

Q4 2020

October–December 2020 compared with July–September 2020

- Net sales increased 6% to SEK 4,592m (4,338), mainly related to higher delivery volumes
- Adjusted EBITDA¹ increased to SEK 1,377m (1,032) and the EBITDA margin¹ increased to 30.0% (23.8)
- Operating cash flow amounted to SEK 957m (1,118)

January–December 2020 compared with January–December 2019

- Net sales declined 6% to SEK 18,410m (19,591). The fall in sales was mainly related to lower selling prices, which was partly offset by higher delivery volumes.
- EBITDA amounted to SEK 3,393m (21,361). The difference was mainly related to two material one-off items, a negative earnings impact from the discontinuation of publication paper operations in 2020 of SEK -1,047m (see page 6) and a positive earnings impact of approximately SEK 16bn from the changed accounting method for valuation of forest assets in 2019.
- Adjusted EBITDA¹ was SEK 4,440m (5,319), corresponding to an EBITDA margin of 24.1% (27.2). The decrease was mainly due to lower selling prices.
- Operating profit amounted to SEK 1,145m (19,665). The difference was mainly due to one-off items from the discontinuation of publication paper operations in 2020 of SEK -1,694m (see page 6) and the changed accounting method for forest assets of approximately SEK 16bn in 2019.
- Operating cash flow amounted to SEK 2,688m (2,916)
- Earnings per share was SEK 1.09 (22.10). Adjusted earnings¹ per share amounted to SEK 3.19 (4.05).
- The Board of Directors proposes a dividend of SEK 2.00 (0.00) per share

Reported result SEKm	Quarter					Jan-Dec		
	2020:4	2019:4	%	2020:3	%	2020	2019	%
Net sales	4,592	4,312	7	4,338	6	18,410	19,591	-6
EBITDA	1,451	17,098	-92	-88	<i>n.a.</i>	3,393	21,361	-84
Operating profit	1,084	16,600	-93	-1,167	<i>n.a.</i>	1,145	19,665	-94
Net Profit	783	13,153	-94	-958	<i>n.a.</i>	767	15,522	-95
<i>Earnings per share SEK</i>	<i>1.11</i>	<i>18.73</i>		<i>-1.36</i>		<i>1.09</i>	<i>22.10</i>	
Operating cash flow	957	582		1,118		2,688	2,916	

Adjusted result ¹ SEKm	Quarter					Jan-Dec		
	2020:4	2019:4	%	2020:3	%	2020	2019	%
Net sales	4,592	4,312	7	4,338	6	18,410	19,591	-6
EBITDA	1,377	1,055	31	1,032	33	4,440	5,319	-17
<i>EBITDA margin (%)</i>	<i>30.0</i>	<i>24.5</i>		<i>23.8</i>		<i>24.1</i>	<i>27.2</i>	
Operating profit	986	637	55	624	58	2,839	3,703	-23
Net Profit	821	478	72	475	73	2,239	2,847	-21
<i>Earnings per share SEK</i>	<i>1.17</i>	<i>0.68</i>		<i>0.68</i>		<i>3.19</i>	<i>4.05</i>	
Net Debt / EBITDA (LTM)	1.7x	1.6x		2.0x		1.7x	1.6x	

¹ Excluding the effect of one-off items related to the discontinuation of publication paper operations in the third and fourth quarters of 2020 (see page 6) and the impact of the changed accounting method for the valuation of forest assets in the fourth quarter of 2019



COMMENTS ON THE FINANCIAL STATEMENTS

2020 was a year marked to a large extent by COVID-19 and its impact on people, society and the market. Health and safety have always been a top priority and SCA has taken a number of measures to protect risk groups, reduce the spread of the virus and to ensure that production, sales and distribution have been maintained with continued focus on pursuing profitable growth.

During the year, SCA decided to discontinue the publication paper operations consisting of three paper machines at the Ortviken industrial site. These will be shut down sequentially during the first quarter of 2021 and when the closure is completed, SCA will only have operations in expanding product categories with healthy future prospects. SCA has also decided to invest SEK 1.45bn in an annual production of 300,000 tonnes of CTMP (chemically pre-treated thermomechanical pulp) at the Ortviken industrial site, where part of the existing infrastructure will be used. The kraftliner expansion project at Obbola is progressing on plan and on budget.

Following a period with a weaker market, falling prices and rising inventory levels during the first half of 2020, the market has gradually improved for all product categories except publication paper, which continued to weaken. SCA's focus has been to decrease working capital in an uncertain environment. This has resulted in a strong operating cash flow in the third and fourth quarters of 2020 which has contributed to a reduced net debt at the end of the year (see page 4).

Based on the forest survey conducted in 2019, a new harvesting plan has been made during the year which shows that SCA can gradually increase planned annual harvesting from the previous level of 4.3 million m³fo to 5.4 million m³fo in 2025, an increase of 25%. During the year, SCA continued to acquire forest in the Baltic states.

The year and the fourth quarter were impacted by material one-off items related to the discontinuation of publication paper operations (see page 6). Adjusted earnings¹ in the fourth quarter improved compared with the preceding quarter and the year-earlier quarter. A higher share of harvesting from SCA-owned forest and higher earnings from the revaluation of biological assets due to the new forest survey and harvesting plan had a positive impact on earnings.

The supply of wood to SCA's industries was stable during the quarter. The price of sawlogs remained stable while the price of pulpwood fell slightly.

The market for solid-wood products remained strong during the quarter, driven by high demand in the building materials trade in the US, Scandinavia, UK and the rest of Northern Europe. Market prices increased compared with the preceding period.

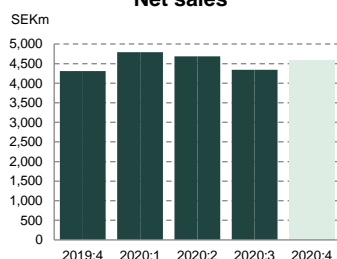
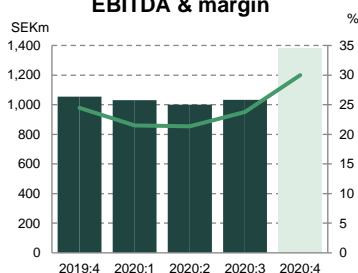
Delivery volumes in the Pulp segment increased compared with the preceding quarter. A planned maintenance stop took place during the quarter. Following the restart, production has been stable and at planned level.

The average selling price for kraftliner was lower than in the preceding quarter. Demand increased during the fourth quarter and inventory levels decreased. In connection with the discontinuation of publication paper operations, focus in this product area has been to bring forward publication paper production ahead of the closure and to minimize costs.

Higher transaction prices for forest assets in northern Sweden

SCA bases its valuation of forest assets in Sweden on forest transactions in the areas where SCA owns forest. The market value of the forest has increased during 2020. The average market price used in the valuation of SCA's forest assets was SEK 291/m³fo at December 31, 2020, corresponding to a carrying amount of SEK 74.9bn (see page 5).

