Ulf Larsson, CEO
Prices coming down from peak levels
  • Higher vs Q1 2018, lower vs Q4 2018

Sales growth of 15% vs Q1 2018
  • Price/mix 5%, volumes 5%, currency 5%

EBITDA up 33% vs Q1 2018
  + Higher prices and positive currency effects
  + Higher pulp volumes
  + Restructuring Wood France (SEK +90m)
  - Higher prices for wood raw material

Increasing pulp volumes from Östrand ramp-up

SCA Wood France merged with Groupe ISB
  • SCA retains 38.5% share in the combined company

Acquisition of 10,000 ha forest land in Latvia (post Q1)
SCA’s performance Q1 2019

EBITDA (SEKm)  1,560

Industrial ROCE 1)  17%

EBITDA margin  31%

Net debt/EBITDA  1.6x

Note: 1) ROCE for the industrial segments; Wood, Pulp and Paper. ROCE calculated as LTM.
Forest Q1 2019 vs. Q1 2018

Higher prices

Increased wood sourcing to meet higher pulpwood demand

Sales up 27%
  + Increased volumes to the expanded pulp mill
  + Higher prices

EBITDA up 9%
  + Higher prices
  - Larger import volumes
Wood Q1 2019 vs. Q1 2018

SCA Wood France merged with Groupe ISB

Stable delivery volumes

Lower prices vs Q4

Sales up 12%
  + Increased volumes
  + Higher prices and positive currency effects

EBITDA up 73%
  + Higher prices and positive currency effects
  + Increased volumes and yield improvement
  + Restructuring SCA Wood France (SEK +90m)
  - Increased wood raw material costs
Full NBSK capacity of 900kt/year

Ramp-up period of 12-18 months

• 2020 first full year with full capacity

Production/deliveries on track ¹)

• Q3 ’18 - 147kt / 105kt
• Q4 ‘18 - 160kt / 145kt
• Q1 ’19 - 172kt / 168kt

Note: 1) Including CTMP. April production refers to 2019-04-01 to 2019-04-23.
Pulp Q1 2019 vs. Q1 2018

Lower prices vs Q4
Increasing volumes due to the ramp-up of the expanded pulp-mill
Sales up 93%
  + Increased volumes
  + Higher prices and positive currency effects

EBITDA up 97%
  + Increased volumes
  + Higher prices and positive currency effects
  - Higher raw material costs
Paper Q1 2019 vs. Q1 2018

Increased prices for Publication Paper

Lower prices for Kraftliner vs Q4

Sales down 1%
- Lower volumes
+ Higher prices and positive currency effects

EBITDA up 5%
+ Higher prices for Publication Paper
+ Positive currency effects
+ Improved product and market mix
- Higher raw material cost and lower volumes

Project for increased share of white-top kraftliner progressing according to plan
Renewable Energy
6.7 TWh wind power on SCA land by 2021

Initiate new wind projects
Develop after market offering
Target of 5.0 TWh by 2020 will be exceeded
• 6.7 TWh secured by 2021
New long-term target of 11.0 TWh
EBIT target of SEK ~100m (6.7 TWh)
SCA’s forests bind CO₂ and replace fossil based products

1. Growing forests bind CO₂ – active forest management increases growth

   - Contorta pine
   - Active silviculture
   - Improved seedlings
   - Fertilization

2. Higher growth enables more substitution – renewable alternatives replace fossil based products

   - Bioenergy
   - Paper
   - Solid-wood products
   - Plastics
   - Concrete

3. Investments and innovation reduce carbon emissions

4. Low Emissions 0.9 Mt CO₂

SCA’s climate benefits amount to 8 million tonnes of CO₂ per annum, which is more than the total emissions from all the truck traffic and domestic air travel in Sweden*

*Source: Swedish Environmental Protection Agency
Toby Lawton, CFO
## Income statement

