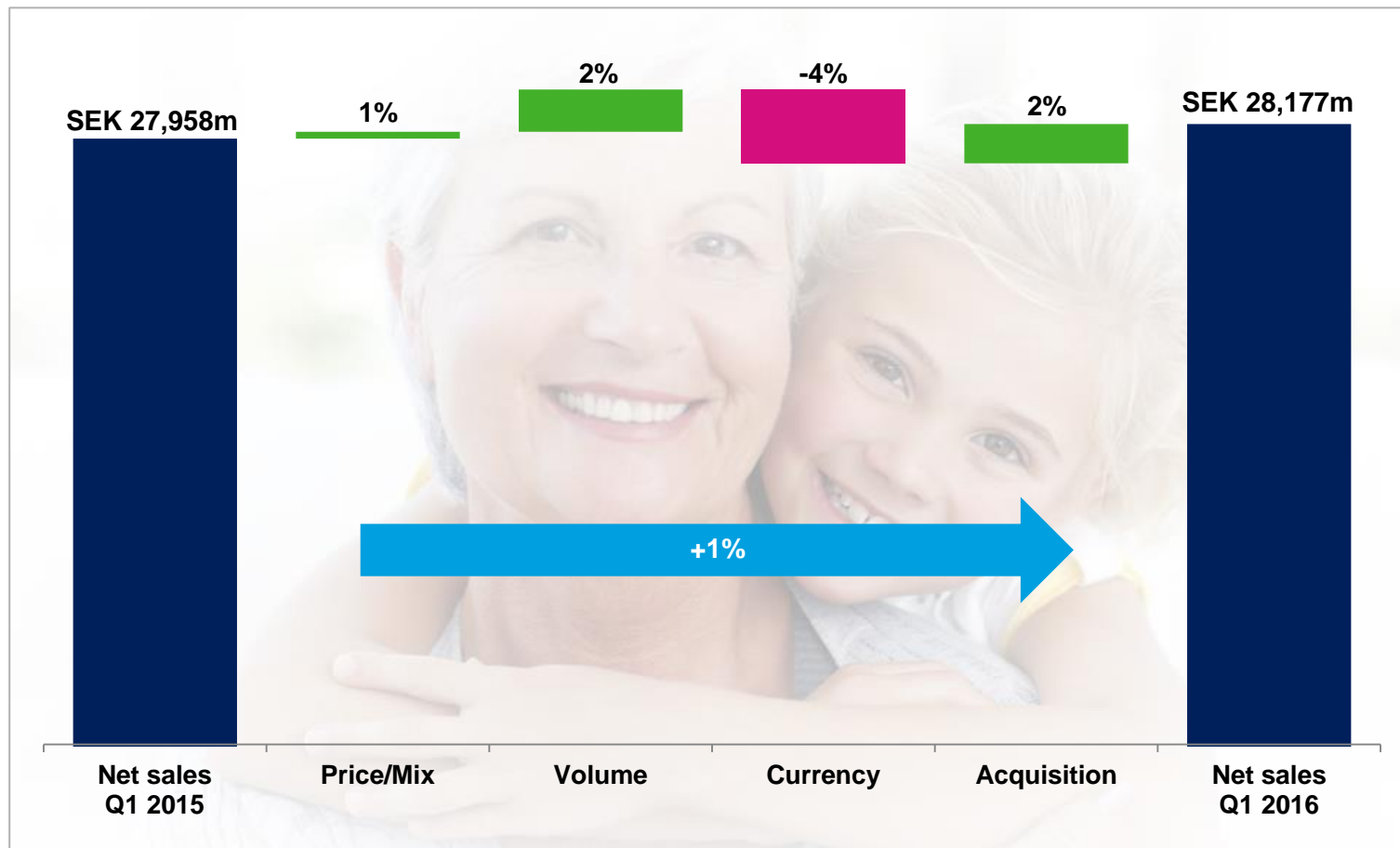
# Fredrik Rystedt

CFO



# Net Sales

Q1 2016 vs. Q1 2015

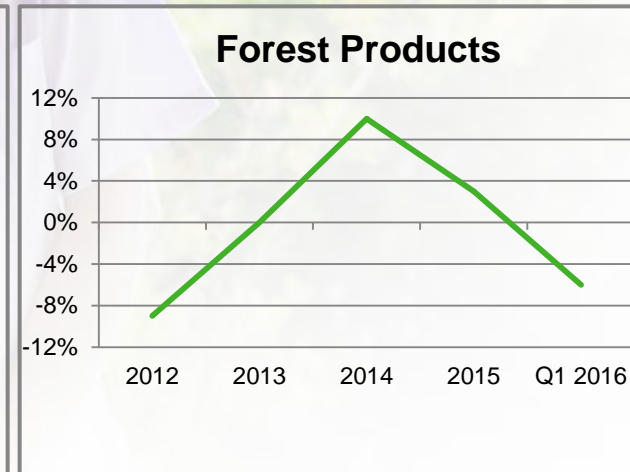
