Summary Q1 2020

Coronavirus pandemic
- Health and safety highest priority
- Limited effect in Q1, significant uncertainty going forward
- Higher demand for pulp to tissue and hygiene products, and for packaging paper to e-commerce and essential products
- Lower demand for solid wood products and publication paper

Sales declined 6% vs Q1 2019
- Price/mix -16%, volume 11%, currency 2%, acq/div -3%

EBITDA down 34% vs Q1 2019
- Lower selling prices
  + Higher pulp and kraftliner volumes
  + Lower raw material costs

Higher forest growth enables increased annual harvesting
- Gradual increase from 4.3 m³/year 2020 to 5.4 m³/year 2025
SCA’s performance Q1 2020

EBITDA (SEKm) 1,030
Industrial ROCE 1) 9%
EBITDA margin 21%
Net debt/EBITDA 1.9x

Note: 1) ROCE for the industrial segments; Wood, Pulp and Paper. ROCE calculated as LTM.
Forest Q1 2020 vs. Q1 2019

Declining prices

Stable wood supply to industries

Sales up 11%
  + Increased pulp and kraftliner volumes
  - Lower prices

EBITDA up 37%
  + Higher forest growth increasing earnings from revaluation of biological assets
  - Lower prices
Wood Q1 2020 vs. Q1 2019

Stable consumption, but low prices due to oversupply in continental Europe

Sales down 14%
- Lower prices
- Deconsolidation in Wood France following merger with Groupe ISB

EBITDA down 68%
- Lower prices
- Restructuring SCA Wood France 0 (+90) SEKm
Pulp market development

Higher pulp demand

- Increased global pulp deliveries
- Decreased softwood and hardwood inventories
- However, prices lagging behind
- European NBSK PIX price up from 820 to 840 USD/t in March
- Further price increase announced

Source: PIX, PPPC.
**Pulp Q1 2020 vs. Q1 2019**

**Net sales (SEKm)**
- **Q1 2019:** 1,134
- **Q1 2020:** 1,188

**EBITDA (SEKm)**
- **Q1 2019:** 351
- **Q1 2020:** 186

**EBITDA margin**
- **Q1 2019:** 31.0%
- **Q1 2020:** 15.6%

**Price development – NBSK Pulp**

**Sales up 5%**
- + Increased volumes to expanded pulp mill
- - Lower prices

**EBITDA down 47%**
- - Lower prices
- + Increased volumes to expanded pulp mill
- + Positive currency effects
Containerboard market development

Price (EUR/t) vs Kraftliner deliveries (Mt)

Strong annual run rate

European box demand (index)

Stable increase in end demand

Kraftliner inventories (days of supply)

Improved demand and lower production

Higher kraftliner demand

- European deliveries continued to be strong
- Inventories continued to decrease
- Good order in-flow
- Stable box demand
- Price increase announced

Source: Euwid, Numera.
Paper Q1 2020 vs. Q1 2019

Sales down 5%
- Lower kraftliner and publication paper prices
+ Higher kraftliner volumes

EBITDA down 38%
- Lower kraftliner and publication paper prices
+ Higher kraftliner volumes
+ Lower raw material costs and positive currency effects
Higher forest growth enables increased harvesting

New forest survey conducted in 2019

Annual growth 1m $m^3$fo higher than expected
- Gross growth of 10.5 (9.5) m $m^3$fo per year
- Net growth of 4.0 (3.0) m $m^3$fo per year

New harvesting plan calculated based on the new survey
- Gradual increase from 4.3 m $m^3$sub / year 2020 to 5.4 m $m^3$sub / year 2025
- Ramp-up expected to be linear over 5 years
Coronavirus Pandemic
Limited effect in Q1, significant uncertainty going forward

No disruptions in production or distribution in Q1
• Forest – no effect in Q1
• Wood – limited effect in Q1, significant uncertainty going forward
• Pulp – increased demand in Q1
• Paper – higher demand for kraftliner, significantly lower for publication paper

Actions to mitigate impact
• Protect risk groups and reduce the spread of the virus
• Strict procedures in place to minimize impact on production
• Secure supply chain and key raw materials
• SCA Logistics with own ships and controlled harbors
• Cost control, inventory levels and capex
• High liquidity reserve and forest asset backing
# Income statement