<table>
<thead>
<tr>
<th></th>
<th>Q1 2019</th>
<th>Q1 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>5,076</td>
<td>4,400</td>
<td>15%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>1,560</td>
<td>1,175</td>
<td>33%</td>
</tr>
<tr>
<td><em>EBITDA margin</em></td>
<td>30.7%</td>
<td>26.7%</td>
<td>4.0 p.p.</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>1,168</td>
<td>889</td>
<td>31%</td>
</tr>
<tr>
<td><em>EBIT margin</em></td>
<td>23.0%</td>
<td>20.2%</td>
<td>2.8 p.p.</td>
</tr>
<tr>
<td>Financial items</td>
<td>-30</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>1,138</td>
<td>890</td>
<td>28%</td>
</tr>
<tr>
<td>Tax</td>
<td>-230</td>
<td>-191</td>
<td></td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>908</td>
<td>699</td>
<td>30%</td>
</tr>
<tr>
<td>Earnings per share, SEK</td>
<td>1.29</td>
<td>1.00</td>
<td></td>
</tr>
</tbody>
</table>
**Contribution by segment and quarter**

### Forest

**Net sales (SEKm)**

<table>
<thead>
<tr>
<th></th>
<th>Q2 '17</th>
<th>Q3 '17</th>
<th>Q4 '17</th>
<th>Q1 '18</th>
<th>Q2 '18</th>
<th>Q3 '18</th>
<th>Q4 '18</th>
<th>Q1 '19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>1,210</td>
<td>1,261</td>
<td>1,287</td>
<td>1,162</td>
<td>1,651</td>
<td>1,455</td>
<td>1,540</td>
<td>1,678</td>
</tr>
<tr>
<td>Wood</td>
<td>364</td>
<td>316</td>
<td>358</td>
<td>304</td>
<td>371</td>
<td>292</td>
<td>331</td>
<td>427</td>
</tr>
</tbody>
</table>

### Wood

**EBITDA (SEKm) and EBITDA margin**

<table>
<thead>
<tr>
<th></th>
<th>Q2 '17</th>
<th>Q3 '17</th>
<th>Q4 '17</th>
<th>Q1 '18</th>
<th>Q2 '18</th>
<th>Q3 '18</th>
<th>Q4 '18</th>
<th>Q1 '19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>2,072</td>
<td>2,096</td>
<td>2,220</td>
<td>2,383</td>
<td>2,426</td>
<td>2,413</td>
<td>2,421</td>
<td>2,366</td>
</tr>
<tr>
<td>Wood</td>
<td>1,637</td>
<td>1,567</td>
<td>1,426</td>
<td>1,503</td>
<td>1,712</td>
<td>1,558</td>
<td>1,678</td>
<td></td>
</tr>
</tbody>
</table>

### Pulp

**EBITDA (SEKm) and EBITDA margin**

<table>
<thead>
<tr>
<th></th>
<th>Q2 '17</th>
<th>Q3 '17</th>
<th>Q4 '17</th>
<th>Q1 '18</th>
<th>Q2 '18</th>
<th>Q3 '18</th>
<th>Q4 '18</th>
<th>Q1 '19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>291</td>
<td>439</td>
<td>481</td>
<td>586</td>
<td>618</td>
<td>728</td>
<td>536</td>
<td>616</td>
</tr>
<tr>
<td>Wood</td>
<td>154</td>
<td>187</td>
<td>184</td>
<td>172</td>
<td>230</td>
<td>276</td>
<td>226</td>
<td>297</td>
</tr>
</tbody>
</table>

