

Press release

Sundsvall, January 28, 2022

Year-end Report 2021

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 (4,440¹). 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% (24.1¹).
- Operating profit increased to SEK 7,634m (2,839¹)
- Operating cash flow amounted to SEK 5,216m (2,688)
- Earnings per share increased to SEK 8.69 (3.19¹)
- 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 (1,377¹) and EBITDA margin increased to 58.9% (30.0¹)

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 ¹	%	2021:3	%	2021	2020 ¹	%
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 ²
<i>whereof publication paper and Wood Supply UK</i>	9	1,086		45		566	4,963	-24 ²
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	

¹ 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.

² Change as a part of total net sales 2020.

The core of SCA's business is the growing forest, Europe's largest private forest holding. Around this unique resource, we have built a well-developed value chain based on renewable raw material from our own and others' forests. We offer packaging paper, pulp, wood products, renewable energy, services for forest owners and efficient transport solutions. In 2021 the forest products company SCA had approximately 4,000 employees and sales amounted to approximately SEK 18.8 bn. SCA was founded in 1929 and has its headquarters in Sundsvall, Sweden. For more information, visit www.sca.com

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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/m³fo at December 31, 2021, an increase of more than 10% compared with the preceding year (SEK 291/m³fo). This corresponds to a total carrying amount of SCA's forest assets of SEK 84.5bn (74.9) (see page 5).

Invitation to SCAs press conference for Q4 2021, January 28, 2022 at 10.00 CET

The interim report will be published on January 28, 2022, at approximately 08:00 CET. The subsequent webcast press conference will be held at 10:00 CET in a digital format.

At the press conference, President and CEO Ulf Larsson and CFO Toby Lawton will present and answer questions regarding the report.

The press conference will be webcast live at www.sca.com. It is also possible to participate in the press conference by telephone:

Sweden:	+46 (0) 8 566 426 51
United Kingdom:	+44 (0) 3333 000 804
USA:	+1 631 913 1422

Call in good time before the conference starts. Provide the conference ID 10918682#.

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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

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