¹ Excluding the effect of one-off items related to the discontinuation of publication paper operations in the third and fourth quarters of 2020 (see page 6) and the impact of the changed accounting method for the valuation of forest assets in the fourth quarter of 2019

Net sales**EBITDA & margin**

Note: EBITDA 2020:3 and 2020:4 excluding the discontinuation of publication paper and 2019:4 excluding the impact of the changed accounting method for the valuation of forest assets

Change in net sales (%)

	2012 vs 1912	2020:4 vs 2019:4	2020:4 vs 2020:3
Total	-6	7	6
Price/mix	-8	-3	-1
Volume	2	13	9
Currency	1	-2	-1
Acquisition	0	0	0
Divestment	-1	-1	-1

GROUP**SALES AND OPERATING PROFIT****January–December 2020 compared with January–December 2019**

Net sales amounted to SEK 18,410m (19,591), a decrease of 6%, of which price/mix accounted for -8%, volume for 2%, currency for 1% and divestments for -1%. The decrease was mainly related to lower selling prices in all segments and lower delivery volumes in publication paper, which were offset by higher delivery volumes in other product categories.

EBITDA decreased to SEK 3,393m (21,361), mainly related to two material one-off items, a negative earnings impact from the discontinuation of publication paper operations of SEK -1,047m (see page 6) and a positive earnings impact of approximately SEK 16bn from the changed accounting method for the valuation of forest assets in 2019.

Adjusted EBITDA¹ amounted to SEK 4,440m (5,319), corresponding to an EBITDA margin of 24.1% (27.2). The decline was primarily due to lower selling prices in all segments and lower delivery volumes for publication paper, offset by a higher share of harvesting from SCA-owned forest, higher earnings from the revaluation of biological assets and lower raw material costs. The cost of planned maintenance stops amounted to SEK 260m (248).

Adjusted operating profit¹ amounted to SEK 2,839m (3,703).

October–December 2020 compared with October–December 2019

Net sales increased 7%, of which volume accounted for 13%, price/mix for -3%, currency for -2% and divestments for -1%, and amounted to SEK 4,592m (4,312). The increase was mainly attributable to higher delivery volumes of pulp and kraftliner and better sales in segment Wood. Lower selling prices for kraftliner and publication paper and negative exchange rate effects had an adverse impact on net sales.

Adjusted EBITDA¹ increased to SEK 1,377m (1,055), corresponding to an EBITDA margin of 30.0% (24.5). The increase was mainly attributable to a higher revaluation of biological assets, lower raw material costs and lower costs for planned maintenance stops of SEK 130m (185). Lower selling prices for kraftliner and publication paper and lower delivery volumes in publication paper had an adverse impact on earnings.

Adjusted operating profit¹ amounted to SEK 986m (637).

October–December 2020 compared with July–September 2020

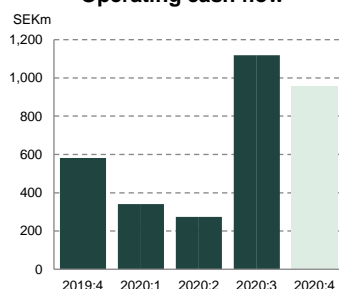
Net sales increased 6%, of which volume accounted for 9%, price/mix for -1%, currency for -1% and divestments for -1%, and amounted to SEK 4,592m (4,338). The increase was mainly attributable to higher delivery volumes in kraftliner and pulp, which was offset by the divestment of Wood Supply UK that had an adverse impact on net sales.

Adjusted EBITDA¹, excluding the effect of one-off items related to the discontinuation of publication paper operations, increased to SEK 1,377m (1,032), corresponding to an EBITDA margin of 30.0% (23.8). The increase was mainly explained by a higher share of harvesting from SCA-owned forest and higher earnings from the revaluation of biological assets, which was offset by higher costs for planned maintenance stops of SEK 130m (62). An unscheduled production stop at Östrand in July had a negative impact on earnings in the third quarter.

Adjusted operating profit¹ amounted to SEK 986m (624).

One-off items related to the discontinuation of publication paper were adjusted down during the fourth quarter, following the completion of negotiations, with SEK 73m on EBITDA and SEK 97m on operating profit (see page 6).

¹ Excluding the effect of one-off items related to the discontinuation of publication paper operations in the third and fourth quarters of 2020 (see page 6) and the impact of the changed accounting method for the valuation of forest assets in the fourth quarter of 2019

Operating cash flow**CASH FLOW****January–December 2020 compared with January–December 2019**

The operating cash surplus amounted to SEK 2,792m (4,382). The cash flow effect of changes in working capital was SEK 1,131m (-186). Current capital expenditures, net, totaled SEK -1,224m (-1,132). Operating cash flow was SEK 2,688m (2,916) (see page 22).

Strategic capital expenditures during the year mainly relate to the expansion of Obbola and amounted to SEK -1,414m (-1,256). The cash flow effect of acquisitions amounted to SEK -462m (-1,115) and of divestments to SEK 63m (370). Cash flow for the period was SEK 830m (-209) (see page 16).

FINANCING

At December 31, 2020, net debt totaled SEK 7,671m, a decrease during the quarter of SEK 623m. The decrease in net debt was mainly related to the strong cash flow during the period. Net debt in relation to adjusted EBITDA¹ amounted to 1.7x compared with 1.6x in the year-earlier period.

At December 31, 2020, gross debt amounted to SEK 10,354m, with an average maturity of 4.5 years (including the lease liability). The loan structure consists of bonds and bilateral bank loans. The lease liability amounted to SEK 751m, a decrease by SEK 41m compared with the preceding quarter. Unutilized credit facilities amounted to SEK 8,918m. Cash and cash equivalents amounted to SEK 1,273m at the end of the period, a decrease of SEK 1,033m during the quarter. In the January–December 2020 period, financial items totaled SEK -117m compared with SEK -126m in the year-earlier period.

During the quarter, a first step was taken to integrate financing into the Group sustainability agenda. As of December 2020, SCA's credit facilities are linked to the Group sustainability targets.

TAX**January–December 2020 compared with January–December 2019**

The Group's tax amounted to SEK 261m (4,017). One-off items related to the discontinuation of publication paper operations resulted in a provision for deferred tax of SEK 223m.

EQUITY**January–December 2020**

Total consolidated equity increased by SEK 3,653m during the period, to SEK 72,163m at December 31, 2020. Equity increased due to comprehensive income for the period of SEK 3,639m and other items of SEK 14m.

CURRENCY EXPOSURE AND CURRENCY HEDGING

SCA has a large proportion of exports, and 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 68 in the 2019 Annual Report.

The company has hedged about 60% of the expected EUR net exposure from sales minus purchases until the end of the second quarter of 2021, as well as approximately 30% for the third quarter of 2021 and 10% for the fourth quarter 2021, at the average EUR/SEK exchange rate of 10.53. The company has hedged about 60% of the expected USD net exposure from sales minus purchases until the end of the second quarter of 2021, as well as approximately 30% for the third quarter of 2021 and 10% for the fourth quarter 2021, at the average USD/SEK exchange rate of 9.23.

¹ Excluding the effect of one-off items related to the discontinuation of publication paper operations in the third and fourth quarters of 2020 (see page 6) and the impact of the changed accounting method for the valuation of forest assets in the fourth quarter of 2019

PLANNED MAINTENANCE STOPS

A planned maintenance stop at the pulp mill in Östrand was conducted during the fourth quarter of 2020, which started at the end of the third quarter.

The estimated effect of the planned maintenance stops on earnings, calculated as the total 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.

