



Year-end Presentation 2022

January 27, 2023





Ulf Larsson, CEO



Summary 2022

Best result ever

- Strong demand and high prices
- Good cost control and high degree of self sufficiency
- Strong operating cash flow financing strategic investments

Kraftliner expansion in Obbola, CTMP expansion at Ortviken and Bollsta grading mill up and running

Growth in renewable energy – new segment 1st of Jan 2023

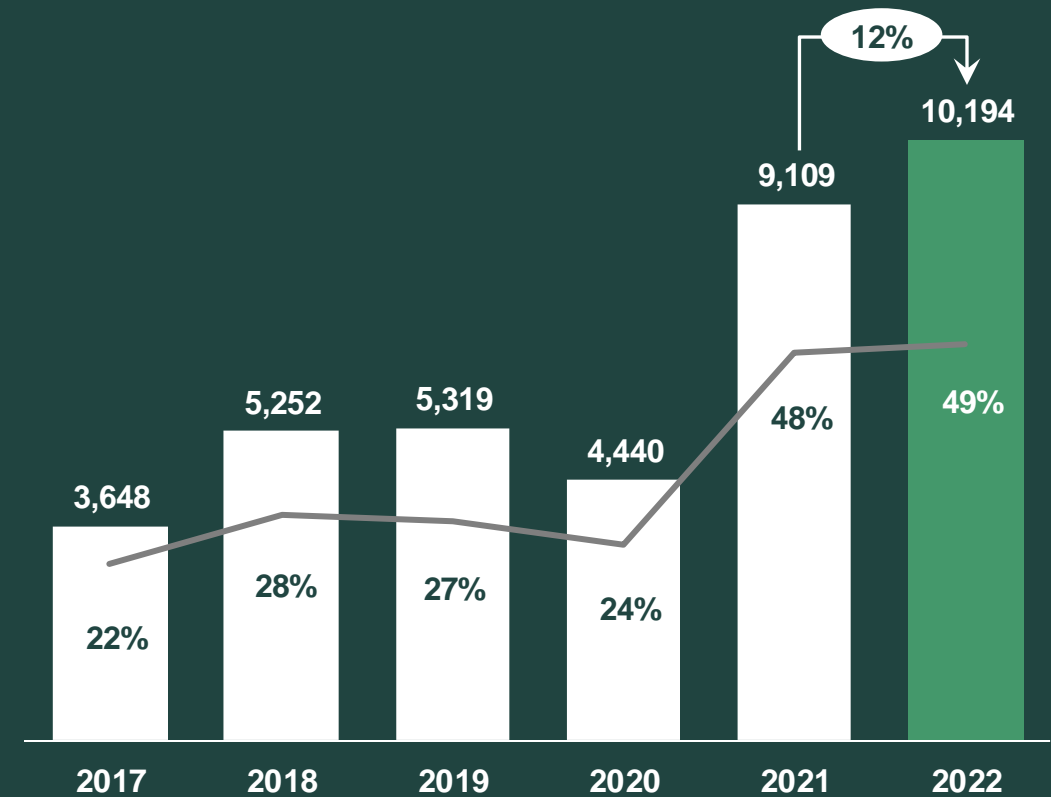
- Investment in own wind power, Markbygden
- Ongoing investment in biofuels

Increased forest land values

EBITDA increased 12% vs 2021

Sales increased 10% vs 2021

EBITDA (SEKm) and EBITDA margin



SCA's performance 2022

EBITDA (SEKm)

10,194
(9,109)

Industrial ROCE ¹

40%
(33%)

Proposed dividend (SEK)

2.50
Ordinary Extra
(2.25) (1.00)

EBITDA margin

49%
(48%)

Net debt/EBITDA

1.0x
(0.9x)

EPS (SEK)

9.61
(8.46)

SCA's performance Q4 2022

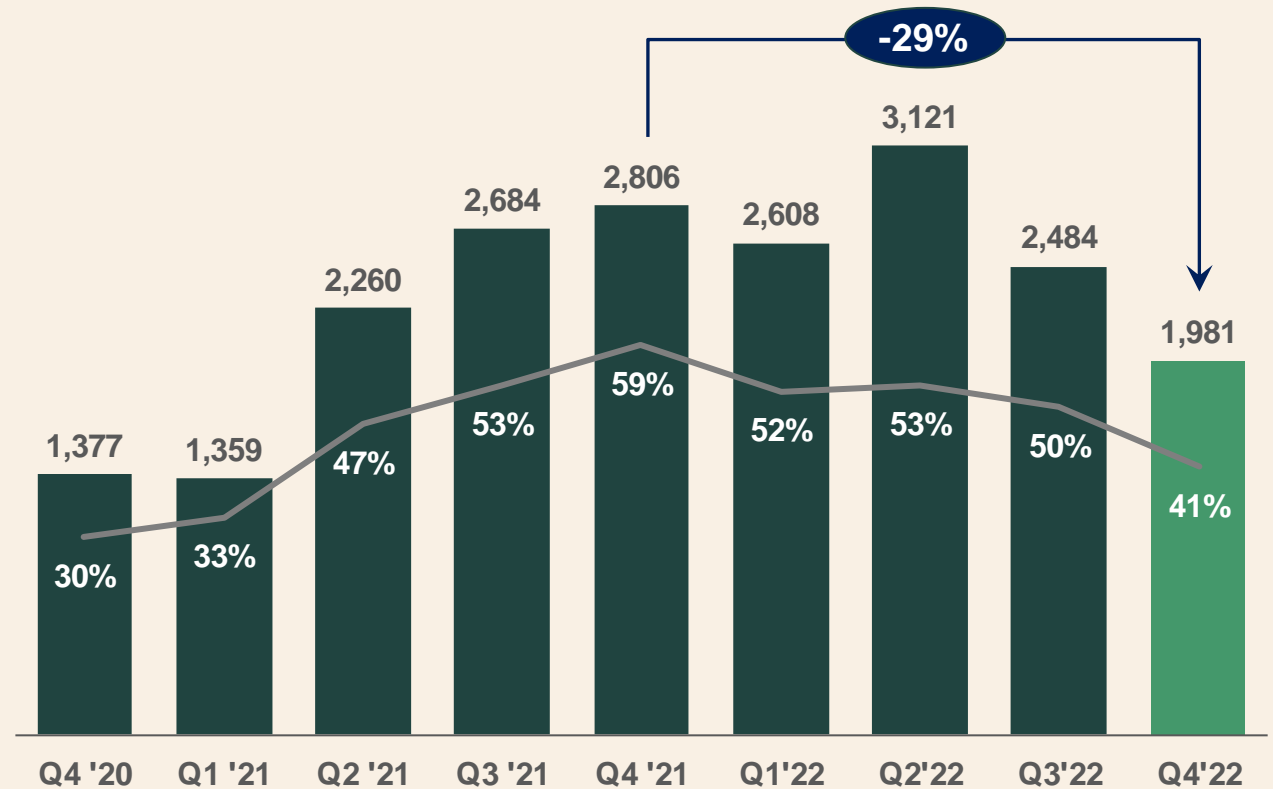
EBITDA (SEKm)

