



January–March 2022 compared with January–March 2021

- Net sales amounted to SEK 5,015m (4,172). The increase was mainly attributable to higher selling prices in all product areas.
- EBITDA improved 92% to SEK 2,608m (1,359). The increase was mainly attributable to higher selling prices in all product areas. Strong control of the value chain, with a high degree of self-sufficiency in wood, energy and logistics, enabled good cost control and thereby a significant increase in EBITDA margin to 52.0% (32.6).
- Operating profit increased to SEK 2,223m (1,046)
- Operating cash flow strengthened to SEK 1,143m (475)
- Earnings per share was SEK 2.51 (1.14)

January–March 2022 compared with October–December 2021

- Net sales amounted to SEK 5,015m (4,763). The increase was mainly attributable to higher delivery volumes, which were offset by slightly lower selling prices.
- EBITDA amounted to SEK 2,608m (2,806). The decrease is mainly related to slightly lower selling prices, which were offset by good production levels. EBITDA margin was 52.0% (58.9).

KEY FIGURES

SEKm	Quarter				
	2022:1	2021:1	%	2021:4	%
Net sales	5,015	4,172	20	4,763	5
EBITDA	2,608	1,359	92	2,806	-7
<i>EBITDA margin (%)</i>	52.0	32.6		58.9	
Operating profit	2,223	1,046	113	2,408	-8
Net Profit	1,760	802	119	1,995	-12
<i>Earnings per share SEK</i>	2.51	1.14		2.84	
Operating cash flow	1,143	475		1,763	
Net Debt/ EBITDA (LTM)	1.0x	1.5x		0.9x	

SUMMARY OF THE FIRST QUARTER OF 2022

SCA operations have a well integrated value chain in a focused geographical area. As Europe's largest private forest owner, SCA sources roughly half of its raw material supply from its own forest. Most of the purchased raw material is from local forest owners in close proximity to the company's industries. SCA is self-sufficient in renewable energy and the impact of high energy prices is therefore limited. With its own logistics company, which includes own ships, SCA has unique control over the logistics from the forest to the end customer.

Earnings for the first quarter of 2022 improved significantly compared with the same quarter last year. However, earnings were slightly weaker compared with the preceding quarter, mainly due to a higher revaluation of biological assets in the preceding period. Supply in the end markets was limited and demand was healthy in all product areas while SCA's production was at a good level. Inflation on input goods and logistics was high but the strong control over SCA's own value chain and a high degree of self-sufficiency in wood, energy and logistics helped to offset most of the cost increases.

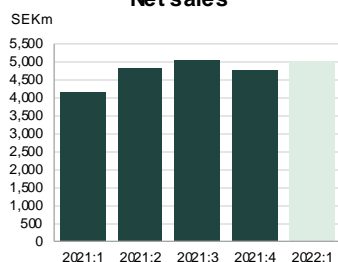
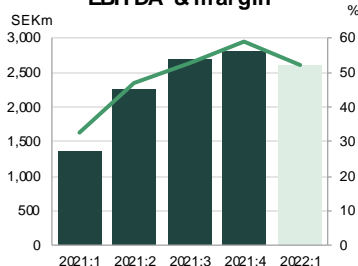
The supply of wood raw material to SCA's industries was stable during the quarter. The price of timber increased while the price of pulpwood was relatively stable compared with the preceding quarter.

Lower seasonal demand for solid-wood products resulted in normalized inventory levels and lower market prices compared with the preceding quarter.

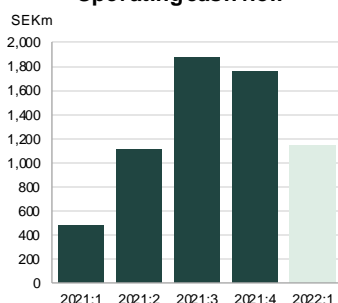
Delivery volumes in the Pulp segment were impacted by low opening inventory levels following a planned maintenance stop that took place at the end of last year. Production and demand remained at good levels. The CTMP (chemi-thermomechanical pulp) expansion project at the Ortviken site is progressing on time and on budget.

Demand for kraftliner was strong during the period, driven by a sustained high level of global demand for packaging. Average selling prices increased compared with the preceding quarter. The kraftliner expansion project at Obbola is progressing on time and on budget.

Russia's invasion affects above all the people of Ukraine, but also economies, markets and production levels around the world. However, SCA has no operations or direct exposure in the form of purchasing or sales in Russia, Ukraine or Belarus.

Net sales**EBITDA & margin****Change in net sales (%)**

	2022:1 vs 2021:1	2022:1 vs 2021:4
Total	20	5
Price/mix	30	-1
Volume	-2	5
Currency	1	1
Discontinuation	-9	0

Operating cash flow**GROUP****SALES AND OPERATING PROFIT****January–March 2022 compared with January–March 2021**

Net sales amounted to SEK 5,015m (4,172), an increase of 20%, of which price/mix accounted for 30%, discontinuations for -9%, volume for -2%, and currency for 1%. The increase was attributable to higher selling prices in all product areas and positive exchange rate effects. The discontinuation of publication paper operations, where production ended in the first quarter of 2021, and lower delivery volumes had an adverse impact on net sales.

EBITDA increased to SEK 2,608m (1,359), corresponding to an EBITDA margin of 52.0% (32.6). The change was mainly attributable to higher selling prices in all product areas. The increase in EBITDA margin also related to good cost control and the discontinuation of publication paper operations. The cost of planned maintenance stops amounted to SEK 0m (0).

Operating profit amounted to SEK 2,223m (1,046).

January–March 2022 compared with October–December 2021

Net sales rose 5% to SEK 5,015m (4,763), of which volume accounted for 5%, currency for 1% and price/mix for -1%. The increase was attributable to higher delivery volumes in all product areas and positive exchange rate effects. Slightly lower selling prices for pulp and solid-wood products had a negative impact on sales.

EBITDA amounted to SEK 2,608m (2,806), corresponding to an EBITDA margin of 52.0% (58.9). The decrease relates to lower selling prices and a lower effect from the revaluation of biological assets, which were offset by favorable production levels, higher delivery volumes in all product areas and lower costs for planned maintenance stops of SEK 0m (139).