<table>
<thead>
<tr>
<th>SEKm</th>
<th>Q1 2020</th>
<th>Q1 2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>4,793</td>
<td>5,076</td>
<td>-6%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,030</td>
<td>1,560</td>
<td>-34%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>21.5%</td>
<td>30.7%</td>
<td>-9.2 p.p.</td>
</tr>
<tr>
<td>EBIT</td>
<td>628</td>
<td>1,168</td>
<td>-46%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>13.1%</td>
<td>23.0%</td>
<td>-9.9 p.p.</td>
</tr>
<tr>
<td>Financial items</td>
<td>-24</td>
<td>-30</td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>604</td>
<td>1,138</td>
<td>-47%</td>
</tr>
<tr>
<td>Tax</td>
<td>-121</td>
<td>-230</td>
<td></td>
</tr>
<tr>
<td>Profit for the period</td>
<td>483</td>
<td>908</td>
<td>-47%</td>
</tr>
<tr>
<td>Earnings per share, SEK</td>
<td>0.69</td>
<td>1.29</td>
<td></td>
</tr>
</tbody>
</table>
Contribution by segment and quarter

Net sales (SEKm)

- **Forest**
  - Q2 '18: 1,162
  - Q3 '18: 1,455
  - Q4 '18: 1,540
  - Q1 '19: 1,651
  - Q2 '19: 1,746
  - Q3 '19: 1,694
  - Q4 '19: 1,833
  - Q1 '20: 1,833

- **Wood**
  - Q2 '18: 1,846
  - Q3 '18: 1,712
  - Q4 '18: 1,558
  - Q1 '19: 1,678
  - Q2 '19: 1,727
  - Q3 '19: 1,545
  - Q4 '19: 1,376
  - Q1 '20: 1,436

- **Pulp**
  - Q2 '18: 485
  - Q3 '18: 743
  - Q4 '18: 1,049
  - Q1 '19: 1,134
  - Q2 '19: 1,214
  - Q3 '19: 1,129
  - Q4 '19: 900
  - Q1 '20: 1,188

- **Paper**
  - Q2 '18: 2,426
  - Q3 '18: 2,413
  - Q4 '18: 2,421
  - Q1 '19: 2,366
  - Q2 '19: 2,375
  - Q3 '19: 2,380
  - Q4 '19: 2,108
  - Q1 '20: 2,242

EBITDA (SEKm) and EBITDA margin

- **Forest**
  - Q2 '18: 371
  - Q3 '18: 427
  - Q4 '18: 331
  - Q1 '19: 414
  - Q2 '19: 388
  - Q3 '19: 452
  - Q4 '19: 607
  - Q1 '20: 452

- **Wood**
  - Q2 '18: 230
  - Q3 '18: 276
  - Q4 '18: 226
  - Q1 '19: 297
  - Q2 '19: 188
  - Q3 '19: 180
  - Q4 '19: 125
  - Q1 '20: 95

- **Pulp**
  - Q2 '18: 273
  - Q3 '18: 370
  - Q4 '18: 351
  - Q1 '19: 344
  - Q2 '19: 268
  - Q3 '19: 246
  - Q4 '19: 16
  - Q1 '20: 7

- **Paper**
  - Q2 '18: 618
  - Q3 '18: 728
  - Q4 '18: 536
  - Q1 '19: 616
  - Q2 '19: 489
  - Q3 '19: 577
  - Q4 '19: 382
  - Q1 '20: 379
Net sales Q1 2020 vs. Q1 2019

- Net sales Q1 2019: SEK 5,076m
  - Negative for all segments: -16%
  - Expanded pulp mill and higher Kraftliner volumes: 11%
  - Currency: 2%
  - Acquisitions/divestments: -3%

- Net sales Q1 2020: SEK 4,793m
  - Overall change: -6%
EBITDA Q1 2020 vs. Q1 2019

- Lower prices for all segments
- Expanded pulp mill and higher Kraftliner volumes
- Lower costs for wood and other raw materials
- EUR and USD positive
- Restructuring SCA Wood France (positive one-off item of SEK 90m in Q1 2019)

SEK 1,560m

Q1 2019

-912

Price/Mix

Volume

Raw material

Energy

Currency

Other

SEK 1,030m

Q1 2020

-34%

EBITDA margin

30.7%

EBITDA margin

21.5%

Expanded pulp mill and higher Kraftliner volumes

+167

+174

-3

+140

-96

Restructuring SCA Wood France (positive one-off item of SEK 90m in Q1 2019)
# Cash flow