1,981

Industrial ROCE ¹

24%

EBITDA (SEKm) and EBITDA margin



EBITDA margin

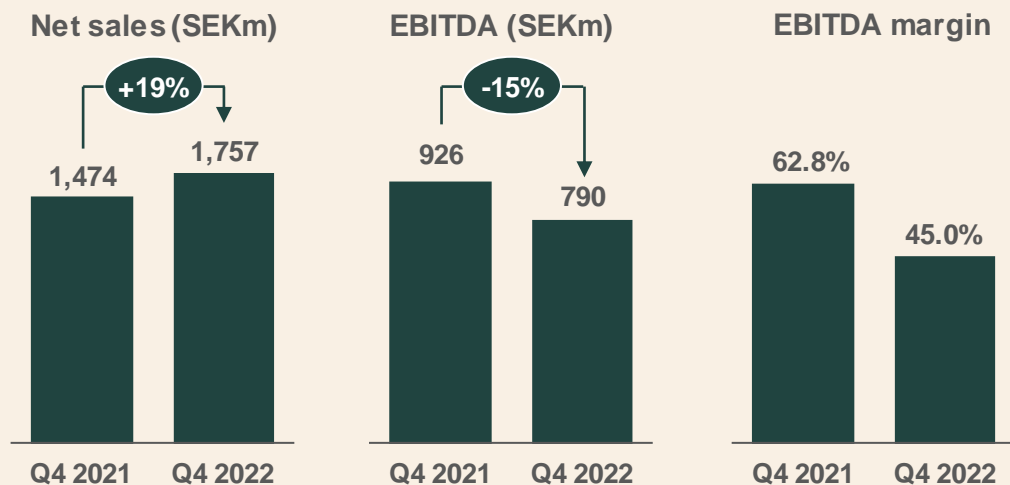
41%

Net debt/EBITDA

1.0x

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

Forest Q4 2022 vs. Q4 2021



Stable wood supply to industries

Increasing wood prices

Sales up 19%

+ Higher prices

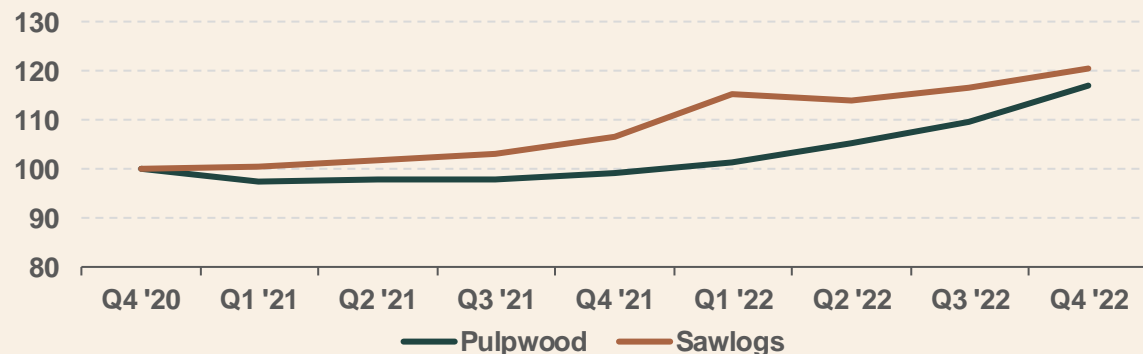
EBITDA down 15%

- Lower revaluation of biological assets

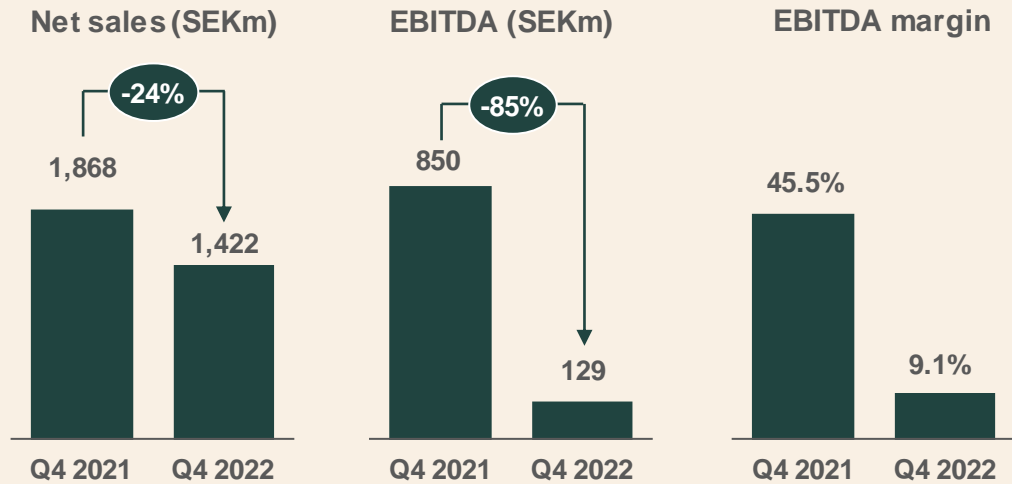
- Higher transportation and harvesting costs, driven by higher fuel prices

+ Higher harvesting level own forest

Price development – Pulpwood and Sawlogs



Wood Q4 2022 vs. Q4 2021



Low global demand – SCA has maintained normal deliveries

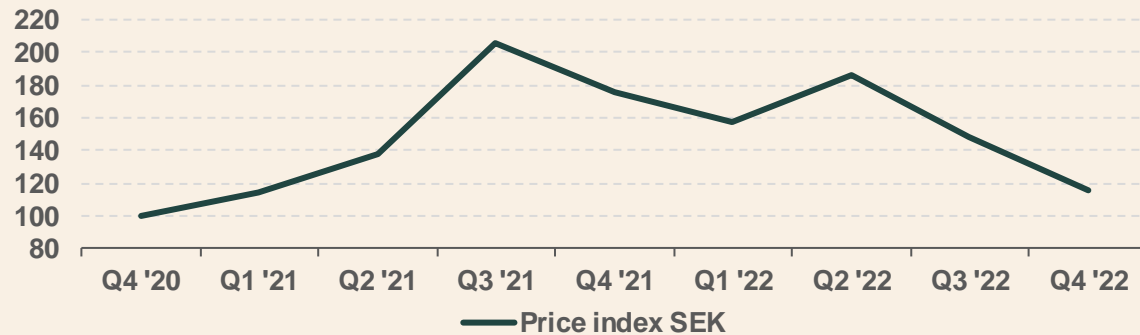
Sales down 24%

- Lower prices
- + Higher volumes

EBITDA down 85%

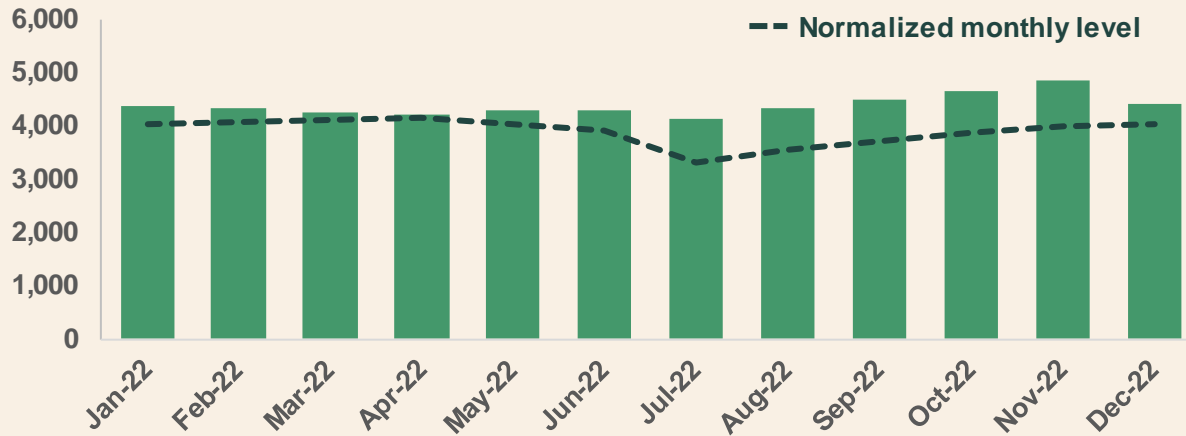
- Lower prices
- Higher costs of wood raw material
- + Higher volumes