Operating profit amounted to SEK 2,223m (2,408).

CASH FLOW**January–March 2022 compared with January–March 2021**

The operating cash surplus amounted to SEK 2,117m (1,039). The cash flow effect from changes in working capital was SEK -624m (-290). Restructuring expenditure related to the discontinuation of publication paper operations amounted to SEK -27m (-123). Net current capital expenditures totaled SEK -248m (-209). Operating cash flow was SEK 1,143m (475) (see Note 9).

Strategic capital expenditures totaled SEK -597m (-511) (see page 5) and company and asset acquisitions totaled -485 (0) MSEK (see page 15). Cash flow for the period was SEK 106m (-92) (see page 15).

FINANCING

At March 31, 2022, net debt totaled SEK 10,181m, an increase during the quarter of SEK 2,429m. The increase mainly relates to the approved, but at the end of the quarter not yet paid, dividend of SEK 2,283m. At the end of the period, the dividend was financed using cash funds and a loan under one of the existing credit facilities. Net debt in relation to EBITDA amounted to 1.0x compared with 0.9x in the preceding quarter.

At March 31, 2022, gross debt amounted to SEK 13,092m, with an average maturity of 4.2 years (including the lease liability). The loan structure consists of commercial paper, bonds and bilateral bank loans.

Unutilized credit facilities amounted to approximately SEK 10bn at the end of the quarter, of which the largest portion falls due in 2026. In the first quarter of 2022, financial items totaled SEK -15m compared with SEK -28m in the year-earlier period.

TAX**January–March 2022 compared with January–March 2021**

The Group's tax expense amounted to SEK 448m (216), corresponding to an effective tax rate of 20.3% (21.2).

EQUITY

January–March 2022

Equity decreased by SEK 408m during the period to SEK 82,647m at March 31, 2022. Equity decreased by SEK 2,283m due to the approved dividend and increased due to comprehensive income for the period (see page 13) of SEK 1,874m and other items of SEK 1m.

CURRENCY EXPOSURE AND CURRENCY HEDGING

Due to a high proportion of exports, SCA's operations are exposed to various currencies. About 85% of sales are priced in currencies other than SEK, primarily EUR, USD and GBP. Most purchasing is conducted in SEK. SCA's currency exposure and currency management are described on page 65 of SCA's Annual and Sustainability Report for 2021.

The company has hedged about 65% of the expected net EUR exposure from sales minus purchases until the end of the third quarter of 2022, as well as approximately 50% for the fourth quarter of 2022 and 25% for the first quarter of 2023, at the average exchange rate of 10.38. The company has hedged about 80% of the expected net USD exposure from sales minus purchases until the end of the third quarter of 2022, as well as approximately 60% for the fourth quarter of 2022 and 35% for the first quarter of 2023, at the average exchange rate of 8.97. The company has hedged about 80% of the expected net GBP exposure from sales minus purchases until the end of the third quarter of 2022, as well as approximately 65% for the fourth quarter of 2022 and 40% for the first quarter of 2023, at the average exchange rate of 12.20.

PLANNED MAINTENANCE STOPS

No planned maintenance stops were carried out in the first quarter of 2022.

The estimated effect of the planned maintenance stops on earnings, calculated as the sum of the direct cost of the maintenance and the effect from lower fixed cost coverage from reduced production during the stops, is shown in the table below

SEKm	Actual				Total
	2021:1	2021:2	2021:3	2021:4	
Pulp	0	0	20	139	159
Containerboard	0	0	151	0	151
Total	0	0	171	139	310
SEKm	Actual	Forecast			Total
	2022:1	2022:2	2022:3	2022:4	
Pulp	0	0	20	150	170
Containerboard	0	70	50	0	120
Total	0	70	70	150	290

STRATEGIC CAPITAL EXPENDITURES

SCA invests in the Obbola kraftliner mill

In 2019, SCA decided to build a new paper machine for the production of kraftliner at the Obbola paper mill in Umeå. Production in Obbola will increase from the current 450,000 tonnes of kraftliner to 725,000 tonnes per year to meet an expected increase in demand for renewable packaging. The total investment will be approximately SEK 7.5bn over a five-year period. The investment includes environmental investments of approximately SEK 1bn, which, for example, include a reduction in oil consumption by 8,000 cubic meters per year and an improved water treatment capacity. The project is progressing on time and on budget. Production is expected to start on the new machine at the beginning of 2023.

SCA invests in increased CTMP production capacity

In 2020, SCA decided to invest SEK 1.45bn to reach an annual production volume of 300,000 tonnes of chemi-thermomechanical pulp (CTMP) at the Ortviken site, where some existing infrastructure and mechanical equipment will be utilized. The project is progressing on time and on budget. Production is expected to start at the new facility at the beginning of 2023.

SCA and St1 enter joint venture to produce and develop biofuels

SCA and St1 decided in 2021 to form a joint venture to produce and sell liquid biofuels. A jointly-financed biorefinery is under construction and will have access to SCA's tall oil, which is a residual product from the production of kraft pulp. SCA's part of the investment is approximately SEK 0.6bn. The new biorefinery is expected to begin operations in the second quarter of 2023 (see page 10).

SCA invests in forest land in the Baltic states

SCA has an ongoing investment program to acquire 100,000 hectares of forest land in the Baltic states. At the end of the first quarter of 2022, SCA had a land area of about 45,000 hectares of forest land in Estonia and Latvia. The acquisitions will strengthen SCA's long-term opportunities to source timber in the region.

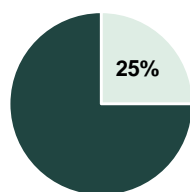
As part of the ongoing investment program, SCA acquired about 5,000 hectares of forest land in Lithuania after the end of the quarter. The purchase price was approximately SEK 277m. As a result, the total landholding in the Baltic states amounted to approximately 50,000 hectares of forest land at the time of this report.

