



Interim Report Presentation Q2 2021

July 23, 2021



Ulf Larsson, CEO



Summary Q2 2021

Best quarter since split in 2017 – strong market with increasing prices in all segments, exit publication paper, good production and stable cost base

EBITDA up 126% vs Q2 2020

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

Net sales vs Q2 2020 impacted by exit publication paper and divestments

- Exit publication paper -13%, divestment Wood Supply UK -10%
- Price/mix 25%, volume 7%, currency -6%

Kraftliner and CTMP expansion projects on time and on budget



SCA's performance Q2 2021

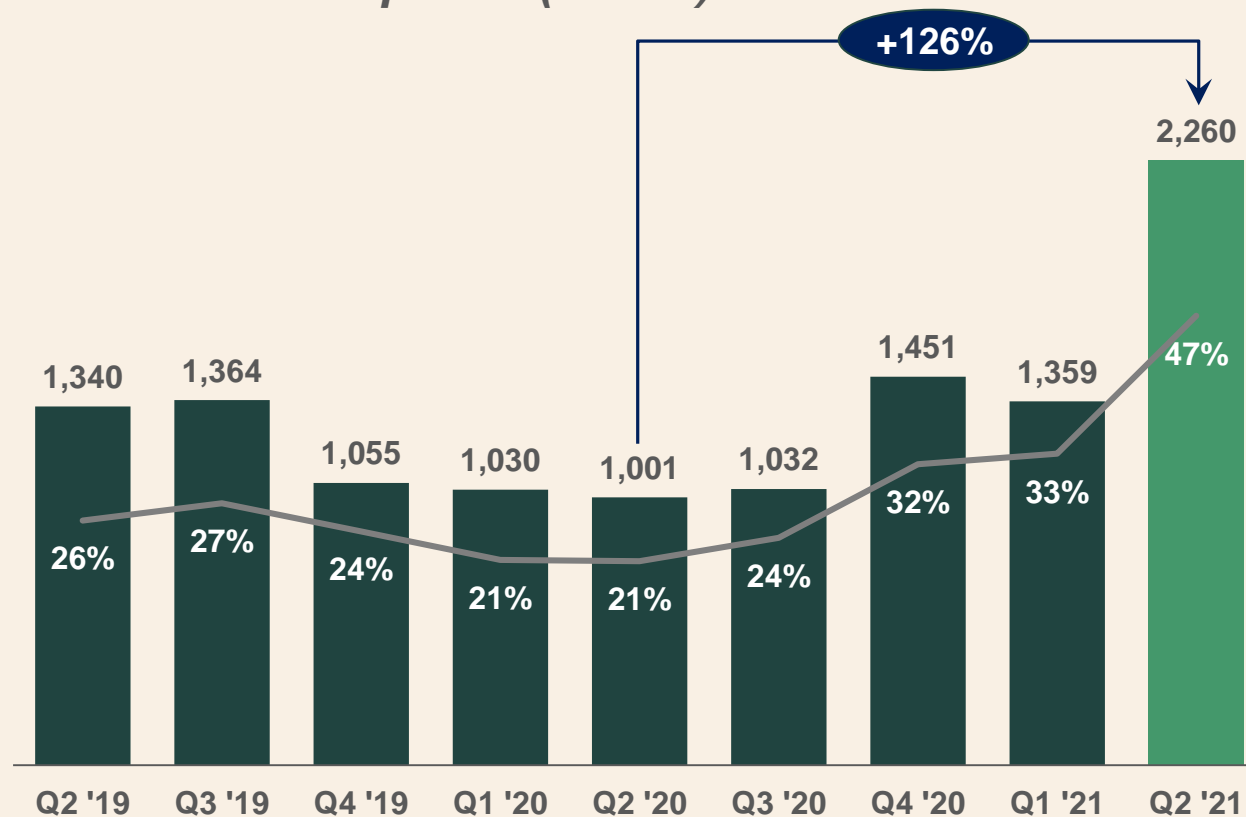
EBITDA (SEKm)

2,260

Industrial ROCE ¹

14%

EBITDA development (SEKm)



EBITDA margin

47%

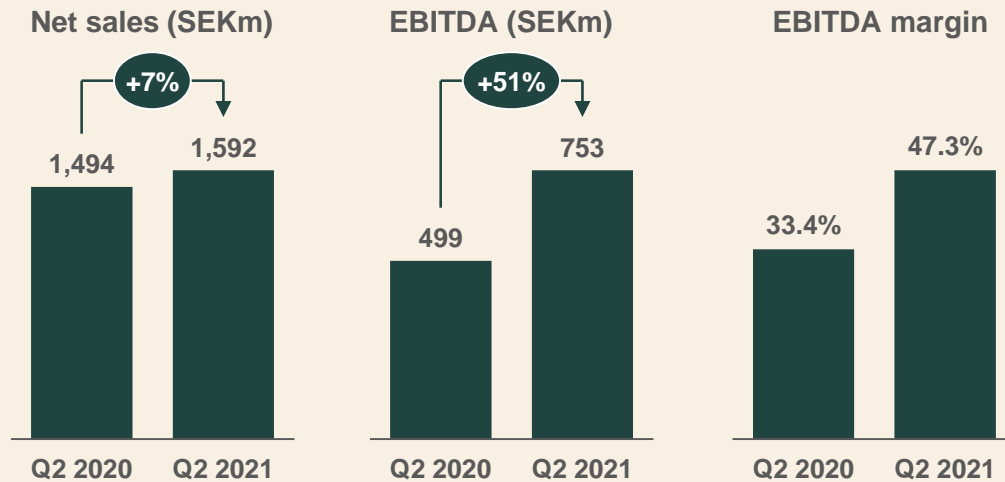
Net debt/EBITDA

1.4x

1. LTM

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 Q4 2020.

