

Interim Report



Q3 2016



Magnus Groth

President and CEO

Summary Q3 2016



- Organic sales growth 0% impacted by a challenging market situation for hygiene products and capacity reductions
 - ◆ Hygiene business +1%, Forest Products -3%, Emerging markets +4%
- Good organic growth in operating profit* and increased operating margin**
- Strong contribution from efficiency gains
- Strong cash flow
- Introduced four innovations - Nosotras, Tempo, TENA and Tork



* Adjusted operating profit which excludes items affecting comparability

** Adjusted operating profit margin which excludes items affecting comparability

Summary Q3 2016



- Initiated work to propose to the Annual General Meeting 2017 to decide on a split of the Group into two listed companies; hygiene and forest products
- Decision to implement restructuring measures at two tissue plants in France
- After end of Q3 2016
 - ◆ Decision to close baby diaper business in Mexico
 - ◆ Capital structure and dividend policy for the hygiene business communicated



Group

Q3 2016 vs. Q3 2015



Net Sales

SEK
29,154m
0%

Organic Sales Growth

0%

Adjusted Operating Profit*

SEK
3,652m
+7%**

Adjusted Operating Margin*

12.5%
+60bp

EPS

SEK 3.10
+337%***

Operating Cash Flow

SEK
4,729m
+10%

* Excluding items affecting comparability

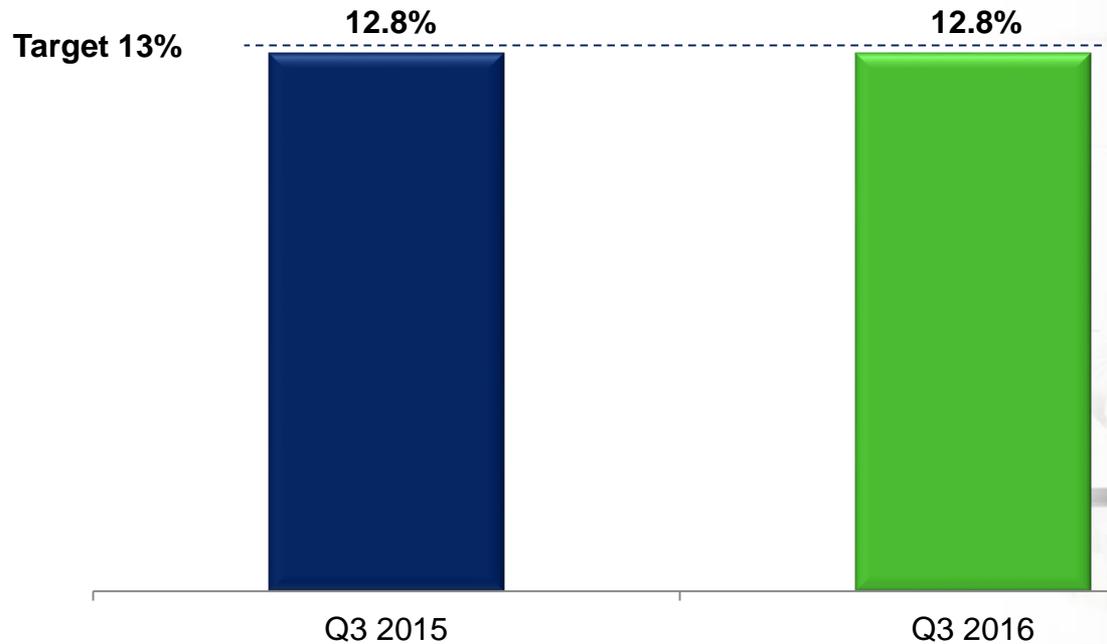
** Excluding items affecting comparability, currency translation effects, acquisitions and divestments

*** Including items affecting comparability. Excluding items affecting comparability SEK 3.78, +12%

SCA Group Adjusted ROCE*



Adjusted ROCE*



*Adjusted return on capital employed excluding items affecting comparability

Tempo® Fresh To Go Classic and Pure



A range of refreshing hands & face wet wipes for on the go, with a unique non-sticky formula to the extra resistant wipe, for your individual need – Classic and Pure for sensitive skin.

New Napkin Box – Tork Easy Handling® Features



Shelf-ready packaging for quick product display in cash and carry stores. Simplified and quicker access to products in the end customers' storage locations. Improved color labeling and packaging design that makes it easy to find the right napkins.

Nosotras Cuidado-V™



A female intimate care range that provides calming and soothing relief for shaved or waxed V-zone skin – creating a lasting effect of softness and care. Dermatologically and gynecological tested.