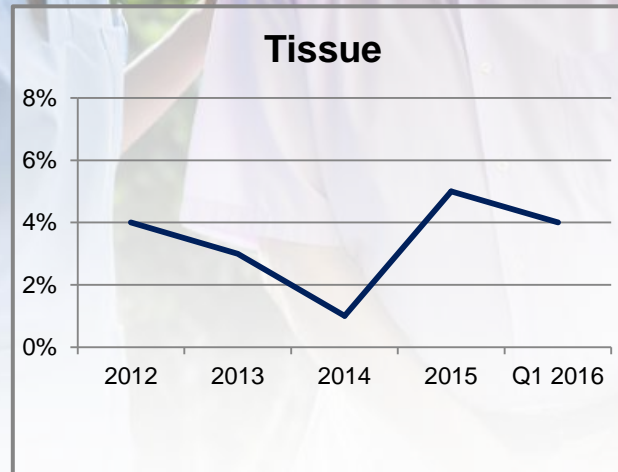
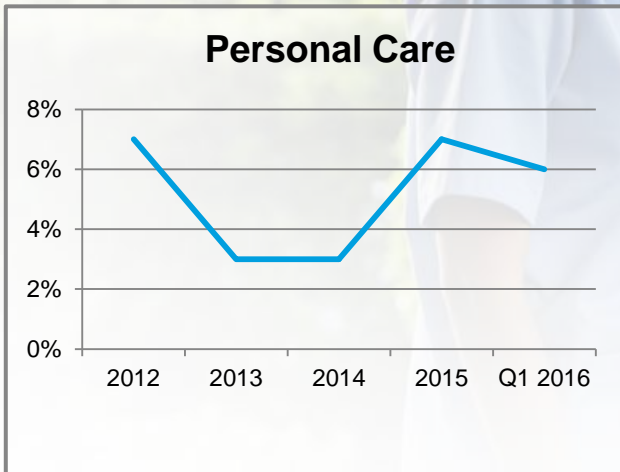
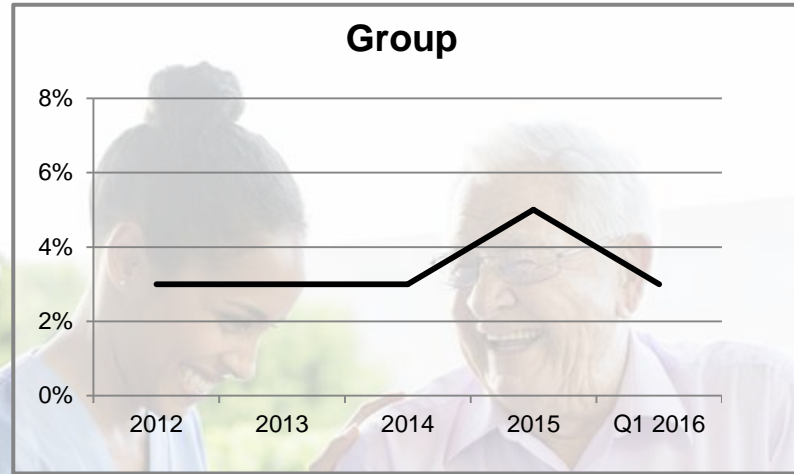