Forest Q2 2021 vs. Q2 2020



Stable wood supply to industries

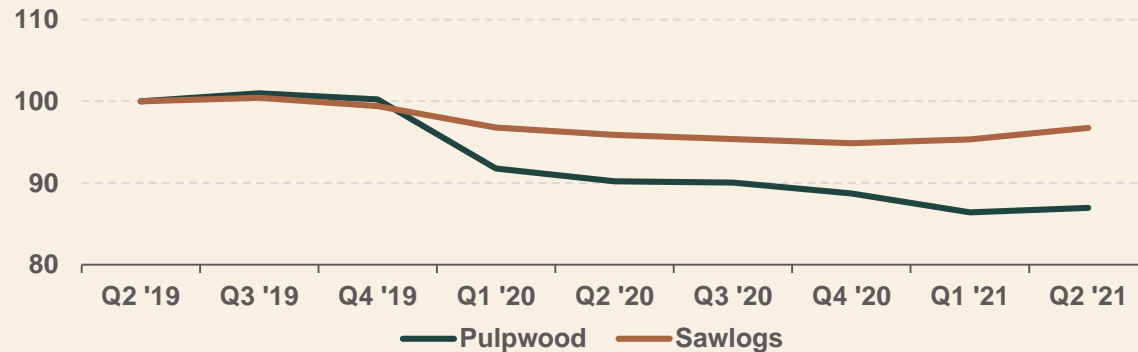
Sales up 7%

- + Higher volumes
- Lower pulpwood price

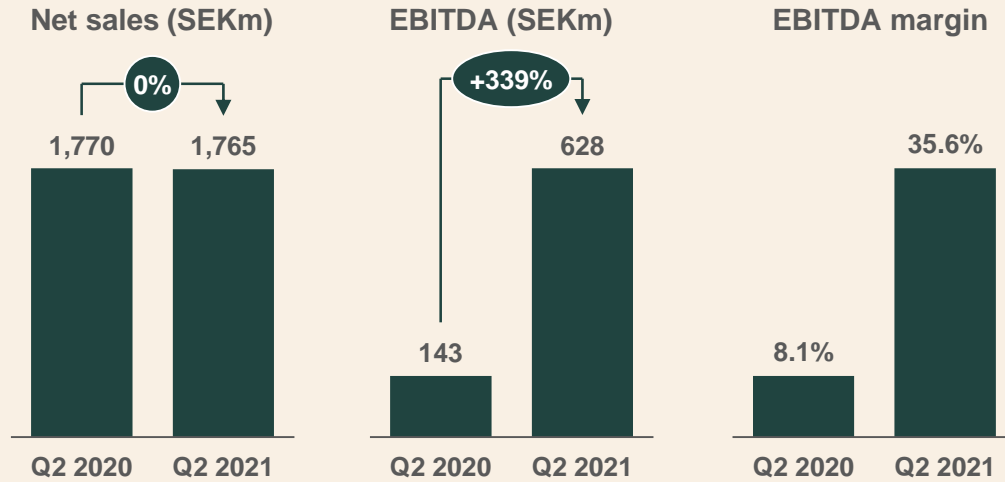
EBITDA up 51%

- + Higher harvesting level of own forest
- + Higher revaluation of biological assets

Price development – Pulpwood and Sawlogs



Wood Q2 2021 vs. Q2 2020



High level of global demand drives significant price increases

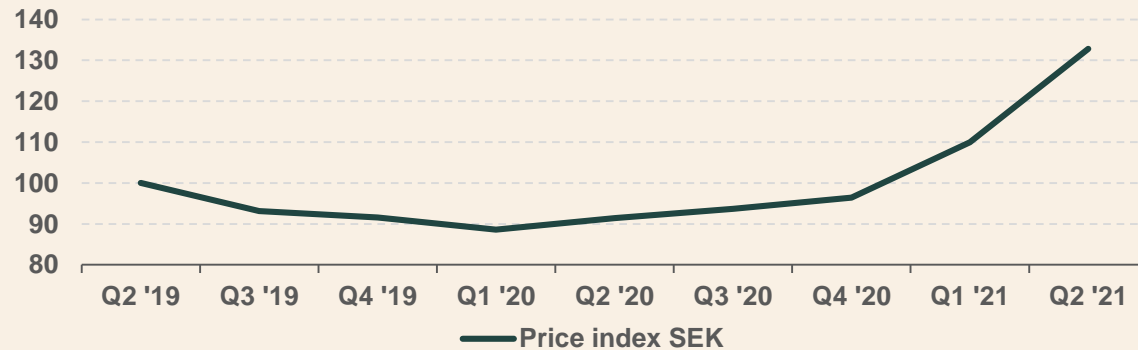
Sales in line with Q2 2020

- + Higher prices
- Divestment of Wood Supply UK

EBITDA up 339%

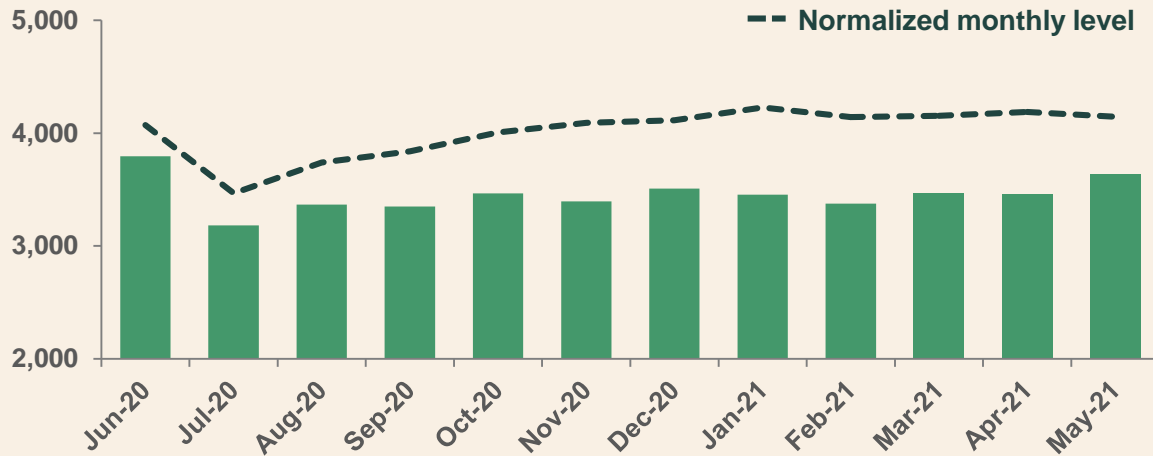
- + Higher prices
- + Good production, stable cost level

Price development – Solid Wood Products

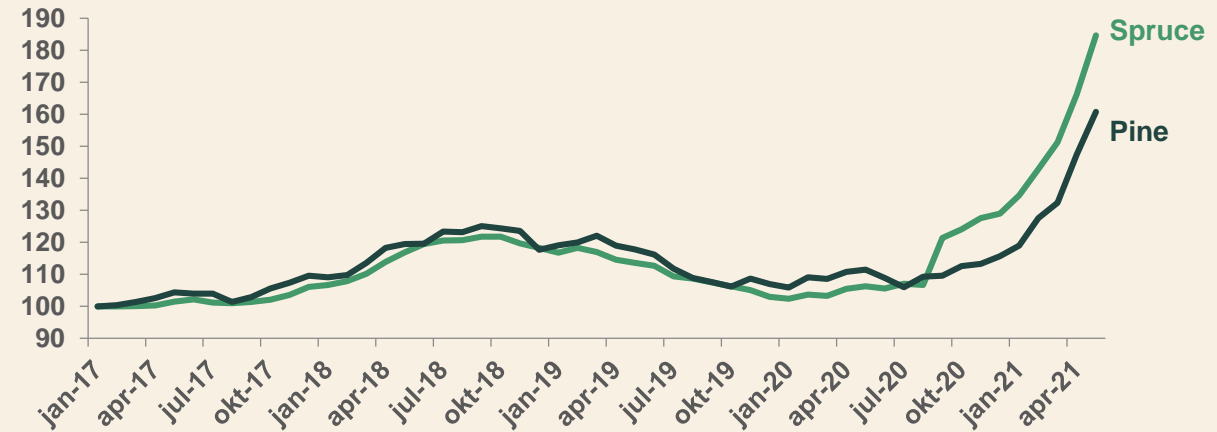


Wood market development

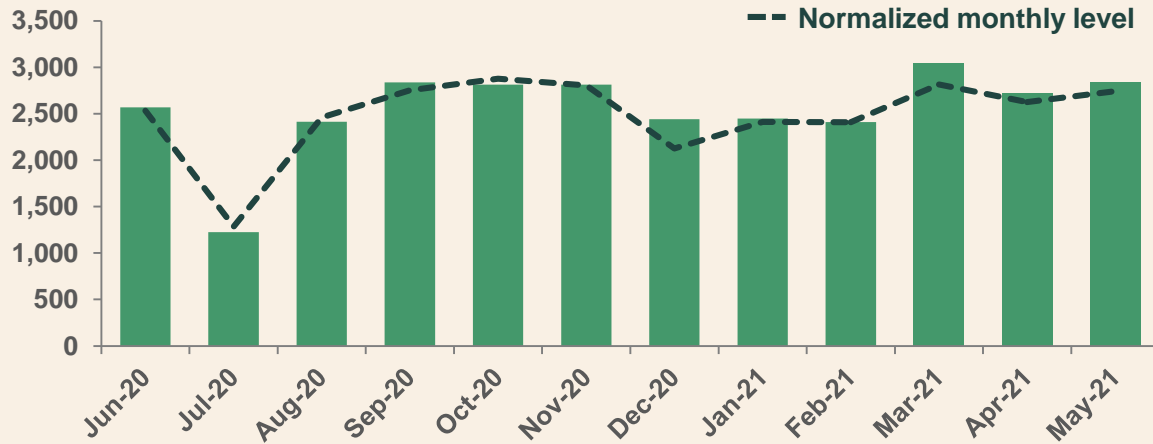
Stock of sawn pine and spruce wood, Sweden and Finland (k m³)