SUSTAINABILITY

SCA's contribution to the climate is increasing

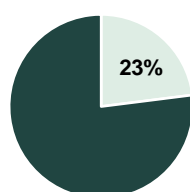
SCA helps to combat climate change by managing its forest holding so that it has good growth and binds large amounts of CO₂, with SCA's products replacing products with a larger carbon footprint and by continuously striving to reduce fossil emissions. In 2021, SCA's total positive climate benefit increased to 10.5 million tonnes of CO₂ (9.6), which exceeds the annual fossil emissions from all passenger cars in Sweden.

Share of net sales Jan-Mar 2022*



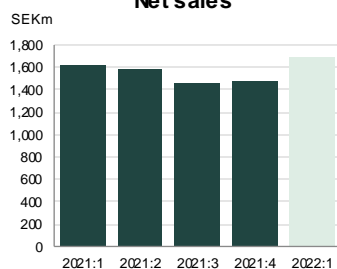
* before elimination of intra-Group sales

Share of EBITDA Jan-Mar 2022**

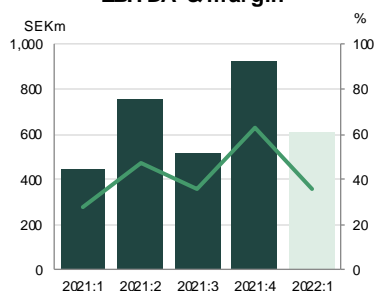


** share calculated of total EBITDA excluding central costs

Net sales



EBITDA & margin



FOREST

SCA is Europe's largest private forest owner with a holding of 2.6 million hectares of forest land in Northern Sweden and the Baltic states. SCA's unique forest holding is a growing resource that provides access to high-quality forest raw materials while absorbing a net of more than 10% of Sweden's fossil CO₂ emissions.

SEKm	Quarter				
	2022:1	2021:1	%	2021:4	%
Net sales	1,691	1,627	4	1,474	15
EBITDA	608	449	35	926	-34
Depreciation	-56	-55	2	-70	-20
Operating profit	552	394	40	856	-36
EBITDA margin, %	36.0	27.6		62.8	
Operating margin, %	32.7	24.2		58.1	
Return on capital employed, %	3.2	2.6		5.2	
Harvesting of own forest, thousand m ³ sub	643	767	-16	1,121	-43
Revaluation of biological assets	454	316	44	719	-37

Revaluation of biological assets is included in EBITDA.

The Forest segment includes net sales from timber sourced from SCA's own forests, and from timber purchased from other forest owners, which is sold internally to SCA's industrial operations. The pricing is based on an average of SCA's externally sourced timber prices.

Harvesting of own forest

During the first quarter, the volume of timber harvested from SCA-owned forest was 0.6 million m³sub. The planned annual level of timber harvested in SCA-owned forest is expected to gradually increase from approximately 4.3 m³sub to approximately 5.4 million m³sub in 2025.

Revaluation of forest assets

The revaluation is determined by the annual increase in standing volume (net growth) and the change in market price of forest land (see Note 3).

January–March 2022 compared with January–March 2021

Net sales increased by 4% to SEK 1,691m (1,627). The increase was primarily attributable to higher prices for timber.

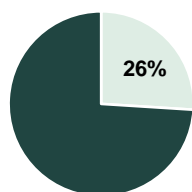
EBITDA improved 35% to SEK 608m (449), corresponding to an EBITDA margin of 36.0% (27.6). The change was primarily due to higher prices for timber and higher earnings from the revaluation of biological assets.

January–March 2022 compared with October–December 2021

Net sales increased 15% to SEK 1,691m (1,474). The change was primarily attributable to higher prices for timber and higher delivery volumes to SCA's industries.

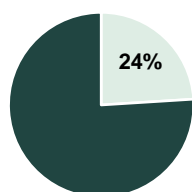
EBITDA declined 34% to SEK 608m (926). The decrease was primarily attributable to a seasonally lower share of harvesting from SCA-owned forest and lower earnings from the revaluation of biological assets.

Share of net sales Jan-Mar 2022*



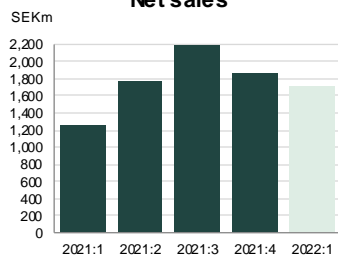
* before elimination of intra-Group sales

Share of EBITDA Jan-Mar 2022**

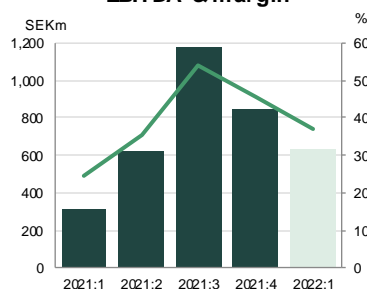


** share calculated of total EBITDA excluding central costs

Net sales



EBITDA & margin



WOOD

SCA is one of Europe's leading suppliers of wood-based products for the wood industry and building materials trade, with an annual production capacity of 2.2 m³ of solid-wood products. SCA has five cost-efficient sawmills located close to its forest holdings in Northern Sweden, as well as wood processing and distribution to the building materials trade in Scandinavia and France.

SEKm	Quarter				
	2022:1	2021:1	%	2021:4	%
Net sales	1,717	1,264	36	1,868	-8
EBITDA	635	310	105	850	-25
Depreciation	-62	-56	11	-57	9
Operating profit	573	254	126	793	-28
EBITDA margin, %	37.0	24.5		45.5	
Operating margin, %	33.4	20.1		42.4	
Return on capital employed, %	59.3	30.0		84.8	
Deliveries, wood products, thousand m ³	510	493	3	507	1

January–March 2022 compared with January–March 2021

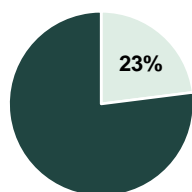
Net sales increased 36% to SEK 1,717m (1,264). The increase was attributable to higher selling prices and higher delivery volumes.

EBITDA improved 105% to SEK 635m (310), which was mainly due to higher selling prices. Higher raw material costs had a negative impact on earnings.

