



# Interim report Q1 2023

## January–March 2023 compared with January–March 2022

- Net sales amounted to SEK 4,813m (5,015). The decrease was mainly related to lower selling prices for solid-wood products and containerboard.
- EBITDA declined 21% to SEK 2,055m (2,608). The change was mainly attributable to lower selling prices. Growth in renewable energy and strong earnings in forest operations, primarily based on a high degree of self-sufficiency in wood raw material, had a positive impact on earnings. EBITDA margin was 42.7% (52.0).
- Operating profit amounted to SEK 1,596m (2,223).
- Operating cash flow increased to SEK 1,203m (1,143) and continued to finance ongoing strategic capital expenditures.
- Earnings per share was SEK 1.74 (2.45).

## January–March 2023 compared with October–December 2022

- Net sales amounted to SEK 4,813m (4,873). The change was mainly attributable to lower selling prices for pulp and containerboard, which were offset by higher delivery volumes.
- Higher delivery volumes and growth in renewable energy had a positive earnings effect. EBITDA increased 4% to SEK 2,055m (1,981). Good control over SCA's own value chain with a high degree of self-sufficiency in wood, energy and logistics yielded a controlled cost development. EBITDA margin increased to 42.7% (40.6).

## KEY FIGURES

SEKm	Quarter				
	2023:1	2022:1	%	2022:4	%
Net sales	4,813	5,015	-4	4,873	-1
EBITDA	2,055	2,608	-21	1,981	4
<i>EBITDA margin, %</i>	42.7	52.0		40.6	
Operating profit	1,596	2,223	-28	1,590	0
Net Profit	1,213	1,760	-31	1,215	0
<i>Earnings per share SEK</i>	1.74	2.45		1.76	
Operating cash flow	1,203	1,143		726	
Net Debt / EBITDA (LTM)	1.2x	1,0x		1.0x	

## SUMMARY OF THE FIRST QUARTER OF 2023

Higher delivery volumes and growth in renewable energy had a positive earnings effect. Earnings for the first quarter of 2023 were in line with the preceding quarter but were weaker year on year. SCA's high degree of self-sufficiency in wood, energy and logistics contributed toward stability and good cost control while lower selling prices for solid-wood products and containerboard had a negative impact on earnings compared to previous quarter. SCA is continuing to develop its integrated value chain through investments in renewable energy. Renewable Energy was reported as a separate segment from the first quarter of 2023.

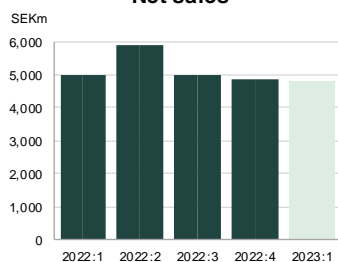
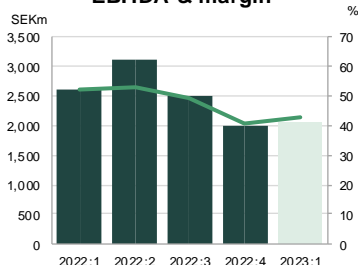
The supply of wood raw material to SCA's industries was stable during the quarter. The price of pulpwood and sawlogs continued to increase.

Demand for solid-wood products remained weak in all customer segments and in most regions during the first quarter. Selling prices were stable compared with the preceding quarter. However, earnings were strengthened through an improved product mix.

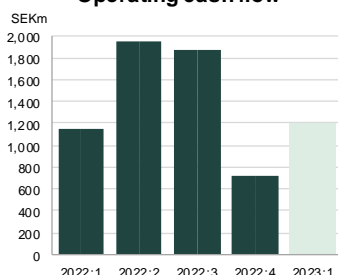
Demand in the Pulp segment remained weak, which resulted in lower selling prices compared with the preceding quarter. This was partly offset by positive mix effects with a high share of sales to SCA's core markets. The new CTMP facility at the Ortviken site in Sundsvall, which began operating during the preceding quarter, contributed toward higher delivery volumes.

Demand for kraftliner continued to decline during the period as a result of lower demand for packaging material. The lower demand meant the average selling price for kraftliner was lower in the first quarter of 2023 than in the preceding quarter. During the fourth quarter of 2022, the new paper machine at Obbola began operating, one quarter ahead of schedule. The ramp up of the paper machine is proceeding as planned but is causing momentarily planned higher operating expenditures compared with previous quarters.

Seasonally higher demand in renewable energy contributed towards rising prices. At the beginning of the year, possession was taken of the wind farm in Markbygden, and this made a positive contribution to the earnings trend during the first quarter of 2023.

**Net sales****EBITDA & margin****Change in net sales (%)**

	2023:1 vs 2022:1	2023:1 vs 2022:4
<b>Total</b>	<b>-4</b>	<b>-1</b>
Price/mix	-9	-9
Volume	-1	6
Currency	6	2

**Operating cash flow****GROUP****SALES AND OPERATING PROFIT****January–March 2023 compared with January–March 2022**

Net sales amounted to SEK 4,813m (5,015), a change of -4%, of which price/mix accounted for -9%, currency +6% and volume -1%. The decrease was related to lower selling prices in solid-wood products and containerboard as well as slightly lower delivery volumes, which were offset by positive exchange rate effects.

EBITDA decreased to SEK 2,055m (2,608), corresponding to an EBITDA margin of 42.7% (52.0). The change was mainly attributable to lower selling prices in solid-wood products and containerboard as well as higher raw material costs. Growth in renewable energy, higher earnings for Forest and exchange rate effects had a positive earnings effect. The cost of planned maintenance stops was SEK 21m (0).

Operating profit amounted to SEK 1,596m (2,223). Depreciation increased to SEK 459m (385) due to commissioned strategic capital expenditures.

**January–March 2023 compared with October–December 2022**

Net sales decreased to SEK 4,813m (4,873), a change of -1%, of which price/mix accounted for -9%, volume +6% and currency +2%. The decline was attributable to lower selling prices in containerboard and pulp, which were offset by higher delivery volumes.

EBITDA increased to SEK 2,055m (1,981), corresponding to an EBITDA margin of 42.7% (40.6). The increase was mainly related to higher delivery volumes and growth in renewable energy, which were offset by lower selling prices. The cost of planned maintenance stops was SEK 21m (145).

