

Press release

Sundsvall, July 25, 2025

Half-year report, Q2 2025

January–June 2025 compared with January–June 2024

- Net sales increased to SEK 10,541m (9,849). The sales increase was mainly driven by higher selling prices and higher delivery volumes.
- EBITDA amounted to SEK 3,684m (3,484). Higher selling prices and higher delivery volumes had a positive impact on earnings, which were offset by higher raw material costs and negative exchange rate effects. High rate of self-sufficiency in wood raw material reduced the impact of rising wood costs.
- EBITDA margin was 34.9% (35.4).
- Operating profit increased to SEK 2,623m (2,438).
- Operating cash flow amounted to SEK 1,438m (1,203).
- Earnings per share was SEK 2.69 (2.49).

April–June 2025 compared with April–June 2024

- Net sales increased to SEK 5,380m (5,291). Higher selling prices and higher delivery volumes were offset by negative exchange rate effects.
- EBITDA increased to SEK 2,033m (1,888) and EBITDA margin was 37.8% (35.7). The increase was primarily related to higher selling prices and higher delivery volumes, which were partly offset by negative exchange rate effects and higher raw material costs.

April–June 2025 compared with January–March 2025

- Net sales amounted to SEK 5,380m (5,161). Higher selling prices were offset by negative exchange rate effects.
- EBITDA increased to SEK 2,033m (1,651) and EBITDA margin was 37.8% (32.0). The increase was primarily attributable to higher selling prices, which were partly offset by negative exchange rate effects.

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 2024 the forest products company SCA had approximately 3,400 employees and sales amounted to approximately SEK 20 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		
	2025: 2	2024: 2	%	2025: 1	%	2025	2024	%
Net sales	5,380	5,291	2	5,161	4	10,541	9,849	7
EBITDA	2,033	1,888	8	1,651	23	3,684	3,434	6
EBITDA margin, %	37.8	35.7		32.0		34.9	35.4	
Operating profit	1,504	1,361	11	1,119	34	2,623	2,438	8
Net Profit	1,088	960	13	800	36	1,888	1,749	8
Earnings per share SEK ¹	1.55	1.37		1.14		2.69	2.49	
Operating cash flow	953	526		485		1,438	1,203	
Net Debt / EBITDA (LTM)	1.8x	1.8x		1.5x		1.8x	1.8x	

¹ There are no dilution effects.

SUMMARY OF THE SECOND QUARTER OF 2025

SCA's earnings in the second quarter strengthened year-on-year and compared with the preceding quarter. The positive earnings trend was mainly attributable to higher selling prices compared with the two comparative periods, as well as good cost control, primarily in wood raw material, energy and logistics. In addition, other operating costs were lower, driven by the continued ramp-up of completed strategic investments. Strategic projects are expected to gradually contribute to increased production volumes and stronger cash flow generation in the years ahead.

There is a risk that the uncertain market situation, dominated by discussions about tariffs and trade barriers as well as currency fluctuations, will continue to affect market conditions going forward.

The supply of wood raw material to SCA's industries was stable during the quarter. The limited supply of wood raw material together with high demand has led to an increase in prices. However, some saturation was noted in the pulpwood market during the quarter, and some operators also made downward adjustments in their price lists in light of this.

Selling prices for solid-wood products increased compared with the preceding quarter, driven primarily by seasonally stronger demand combined with higher raw material costs. However, demand remained cautious due to the uncertain market situation. The seasonally stronger demand together with SCA's focus on strong and long-term customer relationships contributed to a higher delivery volume year-on-year and compared with the preceding quarter. Producer stocks in Sweden increased during the quarter, while customer stocks are estimated to have remained low.

Average selling prices in the Pulp segment decreased slightly compared with the preceding quarter. Selling prices for NBSK pulp in Europe increased at the beginning of the second quarter and subsequently declined toward the end of the quarter. Global demand for pulp was weak in both Europe and China, while the demand in the US was on a normal level. SCA's delivery volumes were lower compared with the preceding quarter and year-on-year. Global producer stocks increased during the quarter.

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SCA's average selling prices for packaging material increased compared with the preceding quarter. During the quarter, production in segment Containerboard was at a good level, resulting in lower costs. Demand for packaging paper is at a normal level, mainly driven by e-commerce and consumables. SCA's delivery volumes were in line with the preceding quarter, but increased year-on-year. European producer stocks increased during the quarter.

Demand for solid biofuels was seasonally lower compared with the preceding quarter. The market for liquid biofuel remained weak, but improved toward the end of the quarter. The ramp-up in the production of biofuels has continued, resulting in higher production volumes. Electricity prices in northern Sweden remained low during the second quarter. SCA's leasehold business in wind power was stable and at the end of the first quarter about 20% of installed wind power capacity in Sweden was on SCA's land.

INVITATION TO PRESS CONFERENCE

A webcast press conference will be held where this interim report will be presented by the President and CEO, Ulf Larsson, and by the CFO, Andreas Ewertz, on Friday, July 25 starting 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".

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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 25, 2025 at 8:00 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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