TENA MEN



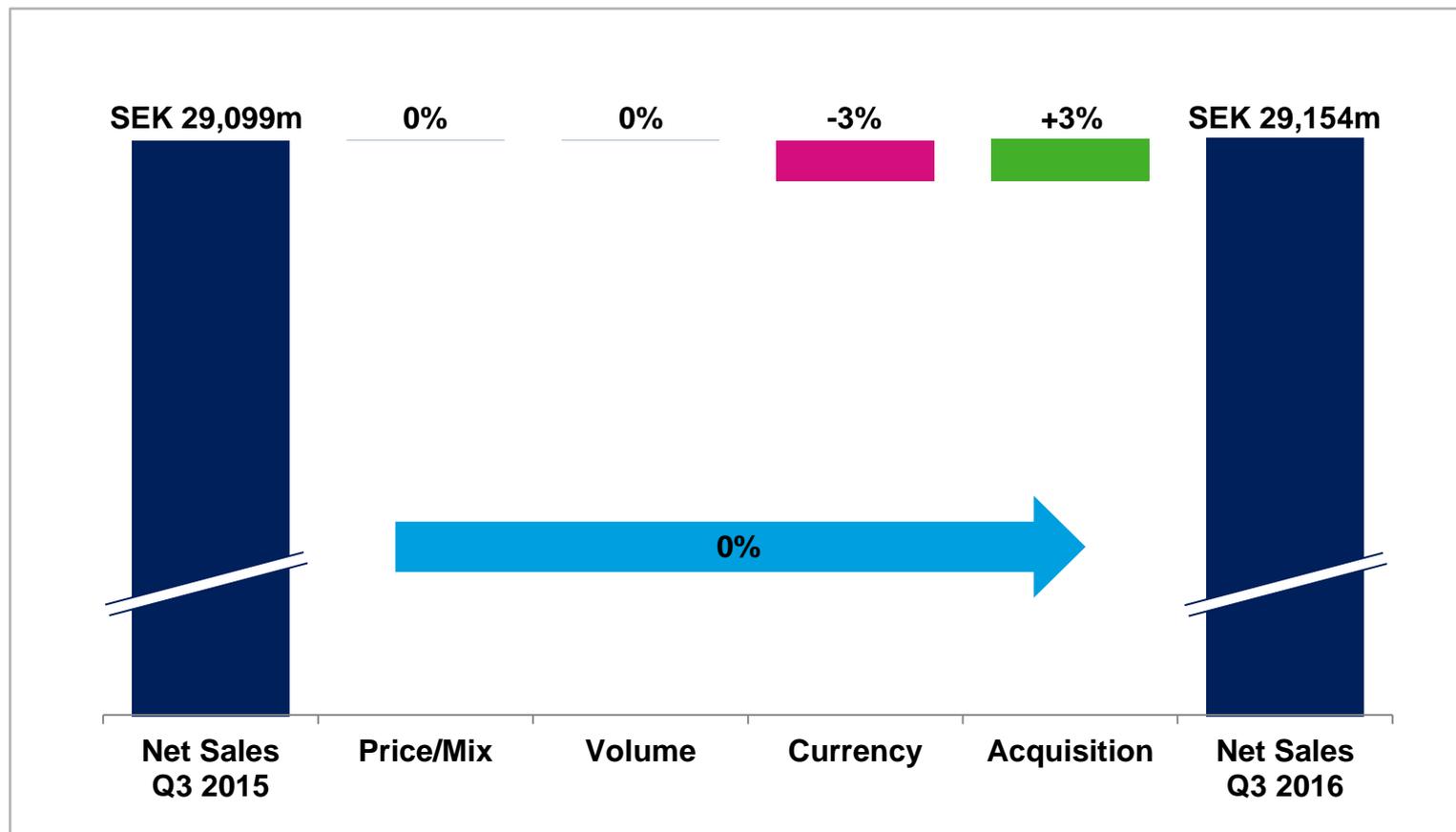
Improving the visual attractiveness of male pads with new top-sheet print highlighting absorption zone, new grey colored back-sheet to make it more masculine and discreet, as well as new blue single wrap for increased discretion.

