Hygiene and Forest Products Business Combined Summary Q1 2017

- Net sales increased 4%
- Adjusted operating profit\(^1\) increased 5%
- AGM decision to split SCA into two listed companies
  - SCA, an efficient and well-invested forest products company
  - Essity, a leading global hygiene and health company
- Intention to distribute and list SCA Hygiene AB in June 2017
- Changed segment reporting as of Q1 2017

\(^1\) Excluding items affecting comparability
SCA Hygiene AB,
The Future Hygiene and Health Company Essity

Magnus Groth
President and CEO
## SCA Hygiene AB, The Future Essity
### Financial Summary Q1 2017 vs Q1 2016

<table>
<thead>
<tr>
<th>Metric</th>
<th>Q1 2017</th>
<th>Change</th>
<th>Q1 2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>SEK 25,268m</td>
<td>+4.2%</td>
<td>SEK</td>
<td></td>
</tr>
<tr>
<td>Organic Sales 1)</td>
<td>+1.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITA 2)</td>
<td>SEK 2,917m</td>
<td>+4%</td>
<td>SEK 2,086m</td>
<td>+60%</td>
</tr>
<tr>
<td>Adjusted EBITA Margin 2)</td>
<td>11.5%</td>
<td>+20bp</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPS</td>
<td>SEK 2.08</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>SEK 3,086m</td>
<td>+60%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) Sales which excludes exchange rate effects, acquisitions and divestments
2) Excluding items affecting comparability
3) Excluding items affecting comparability, currency translation effects and acquisitions
Significant Initiatives

- Discontinued hygiene business in India
- Actions to strengthen supply chain and product offering in Europe and Mexico

Events after the Quarter

- Completed acquisition of BSN Medical on April 3, 2017
- New financial targets
Adjusted ROCE\(^1\)}

<table>
<thead>
<tr>
<th></th>
<th>Q1 2016</th>
<th>Q1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15.5%</td>
<td>15.6%</td>
</tr>
</tbody>
</table>

\(^1\) Adjusted Return on Capital Employed (Adjusted EBITA / Capital Employed) excluding items affecting comparability
SCA Hygiene AB, The Future Essity
Innovations Q1 2017

New Saba
Good Night

Re-launch of Libero in Russia

TENA Flex with ConfioAir™

TENA Lady Discreet

Familia® pH Balanceado

April 27, 2017
Personal Care
Q1 2017 vs Q1 2016

- Net sales increased 3.8%
- Organic sales increased 1.1%
- Adjusted EBITA\(^1\) increased 26%
  - Better price/mix
  - Higher volumes
  - Lower raw material costs
  - Cost savings
  - Improved profitability in Incontinence Products in North America
  - Positive effect from exiting Baby Care in Mexico and hygiene business in India
  - Investments in increased marketing activities
- Adjusted EBITA margin\(^1\) 14.5%
- Adjusted ROCE\(^2\) 35.4%

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1) Excluding items affecting comparability
2) Adjusted Return on Capital Employed (Adjusted EBITA / Capital Employed) excluding items affecting comparability
Organic sales increased 1.1%
- Price/mix +0.7%
- Volume +0.4%
- Negative impact of approximately 1% related to closures of Baby Care Mexico and hygiene business in India

Mature markets
- Western Europe
  - Slightly lower sales
  - Incontinence Products showed good growth in Retail but lower sales in Health Care
- North America
  - Higher sales in Incontinence Products, both in Health Care and Retail

Emerging markets
- Latin America +3%
  - Good growth for Incontinence Products and Feminine Care
  - Lower sales in Baby Care mainly due to exiting Baby Care in Mexico
- Russia -24%
- Asia +1%
Net sales increased 2.3%

Organic sales increased 0.6%

Adjusted EBITA\(^1\) increased 7%
- Higher volumes
- Lower raw material costs
- Cost savings
- Lower prices
- Higher energy costs

Adjusted EBITA margin\(^1\) 11.0%

Adjusted ROCE\(^2\) 11.4%
Organic sales increased 0.6%
- Price/mix -0.3%
- Volume +0.9%

Mature markets
- Western Europe
  - Lower sales due to lower sales of retail branded products and mother reels

Emerging markets
- Asia +5%
- Latin America +6%
- Russia +14%
### Professional Hygiene