Price development – Solid Wood Products

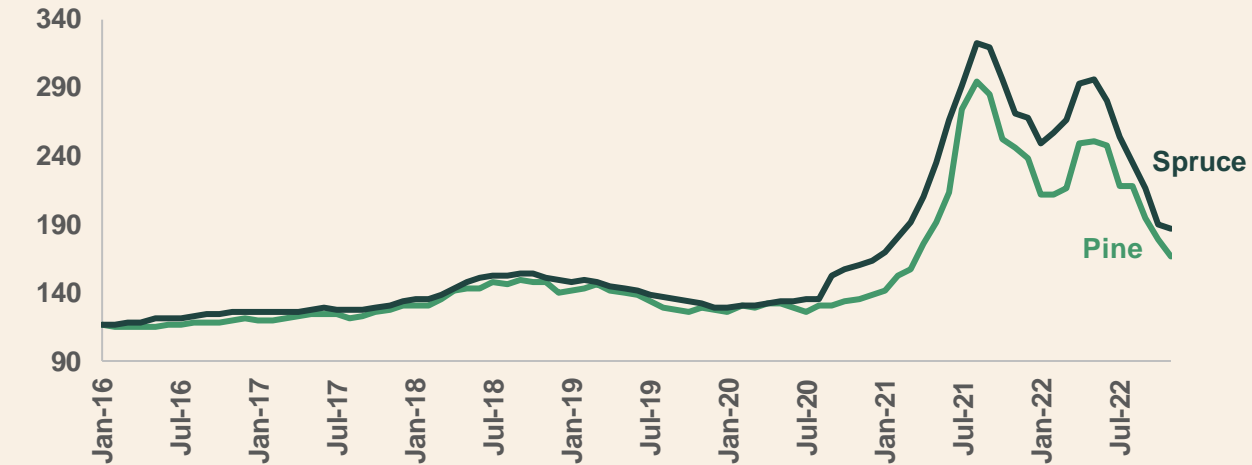


Wood market development

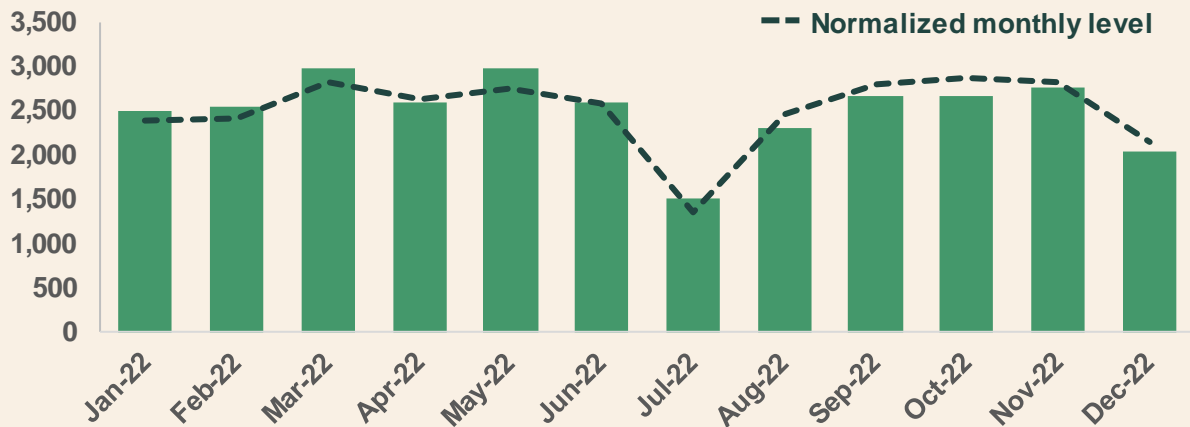
Stock of sawn pine and spruce wood, Sweden and Finland (k m³)



Price development sawn pine and spruce, Sweden (index)



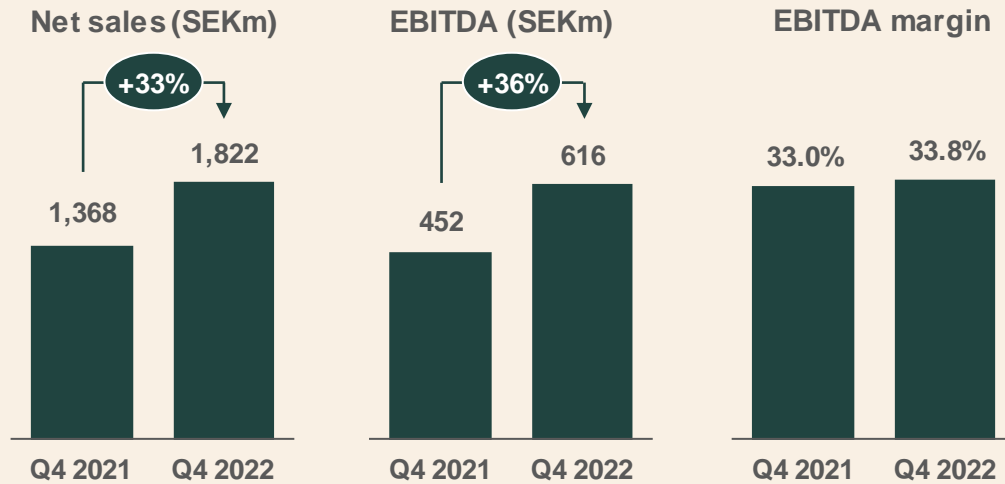
Production of sawn pine and spruce wood, Sweden and Finland (k m³)



- Sanction of Russian and Belarus imports effective from July
- High Scandinavian stock levels
- Several Scandinavian producers announced production curtailments during Q4

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

Pulp Q4 2022 vs. Q4 2021



Higher prices

Sales up 33%

- + Higher prices
- + Positive currency effects

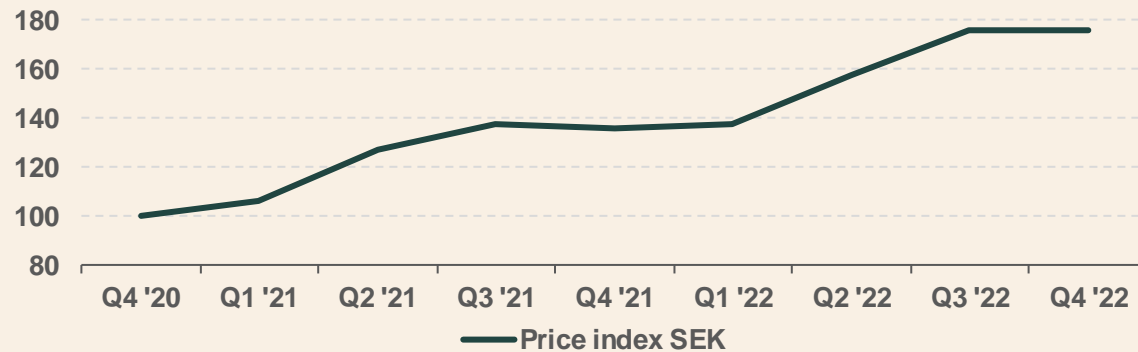
EBITDA up 36%

- + Higher prices
- + Positive currency effects
- Planned maintenance stop

Unplanned production stop impacts volumes and energy production in Q4 2022 and Q1 2023

