

# Annual General Meeting 2017



Magnus Groth, President and CEO







## Annual General Meeting 2017



# 2016 in brief



Net sales

**117,314**

SEKm

(+2% compared with 2015)

Adjusted operating profit<sup>1)</sup>

**13,989**

SEKm

(+7% compared with 2015)

Adjusted return on capital employed<sup>1)</sup>

**12.5%**

(+50 basis points compared with 2015)

Proposed dividend

**6.00**

SEK/share

(+4.3% compared with 2015)

<sup>1)</sup> Excluding items affecting comparability.



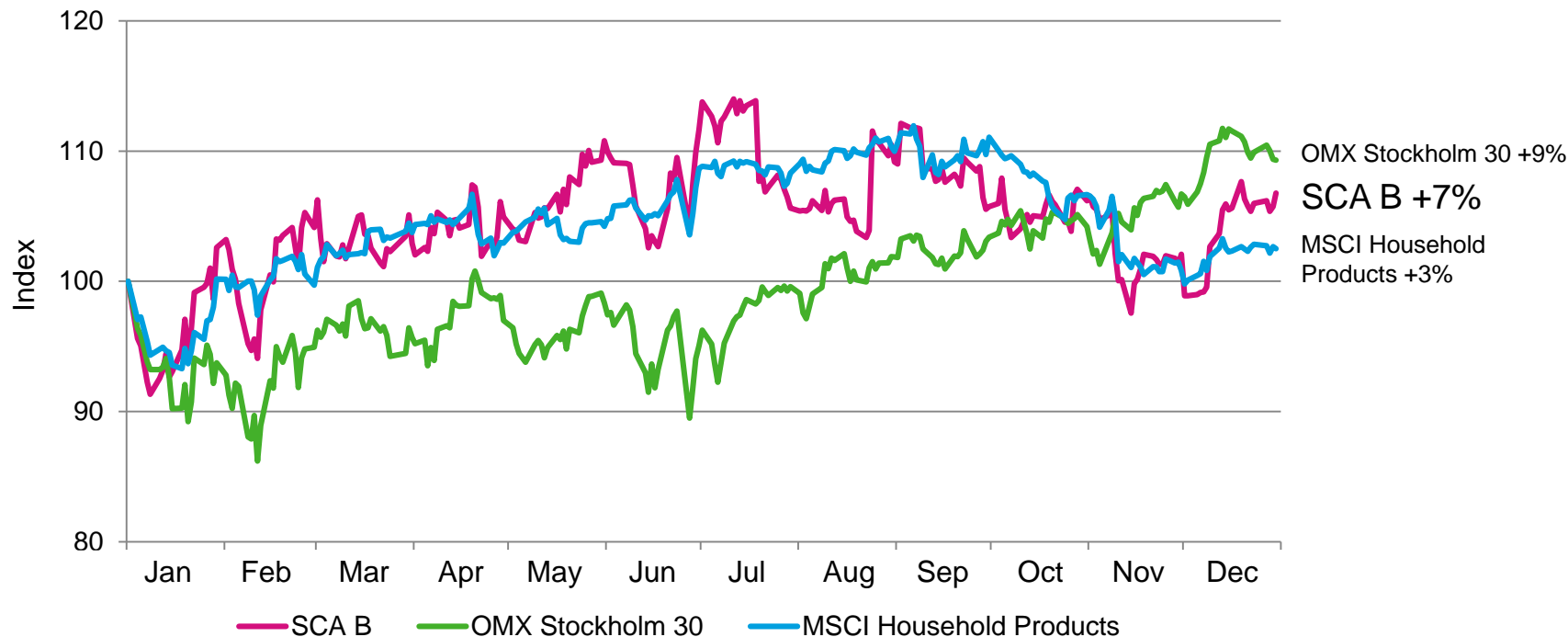
# Important Events 2016



- The acquisition of Wausau Paper Corp. was completed and integrated
- Closed the divestment of the hygiene business in Southeast Asia, Taiwan and South Korea for integration with Vinda
- Initiated work in order to be able to propose to the Annual General Meeting 2017 to decide on a split of the SCA Group into two listed companies: a hygiene company and a forest products company
- New vision and enhanced strategic framework
- Agreement to acquire BSN medical, a leading medical solutions company
- Measures to improve profitability
- Continued work with innovation, efficiency, profitable growth and digitalization