Price development sawn pine and spruce, Sweden (index)



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

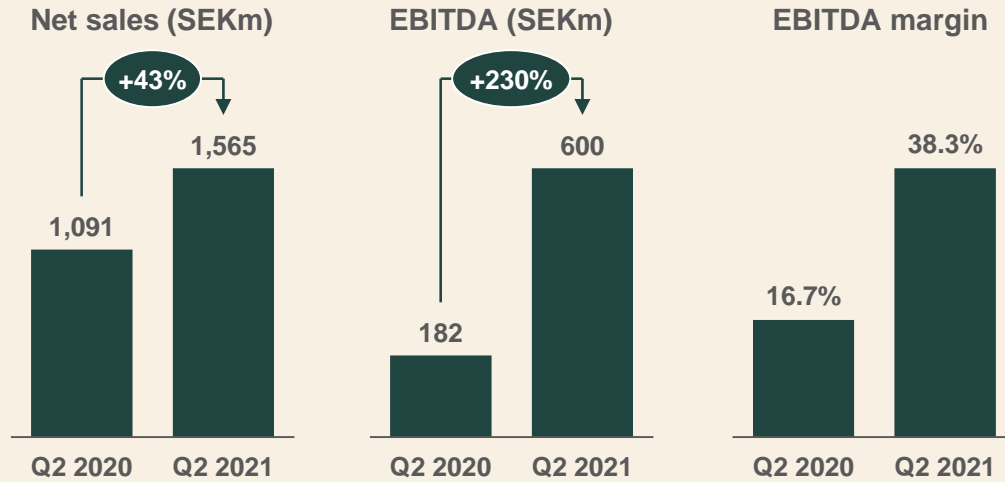


Continued strong market

- Stock levels continue to be low
- Producers running at full capacity in strong market
- High demand driving significant price movements

Note: Normalized monthly level 2016-2021.

Pulp Q2 2021 vs. Q2 2020



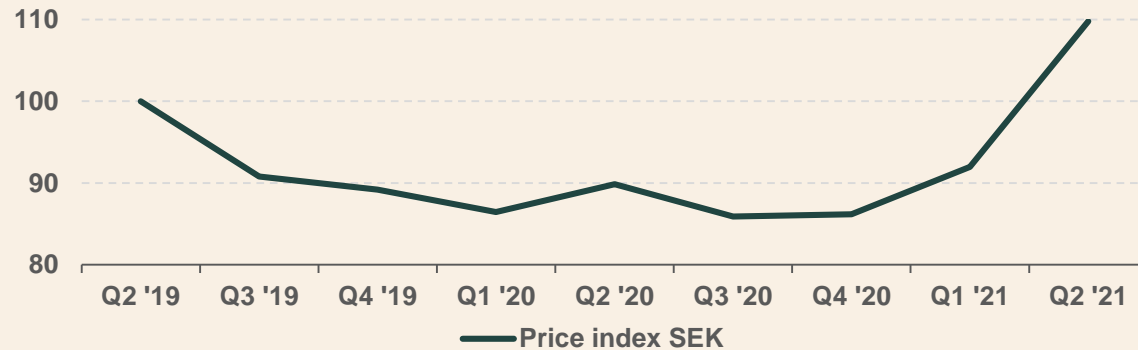
Sales up 43%

- + Higher prices
- + Higher volumes
- Negative currency effects

EBITDA up 230%

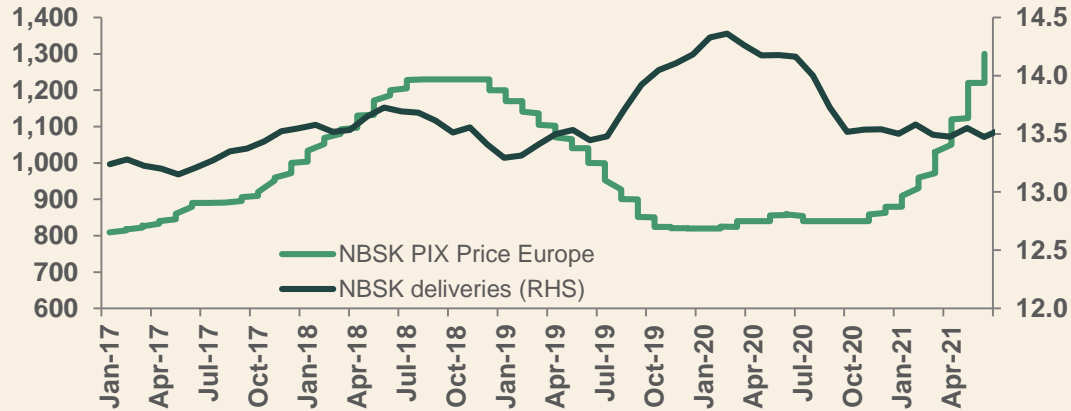
- + Higher prices
- + Good production level and yield
- + Lower costs for wood raw material
- Negative currency effects

Price development – NBSK Pulp

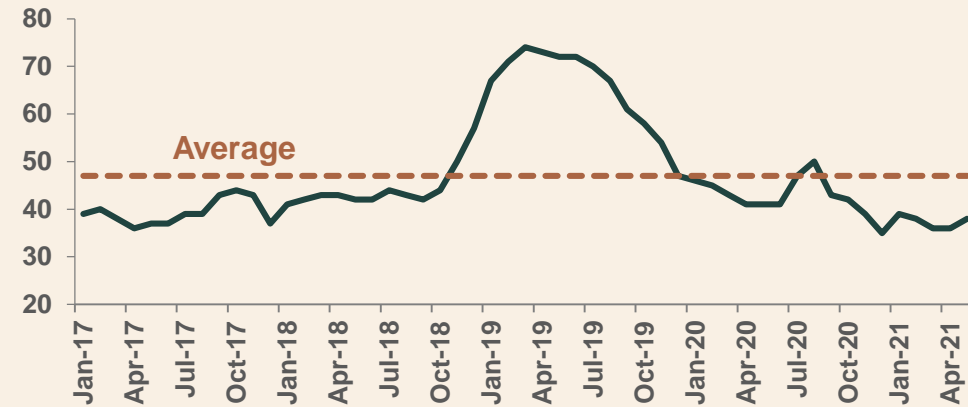


Pulp market development

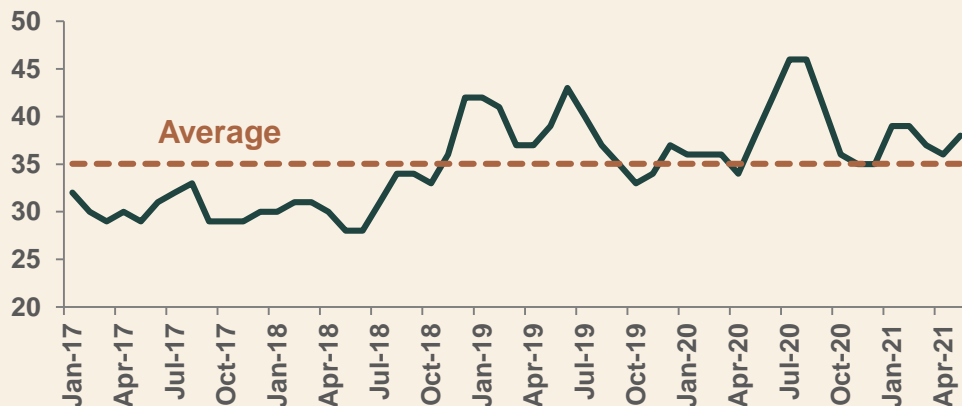
NBSK pulp price (USD/t) vs deliveries (Mt)