Actual 2019					
SEKm	2019:1	2019:2	2019:3	2019:4	Total
Pulp	0	0	0	138	138
Paper	0	63	0	47	110
Total	0	63	0	185	248

Actual 2020					
SEKm	2020:1	2020:2	2020:3	2020:4	Total
Pulp	0	0	20	130	150
Paper	0	68	42	0	110
Total	0	68	62	130	260

Forecast 2021					
SEKm	2021:1	2021:2	2021:3	2021:4	Total
Pulp	0	0	20	130	150
Paper	0	0	150	0	150
Total	0	0	170	130	300

COVID-19

Health and safety are always a top priority at SCA, which is also the case during this challenging time. So far, there has been limited impact on production and deliveries of SCA's products, which include the delivery of important input goods to hygiene products and packaging for food and medicines. The company is actively working to monitor inventory levels, secure the delivery and distribution chain and to secure cash flow. The main negative impact from COVID-19 was felt in the publication paper product category.

There remains significant uncertainty which may impact SCA's future earnings.

KEY EVENTS

Higher transaction prices for forest assets in northern Sweden

SCA has based its valuation of forest assets in Sweden on forest transactions in the areas where SCA owns forest. The market value of the forest has increased during 2020. The average market price used in valuation of SCA's forest assets was SEK 291/m³fo at December 31, 2020. Applied to SCA's standing timber volume of 257 million m³fo at December 31, 2020 (including approximately 3.2 million m³fo net growth during the year), the carrying amount of SCA's forest assets was SEK 74.9bn at the end of the year. In 2019, the market price amounted to SEK 276/m³fo and the carrying amount was SEK 69.7bn (see page 18, Note 3).

A summary of the value of SCA's forest assets is shown in the table below.

	Dec 31, 2020	Dec 31, 2019
Market price - weighted three year average (SEK/m ³ fo)	291	276
Standing volume in Sweden (million m ³ fo)	252	249
Standing volume in the Baltics (million m ³ fo)	5	3
Standing volume (million m³fo)	257	252
Forest assets in Sweden (SEKm)	73,387	68,723
Forest assets in the Baltics (SEKm)	1,513	959
Forest assets (SEKm)	74,900	69,682

SCA acquires forest in the Baltic states

SCA acquired forest in Latvia during the fourth quarter. The acquisition comprises a land area of approximately 19,150 hectares, of which approximately 13,100 hectares is forest land. The acquisition strengthens SCA's opportunities to source timber in the region in the long term. The purchase price was approximately SEK 450m. At the end of the year, SCA's forest holding in the Baltic states amounted to just over 40,000 hectares.

SCA divests Wood Supply UK

During the fourth quarter, SCA divested Wood Supply UK, which manufactures and distributes wood and wood-based products for the building materials trade in the UK. SCA will retain its organization for the sale of solid-wood products to industrial customers in the UK. The sale is expected to reduce the SCA Group's net sales by about SEK 1,400m per year and EBITDA by approximately SEK 25m per year. Net debt decreased by approximately SEK 150m due to the transaction.

SCA establishes Group sustainability targets

Sustainability is integrated into every part of SCA's operations, which are climate positive. To further drive development, the company has adopted Group targets in the areas that are particularly important and where SCA can provide a crucial contribution towards sustainable development. The targets were launched at SCA's capital market day on December 3, 2020, and are to be met by 2030. A more detailed description of the targets and applicable interim targets will be presented in the 2020 Annual Report.

SCA discontinues publication paper manufacturing

SCA resolved in September to discontinue the publication paper operations consisting of three paper machines at the Ortviken industrial site with annual sales of approximately SEK 4bn. The publication paper market has reduced successively for many years and has had an accelerated negative trend since the outbreak of COVID-19. About 800 employees are affected, primarily at the Ortviken paper mill but also in other parts of SCA's operations. The paper machines are to close sequentially during the first quarter of 2021.

A summary of the one-off items primarily related to the discontinuation of publication paper operations during the third quarter, when the decision was taken, and the fourth quarter, following completed negotiations, is shown in the table below. One-off items are recognized in the segment Other.

SEKm	Quarter		Full year
	2020:4	2020:3	2020
Provisions due to restructuring costs ^{1,2}	114	-870	-756
Impairment of working capital	-22	-870	-272
Other	-19		-19
Effect on EBITDA	73	-1,120	-1,047
Impairment of fixed assets	24	-671	-647
Effect on operating profit	97	-1,792	-1,694

¹ With impact on future cash flows

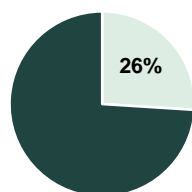
² See note 4, Other provisions

As of January 1, 2021, the Paper segment encompasses kraftliner only and will change name to the Containerboard segment. A summary of financial data for Containerboard can be found on page 23, Note 10. Publication paper operations are recognized in the first quarter of 2021 in the segment Other and are subsequently assumed to be discontinued.

SCA invests in increased pulp capacity

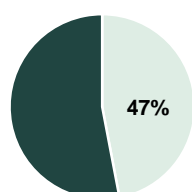
SCA will invest SEK 1.45bn in the production of chemically pre-treated thermomechanical pulp (CTMP) to achieve an annual production volume of 300,000 tonnes of CTMP pulp at the Ortviken industrial site, where existing infrastructure will be used. The investment will begin in 2021 and production is expected to start in the new facility at the beginning of 2023. Currently, SCA has a capacity of 100,000 tonnes of CTMP at the Östrand pulp mill. This production will be phased out when the new facility begins operation.

Share of net sales Jan-Dec 2020*



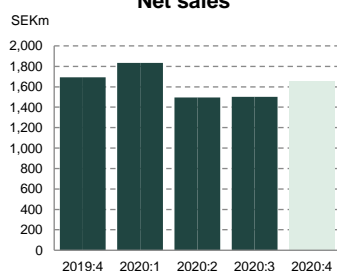
* before elimination of Intra-Group sales

Share of EBITDA Jan-Dec 2020**

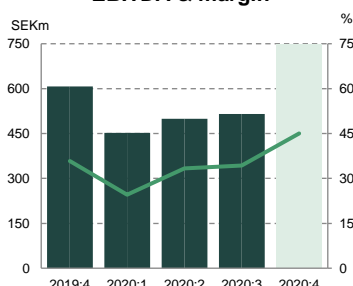


** share calculated of total EBITDA excluding central costs

Net sales



EBITDA & margin



FOREST

SCA owns 2.6 million hectares of forest land in Northern Sweden and the Baltic region, an area corresponding to 6% of Sweden's land area. 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					Jan-Dec		
	2020:4	2019:4	%	2020:3	%	2020	2019	%
Net sales	1,659	1,694	-2	1,500	11	6,486	6,956	-7
EBITDA	747	607	23	515	45	2,213	1,740	27
Depreciation	-58	-58	0	-61	-5	-226	-212	7
Operating profit	689	549	26	454	52	1,987	1,528	30
EBITDA margin, %	45.0	35.8		34.3		34.1	25.0	
Operating margin, %	41.5	32.4		30.3		30.6	22.0	
Return on capital employed, %	6.2	5.2		4.2		3.4	4.4	
Harvesting of own forest, thousand m ³ sub	1,629	1,230	32	1,147	42	4,818	4,419	9
Revaluation of biological assets ¹	383	223	72	308	24	1,262	717	76

¹ Excluding items affecting comparability

Management of SCA-owned forest

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 forest industry operations. The pricing is set based on an average of Forest's externally sourced timber prices.

