Year-end Report 2015
Magnus Groth
President and CEO
Summary 2015

- Good organic growth in sales and operating profit
- Strong growth in emerging markets
- Good cash flow
- Continued strong contribution from efficiency gains
- Around 30 innovations and product launches
  - for example Libero, Nosotras, Tempo, TENA and Tork
- The Board of Directors proposes an increase in the dividend by 9.5% to SEK 5.75 per share
Group
2015 vs. 2014

**Sales**
- SEK 115,316m
- +11%

**Organic Sales Growth**
- 5%

**Operating Profit***
- SEK 13,014m
- +8%**

**Operating Margin***
- 11.3%
- +20bp**

**EPS****
- SEK 9.97
- +6%

**Operating Cash Flow**
- SEK 12,921m
- +16%

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* Excluding items affecting comparability
** Excluding items affecting comparability, gains on forest swaps and currency translation effects
*** Excluding items affecting comparability and gains on forest swaps
**** Including items affecting comparability. Excluding items affecting comparability and a tax provision SEK 12.25, +11%
SCA Group ROCE*

Target 13%

ROCE*

- 2013: 10.9%
- 2014: 11.2%
- 2015: 12.0%

*Return on capital employed excluding items affecting comparability
The Board of Directors proposes an increase in the dividend by 9.5% to SEK 5.75 per share (5.25)
Group
Q4 2015 vs. Q4 2014

Sales
SEK 29,040m
+6%

Organic Sales Growth
4%

Operating Profit*
SEK 3,454m
+5%**

Operating Margin*
11.9%
0bp

EPS***
SEK 4.03
+97%

Operating Cash Flow
SEK 3,731m
+1%

* Excluding items affecting comparability
** Excluding items affecting comparability and currency translation effects
*** Including items affecting comparability. Excluding items affecting comparability and a tax provision SEK 3.37, +6%
Important Events 2015

- Decision to acquire Wausau Paper Corp., a North American Away-from-Home tissue company

- Decision to divest business in South East Asia, Taiwan and South Korea for integration with Vinda

- Addressed low performing baby diapers businesses

- Closure of tissue production facility in France and newsprint machine in Sweden

- Investing in increased pulp capacity in Sweden and a new production facility for incontinence products in Brazil

- Decision to divide the Group into two divisions: a Hygiene division and a Forest Products division

- Enhancing the hygiene organization

- Inclusion in Dow Jones Sustainability Indices as industry leader
Strategic Priorities

PROFITABLE GROWTH

INNOVATION

EFFICIENCY

INCREASING EFFICIENCY IN THE ENTIRE VALUE CHAIN
Innovations and Product Launches

Q4 2015
Tork Matic® Hand Towel Roll Dispenser – with Intuition™ Sensor, Image Design™

- Gives guests the ultimate hand drying experience
- Creates a sophisticated impression in the washroom, which is as important as the image customers perceive when they first enter a building
- Touch free, one-at-a-time dispensing reduces consumption and improves hygiene

Q4 2015
Tork® Hand Towel Roll Dispenser

- Delivers high capacity to avoid towel run-outs in high-traffic washrooms with a 300m long refill, delivering 1,218 hand towels per roll
- One-at-a-time sheet dispensing controls consumption
- Reliable, simple, robust design for demanding environments

Approximately 30 innovations and product launches during 2015
Fredrik Rystedt
CFO
Net Sales
Q4 2015 vs. Q4 2014

Net sales growth 4%
- Price/Mix 1%
- Volume 3%

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales</th>
<th>Price/Mix</th>
<th>Volume</th>
<th>Currency</th>
<th>Total Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2014</td>
<td>SEK 27,397m</td>
<td>1%</td>
<td>3%</td>
<td>2%</td>
<td>SEK 29,040m</td>
</tr>
<tr>
<td>Q4 2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

January 28, 2016
Year-end Report 2015
Organic Sales Growth

Group

Personal Care

Tissue
Operating Profit* – Group
Q4 2015 vs. Q4 2014

January 28, 2016
Year-end Report 2015
Examples of USD movements

**EUR/USD**

<table>
<thead>
<tr>
<th></th>
<th>Q4 2014</th>
<th>Q1 2015</th>
<th>Q2 2015</th>
<th>Q3 2015</th>
<th>Q4 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td></td>
<td>-14%</td>
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</table>

**USD/RUB**

<table>
<thead>
<tr>
<th></th>
<th>Q4 2014</th>
<th>Q1 2015</th>
<th>Q2 2015</th>
<th>Q3 2015</th>
<th>Q4 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>+38%</td>
<td></td>
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</table>

**USD/BRL**

<table>
<thead>
<tr>
<th></th>
<th>Q4 2014</th>
<th>Q1 2015</th>
<th>Q2 2015</th>
<th>Q3 2015</th>
<th>Q4 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>+51%</td>
<td></td>
<td></td>
<td></td>
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</table>