Operating profit amounted to SEK 1,596m (1,590).

**CASH FLOW****January–March 2023 compared with January–March 2022**

The operating cash surplus amounted to SEK 1,597m (2,117). The cash flow effect of changes in working capital was SEK -150m (-624). Current capital expenditures, net, totaled SEK -279m (-248). Operating cash flow was SEK 1,203m (1,143) (see Note 9).

Strategic capital expenditures totaled SEK -535m (-597) (see page 5) and company and asset acquisitions totaled SEK -61m (-485). Paid tax was SEK -204m (-250). Cash flow for the period was SEK 37m (106) (see page 15).

**FINANCING**

At March 31, 2023, net debt totaled SEK 11,187m, an increase during the quarter of SEK 1,198m. The increase mainly relates to the approved dividend, which had not been paid by the end of the quarter. Net debt in relation to EBITDA amounted to 1.2x compared with 1.0x in the preceding quarter and 1.0x in the preceding year.

At March 31, 2023, gross debt amounted to SEK 14,268m with an average maturity of 3.7 years (including the lease liability). The loan structure consists of commercial paper, bonds and bilateral bank loans.

Unutilized credit facilities amounted to approximately SEK 7.8bn at March 31, 2023, of which the largest facility falls due in 2026. In the first quarter, financial items totaled SEK -59m compared with SEK -15m in the year-earlier period.

**TAX****January–March 2023 compared with January–March 2022**

The Group's tax expense amounted to SEK 324m (448), corresponding to an effective tax rate of 21.1% (20.3).

**EQUITY****January–March 2023**

Equity decreased by SEK 333m during the period to SEK 96,025m at March 31, 2023. Equity decreased by SEK 1,756m due to the approved dividend, increased due to comprehensive income for the period of SEK 1,427m and decreased due to other items of SEK 4m.

## CURRENCY EXPOSURE AND CURRENCY HEDGING

Due to a high proportion of exports, SCA's operations are exposed to various currencies. About 90% of sales are priced in currencies other than SEK, primarily EUR, USD and GBP. Most purchasing is conducted in SEK, but some purchasing is carried out in foreign currencies. To reduce the risk of a weaker SEK, all balance sheet items in foreign currency are hedged, as well as major decided and contracted expenses in foreign currency for investments in fixed assets. Added to this, a share of future net flows in the main currencies is hedged and, in some cases, for special order flows.

For EUR, the company has hedged about 85% of the expected net exposure from sales minus purchases until the end of the third quarter of 2023, as well as approximately 60% for the fourth quarter of 2023 and approximately 40% for the first quarter of 2024.

For USD, the company has hedged about 75% of the expected net exposure from sales minus purchases until the end of the third quarter of 2023, as well as approximately 40% for the fourth quarter of 2023 and approximately 20% for the first quarter of 2024.

For GBP, the company has hedged about 50% of the expected net exposure from sales minus purchases until the end of the third quarter of 2023.

The average exchange rates used for currency hedging was SEK 11.01 (EUR), SEK 10.50 (USD) and SEK 12.34 (GBP)

## PLANNED MAINTENANCE STOPS

In the first quarter of 2023, one planned maintenance stop was carried out at the paper mill in Obbola (Containerboard). The estimated effect of the planned maintenance stops on earnings, calculated as the sum of the direct cost of the maintenance and the effect from lower fixed cost coverage from reduced production during the stops, is shown in the table below.

SEKm	Actual				Total
	2022:1	2022:2	2022:3	2022:4	
Pulp	0	0	26	145	171
Containerboard	0	67	62	0	129
<b>Total</b>	<b>0</b>	<b>67</b>	<b>88</b>	<b>145</b>	<b>300</b>

SEKm	Actual	Forecast			Total
	2023:1	2023:2	2023:3	2023:4	
Pulp	0	0	30	150	180
Containerboard	21	80	65	0	166
<b>Total</b>	<b>21</b>	<b>80</b>	<b>95</b>	<b>150</b>	<b>346</b>

## STRATEGIC CAPITAL EXPENDITURES

### **SCA invests in the Obbola kraftliner mill**

The new paper machine in Obbola began operating in the fourth quarter of 2022, which was one quarter ahead of schedule. The new recovered fiber line, which is necessary to reach full capacity at Obbola, is being constructed on schedule and is expected to be completed in the first half of 2023. The project is progressing on budget.

### **SCA invests in the production and development of biofuels**

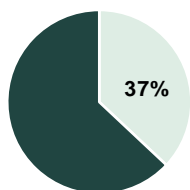
SCA invests in a jointly owned biorefinery in Gothenburg. The biorefinery is under construction and the project is progressing according to plan. The facility is expected to begin operations at the end of 2023.

## OTHER

### **Renewable Energy new reporting segment**

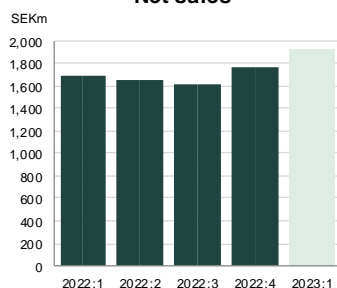
As of January 1, 2023, Renewable Energy is a new reporting segment. The decision is in line with SCA's communicated ambition to grow and realize business opportunities in renewable energy. The Renewable Energy segment encompasses the production and sale of refined and unrefined biofuels as well as liquid biofuels, activities in, and income related to, SCA's wind power activities and sales of green products for the purpose of energy production from SCA's industries. Due to the new segment, comparative periods have been recalculated.

### Share of EBITDA Jan-Mar 2023\*

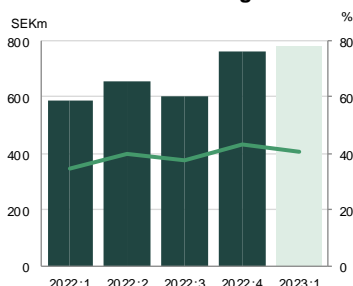


\* share calculated of total EBITDA excluding central costs

### Net sales



### EBITDA & margin



## FOREST

SCA is Europe's largest private forest owner with a holding of 2.7 million hectares of forest land in Northern Sweden and the Baltic region. SCA's unique forest holding is a growing resource that provides access to high-quality forest raw materials while absorbing a net of more than 10% of Sweden's fossil CO<sub>2</sub> emissions.