■ Organic sales growth 3%

◆ Price/Mix +1%

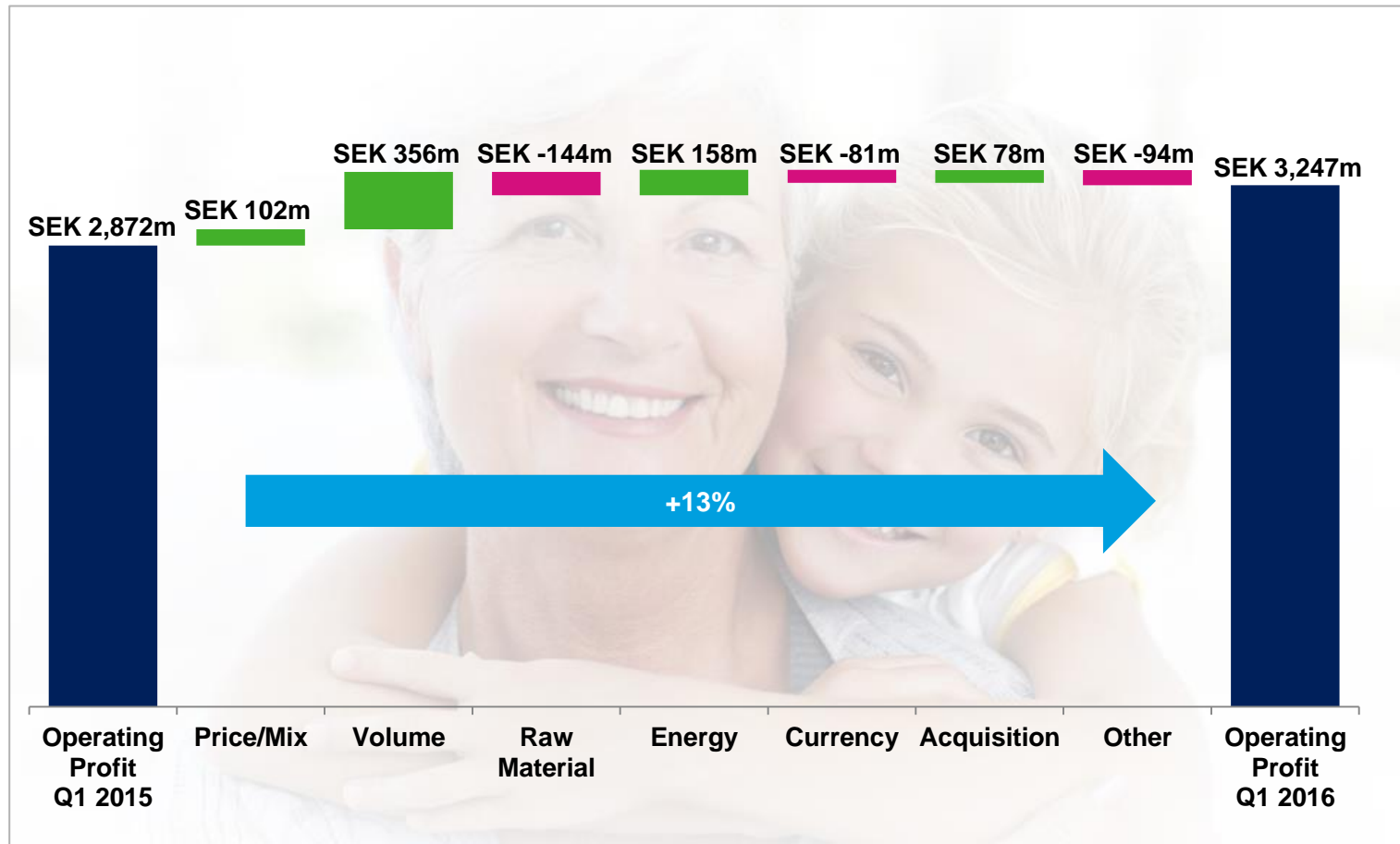
◆ Volume +2%

# Organic Sales Growth



# Operating Profit\* – Group

Q1 2016 vs. Q1 2015



\* Excluding items affecting comparability

# Cash Flow

Q1 2016 vs. Q1 2015



	Q1 2016 SEKm	Q1 2015 SEKm
Operating cash surplus	4,414	4,118
Change in working capital	-721	-1,028
Restructuring costs, etc	-220	-227
Capital expenditures (including strategic)	-1,547	-1,347
<b>Operating cash flow including strategic capital expenditures</b>	<b>1,926</b>	<b>1,516</b>