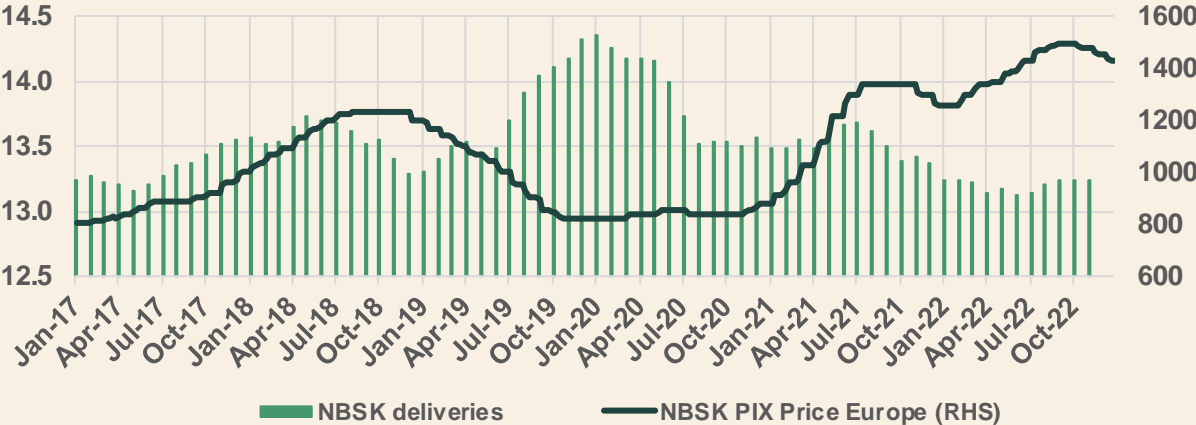
Start up of CTMP Ortviken

Price development – NBSK Pulp

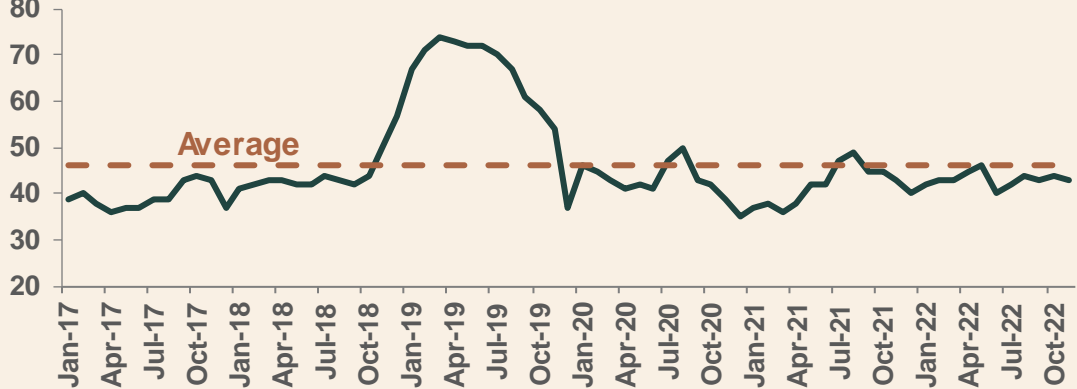


Pulp market development

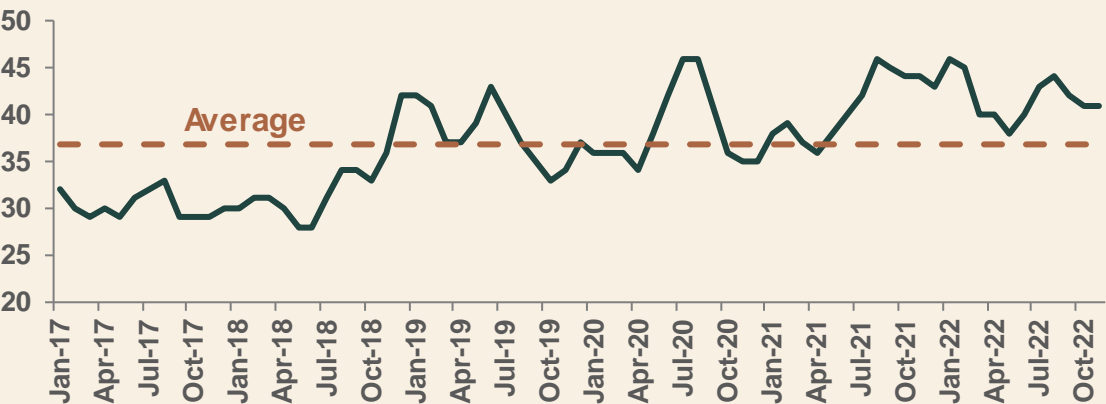
NBSK pulp price (USD/t) vs deliveries (Mt)



Hardwood pulp inventories (days of supply)



Softwood pulp inventories (days of supply)

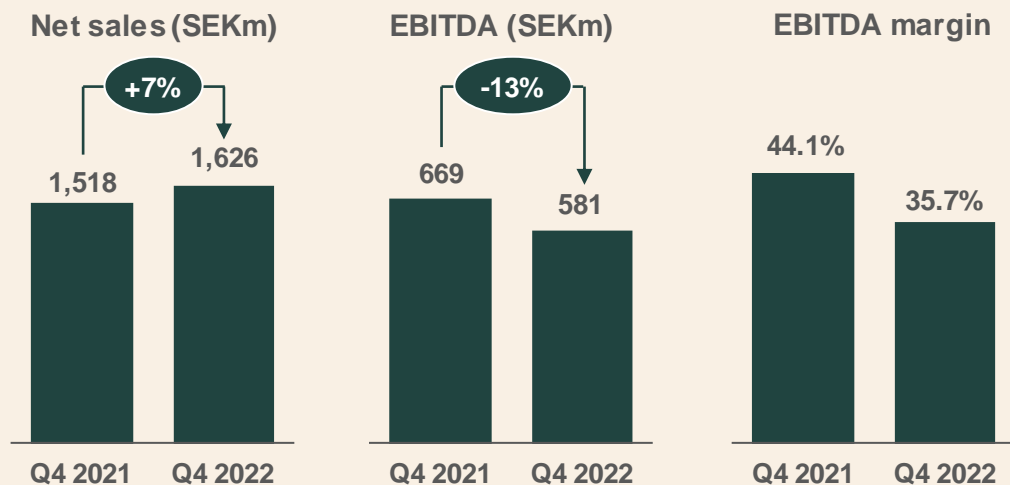


- Declining prices on all markets but still on good levels
- Less demand, mainly in Europe
- Weakening supply from competitors in Canada
- Inventories on normal levels

Source: PIX, PPPC.



Containerboard Q4 2022 vs. Q4 2021



Start up of new paper machine in Obbola in Q4 2022, one quarter ahead of schedule

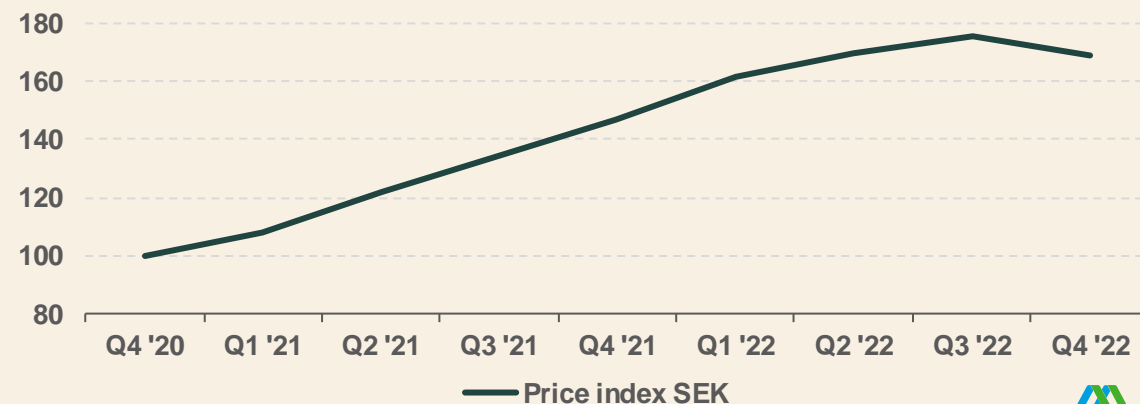
Sales up 7%

- + Higher prices
- Lower delivery volumes

EBITDA down 13%

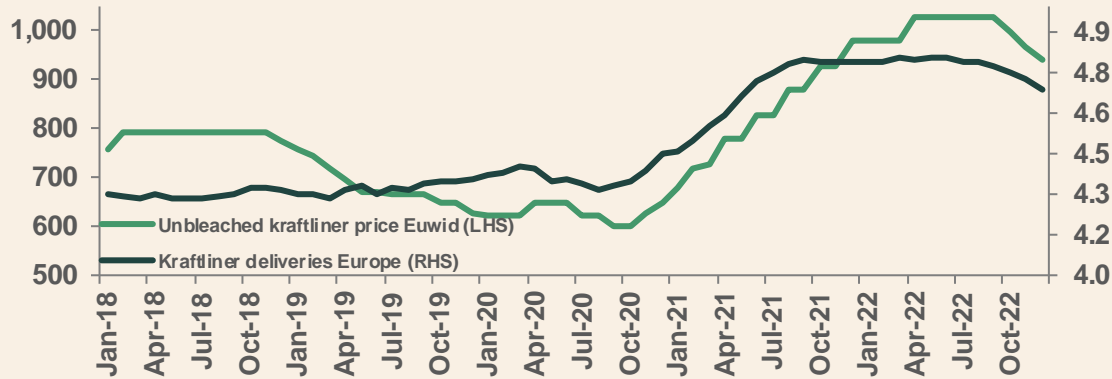
- Lower production and delivery volumes due to start up
- Higher energy costs

Price development – Kraftliner



Containerboard market development

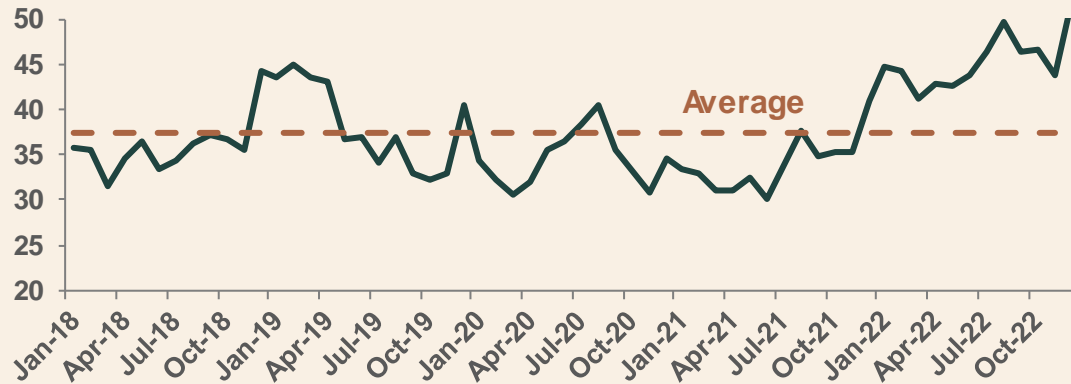
Price (EUR/t) vs Kraftliner deliveries (Mt)



