

## January–December 2021 compared with January–December 2020

- Net sales amounted to SEK 18,822m (18,410). The discontinuation of the publication paper operations in the first quarter of 2021 (see page 5) and the divestment of Wood Supply UK in the fourth quarter of 2020 (see page 7) had a negative impact on sales. Excluding these effects, net sales increased by 26%. The increase was primarily attributable to higher selling prices in all product areas.
- EBITDA increased 105% to SEK 9,109m (4,440<sup>1</sup>). The change was mainly attributable to higher selling prices in all product areas, good productivity development and a stable, low cost level. Exchange rate effects had a negative impact on earnings. EBITDA margin was 48.4% (24.1<sup>1</sup>).
- Operating profit increased to SEK 7,634m (2,839<sup>1</sup>)
- Operating cash flow amounted to SEK 5,216m (2,688)
- Earnings per share increased to SEK 8.69 (3.19<sup>1</sup>)
- The Board of Directors proposes a dividend of SEK 3.25 (2.00) per share, of which SEK 2.25 relates to an ordinary dividend and SEK 1.00 relates to an extra dividend

## October–December 2021 compared with October–December 2020

- Net sales amounted to SEK 4,763m (4,592). The increase was mainly attributable to higher selling prices, which were offset by the discontinuation of publication paper operations.
- EBITDA amounted to SEK 2,806m (1,377<sup>1</sup>) and EBITDA margin increased to 58.9% (30.0<sup>1</sup>)

## October–December 2021 compared with July–September 2021

- Net sales decreased 6% to SEK 4,763m (5,077). The change was mainly attributable to lower selling prices.
- EBITDA amounted to SEK 2,806m (2,684) and EBITDA margin rose to 58.9% (52.9)

## KEY FIGURES

SEKm	Quarter					Full year		
	2021:4	2020:4 <sup>1</sup>	%	2021:3	%	2021	2020 <sup>1</sup>	%
Net sales	4,763	4,592	4	5,077	-6	18,822	18,410	2
<i>whereof continuing business</i>	4,754	3,506		5,032		18,256	13,447	26 <sup>2</sup>
<i>whereof publication paper and Wood Supply UK</i>	9	1,086		45		566	4,963	-24 <sup>2</sup>
EBITDA	2,806	1,377	104	2,684	5	9,109	4,440	105
<i>EBITDA margin (%)</i>	58.9	30.0		52.9		48.4	24.1	
Operating profit	2,408	986	144	2,298	5	7,634	2,839	169
Net Profit	1,995	821	143	1,821	10	6,101	2,239	172
<i>Earnings per share SEK</i>	2.84	1.17		2.59		8.69	3.19	
Operating cash flow	1,763	957		1,872		5,216	2,688	
Net Debt / EBITDA (LTM)	0.9x	1.7x		1.0x		0.9x	1.7x	

<sup>1</sup> Excluding the effect of one-off items related to the discontinuation of publication paper operations in Q3 and Q4 2020. For further details and comparison including effects of those one-off items, see note 10.

<sup>2</sup> Change as a part of total net sales 2020.

## COMMENTS ON THE FINANCIAL STATEMENTS

### Summary of the year

Earnings for 2021 were the highest ever for SCA. The discontinuation of publication paper operations was completed at the beginning of the year, thereby securing a structure with a focus on growing markets that successively creates value. Demand and prices increased in all product areas and production and cost control were at a stable level. Good planning and a focus on health and safety have limited the spread of Covid-19 and thereby ensured that production and deliveries were maintained and strategic investment projects are progressing according to schedule.

### Summary of the fourth quarter

Earnings for the fourth quarter of 2021 improved by 5% compared with the preceding quarter and by 104% compared with the year-earlier quarter.

The supply of wood to SCA's industries was stable. The price of pulpwood was in line with the preceding quarter while the price of timber increased in northern Sweden due to high demand.

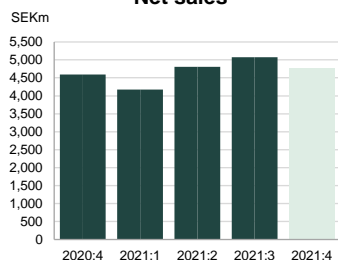
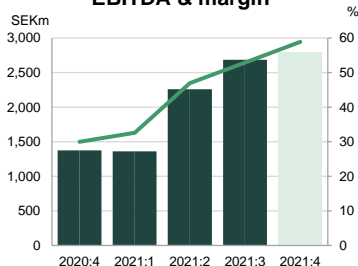
Lower seasonal demand for solid-wood products resulted in normalized inventory levels and lower market prices during the quarter compared with the preceding period.

Delivery volumes in the Pulp segment decreased compared with the preceding quarter due to the planned maintenance stop that took place during the quarter. The CTMP expansion project in Ortviken is progressing on time and on budget.

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

### Higher transaction prices for forest assets in northern Sweden

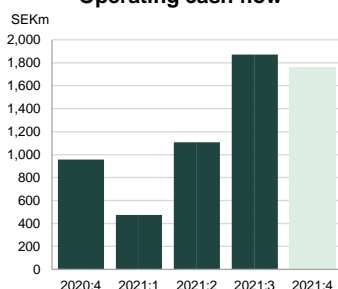
SCA bases its valuation of forest assets in Sweden on forest transactions carried out in the areas where SCA owns forest. The market value of the forest increased during 2021. The average market price used in the valuation of SCA's forest assets was SEK 324/m<sup>3</sup>fo at December 31, 2021, an increase of more than 10% compared with the preceding year (SEK 291/m<sup>3</sup>fo). This corresponds to a total carrying amount of SCA's forest assets of SEK 84.5bn (74.9) (see page 5).

**Net sales****EBITDA & margin**

Note: EBITDA 2020:4 excluding the discontinuation of publication paper

**Change in net sales (%)**

	2112 vs 2012	2021:4 vs 2020:4	2021:4 vs 2021:3
<b>Total</b>	<b>2</b>	<b>4</b>	<b>-6</b>
Price/mix	28	37	-6
Volume	1	-7	0
Currency	-3	-2	1
Divestment	-9	-7	0
Discontinuation	-15	-17	-1

**Operating cash flow****GROUP****SALES AND OPERATING PROFIT****January–December 2021 compared with January–December 2020**

Net sales amounted to SEK 18,822m (18,410), an increase of 2%, of which price/mix accounted for 28%, discontinuations -15%, divestments -9%, currency -3% and volume 1%. Excluding the negative effects from the discontinuation of publication paper operations and the divestment of Wood Supply UK in the fourth quarter of 2020, net sales increased by 26%. The increase mainly related to higher selling prices in all product areas, which were offset by negative exchange rate effects.

EBITDA increased to SEK 9,109m (4,440<sup>1</sup>), corresponding to an EBITDA margin of 48.4% (24.1<sup>1</sup>). The change was mainly attributable to higher selling prices in all product areas and a good productivity development, which were partly offset by negative exchange rate effects. The cost of planned maintenance stops amounted to SEK 310m (260). The increase in EBITDA margin also related to the discontinuation of publication paper operations.

Operating profit amounted to SEK 7,634m (2,839<sup>1</sup>).

**October–December 2021 compared with October–December 2020**

Net sales increased 4% to SEK 4,763m (4,592), of which price/mix accounted for 37%, discontinuations -17%, volume -7%, divestments -7% and currency -2%. The increase was attributable to higher selling prices in all product areas. The discontinued publication paper operations, lower delivery volumes and divestment of Wood Supply UK in the fourth quarter of 2020 had a negative impact on sales.

EBITDA amounted to SEK 2,806m (1,377<sup>1</sup>), corresponding to an EBITDA margin of 58.9% (30.0<sup>1</sup>). The increase mainly related to higher selling prices in all product areas, which were offset by lower delivery volumes. The cost of planned maintenance stops amounted to SEK 139m (130). The increase in EBITDA margin also related to the discontinuation of publication paper operations.