Hardwood pulp inventories (days of supply)



Softwood pulp inventories (days of supply)

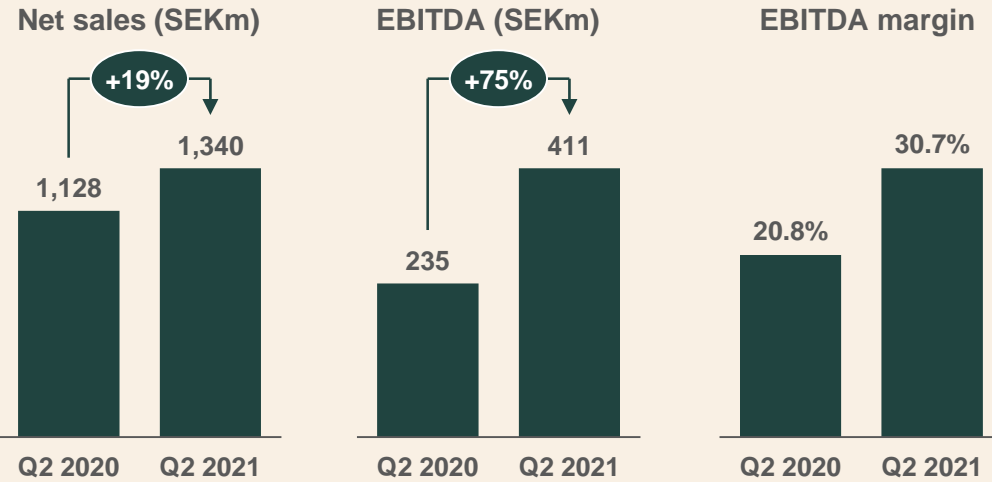


Continued strong European demand

- Inventories on a normal level
- Supply impacted by global logistic challenges
- Upcoming maintenance stops
- Decreasing spot prices in China and US but positive price development in June in Europe

Source: PIX, PPPC.

Containerboard Q2 2021 vs. Q2 2020



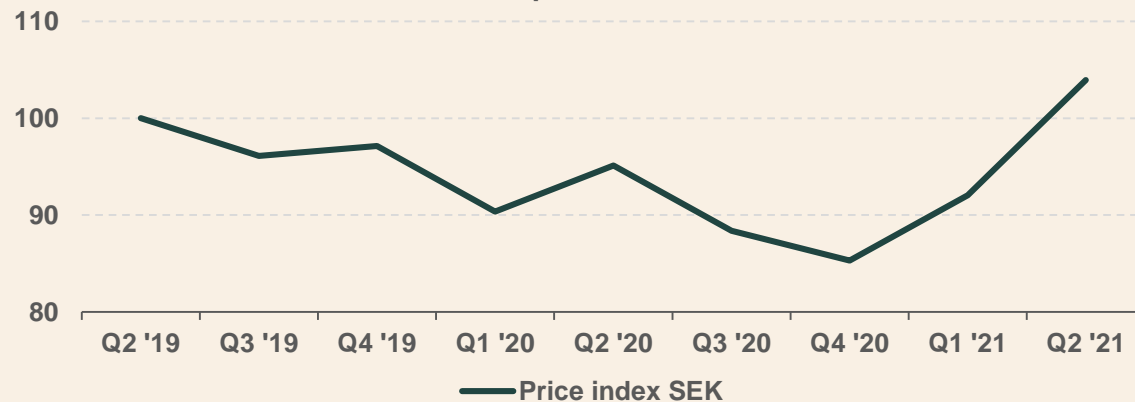
Sales up 19%

- + Higher prices
- + Higher volumes
- Negative currency effects

EBITDA up 75%

- + Higher prices
- + Good production, stable cost level
- Negative currency effects

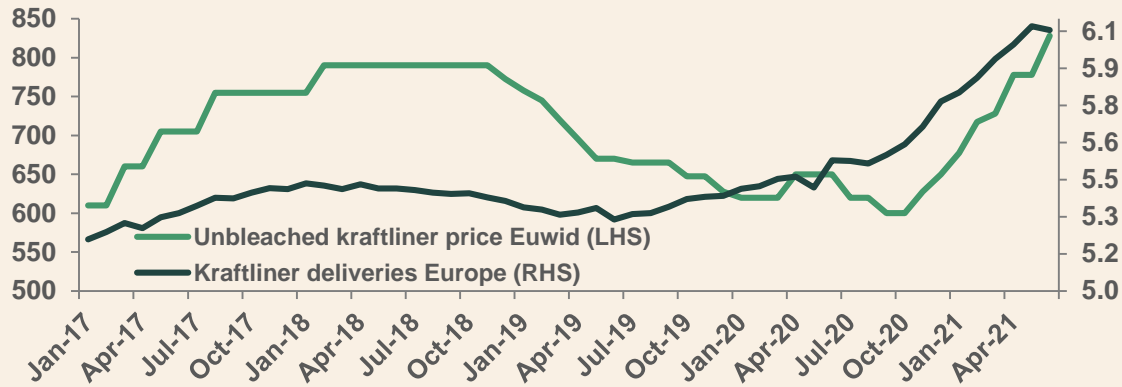
Price development – Kraftliner



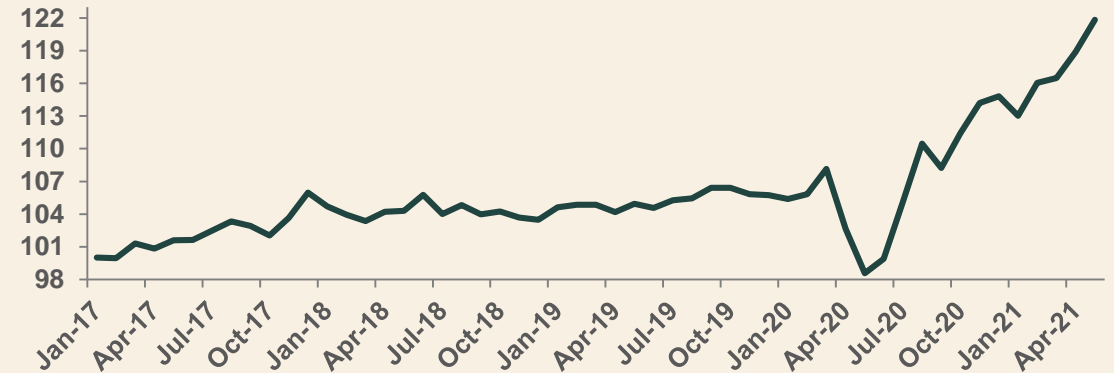
Note: Figures refer only to Containerboard.