European Box demand (index)



Kraftliner inventories (days of supply)



- Box demand decline mainly due to weakening retail demand
- Inventories of Kraftliner on stable, but high, levels
- Short term decline but still a long-term growth of Containerboard deliveries

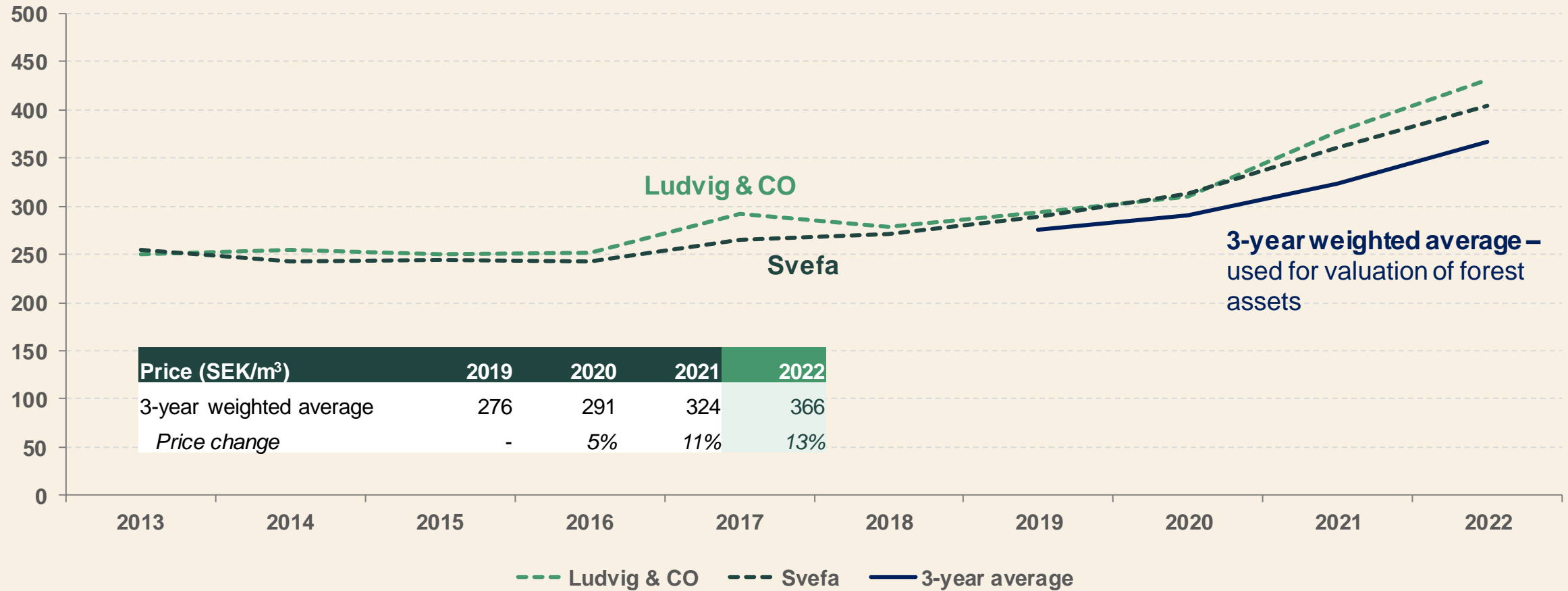
Figures excluding Russia.
Source: Euwid, Numera, Cepi.

Andreas Ewertz, CFO



Forest prices have continued to increase in Northern Sweden

Forest land values – average in areas where SCA owns forest land (SEK/m³)



Value of forest assets increased to SEK 98 bn

- increase of SEK ~13bn since 2021

Higher transaction prices for forest assets in Northern Sweden

366 SEK/m³fo at Dec 31 2022

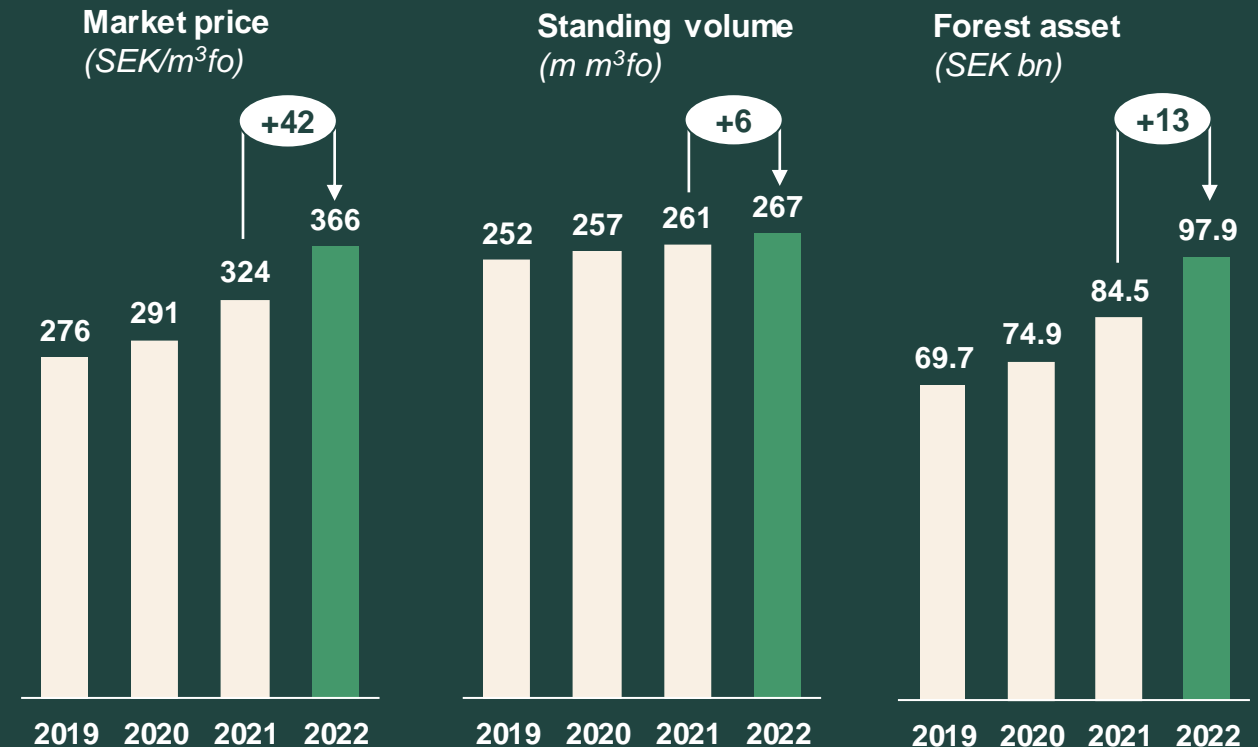
- Average three year transaction price in SCAs region

Standing volume increased 2% to 267m³fo

- Net growth and acquisitions in the Baltics

SCAs forest assets valued SEK ~98bn

- Value increase of 13.4bn of which 1.8bn biological assets



Income statement

SEKm	Quarter			Full year		
	Q4 2022	Q4 2021	Change	2022	2021	Change
Net sales	4,873	4,763	2%	20,794	18,822	10%
EBITDA	1,981	2,806	-29%	10,194	9,109	12%
<i>EBITDA margin</i>	40.6%	58.9%	-18.3 p.p.	49.0%	48.4%	0.6 p.p.
EBIT	1,590	2,408	-34%	8,642	7,634	13%
<i>EBIT margin</i>	32.6%	50.6%	-18.0 p.p.	41.6%	40.6%	1.0 p.p.
Financial items	-22	-28		-39	-107	
Profit before tax	1,568	2,380	-34%	8,603	7,527	14%
Tax	-353	-385		-1,782	-1,426	
Profit for the period	1,215	1,995	-39%	6,821	6,101	12%
Earnings per share, SEK	1.76	2.77		9.61	8.46	

Proposed Dividend

Proposed dividend (SEK)