In 2020, the volume of timber harvested from SCA-owned forest was about 4.8 million m³sub. The current planned level of timber harvested in SCA-owned forest is expected to gradually increase from the previous level of approximately 4.3 million m³sub in 2020 to approximately 5.4 million m³sub in 2025.

Revaluation of forest assets

SCA changed the method for the valuation of forest assets on December 31, 2019 (see page 18, Note 3). According to the new method, the revaluation is determined by the annual increase in standing volume (net growth) and the market price of forest land.

January–December 2020 compared with January–December 2019

Net sales declined 7% to SEK 6,486m (6,956), mainly related to lower selling prices and lower delivery volumes to SCA's industries primarily due to a weak publication paper market.

EBITDA improved 27% to SEK 2,213m (1,740). The increase is mainly explained by higher earnings from the revaluation of biological assets due to the increased net growth according to the new forest survey.

EBITDA margin increased to 34.1% (25.0), mainly related to higher earnings from the revaluation of biological assets.

October–December 2020 compared with October–December 2019

Net sales decreased 2% to SEK 1,659m (1,694). The decrease was mainly related to lower selling prices.

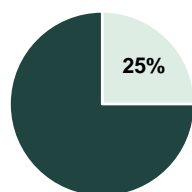
EBITDA amounted to SEK 747m (607), an increase of 23%. Increased harvesting from SCA-owned forest and higher earnings from the revaluation of biological assets had a positive impact on earnings, which was offset by lower selling prices.

October–December 2020 compared with July–September 2020

Net sales increased 11% to SEK 1,659m (1,500), mainly related to higher delivery volumes to SCA's industries.

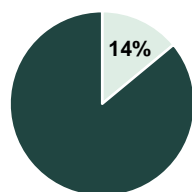
EBITDA amounted to SEK 747m (515), an increase of 45%. Seasonally increased harvesting from SCA-owned forest and higher earnings from the revaluation of biological assets had a positive impact on earnings.

Share of net sales Jan-Dec 2020*



* before elimination of Intra-Group sales

Share of EBITDA Jan-Dec 2020**



** share calculated of total EBITDA excluding central costs

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					Jan-Dec	
	2020:4	2019:4	%	2020:3	%	2020	2019
Net sales	1,498	1,376	9	1,592	-6	6,296	6,325
EBITDA	227	125	82	192	19	657	789
Depreciation	-59	-76	-22	-62	-5	-249	-278
Operating profit	168	49	243	130	29	407	511
EBITDA margin, %	15.2	9.1		12.1		10.4	12.5
Operating margin, %	11.2	3.6		8.2		6.5	8.1
Return on capital employed, %	21.1	6.0		17.0		11.8	14.6
Deliveries, wood products, thousand m ³	610	578	6	624	-2	2,553	2,506

January–December 2020 compared with January–December 2019

Net sales were in line with the year-earlier period and amounted to SEK 6,296m (6,325). Higher delivery volumes had a positive effect on net sales. The merger with Groupe ISB during the first quarter of 2019 and divestment of Wood Supply UK during the fourth quarter of 2020 had a negative effect on net sales.

EBITDA decreased to SEK 657m (789), which was mainly attributable to one-off items in SCA Wood France totaling SEK 0m (90), which increased earnings during the first quarter of 2019.

October–December 2020 compared with October–December 2019

Net sales rose 9% to SEK 1,498m (1,376). This increase was primarily attributable to better sales in the building materials trade, which were offset by negative exchange rate effects.

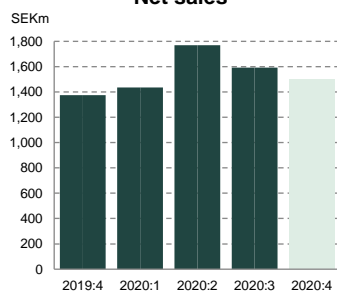
EBITDA amounted to SEK 227m (125), an increase of 82%. This increase was primarily related to stronger earnings in the building materials trade.

October–December 2020 compared with July–September 2020

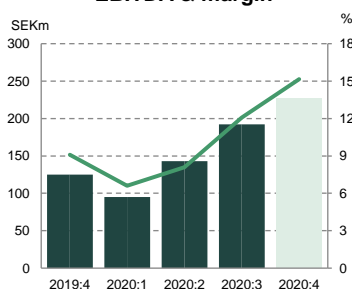
Net sales decreased 6% to SEK 1,498m (1,592). The decrease was primarily attributable to the divestment of Wood Supply UK that had a negative effect on net sales, which was somewhat offset by higher selling prices.

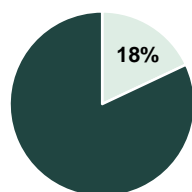
EBITDA amounted to SEK 227m (192), an increase of 19%. This increase was primarily attributable to higher selling prices.

Net sales

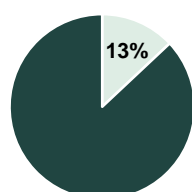


EBITDA & margin



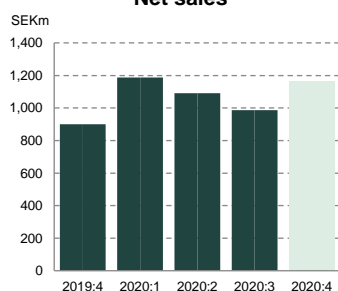
Share of net sales
Jan-Dec 2020*

* before elimination of Intra-Group sales

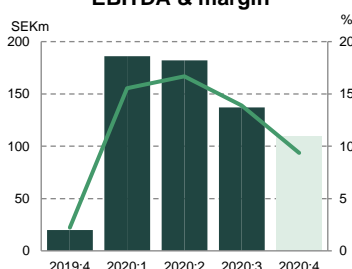
Share of EBITDA
Jan-Dec 2020**

** 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 softwood kraft pulp in the world. Together with thermomechanical pulp production, Östrand's annual capacity amounts to 1 million tonnes. SCA's pulp has high-strength properties, suitable for tissue and specialty paper.

SEKm	Quarter					Jan-Dec		
	2020:4	2019:4	%	2020:3	%	2020	2019	%
Net sales	1,166	900	30	986	18	4,431	4,377	1
EBITDA	109	20	445	137	-20	614	983	-38
Depreciation	-140	-128	9	-135	4	-540	-530	2
Operating profit	-31	-109	-72	2	1,650	73	453	-84
EBITDA margin, %	9.3	2.2		13.9		13.8	22.5	
Operating margin, %	-2.7	-12.1		0.2		1.6	10.3	
Return on capital employed, %	-2.2	-4.7		0.2		0.8	4.9	
Deliveries, pulp, thousand tonnes	223	167	34	189	18	839	741	13

January–December 2020 compared with January–December 2019

Net sales rose 1% to SEK 4,431m (4,377). This increase was primarily attributable to higher delivery volumes due to the ramp-up of the expanded pulp mill, which was offset by lower selling prices.

EBITDA declined 38% to SEK 614m (983), which was mainly attributable to lower selling prices. Lower raw material costs and higher delivery volumes had a positive impact on earnings. The cost of planned maintenance stops amounted to SEK 150m (138).

October–December 2020 compared with October–December 2019

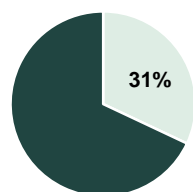
Net sales increased 30% to SEK 1,166m (900). The increase was attributable to higher delivery volumes.

EBITDA improved to SEK 109m (20). The increase was mainly due to lower raw material costs, which were offset by negative exchange rate effects. The cost of planned maintenance stops amounted to SEK 130m (138).