**EBITDA (SEKm) and EBITDA margin**

<table>
<thead>
<tr>
<th></th>
<th>Q2 '17</th>
<th>Q3 '17</th>
<th>Q4 '17</th>
<th>Q1 '18</th>
<th>Q2 '18</th>
<th>Q3 '18</th>
<th>Q4 '18</th>
<th>Q1 '19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>12%</td>
<td>21%</td>
<td>22%</td>
<td>25%</td>
<td>26%</td>
<td>26%</td>
<td>22%</td>
<td>26%</td>
</tr>
<tr>
<td>Wood</td>
<td>9%</td>
<td>12%</td>
<td>13%</td>
<td>11%</td>
<td>13%</td>
<td>16%</td>
<td>15%</td>
<td>18%</td>
</tr>
</tbody>
</table>

**EBITDA (SEKm) and EBITDA margin**

<table>
<thead>
<tr>
<th></th>
<th>Q2 '17</th>
<th>Q3 '17</th>
<th>Q4 '17</th>
<th>Q1 '18</th>
<th>Q2 '18</th>
<th>Q3 '18</th>
<th>Q4 '18</th>
<th>Q1 '19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>15%</td>
<td>25%</td>
<td>22%</td>
<td>25%</td>
<td>26%</td>
<td>26%</td>
<td>22%</td>
<td>26%</td>
</tr>
<tr>
<td>Wood</td>
<td>12%</td>
<td>25%</td>
<td>22%</td>
<td>30%</td>
<td>37%</td>
<td>35%</td>
<td>31%</td>
<td></td>
</tr>
</tbody>
</table>
Net sales Q1 2019 vs. Q1 2018

Net sales Q1 2018: SEK 4,400m

Price/Mix: +5%
Volume: +5%
Currency: +5%

Net sales Q1 2019: SEK 5,076m

Positive for all segments
Higher pulp volumes
Positive EUR and USD

+15%
EBITDA Q1 2019 vs. Q1 2018

- **Higher prices for all segments**: SEK +248m
- **Higher costs for wood raw material**: SEK -173m
- **Higher costs for wood raw material**: SEK +95m
- **Higher pulp volumes**: SEK +51m
- **EUR and USD positive**: SEK +118m
- **Restructuring SCA Wood France**: SEK +46m
- **Higher pulp volumes**: SEK +1,175m
- **Higher pulp volumes**: SEK 1,560m

**EBITDA margin**
- Q1 2018: 26.7%
- Q1 2019: 30.7%

**Price/Mix**: +33%

**Volume**
- Q1 2018: SEK 1,175m
- Q1 2019: SEK 1,560m

**Raw material**
- Q1 2018: SEK 1,175m
- Q1 2019: SEK 1,560m

**Energy**
- Q1 2018: SEK 1,175m
- Q1 2019: SEK 1,560m

**Currency**
- Q1 2018: SEK 1,175m
- Q1 2019: SEK 1,560m

**Other**
- Q1 2018: SEK 1,175m
- Q1 2019: SEK 1,560m

**EBITDA**
- Q1 2018: SEK 1,175m
- Q1 2019: SEK 1,560m
## Cash flow

<table>
<thead>
<tr>
<th>SEKm</th>
<th>Q1 2019</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>1,560</td>
<td>1,175</td>
</tr>
<tr>
<td>Revaluation of biological assets and other non cash flow items</td>
<td>-246</td>
<td>-253</td>
</tr>
<tr>
<td><strong>Operating cash surplus</strong></td>
<td>1,314</td>
<td>922</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>-353</td>
<td>-159</td>
</tr>
<tr>
<td>Current capital expenditures</td>
<td>-168</td>
<td>-76</td>
</tr>
<tr>
<td>Other operating cash flow</td>
<td>-167</td>
<td>-96</td>
</tr>
<tr>
<td><strong>Operating cash flow</strong></td>
<td>626</td>
<td>591</td>
</tr>
<tr>
<td>Strategic capital expenditures</td>
<td>-143</td>
<td>-634</td>
</tr>
</tbody>
</table>
Net debt Q1 2019 vs. Q4 2018