Operating profit amounted to SEK 2,408m (986<sup>1</sup>).

**October–December 2021 compared with July–September 2021**

Net sales decreased 6% to SEK 4,763m (5,077), of which price/mix accounted for -6%, discontinuations -1%, currency 1% and volume 0%. The decrease was mainly attributable to lower selling prices for solid-wood products.

EBITDA amounted to SEK 2,806m (2,684), corresponding to an EBITDA margin of 58.9% (52.9). The change was mainly attributable to higher earnings from the revaluation of biological assets (see page 5), which were offset by lower selling prices for solid-wood products. The cost of planned maintenance stops amounted to SEK 139m (171).

Operating profit amounted to SEK 2,408m (2,298).

**CASH FLOW****January–December 2021 compared with January–December 2020**

The operating cash surplus amounted to SEK 7,226m (2,792). The cash flow effect from changes in working capital was SEK -306m (1,131). Restructuring expenditure related to the discontinuation of publication paper operations amounted to SEK -394m (0). Net current capital expenditures totaled SEK -1,236m (-1,224). Operating cash flow was SEK 5,216m (2,688) (see Note 10).

Strategic capital expenditures totaled SEK -3,723m (-1,414) (see page 5). Cash flow after dividend for the period was SEK -226m (830) (see page 15).

**FINANCING**

At December 31, 2021, net debt totaled SEK 7,752m, an increase during the year of SEK 81m. The increase in net debt mainly relates to strategic capital expenditures of SEK 3,723m during the year. Net debt in relation to EBITDA, excluding one-off items related to the discontinuation of publication paper operations, amounted to 0.9x compared with 1.0x in the preceding quarter and 1.7x in the preceding year.

<sup>1</sup> Excluding the effect of one-off items related to the discontinuation of publication paper operations, which were reported in 2020:3 and 2020:4. For further details and comparison including effects of the one-off items, see note 10.

At December 31, 2021, gross debt amounted to SEK 10,566m, with an average maturity of 4.4 years (including the lease liability). The loan structure consists of bonds and bilateral bank loans.

Unutilized credit facilities amounted to approximately SEK 10bn at December 31, 2021, of which the largest portion falls due in 2026. During the year, financial items totaled SEK -107m compared with SEK -117m in the same period last year.

## TAX

### January–December 2021 compared with January–December 2020

The Group's tax expense amounted to SEK 1,426m (261), corresponding to a tax rate of 18.9 (25,4)%.

## EQUITY

### January–December 2021

Total consolidated equity increased by SEK 10,892m during the period, to SEK 83,055m at December 31, 2021. Equity increased due to comprehensive income for the period of SEK 12,246m (see page 13) and other items of SEK 51m, and decreased SEK 1,405m due to the paid dividend.

## CURRENCY EXPOSURE AND CURRENCY HEDGING

Due to a high proportion of exports, SCA's operations are exposed to currency fluctuations. 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 70 of SCA's Annual and Sustainability Report for 2020.

The company has hedged about 70% of the expected EUR, USD and GBP net exposure from sales minus purchases until the end of the second quarter of 2022, as well as approximately 50% for the third quarter of 2022 and 25% for the fourth quarter 2022. The hedges were conducted at the average exchange rates of EUR/SEK 10.26, USD/SEK 8.63, and GBP/SEK 11.94.

## PLANNED MAINTENANCE STOPS

In the fourth quarter of 2021, one planned maintenance stop was carried out at the mill in Östrand (Pulp) that began at the end of the preceding quarter.

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
	2020:1	2020:2	2020:3	2020:4	
Pulp	0	0	20	130	150
Containerboard	0	68	42	0	110
<b>Total</b>	<b>0</b>	<b>68</b>	<b>62</b>	<b>130</b>	<b>260</b>

SEKm	Actual				Total
	2021:1	2021:2	2021:3	2021:4	
Pulp	0	0	20	139	159
Containerboard	0	0	151	0	151
<b>Total</b>	<b>0</b>	<b>0</b>	<b>171</b>	<b>139</b>	<b>310</b>

SEKm	Forecast				Total
	2022:1	2022:2	2022:3	2022:4	
Pulp	0	0	20	150	170
Containerboard	0	70	50	0	120
<b>Total</b>	<b>0</b>	<b>70</b>	<b>70</b>	<b>150</b>	<b>290</b>

## 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 chemically pre-treated mechanical 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. The joint biorefinery 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 region

SCA has an ongoing investment program to acquire 100,000 hectares of forest land in the region. At the end of the fourth quarter of 2021, SCA had a land area of about 44,000 hectares of forest land in Estonia and Latvia. The acquisitions will strengthen SCA's long-term opportunities to source timber in the region.

## FOREST ASSETS

SCA bases its valuation of forest assets in Sweden on forest transactions carried out in the areas where SCA owns forest. The market value of forest increased in 2021. The average market price used in valuation of SCA's forest assets was SEK 324/m<sup>3</sup>fo at December 31, 2021. Applied to SCA's standing timber volume of 261 million m<sup>3</sup>fo at December 31, 2021, the carrying amount of SCA's forest assets was SEK 84.5bn at the end of the year. In 2020, the market price amounted to SEK 291/m<sup>3</sup>fo and the carrying amount was SEK 74.9bn (see Note 3). A summary of SCA's forest assets is shown in the table below.

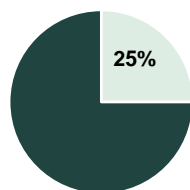
Forest assets	Dec 31, 2021	Dec 31, 2020
Market value - weighted three year average (SEK/m <sup>3</sup> fo)	324	291
Standing volume in Sweden (million m <sup>3</sup> fo)	256	252
Standing volume in the Baltics (million m <sup>3</sup> fo)	5	5
<b>Standing volume (million m<sup>3</sup>fo)</b>	<b>261</b>	<b>257</b>
Forest assets in Sweden (SEKm)	82,746	73,387
Forest assets in the Baltics (SEKm)	1,751	1,513
<b>Forest assets (SEKm)</b>	<b>84,497</b>	<b>74,900</b>

The total change in value of forest assets during the year was SEK 9,597m. Against the background of higher transaction prices for forest assets, the change in the value of biological assets increased to SEK 1,753m in 2021 compared with SEK 1,262m in the preceding year and is recognized in the profit of the year. The change in value for land amounted to SEK 7,479m (3,315) and is recognized as other comprehensive income (does not impact profit for the year) and SEK 365m relates to net acquisitions.

## DISCONTINUATION PUBLICATION PAPER

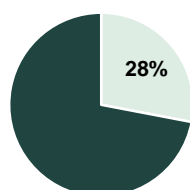
SCA decided to exit publication paper in 2020. This was completed in the first quarter of 2021, and since then the Paper segment consists only of kraftliner and has changed name to the Containerboard segment. The sale of the remaining inventory of publication paper following the discontinuation was recognized in Other as of January 1, 2021. Costs related to the maintenance of the Ortviken site between the discontinuation of the publication paper production and the start of CTMP production (see below) are expected to be SEK 20–30m per quarter and are recognized in Other.

