

Press release

Sundsvall, July 21, 2023

Half-year report, Q2 2023

January–June 2023 compared with January–June 2022

- The book value of SCA's forest assets increased to SEK 98.9bn compared with SEK 97.9bn at the end of the preceding year.
- Net sales declined to SEK 9,395m (10,914). The decrease was primarily attributable to lower selling prices.
- EBITDA amounted to SEK 3,755m (5,729). The change was mainly attributable to lower selling prices. Growth in renewable energy and strong earnings in segment Forest had a positive impact on earnings. EBITDA margin was 40.0% (52.5).
- Operating profit amounted to SEK 2,825m (4,958).
- Operating cash flow decreased to SEK 1,851m (3,085).
- Earnings per share was SEK 3.06 (5.50).

April–June 2023 compared with April–June 2022

- Net sales declined to SEK 4,582m (5,899). The change was mainly attributable to lower selling prices.
- EBITDA amounted to SEK 1,700m (3,121). The decline was mainly attributable to lower selling prices. Good control over SCA's own value chain with a high degree of self-sufficiency in particularly timber, but also energy and logistics, resulted in effective cost control and had a positive effect. EBITDA margin was 37.1% (52.9).

April–June 2023 compared with January–March 2023

- Net sales amounted to SEK 4,582m (4,813). The change was mainly attributable to lower selling prices for pulp and containerboard, which were offset by higher delivery volumes.
- EBITDA amounted to SEK 1,700m (2,055). EBITDA margin was 37.1% (42.7).

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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KEY FIGURES

SEKm	Quarter					Jan-Jun		
	2023:2	2022:2	%	2023:1	%	2023	2022	%
Net sales	4,582	5,899	-22	4,813	-5	9,395	10,914	-14
EBITDA	1,700	3,121	-46	2,055	-17	3,755	5,729	-34
<i>EBITDA margin, %</i>	37.1	52.9		42.7		40.0	52.5	
Operating profit	1,229	2,735	-55	1,596	-23	2,825	4,958	-43
Net Profit	916	2,180	-58	1,213	-24	2,129	3,940	-46
<i>Earnings per share SEK</i>	1.32	3.05		1.74		3.06	5.50	
Operating cash flow	648	1,942		1,203		1,851	3,085	
Net Debt / EBITDA (LTM)	1.3x	0.8x		1.2x		1.3x	0.8x	

SUMMARY OF THE SECOND QUARTER OF 2023

SCA's high degree of self-sufficiency in particularly timber, but also energy and logistics, has resulted in effective cost control, and was a significant factor in our good profitability in a period with rising prices for wood raw material and lower prices for fiber-based products. Earnings for the second quarter of 2023 weakened compared with the preceding quarter and the year-earlier quarter as a result of lower selling prices.

The supply of wood raw material to SCA's industries was stable during the quarter, although continued price increases were noted for pulpwood and sawlogs.

Selling prices for solid-wood products increased compared with the preceding quarter on account of seasonably higher demand. However, underlying demand remained weak in most customer segments and geographies.

Demand in the Pulp segment was weak for both chemical pulp and CTMP, which resulted in lower selling prices in all geographies. The new CTMP facility at the Ortviken site in Sundsvall, which began operating at the end of the preceding year, contributed to higher delivery volumes.

Low demand for packaging material contributed to continued weak demand for kraftliner. The average selling price for kraftliner was lower in the second quarter than in the preceding quarter. At the end of last year, the new paper machine at Obbola began operating, one quarter ahead of schedule. The new recovered fiber line, which is necessary for increased production volume, was also taken into operation in mid-year. The ramp up of the paper machine is proceeding according to plan.

The energy business continues to grow and despite lower seasonal sales the result in segment Renewable Energy was in line with last quarter. The market for solid biofuels was strong. The wind power business continued to grow, in the end of the second quarter, 738 wind turbines were operating on SCA's land with an annual production capacity of 8.2 TWh. The acquired wind farm in Markbygden also contributed positively to

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the result development. The market for crude tall oil remained strong and the biorefinery in Gothenburg is expected to be in operation by the end of 2023.

INVITATION TO PRESS CONFERENCE ON HALF-YEAR REPORT 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 by the CFO, Andreas Ewertz.

Time: Friday, July 21, 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:

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Specify "SCA Q2 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 July 21, 2023 at 08:00 a.m. CEST. The report has been reviewed by the company's auditors.

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

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