Net debt / EBITDA Q4 2018: 1.3x

- Net debt Q4 2018: SEK 7,020m
- Operating cash flow: SEK -626m
- Strategic capex: SEK +143m
- Acquisitions: SEK +158m
- Dividend: SEK +1,229m
- Leasing effect (IFRS 16): SEK +1,211m
- Other: SEK +15m
- Excess cash: SEK 9,150m

Net debt / EBITDA Q1 2019: 1.6x
# Balance sheet

<table>
<thead>
<tr>
<th></th>
<th>Mar 31, 2019</th>
<th>Dec 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SEKm</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Forest assets according to IAS 41</strong> 1)</td>
<td>32,298</td>
<td>32,065</td>
</tr>
<tr>
<td><strong>Deferred tax relating to Forest assets</strong></td>
<td>-6,653</td>
<td>-6,605</td>
</tr>
<tr>
<td>Forest assets, net of deferred tax</td>
<td>25,645</td>
<td>25,460</td>
</tr>
<tr>
<td>Working capital</td>
<td>3,955</td>
<td>3,735</td>
</tr>
<tr>
<td><strong>Working capital/Net sales</strong> 2)</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>Other capital employed</td>
<td>18,174</td>
<td>16,887</td>
</tr>
<tr>
<td><strong>Total capital employed</strong></td>
<td>47,774</td>
<td>46,082</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>9,150</td>
<td>7,020</td>
</tr>
<tr>
<td><strong>Net debt/EBITDA</strong> 3)</td>
<td>1.6x</td>
<td>1.3x</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>38,624</td>
<td>39,062</td>
</tr>
<tr>
<td><strong>Net debt/Equity</strong></td>
<td>24%</td>
<td>18%</td>
</tr>
</tbody>
</table>

**Note:** 1) Gross value before deferred taxes. 2) Average working capital for 13 months as a percentage of 12-month rolling net sales. 3) 12-months EBITDA, up to end of each period.
Prices coming down from peak levels
Sales growth of 15% vs Q1 2018
EBITDA up 33% vs Q1 2018
Increasing pulp volumes from Östrand ramp-up
SCA Wood France merged with Groupe ISB
Acquisition of 10,000 ha forest land in Latvia (post Q1)
**Contribution by segment**

**Net sales (SEKm)**

- **Forest**
  - 2014: 5,187
  - 2015: 5,108
  - 2016: 4,978
  - 2017: 5,070
  - 2018: 5,455
  - LTM: 5,808

- **Wood**
  - 2014: 5,114
  - 2015: 5,315
  - 2016: 5,441
  - 2017: 5,994
  - 2018: 6,618
  - LTM: 6,794

- **Pulp**
  - 2014: 2,518
  - 2015: 2,760
  - 2016: 2,492
  - 2017: 2,542
  - 2018: 2,866
  - LTM: 3,411

- **Paper**
  - 2014: 8,226
  - 2015: 8,548
  - 2016: 7,744
  - 2017: 8,434
  - 2018: 9,643
  - LTM: 9,626

**EBITDA (SEKm) and EBITDA margin**

- **Forest**
  - 2014: 603
  - 2015: 478
  - 2016: 531
  - 2017: 670
  - 2018: 904
  - LTM: 1,029
  - Margin: 12%

- **Wood**
  - 2014: 5,114
  - 2015: 5,315
  - 2016: 5,441
  - 2017: 5,994
  - 2018: 6,618
  - LTM: 6,794
  - Margin: 9%

- **Pulp**
  - 2014: 2,518
  - 2015: 2,760
  - 2016: 2,492
  - 2017: 2,542
  - 2018: 2,866
  - LTM: 3,411
  - Margin: 10%

- **Paper**
  - 2014: 8,226
  - 2015: 8,548
  - 2016: 7,744
  - 2017: 8,434
  - 2018: 9,643
  - LTM: 9,626
  - Margin: 11%

Note: 2014 and 2015 EBITDA refer to adjusted figures. 2016 and forward refer to unadjusted figures. For details please see the quarterly report.
Europe’s largest private forest owner

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.