Ulf Larsson, CEO
Distribution of Essity successfully completed by June 15
- One-time cost of SEK 103m in Q2 due to split (shown as items affecting comparability)

Overall positive market situation

Strong 9% sales growth vs Q2 2016
- Prices up 3%, volumes up 5%

EBITDA ¹) up 5% vs Q2 2016, influenced by:
- Sales price and volume growth
- Large planned maintenance stops during quarter (EBITDA impact SEK 71m vs LYQ)
- Higher raw material and energy cost
- Continued planned extra cost due to Östrand project (SEK 25m vs LYQ)

Östrand project progressing according to plan
- Planned start-up June 2018
- SEK 4.1bn invested from project start up to Q2, out of SEK 7.8bn in total

¹) Adjusted EBITDA.
Forest Q2 2017 vs. Q2 2016

-2% 
1 234 1 210
Q2 2016 Q2 2017

17%
312 364
Q2 2016 Q2 2017

25,3% 30,1%
Q2 2016 Q2 2017

Balanced timber supply in SCA’s area, stable raw material market

Sales decrease of 2%
  • Lower deliveries to SCA industry

EBITDA 1) up 17%
  • Higher share of deliveries from own forests

3.0 million m³ fo net growth per year, after fellings

Note: 1) Adjusted EBITDA.
Wood Q2 2017 vs. Q2 2016

Strong market in wood, with gradually increasing prices

In addition, seasonal up-turn in volumes in Q2, due to building materials trade

Sales up 9%
- Higher delivery volumes and higher prices

EBITDA ¹) up 10%
- Higher volumes and prices
- Higher raw material cost reduced EBITDA increase

Note: ¹) Adjusted EBITDA.
Pulp Q2 2017 vs. Q2 2016

Generally good development in pulp market
Large negative impact on result from Östrand project and maintenance stop

Sales up of 5%
- Higher prices and better currency situation compensated for lower deliveries

EBITDA \(^1\) down 32%
- Large maintenance stop during quarter (SEK -41m)
- Higher energy cost (SEK -10m)
- Continued extra cost due to Östrand project (SEK -25m)

Östrand project progressing according to plan
- Planned start-up June 2018
- SEK 4.1bn invested up to Q2, out of SEK 7.8bn in total

Note: 1) Adjusted EBITDA.
Paper Q2 2017 vs. Q2 2016

Net sales (SEKm)
- Q2 2016: 1,889
- Q2 2017: 2,072

10%

EBITDA (SEKm) 1)
- Q2 2016: 259
- Q2 2017: 291

12%

EBITDA margin 1)
- Q2 2016: 13.7%
- Q2 2017: 14.0%

Price development - Kraftliner
- Q2 2016: 10%
- Q2 2017: 12%

Price development - Publication paper

1) Adjusted EBITDA.

Strong Kraftliner volume growth, with stepwise price increases last six months

Publication paper: stable market, no price changes since Q1 2017

Sales up 10%
- Higher Kraftliner prices, higher volumes and better currency situation

EBITDA 1) up 12%
- Higher sales figure increased EBITDA, with some reduction due to higher raw material cost (particularly recycled fiber and latex)
Toby Lawton, CFO
# P&L Q2 2017 vs. Q2 2016

