

Press release

Sundsvall, April 28, 2023

Interim Report Q1 2023

January–March 2023 compared with January–March 2022

- Net sales amounted to SEK 4,813m (5,015). The decrease was mainly related to lower selling prices for solid-wood products and containerboard.
- EBITDA declined 21% to SEK 2,055m (2,608). The change was mainly attributable to lower selling prices. Growth in renewable energy and strong earnings in forest operations, primarily based on a high degree of self-sufficiency in wood raw material, had a positive impact on earnings. EBITDA margin was 42.7% (52.0).
- Operating profit amounted to SEK 1,596m (2,223).
- Operating cash flow increased to SEK 1,203m (1,143) and continued to finance ongoing strategic capital expenditures.
- Earnings per share was SEK 1.74 (2.45).

January–March 2023 compared with October–December 2022

- Net sales amounted to SEK 4,813m (4,873). The change was mainly attributable to lower selling prices for pulp and containerboard, which were offset by higher delivery volumes.
- Higher delivery volumes and growth in renewable energy had a positive earnings effect. EBITDA increased 4% to SEK 2,055m (1,981). Good control over SCA's own value chain with a high degree of self-sufficiency in wood, energy and logistics yielded a controlled cost development. EBITDA margin increased to 42.7% (40.6).

KEY FIGURES

SEKm	Quarter				
	2023:1	2022:1	%	2022:4	%
Net sales	4,813	5,015	-4	4,873	-1
EBITDA	2,055	2,608	-21	1,981	4
<i>EBITDA margin, %</i>	42.7	52.0		40.6	
Operating profit	1,596	2,223	-28	1,590	0
Net Profit	1,213	1,760	-31	1,215	0
<i>Earnings per share SEK</i>	1.74	2.45		1.76	
Operating cash flow	1,203	1,143		726	
Net Debt / EBITDA (LTM)	1.2x	1,0x		1.0x	

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.

2022 the forest products company SCA had approximately 3,300 employees and sales amounted to approximately SEK 21 bn. SCA was founded in 1929 and has its headquarters in Sundsvall, Sweden. For more information, visit

www.sca.com

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SUMMARY OF THE FIRST QUARTER OF 2023

Higher delivery volumes and growth in renewable energy had a positive earnings effect. Earnings for the first quarter of 2023 were in line with the preceding quarter but were weaker year on year. SCA's high degree of self-sufficiency in wood, energy and logistics contributed toward stability and good cost control while lower selling prices for solid-wood products and containerboard had a negative impact on earnings compared to previous quarter. SCA is continuing to develop its integrated value chain through investments in renewable energy. Renewable Energy was reported as a separate segment from the first quarter of 2023.

The supply of wood raw material to SCA's industries was stable during the quarter. The price of pulpwood and sawlogs continued to increase.

Demand for solid-wood products remained weak in all customer segments and in most regions during the first quarter. Selling prices were stable compared with the preceding quarter. However, earnings were strengthened through an improved product mix.

Demand in the Pulp segment remained weak, which resulted in lower selling prices compared with the preceding quarter. This was partly offset by positive mix effects with a high share of sales to SCA's core markets. The new CTMP facility at the Ortviken site in Sundsvall, which began operating during the preceding quarter, contributed toward higher delivery volumes.

Demand for kraftliner continued to decline during the period as a result of lower demand for packaging material. The lower demand meant the average selling price for kraftliner was lower in the first quarter of 2023 than in the preceding quarter. During the fourth quarter of 2022, the new paper machine at Obbola began operating, one quarter ahead of schedule. The ramp up of the paper machine is proceeding as planned but is causing momentarily planned higher operating expenditures compared with previous quarters.

Seasonally higher demand in renewable energy contributed towards rising prices. At the beginning of the year, possession was taken of the wind farm in Markbygden, and this made a positive contribution to the earnings trend during the first quarter of 2023.

INVITATION TO PRESS CONFERENCE ON INTERIM REPORT FOR THE FIRST QUARTER OF 2023

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, Andreas Ewertz.

Time: Friday, April 28, 2023 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)8 505 204 24
UK: +44 (0) 33 0551 0200
US: +1 786 697 3501

Specify "SCA Q1 Report".

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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 April 28, 2023 at 08:00 a.m. CET. 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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