### Share of net sales Jan-Dec 2021\*



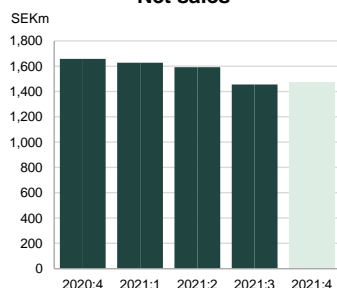
\* before elimination of intra-Group sales

### Share of EBITDA Jan-Dec 2021\*\*

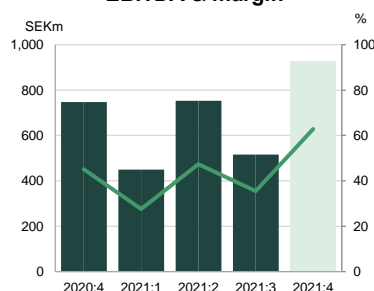


\*\* share calculated of total EBITDA excluding central costs

### Net sales



### EBITDA & margin



## FOREST

SCA owns 2.6 million hectares of forest land, an area corresponding to 6% of Sweden's land area. SCA's unique forest holding, located in Northern Sweden and the Baltics, 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 CO<sub>2</sub> emissions.

SEKm	Quarter					Full year		
	2021:4	2020:4	%	2021:3	%	2021	2020	%
Net sales	1,474	1,659	-11	1,455	1	6,148	6,486	-5
EBITDA	926	747	24	516	79	2,644	2,213	19
Depreciation	-70	-58	21	-58	21	-238	-226	5
Operating profit	856	689	24	458	87	2,406	1,987	21
EBITDA margin, %	62.8	45.0		35.5		43.0	34.1	
Operating margin, %	58.1	41.5		31.5		39.1	30.6	
Return on capital employed, %	5.2	4.6		2.9		3.8	3.4	
Harvesting of own forest, thousand m <sup>3</sup> sub	1,121	1,629	-31	829	35	4,278	4,818	-11
Revaluation of biological assets	719	383	88	382	88	1,753	1,262	39

Revaluation of biological assets are included in EBITDA.

### 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 industrial operations. The pricing is based on an average of SCA's externally sourced timber prices.

During the fourth quarter, the volume of timber harvested from SCA-owned forest was 1.1 million m<sup>3</sup>sub. The planned annual level of timber harvested in SCA-owned forest is expected to gradually increase from approximately 4.3 m<sup>3</sup>sub previously to approximately 5.4 million m<sup>3</sup>sub 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 page 5 and Note 3).

### January–December 2021 compared with January–December 2020

Net sales decreased 5% to SEK 6,148m (6,486). The decrease mainly related to lower deliveries to the industrial operations.

EBITDA improved 19% to SEK 2,644m (2,213), corresponding to an EBITDA margin of 43.0% (34.1). The change is mainly related to higher earnings from the revaluation of biological assets.

### October–December 2021 compared with October–December 2020

Net sales declined 11% to SEK 1,474m (1,659). The change mainly related to lower delivery volumes to SCA's industrial operations.

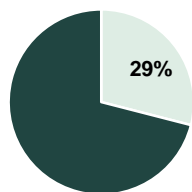
EBITDA improved 24% to SEK 926m (747). The increase was primarily attributable to higher earnings from the revaluation of biological assets.

### October–December 2021 compared with July–September 2021

Net sales were in line with the preceding quarter and amounted to SEK 1,474m (1,455).

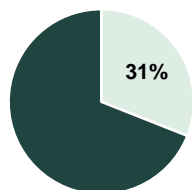
EBITDA amounted to SEK 926m (516), an increase of 79%. The increase was primarily attributable to a seasonably higher share of harvesting from SCA-owned forest and higher earnings from the revaluation of biological assets.

### Share of net sales Jan–Dec 2021\*



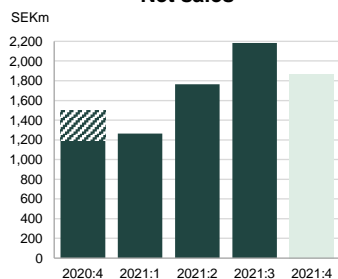
\* before elimination of intra-Group sales

### Share of EBITDA Jan–Dec 2021\*\*



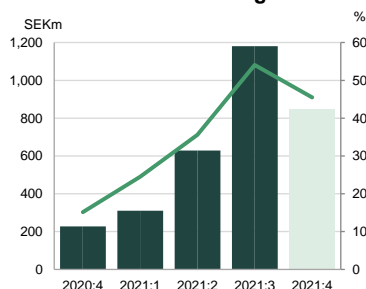
\*\* share calculated of total EBITDA excluding central costs

### Net sales



2020:4 shown for both continuing business and divested SCA Wood Supply UK

### 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 m<sup>3</sup> 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					Full year		
	2021:4	2020:4	%	2021:3	%	2021	2020	%
Net sales	1,868	1,498	25	2,183	-14	7,080	6,296	12
EBITDA	850	227	274	1,180	-28	2,968	657	352
Depreciation	-57	-59	-3	-58	-2	-229	-249	-8
Operating profit	793	168	372	1,122	-29	2,739	407	573
EBITDA margin, %	45.5	15.2		54.1		41.9	10.4	
Operating margin, %	42.4	11.2		51.4		38.7	6.5	
Return on capital employed, %	84.8	20.4		121.9		76.6	11.8	
Deliveries, wood products, thousand m <sup>3</sup>	507	610	-17	494	3	2,069	2,553	-19

During the fourth quarter of 2020, SCA divested Wood Supply UK, which manufactured and distributed wood and wood-based products for the building materials trade in the UK. The sale reduced net sales by about SEK 1,400m per year and EBITDA by approximately SEK 25m per year. The UK remains a core market for sales of solid-wood and processed wood products for SCA.

### January–December 2021 compared with January–December 2020

Net sales increased 12% to SEK 7,080m (6,296). The increase primarily relates to higher selling prices, which were offset by the divestment of Wood Supply UK.

EBITDA improved 352% to SEK 2,968m (657), which was mainly due to higher selling prices.

### October–December 2021 compared with October–December 2020

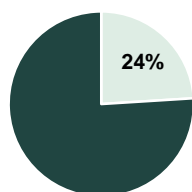
Net sales increased 25% to SEK 1,868m (1,498). Higher selling prices had a positive effect on net sales, which were offset partly by the divestment of Wood Supply UK.

EBITDA amounted to SEK 850m (227), an increase of 274%. The increase was attributable to higher selling prices. Higher raw material costs and lower sales in the building materials trade had an adverse impact on earnings.

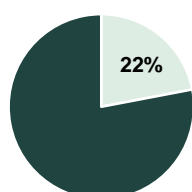
### October–December 2021 compared with July–September 2021

Net sales declined 14% to SEK 1,868m (2,183). The decrease was primarily attributable to lower selling prices.

EBITDA amounted to SEK 850m (1,180), a decrease of 28%. The decrease was primarily attributable to lower selling prices, seasonally lower sales in the building materials trade and higher raw material costs.

Share of net sales  
Jan–Dec 2021\*

\* before elimination of intra-Group sales

Share of EBITDA  
Jan–Dec 2021\*\*\*\* share calculated of total EBITDA  
excluding central costs

## 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 chemically pre-treated mechanical 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					Full year		
	2021:4	2020:4	%	2021:3	%	2021	2020	%
Net sales	1,368	1,166	17	1,522	-10	5,743	4,431	30
EBITDA	452	109	315	659	-31	2,096	614	241
Depreciation	-145	-140	4	-141	3	-571	-540	6
Operating profit	307	-31	NA	518	-41	1,525	73	1,989
EBITDA margin, %	33.0	9.3		43.3		36.5	13.8	
Operating margin, %	22.4	-2.7		34.0		26.5	1.6	
Return on capital employed, %	14.9	2.0		23.6		17.6	0.8	
Deliveries, pulp, thousand tonnes	195	223	-13	213	-8	877	839	5

### January–December 2021 compared with January–December 2020

Net sales rose 30% to SEK 5,743m (4,431). The change relates to higher selling prices and higher delivery volumes, which were partly offset by negative exchange rate effects.

EBITDA improved 241% to SEK 2,096m (614). The increase mainly relates to higher selling prices, which were partly offset by negative exchange rate effects. The cost of planned maintenance stops amounted to SEK 159m (150).