Fredrik Rystedt

Executive Vice President and CFO

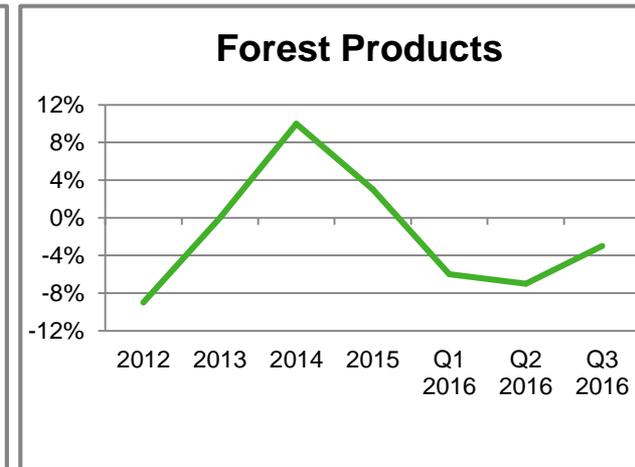
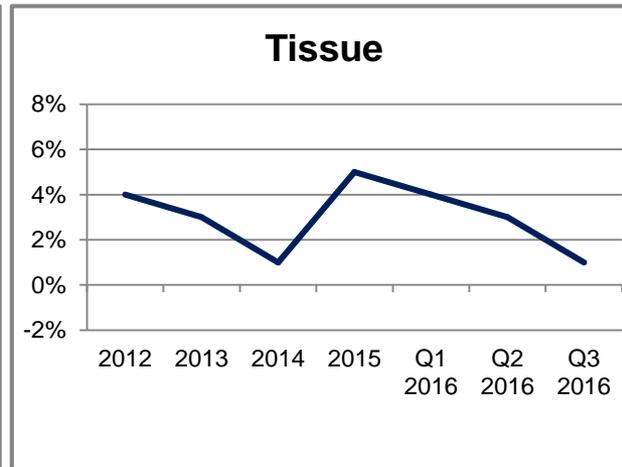
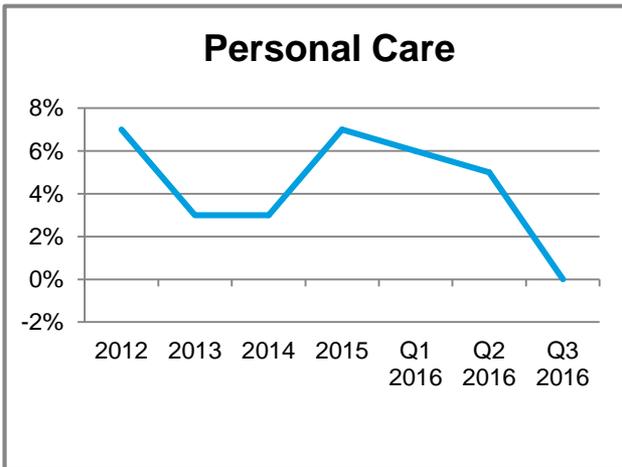
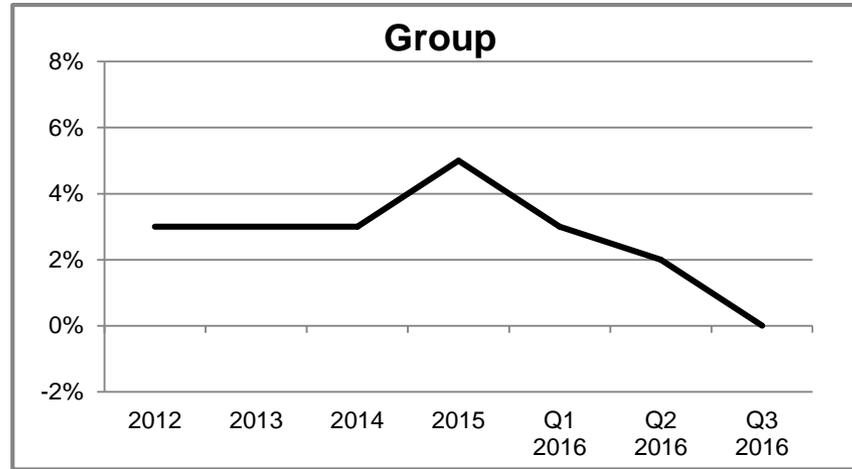
Net Sales