SEKm	Quarter				
	2023:1	2022:1	%	2022:4	%
Net sales	1,931	1,691	14	1,760	10
EBITDA	781	586	33	761	3
Depreciation	-58	-55	5	-57	2
Operating profit	723	531	36	704	3
EBITDA margin, %	40.4	34.7		43.2	
Operating margin, %	37.4	31.4		40.0	
Return on capital employed, %	3.6	3.1		3.7	
Harvesting of own forest, thousand m <sup>3</sup> sub	923	643	44	1,509	-39
Revaluation of biological assets <sup>1</sup>	462	454	2	475	-3

<sup>1</sup> Revaluation of biological assets are included in EBITDA.

The Forest segment includes net sales from timber sourced from SCA's own forests, and from timber purchased from other forest owners, which is sold internally to SCA's industrial operations. The pricing is based on an average of SCA's externally sourced timber prices.

### Harvesting of own forest

During the first quarter, the volume of timber harvested from SCA-owned forest was 0.9 million m<sup>3</sup>sub. The planned annual level of timber harvested in SCA-owned forest is expected to gradually increase from approximately 4.3 m<sup>3</sup>sub to approximately 5.4 million m<sup>3</sup>sub in 2025.

### Revaluation of forest assets

The revaluation of biological assets was SEK 462m in the first quarter of 2023. The revaluation of the forest assets is determined by the annual increase in standing volume (net growth) and the change in market price of forest land (see Note 3).

### January–March 2023 compared with January–March 2022

Net sales increased 14% to SEK 1,931m (1,691), primarily related to higher selling prices for sawlogs and pulpwood.

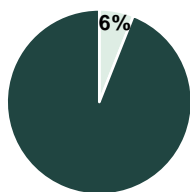
EBITDA increased 33% to SEK 781m (586). This increase was primarily attributable to a higher share of harvesting from SCA-owned forest and higher selling prices for sawlogs and pulpwood.

### January–March 2023 compared with October–December 2022

Net sales increased 10% to SEK 1,931m (1,760), primarily related to higher selling prices for sawlogs and pulpwood.

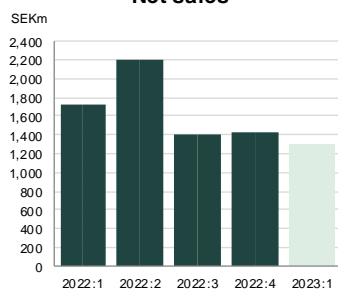
EBITDA increased 3% to SEK 781m (761). This increase was primarily attributable to higher prices for sawlogs and pulpwood, which were offset by a seasonably lower share of harvesting from SCA-owned forest.

### Share of EBITDA Jan-Mar 2023\*

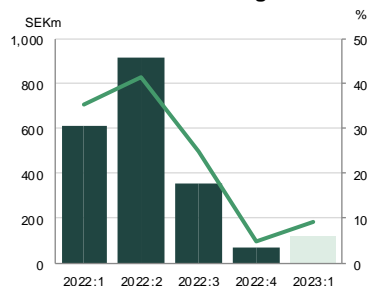


\* share calculated of total EBITDA excluding central costs

### Net sales



### EBITDA & margin



## WOOD

SCA is one of Europe's leading suppliers of wood-based products for the wood industry and building materials trade, with an annual production capacity of 2.2 m<sup>3</sup> of solid-wood products. SCA has five cost-efficient sawmills located close to its forest holdings in Northern Sweden, as well as wood processing and distribution to the building materials trade in Scandinavia and France

SEKm	Quarter				
	2023:1	2022:1	%	2022:4	%
Net sales	1,297	1,717	-24	1,422	-9
EBITDA	123	610	-80	71	73
Depreciation	-52	-59	-12	-56	-7
Operating profit	71	551	-87	15	373
EBITDA margin, %	9.5	35.5		5.0	
Operating margin, %	5.5	32.1		1.0	
Return on capital employed, %	8.3	60.2		1.7	
Deliveries, wood products, thousand m <sup>3</sup>	490	510	-4	541	-9

### January–March 2023 compared with January–March 2022

Net sales decreased 24% to SEK 1,297m (1,717). The decrease was primarily attributable to lower selling prices.

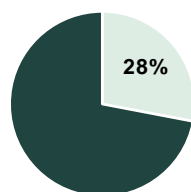
EBITDA declined 80% to SEK 123m (610), which was mainly attributable to lower selling prices and higher raw material costs.

### January–March 2023 compared with October–December 2022

Net sales declined 9% to SEK 1,297m (1,422). The change was primarily attributable to lower delivery volumes.

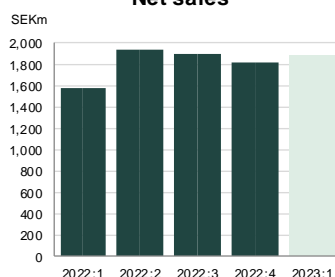
EBITDA increased 73% to SEK 123m (71). The improvement was mainly attributable to positive mix and exchange rate effects, which were offset by lower delivery volumes.

### Share of EBITDA Jan-Mar 2023\*

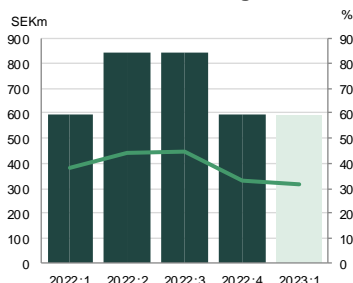


\* share calculated of total EBITDA excluding central costs

### Net sales



### EBITDA & margin



## PULP

SCA produces market pulp and chemi-thermomechanical pulp (CTMP) at Östrand pulp mill and the Ortvikén site in Sundsvall. The Östrand pulp mill is one of the largest and most cost-efficient production lines for Northern bleached softwood kraft pulp (NBSK) in the world and is also a net producer of green electricity and produces biochemicals such as tall oil and turpentine.