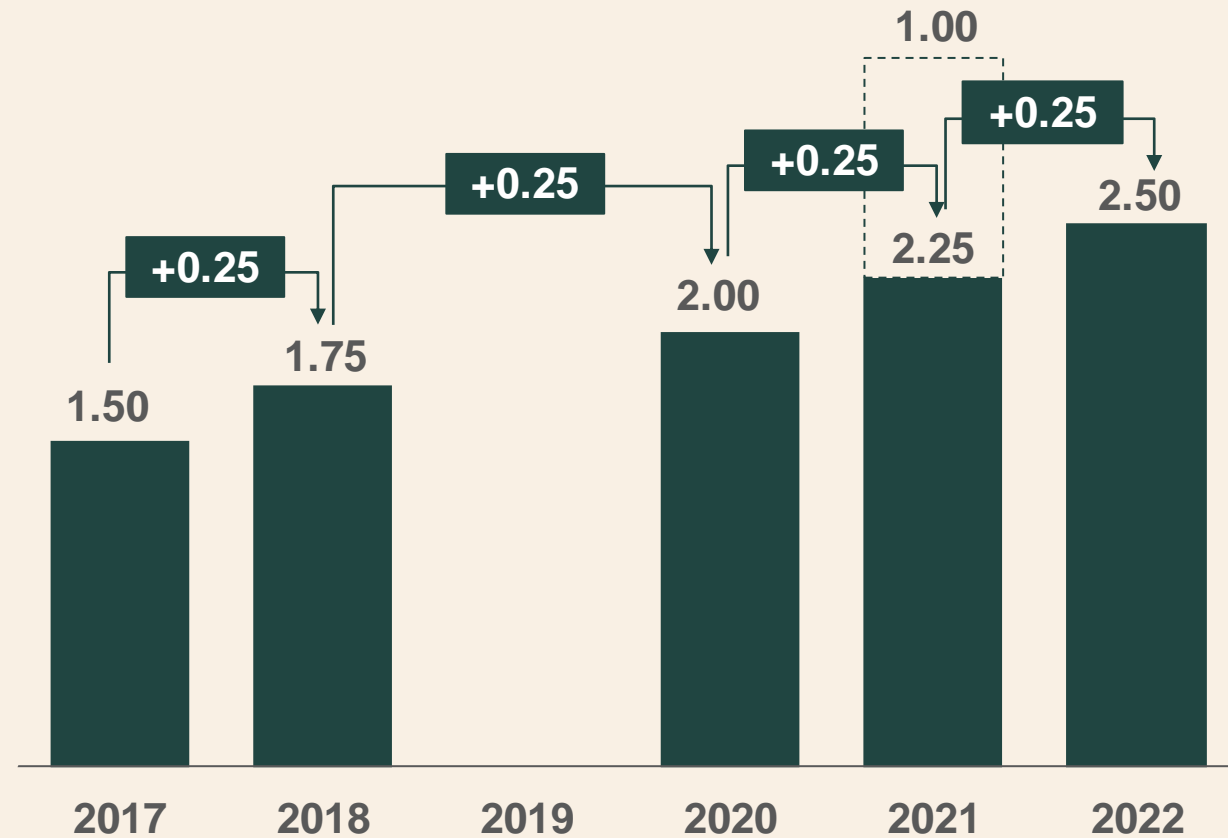
2.50

Ordinary Extra
(2.25) (1.00)

EPS (SEK)

9.61

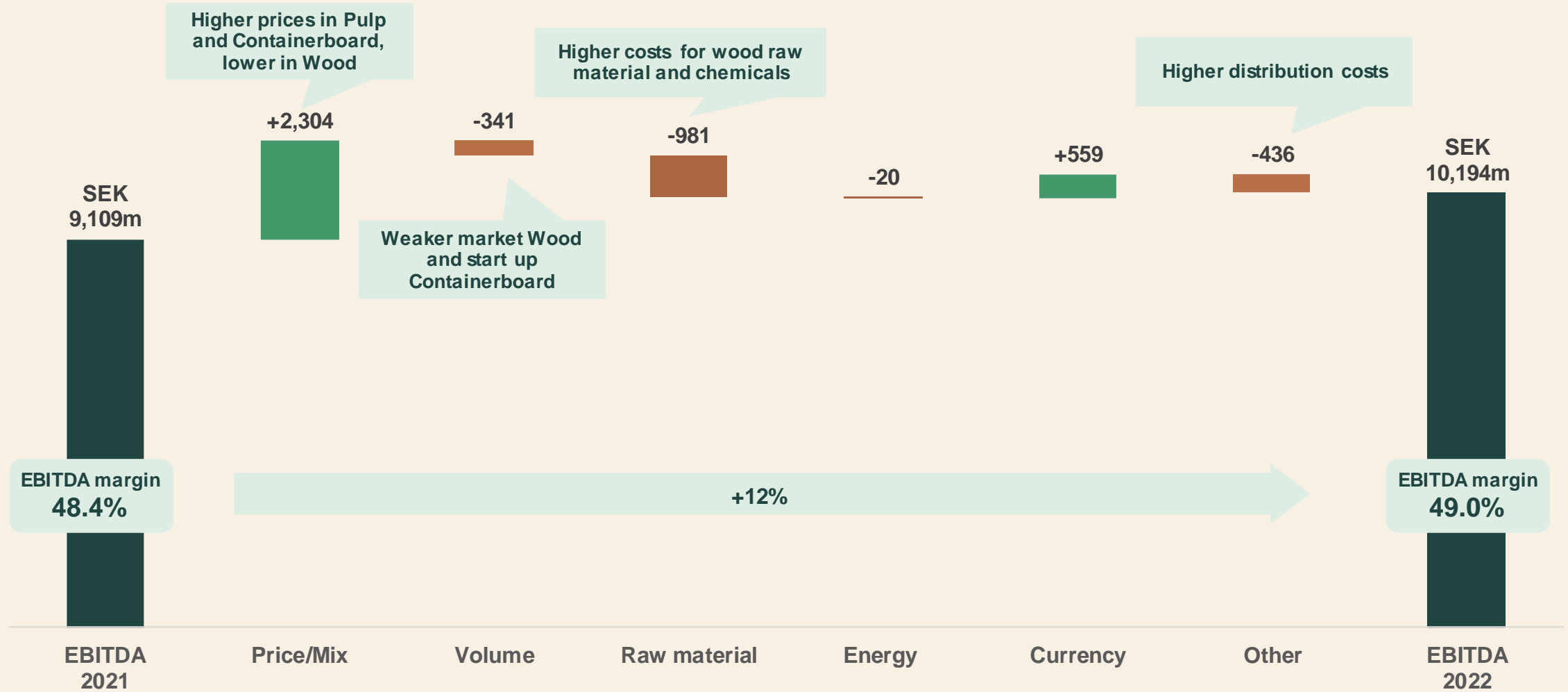
(8.46)



Net sales 2022 vs. 2021



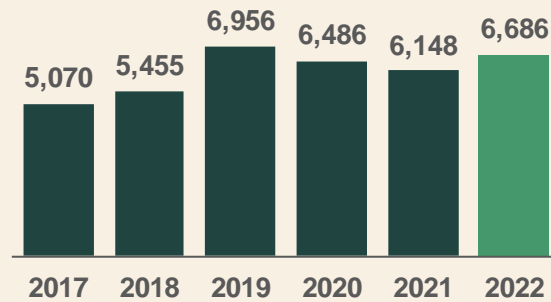
EBITDA 2022 vs. 2021



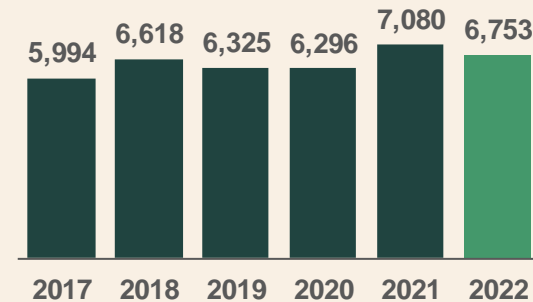
Contribution by segment

Forest

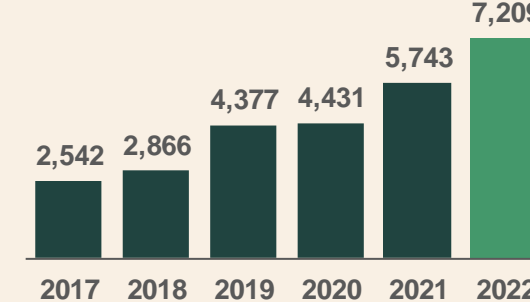
Net sales (SEKm)