<table>
<thead>
<tr>
<th></th>
<th>Q2 2017</th>
<th>Q2 2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>4,222</td>
<td>3,872</td>
<td>9%</td>
</tr>
<tr>
<td><strong>EBITDA ¹)</strong></td>
<td>827</td>
<td>789</td>
<td>5%</td>
</tr>
<tr>
<td><em>EBITDA ¹)</em>* margin</td>
<td>19.6%</td>
<td>20.4%</td>
<td>- 0.8 p.p.</td>
</tr>
<tr>
<td><strong>EBIT ¹)</strong></td>
<td>554</td>
<td>506</td>
<td>9%</td>
</tr>
<tr>
<td><em>EBIT ¹)</em>* margin</td>
<td>13.1%</td>
<td>13.1%</td>
<td>0.0 p.p.</td>
</tr>
<tr>
<td><strong>Items affecting comparability</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spin-off related costs</td>
<td>-103</td>
<td>119</td>
<td>-222</td>
</tr>
<tr>
<td>Capital gain from divestment of IL Recycling</td>
<td></td>
<td>119</td>
<td>-119</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>451</td>
<td>625</td>
<td>- 28%</td>
</tr>
<tr>
<td><strong>Financial items</strong></td>
<td>- 39</td>
<td>-19</td>
<td></td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>412</td>
<td>606</td>
<td>- 32%</td>
</tr>
<tr>
<td><strong>Tax</strong></td>
<td>-124</td>
<td>-102</td>
<td></td>
</tr>
<tr>
<td><strong>Profit for the period from continued operations</strong></td>
<td>288</td>
<td>504</td>
<td>- 43%</td>
</tr>
<tr>
<td>Earnings per share continued operations, SEK</td>
<td>0.41</td>
<td>0.72</td>
<td></td>
</tr>
</tbody>
</table>

Note: Financials excluding discontinued operations. For details regarding discontinued operations please see the quarterly report.

¹) Adjusted EBITDA/EBIT.
Contribution by segment and quarter

Net sales (SEKm)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1 '16</th>
<th>Q2 '16</th>
<th>Q3 '16</th>
<th>Q4 '16</th>
<th>Q1 '17</th>
<th>Q2 '17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest</td>
<td>1,187</td>
<td>1,234</td>
<td>1,261</td>
<td>1,296</td>
<td>1,312</td>
<td>1,210</td>
</tr>
<tr>
<td>Wood</td>
<td>1,264</td>
<td>1,496</td>
<td>1,320</td>
<td>1,361</td>
<td>1,364</td>
<td>1,637</td>
</tr>
<tr>
<td>Pulp</td>
<td>600</td>
<td>556</td>
<td>668</td>
<td>668</td>
<td>641</td>
<td>585</td>
</tr>
<tr>
<td>Paper</td>
<td>1,998</td>
<td>1,889</td>
<td>1,859</td>
<td>1,998</td>
<td>2,046</td>
<td>2,072</td>
</tr>
</tbody>
</table>

EBITDA (SEKm) and EBITDA margin 1)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1 '16</th>
<th>Q2 '16</th>
<th>Q3 '16</th>
<th>Q4 '16</th>
<th>Q1 '17</th>
<th>Q2 '17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest</td>
<td>293</td>
<td>312</td>
<td>295</td>
<td>338</td>
<td>325</td>
<td>364</td>
</tr>
<tr>
<td>Wood</td>
<td>87</td>
<td>140</td>
<td>143</td>
<td>161</td>
<td>145</td>
<td>154</td>
</tr>
<tr>
<td>Pulp</td>
<td>163</td>
<td>105</td>
<td>160</td>
<td>102</td>
<td>104</td>
<td>71</td>
</tr>
<tr>
<td>Paper</td>
<td>303</td>
<td>259</td>
<td>290</td>
<td>276</td>
<td>268</td>
<td>291</td>
</tr>
</tbody>
</table>

Note: 1) Adjusted EBITDA.
Net sales Q2 2017 vs. Q2 2016

Net sales Q2 2016: SEK 3,872m

Price/Mix: 3%
Volume: 5%
Currency: 1%

Net sales Q2 2017: SEK 4,222m

Positive for Wood, Pulp and Kraftliner
Positive for Wood and Paper, negative for Pulp

+9%
EBITDA 1) Q2 2017 vs. Q2 2016

EBITDA Q2 2016: SEK 789m

- Price/Mix: +196m
- Volume: +13m
- Raw material: -63m
- Energy: -29m
- Currency: +45m
- Other: -124m

EBITDA Q2 2017: SEK 827m

- Higher price for latex and recycled paper: +5%
- Maintenance stops: SEK -71m
- Project cost Östrand: SEK -25m
- Electricity certificate write-downs: SEK -15m

Full year 2017 cost for:
- Maintenance stops: SEK 224m
- Project cost Östrand: SEK 148m, whereof SEK 53m depreciation