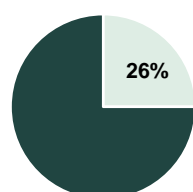
October–December 2020 compared with July–September 2020

Net sales increased 18% to SEK 1,166m (986). The increase was attributable to higher delivery volumes. Market prices increased during the quarter but were offset by negative exchange rate effects.

EBITDA decreased to SEK 109m (137). The decrease was primarily caused by higher costs for planned maintenance stops of SEK 130m (20). An unscheduled production stoppage at Östrand in July had a negative impact on earnings for the comparative period.

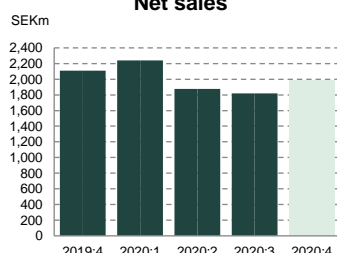
Share of net sales
Jan-Dec 2020*

* before elimination of Intra-Group sales

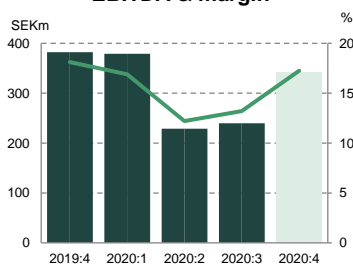
Share of EBITDA
Jan-Dec 2020**

** share calculated of total EBITDA excluding central costs

Net sales



EBITDA & margin



PAPER

SCA produces kraftliner – paper for corrugated transport packaging – and publication paper for magazines, catalogs and commercial print. SCA is Europe's largest independent producer of kraftliner, with a total capacity of 865,000 tonnes per year. Kraftliner is produced at the paper mills in Munksund, Piteå, and in Obbola, Umeå. Publication paper is produced at the Ortviiken paper mill in Sundsvall, a business that is being discontinued during the first quarter of 2021.

SEKm	Quarter					Jan-Dec		
	2020:4	2019:4	%	2020:3	%	2020	2019	%
Net sales	1,981	2,108	-6	1,817	9	7,916	9,229	-14
EBITDA	342	382	-10	240	43	1,190	2,064	-42
Depreciation	-125	-149	-16	-142	-12	-550	-566	-3
Operating profit	217	233	-7	99	119	640	1,498	-57
EBITDA margin, %	17.3	18.1		13.2		15.0	22.4	
Operating margin, %	10.9	11.1		5.4		8.1	16.2	
Return on capital employed, %	15.2	13.9		6.3		10.2	21.8	
Deliveries, kraftliner, thousand tonnes	229	186	23	197	16	840	812	3
Deliveries, publication paper, thousand tonnes	148	163	-9	135	10	587	688	-15

The publication paper market has been structurally declining for a long time and SCA decided in September to discontinue publication paper operations at the Ortviiken industrial site. The production will be phased out during the first quarter of 2021. As of January 1, 2021, the Paper segment consists of kraftliner only and is changing name to the Containerboard segment. A summary of financial data for Containerboard can be found on page 23, Note 10. Publication paper operations in the first quarter of 2021 are recognized in the segment Other and are subsequently assumed to be discontinued. One-off items in 2020 linked to the discontinuation are also recognized in the segment Other (see page 6).

January–December 2020 compared with January–December 2019

Net sales decreased 14% to SEK 7,916m (9,229). The decrease was primarily related to lower selling prices for kraftliner and publication paper and lower delivery volumes for publication paper.

EBITDA declined 42% to SEK 1,190m (2,064). The decrease was primarily attributable to lower selling prices for kraftliner and publication paper and lower delivery volumes for publication paper. Lower raw material costs had a positive earnings effect. The cost of planned maintenance stops was SEK 110m (110).

October–December 2020 compared with October–December 2019

Net sales declined 6% to SEK 1,981m (2,108). The decrease was attributable to lower selling prices for kraftliner and publication paper.

EBITDA amounted to SEK 342m (382), a decrease of 10%. The decrease was primarily attributable to lower selling prices for kraftliner and publication paper. Lower raw material costs, higher delivery volumes for kraftliner and lower costs for scheduled maintenance stops of SEK 0m (47) had a positive earnings effect.

October–December 2020 compared with July–September 2020

Net sales increased 9% to SEK 1,981m (1,817). This increase was primarily attributable to higher delivery volumes for kraftliner and publication paper, with early production being carried out for customers for subsequent delivery after production has ceased. Lower selling prices for publication paper and kraftliner had an adverse impact on net sales.

EBITDA amounted to SEK 342m (240), an increase of 43%. The increase was primarily attributable to lower costs for maintenance stops of SEK 0m (42) and effects linked to the discontinuation relating to bringing forward production prior to closure and lower costs, which had a positive earnings effect. Lower selling prices for publication paper and kraftliner had an adverse impact on earnings.

RENEWABLE ENERGY

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

SCA is now one of Europe's largest producers of forest-based bioenergy, with a total production of about 11 TWh per year. In Sweden, SCA has three pellets factories that have an annual production capacity of 300,000 tonnes.

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 leases out land for wind power production. At the end of the fourth quarter of 2020, 560 wind turbines were operating on SCA's land with an annual production capacity of 5.4 TWh, equivalent to about 20% of Sweden's total wind power production. Together with previously agreed but not yet completed projects, operating capacity on SCA's land is expected to increase to 9.0 TWh by 2023.

SCA also develops products for the next-generation of biofuels and green chemicals including a collaboration with St1 to develop, produce and sell biofuel based on tall oil.

SHARE DISTRIBUTION

December 31, 2020	Class A	Class B	Total
Registered number of shares	64,587,672	637,754,817	702,342,489

At the end of the period, the proportion of Class A shares was 9.2%. No change was made to Class A and Class B shares during the fourth quarter or during the full year. The total number of votes in the company amounts to 1,283,631,537.

FUTURE EVENTS

- Annual General Meeting will take place on April 15, 2021.
- Financial statements for the first quarter will be published on April 30, 2021.
- Financial statements for the second quarter will be published on July 23, 2021.
- Financial statements for the third quarter will be published on October 29, 2021.

INVITATION TO PRESS CONFERENCE ON THE INTERIM REPORT FOR THE FOURTH QUARTER OF 2020

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, January 29, 2021 at 10:00 a.m.

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 5069 2180
UK: +44 (0)2071 928000
US: +1 631 510 7495

Specify "SCA" or the conference ID: 9984826.

Sundsvall, January 29, 2021

SVENSKA CELLULOSA AKTIEBOLAGET SCA (publ)

Ulf Larsson
President and CEO

For further information, please contact

Toby Lawton, CFO, +46 (0)60 19 31 09

Josefine Bonnevier, Investor Relations Director, +46 (0)60 19 33 90

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 January 29, 2021 at 08:00 a.m. CET. The report has not been reviewed by the company's auditors.