Containerboard market development

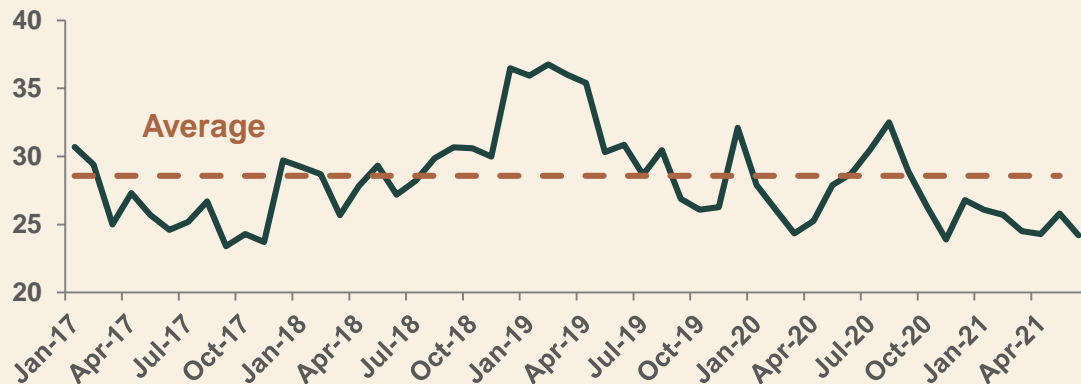
Price (EUR/t) vs Kraftliner deliveries (Mt)



European Box demand (index)



Kraftliner inventories (days of supply)



Strong demand and prices on the rise

- Long term growth of European deliveries
- Inventories days well below average
- The third quarter in a row with rising prices
- Strong box demand continue in Q2

Source: Euwid, Numera.

Toby Lawton, CFO

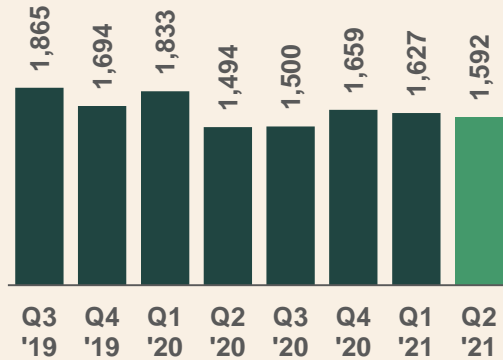
Income statement

SEKm	Quarter		
	Q2 2021	Q2 2020	Change
Net sales	4,810	4,687	3%
EBITDA	2,260	1,001	126%
<i>EBITDA margin</i>	47.0%	21.3%	25.7 p.p.
EBIT	1,881	600	214%
<i>EBIT margin</i>	39.1%	12.8%	26.3 p.p.
Financial items	-26	-31	
Profit before tax	1,855	569	226%
Tax	-372	-110	
Profit for the period	1,483	459	223%
Earnings per share, SEK	2.11	0.65	

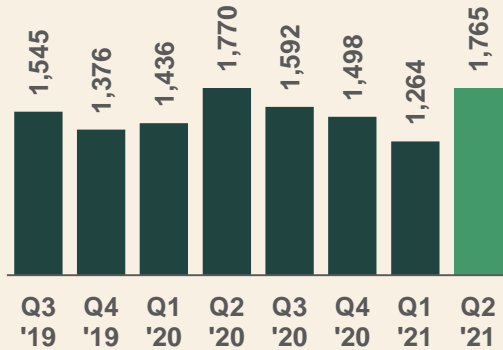
Contribution by segment and quarter

Forest

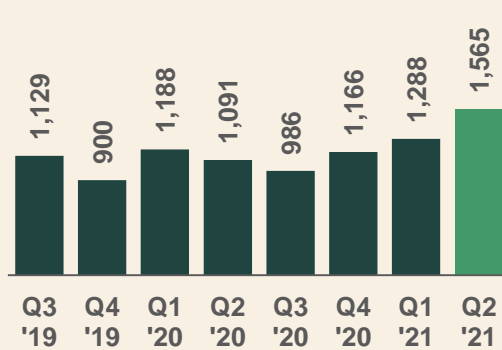
Net sales (SEKm)



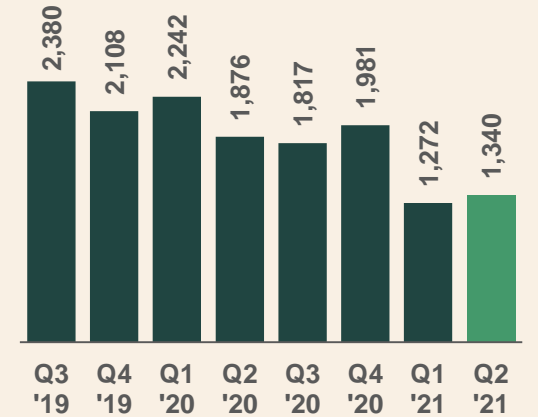
Wood



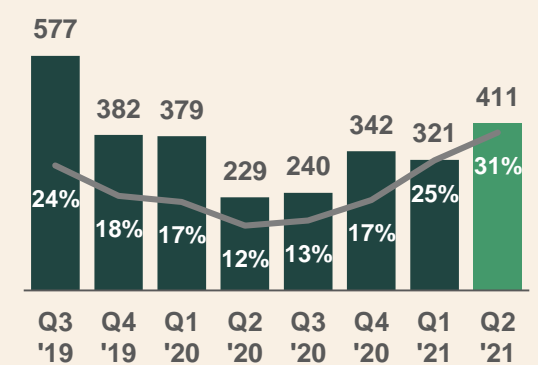
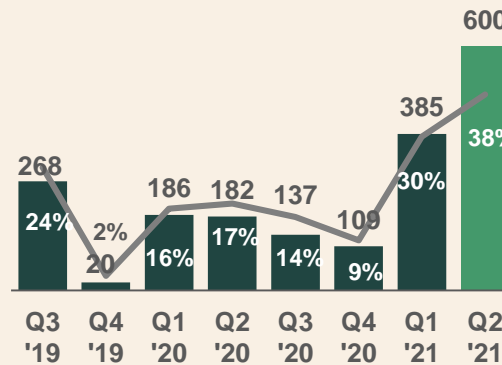
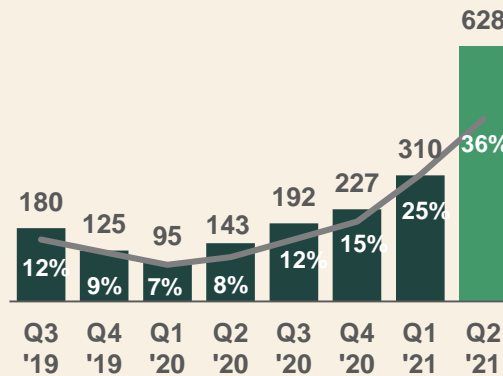
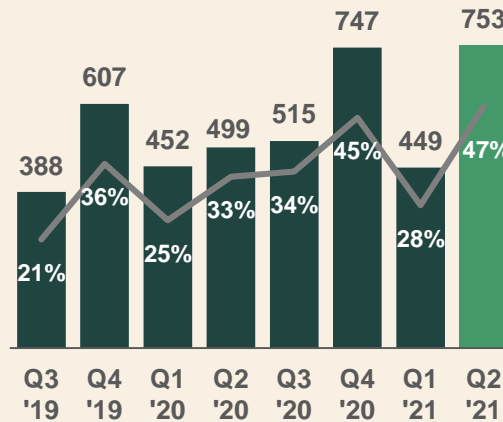
Pulp



