

# Press release

Sundsvall, January 27, 2023

## Year-end Report 2022

### January–December 2022 compared with January–December 2021

- The carrying amount of SCA's forest assets increased to SEK 97.9bn (84.5) as of December 31, 2022 due to continued increase in transaction prices for forest assets in Northern Sweden.
- Net sales increased 10% to SEK 20,794m (18,822), which mainly related to higher selling prices in containerboard and pulp.
- EBITDA increased 12% to SEK 10,194m (9,109). The increase was mainly attributable to higher selling prices. Cost increases were largely offset through control over SCA's own value chain with a high degree of self-sufficiency in wood, energy, and logistics. EBITDA margin was 49.0% (48.4).
- Operating profit increased to SEK 8,642m (7,634).
- Operating cash flow was SEK 5,685m (5,216) and fully financed ongoing strategic capital expenditures.
- Earnings per share increased to SEK 9.61 (8.46).
- The Board of Directors proposes a dividend of SEK 2.50 (regular dividend in 2021: SEK 2.25, extra dividend in 2021: SEK 1.00) per share.

### October–December 2022 compared with October–December 2021

- Net sales increased 2% to SEK 4,873m (4,763).
- EBITDA declined 29% to SEK 1,981m (2,806). Adjusted for an unplanned production stop at Östrand (Pulp), which impacted earnings negatively with SEK 138m, EBITDA amounted to SEK 2,119m. Lower selling prices in solid-wood products had a negative impact on earnings. EBITDA margin was 40.6% (58.9).

### October–December 2022 compared with July–September 2022

- Net sales declined to SEK 4,873m (5,007), mainly related to lower selling prices for solid-wood products.
- EBITDA amounted to SEK 1,981m (2,484). The decrease was primarily attributable to lower selling prices for solid-wood products and an unplanned production stop in pulp. EBITDA margin was 40.6% (49.6).

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## KEY FIGURES

SEKm	Quarter					Full year		
	2022:4	2021:4	%	2022:3	%	2022	2021	%
Net sales	4,873	4,763	2	5,007	-3	20,794	18,822	10
EBITDA	1,981	2,806	-29	2,484	-20	10,194	9,109	12
<i>EBITDA margin (%)</i>	40.6	58.9		49.6		49.0	48.4	
Operating profit	1,590	2,408	-34	2,094	-24	8,642	7,634	13
Net Profit	1,215	1,995	-39	1,666	-27	6,821	6,101	12
<i>Earnings per share SEK</i>	1.76	2.77		2.35		9.61	8.46	
Operating cash flow	727	1,763		1,873		5,685	5,216	
Net Debt / EBITDA (LTM)	1.0x	0.9x		0.8x		1.0x	0.9x	

## COMMENTS ON THE FINANCIAL STATEMENTS

### Summary of the year

Earnings for 2022 were the highest ever for SCA. EBITDA amounted to SEK 10,194m, with an EBITDA margin of 49.0%. The results were achieved through strong demand and high selling prices for SCA's products and cost control. SCA's high degree of self-sufficiency in wood, energy and logistics contributes towards stability and good profitability over time. Operating cash flow during the year continued to finance SCA's strategic capital expenditures. Toward the end of the year, two strategic capital expenditure projects began operating, expanded pulp production at Ortviken in Sundsvall and expanded kraftliner production in Obbola, Umeå. Together with other ongoing strategic capital expenditures, the commissioning of the new production lines will further strengthen the company's result and cash flow generation in the years ahead.

During 2022, SCA continued to invest in forest land and the company's holding amounted to 2.7 million hectares at the end of the year. Transaction prices for forest assets continued to increase in 2022 and the total carrying amount of SCA's forest assets amounted to SEK 97.9bn (84.5) at the end of the year. SCA bases its valuation of forest assets in Sweden on forest transactions in the areas where SCA owns forest. The average market price used in valuation of SCA's forest assets was SEK 366/m<sup>3</sup>fo at December 31, 2022, up 13% compared with the preceding year (SEK 324/m<sup>3</sup>fo). See page 6.

### Summary of the fourth quarter

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

Demand for solid-wood products remained weak in both the building materials trade and for new construction in most regions. Selling prices also declined compared with the preceding quarter on account of the weak demand.

Delivery volumes decreased in the Pulp segment compared with the preceding quarter, mainly related to the planned maintenance stop that was completed at the beginning of the period and a longer unplanned production stop.

Demand for kraftliner declined during the period as a result of lower demand for packaging. The lower demand meant the average selling price for kraftliner was lower than in the preceding quarter.

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As a result of the above, earnings for the fourth quarter decreased compared to the preceding quarter and the corresponding quarter in the previous year.

#### **SCA invests in wind power**

A significant expansion of wind power is currently taking place in Sweden and demand for green electricity is expected to continue to increase substantially. During the fourth quarter, SCA acquired a wind farm in Markbygden, Piteå Municipality. The wind farm consists of a total of 36 turbines with a total installed capacity of about 85 MW. In addition to sales revenues, the investment will contribute to SCA's high degree of self-sufficiency in electricity. Approximately 20% of Sweden's installed wind power capacity is currently located on land owned by SCA.

#### **INVITATION TO PRESS CONFERENCE ON THE 2022 YEAR-END REPORT**

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, January 27, 2023 at 10:00 a.m CET.

The press conference will be webcast live at [www.sca.com](http://www.sca.com). It is also possible to participate by telephone by calling:

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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 January 27, 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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