<table>
<thead>
<tr>
<th>SEKm</th>
<th>Q1 2020</th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>1,030</td>
<td>1,560</td>
</tr>
<tr>
<td>Revaluation of biological assets and other non cash flow items</td>
<td>-340</td>
<td>-246</td>
</tr>
<tr>
<td><strong>Operating cash surplus</strong></td>
<td>690</td>
<td>1,314</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>-146</td>
<td>-353</td>
</tr>
<tr>
<td>Current capital expenditures</td>
<td>-175</td>
<td>-168</td>
</tr>
<tr>
<td>Other operating cash flow</td>
<td>-28</td>
<td>-167</td>
</tr>
<tr>
<td><strong>Operating cash flow</strong></td>
<td>341</td>
<td>626</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>0</td>
<td>-158</td>
</tr>
<tr>
<td>Strategic capital expenditures</td>
<td>-189</td>
<td>-143</td>
</tr>
</tbody>
</table>
Net debt Q1 2020 vs. Q4 2019

Net debt / EBITDA 1.6x

- Net debt Q4 2019: SEK 8,597m
- Operating cash flow: SEK -341m
- Strategic capex: SEK +189m
- Acquisitions: SEK 0m
- Paid tax: SEK +42m
- Other: SEK +600m
- Net debt Q1 2020: SEK 9,087m

Kraftliner and pulp expansion

Revaluation of pension assets and Other

Lease

Net debt / EBITDA 1.9x
# Financing overview

**Debt overview (Mar 31, 2020)**

<table>
<thead>
<tr>
<th>Debt (SEKbn)</th>
<th>Limit</th>
<th>0-1</th>
<th>1-2</th>
<th>2+</th>
<th>Total utilized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syndicated credit facilities (RCF)</td>
<td>5.0</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Bond loans within MTN program</td>
<td>8.0</td>
<td>1.0</td>
<td>1.1</td>
<td></td>
<td>2.1</td>
</tr>
<tr>
<td>Commercial paper (CP)</td>
<td>5.0</td>
<td>2.9</td>
<td></td>
<td></td>
<td>2.9</td>
</tr>
<tr>
<td>Other loans¹</td>
<td></td>
<td>4.0</td>
<td></td>
<td></td>
<td>4.0</td>
</tr>
<tr>
<td><strong>Total Group</strong></td>
<td>3.9</td>
<td>1.1</td>
<td>4.0</td>
<td></td>
<td>9.0</td>
</tr>
</tbody>
</table>

¹ SEK, EIB and NIB

**Actions and measures after end of period:**

- New loan from Swedish Export Credit Agency (SEK 1bn) used to repay CP in April
- New additional syndicated RCF (SEK 1.6bn)
- Total liquidity reserve of SEK ~7.5bn (5.0bn RCF + 1.6bn new RCF + Cash)

**Financing overview (Mar 31, 2020)**

Note: Leasing excluded.
## Balance sheet

<table>
<thead>
<tr>
<th></th>
<th>Mar 31, 2020</th>
<th>Dec 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest assets</td>
<td>70,097</td>
<td>69,682</td>
</tr>
<tr>
<td>Working capital</td>
<td>3,470</td>
<td>3,748</td>
</tr>
<tr>
<td>Working capital/Net sales</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Deferred tax relating to forest assets</td>
<td>-14,107</td>
<td>-13,977</td>
</tr>
<tr>
<td>Other capital employed</td>
<td>17,878</td>
<td>17,654</td>
</tr>
<tr>
<td><strong>Total capital employed</strong></td>
<td><strong>77,338</strong></td>
<td><strong>77,107</strong></td>
</tr>
<tr>
<td>Net debt</td>
<td>9,087</td>
<td>8,597</td>
</tr>
<tr>
<td>Net debt/EBITDA 2)</td>
<td>1.9x</td>
<td>1.6x</td>
</tr>
<tr>
<td>Equity</td>
<td>68,251</td>
<td>68,510</td>
</tr>
<tr>
<td>Net debt/Equity</td>
<td>13%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Note: 1) Average working capital for 13 months as a percentage of 12-month rolling net sales.
2) 12-months EBITDA, up to end of each period.
Summary

Ulf Larsson, CEO
Summary Q1 2020

Coronavirus pandemic
Sales declined 6% vs Q1 2019
EBITDA down 34% vs Q1 2019
Higher forest growth enables increased annual harvesting
Q&A
Appendix
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.