### October–December 2021 compared with October–December 2020

Net sales increased 17% to SEK 1,368m (1,166). The change was attributable to higher selling prices, which were partly offset by lower delivery volumes and negative exchange rate effects.

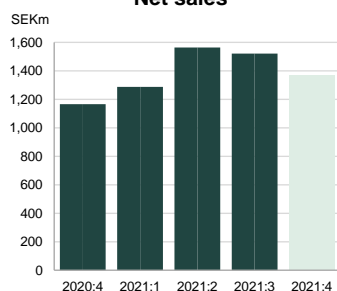
EBITDA totaled SEK 452m (109). The increase mainly relates to higher selling prices, which were partly offset by lower delivery volumes and negative exchange rate effects. The cost of planned maintenance stops amounted to SEK 139m (130).

### October–December 2021 compared with July–September 2021

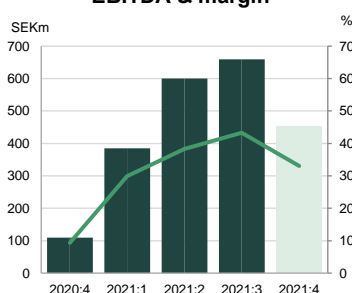
Net sales decreased 10% to SEK 1,368m (1,522). The decrease related to lower delivery volumes and lower selling prices.

EBITDA totaled SEK 452m (659). The change was primarily attributable to higher costs for planned maintenance stops of SEK 139m (20) and lower delivery volumes due to the maintenance stops. Exchange rate effects and lower selling prices also had a negative impact on earnings.

Net sales

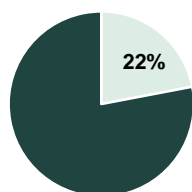


EBITDA &amp; margin



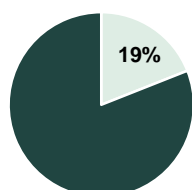


### Share of net sales Jan–Dec 2021\*



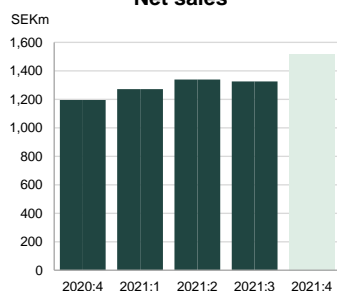
\* before elimination of intra-Group sales

### Share of EBITDA Jan–Dec 2021\*\*

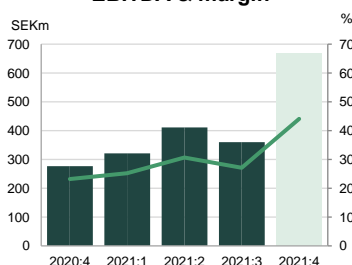


\*\* share calculated of total EBITDA excluding central costs

### Net sales



### EBITDA & margin



## CONTAINERBOARD

SCA produces kraftliner – paper for corrugated transport packaging. 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.

SEKm	Quarter				Full year			
	2021:4	2020:4 <sup>1</sup>	%	2021:3	%	2021	2020 <sup>1</sup>	%
Net sales	1,518	1,195	27	1,326	14	5,456	4,608	18
EBITDA	669	277	142	360	86	1,761	1,058	66
Depreciation	-107	-110	-3	-109	-2	-430	-440	-2
Operating profit	562	167	237	251	124	1,331	618	115
EBITDA margin, %	44.1	23.2		27.1		32.3	23.0	
Operating margin, %	37.1	14.0		18.9		24.4	13.4	
Return on capital employed, %	59.8	14.2		23.8		30.9	12.9	
Deliveries, kraftliner, thousand tonnes	197	229	-14	189	4	823	840	-2

<sup>1</sup> Figures for 2020 refer only to Containerboard. Note 11 contains comparative figures for Paper segment including publication paper.

### January–December 2021 compared with January–December 2020

Net sales increased 18% to SEK 5,456m (4,608), which mainly related to higher selling prices.

EBITDA improved 66% to SEK 1,761m (1,058). The increase was mainly attributable to higher selling prices, which were offset by higher costs for raw materials and negative exchange rate effects. The cost of planned maintenance stops amounted to SEK 151m (110).

### October–December 2021 compared with October–December 2020

Net sales rose 27% to SEK 1,518m (1,195). The increase was related to higher selling prices, which were offset by lower delivery volumes and negative exchange rate effects.

EBITDA improved 142% to SEK 669m (277), which was mainly due to higher selling prices. Higher raw material costs, lower delivery volumes and exchange rate effects had an adverse impact on profit.

### October–December 2021 compared with July–September 2021

Net sales rose 14% to SEK 1,518m (1,326). The increase was attributable to higher selling prices and higher delivery volumes.

EBITDA amounted to SEK 669m (360), an increase of 86%. The change was primarily due to lower costs for planned maintenance stops of SEK 0m (151), higher selling prices and higher delivery volumes.

## RENEWABLE ENERGY

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. A significant expansion of wind power is currently taking place and demand for renewable electricity is expected to grow significantly in Northern Sweden. At the end of the fourth quarter of 2021, 638 wind turbines were operating on SCA's land with an annual production capacity of 6.5 TWh, equivalent to about 20% of Sweden's total wind power production. Together with previously decided but not yet completed projects, operating capacity on SCA's land is expected to increase to 9.0 TWh by 2023.

The residual products from forest operations and industry that are not suitable for use as fresh fiber 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 in SCA's own plants and are sold externally.

Together with St1, SCA is investing in the production and sale of 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 by-product from the production of kraft pulp. The facility is expected to be operational in the second quarter of 2023.

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

## SHARE DISTRIBUTION

### SHARE DISTRIBUTION

December 31, 2021	Class A	Class B	Total
Registered number of shares	64,586,994	637,755,495	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. In 2021, 678 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 1,283,625,435.

## FUTURE EVENTS

- The Annual General Meeting will be held on March 31, 2022
- The interim report for the first quarter will be published on April 29, 2022
- The half-year report and the report for the second quarter will be published on July 22, 2022
- The interim report for the third quarter will be published on October 28, 2022

## INVITATION TO DIGITAL PRESS CONFERENCE ON THE INTERIM REPORT FOR THE FOURTH QUARTER OF 2021

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 28, 2022 at 10:00 a.m.

The press conference will be webcast live at [www.sca.com](http://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, January 28, 2022

SVENSKA CELLULOOSA 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 28, 2022 at 08:00 a.m. CET. The report has not been reviewed by the company's auditors.