# Items affecting comparability

Q1 2016



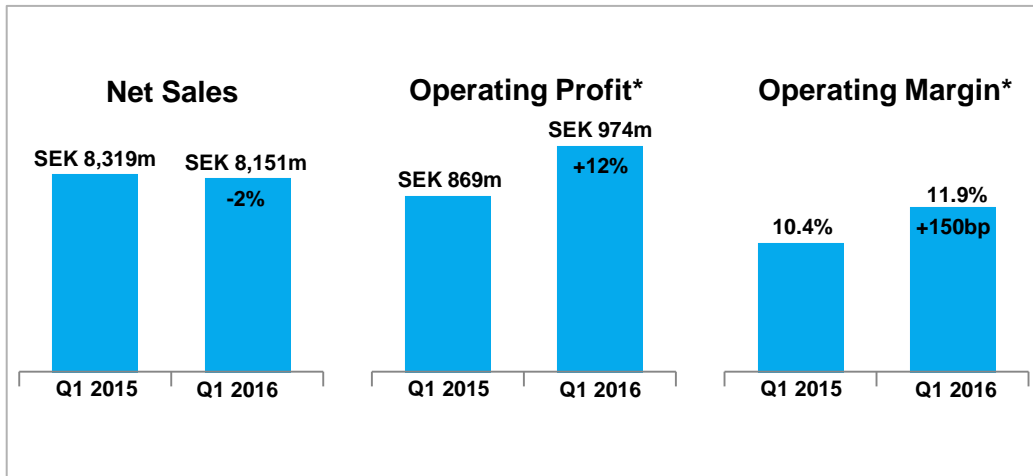
	Q1 2016 SEKm
<ul style="list-style-type: none"><li>• Provision related to Colombian competition authorities ongoing investigation of jointly owned Productos Familia S.A., Colombia</li></ul>	-101
<ul style="list-style-type: none"><li>• Wausau, including revaluation effects pertaining to Wausau's inventory valuation in connection with the acquisition balance</li></ul>	-47
<ul style="list-style-type: none"><li>• Other, including transaction costs</li></ul>	-43
<b>Total items affecting comparability</b>	<b>-191</b>

# Magnus Groth

President and CEO

# Personal Care

Q1 2016 vs Q1 2015



- **Sales growth -2%**
- **Organic sales growth 6%**
- **Operating profit increased 12%\***
  - ◆ Higher volumes
  - ◆ Better price/mix
  - ◆ Cost savings
  - ◆ Higher raw material costs
  - ◆ Investments in increased marketing activities in Latin America
- **Operating margin 11.9%\***
- **ROCE\*\* 28.9%**

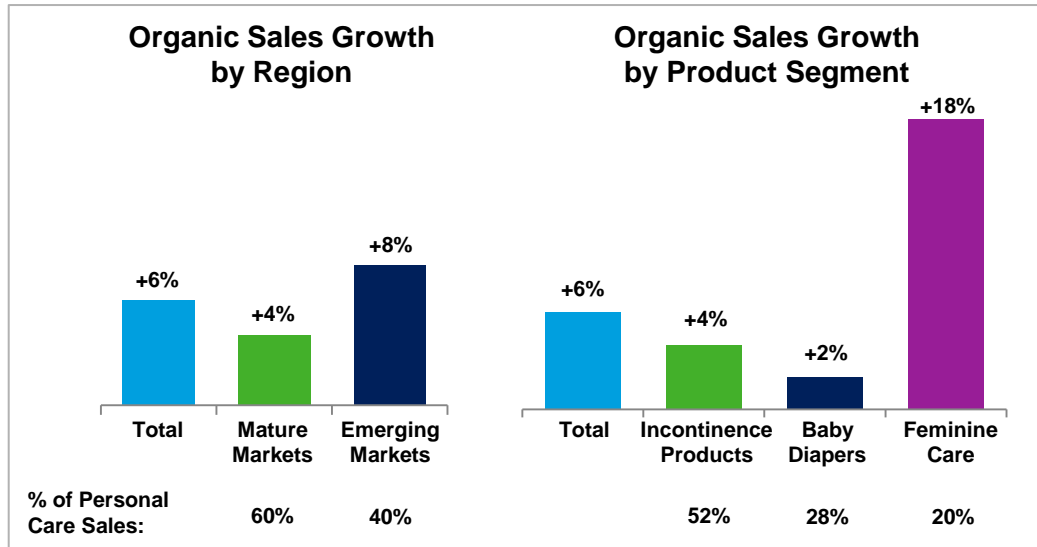


\* Excluding items affecting comparability

\*\* Return on capital employed excluding items affecting comparability

# Personal Care

Q1 2016 vs Q1 2015



## Organic sales growth 6%

- ◆ Price/mix +1%
- ◆ Volume +5%
- ◆ Good growth in mature markets
- ◆ Strong growth in emerging markets
- ◆ Strong growth for feminine care