Note: 1) Adjusted EBITDA.
## Cash flow Q2 2017 vs. Q2 2016

<table>
<thead>
<tr>
<th></th>
<th>April-June 2017</th>
<th>April-June 2016</th>
<th>Jan-June 2017</th>
<th>Jan-June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash surplus</td>
<td>726</td>
<td>683</td>
<td>1,300</td>
<td>1,197</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>395</td>
<td>81</td>
<td>41</td>
<td>430</td>
</tr>
<tr>
<td>Current capital expenditures, net</td>
<td>-163</td>
<td>-196</td>
<td>-289</td>
<td>-269</td>
</tr>
<tr>
<td>Restructuring costs 1)</td>
<td>-137</td>
<td>-28</td>
<td>-146</td>
<td>-18</td>
</tr>
<tr>
<td>Operating cash flow – continuing operations</td>
<td>821</td>
<td>540</td>
<td>906</td>
<td>1,340</td>
</tr>
<tr>
<td>Strategic capital expenditures 2)</td>
<td>-961</td>
<td>-494</td>
<td>-1,476</td>
<td>-882</td>
</tr>
</tbody>
</table>

- 1) Mainly due to split of SCA
- 2) Q2 2017 Östrand expansion investment was 951 SEKm. SEK 4.1bn invested from project start up to Q2, 2017, out of SEK 7.8bn in total capex
## Balance sheet structure

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Forest assets (gross value before deferred taxes)</strong></td>
<td>31,119</td>
<td>31,001</td>
<td>30,770</td>
</tr>
<tr>
<td><strong>Deferred tax relating to Forest assets</strong></td>
<td>-6,846</td>
<td>-6,820</td>
<td>-6,769</td>
</tr>
<tr>
<td><strong>Forest assets, net of deferred tax</strong></td>
<td>24,273</td>
<td>24,181</td>
<td>24,001</td>
</tr>
<tr>
<td><strong>Working capital</strong></td>
<td>2,673</td>
<td>3,031</td>
<td>2,740</td>
</tr>
<tr>
<td><strong>Working capital/Net sales</strong></td>
<td>17%</td>
<td>19%</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Other capital employed</strong></td>
<td>14,353</td>
<td>13,601</td>
<td>13,386</td>
</tr>
<tr>
<td><strong>Total capital employed</strong></td>
<td>41,299</td>
<td>40,813</td>
<td>40,127</td>
</tr>
</tbody>
</table>

**Net debt**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net debt/EBITDA</strong> 2)</td>
<td>1.8x</td>
<td>1.6x</td>
<td>1.5x</td>
</tr>
</tbody>
</table>

**Equity**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net debt/Equity</strong></td>
<td>15.6%</td>
<td>15.2%</td>
<td>14.2%</td>
</tr>
</tbody>
</table>

**Note:**

1) Pro forma net debt after reallocation of SEK 5,000m as of December 31, 2016 less net debt for continuing operations of SEK 188m as of December 31, 2016 plus net debt for continuing operations of SEK 564m as of March 31, 2017.

2) 12-months EBITDA, up to end of each period.

3) Pro forma equity calculated as capital employed less pro forma net debt.
Summary Q2 2017

Distribution of Essity successfully completed by June 15
  • One-time cost of SEK 103m in Q2 due to split (shown as items affecting comparability)

Overall positive market situation

Strong 9% sales growth vs Q2 2016
  • Prices up 3%, volumes up 5%

EBITDA ¹) up 5% vs Q2 2016, influenced by:
  • Sales price and volume growth
  • Large planned maintenance stops during quarter (EBITDA impact SEK 71m vs LYQ)
  • Higher raw material and energy cost
  • Continued planned extra cost due to Östrand project (SEK 25m vs LYQ)

Östrand project progressing according to plan
  • Planned start-up June 2018
  • SEK 4.1bn invested from project start up to Q2, out of SEK 7.8bn in total

Note: ¹) Adjusted EBITDA.
Q&A
A leading industrial ecosystem, driven by the force of the forest

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.