Wood



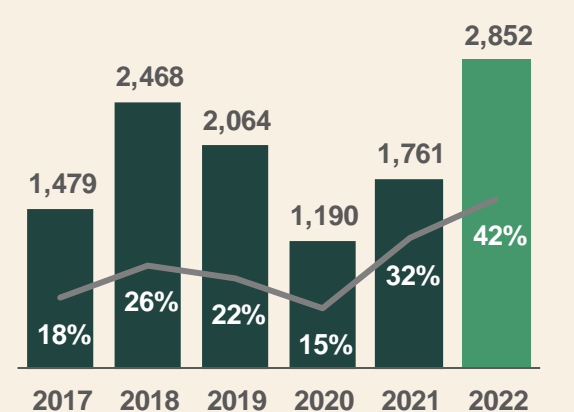
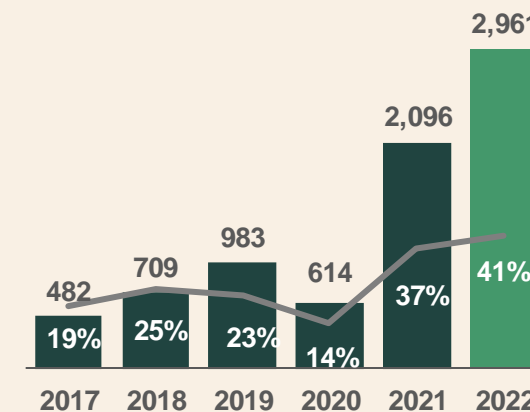
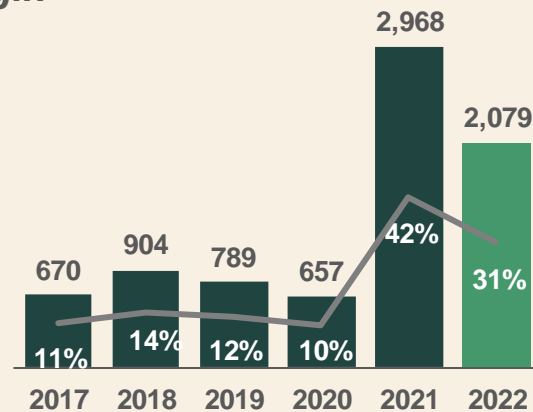
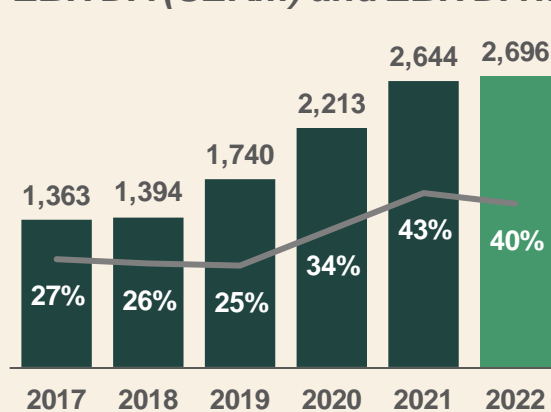
Pulp



Containerboard/Paper¹

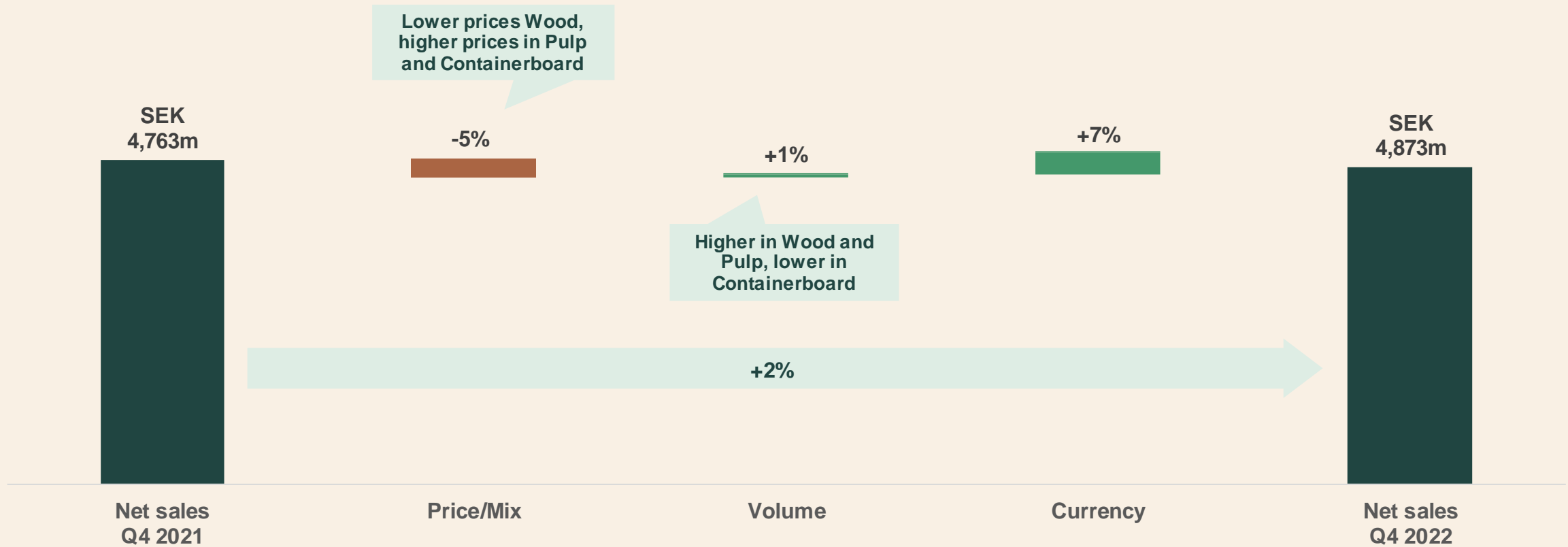


EBITDA (SEKm) and EBITDA margin

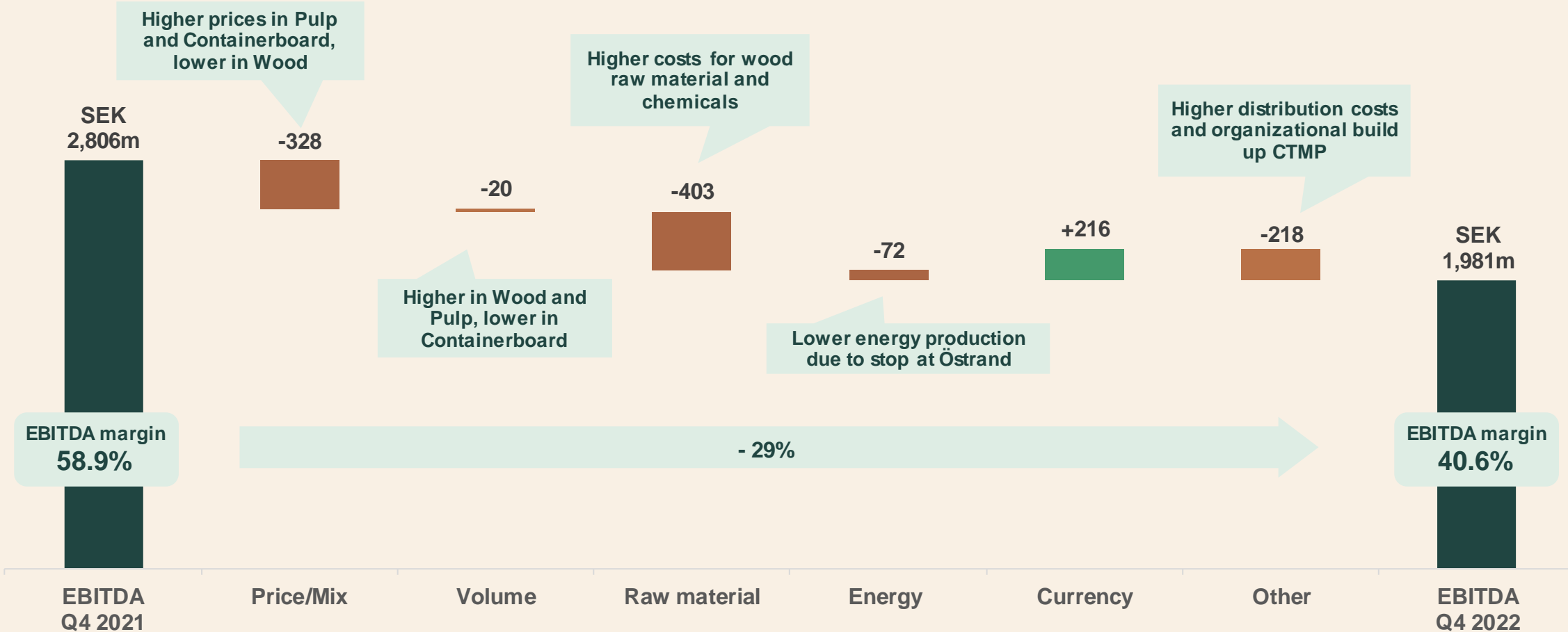


1. Segment Paper changed name to Containerboard from 1st of January 2021. Publication Paper included in figures up to and including 2020.