## Mature markets

- ◆ Western Europe
  - Strong growth for baby diapers
  - Good growth for feminine care
  - Higher sales for incontinence products
- ◆ North America
  - Slightly lower sales for incontinence products

## Emerging markets

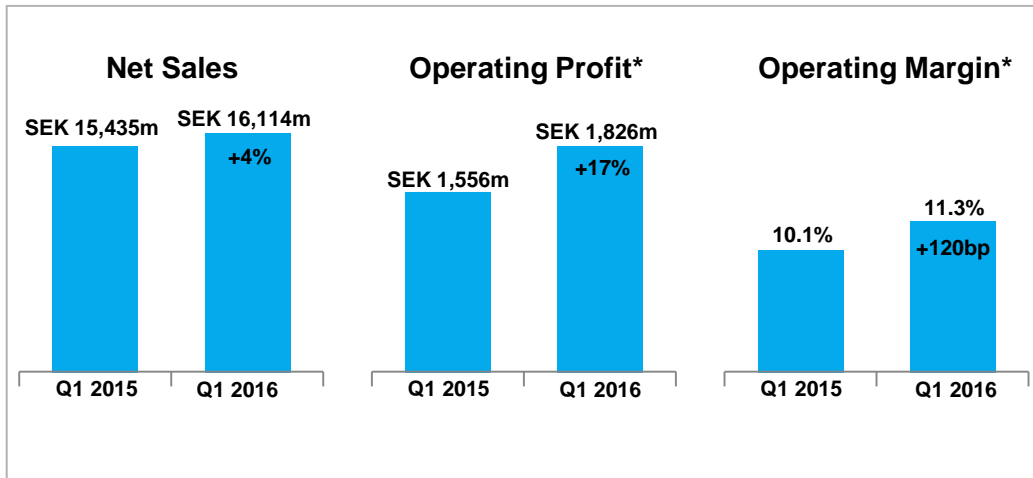
- ◆ Latin America +17%
  - Strong growth for feminine care and incontinence products
  - Flat sales for baby diapers
- ◆ Russia +42%
  - Strong growth for all product segments
- ◆ Asia +1%





# Tissue

Q1 2016 vs Q1 2015



- Sales growth 4%
- Organic sales growth 4%
- Operating profit increased 17%\*
  - ◆ Better price/mix
  - ◆ Higher volumes
  - ◆ Cost savings
  - ◆ Lower energy costs
  - ◆ Acquisition
  - ◆ Higher raw material costs
- Operating margin 11.3%\*
- ROCE\*\* 12.6%

