Summary 2016

- Organic sales increased 2%\(^1\)
  - Hygiene business +3%, Forest Products -3%, Emerging markets +7%
- Increased organic operating profit\(^2\) and increased operating margin\(^3\)
- Strong contribution from efficiency gains
- Strong cash flow
- Introduced 23 innovations under brands such as Libero, Libresse, Lotus, Tempo, TENA and Tork
- The Board of Directors proposes an increase in the dividend by 4.3% to SEK 6.00 per share (5.75)

---

1) Sales which excludes exchange rate effects, acquisitions and divestments
2) Operating profit which excludes items affecting comparability, currency translation effects, acquisitions and divestments
3) Adjusted operating profit margin which excludes items affecting comparability
Summary 2016

Significant Initiatives

- Completed acquisition of Wausau Paper Corp.
- Divestment of South East Asian, Taiwan and South Korean businesses to Vinda
- Restructuring measures in Tissue in France and Spain
- Potential split of the Group into two listed companies; hygiene and forest products
- New vision and enhanced strategic framework
- Decision to close baby diaper business in Mexico and the hygiene business in India
- Entered agreement to acquire BSN medical, a leading medical solutions company
Group
2016 vs 2015

Net Sales
- SEK 117,314m (+2%)

Organic Sales
- +2%

Adjusted Operating Profit
- SEK 13,989m (+8%)

Adjusted Operating Margin
- 11.9% (+60bp)

EPS
- SEK 7.93 (-20%)

Operating Cash Flow
- SEK 14,948m (+16%)

1) Sales which excludes exchange rate effects, acquisitions and divestments
2) Excluding items affecting comparability
3) Excluding items affecting comparability, currency translation effects, acquisitions and divestments
4) Excluding items affecting comparability and a tax provision of SEK 1,300m (300): SEK 13.09 +7%
Group Adjusted ROCE$^{1)$

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted ROCE$^{1)$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>11.2%</td>
</tr>
<tr>
<td>2015</td>
<td>12.0%</td>
</tr>
<tr>
<td>2016</td>
<td>12.5%</td>
</tr>
</tbody>
</table>

1) Return on capital employed excluding items affecting comparability
Dividend

The Board of Directors proposes an increase in the dividend by 4.3% to SEK 6.00 per share (5.75)
SCA Enhanced Strategic Framework

VISION
“Dedicated to improving well-being through leading hygiene and health solutions”

MISSION
To sustainably develop, produce, market and sell value-added hygiene and forest products and services

OBJECTIVES
- Generate increased shareholder value through profitable growth
- Enable more people every day to enjoy a fuller life
- Contribute to a sustainable and circular society
- Enable our employees to realize their full potential, as part of one winning team

STRATEGIES
- Win in chosen geographies and categories
- Focus on customers and consumers
- Innovate bigger brands
- Drive efficiency
SCA to Acquire BSN Medical
A Value Creating Acquisition

- BSN medical develops, manufactures, markets and sells products within wound care, compression therapy and orthopedics with well-known brands
- BSN medical reported net sales 2015 amounted to EUR 861m, adjusted EBITDA\(^1\)) EUR 201m and adjusted operating profit\(^2\)) EUR 137m
- New growth platform and excellent strategic fit supporting SCA’s vision
- Purchase price EUR 1,400m for the shares and net debt 1,340m\(^3\))
- Expected annual synergies of at least EUR 30m
- High cash conversion and an asset light business model
- Accretive to SCA’s earnings per share from year one

---

\(^1\) Excluding items affecting comparability
\(^2\) Excluding items affecting comparability and including BSN medical’s purchase price allocation amortization
\(^3\) Estimated as per December 31, 2016
Innovations 2016
Group
Q4 2016 vs. Q4 2015

Net Sales
SEK 30,897m
+6%

Organic Sales¹)
+2%

Adjusted Operating Profit²)
SEK 3,685m
+5%³)

Adjusted Operating Margin²)
11.9%
+0bp

EPS
SEK 1.99
-51%⁴)

Operating Cash Flow
SEK 3,942m
+6%

¹) Sales which excludes exchange rate effects, acquisitions and divestments
²) Excluding items affecting comparability
³) Excluding items affecting comparability, currency translation effects, acquisitions and divestments
⁴) Excluding items affecting comparability and a tax provision of SEK 300m in Q4 2015: SEK 2.87 -15%
**Personal Care**