Q3 2016 vs. Q3 2015



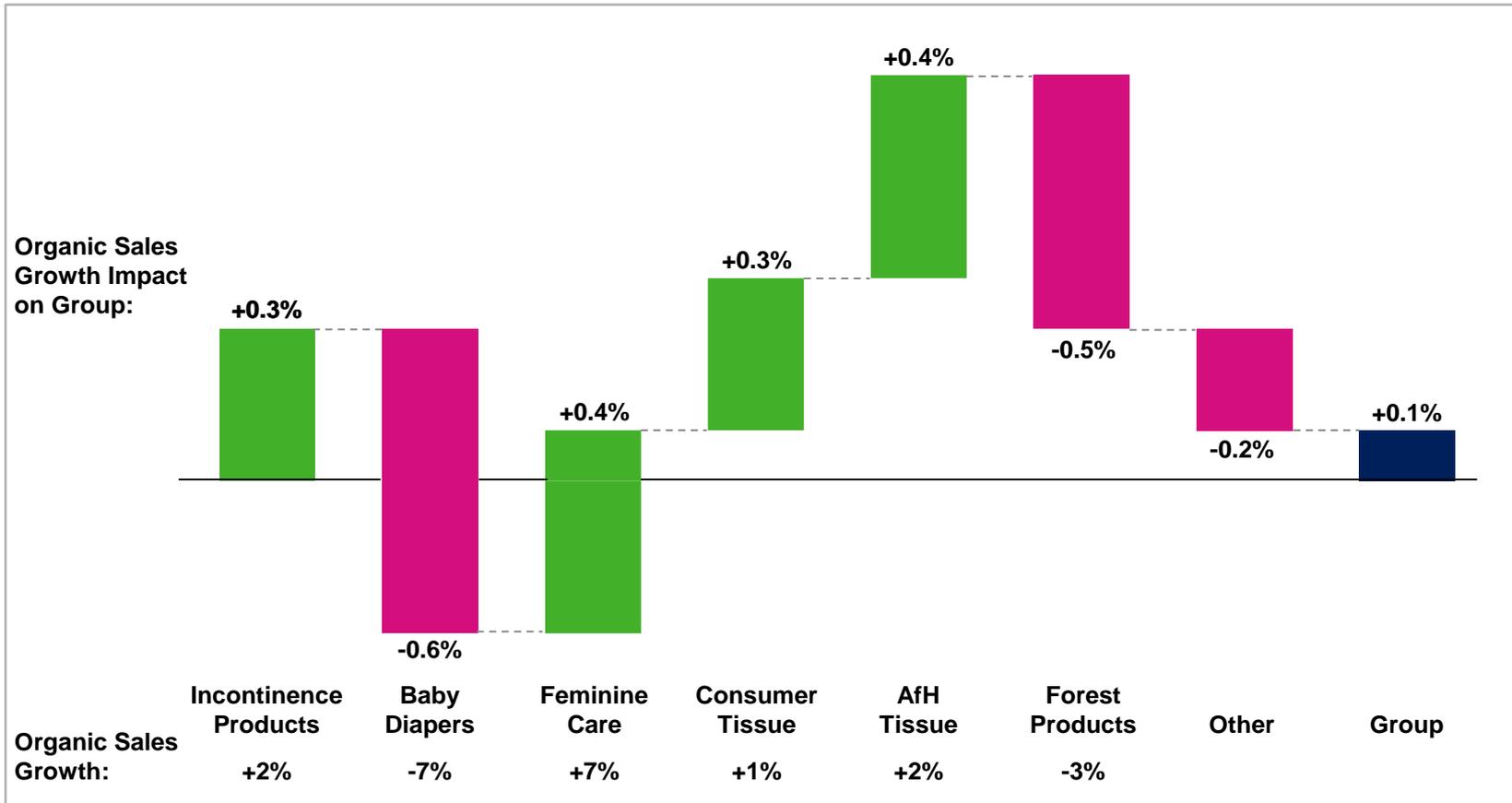
- Organic sales growth 0%
- ◆ Price/Mix 0%
- ◆ Volume 0%