Anders Edholm, Senior Vice President, Communications, +46 (0)60 19 32 12

**GROUP****CONSOLIDATED INCOME STATEMENT**

SEKm	Quarter					Full year		
	2021:4	2020:4 <sup>1</sup>	%	2021:3 <sup>1</sup>	%	2021	2020 <sup>1</sup>	%
Net sales	4,763	4,592	4	5,077	-6	18,822	18,410	2
Other income	803	423	90	615	31	2,649	1,946	36
Change in inventories	53	-167		-194		-531	-758	
Change in value in biological assets	719	383	88	382	88	1,753	1,262	39
Raw materials and consumables	-1,132	-1,326	-15	-1,061	7	-4,453	-6,548	-32
Personnel costs	-654	-552	18	-593	10	-2,603	-3,310	-21
Other external costs	-1,772	-1,913	-7	-1,561	14	-6,599	-7,629	-14
Share of profits of associates	26	11		19		71	20	
<b>EBITDA</b>	<b>2,806</b>	<b>1,451</b>	<b>93</b>	<b>2,684</b>	<b>5</b>	<b>9,109</b>	<b>3,393</b>	<b>168</b>
Depreciation and impairment	-398	-367	8	-386	3	-1,475	-2,248	-34
<b>Operating profit</b>	<b>2,408</b>	<b>1,084</b>	<b>122</b>	<b>2,298</b>	<b>5</b>	<b>7,634</b>	<b>1,145</b>	<b>567</b>
Financial items	-28	-34		-24		-107	-117	
<b>Profit before tax</b>	<b>2,380</b>	<b>1,050</b>	<b>127</b>	<b>2,274</b>	<b>5</b>	<b>7,527</b>	<b>1,028</b>	<b>632</b>
Tax	-385	-267		-453		-1,426	-261	
<b>Net Profit for the period</b>	<b>1,995</b>	<b>783</b>	<b>155</b>	<b>1,821</b>	<b>10</b>	<b>6,101</b>	<b>767</b>	<b>695</b>
<i>Earnings per share SEK<sup>2</sup></i>	<i>2.84</i>	<i>1.11</i>		<i>2.59</i>		<i>8.69</i>	<i>1.09</i>	
<b>Earnings attributable to:</b>								
Owners of the parent	1,995	783		1,821		6,101	767	
Average no. of shares, millions	702.3	702.3		702.3		702.3	702.3	
<b>Margins (%)</b>								
EBITDA margin	58.9	31.6		52.9		48.4	18.4	
Operating margin	50.6	23.6		45.3		40.6	6.2	
Net margin	41.9	17.1		35.9		32.4	4.2	

<sup>1</sup> Amounts are restated due to change of accounting principle. For further information please see Notes 1 and 5.

<sup>2</sup> There are no dilution effects.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

SEKm	Quarter			Full year	
	2021:4	2020:4	2021:3	2021	2020
<b>Profit for the period</b>	<b>1,995</b>	<b>783</b>	<b>1,821</b>	<b>6,101</b>	<b>767</b>
<b>Other comprehensive income for the period:</b>					
<b>Items that may not be reclassified to the income statement</b>					
Change of value land assets	6,222	2,600	316	7,479	3,314
Revaluation of defined benefit pension plans	-39	435	-547	448	327
Income tax attributable to components of other comprehensive income	-1,272	-621	48	-1,631	-746
<b>Total</b>	<b>4,911</b>	<b>2,414</b>	<b>-183</b>	<b>6,296</b>	<b>2,895</b>
<b>Items that have been or may be reclassified subsequently to the income statement</b>					
Cash flow hedges	-25	102	-34	-210	51
Hedge cost	-18	-13	-1	-21	14
Translation differences in foreign operations	5	-78	14	32	-75
Income tax attributable to components of other comprehensive income	9	-18	7	48	-13
<b>Total</b>	<b>-29</b>	<b>-7</b>	<b>-14</b>	<b>-151</b>	<b>-23</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>4,882</b>	<b>2,407</b>	<b>-197</b>	<b>6,145</b>	<b>2,872</b>
<b>Total comprehensive income for the period</b>	<b>6,877</b>	<b>3,190</b>	<b>1,624</b>	<b>12,246</b>	<b>3,639</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent	6,877	3,190	1,624	12,246	3,639

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

SEKm	Full year	
	2021	2020
<b>Attributable to owners of the parent</b>		
Value, January 1	72,163	68,510
Total comprehensive income for the period	12,246	3,639
Cash flow hedge transferred at cost of hedged investments	66	19
Tax on cash flow hedge transferred at cost of hedged investments	-14	-4
Cash dividend	-1,405	-
Acquisition of non-controlling interests	-	-
Remeasurement effect upon acquisition of non-controlling interests	-1	-1
<b>Value, December 31</b>	<b>83,055</b>	<b>72,163</b>
<b>Non-controlling interests</b>		
Value, January 1	-	0
Total comprehensive income for the period	-	0
Acquisition of non-controlling interests	-	0
<b>Value, December 31</b>	<b>-</b>	<b>-</b>
<b>Total equity, value December 31</b>	<b>83,055</b>	<b>72,163</b>

**CONDENSED CONSOLIDATED BALANCE SHEET**

<b>SEKm</b>	<b>Dec 31, 2021</b>	<b>Dec 31, 2020</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill and other intangible assets	526	320
Buildings, land, machinery and equipment	21,737	18,641
Forest assets	84,497	74,900
<i>whereof land assets</i>	31,188	23,624
<i>whereof biological assets</i>	53,309	51,276
Right-of-use assets	614	729
Other non-current assets	2,091	1,808
<b>Total non-current assets</b>	<b>109,465</b>	<b>96,398</b>
<b>Current assets</b>		
Inventories	4,189	4,044
Trade receivables	2,516	1,964
Other current receivables	1,007	988
Cash and cash equivalents	1,056	1,273
<b>Total current assets</b>	<b>8,768</b>	<b>8,269</b>
<b>Total assets</b>	<b>118,233</b>	<b>104,667</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<b>Owners of the Parent</b>		
Share capital	2,350	2,350
Share premium	6,830	6,830
Reserves	23,161	17,320
Retained earnings	50,714	45,663
<b>Total equity</b>	<b>83,055</b>	<b>72,163</b>
<b>Non-current liabilities</b>		
Non-current financial liabilities	9,083	8,488
Provisions for pensions	427	530
Deferred tax liabilities	18,885	16,648
Other non-current liabilities and other provisions	103	225
<b>Total non-current liabilities</b>	<b>28,498</b>	<b>25,891</b>
<b>Current liabilities</b>		
Current financial liabilities	1,056	1,336
Trade payables	3,478	3,319
Other current liabilities and other provisions	2,146	1,958
<b>Total current liabilities</b>	<b>6,680</b>	<b>6,613</b>
<b>Total liabilities and equity</b>	<b>118,233</b>	<b>104,667</b>

**CONSOLIDATED CASH FLOW STATEMENT**

SEKm	Full year	
	2021	2020
<b>Operating activities</b>		
Profit before tax	7,527	1,028
Adjustment for non-cash items <sup>1</sup>	-315	1,580
Change in liabilities regarding restructuring costs	-394	-
Paid tax	-538	-35
<b>Cash flow from operating activities before changes in working capital</b>	<b>6,280</b>	<b>2,573</b>
Cash flow from changes in working capital		
Change in inventories	-163	780
Change in operating receivables	-445	-181
Change in operating liabilities	302	532
<b>Cash flow from operating activities</b>	<b>5,974</b>	<b>3,704</b>
<b>Investing activities</b>		
Acquisitions	0	-462
Divestments	0	63
Current capital expenditures in non-current assets, net	-1,195	-1,143
Strategic capital expenditures in non-current assets	-3,723	-1,414
Loans granted to external parties	-22	-
Repayment of loans from external parties	11	-
Acquisition of financial asset	-4	-8
<b>Cash flow from investing activities</b>	<b>-4,933</b>	<b>-2,964</b>
<b>Financing activities</b>		
Loans raised	1,481	3,875
Amortization of loans	-1,158	-3,588
Amortization of loans, leasing	-185	-197
Dividend	-1,405	-
<b>Cash flow from financing activities</b>	<b>-1,267</b>	<b>90</b>
<b>Net cash flow for the period</b>	<b>-226</b>	<b>830</b>
Cash and cash equivalents at the beginning of the period	1,273	454
Translation differences in cash and cash equivalents	9	-11
<b>Cash and cash equivalents at the end of the period</b>	<b>1,056</b>	<b>1,273</b>
Cash flow from operating activities per share SEK	8.51	5.27
<sup>1</sup> Depreciation/amortization and impairment of non-current assets	1,475	2,248
Fair-value measurement of biological assets	-1,753	-1,262
Gains/loss on assets sales and swaps of assets	-46	82
Unpaid related to costs due to discontinuation of publication paper operations	0	600
Resolution of provision	-6	0
Other	15	-88
<b>Total</b>	<b>-315</b>	<b>1,580</b>

## 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 2020 Annual and Sustainability Report.

As of the fourth quarter, SCA has changed its accounting principle regarding revenues from the sale of energy and tall oil, a residual product that arises in connection with the production of kraftpulp. Revenues from sales of tall oil have previously been reported as a reduction on the line raw materials and consumables. Revenues from sales of energy such as district heating and electricity have previously been reported as a reduction of energy costs on the line other external costs. Due to the changed accounting principle, the comparison periods in the year-end report have been restated. For the full year 2020, this means that other income increase with SEK 326m, costs for raw materials and consumables increase with SEK 133m and other external costs increase with SEK 193m. EBITDA, earnings per share and other key figures are not affected.