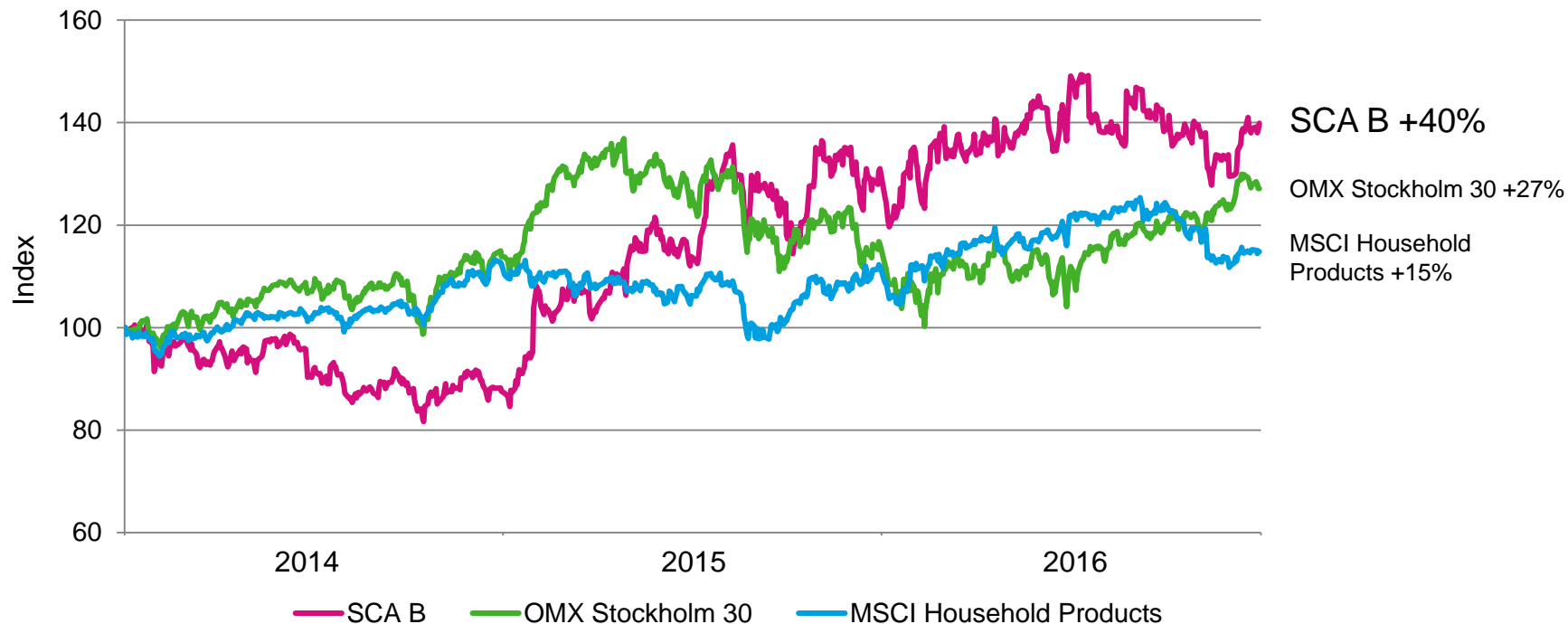


# Total Shareholder Return 2016





# Total Shareholder Return 2014-2016





# Acquisition of BSN medical

- Develops, manufactures and sells products within wound care, compression therapy and orthopedics
- Net sales amounted to SEK 8,038m and adjusted EBITDA<sup>1)</sup> to SEK 1,986m for 2016
- New growth platform with excellent strategic fit for SCA
- Purchase price amounted to EUR 2,740m<sup>2)</sup>
- Expected to be accretive to SCA's earnings per share from the first year



<sup>1)</sup> Excluding items affecting comparability.

<sup>2)</sup> Based on net debt as per December 31, 2016. Final takeover of net debt will be based on March 31, 2017.



# SCA's Transformation Journey

## Forest Products and Hygiene and Health



wausau  
PAPER

BSN medical

### 2007-2016

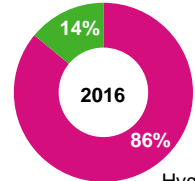
#### Acquisitions:

- Agreement to acquire BSN medical
- Wausau, AfH tissue, North America
- Vinda, tissue, China
- P&G, tissue, Europe
- GP, tissue, Europe

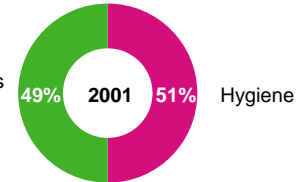
#### Divestments:

- Packaging business
- Two publication paper mills

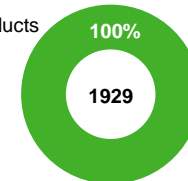
Forest Products



Forest Products  
and Packaging



Forest Products



### 1975-2006

#### Acquisitions:

- Mölnlycke, personal care, Sweden
- PWA, tissue, Germany
- GP, parts of AfH tissue business in US

1929

SCA founded

PWA



Mölnlycke





# SCA's Forest Products Business



- Europe's largest private forest owner, responsible forest management of 2.6 million hectares of forest land
- World-class efficiency and well-invested forest products business
- Well-integrated value chain creating a competitive position
- Long-term stable and growing demand for fiber based products
- Future growth opportunities within, for example, liquid biofuels, green chemicals and renewable materials

## 2016 Facts

Net sales	SEK 16,587m
Adjusted operating profit*	SEK 2,155m
Capital employed	SEK 40,127m
Number of employees**	3,909
Sales in number of countries	~50

\*Excluding items affecting comparability. \*\*As of December 31, 2016.





# SCA's Business within Hygiene and Health



- Vision “Dedicated to improving well-being through leading hygiene and health solutions”
- Global market leader in incontinence products with TENA and in Away-from-Home tissue with Tork
- Strong brands and market positions in baby diapers, feminine care, consumer tissue, wound care, compression therapy and orthopedics
- #1 or #2 position in around 90 countries in at least one product segment
- Growing and aging population, combined with an increasing awareness of the relationship between hygiene and health, increase demand for hygiene products

## 2016 Facts

Net sales	SEK 101,238m
Adjusted operating profit*	SEK 11,833m
Capital employed	SEK 74,753m
Number of employees**	42 520
Sales in number of countries	~100

\*Excluding items affecting comparability. \*\*As of December 31, 2016.





# Proposed Split of SCA



- SCA today consists of two strong but different businesses with limited synergies
- A split increases the possibilities for each company to focus on its strategies and businesses
  - ◆ Separate and dedicated management teams and boards of directors
  - ◆ Independent access to capital
- Which long-term enables increased value creation for SCA's shareholders











**SCA**  
*Care of Life*