Containerboard/Paper¹

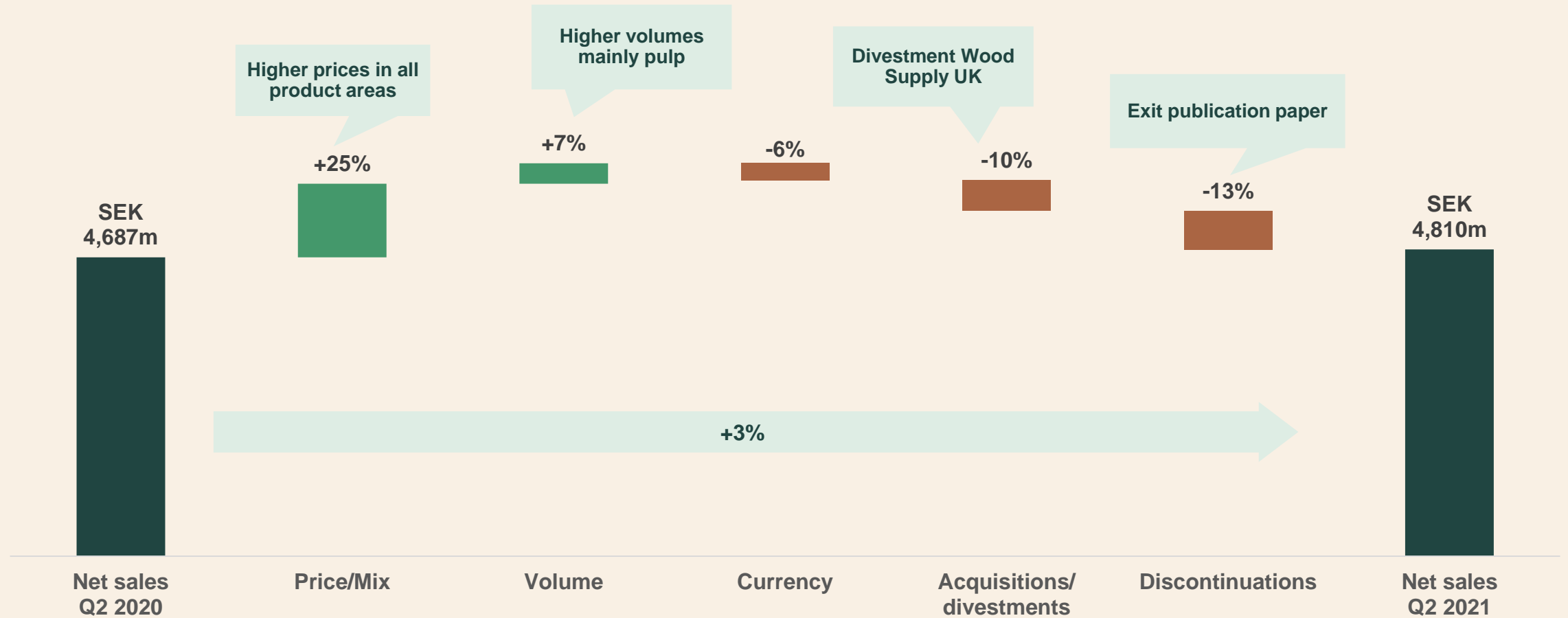


EBITDA (SEKm) and EBITDA margin

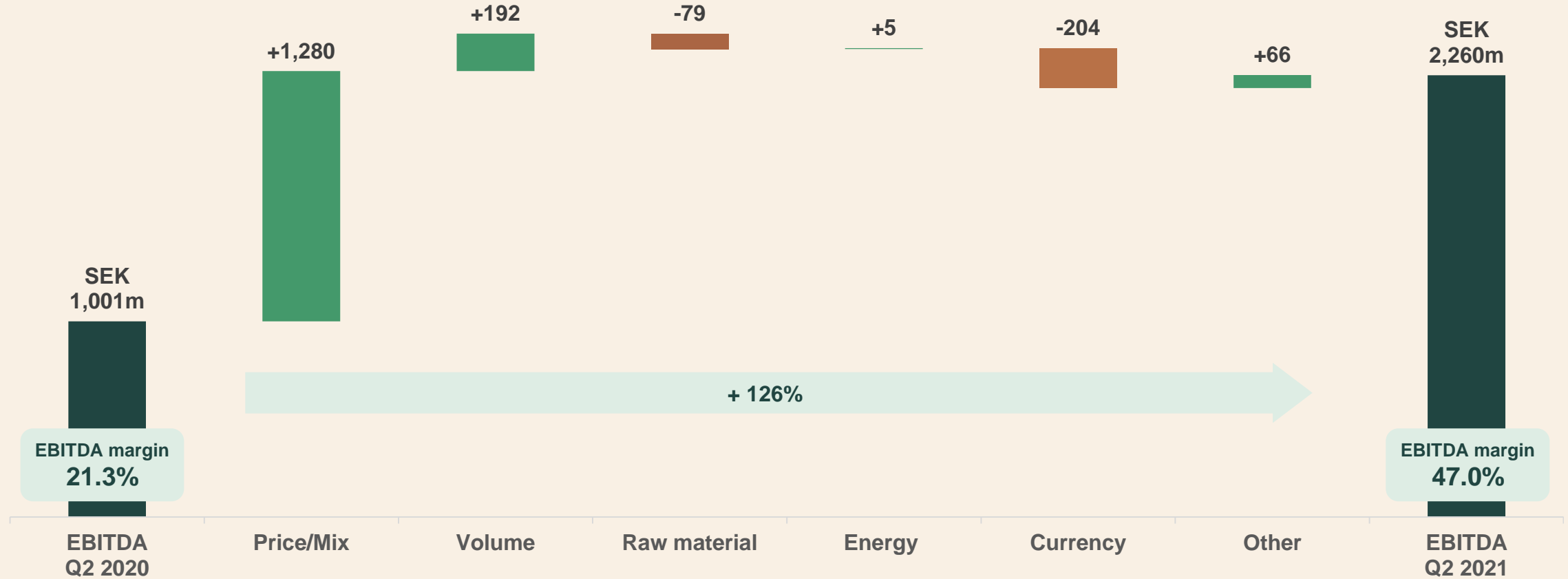


1. Segment Paper changed name to Containerboard from 1st of January 2021.
Publication Paper included in figures up to and including Q4 2020.

Net sales Q2 2021 vs. Q2 2020



EBITDA Q2 2021 vs. Q2 2020



Cash flow

SEKm	Quarter		Jan - June	
	Q2 2021	Q2 2020	2021	2020
EBITDA	2,260	1,001	3,619	2,031
Revaluation of biological assets and other non cash flow items	-362	-233	-682	-573
Operating cash surplus	1,898	768	2,937	1,458
Change in working capital	-401	-151	-691	-297
Restructuring costs	-148	-	-271	-
Current capital expenditures	-230	-338	-439	-513
Other operating cash flow	-13	-6	45	-34
Operating cash flow	1,106	273	1,581	614
Strategic capital expenditures	-1,168	-655	-1,679	-844