For more information of the impact on items in the financial statements, see note 5, Effects of changed accounting principle.

### 2. REVENUE FROM CONTRACTS WITH CUSTOMERS

#### Net sales per region

SEKm	Full year 2021						
	Forest	Containerboard	Pulp	Wood	Other <sup>1</sup>	Eliminations	Total
Sweden	6,144	548	859	2,305	18	-6,171	3,703
EU excluding Sweden	4	3,219	2,319	818	277	-	6,637
Rest of Europe	-	1,388	543	1,718	86	-	3,735
Rest of world	-	301	2,022	2,239	185	-	4,747
<b>Total Group</b>	<b>6,148</b>	<b>5,456</b>	<b>5,743</b>	<b>7,080</b>	<b>566</b>	<b>-6,171</b>	<b>18,822</b>

SEKm	Full year 2020						
	Forest	Containerboard	Pulp	Wood	Other <sup>1</sup>	Eliminations	Total
Sweden	6,486	441	782	1,375	222	-6,719	2,587
EU excluding Sweden <sup>2</sup>	-	2,606	1,796	536	1,918	-	6,856
Rest of Europe <sup>2</sup>	-	1,125	485	2,672	439	-	4,721
Rest of world	-	436	1,368	1,713	729	-	4,246
<b>Total Group</b>	<b>6,486</b>	<b>4,608</b>	<b>4,431</b>	<b>6,296</b>	<b>3,308</b>	<b>-6,719</b>	<b>18,410</b>

<sup>1</sup> Other including the discontinuation of publication paper operations.

<sup>2</sup> The UK left EU in 2021, but is a part of Other both in 2020 and 2021.

### 3. FOREST VALUATION

#### Accounting principles

The accounting principles for forest assets are described in detail on page 107, Note D3, of SCA's 2020 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% (3.6) 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, 2020, the total standing volume was estimated at 257 million m<sup>3</sup>fo, of which 5 million m<sup>3</sup>fo in the Baltic region. The market price applied by SCA was SEK 291/m<sup>3</sup>fo and the total value of the forest assets was SEK 74,900m. At December 31, 2021, the standing volume of the forest holding is estimated at approximately 261 million m<sup>3</sup>fo, of which about 5 million m<sup>3</sup>fo in the Baltic states and the market price applied was SEK 324/m<sup>3</sup>fo. At December 31, 2021, the total value of the forest asset was SEK 84,497m. The change in value of biological assets was SEK 1,753m at December 31, 2021. The change in value relating to land amounted to SEK 7,479m and is recognized as other comprehensive income with no effect on profit for the year.



**Forest assets**

SEKm	Dec 31, 2021	Dec 31, 2020
Forest assets in Sweden	82,746	73,387
Forest assets in the Baltic region	1,751	1,513
<b>Totalt value of forest assets</b>	<b>84,497</b>	<b>74,900</b>
Deferred tax on forest assets	16,905	14,977

**4. OTHER PROVISIONS****Accounting principles**

The accounting principles for other provisions are described in detail on page 111, Note D8, of SCA's 2020 Annual Report.

SEKm	Efficiency programs	Environment	Discontinuation publication paper	Other	Total
Value, January 1	3	54	756	21	<b>834</b>
Provisions	-	28	0	1	<b>29</b>
Utilization	0	-36	-497	-8	<b>-541</b>
Reclassifications	-3	3	-	-10	<b>-10</b>
Dissolutions	-	-	-22	-	<b>-22</b>
Translation differences	-	0	2	0	<b>2</b>
<b>Value, December 31</b>	<b>-</b>	<b>49</b>	<b>239</b>	<b>4</b>	<b>292</b>
Provision comprise:					
Long-term component					53
Short-term component					239

**5. EFFECTS OF CHANGED ACCOUNTING PRINCIPLE**

As of the fourth quarter, SCA has changed its accounting principle regarding revenues from the sale of energy and tall oil, a residual product that arises in connection with the production of kraftpulp. Revenues from sales of tall oil have previously been reported as a reduction on the line raw materials and consumables. Revenues from sales of energy such as district heating and electricity have previously been reported as a reduction of energy costs on the line other external costs. The income from district heating, electricity and tall oil have increased significantly the recent years and have become more significant for SCA.

The new requirements in the EU's taxonomy for sustainable financing mean an increased focus on reporting and classifying revenues from a sustainability perspective. The application of the new accounting principle leads to increased transparency and the reporting becomes more consistent with the information that must be provided in accordance with the sustainability reporting. The adjustment amounts for each affected item in the financial statements are shown in the tables below.

SEKm	Quarter 2021					
	2021:3 Restated	2021:3	2021:2 Restated	2021:2	2021:1 Restated	2021:1
Net sales	5,077	5,077	4,810	4,810	4,172	4,172
<b>Other income</b>	<b>615</b>	<b>512</b>	<b>540</b>	<b>428</b>	<b>691</b>	<b>543</b>
Change in inventories	-194	-194	-79	-79	-311	-311
Change in value in biological assets	382	382	336	336	316	316
<b>Raw materials and consumables</b>	<b>-1,061</b>	<b>-1,023</b>	<b>-1,050</b>	<b>-990</b>	<b>-1,210</b>	<b>-1,167</b>
Personnel costs	-593	-593	-710	-710	-645	-645
<b>Other external costs</b>	<b>-1,561</b>	<b>-1,496</b>	<b>-1,604</b>	<b>-1,552</b>	<b>-1,663</b>	<b>-1,558</b>
Share of profits of associates	19	19	17	17	9	9
<b>EBITDA</b>	<b>2,684</b>	<b>2,684</b>	<b>2,260</b>	<b>2,260</b>	<b>1,359</b>	<b>1,359</b>

SEKm	Quarter 2020								Full year	
	2020:4 Restated	2020:4	2020:3 Restated	2020:3	2020:2 Restated	2020:2	2020:1 Restated	2020:1	2020 Restated	2020
Net sales	4,592	4,592	4,338	4,338	4,687	4,687	4,793	4,793	18,410	18,410
<b>Other income</b>	<b>450</b>	<b>362</b>	<b>460</b>	<b>385</b>	<b>420</b>	<b>363</b>	<b>617</b>	<b>511</b>	<b>1,946</b>	<b>1,620</b>
Change in inventories	-167	-167	-293	-293	-42	-42	-256	-256	-758	-758
Change in value in biological assets	383	383	308	308	238	238	333	333	1,262	1,262
<b>Raw materials and consumables</b>	<b>-1,338</b>	<b>-1,298</b>	<b>-1,651</b>	<b>-1,614</b>	<b>-1,798</b>	<b>-1,777</b>	<b>-1,761</b>	<b>-1,726</b>	<b>-6,548</b>	<b>-6,415</b>
Personnel costs	-552	-552	-1,167	-1,167	-804	-804	-787	-787	-3,310	-3,310
<b>Other external costs</b>	<b>-1,928</b>	<b>-1,880</b>	<b>-2,090</b>	<b>-2,052</b>	<b>-1,697</b>	<b>-1,661</b>	<b>-1,914</b>	<b>-1,843</b>	<b>-7,629</b>	<b>-7,436</b>
Share of profits of associates	11	11	7	7	-3	-3	5	5	20	20
<b>EBITDA</b>	<b>1,451</b>	<b>1,451</b>	<b>-88</b>	<b>-88</b>	<b>1,001</b>	<b>1,001</b>	<b>1,030</b>	<b>1,030</b>	<b>3,393</b>	<b>3,393</b>

EBITDA, earnings per share and other key ratios are not affected.