Q4 2016 vs Q4 2015

- **Net sales 0%**
- **Organic sales decreased 1%**
- **Adjusted operating profit 1) +5%**
  - Better price/mix
  - Cost savings
  - Lower volumes
  - Investments in increased marketing activities
  - Negative impact from weaker GBP and MXN
- **Adjusted operating margin 1) 13.1%**
- **Adjusted ROCE 2) 34.7%**

---

1) Excluding items affecting comparability
2) Adjusted return on capital employed excluding items affecting comparability
January 26, 2017

Year-end Report 2016

### Organic Sales decreased 1%
- Price/mix +1%
- Volume -2%
- Lower sales for baby diapers
- Higher sales for feminine care

### Mature markets
- Western Europe
  - Flat sales for incontinence products
  - Higher sales for baby diapers and feminine care
- North America
  - Lower sales incontinence products

### Emerging markets
- Latin America +5%
  - Good growth for incontinence products and feminine care
  - Lower sales for baby diapers
- Russia -30%
  - Lower sales for all personal care categories
- Africa -14%
  - Lower sales for baby diapers
- Asia 0%

---

**Organic Sales by Region**
- Total: -1%
- Mature Markets: 0%
- Emerging Markets: -1%

**Organic Sales by Product Segment**
- Total: -1%
- Incontinence Products: 0%
- Baby Diapers: -4%
- Feminine Care: +5%

**% of Personal Care Net Sales:**
- Latin America: 59%
- Western Europe: 41%
Tissue
Q4 2016 vs Q4 2015

- **Net sales +10%**
- **Organic sales increased 4%**
- **Adjusted operating profit** 1) +14%
  - Higher volumes
  - Better price/mix
  - Cost savings
  - Lower raw material and energy costs
  - Acquisition of Wausau Paper Corp.
  - Investments in increased marketing activities
  - Negative impact from weaker GBP and MXN
- **Adjusted operating margin** 1) 12.3%
- **Adjusted ROCE** 2) 14.4%

---

1) Excluding items affecting comparability

2) Adjusted return on capital employed excluding items affecting comparability
Tissue
Q4 2016 vs Q4 2015

- **Organic sales increased 4%**
  - Price/mix 0%
  - Volume +4%
  - Strong growth in emerging markets

- **Mature markets**
  - Western Europe
    - Lower sales for consumer tissue due to lower sales of mother reels
    - Slightly higher sales for AfH tissue
  - North America
    - Higher sales for AfH tissue

- **Emerging markets**
  - Asia +18%
  - Latin America +5%
  - Russia +4%
Forest Products
Q4 2016 vs Q4 2015

- **Net sales +3%**
- **Organic sales increased 4%**
  - Price/mix 0%
  - Volume +4%
  - Closure of publication paper machine -3%
- **Adjusted operating profit\(^1\) -10%**
  - Higher energy and raw material costs
  - Higher volumes
  - Lower distribution costs
- **Adjusted operating margin\(^1\) 12.9%**
- **Adjusted ROCE\(^2\) 5.5%**
- **Biological assets adjustments**

---

\(^1\) Excluding items affecting comparability
\(^2\) Adjusted return on capital employed excluding items affecting comparability
Forest Products
Price Development

**Publication Papers**

- Price index in SEK
- Price index in local currency

**Kraftliner**

- Price index in SEK
- Price index in local currency

**NBSK Pulp**

- Price index in SEK
- Price index in local currency

**Solid-wood Products**

- Price index in SEK
- Price index in local currency
Fredrik Rystedt
Executive Vice President and CFO
Organic sales increased 2%

- Price/Mix 0%
- Volume +2%
Organic Sales

Group

Personal Care

Tissue

Forest Products
Group Adjusted Operating Profit\(^1\)

Impact from Weaker GBP and MXN Currencies

**Operating profit impact from weaker GBP**

- **Q4 2016 vs Q4 2015**
  - SEKm: -135
  - Translation: -63
  - Transaction: -198
- **2016 vs 2015**
  - SEKm: -350
  - Translation: -221
  - Transaction: -571

**Operating profit impact from weaker MXN**

- **Q4 2016 vs Q4 2015**
  - SEKm: -44
  - Translation: -16
  - Transaction: -60
- **2016 vs 2015**
  - SEKm: -210
  - Translation: -82
  - Transaction: -292

---

\(^1\) Excluding items affecting comparability
Group
Mature Markets and Emerging Markets

