

Press release

Sundsvall, 27 January 2023

Financial reporting regarding SCA's new reporting segments

Renewable Energy is a new reporting segment for SCA as of 1 January, 2023. This decision is in line with SCA's stated ambition to grow and realise business opportunities in renewable energy.

SCA is one of Europe's leading renewable energy producers. 20% of Sweden's wind power capacity is installed on SCA land, and with the use of the entire tree, SCA has grown to become one of Europe's leading producers of sustainable bioenergy. SCA has also stated its intention to continue growing in renewable energy through investments and organic growth. In 2021, SCA decided to invest in a new biorefinery in Gothenburg that will produce biofuel and in 2022, SCA acquired its first own wind farm.

SCA's new reporting segments

For reference, please see below a description of and financial reporting for SCA's segments, which have been recalculated for the time periods indicated.

| SEKm | Forest | Wood | Pulp | Container board | Renewable Energy | Other | Eliminations | Total Group |
|------------------------------------------|--------------|--------------|--------------|-----------------|------------------|-------------|---------------|---------------|
| Full year 2022 | | | | | | | | |
| Net Sales | 6,705 | 6,753 | 7,209 | 6,823 | - | - | -6,696 | 20,794 |
| Other operating income | 310 | 340 | 1,936 | 1,401 | 1,550 | 205 | -2,579 | 3,163 |
| Income | 7,015 | 7,093 | 9,145 | 8,224 | 1,550 | 205 | -9,275 | 23,957 |
| Operating costs | -4,413 | -5,131 | -6,262 | -5,432 | -1,189 | -588 | 9,275 | -13,740 |
| Results from associated companies and JV | - | -17 | - | - | -6 | - | - | -23 |
| EBITDA | 2,602 | 1,945 | 2,883 | 2,792 | 355 | -383 | | 10,194 |
| Depreciation and impairments | -224 | -223 | -586 | -433 | -17 | -69 | | -1,552 |
| Operating income | 2,378 | 1,722 | 2,297 | 2,359 | 338 | -452 | | 8,642 |
| Capital employed | 79,943 | 3,376 | 8,321 | 10,704 | 1,871 | 2,132 | | 106,347 |

Forest

The Forest segment includes the supply of raw materials for SCA's forestry activities and the management and felling of 2.7 million hectares of privately owned forest land in northern Sweden and the Baltics. The segment also includes the purchase of timber from other forest owners and the transport of timber to SCA plants.

Activities within Renewable Energy linked to our Forest business area, including wind power leases and sales of unrefined biofuels for energy generation, are reported in the Renewable Energy segment from 1 January 2023.

The core of SCA's business is the 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 2022 the forest products company SCA had approximately 3,300 employees and sales amounted to SEK 21 bn. SCA was founded in 1929 and is headquartered in Sundsvall, Sweden. For more information, visit [sca.com](https://www.sca.com).

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| Forest SEKm | Quarter | | | | Full year | |
|------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2022:4 | 2022:3 | 2022:2 | 2022:1 | 2022 | 2021 |
| Net Sales | 1,760 | 1,612 | 1,642 | 1,691 | 6,705 | 6,151 |
| Other operating income | 65 | 110 | 89 | 46 | 310 | 337 |
| Operating expenses | -1,064 | -1,121 | -1,077 | -1,151 | -4,413 | -3,887 |
| Results from associated companies and JV | - | - | - | - | - | - |
| EBITDA | 761 | 601 | 654 | 586 | 2,602 | 2,601 |
| <i>EBITDA margin, %</i> | <i>43%</i> | <i>37%</i> | <i>40%</i> | <i>35%</i> | <i>39%</i> | <i>42%</i> |
| Depreciation and impairments | -57 | -57 | -55 | -55 | -224 | -232 |
| Operating profit | 704 | 544 | 599 | 531 | 2,378 | 2,369 |
| Capital employed | | | | | 79,943 | 68,985 |

Wood

The Wood segment includes the sawmill business, with five sawmills in northern Sweden, and wood processing and distribution to the construction sector in Sweden and France.