## 6. RISKS AND UNCERTAINTIES

SCA's risk exposure and risk management are described on pages 66–70 of SCA's Annual and Sustainability Report 2020.

Health and safety are a top priority at SCA, not least during this challenging time with Covid-19. The company is actively working to monitor inventory levels, secure the delivery and distribution chain and to ensure cash flow. The impact of the pandemic may continue to affect SCA's future earnings.

## 7. 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.

## 8. FINANCIAL INSTRUMENTS BY CATEGORY

SEKm	Measurement level	Dec 31, 2021	Dec 31, 2020
<b>Financial assets measured at fair value in the income statement</b>			
Derivatives - Current financial assets	2	0	0
Derivatives - Other current receivables	2	171	101
<b>Total</b>		<b>171</b>	<b>101</b>
<b>Financial liabilities measured at fair value in the income statement</b>			
Derivatives - Current financial liabilities	2	1	3
Derivatives - Other current liabilities	2	220	89
Derivatives - Other non-current liabilities	2	-	17
<b>Total</b>		<b>221</b>	<b>109</b>
<b>Financial assets measured at fair value through other comprehensive income</b>			
Equity instruments	3	14	14
<b>Total</b>		<b>14</b>	<b>14</b>
<b>Financial liabilities measured at amortized cost</b>			
Non-current financial liabilities excluding leasing	-	8,584	7,866
Non-current financial liabilities, leasing	-	500	603
Current financial liabilities excluding leasing	-	918	1,185
Current financial liabilities, leasing	-	136	148
<b>Total</b>		<b>10,138</b>	<b>9,802</b>
<b>Derivatives used for hedge accounting</b>			
Non-current financial assets	2	6	-
Other non-current assets	2	0	3
Other current receivables	2	26	218
<b>Total</b>		<b>32</b>	<b>221</b>
<b>Derivatives used for hedge accounting</b>			
Non-current financial liabilities	2	-	19
Other non-current liabilities	2	11	43
Other current liabilities	2	129	96
<b>Total</b>		<b>140</b>	<b>158</b>

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 9,496m (9,069). 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.

## 9. CONTINGENT LIABILITIES AND COMMITMENTS

SEKm	Parent		Group	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
<b>Contingent liabilities</b>				
Guarantees for subsidiaries	754	724	-	-
associates	-	-	5	5
customers and others	-	-	28	28
Other contingent liabilities	329	333	15	19
<b>Total</b>	<b>1,083</b>	<b>1,057</b>	<b>48</b>	<b>52</b>

### Commitments

SCA has a decided investment in Obbola totaling SEK 7,500m over a five-year period. As of December 31, 2021, SEK 2,316m remained, of which SEK 1,270m was a contracted commitment. The commitment refers entirely to non-current assets.

## 10. ALTERNATIVE PERFORMANCE MEASURES

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

SEKm	Quarter						Full year			
	2021:4	2020:4	2020:4 <sup>1</sup>	% <sup>2</sup>	2021:3	%	2021	2020	2020 <sup>1</sup>	% <sup>2</sup>
Net sales	4,763	4,592	4,592	4	5,077	-6	18,822	18,410	18,410	2
<b>EBITDA</b>	<b>2,806</b>	<b>1,451</b>	<b>1,377</b>	<b>104</b>	<b>2,684</b>	<b>5</b>	<b>9,109</b>	<b>3,393</b>	<b>4,440</b>	<b>105</b>
Depreciation and impairment	-398	-367	-391	2	-386	3	-1,475	-2,248	-1,601	40
<b>Operating profit</b>	<b>2,408</b>	<b>1,084</b>	<b>986</b>	<b>144</b>	<b>2,298</b>	<b>5</b>	<b>7,634</b>	<b>1,145</b>	<b>2,839</b>	<b>169</b>
Financial items	-28	-34	-34		-24		-107	-117	-117	
<b>Profit before tax</b>	<b>2,380</b>	<b>1,050</b>	<b>952</b>	<b>150</b>	<b>2,274</b>	<b>5</b>	<b>7,527</b>	<b>1,028</b>	<b>2,722</b>	<b>177</b>
Tax	-385	-267	-131		-453		-1,426	-261	-483	
<b>Net Profit for the period</b>	<b>1,995</b>	<b>783</b>	<b>821</b>	<b>143</b>	<b>1,821</b>	<b>10</b>	<b>6,101</b>	<b>767</b>	<b>2,239</b>	<b>172</b>
<i>Earnings per share SEK<sup>1</sup></i>	<i>2.84</i>	<i>1.11</i>	<i>1.17</i>		<i>2.59</i>		<i>8.69</i>	<i>1.09</i>	<i>3.19</i>	
<b>Earnings attributable to:</b>										
Owners of the parent	1,995	783	821		1,821		6,101	767	2,239	
Average no. of shares, millions	702.3	702.3	702.3		702.3		702.3	702.3	702.3	
<b>Margins (%)</b>										
EBITDA margin	58.9	31.6	30.0		52.9		48.4	18.4	24.1	
Operating margin	50.6	23.6	21.5		45.3		40.6	6.2	15.4	
Net margin	41.9	17.1	17.9		35.9		32.4	4.2	12.2	

<sup>1</sup> Excluding the effect of one-off items related to the discontinuation of publication paper operations in fourth quarter of 2020 and full year 2020.

<sup>2</sup> Comparison of earnings excluding the effect of one-off items related to discontinuation of publication paper in 2020.

For definitions of alternative performance measures, refer to SCA's 2020 Annual Report, pages 91–93.

Operating cash flow SEKm	Quarter			Full year	
	2021:4	2020:4 <sup>1</sup>	2021:3	2021	2020 <sup>1</sup>
EBITDA	2,806	1,451	2,684	9,109	3,393
Changes in biological assets and other non cash flow items	-744	-510	-457	-1,883	-601
<b>Operating cash surplus</b>	<b>2,062</b>	<b>941</b>	<b>2,227</b>	<b>7,226</b>	<b>2,792</b>
Change in working capital	324	275	61	-306	1,131
Restructuring costs	-58	-	-65	-394	0
Current capital expenditures, net <sup>2</sup>	-432	-298	-365	-1,236	-1,224
Other operating cash flow	-133	39	14	-74	-11
<b>Operating cash flow</b>	<b>1,763</b>	<b>957</b>	<b>1,872</b>	<b>5,216</b>	<b>2,688</b>
<sup>1</sup> Excluding the effect of one-off items related to the discontinuation of publication paper in 2020.					
<sup>2</sup> Including following values from new leasing contracts:	-4	-8	-11	-40	-81

## Capital structure

SEKm	Dec 31, 2021	Dec 31, 2020
Forest assets	84,497	74,900
Working capital	2,823	2,759
Deferred tax relating to forest assets	-16,905	-14,977
Other capital employed, net	20,392	17,152
<b>Total capital employed</b>	<b>90,807</b>	<b>79,834</b>
<b>Net debt, SEKm</b>	<b>7,752</b>	<b>7,671</b>
Net debt/EBITDA (LTM) <sup>1,2</sup>	0.9x	1.7x
<b>Equity, SEKm</b>	<b>83,055</b>	<b>72,163</b>
Net debt/Equity (%)	9.3	10.6

<sup>1</sup> Rolling 12 months.

<sup>2</sup> Excluding the effect of one-off items related to discontinuation publication paper operations in Q3 and Q4 2020.