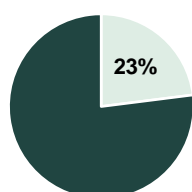
January–March 2022 compared with October–December 2021

Net sales declined 8% to SEK 1,717m (1,868) which was mainly attributable to lower selling prices.

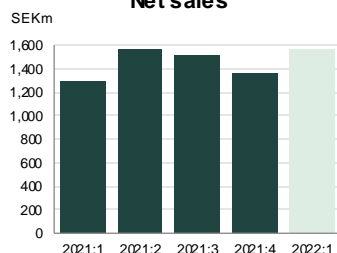
EBITDA amounted to SEK 635m (850), a decrease of 25%. The decrease was mainly attributable to lower selling prices and higher raw material costs.

Share of net sales
Jan-Mar 2022*

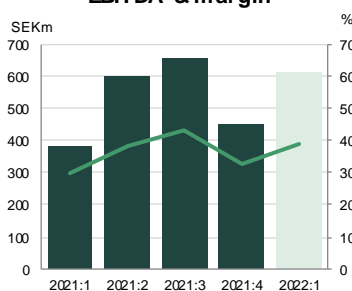
*before elimination of intra-Group sales

Share of EBITDA
Jan-Mar 2022**** share calculated of total EBITDA
excluding central costs

Net sales



EBITDA & margin



PULP

SCA produces market pulp at Östrand pulp mill. Östrand is one of the largest and most cost-efficient production lines for bleached softwood kraft pulp (NBSK) in the world. Together with chemi-thermomechanical pulp (CTMP) production, Östrand's annual capacity amounts to 1 million tonnes. The Östrand pulp mill is also a net producer of green energy and produces by-products such as tall oil and turpentine.

SEKm	Quarter				
	2022:1	2021:1	%	2021:4	%
Net sales	1,564	1,288	21	1,368	14
EBITDA	614	385	59	452	36
Depreciation	-146	-142	3	-145	1
Operating profit	468	243	93	307	52
EBITDA margin, %	39.2	29.9		33.0	
Operating margin, %	29.9	18.9		22.4	
Return on capital employed, %	23.0	10.9		14.9	
Deliveries, pulp, thousand tonnes	218	232	-6	195	12

January–March 2022 compared with January–March 2021

Net sales increased 21% to SEK 1,564m (1,288). The change was attributable to higher selling prices and positive exchange rate effects, which were partly offset by lower delivery volumes.

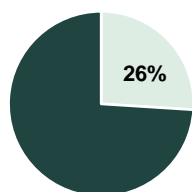
EBITDA improved 59% to SEK 614m (385). The increase was primarily attributable to higher selling prices.

January–March 2022 compared with October–December 2021

Net sales increased by 14% to SEK 1,564m (1,368). The change was attributable to higher delivery volumes and positive exchange rate effects, which were partly offset by lower selling prices.

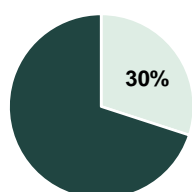
EBITDA totaled SEK 614m (452). The change was primarily due to lower costs for planned maintenance stops of SEK 0m (139) and higher delivery volumes.

Share of net sales Jan-Mar 2022*



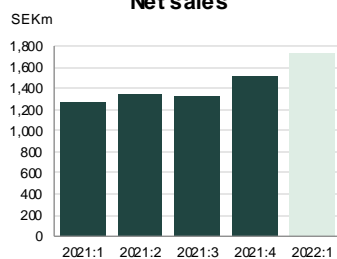
*before elimination of intra-Group sales

Share of EBITDA Jan-Mar 2022**

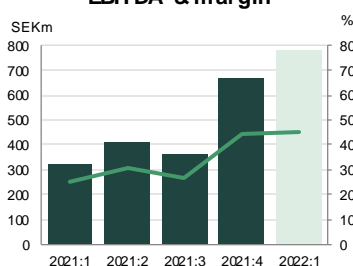


** share calculated of total EBITDA excluding central costs

Net sales



EBITDA & margin



CONTAINERBOARD

SCA produces kraftliner, renewable packaging paper, at the paper mills in Munksund and Obbola. SCA is Europe's largest independent producer of kraftliner, with a total capacity of 865,000 tonnes per year.

SEKm	Quarter				
	2022:1	2021:1	%	2021:4	%
Net sales	1,731	1,272	36	1,518	14
EBITDA	782	321	144	669	17
Depreciation	-104	-106	-2	-107	-3
Operating profit	678	215	215	562	21
EBITDA margin, %	45.2	25.2		44.1	
Operating margin, %	39.2	16.9		37.1	
Return on capital employed, %	70.8	18.5		59.8	
Deliveries, kraftliner, thousand tonnes	205	226	-9	197	4

January–March 2022 compared with January–March 2021

Net sales increased by 36% to SEK 1,731m (1,272). The increase mainly relates to higher selling prices, which were partly offset by lower delivery volumes.

EBITDA improved 144% to SEK 782m (321). The increase was mainly attributable to higher selling prices, which were offset by higher costs for raw materials and lower delivery volumes.

January–March 2022 compared with October–December 2021

Net sales increased 14% to SEK 1,731m (1,518). The increase was primarily attributable to higher selling prices and higher delivery volumes.

EBITDA improved 17% to SEK 782m (669). The increase was mainly due to higher selling prices and higher delivery volumes.