Organic Sales Growth



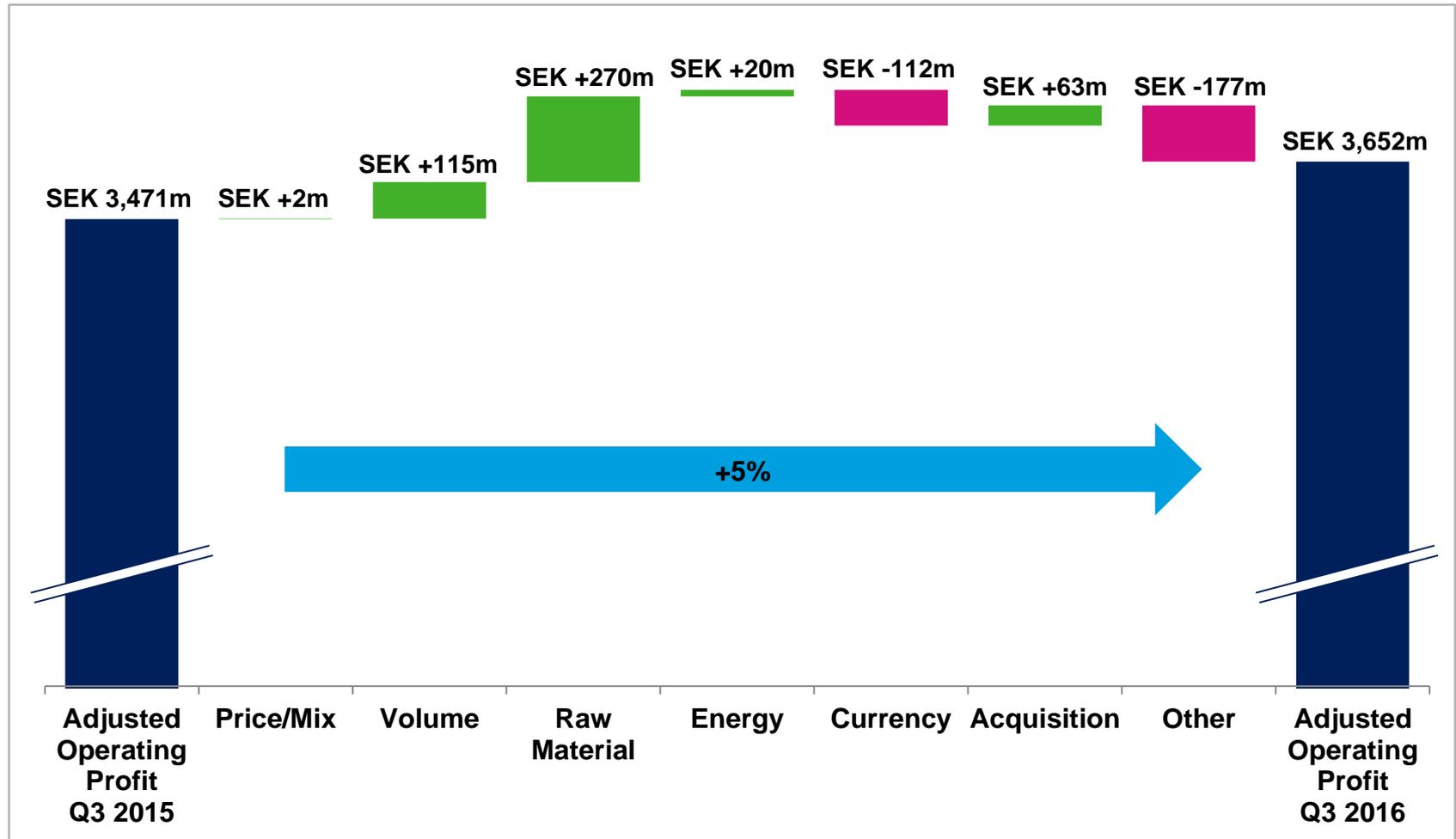
Organic Sales Growth

Q3 2016 vs. Q3 2015



Adjusted Operating Profit* – Group

Q3 2016 vs. Q3 2015



* Excluding items affecting comparability

Cash Flow

Q3 2016 vs. Q3 2015



	Q3 2016 SEKm	Q3 2015 SEKm
Operating cash surplus	4,967	4,770
Change in working capital	1,178	714
Restructuring costs, etc	-137	-220
Capital expenditures (including strategic)	-2,400	-1,731
Operating cash flow including strategic capital expenditures	3,608	3,533

Items Affecting Comparability

Q3 2016



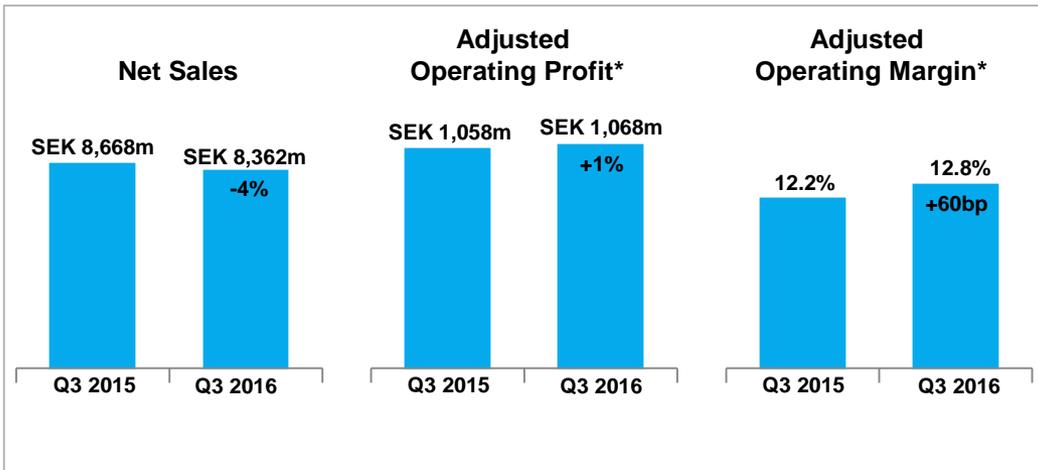
	Q3 2016 SEKm
Costs for measures at the tissue production plants Hondouville and Saint-Etienne-du-Rouvray, France	-450
Costs for closure of baby diaper business in Mexico	-170
Wausau Paper Corp.	-70
Other	-20
Total items affecting comparability	-710

Magnus Groth

President and CEO

Personal Care

Q3 2016 vs Q3 2015



- **Net sales -4%**
- **Organic sales growth 0%**
- **Adjusted operating profit* +1%**
 - ◆ Higher volumes
 - ◆ Better price/mix
 - ◆ Cost savings
 - ◆ Lower raw material costs
 - ◆ Investments in increased marketing activities
 - ◆ Higher selling costs
- **Adjusted operating margin* 12.8%**
- **Adjusted ROCE** 32.5%**