SEKm	Quarter				
	2023:1	2022:1	%	2022:4	%
Net sales	1,881	1,564	20	1,822	3
EBITDA	593	592	0	598	-1
Depreciation	-155	-146	6	-146	6
Operating profit	438	446	-2	452	-3
EBITDA margin, %	31.5	37.9		32.8	
Operating margin, %	23.3	28.6		24.8	
Return on capital employed, %	19.2	22.0		22.1	
Deliveries, pulp, thousand tonnes	225	218	3	200	13

### January–March 2023 compared with January–March 2022

Net sales increased 20% to SEK 1,881m (1,564). The increase was attributable to positive exchange rate effects, higher selling prices and higher delivery volumes.

EBITDA was in line with the year-earlier quarter and amounted to SEK 593m (592). The EBITDA margin decreased to 31.5% (37.9). Higher raw material costs were offset by the higher net sales. The cost of planned maintenance stops amounted to SEK 0m (0).

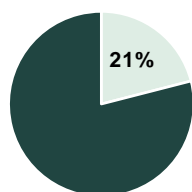
### January–March 2023 compared with October–December 2022

Net sales increased 3% to SEK 1,881m (1,822). The increase was primarily attributable to higher delivery volumes following the start-up of the new CTMP facility. Lower selling prices had a negative impact on net sales.

EBITDA was in line with the preceding quarter and amounted to SEK 593m (598). Lower selling prices and higher raw material costs were offset by higher delivery volumes and positive mix effects with a high share of sales to core markets. The new CTMP facility began operating toward the end of last year, which was one quarter ahead of schedule. The cost of planned maintenance stops was SEK 0m (145).

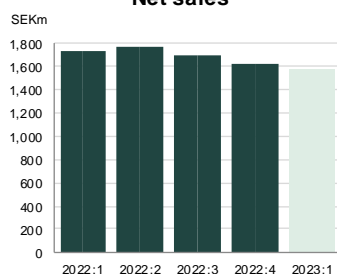


### Share of EBITDA Jan-Mar 2023\*

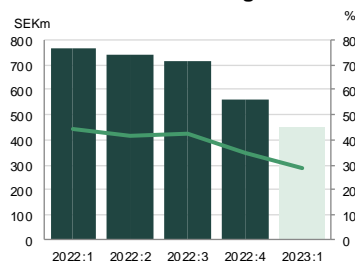


\* share calculated of total EBITDA excluding central costs

### Net sales



### EBITDA & margin



## CONTAINERBOARD

SCA produces kraftliner, renewable packaging paper, at the paper mills in Munksund and Obbola. SCA is Europe's largest independent producer of kraftliner, with a total capacity of 865,000 tonnes per year, which is expected to increase to 1,140,000 tonnes by 2026.

SEKm	Quarter				
	2023:1	2022:1	%	2022:4	%
Net sales	1,573	1,731	-9	1,626	-3
EBITDA	450	766	-41	565	-20
Depreciation	-168	-104	62	-110	53
Operating profit	282	662	-57	455	-38
EBITDA margin, %	28.6	44.3		34.7	
Operating margin, %	17.9	38.3		27.9	
Return on capital employed, %	15.4	69.3		48.1	
Deliveries, kraftliner, thousand tonnes	201	205	-2	184	9

### January–March 2023 compared with January–March 2022

Net sales declined 9% to SEK 1,573m (1,731). The decrease was primarily attributable to lower selling prices.

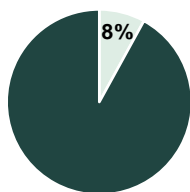
EBITDA declined 41% to SEK 450m (766). The decrease was mainly attributable to lower selling prices. The new paper machine in Obbola began operating at the end of last year, which was one quarter ahead of schedule. The cost of planned maintenance stops was SEK 21m (0).

### January–March 2023 compared with October–December 2022

Net sales decreased 3% to SEK 1,573m (1,626), mainly due to lower selling prices, which were offset by higher delivery volumes.

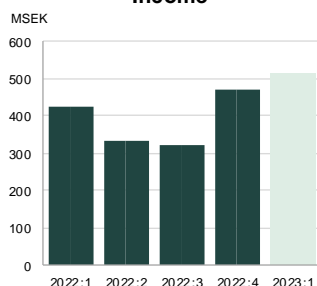
EBITDA declined 20% to SEK 450m (565). The decrease is mainly attributable to lower selling prices, which were offset by higher delivery volumes and lower energy costs. The cost of planned maintenance stops was SEK 21m (0).

### Share of EBITDA Jan-Mar 2023\*

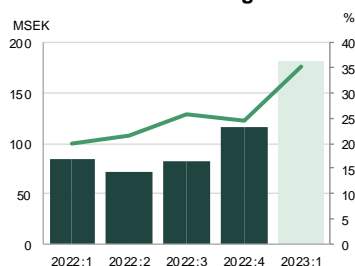


\* share calculated of total EBITDA excluding central costs

### Income



### EBITDA & margin



## RENEWABLE ENERGY

SCA produces tall oil, green electricity, refined and unrefined biofuels and is investing in the production of liquid biofuels. SCA is one of Europe's largest producers of bioenergy, with annual production of about 11 TWh. SCA's industries and own wind power produce green electricity corresponding to approximately 1% of Swedish electricity consumption. SCA also leases out land for production of wind power and invests in a biorefinery for production of liquid biofuels.

SEKm	Quarter				
	2023:1	2022:1	%	2022:4	%
Income <sup>1</sup>	514	426	21	470	9
EBITDA	181	85	113	116	56
Depreciation	-18	-4	350	-5	260
Operating profit	163	81	101	111	47
EBITDA margin, % <sup>2</sup>	35.2	19.9		24.7	
Operating margin, % <sup>2</sup>	31.7	19.0		23.6	
Return on capital employed, %	35.7	61.5		31.6	
Deliveries, own wind power, GWh	63	-		-	

<sup>1</sup> Income consists of net sales and other operating income

<sup>2</sup> EBITDA and operating profit as share of income

### Solid biofuels

SCA is one of the largest suppliers of forest-based biofuels in Sweden – unrefined residual products from the forest and industry as well as refined fuels in the form of pellets. SCA's production capacity at fully or partially owned plants is more than 300,000 tonnes of pellets per year. In 2022, a decision was taken for a new production facility for pellets in Rundvik.