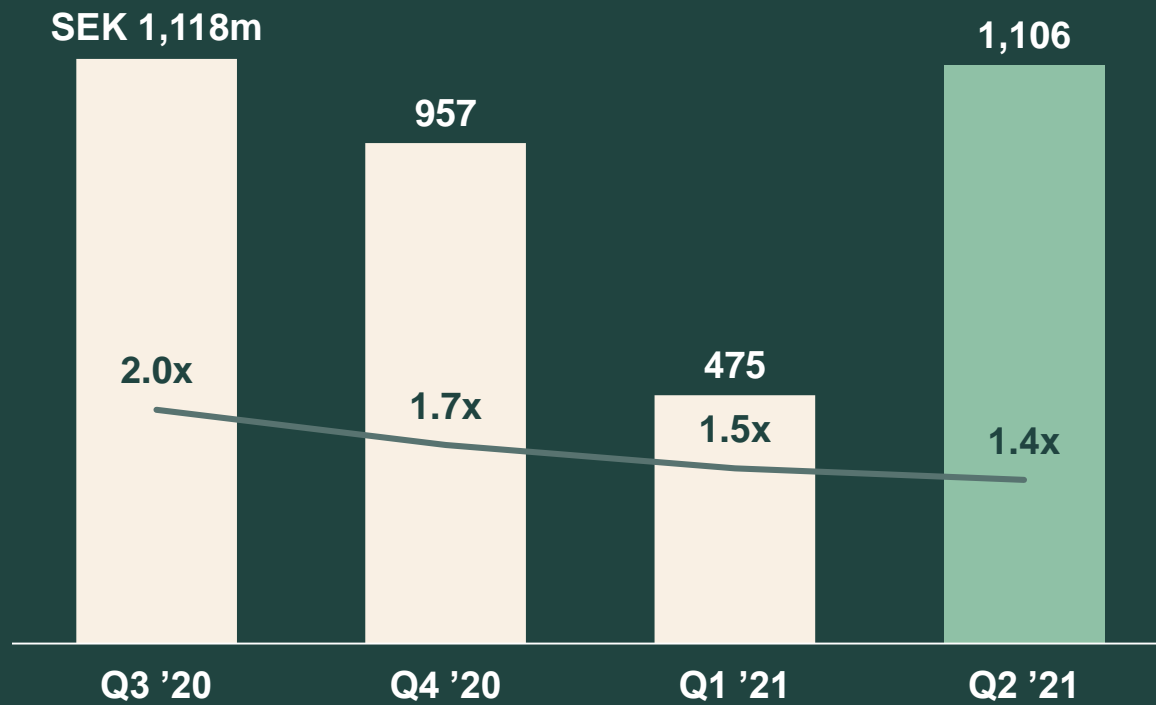
Balance sheet

SEKm	Jun 30, 2021	Dec 31, 2020
Forest assets	76,648	74,900
Working capital	3,292	2,759
<i>Working capital/Net sales</i> ¹	17%	18%
Deferred tax relating to forest assets	-15,313	-14,977
Other capital employed	18,137	17,152
Total capital employed	82,764	79,834
Net debt	8,236	7,671
<i>Net debt/EBITDA</i> ²	1.4x	1.7x
Equity	74,528	72,163
<i>Net debt/Equity</i>	11%	11%
<i>Market price applied on forest assets (SEK/m³fo)</i>	300	291

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.

Strong operating cash flow

Operating Cash Flow and Net Debt to EBITDA development



SCA Green Bonds

Long maturity beyond investment period



SEK 1.5bn 7y Senior Unsecured Green Bond maturing in June 2028

- SCA's average debt maturity 4.8 years



Aligned with SCA's Sustainability Platform

Fossil-free world | Valuable forests | Efficient use of resources



Framework rated “Dark Green” with an “Excellent” governance score by CICERO Shades of Green



Summary

Ulf Larsson, CEO

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Kraftliner and CTMP expansion projects on time and on budget



Q&A





Europe's largest private forest owner

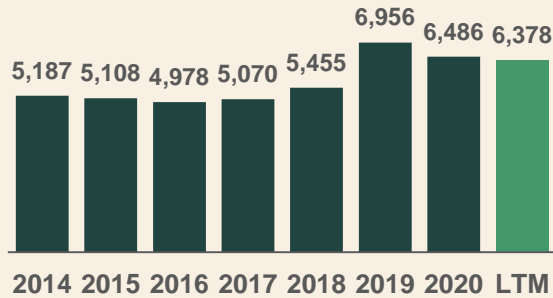
This presentation may contain forward-looking statements. Such statements are based on our current expectations and are subject to certain risks and uncertainties that could negatively affect our business. Please read SCA's most recent annual report for a better understanding of these risks and uncertainties.

Appendix

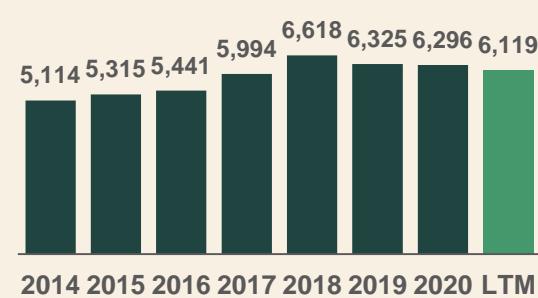
Contribution by segment

Forest

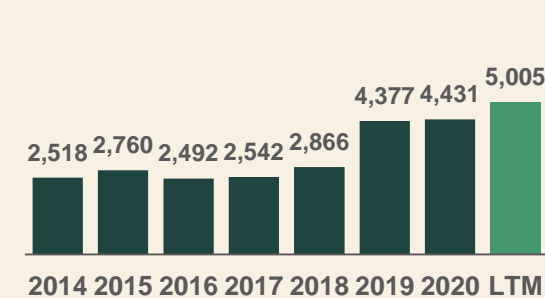
Net sales (SEKm)



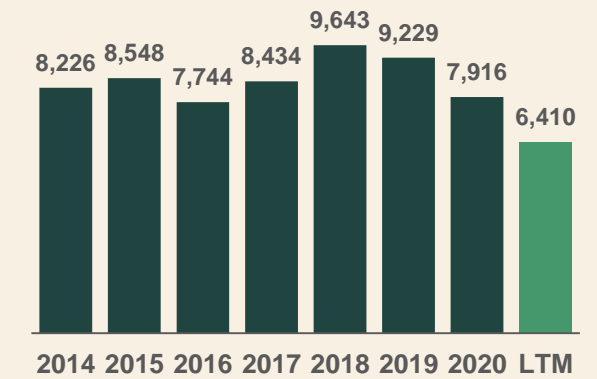
Wood



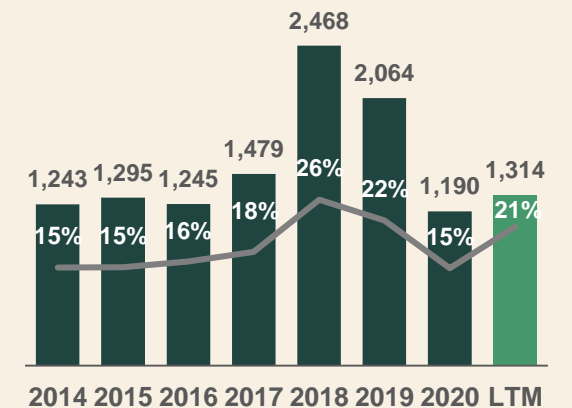
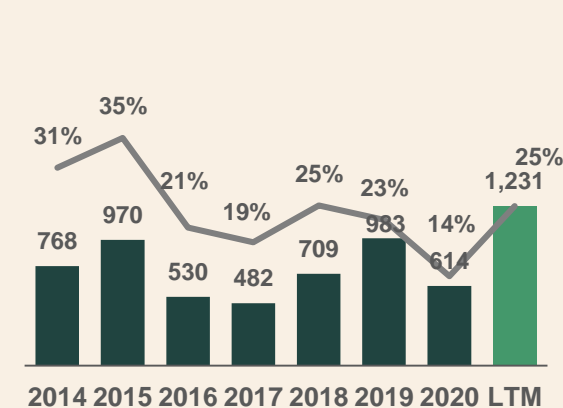
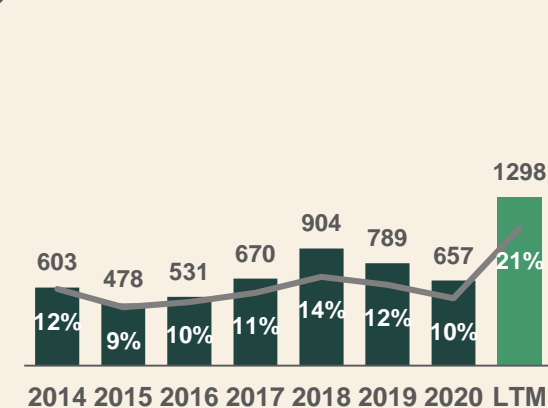
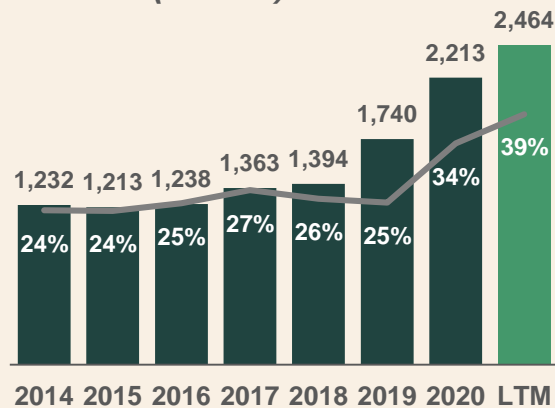
Pulp