**Q1 2017 vs Q1 2016**

- **Net sales increased 8.6%**
- **Organic sales increased 2.1%**
- **Adjusted EBITA profit\(^1\) decreased 7%**
  - Higher raw material costs mainly due to significantly higher recovered paper prices
  - Higher selling costs
  - Better price/mix
  - Higher volumes
  - Cost savings
  - Acquisition of Wausau Paper Corp.
- **Adjusted EBITA margin\(^1\) 11.3%**
- **Adjusted ROCE\(^2\) 13.7%**

---

**Net Sales**

<table>
<thead>
<tr>
<th></th>
<th>SEK</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2016</td>
<td>5,876m</td>
<td></td>
</tr>
<tr>
<td>Q1 2017</td>
<td>6,383m</td>
<td>8.6%</td>
</tr>
</tbody>
</table>

**Adjusted EBITA\(^1\)**

<table>
<thead>
<tr>
<th></th>
<th>SEK</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2016</td>
<td>777m</td>
<td></td>
</tr>
<tr>
<td>Q1 2017</td>
<td>720m</td>
<td>-7%</td>
</tr>
</tbody>
</table>

**Adjusted EBITA Margin\(^1\)**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2016</td>
<td>13.2%</td>
<td></td>
</tr>
<tr>
<td>Q1 2017</td>
<td>11.3%</td>
<td>-190bp</td>
</tr>
</tbody>
</table>

---

\(^1\) Excluding items affecting comparability

\(^2\) Adjusted Return on Capital Employed (Adjusted EBITA / Capital Employed) excluding items affecting comparability
Organic sales increased 2.1%
- Price/mix +0.9%
- Volume +1.2%

Mature markets
- Higher sales in Western Europe compensated for lower sales in North America

Emerging markets
- Asia +22%
- Latin America +12%
- Russia 0%
SCA AB,
The Future Forest Products Company SCA

Ulf Larsson
Executive Vice President
President Forest Products
SCA AB, The Future Forest Products Company

Summary Q1 2017

- Net sales increased 5%
- Adjusted EBITDA and EBITDA margin decreased
  - Negative impact from revaluation related to the fair value measurement of electricity certificates
  - Higher costs related to Östrand pulp mill expansion
- Investment in increased pulp capacity in Östrand progressing according to plan
  - Since start of project approximately SEK 3.1bn has been invested of the total estimated investment of approximately SEK 7.8bn
- Committed credit facilities totaling SEK 9.5bn
Net Sales
SEK 3,969m +5%

Adjusted EBITDA Margin
20.3% -110bp

Adjusted EBITDA
SEK 807m -1%

EPS
SEK 0.52

Operating Cash Flow
SEK 85m -89%
Net sales increased 11%
- Increase mainly related to higher volumes

Adjusted EBITDA\(^1\) increased 11%
- Higher harvesting of own forest
- Lower harvesting costs

Adjusted EBITDA margin\(^1\) 24.7%

\(^1\) Excluding items affecting comparability
Wood
Q1 2017 vs Q1 2016

- **Net sales increased 8%**
  - Price/mix +9%
  - Volume 0%
  - Currency -1%

- **Adjusted EBITDA** increased 67%
  - Higher prices
  - Higher raw material costs
  - Higher distribution costs

- **Adjusted EBITDA margin** 10.6%

1) Excluding items affecting comparability
Net sales increased 7%
- Price/mix 0%
- Volume +4%
- Currency +3%

Adjusted EBITDA\(^1\) decreased 36%
- Revaluation related to the fair value measurement of electricity certificates of approximately SEK 25m
- Higher costs related to pulp mill expansion project of approximately SEK 15m

Adjusted EBITDA margin\(^1\) 16.3%

---

1) Excluding items affecting comparability
Net sales increased 2%

- Price/mix -3%
- Volume +4%
- Currency +1%

Adjusted EBITDA\(^1\) decreased 12%

- Lower prices
- Higher energy and raw material costs
- Revaluation related to the fair value measurement of electricity certificates of approximately SEK 15m
- Higher volumes
- Positive currency effects

Adjusted EBITDA margin\(^1\) 13.1%
Fredrik Rystedt
Executive Vice President and CFO
SCA Hygiene AB, The Future Essity
Net Sales Q1 2017 vs. Q1 2016

Net Sales
Q1 2016
Price/Mix
Volume
Currency
Acquisition
Net Sales
Q1 2017

Net Sales
Q1 2016

Price/Mix
Volume
Currency
Acquisition
Net Sales
Q1 2017

SEK 24,248m
+0.3%
+0.7%
+2.6%
+0.6%
SEK 25,268m
+4.2%

Organic sales increased 1.0%

- Price/Mix +0.3%
- Volume +0.7%
SCA Hygiene AB, The Future Essity

Adjusted EBITA\textsuperscript{1)} Q1 2017 vs. Q1 2016

\textsuperscript{1) Excluding items affecting comparability}
**Raw Material Development**