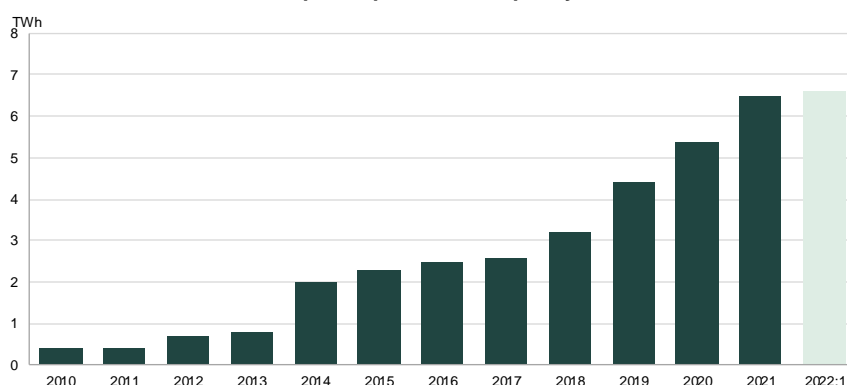
RENEWABLE ENERGY

SCA produces processed biofuels, meaning wood pellets, unprocessed biofuels and is investing in a biorefinery for the production of advanced liquid biofuels. SCA is one of Europe's largest producers of bioenergy with a production of almost 12 TWh per year. Wind power produced on SCA's land is equivalent to about 20% of Sweden's total wind power.

SCA's large forest assets, geographical location and industrial operations provide the company with significant potential to develop new business opportunities in the field of renewable energy. Increasing the value created from by-products from the forest and industry create conditions for profitable and sustainable growth.

As Europe's largest private forest owner, SCA owns large areas of land with favorable wind conditions, where SCA leases out land. A significant expansion of wind power is currently taking place and demand for electricity is expected to continue to increase substantially. At the end of the first quarter of 2022, 645 wind turbines were operating on SCA's land with an annual production capacity¹ of 6.6 TWh, equivalent to about 20% of Sweden's total wind power production. Together with previously decided but not yet completed projects, operating production capacity¹ on SCA's land is expected to increase to 9.0 TWh by 2023.

Annual wind power production capacity¹ on SCA land



The residual products from forest operations and industry that are not suitable for use as fiber based materials are used in energy production. Energy used by SCA's operations is almost exclusively from bioenergy. By-products are used to produce heat and electricity. The expanded pulp mill in Östrand has the capacity to produce 1.2 TWh of green electricity, corresponding to almost 1% of Sweden's total electricity production. The mill is self-sufficient in electricity and the surplus of 0.5 TWh is sold on the electricity market. SCA also has an annual production capacity of 300,000 tonnes of pellets that are used both in SCA's own plants and sold externally.

Together with St1, SCA is investing in the production and sale of advanced liquid biofuels. SCA and St1 each own 50% of a joint venture, which will own and have access to half of the production capacity of a new biorefinery in Gothenburg. SCA will invest about SEK 0.6bn of the estimated total investment of approximately SEK 2.5bn. The new biorefinery will have a total capacity of 200,000 tonnes of liquid biofuels and is designed to switch between optimized production of renewable HVO diesel and bio-jet fuel. The biorefinery will have access to SCA's tall oil, which is a residual product from the production of chemical pulp. The facility is expected to be operational in the second quarter of 2023.

As part of the agreement, St1 is also a joint-owner of Biorefinery Östrand AB. The Östrand biorefinery project has received environmental permits for the production of 300,000 tonnes of liquid biofuels based on by-products in the form of black liquor and solid biomass. The biorefinery in Östrand is a development project in the design phase.

¹ Annual production capacity is based on estimated normal wind conditions.

SHARE DISTRIBUTION

SHARE DISTRIBUTION

March 31, 2022	Class A	Class B	Total
Registered number of shares	64,581,994	637,760,495	702,342,489

At the end of the period, the proportion of Class A shares was 9.2%. In the first quarter, a total of 5,000 Class A shares were converted to Class B shares at the request of shareholders. The total number of votes in the company thereafter amounted to 1,283,580,435.

FUTURE EVENTS

- The six-month report will be published on July 22, 2022
- The interim report for the third quarter will be published on October 28, 2022
- The year-end report will be published on January 27, 2023

INVITATION TO PRESS CONFERENCE ON INTERIM REPORT FOR THE FIRST QUARTER OF 2022

Members of the media and analysts are hereby invited to attend a press conference where this interim report will be presented by the President and CEO, Ulf Larsson, and CFO, Toby Lawton.

Time: Friday, April 29, 2022 at 10:00 a.m.

Venue: Tändstickspalatset, Västra Trädgårdsgatan 15 in Stockholm, Sweden.

The press conference will be webcast live at www.sca.com. It is also possible to participate by telephone by calling:

Sweden: +46 (0)8 566 426 51
 UK: +44 (0)3333 000 804
 US: +1 631 913 1422

Specify the conference ID: 10918682#.

Sundsvall, April 29, 2022

SVENSKA CELLULOSA AKTIEBOLAGET SCA (publ)

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 President and CEO

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Please note:

This is information that SCA is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. This report has been prepared in both Swedish and English versions. In case of variations in the content between the two versions, the Swedish version shall govern. The information was submitted for publication, through the agency of the contact person set out below, on April 29, 2022 at 08:00 a.m. CEST. The report has not been reviewed by the company's auditors.

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GROUP**CONSOLIDATED INCOME STATEMENT**

SEKm	Quarter				
	2022:1	2021:1 ²	%	2021:4	%
Net sales	5,015	4,172	20	4,763	5
Other income	713	691	3	803	-11
Change in inventories	25	-311		53	
Change in value in biological assets	454	316	44	719	-37
Raw materials and consumables	-1,318	-1,210	9	-1,132	16
Personnel costs	-644	-645	0	-654	-2
Other external costs	-1,640	-1,663	-1	-1,772	-7
Share of profits of associates	3	9		26	
EBITDA	2,608	1,359	92	2,806	-7
Depreciation and impairment	-385	-313	23	-398	-3
Operating profit	2,223	1,046	113	2,408	-8
Financial items	-15	-28		-28	
Profit before tax	2,208	1,018	117	2,380	-7
Tax	-448	-216		-385	
Net Profit for the period	1,760	802	119	1,995	-12
<i>Earnings per share SEK¹</i>	<i>2.51</i>	<i>1.14</i>		<i>2.84</i>	
Earnings attributable to:					
Owners of the parent	1,760	802		1,995	
Average no. of shares, millions	702.3	702.3		702.3	
Margins (%)					
EBITDA margin	52.0	32.6		58.9	
Operating margin	44.3	25.1		50.6	
Net margin	35.1	19.2		41.9	

¹ There are no dilution effects.

