

Press release

Sundsvall, October 28, 2022

SCA's Interim Report Q3 2022

January–September 2022 compared with January–September 2021

- Net sales increased 13% to SEK 15,921m (14,059), which was mainly related to higher selling prices in all product areas.
- EBITDA increased 30% to SEK 8,213m (6,303). The increase was mainly attributable to higher selling prices in all product areas. Cost increases were largely offset through good control over SCA's own value chain with a high degree of self-sufficiency in wood and energy. EBITDA margin increased to 51.6% (44.8).
- Operating profit increased to SEK 7,052m (5,226).
- Operating cash flow increased to SEK 4,958m (3,453) and fully financed ongoing strategic investments.
- Earnings per share was SEK 7.85 (5.68).

July–September 2022 compared with July–September 2021

- Net sales were in line with the year-earlier period and amounted to SEK 5,007m (5,077).
- EBITDA decreased 7% to SEK 2,484m (2,684). The change was primarily attributable to lower selling prices for solid-wood products.
- EBITDA margin was 49.6% (52.9).

July–September 2022 compared with April–June 2022

- Net sales declined to SEK 5,007m (5,899), mainly related to lower delivery volumes and lower selling prices for solid-wood products.
- EBITDA amounted to SEK 2,484m (3,121). The decline was primarily attributable to lower selling prices for solid-wood products and lower delivery volumes. EBITDA margin was 49.6% (52.9).

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. 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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KEY FIGURES

SEKm	Quarter					Jan-Sep		
	2022:3	2021:3	%	2022:2	%	2022	2021	%
Net sales	5,007	5,077	-1	5,899	-15	15,921	14,059	13
EBITDA	2,484	2,684	-7	3,121	-20	8,213	6,303	30
<i>EBITDA margin (%)</i>	49.6	52.9		52.9		51.6	44.8	
Operating profit	2,094	2,298	-9	2,735	-23	7,052	5,226	35
Net Profit	1,666	1,821	-9	2,180	-24	5,606	4,106	37
<i>Earnings per share SEK</i>	2.35	2.49		3.05		7.85	5.68	
Operating cash flow	1,873	1,872		1,942		4,958	3,453	
Net Debt / EBITDA (LTM)	0.8x	1.0x		0.8x		0.8x	1.0x	

SUMMARY OF THE THIRD QUARTER OF 2022

Earnings for the third quarter decreased compared to the preceding quarter and the same quarter previous year, primarily related to lower selling prices for solid-wood products. Good control of SCA's own value chain with a high degree of self-sufficiency in wood and energy have offset cost increases resulting from rising inflation.

Operating cash flow was strong during the quarter, fully financing SCA's ongoing expansion project. This includes the expansion of kraftliner manufacturing in Obbola, Umeå, and the new facility in Ortviken, Sundsvall, for the production of chemi-thermomechanical pulp (CTMP). Both projects are proceeding on budget and the new production lines are expected to commence operation before year-end 2022, which is earlier than planned.

The supply of wood raw material to SCA's industries was stable during the quarter. The price of pulpwood and sawlogs increased gradually compared with the preceding quarter.

Demand for solid-wood products was weak in most markets in both the building materials trade and for new construction. Selling prices and delivery volumes declined compared with the preceding quarter on account of weaker demand.

Demand in the Pulp segment remained favorable during the quarter and selling prices in Europe increased. Delivery volumes decreased compared with the preceding quarter, mainly due to the planned maintenance stop that commenced at the end of the period.

Selling prices for kraftliner were stable during the quarter but demand declined somewhat from a high level as a result of lower demand for packaging. During the quarter, the new paper machine in Obbola successfully completed production tests and trimming has commenced.

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INVITATION TO PRESS CONFERENCE

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 by the CFO, Andreas Ewertz.

Time: Friday, October 28, 2022 at 10:00 a.m.
Venue: Tändstickspalatset, Västra Trädgårdsgatan 15 in Stockholm, Sweden.

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

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Specify SCA Q3 Interim Report.

For further information, please contact

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

Anders Edholm, Svp Sustainability and Communications, +46 (0)60 19 32 12

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