Containerboard/Paper 1



EBITDA (SEKm) and EBITDA margin 1)

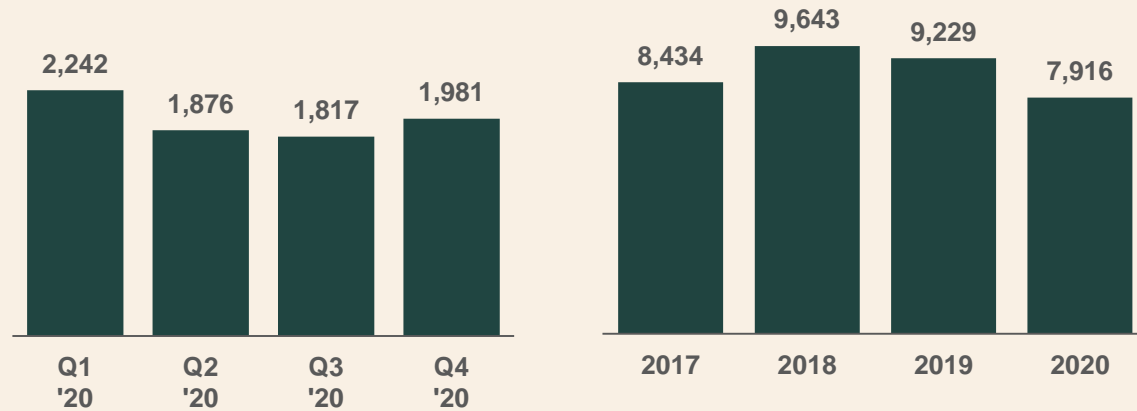


Note: 2014 and 2015 EBITDA refer to adjusted figures. 2016 and forward refer to unadjusted figures.
 1. Segment Paper changed name to Containerboard from 1st of January 2021. Publication Paper included in figures up until Q1 2021. For further details see the quarterly report Q4 2020.

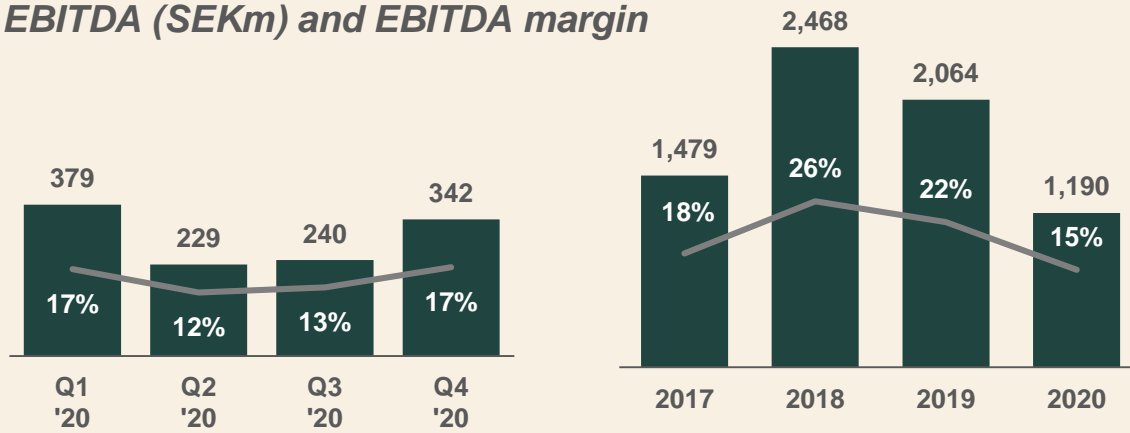
Historical contribution by Containerboard and Paper

Containerboard/Paper ¹

Net sales (SEKm)

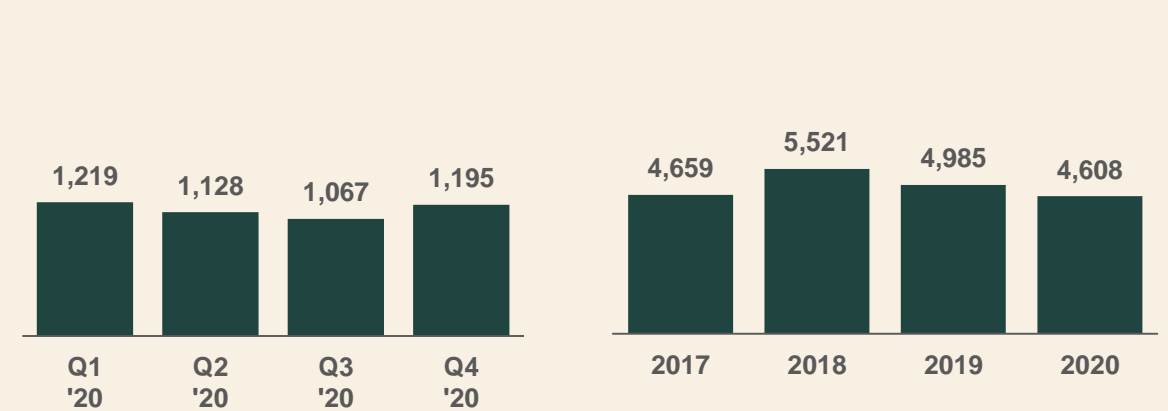


EBITDA (SEKm) and EBITDA margin

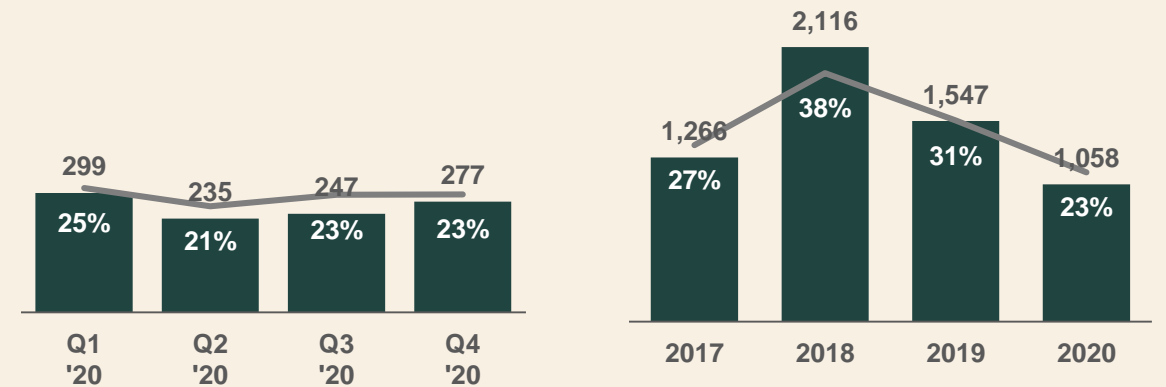


Containerboard

Net sales (SEKm)



EBITDA (SEKm) and EBITDA margin



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