² According to restatement made in 2021:4. For further information, refer to Year-end report 2021, Note 5.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	Quarter		
	2022:1	2021:1	2021:4
Profit for the period	1,760	802	1,995
Other comprehensive income for the period:			
Items that may not be reclassified to the income statement			
Change of value land assets	-	-	6,222
Revaluation of defined benefit pension plans	-18	708	-39
In come tax attributable to components of other comprehensive income	4	-146	-1,272
Total	-14	562	4,911
Items that have been or may be reclassified subsequently to the income statement			
Cash flow hedges	155	-138	-25
Hedge cost	-3	-23	-18
Translation differences in foreign operations	16	31	5
In come tax attributable to components of other comprehensive income	-40	33	9
Total	128	-97	-29
Other comprehensive income for the period, net of tax	114	465	4,882
Total comprehensive income for the period	1,874	1,267	6,877
Total comprehensive income attributable to:			
Owners of the parent	1,874	1,267	6,877

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	Jan-Mar	
	2022	2021
Attributable to owners of the parent		
Value, January 1	83,055	72,163
Total comprehensive income for the period	1,874	1,267
Cash flow hedge transferred at cost of hedged investments	1	1
Tax on cash flow hedge transferred at cost of hedged investments	0	0
Dividend, approved	-2,283	-
Remeasurement effect upon acquisition of non-controlling interests	0	-
Value, March 31	82,647	73,431

CONDENSED CONSOLIDATED BALANCE SHEET

SEKm	Mar 31, 2022	Dec 31, 2021
ASSETS		
Non-current assets		
Goodwill and other intangible assets	772	526
Buildings, land, machinery and equipment	22,026	21,737
Forest assets	85,021	84,497
<i>whereof land assets</i>	31,209	31,188
<i>whereof biological assets</i>	53,812	53,309
Right-of-use assets	611	614
Other non-current assets	2,557	2,091
Total non-current assets	110,987	109,465
Current assets		
Inventories	4,409	4,189
Trade receivables	3,008	2,516
Other current receivables	1,136	1,007
Cash and cash equivalents	1,164	1,056
Total current assets	9,717	8,768
Total assets	120,704	118,233
EQUITY AND LIABILITIES		
Equity		
Owners of the Parent		
Share capital	2,350	2,350
Share premium	6,830	6,830
Reserves	23,290	23,161
Retained earnings	50,177	50,714
Total equity	82,647	83,055
Non-current liabilities		
Non-current financial liabilities	8,998	9,083
Provisions for pensions	397	427
Deferred tax liabilities	19,127	18,885
Other non-current liabilities and other provisions	4	103
Total non-current liabilities	28,526	28,498
Current liabilities		
Current financial liabilities	1,414	1,056
Dividend, approved	2,283	-
Trade payables	3,417	3,478
Other current liabilities and other provisions	2,417	2,146
Total current liabilities	9,531	6,680
Total liabilities and equity	120,704	118,233

CONSOLIDATED CASH FLOW STATEMENT

SEKm	Jan-Mar	
	2022	2021
Operating activities		
Profit before tax	2,208	1,018
Adjustment for non-cash items ¹	-134	82
Change in liabilities regarding restructuring costs	-27	-123
Paid tax	-250	-35
Cash flow from operating activities before changes in working capital	1,797	942
Cash flow from changes in working capital		
Change in inventories	-219	248
Change in operating receivables	-626	-302
Change in operating liabilities	221	-236
Cash flow from operating activities	1,173	652
Investing activities		
Company and asset acquisitions	-485	-
Divestments	18	-
Current capital expenditures in non-current assets, net	-211	-195
Strategic capital expenditures in non-current assets	-597	-511
Acquisition of financial asset	-19	-4
Cash flow from investing activities	-1,294	-710
Financing activities		
Loans raised	272	11
Amortization of loans, leasing	-45	-45
Cash flow from financing activities	227	-34
Net cash flow for the period	106	-92
Cash and cash equivalents at the beginning of the period	1,056	1,273
Translation differences in cash and cash equivalents	2	6
Cash and cash equivalents at the end of the period	1,164	1,187
Cash flow from operating activities per share SEK	1.67	0.93
¹ Depreciation/amortization and impairment of non-current assets	385	312
Fair-value measurement of biological assets	-454	-316
Gains/loss on assets sales and swaps of assets	-24	-2
Resolution of provision	-11	-
Other	-30	88
Total	-134	82

NOTES

1. ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 and recommendation RFR 1 of the Swedish Financial Reporting Board, and with regards to the Parent Company, RFR 2. Applied accounting principles are described in detail in SCA's 2021 Annual and Sustainability Report.

2. REVENUE FROM CONTRACTS WITH CUSTOMERS

Net sales by segment

SEKm	Jan-Mar 2022						Total
	Forest	Wood	Pulp	Containerboard	Other ¹	Eliminations	
Sweden	1,688	604	239	172	0	-1,688	1,015
USA	-	115	357	42	-	-	514
United Kingdom	-	151	54	269	-	-	474
Germany	-	31	114	388	-	-	533
Rest of Europe	3	389	695	816	-	-	1,903
Asia	0	310	18	10	-	-	338
Rest of world	0	117	87	34	-	-	238
Total Group	1,691	1,717	1,564	1,731	0	-1,688	5,015

SEKm	Jan-Mar 2021						Total
	Forest	Wood	Pulp	Containerboard	Other ¹	Eliminations	
Sweden	1,626	390	171	117	13	-1,653	664
USA	-	120	347	26	4	-	497
United Kingdom	-	159	37	236	53	-	485
Germany	-	26	105	301	51	-	483
Rest of Europe	0	275	487	545	142	-	1,449
Asia	0	189	114	24	71	-	398
Rest of world	0	105	27	23	41	-	196
Total Group	1,626	1,264	1,288	1,272	375	-1,653	4,172

¹ Other including the discontinuation of publication paper operations.

3. FOREST VALUATION

Accounting principles

The accounting principles for forest assets are described in detail on page 103, Note D3, of SCA's 2021 Annual Report.