Björn Lyngfelt, Vice President, Communications, +46 (0)70 626 82 23

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

SEKm	Quarter					Full year		
	2020:4	2019:4	%	2020:3	%	2020	2019	%
Net sales	4,592	4,312	7	4,338	6	18,410	19,591	-6
Other income	362	598	-39	385	-6	1,620	2,191	-26
Change in inventories	-167	114		-293		-758	304	
Change in value in biological assets	383	16,265	-98	308	24	1,262	16,759	-92
Raw materials and consumables	-1,298	-1,574	-18	-1,614	-20	-6,415	-7,373	-13
Personnel costs	-552	-738	-25	-1,167	-53	-3,310	-2,997	10
Other external costs	-1,880	-1,863	1	-2,052	-8	-7,436	-7,100	5
Share of profits of associates	11	-16		7		20	-14	
EBITDA	1,451	17,098	-92	-88	-1,749	3,393	21,361	-84
Depreciation and impairment	-367	-498	-26	-1,079	-66	-2,248	-1,696	33
Operating profit	1,084	16,600	-93	-1,167	-193	1,145	19,665	-94
Financial items	-34	-25		-28		-117	-126	
Profit before tax	1,050	16,575	-94	-1,195	-188	1,028	19,539	-95
Tax	-267	-3,422		237		-261	-4,017	
Net Profit for the period	783	13,153	-94	-958	-182	767	15,522	-95
<i>Earnings per share SEK¹</i>	<i>1.11</i>	<i>18.73</i>		<i>-1.36</i>		<i>1.09</i>	<i>22.10</i>	
Earnings attributable to:								
Owners of the parent	783	13,153		-958		767	15,522	
Average no. of shares, millions	702.3	702.3		702.3		702.3	702.3	
Margins (%)								
EBITDA margin	31.6	396.5		-2.0		18.4	109.0	
Operating margin	23.6	384.9		-26.9		6.2	100.4	
Net margin	17.1	305.0		-22.1		4.2	79.2	

¹ There are no dilution effects.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	Quarter			Full year	
	2020:4	2019:4	2020:3	2020	2019
Profit for the period	783	13,153	-958	767	15,522
Other comprehensive income for the period:					
Items that may not be reclassified to the income statement					
Change of value land assets	2,600	18,893	181	3,314	18,893
Result from Equity investments recognized at fair value	-	-	-	-	-2
Revaluation of defined benefit pension plans	435	353	394	327	444
Income tax attributable to components of other comprehensive income	-621	-3,966	-118	-746	-3,984
Total	2,414	15,280	457	2,895	15,351
Items that have been or may be reclassified subsequently to the income statement					
Cash flow hedges	79	-24	99	28	-280
Hedge cost	10	23	1	37	23
Translation differences in foreign operations	-78	-20	6	-75	15
Income tax attributable to components of other comprehensive income	-18	0	-21	-13	53
Total	-7	-21	85	-23	-189
Other comprehensive income for the period, net of tax	2,407	15,259	542	2,872	15,162
Total comprehensive income for the period	3,190	28,412	-416	3,639	30,684
Total comprehensive income attributable to:					
Owners of the parent	3,190	28,412	-416	3,639	30,684
Non-controlling interests	-	0	-	-	0

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	Full year	
	2020	2019
Attributable to owners of the parent		
Value, January 1	68,510	39,062
Total comprehensive income for the period	3,639	30,684
Cash flow hedge transferred at cost of hedged investments	19	-8
Tax on cash flow hedge transferred at cost of hedged investments	-4	2
Cash dividend	-	-1,229
Acquisition of non-controlling interests	-	0
Remeasurement effect upon acquisition of non-controlling interests	-1	-1
Value, December 31	72,163	68,510
Non-controlling interests		
Value, January 1	-	-
Total comprehensive income for the period	-	-
Acquisition of non-controlling interests	-	0
Value, December 31	-	0
Total equity, value December 31	72,163	68,510

CONDENSED CONSOLIDATED BALANCE SHEET

SEKm	Dec 31, 2020	Dec 31, 2019
ASSETS		
Non-current assets		
Goodwill and other intangible assets	320	211
Buildings, land, machinery and equipment	18,641	18,184
Forest assets	74,900	69,682
<i>whereof land assets</i>	23,624	20,170
<i>whereof biological assets</i>	51,276	49,512
Right-of-use assets	729	841
Other non-current assets	1,808	1,468
Total non-current assets	96,398	90,386
Current assets		
Inventories	4,044	5,014
Trade receivables	1,964	2,313
Other current receivables	988	898
Cash and cash equivalents	1,273	454
Total current assets	8,269	8,679
Total assets	104,667	99,065
EQUITY AND LIABILITIES		
Equity		
Owners of the Parent		
Share capital	2,350	2,350
Share premium	6,830	6,830
Reserves	17,320	14,693
Retained earnings	45,663	44,637
Non-controlling interests	-	0
Total equity	72,163	68,510
Non-current liabilities		
Non-current financial liabilities	8,488	5,888
Provisions for pensions	530	522
Deferred tax liabilities	16,648	15,780
Other non-current liabilities	225	161
Total non-current liabilities	25,891	22,351
Current liabilities		
Current financial liabilities	1,336	3,730
Trade payables	3,319	3,336
Other current liabilities	1,958	1,138
Total current liabilities	6,613	8,204
Total liabilities	32,504	30,555
Total liabilities and equity	104,667	99,065

CONSOLIDATED CASH FLOW STATEMENT

SEKm	Full year	
	2020	2019
Operating activities		
Profit before tax	1,028	19,539
Adjustment for non-cash items ¹	1,580	-15,404
Paid tax	-35	-652
Cash flow from operating activities before changes in working capital	2,573	3,483
Cash flow from changes in working capital		
Change in inventories	780	-605
Change in operating receivables	-181	473
Change in operating liabilities	532	-54
Cash flow from operating activities	3,704	3,297
Investing activities		
Acquisitions	-462	-1,115
Divestments	63	370
Current capital expenditures in non-current assets, net	-1,143	-1,033
Strategic capital expenditures in non-current assets	-1,414	-1,256
Acquisition of financial asset	-8	-26
Cash flow from investing activities	-2,964	-3,060
Financing activities		
Loans raised	3,877	1,011
Amortization of loans	-3,584	-228
Amortization of loans, leasing	-203	-
Dividend	-	-1,229
Cash flow from financing activities	90	-446
Net cash flow for the period	830	-209
Cash and cash equivalents at the beginning of the period	454	648
Translation differences in cash and cash equivalents	-11	15
Cash and cash equivalents at the end of the period	1,273	454
Cash flow from operating activities per share SEK	5.27	4.70
¹ Depreciation/amortization and impairment of non-current assets	2,248	1,696
Fair-value measurement of biological assets	-1,262	-16,759
Gains/loss on assets sales and swaps of assets	82	-202
Unpaid related to costs due to discontinuation of publication paper operations	600	-
Other	-88	-139
Total	1,580	-15,404

INCOME STATEMENT PARENT COMPANY

SEKm	Full year	
	2020	2019
Other operating income	273	235
Other operating expenses	-235	-160
Personnel costs	-102	-91
EBITDA	-64	-16
Depreciation	-89	-86
Operating profit	-153	-102
Financial items	33	98
Profit before tax	-120	-4
Appropriations and tax	550	1,403
Profit for the period	430	1,399

Other operating income was mainly related to remuneration for the granting of felling rights for the Parent Company's forest land.

BALANCE SHEET PARENT COMPANY

SEKm	Dec 31, 2020	Dec 31, 2019
Tangible non-current assets	8,723	8,641
Financial non-current assets	9,690	9,681
Total non-current assets	18,413	18,322
Current assets	14,270	12,563
Total assets	32,683	30,885
Restricted equity	11,373	11,373
Non-restricted equity	8,981	8,551
Total equity	20,354	19,924
Provisions	1,611	1,594
Non-current liabilities	7,928	5,236
Current liabilities	2,790	4,131
Total equity, provisions and liabilities	32,683	30,885

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. The accounting principles are described in detail in SCA's 2019 Annual Report.