### Production of renewable electricity

SCA produces renewable electricity in its industries and through the production of wind power owned by SCA. The annual production of green electricity is equivalent to about 1% of Sweden's total electricity consumption. During the first quarter, SCA produced 434 GWh of renewable electricity, of which 63 GWh was produced by SCA owned wind power, which is reported in Renewable Energy.

### Wind power on SCA's land

As Europe's largest private forest owner, SCA owns large areas of land with favorable wind conditions, where SCA leases out land. At the end of the first quarter of 2023, 714 wind turbines were operating on SCA's land with an annual production capacity of 7.8 TWh, equivalent to about 20% of Sweden's total wind power production.

### Liquid biofuels

Biofuels made from sustainable raw materials play a key role in the climate transition. SCA produces and sells tall oil, a raw material in the production of biofuels. SCA is also investing in a biorefinery that is expected to commence operation at the end of 2023.

### January–March 2023 compared with January–March 2022

Income increased 21% to SEK 514m (426). The increase was primarily related to higher selling prices.

EBITDA increased 113% to SEK 181m (85). The increase was mainly due to higher selling prices and the continued development of the energy business. The acquired wind farm in Markbygden made a positive contribution to the earnings trend.

### January–March 2023 compared with October–December 2022

Income increased 9% to SEK 514m (470), primarily due to higher selling prices.

EBITDA increased 56% to SEK 181m (116). The increase was mainly due to higher selling prices and higher earnings from the acquired wind farm.

## SHARE DISTRIBUTION

### SHARE DISTRIBUTION

March 31, 2023	Class A	Class B	Total
Registered number of shares	64,581,994	637,760,495	702,342,489

At the end of the period, the proportion of Class A shares was 9.2%. No change was made to Class A and Class B shares during the first quarter. The total number of votes in the company amounts to 1,283,580,435.

## FUTURE EVENTS

- The half-year report will be published on July 21, 2023
- The interim report for the third quarter will be published on October 27, 2023
- The year-end report will be published on January 26, 2024

## INVITATION TO PRESS CONFERENCE ON INTERIM REPORT FOR THE FIRST QUARTER OF 2023

Members of the media and analysts are hereby invited to attend a press conference where this interim report will be presented by the President and CEO, Ulf Larsson, and CFO, Andreas Ewertz.

Time: Friday, April 28, 2023 at 10:00 a.m.

The press conference will be webcast live at [www.sca.com](http://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 Q1 Report".

Sundsvall, April 28, 2023

SVENSKA CELLULOSA AKTIEBOLAGET SCA (publ)

Ulf Larsson  
 President and CEO

### For further information, please contact

Andreas Ewertz, CFO, +46 (0)60 19 31 97

Josefine Bonnevier, Investor Relations Director, +46 (0)60 19 33 90

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

### 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 April 28, 2023 at 08:00 a.m. CEST. The report has not been reviewed by the company's auditors.

---

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

---

## GROUP

### CONDENSED INCOME STATEMENT

SEKm	Quarter				
	2023:1	2022:1	%	2022:4	%
Net sales	4,813	5,015	-4	4,873	-1
Other income	955	713	34	851	12
Change in inventories	-36	25		-156	
Change in value in biological assets	462	454	2	475	-3
Raw materials and consumables	-1,128	-1,318	-14	-1,019	11
Personnel costs	-661	-644	3	-681	-3
Other operating expenses	-2,344	-1,640	43	-2,340	0
Result from associated companies and JV	-6	3		-22	
<b>EBITDA</b>	<b>2,055</b>	<b>2,608</b>	<b>-21</b>	<b>1,981</b>	<b>4</b>
Depreciation and impairment	-459	-385	19	-391	17
<b>Operating profit</b>	<b>1,596</b>	<b>2,223</b>	<b>-28</b>	<b>1,590</b>	<b>0</b>
Financial items	-59	-15		-22	
<b>Profit before tax</b>	<b>1,537</b>	<b>2,208</b>	<b>-30</b>	<b>1,568</b>	<b>-2</b>
Income tax	-324	-448		-353	
<b>Net Profit for the period</b>	<b>1,213</b>	<b>1,760</b>	<b>-31</b>	<b>1,215</b>	<b>0</b>
<b>Earnings attributable to:</b>					
Owners of the parent	1,220	1,722		1,238	
Non-controlling interests	-7	38		-23	
<b>Earnings per share SEK - owners of the parent<sup>1</sup></b>	<b>1.74</b>	<b>2.45</b>		<b>1.76</b>	
Average number of shares, millions	702.3	702.3		702.3	
<b>Margins, %</b>					
EBITDA margin	42.7	52.0		40.6	
Operating margin	33.2	44.3		32.6	
Net margin	25.2	35.1		24.9	

<sup>1</sup> There are no dilution effects.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

SEKm	Quarter		
	2023:1	2022:1	2022:4
<b>Profit for the period</b>	<b>1,213</b>	<b>1,760</b>	<b>1,215</b>
<b>Other comprehensive income for the period:</b>			
<b>Items that may not be reclassified to the income statement</b>			
Change in value land assets	-	-	6,808
Revaluation of defined benefit pension plans	222	-18	206
Income tax attributable to components of other comprehensive income	-46	4	-1,456
<b>Total</b>	<b>176</b>	<b>-14</b>	<b>5,558</b>
<b>Items that have been or may be reclassified subsequently to the income statement</b>			
Cash flow hedges	-10	155	278
Hedge cost	0	-3	-10
Translation differences in foreign operations	39	16	41
Income tax attributable to components of other comprehensive income	2	-40	-55
<b>Total</b>	<b>31</b>	<b>128</b>	<b>254</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>207</b>	<b>114</b>	<b>5,812</b>
<b>Total comprehensive income for the period</b>	<b>1,420</b>	<b>1,874</b>	<b>7,027</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	1,427	1,836	7,050
Non-controlling interests	-7	38	-23

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

SEKm	Jan-Mar 2023	
	2023	2022
<b>Attributable to owners of the parent</b>		
Value, January 1	96,358	83,055
Total comprehensive income for the period	1,427	1,836
Cash flow hedge transferred to cost of hedged investments	-5	1
Tax on cash flow hedge transferred to cost of hedged investments	1	0
Dividend, approved	-1,756	-
Acquisition of non-controlling interests	0	38
Remeasurement effect upon acquisition of non-controlling interests	-	-1
<b>Value, March 31</b>	<b>96,025</b>	<b>82,647</b>
<b>Non-controlling interests</b>		
Value, January 1	-	-
Total comprehensive income for the period	-7	38
Acquisition of non-controlling interests	7	-38
<b>Value, March 31</b>	<b>-</b>	<b>-</b>
<b>Total equity, value March 31</b>	<b>96,025</b>	<b>82,647</b>