Key assessments and assumptions

SCA bases its valuation of forest assets in Sweden on forest transactions in the areas where SCA owns forest assets. The market prices applied by SCA comprise a weighted average based on forest transactions over the last three years. When establishing the change in value of biological assets, the same valuation model has been used as in the past, with a return requirement of 3.5% (3.5) after tax. The value of land assets constitutes the residual amount between the total value in accordance with market price based on forest transactions and the value of the biological assets.

At December 31, 2021, the total standing timber volume was estimated at approximately 261 million m³fo, of which 5 million m³fo in the Baltic states. The market price applied by SCA was SEK 324/m³fo and the total value of the forest assets was SEK 84,497m. SCA has not updated the market price for the first quarter of 2022. The estimated change in value for biological assets is accrued over the course of the year and is based on discounted cash flows. At March 31, 2022, approximately 25% of the expected annual change in value was recognized with a total value of SEK 85,021m for the forest assets. The change in value of biological assets was SEK 454m at March 31, 2022 and is recognized in the income statement on the line item for change in value in biological assets. The change in value of land assets and growth in standing timber volume is updated when the market price is updated.

Forest assets

SEKm	Mar 31, 2022	Dec 31, 2021
Forest assets in Sweden	83,199	82,746
Forest assets in the Baltic region	1,822	1,751
Total value of forest assets	85,021	84,497
Deferred tax on forest assets	16,996	16,905

4. OTHER PROVISIONS

Accounting principles

The accounting principles for other provisions are described in detail on page 109, Note D8, of SCA's 2021 Annual Report.

SEKm	Environment	Discontinuation publication paper	Other	Total
Value, January 1	49	239	4	292
Provisions	13	-	0	13
Utilization	-24	-33	-	-57
Reclassifications	-	-	0	0
Dissolutions	-	-42	-	-42
Translation differences	0	0	0	0
Value, March 31	38	164	4	206
Provision comprise:				
Long-term component				47
Short-term component				159

5. RISKS AND UNCERTAINTIES

SCA's risk exposure and risk management are described on pages 61–67 of SCA's Annual and Sustainability Report 2021. SCA conducts operations in a strongly integrated and geographically cohesive value chain. As Europe's largest private forest owner, SCA covers roughly half of its raw material supply from its own forest. SCA is self-sufficient in renewable energy and the impact of high energy prices is therefore limited. Through its own logistics company, SCA has a unique control over logistics from forest to the end customer. SCA has no operations or direct exposure in the form of purchasing or sales in Russia, Ukraine or Belarus. The impact of the war may affect SCA's future earnings. SCA is actively working to monitor inventory levels, secure the delivery and distribution chain and to ensure cash flow.

6. RELATED PARTY TRANSACTIONS

During the period, no transactions took place between SCA and related parties with any material impact on the company's financial position or results.

7. FINANCIAL INSTRUMENTS BY CATEGORY

SEKm	Measure- ment level	Mar 31, 2022	Dec 31, 2021
Financial assets measured at fair value in the income statement			
Derivatives - Current financial assets	2	0	0
Derivatives - Other current receivables	2	168	171
Total		168	171
Financial liabilities measured at fair value in the income statement			
Derivatives - Current financial liabilities	2	3	1
Derivatives - Other current liabilities	2	198	220
Total		201	221
Financial assets measured at fair value through other comprehensive income			
Equity instruments	3	14	14
Total		14	14
Financial liabilities measured at amortized cost			
Non-current financial liabilities excluding leasing	-	8,508	8,584
Non-current financial liabilities, leasing	-	490	500
Current financial liabilities excluding leasing	-	3,549	918
Current financial liabilities, leasing	-	145	136
Total		12,692	10,138
Derivatives used for hedge accounting			
Non-current financial assets	2	44	6
Other non-current assets	2	31	0
Other current receivables	2	113	26
Total		188	32
Derivatives used for hedge accounting			
Non-current financial liabilities	2	-	-
Other non-current liabilities	2	19	11
Other current liabilities	2	126	129
Total		145	140

The fair value of trade receivables, other current and non-current receivables, cash and cash equivalents, and trade payables is estimated to be equal to their carrying amount. The total fair value of current and non-current financial liabilities, excluding lease liabilities, was SEK 11,990m (9,496). The value of electricity derivatives is based on published prices in an active market. Other financial instruments are marked to market, based on prevailing currency and interest rates on the balance sheet date. The fair value of debt instruments is determined using valuation models, such as discounting future cash flows at quoted market rates for the respective maturity.

8. CONTINGENT LIABILITIES AND COMMITMENTS

SEKm	Parent		Group	
	Mar 31, 2022	Dec 31, 2021	Mar 31, 2022	Dec 31, 2021
Contingent liabilities				
Guarantees for				
subsidiaries	706	754	-	-
associates	-	-	5	5
customers and others	-	-	28	28
Other contingent liabilities	308	329	17	15
Total	1,014	1,083	50	48

Commitments

SCA has a decided investment in Obbola totaling SEK 7,500m over a five-year period. As of March 31, 2022, SEK 2,007m remained, of which SEK 1,148m was a contracted commitment. The commitment refers entirely to non-current assets.

9. ALTERNATIVE PERFORMANCE MEASURES

For definitions of alternative performance measures, refer to SCA's 2021 Annual Report, pages 87–89.

SEKm	Quarter		
	2022:1	2021:1	2021:4
Operating cash flow			
EBITDA	2,608	1,359	2,806
Changes in biological assets and other non cash flow items	-491	-320	-744
Operating cash surplus	2,117	1,039	2,062
Change in working capital	-624	-290	324
Restructuring costs	-27	-123	-58
Current capital expenditures, net ¹	-248	-209	-432
Other operating cash flow	-75	58	-133
Operating cash flow	1,143	475	1,763
¹ Including following values from new leasing contracts:	-37	-15	-4

Capital structure

SEKm	Mar 31, 2022	Dec 31, 2021
Forest assets	85,021	84,497
Working capital	3,536	2,823
Deferred tax relating to forest assets	-16,996	-16,905
Other capital employed, net	21,267	20,392
Total capital employed	92,828	90,807
Net debt, SEKm	10,181	7,752
Net debt/EBITDA (LTM) ¹	1.0x	0.9x
Equity, SEKm	82,647	83,055
Net debt/Equity (%)	12.3	9.3

¹ Rolling 12 months.