<table>
<thead>
<tr>
<th>Year</th>
<th>Mature Markets</th>
<th>Emerging Markets</th>
<th>Total Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014*</td>
<td>13.0%</td>
<td>6.4%</td>
<td>11.1%</td>
</tr>
<tr>
<td>2015</td>
<td>13.3%</td>
<td>7.0%</td>
<td>11.3%</td>
</tr>
<tr>
<td>2016</td>
<td>14.1%</td>
<td>7.1%</td>
<td>11.9%</td>
</tr>
</tbody>
</table>

*excluding gains on forest swaps
Group Adjusted Operating Profit¹)
Q4 2016 vs. Q4 2015

1) Excluding items affecting comparability

January 26, 2017
Year-end Report 2016

*(Scalia)*
## Group Cash Flow

### Q4 2016 vs Q4 2015

<table>
<thead>
<tr>
<th>Description</th>
<th>Q4 2016 SEKm</th>
<th>Q4 2015 SEKm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash surplus</td>
<td>5,165</td>
<td>4,798</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>1,509</td>
<td>465</td>
</tr>
<tr>
<td>Restructuring costs and other operating cash flow</td>
<td>-625</td>
<td>-150</td>
</tr>
<tr>
<td>Capital expenditures (including strategic)</td>
<td>-3,517</td>
<td>-2,948</td>
</tr>
<tr>
<td><strong>Operating cash flow including strategic capital expenditures</strong></td>
<td><strong>2,532</strong></td>
<td><strong>2,165</strong></td>
</tr>
</tbody>
</table>
## Group Items Affecting Comparability

**Q4 2016**

<table>
<thead>
<tr>
<th>Description</th>
<th>Q4 2016 SEKm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs for discontinuation of Indian hygiene business</td>
<td>-375</td>
</tr>
<tr>
<td>Transaction costs for BSN medical</td>
<td>-145</td>
</tr>
<tr>
<td>Wausau Paper Corp.</td>
<td>-50</td>
</tr>
<tr>
<td>Other, including costs for measures at the tissue production plant in Hondouville, France</td>
<td>-126</td>
</tr>
<tr>
<td><strong>Total items affecting comparability</strong></td>
<td><strong>-696</strong></td>
</tr>
</tbody>
</table>
Biological Assets
2016 Adjustments

- Weighted average cost of capital decreased from 6.25% to 5.25%
- Adjustment of future prices and costs
  - Based on the trends over the most recent five years instead of ten years
  - Average wood price has been reduced from 467 SEK/m³ sub to 432 SEK/m³ sub

Historical wood prices

1) Adjusted for storm effects
## Biological Assets
### 2016 Adjustments

<table>
<thead>
<tr>
<th>Description</th>
<th>SEKbn</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value, January 1, 2016</strong></td>
<td>30.1</td>
</tr>
<tr>
<td>Adjustment of Weighted average cost of capital</td>
<td>+7.1</td>
</tr>
<tr>
<td>Adjustment of future prices and costs</td>
<td>-6.7</td>
</tr>
<tr>
<td>Other changes</td>
<td>+0.3</td>
</tr>
<tr>
<td><strong>Value, December 31, 2016</strong></td>
<td>30.8</td>
</tr>
</tbody>
</table>
## Estimated Costs for Potential Split of the Group

<table>
<thead>
<tr>
<th>Cost</th>
<th>SEKm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project and listing costs</td>
<td>320</td>
</tr>
<tr>
<td>One-time foreign tax on fixed assets</td>
<td>450</td>
</tr>
<tr>
<td>outside Sweden</td>
<td></td>
</tr>
<tr>
<td>Branding</td>
<td>300</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,070</strong></td>
</tr>
<tr>
<td><strong>Of which:</strong></td>
<td></td>
</tr>
<tr>
<td>Financial items</td>
<td>120</td>
</tr>
<tr>
<td>Equity</td>
<td>155</td>
</tr>
<tr>
<td>Items Affecting Comparability</td>
<td>795</td>
</tr>
</tbody>
</table>

- Cost of SEK 80m impacted Q4 2016
- Estimated need of recruiting in Forest Products of 15-20 positions at the headquarter in Sundsvall
Magnus Groth
President and CEO
Summary 2016

- Strong financial performance
- Actions for profitable growth
- Significant initiatives and acquisitions supporting enhanced strategic framework
- Potential split of the Group
- The Board of Directors proposes an increase in the dividend by 4.3% to SEK 6.00 per share (5.75)
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 our most recent annual report for a better understanding of these risks and uncertainties.