SCA – two strong businesses: Forest Products and Hygiene and Health
2016 in brief

Net sales
117,314 SEKm
(+2% compared with 2015)

Adjusted operating profit\(^1\)
13,989 SEKm
(+7% compared with 2015)

Adjusted return on capital employed\(^1\)
12.5%
(+50 basis points compared with 2015)

Proposed dividend
6.00 SEK/share
(+4.3% compared with 2015)

\(^1\) Excluding items affecting comparability.
Important Events 2016

- The acquisition of Wausau Paper Corp. was completed and integrated
- Closed the divestment of the hygiene business in Southeast Asia, Taiwan and South Korea for integration with Vinda
- Initiated work in order to be able to propose to the Annual General Meeting 2017 to decide on a split of the SCA Group into two listed companies: a hygiene company and a forest products company
- New vision and enhanced strategic framework
- Agreement to acquire BSN medical, a leading medical solutions company
- Measures to improve profitability
- Continued work with innovation, efficiency, profitable growth and digitalization
Total Shareholder Return 2016

OMX Stockholm 30 +9%
SCA B +7%
MSCI Household Products +3%
Total Shareholder Return 2014-2016

- SCA B +40%
- OMX Stockholm 30 +27%
- MSCI Household Products +15%
Acquisition of BSN medical

- Develops, manufactures and sells products within wound care, compression therapy and orthopedics
- Net sales amounted to SEK 8,038m and adjusted EBITDA\(^1\) to SEK 1,986m for 2016
- New growth platform with excellent strategic fit for SCA
- Purchase price amounted to EUR 2,740m\(^2\)
- Expected to be accretive to SCA’s earnings per share from the first year

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1) Excluding items affecting comparability.
2) Based on net debt as per December 31, 2016. Final takeover of net debt will be based on March 31, 2017.
SCA’s Transformation Journey
Forest Products and Hygiene and Health

1929
SCA founded

1975-2006
Acquisitions:
• Mölnlycke, personal care, Sweden
• PWA, tissue, Germany
• GP, parts of AfH tissue business in US

2007-2016
Acquisitions:
• Agreement to acquire BSN medical
• Wausau, AfH tissue, North America
• Vinda, tissue, China
• P&G, tissue, Europe
• GP, tissue, Europe

Divestments:
• Packaging business
• Two publication paper mills

14% 2016
Forest Products
86%
Hygiene

Hygiene

100% 1929
Forest Products

49% 2001
Forest Products and Packaging

51%
SCA’s Forest Products Business

- Europe’s largest private forest owner, responsible forest management of 2.6 million hectares of forest land
- World-class efficiency and well-invested forest products business
- Well-integrated value chain creating a competitive position
- Long-term stable and growing demand for fiber based products
- Future growth opportunities within, for example, liquid biofuels, green chemicals and renewable materials

**2016 Facts**

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Net sales</td>
<td>SEK 16,587m</td>
</tr>
<tr>
<td>Adjusted operating profit*</td>
<td>SEK 2,155m</td>
</tr>
<tr>
<td>Capital employed</td>
<td>SEK 40,127m</td>
</tr>
<tr>
<td>Number of employees**</td>
<td>3,909</td>
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<tr>
<td>Sales in number of countries</td>
<td>~50</td>
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*Excluding items affecting comparability. **As of December 31, 2016.
SCA’s Business within Hygiene and Health

- Vision “Dedicated to improving well-being through leading hygiene and health solutions”
- Global market leader in incontinence products with TENA and in Away-from-Home tissue with Tork
- Strong brands and market positions in baby diapers, feminine care, consumer tissue, wound care, compression therapy and orthopedics
- #1 or #2 position in around 90 countries in at least one product segment
- Growing and aging population, combined with an increasing awareness of the relationship between hygiene and health, increase demand for hygiene products

**2016 Facts**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Net sales</td>
<td>SEK 101,238m</td>
</tr>
<tr>
<td>Adjusted operating profit*</td>
<td>SEK 11,833m</td>
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<tr>
<td>Capital employed</td>
<td>SEK 74,753m</td>
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<tr>
<td>Number of employees**</td>
<td>42,520</td>
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<tr>
<td>Sales in number of countries</td>
<td>~100</td>
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</table>

*Excluding items affecting comparability. **As of December 31, 2016.
Proposed Split of SCA

- SCA today consists of two strong but different businesses with limited synergies
- A split increases the possibilities for each company to focus on its strategies and businesses
  - Separate and dedicated management teams and boards of directors
  - Independent access to capital
- Which long-term enables increased value creation for SCA’s shareholders