Net sales Q4 2022 vs. Q4 2021



EBITDA Q4 2022 vs. Q4 2021



Cash flow

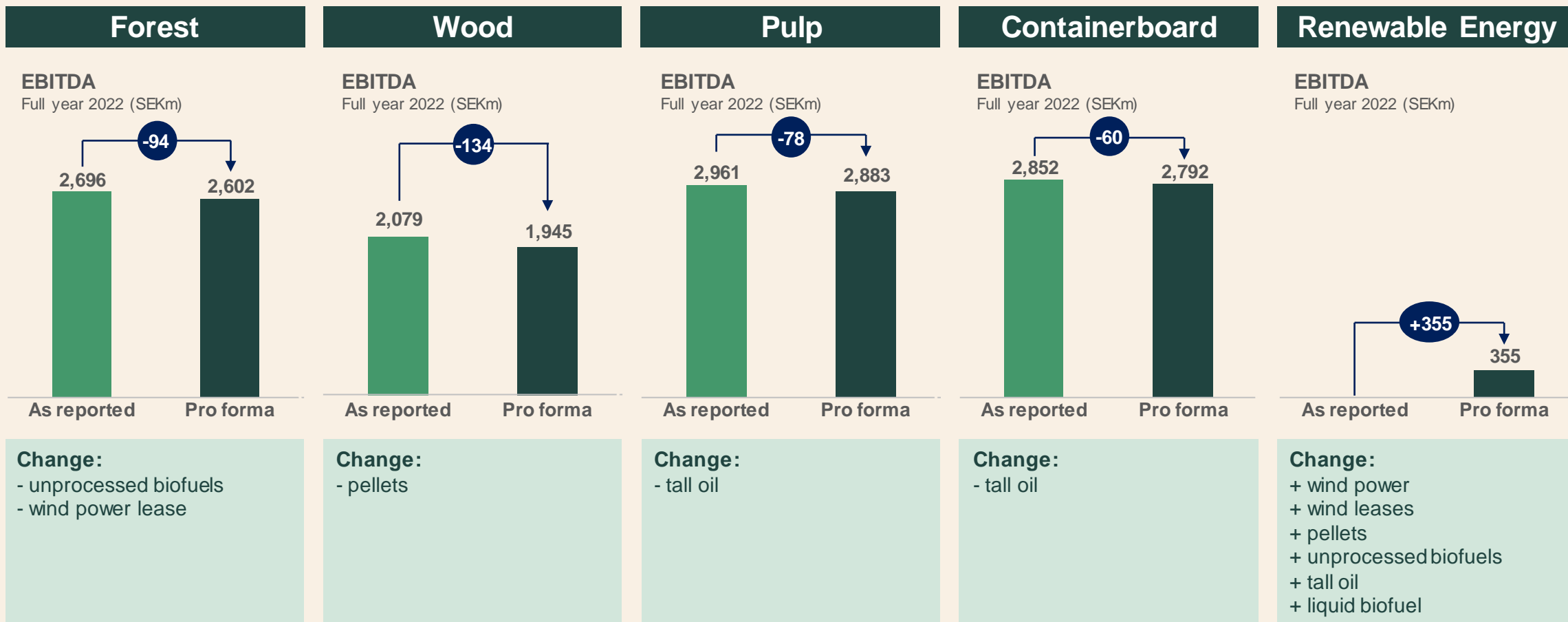
SEKm	Quarter		Full Year	
	Q4 2022	Q4 2021	2022	2021
EBITDA	1,981	2,806	10,194	9,109
Revaluation of biological assets and other non cash flow items	-459	-744	-1,863	-1,883
Operating cash surplus	1,522	2,062	8,331	7,226
Change in working capital	-604	324	-1,328	-306
Restructuring costs	-2	-58	-40	-394
Current capital expenditures	-439	-432	-1,436	-1,236
Other operating cash flow	250	-133	158	-74
Operating cash flow	727	1,763	5,685	5,216
Strategic capital expenditures	-2,259	-1,484	-4,351	-3,723

Balance sheet

SEKm	Dec 30, 2022	Dec 31, 2021
Forest assets	97,882	84,497
Working capital	4,138	2,823
Deferred tax relating to forest assets	-19,468	-16,905
Other capital employed	23,795	20,392
Total capital employed	106,347	90,807
Net debt	9,989	7,752
<i>Net debt/EBITDA</i>	1.0x	0.9x
Equity	96,358	83,055
<i>Net debt/Equity</i>	10%	9%

Renewable Energy new segment from 2023

Financial impact on segments



Segment Other: As reported -394 SEKm, Pro forma -383 SEKm.

Summary

Ulf Larsson, CEO

Summary 2022

Best result ever

- Strong demand and high prices
- Good cost control and high degree of self sufficiency
- Strong operating cash flow financing strategic investments

Kraftliner expansion in Obbola, CTMP expansion at Ortviken and Bollsta grading mill up and running

Growth in renewable energy – new segment 1st of Jan 2023

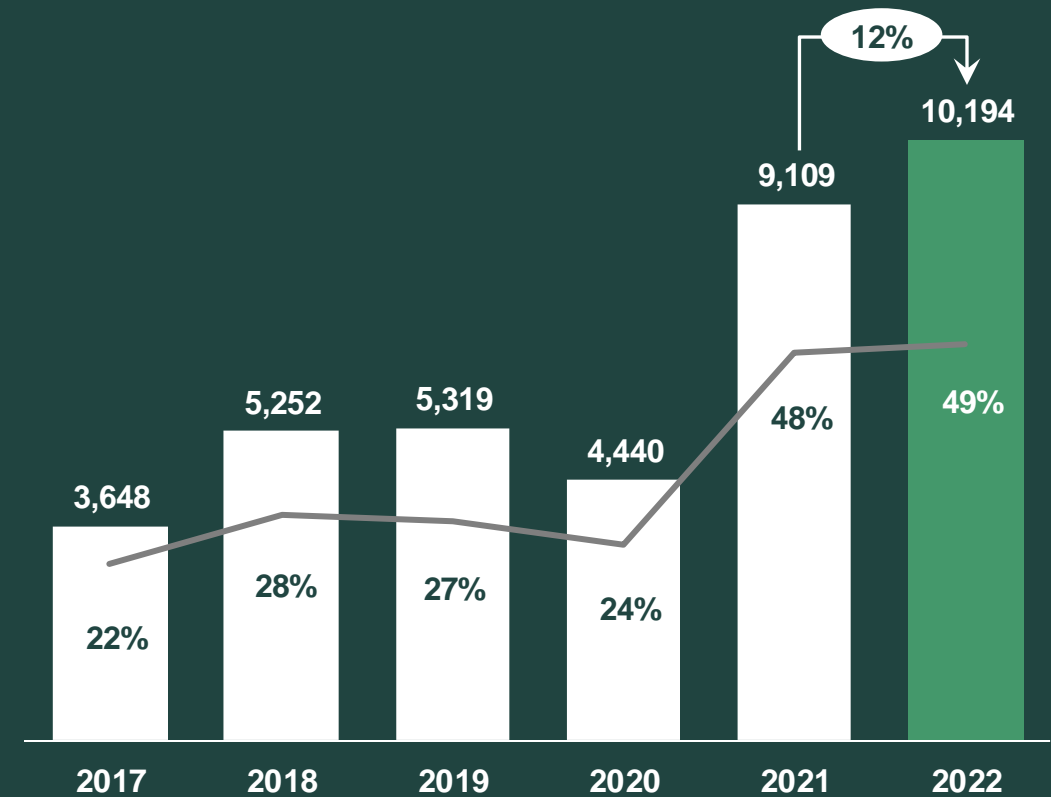
- Investment in own wind power, Markbygden
- Ongoing investment in biofuels

Increased forest land values

EBITDA increased 12% vs 2021

Sales increased 10% vs 2021

EBITDA (SEKm) and EBITDA margin



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.