The definition of business acquisitions in IFRS 3 Business acquisitions has been changed. The criteria for classifying an acquisition as a business acquisition is that it must contain at least an input and a substantive process that together obviously make a significant contribution to the ability to create output. The change in IFRS 3 had no impact on the Group's interim report, but may affect future periods if the Group makes acquisitions.

Several amendments and interpretations apply for the first time from 2020, but they are not judged to have any material impact on the Group's interim report.

2. REVENUE FROM CONTRACTS WITH CUSTOMERS

SEKm	Full year	
	2020	2019
Sweden	2,774	2,532
EU excluding Sweden	10,359	11,766
Rest of Europe	1,218	1,293
Rest of world	4,059	4,000
Total Group	18,410	19,591

3. FOREST VALUATION

Accounting principles

The accounting principles for forest assets are described in detail on page 105, Note D3, of SCA's 2019 Annual Report.

Key assessments and assumptions

SCA has based its valuation of forest assets in Sweden on forest transactions in the areas where SCA owns forest assets. The calculated market prices comprise a weighted average based on forest transactions over the most recent three-year period. On December 31, 2020, the market price was SEK 291/m³fo. The market price on December 31, 2019, was SEK 276/m³fo.

SCA carried out a new forest survey in Sweden in 2019. As part of the new survey, a new estimate was drawn up and established for the forest portfolio's standing timber volume.

At December 31, 2020, the expected total standing timber volume is estimated at approximately 257 million m³fo, of which about 5 million m³fo in the Baltic states. The change in value as a result of changes in market prices and estimated annual net volume growth is accrued over the course of the year.

The new forest survey also resulted in a new harvesting calculation. Higher growth gives greater long-term harvesting potential. Annual planned harvesting will gradually increase from about 4.3 million m³sub in 2020 to 5.4 million m³sub in 2025.

Forest assets

SEKm	Dec 31, 2020	Dec 31, 2019
Forest assets in Sweden ¹	73,387	68,723
Forest assets in the Baltics	1,513	959
Total value of forest assets²	74,900	69,682
Deferred tax on forest assets	14,977	13,977

¹ The fair value of SCA's forest assets was based on a timber volume estimated at 252 million m³fo in Sweden and 5 million m³fo in the Baltic states at year-end, multiplied by the market price of SEK 291/m³fo.

² The total change in value at December 31, 2020 amounted to SEK 5,218m whereof SEK 1,262m constitutes the change in value in biological assets

The change in value of biological assets has been based on market statistics and discounted cash flows. 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 3.6% (3.6) after tax. The change in value of biological assets was SEK 1,262m in 2020.

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. The change in value pertaining to land in 2020 amounted to SEK 3,315m and is recognized as other comprehensive income and does not impact profit for the year.

4. OTHER CURRENT LIABILITIES AND PROVISIONS

Accounting principles

Provisions are recognized in the consolidated balance sheet when there is a legal or constructive obligation arising from events that have occurred and it is probable that payments will be required to settle the obligation. It must also be possible to reliably estimate the amount to be paid. The provision is valued at the present value of the anticipated future expenditure to settle the obligation.

A provision for restructuring measures is recognized when the Group has established a detailed plan and either implementation has begun or the main features of the measures have been communicated to the parties involved. Restructuring costs include, for example, costs for plant closures, impairment of production machinery or costs for personnel reductions.

Other provisions

SEKm	Efficiency programs	Environment	Discontinuation publication paper	Other	Total
Value, January 1	4	55	-	56	115
Provisions	0	28	761	1	790
Utilization	-1	-29	-3	-34	-67
Translation differences	-	-	-2	-2	-4
Value, December 31	3	54	756	21	834

SCA decided in September to discontinue the publication paper operations at Ortviken. Approximately 800 employees are affected, primarily at the Ortviken paper mill but also in other parts of SCA's operations. The paper machines are expected to close sequentially during the first quarter of 2021.

As per December 31, 2020, the discontinuation consists of provisions arising from non-recurrent costs of SEK 756m, of which just over 40% relate to personnel costs and just over 20% decommissioning costs at the Ortviken paper mill. The provisions are recognized in the segment Other.

5. RISKS AND UNCERTAINTIES

SCA's risk exposure and risk management are described on pages 64–68 of SCA's 2019 Annual Report.

Health and safety are always a top priority at SCA, not least during this challenging time with COVID-19. So far, there has been limited impact on production and deliveries of SCA's products, which include the delivery of important input goods to hygiene products and packaging for food and medicines. The company is actively working to monitor inventory levels, secure the delivery and distribution chain and to ensure cash flow. There remains significant uncertainty which may impact SCA's future earnings.

6. RELATED PARTY TRANSACTIONS

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	Measurement level	Dec 31, 2020	Dec 31, 2019
Financial assets measured at fair value in the income statement			
Derivatives - Current financial assets	2	0	3
Derivatives - Other current receivables	2	101	23
Total		101	26
Financial liabilities measured at fair value in the income statement			
Derivatives - Current financial liabilities	2	3	1
Derivatives - Other current financial liabilities	2	89	15
Total		92	16
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	-	7,866	5,190
Non-current financial liabilities, leasing	-	603	698
Current financial liabilities excluding leasing	-	1,176	3,574
Current financial liabilities, leasing	-	148	156
Total		9,793	9,618
Derivatives used for hedge accounting			
Non-current financial assets	2	-	0
Other non-current assets	2	3	2
Other current receivables	2	213	78
Total		216	80
Derivatives used for hedge accounting			
Non-current financial liabilities	2	19	-
Other non-current liabilities	2	43	54
Other current liabilities	2	96	52
Total		158	106

The fair value of trade receivables, other current and non-current receivables, cash and cash equivalents, and the fair value of trade payables is estimated to be equal to their carrying amount. The total fair value of current and non-current financial liabilities was SEK 9,069m (10,216). 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, PLEDGED ASSETS AND COMMITMENTS

SEKm	Parent		Group	
	Dec 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019
Contingent liabilities				
Guarantees for				
subsidiaries	715	750	-	-
associates	-	-	5	5
customers and others	-	-	28	31
Other contingent liabilities	333	285	18	18
Total	1,048	1,035	51	54
Pledged assets				
Chattel mortgages	-	20	-	20
Total	-	20	-	20

Commitments

SCA has a decided investment in Obbola totaling SEK 7.5bn over a five-year period. As of December 31, 2020, SEK 5.2bn remained, of which SEK 3.0bn was a contracted commitment. The commitment refers entirely to fixed assets.