**CONDENSED CONSOLIDATED BALANCE SHEET**

<b>SEKm</b>	<b>Mar 31, 2023</b>	<b>Dec 31, 2022</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	1,073	731
Buildings, land, machinery and equipment	24,897	24,800
Forest assets	98,579	97,882
<i>whereof land assets</i>	42,267	42,201
<i>whereof biological assets</i>	56,312	55,681
Right-of-use assets	557	561
Other non-current assets	3,324	3,158
<b>Total non-current assets</b>	<b>128,430</b>	<b>127,132</b>
<b>Current assets</b>		
Inventories	4,998	4,856
Trade receivables	3,004	3,007
Other current receivables	1,090	1,524
Cash and cash equivalents	874	836
<b>Total current assets</b>	<b>9,966</b>	<b>10,223</b>
<b>Total assets</b>	<b>138,396</b>	<b>137,355</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<b>Owners of the Parent</b>		
Share capital	2,350	2,350
Share premium	6,830	6,830
Reserves	31,860	31,833
Retained earnings including net profit for the period	54,985	55,345
<b>Non-controlling interests</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>96,025</b>	<b>96,358</b>
<b>Non-current liabilities</b>		
Non-current financial liabilities	10,673	10,751
Provisions for pensions	260	245
Deferred tax liabilities	22,378	22,117
Other non-current liabilities and other provisions	77	114
<b>Total non-current liabilities</b>	<b>33,388</b>	<b>33,227</b>
<b>Current liabilities</b>		
Current financial liabilities	1,579	1,789
Dividend, approved	1,756	-
Trade payables	3,544	3,622
Other current liabilities and other provisions	2,104	2,359
<b>Total current liabilities</b>	<b>8,983</b>	<b>7,770</b>
<b>Total liabilities and equity</b>	<b>138,396</b>	<b>137,355</b>

**CONSOLIDATED CASH FLOW STATEMENT**

SEKm	Quarter	
	2023	2022
<b>Operating activities</b>		
Profit before tax	1,537	2,208
Adjustment for non-cash items <sup>1</sup>	56	-134
Change in liabilities regarding restructuring costs	-2	-27
Paid tax	-204	-250
<b>Cash flow from operating activities before changes in working capital</b>	<b>1,387</b>	<b>1,797</b>
Cash flow from changes in working capital		
Change in inventories	-141	-219
Change in operating receivables	434	-626
Change in operating liabilities	-443	221
<b>Cash flow from operating activities</b>	<b>1,237</b>	<b>1,173</b>
<b>Investing activities</b>		
Company and asset acquisitions	-61	-485
Divestments	-	18
Current capital expenditures in non-current assets, net	-244	-211
Strategic capital expenditures in non-current assets	-535	-597
Acquisition of financial asset	-24	-19
<b>Cash flow from investing activities</b>	<b>-864</b>	<b>-1,294</b>
<b>Financing activities</b>		
Loans raised	-	272
Amortization of debt	-283	-
Amortization of debt, leasing	-53	-45
Dividend	-	-
<b>Cash flow from financing activities</b>	<b>-336</b>	<b>227</b>
<b>Net cash flow for the period</b>	<b>37</b>	<b>106</b>
Cash and cash equivalents at the beginning of the period	836	1,056
Translation differences in cash and cash equivalents	0	2
<b>Cash and cash equivalents at the end of the period</b>	<b>873</b>	<b>1,164</b>
Cash flow from operating activities per share SEK	1.76	1.67
<sup>1</sup> Depreciation/amortization and impairment of non-current assets	458	385
Fair-value measurement of biological assets	-462	-454
Gains/loss on assets sales and swaps of assets	-3	-24
Resolution of provision	-	-11
Other	63	-30
<b>Total</b>	<b>56</b>	<b>-134</b>

## NOTES

### 1. ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 and recommendation RFR 1 of the Swedish Financial Reporting Board, and with regards to the Parent Company, RFR 2. Applied accounting principles are described in detail in SCA's Annual and Sustainability Report for 2022. New or revised IFRSs and interpretations from IFRIC have not had any material effect on the Group's or the Parent Company's financial statements. As of January 1, 2023, Renewable Energy is a new reporting segment. Due to the new segment, comparative periods have been recalculated.

### 2. REVENUE FROM CONTRACTS WITH CUSTOMERS

#### Net sales by segment

SEKm	Jan-Mar 2023						
	Forest	Wood	Pulp	Containerboard	Renewable Energy	Eliminations	Total
Sweden	1,897	337	303	133	29	-1,898	801
USA	-	136	399	19	-	-	554
United Kingdom	-	150	84	260	-	-	494
Germany	-	54	160	374	-	-	588
Rest of Europe	34	292	608	644	-	-	1,578
Asia	-	187	293	52	-	-	532
Rest of world	-	141	34	91	-	-	266
<b>Total Group</b>	<b>1,931</b>	<b>1,297</b>	<b>1,881</b>	<b>1,573</b>	<b>29</b>	<b>-1,898</b>	<b>4,813</b>
SEKm	Jan-Mar 2022						
	Forest	Wood	Pulp	Containerboard	Renewable Energy	Eliminations	Total
Sweden	1,688	604	239	172	-	-1,688	1,015
USA	-	115	357	42	-	-	514
United Kingdom	-	151	54	269	-	-	474
Germany	-	31	114	388	-	-	533
Rest of Europe	3	389	695	816	-	-	1,903
Asia	0	310	18	10	-	-	338
Rest of world	0	117	87	34	-	-	238
<b>Total Group</b>	<b>1,691</b>	<b>1,717</b>	<b>1,564</b>	<b>1,731</b>	<b>-</b>	<b>-1,688</b>	<b>5,015</b>

### 3. FOREST VALUATION

#### Accounting principles

The accounting principles for forest assets are described on page 109, Note D3, of SCA's Annual and Sustainability Report for 2022.