## Return on capital employed

%	Quarter <sup>1</sup>	LTM <sup>2</sup>	Full year
	2021:4	Dec 31, 2021	2020
<i>Return on capital employed</i> <sup>3</sup>	11.0	9.0	3.6
<i>Industrial return on capital employed</i> <sup>3,4</sup>	40.1	33.0	5.4

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

<sup>2</sup> Rolling 12 months.

<sup>3</sup> Excluding the effect of one-off items related to discontinuation publication paper operation in Q3 and Q4 2020.

<sup>4</sup> Excluding construction in progress.

## Working capital

SEKm	Dec 31, 2021	Dec 31, 2020
Inventories	4,189	4,044
Accounts receivable	2,516	1,964
Other current receivables	892	987
Accounts payable	-3,478	-3,319
Other current liabilities	-1,642	-1,200
Adjustments <sup>1</sup>	346	283
<b>Working capital</b>	<b>2,823</b>	<b>2,759</b>
<i>Working capital in % of net sales</i>	<i>16.2</i>	<i>18.3</i>
<sup>1</sup> Adjustments:		
Other current receivables, green certificates	-1	0
Accounts payable, strategic capital expenditures	337	443
Other current provisions	-100	-174
Other current liabilities, emission rights	110	14
<b>Sum adjustments</b>	<b>346</b>	<b>283</b>

**Net debt**

<b>SEKm</b>	<b>Dec 31, 2021</b>	<b>Dec 31, 2020</b>
Surplus in funded pension plans	1,564	1,329
Non-current financial assets	80	81
Current financial assets	114	0
Cash and cash equivalents	1,056	1,273
<b>Financial receivables</b>	<b>2,814</b>	<b>2,683</b>
Non-current financial liabilities	9,083	8,488
Provisions for pensions	427	530
Current financial liabilities	1,056	1,336
<b>Financial liabilities</b>	<b>10,566</b>	<b>10,354</b>
<b>Net debt</b>	<b>-7,752</b>	<b>-7,671</b>

**11. QUARTERLY DATA CONTAINERBOARD/PAPER**

Segment Paper consisted of containerboard and publication paper in 2020. Segment Paper changed name to Containerboard on January 1, 2021 in conjunction with the discontinuation of the publication paper operations and thereafter consists only of containerboard. A summary of historical financial data for the Containerboard segment is available in the year-end report for 2020 on page 23, Note 10.

<b>SEKm</b>	<b>Quarter<sup>1</sup></b>					<b>Full year</b>	
	<b>2021:4</b>	<b>2020:4</b>	<b>%</b>	<b>2021:3</b>	<b>%</b>	<b>2021</b>	<b>2020</b>
Net sales	1,518	1,981	-23	1,326	14	5,456	7,916
EBITDA	669	342	96	360	86	1,761	1,190
Depreciations	-107	-125	-14	-109	-2	-430	-550
Operating profit	562	217	159	251	124	1,331	640
EBITDA margin, %	44.1	17.3		27.1		32.3	15.0
Operating margin, %	37.1	10.9		18.9		24.4	8.1
Return on capital employed, %	59.8	15.2		23.8		29.7	10.2
Deliveries, kraftliner, thousand tonnes	197	229	-14	189	4	823	840
Deliveries, publication paper, thousand tonnes	3	148	-98	9	-67	111	587

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

## 12. QUARTERLY DATA BY SEGMENT

## NET SALES

SEKm	Quarter								
	2021:4	2021:3	2021:2	2021:1	2020:4	2020:3	2020:2	2020:1	2019:4
Forest	1,474	1,455	1,592	1,627	1,659	1,500	1,494	1,833	1,694
Wood	1,868	2,183	1,765	1,264	1,498	1,592	1,770	1,436	1,376
Pulp	1,368	1,522	1,565	1,288	1,166	986	1,091	1,188	900
Containerboard/Paper <sup>1</sup>	1,518	1,326	1,340	1,272	1,981	1,817	1,876	2,242	2,108
Other <sup>1</sup>	9	45	138	374	-	-	-	-	-
Intra-group deliveries	-1,474	-1,454	-1,590	-1,653	-1,712	-1,557	-1,544	-1,906	-1,766
<b>Total net sales</b>	<b>4,763</b>	<b>5,077</b>	<b>4,810</b>	<b>4,172</b>	<b>4,592</b>	<b>4,338</b>	<b>4,687</b>	<b>4,793</b>	<b>4,312</b>

<sup>1</sup> 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								
	2021:4	2021:3	2021:2	2021:1	2020:4	2020:3	2020:2	2020:1	2019:4
Forest	926	516	753	449	747	515	499	452	607
Wood	850	1,180	628	310	227	192	143	95	125
Pulp	452	659	600	385	109	137	182	186	20
Containerboard/Paper <sup>1</sup>	669	360	411	321	342	240	229	379	382
Other <sup>1</sup>	-91	-31	-132	-106	-48	-52	-52	-82	-79
<b>Total EBITDA<sup>2,3</sup></b>	<b>2,805</b>	<b>2,684</b>	<b>2,260</b>	<b>1,359</b>	<b>1,377</b>	<b>1,032</b>	<b>1,001</b>	<b>1,030</b>	<b>1,055</b>

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Including the effect of changed accounting method of forests assets, EBITDA amounted to SEK 17,097m and for the Group in 2019:4.

## EBITDA MARGIN

%	Quarter								
	2021:4	2021:3	2021:2	2021:1	2020:4	2020:3	2020:2	2020:1	2019:4
Forest	62.8	35.5	47.3	27.6	45.0	34.3	33.4	24.6	35.8
Wood	45.5	54.1	35.6	24.5	15.2	12.1	8.1	6.6	9.1
Pulp	33.0	43.3	38.3	29.9	9.3	13.9	16.7	15.6	2.2
Containerboard/Paper <sup>1</sup>	44.1	27.1	30.7	25.2	17.3	13.2	12.2	16.9	18.1
<b>EBITDA margin<sup>2,3</sup></b>	<b>58.9</b>	<b>52.9</b>	<b>47.0</b>	<b>32.6</b>	<b>30.0</b>	<b>23.8</b>	<b>21.3</b>	<b>21.5</b>	<b>24.5</b>

<sup>1</sup> 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.

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

<sup>3</sup> Including effect of changed accounting method for valuation of forest assets, the EBITDA margin was 396,5% for the Group in 2019:4.

## PARENT COMPANY

### CONDENSED INCOME STATEMENT

SEKm	Full year	
	2021	2020
Other operating income	291	273
Other operating expenses	-188	-235
Personnel costs	-122	-102
<b>EBITDA</b>	<b>-19</b>	<b>-64</b>
Depreciation and impairment	-91	-89
<b>Operating profit</b>	<b>-110</b>	<b>-153</b>
Financial items	90	33
<b>Profit before tax</b>	<b>-20</b>	<b>-120</b>
Appropriations and tax	2,574	550
<b>Profit for the period</b>	<b>2,554</b>	<b>430</b>

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 significantly higher in 2021 compared with the previous year.

### CONDENSED BALANCE SHEET

SEKm	Dec 31, 2021	Dec 31, 2020
Tangible non-current assets	8,857	8,723
Financial non-current assets	9,651	9,690
<b>Total non-current assets</b>	<b>18,508</b>	<b>18,413</b>
Current assets	15,620	14,270
<b>Total assets</b>	<b>34,128</b>	<b>32,683</b>
Restricted equity	11,373	11,373
Non-restricted equity	10,131	8,981
<b>Total equity</b>	<b>21,504</b>	<b>20,354</b>
Provisions	1,645	1,611
Non-current liabilities	8,594	7,928
Current liabilities	2,385	2,790
<b>Total equity, provisions and liabilities</b>	<b>34,128</b>	<b>32,683</b>