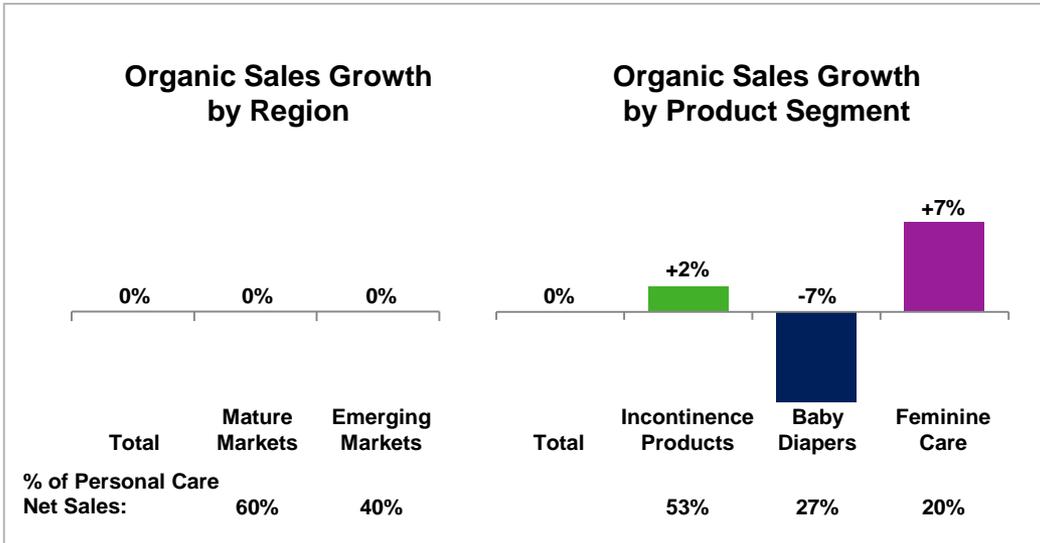


* Excluding items affecting comparability

** Adjusted return on capital employed excluding items affecting comparability

Personal Care

Q3 2016 vs Q3 2015



Organic sales growth 0%

- ◆ Price/mix 0%
- ◆ Volume 0%
- ◆ Lower sales for baby diapers
- ◆ Strong growth for feminine care

Mature markets

- ◆ Western Europe
 - Higher sales for incontinence products
 - Good growth for baby diapers
 - Strong growth for feminine care
- ◆ North America
 - Slightly lower sales for incontinence products

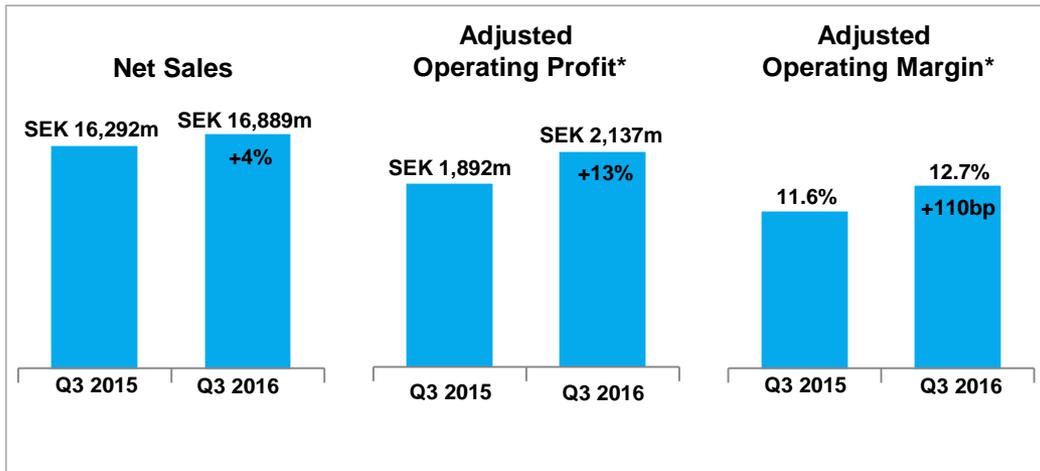
Emerging markets

- ◆ Latin America +4%
 - Good growth for incontinence products
 - Lower sales for baby diapers
 - Strong growth for feminine care
- ◆ Russia -14%
 - Slightly lower sales for incontinence products
 - Lower sales for baby diapers
 - Stable sales for feminine care
- ◆ Middle East and Africa -19%
 - Lower sales for baby diapers
- ◆ Asia +2%



Tissue

Q3 2016 vs Q3 2015



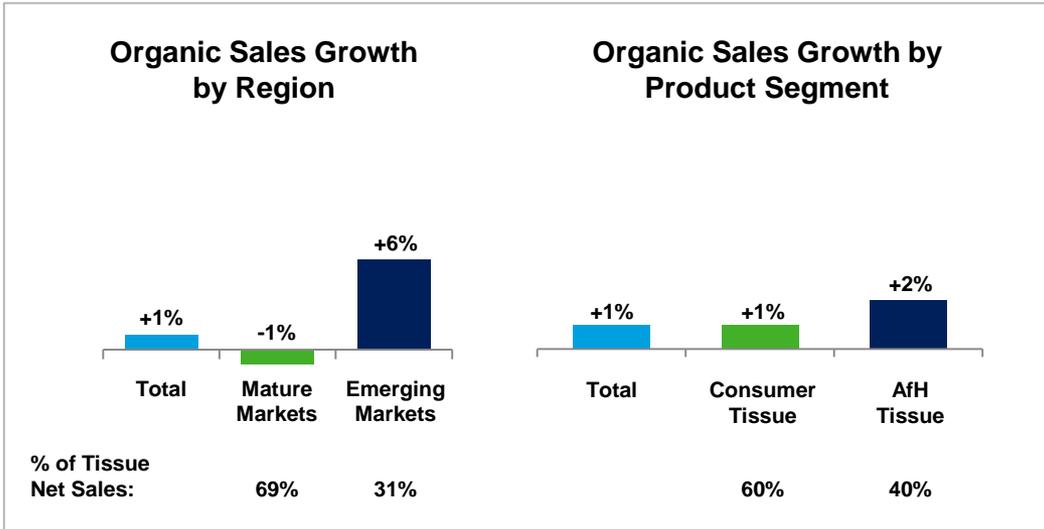
- **Net sales +4%**
- **Organic sales growth +1%**
- **Adjusted operating profit* +13%**
 - ◆ Better price/mix
 - ◆ Higher volumes
 - ◆ Cost savings
 - ◆ Lower raw material and energy costs
 - ◆ Acquisition
 - ◆ Investments in increased marketing activities
 - ◆ Higher selling costs
- **Adjusted operating margin* 12.7%**
- **Adjusted ROCE** 13.8%**