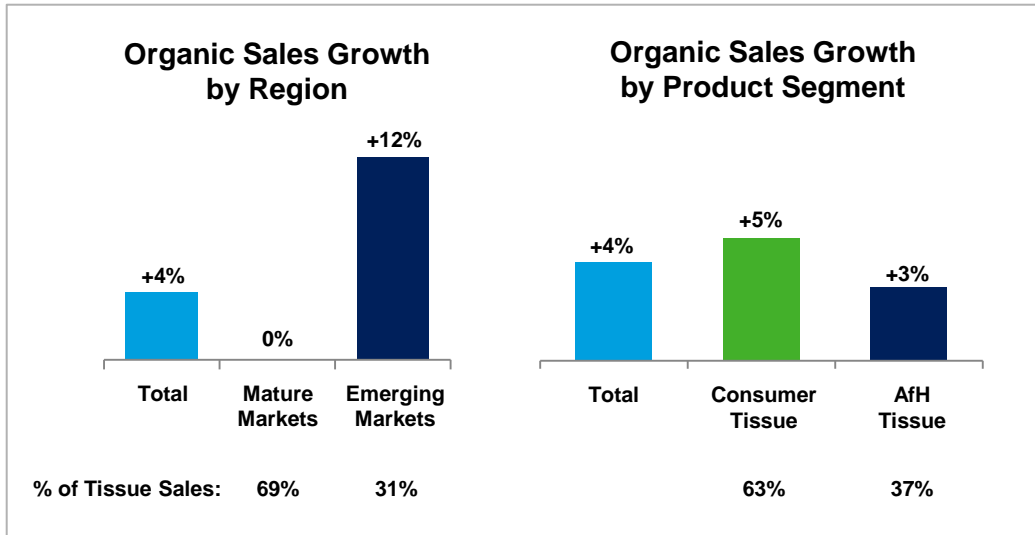


\* Excluding items affecting comparability

\*\* Return on capital employed excluding items affecting comparability

# Tissue

Q1 2016 vs Q1 2015



## ■ Organic sales growth 4%

- ◆ Price/mix +2%
- ◆ Volume +2%
- ◆ Strong growth in emerging markets
- ◆ Good growth for consumer tissue

## ■ Mature markets

- ◆ Western Europe
  - Flat sales for consumer tissue
  - Higher sales for AfH tissue
- ◆ North America
  - Flat sales for AfH tissue

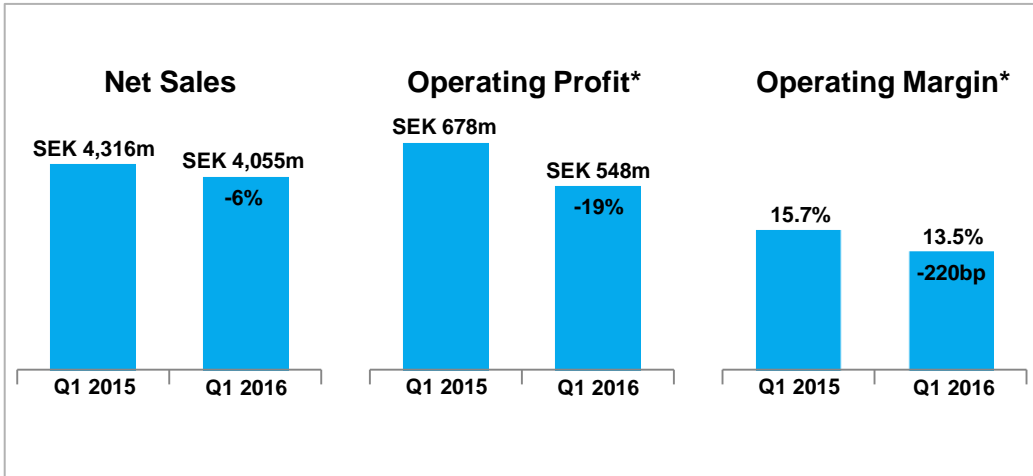
## ■ Emerging markets

- ◆ Asia +16%
- ◆ Latin America +8%
- ◆ Russia +18%



# Forest Products

Q1 2016 vs Q1 2015



- **Sales growth -6%**
  - ◆ Price/mix -5%
  - ◆ Volume -1%
- **Operating profit decreased -19%\***
  - ◆ Lower prices (including exchange rate effects)
  - ◆ Lower volumes
  - ◆ Higher raw material costs
  - ◆ Lower energy costs
- **Operating margin 13.5%\***
- **ROCE\*\* 5.8%**



\* Excluding items affecting comparability

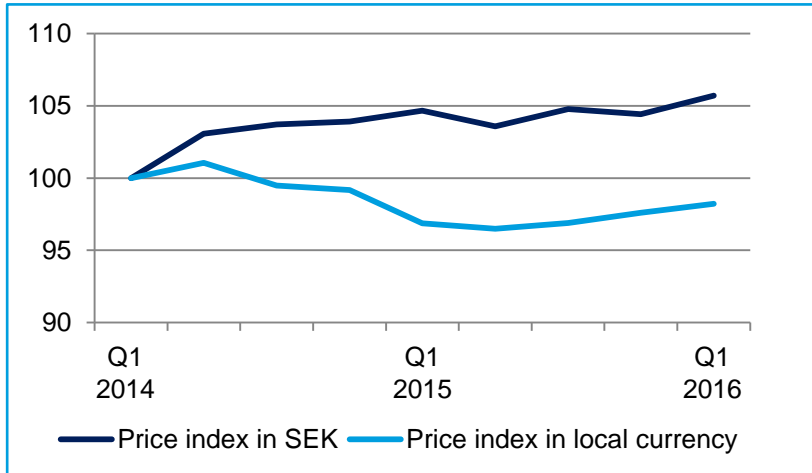
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# Forest Products