**Recovered Paper**
Index 100 = January 2016

**Market Pulp – Europe**
Index 100 = January 2016

1) Index based in local currencies
### SCA Hygiene AB, The Future Essity
#### Cash Flow Q1 2017 vs Q1 2016

<table>
<thead>
<tr>
<th></th>
<th>Q1 2017 SEKm</th>
<th>Q1 2016 SEKm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash surplus</td>
<td>4,146</td>
<td>3,900</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>-253</td>
<td>-1,071</td>
</tr>
<tr>
<td>Restructuring costs and other operating cash flow</td>
<td>-211</td>
<td>-231</td>
</tr>
<tr>
<td>Capital expenditures (including strategic)</td>
<td>-852</td>
<td>-1,086</td>
</tr>
<tr>
<td><strong>Operating cash flow including strategic capital expenditures</strong></td>
<td><strong>2,830</strong></td>
<td><strong>1,512</strong></td>
</tr>
</tbody>
</table>
**Items Affecting Comparability Q1 2017**

<table>
<thead>
<tr>
<th>Description</th>
<th>Q1 2017 SEKm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs related to the split of the SCA Group into two listed companies</td>
<td>-460</td>
</tr>
<tr>
<td>Restructuring costs related to closure of tissue machine in the UK</td>
<td>-80</td>
</tr>
<tr>
<td>Wausau Paper Corp.</td>
<td>-30</td>
</tr>
<tr>
<td>Release of provision related to anti-trust case in Poland</td>
<td>+265</td>
</tr>
<tr>
<td>Other</td>
<td>-104</td>
</tr>
<tr>
<td><strong>Total items affecting comparability</strong></td>
<td><strong>-409</strong></td>
</tr>
</tbody>
</table>
SCA Hygiene AB, The Future Essity
New Group Financial Targets

Annual Organic Sales Growth\(^1\)

>3%

Adjusted Return on Capital Employed\(^2\)

>15%

- Capital structure policy and dividend policy unchanged

---

\(^1\) Excluding exchange rate effects, acquisitions and divestments
\(^2\) Adjusted EBITA / Capital Employed
SCA AB, The Future Forest Products Company
Net Sales Q1 2017 vs. Q1 2016

<table>
<thead>
<tr>
<th></th>
<th>Q1 2016</th>
<th>Price/Mix</th>
<th>Volume</th>
<th>Currency</th>
<th>Q1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>SEK 3,793m</td>
<td>+2%</td>
<td>+3%</td>
<td>+5%</td>
<td>SEK 3,969m</td>
</tr>
</tbody>
</table>

April 27, 2017
Interim Report Q1 2017
## Adjusted EBITDA Q1 2017 vs. Q1 2016

### Adjusted EBITDA

<table>
<thead>
<tr>
<th>Component</th>
<th>SEK 2016</th>
<th>Change</th>
<th>SEK 2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>813m</td>
<td>+16m</td>
<td>807m</td>
<td>-1%</td>
</tr>
<tr>
<td>Raw Material</td>
<td></td>
<td>-39m</td>
<td></td>
<td>-10m</td>
</tr>
<tr>
<td>Energy</td>
<td></td>
<td>+28m</td>
<td></td>
<td>-39m</td>
</tr>
<tr>
<td>Currency</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Price/Mix**

- SEK 38m

Expenses:

- SEK 39m

Other:

- SEK 28m

1) Excluding items affecting comparability
### Cash Flow Q1 2017 vs. Q1 2016

<table>
<thead>
<tr>
<th></th>
<th>Q1 2017 SEKm</th>
<th>Q1 2016 SEKm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash surplus</td>
<td>574</td>
<td>514</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>-354</td>
<td>349</td>
</tr>
<tr>
<td>Restructuring costs and other operating cash flow</td>
<td>-9</td>
<td>10</td>
</tr>
<tr>
<td>Capital expenditures (including strategic)</td>
<td>-641</td>
<td>-461</td>
</tr>
<tr>
<td><strong>Operating cash flow including strategic capital expenditures</strong></td>
<td><strong>-430</strong></td>
<td><strong>412</strong></td>
</tr>
</tbody>
</table>
Magnus Groth

President and CEO
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.