**USD/MXN**

<table>
<thead>
<tr>
<th></th>
<th>Q4 2014</th>
<th>Q1 2015</th>
<th>Q2 2015</th>
<th>Q3 2015</th>
<th>Q4 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>+21%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Raw Material vs Price and Mix
2015 vs 2014

Group

-210bp
Raw Material Costs
+170bp
Price/Mix
-40bp
EBIT Margin Impact

Personal Care

-200bp
Raw Material Costs
+230bp
Price/Mix
+30bp
EBIT Margin Impact

Tissue

-280bp
Raw Material Costs
+130bp
Price/Mix
-150bp
EBIT Margin Impact

Forest Products

+210bp
Raw Material Costs
+250bp
Price/Mix
EBIT Margin Impact

+40bp
EBIT Margin Impact
SCA Group
Mature markets and Emerging markets

2013

- Share of Net Sales
  - Mature markets: 76%
  - Emerging markets: 24%

- Share of Operating Profit
  - Mature markets: 17%
  - Emerging markets: 83%

2015

- Share of Net Sales
  - Mature markets: 68%
  - Emerging markets: 32%

- Share of Operating Profit
  - Mature markets: 20%
  - Emerging markets: 80%

<table>
<thead>
<tr>
<th>Operating Margin</th>
<th>2013*</th>
<th>2014*</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mature markets</td>
<td>11.5%</td>
<td>13.0%</td>
<td>13.3%</td>
</tr>
<tr>
<td>Emerging markets</td>
<td>7.7%</td>
<td>6.4%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Total Group</td>
<td>10.6%</td>
<td>11.1%</td>
<td>11.3%</td>
</tr>
</tbody>
</table>

*excluding gains on forest swaps
# Cash Flow
## 2015 vs. 2014

<table>
<thead>
<tr>
<th></th>
<th>2015 SEKm</th>
<th>2014 SEKm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash surplus</td>
<td>18,312</td>
<td>16,250</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>-399</td>
<td>-446</td>
</tr>
<tr>
<td>Restructuring costs, etc</td>
<td>-830</td>
<td>-883</td>
</tr>
<tr>
<td>Capital expenditures (including strategic)</td>
<td>-7,287</td>
<td>-5,553</td>
</tr>
<tr>
<td><strong>Operating cash flow including strategic capital expenditures</strong></td>
<td><strong>9,796</strong></td>
<td><strong>9,368</strong></td>
</tr>
</tbody>
</table>
Magnus Groth
President and CEO
Personal Care
Q4 2015 vs Q4 2014

- Sales growth 7%
- Organic sales growth 9%
- Operating profit increased 17%*
  - Better price/mix
  - Higher volumes
  - Cost savings
  - Higher raw material costs mainly due to a stronger USD
- Operating margin 12.5%*
- ROCE** 33.1%

### Net Sales
- Q4 2014: SEK 8,106m
- Q4 2015: SEK 8,681m (+7%)

### Operating Profit*
- Q4 2014: SEK 930m
- Q4 2015: SEK 1,086m (+17%)

### Operating Margin*
- Q4 2014: 11.5%
- Q4 2015: 12.5% (+100bp)

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* Excluding items affecting comparability
** Return on capital employed excluding items affecting comparability
Personal Care
Q4 2015 vs Q4 2014

Organic sales growth 9%
- Price/mix +2%
- Volume +7%
- Strong growth in emerging markets
- Strong growth for feminine care
- Good growth for incontinence products

Mature markets
- Western Europe
  - Strong growth for baby diapers
  - Good growth for feminine care and incontinence products
- North America
  - Higher sales for incontinence products

Emerging markets
- Latin America +14%
  - Strong growth for incontinence products and feminine care
  - Flat sales for baby diapers
- Russia +43%
  - Strong growth for all product segments
Tissue
Q4 2015 vs Q4 2014

- **Sales growth 7%**
- **Organic sales growth 3%**
- **Operating profit increased 4%**
  - Better price/mix
  - Higher volumes
  - Cost savings
  - Higher raw material costs mainly due to a stronger USD
- **Operating margin 11.9%**
- **ROCE** 14.1%

* Excluding items affecting comparability
** Return on capital employed excluding items affecting comparability
Organic sales growth 3%
- Price/mix +2%
- Volume +1%
- Strong growth in emerging markets

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

Emerging markets
- Asia +11%
- Latin America +7%
- Russia +20%
Forest Products
Q4 2015 vs Q4 2014

- **Sales growth 2%**
  - Price/mix -2%
  - Volume +3%
  - Currency +1%

- **Operating profit decreased 10%***
  - Lower prices (including exchange rate effects)
  - Impairment loss of trade receivables
  - Higher costs for production stops
  - Lower raw material and energy costs
  - Higher volumes

- **Operating margin 14.8%***

- **ROCE** ** 6.6%**

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*Excluding items affecting comparability
**Return on capital employed excluding items affecting comparability
Full year 2015
Summary

- Good organic growth in sales and operating profit
- Several strategic initiatives
Q&A