* Excluding items affecting comparability

** Adjusted return on capital employed excluding items affecting comparability

Tissue

Q3 2016 vs Q3 2015



- **Organic sales growth +1%**

- ◆ Price/mix +1%
- ◆ Volume 0%
- ◆ Strong growth in emerging markets

- **Mature markets**

- ◆ Western Europe
 - Lower sales for consumer tissue due to lower sales of mother reels
 - Slightly higher sales for AfH tissue
- ◆ North America
 - Slightly lower sales for AfH tissue

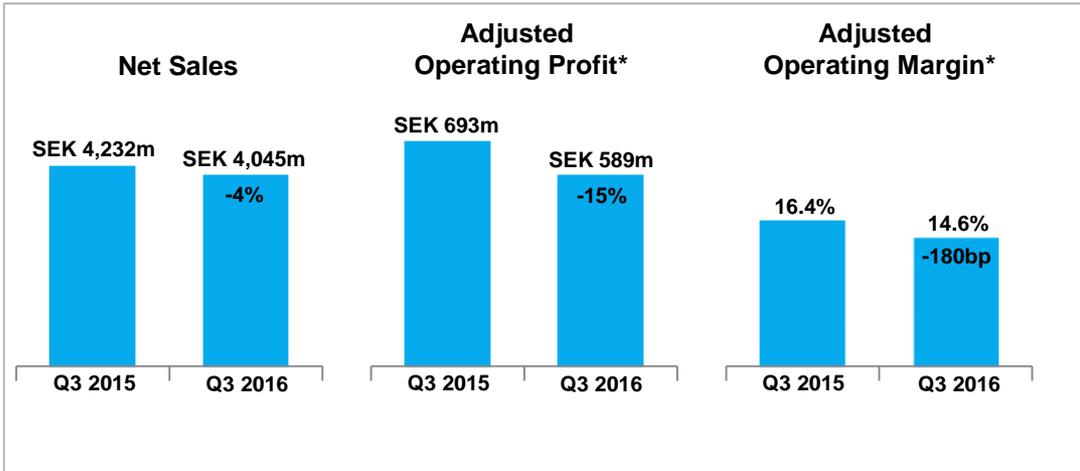
- **Emerging markets**

- ◆ Asia +6%
- ◆ Latin America +4%
- ◆ Russia +7%



Forest Products

Q3 2016 vs Q3 2015



- **Net sales -4%**
- **Organic sales growth -3%**
 - ◆ Price/mix -2%
 - ◆ Volume -1%
 - ◆ Closure of publication paper machine -3%
- **Adjusted operating profit* -15%**
 - ◆ Lower prices (including exchange rate effects)
 - ◆ Higher energy costs
 - ◆ Lower raw material costs
- **Adjusted operating margin* 14.6%**
- **Adjusted ROCE** 6.1%**



* Excluding items affecting comparability

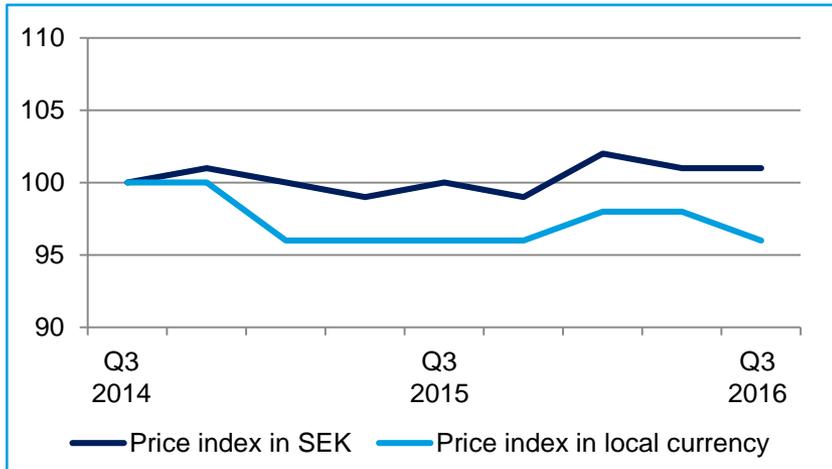
** Adjusted return on capital employed excluding items affecting comparability