#### Key assessments and assumptions

SCA bases its valuation of forest assets in Sweden on forest transactions in the areas where SCA owns forest assets. The market prices applied by SCA comprise a weighted average based on forest transactions over the last three years. When establishing the change in value of biological assets, the same valuation model has been used as in the past, with a return requirement of 3.5% (3.5) after tax. The value of land assets constitutes the residual amount between the total value in accordance with market price based on forest transactions and the value of the biological assets.

At December 31, 2022, the total standing timber volume was estimated at approximately 267 million m<sup>3</sup>fo, of which 7 million m<sup>3</sup>fo is in the Baltic region. The market price applied by SCA was SEK 366/m<sup>3</sup>fo and the total value of the forest assets was SEK 97,882m. SCA has not updated the market price for the first quarter of 2023. The estimated change in value for biological assets is accrued over the course of the year and is based on discounted cash flows. At March 31, 2023, approximately 25% of the expected annual change in value was recognized. The change in value of biological assets was SEK 462m at March 31, 2023 and is recognized in the income statement on the line item for change in value in biological assets. Growth in standing timber volume and the change in value of land assets is updated when the market price is updated. At March 31, 2023, the total value of forest assets amounted to SEK 98,579m.

#### Forest assets

SEKm	Mar 31, 2023	Dec 31, 2022
Forest assets in Sweden	95,682	95,206
Forest assets in the Baltic states	2,897	2,676
<b>Totalt value of forest assets</b>	<b>98,579</b>	<b>97,882</b>
Deferred tax on forest assets	19,561	19,468



#### 4. OTHER PROVISIONS

##### Accounting principles

The accounting principles for other provisions are described in detail on page 115, Note D8, of SCA's Annual and Sustainability Report for 2022.

SEKm	Environment	Discontinuation publication paper	Other	Total
Value, January 1	66	86	4	156
Provisions	41	-	0	41
Utilization	-27	-14	-	-41
<b>Value, December 31</b>	<b>80</b>	<b>72</b>	<b>4</b>	<b>156</b>
Provisions comprise:				
Long-term component				48
Short-term component				108

#### 5. RISKS AND UNCERTAINTIES

SCA's risk exposure and risk management are described on pages 65–73 of SCA's Annual and Sustainability Report 2022.

#### 6. RELATED PARTY TRANSACTIONS

During the period, no transactions took place between SCA and related parties with any material impact on the company's financial position or results.

#### 7. FINANCIAL INSTRUMENTS BY CATEGORY

SEKm	Measure- ment level	Mar 31, 2023	Dec 31, 2022
<b>Financial assets measured at fair value in the income statement</b>			
Derivatives - Current financial assets	2	-	5
Derivatives - Other current receivables	2	35	102
<b>Total</b>		<b>35</b>	<b>107</b>
<b>Financial liabilities measured at fair value in the income statement</b>			
Derivatives - Current financial liabilities	2	-	5
Derivatives - Other current liabilities	2	64	143
<b>Total</b>		<b>64</b>	<b>148</b>
<b>Financial assets measured at fair value through other comprehensive income</b>			
Equity instruments	3	14	14
<b>Total</b>		<b>14</b>	<b>14</b>
<b>Financial liabilities measured at amortized cost</b>			
Non-current financial liabilities excluding leasing	-	10,239	10,312
Non-current financial liabilities, leasing	-	434	439
Current financial liabilities excluding leasing	-	3,184	1,637
Current financial liabilities, leasing	-	151	149
<b>Total</b>		<b>14,008</b>	<b>12,537</b>
<b>Derivatives used for hedge accounting</b>			
Non-current financial assets	2	70	80
Other non-current assets	2	84	175
Other current receivables	2	200	373
<b>Total</b>		<b>354</b>	<b>628</b>
<b>Derivatives used for hedge accounting</b>			
Non-current financial liabilities	2	1	-
Other non-current liabilities	2	29	66
Other current liabilities	2	117	341
<b>Total</b>		<b>147</b>	<b>407</b>

The fair value of trade receivables, other current and non-current receivables, cash and cash equivalents, and trade payables is estimated to be equal to their carrying amount. The total fair value of current and non-current financial liabilities, excluding lease liabilities, was SEK 13,121m (11,625). The value of electricity derivatives is based on published prices in an active market. Other financial instruments are marked to market, based on prevailing currency and interest rates on the balance sheet date. The fair value of debt instruments is determined using valuation models, such as discounting future cash flows at quoted market rates for the respective maturity.

## 8. CONTINGENT LIABILITIES AND COMMITMENTS

SEKm	Parent		Group	
	Mar 31, 2023	Dec 31, 2022	Mar 31, 2023	Dec 31, 2022
<b>Contingent liabilities</b>				
Guarantees for subsidiaries	755	711	-	-
associates	-	-	5	5
customers and others	-	-	28	28
Other contingent liabilities	2	1	22	19
<b>Total</b>	<b>757</b>	<b>712</b>	<b>55</b>	<b>52</b>

### Commitments

SCA has a decided investment in Obbola totaling SEK 7,500m over a five-year period. As of March 31, 2023, SEK 512m remained, of which SEK 345m was a contracted commitment. The commitment refers entirely to non-current assets.

## 9. ALTERNATIVE PERFORMANCE MEASURES

For definitions of alternative performance measures, refer to SCA's 2022 Annual and Sustainability Report, pages 93–95.

SEKm	Quarter		
	2023:1	2022:1	2022:4
EBITDA	2,055	2,608	1,981
Changes in biological assets and other non cash flow items	-458	-491	-459
<b>Operating cash surplus</b>	<b>1,597</b>	<b>2,117</b>	<b>1,522</b>
Change in working capital	-150	-624	-604
Current capital expenditures, net <sup>1</sup>	-279	-248	-439
Other operating cash flow	35	-102	248
<b>Operating cash flow</b>	<b>1,203</b>	<b>1,143</b>	<b>726</b>
<sup>1</sup> Including following values from new leasing contracts:	-35	-37	-20

### Capital structure

SEKm	Mar 31, 2023	Dec 31, 2022
Forest assets	98,579	97,882
Working capital	4,288	4,138
Deferred tax relating to forest assets	-19,561	-19,468
Other capital employed, net	23,906	23,795
<b>Total capital employed</b>	<b>107,212</b>	<b>106,347</b>
<b>Net debt, SEKm</b>	<b>11,187</b>	<b>9,989</b>
Net debt/EBITDA (LTM) <sup>1</sup>	1.2x	1.0x
<b>Equity, SEKm</b>	<b>96,025</b>	<b>96,358</b>
Net debt/Equity (%)	11.7	10.4

<sup>1</sup> Rolling 12 months.