9. ALTERNATIVE PERFORMANCE MEASURES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Excluding the effect of one-off items related to the discontinuation of publication paper operations in 2020 and changed accounting method for the valuation of forest assets in 2019

SEKm	Quarter					Full year		
	2020:4	2019:4	%	2020:3	%	2020	2019	%
Net sales	4,592	4,312	7	4,338	6	18,410	19,591	-6
Other income	362	598	-39	385	-6	1,620	2,191	-26
Change in inventories	-180	114	-258	-104	73	-582	304	
Change in value in biological assets	383	222	73	308	24	1,262	717	76
Raw materials and consumables	-1,313	-1,574	-17	-1,595	-18	-6,411	-7,396	-13
Personnel costs	-724	-738	-2	-688	5	-3,003	-2,997	0
Other external costs	-1,754	-1,863	-6	-1,619	8	-6,876	-7,077	-3
Share of profits of associates	11	-16		7		20	-14	
EBITDA	1,377	1,055	31	1,032	33	4,440	5,319	-17
Depreciation and impairment	-391	-418	-6	-408	-4	-1,601	-1,616	-1
Operating profit	986	637	55	624	58	2,839	3,703	-23
Financial items	-34	-25		-28		-117	-126	
Profit before tax	952	612	56	596	60	2,722	3,577	-24
Tax	-131	-134		-121		-483	-730	
Net Profit for the period	821	478	72	475	73	2,239	2,847	-21
<i>Earnings per share SEK ¹</i>	<i>1.17</i>	<i>0.68</i>		<i>0.68</i>		<i>3.19</i>	<i>4.05</i>	
Earnings attributable to:								
Owners of the parent	821	478		475		2,239	2,847	
Average no. of shares, millions	702.3	702.3		702.3		702.3	702.3	
Margins (%)								
EBITDA margin	30.0	24.5		23.8		24.1	27.2	
Operating margin	21.5	14.8		14.4		15.4	18.9	
Net margin	17.9	11.1		10.9		12.2	14.5	

¹ There are no dilution effects.

For definitions of alternative performance measures, refer to SCA's 2019 Annual Report, pages 89-92.

OPERATING CASH FLOW

SEKm	Quarter			Full year	
	2020:4	2019:4	2020:3	2020	2019
EBITDA	1,451	17,098	-88	3,393	21,361
Changes in biological assets and other non cash flow items	-510	-16,367	481	-601	-16,979
Operating cash surplus	941	731	393	2,792	4,382
Change in working capital	275	140	1,154	1,131	-186
Current capital expenditures, net ¹	-298	-370	-413	-1,224	-1,132
Other operating cash flow	39	81	-16	-11	-148
Operating cash flow	957	582	1,118	2,688	2,916
²⁾ Including following values from new leasing contracts:	-8	-40	-27	-81	-99

CAPITAL STRUCTURE

SEKm	Dec 31, 2020	Dec 31, 2019
Forest assets	74,900	69,682
Working capital	2,759	3,748
Deferred tax relating to forest assets	-14,977	-13,977
Other capital employed, net	17,152	17,654
Total capital employed	79,834	77,107
<i>Return on capital employed excluding new method for valuation of forest assets (%) ^{1,3}</i>	3.6	6.9
<i>Industrial return on capital employed (%) ^{1,2,3}</i>	5.4	11.9
Net debt, SEKm	7,671	8,597
Net debt/EBITDA (LTM) ³	1.7x	1.6x
Equity, SEKm	72,163	68,510
Net debt/Equity (%)	10.6	12.5

¹ Rolling 12 months² Excluding constructions in progress³ Excluding the effect of one-off items related to discontinuation publication paper operations in 2020:3 and 2020:4 and the effect of changed accounting method for valuation of forest assets in 2019:4.**WORKING CAPITAL**

SEKm	Dec 31, 2020	Dec 31, 2019
Inventories	4,044	5,014
Accounts receivable	1,964	2,313
Other current receivables	987	790
Accounts payable	-3,319	-3,336
Other current liabilities	-1,200	-1,044
Adjustments ¹	283	11
Working capital	2,759	3,748
<i>Working capital in % of net sales ²</i>	<i>18.3</i>	<i>20.2</i>
¹ Adjustments:		
Other current receivables, green certificates	0	-6
Accounts payable, strategic capital expenditures	443	62
Other current provisions	-174	-55
Other current liabilities, emission rights	14	10
Sum adjustments	283	11

² Calculated as an average of working capital for 13 months as a percentage of 12-month rolling net sales

NET DEBT

SEKm	Dec 31, 2020	Dec 31, 2019
Surplus in funded pension plans	1,329	1,019
Non-current financial assets	81	67
Current financial assets	-	3
Cash and cash equivalents	1,273	454
Financial receivables	2,683	1,543
Non-current financial liabilities	8,488	5,888
Provisions for pensions	530	522
Current financial liabilities	1,336	3,730
Financial liabilities	10,354	10,140
Net debt	-7,671	-8,597

10. FINANCIAL DATA CONTAINERBOARD

SEKm	Quarter				Full year			
	2020:4	2020:3	2020:2	2020:1	2020	2019	2018	2017
Net sales	1,195	1,067	1,128	1,219	4,608	4,985	5,521	4,659
EBITDA	277	247	235	299	1,058	1,547	2,116	1,266
Operating profit	167	136	126	188	618	1,117	1,692	861
EBITDA margin, %	23.2	23.1	20.8	24.5	23.0	31.0	38.3	27.2
Operating margin, %	14.0	12.8	11.2	15.4	13.4	22.4	30.6	18.5
Deliveries, kraftliner, thousand tonnes	229	197	194	220	840	812	805	846

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

SEKm	Quarter								
	2020:4	2020:3	2020:2	2020:1	2019:4	2019:3	2019:2	2019:1	2018:4
Forest	1,659	1,500	1,494	1,833	1,694	1,865	1,746	1,651	1,540
Wood	1,498	1,592	1,770	1,436	1,376	1,545	1,727	1,678	1,558
Pulp	1,166	986	1,091	1,188	900	1,129	1,214	1,134	1,049
Paper	1,981	1,817	1,876	2,242	2,108	2,380	2,375	2,366	2,421
Intra-group deliveries	-1,712	-1,557	-1,544	-1,906	-1,766	-1,944	-1,834	-1,753	-1,642
Total net sales	4,592	4,338	4,687	4,793	4,312	4,975	5,228	5,076	4,926

EBITDA

SEKm	Quarter								
	2020:4	2020:3	2020:2	2020:1	2019:4	2019:3	2019:2	2019:1	2018:4
Forest	747	515	499	452	607	388	414	331	427
Wood	227	192	143	95	125	180	188	297	226
Pulp	109	137	182	186	20	268	344	351	370
Paper	342	240	229	379	382	577	489	616	536
Other ¹	-48	-52	-52	-82	-79	-49	-95	-35	-65
Total EBITDA^{1,2}	1,377	1,032	1,001	1,030	1,055	1,364	1,340	1,560	1,494

¹ 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.

² Including the effect of changed accounting method of forests assets, EBITDA amounted to SEK 16,649m for Forest and SEK 17,097m for the Group in 2019:4.

EBITDA MARGIN

%	Quarter								
	2020:4	2020:3	2020:2	2020:1	2019:4	2019:3	2019:2	2019:1	2018:4
Forest	45.0	34.3	33.4	24.6	35.8	20.8	23.7	20.0	27.7
Wood	15.2	12.1	8.1	6.6	9.1	11.6	10.8	17.7	14.5
Pulp	9.3	13.9	16.7	15.6	2.2	23.8	28.4	31.0	35.3
Paper	17.3	13.2	12.2	16.9	18.1	24.2	20.6	26.0	22.2
EBITDA margin^{1,2}	30.0	23.8	21.3	21.5	24.5	27.4	25.6	30.7	30.3

¹ 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.

² Including effect of changed accounting method for valuation of forest assets, the EBITDA margin was 82.8% for Forest and 396.5% for the Group in 2019:4