

Press release

Sundsvall, 27 January 2023

Financial reporting regarding SCA's new reporting segments

Renewable Energy is a new reporting segment for SCA as of 1 January, 2023. This decision is in line with SCA's stated ambition to grow and realise business opportunities in renewable energy.

SCA is one of Europe's leading renewable energy producers. 20% of Sweden's wind power capacity is installed on SCA land, and with the use of the entire tree, SCA has grown to become one of Europe's leading producers of sustainable bioenergy. SCA has also stated its intention to continue growing in renewable energy through investments and organic growth. In 2021, SCA decided to invest in a new biorefinery in Gothenburg that will produce biofuel and in 2022, SCA acquired its first own wind farm.

SCA's new reporting segments

For reference, please see below a description of and financial reporting for SCA's segments, which have been recalculated for the time periods indicated.

SEKm	Forest	Wood	Pulp	Container board	Renewable Energy	Other	Eliminations	Total Group
Full year 2022								
Net Sales	6,705	6,753	7,209	6,823	-	-	-6,696	20,794
Other operating income	310	340	1,936	1,401	1,550	205	-2,579	3,163
Income	7,015	7,093	9,145	8,224	1,550	205	-9,275	23,957
Operating costs	-4,413	-5,131	-6,262	-5,432	-1,189	-588	9,275	-13,740
Results from associated companies and JV	-	-17	-	-	-6	-	-	-23
EBITDA	2,602	1,945	2,883	2,792	355	-383		10,194
Depreciation and impairments	-224	-223	-586	-433	-17	-69		-1,552
Operating income	2,378	1,722	2,297	2,359	338	-452		8,642
Capital employed	79,943	3,376	8,321	10,704	1,871	2,132		106,347

Forest

The Forest segment includes the supply of raw materials for SCA's forestry activities and the management and felling of 2.7 million hectares of privately owned forest land in northern Sweden and the Baltics. The segment also includes the purchase of timber from other forest owners and the transport of timber to SCA plants.

Activities within Renewable Energy linked to our Forest business area, including wind power leases and sales of unrefined biofuels for energy generation, are reported in the Renewable Energy segment from 1 January 2023.

The core of SCA's business is the 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 2022 the forest products company SCA had approximately 3,300 employees and sales amounted to SEK 21 bn. SCA was founded in 1929 and is headquartered in Sundsvall, Sweden. For more information, visit sca.com.

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Forest SEKm	Quarter				Full year	
	2022:4	2022:3	2022:2	2022:1	2022	2021
Net Sales	1,760	1,612	1,642	1,691	6,705	6,151
Other operating income	65	110	89	46	310	337
Operating expenses	-1,064	-1,121	-1,077	-1,151	-4,413	-3,887
Results from associated companies and JV	-	-	-	-	-	-
EBITDA	761	601	654	586	2,602	2,601
<i>EBITDA margin, %</i>	<i>43%</i>	<i>37%</i>	<i>40%</i>	<i>35%</i>	<i>39%</i>	<i>42%</i>
Depreciation and impairments	-57	-57	-55	-55	-224	-232
Operating profit	704	544	599	531	2,378	2,369
Capital employed					79,943	68,985

Wood

The Wood segment includes the sawmill business, with five sawmills in northern Sweden, and wood processing and distribution to the construction sector in Sweden and France.

Sales of refined biofuels made from residual products from sawmills, mainly pellets, are reported in the Renewable Energy segment from 1 January 2023.

Wood SEKm	Quarter				Full year	
	2022:4	2022:3	2022:2	2022:1	2022	2021
Net Sales	1,422	1,412	2,202	1,717	6,753	7,080
Other operating income	80	78	75	107	340	400
Operating expenses	-1,413	-1,113	-1,388	-1,217	-5,131	-4,656
Results from associated companies and JV	-18	-26	24	3	-17	71
EBITDA	71	351	913	610	1,945	2,895
<i>EBITDA margin, %</i>	<i>5%</i>	<i>25%</i>	<i>41%</i>	<i>36%</i>	<i>29%</i>	<i>41%</i>
Depreciation and impairments	-56	-54	-54	-59	-223	-216
Operating profit	15	297	859	551	1,722	2,679
Capital employed					3,376	3,503

Pulp

The Pulp segment includes the production and sale of bleached coniferous sulfate pulp, (NBSK), and chemical thermomechanical pulp, (CTMP), produced at SCA's pulp plant in Östrand and Ortvisen industrial site. The plant is also a net producer of green energy and biochemicals such as tall oil and turpentine.

Sales of tall oil, a product from pulp production, are reported in the Renewable Energy segment from 1 January 2023.

Pulp SEKm	Quarter				Full year	
	2022:4	2022:3	2022:2	2022:1	2022	2021
Net Sales	1,822	1,897	1,926	1,564	7,209	5,743
Other operating income	462	525	577	372	1,936	1,327
Operating expenses	-1,686	-1,574	-1,658	-1,344	-6,262	-5,060
Results from associated companies and JV	-	-	-	-	-	-
EBITDA	598	848	845	592	2,883	2,010
<i>EBITDA margin, %</i>	<i>33%</i>	<i>45%</i>	<i>44%</i>	<i>38%</i>	<i>40%</i>	<i>35%</i>
Depreciation and impairments	-146	-147	-147	-146	-586	-571
Operating profit	452	701	698	446	2,297	1,439
Capital employed					8,321	8,021

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Containerboard

The Containerboard segment manufactures and sells packaging paper (kraftliner), with production taking place at our integrated paper mills in Obbola and Munksund.

Sales of tall oil, a product from kraft pulp production, are reported in the Renewable Energy segment from 1 January 2023.

Containerboard SEKm	Quarter				Full year	
	2022:4	2022:3	2022:2	2022:1	2022	2021
Net Sales	1,626	1,694	1,772	1,731	6,823	5,456
Other operating income	346	361	393	301	1,401	1,082
Operating expenses	-1,407	-1,336	-1,423	-1,266	-5,432	-4,830
Results from associated companies and JV	-	-	-	-	-	-
EBITDA	565	719	742	766	2,792	1,708
<i>EBITDA margin, %</i>	<i>35%</i>	<i>42%</i>	<i>42%</i>	<i>44%</i>	<i>41%</i>	<i>31%</i>
Depreciation and impairments	-110	-111	-108	-104	-433	-430
Operating profit	455	608	634	662	2,359	1,278
Capital employed					10,704	8,989

Renewable Energy

The Renewable Energy segment includes the production and sale of refined and unrefined biomass and biofuel. The segment also includes activities in, and income related to, SCA's wind power activities and sales of green products for energy production from SCA's industries.

Renewable Energy SEKm	Quarter				Full year	
	2022:4	2022:3	2022:2	2022:1	2022	2021
Net Sales	-	-	-	-	-	-
Other operating income	470	324	330	426	1,550	1,262
Income	470	324	330	426	1,550	1,262
Operating expenses	-350	-241	-257	-341	-1,189	-1,014
Results from associated companies and JV	-4	-1	-1	-	-6	-
EBITDA	116	82	72	85	355	248
<i>EBITDA margin¹ %</i>	<i>25%</i>	<i>25%</i>	<i>22%</i>	<i>20%</i>	<i>23%</i>	<i>20%</i>
Depreciation and impairments	-5	-4	-4	-4	-17	-21
Operating profit	111	78	68	81	338	227
Capital employed					1,871	332

1. EBITDA as share of revenues

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