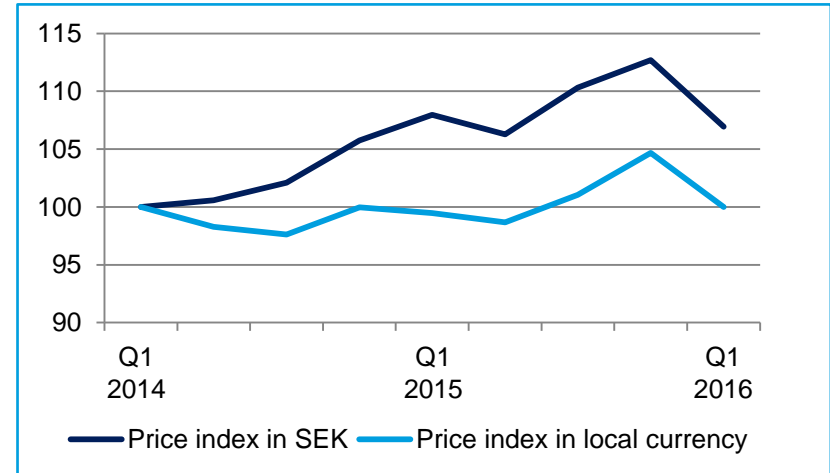
## Price Development



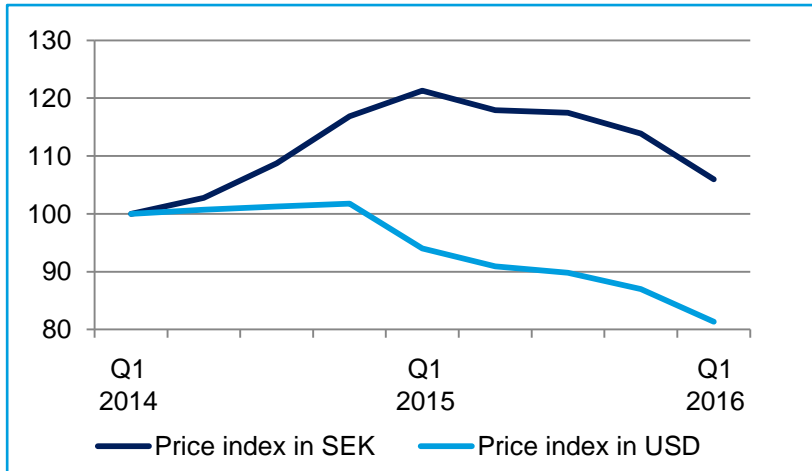
### Publication Papers



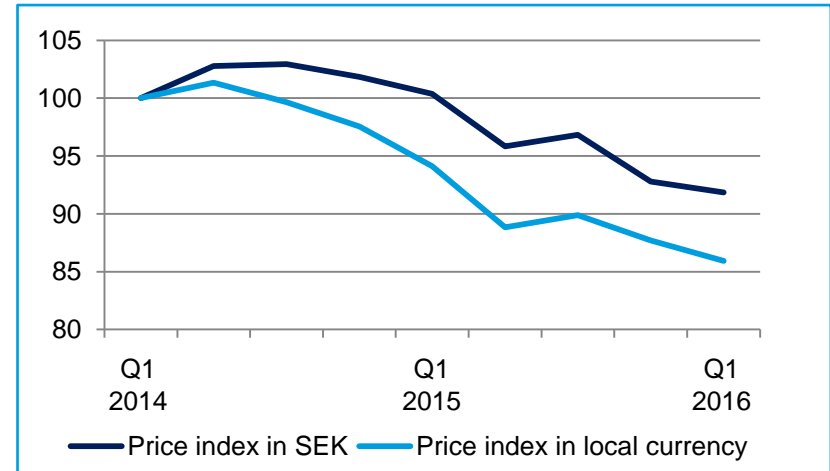
### Kraftliner



### NBSK Pulp



### Solid Wood Products



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# Q&A



**SCA**  
*Care of Life*