Sales of refined biofuels made from residual products from sawmills, mainly pellets, are reported in the Renewable Energy segment from 1 January 2023.

| Wood SEKm | Quarter | | | | Full year | |
|------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2022:4 | 2022:3 | 2022:2 | 2022:1 | 2022 | 2021 |
| Net Sales | 1,422 | 1,412 | 2,202 | 1,717 | 6,753 | 7,080 |
| Other operating income | 80 | 78 | 75 | 107 | 340 | 400 |
| Operating expenses | -1,413 | -1,113 | -1,388 | -1,217 | -5,131 | -4,656 |
| Results from associated companies and JV | -18 | -26 | 24 | 3 | -17 | 71 |
| EBITDA | 71 | 351 | 913 | 610 | 1,945 | 2,895 |
| <i>EBITDA margin, %</i> | <i>5%</i> | <i>25%</i> | <i>41%</i> | <i>36%</i> | <i>29%</i> | <i>41%</i> |
| Depreciation and impairments | -56 | -54 | -54 | -59 | -223 | -216 |
| Operating profit | 15 | 297 | 859 | 551 | 1,722 | 2,679 |
| Capital employed | | | | | 3,376 | 3,503 |

Pulp

The Pulp segment includes the production and sale of bleached coniferous sulfate pulp, (NBSK), and chemical thermomechanical pulp, (CTMP), produced at SCA's pulp plant in Östrand and Ortviken industrial site. The plant is also a net producer of green energy and biochemicals such as tall oil and turpentine.

Sales of tall oil, a product from pulp production, are reported in the Renewable Energy segment from 1 January 2023.

| Pulp SEKm | Quarter | | | | Full year | |
|------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2022:4 | 2022:3 | 2022:2 | 2022:1 | 2022 | 2021 |
| Net Sales | 1,822 | 1,897 | 1,926 | 1,564 | 7,209 | 5,743 |
| Other operating income | 462 | 525 | 577 | 372 | 1,936 | 1,327 |
| Operating expenses | -1,686 | -1,574 | -1,658 | -1,344 | -6,262 | -5,060 |
| Results from associated companies and JV | - | - | - | - | - | - |
| EBITDA | 598 | 848 | 845 | 592 | 2,883 | 2,010 |
| <i>EBITDA margin, %</i> | <i>33%</i> | <i>45%</i> | <i>44%</i> | <i>38%</i> | <i>40%</i> | <i>35%</i> |
| Depreciation and impairments | -146 | -147 | -147 | -146 | -586 | -571 |
| Operating profit | 452 | 701 | 698 | 446 | 2,297 | 1,439 |
| Capital employed | | | | | 8,321 | 8,021 |

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Containerboard

The Containerboard segment manufactures and sells packaging paper (kraftliner), with production taking place at our integrated paper mills in Obbola and Munksund.

Sales of tall oil, a product from kraft pulp production, are reported in the Renewable Energy segment from 1 January 2023.

| Containerboard SEKm | Quarter | | | | Full year | |
|------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2022:4 | 2022:3 | 2022:2 | 2022:1 | 2022 | 2021 |
| Net Sales | 1,626 | 1,694 | 1,772 | 1,731 | 6,823 | 5,456 |
| Other operating income | 346 | 361 | 393 | 301 | 1,401 | 1,082 |
| Operating expenses | -1,407 | -1,336 | -1,423 | -1,266 | -5,432 | -4,830 |
| Results from associated companies and JV | - | - | - | - | - | - |
| EBITDA | 565 | 719 | 742 | 766 | 2,792 | 1,708 |
| <i>EBITDA margin, %</i> | <i>35%</i> | <i>42%</i> | <i>42%</i> | <i>44%</i> | <i>41%</i> | <i>31%</i> |
| Depreciation and impairments | -110 | -111 | -108 | -104 | -433 | -430 |
| Operating profit | 455 | 608 | 634 | 662 | 2,359 | 1,278 |
| Capital employed | | | | | 10,704 | 8,989 |

Renewable Energy

The Renewable Energy segment includes the production and sale of refined and unrefined biomass and biofuel. The segment also includes activities in, and income related to, SCA's wind power activities and sales of green products for energy production from SCA's industries.

| Renewable Energy SEKm | Quarter | | | | Full year | |
|------------------------------------------|------------|------------|------------|------------|--------------|--------------|
| | 2022:4 | 2022:3 | 2022:2 | 2022:1 | 2022 | 2021 |
| Net Sales | - | - | - | - | - | - |
| Other operating income | 470 | 324 | 330 | 426 | 1,550 | 1,262 |
| Income | 470 | 324 | 330 | 426 | 1,550 | 1,262 |
| Operating expenses | -350 | -241 | -257 | -341 | -1,189 | -1,014 |
| Results from associated companies and JV | -4 | -1 | -1 | - | -6 | - |
| EBITDA | 116 | 82 | 72 | 85 | 355 | 248 |
| <i>EBITDA margin¹ %</i> | <i>25%</i> | <i>25%</i> | <i>22%</i> | <i>20%</i> | <i>23%</i> | <i>20%</i> |
| Depreciation and impairments | -5 | -4 | -4 | -4 | -17 | -21 |
| Operating profit | 111 | 78 | 68 | 81 | 338 | 227 |
| Capital employed | | | | | 1,871 | 332 |

1. EBITDA as share of revenues

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