Return on capital employed	Quarter ¹	LTM ²	Full year
	2022:1	Mar 31, 2022	2021
%			
<i>Return on capital employed</i>	9.7	10.2	9.0
<i>Industrial return on capital employed³</i>	42.4	39.9	33.0

¹ Operating profit for the quarter multiplied by four as a percentage of capital employed on average for the two most recent quarters.

² Rolling 12 months.

³ Excluding construction in progress.

Working capital

SEKm	Mar 31, 2022	Dec 31, 2021
Inventories	4,409	4,189
Accounts receivable	3,008	2,516
Other current receivables	1,025	892
Accounts payable	-3,417	-3,478
Other current liabilities	-1,996	-1,642
Adjustments ¹	507	346
Working capital	3,536	2,823
¹ Adjustments:		
Other current receivables, green certificates	0	-1
Accounts payable, strategic capital expenditures	247	337
Other current provisions	-78	-100
Other current liabilities, emission rights	338	110
Sum adjustments	507	346

Net debt

SEKm	Mar 31, 2022	Dec 31, 2021
Surplus in funded pension plans	1,499	1,564
Non-current financial assets	138	80
Current financial assets	110	114
Cash and cash equivalents	1,164	1,056
Financial receivables	2,911	2,814
Non-current financial liabilities	8,998	9,083
Provisions for pensions	397	427
Current financial liabilities	3,697	1,056
Financial liabilities	13,092	10,566
Net debt	-10,181	-7,752

10. QUARTERLY DATA BY SEGMENT**NET SALES**

SEKm	Quarter								
	2022:1	2021:4	2021:3	2021:2	2021:1	2020:4	2020:3	2020:2	2020:1
Forest	1,691	1,474	1,455	1,592	1,627	1,659	1,500	1,494	1,833
Wood	1,717	1,868	2,183	1,765	1,264	1,498	1,592	1,770	1,436
Pulp	1,564	1,368	1,522	1,565	1,288	1,166	986	1,091	1,188
Containerboard/Paper ¹	1,731	1,518	1,326	1,340	1,272	1,981	1,817	1,876	2,242
Other ¹	0	9	45	138	374	-	-	-	-
Intra-group deliveries	-1,688	-1,474	-1,454	-1,590	-1,653	-1,712	-1,557	-1,544	-1,906
Total net sales	5,015	4,763	5,077	4,810	4,172	4,592	4,338	4,687	4,793

¹ Segment Paper changed its name to Containerboard on January 1, 2021. The publication paper operation is included in Containerboard until 2020:4 and is then in Other.

EBITDA

SEKm	Quarter								
	2022:1	2021:4	2021:3	2021:2	2021:1	2020:4	2020:3	2020:2	2020:1
Forest	608	926	516	753	449	747	515	499	452
Wood	635	850	1,180	628	310	227	192	143	95
Pulp	614	452	659	600	385	109	137	182	186
Containerboard/Paper ¹	782	669	360	411	321	342	240	229	379
Other ¹	-31	-91	-31	-132	-106	-48	-52	-52	-82
Total EBITDA²	2,608	2,806	2,684	2,260	1,359	1,377	1,032	1,001	1,030

¹ Segment Paper changed its name to Containerboard on January 1, 2021. The publication paper operation is included in Containerboard until 2020:4 and is then in Other.

² Including the effect of discontinuation of publication paper operations EBITDA in Other amounted to 26 SEKm in 2020:4 and to -1 172 SEKm in 2020:3. For the Group EBITDA amounted to 1 451 SEKm in 2020:4 and to -88 SEKm in 2020:3.

EBITDA MARGIN

%	Quarter								
	2022:1	2021:4	2021:3	2021:2	2021:1	2020:4	2020:3	2020:2	2020:1
Forest	36.0	62.8	35.5	47.3	27.6	45.0	34.3	33.4	24.6
Wood	37.0	45.5	54.1	35.6	24.5	15.2	12.1	8.1	6.6
Pulp	39.3	33.0	43.3	38.3	29.9	9.3	13.9	16.7	15.6
Containerboard/Paper ¹	45.2	44.1	27.1	30.7	25.2	17.3	13.2	12.2	16.9
EBITDA margin²	52.0	58.9	52.9	47.0	32.6	30.0	23.8	21.3	21.5

¹ Segment Paper changed its name to Containerboard on January 1, 2021. The publication paper operation is included in Containerboard until 2020:4 and is then in Other.

² Including the effect of discontinuation publication paper operations EBITDA margin for the Group was 31.6% in 2020:4 and -2.0% in 2020:3.

PARENT COMPANY

CONDENSED INCOME STATEMENT

SEKm	Jan-Mar	
	2022	2021
Other operating income	73	67
Other operating expenses	-43	-41
Personnel costs	-24	-28
EBITDA	6	-2
Depreciation and impairment	-23	-23
Operating profit	-17	-25
Financial items	54	31
Profit before tax	37	6
Appropriations and tax	694	153
Profit for the period	731	159

Other operating income was mainly related to remuneration for the granting of felling rights for the Parent Company's forest land. Other comprehensive income was the same as profit for the period. Appropriations and tax include group contributions, which are higher in 2022 compared with the year-earlier period.

CONDENSED BALANCE SHEET

SEKm	Mar 31, 2022	Dec 31, 2021
Tangible non-current assets	8,856	8,857
Financial non-current assets	9,746	9,651
Total non-current assets	18,602	18,508
Current assets	16,462	15,620
Total assets	35,064	34,128
Restricted equity	11,373	11,373
Non-restricted equity	10,862	10,131
Total equity	22,235	21,504
Provisions	1,667	1,645
Non-current liabilities	8,558	8,594
Current liabilities	2,604	2,385
Total equity, provisions and liabilities	35,064	34,128