Forest Products

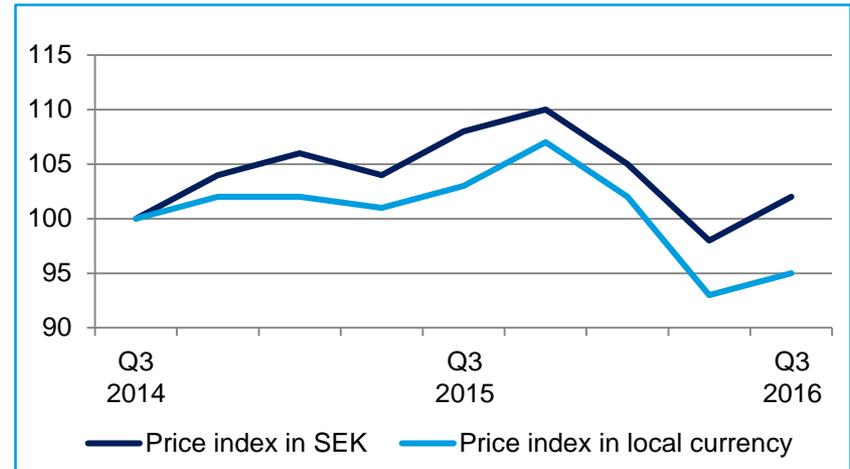
Price Development



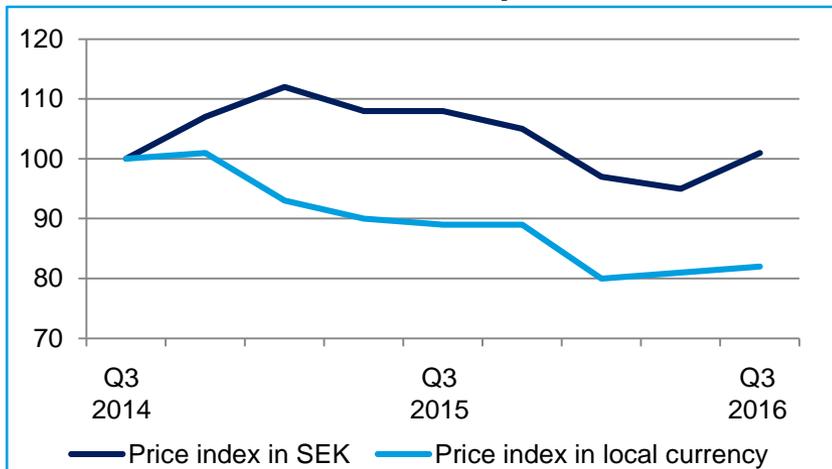
Publication Papers



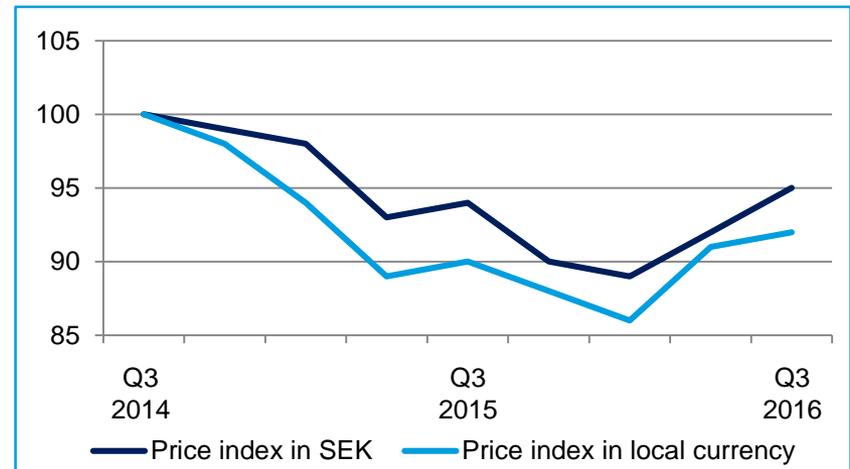
Kraftliner



NBSK Pulp



Solid-wood Products



SCA Strategic Framework



VISION

“Dedicated to improving well-being through leading hygiene and health solutions”

MISSION

To sustainably develop, produce, market and sell value-added hygiene and forest products and services

OBJECTIVES

Generate increased **shareholder** value through profitable growth

Enable more **people** every day to enjoy a fuller life

Contribute to a sustainable and circular **society**

Enable our **employees** to realize their full potential, as part of one winning team

STRATEGIES

Win in chosen **geographies and categories**

Focus on **customers and consumers**

Innovate bigger brands

Drive **efficiency**

Strategic Initiatives



- Hygiene Matters Report launched in partnership with UN body WSSCC
 - ◆ Driving a global dialog around hygiene, health and well-being and breaking taboos around menstruation and incontinence
 - ◆ SCA and UN Foundation convened fourth annual dialogue on UN's Global Agenda
- Joined “Circular Economy 100”, an Ellen MacArthur Foundation program
- SCA recognized as world leader for corporate action on climate change, awarded a position on the Climate A List by CDP*



**CDP is a not-for-profit that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.*

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Q&A



SCA
Care of Life