### Return on capital employed

%	Quarter	LTM <sup>1</sup>	Full year
	2023:1	Mar 31, 2023	2022
<i>Return on capital employed</i>	6.0	8.0	8.9
<i>Industrial return on capital employed</i>	17.2	31.3	40.1

<sup>1</sup> Rolling 12 months.

### Working capital

SEKm	Mar 31, 2023	Dec 31, 2022
Inventories	4,998	4,856
Trade receivable	3,004	3,007
Other current receivables	983	1,412
Trade payable	-3,369	-3,404
Other current liabilities	-1,292	-1,684
Other short term provisions	-36	-49
<b>Working capital</b>	<b>4,288</b>	<b>4,138</b>

**Net debt**

<b>SEKm</b>	<b>Mar 31, 2023</b>	<b>Dec 31, 2022</b>
Surplus in funded pension plans	1,930	1,689
Non-current financial assets	178	165
Current financial assets	99	106
Cash and cash equivalents	874	836
<b>Financial receivables</b>	<b>3,081</b>	<b>2,796</b>
Non-current financial liabilities	10,673	10,751
Provisions for pensions	260	245
Current financial liabilities	3,335	1,789
<b>Financial liabilities</b>	<b>14,268</b>	<b>12,785</b>
<b>Net debt</b>	<b>-11,187</b>	<b>-9,989</b>

**10. QUARTERLY DATA BY SEGMENT****NET SALES**

<b>SEKm</b>	<b>Quarter</b>				
	<b>2023:1</b>	<b>2022:4</b>	<b>2022:3</b>	<b>2022:2</b>	<b>2022:1</b>
Forest	1,931	1,760	1,612	1,642	1,691
Wood	1,297	1,422	1,412	2,202	1,717
Pulp	1,881	1,822	1,897	1,926	1,564
Containerboard	1,573	1,626	1,694	1,772	1,731
Renewable energy <sup>1</sup>	29	-	-	-	-
Other	0	0	1	-1	0
Intra-group deliveries	-1,898	-1,757	-1,609	-1,642	-1,688
<b>Total net sales</b>	<b>4,813</b>	<b>4,873</b>	<b>5,007</b>	<b>5,899</b>	<b>5,015</b>

**EBITDA**

<b>SEKm</b>	<b>Quarter</b>				
	<b>2023:1</b>	<b>2022:4</b>	<b>2022:3</b>	<b>2022:2</b>	<b>2022:1</b>
Forest	781	761	601	654	586
Wood	123	71	351	913	610
Pulp	593	598	848	845	592
Containerboard	450	565	719	742	766
Renewable energy <sup>1</sup>	181	116	82	72	85
Other	-73	-130	-117	-105	-31
<b>Total EBITDA</b>	<b>2,055</b>	<b>1,981</b>	<b>2,484</b>	<b>3,121</b>	<b>2,608</b>

**EBITDA MARGIN**

<b>%</b>	<b>Quarter</b>				
	<b>2023:1</b>	<b>2022:4</b>	<b>2022:3</b>	<b>2022:2</b>	<b>2022:1</b>
Forest	40.4	43.2	37.3	39.8	34.7
Wood	9.5	5.0	24.9	41.5	35.5
Pulp	31.5	32.8	44.7	43.9	37.9
Containerboard	28.6	34.7	42.4	41.9	44.3
Renewable energy <sup>2</sup>	35.2	24.7	25.7	21.7	19.9
<b>EBITDA margin</b>	<b>42.7</b>	<b>40.6</b>	<b>49.6</b>	<b>52.9</b>	<b>52.0</b>

**EBIT**

<b>SEKm</b>	<b>Quarter</b>				
	<b>2023:1</b>	<b>2022:4</b>	<b>2022:3</b>	<b>2022:2</b>	<b>2022:1</b>
Forest	723	704	544	599	531
Wood	71	15	297	859	551
Pulp	438	452	701	698	446
Containerboard	282	455	608	634	662
Renewable energy <sup>1</sup>	163	111	78	68	81
Other	-81	-147	-134	-123	-48
<b>Total EBITDA</b>	<b>1,596</b>	<b>1,590</b>	<b>2,094</b>	<b>2,735</b>	<b>2,223</b>

<sup>1</sup> Renewable energy is a new segment from January 1, 2023. Year 2022 is recalculated.<sup>2</sup> EBITDA as share of Income

## PARENT COMPANY

### CONDENSED INCOME STATEMENT

SEKm	Full year	
	2023	2022
Other operating income	74	73
Other operating expenses	-47	-43
Personnel costs	-25	-24
<b>EBITDA</b>	<b>2</b>	<b>6</b>
Depreciation and impairment	-23	-23
<b>Operating profit</b>	<b>-21</b>	<b>-17</b>
Financial items	52	54
<b>Profit before tax</b>	<b>31</b>	<b>37</b>
Appropriations and tax	257	694
<b>Profit for the period</b>	<b>288</b>	<b>731</b>

Other operating income was mainly related to remuneration for the granting of felling rights for the Parent Company's forest assets. Other comprehensive income was the same as profit for the period.

### CONDENSED BALANCE SHEET

SEKm	Mar 31, 2023	Dec 31, 2022
Tangible non-current assets	9,079	9,072
Financial non-current assets	11,860	11,962
<b>Total non-current assets</b>	<b>20,939</b>	<b>21,034</b>
Current assets	16,053	17,221
<b>Total assets</b>	<b>36,992</b>	<b>38,255</b>
Restricted equity	11,373	11,373
Non-restricted equity	10,954	10,666
<b>Total equity</b>	<b>22,327</b>	<b>22,039</b>
Provisions	1,724	1,710
Non-current liabilities	10,351	10,553
Current liabilities	2,590	3,953
<b>Total equity, provisions and liabilities</b>	<b>36,992</b>	<b>38,255</b>